

October 29, 2024

## Q2FY25 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	708		756	
Sales (Rs. m)	4,39,267	4,79,497	4,67,739	5,10,974
% Chng.	(6.1)	(6.2)		
EBITDA (Rs. m)	1,06,010	1,17,216	1,13,728	1,26,151
% Chng.	(6.8)	(7.1)		
EPS (Rs.)	21.4	22.5	21.8	23.7
% Chng.	(1.7)	(5.0)		

### Key Financials - Consolidated

Y/e Mar	FY24	FY25E	FY26E	FY27E
Sales (Rs. m)	3,31,596	3,53,396	4,39,267	4,79,497
EBITDA (Rs. m)	63,995	68,875	1,06,010	1,17,216
Margin (%)	19.3	19.5	24.1	24.4
PAT (Rs. m)	32,920	27,991	52,703	55,453
EPS (Rs.)	15.0	11.4	21.4	22.5
Gr. (%)	8.0	(24.1)	88.3	5.2
DPS (Rs.)	1.8	2.2	2.4	2.7
Yield (%)	0.3	0.4	0.4	0.5
RoE (%)	9.0	6.0	9.7	9.4
RoCE (%)	13.0	10.3	14.9	14.8
EV/Sales (x)	3.7	4.0	3.3	3.0
EV/EBITDA (x)	19.2	20.3	13.5	12.3
PE (x)	38.0	50.1	26.6	25.3
P/BV (x)	3.0	2.7	2.5	2.3

### Key Data

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52-W High / Low	Rs.707 / Rs.404
Sensex / Nifty	80,005 / 24,339
Market Cap	Rs.1,403bn / \$ 16,702m
Shares Outstanding	2,463m
3M Avg. Daily Value	Rs.1924.15m

### Shareholding Pattern (%)

Promoter's	67.57
Foreign	10.61
Domestic Institution	15.19
Public & Others	6.63
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(10.2)	(10.0)	36.5
Relative	(3.9)	(17.0)	8.8

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## Weak pricing negates strong ramp up of volumes

### Quick Pointers:

- ACEM achieved ~Rs150/t of cost savings out of ~Rs500/t targeted by FY28E
- OOI includes incentive income of Rs1.4bn accrued for Sankrail unit for prior period

**Ambuja Cements (ACEM) delivered relatively strong operating performance in 2QFY25 on the back of higher volumes, higher share of premium products and green power. Cons volumes grew 8.4% YoY aided by clinker volumes from Penna and higher OPC supply in the non-trade segment. NSR declined 1.2% QoQ on fall in cement prices across regions during the quarter. Adjusting for one time other operating revenue of Rs1.4bn, EBITDA/t works out at Rs686, tad lower than PLe of Rs702/t. The management reiterated its focus on improving efficiencies on higher green power mix, captive coal, and logistical synergies. Although few of the grinding units may get delayed by few months, ACEM has enough levers to deliver strong 14% volume CAGR over FY24-27E. ACEM remains upbeat on improving demand from Gol infrastructure & housing projects across regions.**

**Over the last 2 years, ACEM has grown its capacity by 15%+ CAGR to 97mtpa via the inorganic route. Now, its focus would be on maximizing throughput from these facilities to deliver higher-than-industry volume growth. We continue to maintain our positive stance on the company for its swift execution. With industry demand expected to improve post festivities, we believe ACEM would keep gaining market share along with added capacities over next few years. We cut FY26E/27E EBITDA by 7% each on lower volume assumptions affected by weak FY25E. We expect ACEM revenue/ EBITDA/ PAT to deliver CAGR of 13%/22%/19% over FY24-27E. The stock is trading at EV of 13.5x/12.3x FY26E/FY27E EBITDA. Maintain 'Buy' with revised TP of Rs708 (Rs756 earlier) valuing at 17x EV of Sep'26E EBITDA.**

