

February 13, 2026

BSE Limited

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Dalal Street, Mumbai – 400001

BSE – 500495

National Stock Exchange of India Limited

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

NSE - ESCORTS

Sub: Transcript of Earning Conference Call held on February 10, 2026

Dear Sir/ Ma'am,

Pursuant to Regulation 30 read with Para A(15) of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the conference call held on February 10, 2026, for discussing the earning performance of the Company for the quarter and nine months ended December 31, 2025. The same has been uploaded on the Company's website at the below link:

<https://www.escortskubota.com/investors/financials>

Kindly take the same on record.

Thanking you,

Yours faithfully,

for **Escorts Kubota Limited**

Arvind Kumar

Company Secretary

Encl.: As above

Escorts Kubota Limited

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Corporate Identification Number L74899HR1944PLC039088



“Escorts Kubota Limited Q3 FY26 Earnings Conference Call”

February 10, 2026



MANAGEMENT: **MR. BHARAT MADAN -- WHOLE-TIME DIRECTOR & CHIEF FINANCIAL OFFICER, ESCORTS KUBOTA LIMITED**
MR. NEERAJ MEHRA -- CHIEF OFFICER, TRACTOR BUSINESS DIVISION, ESCORTS KUBOTA LIMITED
MR. SANJEEV BAJAJ – CHIEF OFFICER (CONSTRUCTION EQUIPMENT BUSINESS DIVISION), ESCORTS KUBOTA LIMITED
MR. PRATEEK SINGHAL – INVESTOR RELATIONS & ESG, ESCORTS KUBOTA LIMITED.

MODERATOR: **MR. MUMUKSH MANDLESHA – ANAND RATHI SHARES AND STOCK BROKERS LIMITED**

Moderator: Ladies and Gentlemen, Good Day and Welcome to Q3 FY26 Earnings Conference Call of Escorts Kubota Limited hosted by Anand Rathi Shares and Stock Brokers Limited.

As a reminder, all participants' line will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mumuksh Mandlesha from Anand Rathi Shares and Stock Brokers Limited. Thank you and over to you, sir.

Mumuksh Mandlesha: Yes, good evening. On behalf of Anand Rathi Shares and Stock Brokers, I welcome you all for the Escorts Kubota Q3 & Nine-Month FY26 Earnings Conference Call.

I take this opportunity to welcome the management team from Escorts Kubota Limited. Today, we have with us, Mr. Bharat Madan, Whole-Time Director and Chief Financial Officer; Mr. Neeraj Mehra, Chief Officer, Tractor Business Division; Mr. Sanjeev Bajaj, Chief Officer, Construction Equipment Business Division and Mr. Prateek Singhal, Investor Relations and ESG.

Before we start, I would like to add some of the statements made by the company in today's call will be forward-looking in nature and are subject to risk as outlined in the annual report and investor Releases of the company.

Now, I hand over to the “Management for the Opening Remarks.” Thank you.

Prateek Singhal: Thank you, Mumuksh. Good evening, everyone and thank you all for joining us today. We hope you had an opportunity to see the “Financial Statement” and “Earning Presentation” uploaded to the stock exchanges.

Let us begin with a Few Highlights of the Company's Standalone Financial Performance for the Quarter-ended December 2025.

Operating revenue from continuing operations is Rs.3,261.4 crores, up by 11.1% YoY.

EBITDA is at Rs.438.7 crores, up by 30.9% YoY, highest-ever quarterly EBITDA. Now, EBITDA margins at 13.5%, up 203 basis points YoY.

PBT from continuing operations before exceptional item is at Rs.522.7 crores up by 37.5% YoY.

Net profit from continuing operations came at Rs.362.4 crores, up by 24.7% YoY.

Please note, that this quarter, there was an one-time impact of new labor code of Rs.52.5 crores. Adjusted for this net profit came at Rs.401.6 crores, up by 38.3% YoY, highest-ever quarterly profit after tax.

EPS including discontinued operations stand at Rs.32.93 as compared to Rs.29.39 YoY.

