ACE

Action Constrution Equipment Ltd.

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Q3 & 9M FY14 Results Presentation

Q3 & 9M FY14 Overview

Financial Highlights

Cash flows

- Operating cash flows continue to remain positive

P&L

- Encouraging sequential growth across Mobile Cranes and Agri Equipment businesses
- Efficiency focus, infrastructural capabilities help combat rising input costs
- Transition from buyers credit to domestic funding reduces susceptibility to forex volatility

Balance Sheet

- Debt level remains unchanged

Operating Highlights

- Gradual improvement in operating environment
- Encouraging growth in new order enquiries
- Large new breakthrough order for pick and carry crane progressing well
- New introductions well received - Agri equipment continues to be the best performing business
- In house tractor engine facility nearing completion

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Financial Performance

Q3 FY14		9M FY14
₹ 157.95 Crore	Total Income	₹ 443.29 Crore
₹ 8.18 Crore	EBIDTA (incl. other income)	₹ 21.72 Crore
₹ 1.09 Crore	PBT	₹ 3.19 Crore
₹ 0.80 Crore	PAT	₹ 2.37 Crore
₹ 0.08	EPS	₹ 0.24

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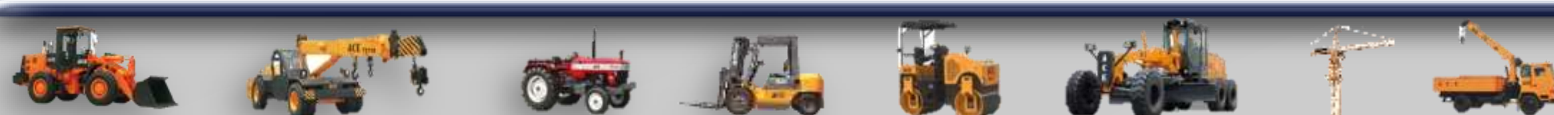
MD's Message

Commenting on the results, Mr. Vijay Agarwal, Managing Director, ACE said, "While there is some improvement in the macroenvironment, the changes are gradual. We are seeing growth in new order enquires which we are optimistic will translate in the next year.

Agri equipment continues to be a key growth driver and we have commenced work on our in house engine manufacturing facility and expect to have this operational by end of year.

I would also like to highlight our considerable focus on cost management and efficiencies which has enabled us maintain positive operating cashflows and profitability in these difficult times.

I continue to be extremely confident of ACE's scale, brand and strong competitive position and am optimistic of significantly better performance as the macroenvironment improves."



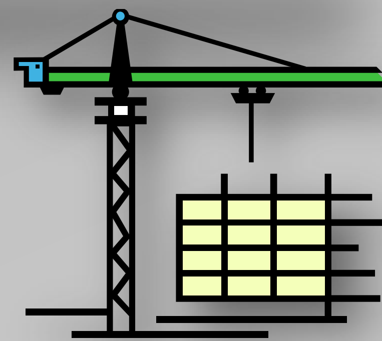
Business Segments

Mobile Cranes

Material Handling / Construction Equipment

Agri Equipment

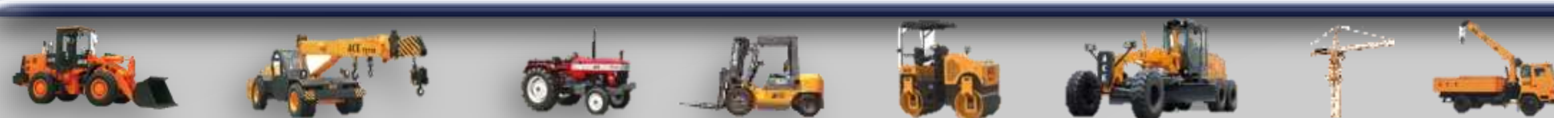
Cranes



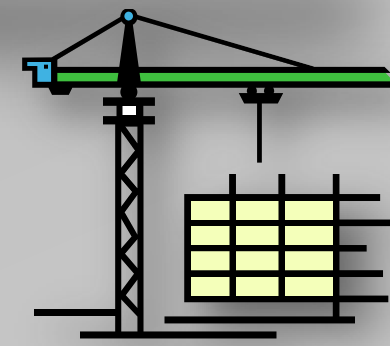
Cranes

- Continue to maintain leadership position - in mobile cranes & tower cranes
- Improvement pickup in construction activity
  - New landmark order win for pick & carry mobile cranes – 50 machines already delivered
- Management of expenses and production costs remains to be the key focus area
- Strong focus on R&D – contributing to constantly refining product design, efficiency & quality

