

# Escorts Limited

CMP : Rs 907.90

July 30 ,2018

## Excellent performance

Net sales for the June 18 quarter stood at Rs 1511.29 crore, up by 32%. OPM was higher by 380 bps to 12.3% thus resulting in OP growth of 90% to Rs 185.54 crore. Other income was down by 17% to Rs 16.98 crore. Interest costs was lower by 64% to Rs 2.87 crore, while depreciation was higher by 16% to Rs 20.57 crore, thus resulting in a 94% rise in PBT to Rs 179.08 crore. After providing total tax of Rs 59.52 crore, PAT for June 18 quarter stood at Rs 119.56 crore, up by 91% on YoY basis.

## Segmental Performance for the June 18 quarter

For the quarter, sales from the Agri Machinery Product Segment stood at Rs 1177.21 crore and accounted for 78% of sales. PBIT from the same was up by 64% to Rs 166.64 crore and accounted for 85% of total.

For the quarter, sales from the Railway Equipment Segment stood at Rs 88.08 crore and accounted for 6% of sales. PBIT from the same was up by 246% to Rs 22.30 crore and accounted for 11% of total.

For the quarter, sales from the Construction Equipment Segment stood at Rs 246 crore and accounted for 16% of sales. PBIT from the same stood at Rs 5.89 crore as compared to loss of Rs 3.48 crore for June 17 quarter.

Speaking on the results, **Mr.Nikhil Nanda,Managing Director**, said, "Escorts has seen a positive momentum in the first quarter of this fiscal with a strong performance in June reflecting both farm optimism as well as warm reception for Escorts products with innovative technologies. We are in a continuous process of developing solutions that are intelligent, environmentally safer and providing better value to our customers. Apart from our focus on advanced technologies such as electric and autonomous tractors, we are partnering global IT, engineering and technology driven firms to develop products that will fundamentally change the way in which farming is done. Similarly, our focus on urban smart infrastructure and safe railway transport segments is tapping into technology driven sectors. Our strong focus on cost compression, better margins and strong customer connect driven with innovation, we have embarked on a game changing pathway. With a strong focus on innovation and quality across Agri Machinery, Construction and Railways, the company will continue to strengthen its product offering and leverage the improved market conditions."

## Other updates

In June 18 quarter, tractor volume was up by 40% to 24494 units.

Construction equipment volume was up by 52% to 1345 units in June 18 quarter.

Strong order book of Rs 300 crore in Railway segment.

## Performance for the 12 months ended Mar 18

Net sales for the 12 months ended Mar 18 stood at Rs 4995.13 crore, up by 22%. OPM was higher by 330 bps to 11.2% thus resulting in OP growth of 72% to Rs 557.22 crore. Other income was up by 37% to Rs 59.41 crore. Interest costs was lower by 8% to Rs 28.57 crore, while depreciation was higher by 15% to Rs 72.48 crore, thus resulting in a 89% rise in PBT to Rs 515.58 crore. There is an EO expense of Rs 6.76 crore largely due to VRS expenditure as compared to EO income of Rs 3.76 crore for 12 ended Mar 17. Profit at PBT after EO thus stood at Rs 508.82 crore, up by 84% YoY. After providing total tax of Rs 164.09 crore, PAT for 12 months ended Mar 18 stood at Rs 344.73 crore, up by 71% on YoY basis.

For the 12 months, sales from the Agri Machinery Product Segment stood at Rs 3957.86 crore and accounted for 79% of sales. PBIT from the same was up by 57% to Rs 539.89 crore and accounted for 91% of total.

For the 12 months, sales from the Railway Equipment Segment stood at Rs 286.60 crore and accounted for 6% of sales. PBIT from the same was up by 30% to Rs 39.77 crore and accounted for 7% of total.

For the 12 months, sales from the Construction Equipment Segment stood at Rs 780.34 crore and accounted for 16% of sales. Loss at PBIT from the same stood at Rs 15.01 crore as compared to loss of Rs 13.82 crore.

## INDEX DETAILS

SENSEX	37494.40
NIFTY (S&P CNX)	11319.55

## SCRIP DETAILS

Industry	Commercial Vehicles
Mkt Cap (Rs in Crore)	11120.46
Book Value (Rs)	207.87
Free Float (%)	59.93
Avg Vol Weekly (NSE)	1773606
52 Week H/L (NSE)	1018.50 / 544.55
Dividend Yield (%)	0.22
BSE Code	500495
NSE Code	ESCORTS

## SHAREHOLDING PATTERN(%)

PARTICULARS	LATEST QUARTER	PREVIOUS QUARTER
Promoters	40.07	40.07
FIIIs	24.14	24.37
DIIIs	5.66	5.38
Others	30.13	30.18
Totals	100	100

## Price Comparison with Sensex



## Escorts: Result

Particulars	Q1FY19	Q1FY18	Var. (%)	FY18	FY17	Var. (%)
Sales	1511.29	1142.3	32	4995.13	4093.16	22
OPM (%)	12.3	8.5		11.2	7.9	
OP	185.54	97.54	90	557.22	323.71	72
Other inc.	16.98	20.5	-17	59.41	43.46	37
PBIDT	202.52	118.04	72	616.63	367.17	68
Interest	2.87	7.95	-64	28.57	31.11	-8
PBDT	199.65	110.09	81	588.06	336.06	75
Dep.	20.57	17.79	16	72.48	63.07	15
PBT	179.08	92.3	94	515.58	272.99	89
EO	0	0	0	6.76	-3.76	-280
PBT after EO	179.08	92.3	94	508.82	276.75	84
Total Tax	59.52	29.65	101	164.09	75.61	117
PAT	119.56	62.65	91	344.73	201.14	71
EPS (Rs) *	#	#		28.5	16.6	

## Escorts: Segment Results

Particulars	Q1FY19	Q1FY18	Var. (%)	% to Total	FY18	FY17	Var. (%)	% to Total
Sales								
Agri Machinery Products	1177.21	942.1		78	3957.86	3346		79
Construction Equipments	246	164.56		16	780.34	606.78		16
Railway Equipments	88.08	65.24		6	286.6	242.47		6
Discontinued business of auto ancillary	0	0		0	0	51.34		0
Others	0	0		0	0	0		0
Unallocated	0	0.1		0	0.29	2.03		0
TOTAL	1511.29	1172		100	5025.09	4248.62		100
Less: intersegment sales	0	8.83			9.12	29.88		
Add: Unallocable sales								
Net Sales	1511.29	1163.17			5015.97	4218.74		
PBIT								
Agri Machinery Products	166.64	101.76	64	85	539.89	344.65	57	91
Construction Equipments	5.89	-3.48	LP	3	15.01	-13.82	LP	3
Railway Equipments	22.3	6.45	246	11	39.77	30.67	30	7
Discontinued operations of Auto ancillary	1.74	0	0	1	0	-10.29	0	0
Others	0	0	0	0	0	0	0	0
TOTAL	196.57	104.73	88	100	594.67	351.21	69	100
Less interest	2.87	7.95	-64		28.57	40.35	-29	
EO	0	0	0		6.76	35.16	-81	
unallocable EO	12.88	4.49	187		50.52	57.41		
PBT	180.82	92.29			508.82	218.29		

## NOTES

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**Main Office** : Ck-15, Sector-II, Salt Lake City, Kolkata-700091.