



Escorts Kubota Limited
(Formerly Escorts Limited)

INVESTOR PRESENTATION

August 2022

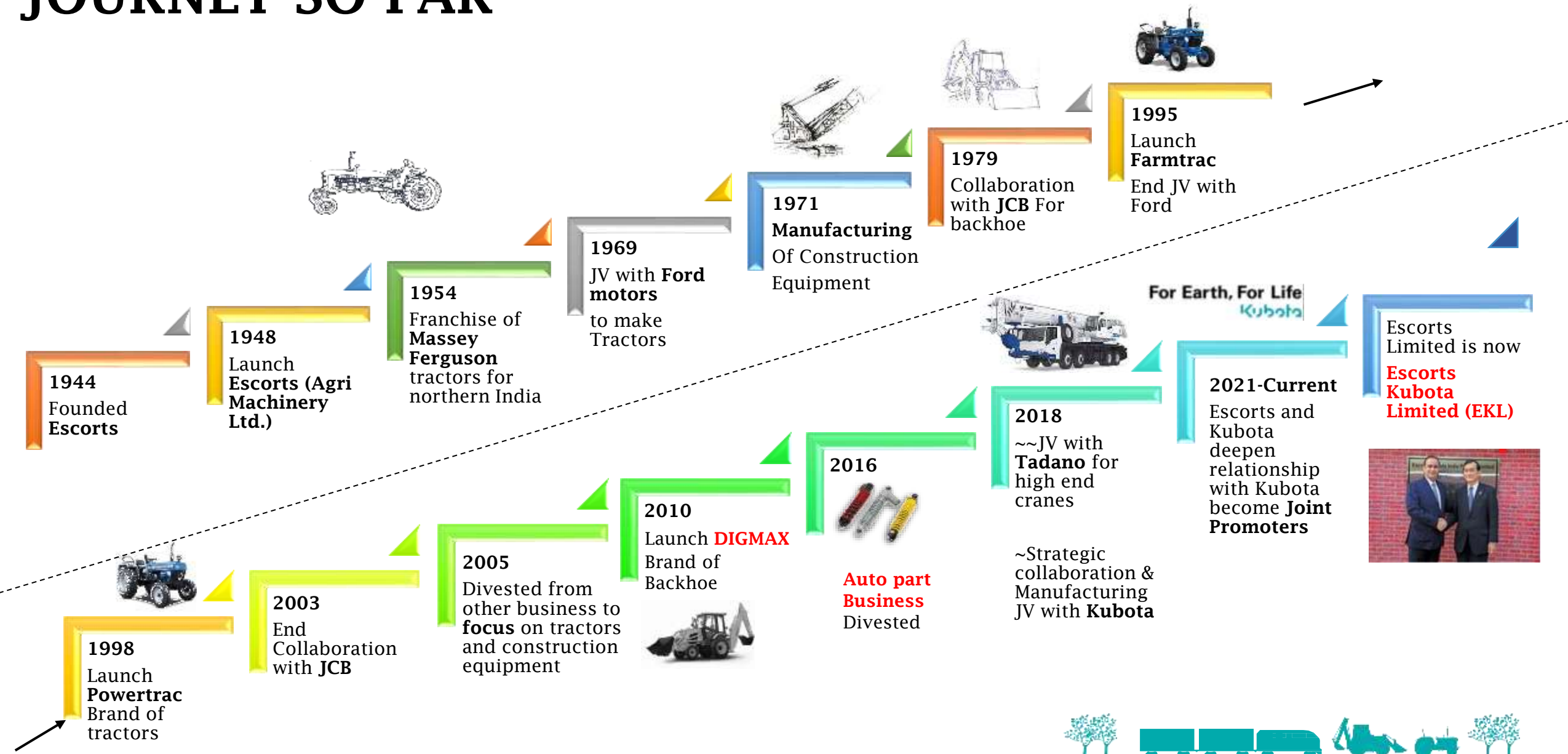


SAFE HARBOR STATEMENT

“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 Kubota 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.”



JOURNEY SO FAR



Escorts Kubota Limited: Overview

(Formerly Escorts Limited)

Escorts Kubota Limited (EKL) A leading engineering conglomerate with a history of over seven decades, steering India's socio-economic growth through pioneering contribution in critical industrial sectors.

Three Business Divisions:

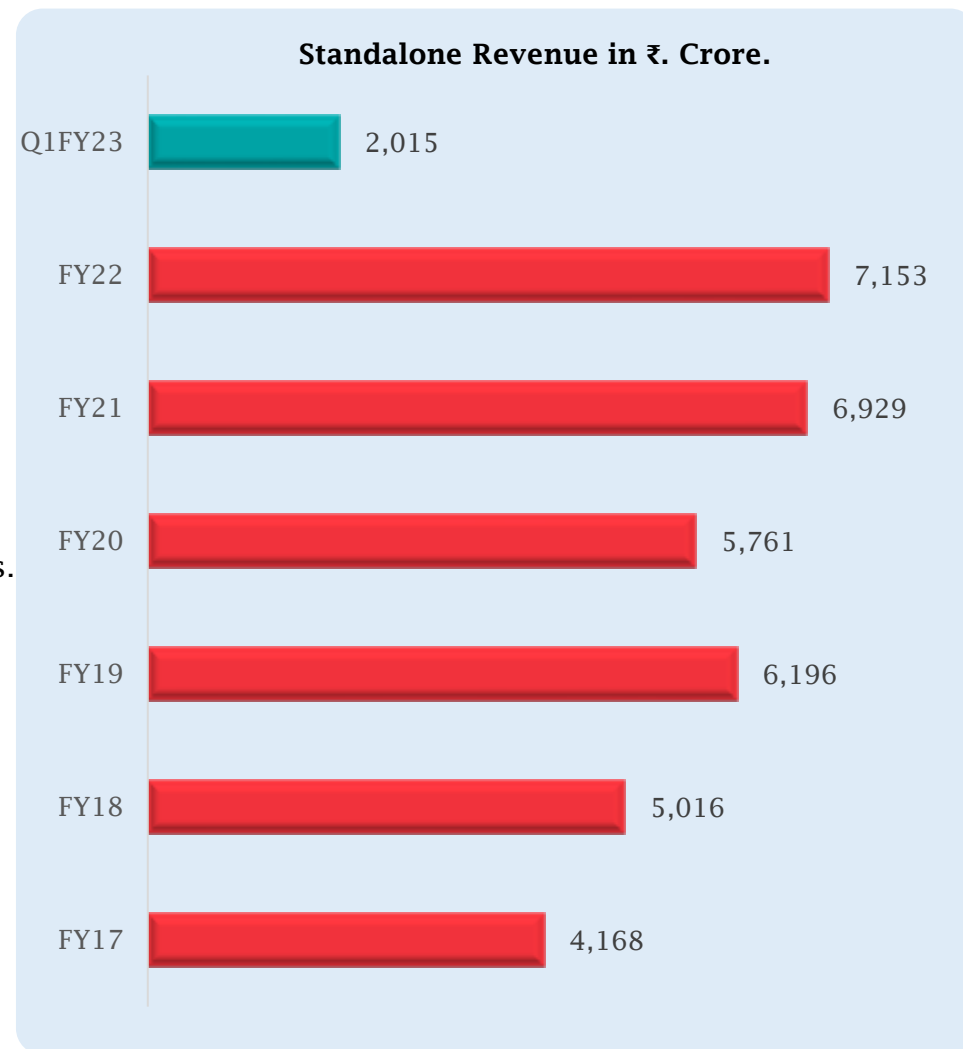
1. **Agri Machinery** - Tractors, Engine, Spare parts and Lubes
2. **Construction Equipment** - Material handing, Road compaction and Earth Moving Equipment.
3. **Railway Equipment** - Brake System, Couplers, Suspension System, Friction & rubber Products.

Headquartered In: Faridabad, Haryana, India

Manufacturing Facilities: 6 Plants* located in Faridabad, Haryana, India

Exchange Listing[#] : Listed on NSE and BSE

Market Capitalization: ~ Rs22,900 Crores as on 31st July 2022



OUR CURRENT BUSINESSES



Escorts Kubota Limited

Revenue FY22: ₹ 7,365.7 Cr.
Q1FY23: ₹ 2,014.9 Cr.

Agri Machinery



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

Revenue FY22: ₹ 5,521.0 Cr.
Q1FY23: ₹ 1,595.8 Cr.

Construction Equipment



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

Revenue FY22: ₹ 985.3 Cr.
Q1FY23: ₹ 246.1 Cr.

Railway Equipment Division



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

Revenue FY22: ₹ 636.2 Cr.
Q1FY23: ₹ 173.4 Cr.



MANUFACTURING FACILITIES



Agri Machinery

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

Construction Equipment

State of the art manufacturing and assembly facility with a capacity of **10,000 units p.a.**

Railway Equipment Division (RED)

A State of Art facility in Faridabad, spanning over 90,000 sq. yard, envisaged and designed to manufacture an array of safety and comfort products for rail transport.

