

November 2, 2025

Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	2,374		2,311	
Sales (Rs. m)	2,66,255	2,83,379	2,58,639	2,78,776
% Chng.	2.9	1.7		
EBITDA (Rs. m)	37,512	40,959	36,530	39,853
% Chng.	2.7	2.8		
EPS (Rs.)	121.9	131.1	117.9	126.7
% Chng.	3.4	3.5		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	2,11,255	2,50,214	2,66,255	2,83,379
EBITDA (Rs. m)	24,245	32,566	37,512	40,959
Margin (%)	11.5	13.0	14.1	14.5
PAT (Rs. m)	19,082	19,899	22,914	24,654
EPS (Rs.)	101.5	105.8	121.9	131.1
Gr. (%)	(21.5)	4.3	15.2	7.6
DPS (Rs.)	7.5	8.3	9.1	10.0
Yield (%)	0.4	0.4	0.5	0.5
RoE (%)	10.9	10.2	10.7	10.4
RoCE (%)	8.0	11.3	11.9	11.7
EV/Sales (x)	1.5	1.3	1.2	1.0
EV/EBITDA (x)	13.4	9.7	8.2	7.2
PE (x)	18.5	17.8	15.4	14.3
P/BV (x)	1.9	1.7	1.6	1.4

Key Data

ACC.BO | ACC IN

52-W High / Low	Rs.2,367 / Rs.1,775
Sensex / Nifty	83,939 / 25,722
Market Cap	Rs.353bn / \$ 3,980m
Shares Outstanding	188m
3M Avg. Daily Value	Rs.499.27m

Shareholding Pattern (%)

Promoter's	56.69
Foreign	5.05
Domestic Institution	22.55
Public & Others	15.71
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	3.1	(0.3)	(18.9)
Relative	(1.4)	(4.7)	(23.3)

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Sweating acquired assets to drive volumes

Quick Pointers:

- Cement volumes grew strong 16% YoY aided by MSA and higher growth in premium products (up 20%; 47% of trade sales).
- Announced debottlenecking capex at existing plants for 5.6mt by FY28.

ACC reported robust operating performance in Q2FY26 led by strong volume growth and higher than expected cement realizations. Cement volumes grew 16% YoY aided by MSA. Average cement NSR grew 2.4% QoQ led by sharp rise in share of premium products in trade segment despite weaker prices. NSR including clinker was flat QoQ. Improved fuel mix, higher share of RE power, increase in direct dispatches and higher volume growth kept the costs well constrained which led to EBITDA/t of Rs846 (+67% YoY). ACC has also announced debottlenecking capex of USD48/t to increase capacity by 5.6mtpa at various facilities. Ongoing 3.4mtpa (Salai Banwa and Kalamboli) seems to be on track and expected to be commissioned in Q3FY26. This capacity addition, along with access to parent's ~30mtpa clinker capacity and 1000MW RE power, will support double-digit volume growth and bring cost efficiencies over the long term.

While execution of internal efficiency projects is still in early stages, we expect ACC's operating performance to improve gradually over the next two years, in line with the mgmt's broader plans to consolidate operations under ACEM and achieve cons. cost target of Rs3,650/t by FY28E. This integration, if receives impartial treatment would fade investors' concerns on ACC. We increase our FY26/27/28E EBITDA estimates by 3% to factor in higher volumes. We expect ACC to deliver Revenue/EBITDA/PAT CAGR of 10%/19%/10% over FY25-28E. Stock is currently trading at 8.2x/7.2x EV of FY27/28E EBITDA. Maintain 'BUY' with revised TP of Rs2,374 (Rs2,311 earlier) valuing at an EV multiple of 10x Sep'27E EBITDA.

Robust volume led growth: Cons. revenue grew 29% YoY to Rs59.3bn (-2.6% QoQ; PLe Rs49.8bn) led by robust cement volume growth on MSA. Pure grey cement volumes grew ~16.3% YoY to 10mt (-13% QoQ; PLe 9.67mt). Average cement realisation has improved 2.4% QoQ to Rs5,519/t (PLe Rs4,870) despite seasonally weak quarter mostly on sharp jump in premium product share. Including clinker volumes, average NSR remains flat QoQ. EBIT of RMC business grew 7x YoY to Rs321mn. EBITDA margin exit of Q2FY26 is 8.5% as compared to 5% historically.

