



Escorts Kubota Limited

(Formerly Escorts Limited)

Q4 FY23 | EARNING PRESENTATION

10th May 2023

BSE: 500495 | NSE: ESCORTS



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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.

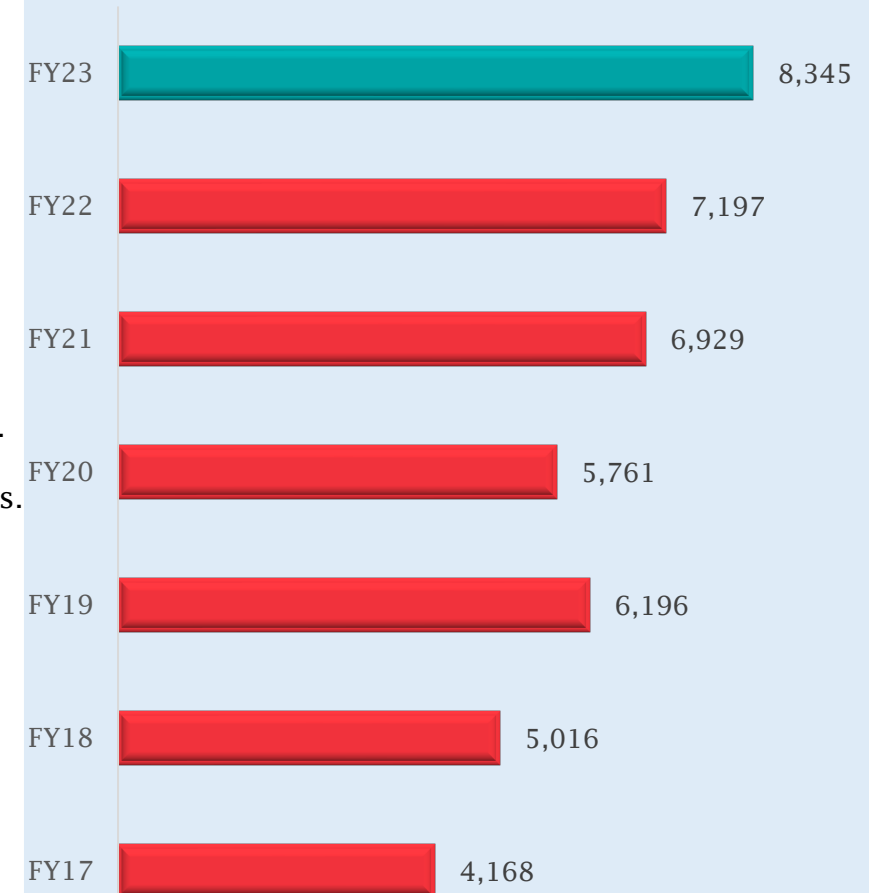
Headquartered In: Faridabad, Haryana, India

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

Exchange Listing[#] : Listed on NSE and BSE

Market Capitalization: ~ Rs27,420 Crores as on 9th May 2023

Standalone Revenue in ₹. Crore.



Q4FY23 YoY Highlights

Particulars	Industry Growth	EKL Growth	Variance
Domestic Tractor Volume	18.7%	13.9%	● -4.9%
Export Tractor Volume	-22.7%	3.8%	● 26.4%
Total Tractor Volume	12.4%	13.1%	● 0.7%
PNC Volume	27.4%	26.5%	● -0.8%
BHL Volume	30.8%	4.8%	● -25.9%
Compactor Volume	7.4%	-10.0%	● -17.4%
Served Construction Equipment Volume*	28.1%	20.2%	● -7.9%
Railway Segment Revenue		37.3%	

● Positive ● Neutral ● Negative



*Served Construction Equipment include- PNC Cranes, Backhoe loaders and Compactors

% rounded off to nearest single decimal

Q4FY23 YoY at a Glance

Particulars	Unit	Q4FY23	Q4FY22	Variance
Domestic Tractor Market Share	%	10.9%	11.4%	● -47 bps
Revenue from Operations	₹ Cr.	2,183.0	1,869.6	● 16.8%
Material Cost	%	71.5	70.1	● 142 bps
Manpower Cost	%	7.2	6.4	● 79 bps
EBIDTA	₹ Cr.	235.8	251.5	● -6.2%
EBIDTA Margin	%	10.8	13.5	● -265 bps
Other Income	₹ Cr.	76.3	53.8	● 41.7%
PBT Before Exceptional items	₹ Cr.	271.4	269.5	● 0.7%
PAT	₹ Cr.	185.5	202.2	● -8.3%
EPS	₹	14.27	16.26	● -12.2%

● Positive ● Neutral ● Negative



Q4FY23 YoY at a Glance

24,765
Tractors Volumes

 13.1%

1,528
Construction Equipment's

 18.2%

₹ 237.2 Crore
Revenue from Railway Equipment

 37.3%

₹ 2,183.0 Crore
Revenue From Operations

 16.8%



₹ 235.8 Crore
EBIDTA

 -6.2%

₹ 185.5 Crore
Profit After Tax

 -8.3%

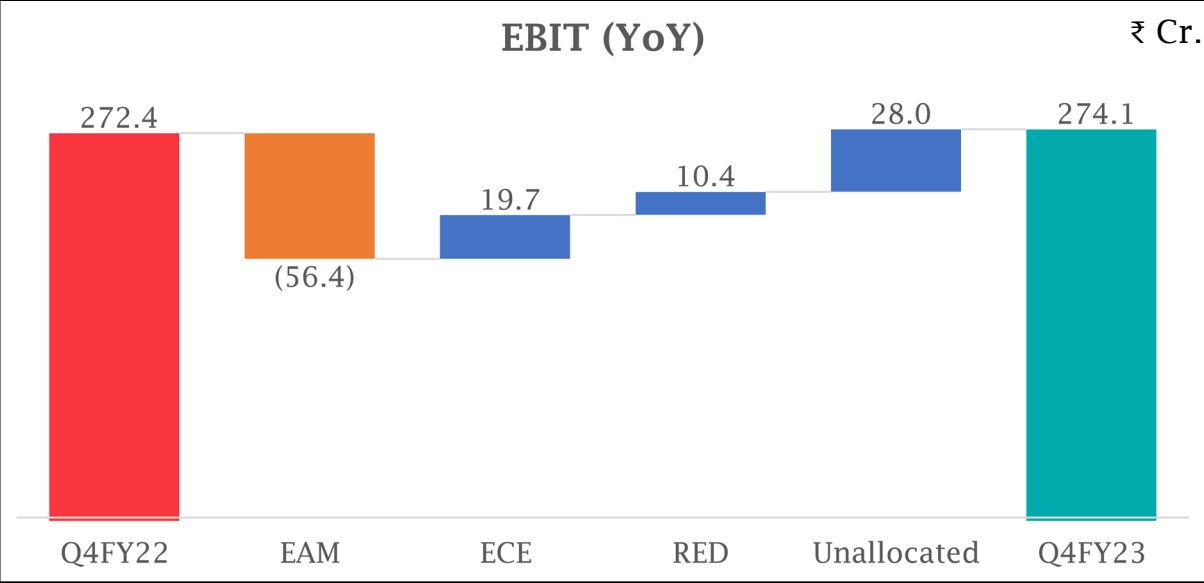
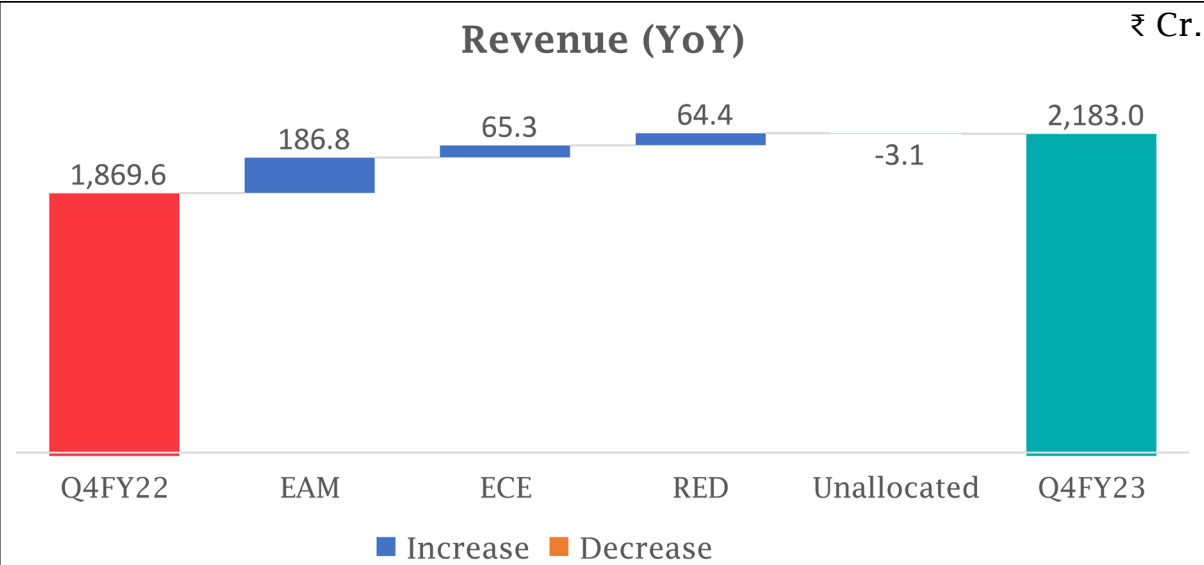
Impacted due to Exception cost provision on account of impairment of investment in the wholly owned subsidiary Escorts Crop Solutions Limited

 Up Year on Year
 Down Year on Year



% rounded off to nearest single decimal

Q4 - YoY Revenue up by 16.8%; EBIT up by 0.6%



Revenue Key Highlights

- Tractor Sales up by 13.1% at 24,765 units
- Construction Equipment Sales up by 18.8% at 1,528 units
- Railway Equipment revenue up by 37.3% at ₹ 237.2 Crore.

