CARRARO India

**27th May, 2025**

The Manager,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

The Manager,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051

BSE Scrip Code: 544320

NSE Symbol: CARRARO

**Sub.: Investor presentation on the audited financial results for the quarter and financial year ended 31st March, 2025.**

**Ref.: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").**

Dear Sir/Madam,

Pursuant to above referred Listing Regulations, please find enclosed, a copy of the Investor Presentation on the audited financial results for the quarter and financial year ended 31st March, 2025.

This Investor Presentation may also be accessed on the website of the Company at https://www.carraroindia.com/investors/investor-information/investor-presentation.

You are requested to take this intimation on record.

Thanking you,

Yours faithfully,
**For Carraro India Limited**

Nakul Shivajirao Patil

Digitally signed by Nakul Shivajirao Patil
DN: C=IN, O=Personal, T=4079, OID.2.5.4.65=714540752603480a9efe98348c806d1a, Phone=1fb3bd24d8179a8bdfbc429185cd07fd986a5798b541226129641c6cbf9d7a5f, PostalCode=431002, S=Maharashtra, SERIALNUMBER=062047731a524973c558db3644217f1833721407c9c2301259ecc7cd18b785fc, CN=Nakul Shivajirao Patil
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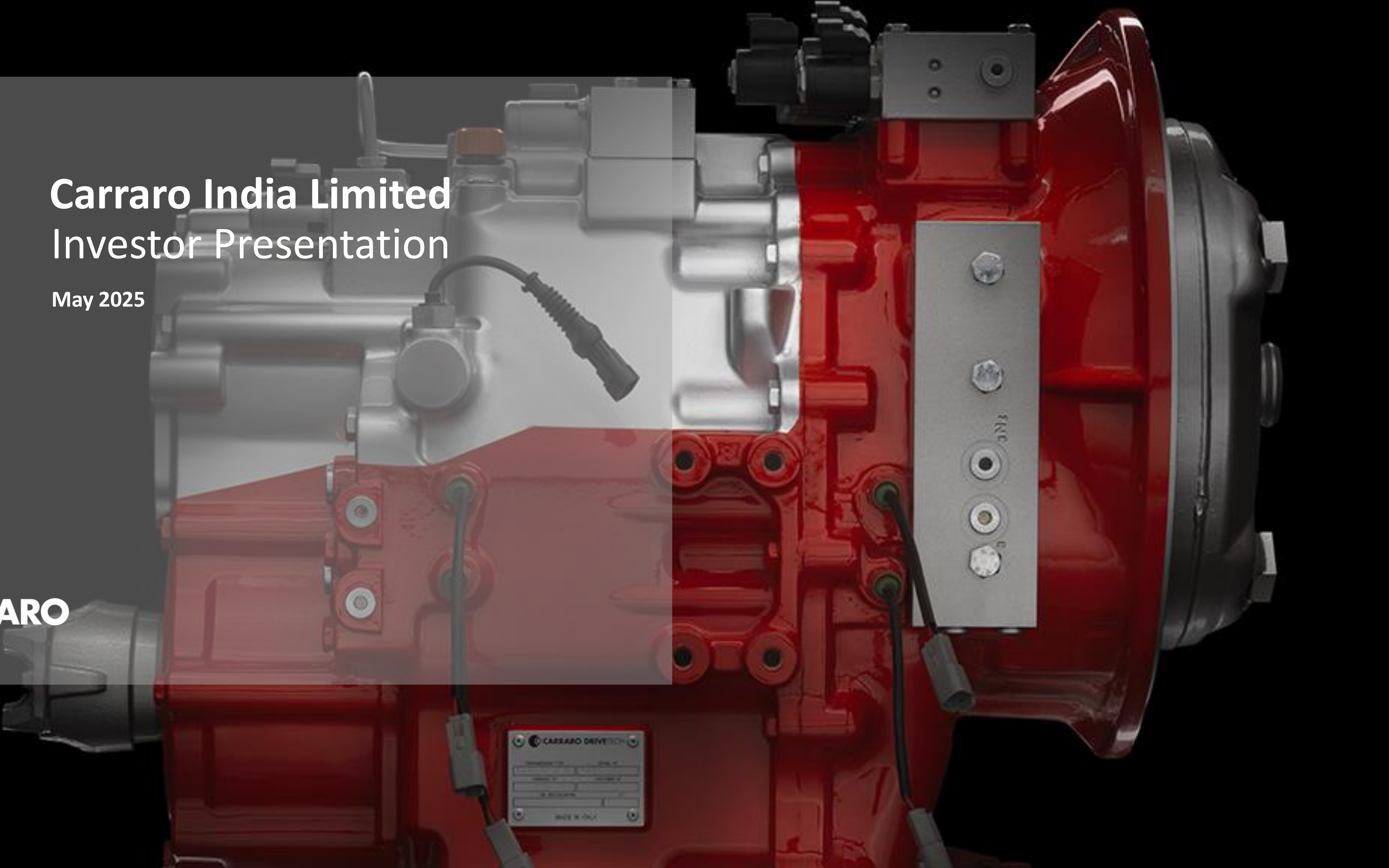
*Nakul Shivaji Patil*
*Company Secretary and Compliance Officer*
*Membership No.: A39990*

Encl.: As above.

# Carraro India Limited
Investor Presentation

**May 2025**

CARRARO



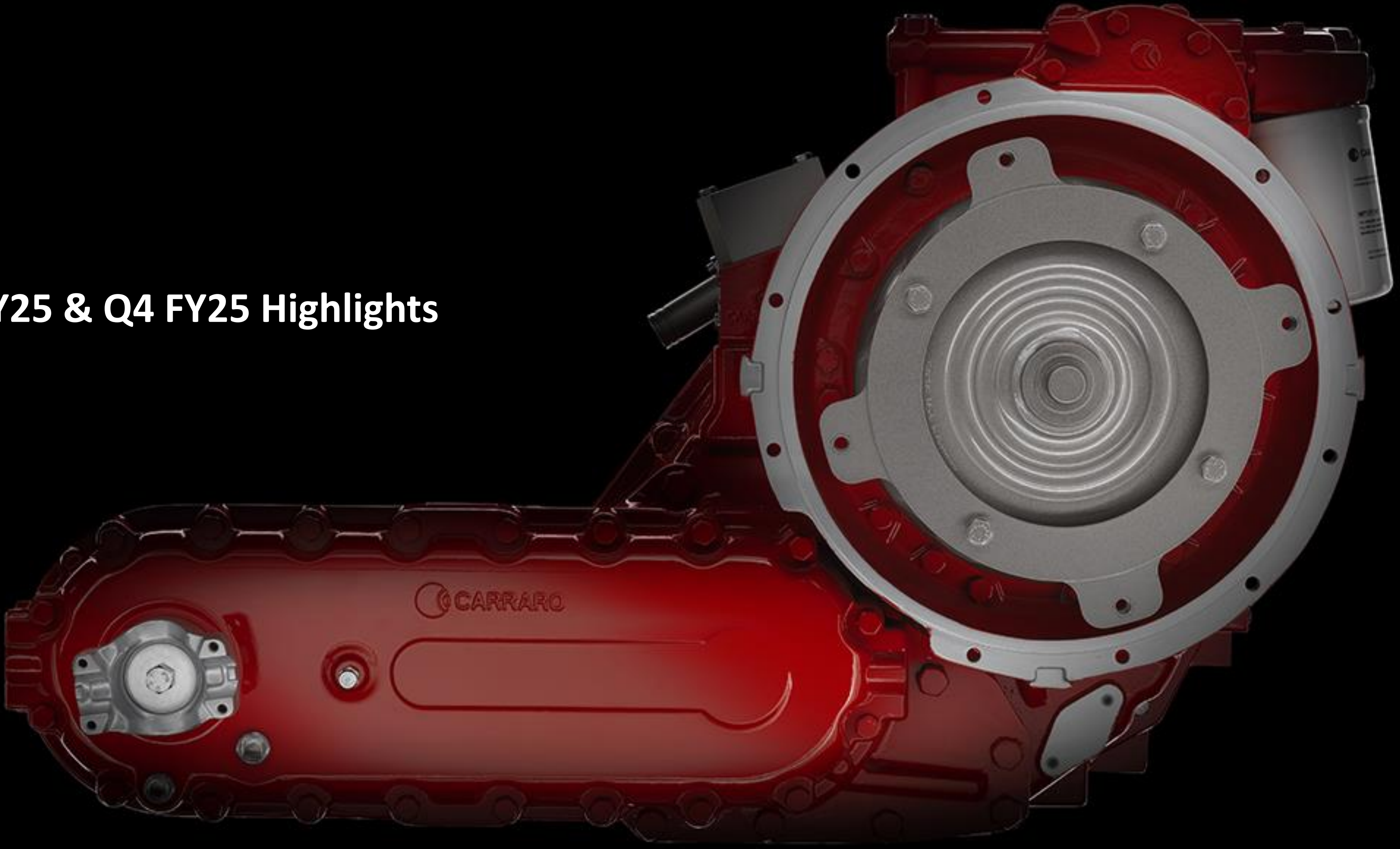
# Safe harbour

This presentation and the accompanying slides (the "Presentation"), which have been prepared by Carraro India Limited (the "Company"), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain forward-looking the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward-looking statements concerning the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward-looking statements become materially incorrect in future or update any forward-looking statements made from time to time by or on behalf of the Company.

# FY25 & Q4 FY25 Highlights



# Management Commentary

## Commenting on the performance Mr. Balaji Gopalan, Managing Director said:

"We concluded FY25 on a positive note, having met our topline and EBITDA guidance. While total income remained flat year-over-year, EBITDA grew by 24% YoY, primarily driven by an improved product mix, increased localization, and effective cost control measures. On the EBITDA margin front, we exceeded our guidance of 10%+, with a year-over-year expansion of 192 basis points, reaching 10.2% by end of FY25. As expected, our domestic business (excluding indirect exports) continues to show strength, recording a noteworthy double digit YoY revenue increase, driven by sustained demand for locally sold products and increasing 4WD technology adoption. Overall revenue growth was achieved in spite of weak export markets.

We expect continued growth in the domestic market, excluding the indirect exports segment. We also foresee growth in our export segment, driven by new business acquisition, despite the persistent uncertainty at global level.

During the year, we added 6 new customers, including 2 in the last quarter. We also developed over 9 prototypes, underscoring our strong focus on technology-driven product development. Of these, 5 prototypes moved into production within the year. While revenue conversion from these efforts takes time, this is primarily part of our market seeding strategy.

We have been honored with several recognitions from customers, including Mahindra & Mahindra, Caterpillar and Escorts Kubota, to name a few. Such prestigious recognitions are proud moments for us, as they not only elevate our brand's reputation, but also reinforce our team's unwavering commitment to delivering excellence to our customers.

We remain committed to long-term profitability, supported by continuous investment in innovation and technology.

**FY26 & Beyond….**

Supported by encouraging signs in the domestic market—such as stronger-than-expected adoption of 4WD vehicles/tractor—we are confident in achieving our FY26 revenue growth target.

On the export front, the market outlook remains uncertain for now, though we anticipate recovery to start in the second half of the year. Nevertheless, growth will be accelerated and achieved by the offtake of the newly acquired tele-boom handler business.

Within the above scenario, we expect our topline to grow in the range of approximately 8% to 12%.

We continue to collaborate closely with our existing customers, expanding our product offerings to meet evolving needs. Our engineering services business is witnessing a growing number of enquiries for higher horsepower and advanced technology configurations. Some of these are currently under active negotiation. We anticipate this business to contribute some revenue in FY26.

Additionally, we are working proactively with several OEMs on driveline solutions to remain future-ready, while closely tracking emerging technologies. Our deep expertise in driveline systems enables us to respond swiftly to industry demands. By diversifying and localizing our supplier base, we aim to further optimize our cost structure and strengthen our margin profile. Supported by robust R&D and manufacturing capabilities, we remain focused on achieving our medium-term goal of reaching mid-teen EBITDA margins."

# Key Highlights

## Key highlights for full year ended March 2025

**Tele-boom Handler (TBH): Construction Equipment:**
- Export customer - Tele-boom Handler small volume offtake in Q4FY25: New product range successfully introduced for major international brand delivering incremental Sales in FY26.
- Also acquired projects with two domestic customers with TBH family of axles.

**Domestic AG 4WD axle & Gears business update:**
- Domestic business has been continuing its growth momentum on the back of faster adoption of 4WD.
- During the last 2 quarters of FY25, the Gears business recorded a slight decline in sales. The segment is expected to remain stable, with limited growth prospects in the near term.

**Backhoe Loader (BHL) transmission & axles:**
- Overall business in domestic & export market is stable.
- Following is mitigating slowdown seen in export market:-
- Secured a new order from an existing export customer. Approval from customer received for series production. Dispatches commenced in April FY26.
- One local BHL OEM secured back-to-back agreement to supply BHL to a global OEM located in export market.

