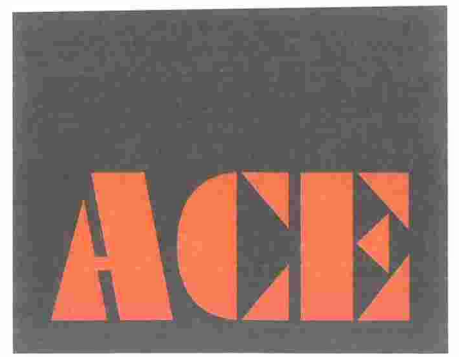


Action Construction Equipment Ltd.

Corporate & Regd. Office

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



Date: February 07, 2022

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

Subject: Earnings presentation-Q3-FY22

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith, earnings presentation (Q3-FY22) of the Company.

Kindly take the above in your record.

Thanking you

Yours faithfully

For Action Construction Equipment Limited

Anil Kumar
Company Secretary



Corporate Office & Regd. 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

www.ace-cranes.com



**EARNINGS
PRESENTATION**
9M/Q3-FY22

**100%
Swadeshi**



ACE



At a Glance



Established Brand with over 27 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.

Market Leader in Mobile and Tower Cranes



63%
Market Share

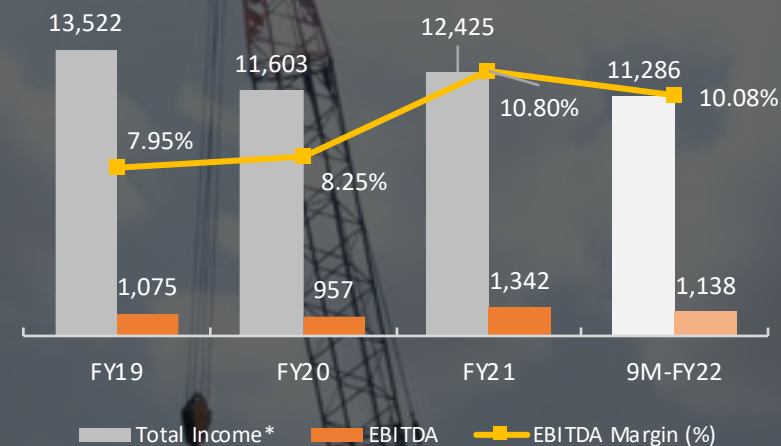


60%
Market Share

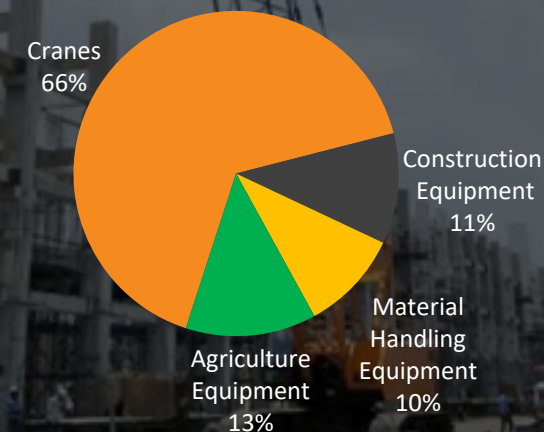
- The company is the world's largest Pick & Carry cranes manufacturer with over 63% market share in the Mobile cranes segment and a majority market share of more than 60% in Tower Cranes segment domestically.
- Additionally, ACE also offers Crawler Cranes, Truck Mounted Cranes, Lorry Loaders, Backhoe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



Financial Highlights (INR Mn)



Segmental Revenue – 9M-FY22 (%)



*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

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

- 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.

