

JK Cement

Refer to important disclosures at the end of this report

Lower opex/ton leads to EBITDA beat; expansion on track

- JK Cement's Q1FY23 standalone EBITDA was flat YoY at Rs4bn, standing 14%/19% above consensus/our estimates owing to lower-than-expected increase in cost/ton. Accordingly, blended EBITDA/ton fell 15% YoY to Rs1,124 (Emkay Est: Rs945).
- Management mentioned that impact of the high-cost fuel inventory is likely to reflect in Q2 and profitability would sharply decline sequentially in Q2FY23.
- Over 50% of the equipment erection work and the entire civil work are complete at the 4mt green-field Panna plant; Mgmt expects to commission the project by Mar'23. This is likely to drive grey-cement volume CAGR of ~11% over FY22-25E.
- Factoring in the lower opex/ton, we raise FY24-25E EBITDA by 4% and TP to Rs2,600 (from Rs2,360) post the quarterly roll-over to Sep'23. Our DCF-based TP implies 1-year fwd EV/EBITDA of 11x. Maintain Hold, as the risk-reward appears to be balanced.
- SA revenues rise 33% YoY to Rs21bn. Grey-cement volume (incl. clinker) rose 15% YoY to 3.2mt (in line with our estimate), while grey-cement realization rose 5% QoQ (+11% YoY) to Rs5,191 (Emkay est.: Rs5,226/ton). Premium product sales stood at 8% (+100bps QoQ; +200bps YoY) of trade sales in Q1FY23. White cement plus wall care putty volume rose 48% YoY at 0.39mt, with realization slightly up QoQ, to Rs12,230/ton.
- Standalone EBITDA remains flat YoY at Rs4bn, coming in 14%/19% above consensus/our estimates. Total cost/ton rose 21% YoY/~3% QoQ to Rs4,960, owing to an increase in input costs. The fuel mix stood at 50% petcoke, with the balance comprising imported coal and AFR usage. Management expects P&F cost/ton to increase by Rs200 QoQ in Q2FY23 owing to full impact of the high-cost inventory. Adjusted PAT declined 13% YoY to Rs1.8bn. Consolidated EBITDA remained flat YoY at Rs4bn, implying that the UAE subsidiary's EBITDA stood at Rs36mn in Q1FY23 vs. EBITDA of Rs33mn/Rs15mn in Q1FY22/Q4FY22.
- Project update: Capex stood at Rs5.4bn in Q1FY23. JKCE expects to commission the 4mt greenfield Panna project and the 22MW WHRS project by Mar'23. FY23/FY24 capex guidance remains unchanged at Rs17bn/Rs11bn. Total capex for Panna is ~Rs29.7bn and management expects the plant to operate at 50-60% utilization in FY24.
- Consolidated net debt increases by Rs4.7bn QoQ to Rs26.2bn, as of Jun'22. Consequently, consolidated net debt/EBITDA increased from 1.4x in Mar'22 to 1.71x as of Jun'22. Net debt is likely to peak out at Rs33-34bn.
- Concall takeaways: 1) Price: Cement prices decreased by Rs15-18/50-kg bag in the North and Rs20/50-kg bag in the South compared with average prices in Q1FY23. 2) Volume: Management has guided to volume growth of 10% for FY23, implying 8% growth for 9MFY23. 3) Profitability: JKCE expects EBITDA to decline by 30-35% QoQ (Rs400/ton QoQ) in Q2. 4) Paints: Capex of Rs1.5bn/2bn is planned for FY23/FY24. 5) Others: Lead distance increased by 18km QoQ to 475km. The rail mix stood flat QoQ at 17%. Trade mix stood at 69% and PPC share 64%.

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

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	66,061	79,908	90,129	1,02,247	1,14,586
EBITDA	15,777	14,824	15,062	19,176	22,038
EBITDA Margin (%)	23.9	18.6	16.7	18.8	19.2
APAT	7,707	6,871	5,960	9,685	11,927
EPS (Rs)	99.7	88.9	77.1	125.3	154.4
EPS (% chg)	56.5	(10.9)	(13.3)	62.5	23.2
ROE (%)	22.8	17.0	13.0	18.5	19.4
P/E (x)	26.6	29.8	34.4	21.2	17.2
EV/EBITDA (x)	14.5	14.9	15.3	12.2	10.5
P/BV (x)	5.5	4.7	4.2	3.6	3.1

Source: Company, Emkay Research

CMP	Target Price
Rs 2,653 as of (August 16, 2022)	Rs 2,600 (▲) 12 months
Rating	Upside
HOLD (■)	(2.0) %

Change in Estimates

EPS Chg FY23E/FY24E (%)	(4)/6
Target Price change (%)	10.2
Target Period (Months)	12
Previous Reco	HOLD

Emkay vs Consensus

	EPS Estimates	
	FY23E	FY24E
Emkay	77.1	125.3
Consensus	76.3	109.4
Mean Consensus TP (12M)	Rs 2,702	