The board of directors has declared a one-time special dividend of Rs.18.0 per equity share of face value Rs.10 on completion of the railway business divestment.

On Consolidated basis, Company's Financial Performance for the Quarter-ended December 2025 is as follows: Revenue from continuing operations is at Rs.3,280.5 crores, up by 11.3% YoY. EBITDA at Rs.434.7 crores with a margin of 13.3%, up 196 basis points YoY. Reported net profit is at Rs.358.3 crores, up 11.8% YoY, and adjusting for one-time impact from new labor code, normalized profit grew by 38.1% YoY.

Moving on to the Segmental Business Performance, starting with the Tractor business. In Q3 FY26, the total tractor industry domestic plus export was at 3.5 lakh tractors up by 23% as compared to the corresponding quarter last year. Our total tractor volume was at 36,955 tractors, up by 13.5% as against 32,556 tractors in the corresponding quarter previous year.

On the domestic front, the domestic tractor industry reached 3.3 lakh units in Q3 FY26, registering 23.2% growth YoY. This momentum was supported by favorable government policies, lower GST rate, healthy agriculture conditions including adequate water reservoir levels and state-level subsidiary programs that enhance farmer affordability.

While the industry delivered strong growth, our domestic performance was moderated by regional disparity. The North and Central markets continued to underperform as compared to the other regions, Other regions grew by 34.2%, and limited availability of key models impacted our sales momentum. Our domestic sales were at 35,373 tractors, up by 12% YoY as compared to 31,585 tractors in the corresponding quarter.

Our recent product introduction, strengthening financial partnership and deeper dealer engagement help maintain healthy market share for farmtrac brand in the core geographies.

The Promaxx series continue to gain traction with the order inflow now exceeding current supply level and we are scaling up our production to meet this demand.

In the coming next six-eight months, we will be launching new models and upgrades across all brands to address key product gaps. The full market impact of this refreshed product portfolio is expected in the end of FY27 and we are confident that these initiatives will further reinforce our competitive position.

Looking ahead, we expect the current industry momentum to sustain its growth trajectory. Domestic tractor industry is likely to reach a new peak of around 11.5 lakh units this fiscal year. Supported by healthy water reservoir, anticipated robust crop yield, reduced GST rate, higher (MSP), minimum support price and improved terms of trade.

On “Export front,” the tractor industry in Q3 FY26 had 26.6K tractors up by 20.1% as against 22.1K tractors in the corresponding quarter. Our export volume was at 1,582 tractors, up by approximately 63% as against 971 tractors in the corresponding quarter. During this quarter, sales to Kubota Global Network account for approximately 68% of the total export.

On the non-tractor revenue, comprising of agri-solution business, engine business and spare parts and the service part business, in Q3 constitute around 21% of the agri-machinery segment revenue at par with the corresponding quarter and as against 17% in the sequential quarter.

During the quarter under agri-solutions business, we have introduced the Next-Gen of Rice Transplanters, KA6 and KA8 models engineered in Japan for precision, efficiency and comfort. These new models deliver higher productivity, superior planting precision and enhance operation comfort. And as we move forward, we remain committed to introduce more advanced products to the market.

Agri Machinery product segment revenue came at Rs.2,769.6 crores up by 14.6% as against Rs.2,416.6 crores in the corresponding quarter.

EBIT margin for the Agri Machinery business were up by 310 basis points at 13.5% as against 10.4% in the corresponding quarter, led by easing material costs, better operating leverage and cost control measures.

Coming on to the “Construction Equipment Business,” in Q3 FY26 industry volume across crane, back-loader, mini-excavator and compactor, declined by approximately 16% YoY, primarily due to the higher base of last year caused by pre-buying ahead of emission norm change, coupled with extended monsoon and slower mobilization on infrastructure projects.

Our total volume for Construction Equipment business were at 1,716 machines as against 1,989 machines in the corresponding quarter and up by 49.7% as against 1,146 machines in the sequential quarter.

Construction equipment segment revenue came at Rs.489.9 crores as against Rs.515.7 crores in the corresponding quarter.

