

Action Construction Equipment Ltd.

Corporate & Regd. Office

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



Date: December 08, 2017

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

Sub: Investors presentation with respect to meeting with Investors held in Mumbai on December 5, 2017.

Dear Sir/Madam,

Further to our intimation letter dated December 04, 2017 about meeting with investors in the event **Edelweiss India Investor Conference 2017** organized by **Edelweiss Broking** held in Mumbai on December 05, 2017. Please find attached herewith investors presentation.

Submitted for your kind reference and record.

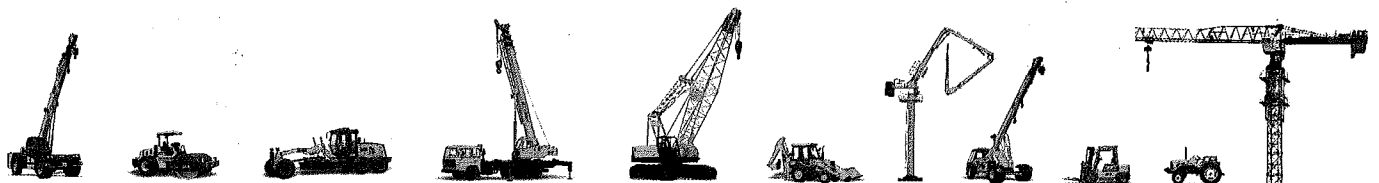
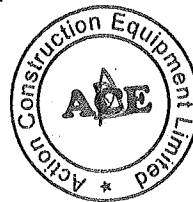
Thanking you

Yours faithfully

For Action Construction Equipment Limited

Anil Kumar

Company Secretary & Compliance officer



Corporate Office : Phone : +91-1275-280111 (50 Lines), Fax : +91-1275-280133, E-mail : works2@ace-cranes.com

Mktg. H.Q.: 4th Floor, Pinnacle, Surajkund, Faridabad, NCR-121009, Phone: +91-129-4550000 (100 Lines), Fax : +91-129-4550022, E-mail: marketing@ace-cranes.com

Customer Care No.: 1800 1800 004 (Toll Free), CIN : L74899HR1995PLC053860

*Nothing beats an **ACE***

www.ace-cranes.com



INDIA'S NO. 1
MOBILE & TOWER CRANE CO.



Action Construction Equipment Ltd.



Who We Are

- India's leading material handling and construction equipment manufacturing company
- Established brand with a significant presence across the Indian construction and infrastructure landscape
- Possessing a diverse product range - Mobile Cranes, Mobile / Fixed Tower Cranes, Loaders, Vibratory Rollers, Truck Mounted Cranes, Crawler Cranes, Forklifts, Tractor and other Construction Equipment
- Enjoying an over 63% market share in the Mobile cranes segment
- Promoted and managed by professionals having rich experience in the Construction Equipment domain
- Full-fledged state of the art production facilities supported by a strong R&D backbone



Our Philosophy

Our Aspiration

“To be the Leading Company in Cranes and Construction Equipment Sector, with a Global Focus”

Mission

Provide customers with latest technology, construction equipment and efficient sales and product support aimed at satisfying their real needs

