

Shree Cements

Refer to important disclosures at the end of this report

Better realisation offsets higher costs

- **Shree Cement Limited's (Shree) standalone Q1FY23 EBITDA declined 19% YoY/10% QoQ to Rs8.2bn, in-line with our and consensus estimates, as better-than-expected realisation balanced out higher-than-expected cost inflation. Blended EBITDA/ton declined 26% YoY/~4% QoQ to Rs1,091 (Emkay est. Rs1,085).**
- **Shree has planned growth capex of Rs73bn over the next three years, which will be mainly for ongoing projects such as 3.5mt/3mt integrated cement plants at Rajasthan/Andhra Pradesh, 3mt grinding unit at West Bengal, and a 106MW solar power plant. After completion of the ongoing projects, the company's domestic capacity will reach 56mt by Dec'24 vs. 46.4mt currently.**
- **Besides, Shree has reiterated its guidance for installed capacity of 80mt (7% CAGR) by FY30 by adding capacities in favorable markets and exploring new geographies through both organic and inorganic routes.**
- **We have broadly maintained our FY23E-25E estimates. However, we have revised our TP to Rs23,550 (from Rs22,400) on a quarterly roll-over to Sep'23. Our DCF-based TP implies one-year forward EV/EBITDA of 15x. We maintain Buy.**

- **Standalone revenue increased 22% YoY to Rs42bn.** Shree Cement Limited's (Shree) volumes increased by 10% YoY/declined 7% QoQ to 7.5mt, in line with our estimate, while blended realization increased 10-11% YoY and QoQ to Rs5,604 vs. our estimate of a ~7% QoQ increase due to better-than-expected price hike in its key markets, higher trade mix, and reduction in price gap between non-trade and trade sales. Trade mix increased 400bps QoQ to 84% in Q1FY23.
- **Standalone EBITDA declined 19% YoY/10% QoQ to Rs8.2bn.** Total cost/ton rose 27% YoY/14% QoQ to Rs4,511 vs. our estimate of a 10% QoQ increase due to higher-than-expected input cost. Average fuel costs for the clinker likely stood at Rs2.61/Kcal vs. Rs2.13/Kcal in Q4FY22. Lead distance declined 3kms QoQ to 470kms in Q1FY23. Depreciation increased 41% YoY/9% QoQ to Rs3.3bn owing to commissioning of 3mt grinding unit at Pune and 4mt clinker plant in Chhattisgarh in Q4FY22. Other income stood at negative Rs216mn owing to fair value loss of Rs960mn on investment. Accordingly, PAT declined 52% YoY/51% QoQ to Rs3.2bn in Q1FY23.
- **Consolidated EBITDA declined 22% YoY/13% QoQ to Rs8bn.** The company's UAE subsidiary reported EBITDA loss of Rs180mn vs. EBITDA of Rs95mn and Rs82mn in Q1FY22/Q4FY22, respectively.
- **Management has planned growth capex of Rs73bn over the next three years.** Capex is mainly for ongoing projects such as 1) 3.8mt clinker and 3.5mt cement capacity in Nawalgarh, Rajasthan, at Rs35bn to be commissioned by Mar'24; 2) 3mt cement grinding unit at Rs7.5bn in West Bengal by Jun'23; 3) 1.5mt clinker and 3mt cement capacity in Guntur, Andhra Pradesh, at a capex of Rs25bn by Dec'24; and 4) a 106MW solar power plant at Rs5bn by Sep'22. After completion of the ongoing projects, its domestic capacity will reach 56mt by Dec'24 vs. 46.4mt currently.
- **Management reiterates to achieve 80mt capacity target by FY30 (7% CAGR) by adding capacities in favorable markets and exploring newer geographies with no/low cannibalization with the existing plant.**

Please see our sector model portfolio (Emkay Alpha Portfolio): [Cement & Building Materials \(Page 9\)](#)

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	1,34,763	1,50,096	1,79,818	2,07,313	2,47,709
EBITDA	40,514	37,079	34,491	45,187	57,792
EBITDA Margin (%)	30.1	24.7	19.2	21.8	23.3
APAT	22,859	23,319	18,825	25,675	33,854
EPS (Rs)	633.6	646.3	521.8	711.6	938.3
EPS (% chg)	48.8	2.0	(19.3)	36.4	31.9
ROE (%)	16.0	14.2	10.3	12.8	15.1
P/E (x)	32.2	31.6	39.1	28.7	21.8
EV/EBITDA (x)	16.5	17.9	19.2	14.4	11.0
P/BV (x)	4.8	4.2	3.9	3.5	3.1

