Initiating Coverage

Action Construction Equipment Ltd

08th Oct 2025

Sector	**Ratings**
Construction Vehicles	BUY
Current Price	**Target**
Rs. 1,084	Rs. 1,297
Potential upside	**Holding**
20%	12 months

Stock Information	
Sensex/Nifty	81,774/ 25,046
Bloomberg	ACCE:IN
Equity shares (Cr)	11.91
52-wk High/Low (Rs)	1,600 / 917
Face value (Rs)	2
M-Cap (Rs Cr)	12,905
2-wk Avg Volume (Qty)	1,80,430

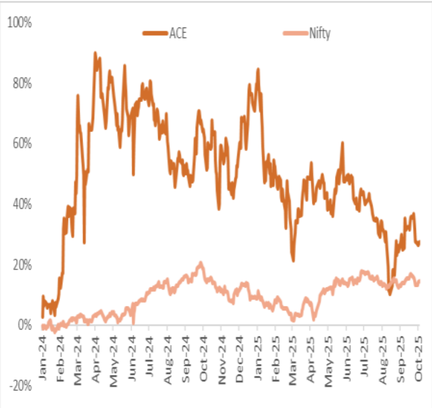
Shareholding pattern %

Particulars	Dec-24	Mar-25	Jun-25
Promoters	65.4	65.4	65.4
DII	1.8	2.0	2.1
FII	11.9	11.6	11.4
Public	20.9	21.0	21.0

Financial Summary (Rs. crs.)

Summary P&L	FY25	FY26E	FY27E
Revenue	3,327	3,860	4,460
EBITDA	506	618	758
EBITDA %	15%	16%	17%
EBIT	477	588	728
EBIT %	14%	15%	16%
PAT	409	503	618
PAT %	12%	13%	14%
P/E (x)	31.5	25.6	20.9
P/B (x)	8.0	7.0	6.0
EV/EBITDA (x)	25.4	20.8	16.9

Nifty 50 Vs ACE



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Action Construction Equipment Ltd. (ACE) is India's leading construction equipment manufacturer with a strong presence across Construction, Infrastructure, Manufacturing, Logistics, and Agriculture. It is the world's largest Pick & Carry crane manufacturer (63% market share) and a leader in tower cranes (60% share), offering a diversified product portfolio and exporting to 37+ countries. ACE is well positioned for growth, driven by market trends, replacement demand, and rising realizations (Rs. 11.5 lakh/unit in FY21 to Rs. 20.4 lakh/unit in FY25). The company outpaced the crane market at 24% CAGR (FY20–25) and is expected to deliver 22% revenue CAGR over FY22–27E. Expansion via a 50:50 JV with Kato Works targets 300 units (Rs. 400 crore) initially, with long-term potential of Rs. 800–1,000 crore. Policy tailwinds, including anti-dumping duties, and its largest-ever MoD (Ministry of Defence) order (Rs. 420 crore) support pricing and growth. Strong market share and rising exports/defence expected contribution (~10% of revenue) underpin ACE's positive outlook. We value the stock at a 20% discount to its 5-year average P/E of 31.1 due to long monsoon and global headwinds, assigning 25x FY27E EPS of Rs.52 for a target price of Rs. 1,297 (20% upside).

Expansion into Heavy-Load Segment via JV with Kato Works

ACE has entered a 50:50 joint venture with Japan's Kato Works to manufacture heavy-capacity truck, crawler, and rough-terrain cranes (25–180t), with operations expected to commence by Q3FY26. The market for these cranes is ~900–1,100 units annually (~Rs. 1,500 crore), and the JV targets ~300 units (~Rs. 400 crore) in the near term, with long-term potential of Rs. 800–1,000 crore. These heavy cranes have significantly higher ASPs (Rs. 1–1.2 crore vs. Rs. 18–20 lakh for pick-and-carry cranes), which will enhance average realizations. Coupled with potential anti-dumping measures against Chinese competitors, the JV is expected to strengthen ACE's market share and profitability in this segment.

Regulatory Tailwinds – CEV Stage V Emission Norms

The implementation of CEV Stage V emission norms in Q1FY26, along with enhanced safety certification requirements, initially led to a muted demand environment and customer skepticism regarding new electronic engines. Price hikes were implemented across ACE's range—~12%–13% for sub-50 HP machines and ~6%–7% for BS IV to BS V transitions—to offset higher costs and support margins. Pre-buying in FY25 caused a temporary dip in sales, especially in the hydra-type segment (55%–60% of market; ACE holds 70%+ share). The transition is now complete, with pricing stabilized, and demand is expected to normalize from Q2FY26. Alignment with global standards opens export opportunities in Europe and North America, enhancing ACE's international presence.

Policy Support – Anti-Dumping Duty on Chinese Imports

The DGTR has recommended anti-dumping duties of 24.9%–52% on heavy-load crane imports from China (covering crawler 40–260t and truck cranes 25–160t), expected to be implemented from Q3FY26. Chinese imports had surged 5.75x in FY24, undercutting domestic pricing and reducing ACE's market share to ~17%, with RoCE declining to -42% during the investigation period. The duties are expected to offset 70–80% of the cost disadvantage, restore pricing power, and protect about 50% of ACE's portfolio, supporting profitability and market share recovery.

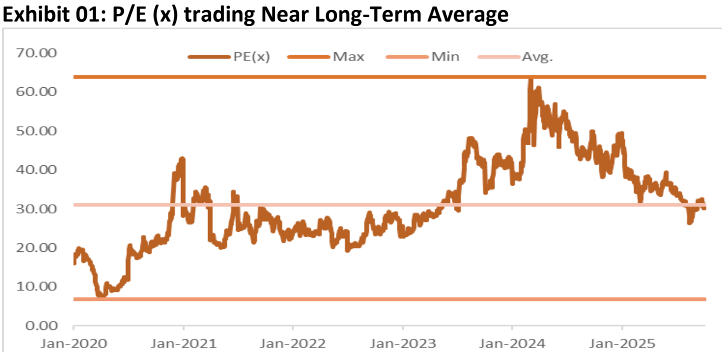
Defence Orders and “Make in India” Boost

ACE secured its largest-ever order from the Ministry of Defence in Q1FY26 for 1,121 Rough Terrain Forklifts (Telehandlers), valued at Rs. 420 crore. This three-year contract, supporting the “Make in India” and “AatmaNirbhar Bharat” initiatives, underscores ACE’s strong R&D capabilities demonstrated through rigorous testing. Execution is planned over three years, with Rs. 50–70 crore in FY26, ~Rs. 200 crore in FY27, and the remaining over Rs. 100 crore in FY28.