- Cons revenue flattish despite strong volume growth:** Cons revenue de-grew 1% YoY to Rs73.4bn (-11% QoQ adjusting for incentives in exceptional items) on strong volume growth amidst weak pricing quarter. Volumes grew 8.4% YoY to 14.2mt (-10% QoQ; PLe 13.6mt) on contribution from recently acquired facilities. Average realization declined 1.2% QoQ to Rs5,196/t (-8.3% YoY) due to sharp fall in cement prices across regions aided by higher share of premium products. Standalone volumes grew 14.5% YoY to 8.7mt (PLe 8.2mt), while NSR declined 3.5% QoQ to Rs4,684 (PLe Rs4,734).
- EBITDA/t declines 15% QoQ:** Cons EBITDA declined 25% YoY to Rs9.7bn (-24% QoQ), despite strong volume growth and well-contained costs. P&F costs/t declined 10% YoY to Rs1,280, while freight costs/t declined 7% YoY to Rs1,285. RM costs/t increased 27% YoY to Rs1,000. Other expenses declined 16% YoY to Rs699. Resultantly, ACEM delivered EBITDA/t of Rs686 (-31% YoY/-15% QoQ ex-incentives) vs PLe of Rs702/t. Std EBITDA/t was Rs624 (-38% YoY, PLe Rs622/t) on sharp decline in average NSR. Cons adjusted PAT declined 34% YoY to Rs5.1bn (PLe Rs6.3bn), impacted by exceptional item of Rs1.5bn on account of pending litigation and disputed matters.

## Q2FY25 Conference Call Highlights:

- ACEM added 70mt of new limestone reserves in Q2FY25; total reserves reached ~8.2bt at a premium <3%.
- ACEM expects industry demand to grow by 4-5% in FY25. Adani Cement's current market share stands at 15% and is expected to reach 20% by FY28.
- Fuel costs reduced by 13% YoY to Rs1.59/kcal in Q2FY25 from Rs1.82/kcal.
- The share of AFR in fuel mix improved to 9.5% from 7% YoY and green power in fuel mix increased to 18.2% from 15.6% YoY.
- Mundra operations were affected for 2 weeks in Q2FY25 due to severe rain.
- Direct dispatch to customers increased by 6% to 55%.
- Primary lead distance stood at 271km, which is expected to reduce by 100km by FY28E. Secondary lead distance stood at 47km (54km YoY).
- ACEM invested Rs35bn and Rs7.4bn in Penna and Marwar Cement (100% step down subs of Penna) by subscribing 0.01% OCD of Rs10 each.
- Cement volume from Penna was 0.1-0.15mt, whereas clinker volume stood at ~0.3mt. Clinker capacity utilization has been ramped up to 70%.
- Capex for H1FY25 stood at Rs35bn and for FY25, it is expected to be Rs70bn.
- MSA volume for the quarter stood at 3.7mt.
- ACEM holds 65-70 days of coal inventory acquired at significantly lower costs and is bidding in government auctions for coal mines, which will further reduce fuel costs.
- ACEM has received all 11 GPWIS rakes for cost-efficient material movement from main plants. Additionally, 26 BCFC rakes were ordered for transporting fly ash from thermal plants; 3 have been delivered, with 8 more expected by FY25.
- ACEM achieved cost savings of ~Rs150/t out of projected Rs500/t to be achieved by FY28.
- 4mtpa of clinker and 6.4mtpa of cement are expected to commence operations by Q4FY25, taking the total capacity to 100+mtpa.
- ACEM is set to commission a 4mtpa clinker unit in Bhatapara, Chhattisgarh (90% civil work complete), and grinding units in Sankrail (88%), Farakka (57%) in West Bengal, and Sindri, Jharkhand, by the end of FY25. Major equipment has been received at all sites.
- Grinding unit of Salai Banwa in Uttar Pradesh is expected to be commissioned in Q1FY26.
- The grinding units in Bathinda (Punjab), Marwar (Rajasthan), Kalamboli (Maharashtra), Dahej (Gujarat), Jodhpur (Penna), and Krishnapatnam, along

with a clinker unit, are expected to be commissioned by Q3FY26. This will bring ACEM's cement capacity to 115mtpa.