FINANCIAL OVERVIEW 9M/Q3-FY22

9M/Q3-FY22 Financial & Operational Highlights



Q3-FY22 Financial Highlights (Consolidated)

INR 4,415 Mn

Total Income*

INR 442 Mn

EBITDA

10.01%

EBITDA Margin

INR 274 Mn

PAT

6.21%

PAT Margin

INR 2.30/Share

Diluted EPS

9M-FY22 Financial Highlights (Consolidated)

INR 11,286 Mn

Total Income*

INR 1,138 Mn

EBITDA

10.08%

EBITDA Margin

INR 696 Mn

PAT

6.17%

PAT Margin

INR 6.03/Share

Diluted EPS

9M/Q3-FY22 Operational Highlights

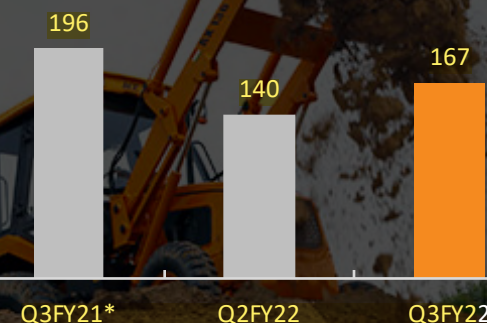
- The company achieved its highest ever Q3 Revenues and the second best quarterly financial performance in its history.
- ACE continued to post robust topline growth due to sustained customer focus. The operational revenue grew by 9% on a YoY basis and 21% on QoQ basis.
- Strong Revenue growth across all segments:
 1. Cranes grew by 11.5 % QoQ
 2. Construction Equipment Segment grew by 19% QoQ
 3. Material Handling Equipment grew by 15% QoQ
 4. Agri Equipment grew by 83% QoQ
- ACE expanded its business in the Defence Sector by getting an order for supply of Special Mobile Cranes to Defence R&D organization and also received an order for supply of Special Truck mounted Multi-function machines by Dakshin Haryana Bijli Vitran Nigam.
- Going forward, the allocation towards capital expenditure and infrastructure layout including the PM Gati Shakti initiative augurs well for demand, however, we anticipate inflation to continue in Q4-FY22 which may put the margins under pressure.

Segment wise – Quantity sold

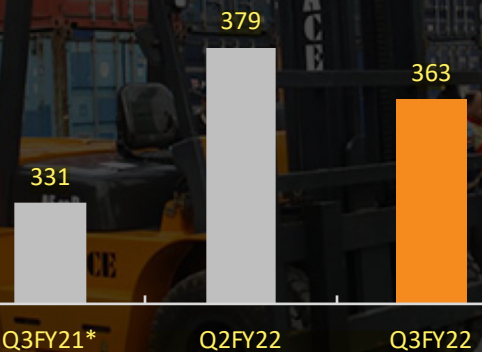
Cranes



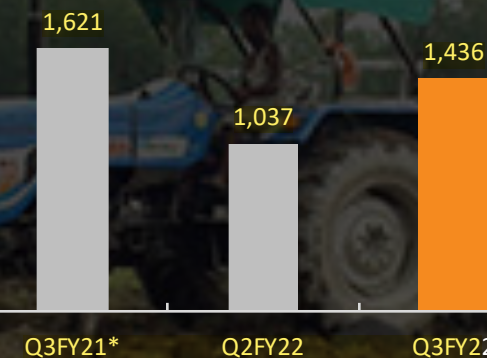
Construction Equipment



Material Handling Equipment



Agriculture Equipment



Quarterly Consolidated Financial Performance



Particulars (INR Mn)	Q3-FY22	Q3-FY21	Y-o-Y	Q2-FY22	Q-o-Q
Total Income*	4,415	4,040	9.3%	3,632	21.6%
Total Expenses	3,973	3,553	11.8%	3,263	21.8%
EBITDA	442	487	(9.2)%	369	19.8%
EBITDA Margin (%)	10.01%	12.05%	(204) bps	10.16%	(15) bps
Depreciation	39	35	11.4%	38	2.6%
Finance Cost	34	25	36.0%	33	3.0%
PBT	369	427	(13.6)%	298	23.8%
Tax	95	118	(19.5)%	69	37.7%
Profit after Tax	274	309	(11.3)%	229	19.7%
PAT Margin (%)	6.21%	7.65%	(144) bps	6.31%	(10) bps
Other Comprehensive Income	-	-	NA	-	NA
Total Comprehensive Income	274	309	(11.3)%	229	19.7%
EPS (Diluted INR)	2.30	2.72	(15.4)%	2.01	14.4%

