#### ONE PAGER SHIKSHAN NIVESH

# **ACTION CONSTRUCTION EQUIPMENT**

#### SECTOR: CAPITAL GOODS | INFRA EQUIPMENT



"India's infra build-out needs lifting power. ACE isn't just a part of that story — it's building it."

FROM KNOWLEDGE TO WEALTH: EDUCATE, ANALYZE, INVEST

### **E** Business Snapshot

ACE is India's largest crane manufacturer and the global leader in pick-and-carry cranes, commanding a 63%+ domestic market share. The company also manufactures forklifts, backhoe loaders, tractors, and vibratory rollers, catering to infra, logistics, agri, and warehousing.

- Core Biz: Cranes & infra-oriented equipment
- **X** Expansion Plays:
- Export & defense foray (15–20% revenue target by FY27)
- JV with Japan's Kato for large cranes
- Segments: Cranes (72%), Construction Equip (13%), Agri (8%), MHE (6%)
- 📉 Balance Sheet: Net debt-free, RoCE at
- ~39%, Working Capital Days: ~8

## The FY25 Reality Check – Quarter by Quarter

- **Q2 FY25**
- Revenue: ₹753 Cr | EBITDA: ₹143 Cr | PAT: ₹88.5 Cr
- Cranes & CE drove growth; margin expansion YoY
- Growth guided at 15-16% for FY25, flat agri due to muted Q1
- Mgmt confirmed export push delayed due to geopolitical headwinds
- ? Q3 FY25 (All-time best)
- Revenue: ₹873 Cr 15.7% QoQ
- EBITDA: **₹160 Cr** | Margin: **17.8%**
- PAT: ₹107 Cr ↑ 21% YoY | EPS: ₹9.38
- Volumes up 18% (3,539 units)
- Margins expanded despite flat realization
- Export + Defense to kick in FY26; CEV-V compliant cranes ready for EU/US
- ↑ 9M FY25
- Revenue: ₹2,361 Cr 14% YoY
- EBITDA: ₹428 Cr | PAT: ₹285 Cr | EBITDA Margin: 17.7%
- Cranes + MHE + CE segment drove 15.2% YoY revenue growth
- Agri flat due to base effect; expected to recover in FY26

- Strategic
  Shifts
  Underway
- Capacity Expansion: FY25 revenue capacity now ₹5,100 Cr → Expandable with minimal capex
- Export Revival FY26: CEV-V compliance opens up Europe/US
- @ Defense Orders Incoming: ₹400 Cr MoD deal expected
- Kato JV (Japan): Production by Q4 FY26; full revs in FY27
- 🥆 Margin Focus: Value engineering, product mix shift driving 150+ bps margin gains
- Infra project delays (elections, monsoon, execution bottlenecks)
- Steel cost spikes
- Export headwinds (freight, geopolitics)
- Import competition, esp. Chinese crane dumping

#### Shikshan Nivesh Take

ACE is a "pick-and-carry" powerhouse — literally and financially. This is a textbook compounder in India's capital goods space, riding high on infra, logistics, defense and exports.

If **Sanghvi Movers** was the rental crane operator story, ACE is the **machine-building back-end** of that boom.

We like its **clean numbers, strong execution**, and **focused** strategy. Long-term compounding potential remains intact and accelerating.

Action Construction Equipment

Market Cap ₹ 14.414 Cr. Price/Earnings 37x Link to Sanghvi Movers

Yesterday, we covered **Sanghvi Movers** — a crane rental giant.

- Sanghvi is the **asset-heavy rental side** of cranes.
- ACE is the **manufacturer & infra supplier**, riding the same demand wave.
- Together, they reflect India's dual-engine infra build-up:

  capex deployment + machine supply

  Thus, they forms a full circle hat an India's infra availa-

Thus, they form a full-circle bet on India's infra cycle.

PEG Ratio

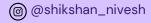
0.87

Sales CAGR 3 Year 33%

Source: FY24 Annual Report, Q2–Q3 FY25 Investor Presentations, Q2 & Q3 FY25 Concall Transcripts, Screener.in, Management Commentary.

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