**Agri higher HP Transmission:**
- New product prototype has been developed with export customers ,with pilot manufacturing successfully completed. Series production is expected to commence from Q2 FY26.
- Increasing customer interest from local OEMs on high HP transmission.
- Acquired projects with two customers (one export and another local) tractor manufacture to supply of higher HP (+105 HP) transmission . Expected start of series production FY2026-27 & FY2027-28 respectively.

**Engineering services business:**
- Witnessing number of enquiries for higher HP and technology configurations.
- Few are under negotiations.
- We expect revenue contribution from this segment year on year.

**Customer addition:**
- Total 6 new customers added in FY25, including 2 in Q4.
- In the domestic market, we expanded our client base in the construction equipment segment by adding two new customers for axles and transmissions.
- Additionally, one new customer was onboarded for electric tractor transmissions.

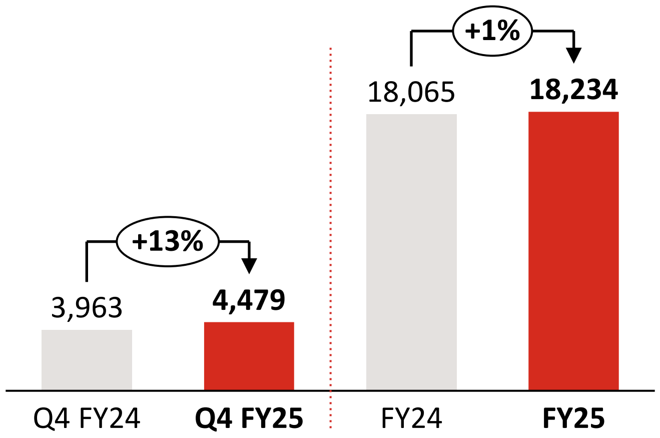
**Export business Update: (Both direct & indirect):**
- Demand remains subdued, particularly in the agriculture segment, with no positive trends anticipated in the near term.

- FY25 capex totalled **INR 515 million**, to support new product introduction such as the launch of new axle line for telescopic handers, high performance new transmission range for agricultural application to grant incremental capacity for FY26 sales.
- Process upgrading and maintenance capex were allocated to support efficiency improvement and state of the art technology.

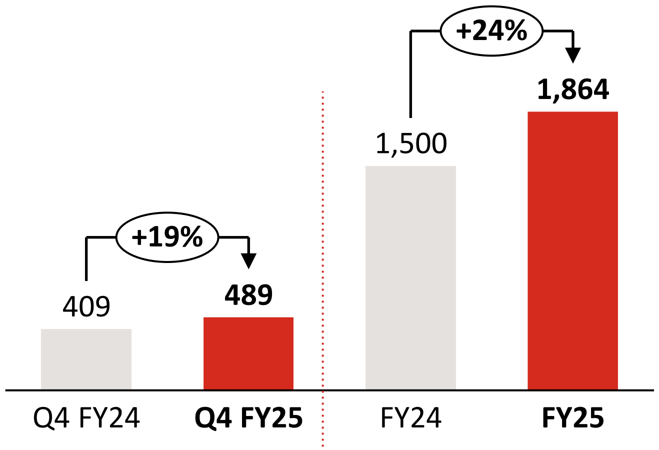
**For FY25, the Board of Directors have recommended a final dividend of Rs. 4.55 (45.5%) per equity share of Face value Rs. 10 each, subject to the approval of Shareholders.**

# Consolidated Financial Highlights

## Total Income

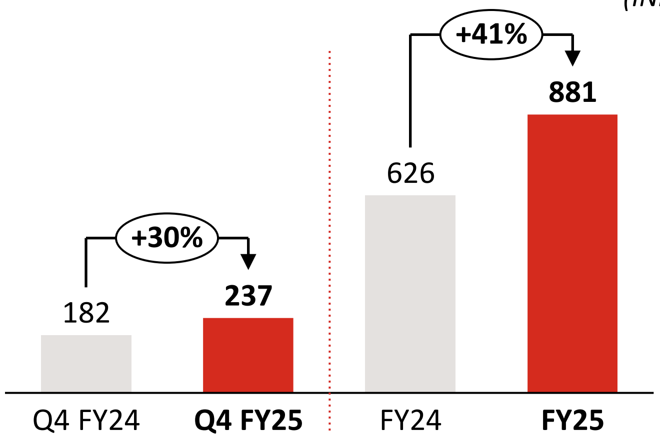



## EBITDA

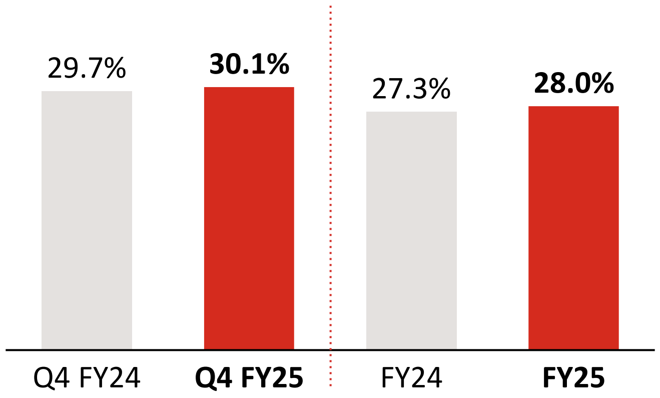



## PAT

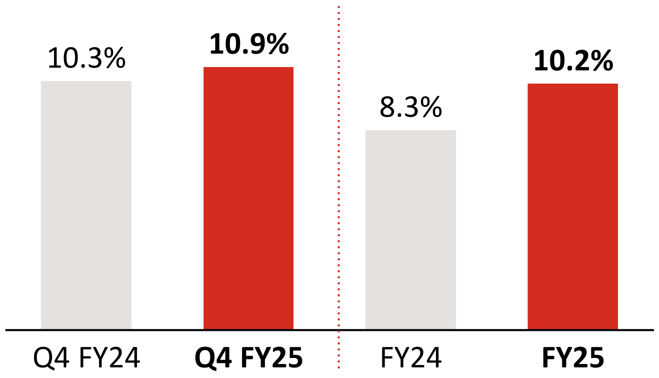
*(INR Mn)*



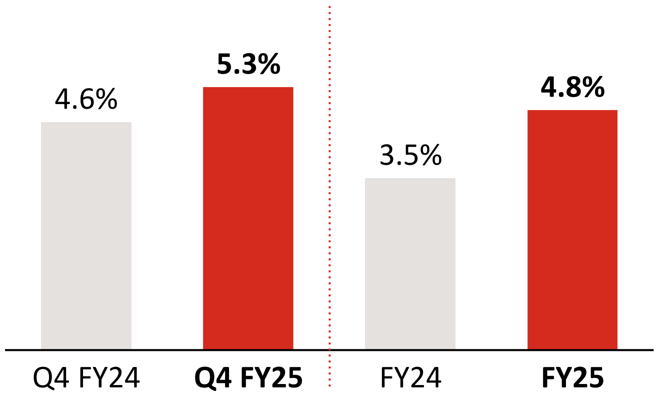

## Gross Margin (%)




## EBITDA Margin (%)




## PAT Margin (%)

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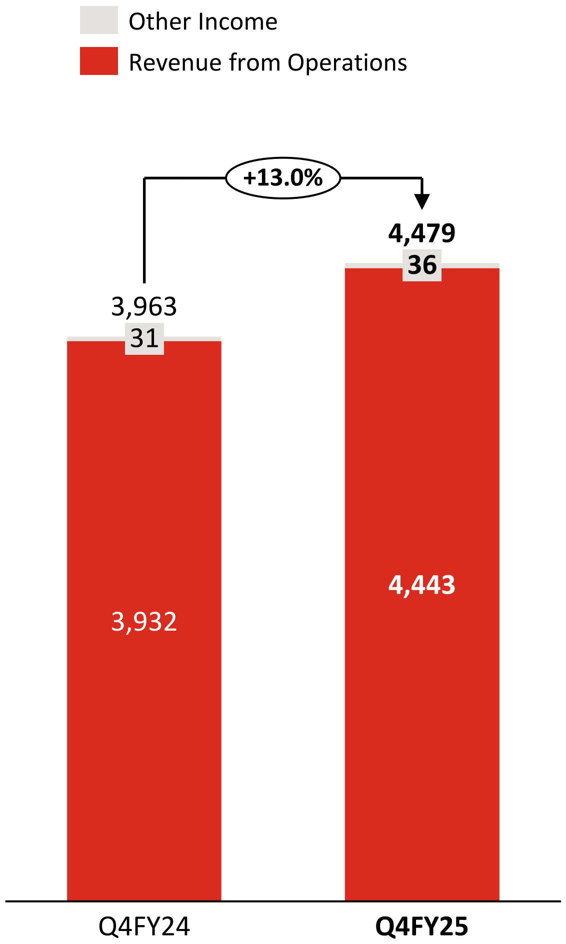
*Financial Numbers includes Other Income*

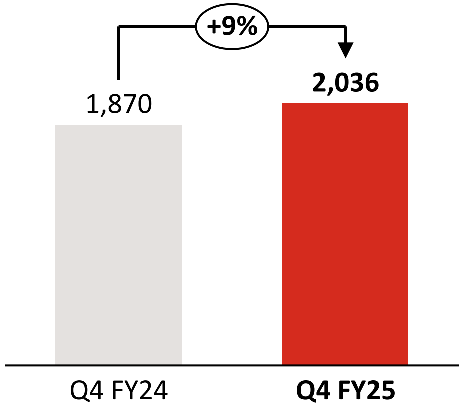
# Consolidated Revenue Breakdown: Q4 FY25

(INR Mn)

