

UltraTech Cement

Refer to important disclosures at the end of this report

Strong Q4 EBITDA beat, led by higher volumes and realization; Buy

CMP	Target Price
Rs 6,482 as of (May 8, 2021)	Rs 7,050 (■) 12 months
Rating	Upside
BUY (■)	8.8 %

- Consolidated Q4FY21 EBITDA of Rs37bn (+51% YoY) came in 7% above our estimate of Rs34.4bn (and **17% ahead of consensus**: Rs31.5bn), driven by higher volumes (+3.7% ahead) and realization (+1.0%), thanks to favorable market-mix and company's increasing focus on value-added products. Opex/ton was flat YoY and QoQ, and in line. Thus, blended EBITDA/ton increased by 17% YoY to Rs1,328/ton (our est: Rs1,285). Adj. PAT came in 5% lower, owing to lower interest/other income.
- We broadly maintain our FY22 and FY23 estimates, baking in 11% EBITDA CAGR.
- We expect UTCEM's RoIC to increase to a sustainable 20%+ level within 5-6 years (vs 12% in the past decade), driven by rising utilization levels, improving margins on steady price growth, cost optimization and operating leverage. We have a Buy rating with a DCF-derived TP of Rs7,050 (Jun'22E), implying 14x forward EV/EBITDA
- Earnings conf. call is scheduled for 10th May, 10.00 a.m. (9122 7115 8187/6280 1286)
- Please find our sector initiation report: [Link](#)

- India operations revenue increased 35% YoY to Rs138bn (Emkay est: Rs132bn).** Grey cement realization rose 4% YoY/2% QoQ vs. our estimate of broadly flat realization, on favorable market mix and increasing focus on value-added products. Volumes increased 30% YoY to 26.6mt (Emkay est.: 25.7mt), with effective utilization increasing 1,300bps YoY to 93% in Q4FY21. Blended EBITDA/ton increased 17% YoY/2% QoQ to Rs1,356/ton (Emkay est.: Rs1,318). Consolidated adjusted PAT increased 60% YoY to Rs18bn.
- Consolidated FCF generation stood at Rs91bn in FY21**, including working capital release Rs23bn and capex of Rs18bn. Consolidated net debt declined by Rs27bn QoQ (Rs102bn YoY) to Rs67bn as of Mar'21, with net debt-to-EBITDA standing at 0.55x. We estimate average FCF of Rs58bn p.a. over FY21-23E and UTCEM to be net-debt-free by FY23E. It may also allow UTCEM to pursue higher growth via both organic and inorganic routes.
- UTCEM would be adding ~20mt grinding capacity (18% of domestic capacities)**, along with 11.4mt clinker, at a capex outlay of Rs65bn. These capacities will be created in the fast-growing North, East and Central regions. Most of the orders for equipment have been placed and civil work has also commenced at these locations. Commercial production is expected happen in a phased manner by FY23E.
- EBITDA CAGR at 11% over FY21-23E.** We expect blended EBITDA/ton to broadly remain stable over FY21-23E after witnessing a 50% increase in the past two years.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Cement & Building Materials \(page 10\)](#)

Financial Snapshot (Consolidated)

(Rs mn)	FY19	FY20	FY21	FY22E	FY23E
Revenue	373,792	421,250	447,258	505,089	564,415
EBITDA	67,881	94,167	115,679	124,375	142,660
EBITDA Margin (%)	18.2	22.4	25.9	24.6	25.3
APAT	24,347	38,386	55,809	65,818	79,659
EPS (Rs)	88.7	133.0	193.3	228.0	276.0
EPS (% chg)	(1.2)	50.0	45.4	17.9	21.0
ROE (%)	8.9	11.4	13.4	14.0	15.0
P/E (x)	73.1	48.7	33.5	28.4	23.5
EV/EBITDA (x)	29.1	21.9	17.6	15.6	13.3
P/BV (x)	6.3	4.8	4.2	3.8	3.3

Source: Company, Emkay Research

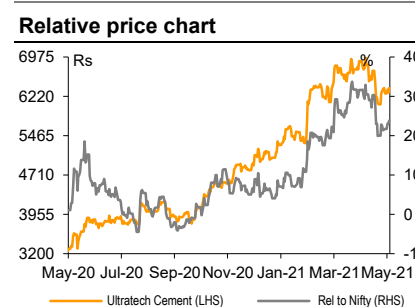
Change in Estimates	
EPS Chg FY22E/FY23E (%)	-/
Target Price change (%)	-
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus		
EPS Estimates		
	FY22E	FY23E
Emkay	228.0	276.0
Consensus	218.2	260.4
Mean Consensus TP (12M)	Rs 7,114	