Stock Details

Bloomberg Code	JKCE IN
Face Value (Rs)	10
Shares outstanding (mn)	77
52 Week H/L	3,863 / 2,004
M Cap (Rs bn/USD bn)	205 / 2.57
Daily Avg Volume (nos.)	1,54,348
Daily Avg Turnover (USD mn)	4.4

Shareholding Pattern Jun '22

Promoters	45.8%
FIIIs	16.1%
DIIIs	21.1%
Public and Others	17.0%

Price Performance

(%)	1M	3M	6M	12M
Absolute	22	11	(14)	(15)
Rel. to Nifty	10	1	(16)	(21)

Relative price chart



Source: Bloomberg

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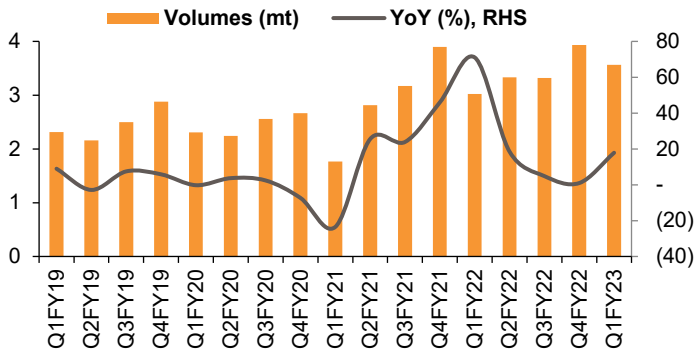
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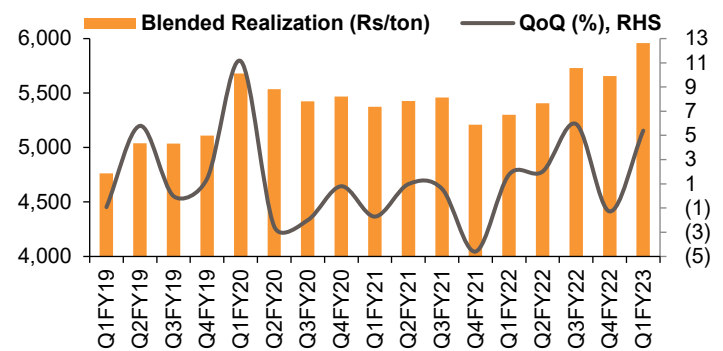
Story in Charts

