EARNINGS PRESENTATION

Q1-FY22

100% Swadeshi

ACE

At a Glance

Established Brand with over 25 years of Industry Presence

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

World's largest Pick & Carry Crane Manufacturer

India's most diversified Construction Equipment Manufacturer

Pan India and Global Presence in over 25 Countries

16,000+ strong Customer base with Significant Presence across Diversified Sectors

Most Awarded Construction Equipment Company

Strong Training and R&D Backbone

Customer-Centric Organisation

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.

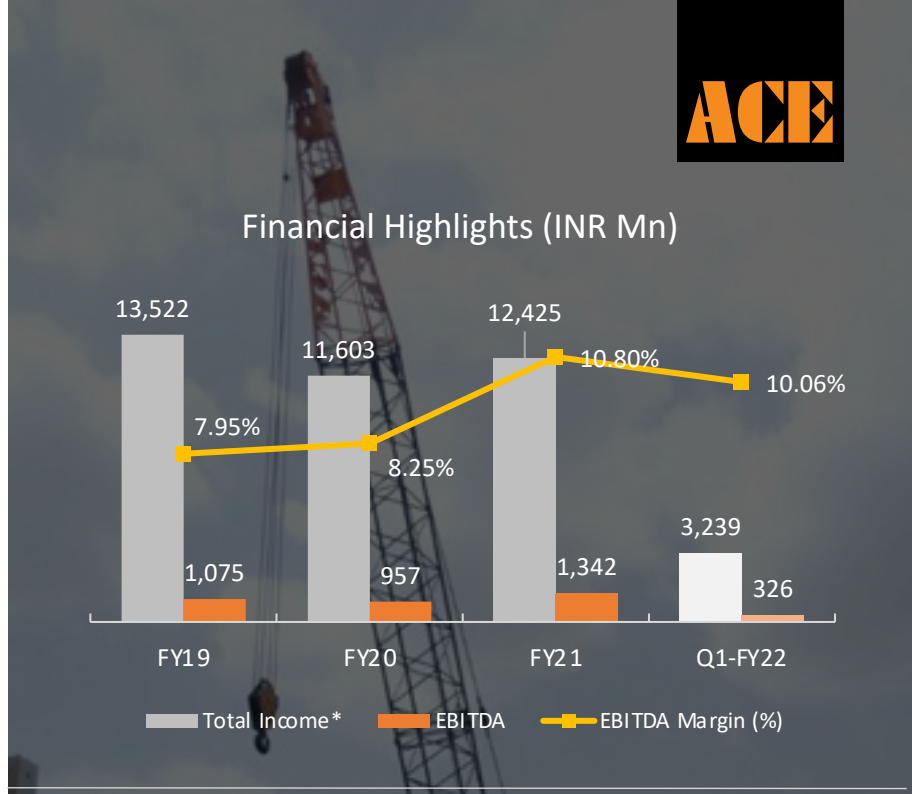
- The company is the world's largest Pick & Carry cranes manufacturer with over 63% market share in the Mobile cranes segment and a majority market share of more than 60% in Tower Cranes segment domestically.

