

Date: May 27, 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 May 19, 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 Tuesday, May 19, 2026 at 11:30 a.m. (IST), on the financial results of the Company for the quarter and year ended March 31, 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
Company Secretary and Compliance Officer
Membership No. A33617



“AJAX Engineering Limited Q4 FY26 Earnings Conference Call”

May 19, 2026

E&OE - This transcript is edited for factual errors. In case of any discrepancy, the audio recording uploaded on the stock exchanges on 19th May 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**

Moderator:

Ladies and gentlemen, good day and welcome to the Q4 and FY26 earnings conference call of AJAX Engineering Limited. 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 a touchtone phone. Please note that this conference is being recorded.

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

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

Shubhabrata Saha:

Thank you. Good morning, everybody and a warm welcome to the Q4 and FY26 earnings conference call for AJAX Engineering Limited. Along with me on the call, I have Mr. B J Ganesh, our Interim CFO, and SGA, our investor relations partner. We have uploaded our financial results and investor presentation on the stock exchanges and our website. I hope everybody has an opportunity to go through the same.

India's infrastructure sector remains a key driver of economic growth, supported by government capital expenditure on highways, logistics corridors, rural roads, village infrastructure, irrigation, defense, power, solar, and so on and so forth.

Initiatives such as the Pradhan Mantri Gram Sadak Yojana, Pradhan Mantri Awas Yojana-Gramin have improved rural connectivity and housing access, generating employment and boosting demand for construction equipment. Backed by the government's long-term infrastructure focus, we remain confident in our long-term growth prospects and leadership position in the concrete equipment industry.

While the longer-term outlook for India's infrastructure sector remains optimistic, the industry has and continues to face certain near-term challenges. Speaking of the year gone by, government spending on infrastructure has yet to fully align with budgeted allocations, resulting in slower than expected execution pace of projects across the country.

The central capex for FY26 was budgeted at about INR11.21 lakh crores, which was revised down to INR10.96 lakh crores, of which utilization till December 25 was only at about 55%. In addition, key states such as Maharashtra, Karnataka, Uttar Pradesh, etc have witnessed delays in government payments leading to cash flow constraints for customers, which has affected their ability to place new orders and undertake fresh project investments.

In the backdrop of this, our total revenue for FY26 came in at about INR2,103 crores registering a modest growth over the previous year's number of INR2,074 crores, reflecting the strength of our business model and validates the manner in which we have steered the business during a challenging year.

SLCM revenue for FY26 stood at INR1,758 crores, remaining largely flat versus FY25 despite a decline in volumes. Revenue was supported by a favorable product mix and a marginal benefit from the price increase taken in Q4.

The non-SLCM revenue grew by about 7% driven by volume growth. We continue to strengthen our presence in this segment, particularly in pumps and batching plant categories and expect steady expansion in the coming years.

Spares and service revenue grew by about 9% year-on-year in FY26 despite lower average machine running hours during the year, supported by the expansion of our dealer and service network across the country.

The transition from CEV4 to CEV5 emission norms led to an increase in the cost of production. Lower volumes in FY26 compared to FY25 also had an impact on operating leverage.

EBITDA for FY26 stood at INR266 crores compared to INR318 crores in FY25. EBITDA margin for the year came in at 12.6% versus 15.3% in the previous year. This performance is broadly in line with our consistent guidance indicating an approximately 200 basis points to 250 basis points decline in margin driven primarily by higher production costs and the calibrated approach that we have adopted towards pricing actions. There was also a minor impact on the margin of 50 bps due to sale of high-margin slip form paver in FY 2025.

As highlighted earlier, our pricing strategy continues to be carefully calibrated, factoring in market conditions, customer sentiment, and prevailing industry dynamics. While such actions may have a short-term impact on performance, they are essential and align with long-term interests of the business.

Our approach remains focused on ensuring sustainable growth, strengthening operational resilience, and safeguarding the long-term health of the company. Further pricing strategies will depend on market conditions and overall improvement in demand scenario and capex spends.

While these near-term headwinds and changes in regulation have impacted the overall construction equipment industry, AJAX has demonstrated resilience and continued to strengthen its market position. Despite an industry slowdown, we were able to effectively navigate these challenges and maintain market share.

Our SLCM volume degrowth for the year remained limited to about 4% compared to an estimated construction equipment industry decline at about 11%. This performance reflects the strength of our product portfolio, execution capabilities, extensive distribution network and strong brand connect with end customers across markets.

We have remained resilient and focused on execution excellence, operational efficiency, and financial discipline. Despite industry-wide headwinds, we continued to take a measured and long-term approach to safeguard the strength and stability of our business.

Our ability to respond proactively to evolving market conditions while staying committed to our core priorities enabled us to navigate the slowdown effectively and strengthen our competitive position. By maintaining discipline, agility, and customer focus, we continue to build a resilient foundation for sustainable long-term growth.

Speaking about our performance progression during FY26, we witnessed a decline in market share in Q1 and let's say some part of the first half owing to unsustainable business practices done by some of our competitors. However, as the year progressed, we steadily regained momentum after the complete phase-out of older emission machines by June 2025.

