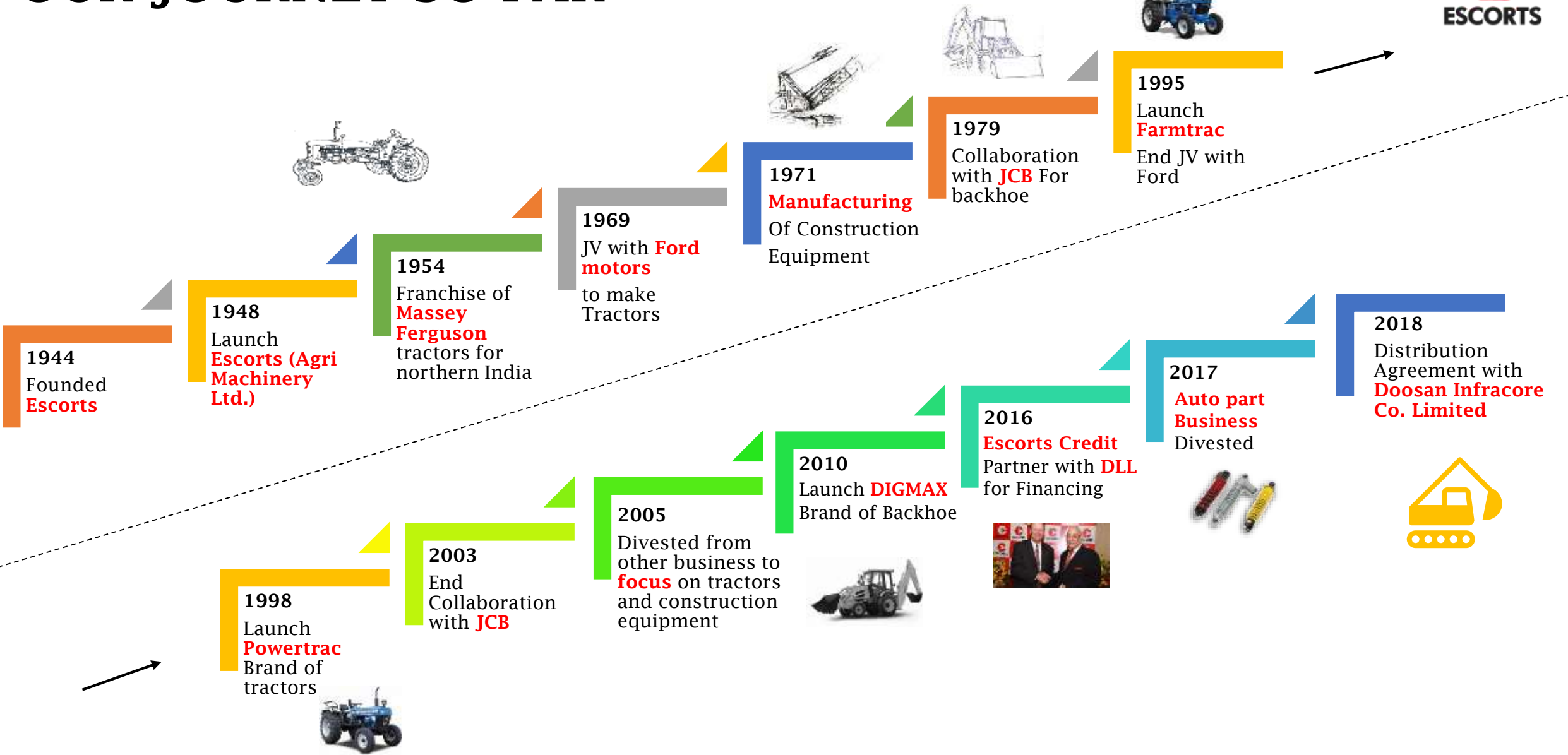




INVESTOR PRESENTATION

August 2018

OUR JOURNEY SO FAR



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

1st to bring
Backhoe Loader in India

OUR CURRENT BUSINESSES



Escorts Agri Machinery



Revenue FY18: Rs. 3,958 Cr.
Q1FY19: Rs. 1,177 Cr.

Escorts Construction Equipment



Revenue FY18: Rs. 780 Cr.
Q1FY19: Rs. 246 Cr.

Railway Equipment Division



Revenue FY18: Rs. 287 Cr.
Q1FY19: Rs. 88.1 Cr.

Revenue FY18: Rs. 5,016 Cr.
Q1FY19: Rs. 1,511 Cr.

Highlights Q1FY19



24,494 Units



Tractor Volume

+39.5%

Q1FY18
to Q1FY19

3.9%

Q4FY18
to Q1FY19

1,345 Units



Construction Volume

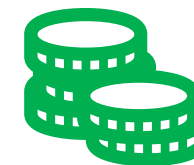
+51.8%

Q1FY18
to Q1FY19

-12.7%

Q4FY18
to Q1FY19

₹ 1,511.3 Cr.



Revenue

+29.9%

Q1FY18
to Q1FY19

+5.2%

Q4FY18
to Q1FY19

₹ 185.5 Cr.



EBIDTA

+90.2%
(+389 bps)

Q1FY18
to Q1FY19

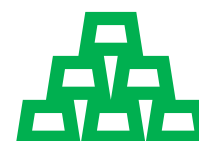
12.3% to sales



+6.8%
(+18 bps)

Q4FY18
to Q1FY19

₹ 120.7 Cr.



Net Profit

+92.7%
(+260 bps)

Q1FY18
to Q1FY19

8.0% to sales

+7.2%
(+15 bps)

Q1FY19
to Q4FY18

₹ 10.10



EPS

+92.8%

Q1FY18
to Q1FY19

+7.2%

Q1FY19
to Q4FY18

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)

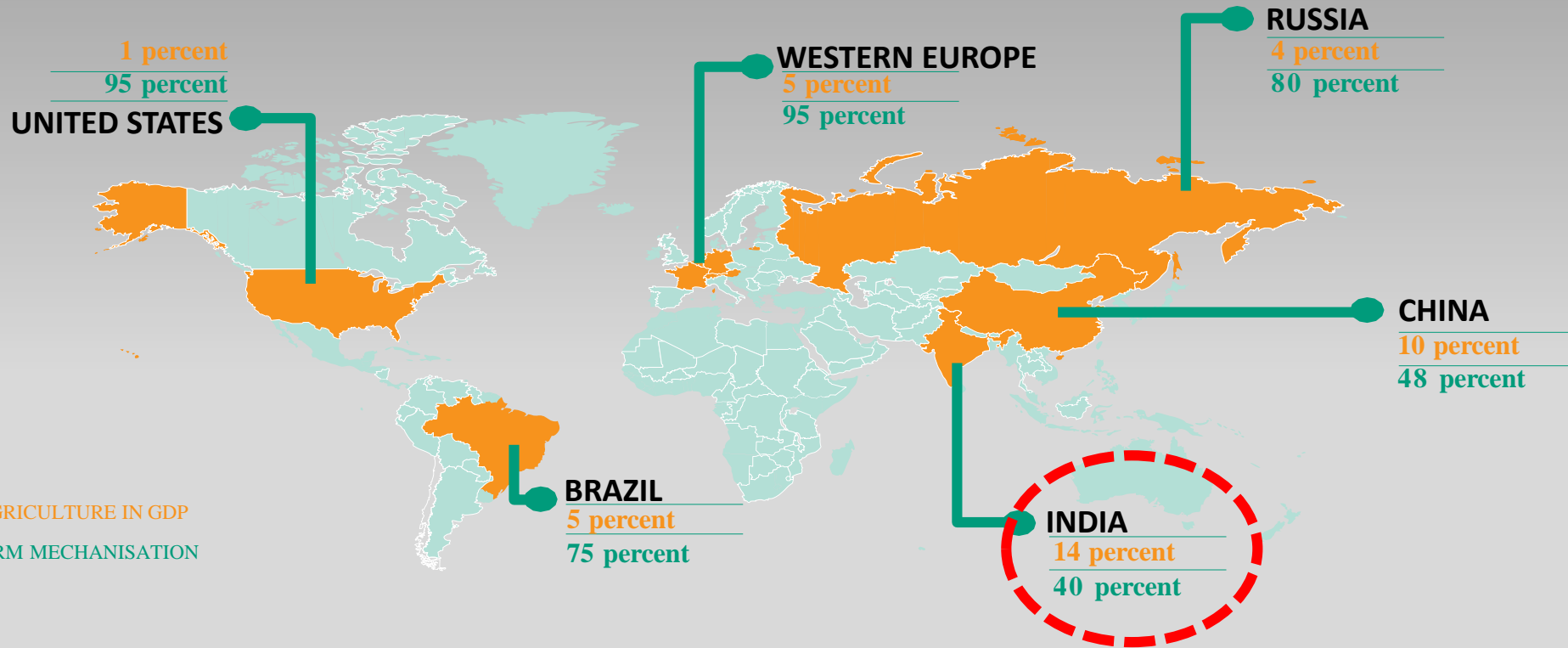
State of the art manufacturing facility sprawling 14,000 sq.m.
Couplers (AARH + Shaku)1100 p.a., Air Brake 4400 p.a., EP Brake 200 p.a., Brake Block: 32,000 p.a.



SCORTS AGRI MACHINERY (EAM)



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.

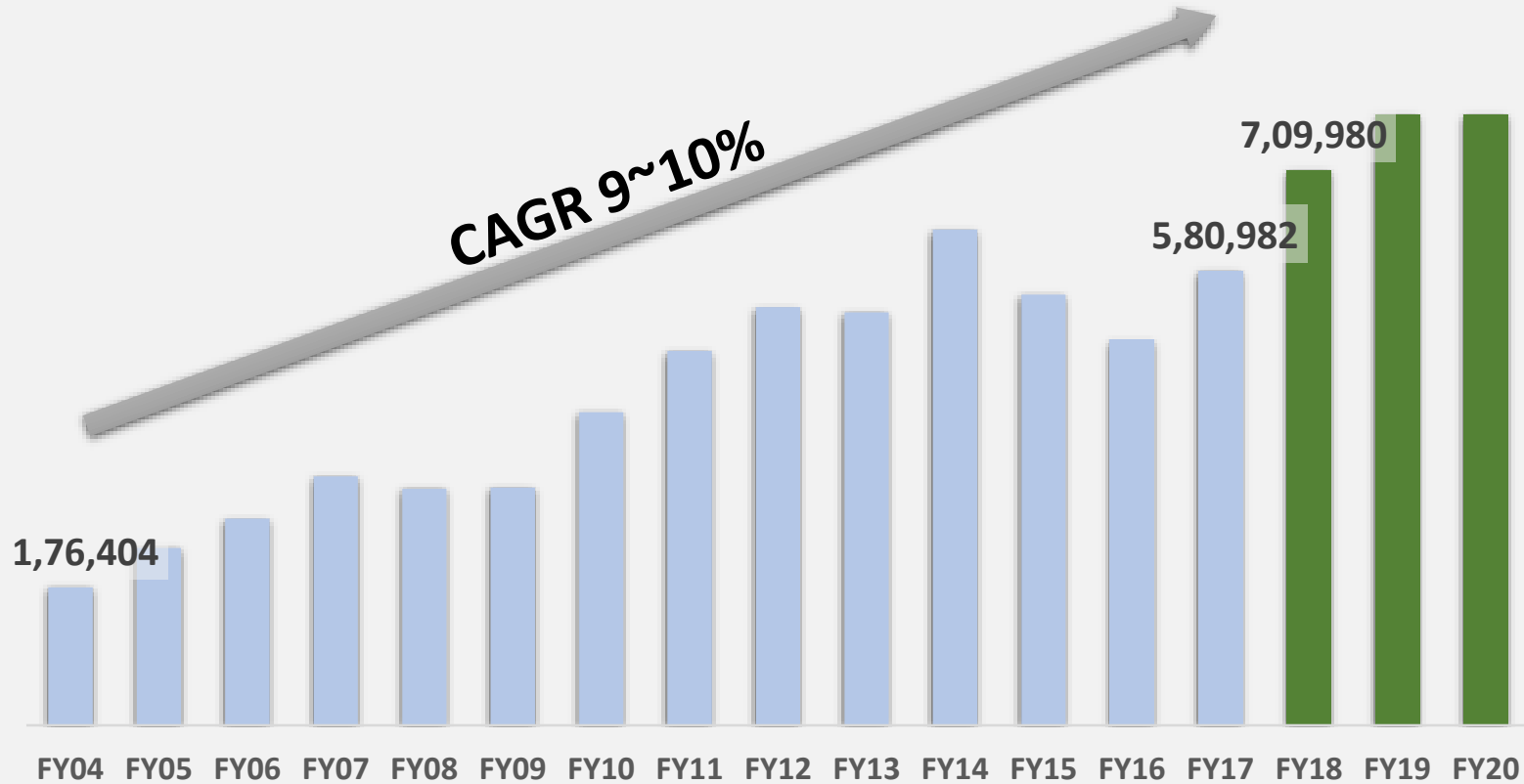


Compound annual growth rate of **10%** in last 14 years



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

↑ DOMESTIC TRACTOR INDUSTRY



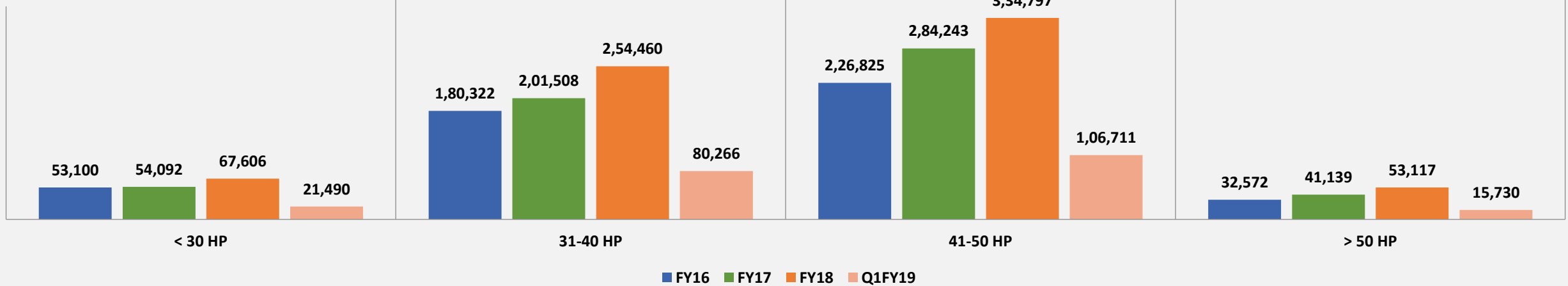
- Increasing Trend towards Mechanisation
- Minimum Support Prices for Key Crops
- Scarcity of Labour
- Ease of Credit Availability from Govt.

