

Shree Cement

Refer to important disclosures at the end of this report

Higher subsidy income, lower costs lead to beat; retain Sell on valuations

CMP: Rs 18,733

as of (May 9, 2020)

TP: Rs 15,810 (■)

12 months

Rating: SELL (■)

Upside: (15.6) %

- SRCM reported better-than-estimated Q4 results on: 1) higher subsidy income: Rs1.17bn vs. Rs390mn in Q3 and 2) lower employee costs, led by a reduction in variable salaries of key personnel for FY20. EBITDA stood at Rs10.8bn vs. estimate of Rs10bn.
- The company has stopped sharing details of the Power segment separately. Key positives: 1) lower employee costs and 2) 10.8% yoy decline in RM costs. Key negatives: 1) sequential decline in cement realization and 2) EBITDA loss in the UAE subsidiary.
- Sales volume was down 5.4% yoy. The company will decide on its large capex plan (doubling of capacities in six years) after demand conditions improve as management expects 20%+ volume decline in FY21E.
- We have factored in a volume decline of 20.5% yoy for SRCM in FY21, considering current demand conditions and expectation of lower infrastructure spending. Valuations at 27.2x/20.2x FY21/22E EV/EBITDA leave no room for negative surprises. Maintain Sell.

Realization below estimates; higher subsidy income/lower costs boost profits: SRCM benefitted from higher cement prices in Q4FY20/FY20. During Q4FY20/FY20, Cement realization increased 8.6%/9.2% yoy, leading to 41.7%/46.3% yoy increase in EBITDA/ton. During Q4, sales volume was down 5.4% yoy due to the nation-wide lockdowns. Subsidy income stood at Rs1.17bn vs. Rs430mn/Rs390mn in Q4FY19/Q3FY20. We believe that adjusted for higher subsidy income and assuming Rs500mn revenues for the Power segment, realization was down 0.7% qoq (but up 6% yoy). Opex/ton was down 3.1% yoy/3.9% qoq on 1) lower variable costs (down 6.9% yoy/2.1% qoq) as pet coke prices declined (average coal price at Rs6,700/ton vs. Rs7,400/ton in Q3) and 2) lower employee costs (down 17.6% qoq) as the MD and Joint MD took a cut in their variable pay for FY20. EBITDA was up 27.3% yoy with a 7.7pp improvement in OPM. ETR stood at 11.9% vs. 20.3%/24% in Q4FY19/Q3. Standalone profit was up 83.3% yoy. The UAE subsidiary posted an EBITDA loss of Rs221mn vs. Rs457mn/Rs303mn profit in Q4FY19/Q3 as the plant was shut down for the entire Mar'20.

Rich valuations; maintain Sell: We expect cement demand to be lower in FY21E due to lockdowns in many parts of the country, subdued demand from real estate sector and expectation of lower infrastructure spending by the government. We have factored in a volume decline of 20.5% for SRCM in FY21E though we expect 22.3% volume growth in FY22E. Although cement companies have announced price increases recently, the sustainability of these hikes needs to be monitored when volume growth starts recovering. Management will decide on its capex plans (doubling of capacities in six years) after recovery is seen in the demand scenario. Valuations at 27.2x/20.2x FY21/22E EV/EBITDA appear expensive and leave no room for disappointment. We maintain Sell with a target price of Rs15,810 (15x Jun-22E EV/EBITDA) and maintain UW position in sector EAP. Key risks are continued increase in cement prices and a significant improvement in industry demand.

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

Financial Snapshot (Standalone)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	1,17,220	1,19,040	94,764	1,18,232	1,32,975
EBITDA	27,908	36,745	23,426	31,023	36,855
EBITDA Margin (%)	23.8	30.9	24.7	26.2	27.7
APAT	12,672	15,702	4,284	10,062	14,250
EPS (Rs)	363.7	435.2	118.7	278.9	394.9
EPS (% chg)	(5.6)	19.6	(72.7)	134.9	41.6
ROE (%)	13.7	13.9	3.2	7.3	9.7
P/E (x)	51.5	43.0	157.8	67.2	47.4
EV/EBITDA (x)	23.5	17.4	27.2	20.2	16.6
P/BV (x)	6.8	5.2	5.1	4.8	4.4

