



Escorts Kubota Limited

(Formerly Escorts Limited)

INVESTOR PRESENTATION

November 2023

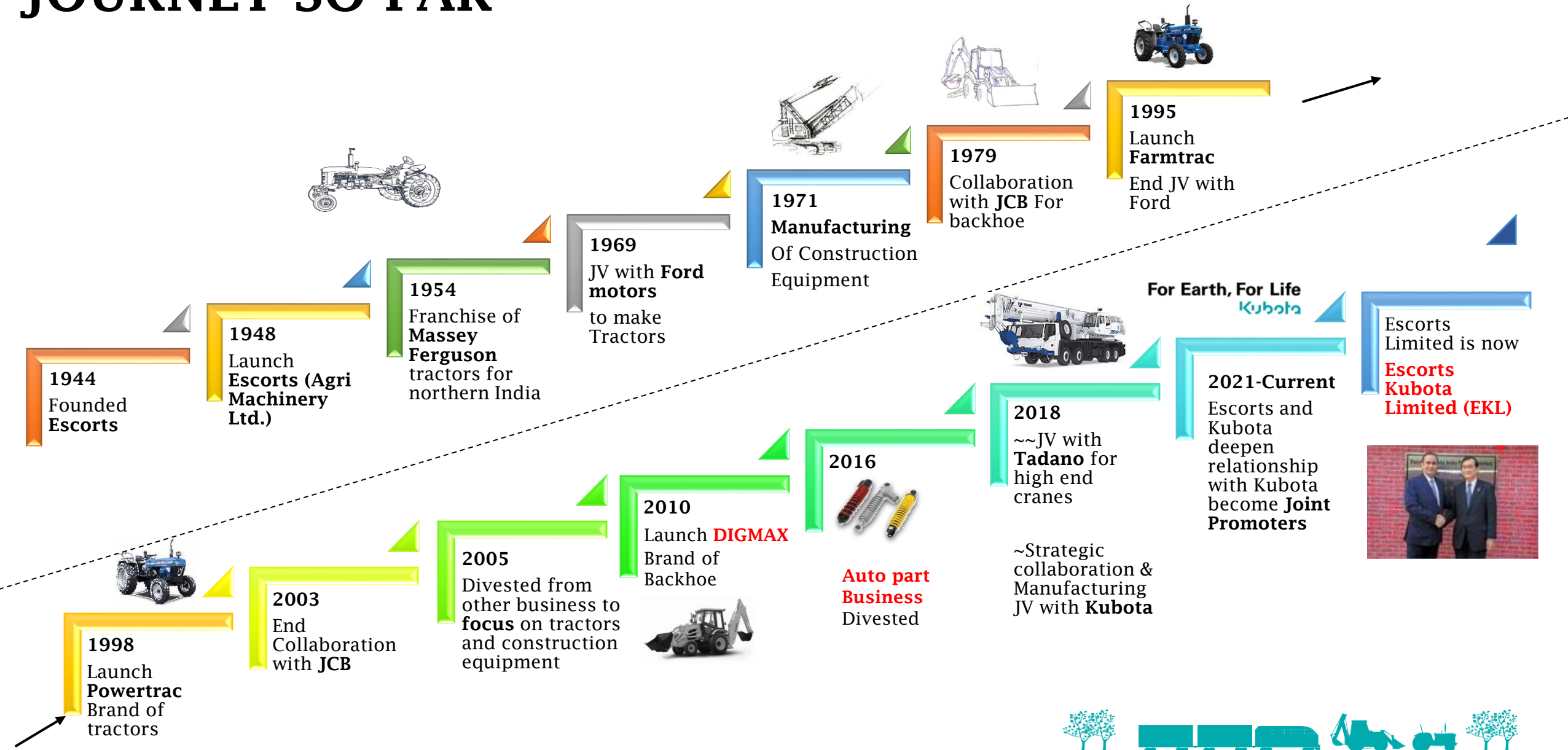


SAFE HARBOR STATEMENT

“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, implements, Spare parts and Lubes
- 2. Construction Equipment** - Material handling, Road compaction and Earth Moving Equipment.
- 3. Railway Equipment** - Brake System, Couplers, Suspension System, Friction & rubber Products.

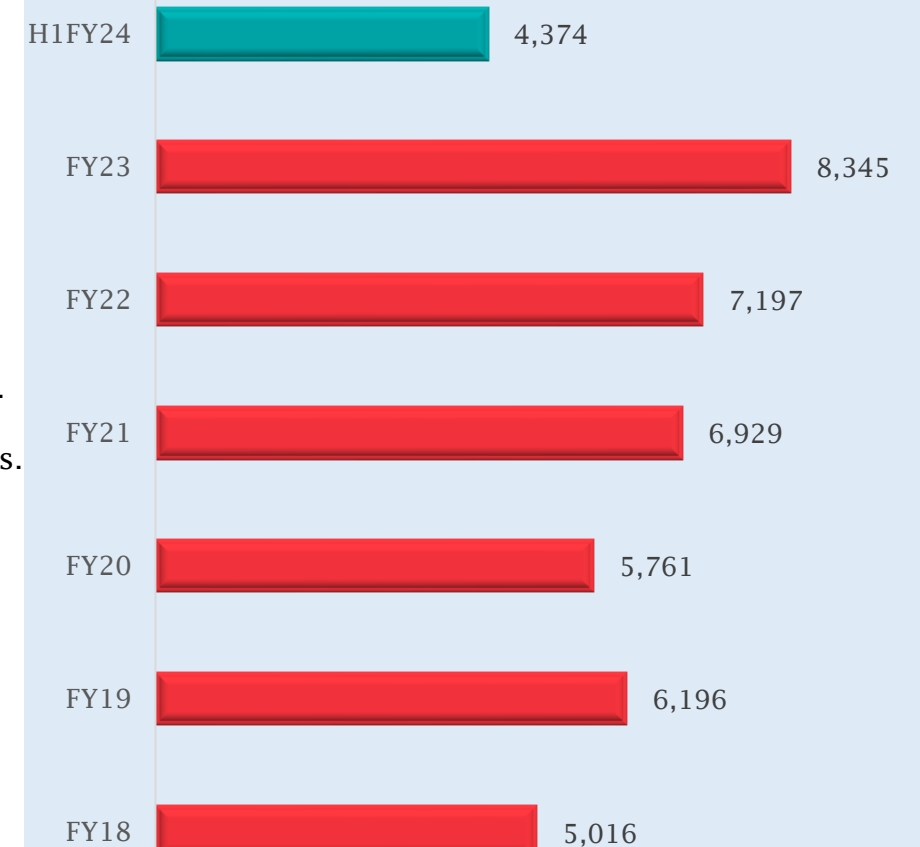
Headquartered In: Faridabad, Haryana, India

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

Exchange Listing[#] : Listed on NSE and BSE

Market Capitalization: ~ Rs 33,735 Crores as on 2nd November 2023

Standalone Revenue in ₹. Crore.



OUR CURRENT BUSINESSES



Escorts Kubota Limited

Total Income FY23: ₹ 8,625.5 Cr.
H1FY24: ₹ 4,373.9 Cr.



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

Segment Revenue FY23: ₹ 6,316.1 Cr.
H1FY24: ₹ 3,061.1 Cr.



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

Segment Revenue FY23: ₹ 1,179.0 Cr.
H1FY24: ₹ 775.9 Cr.



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

Segment Revenue FY23: ₹ 841.9 Cr.
H1FY24: ₹ 532.1 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, designed to manufacture an array of safety and comfort products for rail transport.

