

Date: February 19, 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 February 13, 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, February 13, 2026 at 11:00 a.m. (IST), on the financial results of the Company for the quarter and nine month ended December 31, 2025.

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
Company Secretary and Compliance Officer
Membership No. A33617



“AJAX Engineering Limited
Q3 and 9 Months FY '26 Earnings Conference Call”
February 13, 2026

E&OE - This transcript is edited for factual errors. In case of any discrepancy, the audio recording uploaded on the stock exchanges on 13th February 2026 will prevail.



**MANAGEMENT: MR. SHUBHABRATA SAHA – MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER – AJAX
ENGINEERING LIMITED
MR. B. J. GANESH – INTERIM CHIEF FINANCIAL
OFFICER – AJAX ENGINEERING LIMITED
MR. TUHIN BASU – ADVISOR – AJAX ENGINEERING
LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the AJAX Engineering Limited Q3 and 9 Months FY '26 Earnings Conference Call. 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.

Before we begin, I would like to point out that 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 would now like to hand the conference over to Mr. Shubhabrata Saha, Managing Director and CEO of AJAX Engineering Limited. Thank you, and over to you, sir.

Shubhabrata Saha: Thank you. Good morning, everybody, and apologies. We've been also on the call for the last 19 minutes, but for some glitches purely out of technical reasons, we are joining in late. Apologies again.

Thank you so much for joining us on the Q3 and 9 months FY '26 earnings call of AJAX Engineering Limited. Along with me on the call, I have Mr. B. J. Ganesh, who's our Interim CFO, Mr. Tuhin Basu and SGA, our Investor Relations partner. We have uploaded our result and investor presentation on the stock exchanges and our website. I hope everybody has had an opportunity to go through the same.

After a steady performance in the previous fiscal, the last few quarters have marked a period of transition accompanied by several external challenges. Prolonged monsoon conditions, changes in the emission norms, slower pace of project execution across key markets have created headwinds and impacted operational momentum.

In addition, cash flow constraints faced by our customers have further influenced their purchasing decisions, thereby affecting demand and overall business performance. We've responded to these bumps on the road with focus and resilience and in a manner that we believed was the most appropriate.

Riding on our situational awareness and operational preparedness, we were ready ahead of the curve and launched our new CEV-5 machines in Q4 of FY '25. Given the multiple factors that have impacted the industry in the last few quarters, our approach with the new CEV-5 machines has been to introduce them to the market, evaluate real-time performance, gather feedback and assess customer acceptance.

Our pricing strategy will be carefully calibrated after taking into account the market response and prevailing industry practices. We've also been steadily expanding our dealer network with the objective of deepening our penetration and availability and with a clear focus on long-term sustainability.

While we recognize this will have a temporary impact on our near-term performance, we firmly believe we are on the right course. We're steering the business in a manner that safeguards its long-term health and creates a stronger, more resilient foundation for sustainable longer-term growth.

Let me now take you through the financial performance for 9 months period and quarter ended 31st December 2025. As we have highlighted in the past, our business is best viewed on an annualized or year-to-date basis. So let me start speaking of the 9 months performance.

The revenue for 9 months FY '26 stood at INR 1,345 crores, reflecting a modest growth of 2% on a Y-o-Y basis. The SLCM revenue in 9 months FY '26 was flattish on a Y-o-Y basis. The non-SLCM revenue grew by 4.5%, while the spares and services revenue grew by 14% Y-o-Y in 9 months FY '26.

We had some one-time marketing and promotion expenses in this quarter. Some of you may have visited the exhibition in Bangalore organized by I-CEMA. Adjusted for that, the EBITDA for 9 months FY '26 stood at INR 154 crores versus INR 207 crores for 9 months FY '25.

EBITDA margin for the 9 months FY '26 comes to 11.5%. The impact on EBITDA has been on account of the hit at the gross margin level, which was on the back of increased cost of production and product mix change. We had sales of slip form pavers last year, which is not there this year. Pavers, as you know, are a high ticket size and higher margin product.

Despite the impact on profitability and the ongoing capex on a new manufacturing facility, we continue to maintain strong financial discipline and efficient capital allocation. Our return ratios continue to be strong with healthy cash balance. The recent budget announcements clearly highlight the government's strong emphasis on capital expenditure and infrastructure development.

We expect this continued infrastructure push to stimulate demand and support steady volume growth. Along with the operating leverage coming from the volume growth, we also anticipate some price adjustments, which will further aid the profitability from FY '27.

Let's come to the quarter performance now. Revenue for Q3 FY '26 stood at INR 434 crores versus INR 548 crores in Q3 FY '25. During the quarter, SLCM volume and revenue declined on a Y-o-Y basis largely on account of the strong base or a higher base in the corresponding quarter last year due to relatively muted sales in Q2 of FY '25.

Encouragingly though, secondary sales remained healthy throughout the quarter, indicating sustained underlying demand. Non-SLCM revenue grew by 13% Y-o-Y, while the spares and services revenue grew by 11% Y-o-Y during Q3 FY '26.

EBITDA for Q3 FY '26, adjusted for one-time marketing costs stood at INR 48 crores versus INR 88 crores in Q3 FY '25. EBITDA margin declined by around 510 basis points and comes to 11%. The impact on EBITDA on a Y-o-Y basis in Q3 is partly on account of the fall in gross margin and partly due to one-time expenses relating to marketing and promotion activities that were undertaken during this quarter.