Source: Company, Emkay Research



Change in Estimates

EPS Chg FY21E/FY22E (%)	-/-
Target Price change (%)	NA
Target Period (Months)	12
Previous Reco	SELL

Emkay vs Consensus

	EPS Estimates	
	FY21E	FY22E
Emkay	118.7	278.9
Consensus	405.6	537.6
Mean Consensus TP (12M)	Rs 18,387	

Stock Details

Bloomberg Code	SRCM IN
Face Value (Rs)	10
Shares outstanding (mn)	36
52 Week H/L	25,313 / 15,410
M Cap (Rs bn/USD bn)	676 / 8.95
Daily Avg Volume (nos.)	67,449
Daily Avg Turnover (US\$ mn)	17.7

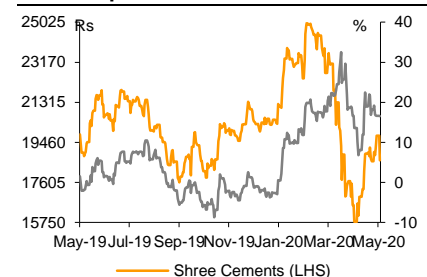
Shareholding Pattern Mar '20

Promoters	62.6%
FIIs	11.9%
DIIIs	11.2%
Public and Others	14.3%

Price Performance

(%)	1M	3M	6M	12M
Absolute	17	(25)	(6)	(5)
Rel. to Nifty	10	(2)	21	16

Relative price chart



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

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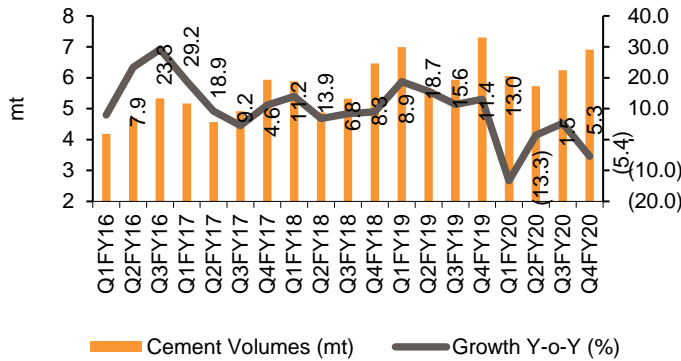
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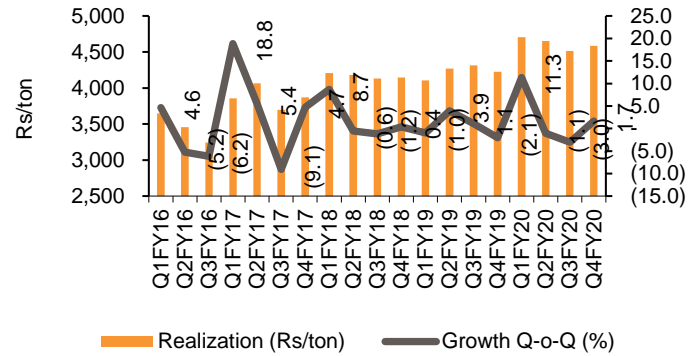
Story in Charts

