



# Q1 FY22 | EARNING PRESENTATION

5<sup>th</sup> August 2021

# Contents



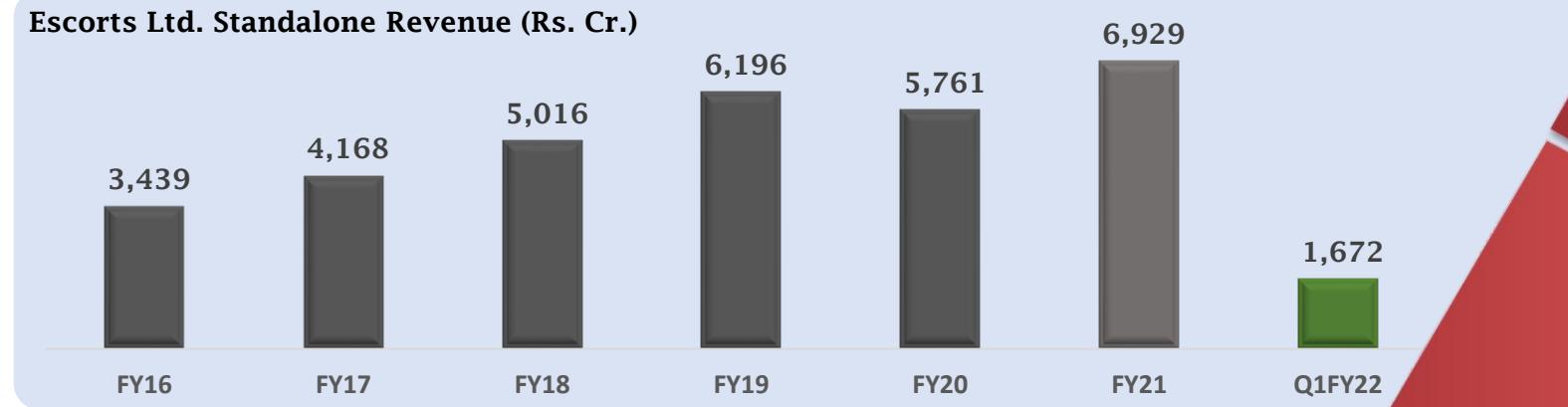
- Escorts Ltd. An Overview
- Q1 FY22 at a Glance (Standalone)
  - Highlights
  - YoY at a Glance
  - Revenue highlights
  - QoQ at a Glance
- Credit Rating & Debt Profile
- Management Message
- Segmental Highlights
  - EAM
  - ECE
  - RED
- Shareholding pattern
- Q1 FY22 at a Glance (Consolidated)
- Narrations

# Escorts Limited: An Overview



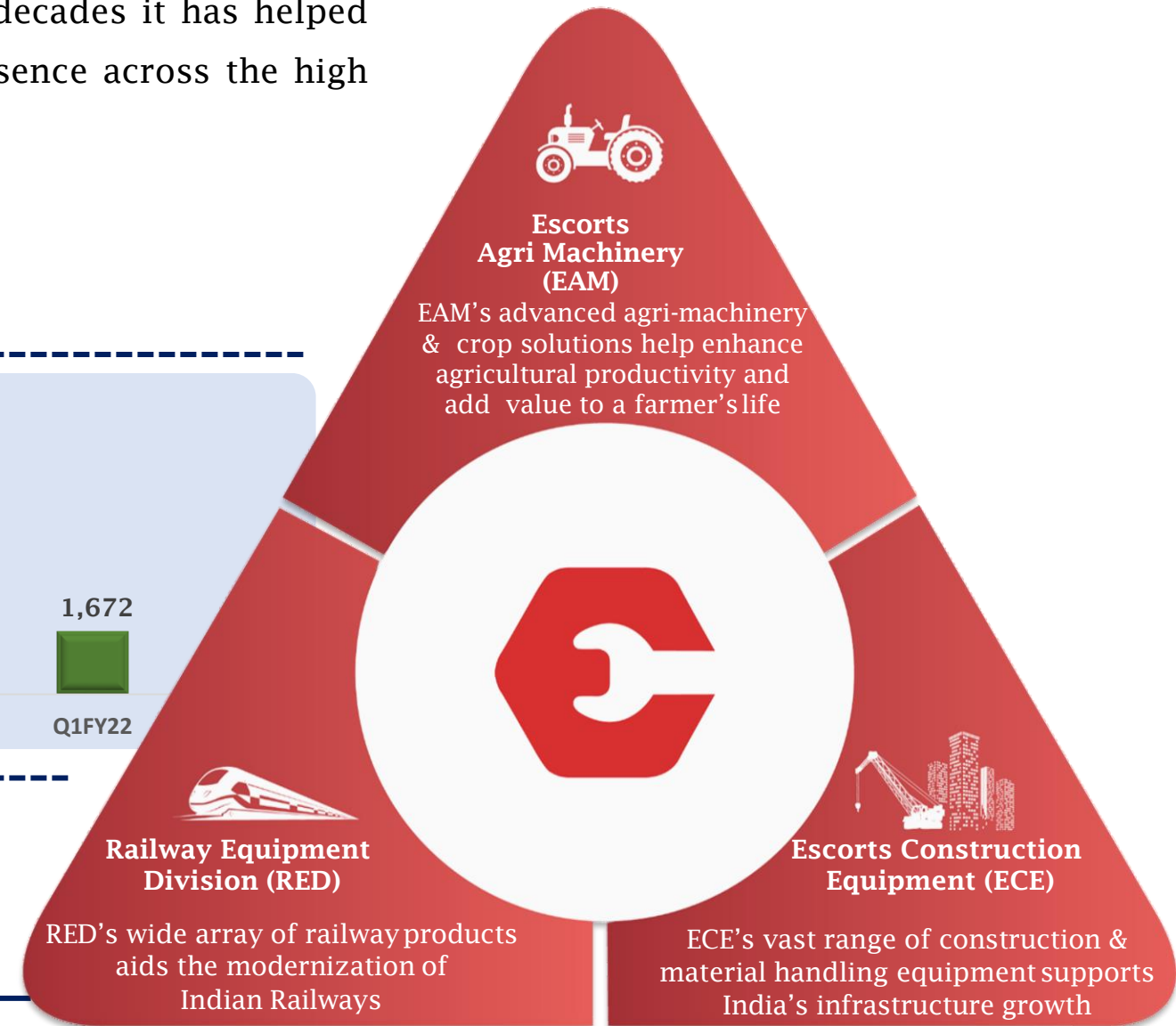
India's leading engineering conglomerates and for over Seven decades it has helped accelerate India's socio-economic development through its presence across the high growth sectors of

