

Earning Presentation

Q1FY20



Highlights



Tractor Industry



Construction Industry



Escorts Ltd



Q1FY20



Credit Rating & Debt profile



Management Message



Segments Highlights



Q1FY20



Recent Development



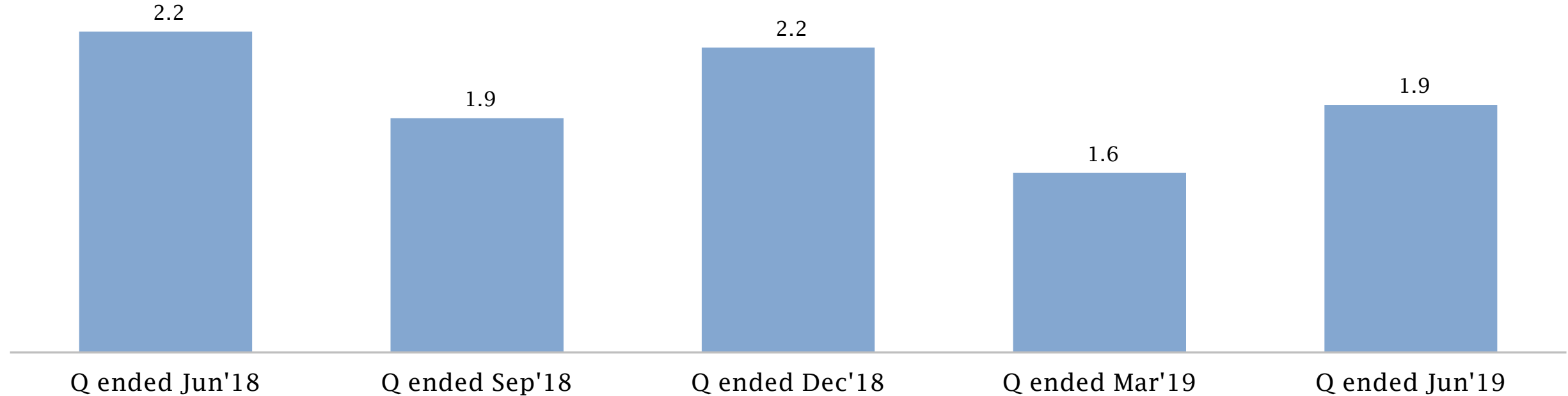
Share Holding Pattern



Annexure

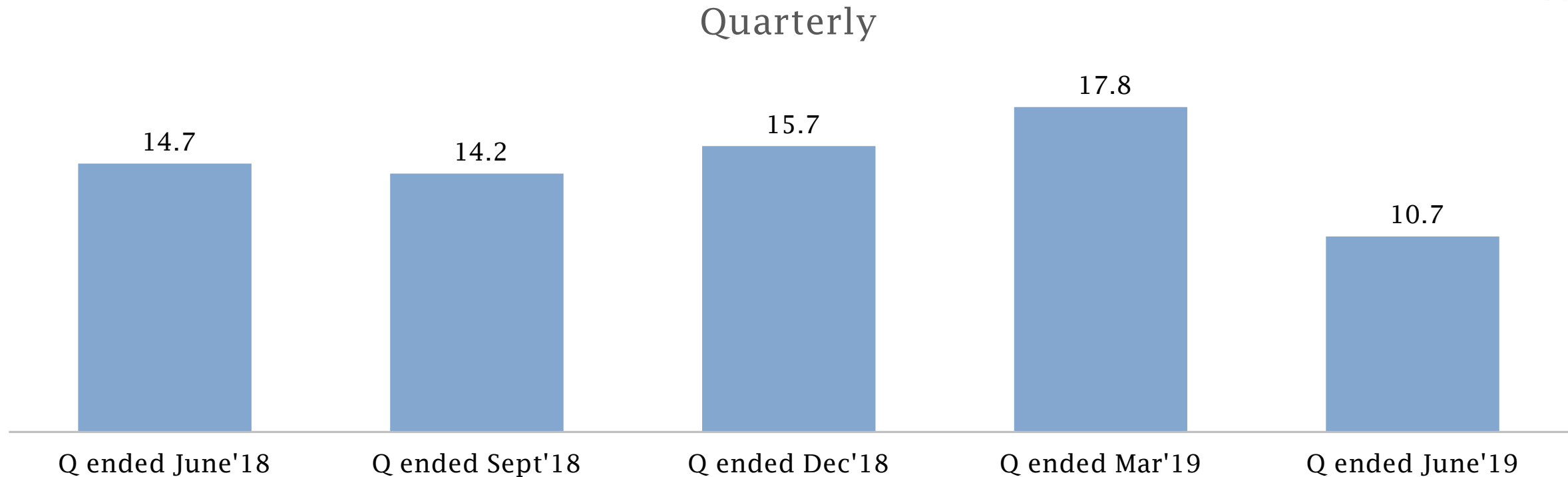
Domestic Tractor Industry Overview

Quarterly



- In Q1FY20 on Y-o-Y domestic Industry down by 15%.
- Industry in Q1FY20 on Y-o-Y basis in North and central region de-grew by 2%, whereas industry de-grew by 31% in South and west region.
- The long term growth fundamentals of industry are strong with lowering of the replacement cycle, but the pace of monsoon and the central & state Government's policy roll out would govern the short term industry performance.





Served-Construction Industry Overview











- Served industry (Backhoe Loaders, PnC and Compactors) went down by 27.1% in Q1FY20 wrt to LY.
- BHL industry down by 30.9% in Q1FY19 followed by crane with 16.5% degrowth and Compactors industry by 14.8%.

*Served industry include- Cranes, Backhoe loaders and Compactors









Escorts Ltd. Q1FY20 at a Glance

Particulars (YoY)	Industry Growth	Escorts Ltd. Growth	Comments
