

Star Cement

Refer to important disclosures at the end of this report

Volume recovery better than expected;
capex plans on trackCMP: Rs 88
as of (6/26/2020)TP: Rs 106 (▲)
12 months

Rating: BUY (■)

Upside: 21.1 %

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- Star Cement's Q4 results were in line with our estimates. EBITDA came in at Rs1.25bn vs. estimated Rs1.29bn and EBITDA/ton stood at Rs1,426 vs. estimated Rs1,475. North-East (NE) markets contributed 74% of sales volumes vs. 75%/71% in Q4FY19/Q3FY20.
- Key positives: 1) Volume growth of 4.2% yoy led by higher volumes in the East and NE markets; 2) Realization growth of 5% qoq as cement prices improved in Q4. Key negatives: Higher employee and energy costs.
- Management believes that pent-up demand and lower inventory with dealers have led to demand recovery after easing of lockdowns. May'20 volumes were 90% of last year's volumes and Jun'20 volumes are almost same as the last year.
- We raise FY21-23E EBITDA by 12-21% on higher volumes/realization. We prefer Star Cement for its higher profitability, return ratios, and its presence in the lucrative NE market. We maintain Buy with a revised TP of Rs106 (8.5x mid-FY23 EV/EBITDA).

Lower realization and higher costs impact performance: Q4 performance was affected by lower realization and higher energy costs, though sales volume growth despite Covid-19 challenges was commendable. Volume growth of 4.2% yoy was led by 4.7% growth in cement sales. Volume growth in the NE market was 4.2% yoy, whereas sales in other markets improved 5.2% yoy. Realization was down 1.3% yoy but up 5% qoq. Sequential improvement in realization was led by a hike in cement prices in the East/NE markets and higher sales in NE markets. Employee cost was up 22.1% yoy. Other expense rose 8.5% yoy led by higher energy/freight costs. Management does not expect any further increase in energy costs due to mix change (currently imported coal is 40%, while 60% is being procured from Eastern coalfields). EBITDA was down 1.8% yoy, while OPM contracted 1.1pp yoy. EBITDA/ton was at Rs1,426 vs. Rs1,512/Rs1,246 in Q4FY19/Q3FY20.

Raise estimates; maintain Buy: Cement demand recovery in East/NE markets has been better than expectations and our channel checks indicate that Jun'20 volumes in East markets are better than last year. We raise volume estimates by 9-10% for FY21-23E and realization assumptions by 1% each for FY21-23E. EBITDA estimate is up by 21.1%/13.7%/11.5% for FY21/22/23E. The cement grinding unit of 2mt in Siliguri is expected to be commissioned by Q2FY21-end (Apr'20 earlier) and will help cater to North Bengal and East Bihar markets. It is further planning to boost its clinker capacity by 2.5mt at the existing location in Meghalaya by FY23E. Commissioning of the WHRS plant of 12-13 MW is being considered, which will help reduce energy costs. We prefer Star Cement for its presence in NE, strong margin profile, and superior return ratios. Valuations at 7.2x/6.4x FY22/23E EV/EBITDA appear attractive. We maintain the Buy rating, with a revised TP of Rs106, (8.5x mid-FY23E EV/EBITDA vs. Jun-22 earlier). Key risk could be lower cement demand and reduction in cement prices.

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

Financial Snapshot (Consolidated)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	18,310	18,439	16,761	20,352	22,768
EBITDA	4,492	3,951	3,289	4,166	4,529
EBITDA Margin (%)	24.5	21.4	19.6	20.5	19.9
APAT	2,988	2,855	2,285	2,955	3,160
EPS (Rs)	7.1	6.9	5.5	7.2	7.7
EPS (% chg)	(9.6)	(2.9)	(20.0)	29.3	6.9
ROE (%)	18.7	15.5	11.1	12.9	12.5
P/E (x)	12.3	12.7	15.9	12.3	11.5
EV/EBITDA (x)	7.9	8.3	9.7	7.2	6.4
P/BV (x)	2.1	1.8	1.7	1.5	1.4

Source: Company, Emkay Research



Change in Estimates

EPS Chg FY21E/FY22E (%)	42.4/31.3
Target Price change (%)	23.4
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

	EPS Estimates	
	FY21E	FY22E
Emkay	5.5	7.2
Consensus	6.5	8.1
Mean Consensus TP (12M)	Rs 97	

