



Escorts Kubota Limited

November 18, 2022

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai – 400051

BSE – 500495

NSE – ESCORTS

Sub: Presentation made during “Escorts Kubota Investor & Analyst Meet 2022”

Dear Sir/ Ma’am,

In compliance of the Regulation 30(6) read with Schedule III, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in continuation of our earlier intimation dated November 9, 2022, please find the attached presentation made at the “Escorts Kubota Investor & Analyst Meet 2022” today.

Further please note that presentation is being made available on our website @ <https://www.escortsgroup.com/announcements.html> pursuant to Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information & record.

Thanking You,

Yours faithfully,
For **Escorts Kubota Limited**

Satyendra Chauhan
Company Secretary & Compliance Officer

Encl. As above

Note: The Equity Shares of the Company were listed on the Delhi Stock Exchange Limited (DSE). However, DSE has been de-recognised and allowed to exit as a stock exchange by SEBI by way of SEBI's Order No. WTM/ SR/ SEBI/ MRD-DSA/ 04/ 01/ 2017 dated 23 January 2017. For avoidance of doubt, the securities of the Company are not listed on DSE owing to DSE having been de-recognised by SEBI.

ESCORTS KUBOTA LIMITED
(Formerly Escorts Limited)

Registered Office: 15/5, Mathura Road, Faridabad 121 003, India
Tel.: +91-129-2250222

E-mail: escortsgroup@escorts.co.in Website: www.escortsgroup.com
Corporate Identification Number L74899HR1944PLC039088



Escorts Kubota Limited

(Formerly Escorts Limited)



M E E T 2 0 2 2

Mid Term Business Plan (MTBP)

18 November 2022



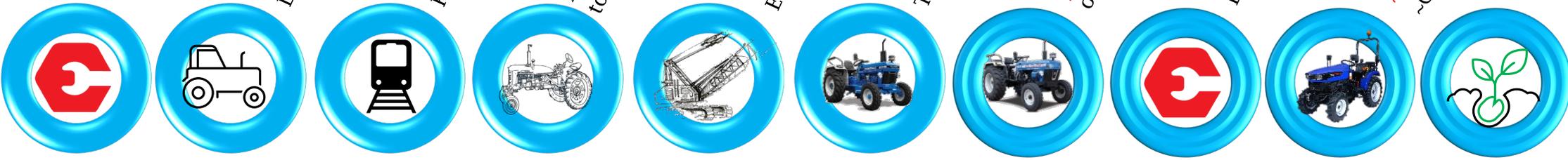
Safe Harbor

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 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.



About Escorts Kubota Limited (Formerly Escorts Limited)

More than 76 Years of Spreading Prosperity, Impacting Lives.



1944 Founded **Escorts**

1948 Launched Escorts (Agri Machinery Ltd.)

1961 Journey Begins with Indian Railway

1969 JV with Ford motors to make Tractors

1971 Manufacturing Of Construction Equipment's

1995 Launched **Farmtrac** Brand The Ford JV Ends

1998 Launched **Powertrac** Brand of tractors

2004 to 2012 Restructuring Escorts

2013 to 2020 ~Multiple Product Launches ~**Electric Tractor** ~Growth Story-JVs

2021 to 2022 ~Strategic partnership with **Kubota Corporation**



Bringing World's best to India and offering India's best to the world



Our Current Business



Escorts Kubota Limited

Revenue

FY22: ₹ 7,197 Cr. (USD 950 million)

Agri Machinery



Our advanced Agri-machinery solutions that enhance agricultural productivity and add value to a farmer's life

77%

Construction Equipment



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

14%

Railway Equipment Division



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

9%

XX%
Revenue %
to total
Revenue



1 USD to INR = 75.9 as on 31st March 2022

About Kubota Corporation

Since its founding in 1890, Kubota has moved forward step-by-step, contributing to solutions to social issues.

We will continue to confront challenges concerning food, water and the environment, to help provide a future for this beautiful planet and the people who live on it.

Kubota Group

Europe

Group Companies

43

Employees

4,201

Japan

Group Companies

58

Employees

23,348

North America

Group Companies

42

Employees

6,391

Asia

Group Companies

43

Employees

8,957

Other regions

Group Companies

12

Employees

396

198 Company Globally

> 43 thousand Employees Globally

> 2/3rd Revenue from outside domestic region

Key Business Segment & Revenue

For Earth, For Life
Kubota

Revenue

CY21: USD 20 Billion

Farm & Industrial Machinery



Manufacturing and sales of products such as farm equipment, agricultural-related products, engines, and construction machinery

85%

Water & Environment



Manufacturing and sales of pipe- and infrastructure-related products and environment-related products

14%

1% revenue comes from Other (mainly engages in offering a variety of other services).

XX%
revenue %
to total
Revenue

1 USD to JPY = 110 as on 31st December 2021



Escorts Kubota Limited



Update from Last Meet in 2018



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



Our Management Team



Bharat Madan
President Finance,
Group CFO &
Corporate Head



Ashutosh Tripathi
Chief Officer
Manufacturing-Agri
& Construction



Ashwani Malik
Chief Officer R&D &
Innovation-
Agri & Construction



Neeraj Mehra
Business Head PT,
Agri Business



Rajiv Wahi
International
Business Head-
Agri & Construction
and FTES



Sanjeev Bajaj
Chief Executive-
Construction
Business India



Rajan Chugh
Emerging Business



Ankur Dev
Chief Executive
Railway Business



Amit Singhal
Group CHRO &
Deputy Corporate
Head



Katsunori Asano
Chief Officer Manufacturing
& Materials - Agri &
Construction



Hisakazu Kitanobo
Chief Officer-Agri Business
India



Keishiro Nishi
Chief Officer R&D (Process)
Agri & Construction



Shintar Seshimoto
Joint Chief Officer, Product
Planning & Monitoring and Culture
Champion



Keisuke Yasue
Chief Officer-Business & Collaboration
Promotion



REFORM

2004 - 2012

- Starting of **profitable growth**
- **Basic Processes and Hygiene**
- Exit **Non-Core** Businesses
- **Focus on Cash** (Debt Reduction)
- **Benchmarking** to best in Industry

PERFORM

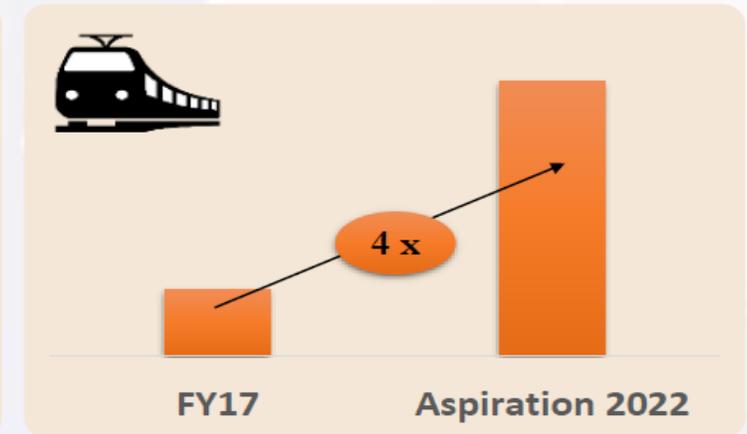
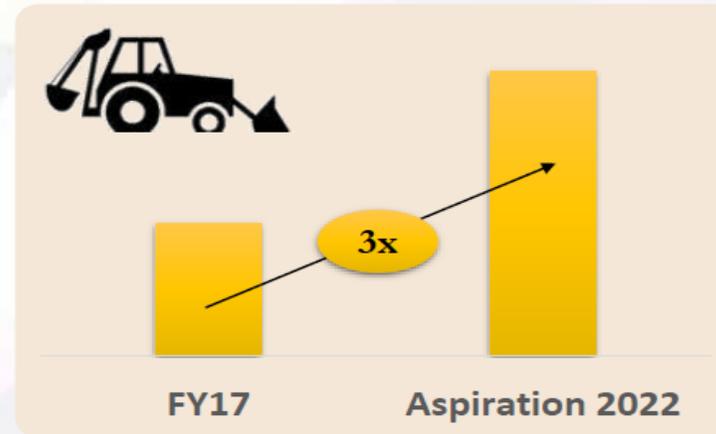
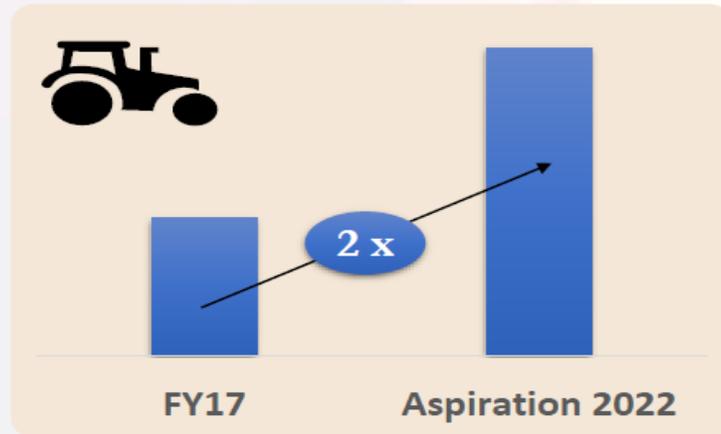
2013 - 2022

- **Rebuild** the Core
- Product **Innovation**
- **Capability & Cultural Transformation**
- **Governance** Focus
- **Strategic** Partnerships
- **Debt to Surplus**

MTBP



REVENUE (₹ CR.)



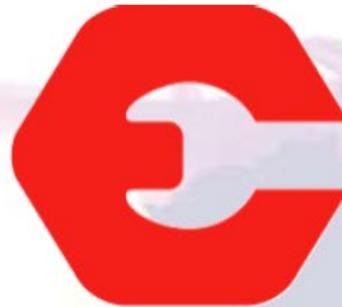
Vision 2022... 2/2



2.5X Revenue



Margin 13~14%



10% Plus



25% - 30%



Vision 2022 Achievements...

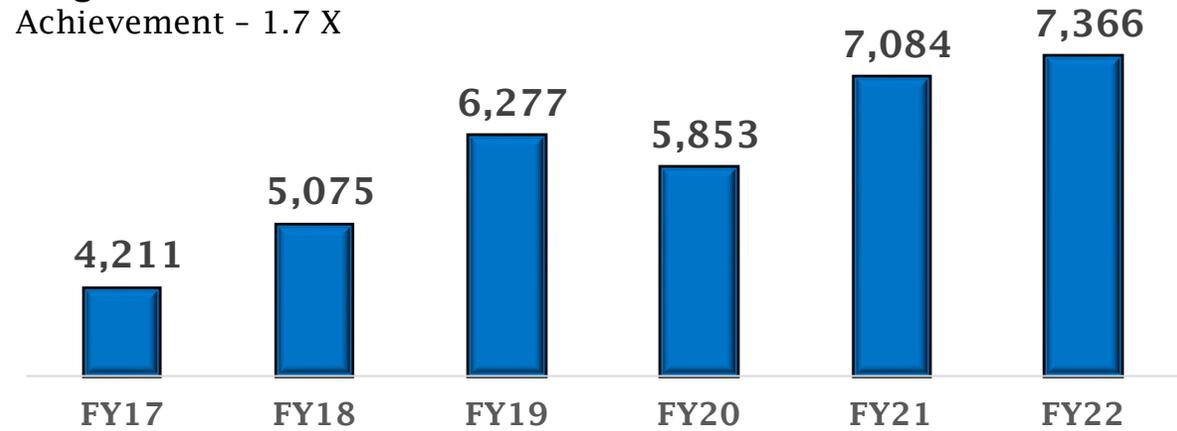
Dual Distribution	
South/West focus	
Domestic Tractor Market Share	
Emerging Business	
Construction Equipment revenue	
RED Expanding Core	
Improved Corporate Governance	
Products Innovations (Many first Electric, Hybrid, etc.)	
Plant Capability	



Vision 2022 Achievements...

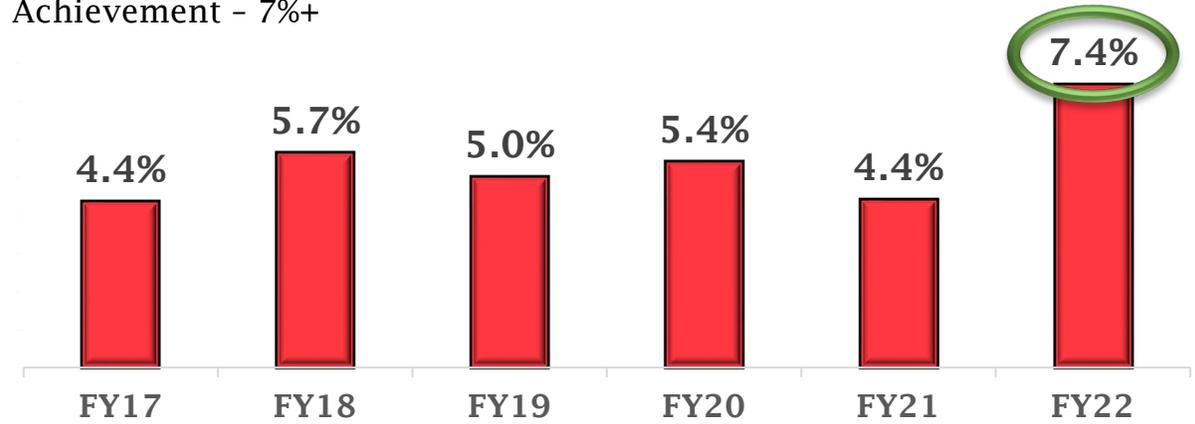
Total Income (Rs. Cr.)

Target - 2.5 X
Achievement - 1.7 X



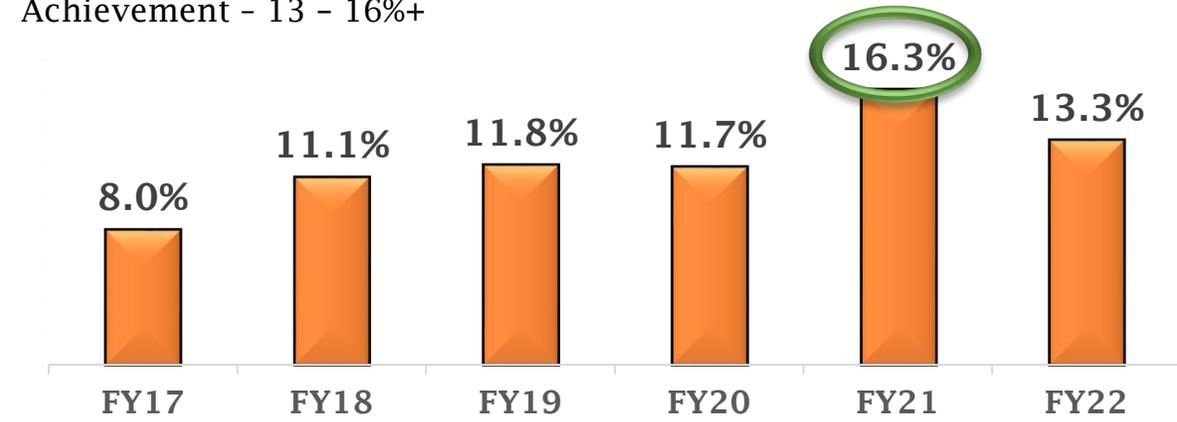
Export (% of Operating Revenue)

Target - 10 %
Achievement - 7%+



EBITDA (Rs. Cr.) %

Target - 13 - 14 %
Achievement - 13 - 16%+



ROCE %

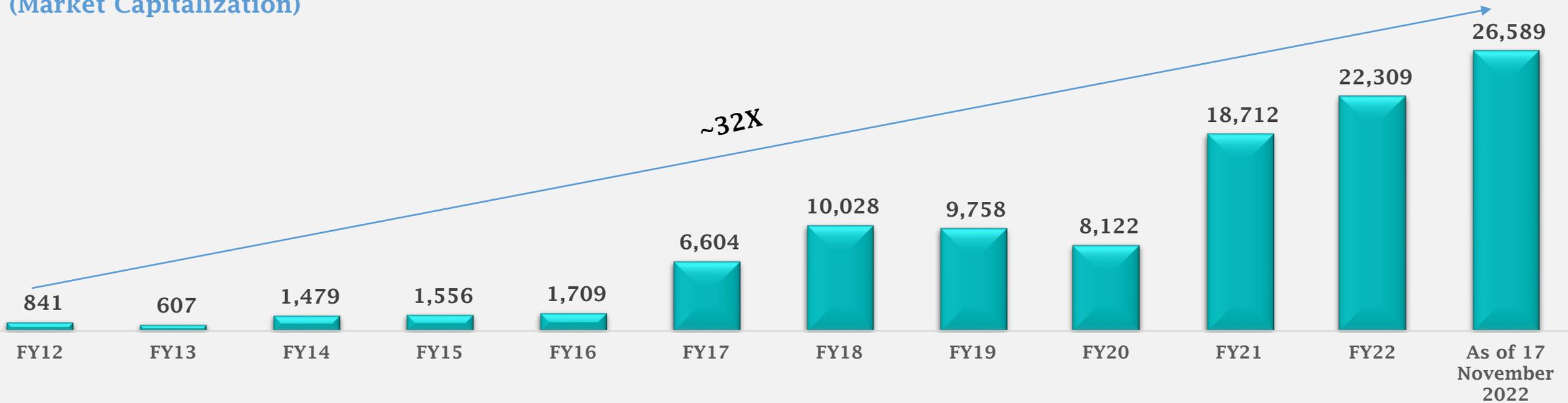
Target - 25 - 30 %
Achievement - 26.1%



...a true wealth creator...