EBITDA aided by well constrained costs: EBITDA grew 94% YoY to Rs8.46bn (+8.7% QoQ; PLe Rs5.05bn) aided by well constrained costs on higher volumes. RM costs jumped 15% YoY on higher purchase of finished goods for MSA volumes to Rs2,402/t. P&F costs/t declined 1% YoY to Rs902 while freight costs/t declined 1.5% YoY to Rs1,067 on improved direct dispatch by 6pp YoY at 52%. Other expense/t declined 6% YoY to Rs536/t on higher operating leverage. Resultant, ACC delivered EBITDA/t of Rs846/t (+67% YoY/+15% QoQ) on declining cost structure and higher share of premium products in traded volumes. Adjusted PAT

grew 5x YoY to Rs11.2bn (3x QoQ; PLe of Rs1.9bn) on tax refund (Rs6.7bn) and higher other income (Rs2.05bn).

New capex announcement: Earlier announced grinding units at Salai Banwa (2.4mtpa), Kalamboli (1mtpa) are expected to be commissioned in Q3FY26. Further debottlenecking at existing plants is announced at capex of USD48/t to add 5.6mtpa by FY28. This also partially offsets investor concerns.

Improving cost efficiencies:

- Rising green power:** In Q2FY26, Kiln Fuel cost remained flat to Rs1.57/kcal led by higher consumption of alternative fuels. Green power as a % of total power consumption increased 16.2pp YoY to 30.3%. WHRS power share increased by 7pp from 10% to 17%. Additionally ACC has also benefited from its parent company's investment in renewable energy (solar and wind) through the MSA, which has reduced its power cost by 9% from Rs 6.54/kWh to Rs 5.95/kWh. Total RE capacity has reached to 673MW, and ACC has undertaken investments to achieve a 60% green power share by FY28.
- Logistics initiatives:** In Q2FY26, primary lead distance was reduced by 5KM to 269KM. Further, **a)** Adani cement has ordered 7 vessels of total 65,800DWT capacity, share of sea logistics to reach 5%. **b)** Adani cement has also entered into two MoUs with CONCOR to facilitate the rail-based transportation of bulk cement using specialised tank containers. **c)** Logistics debottlenecking initiatives aimed at enhancing existing capacity utilisation by ~3%.
- ACC has secured long-term supply arrangements for fly ash and other raw materials and expects its raw material cost to decline by about Rs100/t by 2028.

Other Key Points:

- ACC added 28 RMC plants reaching 116 units across 45 cities. It plans to expand to 365 by 2030 with target capacity of 35MnM³.
- ACC is disputing royalty calculations for its Wadi mines with Karnataka's DMG. After depositing Rs1.25bn provisionally, the case was remanded by the Revisional Authority, and a related lease issue is pending in the High Court. No provision has been made as of September 30, 2025.
- ACC sold its Thane land to Camrose Realtors Pvt. Ltd., a related party, for Rs3.85bn. The sale was completed in Mar'25, and a net gain of Rs3.69bn crore was recorded as an exceptional item in FY25.