EBIT margin for the quarter-ended December 2025 came at 6.6% as against 11% in the corresponding quarter and was up by 280 basis points as against 3.8% in the sequential quarter.

In our journey to innovation, during the quarter, company expanded its earth-moving and construction equipment portfolio with the launch of Kubota U22-6 Mini-Excavator, offering advanced precision and compact performance for urban and confined area applications.

We also showcased Hydra 15 Mining and BLX-75K backhoe loader prototypes, reflecting our focus on rugged mining requirements and next-generation fuel-efficient backhoe loader technology.

Leading the concept lineup, the Hydra-72 cranes represent a major leap in high-end lifting with a new 72-foot beam and enhanced safety system. With this introduction, we reinforced our commitment to engineer excellence and addressing emerging customer needs.

It is worthwhile to note that the level of degrowth in the construction equipment segment is coming down gradually for our volume from around 23.7% in Q1 to 17.8% in Q2 and 13.7% in Q3 and with Jan ending at 3.7%, thus showcasing early sign of stabilization and we expect this gradual improvement to continue with the timely awarding of key infrastructure projects and better on-ground execution momentum.

The Union Budget for 2026-27 has further reinforced positive commitment for the construction equipment industry with public capital expenditure rising to Rs.12.2 lakh crores. Collectively, these factors position the sector for a healthier and more robust demand environment in the coming month and the fiscal.

Now, I will request the moderator to open the floor for the Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Gunjan Prithyani from Bank of America. Please go ahead.

Gunjan Prithyani: Thanks for taking my question. Just a couple of questions. Firstly, on the industry, I just wanted to hear your thoughts on the lumpiness of the industry, because like you mentioned, there are a lot of these state government subsidies which have come in the last couple of months? Does this mean that as these subsidies come off, the industry will see some sort of deceleration? So, some thoughts on how we think about F'27 and the impact of these state subsidies on the growth?

Neeraj Mehra: Hi, Gunjan. Good evening. This is Neeraj Mehra. So, yes, to a certain extent, you are right that subsidies have played a major role in the growth of the industry. But, subsidies are not the only reason. The primary driver over the last three, four months has been the impact of GST 2.0 plus adequate rainfalls and good reservoir levels. Going forward, yes, the impact will be there if the subsidies come down. But overall, the macroeconomic parameters as also mentioned by Prateek are very positive. So, at this point of time, it is very early to comment on financial year '27, but we see a robust growth in Quarter 4 and also a very robust growth in Quarter 1.

Gunjan Prithyani: Okay, got it. But if you were to like sort of just crystal gaze into the F'27 number, is it fair to say that we are not sort of fearing a sudden downturn hitting us in F'27 because there has been so much bunching up? I am just trying to draw comfort. Can it be like a really down year because we have seen 20%-plus growth for industry in fiscal '26?

Neeraj Mehra: So, Gunjan, it will be very early to comment on the entire financial year now. So, we will have a better understanding as we get into Quarter 1 of financial year '27, plus also what the forecast of the rainfalls is. All those things will play an important part. So, it is very difficult for me to comment on the overall growth or degrowth for financial year '27 as of now.

Gunjan Prithyani: Okay, got it. And the second question is on the export business. Can you just talk about how do we see the scale up now? I know the new capacity plan has just been announced, but if you can just share a bit more color on how do we think about the ramp up over the next two years, because the new plant is still going to take a couple of years given it is a Greenfield one, so, some outlook on that as well?

Bharat Madan: Hi Gunjan, this is Bharat Madan. So, I think on export, like you said, so it is not totally dependent on the new plant because even the existing plant also we are making now products which are getting exported and then that probably will continue going forward too. The new Greenfield plant was more meant for shifting some of the key models from Kubota system in other countries to India. So, that will take some time, but the normal export which is happening to the other countries within Kubota network also that will continue. So, we do expect the momentum should continue in export, even though the base now is slightly becoming higher. So, you would not see the similar growth of 50%-60% what you see now, but still we expect it will continue to be double-digit growth in export numbers going forward even from the existing facility.

