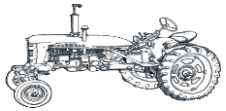




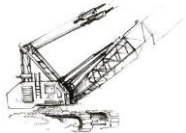
# INVESTOR PRESENTATION

May - 2018

# OUR JOURNEY SO FAR



Launch of Escorts Tractors



Manufacturing of Construction equipment



Launch **Farmtrac**  
End JV with Ford

End Collabora-  
tion with **JCB**

Divested from other business to **focus** on tractors and construction equipment



**Product Portfolio** revamping



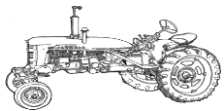
**Escorts Credit** Partner with **DLL** for Financing



**Compact & NETS Platform** under Farmtrac & **Electric Tractor Concept**

1961    1969    1971    1979    1995    1998    2003    2005    2010    2013    2015    2016    2017    2018

JV with **Ford** motors to make Tractors



Collaboration with **JCB** For backhoe



Launch **Powertrac** Brand of tractors



Launch **DIGMAX** Brand of Backhoe



Launch **ALT** By Powertrac



**Auto part Business** Divested



Distribution Agreement with **Doosan Infracore Co. Limited**



# PROUD PARTNER IN NATIONAL DEVELOPMENT



Many **firsts**

Other  
Businesses

70 Year of  
Nation Building

Bringing World's Best to India and  
offering India's Best to the World

More than **60 year**  
of collaboration  
with Indian Railways

Railways

**>1 million**  
satisfied customers

Agriculture

**Dominant** Player  
in Crane Segment

Construction

**1<sup>st</sup>** to bring  
Backhoe Loader in India

# OUR CURRENT BUSINESSES



## Escorts Agri Machinery



Revenue FY17: Rs. 3,346 Cr.  
FY18: Rs. 3,958 Cr.

## Escorts Construction Equipment



Revenue FY17: Rs. 607 Cr.  
FY18: Rs. 780 Cr.

## Railway Equipment Division



Revenue FY17: Rs. 243 Cr.  
FY18: Rs. 287 Cr.

Revenue FY17: Rs. 4,219 Cr.  
FY18: Rs. 5,016 Cr.

# MANUFACTURING FACILITIES



## ***Escorts Agri Machinery (EAM)***

Three Plants: Farmtrac, Powertrac & Components with a production capacity of 100,000 tractor p.a.  
Poland Plant: 100% subsidiary having an installed capacity of 2,500 tractor p.a.

## ***Escorts Construction Equipment (ECE)***

State of the art manufacturing and assembly facility sprawling 23,226 sq.m. of space with a capacity of 10,000 units p.a.

## ***Railway Equipment Division (RED)***

State of the art manufacturing facility sprawling 14,000 sq.m.  
Couplers (AARH + Shaku )1100 p.a., Air Brake 4400 p.a., EP Brake 200 p.a., Brake Block: 32,000 p.a.



# SCORTS AGRI MACHINERY (EAM)



# TRACTOR SOWING FOR BUMPER HARVEST



India Holds the 2<sup>nd</sup> Largest Agricultural Land in The World



Improve Retail Finance



Rural Focussed Budget



Bumper Food Grain Production

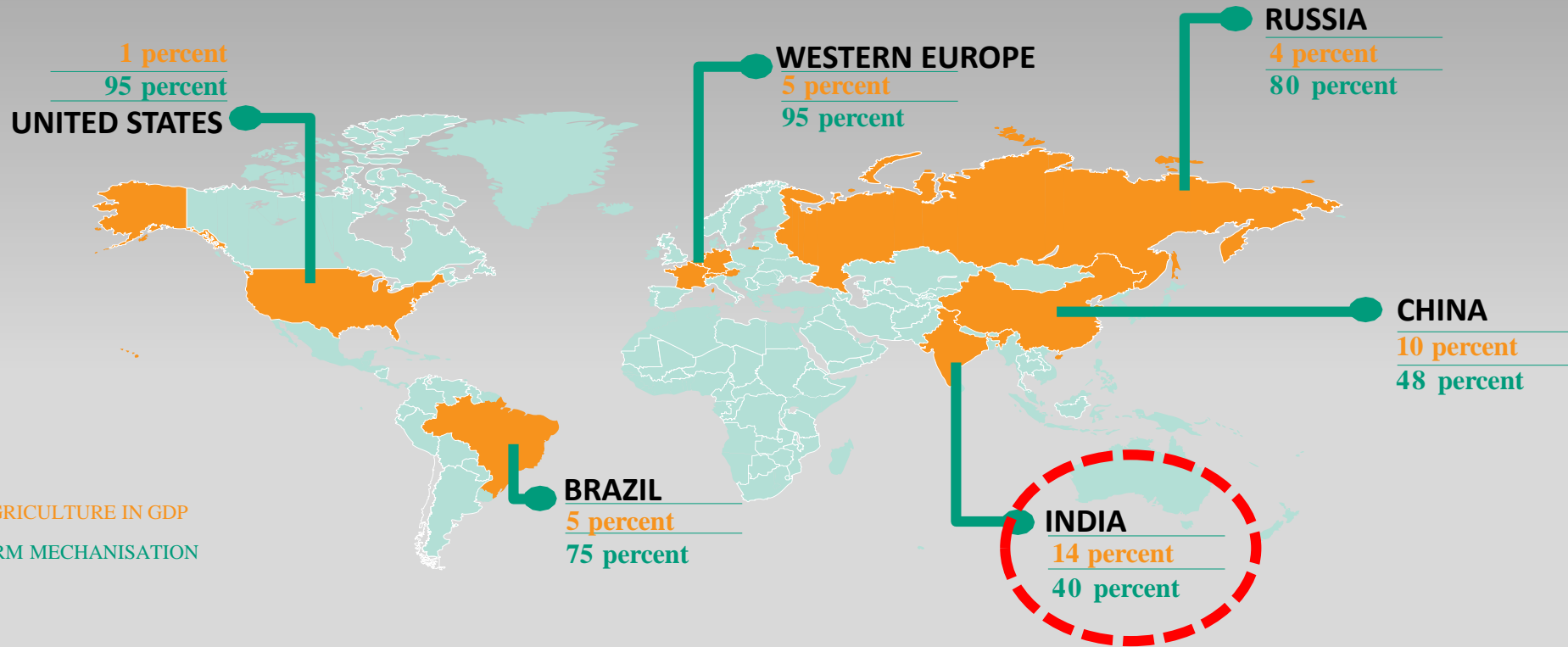


2 Years of on-time Normal Monsoon



Government Focus to Double the Agri-Income of Farmers By 2022

# AGRICULTURE CONTRIBUTION & LEVEL OF MECHANIZATION





# ..INDIAN TRACTOR INDUSTRY



**55%** Indians depend on agriculture.



Still only **40%** mechanization in India.



More than **6 Lacs** tractor sold every year.

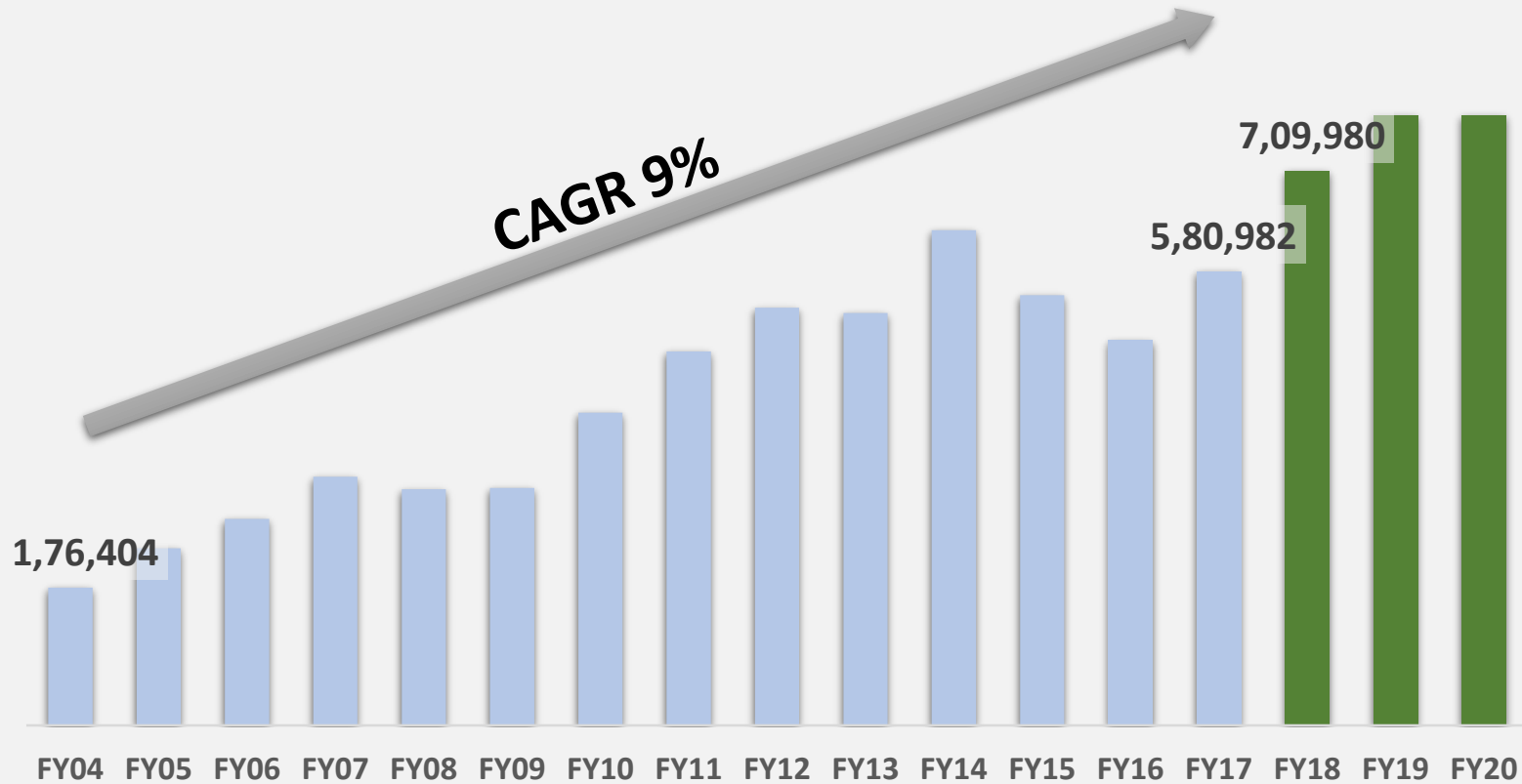


Compound annual growth rate of **10%** in last 14 years



Customer exchange their tractor in every **4-6 years.**

# ↑ DOMESTIC TRACTOR INDUSTRY



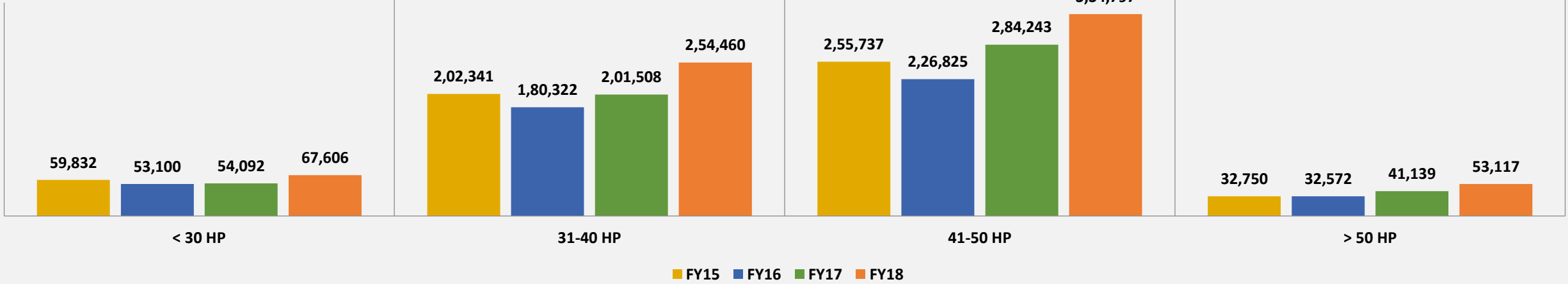
- Increasing Trend towards Mechanisation
- Minimum Support Prices for Key Crops
- Scarcity of Labour
- Ease of Credit Availability from Govt.

- ❖ India is the **largest** manufacturer of farm equipment
- ❖ India accounts for nearly **1/3<sup>rd</sup>** of the overall tractor production globally
- ❖ **0.6 million** units in **FY17** and reach to approx. **1.2-1.5 million** units by **2030**

