

Sanghvi Movers Ltd.

Sanghvi Movers Limited (SML) is globally recognized as Asia’s largest and the world’s fifth-largest crane rental company. It holds an estimated 40–45% overall domestic market share and 60–65% dominance in the high capacity crane segment (exceeding 400 MT), with a core fleet of over 400 heavy duty cranes. SML’s primary business is providing specialized heavy lifting solutions and crane rental services. The company is aligned with India’s key growth sectors, serving renewables, infrastructure, power, steel, cement, petrochemicals, and EPC. SML has diversified itself from a pure-play crane rental provider into a Wind EPC player. This involves offering turnkey Engineering, Procurement, and Construction (EPC) solutions for the renewable wind energy sector.

Investment Rationale

Elevate 2030

Elevate 2030 is SML’s five year roadmap to build a multi-business, future ready enterprise with key **6 PILLARS**. The strategy focuses on Customer-centric approach, Global expansion, Product portfolio diversification, People-first culture, Financial growth and Digitally scalability. The plan prioritizes scaling internationally, targeting to be in top-3 position in the Kingdom of Saudi Arabia/ Middle East (KSA/MENA) crane rental market and product portfolio diversification into wind EPC and project EPC. Supported by a decentralized Business Unit (BU) structure, the plan strengthens customer focus, talent development, maximizing shareholder’s wealth and digital scalability. Financially, Elevate 2030 aims to enhance capital efficiency and profitability, with management guiding 25–30% consolidated revenue growth in FY26, taking revenue beyond ₹1,000 crore.

Saudi Arabia Expansion

Commercial operations began in Q2FY26, with 30+ cranes deployed directly from port to site through the wholly owned subsidiary, (Sanghvi Movers Middle East) with 100% fleet utilization. Yields in KSA are higher than in India, though margins are currently moderated by elevated operating costs which currently places the EBITDA margins slightly below India’s margins. But the management expects margins to improve over the next 2–3 years as the operating leverage kicks in, with KSA margins gradually converging to Indian levels as the business scales. The company has planned a total capex of ₹224 crore in KSA in FY26, with an aim to procure around 55 cranes during FY’26 and to scale 100+ cranes within the next 24 months, supported by a strong inquiry pipeline of \$45–50 million.

Wind EPC Diversification

Sanghvi Movers is expanding its EPC portfolio through its subsidiary Sangreen Future Renewables, offering end to end wind EPC services that complement its core lifting capabilities. In Q2FY26, EPC contributed meaningfully to the revenue mix, with Wind EPC forming 26.7% and Project EPC 5.2% of the ₹210 crore operating income. Wind EPC delivered an 18–20% standalone EBITDA margin in the quarter, though management expects long term margins to normalize at 10–12% as the business scales. India’s wind power installation base is expected to grow from 58 GW in 2025 to 150 GW by 2030, representing a robust 20.9% CAGR, also India aims to meet 10% of global wind demand by 2030. The diversification supports reducing dependence on crane rentals.

Key Risks

- 1.Intense Competition:** Rising competition in the crane rental market is pressuring pricing, reflected in Average Blended Yield (ABY) falling from 2.20% in FY24 to 2.05% in FY25.
- 2.Capital Intensive:** Scalability is limited by its capital-intensive crane business, where growth requires ongoing large fleet investments, the recurring need for heavy capex. Growth will be in line with capex into cranes.
- 3.Wind EPC:** Overall EBITDA margin fell from 63% to 45% as the Wind EPC segment scaled up, pulling down consolidated margins because it structurally operates at much lower margins of 10–12%.
- 4.Cyclicality:** Company faces cyclical risk because its performance is closely tied to heavy industrial and infrastructure capex cycles. External shocks like monsoons, elections, or government spending slowdowns can quickly reduce utilisation and rental yields, limiting revenue growth and pressuring margins.

Key highlights

Capex Overview

- The Board has approved a ₹629 crore capex plan for FY26, with ₹405 crore allocated to India and ₹224 crore to KSA. In HIFY26, SML incurred ₹140 crore of capex (₹123 crore in India and ₹17 crore in KSA). During the period, SML added 22 cranes domestically and 9 cranes in Saudi Arabia.

