

Action Construction Equipment Limited

Corporate & Registered Office

Dudhola Link Road, Dudhola, Distt. Palwal-121102, Haryana, India



Date: July 31, 2024

To,
The Manager Listing
BSE Limited
5th Floor, P.J. Towers,
Dalal Street,
Mumbai-400001

Scrip Code: 532762

The Manager Listing
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (E),
Mumbai-400051

CM Quote: ACE

Subject: Earnings presentation-Q1-FY25

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith, earnings presentation Q1-FY25 of the Company.

Kindly take the same on record.

Thanking you

For Action Construction Equipment Limited

Anil Kumar
Company Secretary



Corporate Office: Phone: +91-1275-280111 (50 Lines), Fax: +91-1275-280133, E-mail: works2@ace-cranes.com

Mktg. H.Q.: 4th Floor, Pinnacle, Surajkund, Faridabad, NCR-121009, Phone: +91-129-4550000 (100 Lines), Fax: +91-129-4550022, Email: marketing@ace-cranes.com **Customer Care No.:** 1800 1800 004 (Toll Free), **CIN:** L74899HR1995PLC053860, **Website:** www.ace-cranes.com



**EARNINGS
PRESENTATION**

Q1FY25 | June 2024

**100%
Swadeshi**

ACE



At a Glance



Established Brand with over 29 years of Industry Presence

India's most diversified CE Manufacturer Operating across Infra, Construction, Manufacturing, Logistics and Agri sectors

World's largest Pick & Carry Crane Manufacturer with Pan India and Global Presence in over 37 Countries

Customer Centric Organization with In-depth Market Intelligence having 20,000+ strong Customer base

Value for Money Equipment with Focus on Quality and Reliability

Fastest Service and Product Support through a wide Network across 100+ Locations in India

Strong Manufacturing, R&D Capabilities providing Customized Solutions for Specific Requirements

Strong Financial Discipline with Sharp focus on Accelerated Growth through Flexibility and Quick Change Adaptation

Highly Experienced and Professional Team

Poised to capture Significant Growth Prospects in Indian Manufacturing & Infrastructure Sector



Company Overview



• **ACTION CONSTRUCTION EQUIPMENT LIMITED** was established in 1995 by Mr. Vijay Agarwal, a technocrat, who has over 50 years of industry experience and is run by a team of experienced professionals.

- ACE is an established and reputed brand with a significant presence across diversified sectors like Construction, Infrastructure, Manufacturing, Logistics and Agriculture.