Short-term headwinds that we currently find ourselves in are cyclical and characteristic of our industry. Over its more than three-decade journey, AJAX has repeatedly proven its resilience and adaptability to navigate such challenging phases.

From structural disruptions such as demonetization and the implementation of GST to the COVID-19 pandemic, central and state election cycles, evolving emission regulations and inherent sector cyclicality, we have successfully steered through periods of uncertainty and challenge.

Over the past decade, this resilience has translated into a steady growth trajectory, delivering an impressive 18% revenue CAGR. This sustained performance is a testament to our unwavering focus on operational readiness, disciplined execution and prudent financial management.

These are principles that not only define AJAX, but also position us to emerge from every cycle stronger, more agile and better prepared for the opportunities ahead. Structurally, we remain fully confident in the long-term growth prospects of our business.

India continues to require significant infrastructure development, which is reflected in the approximately 11% increase in budget allocation for government capital expenditure to about INR 12.2 lakh crores for FY '27.

Key end-use sectors such as railways, roads and real estate have also received higher budgetary allocations in the latest budget. The government's strong and consistent focus on infrastructure development, along with continuing transition towards mechanized construction and concreting equipment is expected to drive steady demand, positioning AJAX well for sustained growth.

Our long-term outlook on growth and profitability remains firmly intact. We remain committed to maintaining our leadership position in the SLCM segment, while also building strong capabilities in the non-SLCM space.

In line with that, we believe it is prudent to commission our fifth manufacturing facility in Q1 of FY '27. Operational excellence and financial discipline remain central to our strategy. We continue to have a robust cash position, ensuring considerable financial muscle to pursue our growth ambitions.

With this, I would like to open the floor for questions. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. We will now begin the question and answer session. Anyone who wishes to ask a question, may press star and one on their touchtone phone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking the questions. We will wait for a moment while the question queue assembles.

We take the first question from the line of Raghunandhan from Nuvama Research. Please proceed.

Raghunandhan: Good morning, sir. Thank you for the opportunity. Firstly, it's good to see budget infra outlay being higher and recently cement prices are increasing due to better demand. Would you say that from FY '27 onwards you would revert to the 15% to 18% growth trajectory for SLCMs?

Shubhabrata Saha: Thanks, Raghu, for the question. I think we need to recognize two aspects which are important. I think we are witnessing certain demand drivers in specific states for the moment and there are certain states where there is likely to be pent-up demand because there is current existing demand challenges. Now the demand drivers that we are seeing is essentially arising out of solar in Gujarat, Rajasthan, irrigation in CG, irrigation and roads in Odisha and let us say PWD, largely smaller roads in Uttar Pradesh. These are some of the core drivers of the business at this stage.

We do anticipate that this will continue as we move forward into the next fiscal as well. Now there are states which obviously are challenged at this point in time. These include the states of Karnataka, Maharashtra, Telangana, Rajasthan and MP, where while the projects may be on the anvil, the contractors are not, or let's say, delaying the acceptance of work orders due to the cash flow challenges in some of these states. We believe that selectively going forward, the cash flow challenges in some of these states will alter, and there is a need for those projects to be completed.

Hence, there is a mood upswing in potentially some of those numbers that you've alluded to, to come back to life. I think some of the indications of this that we are seeing in the fourth quarter, as you would know the fourth quarter is a heavy quarter for the industry, and also for us. I think we've seen a sharp movement both in terms of retail as also in terms of the wholesales in the first month of this quarter. We do see a positivity for the ensuing two months as well. So I hope that that momentum will help us carry through into the next year as we speak.

Raghunandhan: Thanks for the detailed answer, sir. Very helpful. On price hikes, it depends on the competition. Can you speak about the current environment and whether the next one or two quarters would allow you to take a price hike?

Shubhabrata Saha: Yes, I think it's a fair question, Raghu. I will first say this that if we look at our performance between October, November, December and January and most of you do track the market share numbers and if you observe our market share from October 82%, November 78%, December 80% and January 78% is significantly higher than the average market share around the 75% kind of mark.

I think that is something that the organization has done to make sure that it stays on course at this stage. I think if you look at it, there are select customers given the lower volume opportunity right now because as I mentioned some of the larger states of Karnataka, Maharashtra -- Maharashtra was the number one state up until last year, Telangana, Rajasthan and MP have been muted and only a certain set of states are driving the volume.

My sense is that once the confidence within the contractor community comes back by way of the projects coming back on course, cash flow happening, I'm very confident that some of this will start happening within this quarter itself. I for one can say this with some degree of

confidence that in January we were better placed than in the previous quarter from a price point of view.

Raghunandhan: Thank you, sir. Good to hear that. The non-SLCM realization is better by 12% Q-on-Q. Is there improvement in product mix in Q3?

Shubhabrata Saha: So, I think a few call-outs here. The good news is that we continue to improve our momentum, particularly in the boom pump category, and also in the case of batching plants where we are seeing that the demand for 45 cubic meter and higher is also improving. So from that context, yes, we are witnessing improved demand for our products and also, the quality of the customers that we are selling to.

Raghunandhan: Thank you for that. And Q3 gross margin is better by 100 basis points Q-on-Q despite the higher share of non-SLCM. What has led to this improvement on a Q-on-Q basis?

Tuhin Basu: Hi, Raghu. This is Tuhin. Good morning. So, Raghu, this is primarily driven just by the pure mix of the product in the non-SLCM and spares had a good upswing for us. So these two are the drivers between the Q2 and the Q3 1% improvement on the gross margin.