Robust Order Book

- SML has a strong ₹1,239 crore order book backed by a strong ₹2,000+ crore inquiry pipeline, reinforcing confidence in FY26 growth and capex plans.

Cash flows

- The company has consistently maintained a CFO/EBITDA conversion of 60–80%, demonstrating strong cash-flow sustainability that can comfortably support its capex and debt repayment requirements.

Growth Guidance

- SML expects 10–15% growth in its core crane rental business, with 78–80% Capacity Utilisation (CU) in FY26 supported by sector tailwinds with the Indian crane market projected to grow at 6.79% CAGR and construction at 12.1% CAGR during FY25–30.

Capital Recycling

- The company has sold its obsolete cranes and non-core Chennai properties, earning total of ₹24.75 crore, and parked the proceeds in liquid investments (₹192+ crore).

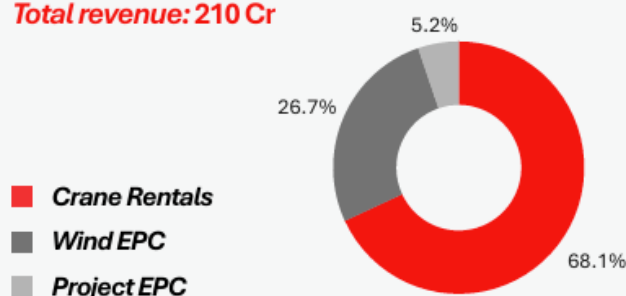
Financial Performance (Q2FY26)

Revenue from operations (Rs. Cr)	210	▲	35%
EBITDA (Rs. Cr)	88	▲	8.6%
PAT (Rs. Cr)	36	▲	24%
Capital Utilization	70%	▲	2%
Avg Blended Yield (ABY)	2.04%	▼	0.15%
D/E	0.36x		

Revenue Split (Q2FY26)

Revenue from Operations

Total revenue: 210 Cr



Subsidiaries

SANGHVI GROUP

India Operations

Global Operations

SANGHVI MOVERS LIMITED (SML)

CRANE RENTAL & HEAVY LIFT SOLUTIONS

World's 5th Largest & Asia's Largest Crane Rental Company (IC Index 2025)

Customized Heavy Lift solutions

Cranes and Ancillary Equipments	400+
	>100 MT: 80 %
	<100MT : 20 %
Gross Block	2700+ Cr

As on 30 Sept 25

SANGREEN FUTURE RENEWABLES

TURNKEY SOLUTIONS IN EPC

100+	Projects
17GW	Group level expertise of Installation of WTGs
450+	Access to Crane Fleet/200+ Trailers
100+	Customers

SANGREEN Logistics

LOGISTICS FOR CRANES & OTHER HEAVY MACHINERY

Streamlining logistics for heavy machines, cranes, and industrial Equipment

Offers comprehensive logistics services including Air, Sea, and Road Freight, along with tailored logistics solutions

SANGHVI MOVERS MIDDLE EAST

CRANE RENTAL & HEAVY LIFT SOLUTIONS

Wholly-Owned subsidiary in Saudi Arabia

Catering to key Industries like construction, Oil & Gas etc

Customized Heavy Lift solutions

Management Overview

Name	Role	Education / Experience	Relationship/ Tenure
Mr. Rishi C. Sanghvi	Managing Director (MD) and Chairperson (Since 2019)	Holds a Master of Business Administration (MBA) from Cornell University, New York, U.S.A., and a Bachelor of Science in Mechanical Engineering with a Minor in Economics from Rensselaer Polytechnic Institute, Troy, New York, U.S.A.. He leads organizational growth, sales analytics, strategy, and technology advancement.	Son of the late Mr. Chandrakant P. Sanghvi (Founder & Ex-Chairman). His wife, Mrs. Maithili R. Sanghvi, is a Non-Executive Non-Independent Director.
Mr. Pradeep Mehta	Chief Financial Officer (CFO)	A qualified Chartered Accountant who brings more than 30 years of experience to the table. He was appointed CFO with effect from August 6, 2025, succeeding Mr. Sham Kajale.	Joined the company in 2025 as part of the C-suite expansion.
Mr. Gaurang Desai	Chief Executive Officer (CEO)	Appointed as CEO with effect from June 20, 2025. He heads the core SML business.	Joined the company in 2025 as part of the C-suite expansion.
Dr. Mohammed Almanaseer	Managing Director, Sanghvi Movers Middle East Limited (SMME)	He holds a 'Dr.' title. He leads the 100% wholly-owned subsidiary in Saudi Arabia.	Joined the team as KSA MD as part of the expanded C-suite.

