



Q3 FY22 | EARNING PRESENTATION

8th February 2022

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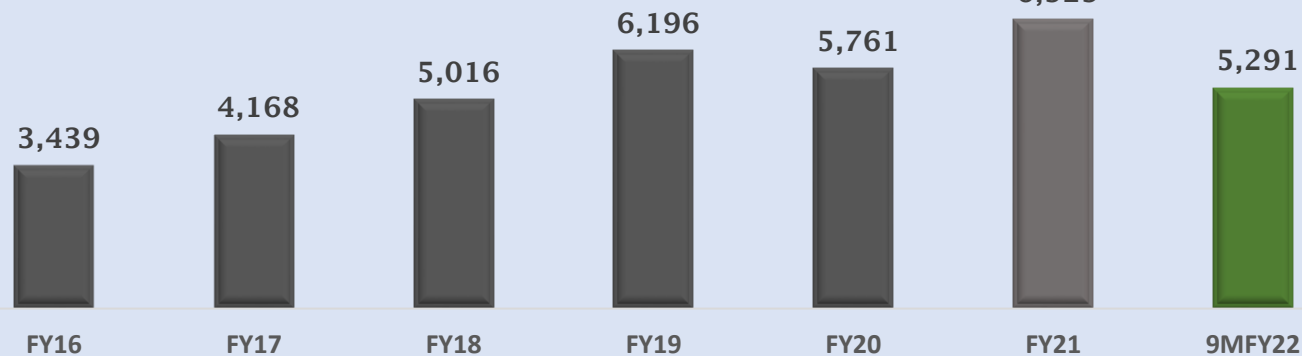
Escorts Limited: An Overview



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

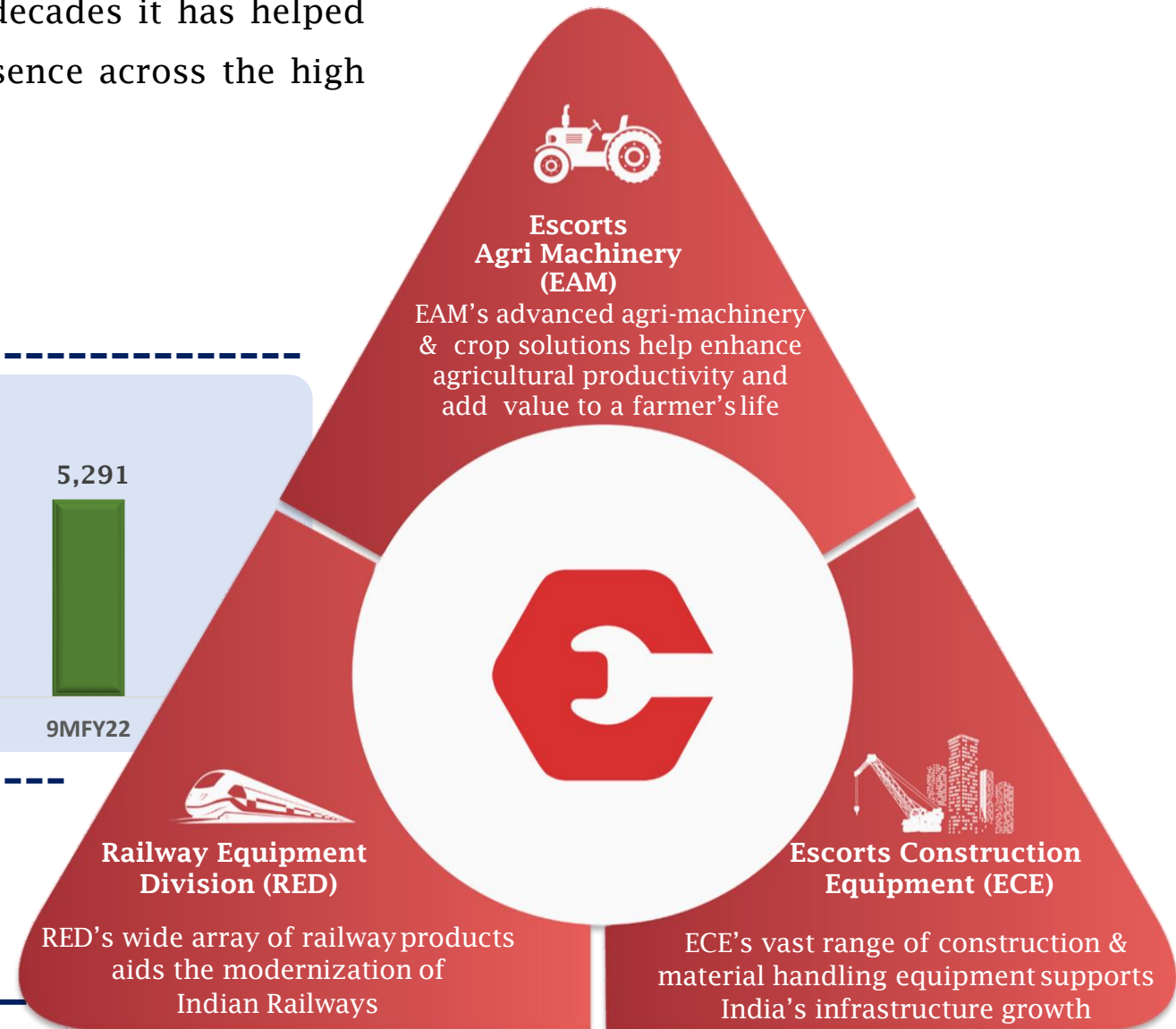
- Agri-machinery
- Construction & Material Handling Equipment
- Railway Equipment.

Escorts Ltd. Standalone Revenue (Rs. Cr.)



Exchange listing

- Listed on NSE, BSE and DSE
- Market cap of ~ Rs. 22,400 Crores (7th February 2022)



Q3FY22 YoY Highlights



Particulars	Industry Growth	Escorts Ltd. Growth	Variance
Domestic Tractor Volume	-13.5%	-22.4%	-8.9%
Export Tractor Volume	29.3%	34.5%	5.2%
Total Tractor Volume	-9.5%	-19.8%	-10.3%
PNC Volume	-21.6%	-10.8%	10.8%
BHL Volume	-37.6%	-2.5%	35.1%
Compactor Volume	-40.6%	13.8%	54.4%
Served Construction Equipment Volume*	-35.7%	-7.1%	28.6%
Railway Segment Revenue		48.1%	