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

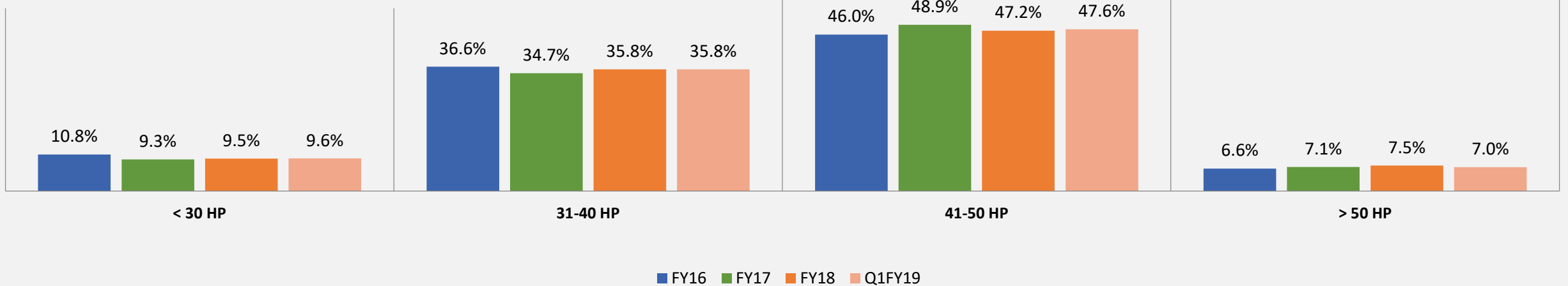
INDUSTRY SEGMENTATION



Industry Segment Volume



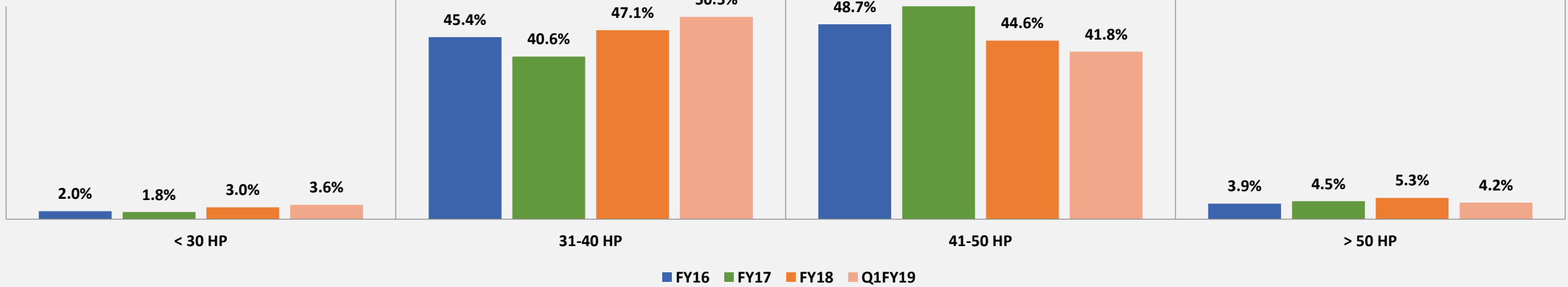
Industry Segment Market Share in %



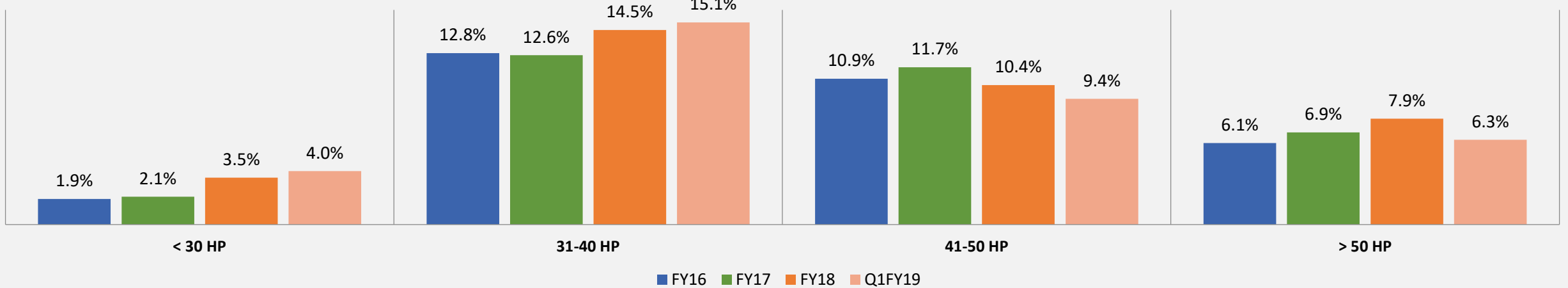
EAM SEGMENTATION



EAM Segment wise Volume in %



EAM Segment wise Market Share in %



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



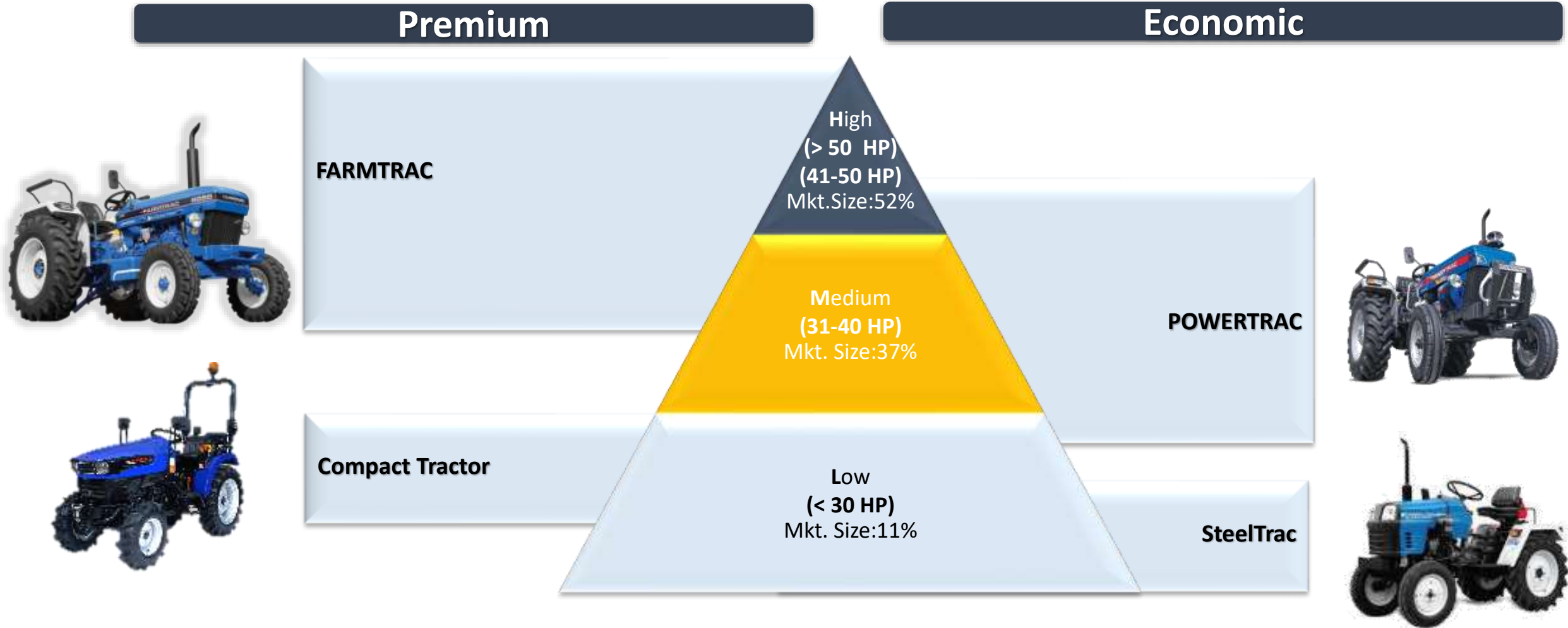
PowerTrac ALT 3500



PowerTrac ALT 4000

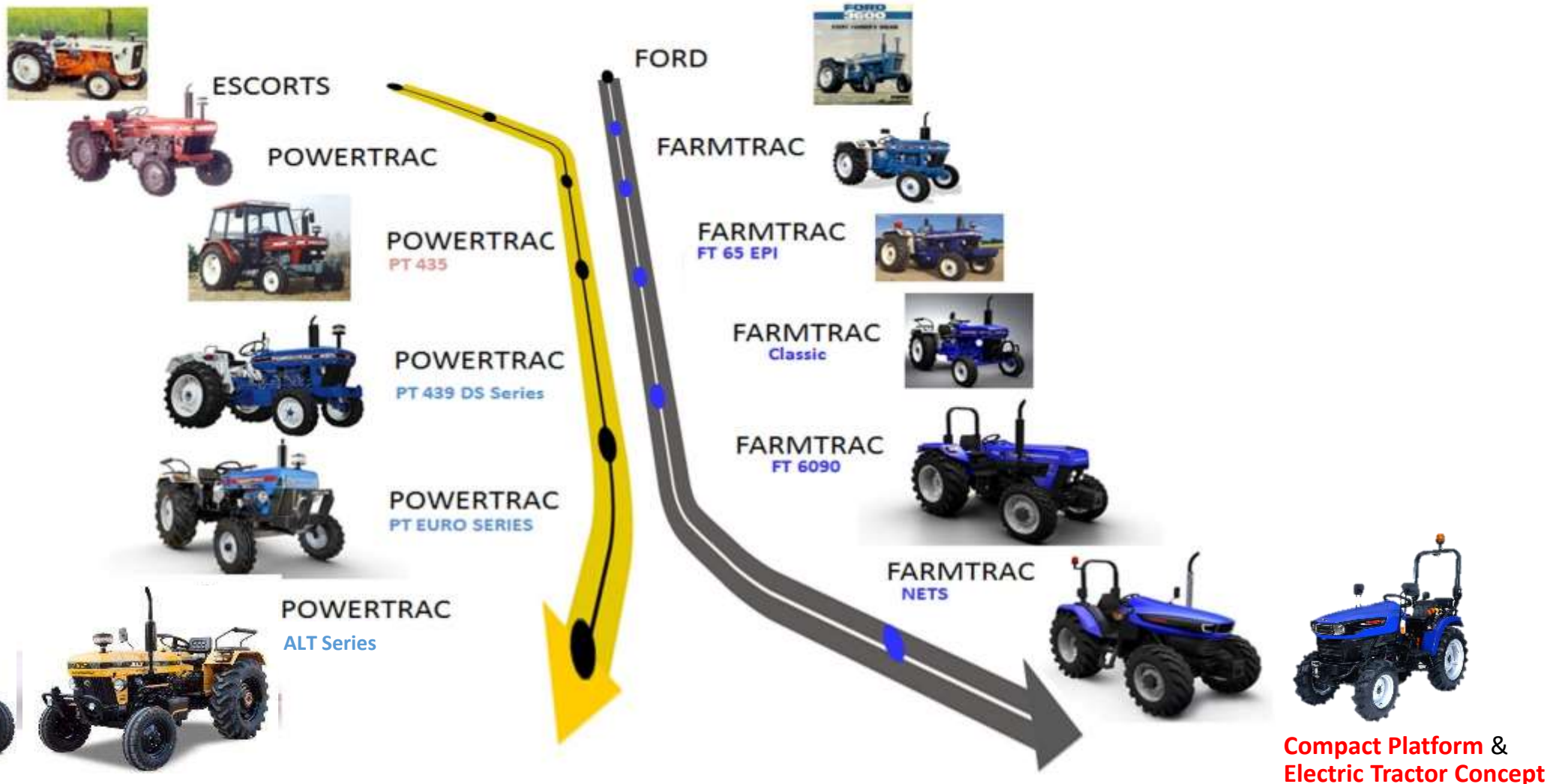
Products introduced in the last 3 years contribute ~75 % of total volumes in FY18

