

SANGHVI MOVERS LIMITED

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November 14, 2025

To,
The Manager,
Listing Department
BSE Limited
Scrip Code: 530073

To,
The Manager,
Listing Department
National Stock Exchange of India Limited
Symbol: SANGHVIMOV

Subject: Transcript of the Earnings Conference Call for the quarter and half year ended September 30, 2025

Dear Sir/Madam,

In terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed transcript of the Earnings Conference Call held on November 10, 2025, on the financial results of the Company for the quarter and half year ended September 30, 2025.

The same is also available on the Company's website www.sanghvicranes.com.

The above is for your information and record.

Thanking you,

Yours sincerely,
For Sanghvi Movers Limited

Vinav Agarwal
Company Secretary &
Chief Compliance Officer
ACS: 40751

Encl.: as above



“Sanghvi Movers Limited
Q2 & H1 FY '26 Earnings Conference Call”
November 10, 2025



MANAGEMENT: **MR. RISHI SANGHVI – MANAGING DIRECTOR**
MR. GAURANG DESAI – CHIEF EXECUTIVE OFFICER
MR. PRADEEP MEHTA – CHIEF FINANCIAL OFFICER

Moderator: Good evening, and warm welcome to everyone to Q2 and H1 FY '26 Earnings Call of Sanghvi Movers Limited. Please note, the investor presentation and the financial results are available on the company website and the stock exchanges. Also, anything said on this call, which reflects

our outlook for the future or which could be construed as a forward-looking statement must be reviewed in conjunction with the risks that the company faces.

The conference call is being recorded and the transcript, along with the audio of the same will be made available on the website of the company as well as on the exchanges. Please also note that the audio of the conference call is the copyright material of Sanghvi Movers Limited and cannot be copied, rebroadcasted or attributed in the press of all media without specific and written consent of the company.

From the management, we have with us Mr. Rishi Sanghvi, Managing Director; Mr. Gaurang Desai, Chief Executive Officer; Mr. Pradeep Mehta, Chief Financial Officer.

I now request Mr. Pradeep Mehta, Chief Financial Officer of Sanghvi Movers Limited, to provide you with the updates for the quarter and half year ended 30th September 2025. Thank you, and over to you, sir.

Pradeep Mehta:

Thank you, Shifa. I will begin with the financial highlights for the quarter and half year ended 30th September 2025. For Q2 FY '26, the company achieved total income from operation of INR210 crores as compared to INR273 crores in Q1 FY '26 and INR156 crores in Q2 FY '25, marking a growth of 35% year-on-year.

On a half yearly basis, H1 FY '26, the revenue stood at INR483 crores, up 57% year-on-year from INR307 crores in H1 FY '25, driven by sustained demand across infrastructure and renewable energy sector.

Coming to the segment-wise contribution for Q2 FY '26, the crane rental business contributed approximately 68% of total revenue. EPC business accounted for 26.7% and project EPC firm balanced 5.2%. Our EBITDA for Q2 FY '26 stood at INR88 crores up from INR81 crores in Q2 FY '25 reflecting a growth of 9% year-on-year with an EBITDA margin of 42%.

For H1 FY '26 EBITDA was INR195 crores compared to INR175 crores H1 FY '25 which represent 11% year on year growth with a margin of 40%. Profit After Tax for Q2 FY '26 came in at INR36 crores compared to INR50 crores in Q1 FY '26 and INR29 crores in Q2 FY '25 an increase of 24% year on year. For H1FY '26 PAT stood at INR87 crores against INR70 crores in H1 FY '25 reflecting 24% growth year-on-year.

Our average capacity utilization during the quarter was 70% compared to 80% in Q1 FY '26 and average blended yield stood at 2.04% per month, broadly in line with the previous quarter. On the balance sheet side, the company continued to maintain a strong financial position as of 30th September 2025, net debt stood at INR440 crores with a debt equity ratio of 0.36x, indicating a healthy leverage profile. The average borrowing cost remains stable at 8.48% per annum and the company net worth stood at INR1,212 crores.