Value Creation (Market Capitalization)

(₹ Crores)



Credit Rating Upgrade from ICRA & CRISIL

LBBB- In FY12

A In FY17

AA+ In FY22



Vibrant Board of Directors



Nikhil Nanda



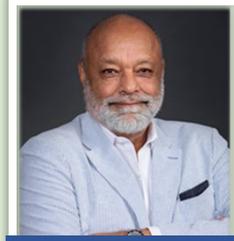
Seiji Fukuoka



Nitasha
Nanda



Shailendra
Agrawal



Hardeep
Singh



Dai Watanabe



Yuji Tomiyama



Shiro Watanabe



Yasukazu
Kamada

Executive, Non-Independent Directors

Non-Executive, Non-Independent Directors



Sutanu
Behuria



Sunil Kant
Munjal



Tanya
Dubash



Harish N.
Salve



Ravindra Chandra
Bhargava



Kenichiro
Toyofuku



Vimal
Bhandari



Reema
Nanavati



Manish
Sharma

Independent Directors





Escorts Kubota Limited



EKL Journey Ahead



Mr. Nikhil Nanda
Chairman & Managing Director



Mr. Seiji Fukuoka
Deputy Managing Director





Very different world today



Partnering India's Growth Journey

Synergies

- 
- ESCORTS**
- **Frugal Manufacturing**
 - Indian subcontinent know how
 - Pan India presence
 - **Value consciousness and engineering excellence**

Global Strategic Partner

- Scale of operation
- Access to World-class Technology
- Access to Best-in-class Quality / Business Processes
- Global Brand Association
- Strategic Sourcing Hub for Good & Services

- For Earth, For Life**

- **Diversified Global presence and revenue**
 - Technology & Volume **leadership** <120 HP
 - **Global quality standards**
 - **Winner in each market**



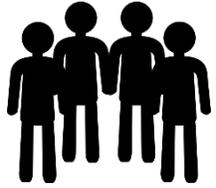
Escorts Kubota Limited

Product Technology Production System Sales & Distribution

To be one of the largest Indo-Japan agriculture collaboration, establishing unparalleled commercial reach



India Mega trends In the next Decade



Demographics

World Population to reach 8.6 Billion by 2030 from current ~8 Billion

India's population to reach 1.5 Billion by 2030 from current ~1.4 Billion

Changing Diets: 10% average calorie increase by 2030



Digitalization

India is aggressively pushing Digitalization of its economy through a public utility called "**IndiaStack**", first of its kind in the world



Decarbonization

Global temperature: Increase by 1.5° by 2030

In next decade its expected more than 50% of India's energy need will be fulfilled through Green renewable sources.



Deglobalization

Outsourcing

India Skilled labour 2030: Surplus of 245 million (only country)

Massive investment in infrastructure for manufacturing, ports, urban transportation

Growing Demand for Food, Products & Services

World will invest in India



Mission

- Establishing the measures for **sustainable growth** in response to issues in the mega trend of the world.
- Contributing to the creation of a living environment where people (especially, **farmers, women and social vulnerable people**) can live comfortably.
- Committing to the society in India & in the world by the promotion of further mechanization and providing **the total solution**.

Vision

- EKL shall promote its business in India & in the world to become a company that is truly loved and sought after by society & employees.
- EKL shall become the **total solution provider** to solve the issues of society for a sustainable world.
- EKL shall become **strategic hub** in the world by utilizing the capability & potential of India.



Message from Kitao San



Yuichi Kitao
President and Representative Director
Kubota Corporation, Japan



For Earth, For Life
Kubota



EKL Video

Please [Click here](#)



Way forward



Major Concepts, Target & Activities

【Existing Business Expansion】

- **Profitability** : EBITDA in mid teens % as EKL
- **Tractor Domestic (Market Share)** : Challenger brand in FY28
- **Tractor Export**: Leadership position in India Led Exports
- **Retail Finance**: To be strengthened.

【Manufacturing, Sourcing & Digital Transformation】

- **Mfg.** : Green Field to produce Tractors & Engines
- **Export Parts & Components** Global Sourcing
- **Digital Transformation (DX)** :
Accelerating DX to deliver better Products and services to customer
e.g. Contactless Sales.

【Corporate Culture】

On Your Side

【R&D & Innovation Centre】

- **Joint R&D** : Jointly Creating Specialized Products
- **Shared Service**: EKL R&D to Serve development activities of Kubota.
- **Carbon Neutrality** : Leading EV Tractor in the world & Developing CNG engine machinery
- **Innovation Centre (RNIL*)** : Precision Farming @ Low Cost

【 Quality Assurance 】

- **Establishment of EKL's Total Quality Management System** and its Work Breakdown Structure (WBS) as the best practice of EKL and KBT optimizing the quality cost.



Way forward

To become the total solution provider to solve the issues of society for a sustainable world.

Aspiration

Comprehensive Solution Provider, to Indian farming sector

Leadership in India Led Tractor Exports

Significant play in Implements Business

No.1 brand that contributes to Nation-Building and urbanization

Strategic hub for world

Catering to the vast network of the Railways with components **ensuring safety and comfort**

Enablers

Brands & Product Enhancement

Innovation

Digital Transformation

Channel Expansion

Collaborating with Kubota Group Companies

Capital Allocation

Culture Transformation

ESG





Escorts Kubota Limited



Manufacturing Excellence



Mr. Seiji Fukuoka
Deputy Managing Director



Mr. Ashutosh Tripathi
Chief Officer Manufacturing-
Agri & Construction



Japan - Quality & Customer Service

Adoption of Kubota Production System (KPS)

KPS

End-to-end deployment of Total Quality Management principles

Streamlined manufacturing processes and Smart facilities

Improve the efficiency and productivity across the value chain

Supplier development and capability enhancement

Sustainable manufacturing processes to reduce the waste and minimize the environmental impacts

Kaizen and Innovation

No. 1 in
Quality

Customer
Happiness

Cost
optimization

Sustainable
Growth



Manufacturing Footprints

Manufacturing Footprint	Current-2022	Aspiration-2028	Enablers
Manufacturing Plant	5	6	Greenfield
Capacity (Tractor & Engine)	~1.7 Lacs	~3.0 Lacs	

- State-of-art Engine Manufacturing Facility for Domestic & Export by 2024
- BS V readiness to meet the emission regulation
- Global hub for affordable manufacturing



Current Capacity also includes EKI JV capacity

KBT Global Sourcing – India Opportunity

Kubota Worldwide buying value of the components about \$ 8.7 billion and growing

Reasons for sourcing from India

- Securing supply volume for KBT businesses.
- Cost reduction.
- Use of strong EKL supplier network

Main exporting countries

Japan, USA and Asian countries

Target items

- In-house fabricated assembly items (Transmission, gear assemblies, etc.)
- Castings, gears and functional parts.

- Currently Kubota group is sourcing certain parts from India and growing
- Even 5% shift of total buying of components sourcing globally to India would mean about USD 500 million worth of potential exports
- Our aspiration for FY28 captures a part of this potential.



Aiming carbon neutral by 2050 in line with KBT vision



Promoting resource recycling
(environmental impact reduction + CO2 reduction)

Zero landfill waste by 2026

Water positive organization by 2030

3x improvement in renewable energy share

Tree Plantation drives to multiply green area coverage



CSR (Corporate Social Responsibility)

Upliftment of safety and health in local communities

- Safe driving training and awareness programs
- Health care facilities for the underprivileged



Boost income generating streams in rural areas through skill development drive

- Farmer trainings on efficient farming
- Skill development programs for rural youth in tractor Operation & Maintenance

Sustainable Agriculture practices

- Model Farm Development at EAFI, Kurukshetra & ETDC, Bangalore
- Sustainable Intensification of Agriculture to improve yield
 - Good Agriculture Practices (GAP)
 - Organic Farming
 - Climate Smart Villages

Women empowerment in agriculture

- Women development programs on basics and new technology of farming
- Connect with panchayat heads for skill development, health & hygiene for women.

Develop Biodiversity park

- Exploring various sites in and around Faridabad Haryana for development of Biodiversity Park.





Escorts Kubota Limited



Agri Machinery



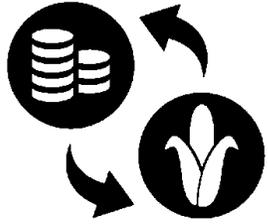
Mr. Hisakazu Kitanobo
Chief Officer Agri Business



Mr. Neeraj Mehra
Business Head Powertrac.
Agri Business



Agri Sector Mega Trends



AGRICULTURE GDP



FOOD DEMAND



AGRI WORKFORCE



AGRI PRODUCTIVITY

India Agri GDP Growth:

By 2020, Ag GVA is \$276.4 Billion

By 2030, expected to touch \$390 Billion

High growth expected in Horticulture and Fruits due to urban population growth.

Global Food Demand: +35% increase by 2030

Indian food demand to touch 345 million tonnes by 2030.

By 2030, India's population of 1.4 Billion to spend \$1.4 Trillion on food alone.

In developed countries, less than 5% population is engaged in agriculture.

In India, ag workforce share has reduced to 44.2% in 2020 from 53% in 2010.

Further 8-10% reduction is expected by 2030.

USA & China lead in agriculture yield.

India is 2-3 times lower in productivity in Wheat, Rice and Oil seeds.

Potential for doubling production and yield by focusing on mechanization and other levers.



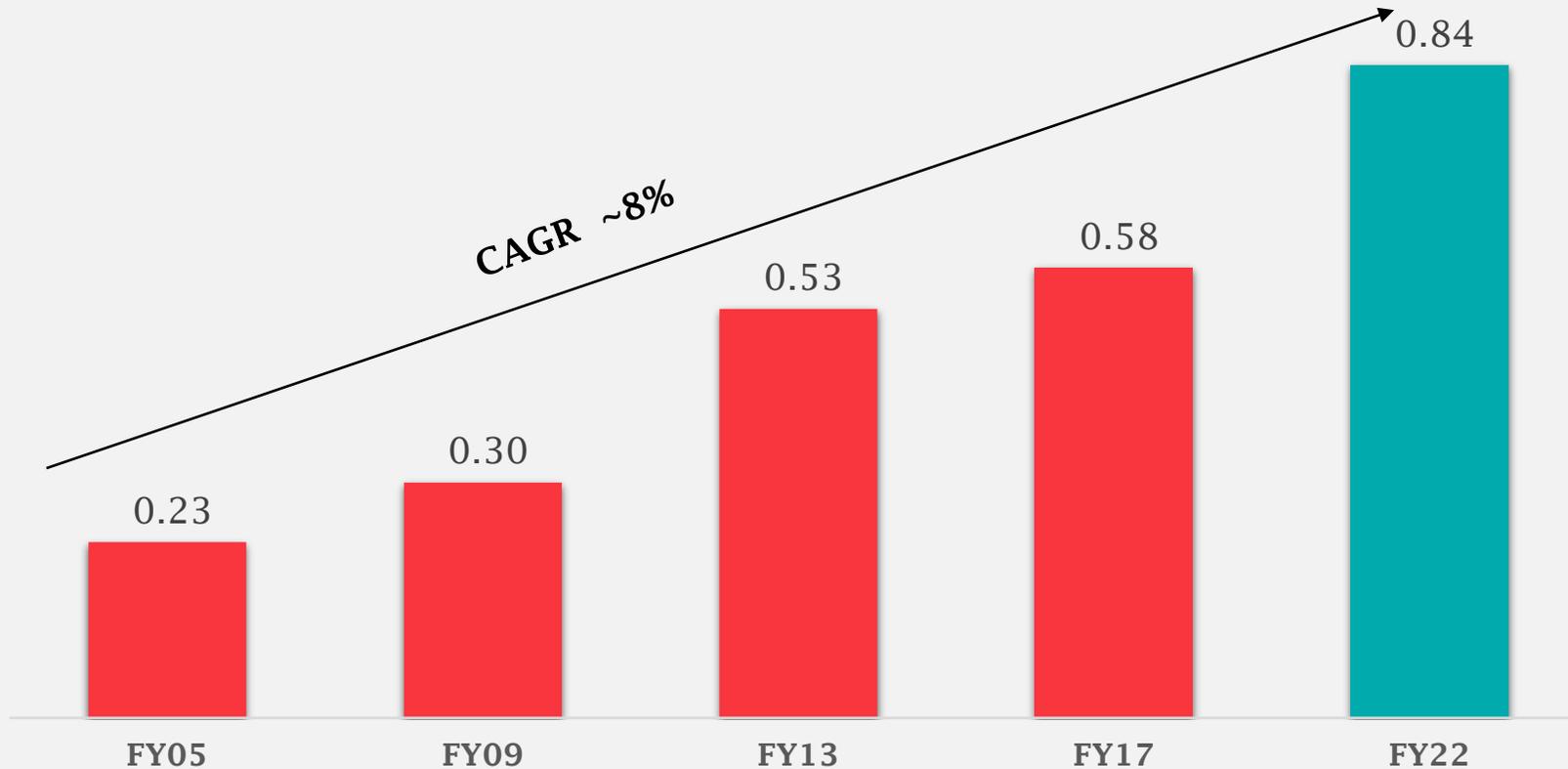
Increase in Farm Mechanization & Precision Farming is indispensable. Overall investment in agriculture will go up substantially because of increase in food demand & GDP.

Agri Equipment and Solutions business is well placed for growth



India Domestic Tractor Industry

Volume in Million



- ❖ 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**

Increasing Trend towards
Mechanisation

Minimum Support Prices for
Key Crops

Scarcity of Labour

Ease of Credit Availability
from Govt.

Shorter Tractor Replacement
Cycle



Comprehensive Solution Provider

Aspiration

Challenger position in Domestic tractor as per SOM

No 1 in Combine Harvester and Rice Transplanter

Top 3 in Implement Business

Enablers

Brand & Product Enhancement

Channel Expansion

Winning Market

Retail Finance

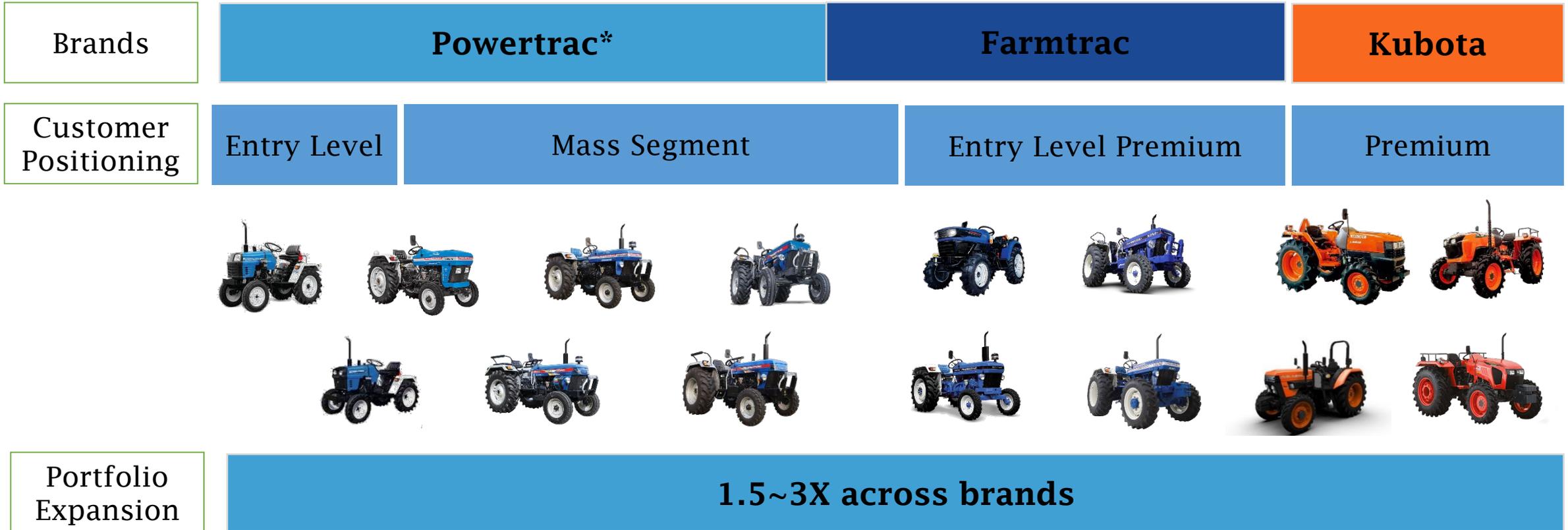
Digital transformation

Innovation



Brand & Product Enhancement

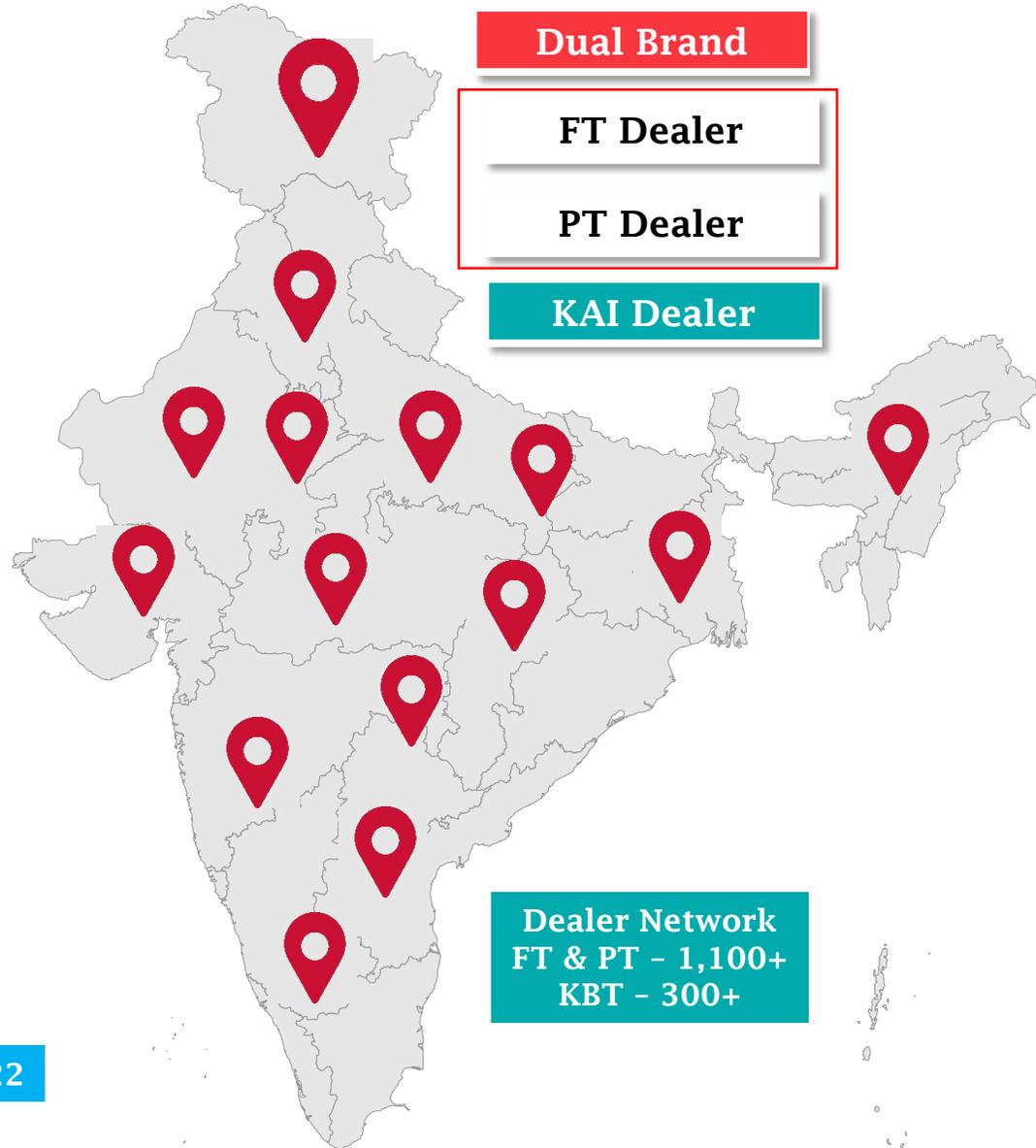
Right Positioning of Brands to Cover all Segments