View & Valuation

Action Construction Equipment Ltd. (ACE) is well-positioned for strong growth, driven by robust market trends, replacement demand (~40% of sales), and rising realizations (Rs. 11.5 lakh/unit in FY21 to ~Rs. 20.4 lakh/unit in FY25). The company outpaced the crane market at 24% CAGR (FY20–25) and is expected to deliver 22% revenue CAGR over FY22–27E. Expansion into the heavy-load segment via a 50:50 JV with Japan’s Kato Works targets ~300 units (~Rs. 400 crore) initially, with long-term potential of Rs. 800–1,000 crore, offering higher ASPs and enhanced profitability. Regulatory tailwinds, including CEV Stage V emission norms, have stabilized pricing and opened export opportunities in Europe and North America. Policy support through anti-dumping duties on Chinese imports (~24.9%–52%) is expected to restore pricing power and protect ~50% of ACE’s portfolio. Additionally, the company’s largest-ever MoD order for 1,121 Rough Terrain Forklifts (Rs. 420 crore) reinforces its “Make in India” credentials and contributes ~10% of revenue in FY26. Strong market share across key segments, rising exports/defence contribution, and strategic expansions underpin a positive growth outlook. We value the stock at a 20% discount to its 5-year average P/E of 31.1 due to long monsoon and global headwinds, assigning 25x FY27E EPS of Rs.52 for a target price of Rs. 1,297 (20% upside).

Exhibit 01: P/E (x) trading Near Long-Term Average



Source: Systematix PCG Research

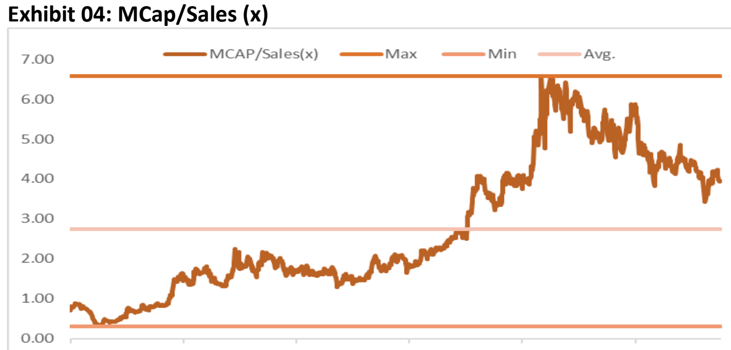
Exhibit 02: P/BV (x) trading Near Long-Term Average

Source: Systematix PCG Research

Exhibit 03: EV/EBITDA (x) trading Near Long-Term Average

Source: Systematix PCG Research

Exhibit 04: MCap/Sales (x)



Source: Systematix PCG Research

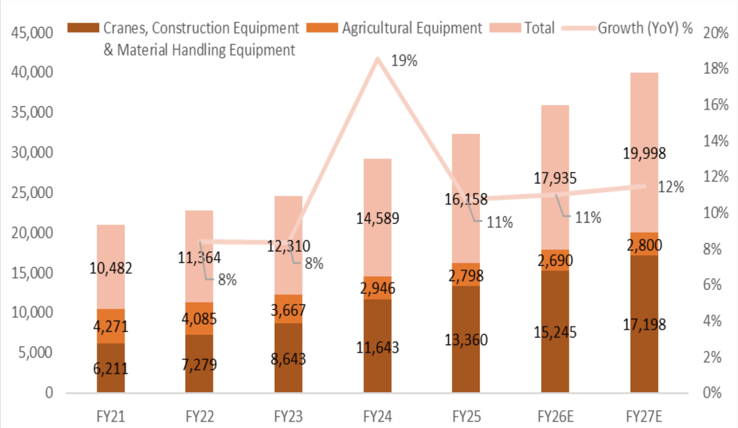
Strong Market Trends and Replacement Demand Support ACE Growth

The crane market has grown at an impressive 18% CAGR over the past five years, supported by infrastructure spending, manufacturing growth, and real estate development. In FY25, demand rose 16% YoY despite a soft market, driven largely by sustained government investments in infrastructure, highways, and real estate projects.

ACE, one of the leading players in the construction equipment industry, has effectively leveraged the Centre's strong focus on infrastructure, construction, and manufacturing over the past decade. Growth momentum accelerated to 24% CAGR in FY20–25, supported by pent-up demand and increased government spending post-pandemic. The company is expected to deliver a 22% revenue CAGR during FY22–27E, significantly outpacing industry growth.

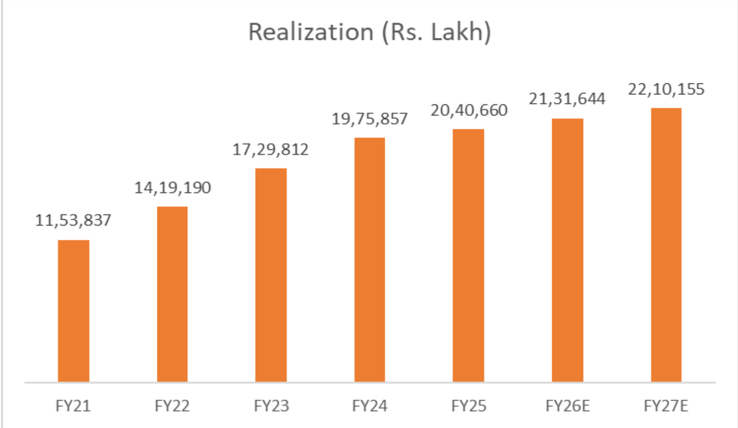
Management aims for Rs. 4,400 crore in revenue by FY27. We expect volume growth to normalize in the near to mid-term. Over FY25–27, we project ~11% volume growth and ~4% improvement in average realizations, aided by the introduction of higher load-bearing cranes.

Exhibit 05: Segment wise Sales Volume & Growth %



Source: Systematix PCG Research

Exhibit 06: Blended Realization (Rs. Lakh), 11% CAGR FY21–27E



Source: Systematix PCG Research

Rising ASP Driven by Demand for Advanced Cranes

ACE's average realizations almost doubled to ~Rs. 20.4 lakh/unit in FY25 from Rs. 11.5 lakh/unit in FY21, driven by rising demand for higher-capacity cranes and change in product mix. The company's new-generation cranes, offering better visibility, control, and load capacity, are 20–25% costlier than older hydra models. These advanced cranes are expected to contribute ~50% of revenue by FY30, up from 20% currently.