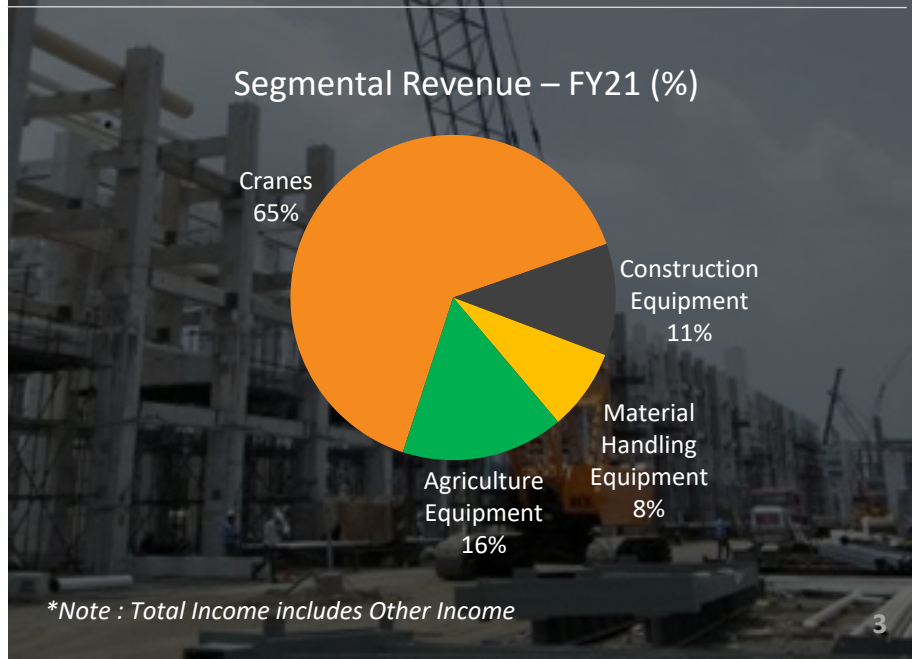
- Additionally, ACE also offers Crawler Cranes, Truck Mounted Cranes, Lorry Loaders, Backhoe Loaders/Loaders, Vibratory Rollers, Motor Graders, Forklifts, Tractors & Harvesters and other Construction Equipment.

- State-of-the-art production facilities based in the industrial townships of NCR, Haryana with a capacity to produce around 12,000 construction equipment and 9,000 Tractors annually.

- The company has one of the widest sales network, with over 100+ locations supported by 21 regional offices.

- Apart from the domestic market the company also exports to over 25 countries across Middle East, Africa, Asia and Latin America.





Note : Total Income includes Other Income

Product Portfolio

Cranes

Pick & Carry Crane

Lorry Loaders Crane

Self Erecting Tower Crane

Crawler Crane

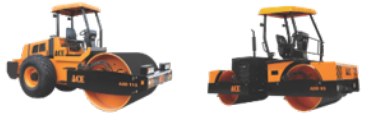
Truck Crane

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

ACE Edge

- Established and Strong Brand
- 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 50% utilisation
- 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

- Upcoming Metro Projects across all major cities.
- Development of City Roads, Bridges, Flyovers, Elevated Road Corridors, Water Sewerage, Transmission Lines and Distribution Infrastructure etc.
- 100 Smart Cities being developed and rejuvenation of 500 others.

Railways

- As per Union Budget 2021-22, Ministry of Railways have been allocated INR 1,10,055 Cr (US$ 15.19 billion)
- 7 new DPRs for Bullet Trains are under consideration apart from the Mumbai-Ahmedabad Link
- 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.
- India's National Manufacturing Policy aims at increasing Manufacturing's share in GDP to 25% by 2025, thereby augmenting growth.
- Industrial Capex cycle has revived owing to initiatives such as 'Atmanirbhar Bharat', 'Vocal for Local' and 'China +1 Strategy.'

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

Roads

- 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 13000 km roads under the 'Bharatmala Pariyojana' and 3.71 lakh km under the PMGSY.

Housing

- 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.

Source: ICEMA, IBEF, Mordor Intelligence, Indian Companies.in, Business Standard

Sectoral Growth Drivers

Agriculture

- 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.
- Prediction of a normal Monsoon in 2021 will further boost the sentiments of the sector.

Logistics

- The Size of Logistics Industry in India is $215-billion.
- 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.

The Government is undertaking reforms in major sectors with a view to unlock its Potential

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.

Source: ICEMA, IBEF, Mordor Intelligence, Indian Companies.in

FINANCIAL OVERVIEW Q1-FY22

Q1-FY22 Financial & Operational Highlights

Q1-FY22 Financial Highlights (Consolidated)

