



**EARNINGS
PRESENTATION**
FY21/Q4-FY21

100% Swadeshi

ACE



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

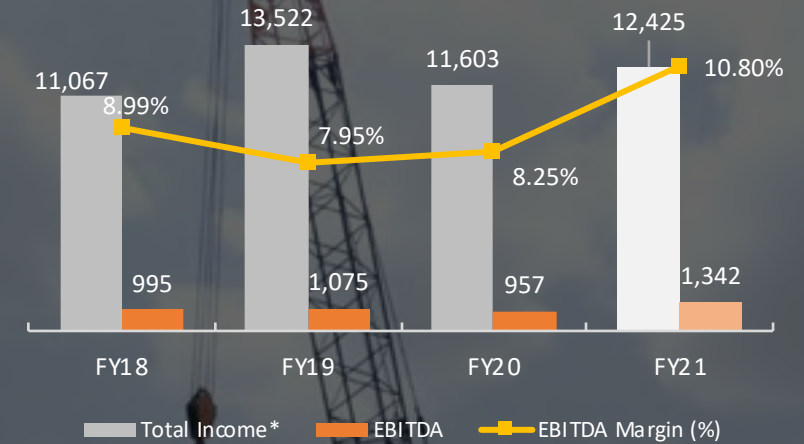


• **ACTION CONSTRUCTION EQUIPMENT LIMITED** was established in 1995 by a technocrat, Mr. Vijay Agarwal who has over 50 years of industry experience and is run by a team of experienced professionals.

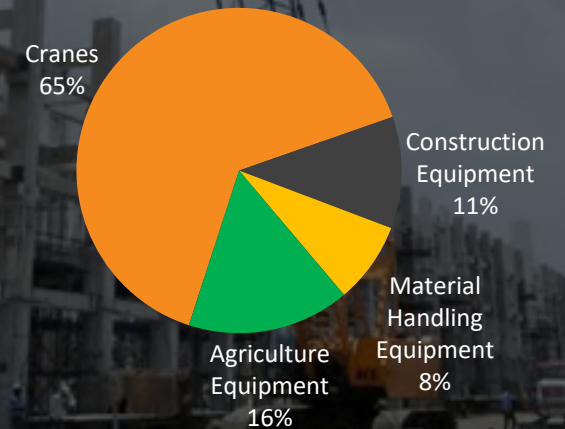
- ACE is an established and reputed brand with a significant presence across diversified sectors like Construction, Infrastructure, Manufacturing, Logistics and Agriculture.
- The company is the world’s largest Pick & Carry cranes manufacturer with over 63% market share in the Mobile cranes segment and 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.
- State-of-the-art production facilities based in the industrial townships of NCR, Haryana with a capacity to produce around 12,000 construction equipment and 9,000 Tractors annually.
- The company has one of the widest sales network, with over 100+ locations supported by 21 regional offices.
- Apart from the domestic market the company also exports to over 25 countries across Middle East, Africa, Asia and Latin America.



Financial Highlights (INR Mn)



Segmental Revenue – FY21 (%)



*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 2020-21, Ministry of Railways have been allocated INR 72,216 Cr (US\$ 10.33 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 12,413 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.

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

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.
- Prediction of a normal Monsoon in 2021 will further boost the sentiments of the sector.



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 is undertaking reforms in major sectors with a view to unlock its Potential

FINANCIAL OVERVIEW Q4-FY21/FY21

Q4-FY21/FY21 Financial & Operational Highlights

Q4-FY21 Financial Highlights (Consolidated)

INR 4,650 Mn

Total Income*

INR 573 Mn

EBITDA

12.32%

EBITDA Margin

INR 386 Mn

PAT

8.30%

PAT Margin

INR 3.40/Share

Diluted EPS

FY21 Financial Highlights (Consolidated)