Replacement Cycle Driving 40% of New Crane Demand

Cranes generally change hands 3 times over a 9–10 year lifecycle. Management highlights that first owners typically use them for around 3 years, after which many second-hand buyers are increasingly opting for new cranes. This shift is driving nearly 40% of new demand from replacements. After 3 years of use, equipment is usually resold at 60–70% of its original value.

JV with Kato Works to Target Rs. 400 Cr Annual Sales

ACE is focused on expanding its presence in the heavy-load crane segment, including rough-terrain, crawler, and truck cranes. Currently, two Chinese players, CMEG and Sany, dominate the market. The market for crawler and rough-terrain cranes stands at 900–1,100 units annually, with an average selling price of Rs. 1.2 crore per unit, translating to a market value of ~Rs. 1,500 crore.

ACE has entered a 50:50 joint venture with Japan's Kato Works to manufacture heavy-capacity truck, crawler, and rough-terrain cranes, with load capacities ranging from 25–60t and up to 180t for truck/crawler cranes. The process is currently underway, and the company is optimistic that the agreement will be fully concluded by early Q3FY26, allowing work to commence. The company is targeting to begin operations in Q3FY26.

The company expects the JV to capture market share from Chinese competitors such as Sany Heavy Industry Company, forecasting 300 units annually and sales of Rs. 400 crore in the short term, and Rs. 800–1,000 crore in the long term. These heavy cranes carry significantly higher ASPs (Rs. 1–1.2 crore) compared to pick-and-carry cranes (Rs. 18–20 lakh), which will further support average realizations.

Impact of CEV Stage V Emission Norms on ACE

Regulatory Changes and Price Impact

In Q1FY26, ACE was significantly impacted by the implementation of the CEV Stage V emission norms, along with enhanced safety certification requirements, aligning the industry with global standards. The transition led to price increases across most product categories: machines under 50 HP, which moved directly from BS III to BS V, saw price hikes of ~12%–13%, while machines transitioning from BS IV to BS V recorded ~6%–7% increases. ACE's price adjustments were designed not only to offset higher costs but also to support margin expansion. The shift from mechanical to high-end electronic engines, particularly for sub-50 HP machines, initially caused customer skepticism.

Market Effects and Pre-Buying

The introduction of the new norms contributed to a muted demand environment in Q1FY26. Pre-buying of equipment in Q3 and Q4 of FY25, ahead of the transition, led to the clearance of older inventory in Q1. The pick-and-carry segment, especially hydra-type cranes, was most affected. These cranes account for 55%–60% of the market, with ACE holding over 70% share. Given the 12%–13% price increase for these machines, this segment saw the largest contraction in sales.

Normalization and Outlook

The transition phase has now concluded, with price increases implemented from April and no old stock eligible for registration post-June. Customer skepticism regarding electronic engines has eased, and pricing has stabilized. Management expects demand to stabilize from Q2FY26 onwards, with the temporary suppression caused by pre-buying and price adjustments likely to normalize by the end of Q2FY26.

Global Market Expansion Opportunities

Since January 2025, BS V emission norms have been implemented for all cranes, which are aligned with Europe Stage V and US EPA standards—a compatibility that was lacking under BS IV norms. This opens new export opportunities for ACE in Europe and North America, which are currently dominated by Japanese and Chinese suppliers. ACE already exports to Turkey, CIS countries, Latin America, and Africa; adding Europe and North America is expected to improve its regional sales mix. Additionally, ongoing trade tensions with China may further benefit ACE's competitive positioning in these markets. ACE is targeting exports to contribute 9%–10% of revenue in FY26, with a medium-term goal of 10%–15% and a long-term target of 15%–20%, expected to be achieved over the next 3–4 years starting from FY25.

ACE Bags Rs. 420 Crore Defence Order for 1,121 Telehandlers, Boosting "Make in India" Push

ACE secured its largest-ever order from the Ministry of Defence in Q1FY26 for 1,121 Rough Terrain Forklifts (Telehandlers), valued at Rs. 420 crore. This three-year contract represents a major step in modernizing India's defence infrastructure and supports the Government's "Make in India" and "AatmaNirbhar Bharat" initiatives. ACE earned the contract by demonstrating its equipment capabilities through rigorous testing, highlighting its strong R&D expertise. Execution of the order is planned over three financial years: initial work will begin in Q3FY26 and ramp up in Q4FY26, contributing approximately Rs. 50–70 crore in the FY26, followed by around Rs. 200 crore in FY27, with the remaining over Rs. 100 crore scheduled for FY28.

CAPEX and Capacity Overview: FY26 and Future Growth

The company is strategically positioned for immediate revenue expansion, having completed a significant prior CAPEX expansion that has established a current maximum revenue capacity exceeding Rs. 5,000 crores. When benchmarked against the FY25 revenue of Rs. 3,300 crores, this provides a current operational buffer of 30% to 40% excess capacity, thereby obviating the immediate requirement for substantial new capital investment to support near-term growth.

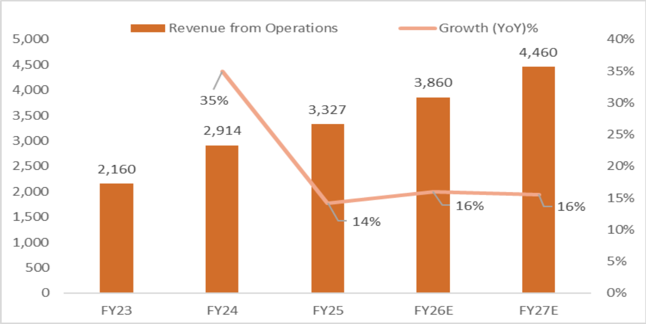
Furthermore, the company has proactively secured resources critical for future development by utilizing 100 acres of land and acquiring an additional 138 acres. This foresight provides a strategic hedge against the high costs associated with future land acquisition for expansion.

For the current fiscal year (FY26), the budgeted CAPEX outflows are projected to exceed Rs. 230 crores. This capital expenditure is primarily allocated towards two critical areas: modernization and upgradation (over Rs. 100 crores, including the integration of robotics) to enhance global export competitiveness and elevate product quality for the domestic market, and approximately Rs. 130 crores designated for balance payments related to the previously acquired land parcels.

