REGISTERED OFFICE:
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MAKES CONCRETE SENSE

Date: August 13, 2026

To,

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|---|---|
| BSE Limited, | National Stock Exchange of India Limited, |
| 20th Floor, P.J. Towers, | Exchange Plaza, C-1, Block G, |
| Dalal Street, | Bandra Kurla Complex, Bandra (E), |
| Mumbai - 400001. | Mumbai – 400 051 |
| BSE Scrip Code: 544356 | NSE Scrip Symbol: AJAXENGG |

**Subject:** Transcript of the conference call with Analysts/ Investors held on August 6, 2026.

Dear Sir/Ma'am,

Pursuant to Regulation 30 and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the conference call that was organized with the Analysts/Investors on Thursday, August 6, 2026 at 11:00 a.m. (IST), on the financial results of the Company for the quarter ended June 30, 2026.

The audio recording and transcript of the presentation are available on the website of the Company at https://www.ajax-engg.com/investor-relations under corporate announcement.

Kindly take the same in your record.

Thanking you,

For **Ajax Engineering Limited**
*(Formerly known as Ajax Engineering Private Limited)*

SHRUTI VISHWANATH SHETTY
Digitally signed by SHRUTI VISHWANATH SHETTY
Date: 2026.08.13 10:54:59 +05'30'

**Shruti Vishwanath Shetty**
**Company Secretary and Compliance Officer**
Membership No. A33617

# "AJAX Engineering Limited
# Q1 FY27 Earnings Conference Call"
# August 06, 2026

E&OE - This transcript is edited for factual errors. In case of any discrepancy, the audio recording uploaded on the stock exchanges on 06th August 2026 will prevail.

**MANAGEMENT:** **MR. SHUBHABRATA SAHA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – AJAX ENGINEERING LIMITED**
**MR. KETAN PENDSE – CHIEF FINANCIAL OFFICER – AJAX ENGINEERING LIMITED**
**SGA – INVESTOR RELATIONS – AJAX ENGINEERING LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q1 FY27 Earnings Conference Call of AJAX Engineering Limited. As a reminder, all participant lines will remain in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded.

Before we begin, I would like to point out this conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I will now hand the conference over to Mr. Shubhabrata Saha, Managing Director and Chief Executive Officer of AJAX Engineering Limited. Thank you and over to you, sir.

**Shubhabrata Saha:** Thank you. Good morning and a warm welcome to everyone to the Q1 FY27 Earnings Conference Call of AJAX Engineering Limited. Before we begin, I'm delighted to welcome Mr. Ketan Pendse, who joined AJAX as our Chief Financial Officer in June 2026. Ketan brings over two decades of industry experience and we're confident that his expertise and leadership will play a valuable role in driving AJAX's growth and success. Welcome aboard, Ketan.

We also have SGA, our investor relations partner, on the call. We have uploaded our financial results, press release and investor presentation on the stock exchanges and our website. I hope everybody has had an opportunity to go through the same.

The infrastructure sector is a key driver of India's economic growth, supported by government investments in highways, railways, power, irrigation, rural roads, rural infrastructure, etc. Initiatives such as the Pradhan Mantri Gram Sadak Yojana and the Pradhan Mantri Awas Yojana have improved rural connectivity and housing access, while driving demand for construction equipment. Backed by the government's longer-term focus and the requirement for infrastructure development, we remain confident of the long-term growth prospects for the concrete industry and in turn for AJAX.

Having said that, despite the healthy longer-term outlook, the infrastructure sector in the country has and continues to face certain near-term challenges. While we've had a seasonal uptick in primary volumes during the preceding quarter, that is FY26 Q4, the road bumps encountered over the last year or so in terms of actual government spending on infrastructure projects remaining well below the budgeted allocations, resulting in the slower-than-expected pace of project execution across the country, have broadly remained in place during Q1 of this year as well.

Contractors continue to experience delays in payments from some of the specific state governments, leading to cash flow constraints that dampen sentiments and reduce their appetite to place new orders and undertake fresh investments in equipment. Amidst these headwinds, we have remained focused on our three value, disciplines namely customer intimacy, product leadership, and operational excellence. We have strengthened our customer intimacy through sustained engagement, a deep understanding of evolving customer needs, robust after-sales support and service excellence.

We remain committed to product leadership. Continuous customer feedback, rigorous quality standards, and extensive field testing have enabled us to maintain superior quality, supporting our ability to command a premium over our peers. Finally, our focus on operational excellence remains unwavering. We continue to invest in design and engineering, building a robust supply chain, operating a lean and agile manufacturing footprint and maintaining a disciplined approach to cash flows and working capital management.

These four principles and the strength of our strategic [Inaudible 0:04:13] have been particularly evident in the current challenging operating environment. Our disciplined execution, prudent decision-making, agility and relentless focus on operational excellence have enabled us to strengthen our competitive position.

Our SLCM and retail market share expanded to 75.1% during Q1 FY27, increasing from about 69% in Q1 FY26 and 73.5% during the full year FY26. Importantly, this increase in market share was achieved despite the price premium of our machines versus our peers. Our performance in Q1 is a testament to the strength of the AJAX brand, our disciplined execution, our product quality, the depth and reach of our distribution network and the trust that customers continue to place in our products, technology, service capabilities, and the overall value proposition.

