18th September, 2026

Action Construction Equipment Ltd.

BSE: 532762 | NSE: ACE | M-Cap (Rs cr): 14,494



Recommendation	Time Period	Current Price	Target Price	Potential Upside
BUY	**12 months**	**1,231/-**	**1,416/-**	**15.0%**

Action Construction Equipment (ACE) is India's leading Material Handling and Construction Equipment manufacturing company operating across Infrastructure, Construction, Manufacturing, Logistics and Agri sectors. With over 28 years of industry presence, ACE enjoys market leading position in mobile cranes and tower cranes segment.

Key Investment Rationale:

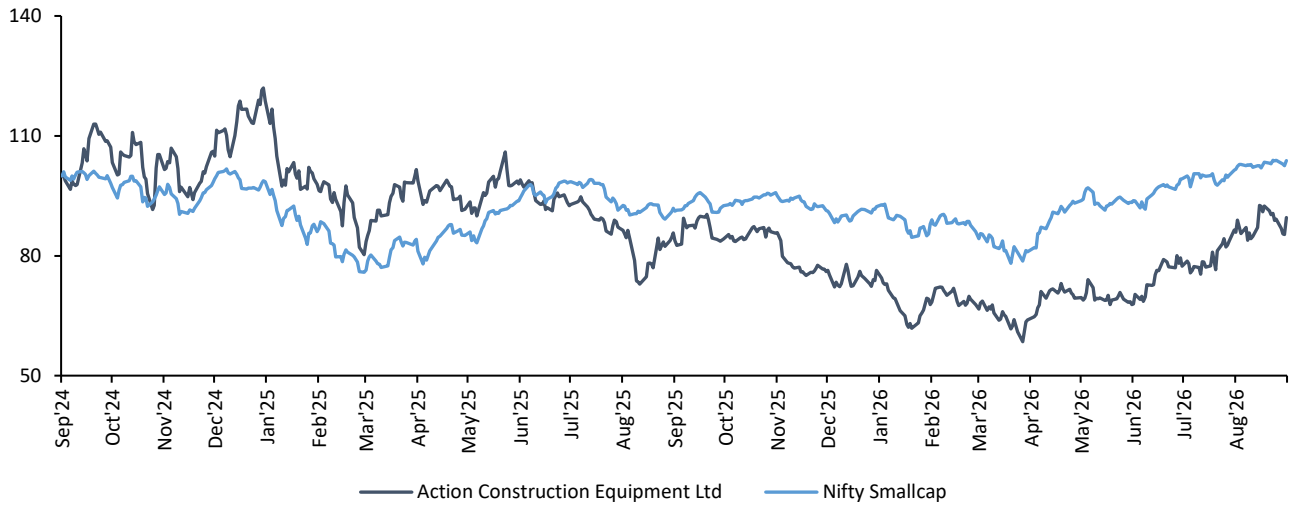
- **Well-diversified product portfolio with market leading position in Mobile and Tower Cranes:** ACE offers cutting-edge technology products with product offerings comprising of Mobile/Fixed Tower Cranes, Crawler Cranes, Truck Mounted Cranes, Lorry Loaders, Backhoe Loaders/Loaders, Vibratory Rollers, Forklifts, Tractors & Harvesters and other Construction Equipment. It is the largest Pick & Carry cranes manufacturer with ~63% market share in the Mobile Cranes segment and >60% in Tower Cranes segment domestically.
- **Improvement in demand expected:** The construction equipment industry underwent upgrade of emission norms from CEV 3 (<50 HP engines) and CEV 4 (>50 HP engines) to CEV 5 on 1st Jan'25 which resulted in price hike of 12-15% from Jan'25 to offset the higher costs. Higher prices coupled with pre-buying ahead of the new emission norms led to decline in industry volumes during FY26. Volumes are now showing early signs of recovery. Favorable base and revival of government spending on infrastructure projects is expected to drive demand for cranes and other construction equipment. The 50:50 JV with Japanese crane OEM - Kato Works Co will establish a dedicated platform for truck cranes, crawler cranes and rough cranes, strengthening ACE's presence in the heavy crane segment.
- **Exports and Defence - Additional growth drivers:** The company is targeting doubling the share of exports in the total revenue to 15% over the medium term. As part of the agreement with Kato Works, ACE may also export components/material to KATO Japan for its other construction equipment, thus further boosting export revenue for ACE. Company expects defence to contribute 5-6% of the total revenue in FY27E from the ~3% contribution in FY26 contributed by the start of execution of the large order for rough terrain forklifts / telehandler. ACE has also received orders for platforms for the QRSAM (Quick Response Surface to Air Missile) and is currently building prototypes for the same.
- **Valuation:** At CMP of Rs 1,231, the stock trades at FY27E/FY28E P/E of 30.6x/26.2x respectively.
- **Key Risks:** Delay/postponement in government/private sector capex; Weak financial health of infrastructure contractors resulting in delayed purchases of new equipment; Competition from foreign crane OEMs and imports

Financial Summary

Particulars (Rs cr)	FY25A	FY26A	FY27E	FY28E
Net Sales	3,327	3,280	3,771	4,316
EBITDA	506	504	580	678
EBITDA Margin (%)	15.2	15.4	15.4	15.7
Net Profit	406	413	480	561
EPS (Rs)	34.1	34.7	40.3	47.1
RoE (%)	25.1	20.5	18.7	18.7
P/E (x)	36.1	35.5	30.6	26.2
EV/EBITDA (x)	28.9	29.0	24.2	20.7

Source: Bloomberg, SSL Research

Stock Performance (2-Year) – Indexed to 100



Source: ACE Equity, SSL Research

Recommendation History

Date	Stock Price	Target Price	Recommendation	Status
18/06/2026	960	1,055	BUY	Booked Profit at Rs 1,131 on 5th Aug'26

Disclaimer

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