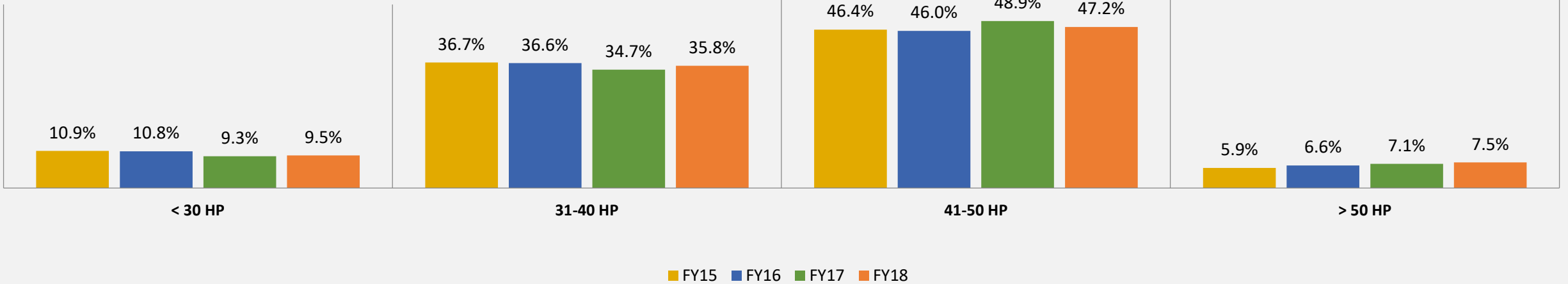
# INDUSTRY SEGMENTATION



Industry Segment Volume



Industry Segment Market Share in %



# HOW WE ARE POSITIONED



Premium

Economic



FARMTRAC

High  
(> 50 HP)  
(41-50 HP)  
Mkt.Size:52%

Medium  
(31-40 HP)  
Mkt. Size:37%

POWERTRAC



Compact Tractor

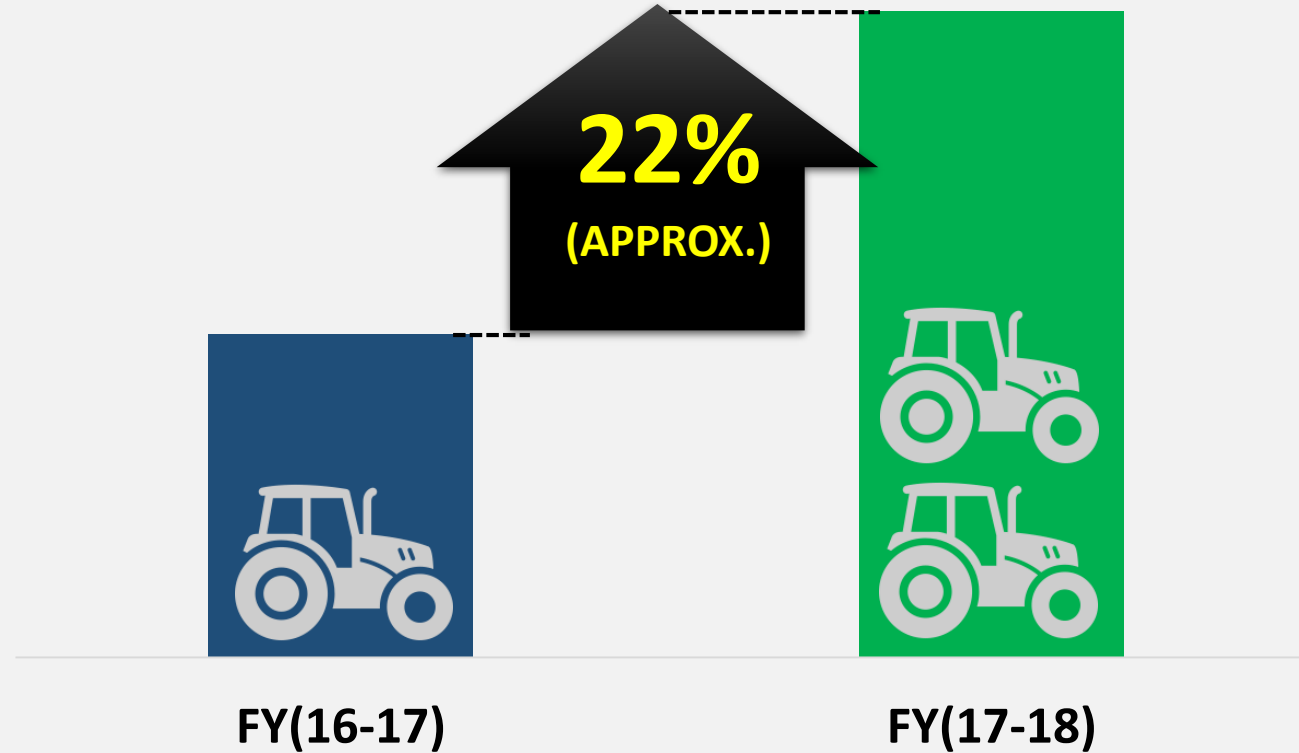
Low  
(< 30 HP)  
Mkt. Size:11%

SteelTrac

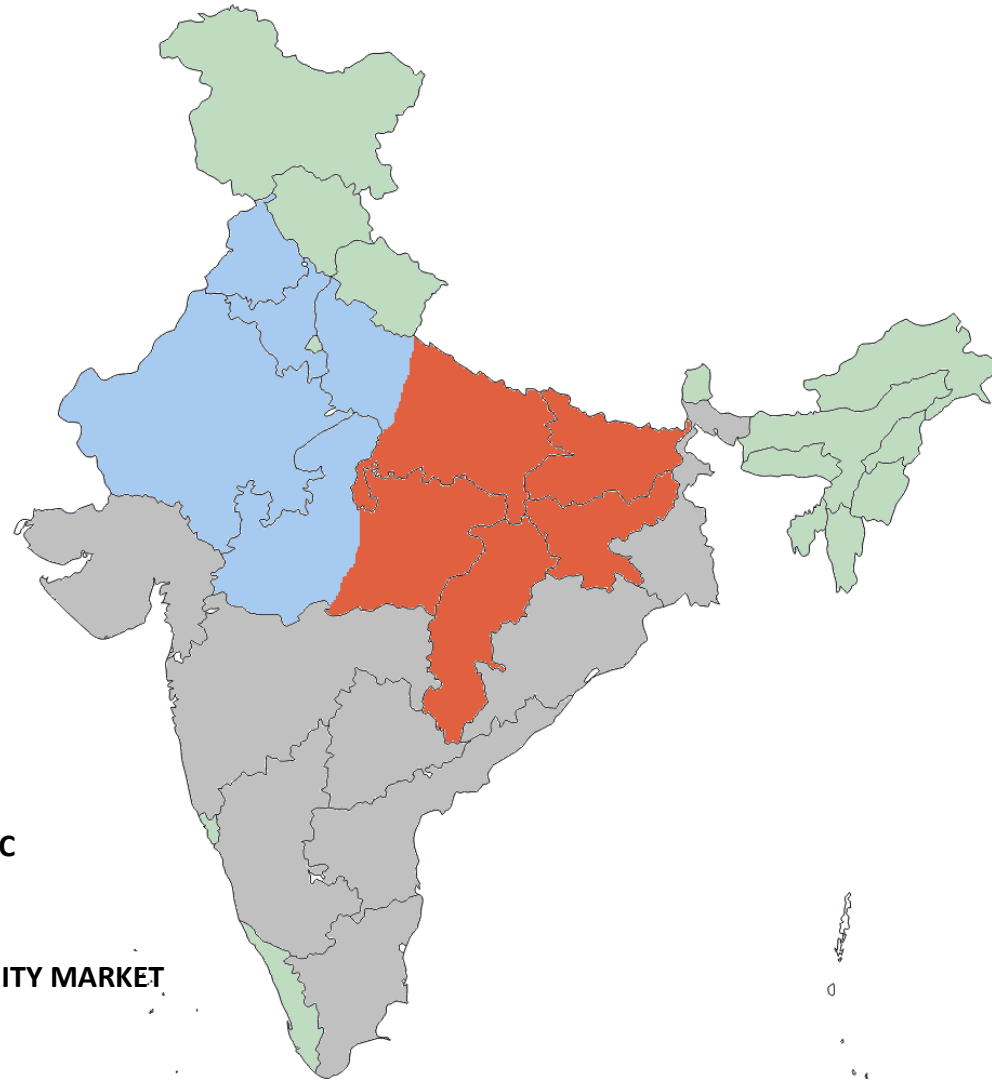


# DOMESTIC (TRACTORS)

VOLUME



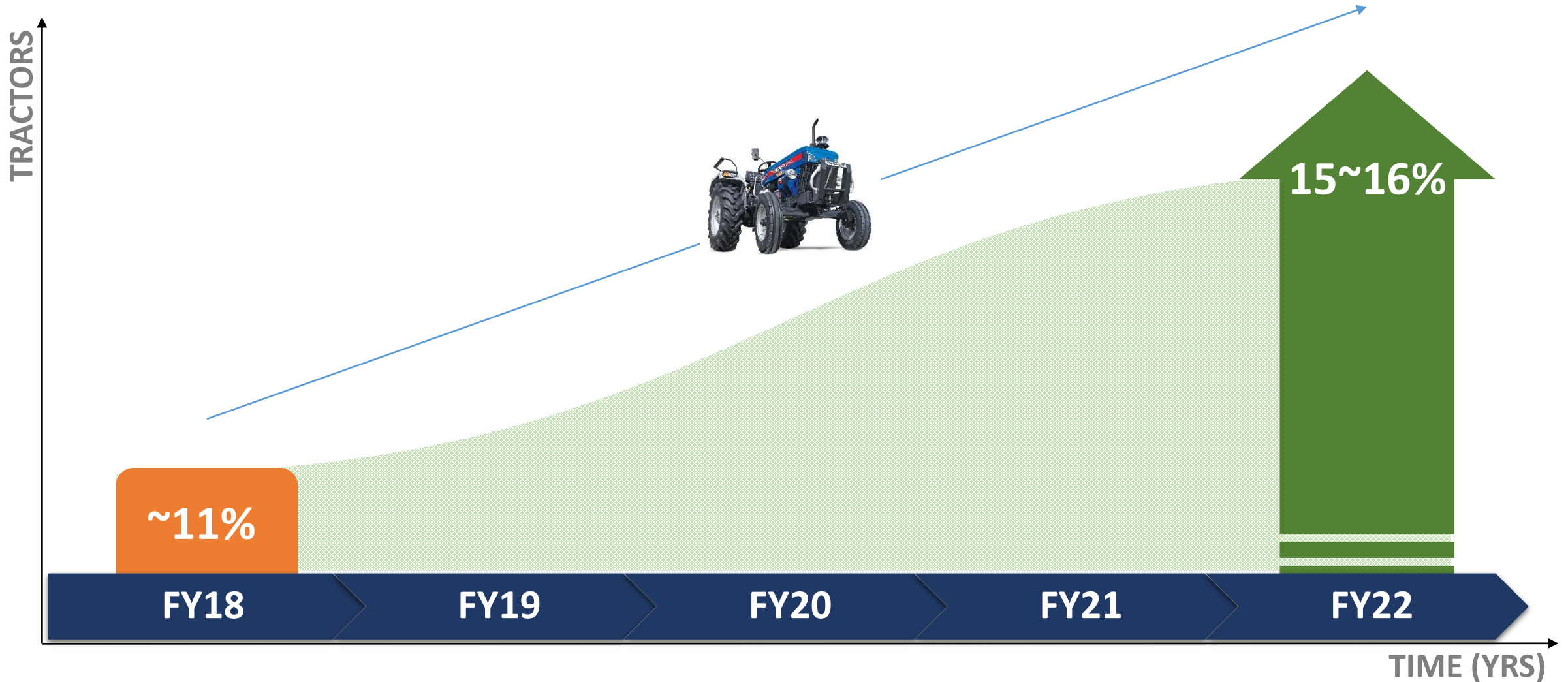
# WINNING MARKET



Current 850+ Active Dealer Network

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

# DOMESTIC FY'22 OUTLOOK



# INGREDIENTS FOR GROWTH



## Dual Distribution

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



## South/West Focus

Channel Coverage: 55 → 80%  
Compact tractor  
Rice tractor



## Product Portfolio

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



## Escorts Credit

6% Penetration → 40%



## Customer Centricity

48-Hours Parts  
Care Button  
TRAXI  
ETC  
Mol Anmol



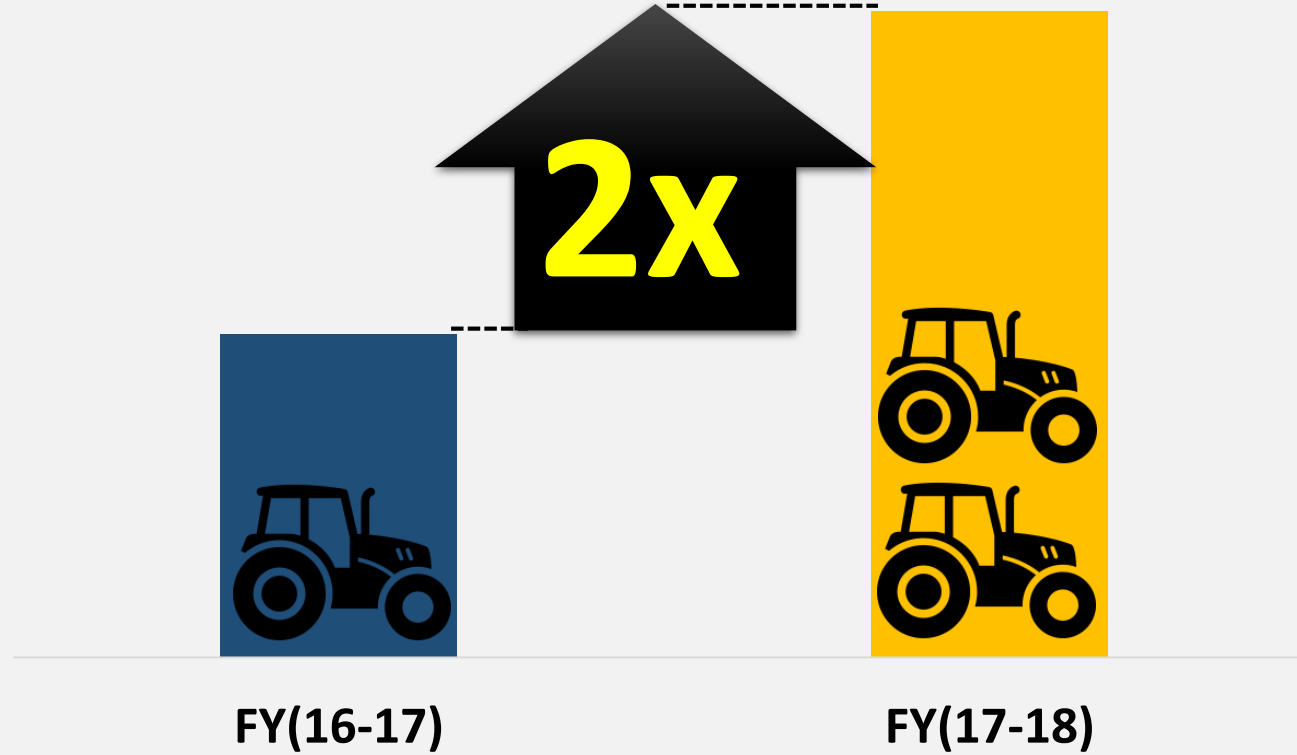
## Scientific Sales Management



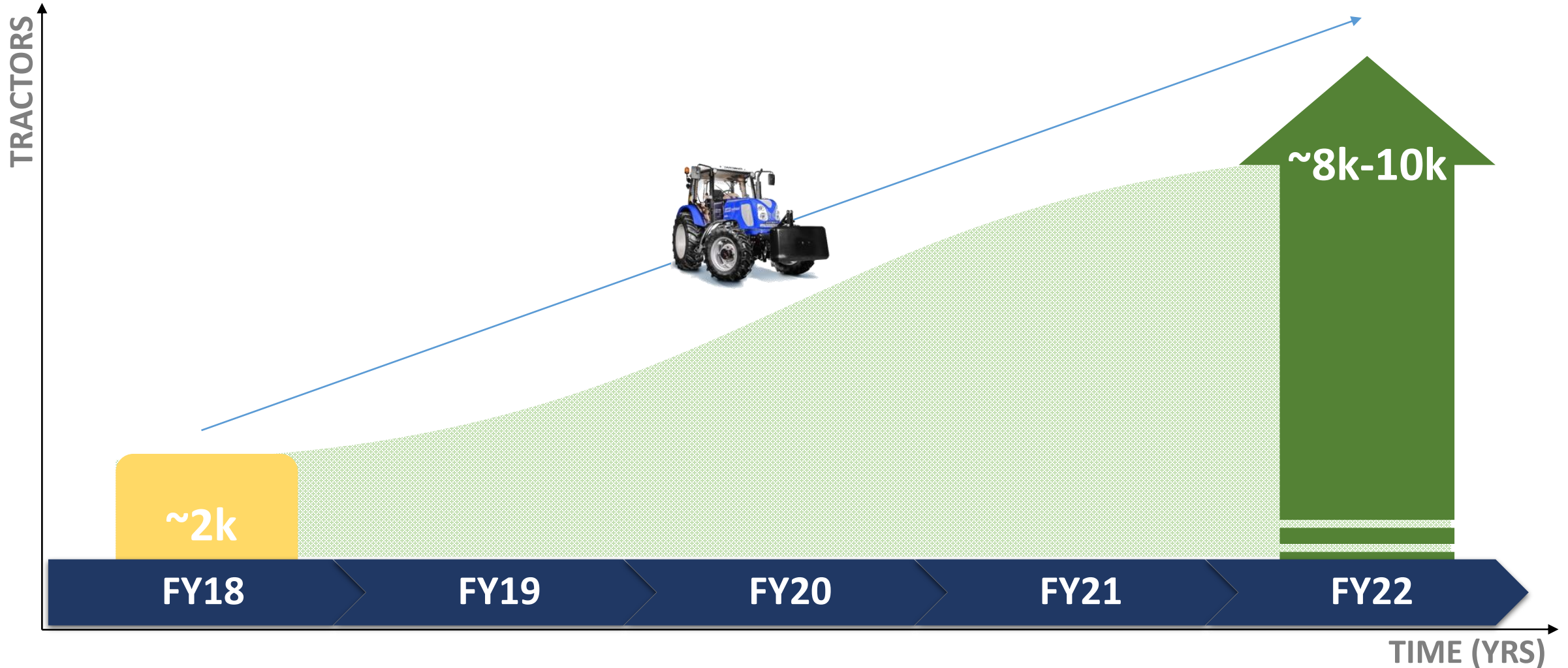
# EXPORTS (TRACTORS)