Key Takeaway

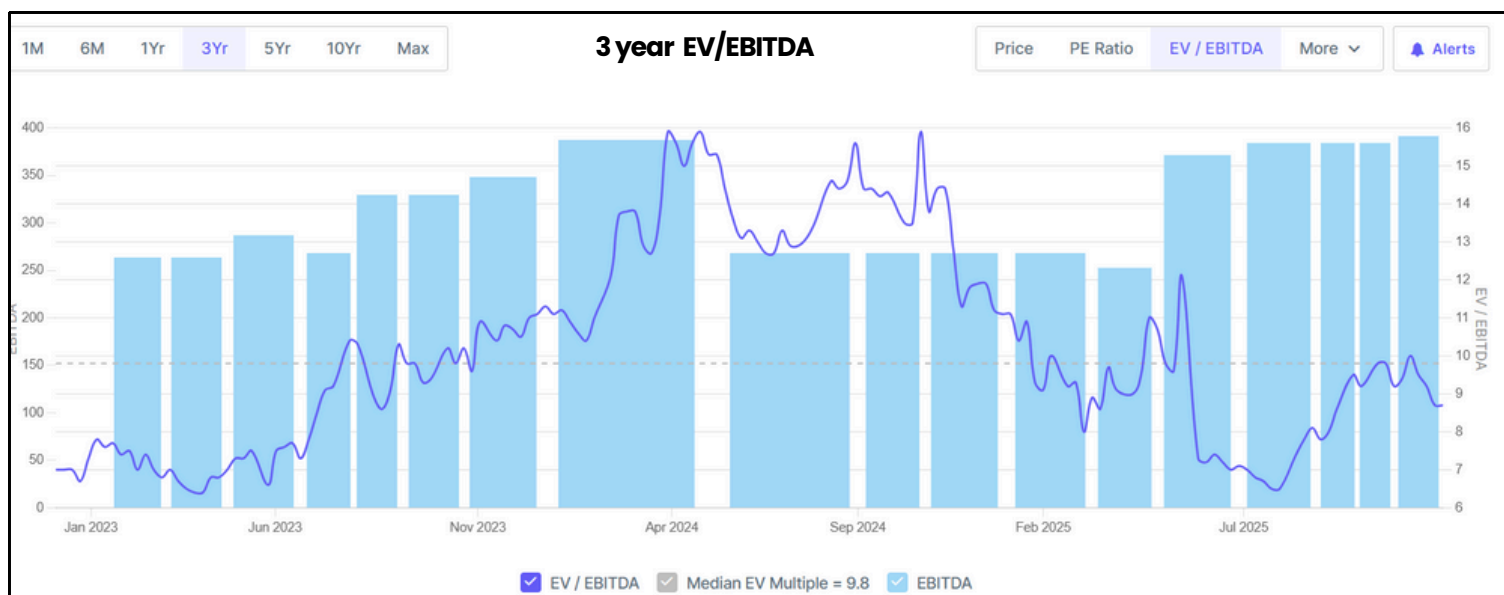
Sanghvi Movers is undergoing a comprehensive management transformation aimed at improving efficiency and scaling the business. The company has executed a **C-suite** expansion, appointing new experts such as a Chief Executive Officer, Chief Financial Officer (bringing 30+ years of experience), and a dedicated Managing Director (Dr. Mohammed Almanaseer) for the new Saudi Arabian subsidiary. It has also separated the low-margin Wind EPC business into an independent subsidiary (Sangreen Future Renewables) from its own P&L, allowing sharper focus and better capital allocation. These structural changes, supported by external consultants, positions SML to execute its growth plans more effectively and advance its long-term "Elevate 2030" strategy.

