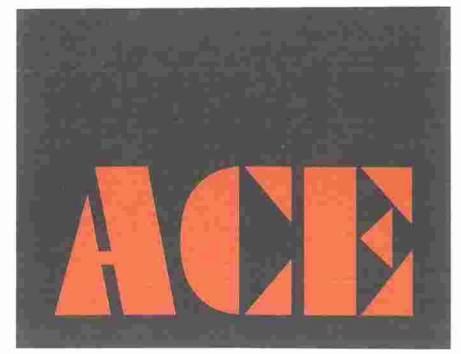


Action Construction Equipment Ltd.

Corporate & Regd. Office

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



Date: November 09, 2021

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-H1/Q2-FY22

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith, earnings presentation (H1/Q2-FY22) of the Company.

Kindly take the above in your record.

Thanking you

Yours faithfully

For Action Construction Equipment Limited

Anil Kumar
Company Secretary





**EARNINGS
PRESENTATION
H1/Q2-FY22**

**100%
Swadeshi**



At a Glance



Established Brand with over 25 years of Industry Presence

Operating across Infrastructure, Construction, Manufacturing, Logistics and Agri sectors

World's largest Pick & Carry Crane Manufacturer

India's most diversified Construction Equipment Manufacturer

Pan India and Global Presence in over 25 Countries

16,000+ strong Customer base with Significant Presence across Diversified Sectors

Most Awarded Construction Equipment Company

Strong Training and R&D Backbone

Customer-Centric Organisation

Ample Capacities in place to ensure Future Revenue Growth



Company Overview



• **ACTION CONSTRUCTION EQUIPMENT LIMITED** was established in 1995 by a technocrat, Mr. Vijay Agarwal 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

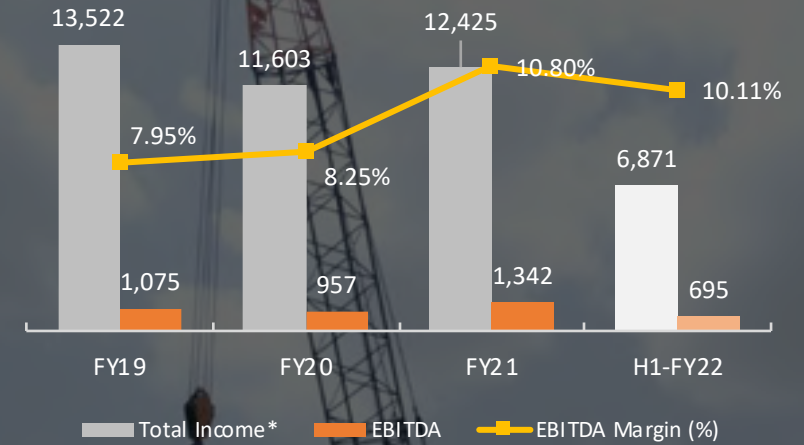


60%
Market Share

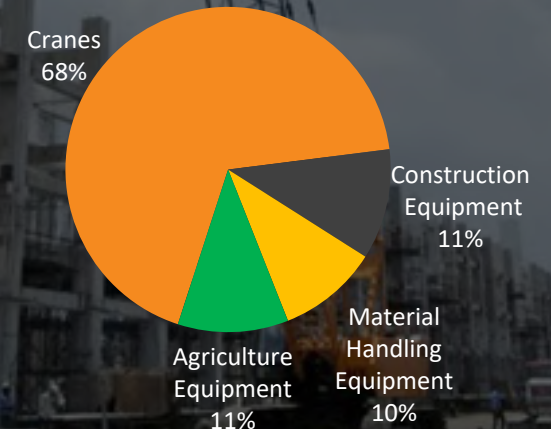
- The company is the world's largest Pick & Carry cranes manufacturer with over 63% market share in the Mobile cranes segment and a majority market share of more than 60% in Tower Cranes segment domestically.
- Additionally, ACE also offers Crawler Cranes, Truck Mounted Cranes, Lorry Loaders, Backhoe Loaders/Loaders, Vibratory Rollers, Motor Graders, Forklifts, Tractors & Harvesters and other Construction Equipment.
- The company has one of the widest sales network, with over 100+ locations supported by 13 regional offices in India and also exports to over 25 countries across Middle East, Africa, Asia and Latin America.