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



## Exchange listing

- Listed on NSE, BSE and DSE
- Market cap of ~ Rs. 16,640 Crores (4<sup>th</sup> August 2021)



# Escorts Ltd. Q1 FY22 at a Glance



Particulars (YoY)	Industry Growth	Escorts Ltd. Growth	Variance
Domestic Tractor Volume	38.9%	38.5%	-0.4%
Export Tractor Volume	146.7%	212.0%	65.3%
<b>Total Tractor Volume</b>	<b>45.5%</b>	<b>42.9%</b>	<b>-2.6%</b>
PNC Volume	213.6%	168.1%	-45.5%
BHL Volume	44.0%	166.7%	122.7%
Compactor Volume	110.7%	80.6%	-30.1%
<b>Served Construction Equipment Volume</b>	<b>65.8%</b>	<b>156.2%</b>	<b>90.4%</b>
<b>Railway Segment Revenue</b>		<b>117.5%</b>	

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

# Standalone Q1FY22 YoY at a Glance



Particulars	Unit	Q1FY22	Q1FY21	Variance
Domestic Tractor Market Share	%	10.7	10.7	at Par
Revenue from operations	₹ Cr.	1,671.5	1,061.6	57.4%
Material Cost	%	68.3	67.1	113 bps
Manpower Cost	%	8.2	11.9	-368 bps
EBIDTA	₹ Cr.	233.2	119.6	95.0%
EBIDTA Margin	%	14.0	11.3	269 bps
PAT	₹ Cr.	185.2	92.2	101.0%
EPS	₹	14.0	7.7	82.0%

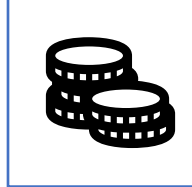
Please note: - Due to COVID-19 impact in previous year and partially this year, the figures do not represent normal quarter/operations and to that extent are not strictly comparable and growth figures may be skewed.

# Standalone Q1FY22 Highlights YoY



## Volume & Sales

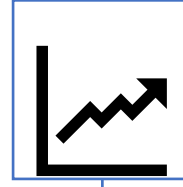
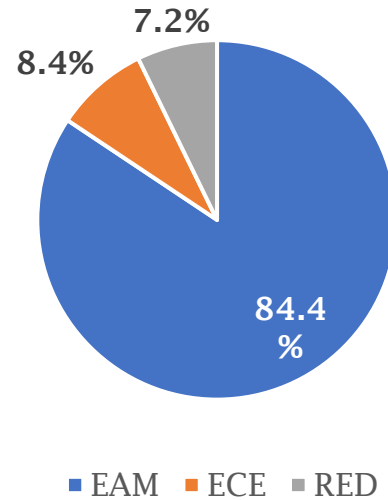
- **EAM** at 25,935  
• YoY up by 42.9%
- **ECE** at 606  
• YoY up by 159%
- **RED** at ₹ 119.4 Cr.  
• YoY up by 117.5%



## Revenue

- **Q1:** ₹ 1,671.5 Cr.  
• YoY up by 57.4%

### Division Wise Revenue Split

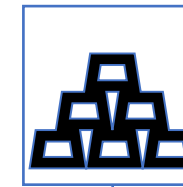


## EBIDTA

- **Q1:** ₹ 233.2 Cr.
- Margin at 14.0%
- YoY margin up by 269 bps

### • Due to

- Operating leverage
- Better Product Mix
- Cost reduction and leaner operations
- Impact of adverse commodity prices



