

Ajax Engineering Ltd

IPO Note



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A Leading Player in Concrete Equipment Manufacturing

Ajax Engineering Ltd. (AEL) is a leading player in India's concrete equipment industry, holding a 75%+ market share in the Self-Loading Concrete Mixer (SLCM) segment. With a comprehensive product portfolio spanning batching plants, transit mixers, concrete pumps, and slipform pavers, AEL plays a key role in India's infrastructure growth. Over the last decade, it has sold 29,800+ units, reflecting strong brand recall. Its near monopoly in SLCMs, which accounted for 14% of India's concrete production in FY24, highlights its dominance and critical role in on-site concrete production.

AEL operates four manufacturing facilities in Karnataka, supported by technology-driven processes that enhance product quality and efficiency. It has 51 dealerships across 23 Indian states and 25 international dealers across South & Southeast Asia, the Middle East, and Africa, ensuring widespread distribution and after-sales support. With a focus on customer service, AEL provides spare parts, servicing, and equipment maintenance, strengthening its long-term customer relationships.

AEL's 79-member R&D team drives continuous innovation, with 141 product variants catering to diverse concrete application needs. Advanced technologies like 3D concrete printing and automation in SLCMs improve efficiency and concrete quality, reducing material wastage. With India's infrastructure boom, including roads, metro systems, and urban development, demand for faster, reliable construction solutions is rising. AEL's market leadership, innovation, and strong distribution network position it well for sustained growth in the sector.

Key Consolidated Financial Data (INR Cr, unless specified)

	Revenue (INR)	EBITDA (INR)	Net Profit (INR)	EBITDA Margin (%)	Net Profit Margin (%)	EPS (INR)	ROE (%)	ROCE (%)	P/E (X)	P/BV (X)
FY22	763.3	89.5	66.2	11.7	8.7	5.8	11.4	10.2	108.3	12.4
FY23	1,151.1	170.7	135.9	14.8	11.8	11.9	19.0	16.6	52.8	10.0
FY24	1,741.4	275.5	225.1	15.8	12.9	19.7	24.5	21.4	31.8	7.8

Source: Ventura Research & Company update

Industry	Construction Equipment
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Scrip Details

Listing	BSE & NSE
Open Date	Feb 10, 2025
Close Date	Feb 12, 2025
Price Band	INR 599 – 629
Face Value	INR 1.0
Market Lot	23 Shares
Minimum Lot	1

Issue Structure (%)

Issue Size (INR cr)	1,269
Issue Size (Shares)	2,01,80,446
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≤ 35%
Pre Issue sh (in cr)	11.4
Post Issue sh (in cr)	11.4
Post Issue Market Cap (in cr)	7,196
TOTAL	100.0

Shareholding (%)

	Pre (%)	Post (%)
Promoter	93.59	75.95
Public	6.41	24.05
TOTAL	100	100

Issue Structure and Offer Details

Ajax Engineering IPO is a book built issue of INR 1,269.35 cr. The issue is entirely an offer for sale of 2.02 cr shares.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 50.00% of the Net Issue
NII (HNI)	Not more than 15.00% of the Net Issue
Retail	Not less than 35.00% of the Net Issue

Number of shares based on a higher price band of INR 629

Source: Company Reports

Objects of the Issue

The Company will not receive any proceeds of the Offer. Each of the Selling Shareholders will be entitled to the respective proportion of proceeds of the Offer for Sale after deducting its portion of the Offer-related expenses and the relevant taxes thereon.