Financial Highlights (INR Mn)



Segmental Revenue – H1-FY22 (%)



*Note : Total Income includes Other Income

Product Portfolio



Cranes



Pick & Carry Crane



Lorry Loaders Crane



Self Erecting Tower Crane



Crawler Crane



Truck Crane



Tower Crane

Construction Equipment



Backhoe Loader



Wheel Loader



Soil Compactor & Tandem Vibratory Roller



Motor Grader

Material Handling



Forklift Trucks



Warehousing Equipment



Piling Rig

Agriculture Equipment



Tractor



Track Combine



Track Harvester



Rotovator

Established and Strong Brand

Flexibility and Quick Change Adaptation

Highly Experienced and Professional Team

Rugged Products with Superior Functional Parameters

In-house R&D Centre Working continuously towards Product Upgradation, Development of New Products and Value Engineering

Total Industrial land of ~90 acres with 50% utilisation

High Operational Efficiency with Low Fixed Cost

Low Leverage with a Credit Rating of AA- (Stable)/A1+ by ICRA

Customer Relationships with In-depth Market Intelligence

Value for Money Equipment with Focus on Quality and Reliability

Fastest Service and Product Support through a Countrywide Network Equipped with Genuine Parts and Trained Engineers

Customized Solutions for Specific Requirements

Dedicated Training Centre to provide operation and maintenance training to Dealer and Customer Personnel

Sectoral Growth Drivers



Urban Infra

- Upcoming Metro Projects across all major cities.
- Development of City Roads, Bridges, Flyovers, Elevated Road Corridors, Water Sewerage, Transmission Lines and Distribution Infrastructure etc.
- 100 Smart Cities being developed and rejuvenation of 500 others.



Railways

- As per Union Budget 2021-22, Ministry of Railways have been allocated INR 1,10,055 Cr (US\$ 15.19 billion)
- 7 new DPRs for Bullet Trains are under consideration apart from the Mumbai-Ahmedabad Link
- Construction of Dedicated Freight Corridor will be getting an allocation of Rs. 16,086 crore and National High Speed Rail Corporation Limited will be allocated Rs. 14,000 crore. Also, 40,000 km rail line is planned till FY30 with an average of 3,600 km/year.



Manufacturing

- The Manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025.
- India's National Manufacturing Policy aims at increasing Manufacturing's share in GDP to 25% by 2025, thereby augmenting growth.
- Industrial Capex cycle has revived owing to initiatives such as 'Atmanirbhar Bharat', 'Vocal for Local' and 'China +1 Strategy.'



Roads

- 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.
- The Central Government awarded a total of 322 projects to construct more than 13000 km roads under the 'Bharatmala Pariyojana' and 3.71 lakh km under the PMGSY.



Housing

- 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.
- Retail, hospitality, and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.
- The vision of 'Housing For All' and the ambitious PMAY will further bolster the growth in this segment.

Launch of PM Gati Shakti Plan, a Rs. 100 lakh crore national infrastructure master plan, building a foundation for holistic infrastructure.

Sectoral Growth Drivers



Agriculture

- Indian tractor market stands at ~8,00,000 units and is anticipated to grow at a CAGR of 4.5% over the next five years owing to increase in demand for mechanization in agriculture & logistics industry.
- Budgetary allocation to Rural Development, Irrigation Projects and Subsidies coupled with credit availability will induce increased demand.



Logistics

- The Size of Logistics Industry in India is \$215-billion.
- 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.
- Total supply of warehousing space is likely to almost double by 2022 with the addition of around 200 million sq. ft.
- Indian warehousing and logistics sector is expected to attract ~\$10 billion investments over the next 4-5 years.



Airports

- 200 low cost airports being built in next 20 years.
- India's aviation industry is expected to witness Rs. 35,000 Cr (US\$ 4.99 billion) investment in the next four years.
- The Indian Government is planning to invest US\$ 1.83 billion for development of airport infrastructure along with aviation navigation services by 2026.



Ports

- The capacity addition at ports is expected to grow at a CAGR of 5-6% till 2022, thereby adding 275-325 MT of capacity.
- Under the Sagarmala Programme, Government has envisioned a total of 189 projects for modernisation of ports involving an investment of Rs 1.42 trillion (US\$ 22 billion) by the year 2035.
- Projects worth INR 13,308.41 Cr were awarded in the last three years on upgradation of the major ports.