EBIT Key Highlights

- Adversely impacted due to
 - Commodity price inflation.
 - Other cost
- Higher non-operating income



Q4FY23 QoQ at a Glance

Particulars	Unit	Q4FY23	Q3FY23	Variance
Domestic Tractor Market Share	%	10.9%	10.6%	● 36 bps
Revenue from Operations	₹ Cr.	2,183.0	2,263.7	● -3.6%
Material Cost	%	71.5	74.5	● -300 bps
Manpower Cost	%	7.2	6.7	● 43 bps
EBIDTA	₹ Cr.	235.8	190.3	● 23.9%
EBIDTA Margin	%	10.8	8.4	● 240 bps
Other Income*	₹ Cr.	76.3	91.3	● -16.4%
PBT Before Exceptional items	₹ Cr.	271.4	241.4	● 12.4%
PAT	₹ Cr.	185.5	186.4	● -0.5%
EPS	₹	14.27	14.37	● -0.7%

● Positive ● Neutral ● Negative

Standalone Financials *In Q3 Include non-recurring item of Rs. 12.5 Cr. on account of contract termination recovery from erstwhile Tadano JV % rounded off to nearest single decimal

Q4FY23 QoQ at a Glance

24,765
Tractors Volumes

 -11.6%

1,528
Construction Equipment's

 26.4%

₹ 237.2 Crore
Revenue from Railway Equipment

 -4.8%

₹ 2,183.0 Crore
Revenue From Operations

 -3.6%



₹ 235.8 Crore
EBIDTA

 23.9%

₹ 185.5 Crore
Profit After Tax

 -0.5%

Impacted due to Exception cost provision on account of impairment of investment in the wholly owned subsidiary Escorts Crop Solutions Limited

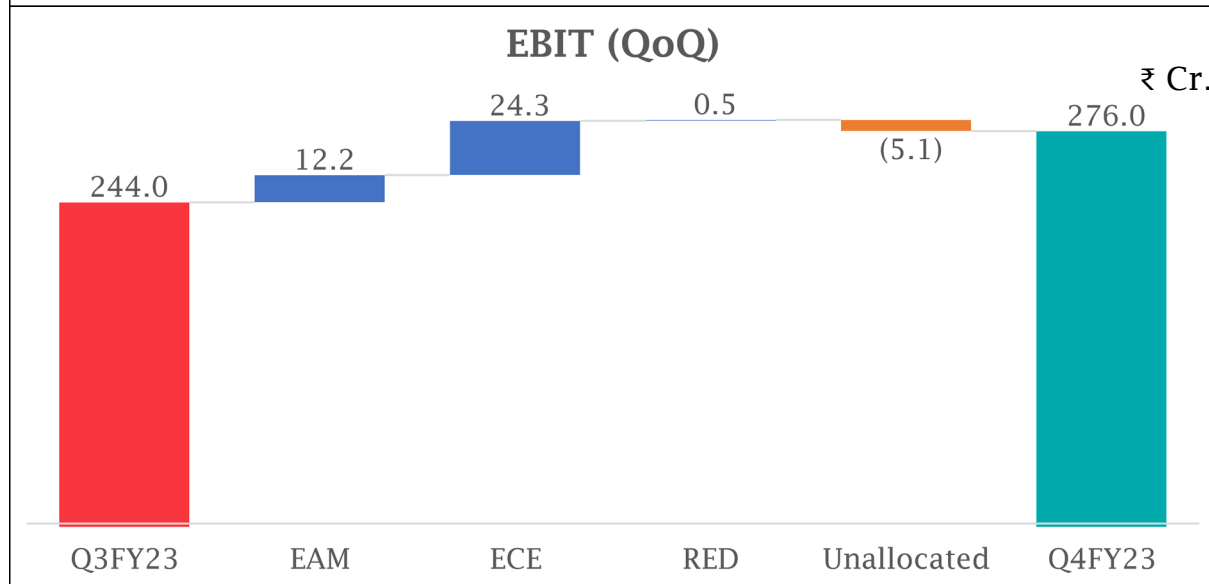
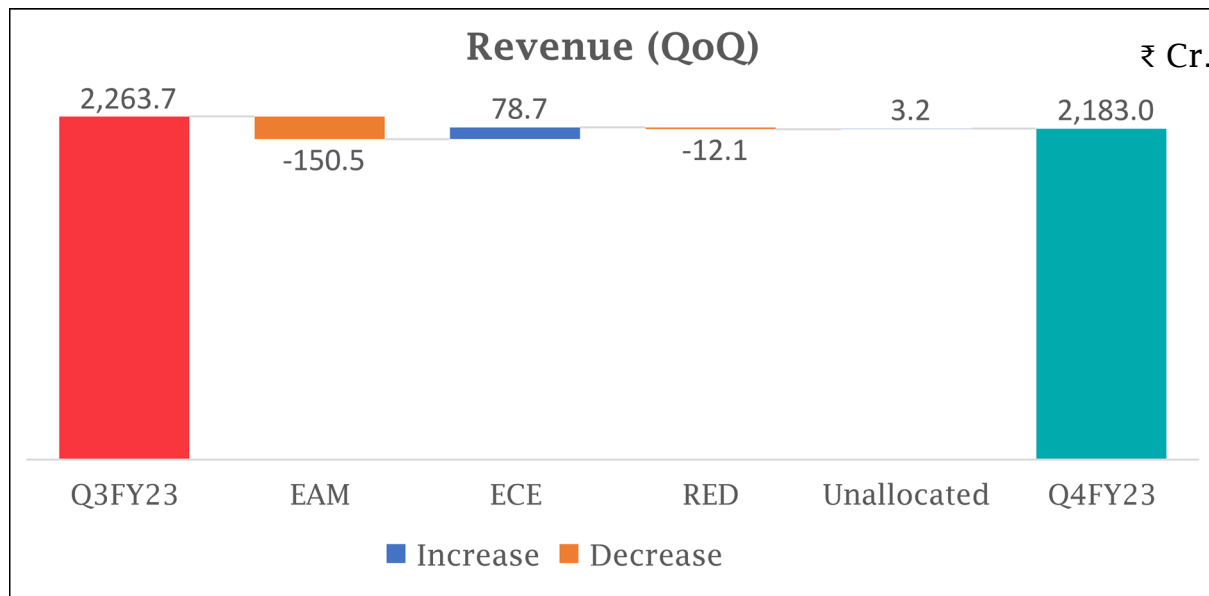
 Up Quarter on Quarter
 Down Quarter on Quarter

Standalone Financials



% rounded off to nearest single decimal

Q4 - QoQ Revenue down by 3.6%; EBIT up by 12.3%



Revenue Key Highlights

- Tractor Sales down by 11.8% at 24,765 units
- Construction Equipment Sales up by 26.4% at 1,528 units
- Railway Equipment revenue down by 4.8% at ₹ 237.2 Crore.

EBIT Key Highlights

- Cost Reduction
- Operating leverage across business segment.



Q4FY23 at a Glance

₹ 14.3

Earning Per Share

13.1%

Return on Capital Employed
(Annualized)

8.9%

Return on Equity
(Annualized)

~80%

Capacity Utilization

Agri Machinery

~60%

Capacity Utilization

Construction Equipment

More than ₹ 1,050 Crore
Of Order Book

Railway Equipment Division
(as of 31st March 2023)



FY23 YoY at a Glance

Particulars	Unit	FY23	FY22	Variance
Domestic Tractor Market Share	%	10.1%	10.3%	● -26 bps
Revenue from Operations	₹ Cr.	8,345.0	7,196.9	● 16.0%
Material Cost	%	72.7	68.5	● 416 bps
Manpower Cost	%	7.1	7.3	● -21 bps
EBIDTA	₹ Cr.	780.4	995.5	● -21.6%
EBIDTA Margin	%	9.4	13.8	● -448 bps
PBT Before Exceptional items	₹ Cr.	902.3	1,021.9	● -11.7%
PAT	₹ Cr.	607.0	765.6	● -20.7%
EPS	₹	46.74	58.91	● -20.7%

● Positive ● Neutral ● Negative



FY23 YoY at a Glance

1,03,290
Tractors Volumes

 9.6%

4,620
Construction Equipment's

 12.2%

₹ 841.9 Crore
Revenue from Railway Equipment

 32.3%

₹ 8,345.0 Crore
Revenue From Operations

 16.0%

₹ 780.4 Crore
EBIDTA

 -21.6%



₹ 607.0 Crore
Profit After Tax

 -20.7%

Impacted due to provision on account of
impairment of investment in Tadano Escorts
India Private Limited & wholly owned
subsidiary Escorts Crop Solutions Limited