Exhibit 1: Q2FY26 Result Overview

Y/e March (Rs mn)	Q2FY26	Q2FY25	YoY gr. (%)	Q2FY26E	Var. (%)	Q1FY26	QoQ gr. (%)	H1FY26	H1FY25	YoY gr. (%)
Net Sales	59,317	46,135	28.6	49,818	19.1	60,872	(2.6)	1,20,189	98,126	22.5
Raw Material	24,020	17,914	34.1	20,286	18.4	24,612	(2.4)	48,633	35,422	37.3
% of Net Sales	40.5	38.8		40.7		40.4		40.5	36.1	
Staff Costs	1,792	1,810	(1.0)	1,955	(8.3)	2,051	(12.6)	3,843	3,451	11.4
% of Net Sales	3.0	3.9		3.9		3.4		3.2	3.5	
Power & Fuel	9,024	7,832	15.2	7,331	23.1	8,589	5.1	17,613	17,834	(1.2)
% of Net Sales	15.2	17.0		14.7		14.1		14.7	18.2	
Freight	10,667	9,318	14.5	9,691	10.1	11,445	(6.8)	22,112	20,172	9.6
% of Net Sales	18.0	20.2		19.5		18.8		18.4	20.6	
Other Expenses	5,356	4,898	9.4	5,501	(2.6)	6,395	(16.2)	11,752	10,093	16.4
% of Net Sales	9.0	10.6		11.0		10.5		9.8	10.3	
Total Expenditure	50860	41772	21.8	44764	13.6	53092	(4.2)	103952	86972	19.5
EBITDA	8,457	4,364	93.8	5,054	67.3	7,780	8.7	16,237	11,154	45.6
Margin (%)	14.3	9.5		10.1		12.8		13.5	11.4	
Depreciation	2,785	2,423	15.0	2,738	1.7	2,546	9.4	5,331	4,746	12.3
EBIT	5,671	1,941	192.3	2,316	144.9	5,234	8.4	10,906	6,408	70.2
Other income	2,237	1,586	41.0	547	309.1	684	227.3	2,920	2,303	26.8
Interest	289	333	(13.1)	274	5.5	305	(5.1)	594	664	(10.6)
PBT	7,619	3,194	138.6	2,589	194.3	5,613	35.7	13,233	8,047	64.4
Extraordinary income/(expense)	-	-350	NA	-		-	NA	-	-350	NA
PBT (After EO)	7,619	2,844	167.9	2,589	194.3	5,613	35.7	13,233	7,697	71.9
Tax	-3,561	843	NA	665		1,875	(289.9)	-1,686	2,092	(180.6)
% PBT	(46.7)	29.7		25.7		33.4		(12.7)	27.2	
Reported PAT	11,180	2,000	458.9	1,923	481.3	3,738	199.1	14,918	5,605	166.2
Minority Interest	0	0	NA	0	NA	0	NA	1	-	NA
Share of profit in JV/Associates	12	-3	NA	8	53.1	16	(23.5)	29	6	376.7
Net Profit Attributable to shareholders	11,193	1,997	460.4	1,932	479.5	3,755	198.1	14,948	5,611	166.4
Adjusted PAT	11,193	2,244	398.9	1,932	479.5	3,755	198.1	14,948	5,961	150.8

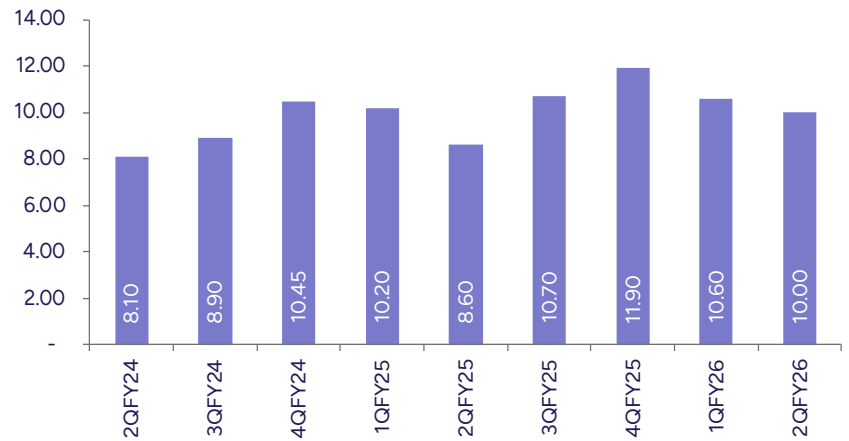
Source: Company, PL

Exhibit 2: Operating Parameters

Y/e March	Q2FY26	Q2FY25	YoY gr. (%)	Q2FY26E	Variance%	Q1FY26	QoQ gr. (%)	H1FY26	H1FY25	YoY gr. (%)
Volume (mt)	10.0	8.6	16.3	9.7	3.4	10.6	(5.7)	20.6	18.8	9.6
Cement Realisations (Rs/te)	5,519	5,061	9.1	4,870	13.3	5,391	2.4	5,834	5,219	11.8
Blended EBITDA/t	846	507	66.7	523	61.8	734	15.2	788	593	32.8