Market Leader in Mobile and Tower Cranes

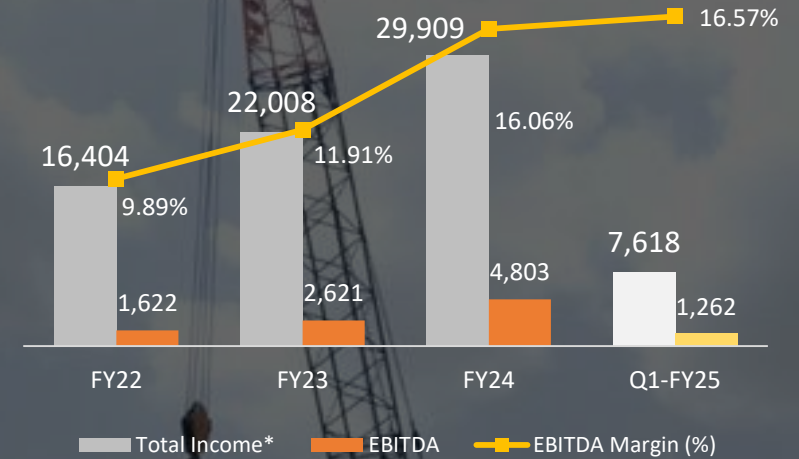


63% +
Market Share

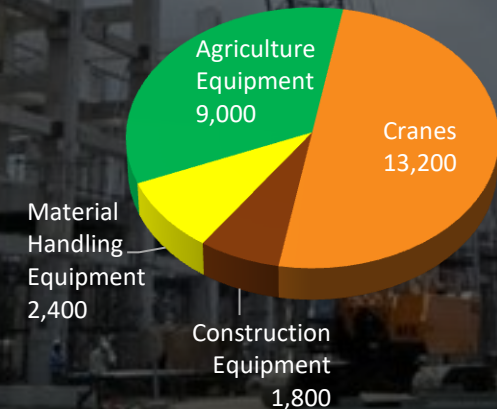
- The company is the world's largest Pick & Carry cranes manufacturer with over 63% market share in the Mobile cranes segment in the country and a majority market share of more than 60% in Tower Cranes segment domestically.
- Additionally, ACE also offers Crawler Cranes, Truck Mounted Cranes, Lorry Loaders, Backhoe Loaders/Loaders, Vibratory Rollers, Motor Graders, Forklifts, Tractors & Harvesters and other Construction Equipment.
- The company has one of the widest Sales and Service network, with over 100+ locations supported by 13 regional offices in India and also exports to over 37 countries across Middle East, Africa, Asia and Latin America.



Consolidated Financial Highlights (INR Mn)



Total Capacity (Units)



* Total income includes other income

Product Portfolio



Cranes



Pick & Carry Cranes

Lorry Loaders

Rough Terrain Cranes

Crawler Cranes

Truck Cranes

Tower Cranes

Construction Equipment



Backhoe Loaders

Tele Handlers

Vibratory Rollers

Motor Graders

Access Platforms

Material Handling Equipment



Forklift Trucks

Warehousing Equipment

Piling Rigs

Agri Equipment



Tractors

Track Harvesters

Opportunities & New Products



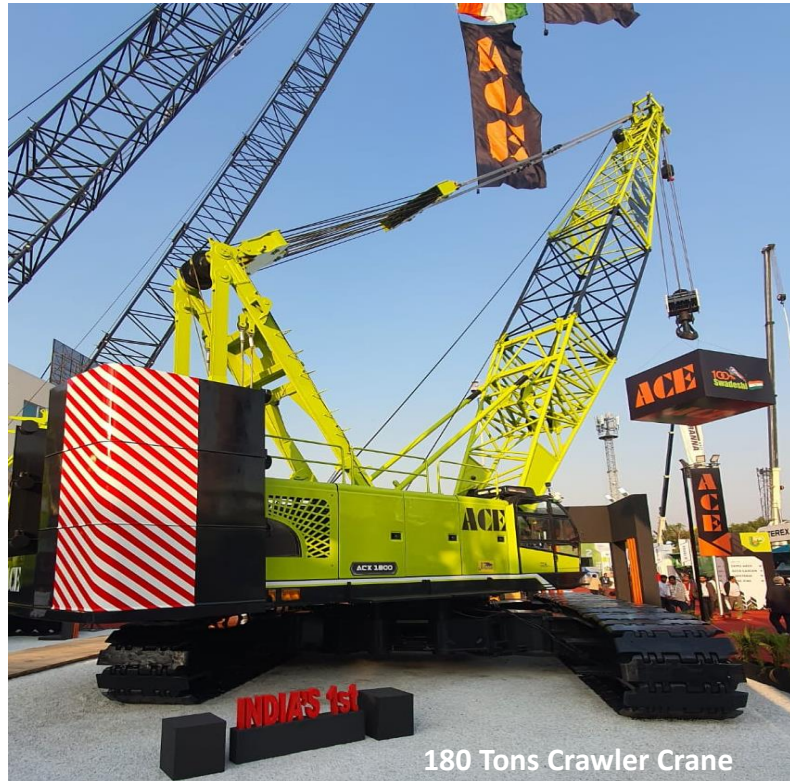
Fully Electric Mobile Crane



Aerial Work Platforms



Telehandler



180 Tons Crawler Crane

- ACE intends to increase the contribution of exports in total revenues to a significant share over the medium term
- Tapping Opportunities in the Defence Sector
- Increasing Utilisation Levels of Construction Equipment.
- New Product Launches:
 - India's First Fully Electric Mobile Crane
 - India's Largest Mobile Crane - 180 Tons Crawler Crane
 - Aerial Work Platforms and Telehandlers.
 - 35 Tons 4X4 Next-Gen Crane.