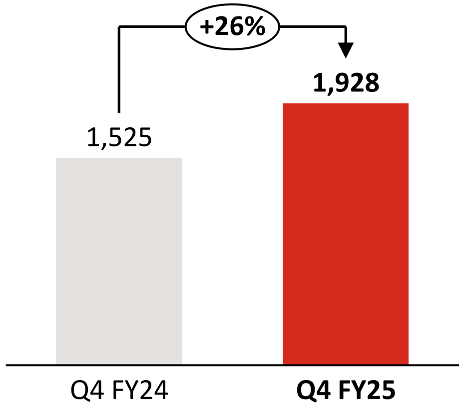
## Total Income Mix



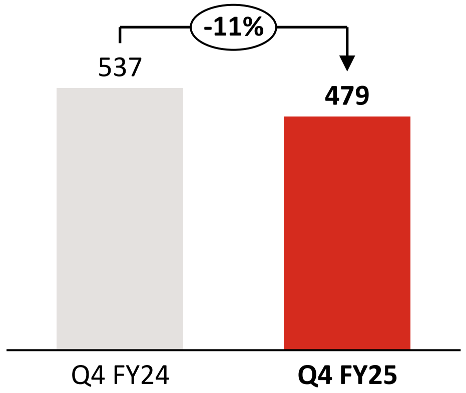

## Agricultural Vehicles



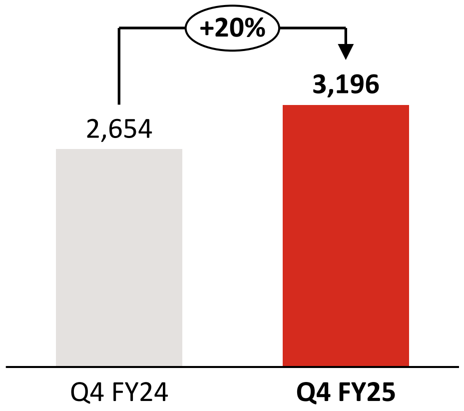

## Construction Vehicles



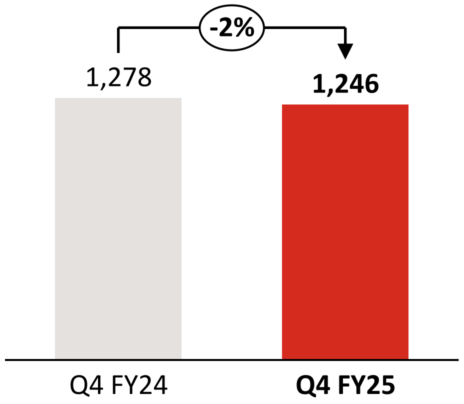

## Others




## Domestic Revenue




## Export Revenue

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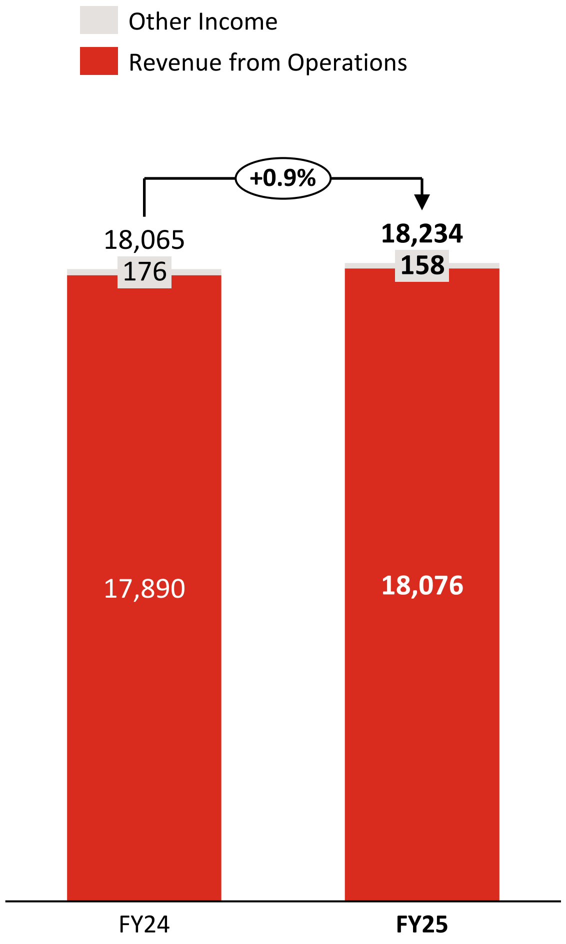
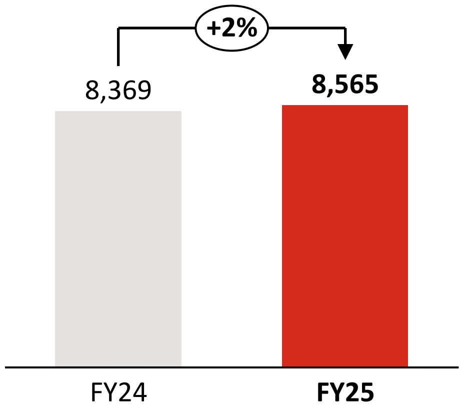
# Consolidated Revenue Breakdown: FY25

(INR Mn)

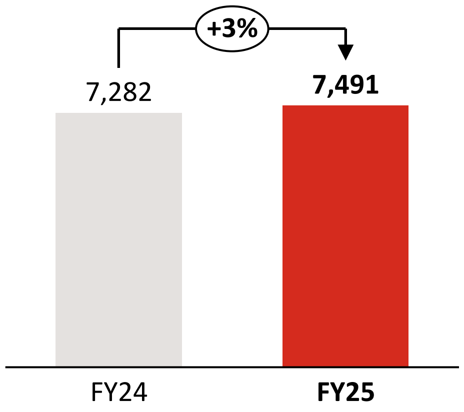
## Total Income Mix



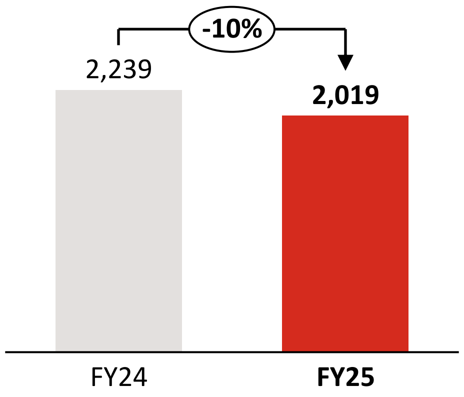

## Agricultural Vehicles



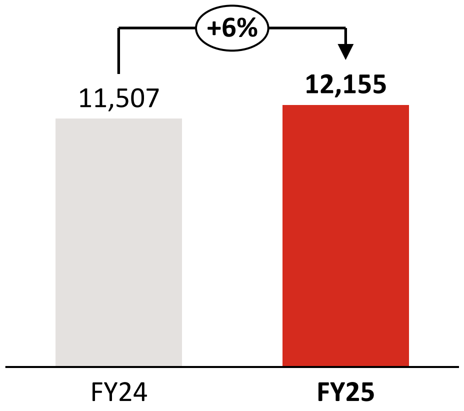

## Construction Vehicles



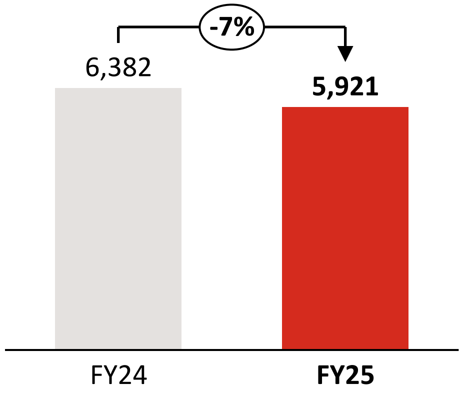

## Others




## Domestic Revenue

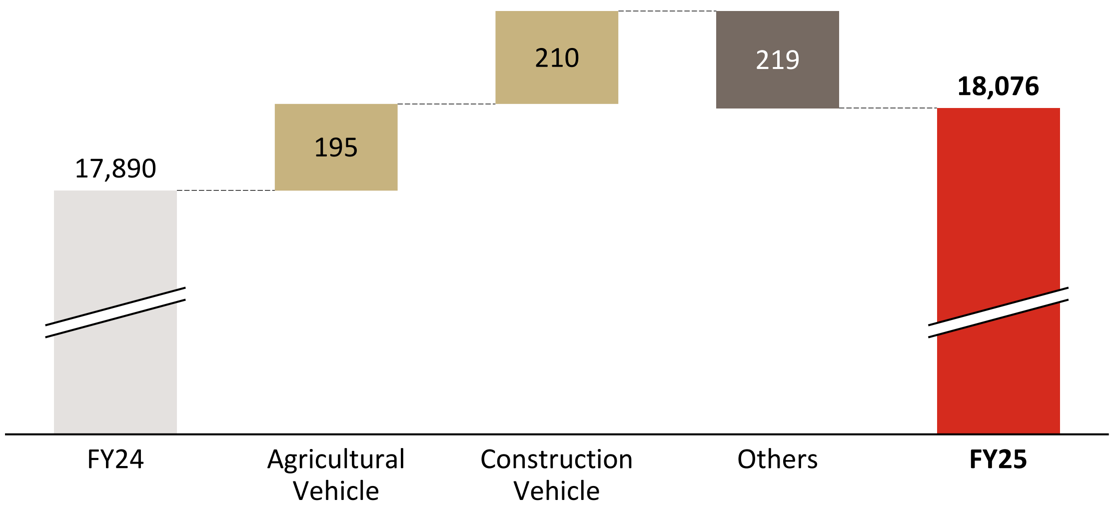


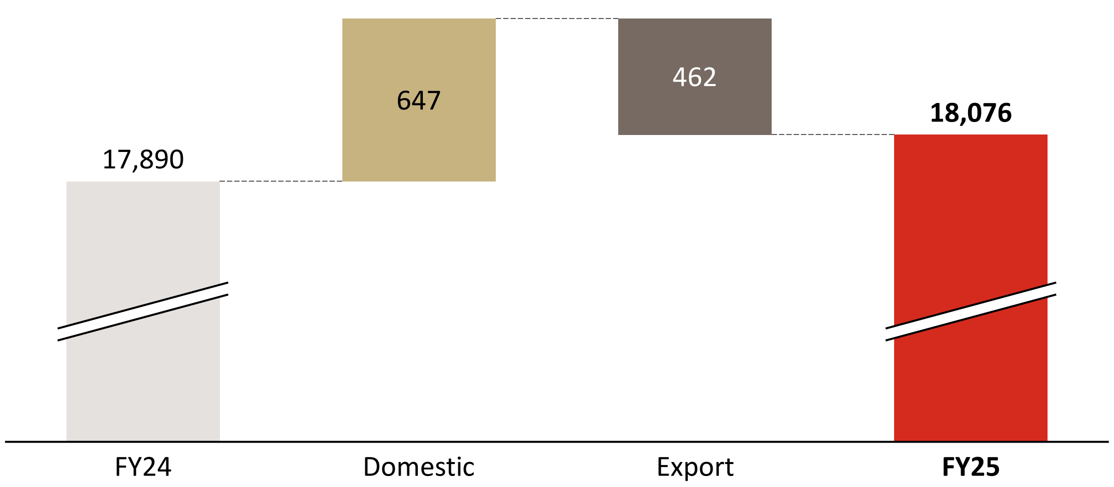

## Export Revenue



# Consolidated Revenue Bridge

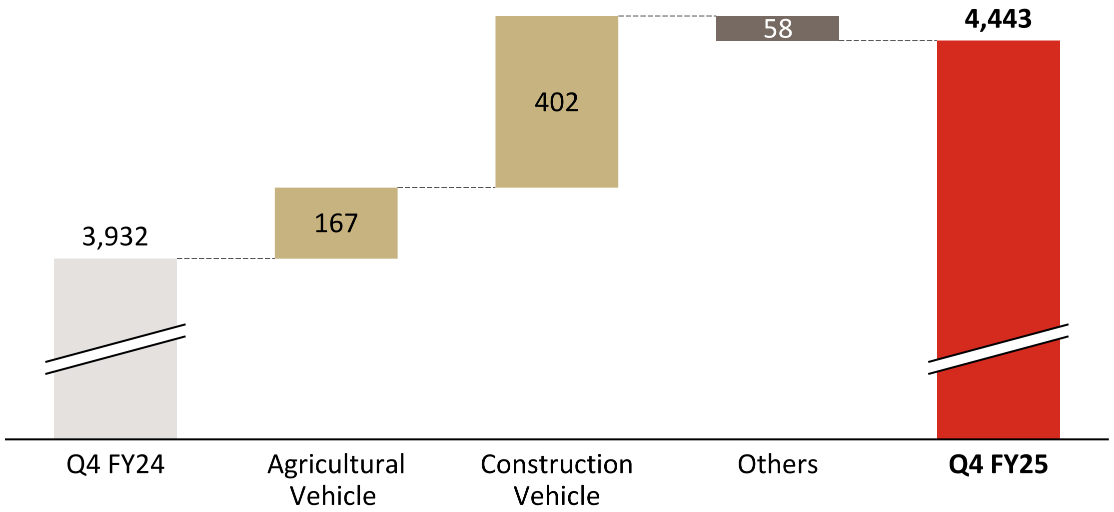
## FY25

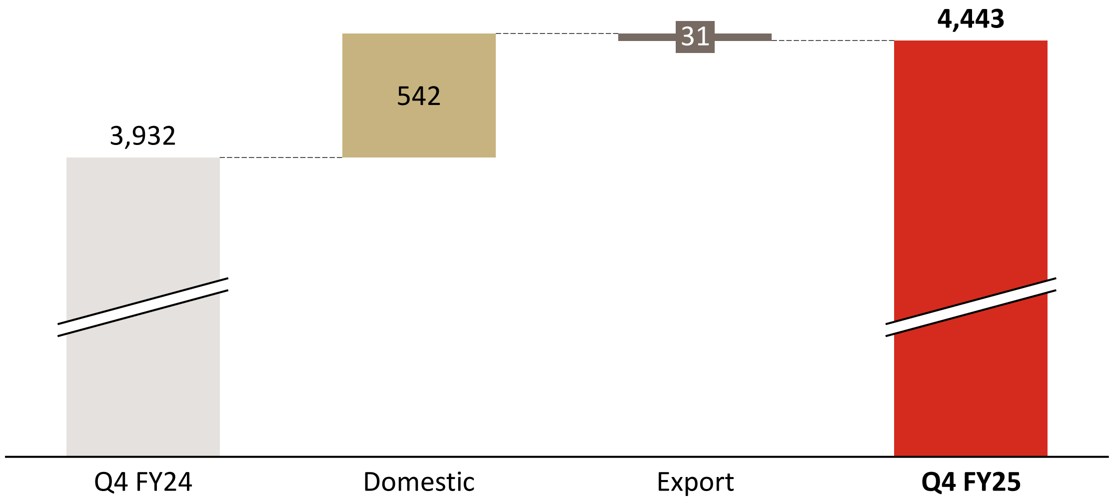



## Q4 FY25

*(INR Mn)*

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Increase  Decrease

# Consolidated Profit & Loss Account

| Particulars (INR Mn) | Q4FY25 | Q4FY24 | YoY | Q3FY25 | Q-o-Q | FY25 | FY24 | YoY |
|---|---|---|---|---|---|---|---|---|
| **Revenue from Operations** | **4,443** | **3,932** | **13%** | **4,487** | **-1%** | **18,076** | **17,890** | **1%** |
| Other Income | 36 | 31 | | 41 | | 158 | 176 | |
| **Total Income** | **4,479** | **3,963** | **13%** | **4,528** | **-1%** | **18,234** | **18,065** | **1%** |
| Cost of Goods Sold | 3,129 | 2,787 | | 3,334 | | 13,137 | 13,131 | |
| **Gross Profit** | **1,350** | **1,175** | **15%** | **1,193** | **13%** | **5,097** | **4,934** | **3%** |
| ***Gross Profit Margin*** | ***30.1%*** | ***29.7%*** | | ***26.4%*** | | ***28.0%*** | ***27.3%*** | |
| Employee Cost | 383 | 358 | | 406 | | 1,541 | 1,435 | |
| Other Expenses | 478 | 408 | | 423 | | 1,691 | 1,999 | |
| **EBITDA** | **489** | **409** | **19%** | **365** | **34%** | **1,864** | **1,500** | **24%** |
| ***EBITDA Margin*** | ***10.9%*** | ***10.3%*** | | ***8.1%*** | | ***10.2%*** | ***8.3%*** | |
| Depreciation & Amortization | 115 | 108 | | 114 | | 452 | 431 | |
| Finance Cost | 53 | 56 | | 54 | | 226 | 225 | |
| Exceptional Item Gain / (Loss) | 0 | 0 | | 0 | | 0 | 0 | |
| **Profit before Tax** | **321** | **246** | **31%** | **197** | **63%** | **1,187** | **844** | **41%** |
| Tax | 83 | 63 | | 50 | | 305 | 218 | |
| **Profit After Tax** | **237** | **182** | **30%** | **147** | **62%** | **881** | **626** | **41%** |
| ***Profit After Tax Margin*** | ***5.3%*** | ***4.6%*** | | ***3.2%*** | | ***4.8%*** | ***3.5%*** | |
| **EPS (Rs.)** | 4.17 | 3.20 | | 2.58 | | 15.50 | 11.00 | |

