

Star Cement

Refer to important disclosures at the end of this report

In-line results; valuations attractive

CMP: Rs 89
 as of (February 7, 2020)

TP: Rs 120 (▼)
 12 months

Rating: BUY (■)
Upside: 35.3 %

- Star Cement's Q3 results were in line with our estimates. EBITDA came in at Rs940mn vs. estimated Rs929mn and EBITDA/ton at Rs1,246 vs. estimated Rs1,236 as lower realization was offset by lower opex (coal prices down Rs100-150/ton qoq).
- Sales volumes were up 15.1% yoy, driven by 12.5% growth in cement sales (0.72mt) and 2.3x rise in clinker sales (0.034mt). Blended realization fell 5.9% yoy/5.7% qoq. We believe that adjusted for higher clinker sales, cement realization was down 4.3% qoq.
- Management expects volume growth of 5-6% in the East and 7-9% in the North East (NE) region in FY20. The 2mt cement grinding unit in Siliguri, West Bengal is expected to get commissioned in Mar/Apr'20.
- Cut FY20-22E EPS by 4-9% on lower realization and higher energy cost assumptions. We prefer Star Cement due to higher profitability, return ratios, and its presence in a lucrative NE market. Maintain Buy with a revised TP of Rs120 (9x FY22E EV/EBITDA).

Lower realization and higher costs affect performance: Star Cement's Q3 performance was affected by lower realization and higher energy costs. Realization dropped 5.9% yoy/5.7% qoq as cement prices declined Rs12/bag in NE and Rs15-25/bag in other markets in Q3. We believe that cement realization fell 4.3% qoq as the company sold higher clinker. Sales volumes improved 15.1% yoy, driven by 12.5% growth in cement volume and higher clinker sales. Sales volumes rose 7.5% yoy in NE and 29.2% yoy outside NE. Energy cost was up 13.6% yoy due to the use of imported coal and drove a 5.3% yoy increase in opex/ton. Management expects the average coal cost to rise further by Rs100/ton in FY21E (after Rs150/ton increase in FY20E). Lower realization and higher opex resulted in a 22.9% yoy decline in EBITDA and 8.4pp yoy OPM contraction. EBITDA/ton was at Rs1,246 vs. Rs1,861/Rs1,067 in Q3FY19/Q2.

Cut FY20-22E EPS; valuations attractive: We prune FY20-22 EPS estimates by 4-9% due to lower realization and higher energy cost assumptions. The company's 2mt cement grinding unit in Siliguri is expected to get commissioned in Mar/Apr'20 and will help cater to South Bengal and Bihar markets. It is further contemplating to boost its clinker capacity by 2.5mt at the existing location in Meghalaya by FY23E. We prefer Star Cement due to its presence in NE, strong margin profile, and superior return ratios. NE region is a lucrative market characterized by oligopolistic nature, where just two players are controlling 50% of the total capacity. Valuations at 7.5x/6.4x FY21/22E EV/EBITDA appear attractive. We maintain Buy rating with a revised TP of Rs120, (9x FY22E EV/EBITDA vs. 9x Sep'21E EV/EBITDA earlier). Key risk could be higher coal costs and reduction in cement prices.

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

Financial Snapshot (Consolidated).

(Rs mn)	FY18	FY19	FY20E	FY21E	FY22E
Revenue	16,145	18,310	18,424	21,109	23,429
EBITDA	5,214	4,492	4,062	4,482	5,063
EBITDA Margin (%)	32.3	24.5	22.0	21.2	21.6
APAT	3,307	2,988	2,901	3,298	3,578
EPS (Rs)	7.9	7.1	6.9	7.9	8.5
EPS (% chg)	81.0	(9.6)	(2.9)	13.7	8.5
ROE (%)	25.2	18.7	15.8	16.0	15.6
P/E (x)	11.2	12.4	12.8	11.3	10.4
EV/EBITDA (x)	7.9	8.0	8.0	7.5	6.4
P/BV (x)	2.5	2.2	1.9	1.7	1.5

Source: Company, Emkay Research



Change in Estimates

EPS Chg FY20E/FY21E (%)	(3.7)/(8.7%)
Target Price change (%)	(1.8)
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