Stock Details

Bloomberg Code	STRCEM IN
Face Value (Rs)	1
Shares outstanding (mn)	412
52 Week H/L	125 / 56
M Cap (Rs bn/USD bn)	36 / 0.48
Daily Avg Volume (nos.)	3,36,751
Daily Avg Turnover (US\$ mn)	0.3

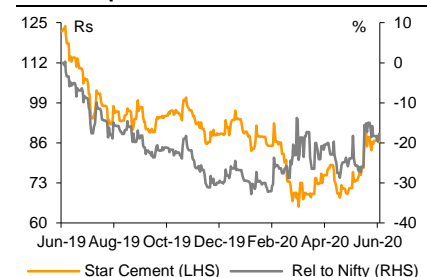
Shareholding Pattern Mar '20

Promoters	66.8%
FII's	0.2%
DII's	8.3%
Public and Others	24.7%

Price Performance

(%)	1M	3M	6M	12M
Absolute	15	27	(1)	(27)
Rel. to Nifty	-	5	15	(17)

Relative price chart



Source: Bloomberg

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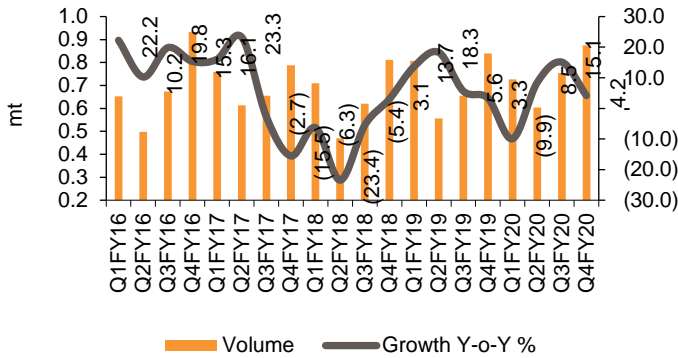
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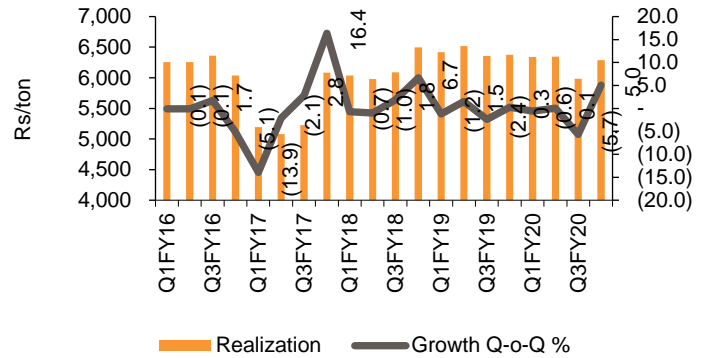
Story in Charts