**FY25**

- **Total Income: Flattish**
  - The domestic business (excluding indirect exports) delivered strong revenue growth.
  - Conversely, the export segment remained weak, declining by 7%.
  - We expect the positive momentum in the domestic market to continue, while in the export segment growth will be achieved through the offtake of the newly acquired tele-boom handler business, despite the persistent uncertain global market outlook.
- **Other Expenses: Reduction of 15%**
  - ~50% of the savings can be attributed to a reduction in royalty payments to the parent company.
  - In addition, several cost optimization initiatives implemented during the year contributed to lower expenses on a full-year basis
- **EBITDA: Growth of 24% with 10.2% margins**
  - Improvement was driven by a favorable product mix, lower other expenses, effective cost control measures, enhanced operational efficiency, and a continued focus on technology-driven product development.

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*Margins calculated on Total Income*

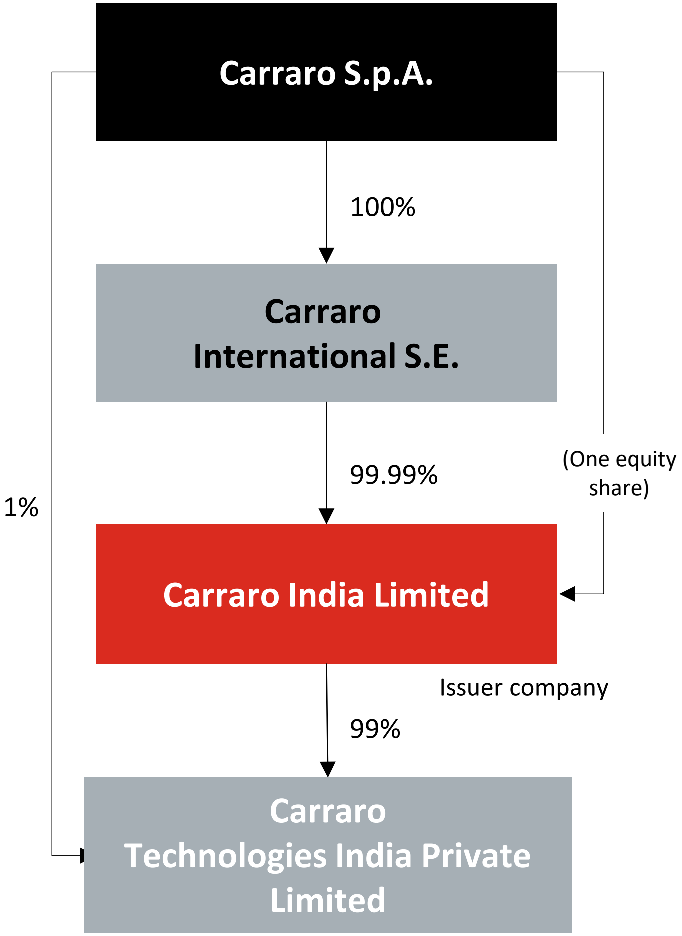
# About us

# Carraro Group: Overview

## The Carraro Group: Over 90 years in Action
**Headquarters in Italy**


| Special tractors for third-party brands | Transmission systems for agricultural and construction equipment for off-highway vehicles | Gears for diverse sectors (automotive, trucks, agricultural and construction vehicles) |
|---|---|---|

## Carraro India - Strong Synergy with the Carraro Group




- Collaboration with Carraro Group's global R&D centers for knowhow and technologies
- In-depth knowledge of OEM requirements acquired through hands-on experience in various product sectors
- Export to some of international customers through Carraro Drive Tech Italia S.p.A
- Leverage support of Group's relationship with international suppliers
- Leverage future-ready technologies developed by the Group to capture new applications

CARRARO *Note: Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness*

# Carraro India: Overview

## Presence of 25+ years

as an independent Tier-I solution provider for axles, transmission systems, gears and other related components

- **Leading sole supplier** in the non-captive segment of agriculture tractors transmission market[1]
- Market leader with **60-65% market share** in the non-captive construction vehicle transmission market[1]

*Note: 1. Source: Markets and Markets report (As of CY23)*

## Group's 1st Industrial hub outside of Italy

highlights the importance of the growing Indian agricultural and construction market

Part of **Carraro Group**

**2** Manufacturing facilities & **1** R&D Centre

Marquee **OEM Customers**

**250+ suppliers**
Domestic & Internationally

**54+**
R&D team members

**~1,600**
Employees

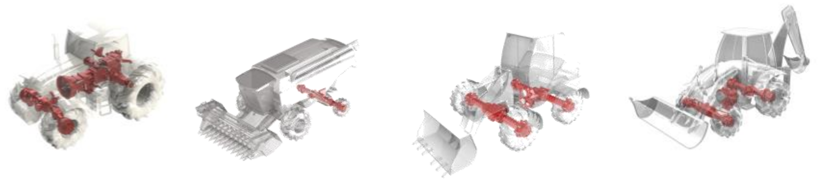
### Product Portfolio^

**Transmission Systems** | **Axles**

*^Also consists of gears and other spare parts (loose components for agricultural tractors and construction vehicles)*

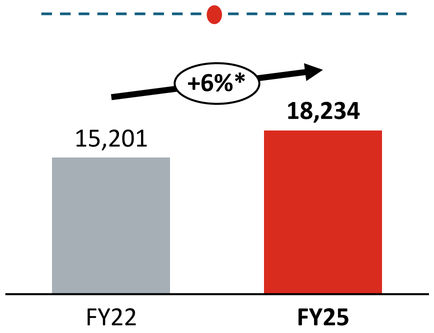
### End-user Industry

**Agricultural Equipment** | **Construction Equipment**

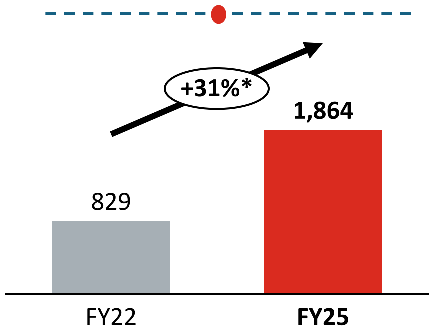


*INR (Mn)*

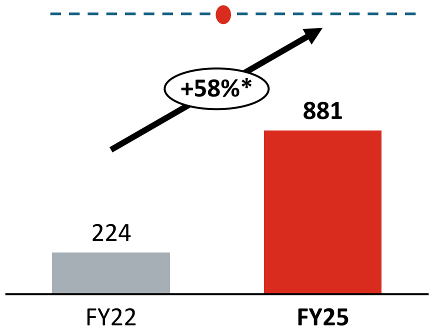
**Total Income**




**EBITDA**




**PAT**




CARRARO *Financial Numbers includes Other Income*

**CAGR (%)*

# Our Journey

**1997**

Establishment of a first manufacturing center in Pune, India

**1999**

Commenced production of transmission systems

**2000**

Commenced manufacturing of axles

**2006**

Establishment of Carraro Technologies India Pvt. Ltd. (R&D center)

**2013**

Launch of 120 HP tractor transmission

**2014**

Amalgamation of Turbo Gears and Carraro India

**2016**

Launch of steering axle applicable for 4WD vehicle

**2019**

Launch of SCOM axle with hypoid design

**2022**

- Launch of 40.16 series of planetary axle and steering portal axle
- Launch of AG Evo Transmission (100-150 HP)

**2023**

Launch of T135

**2023**

**Reorganized IPR and R&D:**
IPR for all products sold in Domestic market transferred to CIL.

**2024**

Listing of Carraro India Limited in December 2024 on NSE and BSE

*CIL: Carraro India Limited*

# Board of directors

## Mr. Ettore Francesco Sequi

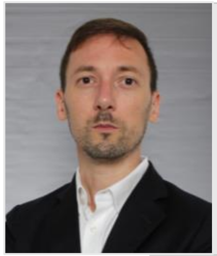
**Chairman and Independent Director**

- Pre-reform degree in Political Science, University of Cagliari
- National representative of Italy within the Board of Government Representatives of the Einstein Telescope Infrastructure

## Mr. Balaji Gopalan

**Managing Director**

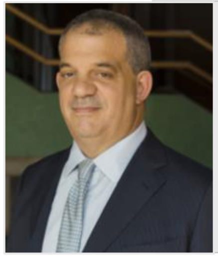
- Ph.D. in Human Resource Management, University of Pune
- Longstanding tenure at Carraro India since 1998



## Mr. Davide Grossi

**Whole-time Director and Chief Financial Officer**

- Masters in Accounting, Corporate Finance, and Control, Bocconi University
- Prior roles include financial leadership at Alten Sverige AB and Deloitte & Touche S.p.A.



## Mr. Tomaso Carraro

**Vice Chairman & Non-Executive Director**

- Associated with various entities in the Carraro Group

## Mr. Sudhendra Mannikar

**Whole-time Director and Chief Operating Officer**

- Bachelor's in Engineering (Production), MBA from University of Pune
- Associated with Carraro India since 1999

## Mr. Enrico Gomiero

**Non-Executive Director**

- MBA, Graduate School of Business, University of Chicago
- Previous association with Gear World S.p.A.

## Mr. Andrea Conchetto

**Non-Executive Director**

- Diploma in Electrotechnical Engineering, University of Padua
- Leadership roles within the Carraro Group

## Ms. Uma Mandavgane

**Independent Director**

- Member of the Institute of Chartered Accountants of India (ICAI)
- Extensive advisory background

## Mr. Kishore Saletore

**Independent Director**

- Member of ICAI
- Former Group CFO at Bharat Forge

# Management Team

## Mr. Balaji Gopalan

**Managing Director**

- Ph.D. in Human Resource Management, University of Pune
- Longstanding tenure at Carraro India since 1998

## Mr. Davide Grossi

**Whole-time Director and Chief Financial Officer**

- Masters in Accounting, Corporate Finance, and Control, Bocconi University
- Prior roles include financial leadership at Alten Sverige AB and Deloitte & Touche S.p.A.