Integrated Enterprise

Leveraging the strengths and unique capabilities of our businesses

Measures

Delivering results today, within each business, while building for the future

Strategy

Market Penetration | Market development | Product development



Product Portfolio

Cranes



Self Erecting Mobile Tower Cranes



Lorry Loader Cranes



Pick and Carry Cranes



Crawler Crane



Fixed Tower Cranes



Truck Mounted Cranes

Road Construction



Backhoe Loader



Wheel Loader



Soil Compactors & Tandem Vibratory Rollers



Motor Graders

Material Handling



Forklift Truck



Warehousing Equipment

Agriculture Equipment



Tractor



Harvester Combine



Wheel Harvester



Rotavator



Facilities



State of art production facilities

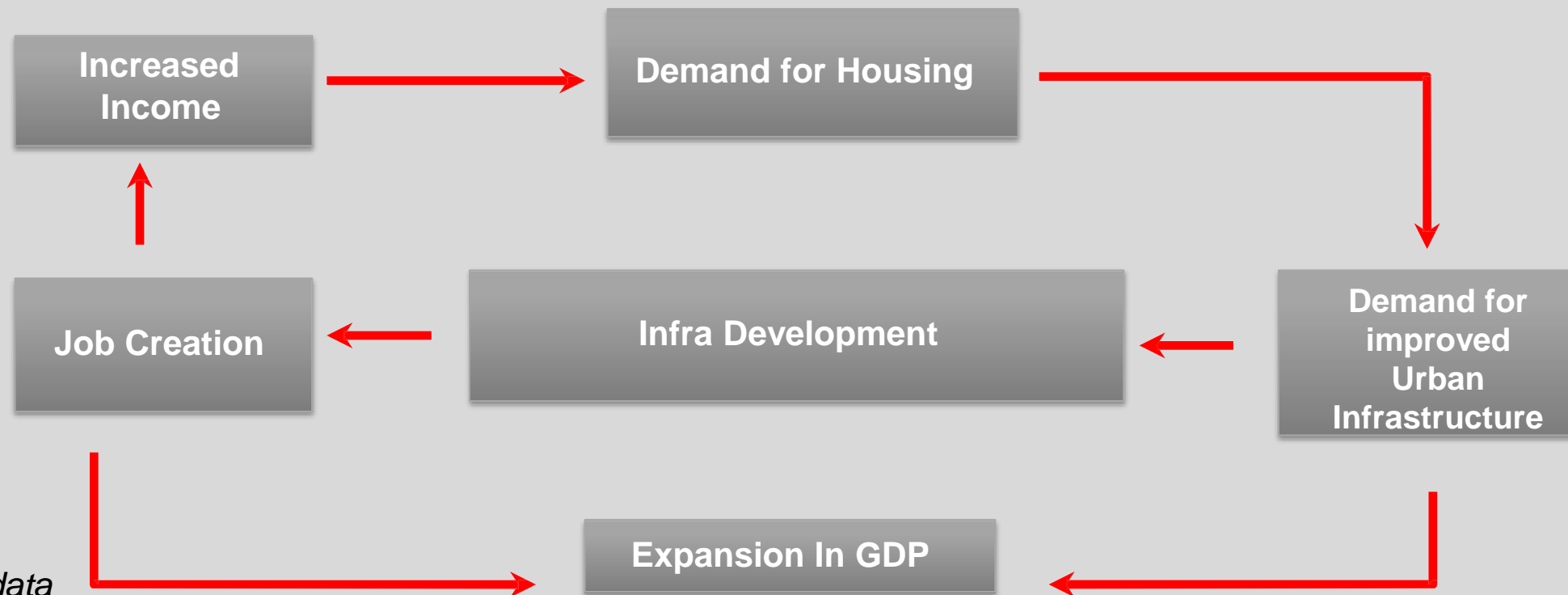
Total owned area: 82 acres

Present utilised area: 21 acres



Key Drivers

- Present government has given Increased focus on Infrastructure, Railways, Roads, Metro, Defence and Smart Cities
- Increased Private sector participation and opening of FDI
- Growing mechanization in the construction and manufacturing sectors
- Ease of availability of finance for material handling & construction equipment
- The Indian construction equipment market has the potential to grow to US\$ 5 billion by FY 2020 from US\$ 3 billion in FY 2016
- Infrastructure spending to be about 9% of GDP by FY 2020 from 7.20% in FY 2017



Source: industry data



ACE in the forefront

Future ready infrastructure

- Under utilized manufacturing facilities in place for future revenue growth
- Present utilization levels - 50%, no further major CAPEX envisaged
- Establishing new product categories

Ability to compete with the best

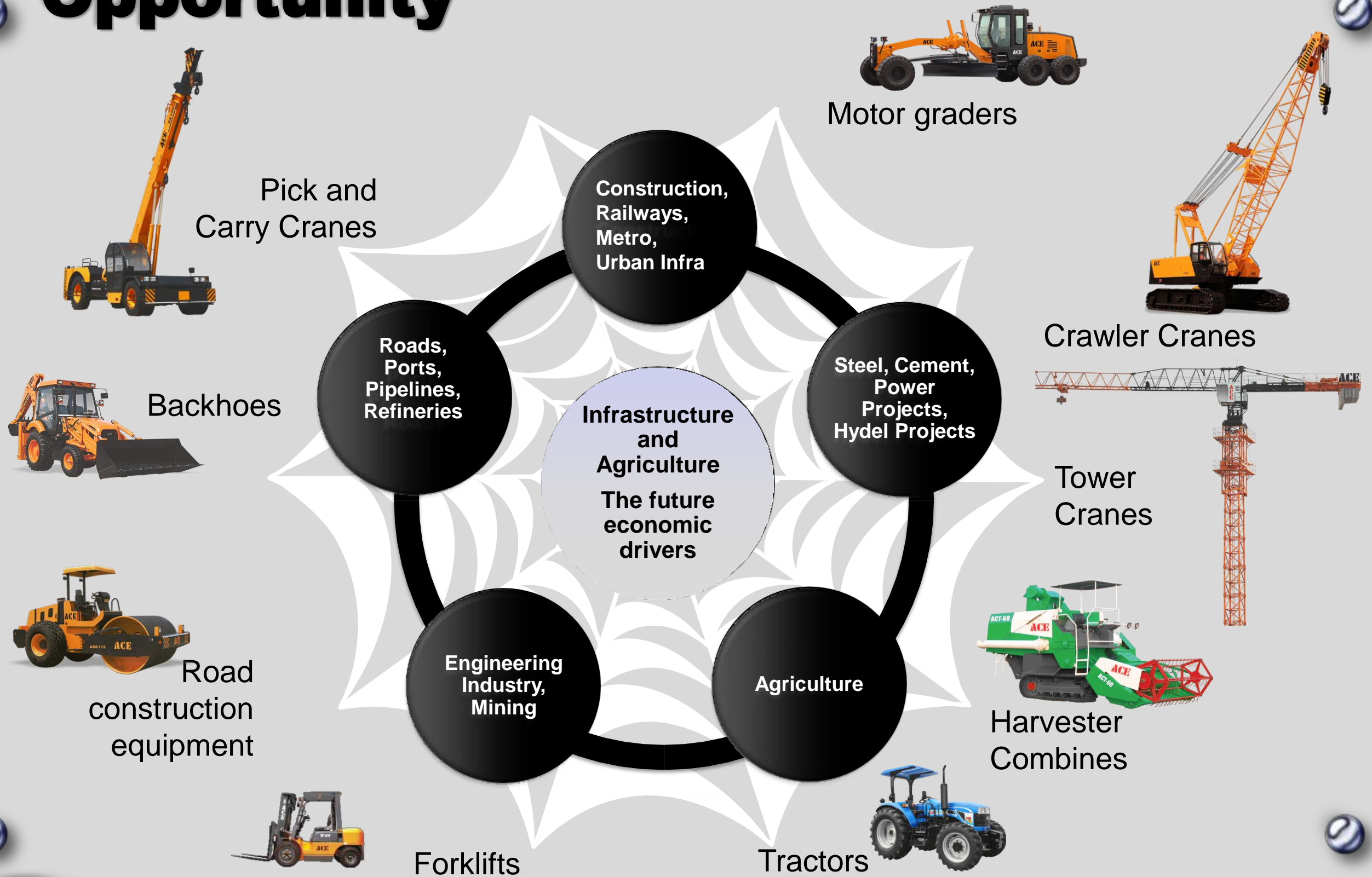
- Quality focus
- Products competitively priced
- Fastest after-sales product support through a countrywide network (100+ locations) equipped with genuine parts and trained engineers