Exhibit 1: Sales volumes increased 4.2% yoy



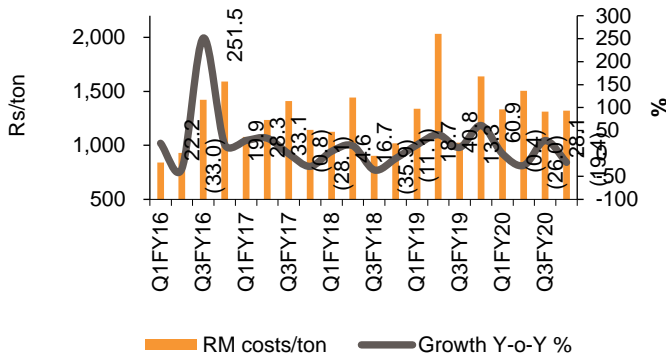
Source: Emkay Research, Company

Exhibit 2: Realization declined 1.3%yoy/ up 5% qoq



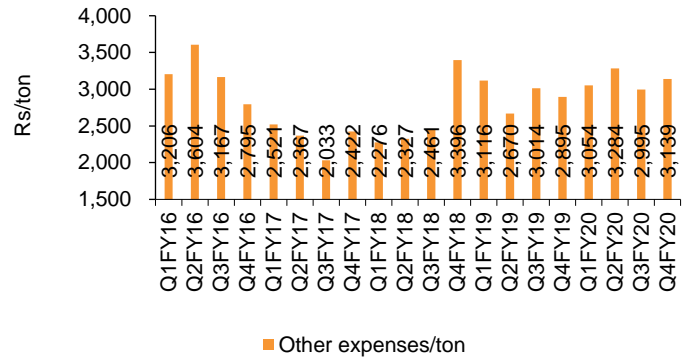
Source: Emkay Research, Company

Exhibit 3: Raw material cost (including traded goods & inv. adj.) down 19.4% yoy



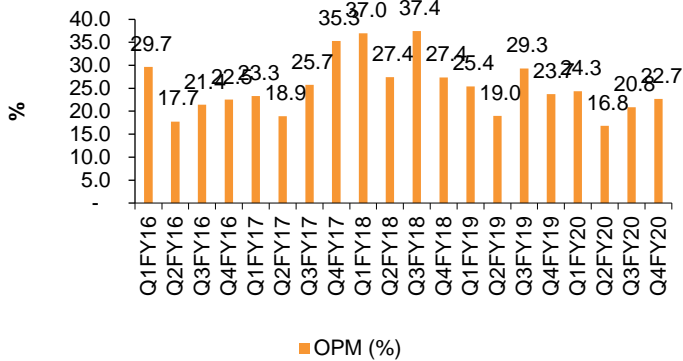
Source: Emkay Research, Company

Exhibit 4: Other expenses (including freight and energy cost) was up 8.5% yoy/ 4.8% qoq



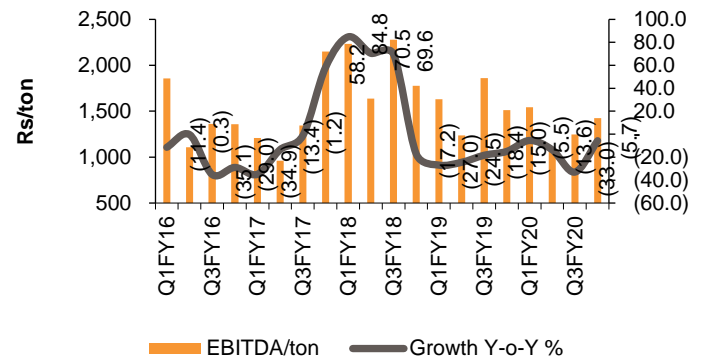
Source: Emkay Research, Company

Exhibit 5: OPM contracted 105bps yoy, but up 185bps qoq



Source: Emkay Research, Company

Exhibit 6: EBITDA/ton declined 5.7%yoy but up 14.4% qoq



Source: Emkay Research, Company

Exhibit 7: Actual vs Estimates (Q4FY20)

(in Rs mn)	Actual	Estimates		% variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Sales	5,494	5,311	5,155	3.4	6.6	Led by higher realization
EBITDA	1,246	1,288	1,099	-3.3	13.4	In-line with estimates
EBITDA margin (%)	22.7	24.3	21.3	-157bps	136bps	
Adj. PAT	858	821	813	4.5	5.6	In-line with estimates

Source: Company, Emkay Research, Bloomberg

Exhibit 8: Quarterly Results

Rs mn	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	YoY (%)	QoQ (%)	FY19	FY20	YoY (%)
Revenue	5,344	4,609	3,825	4,512	5,494	2.8	21.8	18,310	18,439	0.7
Expenditure	4,076	3,487	3,181	3,572	4,248	4.2	18.9	13,819	14,488	4.8
as % of sales	76%	76%	83%	79%	77%					
Consumption of RM	1,374	968	907	989	1,154	(16.0)	16.6	4,255	4,019	(5.5)
as % of sales	26%	21%	24%	22%	21%					
Employee Expenses	275	298	293	324	350	27.2	8.0	1,164	1,266	8.7
as % of sales	5%	6%	8%	7%	6%					
Other Expenses	2,427	2,220	1,980	2,259	2,744	13.1	21.5	8,400	9,203	9.6
as % of sales	45%	48%	52%	50%	50%					
EBITDA	1,269	1,121	644	940	1,246	(1.8)	32.6	4,492	3,951	(12.0)
Depreciation	238	222	225	232	250	5.0	7.6	1,056	930	(12.0)
EBIT	1,030	899	418	708	996	(3.3)	40.8	3,435	3,021	(12.0)
Other Income	34	74	77	65	72	108.9	10.1	55	287	424.6
Interest	31	28	8	38	20	(36.1)	(48.8)	144	93	(35.1)
PBT	1,034	945	487	734	1,048	1.4	42.8	3,346	3,215	(3.9)
Total Tax	118	106	34	22	180	52.1	715.8	296	342	15.4
Adjusted PAT	916	839	453	712	868	(5.2)	21.9	3,050	2,873	(5.8)
Extra ordinary items	-	-	-	-	-			-	-	
Reported PAT	916	839	453	712	868	(5.2)	21.9	3,050	2,873	(5.8)
(Profit)/loss from JV's/Ass/MI	18	0	7	0	10	(44.0)	10,915.2	62	18	(71.7)
PAT after MI	898	839	446	712	858	(4.4)	20.5	2,988	2,855	(4.4)
Adjusted EPS	2.1	2.0	1.1	1.7	2.0	(4.4)	20.5	7.1	6.8	(4.4)