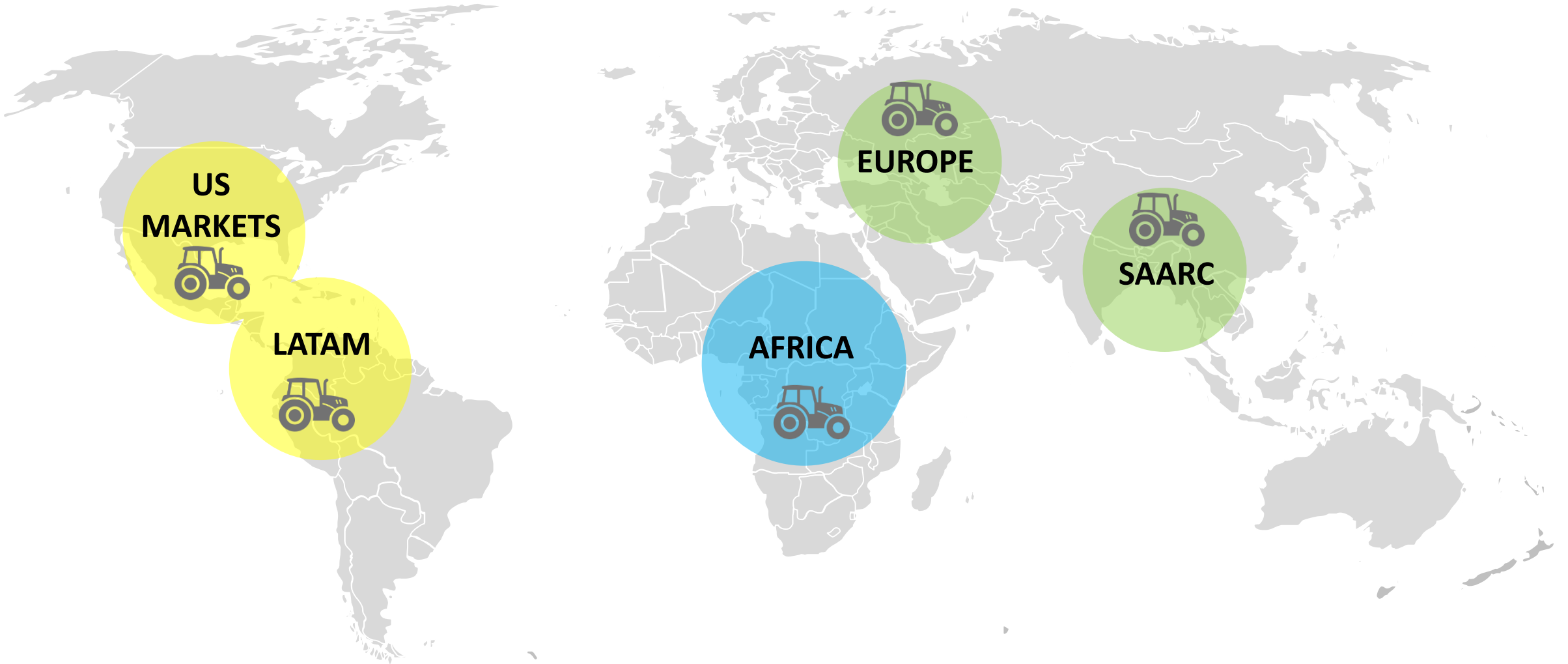
VOLUME



# EXPORT FY'22 OUTLOOK

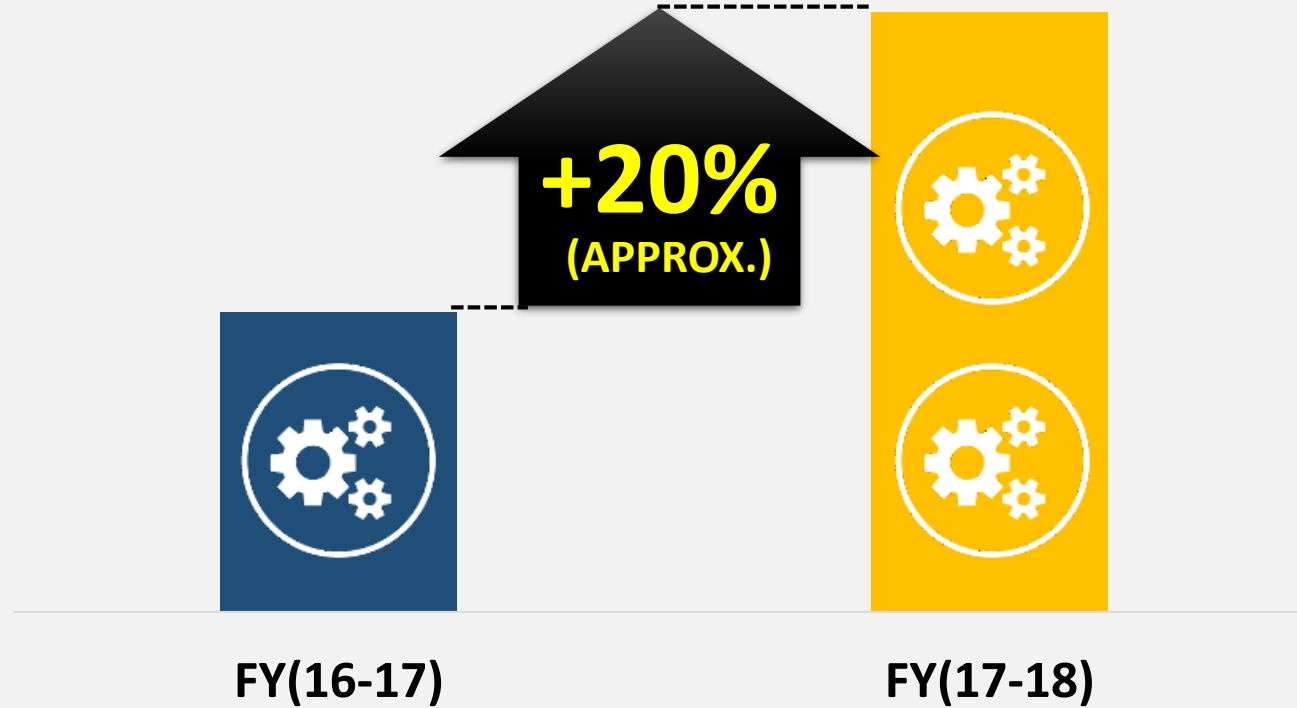


# FOCUS MARKETS

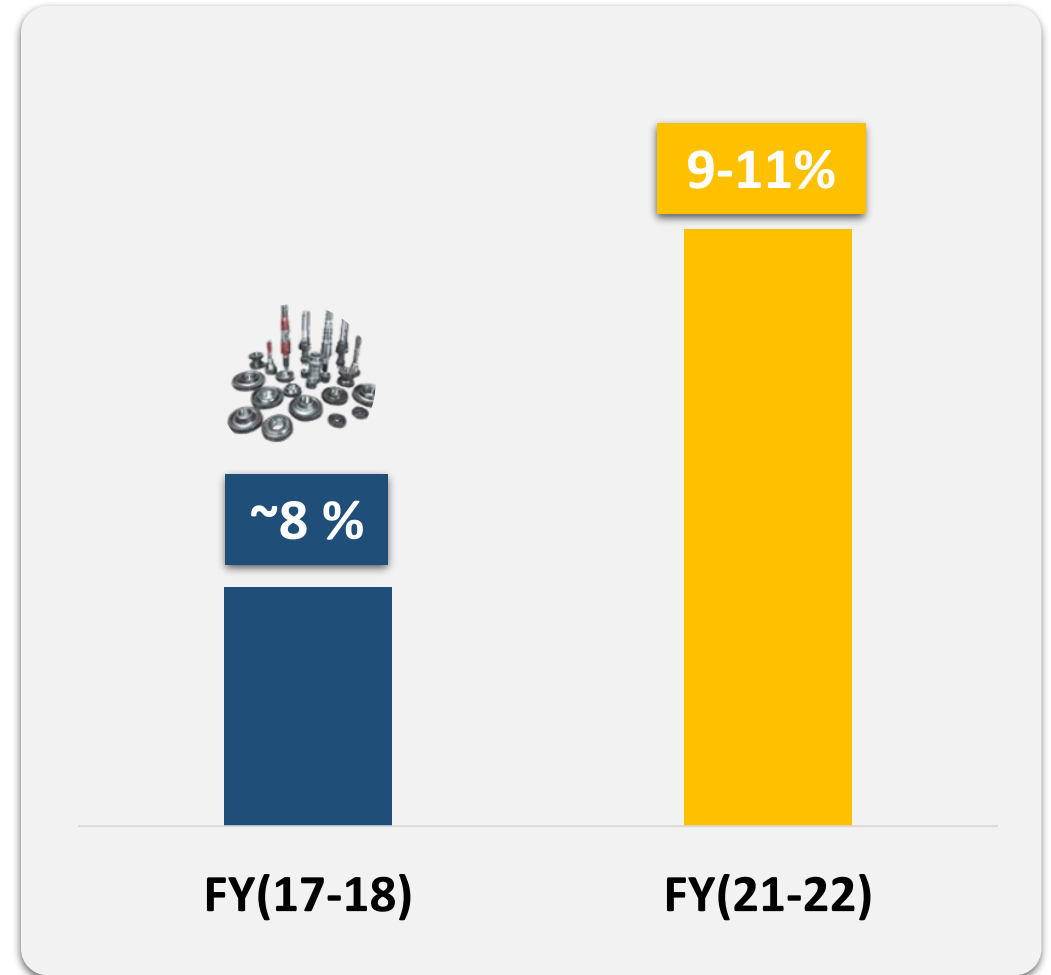
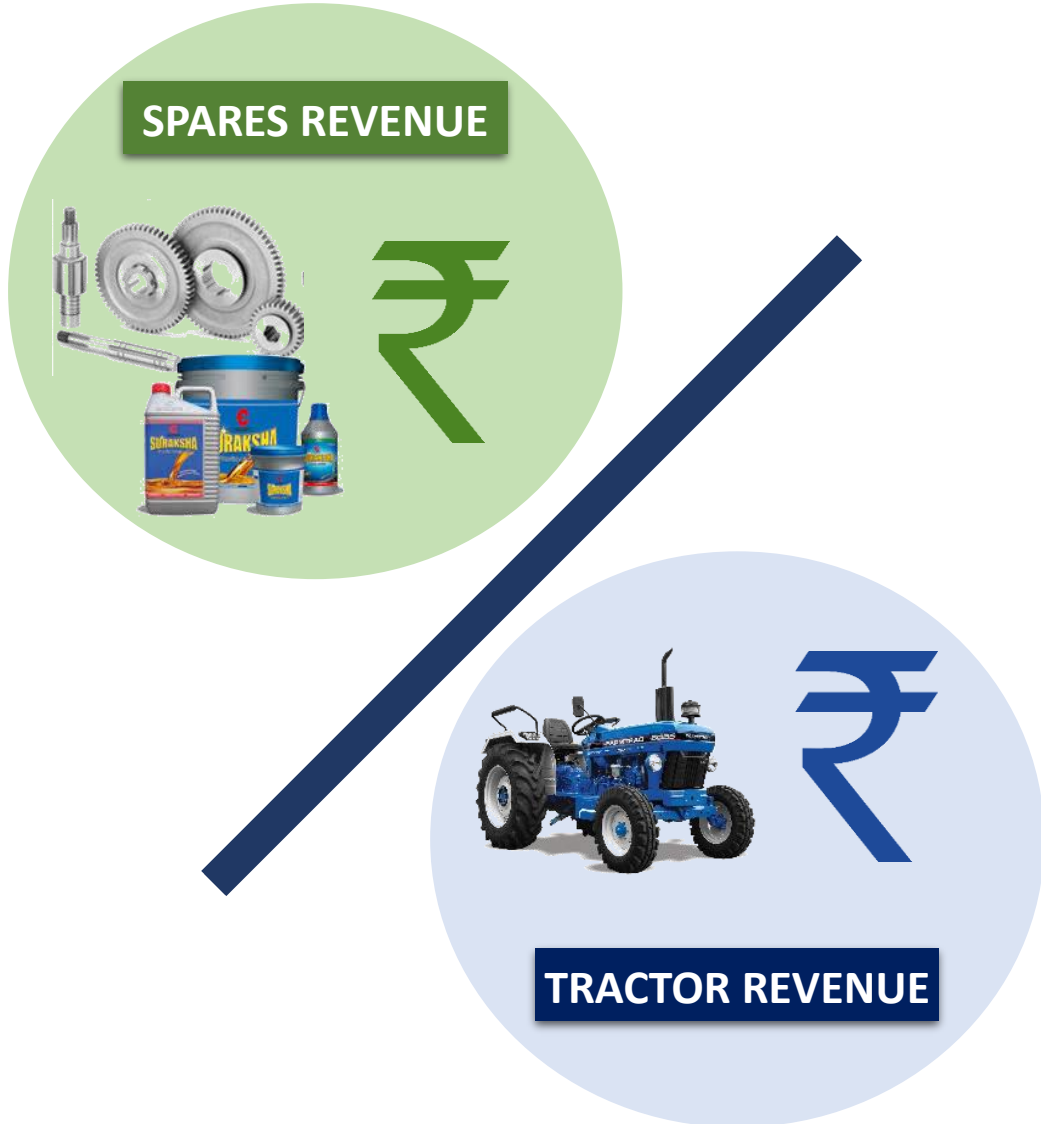


# SPARE PARTS & LUBES

WIP



# OUTLOOK FY'22

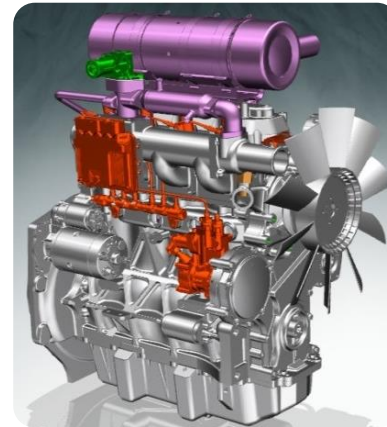


# ENGINES



## ~4000 UNITS

ENGINE SALES FY (17-18)



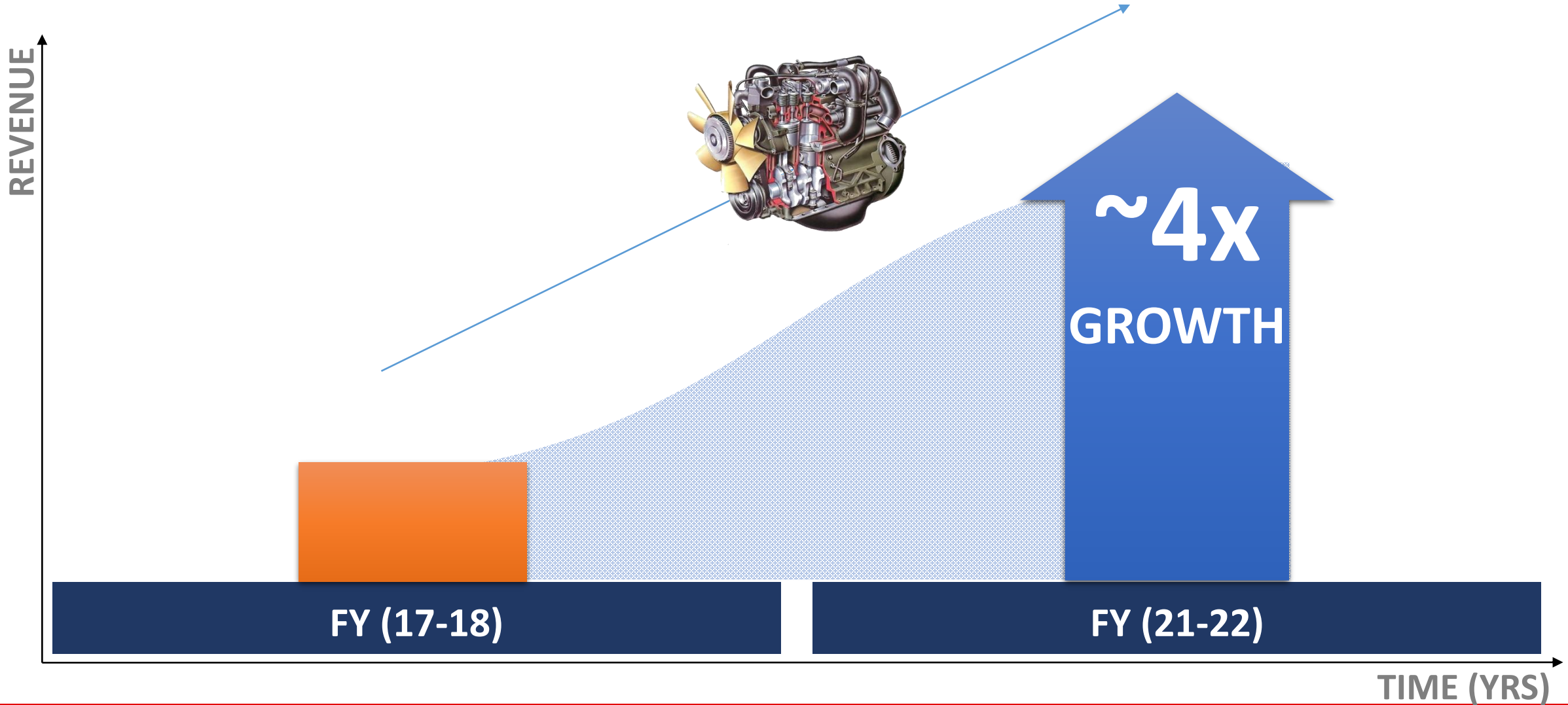
## KOHLER®



**GREAVES**  
SINCE 1859



# ENGINES FY'22 OUTLOOK



# TRACTOR IS AS GOOD AS ITS ATTACHMENTS





# SHIP\* BUSINESS

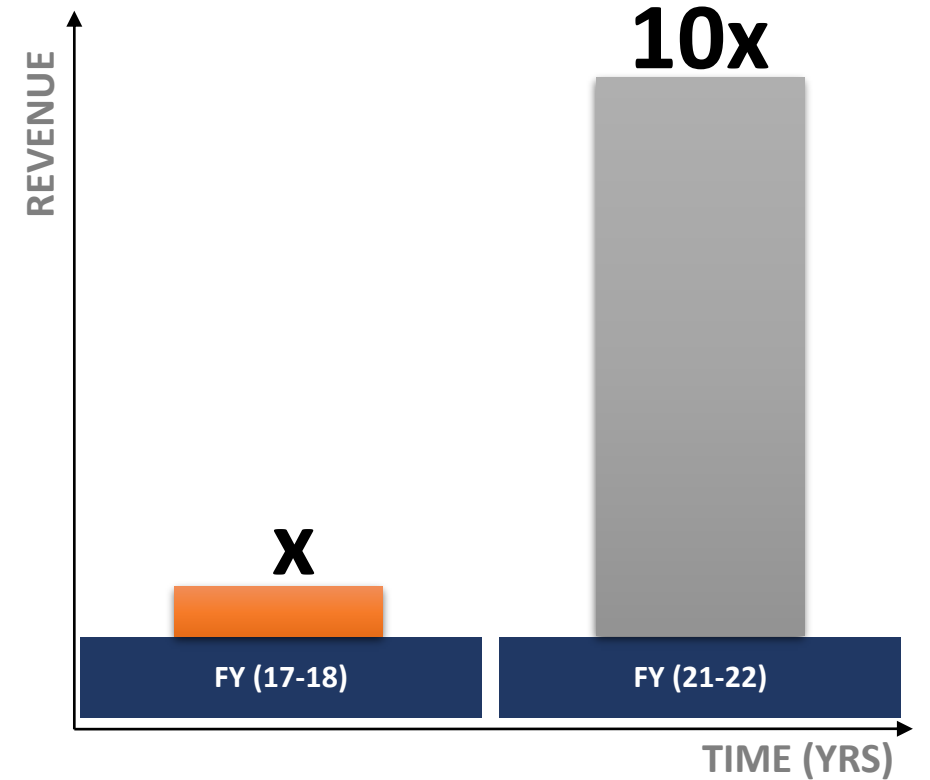
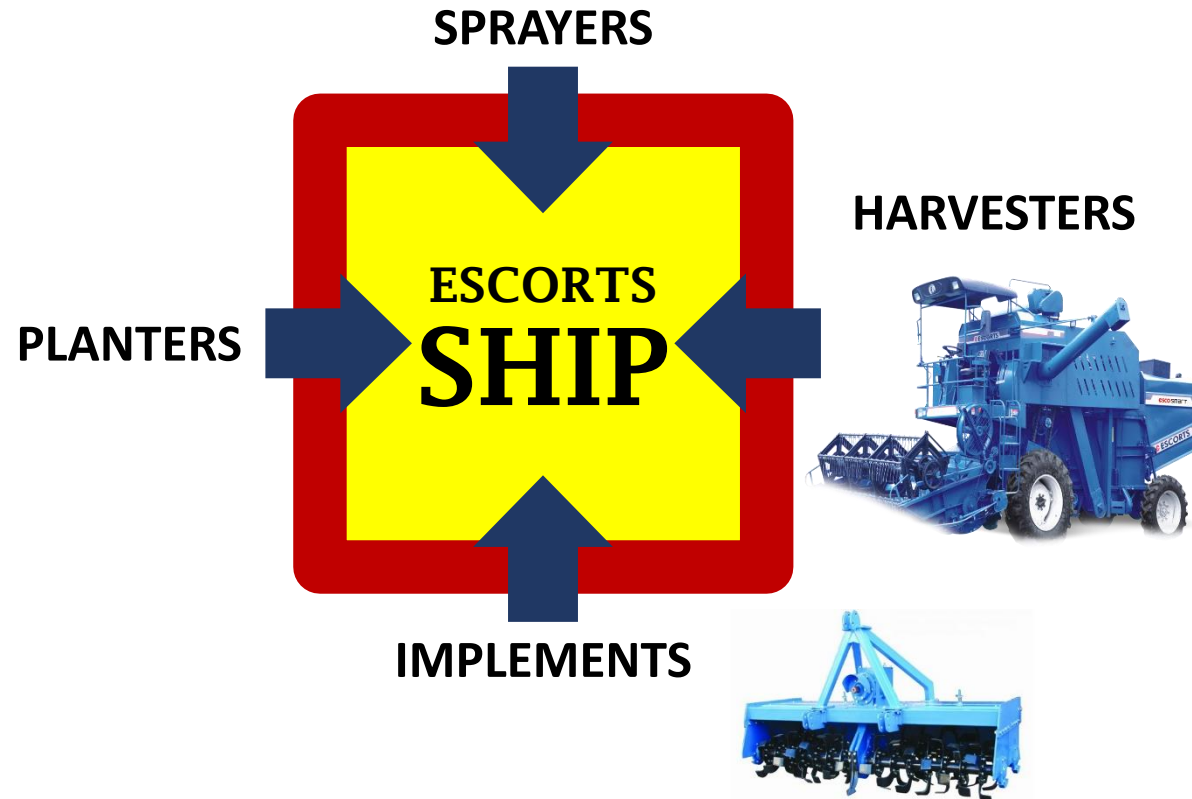


✓ TECHNOLOGY

✓ PRODUCT RANGE

✓ SUPPLY CHAIN

✓ DISTRIBUTION NETWORK



# NEW PRODUCTS (FY 2016→2018) - DOMESTIC MARKET



FARMTRAC

## COMPACT SEGMENT



Compact Series  
22 & 26 HP

POWERTRAC



STEELTRAC



PT 425 N (PS, OIB)