Valuation



Source: Screener

The Price chart shows a strengthening recovery trend, with rising volumes and improving price action. The **50 DMA crossing above the 200 DMA** confirms a **bullish** signal, indicating the stock is well-positioned for continued upside.



Source: Screener

Sanghvi Movers EBITDA has increased consistently over the last three years, rising from ~₹260 crore to ~₹390 crore, which reflects strong operating momentum. During the same period, its EV/EBITDA multiple has fallen to **8.7x** from **15.9x** in March 2024, suggesting better value as earnings have strengthened.



Source: Screener

The Market Cap/Sales ratio has normalized to ~3–3.5x, well below the 5.5x median, suggesting a more attractive valuation relative to historical levels.



Source: Screener

Book Value has steadily increased over the past three years, reflecting consistent balance sheet strengthening. Meanwhile, the Price-to-Book multiple has compressed from ~6.5x to ~2.7x, indicating a compelling valuation.

Past performance



Source: Screener

In the early years, Sanghvi Movers share price remained stagnant due to highly volatile revenue and profitability, losses in some of the years and an intense competition in the crane rental industry. From FY21 to FY24, Sanghvi Movers fundamentals followed a classic cyclical upswing: utilisation surged from 56% to 84%, rental yields strengthened from 1.7% to 2.2%, and ROCE jumped dramatically from -0.6% to 21.4%. Because this is an asset-heavy, operating-leverage business, even small increases in utilisation and pricing translate into disproportionately higher EBITDA and returns on capital. As these three variables improved simultaneously, the market recognised the margin expansion and rising capital efficiency, leading to a massive 7x in the stock price. Conversely, in FY25, when utilisation fell to 73%, ROCE dropped to 14%, and yields softened slightly, also SML's consolidated EBITDA margin fell to 45% as the company diversified into the Wind EPC segment, which is a high-volume but structurally lower-margin business (targeting 10%–12%). The stock corrected nearly 50–60% from its peak.

Our Thesis

Sanghvi Movers has recently demonstrated all the characteristics of a company transitioning from small-cap to mid/large cap scale. The following points outline the key reasons supporting this view :-

1)Management - SML has strengthened its management team aligned with the "Elevate 2030" strategy, including the addition of an experienced CEO (Gaurang Desai) and CFO (Pradeep Mehta). It further improved operational focus by creating dedicated Business Units, such as the asset-light Wind EPC (Sangreen Future Renewables) under a specialised COO (Omprakash Kadam), and the international Saudi subsidiary (SMME) led by its own Managing Director (Dr. Mohammed Almanaseer). These structural changes enhance focus, efficiency, and execution across SML's key growth verticals.

2)Optionality - Sanghvi Movers focuses on shifting from a purely cyclical crane-rental business to a more diversified, scalable heavy-lift and EPC platform. Management is currently prioritizing strong top-line growth through expansion of the high-volume Wind EPC vertical, even if it temporarily reduces blended margins. The company has also begun its strategic global expansion into Saudi Arabia (KSA), with plans to extend across the broader MENA region which reduces the dependence on the highly cyclical Indian crane rental market which is quite volatile in nature. Overall, this transition is designed to de-risk the business model and accelerate progress toward its long-term "Elevate 2030" vision.

3)Financial Strength & Experience – It is also the only Indian crane rental company expanding overseas, backed by the industry’s largest and reliable high capacity fleet (40–1,600 MT). SML also benefits from strong barriers to entry, supported by its 35 years of operating experience in the high–capacity crane rental industry. The company demonstrates strong financials and balance sheet by funding growth and expansion without equity dilution, maintaining controlled leverage, and consistently producing robust cash flows(60–80% CFO/EBITDA) despite the capital intensive nature of the business. With a large gross block, expanding order book, and long–term focus on growth, Sanghvi Movers is positioning itself for more stable, predictable and long–term sustained value.

4)Ancillary Services – The strategic transformation of Sanghvi Movers moves beyond its core crane rental segment, integrating synergistic ancillary services to capture the full project value chain. This vertical diversification allows SML to function as a single–window EPC solution partner which reduces coordination issues for customers, giving clients a full end–to–end solution.