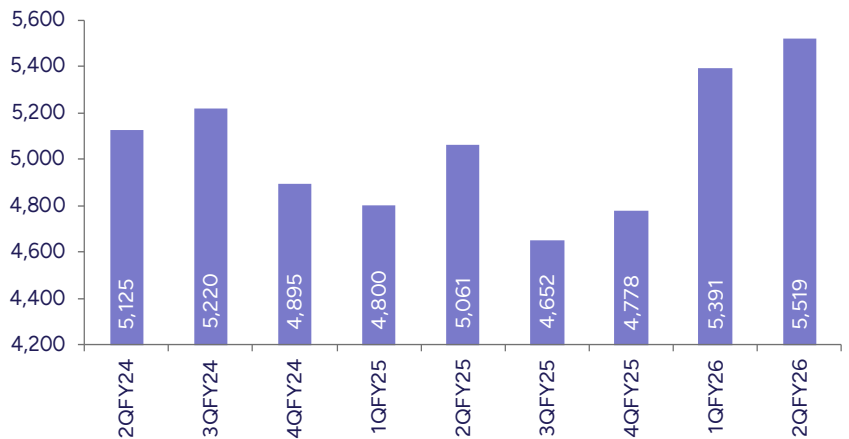
Source: Company, PL

Exhibit 3: 16% YoY volume growth aided by MSA (mt)



Source: Company, PL

Exhibit 4: NSR improved 2.4% QoQ on higher premium products share (Rs/t)



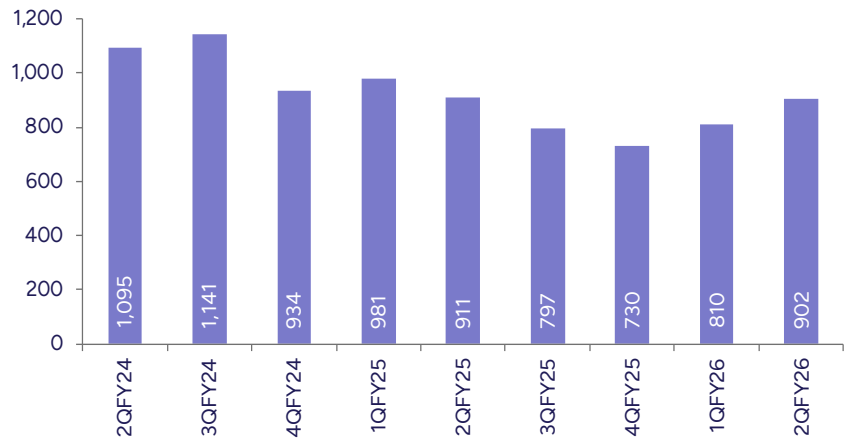
Source: Company, PL

Exhibit 5: RM costs/t grew 15% YoY on higher MSA volumes (Rs)



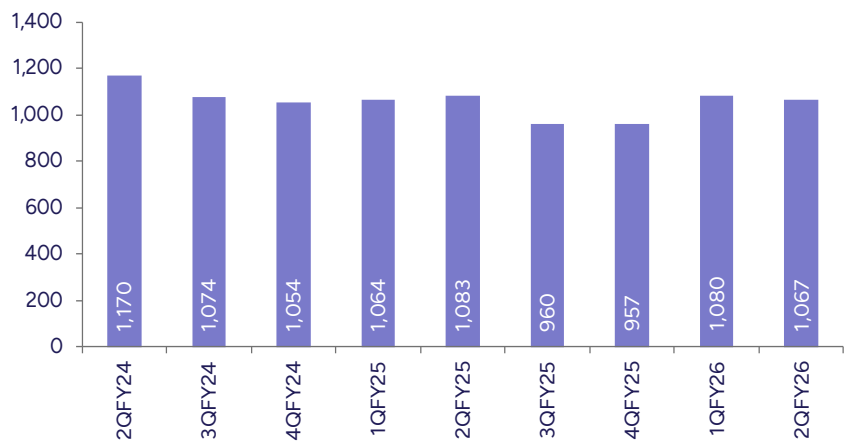
Source: Company, PL

Exhibit 6: P&F costs/t declined 1% YoY led by optimized fuel mix (Rs)



