

Q2 FY22 | EARNING PRESENTATION

29th October 2021

Contents



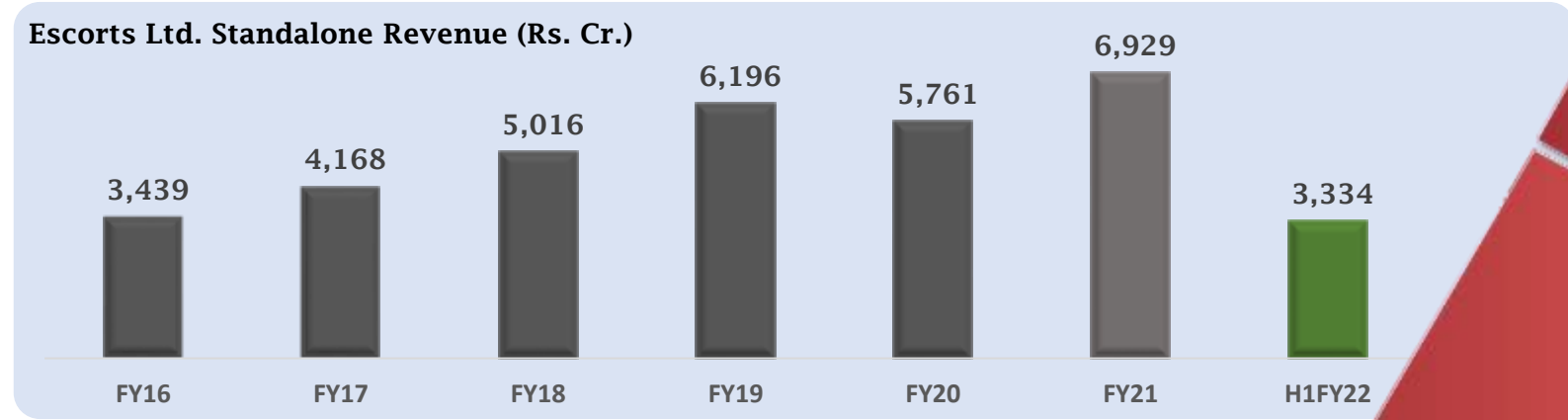
- Escorts Limited: An Overview
- Q2 FY22 (Standalone)
 - Highlights
 - YoY at a Glance
 - QoQ at a Glance
- H1 FY22 (Standalone)
 - YoY at a Glance
 - Highlights YoY
- Credit Rating & Debt Profile
- Management Message
- Segmental Performance
 - EAM
 - ECE
 - RED
- Shareholding pattern
- Consolidated Q2FY22 at a Glance
- Consolidated H1FY22 at a Glance
- Narrations

Escorts Limited: An Overview



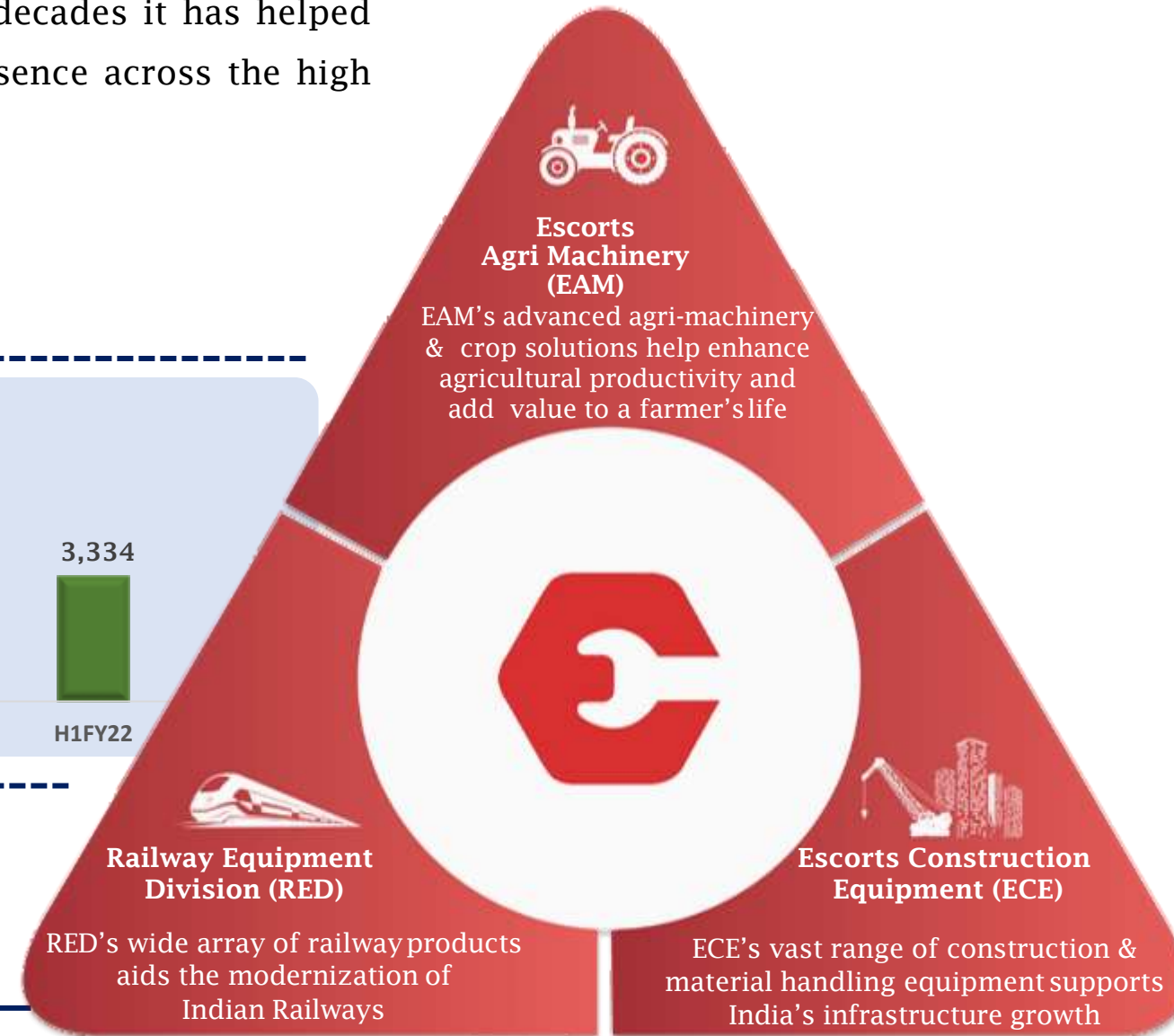
India's leading engineering conglomerates and for over Seven decades it has helped accelerate India's socio-economic development through its presence across the high growth sectors of

- Agri-machinery
- Construction & Material Handling Equipment
- Railway Equipment.