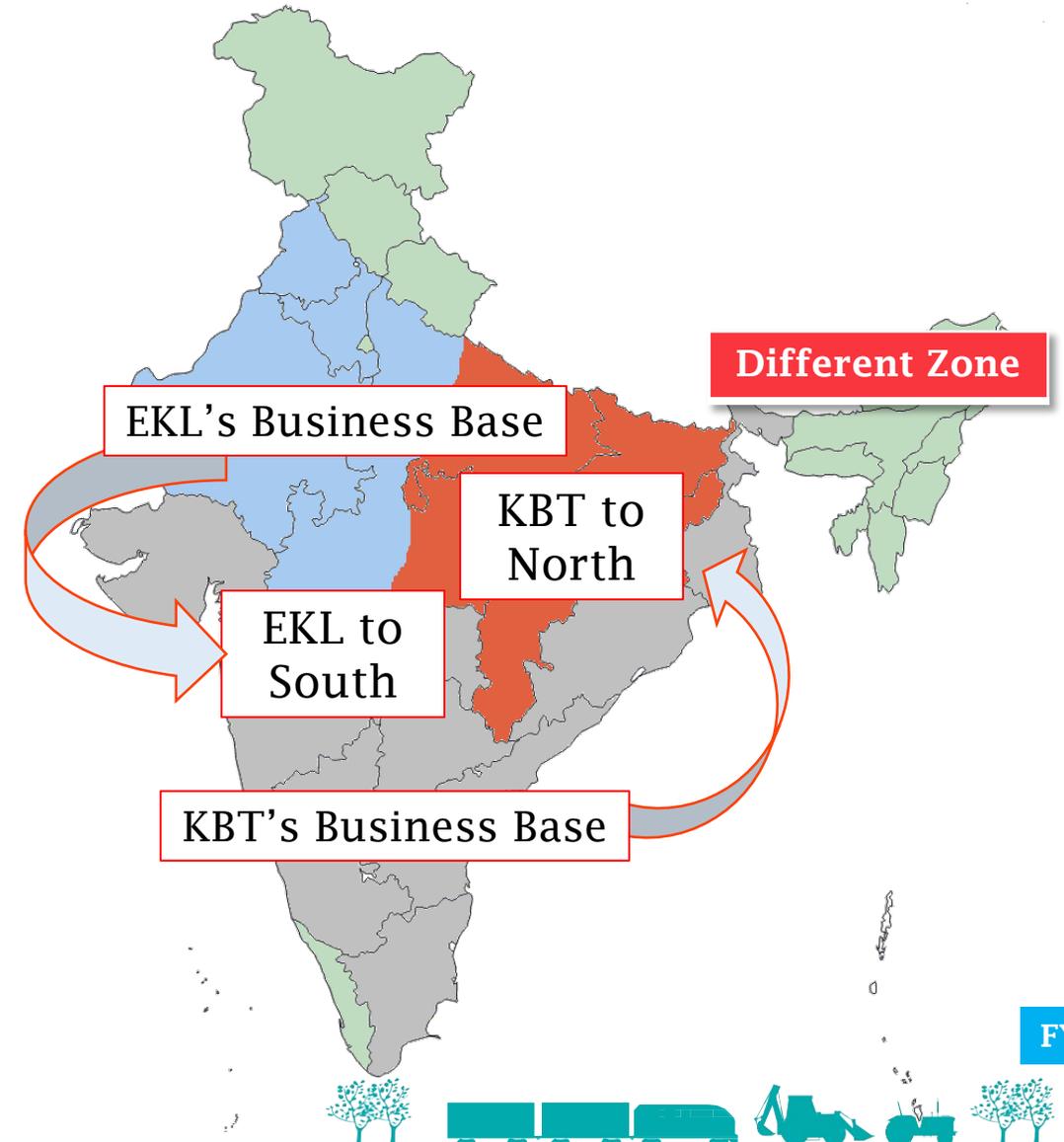
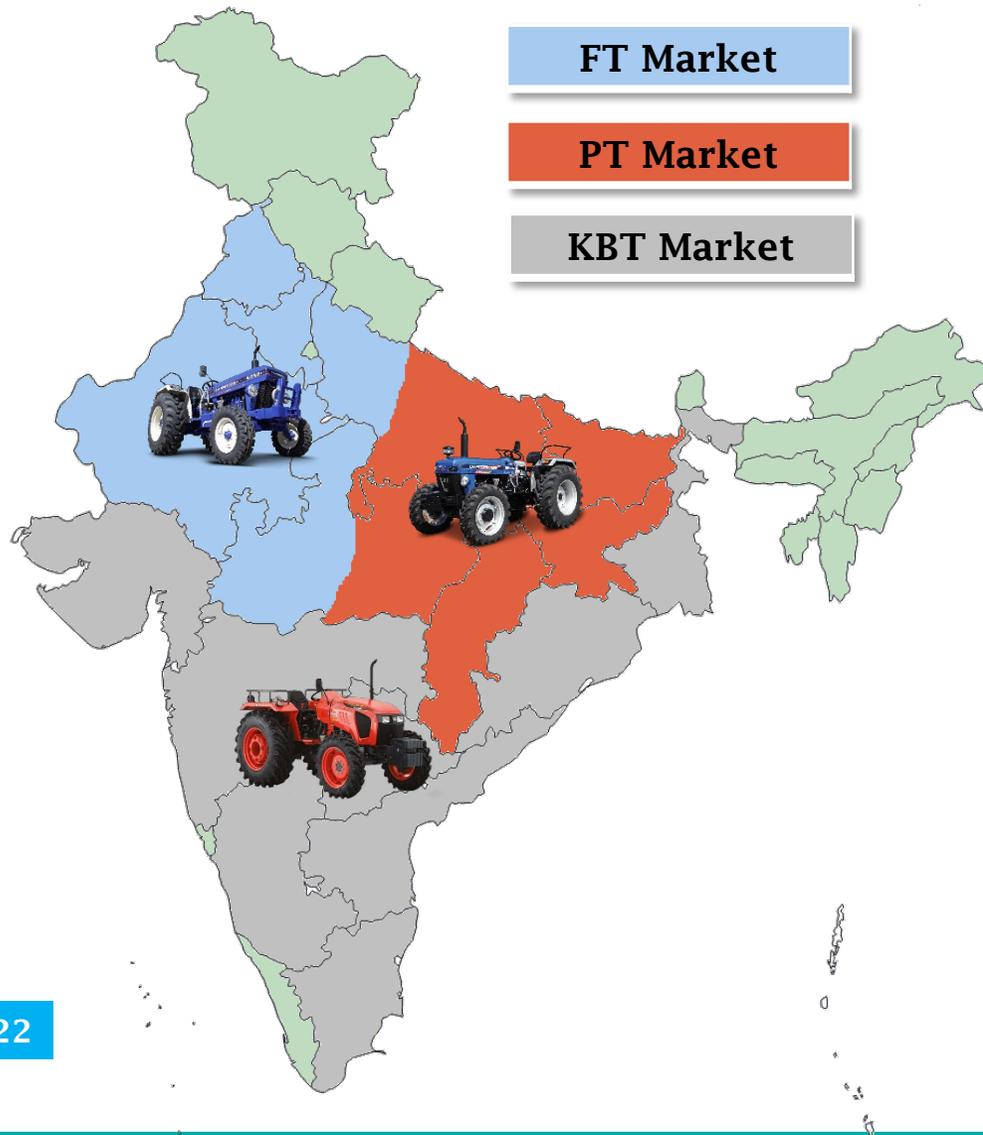
FY22 → FY28

* Powertrac includes Steeltrac & Digitrac

Channel Expansion



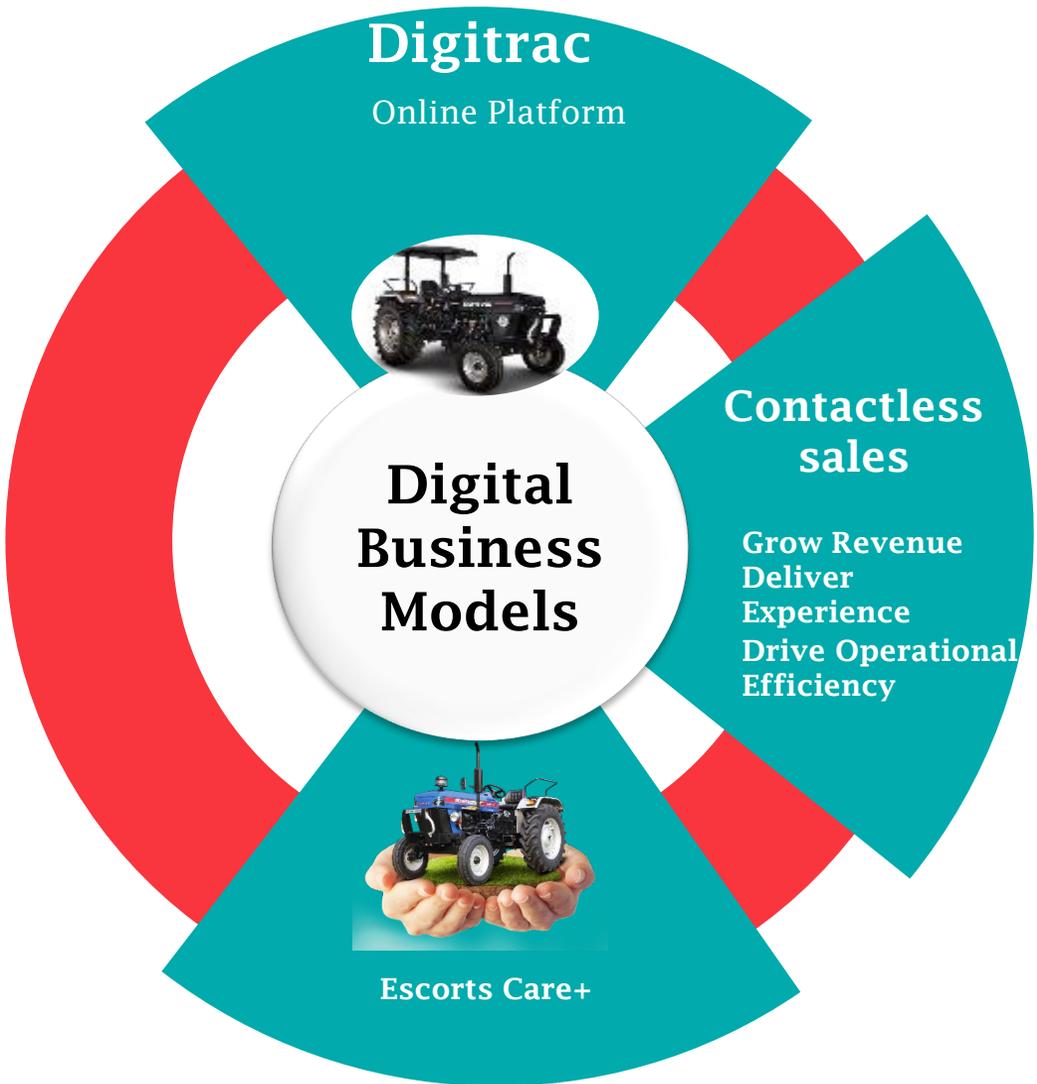
Winning Market





**Partner with various
banks and NBFCs**





Business Model

Pre Sales

- ▶ Awareness: Online & offline Marketing (Social, Web, App, BTL)
- ▶ Consideration (Promo, Schemes, Referral)
- ▶ Demonstration (Demo Tractor)



After Sales

- ▶ Installation
- ▶ Door Step Service (ETC / DEC)
- ▶ Repair

Sales

- ▶ Exchange
- ▶ Finance
- ▶ Door Step Delivery
- ▶ RTO
- ▶ Insurance
- ▶ 5yr NQA Time Warranty



Escorts Care+

Issue Resolution

24x7 assistance

Service Reminders

Alerts - Operator/Owner

Geo fencing

Plug in Audio



Escorts Care-i

Issue Resolution

24x7 assistance

Service Reminders

Alerts - Operator/Owner

Geo fencing

Plug in Audio

Interactive

Onboard Entertainment

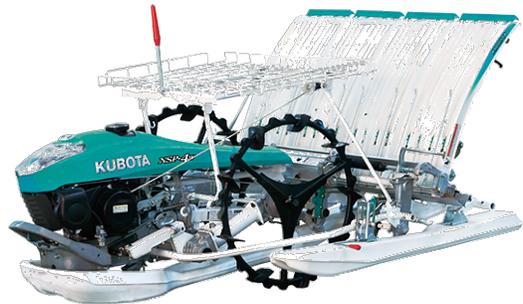
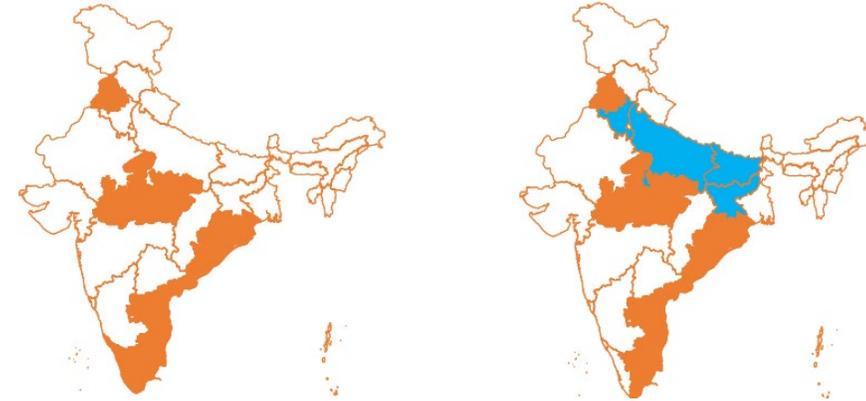
Farm Solution



Combine Harvester(CH) & Rice Transplanter (RTP)



Evolve from Track-type leader to the most Dominant Harvester Manufacturer in India.



Contribute to food security of India by better productivity of rice through mechanization.



Top 3 in Implement Business

Product Range & Technology

Rotary Tillers



Orchard Sprayer



Mini-Round Baler



Plough



Power tillers



Self-propelled sprayer



Supply Chain & Distribution Network

Expansion project to be taken with Kubota Group companies





Escorts Kubota Limited



Export Market

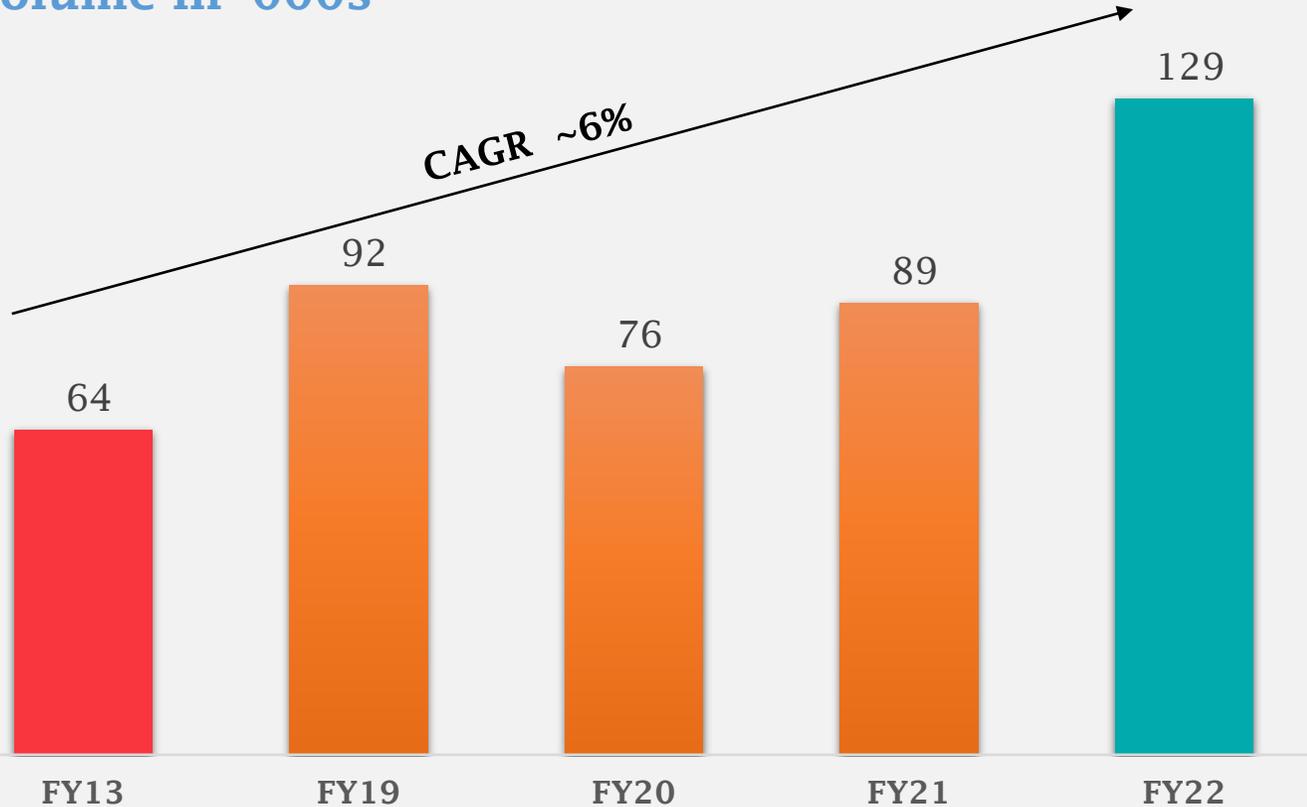


Mr. Rajiv Wahhi
Chief Executive - International Business



India Tractor Export Industry

Volume in '000s



Favorable government support - Policies

Shrinking Agri land due to urbanization

Growth in population - Food security

Neighbouring countries have similar climate as that of India

Shorter Tractor Replacement Cycle

Industry Expected to grow at ~ 6% CAGR

India low-cost manufacturing base for global markets



EKL Exports Way Forward

Aspiration

Leadership position in
India Led Tractor Export

Strategic Hub for global Sourcing

Enablers

Multi Strategy (Farmtrac /Powertrac & E-Kubota)