During H1 FY '26 we incurred a capex INR123 crores in India and INR17 crores in our KSA subsidiary, taking the total capex to INR140 crores. As approved by Board of Directors now capex plan of INR629 crores for FY '26 out of which INR405 crores is embarked for India INR224 crores for KSA.

We added 22 cranes in India and 9 cranes in Saudi Arabia during the period. Our order book stands strong at INR1,239 crores, out of which approximately INR756 crores is expected to be executed during FY '26. While around 10% to 15% may spill over into FY '27 due to monsoon delays and site period from customer sites.

Additionally, we continue to invest surplus crane strategically as of September 2025, the company has deployed INR192 crores across various debt and arbitrage funds, generating an average revenue of 6% to 7.9% per annum. These investments are earmarked as the growth capital for future expansion, particularly in Engine-2 businesses for global diversification.

The company has total sanction limit of INR150 crores for cash credit and however its utilization is negligible, which is less than 1% of the total sanctioned limit.

With this, I would now hand over to Mr. Gaurang Desai. Over to you.

Gaurang Desai:

A very good afternoon to all of you and thank you for joining. I'm pleased to report that your company continues to demonstrate a very strong momentum and execution resilience. As Mr. Mehta has mentioned, as of 31st October, our consolidated order book stands at INR1,239 crores.

I am also further happy to share that we have an open inquiry pipeline in excess of INR2,000 crores, reflecting sustained demand and strong customer confidence. The robust inquiry pipeline and order book supports management view of taking an aggressive stance in terms of capex and which was unanimously approved by the Board of Directors.

We are strongly positioned across India's growth sectors, renewables, infrastructure, EPC. Our crane leasing and wind EPC continues to deliver robust performance, securing strategic projects and building our presence in sectors like thermal, construction, steel, cement, etc.

Let me give a perspective of the industry. In FY '26, India's renewable energy is expected to record a record growth. In H1, we have already completed an installed capacity of 3.09 and another 3 gigawatt is expected to be added in H2.

Cement production as of March stood at 655 million tons and is expected to reach around 700 million metric tons by March 2026, driven from expansion of major clients like UltraTech, Shree Dalmia Cement, etc.

Steel also showing upward trend and 35 million tons of new capacity is expected, taking the total crude steel capacity to 235 million metric tons. We are also seeing a strong traction in nuclear power with NPCIL advancing projects of almost 8,000 megawatts in their units in different parts of country.

India's infrastructure sector continues to gain momentum driven by sustained public investment and private participation across railways, metros, roads, bridges, ports. With a strong order base, expanding pipeline and a very positive sector tailwinds, we are very confident of delivering a sustained performance in FY '26 and beyond.



I will now request our MD, Mr. Sanghvi, to talk about the growth initiatives and long-term vision.

Rishi Sanghvi:

Thank you, Pradeep and Gaurang. Good afternoon, everyone, and thank you for taking the time out to join our Q2 and H1 FY '26 investor call. The first thing that I want to touch upon is our 5-year strategic road map Elevate 2030.

Elevate 2030 stands to serve our customers by expanding our global footprint, diversifying our portfolio and strengthening customer-centric value creation.

With respect to our global footprint, I'm really excited to announce that your company has begun operations in Q2 of FY '26 in the Kingdom of Saudi Arabia. And currently, we have deployed more than 30 cranes on site, all of which have moved from port to site.

We foresee that the annual crane rental market in the Kingdom of Saudi Arabia in aggregate is approximately \$800 million to \$1 billion per year. There is an estimated investment scope across various sectors, projects, government entities and private players to the tune of nearly \$1.6 trillion to \$2 trillion.

Our current inquiry pipeline is very healthy, and we have approximately \$50 million worth of inquiries, which will translate into strong revenues in the next 24 months. Further, we have made significant inroads in our renewable company, where we are servicing customers from conceptualization to commissioning in the renewable wind energy space.

