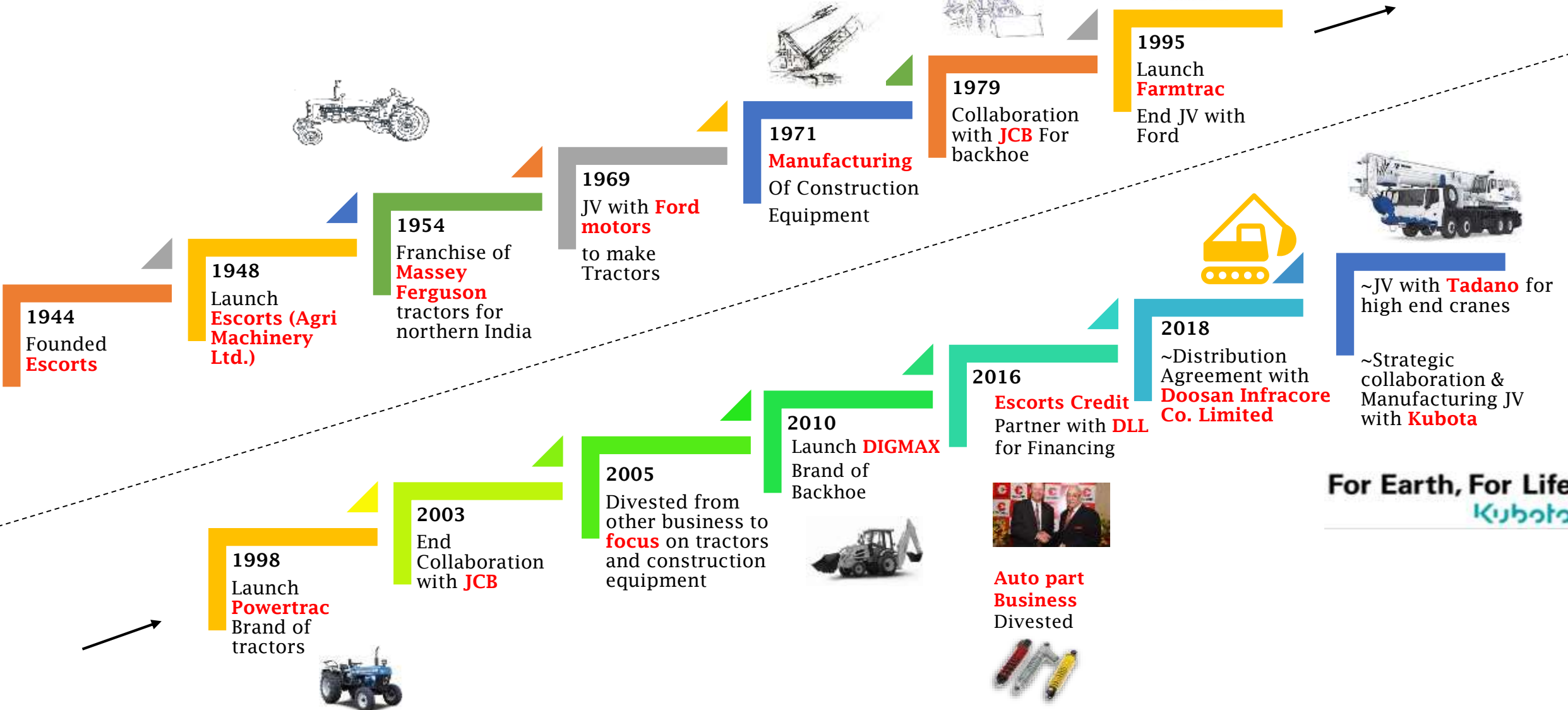




INVESTOR PRESENTATION

August 2019

OUR JOURNEY SO FAR



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

ESCORTS GROUP – PURPOSE STATEMENT



✓ Planet Earth

- ✓ Food Security for 9.7 Billion People by 2050
- ✓ 43% more food required from current 2.1 bn. Tones

✓ Country India

- ✓ Doubling Farmer Income by 2022
- ✓ Food Security: 350 MT Food by 2025
- ✓ World class infrastructure generating opportunity of US \$ 5 Billion in CE
- ✓ World class rail network with Govt. investment of INR 8.5 Trillion over 5 years.

✓ Escorts Group

- ✓ Powering the Dreams of Farmers
- ✓ Preferred Partner in Nation Building
- ✓ Ensuring Safety and Comfort in Rail Transport



OUR CURRENT BUSINESSES



Revenue FY19: Rs. 6,196.4 Cr.
Q1FY20: Rs. 1,423.0 Cr.

Escorts Agri Machinery



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

Revenue FY19: Rs. 4,744.0 Cr.
Q1FY20: Rs. 1,092.0 Cr.

Escorts Construction Equipment



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

Revenue FY19: Rs. 1,054.1 Cr.
Q1FY20: Rs. 212.2 Cr.

Railway Equipment Division



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

Revenue FY19: Rs. 394.1 Cr.
Q1FY20: Rs. 118.1 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 **100,000+** 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.
Couplers (AARH + Shaku)1100 p.a., Air Brake 4400 p.a., EP Brake 200 p.a., Brake Block: 32,000 p.a.

RECENT KEY INITIATIVES



❖ New partnership

❖ **Kubota and Escorts Join hands for global leadership**

1. **Forms JV (60:40)** to establish new common manufacturing with initial capacity of 50,000. These tractors will be sold by both respectively through their separate channel network in domestic market.
2. Kubota to export Escorts tractors through **Kubota global distribution network** in specific markets as mutually agreed.
3. Both companies to **jointly develop new products** to cater to India and Overseas market.

❖ **JV with Tadano(51:49) for Specialized Products to address High End Category**

- ❖ 20 to 80 Ton category High end Carnes- Rough Terrain and Truck Cranes

❖ EY appointed as Internal Auditors

❖ **Corporate Governance:** New directors introduced in order to create a more vibrant board.

❖ **Culture Change:** Young leaders leading new projects, with support of senior leaders.

❖ **Strategic outsourcing:** Non core activities are outsourced to strategic partners



SCORTS AGRI MACHINERY (EAM)



INDIA NEEDS MECHANIZATION



RUSSIA

- 0.14 Bn (14.4%)
- 80%
- 121 mn ha
- 0.036 mn/pa
- 4% of GDP

USA

- 0.32 Bn (2.4%)
- 174 mn ha
- 1% of GDP
- 95%
- 0.2 mn/pa

WESTERN EUROPE

- 0.39 Bn (3.9%)
- ?? mn ha
- 5% of GDP
- 95%
- 0.35 mn/pa

CHINA

- 1.37 Bn (65%)
- 103 mn ha
- 10% of GDP
- 48%
- 0.45 mn/pa

BRAZIL

- 0.20 Bn (14.8%)
- 80 mn ha
- 5% of GDP
- 75%
- 0.05 mn/pa

INDIA

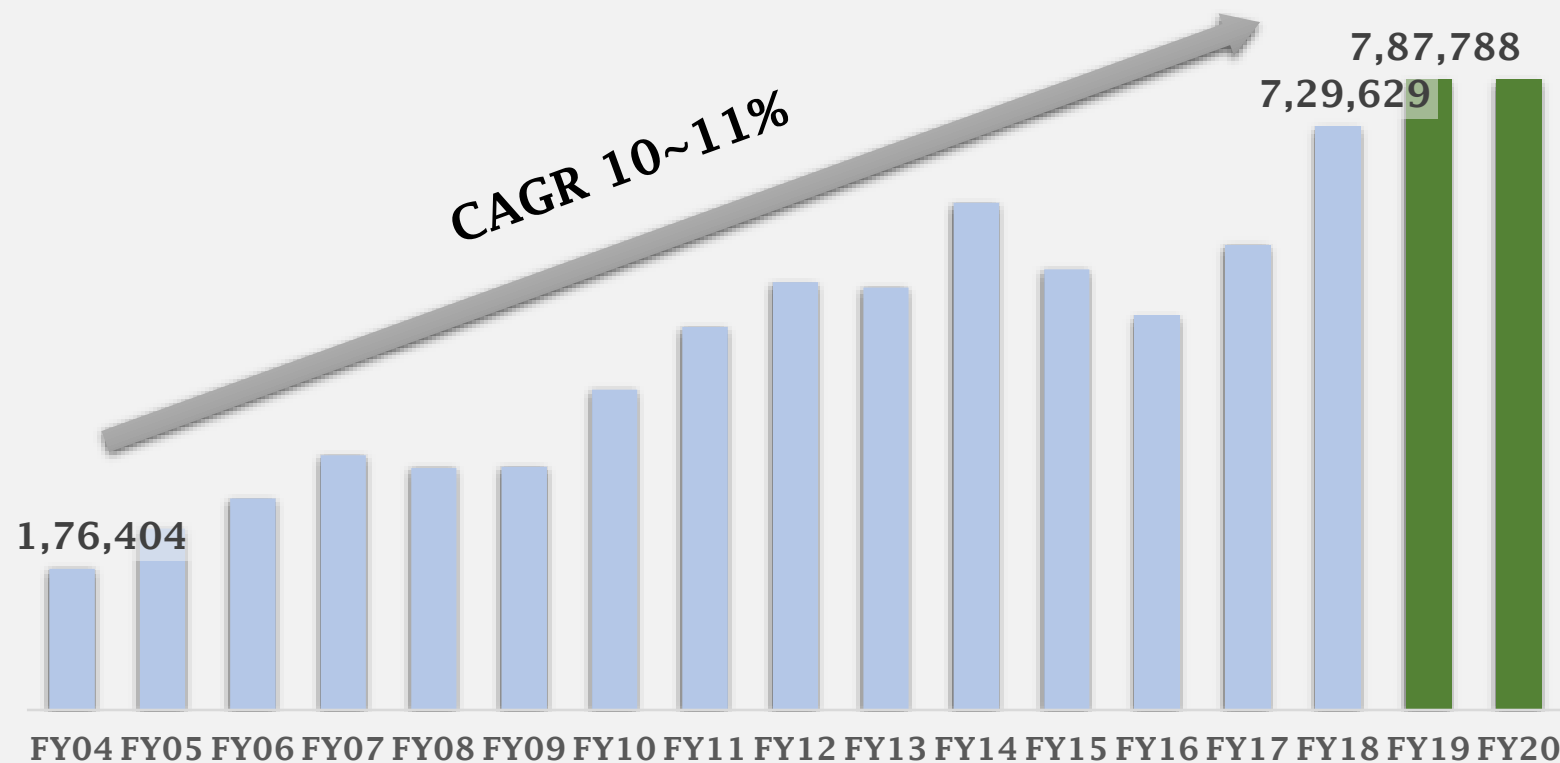
- 1.32 Bn (52%)
- 159 mn ha (47%)
- 14% of GDP
- 40%
- 0.7 mn/pa

COUNTRY

- Total population (Popl. Engaged in Agri.)
- Total arable land
- Agri-contribution to GDP
- % of farm mechanized
- Tractors sold per annum

INDIA ADVANTAGES:
Largest arable land in the world & Dual cropping

↑ DOMESTIC TRACTOR INDUSTRY



Increasing Trend towards
Mechanisation

Minimum Support Prices
for Key Crops

Scarcity of Labour

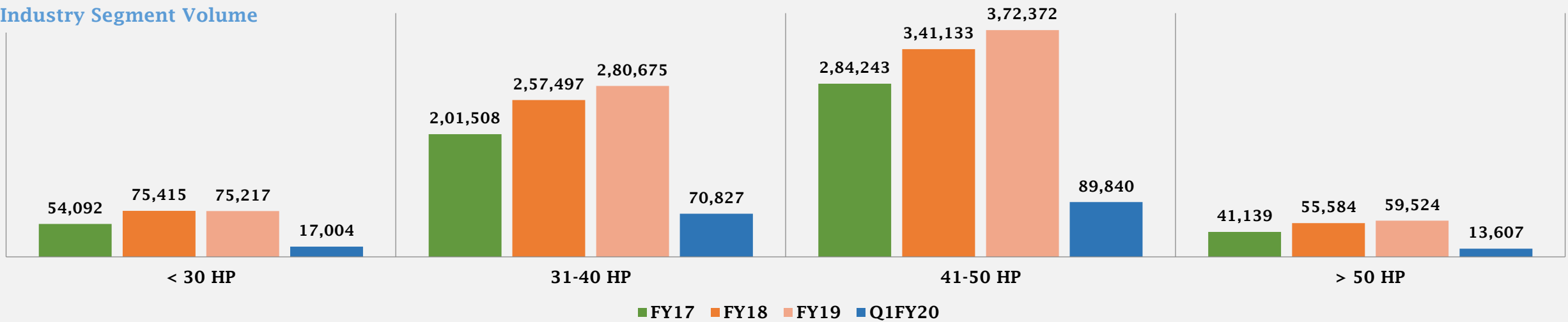
Ease of Credit Availability
from Govt.

