

# E Kujhota

### **Escorts Kubota Limited**

(Formerly Escorts Limited)

**Q1 FY24 | EARNING PRESENTATION** 

1st August 2023

**BSE: 500495 | NSE: ESCORTS** 

### **CONTENTS**



01

**Company Overview** 

02

**Q1FY24**Standalone
Highlights

03

Credit Rating & Debt Profile

04

Management Message

05

Segmental Performance 06

Shareholding Pattern 07

**Q1FY24**Consolidated
Highlights

08

**Annexure & Narrations** 





### **Escorts Kubota Limited:** Overview

Escorts Kubota Limited

(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, implements, 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



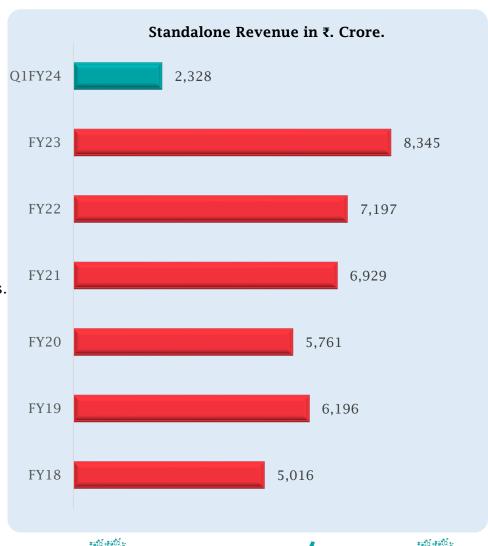
Manufacturing Facilities: 6 Plants\* located in Faridabad, Haryana, India



**Exchange Listing**<sup>#</sup>: Listed on NSE and BSE



**Market Capitalization:** ~ Rs 33,607.25 Crores as on 31st July 2023





### Q1FY24 YoY Highlights



Particulars	Industry Growth	EKL Growth	Variance	
Domestic Tractor Volume	-1.9%	2.5%	•	4.4%
Export Tractor Volume	-31.1%	-38.1%	•	-6.9%
Total Tractor Volume	-5.3%	-0.8%	•	4.5%
PNC Volume	58.8%	45.0%	•	-13.8%
BHL Volume	23.4%	10.4%	•	-13.0%
Compactor Volume	32.5%	88.6%	•	56.1%
Served Construction Equipment Volume*	30.1%	42.5%	•	12.4%
Railway Segment Revenue		71.8%		











### Q1FY24 YoY at a Glance



Particulars	Unit	Q1FY24	Q1FY23	Variance	
Domestic Tractor Market Share	%	9.7%	9.3%	•	41 bps
Revenue from Operations	₹ Cr.	2,327.7	2,014.9	•	15.5%
Material Cost	%	69.8	72.2	•	-238 bps
Manpower Cost	%	6.4	6.8	•	-42 bps
EBIDTA	₹ Cr.	326.9	201.6	•	62.2%
EBIDTA Margin	%	14.0	10.0	•	404 bps
Other Income	₹ Cr.	94.5	35.4	•	166.7%
PBT	₹ Cr.	378.6	198.1	•	91.1%
PAT	₹ Cr.	282.8	147.5	•	91.8%
EPS	₹	23.18	11.38	•	103.7%