Importantly, this recovery in market share was achieved despite our products continuing to command a premium versus our peers, highlighting the strength of our brand, product quality, and customer trust. In Q4, we took a 2% price increase. Our data suggests that our peers have yet to take any price increase. Overall, our market share improved to 73.5% in FY26, recovering from a dip of close to about 70% in Q1 of FY26.

Let's now talk about our Q4 performance. We have witnessed a strong turnaround in both revenue and profitability. Despite a 7% decline in SLCM volumes in Q4, revenue was flat supported by price hike, cost reduction initiatives, and favorable shift in product mix.

Total revenue for Q4 FY26 stood at INR758 crores versus INR756 crores in Q4 FY25. With the higher production costs now fully reflected in the base, we have seen healthy improvement in gross margins during the quarter.

Gross margins of Q4 FY26 stood at 25.8% compared to 24.1% in Q4 FY25, an increase of 170 bps on a Y-o-Y basis. EBITDA for Q4 FY26 stood at INR115 crores, growing by about 4% on Y-o-Y basis. EBITDA margin in Q4 FY26 improved by about 40 bps and stood at 15.1% compared to 14.7% in Q4 FY26, supported by improved execution, operating leverage, and cost optimization helping to offset in volume decline.

We have continued to place utmost importance on cash flows. Our EBITDA to operating cash flow stood at a robust 142% in FY26. With liquidation of inventory, our net working capital has come down to 21 days, which is the lowest in the last five years.

We maintain healthy return ratios with ROCE and ROE averaging upwards of 25% and 18% respectively for the last five-year period. Our cash position continues to be extremely strong with a cash balance of INR1,121 crores, as of March 2026.

Short-term headwinds that we have been navigating in FY26 are largely cyclical in nature and inherent to the dynamics of our industry. Over its journey spanning for more than three decades, AJAX has consistently demonstrated the resilience, adaptability, and operational strength required to successfully navigate such challenging periods.

We have weathered multiple phases of uncertainty in the past, emerging stronger each time. This resilience has translated into a consistent growth trajectory over the past decade, during which the company has delivered an impressive CAGR of 18%. Such sustained performance reflects our unwavering focus on operational preparedness, agility, disciplined execution, prudent financial management, and the strength of our overall business model. These core principles are deeply embedded in the way we operate and continue to position us to withstand cyclical challenges effectively, while emerging from every cycle stronger, more agile, and better equipped to capitalize on future opportunities.

Structurally, we remain fully confident in the long-term growth prospects of our business. India's significant infrastructure development requirements coupled with the continuing transition towards mechanized construction and concreting equipment is expected to drive steady demand, positioning AJAX well for sustained growth.

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. The first question is from the line of Raghunandan NL from Nuvama Research. Please go ahead.

Raghunandan NL: Congratulations, sir on the strong numbers and thank you for the detailed opening remarks. Firstly, sir, on the demand side for FY27, how do you see the tailwinds for SLCM and non-SLCM led by the improving mechanization? Can volume growth recover to double digits towards 15%?

Also within SLCM, how do you see the expectation for Udaan volumes? And also on the demand side, if you can provide some expectations as to which states you expect to do well? Do you expect recovery in Maharashtra, Madhya Pradesh, Rajasthan? That was my question on the demand side. Thank you.

Shubhabrata Saha: Thank you, Raghu for your kind words. Let me say this that I think there are multiple factors that we need to consider before we come down to the demand projections for FY27. I think if we look back in hindsight, and I keep saying this, that the business model, the strength of the brand, the large loyal customer base is a very significant moat alongside our distribution service and spare parts.

I think all these factors combined with the strength of our people has ensured that the company has been resilient and has been able to perform despite the challenges. We've seen times where the company has delivered higher growth than the market grew, and when the market declined too, AJAX has been resilient to post higher than industry growth.

I take a lot of confidence in that and also from the confidence of the fact that customers continue to appreciate our products for its productivity, reliability, service support, and so on and so forth.

If you look at some of the facets, which will continue to drive the growth, I would want to let you know that the states of Gujarat, where we are seeing the very interesting shifts, it's not just about solar and so on and so forth, we are also seeing that many large cities and the city agglomerations in the villages, a lot of people are actually moving the agricultural land and converting into commercial and at that location, many of them are actually setting up small industrial units or logistics facilities or other kind of infrastructure for which we have seen a strong demand for SLCMs.

We anticipate that Gujarat will continue to grow, whether it is on account of this or additionally on account of the Commonwealth Games infrastructure that is going to come up in the near-term.

We all know that Uttar Pradesh is an important state from a volume point of view, it's a large state. Uttar Pradesh will also go into elections sometime next year and any pre-election year is an important year. We do hope that Uttar Pradesh will spend money towards infrastructure and other facets which will allow for growth of the business.