- ❖ India is the **largest** manufacturer of farm equipment
- ❖ India accounts for nearly **1/3rd** of the overall tractor production globally
- ❖ **0.8 million** units in **FY19** and reach to approx. **1.2-1.5 million** units by **2030**
- ❖ Customer exchange their tractor in every **4-6 years**.

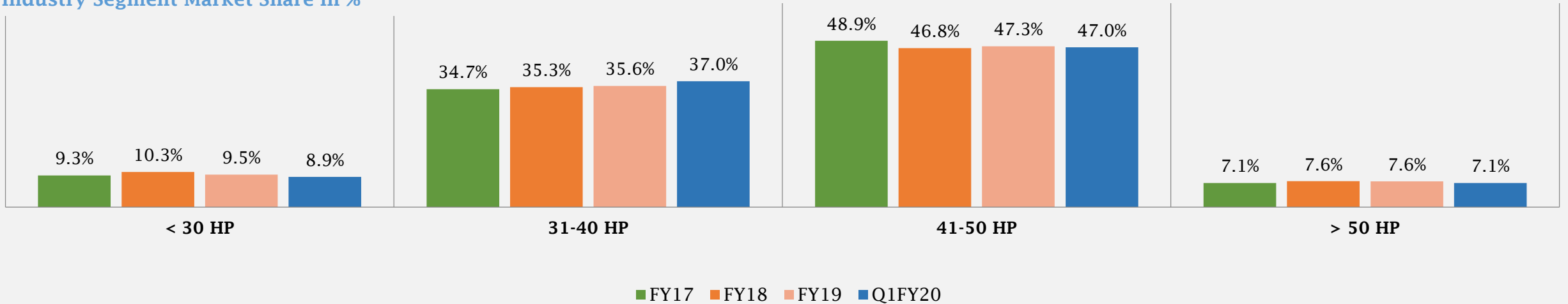
INDUSTRY SEGMENTATION



Industry Segment Volume



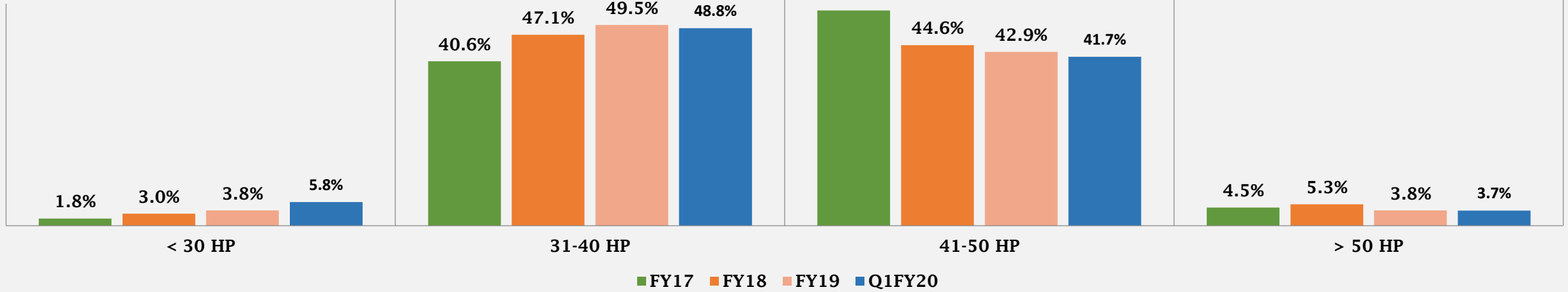
Industry Segment Market Share in %



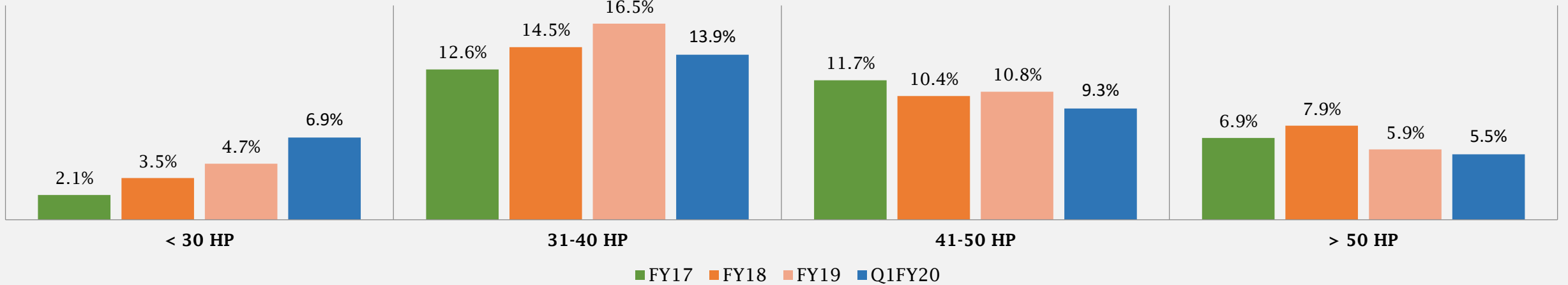
EAM SEGMENTATION



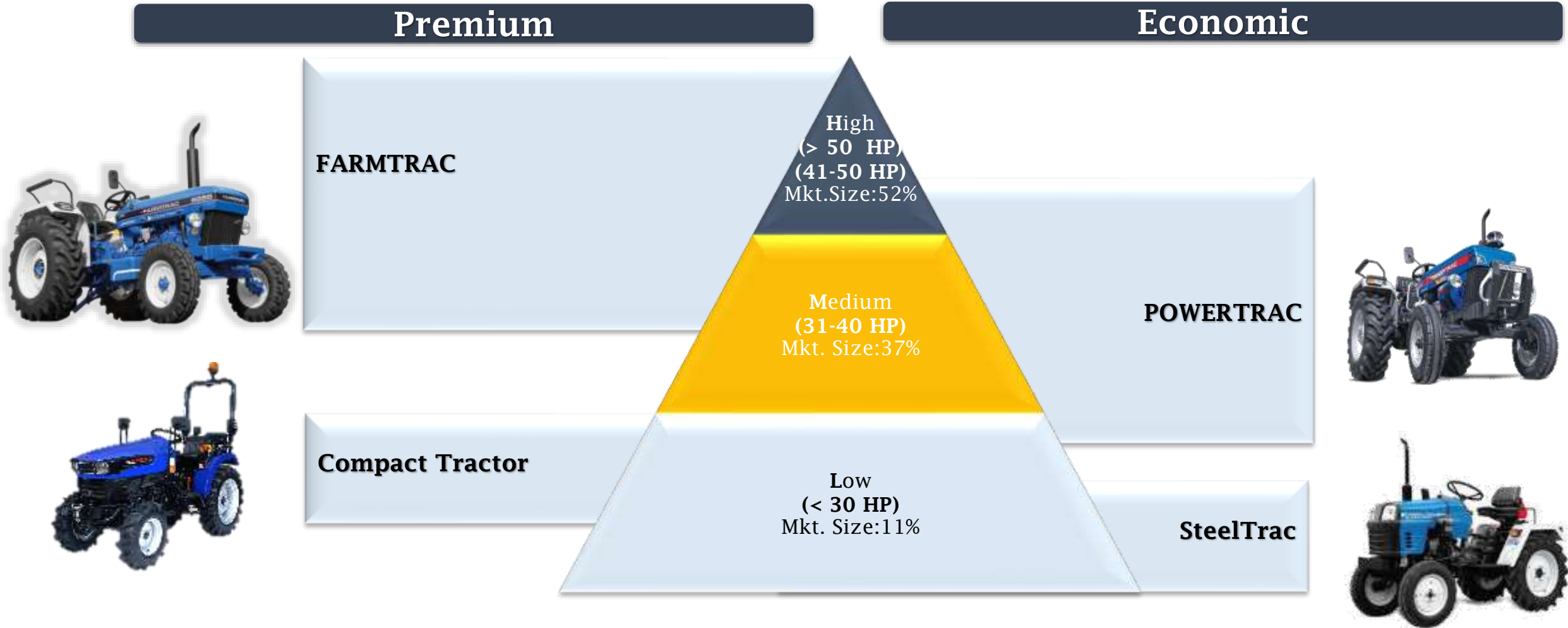
EAM Segment wise Volume in %



EAM Segment wise Market Share in %



HOW WE ARE POSITIONED



BRAND LED PRODUCT INNOVATION



<30 HP

31-40 HP

41-50 HP

> 50 HP

FARMTRAC
Prestigious & Powerful &
strong Brand Legacy



Atom Series



FarmTrac XP



FarmTrac Classic



FarmTrac Executive

POWERTRAC
Efficient & Superior
In-House Engineering



Steeltrac



PowerTrac DS+



PowerTrac Euro



PowerTrac Euro

POWERTRAC-ALT