I would now like to highlight some of the key pillars that we are building our Elevate 2030, the 5-year strategic vision on. First, we are developing a customer-centric approach. We are committed to strengthening partnerships by delivering tailored high-quality service offerings that meet our clients' needs.

The second is our global expansion, as I have already discussed about our first step in Saudi Arabia and further beyond that in the MENA region as we open up new countries to further grow our core business. The third is a product portfolio diversification, where we continue to expand beyond crane rental services by leveraging our customer connect and solving their pain points to meet evolving industry needs.

The fourth is our people focus, which is employee development, where we are continuously fostering a performance-driven culture.

The fifth is our financial growth where we focus on enhancing our capital efficiency, improving profitability and maximizing returns for all our stakeholders, including all of you who have joined this call today.

And the sixth is our digital scalability where we are leveraging technology to unlock our 3.5 decades of experiences and bring those learnings across various products and segments.

You know why I focused on talking about the future, I would like to highlight some of the promises that we have already delivered to our stakeholders. One is our reactivation and

completion of our engagement with them to explore growth opportunities. We have now successfully shortlisted the business expansion idea. The second is the proposed formation of our company in Saudi Arabia. And we have activated our globalization track in February 2025 and kicked off our commercial operations in September 2023.

The third is something that is dear to me, which is the carving out of our renewable business from the parent listed entity, Sanghvi Movers into a wholly owned subsidiary called Sangreen Future Private Renewables. This has helped us redesign our operating model and put into place a new leadership that is responsible for individual P&L outcomes.

Finally, we have promised to appoint an experienced C-suite leadership team and I'm really proud to say that we have completed the hiring not only across BU, but for all central functions such as the CFO, CPO, Strategy Officer, People Officer and Business Officer. Therefore, we now have a capable and engaged leadership team to take our company to the next level down our journey of Elevate 2030 in the next 5 years.

I would like to thank each and every one of you for joining this investor call, and we look forward to our continued engagement. I would now like to hand over the floor back to our moderator and Pradeep and Gaurang to take your questions and answer. Thank you.

- Moderator:** Thank you very much. The first question is from the line of Sudhir Jain from Nirmal Bang.
- Sudhir Jain:** Sir, 2 questions from my side. One is on your Elevate 2030, you said that there are financial goals. If you can give specific numbers that what type of ROCE you are looking in 2030 and what level of revenue would like reach over there?
- Gaurang Desai:** Yes. So you wanted to know about Elevate 2030 and somehow it got disconnected. So Elevate 2030 is an initiative we have taken in terms of let's say 6 particular pillars. So being customer-centric approach, have a whole customer-centric approach, have global expansions, looking to product portfolio diversification, employee development, financial growth, digital scalability. We have really not put a number that what people looking in 5 years as of now. But this is the philosophy of what we have defined and we are working towards each and every step, and we'll get more clarity as we go along.
- Pradeep Mehta:** Just to add on the Gaurang about the financial side, what you wanted to understand on ROCE and all those things. So our overall focus is on enhancing the capital efficiency basically and improving the profitability. The exact number if you are looking, definitely, we are working on that.
- Sudhir Jain:** Okay. Great. And sir, second question relating to the order book, which you had said. See an executable order of around INR756 crores. Is it possible for you to break it up between how much is for crane rental and how much is for EPC?
- Gaurang Desai:** So let me clarify. The order booking as of today, as I mentioned, stands at INR1,239 crores, and these are orders which are executable in this particular financial year.
- Sudhir Jain:** Yes. So if you can break that up, that will also be, okay?