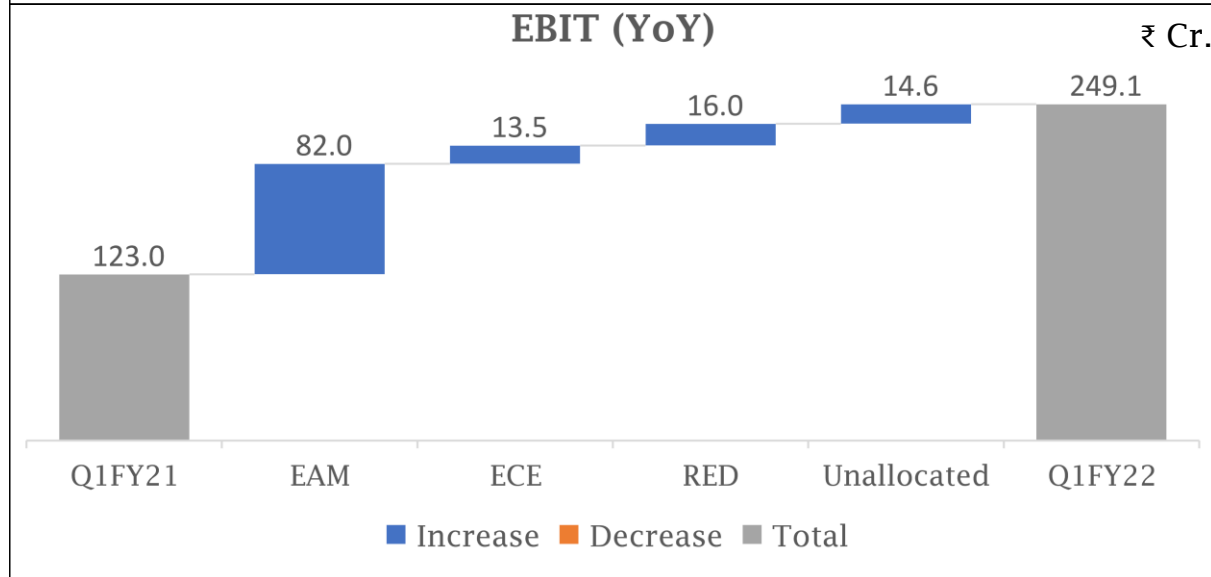
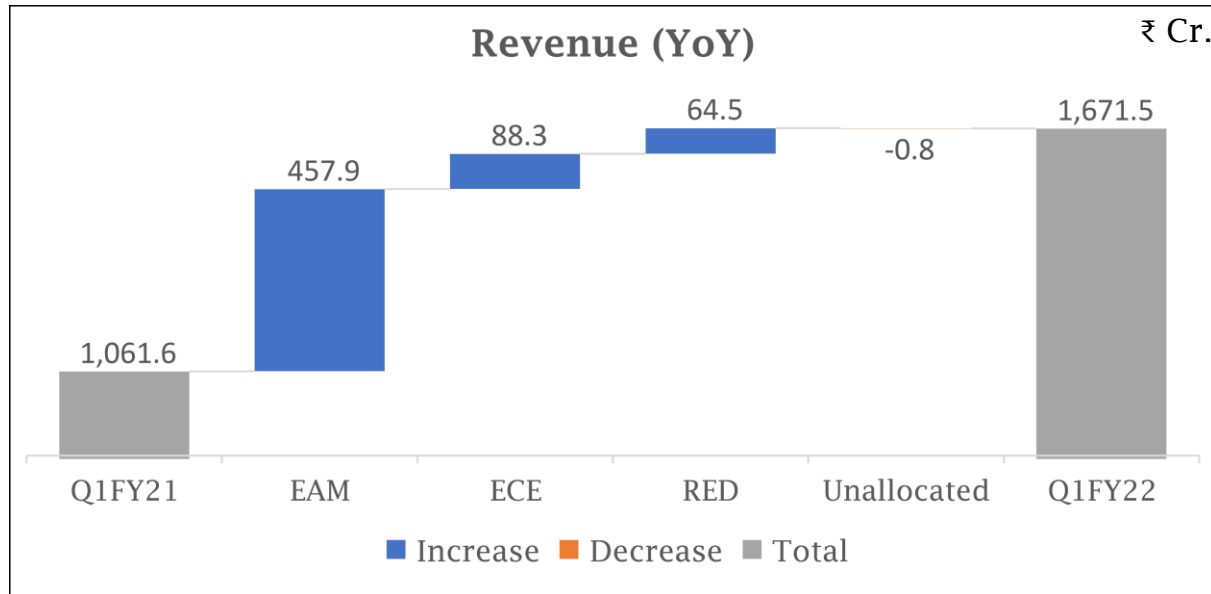
## Profit

- **Q1**
- **PAT:** ₹ 185.2 Cr.  
• YoY more than doubled
- **PAT Margin** at 11.1%  
• YoY margin up by 240 bps.
- **EPS :** ₹ 14.03  
• YoY up by 82%

**ROCE\* :18.2%**

**ROE\* :13.5%**

# Q1 - YoY Revenue grew by 57.4%; EBIT up by 102.5%



## Q1 Revenue Key Highlights (YoY)

- Tractor Sales up by 42.9% at 25,935 units
- **Construction Sales up by 159.0% at 606 units**
- Railway division revenue up by 117.5%

## Q1 EBIT Key Highlights

- Operating leverage in all divisions.
- Adverse commodity prices
- Cost reduction across divisions

# Standalone Q1FY22 QoQ at a Glance



Particulars	Unit	Q1FY22	Q4FY21	Variance
Domestic Tractor Market Share	%	10.7	12.9	-226 bps
Revenue from operations	₹ Cr.	1,671.5	2,210.5	-24.4%
Material Cost	%	68.3	68.5	-23 bps
Manpower Cost	%	8.2	6.6	155 bps
EBIDTA	₹ Cr.	233.2	344.7	-32.3%
EBIDTA Margin	%	14.0	15.6	-164 bps
PAT	₹ Cr.	185.2	271.3	-31.7%
EPS	₹	14.0	20.6	-31.8%

Please note: - Due to COVID-19 impact in previous year and partially this year, the figures do not represent normal quarter/operations and to that extent are not strictly comparable and growth figures may be skewed.