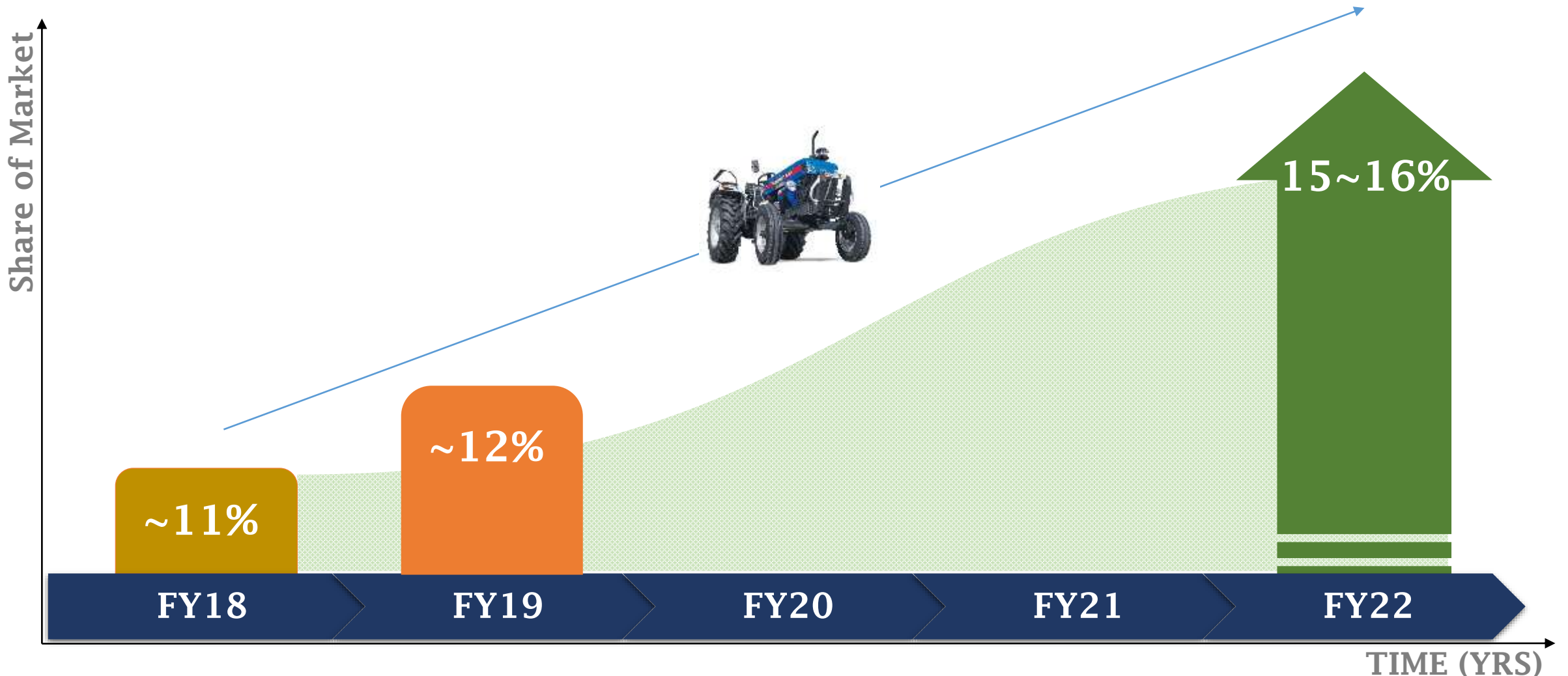


PowerTrac ALT 3500

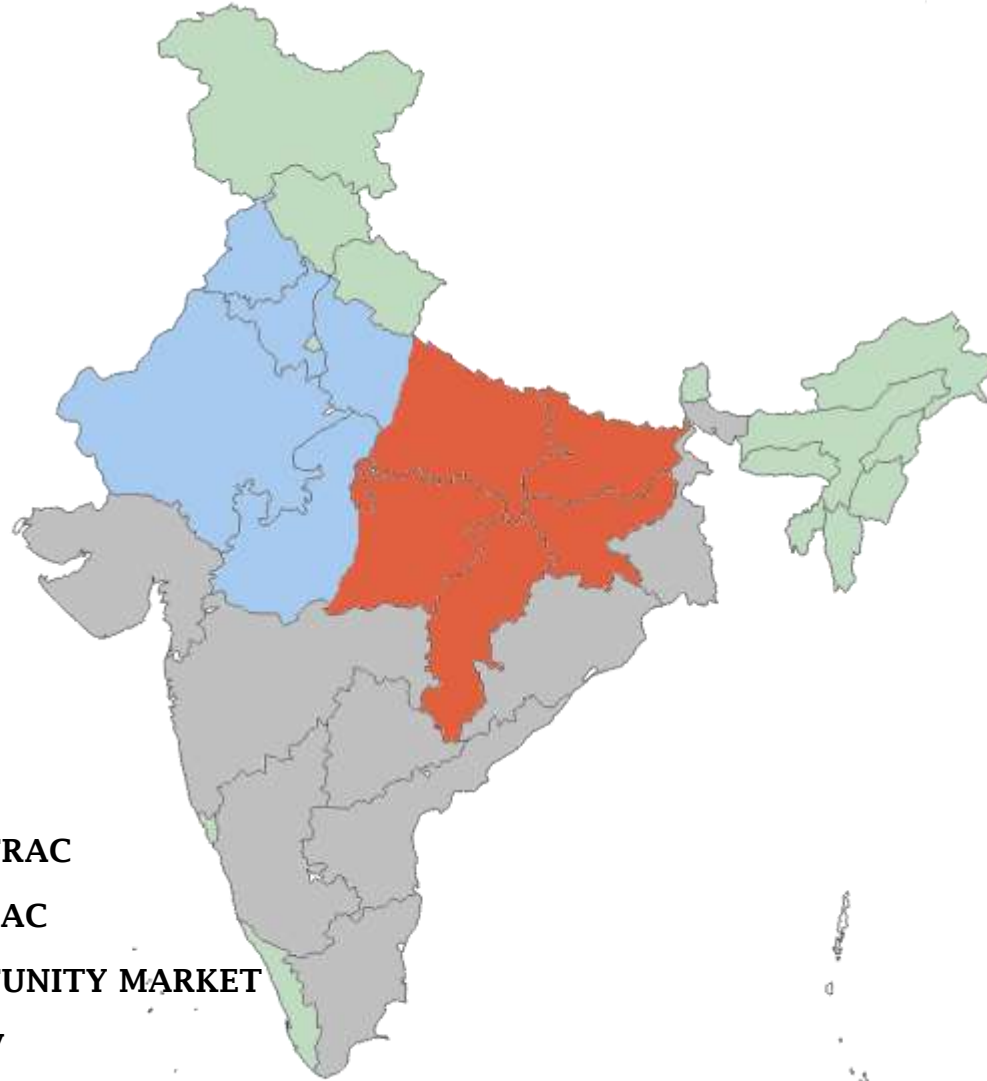


PowerTrac ALT 4000

DOMESTIC FY'22 MARKET SHARE ASPIRATIONS



WINNING MARKET



- POWERTRAC
- FARMTRAC
- OPPORTUNITY MARKET
- LOW TIV

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

Current 900+ Active Dealer Network

INGREDIENTS FOR GROWTH



Product Portfolio

Farmtrac: 52% → 95%
Powertrac: 74% → 90%
Steeltrac: 25% → 75%



Dual Distribution in Strong Market

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



South/West Focus

Channel Coverage: 55 → 80%
Compact tractor
Rice tractor



Escorts Credit

~13% Penetration → 40%



Scientific Sales Management



Customer Centricity

Care Button
ETC
Mobile Vans
Hotline
www.digitrac.in

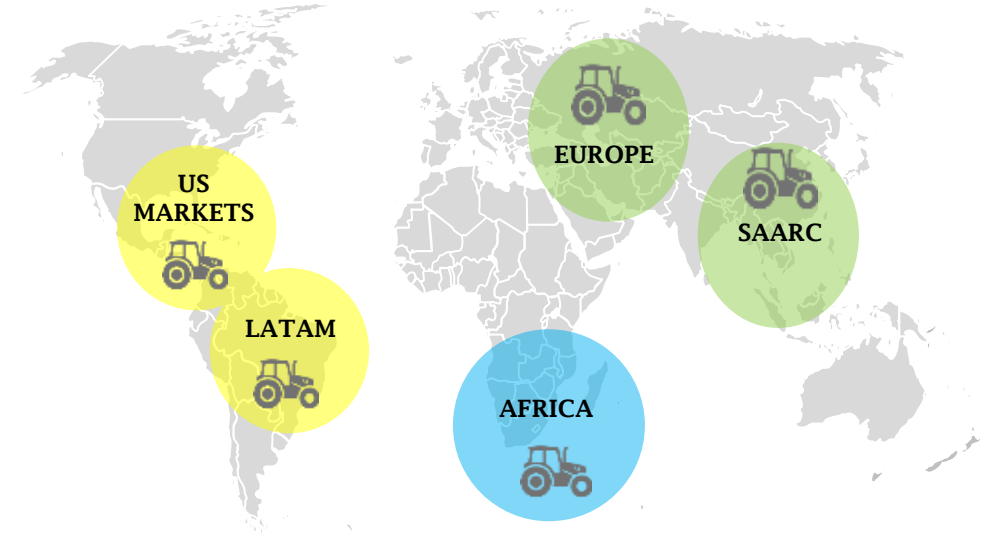
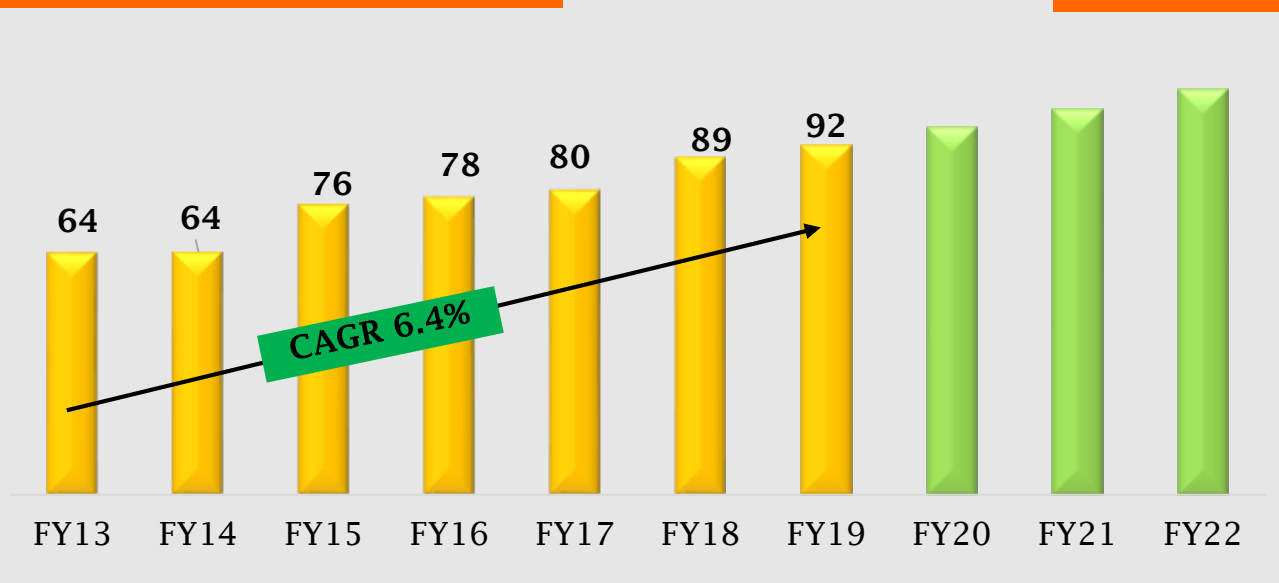


CARE - 24X7

EXPORT MARKET SIZE & OPPORTUNITY

Tractor Export from India

In `000s



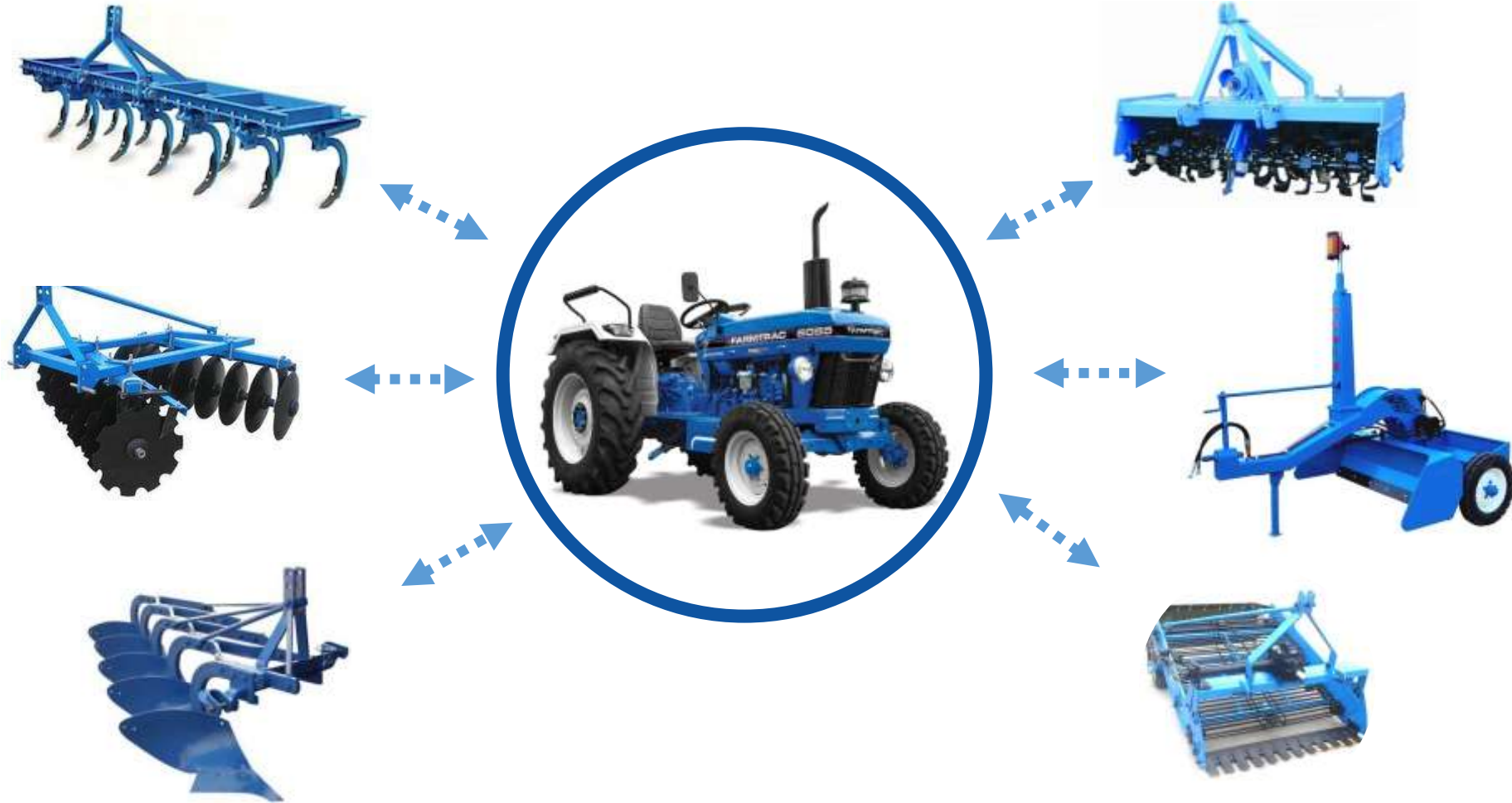
Tractor Exports from India to grow by CARG 6~8%

