



**EARNINGS
PRESENTATION**
Q1-FY23



ACE

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 a technocrat, Mr. Vijay Agarwal 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

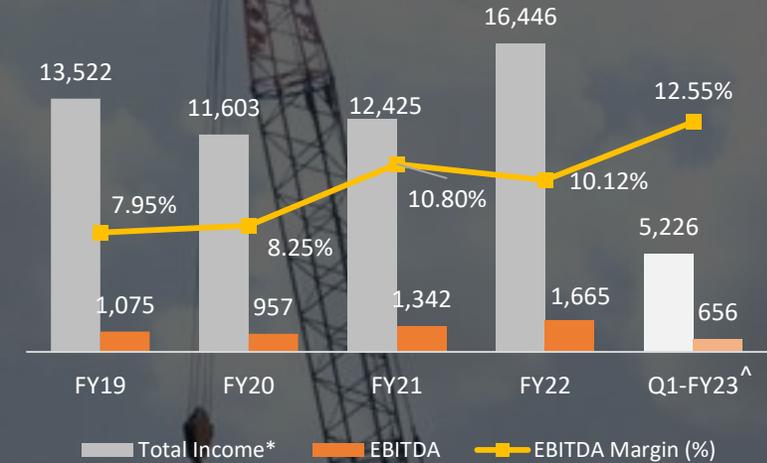


63% +
Market Share

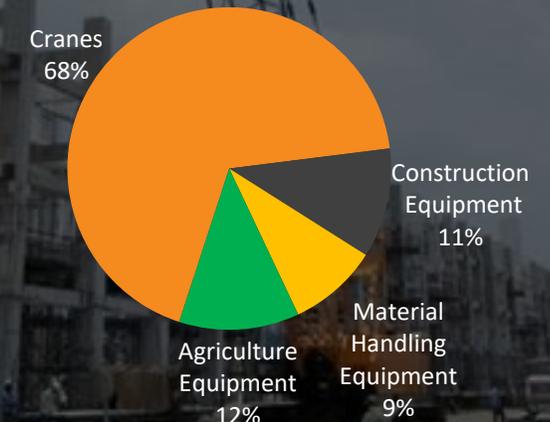
- The company is the world's largest Pick & Carry cranes manufacturer with over 63% market share in the Mobile cranes segment and a majority market share of more than 60% in Tower Cranes segment domestically.
- Additionally, ACE also offers Crawler Cranes, Truck Mounted Cranes, Lorry Loaders, Backhoe Loaders/Loaders, Vibratory Rollers, Motor Graders, Forklifts, Tractors & Harvesters and other Construction Equipment.
- The company has one of the widest sales 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

[^]Note: Other Income includes one-time exceptional item

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



Forklift Trucks



Warehousing Equipment



Piling Rig

Agriculture Equipment



Tractor



Track Combine



Track 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 Q1-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.

Q1-FY23 Financial & Operational Highlights



Q1-FY23 Financial Highlights (Consolidated)

