

# **Action Construction Equipment Limited**

## **Corporate & Registered Office**

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



**Date: November 09, 2022**

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-Q2/H1-FY23

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith, earnings presentation (Q2/H1-FY23) of the Company.

Kindly take the above in your record.

Thanking you

Yours faithfully

**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](mailto: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](mailto:marketing@ace-cranes.com) **Customer Care No.:** 1800 1800 004 (Toll Free), **CIN:** L74899HR1995PLC053860, **Website:** [www.ace-cranes.com](http://www.ace-cranes.com)



**EARNINGS  
PRESENTATION**  
Q2 / H1-FY23

**100%  
Swadeshi**

**ACE**

The central graphic features the text "EARNINGS PRESENTATION Q2 / H1-FY23" on the left. To the right is a logo for "100% Swadeshi" which includes a tiger silhouette and the Indian national flag. Further right is the large, stylized "ACE" logo in orange.

# At a Glance



**Established Brand with over 27 years of Industry Presence**

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

**One of the world's largest Pick & Carry Crane Manufacturer**

**India's most diversified Construction Equipment Manufacturer**

**Pan India and Global Presence in over 25 Countries**

**Customer Centric Organization with 16,000+ strong Customer base**

**Wide Sales Network across 100+ Locations in India**

**Strong Manufacturing, Training and R&D Capabilities**

**Significant Growth Prospects in Indian Infrastructure Sector**

**Ample Capacities in place to ensure Future Revenue Growth**



# 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

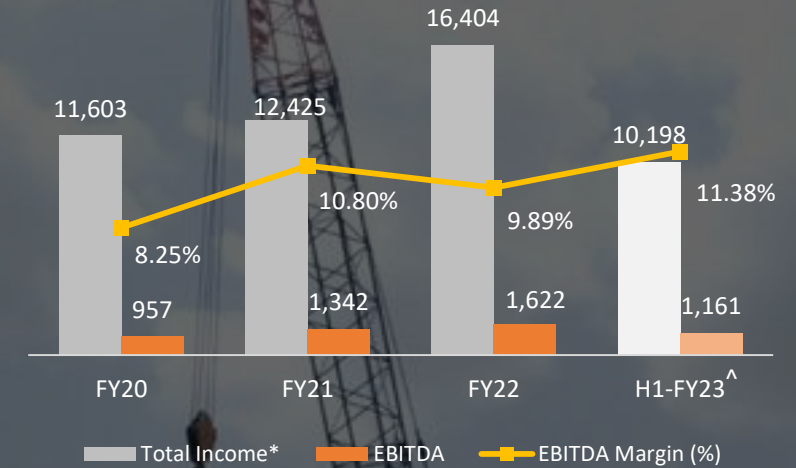


**63% +**  
Market Share

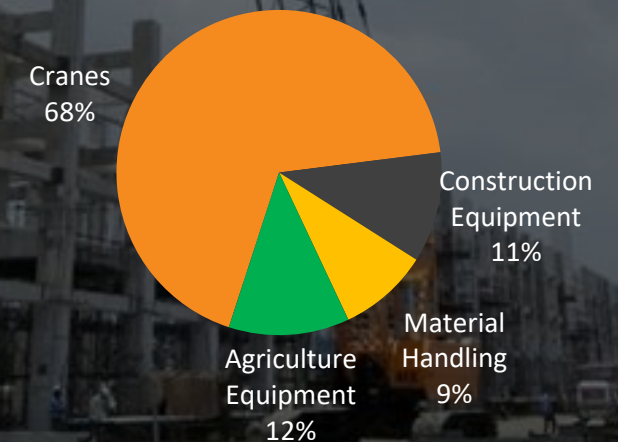
- The company is the world's largest Pick & Carry cranes manufacturer with over 63% market share in the Mobile cranes segment in the country and a majority market share of more than 60% in Tower Cranes segment domestically.
- Additionally, ACE also offers Crawler Cranes, Truck Mounted Cranes, Lorry Loaders, 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 25 countries across Middle East, Africa, Asia and Latin America.



