



Ref /EL/SEC/Eventdisc-26/2018

**ESCORTS**

Date: September 22, 2018

The Manager  
Listing Department  
**National Stock Exchange of India Limited**  
5<sup>th</sup> Floor Exchange Plaza  
Bandra Kurla Complex, Bandra East, Mumbai -400051

NSE Code: Escorts  
BSE Code: 500495  
DSE Code: 00012

Dear Sir

**Sub: Intimation of meeting with Investors/ Fund Houses & Others**

In compliance of the *Regulation 30(6) read with Schedule III, Part A*, para A (15) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that Company has scheduled the meeting as under:


Date	Type of Events	Interaction With	Venue of Meeting
September 24, 2018 to September 28, 2018	Non Deal Road Show in USA Organized by Credit Suisse	Investor/Fund Houses & Others	USA

Further please note that Investor Presentation is available on our website under investor section @ [https://www.escortsgroup.com/templates/escortsgroup\\_home/images/pdf/whyinvest.pdf](https://www.escortsgroup.com/templates/escortsgroup_home/images/pdf/whyinvest.pdf) pursuant to *Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*.

This is for your information & record.

Thanking you,

Yours Faithfully  
For **ESCORTS LIMITED**

  
**Ajay Sharma**  
Group General Counsel  
& Company Secretary  
Copy to:

<b>Copy to:</b> The Manager Listing Department <b>BSE Limited</b> 25 <sup>th</sup> Floor P J Towers Dalal Street, Fort, <b>Mumbai -400001</b>	The Manager Listing Department <b>Delhi Stock Exchange Limited</b> DSE House, 3/1 Asaf Ali Road, <b>New Delhi -110002</b>
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**ESCORTS LIMITED**

Corporate Secretarial & Law

Registered Office : 15/5, Mathura Road, Faridabad - 121 003, Haryana, India

Phone : +91- 129-2250222, Fax : +91-129-2250060

E-mail : [corpsl@escorts.co.in](mailto:corpsl@escorts.co.in), Website : [www.escortsgroup.com](http://www.escortsgroup.com)

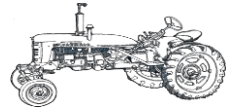
Corporate Identification Number - L74899HR1944PLC039088



# INVESTOR PRESENTATION

September 2018

# OUR JOURNEY SO FAR



1944  
Founded  
**Escorts**

1948  
Launch  
**Escorts (Agri  
Machinery  
Ltd.)**

1954  
Franchise of  
**Massey  
Ferguson**  
tractors for  
northern India

1969  
JV with **Ford  
motors**  
to make  
Tractors

1971  
**Manufacturing**  
Of Construction  
Equipment

1979  
Collaboration  
with **JCB** For  
backhoe

1995  
Launch  
**Farmtrac**  
End JV with  
Ford



1998  
Launch  
**Powertrac**  
Brand of  
tractors



2003  
End  
Collaboration  
with **JCB**

2005  
Divested from  
other business to  
**focus** on tractors  
and construction  
equipment

2010  
Launch **DIGMAX**  
Brand of Backhoe



2016  
**Escorts Credit**  
Partner with **DLL**  
for Financing



2017  
**Auto part  
Business**  
Divested



2018  
~Distribution  
Agreement with  
**Doosan Infracore  
Co. Limited**  
~JV with **Tadano**  
for high end cranes



# OUR CURRENT BUSINESSES



## Escorts Agri Machinery



Revenue FY18: \$ 546.7 mn.  
Q1FY19: \$ 162.6 mn.

## Escorts Construction Equipment



Revenue FY18: \$ 107.7 mn.  
Q1FY19: \$40 mn.

## Railway Equipment Division



Revenue FY18: \$ 39.6 mn.  
Q1FY19: \$ 12.2 mn.

Revenue FY18: \$ 692.8 mn.  
Q1FY19: \$ 208.7 mn.

# 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 60,702 sq.m. of space with a capacity of 10,000 units p.a.

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

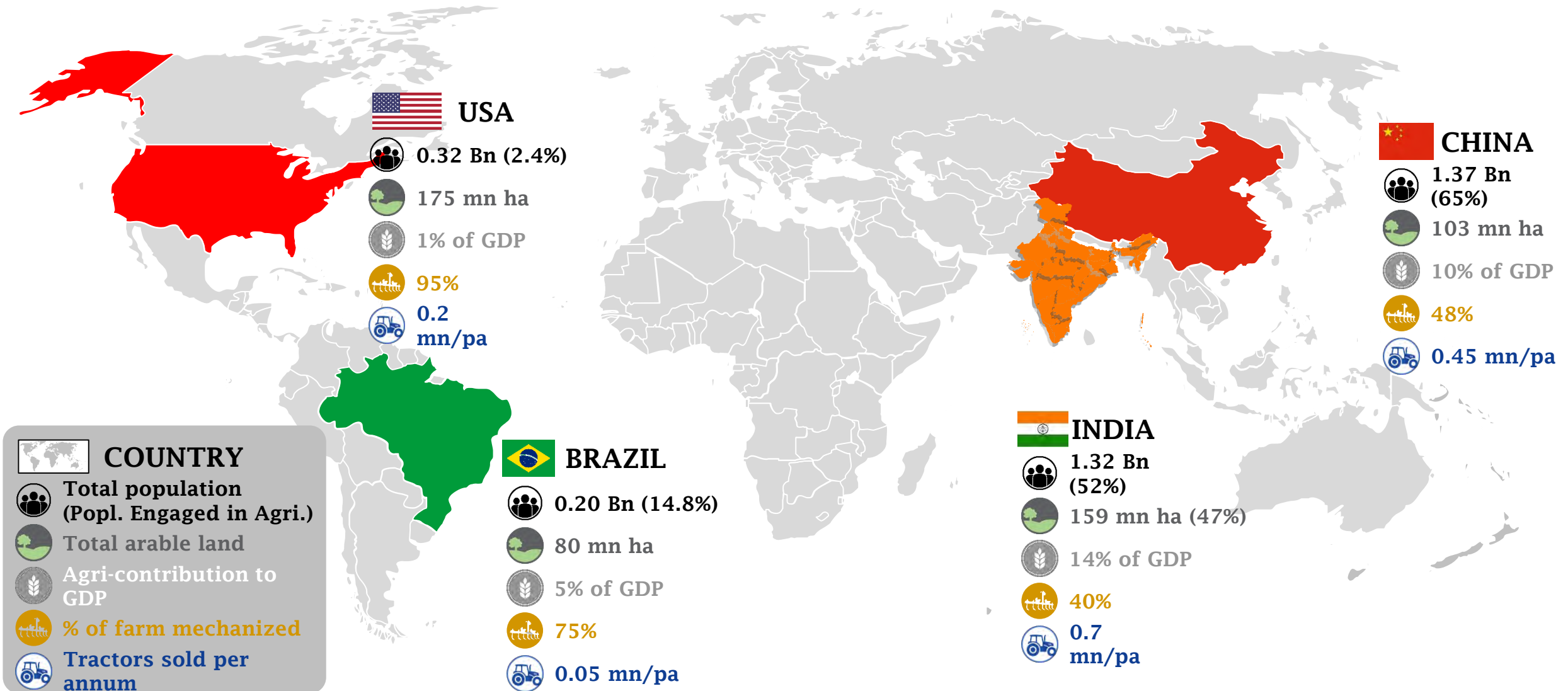
State of the art manufacturing facility sprawling 55,609 sq.m.  
Couplers (AARH + Shaku )1100 p.a., Air Brake 4400 p.a., EP Brake 200 p.a., Brake Block: 32,000 p.a.



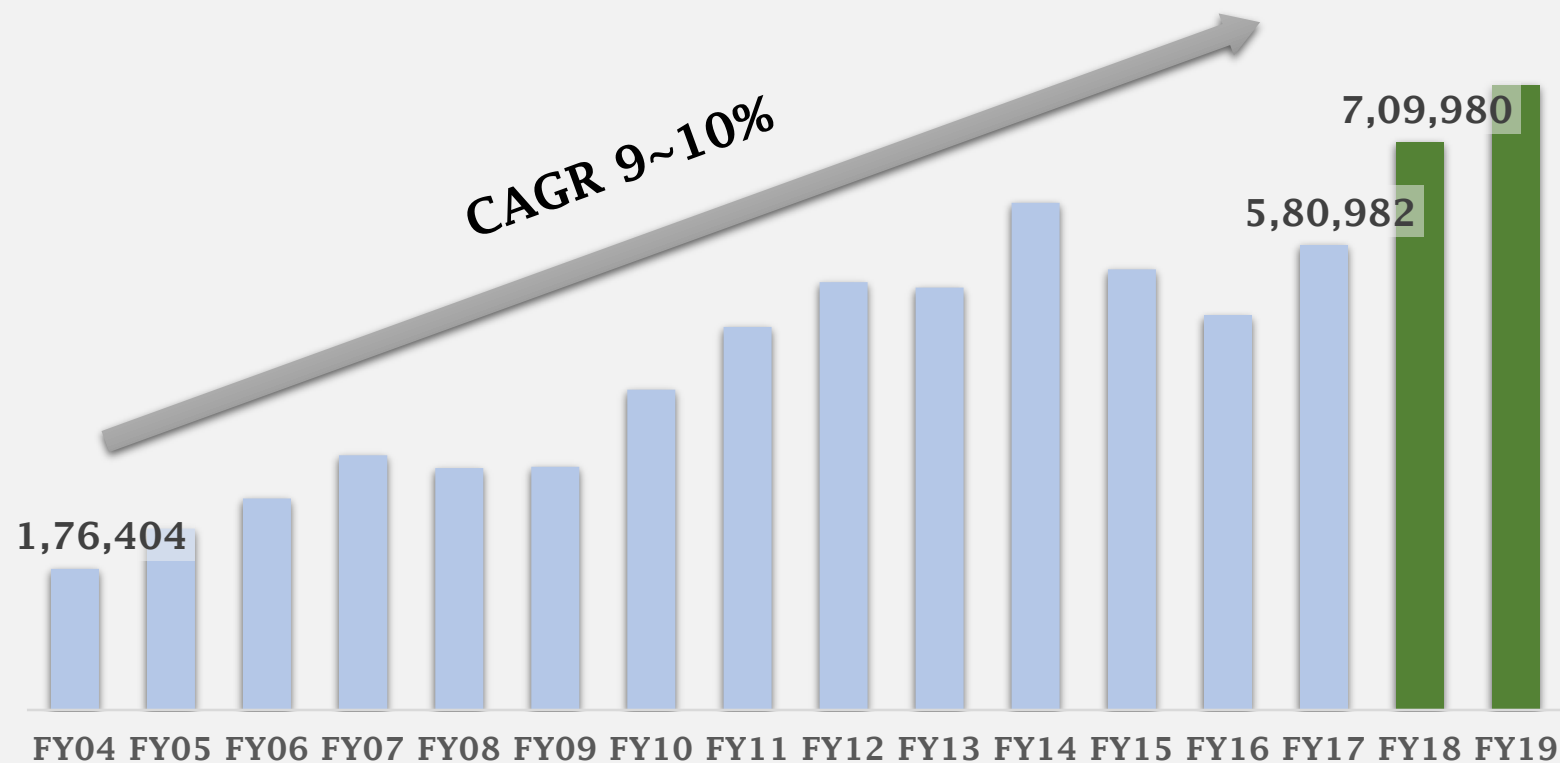
# SCORTS AGRI MACHINERY (EAM)



# INDIA NEEDS MECHANIZATION



# ↑ DOMESTIC TRACTOR INDUSTRY



Increasing Trend towards  
Mechanisation

Minimum Support Prices  
for Key Crops

Scarcity of Labour

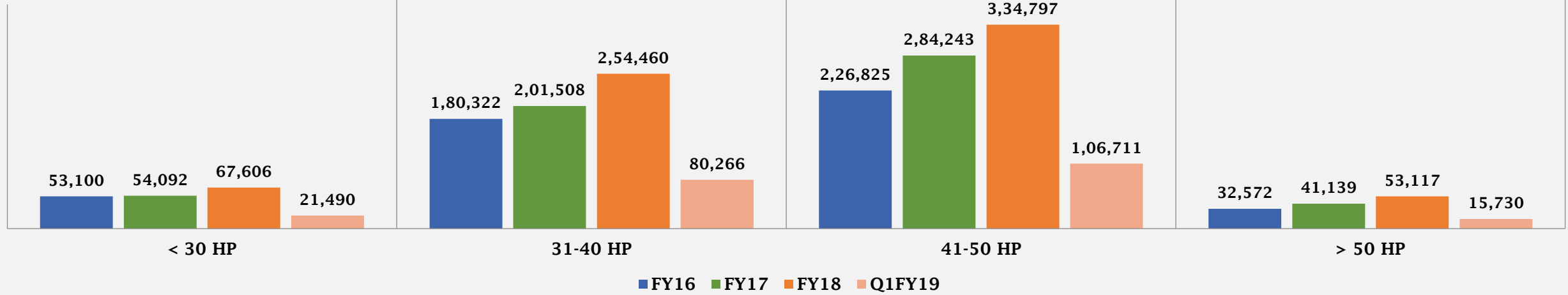
Ease of Credit Availability  
from Govt.

- ❖ India is the **largest** manufacturer of farm equipment
- ❖ India accounts for nearly **1/3<sup>rd</sup>** of the overall tractor production globally
- ❖ **0.7 million** units in **FY18** and reach to approx. **1.2-1.5 million** units by **2030**
- ❖ Customer exchange their tractor in every **4-6 years**.