Domestic Tractor Volume	-14.7%	-15.9%	 -1.2%
Export Tractor Volume	-30.0%	67.4%	 97.4%
Construction Served Industry Volume	-27.1%	-20.7%	 6.4%
Railway Segment Revenue		 34.1%	

...Escorts Ltd. Q1FY 20 at a Glance

Escorts Ltd. Particulars (YoY)*	Q1FY20	Q1FY19	Comments
Domestic Tractor Market Share	10.5%	10.7%	 16 bps
Revenue	₹ 1,423.0 Cr.	₹ 1,511.3 Cr.	 -5.84%
Material Cost	68.9%	67.6%	 137 bps
Manpower Cost	8.6%	8.0%	 60 Bps
EBIDTA	₹ 142.4 Cr.	₹ 185.5 Cr.	 -23.3%
EBIDTA Margin	10.0%	12.3%	 -227 bps
PAT	₹ 87.5 Cr.	₹ 120.7 Cr.	 -27.5%
EPS	₹ 7.32	₹ 10.10	 -27.5%

...Escorts Ltd. Q1FY 20 at a Glance

Escorts Ltd. Particulars (QoQ)*	Q1FY20	Q4FY19	Comments
Domestic Tractor Market Share	10.5%	15.0%	 -448 bps
Revenue	₹ 1,423.0 Cr.	₹ 1,631.7 Cr.	 -12.8%
Material Cost	68.9%	68.8%	 20 bps
Manpower Cost	8.6%	7.2%	 138 Bps
EBIDTA	₹ 142.4 Cr.	₹ 189.8 Cr.	 -25.0%
EBIDTA Margin	10.0%	11.6%	 -162 bps
PAT	₹ 87.5 Cr.	₹ 121.4 Cr.	 -27.9%
EPS	₹ 7.32	₹ 10.16	 -27.9%

Escorts Ltd. Highlights Q1FY20

21,051 Units



Tractor Volume

-14.1%

Q1FY19
to Q1FY20

-16.3%

Q4FY19
to Q1FY20

1,067 Units



Construction Volume

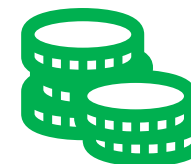
-20.7%

Q1FY19
to Q1FY20

-26.7%

Q4FY19
to Q1FY20

₹ 1,423.0 Cr.