We do think that Odisha, Chhattisgarh, etc., are likely to continue to grow and so will Rajasthan. The questions that are pertinent are to answer the question centered around Maharashtra, which has been the single largest state in the two prior fiscals. From whatever we have seen and heard and are talking to contractors reveals that at least to begin with on the Simas side, which is likely to happen over the next two years, is that contractors have started to work in that direction and certain news indicates that sometime towards the second half of the year, there will be better clarity around the availability of cash flows back to contractors and also new projects. I think Maharashtra has been in a lull for a fairly long period of time. We believe that there could be some amount of turnaround happening in Maharashtra in the second half.

Right now, I'm a little concerned about Madhya Pradesh because I'm not seeing any specific green shoots in Madhya Pradesh, but I guess things will start working out as we move forward.

I have reasons to believe that both West Bengal and Tamil Nadu, particularly after the elections, should see some perk up. Bihar will also see a reasonably flattish growth. I would want to see certain parts of the southern markets, particularly Karnataka, which has been a large market to come back.

Andhra has done well. We would want to see more happening in the state of Andhra Pradesh. I would want to believe at this point in time, given multiple macro factors including geopolitical factors, steel prices, potentially indications of an El Niño year in terms of rainfall, potential increases in terms of interest costs and so on and so forth, I think we need to be a little watchful.

I wouldn't hazard any specific guess about whether it will be double-digit 15%. I would want to see a first half and a second half, as you all know, that it's a 40-60 between H1 and H2. I do anticipate a stronger H2, and given all of what is happening around us, I would want that all this subsides as quickly as it is, but it'll be all crystal ball gazing. I would anticipate at this point in time a mid and early double-digit growth would be a good number to look at and as we progress forward, I think we would be in a better position to see how things progress.

I hope, I've been able to answer most of the questions you had asked. One more question around Udaan volumes. I think Udaan is settling in quite well in most of the markets and I would want to believe that if we are able to kind of, you know, triple the volumes from here on, I think we would be very happy in the kind of scenario and if the demand perks up with all the tailwinds behind us, I think these numbers could be a little bit better as well. I hope, Raghu, I have been able to provide reasonable coverage. If I missed something, happy to add.

Raghunandan NL:

Thank you. Thank you so much. That is extremely helpful. My second question was on the export side. We have seen a 40% growth in FY26. How do you see the potential for FY27 and also can you indicate sales opportunity for pavers?

Shubhabrata Saha:

So Raghu, as we speak, you know, we have sold one paver in March of which I think the revenue will get recognized in this quarter and that's gone to Saudi Arabia. So that, I feel fairly confident as we start expanding. I think in the year, let's see how things go because the world market is very uncertain at this point in time on multiple counts, especially to the areas that we would want to go and sell.

We have seen some interest, you know, in countries as far out as Lithuania, we've seen some interest coming in from Belarus. We want to see that once the paver starts working in Saudi Arabia, there could be some more demand because that area in general has had its own share of challenges given the war scenario around.

So, I think paver is an interesting opportunity to look at. I wouldn't put a number at this point in time, but certainly we see that things could, things could possibly happen. I would say that in the second half of the year, I think we should look at some numbers. What was the other question?

Raghunandan NL: On export, how do you see the outlook?

Shubhabrata Saha: Yes, sorry, the export outlook, Raghu, I think last four years, I think AJAX started exporting only in the year 2018 and since then the journey has been pretty sound and strong. And given that context and we've grown from about INR74 crores to about INR103 odd crores, I think a growth of about 20% to 25% should be a good number to look at given how the world order is. If all things were equal and life was good, I could have, you know, said that I could have been a little more braver in saying that maybe add another 4% to 5% to the growth numbers.

But as things stand, very difficult for me to comment because most of the markets in Africa, Middle East have their own country challenges, currency challenges, and also the impact of the war all around. We've seen that the fuel prices in these countries have gone through the roof. I think, we've only experienced it in the last few days. So, let's see how it really pans out.

Moderator: Sorry to interrupt, may we request Mr. Raghunandan to please rejoin the queue. We have participants waiting for their turn. Thank you. The next question is from the line of Vaibhav Shah from JM Financial. Please go ahead.

Vaibhav Shah: Yes, congrats on a good set of numbers for 4Q. Sir, firstly on working capital, we have seen a very good performance in FY26. So how do you see it going forward in '27, '28?

Shubhabrata Saha: So, I think, Vaibhav, first thank you for your kind words. I think the company has been quite resilient in managing this emission transition very well. I think that's something I think has come up very well for us and the overall management of inventory during the transition period and post the transition period has been taken up well.

I think the important thing to look at this point in time is the cash flows back from the government to ensure that there is enough stability for the customers to pay back on time and for the dealers to pay back on time. I think even during the full year despite all the challenges, I think we've managed our receivables also quite well.

So I would say that, you know, anywhere in the range of about 25 days to 30 days of working capital is a good number, an aggressive number to look at. I think a good 30-day number is a good number for the year. Aggressively about 25 days to 30 days, but if you normalize it, I would say that 30 days at this point in time is a good number.