Positive









### Q1FY24 YoY at a Glance



26,582 **Tractors Volumes** 



1,373 Construction Equipment's



42.1%

₹ 297.7 Crore

Revenue from Railway Equipment



₹ 2,327.7 Crore

**Revenue From Operations** 



15.5%

Quarterly Ever Highest

₹ 326.9 Crore

**EBIDTA** 



62.2%

₹ 282.8 Crore

Profit After Tax



91.8%

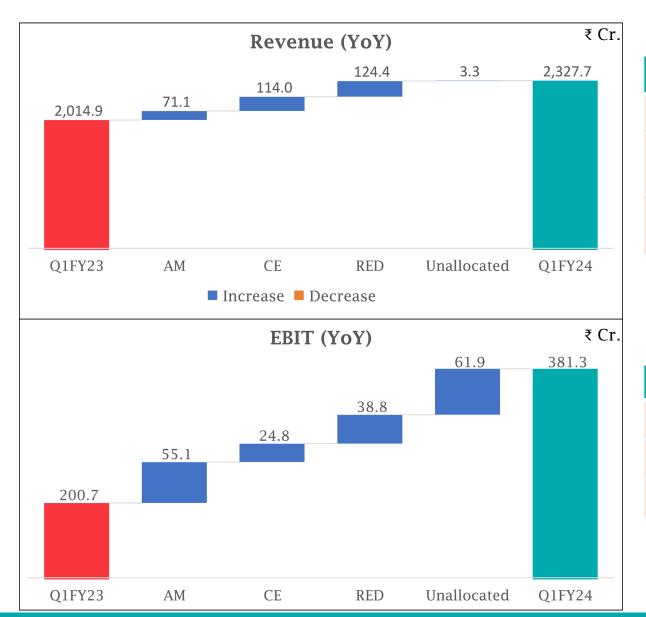
Quarterly Ever Highest





### Q1 - YoY Revenue up by 15.5%; EBIT up by 90.0%





### **Revenue Key Highlights**

- Tractor Sales at 26,582 units
- Construction Equipment Sales up by 42.1% at 1,373 units
- Railway Equipment revenue up by 71.8% at ₹ 297.7 Crore.

### **EBIT Key Highlights**

- Operating leverage.
- Higher non-operating income
- Softening in commodity prices



### Q1FY24 QoQ at a Glance



Particulars	Unit	Q1FY24	Q4FY23	Variance
Domestic Tractor Market Share	%	9.7%	10.9%	• -127 bps
Revenue from Operations	₹ Cr.	2,327.7	2,183.0	• 6.6%
Material Cost	%	69.8	71.5	• -171 bps
Manpower Cost	%	6.4	7.2	• 79 bps
EBIDTA	₹ Cr.	326.9	235.8	• 38.6%
EBIDTA Margin	%	14.0	10.8	• 324 bps
Other Income	₹ Cr.	94.5	76.3	• 23.9%
PBT Before Exceptional Item	₹ Cr.	378.6	271.4	• 39.5%
PAT	₹ Cr.	282.8	185.5	• 52.5%
EPS	₹	23.18	14.27	• 62.4%

Positive

Neutral

Negative





### Q1FY24 QoQ at a Glance



26,582
Tractors Volumes



7.3%

**1,373**Construction Equipment's

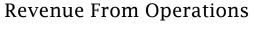


₹ 297.7 Crore

Revenue from Railway Equipment



₹ 2,327.7 Crore





6.6%

Quarterly Ever Highest

₹ 326.9 Crore

**EBIDTA** 



38.6%

₹ 282.8 Crore

Profit After Tax



52.5%

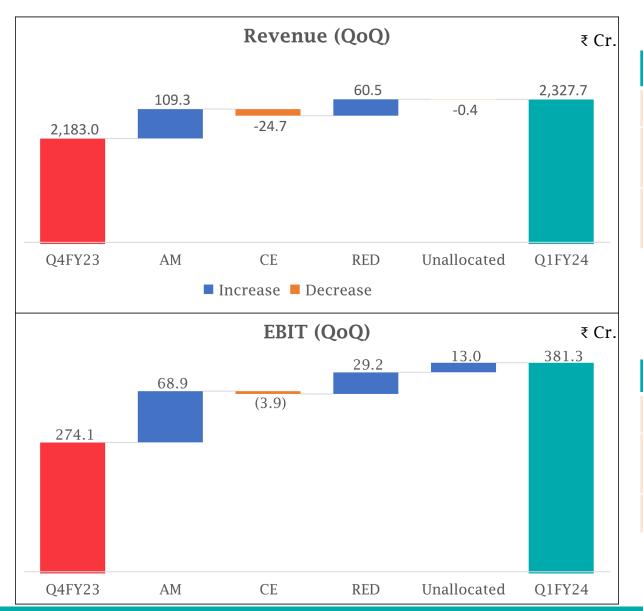
Quarterly Ever Highest





### Q1 - QoQ Revenue up by 6.6%; EBIT up by 39.1%





### **Revenue Key Highlights**

- Tractor Sales up by 7.3% at 26,582 units
- Construction Equipment Sales down by 10.1% at 1,373 units
- Railway Equipment revenue up by 25.5% at ₹ 297.7
   Crore.