INR 12,425 Mn

Total Income*

INR 1,342 Mn

EBITDA

10.80%

EBITDA Margin

INR 798 Mn

PAT

6.42%

PAT Margin

INR 7.03/Share

Diluted EPS

Q4-FY21 Operational Highlights

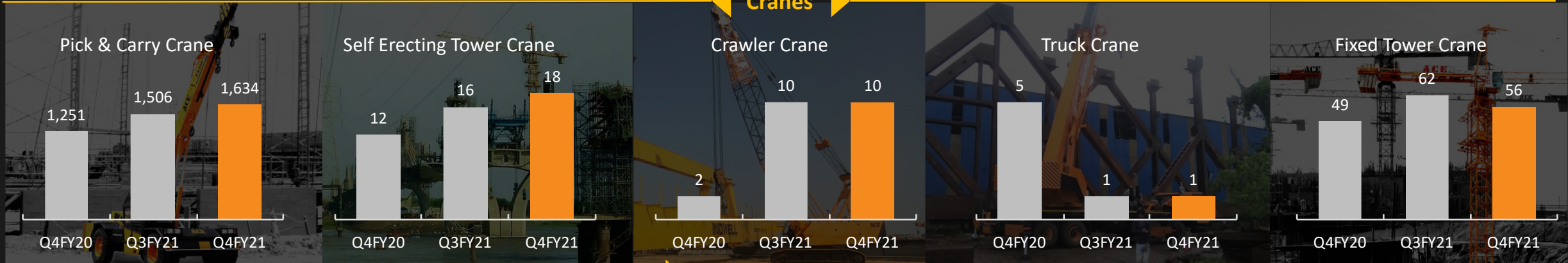
- Best Quarterly Performance and Quarterly sales of the company.
- Growth was driven by strong Industrial demand and sustained focus on development of Infrastructure in India.
- Sustained growth in the Agri and Construction Equipment segment due to the strengthened Business core.
- Launched Dedicated models of Tractor and Backhoe Loaders for the export markets.
- Focus on Cost Efficiencies, Operating Leverage and Better product mix resulted in sustained EBIT margins despite inflationary pressures.
- Going forward, Strong macroeconomic factors and prediction of a good monsoon augurs well for robust demand in FY22. However, disruptions due to the pandemic remains a concern.