HOW WE ARE POSITIONED

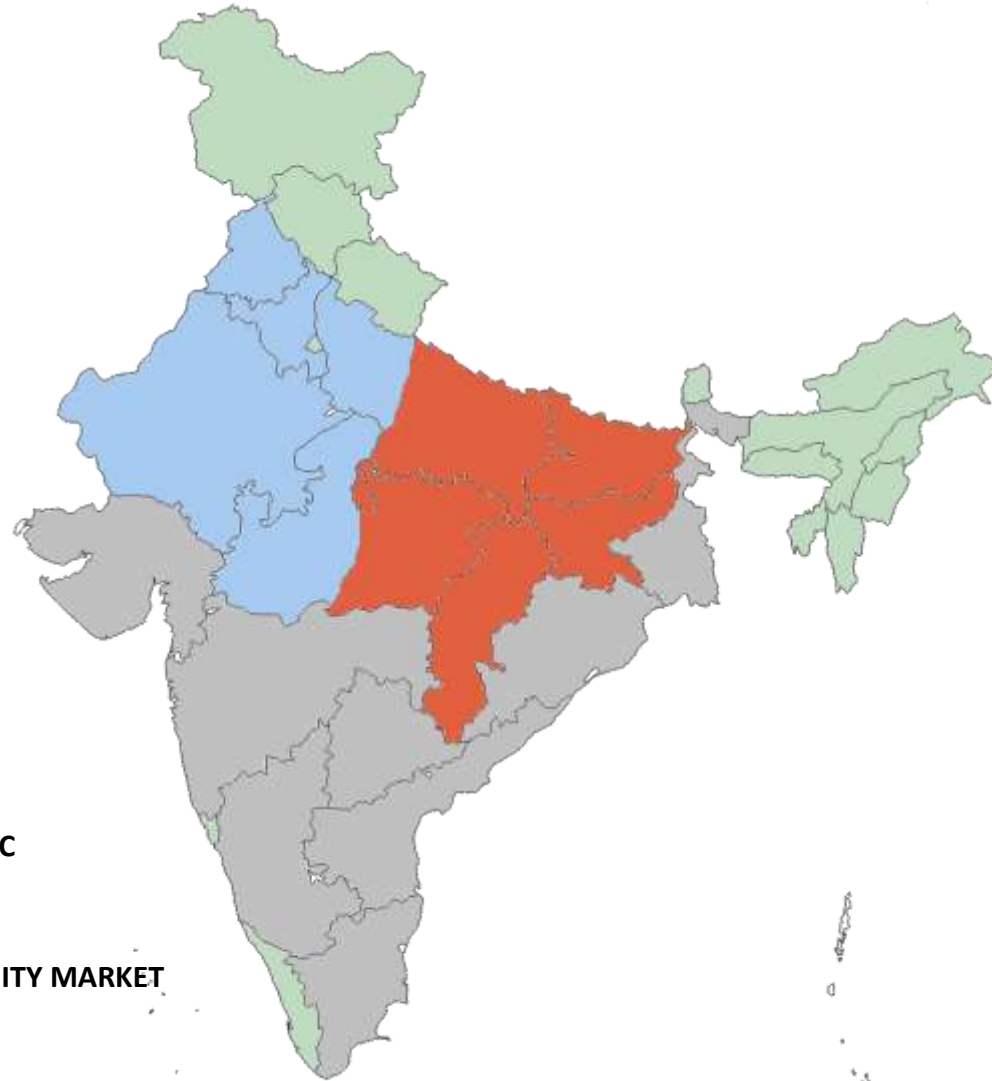


PRODUCT EVOLUTION

Farmtrac & Powertrac Brand Journey



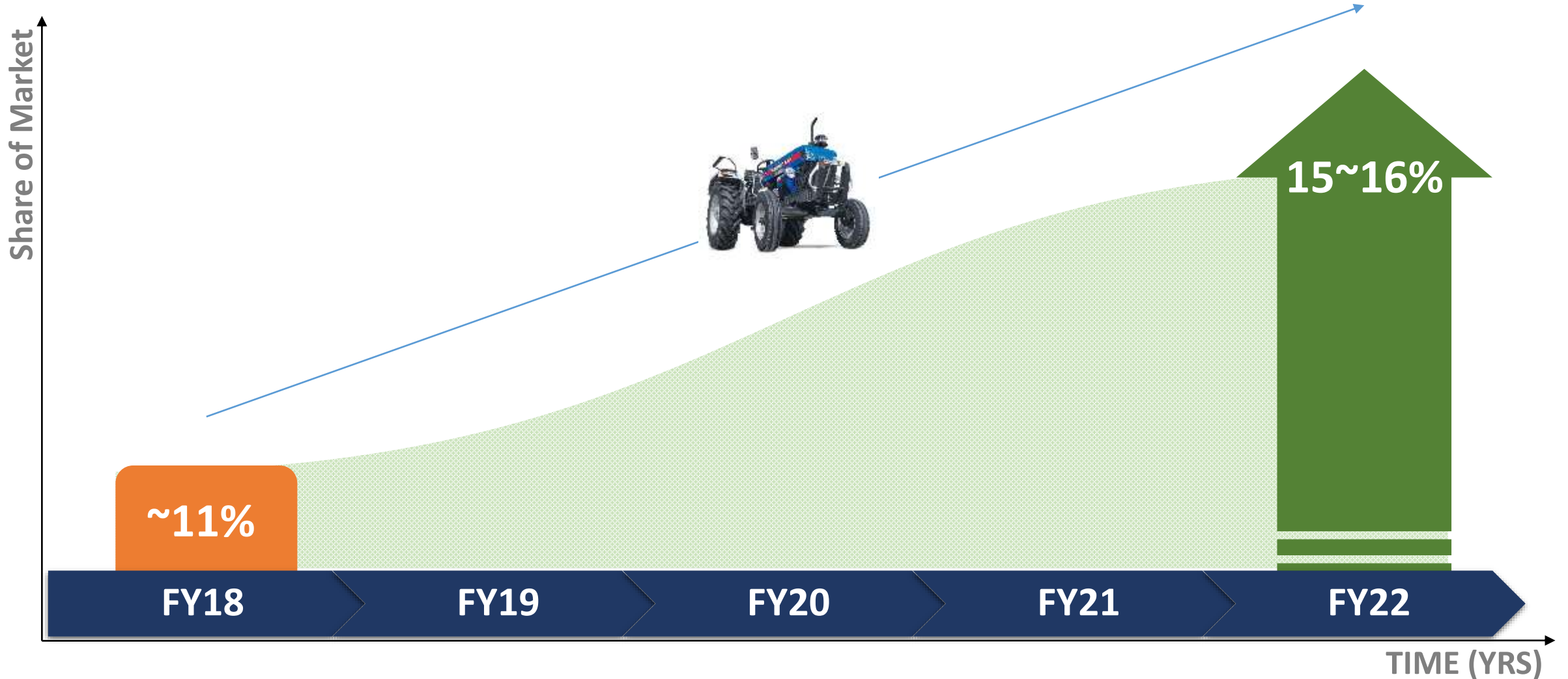
WINNING MARKET



Current 850+ Active Dealer Network

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

DOMESTIC FY'22 MARKET SHARE ASPIRATIONS



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%



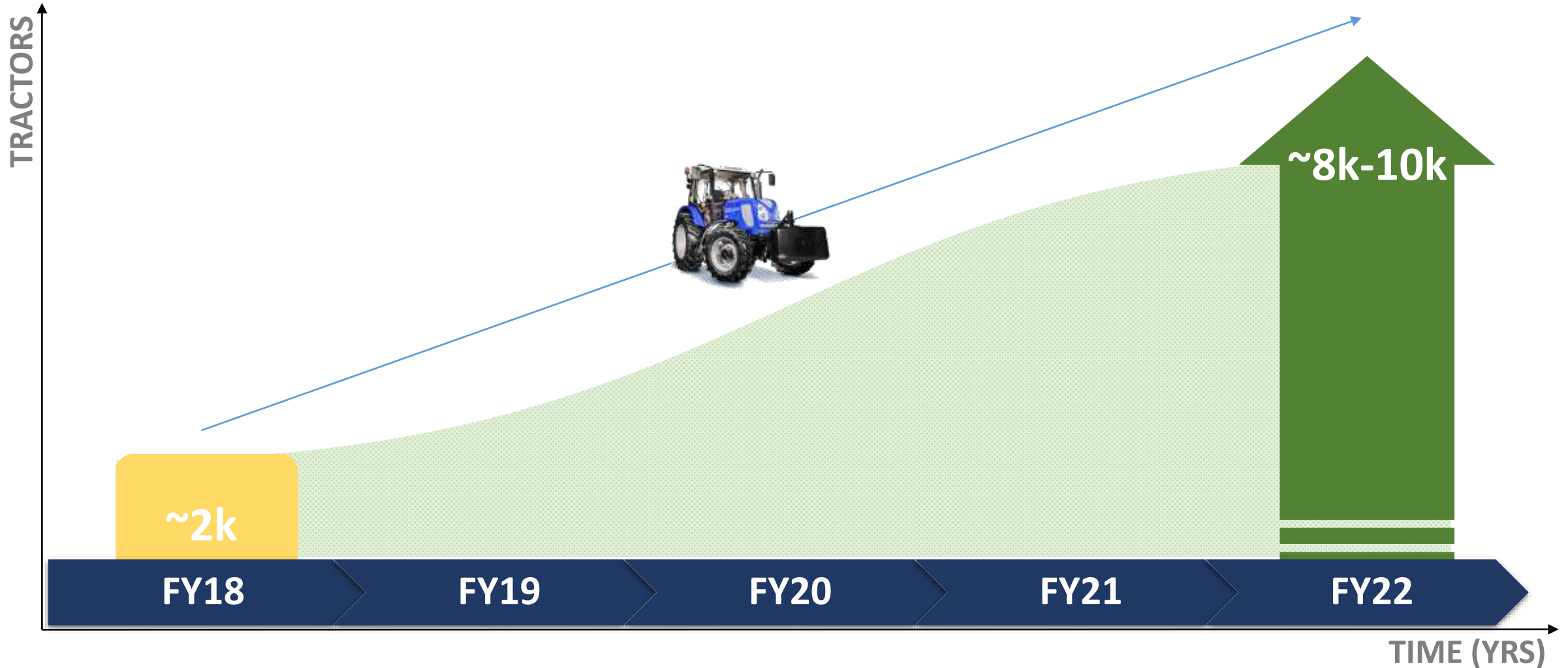
Customer Centricity

48-Hours Parts
Care Button
TRAXI
ETC
Mol Anmol

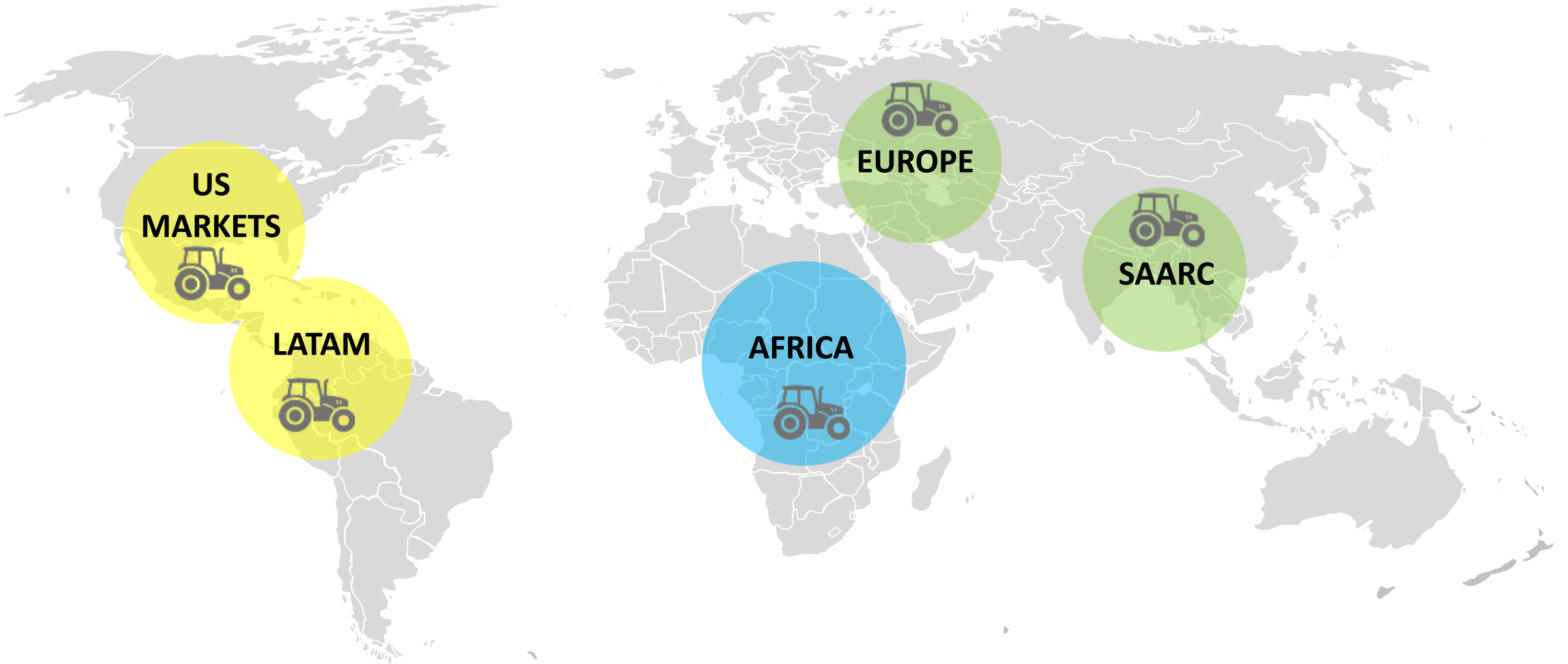


Scientific Sales Management

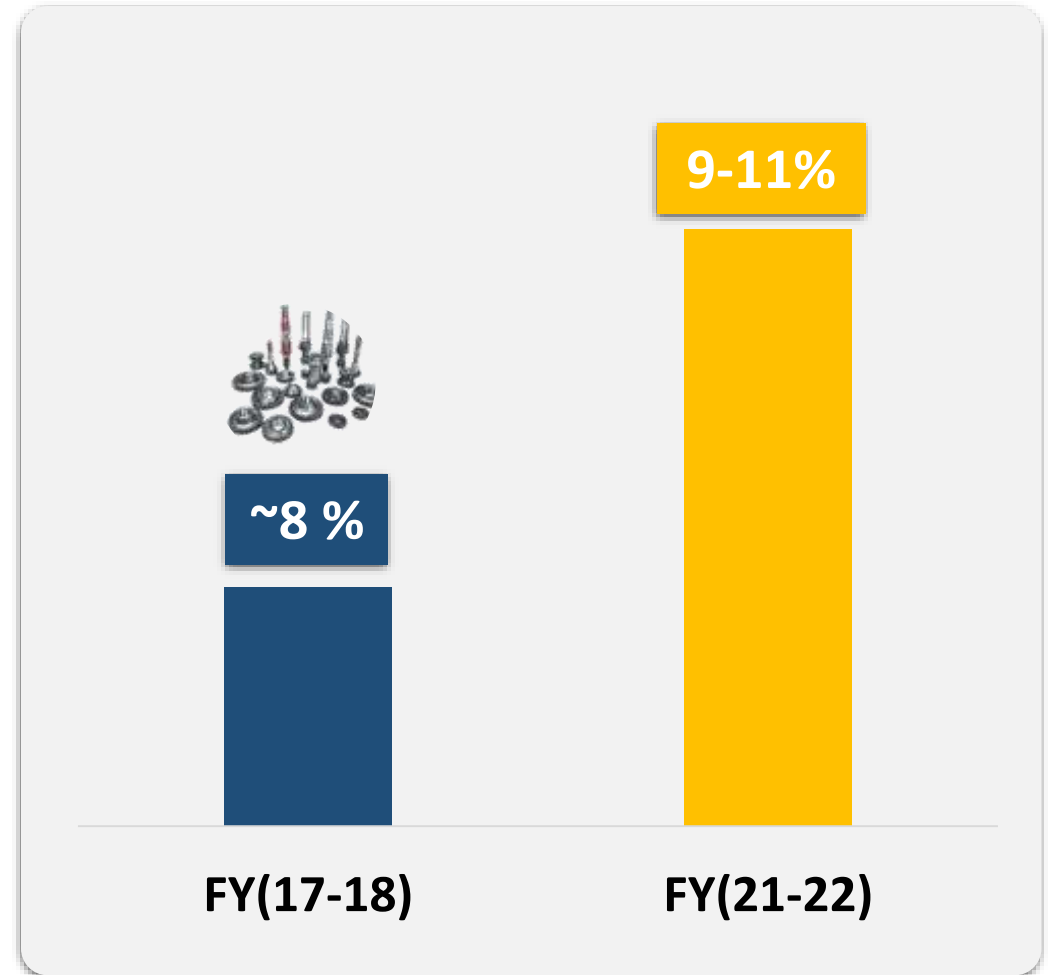
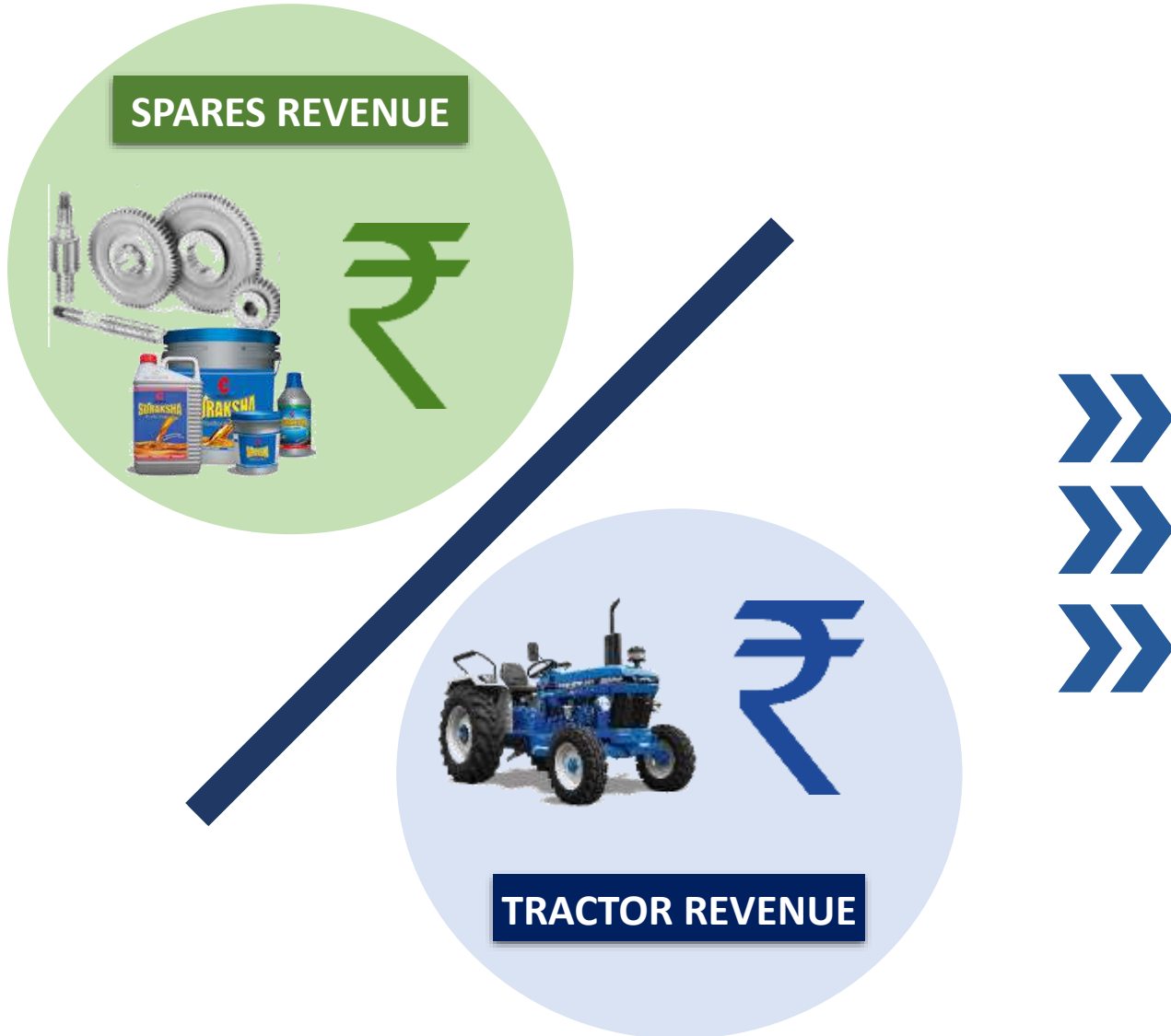
EXPORT ASPIRATIONS FORWARD