Looking towards the future, specifically FY27 and beyond, the company has planned a major capacity expansion project. This initiative involves the construction of a new plant to facilitate entry into a distinct product category, requiring an estimated CAPEX of Rs. 250 crores to Rs. 300 crores. This investment is projected to generate an additional revenue capacity of approximately Rs. 1,500 crores. While this project was initially contemplated for the latter half of FY26, the primary implementation phase is now scheduled to commence in FY27 and continue into FY'28. This sequencing is underpinned by the management's highly efficient CAPEX capability ratio of 8x-9x (wherein a Rs. 100 crore investment yields Rs. 800-900 crores in revenue), underscoring the intention to rapidly and effectively deploy capital in alignment with prevailing market conditions to secure continued growth and market share.

Financial Analysis

Exhibit 07: Revenue (Rs. Crs) (Sale of Products + Sale of Services)

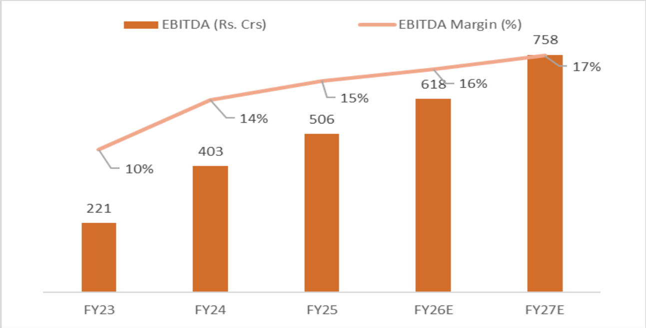


Source: Systematix PCG Research

Strong Volume Growth and Improved Realizations to Drive 16% Revenue CAGR Over FY25–27E

Sales volumes grew at a CAGR of 11% between FY20 and FY25, with the major contribution coming from the Cranes and Construction Equipment segments, which registered a robust 16% CAGR during the same period. Over FY25–27E, we project a blended volume growth of ~11% and an improvement of ~4% in average realizations, supported by the introduction of higher load-bearing cranes. This is expected to drive revenue from operations to Rs. 4,460 crore, implying a CAGR of 16% between FY25 and FY27E.

Exhibit 08: EBITDA (Rs. Crs) & EBITDA Margin

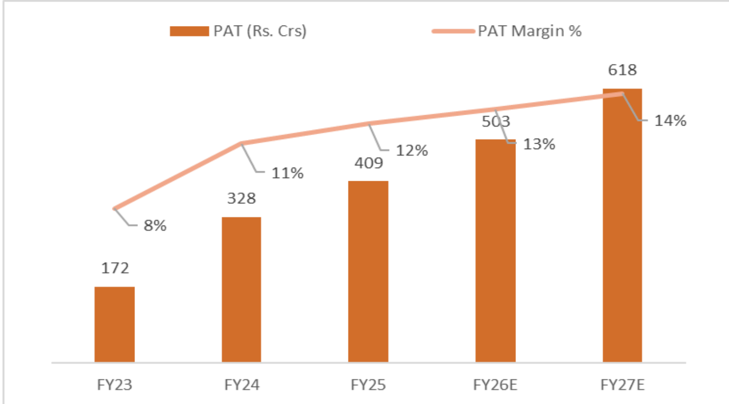


Source: Systematix PCG Research

EBITDA Expected to Grow at 22% CAGR with Margin Expansion to 17% by FY27E

EBITDA grew at a CAGR of 41% between FY20 and FY25 to Rs. 506 Crore, driven by a better product mix, price hikes, and improved operational efficiency through technology and process optimization. Going forward, EBITDA is expected to grow at a CAGR of 22% between FY25 and FY27E to Rs. 758 Crore, with EBITDA margins projected to expand by 180 bps to around 17% over the same period.

Exhibit 09: PAT (Rs. Crs) & PAT Margin



Source: Systematix PCG Research

PAT to Grow at 23% CAGR to Rs. 618 Crore by FY27E with 14% Margin

PAT grew at a CAGR of 51% between FY20 and FY25 to Rs. 409 crore and is expected to grow at a CAGR of 23% between FY25 and FY27E to Rs. 618 crore, with a PAT margin of around 14%.

Key Risks

Slowing Infra Spend: Any significant deceleration in government capital expenditure or infrastructure project execution could impact demand for construction equipment.

Competition & Pricing Pressure: Increased competitive intensity, especially from imports or local rivals in diversified segments, could put pressure on realizations and margins.

Commodity Price Volatility: Steel and other raw material price fluctuations could negatively affect gross margins, given the high material cost component in manufacturing.

About the Company

Action Construction Equipment Limited (ACE) was established in 1995 by Mr. Vijay Agarwal, a technocrat with more than 50 years of industry experience, and is managed by a team of highly experienced professionals.

ACE is a reputed brand with a strong presence across diversified sectors such as Construction, Infrastructure, Manufacturing, Logistics, and Agriculture. The company is the world’s largest manufacturer of Pick & Carry cranes, holding over 63% market share in the mobile crane segment in India and a leading 60% market share in the domestic tower crane segment.

