



**EARNINGS
PRESENTATION**
9M/Q3-FY2021

100% Swadeshi

ACE



At a glance



Over 25 years of experience in manufacturing of Heavy equipment

India's most diversified equipment manufacturer

World's largest Pick & Carry Crane manufacturer

15000+ strong Customer base

Pan India presence and global presence in over 25 countries

Strong R&D and training centre in Faridabad

Most Awarded Construction Equipment Company

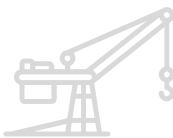
Total industrial land bank of 90 acres of which approx. 45 acres used



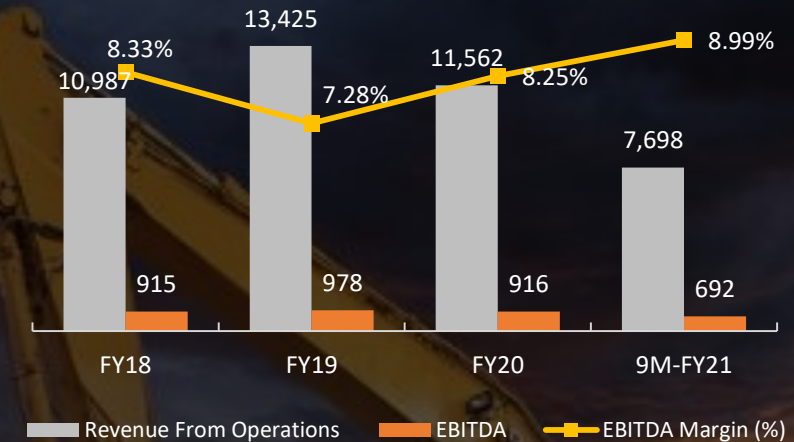
Company Overview



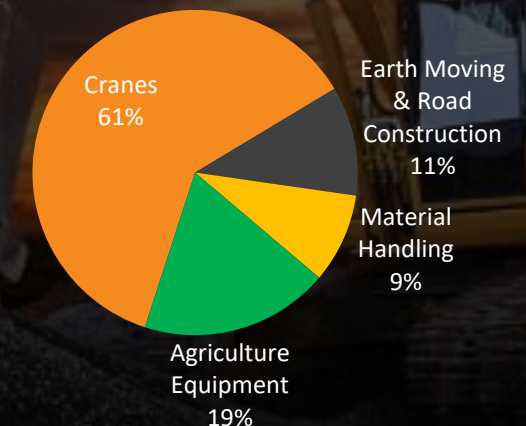
- **ACTION CONSTRUCTION EQUIPMENT LIMITED** was established in 1995 by technocrat, Mr. Vijay Agarwal who has over 50 years of industry experience and is run by a team of highly qualified professionals.
- ACE is an established and reputed brand with a significant presence across diversified sectors like 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, Australia, Latin America and Europe.



Financial Highlights (INR Mn)



Segmental Revenue – 9M-FY21 (%)



Product Portfolio



Cranes



Pick & Carry Crane



Lorry Loaders Crane



Self Erecting Tower Crane



Crawler Crane



Truck Crane



Tower Crane

Earthmoving & Road Construction



Backhoe Loader



Wheel Loader



Soil Compactor & Tandem Vibratory Roller



Motor Grader

Material Handling



Forklift Truck



Warehousing Equipment



Piling Rig

Agriculture Equipment



Tractor



Track Combine



Wheel Harvester



Rotavator

Key Strengths



Established and strong Brand



Highly experienced and qualified professional team



ACE offers high quality and reliable products that have **superior functional parameters**, and are **rugged and simple to maintain**



Cost effective equipment.



