

Top picks

- Shree Cement
- UltraTech Cement

INDIA

Cement

Yet another strong quarter; upgrades to continue

After posting 40% YoY EBITDA growth during Q2FY21, companies under our coverage are likely to post strong 31% YoY EBITDA growth during Q3FY21 led by 8% YoY volume growth with average EBITDA/te rising 21% YoY (Rs191/te) to Rs1,096/te. Realisations are likely to decline 2.7% QoQ (Rs129/te) though it would still be up 3% YoY (Rs141/te). Similarly, total cost/te may rise 1.8% QoQ (Rs70/te), but would still be down 1.5% YoY (Rs50/te). Key trigger to watch out for: seasonal price hikes that usually start in mid-January as peak construction period sets in and also necessitated by cost escalations this time. We remain optimistic about the imminent price hikes and see an upside risk to consensus estimates. SRCM and UTCEM remain our top picks. We also like ACEM, JKCE and TRCL.

- **Industry volumes expected to grow 6% YoY during Q3FY21E** to 91mnte (our estimate) with pan-India utilisation at ~75%. Overall, North, Central and East are likely to see >10% YoY growth during Q3FY21 while we expect South to post 7-8% YoY decline and West to be broadly flat YoY. JKCE and SRCM are likely to see strong volume growth of 23% YoY and 15% YoY respectively. UTCEM / DALBHARA / ACEM may report 7-11% YoY growth while TRCL / ICEM / ORCMNT volumes may shrink by 6-10% YoY. ACC / PRSMJ / HEIM may see low single-digit YoY volume growth.
- **Average pan-India prices up 5-6% YoY during Q3FY21** led by 18% YoY rise in South and 4-8% YoY increase in West, North and Central regions while prices in East were down 4% YoY. On a QoQ basis, average pan-India prices are likely down ~3% QoQ led by ~4% QoQ correction in South, West and East, while prices in North and Central regions were almost flat QoQ.
- **Average EBITDA/te may rise 21% YoY (Rs191/te) / decline 16% QoQ (Rs201/te) to Rs1,096/te** for our coverage universe. Overall cost/te is likely to be up 1-2% QoQ owing to higher petcoke / coal prices though it would still be down ~1.5% YoY owing to various cost efficiencies and fixed-cost rationalisation. TRCL / ORCMNT may see strong 90% YoY EBITDA growth; while JKCE, PRSMJ, DALBHARA and ICEM may see 40-50% YoY EBITDA growth. We expect EBITDA growth for UTCEM, ACEM and ACC at 25-30% YoY and that for SRCM at 18% YoY. SRCM and TRCL are likely to lead with EBITDA/te of ~Rs1,400/te while JKCE may report blended EBITDA/te of Rs1,250/te. UTCEM, ACEM and DALBHARA may report EBITDA/te of Rs1,000-1,150/te. With improving VSF prices, standalone Grasim is likely to see strong >40% YoY EBITDA growth. **UTCEM and JKCE would be our Q3FY21 results picks.**

Quarterly summary

Company (Rs mn)	Sales			EBITDA			PAT		
	OND '20*	% chg		OND'20*	% chg		OND'20*	% chg	
		(YoY)	(QoQ)		(YoY)	(QoQ)		(YoY)	(QoQ)
UTCEM- consol.	1,15,235	13.2	12.6	26,762	27.1	(0.7)	12,949	53.3	4.9
ACC	39,945	0.6	15.2	6,804	25.8	1.3	3,722	36.2	2.3
ACEM^	33,785	11.2	20.6	7,086	29.4	4.2	4,480	27.4	1.7
SRCM^	32,688	14.8	8.2	10,036	18.2	1.6	5,671	83.0	3.6
DALBHARA	27,043	11.8	12.2	6,372	39.4	(9.2)	1,645	585.4	(29.1)
ICEM	11,646	(2.2)	8.9	1,985	50.4	(17.4)	436	NA	(39.0)
TRCL	13,850	8.7	11.2	3,870	90.8	(12.4)	2,073	118.7	(12.1)
JKCE^	17,126	23.4	12.3	3,937	41.7	(4.1)	2,037	48.1	(8.8)
JKLC^	11,547	14.9	10.5	1,778	17.0	(4.8)	768	56.2	(4.7)
ORCMNT	5,875	4.1	23.0	1,045	90.1	(7.7)	315	NA	(9.6)
PRSMJ^	13,837	0.4	14.8	1,710	53.1	11.6	640	743.5	2.0
HEIM	5,715	4.6	11.5	1,342	11.9	6.6	695	7.6	11.4
Grasim^	41,781	(7.1)	21.5	5,922	43.2	48.8	3,131	66.2	(13.1)
Total (ex Grasim)	3,28,292	10.2	13.1	72,726	31.0	(1.8)	35,432	65.1	(1.3)

*OND: Oct-Nov-Dec'20; ^standalone; Source: I-Sec research

Please refer to important disclosures at the end of this report

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Company-wise key highlights of Q3FY21