Gunjan Prithyani: Okay, got it. And last question from me on the commodity side. I mean, there has generally been a lot of commodity headwind that we are seeing in the other segments. Can you help us understand where we stand in terms of tractors? Is pressure a big risk that we need to bear in mind? How is the commodity basket faring for tractors, and if there is any price intervention that is being taken?

Bharat Madan: So, till December though we had mostly zero impact and there is some favorable impact only on the commodity prices if you look at cumulative nine months of this fiscal. But, yes, this quarter there will be some pressure because some of the metals like copper and aluminum are getting expensive. So, we expect maybe some impact will be there. On tractor, we still do not expect it will be a significant impact. But on construction equipment, we have seen quite an impact this quarter. So, from January itself, I think we have seen the steel prices have gone up. So, which we have taken some price increase in the CE space, but I think the inflation was way more than what we had increased. So, there is some correction which we intend to do in the prices in the construction equipment space. On tractor, I think we will have to wait and watch and see what is the final outcome

coming. It takes a lag of a quarter to really negotiate and finalize the prices with the supplier. It will also depend on how the competition actually responds to that. So, based on that, we will take a call. So, if there is a requirement and the industry also passes on the prices, then we will also take the similar move.

Gunjan Prithyani: Okay, got it. So, no price action taken so far, right?

Bharat Madan: No, it is not on our overall portfolio level.

Gunjan Prithyani: Okay. Got it. All right. I will join back in the queue. Thank you.

Moderator: The next question is from the line of Ajox Frederick from Sundaram Mutual Fund. Please go ahead.

Ajox Frederick: Hi, sir. Thanks for the opportunity. So, the first question is a slight extension of Gunjan's question. We have a probability of El Nino happening this year. My question is, are the reservoir levels enough to take us through despite a slower monsoon for the year?

Neeraj Mehra: Hi, Ajox. This is Neeraj again. So, as I had mentioned to Gunjan also, the reservoir levels are better. So, they will help substantially if El Nino actually comes into effect, because the reservoir levels are relatively better because of the last year's rain. But what impact they will have, we will actually get to know as we get into the end of Quarter 1 or when the forecast for rainfalls actually come in.

Ajox Frederick: Okay, sir, fair enough. Secondly, on the mix, we are seeing that the less than 50-HP kind of picking up in a very small manner. But, if you look at the last three years, we have seen that kind of dipping relatively versus the others. Is there anything structurally happening in that space where we can see that inching up further?

Neeraj: So, Ajox, what has actually happened is post the reduction of GST on tractors, the liquidity with the farmer has actually increased. So, the farmers who were earlier looking at a 40-HP or a sub-40 HP tractor, are now going in for a 45-to-50-HP tractor. So, over the last three to four months, we have actually seen a shift towards 45-to-50 HP segment. So, that segment in the last four, five months has actually grown. It is primarily because of the additional liquidity with the farmer. So, he has an additional play to buy a higher HP tractor with the same amount of money.

Ajox Frederick: Okay. Got it, sir. That is very helpful. That is it for me. Thanks.

Moderator: The next question is from the line of Vijay from Nuvama. Please go ahead.

Vijay: Hi, sir, thank you for taking my question. A couple of questions. First, I wanted to check on the construction equipment side. So, our volume has increased sequentially. So, is it fair to assume that

now the industry is recovering and though there may be some year-on-year declines, but sequentially, we should expect a better fourth quarter and going into Q1?

Sanjeev Bajaj:

Hi, Vijay, Sanjeev this side. So, yes, sequentially, we have seen there is a growth or there is a lower dip in the industry quarter-on-quarter. And we believe that the way December month has gone by, we believe that it is a sign of a reversal. However, it is yet to be seen. We believe that last year Quarter 4 was low because BS-V products were introduced already. So, last year, Quarter 3 was bigger than Quarter 4. This year, Quarter 4 may be better than last year's Quarter 4. If that happens, maybe slightly positive, then it is a clear sign of a reversal of the industry trend. We are very hopeful. The announcements of the new projects from the governments are there. It is only now we are waiting for the actual fund flow to happen to the projects and real mobilization on-ground, which should be visible in the fourth quarter as well as in the first quarter of next year before monsoons. So, we are quite hopeful on that.