Exhibit 1: Total volumes increased 18% YoY to 3.6mt



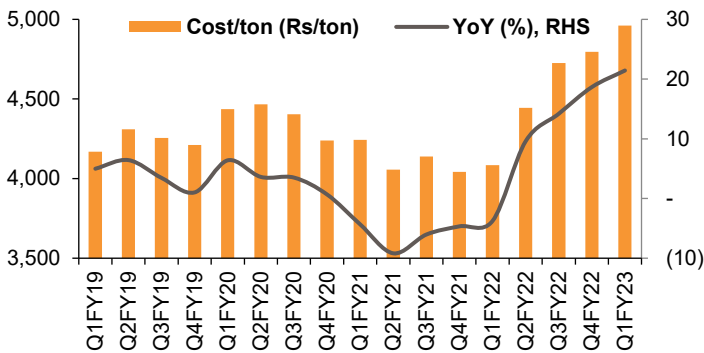
Source: Company, Emkay Research

Exhibit 2: Blended realization/ton increased 5% QoQ to Rs5,960



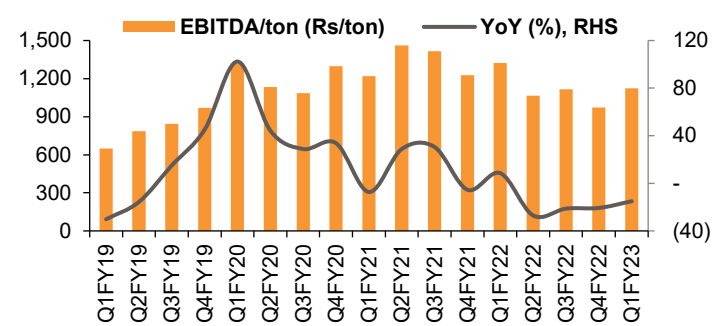
Source: Company, Emkay Research

Exhibit 3: Total cost/ton increased 21% YoY/~3% QoQ to Rs4,960



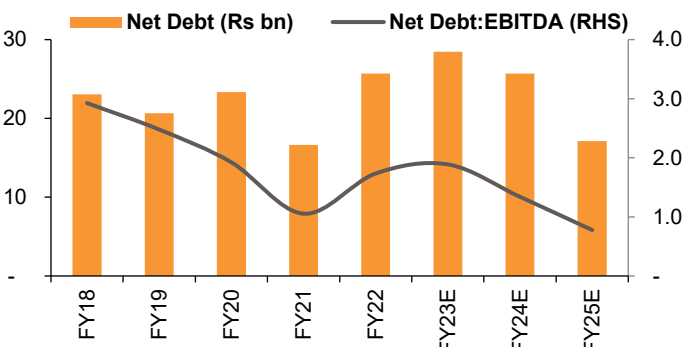
Source: Company, Emkay Research

Exhibit 4: Blended EBITDA/ton declined 15% YoY to Rs1,124



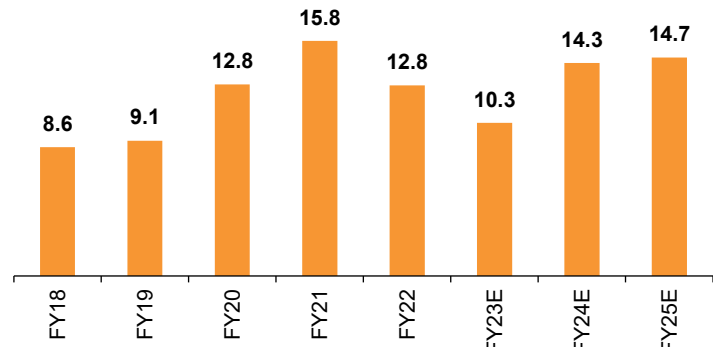
Source: Company, Emkay Research

Exhibit 5: The improving balance sheet provides scope for expansion



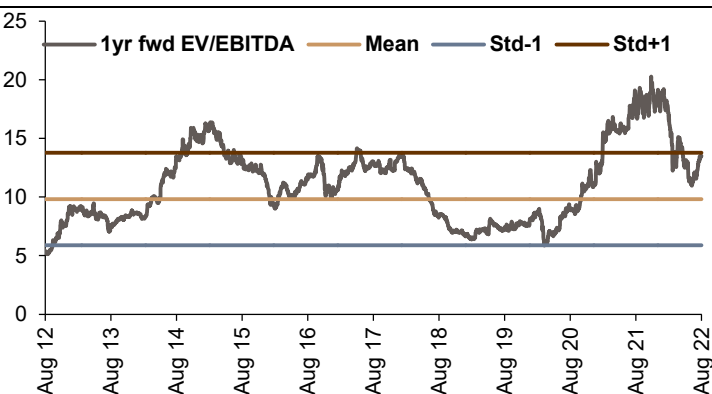
Source: Company, Emkay Research

Exhibit 6: RoIC expected to bottom out in FY23



Source: Company, Emkay Research

Exhibit 7: 1-year forward EV/EBITDA



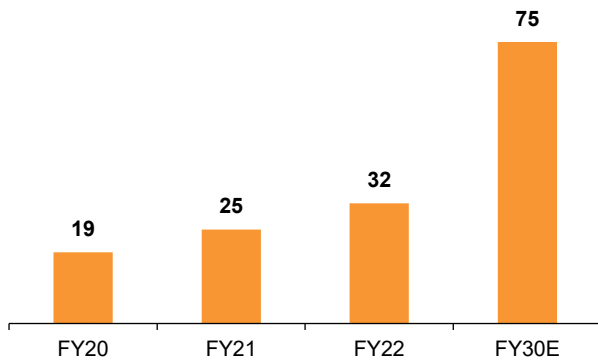
Source: Bloomberg, Emkay Research

Exhibit 8: Maintain Hold with TP of Rs2,600/share, based on Sep'24E EV/EBITDA

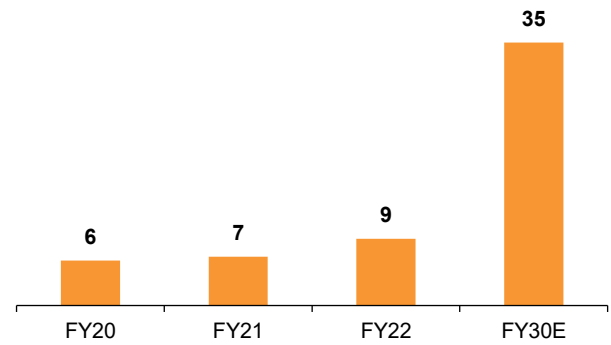
EV/E valuation, backed by DCF analysis

Sep'24E EBITDA (Rs bn)	21
Implied EV/E multiple (x)	11
EV (Rs bn)	227
Net debt (Sep'23E; Rs bn)	26
Equity value (Rs bn)	201
No. of shares (mn)	77
Sep'23 Target Price (Rs)	2,600

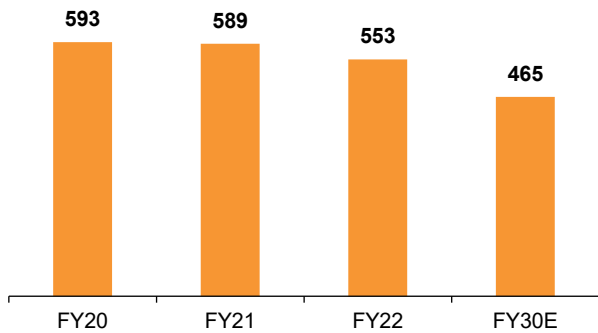
Source: Emkay Research

Exhibit 9: Management targets increasing the share of green power to 75% by FY30E...