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- Gaurang Desai:** So typically, we refrain from giving forward guidance. But historically, it has been mix of both EPC and crane rental. And INR1,239 crore is order booking as of date, but because of monsoon, because of other land issues, we may see a 10% difference being there.
- Sudhir Jain:** Yes, because you were giving this breakup earlier. That's why I'd ask whether if you can share this crane rental part of the order booking because you have very different margin profile in both the businesses?
- Gaurang Desai:** But last time also, I think we touched upon that we are refraining from giving this information due to kind of restriction imposed by the Board.
- Moderator:** Next question is from Riya Mehta.
- Riya Mehta:** My first question is that I would want to know the breakup of the order book in terms of how much is for the crane business and how much is for other Sangreen business.
- Gaurang Desai:** Yes, yes. So we just touched upon it. We have a total order book of INR1,239 crores. And as a management principle, we have stopped giving the segmental breakup from quarter 1 as advised by the Board.
- Riya Mehta:** Yes. So just wanted to understand how much in the Q3 since we have seen extended monsoon and I think your commentary also says that 10% has been still lower. So how does it work? Could you help me understand the impact in Q3, what we see because of delayed execution?
- Gaurang Desai:** So ma'am, we have a robust order booking as well as robust pipeline. And Q3 will not be any different as compared to last year, and we hope to maintain the momentum that we have been doing.
- Riya Mehta:** So when I look at my half yearly balance sheet, I see the kind of receivables has increased significantly, even in terms of number of days. Could you help me where are we seeing delays? Or is it the nature of execution that we are seeing that the trade receivables increasing a bit?
- Gaurang Desai:** Yes, ma'am. So yes, there is an increase in number of receivable days. However, there is no inherent concern. There are some clients where reconciliation was pending, which is happening as we speak. So we should see a definite improvement in Q3 going forward.
- Moderator:** Next question is from Vivek from Ficom.
- Vivek:** So firstly, in the Q4 FY '25 con-call, you had guided for FY '26 top line growth of 25% to 30%. So this was with crane rental growing at 10% to 15%, Wind EPC with more than 2x and project EPC of approximately 2x. So given the lower base last year and better execution expected in H2 FY '26, would you like to revise your guidance higher?
- Gaurang Desai:** No. So we are confident of sustaining the growth guidance what we have given in Q1. However, we are sitting on a higher base in terms of our order booking. So we are not revising the guidance. We are saying that we are confident to meet the guidance.



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- Vivek:** Right. Secondly, sir, you had guided the crane utilization at around 75% to 80%, but Q2 FY '26 utilization stands at around 70%. So is this due to seasonal monsoon impact or a broader slowdown in infrastructure construction activity because some of the players have reported steady utilization in Q2 FY '26? So could you help me explain this divergence?
- Pradeep Mehta:** Sure, Vivek. So if you look at the history, H1 of FY '25, our utilization stood at 73% and H1 of 2026, we are at 75%. Utilization has moved -- I mean, not significantly, but has improved. Q2, if you compare last year, it was against 68% versus 70%. So we are seeing that utilization number has increased over last year and Q2 is a seasonality effect. That is why you are seeing 68%, 70%.
- Vivek:** Right. But I mean some of the domestic players have improved or has been steady in terms of the utilization. So, I mean there is this seasonality impact, right? I just wanted to confirm that.
- Pradeep Mehta:** Yes.
- Moderator:** Next question is from the line of Krupa Desai from Electrum PMS.
- Krupa Desai** Yes. Sir, my question was on depreciation. As I see, we have increased our capex guidance for this year to around INR630 crores. So can you give the ballpark depreciation number for this year?
- Pradeep Mehta:** Depreciation will be as per the company. Normally, the capex depends on the capital of the machine till September, we have already seen the number in financials. Now as the machine will be capitalized, the equipment will be capitalized accordingly, it will be there. But for the entire year, you can consider around INR130 crores to INR135 crores for the depreciation number.
- Moderator:** Next question is from Ankur Kumar from Alpha Capital.
- Ankur Kumar:** Sir, actually, on this order book breakup, in Q1 PPT, we were giving this order book breakup between the crane rental and the EPC side. So any reason why we stopped disclosing it now?
- Gaurang Desai:** I think we also mentioned in quarter 1 and again, we are reiterating that we have been directed by the Board not to give because this is in a way a competing information, and we would go further and even now we would refrain from giving this.
- Ankur Kumar:** Got it, sir. Can you talk a little bit on the crane side, we are increasing capacity. So what kind of utilization and yields do we expect in the second half?
- Gaurang Desai:** So in terms of yield, we are at around 2.08%, which is kind of more or less as compared to H1 of last year. With the increased capex, we don't expect the yield to go substantially up, but we'll be able to maintain the yield around this number. However, we will be looking at better utilization numbers in future.
- Ankur Kumar:** So given Q3, Q4 are stronger quarters, can we expect this utilization to go towards the 80%-mark, sir?
- Gaurang Desai:** Yes, 78% to 80%.



