



Q1 FY14 Overview

Financial Highlights

Cashflows

- Continuous improvement in operating cashflows – stands at ₹ 16 cr for Q1FY14
- Improved efficiencies, better working capital management contributes to improving cashflow position

P&L

- State of art design capabilities, effective manpower management & end to end operations optimisation has led to optimum cost management
- PAT of ₹ 1.03 cr after adjusting for ₹ 5.37 cr forex loss
- Blended interest costs at 6.25% - low rates help to keep interest burden in check

Balance Sheet

- Prudent financial management has led to a decline in debt YOY as well as on a sequential basis. No significant capex requirements to result in continuing lower debt levels

Operating Highlights

- Slow but gradual improvement in operating environment. Encouraging growth visible in tower cranes. ACE continues to be a leader in the Mobile & Tower Cranes segment
- Forklifts have picked up steam and are showing good traction
- New introductions well received - Agri continues to be the best performing business: driving strong revenue growth and increased profitability
- Expanded presence in new regions in tractors – Gujarat, Bihar, Jharkhand & MP
- Strong traction in defense orders; adding a significant new revenue stream for the company
- Breakthrough product– Inner Climbing Tower crane, to be used in high rise construction and cramped inner spaces – will help ride the construction activity.



Facilities



State of art production facilities

Total owned area: 64.2 acres
Present utilised area: 12.3 acres



Performance Perspective

Q1 FY14

- Total Income: ₹ 141.62 crore
- EBIDTA (incl. other income) : ₹ 6.97 crore
- PBT: ₹ 1.30 crore
- PAT : ₹ 1.03 crore
- Diluted EPS at ₹ 0.10



MD's Message

Commenting on the results, Mr. Vijay Agarwal, Managing Director, ACE said, "Our performance for the quarter under review is a reflection of the ongoing uncertainty & challenges faced by the infrastructure and construction sector.

Higher interest rates combined with a weakening rupee have compounded demand slowdown. Resolution of long pending issues affecting the core sectors, definite measures to increase domestic manufacturing, increased resource allocation to infrastructure sector and further push on next generation reforms are necessary to provide the much needed impetus for investment & growth in India.

We believe in this opportunity and are well prepared to cater to this demand through our diverse range of portfolio. Our new launches too have met with a very positive response. Our strong focus on R&D has yielded a breakthrough product in the tower crane segment which will help towards expanding our foothold in the western region. Our agri equipment division is growing very strongly and we have expanded our presence across new regions. We have also seen some traction in defense orders further diversifying our revenue stream..

We continue to make our operations lean and capable of leveraging all the available opportunities. Our team's focus is not only to improve but to exceed expectations."



Business Segments



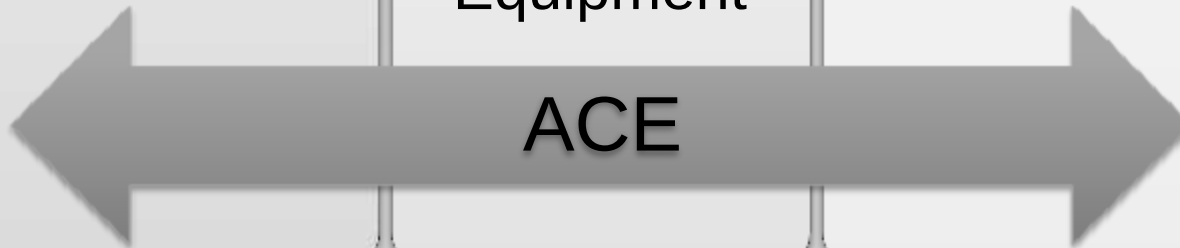
Mobile
Cranes



Material
Handling /
Construction
Equipment



Agri
Equipment



ACE



Cranes

Cranes

- Maintains leadership position - in mobile cranes & tower cranes
- Tower cranes seeing strong traction due to pickup in construction activity
- Efficient management of overheads and production costs continues to be the key focus area
- Introduced a breakthrough product – “Inner climbing tower crane”, to be used in cramped spaces & shafts
 - Offers opportunity to expand presence in the western region

Cranes	Q1 FY14
Revenue	77.05
EBIT	5.05
Capital Employed	339.75



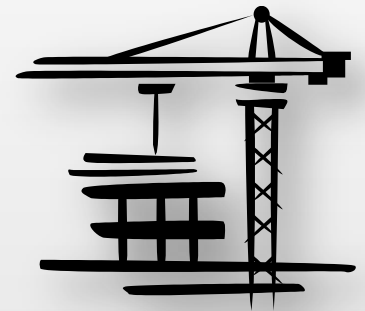
Cranes

Industry Drivers

- Pick up in core industrial activity
- 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

- Strong traction visible in material handling segment – to drive revenue growth
- Increasing use of indigenous inputs will improve efficiencies and reduce imports
- Continued thrust through various initiatives to increase share of road equipment market
 - Positive feedback from the trial run offered to dealers and customers
- Forklifts are performing well & improving outlook for material handling

Construction Equipment / Material Handling		Q1 FY14
Revenue		19.23
EBIT		-1.27
Capital Employed		50.96



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

Agri Equipment

- Tractor business continues to enjoy strong demand – growing at a robust ~23% for the quarter
- Expanded presence across Gujarat, Bihar, Jharkhand & Madhya Pradesh
- New products launched have generated a positive response
- Continued dealer development initiatives with focused statewide expansion plan in place
- Strong monsoon will drive further demand