EPS Estimates		
	FY20E	FY21E
Emkay	6.9	7.9
Consensus	7.3	8.6
Mean Consensus TP (12M)	Rs 121	

Stock Details

Bloomberg Code	STRCEM IN
Face Value (Rs)	1
Shares outstanding (mn)	412
52 Week H/L	140 / 82
M Cap (Rs bn/USD bn)	37 / 0.51
Daily Avg Volume (nos.)	2,40,350
Daily Avg Turnover (US\$ mn)	0.3

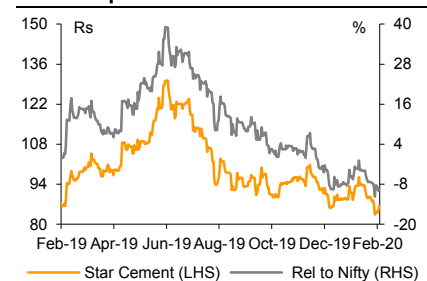
Shareholding Pattern Dec '19

Promoters	67.1%
FIIIs	0.3%
DIIIs	9.0%
Public and Others	23.7%

Price Performance

(%)	1M	3M	6M	12M
Absolute	(2)	(8)	(10)	1
Rel. to Nifty	(2)	(9)	(20)	(7)

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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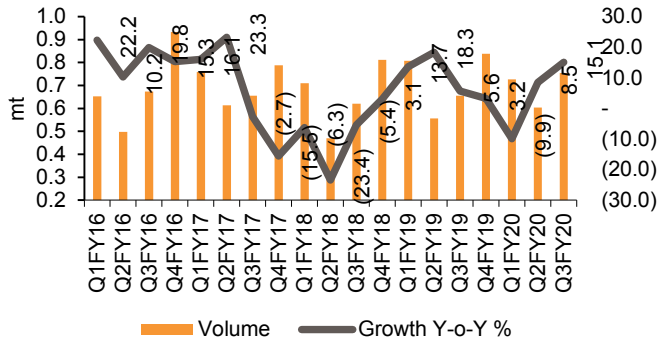
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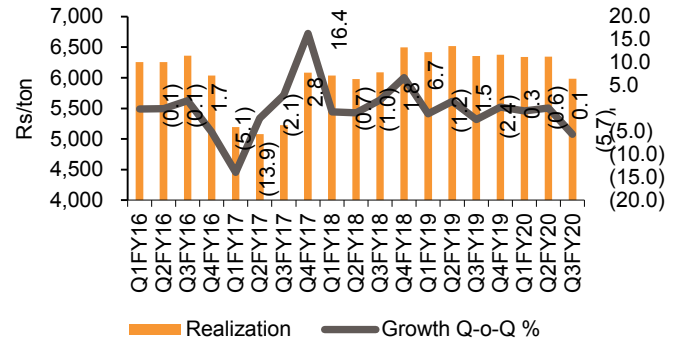
Story in Charts