Evolving Opportunities - Exports



Forma Range of Tractors



Telehandler 2-4 Tons



Backhoe Loader – Phantom 4x4

- ▶ ACE intends to increase the contribution of exports in total revenues to a significant share over the next 2-3 years
- ▶ Accordingly, ACE launched Forma Range of Tractors, Telehandler and Backhoe Loader “Phantom 4x4”, especially designed for International Markets
- ▶ ACE’s products have been upgraded to new emission norms BS-V CEV which is at par with the European standards. This will help the company increase its sales and open up new opportunities in international markets

Sectoral Growth Drivers



Urban Infra

- Investment of INR 75,000 Crs, for one hundred critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors.
- Urban Infrastructure Development Fund (UIDF) will be established through use of priority Sector Lending shortfall, which will be managed by the national Housing Bank, and will be used by public agencies to create urban infrastructure in Tier 2 and Tier 3 cities. Additionally, a provision of Rs 1.5 tn for long-term interest free loans has been made to support states in their resource allocation based on their developmental priorities.



Railways

- Implementation of three major economic railway corridor programs and Expansion of Metro Rail and NaMo Bharat to be supported in large cities, focusing on transit-oriented development.
- 400 new Vande Bharat trains to be developed in the next three years and 'One Station-One Product' to help local businesses and supply chains
- Construction of Dedicated New line projects will be getting an allocation of INR 31,850 Crs and National High Speed Rail Corporation Limited will be allocated INR 40,184 Crs.



Manufacturing

- The Manufacturing sector of India has the potential to reach US\$ 1 Tn by 2025.
- PLI in 14 sectors for achieving the vision of 'Atmanirbhar Bharat' with the potential to have additional production of INR 3,00,000 Crs during next 5 years.
- Industrial Capex cycle has revived owing to other initiatives such as 'Vocal for Local' and 'China +1 Strategy.'



Roads

- As per Budget 2023-24 Expansion of the National Highways network by 14,000 km in FY24, INR 20,000 Crs to be mobilized through innovative ways of financing.
- The roads sector is likely to account for 18% capital expenditure over FY 2019-25 and Roads worth \$200 Bn to be built in next 2 years.
- NHAI is coming up with 23 new highways including network of expressways and economic corridors by March 2025.



Housing

- Union Budget aims to provide affordable housing to 1 crore families under Pradhan Mantri Awas Yojana (PMAY), with an investment of INR 10 lakh crore and central assistance of INR 2.2 lakh crore over five years.
- The government plans to construct an additional 3 crore houses under the Pradhan Mantri Awas Yojana, encompassing both urban and rural areas.
- Real estate sector in India is expected to reach a market size of US\$ 1 trillion by 2030 and contribute 13% to the country's GDP by 2025.

Capex outlay increased by ~17% to INR11.11 lakh crores in FY25 Union budget. Major outlay is for roads at INR 2.78lakh crore and railways at INR2.52 lakh crore.

Sectoral Growth Drivers



Agriculture

- The Ministry of Agriculture and Farmers' Welfare has been allocated INR 1,52,000 Crores in the 2024-25 Union Budget.
- Indian tractor market stands at ~8,74,000 units and the Indian agricultural tractor market is anticipated to grow at a CAGR of 6.7% over the forecast period 2024-2029.
- Increased budgetary allocation to Rural Development, Irrigation Projects, and Subsidies, along with improved credit availability, is anticipated to stimulate higher demand in these sectors.



Logistics

- One hundred PM Gati Shakti Cargo Terminals for multimodal logistics facilities will be developed till 2025.
- The logistics market in India is forecasted to grow at a CAGR of 10.5% between 2019 and 2025.
- The deeper penetration into Tier II, III & IV towns and the National Logistics Policy promise an efficient and integrated logistics industry in coming years.



Warehousing

- Supportive Government policies such as establishment of logistic parks and free trade warehouse zones is expected to spur the market growth through 2025.
- Indian warehousing and logistics sector is expected to attract ~\$10 Bn investments over the next 4-5 years.