INR 5,226 Mn

Total Income*^

INR 656 Mn

EBITDA

12.55%

EBITDA Margin

INR 453 Mn

PAT

8.67%

PAT Margin

INR 3.65/Share

Diluted EPS

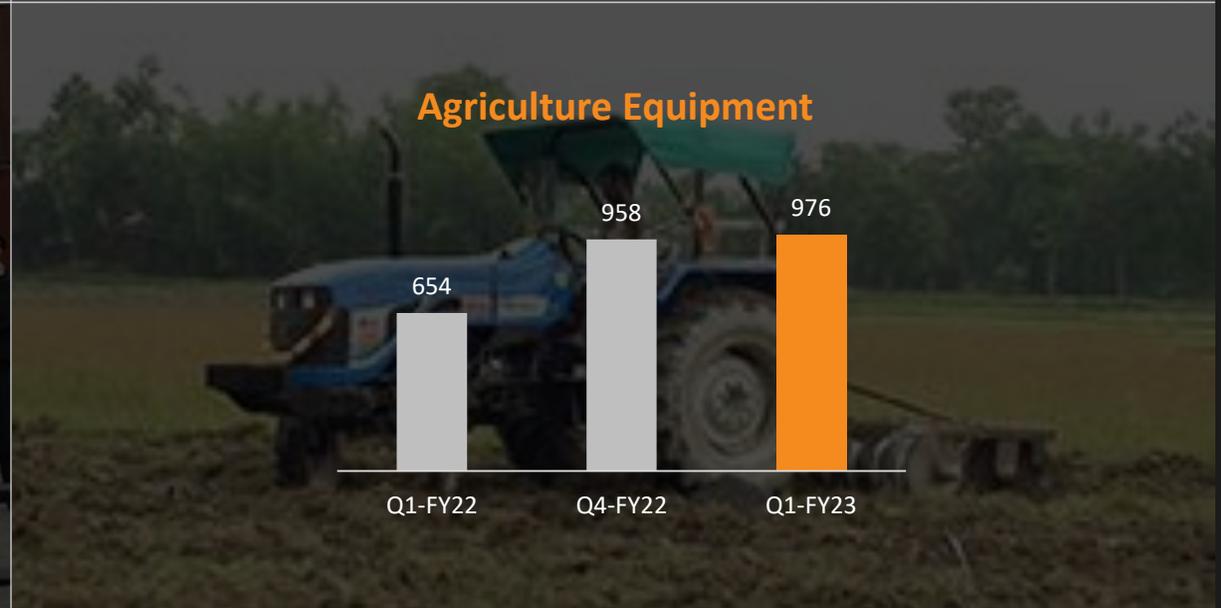
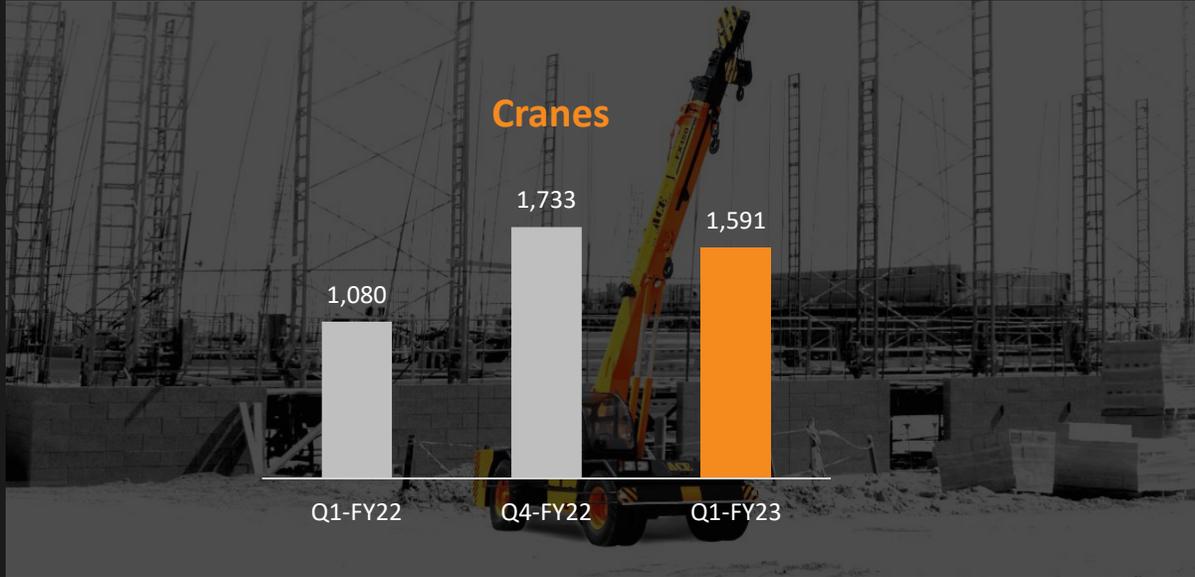
Q1-FY23 Operational Highlights