% rounded off to nearest single decimal

 Up Quarter on Quarter
 Down Quarter on Quarter

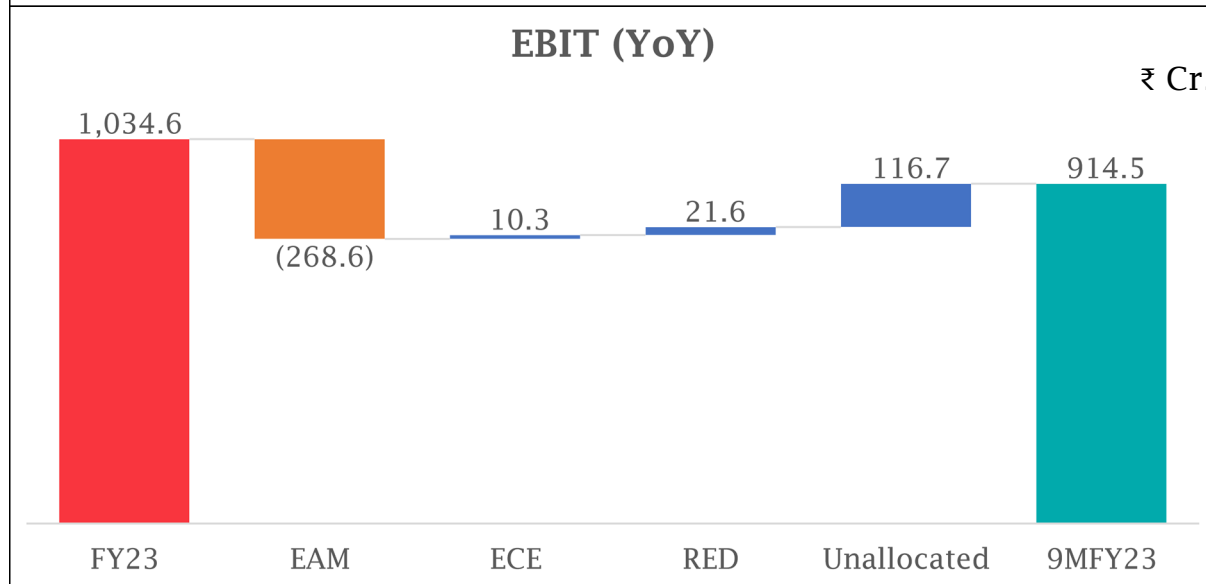
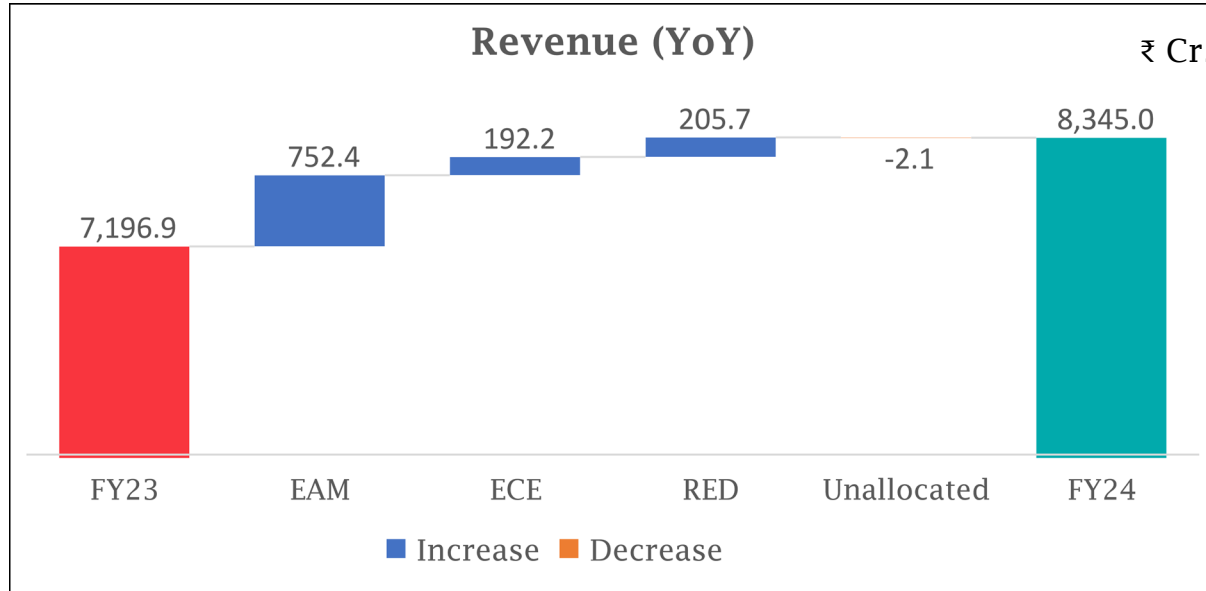
Standalone Financials

10-05-2023

Escorts Kubota Limited

13

FY – YoY Revenue up by 16.0%; EBIT down by 11.8%



Revenue Key Highlights

- Tractor Sales up by 9.6% at 1,03,290 units
- Construction Equipment Sales up by 12.2% at 4,620 units
- Railway Equipment revenue up by 32.3% at ₹ 841.9 Crore.

EBIT Key Highlights

- Adversely impacted due to steep inflation both in commodity prices and other cost.



FY23 at a Glance

₹ 46.7

Earning Per Share

11.2%

Return on Capital Employed
(Annualized)

7.5%

Return on Equity
(Annualized)

~90%

Capacity Utilization

Agri Machinery

~45%

Capacity Utilization

Construction Equipment

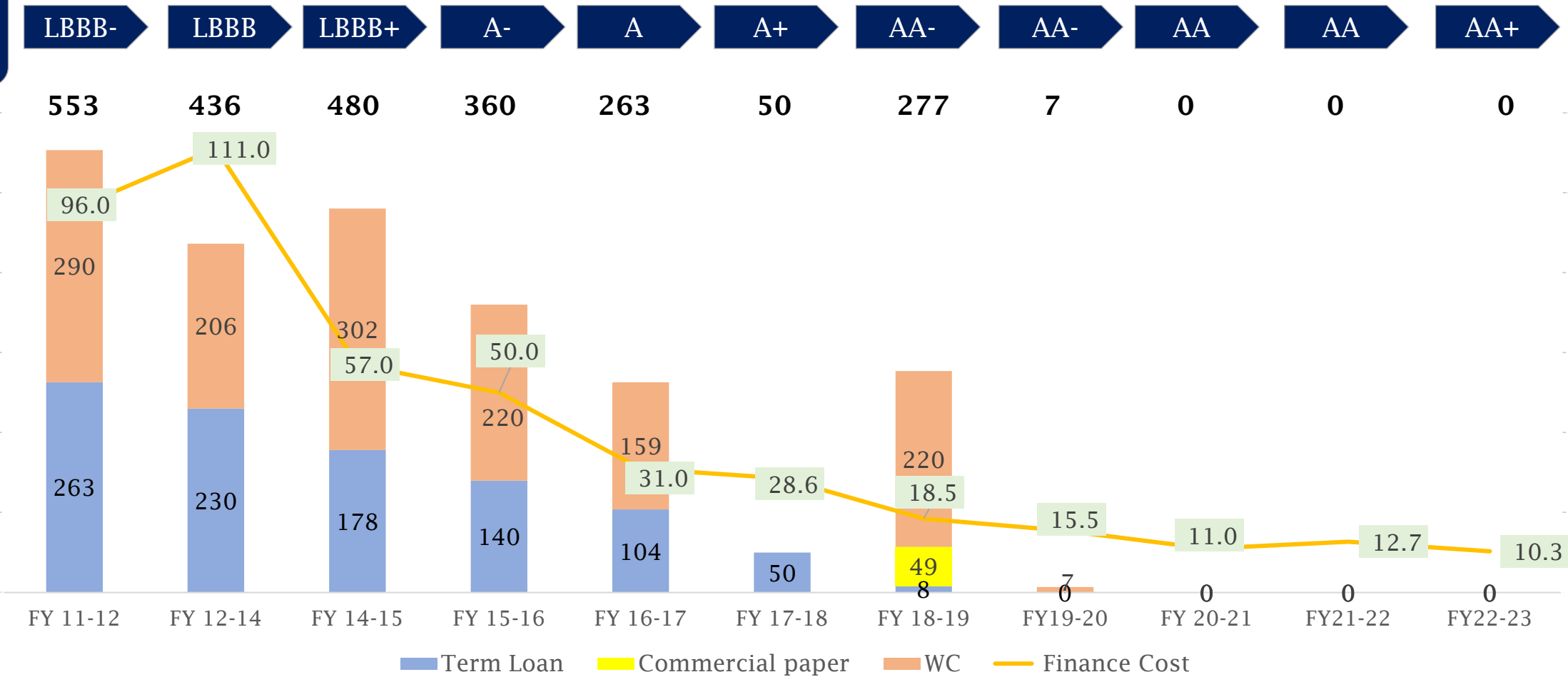
More than **₹ 1,050 Crore**
Of Order Book

Railway Equipment Division
(as of 31st March 2023)



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.





