



ACTION CONSTRUCTION EQUIPMENT LIMITED

COMPANY BACKGROUND.....

- Established in 1995 by, Mr. Vijay Agarwal who has over 50 years of industry experience and is run by a team of highly qualified professionals.
- ACE has significant presence across diversified sectors like Construction, Infrastructure, Manufacturing, Logistics and Agriculture.
- Enjoying over 63% market share in the Mobile cranes segment and 60% market share 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.
- Production facilities based in NCR, Haryana with a capacity to produce around 17,000 construction equipment and 9,000 Tractors annually.
- 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.
- Apart from the domestic market the company also exports to over 37 countries across Middle East, Africa, Asia, Australia, Latin America and Europe.

BUSINESS MIX (Q1-FY25).....

- Cranes, Construction Equipment, Material Handling Equipment (94%)**
 - ACE has around 63% mkt share in Pick & Carry Cranes and 60% in Fixed Tower Cranes with market leadership in India, while ACE Truck cranes have the #3 position in India.
 - Backhoe loaders is one of the key focus products for ACE due to their significantly large addressable market size of INR 8000 crores
 - ACE's market share of Material Handling is around 19% and is positioned No.3 in country
- Agriculture Equipment (6%)** - Tractors segment started in 2008 and today ACE has a presence spread all across India with strong dealership of 350 dealers

KEY STRENGTHS.....

- Highly experienced and qualified professional team; Most Cost effective equipment; also provides customized solutions for specific requirements
- One of the world's largest Pick & Carry Crane Manufacturer
- Dedicated R&D Centre working continuously towards product upgradation, development of new products and value engineering
- India's most diversified Construction Equipment Manufacturer
- Customer Centric Organization with 16,000+ strong Customer base
- Ample capacities in place to ensure future revenue growth
- Pan India and Global Presence in over 37 Countries

FINANCIAL HIGHLIGHTS (Consolidated).....

| (INR Mn) | Total Income | EBITDA | EBITDA% | PAT | PAT% | EPS |
|----------------|--------------|--------|---------|-------|--------|-------|
| FY22 | 16,404 | 1,622 | 9.89% | 1,050 | 6.40% | 9.02 |
| FY23 | 22,008 | 2,621 | 11.91% | 1,730 | 7.86% | 14.41 |
| FY24 | 29,909 | 4,803 | 16.06% | 3,282 | 10.97% | 27.56 |
| Q1-FY25 | 7,618 | 1,262 | 16.57% | 842 | 11.05% | 7.07 |

*Total Income includes Other Income

Key Data

| | |
|------------------|---------|
| BSE Code | 532762 |
| NSE Code | ACE |
| Reuters | ACEL.NS |
| Bloomberg | ACCE:IN |

Market Data (INR) as on 30th June, 2024

| | |
|------------------------------------|---------------|
| Face Value | 2.0 |
| CMP | 1,488.3 |
| 52 Week H/L | 1,693.1/475.2 |
| MCAP (Mn) | 1,77,231.5 |
| Shares O/S (Mn) | 119.1 |
| 1 Yr Avg. Daily Vol. ('000) | 518.9 |

Performance as on 31st March, 2024

| | 3M | 6M | 12M |
|-------------------|-------|-------|--------|
| ACE | 3.2% | 79.7% | 200.1% |
| SENSEX | 6.8% | 9.4% | 21.9% |
| BSE MIDCAP | 16.4% | 24.7% | 60.0% |

Shareholding Pattern as on 30th June, 2024

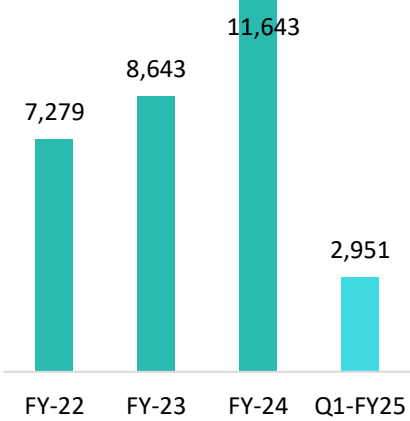
| | |
|------------------|-----|
| Promoters | 65% |
| Public | 23% |
| FII, DII | 12% |

BUSINESS SEGMENTS.....

Cranes, Construction Equipment and Material Handling Equipment (94%)-

- There are around 55-70 crane dealers across India, 60% of sales are direct and 40% is through dealers
- The company has introduced new age products like Nextgen Pick & Carry Cranes and 360 degree slew with Pick N Carry Cranes to capitalise and maintain its market leadership position in these segments
- The company’s strategy to enhance sales in these products is by offering the best in class machinery, partner with the right set of distributors as 70-80% of sale is through dealer network and further expanding this network, and target the high demand markets.
- The Motor graders are also a high focus area due to their inherent higher margins
- The company boasts a wide clientele for forklifts from Indian Army, to Airport Authority of India, and also FMCG companies like PepsiCo
- 90% of sales are direct and 10% of sales are through dealers
- With the warehousing push in the country, this division too has a high growth potential