*Note : Total Income includes Other Income

YTD Consolidated Financial Performance



Particulars (INR Mn)	9M-FY22	9M-FY21	Y-o-Y
Total Income*	11,286	7,775	45.2%
Total Expenses	10,148	7,006	44.8%
EBITDA	1,138	769	48.0%
EBITDA Margin (%)	10.08%	9.89%	19 bps
Depreciation	114	104	9.6%
Finance Cost	94	92	2.2%
PBT	930	573	62.3%
Tax	234	161	45.2%
Profit after Tax	696	412	69.0%
PAT Margin (%)	6.17%	5.30%	87 bps
Other Comprehensive Income	-	-	NA
Total Comprehensive Income	696	412	69.0%
EPS (Diluted INR)	6.03	3.63	66.1%

*Note : Total Income includes Other Income

Historical Consolidated Financial Performance



Particulars (INR Mn)	FY19	FY20	FY21	9M-FY22
Total Income*	13,522	11,603	12,425	11,286
Total Expenses	12,447	10,646	11,083	10,148
EBITDA	1075	957	1,342	1,138
EBITDA Margin (%)	7.95%	8.25%	10.80%	10.08%
Depreciation	118	130	139	114
Finance Cost	115	147	122	94
PBT	842	680	1,081	930
Tax	282	155	283	234
Profit after Tax	560	525	798	696
PAT Margin (%)	4.14%	4.52%	6.42%	6.17%
Other Comprehensive Income	-	(2)	8	-
Total Comprehensive Income	560	523	806	696
EPS (Diluted INR)	4.78	4.57	7.03	6.03

*Note : Total Income includes Other Income

Historical Consolidated Balance Sheet

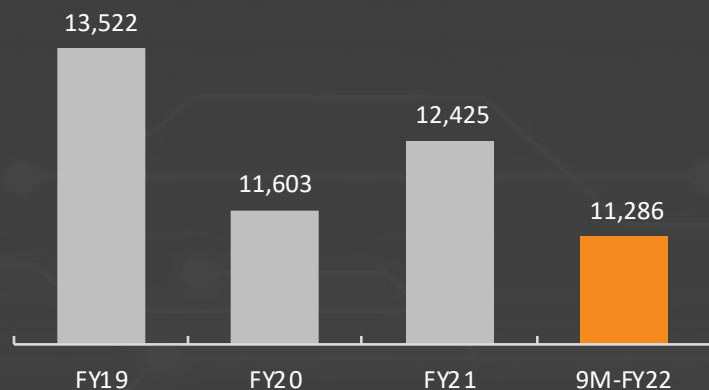


Equities & Liabilities (INR Mn)	FY20	FY21	H1-FY22
(A) Share Capital	227	227	238
(B) Other Equity	4,199	5,005	6,678
Non Controlling Interest	3	3	3
Total - Shareholder Funds	4,429	5,235	6,919
Non Current Liabilities			
(A) Financial Liabilities			
(i) Borrowings	295	203	1
(B) Provisions	35	19	19
(C) Deferred tax liabilities (Net)	142	160	153
Total - Non – Current Liabilities	472	382	173
Current Liabilities			
Financial Liabilities			
(i) Borrowings	447	343	573
(ii) Trade Payables	3,205	3,306	2,643
(iii) Other Financial Liabilities	727	875	874
(D) Other current liabilities	232	380	317
(E) Provisions	13	14	15
(F) Current tax liabilities (Net)	11	18	48
Total – Current Liabilities	4,635	4,936	4,470
Total Equity and Liabilities	9,536	10,553	11,562