Exhibit 1: Cement & Clinker sales volumes declined by 5.4% yoy



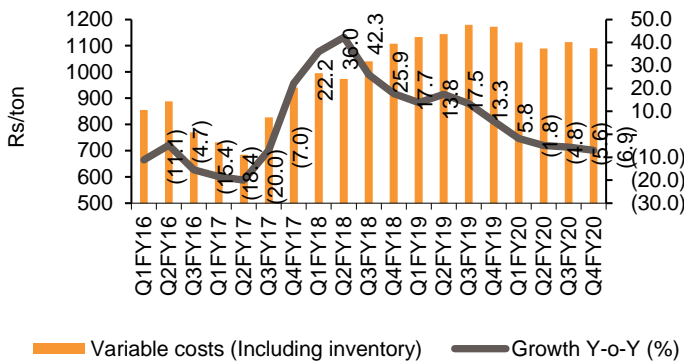
Source: Company, Emkay Research

Exhibit 2: Realization was up 1.7% qoq/8.6% yoy



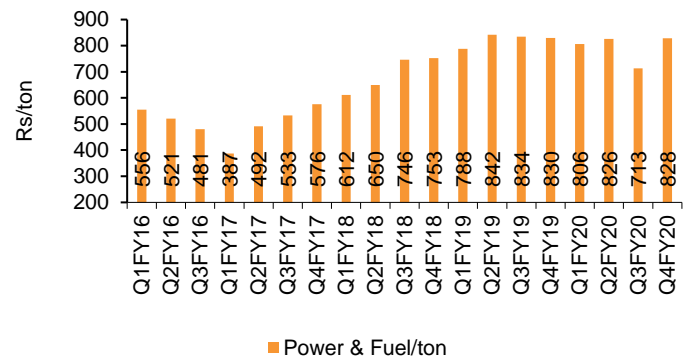
Source: Company, Emkay Research

Exhibit 3: Variable cost/ton down 6.9% yoy/2.1% qoq



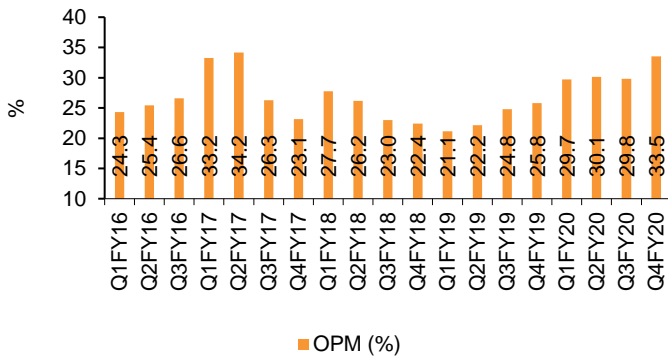
Source: Company, Emkay Research

Exhibit 4: Power and fuel costs per ton was flat yoy



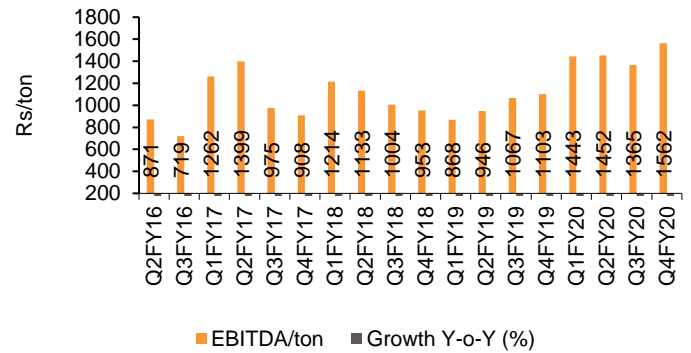
Source: Company, Emkay Research

Exhibit 5: OPM expanded 772bps yoy/371bps qoq



Source: Company, Emkay Research

Exhibit 6: EBITDA/ton grew by 42% yoy/14% qoq



Source: Company, Emkay Research

Exhibit 7: Actual vs. Estimates (Q4FY20)

(in Rs mn)	Actual	Estimate		% variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Sales	32,175	32,986	31,952	-2.5	0.7	Due to lower cement realization
EBITDA	10,789	9,993	9,872	8.0	9.3	Driven by lower RM costs and higher subsidy income
EBITDA margin (%)	33.5	30.3	30.9	324bps	263bps	
PAT	5,882	4,132	4,073	42.3	44.4	Impact of higher operating performance and lower ETR