While Q2 is expected to remain seasonally soft, we expect customer sentiment and demand momentum to improve as we head into the second half of the year. As we highlighted previously, nearly 60% of our revenue is typically generated in H2. Accordingly, our business is best assessed from an annualized multi-year perspective.

Towards the latter part of Q1, we saw direct material costs inching upwards owing to increase in fuel and steel prices. In anticipation of these cost pressures, we had initiated several internal cost optimization measures that were originally planned for implementation in the latter part of the year.

Given the evolving input cost environment, we continue to put accelerated efforts on these initiatives, including preponement wherever possible to mitigate the impact. We are working very closely with our suppliers on both the timing and the extent of the cost increases.

Following the price increases of about 2% that we took in Q4 FY26, we are also evaluating another price hike which will be implemented in a calibrated manner, with the timing and quantum to be determined based on the prevailing market environment.

We have also continued to address white spaces in our portfolio. The UDAAN series is scaling up reasonably well. We have seen some good traction for UDAAN in Q1. We plan to drive market activation initiatives such as demos and customer meetings to drive home the value proposition of UDAAN in its targeted application segment.

We continue to drive process centricity on both coverage and conversion at dealerships to impact market share. We are planning to launch the new ARGO 4000 in Q2 FY27, which fills an important gap in our portfolio and further strengthens our product offering and value proposition. We are making encouraging progress in strengthening our non-SLCM business, building on the B2B channel initiatives introduced last year

We are actively pursuing multiple customer engagements and potential contracts, several of which are progressing well. We expect these efforts to start translating into meaningful business wins over the next two or three quarters.

During the quarter, concrete pumps delivered strong growth driven by healthy market acceptance and improved execution. Supported by a comprehensive portfolio and B2B distribution channel initiatives, we expect this positive momentum in the non-SLCM business to continue.

The spares and services business remains a significant opportunity for us and we continue to sharpen our efforts in this segment. Backed by a growing installed base, we see potential to expand. As an example in the near term, we are focusing on significantly increasing the share of AMCs. A slew of initiatives to improve the sales of spares and services business in the overall business is simultaneously also being planned.

Exports represent another growth driver for AJAX. During the quarter, we exported our first slip-form paver. We are witnessing an encouraging traction and growing customer interest across regions such as Africa and Southeast Asia, supported by the strength of our portfolio and the value proposition. While exports currently contribute a small portion of our overall revenue, we see good headroom for growth.

To drive greater operational agility and execution, we streamlined our org structure by bringing all manufacturing under a single leader. The head of our Obadenahalli plant now oversees procurement and supply chain, while services and the spares functions have been aligned with strategy and product planning to further strengthen customer excellence.

The headwinds we are currently facing are inherent to the industry. AJAX has consistently demonstrated its resilience and ability to successfully navigate transitions, emerging stronger each time. This is reflected in our track record with a decadal mid-to-high teens CAGR trajectory, underpinned by disciplined execution, operational agility, prudent financial management and a resilient business model.

We remain confident that these strengths will continue to help us navigate the current environment while positioning us for sustained long-term growth with an unwavering focus on execution excellence, operational discipline and financial prudence.

Irrespective of the external environment, our approach remains measured and long-term, ensuring that we continue to strengthen the resilience, stability and durability of our business. Our ability to respond proactively to evolving market dynamics while remaining firmly anchored to our strategic priorities have enabled us to navigate the current environment and will continue to drive us in the years ahead.

We continue to place a strong emphasis on cash flow generation and disciplined working capital management. Our return ratios have remained healthy, reflecting the quality of our business and prudent capital allocation. Our balance sheet continues to be a key source of strength with cash balance exceeding INR1,100 crores as of June 2026, providing us with ample flexibility to pursue future growth opportunities, including inorganic opportunities.

As we move forward, we remain committed to enhancing operational excellence, driving sustainable and profitable growth and creating long-term value.

With that, I would now hand the call over to Ketan to take you through the financial performance for the quarter. Thank you. Over to you, Ketan.

**Ketan Phanse:** Thank you, Shubho. Firstly, I am glad to be on board at AJAX and looking forward to partner and help steer the business through a challenging operating environment.

Coming to the financial performance for Q1 FY27, total revenue for the quarter stood at INR475 crores, registering a growth at 1.7% over Q1 FY26. SLCM revenue for Q1 FY27 stood at INR388 crores, growing marginally over Q1 FY26. This was supported by a favorable product mix and the benefit from the price increase taken in Q4 of FY26. Non-SLCM revenue in Q1 FY27 stood at around INR48 crores, growing by 6.4% year-on-year led by healthy growth in the pumps segment.

Spares and services revenue grew by 6.2% year-on-year to reach INR39 crores in Q1 FY27. Lower volumes during the quarter compared to the same quarter last year led to adverse operating leverage. EBITDA for Q1 FY27 stood at INR59 crores compared to INR61 crores in Q1 FY26.

