

Action Construction Equipment Limited

Corporate & Registered Office

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



Date: February 06, 2024

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 Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai-400051
CM Quote: ACE

Subject: Earnings presentation-Q3-FY24

Dear Sir /Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith, earnings presentation (Q3-FY24) of the Company.

Kindly take the above in your record.

Thanking You.

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, Email: marketing@ace-cranes.com **Customer Care No.:** 1800 1800 004 (Toll Free), **CIN:** L74899HR1995PLC053860, **Website:** www.ace-cranes.com



**EARNINGS
PRESENTATION**
Q3 / 9M-FY24

100% Swadeshi

ACE



At a Glance



Established Brand with over 28 years of Industry Presence

India's most diversified CE Manufacturer Operating across Infra, Construction, Manufacturing, Logistics and Agri sectors

World's largest Pick & Carry Crane Manufacturer with Pan India and Global Presence in over 37 Countries

Customer Centric Organization with In-depth Market Intelligence having 18,000+ strong Customer base

Value for Money Equipment with Focus on Quality and Reliability

Fastest Service and Product Support through a wide Network across 100+ Locations in India

Strong Manufacturing, R&D Capabilities providing Customized Solutions for Specific Requirements

Strong Financial Discipline with Sharp focus on Accelerated Growth through Flexibility and Quick Change Adaptation

Highly Experienced and Professional Team

Poised to capture Significant Growth Prospects in Indian Manufacturing & Infrastructure Sector



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

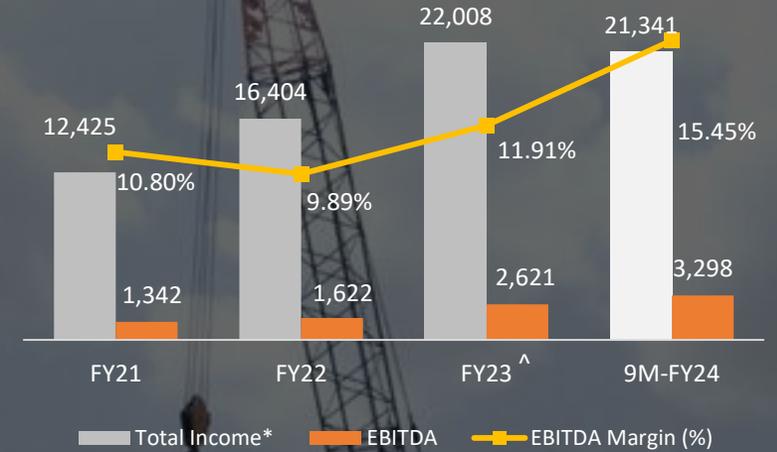


63% +
Market Share

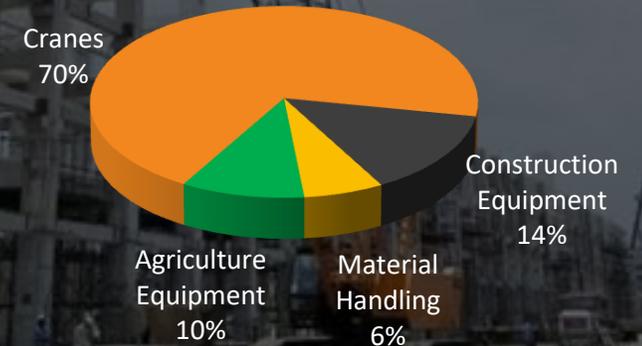
- The company is the world's largest Pick & Carry cranes manufacturer with over 63% market share in the Mobile cranes segment in the country and a majority market share of more than 60% in Tower Cranes segment domestically.
- Additionally, ACE also offers Crawler Cranes, Truck Mounted Cranes, Lorry Loaders, 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 37 countries across Middle East, Africa, Asia and Latin America.



Consolidated Financial Highlights (INR Mn)



Consolidated Segmental Revenue – 9M-FY24 (%)



*Total Income includes Other Income

^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

Sectoral Growth Drivers



Urban Infra

- Total Capex outlay increased by 11.1% to approx. INR11.11 lakh crores in FY25 interim budget; major outlay for roads at INR 2.72lakh crore and railways at INR2.52 lakh crore.
- Investment of INR 75,000 Crs, for one hundred critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors.
- Urban Infrastructure Development Fund (UIDF) will be established through use of priority Sector Lending shortfall, which will be managed by the national Housing Bank, and will be used by public agencies to create urban infrastructure in Tier 2 and Tier 3 cities.
- Allocation of INR 10,400 Crs towards investment in Smart Cities Mission for FY24.