Exchange listing

- Listed on NSE, BSE and DSE
- Market cap of ~ Rs. 20,500 Crores (28th October 2021)



Q2 FY22 - Highlights



Particulars (YoY)	Industry Growth	Escorts Ltd. Growth	Variance
Domestic Tractor Volume	-10.6%	-18.2%	-7.6%
Export Tractor Volume	55.2%	65.2%	10.0%
Total Tractor Volume	-4.8%	-13.8%	-9.0%
PNC Volume	19.3%	36.5%	17.2%
BHL Volume	-22.1%	46.1%	68.3%
Compactor Volume	11.8%	-28.3%	-40.0%
Served Construction Equipment Volume	-14.7%	30.8%	45.5%
Railway Segment Revenue		6.2%	

*Served construction industry include- Cranes, Backhoe loaders and Compactors

Q2FY22 YoY at a Glance



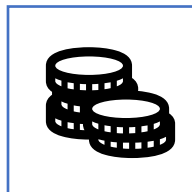
Particulars	Unit	Q2FY22	Q2FY21	Variance
Domestic Tractor Market Share	%	9.0	9.8	-83 bps
Revenue from operations	₹ Cr.	1,662.3	1,639.7	1.4%
Material Cost	%	66.5	63.6	299 bps
Manpower Cost	%	8.4	7.7	74 bps
EBIDTA	₹ Cr.	210.1	300.9	-30.2%
EBIDTA Margin	%	12.6	18.3	-571 bps
PAT	₹ Cr.	176.7	229.9	-23.1%
EPS	₹	13.39	17.72	-24.4%

Q2FY22 YoY at a Glance



Volume & Sales

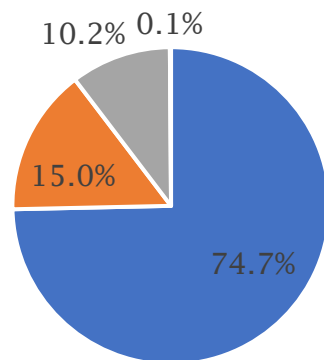
- **EAM** at 21,073
• YoY down by 13.8%
- **ECE** at 1,074
• YoY up by 30.8%
- **RED** at ₹ 170.2 Cr.
• YoY up by 6.2%



Revenue

- **Q2:** ₹ 1,662.3 Cr.
• YoY up by 1.4%

Division Wise Revenue Split



- EAM
- ECE
- RED
- Unallocated

ROCE* :17.1%



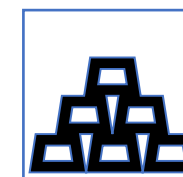
EBIDTA

- **Q2:** ₹ 210.1 Cr.
• Margin at 12.6%
• YoY margin down by 571 bps

• Due to

- Product Mix
- Impact of adverse commodity prices

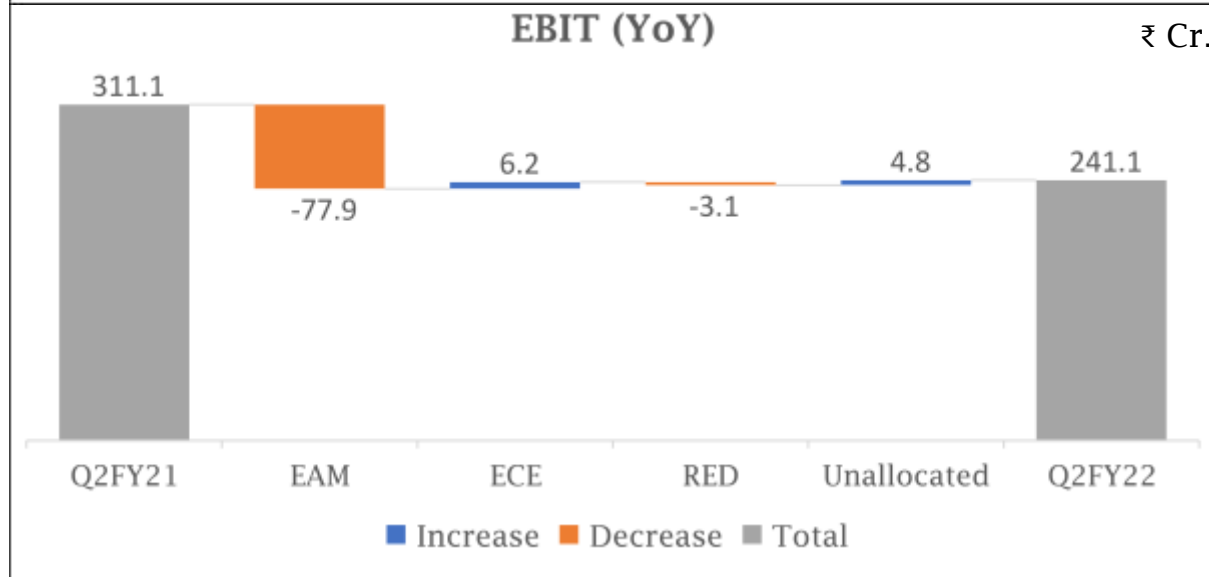
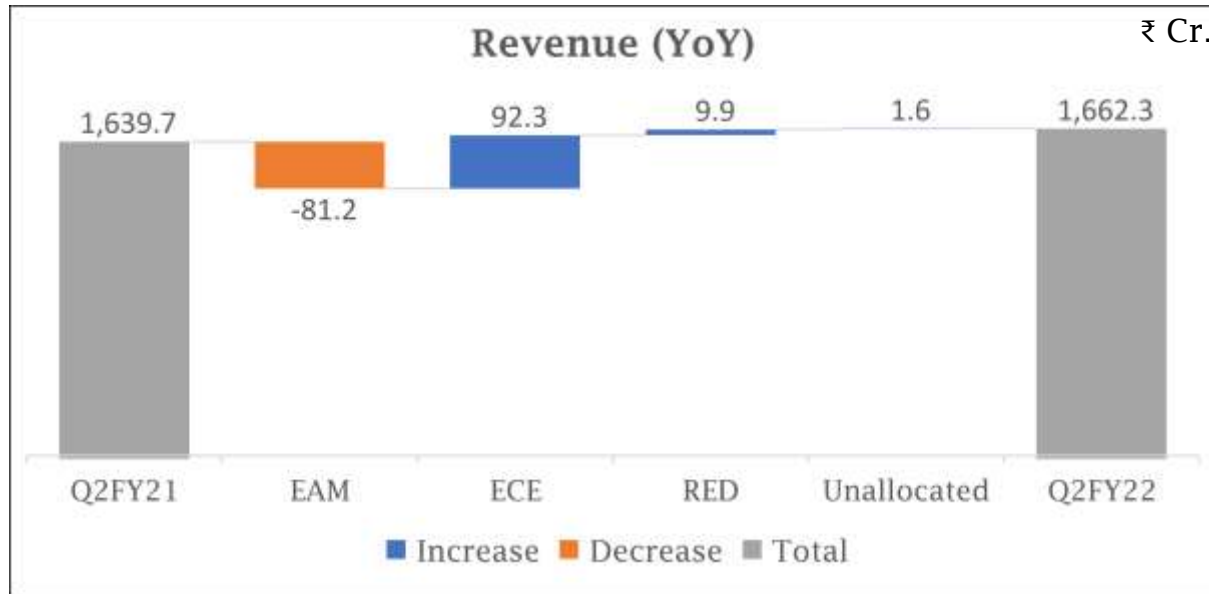
ROE* :12.5%



Profit

- **Q2**
- **PAT:** ₹ 176.7 Cr.
• YoY down by 23.1%
- **PAT Margin** at 10.6%
• YoY margin down by 339 bps.
- **EPS :** ₹ 13.39
• YoY down by 24.4%

