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AJAX ENGINEERING LIMITED
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Date: November 14, 2026

To,

BSE Limited,
20th Floor, P.J. Towers,
Dalal Street,
Mumbai - 400001.
BSE Scrip Code: 544356

National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
NSE Scrip Symbol: AJAXENGG

Subject: Transcript of the conference call with Analysts/ Investors held on November 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 Friday, November 6, 2026 at 02:30 p.m. (IST), on the financial results of the Company for the quarter and half year ended September 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: 2026.11.14 11:30:05 +05'30'

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

"AJAX Engineering Limited

Q2 & H1 FY27 Earnings Conference Call"

November 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 NOVEMBER 2026 WILL PREVAIL.

MANAGEMENT: MR. SHUBHABRATA SAHA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – AJAX ENGINEERING LIMITED
SGA – INVESTOR RELATIONSHIP ADVISORS – AJAX ENGINEERING LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Ajax Engineering Limited's Q2 and H1 FY27 Earnings Conference Call. 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 the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be 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 an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

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

Shubhabrata Saha: Thank you. Good afternoon, all, and a very warm welcome to everyone to the Q2 and H1 FY27 Earnings Conference call of Ajax Engineering Limited. Along with me, I have SGA, our Investor Relations Partner, on the call. Our financial results, press release, and investor presentation have been uploaded on the stock exchanges and our website. I hope everybody has had an opportunity to go through the same.

Infrastructure remains a fundamental driver of India's economic growth. Investments across highways, railways, power generation and transmission, buildings, urban infra, irrigation, roads, etc, continue at a steady pace, notwithstanding periodic short-term slowdowns. The growing scale and complexity of infrastructure projects, coupled with an increasing focus on precision, efficiency, and productivity, are driving sustained adoption of advanced construction and concreting equipment.

As a leading player in the concreting equipment space, Ajax is strongly positioned to capitalize on this structural opportunity, leveraging its established brand equity, extensive distribution network, and comprehensive product portfolio to participate in India's long-term infrastructure-led growth journey.

Having said that, it is important to recognize that certain segments of the infrastructure sector have been experiencing near-term headwinds, resulting in temporary delays in project execution and a moderation in the pace of investments. Government spending on infrastructure projects, more particularly by some state governments, has been below budgeted allocations, resulting in this slower pace of execution.

Contractors in some key states continue to experience delays in payments from the respective state authorities, leading to strained cash flows, dampened sentiment and reduced appetite to undertake fresh investments in equipment.

While we have seen good volume growth in Gujarat, Chhattisgarh, Karnataka, Telangana, Andhra Pradesh and Uttar Pradesh, it has been offset by the softness of the industry in Maharashtra, Rajasthan, Madhya Pradesh and Bihar. Meanwhile, rising steel prices and other costs of crude-linked commodities have driven a sharp increase in raw material costs, prompting several suppliers to seek price revisions.

Consequently, our overall raw material cost increased by close to mid-single digits during H1 FY27. In response to these headwinds, we have been implementing measures that we believe will best position us to navigate the evolving external challenges.

With infrastructure development in urban regions progressing steadily, we are increasingly targeting private sector projects to expand the range of applications and use cases for SLCMs. In parallel, we are accelerating the scale-up and market penetration of our UDAAN series with the objective of driving wider adoption and democratizing mechanization across the country.

We have received a very encouraging response to the UDAAN Series since its launch. We are continuing to drive market activation through product demonstrations and customer engagement initiatives to reinforce its value proposition. At the dealership level, we remain focused on strengthening process centricity across customer coverage and conversion.

We are also nearing the launch of our ARGO 4000. In fact, it has already been launched. It will address an important gap in our SLCM portfolio, further broadening our product offering and strengthening our overall value proposition. Second, over the past year or so, we have made significant strides in expanding our non-SLCM business.

Building on the B2B channel initiative introduced last year, we are actively pursuing multiple customer engagements and contracts, several of which are progressing well. We are leveraging our brand equity and extensive distribution reach to deepen our market presence and increase market share, with a particular focus on batching plants and pumps.

We expect these efforts to translate into a steady growth trajectory for the non-SLCM business in the coming years. Third, our focus on operational excellence remains unwavering. We continue to strengthen our design and engineering capabilities, build a resilient supply chain, and drive lean, agile, and efficient manufacturing operations.

In response to the sharp increase in raw material prices over the past few months, we are pursuing a range of initiatives to optimize our cost structure and improve operational efficiencies. These include diversifying our supplier base and actively engaging with alternate vendors to secure more competitive procurement terms. To drive greater operational agility and better execution, we have streamlined our organizational structure by bringing all manufacturing under a single leader.