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

The main title of the slide is 'FINANCIAL OVERVIEW H1/Q2-FY22', centered in white, uppercase, 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, overlapping line and bar charts.

H1/Q2-FY22 Financial & Operational Highlights



Q2-FY22 Financial Highlights (Consolidated)

INR 3,632 Mn

Total Income*

INR 369 Mn

EBITDA

10.16%

EBITDA Margin

INR 229 Mn

PAT

6.31%

PAT Margin

INR 2.01/Share

Diluted EPS

H1-FY22 Financial Highlights (Consolidated)

INR 6,871 Mn

Total Income*

INR 695 Mn

EBITDA

10.11%

EBITDA Margin

INR 422 Mn

PAT

6.14%

PAT Margin

INR 3.71/Share

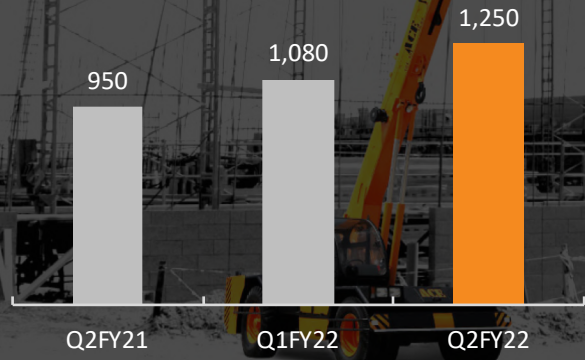
Diluted EPS

H1/Q2-FY22 Operational Highlights

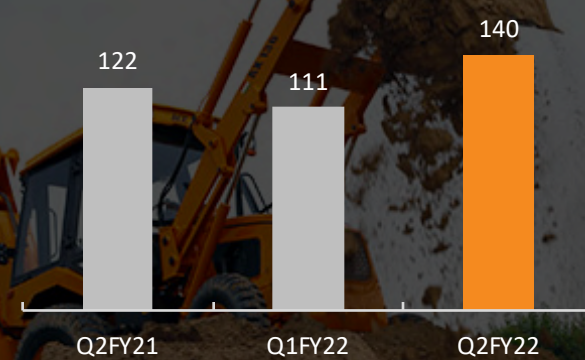
- The company achieved its highest ever Q2 Revenues, EBITDA and PAT Margins.
- ACE continued to post robust Margins due to sustained focus on cost efficiencies, higher operating leverage and better product mix. The PBT and PAT grew by 56% and 57% YoY respectively.
- Strong Revenue growth of 35% YoY across all segments :
 1. Cranes grew by 45% YoY
 2. Construction Equipment Segment grew by 30% YoY
 3. Material Handling Equipment grew by 42% YoY
 4. Agri Equipment was down by 6% YoY due to erratic monsoon.
- ACE expanded its business in the Defence Sector by getting an order for “Multi Purpose Tractors” from the Ministry of Defence (Army).
- The company also received a letter of Intent for manufacturing and supply of Special Knuckle Boom Cranes designed by ACE for Ministry of Defence
- Successfully completed QIP of Rs. 135.52 crores from a diverse mix of marquee investors in September 2021.
- Going forward, the unwavering focus of the government on Infrastructure space and the launch of PM Gati Shakti National Master Plan augur well for demand, however, we anticipate inflation to continue in Q3-FY22 which may put the margins under pressure.