Raghunandhan: Thank you, Tuhin sir. Just a last question. On the smaller sized SLCM, what was the volume in Q3 and in which states has the model been well accepted?

Shubhabrata Saha: So I think, Raghu, I'm much happier today in terms of the kind of numbers that we are seeing. See, I think the states of Uttar Pradesh, Maharashtra, Odisha, Gujarat, MP, CG, Rajasthan, have been the drivers of this business. I think both, in the month of December and January the numbers have picked up. We anticipate these numbers in February and March to be even stronger.

As of now, I can indicate broadly that by the time the year is out, you'll recall that we started out with UP as our beachhead state and we drove that to test the product, did a few things, and I think there is enough confidence to suggest that this could be an important number to look at as we move forward into the next year. By the end of this year, I think we would have done close to about 225 to 250 numbers.

Raghunandhan: Great to hear that, sir. Thank you so much. I'll fall back to the queue.

Moderator: Thank you. We take the next question from the line of Vaibhav Shah from JM Financial. Please proceed.

Vaibhav Shah: Hi, sir. Firstly on UDAAN, so just to get a sense about the product, sir, how is it different from Argo 1000, which we used to sell earlier, and which are the key applications where we are targeting the product and how has been the user experience so far?

Shubhabrata Saha: Thanks, Vaibhav. Good to talk to you after a long time. I can say this that in the best of years -- in a full year Argo 1000 would do about 30, 40 numbers in a best year case. It is a 1 cubic meter product. This is a 0.75 cubic meter product. The product design, the utility of the product, its applications are slightly different from the Argo 1000.

And this particular product, I think by way of the design, by way of the performance, by way of its resilience and the width of applicability, is I think drawing some degree of customer interest, because I think we've been slow to position it across all states. But I can say this that where has it gone into right now, I think it has gone into wide range of lower-end applications wherein probably none of our Argos would potentially go.

To take some example, brick making, very small base of precast walling solutions, I think these are markets that we would never go to. But there are existing markets also for smaller size applications that it is starting to penetrate. For example, CC roads in Gram Panchayats. You would have heard that, okay, Argos also do. But you know, very small contexts, for example, columns and footing application in both, small residential, small commercial segment, small culvert, storm drain, water tanks in Gram Panchayats.

I think these are some of the early applications that we're witnessing. I can only say this with conviction that at the lowest level, you will find the highest degree of ingenuity amongst contractors to see how they can leverage mechanization. So I'm excited by what I'm seeing, but we'll wait as time progresses on the product.

Vaibhav Shah: Okay. Sir, earlier you were targeting the rural housing as well, G+1, G+2 kind of structures. So how has been the demand from that segment for UDAAN?

Shubhabrata Saha: So we've bifurcated our approach into two parts. One approach is to use UDAAN as a standalone product because we wanted the product integrity and the product validity to stand out in that sense. And I think so far the product has stood out very well. We are working on a pumping solution along with UDAAN and as things stand, we are testing out some of these options and that will open up, let us say, sometime in the next year for potential applications in you know taking concrete up rather than only pouring it down.

Let the test results come through then we'll speak about it. But at this stage, I think we wanted it into two segments. One segment is to cater to pouring down into categories where we had never gone into and there is another category once we are in a position to say and test out after gaining sufficient confidence on the combination between UDAAN and let us say the pump, I think we'll come back at that point in time.

Vaibhav Shah: And sir, the number you mentioned 225, that was the YTD sales of UDAAN?

Shubhabrata Saha: No, no. I spoke about what we think we should be in a position to do for the full year.

Vaibhav Shah: And for a full 12 months running for say maybe 2027 or 2028, what could be that number? So basically earlier our market share between the below 3 cubic meter and above 3 cubic meter was 50-50ish, the mix of product.

Shubhabrata Saha: Not market share. You alluded to a term...

Vaibhav Shah: I mean the mix of our volume. Our volume mix. So once the UDAAN sales also picks up, so we'll be maintaining that 50-50ish or there can be a tilt towards the less than 3 cubic meter?

Shubhabrata Saha: Vaibhav, I keep my fingers crossed at this point in time. You have opened up another chapter which is the potential of UDAAN to cater to G1, G2 and so on and so forth. Let us first drive the business for UDAAN across all the states and I hope that the demand pattern in the overall industry comes back and we'll speak about these numbers when we get to them.

Vaibhav Shah: So, sir, if I ask it other way around, so what kind of share are we targeting in our overall total volumes on a yearly basis for UDAAN?

Shubhabrata Saha: I think I answered the question, Vaibhav, when I was alluding to this. I'd be very happy to make sure that first extensive distribution across all dealerships happens. We are able to take forward like what we have seen some degree of success in some of the states that I alluded to, deeper, and then we'll talk about some of these numbers for next year.

Vaibhav Shah: Okay. And sir secondly, in terms of volumes for SLCMs this year, so for the year as a whole, what kind of number are you targeting? So it could be a marginal degrowth or we can do something flattish for the year?

Shubhabrata Saha: I think we are starting on a very high base of the H2 of the last fiscal and if you remember the numbers for the previous fiscal, the Q3 was 1,520 and Q4 was about 2,000 odd numbers which means a very high base of about 3,500 plus numbers happened during this period.

While we do see some improved momentum coming in into JFM of the final quarter of this year, I don't think we would be in a position to match up to the absolute number of 2,000 that happened last year.