## Mr. Sudhendra Mannikar

**Whole-time Director and Chief Operating Officer**

- Bachelors in Engineering (Production), University of Pune
- Associated with Carraro India since 1999

## Mr. Ashok Kumar

**Director, Sales and Business Development**

- Post graduate Master's programme in International Business from SIIB, Pune

## Mr. Sanjay Kumar

**Director, Manufacturing**

- Bachelors in engineering from Bharathidasan University

## Mr. Vijay Raman

**Director, Purchase & Supply Chain Management**

- BA (University of Michigan) and Masters in Mechanical Engineering (Oklahoma State University)

## Ms. Mamta Bakshi

**Director, HR, Leadership and Culture**

- Post graduate Diploma in Management (Executive) from IMT, Ghaziabad

## Mr. Nakul Patil

**Company Secretary & Compliance Officer**

- Bachelor's degree in computer applications from Dr. Babasaheb Ambedkar Marathwada University, Aurangabad. He is an associate member of the Institute of Company Secretaries of India

# Technologically Advanced Manufacturing Capabilities

## Plant 1 – Drivelines (Ranjangaon, Pune)

## Plant 2 – Gears (Ranjangaon, Pune)

| | Plant 1 – Drivelines (Ranjangaon, Pune) | Plant 2 – Gears (Ranjangaon, Pune) |
|---|---|---|
| **Key Products** | Axles and transmissions systems for agricultural and construction equipment | Gears and gear shafts |
| **Technologies** | Casting machining, assembly, painting, prototyping & testing | Heat treatment (carburizing & induction, hardening & nitriding), gears machining (hobbing, shaving & grinding) |
| **Production Statistics (FY25)** | **86,551** Axles; **38,323** Transmission systems; **75.06%** Capacity utilization[1] | **c.1.68mn** Gears; **75.77%** Capacity Utilisation[1] |

**Identified Plant Expansion Initiatives**

Plant 1 – **Plot area (~84,000 sq. m.)**

| | | |
|---|---|---|
| **Phase 1** | **Warehouse (~12,870 sq.m.)** | ✓ |
| **Phase 2** | **Portal assembly line (~1,800 sq.m.)** | ✓ |
| **Phase 2** | **Portal assembly line (~1,800 sq.m.)** | Future Plans |

Plant 2 – **Plot area (~78,000 sq. m.)**

| | |
|---|---|
| **Phase 1** | **Manufacturing shop (1,486 sq.m.)** |
| **Phase 2** | **Heat treatment shop (1,579 sq.m.)** |

**In-house gear production capabilities**

**~38k sq. m free-space for potential expansion in future**

**Low overall rejection rates (0.6% - FY25)**

**Plant location in close proximity to key suppliers**

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*Note: 1 - As all products vary significantly in terms of value addition, cost, weight, input resources etc., the Total Capacity Utilization is calculated by using a common factor (weight in kilogram in this case) so as to make all the product lines at par and comparable. In some product lines, where, production is drastically reduced due to fewer customer orders, no weightage is given*

# Strong In-House R&D Capabilities in India

## Key Activities Undertaken in R&D Center

- Application Engineering
- Product Solutions[2]
- Virtual Validations
- Prototyping
- Lab & Field Testing
- Product Maintenance
- Cost Optimisation
- Product Reliability

## Close Connection with Global R&D Centers[1]

Argentina | Italy | Luxemburg | China

## Carraro India’s R&D Capabilities

| Certifications | Production | # Prototypes | Area |
|---|---|---|---|
| ISO 9001:2015 | 5 prototype brought to production (FY25) | 9 (FY25) | 1,254.2 sq. m |

**Endeavour to research and develop future-ready product innovations**

**Focuses on R&D of new application of our existing products**

## Select prototype introduced since 2019

40.16 Axle

20.10P Portal Axle

T135

TBH Axles 46.XX series



*Note: 1 - Owned by Carraro Group, 2 – Conceptual & Detailed Design*

# Comprehensive and Customized Product Offerings

**Carraro India's axles and transmissions system products are not easily replaceable due to complexity and time required to adapt them for use by OEM customer in its products[1]**

## Transmission Systems

**T40 & T50**

**50-90 HP**

**Up to 150 HP**

**TCB80**

**TCB80SPS**

**Hydrostatic Infinitely Variable**

## Axles

**30-50 HP**

**49-135 HP**

**50-75 HP**

**Steering Axles 1-9.5 T UVW**

**Rigid Axle 1-9.5 T UVW**

**Rigid Hypoid Axle 5-17 T UVW**

## Drivelines Manufacturing Plant

| Drivelines | Technology | Certifications |
|---|---|---|
| Axles | Cast & Gears Machining | ISO 9001:2015 |
| AG Transmissions | Heat Treatments | ISO 14001:2015 |
| CE Transmissions & Gearboxes | Assembly, Painting & Testing | AITF 16949:2016 |

## Gears Manufacturing Plant

| Products | Technology | Certifications |
|---|---|---|
| Gears, Ring Gears | Heat treatments, chemical metallurgical analisys | ISO 9001:2015 |
| Shafts | | IATF 16949:2016 |

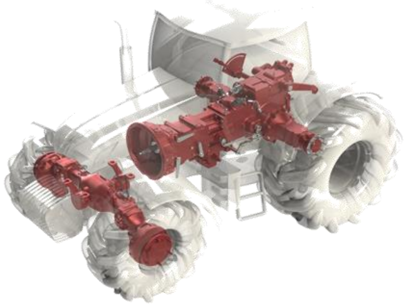
## Gears

**Gears and gear shafts for captive consumption and third-party customers**

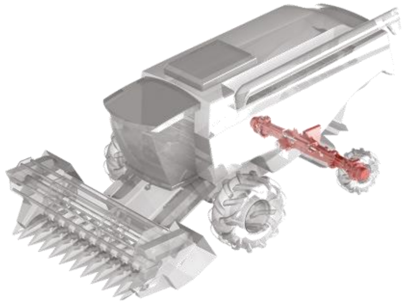
*Note - 1. - As per Markets and Markets report*

# End Industry Application

## Agricultural Vehicles

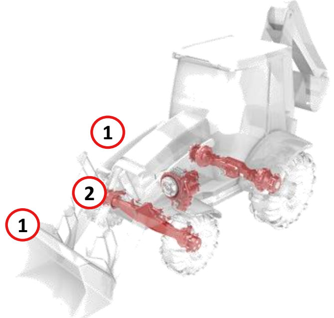


Tractor

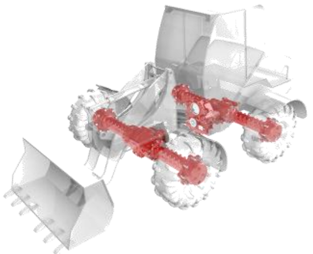


Harvester

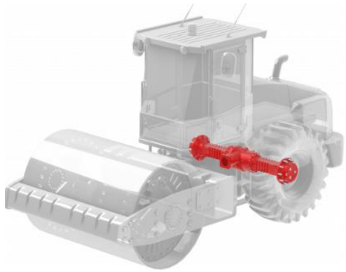
## Construction Vehicles



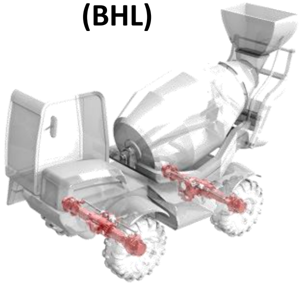

Back-hoe loader (BHL)



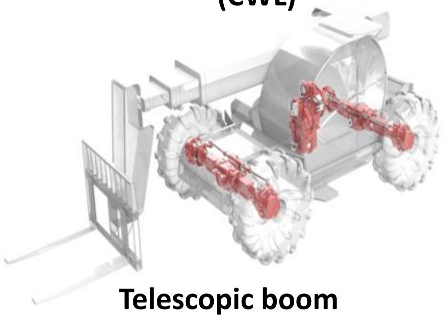
Compact wheel loader (CWL)



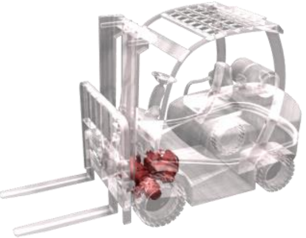
Soil compactor (SCOM)



Self loading concrete mixers (SLCM)

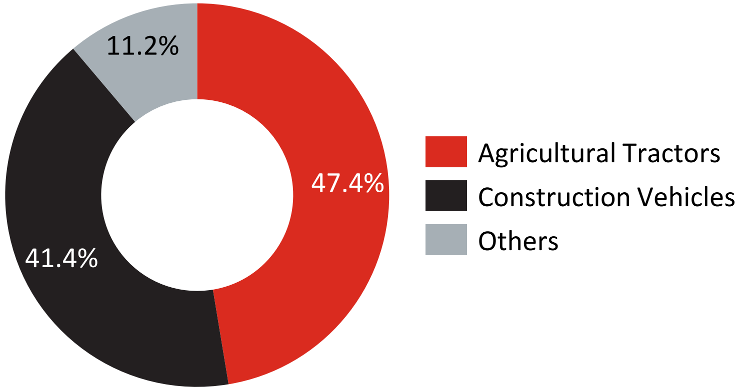


Telescopic boom handler (TBH)

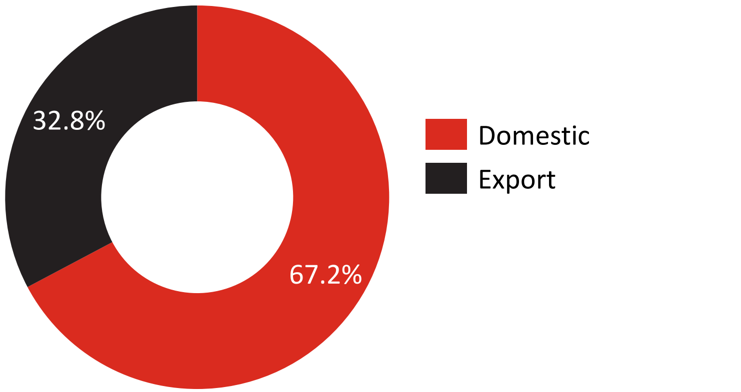


Forklift trucks (MH)

### Revenue Split (FY25)




### Domestic v/s Export Split (FY25)



# Longstanding Relationships with Marquee Customers

**Tier 1 OEM supplier developing customized solutions for leading Domestic & International Brands**

## Agricultural Tractors

## Construction Vehicle & Others

**….many more**

*The Brand Names mentioned are the property of their respective owners and are used here for identification purposes only*

# Growth Strategies

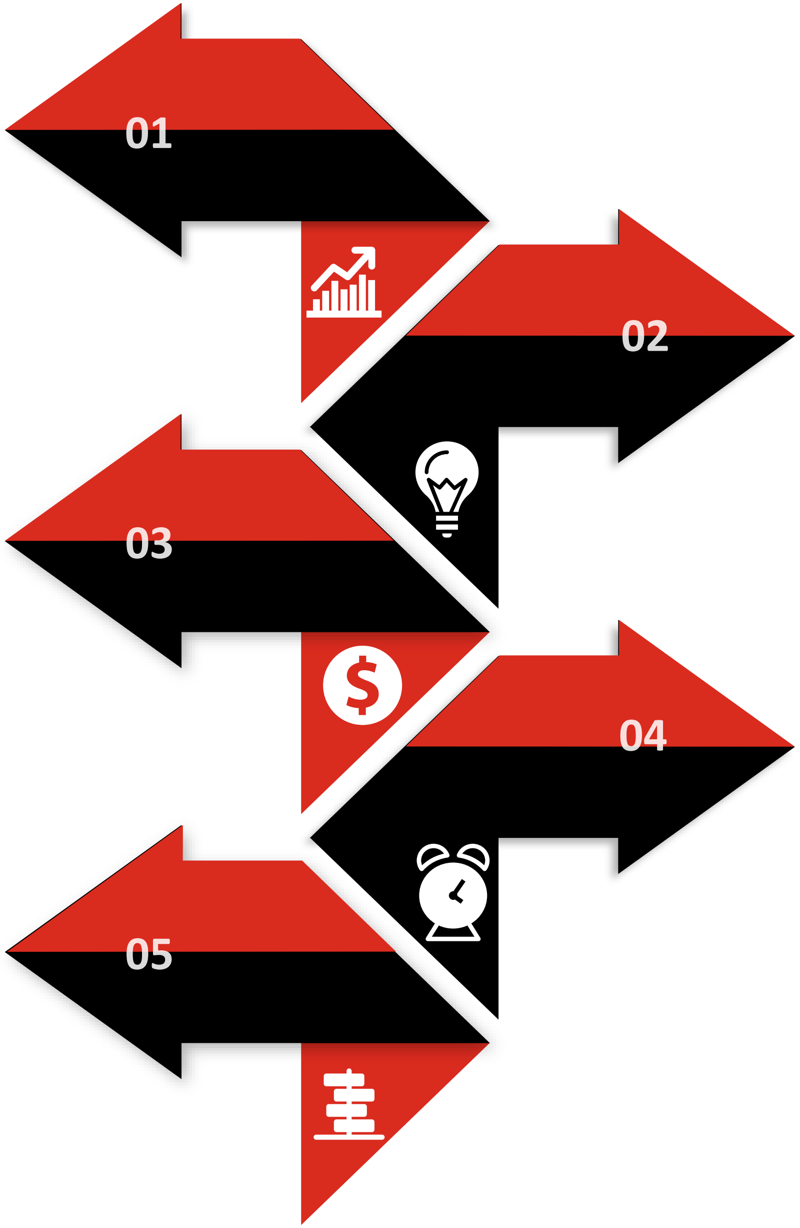
**Huge Industry Opportunities:**
Poised for significant growth