Source: Company, Emkay Research, Bloomberg

Exhibit 8: Quarterly Results

Y/E, Mar (Rs mn)	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	YoY (%)	QoQ (%)	FY20	FY19	YoY (%)
Net Sales	32,849	30,364	28,017	28,483	32,175	(2.0)	13.0	119,040	117,220	1.6
Total Expenditure	24,370	21,342	19,576	19,990	21,387	(12.2)	7.0	82,295	89,312	(7.9)
as % of sales	74%	70%	70%	70%	66%			69%	76%	
Consumption of RM	2,366	2,027	1,802	1,806	1,997	(15.6)	10.6	7,633	8,948	(14.7)
as % of sales	7%	7%	6%	6%	6%			6%	8%	
Stock Adjustment	135	(172)	(294)	697	(181)	n/m	n/m	50	(306)	n/m
as % of sales	0%	-1%	-1%	2%	-1%			0%	0%	
Employee Cost	1,705	1,914	1,850	1,856	1,691	(0.8)	(8.9)	7,310	6,778	7.8
as % of sales	5%	6%	7%	7%	5%			6%	6%	
Power, Oil & Fuel	7,633	6,482	5,984	4,793	6,217	(18.6)	29.7	23,476	27,450	(14.5)
as % of sales	23%	21%	21%	17%	19%			20%	23%	
Freight expenses	7,747	6,682	5,797	6,438	7,144	(7.8)	11.0	26,061	28,641	(9.0)
as % of sales	24%	22%	21%	23%	22%			22%	24%	
Other expenditure	4,786	4,409	4,437	4,400	4,519	(5.6)	2.7	17,765	17,800	(0.2)
as % of sales	15%	15%	16%	15%	14%			15%	15%	
EBIDTA	8,478	9,022	8,442	8,493	10,789	27.3	27.0	36,745	27,908	31.7
Depreciation	4,206	4,027	4,283	4,322	4,362	3.7	0.9	16,994	13,917	22.1
EBIT	4,273	4,995	4,158	4,171	6,426	50.4	54.1	19,751	13,991	41.2
Other Income	451	511	578	649	978	116.9	50.6	2,716	2,454	10.7
Interest	697	680	717	741	726	4.2	(2.1)	2,865	2,470	16.0
PBT	4,026	4,826	4,018	4,079	6,678	65.9	63.7	19,602	13,976	40.3
Total Tax	817	1,196	928	980	797	(2.5)	(18.7)	3,900	1,304	199.1
Adjusted PAT	3,210	3,630	3,091	3,100	5,882	83.3	89.8	15,702	12,672	23.9
APAT After MI	3,210	3,630	3,091	3,100	5,882	83.3	89.8	15,702	12,672	23.9
Extra ordinary items	0	0	0	0	0			0	3,161	
Reported PAT	3,210	3,630	3,091	3,100	5,882	83.3	89.8	15,702	9,511	65.1
Adjusted EPS (Rs)	92.1	104.2	88.7	89.0	168.8	83.3	89.8	450.7	355.0	27.0

Margins (%)						(bps)	(bps)	FY20	FY19	(bps)
EBIDTA	25.8	29.7	30.1	29.8	33.5	772	371	30.9	23.8	706
EBIT	13.0	16.5	14.8	14.6	20.0	697	533	16.6	11.9	466
EBT	12.3	15.9	14.3	14.3	20.8	850	643	16.5	11.9	454
PAT	9.8	12.0	11.0	10.9	18.3	851	740	13.2	10.8	238
Effective Tax rate	20.3	24.8	23.1	24.0	11.9	-836	-1,209	19.9	9.3	1,057

Source: Company, Emkay Research

Exhibit 9: Operating matrix on per ton basis

Per ton analysis	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	YoY (%)	QoQ (%)	FY20	FY19	YoY (%)
Cement sales(mt)	7.30	6.06	5.72	6.25	6.91	(5.4)	10.6	24.9	25.9	-3.6
Raw Material	324	335	315	289	289	(10.8)	(0.0)	306	346	-11.5
Stocks	18	(28)	(51)	112	(26)	n/m	n/m	2	(12)	n/m
Staff cost	234	316	323	297	245	4.8	(17.6)	293	262	11.9
Power & Fuel	830	806	826	713	828	(0.2)	16.0	942	1,062	-11.3
Freight	1,061	1,103	1,013	1,031	1,034	(2.5)	0.3	1,045	1,108	-5.6
Other expense	656	728	775	705	654	(0.2)	(7.1)	713	688	3.5
Total Cost	3,122	3,260	3,201	3,147	3,024	(3.1)	(3.9)	3,301	3,454	-4.4
Realization	4,225	4,703	4,653	4,512	4,587	8.6	1.7	4,611	4,223	9.2
EBITDA	1,103	1,443	1,452	1,365	1,562	41.7	14.5	1,458	997	46.3

Source: Company, Emkay Research

Exhibit 10: Snapshot of Consolidated results and UAE subsidiary's performance (Rs mn)