Vijay:

Sir, how is the industry exports on the construction equipment side looking after the new norms? So, our norms are now comparable to the European norms. So, are we seeing some traction there?

Sanjeev Bajaj:

See, we do not have much of an exposure on the products which are exported to Europe or America. Largely, our customer base is confined to Africa, SAARC countries and Middle East. We see there is a traction, we see there is a growth, not primarily because of the emission norm changes, because most of these countries, they are still at BS-III level of products. So, we make BS-III products for these countries. But going forward, we also intend to introduce certain products which are going to go into larger markets, for example, Southeast Asia and some of the countries where BS-V certified products are being used. So, there are new platforms which we are introducing in the due course of time in the next few months, which will also give us a foothold in some of the countries where the new emission norms will take a larger share of business.

Vijay:

Okay. The price increase that happened in April last year, that has been fully bought in by the customers. So, we are not seeing now any weakness because of the price increase?

Sanjeev Bajaj:

Yes, on construction equipment, the industry generally introduces price increase from 1st of January every year. And last year, 1st of January, there was a dual increase – one, because of the BS-V norms change, and the second because of the annual inflation passed on to the customers. So, it took a couple of quarters for price realization to happen. By Q3, we realized that the price has almost stabilized in most of the product categories. However, the big dampener is the slow growth. So, if the demand picks up, then it will be very easy for the price increases to stabilize quickly. But, when the demand is slow, of course, it takes longer time for price stabilization. That is what we have seen in our first two quarters in this year, it has been quite slow.

Vijay:

Thank you and all the best for the upcoming quarters.

Moderator: The next question is from the line of Mitul Shah from Pantomath Financial Services. Please go ahead.

Mitul Shah: Yes, sir. Thank you for the opportunity and congratulations on a very strong performance. Sir, my question is again on the FY27 outlook. As we consider positive first half, maybe around 15%-17% type of growth and current inventory being one of the lowest level, which should help for the next few months, but August onwards, this year's base effect will have impact, and as we understand the monsoon 2026 will be the deciding factor for second half, but if we go into the detail in terms of the state-wise number, all the states are going to report a record high volume performance for FY26 and additionally support for few states like Maharashtra subsidy and all. So, in best case scenario, second half can be flattish type of number. So, full year number would be like a low single-digit growth, which will be much lower than the long-term average. What is your understanding on that, sir? Even if the growth would not be there, then growth would not be very high, maybe not even 6-7%.

Neeraj Mehra: Hi, Mitul. Neeraj this side. So, I think your understanding is actually good. So, you have very rightly put in all the factors in terms of the growth in terms of the first six months and post that a decline on a high base. So, I tend to agree with you, but I am being a bit cautious on giving some kind of a figure. But what all figures you have actually to a certain extent quoted, seem very, very logical and to a certain extent, looking right at this point of time.

Mitul Shah: Thanks, sir. Sir, second question is on the construction equipment side. As industry has done reasonably good on sequential basis YoY, of course, because of the base effect, there was an impact, but still, if you look at a longer period of last four, five years or even going forward, the industry is not picking up the way other segments like recently even construction or commercial vehicle also started doing very strong with 20%-30% growth. So, what are the major challenges or do you think anytime soon in next one year or two, we will see similar 20%-30% growth possible as base has been much lower over the last many years?

Sanjeev Bajaj: Yes, thank you, Mitul. Sanjeev this side. So, yes, the growth which we had seen in financial year '24 was dramatic and it was really encouraging. But, if you look at the five years period, I think the CAGR has always been 8%-9% and it is expected to grow at about 6%-7% till FY30. 20%-30% will be a big ask from the industry. But, I think the government is doing its part by allocating the CAPEX required for infrastructure development. Industry is also taking part in accommodating all the changes which are happening, especially on the emission norms and electrification of the products or whatever technological changes are expected, industry is also investing into it. If you look at the last 12-months, I think a lot of variables were in place. Say, for example, BS-V was to be introduced, there was a price increase because of BS-V and there was extended monsoon for four, five months, and across the country, there are various places the local elections were also playing a part. Now, considering that all these factors are over for next year, we believe that next year could start with a strong base, because these variables will not be there. And if the investments from the government

continue, we believe that next year is going to be a turnaround year for construction equipment. Till FY30, it will continue to show the momentum of 6%-7% CAGR.