Railways

- Implementation of three major economic railway corridor programs and Expansion of Metro Rail and NaMo Bharat to be supported in large cities, focusing on transit-oriented development.
- 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 New line projects will be getting an allocation of INR 31,850 Crs and National High Speed Rail Corporation Limited will be allocated INR 40,184 Crs.



Manufacturing

- The Manufacturing sector of India has the potential to reach US\$ 1 Tn by 2025.
- PLI in 14 sectors for achieving the vision of 'Atmanirbhar Bharat' with the potential to have additional production of INR 3,00,000 Crs 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 2023-24 Expansion of the National Highways network by 14,000 km in FY24, INR 20,000 Crs 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 kms under the PMGSY.



Housing

- Outlay for PM Awas Yojana is being enhanced by 66% to over INR 80,671 Crs.
- 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.
- Housing scheme for middle income class who are currently renting premises to enable them to buy or build their own houses coupled with 2 crore additional houses to be built under the Pradhan Mantri Awas Yojana (Grameen) will offer a significant boost to construction activities

Launch of PM Gati Shakti Plan, a INR 100 lakh Crs national infrastructure master plan, building a foundation for holistic infrastructure.

Sectoral Growth Drivers



Agriculture

- In the 2024-25 Union Budget, Ministry of Agriculture and Farmers' Welfare has been allocated INR 1,27,000 Crs. The government has given a clear signal to rural India that it is committed to their cause.
- Indian tractor market stands at ~9,45,000 units and the Indian agricultural tractor market is anticipated to grow at a CAGR of 8.9% over the forecast period 2022-2027.
- Budgetary allocation to Rural Development, Irrigation Projects and Subsidies coupled with credit availability will induce increased demand.



Logistics

- 5 Multimodal Logistics Parks at four locations through PPP mode contracts to be awarded in FY24.
- The government had decided to set up as many as 35 Multi Modal Logistics Parks, at a total capital cost of INR 50,000 crore.
- 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.
- 30 Mn square ft of warehousing space is expected to be added to the existing 86 Mn square ft in 2023.
- Indian warehousing and logistics sector is expected to attract ~\$10 Bn 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 INR 35,000 Crs (US\$ 4.99 Bn) investment in the upcoming years.
- 50 additional airports, heliports, water aerodromes and advance landing grounds will be revived for improving regional air connectivity.
- The Indian Government is planning to invest US\$ 1.83 Bn for development of airport infrastructure along with aviation navigation services by 2026.

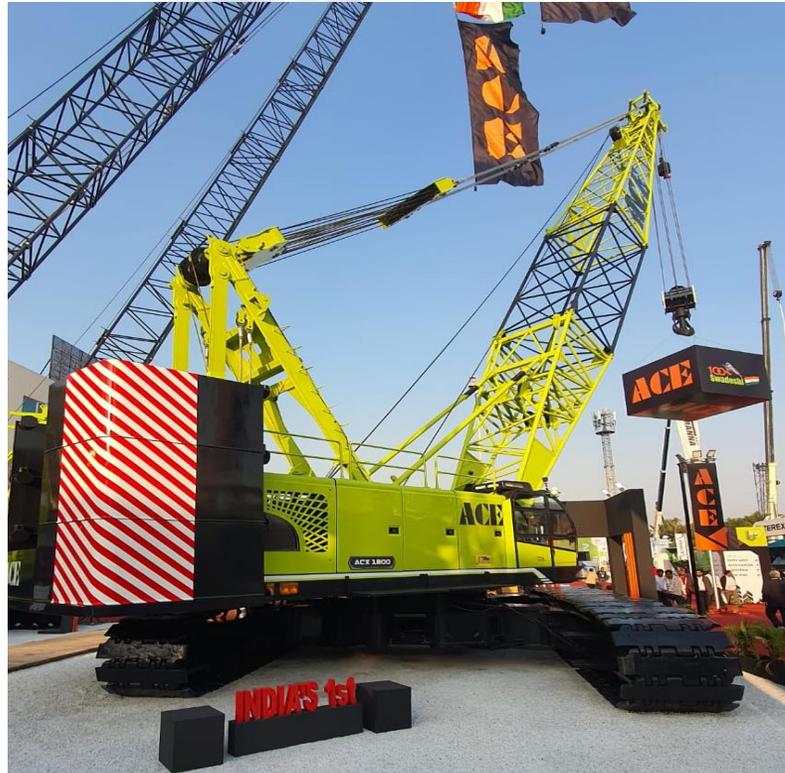


Ports

- The Ministry of Ports, Shipping and Waterways aims to complete projects worth INR 2,00,000 Crs in the next financial year under the Sagarmala Programme.
- The Government has included 1,537 projects under the ambitious Sagarmala Programme at a cost of INR 6,50,000 Crs.
- Projects worth INR 13,308.41 Crs were awarded in the last three years on upgradation of the major ports.