Financial Summary

Fig in INR Cr (unless specified)	FY22	FY23	FY24	Fig in INR Cr (unless specified)	FY22	FY23	FY24
Income Statement				Per share data & Yields			
Revenue	763.3	1,151.1	1,741.4	Adjusted EPS (INR)	5.8	11.9	19.7
YoY Growth (%)	2.9	50.8	51.3	Adjusted Cash EPS (INR)	6.5	12.6	20.6
Raw Material Cost	548.2	827.7	1,276.2	Adjusted BVPS (INR)	50.5	62.4	80.2
RM Cost to Sales (%)	71.8	71.9	73.3	Adjusted CFO per share (INR)	7.4	16.1	18.1
Employee Cost	66.9	72.3	87.1	CFO Yield (%)	1.2	2.6	2.9
Employee Cost to Sales (%)	8.8	6.3	5.0	Adjusted FCF per share (INR)	6.2	14.8	16.3
Other Expenses	58.7	80.4	102.6	FCF Yield (%)	1.0	2.3	2.6
Other Exp to Sales (%)	7.7	7.0	5.9	Solvency Ratio (X)			
EBITDA	89.5	170.7	275.5	Total Debt to Equity	0.0	0.0	0.0
Margin (%)	11.7	14.8	15.8	Net Debt to Equity	(0.5)	(0.7)	(0.7)
YoY Growth (%)	(29.9)	90.9	61.4	Net Debt to EBITDA	(3.4)	(2.8)	(2.3)
Depreciation & Amortization	8.2	8.6	10.3	Return Ratios (%)			
EBIT	81.3	162.2	265.3	Return on Equity	11.4	19.0	24.5
Margin (%)	10.6	14.1	15.2	Return on Capital Employed	10.2	16.6	21.4
YoY Growth (%)	(32.1)	99.6	63.6	Return on Invested Capital	29.9	66.9	91.0
Other Income	9.6	21.4	38.7	Working Capital Ratios			
Bill discounting & other charges	0.4	0.7	2.0	Payable Days (Nos)	28	51	44
Fin Charges Coverage (X)	193.0	240.3	130.9	Inventory Days (Nos)	82	55	48
Exceptional Item	0.0	0.0	0.0	Receivable Days (Nos)	26	24	18
PBT	90.4	182.9	301.9	Net Working Capital Days (Nos)	81	28	22
Margin (%)	11.8	15.9	17.3	Net Working Capital to Sales (%)	22.1	7.6	6.1
YoY Growth (%)	(30.1)	102.3	65.0	Valuation (X)			
Tax Expense	24.2	47.0	76.8	P/E	108.7	53.0	32.0
Tax Rate (%)	26.8	25.7	25.4	P/BV	12.4	10.1	7.8
PAT	66.2	135.9	225.1	EV/EBITDA	77.0	39.4	23.8
Margin (%)	8.7	11.8	12.9	EV/Sales	9.0	5.8	3.8
YoY Growth (%)	(32.0)	105.3	65.7	Cash Flow Statement			
Min Int/Sh of Assoc	0.0	0.0	0.0	PBT	90.4	182.9	301.9
Net Profit	66.2	135.9	225.1	Adjustments	11.2	(31.9)	0.7
Margin (%)	8.7	11.8	12.9	Change in Working Capital	7.3	80.7	(18.4)
YoY Growth (%)	(32.0)	105.3	65.7	Less: Tax Paid	(24.2)	(47.0)	(76.8)
Balance Sheet				Cash Flow from Operations	84.7	184.7	207.5
Share Capital	2.9	11.4	11.4	Net Capital Expenditure	(13.9)	(16.4)	(22.2)
Total Reserves	575.4	702.4	906.5	Change in Investments	(114.6)	(176.7)	(93.4)
Shareholders Fund	578.3	713.8	918.0	Cash Flow from Investing	(128.5)	(193.2)	(115.6)
Long Term Borrowings	0.0	0.0	0.0	Change in Borrowings	0.0	0.3	1.4
Deferred Tax Assets / Liabilities	3.3	4.4	9.0	Less: Finance Cost	(0.4)	(0.7)	(2.0)
Other Long Term Liabilities	0.0	1.3	1.8	Proceeds from Equity	0.0	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	2.6	3.2	0.7	Dividend Paid	0.0	0.0	(24.8)
Total Liabilities	584.3	722.8	929.4	Cash flow from Financing	(0.4)	(0.3)	(25.5)
Net Block	108.5	166.6	167.2	Net Cash Flow	(44.2)	(8.8)	66.4
Capital Work in Progress	7.3	5.6	17.3	Forex Effect	0.0	0.0	0.0
Intangible assets under development	0.0	0.5	0.0	Opening Balance of Cash	50.6	5.8	(3.0)
Non Current Investments	5.0	22.6	63.7	Closing Balance of Cash	6.4	(3.0)	63.4
Long Term Loans & Advances	8.1	4.0	4.3				
Other Non Current Assets	50.4	12.0	14.5				
Net Current Assets	405.0	511.4	662.3				
Total Assets	584.3	722.8	929.4				

Source: Ventura Research

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