Vaibhav Shah: Okay, okay. Thank you, sir. I'll fall back in queue.

Moderator: Thank you. We take the next question from the line of Mohit Kumar from ICICI Securities. Please proceed.

Mohit Kumar: Hi. Good afternoon, sir.

Shubhabrata Saha: Good afternoon.

Mohit Kumar: Thank you for the opportunity. My first question is of course again pushing it, how has been the January and last 15 days in terms of demand? And do you think the Q4 -- of course Q3 was bad in terms of overall decline, but are you seeing -- are you hopeful of having something like 10%-15% decline compared to last Q4 in terms of SLCM volumes? Is that a fair assessment?

Shubhabrata Saha: There are many questions that you have asked, Mohit, and good to talk to you after a long time now. So, I think one of the things that I would express is that there has been a strong turnaround in terms of the retail volumes as much as for wholesale volumes, and which we expect that would continue into February and into March. I just hope that this sustained demand momentum stays and there are no events that happen around us that changes any of this because we're living in a world where it's very difficult to say what will happen day after tomorrow.

But I think we do see much stronger demand momentum right now. And to suggest anything whether it will be 15%, or this will be very early for me to call out, but definitely to be able to meet 2,000 numbers of last year Q4, looks unlikely.

Mohit Kumar: Understood. And my second question is, can you talk about the pricing behavior in the marketplace? Are you seeing the competition price -- are they holding up the prices, or are you seeing some, kind of, upward price movement?

Shubhabrata Saha: So, I think one of the things that I must state is that the intent of AJAX on pricing has been clear from the time, we went into the larger leg of the post-CEV4 implementation. And I can say this that there is much greater degree of confidence as we speak about Jan, Feb, March. We've seen some improvements coming through, early improvements coming through in the month of January and we would love to hold that.

If you look at our market shares in the last four months as I alluded to, 82%, 78%, 80% and 78% is an indication that our products are being preferred. And I can say this with a degree of confidence that irrespective of how our competitors, our nearest competitors are playing out, we are going to position ourselves stronger from a price point of view, and we'll continue to make sure that we get to where we need to.

Mohit Kumar: Understood. My last question is non-SLCM portfolio. I think grew by 18% in FY '25 and the growth was much, much higher in FY2024 and FY2023. But FY '26, nine months I think it is more flattish kind of number. How do you see this number going forward for FY '26, FY '27? Is it fair to assume that we get back to a 18%, 20% growth from FY '27 onwards given the fact that share batching plant you're seeing a pickup and the pump is doing so -- boom pump is doing well now?

Shubhabrata Saha: Yes, I think one of the things that is starting to happen is that I think we would watch the fourth quarter. We are relatively confident of the fourth quarter numbers to come back. I think this is a function of the overall demand momentum in the fourth quarter. And I think that'll augur well for us for FY '27 as well.

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

Moderator: Thank you. We take the next question from the line of Raashi from Citigroup. Please proceed.

Raashi: Thank you. Just coming back to pricing, so we've obviously seen some increases in pricing, but not adequate enough to offset the cost hikes. So, how do we think about margins from here and what could you actually be targeting when you're saying that you'll take calibrated price hikes? What exactly do you have in mind in terms of restoring margins, or at what level and how soon can that happen? And what is actually the percentage of price hike that you need from here to get to that particular margin level that you may be targeting?

Shubhabrata Saha: So I think, Raashi, I will just course-correct it a little bit. What we've seen is a movement for the better in the month of January, right? And I think it's important that we sustain that momentum with grit and determination around this aspect, while ensuring that we maintain our market share at least for the quarter.

I think we're very clear about it. We are positioning ourselves to customers, dealers, etcetera, very clearly on that subject. And I stand confident that FY '27, I think we should be able to have covered a fair ground as far as price increase is concerned. I wouldn't use the term whether it will be exactly commensurate with the overall cost increase, but as close as we can get to that sometime in the first quarter of FY '27.

Raashi: Right. So basically your entire cost increase is, kind of, captured now, right, by and large? There are no surprises left for next year?

Shubhabrata Saha: No, no. There are no surprises left on that until and unless there is very significant change in steel prices, which is very difficult for me to comment at this stage, but I don't see any short-term, play coming out in commodity prices, particularly steel.

Rashi: Right. And as far as volumes are concerned, I mean, they -- like you already gave very detailed information on what states there's pent-up demand and where you have good demand. So how are you thinking about overall volume growth in the next year?

Shubhabrata Saha: So I think I kind of tried to answer that question in two parts. I will retain that same focus and I think as an organization we're committed to driving those kind of numbers given the fact that we do anticipate a positive momentum on the states that have not done well and continued demand to come from the states and the applications that we spoke about.

Rashi: Right. And on both these grounds, on both demand and pricing, do you -- I mean, is there any sort of pressure from competition? I think you've historically you've maintained a 4% to 5% premium to competition on pricing. Is that still the narrative?

Shubhabrata Saha: It's still the narrative. In certain cases, it could be a little more than that as well. But irrespective of how they think and play, I think as an organization we're very clear that this is a number that we need to achieve and we'll strive for it.

Rashi: Got it. And just last question. What is the cash balance currently?

Tuhin Basu: Cash balance is including let's say the investments which we have in the debt markets is INR 810 crores.

Rashi: Okay. Thank you.

Moderator: Thank you. We take the next question from the line of Lakshminarayanan from Tunga, please proceed.