The head of the Obadenahalli plant has now moved to procurement and supply chain, while the services and spares function have been aligned with strategy and product planning to further strengthen customer excellence. Following the price increase of around 2% that we took in Q4 FY26, we have taken another price hike of around 1% in September and will

continue to evaluate further pricing actions in a calibrated and phased manner over the coming quarters.

Lastly, we remain firmly committed to disciplined cash flow generation and prudent working capital management, with a clear focus on maintaining a healthy balance between growth, profitability, and cash generation. We continue to maintain a strong cash position of nearly INR1,150 crores, providing us with the financial flexibility and firepower to capitalize on attractive growth opportunities as they arise.

These initiatives, underpinned by our core guiding principles of disciplined execution, operational excellence, and prudent financial management, have been particularly critical in navigating the current challenging operating environment. Our proactive approach has enabled us to effectively respond to external headwinds, reinforce our competitive positioning, and build a strong foundation for the future.

Our SLCM retail market share increased to 75.5% in H1 FY27, representing an expansion of approximately 480 basis points over the 70.7% in H1 FY26 and 200 basis points over the average FY26 number of 73.5. Notably, this market share gain was achieved despite our machines commanding a price premium over competing products, reflecting the strength of our brand and the enticing value proposition.

Exports represent another growth driver for Ajax. We are witnessing encouraging traction and growing customer interest across regions such as Africa and Southeast Asia. Export revenue grew by 47% on a year-over-year basis in H1 FY27. While exports currently contributes a small proportion of our overall revenue, we see good headroom for growth.

The ongoing headwinds are inherent to the industry and Ajax has consistently demonstrated its ability to navigate such cycles and emerge stronger. Our track record of delivering a mid-to-high teens CAGR over the past decade reflects the resilience of our business model, disciplined execution, and operational agility.

We remain confident that these strengths, coupled with measured long-term approach and prudent financial management, will enable us to navigate the current environment while sustaining our growth trajectory. We expect customer sentiment and demand momentum to improve in the second half of the year. As we have highlighted previously, around 60%-65% of our annual revenue is typically generated in H2. Accordingly, our business is best assessed from an annualized and multi-year perspective.

We remain firmly focused on cash flow generation and disciplined working capital management, with healthy return ratios reflecting the underlying quality of our business and prudent capital allocation. Our balance sheet continues to be a key source of strength, with a cash balance of nearly INR1,150 crores as of September 26, providing significant financial flexibility to capitalize on future growth opportunities, including strategic inorganic opportunities.

I will now take you through the financial performance for the quarter and half year ended 30th September. Speaking of the quarterly performance, the total revenue for Q2 FY27 stood at

INR487 crores, registering a growth of 9.5% over Q2 FY26. Growth was driven by both volumes and prices. SLCM revenue for Q2 FY27 stood at INR395.8 crores, growing by 5.9% over Q2 FY26, driven largely by volumes. Benefits from the price hike taken recently in September will start reflecting from Q3 FY27.

Non-SLCM revenue for Q2 FY27 at INR55.8 crores has shown a robust 64.7% over Q2 FY26. Growth was led by concrete pumps, batching plants and boom pumps. Spares and services revenue for Q2 FY27 stood at INR35.4 crores, falling by 4.7% on a year-on-year basis. Despite the increase in raw material cost, the gross margins for Q2 FY27 improved marginally by about 20 basis points on a year-on-year basis, supported by the price hike.

EBITDA, therefore, for the quarter grew by 13.7% on a year-on-year basis and came to INR51.5 crores, while PAT grew by 30.4% and came in at INR50.9 crores, coming to the half-yearly performance, the total revenue for H1 FY27 stood at INR961.5 crores, registering a growth of 5.5% over H1 FY26. Growth was driven by volumes as well as price.

The SLCM revenue for H1 FY27 stood at INR783.5 crores, growing by 3.3% over H1 FY26, supported by a 2.5% volume growth, as well as the benefit from the price increase taken in Q4 FY26. Benefit from the price hike taken in September will start reflecting from Q3 FY27. As highlighted earlier, our market share in H1 FY27 has improved to 75.5% compared to 70.7% in H1 last year.

The non-SLCM revenue for H1 FY27 stood at INR103.5 crores, reflecting a robust growth of 31.5% over H1 FY26. Growth in the non-SLCM business was led largely by pumps. Spares and services revenue at INR74.6 crores in H1 FY27 was largely stable compared to the same period last year. The impact of higher raw material cost was largely offset by price increases, resulting in a marginal improvement in gross margins.

