



IPO DETAILS

AJAX ENGINEERING LIMITED



 **ISSUE OPEN**

10 February, 2025

 **ISSUE CLOSE**

12 February, 2025

Min. Lot Size

23 shares

Issue Price Band

₹599 - ₹629

Issue Size

Fresh Issue:
NIL Eq shares
(NIL)

OFS:
2.02 cr Eq shares
(₹1,269.35 cr.)

Face Value

₹1

Industry

Industrial Equipment

Listing at

NSE, BSE

RATING

SUBSCRIBE

APPLY NOW

Marwadi Shares and Finance Limited

Corporate Office: Marwadi Financial Plaza, Nana Mava Main Road, Off 150ft Ring Road, Rajkot - 360001, Gujarat.

Registered Office: X-Change Plaza, Office No. 1201 to 1205, 12th Floor, Building No. - 53E, Zone - 5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat.

0281 7174 100/0281 6192 100 **CIN of MSFL:** U65910GJ1992PLC017544

SEBI Reg. No. of MSFL for NSE, BSE, MCX, NCDEX: INZ000174730 | Membership No.: NSE:08760, BSE:0910, MCX:56410, NCDEX:1280 | SEBI Regn.No. of DP: IN-DP-476-2020 (NSDL DPID:IN300974) (CDSL DPID:12035100) | Research Analyst: INH 000002186 AMFI: ARN-42506 | PFRDA: POP07082018

Disclaimer: 'Investment in securities market are subject to market risks, read all the related documents carefully before investing'.



AJAX ENGINEERING LIMITED

Rationale

Considering the TTM-Sept 24 EPS of Rs 21.26 on a post-issue basis, the company is set to list at a P/E of approximately ~30x with a market cap of Rs 7,196.19 Cr, whereas its peers namely Action Construction Equipment Ltd, BEML Limited and Escorts Kubota Limited are trading at P/E ratios of approximately ~40x, ~50x, and ~32x, respectively.

We assign "Subscribe" rating to this IPO as company is market leader in a large and fast-growing SLCM market. Also, it is available at reasonable valuation as compared to its peer.

Objectives of the issue

Achieve the benefits of listing the Equity Shares on the Stock Exchanges

Carry out the Offer for Sale of up to 20,180,446 equity shares of face value of ₹1 by the Selling Shareholders.

Company Overview

Ajax Engineering Ltd is a leading concrete equipment manufacturer with a comprehensive range of concrete equipment, services and solutions across the concrete application value chain.

Company has developed a comprehensive product portfolio that includes equipment such as self-loading concrete mixers ("SLCMs") and batching plants for the production of concrete, transit mixers for the transportation of concrete, boom pumps, concrete pumps and self-propelled boom pumps for the placement of concrete, slip-form pavers for the paving of concrete and 3D concrete printers for depositing concrete.

In FY 24, sale of SLCMs contributed 85.13%, sale of Non SLCMs products contributed 8.85%, sale of spare products contributed 5.65% and other segments contributed 0.37% to the revenue from operations.

As of September 30, 2024, company operates 4 assembling and manufacturing in the state of Karnataka, each specializing in distinct product lines.

Company is leading manufacturer of SLCMs in India, with an approximately 77%, 75%, 77% and 86% market share in the SLCM market in India in terms of number of SLCMs sold during the six months period ended September 30, 2024 and Financial Years 2024, 2023 and 2022.

The company is the only Indian company to have developed a slip-form paver entirely in house in 2019 and the first to commercialize 3D concrete printing machine developed in-house in 2023.

As of September 30, 2024, company's dealer network comprised of 51 dealerships across 23 states in India, and is accessible to customers through 114 touchpoints, which comprise 51 dealer headquarters and 63 branches (of which, 34 also act as service centers) managed and operated by dealers.



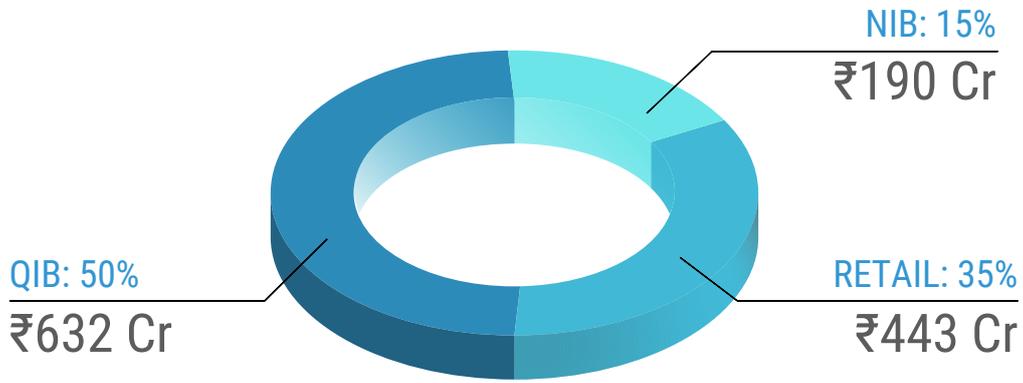
25 Global Partners Across Key Regions

In addition to India the company has established 25 dealers and distributors across South and Southeast Asia, the Middle East, and Africa.