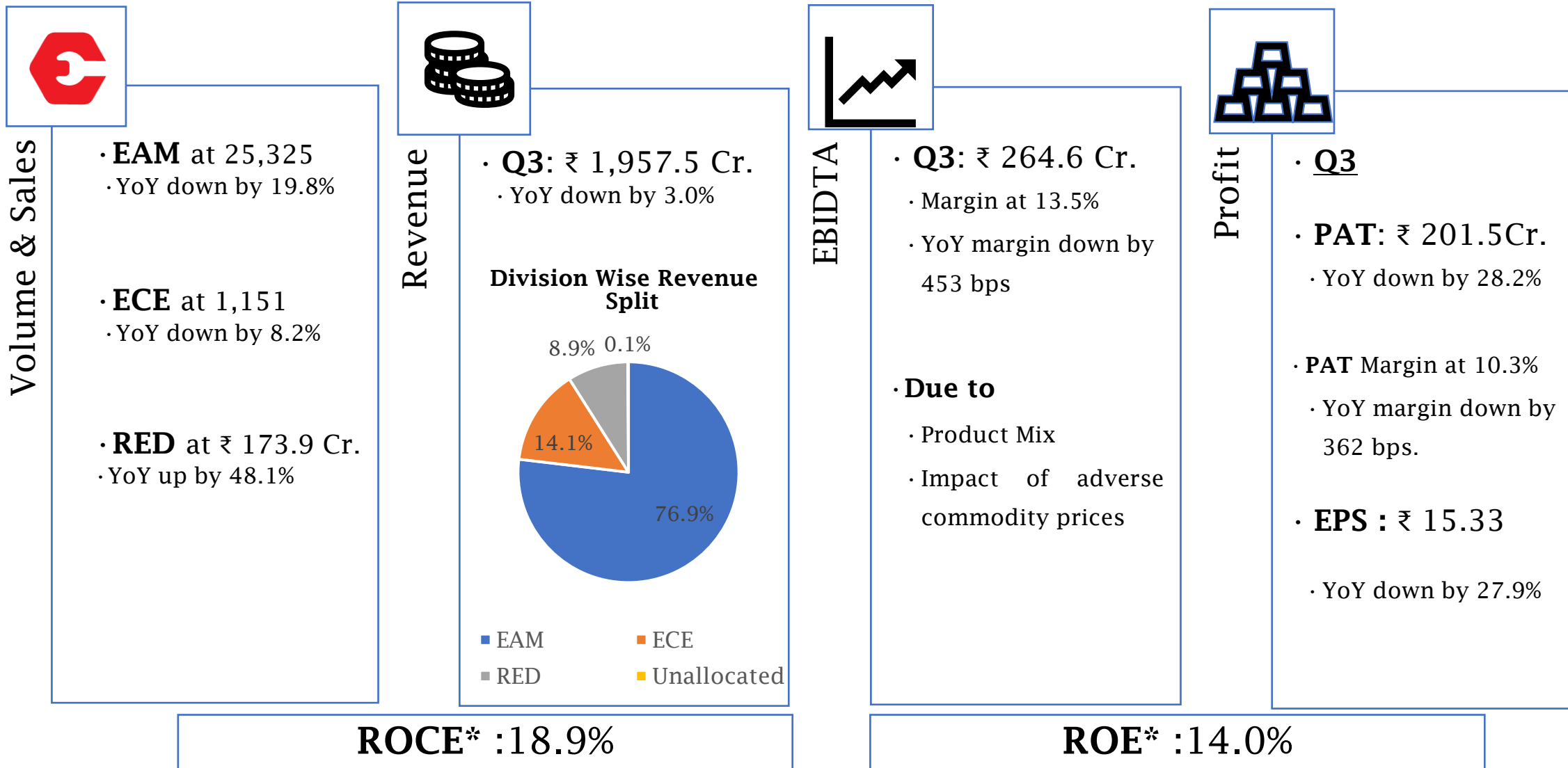
*Served Construction Equipment include- PNC Cranes, Backhoe loaders and Compactors

Q3FY22 YoY at a Glance

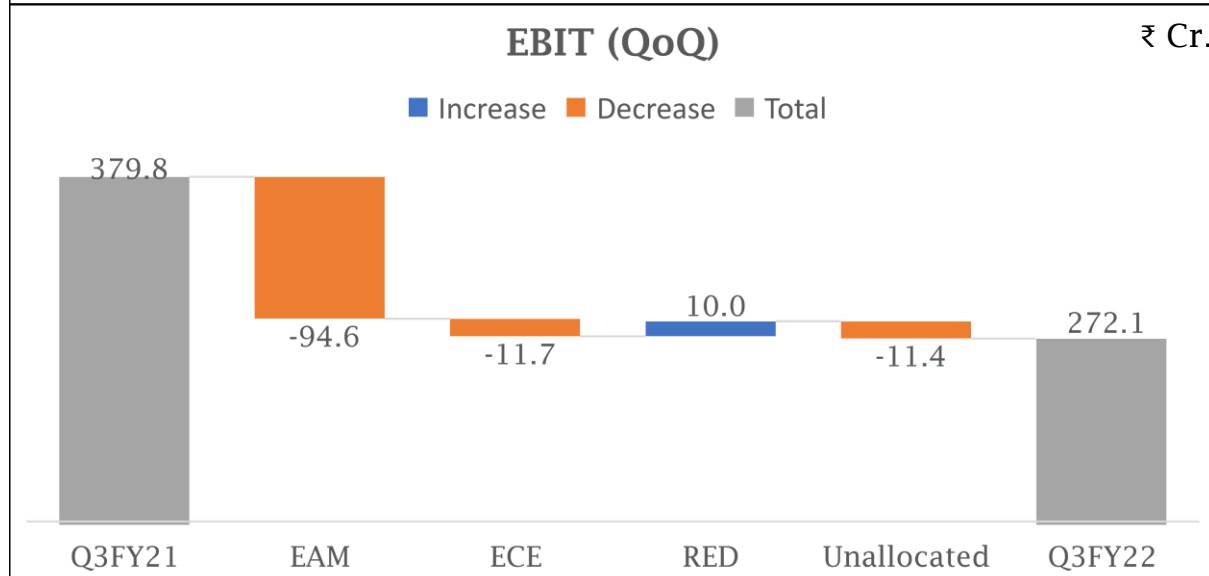
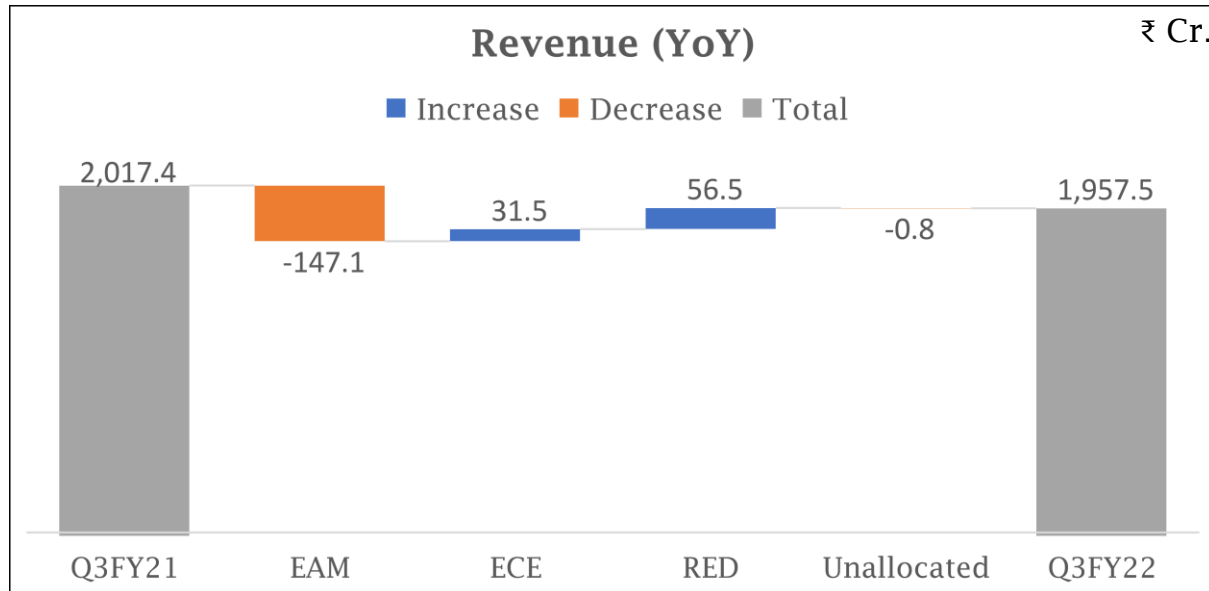


