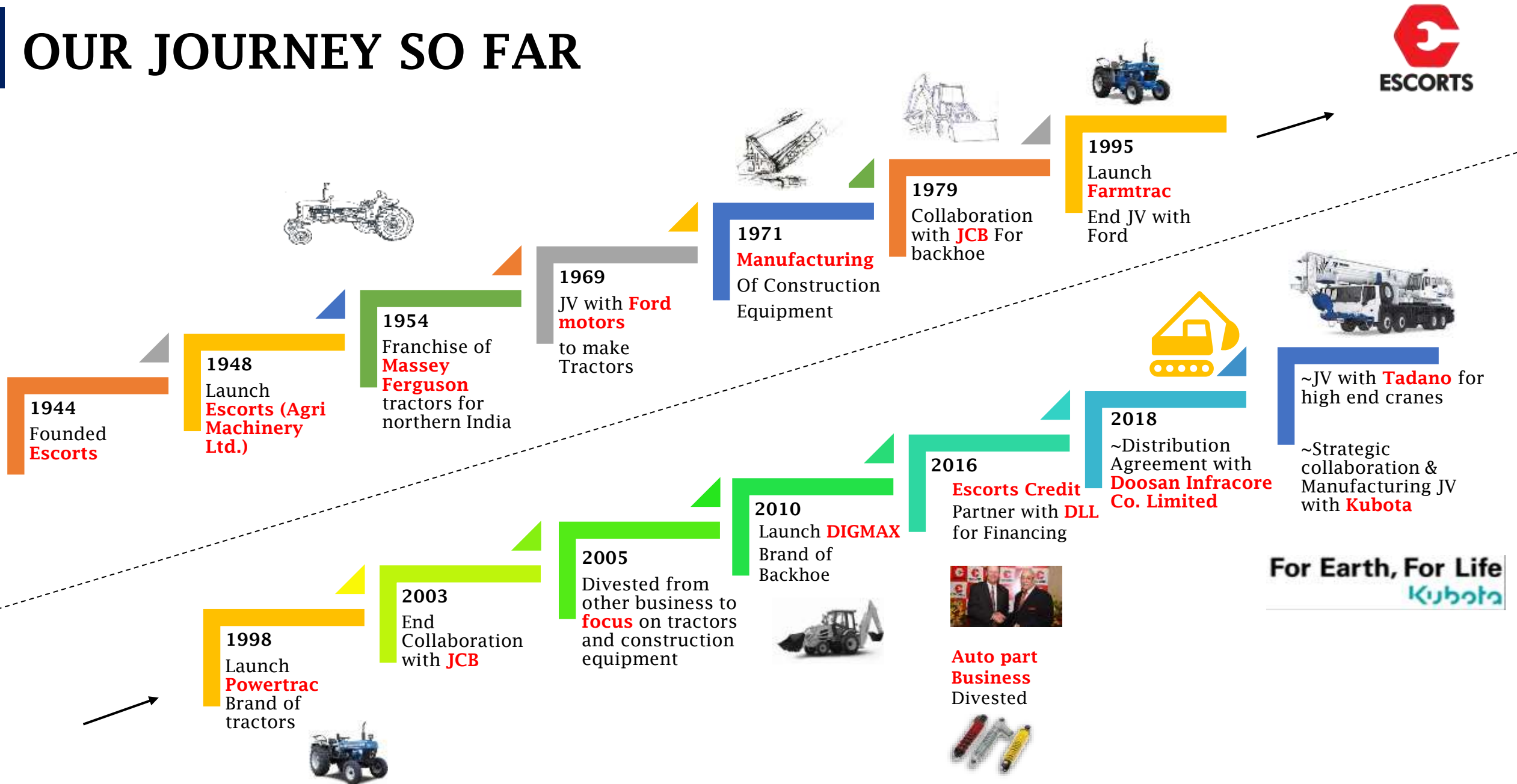


INVESTOR PRESENTATION

February 2022

OUR JOURNEY SO FAR



Recent Transaction Highlights 1/3



Escorts Ltd (Escorts) & Kubota Corporation (Kubota) further deepen their existing relationship

1

Preferential Allotment

- **Kubota will make an additional investment of ₹ 1,872.74 crore in Escorts** through a Preferential Issue of **93,63,726** equity shares (subject to receipt of necessary approvals) for a 6.49% of the equity stake on expanded capital (pre cancellation of shares)
- This price of **₹ 2,000** per share is at a premium of **29.5%** over the floor price (as per SEBI regulations) of ₹ 1,544.16 per share
- Kubota's stake in Escorts will increase to 14.99%* (on expanded capital and pre cancellation of shares)

2

Joint Promoter

- Pursuant to the transaction, Kubota will become **Joint Promoter along with existing Promoters of Escorts**

3

Open Offer

- Kubota to make a Mandatory Open Offer (MTO) to the public shareholders of Escorts to acquire upto 26% of the share capital
- Open Offer to be at same price as preferential issuance, i.e. a price of ₹ 2,000 per share
- Kubota's stake in Escorts to increase to 44.80% (post 1st Capital reduction and assuming full tendering in Open Offer)

4

Merger of JV's (KAI and EKI)

- With a goal of making Escorts as the exclusive vehicle of business in India, Escorts and Kubota have decided to take necessary steps to evaluate and consider the feasibility of merger of **Kubota Agricultural Machinery India Pvt. Ltd (KAI) & Escorts Kubota India Private Limited (EKI)**, subject to necessary approvals

Preferential allotment and Open Offer likely to be completed by March 2022

*Assuming existing capital reduction scheme filed with NCLT for cancellation and extinguishment of 1,22,57,688 equity shares of Escorts Limited held by Escorts Benefits and Welfare Trust is not made effective prior to the date of preferential allotment, else this shall be 16.39%

Recent Transaction Highlights 2/3



Change of name

- Name of Company is proposed to be changed to '**Escorts Kubota Limited**' subjected to necessary approvals

Leadership

- **Mr. Nikhil Nanda shall continue be the Chairman and Managing Director** and lead the next phase of growth of Escorts, with the current set of Key Managerial Persons (KMPs)
- Kubota intends to have Mr. Nikhil Nanda engaged in his individual capacity as a non-employee with the proposed designation of senior managing executive officer and General Manager of Value-Innovative Farm and Industrial Machinery Strategy and Operations of Kubota, besides a proposal to induct him as a director on the Board of Kubota's European business holding company, Kubota Holdings Europe B.V., Netherlands. Mr. Nikhil Nanda's non-employee involvement in the foregoing capacity will not interfere with his role as the CMD of Escorts. There will be no remuneration payable to him for these services.

Existing promoter remains fully invested

- Existing Promoter / Promoter Group of Escorts is not selling any shares & **continues to remain fully invested in the Company**

Existing Promoters and Leadership team continue to remain fully invested and committed with Escorts to lead its next phase of growth

Key Transaction Highlights 3/3



2nd Reduction in Share Capital

- The Board of Directors of Escorts has agreed to evaluate and consider the feasibility of cancellation of all the residual equity stake of Escorts held by the Escorts Benefit and Welfare Trust [besides the pending capital reduction (1st Reduction in Share Capital)] without payment of any consideration, subject to necessary approvals

Escorts Finance

- Change in control of Escorts shall lead to indirect change in control of Escorts Finance Limited. Kubota to make an **Open Offer** to the public shareholders of Escorts Finance Ltd to acquire upto 26% of the share capital
- The Board of Directors of Escorts has agreed to evaluate and consider the feasibility of merger of Escorts Finance Limited with the Company, subject to necessary approvals

Other Existing JVs

- All other **Joint ventures** (other than with Kubota) will continue to operate as planned earlier

VISION, MISSION & VALUES



VISION

TO BE AMONG TOP ENGINEERING COMPANIES IN INDIA

Through the power of imagination in engineering we create solutions that help our customers be more productive.

MISSION

TO BE AN INTEGRATED SOLUTION PROVIDER

To our customers by harnessing emerging future technologies and information to add value at every stage of customer need.

CORE VALUES

RESPECT FOR
PEOPLE

EMPOWERMENT

TRANSPARENCY

COLLABORATION

STRATEGIC VALUES

CUSTOMER
CENTRICITY

INNOVATION

EXCELLENCE

AGILITY

OUR CURRENT BUSINESSES



Total income FY21: ₹ 7,083.9 Cr.
9MFY22: ₹ 5,291.2 Cr.

Escorts Agri Machinery



EAM's advanced agri-machinery & crop solutions help enhance agricultural productivity and add value to a farmer's life

Revenue FY21: ₹ 5,667.3 Cr.
9MFY22: ₹ 4,158.0 Cr.

Escorts Construction Equipment



ECE's vast range of construction & material handling equipment supports India's infrastructure growth

Revenue FY21: ₹ 776.1 Cr.
9MFY22: ₹ 666.2 Cr.

Railway Equipment Division



RED's wide array of railway products aids the modernization of Indian Railways

Revenue FY21: ₹ 479.0 Cr.
9MFY22: ₹ 463.4 Cr.

ESCORTS is one of India's leading engineering conglomerates and for over Seven decades it has helped accelerate India's socio-economic development through its presence across the high growth sectors of Agri-machinery, Construction & Material Handling Equipment and Railway Equipment.

MANUFACTURING FACILITIES



Escorts Agri Machinery (EAM)

Three Plants: Farmtrac, Powertrac & Components with a current production capacity of **120,000** + tractor p.a.

Poland Plant: 100% subsidiary having an installed capacity of **2,500** tractor p.a.