- **UTCEM's India operations EBITDA likely to increase 28% YoY at Rs26.2bn.** Grey cement volumes for India operations may increase 12% YoY at 22mnte. India operations EBITDA/te is likely to be up 15% YoY to Rs1,168/te. We also expect consolidated EBITDA to increase 27% YoY to Rs26.8bn with blended EBITDA/te rise of 14% YoY to Rs1,148/te.
- **SRCM's standalone EBITDA is expected to increase 18% YoY to Rs10bn** due to 16% YoY increase in volumes. Blended realisation is likely to decline 2.1% QoQ / 0.7% YoY owing to weak pricing in East.
- **ACEM's standalone EBITDA is estimated to be up 29% YoY to Rs7.1bn.** We expect ~4% YoY increase in cement realisation and 7% YoY increase in volumes with 2% YoY decline in cost/te. We expect ACEM to report consolidated revenue / EBITDA / PAT of Rs74bn / Rs14bn / Rs6bn respectively.
- **ACC's EBITDA is likely to increase 26% YoY to Rs6.8bn** owing to 2% YoY decline in cost/te and 5% YoY rise in realisation. We expect its volumes to decline ~2% YoY.
- **DALBHARA's EBITDA is likely to rise 39% YoY to Rs6.4bn** on account of 11% YoY increase in cement volumes and 5% YoY decline in blended cost/te.
- **TRCL's EBITDA is expected to expand 91% YoY to Rs3.9bn** mainly led by 15% YoY increase in cement realisation. Volumes are estimated to decline 6% YoY.
- **ICEM's EBITDA is estimated to increase 50% YoY at Rs2bn** mainly due to 7.5% YoY increase in cement realisation partly offset by 9% YoY decline in volumes.
- **JKCE's EBITDA is likely to increase 42% YoY to Rs4bn** on account of 23% YoY increase in volumes and 4% decline in blended cost/te.
- **JKLC's EBITDA is expected to increase 17% YoY at Rs1.8bn** owing to 15% YoY increase in volumes. Realisation and cost/te likely to be flat YoY.
- **ORCMNT's EBITDA is likely to increase 90% YoY at Rs1bn** owing to ~15% YoY increase in realisation partly offset by 10% YoY decline in volumes. Its cost/te is likely to increase 5% YoY.
- **PRSMJ's EBITDA is estimated to increase 53% YoY at Rs1.7bn.** We expect cement realisation to increase marginally YoY, cement volumes to increase 4% YoY and cement EBITDA/te to be 25% YoY higher at Rs939/te. Consolidated TBK division may see 10% YoY revenue growth with 11% EBITDA margin.
- **HEIM's EBITDA is likely to increase 12% YoY at Rs1.3bn** owing to ~2% YoY increase in volumes and 3% YoY increase in realisation. Cost/te is expected to increase 1% YoY.
- **Grasim's is estimated to report standalone EBITDA increase of 43% YoY to Rs5.9bn** owing to improving margins in its core VSF and chemical businesses.

Table 1: Valuation summary

Company	Reco	Target Price	P/E (x)			EV/EBITDA (x)			EV/te (US\$)		
			FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
UTCEM	BUY	5,725	31.1	24.7	21.4	15.8	13.1	11.5	193	177	155
ACC*	BUY	1,830	25.7	20.2	18.1	11.1	9.3	8.4	107	105	101
ACEM*	BUY	300	23.3	19.8	17.6	12.1	10.1	8.8	129	122	118
SRCM	BUY	28,000	41.0	31.7	26.3	21.3	16.7	14.0	247	232	209
DALBHARA	ADD	1,020	100.2	25.4	25.4	9.0	8.4	7.4	117	96	92
TRCL	BUY	960	25.5	23.1	18.3	15.1	12.6	10.4	169	151	145
JKCE	BUY	2,370	27.8	21.4	17.7	13.8	11.2	9.5	140	119	108
ICEM	SELL	100	83.2	25.4	23.1	14.1	11.0	10.1	78	76	75
JKLC	BUY	475	12.4	10.6	9.4	6.1	5.8	5.6	58	61	63
ORCMNT	BUY	93	14.4	11.3	11.0	6.5	5.5	6.1	47	44	50
PRSMJ	ADD	85	40.9	17.5	14.5	9.6	6.8	5.8	107	90	79
HEIM	BUY	230	19.2	15.1	13.0	9.2	7.3	6.5	103	96	93
GRASIM	ADD	875	46.3	15.6	11.3	17.1	8.7	6.9	-	-	-

*December ending CY19, CY20E, CY21E; Source: I-Sec research;

Table 2: Stock price performance

Company	Absolute performance (%)			Relative to Nifty (%)		
	1M	3M	YoY	1M	3M	YoY
UTCEM	6.8	28.1	27.2	0.9	7.5	9.6
ACC	2.6	15.0	17.1	(3.2)	(5.6)	(0.6)
ACEM	3.9	12.0	32.2	(2.0)	(8.6)	14.5
SRCM	0.2	20.7	14.0	(5.7)	0.1	(3.7)
DALBHARA	4.1	47.7	47.0	(1.8)	27.1	29.3
ICEM	11.0	44.6	123.0	5.1	24.0	105.3
TRCL	(6.4)	8.9	5.5	(12.2)	(11.7)	(12.2)
JKCE	7.8	45.0	79.1	1.9	24.4	61.4
JKLC	(4.4)	30.4	12.3	(10.2)	9.8	(5.3)
ORCMNT	10.6	46.9	16.1	4.7	26.3	(1.6)
PRSMJ	2.2	41.7	41.5	(3.6)	21.1	23.8
HEIM	6.0	20.5	22.1	0.1	(0.1)	4.4
GRASIM	6.0	30.8	33.9	0.1	10.2	16.2

Source: Bloomberg

Table 3: Geographic breakup of market mix

	UTCEM	ACC	ACEM	SRCM	TRCL	JKLC	JKCE	ICEM	DALBHARA	ORCMNT	PRSMJ	HEIM
North	23	22	31	46		34	57	13				
Central	15	21	8	25		6	14				75	90
East	18	25	23	29	25	22		5	60		25	
West	26	13	36			38	14	12	10	50		
South	18	19	2		75		15	70	30	50		10