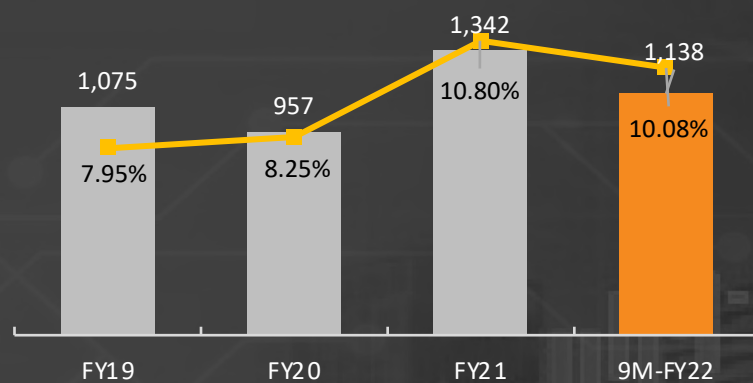
Assets (INR Mn)	FY20	FY21	H1-FY22
(A) Property plant & Equipment	3,989	4,161	4,192
(B) Capital Work in Progress	194	126	207
(C) Investment properties	122	120	119
(D) Intangible assets	9	12	16
(E) Financial assets			
(i) Investments	215	64	208
(ii) Other financial assets	14	66	125
(F) Other non-current assets	130	97	96
(G) Non-current tax assets (Net)	1	1	1
Total - Non – Current Assets	4,674	4,647	4,964
Current Assets			
(A) Inventories	2,707	2,661	3,019
(B) Financial assets			
(i) Investments	65	251	629
(ii) Trade receivables	1,473	2,247	2,120
(iii) Cash and cash equivalents	34	329	153
(iv) Bank balances other than (iii) above	59	36	102
(v) Other current financial assets	23	23	26
(C) Other Current Assets	480	357	547
(D) Current Tax Assets (Net)	21	2	2
Total current assets	4,862	5,906	6,598
Total Assets	9,536	10,553	11,562

Key Financial Highlights

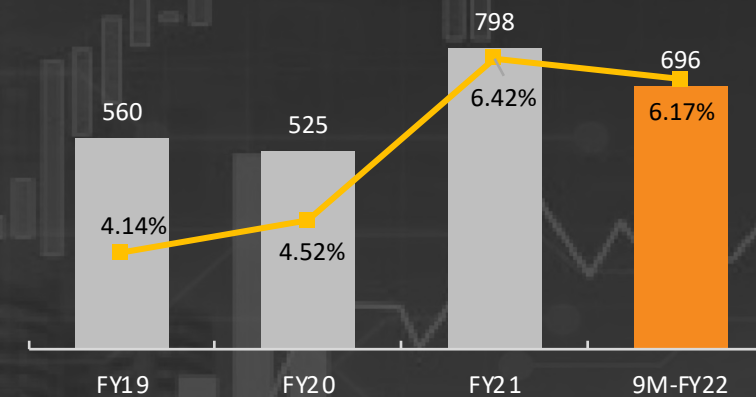
Total Income* (INR Mn)



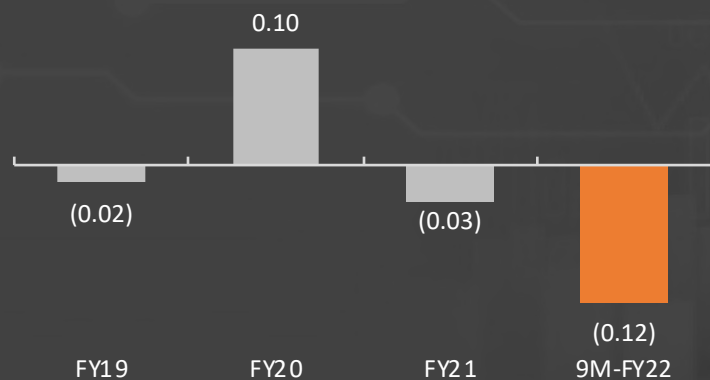
EBITDA and EBITDA Margins (INR Mn)