Stock Details	
Bloomberg Code	UTCEN IN
Face Value (Rs)	10
Shares outstanding (mn)	289
52 Week H/L	7,056 / 3,231
M Cap (Rs bn/USD bn)	1,871 / 25.45
Daily Avg Volume (nos.)	641,873
Daily Avg Turnover (US\$ mn)	56.9

Shareholding Pattern Mar '21	
Promoters	60.0%
FII's	17.3%
DII's	13.7%
Public and Others	9.0%

Price Performance				
(%)	1M	3M	6M	12M
Absolute	(4)	2	42	99
Rel. to Nifty	(4)	4	21	24

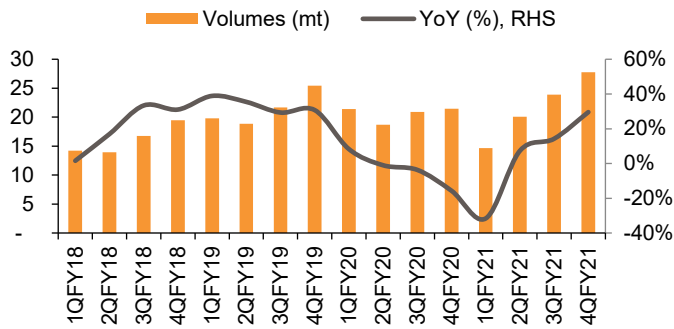


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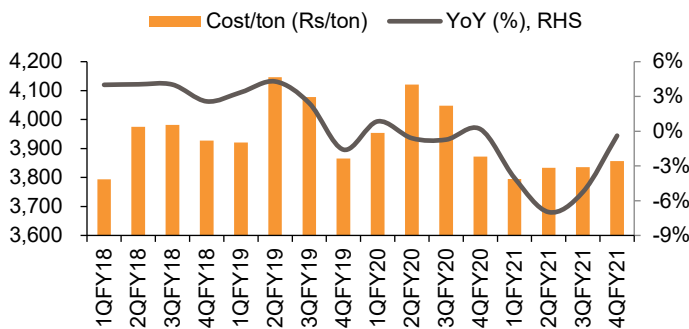
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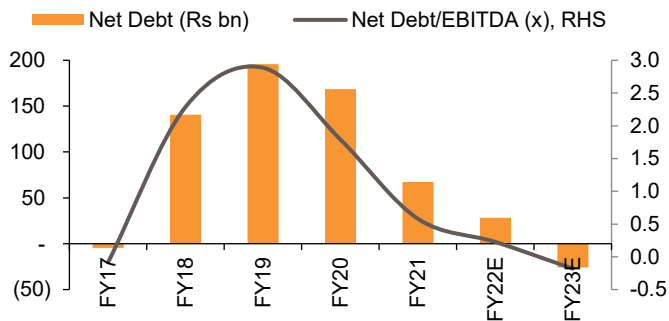
Story in Charts