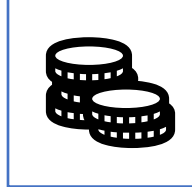


# Standalone Q1FY22 Highlights QoQ



## Volume & Sales

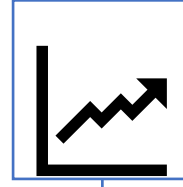
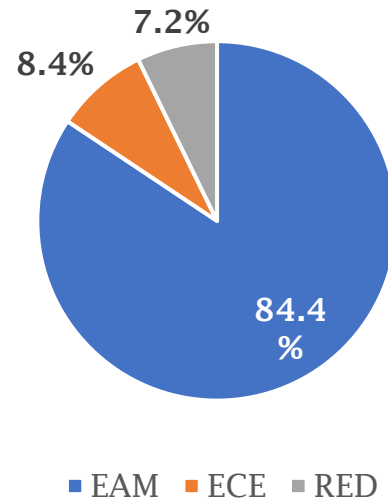
- **EAM** at 25,935  
• QoQ down by 20.4%
- **ECE** at 606  
• QoQ down by 62.2%
- **RED** at ₹ 119.4 Cr.  
• QoQ down by 18.5%



## Revenue

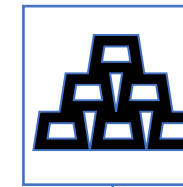
- **Q1: ₹ 1,671.5 Cr.**  
• QoQ down by 24.4%

### Division Wise Revenue Split



## EBIDTA

- **Q1: ₹ 233.2 Cr.**
- Margin at 14.0%
- QoQ margin down by 164 bps
- Adverse commodity prices



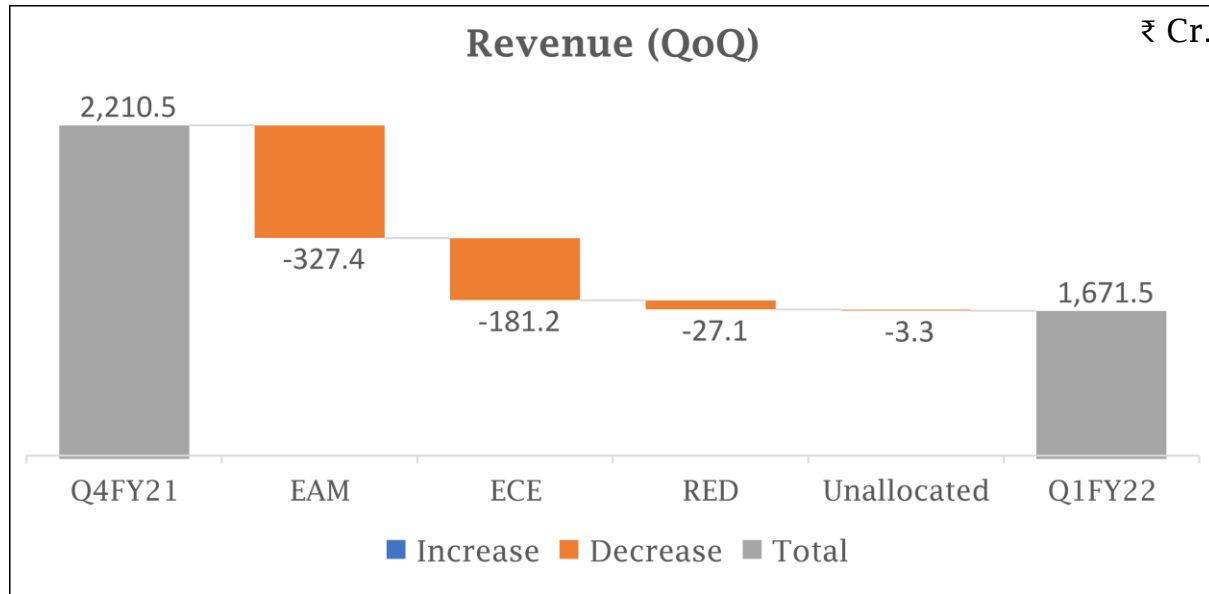
## Profit

- **Q1**
- **PAT: ₹ 185.2 Cr.**  
• QoQ down by 31.7%
- **PAT Margin at 11.1%**  
• QoQ margin down by 119 bps.
- **EPS : ₹ 14.03**  
• QoQ down by 31.8%

**ROCE\* :18.2%**

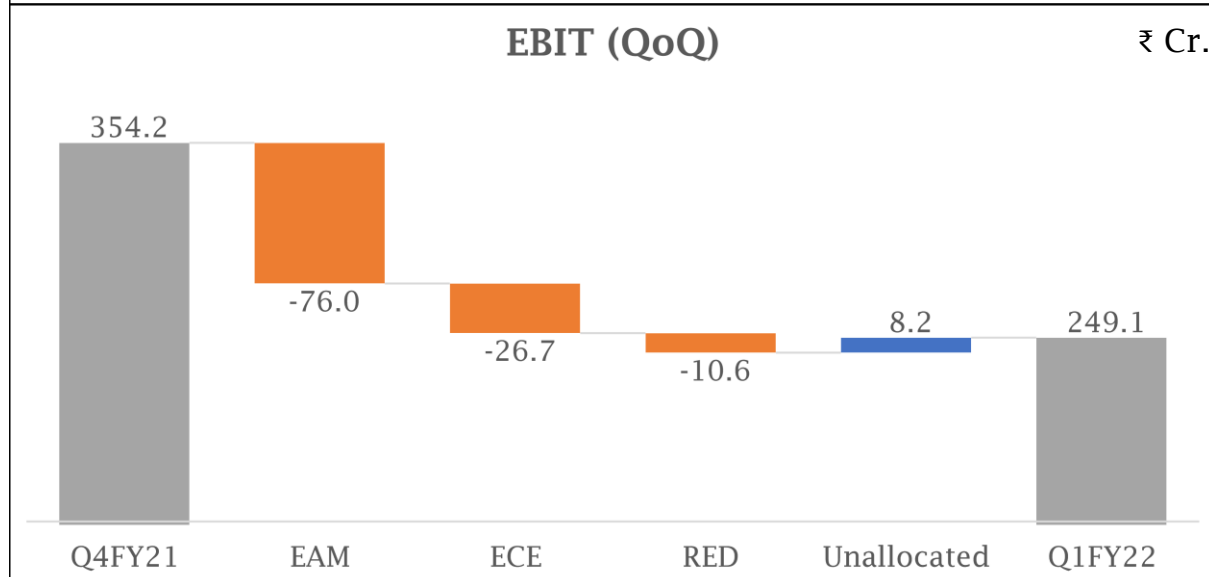
**ROE\* :13.5%**

# Q1 - QoQ Revenue down by 24.4%; EBIT down by 29.7%



## Q1 Revenue Key Highlights (QoQ)

- Tractor Sales down by 20.4% at 25,935 units
- Construction Sales down by 62.2% at 606 units
- Railway division sale down by 18.5%