Channel Expansion & Synergy with Kubota
EKL targets 4 key high TIV markets with KBT presence -
USA, EU, Thailand and Brazil

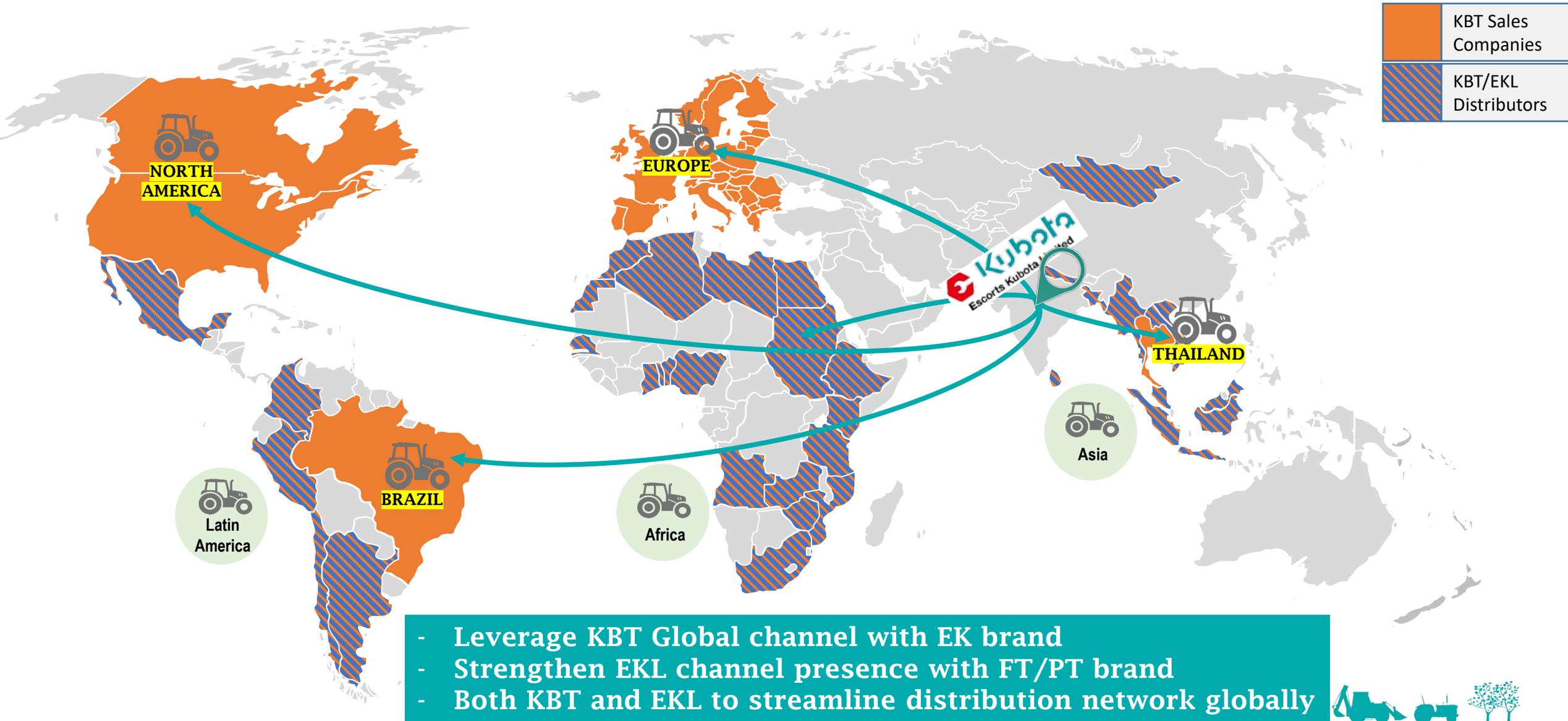
Product Enhancement

Part supply to Global Kubota Network



Channel Expansion: Target High TIV Markets

Leverage KBT Channel



Product & Channel Enhancement



Expand Farmtrac/ Powertrac Brand via EKL Channel & E-KUBOTA Brand via KBT Global Channel

Compact Segment

Utility Segment

Narrow Segment

Electric Segment

X → 2X new Products across Segment

Strengthen EV portfolio for mature markets and Expand product range in all tractor segments up to 110 HP

FY22 → FY28





Escorts Kubota Limited



Construction Equipment Business

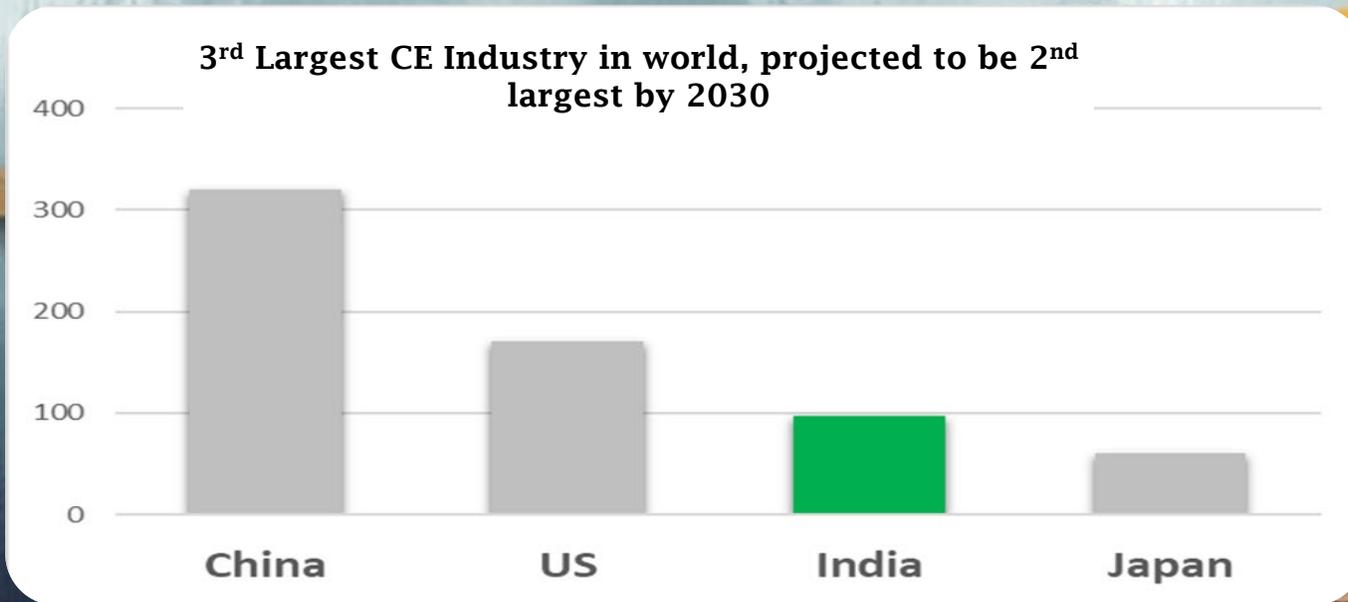


Mr. Sanjeev Bajaj
Chief Executive



India Story – Resilience Opportunity Growth

More so now for Construction Equipment Industry



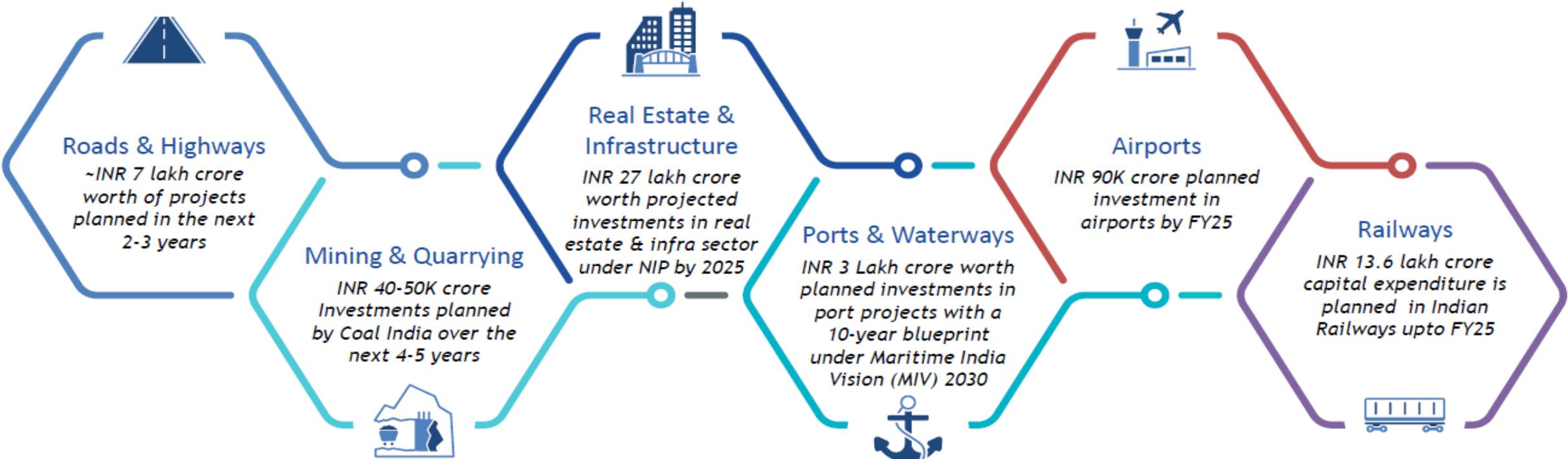
~3X current size by 2030

One of the champion sectors prominent for exporting from India

Net exports ~15 - 20 % by FY30

Employment generated ~ 8.5 - 9 million by FY30

Construction Sector Mega Trends

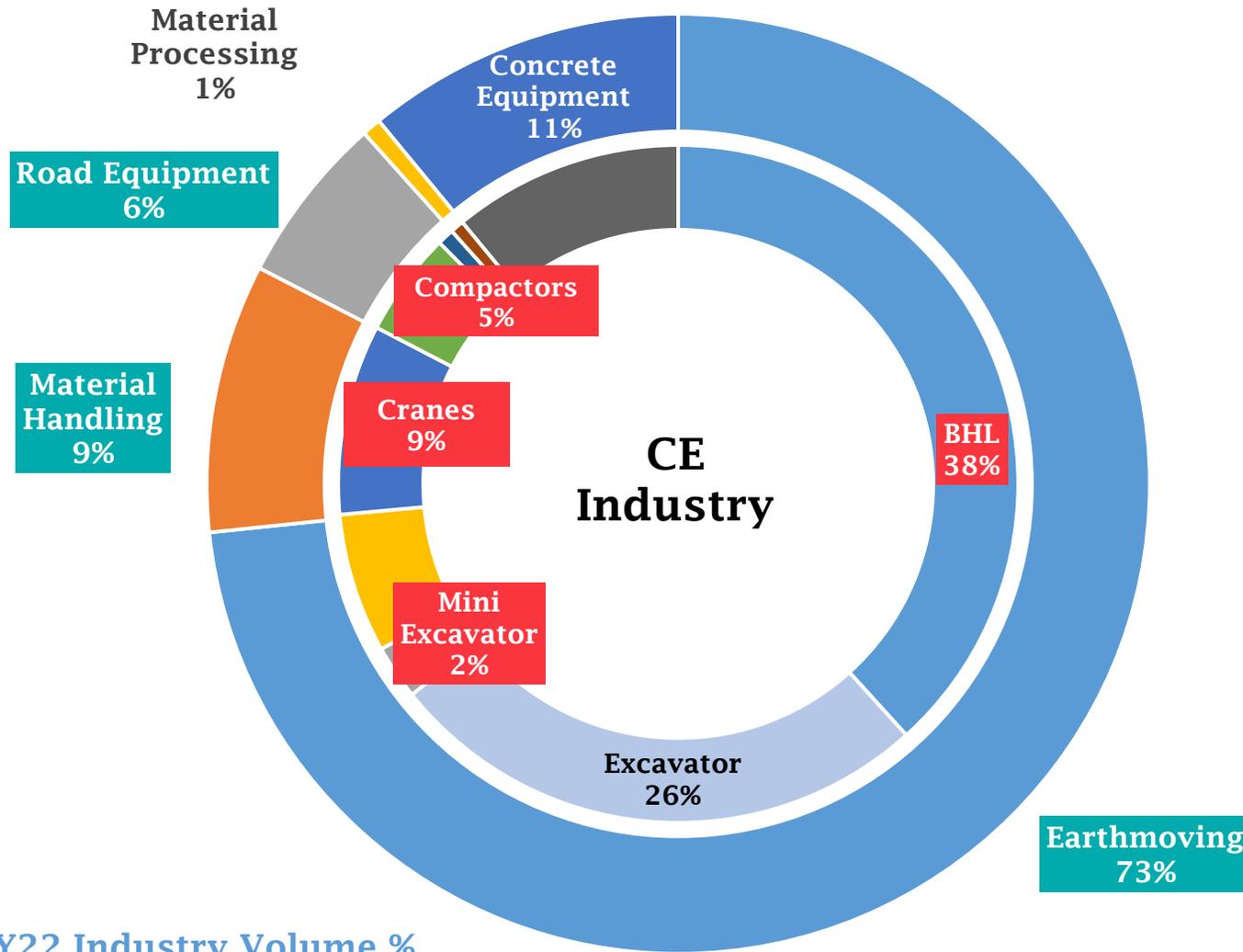


Government of India has focused on "infrastructure led growth" by deploying significant planned outlay across sectors

Source: BCG Research



CE Industry



EKL Present in 3 major Segment of Earthmoving, Material Handling and Road Equipment

EKL Present in 54% by Volume of total CE Industry

BHL - 38%

Mini Excavator - 2%

Material Handling - 9%

Compactors - 5%

Served Industry %



Outer Circle Segment, Inner Circle Product

EKL Construction Equipment's Way Forward

No.1 Brand that contributes to Nation-Building and Urbanization.

Aspiration

No 1 Position in
Material handling Pick
& Carry Crane



No 1 Position in Mini
Excavators



Double the Market
Share



Enablers



Wide Product Range



**Customer & Market
Segmentation**



**Enhancing Product Offering
& Innovation**



**Channel Quality &
Expansion**



Wide Product Range



Cranes



BHL



Compactor



Mini Excavator

Create & Nurture Competitive Advantage

- Market Shift towards strong hold high capacity Segments
- Innovation/Safety/Digitally connected
- Wider/Stronger/High density channel
- Products to cater both Rental & Captive markets
- Export Market & Product Range Expansion
- Product range for Mass Rental , Mass Captive & Corporates
- Compliment with Motor Graders
- Common channel with BHL. Synergise & Leverage strength
- Focus on customer experience



Customer & Market Segmentation

YELLOW LINE BRAND (Value)



Retail
(60%)

Fleet < 5units
(40%)

WHITELINE BRAND (Features)



Fleet > 5units
(70%)

Corporate
(30%)

Mini Excavator



Customer Segmentation

Product	Individual/Rental Hirers	Fleet/Contractors Owners	Government/Corporate
Crane	~60%	~20%	~20%
BHL & Excavator	~70%	~20%	~10%
Compactor	<5%	~70%	25~30%



Expand Product Offering & Innovation

Expanding Core Products



Material Handling

Earthmoving

Road Construction

Rough Terrain Crane



Material Handling

Mini Excavator



Earthmoving

New technology Models with Better Features, More Productive & Connected Machines

Safety, GPS, Remote monitoring, Theft prevention, Fleet management etc.

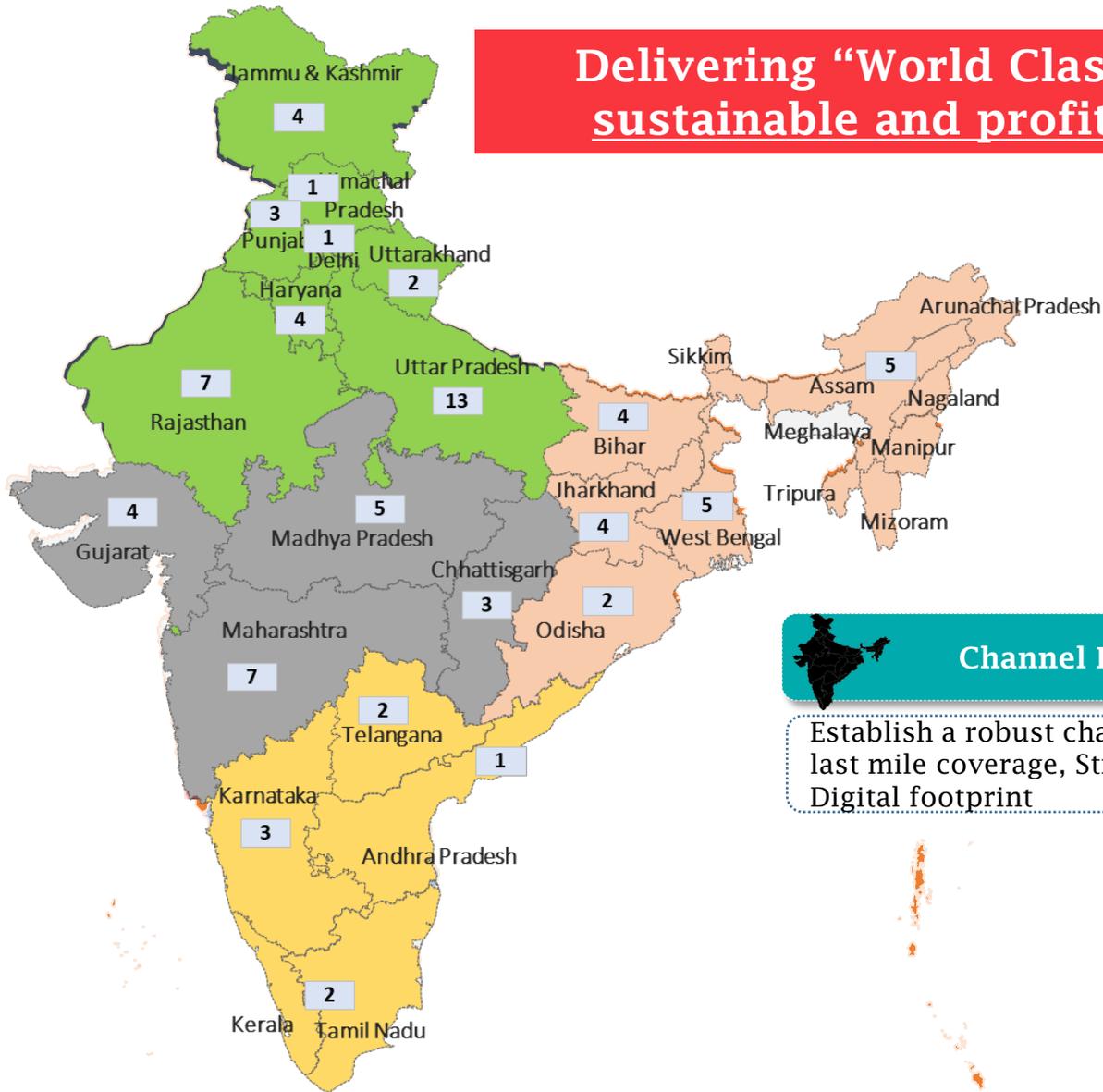
Hybrid & Alternative Fuel



Channel Expansion

Delivering “World Class Customer Experience” through an efficient, sustainable and profitable channel , with a strong online presence