Lakshminarayanan: Yes, thank you. I just want to understand if there has been any discounting that is taking place in the market given that there has been a little dullness in the demand. And the second is, in the last nine months, how many dealers you have actually onboarded? And the third question is that there is the increase in sales and marketing. I think this pertains to EXCON. I just want to understand how successful it has been for you, what kind of differentiated access you got, and because of your presence in EXCON. Thank you.

Shubhabrata Saha: I will take the last question first because we met each other at EXCON, Laxmi, and thank you for coming by and taking your time out to see our stall. I would have loved to have some feedback about the subject from you to begin with, but I can say this that we participated in the EXCON after a hiatus of the previous EXCON. And I can say this with the degree of confidence that I think for us, I think it was a reasonable success. All the products that were, let's say displayed from a domestic standpoint were all booked and have been supplied.

So we didn't want any of those products to come back and stay as inventory. So I think that's a good measure and for me, return on investment on certain things like this matter. But of course, I mean, some export customers and you did see some of them coming to our stall and seeing. You know, for a fact that 3D printing evinced interest. A lot of people who came and saw our pavers were also surprised because they hadn't seen something like this from an Indian company who was able to develop and make pavers ground up.

So I think that provided a lot of confidence. Incidentally, after seeing the paver, there is work that is going to happen in a 25 kilometer stretch. Somebody has taken it from us on rental to test it out between, I think, Nagercoil and Kanyakumari. So if you get some time, do visit. I think the work is starting to move.

Lakshminarayanan: Got it.

Shubhabrata Saha: On the other questions which are related to your pricing related aspects. See I think one of the things that I think I've alluded to this in the past, I think as an organization, we maintain strong market share, 82, 78, 80 and 78 in the last four months is an indication of where we stand. Following up with the context that Rashi was speaking about that we've had a price premium of what, 4% to 5%, incidentally the premium could be a little higher.

We've tried to maintain that. We've not been in the phase of discounting and so on and so forth, but I can only say this that wherever certain deals are there and so on and so forth, we've certainly tried to win those deals irrespective in a small volume market. So I think these have been the contexts in which we have operated.

Lakshminarayanan: And then as a dealer footprint increased.

Tuhin Basu: One more thing which you mentioned was about, do you see any accelerated discounting etcetera, in a low margin or let's say low volume market scenario. I think Shubho mentioned that given the volume tepidness, obviously the push from our side on increasing the prices, we have to have a calibrated approach.

So yes, pricing pressure, whether through discounting or the competition kind of holding back on any kind of price rise is of course there. But do we see crazy discounts which happened in Q1? That is at least not the case for Q3 and even let's say towards the end of Q2. That has stabilized. But no price increase overall from a competition as well so far.

Lakshminarayanan: Got it. And in terms of dealership footprint, we add any dealers?

- Shubhabrata Saha:** No, I think we've continued our march with the existing set of dealers very broadly. I think that the focus was to now stabilize the context of the dealerships.
- Tuhin Basu:** So I think and overall, while the dealer base has largely remained the same for UDAAN and for others, overall, we're looking to increase in the range of about 15 dealerships, additional dealerships as we progress. We are already upward of 60 now, and that should get a bit better, or let's say a bit more in the next step up.
- Lakshminarayanan:** Thank you.
- Moderator:** Thank you. We take the next question from the line of Rahul Kumar from Vaikarya Fund. Please proceed.
- Rahul Kumar:** Yes. Hi. Just on the demand environment, the replies you had given earlier, I think you mentioned that December and January have seen a certain improvement in the demand momentum. Would you say that this is more driven by the key impacted state which you had mentioned or is it primarily in the more buoyant state of Odisha or Bihar or UP?
- Shubhabrata Saha:** No, I think I was speaking about between the transition between December and January and not December and January together. I think we've seen this momentum shift in January and it continues to be from the demand driver states of Gujarat, CG, Odisha, Uttar Pradesh and so on and Rajasthan, Uttar Pradesh, etcetera.
- I would have been very happy to see something coming back in Maharashtra, given the fact that elections and so on and so forth, which were more municipal elections, are behind us and stuff. And I think what the expectations from other states, which are large, which is Karnataka, Maharashtra, Rajasthan, MP, would be to have cash flow back on terms.
- Once this cash flow is back, I think the confidence of the contractors to accept new work orders will start happening. And once they accept the new work orders, the machine sales will begin. So I think given the fact that there is a demand challenge in some of these states, I anticipate that the project pressure will put some of these states to selectively start putting in money behind it. I mean, you will have to see when the money comes into the market and all this stuff happens.
- Rahul Kumar:** Understood. And, sorry to -- hello?
- Tuhin Basu:** There's a lot of background noise from somewhere. I'm not sure where, but audio is getting disrupted at our end point a bit.
- Rahul Kumar:** No. And the second question which I have is on pricing. So do we have the uniform pricing across all states? Or can we calibrate the pricing across a better performing states and continue with the existing pricing for the rest of the impacted states?
- Shubhabrata Saha:** So this industry is very contiguous. So you can be a contractor operating from Tamil Nadu, but you have the work in let's say Rajasthan. I mean, obviously we can't have two different sets of pricing operating otherwise, that state will start supplying somewhere else and so on and so forth. So I think there is a broad uniform trend of pricing. The selling price to all our customers

kind of remains the same from the company's side. Only if there are any specific products related areas only then those pricing gets altered other than that it depends upon what kind of variant and so on and so forth it is.