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

Opportunities & New Products



- ACE intends to increase the contribution of exports in total revenues to a significant share over the medium term
- Tapping Opportunities in the Defence Sector
- Increasing Utilisation Levels of Construction Equipment.
- New Product Launches:
 - India's First Fully Electric Mobile Crane
 - India's Largest Mobile Crane - 180 Tons Crawler Crane
 - Aerial Work Platforms and Telehandlers.
 - 35 Tons 4X4 Next-Gen Crane.

The main title of the slide, 'FINANCIAL OVERVIEW Q3 / 9M-FY24', is written in a white, sans-serif font. A vertical orange bar is positioned to the left of the text. The background of the slide is dark grey with faint, overlapping financial charts, including a candlestick chart and a bar chart.

Q3/9M-FY24 Financial & Operational Highlights



Q3-FY24 Financial Highlights (Consolidated)

INR 7,761 Mn

Total Income*

INR 1,257 Mn

EBITDA

16.20%

EBITDA Margin

INR 882 Mn

PAT

11.36%

PAT Margin

INR 7.41/Share

Diluted EPS

9M-FY24 Financial Highlights (Consolidated)

INR 21,341 Mn

Total Income*

INR 3,298 Mn

EBITDA

15.45%

EBITDA Margin

INR 2,298 Mn

PAT

10.77%

PAT Margin

INR 19.29/Share

Diluted EPS

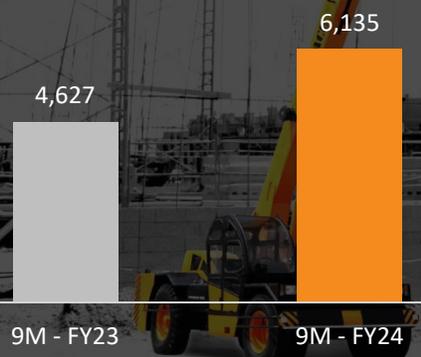
Q3-FY24 Operational Highlights

- The company achieved its highest ever quarterly Revenues, EBITDA, PBT, and PAT Margins.
- Strong YoY Quarterly Revenue growth of 36% driven by increased volumes, better product mix and company's strategic focus towards higher value equipment with better realizations.
- Company posted significant YoY revenue growth of 43% in Cranes and 45% in CE space
- With sustained focus on cost efficiencies, higher operating leverage, and better product mix, on YoY basis, the company's EBITDA margins expanded by 388 BPS. The PBT and PAT margins expanded by 373 BPS and 308 BPS respectively.
- The economic activity in India continued to remain strong. The Capital expenditure outlay has been stepped up by 11.1% to Rs 11.11 lakh crore in the interim Union Budget 2024-25. Allocation towards capital expenditure and infrastructure layout augurs well for our industry in the medium term.