- Vaibhav Shah:** Okay. Sir, secondly on the SLCM side, we have seen a strong uptick in realization of roughly 5 odd percent or so for the entire year. So going forward, can we see some 1%, 2% kind of increment in terms of realization on this higher base?
- Shubhabrata Saha:** I think we are the only ones in the industry who've been able to manage a price increase. And we got a 2% price increase during the quarter. And yes, there are continued challenges in terms of steel. There is obviously an indication of the fuel increases which have an impact for us as well. So I think directionally, our intent is quite clear and we would walk the path of making sure that whatever we can recover from the market, we will continue to do so.
- Vaibhav Shah:** Okay. And sir, lastly on margin side, so given the commodity price inflation, how do you see the margins entirely for FY27?
- Shubhabrata Saha:** You know, I think we've said this in the past and I'm going to say that again, that our longer-term outlook of trying to get back to the 13% to 15% range is something that we will continue to drive and focus. Whether it will happen this year or not is a function of how the demand perks up. We would definitely want to see a scenario where the demand perks up and we are able to push through some of these things, the steel prices stabilize and so on and so forth.
- As an organization, our job is to do what we can control. What we cannot control beyond a point, obviously we can't look at that. So I think in the near-term, I think if we are able to sustain the current margins, we'll be very good until the volumes really perk up.
- You've seen the resilience of the business model of AJAX, I think, Q4 has the numbers perked up and we got the full benefit of the direct material cost reduction initiatives and also the price increase, the margin held up at about 15%. I think difficult to hazard a very strong guess at this point in time, but our intent is very, very clear that directionally we want to walk the path over the medium-term to get back to our numbers.
- Vaibhav Shah:** Okay. What were the Udaan volumes for FY26?
- Shubhabrata Saha:** About 202 numbers to be precise.
- Vaibhav Shah:** And target for FY27?
- Shubhabrata Saha:** So that's what I mentioned when I was responding to Raghu a little while earlier. If we can manage to do two times to three times that number, I think I'd be delighted given the current demand conditions in the country.
- Moderator:** Sorry to interrupt, Mr. Shah, may we request you to please rejoin the queue, sir. Thank you. The next question is from the line of Nidhi Shah from ICICI Securities. Please go ahead.
- Nidhi Shah:** Yes. Thank you for taking my question. So just one thing on clarification. Do we see Udaan volumes and revenues as part of the SLCM or the non-SLCM?
- Shubhabrata Saha:** I could not understand the question. If you can just keep your speaker a little bit away so that the voice is a little clearer. Just couldn't catch the question.

- Nidhi Shah:** Yes, am I audible now?
- Shubhabrata Saha:** Yes, much better.
- Nidhi Shah:** Yes. So, I was wondering whether, you know, the Udaan revenues, do they sit in the SLCM or the non-SLCM segment?
- Shubhabrata Saha:** No, they sit within SLCM.
- Nidhi Shah:** Okay. And we've seen that realizations this quarter have grown materially quarter-on-quarter despite the fact that my belief is that, you know, the volumes for Udaan are higher in Q4. So on the Argo side, what is the price hike that we've been able to take in Q4? Indication is okay, whatever you're able to tell us?
- Shubhabrata Saha:** I think I was responding to the questions from the lady from ICICI. I had mentioned that in the case of Argos in Q4, we were able to take a 2% price increase.
- Nidhi Shah:** Okay. And lastly, my question is that Conmat and Schwing have seen better numbers in Q4, you know, Y-o-Y, and that is not the same case per se for us where we are somewhere close to flat. So is that that the market is taking, you know, that others are not taking as much price hike as we are or is that just a shift in market share that has happened?
- Shubhabrata Saha:** I can say this with conviction as we speak none of our competitors have taken a rupee of price increase. I did not understand what you were talking about Conmat, Schwing, etc. I couldn't pick up anything.
- Nidhi Shah:** No, we've seen that Conmat and Schwing volumes are better Y-o-Y for Q4. So I was wondering whether it was the fact that we have taken price hikes and others have not.
- Shubhabrata Saha:** I am again repeating, none of the other players have taken any price increases so far.
- Nidhi Shah:** Do we expect them to take any price hike?
- Shubhabrata Saha:** I cannot comment on their behalf.
- Nidhi Shah:** All right. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Lakshminarayanan from Tunga Investment. Please go ahead.
- Lakshminarayanan:** Yes. Hi. Thank you. A few questions. First is that as you step into the next year, what would be the top three priorities for the firm, in terms of either qualitatively or quantitatively? The second question is that in terms of inventory, can you just tell -- let me know, what is the inventory that is carried in the channel, either in the transit or in terms of the dealer stock?
- And the third, there has been an incredible improvement in cash flows. What are the two or three things which the company had done to get to this level of high cash flows? Three questions, sir. Thank you, sir.

Shubhabrata Saha:

Sure. Thanks, Lakshmi. I think let me start with the cash flows. Very clearly, it's an indication of the resilience of the business model. The asset-light lean business model that we have remains unchanged. If business volumes perk up, the benefit of operating leverage happens. We've been able to take a 2.0% price increase.

So fundamentally, both from the working capital side, you've seen the shift. It's the lowest working capital in the last four, five years. If you look at the margins, I think the margins have improved significantly in the fourth quarter, buoying the entire overall EBITDA margins, which have a direct bearing on the cash flows.