Mitul Shah: Sir, related to this, any color on the served-segments within construction where we see very high growth and where the segment will still face some problem?

Sanjeev Bajaj: Yes, so within construction equipment, our served industry, we do four products; we are into cranes, mini excavators, backhoe loaders, and compactors. So, the sectors which are expected to do well, will be connected to the roads and railways. Those sectors will definitely have the highest traction. So, the sectors which we are not available or the sectors like which are related to the construction, say, for example, the concrete equipments or material processing equipments, industries will also do well. Within our product range, we believe that cranes will grow faster. And at the same time, mini excavator has already shown signs of growth in this year and it will continue to grow next year also. Backhoe loader and compactors will grow at a nominal rate of about 5%-6%. But cranes and mini excavators will grow much faster.

Mitul Shah: Thank you and all the best.

Sanjeev Bajaj: Thank you.

Moderator: The next question is from the line of Mumuksh Mandlesha from Anand Rathi Shares and Stock Brokers. Please go ahead.

Mumuksh Mandlesha: Sir, congrats on the strong business. So, this is to Bharat Madan, sir. Board has consented the investment for the CAPEX for acquiring the land. And also, there is a mention about the indicative investment of 22.68 million. Just if you can run through what kind of timelines we are planning to go ahead for this CAPEX, sir.

Bharat Madan: So, Mumuksh, right now, the major, I think the intent was to finish the acquisition of land this year. So, which is why the investment which is approved by the board right now is only for the land acquisition. The investment which you have mentioned in the DPR or the project report which has been submitted to UP government is more like indicative. And that assumes certain capacities which will be built up right now for tractor and construction equipment plant in the Greenfield facility. So, that will depend on the demand scenario in the market, how the volumes will ramp up. Within the existing facility also, we can take the overall production level a bit higher by 10%-15% from the crane capacity perspective. So, it will really depend if the demand picks up strong and we expect the volume gain is happening. And then, obviously, we will be deep on the investment in construction activity in the facility. Right now, what we indicated to the government is to start this somewhere in 2029-30, the first commercial production. But, it can get pre-poned depending on the demand or it can get post-poned also depending on the requirements.

Mumuksh Mandlesha: Got it, sir. And even for some of the engine products also, spare parts also, would it also start around 2029?

Bharat Madan: So, engine for the existing product line, obviously, we will expand because the existing capacity in the existing Faridabad facility is there for engine, which we can ramp up to take care of the expanded facility for phase-I for the Greenfield. But as far as the Kubota engine line is concerned, that is not in this phase-I. So, that probably will happen in phase-II depending on again the volume which we do for Kubota products in India.

Mumuksh Mandlesha: Got it. So, then, sir, for the JVs companies, it will take more time for the margins to further improve with the engine line coming up little later?

Bharat Madan: No. So, I think there is a plan to introduce the Indian platform under Kubota brand name. So, that will be using Indian engines only. So, the idea is to expand the margin by localizing those products. And they are working on the quality and other aspects, which can really be suitable for putting the Kubota brand on those products. So, that is the first priority. But there, the volumes will pick up and the margins can be at par with the Indian product line, so, which is what we are trying to do first. I think engine is something which right now is a very limited usage for Kubota, because we do only about 10,000 to 12,000 tractors which are using Kubota engine today. So, the rest of the products which will get introduced in future will be with the local platform. So, the numbers will not really justify putting additional investment to justify that sort of volume. Unless, like I said, the export volume really picks up and then we will have to use those engines. But that will be slightly later, not in phase-I.

Mumuksh Mandlesha: Got it, sir. And in terms of spare parts, how do you see that going on?