Source: Company data, I-Sec research

Table 4: Coverage universe to see ~8% YoY volume growth in Q3FY21E

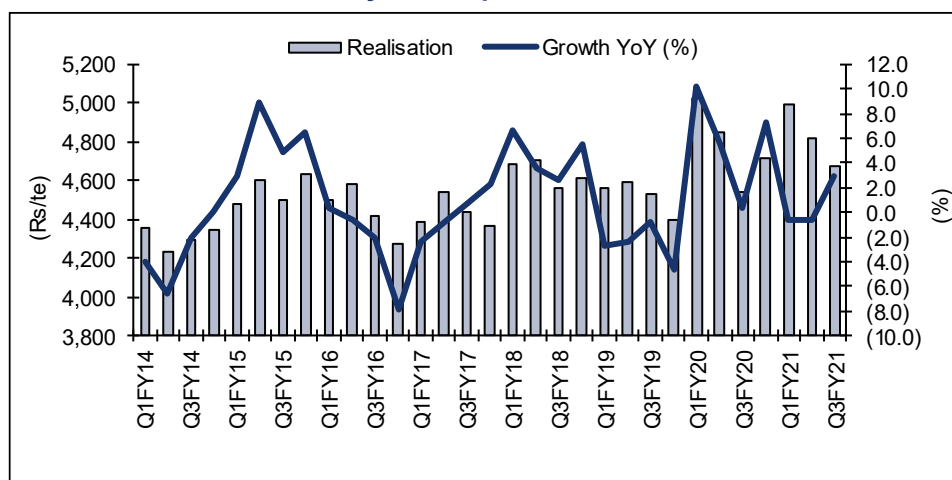
Volumes (mnste)*	Q3FY21E	Q3FY20	% YoY	Q2FY21	% QoQ
UTCEM – India	22.4	20.0	11.9	19.2	16.5
UTCEM – consolidated	23.3	20.9	11.5	20.1	16.2
ACC	7.9	8.0	(1.6)	6.8	16.4
ACEM	7.0	6.5	7.4	5.7	23.9
SRCM	7.2	6.2	15.5	6.5	10.4
DALBHARA	5.7	5.1	11.0	4.8	17.9
ICEM – standalone	2.4	2.7	(9.0)	2.1	15.1
TRCL	2.7	2.8	(5.5)	2.2	21.4
JKCE – Total	3.2	2.6	23.4	2.8	12.3
JKLC	2.7	2.3	15.0	2.4	12.2
ORCMNT	1.3	1.5	(9.5)	1.0	31.1
PRSMJ	1.4	1.4	4.0	1.3	10.3
HEIM	1.2	1.2	1.5	1.1	12.0
Total of above	66.0	61.3	7.8	56.8	16.3
Industry	91.4	85.7	6.7	78.8	16.0

Source: Company data, *including clinker sale, I-Sec research;

Table 5: Realisation/te likely to be up 3% YoY/ decline ~3% QoQ

Realisation	Q3FY21E	Q3FY20	% YoY	Q2FY21	% QoQ
UTCEM (grey cement)- India	4,640	4,498	3.2	4,763	(2.6)
UTCEM (blended)- Consolidated	4,944	4,869	1.5	5,100	(3.1)
ACC (grey cement)	4,731	4,508	5.0	4,877	(3.0)
ACC (blended)	5,065	4,951	2.3	5,120	(1.1)
ACEM	4,810	4,645	3.6	4,942	(2.7)
SRCM (including power)	4,531	4,561	(0.7)	4,627	(2.1)
DALBHARA (excluding refractory)	4,550	4,461	2.0	4,815	(5.5)
ICEM (grey cement)	4,791	4,456	7.5	5,016	(4.5)
TRCL (grey cement)	5,147	4,475	15.0	5,498	(6.4)
JKCE (grey cement)	4,433	4,355	1.8	4,514	(1.8)
JKCE (blended)	5,424	5,424	-	5,427	(0.1)
JKLC	4,315	4,319	(0.1)	4,381	(1.5)
ORCMNT	4,389	3,817	15.0	4,677	(6.1)
PRSMJ (grey cement)	4,496	4,455	0.9	4,519	(0.5)
HEIM	4,604	4,468	3.1	4,627	(0.5)
Weighted average (blended)	4,686	4,545	3.1	4,815	(2.7)

Source: Company data, I-Sec research

Chart 1: Realisation/te likely to be up 3% YoY/ decline ~3% QoQ

Source: Company data, I-Sec research

Table 6: Cement prices in Q3FY21 are likely to be up 6% YoY/ declined 3% QoQ

Cement price per bag of 50kg	North	East	West	Central	South	All-India
Avg. Q3FY21	337	300	328	350	385	344
Avg. Q3FY20	325	315	304	341	324	321
YoY change (%)	3.9	(4.8)	8.0	2.6	18.5	6.1
Avg. Q2FY21	337	314	339	349	406	354
QoQ change (%)	0.2	(4.3)	(3.2)	0.4	(4.8)	(2.7)