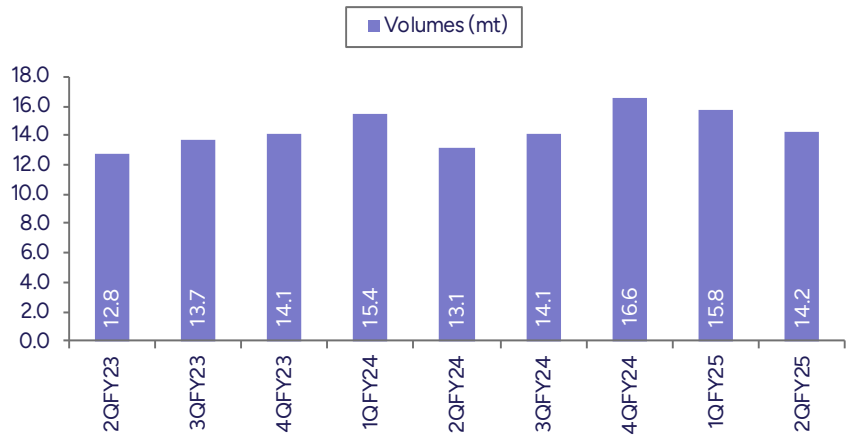
- 4mtpa clinker unit in Maratha, Maharashtra, and a grinding unit in Warishaliganj, Bihar, are expected to be commissioned by FY26.
- ACEM has identified 13 additional grinding units, for which land acquisitions and statutory approvals are in progress. This will enable the company to reach a capacity of 140mtpa by FY28E.
- 1,000MW renewable energy capacity is set to be commissioned by FY26, aiming to cover 60% of power needs and reduce costs by Rs90/t by FY28. The first phase of 200MW solar in Khavda, Gujarat, was charged in Q2FY25.
- During Q2FY25, ACEM std. has accrued incentive income of Rs1.4bn (in other operating revenue) in terms of WBSSIS-2013 for Sankrail unit.

**Exhibit 1: Q2FY25 Result Overview – Consolidated**

Y/e March (Rs mn)	2QFY25	2QFY24	YoY gr. (%)	2QFY25E	Var. (%)	1QFY25	QoQ gr. (%)	1HFY25	1HFY24	YoY gr. (%)
<b>Net Sales</b>	<b>73,781</b>	<b>74,240</b>	<b>(0.6)</b>	<b>72,553</b>	<b>1.7</b>	<b>83,115</b>	<b>(11.2)</b>	<b>1,56,896</b>	<b>1,61,369</b>	<b>(2.8)</b>
Raw Material	14,202	10,330	37.5	16,325	(13.0)	15,773	(10.0)	29,975	21,468	39.6
% of Net Sales	19.2	13.9		22.5		19.0		19.1	13.3	
Staff Costs	3,486	3,412	2.2	3,765	(7.4)	3,170	9.9	6,656	7,189	(7.4)
% of Net Sales	4.7	4.6		5.2		3.8		4.2	4.5	
Power & Fuel	18,175	18,635	(2.5)	17,305	5.0	20,670	(12.1)	38,845	41,756	(7.0)
% of Net Sales	24.6	25.1		23.9		24.9		24.8	25.9	
Freight	18,252	18,004	1.4	17,588	3.8	20,961	(12.9)	39,213	40,123	(2.3)
% of Net Sales	24.7	24.3		24.2		25.2		25.0	24.9	
Other Expenses	9,932	10,840	(8.4)	8,029	23.7	9,743	1.9	19,674	21,145	(7.0)
% of Net Sales	13.5	14.6		11.1		11.7		12.5	13.1	