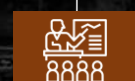
ACE provides **fastest service and product support** through a countrywide network of dealers and offices equipped with genuine parts and trained engineers



ACE also offers **customized solutions** for specific requirements



Dedicated R&D Centre working continuously towards product upgradation, development of new products and value engineering



ACE has established a **dedicated Training Centre** at Faridabad to provide operation and maintenance training to dealers and customers



Ample capacities in place to ensure future revenue growth without any major capex

Sectoral Growth Drivers

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



Housing

- 100 million houses to be built under “Housing for All” by 2022
- By 2040, real estate market will grow to Rs. 65,000 Cr (US\$ 9.30 billion) from Rs. 12,000 Cr (US\$ 1.72 billion) in 2019.
- Real estate sector in India is expected to reach a market size of US\$ 1 trillion by 2030 from US\$ 120 billion in 2017 and contribute 13% to the country’s GDP by 2025.
- 100 smart cities being developed and rejuvenation of 500 others



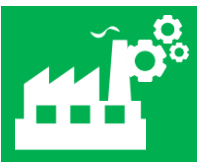
Roads

- Roads worth \$200 Bn to be built in next 2 years
- The roads sector is likely to account for 18% capital expenditure over FY 2019-25.
- The National Highways Authority of India (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'.



Railways

- 40,000 km rail line planned till FY30 with an average of 3,600 km/year
- In the next five years, Indian railway market will be the third largest, accounting for 10% of the global market.
- As per Union Budget 2020-21, Ministry of Railways have been allocated INR 72,216 Cr (US\$ 10.33 billion)



Manufacturing

- The Gross Value Added (GVA) at basic current prices from the manufacturing sector in India grew at a CAGR of 5% during FY16 and FY20.
- The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025.



Agriculture

- India is one of the largest tractor markets in the world, selling 600,000 to 700,000 tractors per annum, on average.
- The Government of India, through its various schemes, such as Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), is providing subsidies for the purchase of agricultural machinery purchases, such as tractors, wagons and other farming machinery in the country.

- 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 hold a promise for an efficient and integrated logistics industry in coming years.



Logistics

- 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.



Airport

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



Warehousing

- 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.



Ports

- India is the 3rd largest commercial Equipment market globally after Japan
- Commercial Equipment market is expected to grow 3x by 2030
- Earth moving equipment expected to grow at 10% CAGR over next 5 years
- Material Handling expected to grow at 19% CAGR over next 5 years
- Road equipment expected to grow at 7% CAGR over next 5 years
- Agri Equipment expected to grow at 5% CAGR over next 5 years

FINANCIAL OVERVIEW 9M/Q3-FY21

Q3/9M-FY21 Financial & Operational Highlights

Q3-FY21 Financial Highlights (Consolidated)

INR 4,005 Mn Net Operating Income	INR 452 Mn EBITDA	11.29% EBITDA Margins
INR 309 Mn PAT	7.72% PAT Margins	INR 2.72/Share Diluted EPS

9M-FY21 Financial Highlights (Consolidated)

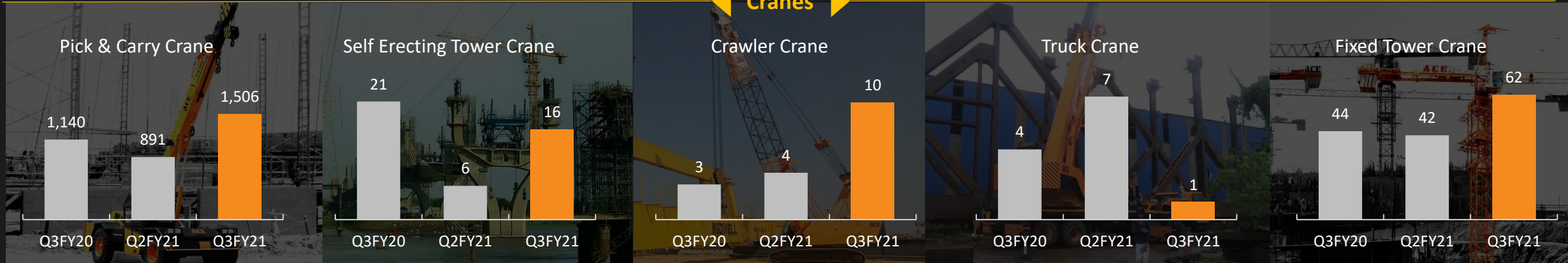
INR 7,698 Mn Net Operating Income	INR 692 Mn EBITDA	8.99% EBITDA Margins
INR 412 Mn PAT	5.35% PAT Margins	INR 3.63/Share Diluted EPS