Double by FY28



Channel Presence

Establish a robust channel, last mile coverage, Strong Digital footprint

Channel Sustainance

Be profitable, Act as a One Stop Shop, Channel efficiency

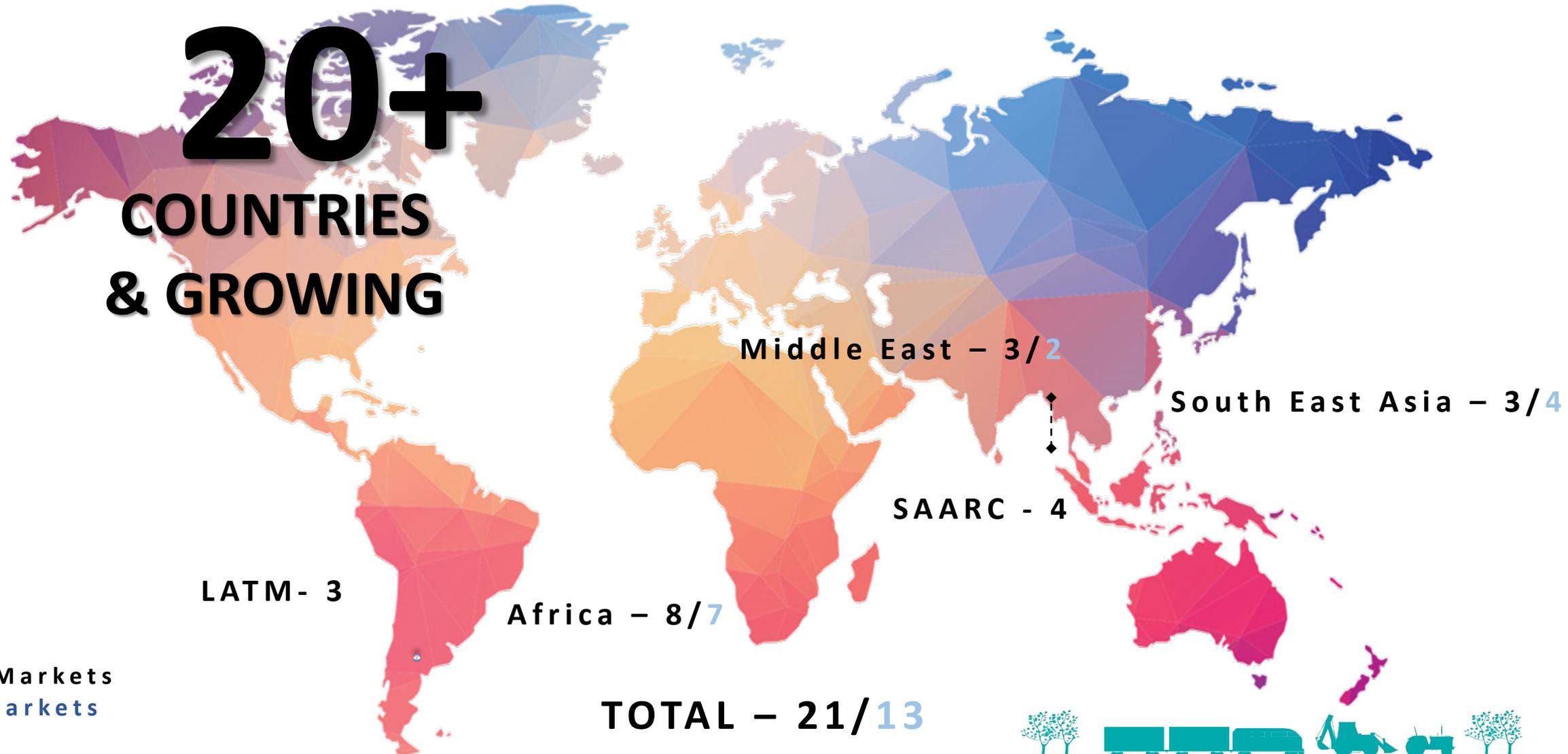
Brand Image

Channel quality, Dealer process digitization



OUR CURRENT GLOBAL PRESENCE & FUTURE NETWORK EXPANSION

20+
COUNTRIES
& GROWING



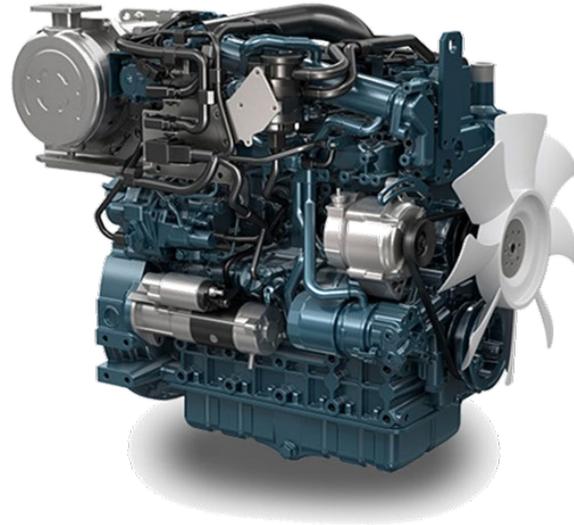
Current Markets
Future Markets

TOTAL - 21/13



Escorts Kubota Limited





Engine Application Business

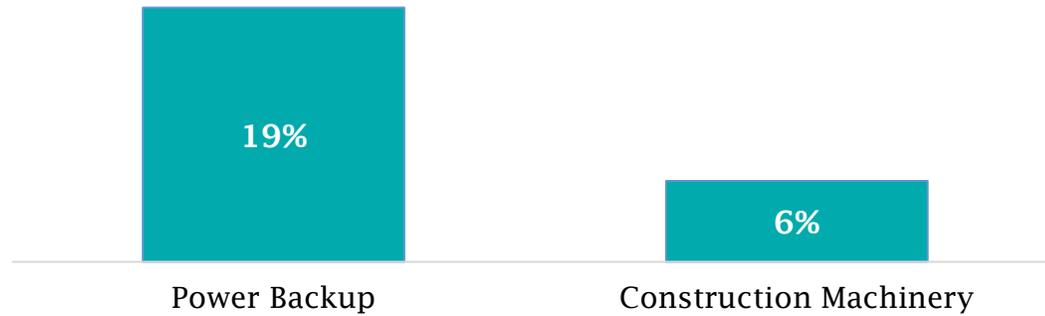


Mr. Rajan Chugh
Business Head - Emerging Business



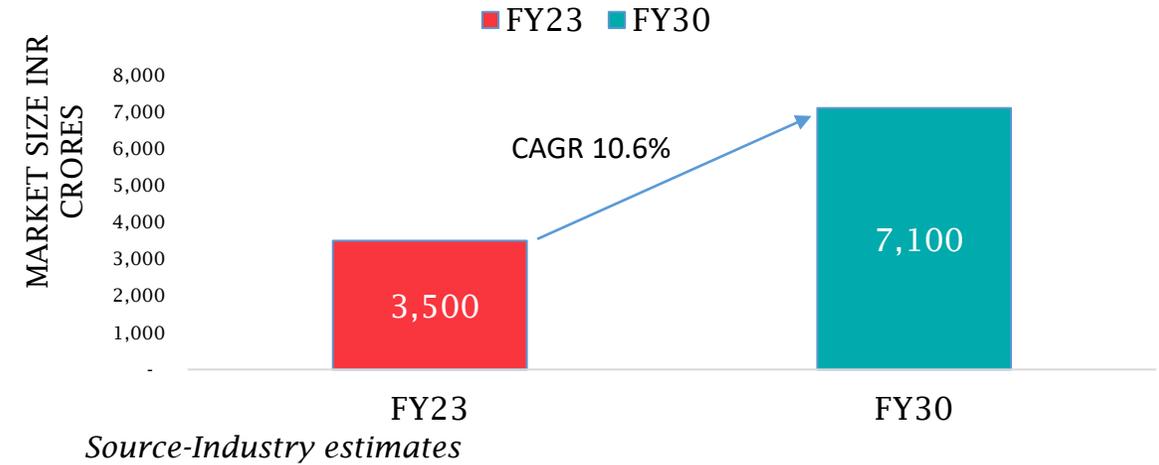
Volumes in the Power Back-up and Construction machinery industries have been growing

■ Last 3 year industry volume CAGR during FY20-22



Source-TechSci, ICEMA

Continued volume growth and demand for cleaner technology will drive ~2x market size jump (by FY30) in the engine applications



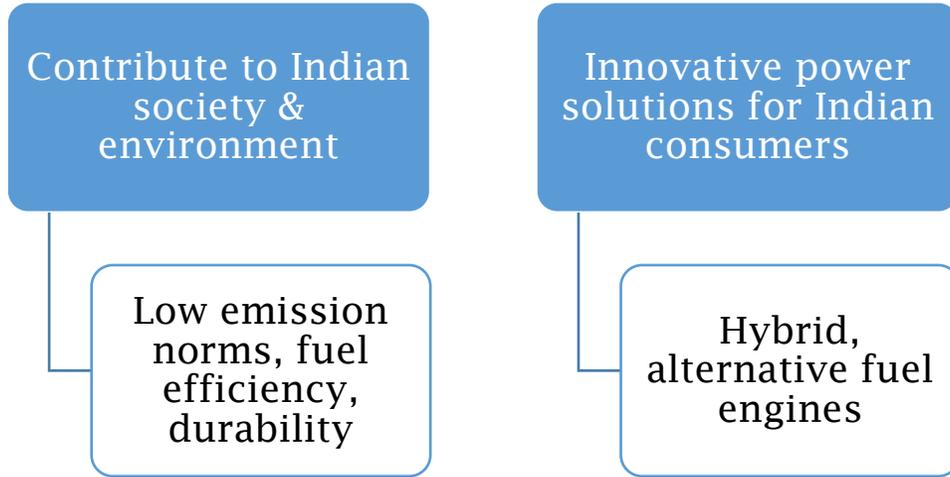
Trends & Drivers

1. Indian real estate market size is expected to reach USD 1 trillion* by 2030, up from USD 200 billion in 2021
2. To achieve India's USD 5 trillion GDP target by 2025, govt bodies are expected increase their infrastructure spend at 11.4%~ CAGR
3. Implementation of new emission norms are expected in FY23, which will improve realization

*IBEF ~CMIE-Systematix

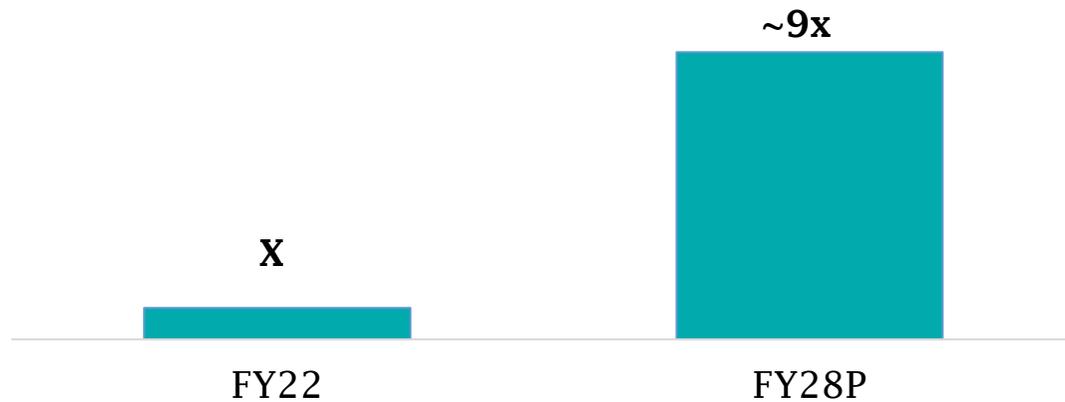


EKL Plan & Enablers



Significantly outperform the industry in engines for Power Backup and Construction Machinery

■ Industrial engine applications revenue INR crores



Enablers for EKL

1. Synergy between Indian and Japanese technology
2. Introduction of CPCB-4 and BS-V norms will open-up new overseas markets
3. Expanding manufacturing capacity



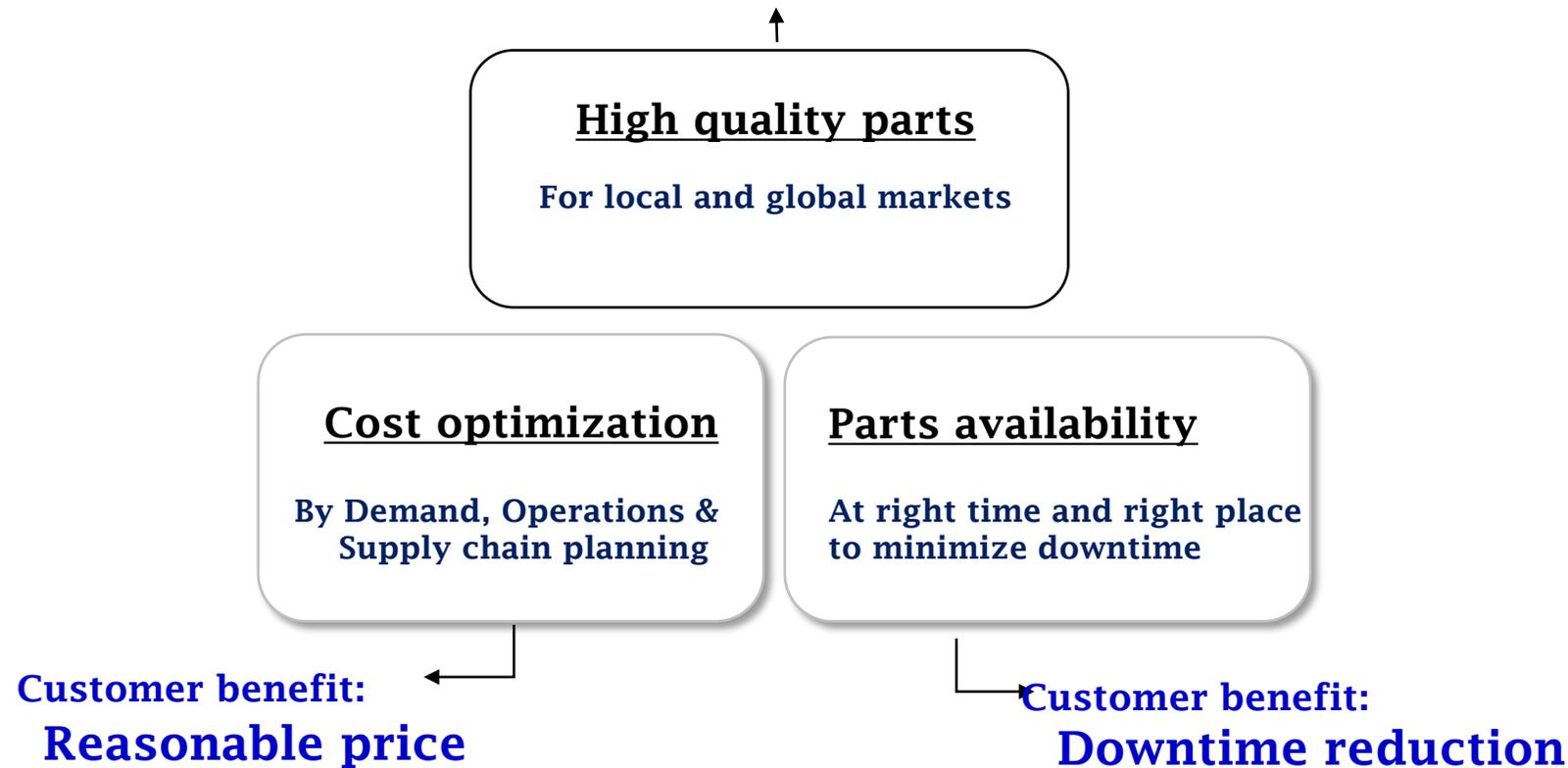
Spare Parts Business

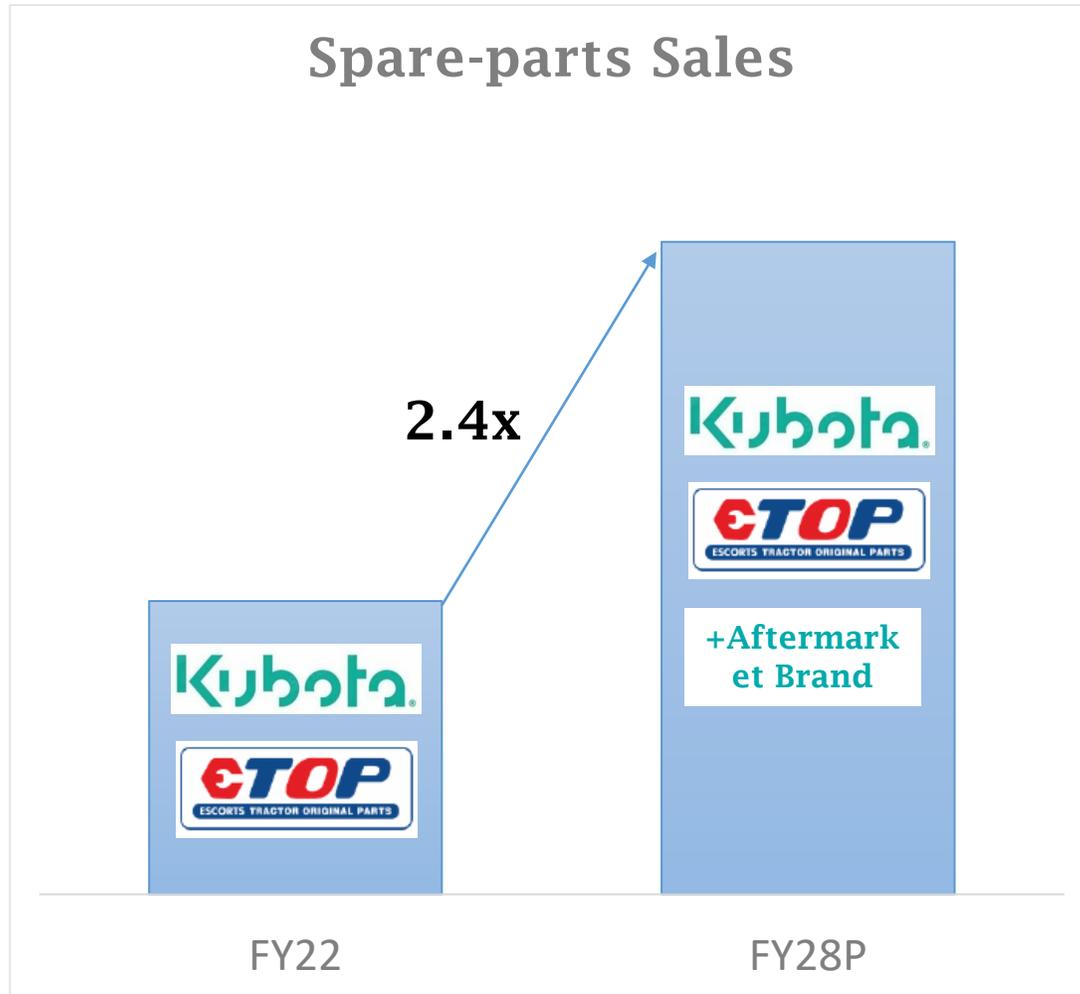


Vision

Beyond Customer Expectation in service responsiveness & cost competitiveness

Customer benefit: **Best performance with Longer product life**





Global Parts Center



- Capacity enhancement to service EKLs growing customer base
- India as procurement center for Kubota global customers
- Optimize Operational Cost by Centralizing Warehouses
- Rationalize Inventory Management

Kubota Best Practices

- Standardize Parts Operations and Service levels for excellence

Increase Customer Touchpoints

- Restructure distribution channel structure
- Omni channel customer engagement





Escorts Kubota Limited



Global R&D and Innovation



Mr. Ashwani Malik
Chief Officer R&D and Innovation



Content:

1. Current Product Portfolio
2. Global Product Development
3. Innovation & New Technology
4. Shared Services



1. **Current Product Portfolio**
2. **Global Product Development**
3. **Innovation & New Technology**
4. **Shared Services**



EKL Product Portfolio : 3 Brands

Escorts Kubota Ltd. has Positioned itself as a change leader in the agriculture sector with over 1.5 million tractors, ranging from high-capacity engine to modern & rugged transmissions and multi-utility tasking capabilities.

