AJAX

MAKES CONCRETE SENSE

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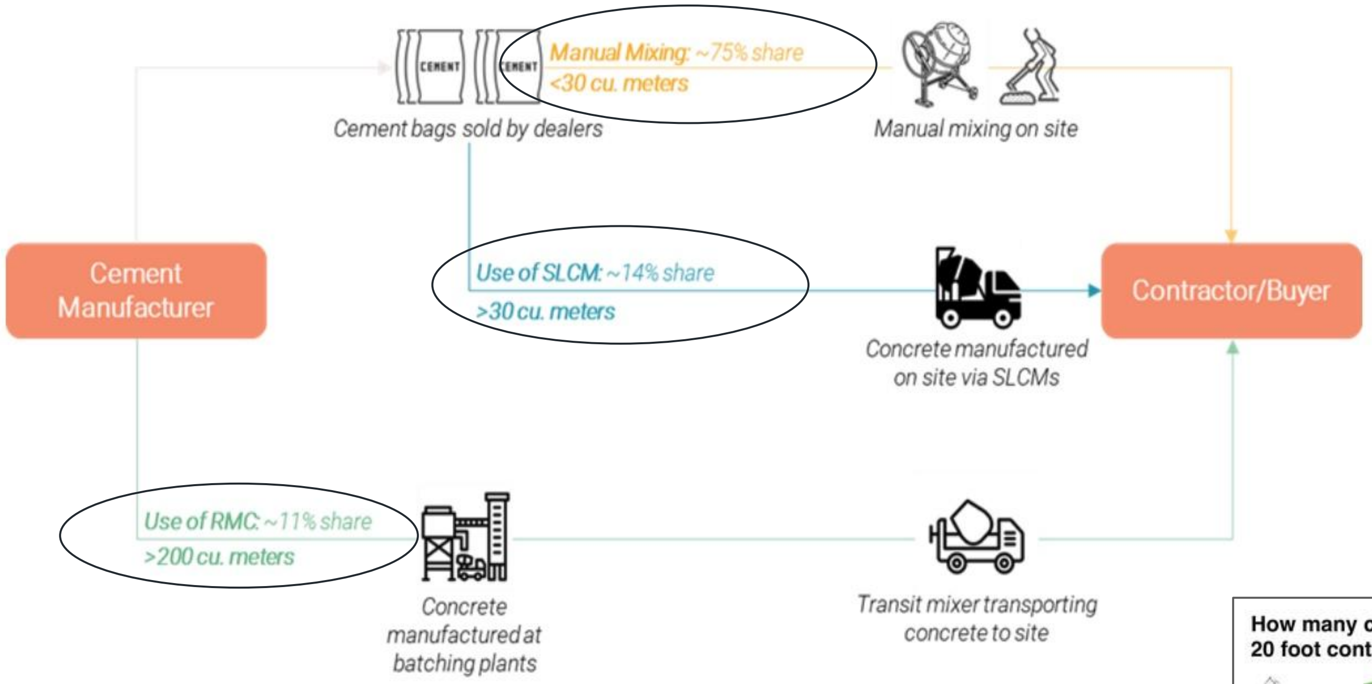
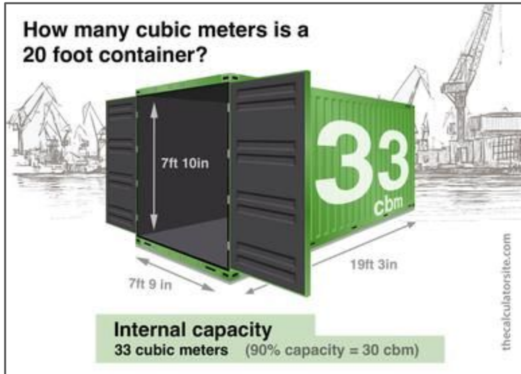
Disclaimer

All discussions during the session are for informational purposes only. Nothing discussed here should be considered investment advice.

Who are they?

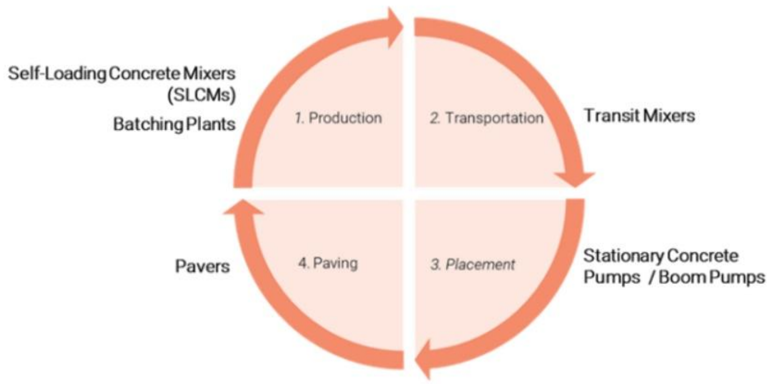
- Bear market IPO (listed on Feb 17th, 2025 at below IPO price)
- Founded by Vijay Krishnaswamy (IIT Madras, ex-L&T) in 1992
- HQ in Peenya, Bengaluru (3 plants in Doddaballapur area)
- **Pioneer & market leader of SLCM in India**
- ~51 dealerships across 23 states (no South concentration)
- New CEO & CFO:
    - Shubhabrata Saha joined Ajax in Jan 2023 (ex-CEO M&M Farm division, ex-CEO Mangalore Chemicals)
    - Tuhin Basu (ex-Reliance, Siemens)