5)Valuations – SML is currently trading at a reasonable/cheap valuation, as highlighted in the later slide, which limits the downside risk. If the company executes its growth plans as guided, the upside potential remains significant and can generate strong shareholder returns.

Peer to Peer Comparison HIFY26

Metric	Sanghvi Movers	Tarachand	Crown Lifters
Revenue (₹ Cr)	483	127	15
EBITDA Margin	40%	38%	50%
PAT Margin	17%	11%	26%
ROCE	16%	17%	19%
Fleet Size	>400	~200	34
Capacity Utilisation	75%	80%	90%
Avg Monthly Yield	2.08%	3.05%	2.50%
EV/EBITDA	8.70	7.4	6.7
CFO/EBITDA	61%	96%	52%
Cash Cycle (5 year median)	86	88	107
Debt/Equity	0.33	0.92	0.76
Gross Block (₹ Cr)	2,750	419	125

Summary

Sanghvi Movers (SML) stands as the dominant market leader, distinguished by its immense scale (FY25 Revenue ₹782 crore) and the industry's most robust balance sheet (Net Debt/Equity 0.33) far surpassing smaller, niche players like Tara Chand InfraLogistic (FY25 Revenue ₹248 crore) and Crown Lifters (FY25 Turnover ₹35 crore). Sanghvi Movers operates with a significantly larger fleet and higher-capacity cranes compared to both Tara Chand and Crown Lifters, giving it a clear scale and capability advantage. While the two peers remain purely domestic players, SML is expanding internationally. Its gross block is also far superior around 6.5× Tara Chand's and 22× Crown Lifters highlighting its unmatched asset strength in the sector. Although SML's profitability saw a planned reduction in consolidated EBITDA margin to 45% due to strategic diversification into the volume-driven, lower-margin Wind EPC segment (target 10%–12% margins), this diversification provides resilience and structural volume growth, ensuring accelerated growth that substantially strengthens its lead over peers.

Financial Statement

in INR Crores

Particulars	FY25	FY26E	FY27E	FY28E
Revenue from operations	782	1150	1380	1650
EBITDA	330	449	530	670
EBITDA %	42%	39%	38%	41%
PAT	157	240	303	408
EPS	18	28	35	47
P/E	19	12.4	9.9	7.4

Sanghvi Movers currently trades at an **EV/EBITDA of ~8.7x** at a CMP of ₹340, which appears to be **undervalued** relative to its long term growth potential given its dominance as Asia's largest crane-rental player with a fleet size of 400+ cranes, commanding an estimated 60–65% share of the high-capacity crane rental market. Its low D/E of 0.33x, large gross block of ₹2750 crores, and its aggressive international expansion into Saudi Arabia gives it the financial strength to scale significantly. Diversification into wind-EPC reduces dependence on core crane rentals. The higher EBITDA margin base of 50–56% in FY23 has been now normalised to a more sustainable 35–40% margins. From Q3FY26 onward, this lower base is likely to support positive growth in revenue, EBITDA and PAT. If the company sustains this trajectory, it has the potential to generate more than 2x of its current PAT over the next three years, which could drive a valuation re-rating and give higher returns to its shareholder, hence justifying a **Bullish** outlook.

in INR Crores

FY28E	Bull	Base	Bear
EBITDA	670	670	670
Target (EV/EBITDA) multiple	10x	9x	8x
Target EV	6700	6030	5360
Net Debt	422	422	422
Target Market Cap	6278	5608	4938
Shares Outstanding	8.68	8.68	8.68
Final Target Price	723	646	569
IRR	29.00%	24.00%	19.00%

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Registration and Contact Details: Name of Research Analyst - Mangal Keshav Financial Services LLP, Research Analyst Registration No.: INH000018319.

LLPIN: AAM-3358 Registered Office: 501, Heritage Plaza, JP Road, Opp Indian Oil Colony, Andheri West, Mumbai 400053. Correspondence/Administrative Office Address - 501, Heritage Plaza, JP Road, Opp Indian Oil Colony, Andheri West, Mumbai 400053.

TEL: 022 61907900