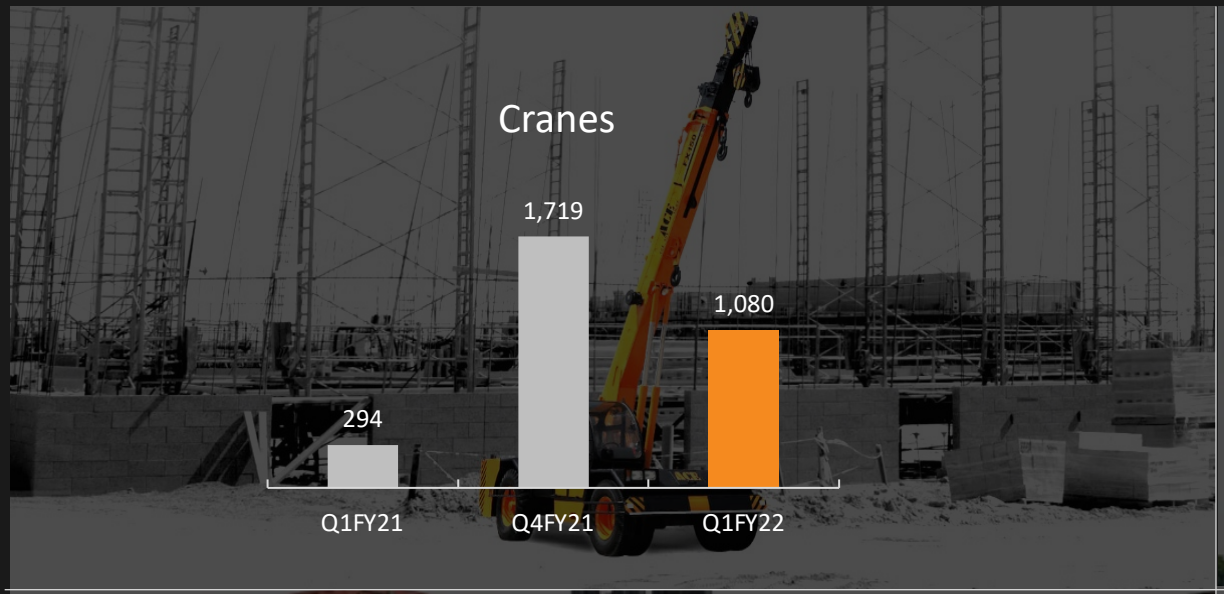
INR 3,239 Mn Total Income*	**INR 326 Mn** EBITDA	**10.06%** EBITDA Margin
INR 193 Mn PAT	**5.96%** PAT Margin	**INR 1.70/Share** Diluted EPS