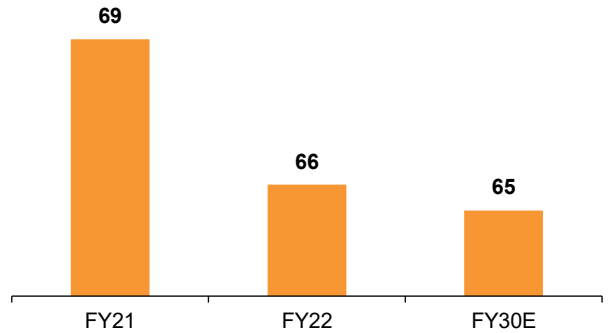
Source: Company, Emkay Research

Exhibit 10: ...and the usage of AFR to 35% by FY30E

Source: Company, Emkay Research

Exhibit 11: Management aims for a significant reduction in CO2 emission, to comply with environmental norms

Source: Company, Emkay Research

Exhibit 12: Clinker factor of 65% targeted by FY30E

Source: Company, Emkay Research

Exhibit 13: Project updates

Expansion	Additional Capacity	Status Update	Capex Till YTD Jun'22 (Rs bn)	Expected date of completion
Greenfield expansion at Panna with Hamirpur grinding unit	Grey cement plant of 4mt and 22MW WHRS	Civil work is almost complete and over 50% equipment erection has been done Expenditure as on date is funded by borrowing of Rs8.4bn and internal accrual of Rs12.3bn	20.7	Mar'23

Source: Company, Emkay Research

Quarterly Highlights

Exhibit 14: Actual vs. Estimates (Q1FY23) – Standalone

(Rs mn)	Actual	Estimates		% Variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Sales	21,224	21,204	21,228	0.1	(0.0)	In-line
EBITDA	4,001	3,374	3,505	18.6	14.2	Owing to lower-than-expected input cost
Adj PAT	1,811	1,478	1,651	22.5	9.7	Owing to higher EBITDA, offset to an extent by higher tax expense and higher depreciation
Volume (mt)	3.6	3.6		(0.3)		
Blended Realization (Rs/ton)	5,960	5,937		0.4		
EBITDA (Rs/ton)	1,124	945		19.0		

Source: Company, Bloomberg, Emkay Research

Exhibit 15: Quarterly financial highlights (Standalone)

(Rs mn)	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	YoY (%)	QoQ (%)
Net Sales	16,015	18,012	19,028	22,236	21,224	32.5	(4.6)
Other operating income	322	344	376	453	441	36.8	(2.8)
Revenue	16,337	18,355	19,404	22,690	21,664	32.6	(4.5)
Expenditure	12,341	14,805	15,696	18,863	17,663	43.1	(6.4)
Total RM	2,403	3,198	2,819	4,233	3,439	43.1	(18.8)
Power & Fuel	2,989	3,437	4,351	4,929	4,856	62.4	(1.5)
Freight	3,346	3,822	3,834	4,619	4,345	29.9	(5.9)
Staff cost	1,238	1,298	1,290	1,216	1,430	15.5	17.6
Other expenditure	2,365	3,050	3,401	3,866	3,594	52.0	(7.1)
EBITDA	3,996	3,550	3,708	3,827	4,001	0.1	4.6
Depreciation	657	687	719	757	899	36.9	18.8
EBIT	3,339	2,863	2,989	3,070	3,102	(7.1)	1.0
Other Income	273	480	264	412	222	(18.5)	(46.0)
Interest	560	591	653	689	617	10.2	(10.4)
PBT	3,052	2,752	2,600	2,792	2,707	(11.3)	(3.1)
Total Tax	969	803	926	630	896	(7.6)	42.2
Adjusted PAT	2,083	1,948	1,673	2,163	1,811	(13.0)	(16.2)
Extra ordinary items	-	(260)	-	(1,300)	-		
Reported PAT	2,083	1,688	1,673	863	1,811	(13.0)	110.0
Adjusted EPS (Rs)	27.0	25.2	21.7	28.0	23.4	(13.0)	(16.2)

Source: Company, Emkay Research

Margins (%)	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	YoY (bps)	QoQ (bps)
EBITDA	24.5	19.3	19.1	16.9	18.5	(599)	160
EBIT	20.4	15.6	15.4	13.5	14.3	(612)	79
EBT	18.7	15.0	13.4	12.3	12.5	(618)	19
PAT	12.7	10.6	8.6	9.5	8.4	(439)	(117)
Effective Tax rate	31.8	29.2	35.6	22.6	33.1		