Q3-FY21 Operational Highlights

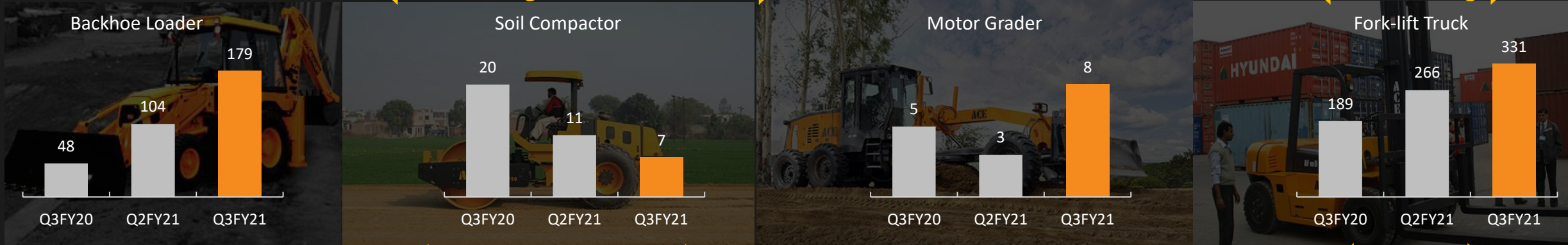
- Highest quarterly sales growth in history of the company
- Highest quarterly financial performance in history of the company
- Demand scenario was healthy in the Q3-FY21 despite of Q3 being historically a lower season
- Growth was driven by government push to revive construction and infrastructure activities, and good growth in agricultural and logistics sectors.
- Although steel prices increased in the quarter the company was able to pass on the price increase to customers
- The demand scenario continues to remain strong in the current quarter

Product wise – Quantity sold

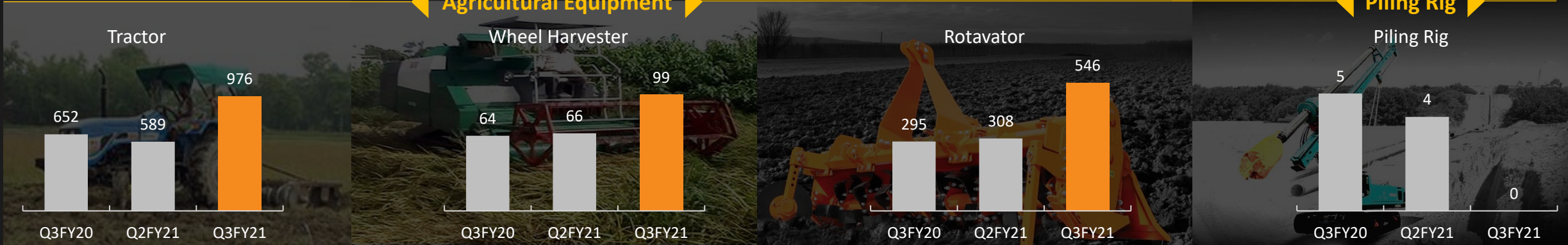
Cranes



Earthmoving & Road Construction



Agricultural Equipment



Q3-FY21 Consolidated Income Statement



Particulars (INR Mn)	Q3-FY21	Q2-FY21	Q-o-Q	Q3-FY20	Y-o-Y
Revenue from Operations	4,005	2,683	49.3%	2,893	38.4%
Total Expenses	3,553	2,440	45.6%	2,669	33.1%
EBITDA (Excluding other Income)	452	243	86.0%	224	101.8%
EBITDA Margin (%)	11.29%	9.06%	223 bps	7.74%	355 bps
Other Income	35	18	94.4%	18	94.4%
Depreciation	35	35	NA	32	9.4%
Finance Cost	25	35	(28.6%)	42	(40.5%)
PBT	427	191	123.6%	168	154.2%
Tax	118	45	162.2%	41	187.8%
Profit after Tax	309	146	111.6%	127	143.3%
PAT Margin (%)	7.72%	5.44%	228 bps	4.39%	333 bps
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income	309	146	111.6%	127	143.3%
EPS (Diluted INR)	2.72	1.29	110.9%	1.12	142.9%