Cranes	Q3 FY14	%QoQ	%YoY	9M FY14	%YoY
Revenue	92.6	13.9%	-4.5%	250.9	-15.2%
EBIT	6.7	20.7%	11.9%	17.4	-0.5%
Capital Employed	376.0	4.9%	5.6%	376.0	5.6%



Cranes

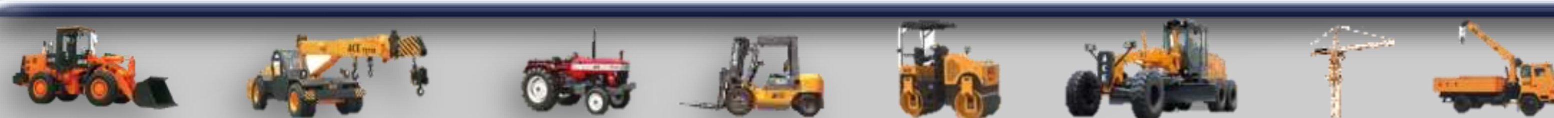


Industry Drivers

- Pick up in core industrial activity
- Increased Government spending
- Property developer appetite
- New constructions

Outlook

- Huge demand & favourable new housing outlook translating to positive long-term outlook
- Order inflows have started flowing enabling better revenue visibility

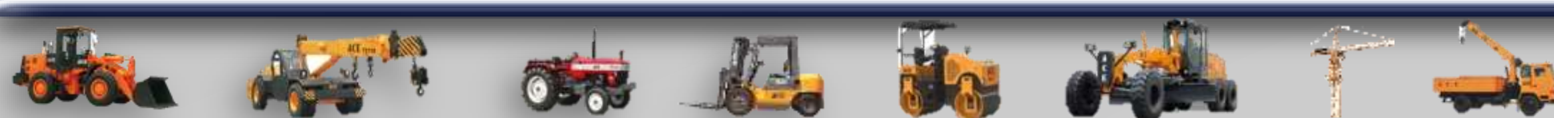


Material Handling / Construction Equipment

Material Handling / Construction Equipment

- Constrained by low activity
- Greater share of indigenous raw material helps to pare costs
- Focus on new product variations to increase share
- Forklifts performing well

Construction Equipment / Material Handling	Q3 FY14	%QoQ	%YoY	9M FY14	%YoY
Revenue	16.8	-14.6%	-37.6%	55.7	-31.6%
EBIT	-1.2	NA	NA	-4.1	NA
Capital Employed	52.9	10.7%	-19.8%	52.9	-19.8%



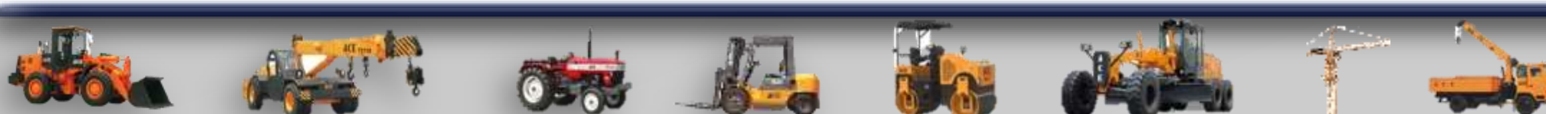
Material Handling / Construction Equipment

Industry Drivers

- Pick up in core industrial activity & Increased Government spending
- Government taking several steps to fast-track road projects

Outlook

- Demand improving but remains patchy
- Improvement expected in FY14, traction already visible