Defense

- Allocations to Defence Budget remained flat at Rs 4.5 tn yoy.
- Capital outlay increased to Rs 1.7 tn in FY25 (+11% y/y over FY24), while revenue expenditure declined by 5% yoy to Rs 2.8 tn in FY25 as compared to FY24).
- Major allocations will be towards Aircrafts (23%), Other equipments (36%), Naval fleet, dockyard & projects (18%) and Research & Development (8%)



Ports

- The Ministry of Ports, Shipping and Waterways aims to complete projects worth INR 2,00,000 Crs in the next financial year under the Sagarmala Programme.
- The Government has included 1,537 projects under the ambitious Sagarmala Programme at a cost of INR 6,50,000 Crs.
- Projects worth INR 13,308.41 Crs were awarded in the last three years on upgradation of the major ports.

The Government of India has allocated US\$ 1.4 Tn under the National Infrastructure Pipeline for FY 2019-25.

The main title of the slide, 'FINANCIAL OVERVIEW Q1-FY25', is centered in a white, sans-serif font. A vertical orange bar is positioned to the left of the text, partially overlapping the first letter 'F'. The background of the slide is dark grey with faint, light grey line and bar charts.

Q1-FY25 Financial & Operational Highlights

Q1-FY25 Operational Highlights

- ACE registered its best ever Q1 i.e. Apr-Jun quarter in terms of revenue and margins.
- Strong growth momentum continued with operational revenue growing by 12% on a YoY basis
- EBITDA Margins expand by 212 bps YoY to 17.11%
- Margin expansion continued, driven by operating leverage, better product mix and efficient cost control measures
- Cranes, Construction equipment & Material Handling Volumes grew by 20% YoY
- Going forward, the Government of India's continued emphasis on infrastructure development ,manufacturing and capital expenditure announced in the Union Budget 2024 augurs well for the company and will contribute to the growth in FY25