## Q1 EBIT Key Highlights

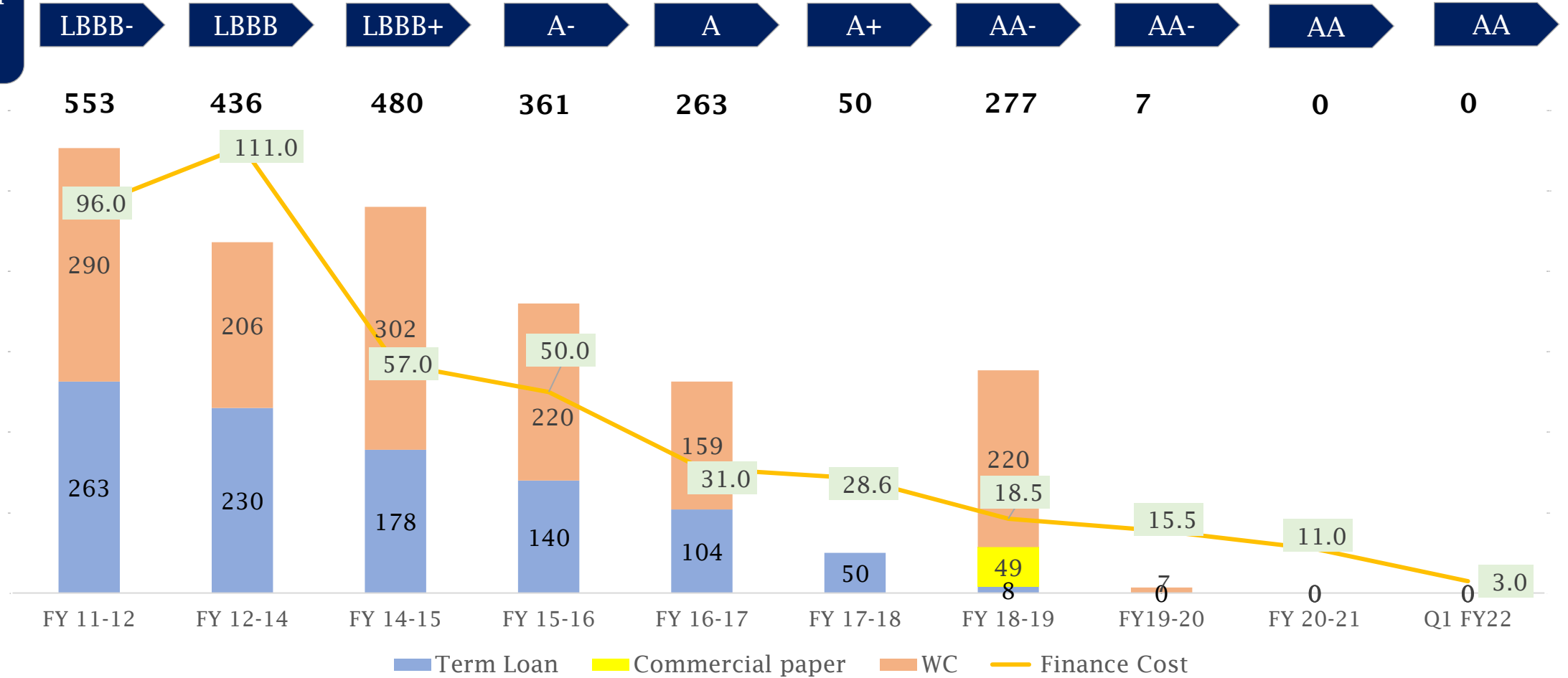
- Negatively Impacted by operating leverage and volume drop
- Adverse commodity prices

# Credit Rating & Debt Profile



Long Term  
Credit  
Rating

(₹ Crs.)



Please note:-

- Nos. from FY 11-12 to FY 14-15 is as per IGAAP.
- Finance Cost for FY 12-14 is for 18 months.
- FY19-20 is excluding lease liability

Term Loan    Commercial paper    WC    Finance Cost

# Management Message



While respective states are gradually activating controlled unlocks, we at Escorts, are extremely careful and adhering to all safety guidelines. Well-being & safety of our customers, dealers, suppliers, and our employees remain our topmost priority. We have facilitated vaccination for all our employees and working closely with our distribution base to support vaccinations across dealerships and customers and also in local communities.

Unlocking has helped in building demand, easing transport & logistics and improved supply chain across farming community to create a positive industry momentum and we certainly hope that with sustained government efforts, tractor and Agri equipment industry and construction equipment industry will be back on a growth path. While we are witnessing some encouraging developments in the railway equipment space too, it may take some time to come out of the impact of the current environment and regain the pre-Covid business levels.

We still need to be well prepared and firm up readiness for any further pandemic hit backs. We are aligned and fully supportive to all national efforts to fight the pandemic, and believe, this shall pass soon.