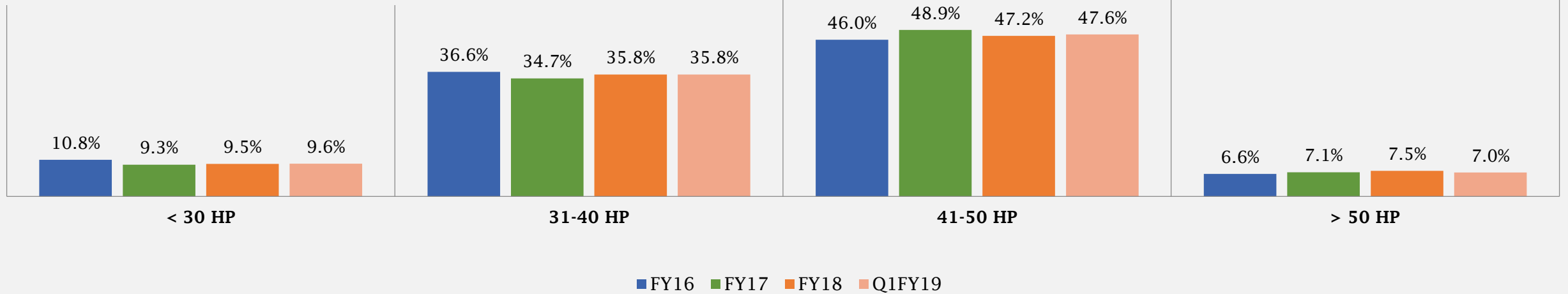
# INDUSTRY SEGMENTATION



Industry Segment Volume



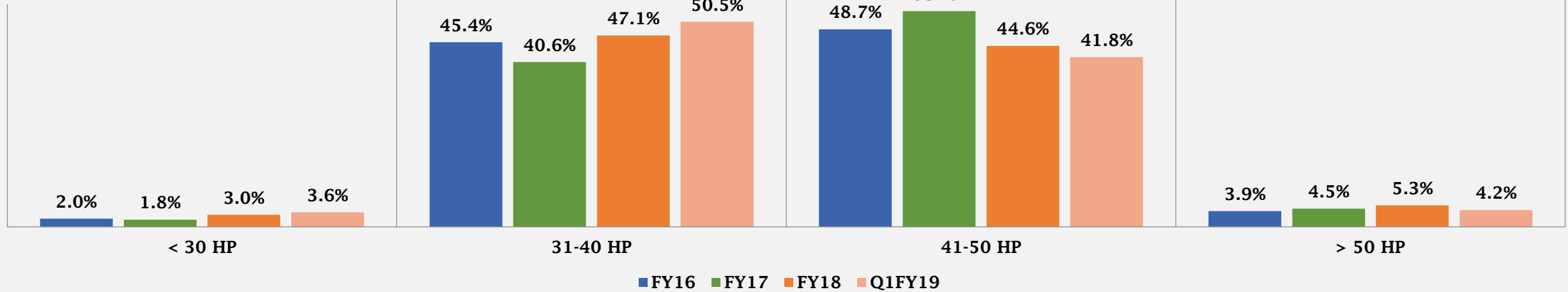
Industry Segment Market Share in %



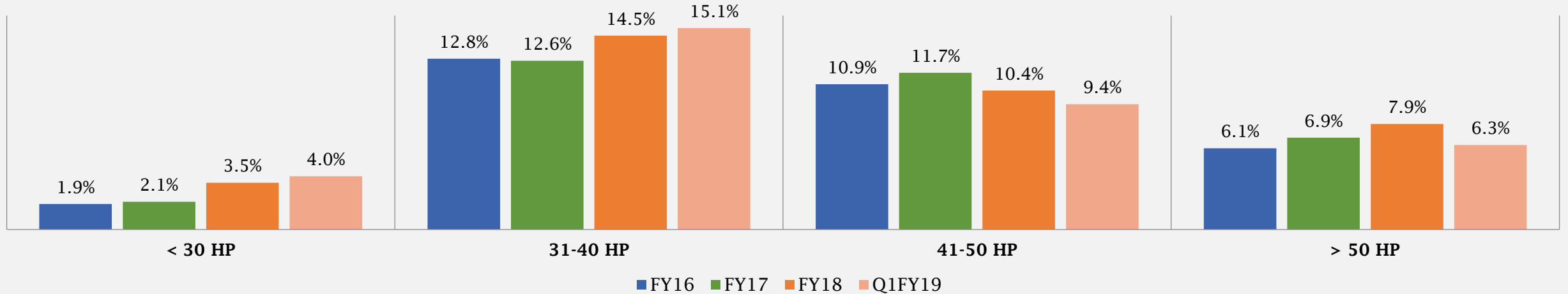
# EAM SEGMENTATION



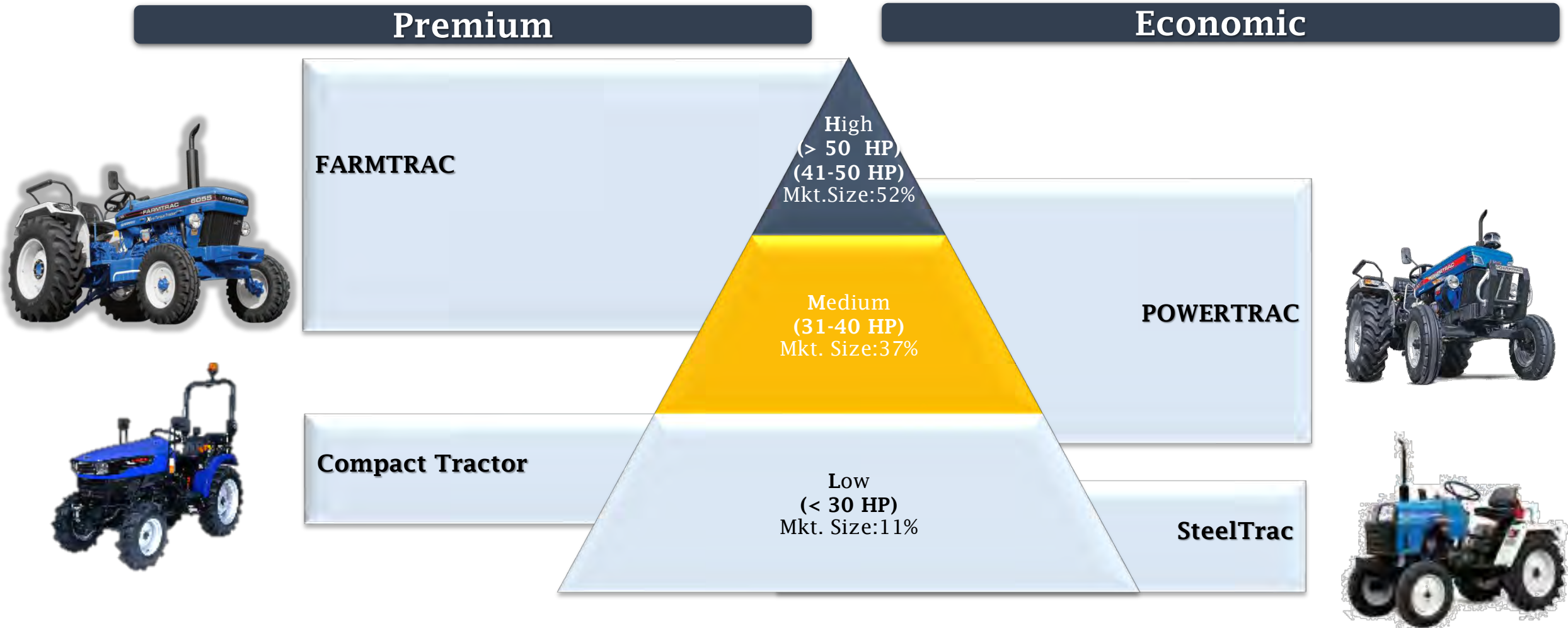
EAM Segment wise Volume in %



EAM Segment wise Market Share in %

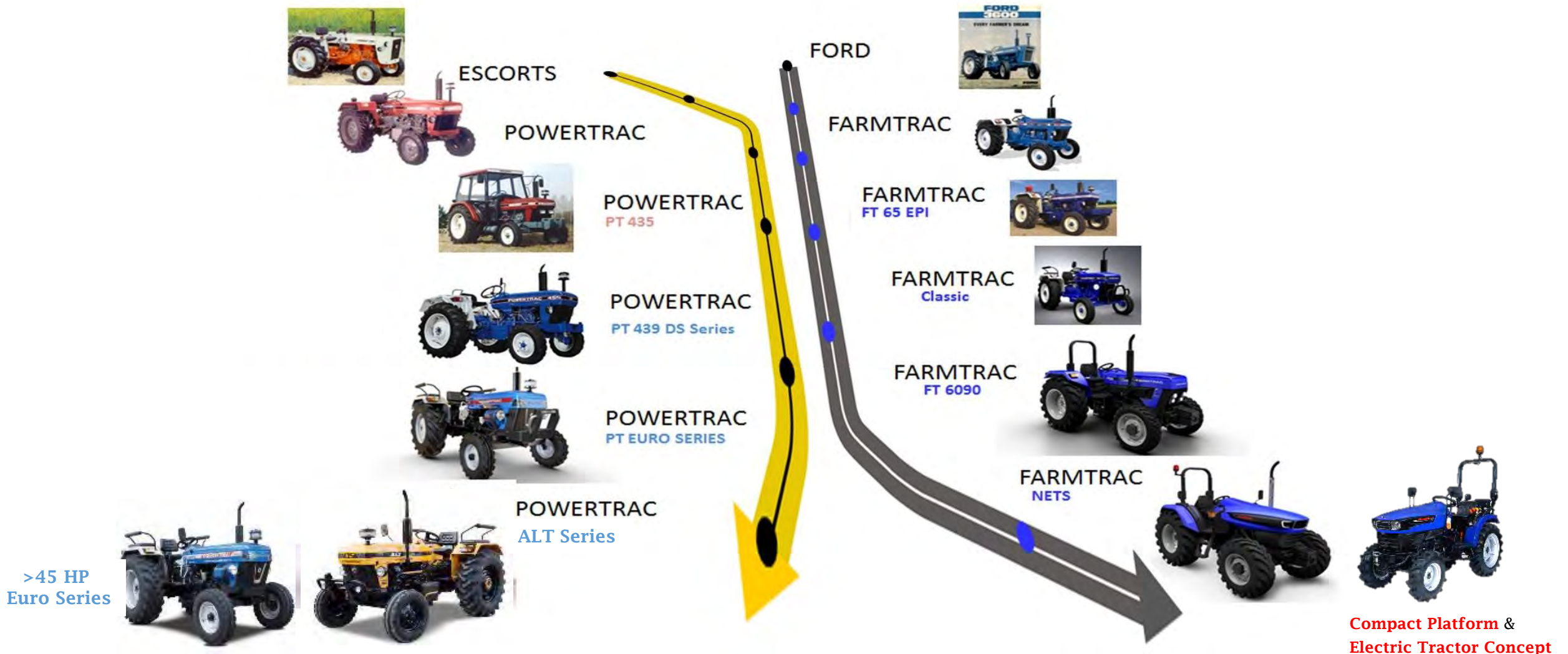


# HOW WE ARE POSITIONED



# PRODUCT EVOLUTION

## Farmtrac & Powertrac Brand Journey



# 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**



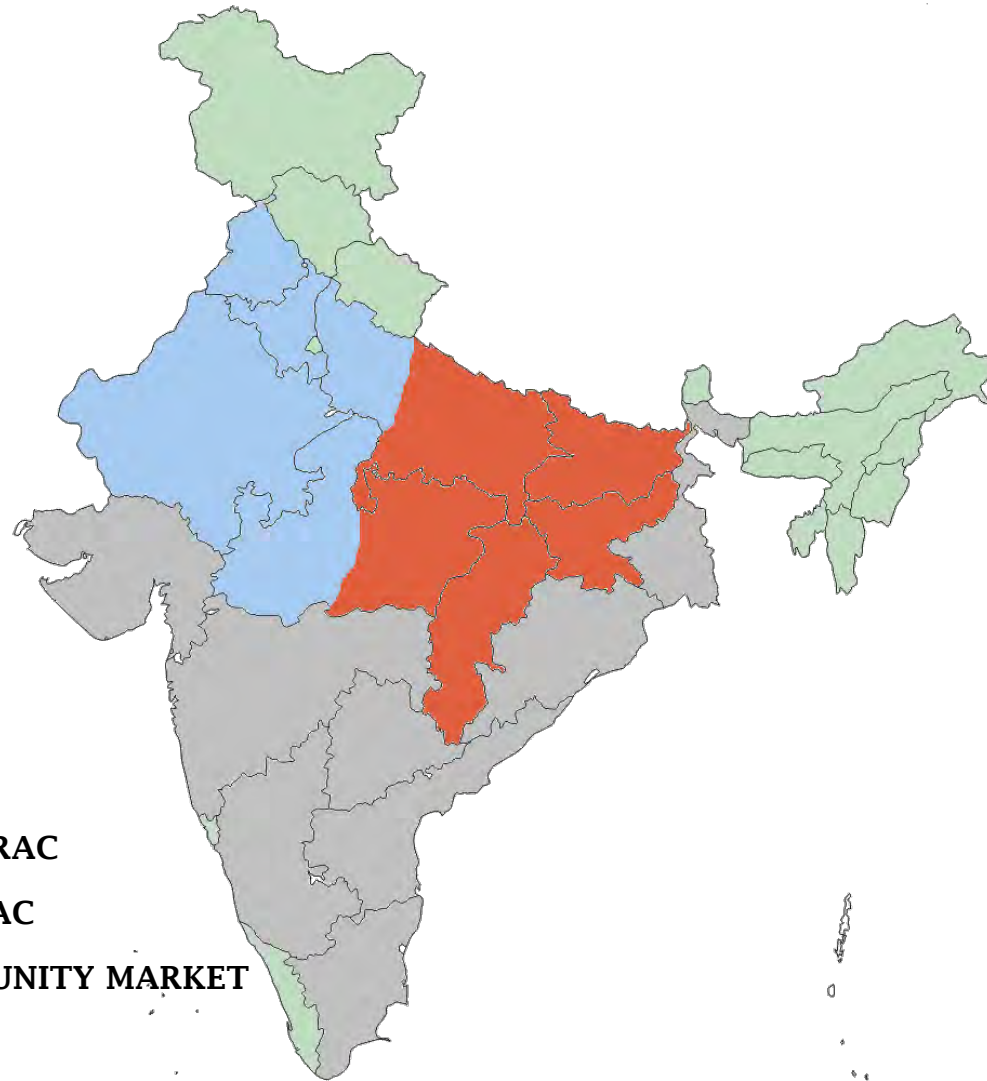
PowerTrac ALT 3500