Source: Company, Emkay Research

CMP	Target Price
Rs 20,415 as of (July 28, 2022)	Rs 23,550 (▲) 12 months
Rating	Upside
BUY (■)	15.4 %

Change in Estimates

EPS Chg FY23E/FY24E (%)	(7) /-
Target Price change (%)	5.1
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

	EPS Estimates	
	FY23E	FY24E
Emkay	521.8	711.6
Consensus	550.2	827.8
Mean Consensus TP (12M)	Rs 23,113	

Stock Details

Bloomberg Code	SRCM IN
Face Value (Rs)	10
Shares outstanding (mn)	36
52 Week H/L	31,470 / 17,865
M Cap (Rs bn/USD bn)	737 / 9.24
Daily Avg Volume (nos.)	40,846
Daily Avg Turnover (US\$ mn)	10.7

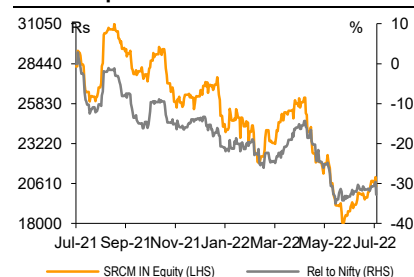
Shareholding Pattern Jun '22

Promoters	62.6%
FIIIs	11.9%
DIIIs	11.2%
Public and Others	14.4%

Price Performance

(%)	1M	3M	6M	12M
Absolute	6	(21)	(15)	(26)
Rel. to Nifty	(1)	(20)	(15)	(31)

Relative price chart



Source: Bloomberg

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Dharmesh Shah

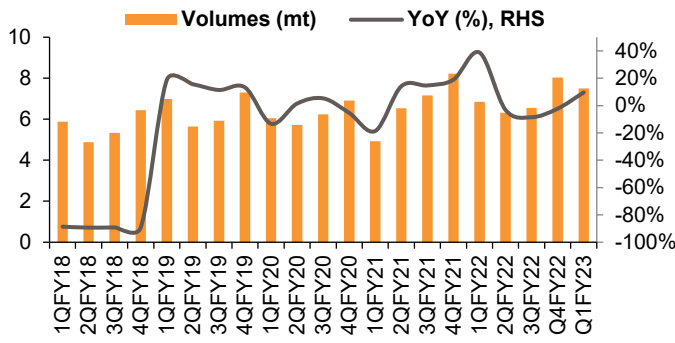
dharmesh.shah@emkayglobal.com
+91 22 6612 1255