Source: Company, Emkay Research

Exhibit 16: Quarterly analysis on per-ton basis (Standalone)

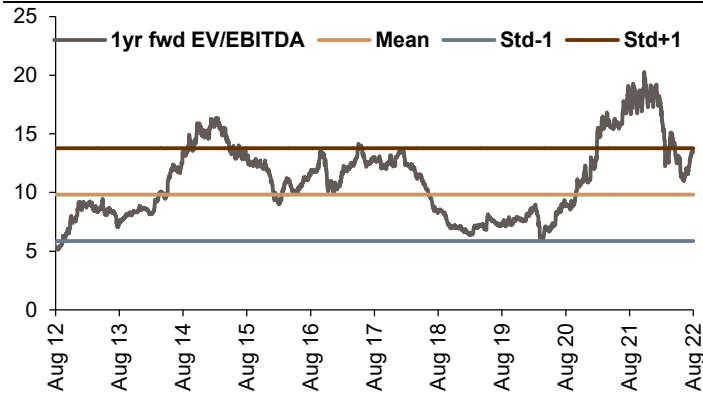
Rs/ton	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	YoY (%)	QoQ (%)
Grey Cement vols. (mt)	2.8	2.9	2.9	3.5	3.2	15.0	(10.4)
WC + WP vols. (mt)*	0.3	0.4	0.4	0.4	0.4	47.7	(1.2)
Total volume (mt)	3.0	3.3	3.3	3.9	3.6	17.9	(9.4)
Grey Cement realization	4,679	4,604	4,844	4,932	5,191	10.9	5.3
White Cement realization	11,811	11,455	11,615	12,156	12,230	3.6	0.6
Blended Realization	5,300	5,407	5,728	5,655	5,960	12.4	5.4
Raw Material costs	795	960	849	1,076	966	21.4	(10.3)
Power & Fuel costs	989	1,032	1,310	1,254	1,364	37.8	8.8
Freight costs	1,107	1,147	1,154	1,175	1,220	10.2	3.9
Staff cost	410	390	388	309	402	(2.0)	29.9
Other expenditure	783	916	1,024	983	1,009	28.9	2.6
Operating cost	4,085	4,445	4,725	4,797	4,960	21.4	3.4
Other operating income	107	103	113	115	124	16.1	7.3
Blended EBITDA/ton	1,323	1,066	1,116	973	1,124	(15.0)	15.5

Source: Company, Emkay Research; *white cement and wall putty

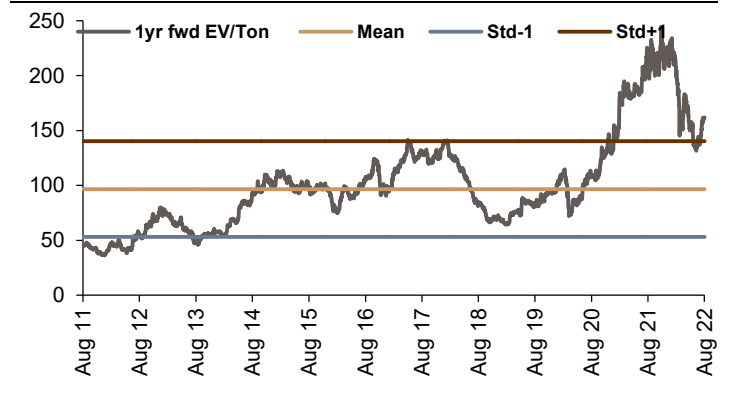
Exhibit 17: We have increased our EBITDA estimates by ~4% for FY24/FY25, whereas our FY23 EBITDA estimates remain unchanged

Y/E Mar (Rs mn)	FY23E			FY24E			FY25E		
	Old	New	% chg	Old	New	% chg	Old	New	% chg
Revenue	89,704	90,129	0.5	1,01,772	1,02,247	0.5	1,14,061	1,14,586	0.5
EBITDA	15,063	15,062	(0.0)	18,371	19,176	4.4	21,141	22,038	4.2
PAT	6,193	5,960	(3.8)	9,128	9,685	6.1	11,306	11,927	5.5

Source: Emkay Research

Exhibit 18: 1-year forward EV/EBITDA

Source: Bloomberg; Emkay Research

Exhibit 19: 1-year forward EV/ton (USD)