Total Expenditure	64,047	61,221	4.6	63,012	1.6	70,317	(8.9)	1,34,364	1,31,681	2.0
<b>EBITDA</b>	<b>9,734</b>	<b>13,018</b>	<b>(25.2)</b>	<b>9,540</b>	<b>2.0</b>	<b>12,798</b>	<b>(23.9)</b>	<b>22,532</b>	<b>29,688</b>	<b>(24.1)</b>
Margin (%)	13.2	17.5		13.1		15.4		14.4	18.4	
Depreciation	5,520	3,809	44.9	4,768	15.8	4,674	18.1	10,194	7,526	35.4
<b>EBIT</b>	<b>4,215</b>	<b>9,209</b>	<b>(54.2)</b>	<b>4,772</b>	<b>(11.7)</b>	<b>8,124</b>	<b>(48.1)</b>	<b>12,339</b>	<b>22,162</b>	<b>(44.3)</b>
Other income	3,740	4,760	(21.4)	4,408	(15.1)	3,547	5.4	7,288	7,393	(1.4)
Interest	669	613	9.1	692	(3.3)	678	(1.4)	1,347	1,133	18.8
<b>PBT</b>	<b>7,287</b>	<b>13,357</b>	<b>(45.4)</b>	<b>8,488</b>	<b>(14.2)</b>	<b>10,993</b>	<b>(33.7)</b>	<b>18,279</b>	<b>28,421</b>	<b>(35.7)</b>
Extraordinary income/(expense)	(182)	-	NA	-	-	-	-	(182)	-	NA
<b>PBT (After EO)</b>	<b>7,105</b>	<b>13,357</b>	<b>(46.8)</b>	<b>8,488</b>	<b>(16.3)</b>	<b>10,993</b>	<b>(35.4)</b>	<b>18,097</b>	<b>28,421</b>	<b>(36.3)</b>
Tax	2,398	3,525	(32.0)	2,207	8.6	3,131	(23.4)	5,528	7,287	(24.1)
% PBT	33.8	26.4		26.0		28.5		30.5	25.6	
<b>Reported PAT</b>	<b>4,707</b>	<b>9,832</b>	<b>(52.1)</b>	<b>6,281</b>	<b>(25.1)</b>	<b>7,862</b>	<b>(40.1)</b>	<b>12,569</b>	<b>21,134</b>	<b>(40.5)</b>
Minority Interest	169	1,943		-		1,433	(88.2)	1,603	4,241	(62.2)
Share of profit in JV/Associates	22	40		-		(34)	(165.5)	56	93	(39.4)
<b>Net Profit Attributable to shareholders</b>	<b>4,560</b>	<b>7,930</b>	<b>(42.5)</b>	<b>6,281</b>	<b>(27.4)</b>	<b>6,395</b>	<b>(28.7)</b>	<b>11,023</b>	<b>16,986</b>	<b>(35.1)</b>
<b>Adjusted PAT</b>	<b>5,099</b>	<b>7,714</b>	<b>(34)</b>	<b>6,112</b>	<b>(16.6)</b>	<b>6,448</b>	<b>(21)</b>	<b>11,615</b>	<b>16,314</b>	<b>(29)</b>