Comprehensive range with models catering to needs of various customer segments and applications

KUBOTA India
(21 - 55 HP)

*Technology, Versatile &
Comfortable*



FARMTRAC
(20 - 110 HP)

*Powerful, Premium Feel &
Application Suitability*



POWERTRAC
(15 - 90 HP)

*Fuel Efficient with Cost
competitiveness & Application focus*



EKL Product Portfolio : Export Range

Compact Segment

- **Compact size** in 20-35 hp range
- Specialized usage in Orchards & Vineyards
- FT25G **Electric tractor**



Narrow Trac Segment

- **Narrow track width and low height** in 75 to 90 hp range
- Suitable for applications inside rows of Big orchards & Vineyards



Utility Segment

- **General purpose** tractor in 50 to 110 hp range
- Agri and Non Agri usage
- HVAC cabin & ROPS variants



EKL Product Portfolio : Construction Eq.



**Traditional
Cranes
10-15 TON**



**New Generation
Cranes
13-30 TON**



**Backhoe Loaders
75-100 HP**



**Soil & Tandem Compactors
3-11 TON**



1. **Current Product Portfolio**
2. **Global Product Development**
3. **Innovation & New Technology**
4. **Shared Services**



EKL KUBOTA Synergy

To be the strategic development base for affordable products and leading innovation

Combining strengths to create advanced and affordable Farm Mechanization solutions for the world



MTBP Thrust Areas



Bridging Portfolio Gaps

Meeting Latest Emission norms



Creating Application specific Tractors

New Feature Enhancement

Product Enhancement for Global Markets



1. Current Product Portfolio
2. Global Product Development
3. Innovation & New Technology
4. Shared Services



The Concept of Kubota's Smart Village

[Click Here](#)



Industry & Technology Megatrends

ALTERNATE FUELS



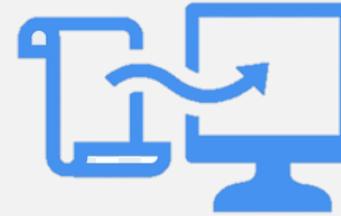
Alternate fuel equipment's
Commercialisation will
pace up

AUTONOMOUS



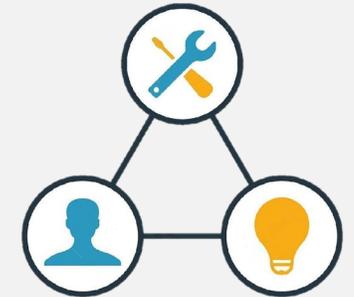
Vehicle, Process and task
automation

DIGITIZATION



Digitized and connected
world is the new normal

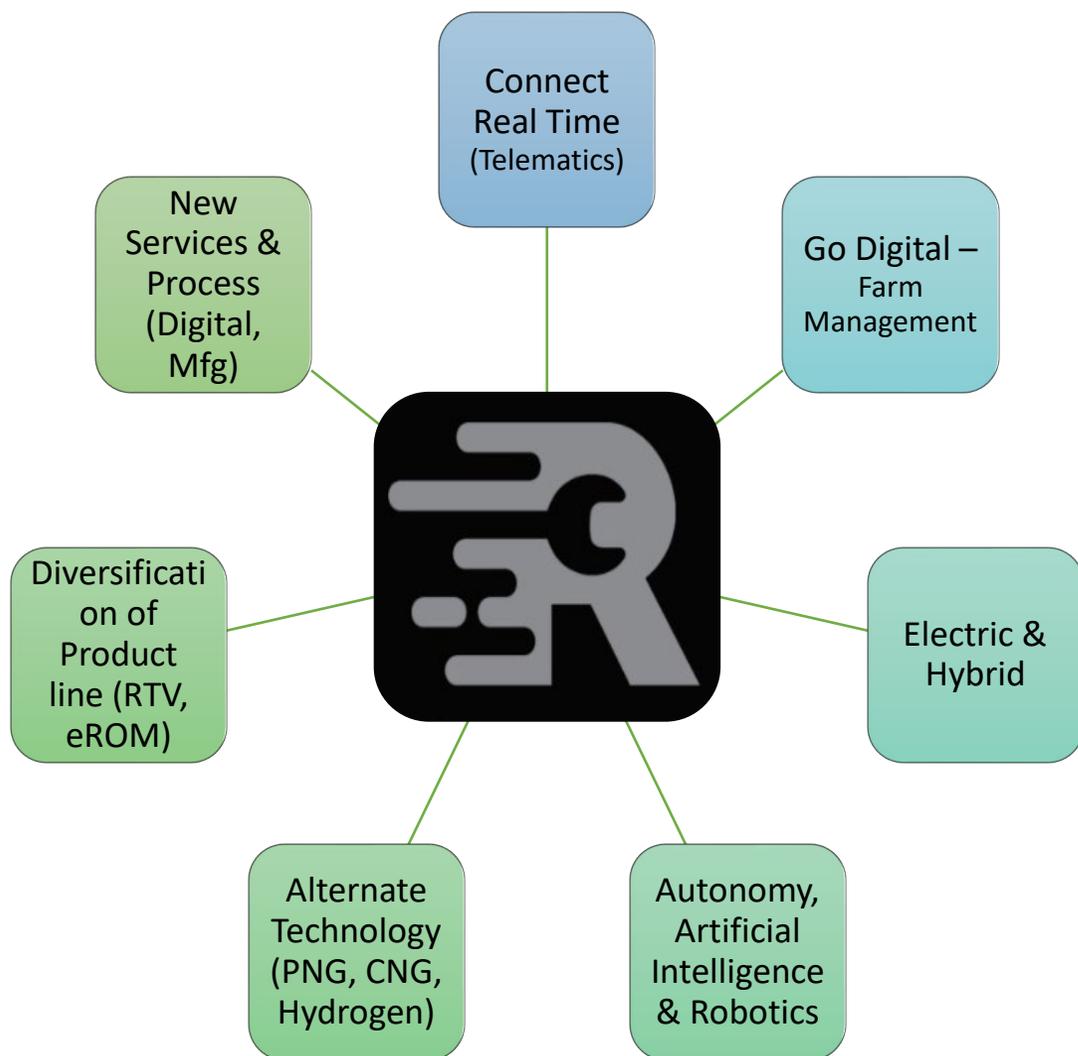
SERVITIZATION



Emerging Service Models
will disrupt the Market



RNIL as a platform for accelerating innovation at EKL



RNIL is established as new vertical to Lead & Sustain Growth, in today's competitive world on Technology front.

- Develop **Next Gen** Products (eg EV, Autonomous) & Features
- Services like **Farm Management** Platform
- Explore New **Disruptive** Innovation Ideas
- Strengthen the **Digital & IOT** skills within company
- **Partnership** with Technology Leaders
- New **Idea Generation** thru Start Ups & Institutions
- New **Technology components design** to manufacturing at low scale (e.g. EV, Hybrid). Will enable EKL to have **supply chain** as leading edge.



Innovation Areas

ALTERNATE FUEL

Electric

CNG

Hybrid



PACS

Precision



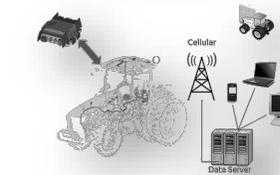
- Guidance & Control systems
- Agronomic Sensing & Monitoring

Autonomous



- Auto Turn & Auto Steer
- Improved farm productivity

Connected



- Operation, Safety & Service information
- Geo fencing for rental solutions

Smart



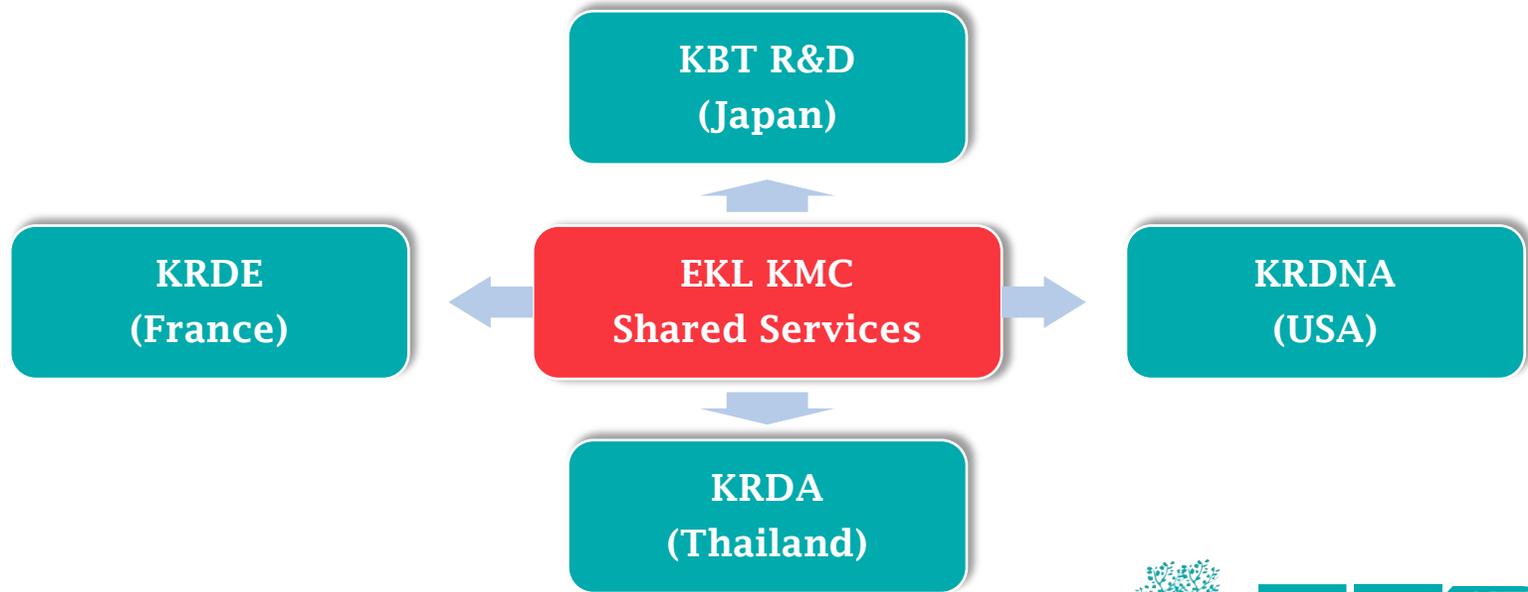
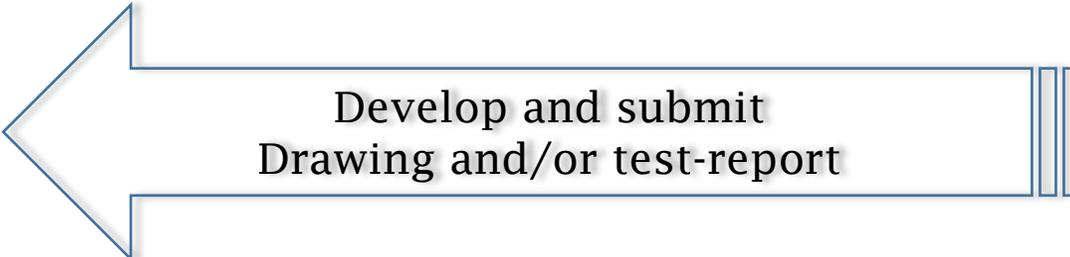
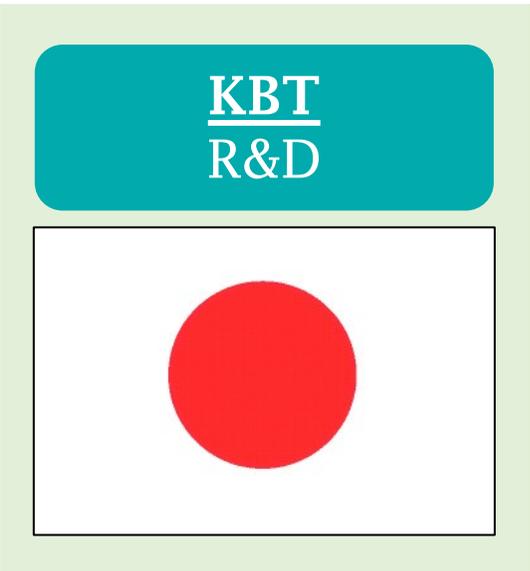
- Digital Screen based display
- Farm advisory & e-Commerce Gateway



1. Current Product Portfolio
2. Global Product Development
3. Innovation & New Technology
4. Shared Services



Shared Services





Escorts Kubota Limited



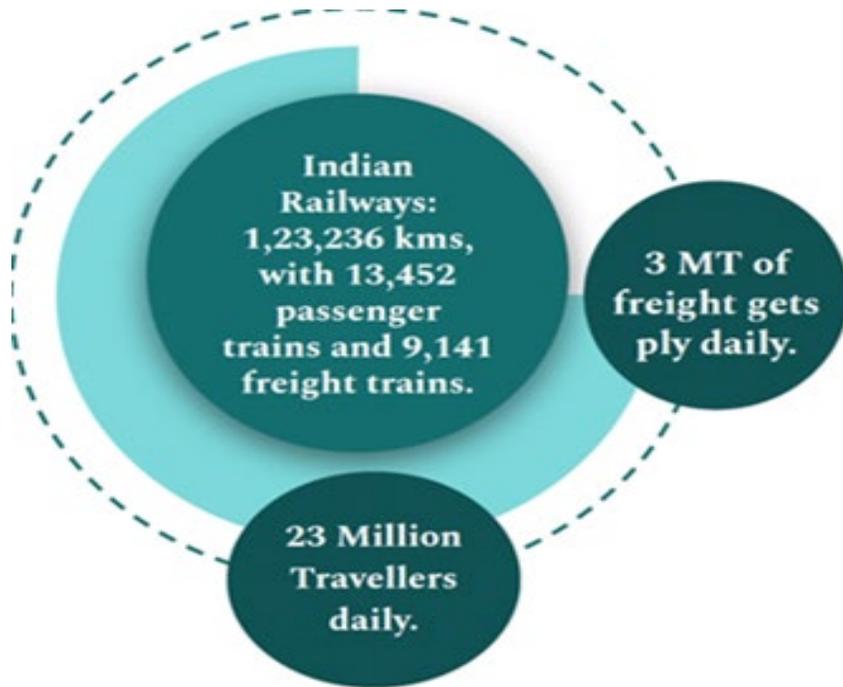
Railway Equipment Division



Mr. Ankur Dev
Chief Executive



Industry Highlights - Indian Railways



Freight demand forecast (billion tonnes)

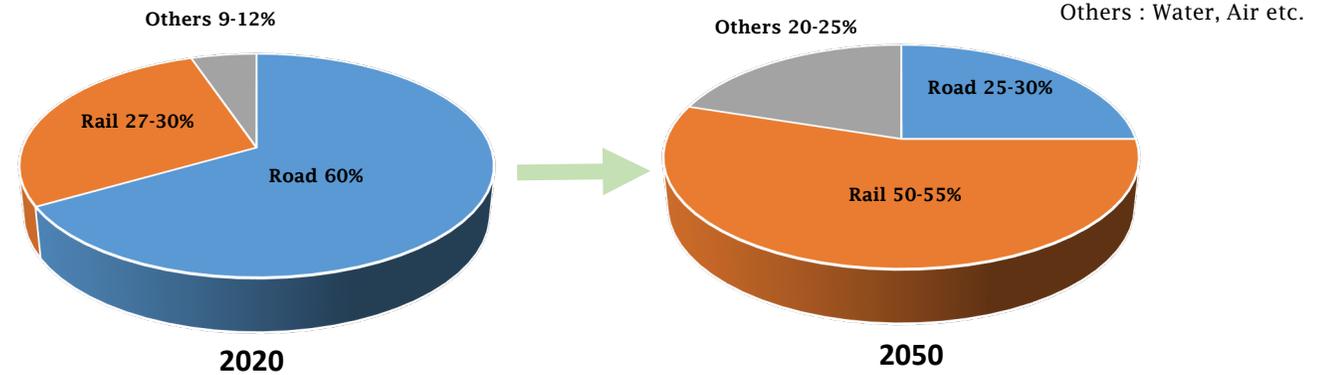
2019	4.7
2026	6.3
2031	8.2
2041	11.7
2051	15.6