## SUB UTILITY SEGMENT



Classic Series  
35 to 45 HP



PT 434 PLUS



PT 439 PLUS



EURO 41 PLUS



EURO 45 PLUS 4WD

## UTILITY SEGMENT



Classic Series  
45 to 55 HP  
- F20 Technology  
- T20 Technology



FT 6080 PRO



EURO 55



EURO 60



EURO 75

12 HP

12 HP to 80 HP PRODUCTS RANGE

80HP

# NEW PRODUCTS (FY 2016 TO 2018) - EXPORT MARKET



## Compact Segment



22 HP    25 HP  
 26 HP    30 HP  
 Mechanical & HST

## Sub Utility Segment



**FT 6045**



**FT 6050 C**

## Utility Segment



**FT 6075 PRO**



**EURO 60/75 4WD**



**FT 6080 PRO**



**FT 6090 PRO**



**FT 6090 X PRO**



**FT 6090 X PRO CAB**

22 HP

22 HP to 90 HP PRODUCTS RANGE

90HP

# 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



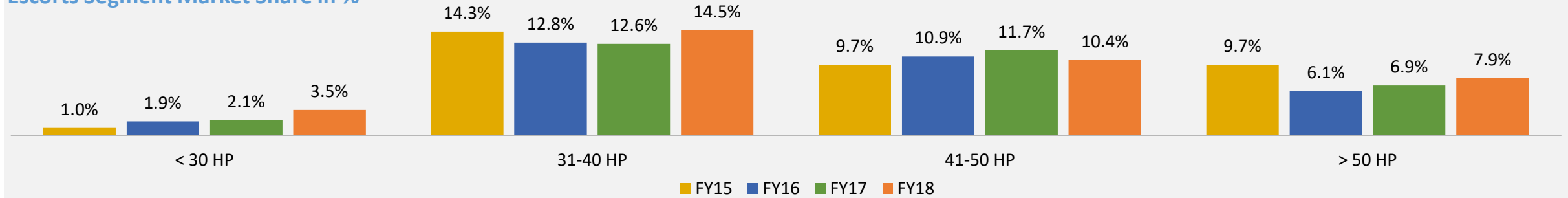
PowerTrac ALT 4000

**Products  
introduced in the  
last 3 years  
contribute ~75 %  
of total volumes  
in 9MFY18**

# EAM JOURNEY SO FAR...



Escorts Segment Market Share in %



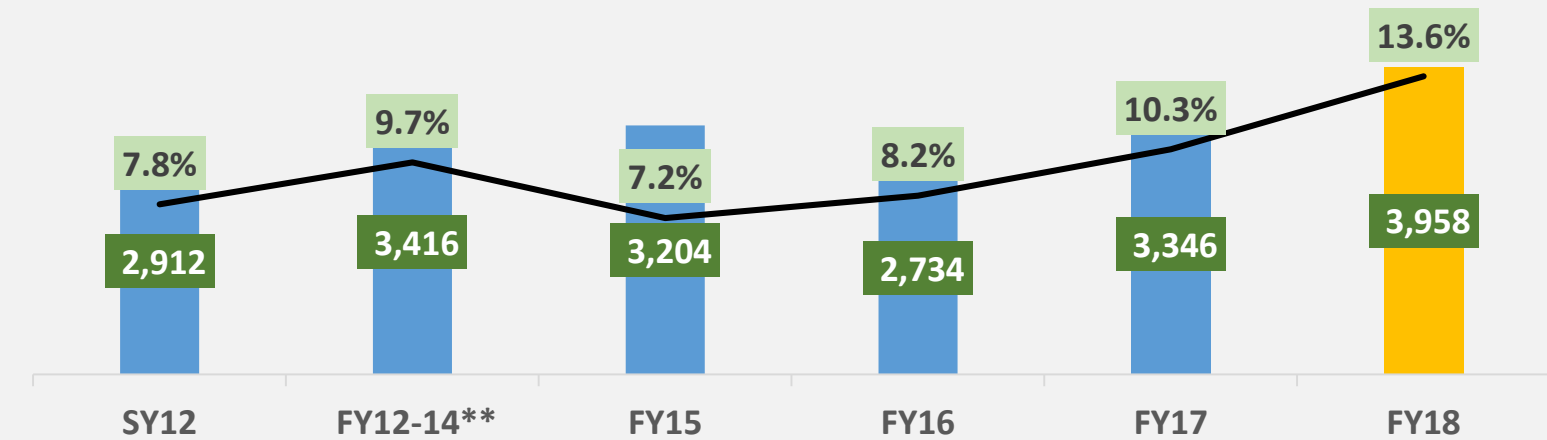
Products	<30 HP	31-40 HP	41-50 HP	51 - 60 HP	> 60 HP
FARMTRAC	Atom Series	XP Series	XP Series	Executive Series (6060)	Executive Series (6065)
			Classic Series		
			T20 & F20		
POWERTRAC	SteelTrac (12 HP)	Euro Series	Euro Series	EURO Series	
		DS Plus Series	DS Plus Series		
		ALT Series	ALT Expansion		

- Gaining market share in >50 HP segment in the last 2 to 3 years.
- To separate the channel in FT and PT. To increase market share in key states in south and west region.

# ...EAM JOURNEY SO FAR & WAY FORWARD

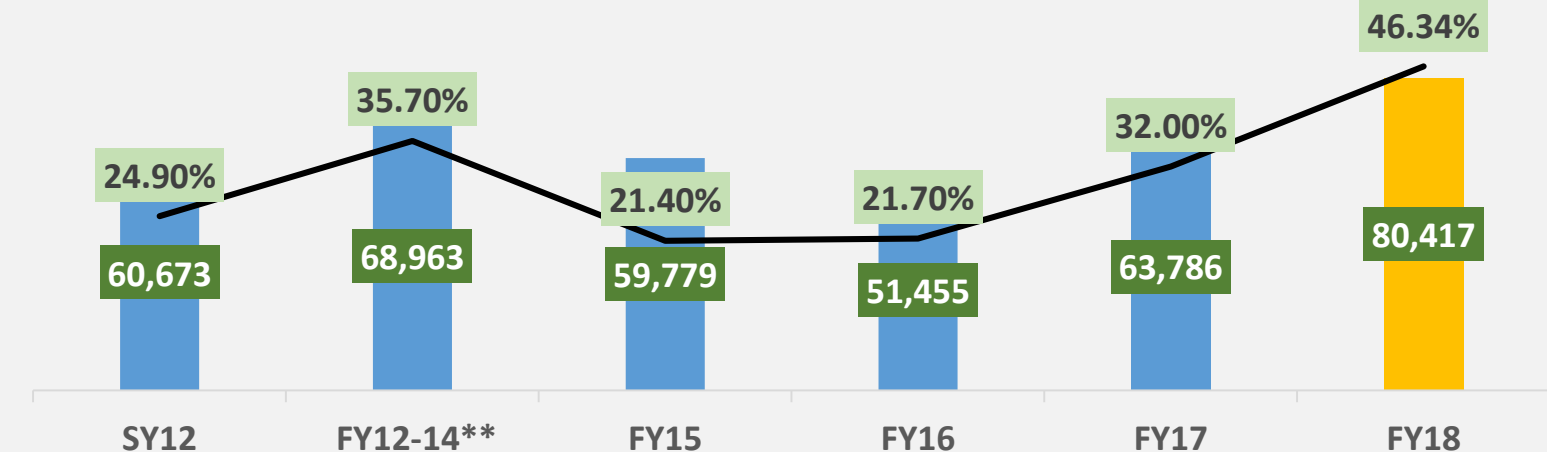


## SEGMENT REVENUE (Cr)



Way Forward To Achieve  
**13~15% EBIT Margin**  
**At Constant volume**

## VOLUMES (Nos.)



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



**ESCORTS**

**TRACTORS**



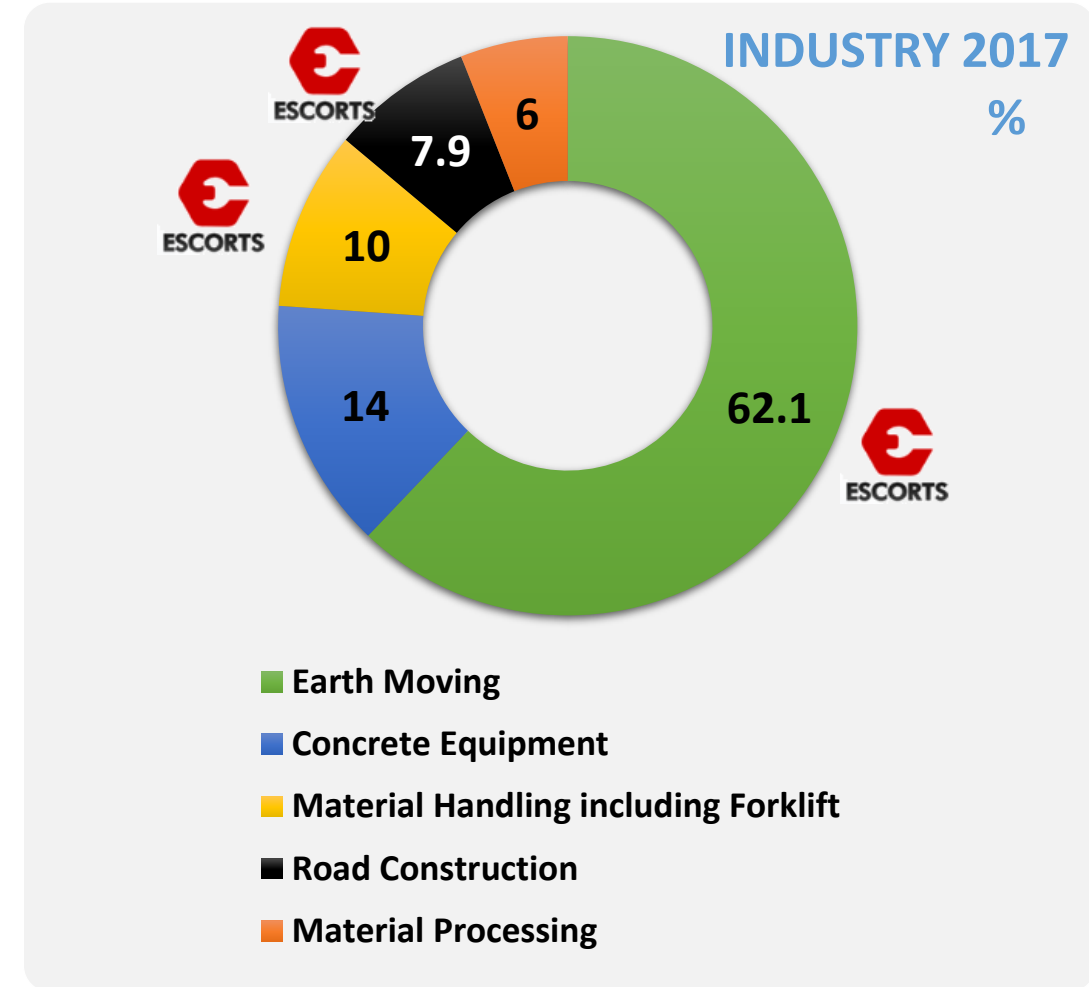
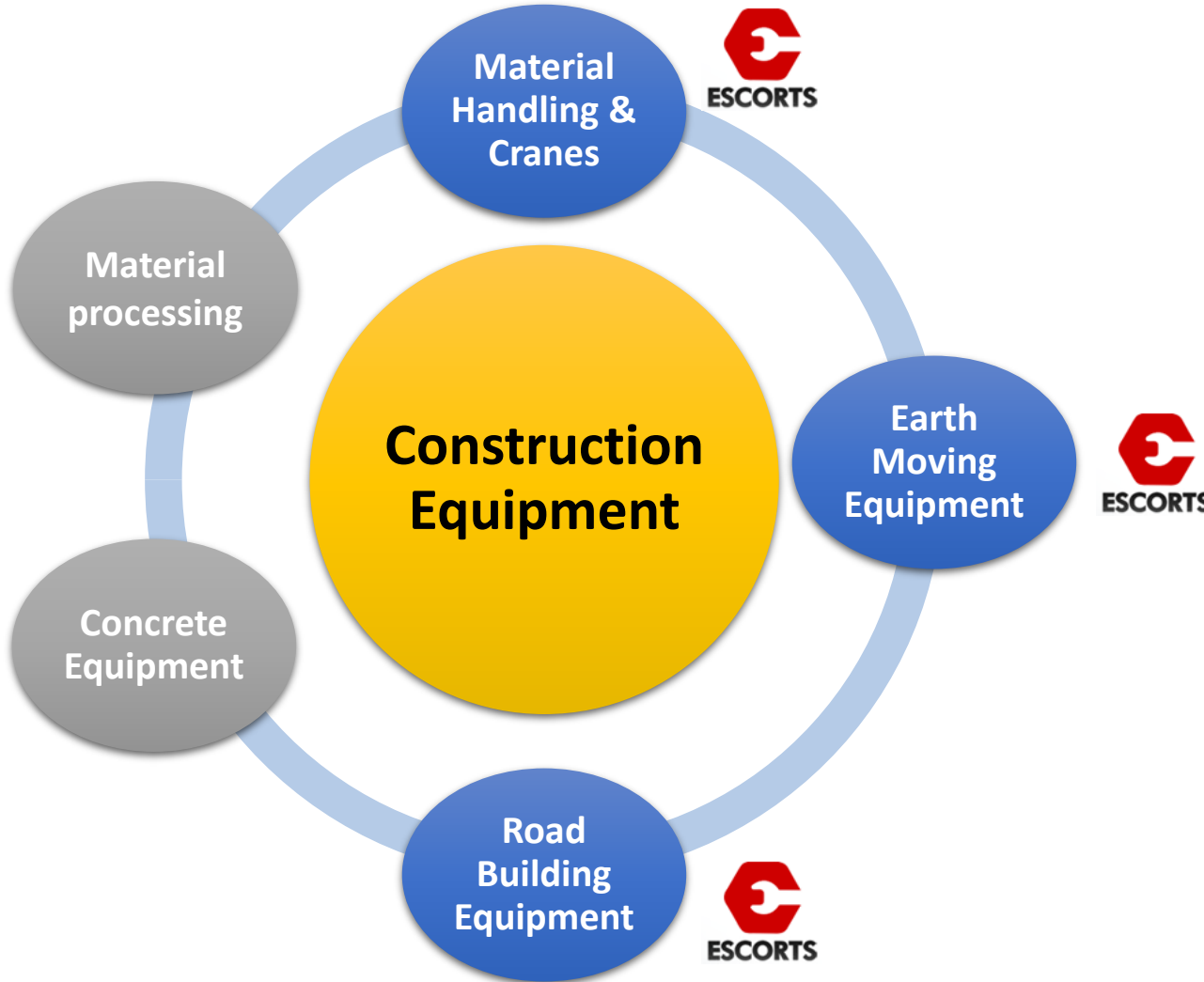
**SOLUTIONS**

# **SCORTS 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"> <li>• Mining</li> <li>• Roads</li> <li>• Real Estate/Land Development</li> <li>• Power</li> <li>• Railways/Metros</li> </ul>	Small/ Individual	70%
			Medium fleet owners	20%
			Institutional/corporate	10%
2 Material Handling & Cranes	Pick and Carry cranes 	<ul style="list-style-type: none"> <li>• Erection work in projects</li> <li>• Power</li> <li>• Steel</li> <li>• Mining</li> <li>• Railway/metros</li> </ul>	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"> <li>• Highways</li> <li>• Rural roads</li> <li>• Airports</li> <li>• Land Reclamation</li> <li>• Motor Graders</li> </ul>	Rental hirers	7%
			Contractors	76%
			Corporate Buyers	3%
			Govt Bodies	14%
4 Concrete equipment	Mixers, pumps, batching plants	<ul style="list-style-type: none"> <li>• Irrigation Canals</li> <li>• Road construction</li> <li>• Building construction</li> <li>• Airports</li> <li>• Precast/In situ</li> </ul>		
5 Material processing	Compressors, Crushers	<ul style="list-style-type: none"> <li>• Stone Quarries</li> <li>• Mining</li> <li>• Over ground blue metal crushing</li> </ul>		