- Highest ever Q1 revenues achieved with robust topline growth.
- Strong Revenue growth registered across all segments on YoY basis:
 1. Cranes grew by 58%
 2. Construction Equipment Segment grew by 42%
 3. Material Handling Equipment grew by 14%
 4. Agri Equipment grew by 98%
- The foreign subsidiary Company SC Forma SA, Romania has sold land and building situated in Romania for a consideration of Rs. 19.8 Cr.
- Awarded with a contract to set up a state-of-the-art assembly plant for manufacturing of Tractors, Backhoe Loaders and Fabrication of Agricultural implements for the Government of The Republic of Ghana against a consideration of USD 24.98 Mn.
- Breakthrough order awarded for supply of 40 Backhoe Loaders from Border Road Organisation, Ministry of Defence.
- Going forward, strong focus of the government on infrastructure development and strengthening of the manufacturing sector holds ACE in good stead and the recent softening of commodities, due to policy decisions, augurs well for the company which will positively impact sequential margins in coming quarters.

*Note : Total Income includes Other Income

^Note: Other Income includes one-time exceptional item

Segment wise – Quantity sold



Quarterly Consolidated Financial Performance



Particulars (INR Mn)	Q1-FY23 [^]	Q1-FY22	Y-o-Y	Q4-FY22	Q-o-Q
Total Income*	5,226	3,239	61.3%	5,160	1.3%
Total Expenses	4,570	2,913	56.9%	4,634	(1.4)%
EBITDA	656	326	NA	526	24.7%
EBITDA Margins (%)	12.55%	10.06%	249 Bps	10.19%	236 Bps
Depreciation	47	37	27.0%	40	17.5%
Finance Cost	21	27	(22.2)%	43	(51.2)%
PBT	588	262	NA	443	32.7%
Tax	135	69	95.7%	89	51.7%
Profit after Tax	453	193	NA	354	28.0%
PAT Margins (%)	8.67%	5.96%	271 Bps	6.86%	181 Bps
Other Comprehensive Income	-	-	-	(3)	NA
Total Comprehensive Income	453	193	NA	351	29.1%
EPS (Diluted INR)	3.65	1.70	NA	2.97	22.9%

*Note : Total Income includes Other Income

[^]Note: Other Income includes one-time exceptional item

Historical Consolidated Financial Performance



Particulars (INR Mn)	FY19	FY20	FY21	FY22	Q1-FY23^
Total Income*	13,522	11,603	12,425	16,446	5,226
Total Expenses	12,447	10,646	11,083	14,781	4,570
EBITDA	1,075	957	1,342	1,665	656
EBITDA Margins (%)	7.95%	8.25%	10.80%	10.12%	12.55%
Depreciation	118	130	139	154	47
Finance Cost	115	147	122	138	21
PBT	842	680	1,081	1,373	588
Tax	282	155	283	323	135
Profit after Tax	560	525	798	1,050	453
PAT Margins (%)	4.14%	4.52%	6.42%	6.38%	8.67%
Other Comprehensive Income	-	(2)	8	(4)	-
Total Comprehensive Income	560	523	806	1,046	453
EPS (Diluted INR)	4.78	4.57	7.03	9.02	3.65

*Note : Total Income includes Other Income

^Note: EBITDA Margin includes one-time exceptional item

Historical Consolidated Balance Sheet



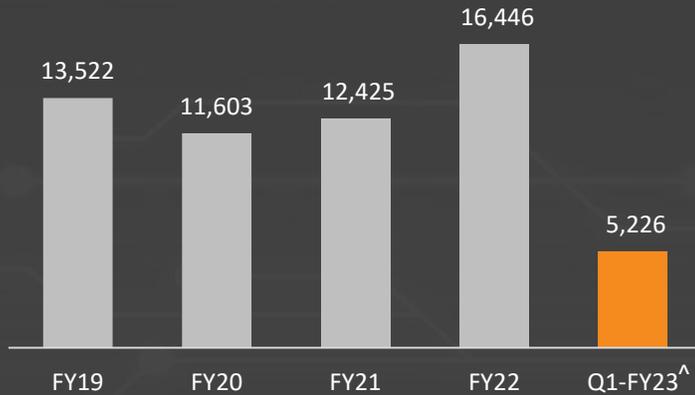
Equities & Liabilities (INR Mn)	FY20	FY21	FY22
(A) Share Capital	227	227	238
(B) Other Equity	4,199	5,005	7,303
Non Controlling Interest	3	3	3
Total - Shareholder Funds	4,429	5,235	7,544
Non Current Liabilities			
(A) Financial Liabilities			
(i) Borrowings	295	202	-
(ii) Lease Liabilities	-	1	12
(B) Provisions	35	19	23
(C) Deferred tax liabilities (Net)	142	160	135
Total - Non – Current Liabilities	472	382	170
Current Liabilities			
Financial Liabilities			
(i) Borrowings	447	341	76
(ii) Trade Payables	3,205	3,306	3,611
(iii) Other Financial Liabilities	727	875	945
(iv) Lease Liabilities	-	2	5
(D) Other current liabilities	232	380	418
(E) Provisions	13	14	18
(F) Current tax liabilities (Net)	11	18	37
Total – Current Liabilities	4,635	4,936	5,110
Total Equity and Liabilities	9,536	10,553	12,824