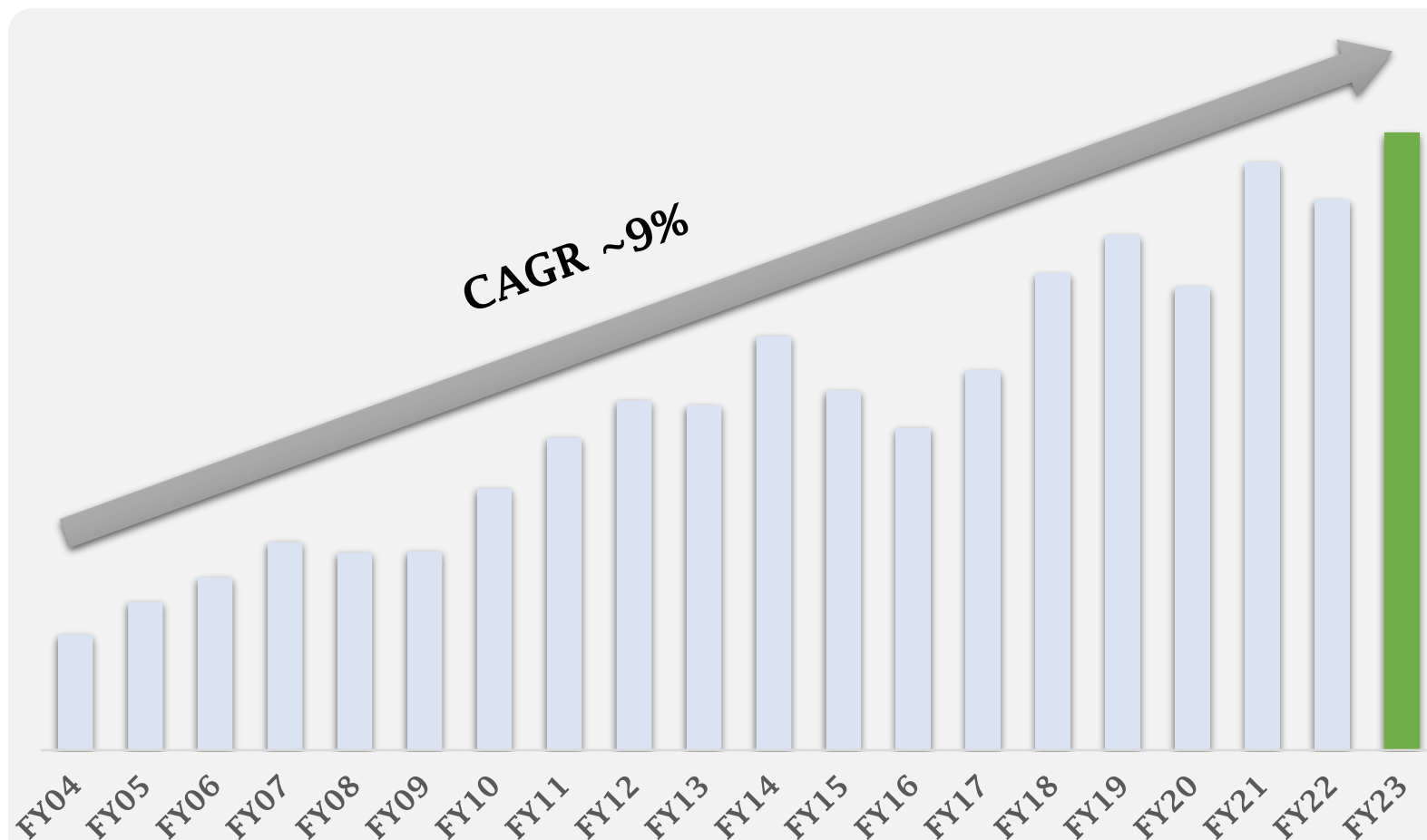


Agri Machinery



Powering The Dreams Of Farmer

↑ DOMESTIC TRACTOR INDUSTRY



Increasing Trend towards Mechanisation

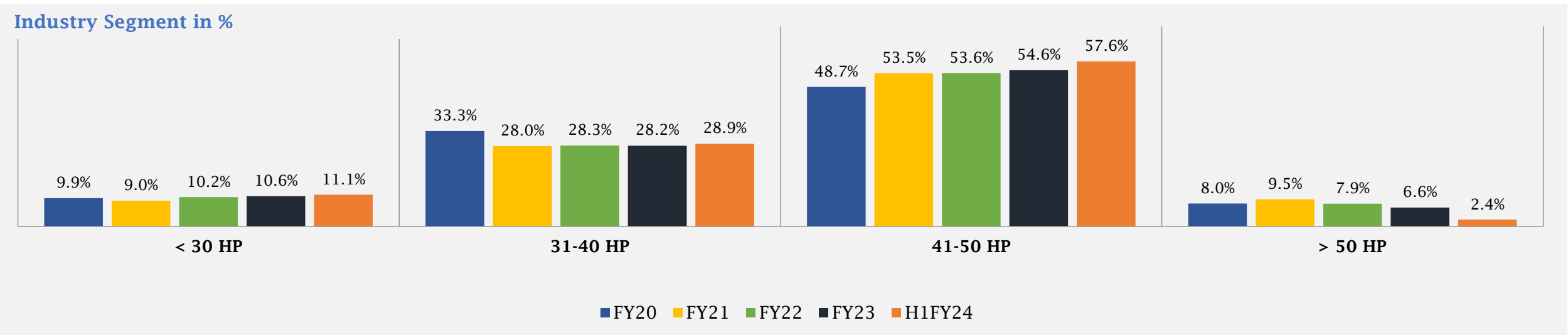
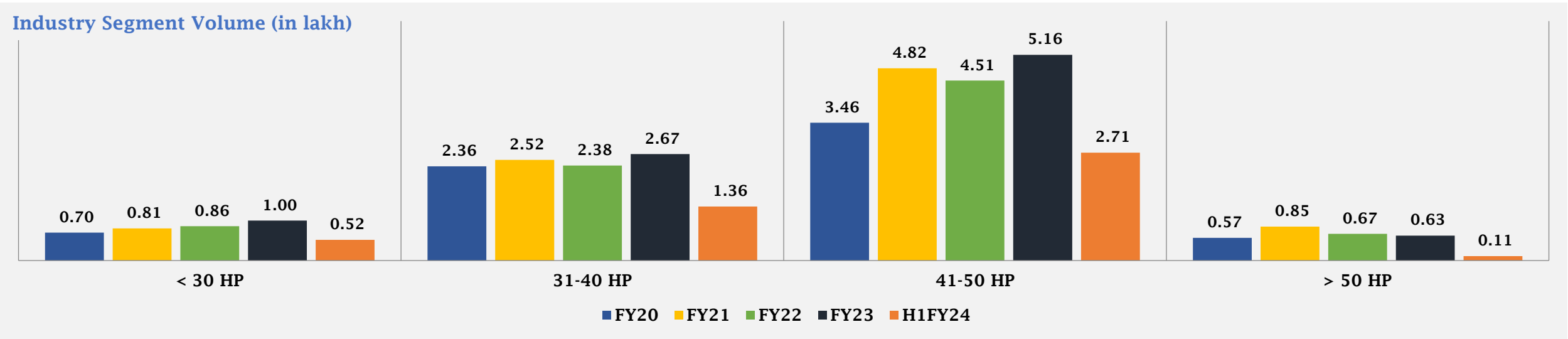
Minimum Support Prices for Key Crops

Scarcity of Labour

Ease of Credit Availability from Govt.

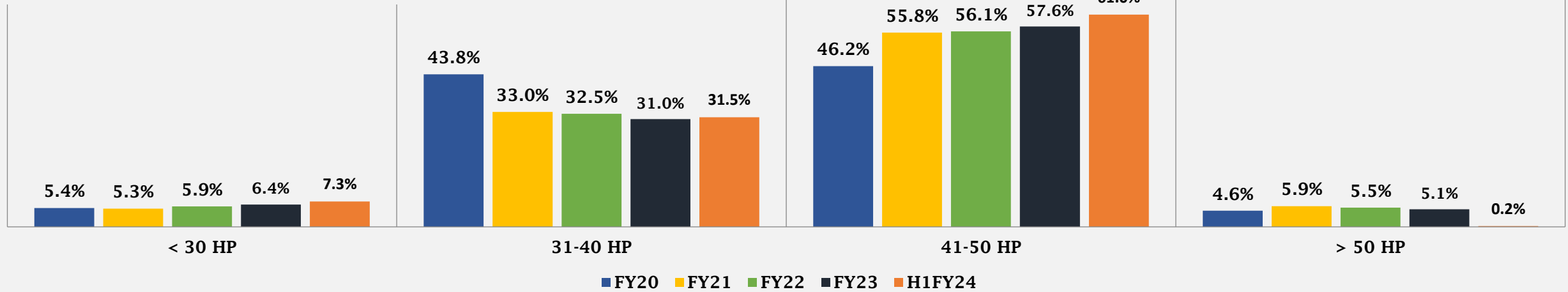
- ❖ India is the **largest** manufacturer of farm equipment
- ❖ **0.95 million** units in **FY23** and reach to approx. **1.2-1.5 million** units by **2030**
- ❖ Customer exchange their tractor in every **6-8 years** in mature markets.