Segment wise – Quantity sold

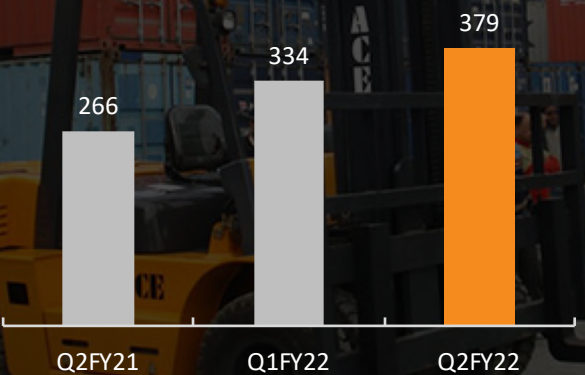
Cranes



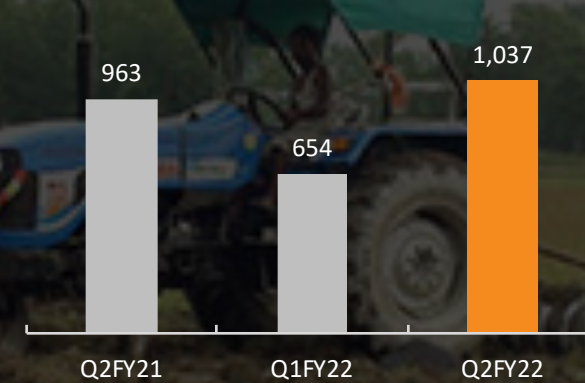
Construction Equipment



Material Handling Equipment



Agriculture Equipment



Q2-FY22 Consolidated Income Statement



Particulars (INR Mn)	Q2-FY22	Q2-FY21	Y-o-Y	Q1-FY22	Q-o-Q
Total Income*	3,632	2,701	34.5%	3,239	12.1%
Total Expenses	3,263	2,440	33.7%	2,913	12.0%
EBITDA	369	261	41.4%	326	13.2%
EBITDA Margin (%)	10.16%	9.66%	50 bps	10.06%	10 bps
Depreciation	38	35	8.6%	37	2.7%
Finance Cost	33	35	(5.7)%	27	22.2%
PBT	298	191	56.0%	262	13.7%
Tax	69	45	53.3%	69	0.0%
Profit after Tax	229	146	56.8%	193	18.7%
PAT Margin (%)	6.31%	5.41%	90 bps	5.96%	35 bps
Other Comprehensive Income	-	-	NA	-	NA
Total Comprehensive Income	229	146	56.8%	193	18.7%
EPS (Diluted INR)	2.01	1.29	56.0%	1.70	18.0%

*Note : Total Income includes Other Income

H1-FY22 Consolidated Income Statement



Particulars (INR Mn)	H1-FY22	H1-FY21	Y-o-Y
Total Income*	6,871	3,735	84.0%
Total Expenses	6,176	3,451	79.0%
EBITDA	695	284	144.7%
EBITDA Margin (%)	10.11%	7.60%	251 bps
Depreciation	74	69	7.2%
Finance Cost	60	68	(11.8)%
PBT	561	147	281.6%
Tax	139	44	215.9%
Profit after Tax	422	103	309.7%
PAT Margin (%)	6.14%	2.76%	338 bps
Other Comprehensive Income	-	-	NA
Total Comprehensive Income	422	103	309.7%
EPS (Diluted INR)	3.71	0.91	308.0%

*Note : Total Income includes Other Income

Historical Income Statement (IND-AS)



Particulars (INR Mn)	FY19	FY20	FY21	H1-FY22
Total Income*	13,522	11,603	12,425	6,871
Total Expenses	12,447	10,646	11,083	6,176
EBITDA	1075	957	1,342	695
EBITDA Margin (%)	7.95%	8.25%	10.80%	10.11%
Depreciation	118	130	139	74
Finance Cost	115	147	122	60
PBT	842	680	1,081	561
Tax	282	155	283	139
Profit after Tax	560	525	798	422
PAT Margin (%)	4.14%	4.52%	6.42%	6.14%
Other Comprehensive Income	-	(2)	8	-
Total Comprehensive Income	560	523	806	422
EPS (Diluted INR)	4.78	4.57	7.03	3.71

*Note : Total Income includes Other Income

Historical Consolidated Balance Sheet



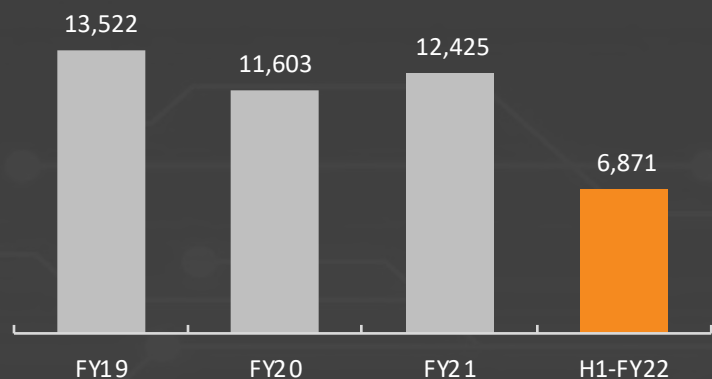
Equities & Liabilities (INR Mn)	FY20	FY21	H1-FY22
(A) Share Capital	227	227	238
(B) Other Equity	4,199	5,005	6,678
Non Controlling Interest	3	3	3
Total - Shareholder Funds	4,429	5,235	6,919
Non Current Liabilities			
(A) Financial Liabilities			
(i) Borrowings	295	203	1
(B) Provisions	35	19	19
(C) Deferred tax liabilities (Net)	142	160	153
Total - Non – Current Liabilities	472	382	173
Current Liabilities			
Financial Liabilities			
(i) Borrowings	447	343	573
(ii) Trade Payables	3,205	3,306	2,643
(iii) Other Financial Liabilities	727	875	874
(D) Other current liabilities	232	380	317
(E) Provisions	13	14	15
(F) Current tax liabilities (Net)	11	18	48
Total – Current Liabilities	4,635	4,936	4,470
Total Equity and Liabilities	9,536	10,553	11,562

