

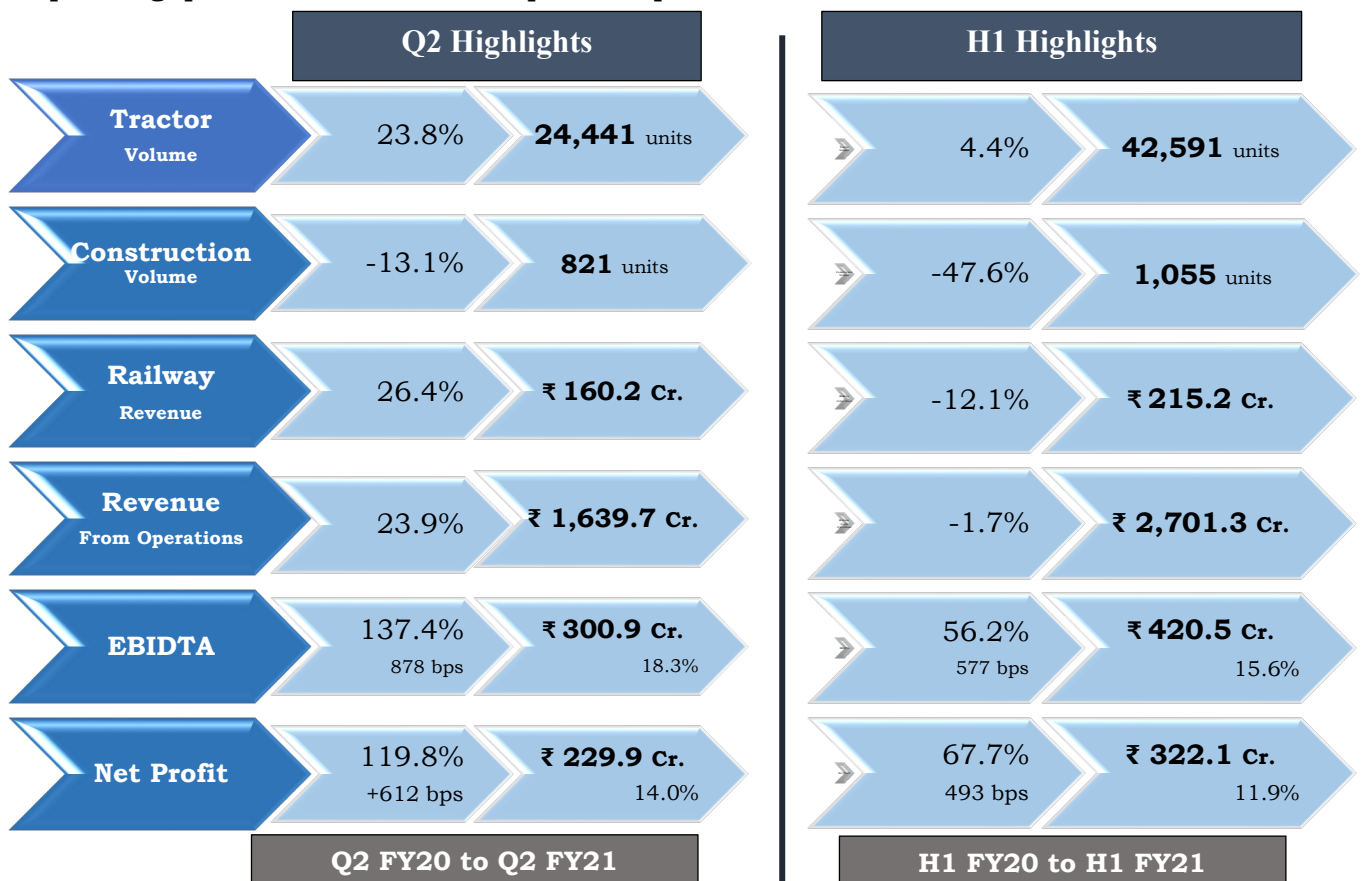


## Escorts Ltd. Q2 Standalone Profit more than doubled to ₹ 229.9 cr.

Standalone Profit for first half up by 67.7%

- **Tractor volumes up by 23.8% at 24,441 units**
- **Construction Equipment volumes at 821 units**
- **EBIDTA up by 137.4% at ₹ 300.9 crore**
  - Margin expands by **878 bps** to 18.3%
- **PAT more than doubled to ₹ 229.9 crore, highest ever**
  - Margin expands by **612 bps** to 14.0%
- **EPS at ₹ 17.72 up by 102.5%**

**New Delhi, November 2, 2020:** Escorts Limited today reported highest ever standalone quarterly profit of ₹ 229.9 crore in quarter ended September 30, 2020, that more than doubled against a profit of ₹ 104.6 crore in the corresponding period last year. Revenue from operations at ₹ 1,639.7 crore in quarter ended September 2020 went up by 23.9% as against ₹ 1,323.9 crore in the corresponding period last year. EPS reported at ₹ 17.72 was up by 102.5% as against ₹ 8.75 in corresponding quarter and ₹ 7.71 in sequential quarter.