Source: I-Sec research

Chart 2: North India markets – price movement

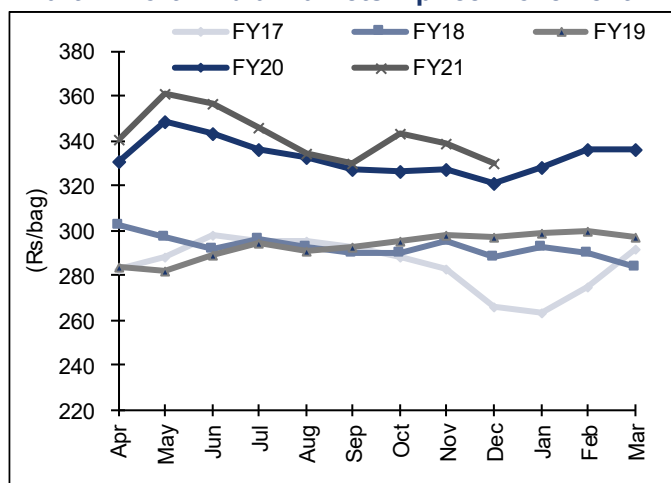


Chart 3: East India markets – price movement

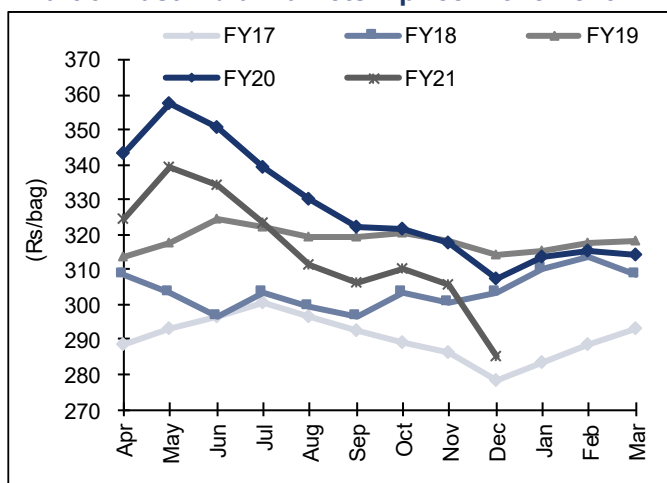


Chart 4: South India markets – price movement

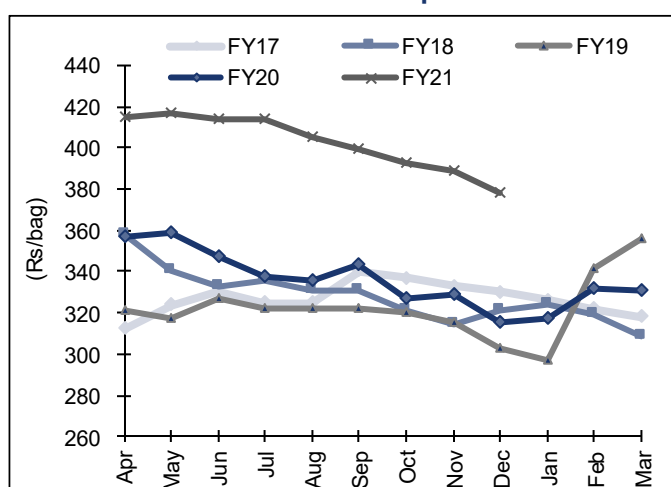


Chart 5: West India markets – price movement

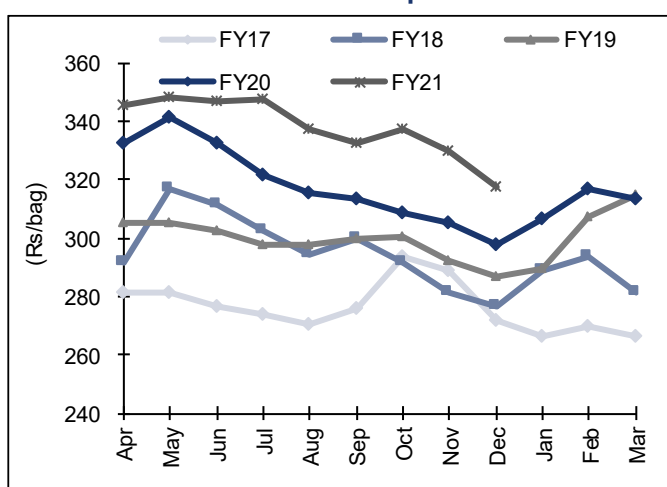


Chart 6: Central India markets – price movement

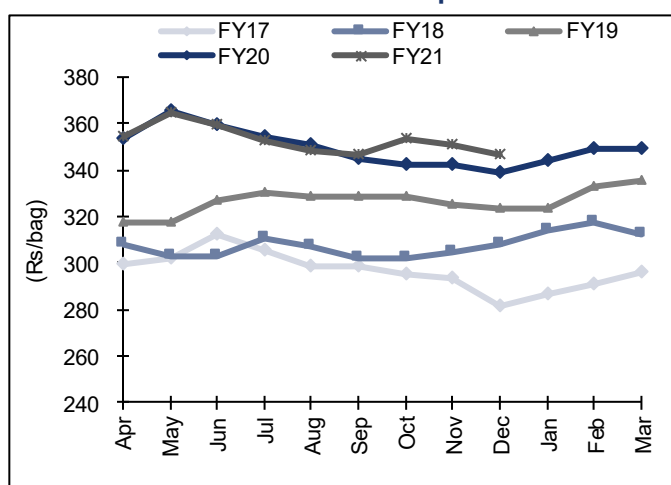
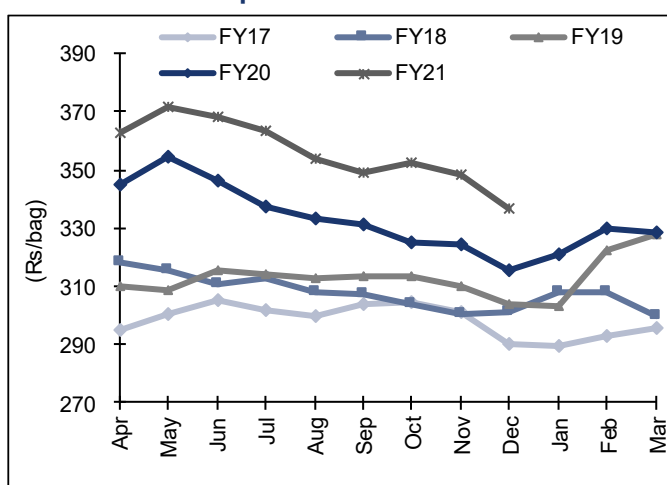