Harshal Milan Mehta

harshal.mehta@emkayglobal.com
+91 22 6624 2481

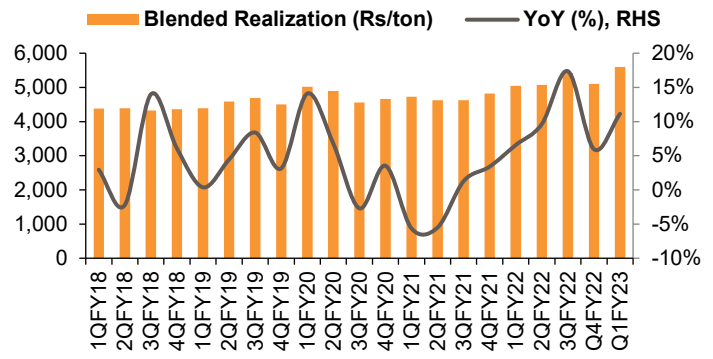
Story in Charts

Exhibit 1: Volumes increased 10% YoY/declined ~7% QoQ to 7.5mt



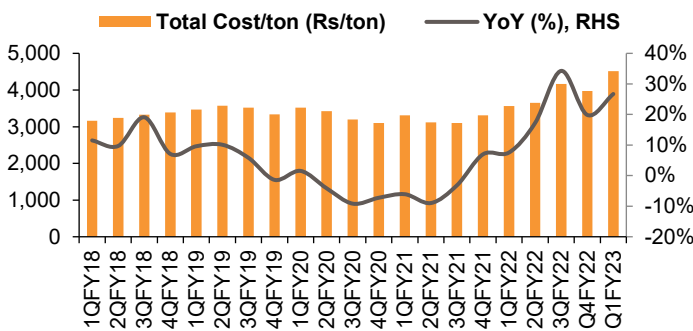
Source: Company, Emkay Research

Exhibit 2: Blended realization rose 10-11% YoY and QoQ to Rs5,602



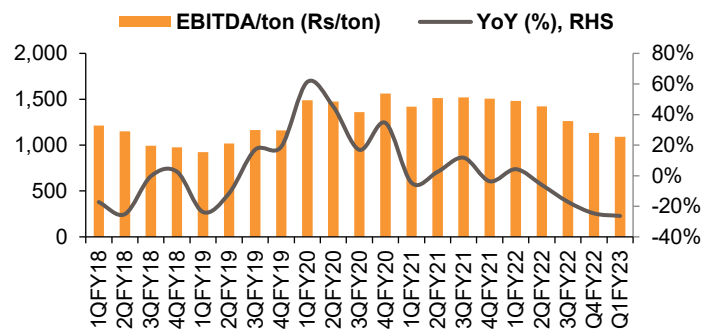
Source: Company, Emkay Research

Exhibit 3: Total cost/ton increased 27% YoY/14% QoQ to Rs4,511



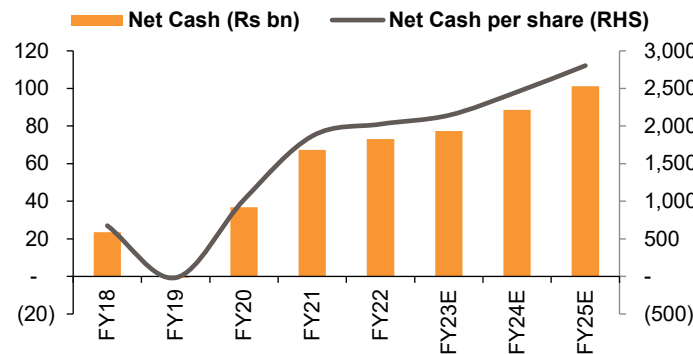
Source: Company, Emkay Research;

Exhibit 4: Blended EBITDA/ton down 26% YoY/4% QoQ to 15-quarter low of Rs1,091



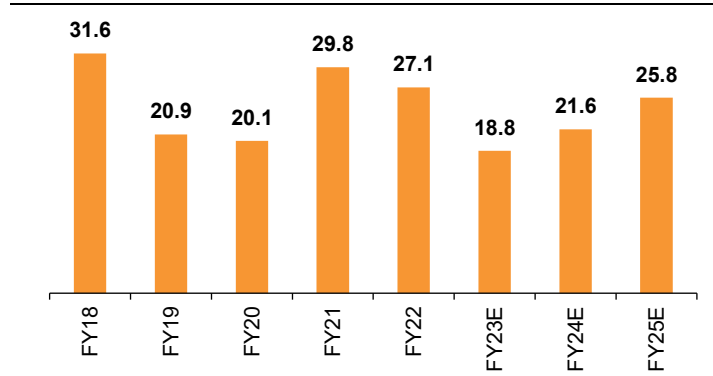
Source: Company, Emkay Research

Exhibit 5: Net cash expected to increase by Rs27bn to Rs100bn from FY22-25E



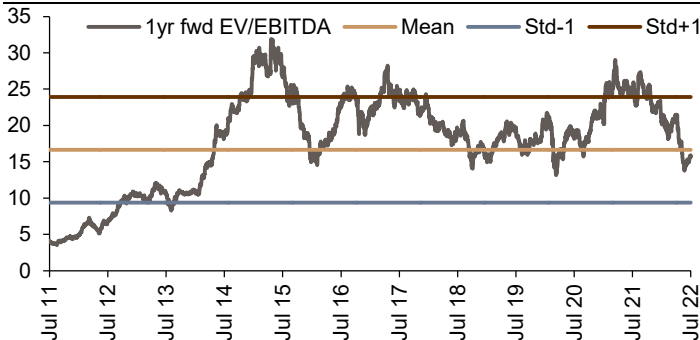
Source: Company, Emkay Research

Exhibit 6: RoIC expected to bottom out in FY23E



Source: Company, Emkay Research

Exhibit 7: One-year forward EV/EBITDA



Source: Bloomberg, Emkay Research

Exhibit 8: Maintain Buy with TP of Rs23,550 based on Sep'24E EV/E

EV/E method, backed by DCF analysis	Rs bn
Sep'24E EBITDA (Rs bn)	51
EV/E multiple (x)	15
Enterprise Value (Rs bn)	765
Net cash (Sep'23E, Rs bn)	84
Equity value (Rs bn)	850
No. of shares (mn)	36.1
Sep'23 Target Price (Rs)	23,550

Source: Emkay Research

Quarterly analysis

Exhibit 9: Actual vs. Estimates (Q1FY23)