INR 7,618 Mn

Total Income*
14.1% YoY



INR 1,262 Mn

EBITDA
29.0% YoY



16.57%

EBITDA Margin
193 Bps YoY



INR 842 Mn

PAT
24.6% YoY



11.05 %

PAT Margin
93 Bps YoY



INR 7.07/Share

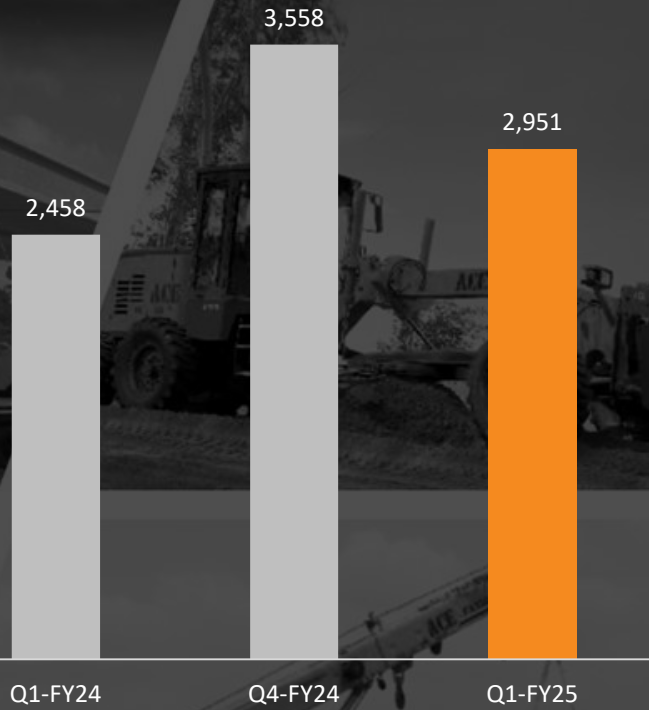
Diluted EPS
24.7% YoY



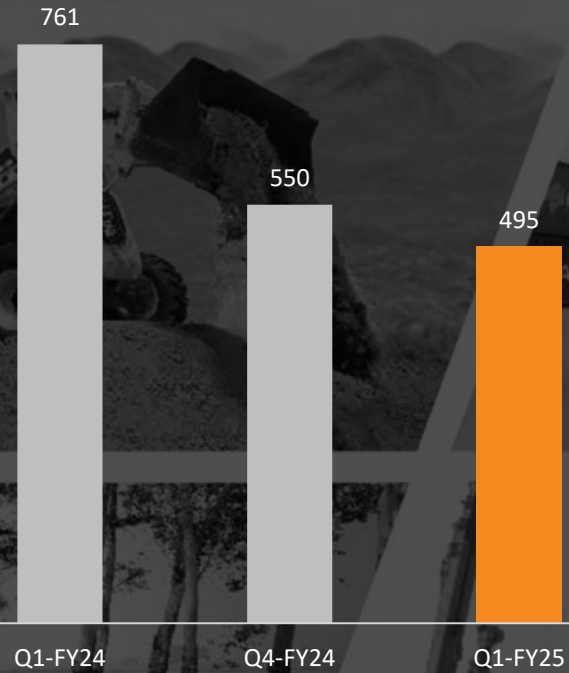
Segment wise – Quarterly Sales Volume



Cranes, Construction Equipment & Material Handling Equipment



Agricultural Equipment



Quarterly Consolidated Financial Performance



| Particulars (INR Mn) | Q1-FY25 | Q1-FY24 | Y-o-Y | Q4-FY24 | Q-o-Q |
|---------------------------|---------------|---------------|----------------|---------------|------------------|
| Total Income* | 7,618 | 6,679 | 14.1% | 8,568 | (11.1)% |
| Total Expenses | 6,356 | 5,701 | 11.5% | 7,062 | (10.0)% |
| EBITDA | 1,262 | 978 | 29.0% | 1,506 | (16.2)% |
| EBITDA Margins (%) | 16.57% | 14.64% | 193 bps | 17.58% | (101) Bps |
| Depreciation | 69 | 52 | 32.7% | 67 | 3.0% |
| Finance Cost | 73 | 31 | 135.5% | 107 | (31.8)% |
| PBT | 1,120 | 895 | 25.1% | 1,332 | (15.9)% |
| Tax | 278 | 219 | 26.9% | 347 | (19.9)% |
| Profit after Tax | 842 | 676 | 24.6% | 985 | (14.5)% |
| PAT Margins (%) | 11.05% | 10.12% | 93 bps | 11.50% | (45) Bps |
| EPS (Diluted INR) | 7.07 | 5.67 | 24.7% | 8.27 | (14.5)% |

*Total Income includes Other Income

Historical Consolidated Financial Performance



| Particulars (INR Mn) | FY22 | FY23 | FY24 | Q1-FY25 |
|-----------------------------------|---------------|---------------|---------------|---------------|
| Total Income* | 16,404 | 22,008 | 29,909 | 7,618 |
| Total Expenses | 14,782 | 19,387 | 25,106 | 6,356 |
| EBITDA | 1,622 | 2,621 | 4,803 | 1,262 |
| EBITDA Margins (%) | 9.89% | 11.91% | 16.06% | 16.57% |
| Depreciation | 154 | 180 | 232 | 69 |
| Finance Cost | 95 | 103 | 232 | 73 |
| PBT | 1,373 | 2,338 | 4,339 | 1,120 |
| Tax | 323 | 608 | 1,057 | 278 |
| Profit after Tax | 1,050 | 1,730 | 3,282 | 842 |
| PAT Margins (%) | 6.40% | 7.86% | 10.97% | 11.05% |
| Other Comprehensive Income | (3) | 0 | (2) | 0 |
| Total Comprehensive Income | 1,047 | 1,730 | 3,280 | 842 |
| EPS (Diluted INR) | 9.02 | 14.41 | 27.56 | 7.07 |