PowerTrac ALT 4000

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

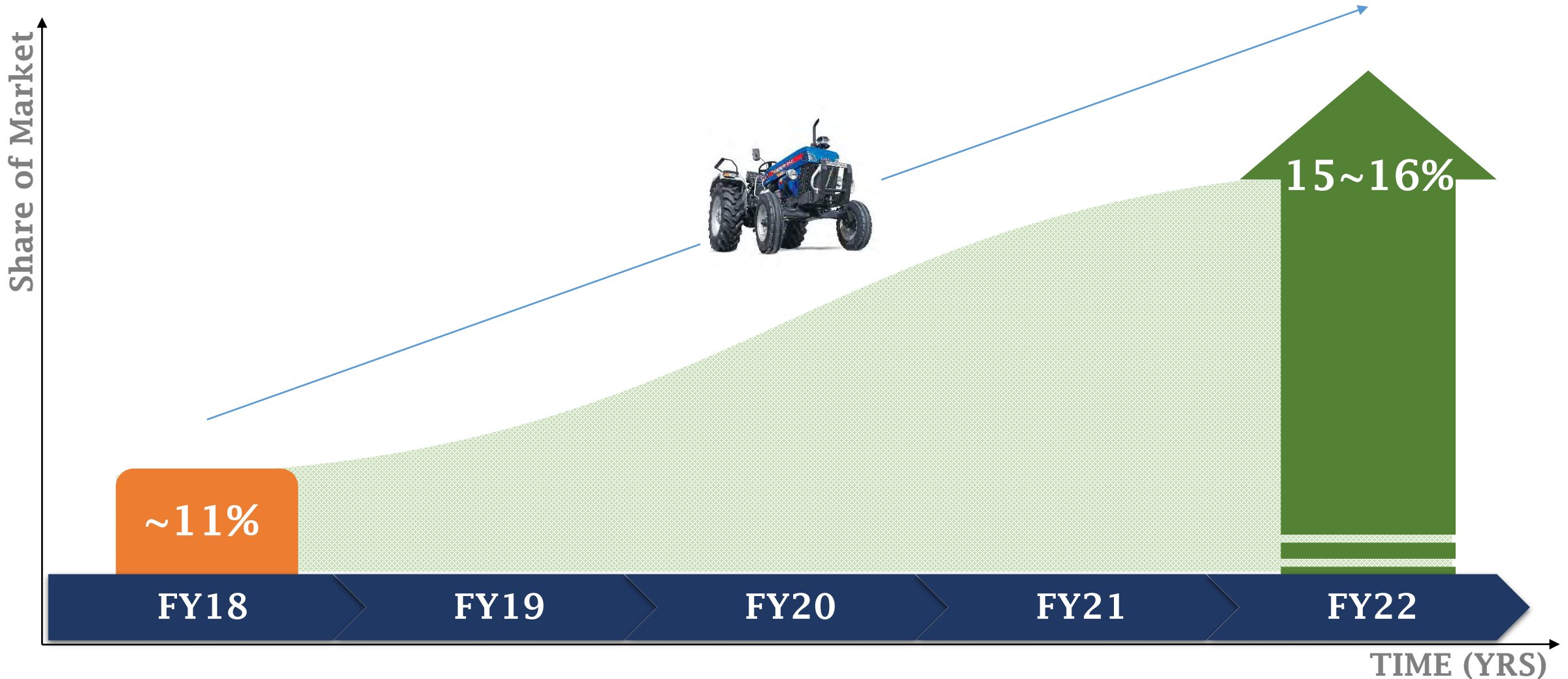
# WINNING MARKET



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



## 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

6% Penetration → 40%



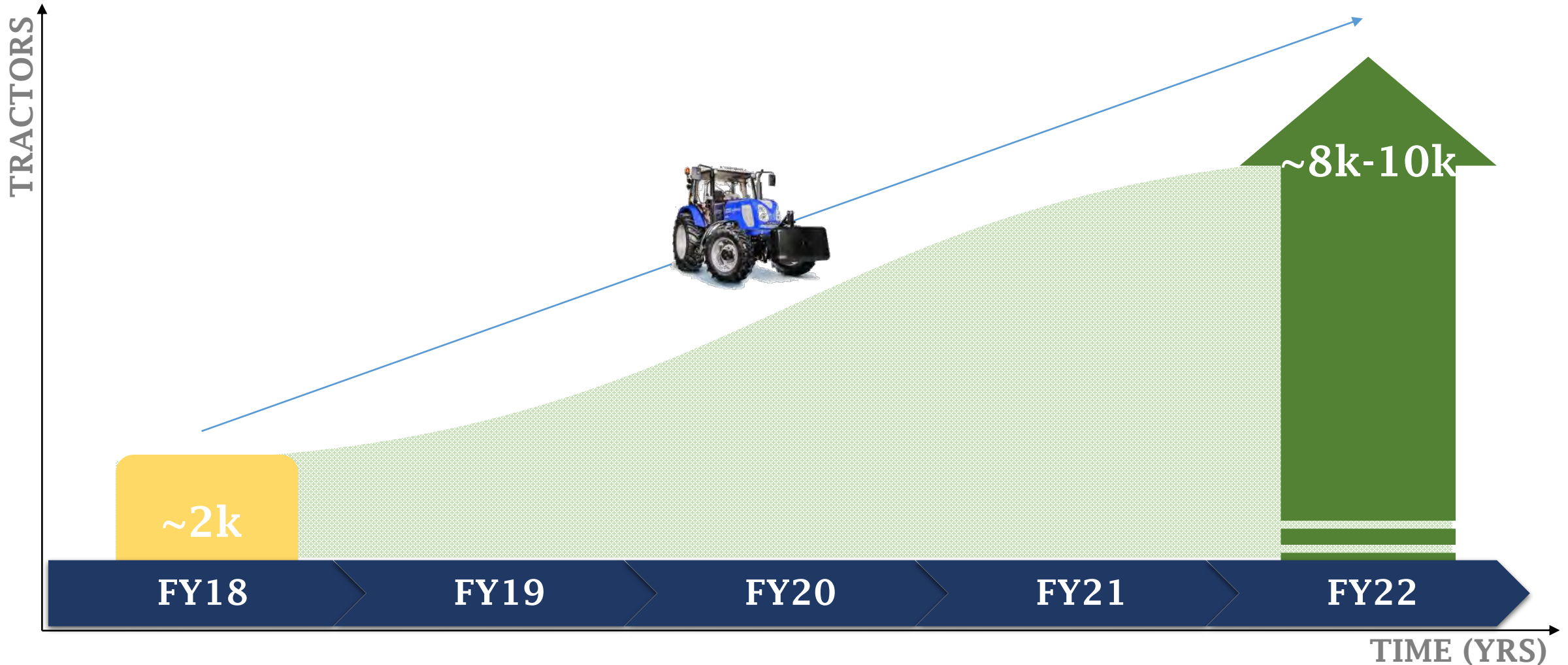
## Scientific Sales Management



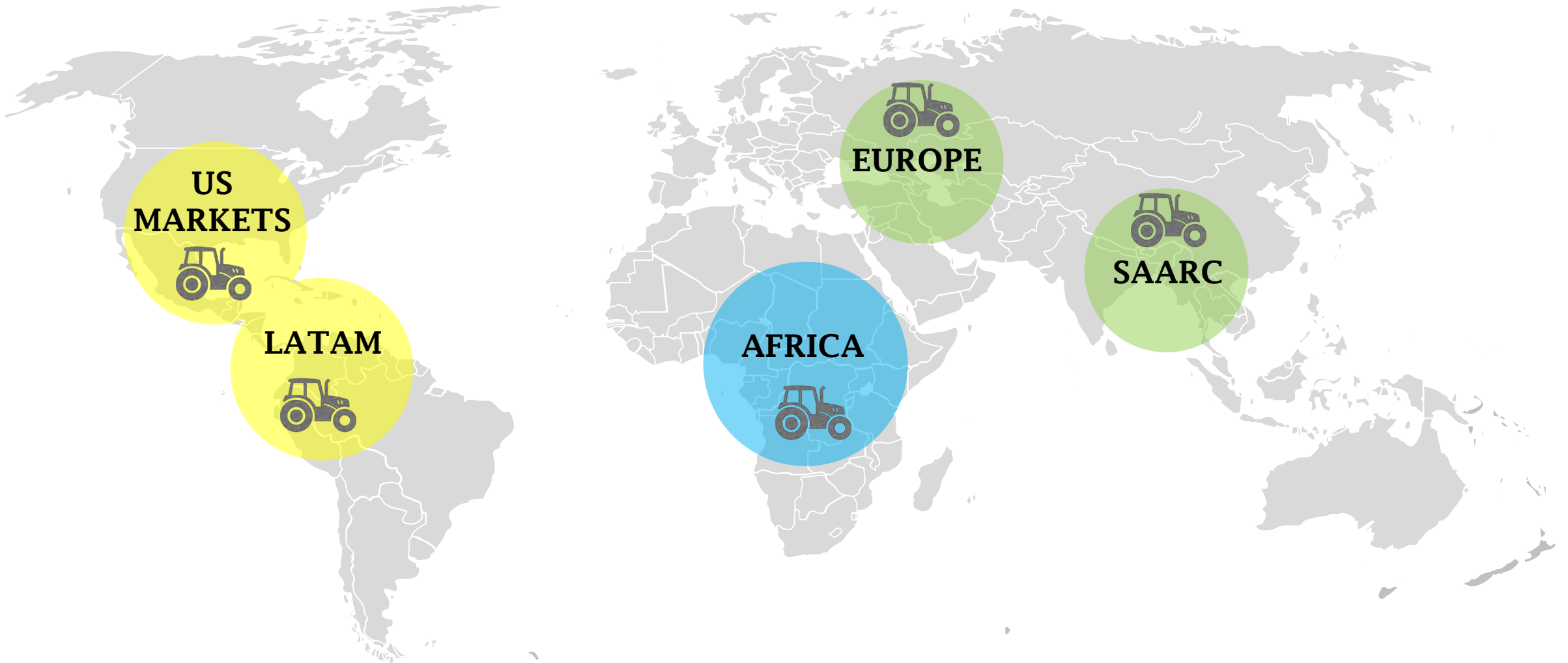
## Customer Centricity

48-Hours Parts  
Care Button  
TRAXI  
ETC  
Mol Anmol

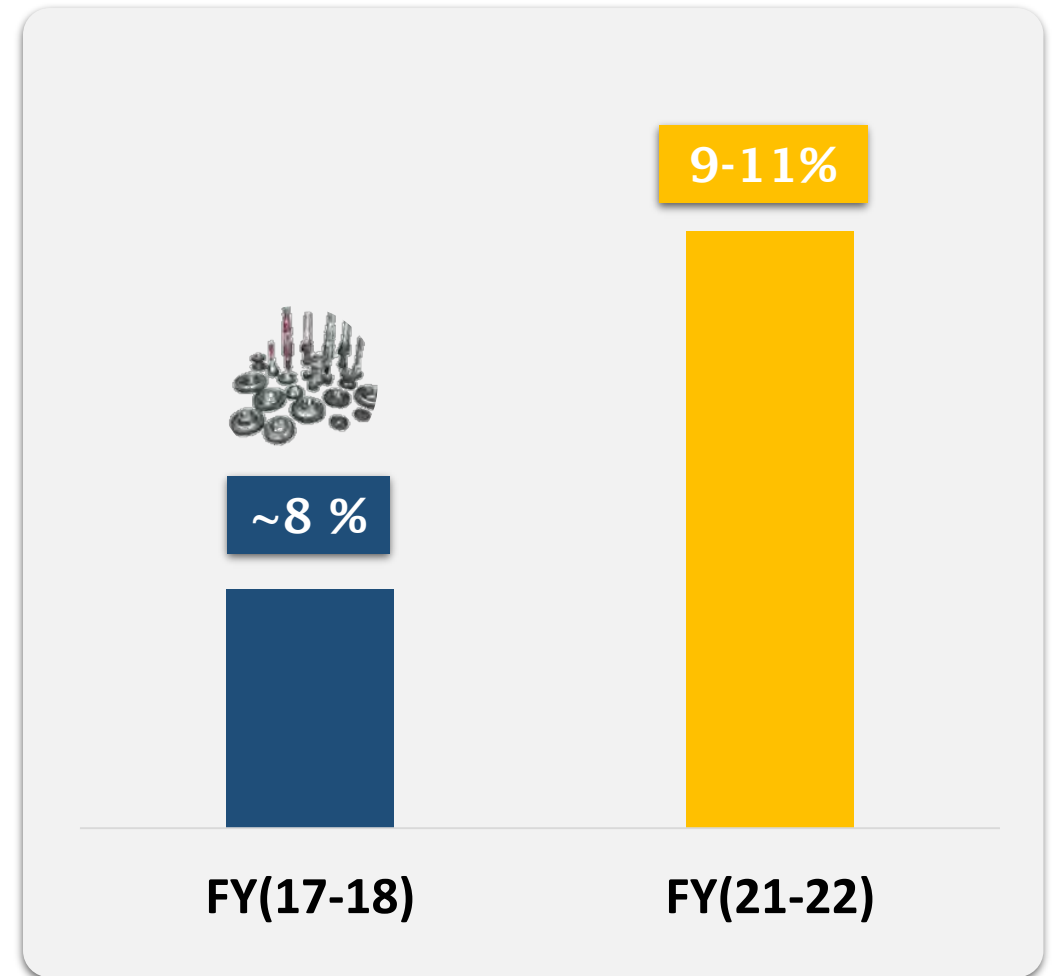
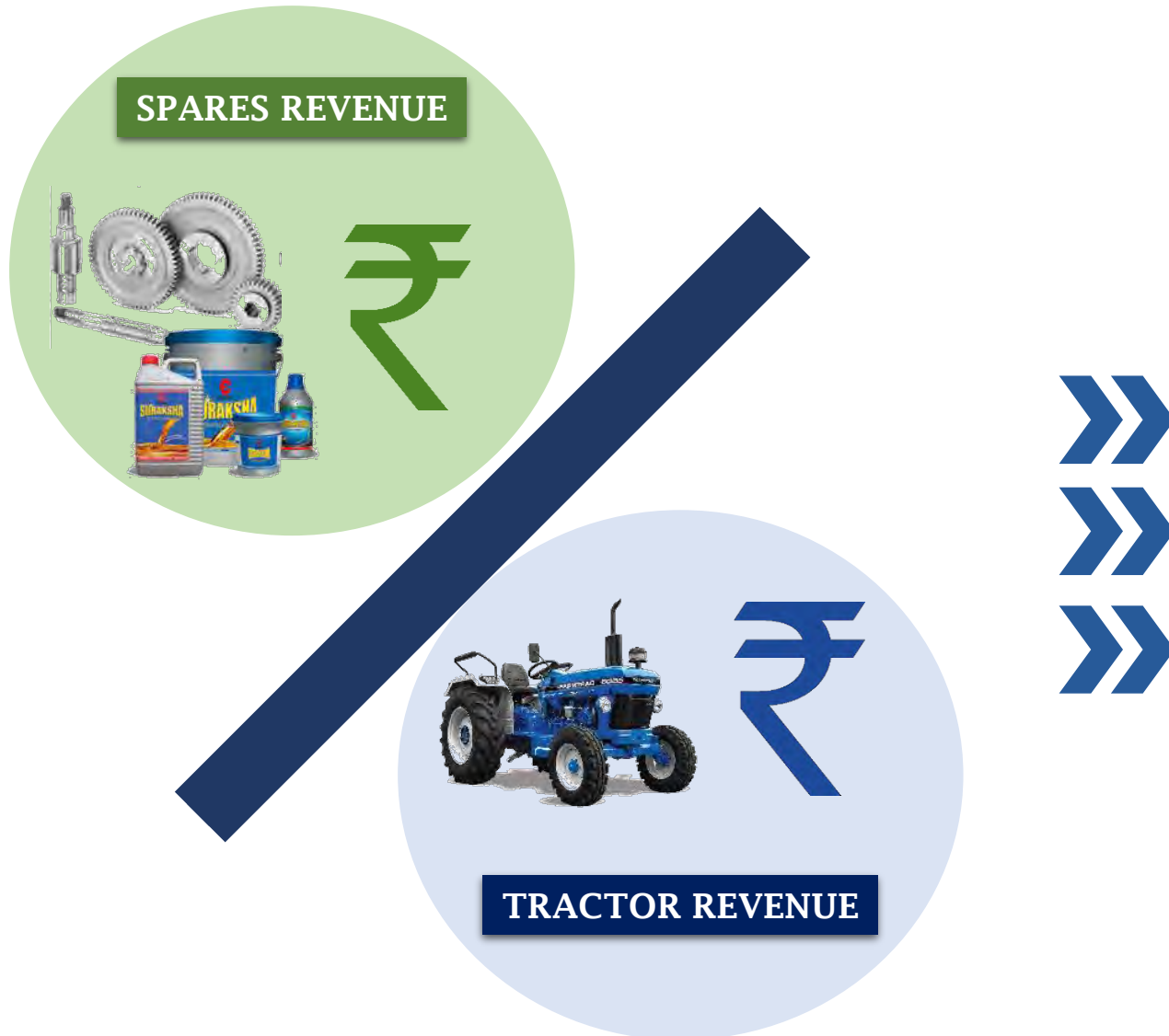
# EXPORT ASPIRATIONS FORWARD