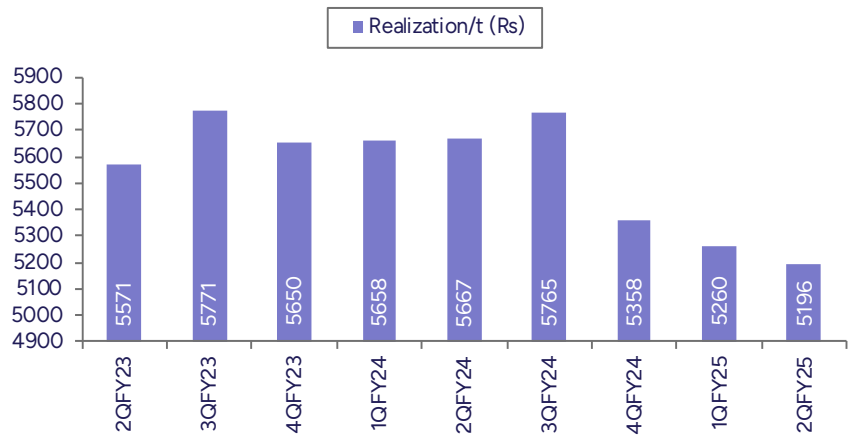
Source: Company, PL

**Exhibit 2: Cons volumes grew 8.4% YoY aided by MSA and Penna clinker**



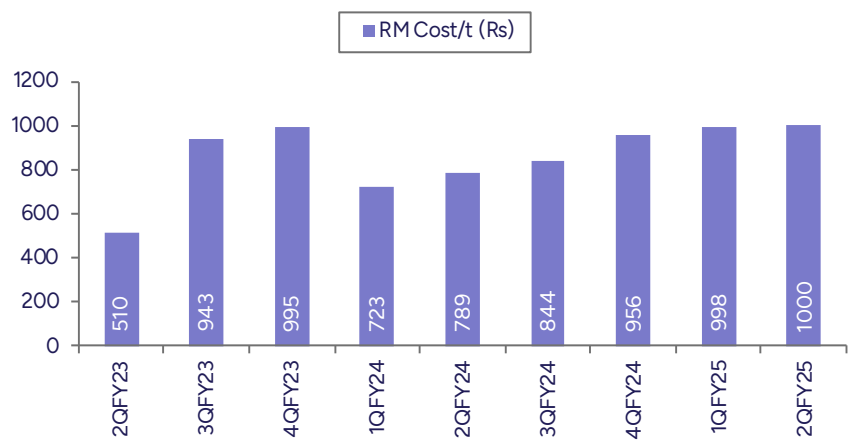
Source: Company, PL

**Exhibit 3: 1.2% QoQ decline in NSR due to fall in cement prices across regions**



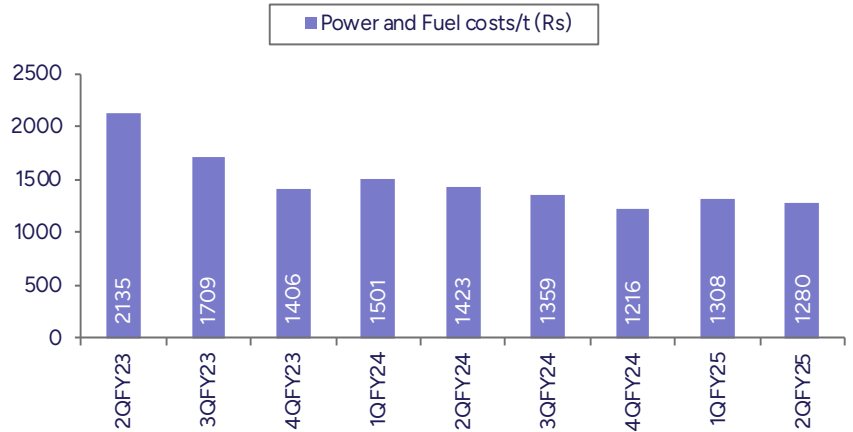
Source: Company, PL

**Exhibit 4: RM costs/t remained flat QoQ (Rs)**



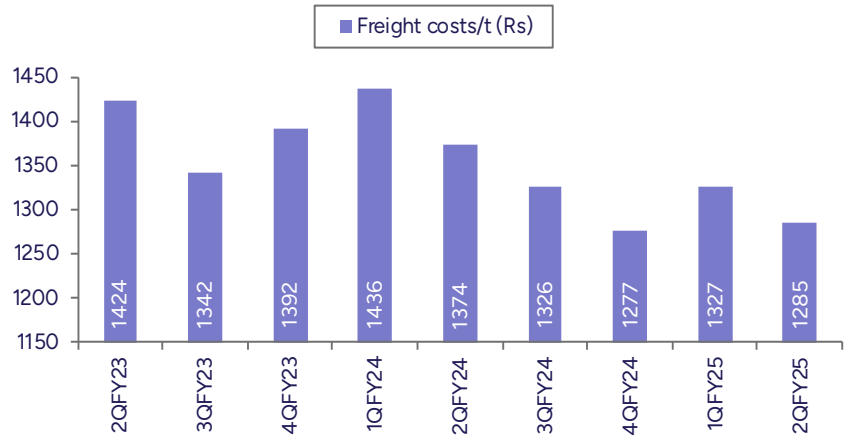
Source: Company, PL

**Exhibit 5: Power and fuel costs/t declined 2% YoY aided by WHRS**



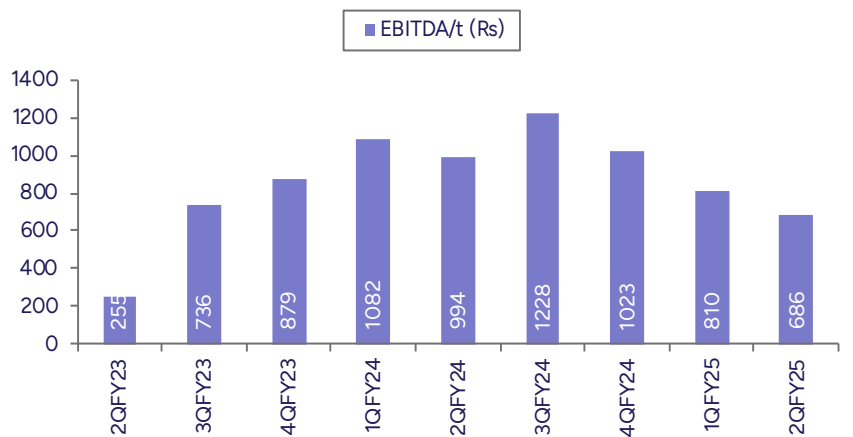
Source: Company, PL

**Exhibit 6: Freight cost/t declined 3% QoQ on increasing plant network**



Source: Company, PL

**Exhibit 7: EBITDA/t declined 15% QoQ**



Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Net Revenues</b>	<b>3,31,596</b>	<b>3,53,396</b>	<b>4,39,267</b>	<b>4,79,497</b>
YoY gr. (%)	(14.8)	6.6	24.3	9.2
Cost of Goods Sold	49,228	64,052	72,149	79,913
Gross Profit	2,82,369	2,89,343	3,67,118	3,99,584
Margin (%)	85.2	81.9	83.6	83.3
Employee Cost	13,528	12,975	14,293	15,545
Other Expenses	2,04,846	2,07,493	2,46,816	2,66,823
<b>EBITDA</b>	<b>63,995</b>	<b>68,875</b>	<b>1,06,010</b>	<b>1,17,216</b>
YoY gr. (%)	24.9	7.6	53.9	10.6
Margin (%)	19.3	19.5	24.1	24.4
Depreciation and Amortization	16,234	20,381	24,492	29,323
<b>EBIT</b>	<b>47,761</b>	<b>48,494</b>	<b>81,518</b>	<b>87,894</b>
Margin (%)	14.4	13.7	18.6	18.3
Net Interest	2,764	3,613	2,469	2,625
Other Income	11,664	9,962	9,248	8,045
<b>Profit Before Tax</b>	<b>54,546</b>	<b>54,843</b>	<b>88,298</b>	<b>93,313</b>
Margin (%)	16.4	15.5	20.1	19.5
Total Tax	11,626	17,370	23,935	25,659
Effective tax rate (%)	21.3	31.7	27.1	27.5
<b>Profit after tax</b>	<b>42,920</b>	<b>37,473</b>	<b>64,362</b>	<b>67,655</b>