EBITDA margin for the quarter dropped by 70 basis points and came in at 12.5%. Profit after tax for Q1 '27 stood at INR55.6 crores, growing by 5% year-on-year.

With that, I would now like to open the call for questions.

**Moderator:** We take the first question from the line of Raghunandhan NL from Nuvama Research. Please go ahead.

**Raghunandhan NL:** Good morning, sir. Thank you for the opportunity and welcoming Ketan sir. My questions are on demand. Firstly, can you provide some inputs upon state-wise performance and outlook? If I look at the Vahan data for April to July period, Gujarat, UP, Rajasthan, Odisha, Andhra have done well. With regards to these states and also other large states, how do you see the demand improvement on a full-year basis?

**Shubhabrata Saha** Thanks, Raghu. Let me take this question first. I think before we jump into that, I think it's important to mention that Q1 FY27, we deliver a market share of 75.1% and a large part of the market share is because many of our top 10 states have grown and done well.

The same market share in the same period, whether it's fully comparable or not because last year in the same quarter, we were in a state of CEV 5, though AJAX's sale in the first quarter was close to about 90% CEV 5 whereas the competition was trying to sell their old CEV 4 inventory and hence because of the pressure, there were obviously some price implications.

The important thing, Raghu, what you would have noticed that the industry registrations in this quarter came down by 27% and AJAX was down 21%. So clearly speaking, the registration levels have been lower in the quarter. I think what has worked for us is better lead management, the stability of the CEV 5 models ahead of time, and also very strong service factors that we've seen.

We have also seen that some of the key players have lost some share. For example, the second ranked player has lost share by about 4% during the quarter purely by about 0.7% and there are some gainers like Conmat and Venus.

Now jumping to your question around the state scenario. Maharashtra and MP traditionally are large states from a business point of view and these were the traditional 2 series states, which is the ARGO 2 series states. If you see our business volumes in Maharashtra, Maharashtra's a state has declined but our market share has improved. MP also, there is a significant decline in terms of the volumes, it's close to about 50% decline in terms of volumes but again our market share has improved.

We look at Karnataka, I think and let me also speak about a few states where there is an overall decline there. So for example, UP has dropped about 7%, Rajasthan about 21%, Odisha, CG at about 11% and Delhi, Haryana about 8%. But the key states where we have registered high share growth include Maharashtra , Karnataka is at about 85%, MP at about 80%. You have Gujarat at about 82%. The same Gujarat as you mentioned correctly has seen good traction.

We have seen a 40% increase in volumes in Gujarat. Our market shares have moved up from about 71% last year to about 82%. UP, we have seen similar kind of market shares as last year. Rajasthan, our market share is improved from 66% to 86% despite our volumes coming down by about 21% and if you look at Odisha, our market share is up from 61% to 88%.

So I think in terms of the overall opportunity size, Raghu, as you were talking about the demand scenario, this industry operates on an H1-H2 at a 40-60 level. Our anticipation, I will break it up into a few groups. The groups which where we see growth happening and potentially growth in the future are the states of clearly Gujarat. Gujarat is leading the way and we do not anticipate any significant shift there and I will talk a little bit about why those things are happening.

UP, there is obviously an election ahead of us. Hopefully that will lead to some amount of traction in terms of growth. We anticipate that Rajasthan, sorry Odisha will continue to grow. We anticipate that AP, given the quantum of projects and the directions that at the state and central level is working towards, will see some growth.

In Karnataka, which is kind of home state, we have seen some good traction after the political changes that have happened and we anticipate that most of it is likely to continue. Whether we see any specific green shoots in the states of Maharashtra and MP, which are high-volume states, I do not think so at this point in time and we will have to wait and watch as to how the second half of the year kind of pans out. So that would be a broad direction around some of the states.

As far as applications are concerned, which is very important to contextualize, three or four things I will call out. The first is that we've seen some trend whereas in case of PCMC and also the AMC, the Ahmedabad Municipal Corporation, they have stopped operations of batching plants resulting in both the requirements and the demand for SLCMs in these specific markets going up a little.

Rentals have gone up, particularly Gujarat and Maharashtra, we see some rentals of these products going up.

Now as far as Gujarat is concerned, between Surat to Daman in South Gujarat and in Saurashtra between Rajkot and Jamnagar region, we are witnessing fair amount of work pertaining to warehousing and industrial foundations and a lot of this is a resultant of the conversion of agricultural land into commercial land leading to some of these changes that is happening.

We are witnessing something very similar in AP, some parts in Telangana and in Rajasthan some amount of work has been initiated by SIDCO, which hopefully will start providing some results though the business volumes have come down 21%, we have improved share.

In case of Karnataka, the corridors of Mysore, Hubli, Dharwad, and Kalaburagi are areas where we are witnessing something very similar where the smaller establishments putting foundation for warehousing and industrial work is coming into play.

In MP, the Ujjain-Indore metropolitan region is seeing some traction. Having said that, in terms of pure applications, I think the traditional applications of irrigation and some of these areas are muted. Railway, bridgeworks, power, all generally muted.