Margins (%)						bps	bps			bps
EBIDTA	23.7	24.3	16.8	20.8	22.7	(105)	185	24.5	21.4	(310)
EBIT	19.3	19.5	10.9	15.7	18.1	(115)	245	18.8	16.4	(237)
EBT	19.3	20.5	12.7	16.3	19.1	(27)	280	18.3	17.4	(84)
PAT	17.1	18.2	11.9	15.8	15.8	(133)	2	16.7	15.6	(107)
Effective Tax rate	11.4	11.2	7.0	3.0	17.2	572	1,415	8.9	10.6	178

Source: Company, Emkay Research

Exhibit 9: Operating performance on per-ton basis

Rs	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	YoY (%)	QoQ (%)	FY19	FY20	YoY (%)
Cement Volumes (mt)	0.84	0.73	0.60	0.75	0.87	4.2	15.9	2.9	3.0	3.5
Raw Material Consumed	1,638	1,332	1,505	1,312	1,320	(19.4)	0.6	1,489	1,359	(8.8)
Employee Expenses	328	411	487	430	400	22.1	(6.8)	407	428	5.0
Other Expenses	2,892	3,054	3,284	2,995	3,139	8.5	4.8	2,940	3,111	5.8
Total Cost	4,858	4,797	5,275	4,737	4,860	0.0	2.6	4,837	4,898	1.3
Realization	6,370	6,339	6,343	5,984	6,286	(1.3)	5.0	6,409	6,233	(2.7)
EBIDTA	1,512	1,542	1,067	1,246	1,426	(5.7)	14.4	1,572	1,336	(15.0)

Source: Company, Emkay Research

Change in Estimates

Cement demand recovery in East/NE markets has been better than expectations and our channel checks indicate that Jun'20 volumes in east markets are better than the last year. The management indicated sales volumes in May'20 was 90% of last year's volumes and Jun'20 volumes are expected to be same as last year. We increase volume estimates by 9-10% for FY21-23E and realization assumptions by 1% each for FY21-23E. EBITDA estimate increased by 21.1%/13.7%/11.5% for FY21/22/23E. Profit estimate is raised by 42.4%/31.3%/26.6% for FY21/22/23E.

Exhibit 10: Changes in estimates

Rs mn	FY21E			FY22E			FY23E		
	Earlier	Revised	Chg (%)	Earlier	Revised	Chg (%)	Earlier	Revised	Chg (%)
Sales vol (mt)	2.4	2.6	9.6%	2.8	3.1	8.8%	3.1	3.4	8.8%
Realization (Rs/ton)	6,297	6,362	1.0%	6,517	6,585	1.0%	6,648	6,717	1.0%
Sales	15,137	16,761	10.7%	18,520	20,352	9.9%	20,713	22,768	9.9%
EBIDTA	2,715	3,289	21.1%	3,664	4,166	13.7%	4,063	4,529	11.5%
EBIDTA (%)	17.9	19.6	169	19.8	20.5	68	19.6	19.9	28
Net Profit	1,631	2,285	42.4%	2,288	2,955	31.3%	2,536	3,160	26.6%
EPS (Rs)	3.9	5.5	42.4%	5.5	7.2	31.3%	6.0	7.7	26.6%