Source: Bloomberg; Emkay Research

Annual analysis

Exhibit 20: Annual financials

Operational metrics	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E	CAGR%	
									FY18-22	FY22-25E
Grey Cement										
Capacity (mt)	10.5	10.5	14.7	14.7	15.0	15.0	19.0	19.0	9.3	8.2
Volumes (mt)	7.9	8.6	8.4	10.3	12.1	13.0	15.0	16.6	11.3	11.1
Utilization (%)	75	82	58	70	81	87	79	88		
Realization (Rs/ton)	3,906	4,001	4,527	4,495	4,774	5,051	5,126	5,299	5.1	3.5
White Cement										
Capacity (mt)	1.9	2.1	2.1	2.1	2.4	2.4	2.4	2.4	6.0	-
Volumes (mt)	1.5	1.6	1.8	1.7	1.9	2.0	2.1	2.2	5.1	4.9
Utilization (%)	81	78	85	79	78	84	87	90		
Realization (Rs/ton)	10,325	10,668	10,686	11,403	10,964	11,206	11,317	11,402	1.5	1.3
Total										
Volumes (mt)	9.4	10.2	10.2	11.9	14.0	15.1	17.1	18.8	10.4	10.3
Blended Realization (Rs/ton)	4,916	5,072	5,603	5,449	5,602	5,879	5,886	6,001	3.3	2.3
Blended EBITDA (Rs/ton)	807	817	1,186	1,320	1,059	1,000	1,122	1,172	7.0	3.4
P&L (Rs bn)										
Revenue	48	53	58	66	80	90	102	115	13.3	12.8
EBITDA	8	8	12	16	15	15	19	22	17.1	14.1
Adj. Net Profit	3	3	5	8	7	6	10	12	23.6	20.2
Balance Sheet (Rs bn)										
Equity	20	27	30	37	43	48	57	67		
Net Debt	23	21	23	17	26	28	26	17		
Net Debt:EBITDA (x)	2.9	2.5	1.9	1.1	1.7	1.9	1.3	0.8		
Net Debt:Equity (x)	1.2	0.8	0.8	0.4	0.6	0.6	0.5	0.3		
Cash Flow (Rs bn)										
OCF before NWC change	5	5	9	12	16	11	15	18		
Change in NWC	1	(1)	3	2	(4)	4	(0)	(0)		
Capex	(1)	(6)	(12)	(8)	(15)	(17)	(11)	(7)		
FCF	5	(2)	(1)	7	(4)	(2)	4	11		
Return ratios (%)										
RoE	16.0	12.7	17.2	22.8	17.0	13.0	18.5	19.4		
RoCE	9.8	8.5	10.9	13.3	10.5	8.4	11.9	13.0		
RoIC	8.6	9.1	12.8	15.8	12.8	10.3	14.3	14.7		
Valuations (x)										
PE						34.4	21.2	17.2		
EV/EBITDA						15.3	12.2	10.5		
EV/ton (USD)						198	157	151		

Source: Company, Emkay Research

Exhibit 21: Annual analysis on per ton basis

Rs/ton	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Blended realization	4,916	5,072	5,603	5,449	5,602	5,879	5,886	6,001
% YoY	2.1	3.2	10.5	(2.8)	2.8	4.9	0.1	2.0
Raw materials costs	821	865	851	896	920	971	980	990
Power & fuel costs	976	1,083	1,069	975	1,180	1,400	1,298	1,325
Freight costs	1,133	1,100	1,077	1,089	1,181	1,216	1,198	1,233
Staff cost	391	392	445	387	399	401	380	373
Other expenses	838	888	1,040	860	969	996	1,006	1,002
Operating Cost	4,159	4,329	4,483	4,208	4,650	4,985	4,862	4,923
% YoY	4.2	4.1	3.5	(6.1)	10.5	7.2	(2.5)	1.3
Other operating income	50	74	65	79	107	106	98	94
Blended EBITDA	807	817	1,186	1,320	1,059	1,000	1,122	1,172
% YoY	(8.3)	1.2	45.2	11.4	(19.8)	(5.6)	12.2	4.4

Source: Company, Emkay Research

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Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	66,061	79,908	90,129	1,02,247	1,14,586
Expenditure	50,284	65,084	75,066	83,071	92,548
EBITDA	15,777	14,824	15,062	19,176	22,038
Depreciation	3,062	3,425	4,247	4,488	4,624
EBIT	12,715	11,399	10,816	14,687	17,414
Other Income	1,130	1,429	1,442	1,514	1,666
Interest expenses	2,528	2,697	3,020	3,283	3,155
PBT	11,317	10,131	9,238	12,919	15,925
Tax	3,675	3,337	3,357	3,313	4,077
Extraordinary Items	(610)	0	0	0	0
Minority Int./Income from Assoc.	66	77	79	79	79
Reported Net Income	7,097	6,871	5,960	9,685	11,927
Adjusted PAT	7,707	6,871	5,960	9,685	11,927

