

INVESTOR PRESENTATION

July 2020

OUR JOURNEY SO FAR



1944
Founded
Escorts

1948
Launch
Escorts (Agri Machinery Ltd.)

1954
Franchise of
Massey Ferguson
tractors for
northern India

1969
JV with **Ford motors**
to make
Tractors

1971
Manufacturing
Of Construction
Equipment

1979
Collaboration
with **JCB** For
backhoe

1995
Launch
Farmtrac
End JV with
Ford



~JV with **Tadano** for
high end cranes

~Strategic
collaboration &
Manufacturing JV
with **Kubota**

For Earth, For Life
Kubota

1998
Launch
Powertrac
Brand of
tractors



2003
End
Collaboration
with **JCB**

2005
Divested from
other business to
focus on tractors
and construction
equipment

2010
Launch **DIGMAX**
Brand of
Backhoe



2016
Escorts Credit
Partner with **DLL**
for Financing



**Auto part
Business**
Divested



VISION, MISSION & VALUES



VISION

TO BE AMONG TOP ENGINEERING COMPANIES IN INDIA

Through the power of imagination in engineering we create solutions that help our customers be more productive.

MISSION

TO BE AN INTEGRATED SOLUTION PROVIDER

To our customers by harnessing emerging future technologies and information to add value at every stage of customer need.

CORE VALUES

RESPECT FOR
PEOPLE

EMPOWERMENT

TRANSPARENCY

COLLABORATION

STRATEGIC VALUES

CUSTOMER
CENTRICITY

INNOVATION

EXCELLENCE

AGILITY

OUR CURRENT BUSINESSES



Revenue FY20: ₹ 5,761.0 Cr.
Q1FY21: ₹ 1,061.6 Cr.

Escorts Agri Machinery



EAM's advanced agri-machinery & crop solutions help enhance agricultural productivity and add value to a farmer's life

Revenue FY20: ₹ 4,437.6 Cr.
Q1FY21: ₹ 953.5 Cr.

Escorts Construction Equipment



ECE's vast range of construction & material handling equipment supports India's infrastructure growth

Revenue FY20: ₹ 839.8 Cr.
Q1FY21: ₹ 52.5 Cr.

Railway Equipment Division



RED's wide array of railway products aids the modernization of Indian Railways

Revenue FY20: ₹ 477.2 Cr.
Q1FY21: ₹ 54.9 Cr.

ESCORTS is one of India's leading engineering conglomerates and for over Seven decades it has helped accelerate India's socio-economic development through its presence across the high growth sectors of Agri-machinery, Construction & Material Handling Equipment and Railway Equipment.

MANUFACTURING FACILITIES



Escorts Agri Machinery (EAM)

Three Plants: Farmtrac, Powertrac & Components with a current production capacity of **120,000** tractor p.a.

Poland Plant: 100% subsidiary having an installed capacity of **2,500** tractor p.a.

Setting up 50,000 capacity Manufacturing Plant under JV with Kubota

Escorts Construction Equipment (ECE)

State of the art manufacturing and assembly facility sprawling 60,702 sq.m. of space with a capacity of **10,000** units p.a.

Railway Equipment Division (RED)

State of the art manufacturing facility sprawling 55,609 sq.m. with capacity to produce 9,600 AARH couplers, 2,580 SHAKU couplers, 18,000 air brakes 1,500 EP brakes and 9,99,996 brake blocks annually



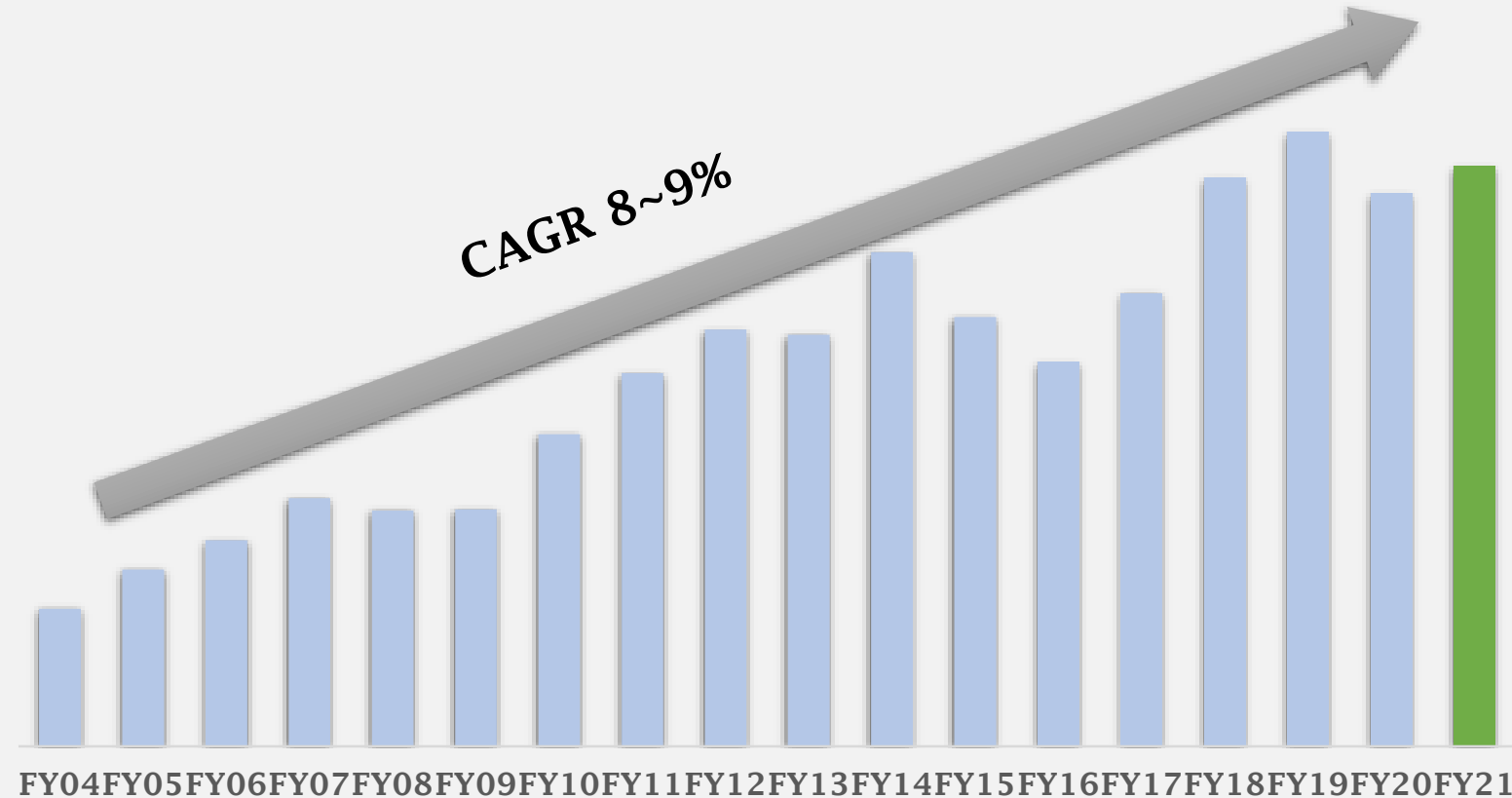
SCORTS AGRI MACHINERY (EAM)



↑ DOMESTIC TRACTOR INDUSTRY



Industry in '000s



Increasing Trend towards Mechanisation

Minimum Support Prices for Key Crops

Scarcity of Labour

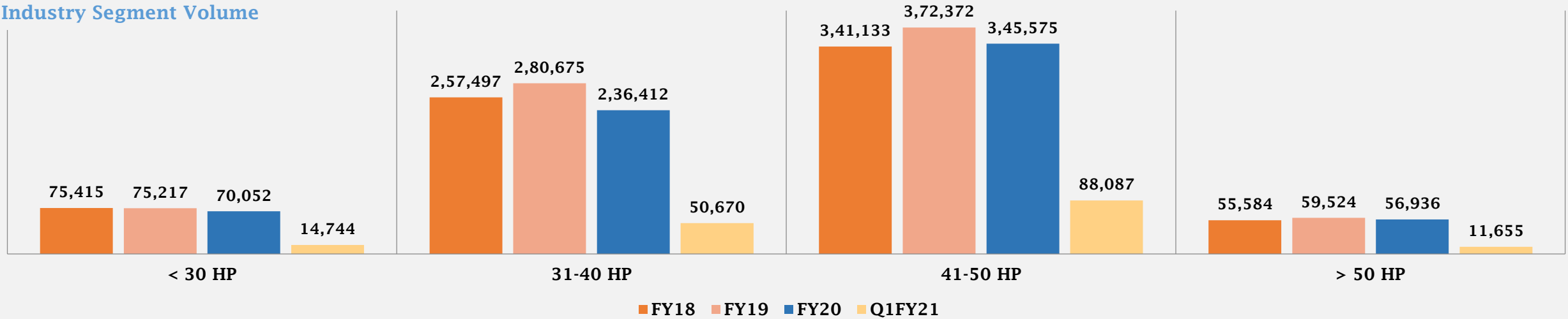
Ease of Credit Availability from Govt.

- ❖ India is the **largest** manufacturer of farm equipment
- ❖ India accounts for nearly **1/3rd** of the overall tractor production globally
- ❖ **0.7 million** units in **FY20** and reach to approx. **1.2-1.5 million** units by **2030**
- ❖ Customer exchange their tractor in every **4-6 years** in mature markets.