Source: Company, Emkay Research

Exhibit 11: Key Assumptions

Particulars (Rs/ton)	FY18	FY19	FY20	FY21E	FY22E	FY23E
Sales volume (mt)	2.6	2.9	3.0	2.6	3.1	3.4
Realization	6,210	6,409	6,238	6,362	6,585	6,717
Raw material	1,163	1,529	1,445	1,481	1,525	1,571
Employee cost	413	407	428	519	469	453
Other Expense	2,628	2,901	3,113	3,114	3,243	3,357
Opex	4,205	4,837	4,986	5,114	5,237	5,381
EBITDA	2,005	1,572	1,337	1,249	1,348	1,336

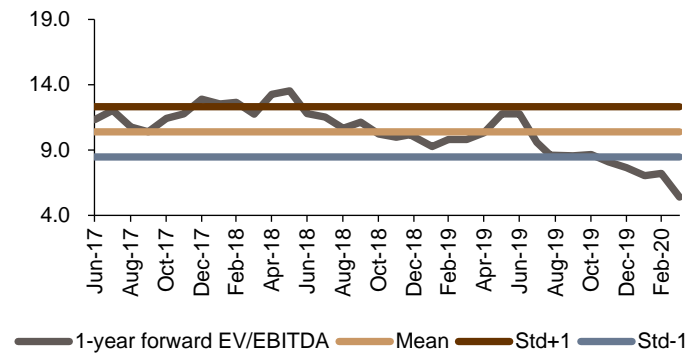
Source: Company, Emkay Research

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
Star Cement	36	9.7	7.2	6.4	82	77	74	5.5	7.2	7.7	15.9	12.3	11.5
ACC*	242.2	13.5	9.9	8.6	78	77	77	35.3	53.6	63.8	36.5	24.1	20.2
Ambuja Cements*	373.3	18.4	12.6	10.6	118	109	105	4.1	5.9	6.9	46.1	31.9	27.2
India Cements	38.8	13.8	10.2	8.8	62	60	57	-0.2	3.5	5.6	-775.4	35.5	22.5
Ramco Cements	151.5	20.1	16.1	13.6	126	119	117	12.5	17.3	23.1	51.5	37.1	27.9
Shree Cements	784.7	33.0	24.6	20.3	233	219	214	118.7	278.9	394.9	189.7	80.8	57.0
UltraTech Cement	1060.3	19.3	14.2	12.1	144	139	134	57.2	111.0	142.1	67.5	34.8	27.2
JK Lakshmi Cement	30.2	9.2	6.5	5.1	44	42	38	6.4	15.6	22.6	40.3	16.5	11.3
JK Cement	106.0	14.0	11.9	10.5	126	121	122	28.3	41.0	52.7	48.5	33.5	26.0
Orient Cement	15.6	10.5	8.2	6.5	45	43	41	0.3	2.3	4.4	224.9	32.9	17.3
Prism Cement	24.0	13.1	8.7	7.8	80	79	79	-1.0	1.1	1.8	-45.9	43.8	26.6
Birla Corp	45.8	10.0	7.5	6.3	76	71	56	11.1	36.8	44.8	53.7	16.2	13.3

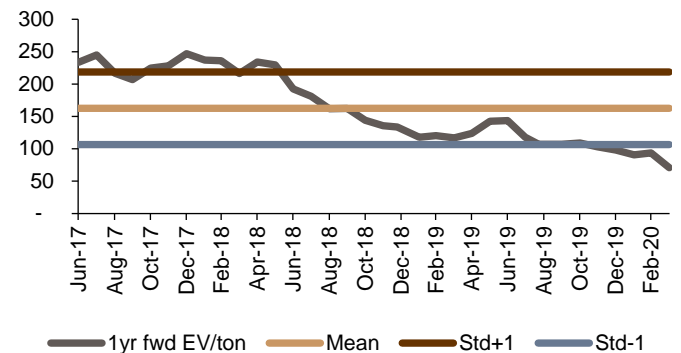
Source: Company, Emkay Research, * December-ending companies