### **EBIT Key Highlights**

- Cost Reduction
- Operating leverage in Agri and railway business segment.
- Higher non-operating income



### Q1FY24 at a Glance



₹ 23.2

Earning Per Share

18.3%

Return on Capital Employed (Annualized)

13.3%

Return on Equity (Annualized)

~82%

Capacity Utilization

**Agri Machinery** 

~50%

**Capacity Utilization** 

**Construction Equipment** 

(Capacity varies across product category)

~ ₹ 950 Crore

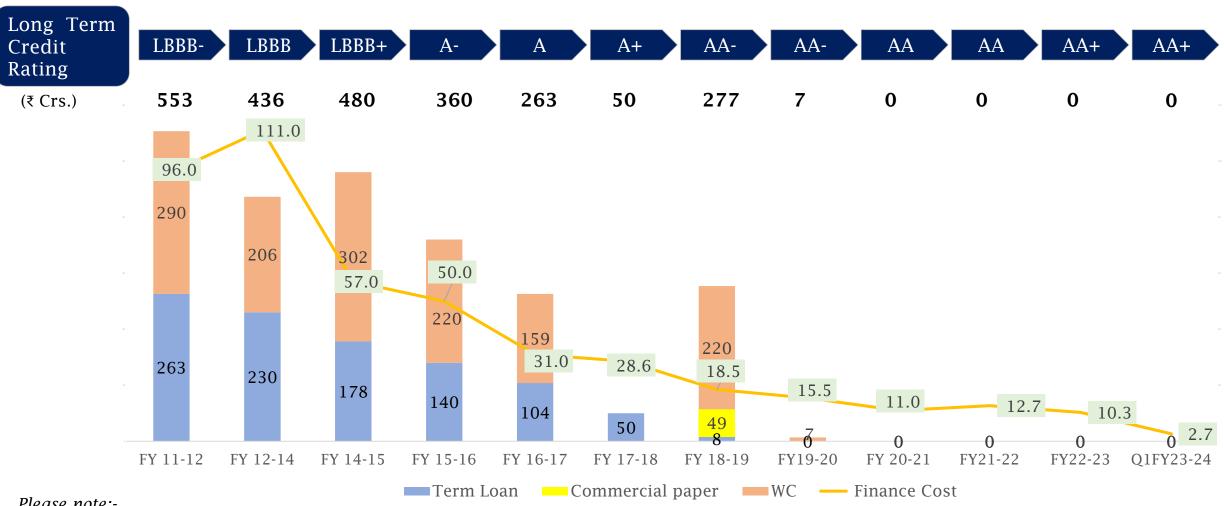
Of Order Book

**Railway Equipment Division** 

(as of 30<sup>th</sup> June 2023)

### **Credit Rating & Debt Profile**





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.



### **Management Message**





In the Agri business, overall sentiments were mixed last quarter as markets with good rainfall and crop prices showed good momentum, and markets with a delayed monsoon had a slightly dampened demand. Going forward, with further advancement of monsoon across the country, adequate reservoir levels, better liquidity, and consumer credit availability, we expect the demand momentum to improve. Construction business has done well and is poised well for further growth with government thrust and focus on faster execution of infrastructure projects. The demand for construction machinery is still buoyant and post monsoon, we expect the momentum to further accelerate. Railway business, with innovative products and expanded portfolio is well aligned with growing requirements of rail transport both on domestic and international front and continues to grow. Our investments will continue towards sustainable products and solutions, expanded portfolio, enhanced customer reach and product experience.

### Nikhil Nanda Chairman and Managing Director

In addition to our domestic business growth, we are strategically aligning our efforts to leverage on our export network for further impetus and open new opportunities. Innovative product line expanded coverage and quality excellence remains our top priority. Capacity built-up and process optimization will help us in further growth and create new benchmarks in customer experience.