Manual Mixing: ~75% share
<30 cu. meters
Cement bags sold by dealers
Manual mixing on site
Cement Manufacturer
Use of SLCM: ~14% share
>30 cu. meters
Concrete manufactured on site via SLCMs
Contractor/Buyer
Use of RMC: ~11% share
>200 cu. meters
Concrete manufactured at batching plants
Transit mixer transporting concrete to site


How many cubic meters is a 20 foot container?
7ft 10in
33 cbm
7ft 9 in
19ft 3in
Internal capacity
33 cubic meters (90% capacity = 30 cbm)
thecalculatorsite.com

Concrete Equipment Manufacturer

- 75% market share
- 85% revenue contribution
- 20% market share in overall concrete equipment market



SELF LOADING CONCRETE MIXERS

BATCHING PLANTS

PAVERS

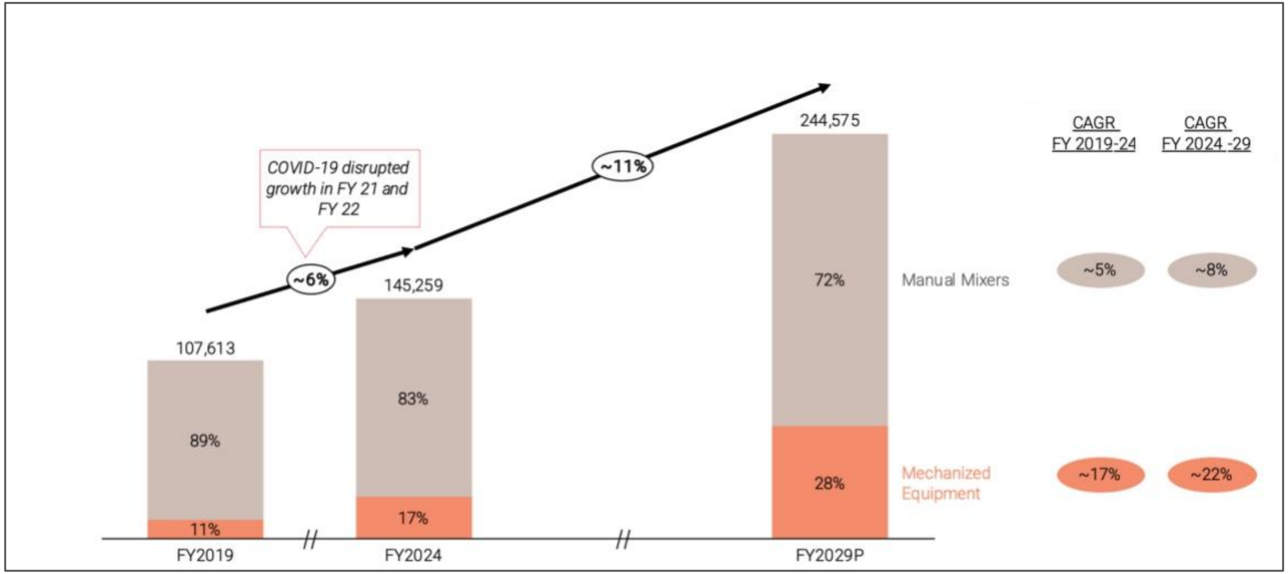
TRANSIT MIXERS

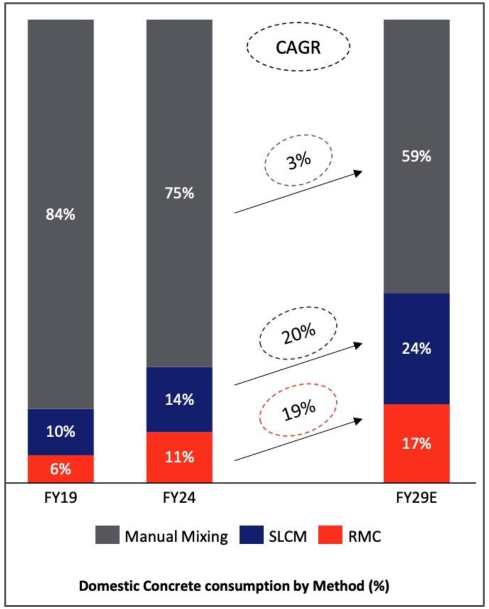
DUMPERS

BOOM PUMPS

STATIONARY PUMPS

- In the last 5Y, overall cement utilization grew by 6%
- However, Ajax grew sales by 24% CAGR
- On going trend: Manual mixers to Mechanized equipment





Clean balance sheet, strong margin profile

3Y Revenue CAGR: 33%, PAT: 32%
Debt Free, cash on books: 400+ Cr
ROE: 25%, ROCE: 33%