50,000 capacity Manufacturing Plant under JV with Kubota

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)

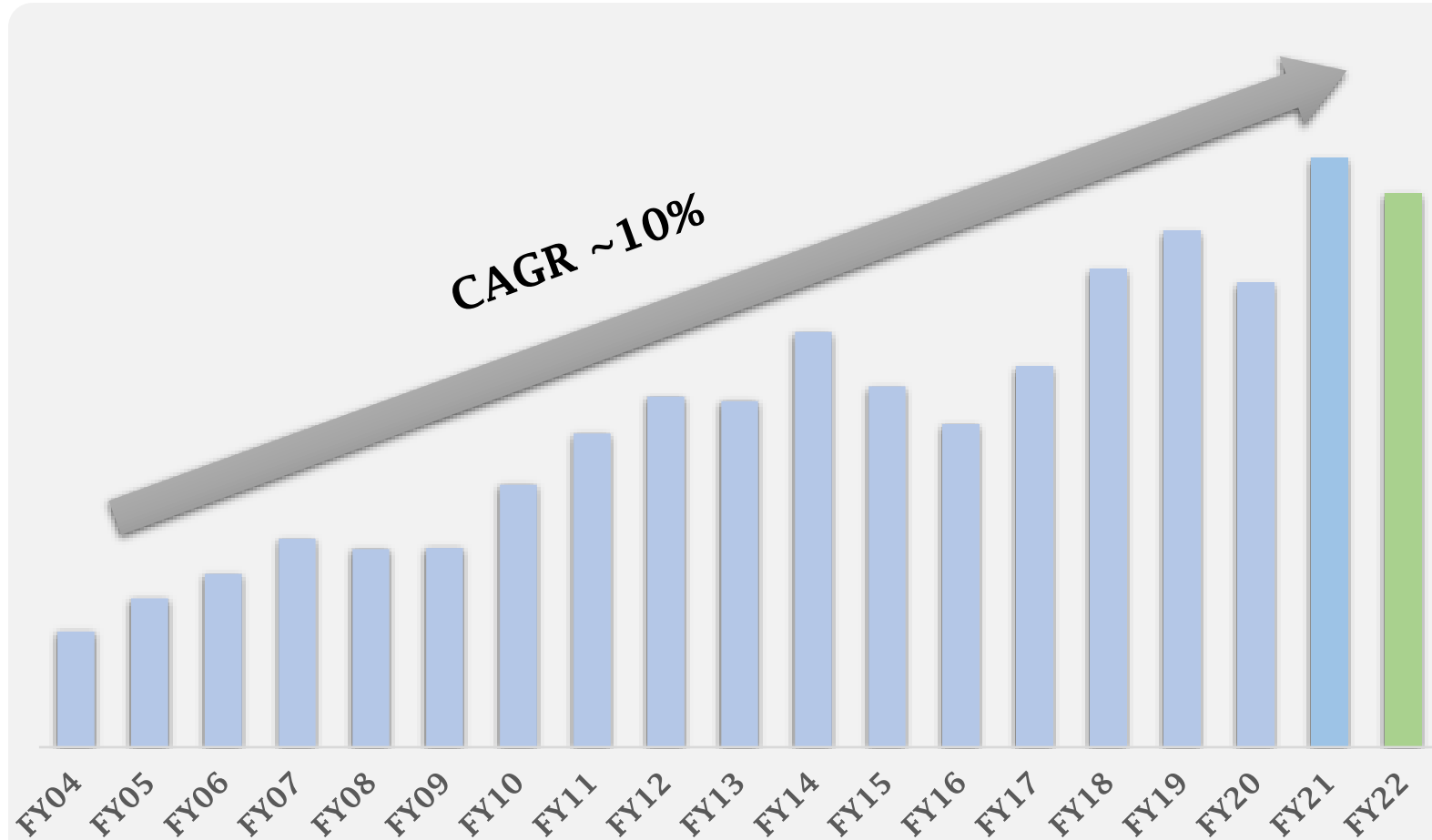
A State of Art facility in Faridabad, sprawling 55,609 sq.m, envisaged and designed to manufacture an array of safety and comfort products for rail transport.

Segment Performance : EAM



Powering The Dreams Of Farmer

↑ DOMESTIC TRACTOR INDUSTRY



Increasing Trend towards Mechanisation

Minimum Support Prices for Key Crops

Scarcity of Labour

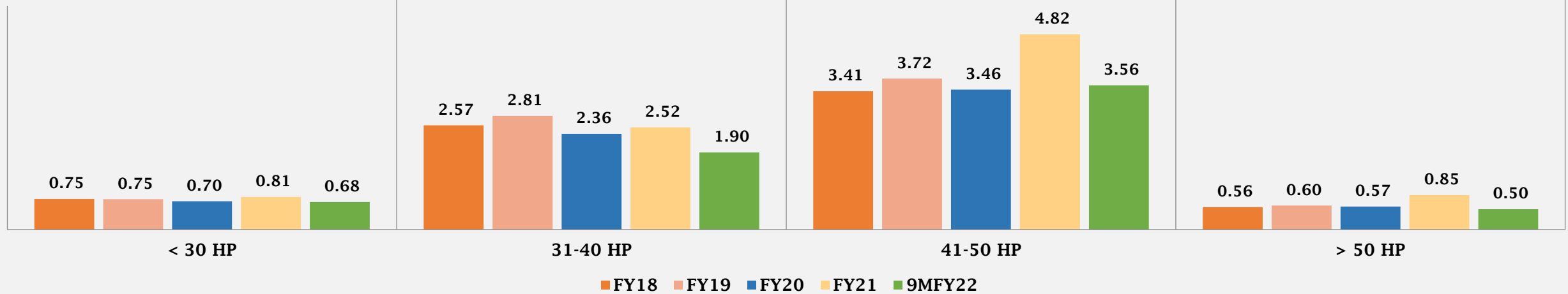
Ease of Credit Availability from Govt.

- ❖ India is the **largest** manufacturer of farm equipment
- ❖ India accounts for nearly **1/3rd** of the overall tractor production globally
- ❖ **0.9 million** units in **FY21** and reach to approx. **1.2-1.5 million** units by **2030**
- ❖ Customer exchange their tractor in every **6-8 years** in mature markets.

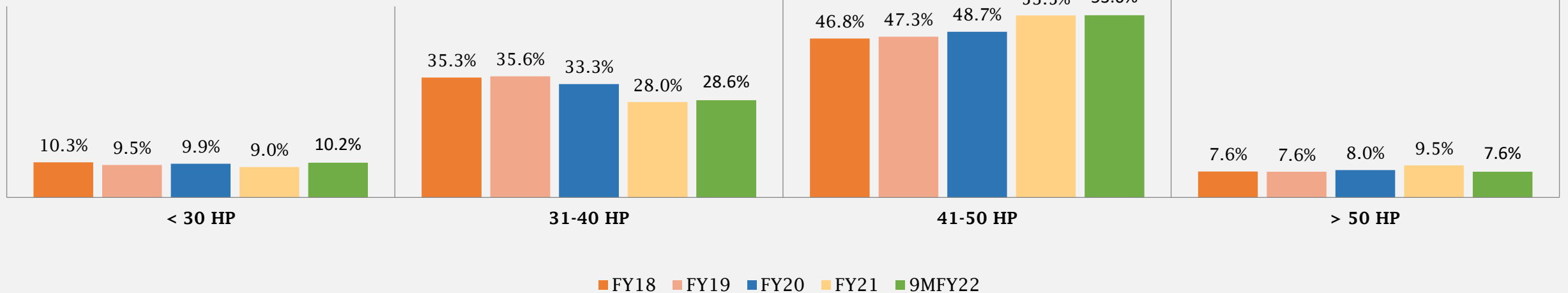
Domestic Industry Segmentation



Industry Segment Volume (in lakh)