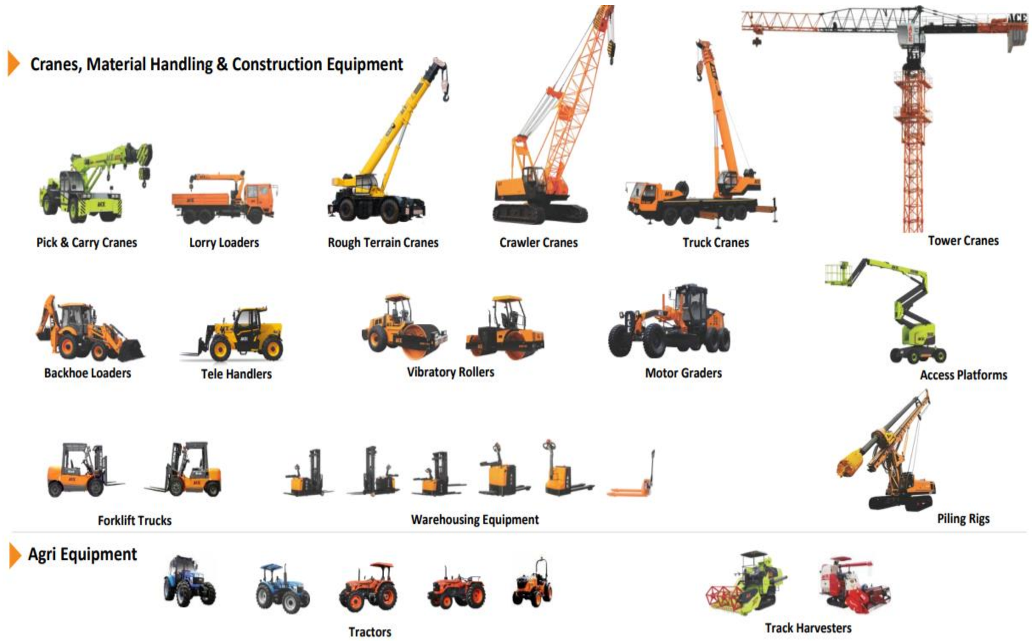
In addition to cranes, ACE offers a comprehensive product portfolio that includes Crawler Cranes, Truck-Mounted Cranes, Lorry Loaders, Backhoe Loaders, Loaders, Vibratory Rollers, Motor Graders, Forklifts, Access Platforms, Telehandlers, Tractors, Harvesters, and other construction equipment.

The company’s end-user sector exposure is well-diversified, comprising Manufacturing & Logistics (~45%), Infrastructure (~35%), Real Estate (~13%), and Agriculture (~7%).

With one of the widest sales and service networks in India, ACE operates through 125+ locations and 13 regional offices, while also exporting its products to more than 37 countries across the Middle East, Africa, Asia, and Latin America.

ACE is the No. 1 player in Pick & Carry cranes in India with a 63% market share, followed by Escorts. In Tower Cranes, it commands ~60% share, ahead of Potain. In Material Handling (forklifts+), ACE holds ~25% share, ranking among the top three players.

Product Portfolio



Installed Annual Capacity Across Key Segments

As of Q4FY25, ACE's blended capacity and utilization indicate healthy operations across segments. The company has an installed capacity of 13,200 units for cranes, currently operating at ~75% utilization, translating to an effective output of ~9,900 units annually. Material Handling has 2,700 units of capacity with ~70% utilization (aligned with the blended rate), producing ~1,900 units annually. Construction Equipment operates at 55%–60% utilization of its 1,800-unit capacity, yielding ~1,000–1,100 units annually. The Agri Division has sufficient capacity with 35%–45% utilization, providing ample growth headroom. Overall, the blended utilization for Cranes, Material Handling, and Construction Equipment stands at approximately 70%.

Sectoral Growth Drivers

Sector	FY26 Allocation / Investment	Key Targets / Initiatives	Growth / Impact
Total Capital Spending	**Rs.11.2 lakh crore vs Rs.10.2 lakh crore in FY25 (RE)**	**Roads Rs.2.78 lakh crore, Railways Rs.2.55 lakh crore**	**10.1% YoY growth**
Defence	Rs.6.81 lakh crore (up from Rs.6.21 lakh crore)	Capital Acquisition Rs.1.48 lakh crore; R&D & infrastructure Rs.3.1 lakh crore; 75% domestic procurement; private sector Rs.27,886 crore	Modernization & domestic manufacturing boost; 4.65% increase YoY
Railways	Rs.2.52 lakh crore	17,500 general coaches, 200 Vande Bharat trains, 100 Amrit Bharat trains, 3 economic corridors, Metro Rs.31,200 crore, National Rail Plan	Multi-modal integration, PM Gati Shakti initiative
Ports	Rs.2 lakh crore FY26 (Sagarmala)	310 projects worth Rs.26,000 crore; coastal & community development	India plans Rs.15,660 lakh crore (~US$ 82B) investment by 2035; global maritime trade hub
Manufacturing	PLI Scheme: Rs.1.97 lakh crore	14 sectors, potential additional production Rs.3 lakh crore, National Manufacturing Mission, 'Vocal for Local', China +1 strategy	India manufacturing sector potential: Rs.83 lakh crore (~US$ 1Tn) by 2025-26
Agriculture	Rs.1.37 lakh crore	Tractor market Rs.240 lakh crore (~US$ 7.92B) by 2025 → Rs.330 lakh crore (~US$ 10.95B) by 2030; agri machinery Rs.50 lakh crore (~US$ 1.66Tn) by FY29	CAGR ~6.7%; rising mechanization & modernization
Urban Infrastructure	Rs.75,000 crore projects + Rs.1 lakh crore Urban Challenge Fund	100 transport projects; city redevelopment; improved water & sanitation	Strengthen connectivity & create "Growth Hubs"; power sector reforms for intra-state transmission
Housing	Rs.77,526 crore (PMAY) + Rs.15,000 crore SWAMIH 2.0	Urban Rs.19,794 crore, Rural Rs.54,232 crore; 1 lakh stalled homes to be completed	Real estate sector projected Rs.475 lakh crore (~US$ 5.8Tn) by 2047, GDP contribution 15.5%
Roads	10,000 km highways, 5,800 km high-speed corridor; Rs.50,655 crore	8 high-speed corridors, 23 new highways & expressways	18% of total capex FY19–25, projects worth Rs.16,400 lakh crore (~US$ 200B) in next 2 years
Logistics	Rs.6,000 crore for 100 multimodal terminals	Terminals to handle >1MT cargo each	Logistics sector growth: Rs.8,250 lakh crore (~US$ 228.4B) in 2024 → Rs.15,490 lakh crore (~US$ 428.7B) by 2033; support for MSMEs
Warehousing	Policies for Logistics Parks & FTWZs	Modern storage & distribution solutions	Market growth: Rs.2,180 lakh crore (~US$ 60.42B) in 2024 → Rs.5,920 lakh crore (~US$ 163.98B) by 2034; expected ~Rs.360 lakh crore (~$10B) investment

Analysis of Key Market Segments

Construction Equipment Industry

The construction equipment industry in India experienced a slowdown in FY25 after robust growth of 26% in FY24, with sales reaching 140,191 units, up only 3% from the previous year. This deceleration was largely due to election-related project delays and the implementation of CEV Stage V emission norms. Exports supported the sector, rising 10%, while domestic market growth remained modest at 2.7%. Looking ahead, industry leaders are optimistic about a return to double-digit growth in FY26, supported by government initiatives such as the National Infrastructure Pipeline and PM Gati Shakti. India continues to rank as the world's third-largest construction equipment market.