Assets (INR Mn)	FY20	FY21	FY22
(A) Property plant & Equipment	3,989	4,161	4,372
(B) Capital Work in Progress	194	126	243
(C) Investment properties	122	120	118
(D) Intangible assets	9	12	27
(E) Financial assets			
(i) Investments	215	64	688
(ii) Other financial assets	14	66	166
(F) Other non-current assets	130	97	65
(G) Non-current tax assets (Net)	1	1	-
Total - Non – Current Assets	4,674	4,647	5,679
Current Assets			
(A) Inventories	2,707	2,661	3,334
(B) Financial assets			
(i) Investments	65	251	1,104
(ii) Trade receivables	1,473	2,247	1,887
(iii) Cash and cash equivalents	34	329	57
(iv) Bank balances other than (iii) above	59	36	86
(v) Other current financial assets	23	23	30
(C) Other Current Assets	480	357	643
(D) Current Tax Assets (Net)	21	2	4
Total current assets	4,862	5,906	7,145
Total Assets	9,536	10,553	12,824

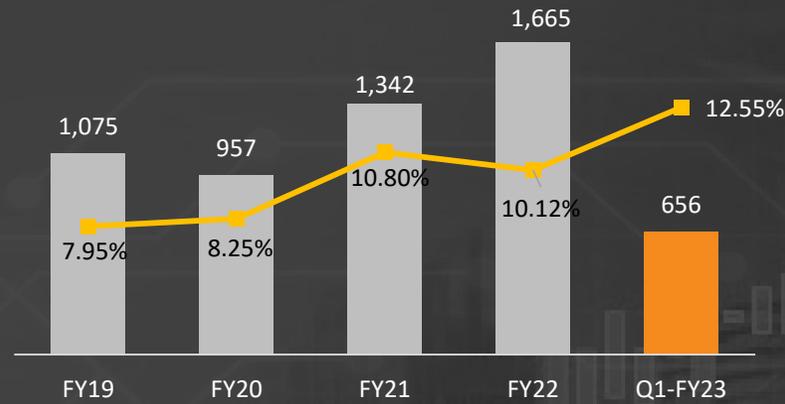
Key Consolidated Financial Highlights



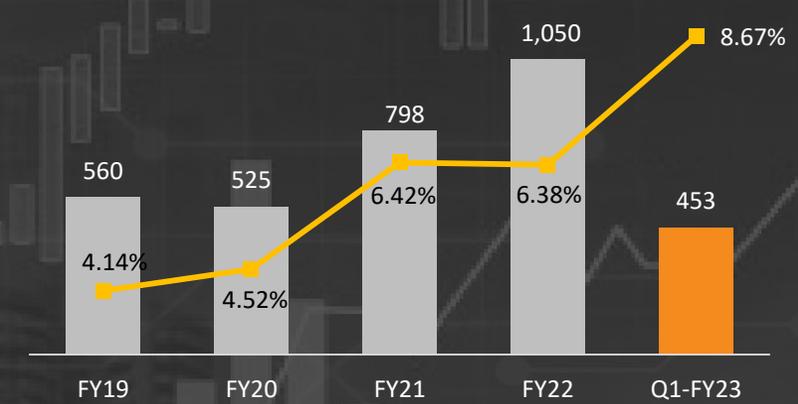
Total Income* (INR Mn)