Consolidated results	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	YoY (%)	QoQ (%)	FY20	FY19	YoY (%)
Revenues	34,894	33,028	30,045	31,460	34,151	(2.1)	8.6	128,684	125,547	2.5
EBITDA	8,935	9,475	8,753	8,796	10,567	18.3	20.1	37,591	27,937	34.6
OPM (%)	25.6	28.7	29.1	28.0	30.9	534	298	29.2	22.3	696
PBT	4,239	5,020	4,061	4,098	6,164	45.4	50.4	19,343	13,238	46.1
PAT	3,421	3,823	3,133	3,118	5,367	56.9	72.1	15,441	11,932	29.4
UAE operations										
Revenues	2,045	2,664	2,027	2,977	1,976	(3.4)	(33.6)	9,644	8,327	15.8
EBITDA	457	453	311	303	(221)	n/m	n/m	846	29	2857.0
OPM (%)	22.3	17.0	15.3	10.2	(11.2)	(3,355)	(2,137)	8.8	0.3	843
PBT	213	194	43	18	(515)	n/m	n/m	(260)	(738)	n/m
PAT	211	193	43	19	(515)	n/m	n/m	(261)	(740)	n/m

Source: Company, Emkay Research

Exhibit 11: Key Assumptions

	FY19	FY20	FY21E	FY22E	FY23E
Cement Sales (mt)	25.1	24.9	19.8	24.2	27.1
Realization (Rs/ton)	4,108	4,525	4,400	4,473	4,572
Per ton costs (Rs)					
Raw material	346	306	390	386	396
Employee cost	262	293	355	315	291
Power & Fuel	820	942	749	780	788
Freight	1,107	1,045	1,035	1,088	1,145
Other expense	742	713	829	762	723
Total Cost	3,265	3,301	3,357	3,330	3,342

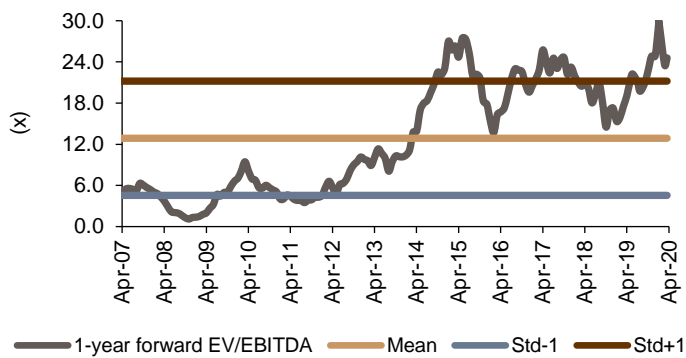
Source: Company, Emkay Research

Exhibit 12: Peer Valuation

Company	Rs bn Mcap	EV/EBITDA (x)			EV/Ton (USD)			EPS (Rs)			P/E (x)		
		FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Shree Cement	676.2	27.2	20.2	16.6	190	179	174	118.7	278.9	395.0	157.8	67.2	47.4
ACC*	216.9	11.8	8.6	7.4	68	67	67	35.3	53.6	63.8	32.7	21.5	18.1
Ambuja Cement*	336.3	15.6	10.7	8.9	100	92	88	4.1	5.9	6.9	41.5	28.7	24.5
India Cements	30.4	14.3	9.8	8.5	54	53	52	-2.0	2.5	4.5	-47.8	39.6	21.6
Ramco Cements	122.1	20.3	14.3	12.0	103	100	98	8.8	16.6	21.1	58.6	31.2	24.5
UltraTech Cement	954.7	17.0	12.4	10.4	127	121	115	57.1	111.0	141.9	57.9	29.8	23.3
JK Lakshmi Cement	22.8	8.9	6.1	4.8	38	36	33	3.9	12.6	19.5	49.6	15.4	9.9
JK Cement	84.6	15.1	11.5	10.6	111	106	105	9.6	29.1	36.6	113.7	37.6	30.0
Orient Cement	7.6	9.9	6.8	5.6	34	34	33	-1.7	1.2	3.0	-21.3	29.9	12.5
Prism Johnson	15.9	10.1	6.9	6.1	59	59	58	-1.0	1.1	1.7	-31.9	30.0	18.4
Star Cement	29.2	9.1	6.7	5.9	64	63	61	3.9	5.5	6.0	17.9	12.7	11.5
Birla Corp	29.3	9.1	7.1	6.3	69	63	52	10.9	35.6	36.0	34.8	10.7	10.6