FOCUS MARKETS



SPARES ASPIRATIONS FY'22



ENGINES



~4000 UNITS

ENGINE SALES FY (17-18)



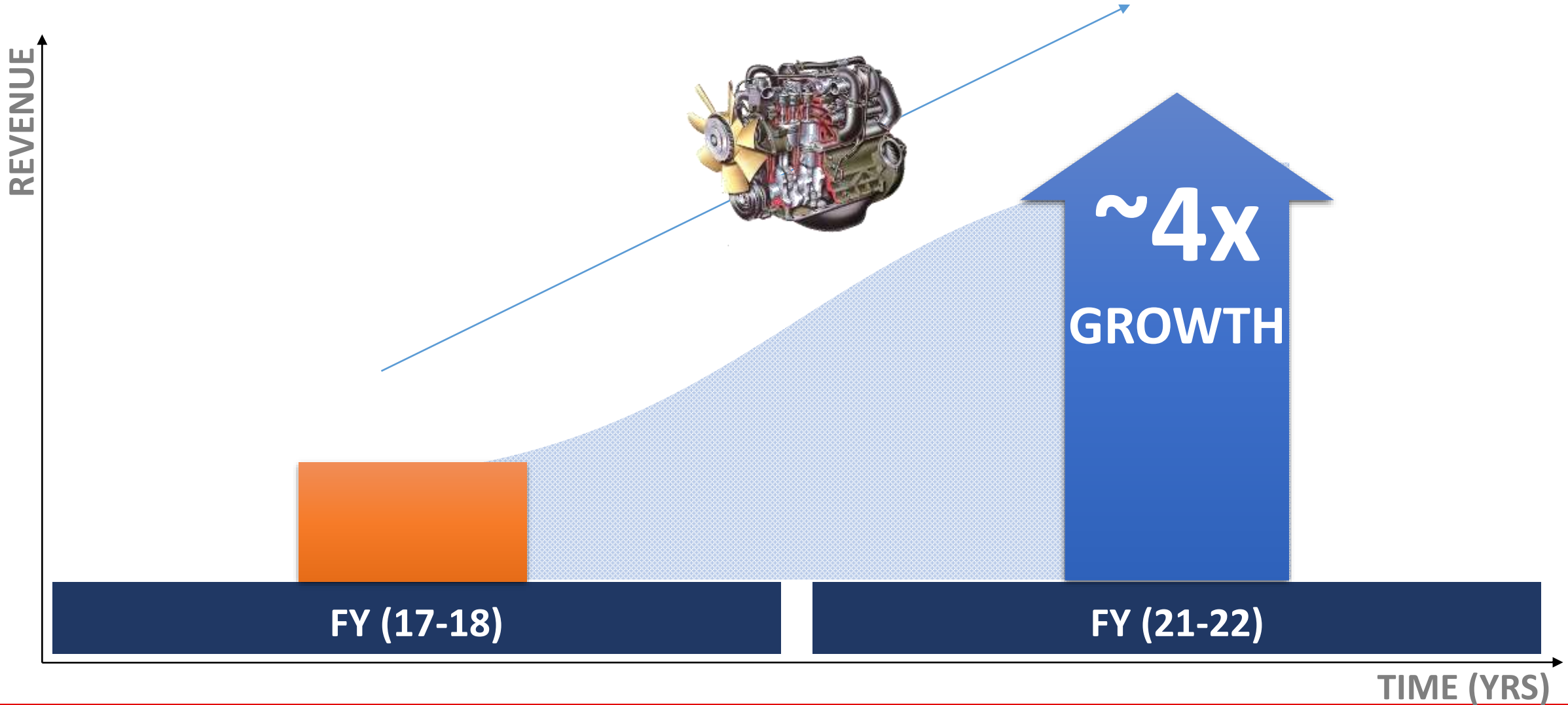
KOHLER®



GREAVES
SINCE 1859



ENGINES FY'22 ASPIRATION



TRACTOR IS AS GOOD AS ITS ATTACHMENTS



SHIP* BUSINESS

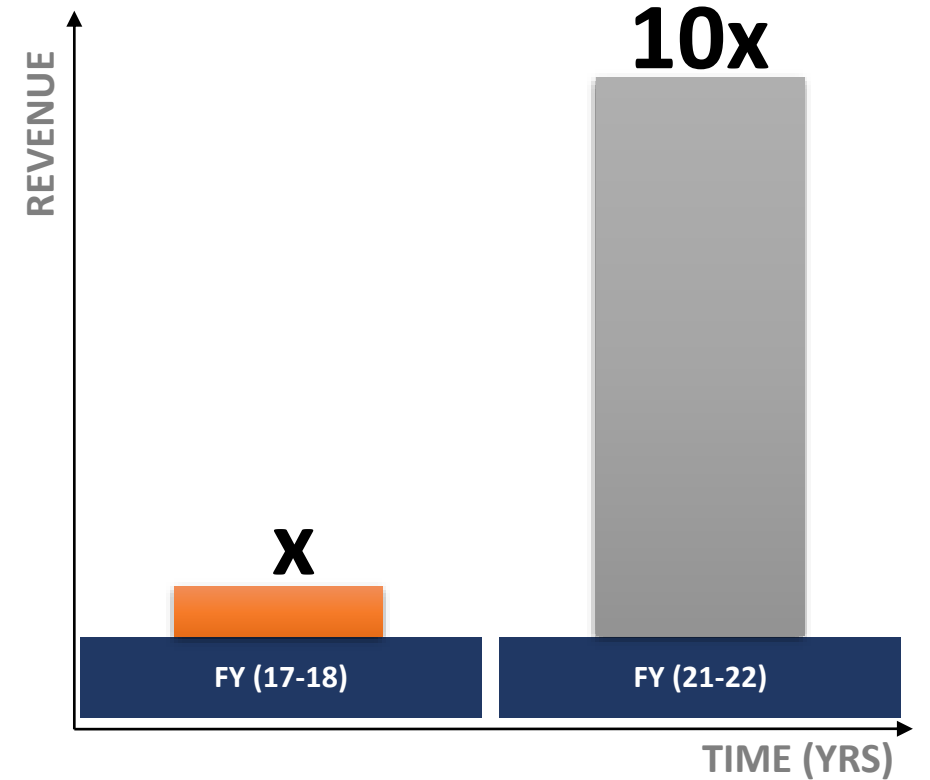
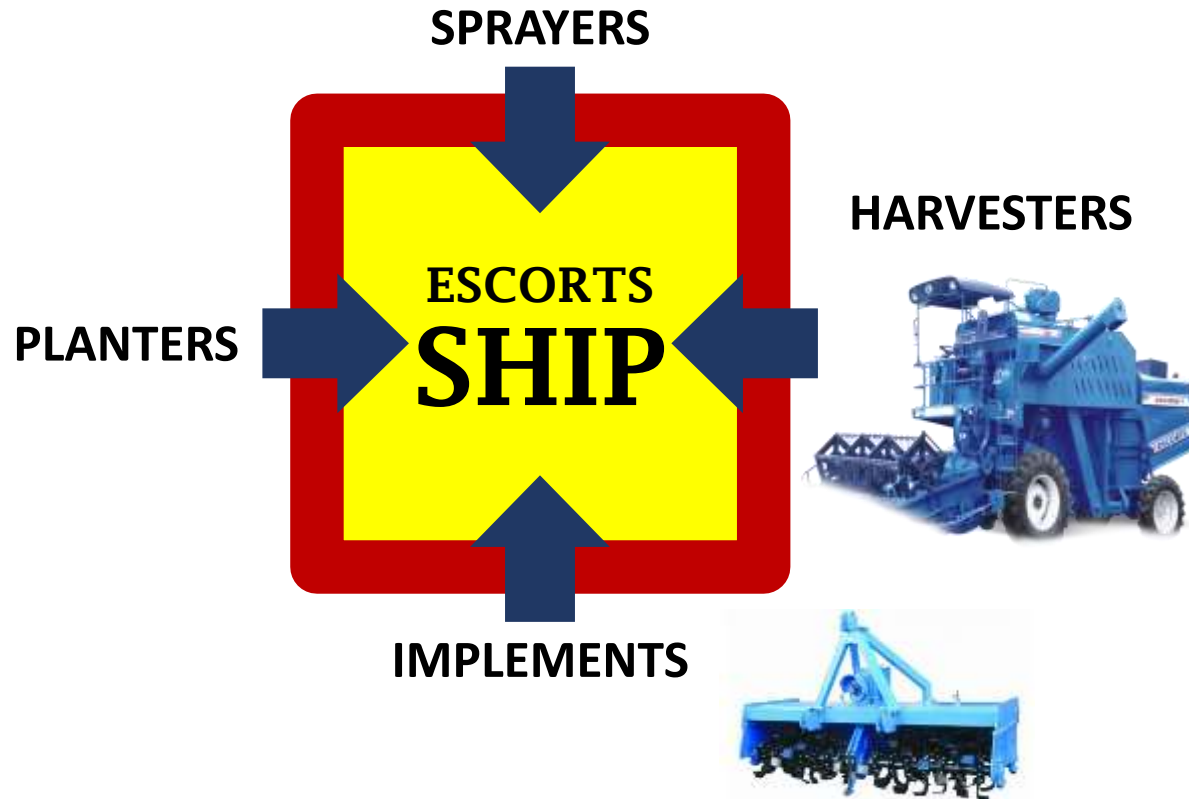