I think fundamentally, it's about the business and the ability to be able to shore up business volumes whenever the opportunity arises. So I think that's been the driver of cash flows and aligned to the cash flows clearly, we are clear that look, we have now enough heft and we are examining a few opportunities and once it fructifies, we'll come back to you at that point in time.

As far as inventory is concerned, clearly, basic initiatives. I think it's a connect between the process that we follow and the execution, which is with relentless focus and drive, and people have KPIs within the organization to make sure that that works out.

I think fundamentally it is starting right from the demand, which is essentially reflected in terms of the sales funnel, disaggregation of that into runner-repeater-stranger, moving it down, disaggregating it at a part level and deciding the min-max norms, and then working backwards to ensure that we rigorously follow the same methodology to ensure that the inventory within the system is lower than, I mean, is at the benchmark level that we would want.

Now, as far as dealer inventory is concerned, clearly I think, in the range of about 35 to 40 days in most of the locations. There could be some markets which could be higher than that by about four, five days, primarily because of the demand slowing down in some of these areas. But generally we are fairly comfortable with about four, five weeks of inventory at most of the dealer locations.

As far as our priorities are concerned, clearly I think our core is SLCM. Our job is to ensure that we grow the SLCM business higher than the industry, and ensure that we can either maintain share or grow the share.

Second, as we have said clearly that non-SLCM continues to be an area of focus without working on just pricing play. We've been able to add more new customers, we've been able to add -- we've been able to generate more business from existing customers. So that's the first part.

The third is to drive revenues from Udaan. I think we do recognize that at the bottom of the pyramid, this is a very important thing. So that's broadly from a revenue angle and we'll continue to drive exports. So, those things from the angle of being able to drive revenues.

As far as cost management is concerned, I think AJAX has been an efficient, very efficient player. It goes without saying that there is boring stuff to be done, but that's where we revel in doing. So that's the second one.

And the third priority is to make sure that we can get our cash to be utilized better through some kind of an opportunity that comes along. I'm hopeful that we should be in a position to do something somewhere in the latter half of the year.

Lakshminarayanan: Yes. Thank you. That's helpful.

Moderator: Thank you. The next question is from the line of Prolin Nandu from Edelweiss Public Alternatives. Please go ahead.

Prolin Nandu: Yes. Hi, team. Thank you so much for taking my question. And great performance in a very challenging year, so congratulations for that. Two questions, Shubhabrata, from my side. The first one is that, you know, could you touch upon our progress on the batching plant and the pumps segment? And where I'm coming from is that now that the macros are, you know, not very good so to say, right? There's a inflation coming in, there's a war going on.

But, you know, with some of the initiatives that we have taken in FY '26, is it fair to have at least the internal target of, you know, 15% revenue growth with some of the, you know, non-SLCM segment or market share gain in SLCM segment as well? So just wanted to understand what can we do with the conditions in the market which are given to us, right, and still grow at 15%?

Shubhabrata Saha: Thanks, Prolin. I think as far as non-SLCM business is concerned -- non-SLCM business is concerned, clearly I think last year we made good progress both through the dealers and also through the B2B channel. As I have said repeatedly, our focus would be to ensure that we can drive this business through the construct of more installations, through the construct of having a very strong service and spare parts support and product reliability.

And because of that, I think we are now part of the consideration set in many customers. We know that our best bet from the dealer perspective is to be able to take advantage of customers who probably know us through the SLCM route and these are small and medium-sized RMC players.

And on the other front, clearly there is an opportunity with some of the larger contractors or larger construction firms, particularly the one that is being dealt with by our small B2B team. Both the B2B team as well as the dealer team has made good progress. We've seen that our higher-sized batching plants have also started picking up.

We've witnessed that our 4-series and 7-series pumps have done very well, our 38-meter and 44-meter boom pumps have done well. So I think these combinations are doing well, and we do believe that this year the benefit will accrue on the work that has been done in the last full year, because that was one full year of operations for our B2B business.

Prolin Nandu: Sure. And the second question would be on the cash side. While you answered that, you know, we might see some activity in the second half of utilization of that cash, but could you help us understand, you know -- because see our business, we are sitting on INR1,100 crores of cash. We'll be generating another, you know, INR200 crores - INR300 crores each, you know, for the next couple of years. So we'll be at INR1,500 crores of cash.

So, just wanted to understand how are you -- and our organic business as you already highlighted and have highlighted previously as well is more of an asset-light business. So it does not require much of a capital, so to say. So how do you think about inorganic opportunities and what are -- how do you think about make versus buy decision when you think about inorganic opportunities?

Shubhabrata Saha:

There are many questions rolled into one question. So first things first, if we look at the scale of the opportunity, I think it has only, you know, furthered the appetite for our ambitions. And I have to tell you this that first what AJAX will not do. We are very clear that we and I keep repeating this ad nauseam, we are not interested in turnaround business situations.

Second, we will not invest money wherever we see challenges when it comes to the context of, let us say, you know, indifferent promoters or accounting practices that do not match our ethics and governance standards.