*Note : Total Income includes Other Income

Product wise – Quantity sold

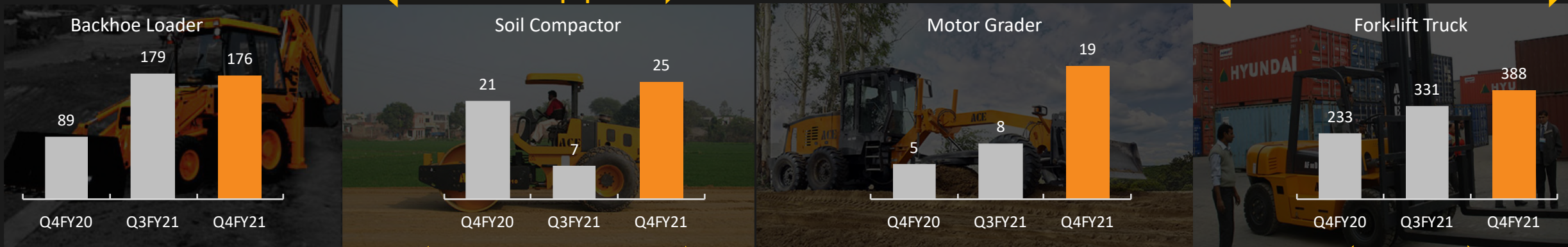


Cranes



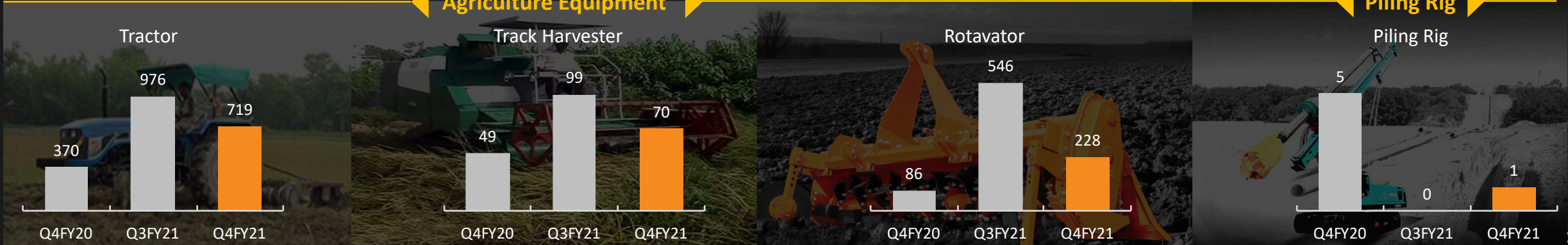
Construction Equipment

Material Handling Equipment



Agriculture Equipment

Piling Rig



Q4-FY21 Consolidated Income Statement



Particulars (INR Mn)	Q4-FY21	Q3-FY21	Q-o-Q	Q4-FY20	Y-o-Y
Total Income*	4,650	4,040	15.1%	3,042	52.9%
Total Expenses	4,077	3,554	14.7%	2,783	46.5%
EBITDA	573	486	17.9%	259	121.2%
EBITDA Margin (%)	12.32%	12.03%	29 bps	8.51%	381 bps
Depreciation	35	35	0.0%	37	(5.4)%
Finance Cost	30	25	20.0%	41	(26.8)%
PBT	508	426	19.2%	181	180.7%
Tax	122	117	4.3%	45	171.1%
Profit after Tax	386	309	24.9%	136	183.8%
PAT Margin (%)	8.30%	7.65%	65 bps	4.47%	383 bps
Other Comprehensive Income	8	-	NA	(1)	NA
Total Comprehensive Income	394	309	27.5%	135	191.9%
EPS (Diluted INR)	3.40	2.72	25.0%	1.20	183.3%

*Note : Total Income includes Other Income

FY21 Consolidated Income Statement



Particulars (INR Mn)	FY21	FY20	Y-o-Y
Total Income*	12,425	11,603	7.1%
Total Expenses	11,083	10,646	4.1%
EBITDA	1,342	957	40.2%
EBITDA Margin (%)	10.80%	8.25%	255 bps
Depreciation	139	130	6.9%
Finance Cost	122	147	(17.0)%
PBT	1,081	680	59.0%
Tax	283	155	82.6%
Profit after Tax	798	525	52.0%
PAT Margin (%)	6.42%	4.52%	190 bps
Other Comprehensive Income	8	(2)	NA
Total Comprehensive Income	806	523	54.1%
EPS (Diluted INR)	7.03	4.57	53.8%

*Note : Total Income includes Other Income

Historical Income Statement (IND-AS)



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

*Note : Total Income includes Other Income

Historical Consolidated Balance Sheet



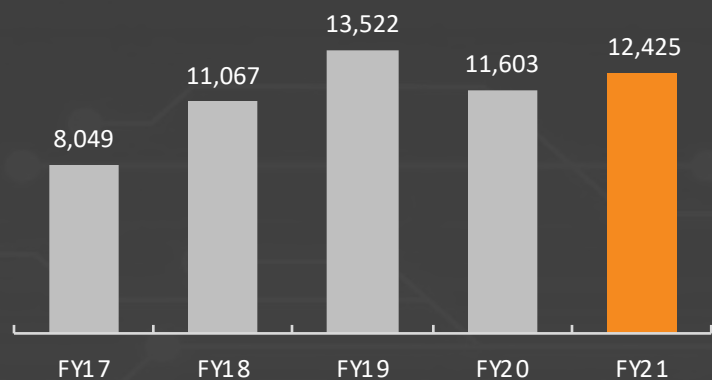
Equities & Liabilities (INR Mn)	FY20	FY21
(A) Share Capital	227	227
(B) Other Equity	4,199	5,005
Non Controlling Interest	3	3
Total - Shareholder Funds	4,429	5,235
Non Current Liabilities		
(A) Financial Liabilities		
(i) Borrowings	295	203
(B) Provisions	35	19
(C) Deferred tax liabilities (Net)	142	160
Total - Non – Current Liabilities	472	382
Current Liabilities		
Financial Liabilities		
(i) Borrowings	447	309
(ii) Trade Payables	3,205	3,306
(iii) Other Financial Liabilities	727	909
(D) Other current liabilities	232	380
(E) Provisions	13	14
(F) Current tax liabilities (Net)	11	18
Total – Current Liabilities	4,635	4,936
Total Equity and Liabilities	9,536	10,553