Domestic Industry Segmentation

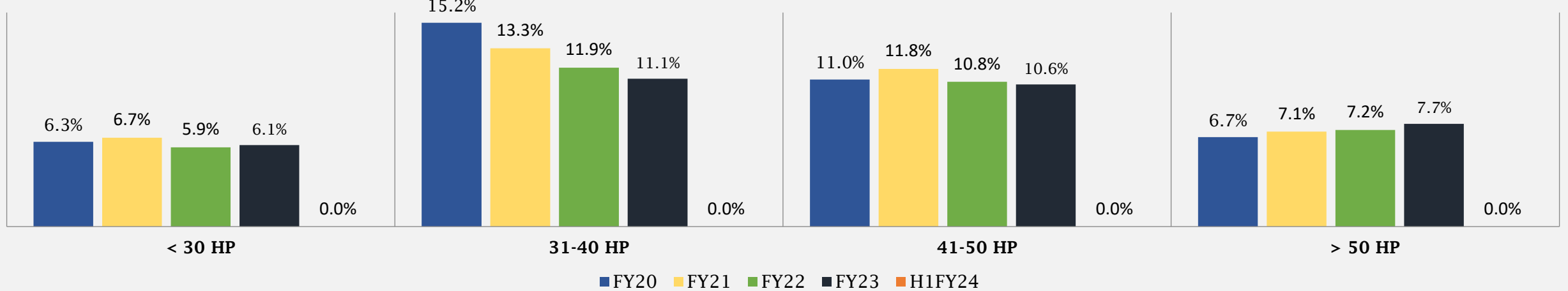


EKL-AM DOMESTIC SEGMENTATION

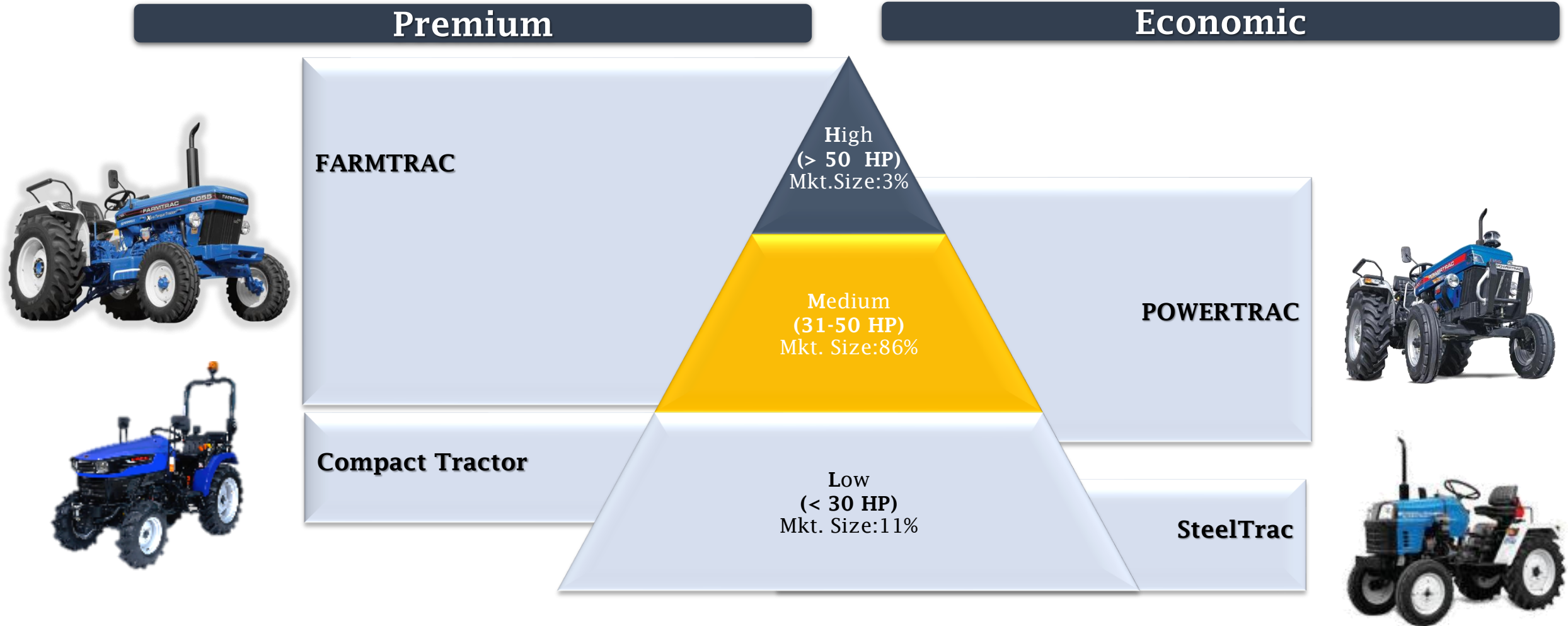
EKL-AM Segment wise Volume in %



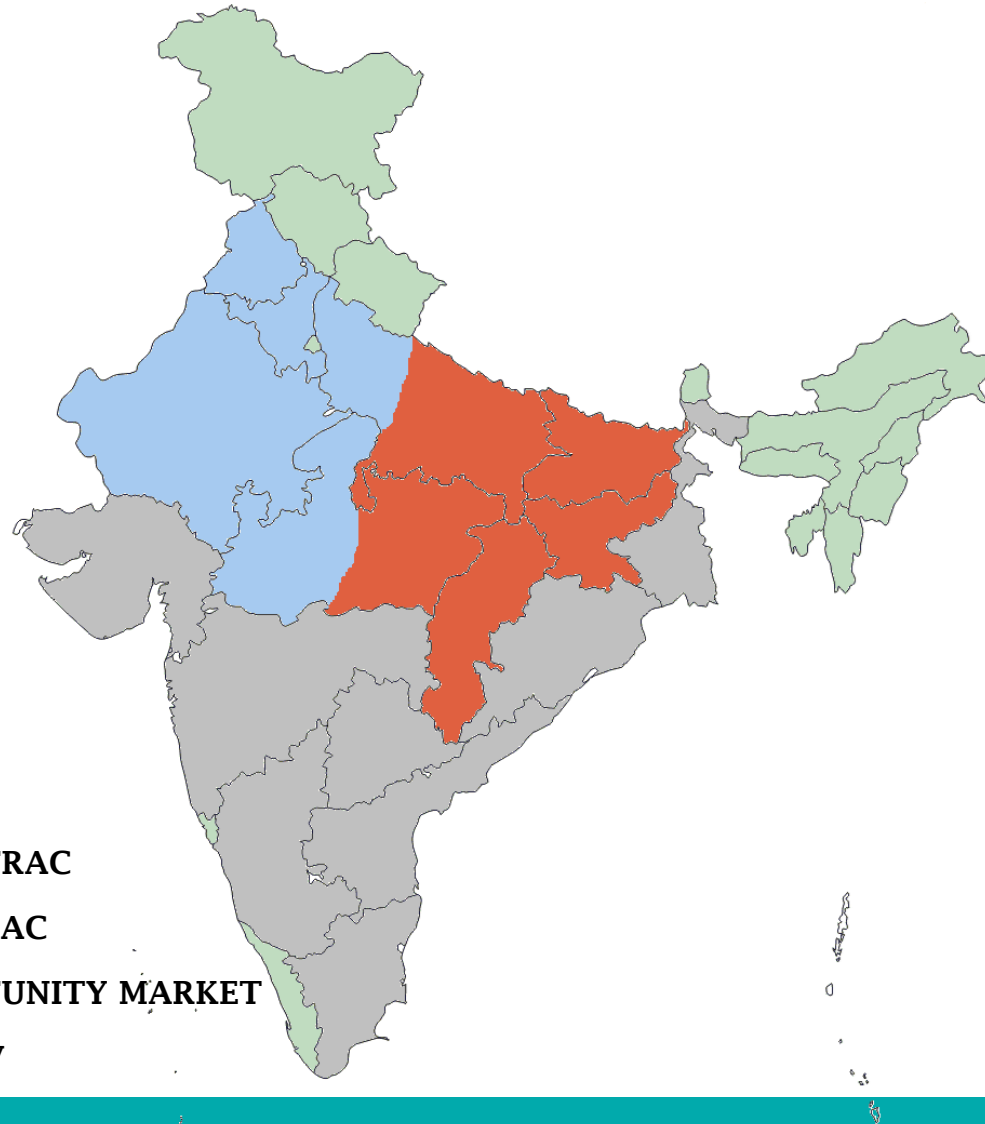
EKL-AM Segment wise Market Share in %



HOW WE ARE POSITIONED



WINNING MARKET



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

Current 1,230+ Active Dealer Network





CARE - 24X7



INDIA'S FIRST ONLINE TRACTOR PLATFORM