Indian Crane Market

Valued at USD 3.6 billion in 2024, the Indian crane market is projected to reach USD 5.4 billion by 2033, growing at a CAGR of 4.4%. Mobile cranes dominate the market, with the construction sector driving 70–75% of overall demand. Technological advancement is a key trend, with autonomous cranes expected to grow at a CAGR of 7.2% through 2035.

As of FY25, Cranes, Material Handling, and Construction Equipment contributed 92% to total revenue from operations.

Material Handling Equipment Industry

The material handling equipment industry is set to more than double in size from USD 10.57 billion in 2024 to USD 22.48 billion by 2033, reflecting a strong CAGR of 8.08%. Growth is fueled by rapid industrialization, the "Make in India" initiative, the Production Linked Incentive (PLI) scheme, and the expansion of e-commerce logistics. Cranes and lifting equipment form the largest segment, accounting for over one-third of total industry revenue.

Real Estate and Logistics Sectors

The real estate market in India is expected to expand from USD 482 billion in 2024 to USD 1,184 billion by 2033, growing at a CAGR of 10.5%. Residential real estate continues to dominate, while commercial segments such as office leasing and data centers are showing strong momentum. The logistics and warehousing sector witnessed remarkable growth in Q1 2025, with new supply up 57% and leasing activity increasing 40% year-over-year, largely driven by third-party logistics (3PL) and the expansion of e-commerce.

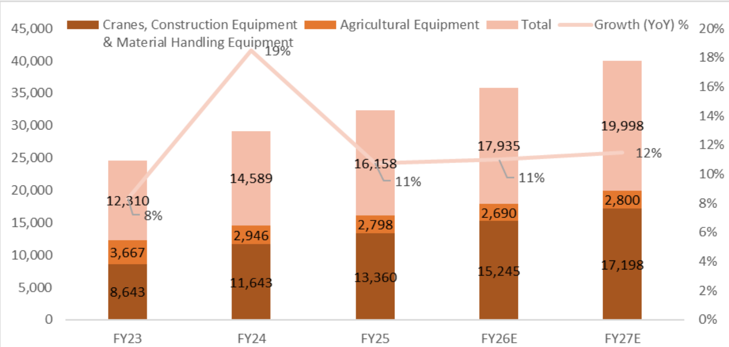
Agriculture Equipment Industry

As of FY25, Agricultural equipment contributed 7% to total revenue from operations.

The agriculture equipment industry is estimated at USD 18.15 billion in 2025 and is projected to reach INR 2.69 trillion by 2033, growing at a CAGR of approximately 8.6%. Key growth drivers include accelerating farm mechanization, labor shortages, and supportive government policies. Tractors remain the dominant segment, followed by trailers, harvesters, and other farm equipment.

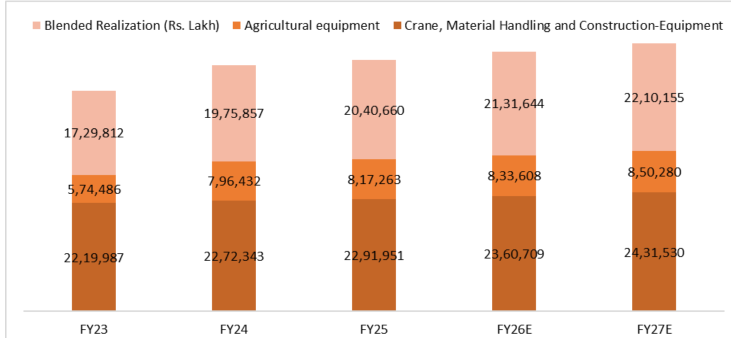
Story In Charts

Exhibit 10: Segment wise – Sales Volume



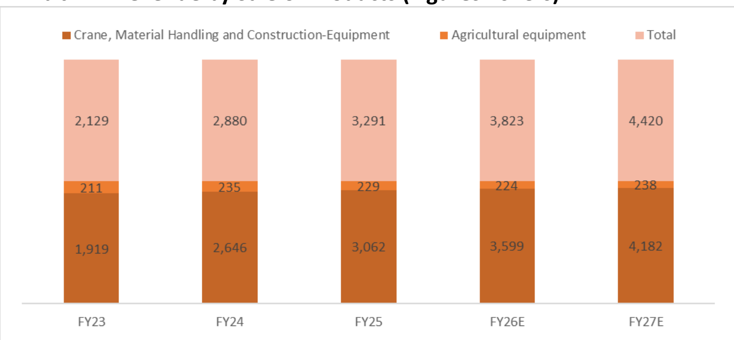
Source: Systematix PCG Research

Exhibit 11: Blended Realization (Rs. Lakh)



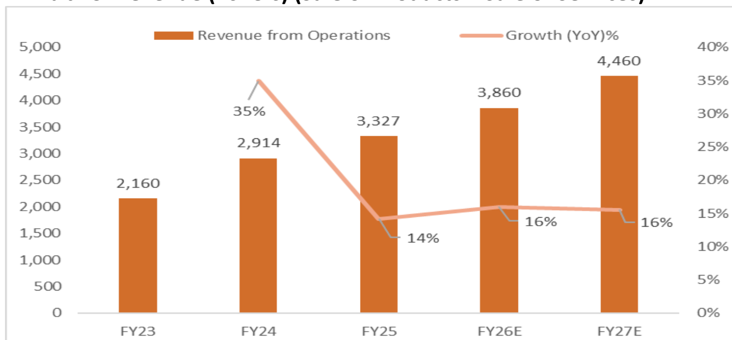
Source: Systematix PCG Research

Exhibit 12: Revenue by Sale of Products (Figures Rs. Crs)



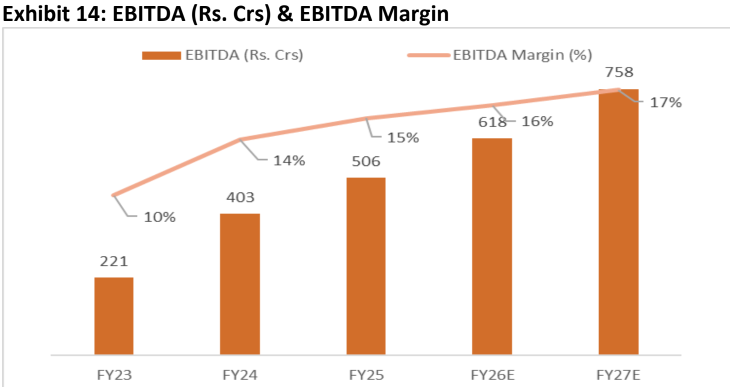
Source: Systematix PCG Research

Exhibit 13: Revenue (Rs. Crs) (Sale of Products + Sale of Services)