Assets (INR Mn)	FY20	FY21
(A) Property plant & Equipment	3,989	4,161
(B) Capital Work in Progress	194	126
(C) Investment properties	122	120
(D) Intangible assets	9	12
(E) Financial assets		
(i) Investments	215	64
(ii) Other financial assets	14	66
(F) Other non-current assets	130	97
(G) Non-current tax assets (Net)	1	1
Total - Non – Current Assets	4,674	4,647
Current Assets		
(A) Inventories	2,707	2,660
(B) Financial assets		
(i) Investments	65	251
(ii) Trade receivables	1,473	2,247
(iii) Cash and cash equivalents	34	329
(iv) Bank balances other than (iii) above	59	36
(v) Other current financial assets	23	23
(C) Other Current Assets	480	357
(D) Current Tax Assets (Net)	21	2
Total current assets	4,862	5,905
Total Assets	9,536	10,553

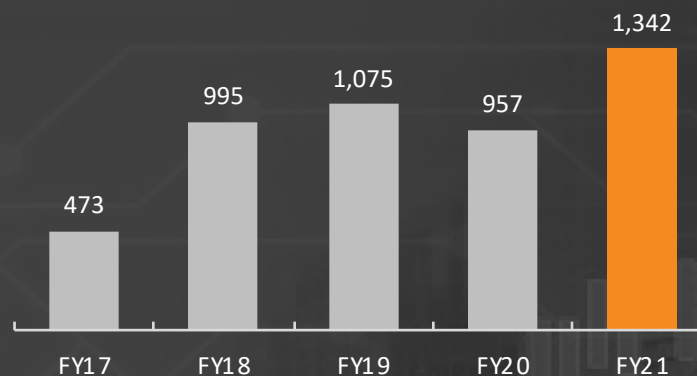
Key Financial Highlights



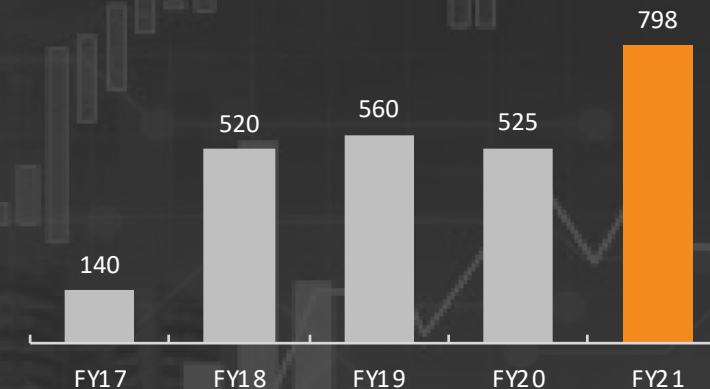
Total Income* (INR Mn)



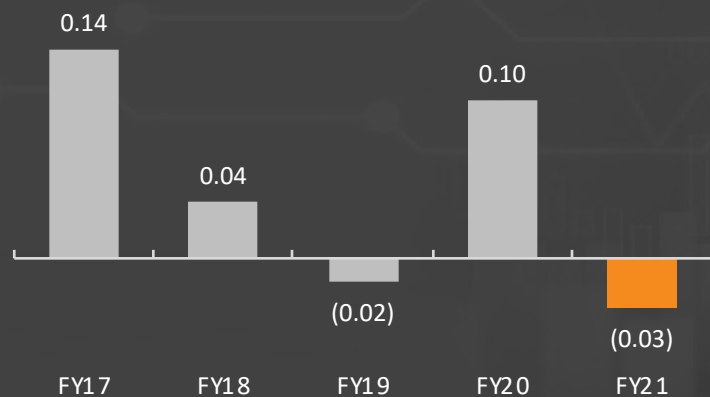
EBITDA (INR Mn)