Revenue

-5.8%

Q1FY19
to Q1FY20

-12.8%

Q4FY19
to Q1FY20

₹ 142.4 Cr.



EBIDTA

-23.4%
(-227 bps)

Q1FY19
to Q1FY20

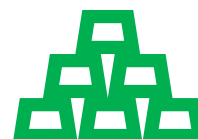
10.0% to sales



-25.0%
(-162 bps)

Q4FY19
to Q1FY20

₹ 87.5 Cr.



Net Profit

-27.5%
(-184 bps)

Q1FY19
to Q1FY20

6.2% to sales

-27.9%
(-129 bps)

Q4FY19
to Q1FY20

₹ 7.32



EPS

-27.5%

Q1FY19
to Q1FY20

-27.9%

Q4FY19
to Q1FY20

Credit Rating & Debt profile

External
Credit
Rating

LBBB-

LBBB

LBBB+

A-

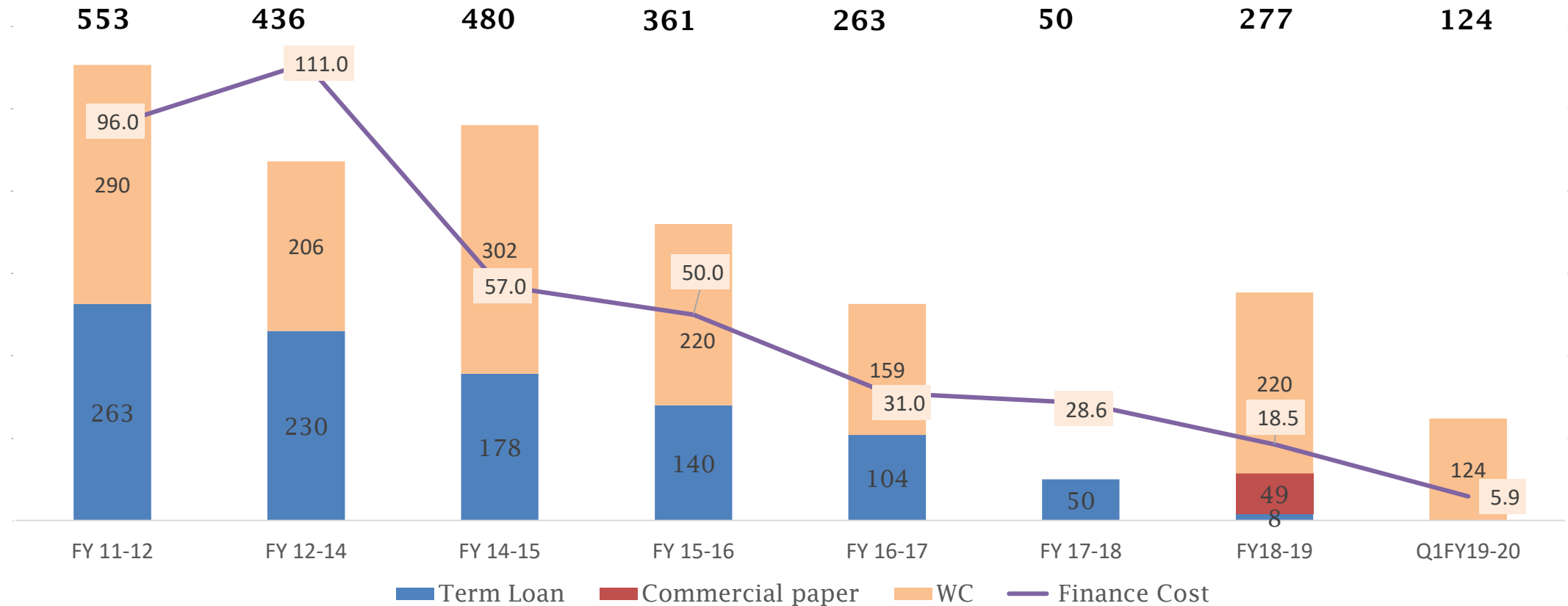
A

A+

AA-

AA-

(₹ Crs.)