Standalone (Rs mn)	Actual	Estimates		% variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Sales	42,027	40,845	40,014	2.9	5.0	Broadly In-line
EBITDA	8,188	8,139	8,223	0.6	(0.4)	In-line
Adj. PAT	3,156	4,534	4,515	(30.4)	(30.1)	Owing to negative other income
Volume (mt)	7.5	7.5		0.0		
Blended Realization (Rs/ton)	5,602	5,446		2.9		
EBITDA (Rs/ton)	1,091	1,085		0.6		

Source: Bloomberg, Emkay Research

Exhibit 10: Standalone quarterly table

Rs mn	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	YoY (%)	QoQ (%)
Revenue	34,495	32,059	35,518	40,988	42,027	21.8	2.5
Expenditure	24,360	23,077	27,262	31,882	33,839	38.9	6.1
Total RM	1,913	2,086	3,857	3,530	1,759	(8.0)	(50.2)
Power & Fuel	6,524	6,283	8,079	10,728	14,424	121.1	34.5
Freight	8,322	7,064	7,616	9,413	9,035	8.6	(4.0)
Staff cost	2,115	2,026	1,965	1,967	2,174	2.8	10.5
Other expenditure	5,486	5,618	5,745	6,245	6,447	17.5	3.2
EBITDA	10,135	8,982	8,255	9,106	8,188	(19.2)	(10.1)
Depreciation	2,325	2,505	2,521	3,013	3,279	41.0	8.8
EBIT	7,810	6,477	5,734	6,093	4,909	(37.1)	(19.4)
Other Income	1,392	1,500	1,101	1,381	(216)*	(115.5)	(115.6)
Interest	535	556	551	536	573	7.1	7.1
PBT	8,667	7,420	6,284	6,938	4,120	(52.5)	(40.6)
Total Tax	2,049	1,643	1,364	486	964	(53.0)	98.4
Adjusted PAT	6,617	5,777	4,920	6,452	3,156	(52.3)	(51.1)
(Profit)/loss from JV's							
PAT after MI	6,617	5,777	4,920	6,452	3,156	(52.3)	(51.1)
Extra ordinary items	-	-	-	-	-		
Reported PAT	6,617	5,777	4,920	6,452	3,156	(52.3)	(51.1)
Adjusted EPS (Rs)	183.4	160.1	136.4	178.8	87.5	(52.3)	(51.1)

Source: Company, Emkay Research; *loss of Rs960mn on investment at fair value

Margins (%)	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	YoY (bps)	QoQ (bps)
EBIDTA	29.4	28.0	23.2	22.2	19.5	(990)	(273)
EBIT	22.6	20.2	16.1	14.9	11.7	(1,096)	(318)
EBT	25.1	23.1	17.7	16.9	9.8	(1,532)	(712)
PAT	19.2	18.0	13.9	15.7	7.5	(1,167)	(823)
Effective Tax rate	23.6	22.1	21.7	7.0	23.4		

Source: Company, Emkay Research

Exhibit 11: Standalone quarterly per-ton analysis

Rs/ton	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	YoY (%)	QoQ (%)
Cement volumes (mt)	6.8	6.3	6.6	8.0	7.5	9.6	(6.6)
Blended Realization	5,041	5,073	5,422	5,105	5,602	11.1	9.7
Raw Material	280	330	589	440	234	(16.1)	(46.7)
Power & Fuel	953	994	1,233	1,336	1,923	101.7	43.9
Freight	1,216	1,118	1,162	1,172	1,204	(1.0)	2.7
Staff cost	309	321	300	245	290	(6.2)	18.3
Other expenditure	802	889	877	778	859	7.2	10.5
Operating cost	3,560	3,651	4,162	3,971	4,511	26.7	13.6
EBITDA/ton	1,481	1,421	1,260	1,134	1,091	(26.3)	(3.8)

Source: Company, Emkay Research;

Exhibit 12: Consolidated quarterly table

Rs mn	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	YoY (%)	QoQ (%)
Revenue	36,348	33,734	36,371	43,642	44,149	21.5	1.2
Expenditure	26,119	24,524	27,919	34,455	36,140	38.4	4.9
Total RM	2,275	1,846	2,640	3,622	2,499	9.9	(31.0)
Power & Fuel	7,128	7,268	9,140	12,667	15,137	112.4	19.5
Freight	8,382	7,141	7,887	9,580	9,145	9.1	(4.5)
Staff cost	2,396	2,295	2,232	2,212	2,434	1.6	10.0
Other expenditure	5,939	5,975	6,020	6,374	6,925	16.6	8.6
EBITDA	10,230	9,210	8,452	9,188	8,008	(21.7)	(12.8)
Depreciation	2,735	2,903	2,853	2,967	3,497	27.8	17.8
EBIT	7,494	6,306	5,599	6,221	4,512	(39.8)	(27.5)
Other Income	1,411	1,536	1,139	1,374	(201)	NA	NA
Interest	545	556	539	522	554	1.7	6.2
PBT	8,361	7,287	6,198	7,072	3,756	(55.1)	(46.9)
Total Tax	2,052	1,647	1,371	482	968	(52.8)	100.8
Adjusted PAT	6,309	5,639	4,827	6,591	2,789	(55.8)	(57.7)
(Profit)/loss from JV's/Ass/MI	10	11	7	18	(6)	NA	NA
PAT after MI	6,299	5,628	4,820	6,572	2,795	(55.6)	(57.5)
Extra ordinary items	-	-	-	-	-		
Reported PAT	6,299	5,628	4,820	6,572	2,795	(55.6)	(57.5)
Adjusted EPS (Rs)	174.6	156.0	133.6	182.2	77.5	(55.6)	(57.5)