Chart 7: All-India price movement

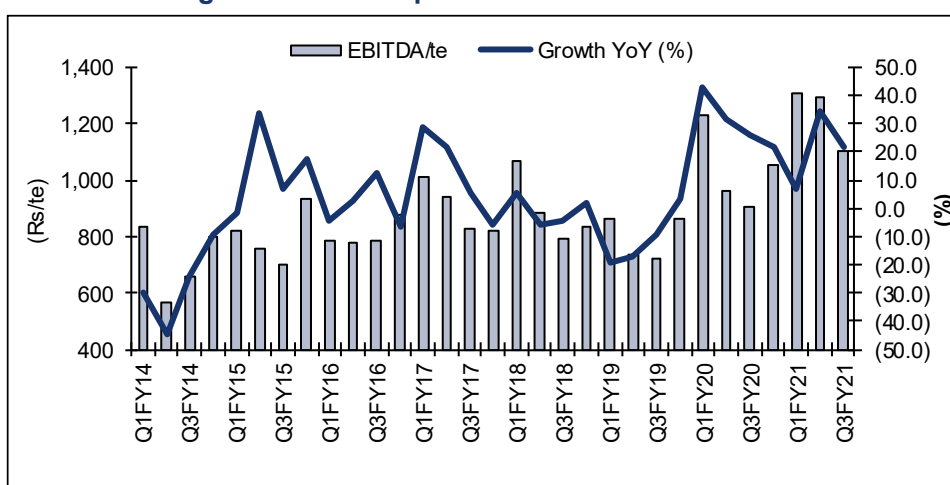


Source: Industry sources, I-Sec research

Table 7: Average EBITDA/te expected to increase 21% YoY/ decline 16% QoQ

EBITDA/te*	Q3FY21E	Q3FY20	% YoY	Q2FY21	% QoQ
UTCEM (incl. white cement)- India	1,168	1,020	13.9	1,383	(14.5)
UTCEM (incl. white cement)- console	1,148	1,008	13.9	1,343	(14.5)
ACC (incl. RMC)	863	675	27.9	991	(13.0)
ACEM	1,009	837	20.5	1,200	(15.9)
SRCEM (cement only)	1,391	1,360	2.3	1,513	(8.0)
DALBHARA (blended)	1,126	896	25.6	1,463	(23.0)
ICEM (blended)	818	495	65.3	1,141	(28.3)
TRCL(cement only)	1,453	726	100.2	1,892	(23.2)
JKCE (incl. white cement)	1,247	1,086	14.8	1,461	(14.7)
JKLC	664	653	1.8	783	(15.1)
ORCMNT	781	372	110.1	1,109	(29.6)
PRSMJ (grey cement)	939	753	24.8	1,012	(7.2)
HEIM	1,081	981	10.2	1,137	(4.9)
Weighted average	1,096	905	21.1	1,297	(15.5)

Source: Company data, I-Sec research *including other operating income

Chart 8: Average EBITDA/te expected to increase 21% YoY/ decline 16% QoQ

Source: Company data, I-Sec research

Key assumptions

Table 8: Volume growth assumptions over FY20-FY23E

	Total volumes (mnte)				Growth YoY (%)			
	FY20	FY21E	FY22E	FY23E	FY20	FY21E	FY22E	FY23E
UTCEM	82.3	83.8	94.5	101.0	7.8	1.8	12.7	6.9
ACC	28.9	26.2	29.8	31.3	1.9	(9.2)	13.5	5.0
ACEM	24.1	22.3	26.1	28.4	(0.8)	(7.4)	17.0	9.0
SRCM	28.7	30.9	36.2	40.2	(0.0)	7.6	17.2	10.9
DALBHARA	19.3	20.6	23.9	26.1	3.3	7.0	16.0	9.0
ICEM	11.0	8.8	10.8	11.6	(11.4)	(19.9)	22.0	8.0
JKCE	10.2	11.4	13.3	14.4	0.2	11.5	16.3	8.7
TRCL	11.2	10.6	13.1	14.6	0.7	(5.5)	24.0	11.0
JKLC	10.0	11.0	12.2	13.0	(9.8)	9.1	11.5	6.6
ORCMNT	5.8	4.8	5.8	6.4	(9.5)	(18.0)	22.0	10.0
PRSMJ	5.7	5.7	6.4	6.6	(8.7)	-	11.0	4.0
HEIM	4.7	4.5	5.0	5.3	(3.9)	(4.4)	11.2	5.0
Total	242.1	240.7	277.1	298.9	1.3	(0.6)	15.1	7.9

Source: Company data, I-Sec research

Table 9: Realisation growth assumptions over FY20-FY23E

	Realisation (Rs/te)				Growth YoY (%)			
	FY20	FY21E	FY22E	FY23E	FY20	FY21E	FY22E	FY23E
UTCEM- blended	5,038	5,075	5,177	5,250	4.6	0.7	2.0	1.4
ACC - blended	5,156	5,132	5,305	5,425	2.7	(0.5)	3.4	2.3
ACC - grey cement	4,723	4,816	4,898	4,996	1.8	2.0	1.7	2.0
ACEM	4,717	4,927	5,041	5,177	4.2	4.5	2.3	2.7
SRCM	4,299	4,360	4,485	4,596	5.2	1.4	2.9	2.5
DALBHARA - cement	4,691	4,761	4,666	4,712	(1.1)	1.5	(2.0)	1.0
ICEM	4,672	4,905	4,846	4,919	1.5	5.0	(1.2)	1.5
JKCE- blended	5,603	5,446	5,577	5,698	10.5	(2.8)	2.4	2.2
TRCL	4,736	5,158	5,065	5,194	3.8	8.9	(1.8)	2.6
JKLC	4,342	4,321	4,409	4,473	12.1	(0.5)	2.0	1.4
ORCMNT	4,171	4,526	4,467	4,445	6.3	8.5	(1.3)	(0.5)
PRSMJ	4,516	4,516	4,570	4,616	2.1	-	1.2	1.0
HEIM	4,586	4,664	4,780	4,886	6.5	1.7	2.5	2.2
Weighted average	4,827	4,897	4,974	5,061	4.6	1.5	1.6	1.7