# PRODUCT PORTFOLIO



## 1) Material Handling



60%

## 2) Earth Moving



20%

## 3) Road Construction



10%

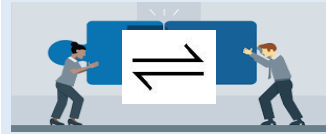
% of ECE Revenue

# WHAT WE DID IN LAST 3-4 YEARS



## New Product Launches

- City Crane
- Jungli
- HYDRA 14EX Plus
- F17



**Backward integration of Construction Operations with Tractors**



**Operations Excellence through Total Productive Maintenance**



**White Collar Manpower Optimization (30% reduction)**

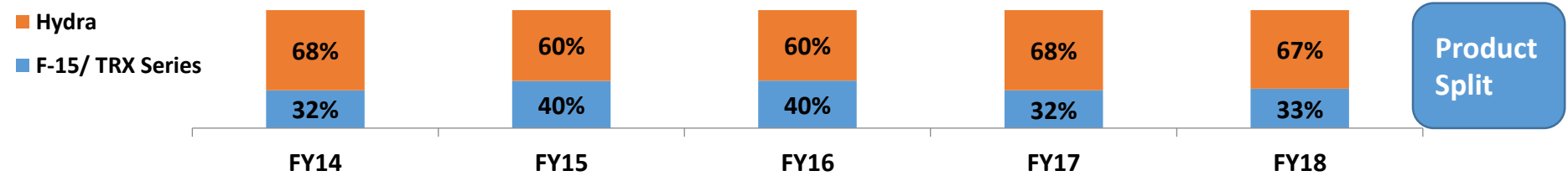
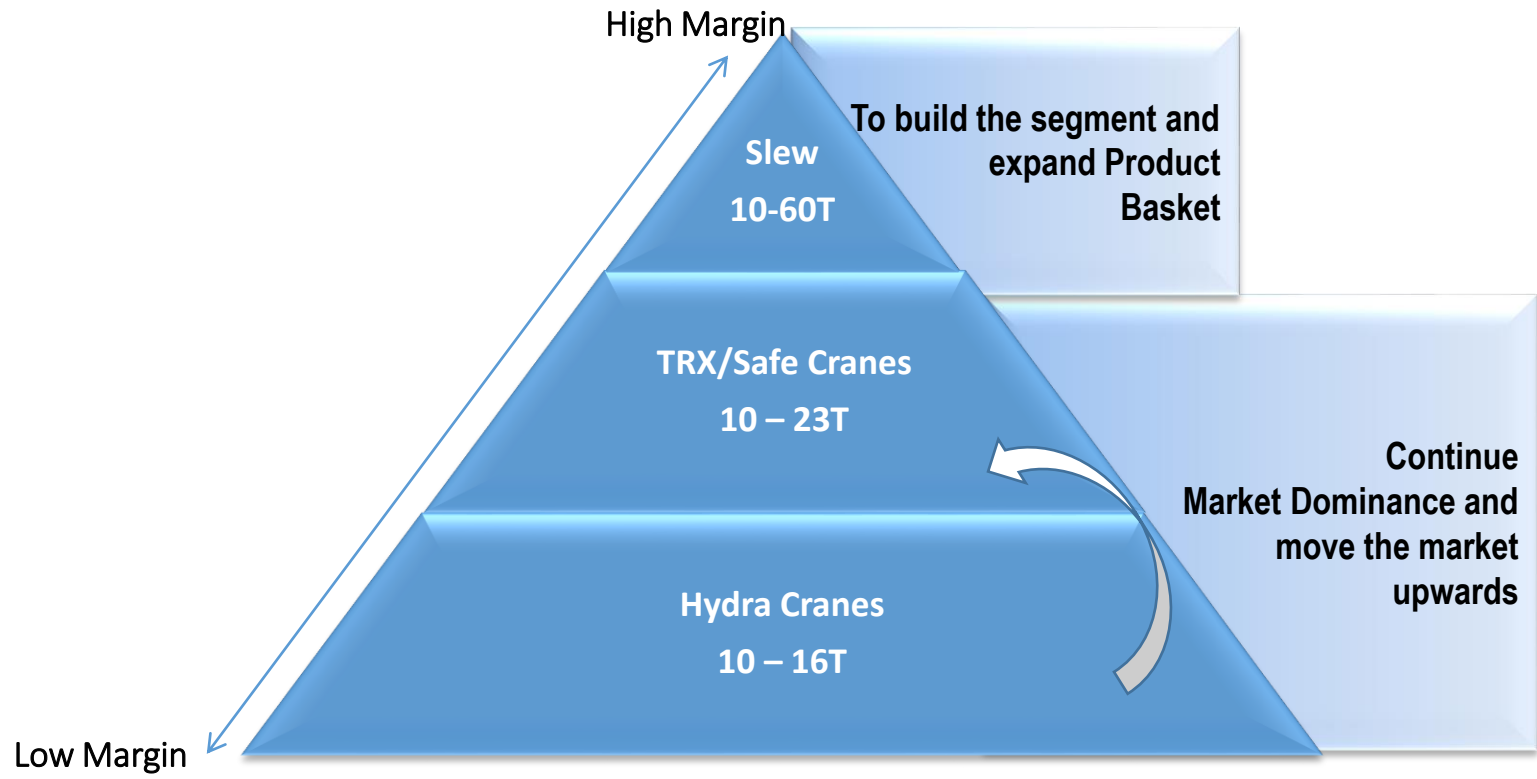


**Cultural transformation ~Customer Centric, Open Office, training and development**



**Break even point reduction leading to EBIDTA break even**

# MATERIAL HANDLING



Transform the market from a leadership position

# TRANSFORMATIONAL PRODUCTS – ECE



CT SMART 15



Jungli 4 x 4

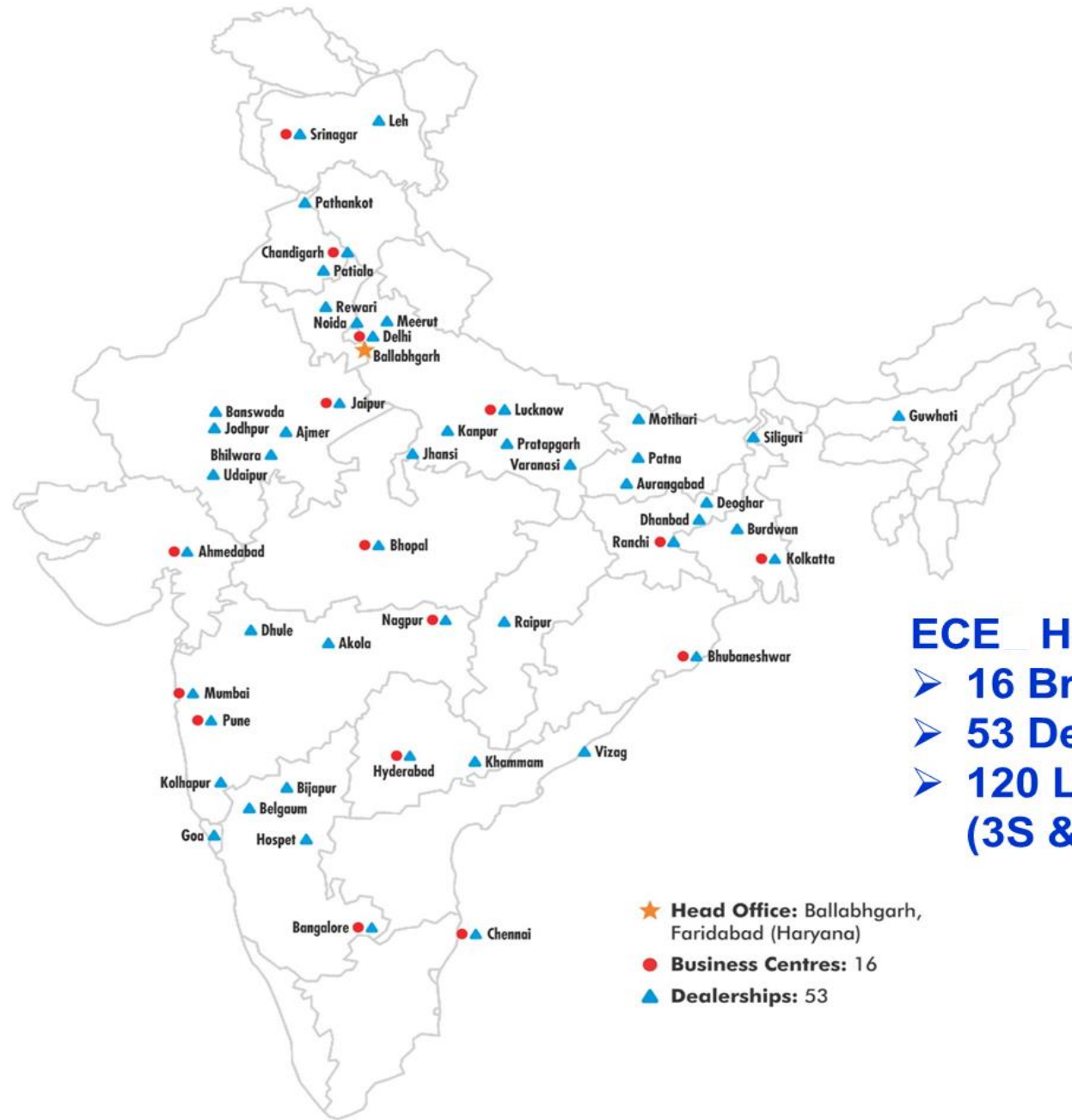


New EC 5250 with Water Cooled Engine



RT 40 POWER BOOM

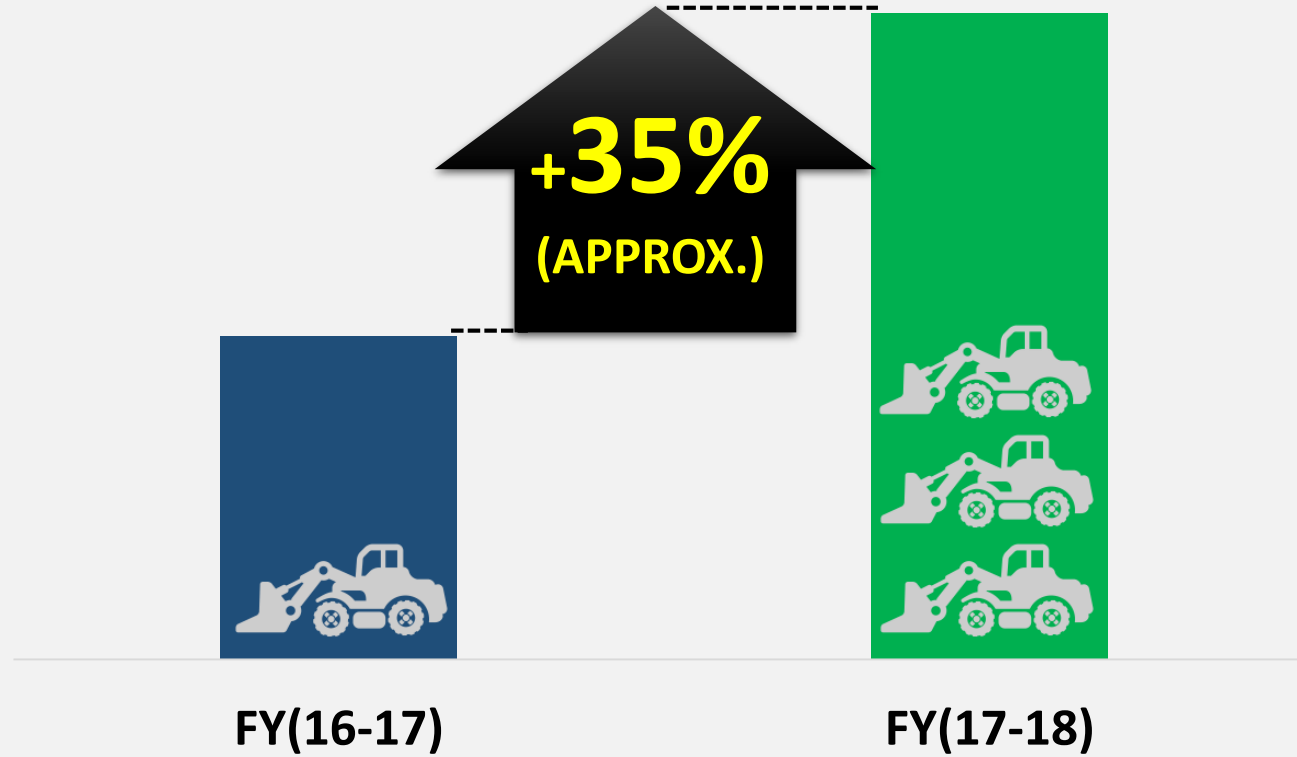
# NETWORK



**ECE Head Office – Near DELHI**

- 16 Branch Offices
- 53 Dealerships (3S)
- 120 Locations/Touch Points (3S & 2S)