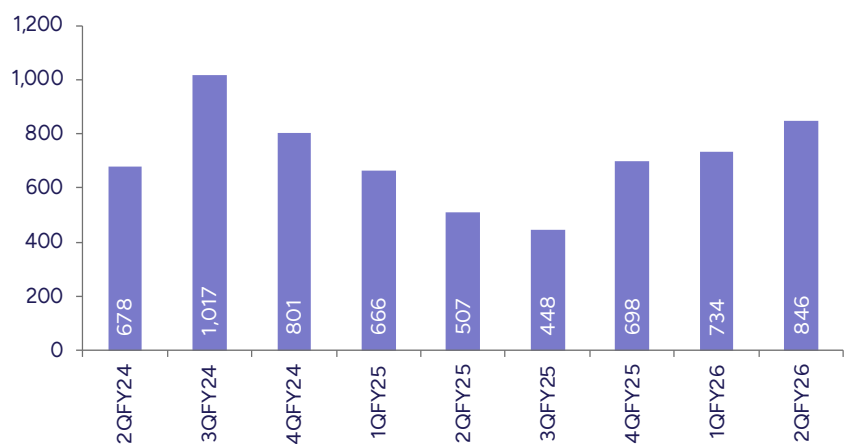
Source: Company, PL

Exhibit 7: Freight costs/t declined 1.5% YoY due to higher direct dispatches (Rs)



Source: Company, PL

Exhibit 8: EBITDA/t grew to Rs846/t on well constrained costs (Rs)



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	2,11,255	2,50,214	2,66,255	2,83,379
YoY gr. (%)	5.8	18.4	6.4	6.4
Cost of Goods Sold	82,390	99,836	1,05,113	1,10,822
Gross Profit	1,28,865	1,50,378	1,61,142	1,72,557
Margin (%)	61.0	60.1	60.5	60.9
Employee Cost	7,178	7,777	8,399	9,071
Other Expenses	97,442	1,10,035	1,15,231	1,22,527
EBITDA	24,245	32,566	37,512	40,959
YoY gr. (%)	(20.8)	34.3	15.2	9.2
Margin (%)	11.5	13.0	14.1	14.5
Depreciation and Amortization	10,013	10,212	11,587	12,962
EBIT	14,232	22,354	25,926	27,997
Margin (%)	6.7	8.9	9.7	9.9
Net Interest	1,082	1,090	1,101	760
Other Income	10,724	5,959	6,529	5,821
Profit Before Tax	31,240	27,223	31,354	33,058
Margin (%)	14.8	10.9	11.8	11.7
Total Tax	7,245	7,350	8,466	8,430
Effective tax rate (%)	23.2	27.0	27.0	25.5
Profit after tax	23,995	19,873	22,888	24,628
Minority interest	2	2	2	2
Share Profit from Associate	28	28	28	28
Adjusted PAT	19,082	19,899	22,914	24,654
YoY gr. (%)	(21.5)	4.3	15.2	7.6
Margin (%)	9.0	8.0	8.6	8.7
Extra Ord. Income / (Exp)	4,862	-	-	-
Reported PAT	24,021	19,899	22,914	24,654
YoY gr. (%)	2.8	(17.2)	15.2	7.6
Margin (%)	11.4	8.0	8.6	8.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	24,021	19,899	22,914	24,654
Equity Shares O/s (m)	188	188	188	188
EPS (Rs)	101.5	105.8	121.9	131.1