Q2 - YoY Revenue grew by 1.4%; EBIT down by 22.5%



Q2 Revenue Key Highlights (YoY)

- Tractor Sales down by 13.8% at 21,073 units
- Construction Sales up by 30.8% at 1,074 units
- Railway division revenue up by 6.2%

Q2 EBIT Key Highlights

- Negatively Impacted by operating leverage and volume drop in tractor
- Adverse commodity prices

Q2FY22 QoQ at a Glance



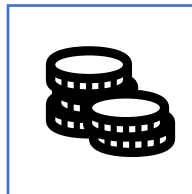
Particulars	Unit	Q2FY22	Q1FY22	Variance
Domestic Tractor Market Share	%	9.0	10.7	-171 bps
Revenue from operations	₹ Cr.	1,662.3	1,671.5	-0.6%
Material Cost	%	66.5	68.3	-172 bps
Manpower Cost	%	8.4	8.2	19 bps
EBIDTA	₹ Cr.	210.1	233.2	-9.9%
EBIDTA Margin	%	12.6	14.0	-131 bps
PAT	₹ Cr.	176.7	185.2	-4.6%
EPS	₹	13.39	14.03	-4.6%

Q2FY22 QoQ at a Glance



Volume & Sales

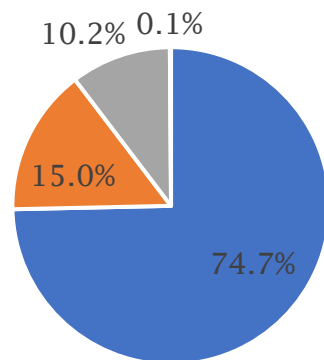
- **EAM** at 21,073
• QoQ down by 18.7%
- **ECE** at 1,074
• QoQ up by 77.2%
- **RED** at ₹ 170.2 Cr.
• QoQ up by 42.5%



Revenue

- **Q2:** ₹ 1,662.3 Cr.
• QoQ down by 0.6%

Division Wise Revenue Split



- EAM
- ECE
- RED
- Unallocated

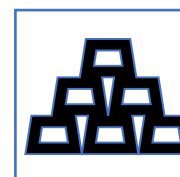
ROCE* :17.1%



EBIDTA

- **Q2:** ₹ 210.1 Cr.
- Margin at 12.6%
- QoQ margin down by 131 bps
- Adverse commodity prices

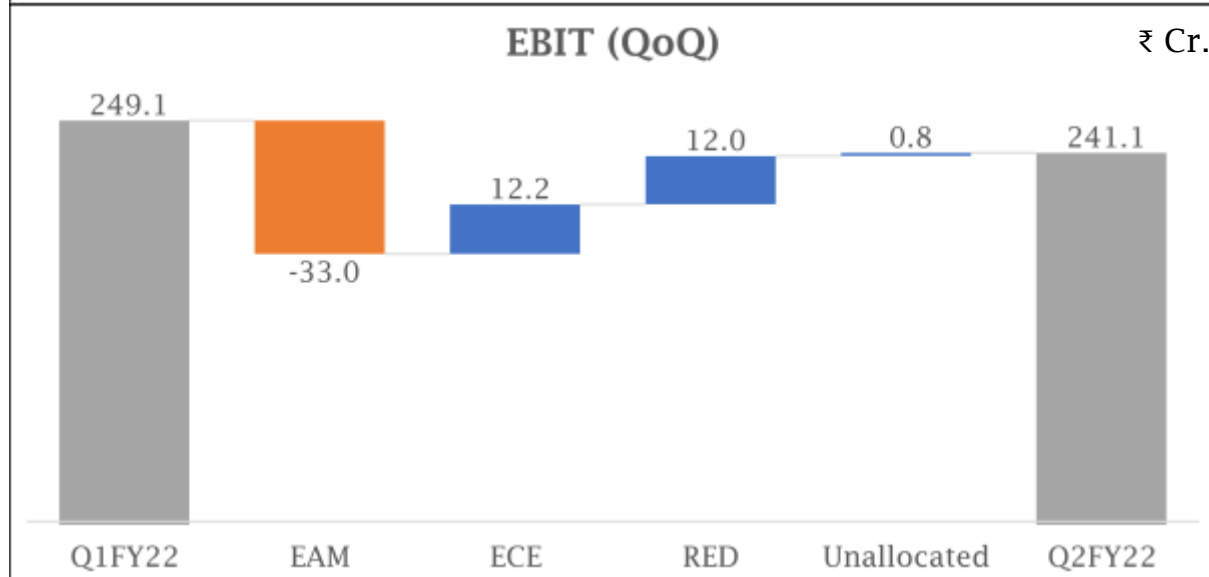
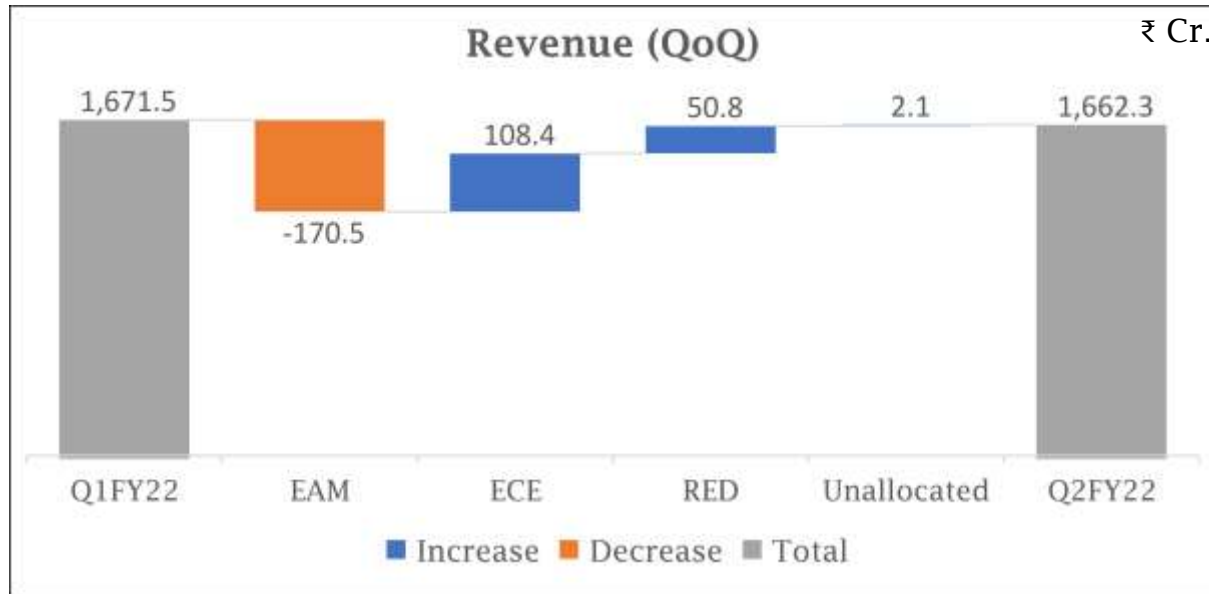
ROE* :12.5%



Profit

- **Q2**
- **PAT:** ₹ 176.7 Cr.
• QoQ down by 4.6%
- **PAT Margin** at 10.6%
• QoQ margin down by 45 bps.
- **EPS :** ₹ 13.39
• QoQ down by 4.6%