Third, we are clear that we won't get into, you know, sectors which are sunset sectors in particular; and fourth, return metrics matter. Of course, all types of businesses will not have the same kind of return metrics.

Now since you asked me this question on make versus buy, clearly I think as far as concreting business is concerned, we are clear that look, there isn't too much beyond what we already do because, you know, we are the only players in India who do slipform pavers. We are the only players in India at scale who are able to do 3D printing and so on and so forth apart from the range of products that we have in concrete.

If we have to decide to get into anything beyond concrete at this point in time, I think it makes eminent sense for us to look at opportunities where we can get quick traction into the marketplace by looking at assets, and these are all hypothetical theoretical constructs. We don't have anything on the table for us to speak on those particular areas.

The other facet, Prolin, if you're asking me that, you know, does the company have a dividend policy? The answer is yes. Are we going to look at something like this? I cannot answer because that's a consideration that the board will take. But having said that, I think the company is clear that growth, there is no alternative to growth and if growth comes from potential opportunities through M&A, we'll certainly.

Now, since you asked me, what's the thought process around it? As I have indicated in the past and I'm continuing to do so, I think AJAX has a certain business model. It understands design and engineering, it understands supply chain, it understands assembly. If AJAX sticks to that core and is able to drive scale, growth, and value creation, we will certainly come back to you when the time is right for us to say so.

Prolin Nandu:

Thank you so much and all the very best.

Shubhabrata Saha:

Thanks.

Moderator:

Thank you. The next question is from the line of Rishi Chopra from Citigroup. Please go ahead.

Rishi Chopra:

Thank you. Just a quick question, I know you've answered it in various ways, but if you had to summarize what changed between the second half versus the first half in terms of, you know, the whole market share gain, the ability to take price increases, you know, better profitability versus competition etc in the sense of market share and price increases. Like what's changed strategically for you or, you know, did competition pull back and how are you expecting to kind of go about this in this year as well?

Shubhabrata Saha:

Raashi, thanks for a very introspective question that you've put up. I have to say this that there are things that were always available with us, which is AJAX as a very solid sound brand. Second, our connect with our customers. Third, we continue to have very strong service and spare parts support. Fourth, the support of our dealers and an extremely energized culture, which helps to drive the business.

Now given all of this, I think fundamentally if you look at it, at the end of Q1, there were challenges to share and so on and so forth. But the good news was that we were the first to have actually planted our CEV-5 products in the fourth quarter of the previous year. The larger part of our first quarter was also our CEV-5 products. So it allowed the product to seep in into the marketplace.

Second, the process that we followed in the design engineering and the validation and testing of our CEV-5 product meant that the product was virtually first-time right and everything right when it went into the market. That gave tremendous amount of confidence and this came from the learnings that we had, particularly from the transition that we saw in CEV-3 to CEV-4 in the previous one that happened in 2021. I think these were some fundamental drivers.

The third facet that I have to say this that we knew that we were coming -- we were recovering market share. If you observe our market share numbers in Q3, some parts of Q2 had inched up towards 78.0%, which gave us significant confidence that our distribution channel is working well, our product is working well, the team is working in a well-oiled fashion despite the fact that there were headwinds when it came to demand.

And most importantly, our customers still continue to love our products. I think customers happen to be our very significant moat. We often don't speak much about them, but I think the support of the dealers, the customers, and our employees have been drivers of being able to succeed.

When it came to the fourth quarter, we were extremely clear that, look, we are inching up very close to our market share numbers of close to about 74%, 75% and we said irrespective of what happens, we will be resilient to be able to make sure that we drive the price increases across.

And I think sticking to the guns and also the strength of our dealers, our team, and our customers has helped us to get that through. I think it's important at some points in time for a market leader to rise up and show the way, and I think we did that.

Rishi Chopra:

Sir, given the macro situation, you know, I mean uncertainty etc , in terms of, you know, what could potentially happen to India demand and, you know, all of that. Is there a risk that the competition will try to underprice and then that again hurts market share, or I mean, I understand

product acceptability and everything, but is there a risk just given where we are on the macro side?

Shubhabrata Saha: I think another good question, Raashi. I must tell you this that, you know, even during the transition and post the transition, the gap between us and them has increased quite substantially. And with our 2% price increase, it goes up even further, right? So they were any which ways selling at a very low price, they continue to sell at low price, and I don't see when they will want to take a price increase.

It is important as much for them and as for us to be able to make sure that we do the right things in the market. The fact is that, I mean, you've seen it, during the transition the pricing came down quite sharply. Even after that, there has been a difference of anywhere between 4% to 8% and leading up to even 10% in certain cases. So if you take an average of about 5% to 6%, that's substantial in this business.

And I feel confident that we should be in a position to be able to take them on. I mean, I obviously, can't comment on hierarchy and actions which are insensible, and I don't want to talk about it at this point in time, because it'll be too theoretical. We'll if there is anything of that nature, we will take our calibrated response without necessarily affecting pricing.

Rishi Chopra: Got it. So right now the difference is 5% to 6% on pricing versus competition?

Shubhabrata Saha: That's right.