*Nos. from FY 11-12 to FY 14-15 is as per IGAAP.

*Finance Cost for FY 12-14 is for 18 months.



Nikhil Nanda, Chairman and Managing Director

“Escorts has been treading aligned to expectations across Agri Machinery, Construction and Railway businesses. Tractor industry has been slowing down since last few months, thus our endeavor is to keep revenue and profitability intact with strategic initiatives and elimination of waste and inefficiencies. We will continue to invest in critical new products and technologies, efficient and diversified distribution which will enable us to increase our market share across domestic & export markets.”

Highlights



Q 1FY20

EAM (Escorts Agri Machinery) Q1 Segment Highlights



20,122 Units



Domestic Volume

-15.9%

Q1FY19
to Q1FY20

-16.6%

Q4FY19
to Q1FY20

929 Units



Export Volume

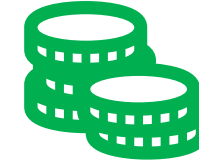
+67.4%

Q1FY19
to Q1FY20

-9.4%

Q4FY19
to Q1FY20

₹ 1,092.0 Cr.



Revenue

-7.2%

Q1FY19
to Q1FY20

-11.3%

Q4FY19
to Q1FY20

10.5%



Domestic SOM

-16 bps

Q1FY19
to Q1FY20

-448 bps

Q4FY19
to Q1FY20

₹ 119.0 Cr.

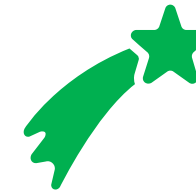


EBIT

-28.6%
(-326bps)

Q1FY19
to Q1FY20

10.9%



-26.5%
(-225 bps)

Q4FY19
to Q1FY20

ECE (Escorts Construction Equipment) Q1 Segment Highlights



ESCORTS

1,067 Units



Volume

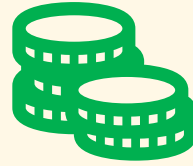
-20.7%

Q1FY19
to Q1FY20

-26.7%

Q4FY19
to Q1FY20

₹ 212.2 Cr.



Revenue

-13.7%

Q1FY19
to Q1FY20

-27.6%

Q4FY19
to Q1FY20

₹ 5.4 Cr.

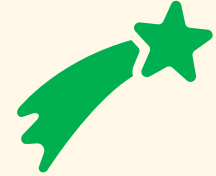


EBIT

-9.1%

+13 bps
Q1FY19
to Q1FY20

2.5%



-74.2%

-456 bps
Q4FY19
to Q1FY20

RED (Railway Equipment Division) Q4 Segment Highlights

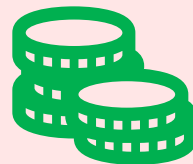
Approx. ₹ 400 Cr.



Order Book

As of 30th June 2019

₹ 118.1 Cr.



Revenue

+34.1%

Q1FY19
to Q1FY20

+14.1%

Q4FY19
to Q1FY20

₹ 23.6 Cr.



EBIT

+5.93%
(-532 bps)

Q1FY19
to Q1FY20

20.0%



51.2%
(+491 bps)

Q4FY19
to Q1FY20

Escorts Agri Machinery (EAM)



India's first autonomous
concept tractor



NETS (70-90 HP)
(New Escorts Tractor Series)

- Global portfolio of tractors for the export market
- CRDi engine



Atom Series

- Domestic Market
- (21-30 HP)
- Orchard and Vineyard

Collaborated with seven technology giants namely- Microsoft, Reliance Jio, Trimble, Samvardhana Motherson Group, WABCO, Bosch and AVL



 CARE - 24X7

Escorts Construction Equipment (ECE)