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	1,69,221	1,94,221	2,19,221	2,44,221
Tangibles	1,69,221	1,94,221	2,19,221	2,44,221
Intangibles	-	-	-	-
Acc: Dep / Amortization	64,873	75,084	86,671	99,633
Tangibles	64,873	75,084	86,671	99,633
Intangibles	-	-	-	-
Net fixed assets	1,04,348	1,19,137	1,32,550	1,44,588
Tangibles	1,04,348	1,19,137	1,32,550	1,44,588
Intangibles	-	-	-	-
Capital Work In Progress	24,616	24,616	24,616	24,616
Goodwill	3,946	3,946	3,946	3,946
Non-Current Investments	18,425	18,425	18,425	18,425
Net Deferred tax assets	(6,092)	(6,092)	(6,092)	(6,092)
Other Non-Current Assets	11,348	11,348	11,348	11,348
Current Assets				
Investments	14,585	14,585	14,585	14,585
Inventories	19,254	20,566	20,425	19,410
Trade receivables	11,629	12,339	13,130	13,975
Cash & Bank Balance	16,493	26,640	34,577	48,663
Other Current Assets	17,234	12,810	13,337	11,571
Total Assets	2,54,126	2,76,658	2,99,187	3,23,374
Equity				
Equity Share Capital	1,880	1,880	1,880	1,880
Other Equity	1,83,669	2,02,016	2,23,224	2,46,002
Total Networth	1,85,548	2,03,896	2,25,104	2,47,882
Non-Current Liabilities				
Long Term borrowings	2,809	2,809	2,809	2,809
Provisions	1,406	1,406	1,406	1,406
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	16,383	20,566	21,884	23,291
Other current liabilities	41,850	41,850	41,850	41,850
Total Equity & Liabilities	2,54,126	2,76,658	2,99,187	3,23,374

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	31,268	27,223	31,354	33,058
Add. Depreciation	10,013	10,212	11,587	12,962
Add. Interest	1,082	1,090	1,101	760
Less Financial Other Income	10,724	5,959	6,529	5,821
Add. Other	(11,374)	(5,959)	(6,529)	(5,821)
Op. profit before WC changes	30,989	32,566	37,512	40,959
Net Changes-WC	(12,957)	6,586	140	3,345
Direct tax	(918)	(7,350)	(8,466)	(8,430)
Net cash from Op. activities	17,115	31,801	29,187	35,874
Capital expenditures	(22,517)	(25,000)	(25,000)	(25,000)
Interest / Dividend Income	-	-	-	-
Others	9,744	5,959	6,529	5,821
Net Cash from Inv. activities	(12,773)	(19,041)	(18,471)	(19,179)
Issue of share cap. / premium	-	-	-	-
Debt changes	(153)	-	-	-
Dividend paid	(1,426)	(1,551)	(1,706)	(1,877)
Interest paid	(8,443)	(1,090)	(1,101)	(760)
Others	-	-	-	-
Net cash from Fin. activities	(10,023)	(2,641)	(2,807)	(2,637)
Net change in cash	(5,681)	10,119	7,909	14,058
Free Cash Flow	(2,570)	6,801	4,187	10,874

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	52,905	61,146	60,872	59,317
YoY gr. (%)	7.7	13.0	17.1	28.6
Raw Material Expenses	21,938	25,098	24,612	24,020
Gross Profit	30,967	36,047	36,260	35,296
Margin (%)	58.5	59.0	59.6	59.5
EBITDA	4,789	8,302	7,780	8,457
YoY gr. (%)	(47.1)	(0.8)	14.6	93.8
Margin (%)	9.1	13.6	12.8	14.3
Depreciation / Depletion	2,596	2,649	2,546	2,785
EBIT	2,193	5,653	5,234	5,671
Margin (%)	4.1	9.2	8.6	9.6
Net Interest	282	136	305	289
Other Income	1,179	1,939	684	2,237
Profit before Tax	14,764	8,803	5,613	7,619
Margin (%)	27.9	14.4	9.2	12.8
Total Tax	3,847	1,311	1,875	(3,561)
Effective tax rate (%)	26.1	14.9	33.4	(46.7)
Profit after Tax	10,917	7,492	3,738	11,180
Minority interest	(1)	-	-	-
Share Profit from Associates	3	19	16	12
Adjusted PAT	2,289	6,364	3,755	11,193
YoY gr. (%)	(57.4)	(9.0)	3.9	398.9
Margin (%)	4.3	10.4	6.2	18.9
Extra Ord. Income / (Exp)	8,632	1,147	-	-
Reported PAT	10,921	7,511	3,755	11,193
YoY gr. (%)	103.1	(20.5)	3.9	460.4
Margin (%)	20.6	12.3	6.2	18.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	10,921	7,511	3,755	11,193
Avg. Shares O/s (m)	188	188	188	188
EPS (Rs)	12.2	33.9	20.0	59.5