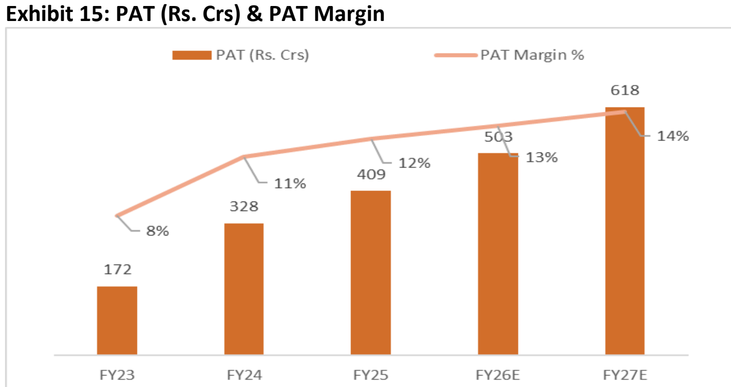
Source: Systematix PCG Research

Exhibit 14: EBITDA (Rs. Crs) & EBITDA Margin



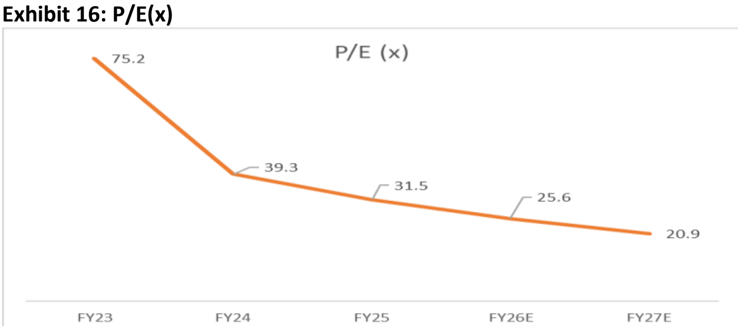
Source: Systematix PCG Research

Exhibit 15: PAT (Rs. Crs) & PAT Margin



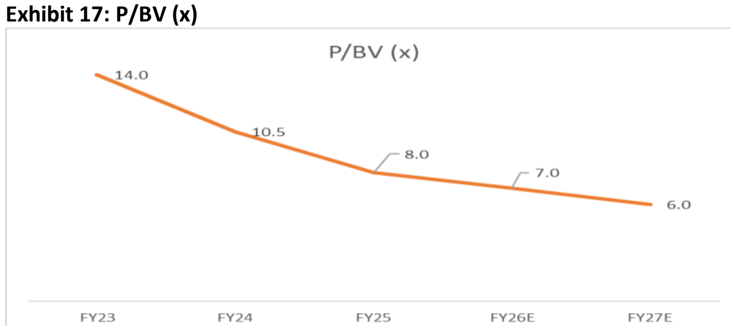
Source: Systematix PCG Research

Exhibit 16: P/E(x)



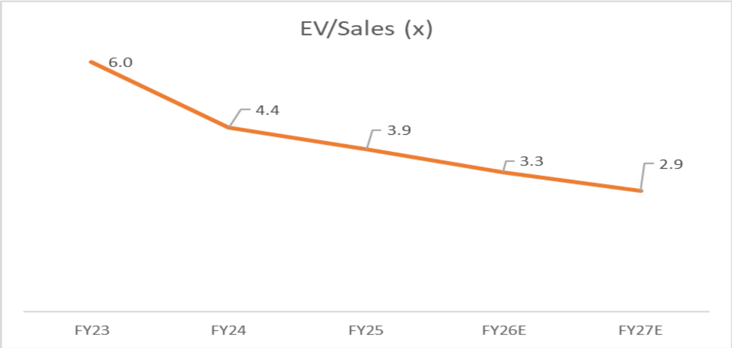
Source: Systematix PCG Research

Exhibit 17: P/BV (x)



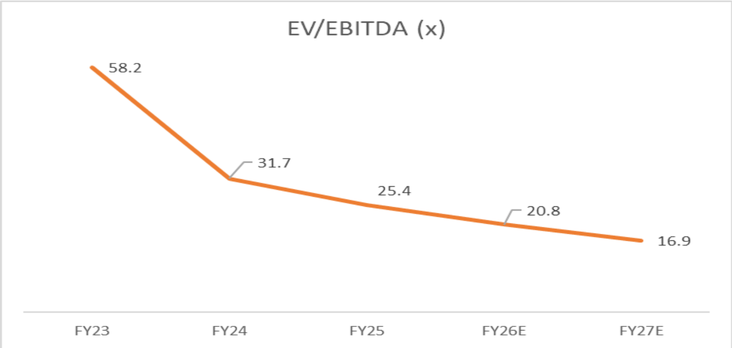
Source: Systematix PCG Research

Exhibit 18: EV/Sales (x)



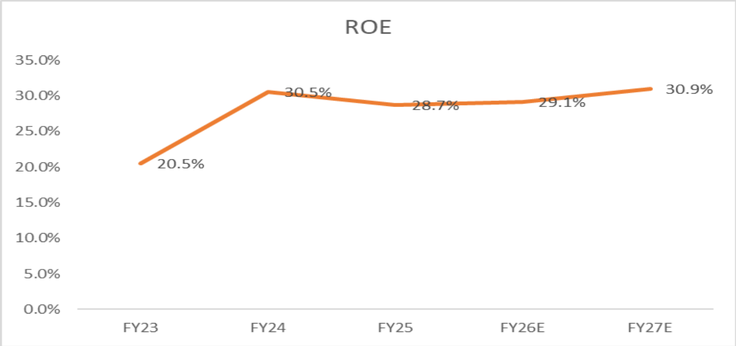
Source: Systematix PCG Research

Exhibit 19: EV/EBITDA (x)