Tadano Escorts

EC 5511

Compactor in 11- ton class

- Highest gradeability
- Sturdy

Hydra NXT

Next generation Hydra Pick-n-Carry
Crane

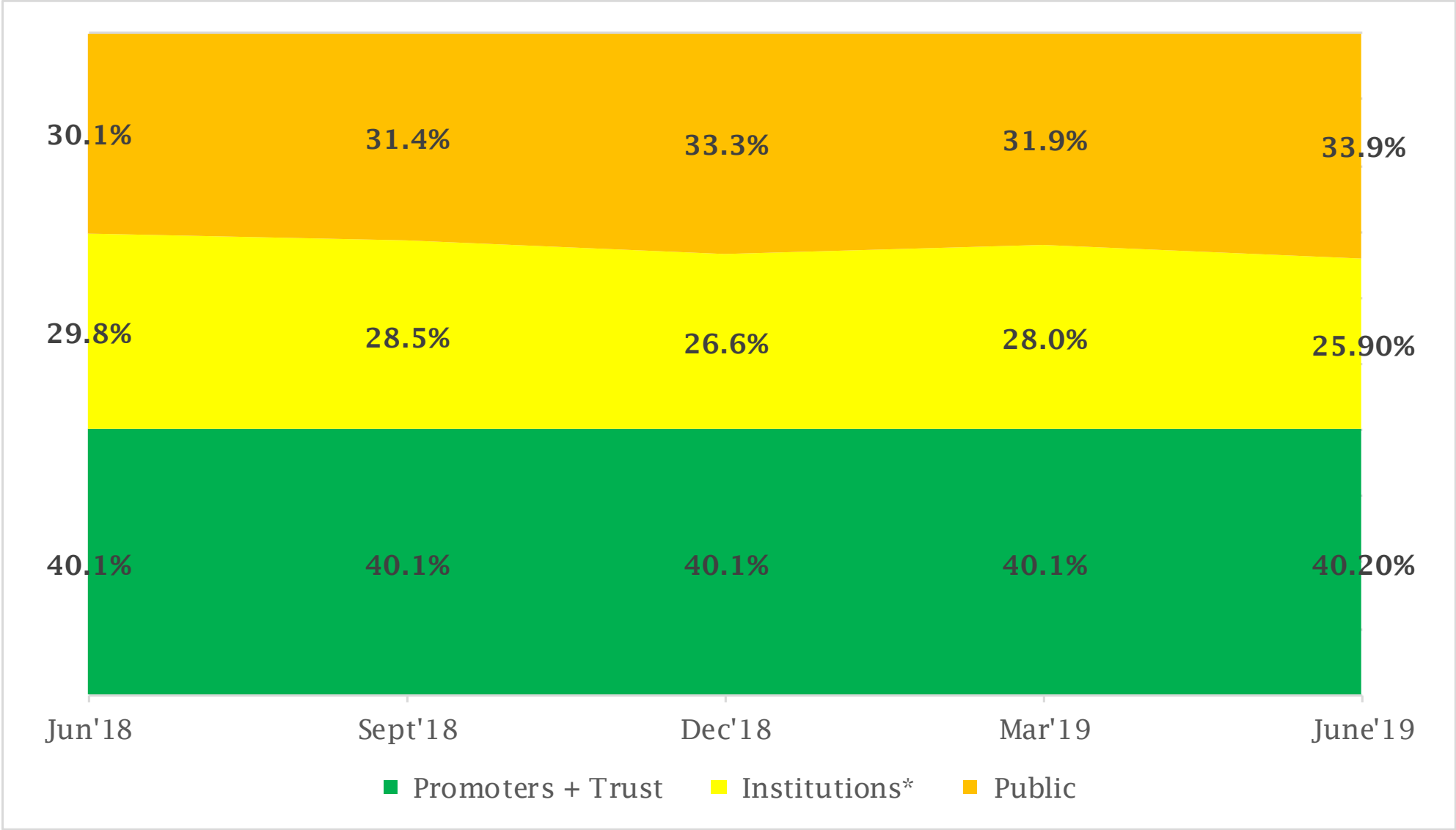
- Better Maneuverability
- High Stability
- Deck Utility
- Better visibility