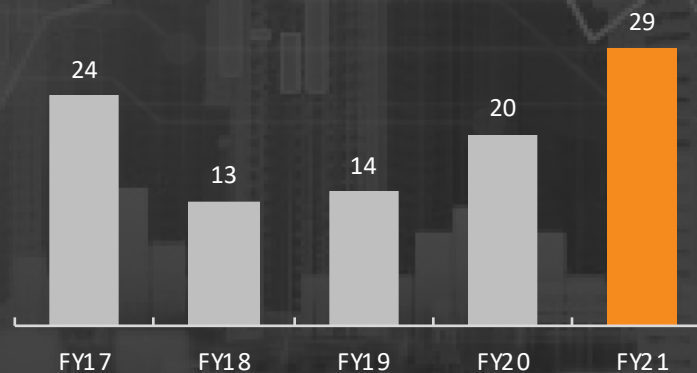
PAT (INR Mn)



Net Debt to Equity (x)



Working Capital Days

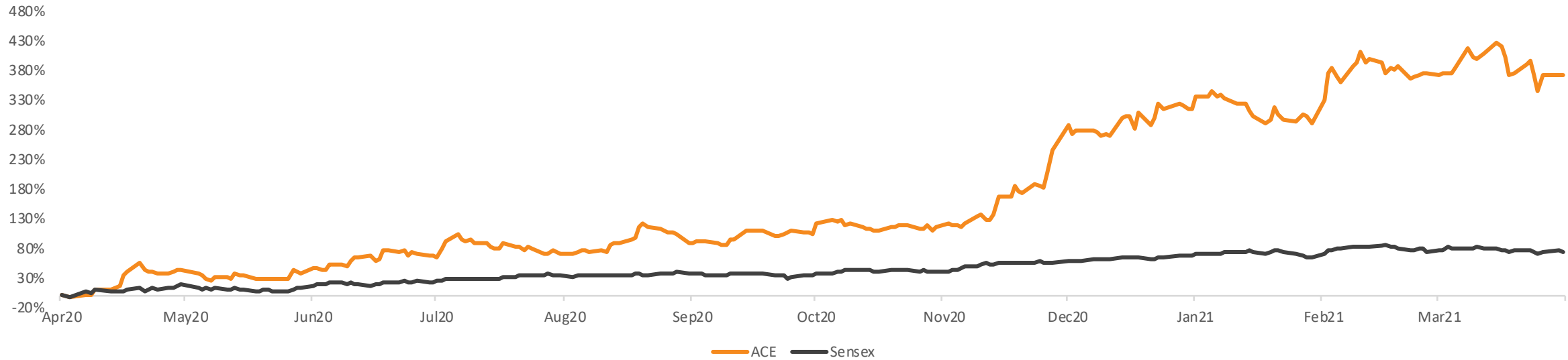


Return on Capital Employed (%)



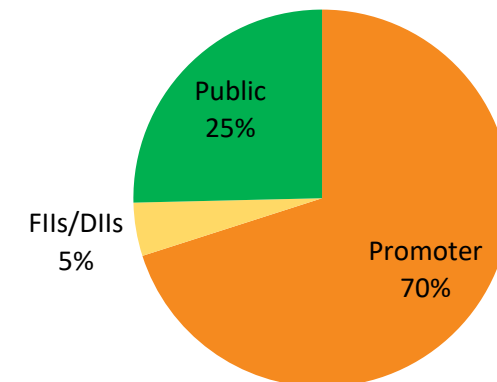
*Note : Total Income includes Other Income

Capital Market Information



Price Data (As on 31 st March, 2021)	
Face Value (INR)	2.00
Market Price (INR)	154.5
52 Week H/L (INR)	175.95/31.5
Market Cap (INR Mn)	17,533.2
Equity Share Outstanding (Mn)	113.5
1 Year Avg. Daily Trading Volume ('000)	563.7

Shareholding Holding pattern as on 31st March 2021



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