Exhibit 1: Consolidated volumes increase 30% YoY to ~28mt


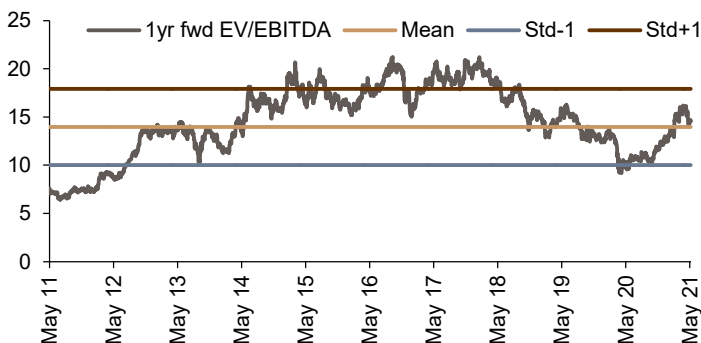
Source: Company, Emkay Research

Exhibit 3: Total opex/ton broadly stays flat YoY and QoQ


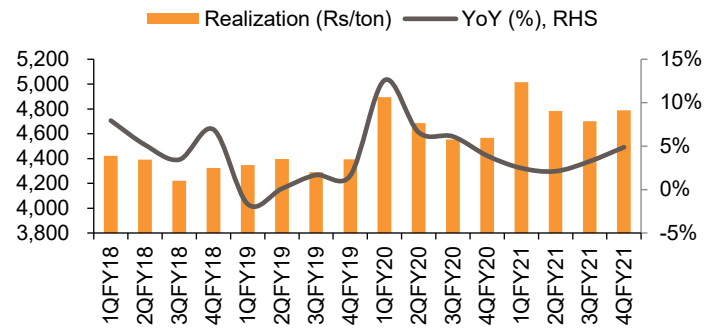
Source: Company, Emkay Research

Exhibit 5: With strong FCF generation, UTCEM to become net debt free in FY23E


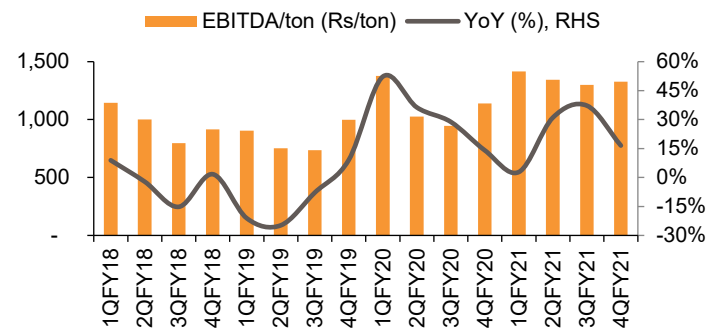
Source: Company, Emkay Research

Exhibit 7: 1-year forward EV/EBITDA


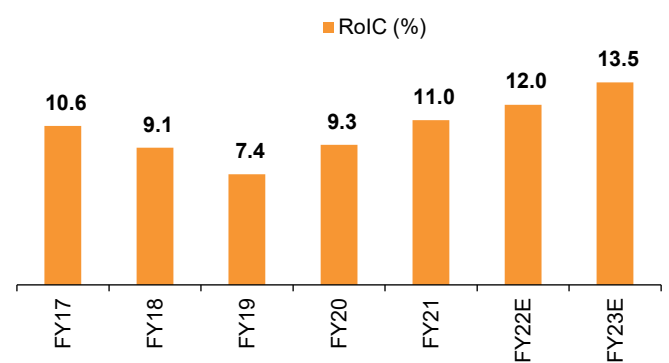
Source: Bloomberg, Emkay Research

Exhibit 2: Grey cement realization increases 4% YoY/2% QoQ


Source: Company, Emkay Research

Exhibit 4: EBITDA/ton increases 17% YoY to Rs1,328/ton


Source: Company, Emkay Research

Exhibit 6: UTCEM likely to have best incremental RoIC in this cycle


Source: Company, Emkay Research

Exhibit 8: Maintain Buy and TP of Rs7,050, based on 14x Jun'22E EV/EBITDA, backed by DCF analysis

EV/E method	Rs bn
FY23E EBITDA	143
EV/E multiple (x)	14
Enterprise Value	1,992
Net debt (FY22E)	17
Equity value	1,976
No. of shares (mn)	289
Mar'22 Fair Value (Rs)	6,845
Jun'22* Target Price (Rs)	7,050

Source: Emkay Research, *3% premium on Mar'22E fair value

Other takeaways

- **RMC revenue grew 22% YoY** and 8% QoQ to Rs6.7bn, while white cement/putty revenue grew 33% YoY/4% QoQ to Rs5.6bn. White cement/putty volumes grew 31% YoY, with realization declining ~4% QoQ.
- **Management mentioned** that rural and semi-urban housing continue to drive growth while the pick-up in government-led infrastructure aided incremental demand. Pent-up urban demand is also expected to improve in the coming quarters.

Exhibit 9: Region-wise demand trend

State/Region wise performance						
State/Region	Vol. Gr.	I	R	H	C	Key drivers
North	↑	●	●	●	●	<ul style="list-style-type: none"> • IHB witnessed an increase in demand • Urban Real Estate also improved
Central	↑	●	●	●	●	<ul style="list-style-type: none"> • IHB demand continued to be robust • Infrastructure segment across Eastern UP registered strong growth
West	↑	●	●	●	●	<ul style="list-style-type: none"> • IHB demand led by strong urban and rural demand • Infrastructure segment registered positive growth
East	↑	●	●	●	●	<ul style="list-style-type: none"> • Rural saw robust growth across all regions • Infrastructure segment registered positive growth
South	↑	●	●	●	●	<ul style="list-style-type: none"> • IHB witnessed an increase in demand