Source: Company, Emkay Research

Margins (%)	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	YoY (bps)	QoQ (bps)
EBIDTA	28.1	27.3	23.2	21.1	18.1	(1,000)	(291)
EBIT	20.6	18.7	15.4	14.3	10.2	(1,040)	(403)
EBT	23.0	21.6	17.0	16.2	8.5	(1,449)	(770)
PAT	17.3	16.7	13.3	15.1	6.3	(1,100)	(873)
Effective Tax rate	24.5	22.6	22.1	6.8	25.8		

Source: Company, Emkay Research

Exhibit 13: We broadly maintain our estimates

Y/E Mar (Rs mn)	FY23E			FY24E			FY25E		
	Old	New	% chg	Old	New	% chg	Old	New	% chg
Revenue	1,80,506	1,79,818	(0.4)	2,08,524	2,07,313	(0.6)	2,50,084	2,47,709	(0.9)
EBITDA	34,715	34,491	(0.6)	45,219	45,187	(0.1)	57,792	57,792	(0.0)
PAT	20,299	18,825	(7.3)	25,764	25,675	(0.3)	33,919	33,854	(0.2)

Source: Emkay Research

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Annual analysis

Exhibit 14: Key assumptions (Consolidated)

Operational details	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E	CAGR% FY18-22	CAGR% FY22-25E
Capacity (mt)	35	42	44	45	49	53	58	64	9.1	9.0
Volumes (mt)	23	29	28	30	31	34	38	45	8.7	12.4
Utilization (%)	76	75	65	66	66	65	66	70		
Blended Realization (Rs/ton)	4,364	4,368	4,609	4,523	4,765	5,219	5,392	5,543	2.2	5.2
EBITDA/ton (Rs/ton)	1,074	1,008	1,346	1,360	1,177	1,001	1,175	1,293	2.3	3.2
P&L (Rs bn)										
Revenue	98	126	129	135	150	180	207	248	11.2	18.2
EBITDA	24	29	38	41	37	34	45	58	11.2	15.9
PAT	13	12	15	23	23	19	26	34	15.0	13.2
Balance Sheet (Rs bn)										
Equity	89	97	132	154	175	190	210	237		
Net Cash	24	(1)	37	67	73	76	87	100		
Cash Flow (Rs bn)										
OCF before WC change	26	27	32	33	42	33	44	56		
Change in WC	(1)	(7)	7	9	(8)	(2)	(2)	(2)		
Capex	(25)	(19)	(15)	(11)	(22)	(25)	(27)	(36)		
FCF	(0)	1	23	31	11	6	15	18		
Return ratios (%) - Post tax										
RoE	16.1	12.4	13.4	16.0	14.2	10.3	12.8	15.1		
RoCE	14.1	12.8	12.8	15.2	14.0	10.5	12.8	14.9		
RoIC	31.6	20.9	20.1	29.8	27.1	18.8	21.6	25.8		
Valuations (x)										
PE						39.1	28.7	21.8		
EV/EBITDA						19.2	14.6	11.2		
EV/ton (USD)						165	148	133		

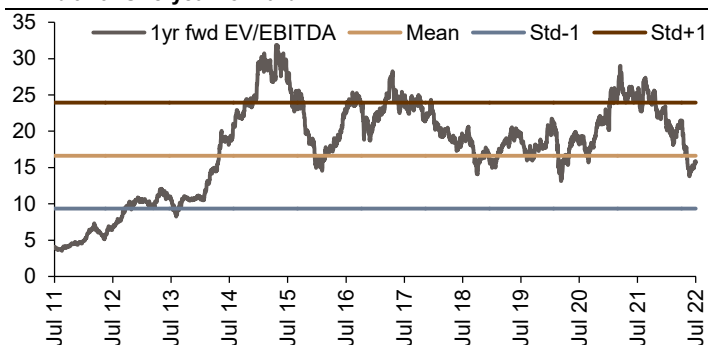
Source: Company, Emkay Research

Exhibit 15: Annual analysis on per ton basis (Consolidated)