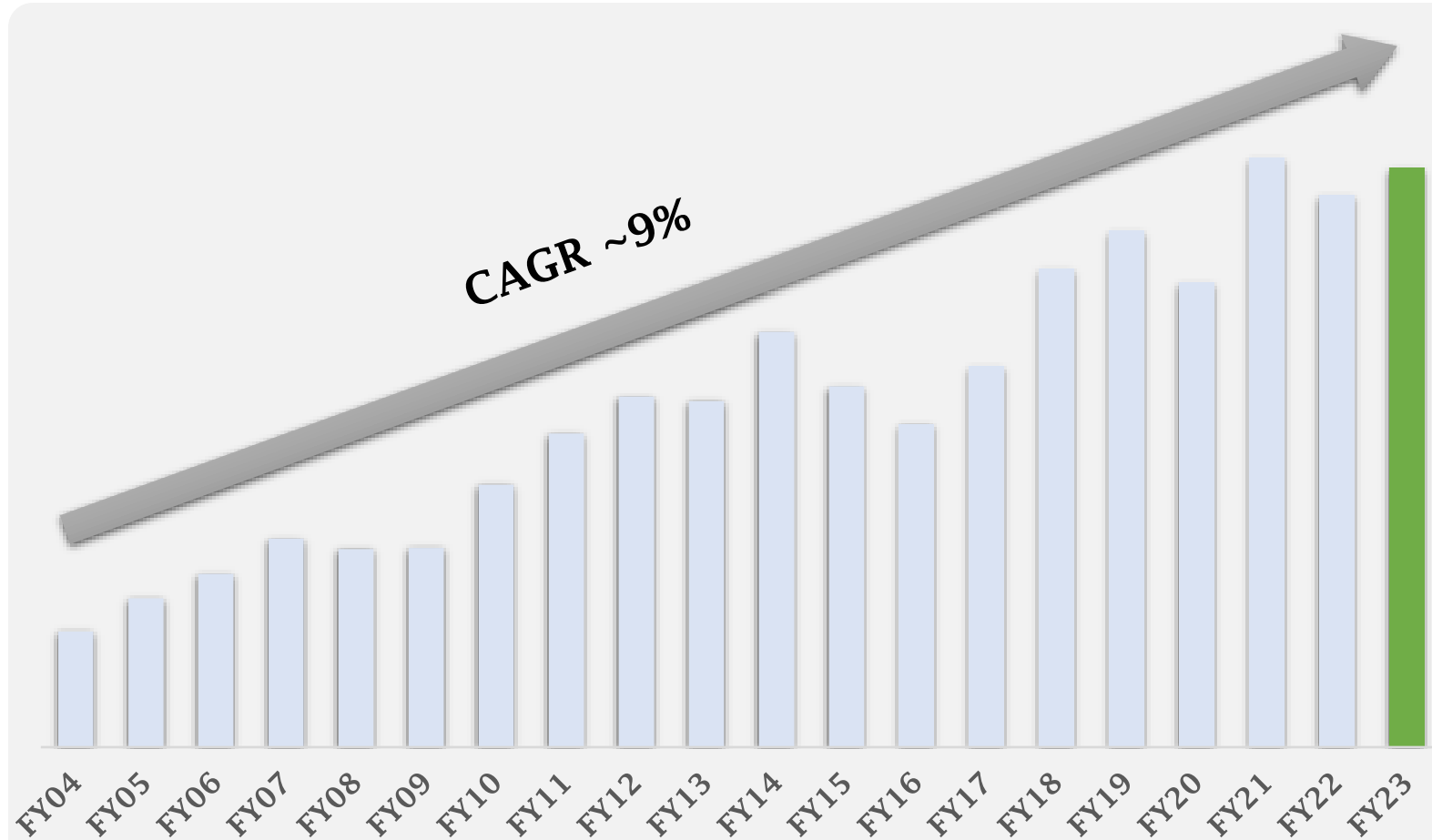


Agri Machinery



Powering The Dreams Of Farmer

↑ DOMESTIC TRACTOR INDUSTRY



Increasing Trend towards Mechanisation

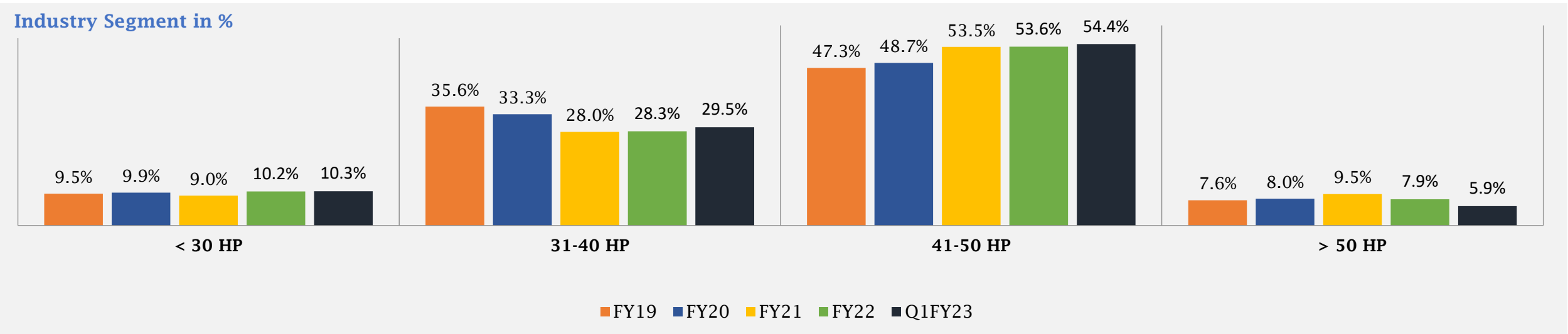
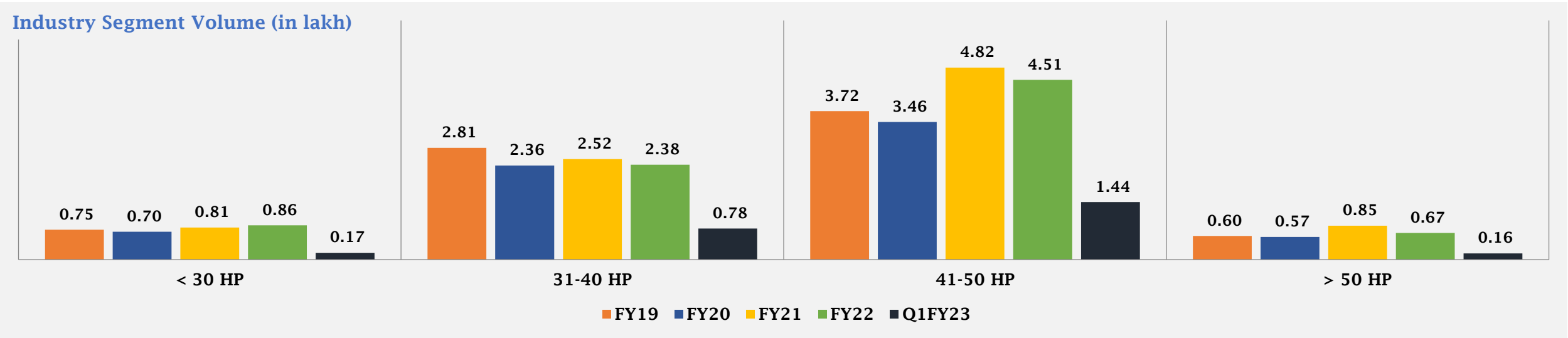
Minimum Support Prices for Key Crops

Scarcity of Labour

Ease of Credit Availability from Govt.

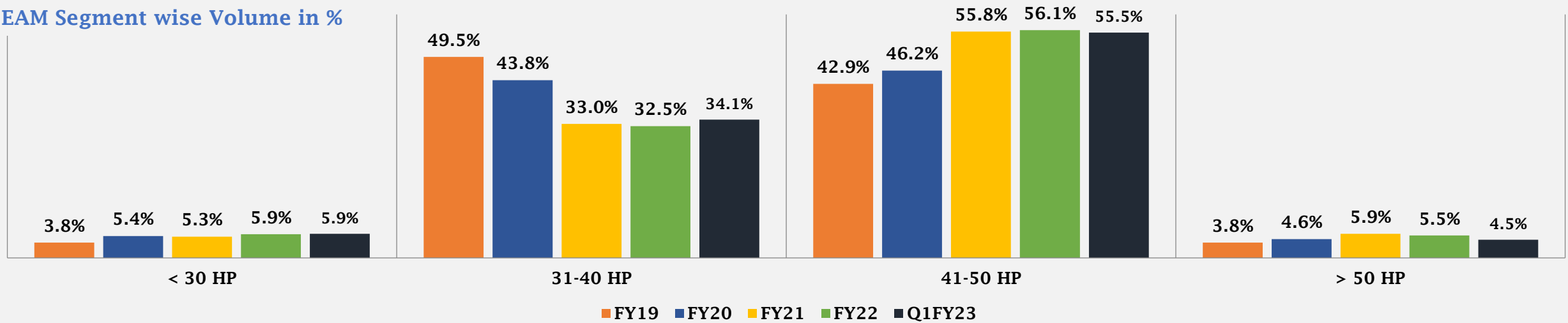
- ❖ India is the **largest** manufacturer of farm equipment
- ❖ India accounts for nearly **1/3rd** of the overall tractor production globally
- ❖ **0.84 million** units in FY22 and reach to approx. **1.2-1.5 million** units by 2030
- ❖ Customer exchange their tractor in every **6-8 years** in mature markets.