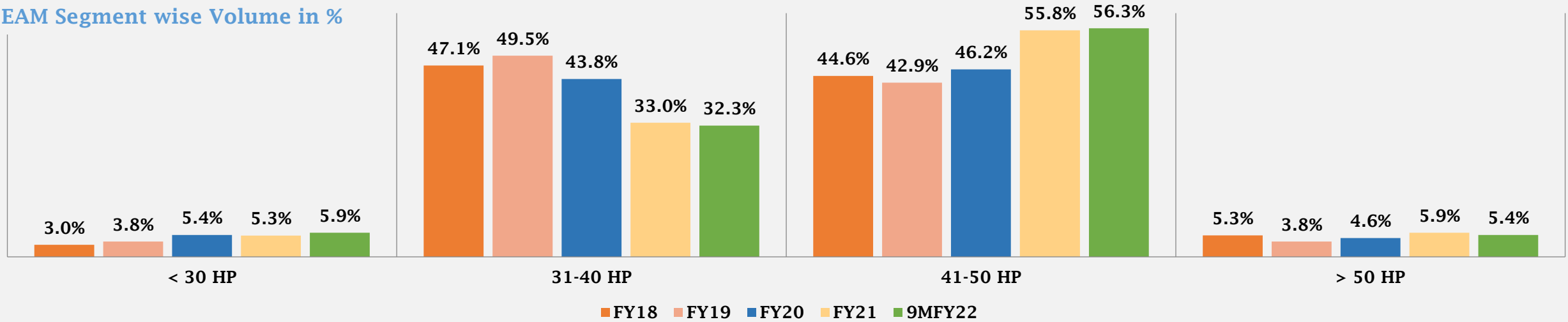
Industry Segment in %



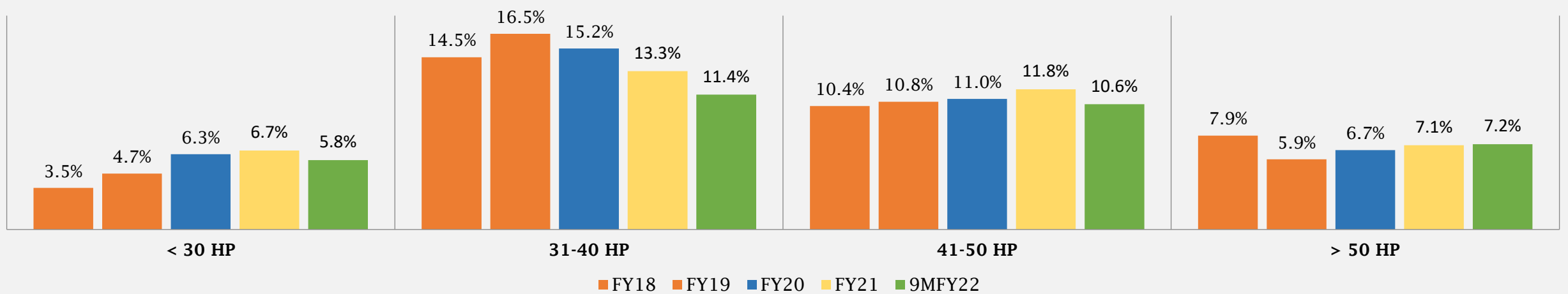
EAM DOMESTIC SEGMENTATION



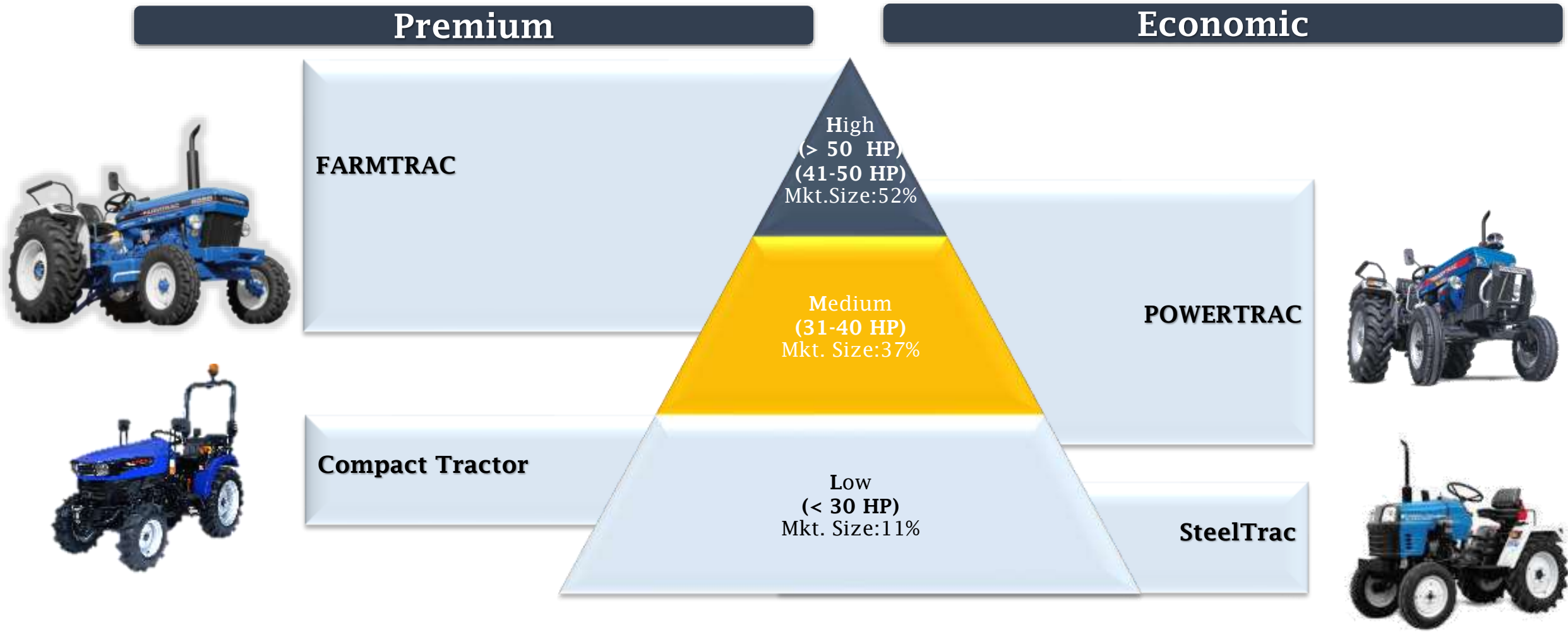
EAM Segment wise Volume in %



EAM Segment wise Market Share in %



HOW WE ARE POSITIONED



Expanded Product Lineup: 11 to 120 HP



HP Range

< 30 HP

31-40
HP

41-50
HP

51-90
HP



Best selling Compact range
for Vineyard & Orchards



Utility range of Champion and Diesel
Saver series



This Highest growth segment is
complemented with Smart &
Classic and Euro series



Successful launch of
PowerMaxx series
tractors



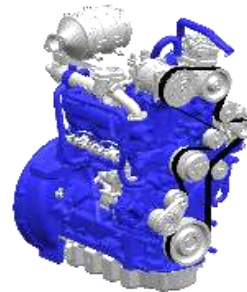
FT 6090

Up To
120 HP



Higher Horsepower Agricultural Tractors
for Bigger farm size suitable to need of
esteemed farmers

Technology Leadership



Engines

26 to 110 hp

Complying current
& future emissions
of India, EU & USA
BS4, Stage 5, Tier 4

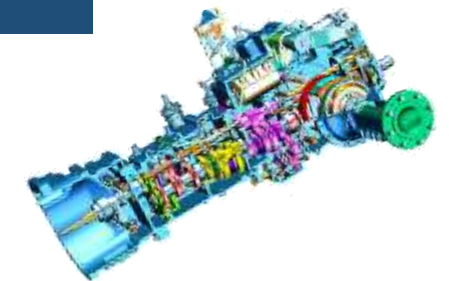
Driveline

22 to 90 HP

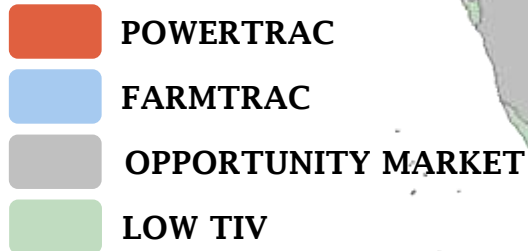
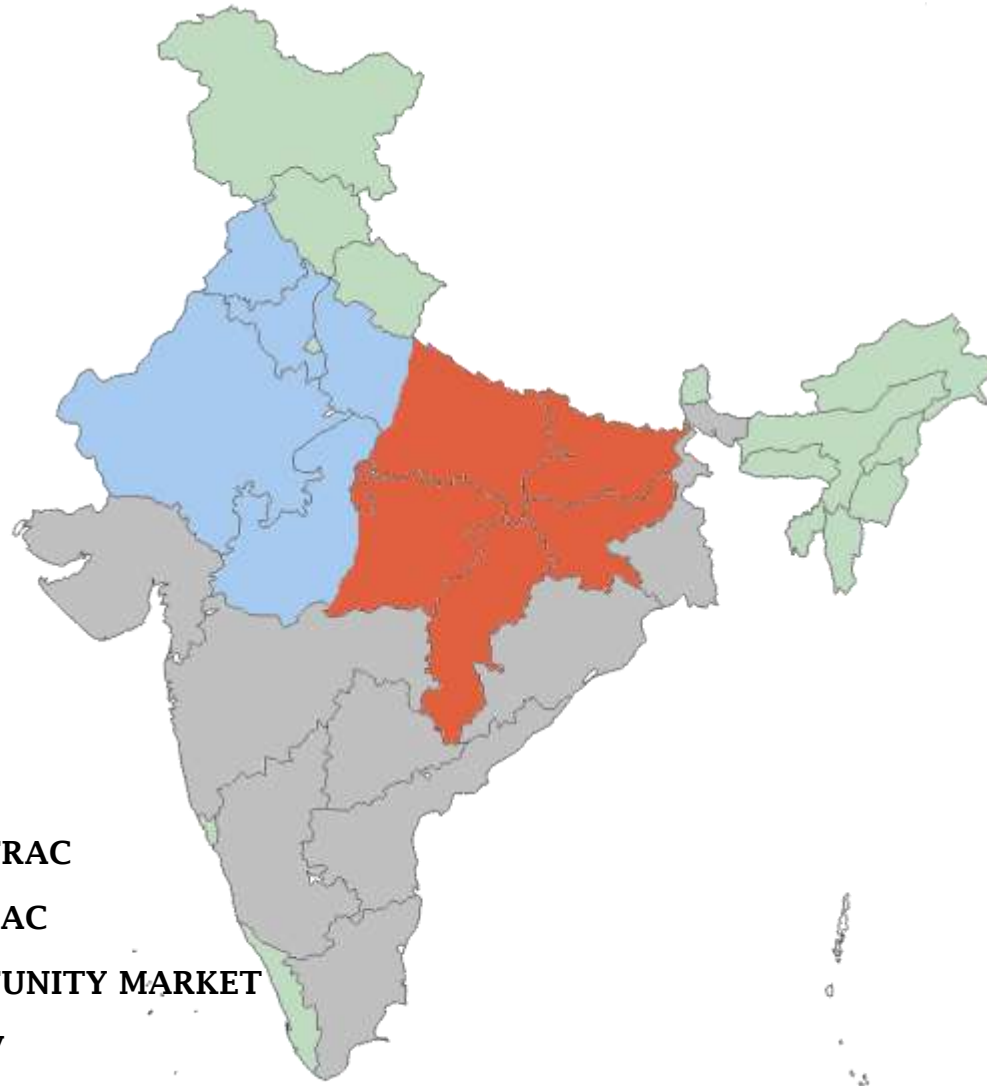
Transmissions:

Constantmesh, Synchromesh, Shuttle, HST

Hydraulic lifts: 1,000kg to 3,000kg
capacity



WINNING MARKET



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

Current 1,100+ Active Dealer Network

INGREDIENTS FOR GROWTH



Brand led Product Portfolio Expansion

Farmtrac
Powertrac
Steeltrac



Dual Distribution in Strong Market

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



South/West Focus

Channel Extension
Compact tractor
Rice tractor



Various Finance Tie-ups



Scientific Sales Management

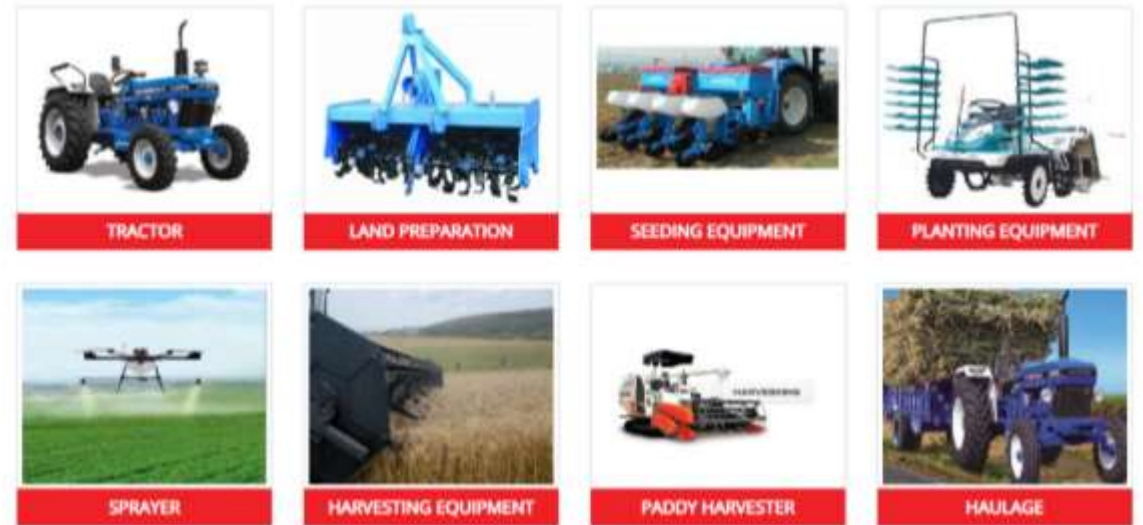


Customer Centricity

Care Button
ETC
Mobile Vans
Hotline
www.digitrac.in



 **CARE - 24X7**





INDIA'S FIRST ONLINE TRACTOR PLATFORM

ADVANCED. CONVENIENT. TRANSPARENT.