**Critical and Complex Driveline Components:**
Competitive edge

**Customer centric & Customized solutions:**
Co-partner

**Diversifying & Localising Supplier base:**
Reducing cost of production

**Future ready products for Emerging Technologies :**
Product portfolio expansion

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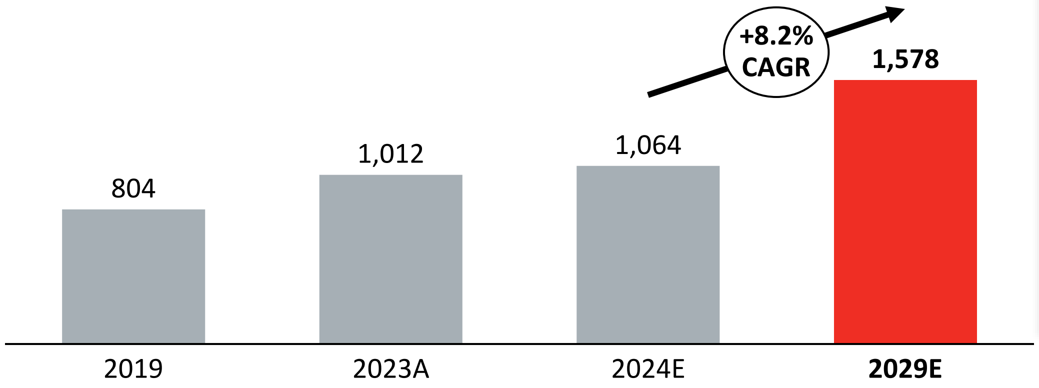
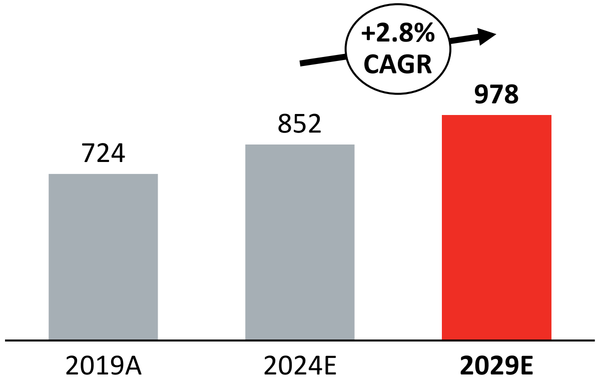
# 1. Huge Industry Opportunities

**Total Indian Agriculture Tractor Market (Sales Volume: ‘000 units)**

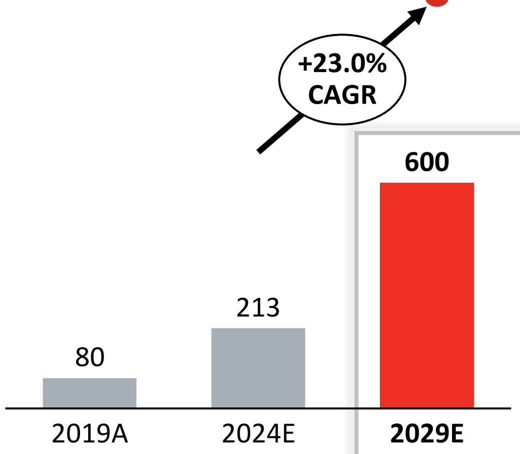



- India has the world’s largest tractor market, consuming 35-40% of all tractors sold globally
- Demand is expected to improve on the back of increasing adoption of farm mechanization

**2WD Indian Tractor Market**
**(Sales volume: ‘000 units)**



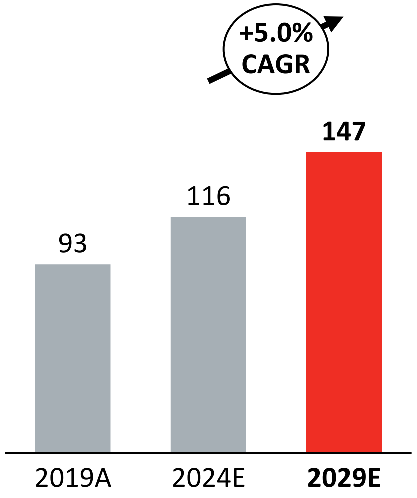

**4WD Indian Tractor Market**
**(Sales volume: ‘000 units)**



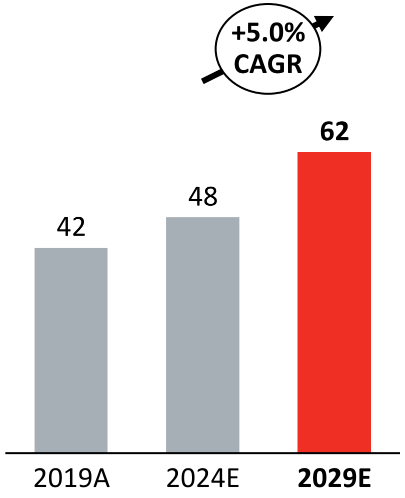

- Shift towards 4WD tractors for better efficiency
- Demand for higher HP tractors (41HP to 50 HP) is increasing

**Total Indian Construction Vehicle Market (Sales Volume: ‘000 units)**

**Total**
**(Sales volume: ‘000 units)**




**Backhoe Loader**
**(Sales volume: ‘000 units)**




- India is Third-Largest Market for Construction Vehicles
- Demanded is expected to improve on the back of Rapid urbanization and infrastructure development
  - Compact construction vehicle demand is expected to grow at higher rate

**Demand towards larger axles and transmissions with higher power and higher technological specifications will result into higher volume growth**

CARRARO *Source: Markets and Markets Report. A – Actuals, E – Estimated, Data given as per calendar year*

# 2. Critical and Complex Driveline Components

**Leading Independent Tier 1 Supplier of Axles and Transmission Systems**

**Early-mover Advantage**

Deep understanding of the Indian market

**Longstanding Relationships with Customers**

One-stop shop tier 1 OEM supplier offering customized solutions

**High Switching Costs**

High switching costs due to product customization

**Infrastructure**

High investment required for technology and manufacturing plants

**Market Share**[1]

**Indian agricultural tractor 4WD axles, >40HP volumes (non-captive)**

**+50%**

**Indian construction vehicle transmission volumes (non-captive)**

**+60%**

**Leading sole supplier** in the non-captive segment of agriculture tractors transmission market[1]

**Comprehensive offerings** providing seamless, end-to-end experience to customers[1]

**Market leader in transmission systems** for tractors up to 150HP and 4WD capabilities[(1)]

Carraro Group's **In-depth understanding of OEMs' needs** due to presence in product sector

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*Source: Company information; Note: Tier 1 suppliers supply manufactured products directly to an OEM. IFAS – Independent front axle system.*
*1. As per Markets and Markets report*

# 3. Customer Centric & Customized Solutions

## Innovation for one of the large OEM in Agricultural & Construction Vehicles

### Motor grader < 100 HP

- Worked with one of the large OEM from concept stage to launching a product to address the demand of motor graders with less than 100 HP
- Year-long study of Indian roads and its infrastructure
- Product definition after R&D, prototyping1 and more than six months of field validation
- ✓ ***Innovatively proposed a modified version of backhoe loader drivelines to produce a more cost-efficient solution***

### Haulage tractors with lower cost of ownership and performance stability

- Worked with Mahindra to develop a cost-effective driveline for chassis-based tractor
- ✓ ***Use of semi-automatic transmission instead of fully automatic with rigid rear axle***
- ✓ ***Recirculating braking cooling system by using transmission as oil reservoir***

## Innovation for one of the large OEM in Construction Vehicles

- Supported one of the large OEM in construction vehicles in its business growth over the years
- **Key Products - Backhoe loaders and loader series**

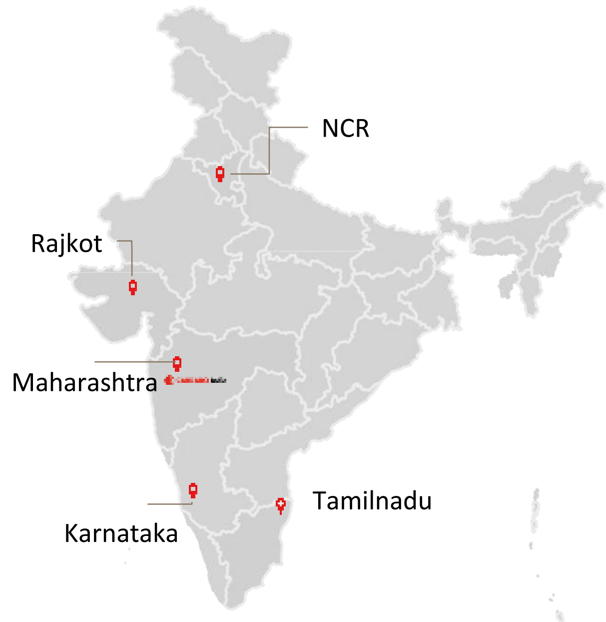
- **Transmission (TCB80 2WD, TCB80 4WB and TCB80 SPS)**
- **Axles (Rear rigid axle 28.32 and 28.43, front steering axles 26.22)**

***Proven track record of expanding the Carraro's product portfolio and proprietary innovations, increasing sales growth in emerging and developed markets***

# 4. Diversifying & Localizing Supplier base

## Geographical Spread of Key Suppliers in India (As of Mar'25)

**Domestic Supplier base 179**




Quality, cost, delivery and development

↓

Supply chain localization

↓

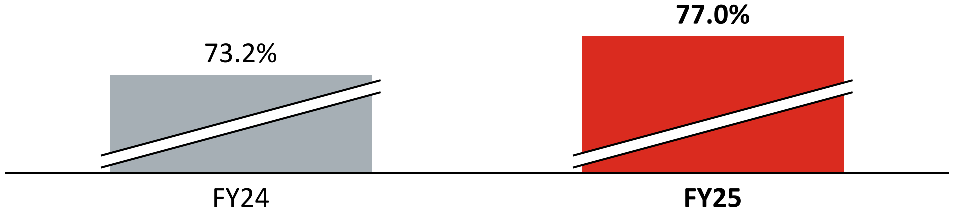
Minimum 2 suppliers per component supplier

↓

Value analysis and engineering consulting

**Total Supplier base 250**

## Continuously Increasing localization of Raw materials




## Initiatives to Foster and Maintain Stable Supplier Relationships

- Rapid improvement workshops to ensure quality of suppliers
- Long-term agreements
- Periodic engagement with suppliers
- Formalized partnership with suppliers

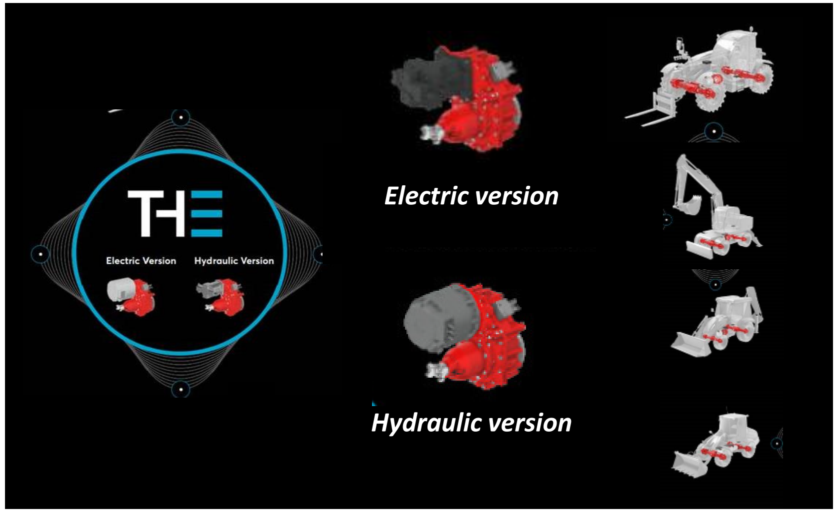
| | | |
|---|---|---|
| **Increase share of localization** | **Improve efficiencies of our supply chain** | **Vertical integration of key components of gearboxes** |
| **At least 2 suppliers for raw material to ensure supply** | **Avoid dependency on single source** | **Mitigate potential supplier concentration risk** |
| **Lower Production Costs** | **Optimize supply-chain logistics** | **Minimize lead times** |

*Note: Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness*

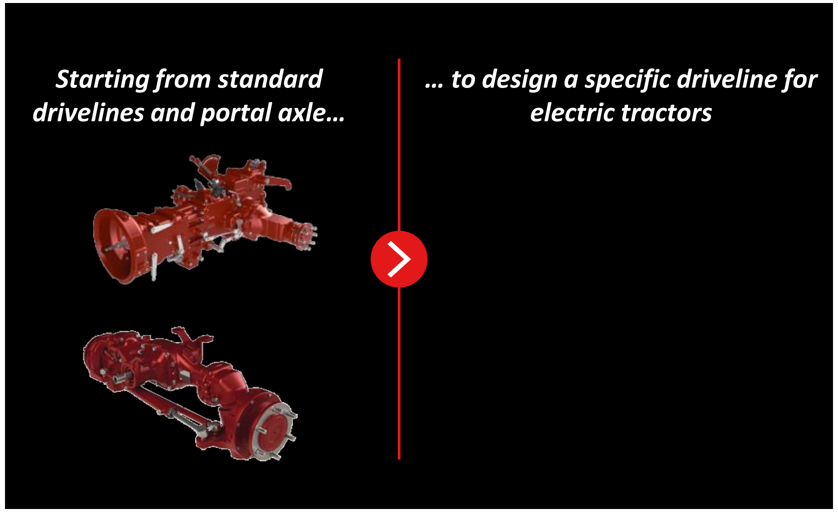
# 5. Future ready products for Emerging Technologies