Domestic Industry Segmentation

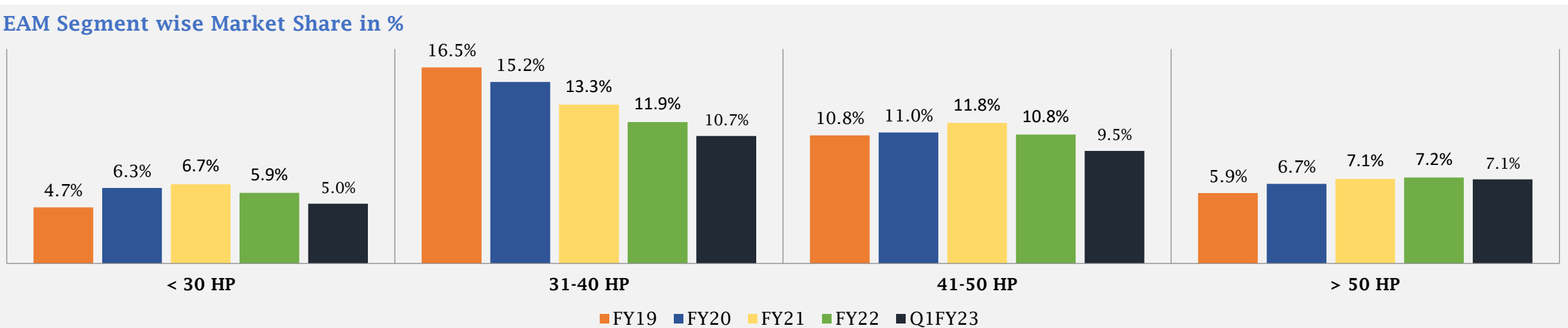


EAM DOMESTIC SEGMENTATION

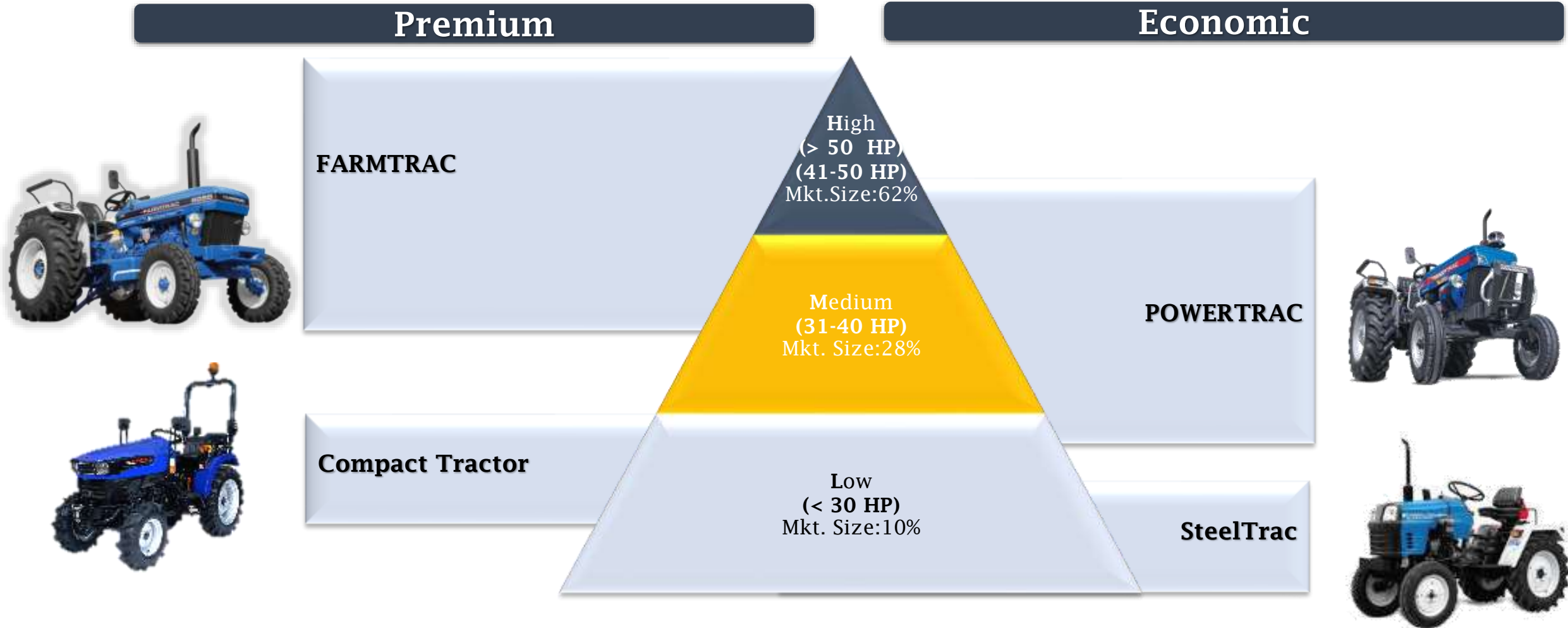
EAM Segment wise Volume in %



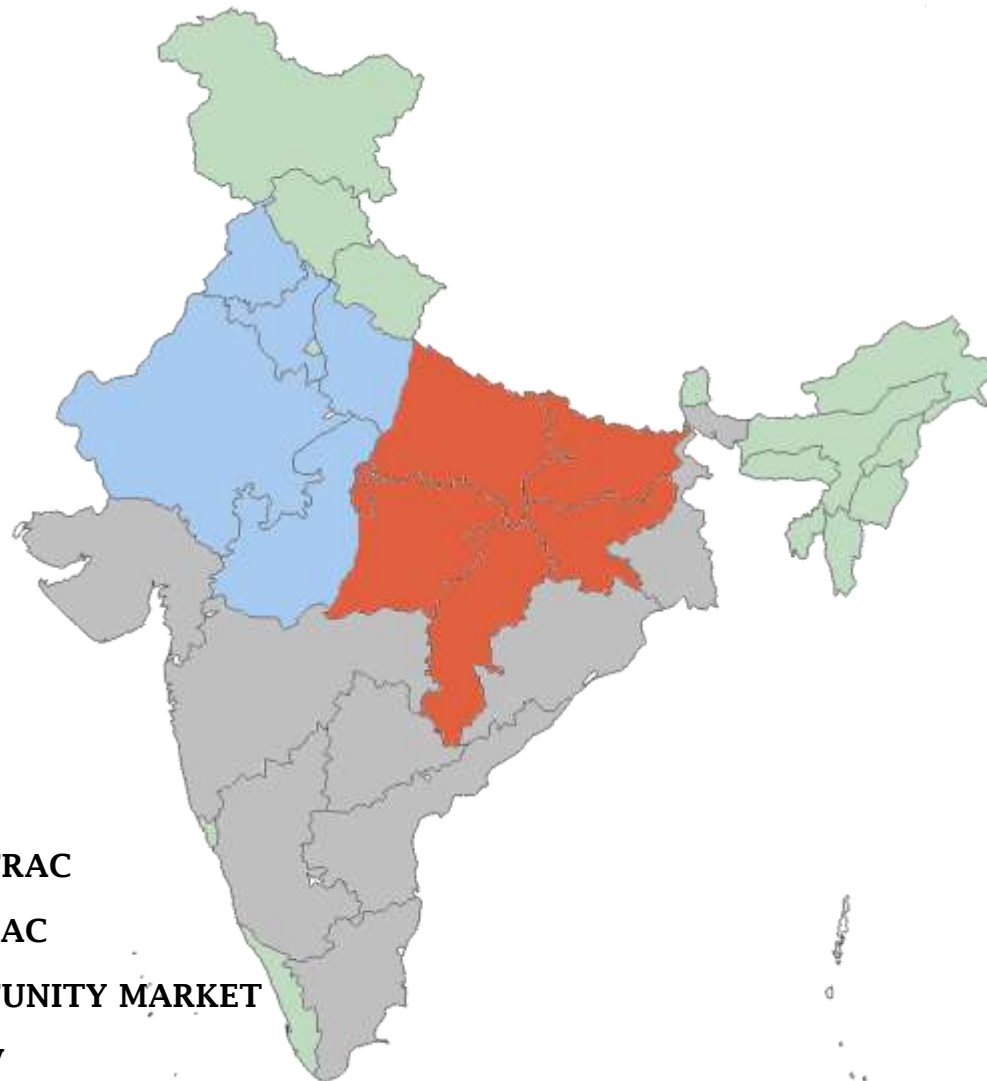
EAM Segment wise Market Share in %



HOW WE ARE POSITIONED



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



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

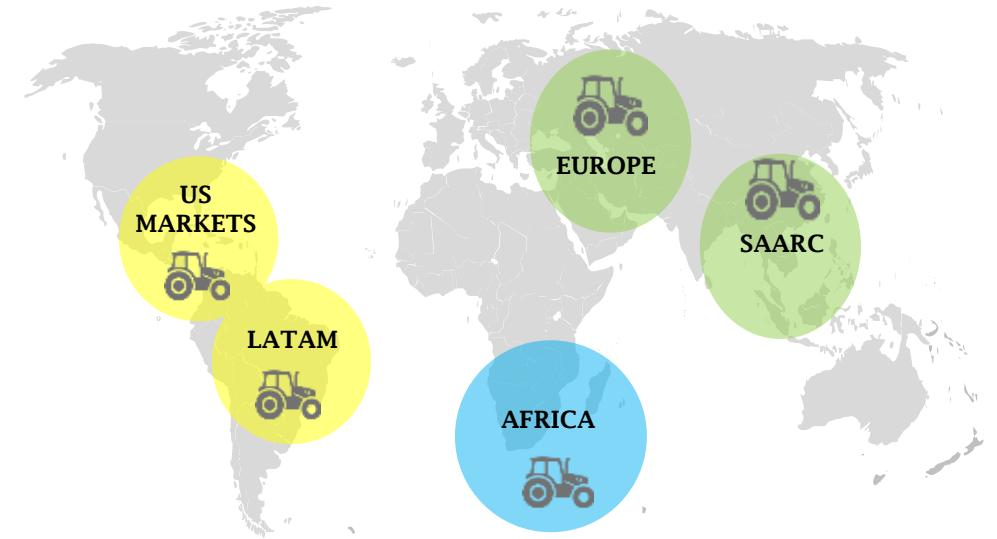
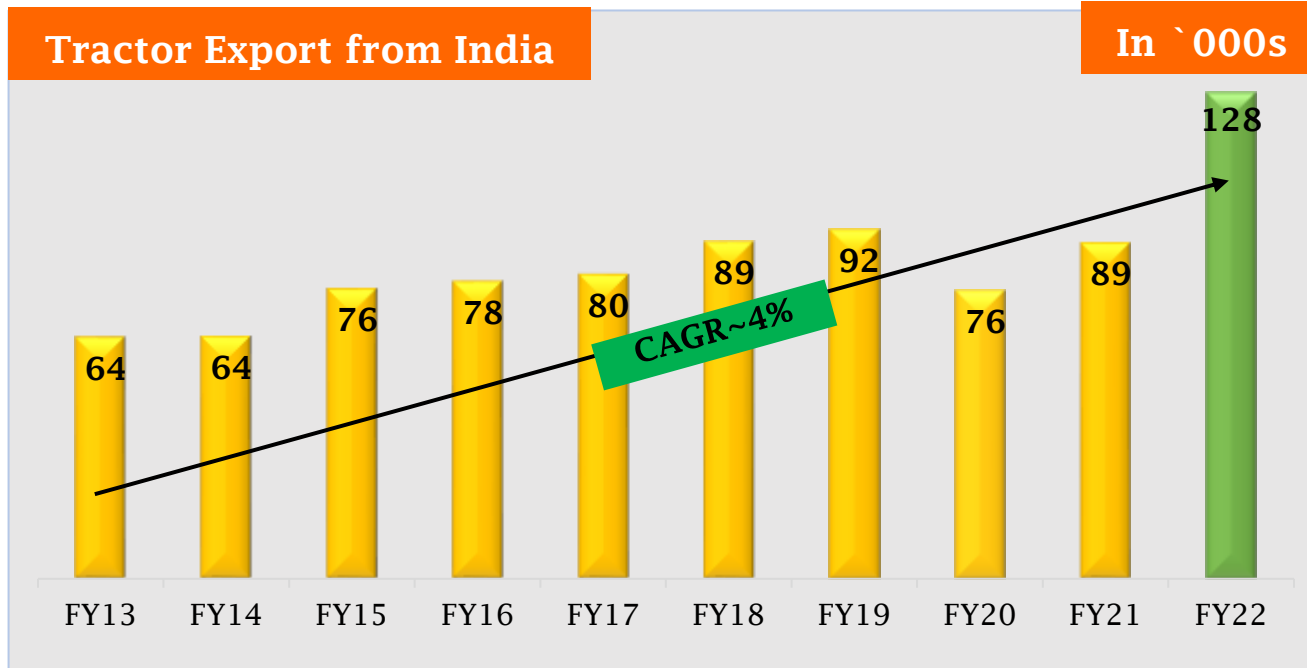
ADVANCED. CONVENIENT. TRANSPARENT.