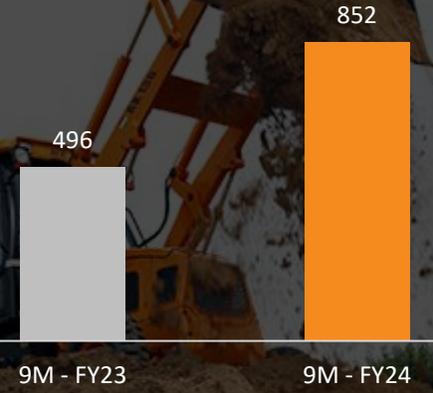
*Total Income includes Other Income

Segment wise – Quarterly Sales Volume

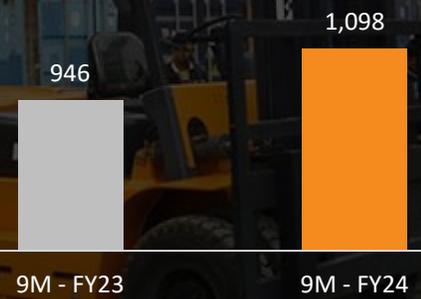
Cranes



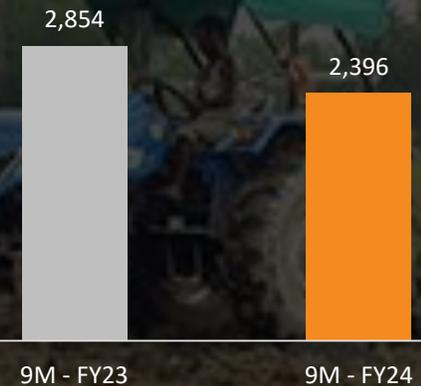
Construction Equipment



Material Handling Equipment



Agriculture Equipment



Quarterly Consolidated Financial Performance



Particulars (INR Mn)	Q3-FY24	Q3-FY23	Y-o-Y	Q2-FY24	Q-o-Q
Total Income*	7,761	5,640	37.6%	6,902	12.4%
Total Expenses	6,504	4,945	31.5%	5,841	11.4%
EBITDA	1,257	695	80.9%	1,061	18.5%
EBITDA Margins (%)	16.20%	12.32%	388 Bps	15.37%	83 Bps
Depreciation	59	44	34.1%	54	9.3%
Finance Cost	55	31	77.4%	38	44.7%
PBT	1,143	620	84.4%	969	18.0%
Tax	261	153	70.6%	230	13.5%
Profit after Tax	882	467	88.9%	739	19.4%
PAT Margins (%)	11.36%	8.28%	308 Bps	10.71%	65 Bps
EPS (Diluted INR)	7.41	3.90	90.0%	6.21	19.3%

*Total Income includes Other Income

YTD Consolidated Financial Performance



Particulars (INR Mn)	9M-FY24	9M-FY23 [^]	Y-o-Y
Total Income*	21,341	15,838	34.7%
Total Expenses	18,043	13,982	29.0%
EBITDA	3,298	1,856	77.7%
EBITDA Margin (%)	15.45%	11.72%	373 Bps
Depreciation	165	130	26.9%
Finance Cost	125	69	81.2%
PBT	3,008	1,657	81.5%
Tax	710	399	77.9%
Profit after Tax	2,298	1,258	82.7%
PAT Margin (%)	10.77%	7.94%	283 Bps
EPS (Diluted INR)	19.29	10.41	85.3%

*Note : Total Income includes Other Income

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

Historical Consolidated Financial Performance



Particulars (INR Mn)	FY21	FY22	FY23 [^]	9M-FY24
Total Income*	12,425	16,404	22,008	21,341
Total Expenses	11,083	14,782	19,387	18,043
EBITDA	1,342	1,622	2,621	3,298
EBITDA Margins (%)	10.80%	9.89%	11.91%	15.45%
Depreciation	139	154	180	165
Finance Cost	122	95	103	125
PBT	1,081	1,373	2,338	3,008
Tax	283	323	608	710
Profit after Tax	798	1,050	1,730	2,298
PAT Margins (%)	6.42%	6.40%	7.86%	10.77%
Other Comprehensive Income	8	(3)	0	3
Total Comprehensive Income	806	1,047	1,730	2,301
EPS (Diluted INR)	7.03	9.02	14.41	19.29

* Total Income includes Other Income

[^] Other Income includes one-time exceptional item of INR 197.6 Mn

Historical Consolidated Balance Sheet



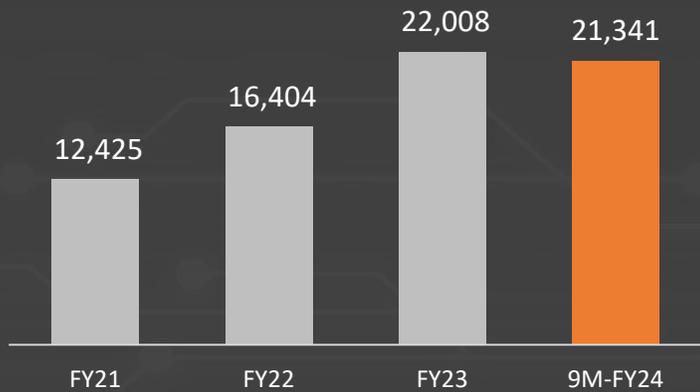
Equities & Liabilities (INR Mn)	FY22	FY23	H1-FY24
(A) Share Capital	238	238	238
(B) Other Equity	7,303	8,948	10,207
Non Controlling Interest	2	16	17
Total - Shareholder Funds	7,543	9,202	10,462
Non Current Liabilities			
(A) Financial Liabilities			
(i) Borrowings	-	-	-
(ii) Lease Liabilities	13	7	4
(B) Provisions	23	27	30
(C) Deferred tax liabilities (Net)	135	133	128
Total - Non – Current Liabilities	171	167	162
Current Liabilities			
Financial Liabilities			
(i) Borrowings	292	62	598
(ii) Trade Payables	4,127	5,009	5,754
(iii) Other Financial Liabilities	212	231	236
(iv) Lease Liabilities	5	6	5
(D) Other current liabilities	419	1,296	1,425
(E) Provisions	18	25	30
(F) Current tax liabilities (Net)	37	-	46
Total – Current Liabilities	5,110	6,629	8,094
Total Equity and Liabilities	12,824	15,997	18,718