## Consolidated Financial Highlights (INR Mn)



## Consolidated Segmental Revenue – FY22 (%)



\*Note : Total Income includes Other Income

<sup>^</sup>Note: Other Income includes one-time exceptional item of INR 197.6 Mn

# 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 Equipment



Forklift Trucks



Warehousing Equipment



Piling Rig

## Agriculture Equipment



Tractor



Track Combine



Wheel Harvester



Rotovator

Established Brand with over 27 years of Industry presence

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 45 acres of land still available for capacity expansion

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

- The Centre has allocated Rs 19,130 crore in the Union Budget 2022-23 for various metro projects in the country.
- Development of City Roads, Bridges, Flyovers, Elevated Road Corridors, Water Sewerage, Transmission Lines and Distribution Infrastructure etc.
- INR 60,000 Cr allocated to provide tap water to 3.8 crore households in FY23 under 'Har Ghar, Nal Se Jal'
- 100 Smart Cities being developed and rejuvenation of 500 others.



## Railways

- As per Union Budget 2022-23, Ministry of Railways have been allocated Rs. 1,40,367 Crores.
- 2,000 km of network to be brought under Kavach for safety and capacity augmentation in FY23.
- 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 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.
- PLI in 14 sectors for achieving the vision of 'Atmanirbhar Bharat' with the potential to have additional production of Rs. 30 lakh crores 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 2022-23 Expansion of the National Highways network by 25,000 km in FY23, Rs 20,000 crore to be mobilised 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.
- The Central Government awarded a total of 322 projects to construct more than 13,000 km roads under the 'Bharatmala Pariyojana' and 3.71 lakh km under the PMGSY



## Housing

- In 2022-23, 80 lakh houses to be completed in FY23 under PM Awas Yojana scheme with an allocation of Rs. 48,000 crore.
- 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

- In the 2022-23 Union Budget, Ministry of Agriculture and Farmers' Welfare has been allocated Rs. 1,31,531 crore. The government has given a clear signal to rural India that it is committed to their cause.
- 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

- 4 Multimodal Logistics Parks at four locations through PPP mode contracts to be awarded in FY23.
- 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.
- 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 Q2 / H1-FY23', 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, light grey line and bar charts overlaid, suggesting a financial or data theme.