Exhibit 13: 1-yr forward EV/EBITDA chart



Source: Company, Emkay Research

Exhibit 14: 1-yr forward EV/Ton chart



Source: Company, Emkay Research

Con-call highlights

- **Demand trend and guidance:** Demand in NE markets grew by 6.5-7% yoy in FY20. The company also recorded a volume growth of 6% yoy in NE markets in FY20. In April, sales volume was only 22,000 tons due to the lockdown. However, sales volumes in May'20 was 90% of May'19 volumes and volumes in Jun '20 is expected to be in line or better than Jun'19. Volume recovery has been led by pent-up demand as the sudden lockdown had left dealers' inventory dry. As per management, demand in the rural areas has been largely intact, while urban demand has been impacted due to the lockdown. Rural demand contributes 60-65% of total volumes in the East region. The company expects demand growth of 8-10% yoy in FY21. Post commissioning for Siliguri GU, the company's market mix is expected to change to 60:40 in NE/East markets from 75:25 at present. There may be an impact on margins due to increased exposure to the East region due to price volatility in the region (prices in East markets are more volatile than NE markets) and also, profits in East markets will be lower than NE markets. Outstanding subsidies of Rs500mn are still pending, which is expected to be received in Q2FY21.
- **Cement pricing trend:** In May'20, cement prices in NE markets were flat, while in the East, there had been an increase of Rs30-35/bag. However, the increase in prices in the East region has largely been rolled back in Jun'20 and net increase now is only Rs5-10/bag.
- **Volume details:** Clinker production was 0.61mt in Q4FY20 vs. 0.54mt in Q4FY19. Cement production from own plants stood at 0.78mt vs. 0.74mt in Q4FY19. Cement/Clinker sales volumes stood at 0.84mt/0.031mt vs. 0.81mt/0.034mt in FY19. Cement volumes in the NE/other markets were at 0.64mt/0.202mt vs. 0.62mt/0.192mt in FY19. FY20 cement/clinker sales were at 2.88mt/.076mt vs. 2.71mt/0.152mt in FY19. FY20 cement volumes in NE/other markets were at 2.16mt/0.716mt vs. 2.04mt/0.661mt in FY19. Due to Covid-19, the company lost 10 days of production translating into an approximate EBITDA loss of Rs180-200mn.
- **Capacity addition and capex:** There will be a delay in commissioning of 2mt Siliguri GU to Aug-Sep'20 (earlier April'20) due to the labor shortage caused by the lockdown. This unit will be eligible for VAT subsidies (75% exemption) under the West Bengal Industrial Policy. It will cater to North Bengal and East Bihar markets. The 2mt clinker unit in Meghalaya is expected to receive the environmental clearance in Q2FY21. Management expects to start work towards commissioning of the clinker unit from Sep '20. Work on 12-13MW of waste heat recovery system (WHRS) is also expected to start from Sep'20. Both clinker unit and WHRS are expected to be commissioned by FY22-end or early FY23. In FY21, the company expects to spend Rs700-800mn on Siliguri GU, Rs1bn on clinker unit and Rs750mn on WHRS.
- **Costs trend:** Imported coal/E-auction constitutes 40%/60% of fuel requirements.
- **Production-mix:** PPC/OPC/PSC sales volumes mix was kept at 83%/15%/2% in FY20.
- **Tax rate:** The effective tax rate is expected to be at 12% in FY21. The company enjoys tax holiday till FY23.

Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	18,310	18,439	16,761	20,352	22,768
Expenditure	13,819	14,488	13,472	16,186	18,239
EBITDA	4,492	3,951	3,289	4,166	4,529
Depreciation	1,056	930	1,060	1,059	1,199
EBIT	3,435	3,021	2,230	3,107	3,330
Other Income	55	287	345	203	203
Interest expenses	144	93	13	4	0
PBT	3,346	3,215	2,562	3,305	3,533
Tax	296	342	256	331	353
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	(62)	(18)	(20)	(20)	(20)
Reported Net Income	2,988	2,855	2,285	2,955	3,160
Adjusted PAT	2,988	2,855	2,285	2,955	3,160

Balance Sheet

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	419	412	412	412	412
Reserves & surplus	16,817	19,185	21,228	23,697	26,128
Net worth	17,237	19,597	21,640	24,109	26,541
Minority Interest	683	701	721	741	761
Loan Funds	738	336	83	66	53
Net deferred tax liability	(2,710)	(2,893)	(2,893)	(2,893)	(2,893)
Total Liabilities	15,947	17,740	19,550	22,023	24,461
Net block	7,223	6,961	8,401	9,342	10,143
Investment	17	16	16	16	16
Current Assets	12,275	12,361	12,945	15,135	16,624
Cash & bank balance	2,113	3,845	4,292	6,261	7,495
Other Current Assets	0	0	0	0	0
Current liabilities & Provision	4,311	3,974	4,188	4,271	4,322
Net current assets	7,964	8,388	8,758	10,864	12,301
Misc. exp	0	0	0	0	0
Total Assets	15,947	17,740	19,550	22,023	24,461