Particulars	Unit	Q3FY22	Q3FY21	Variance
Domestic Tractor Market Share	%	10.4	11.6	-120 bps
Revenue from operations	₹ Cr.	1,957.5	2,017.4	-3.0%
Material Cost	%	70.2	65.7	458 bps
Manpower Cost	%	6.8	6.7	3 bps
EBIDTA	₹ Cr.	264.6	364.1	-27.3%
EBIDTA Margin	%	13.5	18.0	-453 bps
PAT	₹ Cr.	201.5	280.7	-28.2%
EPS	₹	15.33	21.28	-27.9%

Q3FY22 YoY at a Glance



Q3 - YoY Revenue down by 3.0%; EBIT down by 28.4%



Q3 Revenue Key Highlights (YoY)

- Tractor Sales down by 19.8% at 25,325 units
- Construction Sales down by 8.2% at 1,151 units
- Railway division revenue up by 48.1%

Q3 EBIT Key Highlights

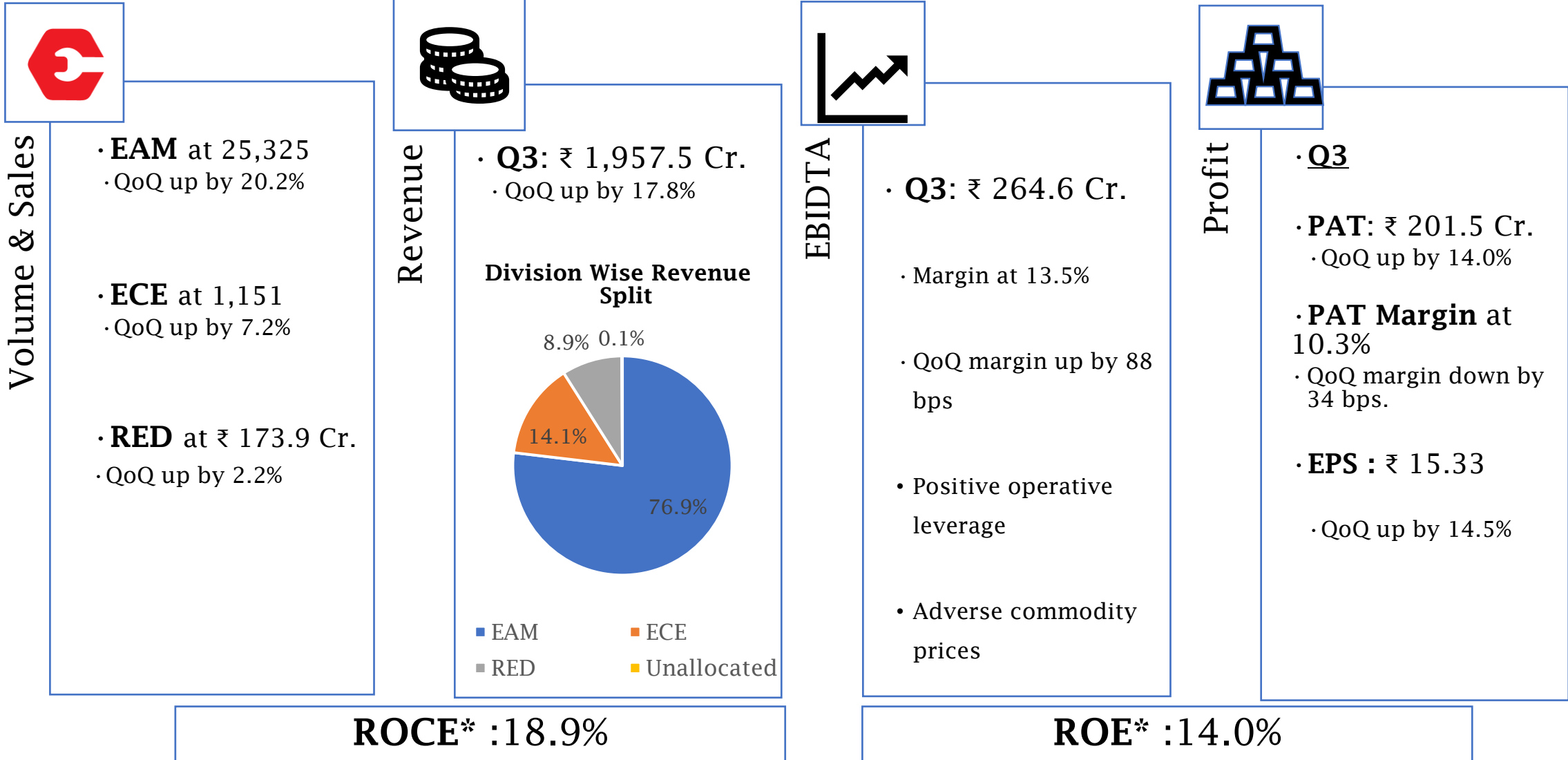
- Negatively Impacted by operating leverage and volume drop in tractor and construction equipment division
- Adverse commodity prices

Q3FY22 QoQ at a Glance

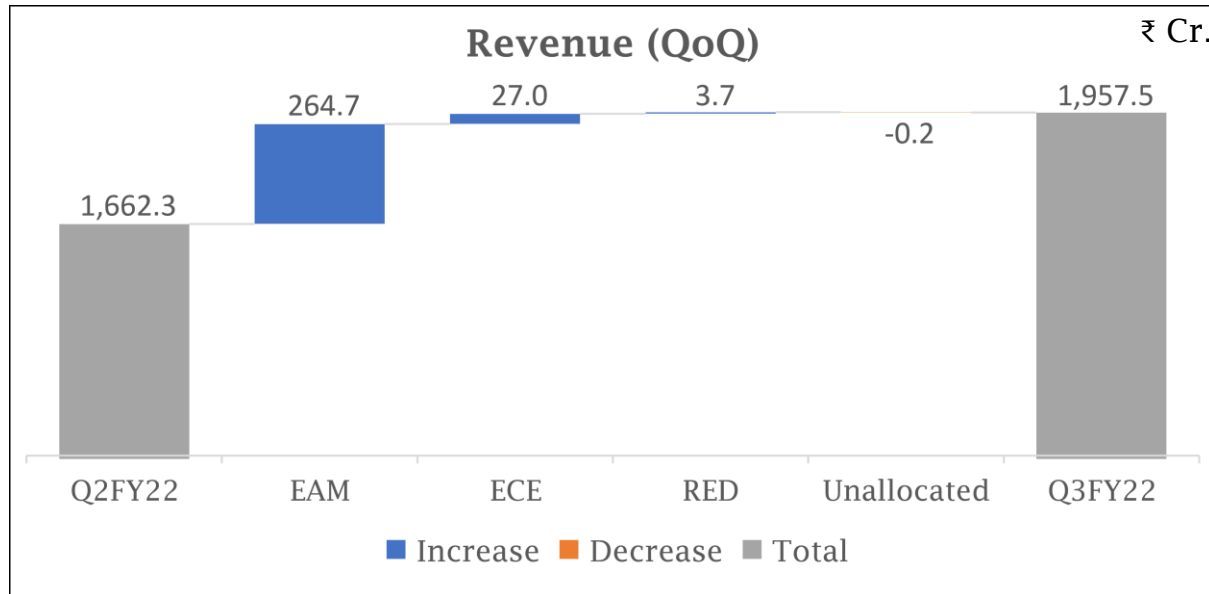


Particulars	Unit	Q3FY22	Q2FY22	Variance
Domestic Tractor Market Share	%	10.4	9.0	-146 bps
Revenue from operations	₹ Cr.	1,957.5	1,662.3	17.8%
Material Cost	%	70.2	66.5	-368 bps
Manpower Cost	%	6.8	8.4	164 bps
EBIDTA	₹ Cr.	264.6	210.1	25.9%
EBIDTA Margin	%	13.5	12.6	88 bps
PAT	₹ Cr.	201.5	176.7	14.0%
EPS	₹	15.33	13.39	14.5%