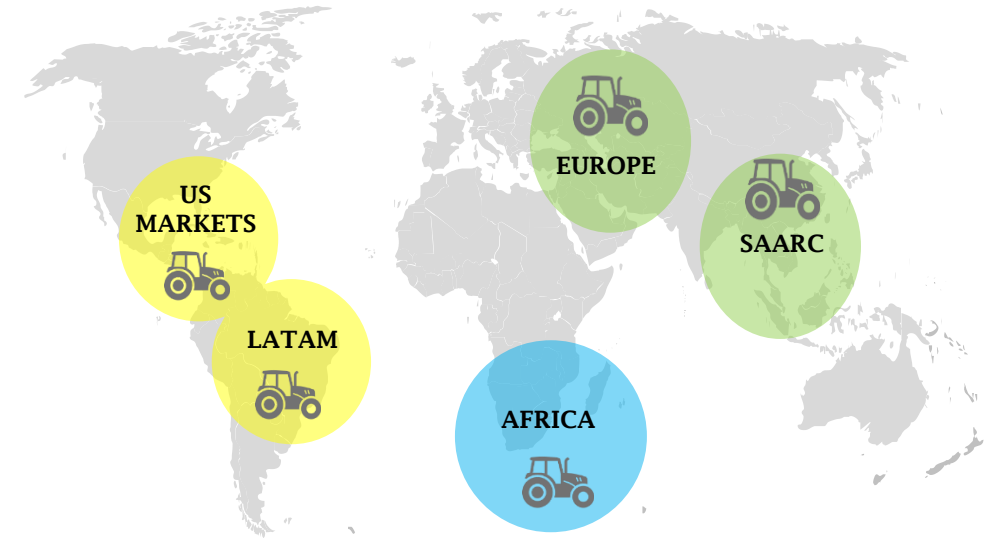
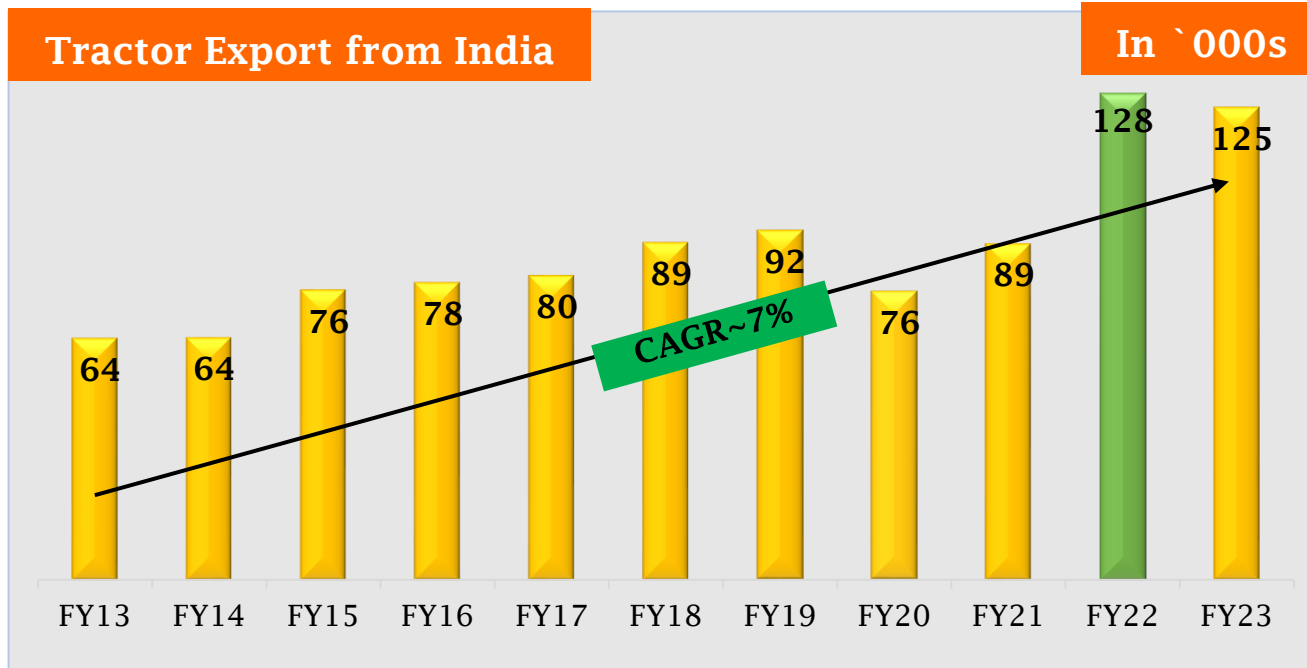
ADVANCED. CONVENIENT. TRANSPARENT.



DIGITRAC Contactless Sales



EXPORT MARKET SIZE & OPPORTUNITY



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

Main Market under 120 HP Tractors

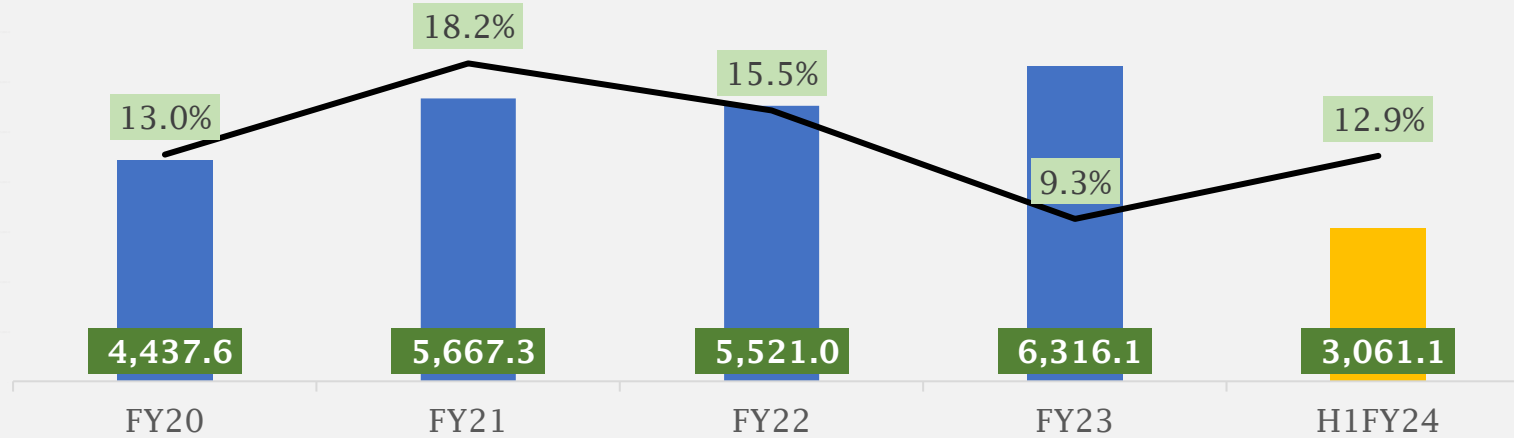
Hobby/Garden farming in Market (like USA)



AGRI MACHINERY JOURNEY SO FAR...

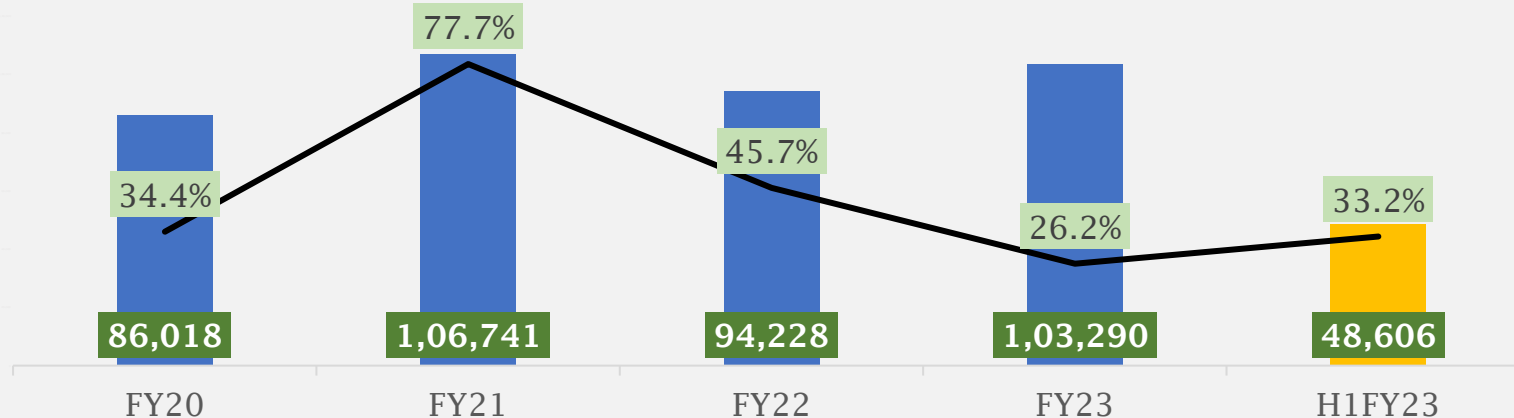
SEGMENT REVENUE (Rs. Cr.)