Our efforts are aligned with our Mid Term Business Plan for achieving the targeted growth in coming years. In agri business, while the retail sales were impacted due to unseasonal rainfall and crop damage in certain regions, however, with better crop prices, improved finance availability and good water reservoir levels, we expect demand momentum to continue across geographies in the coming quarters. We witnessed growth across the construction equipment portfolio towards the second half of this fiscal year across material handling, earth moving as well as road segment. The current market sentiments are positive, and demand is expected to remain buoyant due to the continuous focus of the government towards infrastructure projects. Railway business has also been consistently growing and the focus on rail network and connectivity will further provide impetus to the segment. Our investments in expanding coverage, building capacity, and producing innovative product lines will continue for enhanced customer reach and product experience.

Nikhil Nanda Chairman and Managing Director

We are committed to offer state of the art technology and solutions to our customers for increased productivity and operational efficiency. Our efforts across domestic and export geographies are well mapped to leverage on opportunities across our core business verticals, and we are hopeful that with our strategic initiatives we will be able to achieve desired growth. Quality and performance will be our topmost priority and we will continue to focus on innovation and enhancing customer experience.



Mr. Seiji Fukuoka, Deputy Managing Director



Segmental Performance



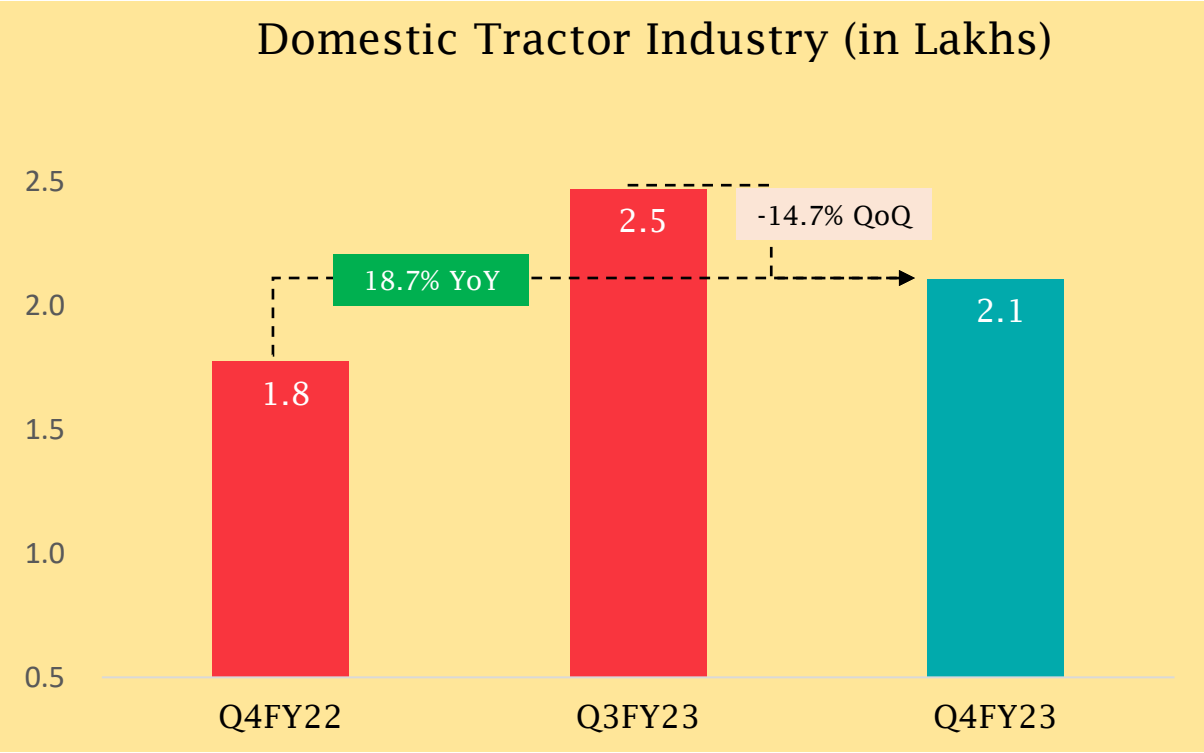
Agri Machinery



Powering The Dreams Of Farmer

Q4 Agri Machinery Domestic Performance

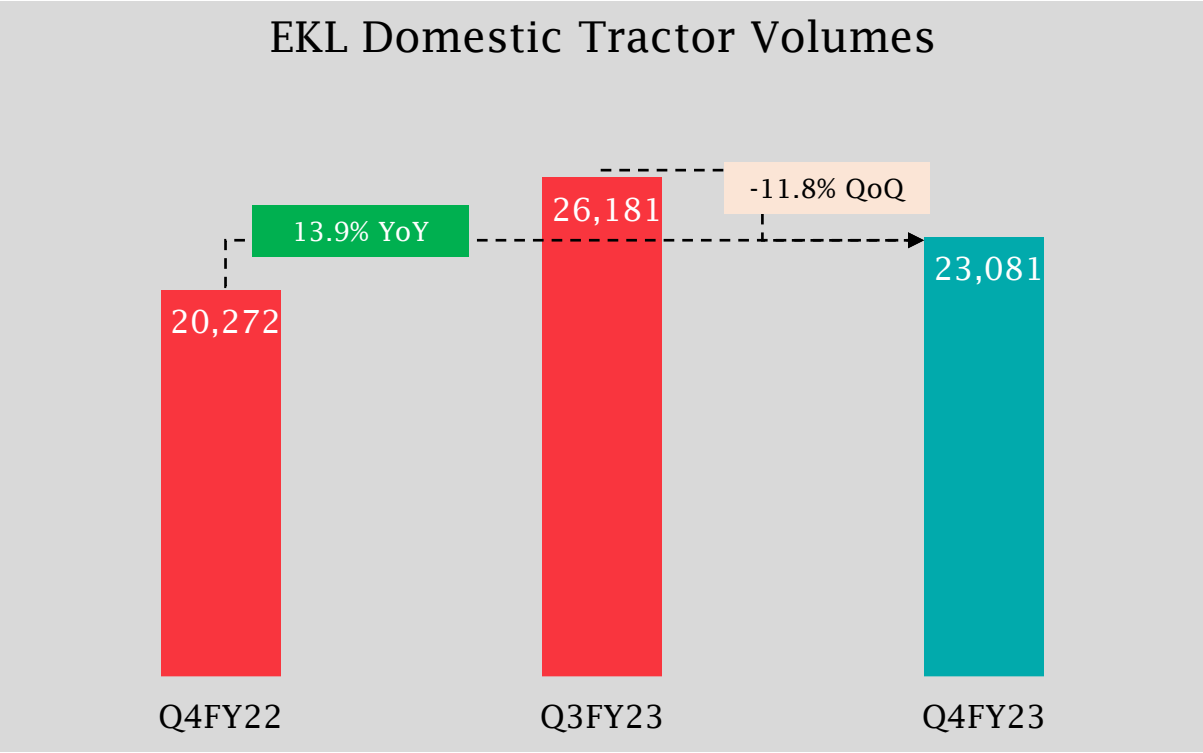
Domestic Tractor Industry (in Lakhs)