Balance Sheet

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity share capital	773	773	773	773	773
Reserves & surplus	36,595	42,476	47,542	55,774	65,912
Net worth	37,367	43,249	48,315	56,547	66,684
Minority Interest	(257)	(343)	(428)	(535)	(669)
Loan Funds	34,017	38,549	41,549	40,049	38,549
Net deferred tax liability	5,930	7,383	8,603	9,261	10,066
Total Liabilities	77,057	88,838	98,039	1,05,321	1,14,631
Net block	59,374	65,437	72,201	88,763	96,439
Investment	5,578	9,698	9,698	9,698	9,698
Current Assets	28,674	28,574	28,067	29,876	38,000
Cash & bank balance	12,246	3,252	3,526	4,785	11,826
Other Current Assets	0	0	0	0	0
Current liabilities & Provision	21,663	25,192	28,248	29,337	30,327
Net current assets	7,011	3,382	(181)	539	7,673
Misc. exp	0	0	0	0	0
Total Assets	77,057	88,838	98,039	1,05,321	1,14,631

Cash Flow

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
PBT (Ex-Other income) (NI+Dep)	9,643	8,779	7,874	11,483	14,338
Other Non-Cash items	600	908	1,221	657	806
Chg in working cap	1,531	(5,366)	3,837	539	(92)
Operating Cashflow	13,689	7,107	16,843	17,138	18,754
Capital expenditure	(6,680)	(14,386)	(17,000)	(11,000)	(6,750)
Free Cash Flow	7,008	(7,279)	(157)	6,138	12,004
Investments	(5,128)	(4,449)	0	0	0
Other Investing Cash Flow	0	0	0	0	0
Investing Cashflow	(10,679)	(17,406)	(15,558)	(9,486)	(5,084)
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	4,324	4,532	3,000	(1,500)	(1,500)
Dividend paid (incl tax)	(1,159)	(1,159)	(894)	(1,453)	(1,789)
Other Financing Cash Flow	2,255	629	(97)	(158)	(184)
Financing Cashflow	2,892	1,305	(1,011)	(6,393)	(6,628)
Net chg in cash	5,902	(8,995)	274	1,259	7,041
Opening cash position	6,345	12,246	3,252	3,526	4,785
Closing cash position	12,246	3,252	3,526	4,785	11,826

Source: Company, Emkay Research

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Key Ratios

Profitability (%)	FY21	FY22	FY23E	FY24E	FY25E
EBITDA Margin	23.9	18.6	16.7	18.8	19.2
EBIT Margin	19.2	14.3	12.0	14.4	15.2
Effective Tax Rate	32.5	32.9	36.3	25.6	25.6
Net Margin	11.6	8.5	6.5	9.4	10.3
ROCE	19.6	15.5	13.1	15.9	17.3
ROE	22.8	17.0	13.0	18.5	19.4
RoIC	16.2	12.8	10.3	14.3	14.7

Per Share Data (Rs)	FY21	FY22	FY23E	FY24E	FY25E
EPS	99.7	88.9	77.1	125.3	154.4
CEPS	139.4	133.2	132.1	183.4	214.2
BVPS	483.6	559.7	625.3	731.8	863.0
DPS	15.0	15.0	11.6	18.8	23.2

Valuations (x)	FY21	FY22	FY23E	FY24E	FY25E
PER	26.6	29.8	34.4	21.2	17.2
P/CEPS	19.0	19.9	20.1	14.5	12.4
P/BV	5.5	4.7	4.2	3.6	3.1
EV / Sales	3.4	2.9	2.6	2.3	2.0
EV / EBITDA	14.5	14.9	15.3	12.2	10.5
Dividend Yield (%)	0.6	0.6	0.4	0.7	0.9

Gearing Ratio (x)	FY21	FY22	FY23E	FY24E	FY25E
Net Debt/ Equity	0.4	0.6	0.6	0.5	0.3
Net Debt/EBIDTA	1.1	1.7	1.9	1.3	0.8
Working Cap Cycle (days)	(28.9)	0.6	(15.0)	(15.2)	(13.2)

Growth (%)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	13.9	21.0	12.8	13.4	12.1
EBITDA	30.0	(6.0)	1.6	27.3	14.9
EBIT	37.4	(10.3)	(5.1)	35.8	18.6
PAT	44.1	(3.2)	(13.3)	62.5	23.2

Quarterly (Rs mn)	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23
Revenue	16,337	18,355	19,404	22,690	21,664
EBITDA	3,996	3,550	3,708	3,827	4,001
EBITDA Margin (%)	24.5	19.3	19.1	16.9	18.5
PAT	2,083	1,948	1,673	2,163	1,811
EPS (Rs)	27.0	25.2	21.7	28.0	23.4

Source: Company, Emkay Research

Shareholding Pattern (%)	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22
Promoters	57.6	57.6	51.5	45.8	45.8
FIs	16.9	17.4	17.7	16.5	16.1
DIs	20.5	20.0	19.8	20.6	21.1
Public and Others	4.9	5.0	11.0	17.1	17.0