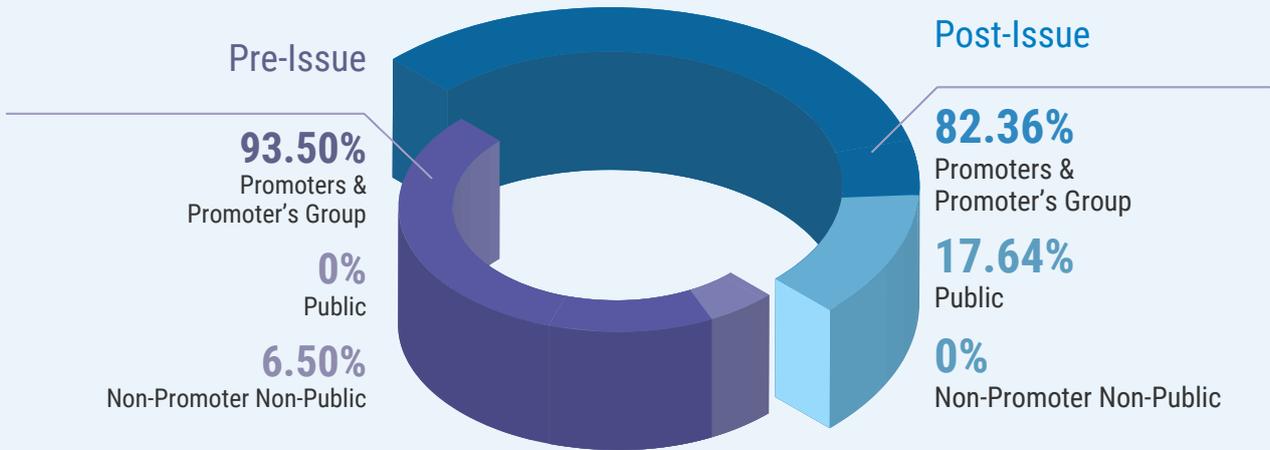


Issue Details

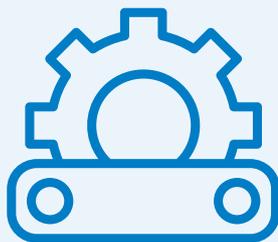
Issue Break-Up



Shareholding Pattern



Capital Structure (in ₹ Cr.)



12 Cr

Authorized Equity Share Capital



11 Cr

Paid-Up Capital (Pre-Offer)



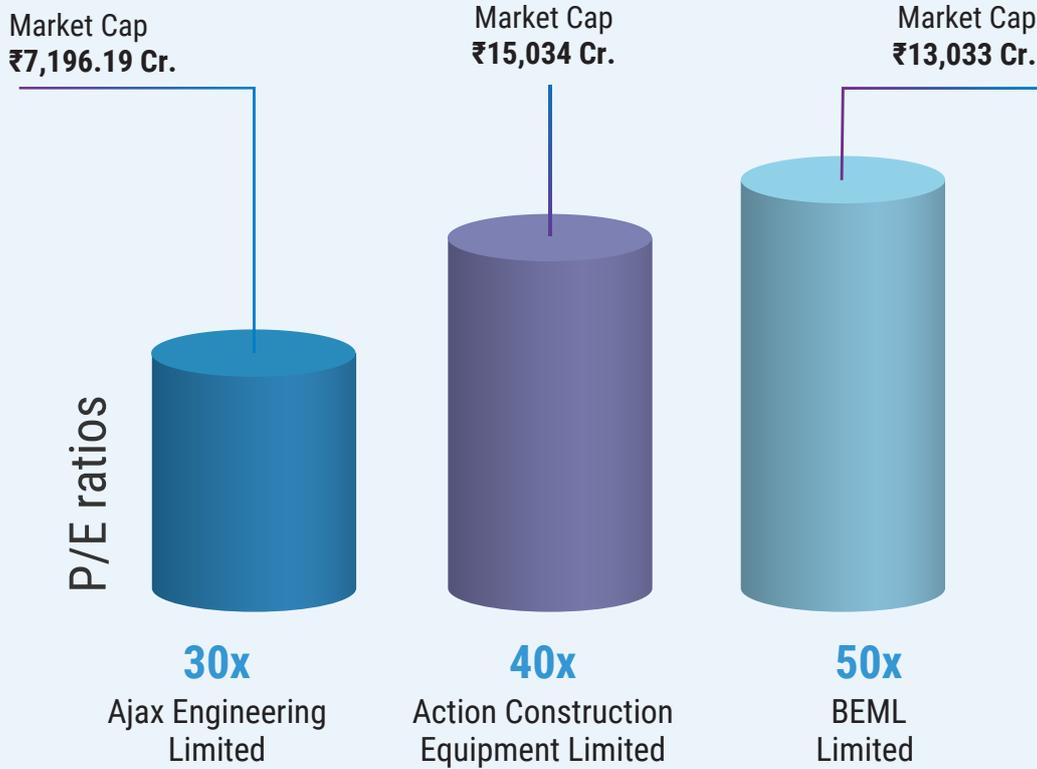
11 Cr

Paid-Up Capital (Post-Offer)