Bharat Madan: So, we intend to put up a spare part warehouse, which will be a mother warehouse. Right now, we are using a rented facility for spare parts. You are saying component export or for spare parts sales?

Mumuksh Mandlesha: Component export

Bharat Madan: So, that is continuing. Even today, it is happening. So, that is I think the intent is to continue with that and ramp it up. So, we are adding more products now. So, I think next year, we will see the better number coming in from component export side also, because we are putting up a line for transmission for the harvesters in the existing facility and that has started production. So, from this quarter also, I think the numbers will start looking up. So, next year almost, we will see probably the good ramp up will happen on the component export.

Mumuksh Mandlesha: Got it, sir. And so finally, just on the construction equipment, we plan to do something 15,000 kind of capacity. Currently, we have 10,000. So, just a little thought on I mean, over medium to long term,

should we expect construction equipment to be more stronger growth area for the company as there is a more bigger plan to expand then?

Bharat Madan: No. So, the idea was the existing facility is not sufficient actually space-wise. So, we are actually using a lot of rented space in the existing facility to do this production today. So, the idea is to set up a Greenfield facility. We will probably look at shifting some of this facility in Faridabad to that place and we get this facility. So, the 15,000 will be the total cumulative capacity which will be there at that time. So, some of the facilities in Faridabad probably will shut down after this Greenfield gets commenced.

Mumuksh Mandlesha: Got it, sir. Thank you so much for the answers.

Moderator: The next question is from the line of Jinesh Gandhi from Oaklane Capital. Please go ahead.

Jinesh Gandhi: Mr. Madan, my question is on exports of tractors. Now, given that this EU FTA has been signed and probably it will come into effect in another year, year and a half, does it now open up EU market for us in a material way given existing foothold of Kubota in the European markets? What else we will need to do to enable this opportunity on the European export side?

Bharat Madan: See, Europe we are already exporting and today the duty on tractor in Europe is zero. So, there is not going to be any impact of any FTA which we sign with the EU, the bilateral agreement which is signed. So, that it does not have any significant impact on the tractor industry per se. This will impact some of the component exports probably for the auto component manufacturers from India. But on tractor, it is not going to be any significant impact. But yes, if the US deal gets signed off, so, today a lot of exports are happening from Kubota, Japan to US, and on Japan, I think there is a tariff of 15%, and against that, if India comes at 18%, so even with the blended rate of the metal tariff of 50%, the blended rate will be somewhere around 22%-23% which in Japan today is about 18%. So, it is a 4-5% delta differential which will come from India. But, I think it will make a lot more sense to produce in India at a lower cost and still look at exporting to US market. So, that is the potential scenario which in any case Kubota was working on. So, there is a plan to shift some of the products to India. So, I think that will happen for the Greenfield facility will be up and running. So, that is very much in the plan.

Jinesh Gandhi: Okay. So, the current Kubota's requirement in Europe for small HP tractors is made to India or only partly made to India and partly to other geography?

Bharat Madan: So, we are supplying from India. So, they do have some of the manufacturing in Europe also. And they are also importing some of the stuff from Thailand and Japan. But what we are supplying from India essentially is being used to compete against many supplies from India and China in those markets because they cannot compete with their product portfolio with those supplies where the cost

differential is very high. So, the Indian supplies are helping them in retaining market share in the European market. And today, I think we are looking at good numbers coming in, I think the order requirements, order book is quite good, I think from Europe today. And we are trying to level the capacities and add more product to the portfolio to continue supplying to them.

Jinesh Gandhi: Got it. Great. Thanks and all the best.

Moderator: The next question is from the line of Vikram Damani from Damani Family Office. Please go ahead.

Vikram Damani: Hi, good evening. So, you all were to publish an updated mid-term business plan as per some previous calls. Any status updates on that?

Bharat Madan: So, right now I think the parent company is to first adopt the overall mid-term business plan. So, we expect they will do it sometime maybe within this quarter or maybe in the coming meeting. So, I think we are not sure. So, maybe they were supposed to do it in February. So, maybe when the adoption happens at their end, then the India plan discussion will start. So, we expect maybe within a few months, maybe in the next quarter, we should be able to come up with the final plan.