✓ TECHNOLOGY

✓ PRODUCT RANGE

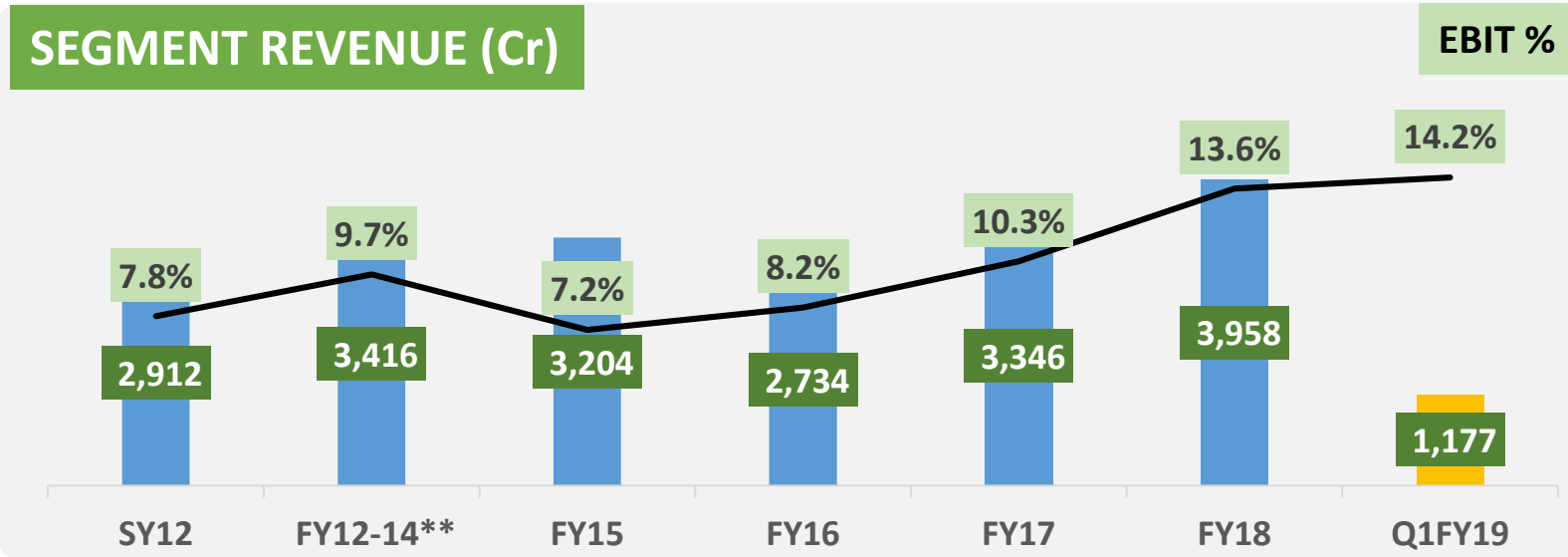
✓ SUPPLY CHAIN

✓ DISTRIBUTION NETWORK

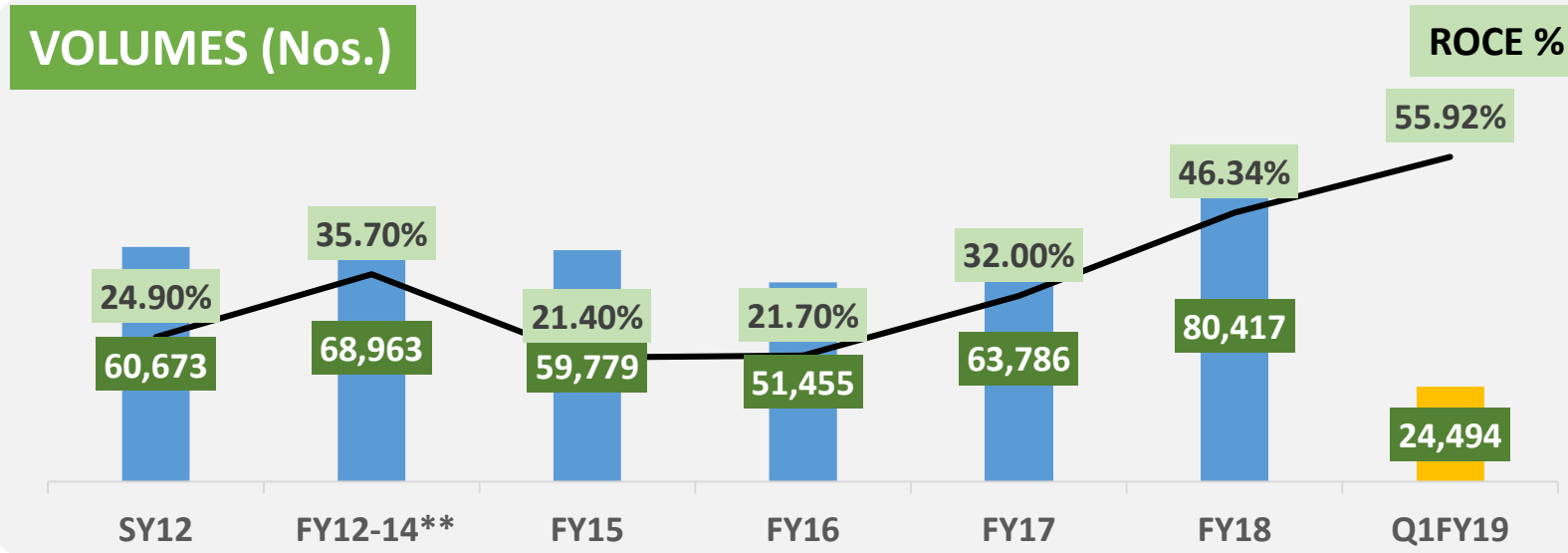


*SHIP = Sprayers, Harvesters, Implements & Planters Business

...EAM JOURNEY SO FAR & ASPIRATIONS FORWARD



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

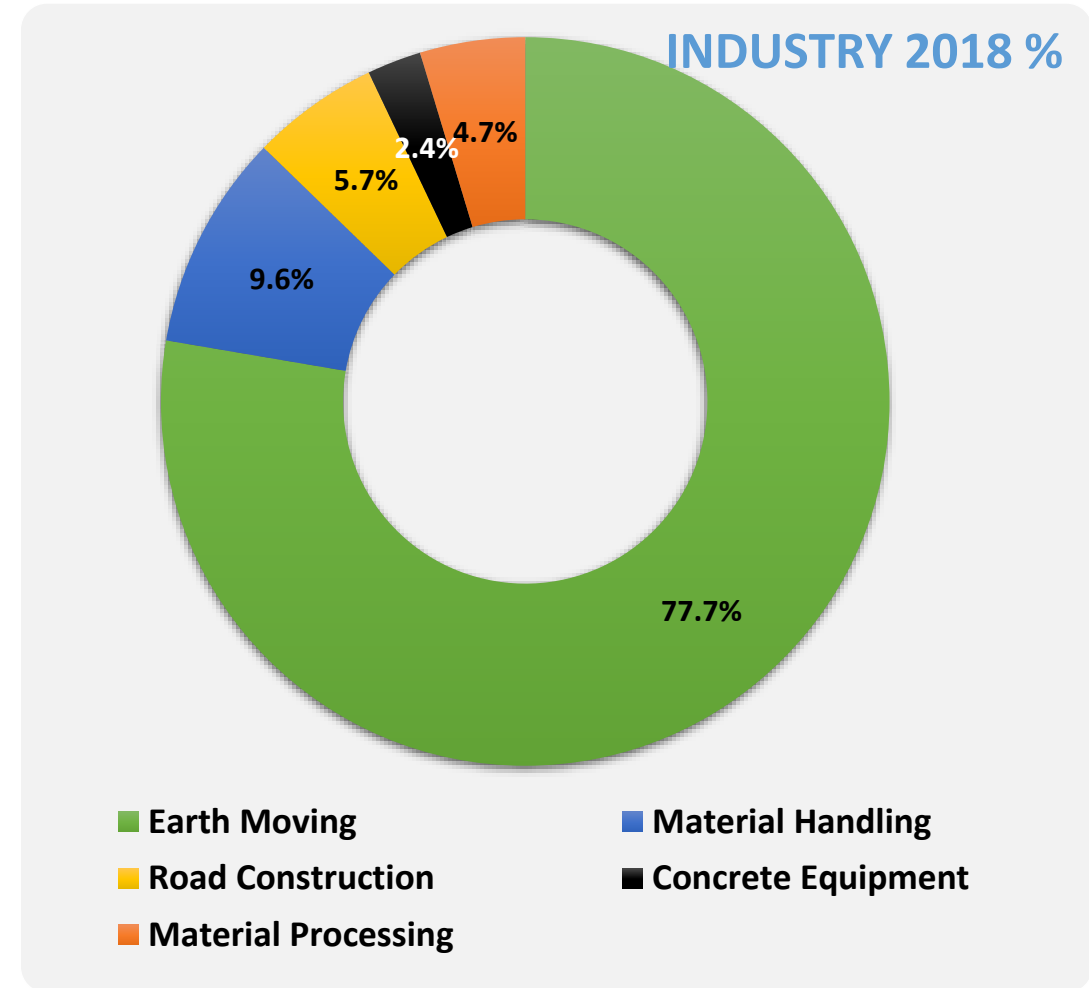
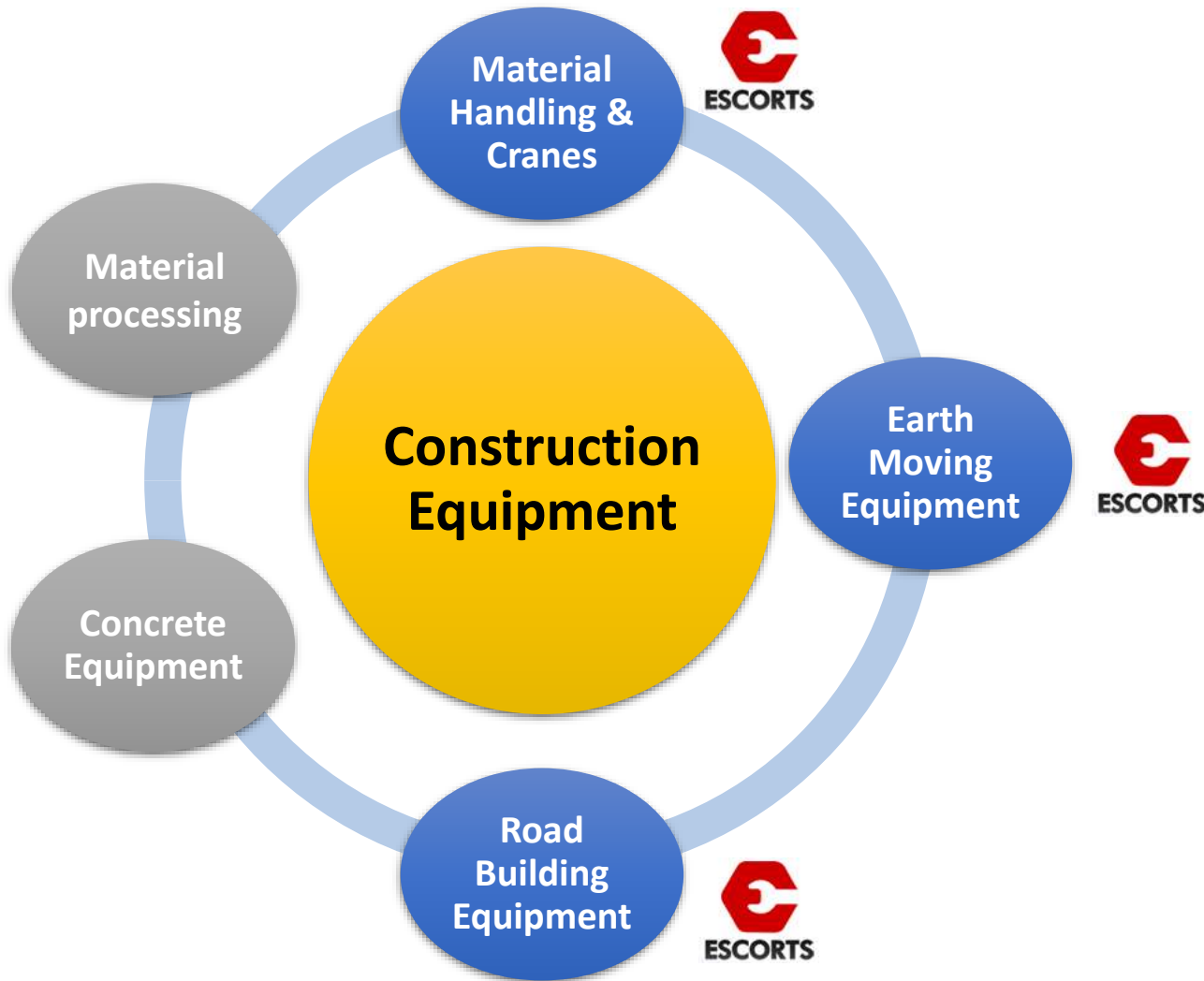


- ❖ Revenue Growth Initiatives
 - ❖ EXPORT
 - ❖ South & West penetration
 - ❖ Emerging Business
- ❖ Cost Rationalization
 - ❖ Raw Material
 - ❖ Manpower cost

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

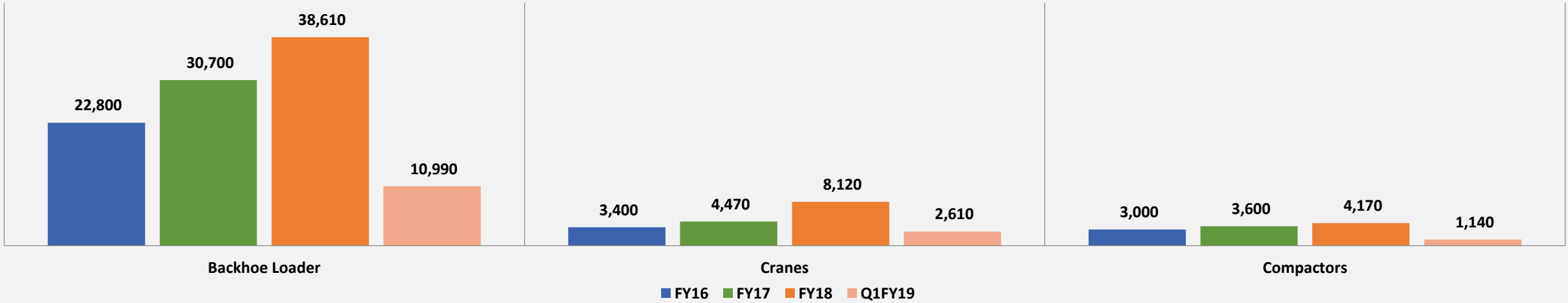


Segment	Major equipment types	Application Segment	User	
1 Earthmoving Equipment	A - Backhoe loader, B - Excavator, C - Wheeled loader 	<ul style="list-style-type: none"> • Mining • Roads • Real Estate/Land Development • Power • Railways/Metros 	Small/ Individual	70%
			Medium fleet owners	20%
			Institutional/corporate	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 		

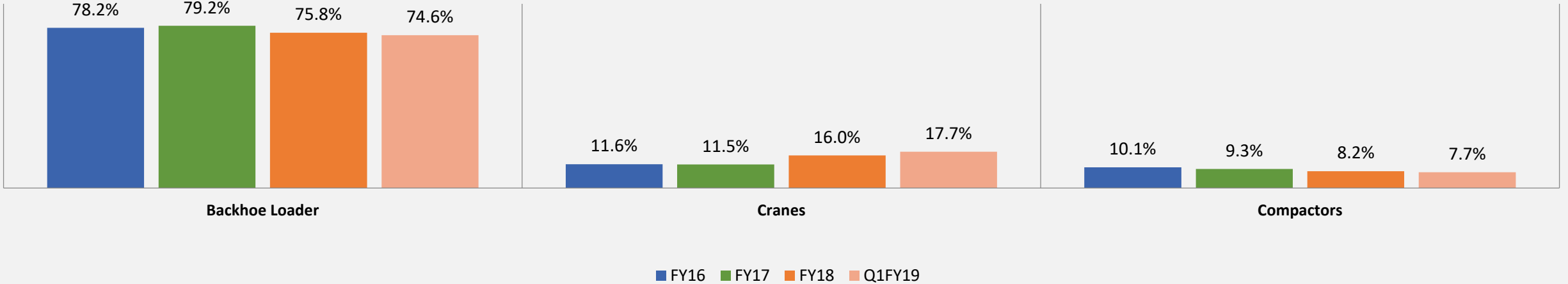
SERVED INDUSTRY SEGMENTATION



Served Industry Volume (Rounded to nearest Ten)