Mr. Seiji Fukuoka, Deputy Managing Director



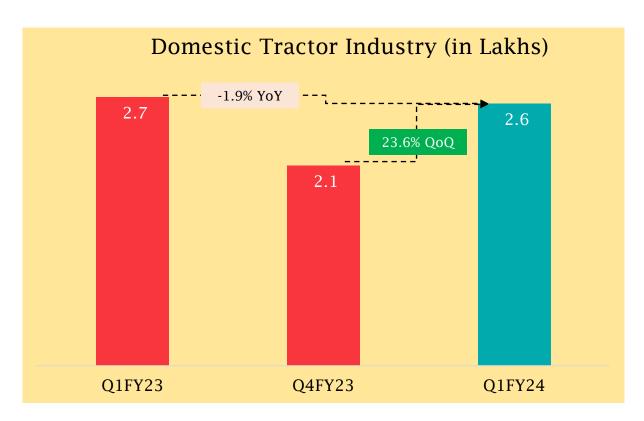
## Segmental Performance

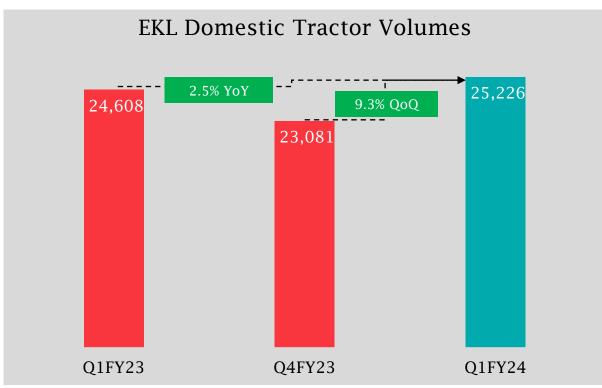




### **Q1 Agri Machinery Domestic Performance**







Industry in Strong Regions grew by 1.0% Y-o-Y



EKL-Tractor In Strong Region down by 0.1% Y-o-Y ELK - Tractor In Rest Region grew By 8.7% Y-o-Y

Growth

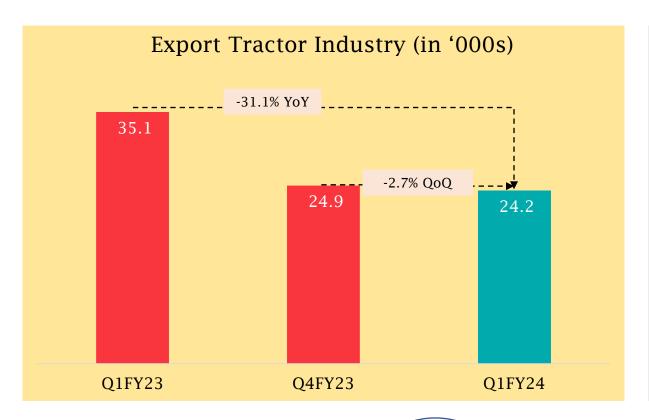
De-Growth

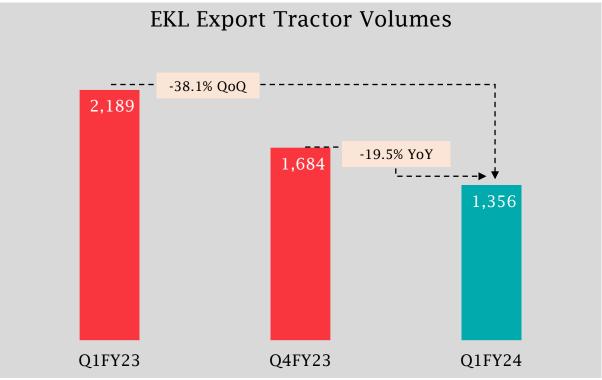
1-08-2023

16

### Q1 Agri Machinery Export Performance







Export through Kubota channel ~32% of total Export volume

5.6% Share of Market in Q1FY24, down by 63 bps Y-o-Y





### Agri Machinery Performance at Glance in Q1



₹ 1,666.8 Crore
Segmental Revenue

4.5% (Y-o-Y)



13.4% EBIT margin





~82%

Capacity Utilization

44:56

Farmtrac: Powertrac Sales Ratio\*

40:60 (In Q1FY23)