Strong emphasis on research and development

- Significant investments in R&D to match international quality standards
- Thrust on continued innovation
- Only construction company in India whose R&D department recognized by DSIR – GOVT. of INDIA



Opportunity



ACE



ACE Edge



Value for money proposition

- Quality value for money product offerings: latest technology at competitive price points.
- Offering the fastest after-sales product support.
- Customer Centric Solutions presale guidance to service beyond the guarantee period.
- Focused on increasing the sales and service network with dedicated spares parts division.
- Pan-India presence through a network of 83 sales and service locations, supported by 21 offices based at Delhi, Mumbai, Chennai, Kolkatta, Ahmedabad, Surat, Pune, Jaipur, Chandigarh, Ranchi, Raipur, Indore, Bhubaneshwar, Lucknow, Jamnagar, Hyderabad, Bangalore, Guwahati, Patna, Vizag & Kochi.





Md Imteyaz Ahmed

Head – Agri division

Qualification – M.Tech (Engineering)

Industry Experience – 35 years



Ashok Tomar

Head – Tractors

Qualification - B.Tech.(Agril.Engg.)

Industry Experience – 34 years



Pradeep Sharma

Head – Cranes

Qualification - B.Tech,

Industry Experience – 39 years



Vijay Agarwal

Chairman & Managing Director

Qualification - BE (Mech Engg), MBA,

Industry Experience – 38 years

Highly
capable and
qualified
management

Sorab Agarwal

Executive Director

Qualification – BE (Mech Engg),

Industry Experience –19 years



Rajan Luthra

CFO

Qualification –ICWA, CS, PGPM

Industry Experience – 35 years



- Promoted by Mr. Vijay Agarwal in the year 1995; went public in the year 2006



Established & Well regarded Brand Name

- India's largest Mobile Crane and Tower Crane Company
- "ACE" brand name synonymous for product excellence, superior quality, product support and customisation
- ISO 9001 certified - stringent quality standards for design, development, procurement, manufacturing, testing & installation.
- Most ACE products are CE Certified – key indicator of a product's compliance with EU standards
- Consistent brand-building activities in terms of exhibitions, mailers, customer meets, service training and dealer development programmes
- In House Training Centre