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

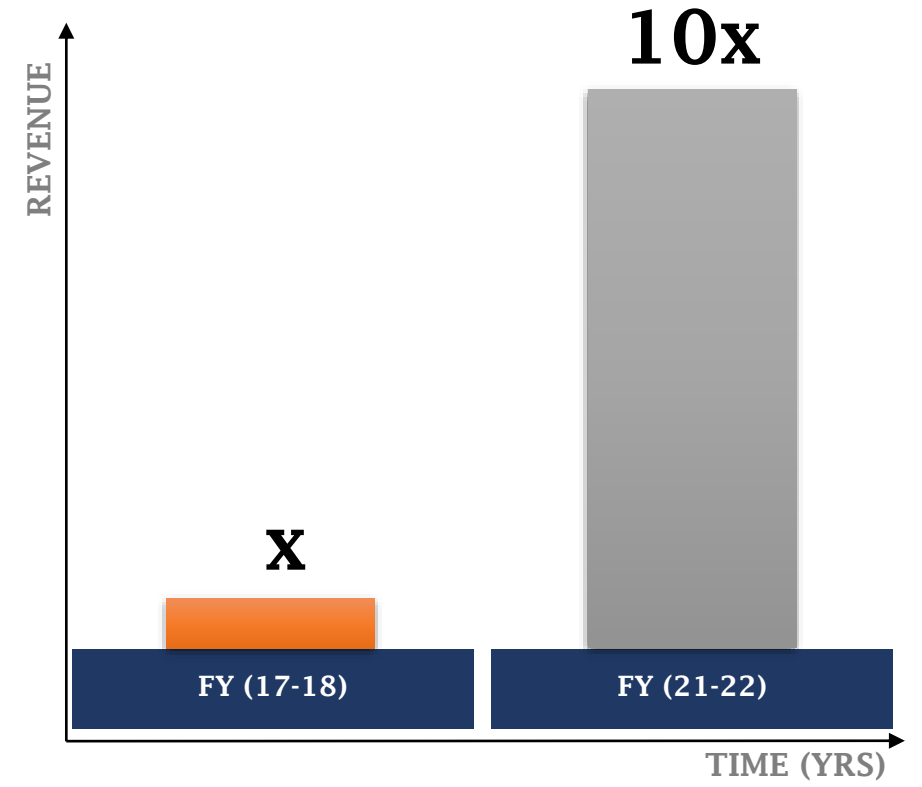
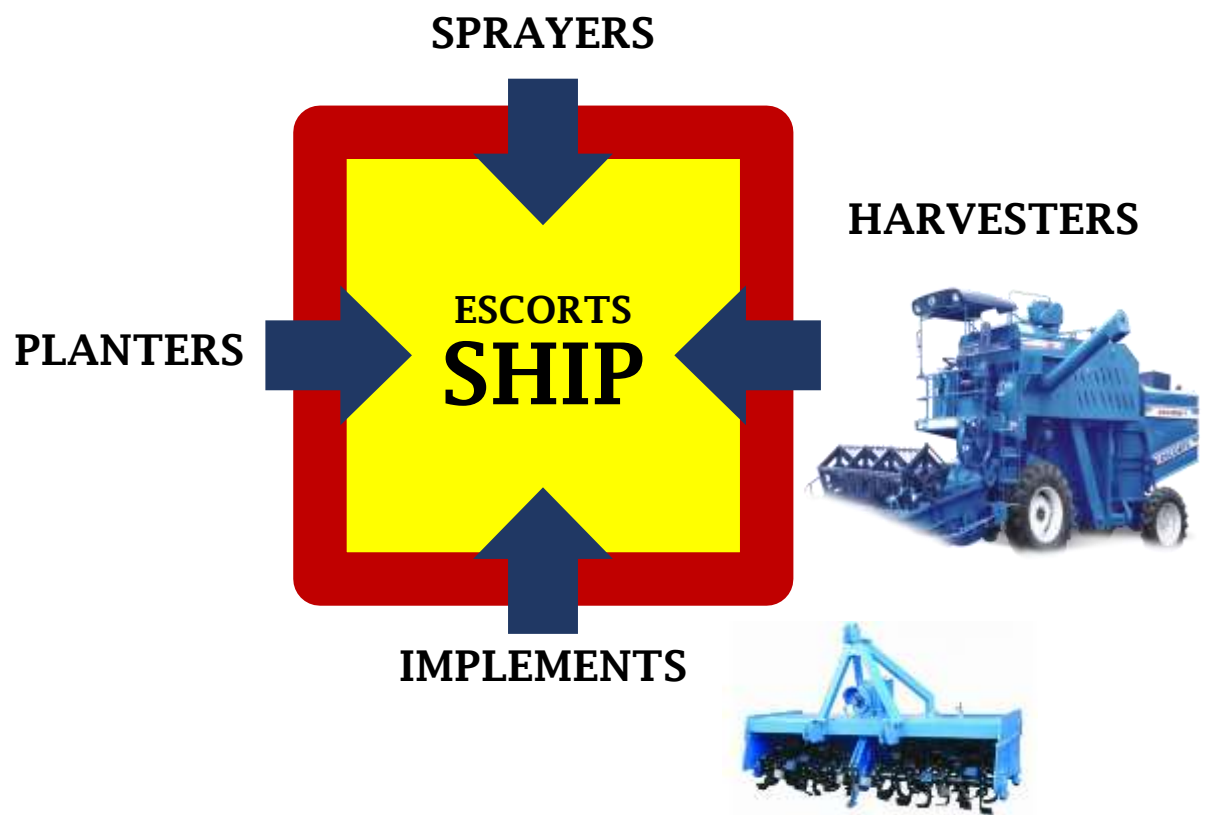


✓ TECHNOLOGY

✓ PRODUCT RANGE

✓ SUPPLY CHAIN

✓ DISTRIBUTION NETWORK



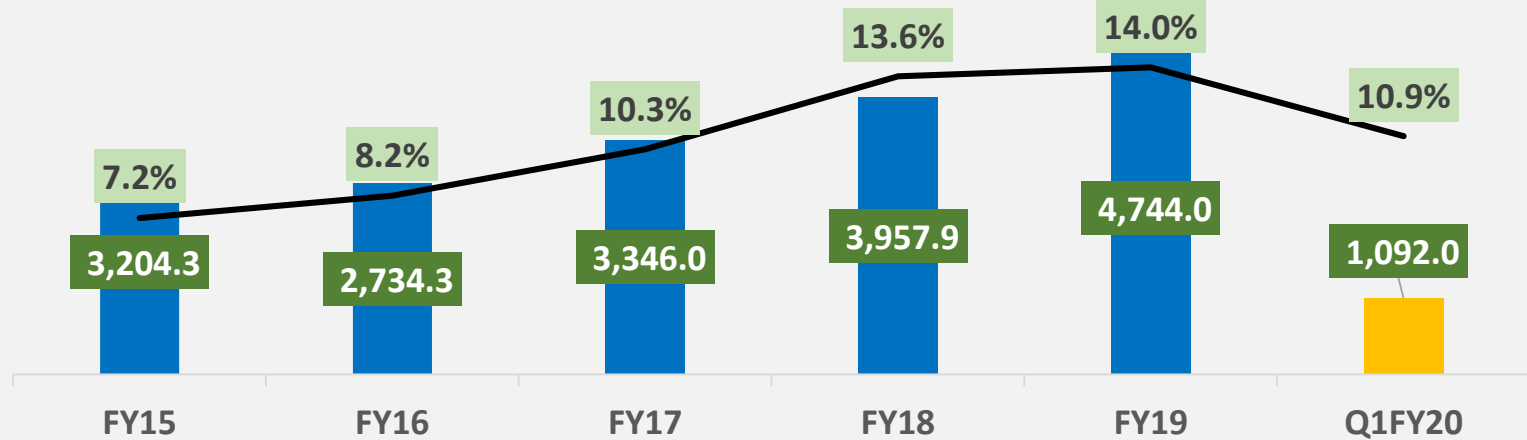
*SHIP = Sprayers, Harvesters, Implements & Planters Business. Copyright @ Escorts Ltd.

...EAM JOURNEY SO FAR & ASPIRATIONS FORWARD



SEGMENT REVENUE (Rs. Cr.)

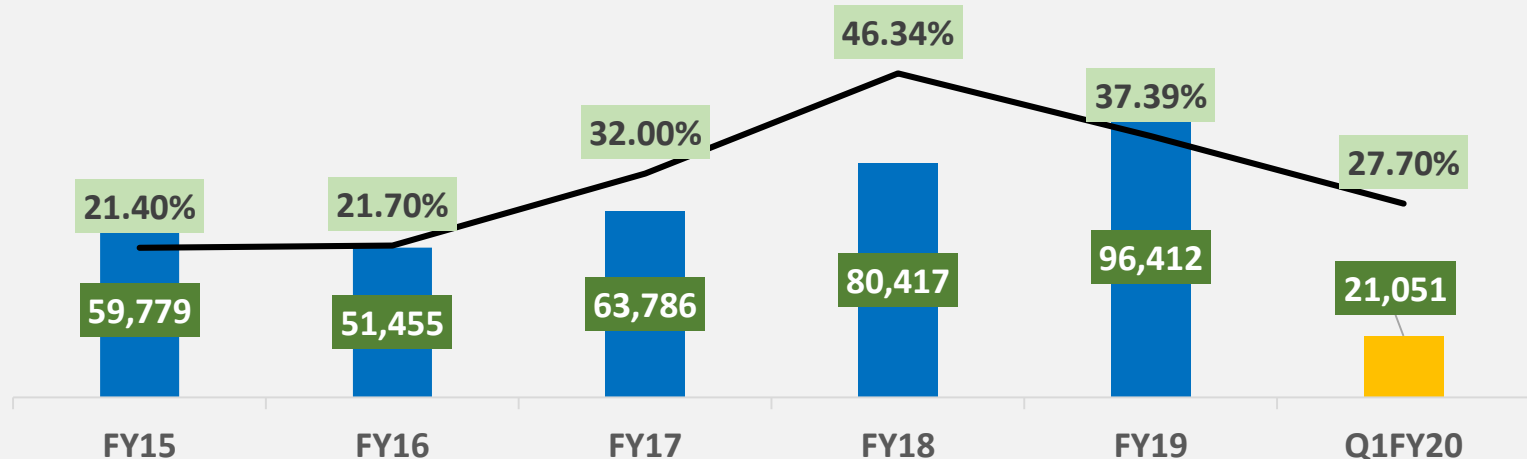
EBIT %



ASPIRATIONS 2022 To grow business 2x from FY17 base and achieve **14~15% EBIT Margin**

VOLUMES (Nos.)