Rahul Kumar: Okay. Okay. And basically, if I just summarize the commentary which you made earlier, is that the pricing environment can improve as and when the demand momentum improves in some of the key states where you're seeing some challenges on the cash.

Shubhabrata Saha: I mean, we have to be prudent, right? We spoke about a calibrated approach to pricing and we also spoke about the fact that the demand has been muted largely across the board. We are seeing some improvement and some amount of directional improvement has happened in the month of January. We would like to pursue that path.

Rahul Kumar: Okay, okay. And if she can just help us understand the key top states, let's say for nine months, FY '26, which are the top key states for us in terms of volume.

Tuhin Basu: So Gujarat, Uttar Pradesh, Rajasthan, Karnataka, Maharashtra, they all comprise the top five states. They obviously, know, different times, different states drop up as number one or the volume changes, but these are the top five for the current year.

Rahul Kumar: And what will be the broad contribution of these top five success?

Tuhin Basu: I mean, see, top 10 states typically have about two-thirds of our volume. But obviously, these states change. These are not states which are consistent every year as top 10. But top 10 for us constitute about two-thirds of our volume.

Rahul Kumar: Okay, okay, thank you.

Operator: Thank you. We take the next question from the line of Kishore Kumar from Unifi Capital. Please proceed.

Kishore Kumar: Yes, thanks for the opportunity. Sir, my questions have already been answered. I have a small clarification on the commodity price inflation. Now, steel prices are actually picking up and aluminum, copper, although it's a smaller proportion, that's also gone up significantly. So considering this and the price hikes that we are already planning, how are you actually planning to manage this? Because do you think that this inflation might offset the price hikes we are actually taking in the market and may keep the margins near the margins at a similar level?

Shubhabrata Saha: I think you seem to be covering the auto sector quite closely. So I think that steel is our only area. And I don't think we are too much impacted by some of those things. And I think at least in the short term, we don't anticipate very significant shifts coming out of that. And I can only say this that if it is pure commodity, it becomes that much more rational to explain. And if there is a need to kind of pull that up, we will do that. I think it's not a scenario that's panning out right now. If it does, we will address it.

- Kishore Kumar:** Got it sir, got it, understood. So my second question is on the cash flow constraint that your customers are facing. So is it because there's a payment delay from their customer's end? Is that the reason?
- Shubhabrata Saha:** That is correct. In fact, it is the government and I can only say this that it is the state government of which we have already spoken about.
- Kishore Kumar:** Got it sir, got it. Thank you so much sir and all the best.
- Operator:** Thank you. We take the next question from the line of Mayank from Asian markets. Please proceed.
- Mayank:** Yes, thanks for the opportunity. So, Tuhin sir, I'm just referring to the data given on Vahan state-wise AJAX data which shows, I mean, you have highlighted that the top states are really doing well like Gujarat, Rajasthan and all, but Tamil Nadu particularly, we have seen a sharp dip in the numbers, as well as Bihar has been a very strong growth for you in the last two years. So I'm just trying to understand few more extending it to few more states like what's happening there if you could highlight.
- Shubhabrata Saha:** Yes, Mayank. This is Shubho here. I can only say this that look, Bihar, I mean, elections are always an interesting driver. And some of you who have been through our calls know for a fact that pre-election trend in Bihar drove the demand. The good thing in Bihar that they did was that they put the money into wherever they were doing for social spending before the elections.
- Now, these kind of freebies are never very good. They do impact the state fiscal balances and so on and so forth and creates a challenge going into the future. So, I think even post-elections, of course, the same kind of volumes may not happen. But I think Bihar's need for infrastructure, particularly, driven by irrigation, roads, PWD, etcetera, happy to say that they are continuing on a good trajectory.
- As far as Tamil Nadu is concerned, I think overall Tamil Nadu state, particularly, from a government capital expenditure from a state point of view has been muted. And we don't anticipate any change or shift unless there is clarity around how the elections pan out. So let's see how if they do put money behind something pre-election it's a state that is going into elections soon as you're aware.
- Mayank:** Okay. So, for next year, let's say, which could be the top three states for you in terms of growth?
- Shubhabrata Saha:** I have spoken about it at length. I have tried to divide it into two parts. Clearly, we would definitely love higher volume states of Maharashtra, Karnataka, Rajasthan, MP to come back into flow. The continuity in Gujarat, Odisha, Uttar Pradesh, CG is something that we would love to see.

Mayank: Okay, okay. And one more thing, I mean, we also see that competition is getting aggressive. In fact, our parent company itself is clogging in volumes now, which is so -- is there any, I mean, would you like to comment anything on that?

Shubhabrata Saha: Mayank, you've seen the market share numbers, right? If that is any indication, then it really throws competition off balance by the quality of our product, our service network and reach and also the relationships that customers have with us for a very long period of time.

I think this question has come to us time and time again. Happy to say that in the last four months, irrespective of how the market has been, customers have continued to trust us and we thank them for it. Four-month market share at 82, 78, 80 and 78, I think is a good number to indicate where we stand.

Tuhin Basu: And just to clarify, because it's a separate thing. Fiori was not Ajax's parent. It was a 50-50 JV which got let's say dissolved many years back. I just wanted to call that out because there are a lot of new participants also on the call.

Mayank: Sure. Noted. Thank you very sir.

Moderator: Thank you. We take the next question from the line of Pritesh from Lucky Investments. Please proceed.