Industry in Strong Regions grew by 23.2% Y-o-Y

Industry in Rest Region grew by 14.2% Y-o-Y

EKL Domestic Tractor Volumes



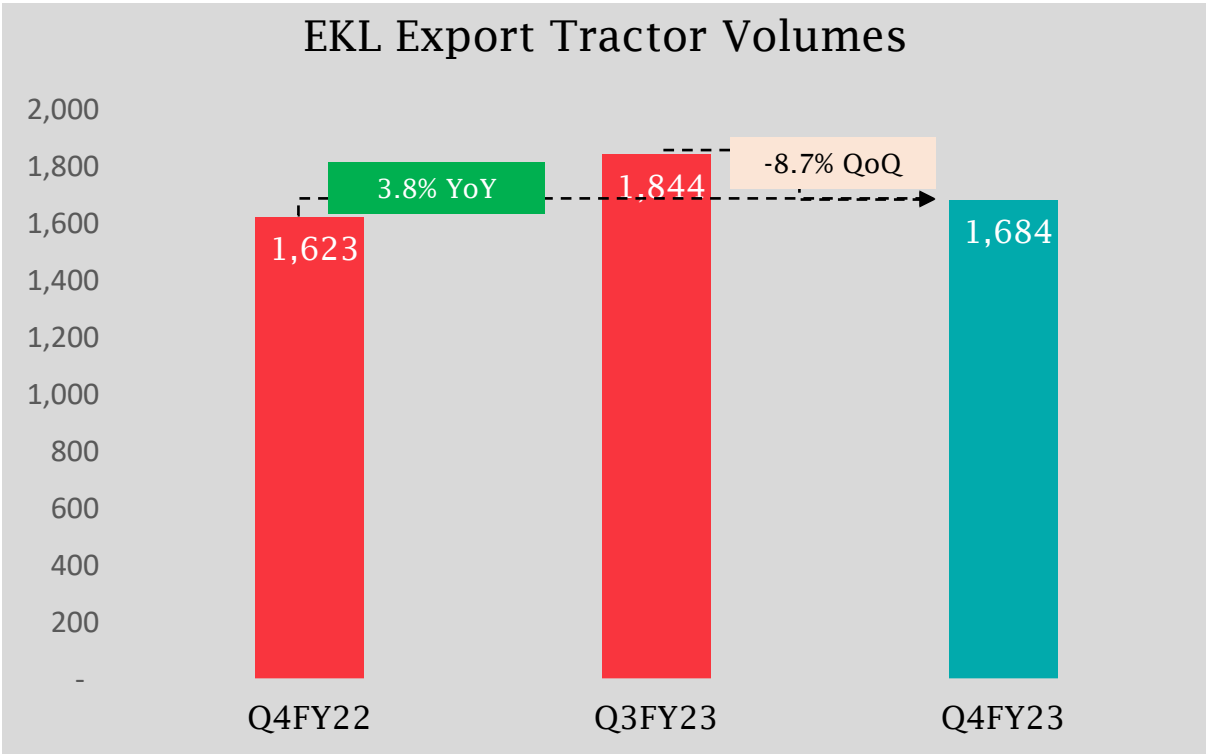
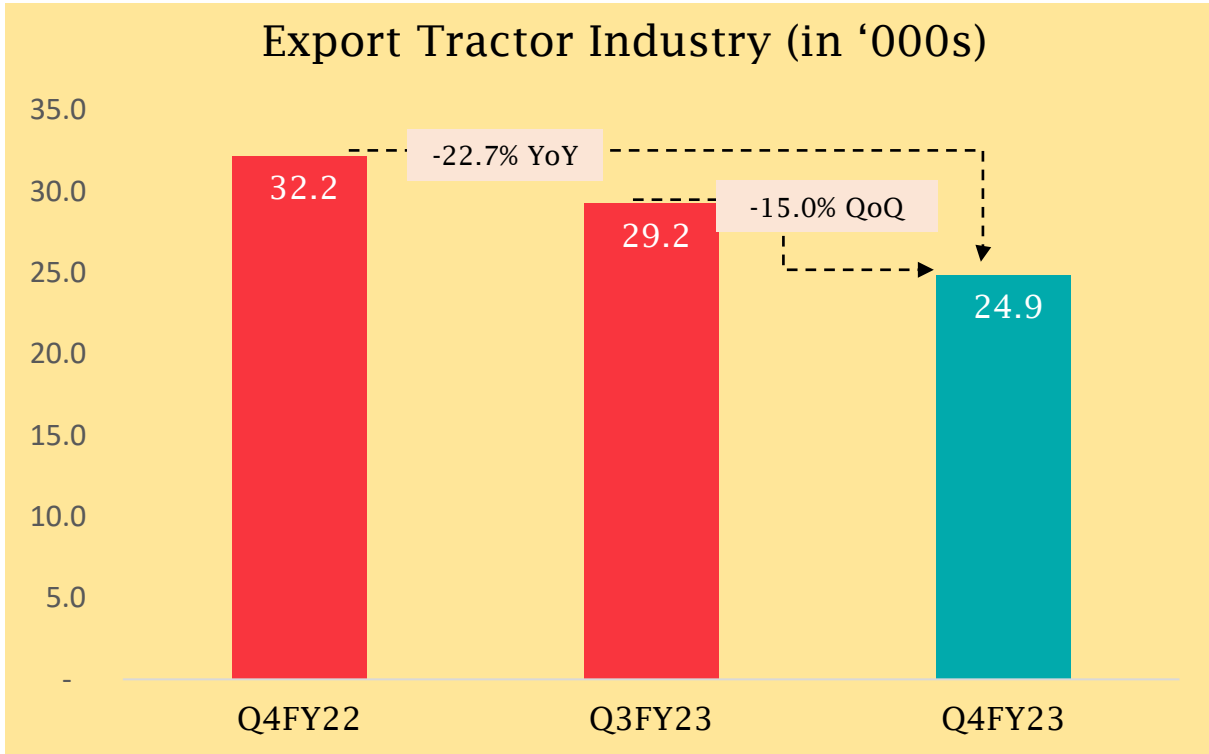
EKL-Tractor
In Strong Region grew by 16.5%
Y-o-Y

ELK - Tractor
In Rest Region grew by 7.6% Y-o-Y

Growth

De-Growth

Q4 Agri Machinery Export Performance



Export through Kubota channel ~40%
of total Export volume

6.8% Share of Market in Q4FY23,
up by 172 bps Y-o-Y

Growth

De-Growth

% rounded off to nearest single decimal


Agri Machinery Performance at Glance in Q4

₹ 1,557.5 Crore
Segmental Revenue

 **13.5%**
(Y-o-Y)

 **-8.8%**
(Q-o-Q)

9.9%
EBIT margin

 **-547 bps**
(Y-o-Y)

 **159 bps**
(Q-o-Q)

~80%

Capacity Utilization

44:56

Farmtrac : Powertrac Sales Ratio*

45:55
(In Q4FY22)

42:58
(In Q3FY23)

34:66

Less than 40 HP : Greater than 40 HP
Sales Ratio*

39:61
(In Q4FY22)

37:63
(In Q3FY23)

25.9%

Return on Capital Employed
(Annualized)