Source: Company data, I-Sec research

Table 10: EBITDA/te growth assumptions over FY20-FY23E

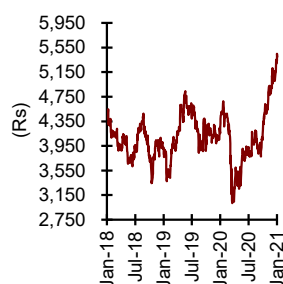
	EBITDA/te* (Rs)				Growth YoY (%)			
	FY20	FY21E	FY22E	FY23E	FY20	FY21E	FY22E	FY23E
UTCEM- consol.	1,144	1,298	1,302	1,343	28.7	13.5	0.3	3.1
ACC	835	914	974	1,023	11.8	9.4	6.6	5.0
ACEM	893	1,168	1,173	1,263	14.5	30.8	0.5	7.6
SRCM	1,288	1,305	1,377	1,441	36.4	1.3	5.5	4.7
DALBHARA	1,092	1,318	1,182	1,176	5.0	20.7	(10.3)	(0.5)
ICEM	568	890	788	804	10.8	56.7	(11.4)	2.0
JKCE	1,186	1,231	1,282	1,335	45.2	3.8	4.1	4.2
TRCL	991	1,351	1,281	1,344	7.6	36.4	(5.2)	4.9
JKLC	794	808	796	801	95.1	1.7	(1.5)	0.7
ORCMNT	659	904	817	752	35.5	37.1	(9.7)	(7.9)
PRSMJ	889	980	1,049	1,079	6.6	10.2	7.0	2.9
HEIM	1,122	1,154	1,212	1,263	13.7	2.9	5.0	4.2
Weighted average	1,031	1,190	1,192	1,236	24.9	15.5	0.2	3.7

Source: Company data, I-Sec research; *including other operating income

UltraTech Cement (BUY)

(QoQ chg: 28.1%; YoY: 27.1%)

Price chart



Quarterly estimates (India)

(Rs mn, year ending March 31)

	Q3FY21E	Q3FY20	% YoY	Q2FY21	% QoQ
Volume sales (mnte)	22.4	20.0	11.9	19.2	16.5
Net realisation (Rs)	4,987	4,900	1.8	5,133	(2.9)
Net sales	1,11,593	98,000	13.9	98,610	13.2
EBITDA	26,150	20,400	28.2	26,570	(1.6)
EBITDA/te	1,168	1,020	14.6	1,383	(15.5)

Source: Company data, I-Sec research

Quarterly estimates (consolidated)

(Rs mn, year ending March 31)

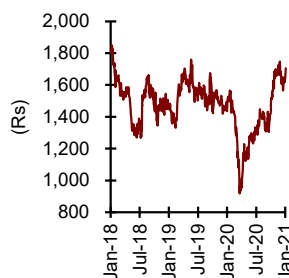
	Q3FY21E	Q3FY20	% YoY	Q2FY21	% QoQ
Volume sales (mnte)	23.3	20.9	11.5	20.1	16.2
Net realisation (Rs)	4,944	4,869	1.5	5,100	(3.1)
Net sales	1,15,235	1,01,760	13.2	1,02,310	12.6
EBITDA	26,762	21,060	27.1	26,949	(0.7)
EBITDA/te	1,148	1,008	13.9	1,343	(14.5)
Recurring pre-tax income	18,490	11,303	63.6	18,006	2.7
Recurring net income	12,949	8,449	53.3	12,338	4.9
Ratios (%)					
EBITDA margins	23.2	20.7		26.3	
Net profit margins	11.2	8.3		12.1	

Source: Company data, I-Sec research

ACC (BUY)

(QoQ chg: 15.0%; YoY chg: 17.1%)

Price chart



Quarterly estimates (consolidated)

(Rs mn, year ending December 31)

	Q4CY20E	Q4CY19	YoY (%)	Q3CY20	QoQ (%)
Volume sales (mnte)	7.9	8.0	(1.6)	6.8	16.4
Net cement realisation including RMC	5,065	4,951	2.3	5,120	(1.1)
Net sales	39,945	39,698	0.6	34,675	15.2
EBITDA	6,804	5,410	25.8	6,714	1.3
EBITDA / te	863	675	27.9	991	(13.0)
Recurring pre-tax income	5,467	4,133	32.3	5,407	1.1
Recurring net income	3,722	2,733	36.2	3,638	2.3
Ratios (%)					
EBITDA margins	17.0	13.6		19.4	
Net profit margins	9.3	6.9		10.5	

Source: Company data, I-Sec research

Ambuja Cements (BUY)

(QoQ chg: 12.0%; YoY chg: 32.2%)

Price chart



Quarterly estimates (standalone)

(Rs mn, year ending December 31)

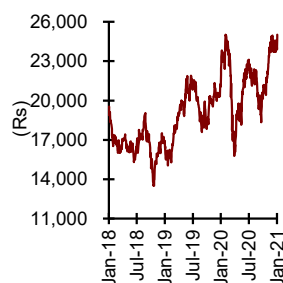
	Q4CY20E	Q4CY19	YoY (%)	Q3CY20	QoQ (%)
Volume including clinker	7.0	6.5	7.4	5.7	23.9
Avg. realization	4,810	4,645	3.6	4,942	(2.7)
Net sales	33,785	30,380	11.2	28,020	20.6
EBITDA	7,086	5,474	29.4	6,803	4.2
EBITDA/te	1,009	837	20.5	1,200	(15.9)
Recurring pre-tax income	5,966	4,407	35.4	5,855	1.9
Recurring net income	4,480	3,516	27.4	4,405	1.7
Ratios (%)					
EBITDA margins	21.0	18.0		24.3	
Net profit margins	13.3	11.6		15.7	

Source: Company data, I-Sec research

Shree Cement (BUY)

(QoQ chg: 20.7%; YoY chg: 14.0%)

Price chart



Quarterly estimates (standalone)

(Rs mn, year ending March 31)