Source: Company, Emkay Research

- **Raw material cost/ton increased 4% YoY:** The hike in diesel prices impacted inbound transportation, which was partly offset by improved clinker-to-cement conversion ratio. RM cost/ton has also increased 4% QoQ, driven by an increase in input prices.
- **Power and fuel cost/ton increased 7% YoY** with an increase in petcoke/coal prices. However, it was partly offset by the increase in green power share mix to 12.3% in Q4FY21 (11.5% in Q4FY20) and a 2% reduction in power consumption. It has also increased 3% QoQ.
- **Freight cost/ton increased 2% YoY** on a 22% YoY increase in diesel prices and change in market mix. It stood flat QoQ on discount in railway freight and savings in road freight through various initiatives.
- **Other cost/ton declined 5% YoY** due to a 2% YoY reduction in fixed cost and better operating leverage. It has declined 2% QoQ.
- **Sharp focus on cost reduction and efficiencies:** UTCEM's fixed cost was reduced by Rs5bn p.a. (or Rs58/ton) in FY21. UTCEM commenced 7MW WHRS in FY21, taking its total capacity to 125MW, covering nearly 10% of its current power requirement. In addition, the company is setting up 177MW WHRS by Mar'24, taking its total WHRS capacity to 302MW. Further, it plans to increase solar and wind power capacity from 99MW to >350MW. Accordingly, its green power share will increase to 34% (WHRS 26%; Solar 8%) by FY24E.
- **UTCEM successfully raised US\$400mn (Rs29bn) by issuing 'Sustainability-Linked Bonds'** at 2.8% p.a. till Feb 2031. UTCEM is the first Indian company and the second company in Asia to issue sustainability-linked bonds. UTCEM said it is committed to reduce carbon intensity by ~27% by 2032 vs. its 2017 emission levels.

Quarterly analysis

Exhibit 10: Actual vs. Estimates (Q4FY21) consol.

(Rs mn)	Actual	Estimates		% variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Sales	142,320	135,877	134,602	4.7	5.7	Driven by favorable market mix and focus on premium products
EBITDA	36,904	34,415	31,521	7.2	17.1	Led by better revenues
Adj PAT	18,141	19,155	16,449	(5.3)	10.3	On lower other income
Volume (mt)	27.8	26.8		3.7		
Blended Realization (Rs/ton)	5,123	5,072		1.0		
EBITDA (Rs/ton)	1,328	1,285		3.4		

Source: Emkay Research

Exhibit 11: India operations - quarterly table

(Rs mn)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	YoY (%)	QoQ (%)
Net Sales	102,000	72,620	98,610	116,980	137,570	34.9	17.6
Other operating income	1,670	840	1,430	1,270	1,900	13.8	49.6
Revenue	103,670	73,460	100,040	118,250	139,470	34.5	17.9
Expenditure	79,860	53,200	73,470	87,950	103,420	29.5	17.6
Total RM	13,720	11,080	15,330	16,250	22,170	61.6	36.4
Power & Fuel	20,180	12,820	17,630	22,980	25,920	28.4	12.8
Freight	26,150	15,940	22,830	28,310	32,680	25.0	15.4
Staff cost	6,290	5,320	5,360	5,820	5,900	(6.2)	1.4
Other expenditure	13,520	8,040	12,320	14,590	16,750	23.9	14.8
EBITDA	23,810	20,260	26,570	30,300	36,050	51.4	19.0
Depreciation	6,460	6,190	6,450	6,370	6,700	3.7	5.2
EBIT	17,350	14,070	20,120	23,930	29,350	69.2	22.6
Other Income	2,120	2,760	1,270	2,540	820	(61.3)	(67.7)
Interest	4,850	3,830	3,480	3,460	3,670	(24.3)	6.1
PBT	14,620	13,000	17,910	23,010	26,500	81.3	15.2
Total Tax	3,440	3,660	5,690	7,530	8,650	151.5	14.9
Adjusted PAT	11,180	9,340	12,220	15,480	17,850	59.7	15.3
Adjusted EPS (Rs)	38.7	32.4	42.3	53.6	61.8	59.6	15.3