Q3FY22 QoQ at a Glance

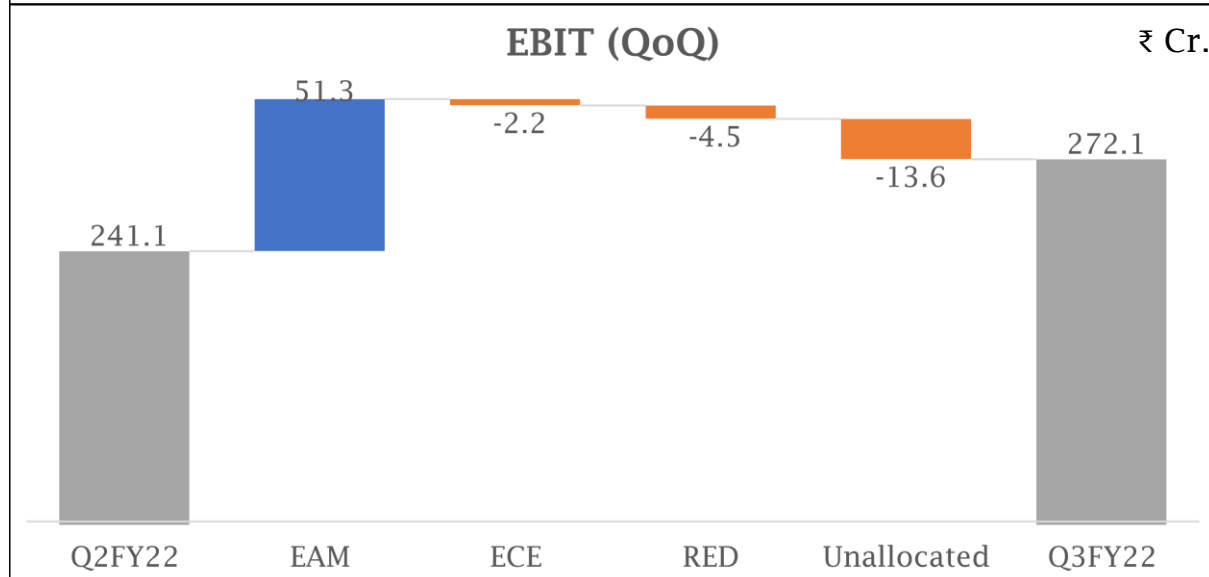


Q3 - QoQ Revenue up by 17.8%; EBIT up by 12.9%



Q3 Revenue Key Highlights (QoQ)

- Tractor Sales up by 20.2% at 25,325 units
- Construction Sales up by 7.2% at 1151 units
- Railway division revenue up by 2.2%



Q3 EBIT Key Highlights

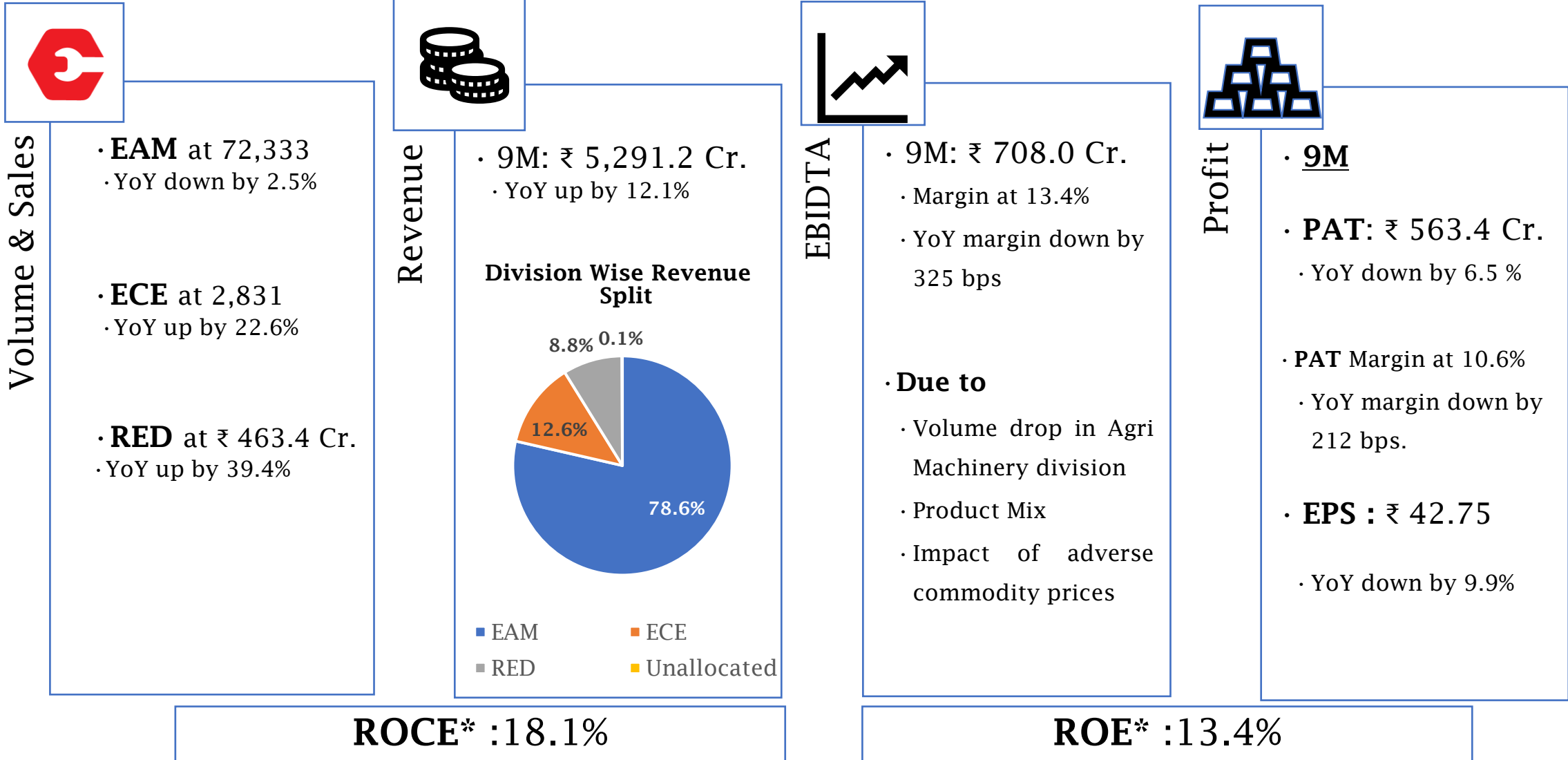
- Impacted by operating leverage and volume growth across division
- Adverse commodity prices