* Total Income includes Other Income

Historical Consolidated Balance Sheet



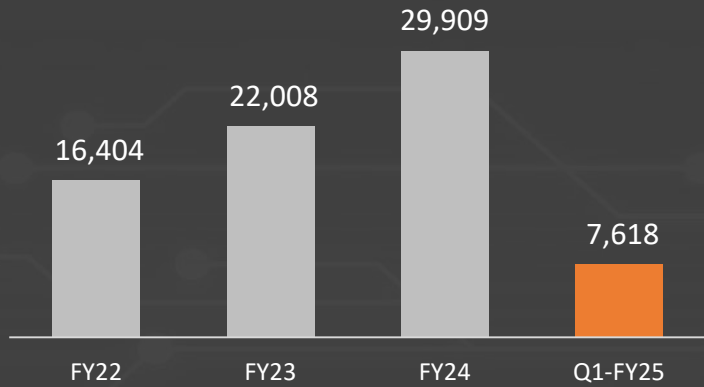
| Equities & Liabilities (INR Mn) | FY22 | FY23 | FY24 |
|------------------------------------------|---------------|---------------|---------------|
| (A) Share Capital | 238 | 238 | 238 |
| (B) Other Equity | 7,303 | 8,948 | 12,060 |
| Non Controlling Interest | 2 | 16 | 17 |
| Total - Shareholder Funds | 7,543 | 9,202 | 12,315 |
| Non Current Liabilities | | | |
| (A) Financial Liabilities | | | |
| (i) Borrowings | - | - | |
| (ii) Lease Liabilities | 13 | 7 | 2 |
| (B) Provisions | 23 | 27 | 32 |
| (C) Deferred tax liabilities (Net) | 135 | 133 | 97 |
| Total - Non – Current Liabilities | 171 | 167 | 131 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 292 | 62 | 39 |
| (ii) Trade Payables | 4,127 | 5,009 | 6,880 |
| (iii) Other Financial Liabilities | 212 | 231 | 414 |
| (iv) Lease Liabilities | 5 | 6 | 4 |
| (D) Other current liabilities | 419 | 1,296 | 1,801 |
| (E) Provisions | 18 | 25 | 38 |
| (F) Current tax liabilities (Net) | 37 | - | 70 |
| Total – Current Liabilities | 5,110 | 6,629 | 9,246 |
| Total Equity and Liabilities | 12,824 | 15,997 | 21,692 |

| Assets (INR Mn) | FY22 | FY23 | FY24 |
|-------------------------------------------|---------------|---------------|---------------|
| (A) Property plant & Equipment | 4,355 | 4,723 | 5,595 |
| (B) Capital Work in Progress | 243 | 244 | 436 |
| (C) Right-of-Use Assets | 17 | 12 | 5 |
| (D) Investment properties | 118 | 115 | 164 |
| (E) Intangible assets | 27 | 25 | 31 |
| (F) Financial assets | | | |
| (i) Investments | 802 | 1,367 | 2,245 |
| (ii) Other financial assets | 163 | 348 | 110 |
| (G) Other non-current assets | 67 | 41 | 368 |
| (H) Deferred tax assets | - | - | 6 |
| (I) Non- Current tax assets (Net) | 4 | 7 | 4 |
| Total - Non – Current Assets | 5,796 | 6,882 | 8,964 |
| Current Assets | | | |
| (A) Inventories | 3,334 | 4,185 | 5,534 |
| (B) Financial assets | | | |
| (i) Investments | 990 | 2,119 | 3,696 |
| (ii) Trade receivables | 1,887 | 1,693 | 1,643 |
| (iii) Cash and cash equivalents | 57 | 215 | 482 |
| (iv) Bank balances other than (iii) above | 86 | 275 | 622 |
| (v) Loans | 8 | 7 | 8 |
| (vi) Other current financial assets | 20 | 78 | 94 |
| (C) Other Current Assets | 646 | 543 | 649 |
| Total current assets | 7,028 | 9,115 | 12,728 |
| Total Assets | 12,824 | 15,997 | 21,692 |