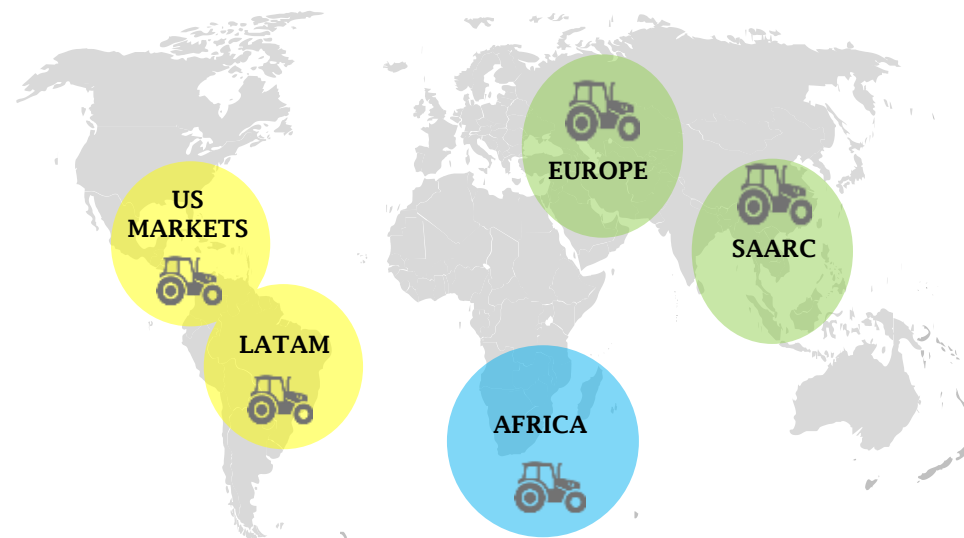
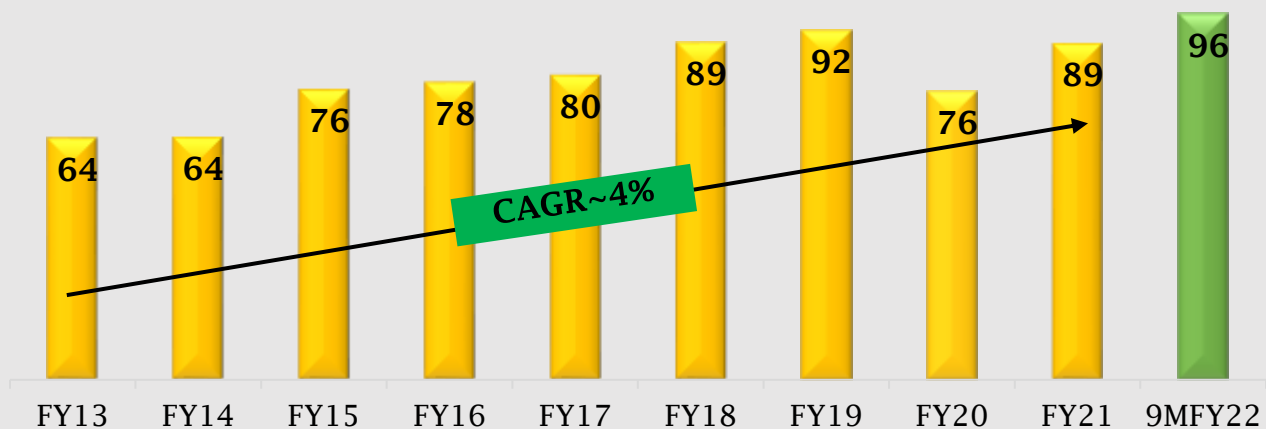
DIGITRAC Contactless Sales

EXPORT MARKET SIZE & OPPORTUNITY



Tractor Export from India

In `000s



Tractor Exports from India expected to grow by CARG 6~8%

Main Market under 120 HP Tractors

Hobby/Garden farming in Market (like USA)

SHIP* BUSINESS



TECHNOLOGY



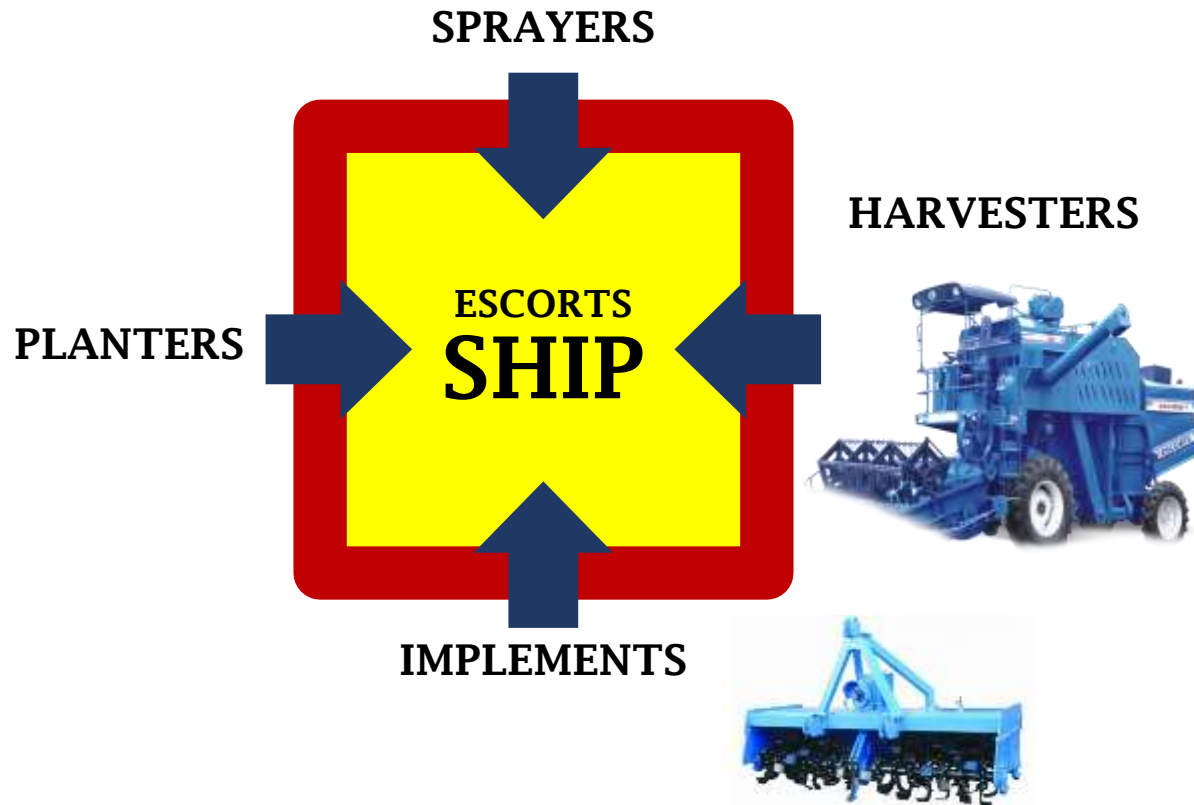
PRODUCT RANGE



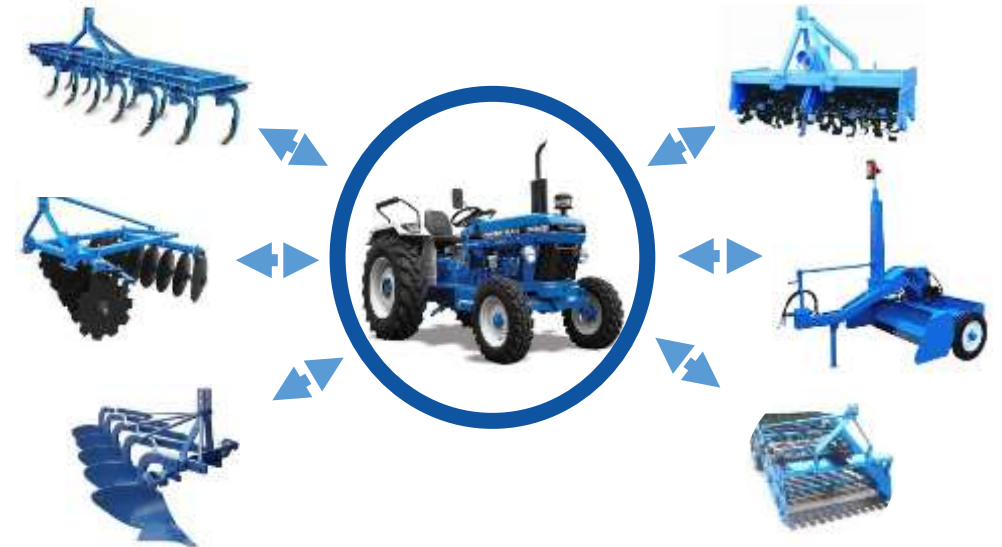
SUPPLY CHAIN



DISTRIBUTION NETWORK



TRACTOR IS AS GOOD AS ITS ATTACHMENTS

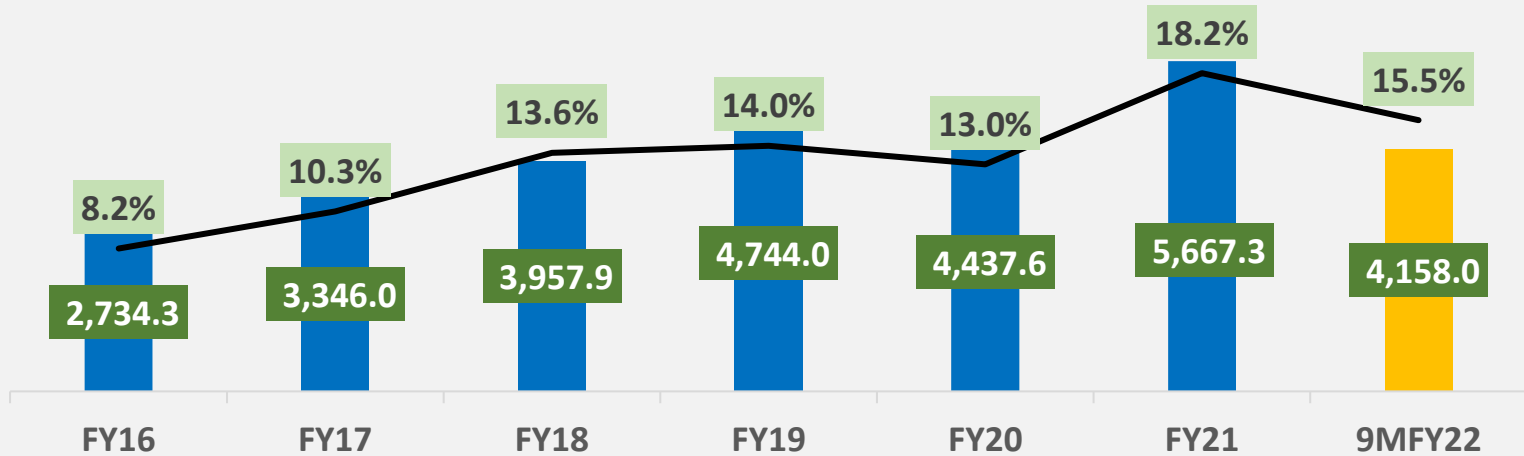


...EAM JOURNEY SO FAR & ASPIRATIONS FORWARD



SEGMENT REVENUE (Rs. Cr.)