ROCE %

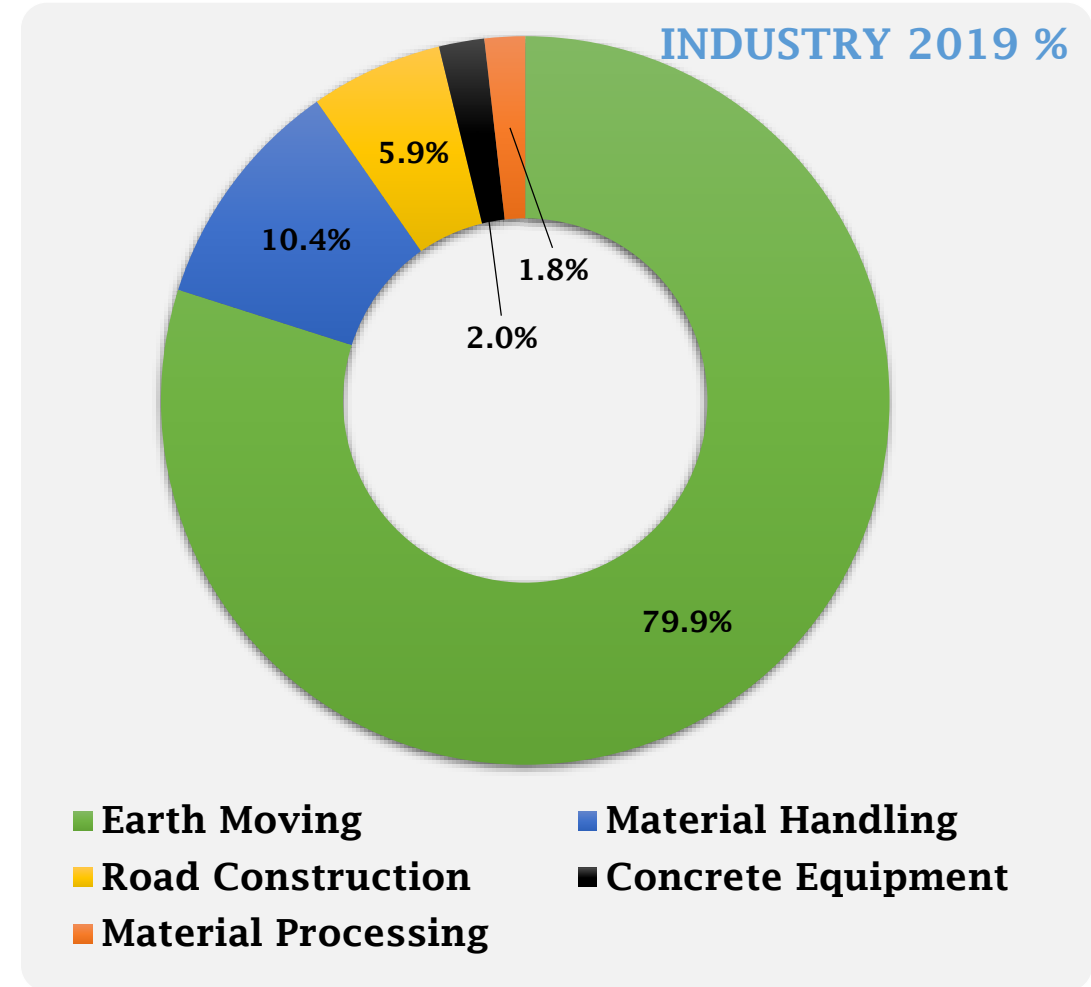
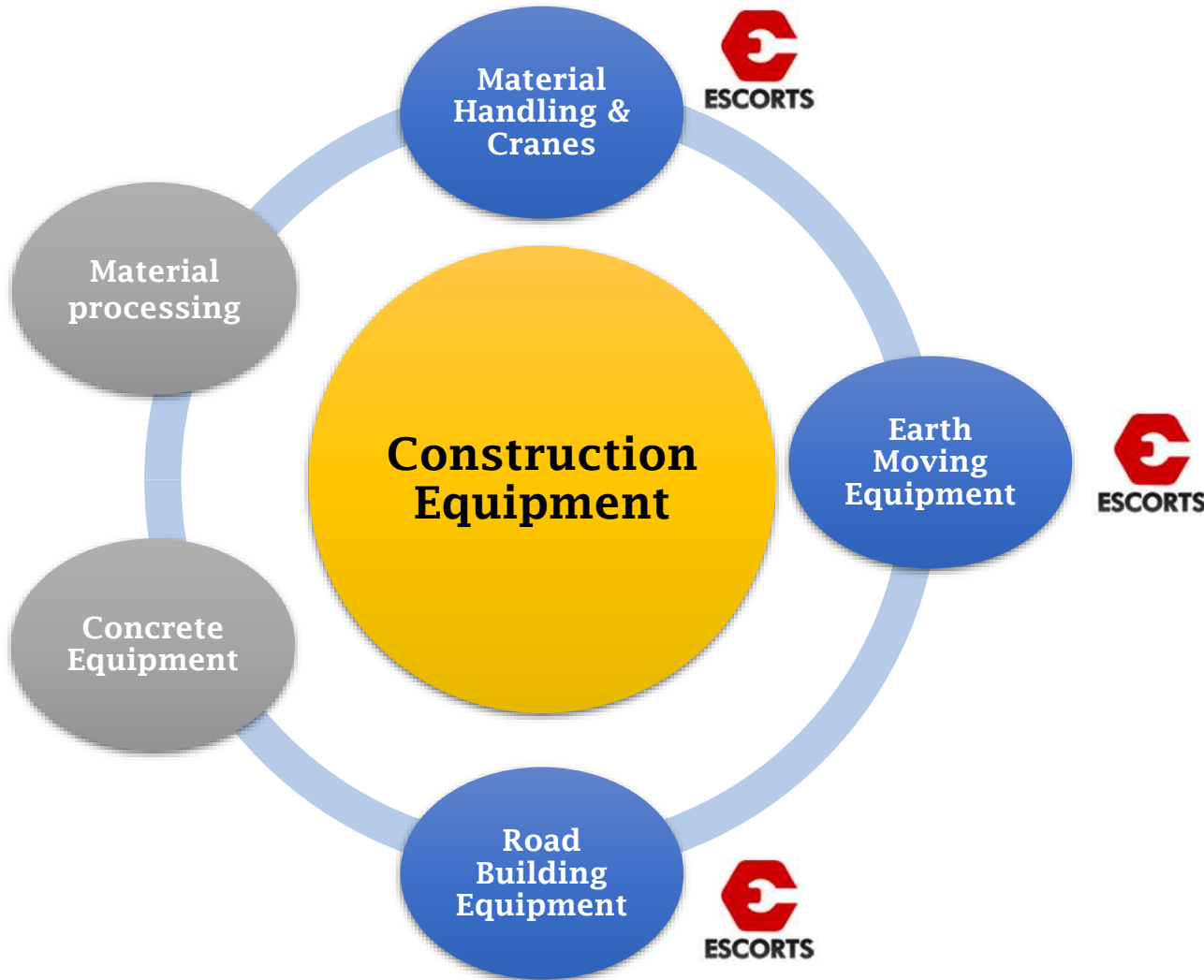


- ❖ Revenue Growth Initiatives
 - ❖ EXPORT
 - ❖ South & West penetration
 - ❖ Emerging Business
- ❖ Cost Rationalization
 - ❖ Raw Material
 - ❖ Manpower cost

ESCORTS CONSTRUCTION EQUIPMENT (ECE)






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

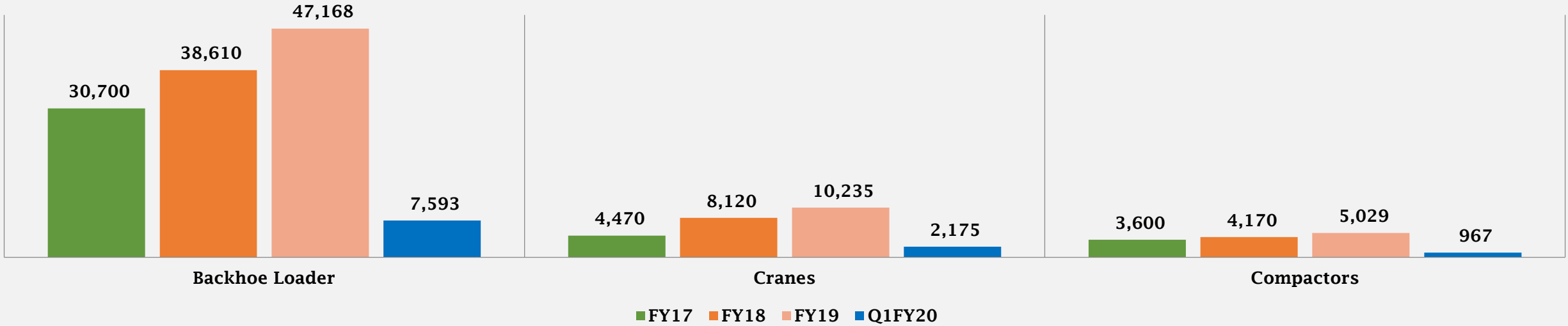


| Segment | Major equipment types | Application Segment | User | |
|------------------------------|---|--|-------------------------|-----|
| 1 Earthmoving Equipment | A - Backhoe loader, B - Excavator, C - Wheeled loader  | <ul style="list-style-type: none"> • Mining • Roads • Real Estate/Land Development • 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 | | |

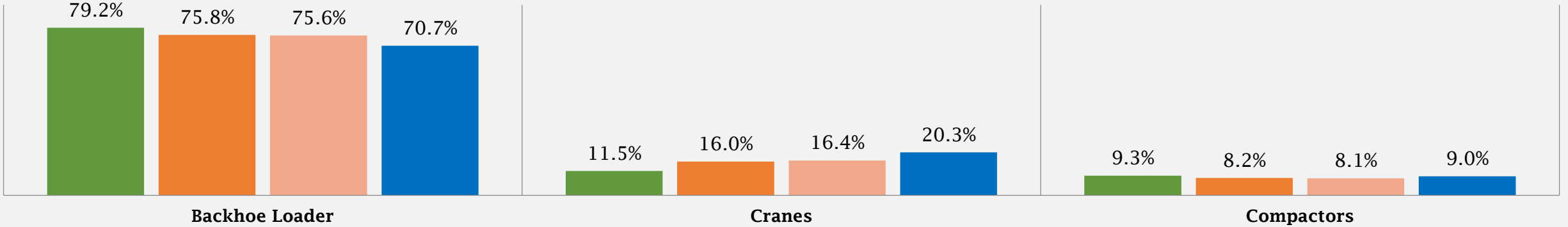
SERVED INDUSTRY SEGMENTATION



Served Industry Volume (Rounded to nearest Ten)



Served Industry category wise in %



PRODUCT PORTFOLIO



1) Material Handling



60%

2) Earth Moving



20%

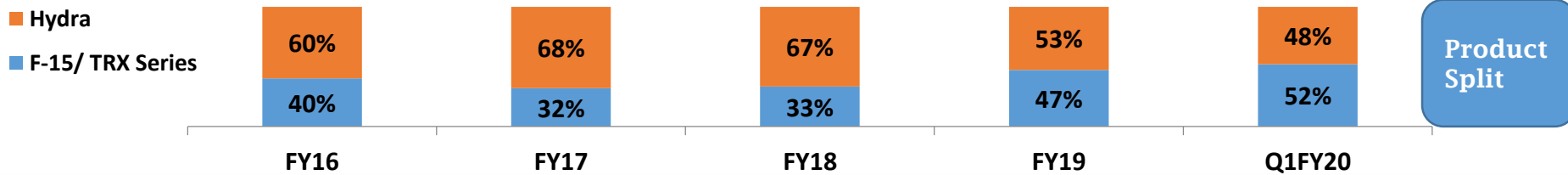
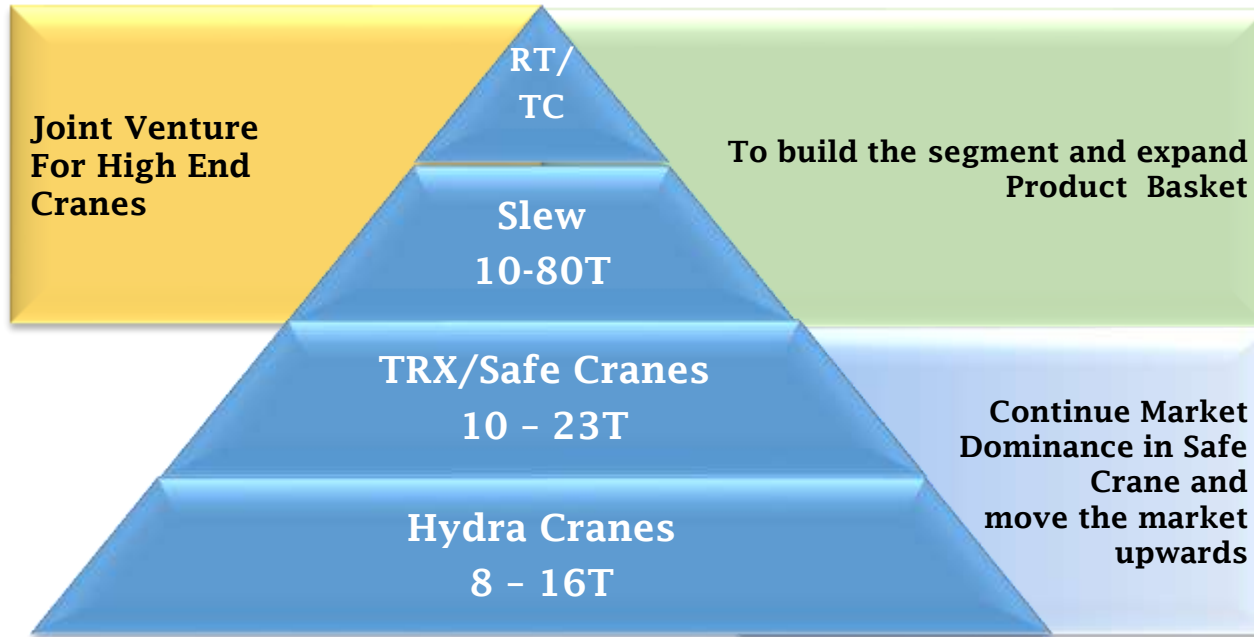
3) Road Construction



10%

% of ECE Revenue

MATERIAL HANDLING



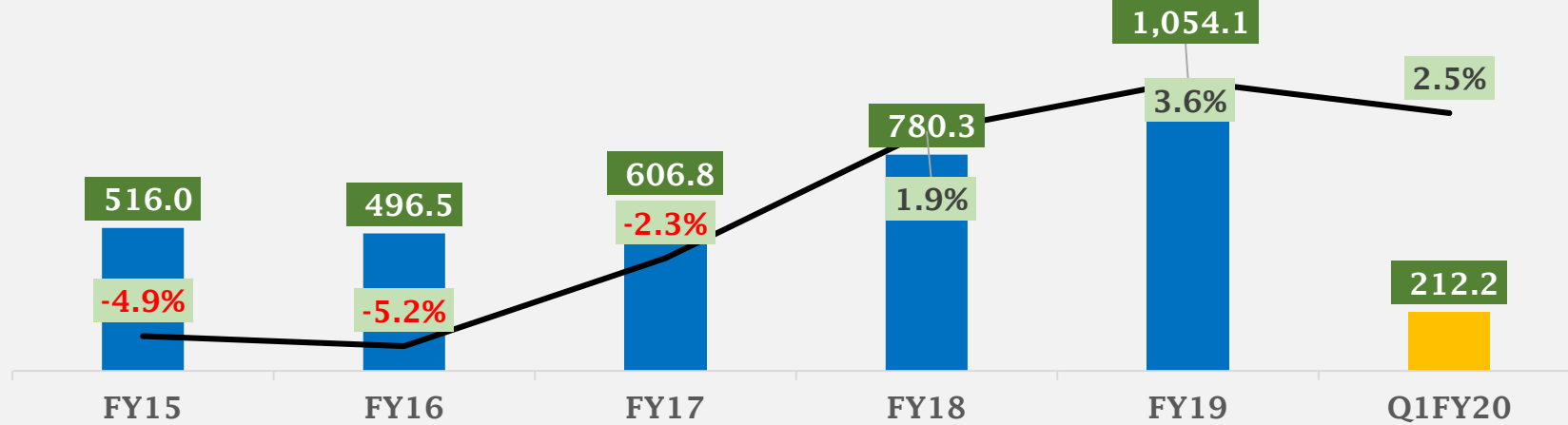
Transform the market from a leadership position

READY TO RIDE THE INDUSTRY BOOM



SEGMENT REVENUE (Rs. Cr.)