# Q2/H1-FY23 Financial & Operational Highlights

## Q2-FY23 Financial Highlights (Consolidated)

**INR 4,978 Mn**

Total Income\*

**INR 510 Mn**

EBITDA

**10.25%**

EBITDA Margin

**INR 339 Mn**

PAT

**6.81%**

PAT Margin

**INR 2.85/Share**

Diluted EPS

## H1-FY23 Financial Highlights (Consolidated)

**INR 10,198 Mn**

Total Income\*^

**INR 1,161 Mn**

EBITDA

**11.38%**

EBITDA Margin

**INR 791 Mn**

PAT

**7.76%**

PAT Margin

**INR 6.50/Share**

Diluted EPS

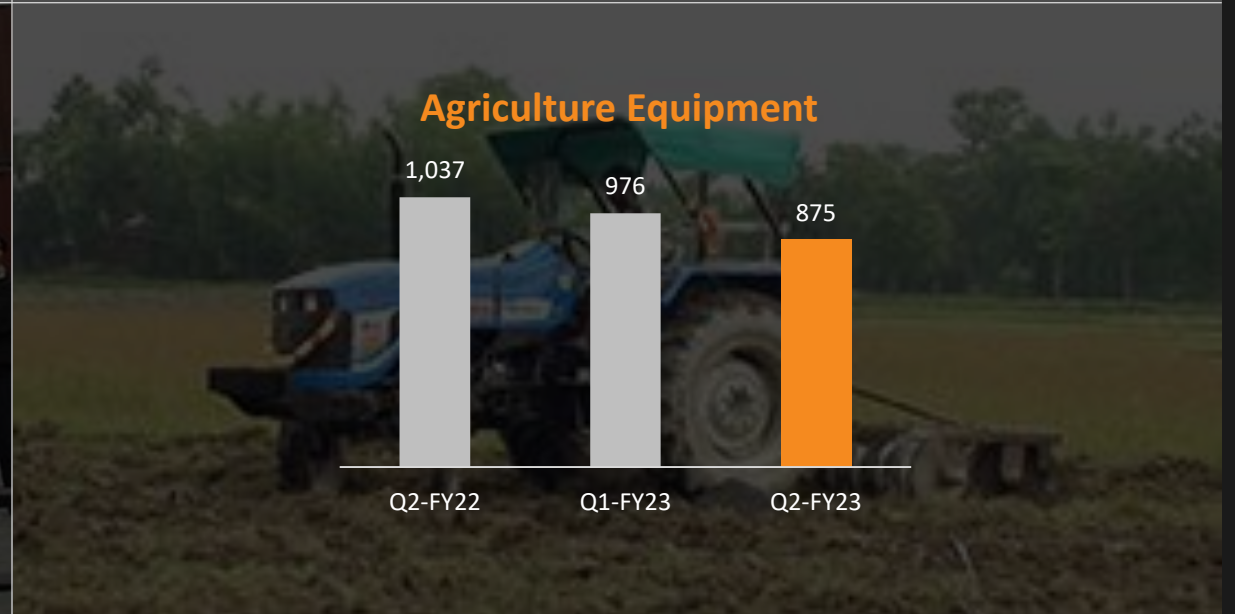
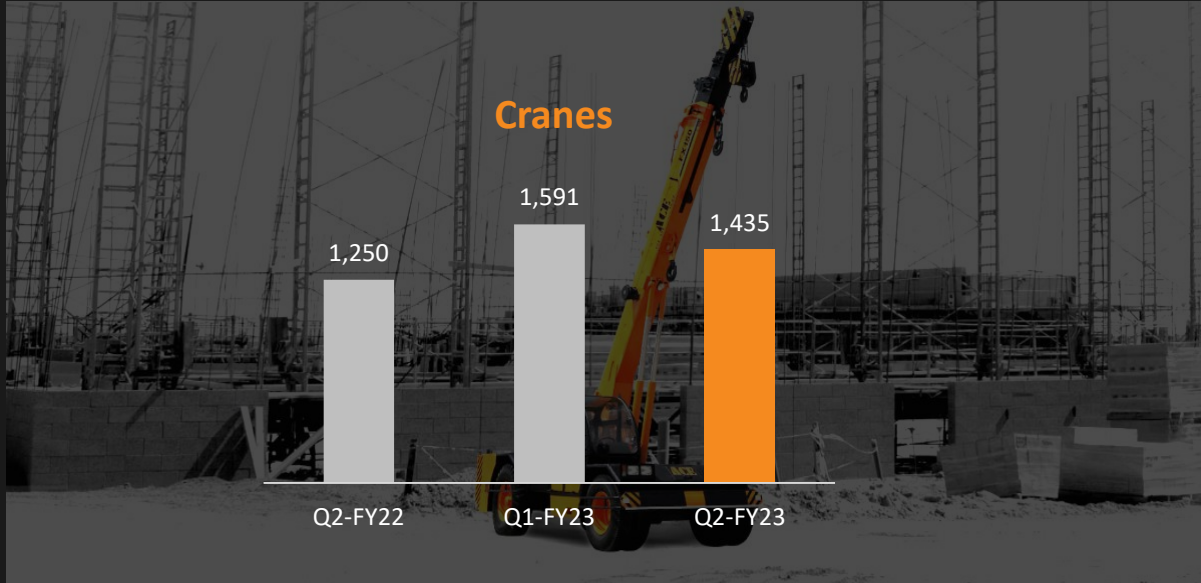
## Q2-FY23 Operational Highlights

- The company achieved its highest ever Q2 Revenues, EBITDA and PAT Margins despite prolonged monsoons.
- Strong growth of 37.3% YoY driven by Segment wise Revenue growth as under:
  - Cranes grew by 48% YOY
  - Construction Equipment Segment grew by 36% YOY
  - Material Handling Equipment declined by 5% YOY
  - Agri Equipment grew by 6% YOY
- EBITDA margins remained robust due to sustained focus on cost efficiencies, higher operating leverage and better product mix.
- PBT and PAT grew by 50.7% and 48.0% YoY respectively.
- Going forward, there has been some easing of commodity prices and supply chain pressures and the company expects sequential improvement in gross margins if the inflationary scenario remains under control.