Rs/ton (Consol.)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Blended realization	4,364	4,368	4,609	4,523	4,765	5,219	5,392	5,543
% YoY	4.8	0.1	5.5	(1.8)	5.3	9.5	3.3	2.8
Raw materials consumed	342	354	355	359	330	444	464	475
Power & fuel costs	879	1,076	968	788	1,149	1,629	1,606	1,590
Freight costs	1,120	1,020	953	1,044	1,047	1,104	1,093	1,142
Staff costs	261	267	306	292	290	287	280	252
Other expenses	688	643	680	680	772	753	774	790
Operating costs	3,289	3,360	3,262	3,164	3,588	4,218	4,217	4,249
% YoY	11.5	2.1	(2.9)	(3.0)	13.4	17.6	(0.0)	0.8
Blended EBITDA	1,074	1,008	1,346	1,360	1,177	1,001	1,175	1,293
% YoY	(11.5)	(6.2)	33.6	1.0	(13.4)	(15.0)	17.4	10.0

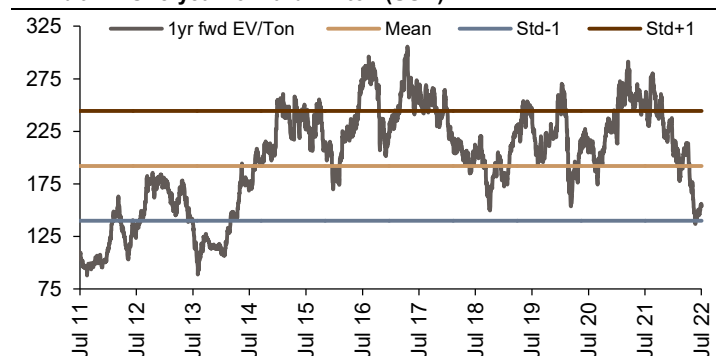
Source: Company, Emkay Research

Exhibit 16: One-year forward EV/EBITDA



Source: Bloomberg, Emkay Research

Exhibit 17: One-year forward EV/ton (USD)



Source: Bloomberg, Emkay Research

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Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	1,34,763	1,50,096	1,79,818	2,07,313	2,47,709
Expenditure	94,250	1,13,016	1,45,327	1,62,127	1,89,917
EBITDA	40,514	37,079	34,491	45,187	57,792
Depreciation	12,623	11,459	14,534	18,815	22,519
EBIT	27,890	25,621	19,957	26,372	35,273
Other Income	4,663	5,459	3,977	5,522	5,983
Interest expenses	2,513	2,161	2,157	1,866	1,680
PBT	30,041	28,918	21,777	30,028	39,576
Tax	7,145	5,552	2,903	4,304	5,672
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	(37)	(47)	(48)	(49)	(50)
Reported Net Income	22,859	23,319	18,825	25,675	33,854
Adjusted PAT	22,859	23,319	18,825	25,675	33,854

Balance Sheet

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity share capital	361	361	361	361	361
Reserves & surplus	1,53,613	1,74,242	1,89,302	2,09,842	2,36,925
Net worth	1,53,974	1,74,603	1,89,663	2,10,203	2,37,286
Minority Interest	512	503	513	523	534
Loan Funds	23,403	20,142	20,142	18,142	16,142
Net deferred tax liability	(7,861)	(6,744)	(6,296)	(5,684)	(4,930)
Total Liabilities	1,70,027	1,88,504	2,04,022	2,23,185	2,49,032
Net block	62,163	72,822	85,847	94,303	1,07,839
Investment	85,005	90,326	95,626	95,626	95,626
Current Assets	50,138	57,061	58,923	71,894	86,588
Cash & bank balance	7,084	2,897	693	9,843	20,432
Other Current Assets	519	519	519	519	519
Current liabilities & Provision	37,244	42,241	44,392	46,655	49,038
Net current assets	12,895	14,820	14,532	25,239	37,550
Misc. exp	0	0	0	0	0
Total Assets	1,70,027	1,88,504	2,04,022	2,23,185	2,49,032