EBIT %



VOLUMES (Nos.)

ROCE %



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



Construction Equipment

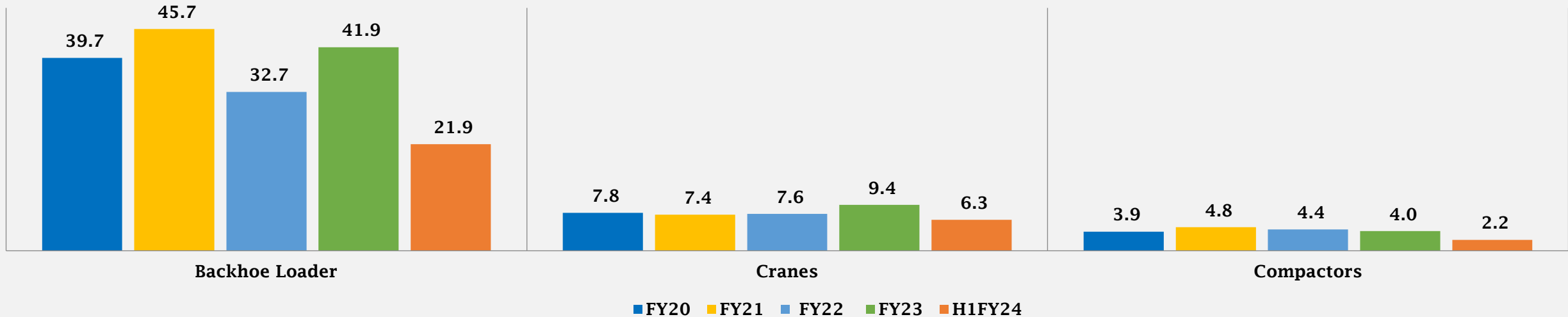
The background of the slide features a dark space with glowing white lines and dots, suggesting a futuristic or technological theme. Two construction cranes are positioned on either side of the central text. The crane on the left is white and black, with 'ESCORTS' and 'TRX 2319' visible on its boom. The crane on the right is orange and black, also with 'ESCORTS' and 'TRX 2319' visible on its boom. Both cranes are shown from a side profile, angled upwards.

**Building a
Better Tomorrow**

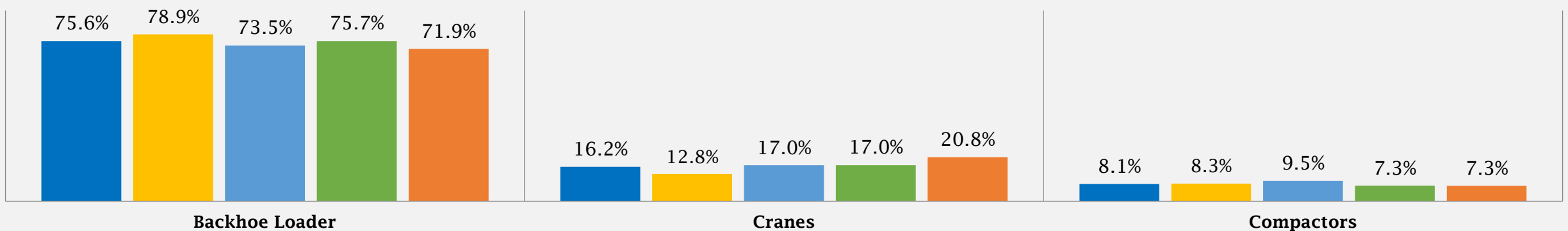
Preferred Partner In Nation Building

SERVED INDUSTRY SEGMENTATION

Served Industry Volume (in `000s)