Cash Flow

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
PBT (Ex-Other income) (NI+Dep)	3,346	3,215	2,562	3,305	3,533
Other Non-Cash items	141	90	13	4	0
Chg in working cap	2,245	1,309	77	(138)	(202)
Operating Cashflow	6,150	4,731	3,110	3,697	3,973
Capital expenditure	(805)	(2,300)	(2,500)	(1,425)	(2,200)
Free Cash Flow	5,345	2,431	610	2,272	1,773
Investments	(1,153)	1	0	0	0
Other Investing Cash Flow	0	0	0	0	0
Investing Cashflow	(1,911)	(2,011)	(2,155)	(1,222)	(1,997)
Equity Capital Raised	0	(7)	0	0	0
Loans Taken / (Repaid)	(2,816)	(402)	(253)	(17)	(13)
Dividend paid (incl tax)	(516)	(485)	(243)	(485)	(728)
Other Financing Cash Flow	0	0	0	0	0
Financing Cashflow	(3,476)	(988)	(508)	(507)	(741)
Net chg in cash	763	1,732	447	1,969	1,235
Opening cash position	198	2,113	3,845	4,292	6,261
Closing cash position	2,113	3,845	4,292	6,261	7,495

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY19	FY20	FY21E	FY22E	FY23E
EBITDA Margin	24.5	21.4	19.6	20.5	19.9
EBIT Margin	18.8	16.4	13.3	15.3	14.6
Effective Tax Rate	8.9	10.6	10.0	10.0	10.0
Net Margin	16.7	15.6	13.8	14.6	14.0
ROCE	20.9	19.6	13.8	15.9	15.2
ROE	18.7	15.5	11.1	12.9	12.5
RoIC	23.0	24.6	18.3	23.2	23.0

Per Share Data (Rs)	FY19	FY20	FY21E	FY22E	FY23E
EPS	7.1	6.9	5.5	7.2	7.7
CEPS	9.6	9.2	8.1	9.7	10.6
BVPS	41.1	47.5	52.5	58.5	64.4
DPS	1.0	1.0	0.5	1.0	1.5

Valuations (x)	FY19	FY20	FY21E	FY22E	FY23E
PER	12.3	12.7	15.9	12.3	11.5
P/CEPS	9.1	9.6	10.8	9.0	8.3
P/BV	2.1	1.8	1.7	1.5	1.4
EV / Sales	1.9	1.8	1.9	1.5	1.3
EV / EBITDA	7.9	8.3	9.7	7.2	6.4
Dividend Yield (%)	1.1	1.1	0.6	1.1	1.7

Gearing Ratio (x)	FY19	FY20	FY21E	FY22E	FY23E
Net Debt/ Equity	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)
Net Debt/EBIDTA	(0.3)	(0.9)	(1.3)	(1.5)	(1.6)
Working Cap Cycle (days)	116.6	89.9	97.2	82.6	77.0

Growth (%)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	13.4	0.7	(9.1)	21.4	11.9
EBITDA	(13.8)	(12.0)	(16.7)	26.6	8.7
EBIT	(14.3)	(12.0)	(26.2)	39.4	7.2
PAT	(9.6)	(4.4)	(20.0)	29.3	6.9

Quarterly (Rs mn)	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20
Revenue	5,344	4,609	3,825	4,512	5,494
EBITDA	1,269	1,121	644	940	1,246
EBITDA Margin (%)	23.7	24.3	16.8	20.8	22.7
PAT	898	839	446	712	858
EPS (Rs)	2.1	2.0	1.1	1.7	2.0

Source: Company, Emkay Research

Shareholding Pattern (%)	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Promoters	68.0	67.9	67.9	67.1	66.8
FIIIs	1.2	1.1	0.8	0.3	0.2
DIIIs	8.7	9.2	9.3	9.0	8.3
Public and Others	22.1	21.8	22.1	23.7	24.7