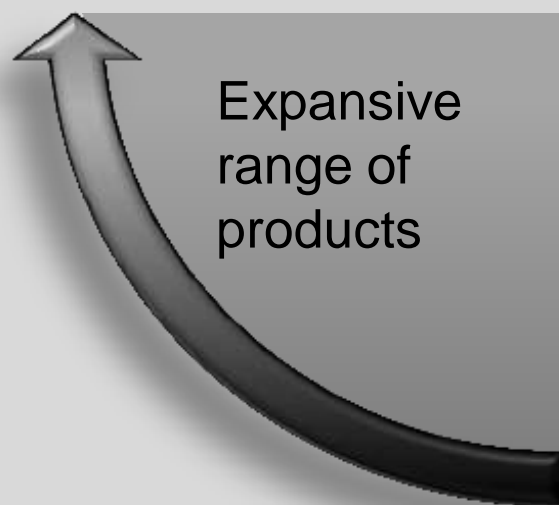


Edge

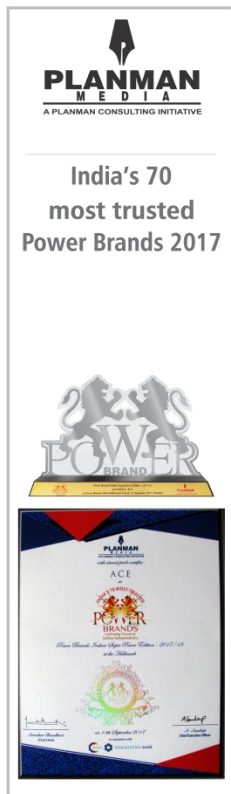
- Widest range of products - High end specifications & capacities at reasonable price points translates to improved efficiency and productivity for customer
- ACE equipment is rugged, cost effective and simple to maintain
- “R&D” Department (DSIR – GOVT. of INDIA approved) works continuously towards product up-gradation, development of new models and value engineering
- Nearly all products developed indigenously



R&D Facility



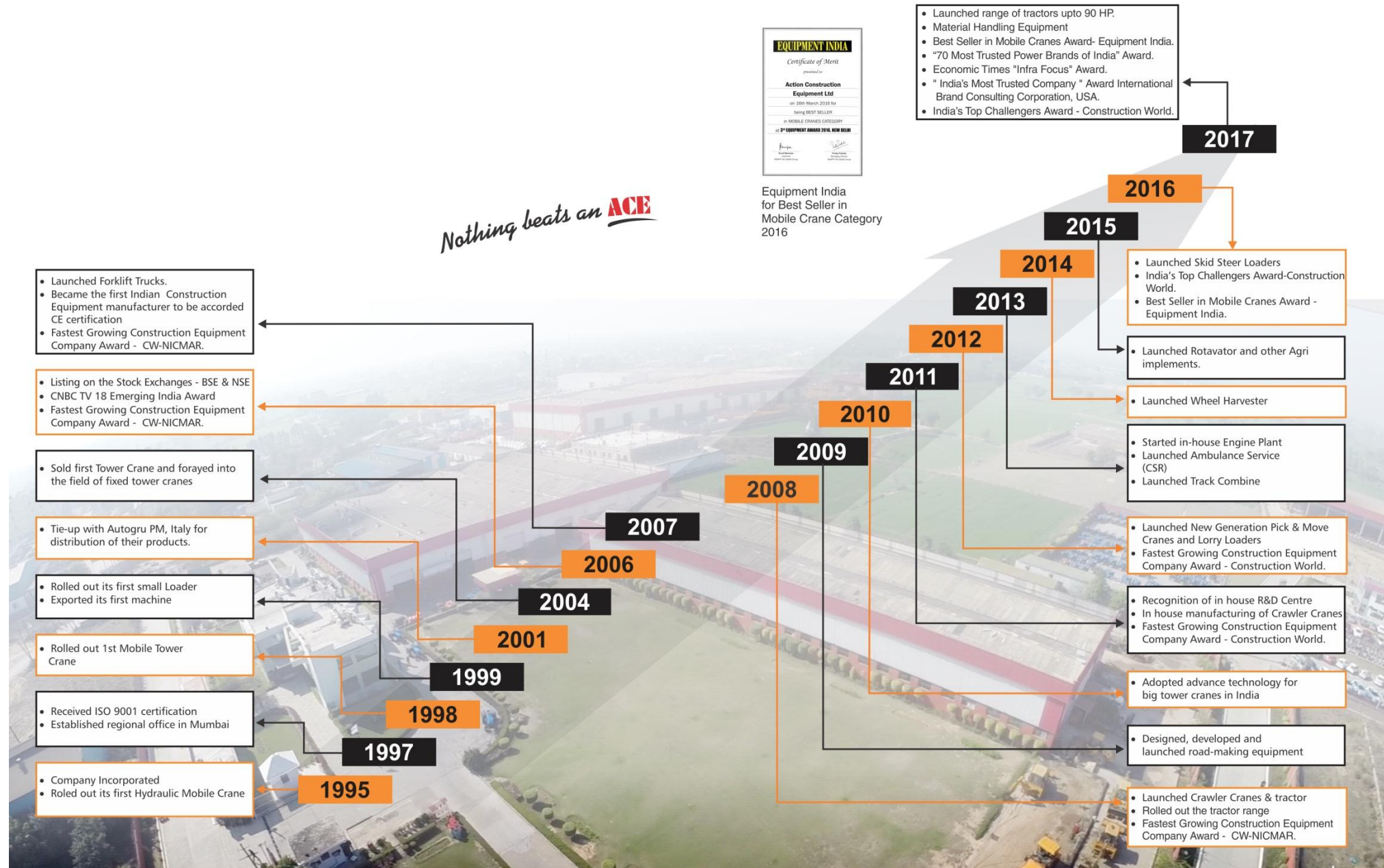
Awards 2017



We express Gratitude to all our Customers and Business partners
for making us the Most Awarded Equipment Company in 2017