But what we have seen interestingly from last year is that urban infra and building-related work, which is both commercial and residential and some part government, are largely private sector led and we've seen some decent movement upwards, particularly in the urban infra, which currently in terms of application constitutes anywhere in the range of about 15% to 20%. Similarly in the case of buildings, in the range of about 10% to15%.

So this number, which could have been in the range of about 15% to 20%, has reached towards the 35% to 40% mark, offsetting the risk that could have been there particularly from the traditional government-related aspects.

While roads continues to have a larger volume share of the business from an SLCM's perspective but I think the government impetus in terms of both rural roads and similar connectivity has not generally been very aggressive, though at this point in time road constitutes about 40% to 43% in terms of the application from our customers.

And urban infra and building in the range of about 35% to 40%. So that's about 75% to 80% of the broad business. I hope I have been able to cover most of the spaces, Raghu. If I missed out something, please do remind me. Happy to respond.

**Raghunandhan NL:** Thank you, sir. Thank you very much for the comprehensive answer. This is very helpful again. Sir, continuing on the demand side, on the non-SLCM, can you share the volume for Q1 and also you alluded that you are seeing the better outlook on a full-year basis? If you can expand on that and any new products in non-SLCM which you want to highlight?

**Shubhabrata Saha:** No, I think as far as new products is concerned, Raghu, I think we have the entire portfolio covered in terms of the batching plants, in terms of our boom pumps, in terms of our boom placers and also in terms of our concrete pumps. Here the question and the context is more about driving execution. I think if you look at it, our business volumes in Q1 FY27 is about 129 machines against the Q1 FY26 of about 153 odd machines.

Now this number may look a little lesser but interestingly what has happened is that towards the end of June, because of rainfall in certain specific markets, particularly in batching plants and in the case of boom pumps, some shift has happened and this has meant that sometime in August-September, some of these recoveries are likely to take place. That is the first part.

The second bit is related to the fact that there are some key customer wins which we did not see as much coming in the past and the B2B team has been able to open some doors. For example, large players like Ultratech, JSW, ACC, J. Kumar, where either where we were not present or not present for quite a long period of time. I think these are some of the initiatives that we are doing.

We have seen some very good movement in the case of concrete pumps vis-a-vis last year and a lot of it is also to do with some of our dealers starting to participate in these areas. Given the fact and finally I will call this out, that some of our larger dealers, given the fact that our overall volumes in the first quarter for SLCMs have been lower, they also want to take a larger share of the pie in terms of opportunities in their local markets.

Since I have visited quite a few of our larger dealers, it seems to me that there is a general and genuine interest coming from them because this will also help them to take a larger share of the pie. I hope that satisfactorily responded. If there is any question related to this, happy to take it up.

**Raghunandhan NL:** Thank you, thank you again, sir. That's very helpful again. Lastly, before I fall back to the queue, would you share the export share of revenue in the quarter? It should have gone up because of the sale of paver and how do you see the export outlook on a full-year basis? Or if you take one, two, three years, how do you see that scaling up?

**Shubhabrata Saha:** Sure. So I think 9% is the share of the export revenue in FY27 Q1, obviously as you alluded to on the sale of pavers. I think we've seen some good traction, Raghu. I think one of the drivers of our growth in the future has to be driven by exports. Even in this quarter, the shipments have improved. Obviously, the question of revenue recognition etc, will come into play. I will just call out a few things.

The first is that in the next few years, our emphasis and focus on certain key markets will continue to remain. Algeria, Morocco and Nigeria currently constitutes about 38% of our shipments that have been done. These are markets where we are witnessing repeat buying happening, particularly in the SLCM portfolio. In Nigeria, we have seen even batching plants by volume.

Currently we see SLCMs about 65% to 35% on non-SLCMs, which is a reasonably good mix to have to begin with. We have also been able to take some price increases there.

We anticipate that in the next three years, I think our business should continue to grow at a 30% CAGR, if not more, driven by some of the distribution arrangements, availability of the products, maybe sell a few more pavers into certain markets, grow certain some of our strategic markets and so on and so forth.

That's the way I would see it at this point in time, Raghu. We will obviously not take any risks as far as country risk is concerned or currency risk is concerned and be prudent about how we manage our operations in exports.

**Raghunandhan NL:** Wonderful to hear that, sir, and wishing all the best. I will fall back to the queue.

**Shubhabrata Saha:** Thank you.

**Moderator:** Thank you. We take the next question from the line of Prolin Nandu from Edelweiss Public Alternates. Please go ahead.

**Prolin Nandu**: Yes, hi team. Thank you for taking my question. Just one question I had was on the non-SLCM revenue. While in the opening remarks you said that you have high hopes on this in this year, how should one quantify it, right, given the fact that we are starting from a smaller base?

And you also talked about some rains in June, right, but how was the growth in first two months and you know what is the number since we are starting with the low base and the whole idea was to, you know, diversify our portfolio and help us navigate whatever challenges we are going through SLCM? Is it fair that you know at least 20%, 30% growth in this segment is something which we should be targeting?