EBITDA for H1 '27 stood at around INR110.6 crores, growing by 3.7% over H1 '26. EBITDA margin for H1 '27 came in at 11.5% compared to 11.7% in H1 '26. Profit after tax for H1 FY27 stood at INR106.5 crores, growing by around 16% on a year-on-year basis. On the balance sheet front, the cash and cash equivalents stand at INR1,151 crores, Working capital cycle continues to be maintained at a healthy 22 days. ROCE and ROE for H1 are at 19% and 14% respectively.

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

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Vaibhav Shah from JM Financial. Please go ahead.

Vaibhav Shah: Yeah. Hi, sir. Sir, you mentioned that we are expecting some improvement in demand in the second half of the year. So, have we seen some signs, early signs so far in October and November?

Shubhabrata Saha: I think we spoke about the growth that we are seeing in some of the larger markets. For example, if you see, in terms of the unit growth between on a year-on-year basis in the state of

Gujarat, Karnataka, Uttar Pradesh is bracing up for elections as we go ahead. We are given to understand that the Uttar Pradesh government is already in the process of putting together some contracts of small value totaling up to INR2,000 crores for CC roads.

Hopefully, that will come, but that will involve both batching plants as well as SLCMs. The good news is that Uttar Pradesh government is also putting in place a circular which puts SLCMs and batching plants in tandem to be used for making these roads as opposed to the manual mixers in the past. Hopefully, Andhra will live up to its billing, and Telangana and Rajasthan, these are the growth driver states.

The challenges, Vaibhav, continue to remain in the states of Maharashtra, Madhya Pradesh, largely because this is where the pending contractor payments have been quite significant. If you hear what's been going around, especially for contractors fighting for the money to come back, there have been calls to all and sundry in the government in Maharashtra. In fact, in one day, we don't know how many calls, but we are given to understand that all contractors actually lined up to speak to everybody in the government.

Vaibhav Shah: Got it. So sir, any number which we're targeting in the second half?

Shubhabrata Saha: I think two or three things we must remember. I think the first piece is that there is, as you know, a 40/60 between H1 and H2. We hope that the demand drive continues to be strong in the top few markets that we've spoken about. You know that the top 10 states contribute close to about 78% of the total SLCM volume.

Of these, the two large ones, which is essentially Madhya Pradesh and Maharashtra, have to do their bit, while the others are holding up. These are the states where I think things need to improve a little bit before we kind of get there. I think the other aspect is also the context of how margins shape up given the commodity costs. We anticipate, based on everything that we've heard so far, that the steel is only going to go up further.

That could have a dampener on the margins going forward. I think in a balanced method, I would only say this, that we would definitely like to see ourselves in a strong position at the end of the year with close to about double digits.

Vaibhav Shah: Okay. Sir, lastly, in terms of margins, we have seen how the first half has been. Can second half also be similar in terms of margins, similar to first half?

Shubhabrata Saha: On the day of Dhanteras, I would like to say that may whatever you say comes true.

Vaibhav Shah: Okay. Got it, sir. Okay. Thank you.

Shubhabrata Saha: It will be a challenging task, Vaibhav. I am only saying this because we do not know the trajectory of how the commodity cycle and up move happens, particularly in the area of steel, aluminum, how the forex plays out, and so on and so forth. We have just come out of a midterm election in an important part of the world, which could actually have implications in the way things pan out. I hope some sanity prevails around the geopolitical arena, which has a direct bearing in the way things shape up.

Vaibhav Shah: Okay. Sir, lastly on UDAAN. How has been the demand for UDAAN, and what is the volume in Q2 and year-to-date? Or is it save first half ?

Shubhabrata Saha: Yeah, the first half volumes, I think two or three things. First is that there are 20 states now that have started selling UDAAN, and six new states have got added in H1. Last year, I think we had a base volume in H1 of only about 49 units. That in H1 has gone to about 216 units.

So, I think the concentration of the business that was happening in a few states is only beginning to improve as we speak. Because we started UDAAN in the state of Uttar Pradesh to begin with, which has now become a slightly smaller share given the fact that the expansion has taken place geographically.

Vaibhav Shah: Okay, got it. Thank you, sir. Those are my questions.

Moderator: Thank you. The next question is from the line of Raghunandhan NL from Nuvama Research. Please go ahead.

Raghunandhan NL: Congratulations, Shubhabrata, sir, on strong results. Wishing you a very happy Diwali. Sir, my first question, on the demand side, one of the area of effort you mentioned is the focus on the private sector projects. Can you throw a little light on what has been the effort?

How are you seeing the scale up? Where will we be currently in terms of the share of business from private sector in our revenue currently, and what will you be happy to see that share going in future?