Milestones

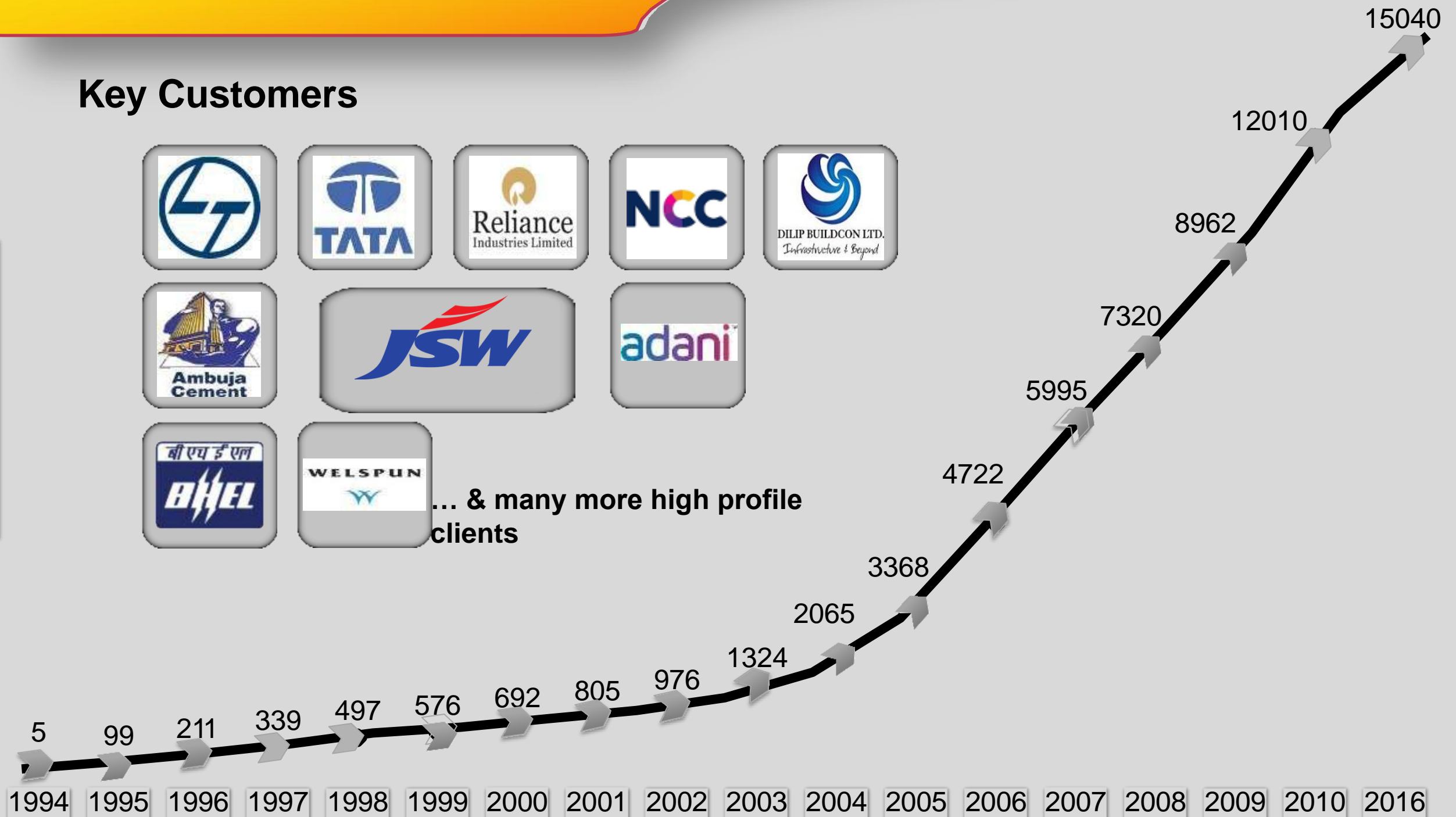


Customer base

Key Customers



... & many more high profile clients



Cranes



ACE



Mobile Cranes

- Market leader - 63% Market Share
- Operating at 50% capacity

Product

- Current Capacity Classes 3 tons – 20 tons
- High quality offering with equitable pricing
- **Application** – A very versatile crane that can be used for a wide range of lifting needs, both on and off road

Our Position

Strategy Going Forward

Market Environment

- Average life of mobile crane – 10 years, strong replacement market

- Focus on improving market share - crossing the next milestone 70%



Crawler Cranes

- No. 1 position in India (upto 75 Tons)
- Presently operating at 15% current capacity utilisation

Product

- Capacity Class - 25 Tons – 75 Tons
- **Application** - Crawler cranes have the highest lifting capacity in any type of mobile cranes, primarily used in heavy engineering, petrochemical industry, power plant construction, infrastructure projects and wind power

Our Position

Strategy Going Forward

Market Environment

- Crawler cranes demand set to increase with revival in the Infra sector

- Leverage on strong brand equity to improve market share



Tower Cranes

- Market leading position (~60% share) – Current Capacity utilisation of 40%

Product

- Maximum lifting heights of 300 metres and a working radius of up to 70 meters
- Used in construction of multi storey buildings and infra projects.