9M-FY21 Consolidated Income Statement



Particulars (INR Mn)	9M-FY21	9M-FY20	Y-o-Y
Revenue from Operations	7,698	8,508	(9.5%)
Total Expenses	7,006	7,864	(10.9%)
EBITDA (Excluding other Income)	692	644	7.5%
EBITDA Margin (%)	8.99%	7.57%	142 bps
Other Income	77	54	42.6%
Depreciation	104	93	11.8%
Finance Cost	92	106	(13.2%)
PBT	573	499	14.8%
Tax	161	110	46.4%
Profit after Tax	412	389	5.9%
PAT Margin (%)	5.35%	4.57%	78 bps
Other Comprehensive Income	-	-	-
Total Comprehensive Income	412	389	5.9%
EPS (Diluted INR)	3.63	3.42	6.1%

Historical Income Statement (IND-AS)



Particulars (INR Mn)	FY18	FY19	FY20
Revenue from Operations	10,987	13,425	11,562
Total Expenses	10,072	12,447	10,646
EBITDA (Excluding other Income)	915	978	916
EBITDA Margin (%)	8.33%	7.28%	7.92%
Other Income	79	97	41
Depreciation	119	118	130
Finance Cost	135	115	147
PBT	740	842	680
Tax	220	282	155
Profit after Tax	520	560	525
PAT Margin (%)	4.73%	4.17%	4.54%
Other Comprehensive Income	-	-	(2)
Total Comprehensive Income	520	560	523
EPS (Diluted INR)	4.44	4.78	4.57

Historical Consolidated Balance Sheet



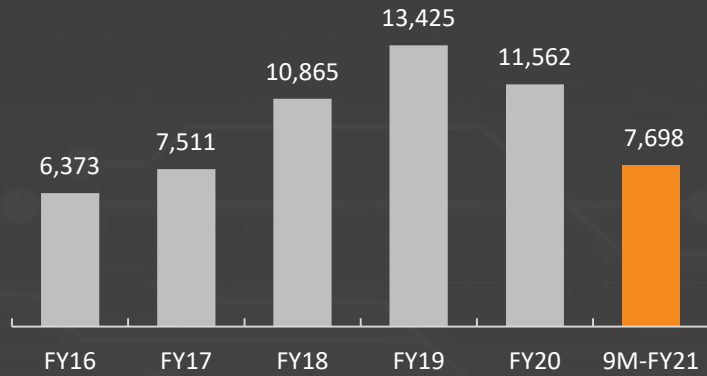
Equities & Liabilities (INR Mn)	FY19	FY20	H1-FY21
(A) Share Capital	235	227	227
(B) Other Equity	4,141	4,199	4,302
Non Controlling Interest	3	3	3
Total -Shareholder Funds	4,379	4,429	4,532
Non Current Liabilities			
(A) Financial Liabilities			
(i) Borrowings	372	295	276
(B) Provisions	26	35	32
(C) Deferred tax liabilities (Net)	156	142	144
Total - Non – Current Liabilities	554	472	452
Current Liabilities			
Financial Liabilities			
(i) Borrowings	66	447	750
(ii) Trade Payables	2,806	3,205	2,194
(iii) Other Financial Liabilities	821	727	725
(D) Other current liabilities	228	232	233
(E) Provisions	15	13	14
(F) Current tax liabilities (Net)		11	9
Total – Current Liabilities	3,936	4,635	3,925
Total Equity and Liabilities	8,869	9,536	8,909