Served Industry category wise in %



PRODUCT PORTFOLIO



1) Material Handling



60%

2) Earth Moving



20%

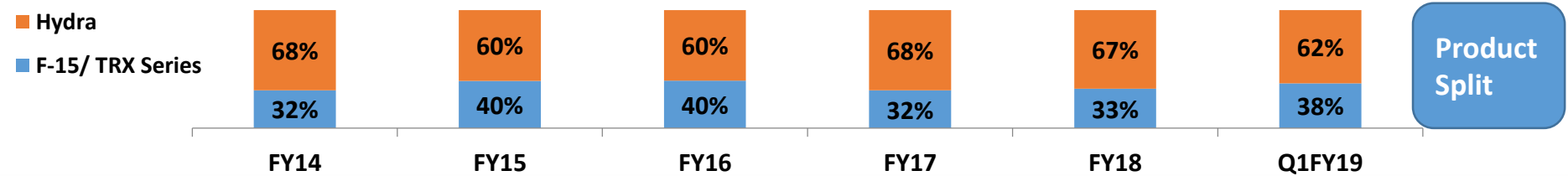
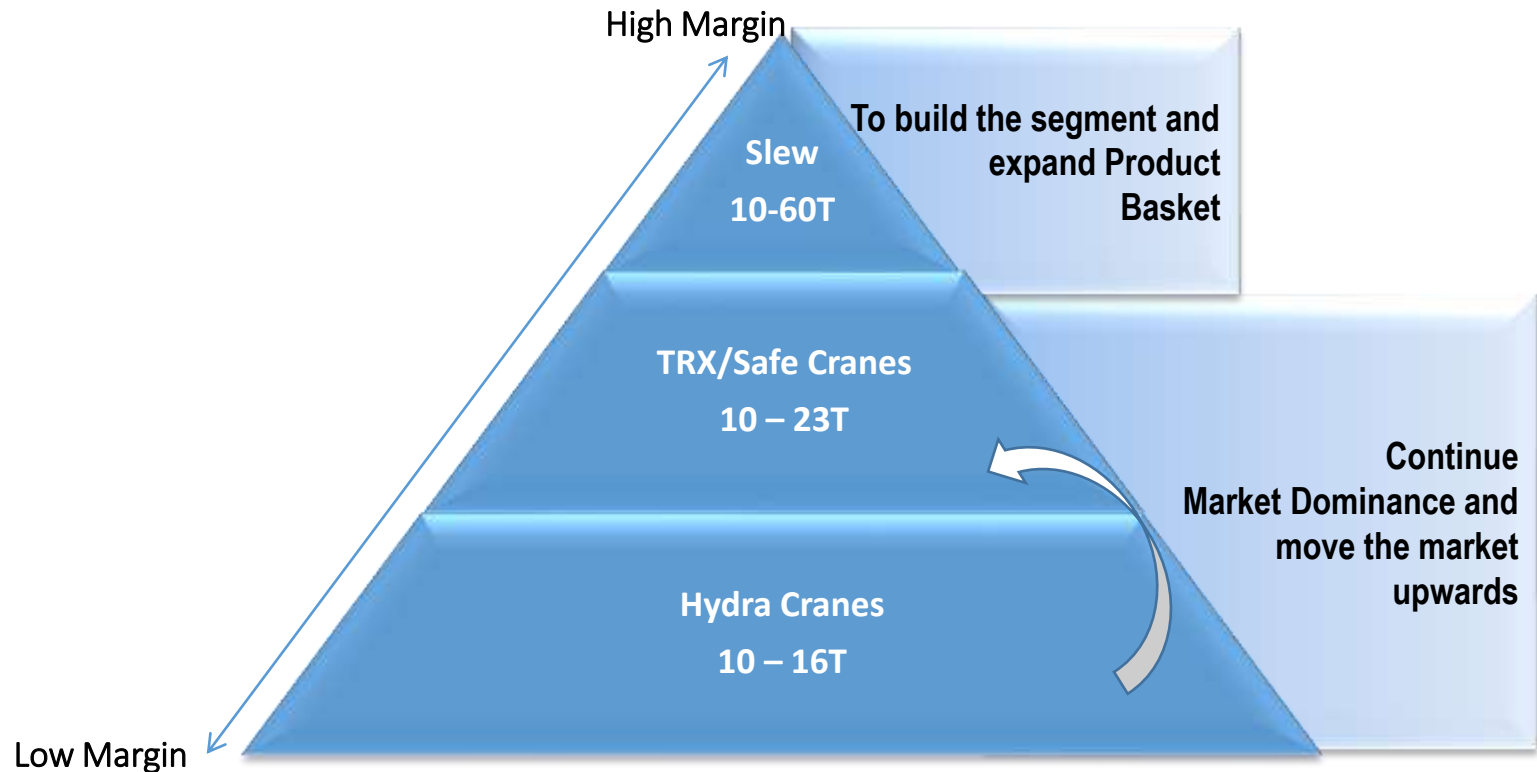
3) Road Construction



10%

% of ECE Revenue

MATERIAL HANDLING



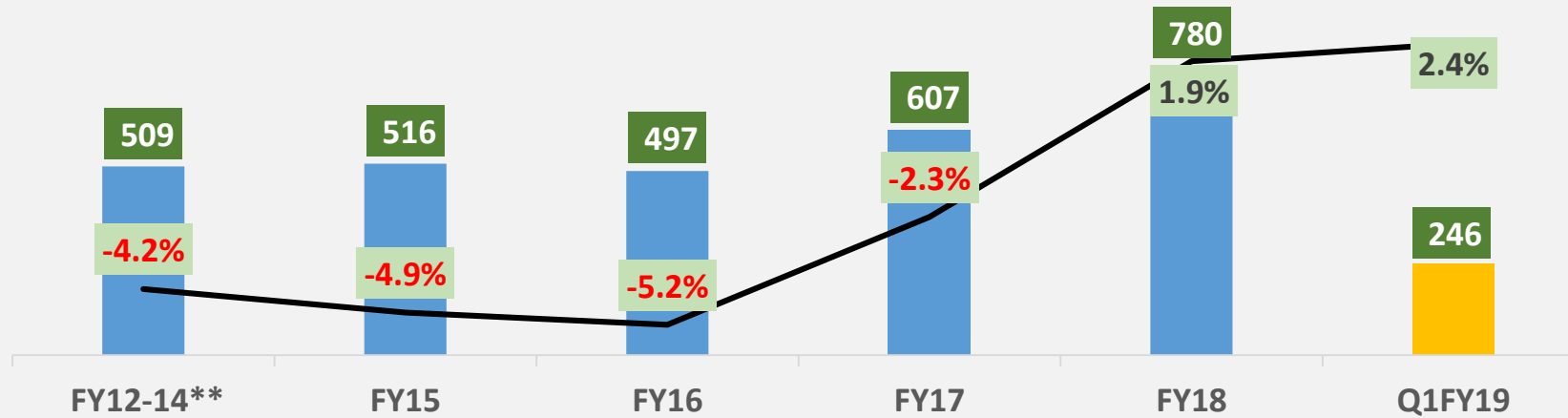
Transform the market from a leadership position

READY TO RIDE THE INDUSTRY BOOM



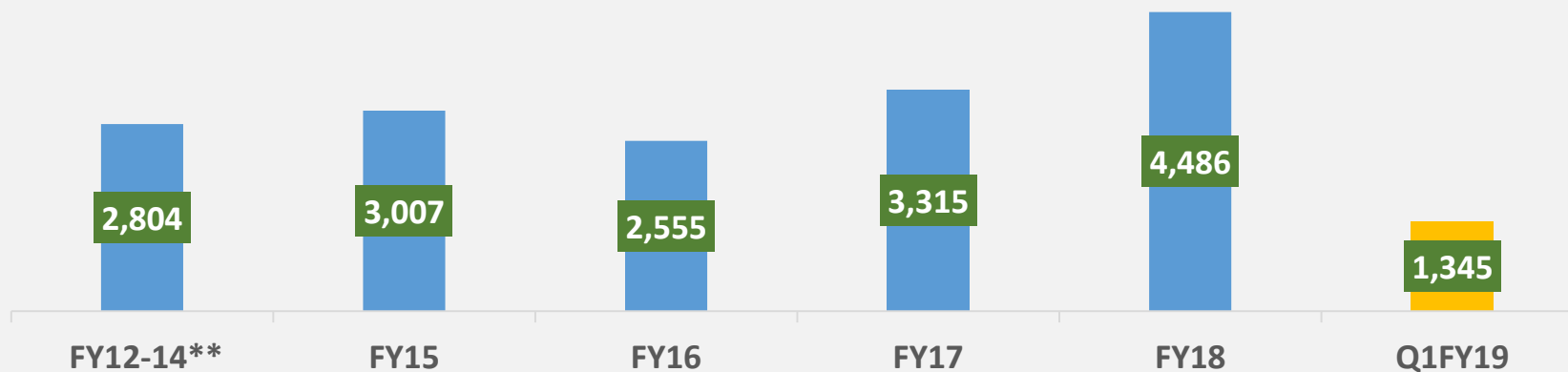
SEGMENT REVENUE (Cr)

EBIT %



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

VOLUMES (Nos.)



Strategic Tie ups

Focus on Cost Reduction :
Material Cost

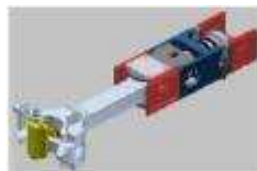
Focus on Export reach
Enhancement

Channel Financing

Dealership & Outlet reach
expansion



RAILWAY EQUIPMENT DIVISION (RED)



ESCORTS RAILWAYS: MANUFACTURING SAFETY & COMFORT

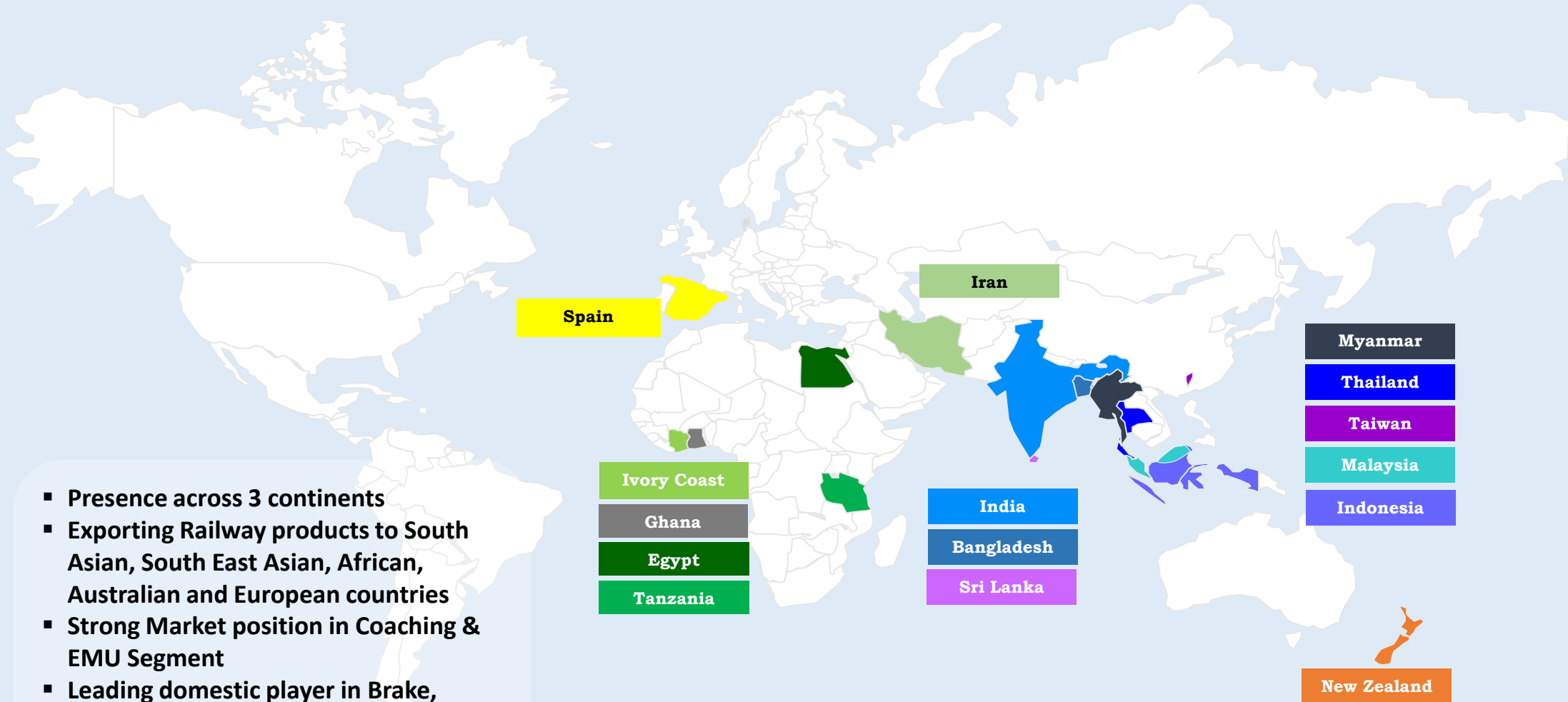


ESCORTS
RAILWAY EQUIPMENT DIVISION

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

Major Sourcing partner for global Rolling Stock OEMs & Operators

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

ON GROWTH TRACK



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

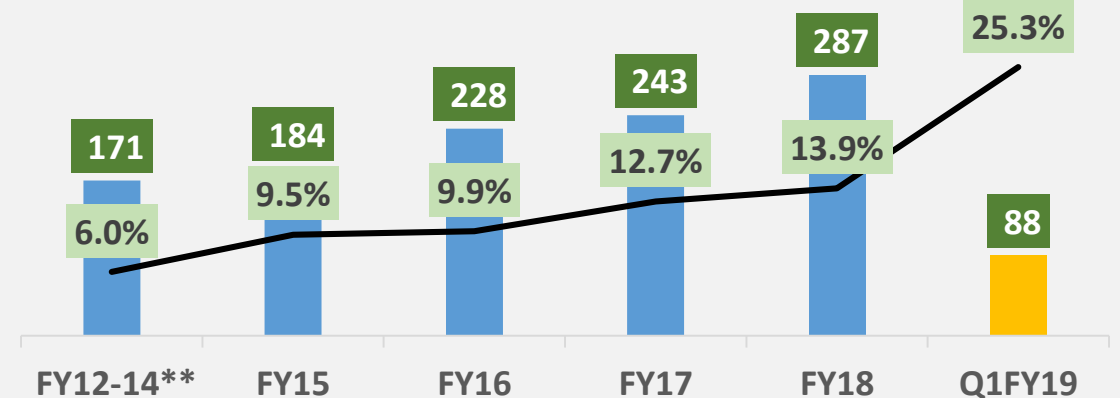
- ✓ Manpower Cost, Productivity Improvements
- ✓ Material Cost improvements
- ✓ New Product Revenue boost
- ✓ Building Strong Inhouse R&D

**CONSISTENT
ORDER BOOK GROWTH**

More Than ₹ 300 Crs. – June'18

SEGMENT REVENUE (Cr)