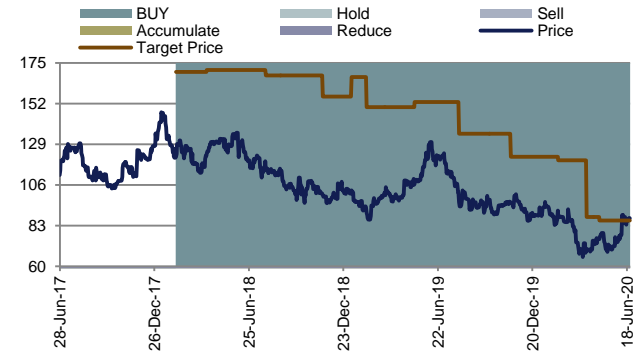
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
18-May-20	70	86	12m	Buy	Sanjeev Kumar Singh
26-Apr-20	76	86	12m	Buy	Sanjeev Kumar Singh
01-Apr-20	70	88	12m	Buy	Sanjeev Kumar Singh
07-Feb-20	88	120	12m	Buy	Sanjeev Kumar Singh
20-Nov-19	98	122	12m	Buy	Sanjeev Kumar Singh
08-Nov-19	96	122	12m	Buy	Sanjeev Kumar Singh
23-Sep-19	98	135	12m	Buy	Sanjeev Kumar Singh
26-Aug-19	93	135	12m	Buy	Sanjeev Kumar Singh
01-Aug-19	96	135	12m	Buy	Sanjeev Kumar Singh
24-Jun-19	122	153	12m	Buy	Sanjeev Kumar Singh
08-May-19	107	153	12m	Buy	Sanjeev Kumar Singh
05-Feb-19	90	150	12m	Buy	Sanjeev Kumar Singh
07-Jan-19	103	167	12m	Buy	Sanjeev Kumar Singh
13-Nov-18	100	156	12m	Buy	Sanjeev Kumar Singh
27-Jul-18	114	168	12m	Buy	Sanjeev Kumar Singh
18-May-18	128	171	12m	Buy	Sanjeev Kumar Singh
05-Apr-18	124	171	12m	Buy	Sanjeev Kumar Singh
05-Feb-18	122	170	12m	Buy	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	2.14	2.14	0%	0	100.00
ACC	0.19	0.20	4%	1	9.22
Ambuja Cements	0.25	0.26	4%	1	11.97
Grasim Industries	0.43	0.23	-48%	-20	10.55
Birla Corporation	0.00	0.09	NA	9	4.11
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	0.12	NA	12	5.54
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	-28%	-4	4.90
Sanghi Industries*	0.00	0.00	NA	0	0.00
Shree Cements	0.36	0.25	-31%	-11	11.52
Star Cement	0.00	0.00	NA	0	0.00
Ultratech Cement	0.77	0.90	17%	13	42.20
Century Plyboards	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

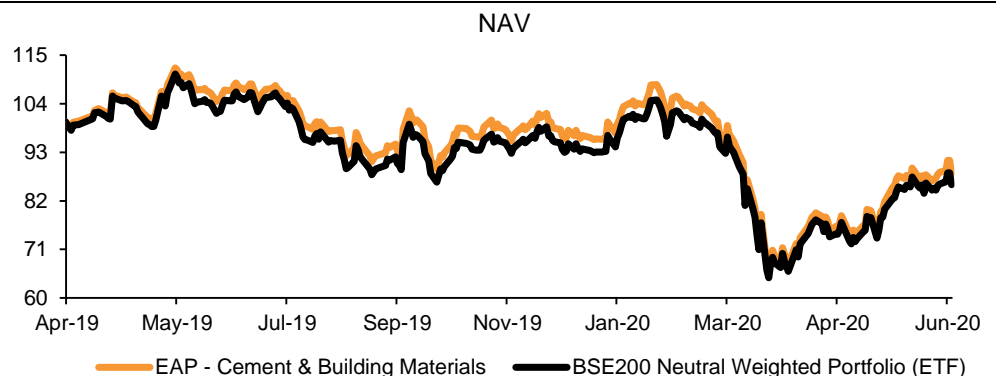
Sector portfolio NAV

	Base					Latest
	1-Apr-19	24-Sep-19	27-Dec-19	26-Mar-20	27-May-20	25-Jun-20
EAP - Cement & Building Materials	100.0	101.2	96.1	70.8	85.4	88.2
BSE200 Neutral Weighted Portfolio (ETF)	100.0	98.1	93.1	69.2	82.7	85.6

*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: 26 Jun 2020 23:25:14 (SGT)

Dissemination Date: 26 Jun 2020 23:26:14 (SGT)

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