Agri Equipment	Q1 FY14
Revenue	43.85
EBIT	2.32
Capital Employed	1.73



Agri Equipment

Delivering Farm Growth

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



Industry Outlook



Environment remains challenging - Announced order inflow was dismally low pointing towards a slowdown in momentum

Execution issues will continue to impact top line of most of the players

Higher interest rates have compounded demand slowdown

However things on the ground have started improving and seem to have bottomed out

Strong monsoon will lead to rise in farmer income translating to improved demand for agri products

Persistent action on the part of the Government to help improve the sentiments for the sector

Key catalysts are turnaround in the interest rate cycle and value unlocking of BOT assets



The ACE Outlook



**Optimally
placed with
strong
fundamentals**

- Well diversified product portfolio and proven management bandwidth
- New project decisions by our key customers like L&T, RIL etc will present new opportunities for accelerated earnings growth
- Adequate capacities to cater to foreseeable demand. Incremental capex will only be for new product lines based on demand visibility

**ACE will
continue to**

- Leverage established brand name and presence to capitalize on opportunity and drive growth
- Innovate to enhance and expand product portfolio on the back of strong R&D capabilities
- Build & maintain strong customer relationships and fortify the distribution network



Opportunity



Pick and Carry Cranes



Motor graders



Backhoes



Crawler Cranes

Road construction equipment



Tower Cranes



Aerial Access Platforms



Harvester Combines



Forklifts



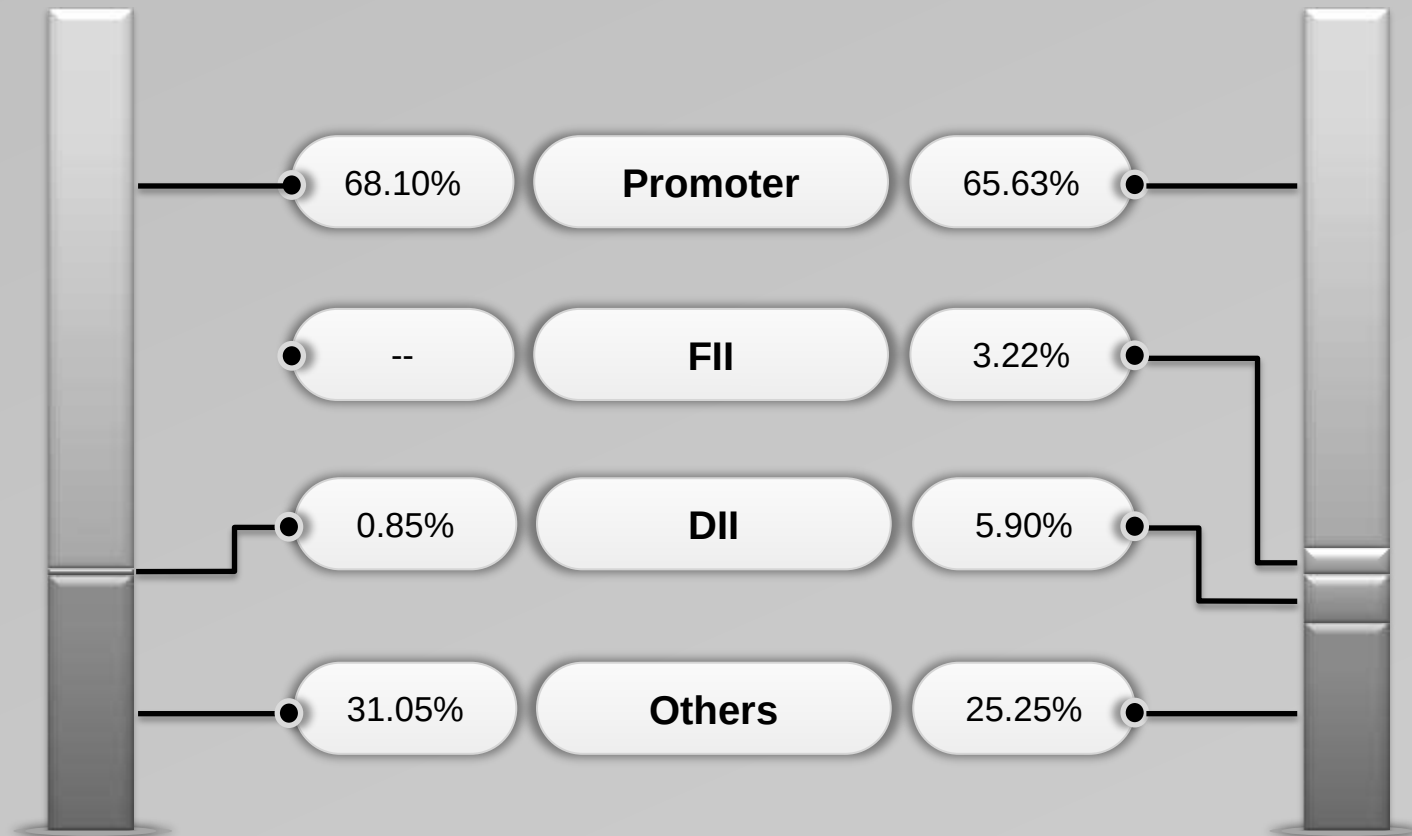
Tractors



Shareholding

June, 2013

June, 2012



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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