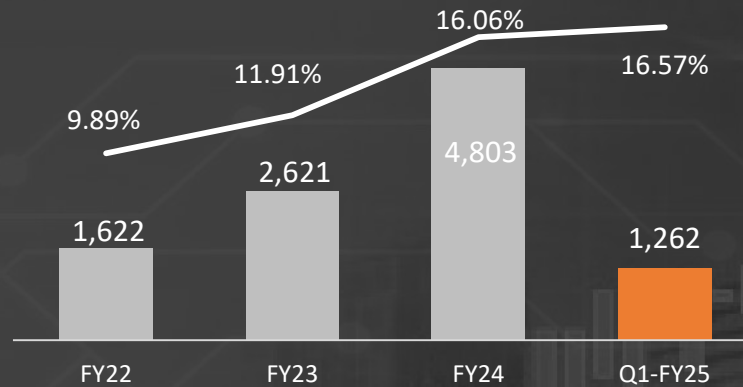
Key Consolidated Financial Highlights



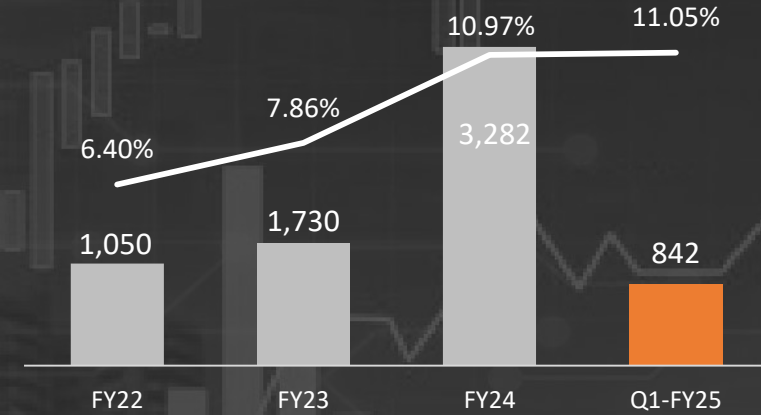
Total Income* (INR Mn)



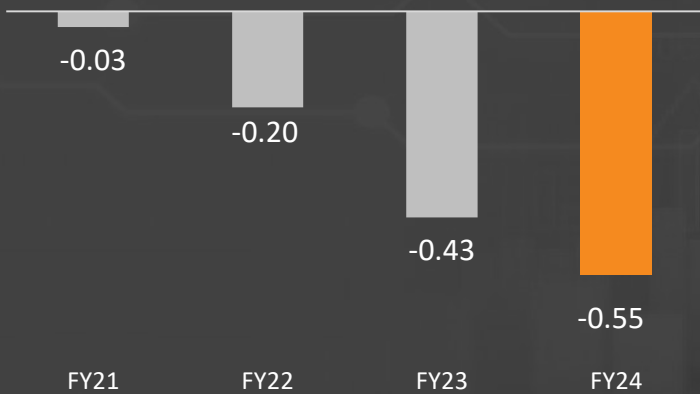
EBITDA and EBITDA Margins (INR Mn)



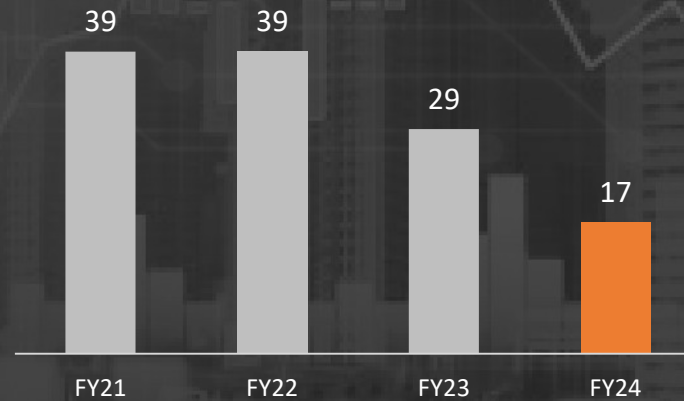
PAT and PAT Margins (INR Mn)



Net Debt to Equity (x)



Working Capital Days



Return on Capital Employed (%)