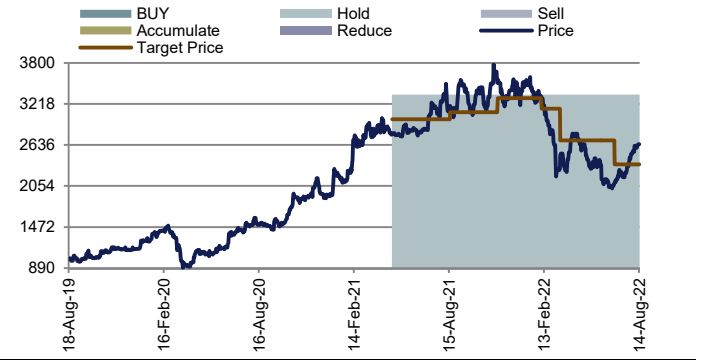
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price (Rs/sh)	TP (Rs/sh)	Period (months)	Rating	Analyst
04-Jul-22	2,197	2,360	12m	Hold	Dharmesh Shah
28-Jun-22	2,100	2,360	12m	Hold	Dharmesh Shah
23-May-22	2,436	2,700	12m	Hold	Dharmesh Shah
16-Mar-22	2,486	2,700	12m	Hold	Dharmesh Shah
11-Mar-22	2,296	3,150	12m	Hold	Dharmesh Shah
06-Mar-22	2,640	3,150	12m	Hold	Dharmesh Shah
08-Feb-22	3,306	3,150	12m	Hold	Dharmesh Shah
31-Dec-21	3,399	3,300	12m	Hold	Dharmesh Shah
02-Dec-21	3,333	3,300	12m	Hold	Dharmesh Shah
16-Nov-21	3,518	3,300	12m	Hold	Dharmesh Shah
05-Sep-21	3,500	3,100	12m	Hold	Dharmesh Shah
17-Aug-21	3,192	3,100	12m	Hold	Dharmesh Shah
13-Jun-21	2,851	3,000	12m	Hold	Dharmesh Shah
06-Jun-21	2,838	3,000	12m	Hold	Dharmesh Shah
28-Apr-21	2,789	3,000	12m	Hold	Dharmesh Shah

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – Cement & Building Materials



Analyst: Dharmesh Shah

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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	2.09	2.09	0%	0	100.00	
ACC	0.18	0.14	-20%	-4	6.92	0
Ambuja Cements	0.27	0.22	-20%	-5	10.37	0
Birla Corporation	0.00	0.08	NA	8	3.99	0
Dalmia Bharat	0.12	0.09	-25%	-3	4.42	0
Grasim Industries*	0.59	0.59	0%	0	28.39	0
JK Cement	0.00	0.04	NA	4	2.08	0
Ramco Cements	0.00	0.02	NA	2	1.01	0
Shree Cements	0.20	0.17	-15%	-3	8.04	0
Star Cement	0.00	0.00	NA	0	0.00	0
Ultratech Cement	0.73	0.73	0%	0	34.77	0
Cash	0.00	0.00	NA	0	0.00	0

Source: Emkay Research

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

Sector portfolio NAV

	Base					Latest
	1-Apr-19	12-Aug-21	11-Feb-22	12-May-22	12-Jul-22	12-Aug-22
EAP - Cement & Building Materials	100.0	171.8	171.9	152.2	143.5	159.9
BSE200 Neutral Weighted Portfolio (ETF)	100.0	165.2	165.8	145.6	137.4	153.1

*Performance measurement base date 1st April 2019

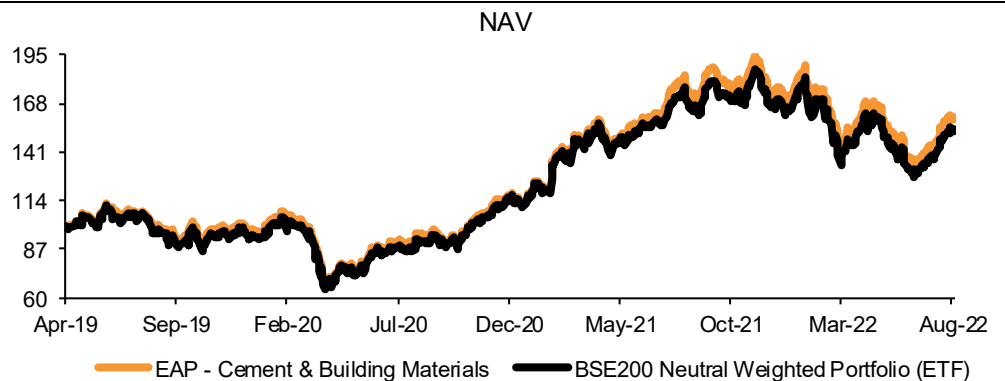
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Cement & Building Materials	11.4%	5.1%	-6.9%	-6.9%
BSE200 Neutral Weighted Portfolio (ETF)	11.4%	5.2%	-7.7%	-7.3%

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: 17 Aug 2022 01:12:23 (SGT)

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