44:56 (In Q4FY23)

39:61

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

40:60 (In Q1FY23)

34:66 (In Q4FY23)

38.5%

Return on Capital Employed
(Annualized)



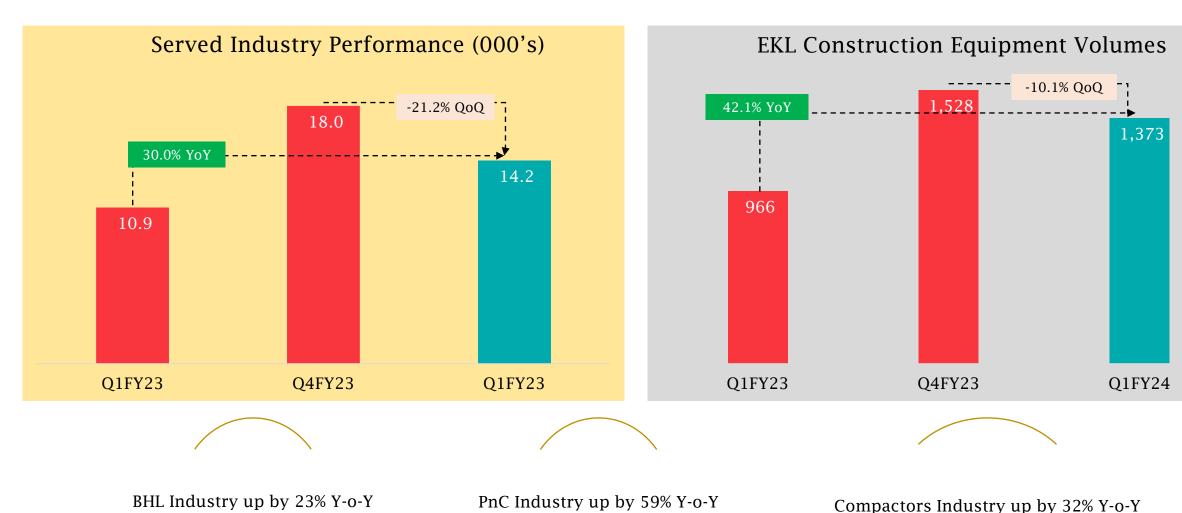


### **Construction Equipment**



### **Q1 - Construction Equipment Performance**





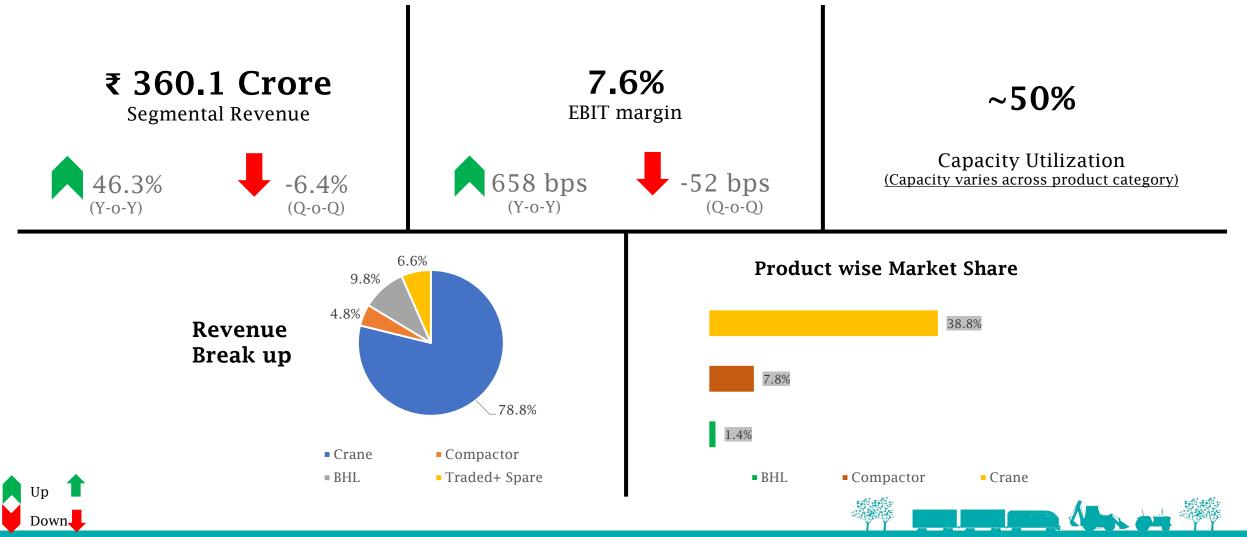
Growth

De-Growth



### Construction Equipment Performance at Glance in Q1FY24





# Railway Equipment Division



**ENSURING SAFETY AND COMFORT IN RAIL TRANSPORT** 

### Railway Equipment Division Performance Q1FY24



₹ 297.7 Crore
Segmental Revenue

71.8%

1

25.5% (Q-o-Q) 20.9% EBIT margin





~ ₹ 950 Crore
Of Order Book

(as of 30<sup>th</sup> June 2023)

70:30

NPD: conventional Sales Ratio

67:33 (In Q1FY23)

69:31 (In Q4FY23)

51.7%

Return on Capital Employed
(Annualized)





### **Shareholding Pattern**



Shareholding Trend						
Category	June'2022	Sept'2022	Dec'2022	Mar'2023	June'2023	
Promoters	72.9	72.9	72.9	72.9	67.6	
Institutions#	11.3	12.4	12.4	12.8	15.5	
Public	14.0	13.0	13.0	12.7	14.9	
Non Promoter Non Public	1.8	1.7	1.7	1.7	2.0	
Total	100.0	100.0	100.0	100.0	100.0	
Kubota corporation has become a Joint promoter from 11 April 2022.						

### Consolidated Q1FY24 at a Glance



Particulars	Unit	Q1FY24	Q1FY23	YoY (Change)	Q4FY23	QoQ (Change)
Revenue from Operations	₹ Cr.	2,355.2	2,032.1	• 15.9%	2,214.5	• 6.4%
Material Cost	%	69.8%	72.0%	• -214 bps	71.6%	• -177 bps
Manpower Cost	%	6.4%	6.9%	• -46 bps	7.2%	• -81 bps
EBIDTA	₹ Cr.	331.1	203.6	• 62.6%	233.2	• 42.0%