Agri Equipment

Tractor business continues to enjoy strong demand

Agri Equipment

- Gradual progress to PAN India presence
  - Effective & dedicated state wise expansion plan in place
  - Reach extended to North and West India
- Focus on backward integration, widening portfolio of offerings
  - Focused team to ensure optimal quality, diverse range and value for money offerings
  - Engine manufacturing facility expected to be operational in current fiscal
  - Entry into higher HP range to expand product portfolio
- Limited financing availability hurting demand
  - Exploring increased tie up opportunities with banks and NBFCs

Agri Equipment	Q3 FY14	%QoQ	%YoY	9M FY14	%YoY
Revenue	47.0	12.2%	3.4%	132.8	15.5%
EBIT	2.2	5.3%	-24.1%	6.6	0.0%
Capital Employed	6.3	129.4%	-30.4%	6.3	-30.4%

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Agri Equipment

Industry Drivers

Farm Productivity

Thrust on End-to-end Mechanization solution

Agri Knowledge & Solutions through state of art R&D facilities

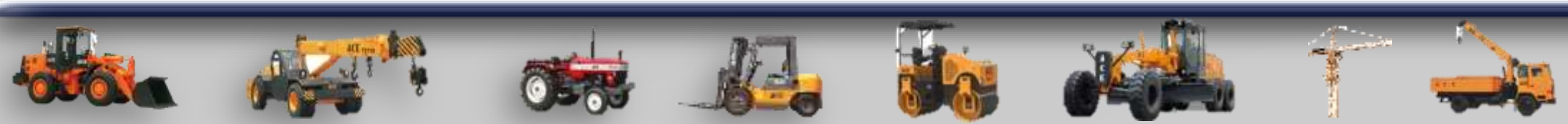
Good monsoon translating to further improved farm incomes

Outlook

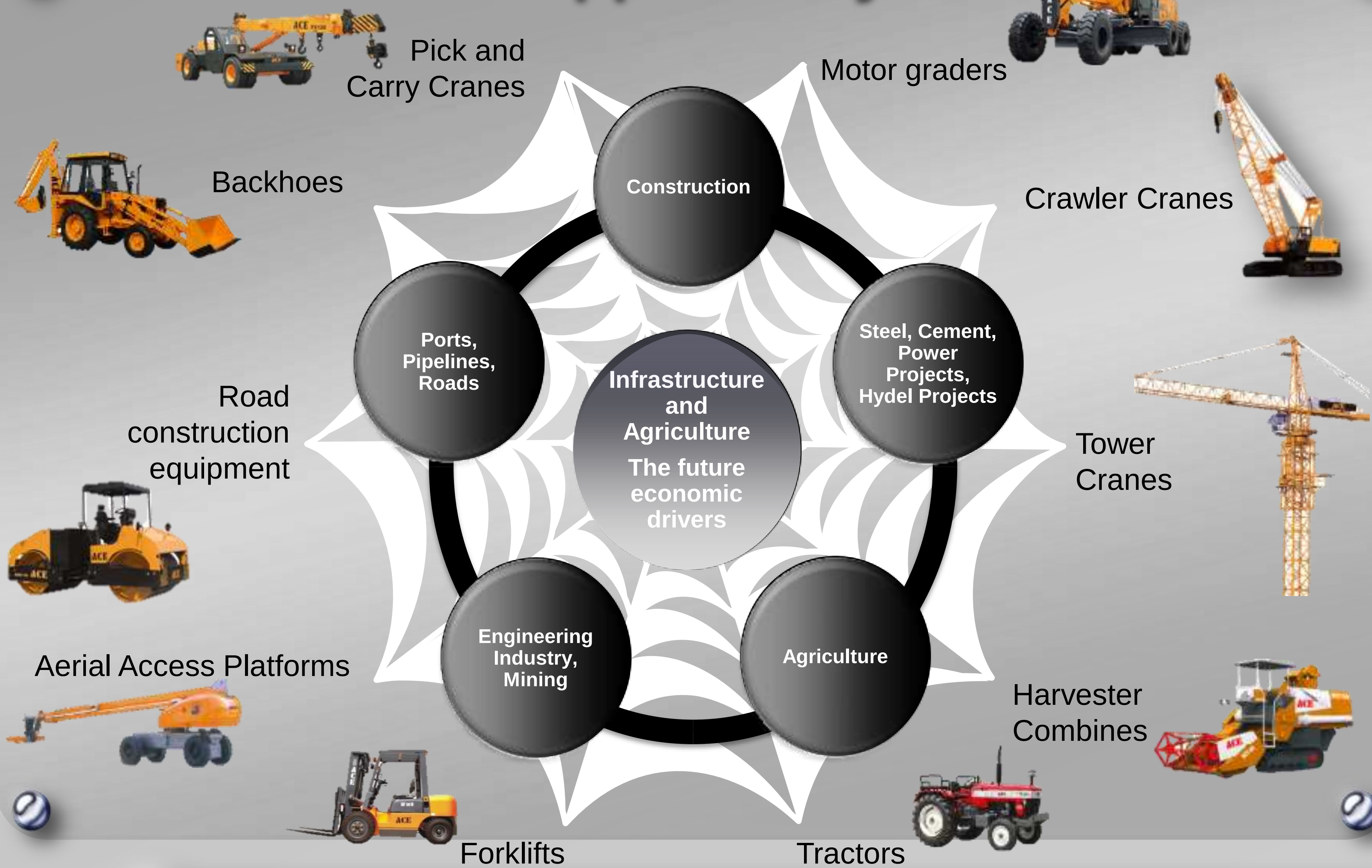
Huge demand for automated products due to paucity of labor translating into positive long-term outlook