Served Industry category wise in %



PRODUCT PORTFOLIO

1) Material Handling



79%

2) Earth Moving



10%

3) Road Construction

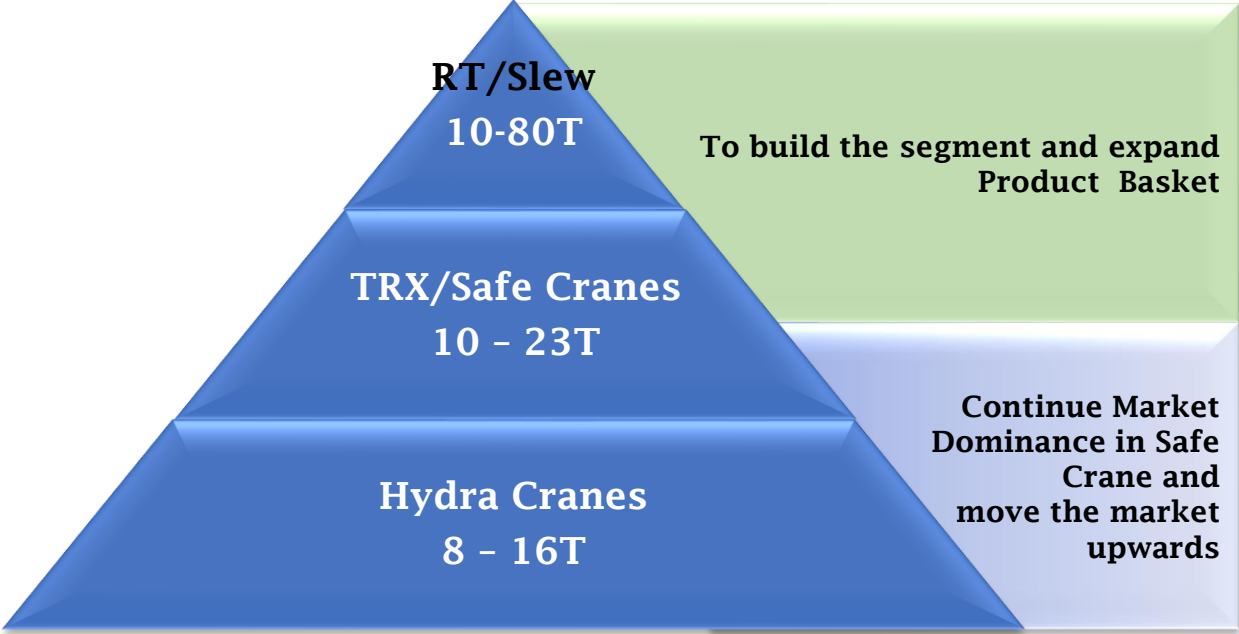


5%

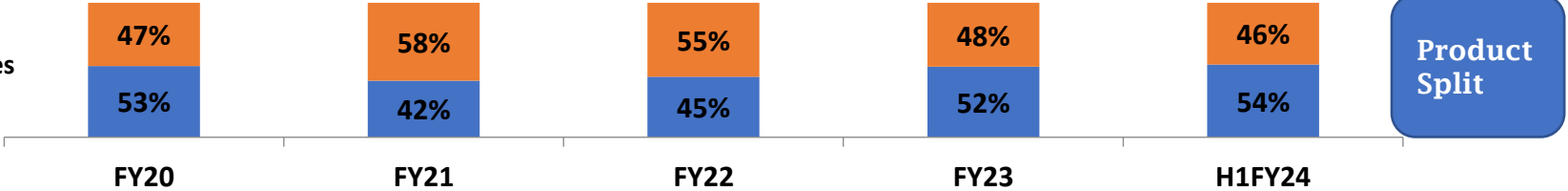
% of ECE Revenue

*remaining revenue from spare and traded products

MATERIAL HANDLING



Hydra
F-15/ TRX Series



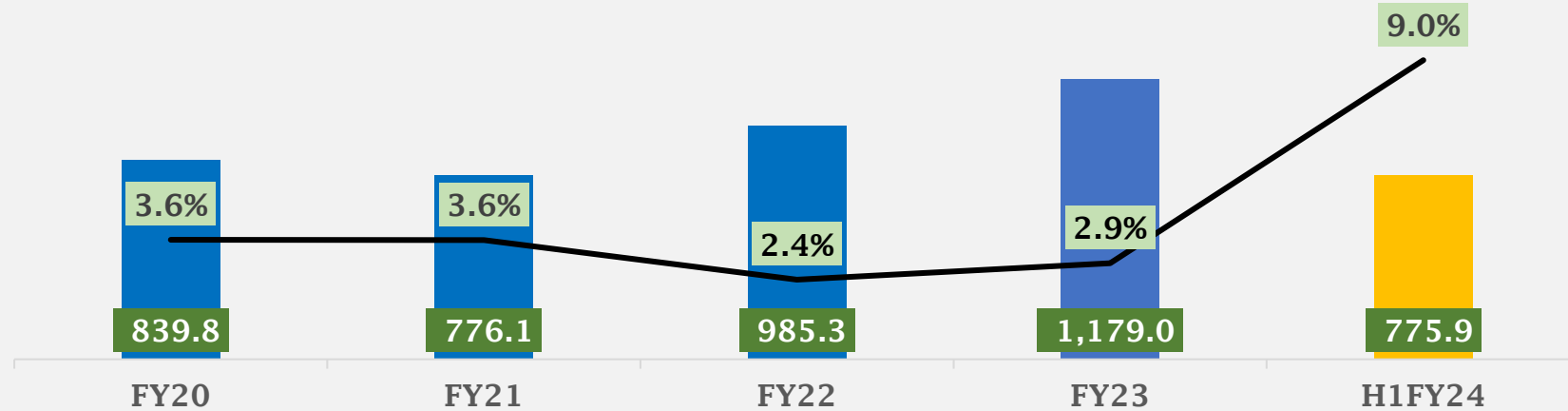
Transform the market from a leadership position



READY TO RIDE THE INDUSTRY BOOM

SEGMENT REVENUE (Rs. Cr.)

EBIT %



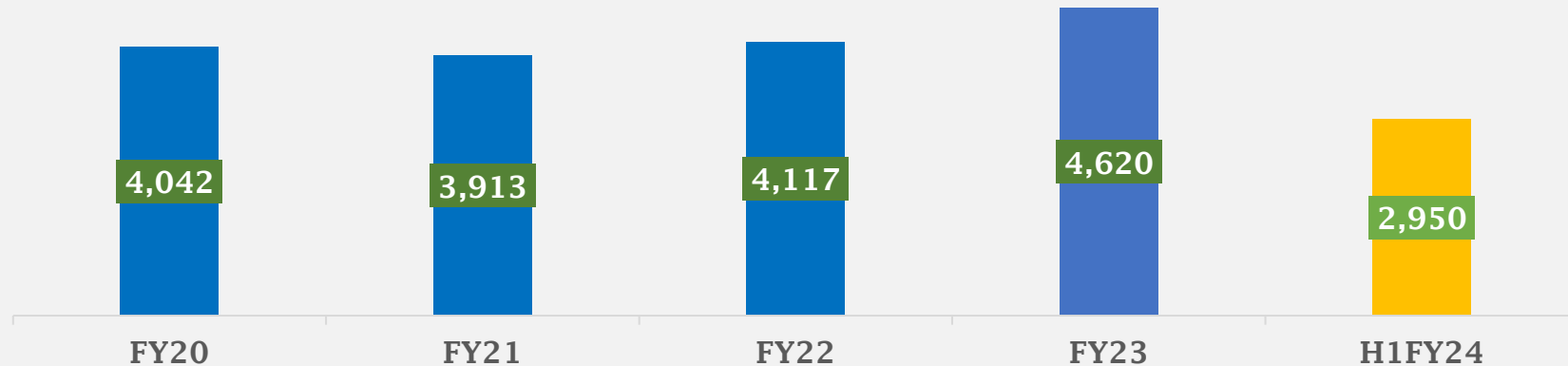
ASPIRATION
High Single Digit EBIT
Margin

Focus on Cost Reduction :
Material Cost

Focus on Export reach
Enhancement

Dealership & Outlet reach
expansion

VOLUMES (Nos.)



Railway Equipment Division



Mobility Solutions
Of the future

ENSURING SAFETY AND COMFORT IN RAIL TRANSPORT

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

Loco Brake



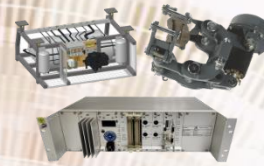
EP Brake



Wheel Mounted Disc Brake System
(In collaboration with Yujin South Korea)



Axle Mounted Disc Brake System



Axle Mounted Brake Disc



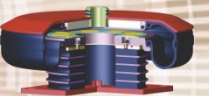
Distributor Valve



Vacuum Toilets



Air Spring
(In collaboration with Nitta Japan)



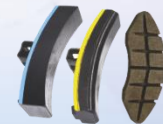
Couplers & Draft Gear



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



ON GROWTH TRACK

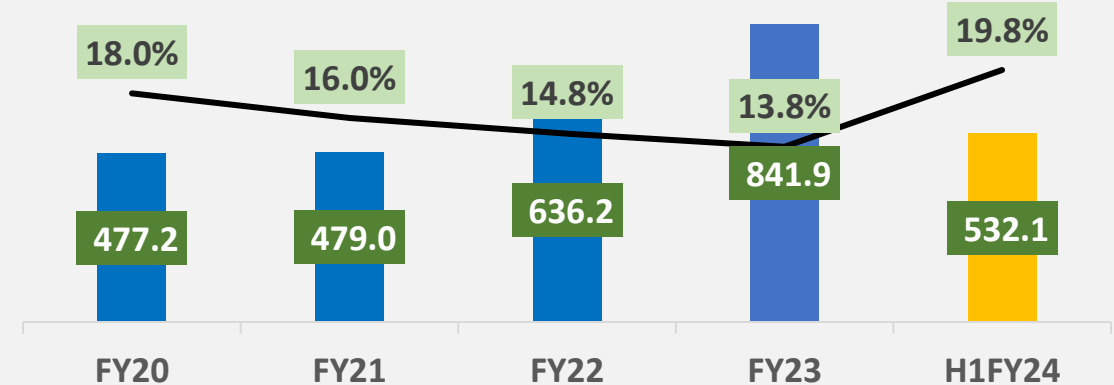
CONSISTENT ORDER BOOK

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

Order Book Approx Rs. 870 Cr.
as of September 2023

SEGMENT REVENUE (Rs. Cr.)

EBIT %

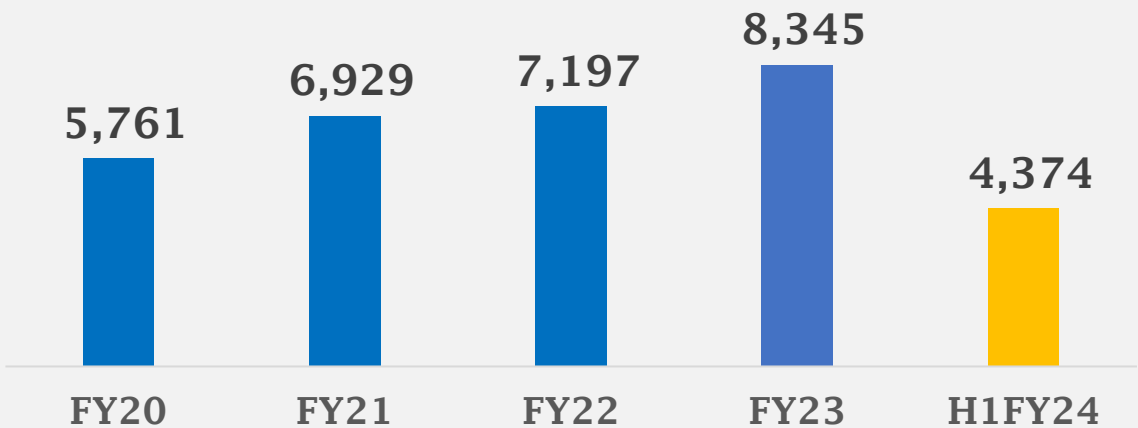


Escorts Kubota Ltd. Financials

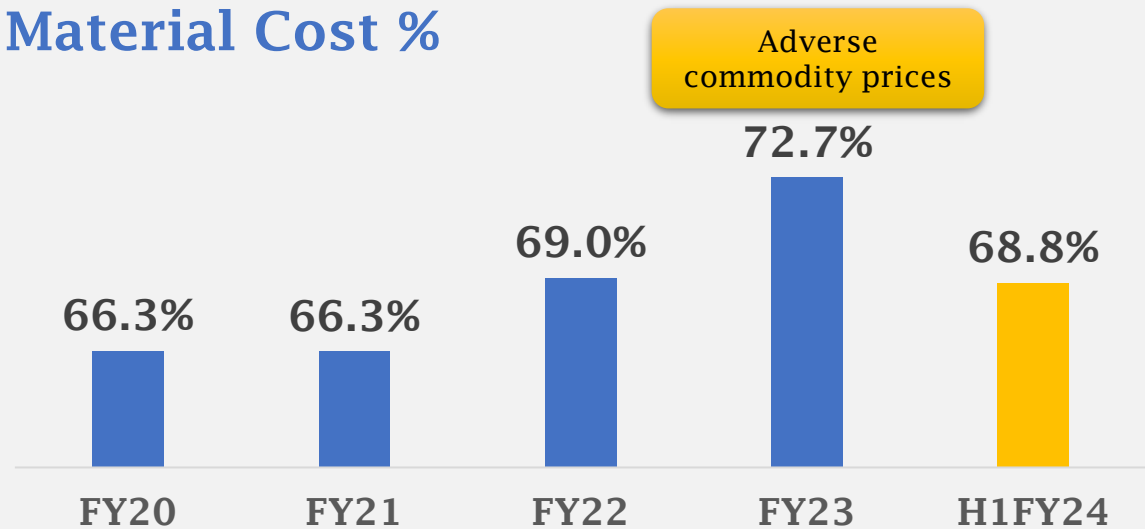


↑ KEY FINANCIAL METRICS ...