Our Position

- Key Drivers - Increasing construction of multi-storeyed buildings, translates to expansion in demand
- Higher margins due to direct sales in the absence of dealers

Strategy Going Forward

- Capacity opportunity in place to leverage

Market Environment



Forklifts

- No. 3 player in the market - ~ 18% market share
- Expertise and capabilities available to achieve leadership position

Product

- Battery operated, Diesel operated trucks and LPG operated Forklift Trucks
- Capacity Classes 1.5 tons - 10 tons

Our Position

- Key customers are corporates – used mainly in factories
- Key Driver - Increase in logistics and warehousing activities to drive sales
- Huge potential in the segment with high margin led growth

Strategy Going Forward

- Development & expansion of corporate sales channel through dealer leverage

Market Environment



Road Construction Equipment



ACE



Road Construction Equipment

- Operating at ~ 25% capacity utilisation
- Our products are competitively priced, offering equivalent quality and we have cushion to raise prices once volume picks up

- Value for money products, offering with latest technology
- **Application** - Backhoe and Wheeled Loaders are used for digging, moving, grading and loading earth and other loose aggregates, also find application in industrial and mining activity.
- **Current Capacity Classes**
 - Soil compactors : 10 - 12 tons
 - Tandem compactors : 3.5 – 9 tons
 - Motor Graders : 150 – 180 Hp

Our Position

Product

Strategy Going Forward

Market Environment

- High growth segment expected to grow at ~50% CAGR for next 3-4 years
- Key Drivers – pick up in construction activity

- The market is expected to grow at a CAGR of 11.4% to 33,850 units by FY20
- Leverage existing sales network to grow road construction equipment business

ACE



Agriculture Equipment



ACE



Tractor Industry in India



Key Strengths of Agriculture Industry

- Increasing trend towards Mechanisation
- Minimum Support prices for Key Crops
- Scarcity of Labour
- Ease of Credit Availability from Govt.

Future Prospects

- According to CRISIL Research, domestic tractor sales are expected to close fiscal 2018 with impressive 16%-18% growth
- The long term growth fundamentals of industry are strong with lowering of the replacement cycle.



ACE



Tractors

- Presence across northern states of Haryana & Uttar Pradesh, focusing on PAN India Presence
- Cash flow positive business with negative working capital and zero credit on Tractors.

Product

- Value for money products, offerings with latest features
- Presence across product ranges in 35, 45 & 50 HP and now upto 90 HP category .

Our Position

- Increasing trend towards Mechanization
- Minimum Support prices for Key Crops
- Scarcity of Labour
- Ease of Credit Availability from Govt.

Strategy Going Forward

- Focus on Export already supplying to Egypt, Afghanistan, Bangladesh and Nepal.
- Increase supply and focus on Marketing & Promotion activities
- To increase presence and brand awareness in West and South India