Source: Company, Emkay Research

Exhibit 12: India operations: quarterly analysis on per-ton basis

Rs/ton	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	YoY (%)	QoQ (%)
Cement volumes (mt)	20.5	13.9	19.2	22.8	26.6	29.6	16.5
Blended Realization	4,971	5,209	5,133	5,126	5,174	4.1	0.9
Raw Material	669	795	798	712	834	24.7	17.1
Power & Fuel	983	920	918	1,007	975	(0.9)	(3.2)
Freight	1,274	1,143	1,188	1,241	1,229	(3.6)	(0.9)
Staff cost	307	382	279	255	222	(27.6)	(13.0)
Other expenditure	659	577	641	639	630	(4.4)	(1.5)
Operating cost	3,892	3,816	3,825	3,854	3,889	(0.1)	0.9
Other operating income	81	60	74	56	71	(12.2)	28.4
EBITDA/ton	1,160	1,453	1,383	1,328	1,356	16.8	2.1

Source: Company, Emkay Research

Exhibit 13: Consolidated quarterly table

Rs mn	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	YoY (%)	QoQ (%)
Net Sales	106,890	75,630	102,310	121,440	142,320	33.1	17.2
Other operating income	1,655	708	1,561	1,180	1,736	4.9	47.1
Revenue	108,545	76,338	103,871	122,620	144,056	32.7	17.5
Expenditure	84,093	55,592	76,895	91,599	107,152	27.4	17.0
Total RM	15,270	11,873	16,758	17,945	24,118	57.9	34.4
Power & Fuel	21,364	13,708	18,450	24,019	27,037	26.6	12.6
Freight	26,817	16,059	22,996	28,485	32,877	22.6	15.4
Staff cost	6,581	5,604	5,663	6,102	6,136	(6.8)	0.5
Other expenditure	14,062	8,348	13,028	15,047	16,984	20.8	12.9
EBITDA	24,452	20,746	26,977	31,022	36,904	50.9	19.0
Depreciation	6,780	6,462	6,771	6,739	6,980	3.0	3.6
EBIT	17,672	14,284	20,206	24,282	29,924	69.3	23.2
Other Income	1,997	2,788	1,349	2,600	603	(69.8)	(76.8)
Interest	5,060	3,930	3,579	3,563	3,772	(25.5)	5.9
PBT	14,609	13,142	17,976	23,320	26,755	83.1	14.7
Total Tax	3,320	3,603	5,662	7,474	8,649	160.5	15.7
Adjusted PAT	11,288	9,539	12,315	15,846	18,107	60.4	14.3
(Profit)/loss from JV's/Ass/MI	19	9	(6)	(3)	34	NM	NM
PAT after MI	11,308	9,548	12,309	15,843	18,141	60.4	14.5
Extra ordinary items	21,095	(1,574)	6	-	(388)		
Reported PAT	32,402	7,974	12,314	15,843	17,752	(45.2)	12.0
Adjusted EPS (Rs)	39.2	33.1	42.7	54.9	62.8	60.4	14.5

Source: Company, Emkay Research

Margins (%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	YoY (bps)	QoQ (bps)
EBIDTA	22.5	27.2	26.0	25.3	25.6	309.1	31.9
EBIT	16.3	18.7	19.5	19.8	20.8	449.1	96.9
EBT	13.5	17.2	17.3	19.0	18.6	511.4	(44.5)
PAT	10.4	12.5	11.9	12.9	12.6	217.0	(35.4)
Effective Tax rate	22.7	27.4	31.5	32.0	32.3		

Source: Company, Emkay Research

Exhibit 14: Consolidated quarterly analysis on per-ton basis

Rs/ton	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	YoY (%)	QoQ (%)
Volumes (mt)	21.4	14.7	20.1	23.9	27.8	29.6	16.3
Blended Realization	4,986	5,162	5,100	5,085	5,123	2.8	0.7
Raw Material	712	810	835	751	868	21.9	15.5
Power & Fuel	996	936	920	1,006	973	(2.3)	(3.2)
Freight	1,251	1,096	1,146	1,193	1,183	(5.4)	(0.8)
Staff cost	307	383	282	256	221	(28.0)	(13.6)
Other expenditure	656	570	649	630	611	(6.8)	(3.0)
Operating cost	3,922	3,795	3,833	3,836	3,857	(1.7)	0.6
Other operating income	77	48	78	49	62	(19.0)	26.5
EBITDA/ton	1,140	1,416	1,345	1,299	1,328	16.5	2.3