# VOLUMES

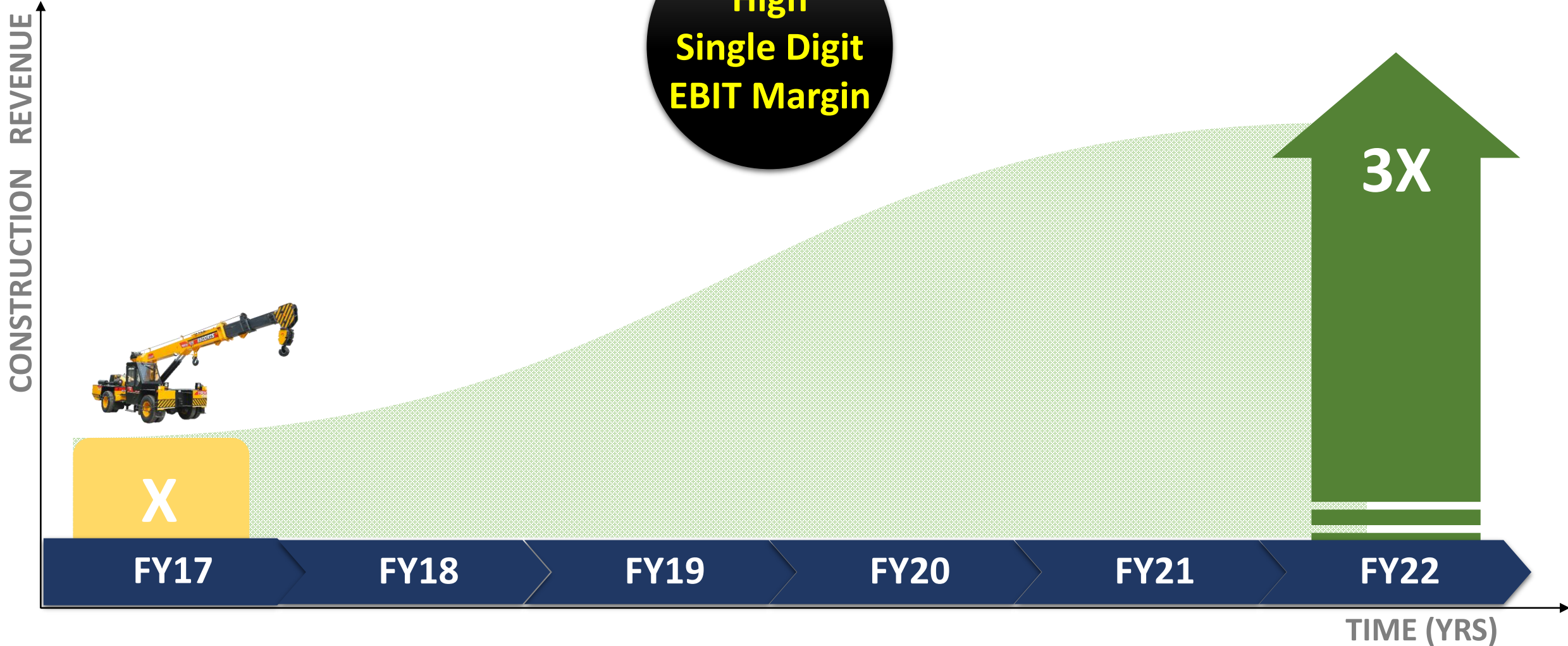




# FY'22 OUTLOOK



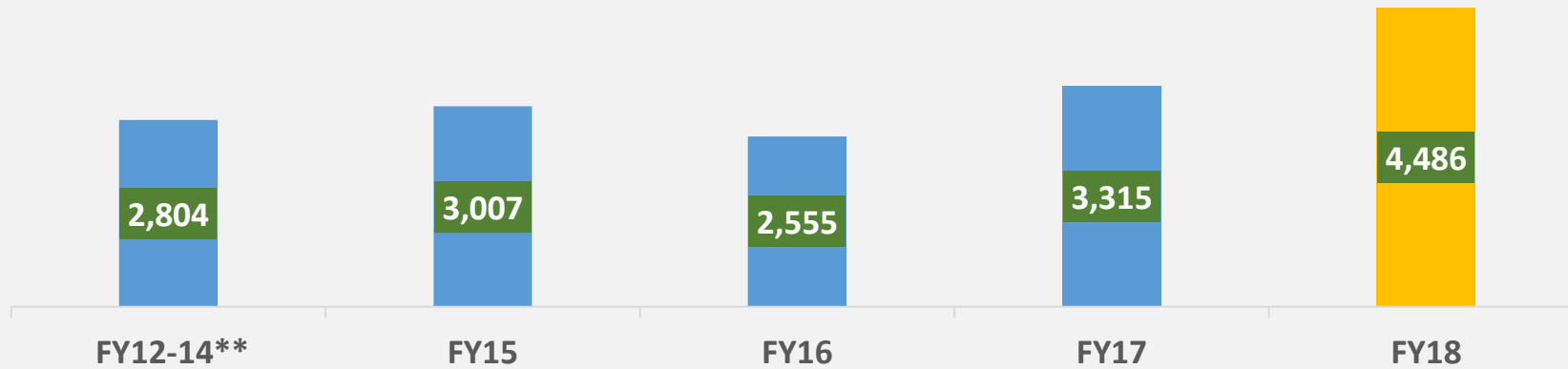
High  
Single Digit  
EBIT Margin



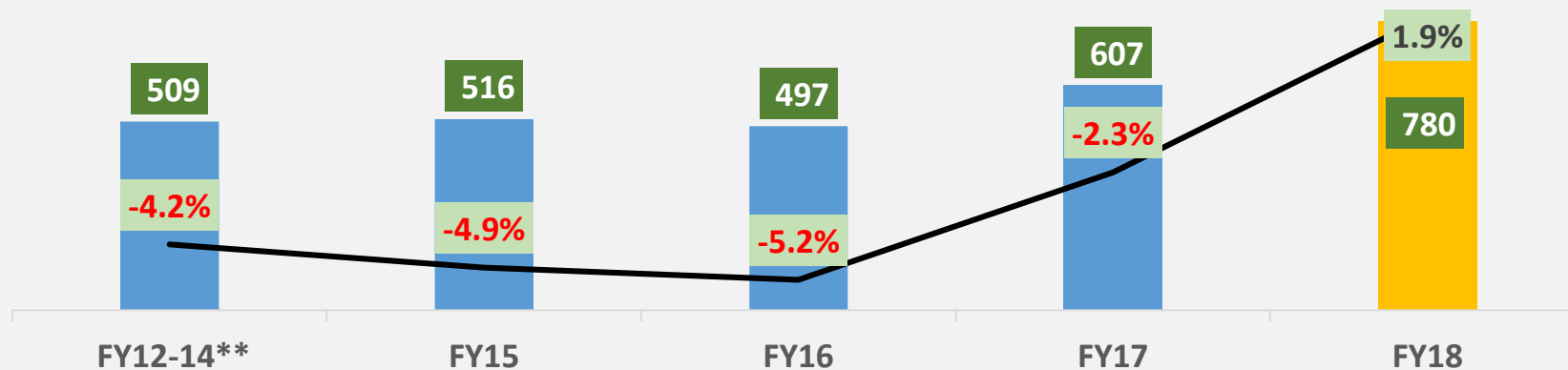
# READY TO RIDE THE INDUSTRY BOOM



## VOLUMES (Nos.)



## SEGMENT REVENUE (Cr)



Way Forward To Achieve  
**High Single Digit EBIT Margin**

Strategic Tie ups

Focus on Cost Reduction :  
Material Cost

Focus on Export reach  
Enhancement

Channel Financing

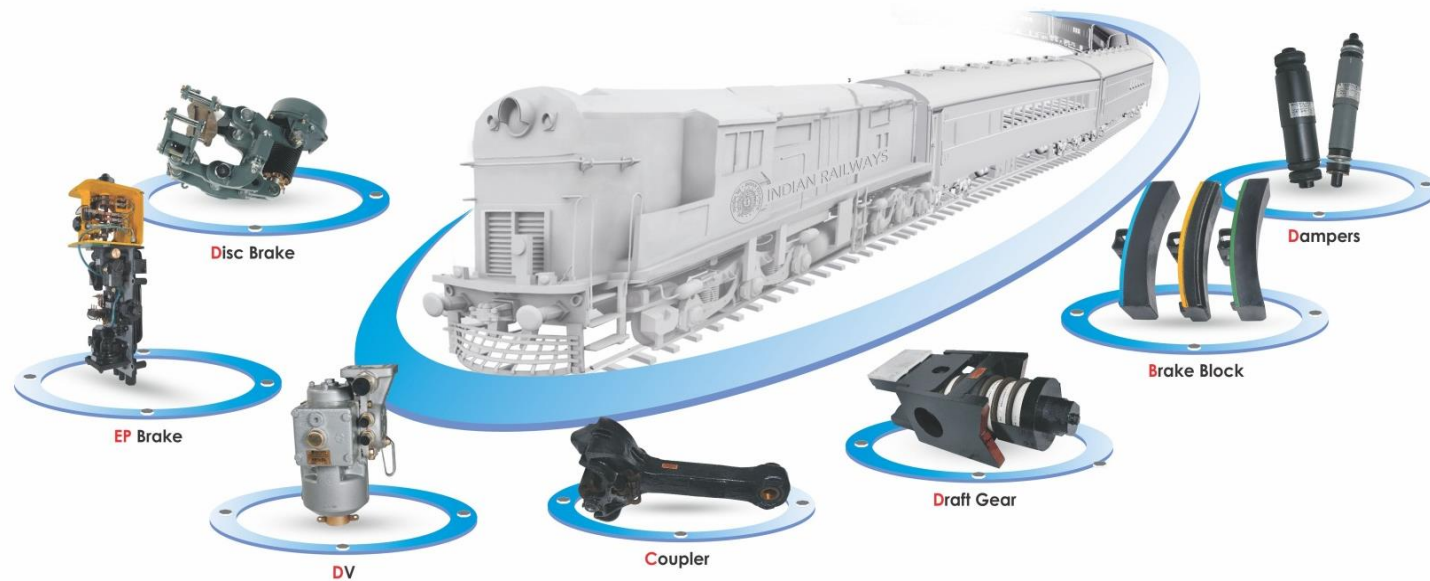
Dealership & Outlet reach  
expansion



# RAILWAY EQUIPMENT DIVISION (RED)



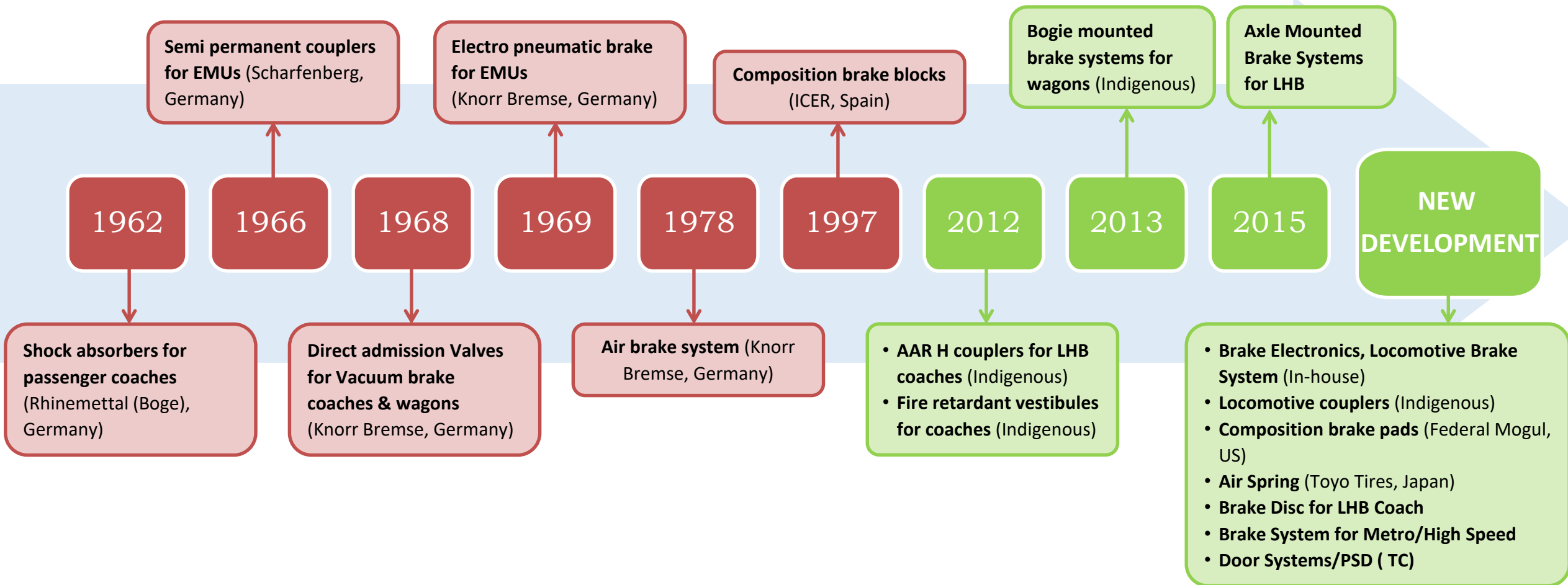
# ESCORTS RAILWAYS: MANUFACTURING SAFETY & COMFORT



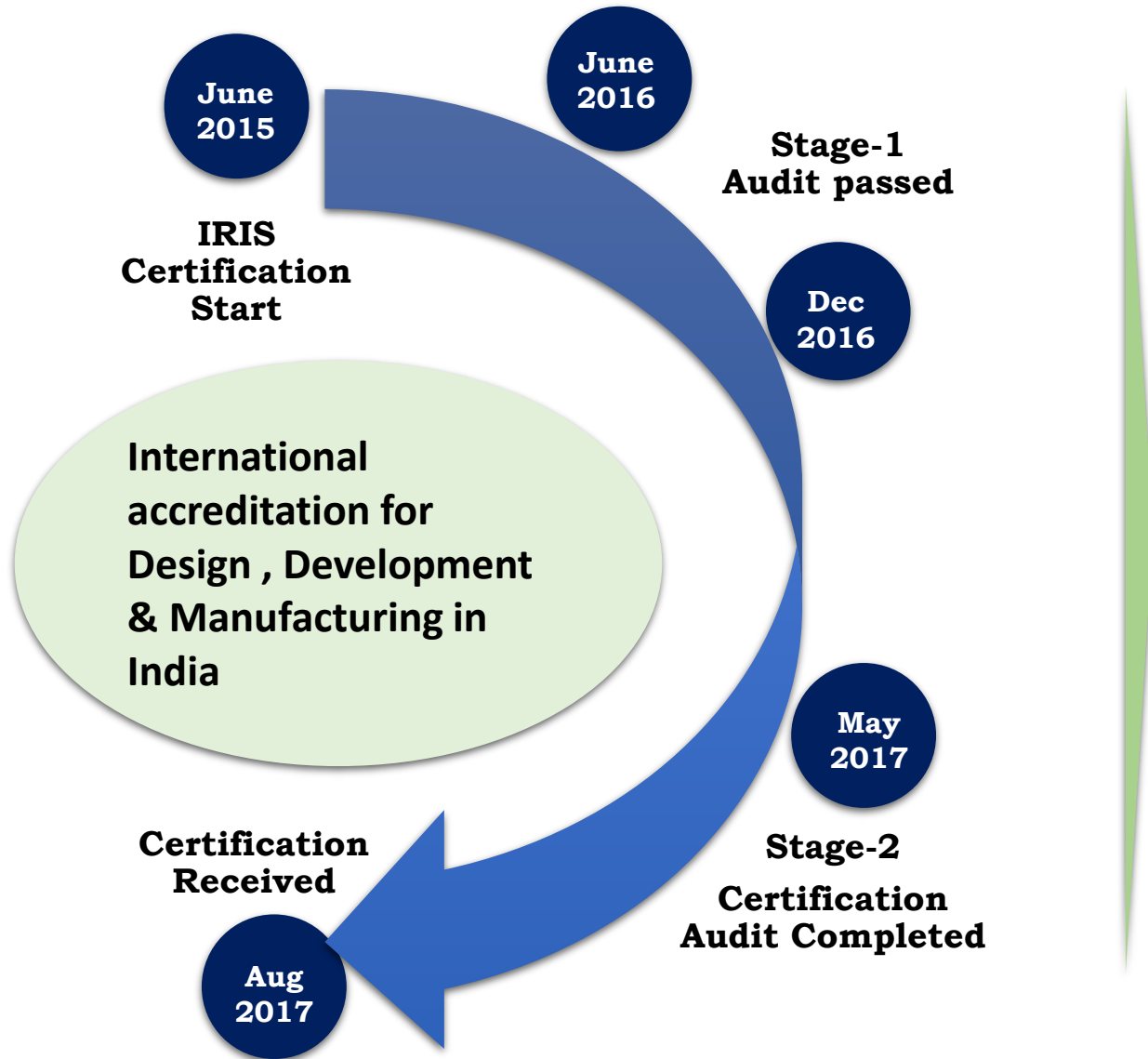
To achieve Leadership position in Indian Railways Components Industry in the defined segment

Major Sourcing partner for global Rolling Stock OEMs & Operators

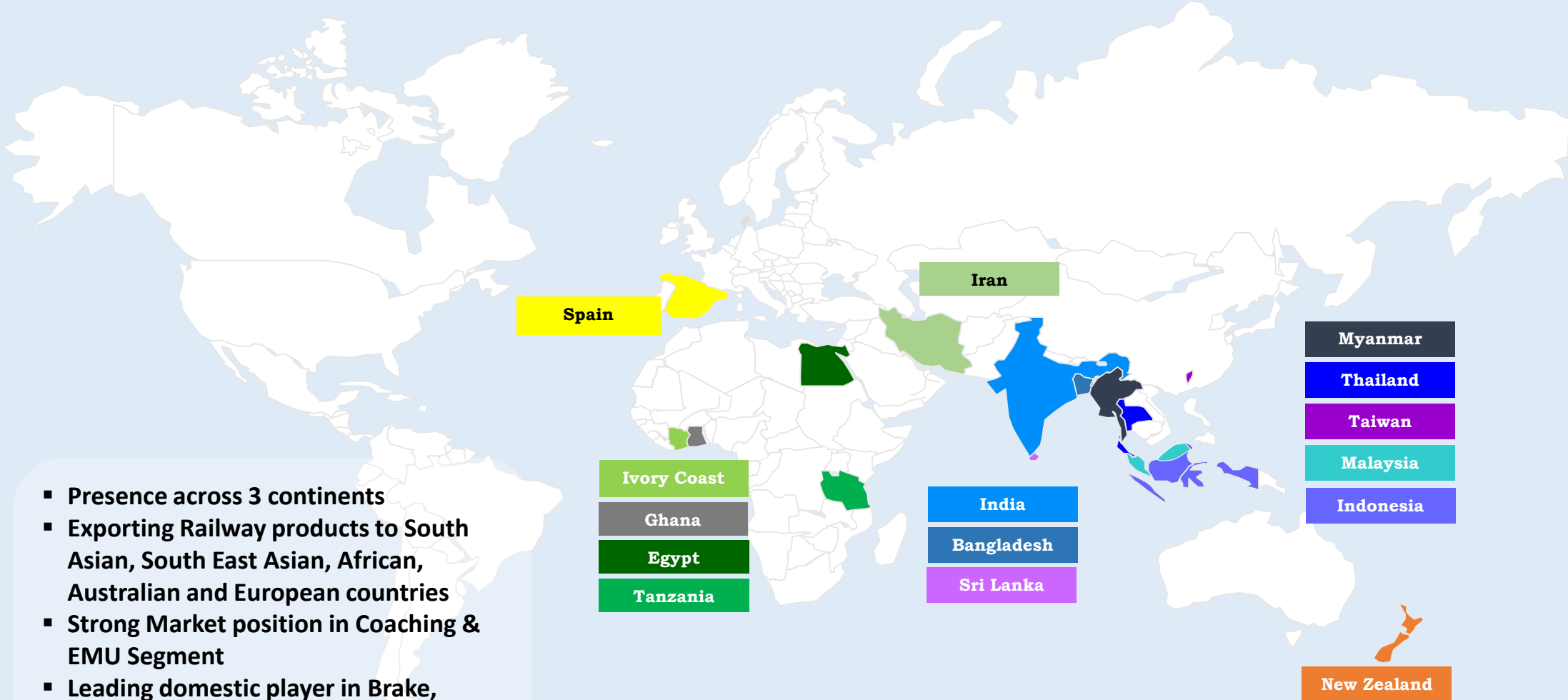
# JOURNEY SO FAR



# IRIS CERTIFICATION



# PROVIDING COST EFFECTIVE SOLUTION TO WORLD RAILWAYS & METROS



- Presence across 3 continents
- Exporting Railway products to South Asian, South East Asian, African, Australian and European countries
- Strong Market position in Coaching & EMU Segment
- Leading domestic player in Brake, Coupler and Suspension Systems

# GLOBAL CUSTOMERS WITH WHOM WE ARE WORKING



Working closely with new global customers for their upcoming projects in INDIA

**BOMBARDIER**



ALSTOM



中国铁建

STADLER

SIEMENS



Working closely with new global customers for their upcoming projects in INDIA



# ON GROWTH TRACK



**YOY EBIT GROWTH**  
of more than 25 %  
from FY15

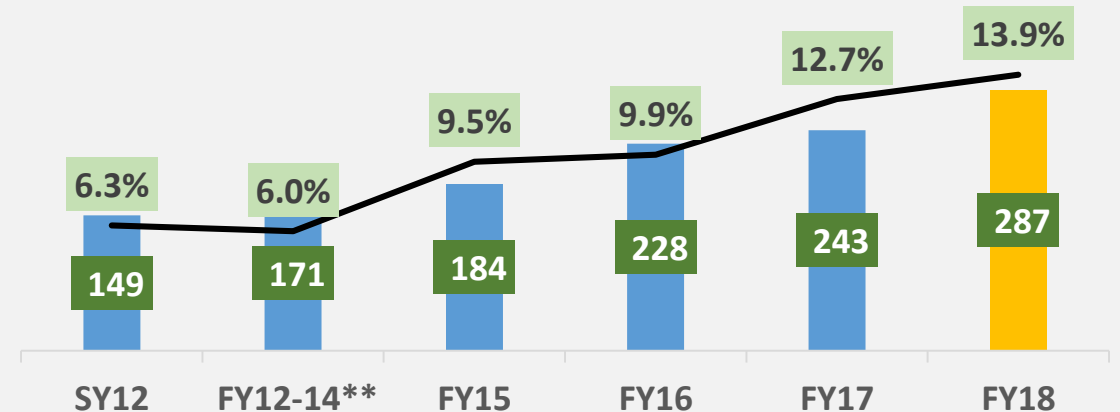
- ✓ Manpower Cost, Productivity Improvements
- ✓ Material Cost improvements
- ✓ New Product Revenue boost
- ✓ Building Strong Inhouse R&D

**CONSISTENT  
ORDER BOOK GROWTH**

**₹ 350 Crs. – Mar'18**

SEGMENT REVENUE (Cr)

