

## PRESS RELEASE

### **Escorts Profits grow by 91.6% at ₹ 160.4 crore**

*Tractor volumes up by 24% at 63,786 units*

*Construction Equipment volumes up by 29.8% at 3,315 units*

*EBIDTA up by 83.2% at ₹ 323.7 crore*

*Profit from continued operations doubled at ₹ 201 crore*

*Board recommends a dividend of 15%*

**New Delhi, May 29, 2017:** Escorts Limited today reported a profit of ₹ 160.4 crore in year ended March'17 up by 91.6 percent as against a profit of ₹ 83.2 crore in the previous fiscal.

In year ended March'17, Tractor sales were up by 24 percent at 63,786 tractors as against 51,455 tractors in the previous fiscal. Construction equipment volume went up by 29.6 percent at 3,315 units as against 2,555 units in the previous fiscal.

Turnover up by 21.2 percent to ₹ 4,167.6 crore as against ₹ 3,438.7 crore in the previous fiscal. Material cost was down by 90 bps at 67.0 percent as against 67.9 percent in the previous fiscal.

#### **HIGHLIGHTS Q4FY17**

- Tractor volumes up by 26.7% at 14,978
- Construction equipment volume up by 40.7% at 1,037
- Turnover up 29.5% at ₹ 1,043.9 crore.
- EBIDTA up by 70% at ₹ 74.4 crore.
- EBIDTA margins up by 169 bps
- EPS at ₹ 4.95 as against ₹ 1.75 last year.

EBIDTA from continuing operations up by 83.2 percent at ₹ 323.7 crore as against ₹ 176.7 crore in the previous fiscal, EBIDTA margin at 7.8 percent up by 263 bps as against previous fiscal. Net profit from continuing operations more than doubled at ₹ 201.1 crore as against ₹ 100.7 crore in the previous fiscal. EPS reported at ₹ 13.43 as against ₹ 6.97 in the previous year.

Volume growth, increase in share of market and cost reduction initiatives contributed to increase in margins. Increase in commodity prices has partially impacted the performance.

Speaking on the results, **Chairman Mr. Rajan Nanda** said, "Renewed focus on Farm Mechanisation, agricultural infrastructure & highways reflects in our growth across

businesses. Government's vision for smart cities, doubling farmer's income by 2022 & rural elevation policies will further accelerate economic growth and opportunities. Escorts today is well prepared for it."

According to **Mr. Nikhil Nanda, Managing Director**, Escorts Ltd, “We are in a continuous process to compress cost, better our margins & strengthen customer connect. Our expanded product portfolio and technology upgrades have resulted in improved numbers both in existing and newer geographies. Our major thrust today is to integrate global best practices, imbibe and innovate futuristic techniques and product standards which will not only foster agriculture elevation but will also provide smart and safe infrastructure.”

## **SEGMENT WISE PERFORMANCE**

### ***Escorts Agri Machinery***

Tractor sales at 63,786 tractors up by 24% as against 51,455 tractors in the previous year. EBIT margins up by 212 bps at 10.3% as against 8.2% in the previous fiscal. For fourth quarter ended March’17 tractor volumes at 14,978 up by 26.7% and EBIT margin at 10.1% up by 62 bps as against the previous year same period.

### ***Escorts Construction Equipment***

Construction equipment sales at 3,315 units up by 29.8% as against 2,555 units in the previous year. Positive swing of 291 bps in EBIT margins as against previous fiscal. For fourth quarter ended March’17 volumes at 1,037 up by 40.7% and EBIT margin at 2.1% up by 543 bps as against the previous year same period.

### ***Railway Equipment Division***

Railway division sales up by 6.5% at ₹ 242.5 crore as against ₹ 227.8 crore in the previous year. EBIT margins up by 280 bps at 12.7% as against 9.9% in the previous fiscal. For fourth quarter ended March’17 sales at ₹ 66.6 crore up by 17.2% and EBIT margin at 10.8% up by 554 bps as against the previous year same period. The current order book is around ₹ 155 crore and will be executed in the next 6-7 months.

***The audited accounts of the 12 months ended March 2017 has been approved by the Board of Directors of Escorts Limited.***

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