Q2 - QoQ Revenue down by 0.6%; EBIT down by 3.2%



Q2 Revenue Key Highlights (QoQ)

- Tractor Sales down by 18.8% at 21,073 units
- Construction Sales up by 77.2% at 1,074 units
- Railway division revenue up by 42.5%

Q2 EBIT Key Highlights

- Negatively Impacted by operating leverage and volume drop
- Adverse commodity prices

H1FY22 YoY at a Glance



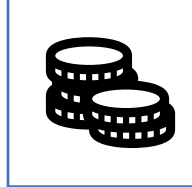
Escorts Ltd. Particulars	Unit	H1FY22	H1FY21	Variance
Domestic Tractor Market Share	%	9.9	10.2	-31 bps
Revenue from operations	₹ Cr.	3,333.8	2,701.3	23.4%
Material Cost	%	67.4	65.0	244 bps
Manpower Cost	%	8.3	9.3	-102 bps
EBIDTA	₹ Cr.	443.3	420.5	5.4%
EBIDTA Margin	%	13.3	15.6	-227 bps
PAT	₹ Cr.	361.9	322.1	12.4%
EPS	₹	27.42	25.83	6.2%

H1FY22 Highlights YoY



Volume & Sales

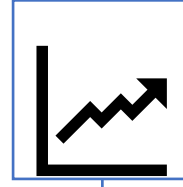
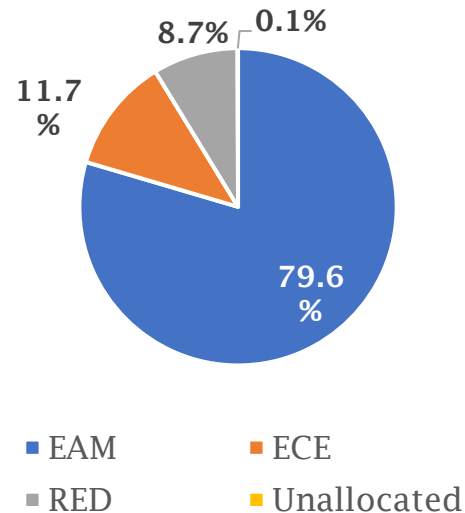
- **EAM** at 47,008
• YoY up by 10.4%
- **ECE** at 1,680
• YoY up by 59.1%
- **RED** at ₹ 289.6 Cr.
• YoY up by 34.6%



Revenue

- H1: ₹ 3,333.8 Cr.
• YoY up by 23.4%

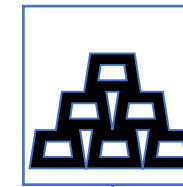
Division Wise Revenue Split



EBIDTA

- H1 ₹ 443.3 Cr.
• Margin at 13.3%
• YoY margin down by 227 bps

- **Due to**
 - Product Mix
 - Impact of adverse commodity prices



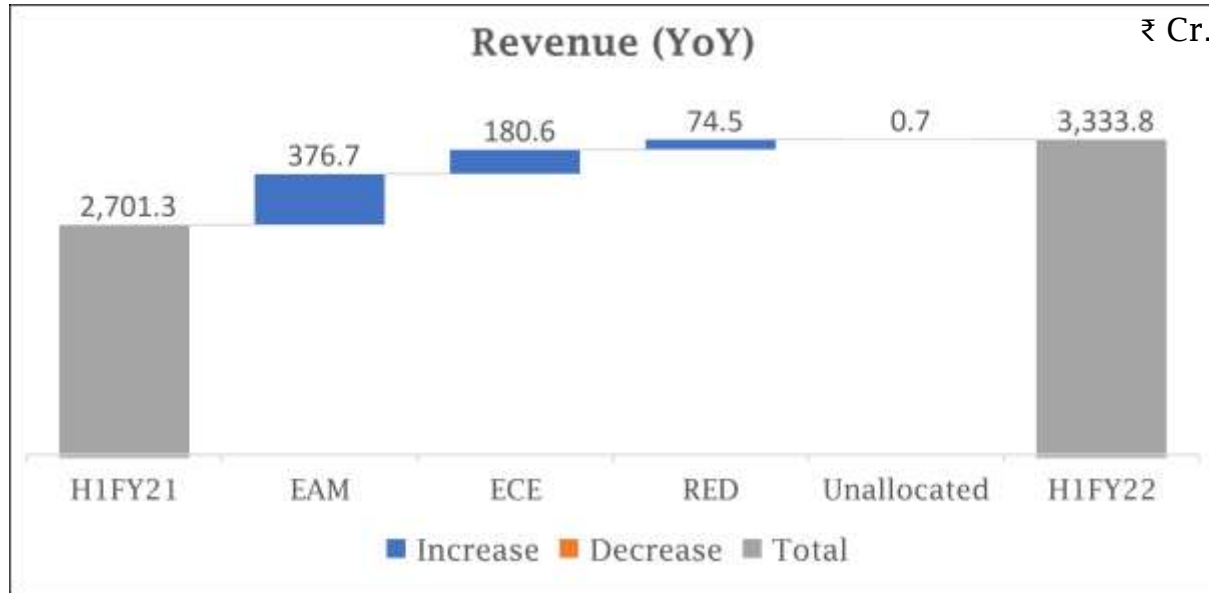
Profit

- **H1**
- **PAT**: ₹ 361.9 Cr.
• YoY up by 12.4%
- **PAT Margin** at 10.9%
• YoY margin down by 107 bps.
- **EPS** : ₹ 27.42
• YoY up by 6.2%

ROCE* :17.6%

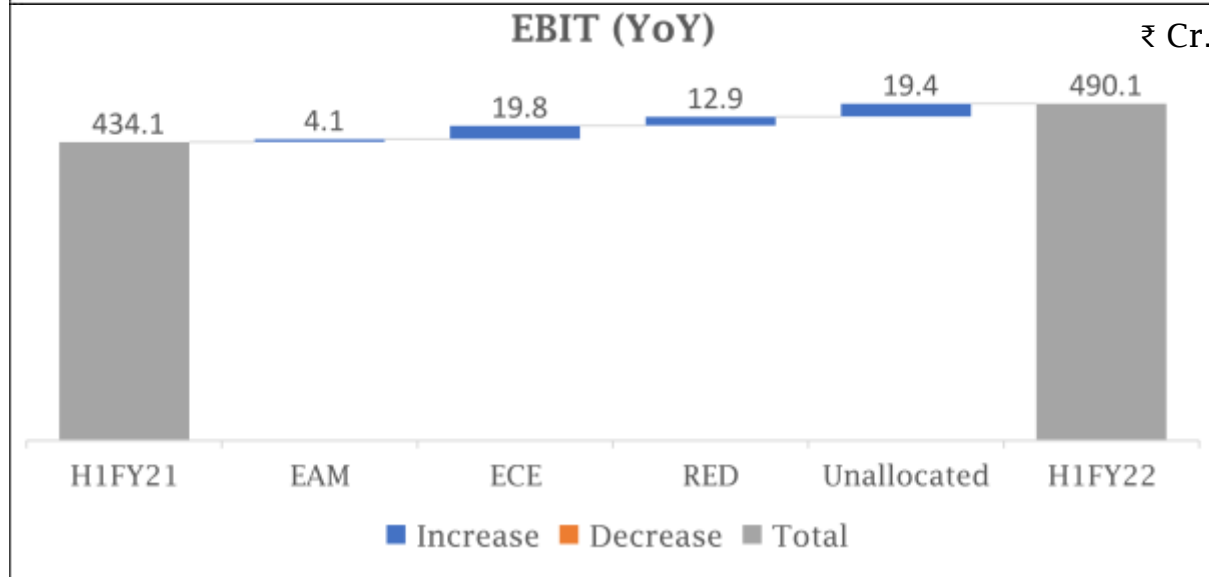
ROE* :13.0%

H1 - YoY Revenue grew by 23.4%; EBIT up by 12.9%



H1 Revenue Key Highlights (YoY)