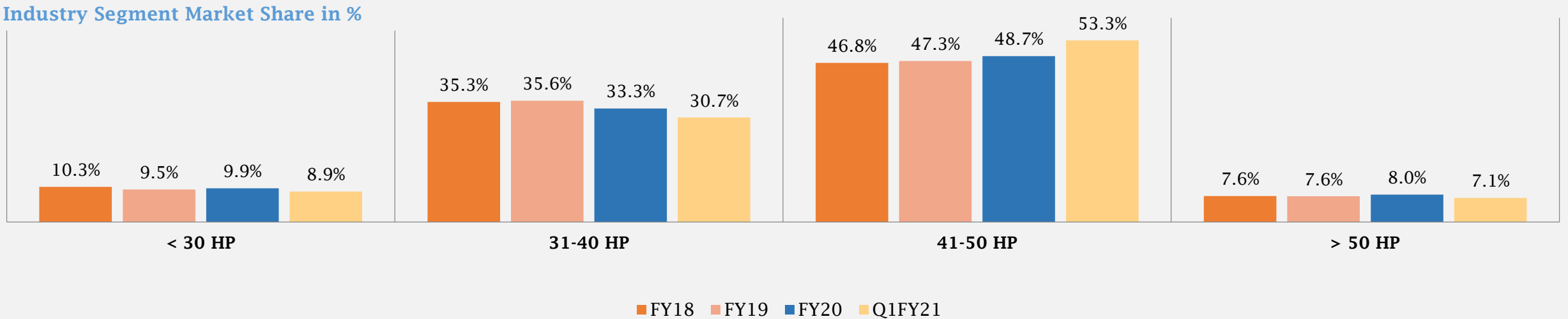
INDUSTRY SEGMENTATION



Industry Segment Volume



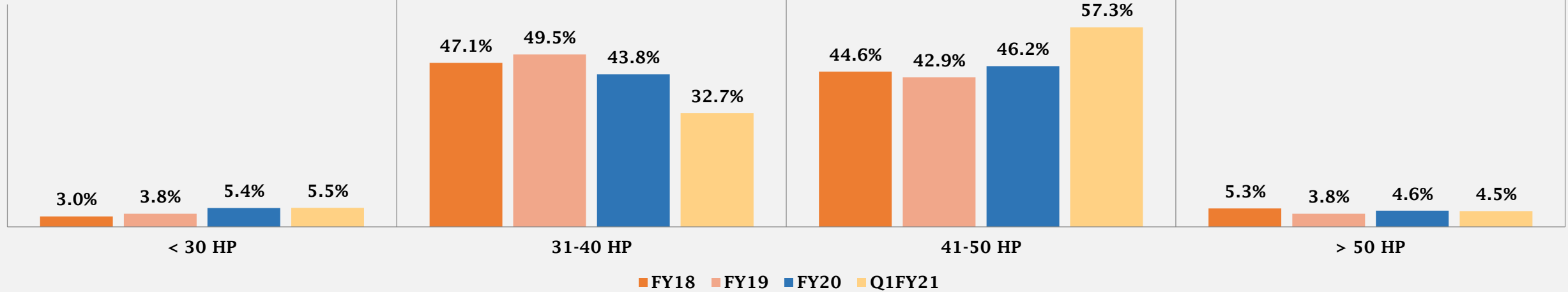
Industry Segment Market Share in %



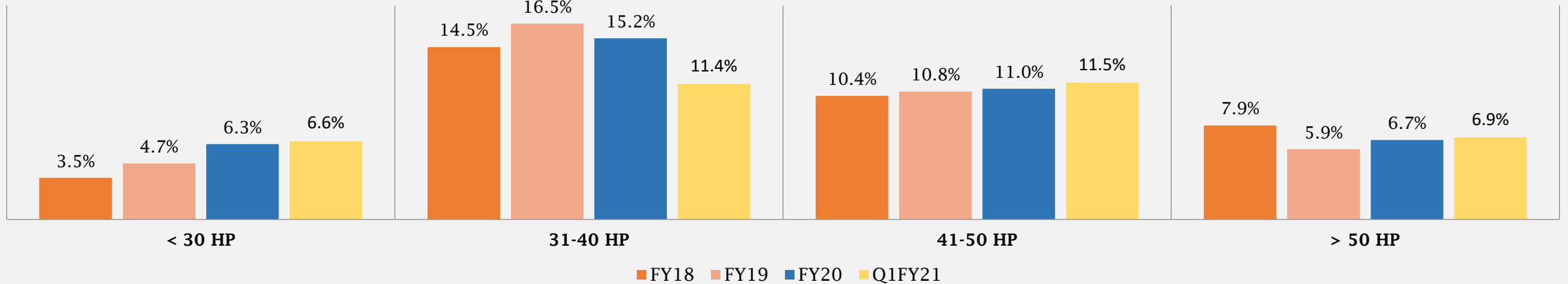
EAM SEGMENTATION



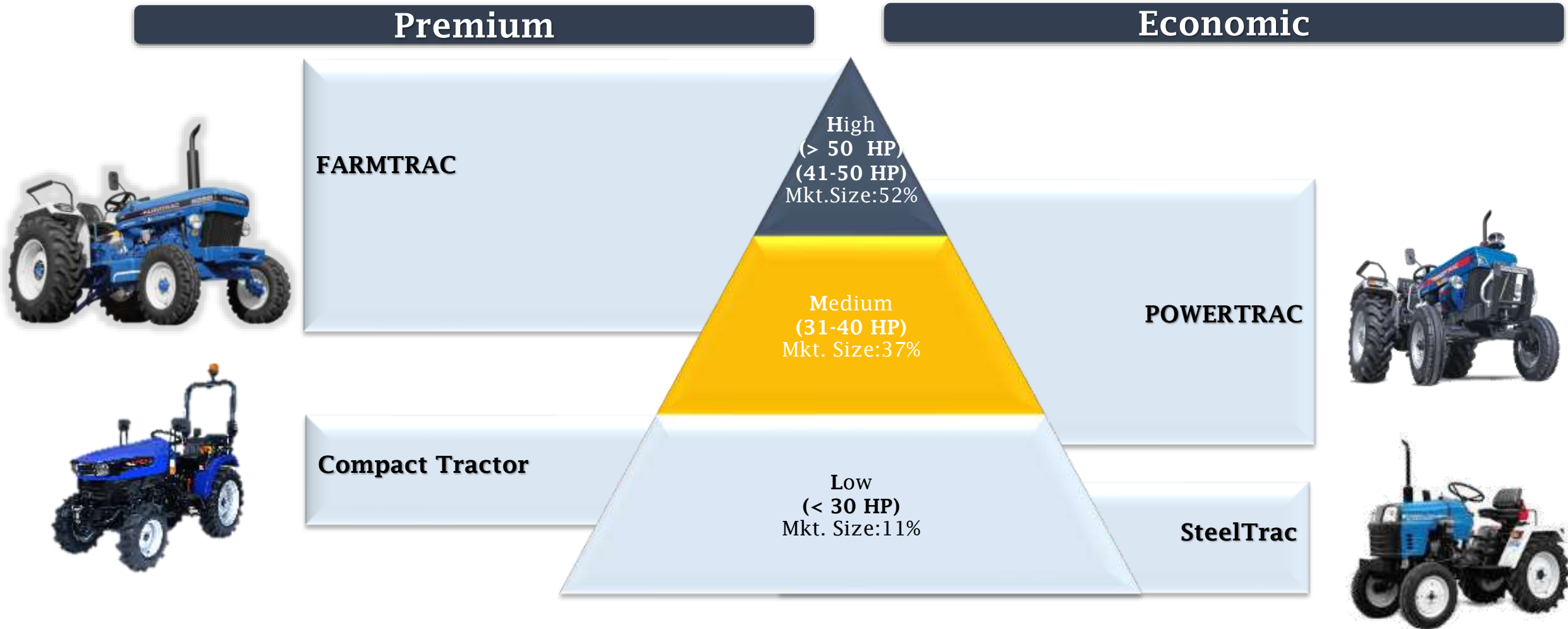
EAM Segment wise Volume in %



EAM Segment wise Market Share in %



HOW WE ARE POSITIONED



Expanded Product Lineup: 11 to 120 HP



HP Range

< 30 HP

31-40
HP

41-50
HP

51-90
HP



Best selling Compact range
for Vineyard & Orchards



Utility range of Champion and Diesel
Saver series



This Highest growth segment is
complemented with Smart &
Classic and Euro series



Successful launch of
PowerMaxx series
tractors



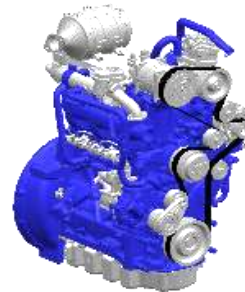
FT 6090

Up To
120 HP



Higher Horsepower Agricultural Tractors
for Bigger farm size suitable to need of
esteemed farmers

Technology Leadership



Engines

26 to 110 hp

Complying current
& future emissions
of India, EU & USA
BS4, Stage 5, Tier 4

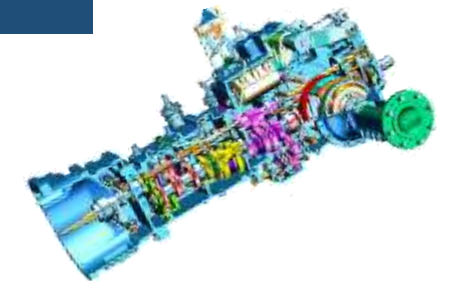
Driveline

22 to 90 HP

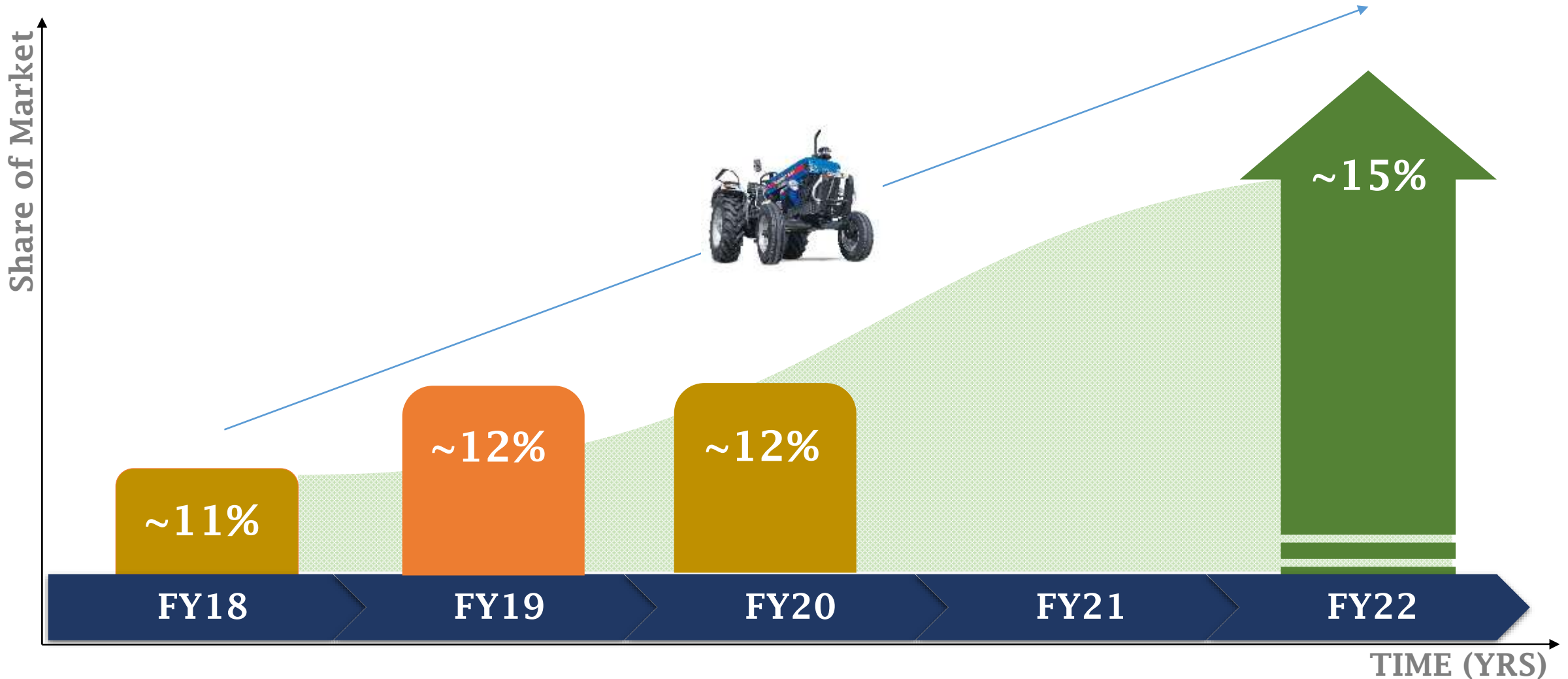
Transmissions:

Constantmesh, Synchromesh, Shuttle, HST

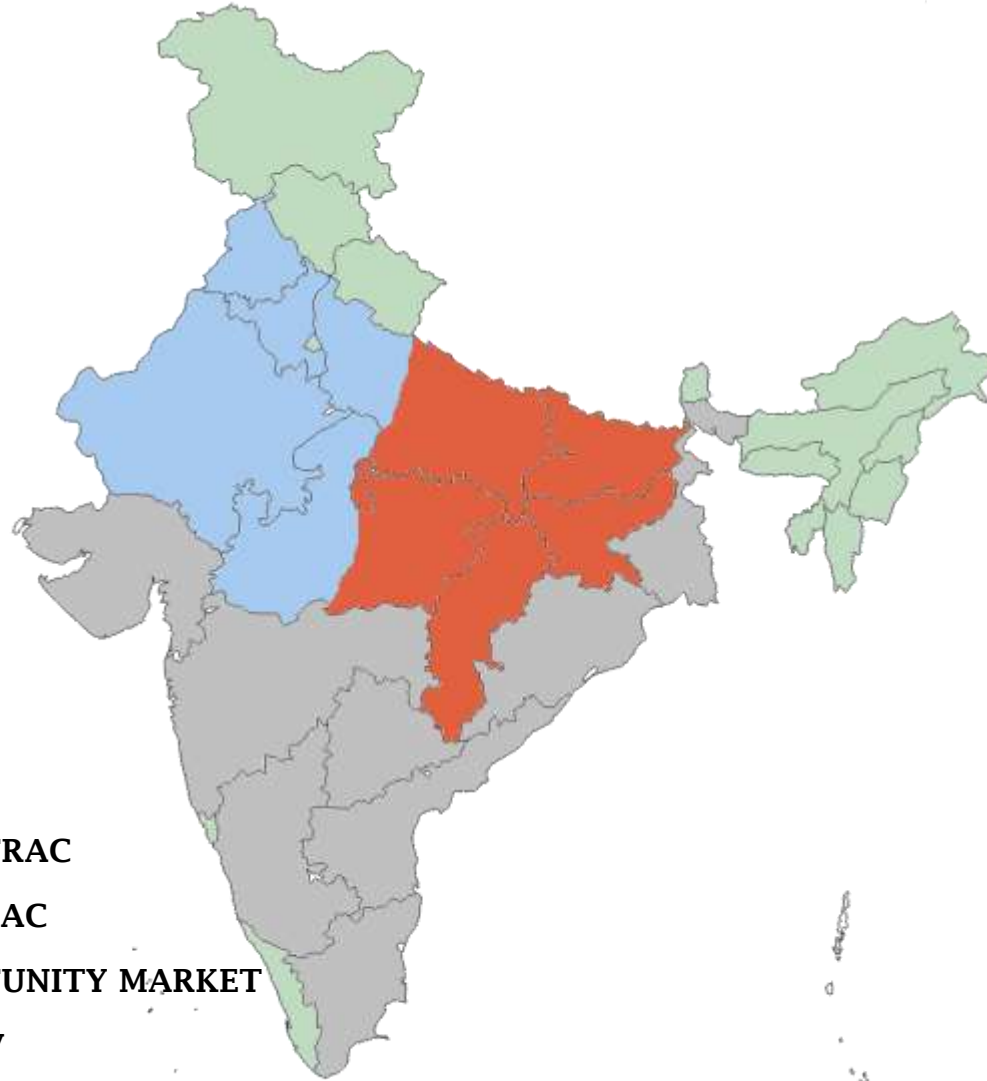
Hydraulic lifts: 1,000kg to 3,000kg
capacity