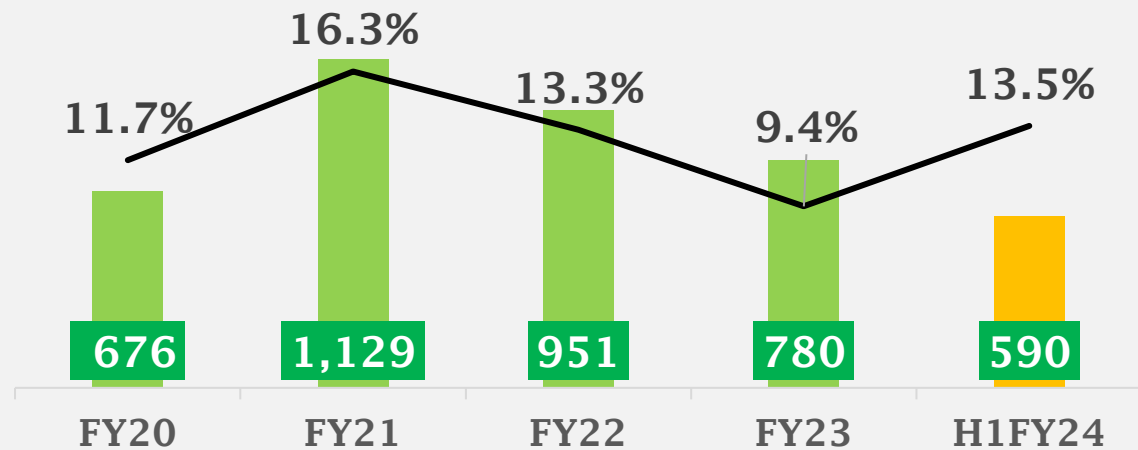
OPERATIONAL REVENUE (Rs. Cr.)



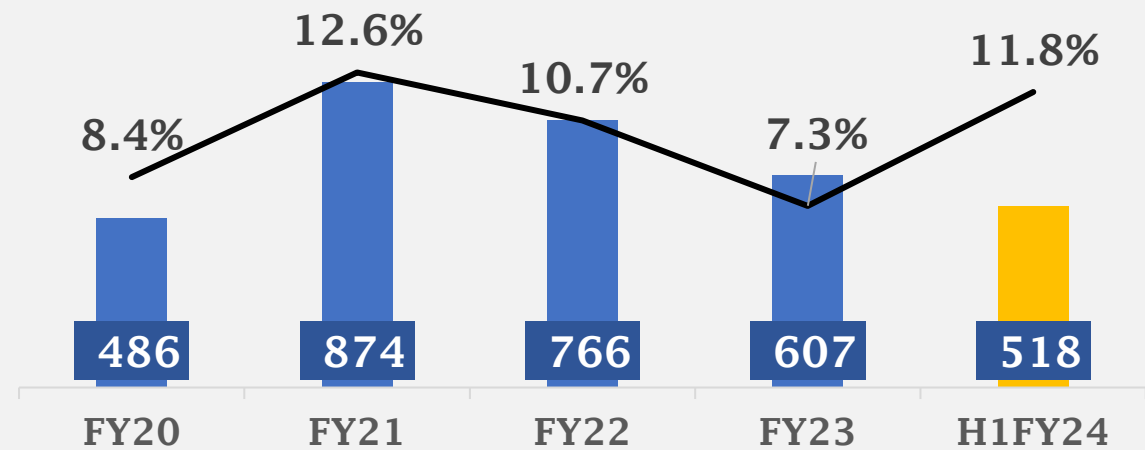
Material Cost %



EBITDA (Rs. Cr.) %



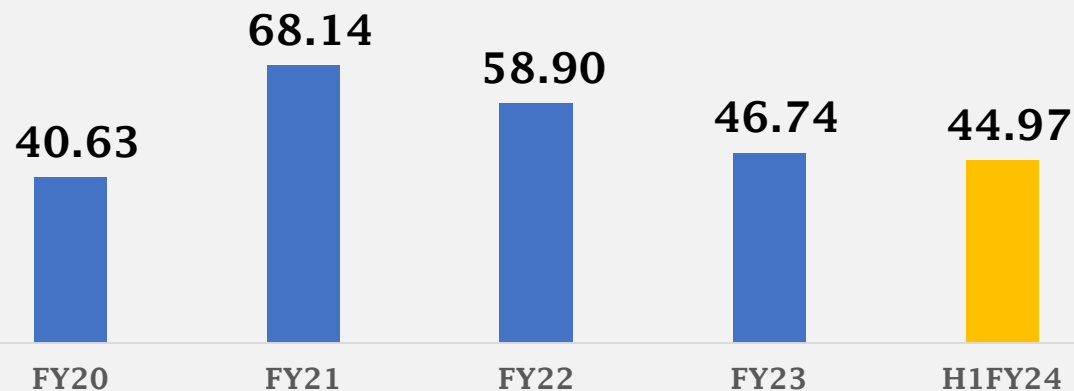
PAT (Rs. Cr.) %



↑ KEY FINANCIAL METRICS ...

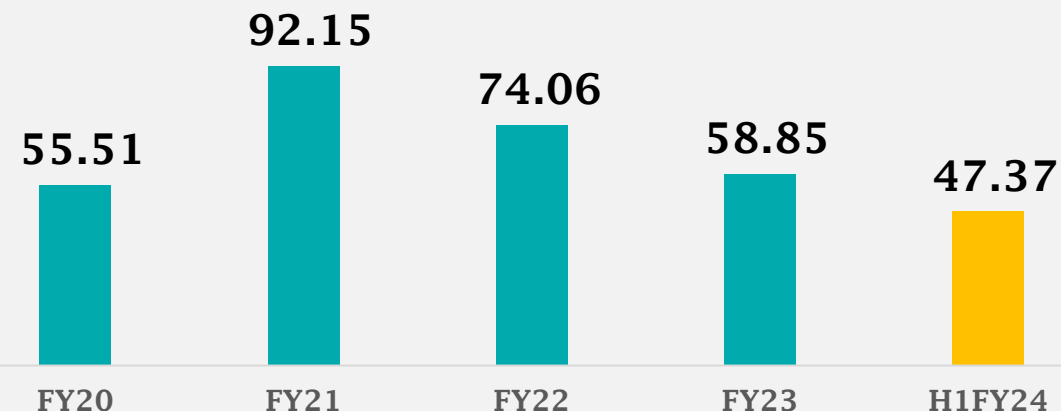
EPS (₹)

Standalone



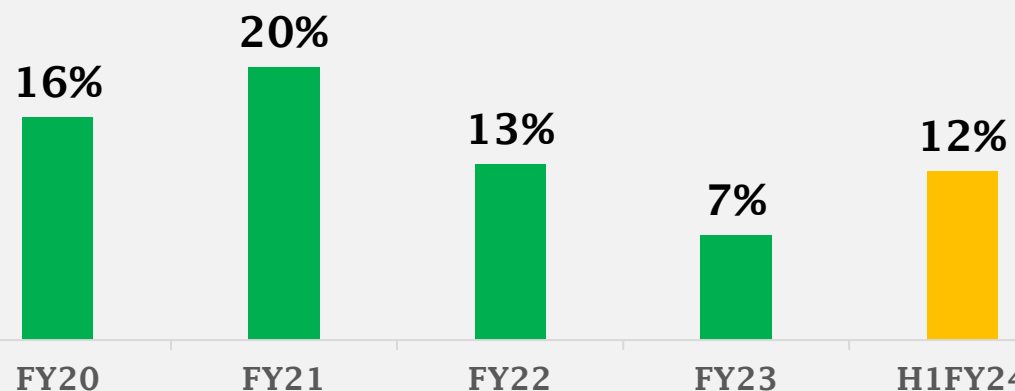
EPS (₹)