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- Ankur Kumar:** 78% to 80%. And given utilization will improve, don't you think yields can also improve? Or is it like too much competition in the market yields will sustain here?
- Gaurang Desai:** Yes. I would love to tell you that we'll increase yield, but there is a lot of competitive pressure. And our efforts will always be there to see how best we can improve.
- Ankur Kumar:** Got it, sir. And sir, on the new capex side, when will that commission? And when will they start getting to revenue per site to us?
- Gaurang Desai:** So we expect some deliveries in quarter 4 and some in quarter 3, but the real impact we should be seeing in next financial.
- Ankur Kumar:** Got it, sir. And sir, on the EP side, what kind of margins do you expect, sir?
- Rishi Sanhghi:** So on the renewable business, we expect EBITDA margin to be around 10% to 12%. For Q2 on a stand-alone basis in SSRPL, the EBITDA margin was between 18% to 20%. But as we scale up the business, we have consistently communicated with the investor community that the EPC margin should stabilize between 10% to 12%, which is still a significant premium as compared to the market.
- Because we really add value to our customers and we are associated with them from conceptualization to commissioning. We have now become the preferred player in the renewable space for a majority of the IPPs, and we work with a broad base of customers in this space.
- Moderator:** Next question is from Ashish Yug from InvesQ PMS.
- Ashish Yug:** Sir, I wanted to qualitatively understand is there any difference in the business metrics that you see between the Saudi Arabia business that you are now building and the Indian business that we have been doing thus far. So, for every maybe INR100 crores that you invest there, is there a difference in the kind of ROCE that you get between India and KSA?
- Rishi Sanghvi:** Yes. So, it's a very good question. So the Saudi Arabia business provides a higher yield as compared to the Indian business. However, the operating costs out of Saudi Arabia are higher than India. There are several factors or reasons because of this. On the demand side, there is a huge demand for cranes. As I said, there's \$2 trillion worth of projects being announced. The crane market itself is between 800 million to 1 billion and we ourselves are sitting on a \$45 million to \$50 million inquiry pipeline.
- Therefore, there is tremendous demand for cranes in Saudi Arabia and this supports a robust yield on the demand side. On the operative side of the business, the cost of operations are significantly higher due to a plethora of reasons. There is Saudi Asian requirements, there's local governance requirements. The cost of operations itself in Saudi Arabia is higher.
- The cost of manpower is higher in Saudi Arabia. And therefore, the EBITDA margin is slightly lower than India and I would say it is on par with India. So really for us, we are bullish on both the Indian market and the Saudi Arabia market. And we are keen to explore and expand in Saudi Arabia while continuing to protect and retain our leadership position in India.



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Ashish Yug:

Okay. Anything to share on the competitive aspects who are there in KSA? Because I assume that the way Indian market is structured, it would be a bit different in KSA. As we are entering that market, there would be other players who are already there, maybe some others would be eyeing because we see a lot of Indian companies targeting that market given the boom in capex over there.

What is the dynamic like? And secondly, our commitment, we've seen in your presentation, the kind of capital you're committing there right now. But just maybe a feeler as to where do we see in terms of amount that we need to invest there in the next maybe 3 years. I mean, preliminary, but still your thoughts on this will be helpful to understand the overall picture of the business of Sanghvi Movers between India and KSA and between the three verticals, I mean, EPC, India cranes and KSA cranes business?