**…Positions Carraro India as an innovative player in the space with potential for collaboration in product development**

**Transmission-Hydrostatic-Electric**




**Transmission System for Electric Tractors**




**Develop future-ready solutions for emerging technologies ("THE" transmission for electric off-highway vehicles, higher HP tractor transmissions)**

Provided engineering services to Carraro Group's Luxembourg R&D center and customer in developing E-trans

Enabled Carraro India to internalize and develop specific technical competences on electric projects

# Historical Financial Highlights

# Consolidated Profit & Loss Statement

| Particulars (INR Mn) | FY25 | FY24 | FY23 | FY22 |
|---|---|---|---|---|
| **Revenue from Operations** | **18,076** | **17,890** | **17,131** | **14,975** |
| Other Income | 158 | 176 | 202 | 225 |
| **Total Income** | **18,234** | **18,065** | **17,333** | **15,201** |
| Cost of Goods Sold | 13,137 | 13,131 | 12,757 | 11,221 |
| **Gross Profit** | **5,097** | **4,934** | **4,576** | **3,980** |
| ***Gross Profit Margin*** | ***28.0%*** | ***27.3%*** | ***26.4%*** | ***26.2%*** |
| Employee Cost | 1,541 | 1,435 | 1,305 | 1,173 |
| Other Expenses | 1,691 | 1,999 | 2,023 | 1,978 |
| **EBITDA** | **1,864** | **1,500** | **1,248** | **829** |
| ***EBITDA Margin*** | ***10.2%*** | ***8.3%*** | ***7.2%*** | ***5.5%*** |
| Depreciation & Amortization | 452 | 431 | 394 | 359 |
| Finance Cost | 226 | 225 | 198 | 162 |
| Exceptional Item Gain / (Loss) | 0 | 0 | 0 | 0 |
| **Profit before Tax** | **1,187** | **844** | **656** | **307** |
| Tax | 305 | 218 | 171 | 83 |
| **Profit After Tax** | **881** | **626** | **485** | **224** |
| ***Profit After Tax Margin*** | ***4.8%*** | ***3.5%*** | ***2.8%*** | ***1.5%*** |
| **EPS (Rs.)** | 15.50 | 11.00 | 8.52 | 3.94 |



*Margins calculated on total income*

# Consolidated Balance Sheet Statement

| Equity & Liabilities (INR Mn) | Mar-25 | Mar-24 | Mar-23 | Mar-22 |
|---|---|---|---|---|
| **Total Equity** | **4,581** | **3,699** | **3,375** | **2,926** |
| Equity Share Capital | 569 | 569 | 569 | 569 |
| Other Equity | 4,011 | 3,130 | 2,805 | 2,356 |
| Non-Controlling Interest | 1 | 1 | 2 | 1 |
| **Non-Current Liabilities** | **1,963** | **1,710** | **1,795** | **1,289** |
| **Financial Liabilities** | | | | |
| i) Borrowings | 1,310 | 1,223 | 1,308 | 857 |
| ii) Lease Liabilities | 134 | 13 | 24 | 33 |
| Provisions | 518 | 474 | 463 | 391 |
| Deferred Tax Liabilities | 0 | 0 | 0 | 8 |
| **Current Liabilities** | **4,532** | **5,320** | **5,553** | **5,909** |
| **Financial Liabilities** | | | | |
| i) Borrowings | 444 | 912 | 575 | 924 |
| ii) Lease Liabilities | 18 | 11 | 10 | 8 |
| iii) Trade Payables | 3,500 | 3,645 | 4,281 | 4,287 |
| iv) Other Financial Liabilities | 29 | 294 | 276 | 366 |
| Other Current Liabilities | 189 | 137 | 167 | 122 |
| Provisions | 335 | 320 | 216 | 191 |
| Current Tax Liabilities (net) | 16 | 0 | 28 | 10 |
| **Total Equity & Liabilities** | **11,075** | **10,729** | **10,724** | **10,124** |

| Assets (INR Mn) | Mar-25 | Mar-24 | Mar-23 | Mar-22 |
|---|---|---|---|---|
| **Non - Current Assets** | **4,205** | **4,019** | **3,559** | **3,377** |
| Property, Plant & Equipment | 3,274 | 3,117 | 2,875 | 2,599 |
| Right of use assets | 262 | 137 | 150 | 160 |
| Capital work-in-progress | 0 | 0 | 91 | 101 |
| Intangible assets | 259 | 290 | 41 | 54 |
| **Financial Assets** | | | | |
| i) Investments | 0 | 0 | 0 | 0 |
| ii) Other Financial Assets | 44 | 48 | 39 | 27 |
| Deferred Tax Assets | 26 | 34 | 12 | 6 |
| Non - Current Tax Assets | 322 | 320 | 314 | 292 |
| Other Non-Current Assets | 17 | 73 | 39 | 138 |
| **Current Assets** | **6,870** | **6,709** | **7,165** | **6,747** |
| Inventories | 2,987 | 2,864 | 2,553 | 2,366 |
| **Financial Assets** | | | | |
| i) Investments | 0 | 0 | 0 | 0 |
| ii) Trade receivables | 2,913 | 2,427 | 3,034 | 2,570 |
| iii) Cash and cash equivalents | 683 | 1,036 | 1,050 | 1,040 |
| iv) Bank balances other than cash and cash equivalents | 0 | 0 | 0 | 0 |
| v) Other financial assets | 20 | 0 | 0 | 0 |
| Other Current Assets | 266 | 382 | 528 | 770 |
| **Total Assets** | **11,075** | **10,729** | **10,724** | **10,124** |

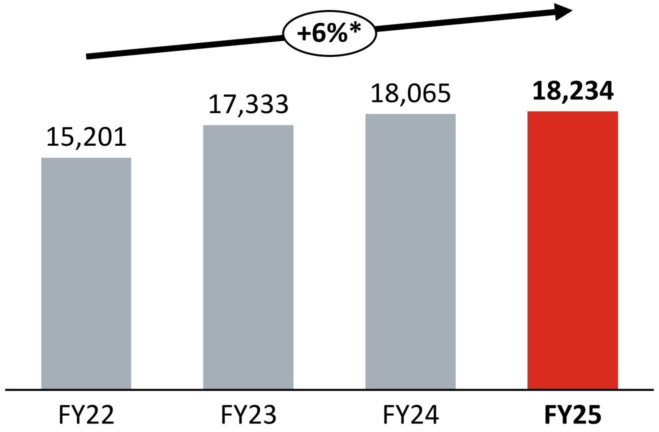
# Consolidated Cash Flow Statement

| Particulars (INR Mn) | FY25 | FY24 | FY23 | FY22 |
|---|---|---|---|---|
| **Profit Before Tax** | **1,187** | **844** | **656** | **307** |
| Adjustments for: Non - Cash Items / Other Investment or Financial Items | 669 | 600 | 609 | 532 |
| **Operating profit before working capital changes** | **1,856** | **1,444** | **1,265** | **839** |
| Changes in working capital | -809 | -44 | -270 | 213 |
| **Cash generated from Operations** | **1,046** | **1,399** | **995** | **1,052** |
| Direct taxes paid (net of refund) | -284 | -278 | -193 | -94 |
| **Net Cash from Operating Activities** | **763** | **1,122** | **802** | **958** |
| **Net Cash from Investing Activities** | **-505** | **-847** | **-618** | **-594** |
| **Net Cash from Financing Activities** | **-598** | **-302** | **-155** | **85** |
| **Net Increase / Decrease in Cash and Cash equivalents** | **-341** | **-27** | **30** | **449** |
| Add: Cash & Cash equivalents at the beginning of the period | 1,036 | 1,050 | 1,040 | 595 |
| Add: Effect of exchange rate changes on cash and cash equivalents | -12 | 13 | -20 | -4 |
| **Cash & Cash equivalents at the end of the period** | **683** | **1,036** | **1,050** | **1,040** |