DOMESTIC FY'22 MARKET SHARE ASPIRATIONS



WINNING MARKET



- ① Strong Market, Strong Brand
- ② Strong Market, Weak Brand
- ③ Opportunity Market

Current 1,000+ Active Dealer Network

INGREDIENTS FOR GROWTH



Brand led Product Portfolio Expansion

Farmtrac
Powertrac
Steeltrac



Dual Distribution in Strong Market

Strong Brand Coverage: 90 → 99%
Weak Brand Coverage: 33 → 80%



South/West Focus

Channel Extension
Compact tractor
Rice tractor



Escorts Credit

~15% Penetration → 40%



Scientific Sales Management

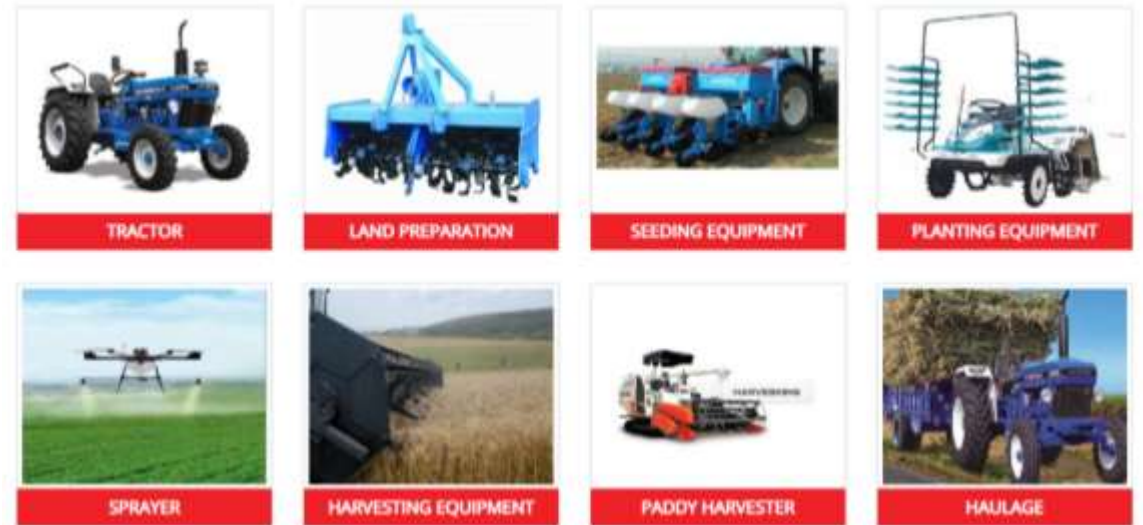


Customer Centricity

Care Button
ETC
Mobile Vans
Hotline
www.digitrac.in



 **CARE - 24X7**





INDIA'S FIRST ONLINE TRACTOR PLATFORM

ADVANCED. CONVENIENT. TRANSPARENT.



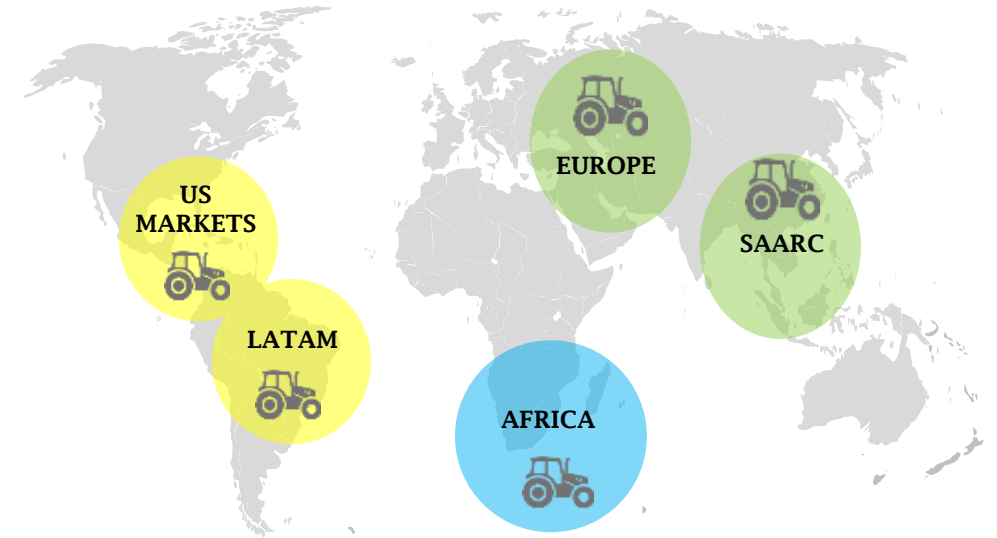
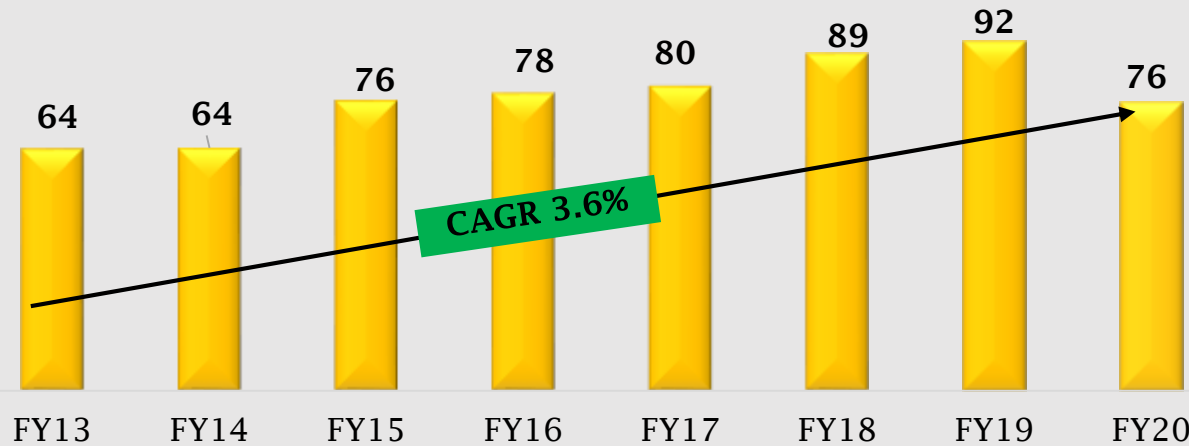
DIGITRAC Contactless Sales

EXPORT MARKET SIZE & OPPORTUNITY



Tractor Export from India

In `000s



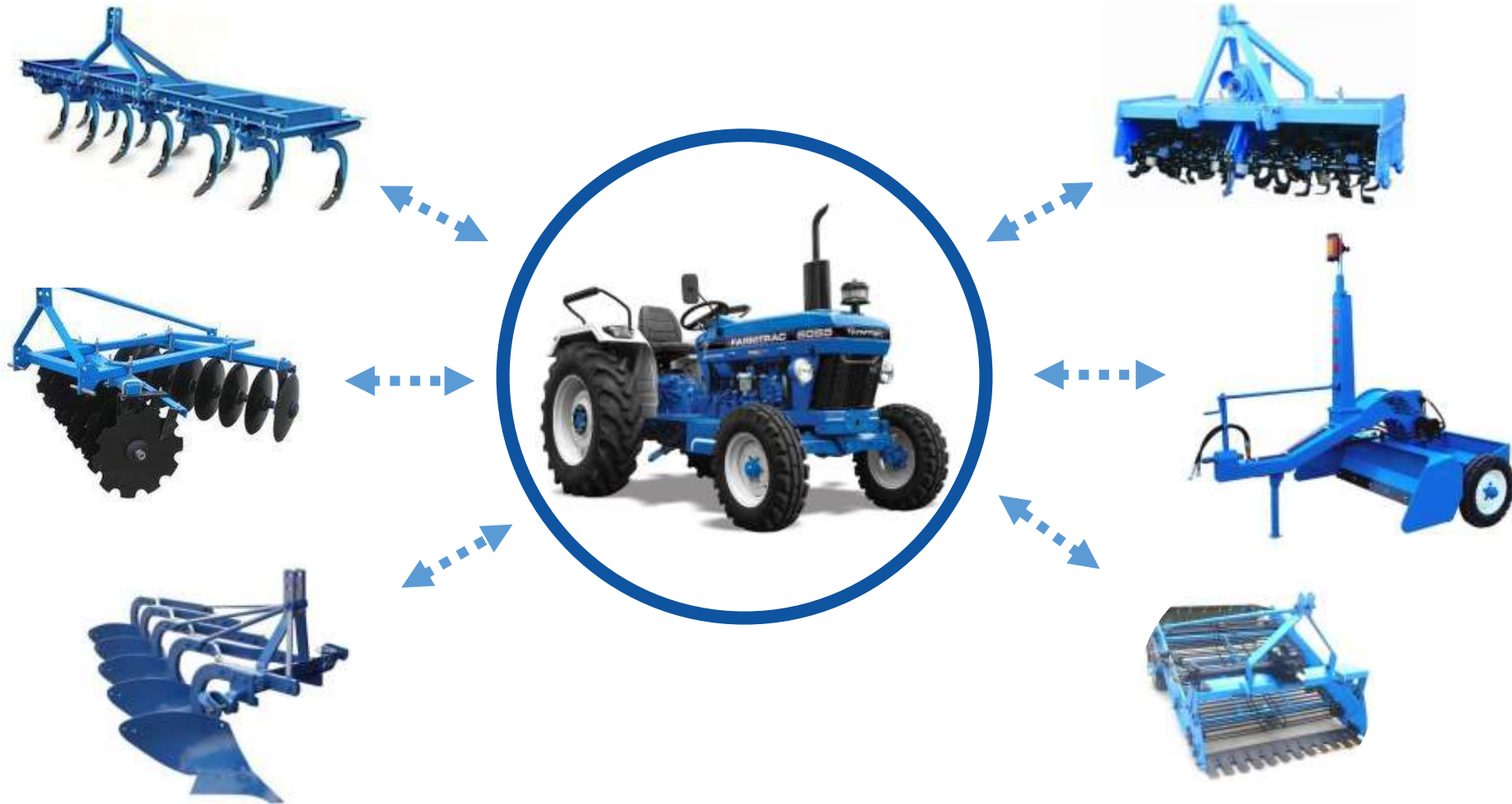
Tractor Exports from India expected to grow by CAGR 6~8%

Main Market under 120 HP Tractors

Hobby/Garden farming in Market (like USA)