Rishi Chopra: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Rahul Kumar from Vaikarya Fund. Please go ahead.

Rahul Kumar: Yes. Hi. Just one question. When did we take this price hike? I mean, which particular month?

Shubhabrata Saha: It was taken in Q4.

Rahul Kumar: No, I understand that.

Shubhabrata Saha: January.

Rahul Kumar: January. Okay. And we have seen the market share for us, you know, being stable even in Feb and March. Is that correct?

Shubhabrata Saha: That's correct.

Rahul Kumar: Okay. That's all. Thank you.

Moderator: Thank you. The next question is from the line of Digant Haria from GreenEdge Wealth. Please go ahead.

Digant Haria: Yes. Hi. Thank you for the opportunity. I had, you know, one question that, you know, our customers who use our products, like, you know, if the diesel prices were to increase say by, you know, 10%, 15%, 20% just to reflect what's happening globally. Does it affect their economics you know, on a per day basis? And on the other side for us there is metal inflation.

So, you know like in this situation, you still guiding for 15% growth and maybe 13% to 15% margin. So, if anything you can just explain to us on this particular part, you know, the economics of your customer, how does it change with the price hike?

Shubhabrata Saha: Digant, as you heard me saying this, I was very clear that in the medium-term we would want to get back to those kind of numbers of mid-teens growth and also over a period of time get to the 13% to 15%. I am not giving a guidance that in FY '27 this would happen. I would not even hazard a guess at this point in time, but our intention is to reach early double-digit growth in even in these circumstances. That's our intention.

Now, whether the market will allow, whether the market will have, you know, your guess is as good as mine. You yourself are answering the question about what's happening in the market. So it's very, very early for us to say anything like this. We remain committed to medium to longer-term growth. Near-term, I mean, there are way too many headwinds. I mean, we can't even say what is likely to happen. You were talking about 10% to 20%.

I can't speak on government, on behalf of Government of India so what's going to happen. I don't know what's going to happen across many of those scenarios. We can control what we can control and in controlling that, we will continue to do what we know best to do, which is to work with our customers, ensure service, do exports, all of that is something that we will continue to do.

Digant Haria: Okay. So just one follow-up is, you know, for our customers who use our products, you know, like per day, let's say, if they are making, you know, INR1 lakh a day on renting that product, you know, how much of that, you know, would be the fuel cost?

Shubhabrata Saha: See, to be honest with you, it depends specifically on different types of applications and it is also fair to say that, you know, when such things happen, I think customers are equally aware and also the users of the products. You are also aware that cement prices have gone up, steel prices have gone up and there is good reason for them to be able to then go back to the people who are the actual buyer of, let's say, concrete to be able to extract something. Let's wait and watch as to how this all pans out.

Digant Haria: All right. But would fuel cost be around 30%, 35% of the total per day revenue or just a ballpark, you know, I don't need an exact for a product-wise or anything or just a range would do.

Shubhabrata Saha: Digant, it's very difficult for me to put a number on this right away because of the nature and type of applications, the type of model that you will use, the type of gradient that you will put the vehicle to and unless and until you give me a specific thing for either ARGO 2000 or ARGO 4000, very difficult for me to comment on this.

It'll be a very generic answer and I don't want to put generic answers on machines like this, especially from a machine utilization point. It also depends upon how the operator is functioning. So, it all depends upon real-world situations, and it'll be unfair for me to comment. But having said that, AJAX is the best bet when it comes to fuel efficiency apart from productivity of its machines. We can have a separate conversation on the sidelines explaining to some of these aspects.

Digant Haria: Okay. Thank you. Thank you so much.

Moderator: Thank you. The next question is from the line of Krisha Kansara from Molecule Ventures. Please go ahead.

Krishna Kansara: Yes. Hi. Am I audible?

Shubhabrata Saha: Yes, you are.

Krishna Kansara: Yes, sure. So sir, my first question is somewhat similar to what one of the previous participants asked. Now I understand that we have been able to grow in the past despite competition selling at lower prices. But my question also comes from the fact that we have taken a price hike while none of our competitors have.

So is there any kind of possibility of a situation where competitors could dump their existing inventory at lower prices and we have to, you know, take this price hike back or are we confident that our customers have positively absorbed this price hike? This is my first question.

Shubhabrata Saha: Very interesting and very dynamic question. I mean, I wish I had the benefit of asking AI to answer this question by putting it to DeepSeek or @Grok, because there are many interesting answers that you will get from something like this.

I can say this, I mean on a lighter side I'm saying this, but even in the month of April, I know for a fact that we have a 76% market share with that price increase. So we are steady, resilient, and clear about some of these aspects and whatever it takes to make sure that our customers understand why our products are better and which is why they pay a better price for it.

If they've done it in the entire quarter, our competitors had the benefit of doing all of those things. They've been doing it. I mean, I just spoke about the fact that there is a significant difference between our price and the competitors' price, there's a 5% to 6% differential. That's not small. And customers still continue to buy.

Krishna Kansara: Sure.