# EXPORT FOCUS MARKETS



# SPARES ASPIRATIONS FY'22

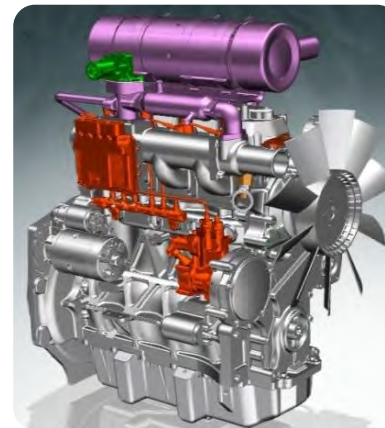


# ENGINES



~4000 UNITS

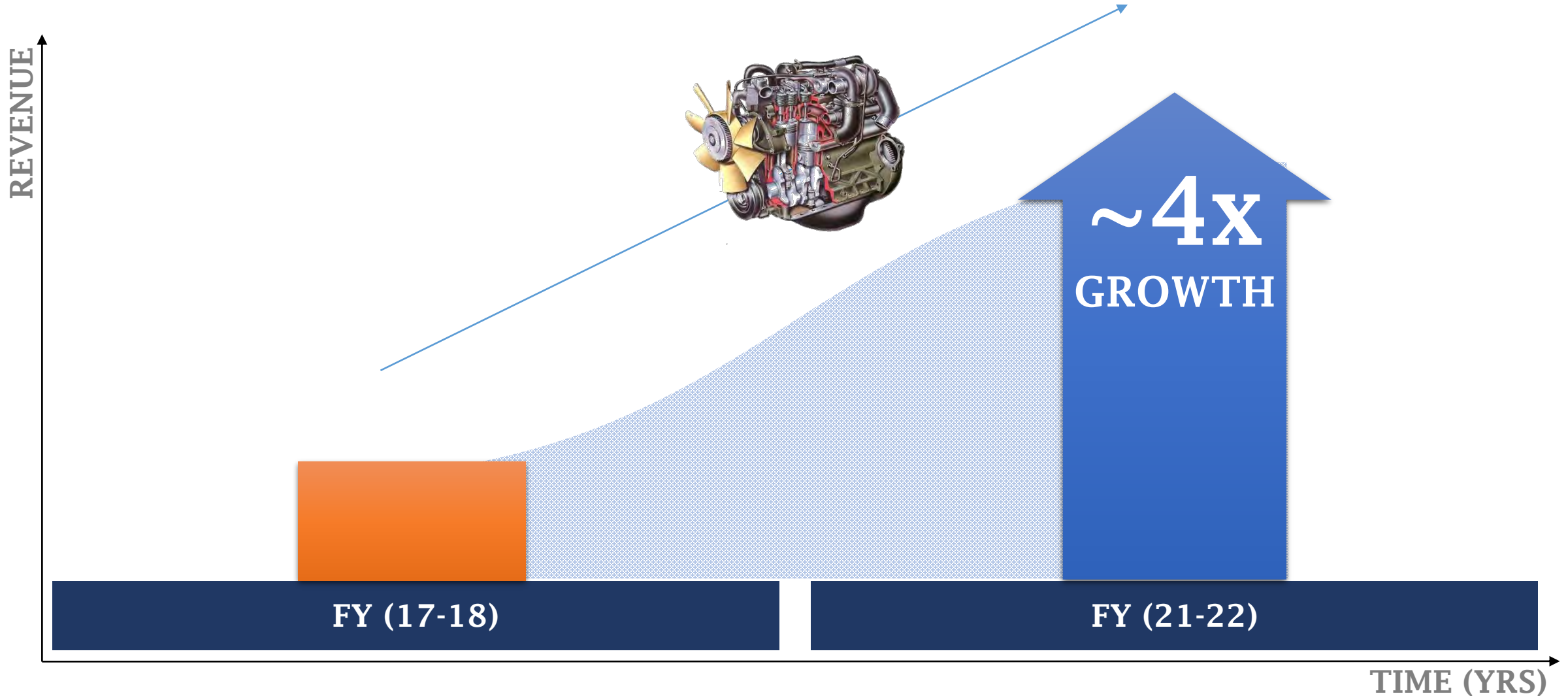
ENGINE SALES FY (17-18)



**KOHLER**



# ENGINES FY'22 ASPIRATION



# TRACTOR IS AS GOOD AS ITS ATTACHMENTS



# SHIP\* BUSINESS



TECHNOLOGY



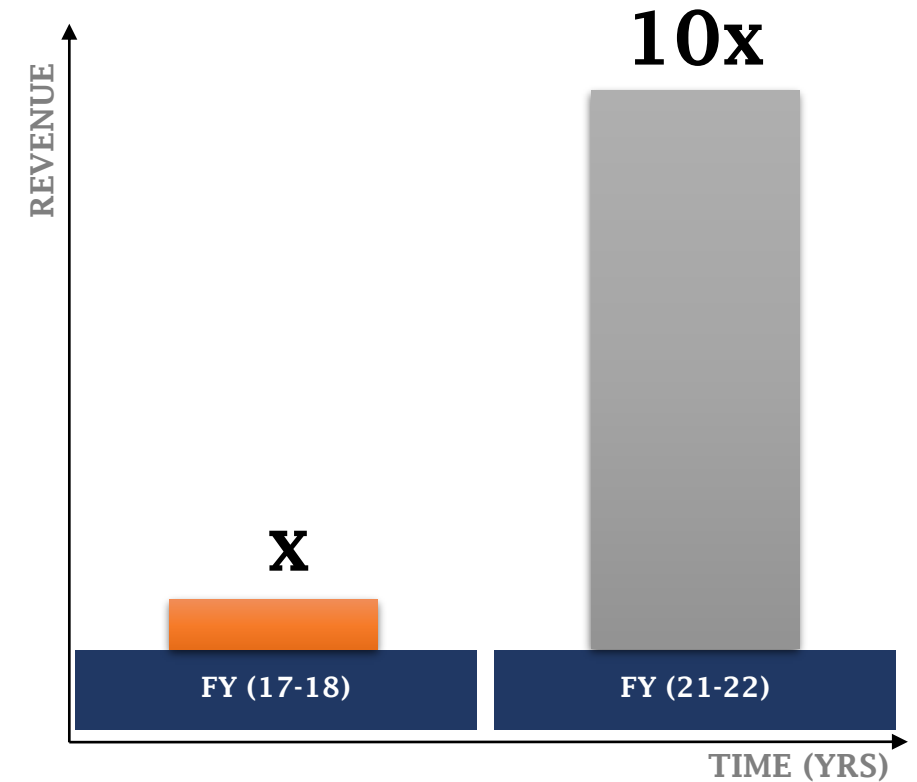
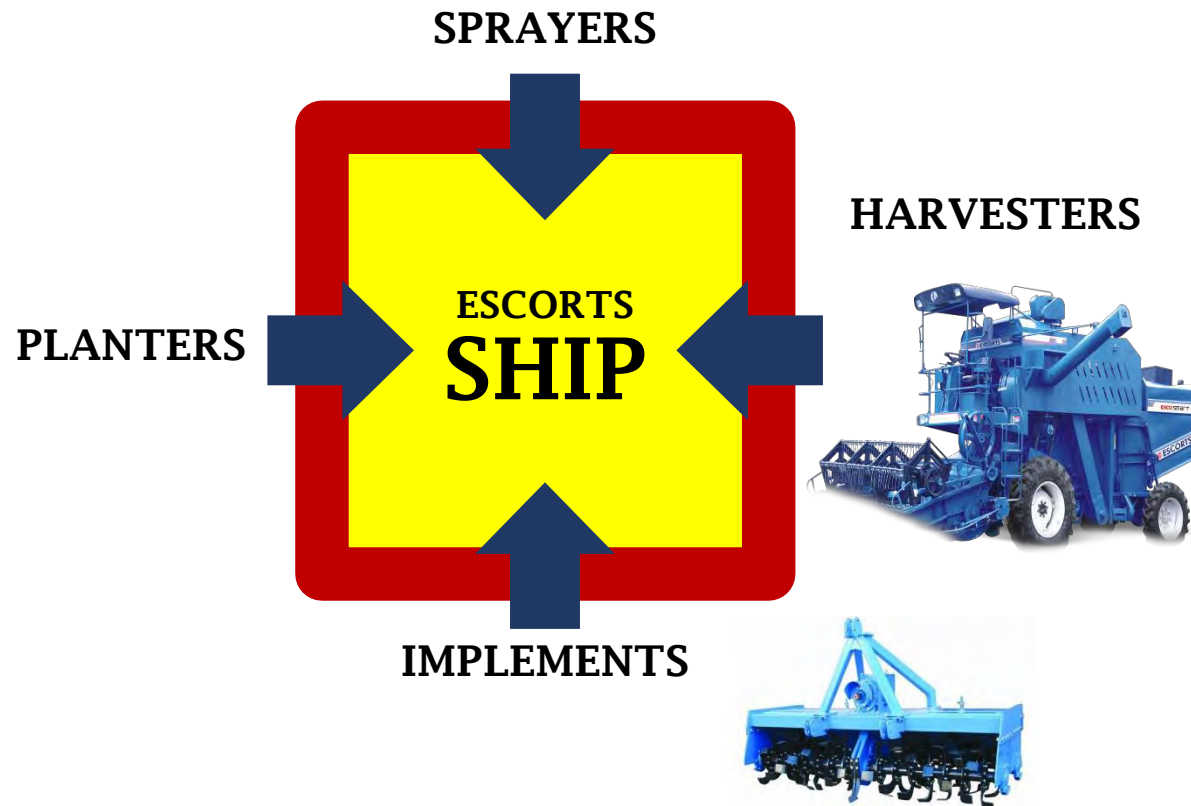
PRODUCT RANGE