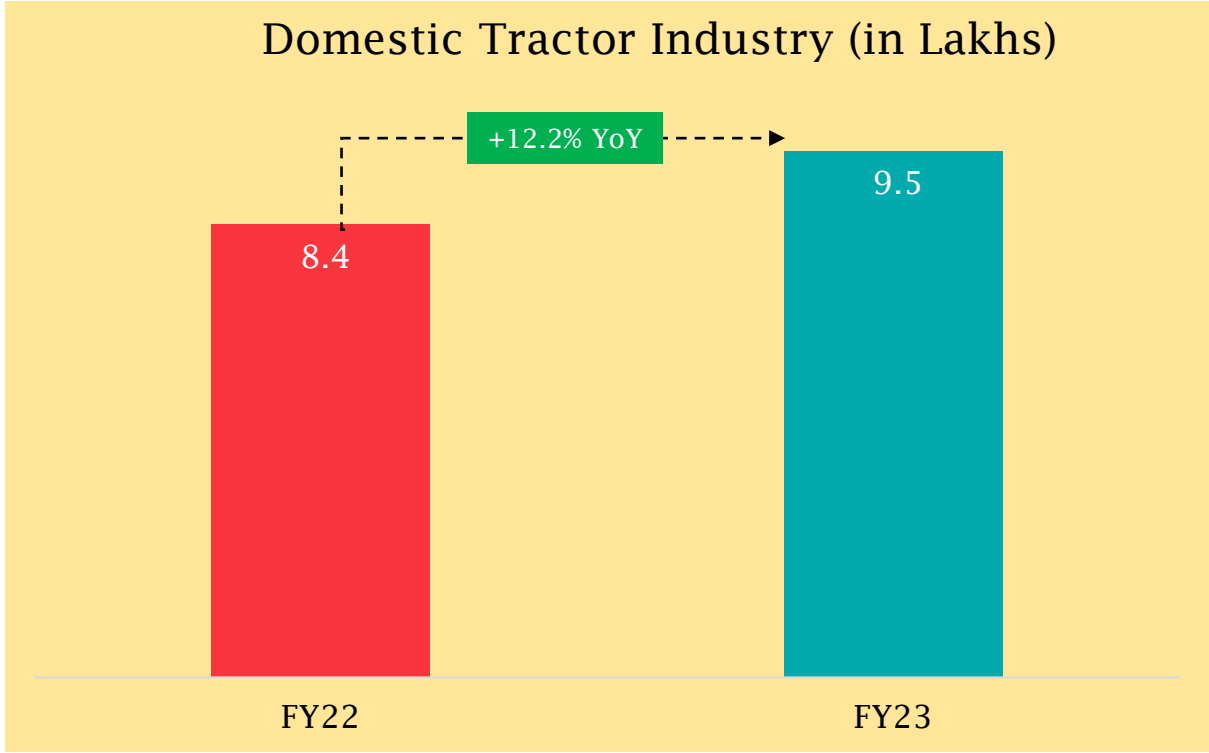
* Domestic



% rounded off to nearest single decimal

FY Agri Machinery Domestic Performance

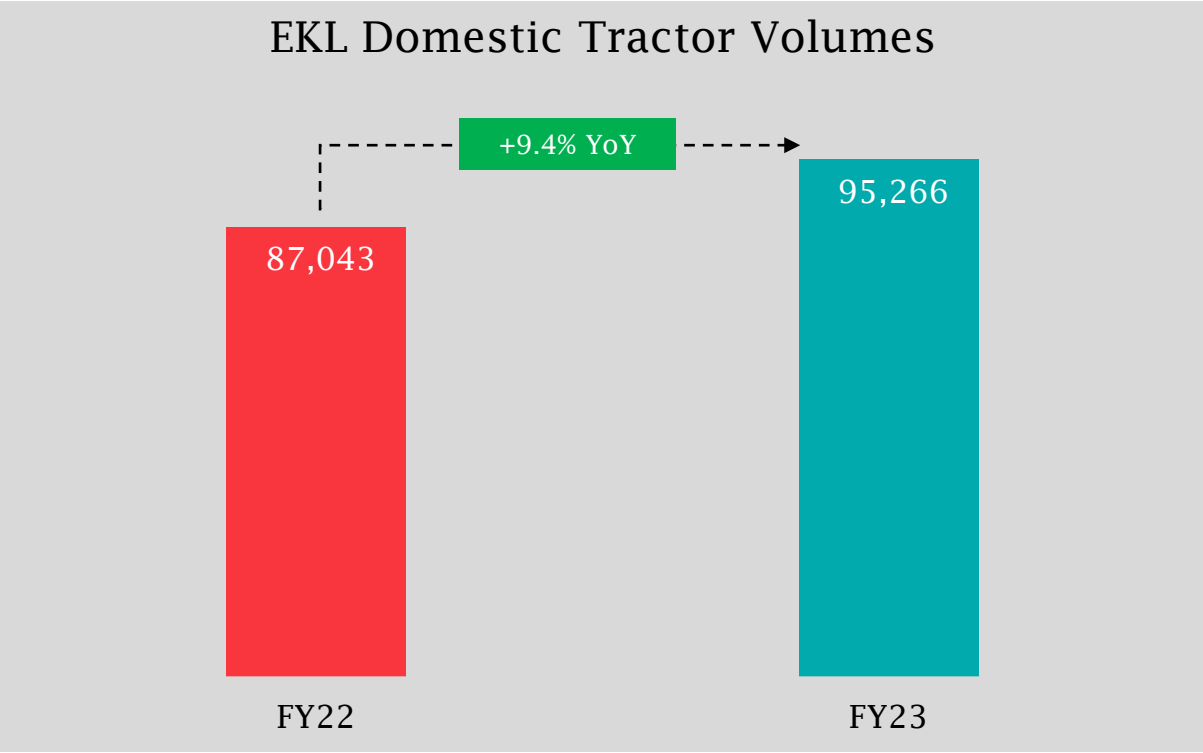
Domestic Tractor Industry (in Lakhs)



Industry in Strong Regions grew by 16.1% Y-o-Y

Industry in Rest Region grew by 8.5% Y-o-Y

EKL Domestic Tractor Volumes



EKL-Tractor In Strong Region grew by 11.5% Y-o-Y

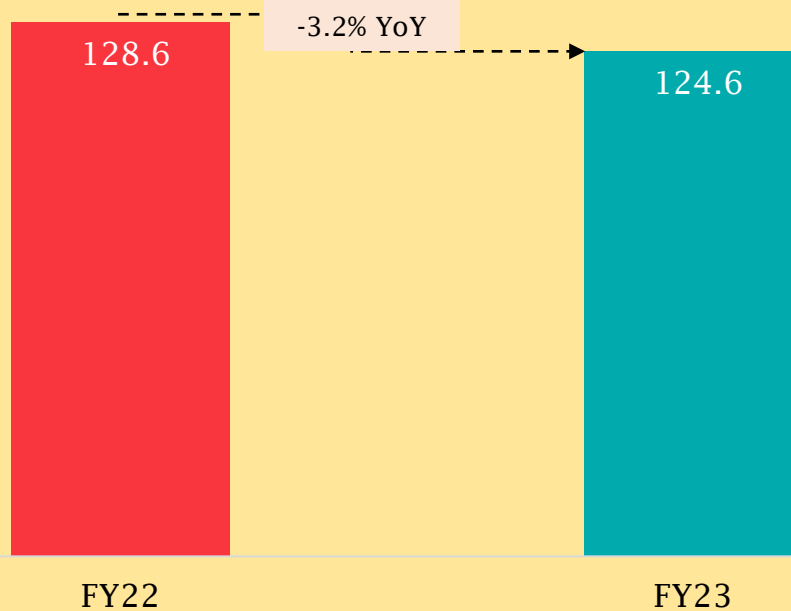
ELK - Tractor In Rest Region down by 5.0% Y-o-Y

Growth

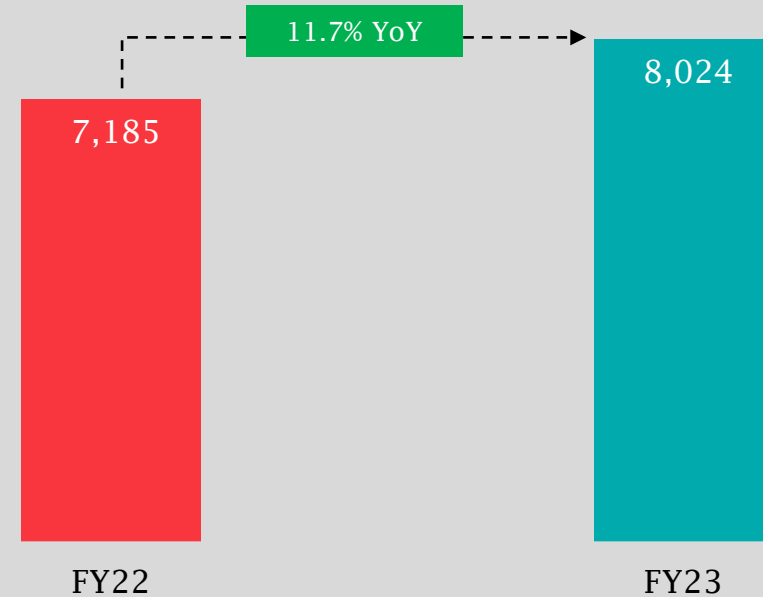
De-Growth

FY Agri Machinery Export Performance

Export Tractor Industry (in '000s)



EKL Export Tractor Volumes



Highest Ever Export Sales

Export through Kubota channel 30%+
of total Export volume

6.4% Share of Market in 9MFY23,
up by 86 bps Y-o-Y

Growth

De-Growth

10-05-2023




Agri Machinery Performance at Glance in FY

₹ 6,316.1 Crore
Segmental Revenue

 **13.5%**
(Y-o-Y)

9.3%
EBIT margin

 **-609 bps**
(Y-o-Y)

~90%

Capacity Utilization

42:58

Farmtrac : Powertrac Sales Ratio*

42:58
(In FY22)

37:63

Less than 40 HP : Greater than 40 HP
Sales Ratio*

38:62
(In FY22)

26.2%

Return on Capital Employed
(Annualized)



* Domestic

10-05-2023



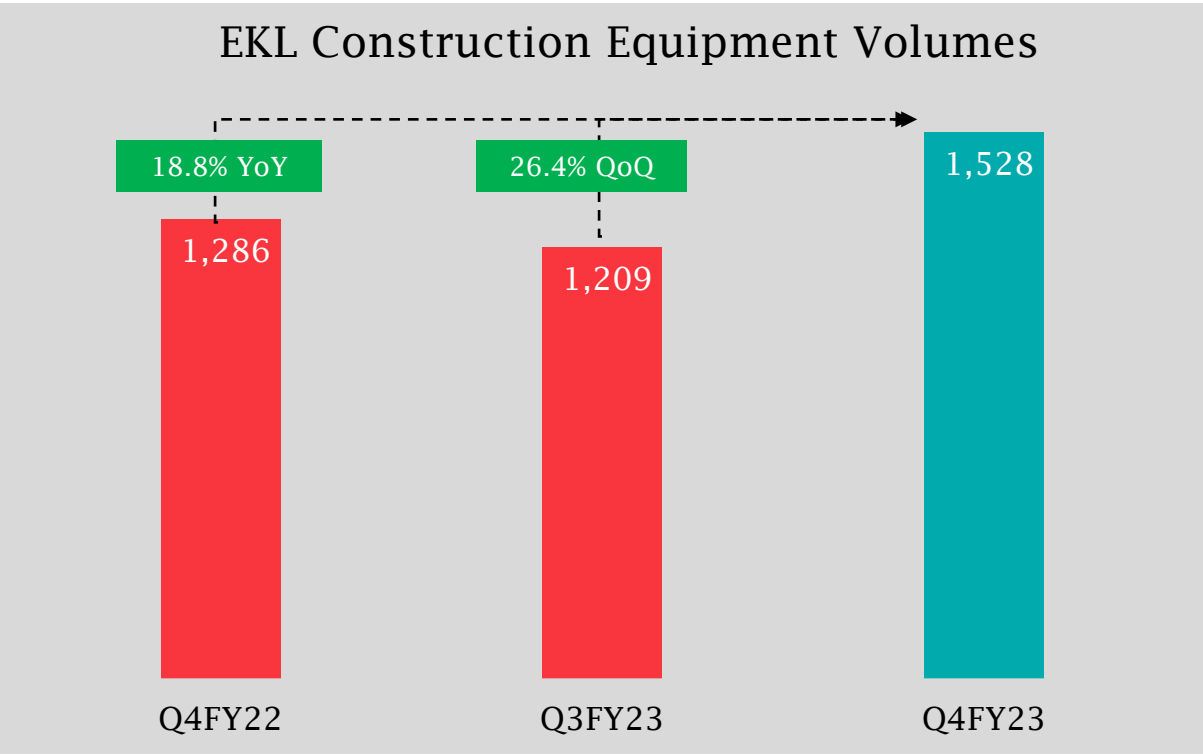
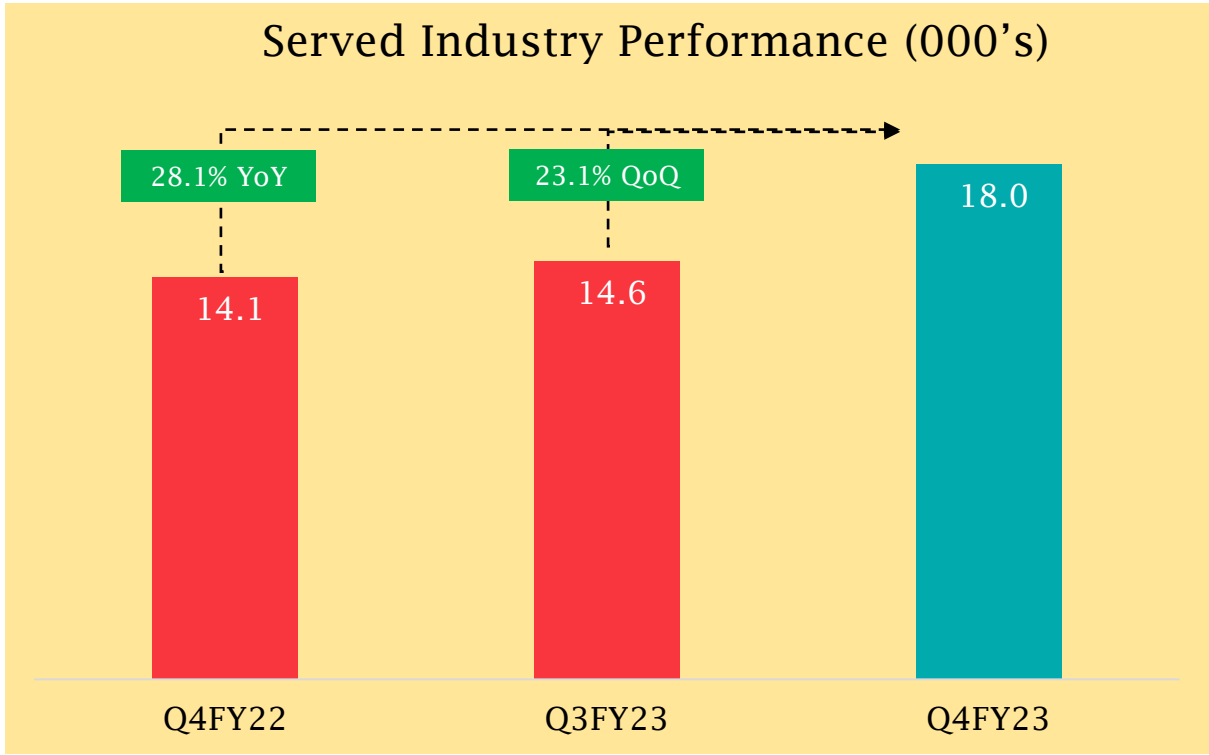
Construction Equipment