Market Environment



Range of Agriculture Equipment



ACE Tractor



Wheel Harvester



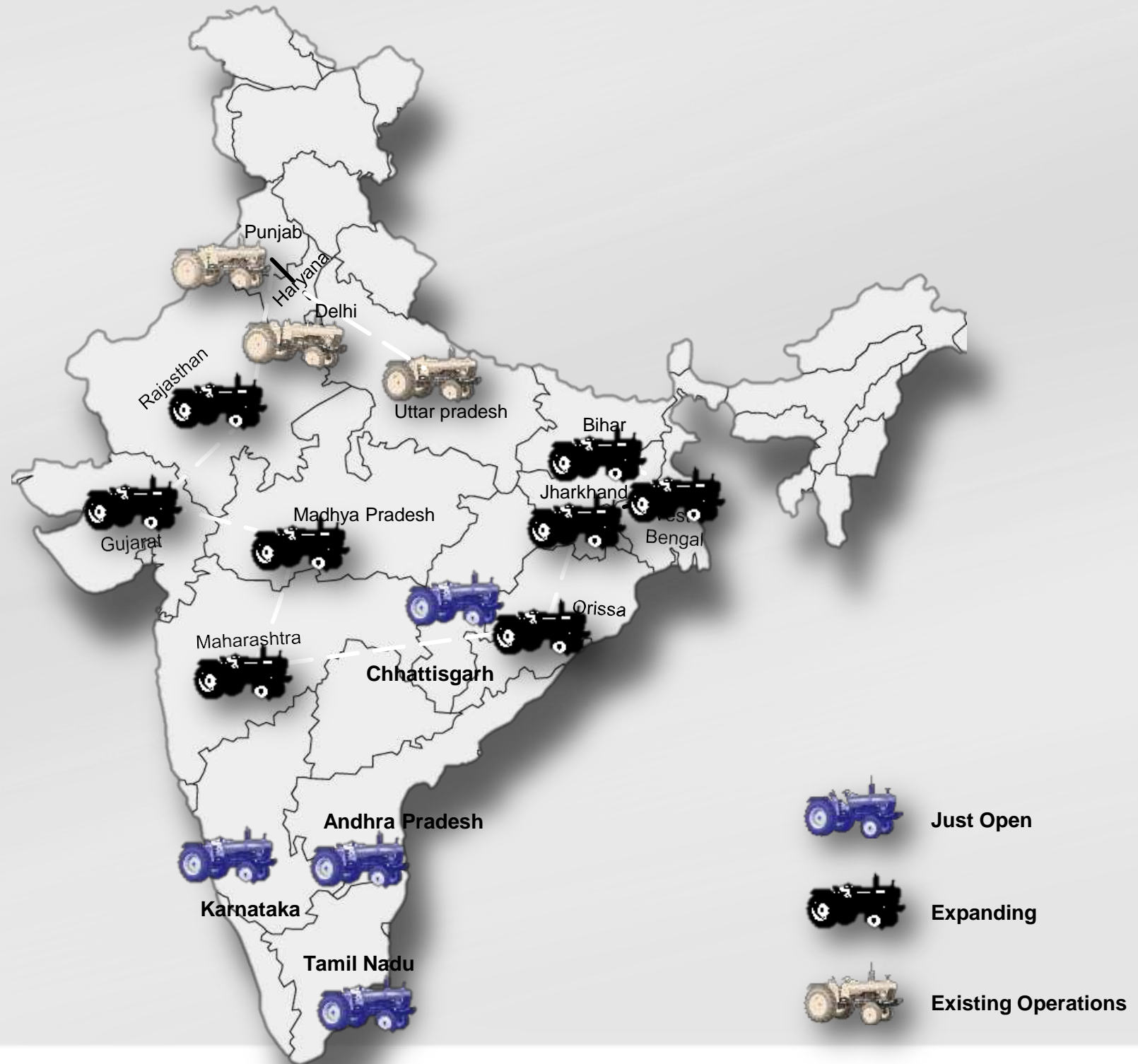
Track Harvester



Rotavator



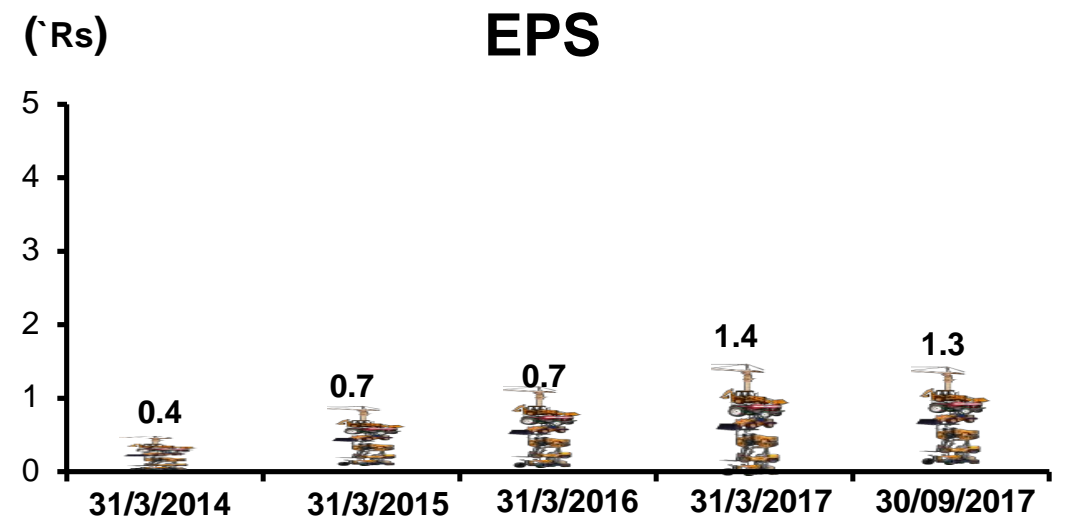