AJAX ENGINEERING LIMITED

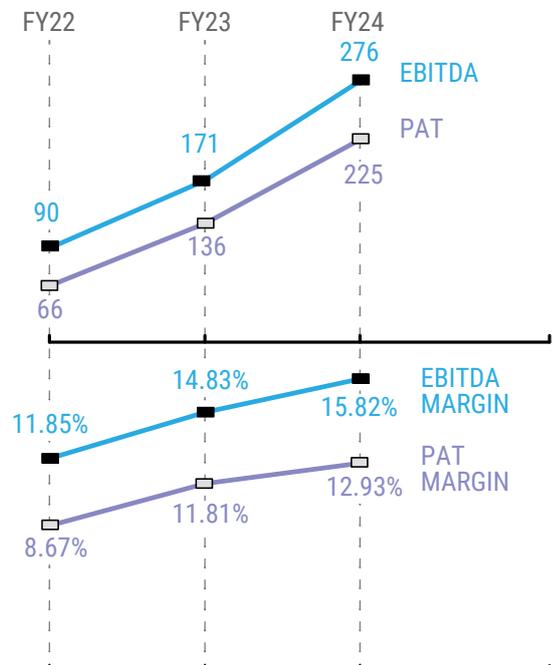
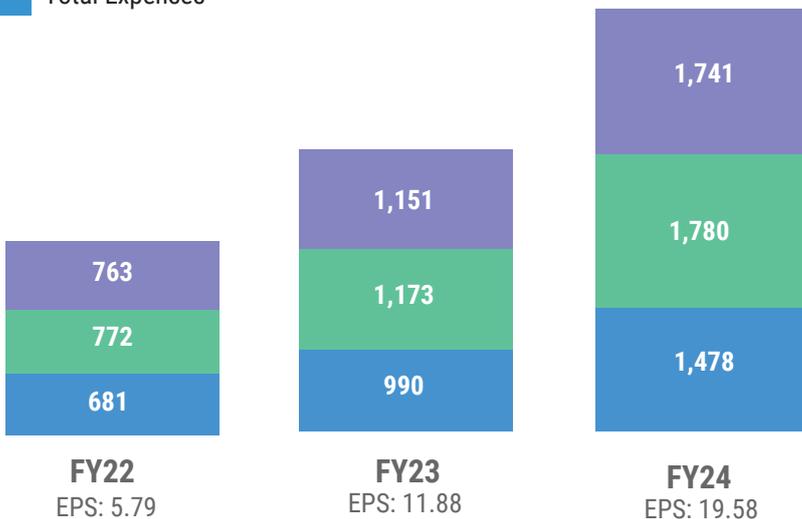
Valuations and Peer Comparison



Market Cap data of listed securities as on February 07, 2025

Financial Snapshot (in ₹ Cr.)

- Revenue
- Total Income
- Total Expenses





AJAX ENGINEERING LIMITED

Business Insights



Competitive Strengths

- Market leader in a large and fast-growing SLCM market
- Leading concrete equipment company with over 141 concrete equipment variations, and offering services and solutions across the concrete application value chain
- Engineering-focused concrete equipment company with strong in-house design and development capabilities
- Technology-led assembly and manufacturing processes and robust supplier network
- Large dealer network with widespread distribution model and 51 dealerships across 23 states in India, as of September 30, 2024.
- Diversified customer base with longstanding relationships in the concrete equipment market
- Experienced management team supported by qualified and experienced personnel



Business Strategy

- Maintain leadership position and grow market share of SLCM portfolio by developing innovative products to cater to new untapped markets
- Strengthen capabilities and increase market share of non-SLCM portfolio
- Improving operational efficiencies
- Increase presence in overseas markets through exports
- Explore opportunities for inorganic growth



Risks

- Company derives a significant majority of revenue from the sale of self-loading concrete mixers (85.13% of revenue from operations for the Financial Year 2024). Any decrease in sales of SLCMs or demand for concrete equipment in India could adversely affect business, results of operations, financial condition and cash flows.
- Company's business is seasonal in nature and any decrease in sales during certain quarters could have an adverse impact on financial performance.

Promoters and Management Details

Krishnaswamy Vijay - Whole-time Director and Executive Chairman

Shubhabrata Saha - Managing Director and Chief Executive Officer

Jacob Jiten John - Whole-time Director

Research Disclaimer <https://bit.ly/2RK2tzc>