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	101.5	105.8	121.9	131.1
CEPS	154.8	160.2	183.5	200.1
BVPS	987.0	1,084.6	1,197.4	1,318.6
FCF	(13.7)	36.2	22.3	57.8
DPS	7.5	8.3	9.1	10.0
Return Ratio(%)				
RoCE	8.0	11.3	11.9	11.7
ROIC	7.5	10.4	11.3	11.8
RoE	10.9	10.2	10.7	10.4
Balance Sheet				
Net Debt : Equity (x)	(0.2)	(0.2)	(0.2)	(0.2)
Net Working Capital (Days)	25	18	16	13
Valuation(x)				
PER	18.5	17.8	15.4	14.3
P/B	1.9	1.7	1.6	1.4
P/CEPS	12.2	11.7	10.3	9.4
EV/EBITDA	13.4	9.7	8.2	7.2
EV/Sales	1.5	1.3	1.2	1.0
Dividend Yield (%)	0.4	0.4	0.5	0.5

Source: Company Data, PL Research

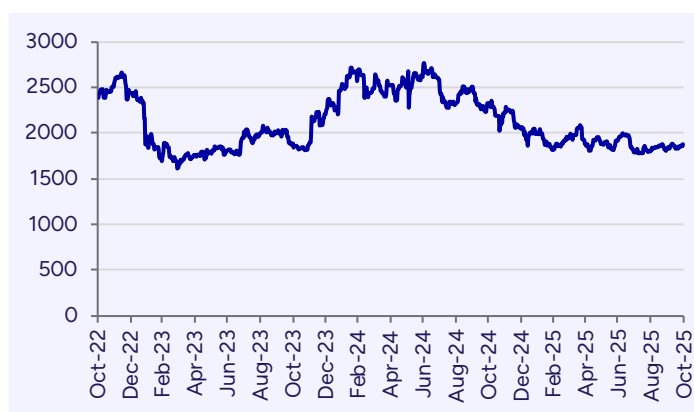
Key Operating Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Cement Volume (mt)	42	47	49	52
Net Realisation (Rs/t)	4,900	5,022	5,073	5,123
EBITDA (Rs/ t)	576	694	761	791

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Oct-25	BUY	2,311	1,858
2	24-Jul-25	BUY	2,543	1,890
3	07-Jul-25	BUY	2,602	1,965
4	28-Apr-25	BUY	2,383	1,938
5	07-Apr-25	BUY	2,549	1,966
6	28-Jan-25	BUY	2,878	2,001
7	08-Jan-25	BUY	3,251	2,008

Analyst Coverage Universe

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	2,311	1,858
2	Adani Port & SEZ	BUY	1,777	1,400
3	Ambuja Cement	BUY	701	570
4	Dalmia Bharat	Accumulate	2,372	2,250
5	Hindalco Industries	BUY	883	768
6	Jindal Stainless	Hold	759	758
7	Jindal Steel	Accumulate	1,151	1,071
8	JSW Infrastructure	Accumulate	338	309
9	JSW Steel	Hold	1,118	1,166
10	National Aluminium Co.	BUY	280	217
11	NMDC	Accumulate	86	77
12	Nuvoco Vistas Corporation	Accumulate	459	412
13	Shree Cement	Accumulate	31,769	28,585
14	Steel Authority of India	Hold	143	137
15	Tata Steel	Accumulate	196	171
16	Ultratech Cement	Accumulate	13,425	12,370

PL's Recommendation Nomenclature (Absolute Performance)

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

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(Indian Clients)

We/I, Mr. Tushar Chaudhari- MMS-Finance, Mr. Satyam Kesarwani- BFM, Passed CFA Level II, Mr. Pranav Iyer- BBA Finance Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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