**Shubhabrata Saha:** Hi Prolin, I could not understand the last part of your question.

**Prolin Nandu:** No, so I will repeat. I was saying that, in first quarter in non-SLCM, we have had a 6% to 7% growth and you mentioned that the full year should be quite healthy and there were some rains in June as well which delayed the orders. So my question to you is that, how was the growth in first two months?

And given that we are starting off from a smaller base and the whole idea of getting into this was, help us navigate or diversify our product portfolio. So that, some of the headwinds that we are facing on the demand side in SLCM can be compensated by non-SLCM portfolio. What is the growth number that you will be satisfied with at the end of the year in non-SLCM segment?

**Shubhabrata Saha:** Prolin, I think thanks for your question and I have understood it. I think the second part that you mentioned is a fairly significant assumption, and that assumption I do not think we have mentioned that it's one versus the other, right? So I think the first and foremost thing is that a proportion of some of the infrastructure-led projects is an outcome of government spending both at the state and the center, right, the large infra projects etc.

And given the fact that some of these things have been muted and many of the contractors have not been able to receive funds, obviously for a player like us, as I have cleared this out even earlier that we are not playing the price game, we would rather play the installation game even if it means that it is a little tougher to do. And we have resisted ourselves from getting into that space.

Having said that, I think we would be happy if we are able to drive the non-SLCM business on a lower base to a decent number of about 10%-15% growth over the previous year. If we are able to do that at this point in time, though we anticipate that the second half of the year could be a little bit better than the first half of the year.

**Prolin Nandu:** That's it from my side. Thank you so much.

**Moderator:** Thank you. We take the next question from the line of Parth Thakkar from JM Financial. Please go ahead.

**Parth Thakkar:** Thank you for the opportunity. Sir, we see that the SLCM volumes have been flat in this quarter and with seasonally 2Q, how do we expect the volume growth for full FY27?

**Shubhabrata Saha:** I think as I have stated earlier in the past in my interactions as well, the business has to be looked not on a quarter-to-quarter basis but if we look at it more from an annualized perspective within this business as I have explained ad nauseam that there is a 40-60 between H1 and H2.

We are hopeful that H2 will bring about some shift and change. But having said that, there are challenges that are there on the horizon, particularly on the margin front given the fact that the geopolitical environment around us and the implication of that in terms of commodity costs, in terms of currency, I think they are not going to go away anytime soon.

So I think it will be meaningful for us to look at initiatives both in terms of being able to drive the volume growth and ensure that we maintain market share as I have indicated by the state-wise breakup of the shares of business.

It is very clear that while we try and endeavor that the pound improves, but stimulus towards the pound is currently not there and in order to be able to make a breakthrough in that zone, I think we have been able to proactively drive the opportunity particularly in the building and infra where there are some private players there.

We will continue to focus on exports, we'll continue to focus on spare parts and all of this will help us to make sure that we're able to drive the business volumes as we go forward and the margins. So that's the way I look at it at this point in time. I think, if you look at for the full year, we'll wait it out and I think the second half of the year hopefully will augur for better results and that will help us to project a better volume. I think it's too early for us to make a call on the full-year numbers at this stage.

**Parth Thakkar:** My next okay, thank you for this. My next question, sir, how is the response on UDAAN and what would be our volumes for Q1 and YTD till now, how much have we sold?

**Shubhabrata Saha**: So, I think UDAAN is gaining reasonable traction despite the headwinds in the environment around us. In the first quarter, I think we did some 121 numbers for UDAAN and I think that showed up the overall volume for the SLCM category as such to almost the same as last year in the first quarter. I think last month, I think, we've seen good traction again, about 35-40 numbers have happened last month.

We anticipate that this trend is likely to continue as distribution expands. As I mentioned, our job would be to ensure that we do continuous demos, drive the value proposition along with our customers during our customer meets, and so on and so forth, that becomes an important part of gaining traction in this business.

**Parth Thakkar:** Do you have the number handy till its inception; how many units have we sold?

**Shubhabrata Saha:** So last year we sold some 202 units, this year in the first quarter about 121 units and if you add the June, July numbers, it will be close to about 35-37 numbers.

**Parth Thakkar:** Okay. Thank you, sir. Those are my questions.

**Shubhabrata Saha:** Thank you.

**Moderator:** Thank you. We take the next question from the line of Shubham Borade from ICICI Securities. Please go ahead.

**Shubham Borade:** Good morning, and thank you for getting my question. My question is given the strong cash position we have as of June 26, so are we seeking inorganic opportunities aggressively in next few quarters?

**Shubhabrata Saha:** Shubham, I think this context of pursuing inorganic opportunities as part core to our strategy and I can say that we're aggressively pursuing the same, and we would be in a position to come back to you as and when I'm very clear about where we've gone. So, we remain committed to making sure that the cash gets utilized in a prudent manner and that gives us good returns. As I've also indicated in the past, what we will not do is as clear to us as what we will do and hence we are pursuing the same in light of the guardrails that we have given ourselves.

**Shubham Borade:** Okay. That was from my side. Thank you.

**Moderator:** Thank you. We take the next question from the line of Raashi from Citi Group. Please go ahead.

**Raashi:** Thank you. Just a slightly broad-based question. So, you mentioned in the release that the second half should likely be better than the first half. But how do we, I mean, just putting a few points together that there's no real sort of predictability on what the volumes are going to be, one.