Shubhabrata Saha: Yeah, sure. I think thank you first of all, Raghunandhan, for your good wishes. I heartily reciprocate the same to you and your family. I think if you look at first the broad sense of where we stand, right? Roads used to contribute, I am going to give you three-year trends, and I am also looking at FY27 on a YTD basis.

Roads used to be, in year '25, 70% of the application mix for our business, which is Ajax's business. In FY26, it came down to 67%, and on a YTD basis in FY27, it is at about 40%. Now, you would ask what is changed, right? If you look at it, as you rightly pointed out, the more private space of building and urban infra, which was only 13% in FY25, has moved up to 15% in FY26, but moved up very sharply this year to about 39% on a YTD basis.

Now, obviously, we understand that state capex slowdown, cash flows back to contractors, new projects not coming in, contractors not wanting to take fresh orders, and so on and so forth, obviously leading roads to a slowdown. But if I look at the top 10 states, the interesting bit is that nine out of top 10 states have grown in share for us, market share. But the better part of it is that six of those top 10 states actually show equal to or higher than 39% that I just spoke about.

And in all of those states for building and urban infra, we have a share growth. Just to give you a sense of what that is, I will also share with you some of the top 10 states and the application-wise kind of scenario. Just give me one second. I will just pull that together and share with you.

If you look at it, Gujarat, in terms of factories, buildings, and urban infra, is close to about 50% right now and that is also driving both our share and volume. Uttar Pradesh is at about 23%. Maharashtra, partly driven by the markets of Pune, Nashik, Ahmednagar, etc, are at about 50%-55% kind of a range.

Rajasthan is at about 29%. Karnataka has moved up very sharply, largely driven by urban infra, which is essentially layouting. 9% coming from factories, buildings, and 47% coming in from urban infra. Madhya Pradesh is at 19% and 35%, which makes it about 54%. Chhattisgarh is at 24%. Odisha is less. It is at about 2%. Andhra Pradesh, 17% in factories and buildings, and urban infra at about 27%, that makes it 44%.

Telangana, interestingly, factories and buildings at about 47%, and 18% coming in from urban infra. I think that gives you a sense of how things have shaped up in all of these markets. Good for us that as the applications in the private has grown, so also has share. This I am talking for six states where the share of business or share of applications between factories, buildings, and urban infra is more than 39%, which is the national number that I have talked.

Raghunandhan NL: Thank you, sir. Very helpful. We recently had a visit to a Butch factory where the expansion was happening using the Ajax SLCMs. Sir, my second question, on the non-SLCM side, the INR55 crores revenue is a very strong number when I am looking at any of the quarters in the first half in the past.

You said multiple triggers, pumps, batching plant, boom pumps, all of them helping. Can you indicate specifically in terms of products, would pumps and batching plants be the driver ahead? Would you also see some revenue coming in from paver? Also, which markets are helping growth? Would you expect an outsized growth to continue in non-SLCM?

Shubhabrata Saha: Yeah, sure. Last year we started a project actually of dealers starting to get more and more involved in the non-SLCM business. We felt that one of the products that will be very simple to kind of deliver is something like concrete pump. It is very standard as a product. It is a fill it, shut it, forget it kind of a scenario.

Dealers find it very easy to peddle it like any other machine or whatever. Hence, because of the lower complexity, less number of SKUs, and easier to sell, we started expanding on it, and we said that dealers should start driving this, given the fact that a large part of India is actually using this for high-rise construction.

To just share with you that we got some decent enough success, and today, a large proportion of that growth that is coming in is also being delivered through the concrete pumps. 62 out of 68 dealers have had a chance to sell at least one pump. That expansion is a very powerful way of addressing it. I can also say this, that about 12-15 dealers are ones that have started getting into this act across the spectrum, which means concrete pumps, boom pumps, batching plants.

Concrete pump and boom pump are slightly more similar in nature. The boom pump is a slightly more complex one. As far as batching plants is concerned, we are seeing some traction across some of those dealers that I just mentioned in the 20 and 30 cubic meter because that is easier for them to sell.

What we are working on is to simplify the process of making sure configuration, standardization, commercial scope, service and parts, etc, driven in such a manner that that also becomes an important part of the portfolio going forward. I think dealer-driven angle in this is also playing an important role in making some of these things happen.

On another front, I must say this, that because fact that in many of the markets, the SLCM revenue growth, volume growth, etc, has been challenged by capex and so on and so forth at that level. I think many of this finds opportunity in the private sector. Clearly, that is an important opportunity that dealers are seeing.

Second, I think they were letting go as they needed that confidence, capability, etcetera, that has now slowly started establishing. I think these are some of the drivers that we see that have helped us. You asked a question around paver. We are working on something. I cannot comment on when it will happen, but I am very hopeful that something may turn out even in that regard as we move forward into the year ahead of us.