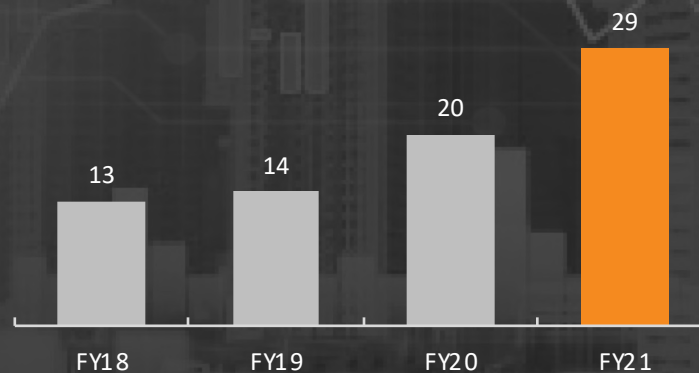
PAT and PAT Margins (INR Mn)



Net Debt to Equity (x)



Working Capital Days



Return on Capital Employed (%)

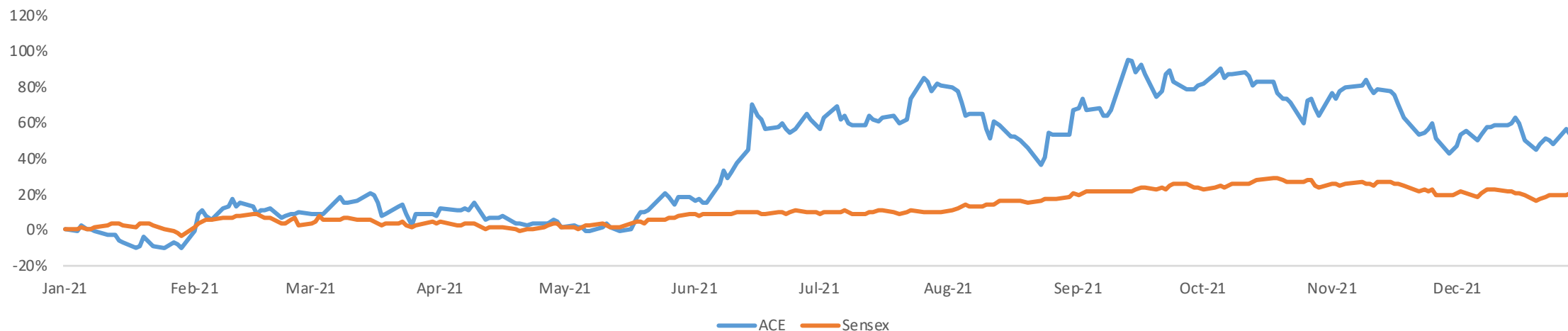


*Note : Total Income includes Other Income

Capital Market Information



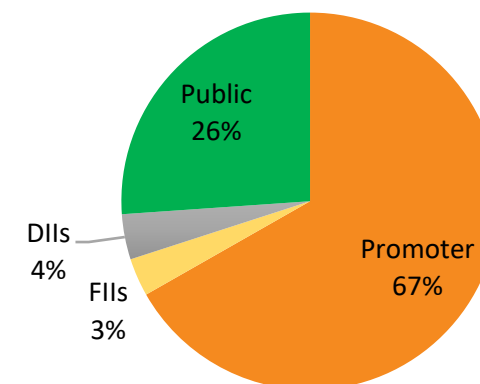
Stock Market Performance (as on 31st December, 2021)



Price Data (as on 31st December, 2021)

Face Value (INR)	2.00
Market Price (INR)	222.5
52 Week H/L (INR)	291.6/125.3
Market Cap (INR Mn)	26,496.0
Equity Share Outstanding (Mn)	119.1
1 Year Avg. Daily Trading Volume ('000)	905.7

Shareholding Holding pattern as on 31st December 2021



Disclamier



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