Source: Company, Emkay Research

Annual analysis

Exhibit 16: Key assumptions

Operational details	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	CAGR%	
								FY17-21	FY21-23E
Capacity (mt)	72	86	100	115	118	125	138	13.3	7.9
Volumes (mt)	53	65	76	82	85	96	106	12.8	10.6
Utilization (%)	76	82	82	77	74	79	81	-	-
Blended Realization (Rs/ton)	4,703	4,795	4,815	5,038	5,118	5,218	5,287	2.1	1.6
EBITDA/ton (Rs/ton)	977	951	889	1,144	1,338	1,298	1,349	8.2	0.4
P&L (Rs bn)									
Revenue	254	314	374	421	447	505	564	15.2	12.3
EBITDA	52	61	68	94	116	124	143	22.1	11.1
Adj. Net Profit	27	25	24	38	56	66	80	19.7	19.5
Balance Sheet (Rs bn)									
Equity	244	264	284	391	442	496	564		
Net Debt	(4)	141	196	169	67	28	(26)		
Net Debt: EBITDA (x)	(0.1)	2.3	2.9	1.8	0.6	0.2	(0.2)		
Net Debt: Equity (x)	(0.0)	0.5	0.7	0.4	0.2	0.1	(0.0)		
Cash Flow (Rs bn)									
OCF before NWC change	39	40	47	65	87	97	105		
Change in NWC	5	(8)	(9)	5	23	(9)	(2)		
Capex	(14)	(180)	(15)	(17)	(18)	(38)	(38)		
FCF	31	(149)	23	53	91	50	65		
Return ratios (%)									
RoE	11.9	9.7	8.9	11.4	13.4	14.0	15.0		
RoCE	11.8	7.6	6.8	8.6	11.6	12.9	14.8		
RoIC	10.6	9.1	7.4	9.3	11.0	12.0	13.5		
Valuations (x)									
PE				48.7	33.5	28.4	23.5		
EV/EBITDA				21.9	17.6	15.6	13.3		
EV/ton (USD)				243	225	208	184		

Source: Company, Emkay Research

Exhibit 17: Annual analysis on per-ton basis

Rs/ton	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Blended realization	4,703	4,795	4,815	5,038	5,118	5,218	5,287
Raw materials consumed	838	813	855	767	820	814	823
Power & fuel costs	801	981	1,103	1,029	964	1,077	1,088
Freight costs	1,106	1,132	1,158	1,181	1,162	1,185	1,205
Staff cost	285	280	270	305	272	262	244
Other expenses	748	706	619	691	618	634	627
Operating Cost	3,779	3,911	4,005	3,973	3,836	3,973	3,987
Other operating income	53	68	79	79	56	52	49
Blended EBITDA	977	951	889	1,144	1,338	1,298	1,349

Source: Company, Emkay Research

Exhibit 18: Summary of key operations

	FY19	FY20	FY21	FY22E	FY23E
Volumes (mt)					
Existing	70.1	64.3	67.3	74.6	82.1
CENT	-	9.4	9.8	11.2	12.6
White Cement	1.4	1.3	1.3	1.4	1.5
UNCL	1.2	3.7	4.1	4.6	5.2
UTCEM-India	72.7	78.8	82.6	91.9	101.5
ETA Star & other subsidiaries	3.7	3.6	3.9	4.0	4.3
Consolidated	76.4	82.3	86.4	95.8	105.8
EBITDA (Rs mn)					
Existing (incl. White Cement)	65,446	83,776	99,365	105,374	120,935
CENT	-	3,980	8,323	9,881	11,443
UNCL	558	4,366	5,401	6,296	7,299
UTCEM-India	66,004	92,122	113,090	121,551	139,677
ETA Star & other subsidiaries	1,877	2,046	2,589	2,825	2,983
Consolidated	67,881	94,167	115,679	124,375	142,660
EBITDA (Rs/ton)					
Existing (incl. White Cement)	915	1,277	1,447	1,386	1,446
CENT	-	423	845	879	909
UNCL	475	1,169	1,330	1,371	1,399
UTCEM-India	908	1,170	1,370	1,323	1,377
ETA Star & other subsidiaries	510	573	671	712	691
Consolidated	889	1,144	1,338	1,298	1,349

Source: Company, Emkay Research

Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21	FY22E	FY23E
Revenue	373,792	421,250	447,258	505,089	564,415
Expenditure	305,911	327,083	331,579	380,713	421,755
EBITDA	67,881	94,167	115,679	124,375	142,660
Depreciation	21,398	27,022	27,002	28,180	30,464
EBIT	46,483	67,146	88,676	96,196	112,196
Other Income	4,381	6,478	7,342	11,359	14,139
Interest expenses	15,486	19,857	14,857	13,554	12,548
PBT	35,378	53,767	81,162	94,001	113,786
Tax	11,068	15,413	25,387	28,200	34,136
Extraordinary Items	0	19,765	(2,607)	0	0
Minority Int./Income from Assoc.	37	32	34	17	9
Reported Net Income	24,347	58,150	53,201	65,818	79,659
Adjusted PAT	24,347	38,386	55,809	65,818	79,659