Targeting 8,000~10,000 Volumes by 2022

TRACTOR IS AS GOOD AS ITS ATTACHMENTS



SHIP* BUSINESS

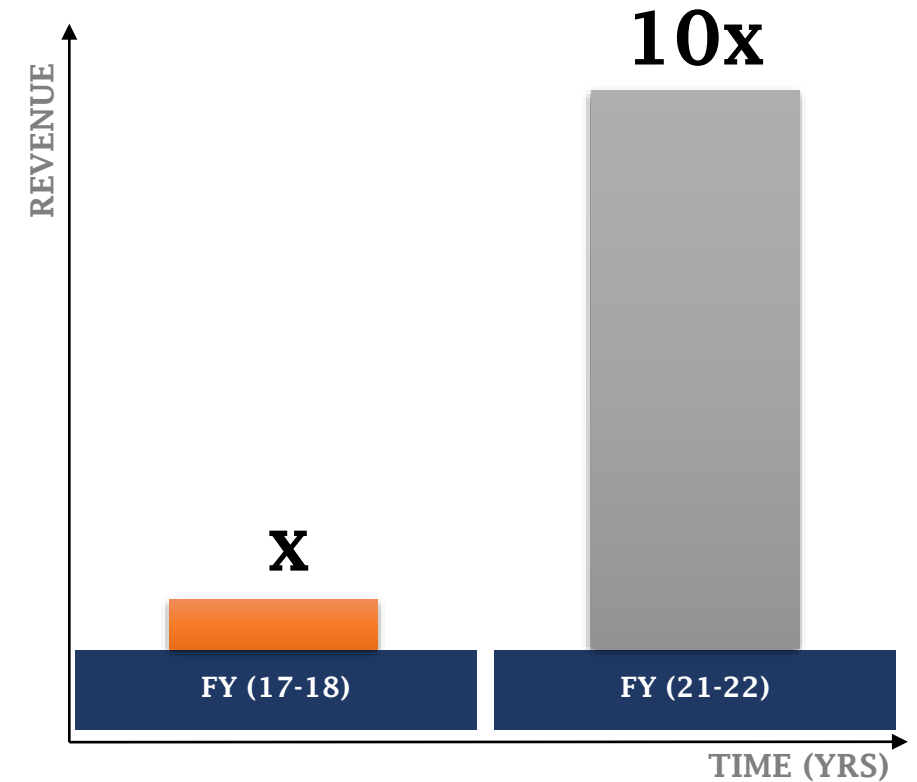
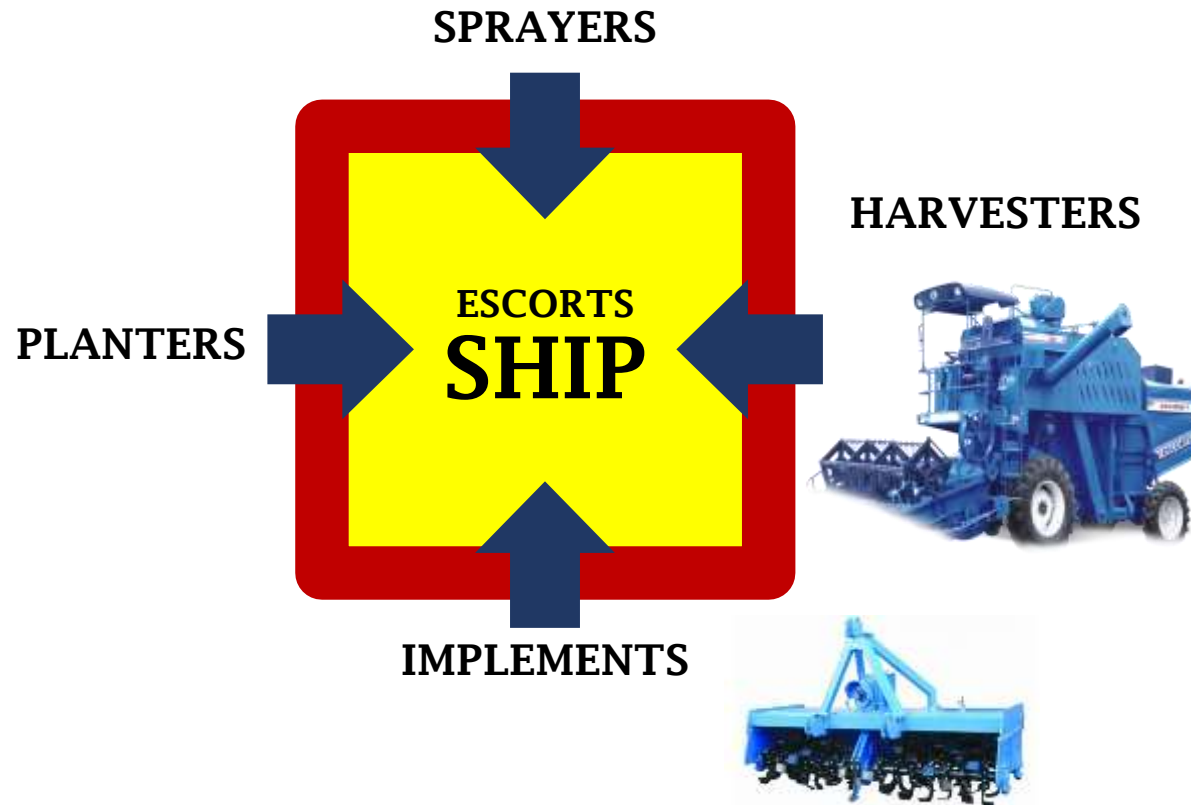


✓ TECHNOLOGY

✓ PRODUCT RANGE

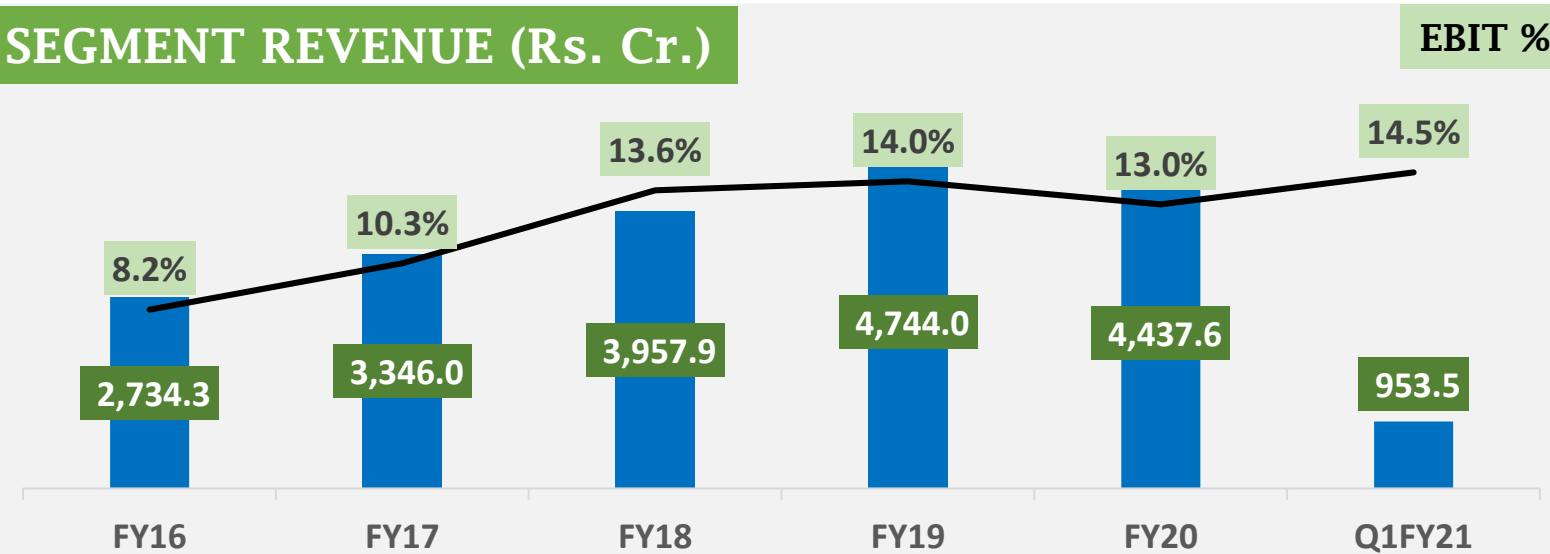
✓ SUPPLY CHAIN

✓ DISTRIBUTION NETWORK



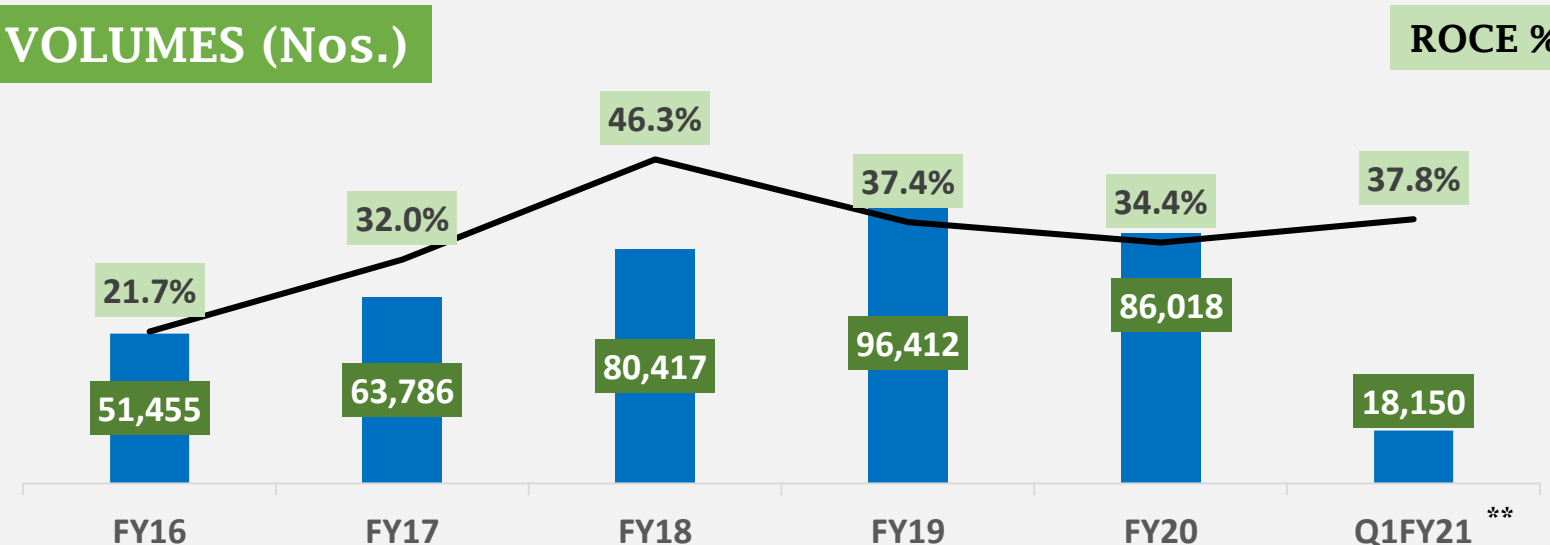
...EAM JOURNEY SO FAR & ASPIRATIONS FORWARD

SEGMENT REVENUE (Rs. Cr.)



14~15% EBIT Margin

VOLUMES (Nos.)



- ❖ **Revenue Growth Initiatives**
 - ❖ EXPORT
 - ❖ South & West penetration
 - ❖ Emerging Business
- ❖ **Cost Rationalization**
 - ❖ Raw Material
 - ❖ Manpower cost