DIGITRAC Contactless Sales



EXPORT MARKET SIZE & OPPORTUNITY



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

Main Market under 120 HP Tractors

Hobby/Garden farming in Market (like USA)



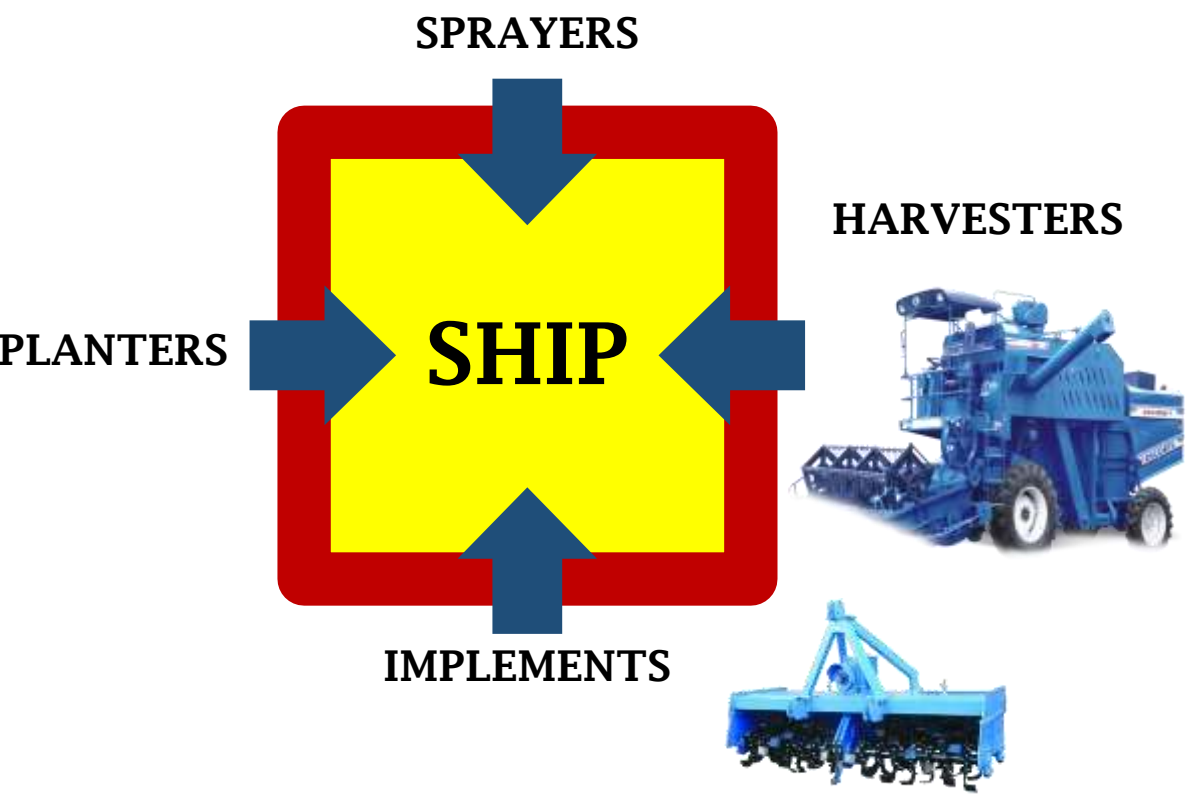
SHIP* BUSINESS

✓ TECHNOLOGY

✓ PRODUCT RANGE

✓ SUPPLY CHAIN

✓ DISTRIBUTION NETWORK



TRACTOR IS AS GOOD AS ITS ATTACHMENTS

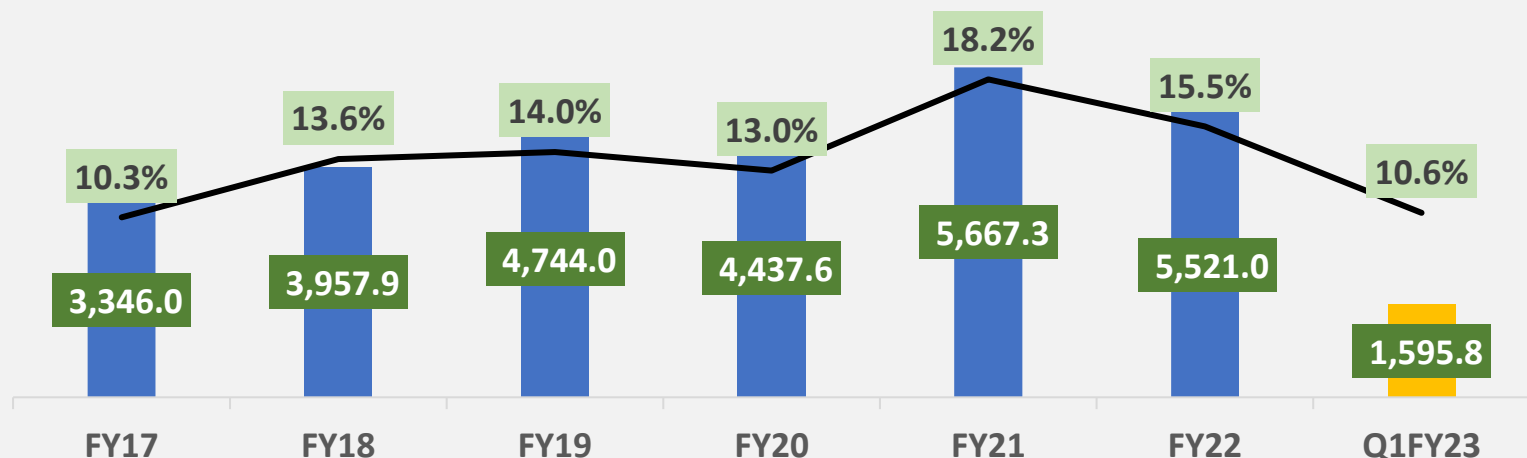


*SHIP = Sprayers, Harvesters, Implements & Planters Business

AGRI MACHINERY JOURNEY SO FAR...