Exhibit 1: Sales volumes increased 15% yoy



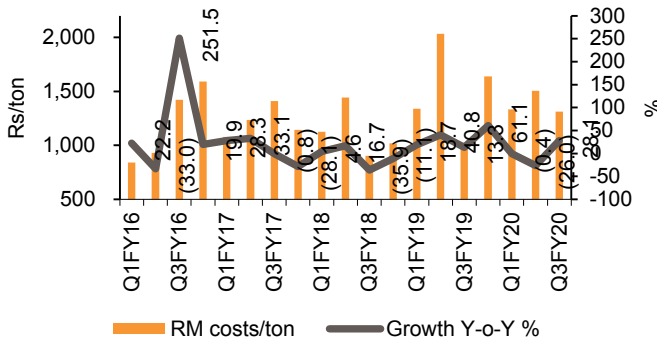
Source: Emkay Research, Company

Exhibit 2: Realization declined 5.9%yoy/5.7% qoq



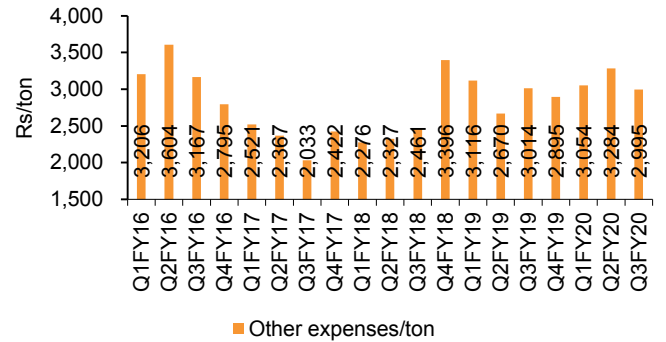
Source: Emkay Research, Company

Exhibit 3: Raw material cost (including traded goods & inv. adj.) rose 28.1% yoy



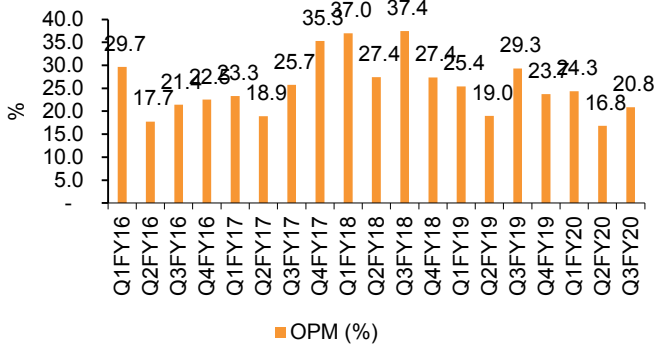
Source: Emkay Research, Company

Exhibit 4: Other expenses (including freight and energy cost) was flat yoy/down 8.8% qoq



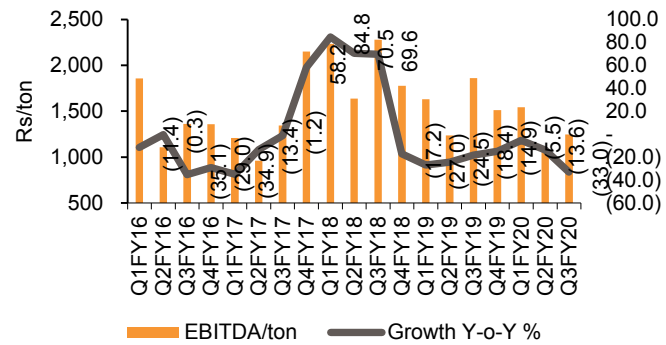
Source: Emkay Research, Company

Exhibit 5: OPM contracted 844bps yoy, but up 400bps qoq



Source: Emkay Research, Company

Exhibit 6: EBITDA/ton declined 33%yoy but up 16.8% qoq



Source: Emkay Research, Company

Exhibit 7: Actual vs. Estimates (Q3FY20)

(in Rs mn)	Actual	Estimate		% variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Sales	4,512	4,658	4,517	-3.1	-0.1	On lower-than-expected realization
EBITDA	940	929	921	1.2	2.1	In line with estimates
EBITDA margin (%)	20.8	19.9	20.4	89bps	45bps	
Adj. PAT	712	682	657	4.4	8.5	In line with estimates