EBIT %



# Growth momentum to continue



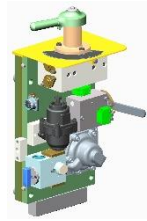
FY17

Existing

New Inhouse

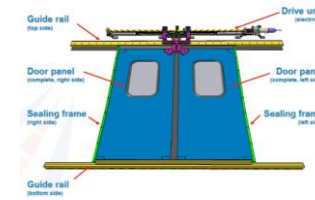
Collaboration & Inorganic

FY2022



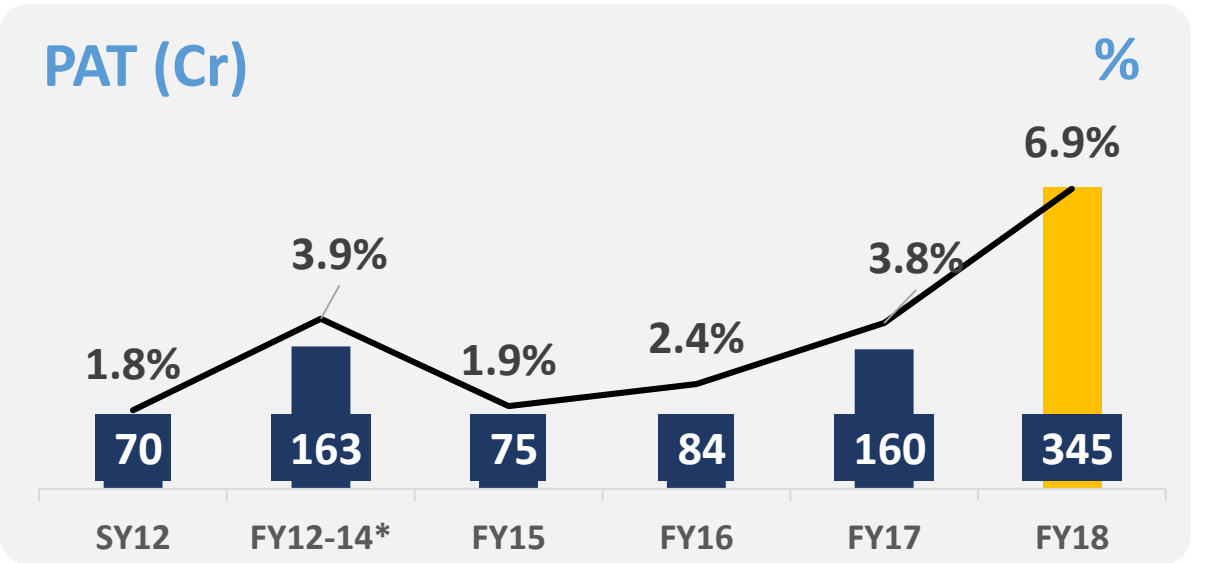
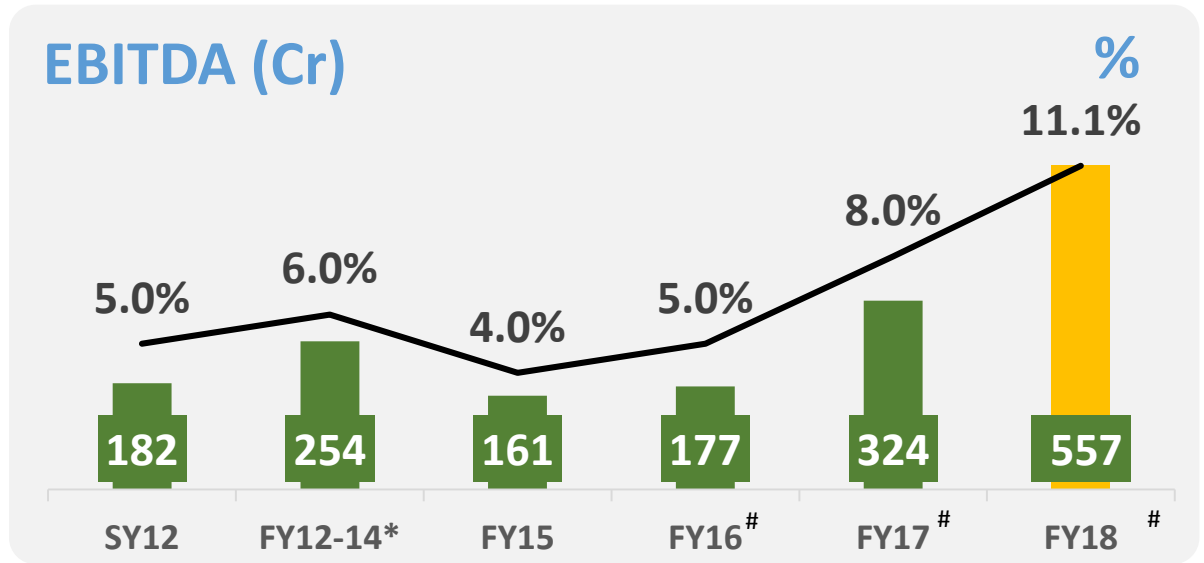
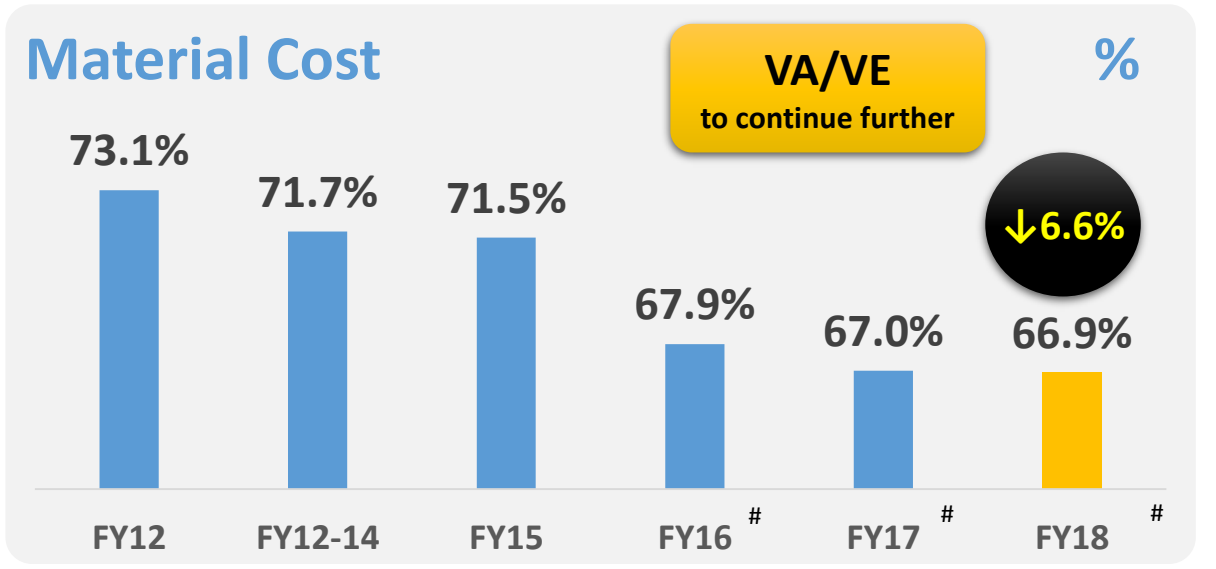
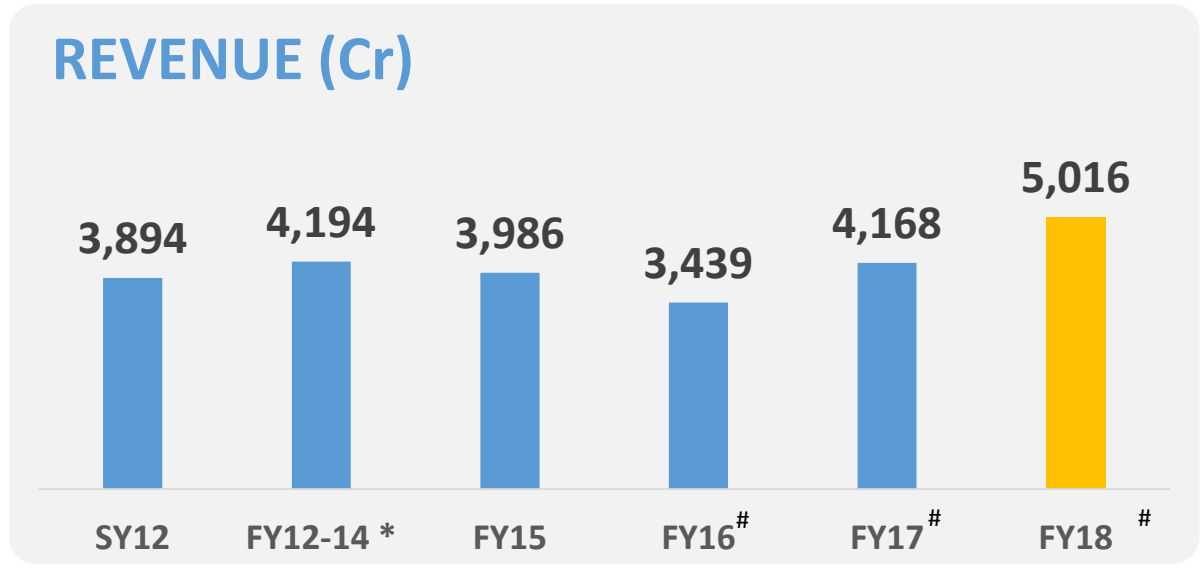
Leveraging Core Strengths

Strategic Tie-up & Inorganic

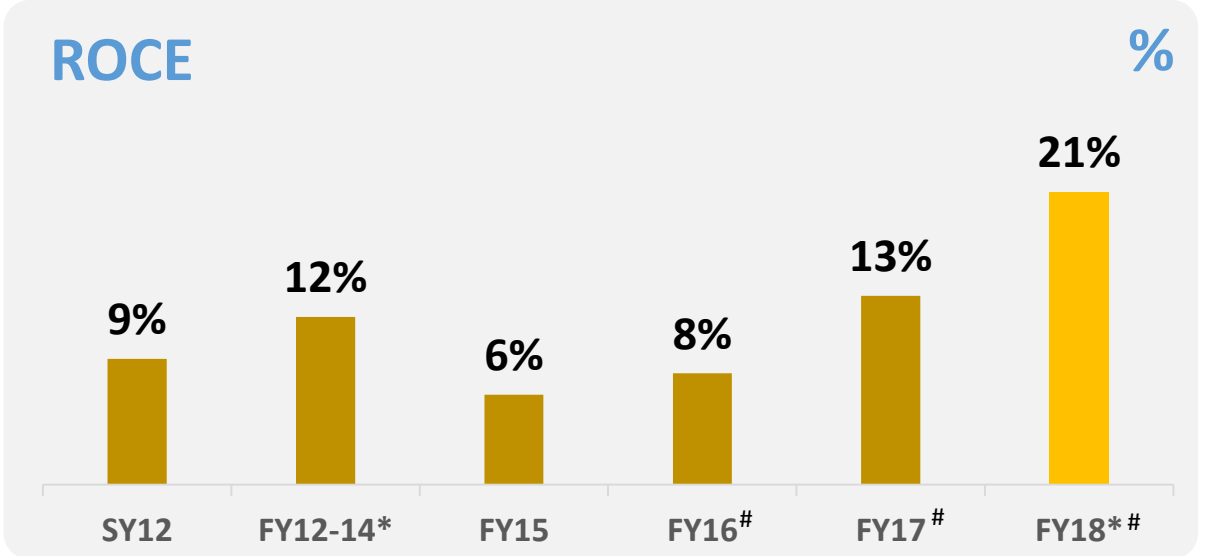
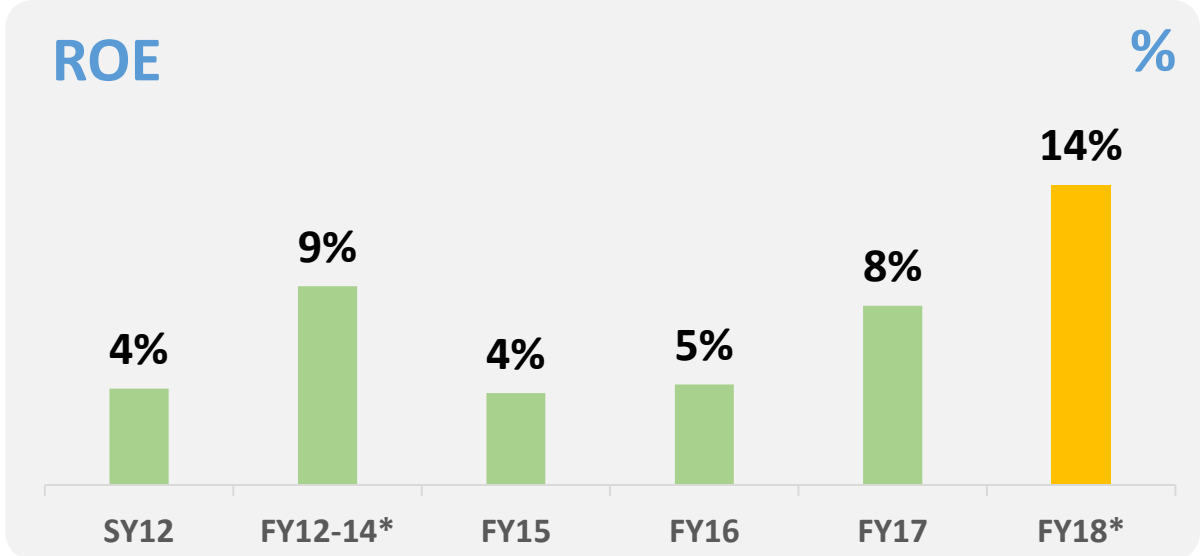
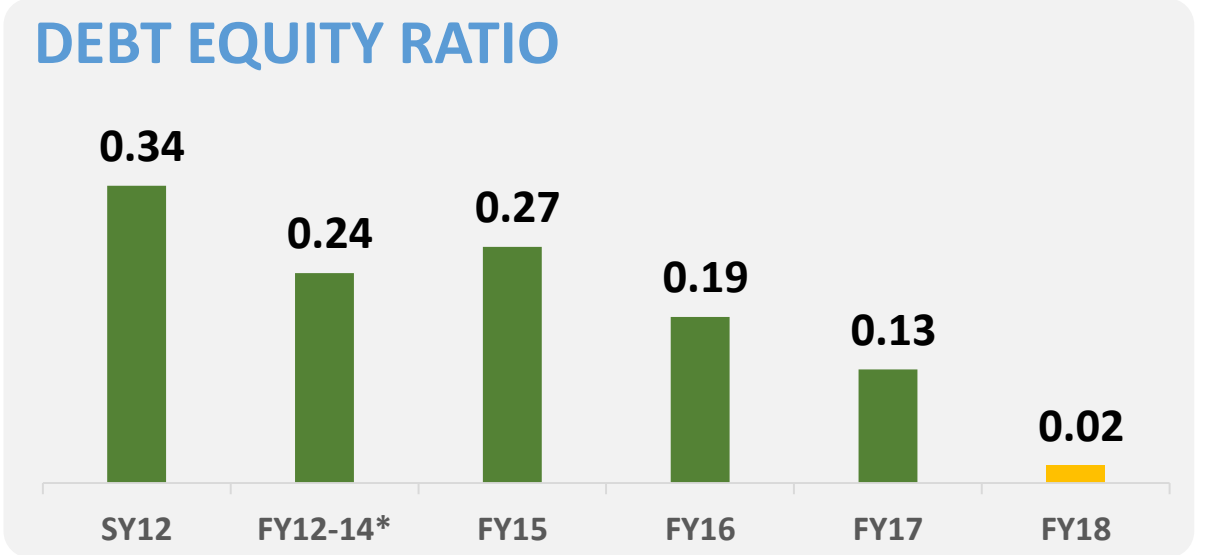
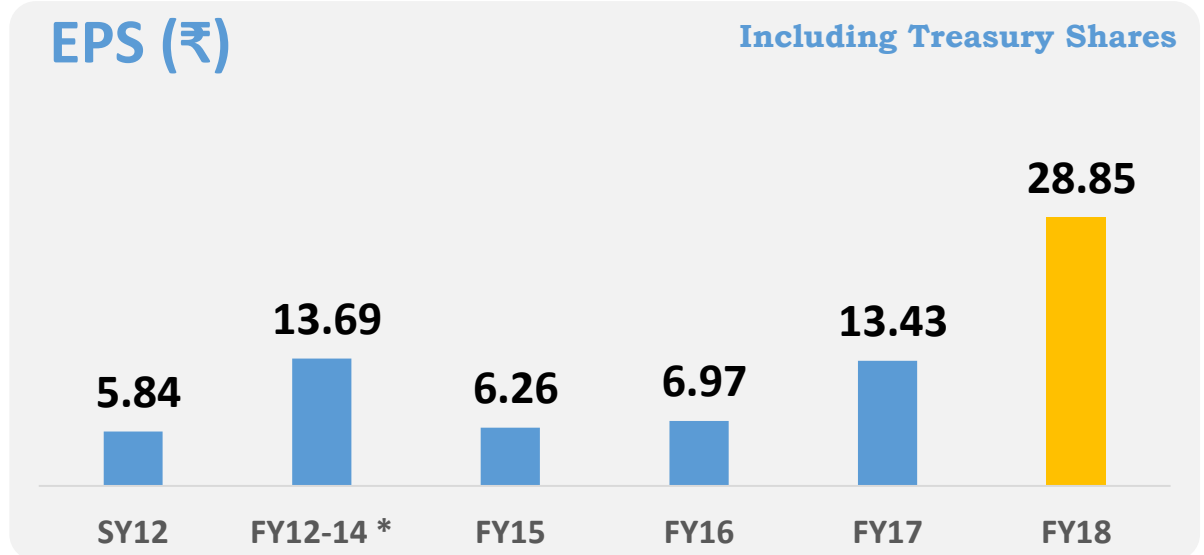


# GROUP FINANCIALS

# ↑ KEY FINANCIAL METRICS...



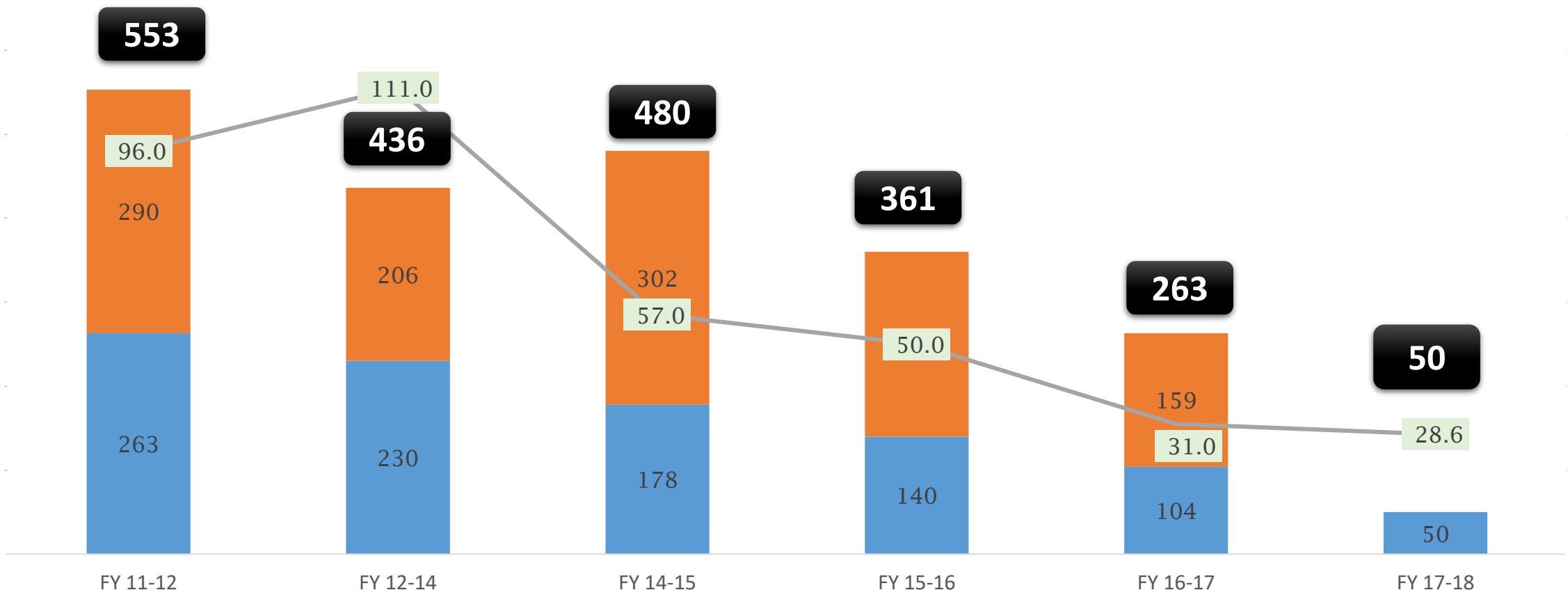
# ↑ KEY FINANCIAL METRICS...