EBIDTA Margin	%	14.1%	10.0%	• 404 bps	10.5%	• 353 bps
PBT Before Exceptional Item	₹ Cr.	386.3	191.5	• 101.7%	277.6	• 39.2%
PAT	₹ Cr.	289.9	140.6	• 106.2%	216.5	• 33.9%
EPS	₹	26.76	13.01	• 105.7%	19.99	• 33.9%

Positive Neutral Negative



### **Narrations**

- EKL Escorts Kubota Limited
- **FY** Fiscal Year represents the 12 months period from 1<sup>st</sup> April to 31<sup>st</sup> March.
- **Q1FY23** Represents the 3 months period from 1<sup>st</sup> April 2022 to 30<sup>th</sup> June 2022.
- **Q4FY23** Represents the 3 months period from 1<sup>st</sup> Jan 2023 to 31<sup>st</sup> March 2023
- **Q1FY24** Represents the 3 months period from 1<sup>st</sup> April 2023 to 30<sup>th</sup> June 2023.
- **QoQ** Represents Quarter on Quarter
- YoY Represents Year on Year
- LY Represents Last Year
- **CY** Represents Current Year
- AG Agri Machinery Products
- **CE** Construction Equipment
- RED Railway Equipment

- 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

### **Contact Details**

Escorts Kubota Ltd.

(CIN: L74899HR1944PLC039088)

Corporate Centre

15/5 Mathura Road

Faridabad - 121003

Phone: +91 129 2250222

www.escortsgroup.com

Investor.relation@escortskubota.com

#### **Bharat Madan**

(Whole Time Director & CFO)

### Sanjeev Garg

(Head Finance & Taxation)

### Prateek Singhal

(Investor Relations & ESG)

+91 129 2564837

bharat.madan@escortskubota.com

+91 129 2564838

sanjeev.garg@escortskubota.com

+91 129 2564921

prateek.singhal@escortskubota.com







1-08-2023