Source: Company, Emkay Research, Bloomberg

Exhibit 8: Quarterly results

Rs mn	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	YoY (%)	QoQ (%)	YTDFY19	YTDFY20	YoY (%)
Revenue	4,164	5,344	4,609	3,825	4,512	8.3	18.0	12,966	12,945	(0.2)
Expenditure	2,945	4,076	3,487	3,181	3,572	21.3	12.3	9,743	10,240	5.1
as % of sales	71%	76%	76%	83%	79%					
Consumption of RM	671	1,374	968	907	989	47.5	9.1	2,881	2,865	(0.5)
as % of sales	16%	26%	21%	24%	22%					
Employee Expenses	300	275	298	293	324	7.9	10.4	889	916	3.0
as % of sales	7%	5%	6%	8%	7%					
Other Expenses	1,974	2,427	2,220	1,980	2,259	14.4	14.0	5,973	6,459	8.1
as % of sales	47%	45%	48%	52%	50%					
EBITDA	1,219	1,269	1,121	644	940	(22.9)	46.0	3,223	2,705	(16.1)
Depreciation	264	238	222	225	232	(12.2)	3.1	818	680	(17.0)
EBIT	955	1,030	899	418	708	(25.9)	69.2	2,405	2,025	(15.8)
Other Income	10	34	74	77	65	520.4	(15.4)	20	216	955.0
Interest	26	31	28	8	38	47.4	398.5	113	74	(34.8)
PBT	939	1,034	945	487	734	(21.8)	50.6	2,312	2,167	(6.3)
Total Tax	102	118	106	34	22	(78.4)	(35.5)	178	162	(8.9)
Adjusted PAT	837	916	839	453	712	(14.9)	57.1	2,134	2,005	(6.1)
Extra ordinary items	-	-	-	-	-			-	-	
Reported PAT	837	916	839	453	712	(14.9)	57.1	2,134	2,005	(6.1)
(Profit)/loss from JVs/Ass/MI	14	18	0	7	0	(99.4)	(98.7)	44	7	(83.1)
PAT after MI	823	898	839	446	712	(13.4)	59.6	2,090	1,997	(4.4)
Adjusted EPS	2.0	2.1	2.0	1.1	1.7	(13.4)	59.6	5.0	4.8	(4.4)

Margins (%)

EBIDTA	29.3	23.7	24.3	16.8	20.8	(844)	400	24.9	20.9	(396)
EBIT	22.9	19.3	19.5	10.9	15.7	(724)	475	18.5	15.6	(290)
EBT	22.6	19.3	20.5	12.7	16.3	(628)	353	17.8	16.7	(109)
PAT	20.1	17.1	18.2	11.9	15.8	(431)	393	16.5	15.5	(97)
Effective Tax rate	10.9	11.4	11.2	7.0	3.0	(788)	(401)	7.7	7.5	(22)

Source: Emkay Research, Company

Exhibit 9: Operating performance on per-ton basis

Particulars	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	YoY (%)	QoQ (%)	YTDFY19	YTDFY20	YoY (%)
Cement Volumes (mt)	0.66	0.84	0.73	0.60	0.75	15.1	25.0	2.0	2.1	3.3
Raw Material Consumed	1,024	1,639	1,332	1,505	1,312	28.1	(12.8)	1,427	1,375	(3.7)
Employee Expenses	458	328	411	487	430	(6.3)	(11.7)	441	439	(0.3)
Other Expenses	3,014	2,895	3,054	3,284	2,995	(0.6)	(8.8)	2,960	3,100	4.7
Total Cost	4,497	4,863	4,797	5,275	4,737	5.3	(10.2)	4,828	4,914	1.8
Realization	6,358	6,376	6,339	6,343	5,984	(5.9)	(5.7)	6,425	6,212	(3.3)
EBIDTA	1,861	1,513	1,542	1,067	1,246	(33.0)	16.8	1,597	1,298	(18.7)

Source: Company, Emkay Research

Exhibit 10: Changes in estimates

Rs mn	FY20E			FY21E			FY22E		
	Earlier	Revised	Chg (%)	Earlier	Revised	Chg (%)	Earlier	Revised	Chg (%)
Sales vol (mt)	2.9	2.9	2.3%	3.19	3.28	2.8%	3.43	3.53	3.0%
Realization (Rs/ton)	6,390	6,283	-1.7%	6,550	6,440	-1.7%	6,747	6,633	-1.7%
Sales	18,244	18,424	1.0%	20,865	21,109	1.2%	23,156	23,429	1.2%
EBIDTA	4,175	4,062	-2.7%	4,832	4,482	-7.2%	5,440	5,063	-6.9%
EBIDTA (%)	22.9	22.0	-85	23.2	21.2	-197	23.5	21.6	-189
Net Profit	3,013	2,901	-3.7%	3,611	3,298	-8.7%	3,916	3,578	-8.6%
EPS (Rs)	7.2	6.9	-3.7%	8.6	7.9	-8.7%	9.3	8.5	-8.6%