\*Note : Total Income includes Other Income

^Note: Other Income includes one-time exceptional item of INR 197.6 Mn

# Segment wise – Quantity sold



# Quarterly Consolidated Financial Performance



Particulars (INR Mn)	Q2-FY23	Q2-FY22	Y-o-Y	Q1-FY23 <sup>^</sup>	Q-o-Q
<b>Total Income*</b>	<b>4,978</b>	<b>3,625</b>	<b>37.3%</b>	<b>5,220<sup>^</sup></b>	<b>(4.6)%</b>
Total Expenses	4,468	3,263	36.9%	4,569	(2.2)%
<b>EBITDA</b>	<b>510</b>	<b>362</b>	<b>40.9%</b>	<b>651</b>	<b>(21.7)%</b>
<b>EBITDA Margins (%)</b>	<b>10.25%</b>	<b>9.99%</b>	<b>26 Bps</b>	<b>12.47%</b>	<b>(222) Bps</b>
Depreciation	40	38	5.3%	47	(14.9)%
Finance Cost	21	26	(19.2)%	16	31.3%
<b>PBT</b>	<b>449</b>	<b>298</b>	<b>50.7%</b>	<b>588</b>	<b>(23.6)%</b>
Tax	110	69	59.4%	135	(18.5)%
<b>Profit after Tax</b>	<b>339</b>	<b>229</b>	<b>48.0%</b>	<b>453</b>	<b>(25.2)%</b>
<b>PAT Margins (%)</b>	<b>6.81%</b>	<b>6.32%</b>	<b>49 Bps</b>	<b>8.68%</b>	<b>(187) Bps</b>
<b>EPS (Diluted INR)</b>	<b>2.85</b>	<b>2.01</b>	<b>41.8%</b>	<b>3.65</b>	<b>(21.9)%</b>

\*Note : Total Income includes Other Income

<sup>^</sup>Note: Other Income includes one-time exceptional item of INR 197.6 Mn

# YTD Consolidated Financial Performance



Particulars (INR Mn)	H1-FY23 <sup>^</sup>	H1-FY22	Y-o-Y
<b>Total Income*</b>	<b>10,198<sup>^</sup></b>	<b>6,858</b>	<b>48.7%</b>
Total Expenses	9,037	6,176	46.3%
<b>EBITDA</b>	<b>1,161</b>	<b>682</b>	<b>70.2%</b>
<b>EBITDA Margin (%)</b>	<b>11.38%</b>	<b>9.94%</b>	<b>144 Bps</b>
Depreciation	86	74	16.2%
Finance Cost	38	47	(19.1)%
<b>PBT</b>	<b>1,037</b>	<b>561</b>	<b>84.8%</b>
Tax	246	139	77.0%
<b>Profit after Tax</b>	<b>791</b>	<b>422</b>	<b>87.4%</b>
<b>PAT Margin (%)</b>	<b>7.76%</b>	<b>6.15%</b>	<b>161 Bps</b>
<b>EPS (Diluted INR)</b>	<b>6.50</b>	<b>3.71</b>	<b>75.2%</b>

\*Note : Total Income includes Other Income

<sup>^</sup>Note: Other Income includes one-time exceptional item of INR 197.6 Mn

# Historical Consolidated Financial Performance



Particulars (INR Mn)	FY20	FY21	FY22	H1-FY23 <sup>^</sup>
<b>Total Income*</b>	<b>11,603</b>	<b>12,425</b>	<b>16,404</b>	<b>10,198<sup>^</sup></b>
Total Expenses	10,646	11,083	14,782	9,037
<b>EBITDA</b>	<b>957</b>	<b>1,342</b>	<b>1,622</b>	<b>1,161</b>
<b>EBITDA Margins (%)</b>	<b>8.25%</b>	<b>10.80%</b>	<b>9.89%</b>	<b>11.38%</b>
Depreciation	130	139	154	86
Finance Cost	147	122	95	38
<b>PBT</b>	<b>680</b>	<b>1,081</b>	<b>1,373</b>	<b>1,037</b>
Tax	155	283	323	246
<b>Profit after Tax</b>	<b>525</b>	<b>798</b>	<b>1,050</b>	<b>791</b>
<b>PAT Margins (%)</b>	<b>4.52%</b>	<b>6.42%</b>	<b>6.40%</b>	<b>7.76%</b>
Other Comprehensive Income	(2)	8	(4)	-
<b>Total Comprehensive Income</b>	<b>523</b>	<b>806</b>	<b>1,046</b>	<b>791</b>
<b>EPS (Diluted INR)</b>	<b>4.57</b>	<b>7.03</b>	<b>9.02</b>	<b>6.50</b>