**Nikhil Nanda**

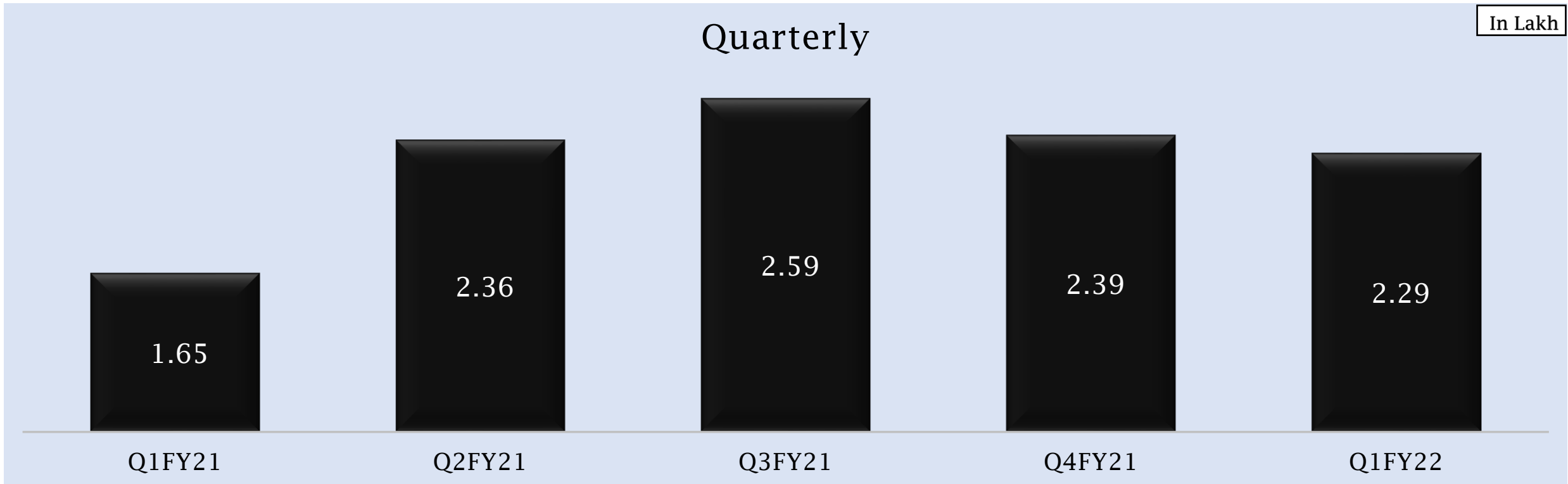
**Chairman and Managing  
Director**

# Segment Performance : EAM



**Powering The Dreams Of Farmer**

# Domestic Tractor Industry Overview



- In Q1FY22 on Y-o-Y domestic Industry up by ~38.9%.
- Industry in Q1FY22 on Y-o-Y basis in North and central region grew by ~23%, whereas industry grew by ~59% in South and west region.

Please note: - Due to COVID-19 impact in previous year and partially this year, the figures do not represent normal quarter/operations and to that extent are not strictly comparable and growth figures may be skewed.

# Q1FY22 Segment Highlights : EAM



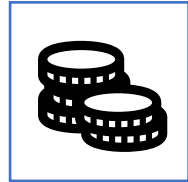
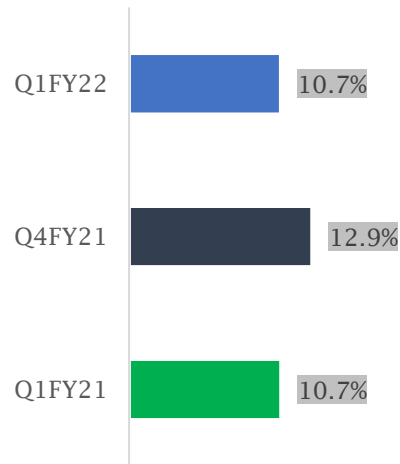
Volume

- **Domestic** at 24,500
  - YoY up by 38.5%
  - QoQ down by 20.8%
- **Export** at 1,435
  - YoY up by 212.0%
  - QoQ down by 13.5%
- **Total** at 25,935
  - YoY up by 42.9%
  - QoQ down by 20.4%



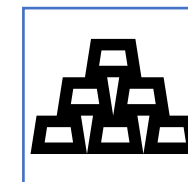
Domestic Market Share

- Market Share at 10.7%
- YoY flat
- QoQ down by 226 bps



Revenue

- **At ₹ 1,411.4 Cr.**
  - YoY up by 48.0%
  - QoQ down by 18.8%
- **Farmtrac : Powertrac sales ratio 43:57**
  - as against 42:58 YoY
  - as against 44:56 QoQ
- **Ratio of less than 40 HP : 40 HP Plus ratio at 40:60**
  - as against 38:62 YoY
  - as against 39:61 QoQ



EBIT

- **Q1: ₹ 219.9 Cr.**
  - YoY up by 59.5%
  - QoQ down by 25.7%
- **Margin at 15.6%**
  - YoY up by 112 bps
  - QoQ down by 144 bps