CTI-500XL

50 Ton Slew Crane

- 5 section full power partially synchronized telescoping boom

Share Holding Pattern



* FPI/Financial Institutions/ Banks/Insurance Companies

As of quarter ended

Annexure

Quarter June'19 results



Escorts Limited



ESCORTS

Statement of Standalone & Consolidated Unaudited Financial Results for the quarter ended June 30, 2019

Particulars	Rs. in Crores							
	Standalone results				Consolidated results			
	3 Months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	For the year ended	3 Months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	For the year ended
	30-06-2019	31-03-2019	30-06-2018	31-03-2019	30-06-2019	31-03-2019	30-06-2018	31-03-2019
	Unaudited	Audited*	Unaudited	Audited	Unaudited	Refer note 3	Refer note 3	Audited
Income								
Revenue from operations	1,422.97	1,631.66	1,511.29	6,196.36	1,440.45	1,649.08	1,529.01	6,262.02
Other income	16.70	17.34	16.98	80.85	17.93	19.64	17.66	92.40
Total income	1,439.67	1,649.00	1,528.27	6,277.21	1,458.38	1,668.72	1,546.67	6,354.42
Expenses								
Cost of materials consumed	749.07	993.20	1,016.02	4,040.28	757.73	1,003.88	1,026.02	4,077.48
Purchases of stock-in-trade	77.52	92.17	88.94	403.99	77.52	92.17	88.94	403.99
Changes in inventories of finished goods, work-in-progress and stock-in-trade	155.12	37.30	(83.03)	(203.62)	155.32	36.53	(83.26)	(204.54)
Employee benefits expense	122.57	118.03	121.06	471.74	124.92	122.63	123.38	484.73
Finance costs	5.86	7.47	2.87	18.48	6.24	7.85	3.96	19.54
Depreciation & amortisation expense	24.11	21.81	20.57	85.37	24.75	22.47	20.84	87.21
Other expenses	176.28	201.19	182.76	750.68	182.56	208.96	187.35	775.83
Total expenses	1,310.53	1,471.17	1,349.19	5,566.92	1,329.04	1,494.49	1,367.23	5,644.24
Profit from continuing operations before share of net profit of investment accounted for using the equity method, exceptional items and tax	129.14	177.83	179.08	710.29	129.34	174.23	179.44	710.18
Share of profit / (loss) of investments accounted for using equity method	-	-	-	-	0.02	(1.42)	(0.08)	(1.96)
Profit from continuing operations before exceptional items and taxes	129.14	177.83	179.08	710.29	129.36	172.81	179.36	708.22
Exceptional items (refer note 5)	-	-	-	10.91	-	-	-	5.56
Profit from continuing operations before tax	129.14	177.83	179.08	721.20	129.36	172.81	179.36	713.78

Annexure

Quarter June'19 results

Tax expense						
Current tax	42.88	45.91	51.38	198.63	42.88	45.91
Deferred tax charge / (credit)	(1.23)	10.57	8.14	38.89	(1.18)	10.48
Total tax expense	41.65	56.48	59.52	237.52	41.70	56.39
Net profit from continuing operations after tax	87.49	121.35	119.56	483.68	87.66	116.42
Profit from discontinued operations before tax	-	-	1.74	1.89	-	-
Tax expense of discontinued operations	-	-	0.61	0.66	-	-
Net profit from discontinued operations after tax	-	-	1.13	1.23	-	-
Net profit for the period	87.49	121.35	120.69	484.91	87.66	116.42
Other comprehensive income						
Items that will not be reclassified to profit and loss						
Net changes in fair values of equity instruments carried at fair value through other comprehensive income	(0.09)	4.21	(0.01)	4.03	(0.09)	4.21
Re-measurements of defined employee benefit plans	-	(2.01)	-	(1.74)	-	(1.99)
Income tax relating to items that will not be reclassified to profit or loss	0.01	5.80	-	5.73	0.01	5.79
Items that will be reclassified to profit or loss						
Exchange differences on translation of foreign operations	-	-	-	-	(0.43)	0.28
Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
Total other comprehensive income	(0.08)	8.00	(0.01)	8.02	(0.51)	8.29
Total comprehensive income	87.41	129.35	120.68	492.93	87.15	124.71