Cash Flow

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
PBT (Ex-Other income) (NI+Dep)	30,041	23,413	17,752	24,457	33,543
Other Non-Cash items	(4,396)	1,118	(436)	(300)	(396)
Chg in working cap	9,208	(6,112)	(1,916)	(1,557)	(1,721)
Operating Cashflow	42,538	26,487	29,189	38,976	49,952
Capital expenditure	(11,291)	(22,689)	(25,040)	(27,270)	(36,055)
Free Cash Flow	31,247	3,798	4,148	11,706	13,897
Investments	(20,227)	(5,321)	(5,300)	0	0
Other Investing Cash Flow	0	0	0	0	0
Investing Cashflow	(29,335)	(22,551)	(26,364)	(21,748)	(30,072)
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	(9,610)	(3,261)	0	(2,000)	(2,000)
Dividend paid (incl tax)	(111)	(1,624)	(3,765)	(5,135)	(6,771)
Other Financing Cash Flow	0	(1,077)	894	923	1,160
Financing Cashflow	(12,261)	(8,122)	(5,029)	(8,078)	(9,291)
Net chg in cash	941	(4,187)	(2,204)	9,150	10,590
Opening cash position	6,142	7,084	2,897	693	9,843
Closing cash position	7,083	2,897	693	9,843	20,432

Source: Company, Emkay Research

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Key Ratios

Profitability (%)	FY21	FY22	FY23E	FY24E	FY25E
EBITDA Margin	30.1	24.7	19.2	21.8	23.3
EBIT Margin	20.7	17.1	11.1	12.7	14.2
Effective Tax Rate	23.8	19.2	13.3	14.3	14.3
Net Margin	17.0	15.6	10.5	12.4	13.7
ROCE	19.9	17.3	12.2	14.9	17.5
ROE	16.0	14.2	10.3	12.8	15.1
RoIC	29.8	27.1	18.8	21.6	25.8

Per Share Data (Rs)	FY21	FY22	FY23E	FY24E	FY25E
EPS	633.6	646.3	521.8	711.6	938.3
CEPS	983.4	963.9	924.6	1,233.1	1,562.4
BVPS	4,267.6	4,839.3	5,256.7	5,826.0	6,576.7
DPS	60.0	90.0	104.4	142.3	187.7

Valuations (x)	FY21	FY22	FY23E	FY24E	FY25E
PER	32.2	31.6	39.1	28.7	21.8
P/CEPS	20.8	21.2	22.1	16.6	13.1
P/BV	4.8	4.2	3.9	3.5	3.1
EV / Sales	5.0	4.4	3.7	3.1	2.6
EV / EBITDA	16.5	17.9	19.2	14.4	11.0
Dividend Yield (%)	0.3	0.4	0.5	0.7	0.9

Gearing Ratio (x)	FY21	FY22	FY23E	FY24E	FY25E
Net Debt/ Equity	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Net Debt/EBIDTA	(1.7)	(1.9)	(2.2)	(1.9)	(1.7)
Working Cap Cycle (days)	15.7	29.0	28.1	27.1	25.2

Growth (%)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	4.7	11.4	19.8	15.3	19.5
EBITDA	7.8	(8.5)	(7.0)	31.0	27.9
EBIT	42.9	(8.1)	(22.1)	32.1	33.8
PAT	48.8	2.0	(19.3)	36.4	31.9

Quarterly (Rs mn)	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23
Revenue	34,495	32,059	35,518	40,988	42,027
EBITDA	10,135	8,982	8,255	9,106	8,188
EBITDA Margin (%)	29.4	28.0	23.2	22.2	19.5
PAT	6,617	5,777	4,920	6,452	3,156
EPS (Rs)	183.4	160.1	136.4	178.8	87.5

Source: Company, Emkay Research

Shareholding Pattern (%)	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22
Promoters	62.6	62.6	62.6	62.6	62.6
FIs	13.0	13.5	13.1	12.2	11.9
DIs	10.5	10.1	10.5	11.2	11.2
Public and Others	14.0	13.8	13.9	14.1	14.4