Source: Company, Emkay Research

Exhibit 11: Key assumptions

Particulars (Rs/ton)	FY17	FY18	FY19	FY20E	FY21E	FY22E
Sales volume (mt)	2.8	2.6	2.9	2.9	3.3	3.5
Realization	5,425	6,210	6,411	6,283	6,440	6,633
Raw material	1,208	1,163	1,529	1,514	1,552	1,598
Employee cost	421	413	408	425	410	404
Other Expense	2,345	2,628	2,901	2,959	3,110	3,198
Opex	3,975	4,205	4,838	4,897	5,072	5,200
EBITDA	1,450	2,005	1,573	1,385	1,367	1,433

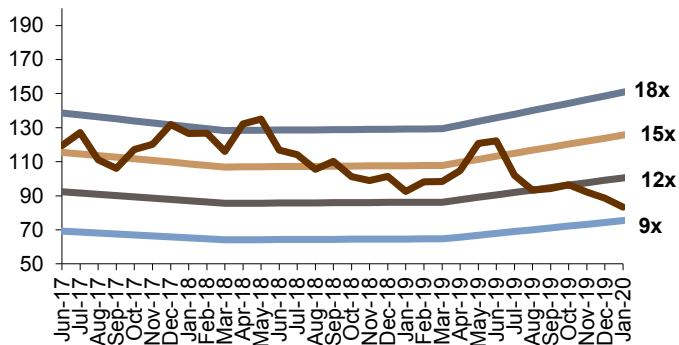
Source: Company, Emkay Research

Exhibit 12: Peer valuation

Company	Rs bn Mcap	EV/EBITDA (x)			EV/Ton (USD)			EPS (Rs)			P/E (x)		
		FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E
Star Cement	37.1	8.0	7.5	6.4	79	81	84	6.9	7.9	8.5	12.8	11.3	10.4
ACC*	280.3	10.0	10.1	9.3	110	112	109	77.8	79.2	88.4	19.3	19.0	17.0
Ambuja Cements*	425.0	13.7	13.2	11.7	140	141	138	6.9	7.2	7.9	30.5	29.2	26.5
India Cements	26.6	7.4	6.5	5.8	53	52	50	4.9	7.0	10.0	15.7	11.0	7.7
Ramco Cements	190.9	17.8	16.9	15.0	155	158	152	25.5	25.5	29.5	31.1	31.1	26.9
Shree Cements	809.7	23.0	21.4	17.7	290	272	255	425.6	421.7	481.1	58.7	59.3	52.0
UltraTech Cement	1254.6	15.3	13.9	12.4	184	175	163	129.2	151.0	177.6	34.6	29.6	25.2
JK Lakshmi Cement	43.6	7.9	8.7	8.0	60	61	58	21.2	16.9	20.4	16.8	21.2	17.6
JK Cement	107.4	11.6	11.2	9.8	184	182	178	72.4	57.5	68.6	19.5	24.6	20.6
Orient Cement	17.3	8.1	7.6	6.3	51	50	48	3.9	4.3	6.5	20.7	18.4	12.3
Prism Cement	33.0	8.8	8.2	7.4	100	102	103	3.2	3.5	4.1	20.8	18.9	16.1
Sanghi Industries	10.1	11.4	8.3	7.4	35	53	53	2.9	2.7	3.2	12.7	14.0	11.5

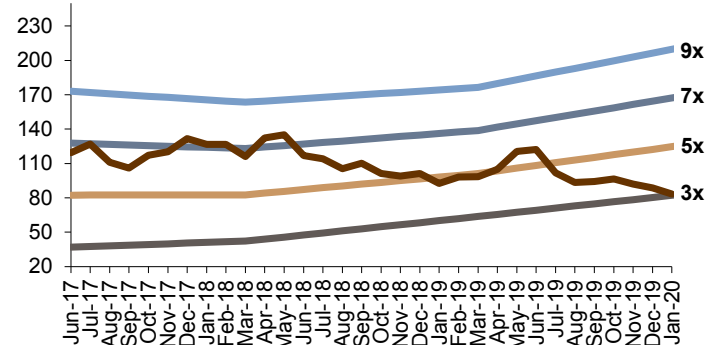
Source: Company, Emkay Research, * December-ending companies