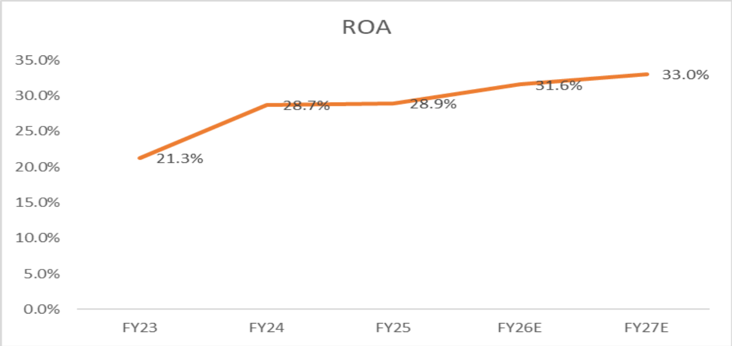
Source: Systematix PCG Research

Exhibit 20: ROE



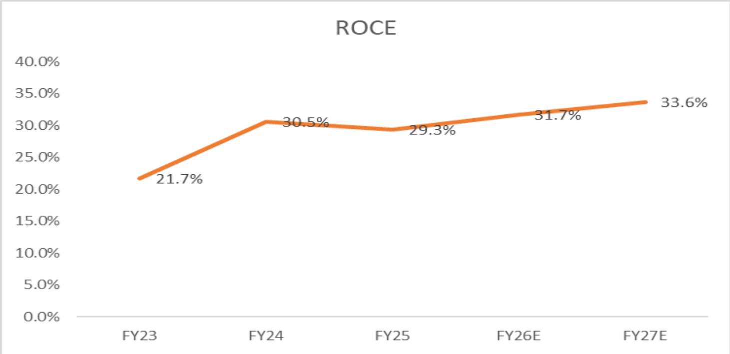
Source: Systematix PCG Research

Exhibit 21: ROA



Source: Systematix PCG Research

Exhibit 22: ROCE



Source: Systematix PCG Research

Financial Summary

Income Statement (Rs crs)	FY23	FY24	FY25	FY26E	FY27E
Revenue from Operations	2,160	2,914	3,327	3,860	4,460
Expenses	1,939	2,511	2,821	3,242	3,702
EBITDA	**221**	**403**	**506**	**618**	**758**
Depreciation and Amortisation	18	23	28	29	30
EBIT	**203**	**380**	**477**	**588**	**728**
Net Interest Cost	10	23	29	33	38
Other income	41	77	100	116	134
Exceptional items- gain	0	0	0	0	0
PBT	**234**	**434**	**549**	**671**	**824**
Tax expense	61	106	140	168	206
PAT including minority interest	**173**	**328**	**409**	**503**	**618**
Attriutable to minority interest	1	0	0	0	0
Net Profit attributable to owners	**172**	**328**	**409**	**503**	**618**

Balance Sheet (Rs crs)	FY23	FY24	FY25	FY26E	FY27E
Fixed Assets, Capital WIP	500	607	729	803	918
Intangible Assets	0	0	1	1	1
Non Current Investments	137	225	543	610	725
Loans & Advances	7	39	93	97	110
Other Non Current Assets	44	25	23	25	26
Total Non Current Assets	**688**	**896**	**1,388**	**1,535**	**1,780**
Cash & Cash equivalents including bank balances	49	110	55	83	69
Receivables	169	164	265	292	295
Inventories	419	553	515	620	695
Other current assets incl financial assets	275	548	621	739	950
Total Current Assets	**911**	**1,376**	**1,456**	**1,733**	**2,009**
Total Assets	**1,600**	**2,271**	**2,844**	**3,269**	**3,789**
Share capital	24	24	24	24	24
Net worth including minority interest	**920**	**1,232**	**1,616**	**1,843**	**2,152**
Long Term Borrowings	0	0	0	0	0
Non current Lease liablities and provisions	3	3	4	5	6
Non current deffered tax liablities	13	9	7	7	7
Other financial liabilities	1	0	1	1	1
Total Non Current Liablities	**17**	**13**	**12**	**13**	**14**
Trade Payables	501	688	809	959	1,109
Short Term borrowings	6	4	15	8	8
Current Lease liablities and provisions	3	114	155	170	190
Other current liablities	153	222	237	277	317
Total Current Liablities	**663**	**1,027**	**1,215**	**1,413**	**1,623**
Total Equity and Liablities	**1,600**	**2,271**	**2,844**	**3,269**	**3,789**

Basic Ratios (Rs.)	FY23	FY24	FY25	FY26E	FY27E
EPS	14	28	34	42	52
Growth (%)	63%	91%	25%	23%	23%
Book Value	77	103	136	155	181
Growth (%)	22%	34%	31%	14%	17%
Valuation Ratios					
P/E (x)	75.2	39.3	31.5	25.6	20.9
P/CEPS (x)	68.1	36.7	29.5	24.2	19.9
P/BV (x)	14.0	10.5	8.0	7.0	6.0
EV (Rs. Crs)	12,862.3	12,798.5	12,864.3	12,830.1	12,843.8
EV/Sales (x)	6.0	4.4	3.9	3.3	2.9
EV/EBITDA (x)	58.2	31.7	25.4	20.8	16.9
Profitablity Ratio (%)					
ROE	20.5%	30.5%	28.7%	29.1%	30.9%
ROA	21.3%	28.7%	28.9%	31.6%	33.0%
ROCE	21.7%	30.5%	29.3%	31.7%	33.6%
Margin (%)					
EBITDA	10.2%	13.8%	15.2%	16.0%	17.0%
EBIT	9.4%	13.0%	14.4%	15.2%	16.3%
PBT	10.8%	14.9%	16.5%	17.4%	18.5%
PAT	7.9%	11.3%	12.3%	13.0%	13.9%
Leverage Ratios					
Interest Coverage Ratio (x)	0.0	0.1	0.1	0.1	0.1
Net D/E (x)	0.0	0.0	0.0	0.0	0.0
Net Debt/ EBITDA (x)	-0.2	-0.3	-0.1	-0.1	-0.1
Liquidity Ratios					
Current Ratio	1.4	1.3	1.2	1.2	1.2
Cash Ratio	13.5	9.3	21.9	17.0	23.5
Growth Ratio (%)					
Sales	33%	35%	14%	16%	16%
Expenses	31%	29%	12%	15%	14%
EBITDA	46%	83%	25%	22%	23%
Interest Cost	1%	125%	24%	15%	15%
PBT	70%	86%	27%	22%	23%
PAT	63%	91%	25%	23%	23%
Cash EPS	57%	85%	25%	22%	22%

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