\*Note : Total Income includes Other Income

<sup>^</sup>Note: Other Income includes one-time exceptional item of INR 197.6 Mn

# Historical Consolidated Balance Sheet



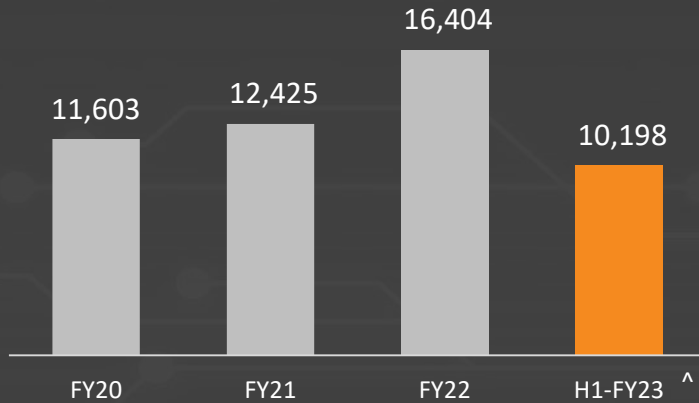
Equities & Liabilities (INR Mn)	FY21	FY22	H1-FY23
(A) Share Capital	227	238	238
(B) Other Equity	5,005	7,303	7,961
Non Controlling Interest	3	3	19
<b>Total - Shareholder Funds</b>	<b>5,235</b>	<b>7,544</b>	<b>8,218</b>
<b>Non Current Liabilities</b>			
(A) Financial Liabilities			
(i) Borrowings	202	-	-
(ii) Lease Liabilities	1	12	10
(B) Provisions	19	23	25
(C) Deferred tax liabilities (Net)	160	135	148
<b>Total - Non – Current Liabilities</b>	<b>382</b>	<b>170</b>	<b>183</b>
<b>Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	341	292	1,105
(ii) Trade Payables	3,306	4,149	4,082
(iii) Other Financial Liabilities	875	190	339
(iv) Lease Liabilities	2	5	6
(D) Other current liabilities	380	418	549
(E) Provisions	14	18	22
(F) Current tax liabilities (Net)	18	37	77
<b>Total – Current Liabilities</b>	<b>4,936</b>	<b>5,110</b>	<b>6,179</b>
<b>Total Equity and Liabilities</b>	<b>10,553</b>	<b>12,824</b>	<b>14,580</b>

Assets (INR Mn)	FY21	FY22	H1-FY23
(A) Property plant & Equipment	4,161	4,355	4,314
(B) Capital Work in Progress	126	243	347
(C) Right-of-Use Assets	-	18	15
(D) Investment properties	120	118	116
(E) Intangible assets	12	27	24
(F) Financial assets			
(i) Investments	64	802	1,232
(ii) Other financial assets	66	164	173
(G) Other non-current assets	97	65	31
(H) Non-current tax assets (Net)	1	4	2
<b>Total - Non – Current Assets</b>	<b>4,647</b>	<b>5,795</b>	<b>6,254</b>
<b>Current Assets</b>			
(A) Inventories	2,661	3,334	4,136
(B) Financial assets			
(i) Investments	251	990	984
(ii) Trade receivables	2,247	1,887	2,007
(iii) Cash and cash equivalents	329	28	230
(iv) Bank balances other than (iii) above	36	118	258
(v) Loans	-	8	9
(vi) Other current financial assets	23	16	73
(C) Other Current Assets	357	648	629
(D) Current Tax Assets (Net)	2	-	-
<b>Total current assets</b>	<b>5,906</b>	<b>7,029</b>	<b>8,326</b>
<b>Total Assets</b>	<b>10,553</b>	<b>12,824</b>	<b>14,580</b>