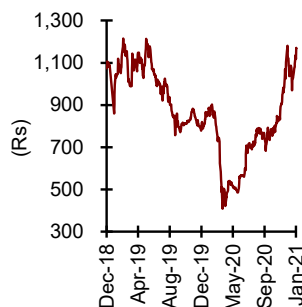
	Q3FY21E	Q3FY20	% YoY	Q2FY21	% QoQ
Net sales	32,688	28,483	14.8	30,224	8.2
Net volumes (mnte)	7.2	6.2	15.5	6.5	10.4
Realisation – blended	4,489	4,512	(0.5)	4,581	(2.0)
EBITDA	10,036	8,493	18.2	9,880	1.6
EBITDA/te incl. power	1,391	1,360	2.3	1,513	(8.0)
Recurring pre-tax income	7,587	4,079	86.0	7,490	1.3
Recurring net income	5,671	3,100	83.0	5,473	3.6
Ratios (%)					
EBITDA margins	30.7	29.8		32.7	
Net profit margins	17.3	10.9		18.1	

Source: Company data, I-Sec research

Dalmia Bharat (ADD)

(QoQ chg: 47.7%; YoY chg: 47.0%)

Price chart



Quarterly estimates (consolidated)

(Rs mn, year ending March 31)

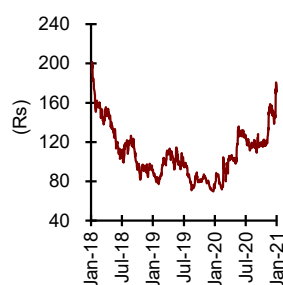
	Q3FY21E	Q3FY20	% YoY	Q2FY21	% QoQ
Net sales	27,043	24,180	11.8	24,100	12.2
Volume including clinker	5.7	5.1	11.0	4.8	17.9
Realisation – cement	4,550	4,461	2.0	4,815	(5.5)
EBITDA	6,372	4,570	39.4	7,020	(9.2)
EBITDA/te (blended)	1,126	896	25.6	1,463	(23.0)
Recurring pre-tax income	2,565	250	925.9	3,680	(30.3)
Recurring net income	1,645	240	585.4	2,320	(29.1)
Ratios (%)					
EBITDA margins	23.6	18.9		29.1	
Net profit margins	6.1	1.0		9.6	

Source: Company data, I-Sec research

India Cements (SELL)

(QoQ chg: 44.6%; YoY chg: 123.0%)

Price chart



Quarterly estimates (standalone)

(Rs mn, year ending March 31)

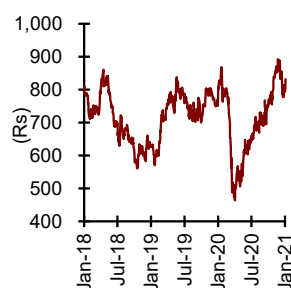
	Q3FY21E	Q3FY20	% YoY	Q2FY21	% QoQ
Volume including clinker (mnte)	2.4	2.7	(9.0)	2.1	15.1
Realisation – cement	4,791	4,456	7.5	5,016	(4.5)
Net sales	11,646	11,911	(2.2)	10,697	8.9
EBITDA	1,985	1,320	50.4	2,404	(17.4)
EBITDA/te (blended)	818	495	65.3	1,141	(25.9)
Recurring pre-tax income	632	(101)	NA	1,098	(42.5)
Recurring net income	436	(54)	NA	714	(39.0)
Ratios (%)					
EBITDA margins	17.0	11.1		22.5	
Net profit margins	3.7	(0.4)		6.6	

Source: Company data, I-Sec research

The Ramco Cements (BUY)

(QoQ chg: 8.9%; YoY chg: 5.5%)

Price chart



Quarterly estimates (standalone)

(Rs mn, year ending March 31)

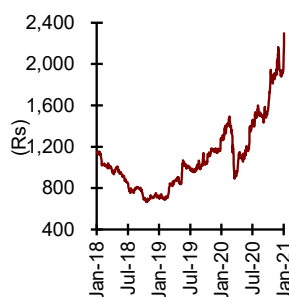
	Q3FY21E	Q3FY20	% YoY	Q2FY21	% QoQ
Volume including clinker	2.7	2.8	(5.5)	2.2	21.4
Realisation – cement	5,147	4,475	15.0	5,498	(6.4)
Net sales	13,850	12,746	8.7	12,455	11.2
EBITDA	3,870	2,029	90.8	4,420	(12.4)
EBITDA/te incl. power	1,440	713	101.9	1,997	(27.9)
Recurring pre-tax income	2,772	1,101	151.7	3,383	(18.1)
Recurring net income	2,073	948	118.7	2,358	(12.1)
Ratios (%)					
EBITDA margins	27.9	15.9		35.5	
Net profit margins	15.0	7.4		18.9	

Source: Company data, I-Sec research

JK Cement (BUY)

(QoQ chg: 45.0%; YoY chg: 79.1%)

Price chart



Quarterly estimates (standalone)

(Rs mn, year ending March 31)

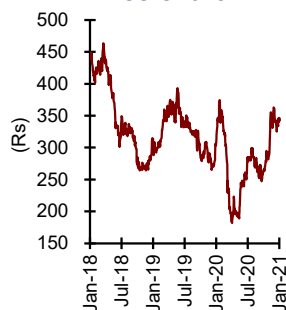
	Q3FY21E	Q3FY20	% YoY	Q2FY21	% QoQ
Volume incl. white cement	3.2	2.6	23.4	2.8	12.3
Blended realisation	5,424	5,424	-	5,427	(0.1)
Net sales	17,126	13,875	23.4	15,256	12.3
EBITDA	3,937	2,777	41.7	4,107	(4.1)
EBITDA/te	1,247	1,086	14.8	1,461	(14.7)
Recurring pre-tax income	3,064	1,897	61.5	3,260	(6.0)
Recurring net income	2,037	1,376	48.1	2,235	(8.8)
Ratios (%)					
EBITDA margins	23.0	20.0		26.9	
Net profit margins	11.9	9.9		14.7	