Assets (INR Mn)	FY20	FY21	H1-FY22
(A) Property plant & Equipment	3,989	4,161	4,192
(B) Capital Work in Progress	194	126	207
(C) Investment properties	122	120	119
(D) Intangible assets	9	12	16
(E) Financial assets			
(i) Investments	215	64	208
(ii) Other financial assets	14	66	125
(F) Other non-current assets	130	97	96
(G) Non-current tax assets (Net)	1	1	1
Total - Non – Current Assets	4,674	4,647	4,964
Current Assets			
(A) Inventories	2,707	2,661	3,019
(B) Financial assets			
(i) Investments	65	251	629
(ii) Trade receivables	1,473	2,247	2,120
(iii) Cash and cash equivalents	34	329	153
(iv) Bank balances other than (iii) above	59	36	102
(v) Other current financial assets	23	23	26
(C) Other Current Assets	480	357	547
(D) Current Tax Assets (Net)	21	2	2
Total current assets	4,862	5,906	6,598
Total Assets	9,536	10,553	11,562

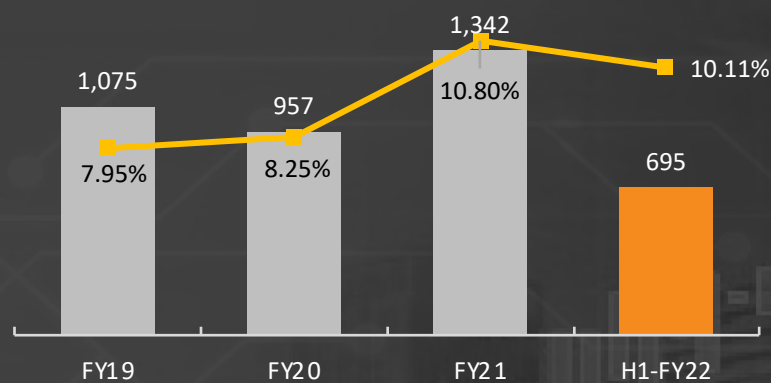
Key Financial Highlights



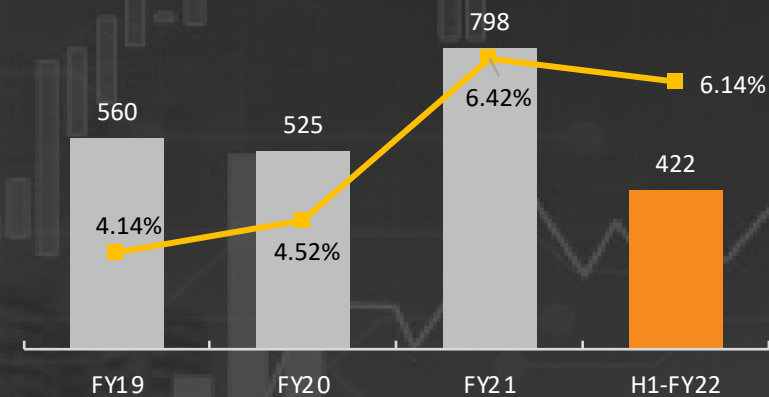
Total Income* (INR Mn)