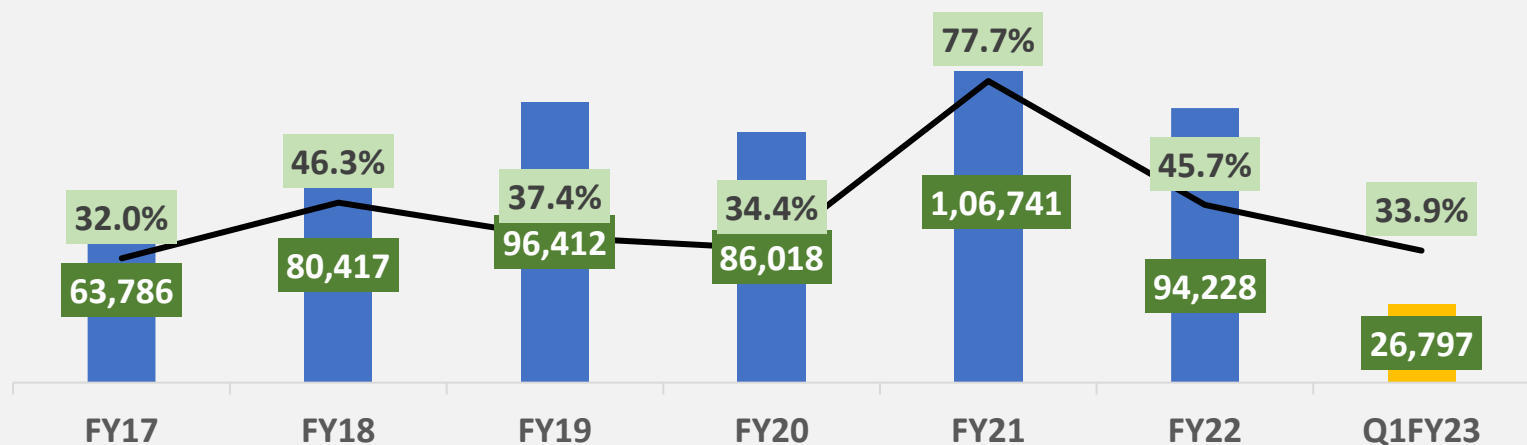
SEGMENT REVENUE (Rs. Cr.)

EBIT %



VOLUMES (Nos.)

ROCE %



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



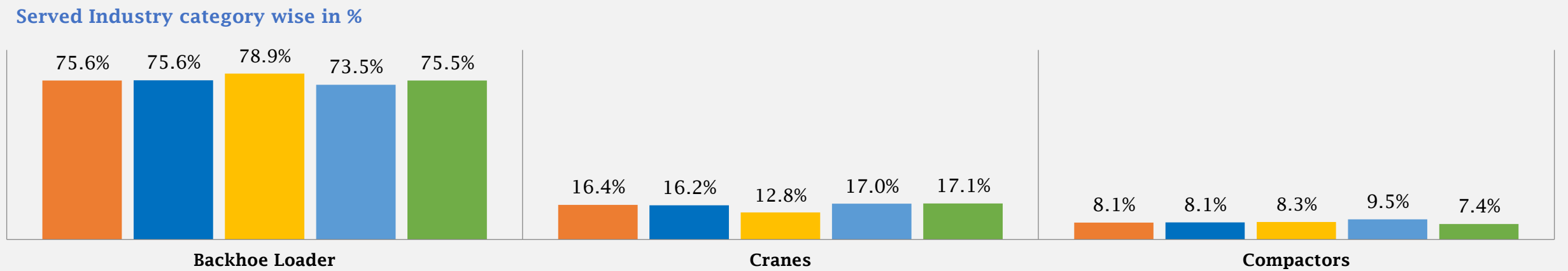
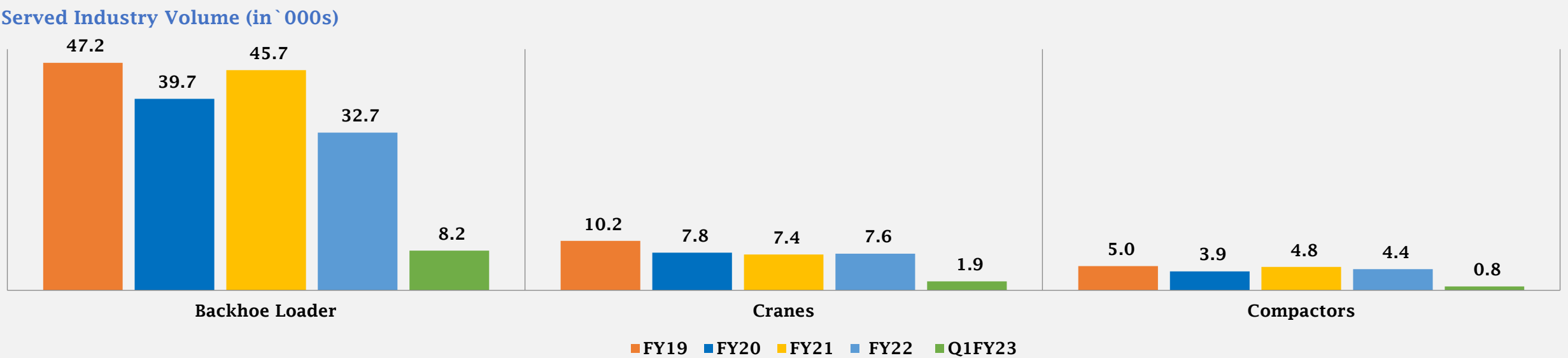
Construction Equipment

The image features two large construction cranes. On the left is a white crane with a long, articulated boom. On the right is an orange crane, also with a long boom, labeled 'TRX 2319' and 'ESCORTS'. The background is dark with several bright, curved light trails that create a sense of motion and technology. The text 'Building a Better Tomorrow' is centered in the middle of the image, with 'Building a' in red and 'Better Tomorrow' in white.

**Building a
Better Tomorrow**

Preferred Partner In Nation Building

SERVED INDUSTRY SEGMENTATION



PRODUCT PORTFOLIO

1) Material Handling



75%

2) Earth Moving



12%

3) Road Construction

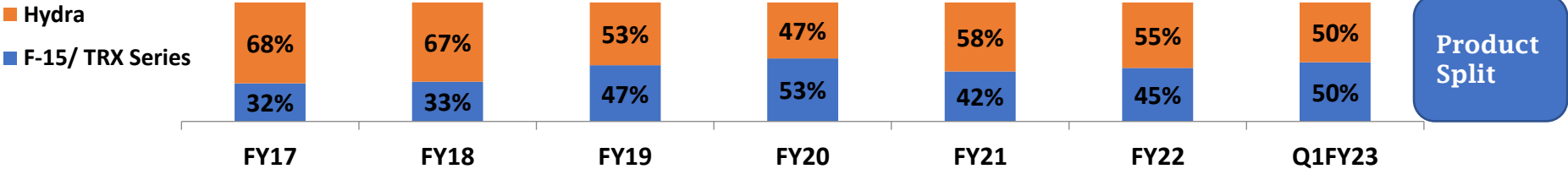
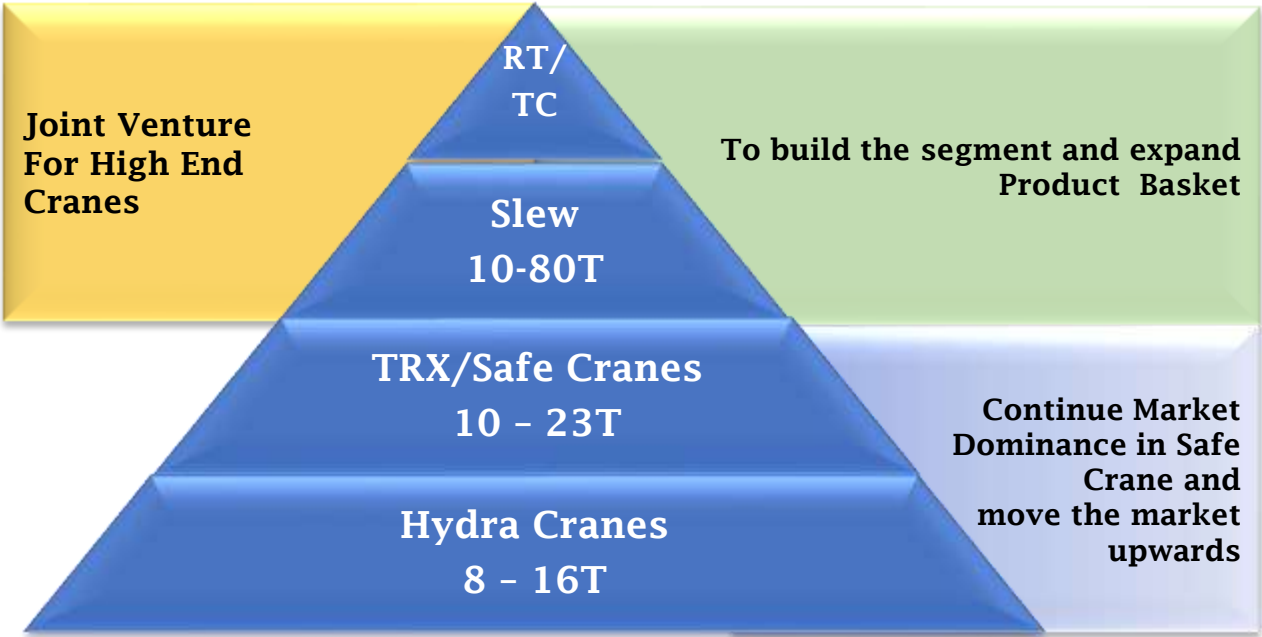