Minority interest	11,612	9,481	11,660	12,202
Share Profit from Associate	229	-	-	-
<b>Adjusted PAT</b>	<b>32,920</b>	<b>27,991</b>	<b>52,703</b>	<b>55,453</b>
YoY gr. (%)	19.5	(15.0)	88.3	5.2
Margin (%)	9.9	7.9	12.0	11.6
Extra Ord. Income / (Exp)	(1,383)	-	-	-
<b>Reported PAT</b>	<b>31,537</b>	<b>27,991</b>	<b>52,703</b>	<b>55,453</b>
YoY gr. (%)	22.1	(11.2)	88.3	5.2
Margin (%)	9.5	7.9	12.0	11.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	31,537	27,991	52,703	55,453
<b>Equity Shares O/s (m)</b>	<b>2,198</b>	<b>2,463</b>	<b>2,463</b>	<b>2,463</b>
<b>EPS (Rs)</b>	<b>15.0</b>	<b>11.4</b>	<b>21.4</b>	<b>22.5</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>4,25,956</b>	<b>5,00,956</b>	<b>5,75,956</b>	<b>6,50,956</b>
Tangibles	4,25,956	5,00,956	5,75,956	6,50,956
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>1,02,071</b>	<b>1,22,452</b>	<b>1,46,944</b>	<b>1,76,266</b>
Tangibles	1,02,071	1,22,452	1,46,944	1,76,266
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>3,23,885</b>	<b>3,78,504</b>	<b>4,29,012</b>	<b>4,74,689</b>
Tangibles	3,23,885	3,78,504	4,29,012	4,74,689
Intangibles	-	-	-	-
Capital Work In Progress	40,708	1,09,708	1,34,708	1,39,708
Goodwill	-	-	-	-
Non-Current Investments	12,688	12,688	12,688	12,688
Net Deferred tax assets	(15,122)	(15,122)	(15,122)	(15,122)
Other Non-Current Assets	26,806	26,806	26,806	26,806
<b>Current Assets</b>				
Investments	7,587	7,587	7,587	7,587
Inventories	36,086	36,792	45,732	49,920
Trade receivables	12,131	12,587	14,442	15,764
Cash & Bank Balance	1,10,689	1,02,760	80,450	86,259
Other Current Assets	24,597	24,597	24,597	24,597
<b>Total Assets</b>	<b>6,52,978</b>	<b>7,69,830</b>	<b>8,33,824</b>	<b>8,95,821</b>