SUPPLY CHAIN



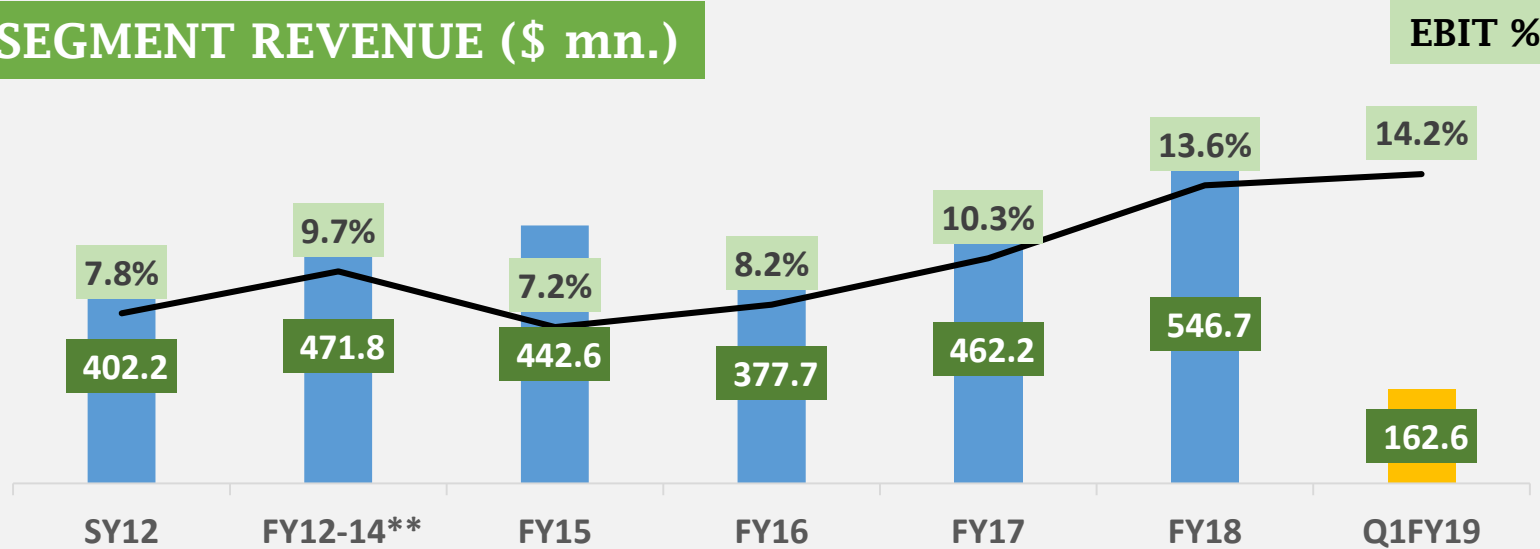
DISTRIBUTION NETWORK



# ...EAM JOURNEY SO FAR & ASPIRATIONS FORWARD

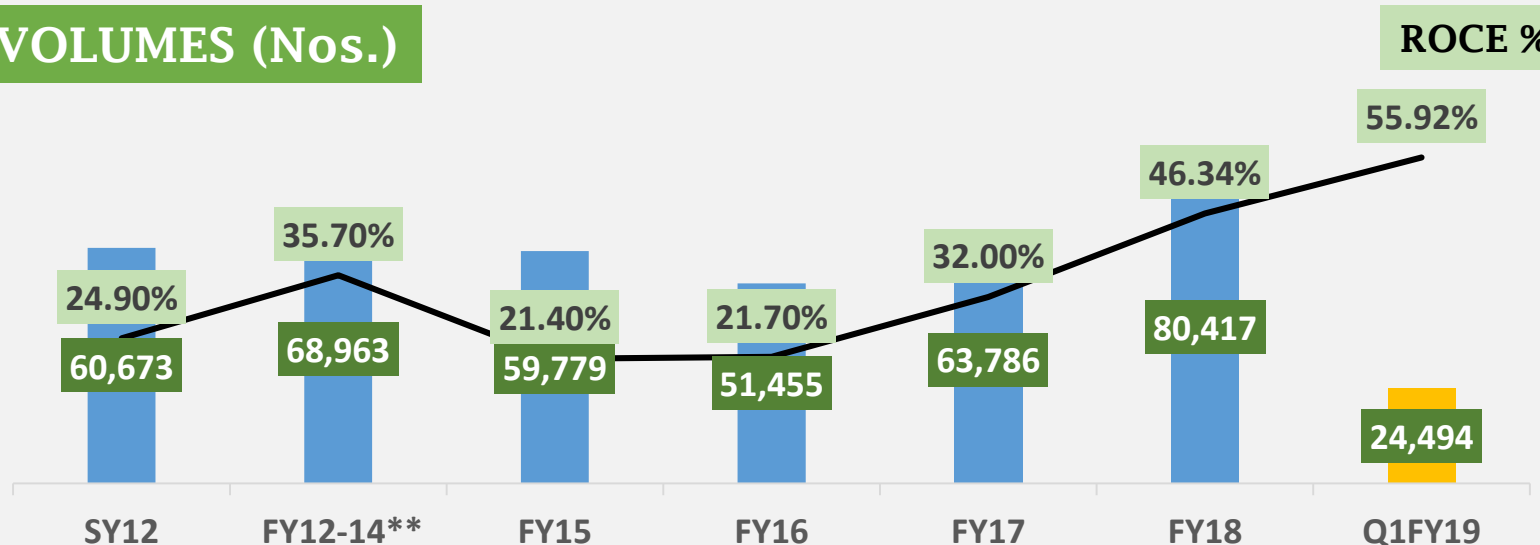


## SEGMENT REVENUE (\$ mn.)



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

## VOLUMES (Nos.)

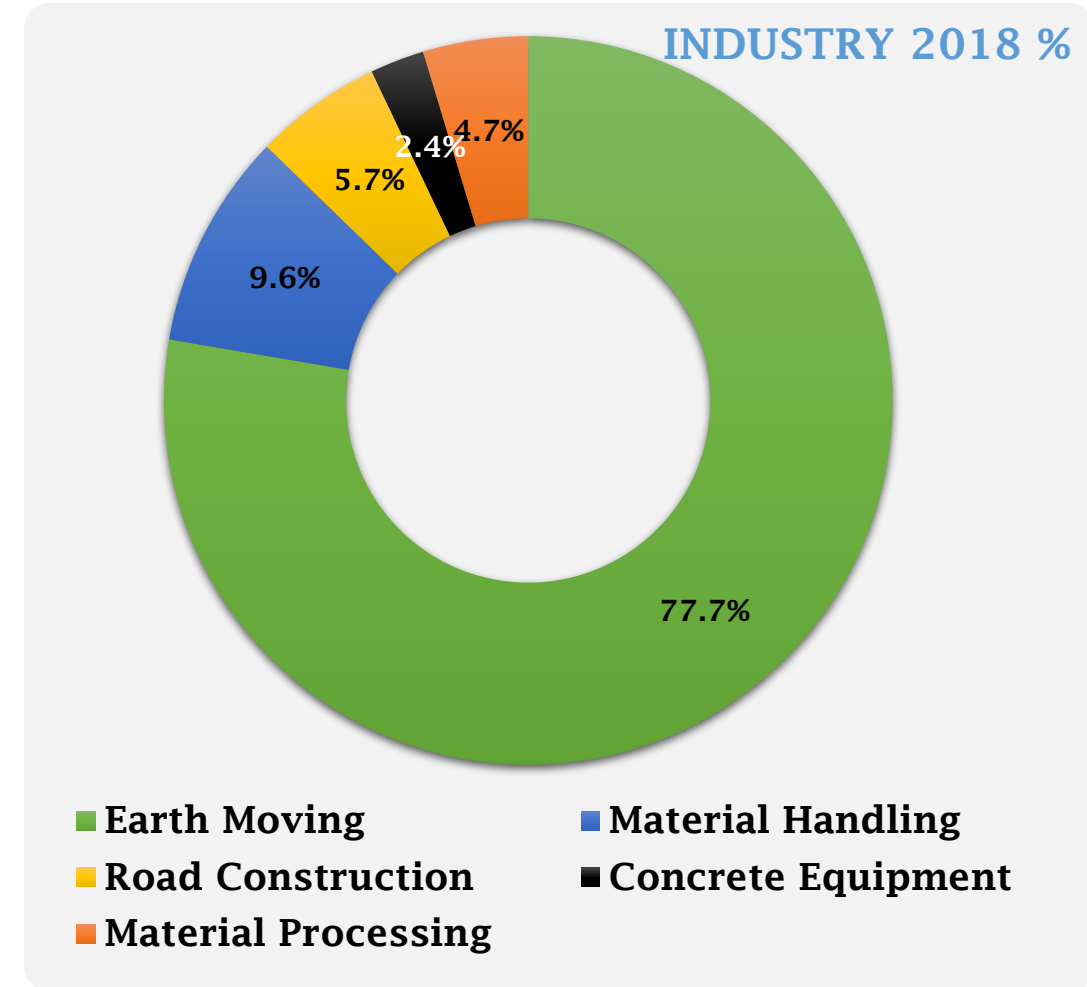
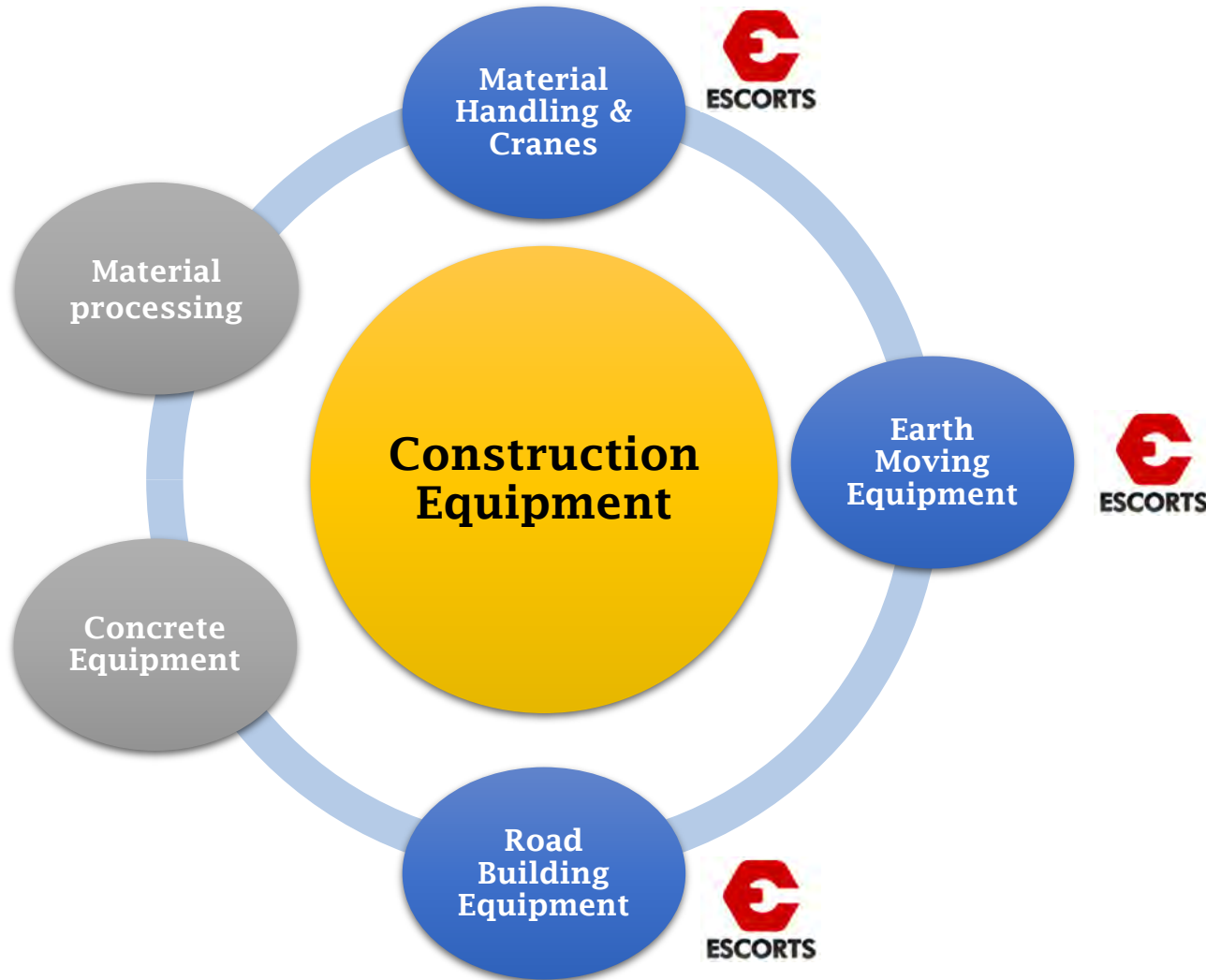


- ❖ Revenue Growth Initiatives
  - ❖ EXPORT
  - ❖ South & West penetration
  - ❖ Emerging Business
- ❖ Cost Rationalization
  - ❖ Raw Material
  - ❖ Manpower cost

# **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

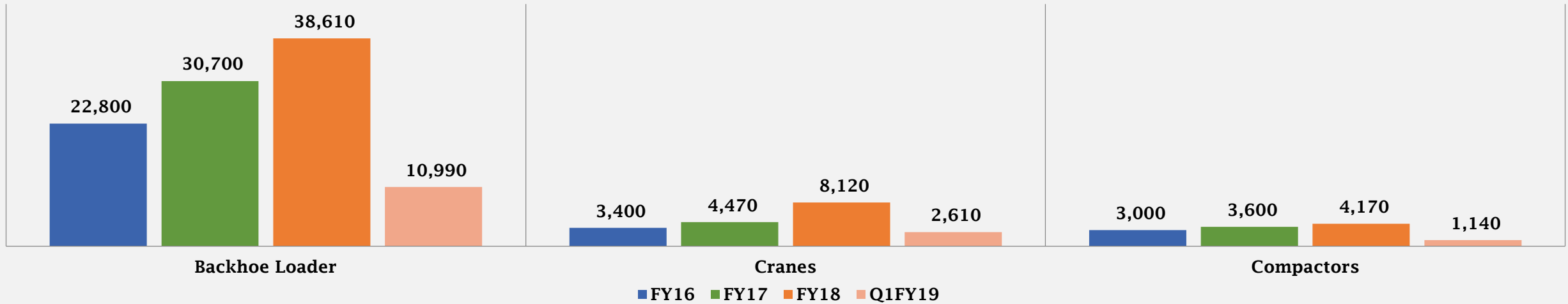


Segment		Major equipment types	Application Segment	User	
1	Earthmoving Equipment	A - Backhoe loader, B - Excavator, C - Wheeled loader	<ul style="list-style-type: none"> <li>• Mining</li> <li>• Roads</li> <li>• Real Estate/Land Development</li> <li>• Power</li> <li>• Railways/Metros</li> </ul>	Small/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

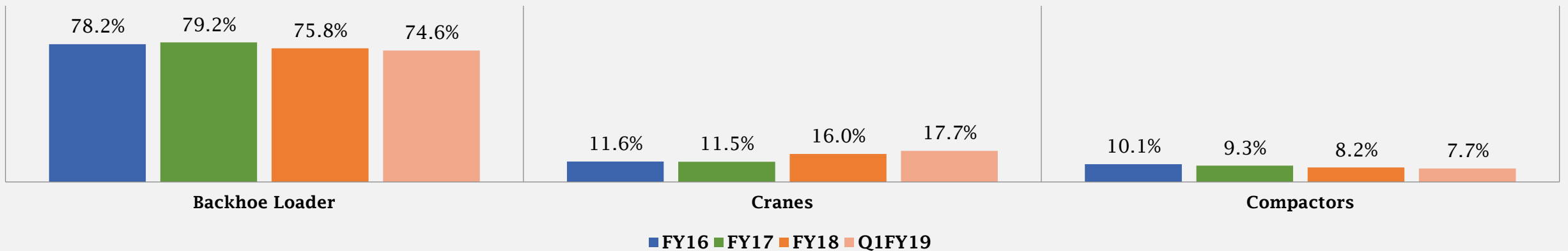
# SERVED INDUSTRY SEGMENTATION



Served Industry Volume (Rounded to nearest Ten)