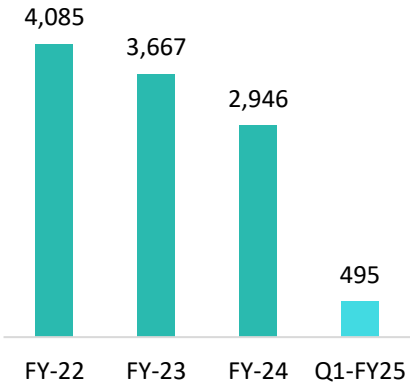
Cranes, Construction Equipment & Material Handling Equipment- Volume



AGRICULTURE EQUIPMENT (6%)

- Company manufactures their own engines for tractors, out of the total tractor sales 70% of them consists of in house engines
- ACE is positioned No.1 in South for its Harvester segment
- ACE now has good tie ups with banks like Indusind bank, AU bank, Chola Bank, etc. to provide financing to the end users
- The company’s strategy and target is to offer best in class product and service and penetrate 5-7% of the market and beat their competitors gradually

Agricultural Equipment- Volume



KEY GROWTH DRIVERS.....

- Total Capex outlay increased by 11.1% to approx. INR11.11 lakh crores in FY25 interim budget; major outlay for roads at INR 2.72 lakh crore and railways at INR 2.52 lakh crore.
- 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. NHAI is coming up with 23 new highways including network of expressways and economic corridors by March 2025.
- 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. .
- 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.

PEER COMPARISON (TRAILING 12 MONTHS) INR MN

| Company | Total Income* | EBITDA | EBITDA% | Net Profit | PAT% | M Cap |
|------------|---------------|----------|---------|------------|-------|-----------|
| ACE | 30,849 | 5,087 | 16.5% | 3,448 | 11.2% | 1,77,232 |
| Escorts | 92,150 | 13,597 | 14.8% | 10,523 | 11.4% | 4,57,894 |
| BEML | 41,584 | 4,791 | 11.5% | 2,863 | 6.9% | 1,84,816 |
| VSTTillers | 9,763 | 1,379 | 14.1% | 1,106 | 11.3% | 36,043 |
| M&M | 14,42,710 | 2,69,885 | 18.7% | 1,21,317 | 8.4% | 35,66,689 |

*Total Income includes Other Income

INCOME STATEMENT (CONSOLIDATED)

| 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

BALANCE SHEET (CONSOLIDATED)

| Equities & Liabilities (INR Mn) | FY22 | FY23 | FY24 | Assets (INR Mn) | FY22 | FY23 | FY24 |
|--|---------------|---------------|---------------|---|---------------|---------------|---------------|
| (A) Share Capital | 238 | 238 | 238 | (A) Property plant & Equipment | 4,355 | 4,723 | 5,595 |
| (B) Other Equity | 7,303 | 8,948 | 12,060 | (B) Capital Work in Progress | 243 | 244 | 436 |
| Non Controlling Interest | 2 | 16 | 17 | (C) Right of use asset | 17 | 12 | 5 |
| Total –Shareholder Funds | 7,543 | 9,202 | 12,315 | (D) Investment properties | 118 | 115 | 164 |
| Non Current Liabilities | | | | (E) Intangible assets | 27 | 25 | 31 |
| (A) Financial Liabilities | | | | (F) Financial assets | | | |
| (i) Borrowings | - | - | - | (i) Investments | 802 | 1,367 | 2,245 |
| (ii) Lease Liabilities | 13 | 7 | 2 | (ii) Other financial assets | 163 | 348 | 110 |
| (B) Provisions | 23 | 27 | 32 | (G) Other non-current assets | 67 | 41 | 368 |
| (C) Deferred tax liabilities (Net) | 135 | 133 | 97 | (H) Non-current tax assets (Net) | 4 | 7 | 10 |
| Total - Non – Current Liabilities | 171 | 167 | 131 | Total - Non – Current Assets | 5,796 | 6,882 | 8,964 |
| Current Liabilities | | | | Current Assets | | | |
| (A) Financial Liabilities | | | | (A) Inventories | 3,334 | 4,185 | 5,534 |
| (i) Borrowings | 292 | 62 | 39 | (B) Financial assets | | | |
| (ii) Trade Payables | 4,127 | 5,009 | 6,880 | (i) Investments | 990 | 2,119 | 3,696 |
| (iii) Other Financial Liabilities | 212 | 231 | 414 | (ii) Trade receivables | 1,887 | 1,693 | 1,643 |
| (iv) Lease Liabilities | 5 | 6 | 4 | (iii) Cash and cash equivalents | 57 | 215 | 482 |
| (B) Other current liabilities | 419 | 1,296 | 1,801 | (iv) Bank balances other than (iii) above | 86 | 275 | 622 |
| (C) Provisions | 18 | 25 | 38 | (v) Loans | 8 | 7 | 8 |
| (D) Current tax liabilities (Net) | 37 | - | 70 | (vi) Other current financial assets | 20 | 78 | 94 |
| | | | | (C) Other Current Assets | 646 | 543 | 649 |
| | | | | (D) Current Tax Assets (Net) | - | - | - |
| Total – Current Liabilities | 5,110 | 6,629 | 9,246 | Total current assets | 7,028 | 9,115 | 12,728 |
| Total Equity and Liabilities | 12,824 | 15,997 | 21,692 | Total Assets | 12,824 | 15,997 | 21,692 |

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