Raghunandhan NL: Wish you all the best for that, sir. On the other expenses side, there was a one-time item, SAP implementation cost in the quarter. How big was it, sir?

Shubhabrata Saha: 16.

Raghunandhan NL: Okay. Understood, sir. The export share was 9% in Q1. How much was it in Q2?

Shubhabrata Saha: Raghunandhan, you can ask another question. I am just scrolling through it, so give me a second.

Raghunandhan NL: Yeah. Thank you, sir. So, in terms of the commodity inflation and the product mix, so on a quarter-over-quarter basis, the raw material to revenue, the gross margin has changed about 200 basis points. Would that be majorly because of commodity? Would there be any product mix impact also because non-SLCM went up 17% quarter-over-quarter?

Shubhabrata Saha: I think you are right in your thing, but the largest proportion of our business continues to be SLCMs at about INR487 odd crores is revenue that came in from SLCM. So clearly, that has a much larger impact. So, from that perspective, I think I would only limit it to the fact that the larger role has been played by the commodity increase.

Moderator: Mr. Raghunandhan NL? As there is no response, we will move on to our next question from the line of Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar: Hi, good afternoon, sir. Wish you a very, very happy Diwali. My first question is on what explains the weakness in spares and services? I think we are looking to improve the trajectory. Can you just help us understand what we are doing to improve the growth rate, especially in the spares and service area?

Shubhabrata Saha: Yeah. Mohit, good question, and I am equally concerned as you are. I think there are two, three facets. One is that the machine running hours has come down by about 25% over the previous year. If you look at the way Ajax has delivered in the last three years, I think about

INR100 crores or INR105-odd crores in FY24, prior year, closer to about 90 crores, FY25 at about INR140 crores, and last year at about INR150-odd crores.

I think we have seen a good trajectory, and typically spares has been about 8%, 8.2%, 8.3% of our top line. I would want to get there as soon as we can. I think the machine running hours is a direct correlation to the use of spare parts. On the other front, on the flip side, I think our car park has also improved in the last three, four years. That alone cannot be the reason as to why we are there where we are.

I think we are working towards making sure that there is much greater accountability in driving some of this on both fronts, on supply chain front, availability front, at the dealer unit front, and so on and so forth. I think those are actions that are being taken to ensure that we can claw back to levels that we would aspire for as far as spare parts business, sir.

Mohit Kumar: Understood, sir. My second question is on what is selling in the export market as of now, and what are you doing to increase the product basket which you can potentially export to the other countries here?

Shubhabrata Saha: Sure. I think as far as exports is concerned, I think the mix is better than domestic in the sense that 65% comes from SLCM, 35% comes from the non-SLCM portfolio. That is number one. Number two is that clearly suggests that there is a much greater expansion in terms of the range of products that we sell in the export market.

The second piece is the fact that in key markets like the African continent, I think we have established ourselves much more firmly in some of the larger markets like Kenya, Nigeria, and Algeria, which today constitute about 40, 42% of our business volume, which bodes well for us. Point number three is that we are targeting to get to South Africa sooner than later, and that could become a very important beachhead for us in terms of market expansion.

Finally, we are also evaluating what can we do to drive our business opportunity in a market like South America, particularly the LATAM countries, excluding Brazil for now, because Brazil requires certain specifications in terms of being able to put up a plant there, and localization is a very large order in Brazil. Non-Brazil location is something that we will look at in terms of market expansion also.

Mohit Kumar: Understood. We were selling, I think we sold a few pavers earlier in the export market. Is the paver sales, are you hopeful that you will be able to sell more in the next few years? Do you think that this.

Shubhabrata Saha: No. I think, as I was mentioning, I think even this year, we are very strongly actioning efforts to make sure that we can get at least one more paver. Paver is a small market, and I think it is important to have units across in various markets in the world. As you would imagine that we sold a paver in Russia, we sold a paver in Gabon, we sold a paver in Saudi Arabia.

I think expansion into certain countries, keeping the product in, getting the feedback, making sure things have happened, I think those are things that are happening on the ground, and I am hopeful that that will come through successfully.

Mohit Kumar: Understood. My last question, sir, have you taken enough pricing action to protect our gross margin for whatever inflation we have seen in the past few months?

Shubhabrata Saha: Yeah. I think the first price increase that we took ahead of the industry was 2% in the fourth quarter. Following it up, both the price, the commodity price increases, the forex, and also the fuel prices had a direct bearing in terms of the price increases that we had to face, which was about 3% in the first half of the year itself.