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

Lakshminarayanan: Yes. My question is that, you know, do you actually encourage trade-in programs or to ensure that if somebody wants to exchange their AJAX old machine, you know, is that something which you do consciously in terms of, you know, as a process or a system?

Shubhabrata Saha: Lakshmi, very good point. We actively encourage. So we've got a list of folks. So I'll just explain to you that there is something called a hunter-harvester principle that we have in our business. The sales team is the hunter and the harvester is the service team, and it kind of flows back and forth amongst each other.

So typically, what tends close connect with these customers who have bought our product a year ago, two years ago, five years ago, eight years ago, because they are the ones who are in touch whenever there is a service job or requirement.

And that in turn dovetails with our dealer service team and hence, using that database of folks who are more than five years old, seven years old, eight years old, because generally we've seen that anywhere in the range of seven to eight years, there's a possibility of a customer either upgrading or changing or deciding to sell a machine. And in all of those three circumstances, generally people would want to trade in.

The good news is that AJAX commands a fantastic resale value, and generally it is passed on to within the community and also actively where our dealer is involved. See, dealers are involved in this activity to make sure that there is a driver of volume. Very difficult for me to put a number on it and say that do we have a X percent trade-in at a dealership and so on and so forth. But since it happens both C2C as well as B2C, I think this is definitely one of the opportunities that is there.

But given the fact that the business is too early, you know, at a point in time five years ago, eight years ago, ten years ago, AJAX's volumes were very limited. Even today if you look at it, there's 35,000, 38,000 active machine population. Yes, there are machines that we don't track. So I think it's early to say what this will be, but this definitely will be an important driver of growth as we go in a constructive manner or in a structured manner that you've put it. Very similar to what happens in automotive trade.

Lakshminarayanan: Got it. And I understand that Udaan comes in two-wheel drive and four-wheel drive option. For the others, the regular ones, the larger ones, the ARGO, I mean, do you -- does that come only in four-wheel or it also comes in two-wheel option -- two-wheel drive or four-wheel drive?

Shubhabrata Saha: I didn't get your question. It's coming as garbled, Lakshmi, if you can restate your question.

Lakshminarayanan: Yes. My question is that Udaan I believe comes in four-wheel drive and two-wheel drive option. Are people generally taking four-wheel drive option over two-wheel drive option or how is this?

Shubhabrata Saha: No, so I think very interesting. So we've seen reasonably equal weightage between the two options.

Lakshminarayanan: Got it. And in our flagship product, is that also, you know, is it coming only in four-wheel drive or it also has an option of two-wheel and four-wheel?

Shubhabrata Saha: No, it has to be four-wheel for multiple reasons as you will understand from an engineering standpoint.

- Lakshminarayanan:** Got it. Okay. Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Vaibhav Shah from JM Financial. Please go ahead.
- Vaibhav Shah:** What would be your market share in SLCM for the fourth quarter?
- Shubhabrata Saha:** Vaibhav, it will be closer to about 73% something if I'm not wrong right now. I can revert back to you separately.
- Vaibhav Shah:** Okay. Okay. Sir, for in Q3 it was around 80 or percent, right, in Q3 or only for December?
- Shubhabrata Saha:** No,. So if you look at October to December, if I remember correctly -- again these numbers are something that I'm speaking off the cuff, it would be in the range of about 76% to 78%.
- Vaibhav Shah:** Okay. Got it. So we have not seen a major drop despite taking a price hike.
- Shubhabrata Saha:** No, no. So our story was very clear. We went down to if I remember correctly, 69.8% and from 69.8% we clawed it back to about 73.5% and we were pretty okay with that. And we said that at this point in time, this is a very good time for us to, you know, just stick to the fact that we wanted to take our 2% price increase, and we went all through the fourth quarter. And that's the reason why you see that
- Vaibhav Shah:** We are confident that this should be maintained roughly in this range, 70% to 75%.
- Shubhabrata Saha:** I think we've been able to do that in the fourth quarter, first in the month of April also we've sustained that with 76% market share.
- Vaibhav Shah:** Okay. Got it. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Rahul Kumar from Vaikarya Fund. Please go ahead.
- Rahul Kumar:** Yes. Hi. Thanks. Just on pricing actually, so the price hike which we have taken is it across all products or only for the products which had transitioned from, you know, CEV-4 to CEV-5?
- Shubhabrata Saha:** The entire portfolio of ARGOs went through the transition and hence that applies to the entire portfolio.
- Rahul Kumar:** Okay. I see. I was under the assumption that lower volume products were okay. Yes, I understand. Got it. Okay. And in Q4, was there any product superior product mix also helped us versus, let's say, quarter 4 of last year?
- Shubhabrata Saha:** I think I've already answered that question in my transcript of the fact that the volumes have been more led by the 4-Series largely because of certain states like Maharashtra, MP, which are 2-Series states and the volumes have not perked up.
- Rahul Kumar:** Okay. Understood. Thank you.



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Moderator: Ladies and gentlemen, due to time constraints, we will take that as a last question. I now hand the conference over to 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 further queries or clarifications, please, please feel free to connect with us or SGA, our investor relations partner. Once again, thank you and good day.

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