Balance Sheet

Y/E Mar (Rs mn)	FY19	FY20	FY21	FY22E	FY23E
Equity share capital	2,746	2,886	2,887	2,887	2,887
Reserves & surplus	281,143	388,269	438,860	493,132	561,244
Net worth	283,890	391,155	441,747	496,018	564,131
Minority Interest	122	75	57	40	31
Loan Funds	230,307	228,979	204,727	194,727	179,727
Net deferred tax liability	35,418	49,060	60,335	60,396	60,456
Total Liabilities	549,736	669,269	706,866	751,181	804,345
Net block	472,331	599,421	591,214	611,668	624,628
Investment	29,213	59,287	121,781	121,781	121,781
Current Assets	114,185	125,508	131,959	161,917	213,026
Cash & bank balance	7,072	5,392	20,076	49,014	88,017
Other Current Assets	1,651	1,651	1,651	1,651	1,651
Current liabilities & Provision	95,500	124,042	154,897	151,117	158,543
Net current assets	18,685	1,466	(22,939)	10,800	54,483
Misc. exp	0	0	0	0	0
Total Assets	549,736	669,270	706,866	751,181	804,345

Cash Flow

Y/E Mar (Rs mn)	FY19	FY20	FY21	FY22E	FY23E
PBT (Ex-Other income) (NI+Dep)	35,384	52,423	71,247	82,659	99,656
Other Non-Cash items	(4,194)	(5,869)	11,237	0	0
Chg in working cap	(9,374)	4,503	39,088	(4,800)	(4,681)
Operating Cashflow	51,599	89,020	138,043	90,443	101,728
Capital expenditure	(15,562)	(17,037)	(26,509)	(37,807)	(37,821)
Free Cash Flow	36,036	71,983	111,534	52,637	63,907
Investments	29,693	(22,302)	(62,494)	0	0
Other Investing Cash Flow	0	0	0	0	0
Investing Cashflow	15,152	(38,129)	(81,662)	(26,448)	(23,683)
Equity Capital Raised	(775)	(3)	0	0	0
Loans Taken / (Repaid)	(41,377)	(27,164)	(24,252)	(10,000)	(15,000)
Dividend paid (incl tax)	(3,462)	(3,800)	(10,680)	(11,546)	(11,546)
Other Financing Cash Flow	0	0	8,091	43	52
Financing Cashflow	(60,450)	(49,911)	(41,698)	(35,057)	(39,043)
Net chg in cash	6,300	980	14,684	28,939	39,003
Opening cash position	772	4,412	5,392	20,076	49,014
Closing cash position	7,072	5,392	20,076	49,014	88,017

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY19	FY20	FY21	FY22E	FY23E
EBITDA Margin	18.2	22.4	25.9	24.6	25.3
EBIT Margin	12.4	15.9	19.8	19.0	19.9
Effective Tax Rate	31.3	28.7	31.3	30.0	30.0
Net Margin	6.5	9.1	12.5	13.0	14.1
ROCE	9.8	12.1	14.0	14.8	16.2
ROE	8.9	11.4	13.4	14.0	15.0
RoIC	10.5	12.4	15.5	17.2	19.3

Per Share Data (Rs)	FY19	FY20	FY21	FY22E	FY23E
EPS	88.7	133.0	193.3	228.0	276.0
CEPS	166.6	226.6	286.9	325.6	381.5
BVPS	1,033.7	1,355.2	1,530.4	1,718.4	1,954.4
DPS	7.6	13.8	15.6	19.2	23.0

Valuations (x)	FY19	FY20	FY21	FY22E	FY23E
PER	73.1	48.7	33.5	28.4	23.5
P/CEPS	38.9	28.6	22.6	19.9	17.0
P/BV	6.3	4.8	4.2	3.8	3.3
EV / Sales	5.3	4.8	4.3	3.8	3.3
EV / EBITDA	29.1	21.9	17.6	15.6	13.3
Dividend Yield (%)	0.1	0.2	0.2	0.3	0.4

Gearing Ratio (x)	FY19	FY20	FY21	FY22E	FY23E
Net Debt/ Equity	0.7	0.4	0.2	0.1	0.0
Net Debt/EBIDTA	2.9	1.8	0.6	0.2	(0.2)
Working Cap Cycle (days)	11.3	(3.4)	(35.1)	(27.6)	(21.7)