Served Industry category wise in %



# PRODUCT PORTFOLIO



## 1) Material Handling



60%

## 2) Earth Moving



20%

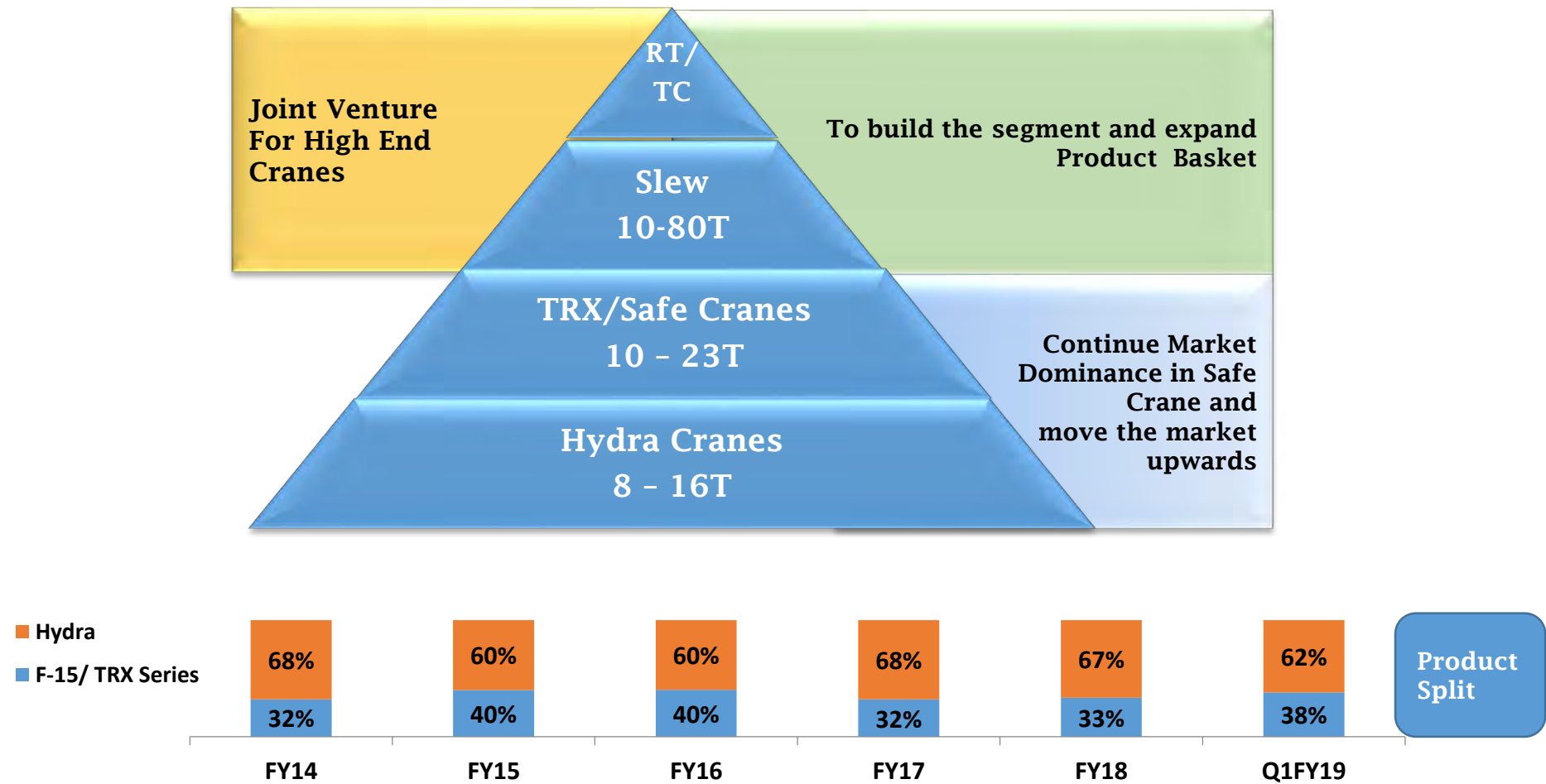
## 3) Road Construction



% of ECE Revenue

10%

# MATERIAL HANDLING



Transform the market from a leadership position

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



Rough Terrain Crane



Truck Cranes

**Product Category**

20 to 80 Ton High end Category

**Uses/ Applications in different sectors**

Railways

Oil & Gas Industry

Mining

Power Sector

Roads & Bridges

**Market**

India Market, Export Potential will be explore

**Key Competitors**

TIL Limited

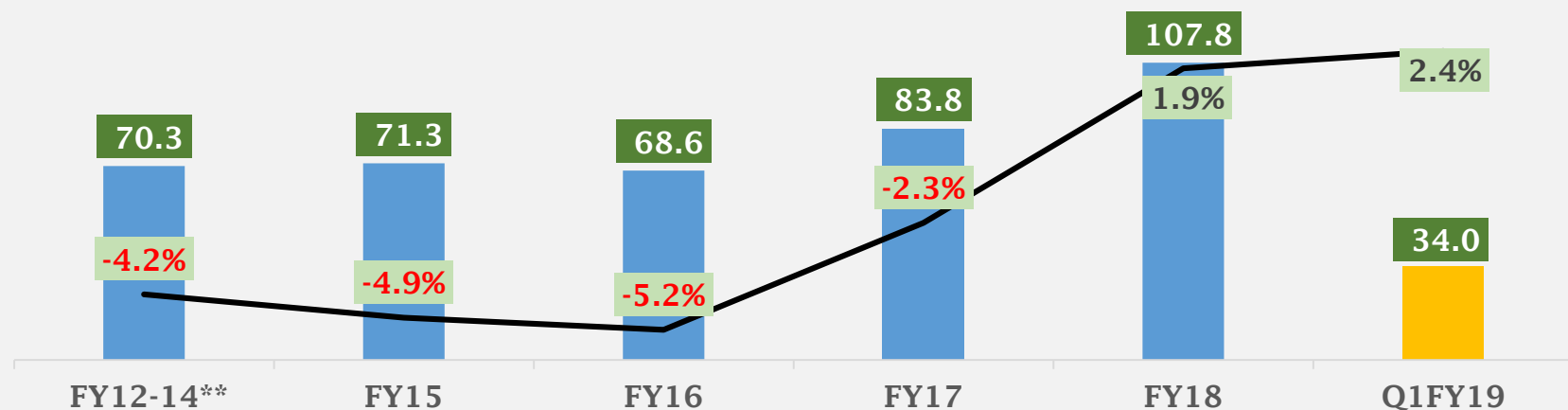
SANY

# READY TO RIDE THE INDUSTRY BOOM

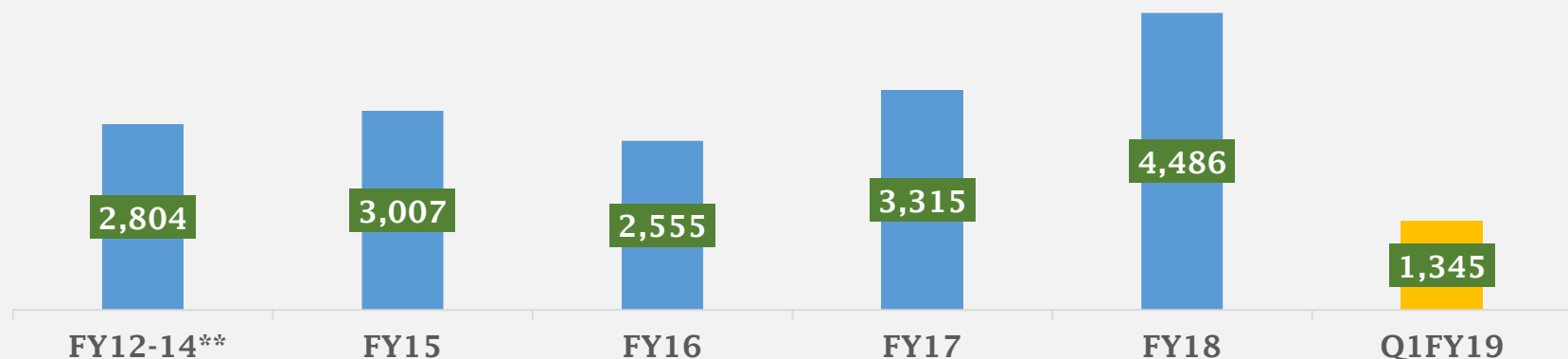


## SEGMENT REVENUE (\$ mn.)

## EBIT %



## VOLUMES (Nos.)



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

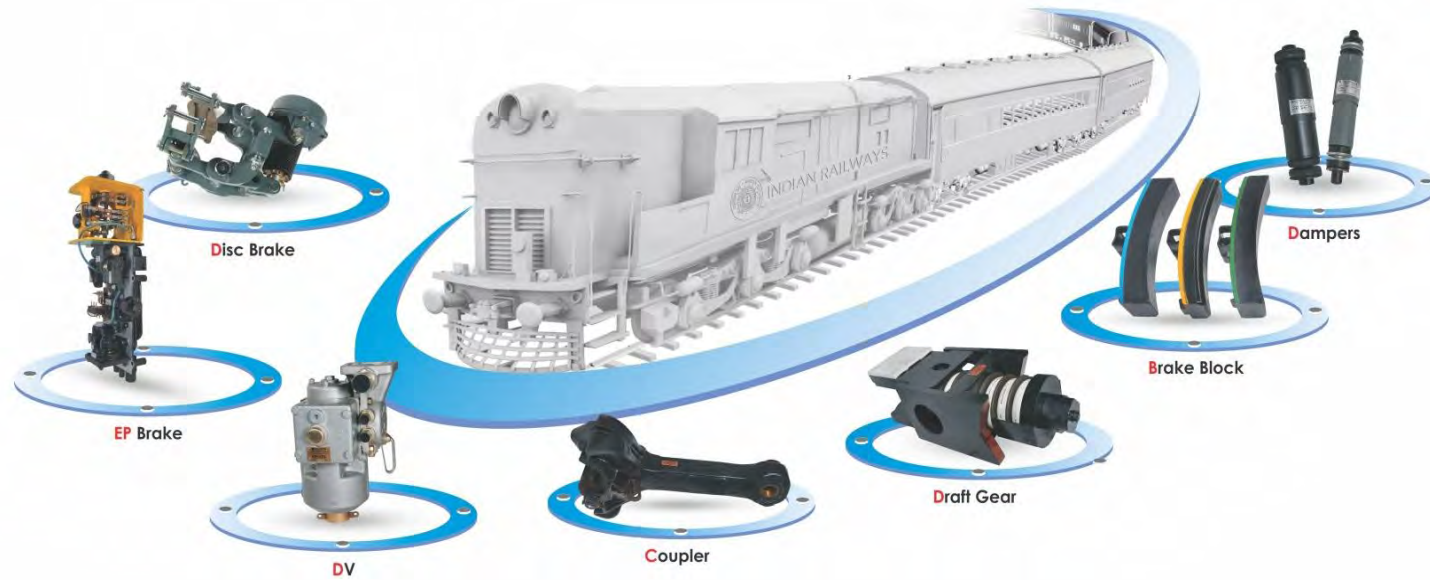
Dealership & Outlet reach  
expansion



# RAILWAY EQUIPMENT DIVISION (RED)



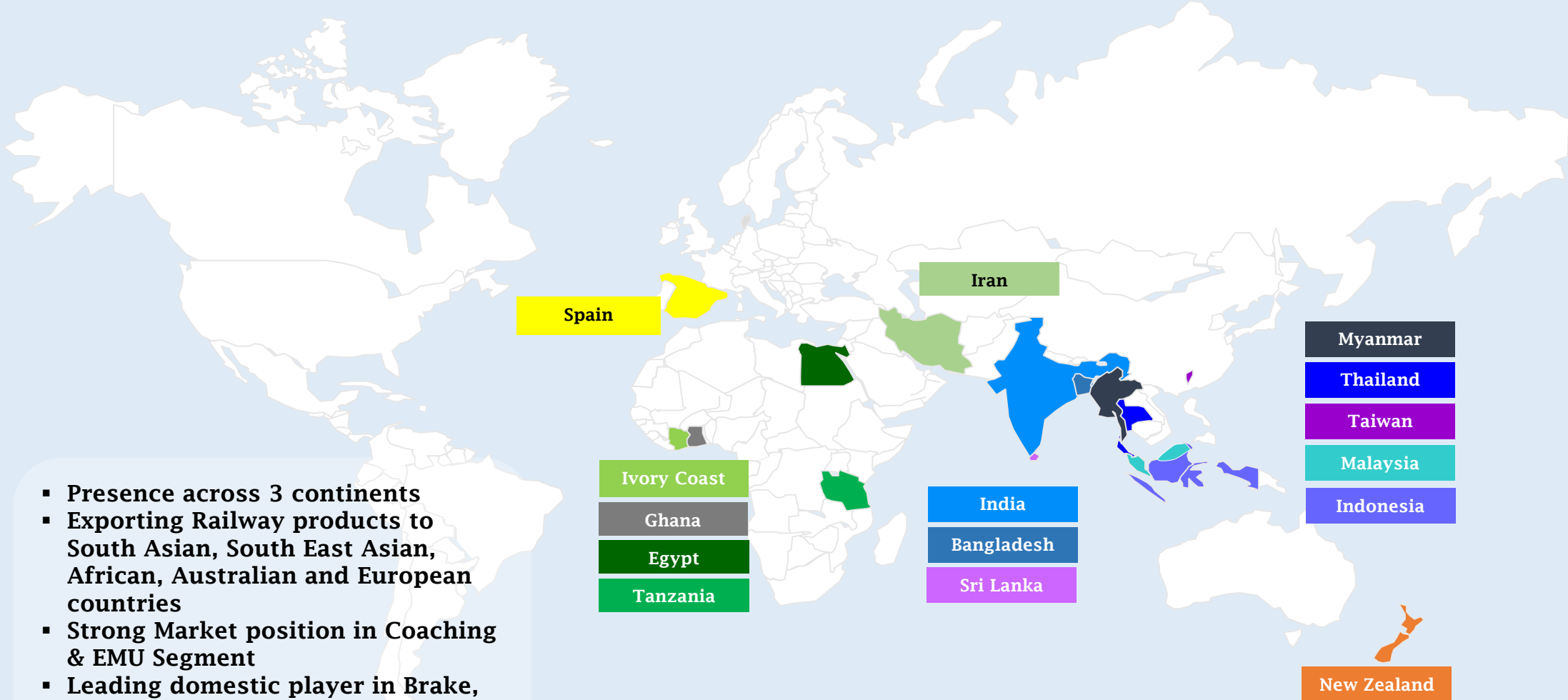
# ESCORTS RAILWAYS: MANUFACTURING SAFETY & COMFORT



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

**Major Sourcing partner for global Rolling Stock OEMs & Operators**

# 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**

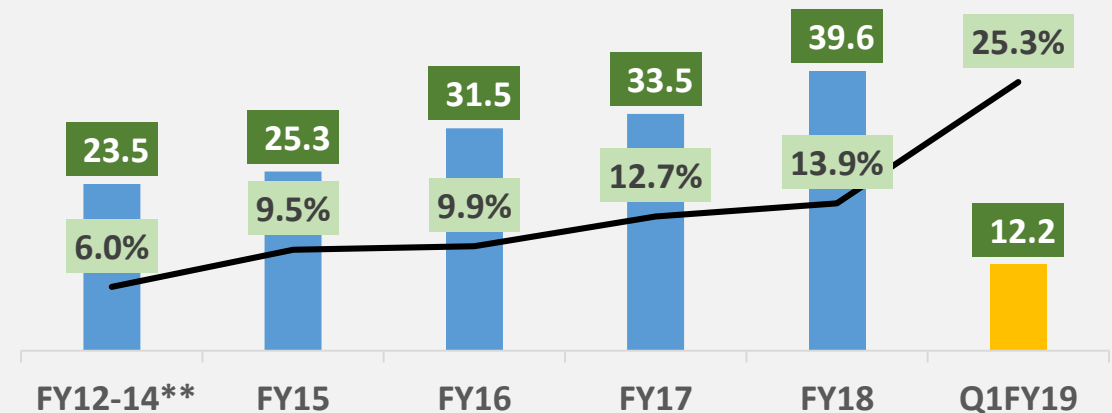
- ✓ Manpower Cost, Productivity Improvements
- ✓ Material Cost improvements
- ✓ New Product Revenue boost
- ✓ Building Strong Inhouse R&D

