### ONE PAGER SHIKSHAN NIVESH

# SANGHVI MOVERS

### SECTOR: INFRA SERVICES/CRANE RENTAL

FROM KNOWLEDGE TO WEALTH: EDUCATE, ANALYZE, INVEST®

"India's crane giant is pivoting. But can it lift investor confidence again?"



Look, I won't sugarcoat this—the stock is down over 60% in a year, and there's a reason for it. Sanghvi Movers, Asia's largest crane rental player and the 4th biggest globally, is going through a bit of an identity crisis.

What went wrong? And more importantly - is this a deep value play or a classic trap?

#### Business Snapshot

- "Core Biz: Heavy-lift crane rentals (Wind, Infra, Hydrocarbons)
- 🌣 New Verticals: Renewables & EPC (Low margin, volume-led)
- **Table 1 Expansion**: Saudi Arabia foray (₹400–500 Cr CAPEX over 3.5 yrs)
- at 0.64x

## 📊 The FY25 Reality Check- Quarter by Quarter

### 77 Q1 FY25

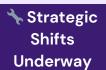
- Revenue: ₹151 Cr | Utilization: 77% | Yield: 2.04%
- Everything looked stable post-FY24. But storm clouds were building.

#### 7 Q2 FY25

- Revenue: ₹156 Cr | Utilization: 68% | Yield: 2.15%
- A Hit by early + prolonged monsoon + election
- Clients delayed projects; CAPEX stalled; cranes sat idle.

### 📅 Q3 FY25

- Revenue: ₹208 Cr | Utilization: 70% | Yield: 1.97%
- Revenue grew QoQ but yields fell, and utilization stayed tepid.
- Crane biz de-growth continues (~16% YoY), offset by EPC ramp-up.



- Sangreen Future Renewables spun off for focused execution
- EPC Business gaining traction but low-margin (15–16%)
- · Bain & Co. engaged for long-term growth strategy
- Saudi Arabia Foray → First revenue expected by FY25-end
- Crane biz facing structural slowdown: elections, monsoon, weak infra
- - EPC segment ramping up but still thin on margin
  - New players entering with lighter balance sheets and aggressive pricing
  - Global expansion = execution risk + capital intensity

### 🧠 Shikshan Nivesh Take: Opportunity or Trap?

Sanghvi isn't broken. But it's also not firing.

What we're witnessing is a business in **reset mode**:

- Q3 showed some improvement, but yield erosion signals pricing power loss.
- FY26 hinges on 2 key bets:
- 1. EPC scaling without bleeding cash
- 2. Saudi venture hitting first revenue milestones

This is a business in reinvention, not in collapse.

Sanghvi **Movers** 

Market Cap ₹ 2,198 Cr.

Price/Earnings 22x

Bottom Line: Caution with Conviction?

Sanghvi is **no fraud**, **no bubble** — but it's also not firing on all cylinders. The core business is stressed. The new bets are risky. The stock reflects this.

Still, the pivot is real. The balance sheet is intact. The leadership seems focused.

If you're patient and believe in infra cycles and strategic shifts, this could be value in disguise.

If you want immediate comfort and margin safety, this may not be your flavor.

PEG Ratio 1.1

ales CAGR 3 Yea 23%

Source: FY24 Annual Report, Q1-Q3 FY25 Investor Presentations, Q2 & Q3 FY25 Concall Transcripts, Screener.in, Management Commentary.

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Brought to you by Shikshan Nivesh