Due to unprecedented COVID-19 pandemic situation during this period, the financials for the first six months ended September 2020 do not represent normal operations and to that extent are not strictly comparable with corresponding period.

### ESCORTS LIMITED

Registered Office: 15/5, Mathura Road, Faridabad 121 003, India

Tel.: +91-129-2250222 Fax: +91-129-2250009

E-mail: [escortsgroup@escorts.co.in](mailto:escortsgroup@escorts.co.in) Website: [www.escortsgroup.com](http://www.escortsgroup.com)

Corporate Identification Number L74899HR1944PLC039088



The standalone net profit for the first half year ending September 2020 at ₹ 322.1 crore was up by 67.7% as against a profit of ₹ 192.1 crore in the corresponding period last fiscal. Revenue from operations was at ₹ 2,701.3 crore in first half ended September 2020 as against ₹ 2,746.8 crore in the corresponding period last fiscal.

At consolidated level revenue from operations was at ₹ 2,743.4 crores as against ₹ 2,774.2 cores in first half year ending September 2020. Consolidated net profit recorded at ₹ 319.8 crore in first half ended September 30, 2020, was up by 69%, as against a profit of ₹ 189.2 crore in corresponding period last fiscal.

**Speaking on the results, Chairman and managing Director Mr. Nikhil Nanda said,** “The Agri sector has been on an unprecedented boom. Maintaining highest safety measures and working closely with our partners to work around supply chain challenges, the demand for our tractors has so far outpaced our supplies. We think the momentum in Agri sector will continue supported by positive macro-economic factors. We also hope that supply chain challenges would subside after a month or so. We have also started witnessing some positive development in the construction and railway equipment space now and hopefully we will see a full recovery soon. In all our business segments, we are optimistic for the coming quarters.”

## **SEGMENT WISE PERFORMANCE**

### ***Escorts Agri Machinery***

Tractor volumes were up by 23.8% at 24,441 units in quarter ended September 2020 as against 19,750 units in the corresponding period last fiscal. Segmental revenue went up by 32.8% at ₹ 1,322.2 crore in quarter ended September 2020 as against ₹ 995.6 crore in corresponding period last fiscal. This quarter favourable product mix, operating leverage and various cost reduction initiatives, resulted in ever highest quarterly EBIT margin at 20.0%, up by 973 bps, as compared to 10.3% in corresponding period last fiscal.

For first half of current fiscal, tractor volumes went up by 4.4% at 42,591 units as compared to 40,801 units in corresponding period last fiscal. Segmental revenue also went up by 9 % at ₹ 2,275.7 crore in half year ended September 2020 as against ₹ 2,087.7 crore in corresponding period last fiscal. EBIT margin for first half of fiscal was up by 708 bps at 17.7% as compared to 10.6% in the corresponding period last fiscal.

### ***Escorts Construction Equipment***

Construction equipment sales volume for the quarter ended September 2020 were at 821 machines as against 945 machines in corresponding period last fiscal. Segmental revenues came at ₹ 156.9 crore in quarter ending September 2020 as against ₹ 201.0 crore in corresponding period last fiscal. EBIT margin stood at 1.7% as against 2.7% in corresponding period last fiscal.

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For first half of current fiscal, construction equipment volumes were at 1,055 units as compared to 2,012 units in corresponding period last fiscal. Segmental revenue came at ₹ 209.4 crore in half year ended September 2020 as against ₹ 413.2 crore in corresponding period last fiscal. EBIT margin for first half of fiscal stands were negative 6.7% as against 2.6% in the corresponding period last fiscal.

### ***Railway Products Division***

Revenue for the second quarter went up by 26.4% at ₹ 160.2 crore in quarter ending September 2020 as against ₹ 126.7 crore in the corresponding quarter. This quarter had higher sales coming from new products and EBIT margin stood at 20.3 % in quarter ended September 2020.

For first half of current fiscal railways products segmental revenue came at ₹ 215.1 crore as against ₹ 244.8 crore in corresponding period last fiscal. EBIT margin for first half of fiscal stood at 15.8% as compared to 19.5% in the corresponding period last fiscal.

Due to unprecedented COVID-19 pandemic situation during first half of fiscal FY2021, and a total stoppage of all Train operations except for few Sharamik special Trains, all the Coach, Locomotive Production Units and Wagon Manufacturers had cut down their annual production for FY21 drastically, affecting fresh order tendering and order inflow. Order book for the division, at end of September 2020, was more than ₹ 350 crore that would get executed in the next 6~8 months. Going forward it is expected that tendering process will get back to pre-Covid level by Q4 of current fiscal.

**The reviewed accounts of the second quarter and First six months ended 30<sup>th</sup> September 2020 have been approved by the Board of Directors of Escorts Limited.**

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***For further information, kindly contact:***

**Bharat Madan**

Group CFO and Corporate Head

Escorts Ltd.

Email ID: [bharat.madan@escorts.co.in](mailto:bharat.madan@escorts.co.in)

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