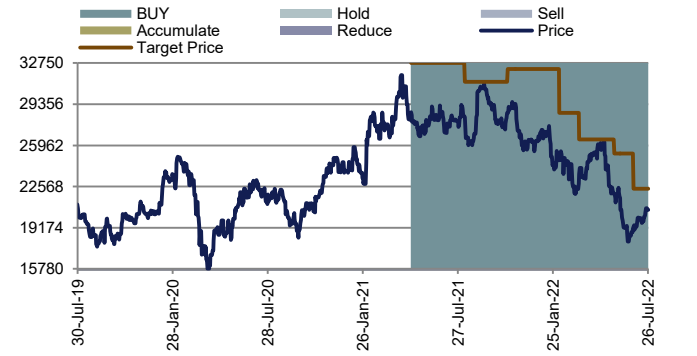
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
12-Jul-22	19,962	22,400	12m	Buy	Dharmesh Shah
04-Jul-22	19,292	22,400	12m	Buy	Dharmesh Shah
28-Jun-22	19,237	22,400	12m	Buy	Dharmesh Shah
22-May-22	22,001	25,300	12m	Buy	Dharmesh Shah
16-Mar-22	23,595	26,450	12m	Buy	Dharmesh Shah
06-Feb-22	24,724	28,650	12m	Buy	Dharmesh Shah
31-Dec-21	26,987	32,250	12m	Buy	Dharmesh Shah
02-Dec-21	26,290	32,250	12m	Buy	Dharmesh Shah
30-Oct-21	28,635	32,250	12m	Buy	Dharmesh Shah
15-Sep-21	31,040	31,200	12m	Buy	Dharmesh Shah
05-Sep-21	30,441	31,200	12m	Buy	Dharmesh Shah
09-Aug-21	28,273	31,200	12m	Buy	Dharmesh Shah
06-Aug-21	28,387	32,750	12m	Buy	Dharmesh Shah
06-Jun-21	28,154	32,750	12m	Buy	Dharmesh Shah
22-May-21	27,623	32,750	12m	Buy	Dharmesh Shah
28-Apr-21	28,688	32,750	12m	Buy	Dharmesh Shah

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – Cement & Building Materials



Analyst: Dharmesh Shah

Contact Details

dharmesh.shah@emkayglobal.com
+91 22 6612 1255

Sector

Cement & Building Materials

Analyst bio

Dharmesh is a CA and has around 10 years of experience in equity research. His team currently covers ten stocks in cement sector.

EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight based on Current NAV	Change vs last published EAP (bps)
Cement & Building Materials	2.16	2.16	0%	0	100.00	
ACC	0.19	0.17	-10%	-2	7.87	0
Ambuja Cements	0.28	0.25	-10%	-3	11.60	0
Birla Corporation	0.00	0.00	NA	0	0.00	0
Dalmia Bharat	0.13	0.09	-27%	-4	4.37	0
Grasim Industries*	0.59	0.57	-4%	-2	26.46	0
JK Cement	0.00	0.00	NA	0	0.00	0
Ramco Cements	0.00	0.07	NA	7	3.11	0
Shree Cements	0.21	0.21	1%	0	9.64	0
Star Cement	0.00	0.00	NA	0	0.00	0
Ultratech Cement	0.76	0.80	5%	4	36.95	0
Cash	0.00	0.00	NA	0	0.01	0

Source: Emkay Research

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

Sector portfolio NAV

	Base					Latest
	1-Apr-19	27-Jul-21	27-Jan-22	27-Apr-22	27-Jun-22	27-Jul-22
EAP - Cement & Building Materials	100.0	179.9	166.9	165.6	138.9	156.7
BSE200 Neutral Weighted Portfolio (ETF)	100.0	171.1	160.6	158.7	132.9	149.8

*Performance measurement base date 1st April 2019

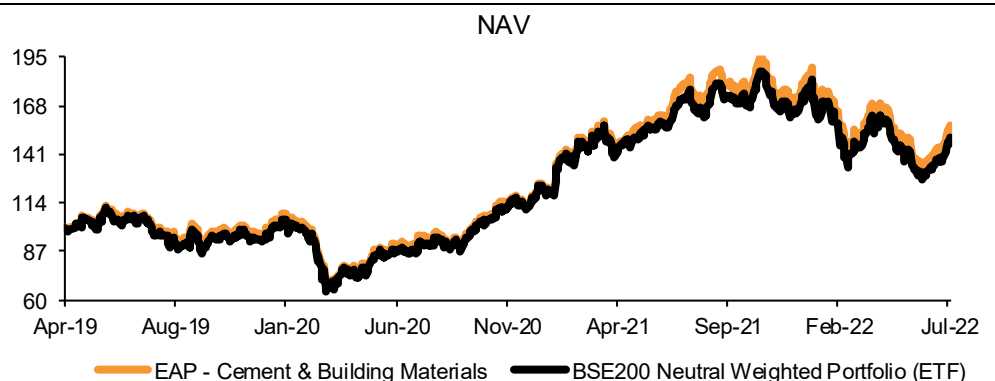
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Cement & Building Materials	12.8%	-5.4%	-6.1%	-12.9%
BSE200 Neutral Weighted Portfolio (ETF)	12.7%	-5.6%	-6.7%	-12.4%

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”

Emkay Rating Distribution

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

Completed Date: 29 Jul 2022 01:51:43 (SGT)

Dissemination Date: 29 Jul 2022 01:52:43 (SGT)

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CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com