EBIT %



ASPIRATION 2022

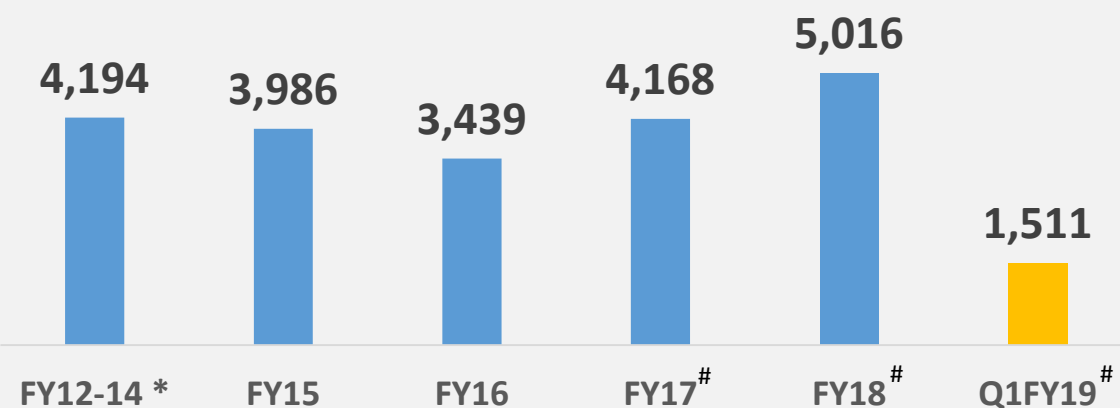


ASPIRATION 2022 To grow business 4x from FY17 base and achieve 17~19 % EBIT Margin

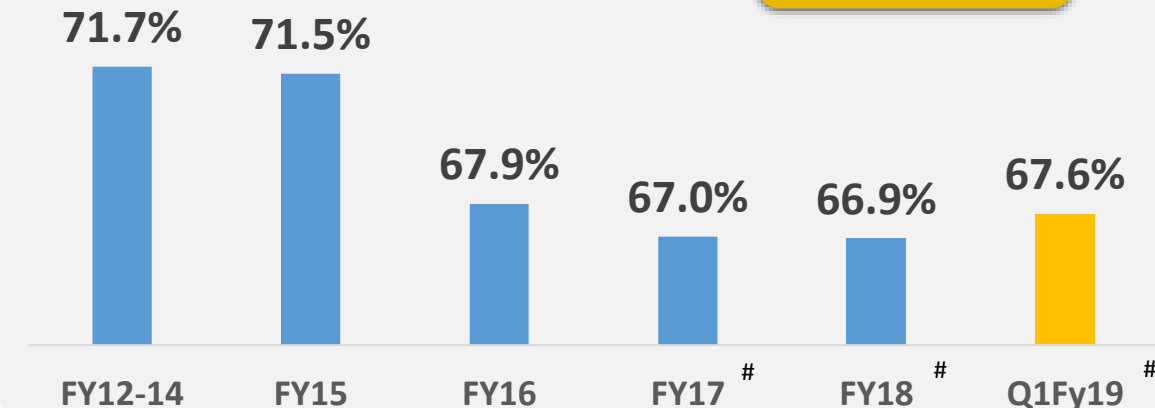
GROUP FINANCIALS

↑ KEY FINANCIAL METRICS...

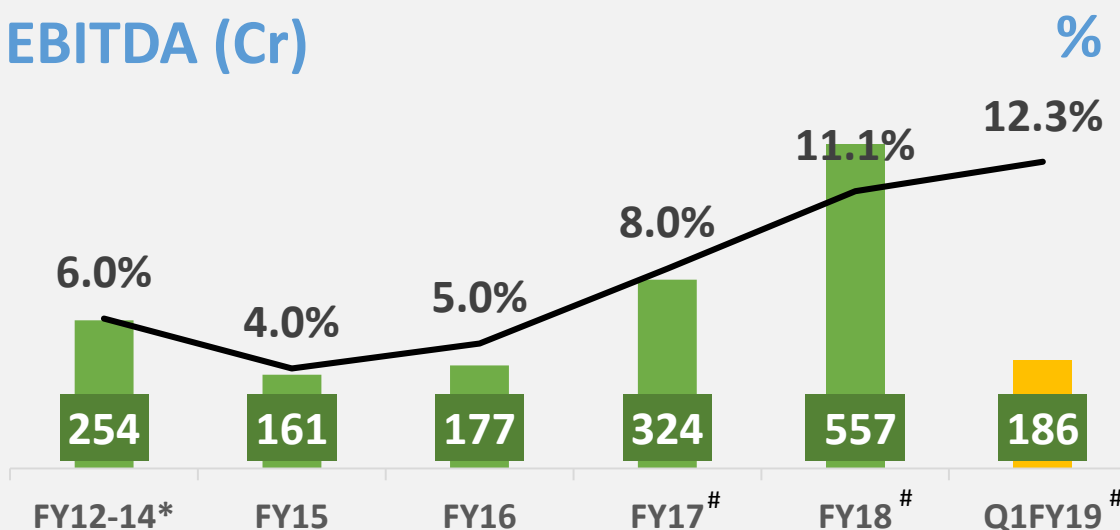
REVENUE (Cr)



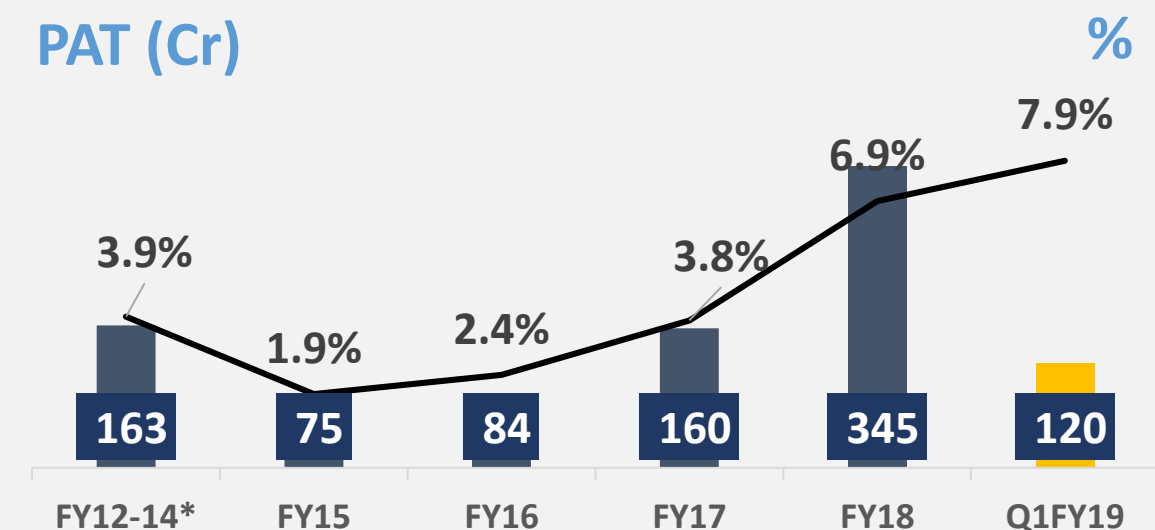
Material Cost



EBITDA (Cr)



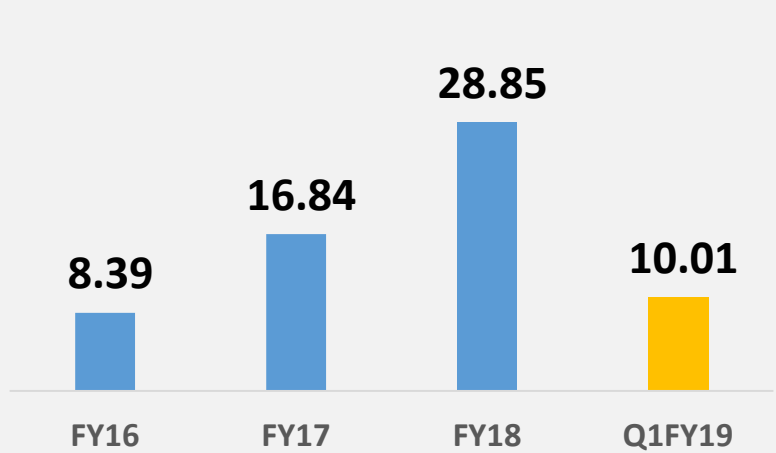
PAT (Cr)



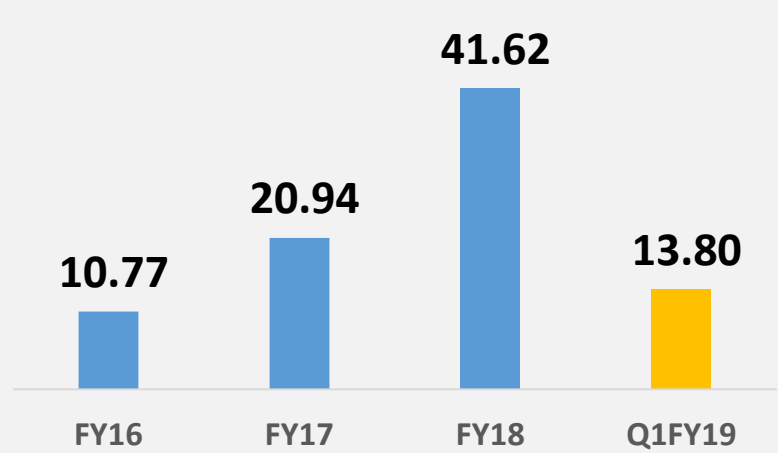
↑ KEY FINANCIAL METRICS...