Rishi Sanghvi:

I take one question at a time because. So the first question is the competitive landscape in Saudi Arabia. So Saudi Arabia by no means is a mature market, but by no means is a nascent market. The kind of construction activity that is present in Saudi Arabia, it has become the world's construction backyard.

Saudi Arabia is to host the FIFA World Cup, followed by the winter games, followed by the World Expo. It has a number of PIF projects, giga projects that it has been announced as well as Saudi Aramco that is going to spend upwards of \$500 billion in the next 5 years. So Saudi Arabia is expanding and booming market and we are very bullish on the growth story in Saudi Arabia.

As we mentioned, there's \$2 billion worth of construction project that has been announced. Now therefore, it is not a nascent market and it is not a mature market. The opportunity we see in Saudi Arabia is that the market is underserved and it is prime extremely well for the world's fifth largest crane rental company, which is Sanghvi Movers Limited, to come to Saudi Arabia and bring its technical expertise, safety standards, scale of operation and its ability to operate at a very low cost structure and in a very competitive environment such as India.

So these differentiating factors allow us as Sanghvi Movers Middle East to expand rapidly in a very high growth market. It has been a stated ambition that we will become a top three crane rental player in the next 5 years. Now in terms of investment appetite for the next 3 years, this is a capex decision and it is subject to the Board of Directors approval.

However, we see that our fleet in Saudi Arabia will expand rapidly in the next 3 years. We would like to own upwards of 100 machines in the next 24 months in Saudi Arabia, of which the company has already committed roughly INR225 crores to procure approximately 55 cranes in Saudi Arabia.

Ashish Yug:

I think, Rishi, this call may be difficult to ask all the questions. So who would be the right person in your company to come and meet and maybe sit for some time and understand things?

Rishi Sanghvi:

So we really look forward to interacting with the investor and financial community. We are at a turning point in our growth story and we look forward to explaining our strategic rationale and our aspirations, which, of course, will be backed by our results. And the right person to reach

out to gather further information is the management team, which is headed by Gaurang, Pradeep and Mr. Vinav, who is our Company Secretary and Chief Compliance Officer.

Gaurang Desai: To add on we have also engaged E&Y now so they can be available to interact with us.

Ashish Yug: Okay. I probably look forward to contact that I can reach out for a meeting with you guys.

Moderator: Thank you. Next question is from Nirav Savai from Abakkus. Please go ahead.

Nirav Savai: So my question is on the Saudi business and the inquiries worth almost \$50 million, which we foresee coming over a period of time. So any time lines which you all can provide with how much do we see in FY '26, '27? And what can be the execution potential from these inquiries? Also another thing is on the opex part of it. Now what is the fixed cost opex which we incur in the Saudi business?

Rishi Sanghvi: So this inquiry pipeline that we have, which is as of today 45 million to 50 million, it is translatable in the next 24 months. So there is sufficient demand that we see in the Saudi Arabia market over the course of the next 24 months. Whatever capex that we have committed in Saudi Arabia, we are proud to say every single asset has moved from port to site directly.

So today, we are at 100% utilization as of today in Saudi Arabia. And we have a very healthy inquiry pipeline, which we have already stipulated as being 45 million to 50 million. So the market really there is there for us to take it and our establishment in Saudi Arabia is such that we have built an organization that will be sustainable in the long run to seize this opportunity and take all future decisions to shift Sanghvi Movers into the top three position. What was the second question you asked?

Nirav Savai: The opex part of it because we said that the yields are better, but the operating cost is significantly higher when we see on a quarterly basis. Now whether we execute or not, there will be some operating expenses, which will be incurred every quarter. So if you can just quantify that on a quarterly basis on a yearly basis, this is a fixed cost component in the Saudi subsidiary?