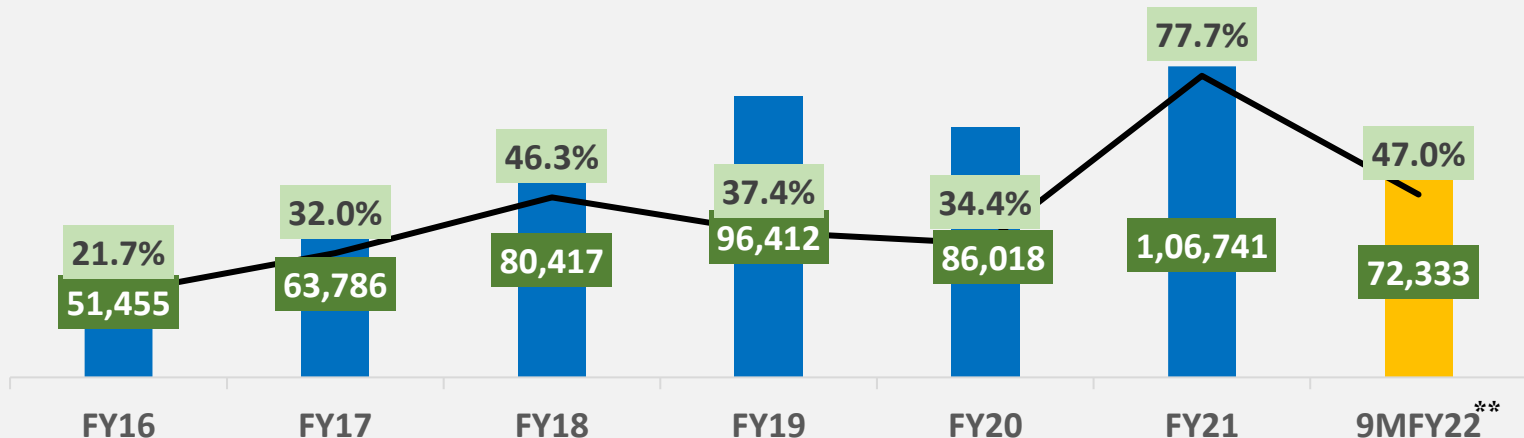
EBIT %



17~18% EBIT Margin

VOLUMES (Nos.)

ROCE %



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

Segment Performance : ECE

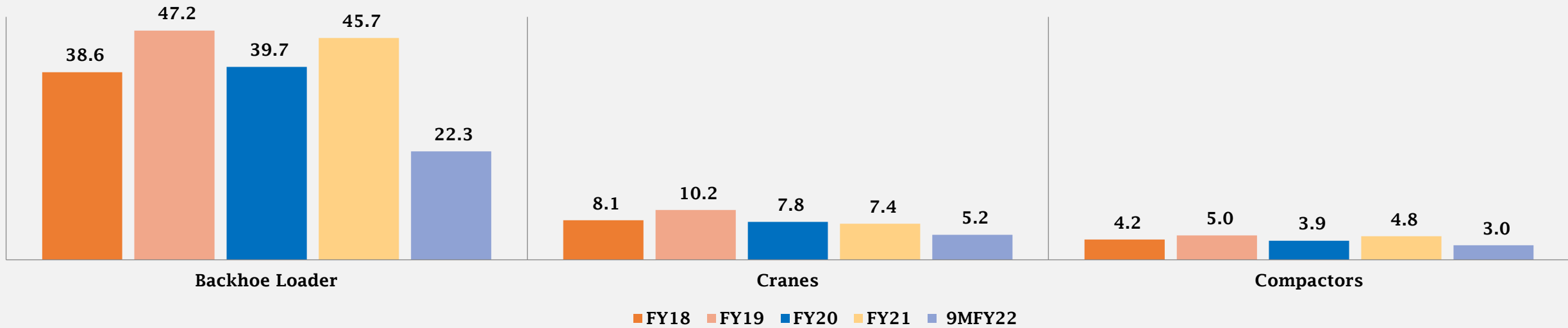
**Building a
Better Tomorrow**

PREFERRED PARTNER IN NATION BUILDING

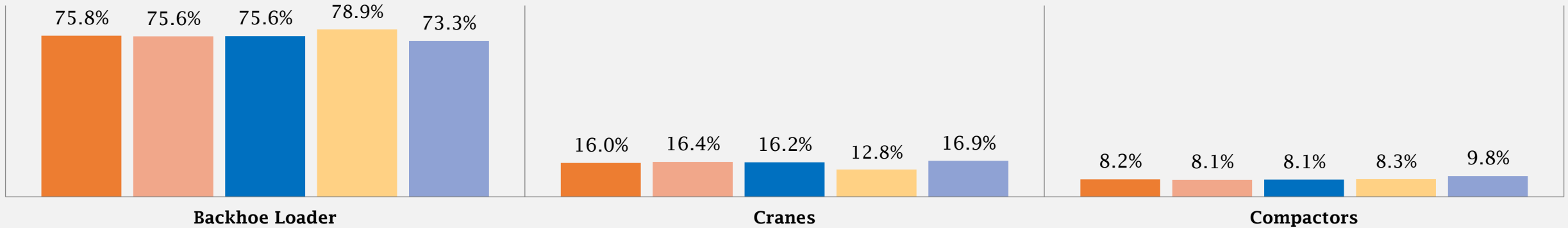
SERVED INDUSTRY SEGMENTATION



Served Industry Volume (in `000s)



Served Industry category wise in %



PRODUCT PORTFOLIO



1) Material Handling



64.6%

2) Earth Moving



17.2%

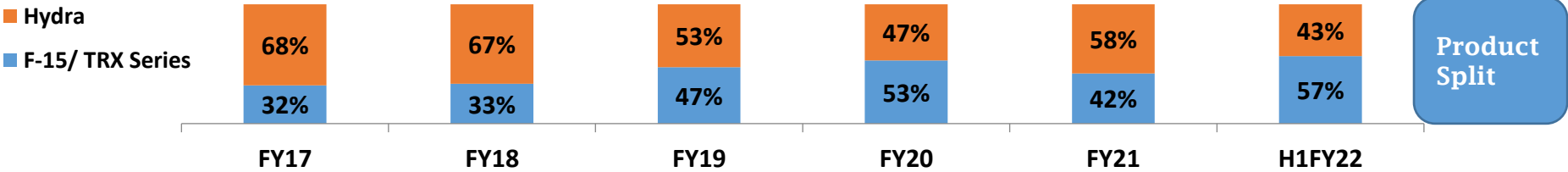
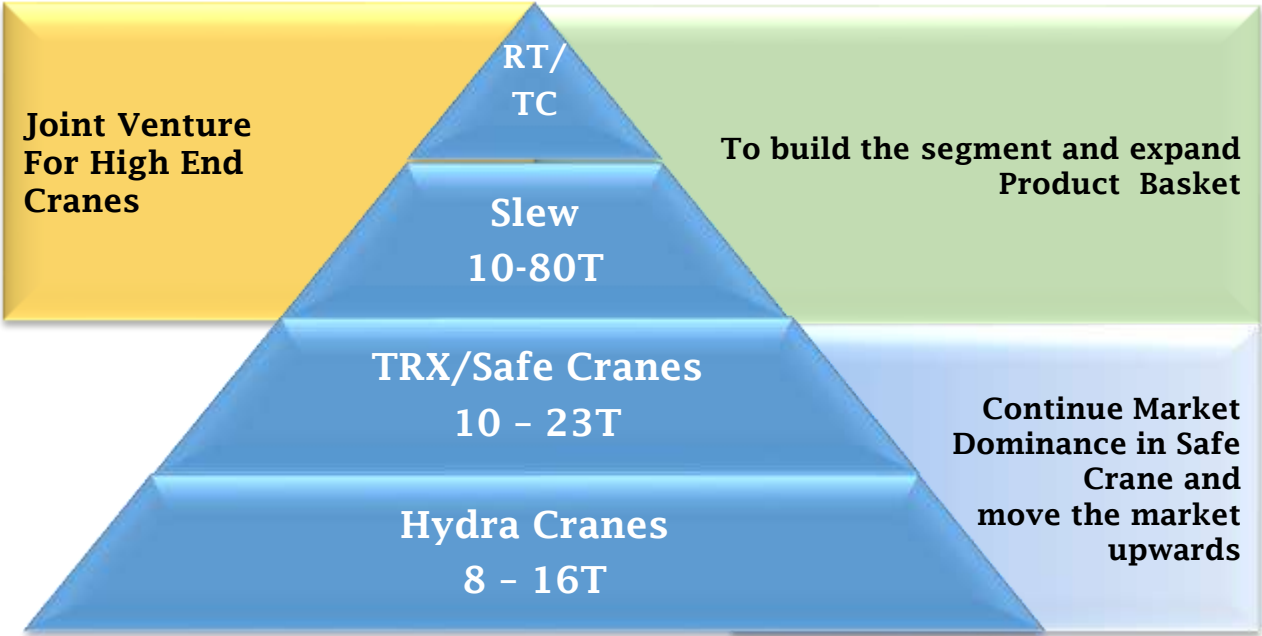
3) Road Construction