Assets (INR Mn)	FY19	FY20	H1-FY21
(A) Property plant & Equipment	3,275	3,989	3,993
(B) Capital Work in Progress	83	194	231
(C) Investment properties	125	122	121
(D) Intangible assets	6	9	8
(E) Financial assets			
(i) Investments	184	215	75
(ii) Other financial assets	45	14	20
(F) Other non-current assets	685	130	130
(G) Non-current tax assets (Net)	2	1	1
Total - Non – Current Assets	4,405	4,674	4,579
Current Assets			
(A) Inventories	2,129	2,707	2,265
(B) Financial assets			
(i) Investments	267	65	225
(ii) Trade receivables	1,441	1,473	1,277
(iii) Cash and cash equivalents	84	34	39
(iv) Bank balances other than (iii) above	30	59	62
(v) Other current financial assets	23	23	26
(C) Other Current Assets	474	480	391
(D) Current Tax Assets (Net)	16	21	45
Total current assets	4,464	4,862	4,330
Total Assets	8,869	9,536	8,909

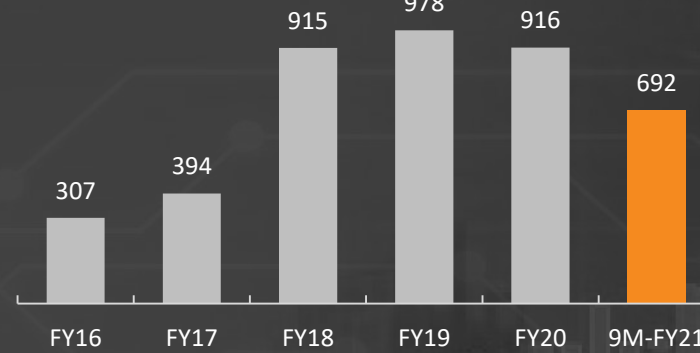
Key Financial Highlights



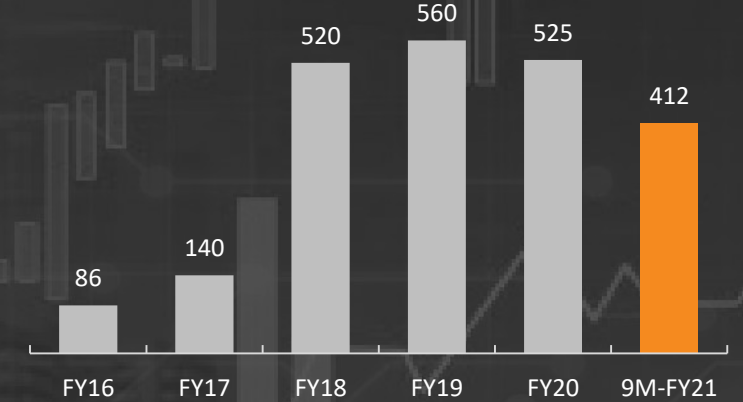
Net Operating Revenue (INR Mn)



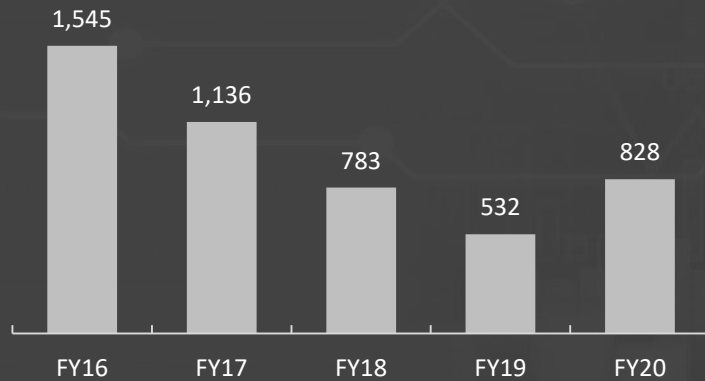
EBITDA (INR Mn)



PAT (INR Mn)