Annexure

Quarter June'19 results

Profit attributable to:						
a) Owners of the parent	-	-	-	-	87.74	116.70
b) Non-controlling interests	-	-	-	-	(0.08)	(0.28)
Other comprehensive income attributable to:						
a) Owners of the parent	-	-	-	-	(0.51)	8.28
b) Non-controlling interests	-	-	-	-	-	0.01
Total comprehensive income attributable to:						
a) Owners of the parent	-	-	-	-	87.23	124.98
b) Non-controlling interests	-	-	-	-	(0.08)	(0.27)
Earnings per share (for continuing operation) of Rs. 10 each :						
(a) Basic (Rs.)	7.32	10.15	10.01	40.48	10.23	13.60
(b) Diluted (Rs.)	7.32	10.15	10.01	40.48	10.23	13.60
Earnings per share (for discontinued operation) of Rs. 10 each :						
(a) Basic (Rs.)	-	-	0.09	0.10	-	-
(b) Diluted (Rs.)	-	-	0.09	0.10	-	-
Earnings per share (for discontinued & continuing operation) of Rs. 10 each :						
(a) Basic (Rs.)	7.32	10.15	10.10	40.58	10.23	13.60
(b) Diluted (Rs.)	7.32	10.15	10.10	40.58	10.23	13.60
Paidup equity share capital, equity share of ? 10/- each	122.58	122.58	122.58	122.58	122.58	122.58
Other equity	-	-	-	2,900.28	-	-

* Refer note 2

Annexure

Quarter June'19 results



ESCORTS LIMITED



ESCORTS

Segment wise revenue, results and capital employed for the quarter ended June 30, 2019

Sl. No.	Particulars	Rs. in Crores							
		Standalone				Consolidated			
		3 Months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	For the year ended	3 Months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	For the year ended
		30-06-2019	31-03-2019	30-06-2018	31-03-2019	30-06-2019	31-03-2019	30-06-2018	31-03-2019
		Unaudited	Audited*	Unaudited	Audited	Unaudited	Refer note 3	Refer note 3	Audited
1	Segment revenue:								
	a) Agri machinery products	1,092.03	1,230.89	1,177.21	4,743.97	1,105.71	1,244.75	1,193.21	4,798.51
	b) Construction equipments	212.20	293.03	246.00	1,054.07	212.20	293.03	246.00	1,054.07
	c) Railway equipments	118.10	103.49	88.08	394.07	118.10	103.49	88.08	394.07
	d) Unallocated	0.64	4.25	-	4.25	4.44	7.81	2.14	15.90
	Total	1,422.97	1,631.66	1,511.29	6,196.36	1,440.45	1,649.08	1,529.43	6,262.55
	Less: Inter segment revenue	-	-	-	-	-	-	0.42	0.53
	Net segment revenue	1,422.97	1,631.66	1,511.29	6,196.36	1,440.45	1,649.08	1,529.01	6,262.02
2	Segment results:								
	a) Agri machinery products	118.97	161.82	166.64	666.49	119.84	160.99	168.38	666.04
	b) Construction equipments	5.36	20.75	5.89	37.81	5.36	20.75	5.89	37.81
	c) Railway equipments	23.62	15.63	22.30	78.32	23.62	15.63	22.30	78.32
	d) Auto ancillary products (discontinued operation)	-	-	1.74	1.89	-	-	1.74	1.89
	Total	147.95	198.20	196.57	784.51	148.82	197.37	198.31	784.06
	Less :								
	- Finance costs	5.86	7.47	2.87	18.48	6.24	7.85	3.96	19.54
	- Exceptional items (refer note 5)	-	-	-	(10.91)	-	-	-	(5.56)
	- Other unallocable expenditure (Net of unallocable income)	12.95	12.90	12.88	53.85	13.22	16.71	13.25	54.41
	Total profit before tax	129.14	177.83	180.82	723.09	129.36	172.81	181.10	715.67