The background of the slide features two large construction cranes. On the left is a white crane with a long boom, and on the right is an orange crane with a boom labeled 'TRX 2319' and 'ESCORTS'. The cranes are set against a dark background with glowing blue and white light trails that curve across the frame, creating a futuristic or high-tech atmosphere. The text 'Building a Better Tomorrow' is centered over the image, with 'Building a' in red and 'Better Tomorrow' in white.

**Building a
Better Tomorrow**

Preferred Partner In Nation Building

Q4 - Construction Equipment Performance



BHL Industry up by 30.8% Y-o-Y

PnC Industry up by 27.4% Y-o-Y

Compactors Industry up by 7.4% Y-o-Y

Growth

De-Growth

10-05-2023




Construction Equipment Performance at Glance in Q4FY23


₹ 384.8 Crore
Segmental Revenue

 **20.5%**
(Y-o-Y)

 **25.7%**
(Q-o-Q)

8.1%
EBIT margin

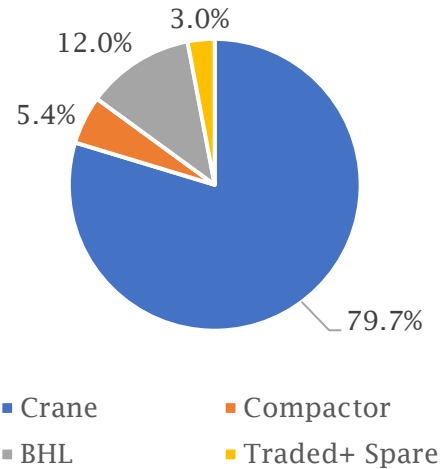
 **452 bps**
(Y-o-Y)

 **585 bps**
(Q-o-Q)

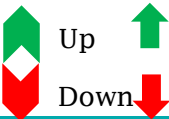
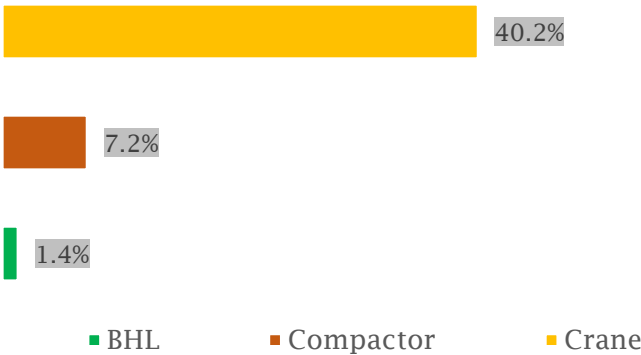
~60%