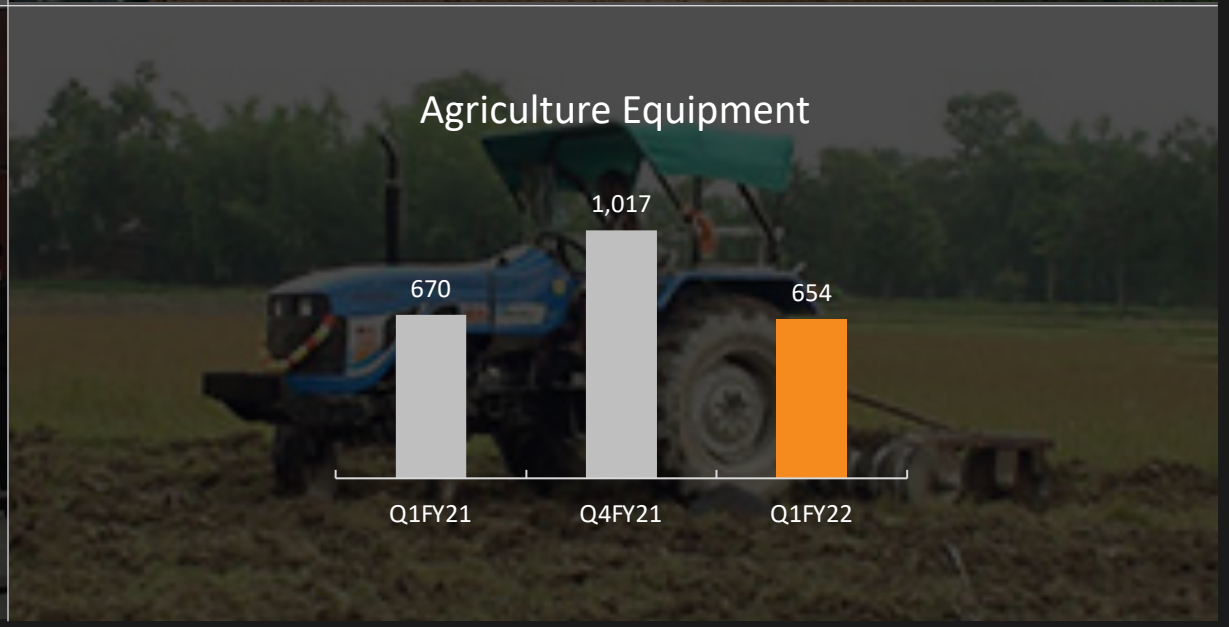
Q1-FY22 Operational Highlights

- Q1 was impacted as a large part of the country was under lockdown due to COVID-19, however, as restrictions lifted progressively, the demand rebounded
- The company achieved its highest ever Q1 EBITDA and PAT Margins due to sustained focus on cost efficiencies, higher operating leverage, better product mix and a price increase on some of the equipment
- Export Sales Increased by 47% QoQ contributing to 9% of our overall revenues
- Successfully upgraded our Cranes and Construction equipment models to BSIV CEV emission norms
- Ensure vaccination of 100% of our employees
- Going forward, Strong macroeconomic factors augurs well for robust demand, however, disruptions due to the pandemic remains a concern

**Note : Total Income includes Other Income*

Segment wise – Quantity sold





Q1-FY22 Consolidated Income Statement

Particulars (INR Mn)	Q1-FY22	Q1-FY21	Y-o-Y	Q4-FY21	Q-o-Q
Total Income*	**3,239**	**1,034**	**213.2%**	**4,650**	**(30.3)%**
Total Expenses	2,913	1,011	188.1%	4,077	(28.6)%
EBITDA	**326**	**23**	**1,317.3%**	**573**	**(43.1)%**
EBITDA Margin (%)	***10.06%***	***2.22%***	***784 bps***	***12.32%***	***(226) bps***
Depreciation	37	34	8.8%	35	5.7%
Finance Cost	27	33	(18.2)%	30	(10.0)%
PBT	**262**	**(44)**	**NA**	**508**	**(48.4)%**
Tax	69	(1)	NA	122	(43.4)%
Profit after Tax	**193**	**(43)**	**NA**	**386**	**(50.0)%**
PAT Margin (%)	***5.96%***	***NA***	***NA***	***8.30%***	***(234) bps***
Other Comprehensive Income	-	-	NA	8	NA
Total Comprehensive Income	**193**	**(43)**	**NA**	**394**	**(51.0)%**
EPS (Diluted INR)	**1.70**	**NA**	**NA**	**3.40**	**(50.0)%**

**Note : Total Income includes Other Income*

Historical Income Statement (IND-AS)

Particulars (INR Mn)	FY19	FY20	FY21	Q1-FY22
Total Income*	**13,522**	**11,603**	**12,425**	**3,239**
Total Expenses	12,447	10,646	11,083	2,913
EBITDA	**1075**	**957**	**1,342**	**326**
EBITDA Margin (%)	***7.95%***	***8.25%***	***10.80%***	***10.06%***
Depreciation	118	130	139	37
Finance Cost	115	147	122	27
PBT	**842**	**680**	**1,081**	**262**
Tax	282	155	283	69
Profit after Tax	**560**	**525**	**798**	**193**
PAT Margin (%)	***4.14%***	***4.52%***	***6.42%***	***5.96%***
Other Comprehensive Income	-	(2)	8	-
Total Comprehensive Income	**560**	**523**	**806**	**193**
EPS (Diluted INR)	**4.78**	**4.57**	**7.03**	**1.70**