- Tractor Sales up by 10.4% at 47,008 units
- Construction Sales up by 59.1% at 1,680 units
- Railway division revenue up by 34.6%



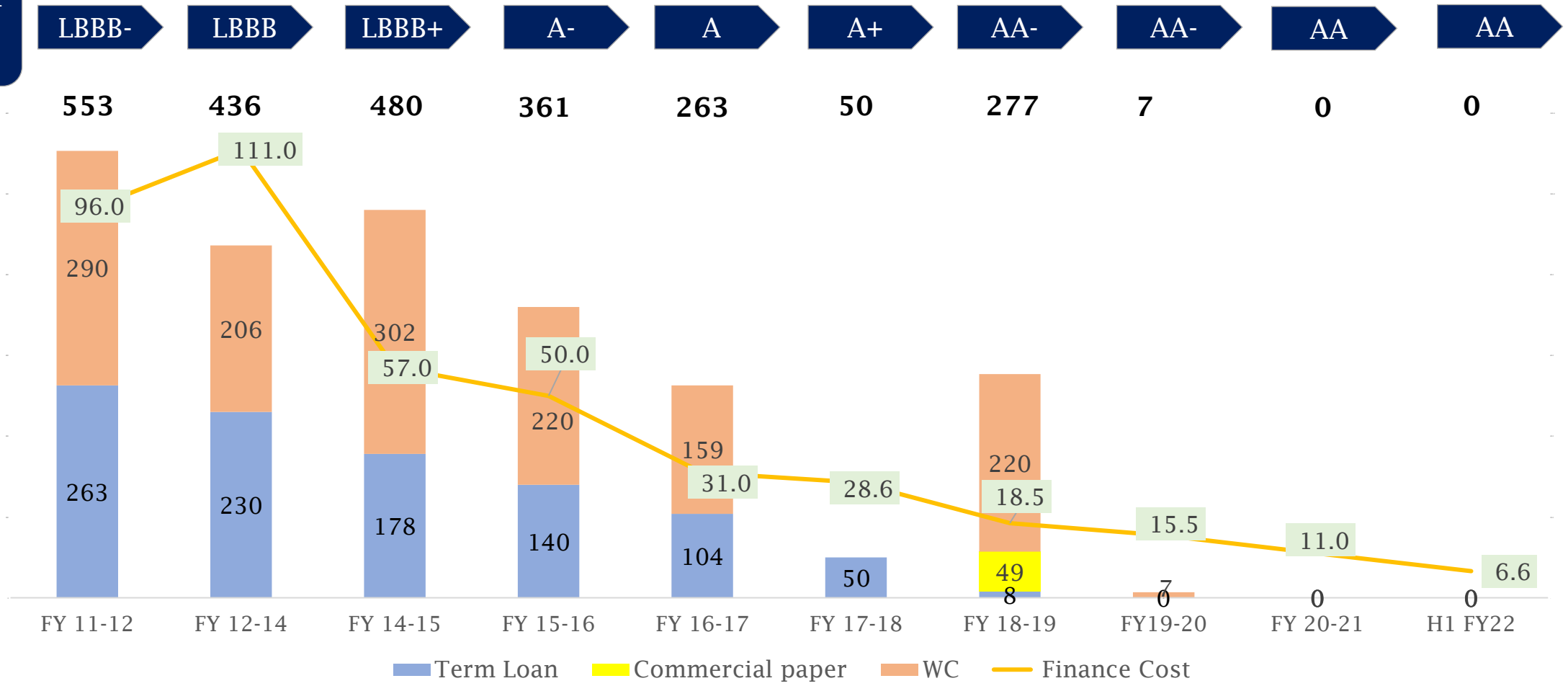
H1 EBIT Key Highlights

- Operating leverage across divisions
- Adverse commodity prices

Credit Rating & Debt Profile



Long Term
Credit
Rating
(₹ Crs.)



Please note:-
 1. Nos. from FY 11-12 to FY 14-15 is as per IGAAP.
 2. Finance Cost for FY 12-14 is for 18 months.

Management Message



“Industry is constantly changing and adapting to the fast-changing environment. There is a positive sentiment across industry, and we feel, tractor and Agri equipment industry is clawing back to a sustained momentum and growth path. We hope the festivity around will also propel the demand and distribution. PM Gati Shakti National Master Plan will also help to push infrastructure segment with logistics ease and multi-modal connectivity. We are witnessing encouraging developments in construction and railway equipment segment too and are hopeful of a wider recovery soon. We still maintain our preparedness with all safety protocols and guidelines and are well aligned with national efforts.”

Nikhil Nanda

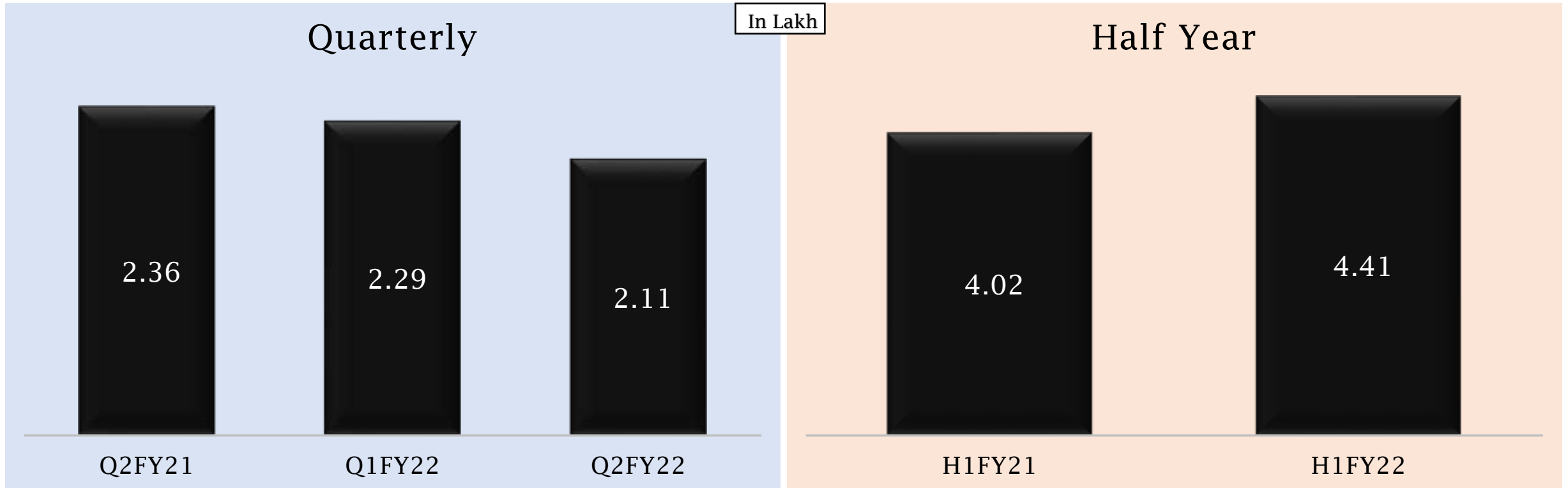
**Chairman and Managing
Director**

Segment Performance : EAM



Powering The Dreams Of Farmer

Domestic Tractor Industry Overview



- In Q2FY22 on Y-o-Y domestic Industry down by 10.6%.
- Industry in Q1FY22 on Y-o-Y basis in North and central region down by ~19%, whereas industry down by ~3% in South and west region.