Consolidated



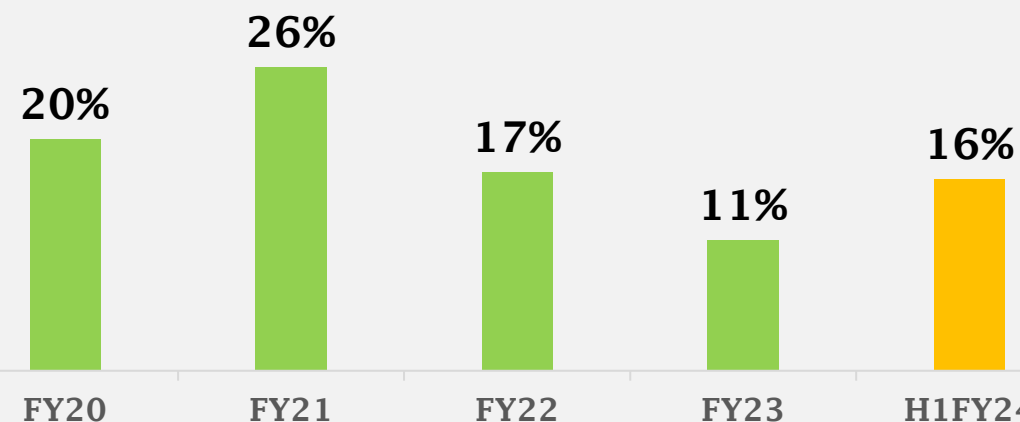
ROE

%



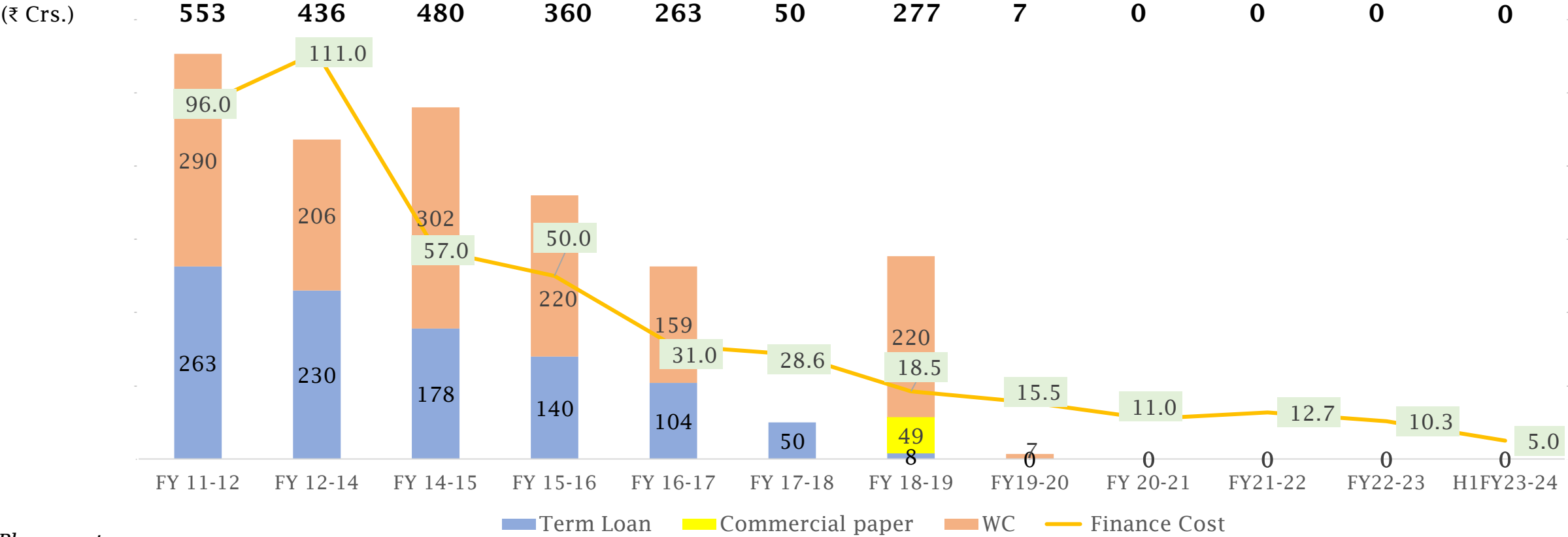
ROCE

%



Credit Rating & Debt Profile

Long Term
Credit
Rating



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

Shareholding Trend					
Category	Sept'2022	Dec'2022	Mar'2023	June'2023	Sept'2023
Promoters	72.9	72.9	72.9	67.6	67.6
Institutions#	12.4	12.4	12.8	15.5	16.0
Public	13.0	13.0	12.7	15.0	14.4
Non Promoter Non Public	1.7	1.7	1.7	2.0	1.9
Total	100.0	100.0	100.0	100.0	100.0
Capital Reduction in Quarter ended June 2023 on account of treasury stock cancellation					

Treasury Stock Cancellation:- Subsequent to approval of the Board of Directors on February 18, 2022 for selective reduction of share capital of the Company by cancelling and extinguishing 2,14,42,343 Equity Shares, held by the Escorts Benefit and Welfare Trust, the Company filed a Scheme for reduction of share capital ("the Scheme") between the Company and its shareholders, under Section 66 read with Section 52 and other applicable provisions of the Companies Act, 2013 and National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016, with the Hon'ble NCLT of Chandigarh ("the Tribunal") on August 14, 2022. During the quarter ended June 2023, the Scheme has been approved by the Tribunal vide its order dated May 25, 2023 ("Order"). The scheme became effective upon filing of the certified copy of the order of the Tribunal sanctioning this Scheme and the minute of reduction with the RoC on May 29, 2023.

FPI/Financial Institutions/ Banks/Insurance Companies/QIB/AIF



rounded off to nearest single decimal

Top 10 Shareholders As on 30-09-2023	
Name	% to Equity
KUBOTA CORPORATION	53.50
HAR PARSHAD AND COMPANY PRIVATE LIMITED	9.71
ESCORTS EMPLOYEES BENEFIT AND WELFARE TRUST (TRUSTEE - ANIL KUMAR CHANDRASHEKARAN)	1.92
REKHA RAKESH JHUNJHUNWALA	1.62
BIG APPLE CLOTHING PRIVATE LIMITED	1.60
HDFC TRUSTEE COMPANY LIMITED (PAN CONSOLIDATED HOLDING)	1.57
AAA PORTFOLIOS PRIVATE LIMITED	1.53
QUANT MUTUAL FUND (PAN CONSOLIDATED HOLDING)	1.18
Nikhil Nanda	1.08
GOVERNMENT PENSION FUND GLOBAL	0.84
Total	73.27



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



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. 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.



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.



Vibrant board



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



MR. BHARAT MADAN

Whole Time Director & Chief Financial Officer

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



MR. RUPINDER SINGH SODHI

Independent Director

- President of Indian Dairy Association (IDA)
- 40 years + of rich experience in leading & developing cooperative sector within Indian dairy industry, having served dairy farmers in several capacities.



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. Seiji Fukuoka
Deputy Managing Director

- More than 30 years of diverse experience in Kubota Corporation.
- He was General Manager of the Tractor Business Administration & Control Dept. of Kubota between 2018 and 2021.



Mr. Bharat Madan
Whole Time Director & Chief Financial Officer

- 35 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 Officer, Construction Equipment Business Division

- More than 26 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 Officer, Railway Equipment Business Division

- 19+ 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
Chief Officer, Human Resource & General Affairs

- 20 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.



Narrations

- **EKL** - Escorts Kubota Limited
- **FY** - Fiscal Year represents the 12 months period from 1st April to 31st March.
- **Q1FY** - Represents the 3 months period from 1st April to 30th June.
- **Q2FY** - Represents the 3 months period from 1st July to 30th September.
- **Q3FY** - Represents the 3 months period from 1st October to 31st December.
- **Q4FY** - Represents the 3 months period from 1st January to 31st March.
- **H1FY** - Represents the 6 months period from 1st April to 30th September.
- **QoQ** - Represents Quarter on Quarter
- **YoY** - Represents Year on 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.



THANK
YOU |



Contact Details

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