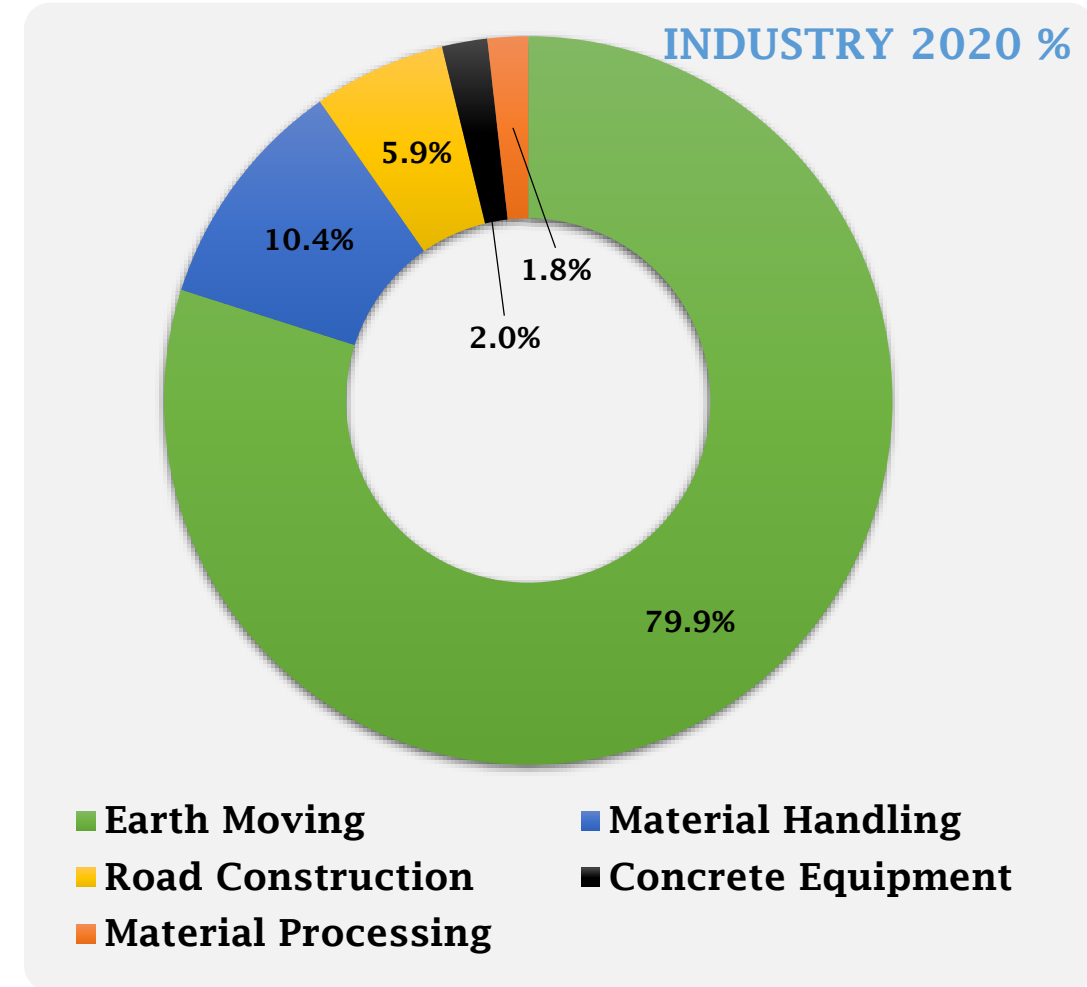
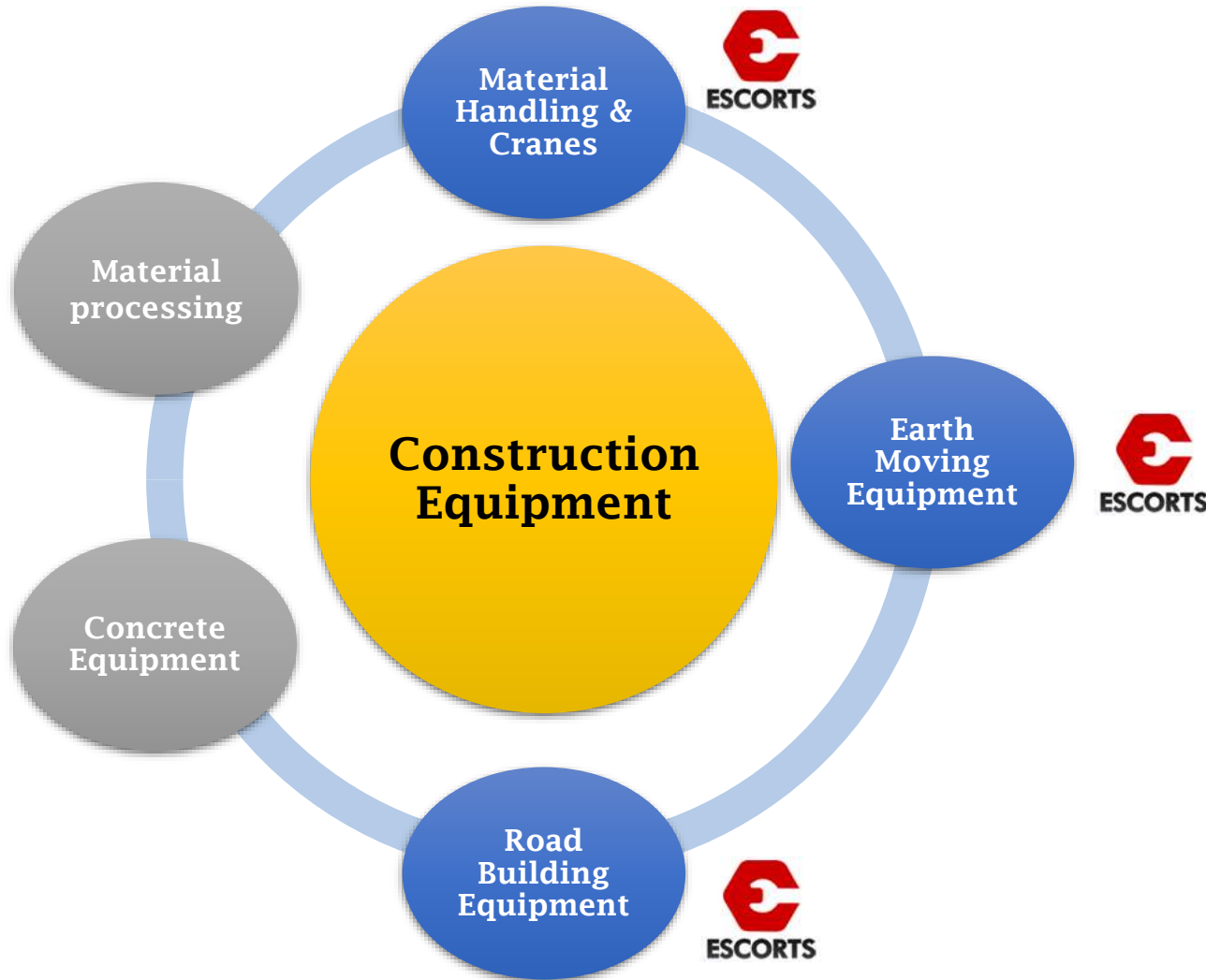
Escorts Construction Equipment



**Building a
Better Tomorrow**



CONSTRUCTION EQUIPMENT SEGMENTS



ECE present in 40 % Revenue Potential of the Construction Equipment Industry - Strategic Partnership and Distribution Agreement make it to 80% in Value Terms

SEGMENTS APPLICATION & USERS

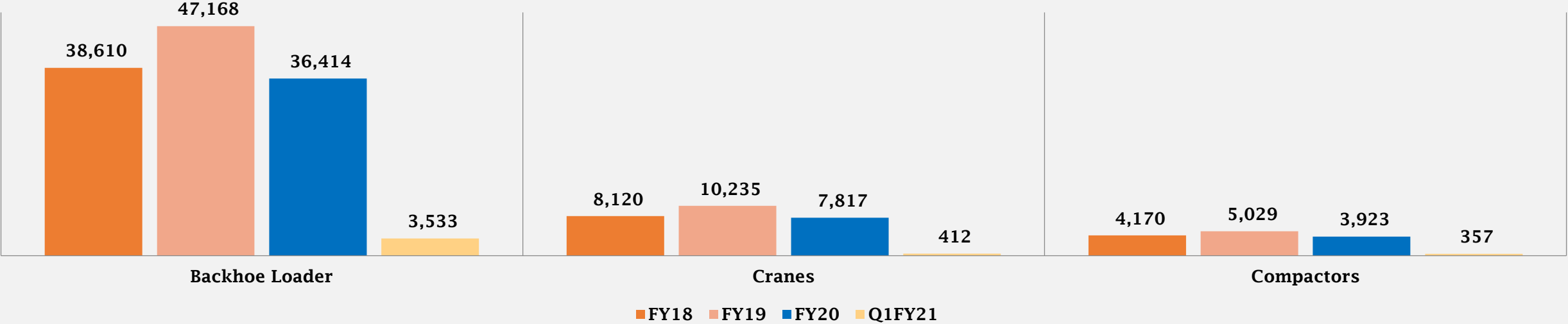


Segment	Major equipment types	Application Segment	User	
1 Earthmoving Equipment	A - Backhoe loader, B - Excavator, C - Wheeled loader	<ul style="list-style-type: none"> • Mining • Roads • Real Estate/Land Development • Power • Railways/Metros 	Small/ Individual	70%
			Medium fleet owners	20%
			Institutional/corporate	10%
2 Material Handling & Cranes	Pick and Carry cranes	<ul style="list-style-type: none"> • Erection work in projects • Power • Steel • Mining • Railway/metros 	Government	5%
			Institutional/corporate	20%
			Medium fleet	20%
			Small / Individual	55%
3 Road building equipment	Compactors, pavers, asphalt finishers	<ul style="list-style-type: none"> • Highways • Rural roads • Airports • Land Reclamation • Motor Graders 	Rental hirers	7%
			Contractors	76%
			Corporate Buyers	3%
			Govt Bodies	14%
4 Concrete equipment	Mixers, pumps, batching plants	<ul style="list-style-type: none"> • Irrigation Canals • Road construction • Building construction • Airports • Precast/In situ 		
5 Material processing	Compressors, Crushers	<ul style="list-style-type: none"> • Stone Quarries • Mining • Over ground blue metal crushing 		

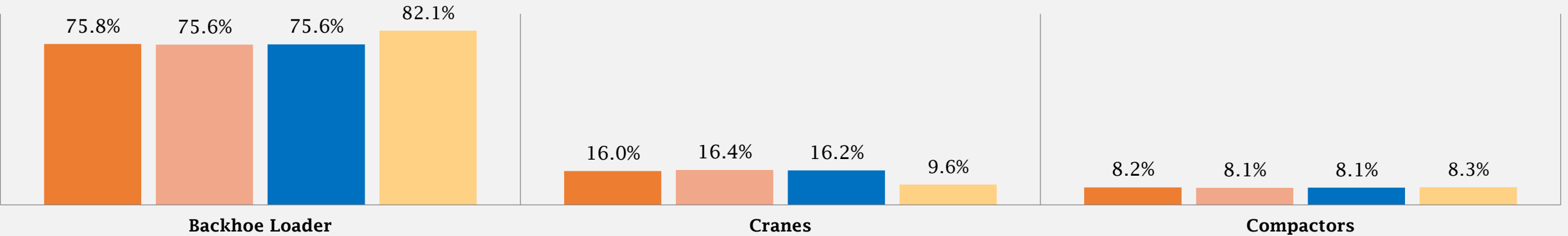
SERVED INDUSTRY SEGMENTATION



Served Industry Volume (Rounded to nearest Ten)