Q2FY22 Segment Highlights : EAM



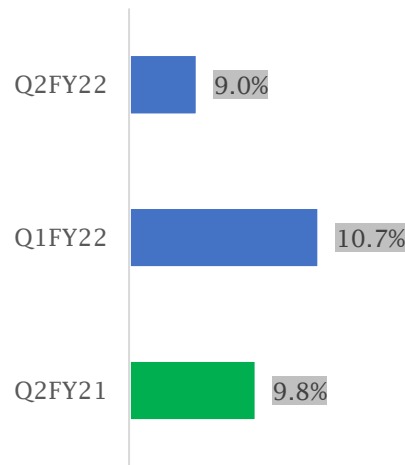
Volume

- **Domestic** at 18,950
 - YoY down by 18.2%
 - QoQ down by 22.7%
- **Export** at 2,123
 - YoY up by 65.2%
 - QoQ up by 47.9%
- **Total** at 21,073
 - YoY down by 13.8%
 - QoQ down by 18.7%



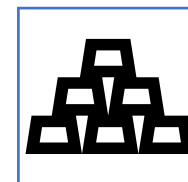
Domestic Market Share

- Market Share at 9.0%
- YoY down by 83 bps
- QoQ down by 171 bps



Revenue

- **At ₹ 1,240.9 Cr.**
 - YoY down by 6.1%
 - QoQ down by 12.1%
- **Farmtrac : Powertrac sales ratio 48:52**
 - as against 45:55 YoY
 - as against 43:57 QoQ
- **Ratio of less than 40 HP : 40 HP Plus ratio at 40:60**
 - as against 37:63 YoY
 - as against 40:60 QoQ



EBIT

- **Q2: ₹ 186.9 Cr.**
 - YoY down by 29.4%
 - QoQ down by 15.0%
- **Margin at 15.1%**
 - YoY down by 496 bps
 - QoQ down by 51 bps

Capacity utilization ~90% +

ROCE* : 38.6%

H1FY22 Segment Highlights : EAM



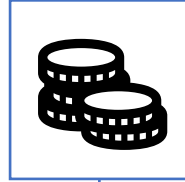
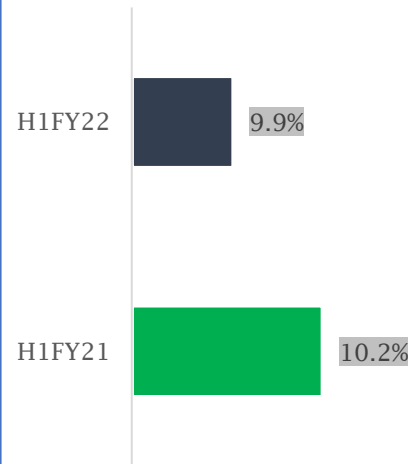
Volume

- **Domestic** at 43,450
• YoY up by 6.4%
- **Export** at 3,558
• YoY up by 103.9%
- **Total** at 47,008
• YoY up by 10.4%



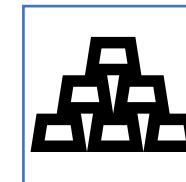
Domestic Market Share

- Market Share at 9.9%
- YoY down by 31 bps



Revenue

- **At ₹ 2,652.4 Cr.**
• YoY up by 16.6%
- **Farmtrac : Powertrac sales ratio 45:55**
• as against 44:56 YoY
- **Ratio of less than 40 HP : 40 HP Plus ratio at 40:60**
• as against 38:62 YoY



EBIT

- H1: ₹ 406.7 Cr.
• YoY up by 1%
- **Margin** at 15.3%
• YoY down by 236 bps

Capacity utilization ~90% +

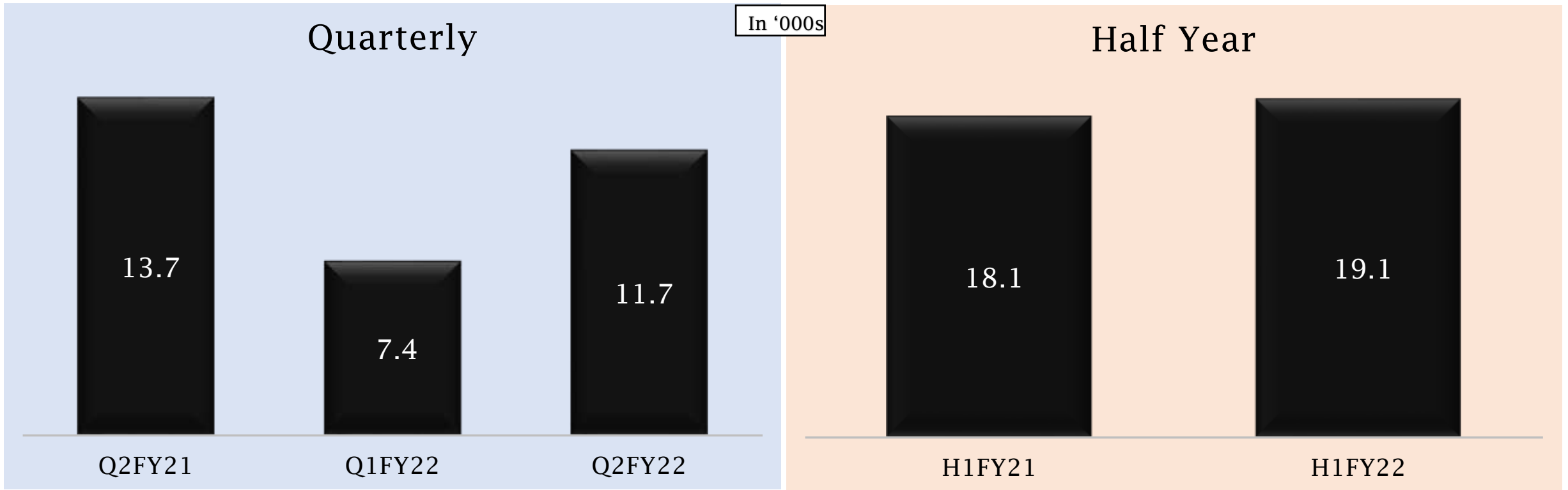
ROCE* : 46.9%

Segment Performance : ECE

**Building a
Better Tomorrow**

PREFERRED PARTNER IN NATION BUILDING

Served-Construction Equipment Industry Overview



FY21 Industry Revised Numbers

- Served industry (Backhoe Loaders, Pick n carry crane and Compactors)
 - In Q2FY22 down by ~15% wrt to LY.
 - In H1FY22 up by ~5% wrt to LY.