7.4%

% of ECE Revenue

MATERIAL HANDLING



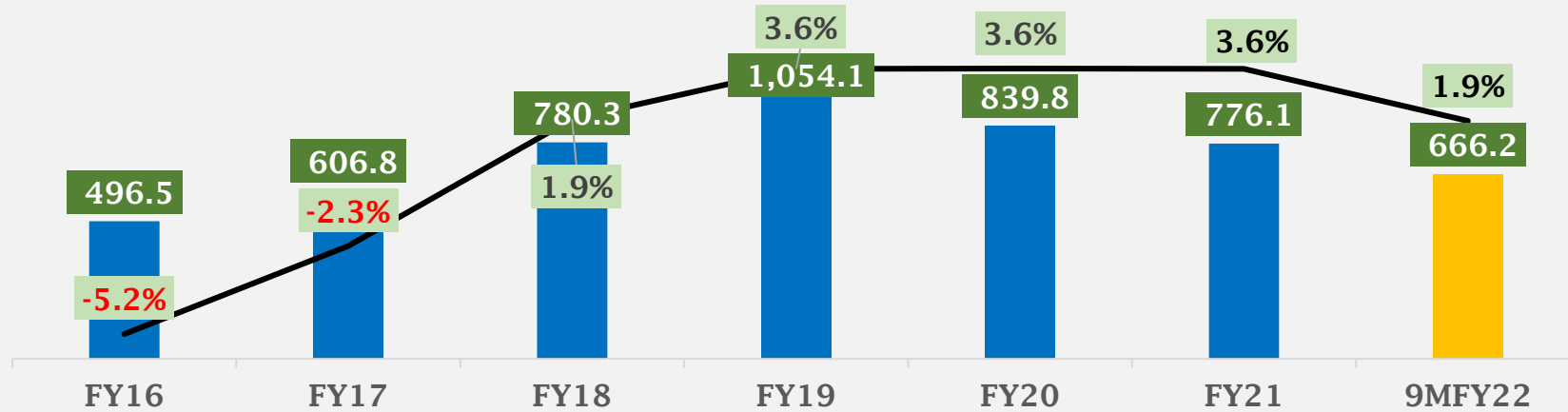
Transform the market from a leadership position

READY TO RIDE THE INDUSTRY BOOM

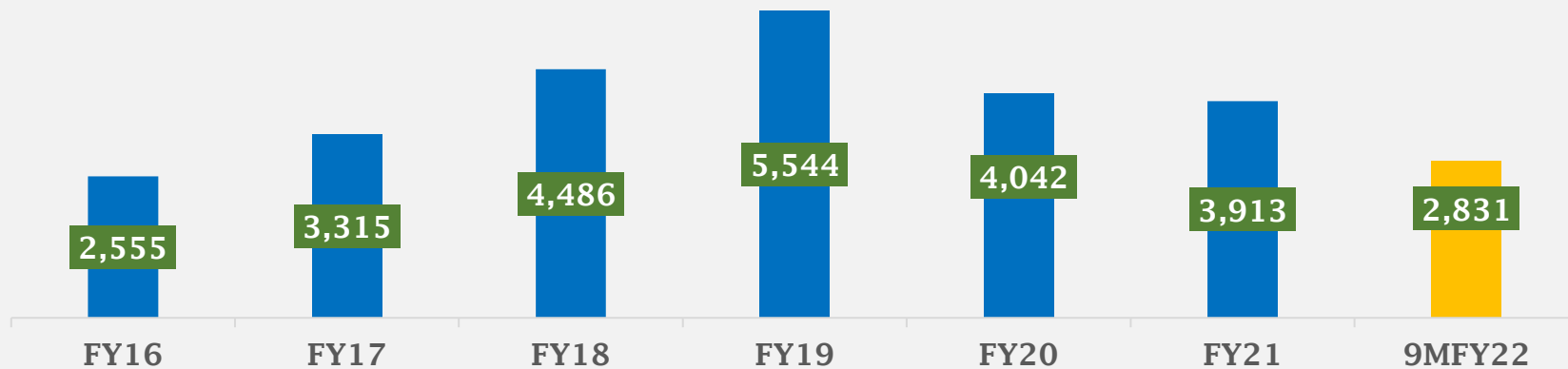


SEGMENT REVENUE (Rs. Cr.)

EBIT %



VOLUMES (Nos.)



ASPIRATION
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

Segment Performance : RED



Mobility Solutions
Of the future

ENSURING SAFETY AND COMFORT IN RAIL TRANSPORT



ESCORTS

RAILWAY EQUIPMENT DIVISION

We specialise in design, development and manufacturing of railway products like brake system, suspension system, dampers, rubber and friction products etc.



Loco Brake



EP Brake



Wheel Mounted Disc Brake System

(In collaboration with Yujin South Korea)



Axle Mounted Disc Brake System



Axle Mounted Brake Disc



Distributor Valve



Vacuum Toilets



Air Spring
(In collaboration with Nitta Japan)



Couplers & Draft Gear



Dampers



Brakes Block & Brake Pad



- We are ISO TS/22163 (IRIS Rev : 03) certified for Design, Development & Manufacturing activities
- Certified to ISO 9001 :2015, ISO 14001 :2015, RDSO, UIC and AAR

Ensuring Safety and Comfort in Rail Transport

IRISTM
Certified

ON GROWTH TRACK



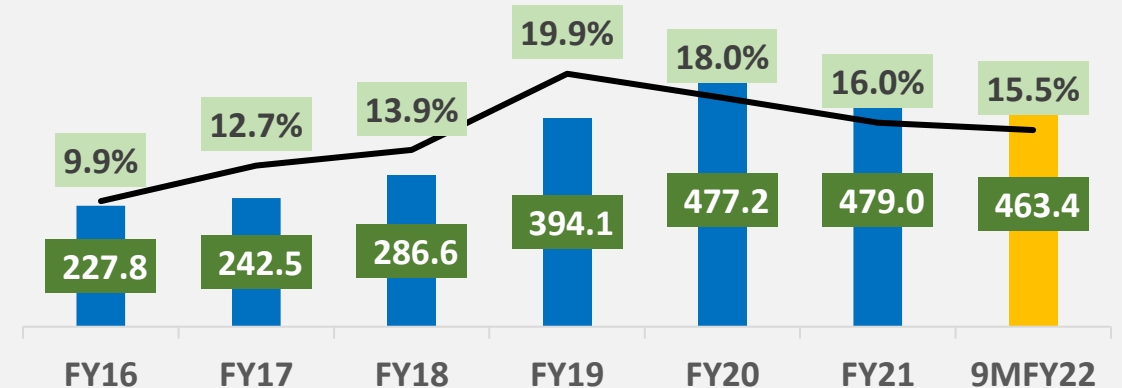
CONSISTENT ORDER BOOK

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

More than Rs. 400 Cr. as of
December'2021

SEGMENT REVENUE (Rs. Cr.)

EBIT %

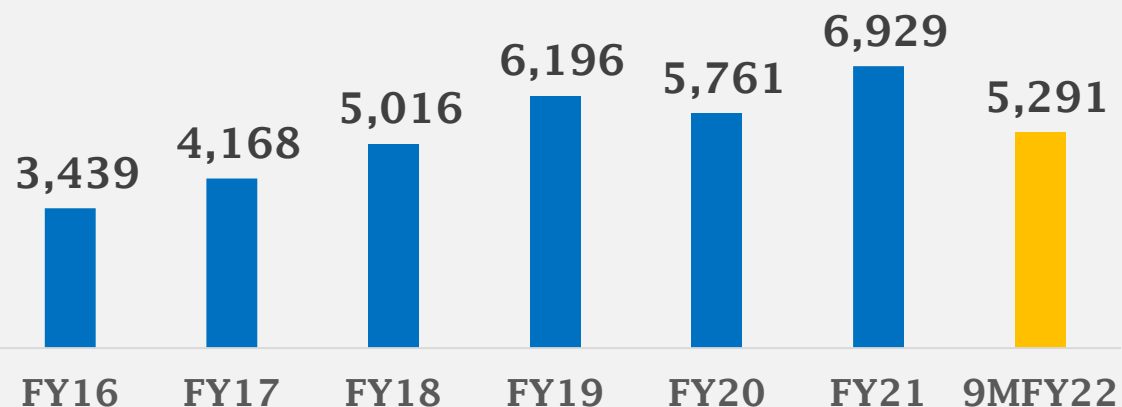


Escorts Ltd. Financials

↑ KEY FINANCIAL METRICS ...

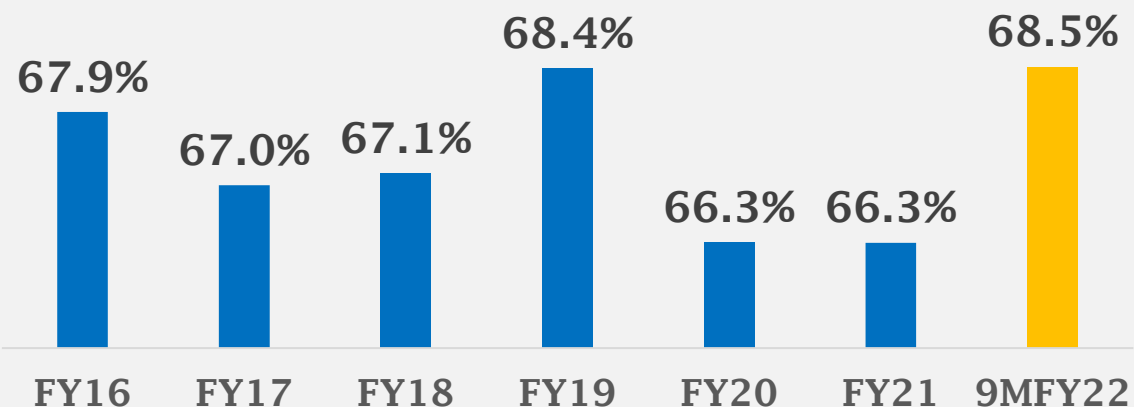


OPERATION REVENUE (Rs. Cr.)