<b>Equity</b>				
Equity Share Capital	4,395	4,926	4,926	4,926
Other Equity	4,10,155	5,15,163	5,61,905	6,10,801
<b>Total Networkth</b>	<b>4,14,551</b>	<b>5,20,090</b>	<b>5,66,831</b>	<b>6,15,727</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	2,000	2,000	2,000	2,000
Provisions	2,560	2,560	2,560	2,560
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	31,088	32,919	38,511	39,411
Other current liabilities	88,391	88,391	88,391	88,391
<b>Total Equity &amp; Liabilities</b>	<b>6,52,978</b>	<b>7,69,830</b>	<b>8,33,824</b>	<b>8,95,821</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY24	FY25E	FY26E	FY27E
PBT	59,006	54,843	88,298	93,313
Add. Depreciation	16,234	20,381	24,492	29,323
Add. Interest	2,764	3,613	2,469	2,625
Less Financial Other Income	11,664	9,962	9,248	8,045
Add. Other	(14,331)	(9,962)	(9,248)	(8,045)
Op. profit before WC changes	63,673	68,875	1,06,010	1,17,216
Net Changes-WC	1,941	670	(5,203)	(4,611)
Direct tax	(9,156)	(17,370)	(23,935)	(25,659)
<b>Net cash from Op. activities</b>	<b>56,458</b>	<b>52,175</b>	<b>76,871</b>	<b>86,946</b>
Capital expenditures	(99,801)	(1,44,000)	(1,00,000)	(80,000)
Interest / Dividend Income	-	-	-	-
Others	10,296	9,962	9,248	8,045
<b>Net Cash from Invt. activities</b>	<b>(89,504)</b>	<b>(1,34,038)</b>	<b>(90,752)</b>	<b>(71,955)</b>
Issue of share cap. / premium	66,610	82,966	-	-
Debt changes	(1,533)	-	-	-
Dividend paid	(5,848)	(5,419)	(5,961)	(6,557)
Interest paid	(2,341)	(3,613)	(2,469)	(2,625)
Others	-	-	-	-
<b>Net cash from Fin. activities</b>	<b>56,888</b>	<b>73,935</b>	<b>(8,430)</b>	<b>(9,182)</b>
<b>Net change in cash</b>	<b>23,842</b>	<b>(7,929)</b>	<b>(22,310)</b>	<b>5,809</b>
Free Cash Flow	11,634	(91,825)	(23,129)	6,946