Q2FY22 Segment Highlights : ECE



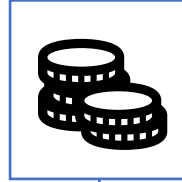
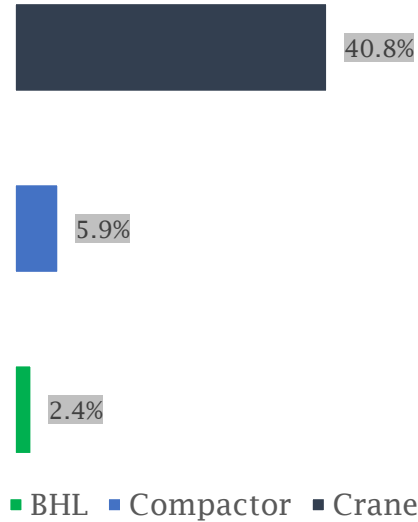
Volume

- **ECE at 1,074**
 - YoY up by 30.8%
 - QoQ up by 77.2%
- **Key Highlight**
- **Served industry down** by ~15% in Q2FY22 wrt to LY.
- **YoY**
 - **BHL industry** down by ~22%.
 - **Crane industry** up by ~19%
 - **Compactors industry** up by ~12%.



Market Share

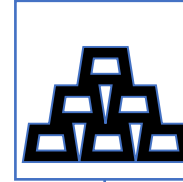
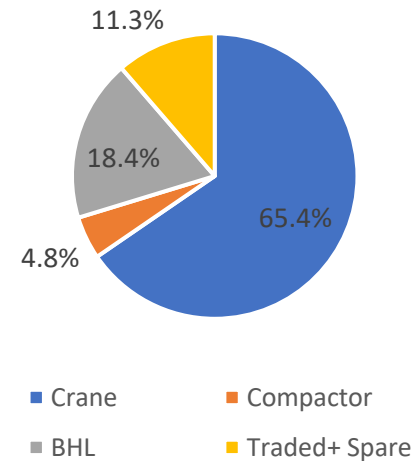
Product wise Market Share



Revenue

- **Q2: ₹ 249.2 Cr.**
 - YoY up by 58.8%
 - QoQ Up by 77.0%

• **Revenue Break up**



EBIT

- **Q2: ₹ 9.0 Cr.**
- **Margin at 3.6%**
- YoY up by 185 bps
- QoQ up by 593 bps

Capacity utilization ~45%

H1FY22 Segment Highlights : ECE



Volume

- **ECE** at 1,680
- YoY up by 59.1%

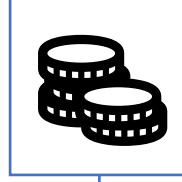
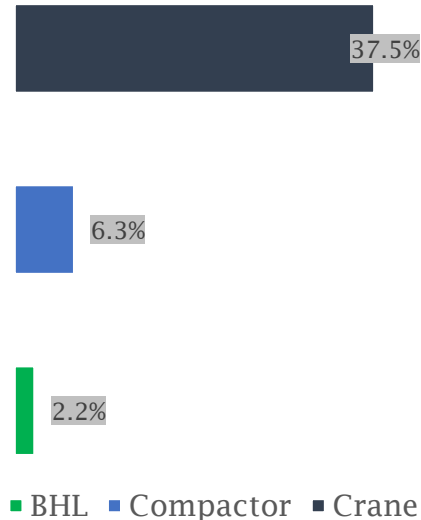
• Key Highlight

- Served industry up by ~5% in H1FY22 wrt to LY.
- YoY
 - BHL industry down by ~6%.
 - Crane industry up by ~60%
 - Compactors industry up by ~39%.



Market Share

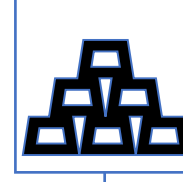
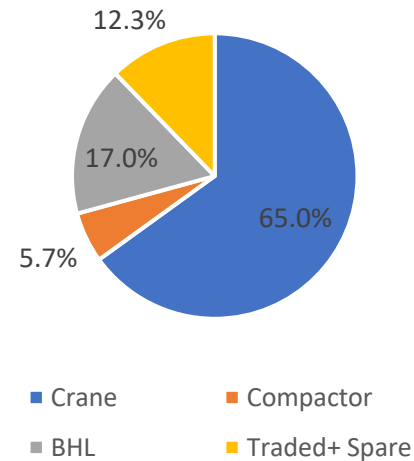
Product wise Market Share



Revenue

- H1: ₹ 390.0 Cr.
- YoY up by 86.2%

• Revenue Break up



EBIT

- H1: ₹ 5.7 Cr.
- Margin at 1.5%
- YoY up by 817 bps

Capacity utilization ~35%

Segment Performance : RED



Mobility Solutions
Of the future

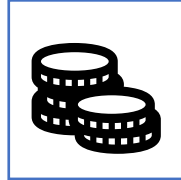
ENSURING SAFETY AND COMFORT IN RAIL TRANSPORT

Q2FY22 Segment Highlights : RED



Order Book

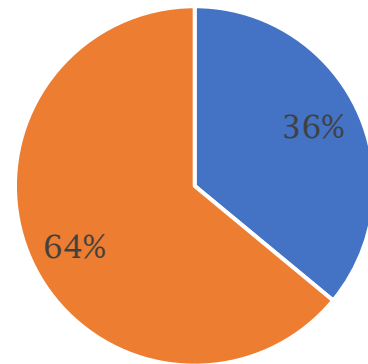
- As of Sept'21 more than ₹ 310 Cr.
- **Key Highlight**
- witnessing good traction in tendering process.



Revenue

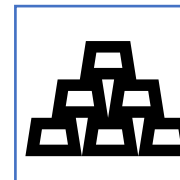
- Q2: ₹ 170.2 Cr.
- YoY up by 6.2%
- QoQ up by 42.5%

· Breakup



■ Conventional ■ NPD

ROCE* : 69.1%



EBIT

- Q2: ₹ 29.4 Cr.
- YoY down by 9.6%
- QoQ up by 68.8%

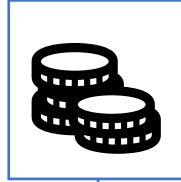
- **Margin** at 17.3%
- YoY down by 303 bps
- QoQ up by 269 bps

H1FY22 Segment Highlights : RED



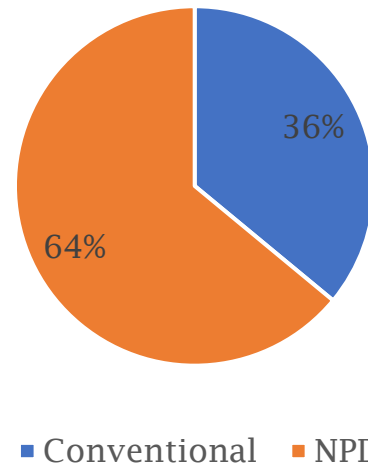
Order Book

- As of Sept'21 more than ₹ 310 Cr.
- **Key Highlight**
- witnessing good traction in tendering process.