Second is that I would imagine that the steel price pressure has already kicked in, in the first quarter and you took the price increase in the fourth quarter, but there was no subsequent price increase the first quarter. So, is it going to be challenging to take that price increase going forward and lastly is how do your account for your steel, I mean, how does the steel pricing work for you is spot, is it contract? Three questions, please.

**Shubhabrata Saha:** Yes sure. So, Raashi, let me put them down in either the same order or any order that you want. I think as far as business volumes are concerned, I think AJAX is committed to ensuring that its market share is protected, right? I think there is an influence of government spending on the business and hopefully the second half of the year will augur well for all given the fact that the rainfall, which was likely to be far more muted, hasn't been as bad as that.

What was being spoken about as deficient is likely to be either below normal or very close to normal. I think these are some important factors to consider given that that would have played an important role in terms of rural cash flows as also the government spending particularly related to non-agricultural opportunities. I hope that persists and I think by August-September, mid of September, we would be having a much clearer view on how these things will pan out because that would have also had a falling at immediate impact on potential interest rates and also inflationary trends.

I think given the fact that that may not happen to the extent that what was being thought of, could potentially have a better outlook in terms of how we see the industry going through. Very difficult to call at this point in time but given the fact that there is a state election in UP which could actually provide us some quick fillip.

I think there are certain states like Gujarat, we've spoken about, Odisha, we've spoken about, states like Karnataka coming back, we've spoken about AP coming back a little bit and hopefully that will also get into Telangana. I think some of these facets will hopefully drive the potential revenues.

The second bit of the question that you had was related to your pricing context. I think I've made a statement during my speech, where I have called out that we are evaluating potential increases in a calibrated manner, keeping in mind the business environment etc and some of those actions I think we want to begin sometime in within this quarter itself. So, we understand where you're coming from and definitely this is something on the cards and on the anvil.

As far as steel prices is concerned, Raashi, I think the steel E250, E350 both have gone up. I only hope that the geopolitical situation hopefully anytime between September and November, especially after the primaries in the US could also have a direct bearing on how the steel prices pan out. You also manage this sector, so I think, some of the things that are being called out by some of the largest steel players is that there could be some softening potentially as we move ahead.

So, I hope that softening will play an important role as we move forward. As I've also spoken about in the past, I think, we did make some let's say purchases last year, but so far at these high rates, I don't think it was meaningful for us to look at any specific strategic purchase. But having said that, for certain specific products which may have some imported component etc some strategic inventory we have built in the first few months.

**Raashi:** Got it. So just to conclude from a margin perspective, how do we think about margins going into the second half and also into 2Q because 2Q is a second half? This 12.5% EBITDA margin?

**Shubhabrata Saha:** I think Raashi the second quarter will be a fairly challenging quarter and I think we're trying to see how we can manage both cost-effectiveness with a potential to increase some meaningful price increase etcetera. I think some of these things will help us to balance these numbers. Definitely 12.5%, looks challenging at this point in time from a second quarter perspective. As we move into the third quarter and hopefully as the volumes see some improvement, I think some of that will start playing out and we'll get back to the corridors of about 12.5%.

**Raashi:** Thank you.

**Moderator:** We take the next question from the line of Aditya Shroff from Bandhan AMC. Please go ahead.

**Aditya Shroff:** Yes, hi. Am I audible?

**Shubhabrata Saha:** Yes.

**Aditya Shroff:** Yes, hello. Yes, so two questions from my side. First of all, other expenses have risen by around 17% on a flat revenue line. So, I wanted to ask about that and how much of it is recurring. And secondly, so there's a close competitor, not very close, there's a construction equipment company which has grown its volume by around 17% in this quarter itself. So, I just wanted to understand like is this a customer segment issue for us or rather than an industry issue?

**Shubhabrata Saha:** Yes, I'll just take the second part of the question and I'll let Ketan respond to the first part of your question. I think the company that you're alluding to there are only two listed companies in this space, so ACE and Escorts. I think both of them play in the larger P&C segment, which is the pick-and-carry crane. And the pick-and-carry cranes, I think because of the nature and types of things that they're doing, I think that segment has certainly seen a very strong movement.

As far as the SLCM broad base is concerned, as I've indicated in the first quarter, the industry registrations were down 27%, AJAX was down 21% and therefore the improvement in share. So, I think we can do what we can control and definitely can't do beyond what is not in our control. Ketan?

**Ketan Pendse:** Yes, on the other expenses part. Am I audible?

**Shubhabrata Saha:** Yes, you are audible.

**Ketan Pendse:** Yes, on the other expenses part. You know, primary two reasons. There is increase in the freight outward cost which comes on account of two reasons. Overall, due to the increase in diesel prices as well as export business, we see an increase in marginal freight outward cost.

At the same time, we are also undergoing migration from SAP ECC 6 to SAP HANA. So that's the cost which is coming in the books for this year to the tune of INR16 million. So, these are the only two primary reasons why we see an uptick in the other costs.