Annexure

Quarter June'19 results



3	Segment assets								
	a) Agri machinery products	2,741.88	2,974.62	2,435.49	2,974.62	2,762.67	3,005.26	2,447.90	3,005.26
	b) Construction equipments	402.65	420.54	388.68	420.54	402.65	420.54	388.68	420.54
	c) Railway equipments	253.89	214.69	184.35	214.69	253.89	214.69	184.35	214.69
	d) Auto ancillary products (discontinued operation)	1.14	1.10	1.08	1.10	1.14	1.10	1.08	1.10
	e) Unallocated	1,372.42	1,385.99	1,515.25	1,385.99	1,048.90	1,066.60	1,204.74	1,066.60
		4,771.98	4,996.94	4,524.85	4,996.94	4,469.25	4,708.19	4,226.75	4,708.19
4	Segment liabilities								
	a) Agri machinery products	1,149.05	1,405.79	1,278.36	1,405.79	1,165.01	1,431.76	1,285.01	1,431.76
	b) Construction equipments	245.34	277.09	299.05	277.09	245.34	277.09	299.05	277.09
	c) Railway equipments	101.77	80.70	97.77	80.70	101.77	80.70	97.77	80.70
	d) Auto ancillary products (discontinued operation)	7.53	7.56	7.76	7.56	7.53	7.56	7.76	7.56
	e) Unallocated	156.67	202.94	173.12	202.94	181.99	231.95	200.85	231.95
	Total	1,660.36	1,974.08	1,856.06	1,974.08	1,701.64	2,029.06	1,890.44	2,029.06

* Refer note 2

Notes :

- The above standalone and consolidated financial results for the quarter ended June 30, 2019 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on July 27, 2019.
- In standalone results figures for the quarter ended March 31, 2019 are the balancing figures between audited figures in respect of the full financial year and published year to date figures upto the third quarter of the year ended March 31, 2019.
- The figures in the consolidated financial results for the preceding quarter ended March 31, 2019 and corresponding quarter ended June 30, 2018 have been approved by the Company's Board of Directors, but have not been subjected to audit or review.
- The Group has adopted Ind AS 116 "Leases" effective April 1, 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standards) Amendment Rules, 2019, using modified retrospective method. The adoption of this standard did not have any material impact on the profit of the current quarter.
- Exceptional items of Rs 10.91 crores (in standalone results) and Rs 5.56 crores (in consolidated results) during year ended March 31, 2019 represent income from transfer of Rough Terrain Cranes business to the newly formed Joint Venture with M/s Tadano Limited on a slump sale basis.
- Previous period figures have been re-grouped / reclassified wherever necessary, to conform to current period's classification.

For Escorts Limited

Place : Faridabad
Date : 27/07/2019

Nikhil Nanda
(Chairman and Managing Director)

Escorts Limited
Phone: 0129-2250222, Fax: 0129-2250060
E-mail: corpsect@ndb.vsnl.net.in, Website: www.escortsgroup.com
Registered Office : 15/5, Mathura Road, Faridabad – 121 003, Haryana
CIN - L74899HR1944PLC039088

Certain statements in this document include forward-looking comments and information concerning the company's plans and projections for the future, including estimates and assumptions with respect to economic, political, technological, weather, market acceptance and other factors that impact our businesses and customers. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Escorts Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Contact Details

Escorts Ltd.

(CIN: L74899HR1944PLC039088)

Corporate Centre

15/5 Mathura Road

Faridabad - 121003

Phone: +91 129 2250222

www.escortsgroup.com

investorrelation@escorts.co.in

Bharat Madan

(Group Chief Financial Officer &
Corporate Head)

+91 129 2564837

bharat.madan@escorts.co.in

Prateek Singhal

(Financial Analyst & Investor
Relations)

+91 129 2564921

prateek.singhal@escorts.co.in



Engineering the Fundamentals of Growth