EBIT %



ASPIRATION 2022 To grow business 3x from FY17 base and achieve **High Single Digit EBIT Margin**

Strategic Tie ups

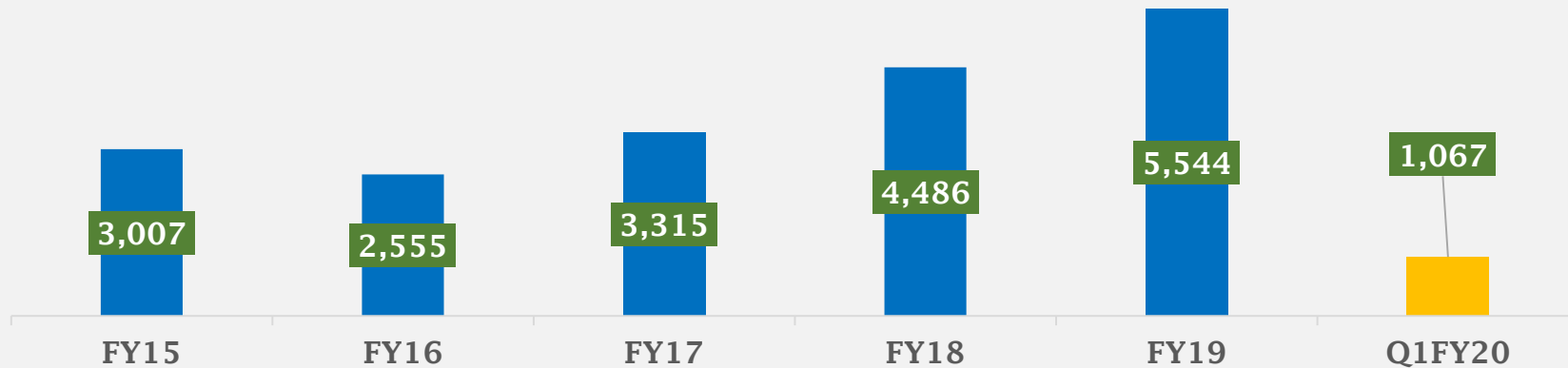
Focus on Cost Reduction : Material Cost

Focus on Export reach Enhancement

Channel Financing

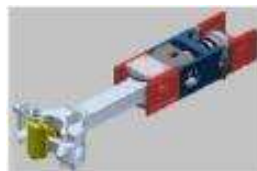
Dealership & Outlet reach expansion

VOLUMES (Nos.)





RAILWAY EQUIPMENT DIVISION (RED)



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**

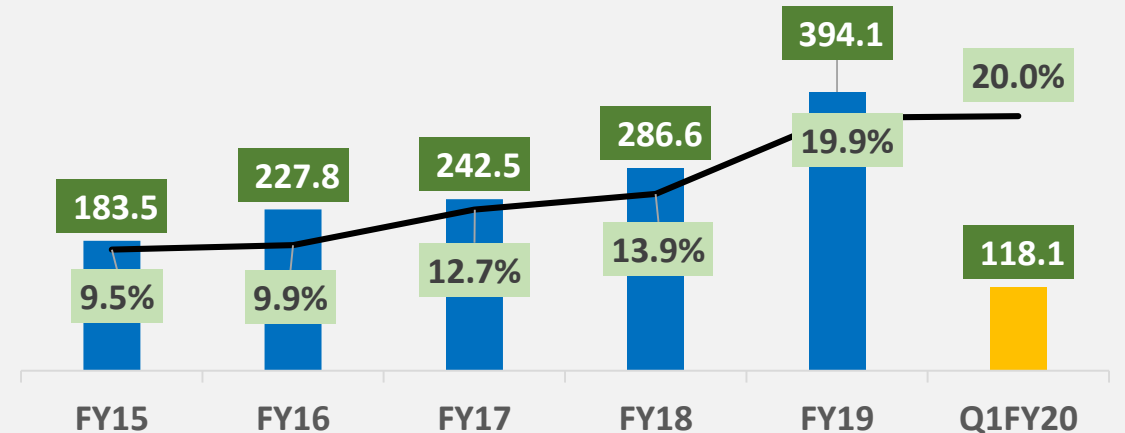
- ✓ Manpower Cost, Productivity Improvements
- ✓ Material Cost improvements
- ✓ New Product Revenue boost
- ✓ Building Strong Inhouse R&D

**CONSISTENT
ORDER BOOK GROWTH**

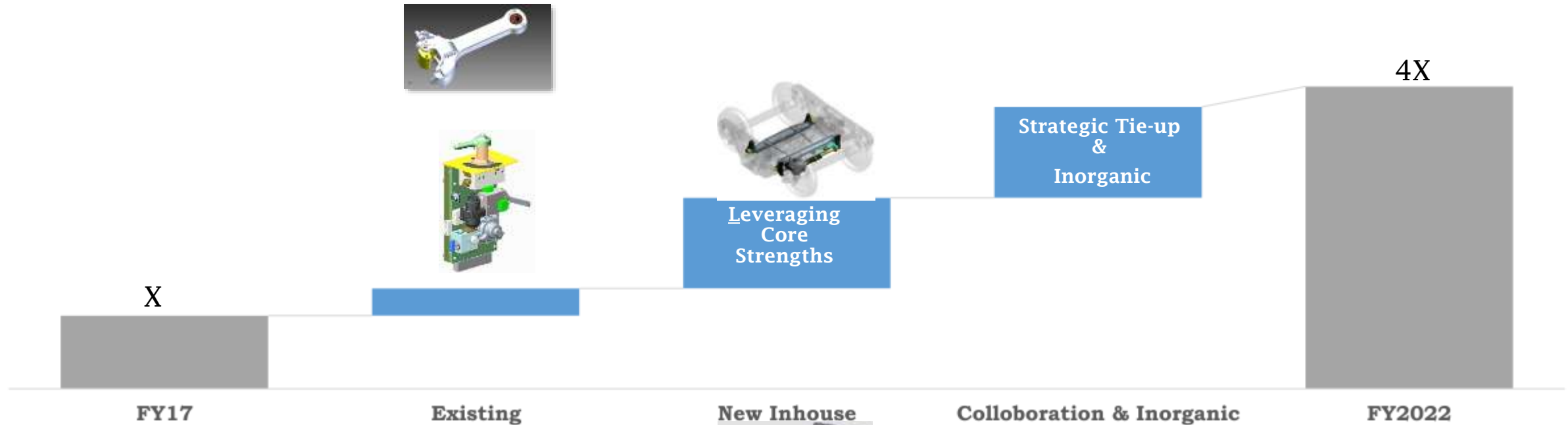
**More Than Rs. 400 Cr. as of
June'19**

SEGMENT REVENUE (Rs. Cr.)

EBIT %



ASPIRATION 2022

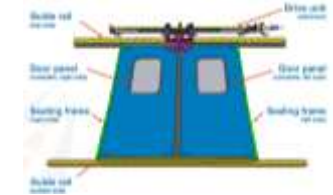


ASPIRATION 2022 To grow business 4x from FY17 base and achieve 17~19 % EBIT Margin

New Inhouse

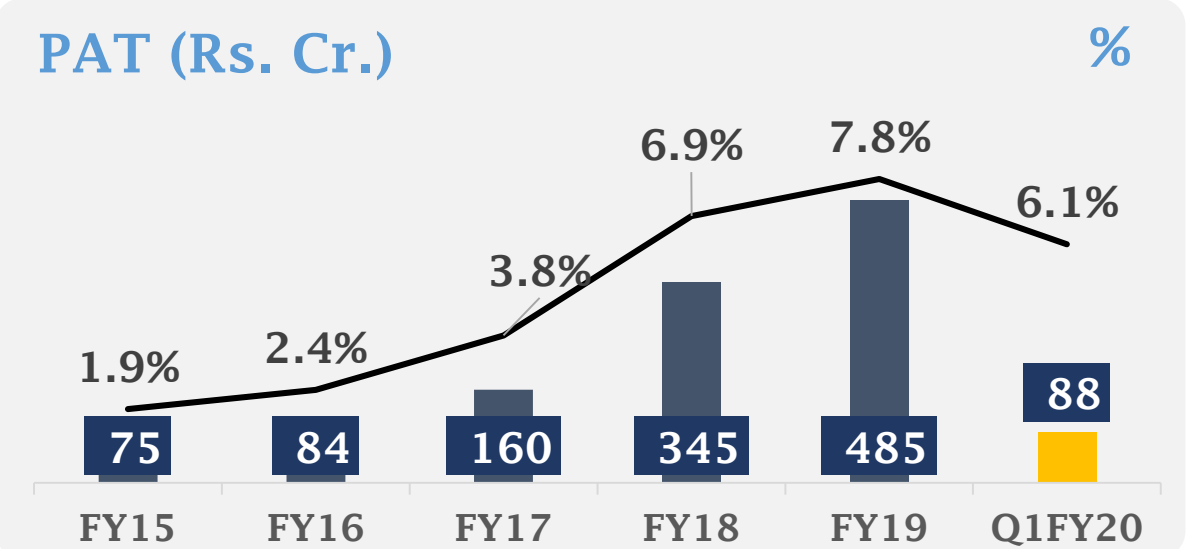
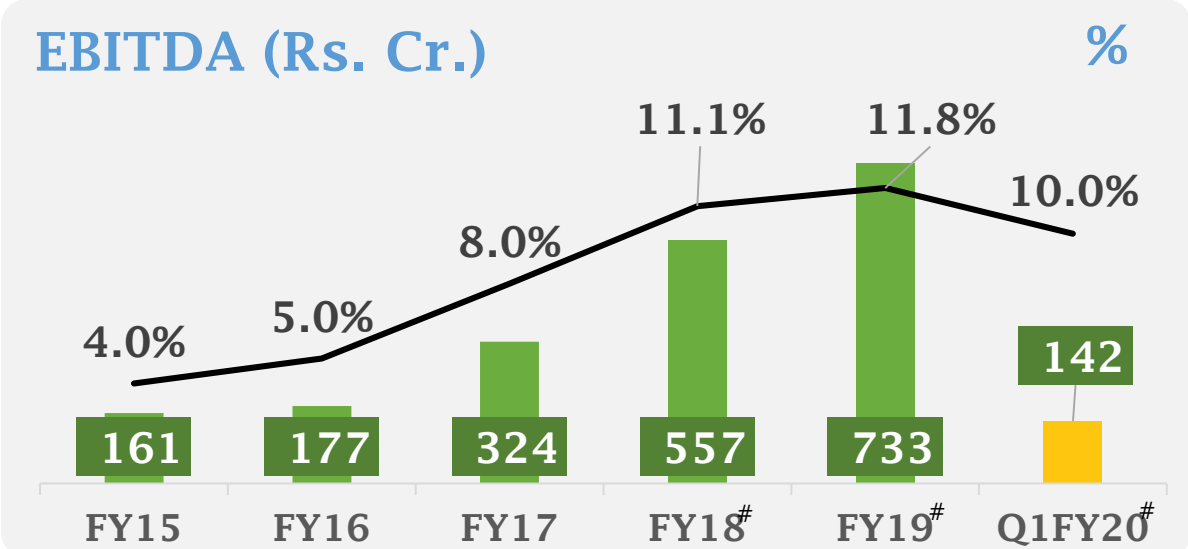
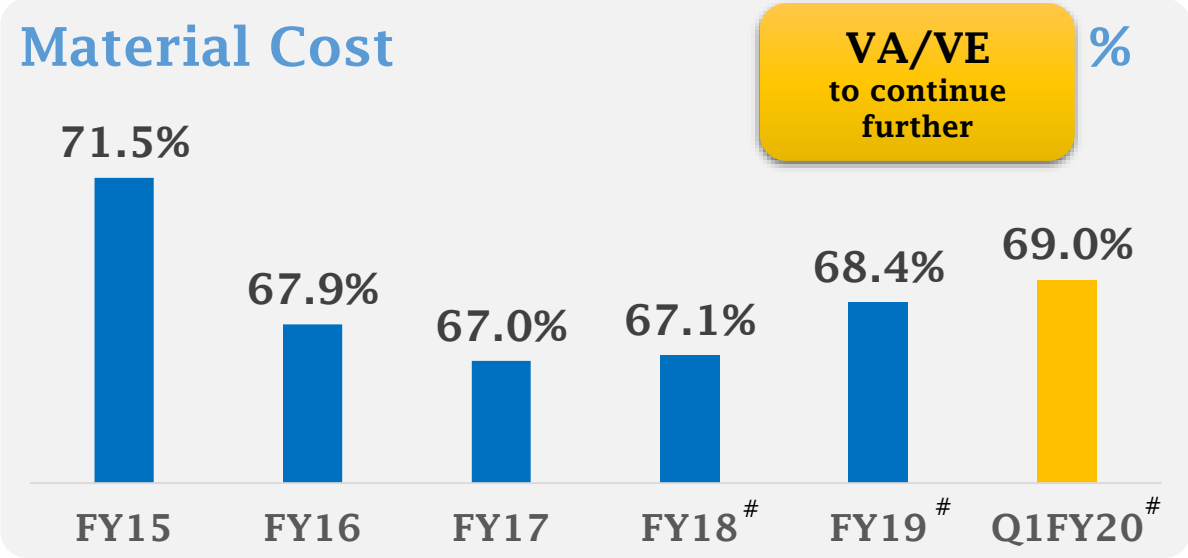
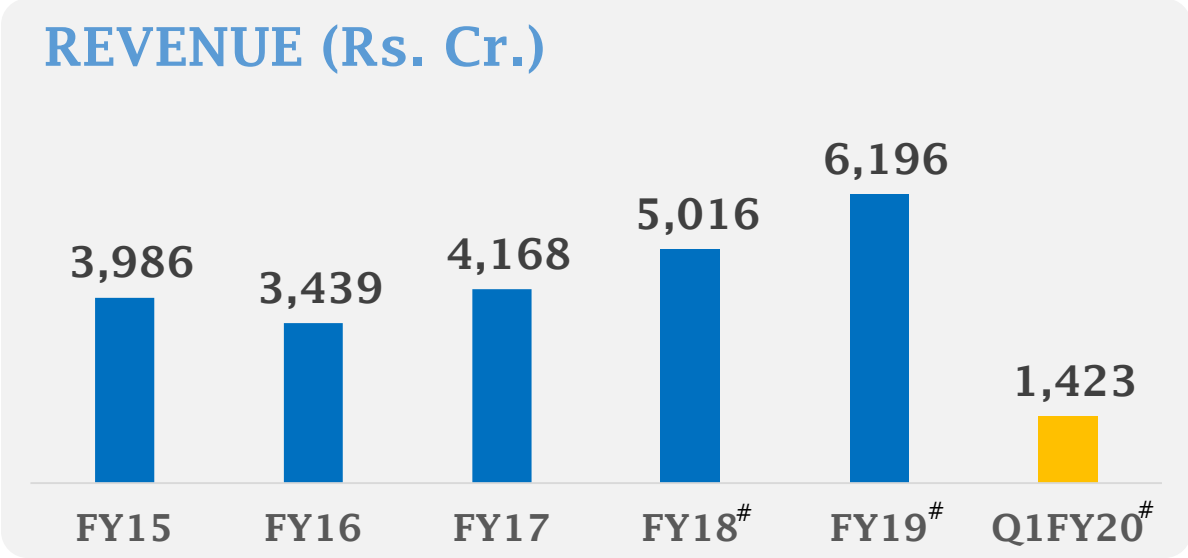