**Aditya Shroff:** Okay, got it. Just one thing to inform, there is a lot of echo in your voice throughout the call. So, if you can just check.

**Shubhabrata Saha:** No, are you the only person who's facing this echo or there are other people also facing the echo?

**Aditya Shroff:** No, I think I'll have to check again, but there was a lot of echo throughout the call. So maybe you can check again.

**Shubhabrata Saha:** I think we'll have to leave it to the call organizer. We have no control over echo in the call.

**Aditya Shroff:** Okay, sure sir.

**Moderator:** Thank you. We take the next question from the line of CA Garvit Goyal from Serene Alpha Analytics LLP. Please go ahead.

**Shubhabrata Saha:** Before you get onto the call, the call organizer, there is feedback that has come through from the participants on the call that they're hearing echo on the other side. Can you just check at your end because we are getting very clear voice from people who are speaking to us.

**Moderator:** Sure sir, I'll make a note of that and I'll check on my end as well. Garvit, you can please continue. Thank you.

**Garvit Goyal:** Hello, audible?

**Moderator:** Yes Garvit, you are audible. Please go ahead.

**Garvit Goyal:** So good morning, sir. So, I have one question on growth trajectory. In last two years, we have not able to grow in terms of revenue and even our margin fell down from the level we used to report at the time of IPO. I understand the macro problems were there but can you help us to understand when do you see ourselves come out of it or there are some other structural issues too in terms of demand because I'm seeing the PB adoption is rising now. So, it is affecting the industry structure on negative side. So, can you help us to understand?

**Shubhabrata Saha:** I'm not able to follow the last part of your question at all.

**Garvit Goyal:** Am I audible, sir.

**Shubhabrata Saha:** You are audible but your voice seems to be muffled.

**Garvit Goyal:** Hello, so I want to understand, sir, that macro problem is there, but can you help to understand when do we ourselves to see coming out from that or there is some any structural issue, sir?

**Shubhabrata Saha:** No, I've understood. I think first and foremost let me call this out that AJAX has demonstrated strong growth if you look at the last decade, 10 years, 12 years etc. You start from 2014 up till 2026, AJAX's CAGR, revenue CAGR is in the order of about 16%-17%. So, there is no reason to believe that AJAX will not put up a strong performance over a longer period of time. That's the first call out.

The second call out is that there is cyclicality inherent within the industry. Now in a cyclical industry, how sharply you're able to come out of it and grow faster than your peers during the time when the business environment is strong, have we demonstrated that in the past? Answer is yes. Just to give you a very clear example, during the period of COVID, three years the company revenues fell to about INR750-INR760 crores thereabouts from the highest in 2019 at about INR1150 crores.

Given the company's asset-light lean business model, the lower breakeven points, the benefit of operating leverage etc accrued to us when AJAX grew at 36% whereas the industry, the broad construction machinery industry grew at 26% CAGR between the three years of 23, 24, 25. So clearly, we have a base in place.

The third is that in the near term, I think the impact is coming through from multiple sources which is affecting the demand. But AJAX has been able to ensure that even in this tough environment, the management of market share and the management of cost and working capital is something that it has demonstrated consistently.

So, all of these three scenarios are going to be something that from an execution perspective that AJAX is going to drive home day in day out, and as the demand scenario let's say improves, definitely there will be a positive swing to what we are seeing at this point in time.

Having said that, we have cash on the books, the ammunition is something that we would like to utilize and make sure that if we find an asset of significance, we will pursue and I'm saying this that we're currently pursuing certain opportunities and as and when the time is right, we can come back to you.

**Garvit Goyal:** Okay.

**Moderator:** Garvit, I would request you to please join back the queue for follow-up questions. Thank you. We take the next question from the line of Parth Thakkar from JM Financial. Please go ahead.

**Parth Thakkar:** Thank you for the opportunity again. Sir, as you mentioned that Q2 would be very challenging. So, can we expect the full-year margins to be around 12%?

**Shubhabrata Saha:** I have indicated that to get to 12%, 12.5% will be challenging in this quarter at this point in time. It's too early for me to say what's going to eventually pan out, but definitely 12% looks challenging.

**Parth Thakkar:** Okay. Thank you and yes, sir, the voice was very muffled throughout the call.

**Shubhabrata Saha:** I think, I would recommend SGA, Tanay and the agency which is doing this call to please check at your end. You want us to reconnect, do whatever to ensure because we are almost about 45 minutes down the call. Somebody should have pointed this a long time ago. We are able to hear mostly you guys fairly clearly.

**Moderator:** Sir, from our end, everything is fine, sir and your audio is coming in loud and clear for us.

**Shubhabrata Saha:** Okay, we'll live with it then.

**Moderator:** All right. Parth, you can proceed. Thank you.

**Parth Thakkar:** That was my only question. Thank you.

**Moderator:** Thank you. We take the next question from the line of Sanyam Shah from Solidarity Advisors. Please go ahead.

**Sanyam Shah:** Hello, am I audible?

**Shubhabrata Saha:** Yes, you are.

**Sanyam Shah:** Yes, thank you for the opportunity. My question was on margins. If I take a slightly longer-term view, do you think we can get back to 15 odd percent EBITDA margins over next couple of years and what gives us confidence we can get there?