Vikram Damani: Okay. The reason why I ask is because the plant has been quite a bit of delay. So, just trying to get a sense of where we are today as a company with all the duties and everything? So, like you said, hopefully in the next three months, we should get an updated mid-term business plan.

Bharat Madan: Yes, that is right.

Vikram Damani: Okay, thank you so much. All the best.

Moderator: The next question is from the line of Ayush Anand from Parascap Ventures. Please go ahead.

Ayush Anand: Good evening, sir. Sir, my question is, which all machines are covered under the CIE scheme and are the incentives realized based on capital subsidies?

Bharat Madan: You are asking for the construction equipment side?

Ayush Anand: Yes, sir.

Bharat Madan: Sanjeev, can you respond to that

Sanjeev Bajaj: Yes. So, if you are referring to the latest announcements in the budget about PLI, these are primarily export-substitution equipment. So, equipments which are currently are largely imported, say, for example, tunnel boring machines, we do not produce in India and it is being imported 100%. And similarly, very large cranes or crawler cranes, which are primarily imported. So, those are the

segments which government wants to substitute with the local manufacturing. And that is where the PLI has been announced... although the fine print is yet to come, but the direction is wherever we are dependent on imports 100%, those sectors need to be localized. That is the direction and that does not apply to us, because we are not in those segments as of now.

Ayush Anand: Okay, sir. That is it from my side.

Moderator: The next question is from the line of Mitul Shah from Pantomath Financial Services. Please go ahead.

Mitul Shah: So, thanks for the follow-up opportunities. My question is on market share. If you look at the market share fall, and then again, we started now recovering, but in overall, this scenario of last two, two and a half years, Kubota brand has been still struggling despite Maharashtra and South doing much stronger performance in last one, one and a half year. So, where do you see the exact challenges and what could be the strategy going forward for that?

Neeraj Mehra: So, you are right, Mitul, Neeraj this side. So, yes, Kubota initially had been struggling. And that struggle, to a certain extent has reduced with the introduction of certain new products in July and August. I think the market share in terms of Kubota will improve as certain new product introductions are also lined up in the Kubota brand over the next couple of quarters. So, we will see a gradual increase in market share in Kubota, I think from H2 onwards

Mitul Shah: What is your understanding? Where is the challenge in terms of competition launching new products or any price aggression or our cost structure is some issue, so, where do you see major problem, which was not the case earlier, in fact, Kubota was doing much better till last year, and in last one and a half, two years, sudden decline has come?

Bharat Madan: So, Mitul, major I think issue is on the product side, but the product lineup is not very strong there. So, we had only two models which we are producing for Kubota in India. So, the market potential there was very limited. Second thing, most of this stuff was getting imported. Even today, like in engine, we are still importing. So, the cost structure does not really justify. So, the kind of pricing which we have for Kubota products in the market is way higher than what competition is offering today locally. So, these two factors are the key factors which are affecting the overall volume, which is why we are very positive if we introduce the Indian platform under that brand name, which is what the other competitors, multinational competition has done, then your profitability will increase, you will be able to compete much better and the product portfolio will also expand. So, today, it is a very restricted portfolio catering to only about 40-50% of the addressable market. But once you take it to level of 70-80%, then you will have much larger opportunity. And then they can also start looking at expanding on a regional basis. Right now, they are very focused on southern and western market, but they are not really very strong in the northern center. So, the portfolio is there, then we can also expand to these markets. So, that is in the pipeline. So, that is why I say from this year, I think we



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will see the launches will start happening. Although the Indian platform will still take, I think, what year, year and a half to really come, we will get a complete range under that brand name.

Mitul Shah: Understood, sir. Thanks.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I would now like to hand the conference over to the management for closing comments.

Prateek Singhal: Thank you, ladies and gentlemen, for being present on this call. For any feedback or queries, feel free to write us at investor.relation@escortskubota.com. Thank you very much and have a good evening.

Moderator: On behalf of Anand Rathi Shares and Stock Brokers Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.