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q3FY24	Q4FY24	Q1FY25	Q2FY25
<b>Net Revenue</b>	<b>44,395</b>	<b>47,803</b>	<b>45,158</b>	<b>40,752</b>
YoY gr. (%)	7.5	12.3	(4.5)	2.7
Raw Material Expenses	11,278	13,942	13,768	12,913
Gross Profit	33,117	33,861	31,390	27,839
Margin (%)	74.6	70.8	69.5	68.3
<b>EBITDA</b>	<b>8,511</b>	<b>7,978</b>	<b>6,460</b>	<b>5,425</b>
YoY gr. (%)	35.9	1.2	(31.9)	(29.9)
Margin (%)	19.2	16.7	14.3	13.3
Depreciation / Depletion	2,335	2,440	2,494	2,398
<b>EBIT</b>	<b>6,176</b>	<b>5,538</b>	<b>3,966</b>	<b>3,027</b>
Margin (%)	13.9	11.6	8.8	7.4
Net Interest	454	338	409	323
Other Income	1,082	1,768	4,203	2,650
<b>Profit before Tax</b>	<b>6,804</b>	<b>6,968</b>	<b>7,761</b>	<b>5,355</b>
Margin (%)	15.3	14.6	17.2	13.1
Total Tax	1,668	1,487	1,958	1,728
Effective tax rate (%)	24.5	21.3	25.2	32.3
<b>Profit after Tax</b>	<b>5,137</b>	<b>5,481</b>	<b>5,803</b>	<b>3,627</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>5,137</b>	<b>5,442</b>	<b>5,771</b>	<b>3,965</b>
YoY gr. (%)	22.9	(3.7)	(10.5)	(38.4)
Margin (%)	11.6	11.4	12.8	9.7
Extra Ord. Income / (Exp)	-	(119)	(97)	1,042
<b>Reported PAT</b>	<b>5,137</b>	<b>5,323</b>	<b>5,674</b>	<b>5,007</b>
YoY gr. (%)	39.2	5.9	(12.0)	(22.2)
Margin (%)	11.6	11.1	12.6	12.3
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>5,137</b>	<b>5,323</b>	<b>5,674</b>	<b>5,007</b>
Avg. Shares O/s (m)	2,463	2,463	2,463	2,463
<b>EPS (Rs)</b>	<b>2.1</b>	<b>2.2</b>	<b>2.3</b>	<b>1.6</b>

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Per Share(Rs)</b>				
EPS	15.0	11.4	21.4	22.5
CEPS	22.4	19.6	31.3	34.4
BVPS	188.6	211.1	230.1	250.0
FCF	5.3	(37.3)	(9.4)	2.8
DPS	1.8	2.2	2.4	2.7
<b>Return Ratio(%)</b>				
RoCE	13.0	10.3	14.9	14.8
ROIC	15.1	9.2	13.0	12.8
RoE	9.0	6.0	9.7	9.4
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.3)	(0.2)	(0.2)	(0.1)
Net Working Capital (Days)	19	17	18	20
<b>Valuation(x)</b>				
PER	38.0	50.1	26.6	25.3
P/B	3.0	2.7	2.5	2.3
P/CEPS	25.5	29.0	18.2	16.5
EV/EBITDA	19.2	20.3	13.5	12.3
EV/Sales	3.7	4.0	3.3	3.0
Dividend Yield (%)	0.3	0.4	0.4	0.5

Source: Company Data, PL Research

**Key Operating Metrics**

Y/e Mar	FY24	FY25E	FY26E	FY27E
Cons. Volume (mt)	59	66	82	88
Cons. Net Realisations (Rs/t)	5,601	5,333	5,385	5,452
Cons. EBITDA/ t (Rs/t)	1,081	1,039	1,300	1,333

Source: Company Data, PL Research

**Price Chart**



**Recommendation History**

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	22-Oct-24	BUY	756	559
2	07-Oct-24	BUY	756	611
3	01-Aug-24	Accumulate	701	664
4	07-Jul-24	Accumulate	701	686
5	19-Jun-24	Accumulate	697	674
6	06-May-24	Accumulate	683	622
7	02-May-24	Hold	652	626
8	09-Apr-24	Hold	600	629
9	11-Mar-24	Hold	586	603

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	3,262	2,238
2	Ambuja Cement	BUY	756	559
3	Dalmia Bharat	Accumulate	2,073	1,831
4	Hindalco Industries	BUY	847	748
5	Jindal Stainless	Accumulate	814	740
6	Jindal Steel & Power	Accumulate	1,090	1,021
7	JSW Steel	Accumulate	1,014	944
8	National Aluminium Co.	Sell	186	220
9	NMDC	Accumulate	266	237
10	Nuvoco Vistas Corporation	Accumulate	372	342
11	Shree Cement	Accumulate	27,481	26,034
12	Steel Authority of India	Reduce	131	139
13	Tata Steel	Accumulate	181	167
14	Ultratech Cement	Accumulate	12,401	10,869

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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