Capacity Utilization

Revenue Break up



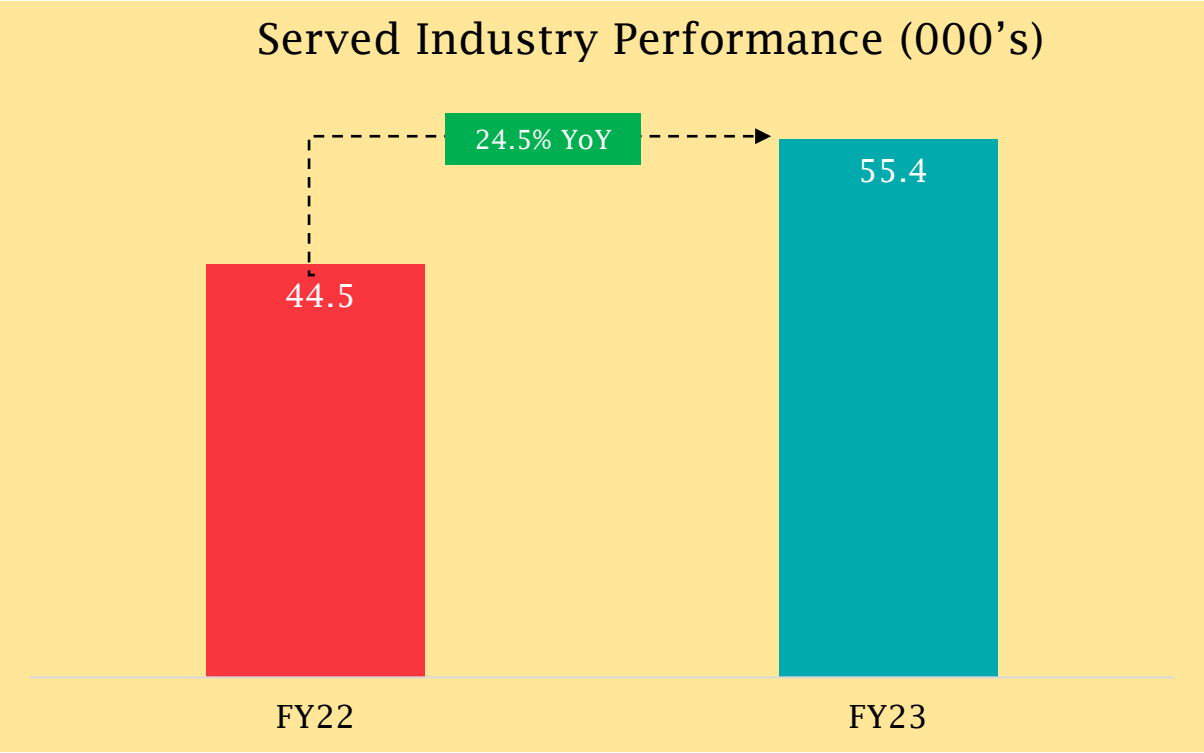
Product wise Market Share



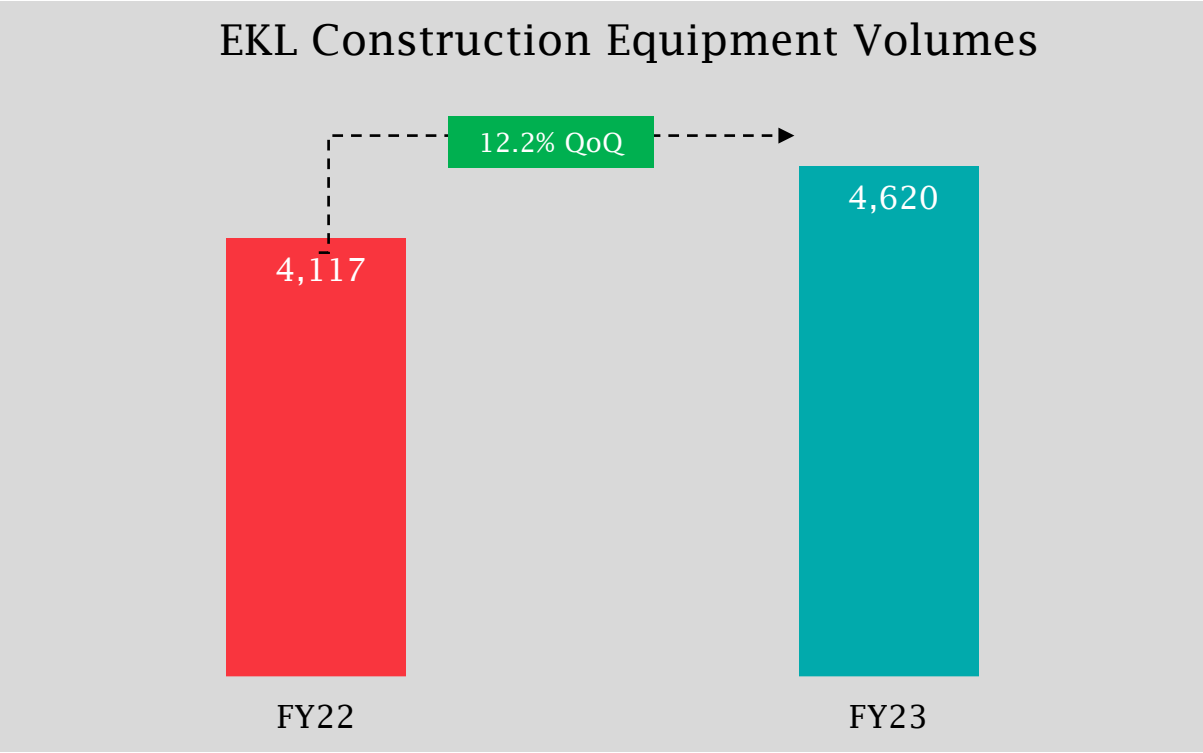
% rounded off to nearest single decimal

FY - Construction Equipment Performance

Served Industry Performance (000's)



EKL Construction Equipment Volumes



BHL Industry up by 28.2% Y-o-Y

PnC Industry up by 24.9% Y-o-Y

Compactors Industry down by 4.8% Y-o-Y

Growth

De-Growth

% rounded off to nearest digit

Construction Equipment Performance at Glance in FY

₹ 1,179.0 Crore
Segmental Revenue

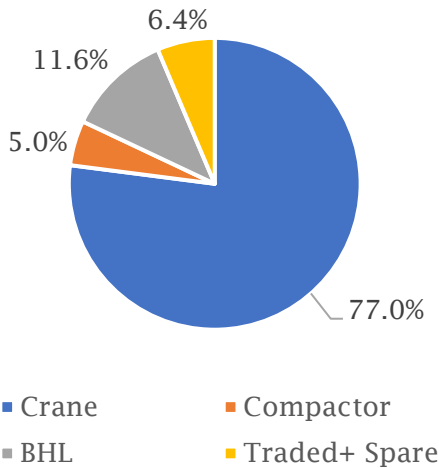
19.5%
(Y-o-Y)

2.9%
EBIT margin

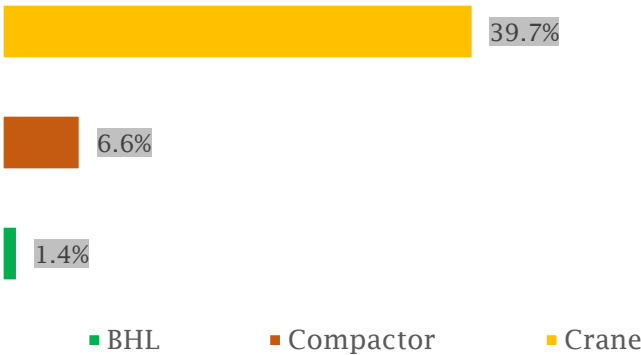
48 bps
(Y-o-Y)

~45%
Capacity Utilization

Revenue Break up



Product wise Market Share



% rounded off to nearest single decimal

Railway Equipment Division



Mobility Solutions
Of the future

ENSURING SAFETY AND COMFORT IN RAIL TRANSPORT


Railway Equipment Division Performance Q4FY23

₹ 237.2 Crore
Segmental Revenue

14.0%
EBIT margin

More than **₹ 1,050 Crore**
Of Order Book

(as of 31st March 2023)

 **37.3%**
(Y-o-Y)

 **-4.9%**
(Q-o-Q)

 **83 bps**
(Y-o-Y)

 **88 bps**
(Q-o-Q)

69:31

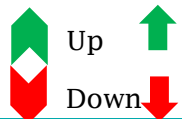
NPD : conventional Sales Ratio

67:33
(In Q4FY22)

62:38
(In Q3FY23)

25.8%


Return on Capital Employed
(Annualized)




% rounded off to nearest single decimal

Railway Equipment Division Performance in FY

₹ 841.9 Crore
Segmental Revenue

 **32.3%**
(Y-o-Y)

13.8%
EBIT margin

 **-106 bps**
(Y-o-Y)

More than **₹ 1,050 Crore**
Of Order Book

(as of 31st March 2023)

65:35
NPD : conventional Sales Ratio

65:35
(In FY22)

38.7%

Return on Capital Employed
(Annualized)



% rounded off to nearest single decimal

Shareholding Pattern

Shareholding Trend					
Category	Mar'2022 [^]	June'2022	Sept'2022	Dec'2022	Mar'2023
Promoters	28.1	72.9	72.9	72.9	72.9
Kubota Corporation	16.4	*	*	*	*
Escrow Account (open offer)	39.4				
Institutions#	4.0	11.3	12.4	12.4	12.8
Public	10.3	14.0	13.0	13.0	12.7
Non Promoter Non Public	1.8	1.8	1.7	1.7	1.7
Total	100.0	100.0	100.0	100.0	100.0

* Kubota corporation has become a Joint promoter from 11 April 2022.

FPI/Financial Institutions/ Banks/Insurance Companies/QIB/AIF from March 2022



rounded off to nearest single decimal

Consolidated Q4FY23 at a Glance

Particulars	Unit	Q4FY23	Q4FY22	YoY (Change)	Q3FY23	QoQ (Change)
Revenue from Operations	₹ Cr.	2,214.5	1,886.6	● 17.4%	2,291.4	● -3.4%
Material Cost	%	71.6%	70.0%	● 159 bps	74.5%	● 290 bps
Manpower Cost	%	7.2%	6.5%	● 75 bps	6.8%	● 43 bps
EBIDTA	₹ Cr.	233.2	248.2	● -6.0%	191.3	● 21.9%
EBIDTA Margin	%	10.5%	13.2%	● -262 bps	8.4%	● 218 bps
PBT Before Exceptional items	₹ Cr.	277.6	257.5	● 7.8%	235.6	● 17.8%
PAT	₹ Cr.	216.5	190.0	● 13.9%	180.8	● 19.7%
EPS	₹	19.99	18.56	● 7.7%	16.70	● 19.7%

● Positive ● Neutral ● Negative



% rounded off to nearest single decimal

Consolidated FY23 at a Glance

Particulars	Unit	FY23	FY22	YoY (Change)
Revenue from Operations	₹ Cr.	8,428.7	7,282.7	● 15.7%
Material Cost	%	72.6%	68.4%	● 428 bps
Manpower Cost	%	7.2%	7.4%	● -23 bps
EBIDTA	₹ Cr.	777.5	995.4	● -21.9%
EBIDTA Margin	%	9.2%	13.7%	● -444 bps
PBT Before Exceptional items	₹ Cr.	887.6	992.8	● -10.6%
PAT	₹ Cr.	636.6	735.6	● -13.5%
EPS	₹	58.85	74.06	● -20.5%

● Positive ● Neutral ● Negative



% rounded off to nearest single decimal

Narrations

- **EKL** - Escorts Kubota Limited
- **FY** - Fiscal Year represents the 12 months period from 1st April to 31st March.
- **Q4FY22** - Represents the 3 months period from 1st Jan 2022 to 31st March 2022.
- **Q3FY23** - Represents the 3 months period from 1st Oct 2022 to 31st Dec 2022.
- **Q4FY23** - Represents the 3 months period from 1st Jan 2023 to 31st March 2023.
- **FY22** - Represents the 12 months period from 1st April 2021 to 31st March 2022.
- **FY23** - Represents the 9 months period from 1st April 2022 to 31st March 2023.
- **QoQ** - Represents Quarter on Quarter
- **YoY** - Represents Year on Year
- **LY** - Represents Last Year
- **CY** - Represents Current Year

- **BHL** - Backhoe Loader
- **IndAS** - Indian Accounting Standards
- **NPD** - New Product Developed
- **PnC** - Pick & Carry Crane
- **NSE** - National Stock Exchange of India
- **BSE** - Bombay Stock Exchange
- **DSE** - Delhi Stock Exchange
- **EBIDTA** - Earnings Before Interest, Depreciation & Taxes
- **EBIT** - Earnings Before Interest & Taxes
- **PBT** - Profit Before Tax
- **PAT** - Profit After Tax
- **ROE** - Return on Equity, Calculated as PAT divided by Average capital employed.
- **ROCE** - Return on Capital Employed, calculated as EBIT divided by Average capital Employed for the quarter.



SAFE HARBOR

Certain statements in this document may 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.

Accounting standard: Financials in presentation are as per IndAS.

All numbers are rounded off to nearest decimal

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