Served Industry category wise in %



PRODUCT PORTFOLIO



1) Material Handling



70%

2) Earth Moving



14%

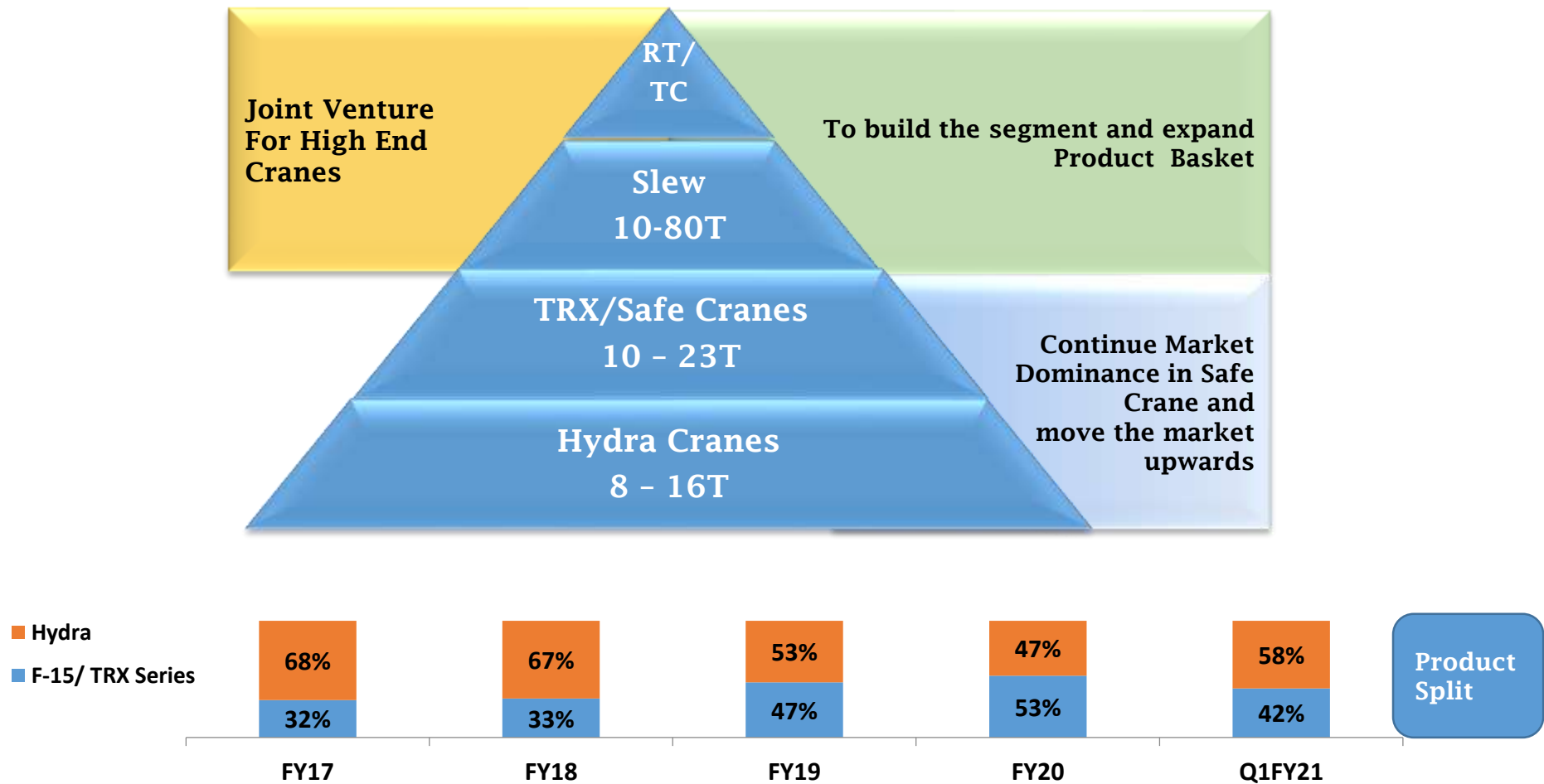
3) Road Construction



10%

% of ECE Revenue

MATERIAL HANDLING



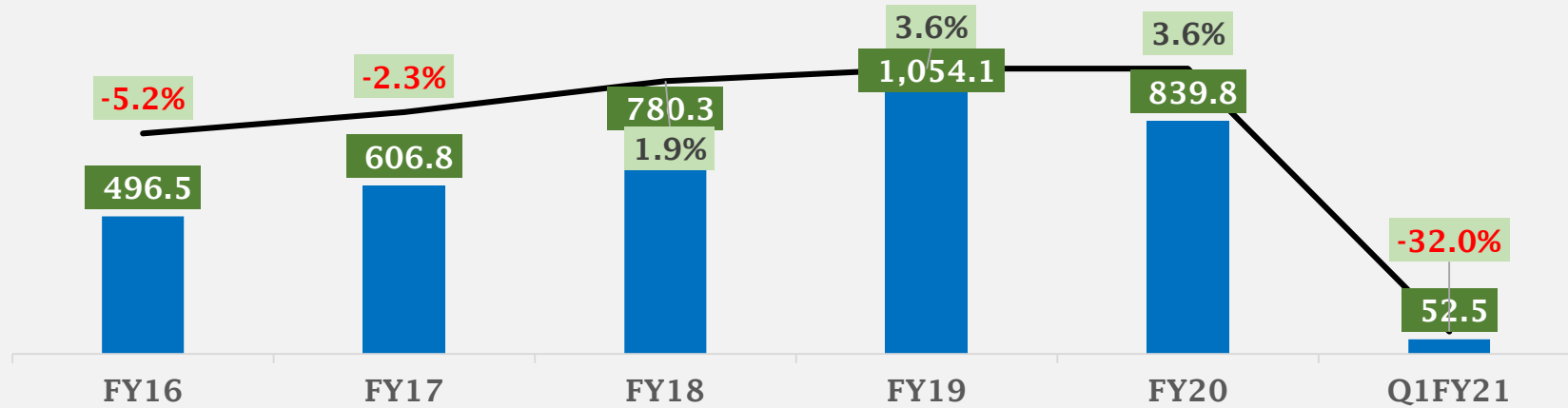
Transform the market from a leadership position

READY TO RIDE THE INDUSTRY BOOM

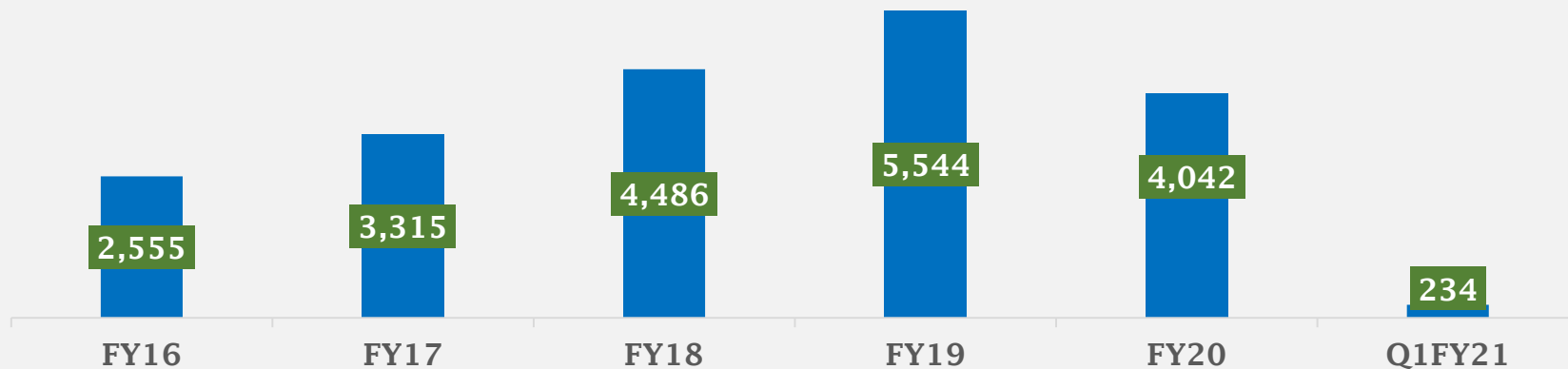


SEGMENT REVENUE (Rs. Cr.)

EBIT %



VOLUMES (Nos.)



ASPIRATION
High Single Digit EBIT Margin

Strategic Tie ups

Focus on Cost Reduction :
Material Cost

Focus on Export reach
Enhancement

Channel Financing

Dealership & Outlet reach
expansion

Railway Equipment Division



**ENSURING SAFETY
AND COMFORT IN
RAIL TRANSPORT**

**Mobility Solutions
of the future**

ESCORTS RAILWAYS: MANUFACTURING SAFETY & COMFORT



ESCORTS
RAILWAY EQUIPMENT DIVISION

To achieve Leadership position in Indian Railways Components Industry in the defined segment

Major Sourcing partner for global Rolling Stock OEMs & Operators

ON GROWTH TRACK



**YOY EBIT GROWTH
of more than 25 %
from FY15**

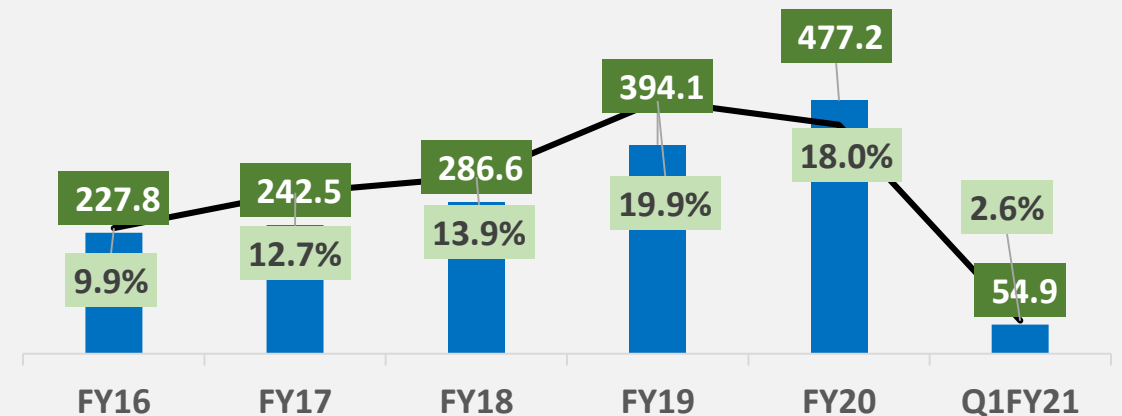
- ✓ Manpower Cost, Productivity Improvements
- ✓ Material Cost improvements
- ✓ New Product Revenue boost
- ✓ Building Strong Inhouse R&D

**CONSISTENT
ORDER BOOK GROWTH**

**More than Rs. 480 Cr. as of
June'2020**

SEGMENT REVENUE (Rs. Cr.)

EBIT %

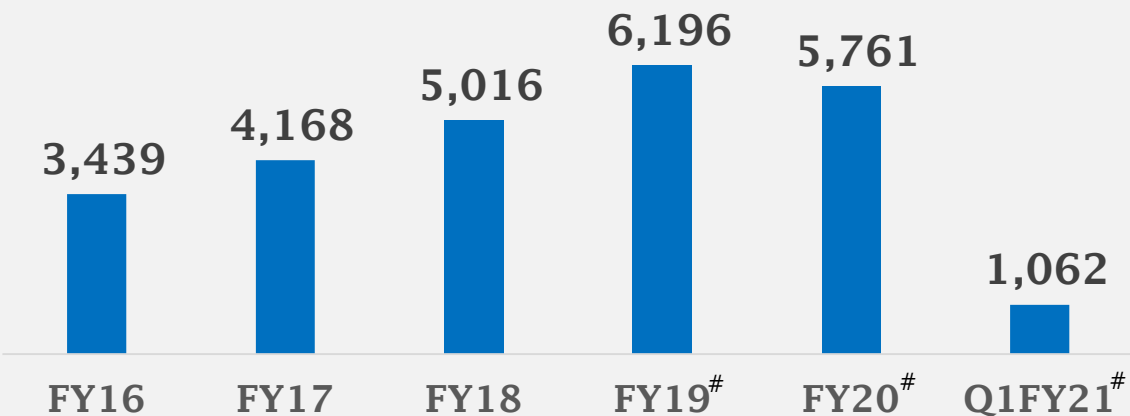


GROUP FINANCIALS

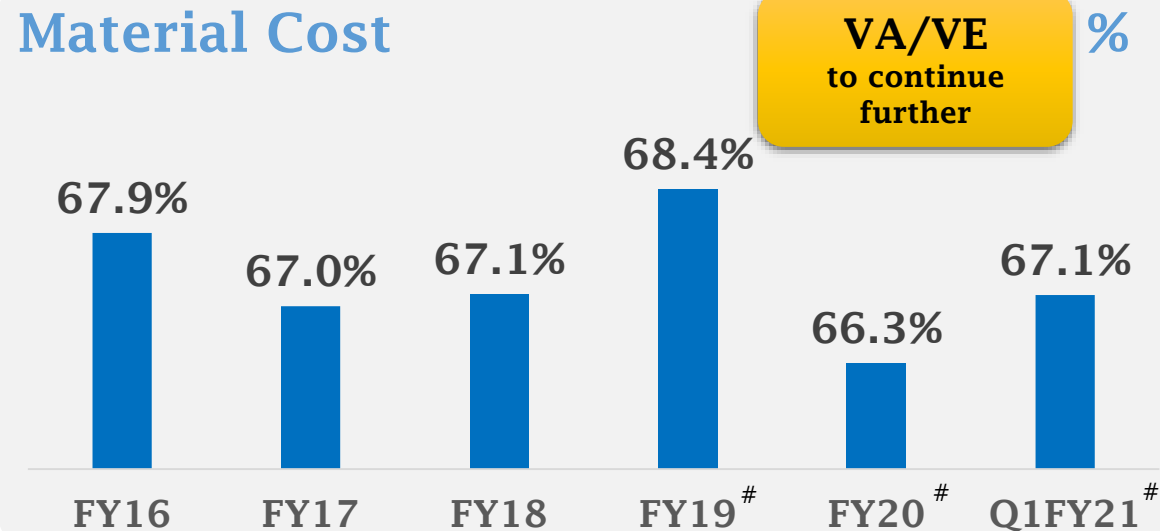
↑ KEY FINANCIAL METRICES...



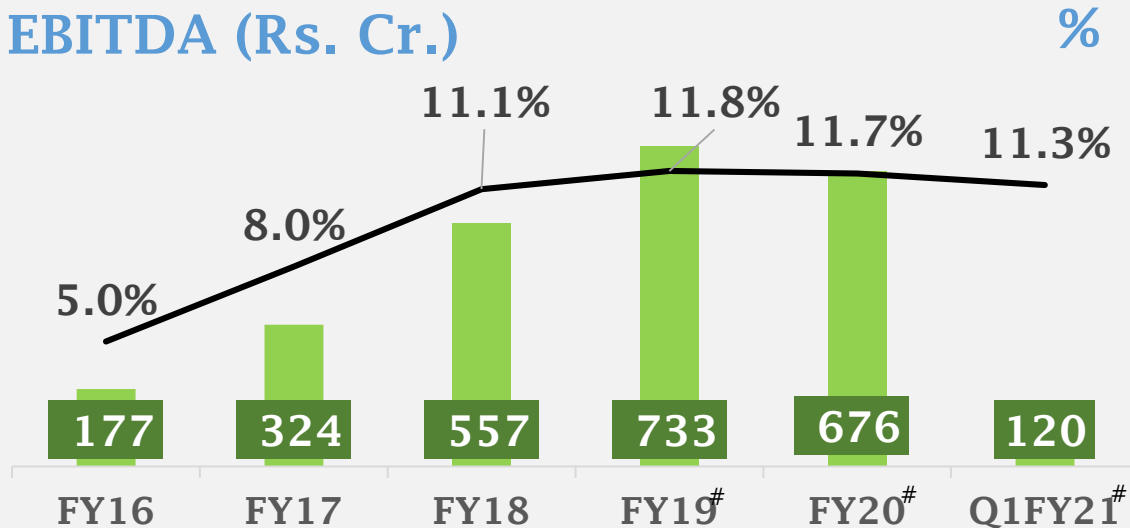
REVENUE (Rs. Cr.)