Collaboration & Inorganic



GROUP FINANCIALS

↑ KEY FINANCIAL METRICS...

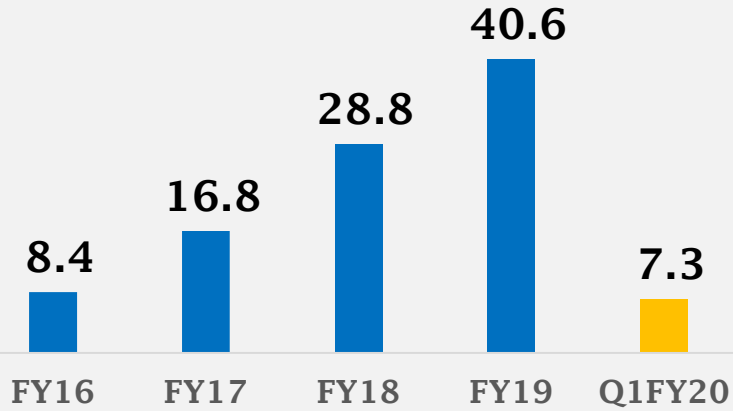


From Continuing Operations

↑ KEY FINANCIAL METRICES...

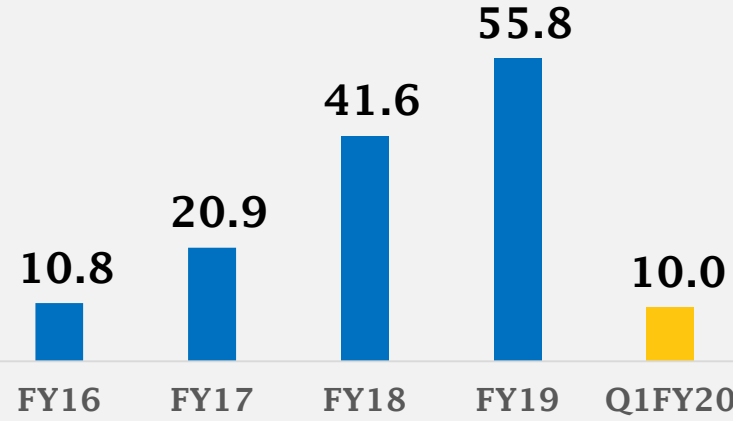
EPS (₹)

Including Treasury Shares

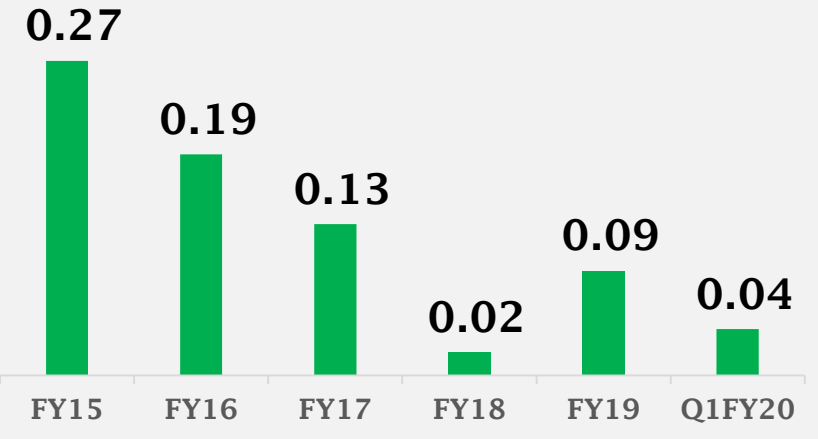


EPS (₹)