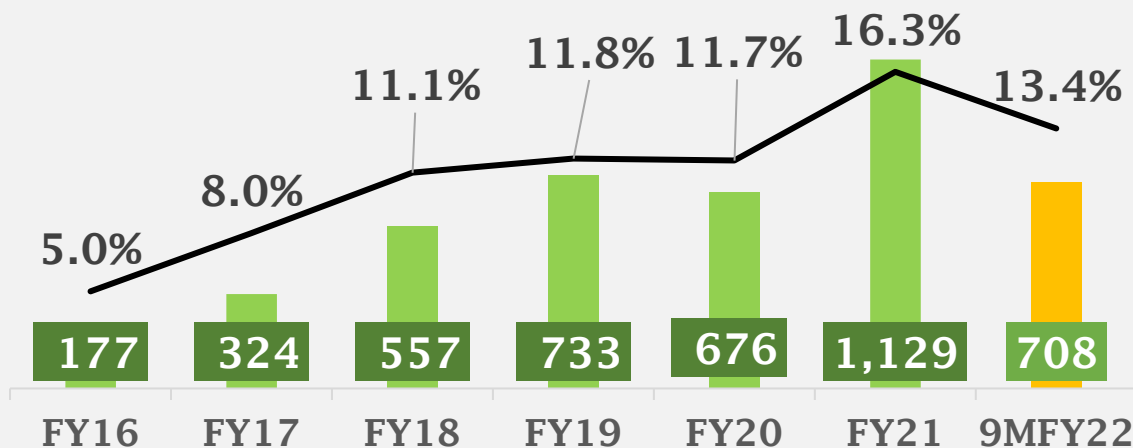


Material Cost %

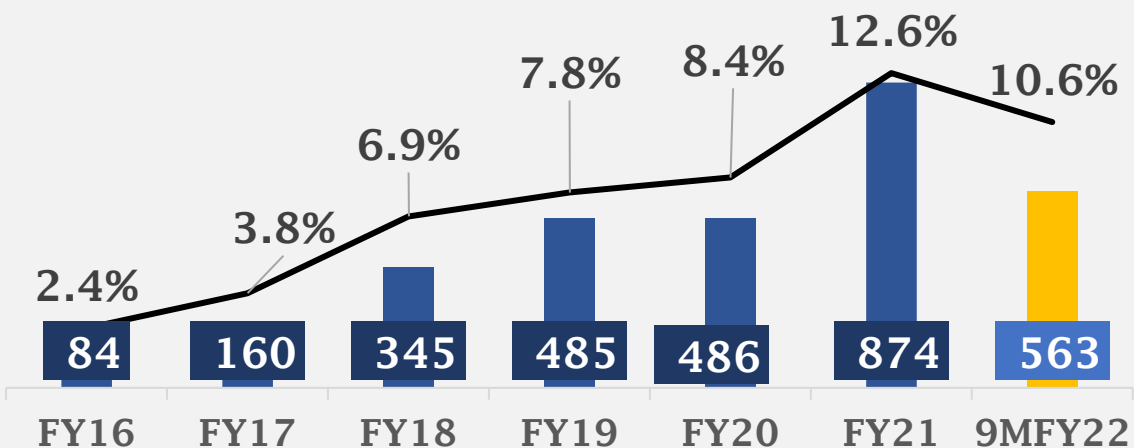
Adverse commodity prices



EBITDA (Rs. Cr.) %



PAT (Rs. Cr.) %

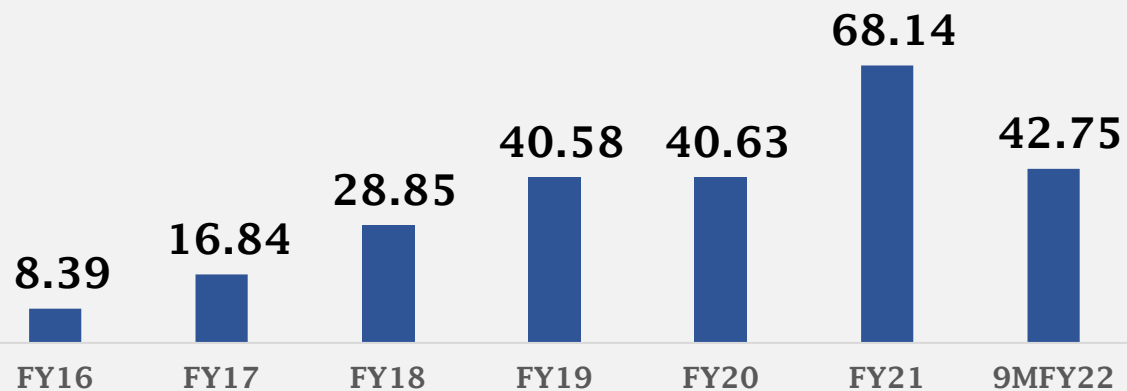


↑ KEY FINANCIAL METRICS ...



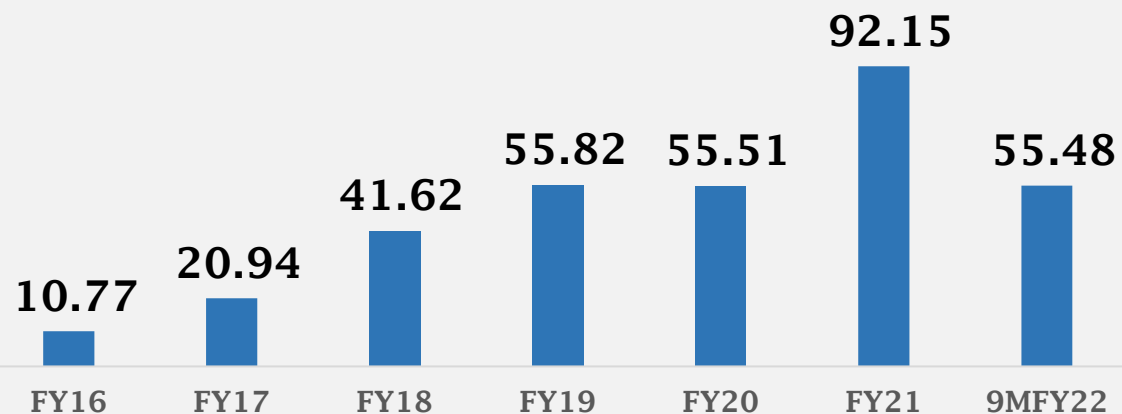
EPS (₹)

Including
Treasury Shares



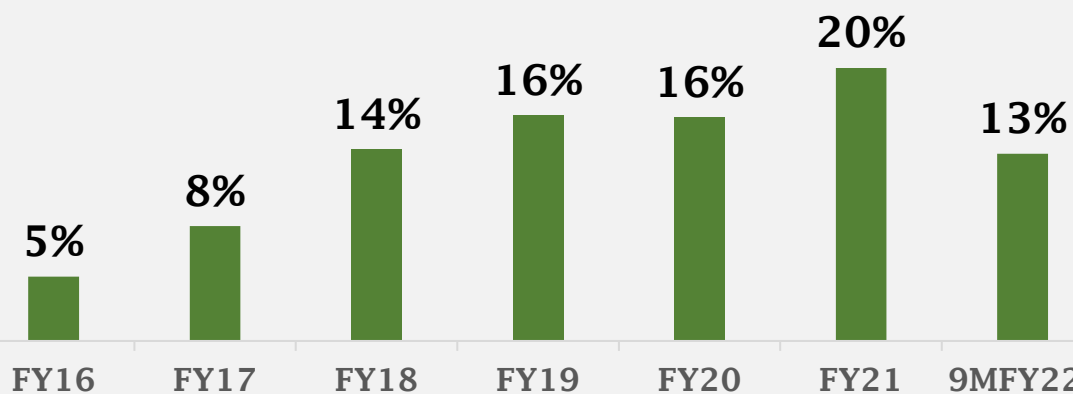
EPS (₹)