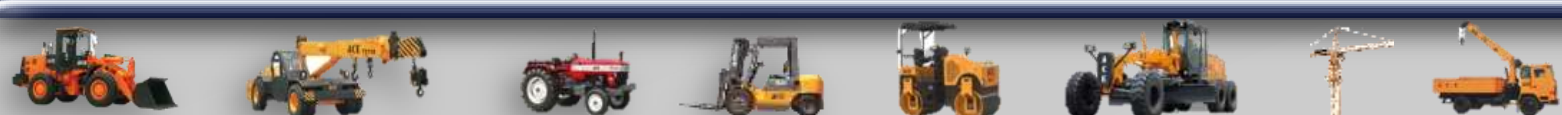
Rising farm incomes resulting in strong demand environment

Measured expansion throughout the country with enhanced product portfolio will help to increase market share



Opportunity





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

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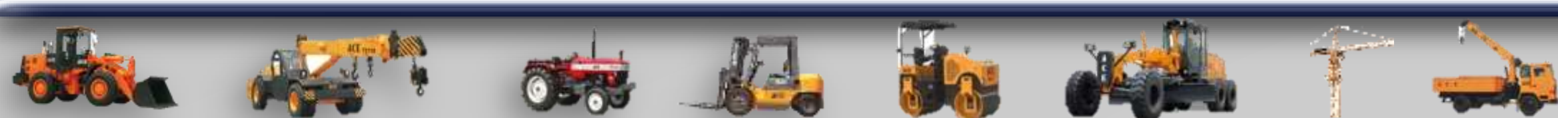

ACTION CONSTRUCTION EQUIPMENT LIMITED (ACE) is India's leading material handling and construction equipment manufacturing company with over 50% market share in mobile cranes segment. In addition to Mobile Cranes, ACE also offers Mobile / Fixed Tower Cranes, Loaders, Vibratory Rollers, Truck Mounted Cranes, Crawler Cranes, Forklifts, Tractor and other Construction Equipment. ACE has a consolidated presence in all major Infrastructure, Construction, Heavy Engineering and Industrial Projects across the country. Listed in 2006, ACE has established a brand with a consolidated presence across the country. We possess the most diverse product range including mobile cranes, tower cranes, forklifts, road construction equipment and agri equipment to satisfy a vast set of possible applications. ACE is promoted and managed by professionals having proven experience in the Construction Equipment industry. We are driven by our mission to provide innovative, high quality and value for money products to our consumers. We are driven by our mission to provide innovative, high quality and cost-efficient products for the market, in effect, delivering exceptional value to all our stakeholders alongside seizing a favorable growth opportunity in the infrastructure sector. For more information, please visit www.ace-cranes.com.

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