9MFY22 YoY at a Glance

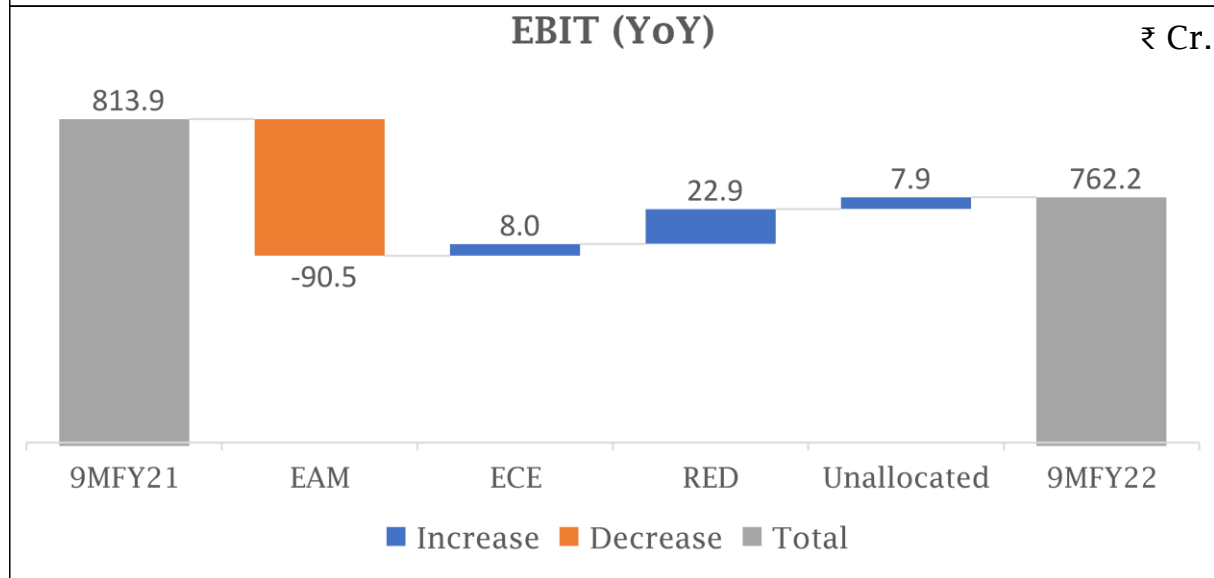
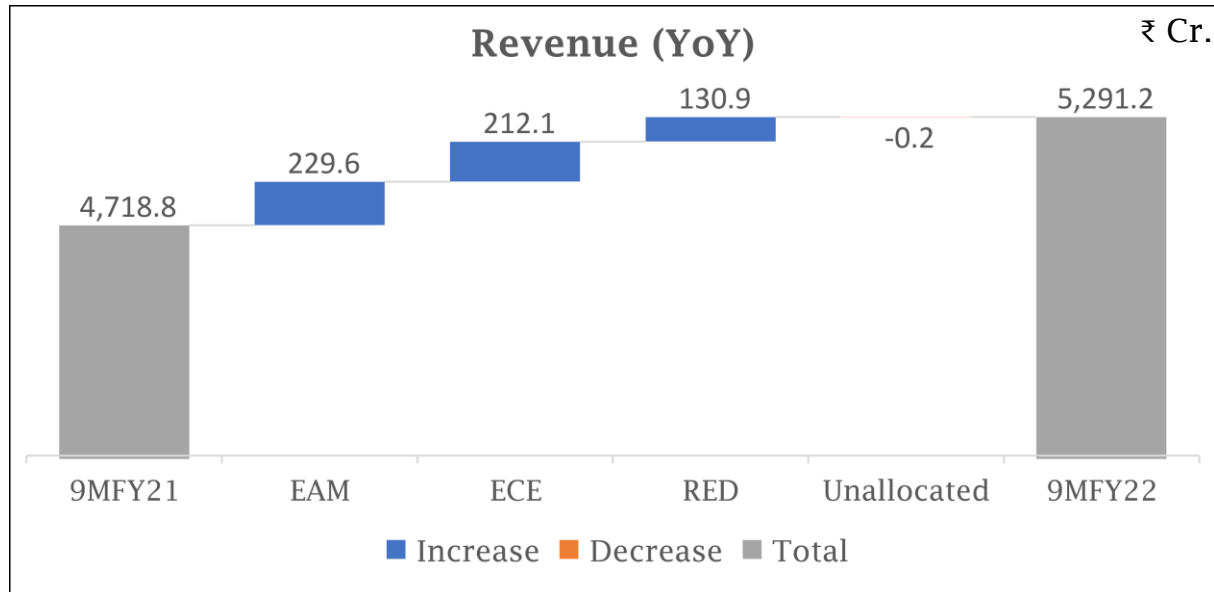


Escorts Ltd. Particulars	Unit	9MFY22	9MFY21	Variance
Domestic Tractor Market Share	%	10.0	10.7	-69 bps
Revenue from operations	₹ Cr.	5,291.2	4,718.8	12.1%
Material Cost	%	68.5	65.3	319 bps
Manpower Cost	%	7.7	8.2	-48 bps
EBIDTA	₹ Cr.	708.0	784.5	-9.8%
EBIDTA Margin	%	13.4	16.6	-325 bps
PAT	₹ Cr.	563.4	602.7	-6.5%
EPS	₹	42.75	47.43	-9.9%

9MFY22 Highlights YoY



9M - YoY Revenue grew by 12.1%; EBIT down by 6.4%



9M Revenue Key Highlights (YoY)

- Tractor Sales down by 2.5% at 72,333 units
- Construction Sales up by 22.6% at 2,831 units
- Railway division revenue up by 39.4%

9M EBIT Key Highlights

- Operating leverage across divisions
- Adverse commodity prices

Credit Rating & Debt Profile



Long Term
Credit
Rating

(₹ Crs.)

LB3B-
LB3B
LB3B+
A-
A
A+
AA-
AA-
AA
AA

553

436

480

361

263

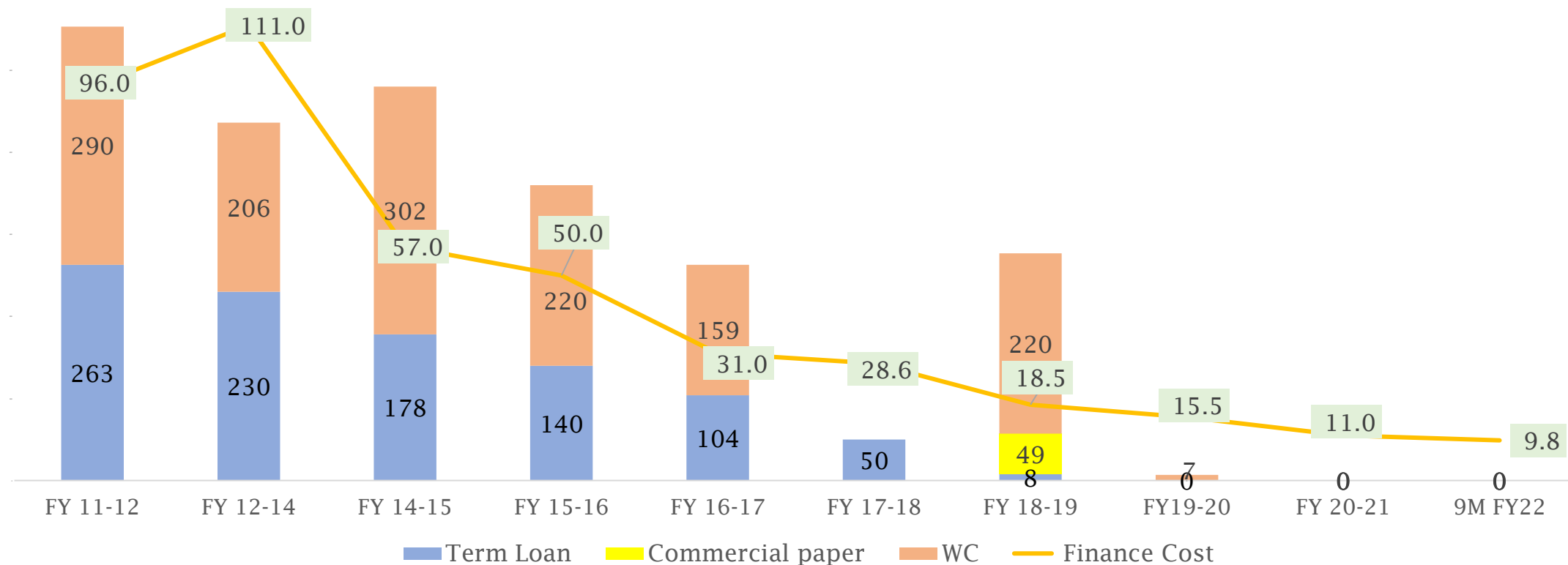
50

277

7

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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