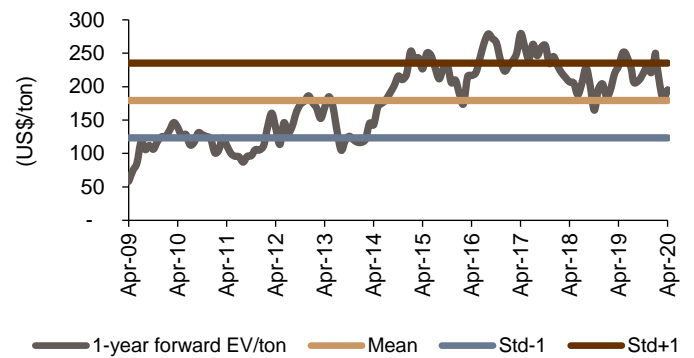
Source: Company, Emkay Research, *Dec-ending companies

Exhibit 13: 1-yr forward EV/EBITDA chart



Source: Company, Bloomberg, Emkay Research

Exhibit 14: 1-yr forward EV/ton chart



Source: Company, Bloomberg, Emkay Research

Key Financials (Standalone)**Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	1,17,220	1,19,040	94,764	1,18,232	1,32,975
Expenditure	89,312	82,295	71,338	87,209	96,120
EBITDA	27,908	36,745	23,426	31,023	36,855
Depreciation	13,917	16,994	18,000	18,742	19,724
EBIT	13,992	19,751	5,426	12,281	17,130
Other Income	2,454	2,716	2,914	3,161	3,433
Interest expenses	2,470	2,865	2,985	2,865	2,751
PBT	13,976	19,602	5,355	12,577	17,812
Tax	1,304	3,900	1,071	2,515	3,562
Extraordinary Items	(3,162)	0	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	9,511	15,702	4,284	10,062	14,250
Adjusted PAT	12,672	15,702	4,284	10,062	14,250

Balance Sheet

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	348	361	361	361	361
Reserves & surplus	95,625	1,30,373	1,33,352	1,41,021	1,52,226
Net worth	95,974	1,30,733	1,33,713	1,41,382	1,52,587
Minority Interest	0	0	0	0	0
Loan Funds	27,980	29,155	29,155	29,155	29,155
Net deferred tax liability	(6,126)	(7,438)	(7,438)	(7,438)	(7,438)
Total Liabilities	1,17,827	1,52,451	1,55,430	1,63,099	1,74,304
Net block	44,757	43,189	38,943	34,666	29,707
Investment	44,439	89,154	89,154	98,154	1,12,154
Current Assets	45,400	45,346	47,585	51,002	55,513
Cash & bank balance	3,078	2,451	4,113	5,968	7,842
Other Current Assets	14,405	14,856	15,356	15,856	16,356
Current liabilities & Provision	27,979	34,860	29,874	30,345	32,691
Net current assets	17,420	10,486	17,711	20,657	22,822
Misc. exp	0	0	0	0	0
Total Assets	1,17,827	1,52,451	1,55,430	1,63,099	1,74,304

Cash Flow

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
PBT (Ex-Other income) (NI+Dep)	13,976	16,886	2,441	9,416	14,380
Other Non-Cash items	853	0	0	0	0
Chg in working cap	(3,187)	4,996	(5,564)	(1,090)	(291)
Operating Cashflow	24,093	36,530	16,791	27,417	33,001
Capital expenditure	(18,832)	(13,837)	(13,754)	(14,465)	(14,765)
Free Cash Flow	5,261	22,693	3,037	12,952	18,236
Investments	8,212	(44,716)	0	(9,000)	(14,000)
Other Investing Cash Flow	0	0	0	0	0
Investing Cashflow	(8,126)	(55,836)	(10,840)	(20,304)	(25,332)
Equity Capital Raised	0	23,842	0	0	0
Loans Taken / (Repaid)	(7,591)	1,175	0	0	0
Dividend paid (incl tax)	(2,308)	(4,785)	(1,305)	(2,392)	(3,045)
Other Financing Cash Flow	0	0	0	0	0
Financing Cashflow	(12,653)	17,368	(4,290)	(5,258)	(5,796)
Net chg in cash	3,314	(1,938)	1,662	1,856	1,874
Opening cash position	1,209	3,078	2,451	4,113	5,968
Closing cash position	4,523	1,139	4,113	5,968	7,842