Assets (INR Mn)	FY22	FY23	H1-FY24
(A) Property plant & Equipment	4,355	4,723	5,006
(B) Capital Work in Progress	243	244	550
(C) Right-of-Use Assets	17	12	9
(D) Investment properties	118	115	114
(E) Intangible assets	27	25	28
(F) Financial assets			
(i) Investments	802	1,367	1,785
(ii) Other financial assets	163	348	176
(G) Other non-current assets	67	41	24
(H) Non-current tax assets (Net)	4	7	12
Total - Non – Current Assets	5,796	6,882	7,704
Current Assets			
(A) Inventories	3,334	4,185	5,400
(B) Financial assets			
(i) Investments	990	2,119	2,283
(ii) Trade receivables	1,887	1,693	1,731
(iii) Cash and cash equivalents	57	215	226
(iv) Bank balances other than (iii) above	86	275	588
(v) Loans	8	7	6
(vi) Other current financial assets	20	78	87
(C) Other Current Assets	646	543	693
(D) Current Tax Assets (Net)	-	-	-
Total current assets	7,028	9,115	11,014
Total Assets	12,824	15,997	18,718

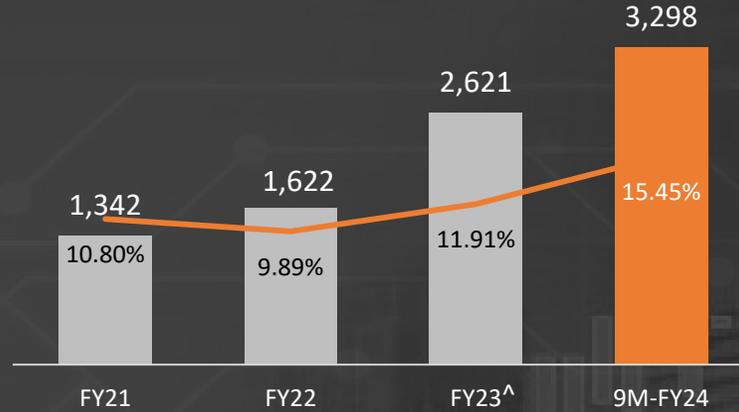
Key Consolidated Financial Highlights



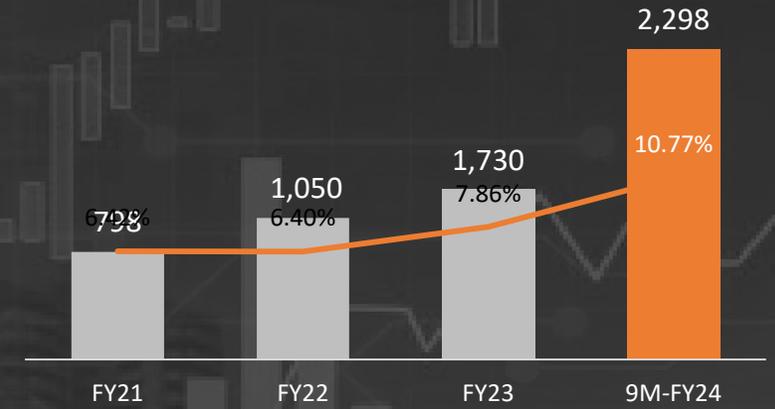
Total Income* (INR Mn)