**Note : Total Income includes Other Income*

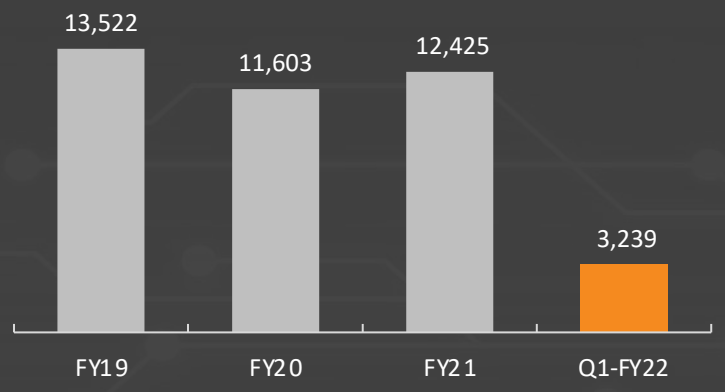
Historical Consolidated Balance Sheet

Equities & Liabilities (INR Mn)	FY20	FY21
(A) Share Capital	227	227
(B) Other Equity	4,199	5,005
Non Controlling Interest	3	3
Total - Shareholder Funds	**4,429**	**5,235**
Non Current Liabilities		
(A) Financial Liabilities		
(i) Borrowings	295	203
(B) Provisions	35	19
(C) Deferred tax liabilities (Net)	142	160
Total - Non – Current Liabilities	**472**	**382**
Current Liabilities		
Financial Liabilities		
(i) Borrowings	447	309
(ii) Trade Payables	3,205	3,306
(iii) Other Financial Liabilities	727	909
(D) Other current liabilities	232	380
(E) Provisions	13	14
(F) Current tax liabilities (Net)	11	18
Total – Current Liabilities	**4,635**	**4,936**
Total Equity and Liabilities	**9,536**	**10,553**

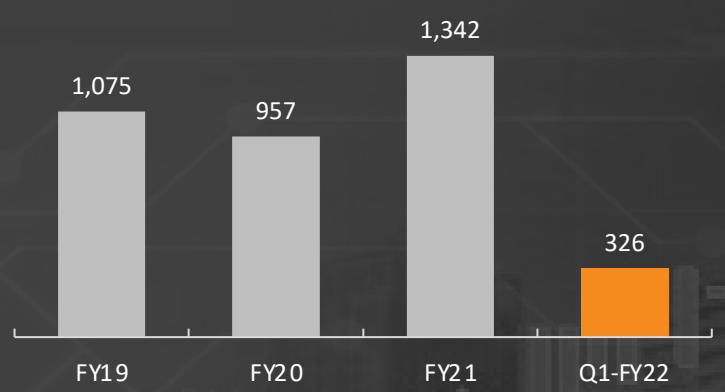
Assets (INR Mn)	FY20	FY21
(A) Property plant & Equipment	3,989	4,161
(B) Capital Work in Progress	194	126
(C) Investment properties	122	120
(D) Intangible assets	9	12
(E) Financial assets		
(i) Investments	215	64
(ii) Other financial assets	14	66
(F) Other non-current assets	130	97
(G) Non-current tax assets (Net)	1	1
Total - Non – Current Assets	**4,674**	**4,647**
Current Assets		
(A) Inventories	2,707	2,660
(B) Financial assets		
(i) Investments	65	251
(ii) Trade receivables	1,473	2,247
(iii) Cash and cash equivalents	34	329
(iv) Bank balances other than (iii) above	59	36
(v) Other current financial assets	23	23
(C) Other Current Assets	480	357
(D) Current Tax Assets (Net)	21	2
Total current assets	**4,862**	**5,905**
Total Assets	**9,536**	**10,553**

Key Financial Highlights

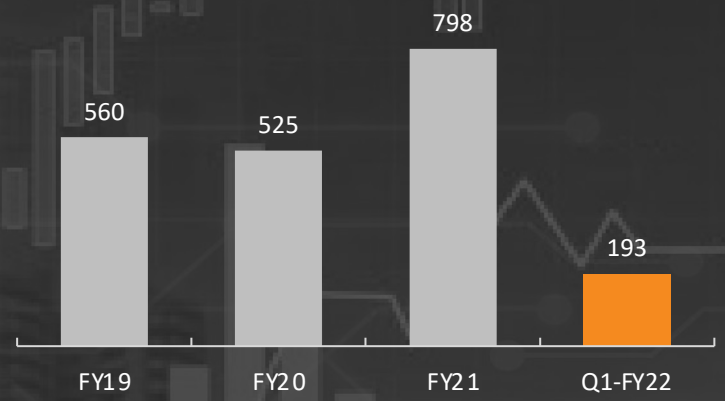
Total Income* (INR Mn)