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY19	FY20	FY21E	FY22E	FY23E
EBITDA Margin	23.8	30.9	24.7	26.2	27.7
EBIT Margin	11.9	16.6	5.7	10.4	12.9
Effective Tax Rate	9.3	19.9	20.0	20.0	20.0
Net Margin	10.8	13.2	4.5	8.5	10.7
ROCE	14.0	16.6	5.4	9.7	12.2
ROE	13.7	13.9	3.2	7.3	9.7
RoIC	26.1	35.8	10.5	24.1	36.4

Per Share Data (Rs)	FY19	FY20	FY21E	FY22E	FY23E
EPS	363.7	435.2	118.7	278.9	394.9
CEPS	763.2	906.2	617.6	798.3	941.6
BVPS	2,754.7	3,623.4	3,705.9	3,918.5	4,229.0
DPS	55.0	110.0	30.0	55.0	70.0

Valuations (x)	FY19	FY20	FY21E	FY22E	FY23E
PER	51.5	43.0	157.8	67.2	47.4
P/CEPS	24.5	20.7	30.3	23.5	19.9
P/BV	6.8	5.2	5.1	4.8	4.4
EV / Sales	5.6	5.4	6.7	5.3	4.6
EV / EBITDA	23.5	17.4	27.2	20.2	16.6
Dividend Yield (%)	0.3	0.6	0.2	0.3	0.4

Gearing Ratio (x)	FY19	FY20	FY21E	FY22E	FY23E
Net Debt/ Equity	0.0	(0.3)	(0.3)	(0.3)	(0.4)
Net Debt/EBIDTA	0.1	(1.0)	(1.6)	(1.6)	(1.8)
Working Cap Cycle (days)	44.7	24.6	52.4	45.3	41.1

Growth (%)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	19.2	1.6	(20.4)	24.8	12.5
EBITDA	12.9	31.7	(36.2)	32.4	18.8
EBIT	(8.7)	41.2	(72.5)	126.4	39.5
PAT	(31.2)	65.1	(72.7)	134.9	41.6

Quarterly (Rs mn)	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20
Revenue	32,849	30,364	28,017	28,483	32,175
EBITDA	8,478	9,022	8,442	8,493	10,789
EBITDA Margin (%)	25.8	29.7	30.1	29.8	33.5
PAT	3,210	3,630	3,091	3,100	5,882
EPS (Rs)	89.6	101.3	86.2	86.5	164.1

Source: Company, Emkay Research

Shareholding Pattern (%)	Jun-19	Sep-19	Nov-19	Dec-19	Mar-20
Promoters	64.8	64.8	62.6	62.6	62.6
FIs	12.2	11.9	12.9	13.2	11.9
DIs	6.9	8.6	10.3	9.9	11.2
Public and Others	16.1	14.8	14.3	14.4	14.3

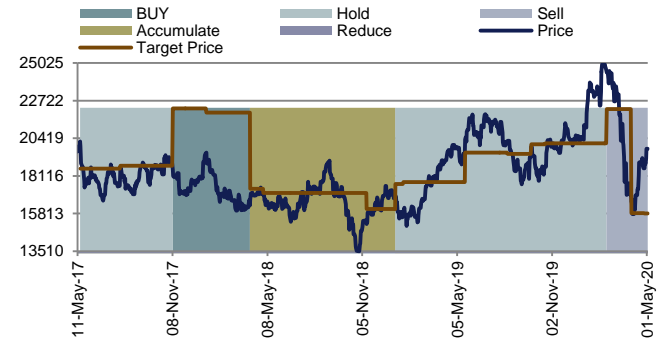
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
26-Apr-20	18,587	15,810	12m	Sell	Sanjeev Kumar Singh
01-Apr-20	16,550	15,833	12m	Sell	Sanjeev Kumar Singh
14-Feb-20	24,434	22,199	12m	Sell	Sanjeev Kumar Singh
20-Nov-19	20,290	20,101	12m	Hold	Sanjeev Kumar Singh
20-Oct-19	18,680	20,101	12m	Hold	Sanjeev Kumar Singh
23-Sep-19	19,918	20,043	12m	Hold	Sanjeev Kumar Singh
26-Aug-19	18,781	19,459	12m	Hold	Sanjeev Kumar Singh
09-Aug-19	20,270	19,459	12m	Hold	Sanjeev Kumar Singh
24-Jun-19	21,081	19,536	12m	Hold	Sanjeev Kumar Singh
13-Jun-19	20,760	19,536	12m	Hold	Sanjeev Kumar Singh
20-May-19	20,346	19,536	12m	Hold	Sanjeev Kumar Singh
28-Feb-19	16,593	17,742	12m	Hold	Sanjeev Kumar Singh
22-Jan-19	15,918	17,742	12m	Hold	Sanjeev Kumar Singh
07-Jan-19	16,922	17,615	12m	Hold	Sanjeev Kumar Singh
13-Nov-18	15,182	16,095	12m	Accumulate	Sanjeev Kumar Singh
30-Apr-18	16,944	17,079	12m	Accumulate	Sanjeev Kumar Singh
05-Apr-18	16,689	17,334	12m	Accumulate	Sanjeev Kumar Singh
11-Jan-18	19,536	22,001	12m	Buy	Sanjeev Kumar Singh
15-Dec-17	17,785	22,239	12m	Buy	Sanjeev Kumar Singh
08-Nov-17	18,490	22,239	12m	Buy	Sanjeev Kumar Singh
31-Jul-17	18,602	18,734	12m	Hold	Sanjeev Kumar Singh
16-May-17	19,945	18,560	12m	Hold	Sanjeev Kumar Singh