Nikhil Nanda

**Chairman and Managing
Director**

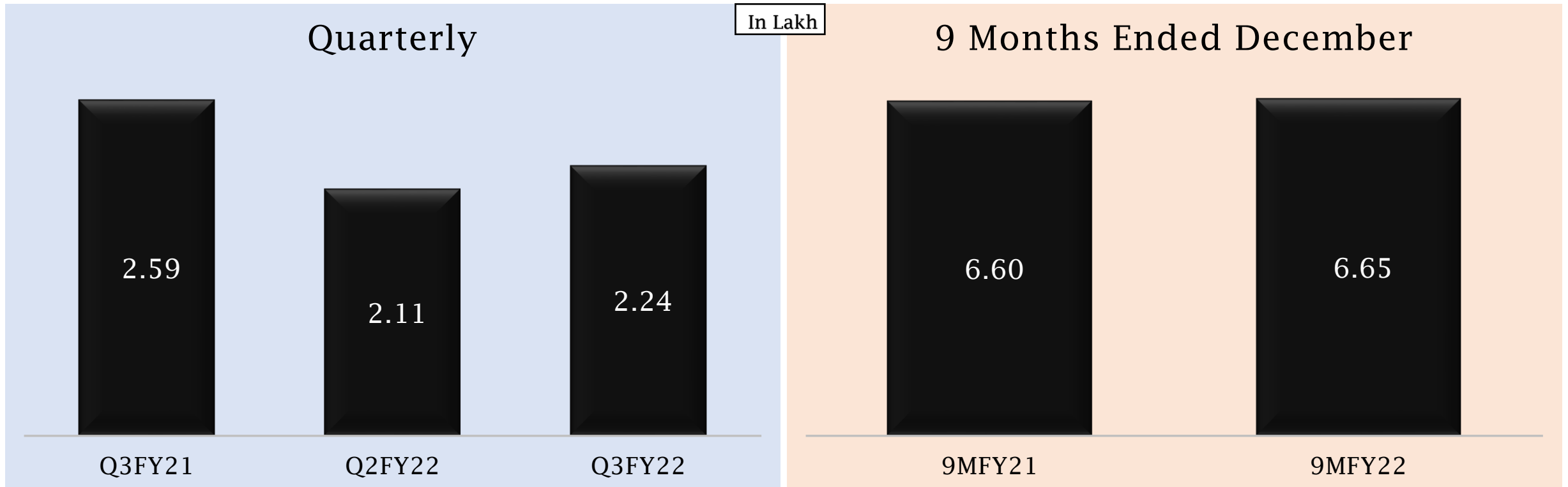
The tractor industry has now been impacted for two consecutive quarters due to high base of last year, delayed harvest of Kharif crops owing to late monsoon rains this year which affected the rural cash flows and the retail demand. Going forward, we do expect cash flows to improve with better Kharif procurement and positive outlook with good Rabi sowing. While high inflation remains a concern, we are hopeful of macro- economic factors to be in favour of agriculture to boost rural demand. We continue to invest in new product development and distribution spread to offer enhanced reach and customer experience across domestic & global markets. Multiple initiatives in agriculture and infrastructure development focus from government will be helpful in creating opportunities across our agriculture, construction & railway portfolio.

Segment Performance : EAM



Powering The Dreams Of Farmer

Domestic Tractor Industry Overview



- In Q3FY22 on Y-o-Y domestic Industry down by 13.5%.
 - This is primary attributed to late monsoon rains, delayed harvest of Kharif crops impacting rural cash flows and high base of last year.

Q3FY22 Segment Highlights : EAM



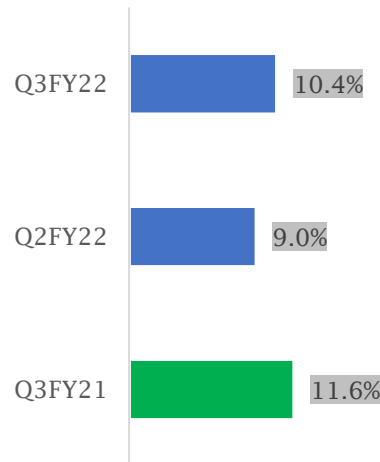
Volume

- **Domestic** at 23,321
 - YoY down by 22.4%
 - QoQ up by 23.1%
- **Export** at 2,004
 - YoY up by 34.5%
 - QoQ down by 5.6%
- **Total** at 25,325
 - YoY down by 19.8%
 - QoQ up by 20.2%



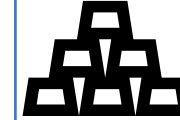
Domestic Market Share

- Market Share at 10.4%
- YoY down by 120 bps
- QoQ up by 146 bps



Revenue

- **At ₹ 1,505.6 Cr.**
 - YoY down by 8.9%
 - QoQ up by 21.3%
- **Farmtrac : Powertrac sales[^] ratio 43:57**
 - as against 41:59 YoY
 - as against 48:52 QoQ
- **Ratio of less than 40 HP : 40 HP Plus ratio at 38:62**
 - as against 39:61 YoY
 - as against 40:60 QoQ



EBIT

- **At ₹ 238.2 Cr.**
 - YoY down by 28.4%
 - QoQ up by 27.4%
- **Margin at 15.8%**
 - YoY down by 432 bps
 - QoQ up by 76 bps

Capacity utilization ~60% +

ROCE* : 44.4%

9MFY22 Segment Highlights : EAM



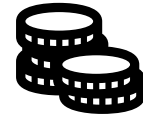
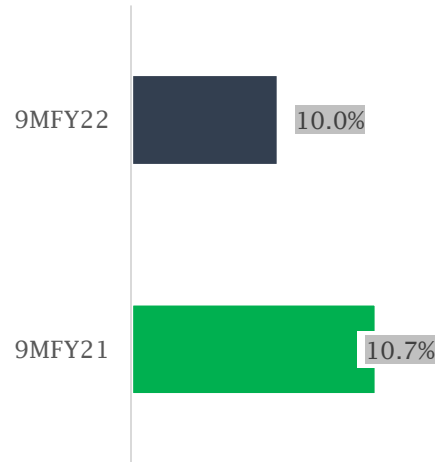
Volume

- **Domestic** at 66,771
• YoY down by 5.8%
- **Export** at 5,562
• YoY up by 71.9%
- **Total** at 72,333
• YoY down by 2.5%



Domestic Market Share

- Market Share at 10.0%
- YoY down by 69 bps



Revenue

- **At ₹ 4,158.0 Cr.**
• YoY up by 5.8%
- **Farmtrac : Powertrac sales[^] ratio 44:56**
• as against 42:58 YoY
- **Ratio of less than 40 HP : 40 HP Plus ratio at 39:61**
• as against 39:61 YoY



EBIT

- **At ₹ 644.9 Cr.**
• YoY down by 12.3%
- **Margin** at 15.5%
• YoY down by 321 bps