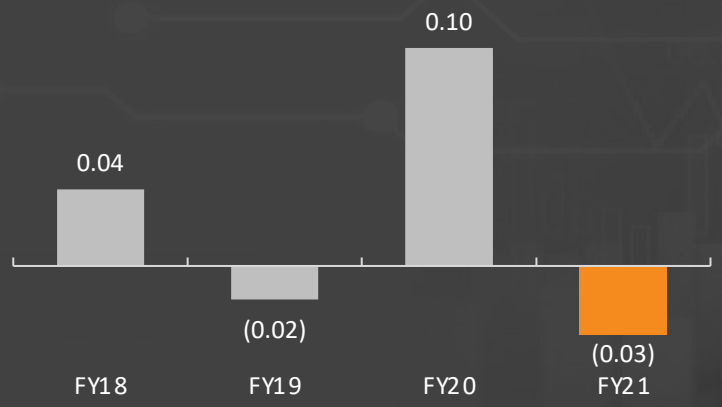
EBITDA (INR Mn)



PAT (INR Mn)



Net Debt to Equity (x)



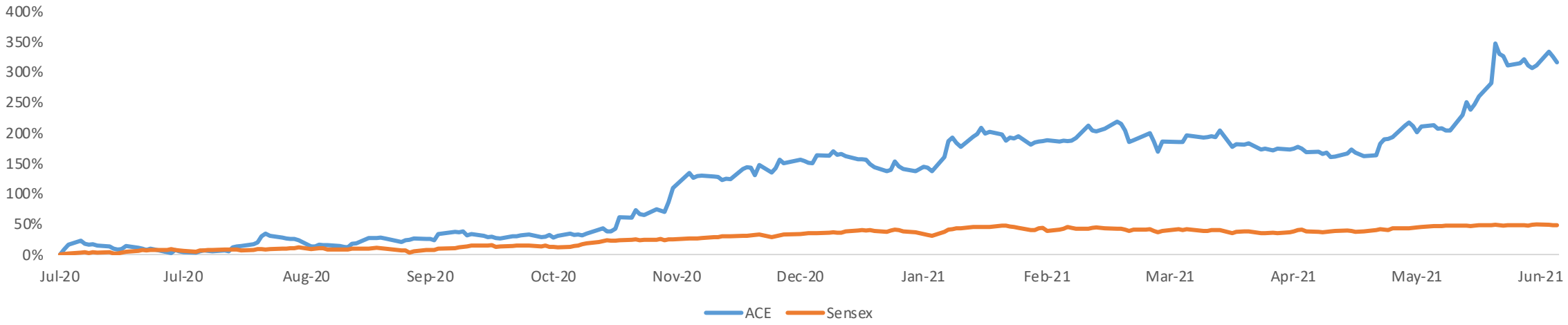
Working Capital Days

Return on Capital Employed (%)

**Note : Total Income includes Other Income*

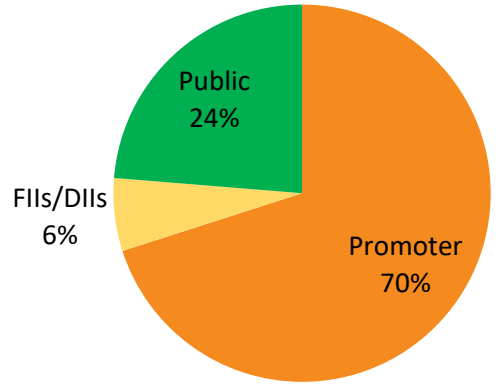
Capital Market Information

Stock Market Performance (as on 30th June, 2021)



Price Data (As on 30th June, 2021)	
Face Value (INR)	2.00
Market Price (INR)	225.7
52 Week H/L (INR)	248.0/53.1
Market Cap (INR Mn)	25,607.5
Equity Share Outstanding (Mn)	113.5
1 Year Avg. Daily Trading Volume ('000)	682.4

Shareholding Holding pattern as on 30th June 2021



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:

VALOREM ADVISORS

Mr. Anuj Sonpal
Valorem Advisors
Tel: +91-22-49039500
Email: ace@valoremadvisors.com