



ESCORTS

PRESS RELEASE

Escorts Sequential Profit Up 26.7% at ₹ 20.5 crore

Net profit for first nine months up 17.8% at ₹ 73.0 crore

Tractor Volumes sequentially up by 16.5%

Construction Equipment Volume sequentially up by 14.1%

Turnover sequentially up by 10.8%

Q3 FY 2015-16 HIGHLIGHTS

Tractor volumes up sequentially by 16.5% to 13,319 units

Construction Equipment volumes up sequentially by 14.1% to 698 units

Escorts turnover up sequentially by 10.8% at ₹ 888.1 crore

EBIDTA up sequentially by 15.6% at ₹ 34.1 crore

Profit of Rs 20.5 crore in the quarter ending December 31, 2015 from ₹ 16.2 crore in the preceding quarter

New Delhi, February 2, 2016: Escorts Limited today reported a profit of ₹ 20.5 crore in the quarter ending December 31, 2015, sequentially up by ₹ 4.3 Crore against ₹ 16.2 crore in the preceding quarter ended September 2015. The net profit for the nine months ending December 2015 was up by 18 per cent at ₹ 72.9 crore as against ₹ 61.9 crore in the corresponding period last year.

There is a strategic focus on investment in product portfolio expansion, appointment of new dealers for better channel coverage & exploring international markets for new growth opportunities. The company saw tractor volumes go up sequentially by 16.5% to 13,319 units in the third quarter of the current fiscal as against 11,438 units in the preceding quarter. The Construction Equipment business also saw volumes go up sequentially by 14.1% to 698 against 612 in the preceding quarter. Company turnover was up sequentially by 10.8% at ₹ 888.1 crore in the third quarter of the current fiscal as against ₹ 801.7 crore in the quarter ended Sept 2015. EBIDTA was up sequentially by 15.6% at ₹ 34.1 crore in the quarter ended December 15 as against ₹ 29.5 crore in the preceding quarter.

However, as against the corresponding quarter of fiscal 2014-15, the overall performance has dipped due to the full impact of uneven and scarce monsoons. Tractor volumes were down by 16.1% against the corresponding quarter in December 2014 while construction volumes were down by 12.9%. Consequently, turnover was down sequentially by 15.1% while net profit stood at ₹ 20.5 crore as against ₹ 35.7 crore in the corresponding quarter in the previous fiscal.

Speaking on the results, **Chairman Mr. Rajan Nanda** said, "Despite a better quarter than the preceding one, it is clear that the tractor industry as a whole continues to suffer from the whiplash of the poor and uneven monsoon. The improvement in unit sales over the preceding quarter has largely been driven by on ground sales and marketing

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initiatives. Farm distress continues to be a major issue of concern. Large investments in irrigation, mechanization and automation are called for and we need to back the customer with more government engagement in areas such as successful implementation of strong and effective crop insurance regime, easing of loans for seeds and inputs. We hope that the forthcoming budget will put a sharp spotlight on agriculture.”

According to **Mr. Nikhil Nanda, Managing Director, Escorts Ltd**, “Escorts today is a leaner, fitter company. We have cut flab, created efficiencies through integration of production processes and cut costs across the board. Further reduction in material costs, investment in expanding product portfolio across businesses with a special focus on railway products holds the key for us. Our sustained momentum in South & West geographies has started showing results and we will maintain our push to leverage these opportunity markets. In addition, we have continued to invest in channel development and enhancing distribution coverage for a better customer outreach. We are confident that just as Escorts has navigated the trough without going back on our growth goals, we will be even stronger and ride the crest when it comes.”

SEGMENT WISE PERFORMANCE

Escorts Agri Machinery

Tractor volumes were sequentially up by 16.5% to 13,319 in as against 11,438 in the preceding quarter though lower than the corresponding quarter by 16.1% due to the continued impact of poor rains. Escorts was particularly impacted by the slowdown in the industry as the maximum impact of reduced demand took place in the regions where Escorts is traditionally strong. However, on a sequential basis, revenues improved by 16.5% at ₹ 710.3 crore in the third quarter of the fiscal as opposed to ₹ 609.7 crore in the preceding quarter.

Railway Equipment Division

Revenues from the Railways division stood at ₹ 50.8 crore in the quarter ended December 2015 as against ₹ 39.1 crore in the corresponding quarter ended December 2014. Consequently, at the end of 9 months, income for the division stood at ₹ 153.1 crore as against ₹ 129.2 crore in the 9 corresponding months of FY 2015. Segment margins were at 12.4% as against 2.3% in the corresponding quarter of the last fiscal while for the first 9 months of the fiscal, segment margins stood at 13.5% as against 5.5% in the corresponding nine months of FY 2015. The current order book is of more than Rs 60.0 crore which will stand executed in the next 3-4 months.

Escorts Construction Equipment

Construction equipment volumes were up at 698 units in the quarter ended December 2015 as against 612 units in preceding quarter. However, income was down at ₹ 119.3 crore in the third quarter against ₹ 124.5 crore in the quarter ended September 2015.

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Escorts Auto Products

The division recorded a revenue of ₹ 16.6 crore in the quarter as against ₹ 24.2 crore in the preceding quarter and ₹ 25.5 crore in corresponding quarter ended December 2014.

The reviewed accounts of the third quarter and first nine months ended December 31, 2015 has been approved by the Board of Directors of Escorts Limited.

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