Obviously, it required a certain redressal, which we've done with a 1% price increase coming in in the month of September, and another 1% that has been taken in the month of November. But please understand that in this industry, it's never easy because certain deals have already been done at certain prices.

It takes a certain lag effect in being able to effect this in full terms. Also there is an impact on the dealer margins, but I think we've taken that decision, and we have another decision to make another 2% price increase coming up in the fourth quarter.

Mohit Kumar: Okay. That should be enough. That's enough to take care of the inflation which you have witnessed in recent past. Is that right?

Shubhabrata Saha: I think it's anybody's guess because we don't know how steel and other commodities are likely to move. Our impression is that that move could be in the range of 2%-3%. How much of it pans out, whether there is any softening given the geopolitical situation arising out of what has happened in the U.S. recently, we don't know what is going to happen, but we'll have to work on it and pivot the way it moves.

Mohit Kumar: Understood. Thank you .

Shubhabrata Saha: Steel prices have gone up quite significantly. The steel price has gone up from INR58 per kilo to close to about INR70 per kilo as we speak. INR68 was the last program. There is an anticipation that that number will go up closer to about INR75, INR76. But these are things, we can only work on them and keep responding to them as we arrive.

The only thing that we could have done, what is in our control, is to make sure that we buy steel at a certain price, make sure that we provide the inventory at the right price, and then take advantage of that. We've seen that happen successfully in the first half of the year.

Mohit Kumar: Understood, sir. Thank you and all the best. Thank you.

Moderator: Thank you. The next question is from the line of Lakshminarayanan K G from Tunga Investments. Please go ahead.

Lakshminarayanan K G: Yeah. Thank you. I have one question. Ajax has built an incredible market presence in concrete machinery and the tower contractors look to deal with projects. They like to reduce concrete wastage. They want to improve their uptime. There is a huge opportunity to move from supplying machinery to delivering turnkey concreting solutions.

I just want to understand how Ajax is approaching things like smart telematics, lifecycle management, site-level consulting, to actually lead this shift to move from a more a machinery maker to a complete solution provider, who are providing concreting solutions, trying to optimize and create a win-win scenario for the ecosystem you are in. I would love to hear your thoughts?

Shubhabrata Saha: No, sure. Thanks for that question, Lakshmi. As always, very thoughtful and very insightful as a question. I think the direction that the company will take in the future, and it is a stated purpose within our organization, that we have to lead both thinking and execution the way we address ourselves in the concreting market. There are places that we would like to play, and there are places that we won't.

And hence, it is a choice of where to play and how to win in each of those segments and categories. As far as telematics is concerned, we have options with telematics, and we also have options without telematics. The thing is that, is some of that really playing out, and is that a big driver for volumes and so on and so forth? I think in certain markets, certain type of customers, we do see some traction.

In an ideal world, we would like to see more and more connected machines and so on and so forth. I think the larger bit of the question that you are wanting to ask, as far as concreting solutions, particularly in the context of consulting that you mentioned, I think it is a very interesting space. In future, do we see ourselves being able to provide great value in terms of the concrete mix?

I think there is a lot of learning that we have had, particularly in the work that we have done for 3D printers, because the core of that is centered around it. So that is one part of life. The second is that, can we become a full-fledged solution provider, particularly in the arena of precast concrete? Because at the end of the day, what does India need? It needs construction at scale and at speed.

Frankly speaking, there is a significant opportunity, given the fact that standardization and harmonization of elements in the construction arena will definitely have a firm footing in terms of scaling some of the options and projects up. I think housing will remain a key concern in India as we move forward, and the government is aware of this.

But I think a very strong move by way of policy direction, by way of defining what are the elements and standardization of those, defining the quality and accepted quality levels and so on and so forth, could be a very powerful driver of getting there. Is Ajax interested? The answer is absolutely yes.

Lakshminarayanan K G: Yeah, just to extend that further, just to, if you look at contractors, they may have multiple options to use different solutions, and you need somebody to identify the right concrete. Of course, they are learned as well, but if you can actually work with them, trying to identify the right concrete mix, right equipment, and also provide an ongoing consulting services there.

Is that something which you do, or our job stops at just selling and supplying an equipment and waiting for, let's say, not waiting for, helping them to get a better yield by servicing? So

that's something which we do diligently, and we are good at that, both selling as well as servicing. Just extending it further to ensure that the roads are laid properly, the concrete solution is done properly. Is that you have engineers at the site who help them to kind of really make this shift happen?

Shubhabrata Saha: Okay, there are two parts to this. In an ideal world, Narayanan, I think that's definitely something that we have looked at and we are conscious of, right? But the contractor is who he is. There is an element that you can do, and there's an element that you probably cannot do. I think it's important that in the private segment, particularly the kind of users that I just spoke about, is an important arena we are working on to work with these contractors.