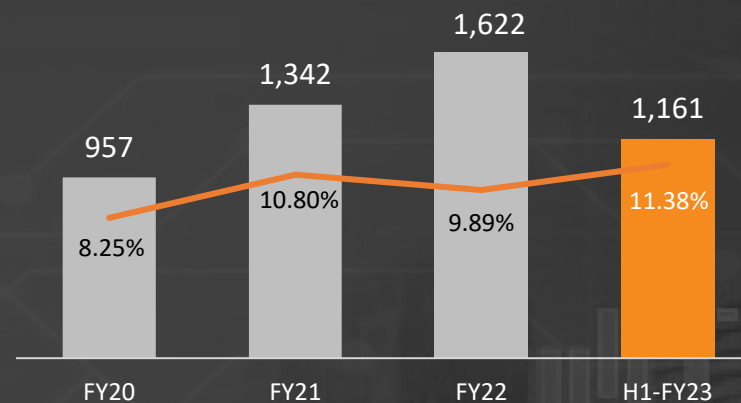
# Key Consolidated Financial Highlights



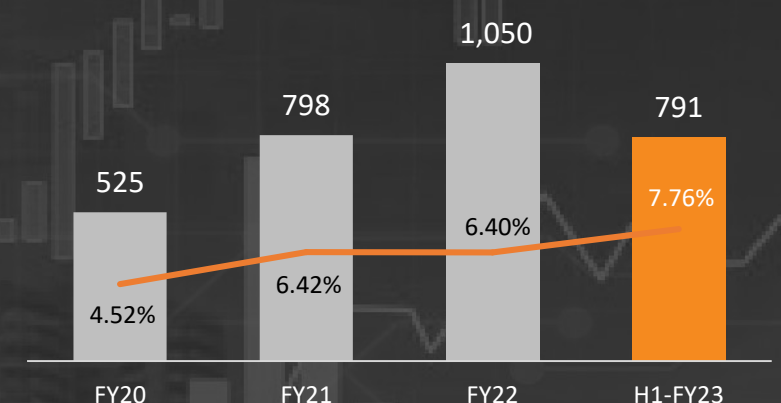
Total Income\* (INR Mn)



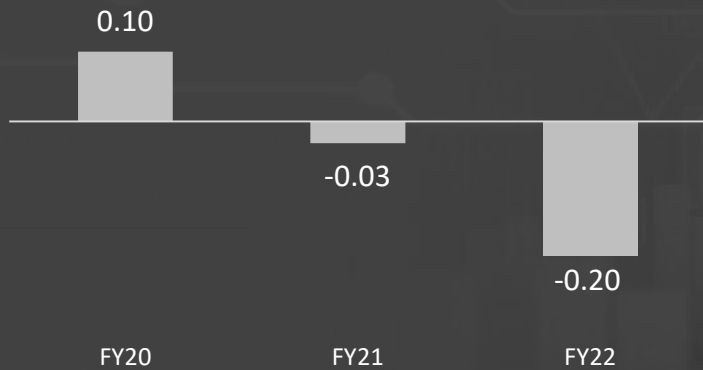
EBITDA and EBITDA Margins (INR Mn)



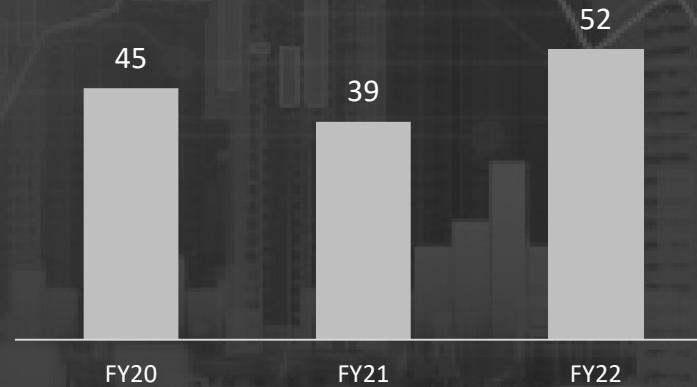
PAT and PAT Margins (INR Mn)