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – Cement & Building Materials



Analyst: Sanjeev Kumar Singh

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Sector

Cement & Building materials

Analyst bio

Sanjeev Kumar Singh holds an MBA and has over 10 years of experience in the Cement sector. His team currently covers 17 stocks in the Cement and Building Materials space.

EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
Cement & Building Materials	2.08	2.08	0%	0	100.00
ACC	0.20	0.21	5%	1	10.09
Ambuja Cements	0.25	0.27	5%	1	12.86
Grasim Industries	0.39	0.27	-31%	-12	13.01
Birla Corporation	0.00	0.00	NA	0	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	0.10	NA	10	5.02
Orient Cement	0.00	0.00	NA	0	0.00
Prism Johnson	0.00	0.00	NA	0	0.00
Ramco Cements	0.14	0.10	-27%	-4	4.86
Sanghi Industries	0.00	0.00	NA	0	0.00
Shree Cements	0.34	0.24	-30%	-10	11.41
Star Cement	0.00	0.00	NA	0	0.00
Ultratech Cement	0.75	0.89	18%	14	42.76
Century Plyboards	0.00	0.00	NA	0	0.00
HSIL*	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

* Not under coverage: Equal Weight

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

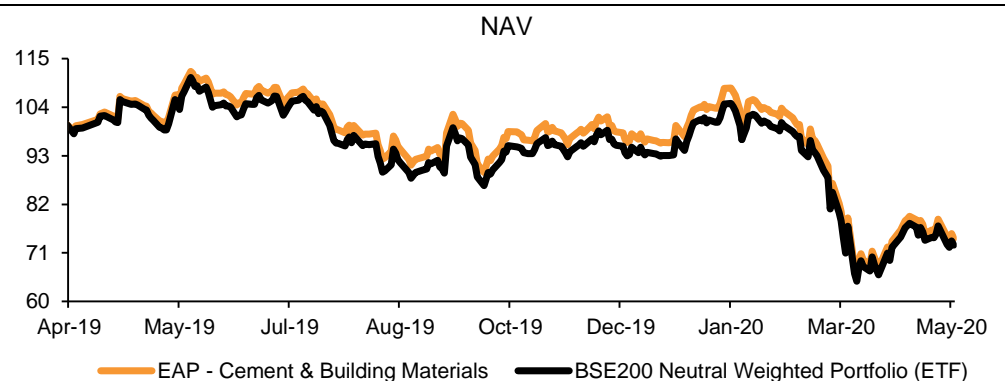
Sector portfolio NAV

	Base					Latest
	1-Apr-19	5-Aug-19	8-Nov-19	6-Feb-20	7-Apr-20	7-May-20
EAP - Cement & Building Materials	100.0	98.2	98.7	105.7	72.4	74.3
BSE200 Neutral Weighted Portfolio (ETF)	100.0	95.2	95.6	102.4	70.9	72.8

*Performance measurement base date 1st April 2019

Source: Emkay Research

NAV chart



Source: Emkay Research

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

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

“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: 10 May 2020 00:52:44 (SGT)

Dissemination Date: 10 May 2020 00:53:44 (SGT)

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