Excluding
Treasury Shares



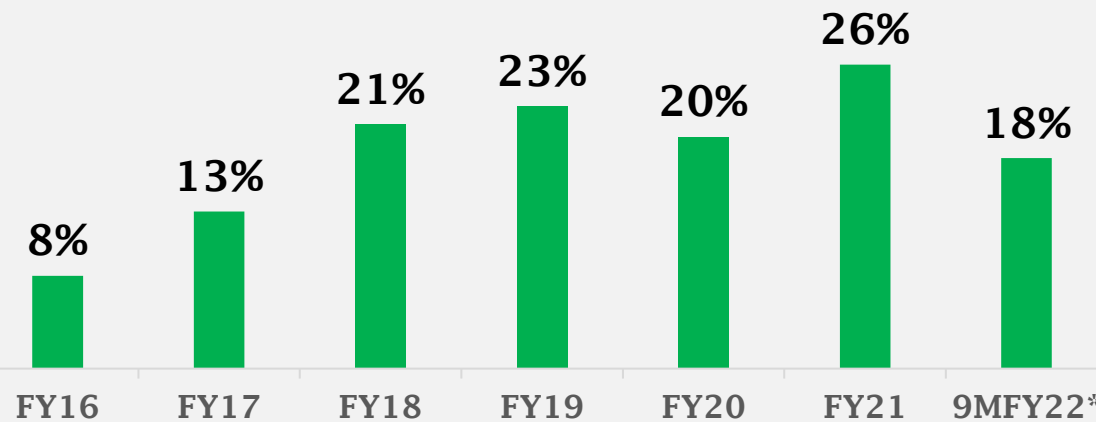
ROE

%



ROCE

%

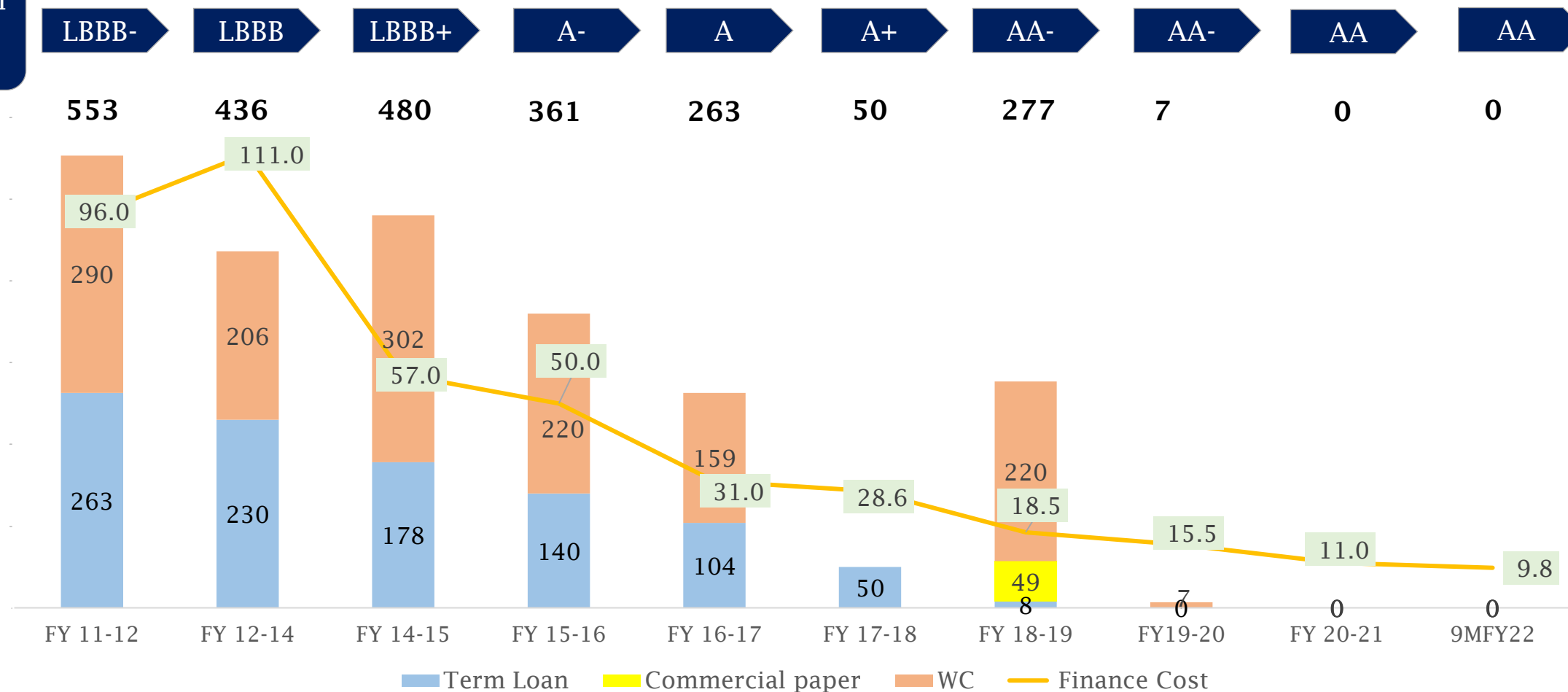


Credit Rating & Debt Profile



Long Term
Credit
Rating

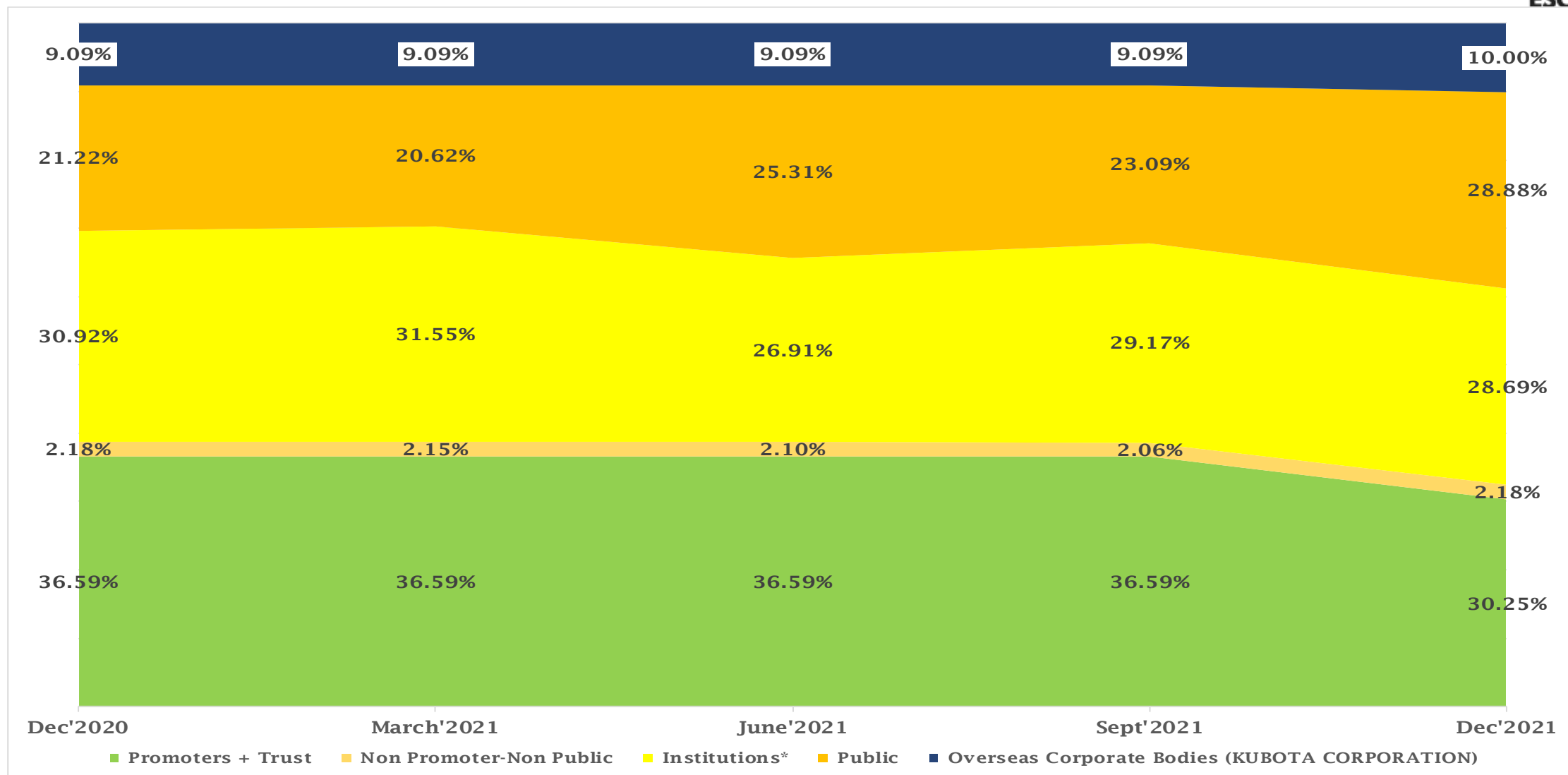
(₹ Crs.)



Please note:-

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

↑ SHAREHOLDING PATTERN



* FPI/Financial Institutions/ Banks/Insurance Companies

As of quarter ended

**ESCORTS****Top 10 Shareholders As on 31-12-2021**

Name	% to Equity
ESCORTS BENEFIT AND WELFARE TRUST (TRUSTEE – DR. SUTANU BEHURIA)	24.99
KUBOTA CORPORATION	9.09
HAR PARSHAD AND CO PVT LTD	7.80
JHUNJHUNWALA RAKESH RADHESHYAM	4.08
ESCORTS EMPLOYEES BENEFIT AND WELFARE TRUST (TRUSTEE - ANIL KUMAR CHANDRASHEKARAN)	1.99
T. ROWE PRICE INTERNATIONAL DISCOVERY FUND	1.75
BIG APPLE CLOTHING PRIVATE LIMITED	1.31
AAA PORTFOLIOS PRIVATE LIMITED	1.25
SCHRODER INTERNATIONAL SELECTION FUND EMERGING ASI	1.12
HDFC LIFE INSURANCE COMPANY LIMITED	1.07
Total	54.46

Vibrant board



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



HARDEEP SINGH

Non-Executive Director

- Chairman - Monitoring committee on MSP (Planning Commission) & Food Security Task Force, CII



P.H. RAVIKUMAR

Independent Non-Executive Director

- Founder MD & CEO of NCDEX
- Chairperson of CISI's India Advisory Council



VIBHA PAUL RISHI

Independent Non-Executive Director

- Worked as ED of Max India Ltd.
- Director of Marketing & Strategy at Future Group



DR. SUTANU BEHURIA

Independent Non-Executive Director

- Financial Advisor to Ministries of Commerce, Textiles, Coal, Mines, Youth Affairs & Sports
- Served as Board member in over 25 PSUs



NITASHA NANDA

Whole Time Director

- Responsible for managing Company's subsidiary companies
- Serves as Board member in several companies



SHAILENDRA AGRAWAL

Executive Director

- Mechanical Engineer with 35 years of diverse experience in Tata Motors, Hero Motors and Escorts Limited.
- Leading business transformation at Escorts Limited.



SUNIL KANT MUNJAL

Independent Non-Executive Director

- One of the founder promoters of the **Hero Group**, the world's largest two-wheeler maker



TANYA DUBASH

Independent Non-Executive Director

- Executive Director and Chief Brand Officer of **Godrej Industries Ltd.**
- Director Godrej Industries Limited, Godrej Consumer Products Limited and Godrej Agrovvet Limited.



DAI WATANABE

Non-Executive Non-Independent Director

- More than 25 years of diverse experience in Kubota Corporation.
- General Manager Innovation Centre of Kubota



YUJI TOMIYAMA

Non-Executive Non-Independent Director

- 30 years plus of diverse experience in Kubota Corporation.
- Senior Managing Executive Officer of Kubota



HARISH S SALVE

Independent Director

- Mr. Salve is a senior counsel as well as an arbitrator in India and Barrister (UK) specialising in constitutional, commercial and taxation law. He was the youngest ever to be appointed as solicitor



MANAGEMENT TEAM



Mr. Shailendra Agrawal
Executive Director

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



Mr. Shenu Agarwal
President Agri Machinery & Construction Equipment Business

- 30 years plus of experience in domestic and international sales and marketing, R&D and product development, strategy and project management.
- He is a member of the CII National Council of Agriculture and the Managing Committee of the Tractor Manufacturers Association.



Mr. Bharat Madan
President Finance, Group CFO & Corporate head

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



Mr. Ajay Mandahr
CEO, Agri Business India

- 30 years plus of experience in operations, sales & marketing, new product development



Mr. Sanjeev Bajaj
Chief Executive, Escorts Construction Equipment

- More than 25 years of rich and broad-based experience across revenue and profit centre management, warehousing operations, managing customer service organisations, spare parts and lubricant businesses..



Mr. Ankur Dev
Chief Executive, Railway Equipment Division

- 17 years of rich experience across diverse sectors including manufacturing, auto, consumer durables, telecom and petroleum.
- He is a member of the CII, Railway Equipment Division



Mr. Amit Singhal
Group Chief Human Resource Officer & Deputy Corporate head

- 17 years plus of experience in Strategic HR, Business Partnership, Employee Relations and Culture and Change management roles.
- He is a lifetime member of National Human Resource Development, New Delhi and an active member of CII State Council.

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.

Contact Details

Escorts Ltd.

(CIN: L74899HR1944PLC039088)

Corporate Centre

15/5 Mathura Road

Faridabad - 121003

Phone: +91 129 2250222

www.escortsgroup.com

investorrelation@escorts.co.in

Bharat Madan

(President Finance, Group CFO & Corporate head)

+91 129 2564837

bharat.madan@escorts.co.in

Prateek Singhal

(Financial Analyst & Investor Relations)

+91 129 2564921

prateek.singhal@escorts.co.in

Thank You



ESCORTS