Exhibit 13: 1-yr forward P/E chart



Source: Company, Emkay Research

Exhibit 14: 1-yr forward EV/EBITDA chart



Source: Company, Emkay Research

Con-call highlights

- **Volume details:** Clinker production was 0.57mt vs. 0.60mt in Q3FY19. Cement production from own plants stood at 0.65mt vs. 0.59mt in Q3FY19. Cement/Clinker sales volumes stood at 0.72mt/0.034mt vs. 0.64mt/0.015mt in Q3FY19. Cement volumes in NE/outside NE markets were at 0.53mt/0.18mt vs. 0.49mt/0.14. In Q3, volumes sold outside NE grew 29% yoy. In 9MFY20, demand in NE grew 7% yoy. Star also saw volume growth of 7% in NE markets. Demand in the East region also saw a revival in Q3 and Jan-Feb'20 after a decline in Q1 and flat volumes in Q2. Star has a 24% market share in NE.
- **Demand outlook and guidance:** Demand in NE is driven by individual housing, which received a boost after the interest subvention scheme introduced by the central government. Demand from the infrastructure sector remained subdued. Management expects demand in NE/East regions to grow by 8-9%/5-6% in FY20. It expects 15-20% yoy volume growth in NE markets in FY21. EBITDA/ton should be at Rs1,500-Rs1,550 in FY20.
- **Pricing trend:** In Q3, prices reduced Rs12/bag in NE and Rs15-25/bag in other markets of the East region. However, in Jan/Feb'20, prices have been better than Q3 average. There has been a price increase of Rs10/bag price in NE and Rs15-18/bag in other markets of the East region after Q3.
- **Capacity addition and capex:** The Siliguri GU of 2mt is on schedule and will be commissioned in Mar/Apr'20. This unit will be eligible for VAT subsidies (75% exemption) under the West Bengal Industrial Policy. However, the state government has not been disbursing subsidies over the last few years. Hence, the company does not expect subsidies inflow for this plant. The Siliguri GU will cater to North Bengal and Eastern Bihar regions. Average lead distance from this plant will be approx. 400-500km. The remaining capex for this plant is Rs1bn and will be disbursed by FY20-end. The 2mt clinker unit in Meghalaya has obtained the single-window clearance; however, the environmental clearance is still pending. It also plans to set up a 15MW waste heat recovery plant (WHRS) with this clinker unit. Overall capex for the project is Rs11bn, of which Rs1.5-2bn will be spent in FY21. The plant is expected to be commissioned by FY23.
- **Costs trend:** Power and fuel costs per ton increased 14% yoy, while freight costs/ton declined 2% yoy. Fuel costs were higher due to higher coal consumption (85% imported coal and 15% domestic coal). The government of Meghalaya banned coal mining in July'19. This is expected to affect costs by Rs150/ton in FY20E and Rs250-300/ton in FY21E. The Supreme Court has allowed mechanical mining but mining activities have not started yet. Outstanding subsidies are only Rs500mn now, which is expected to be received in Q4.
- **Blended mix:** PPC: OPC: PSC sales volumes mix was maintained at 84%:14%:2% in Q3.

Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY18	FY19	FY20E	FY21E	FY22E
Revenue	16,145	18,310	18,424	21,109	23,429
Expenditure	10,932	13,819	14,362	16,627	18,366
EBITDA	5,214	4,492	4,062	4,482	5,063
Depreciation	1,207	1,056	1,049	1,136	1,250
EBIT	4,007	3,435	3,013	3,347	3,812
Other Income	44	55	301	361	203
Interest expenses	525	144	68	21	17
PBT	3,526	3,346	3,246	3,687	3,998
Tax	164	296	325	369	400
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	(55)	(62)	(20)	(20)	(20)
Reported Net Income	3,307	2,988	2,901	3,298	3,578
Adjusted PAT	3,307	2,988	2,901	3,298	3,578