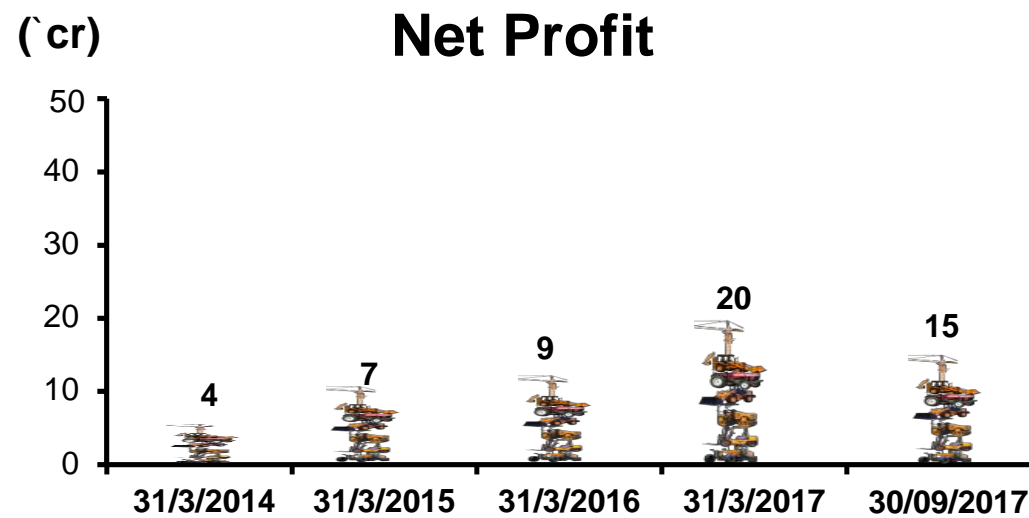
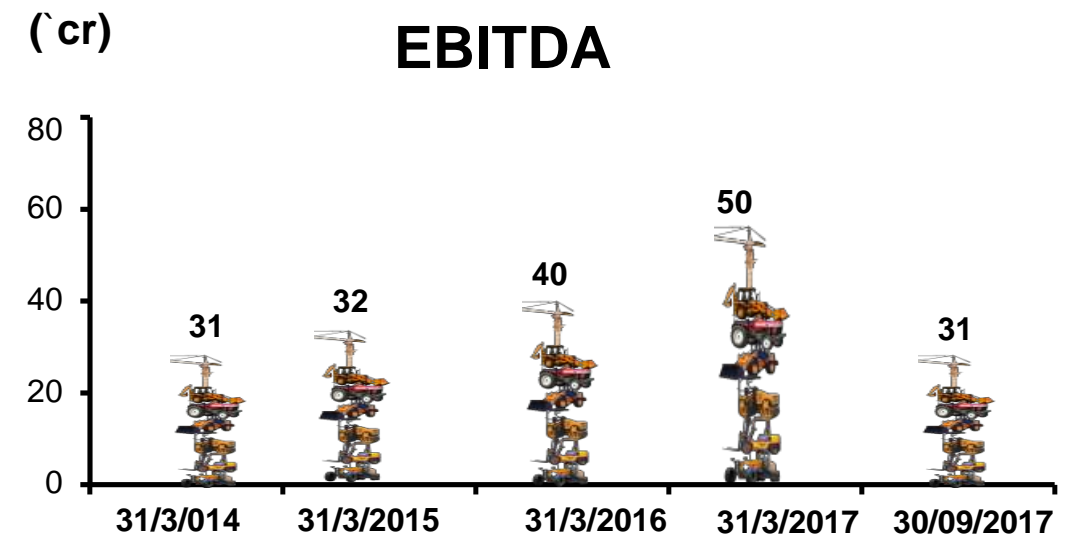
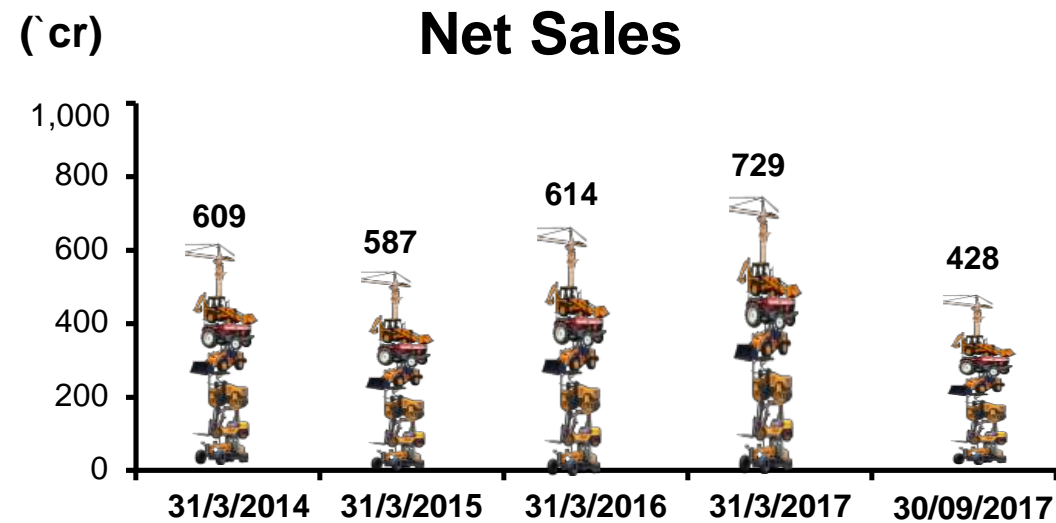
Presence



FINANCIALS



P&L Perspective



Balance Sheet Perspective