Capacity utilization ~80% +

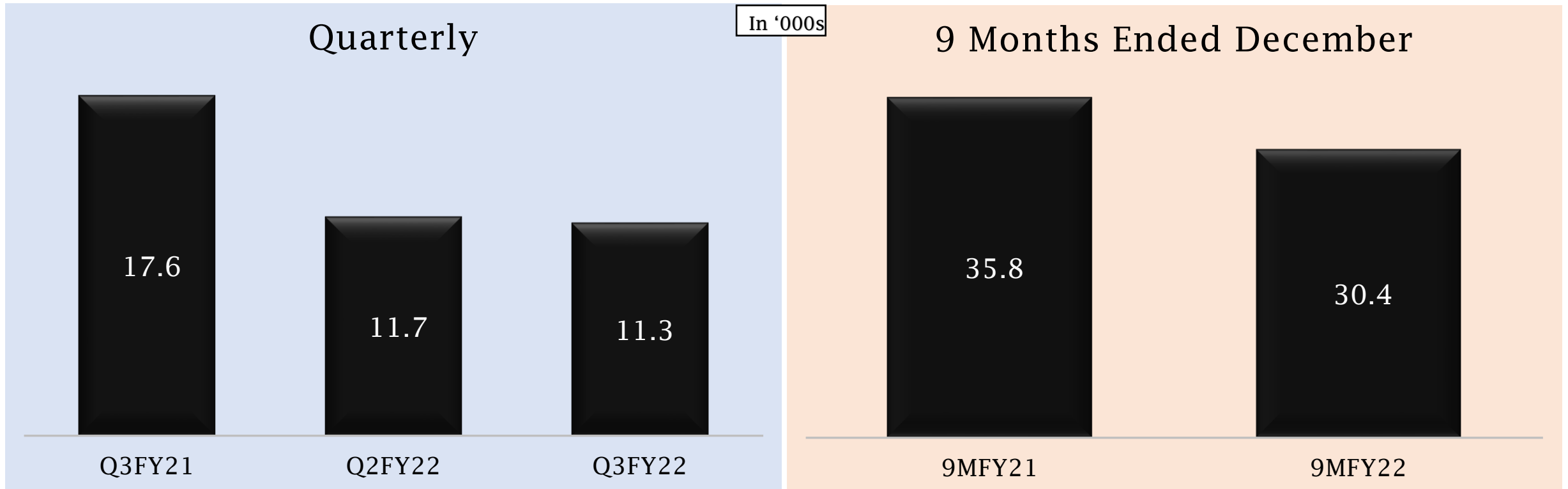
ROCE* : 47.0%

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 Q3FY22 down by ~36% wrt to LY.
 - In 9MFY22 down by ~15% wrt to LY.

Q3FY22 Segment Highlights : ECE



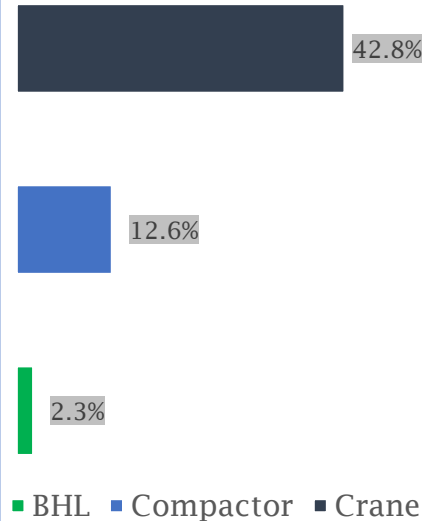
Volume

- **ECE at 1,151**
 - YoY down by 8.2%
 - QoQ up by 7.2%
- **Key Highlight**
- **Served industry down** by ~36% wrt to LY.
- **YoY**
 - **BHL** industry down by ~38%.
 - **Crane** industry down by ~22%
 - **Compactors** industry down by ~40%.



Market Share

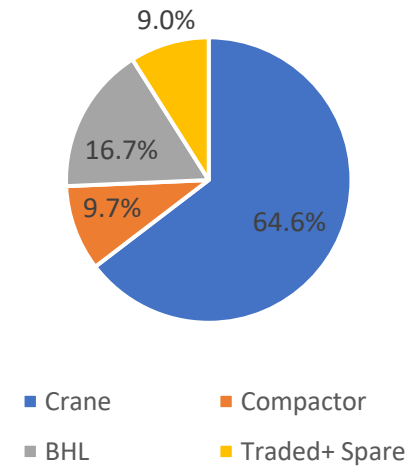
Product wise Market Share



Revenue

- **At ₹ 276.2 Cr.**
 - YoY up by 12.9%
 - QoQ Up by 10.8%

• **Revenue Break up**



EBIT

- **At ₹ 6.8 Cr.**
- **Margin at 2.5%**
 - YoY down by 509 bps
 - QoQ down by 114 bps

Capacity utilization ~50%

9MFY22 Segment Highlights : ECE



Volume

- **ECE at 2,831**
 - YoY up by 22.6%

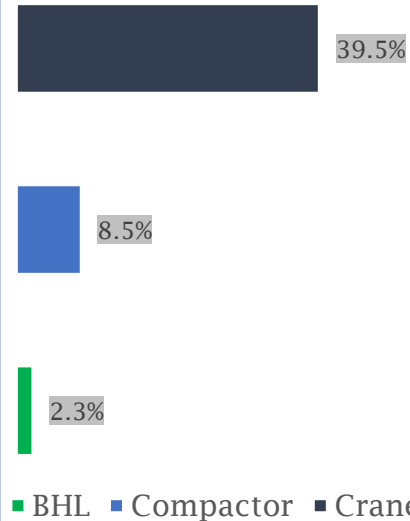
• Key Highlight

- **Served industry down** by ~15.9 % wrt to LY.
- **YoY**
 - **BHL** industry down by ~21%.
 - **Crane** industry up by ~16%
 - **Compactors** industry down by ~7%.



Market Share

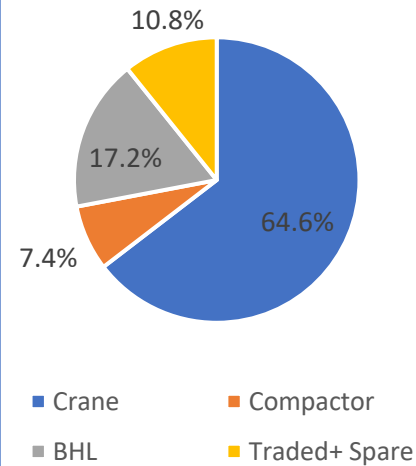
Product wise Market Share



Revenue

- **At ₹ 666.2 Cr.**
 - YoY up by 46.7%

• Revenue Break up



EBIT

- **At ₹ 12.4 Cr.**
- **Margin at 1.9%**
- YoY up by 90 bps

Capacity utilization ~40%

Segment Performance : RED



Mobility Solutions
Of the future

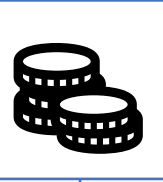
ENSURING SAFETY AND COMFORT IN RAIL TRANSPORT

Q3FY22 Segment Highlights : RED



Order Book

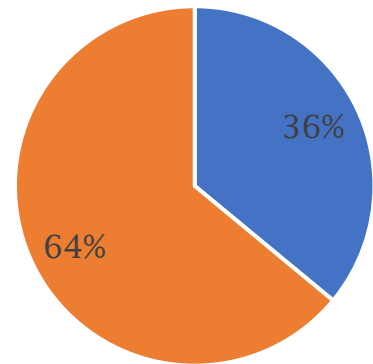
- As of Dec'21 more than ₹ 400 Cr.
- **Key Highlight**
- witnessing good traction in tendering process.