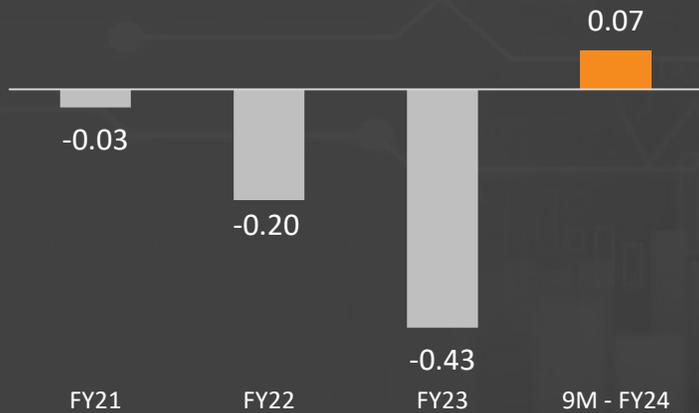
EBITDA and EBITDA Margins (INR Mn)



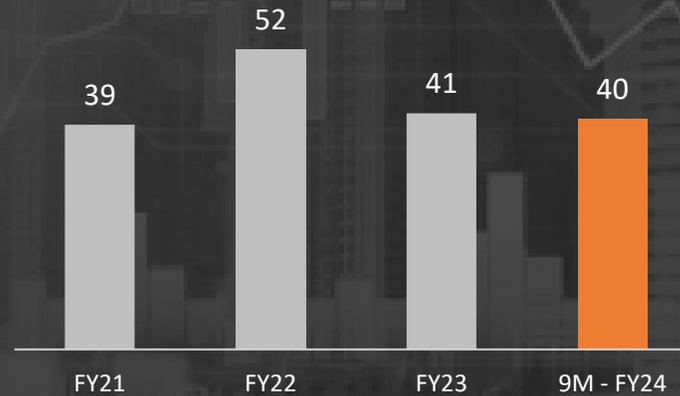
PAT and PAT Margins (INR Mn)



Net Debt to Equity (x)



Working Capital Days



Return on Capital Employed (%)



* Total Income includes Other Income

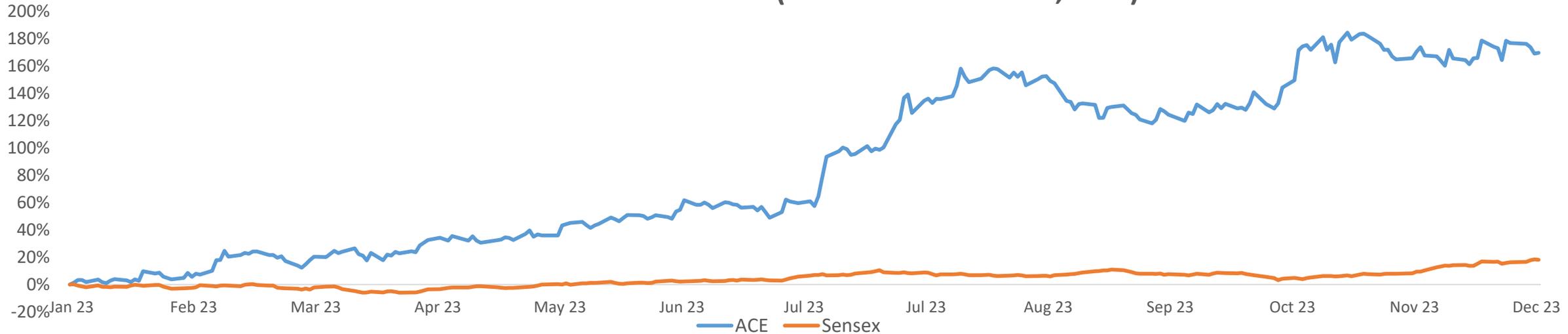
[^] EBITDA Margin includes one-time exceptional item of INR 197.6 Mn

~ Annualized

Capital Market Data



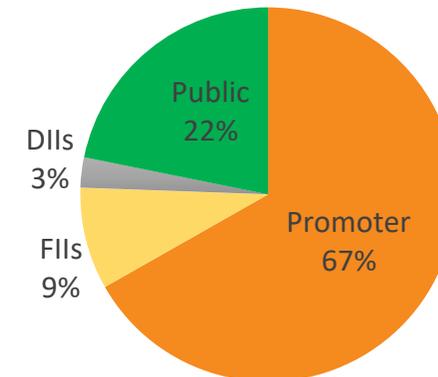
Stock Market Performance (as on 31st December, 2023)



Price Data (As on 31st December, 2023)

Face Value (INR)	2.0
Market Price (INR)	828.3
52 Week H/L (INR)	895.4/304.0
Market Cap (INR Mn)	98,650.6
Equity Share Outstanding (Mn)	119.1
1 Year Avg. Daily Trading Volume ('000)	533.4

Shareholding Holding pattern (As on 31st December, 2023)



Disclaimer



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



THANK YOU