Pritesh: Okay. So, the question is the SLCM product line, how much of the demand in your opinion is linked to housing construction and how much of the demand is linked to infrastructure? Because in your comments, you've only highlighted infrastructure and you highlighted states which were impacted because of the infrastructure side, less government budget, etcetera, and highlighting the fact that you didn't have volume growth. So, now the nature of the product also has its application otherwise, so maybe this will be helpful if you could help us understand this aspect.

Shubhabrata Saha: Okay. I'm sure you've been to some of our meetings in the past and we've spoken extensively about the application of SLCMs in specific areas. I think you're trying to allude to the housing sector and the utility of SLCMs for that purpose. SLCMs generally pour down, right? And there are only few people who have taken SLCMs along with pumps and tried to drive it as an opportunity or a segment.

However, most people generally tend to use either small batching plants along with transit mixers if they have to do any high-rise construction because of the volume of concrete that is required to be able to deliver the outcomes that are required. SLCMs if you note range from 2 cubic meter all the way to 4.5 cubic meter, at least broadly -- 4.8 cubic meter broadly in our category.

Now if you observe that, then the quantum of output at the smallest end, let's say in every 20-minute cycle is 2 cubic meter, right? So in an hour it'll be 2 into 3 is 6 cubic meter, and in a working day of 8 hours, it'll be about 48 cubic meter. Whereas the requirement -- and that too

has to be churned out every time -- and for high-rise construction for residential sector, the utility of the machine is limited from that perspective.

And as you will understand, I have spoken about renewable energy, I've spoken about irrigation, I've spoken about PWD, I've spoken about roads, I've spoken about power, I've spoken about railways in the past. I think those are the broader applications into which SLCMs go into.

Pritesh: But there'll be a foundation work involved, right, in single...

Shubhabrata Saha: I am saying if it is a requirement for a very large building site which is a high-rise, the utility of using an SLCM for that volume of concrete and the nature of concrete will be sub-optimal to be able to do that. However, if you allude to things like a small house, then to prepare the foot and column and so on and so forth, it is used in certain markets. But on a very broad basis, the utility is largely in infrastructure.

Pritesh: Okay. And your comment on the demand side was that even quarter 4 is where you're not seeing volume growth on a year-on-year basis, right, so far?

Shubhabrata Saha: So if you look at it, I don't know how people are reading what I'm saying. Maybe I need to spell it out and make it absolutely clear. What I mentioned very clearly was that between let us say the average of what we have seen in the first 9 months and between what we have seen in the third quarter, the fourth quarter at least to begin with in January we have seen a stronger shift in demand both in retail and wholesale for 1 month. However, this we hope will continue in both February and March will be distinctly different from what has happened in let us say Q3 is our estimation, right?

I hope I'm being able to put my point across. However, if you look at last year last quarter, we had done close to about 2,050 odd numbers. Are we going to be able to match up to those numbers? Potentially not. Given the current conditions and given the fact that larger states are still not right there in terms of being able to provide the necessary cash flow to contractors to accept work orders. Because if they accept the work order, they have to do the work even without getting paid on time.

Pritesh: So on one side you're saying stronger shift, on the other side you're saying that the Y-o-Y number will be difficult to surpass that number?

Tuhin Basu: Yes, we're saying Q4 versus Q4 on a quantitative basis, Pritesh, that's right. We're saying that.

Shubhabrata Saha: Pritesh, I think even I have referred to this that there was a much stronger base last year of more than 3,500 units between Q3 and Q4. 1,500 in Q3 of SLCMs and more than 2,000 and in the current demand conditions we don't estimate that to happen.

Pritesh: So just keeping this quarterly and half-yearly assessment aside, otherwise, there's a fairly longer history of about a higher double-digit growth. So does anything change there or the demand environment requirement for the double-digit volume growth? What should be that demand?

Shubhabrata Saha: Pritesh, you're more intelligent than I am as far as the macros are concerned. I think the need for infrastructure in this country continues to remain. We know for a fact that cement and the level of penetration of concrete is still relatively low, the level of mechanization -- those macros as a driver will obviously have an impact in terms of the continuity of demand for concreting equipment. I'm happy to say that I think we're still in the right sector at the right time.

Pritesh: Okay. Thank you and all the best to you, sir. Thank you.

Shubhabrata Saha: Thank you.

Moderator: Thank you. We take the next question from the line of Nidhi Shah from ICICI Securities. Please proceed.

Nidhi Shah: Thank you so much for taking my question. So you mentioned that there was a growing interest in our pavers. So could you just tell us about apart from that one rental revenue that we are receiving, what kind of interest are we seeing in pavers and as well as the 3D printers? Are we seeing some movement over there domestic or international in terms of recognition of the product?

Shubhabrata Saha: I think I was speaking more from the context of what we saw at EXCON and a fallout of how one contractor after specifically looking at our product got interested in using it on rental basis to construct a road of about 25 kilometers in the south of Tamil Nadu. I think that is one area.

The second is on an international front, yes, there is improved interest coming in from countries as far out as Belarus to Saudi Arabia and some of those kind of countries. We'll keep you posted as we move forward on some of these areas, particularly on the paving front.

I think it has given us some confidence once the machine has run in Russia and Gabon and so on and so forth. So given that, I think our export team is now able to reach out, because it's important to put some machines on ground before you can reach out to anybody.

We feel far more comfortable and confident that look we have a product which can work. And if domestic also people start using it, it becomes a good reflection of the depth of the product that we have made. I think that's where we stand as far as pavers is concerned.