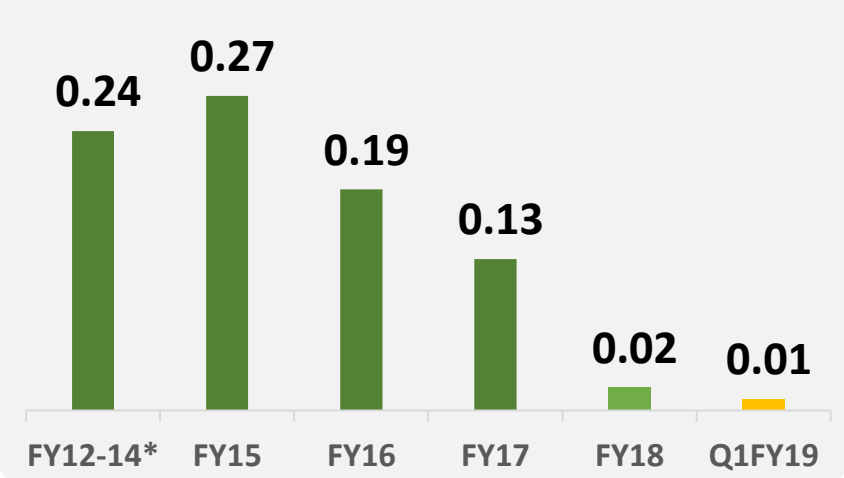
EPS (₹) Including Treasury Shares



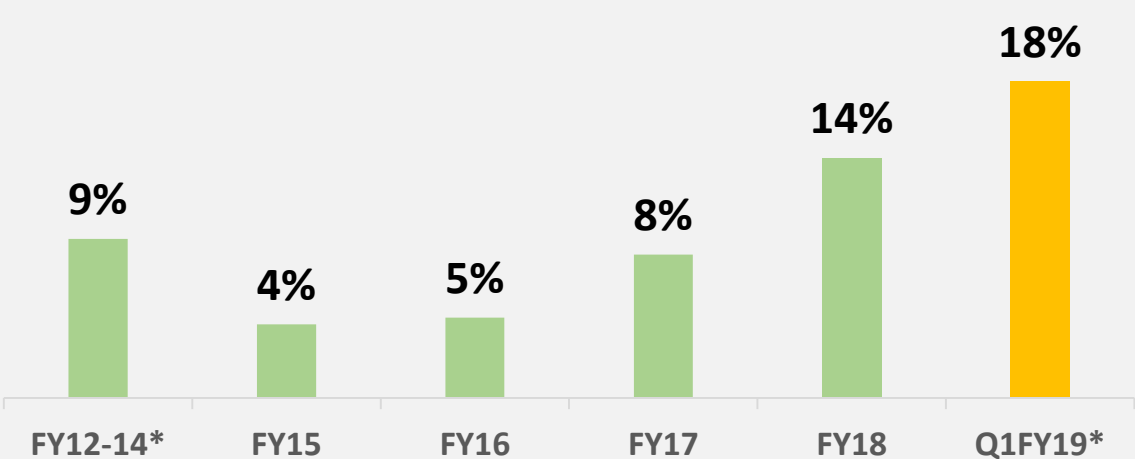
EPS (₹) Excluding Treasury Shares



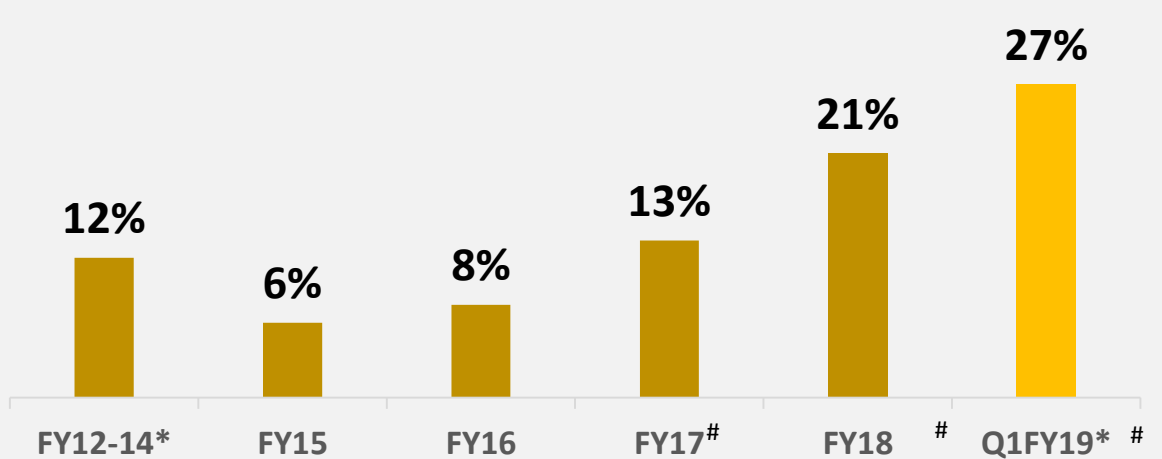
DEBT EQUITY RATIO



ROE %



ROCE %



↑ CONSISTENT RATING UPGRADES



Long Term
Short Term

LBBB-
A3

LBBB
A3+

LBBB+
A2

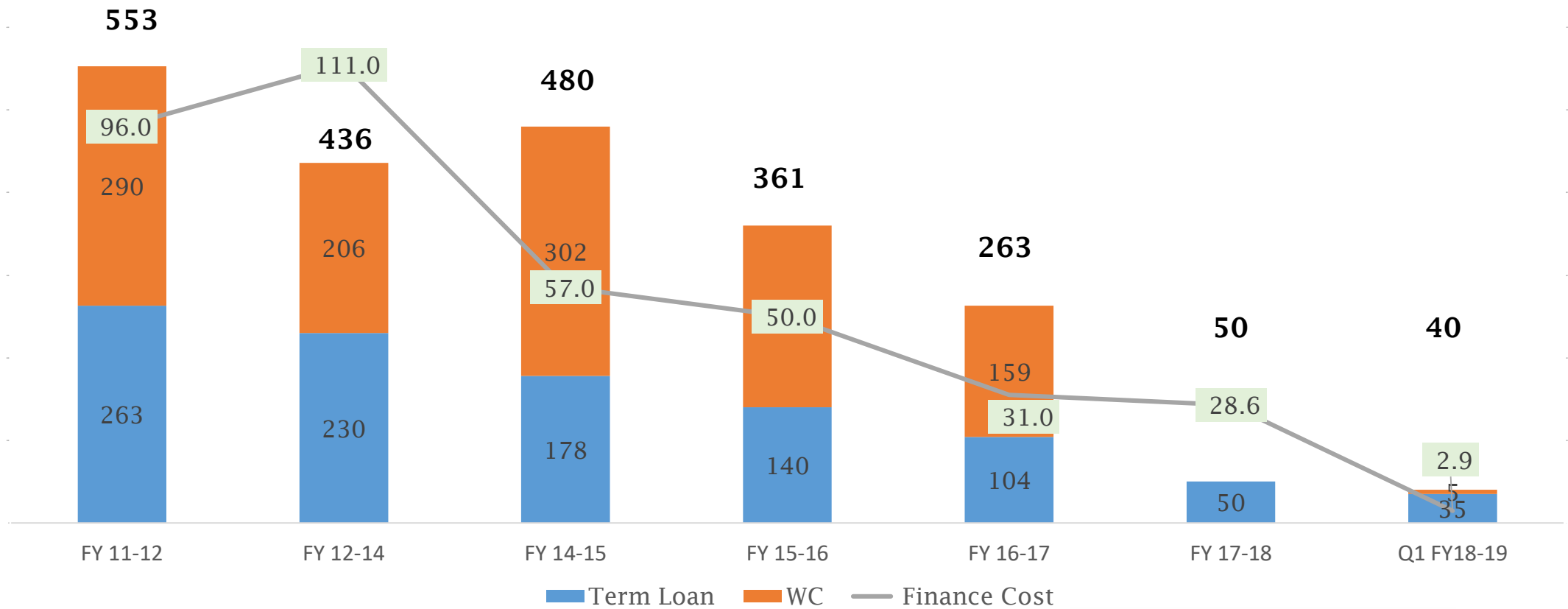
A-
A1

A
A1

A+
A1+

AA-
A1+

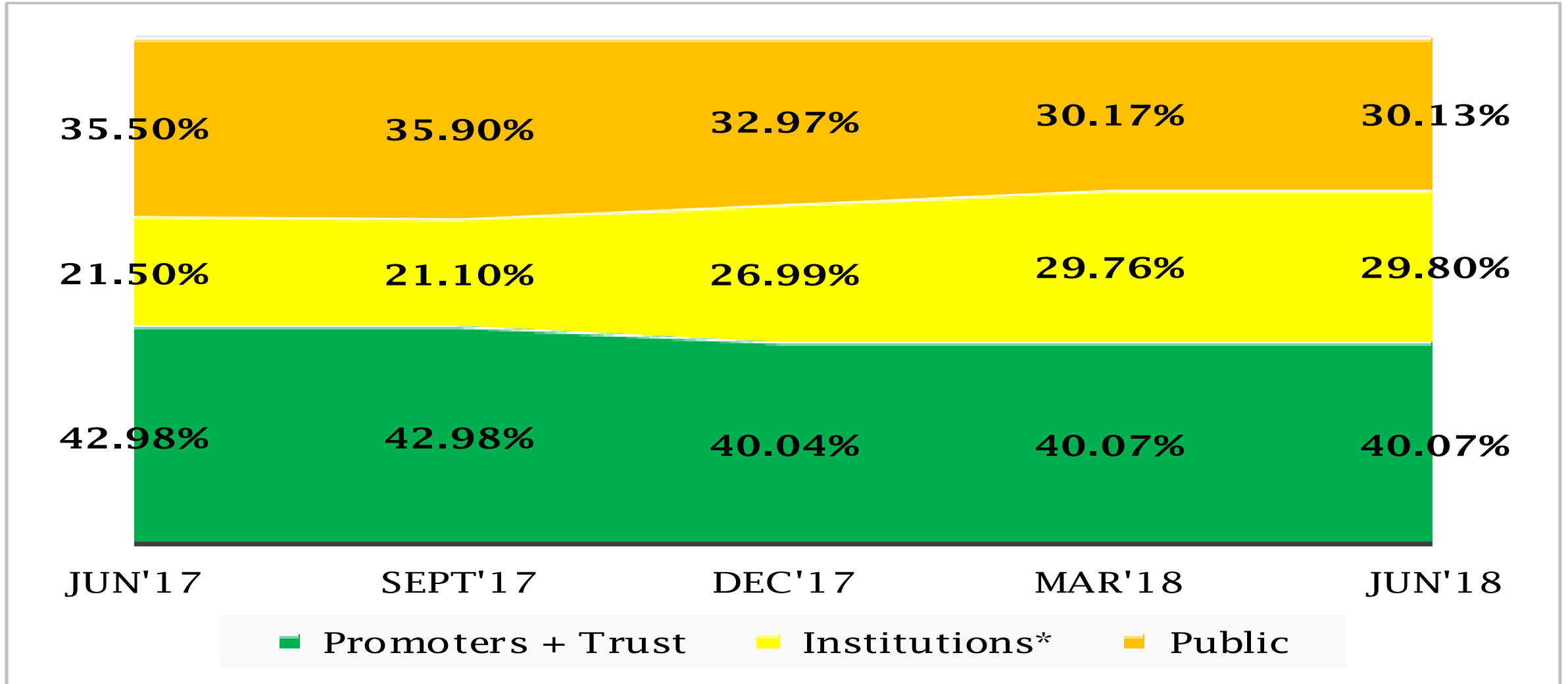
(₹ Crs.)



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

External Credit Rating

↑ SHAREHOLDING PATTERN



* FPI/Financial Institutions/ Banks/Insurance Companies

As of quarter ended



 **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.



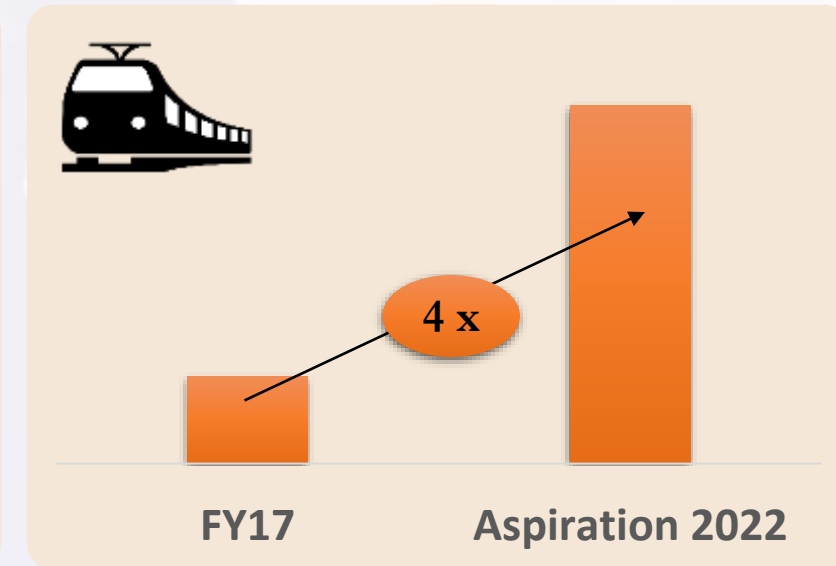
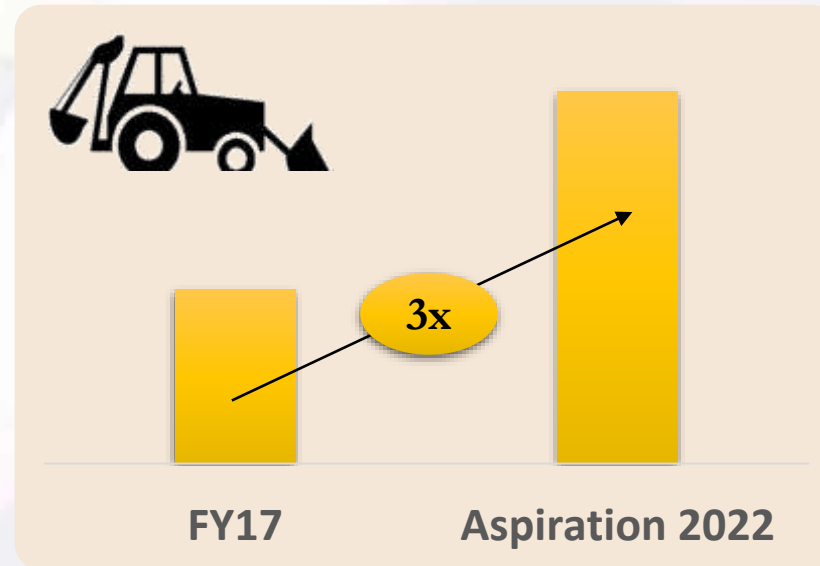
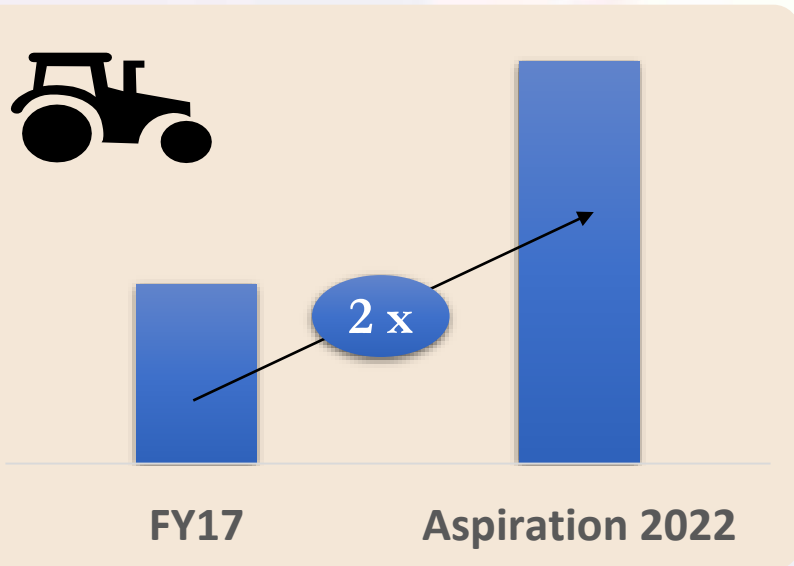
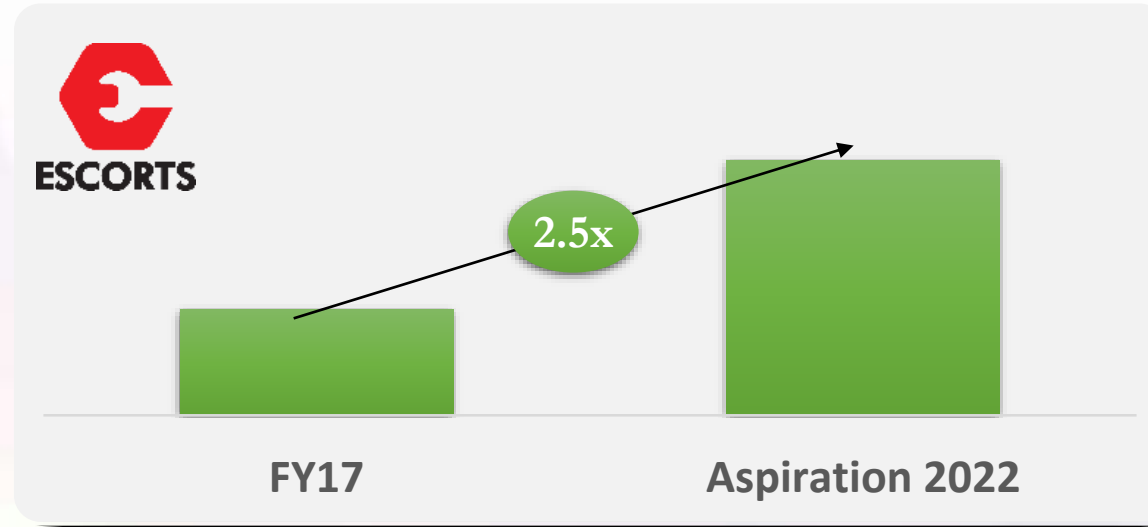
ENSURING SAFETY AND COMFORT IN RAIL TRANSPORT

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



Purpose and Vision

REVENUE (₹ CR.)



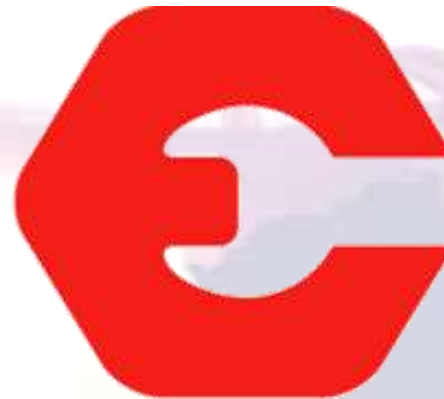
ASPIRATION 2022



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. 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.



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.



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.

MANAGEMENT TEAM



Mr. Shailendra Agrawal
Group Chief Operating Officer

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



Mr. Shenu Agarwal
CE, Escorts Agri Machinery Sales & Marketing & Emerging Businesses

➤ 26 years of experience in domestic and international sales and marketing, R&D and product development, strategy and project management



Mr. Ajay Mandahr
CE, Escorts Construction Equipment

➤ 26 years of experience in operations, sales & marketing, new product development



Mr. Dipankar Ghosh
CE, Railway Equipment Division

➤ 24 years of experience in product development, manufacturing operations and technology transfers



Mr. Bharat Madan
Group Chief Financial Officer

➤ 28 years plus of experience in financial accounting, audit, cash and capital management, forecasting and risk management, tax planning, financial modelling and analysis



Amanpreet Singh Bhatia
Group Head - Human Resources

➤ 25 years' experience in organizational transformation, creating performance-driven culture, building leadership pipeline, and managing employee relations



Mr. Ajay Sharma
Group General Counsel & Company Secretary

➤ 25 years' experience in Corporate Law, Overseas Acquisition, Legal Due Diligence, Joint Ventures Structuring, with specific focus on International Laws

↑ OUR VALUES



OUR CORE VALUES  **ESCORTS**

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  **ESCORTS**

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.

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