Particulars	Ajax Engineering Limited (FY 2024)	Ajax Engineering Limited (FY 2023)	Action Construction Equipment Limited (FY 2024)	Bharat Earth Movers Limited (FY 2024)	Escorts Kubota Limited[11] (FY 2024)	KYB-Conmat Private Limited[2] (FY 2023)	Putzmeister India Private Limited (FY 2023)	Schwing Stetter (India) Private Limited (CY 2023)
India Incorporation Year	1992	1992	1995	1964	1944	2002	1998	1998
Total Income (INR Mn)	17,801	11,726	29,909	40,966	92,483	2,548	1,836	54,520
Revenue from operations (INR Mn)	17,414	11,511	29,138	40,543	88,497	2,535	1,833	53,958
YoY% revenue growth[1]	51.28%	50.81%	34.92%	3.99%	4.99%	1.05%	45.45%	37.67%
EBITDA Margin[3]	15.82%	14.83%	13.84%	10.91%	13.37%	3.71%	7.39%	6.38%
PAT Margin[4]	12.65%	11.59%	10.97%	6.88%	11.35%	0.65%	0.27%	1.96%
ROIC[5]	76.70%	55.70%	57.53%	13.98%	23.53%	2.98%	NA	7.52%
ROCE[6]	32.82%	25.31%	37.03%	15.36%	15.33%	7.68%	NA	16.87%
FCF Conversion[7]	67.38%	98.41%	68.42%	87.12%	72.06%	82.27%	25.83%	107.25%
Capex as a % of Revenue[8]	1.34%	1.49%	6.01%	2.50%	2.15%	0.61%	0.71%	1.05%
Return on Fixed Assets[9]	226.89%	152.64%	71.94%	73.17%	75.63%	5.67%	NA	33.96%
Operating working capital days[10]	22	28	7	313	46	NA	NA	NA

IPO & Shareholding

- Raised 2000 Cr in IPO (completely OFS)
- Kedaara Capital exited, partial stake sale from promoters
- 80% with promoters (no pledge)
- Promoters don’t have any other businesses

Sr. No.	Name of the shareholder	Pre-Offer number of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)	Post-Offer number of Equity Shares	Percentage of the post-Offer Equity Share capital (%)^
Promoters (including Promoter Selling Shareholders)					
1.	Krishnaswamy Vijay	6,861,200	6.00	5,145,098	4.50
2.	Jacob Jiten John	3,000,000	2.62	711,864	0.62
3.	Kalyani Vijay	7,408,400	6.48	5,692,298	4.97
4.	Green Haven Trust	20,588,000	18.00	20,588,000	18.00
5.	Ohana Trust	20,589,600	18.00	20,589,600	18.00
6.	Jacob Hansen Family Trust	17,297,297	15.12	11,704,076	10.23
7.	The Johns Loaves Trust	22,090,400	19.31	22,090,400	19.31
Total (A)		**97,834,897**	**85.53**	**86,521,336**	**75.63**
Promoter Group Selling Shareholder					
1.	Susie John	6,432,400	5.62	5,002,315	4.37
Total (B)		**6,432,400**	**5.62**	**5,002,315**	**4.37**
Investor Selling Shareholder					
1.	Kedaara Capital	7,436,800	6.50	Nil	Nil
Total (C)		**7,436,800**	**6.50**	Nil	Nil
Total (A+B+C)		**111,704,097**	**97.65**	**91,523,651**	**80.00**

Key takeaways from plant visit

- **Labour shortage**
- 80% of fabrication suppliers (15–20 major, all within 100 km) serve Ajax.
- Concrete equipment TAM: 6,500 Cr, growing 18% CAGR to ~18,000 Cr by 2029, aided by Gram Sadak & Mukhya Mantri Yojanas.
- Dealer margins ~4%; network at 53, targeting 75 in 3–5 years.
- **Capacity utilization: 79%**
    - SLCM capacity: 7200 units | current run rate: ~6000 units
- Aiming for 15–18% volume CAGR in 3–5 years.
- Engines: mainly Kirloskar (majority) & Mahindra.
- New low-volume SLCM mixer launch in 3 months.
- 3D tech remains a showcase, no material impact yet.

SLCM market

- Ajax: 75%
- SCHWING Stetter: 13%
- 10 odd players: 12%

Why the biggies didn’t enter the market?
- First-mover advantage (in 1993)
- Niche market
- Servicing

Minuscule exports - not focusing currently

1H CY2025 was sluggish (vaahan registrations Ajax did, 21% YoY growth)
2H expected to pick up.

Valuation & Growth

Period	Q4FY24	Q4FY25	YoY Growth (%)
Apr	517	456	-12%
May	438	461	5%
June	340	652	92%
Quarter Total	1,295	1,569	**21%**

Company	Current PE	YoY Revenue Growth
Ajax	30	19%
ACE	33	14%
Escorts	30	4%

**Vahan Portal*

MCap: 7800 Cr, EV: 7400 Cr
PE(TTM): 30, EV/EBITDA: 21
Growth expectation: 15-18% revenue CAGR for 3Y

Market leader
+
Decent growth
+
OKish valuation

THANK

YOU