Consolidated passenger projections (billion per year)

2018	8.08
2021	9.4
2031	12.2
2041	15.4
2051	19.4

Source: NRP 2030

Freight Modal Mix (2022 vs. 2050)



Source: Logistic Policy, NRP and Ministry Interviews, CRISIL

Focus On Upgrading Infrastructure

Reduction In Carbon Footprint

Railway Innovation Policy - Start Ups Participation

Modernize Railway logistics infrastructure - \$ 245 Million loan to from World Bank

Targeting Competitive Logistics Cost - National logistics Policy

Adoption Of 5G - Train and infrastructure monitoring (IoT)

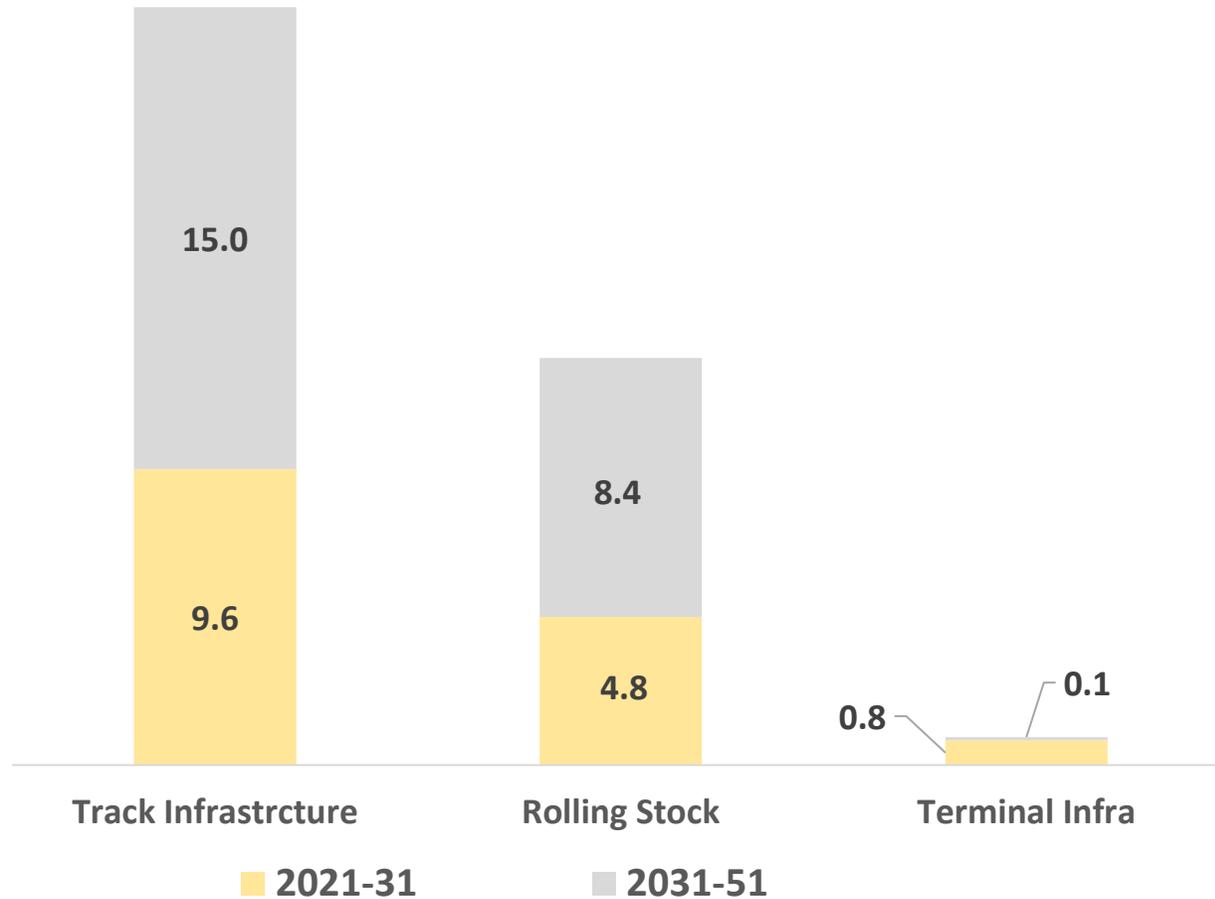
Current Fleet - More than 75K Passenger coaches, 3 Lakh wagons and 12K Locos



Investment Plan - Indian Railways

Key Take Away

- Track Infrastructure - 24.5 Lac Cr.
- Rolling Stock - 13.2 Lac Cr.
- Terminal Infrastructure - 0.9 Lac Cr.



Source: ICRA and Ministry of Railways

All figure in INR Lakh Cr.



Railway Business Way forward

Aspiration

Catering to the vast network of the Rolling stock with components & systems

Ensuring Safety And Comfort

Enablers

Leveraging Core Strength - 60+ Years of Industry Presence

Expanding Market - Semi High Speed Trains, Metro & Exports

Inorganic Growth - Technology Partnerships & Alliances

Product Diversification - Future Products & Strategy

Operational Excellence - Proactive Demand Shaping



Global Presence

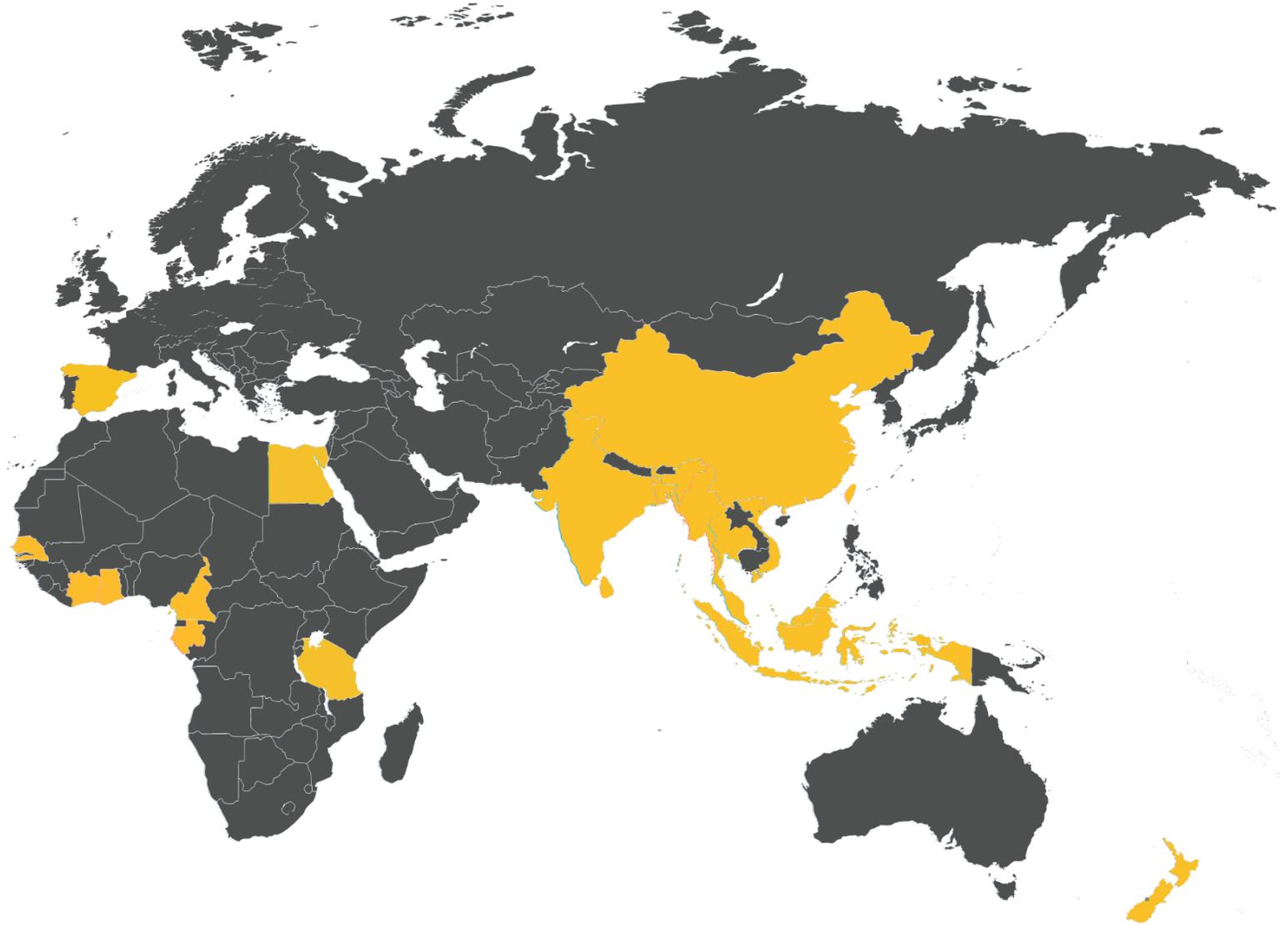
➤ Presence across 4 continents

➤ Exporting Railway Products To:

- South Asia
- South East Asia
- Africa
- Oceania
- Europe

➤ Exported Products:

- Air Brake System
- Dampers
- Brake Blocks
- Test Benches
- Spares

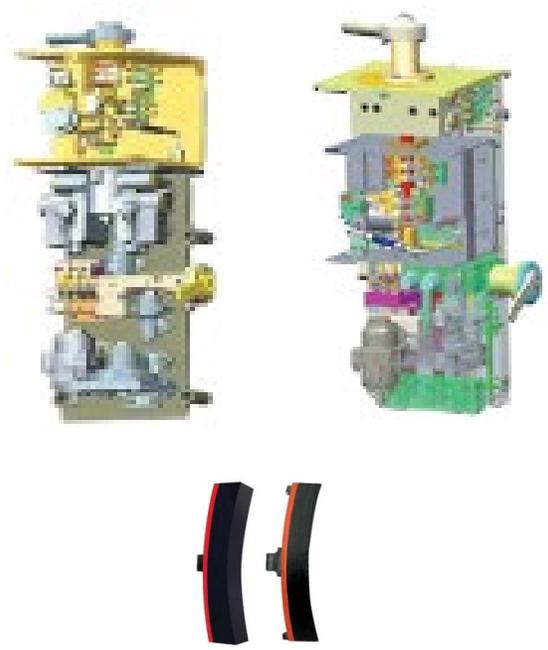


Product Induction Journey Up to Year 2022

Start



- Composite Brake Blocks
- Air Brake System
- Electro pneumatic brake (EP Brake)



Growth



- Valves
- Semi permanent couplers
- Shock absorbers



Growth



- Axle mounted disk brake system (ABDBS)
- Bogie mounted brake systems (BMBS)
- AAR H couplers
- Air suspension control equipment (ASCE)



Leap

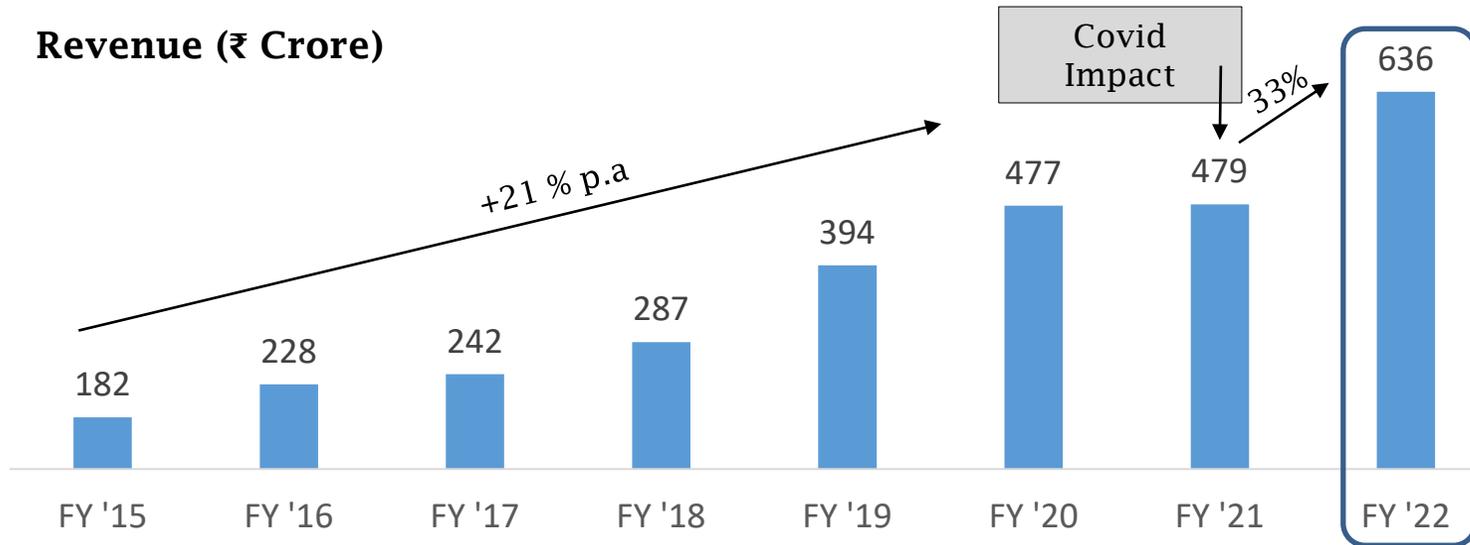


- Metro (Refurbishment & Dampers)
- Rev 3 Coupler
- Escorts Microprocessor control Brake system (EMCBS)
- Air Spring - 140 KN
- Composite Brake Pads
- Brake Disc
- Failure indication cum brake application system (FIBA)

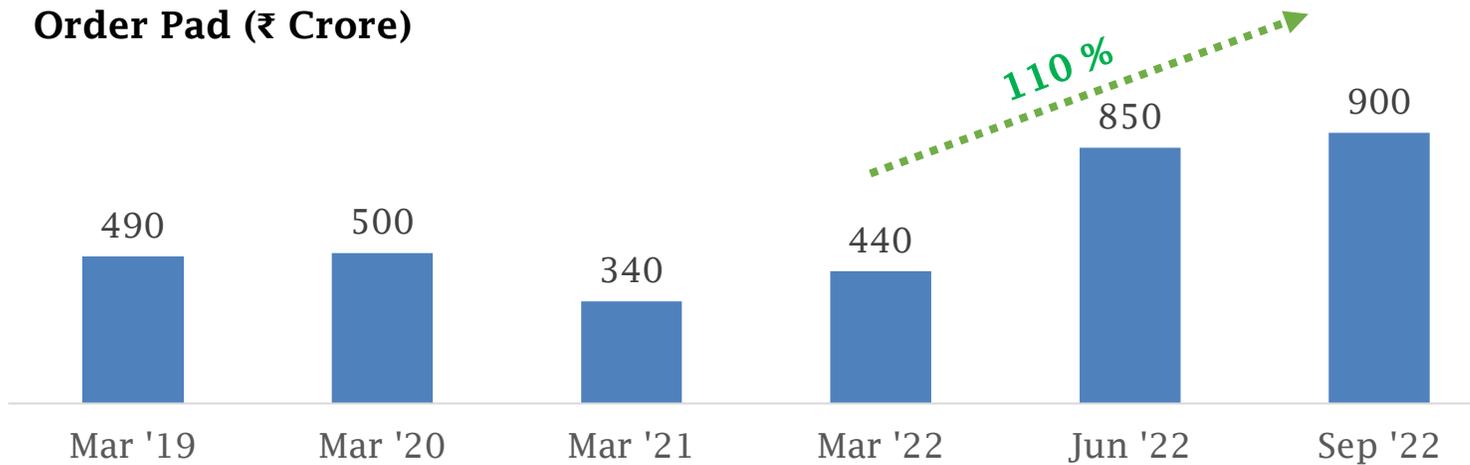


Growth Trend & Strong Order Pad

Revenue (₹ Crore)



Order Pad (₹ Crore)



Highest Ever Order Pad In The Division's History

Drivers

- **Expanding Biz:**
 - Through Private Wagon Builders
 - Exports to Africa & Asian Countries
- **Product Development:**
 - Faster commercialization of products
- **Competitive pricing:**
 - Higher tender win rates
- **Increase in Capacity:**
 - Substantial increase in capacities
- **Material cost:**
 - Alternate sourcing & optimized SOP
- **Sales & Operations:**
 - Aligned with customer's priorities

International Railway Industry Standard (IRIS)