Excluding Treasury Shares

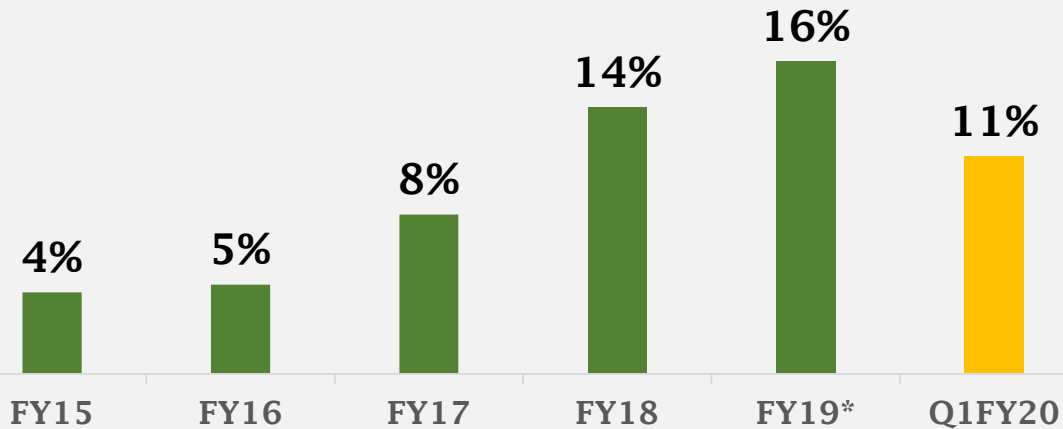


DEBT EQUITY RATIO



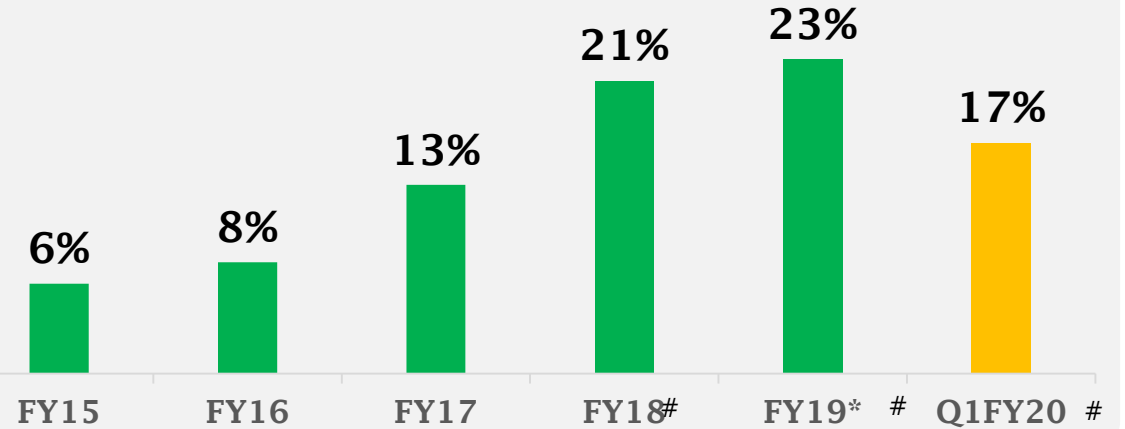
ROE

%



ROCE

%

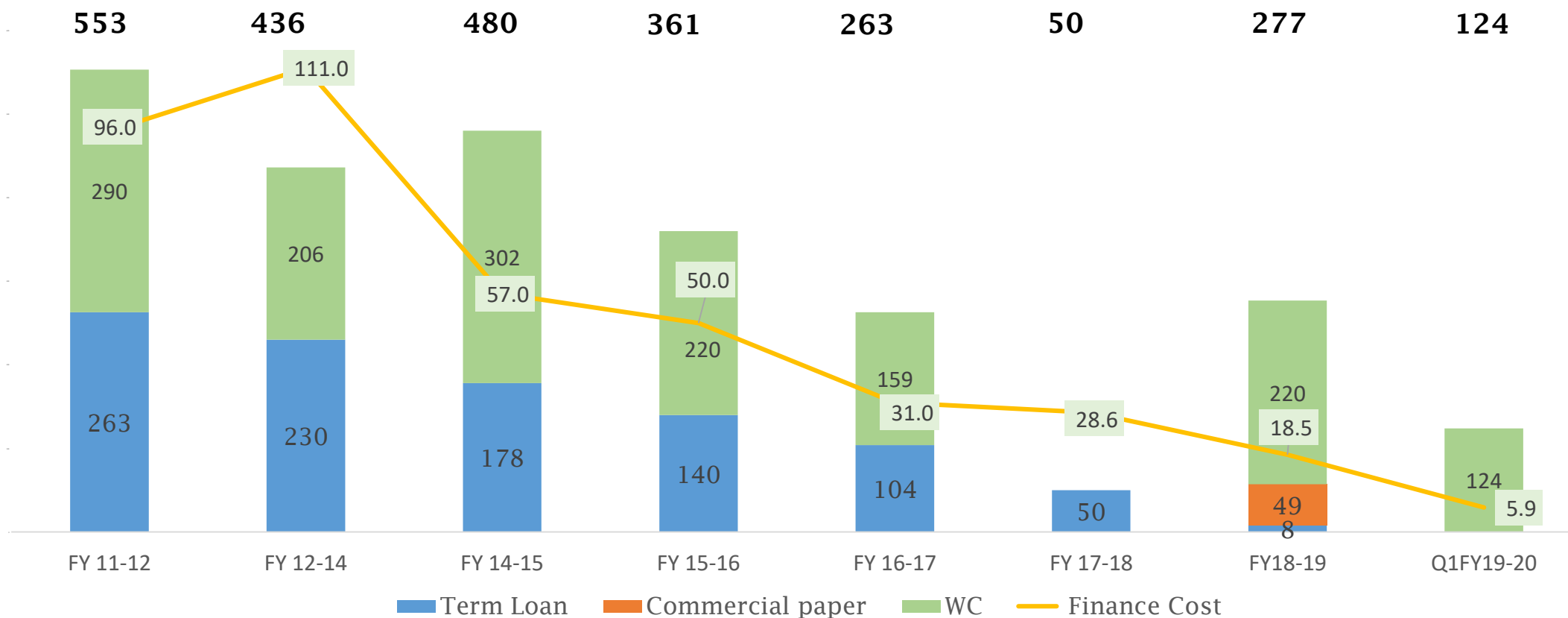


↑ CONSISTENT RATING UPGRADES

External Credit Rating



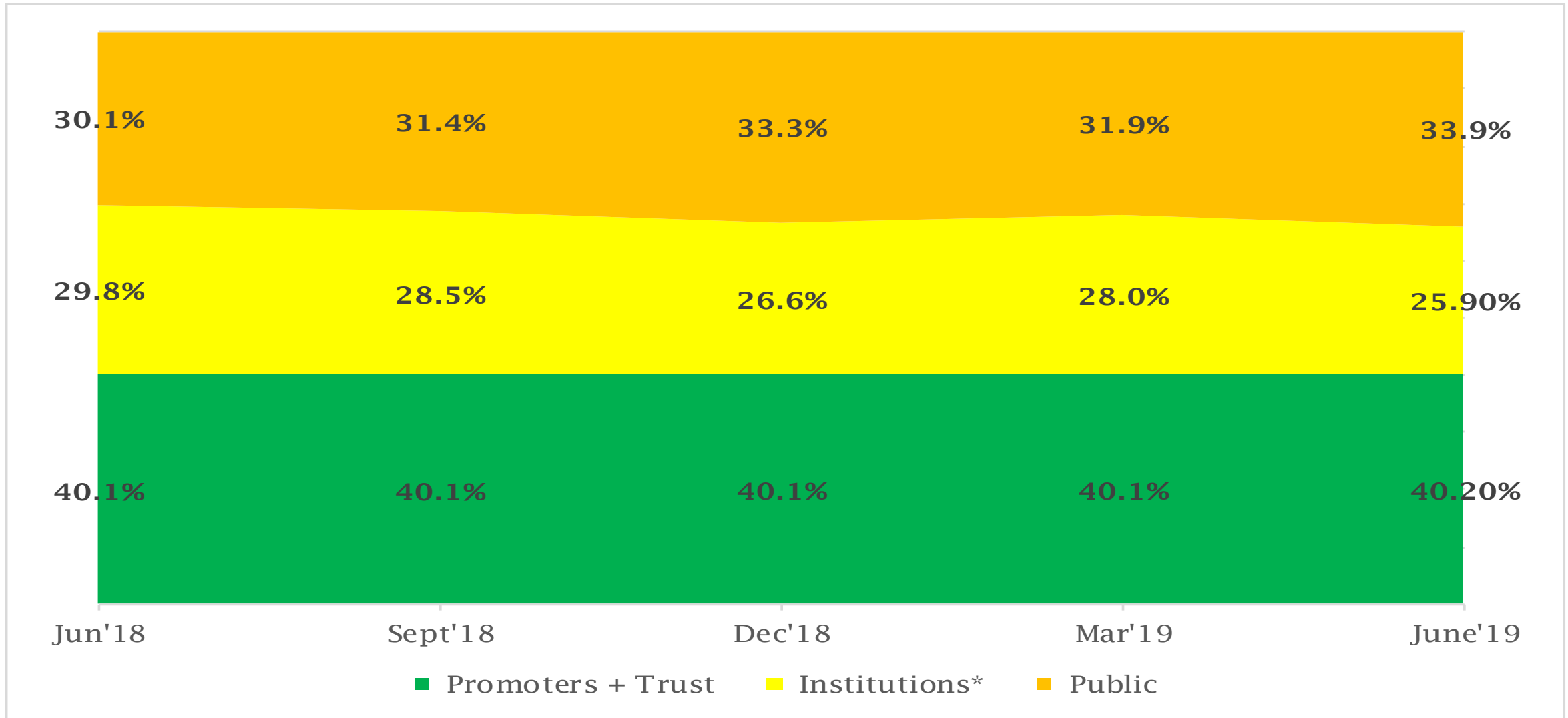
(₹ Crs.)



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

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

↑ SHAREHOLDING PATTERN



* FPI/Financial Institutions/ Banks/Insurance Companies

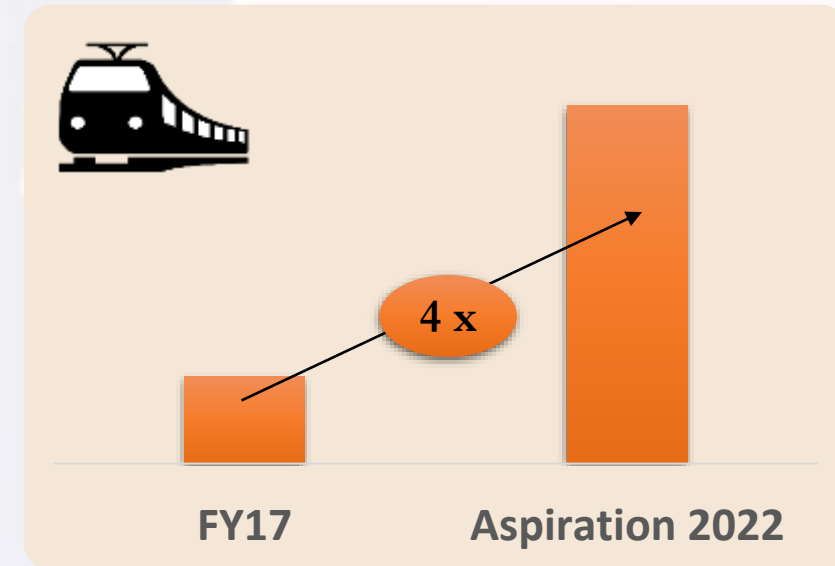
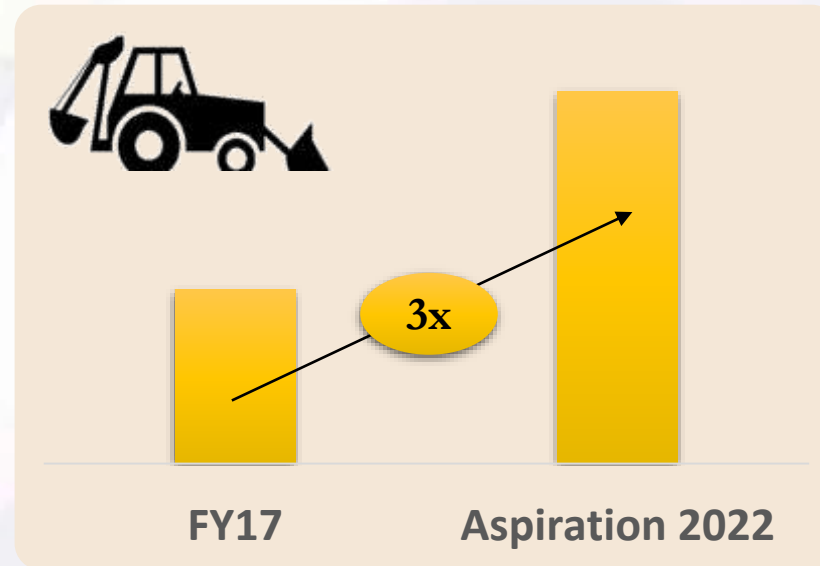
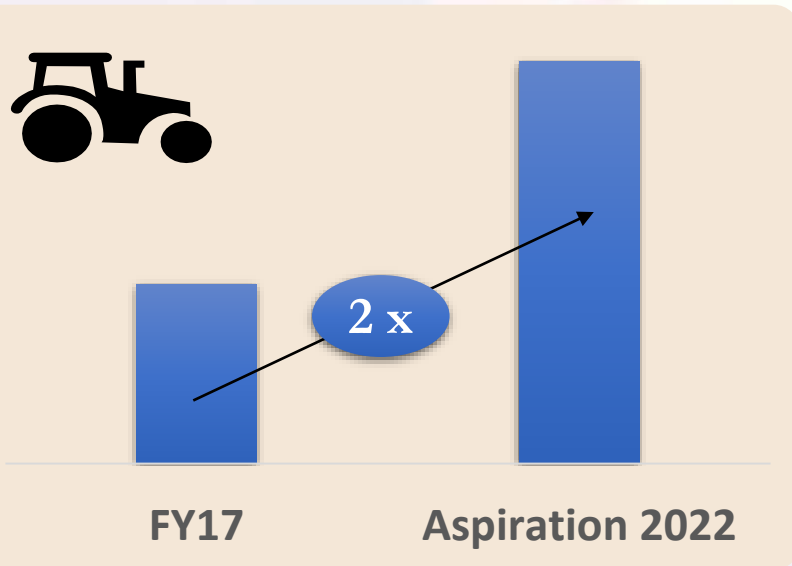
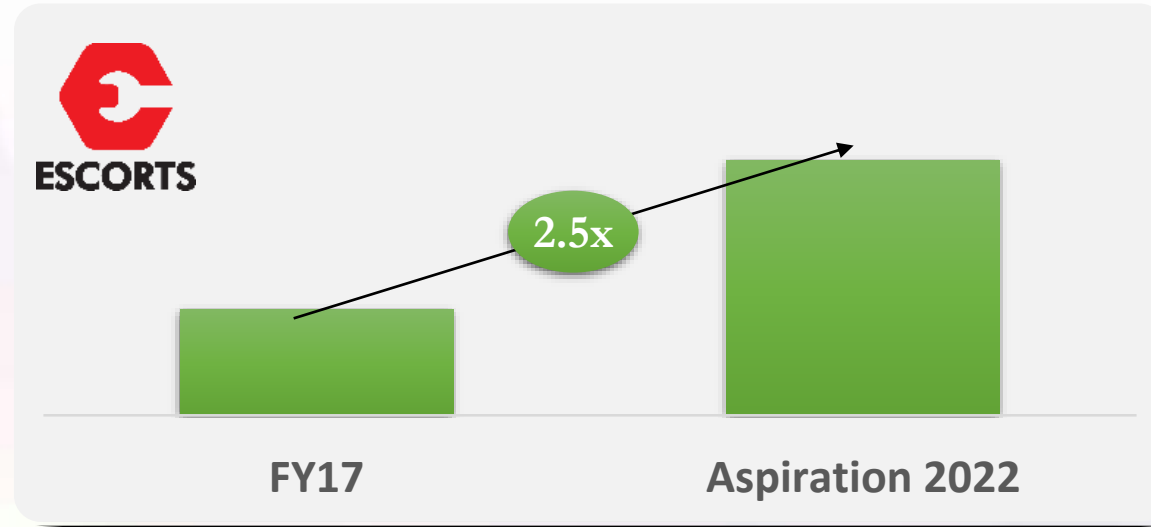
As of quarter ended



Aspiration

By 2022

REVENUE (Rs. Cr.)



ASPIRATION 2022



2.5X Revenue



10% Plus



Margin 13~14%



25% - 30%

BOARD OF DIRECTORS...



Mr. 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



Ms. Nitasha Nanda, Whole time Director

- An entrepreneur & experienced business leader, She manages the Escorts Securities Ltd.
- She is on the board of directors of Seitz technologies, RNIS, Raksha TPA, Rimari India and Sun and Moon travels.



**Mr. Shailendra Agrawal
Executive Director**

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



Dr. Sutanu Behuria, Independent Director

- A PHD in Economics from Southern Methodist University, Dallas, He is an IAS officer from 1976 batch.
- He has served as secretary in the Dept. Of Fertilisers, National Disaster Management Authority and Dept. of Heavy Industry.



Mr. Hardeep Singh, Director

- Chairman -Monitoring committee on minimum support price (Planning Commission) & Food security Task force (CII)
- He was the former executive chairman of Cargill South Asia and Amalgamated Plantations Pvt. Ltd

...BOARD OF DIRECTORS



Mr. P.H. Ravikumar, Independent Director

- Founder MD & CEO of NCDEX
- He has worked with leading banks like ICICI Bank and Bank of India



Mrs. Vibha Paul Rishi, Independent Director

- An Alumnus of FMS Delhi, She has been an Executive Director of Brand and Human Capital of Max India Limited
- She has also worked with leading Industry names like Future Group and PepsiCo in various leadership roles.



Mr. G. B. Mathur, Director

- An ACS and LLB by profession, He has more than 3 decades of experience in corporate law
- He has previously worked with Chambal Fertilizers and Chemical Limited



Mr. Sunil Kant Munjal, Independent Director

- Mr. Munjal is one of the founder promoters of the Hero Group, India's premier automotive manufacturing group that has evolved from being the world's largest bicycle-maker to the largest two-wheeler maker.
- He is the Chairman of Hero Enterprise, with interests in insurance distribution, steel-making, real estate and corporate training.



Mr. D J Kakalia., Independent Director

- Partner in Mulla & Mulla & Craige, Blunt & Caroe, Advocates, Solicitors & Notaries
- Specializes in litigation for the power and manufacturing sector, representing and advising large Power Companies
- Director and member of various Board Committees in Aditya Birla Finance Limited, Reliance Broadcast Network Limited and Reliance Power Limited

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.

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Thank You