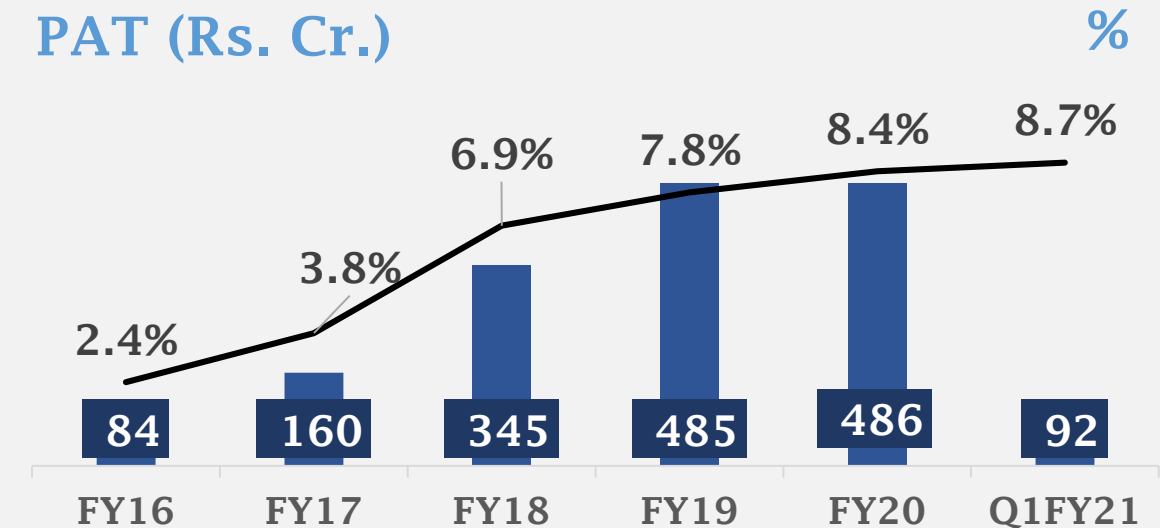
Material Cost



EBITDA (Rs. Cr.)



PAT (Rs. Cr.)



From Continuing Operations

Copyright @ Escorts Ltd.

* Annualised Data

ESCORTS LIMITED

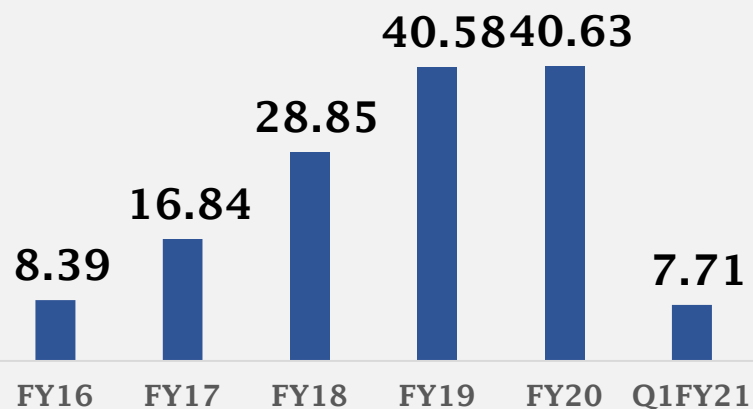
35

↑ KEY FINANCIAL METRICES...



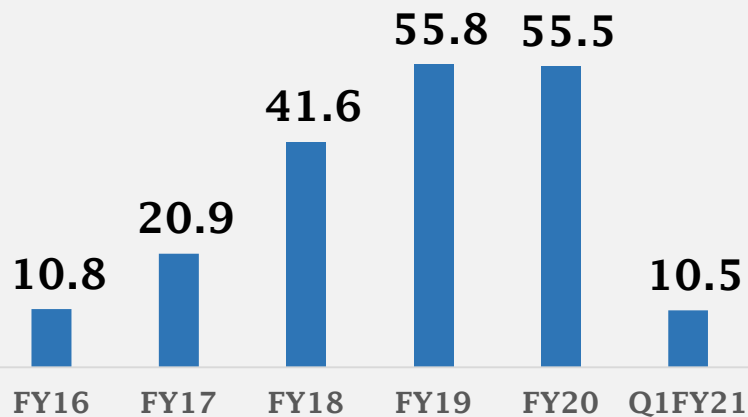
EPS (₹)

Including
Treasury Shares

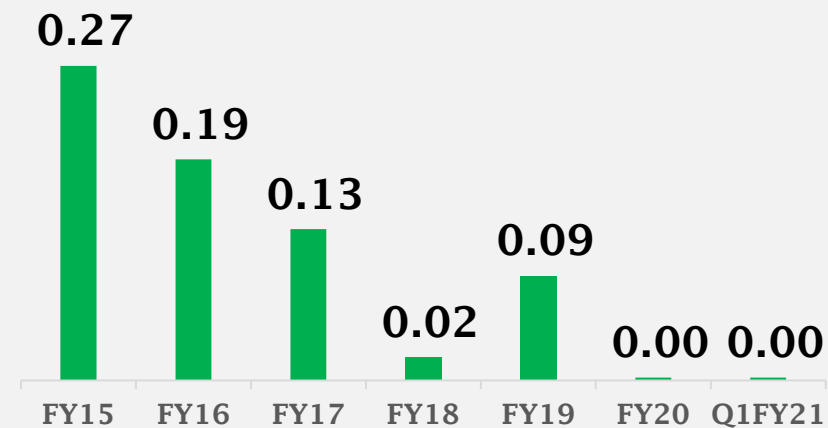


EPS (₹)

Excluding
Treasury Shares

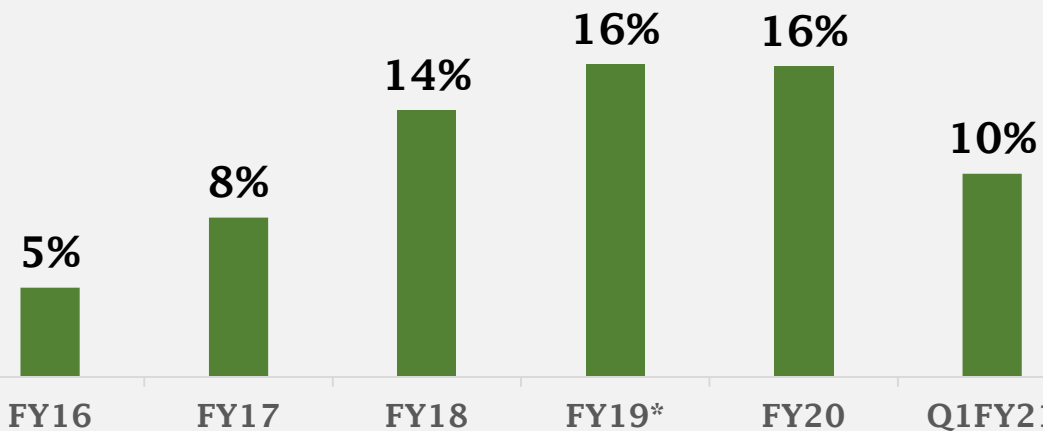


DEBT EQUITY RATIO



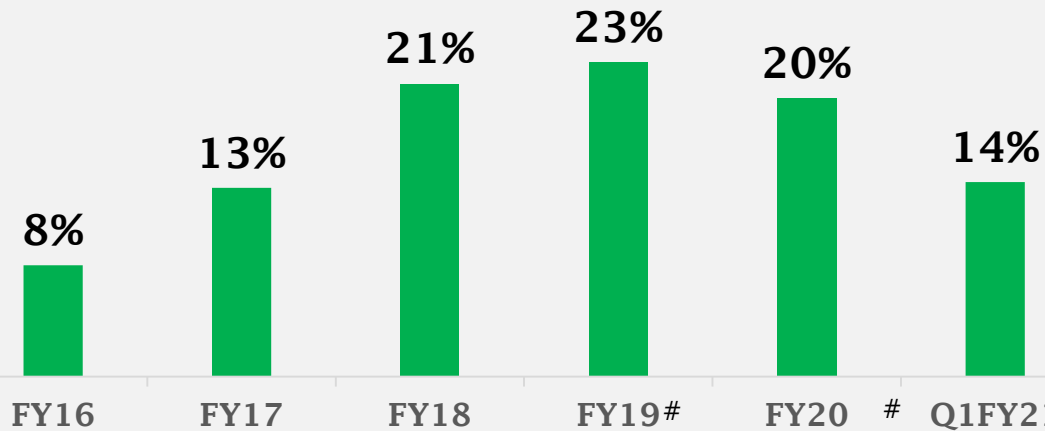
ROE

%



ROCE

%

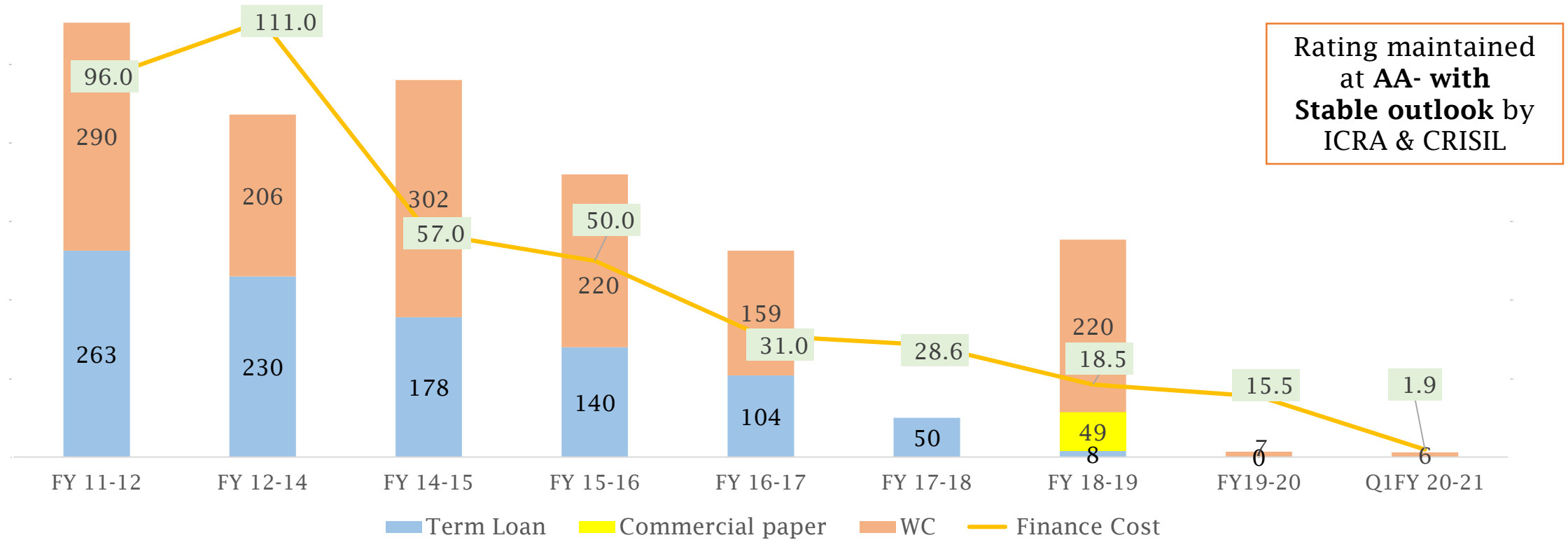
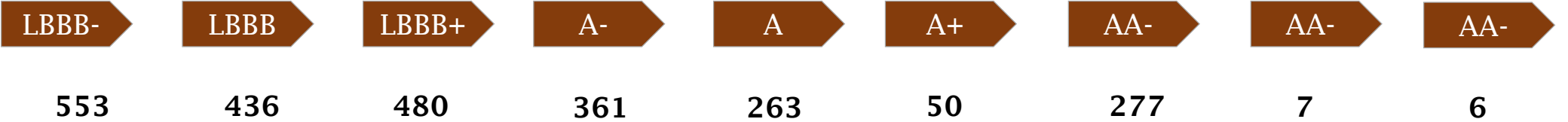


Credit Rating & Debt Profile



Long Term
Credit
Rating

(₹ Crs.)