# ↑ CONSISTENT RATING UPGRADES



LBBB-
LBBB
LBBB+
A-
A
A+ (₹ Cr)

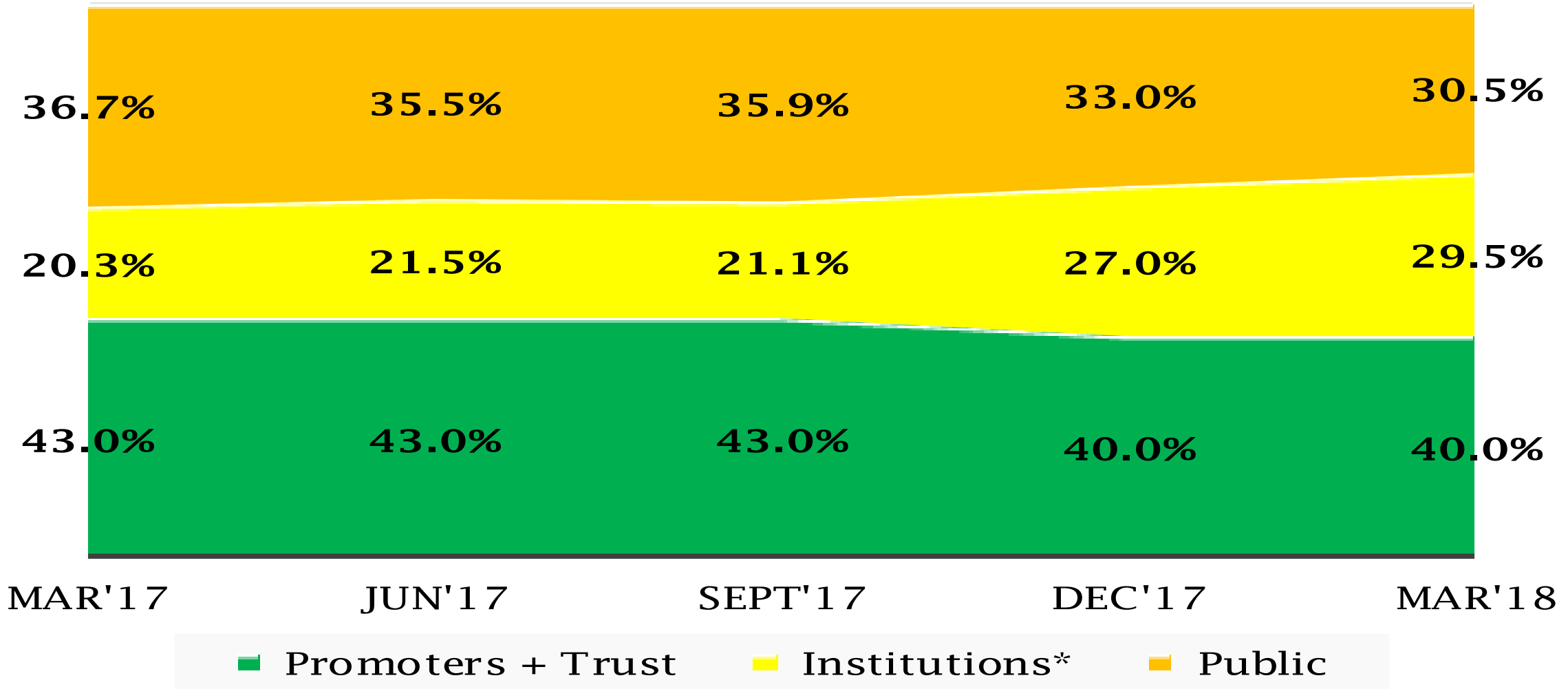


\*Nos. from FY 11-12 to FY 14-15 is as per IGAAP.  
 \*Finance Cost for FY 12-14 is for 18 months.

■ Term Loan
■ WC
— Finance Cost

External Credit Rating

# ↑ SHAREHOLDING PATTERN



\* FPI/Financial Institutions/ Banks/Insurance Companies

As of quarter ended

# ↑ CORPORATE GOVERNANCE



**OUR CORE VALUES**

**RESPECT FOR PEOPLE**  
We will demonstrate dignity and respect for people in all our interactions. We will not tolerate belittling of people, regardless of position, or circumstance.

**EMPOWERMENT**  
People at all levels must be vested with the power and confidence to take decisions concerning their area of work.

**TRANSPARENCY**  
People will understand the processes and criteria used to arrive at decisions concerning them.

**COLLABORATION**  
We will work with our colleagues with the spirit of collaboration and mutual respect.

**OUR STRATEGIC VALUES**

**CUSTOMER CENTRICITY**  
Acute sensitivity to the needs and experiences of the customer shall guide all that we do.

**EXCELLENCE**  
We will strive to achieve and surpass world class standards in all that we do.

**INNOVATION**  
We will use the power of technology and imagination to deliver solutions to the customers' needs.

**AGILITY**  
We will operate in our markets with the ability to change direction and position with nimbleness and speed.

Vibrant Board

Big 4 as I-Auditor

Young leadership

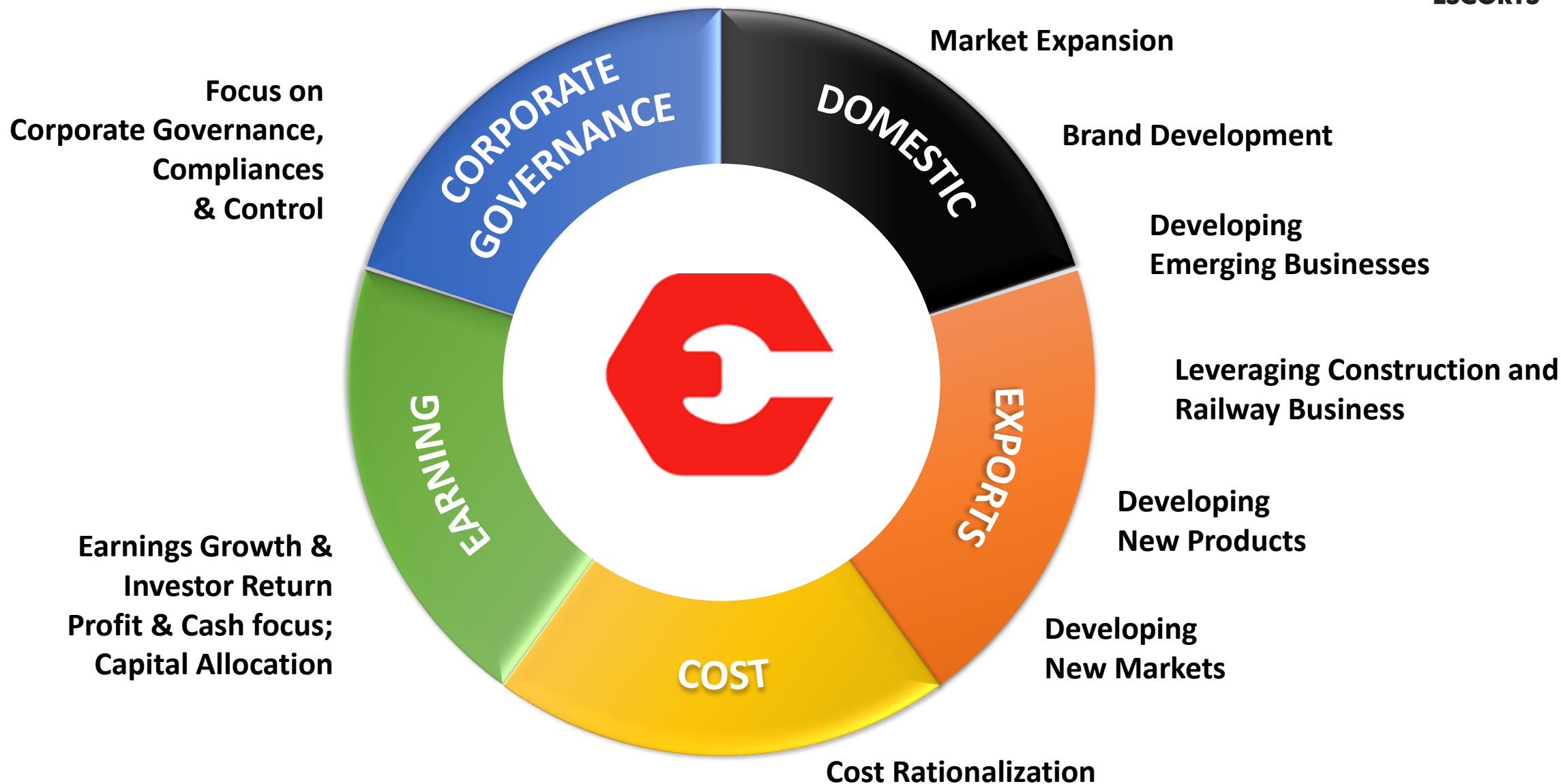
Launches update

Monthly Tractor Volume Disclosure

Quarterly Earnings Con-calls




# THE WAY FORWARD







 **Vision**

**By 2022**





## POWERING THE DREAMS OF FARMERS

We will continue to fight against the global food security challenge by helping farmers grow enough food for the entire world.



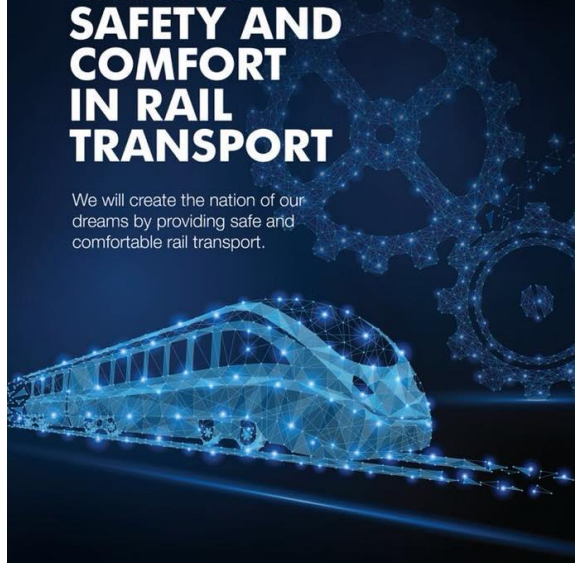
## PREFERRED PARTNER IN NATION BUILDING

We will contribute in building the nation with smart and state-of-the-art construction equipment.



## ENSURING SAFETY AND COMFORT IN RAIL TRANSPORT

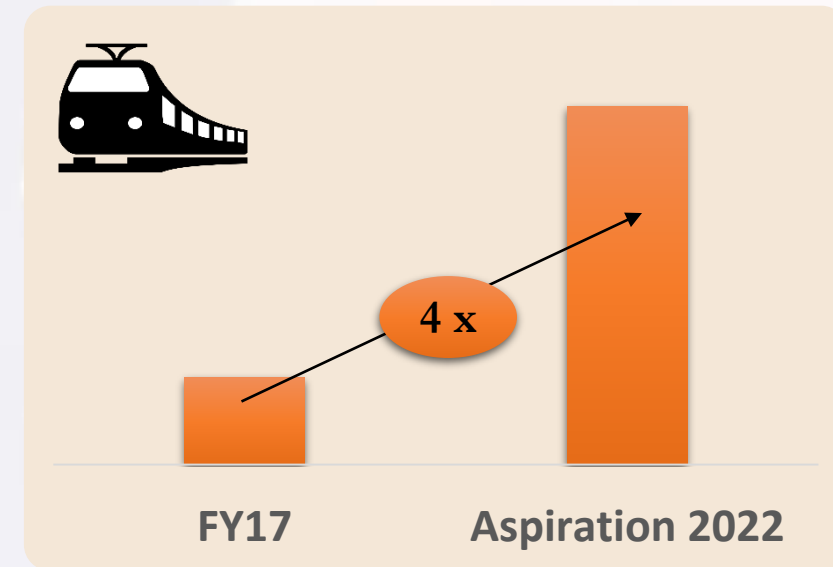
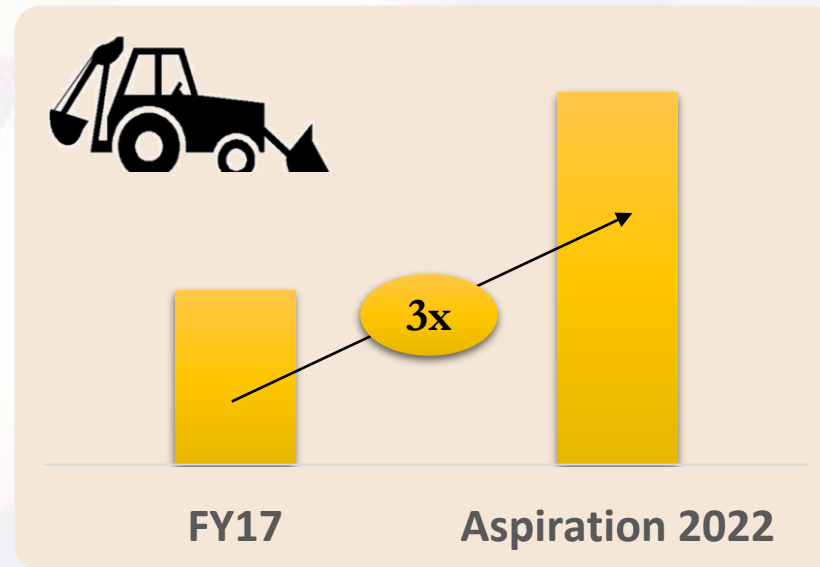
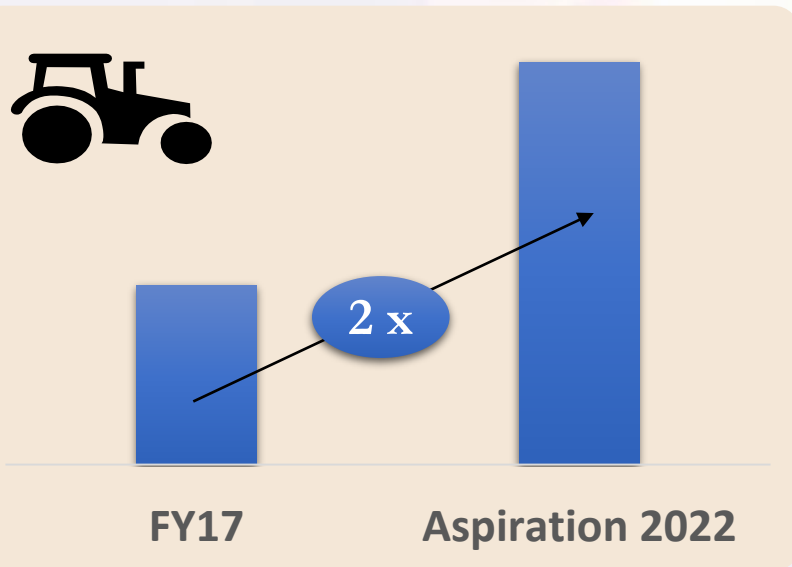
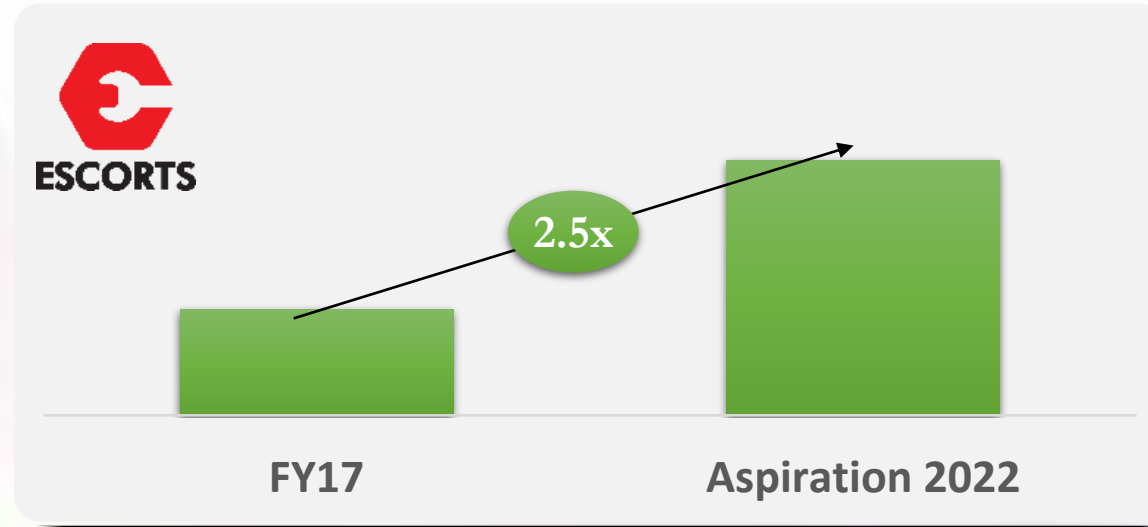
We will create the nation of our dreams by providing safe and comfortable rail transport.



# Purpose and Vision

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# REVENUE (₹ CR.)



# VISION 2022



**2.5X Revenue**



**10% Plus**



**Margin 13~14%**



**25% - 30%**

# BOARD OF DIRECTORS...



**Mr. Rajan Nanda, Chairman and Managing Director**

- A Visionary leader, who has played a pivotal role in promoting the cause of Indian Agriculture
- Active member of several apex trade and industry bodies and member of CII National Council



**Mr. Nikhil Nanda, Managing Director**

- Alumnus of Wharton Business School, Philadelphia
- Responsible for driving Escorts' growth initiatives to strategically position it in the global arena



**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



**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

# ...BOARD OF DIRECTORS



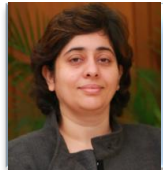
## **Mr. P.H. Ravikumar, Independent Director**

- 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 Alumna 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.



## **Ms. Nitasha Nanda, Whole time Director**

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



## **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. Ravi Narian, Independent Director**

- MBA from the Wharton School of the University of Pennsylvania
- 34 years plus of experience in various professional capacities to reputed organisations all over India.
- Adviser at Advent International Corporation and National Stock Exchange of India (NSE) as Non-Executive Vice-Chairman
- He also serves as Vice-Chairman of World Federation of Exchanges.

# 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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# THE NEW ESCORTS



## TOGETHER 2022