Rishi Sanghvi: As of right now, our fixed cost is just the employee salary cost, which we are incurring on account of hiring the Saudi team. Our approach is to build in the long term across multiple decades. So the company's priority has been to hire the best talent in the region that will allow sustainable and long-term growth of our KSA entity. The first quarter, we did not have revenue. So you can just project that to be our fixed cost.

Nirav Savai: Okay. And secondly, on the depreciation side, you said about INR130 crores to INR135 crores only for '26. Now with this capex, which is all going to happen in FY '26. So what kind of a number should we look at FY '27 point?

Rishi Sanghvi: We don't have that working as of today. But you can take it on the -- on our gross block, you can measure the depreciation either on the net block gross block, look at the capacity addition that we will do and then project out on the depreciation all of that.



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Nirav Savai:

Where I was coming from was the way it is capitalized, it's not getting translated in depreciation. We are seeing the gross block going up. So that was the reason I was just trying to understand that how do we see the gross block...

Rishi Sanghvi:

So the approved capex is INR630 crores of which the company has incurred approximately INR200 crores so, majority of the capex will come online in the subsequent quarters, which is Q3 and Q4. Therefore, depreciation or gross block impact of this incremental capex, which has been approved by the Board of Directors in the meeting that got concluded on the 7th of November. The impact of this capex will come in the next financial year.

Moderator:

Next question is from Riya Mehta from Aequitas Investments.

Riya Mehta:

I just wanted to know what is the current gross block?

Pradeep Mehta:

The current gross block is INR2,750.

Riya Mehta:

INR2,750. Okay. So 2024, we had undergone an extensive program of selling of the obsolete cranes. Is that program over? Or are we still in the process of, or have we earmarked some certain cranes for selling for this year as well?

Gaurang Desai:

Yes, this is going on. This is not hold on. It's a continuous process. Whatever assets which are held for disposal are being continuously disposed of time-to-time basis.

Riya Mehta:

Okay. In terms of Saudi, since increasing our business, are we seeing any impact on trade receivables because of Saudi are the credit terms similar?

Rishi Sanghvi:

We have commenced commercial operation in Saudi Arabia in Q2, which is Q2 FY '26 in September was when we had our first billing of Riya. So the impact of the Saudi business and receivables is still not factored into our results as of today.

Riya Mehta:

Okay. But in terms of credit policy, is it different?

Rishi Sanghvi:

So in Saudi Arabia, the credit terms are on par with India. It is the ability to collect payments irrespective of where you are in the world, India or Saudi Arabia. It is your ability to convince the customer to pay you on time that really matters.

Riya Mehta:

Right, right. I think Sanghvi's moat over there is being the largest crane rental company helps.

Moderator:

Next question is from Ankur Kumar from Alpha Capital.

Ankur Kumar:

Can you comment what kind of order book do we have in Saudi? Or can you talk about as in we will be breaking even already? Are we breaking even already or like there will be some time for us to break even there?

Rishi Sanghvi:

So, the order book, we will announce in the next financial quarter because the meaningful operation or the first billing has only occurred in September and the full impact of the order book has not come into play. So from the next quarter onwards, which is Q3 FY '26, we will start announcing the order book for our Saudi operations.

What I'm extremely proud of and which validates our decision to go to Saudi Arabia is the fact that all our equipment has moved from port to site directly. Today, we are at 100% capacity utilization. And of the 54 cranes that we are envisioned to purchase in Saudi Arabia, something upwards of 30-plus cranes are on the ground in Saudi, and they are all deployed at the customer job site earning a revenue.

In terms of the inquiry pipeline, which is a further validation of our strategic move and global expansion to Saudi Arabia, we have an extremely robust order book. And really, it is up to our ability to convert that order book -- inquiry pipeline, sorry, we have a very robust inquiry pipeline. And it is our ability to convert that inquiry pipeline. So I always say that Saudi is a market for our business.

Ankur Kumar: Got it, sir. And sir, given we -- in India, we make more than 50% EBITDA margins on the crane rental side, so can we expect similar margins to be there in the Saudi?