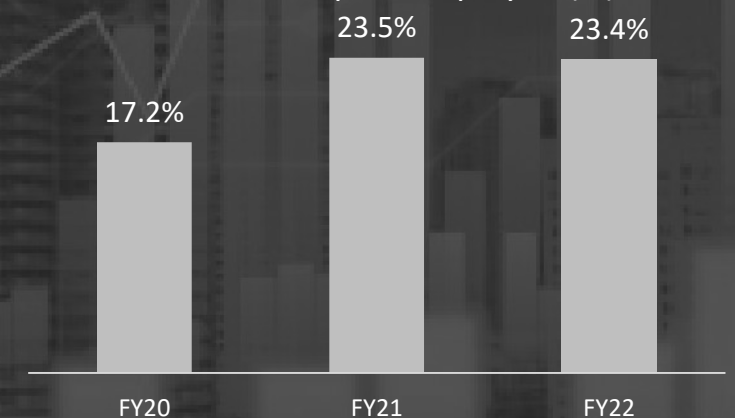
Net Debt to Equity (x)



Working Capital Days



Return on Capital Employed (%)



\*Note : Total Income includes Other Income

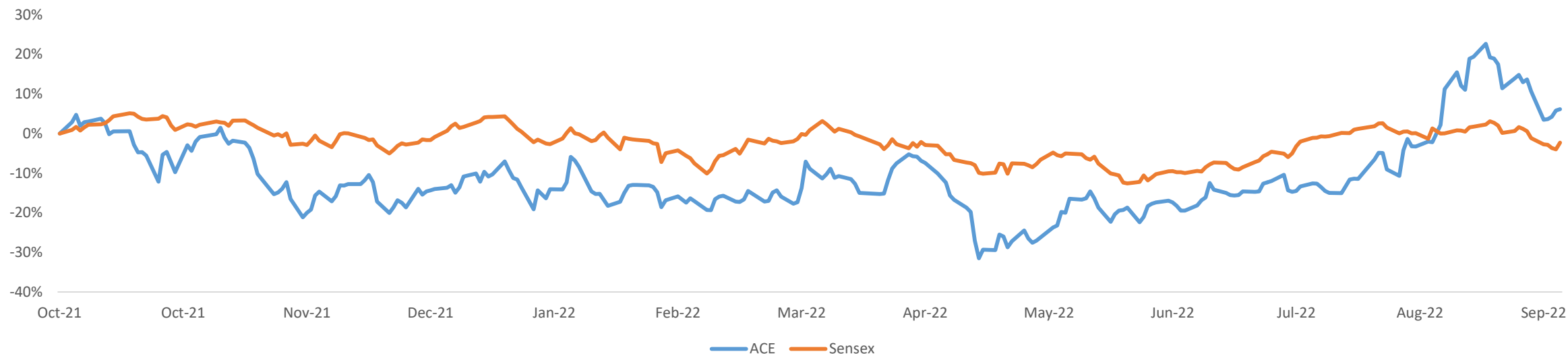
<sup>^</sup>Note: EBITDA Margin includes one-time exceptional item of INR 197.6 Mn



# Capital Market Information

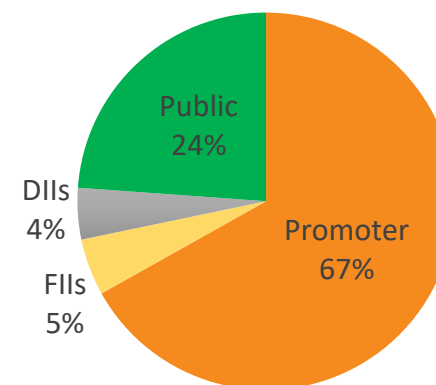


Stock Market Performance (as on 30<sup>th</sup> September, 2022)



Price Data (as on 30 <sup>th</sup> September, 2022)	
Face Value (INR)	2.0
Market Price (INR)	274.7
52 Week H/L (INR)	319.5/175.0
Market Cap (INR Mn)	32,706.2
Equity Share Outstanding (Mn)	119.1
1 Year Avg. Daily Trading Volume ('000)	585.0

Shareholding Holding pattern as on 30<sup>th</sup> September, 2022



# Disclamier



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