**CONSISTENT  
ORDER BOOK GROWTH**

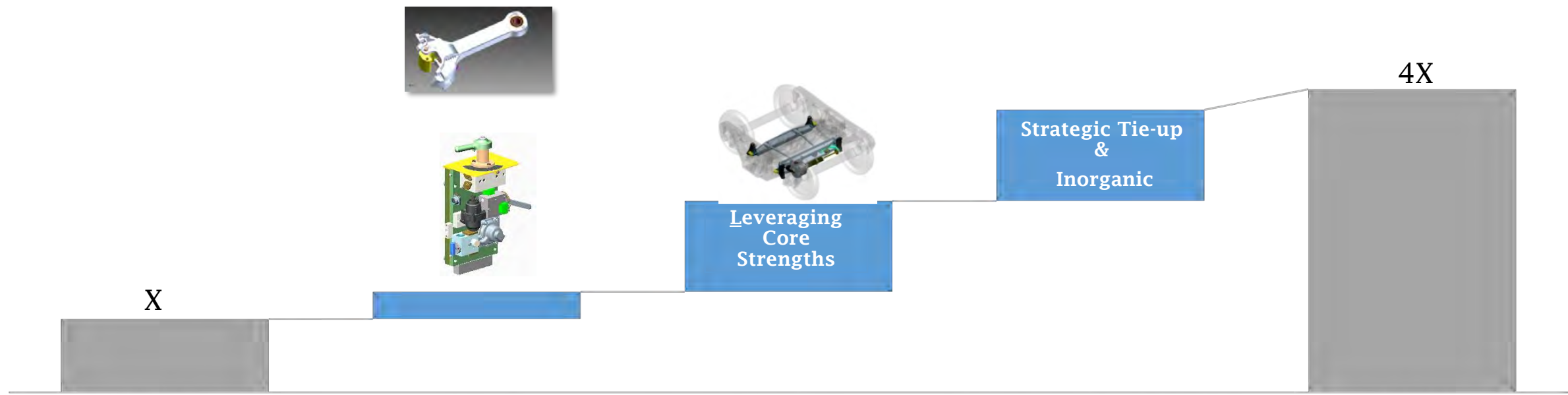
**More Than \$ 41.4 mn. -  
June'18**

**SEGMENT REVENUE (\$ mn.)**

**EBIT %**



# ASPIRATION 2022



FY17

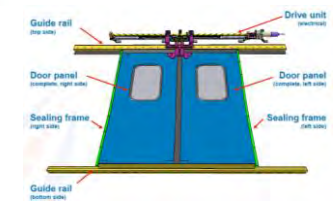
Existing

New Inhouse

Colloboration & Inorganic

FY2022

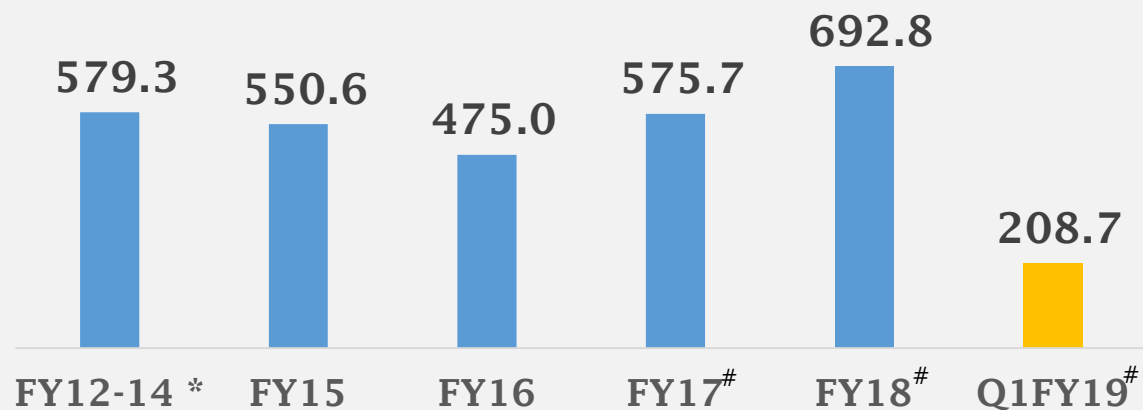
ASPIRATION 2022 To grew business 4x from FY17 base and achieve 17~19 % EBIT Margin



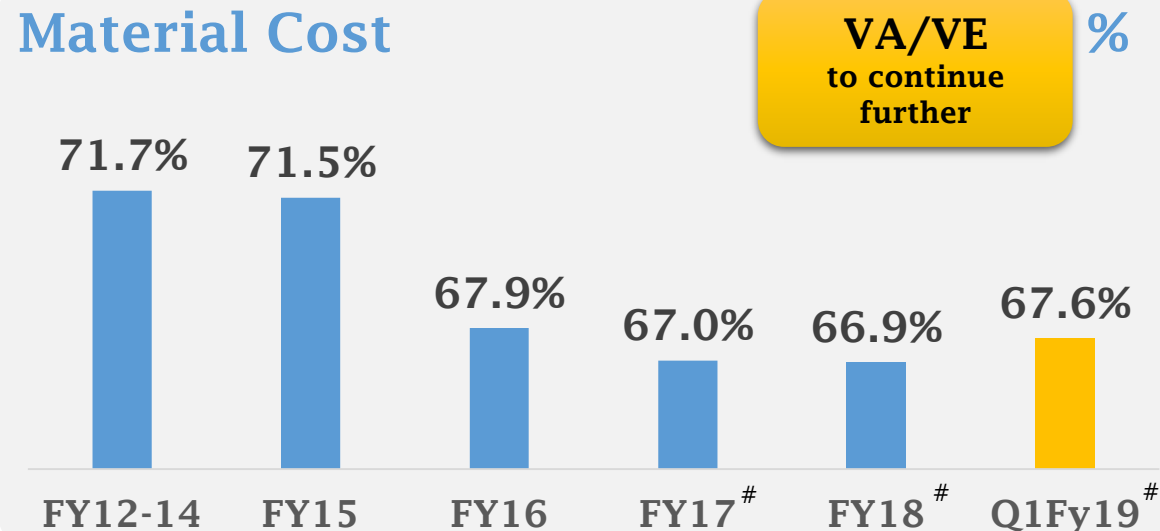
# GROUP FINANCIALS

# ↑ KEY FINANCIAL METRICES...

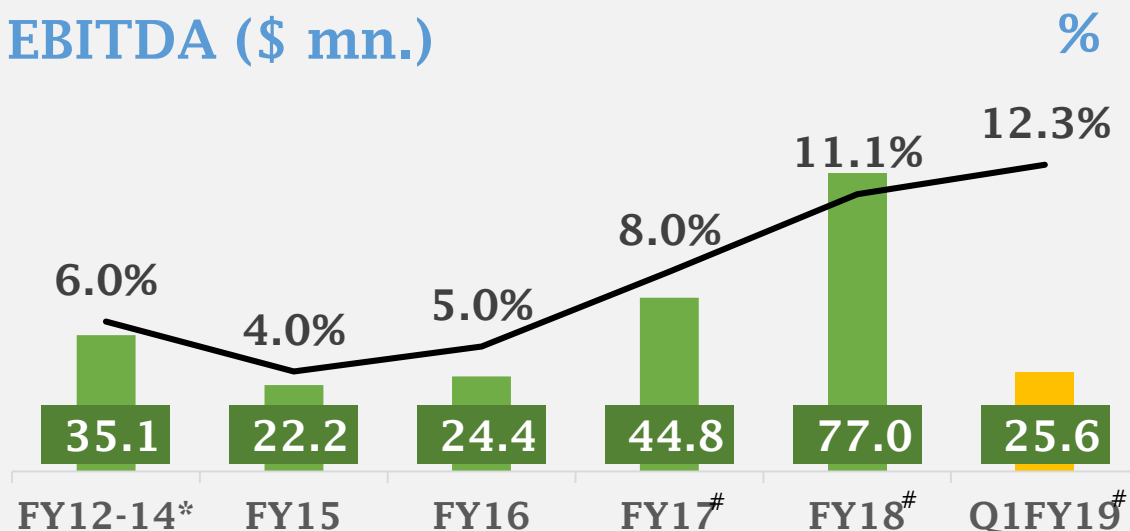
## REVENUE (\$ mn.)



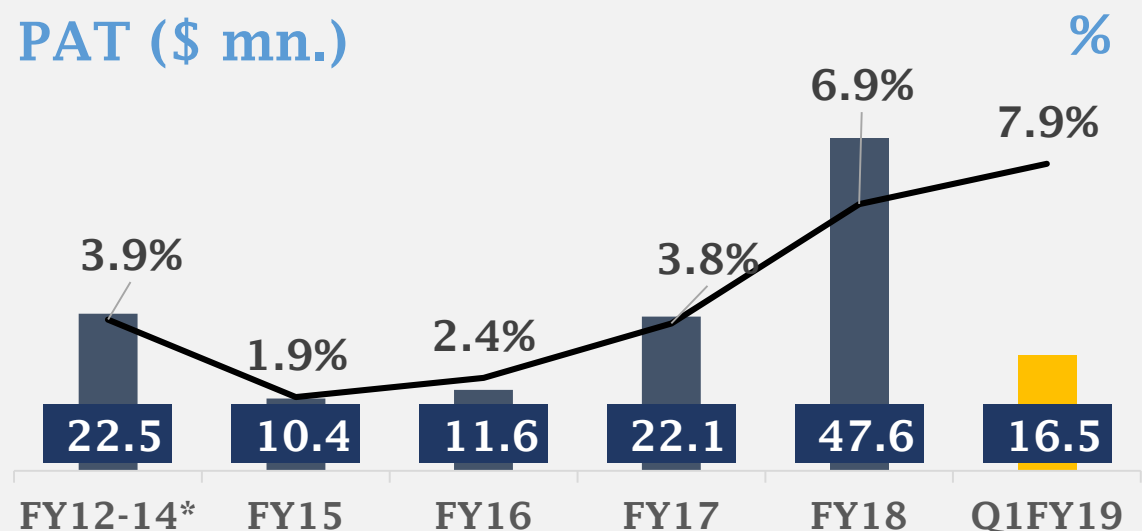
## Material Cost



## EBITDA (\$ mn.)



## PAT (\$ mn.)

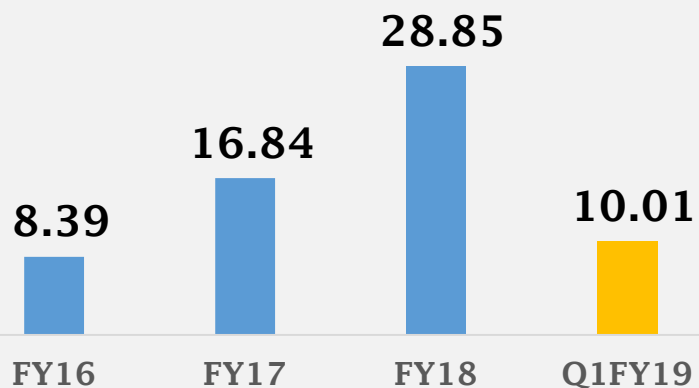


# ↑ KEY FINANCIAL METRICES...



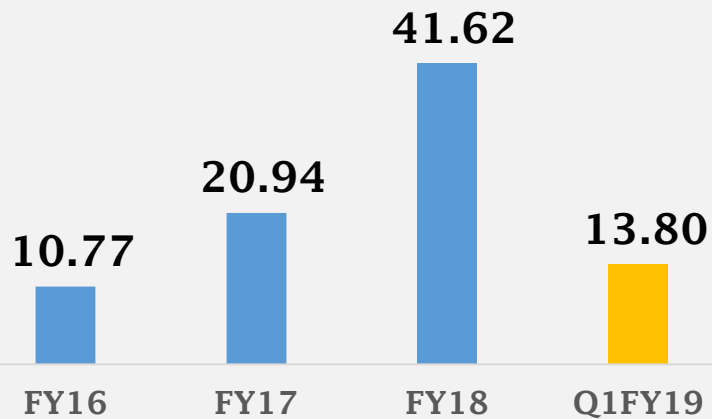
## EPS (₹)