4%

% of ECE Revenue

*remaining revenue from spare and traded products

MATERIAL HANDLING



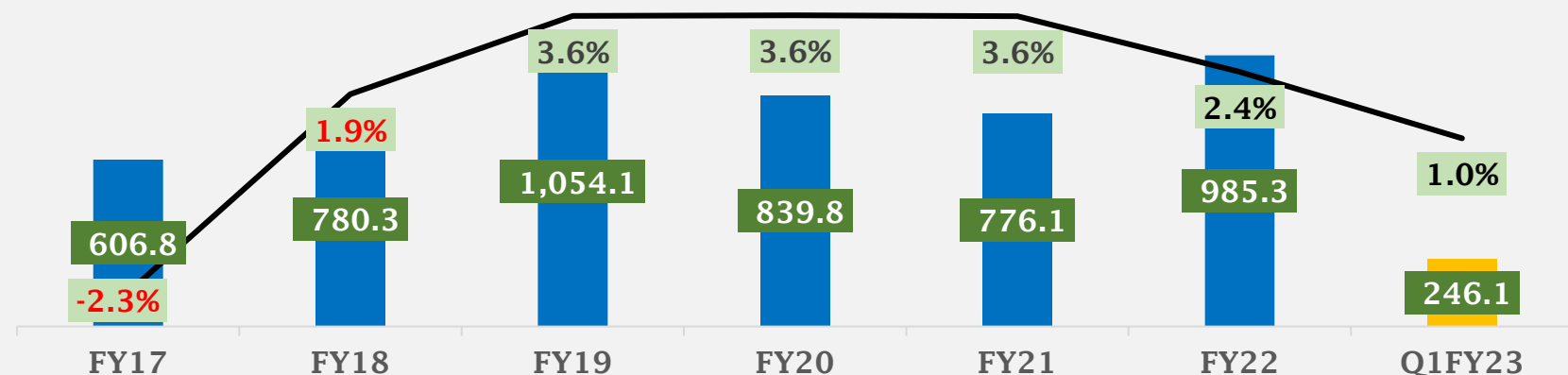
Transform the market from a leadership position



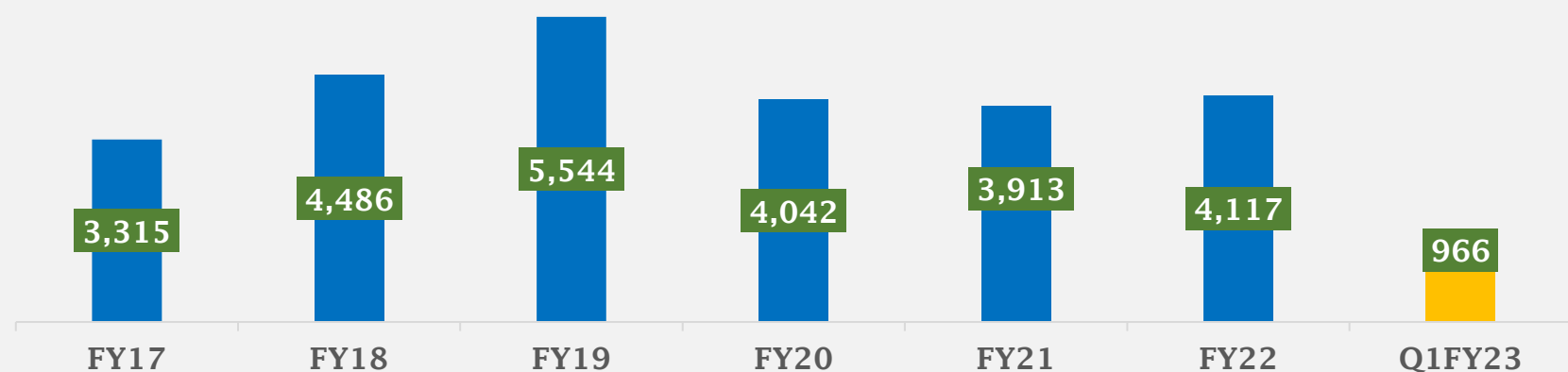
READY TO RIDE THE INDUSTRY BOOM

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



Railway Equipment Division



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

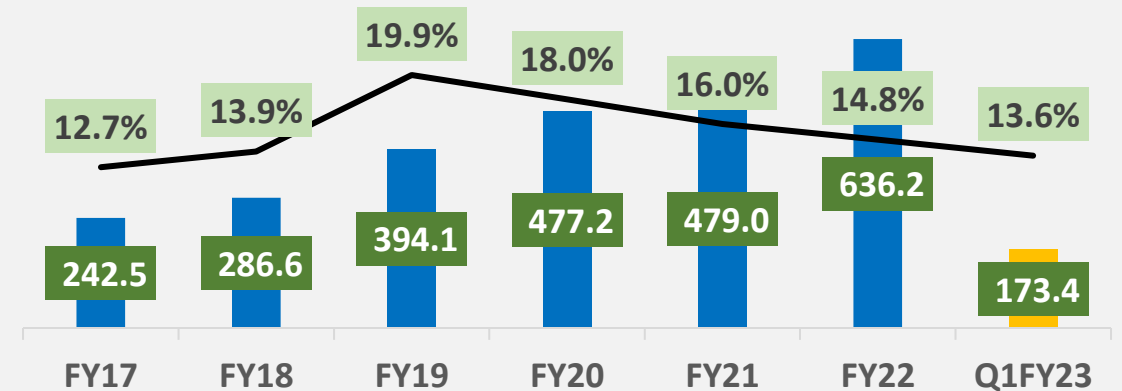
CONSISTENT ORDER BOOK

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

More than Rs. 850 Cr. as of
June' 2022

SEGMENT REVENUE (Rs. Cr.)

EBIT %

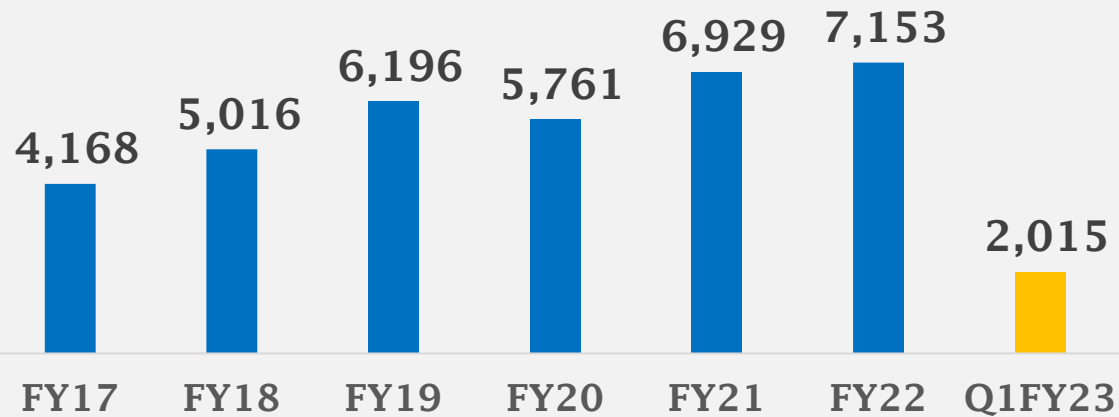


Escorts Kubota Ltd. Financials

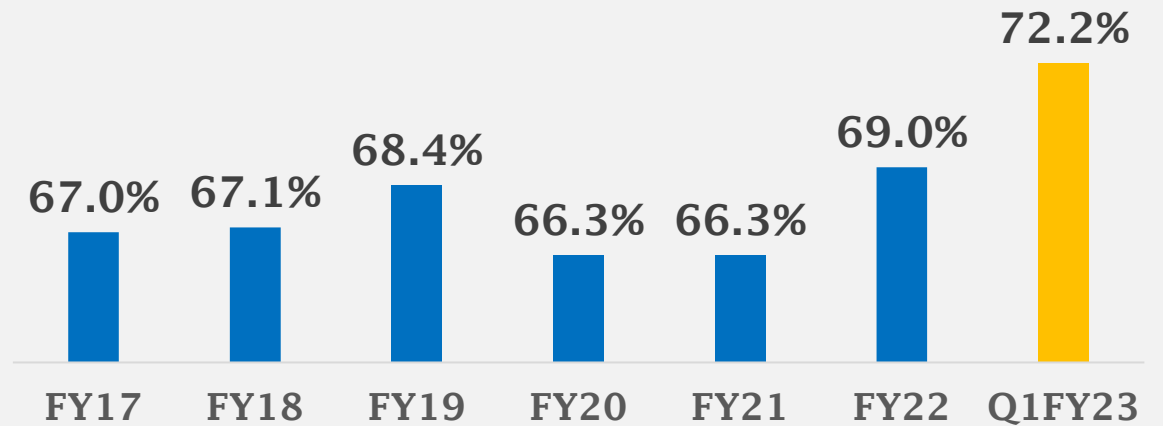


↑ KEY FINANCIAL METRICS ...

