ACE Posts Robust Q3 FY25 – Total Income Up by 16.6 Percent YoY with Expanded Margins

Category: Business
written by News Mall | February 10, 2025

Consolidated Financial Highlights; ACE achieved its highest-ever quarterly revenue and profits, reflecting strong growth momentum. The companys total income increased by 16.6% year-on-year, while EBITDA margins expanded by 204 basis points to 18.24%. This margin expansion was driven by operating leverage, an improved product mix, and efficient cost-control measures. The Cranes, Material Handling, and Construction Equipment segment witnessed a volume growth of 17.92% YoY, with revenue rising by 15.49% YoY. Additionally, the Agri Equipment segment reported a robust revenue growth of 24%, further strengthening ACE's overall performance.

Management comments

On ACE's performance, Executive Director, Sorab Agarwal shared that with continued focus on customer centricity, execution and agility in operations, we have set ACE on the course of a predictable and sustained high performance trajectory and today, we have the opportunity to highlight our execution rigor through our best ever performance in the quarter gone by. Further, in the recently announced Union Budget 2025-26, the GoI has sustained its Infra focus with their capex spending estimated to remain above 3% of GDP for the third consecutive year. Productive Capex to create Infra assets is crucial for amplifying productivity which will fuel further economic growth, enhance global competitiveness and accelerate technological innovation in the country.

Financial Performance
On a Standalone basis, the operational revenue grew by 15.93% on a year on year basis from Rs 753.15 Crores to Rs 873.10 crores, which is our best ever quarterly revenue so far. The EBITDA of the company grew by 27.40% to Rs.160.38 crores as against Rs 125.89 crores in the corresponding quarter last year. The EBITDA margins expanded by 154 bps to 17.76%, The PBT grew by 26.49% to Rs 144.93 crores against Rs 114.58 Crores and stood at 16.05%. The PAT grew by 21.05% to Rs 107.15 crores against Rs 88.52 Crores and stood at 11.87%. The PBT and PAT margins expanded 129 BPS and 46 BPS respectively on YoY basis. We are delighted to share that these are the best quarterly Revenues, EBITDA, PBT and PAT numbers in the company’s history.

Margin expansion was driven by operating leverage, better product mix with improved price realizations, efficient cost control measures and favorable commodity prices.

Segmental Performance
The Company has sustained its growth momentum across all operating segments. In the Cranes, Material Handling & Construction Equipment segment during the quarter gone by, ACE registered consolidated revenue of Rs. 795.73 crores as compared to Rs 690.79 crores in Q3 FY24 which is a growth of 15.19%. The company recorded sales of 3539 units in the quarter which is up by 17.92% YoY. The margins also expanded by 375Bps YoY to Rs 154.38 Crores vis–vis Rs 108.10 crores; thereby registering a growth of 42.81% YoY.

The Agri equipment Division has registered revenue of Rs.77.37 crores with 4.73% margin. Going forward, with adequate water reservoir levels and Government’s focus on Agri productivity, the company expects farm mechanization needs to continue creating demand momentum in the Agri space.

For the 9 months ended FY25, the operational revenue grew by 13.75% as compared to similar period of FY24 and stood at Rs

2,361.07 crores with EBITDA of Rs.428.07 crores which is 30% growth on YOY basis. Our PBT grew by 27.37% to Rs 382.61 crores. The PAT stood at Rs. 285.23 Crores which grew by 24.29% on YOY basis. The EBITDA margins expanded by 202 BPS to 17.46%, PBT expanded by 151 BPS to 15.60% and PAT margins expanded by 86bps to 11.63%.

Further, our Hon. Finance Minister has presented the Union Budget 2025-26 which set out realistic and inclusive vision for the nation. A mix of judicious and bold policy moves while maintaining fiscal discipline lays down a strong foundation for a “**Viksit Bharat**“. The share of Capital expenditure outlay in total Budget has been stepped up to 22.1% in FY26 (BE) from 15.6% in FY22. The Government is focused on infrastructure, Manufacturing, Power, Logistics and Housing Sector development, which augurs well for our company. Going Ahead, with our capacity built up, we are well prepared, future ready and remain optimistic about the prospects of the company in the Medium to Long term.

Cautionary Statement, “*Statements made in this release may contain certain forward-looking statements based on various assumptions on the Company’s present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in the market, new regulations and Government policies that may impact the Company’s businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and the Company does not undertake any obligation to update these statements. The Company has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed*.”