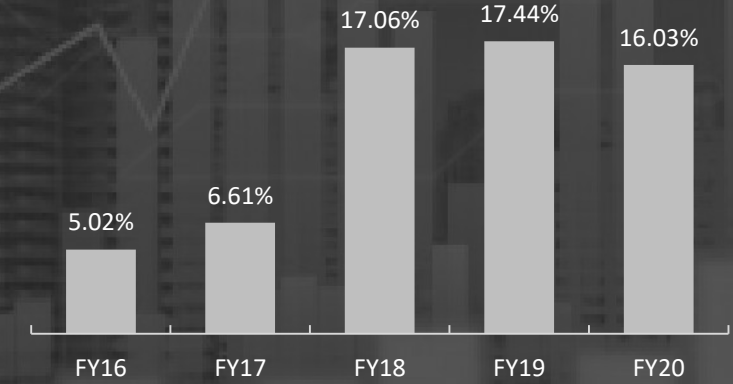
Borrowings (INR Mn)



Working Capital Days

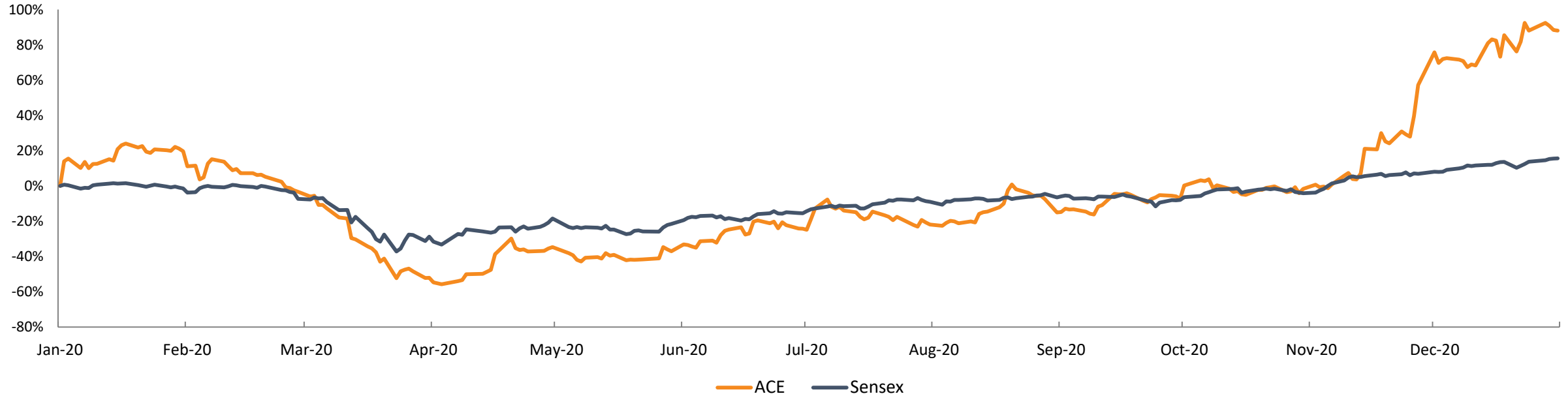


Return on Capital Employed (%)



Note:
Borrowing includes Preference Share Capital of Rs. 60 million in FY19, Rs.171 million in FY18 and Rs.302 million in FY16 & FY17.

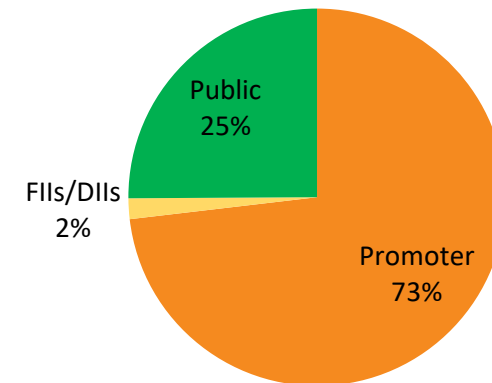
Capital Market Information



Price Data (As on 31st December, 2020)

Face Value (INR)	2.00
Market Price (INR)	135.7
52 Week H/L (INR)	141.75/31.5
Market Cap (INR Mn)	15,399.67
Equity Share Outstanding (Mn)	113.48
1 Year Avg. Daily Trading Volume ('000)	0.46

Shareholding Holding pattern



Disclamier



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