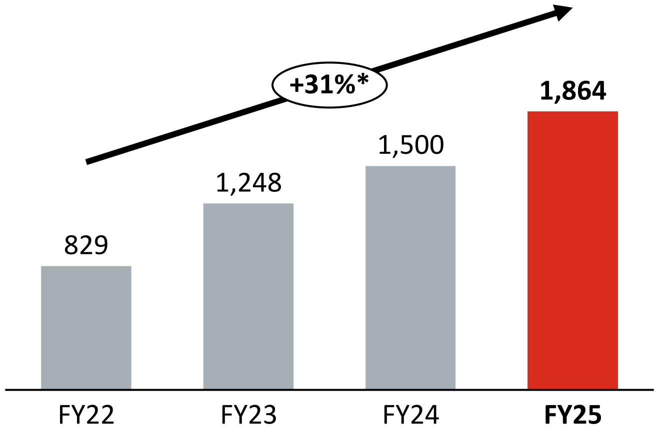
# Improving Performance Trend

*(INR Mn)*

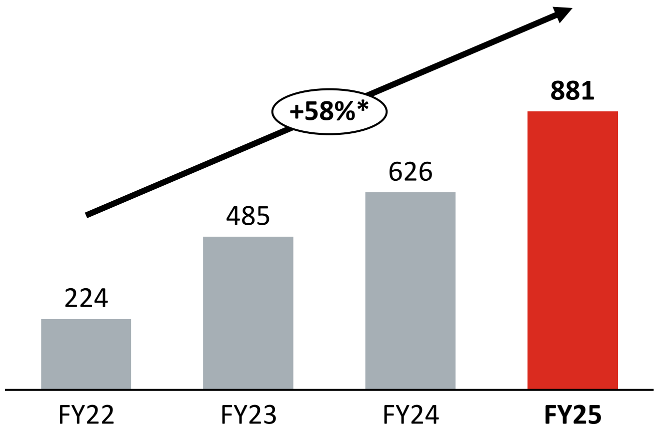
**Total Income**



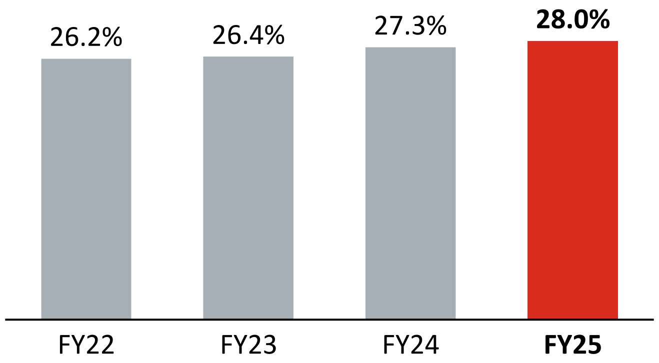

**EBITDA**



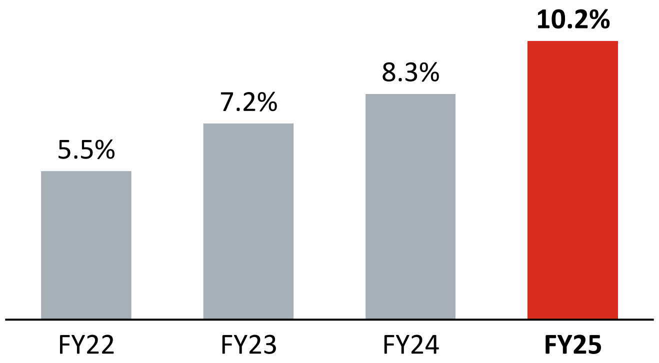

**PAT**



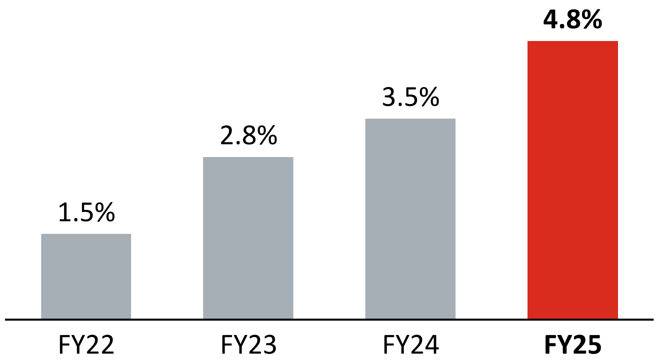

**Gross Margin (%)**



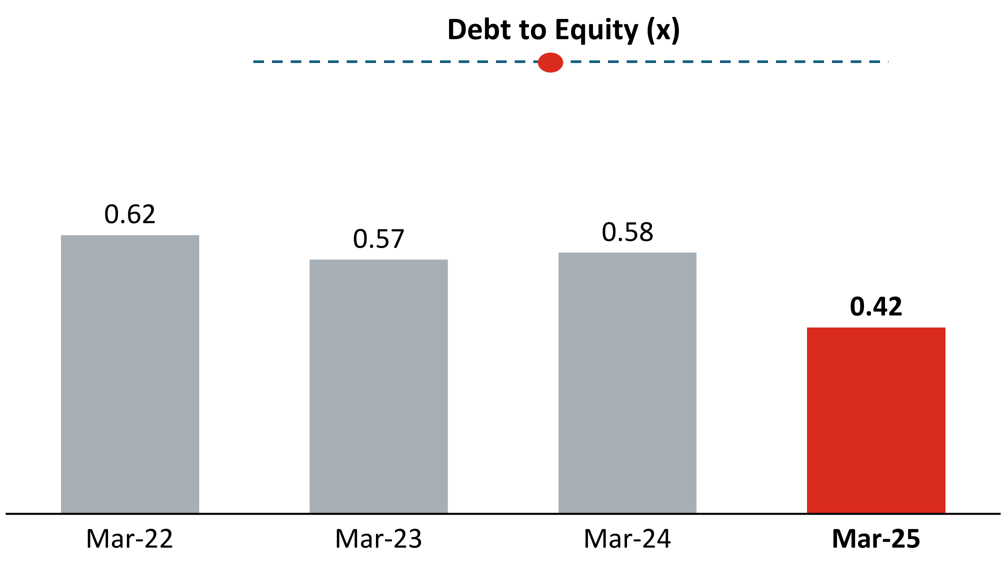

**EBITDA Margin (%)**

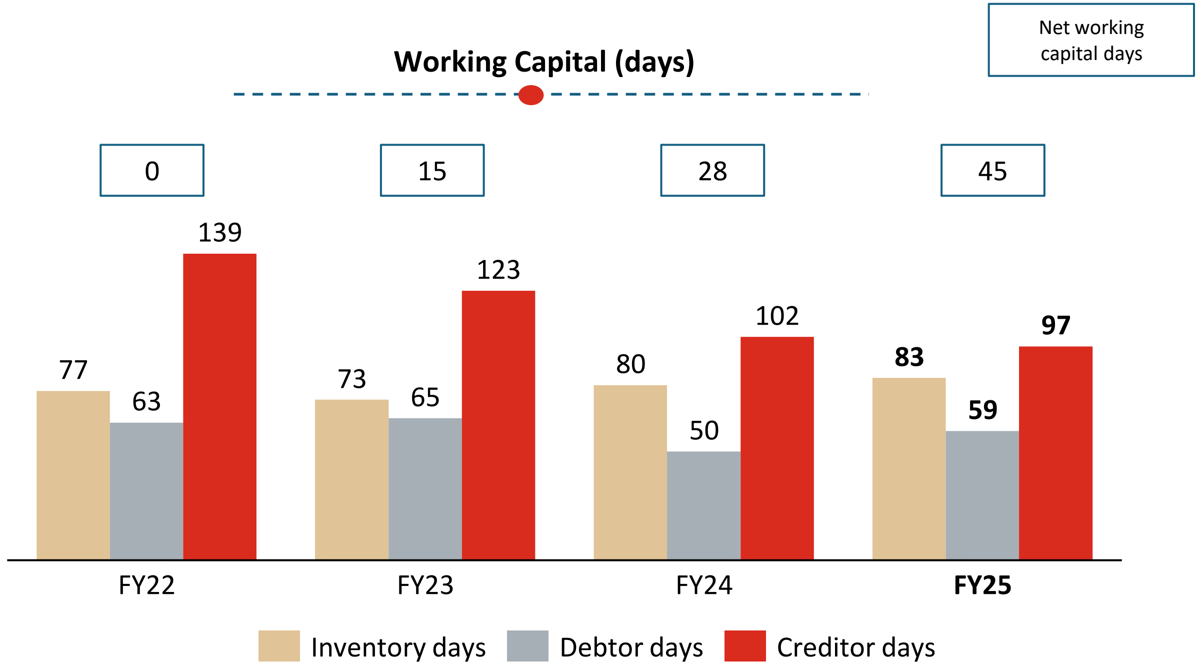


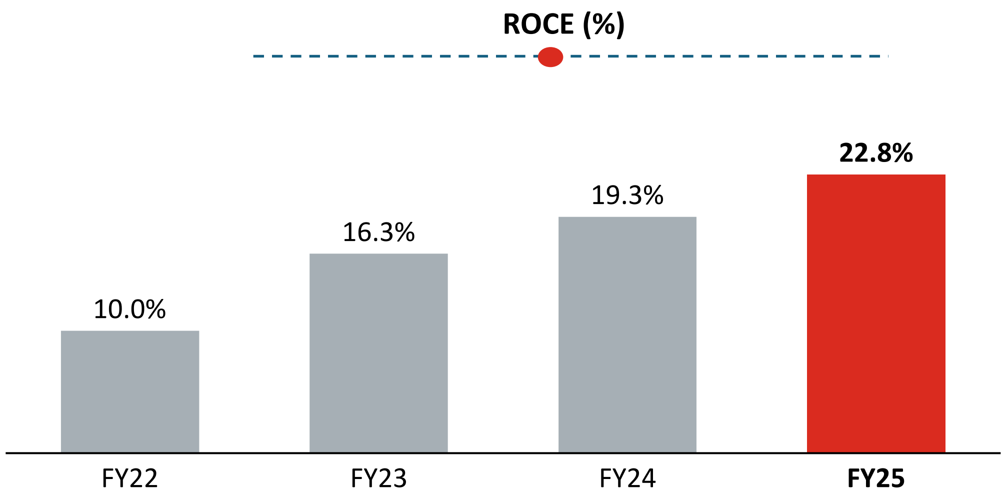

**PAT Margin (%)**

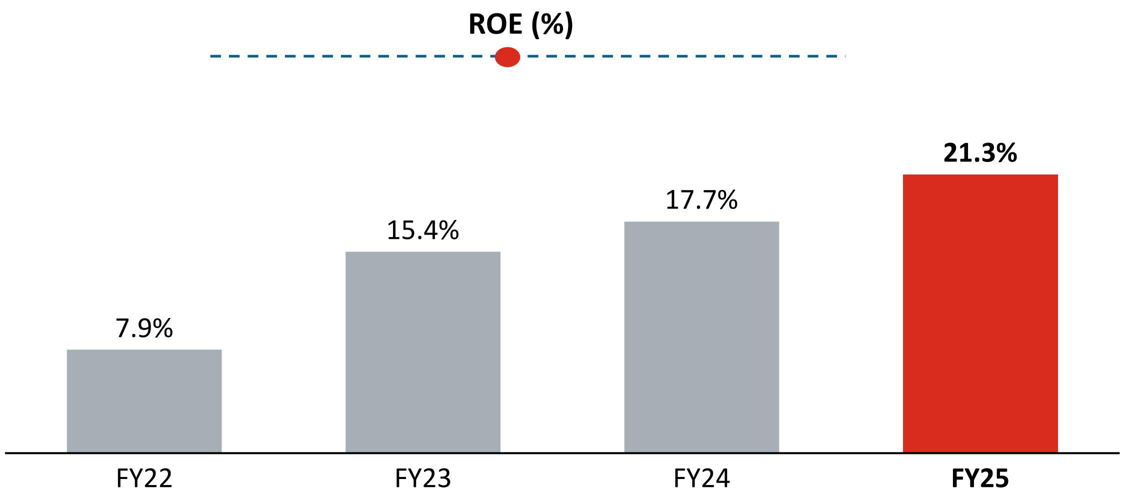


# Strong balance sheet & return ratios

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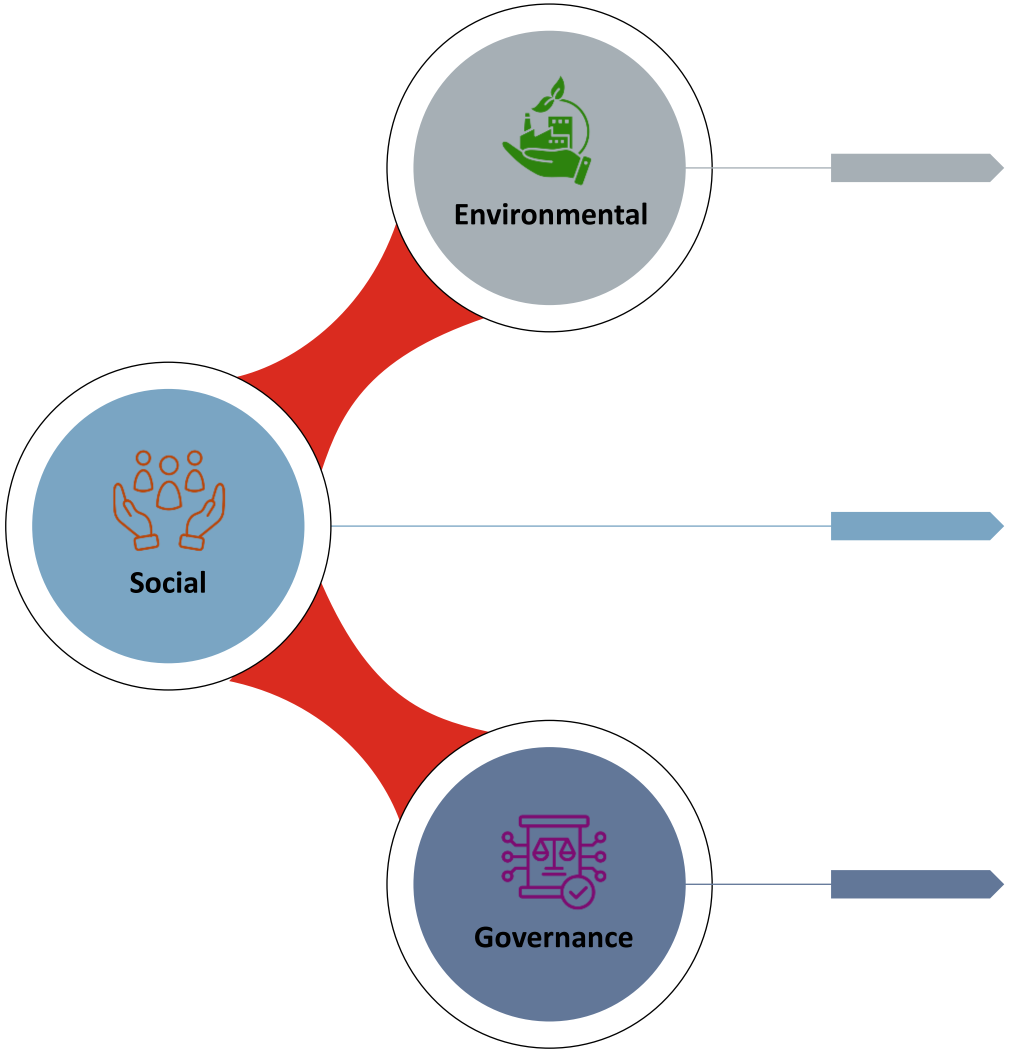
# Annexure

# ESG Initiatives




**Policies & Practices**
- Environment, health & safety policy
- Results-based assessments of the management systems
- Digitized solutions and minimize of waste of resources

**Certifications**
- ISO 14001:2015 (Plant 1 and 2)

**Policies & Practices**
- Diversity policy
- Quality policy
- Extend positive impact in local communities through mutually beneficial partnerships

**Certifications**
- ISO 9001:2015 (Plant 1 and 2)
- IATF 16949:2016 (Plant 2)

**Policies & Practices**
- Code of ethics
- Whistleblowing guidelines
- Anti-corruption policy

# Awards & Accolades


Bull Machines
Best Supplier award – Strategic excellence


Manitou Equipment – CSR Corporate Social Responsibility Award
Outstanding contribution for Corporate Social Responsibility (CSR)


Escorts Kubota Limited awarded Carraro India as Best in
Spares parts Supplier Annual Supplier

Swaraj Tractors for
Extraordinary support


Mahindra Group Supplier Excellence award
For excellent performance of our Spare Parts Service.


Caterpillar
Supplier Excellence Recognition (SER) Certificate 2024 overall performance at each function level

# Thank You

| Company: | Investor Relations Advisors: |
|---|---|
| **Carraro India Limited** | **Strategic Growth Advisors Pvt. Ltd.** |
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