**Shubhabrata Saha:** I think from the core side of the business, I think let's look at two or three scenarios. First is the demand improvement and whenever we see demand improving and we've seen that happening in the fourth quarter of last year when life was completely down and out. If you look at the first three quarters of last year our margins were where they were, but in the fourth quarter we were able to prove that we were about the 15% mark even in the fourth quarter of last year.

So clearly stating that whenever there is an upswing in terms of the demand scenario in this industry, I think AJAX's ability for its premiumization at the price point level, I think has been demonstrated and I think from an operating model, I think the asset-light lean business model throws up that opportunity from an operating leverage point of view. So that is the first part.

On a general basis, I think we've called this out that for the longer term, the 13% to 15% corridor is something that we are very clear about that we will endeavor to make sure that as demand comes back to the economy, that should play. As far as prices are concerned, I have also indicated that our endeavor is to make sure that we are able to do calibrated price increases in the demand environment that we are living in. I hope that answers your question.

**Sanyam Shah:** Yes. And sir, you also talked about some cost reduction initiatives in the previous quarter. Can you just throw some light on that and where do we stand on those initiatives currently?

**Shubhabrata Saha:** No, I think this is a year-on-year action and activity, not something that we do only for this quarter and so on and so forth. This is an activity that we're pursuing every quarter because cost management and working capital management is central to the thought process of how we prudently manage our financial management and hence every year we take up opportunities in terms of design and engineering, in terms of supply chain, and in terms of the overall procurement opportunities that may be provided to us.

And I think in the last three years some of those initiatives have helped us manage these cost structures very well. Similarly, during the time of the transition period between CEV 4 to CEV 5, which happened the last fiscal and before that, I think the efforts that were taken up from design and engineering, supply chain, etc, has helped us to contain the direct material cost implications.

Similar kind of exercises are being currently carried out. Wherever there is a feasibility to see that there could be considerations along design and engineering and supply chain. I mean, I will definitely not be in a position to call out specifics in this because they're too central to what we do. And hence our efforts are ongoing, and will continue as we move forward as well.

**Sanyam Shah:** Okay. That's all from my side. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, in the interest of time, we'll take the last question from the line of Rahul Kumar from Vaikarya Investment Management. Please go ahead.

**Rahul Kumar:** Yes hi, sir. Can you just repeat the state-wise commentary which you had given in the first question? Actually, it was not very audible. If you can just repeat that, that will be good.

**Shubhabrata Saha:** Yes, is it audible now if it was not audible earlier?

**Rahul Kumar:** No, I think you were not audible during that reply to the first question only. I think after that it was audible.

**Shubhabrata Saha:** I'm very surprised because Raghu who was on the call heard it loud and clear because that was his first question. Yes. So, I'm not able to understand whether my voice is reaching you now and it was not reaching you earlier when Raghu heard it.

**Rahul Kumar:** I think this is loud and clear now.

**Shubhabrata Saha:** Okay, fantastic. So, I think something has changed suddenly. Okay. I was mentioning about the top 10 states in which I spoke first about the states which are high-volume states but have not done very well, and this is Maharashtra and MP where both the execution of projects and money back to contractors hasn't happened. But despite that, I think we've been able to improve market shares in both Maharashtra and MP.

We see some good traction happening in Karnataka after the change in political guard. We've seen good improvement in market share as well as the volume growth happening in the market. AP is also growing well in the Southern markets. We've seen very good traction in the State of Gujarat including the improvement in market share from about 71% to 82%.

We've seen Rajasthan decline a bit in terms of volumes but I think market share has improved from 66% to 86%. Odisha with a growth, our volume growth has been 13% but our market share growth has moved up from 61% to 88%. In case of CG where there's been a volume decline of about 11%, the market share has grown from 73% to 91%. Hope that helps.

**Rahul Kumar:** Yes, yes, yes. Understood, understood. Just for the state of Maharashtra and MP, I think we have had this issue -- I mean concerns for past couple of quarters. So, can you just help us understand when did this issue started? I mean which quarter of let's say FY26?

**Shubhabrata Saha:** I think it's not -- I think it's been there for larger part of the full last year. I'll just give you a context. Two years ago, if you look at the volumes, last year the volumes in the State of Maharashtra were in the range of about 430 odd numbers if I'm remembering my numbers correctly.

But the year prior to that, the Maharashtra numbers were in the range of about 900 plus and a year prior to that it was about 750 odd. So, 750, 950, 430-440 type of numbers have happened in that state. So clearly after the full year of last year Maharashtra was muted.

**Rahul Kumar:** Understood. Yes, that's all.

**Moderator:** Thank you. Ladies and gentlemen, with that we conclude the question-and-answer session. I now hand the conference over to the management for their closing comments.

**Shubhabrata Saha:** Thank you all for joining us on today's call. We hope we've been able to address all your questions. For further queries and clarifications, please feel free to connect with us or SGA, our investor relations partner. Thank you once again.

**Moderator:** Thank you, sir. On behalf of AJAX Engineering Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.