Rishi Sanghvi: So as I already mentioned in an answer to another question in this call, I will repeat myself. The yield, which is an operating parameter for our business is higher in Saudi Arabia. However, the operating expenses are also higher in Saudi Arabia. Therefore, the EBITDA is on par or slightly below the SML -- the India EBITDA for the crane rental business.

However, over the long run, because of our 3.5 decades of operative experience, our technological capabilities, our ability to operate at a lower and effective cost base in a highly competitive market, we believe that our intellectual property in Saudi Arabia will allow us to improve EBITDA in Saudi Arabia and bring it on par with the India business. But as of today, they are on par.

Moderator: Next question is from Digant Bamb from SVIP CAPITAL LLP.

Digant Bamb: Just wanted to know the capex that we are doing; would we be importing anything? And if we're importing, are we facing any issues like higher duties, restrictions and inputs, any change in delivery time lines by importing anything of that sort?

Rishi Sanghvi: So all our capex comes from either Germany or China. So yes, we are importing everything. Some of our payment terms may be domestic. We do not foresee any impact of any additional custom duty or tariffs on the capex that we have announced of INR624 crores. All of the capex, at least for the India business, which is approximately INR405 crores will happen before any change in duty.

Digant Bamb: And the delivery guidelines from those you're importing from, are there any changes in that or they are in line with what was agreed upon?

Rishi Sanghvi: The delivery, yes, they are in line, and they will continue to be delivered between Q3 and Q4.

Moderator: Next question is from Jay Bharat Trivedi from InCred AMC.

Jay Bharat Trivedi: I just had one question. I wanted to understand on the blended EBITDA margins or the EBIT margins that we would be targeting by end of FY '26. Any ballpark range would also be, okay?



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Pradeep Mehta:

So, we don't give forward guidance on the EBITDA margin.

Rishi Sanghvi:

The EBITDA margin is a function of the revenue mix which staddle 3 to 4 different business segments between the crane rental business, the renewable business and the Saudi business. Now the revenue mix is dependent on certain things. One is the order book, of which we have announced a INR1,239 crores order book, which is supposed to be delivered in this financial year.

Now of that INR1,239 crores of order book, roughly 10% of that order book may be delayed due to a prolonged monsoon, delay from the client side and cascading spillover, which is due to external factors out of SML's control.

Therefore, the revenue mix at the end of the year for us today is difficult to forecast, but we are saying that maybe 10% of the secured order book may get pushed into the next financial year. As we are not able to predict the revenue forecast, we cannot give a guidance on the blended EBITDA margin for the group. And further to that, by way of abundance of prudent caution and advice of our Board of Directors, we do not give forward guidance in this business.

Jay Bharat Trivedi:

Definitely, sir. Totally agree with what you are saying. But as analyst, how do we then value the company because the profitability is something which everyone on the call would also be eager to know. So that I don't need a particular number...

Rishi Sanghvi:

That's an excellent question. And the way I would suggest you -- well, I would never tell someone on how to do their job. But since you have asked me the question, I can provide the following feedback we are giving you at the start of the year some kind of revenue guidance in terms of how the top line would grow. And you know the respective EBITDA profile of each of the businesses. Therefore, it is possible for you to then make an educated forecast on where the blended EBITDA would land.

Jay Bharat Trivedi:

Okay sir, I will try my level best here. That's all I can say. But all the best sir and congratulations on building up a great order book in India and definitely commencing operations in Saudi Arabia. All the best, sir.

Moderator:

Thank you very much. In the interest of time, we will take that as our last question for the day. I would like to hand over the conference to management for closing comments. Over to you, sir.

Gaurang Desai:

Yes. Thank you so much, everybody, for participating in this call. And we always kind of read this as a key insight to our business. We hope that your company continues to deliver sustained performance and looking forward to meeting and seeing all of you and talking to quarter 3. Thank you.

Moderator:

On behalf of Sanghvi Movers Limited, that concludes this conference call. Thank you for joining us. You may now disconnect your lines.