Because at a time when the roads are lower and the urban infra and buildings are increasing in terms of share of application, that's a very interesting and opportune time for us to ensure that the right things are done by people. The quality of concrete, the quantum of concrete, the grade of concrete, and so on and so forth.

I don't think there is any consulting money sitting in there for us to take off the table. Frankly speaking, many of the large contractors or companies, they already have institutions within their own organization that are entrusted to do this. Whether we can do this or not, how long will it take us to get there? I think that's a question in specific, and that's why I mentioned to you that there are areas that we can play in. Choosing very carefully where to play and how to win will be important for us to get there.

Lakshminarayanan K G: Got it. Thank you.

Shubhabrata Saha: In fact, there was a question from Raghunandhan earlier, which I think we didn't get Raghunandhan on the line, and he was asking, I guess, the 9% in Q1, what's your number in Q2 from an export? So the percentage of revenue, 7.4%, just to make sure that we address Raghunandhan's call.

Moderator: Thank you so much, sir, for answering those questions. We'll take the next question from Sankaranarayanan S from ithought PMS. Please go ahead.

Sankaranarayanan S: Thanks for the opportunity. My first question is on the UDAAN product, which is catering to the entry-level SLCM. So I wanted to know, is the application limited to only rural housing and roads, and will it be a scalable product in urban housing as well? Or in urban housing, you see batching plant and transit mixers as a core product for construction?

Shubhabrata Saha: Yeah. No, thanks for your question. I think there are two, three parts to it. I think UDAAN is not limited only to, see, right now, the largest proportion of the applications are in smaller city roads, particularly in village. There's other range of applications, which is the lower end of...

Moderator: I am sorry, sir, your voice broke. Can you repeat your last line, please?

Shubhabrata Saha: Okay. Can you hear me now?

Moderator: Yes, sir. Much better.

Shubhabrata Saha: Mr. Sankaranarayanan, can you hear me?

Sankaranarayanan S: Yes, sir. We can hear you.

Shubhabrata Saha: Okay. So as far as UDAAN is concerned, there are very clear set of application segments for now. A larger proportion of that probably is being addressed for applications in rural roads or smaller, narrower rural roads, where the machine finds itself in a sweet spot. Then there are other aspects, such as precast for walls and smaller precast opportunities.

Then there are brick manufacturing opportunities and so on and so forth in rural markets. But I think our premise was to open up the opportunity to take concrete up by either a hoist or a pump. That work is still on, and we have expanded, as I mentioned to you, from 14 markets to 20 markets in H1.

I think it's taking some more time for us to be able to make sure that we are a complete solutions player in that market, and also addresses the earlier question that L&M had put forward, centered around, can you become a player whose job is not to sell, going for a transaction, but more towards the solution orientation? That's what the intention for us with UDAAN was supposed to be.

I think there's some distance away from being able to put together both the solutions, but our work that we are doing with contractors, and I'm talking from a very recent thing that happened only last week, was that there is a contractor expectation that if we can deliver a good pump for them, I think many of the people who are using gangs for delivering through manual mixers are good customers or potentially good customers for us.

I think there's some very interesting insights for us as takeaways that have happened in the last set of meetings that we've had with 10 contractors at our plant location.

Sankaranarayanan S: Got it, sir. How does the TCO change when a contractor buys a product like UDAAN compared to historically they've been using manual mixers? How are we convincing those customers to procure this product? From a buyer perspective, how does this TCO equation change?

Shubhabrata Saha: I think we've done this exercise multiple times over in the past, and clearly, I think it is the larger proportion of the manpower cost that gets addressed by having fewer number of people who do the same job using UDAAN, right? That saving ensures that in less than three years, the machine becomes free.

From whatever we have seen and heard in the work that people are doing, UDAAN is also providing very significant amount of revenues being used for rental applications and so on and so forth. I think in many of these markets, these smaller uses for UDAAN, and the very fact that the customers are happy with the product and the utility that it is finding in terms of smaller applications is playing an important role there.

Sankaranarayanan S: Got it, sir. Since most of our SLCM products and even this UDAAN, is it mostly catering to roads and other parts of adjacencies? Do you see any maturity since over the last 10 years,

especially on the rural housing and the road side? Do you think have we reached a certain level of maturity over those areas?

Shubhabrata Saha: I think first I'll define the macros here, Sankaranarayanan. I think two, three things. First is cement per capita, the level of concrete usage in India and its penetration at 11% versus five, six times that in global markets. The third piece centered around the fact that the level of mechanization in concreting equipment continues to be lower, right?