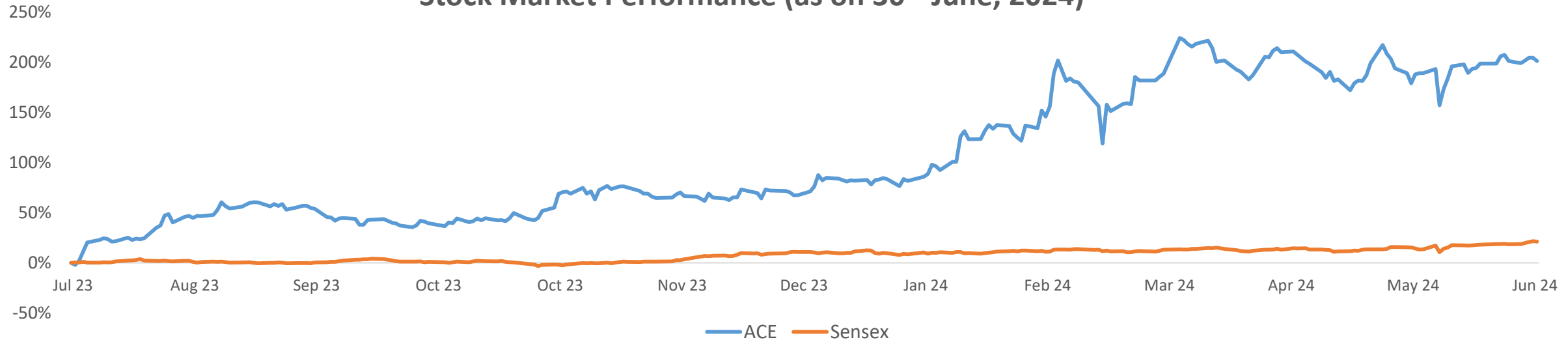


* Total income includes other income

Capital Market Data

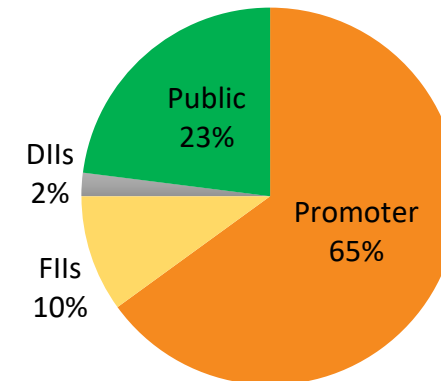


Stock Market Performance (as on 30th June, 2024)



| Price Data (As on 30 th June, 2024) | |
|------------------------------------------------|--------------|
| Face Value (INR) | 2.0 |
| Market Price (INR) | 1488.3 |
| 52 Week H/L (INR) | 1693.1/475.2 |
| Market Cap (INR Mn) | 1,77,231.5 |
| Equity Share Outstanding (Mn) | 119.1 |
| 1 Year Avg. Daily Trading Volume ('000) | 518.9 |

Shareholding Holding pattern (As on 30th June, 2024)



Disclaimer



Action Construction Equipment Limited

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be "forward looking statements" based on the currently held beliefs and assumptions of the management of Action Construction Equipment Limited, which are expressed in good faith and in their opinion reasonable, including those relating to the Company's general business plans and strategy, its future financial condition and growth prospects and future developments in its industry and its competitive and regulatory environment.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of the Company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements, including future changes or developments in the Company's business, its competitive environment and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.

This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction, including the United States. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. None of our securities may be offered or sold in the United States, without registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from registration there from.

This presentation is confidential and may not be copied or disseminated, in whole or in part, and in any manner.

Valorem Advisors Disclaimer:

Valorem Advisors is an Independent Investor Relations Management Service company. This Presentation has been prepared by Valorem Advisors based on information and data which the Company considers reliable, but Valorem Advisors and 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 all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. Valorem Advisors also hereby certifies that the directors or employees of Valorem Advisors do not own any stock in personal or company capacity of the Company under review.

For further details, please feel free to contact our Investor Relations Representatives:



Mr. Anuj Sonpal
Valorem Advisors
Tel: +91-22-49039500
Email: ace@valoremadvisors.com

ACE- Lifting India's Growth



THANK YOU

Action Construction Equipment Ltd.
Dudhola Link Road, Dudhola
Palwal (Haryana)-121102 INDIA
Board : 01275-280111, 280220
Web : www.ace-cranes.com

