



Action Construction Equipment Ltd.



ISIN: INE731H01025

BSE:532762

NSE:ACE

CMP: Rs. 268.80

Wed, 6th Oct' 21

OVERVIEW

- Action Construction Equipment Ltd is engaged in manufacturing material handling and construction equipment
- The company operates in four business segments that are Cranes, Construction Equipment, Material Handling, and Agri Equipment.
- The product portfolio of the company consists of the mobile crane, tower crane, crawler crane, backhoe and ladder, road equipment, and the forklift truck.

STRENGTHS

- India's most diversified Construction Equipment Manufacturer
- Customer Centric Organization with 16,000+ strong Customer base
- Wide Sales Network across 100+ Locations in India
- One of the world's largest Pick & Carry Crane Manufacturer
- Pan India and Global Presence in over 25 Countries

BUSINESS STRATEGY

- ACE intends to increase the contribution of exports in total revenues to a significant share over the next 2-3 years
- Further increase penetration by increasing the Network and Customer touch points
- Penetration into the premium segment with Doosan – Korea range.
- Increased penetration with Electric Forklifts – specially Food, Beverages and Pharma industry

ACE EDGE OVER COMPETITORS

- Low Leverage with a Credit Rating of AA- (Stable)/A1+ by ICRA
- In-house R&D Centre Working continuously towards Product Upgradation, Development of New Products and Value Engineering
- Total Industrial land of ~90 acres with 45 acres of land still available for capacity expansion
- Dedicated Training Centre to provide operation and maintenance training to Dealer and Customer Personnel

CLIENTELE

- Action Construction Equipment Ltd has a huge client base consisting of private as well as many govt. companies
- Private Clients: Larsen & Turbo, TATA Projects, GMR, Reliance Infrastructure, Hindalco Ltd., DLF, Adani Group, ESSAR, Indiabulls Real Estate, ACC, Future Group etc.
- Govt Clients: Airport Authority of India, ONGC, IFFCO, Hindustan Petroleum, Coal India, Indian Army, Delhi Metro, NBCC, etc.

SUMMARY OF FINANCIALS

- Export Sales Increased by 47% QoQ contributing to 9% of our overall revenues
- Revenue / turnover of ACE CONSTRUCTION LTD is Over INR 1000 crs
- EBIT of the company has increased by 46.34 %
- Total assets of the company has increased by 10.66 %
- Debt of the company has decreased by 32.8 %
- The share price of the company has gone up by more than 200% in a year

Disclaimer: The analysis is only for information purposes only. Please consult your financial advisor, agent, broker before acting on any information. We may or may not have positions in the stock. We would not be responsible for the profit/loss resulting from this analysis.

Growth Rates (Compound Annual)	1 Yr	3 Yr	5 Yr	10yr
Revenue %	6.2	4.1	14.0	-
Operating Income %	34.8	10.2	39.0	-
Earnings/Share %	53.8	16.6	53.0	5.0
Dividends %	-	-	-	-
Book Value/Share %	18.2	12.3	11.1	5.3
Stock Total Return	264.4	46.2	43.1	21.1
Market +/-	237.9	34.6	33.1	12.0

Valuation Analysis	Current	5Yr Avg	Ind	Mkt.
Price/Earnings	29.7	50.0	95	15.2
Forward P/E	-	-	-	-
Price/Cash Flow	35.8	13.8	-	9.9
Price/Free Cash Flow	72.9	37.1	-	-
Dividend Yield %	0.2	0.4	0.4	2.8
Price/Book	6.2	2.8	5.3	2.1
Price/Sales	2.1	1.1	1.8	-

Profitability Analysis	Current	5Yr Avg	Ind.	Mkt.
Return on Equity %	15.25	12.3	5.6	15.4
Return on Asset %	-	5.9	1.1	5.6
Gross Margin %	25.0	25.4	36.1	-
Operating Margin %	9.7	6.9	9.9	-
Net Margin %	7.2	4.4	1.9	21.4
Inventory Turns	-	4.7	4.3	-
FixedAsset Turns	-	3.1	2.8	-

Financial Position (INR)	03-20(Mil.)	03-21 (Mil.)
Cash	34	329
Inventories	2,707	2,660
Receivables	—	—
Current Assets	4,861	5,905
Fixed Assets	4,183	4,287
Intangibles	9	12
Total Assets	9,536	10,553
Payables	3,701	4,023
Short-Term Debt	529	341
Current Liabilities	4,635	4,936
Long-Term Debt	290	201
Total Liabilities	5,107	5,317
Total Equity	4,426	5,233

Source: Company filings & Analyst research