Revenue

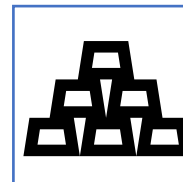
- Q3: ₹ 173.9 Cr.
- YoY up by 48.1%
- QoQ up by 2.2%

Breakup



■ Conventional ■ NPD

ROCE* : 46%



EBIT

- Q3: ₹ 24.9 Cr.
- YoY up by 67.3%
- QoQ down by 15.4%
- **Margin** at 14.3%
- YoY up by 164 bps
- QoQ down by 296 bps

9MFY22 Segment Highlights : RED



Order Book

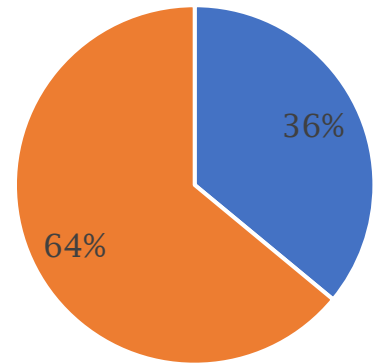
- As of Dec'21 more than ₹ 400 Cr.
- **Key Highlight**
- witnessing good traction in tendering process.



Revenue

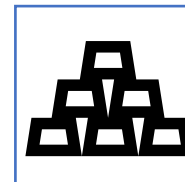
- At ₹ 463.4 Cr.
- YoY up by 39.4%

· Breakup



■ Conventional ■ NPD

ROCE* : 47.0%

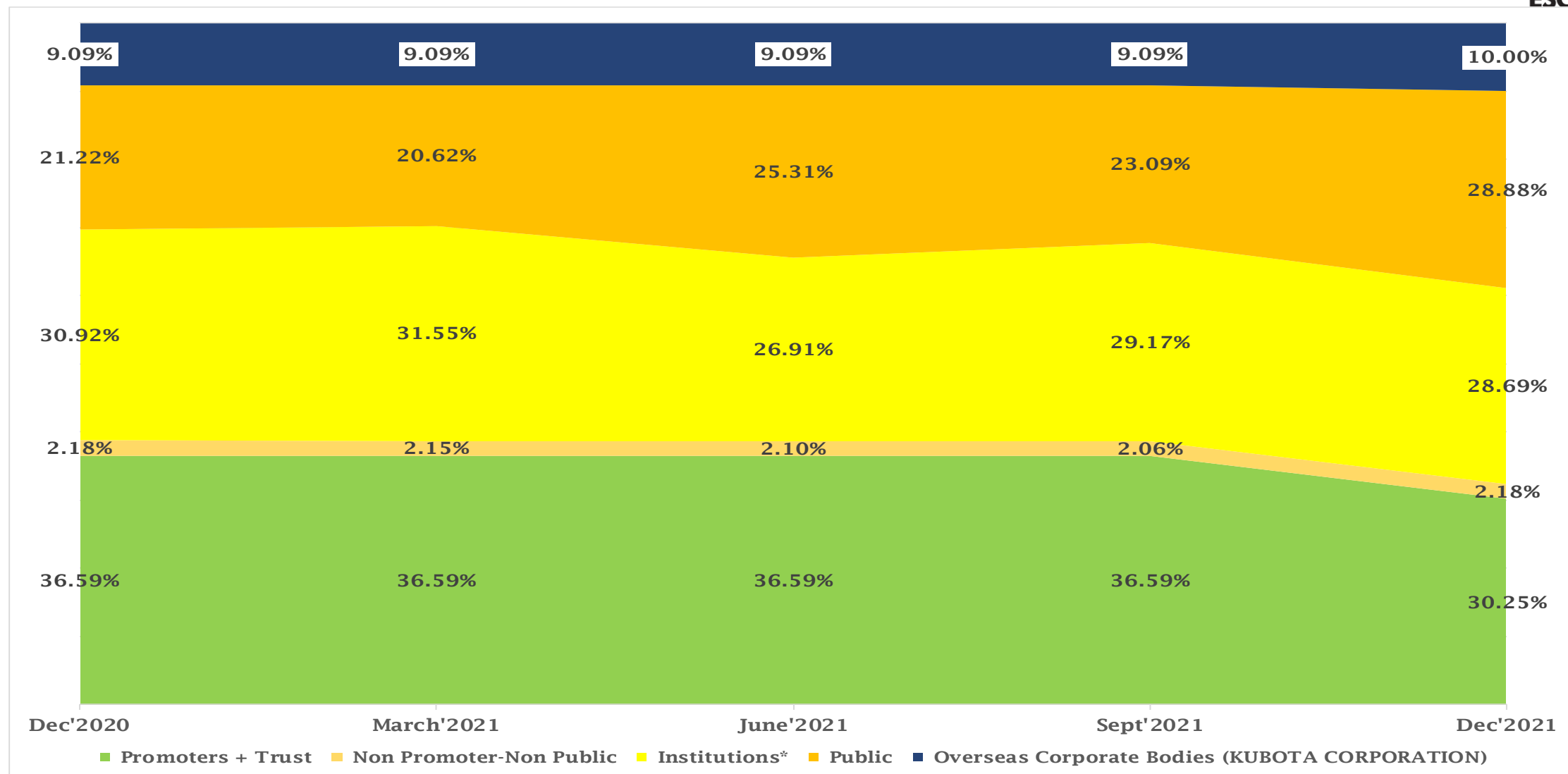


EBIT

- At ₹ 71.6 Cr.
- YoY up by 46.8%

- **Margin** at 15.5%
- YoY up by 79 bps

↑ SHAREHOLDING PATTERN



* FPI/Financial Institutions/ Banks/Insurance Companies

As of quarter ended

Consolidated Q3FY22 at a Glance



Particulars	Unit	Q3FY22	Q3FY21	YoY	Q2FY21	QoQ
Revenue from operations	₹ Cr.	1,984.3	2,042.2	-2.8%	1,673.9	18.5%
Material Cost	%	70.0%	65.5%	450 bps	66.3%	373 bps
Manpower Cost	%	6.9%	6.8%	8 bps	8.5%	-164 bps
EBIDTA	₹ Cr.	264.5	362.9	-27.1%	210.3	25.8%
EBIDTA Margin	%	13.3%	17.8%	-444 bps	12.6%	77 bps
PBT	₹ Cr.	261.6	382.5	-31.6%	234.4	11.6%
PAT	₹ Cr.	193.7	286.4	-32.4%	173.5	11.7%
EPS	₹	19.76	29.21	-32.3%	17.62	12.1%

Consolidated 9MFY22 at a Glance



Escorts Ltd. Particulars	Unit	9MFY22	9MFY21	YoY
Revenue from operations	₹ Cr.	5,359.9	4,785.7	12.0%
Material Cost	%	68.2%	65.2%	312 bps
Manpower Cost	%	7.8%	8.3%	-46 bps
EBIDTA	₹ Cr.	711.2	782.9	-9.2%
EBIDTA Margin	%	13.3%	16.4%	-309 bps
PBT	₹ Cr.	735.4	808.6	-9.1%
PAT	₹ Cr.	545.7	606.2	-10.0%
EPS	₹	55.48	64.90	-14.5%

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.
- **Q3FY22** – Represents the 3 months period from 1st October 2021 to 31st December 2021.
- **Q2FY22** – Represents the 3 months period from 1st July 2021 to 30th September 2021.
- **Q3FY21** – Represents the 3 months period from 1st October 2020 to 31st December 2020.
- **9MFY22** – Represents the 9 months period from 1st April 2021 to 31st December 2021.
- **9MFY21** – Represents the 9 months period from 1st April 2020 to 31st December 2020.
- **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

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Thank You