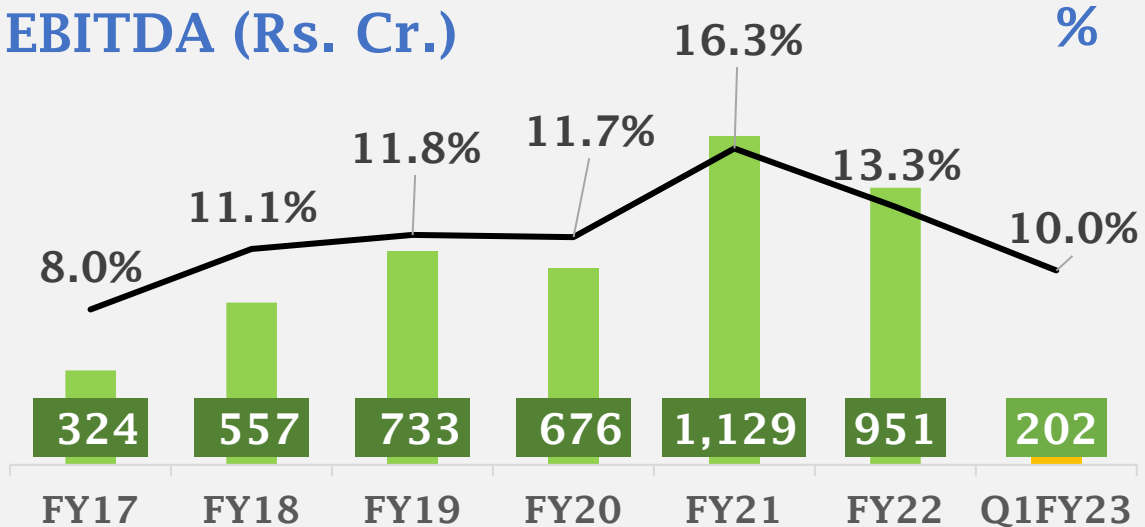
OPERATIONAL REVENUE (Rs. Cr.)



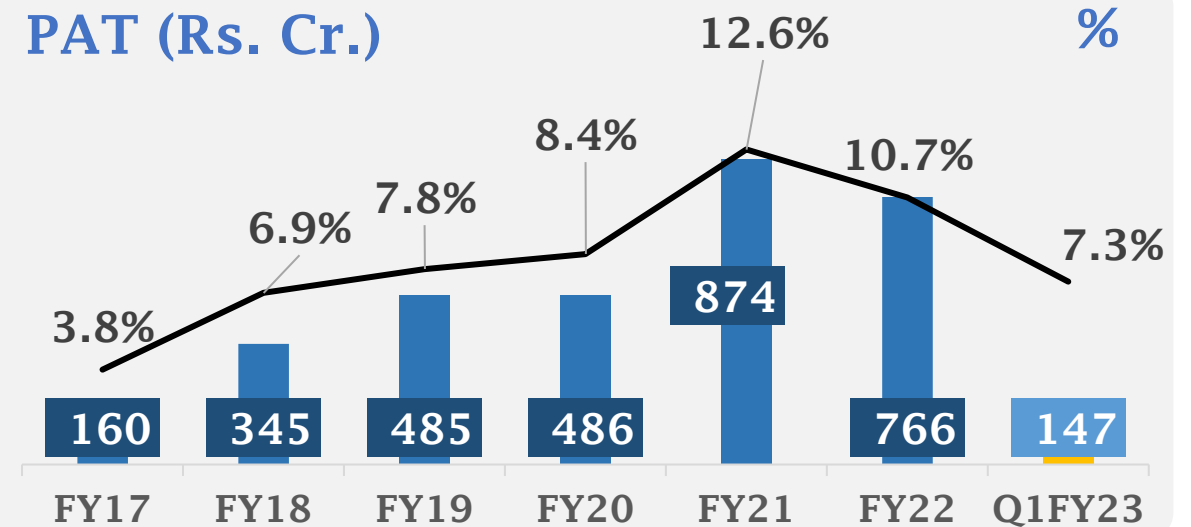
Material Cost %



EBITDA (Rs. Cr.) %



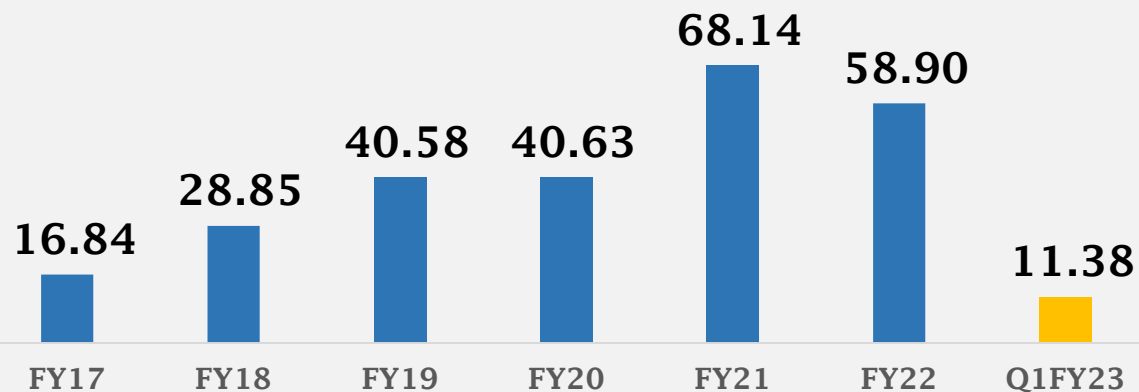
PAT (Rs. Cr.) %



↑ KEY FINANCIAL METRICS ...

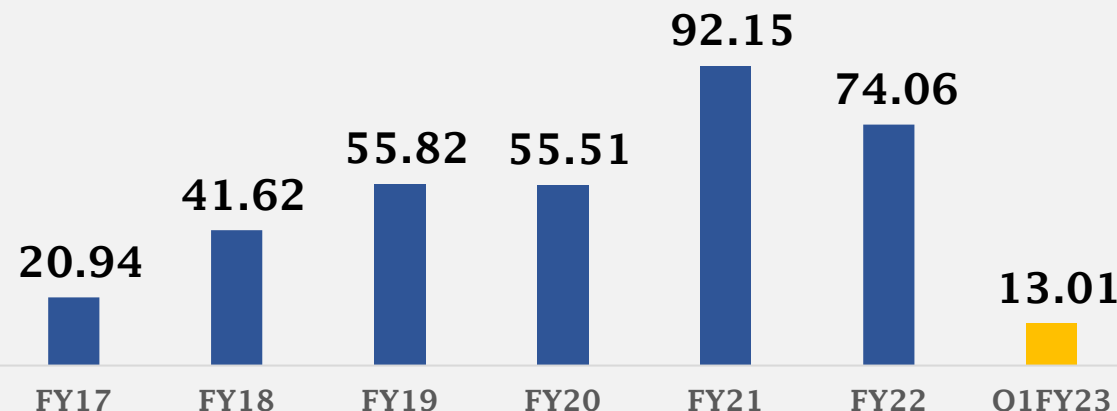
EPS (₹)

Including
Treasury Shares



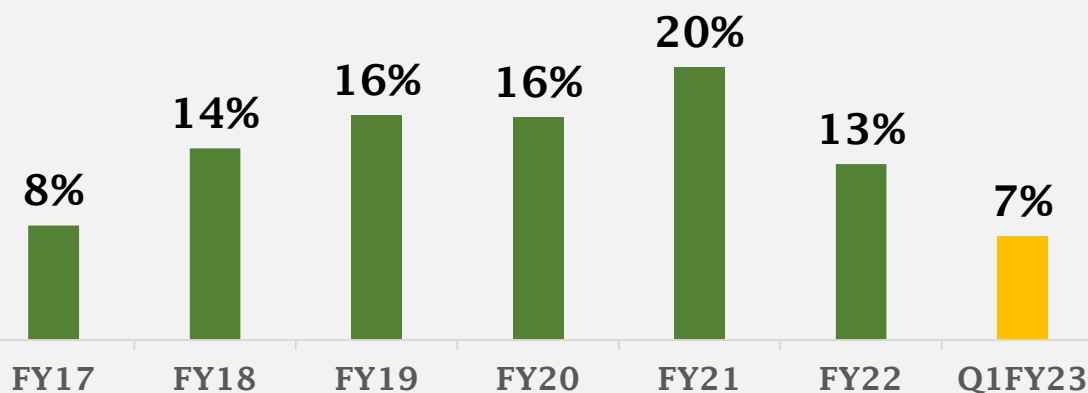
EPS (₹)