Capacity utilization ~90%

ROCE\* : 58.3%

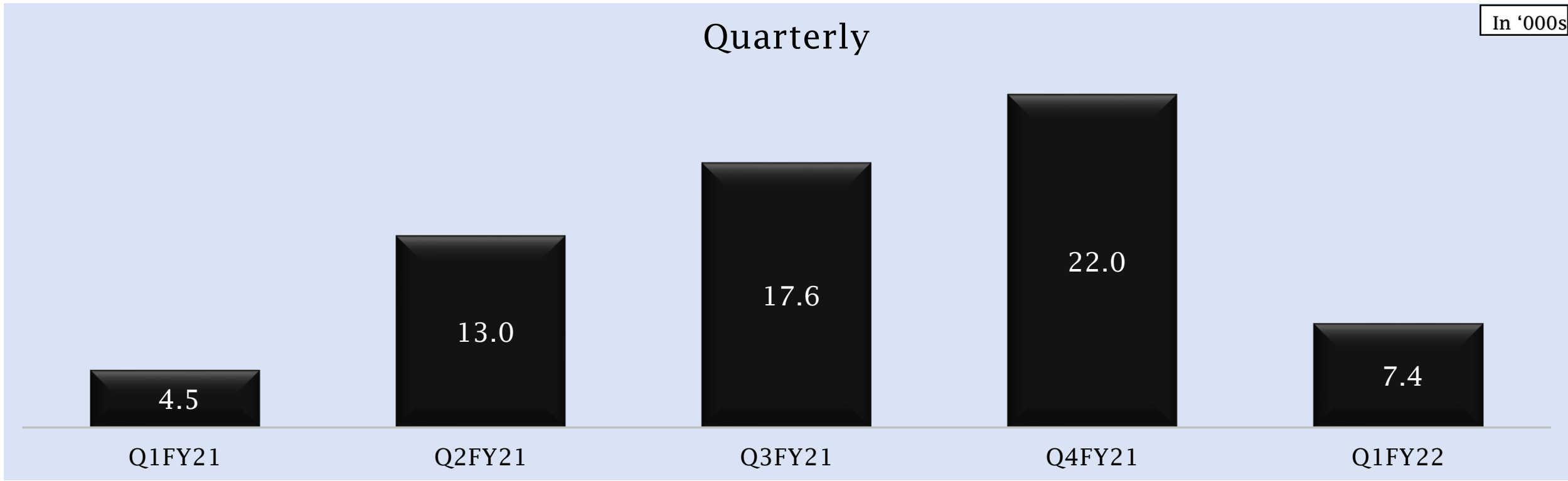
# Segment Performance : ECE

**Building a  
Better Tomorrow**

**PREFERRED PARTNER IN NATION BUILDING**



# Served-Construction Equipment Industry Overview



- Served industry (Backhoe Loaders, Pick n carry crane and Compactors) went up by 65.8% in Q1FY22 wrt to LY.
- In Q1FY22 BHL industry up by 44%, compactor up by 110.7% and Cranes industry up by 214%.

Please note: - Due to COVID-19 impact in previous year and partially this year, the figures do not represent normal quarter/operations and to that extent are not strictly comparable and growth figures may be skewed.

# Q1FY22 Segment Highlights : ECE



Volume

- **ECE at 606**
- YoY up by 159%
- QoQ down by 62.2%

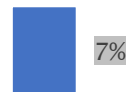
## • Key Highlight

- **Served industry up** by 65.8% in Q1FY22 wrt to LY.
- **YoY**
- **BHL** industry up by 44.0%.
- **Crane** industry up by 214%
- **Compactors** industry up by 110.7%.

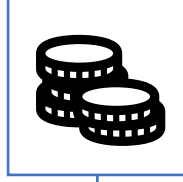


Market Share

## Product wise Market Share



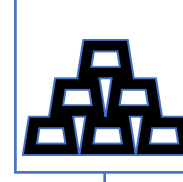
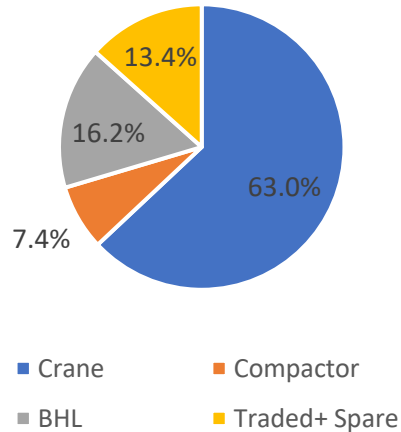
■ BHL ■ Compactor ■ Crane



Revenue

- **Q1: ₹ 140.8 Cr.**
- YoY up by 168.3%
- QoQ down by 56.3%

## • Revenue Break up



EBIT

- **Q1: ₹ (3.3) Cr.**

- **Margin at -2.3%**

- YoY up by 2965 bps
- QoQ down by 961 bps

Capacity utilization ~27%

# Segment Performance : RED



**Mobility Solutions**  
Of the future

**ENSURING SAFETY AND COMFORT IN RAIL TRANSPORT**

# Q1FY22 Segment Highlights : RED

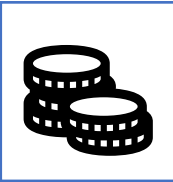


## Order Book

- As of June'21 more than ₹ 300 Cr.

- **Key Highlight**

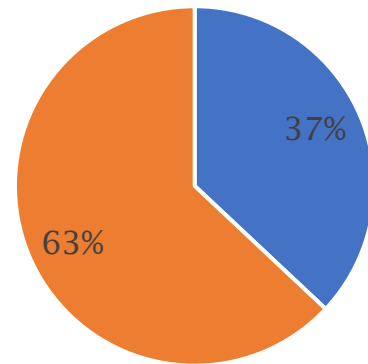
Indian railways still not running its full operations, due to unprecedented COVID-19 pandemic and had cut down their annual production, affecting fresh order tendering and order inflow.