As far as 3D printing is concerned, I think 3D printing is a slow burn at this point in time. I don't think we had international customers looking at 3D printing, but I can say this that there is some interest that has come in from the Border Roads Organization and the Ministry of Defense, who are wanting to look at the potential applications of developing certain sections using 3D printer.

Nidhi Shah: Also connected to this, given that pavers are at significantly higher cost than any other type of concrete equipment, how much in your opinion is a cost save when a paver is used versus the manual methods of laying the concrete?

Shubhabrata Saha: I'm not able to understand your question properly, maybe there is some problem with the line or anything. If you can just help clarify or repeat the question or move your position at a level where we can hear you clearly.

- Nidhi Shah:** Just give me a second. Am I audible now?
- Shubhabrata Saha:** Yes, you were audible then too but maybe try again, Yes.
- Nidhi Shah:** Yes. So my question was that if someone were to use the paver instead of using the traditional manual methods of laying down a road, what kind of cost save can we expect from that? So my question is more on this – was this standpoint of...
- Shubhabrata Saha:** I understand and appreciate your question, but making concrete roads is definitely not doable by hand. What you see in certain segments, I think you may have seen some work happening in certain places in Bombay, which is also machine done in part but not in the manner in which you typically use a paver. And these are very small roads, so don't confuse between building a highway versus building a street in which somebody has done that.
- So there is no context of anybody making a larger road of 7-meter, 8-meter, 9-meter, 12-meter width by using hand. It can't be done; it is extremely unproductive and very expensive for somebody to use labor to do that. And you will never get the finish and let's say, the quality of concrete roads.
- And you will understand, Nidhi, if I get your name right, that roads are made of two types. One is the bituminous road and the other is the concrete road. And there are sometimes where people use bitumen at the bottom with a white topping on top of bitumen. So there are three different ways in which people very broadly make roads, which are essentially, let us say, state or national highways, for which only machines are utilized. It can't be done by hand.
- Nidhi Shah:** My question is more on cost saves versus the traditional methods that are being used today. If I were to use a paver --
- Shubhabrata Saha:** There are no traditional methods that are used today. I think we need to distinguish this. The only method that is used for playing concrete roads is by using pavers. And similarly, there are bitumen pavers that are used when you make bitumen roads.
- Nidhi Shah:** It's just part of this question. I just need a yes or no answer on this. So my question is primarily just that so the reason why the pavers in India are not prevalent is only because concrete roads are not being made at this point?
- Shubhabrata Saha:** Yes, now you've come to the point. See in the past the government wanted to do, there is some intent in certain specific states for them to lay concrete roads. It moved from concrete to bitumen and hence many pavers that were sold by other manufacturers were not utilized at least for quite some time. I hope that doesn't stay for too long.
- Nidhi Shah:** All right. Thank you so much.
- Shubhabrata Saha:** Thank you.

- Moderator:** Thank you. We take the next question from the line of Vaibhav Shah from JM Financial. Please proceed.
- Vaibhav Shah:** Just a couple of data points. So what would be our inventory as of December?
- Tuhin Basu:** So inventory overall, Vaibhav, just give me a second. We are in the range of INR 190 crores.
- Vaibhav Shah:** It was around INR 228 crores as of September, right?
- Tuhin Basu:** Yes, that is true. So the overall cash cycle is still good. 9 months, the OCF to EBITDA it's near 70%. So that way working capital rigor is there. We do experience a slight increase in DSO, but apart from that, the inventory, your payables, everything is in the right corridors for us.
- Vaibhav Shah:** So overall working capital should be similar to September levels for December?
- Tuhin Basu:** For December we will have a slight improvement.
- Vaibhav Shah:** Okay. Thank you, sir.
- Moderator:** Thank you. We take the next question from the line of Vinil Shah from KJMC Capital Markets. Please proceed.
- Vinil Shah:** Yes. Sir, I just wanted to...
- Moderator:** Sorry to interrupt, Mr. Vinil. Your voice is not clear and breaking in between. Could you please take start?
- Vinil Shah:** Hello. Am I audible now? Hello.
- Shubhabrata Saha:** Yes, you are. Go ahead.
- Vinil Shah:** Yes. Sir, I just wanted to understand the status of our new facility. Earlier we had given a target of H2 for the completion, but now we are expecting it to be completed in Q1 of FY27. So what is causing the delay in the commencement of the new plant?
- Tuhin Basu:** I mean, there is no, let's say, operational delay. It's just tactical decisions. That was predominantly for the non-SLCM portfolio. We are seeing what is the right calibration, and it's a delay of few months, if at all we call it a delay. So nothing which is alarming or which needs to be thought through too much either on your side or ours. It's just a tactical decision-making, that's all.
- Vinil Shah:** Okay, sir. And my next question was sir that we had introduced the B2B sales channel for targeting the higher end of customers. So what progress have we seen there? Are we seeing a good demand coming up from that distribution channel as well?
- Shubhabrata Saha:** Yes, of course. I mean if you see the how the non-SLCM portfolio is panning out, and also the access to better quality customers, I think that's come through I think in more ways than one.

Whether it's improvement in the volume, whether it is improvement in the overall realizations, I think those are things that are playing out.

Vinil Shah: Okay, sir. That's it from my side. Thank you.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we take that as the last question. I would now like to hand the conference over to the management for 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 any further queries or clarifications, please feel free to connect with us or SGA, our Investor Relations partner. Thank you once again.

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