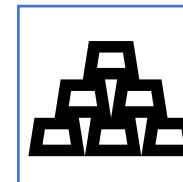


Revenue

- H1: ₹ 289.6 Cr.
- YoY up by 34.6%
- **Breakup**



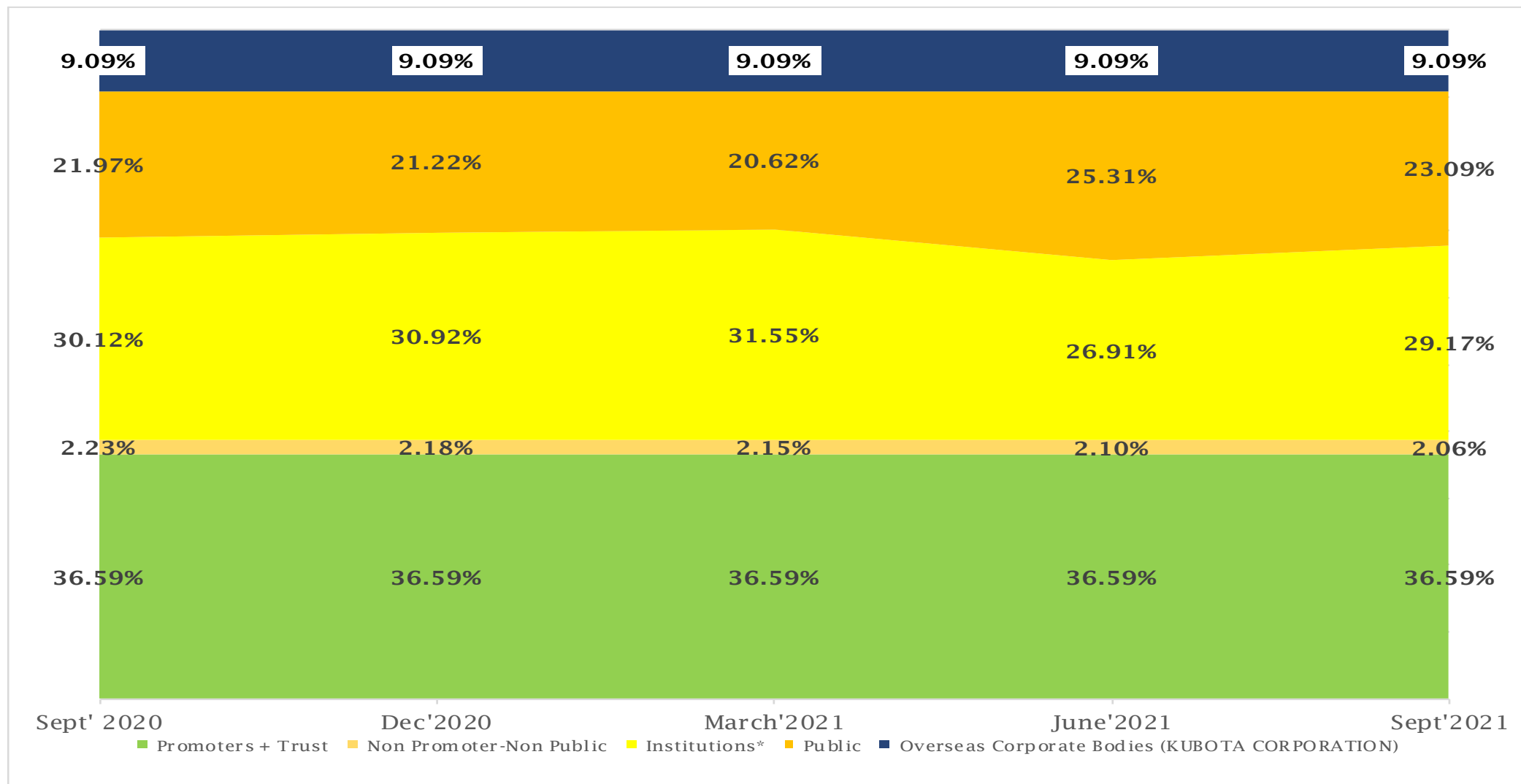
ROCE* : 51.5%



EBIT

- H1: ₹ 46.8 Cr.
- YoY up by 37.9%
- **Margin** at 16.2%
- YoY up by 38 bps

↑ SHAREHOLDING PATTERN



* FPI/Financial Institutions/ Banks/Insurance Companies

As of quarter ended

Consolidated Q2FY22 at a Glance



Particulars	Unit	Q2FY22	Q2FY21	YoY	Q1FY21	QoQ
Revenue from operations	₹ Cr.	1,673.9	1,654.2	1.2%	1,701.8	-1.6%
Material Cost	%	66.3%	63.5%	272 bps	68.1%	-187 bps
Manpower Cost	%	8.5%	7.8%	76 bps	8.2%	29 bps
EBIDTA	₹ Cr.	210.3	298.1	-29.5%	236.4	-11.1%
EBIDTA Margin	%	12.6%	18.0%	-546 bps	13.9%	-133 bps
PBT	₹ Cr.	234.4	304.5	-23.0%	239.4	-2.1%
PAT	₹ Cr.	173.5	227.2	-23.7%	178.5	-2.8%
EPS	₹	17.62	23.61	-25.4%	18.13	-2.8%

Consolidated H1FY22 at a Glance



Escorts Ltd. Particulars	Unit	H1FY22	H1FY21	YoY
Revenue from operations	₹ Cr.	3,375.6	2,743.4	23.0%
Material Cost	%	67.2%	64.9%	228 bps
Manpower Cost	%	8.4%	9.4%	-95 bps
EBIDTA	₹ Cr.	446.7	420.0	6.3%
EBIDTA Margin	%	13.2%	15.3%	-208 bps
PBT	₹ Cr.	473.8	426.1	11.2%
PAT	₹ Cr.	351.9	319.8	10.0%
EPS	₹	35.75	35.10	1.9%

Narrations



- **EAM** - Escorts Agri Machinery
- **ECE** - Escorts Construction Equipment
- **RED** - Railway Equipment Division
- **FY** - Fiscal Year represents the 12 months period from 1st April to 31st March.
- **Q2FY21** - Represents the 3 months period from 1st July 2020 to 30th September 2020.
- **Q2FY22** - Represents the 3 months period from 1st July 2021 to 30th September 2021.
- **Q1FY22** - Represents the 3 months period from 1st April 2021 to 30th June 2021.
- **H1FY21** - Represents the 6 months period from 1st April 2020 to 30th September 2020.
- **H1FY22** - Represents the 6 months period from 1st April 2021 to 30th September 2021.
- **QoQ** - Represents Quarter on Quarter
- **YoY** - Represents Year on Year
- **LY** - Represents Last Year
- **CY** - Represents Current Year
- **BHL** - Backhoe Loader
- **IndAS** - Indian Accounting Standards
- **NPD** - New Product Developed
- **PnC** - Pick & Carry Crane

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.

Accounting standard: Financials in presentation are as per IndAS.

All numbers are rounded off to nearest decimal

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 CFO & Corporate head)

+91 129 2564837

bharat.madan@escorts.co.in

Prateek Singhal

(Financial Analyst & Investor Relations)

+91 129 2564921

prateek.singhal@escorts.co.in



Thank You