Balance Sheet

Y/E Mar (Rs mn)	FY18	FY19	FY20E	FY21E	FY22E
Equity share capital	419	419	419	419	419
Reserves & surplus	14,344	16,817	18,976	21,287	23,878
Net worth	14,763	17,237	19,395	21,706	24,297
Minority Interest	621	683	703	723	743
Loan Funds	4,324	738	397	317	254
Net deferred tax liability	(2,329)	(2,710)	(2,710)	(2,710)	(2,710)
Total Liabilities	17,379	15,947	17,808	20,060	22,608
Net block	7,847	7,223	6,574	9,438	13,188
Investment	14	17	17	17	17
Current Assets	14,509	12,275	12,004	12,089	14,193
Cash & bank balance	198	2,113	4,817	3,855	4,936
Other Current Assets	0	0	0	0	0
Current liabilities & Provision	5,349	4,311	4,787	5,485	6,791
Net current assets	9,160	7,964	7,217	6,604	7,402
Misc. exp	0	0	0	0	0
Total Assets	17,379	15,947	17,808	20,060	22,608

Cash Flow

Y/E Mar (Rs mn)	FY18	FY19	FY20E	FY21E	FY22E
PBT (Ex-Other income) (NI+Dep)	3,526	3,346	3,246	3,687	3,998
Other Non-Cash items	527	141	89	21	17
Chg in working cap	(345)	2,245	3,451	(350)	284
Operating Cashflow	4,206	6,150	7,209	3,764	4,946
Capital expenditure	(324)	(805)	(3,657)	(4,000)	(3,000)
Free Cash Flow	3,882	5,345	3,553	(236)	1,946
Investments	26	(1,153)	0	0	0
Other Investing Cash Flow	0	0	0	0	0
Investing Cashflow	(253)	(1,911)	(3,356)	(3,639)	(2,797)
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	(3,407)	(2,816)	(342)	(79)	(63)
Dividend paid (incl tax)	0	(516)	(740)	(987)	(987)
Other Financing Cash Flow	0	0	0	0	0
Financing Cashflow	(3,929)	(3,476)	(1,150)	(1,088)	(1,067)
Net chg in cash	24	763	2,704	(962)	1,082
Opening cash position	201	198	2,113	4,817	3,855
Closing cash position	198	2,113	4,817	3,855	4,936

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY18	FY19	FY20E	FY21E	FY22E
EBITDA Margin	32.3	24.5	22.0	21.2	21.6
EBIT Margin	24.8	18.8	16.4	15.9	16.3
Effective Tax Rate	4.7	8.9	10.0	10.0	10.0
Net Margin	20.8	16.7	15.9	15.7	15.4
ROCE	22.7	20.9	19.6	19.6	18.8
ROE	25.2	18.7	15.8	16.0	15.6
RoIC	23.4	23.0	27.3	31.6	27.4

Per Share Data (Rs)	FY18	FY19	FY20E	FY21E	FY22E
EPS	7.9	7.1	6.9	7.9	8.5
CEPS	10.8	9.6	9.4	10.6	11.5
BVPS	35.2	41.1	46.3	51.8	58.0
DPS	0.0	1.0	1.5	2.0	2.0

Valuations (x)	FY18	FY19	FY20E	FY21E	FY22E
PER	11.2	12.4	12.8	11.3	10.4
P/CEPS	8.2	9.2	9.4	8.4	7.7
P/BV	2.5	2.2	1.9	1.7	1.5
EV / Sales	2.6	2.0	1.8	1.6	1.4
EV / EBITDA	7.9	8.0	8.0	7.5	6.4
Dividend Yield (%)	0.0	1.1	1.7	2.3	2.3

Gearing Ratio (x)	FY18	FY19	FY20E	FY21E	FY22E
Net Debt/ Equity	0.3	(0.1)	(0.2)	(0.2)	(0.2)
Net Debt/EBIDTA	0.8	(0.3)	(1.1)	(0.8)	(0.9)
Working Cap Cycle (days)	202.6	116.6	47.5	47.5	38.4

Growth (%)	FY18	FY19	FY20E	FY21E	FY22E
Revenue	5.7	13.4	0.6	14.6	11.0
EBITDA	31.6	(13.8)	(9.6)	10.3	12.9
EBIT	44.0	(14.3)	(12.3)	11.1	13.9
PAT	81.1	(9.6)	(2.9)	13.7	8.5