Against the averages that you'll see. A year ago or two years ago, it was about 75/25, and we anticipate that this number is likely to grow. I think those are broad macros at which we are standing. I don't think that the level of maturity has still been reached to speak of.

Now, when you go down to the segmental analysis, I think today, if you look at the trends, I think roads, factories, buildings, urban infra, power projects, bridges, railways, irrigation, tunnels, because these are all the areas in which the machine gets used. If you ask me, in the last three years, what has changed? The roads from 40%-70% has become 40%, as you would see.

The top 10 applications have changed the way they were three years ago. From, let's say, in FY25, if you were to ask me, 70% came from roads, factories and building contributed 8%, and urban infra contributed 5%. Now, that made it 83%. FY26, it was 67% in roads, factories and buildings at 10%, and urban infra at 5%. Now, that's 82%. Now, what's changed now?

FY27, it's become 40% in roads, 22% for factories and buildings, and urban infra at 17%. Now, that makes it 79%. But power projects have climbed by 1%-6%. Bridges are almost in the same bracket, but railways has actually moved up from 2%-4%. So, those are the kind of shifts that are happening within the application segments.

But the largest change that has happened is move away from roads into factories, buildings, and urban infra, which is in the more private kind of a space. Now, why roads are down? It's known to everybody.

Sankaranarayanan S: Of course, sir. Because since most of our volumes and revenue comes from SLCM, I ask this question. If that were to happen, do you think our non-SLCM contribution will increase significantly over the next two-to-three years?

Shubhabrata Saha: I think as Ajax, we have the entire range of products, and it's not one versus the other or one growing at the expense of the other. I think we are a dominant player in the SLCM market and we'll continue to do that, including expansion of the pie, whether it's at the bottom of the pyramid or whether by existing products or by adding value addition to the products in the entire portfolio of SLCMs.

Having said that, we've seen some encouraging trends in the non-SLCM portfolio. We'll aggressively pursue that, both in terms of volume, revenue, and margins in that category and that should help us to even gain greater acceleration in service and parts with the car park growing.

Sankaranarayanan S: Got it, sir. Thank you.

Moderator: Thank you. We'll take the next question from the line of Pavan Kumar from Edelweiss Public Alternatives. Please go ahead.

Pavan Kumar: Sir, thank you for the opportunity. Two questions. First question is on the fleet sizes. When you look at your customers, what would be the kind of fleet sizes within the SLCM segment and non-SLCM segment or combined put together? And the second thing is, I am assuming most of it is done purchase through financing, right?

Can you let us know who are the key financier partners for us and how is the commentary or the support from them, particularly quarter-on-quarter in the current quarter? Because some of the commentaries in the quarterly calls have been a little mixed over the last two quarters. Just trying to understand how is the system evolving. Those are my two questions. Thank you.

Shubhabrata Saha: As far as financing is concerned, we haven't seen any challenge either on the wholesale front or the retail front. The good news is that Ajax, over a long period of time, has been A-rated in the portfolio of all our financers. Now, financers at the wholesale front are slightly different from the financers on the retail side.

I presume your question was with retail. I think all the major financers in the retail category that participate for the larger construction equipment participate with Ajax and hence, whether it is HDFC, whether it is Kotak, whether it is anybody else, they're all there sitting in, whether it's Chola, all of them participate in the SLCM and non-SLCM portfolio.

And it is probably one of the portfolios which is least influenced, so the risk alongside it has not been felt as far as Ajax is concerned, both in terms of downturns in the past and even now as we speak.

Pavan Kumar: Got it, sir. And on the fleet sizes and like adoption of non-SLCM within the same customer?

Shubhabrata Saha: [Inaudible 0:52:25]. If you ask me, I think Ajax's representation across customer segments is equal, which means whether it's a unit customer which is a single owner, whether it is a small number of machines with a person or rental, so it's one-third each in all categories. If you measure that, so that's today in the range of 30,000-35,000 band of machines that are there in the market. I think in non-SLCMs, there are relatively smaller players, so I think the meaningful number would be there.

Pavan Kumar: Got it. Thank you, sir. Wish you all the best and happy Diwali.

Shubhabrata Saha: Thank you and wish you the same too.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for closing comments. Thank you and over to you, sir.

Shubhabrata Saha: Thank you. Thank you all for joining us on today's call. We hope we've been able to address all your questions. For any further queries or clarifications, please feel free to connect with us

or SGA, our Investor Relations Partner. On this occasion of Dhanteras, I wish you all very well to you and your families and very happy Diwali to everyone. Thank you.

Moderator: Thank you, members of the management. Ladies and gentlemen, on behalf of Ajax Engineering Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.