Growth (%)	FY19	FY20	FY21	FY22E	FY23E
Revenue	19.0	12.7	6.2	12.9	11.7
EBITDA	10.5	38.7	22.8	7.5	14.7
EBIT	8.2	44.5	32.1	8.5	16.6
PAT	9.6	138.8	(8.5)	23.7	21.0

Quarterly (Rs mn)	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21
Revenue	107,456	76,338	103,871	122,620	144,056
EBITDA	24,436	20,746	26,977	31,022	36,904
EBITDA Margin (%)	22.7	27.2	26.0	25.3	25.6
PAT	32,437	7,974	12,314	15,843	17,752
EPS (Rs)	112.4	27.6	42.7	54.9	61.5

Source: Company, Emkay Research

Shareholding Pattern (%)	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Promoters	59.7	60.0	59.9	60.0	60.0
FIs	16.5	16.1	15.3	16.8	17.3
DIs	14.2	14.6	15.4	14.1	13.7
Public and Others	9.7	9.3	9.4	9.1	9.0

Source: Capitaline

Emkay Alpha Portfolio – Cement & Building Materials

EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
Cement & Building Materials	2.64	2.64	0%	0	100.00
ACC	0.19	0.13	-31%	-6	4.98
Ambuja Cements	0.28	0.40	47%	13	15.22
Birla Corporation	0.00	0.00	NA	0	0.00
Dalmia Bharat	0.15	0.56	262%	40	20.92
Grasim Industries	0.68	0.00	-100%	-68	0.00
India Cements	0.00	0.00	NA	0	0.00
JK Cement	0.00	0.00	NA	0	0.00
JK Lakshmi Cement	0.00	0.00	NA	0	0.00
Orient Cement	0.00	0.00	NA	0	0.00
Prism Johnson	0.00	0.00	NA	0	0.00
Ramco Cements	0.15	0.13	-13%	-2	4.85
Shree Cements	0.32	0.50	55%	18	18.80
Star Cement	0.00	0.00	NA	0	0.00
Ultratech Cement	0.88	0.94	6%	5	35.24
Century Plyboards	0.00	0.00	NA	0	0.00
Kajaria Ceramics	0.00	0.00	NA	0	0.00
Somany Ceramics	0.00	0.00	NA	0	0.00
Cash	0.00	0.00	NA	0	0.00

Source: Emkay Research

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

Sector portfolio NAV

	Base					Latest
	01-Apr-19	06-May-20	05-Nov-20	04-Feb-21	07-Apr-21	06-May-21
EAP - Cement & Building Materials	100.0	75.4	108.2	136.3	155.3	148.3
BSE200 Neutral Weighted Portfolio (ETF)	100.0	73.7	106.1	134.3	152.6	148.2

*Performance measurement base date 1st April 2019

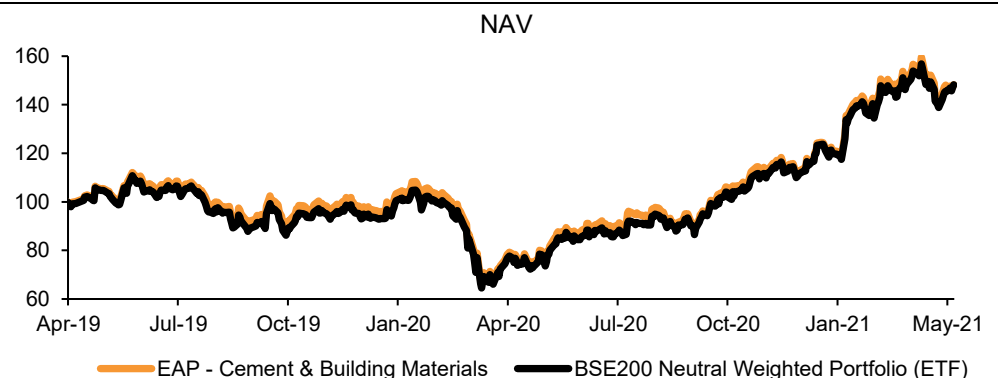
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Cement & Building Materials	-4.5%	8.8%	37.0%	96.7%
BSE200 Neutral Weighted Portfolio (ETF)	-2.9%	10.3%	39.6%	101.1%

Source: Emkay Research

NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

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Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 09 May 2021 19:33:27 (SGT)

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