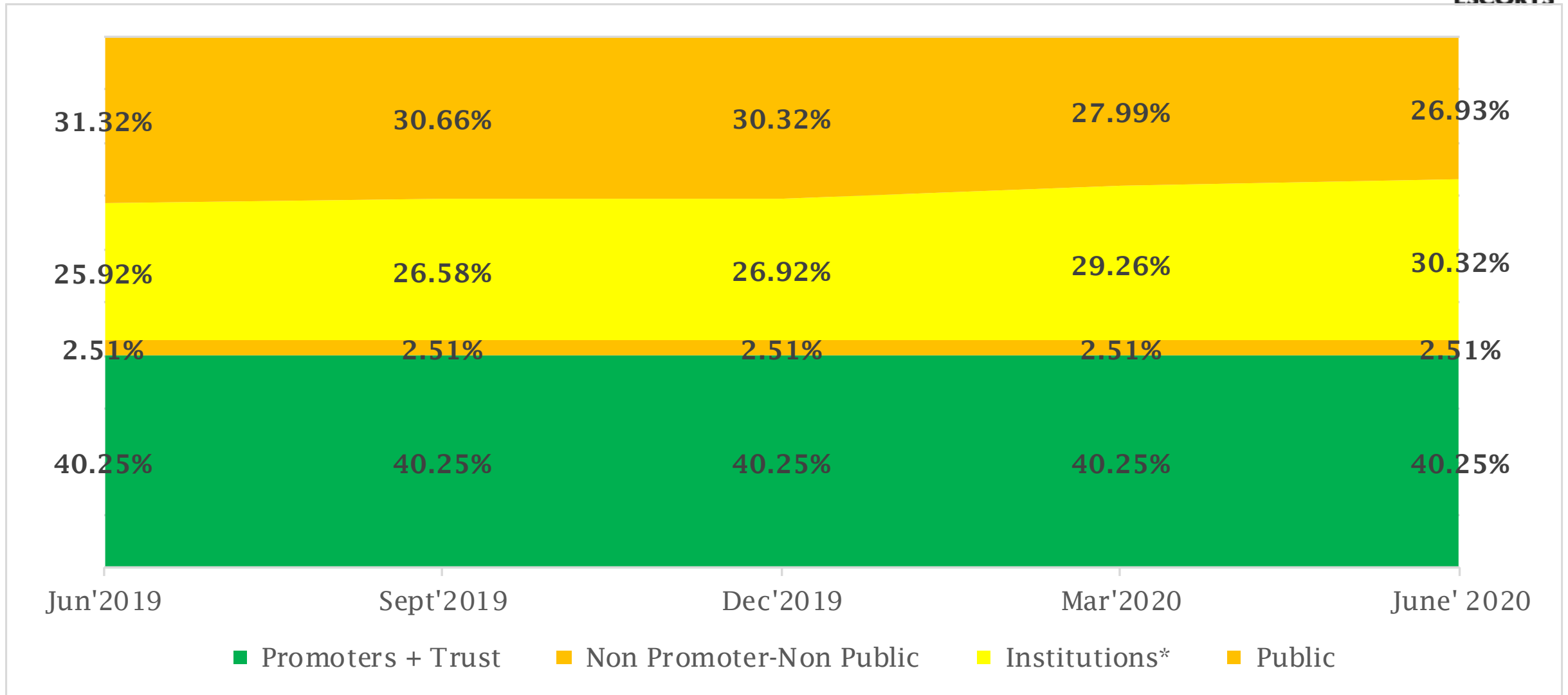


*Nos. from FY 11-12 to FY 14-15 is as per IGAAP.

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

*FY19-20 is excluding lease liability

↑ SHAREHOLDING PATTERN



* FPI/Financial Institutions/ Banks/Insurance Companies

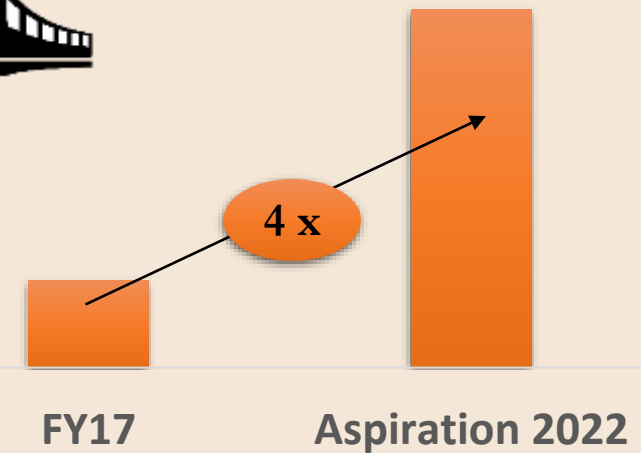
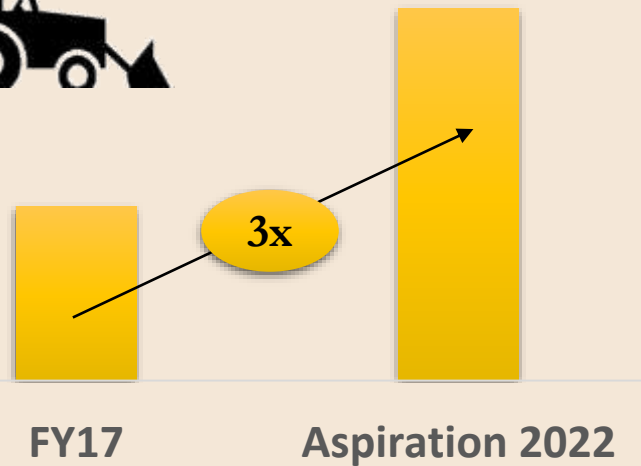
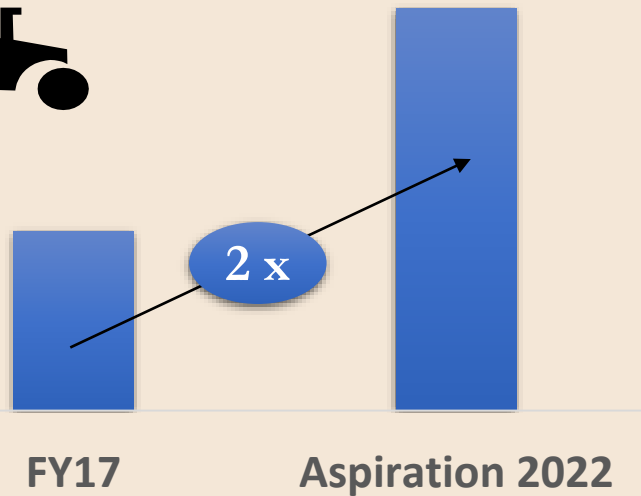
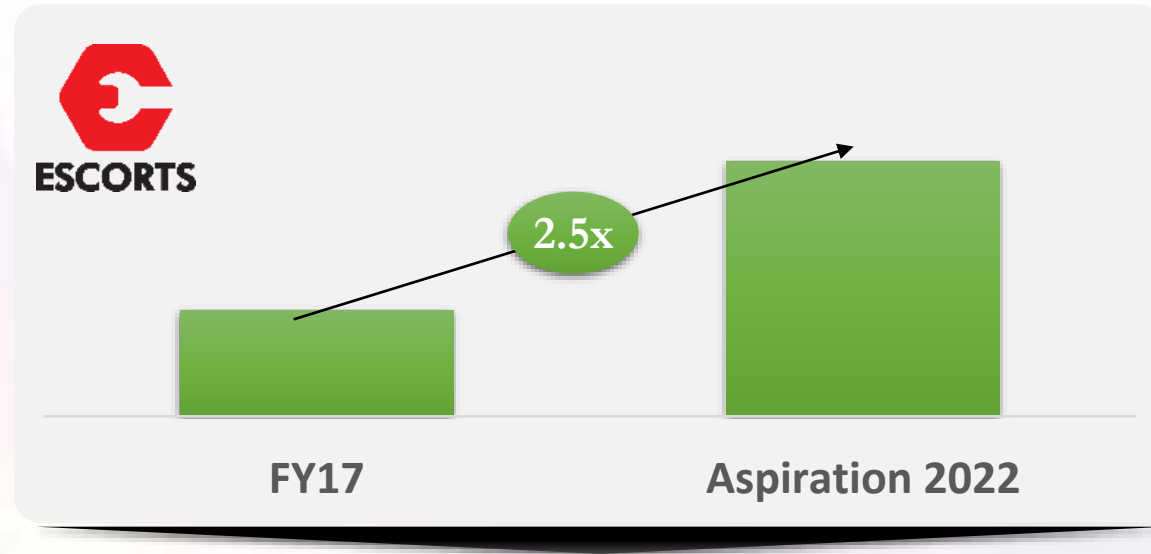
As of quarter ended



Aspiration

By 2022

REVENUE (Rs. Cr.)



ASPIRATION 2022



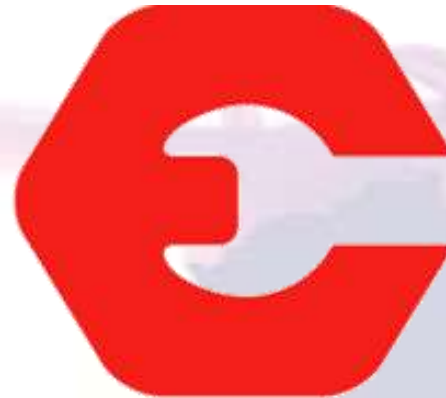
2.5X Revenue



10% Plus



Margin 13~14%



25% - 30%

Vibrant board



NIKHIL NANDA

Chairman & Managing Director

- Alumnus of Wharton Business School, Philadelphia
- Responsible for driving Escorts' growth initiatives to strategically position it in the global arena



HARDEEP SINGH

Non-Executive Director

- Chairman - Monitoring committee on MSP (Planning Commission) & Food Security Task Force, CII



P.H. RAVIKUMAR

Independent Non-Executive Director

- Founder MD & CEO of NCDEX
- Chairperson of CISI's India Advisory Council



VIBHA PAUL RISHI

Independent Non-Executive Director

- Worked as ED of Max India Ltd.
- Director of Marketing & Strategy at Future Group



DR. SUTANU BEHURIA

Independent Non-Executive Director

- Financial Advisor to Ministries of Commerce, Textiles, Coal, Mines, Youth Affairs & Sports
- Served as Board member in over 25 PSUs



NITASHA NANDA

Whole Time Director

- Responsible for managing Company's subsidiary companies
- Serves as Board member in several companies



SHAILENDRA AGRAWAL

Executive Director

- Mechanical Engineer with 35 years of diverse experience in Tata Motors, Hero Motors and Escorts Limited.
- Leading business transformation at Escorts Limited.



SUNIL KANT MUNJAL

Independent Non-Executive Director

- One of the founder promoters of the **Hero Group**, the world's largest two-wheeler maker



TANYA DUBASH

Independent Non-Executive Director

- Executive Director and Chief Brand Officer of **Godrej Industries Ltd.**
- Director Godrej Industries Limited, Godrej Consumer Products Limited and Godrej Agrovet Limited.



DAI WATANABE

Non-Executive Non-Independent Director

- More than 25 years of diverse experience in Kubota Corporation.
- General Manager Innovation Centre of Kubota



YUJI TOMIYAMA

Non-Executive Non-Independent Director

- 30 years plus of diverse experience in Kubota Corporation.
- Senior Managing Executive Officer of Kubota



HARISH S SALVE

Independent Director

- Mr. Salve is a senior counsel as well as an arbitrator in India and Barrister (UK) specialising in constitutional, commercial and taxation law. He was the youngest ever to be appointed as solicitor



MANAGEMENT TEAM



Mr. Shailendra Agrawal
Executive Director

➤ 35 years of experience in creating product & technology roadmap and driving business transformation through Business Process Re-engineering



Mr. Shenu Agarwal
CEO, Escorts Agri Machinery

➤ 26 years of experience in domestic and international sales and marketing, R&D and product development, strategy and project management



Mr. Ajay Mandahr
CEO, Escorts Construction Equipment

➤ 26 years of experience in operations, sales & marketing, new product development



Mr. Dipankar Ghosh
CEO, Railway Equipment Division

➤ 24 years of experience in product development, manufacturing operations and technology transfers



Mr. Bharat Madan
Group Chief Financial Officer & Corporate head

➤ 28 years plus of experience in financial accounting, audit, cash and capital management, forecasting and risk management, tax planning, financial modelling and analysis

SAFE HARBOR



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

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Thank You



ESCORTS