Quarterly (Rs mn)	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20
Revenue	4,164	5,344	4,609	3,825	4,512
EBITDA	1,219	1,269	1,121	644	940
EBITDA Margin (%)	29.3	23.7	24.3	16.8	20.8
PAT	823	898	839	446	712
EPS (Rs)	2.0	2.1	2.0	1.1	1.7

Source: Company, Emkay Research

Shareholding Pattern (%)	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19
Promoters	68.9	68.0	67.9	67.9	67.1
FIs	1.2	1.2	1.1	0.8	0.3
DIs	8.7	8.7	9.2	9.3	9.0
Public and Others	21.2	22.1	21.8	22.1	23.7

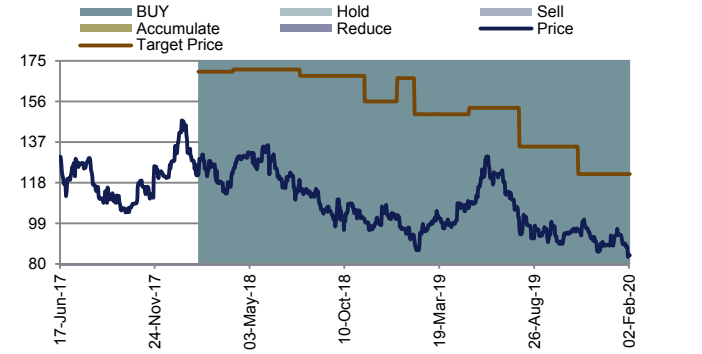
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
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	2.21	2.21	0%	0	100.00
ACC	0.20	0.21	7%	1	9.45
Ambuja Cements	0.24	0.11	-55%	-13	4.82
Grasim Industries	0.49	0.56	14%	7	25.25
India Cements	0.00	0.00	NA	0	0.00
JK Cement	0.00	0.06	NA	6	2.52
JK Lakshmi Cement	0.00	0.00	NA	0	0.00
Orient Cement	0.00	0.00	NA	0	0.00
Prism Johnson	0.00	0.00	NA	0	0.00
Ramco Cements	0.16	0.12	-24%	-4	5.37
Sanghi Industries	0.00	0.00	NA	0	0.00
Shree Cements	0.35	0.28	-20%	-7	12.74
Star Cement	0.00	0.00	NA	0	0.00
Ultratech Cement	0.78	0.88	13%	10	39.84
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

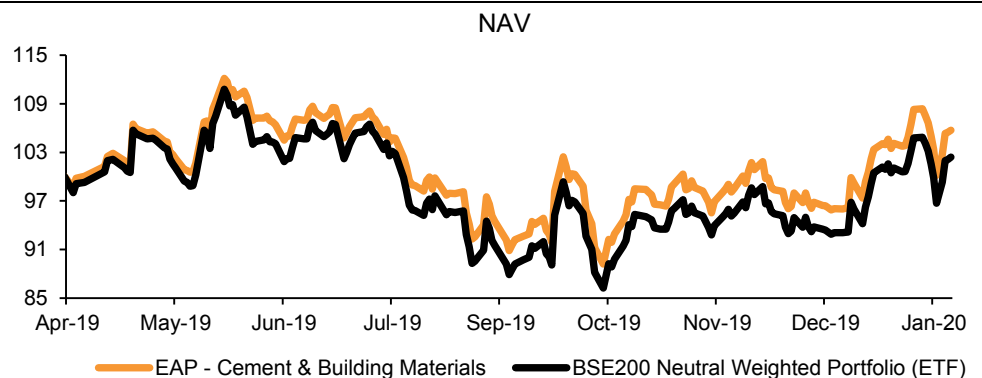
Sector portfolio NAV

	Base			Latest
	01-Apr-19	07-Nov-19	07-Jan-20	06-Feb-20
EAP - Cement & Building Materials	100.0	99.5	99.4	105.7
BSE200 Neutral Weighted Portfolio (ETF)	100.0	96.4	96.2	102.4

*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 Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 07 Feb 2020 23:47:54 (SGT)

Dissemination Date: 07 Feb 2020 23:48:54 (SGT)

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