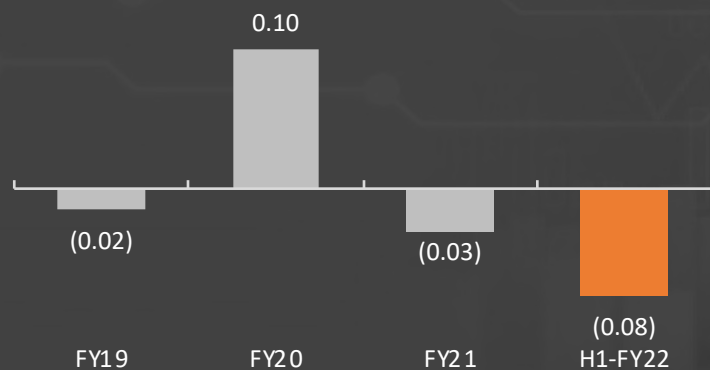
EBITDA and EBITDA Margins (INR Mn)



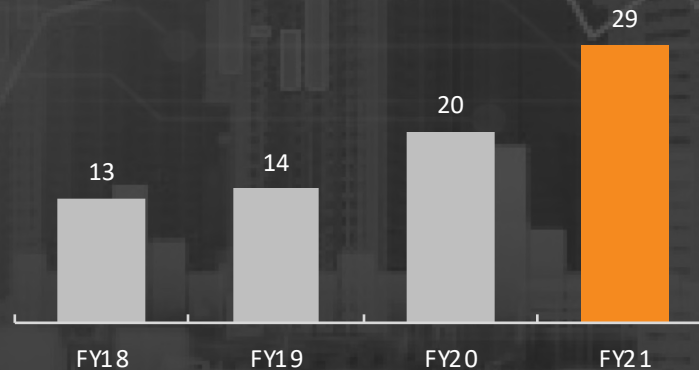
PAT and PAT Margins (INR Mn)



Net Debt to Equity (x)



Working Capital Days



Return on Capital Employed (%)

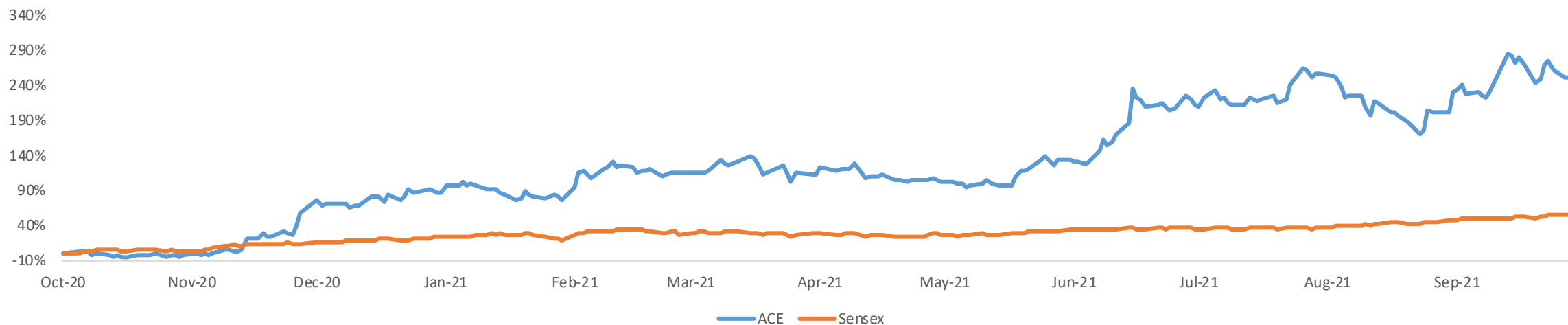


*Note : Total Income includes Other Income

Capital Market Information

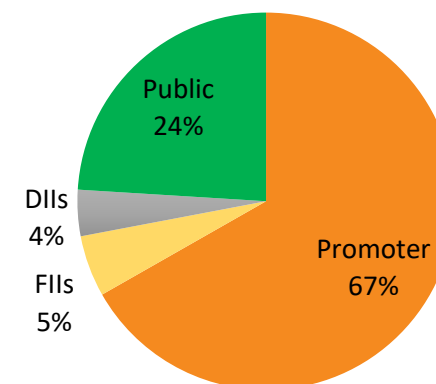


Stock Market Performance (as on 30th September, 2021)



Price Data (as on 30 th September, 2021)	
Face Value (INR)	2.00
Market Price (INR)	258.2
52 Week H/L (INR)	291.6/67.6
Market Cap (INR Mn)	30,741.3
Equity Share Outstanding (Mn)	119.1
1 Year Avg. Daily Trading Volume ('000)	911.4

Shareholding Holding pattern as on 30th September 2021



Disclamier



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