Source: Company data, I-Sec research

JK Lakshmi Cement (BUY)

(QoQ chg: 30.4%; YoY chg: 12.3%)

Price chart



Quarterly estimates (standalone)

(Rs mn, year ending March 31)

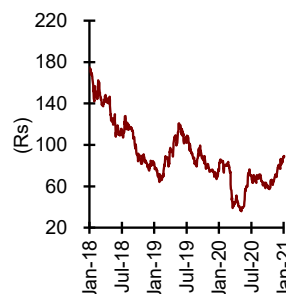
	Q3FY21E	Q3FY20	% YoY	Q2FY21	% QoQ
Volume including clinker (mnte)	2.7	2.3	15.0	2.4	12.2
Avg. realisation	4,315	4,319	(0.1)	4,381	(1.5)
Net sales	11,547	10,050	14.9	10,448	10.5
EBITDA	1,778	1,519	17.0	1,867	(4.8)
EBITDA/te	664	653	1.8	783	(15.1)
Recurring pre-tax income	1,082	754	43.6	1,176	(8.0)
Recurring net income	768	492	56.2	806	(4.7)
Ratios (%)					
EBITDA margins	15.4	15.1		17.9	
Net profit margins	6.7	4.9		7.7	

Source: Company data, I-Sec research

Orient Cement (BUY)

(QoQ chg: 46.9%; YoY chg: 16.1%)

Price chart



Quarterly estimates (standalone)

(Rs mn, year ending March 31)

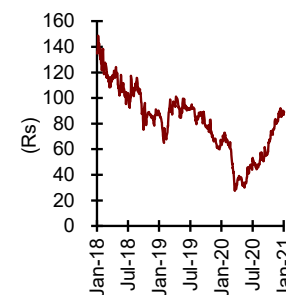
	Q3FY21E	Q3FY20	% YoY	Q2FY21	% QoQ
Volume including clinker (mnte)	1.3	1.5	(9.5)	1.0	31.1
Avg. realisation	4,389	3,817	15.0	4,677	(6.1)
Net sales	5,875	5,645	4.1	4,775	23.0
EBITDA	1,045	550	90.1	1,132	(7.7)
EBITDA/te	781	372	110.1	1,109	(29.6)
Recurring pre-tax income	470	(81)	NA	542	(13.3)
Recurring net income	315	(57)	NA	348	(9.6)
Ratios (%)					
EBITDA margins	17.8	9.7		23.7	
Net profit margins	5.4	(1.0)		7.3	

Source: Company data, I-Sec research

Prism Johnson (ADD)

(QoQ chg: 41.7%; YoY: 41.5%)

Price chart



Quarterly estimates (standalone)

(Rs mn, year ending March 31)

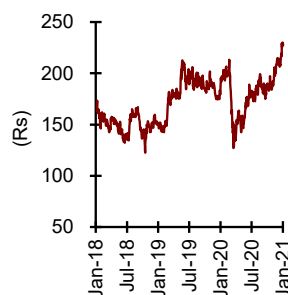
	Q3FY21E	Q3FY20	% YoY	Q2FY21	% QoQ
Volume sales (mnte)	1.4	1.4	4.0	1.3	10.3
Net realisation (Rs)- Cement	4,496	4,455	0.9	4,519	(0.5)
Net sales	13,837	13,788	0.4	12,057	14.8
EBITDA	1,710	1,117	53.1	1,532	11.6
EBITDA/te- Cement	939	753	24.8	1,012	(7.2)
Recurring pre-tax income	800	119	574.8	627	27.6
Recurring net income	640	76	743.5	627	2.0
Ratios (%)					
EBITDA margins	12.4	8.1		12.7	
Net profit margins	4.6	0.6		5.2	

Source: Company data, I-Sec research

Heidelberg Cement (BUY)

(QoQ chg: 20.5%; YoY chg: 22.1%)

Price chart



Quarterly estimates (standalone)

(Rs mn, year ending March 31)

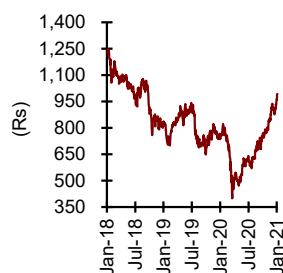
	Q3FY21E	Q3FY20	% YoY	Q2FY21	% QoQ
Volume including clinker (mnte)	1.2	1.2	1.5	1.1	12.0
Avg. realisation	4,604	4,468	3.1	4,627	(0.5)
Net sales	5,715	5,464	4.6	5,127	11.5
EBITDA	1,342	1,200	11.9	1,260	6.6
EBITDA/te	1,081	981	10.2	1,137	(4.9)
Recurring pre-tax income	1,037	857	21.0	947	9.6
Recurring net income	695	646	7.6	624	11.4
Ratios (%)					
EBITDA margins	23.5	22.0		24.6	
Net profit margins	12.2	11.8		12.2	

Source: Company data, I-Sec research

Grasim Industries (ADD)

(QoQ chg: 30.8%; YoY chg: 33.9%)

Price chart



Quarterly estimates (standalone)

(Rs mn, year ending March 31)

	Q3FY21E	Q3FY20	% YoY	Q2FY21	% QoQ
Net sales	41,781	44,989	(7.1)	34,382	21.5
EBITDA	5,922	4,134	43.2	3,980	48.8
Recurring pre-tax income	3,558	2,150	65.4	3,894	(8.6)
Recurring net income	3,131	1,884	66.2	3,602	(13.1)
Ratios (%)					
EBITDA margins	14.2	9.2		11.6	
Net profit margins	7.5	4.2		10.5	

Source: Company data, I-Sec research

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