A step towards customer delight



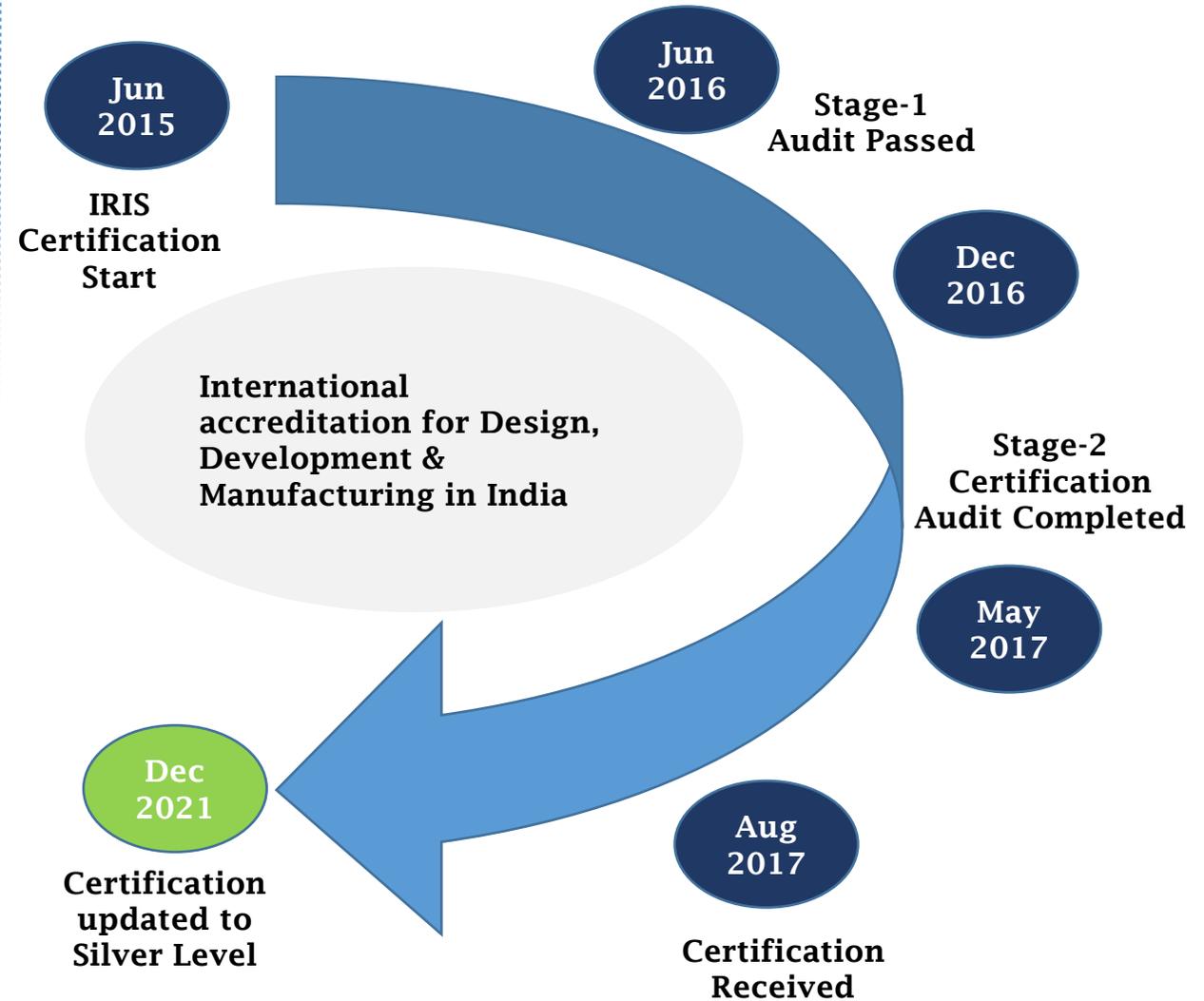
Certificate is recognized by other industry sectors



Manufacturing process controls enhancing
Quality and Productivity



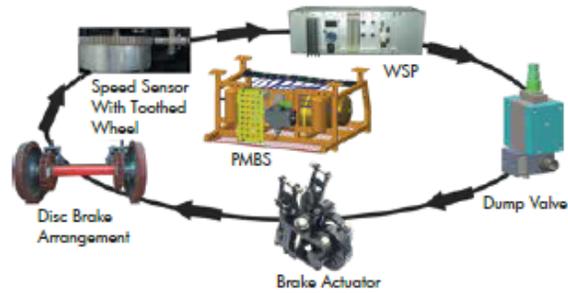
Business process streamlining and efficiency
improvement



Product Diversification

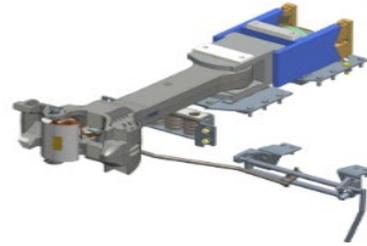
Existing Product Category

Brake Systems



Axle Mounted Break System (AMDBS)

Coupling Systems



AARH - Passenger Coach

Suspension Systems



Primary

Secondary

Friction & Rubber Product



Brake Pad , Pad & Silent Blocks

New Product Category (Future Products)

HVAC's



Locomotives, Passenger Coaches & Metro

Door's



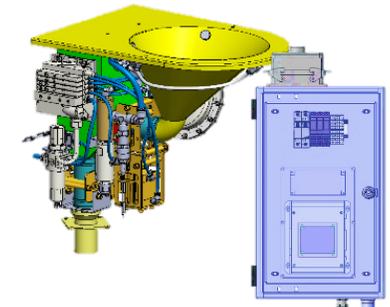
Train 18 & Metro

Electrical Panels



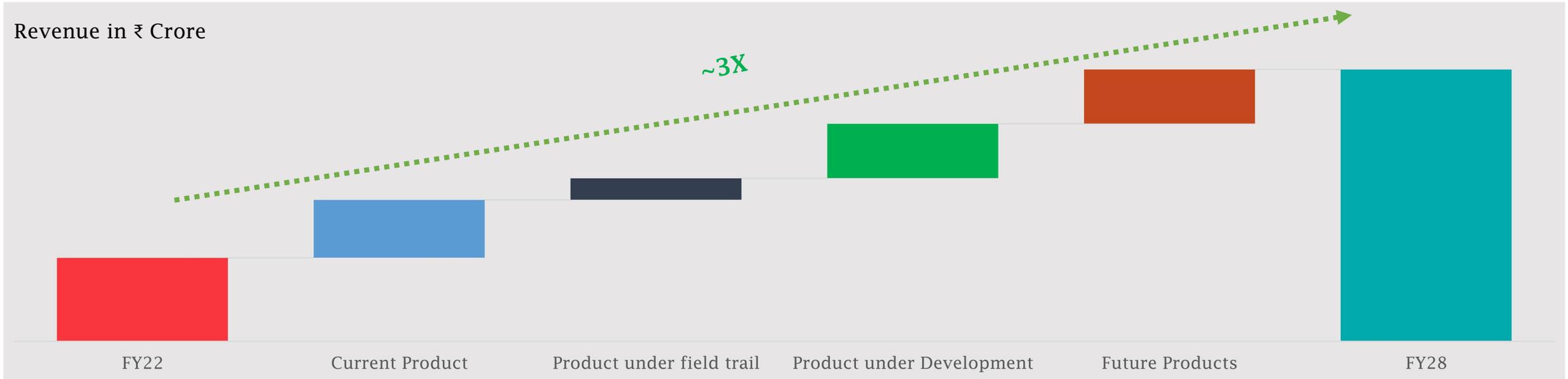
Train 18 & LHB Coaches

Evacuation System



Train 18

Growing Aspirations



Catering to the vast network of the Railways with components ensuring safety and comfort

- 1 RED is targeting **~3X revenue growth** over the next 6 years, leveraging the opportunities in the Railway segment
- 2 **Product localization** and entry into **higher margin products**
- 3 Greater focus on **customer diversification and associated risk mitigation** by expanding business





Escorts Kubota Limited



People & Culture



Mr. Amit Singhal
Group CHRO & Deputy Corporate head



A future with many **Possibilities & Opportunities**

Employees



Customers



**ON
YOUR SIDE**



Partners



Community



Our Employee Value Proposition



Employer Brand for a Sustainable Future

Customer First approach



Opportunities to learn & innovate



Boldness , Fairness, Transparency & Collaboration



Mutual Respect with diversity & inclusion



Key Levers for People & Culture

Organization Structure

Lean and Agile Structure

- Building Capacity with right cost
- Faster decision making with right reporting levels and span of control

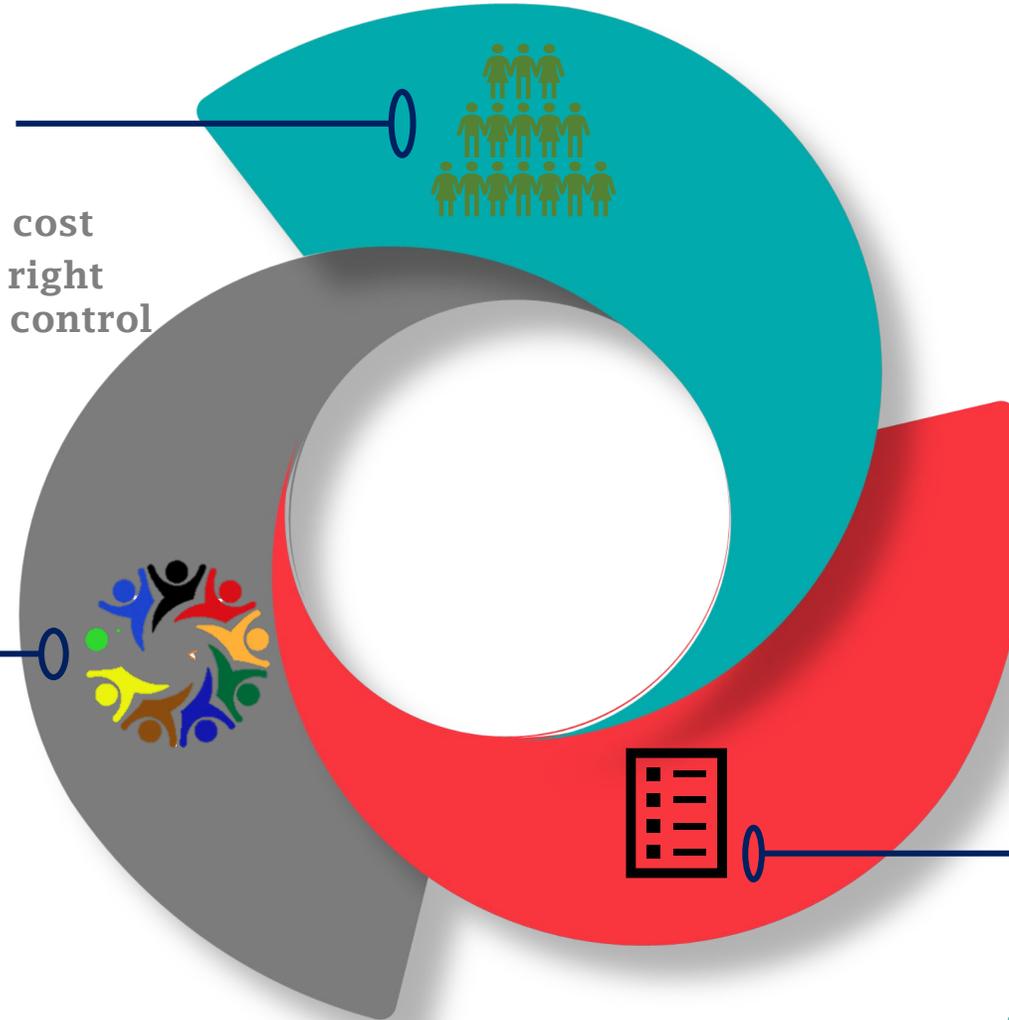
Competitive Pay

- Role & Performance based

Culture

Be a “Great Place to Work”

Work culture driven by-
Performance
Process efficiency & Technology
Continuous learning
Diversity & Inclusion



HR policies

- Benchmarked with Industry
- Aligned to context

Digitization of HR processes

Capabilities & leaders for Today & Tomorrow

Process & Policies





Escorts Kubota Limited



Mid Term Business Plan-Aspirations



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



REFORM

2004 - 2012

- Starting of **profitable growth**
- **Basic Processes and Hygiene**
- **Exit Non-Core Business**
- **Focus on Cash** (Debt Reduction)
- **Benchmarking** to best in Industry

PERFORM

2013 - 2022

- **Rebuild the Core**
- **Product Innovation**
- **Capability & Cultural Transformation**
- **Governance Focus**
- **Strategic Partnerships**
- **Debt to Surplus**

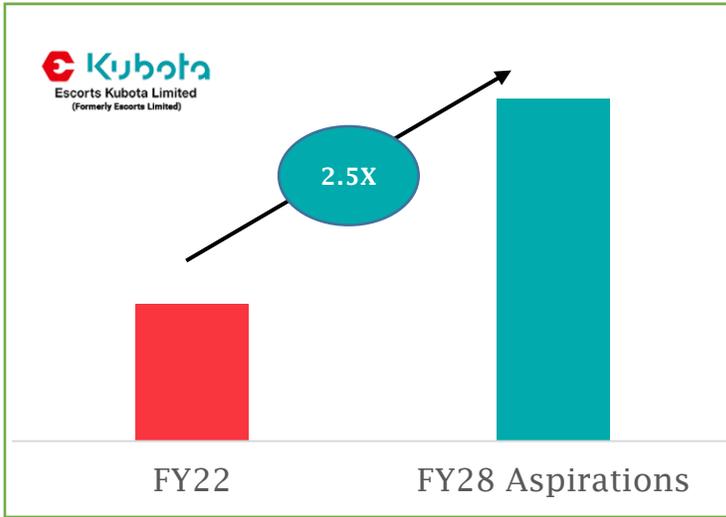
TRANSFORM

2023 -2028

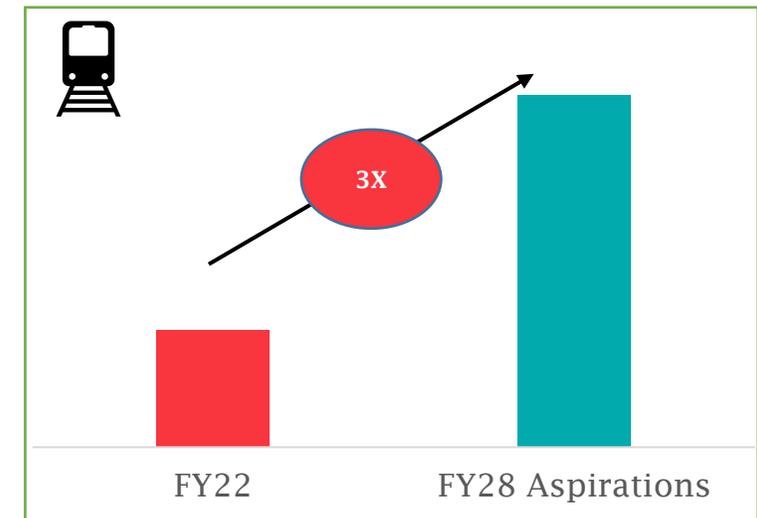
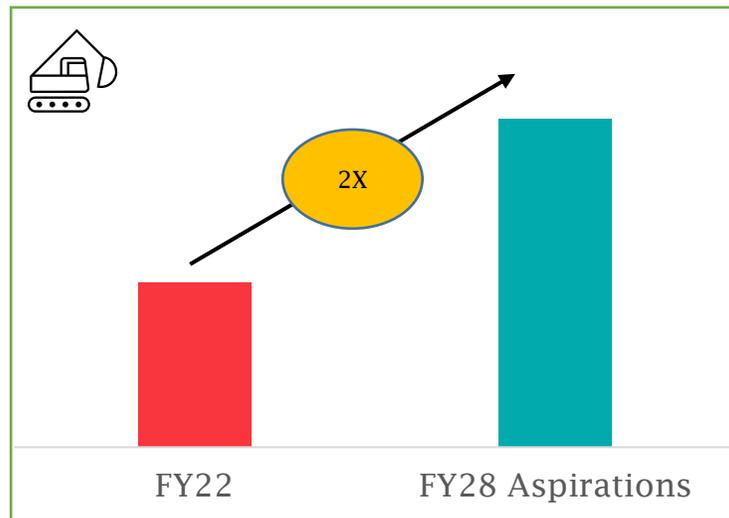
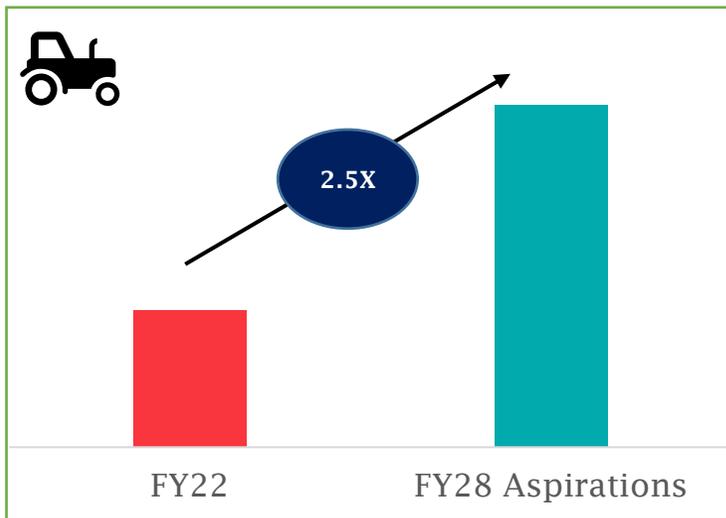
- **Expanding the Core**
- **Disruptive Tech led - Innovation**
- **Mechanization and providing the total solution.**
- **Strategic Sourcing Hub**
- **ESG** (Environment, Social & Governance)



Mid-term Business Plan - Aspirations



(₹ Crore)	FY2022 (Actual) EKL + EKI + KAI	FY2028 EKL Aspiration
Revenue (Rs. Crore)	9,068	> 2.5X
Export Revenue to Total Revenue%	~6.4%	15~20%
Operating profit (EBIDTA %)	10.8%	Mid Teens
ROCE	~17%	25%~30%
ROE	~13%	>18%

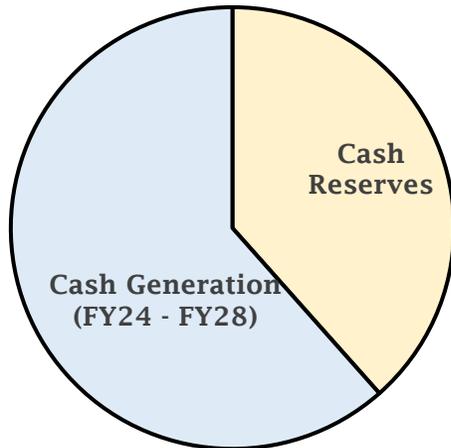


Capital Allocation Strategy > Profitable Growth

EKL is focused on its key priorities for Cash Deployment Strategy through Mid-Term Business Plan

Particulars	Aspiration
Investment in R&D & Innovation	Upto 5% of Net Profit
Shareholder return (including buyback)	Upto 40% of Net profit

Total Capital (Reserves +
New Cash Generation)



* Illustrative Cash Generation chart

Cash Applications

- 1. Core Business Growth (₹ 3,500 ~ ₹ 4,000 crore)**
 - Products, Innovation & Technology
 - Green field Expansion
- 2. Debt Repayment (for merging entities)**
- 3. Inorganic Opportunities**
- 4. Buy back & Distribution**



*Amount are in Broad range and timelines to be decided basis industry and business moves



Escorts Kubota Limited

“Contributing to society by
earning trust of its customers”



Glossary

- **EKL** - Escorts Kubota Limited
- **FY** - Fiscal Year represents the 12 months period from 1st April to 31st March.
- **YoY** - Represents Year on Year
- **LY** - Represents Last Year
- **CY** - Represents Current Year
- **BHL** - Backhoe Loader
- **KBT** - Kubota
- **R&D** - Research & Development
- **RED** - Railway Equipment Division
- **MTBP** - Mid Term Business Plan
- **ROCE** - Return on Capital Employed
- **ROE** - Return On Equity
- **RNIL** : Rajan Nanda Innovation Lab





THANK YOU |



Contact Details

Escorts Kubota 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