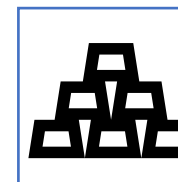
## Revenue

- Q1: ₹ 119.4 Cr.
- YoY up by 117.5%
- QoQ down by 18.5%

- **Breakup**



■ Conventional ■ NPD



## EBIT

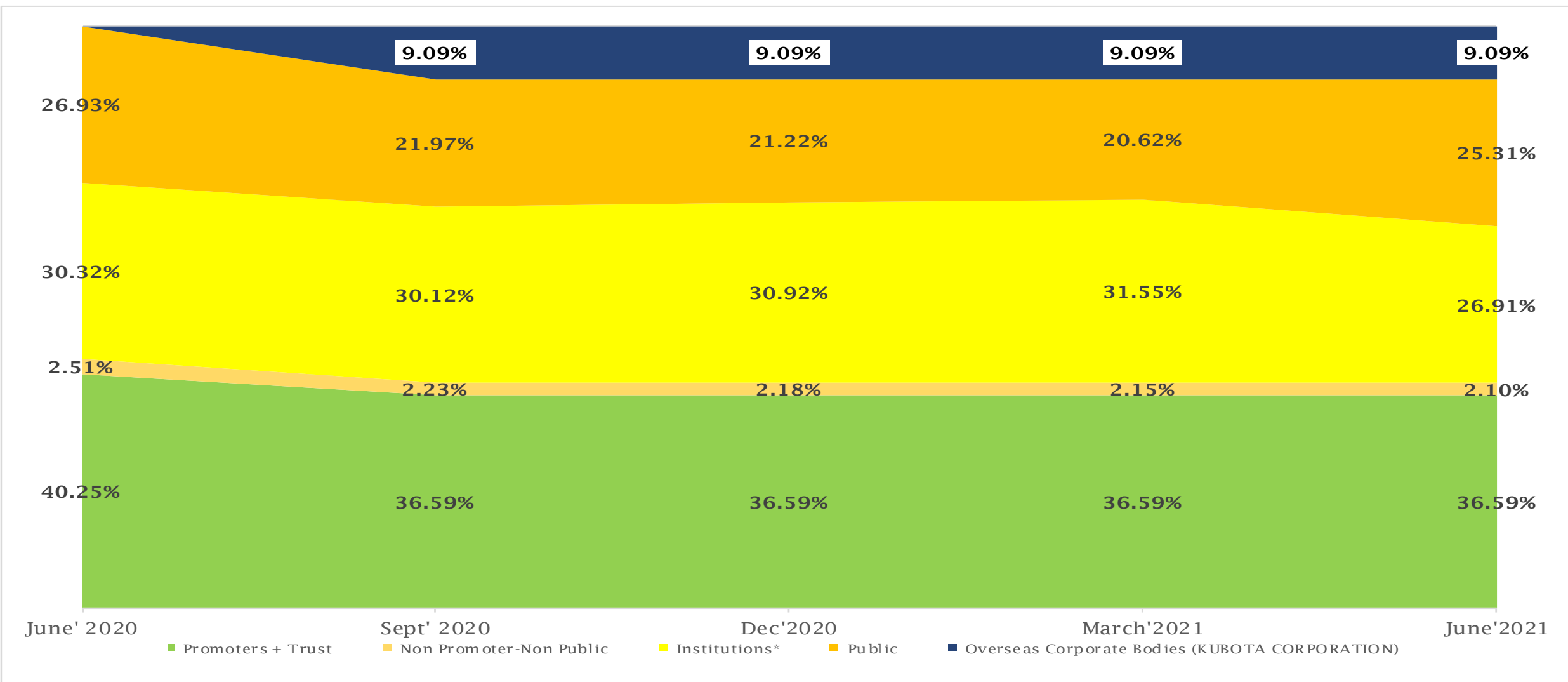
- Q1: ₹ 17.4 Cr.
- YoY up by 1125.4%
- QoQ down by 37.8%

- **Margin** at 14.6%

- YoY up by 1199 bps
- QoQ down by 453 bps

ROCE\* : 36.7%

# ↑ SHAREHOLDING PATTERN



\* FPI/Financial Institutions/ Banks/Insurance Companies

As of quarter ended

# Consolidated Q1FY22 at a Glance



Particulars	Unit	Q1FY22	Q1FY21	YoY	Q4FY21	QoQ
Revenue from operations	₹ Cr.	1,701.8	1,089.3	56.2%	2,228.8	-23.6%
Material Cost	%	68.1%	67.0%	111 bps	68.5%	-33 bps
Manpower Cost	%	8.2%	11.8%	-361 bps	6.7%	149 bps
EBIDTA	₹ Cr.	236.4	122.0	93.8%	343.8	-31.2%
EBIDTA Margin	%	13.9%	11.2%	269 bps	15.4%	-154 bps
PBT	₹ Cr.	239.4	121.6	96.8%	346.2	-30.8%
PAT	₹ Cr.	178.5	92.6	92.8%	265.4	-32.8%
EPS	₹	18.13	10.78	68.2%	27.03	-32.9%

Please note: - Due to COVID-19 impact in previous year and partially this year, the figures do not represent normal quarter/operations and to that extent are not strictly comparable and growth figures may be skewed.

# Narrations



- **EAM** - Escorts Agri Machinery
- **ECE** - Escorts Construction Equipment
- **RED** - Railway Equipment Division
- **FY** - Fiscal Year represents the 12 months period from 1<sup>st</sup> April to 31<sup>st</sup> March.
- **Q1FY21** - Represents the 3 months period from 1<sup>st</sup> April 2020 to 30<sup>th</sup> June 2020.
- **Q4FY21** - Represents the 3 months period from 1<sup>st</sup> January 2021 to 31<sup>st</sup> March 2021.
- **Q1FY22** - Represents the 3 months period from 1<sup>st</sup> April 2021 to 30<sup>th</sup> June 2021.
- **FY21** - Represents the 12 months period from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021.
- **FY22** - Represents the 12 months period from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022.
- **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

## Contact Details

### **Escorts Ltd.**

(CIN: L74899HR1944PLC039088)

Corporate Centre

15/5 Mathura Road

Faridabad - 121003

Phone: +91 129 2250222

[www.escortsgroup.com](http://www.escortsgroup.com)

[investorrelation@escorts.co.in](mailto:investorrelation@escorts.co.in)

**Bharat Madan**

(Group CFO & Corporate head)

+91 129 2564837

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

**Prateek Singhal**

(Financial Analyst & Investor Relations)

+91 129 2564921

[prateek.singhal@escorts.co.in](mailto:prateek.singhal@escorts.co.in)





**Thank You**