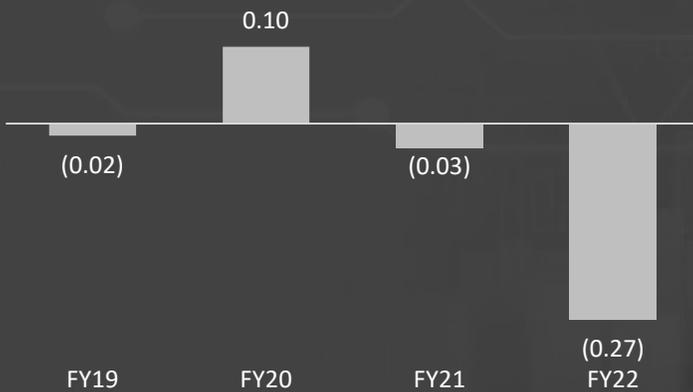
EBITDA and EBITDA Margins (INR Mn)



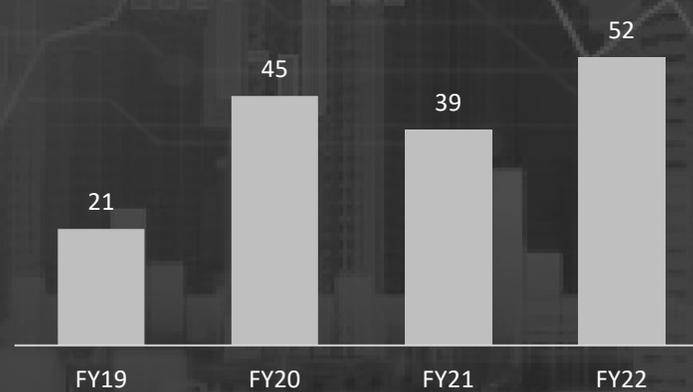
PAT and PAT Margins (INR Mn)



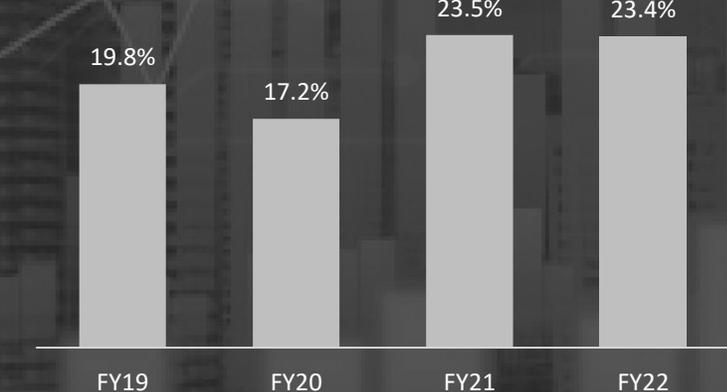
Net Debt to Equity (x)



Working Capital Days



Return on Capital Employed (%)



*Note : Total Income includes Other Income

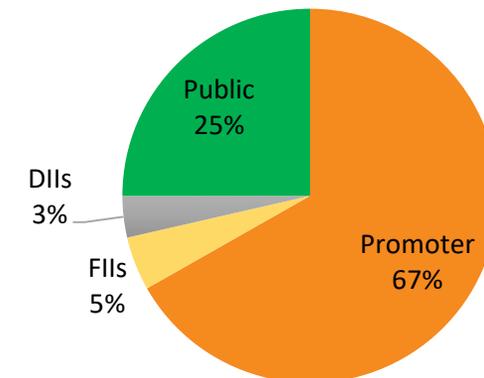
[^]Note: EBITDA Margin includes one-time exceptional item

Stock Market Performance (as on 30th June, 2022)



Price Data (as on 30 th June, 2022)	
Face Value (INR)	2.0
Market Price (INR)	208.4
52 Week H/L (INR)	291.6/175
Market Cap (INR Mn)	24,816.9
Equity Share Outstanding (Mn)	119.1
1 Year Avg. Daily Trading Volume ('000)	750.2

Shareholding Holding pattern as on 30th June 2022



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