Excluding
Treasury Shares



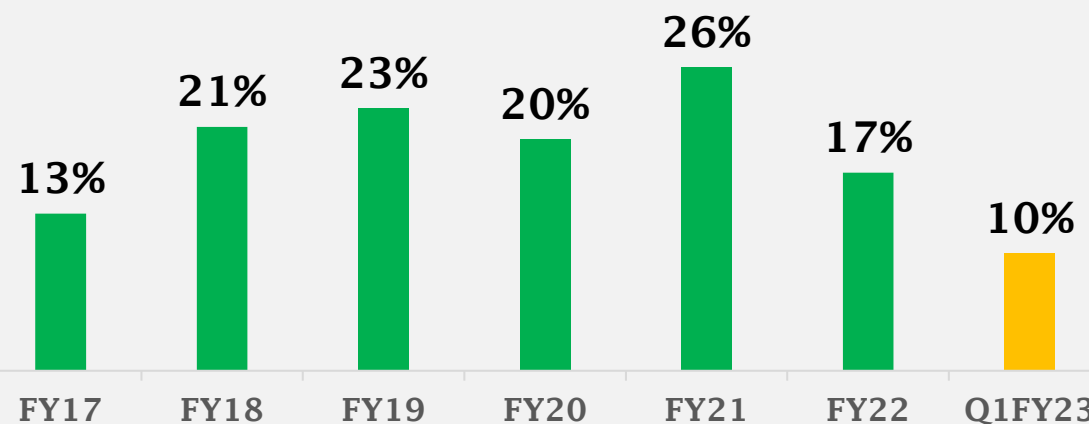
ROE

%



ROCE

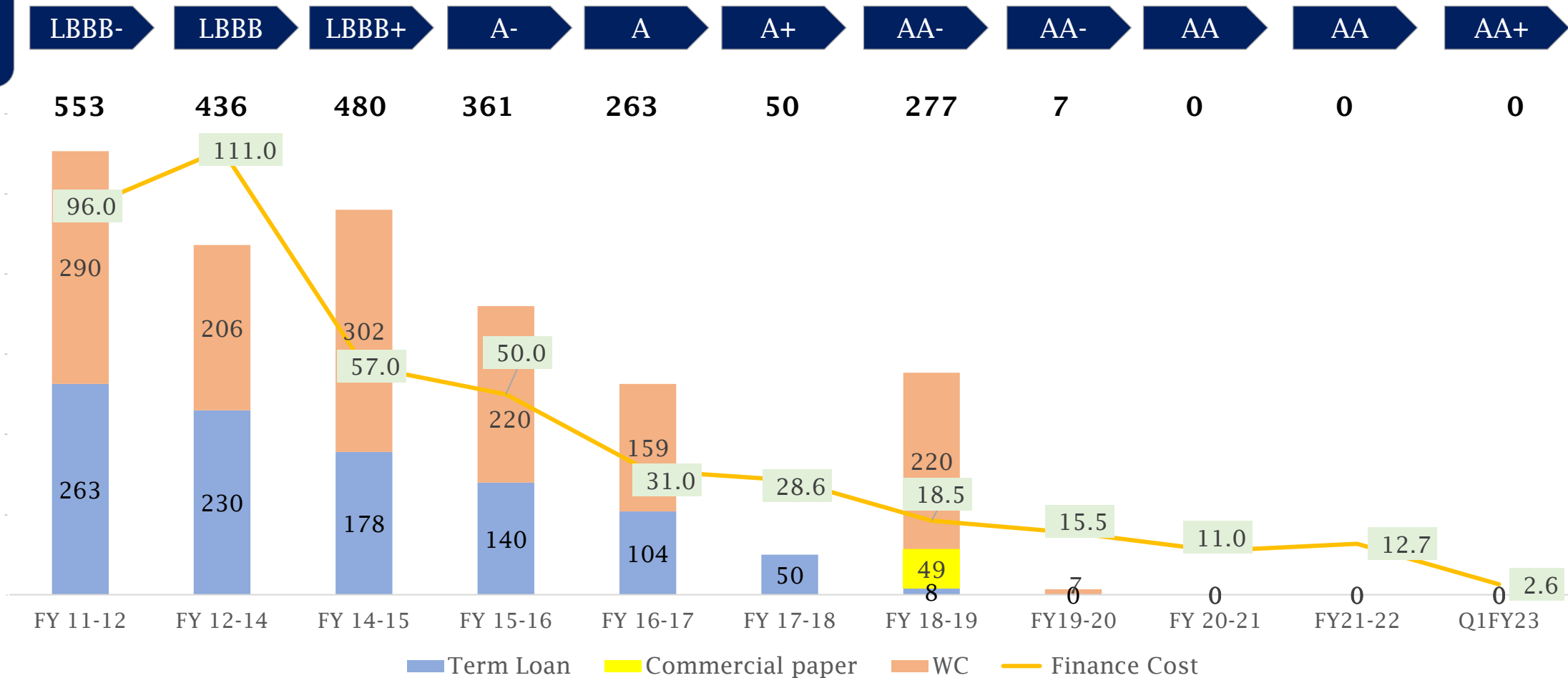
%



Credit Rating & Debt Profile

Long Term
Credit
Rating

(₹ Crs.)



Please note:-
1. Nos. from FY 11-12 to FY 14-15 is as per IGAAP.
2. Finance Cost for FY 12-14 is for 18 months.



Shareholding Pattern

Category	June'2021	Sept'2021	Dec'2021	Mar'2022 [^]	June'2022
Promoters	36.6	36.6	30.3	28.1	72.9
Kubota Corporation	9.1	9.1	10.0	16.4	*
Escrow Account (open offer)				39.4	
Institutions#	26.7	29.1	28.7	4.0	10.4
Public	25.5	23.2	28.8	10.3	14.9
Non Promoter Non Public	2.1	2.1	2.2	1.8	1.8
Total	100	100	100	100	100
* Kubota corporation has become a Joint promoter from 11 April 2022.					

FPI/Financial Institutions/ Banks/Insurance Companies



rounded off to nearest single decimal

Top 10 Shareholders As on 30-06-2022	
Name	% to Equity
KUBOTA CORPORATION	44.80
ESCORTS BENEFIT AND WELFARE TRUST (TRUSTEE – DR. SUTANU BEHURIA)	16.25
HAR PARSHAD AND CO PVT LTD	7.97
ESCORTS EMPLOYEES BENEFIT AND WELFARE TRUST (TRUSTEE - ANIL KUMAR CHANDRASHEKARAN)	1.80
JHUNJHUNWALA RAKESH RADHESHYAM	1.39
BIG APPLE CLOTHING PRIVATE LIMITED	1.34
AAA PORTFOLIOS PRIVATE LIMITED	1.28
HDFC TRUSTEE COMPANY LIMITED - HDFC TAX SAVERFUND	0.81
INVESCO INDIA CONTRA FUND	0.71
NIKHIL NANDA	0.63
Total	76.97



Vibrant board



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



MR. HARDEEP SINGH

Non-Executive Director

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



DR. SUTANU BEHURIA

Independent Director

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



MS. NITASHA NANDA

Whole Time Director

- Heading CSR Committee of the Board of Escorts Kubota Ltd. which also monitors ESG
- Serves as Board member in several companies



MR. SHAILENDRA AGRAWAL

Executive Director

- Mechanical Engineer with 40 years of diverse experience in Tata Motors, Hero Motors and Escorts Limited.
- Leading business transformation at Escorts Limited.



MR. SUNIL KANT MUNJAL

Independent Director

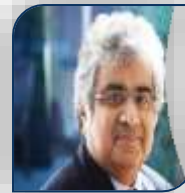
- One of the founder promoters of the **Hero Group**, the world's largest two-wheeler maker



MS. TANYA DUBASH

Independent Director

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



MR. 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



MR. DAI WATANABE

Non-Executive Director

- More than 26 years of diverse experience in Kubota Corporation.
- Director and Senior Managing Executive Officer, General Manager of Farm and Industrial Machinery Consolidated Division of Kubota Corp.



MR. YUJI TOMIYAMA

Non-Executive Director

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



Vibrant board



MR. SEIJI FUKUOKA

Whole Time Director (Deputy Managing Director)

- More than 28 years of diverse experience in Kubota Corporation.
- Was General Manager of the Tractor Business Administration & Control Dept. of Kubota between 2018 and 2021.



MR. SHIRO WATANABE

Non-Executive Director

- More than 33 years of diverse experience in Kubota Corporation.
- Executive Officer of Kubota Corp.



MR. RAVINDRA CHANDRA BHARGAVA

Independent Director

- Non-Executive Chairman of Maruti Udyog Limited.
- Awarded the Padma Bhushan in 2016, 'Order of the Rising Sun Gold and Silver Star' in 2011, recipient of Forbes India Leadership Award for Lifetime Achievement



MR. KENCHIRO TOYOFUKU

Independent Director

- More than 29 years of diverse experience
- He specializes in carbon neutrality, India-Japan relationship, regional development, industrial policy, trade policy, skill development, among others



MR. VIMAL BHANDARI

Independent Director

- Commerce graduate from Mumbai University and a Chartered Accountant
- Over 35 years in a range of businesses in the financial services industry, of which twenty-five years have been at the Board of Directors level.



MS. REEMA RAMESHCHANDRA NANAVATI

Independent Director

- Has been working with the SEWA since over 35 years expanding its membership to over 2.1 million members, making it the single largest union of informal sector women workers



MR. YASUKAZU KAMADA

Non-Executive Director

- More than 40 years of diverse experience in Kubota Corporation.
- President of Kubota Holdings Europe B.V. and President & CEO of implements manufacturer Kverneland AS in Europe



MR. MANISH SHARMA

Independent Director

- More than 25 years of diverse experience in LG, Hotline, Samsung India and Haier India
- Currently chairs the Board for Panasonic India



MANAGEMENT TEAM



Mr. Nikhil Nanda
Chairman and Managing Director

- Mr. Nanda has played a central role in leveraging the companies' inherent capabilities to strengthen its position as a company dedicated to frugal engineering.
- Under his leadership, the company has evolved from being a product-led company to an innovation and technology driver brand



Mr. Shailendra Agrawal
Executive Director

- 40 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

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



Mr. Sanjeev Bajaj
Chief Executive - Construction Business, India

- 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 Business

- 18 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

- 18 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.



THANK YOU



Contact Details

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