Including  
Treasury Shares

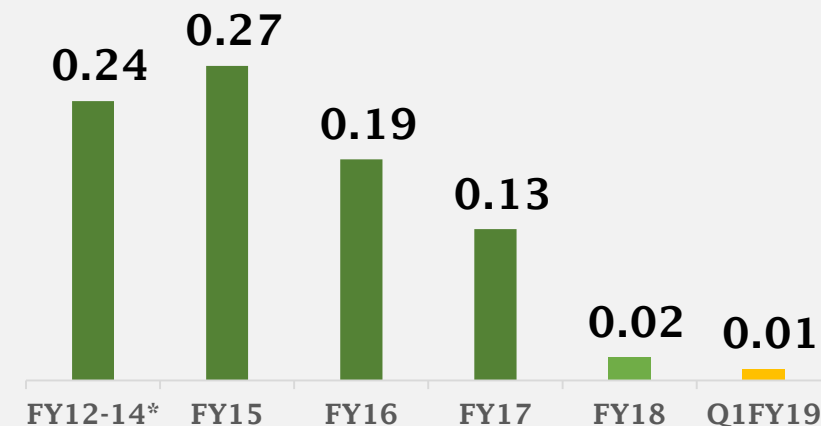


## EPS (₹)

Excluding  
Treasury Shares

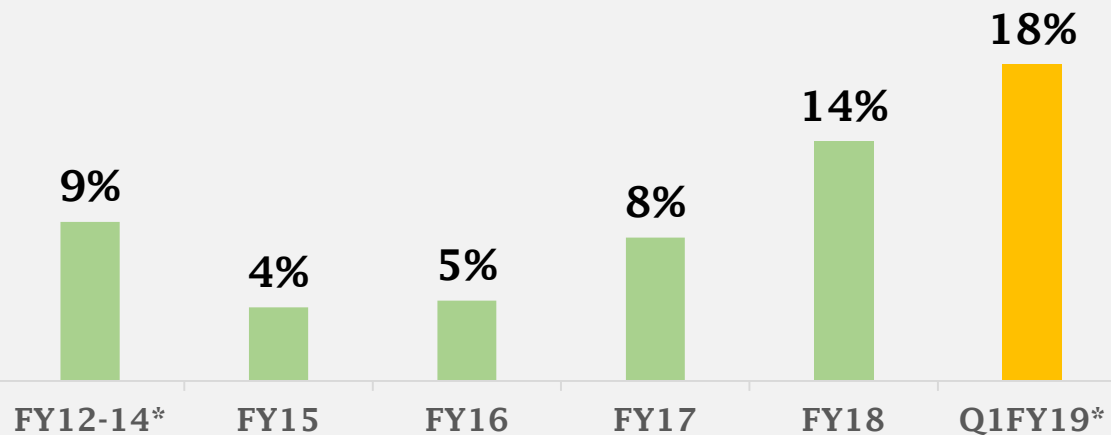


## DEBT EQUITY RATIO



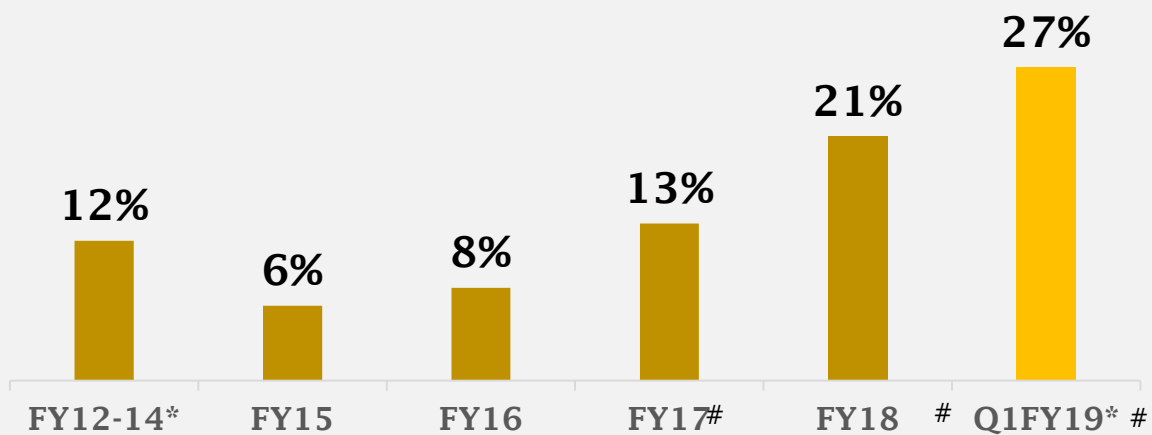
## ROE

%



## ROCE

%



# ↑ CONSISTENT RATING UPGRADES



Long Term  
Short Term

LB3B-  
A3

LB3B  
A3+

LB3B+  
A2

A-  
A1

A  
A1

A+  
A1+

AA-  
A1+

(\$ mn.)

76.4

60.2

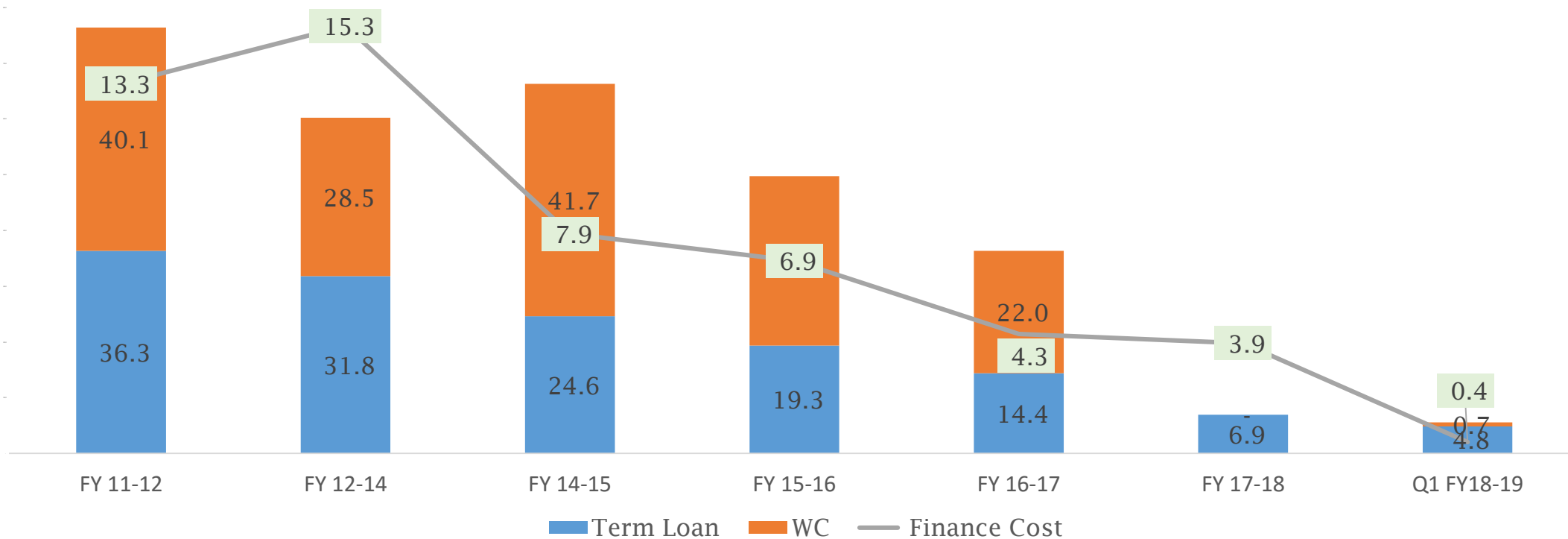
66.3

49.7

36.3

6.9

5.5

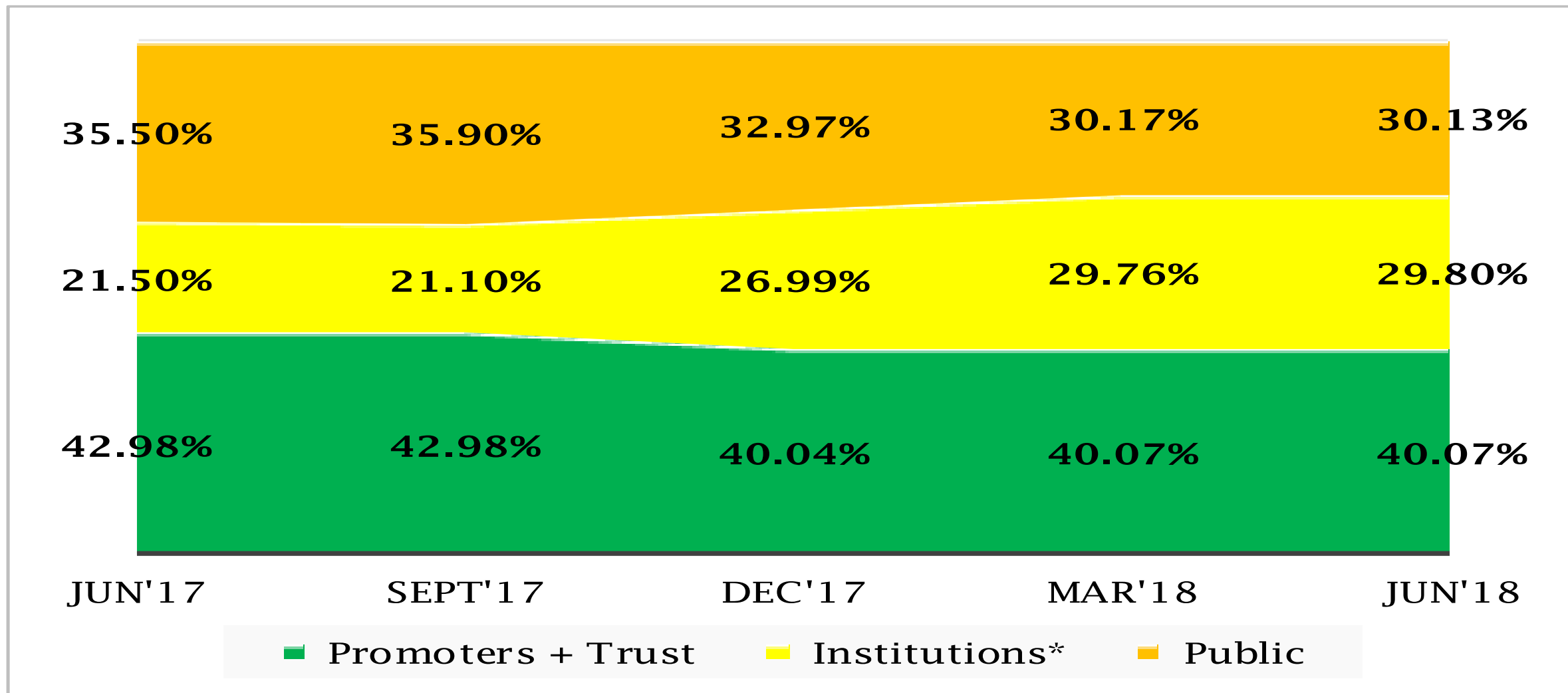


\*Nos. from FY 11-12 to FY 14-15 is as per IGAAP.

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

External Credit Rating

# ↑ SHAREHOLDING PATTERN



\* FPI/Financial Institutions/ Banks/Insurance Companies

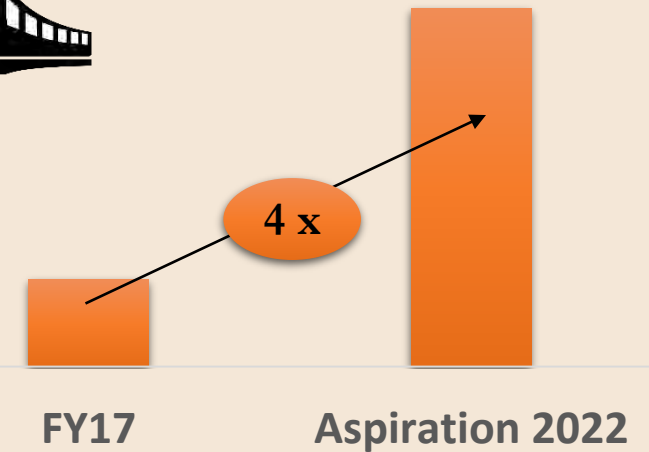
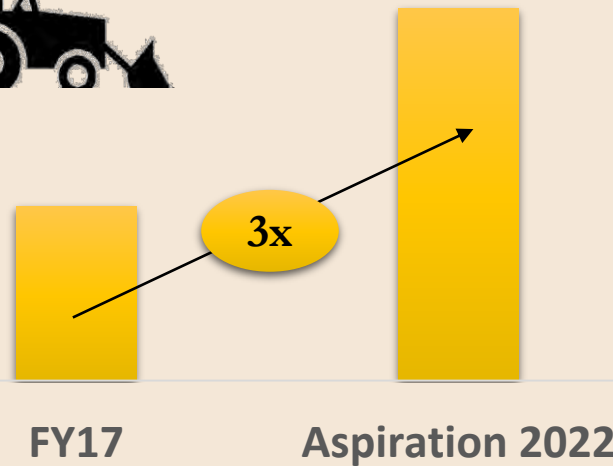
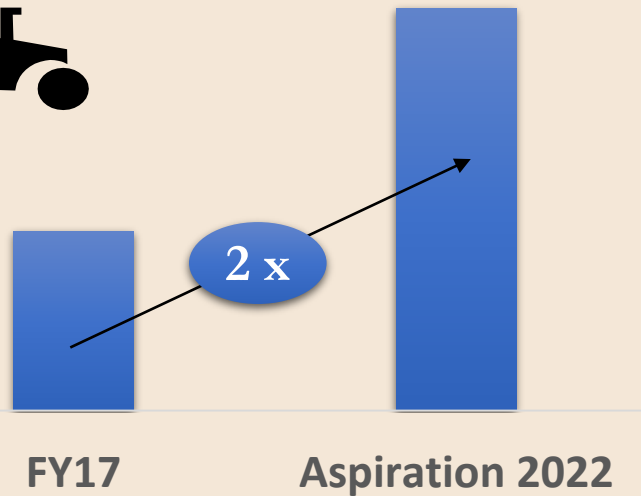
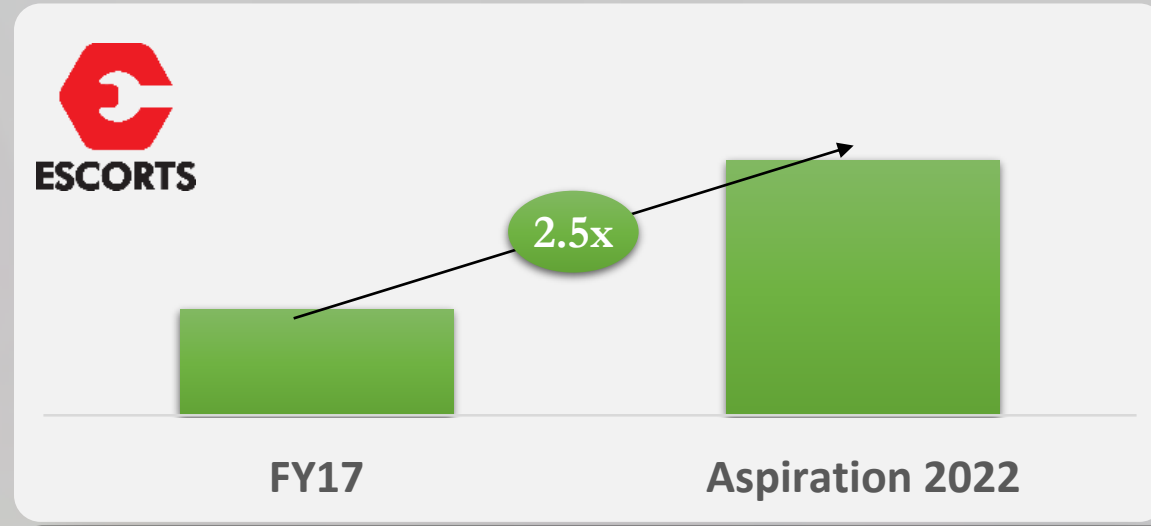
As of quarter ended



# Aspiration

## By 2022

# REVENUE (\$mn.)



# 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**

**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.

# 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

