

# Top 5 Cement Companies

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**Quantitative Analysis**  
**Based on Dec-21 Performance**

# Quantitative Analysis of Cement Sector – 19 Parameters

## Valuation Ratios

1. PE Ratio
2. EV/ EBITDA

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Institutional Holding as  
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Operating Profit Margin  
Q3 FY22

Sales & Net Profit  
Growth  
5 year CAGR

Sales & Net Profit  
Growth  
3 year CAGR

Capacity Metrics  
1. Installed Capacity  
2. Utilization %

Per Tonne Ratio Analysis  
1. Realization/tn  
2. EBITDA/tn

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Ratio

Debtors Days

Cash Conversion Cycle

# Quantitative Analysis of Cement Sector

Top 5 Cement Companies		Market Capitalization (Rs. Cr)
1	UltraTech Cement	1,96,068
2	Shree Cement	91,166
3	Ambuja Cement	73,250
4	ACC	41,445
5	Dalmia Bharat	30,341

Valuation Data as April 12, 2022

## PE Ratio

Company	PE Ratio	Ranks	Points
UltraTech Cement	30.2	4	2
Shree Cement	36.9	5	1
Ambuja Cement	26.4	3	3
ACC	22.3	1	5
Dalmia Bharat	26.3	2	4

Valuation Data as April 12, 2022

## EV/EBITDA

Company	EV/EBITDA	Ranks	Points
UltraTech Cement	17	4	2
Shree Cement	20	5	1
Ambuja Cement	9	1	5
ACC	11	2	4
Dalmia Bharat	13	3	3

Valuation Data as April 12, 2022

# Cement Sector

Cement Sector - A Capital Intensive Industry



Debt to Equity is there ie. Company raised Capital in both ways : 1. Equity Capital & 2. Debt Capital



ROCE indicates ability of the company to generate profits by utilizing the Total Capital Employed



$$\text{ROCE \%} = ( \text{EBIT} / \text{Total Capital Employed} ) * 100$$



Higher the Better

## ROCE

Company	ROCE %	Ranks	Points
UltraTech Cement	15.01%	3	3
Shree Cement	19.24%	1	1
Ambuja Cement	17.55%	2	2
ACC	14.49%	4	4
Dalmia Bharat	10.50%	5	5

## ROE

Company	ROE %	Ranks	Points
UltraTech Cement	13.1%	4	2
Shree Cement	16.0%	2	4
Ambuja Cement	17.6%	1	5
ACC	14.9%	3	3
Dalmia Bharat	11.2%	5	1



## Debt to Equity Ratio

Company	D/E	Ranks	Points
UltraTech Cement	0.46	5	1
Shree Cement	0.14	3	3
Ambuja Cement	0.00	1	5
ACC	0.00	1	5
Dalmia Bharat	0.30	4	2

## Interest Coverage Ratio

Company	Interest Coverage	Ranks	Points	D/E
UltraTech Cement	6.4	4	2	0.46
Shree Cement	13.0	3	3	0.14
Ambuja Cement	29.4	2	4	0.00
ACC	30.8	1	5	0.00
Dalmia Bharat	5.4	5	1	0.30

## Institutional Holding as a % of Free Float

Company	(FII + DII) holding as a % of Free Float	Ranks	Points
UltraTech Cement	77.3%	2	4
Shree Cement	62.9%	4	2
Ambuja Cement	81.7%	1	5
ACC	73.0%	3	3
Dalmia Bharat	45.5%	5	1

# Operating Profit Margin

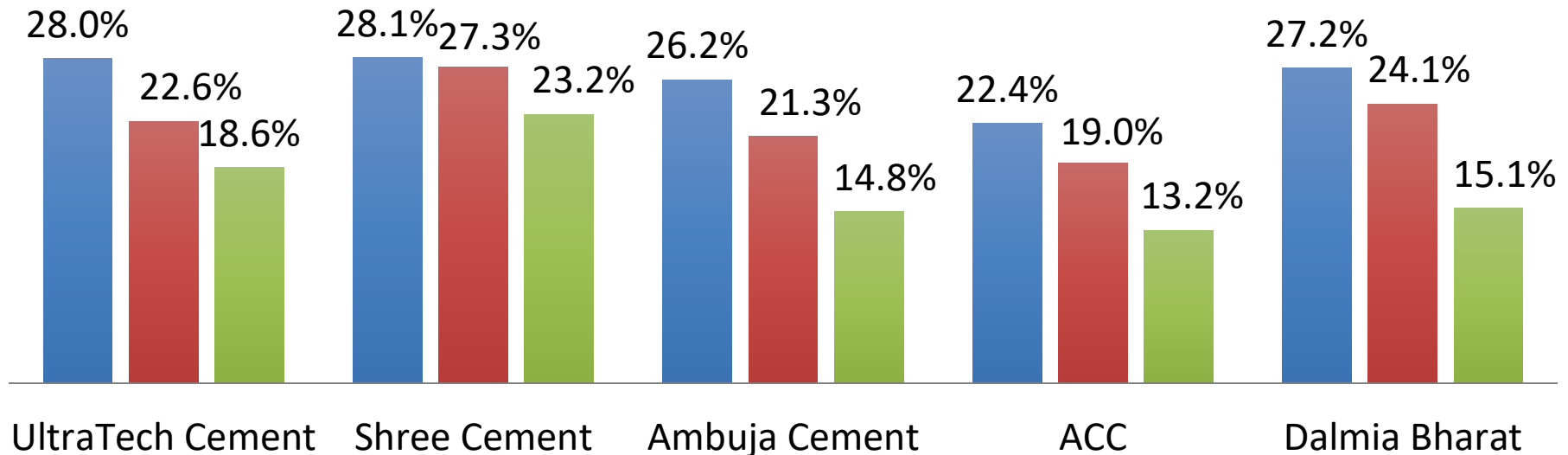
Company	OPM %	Ranks	Points
UltraTech Cement	18.6%	2	4
Shree Cement	23.2%	1	5
Ambuja Cement	14.8%	4	2
ACC	13.2%	5	1
Dalmia Bharat	15.1%	3	3

Erosion in Operating Margins QoQ due to rising :

1. Raw Material Cost- Rising Coal & Pet Coke Prices (Commodity Inflation),
2. Fuel Cost,
3. Freight Cost for Logistics

## Operating Margin Trend QoQ

■ Jun-21    ■ Sep-21    ■ Dec-21



## Sales & PAT Growth - 5 years CAGR

Company	Sales	Ranks	Points	PAT	Ranks	Points
UltraTech Cement	9.5%	3	3	17.1%	3	3
Shree Cement	16.2%	2	4	14.9%	4	2
Ambuja Cement	20.7%	1	5	24.0%	1	5
ACC	3.3%	4	2	19.5%	2	4
Dalmia Bharat	-	5	1	-	5	1

## Sales & PAT Growth - 3 years CAGR

Company	Sales	Ranks	Points	PAT	Ranks	Points
UltraTech Cement	12.0%	1	5	35.0%	2	4
Shree Cement	9.9%	3	3	18.2%	3	3
Ambuja Cement	3.0%	5	1	16.0%	4	2
ACC	3.1%	4	2	15.7%	5	1
Dalmia Bharat	10.3%	2	4	61.5%	1	5

## Sales & PAT Growth - CAGR

Company	5 years		3 years	
	Sales	PAT	Sales	PAT
UltraTech Cement	9.5%	17.1%	12.0%	35.0%
Shree Cement	16.2%	14.9%	9.9%	18.2%
Ambuja Cement	20.7%	24.0%	3.0%	16.0%
ACC	3.3%	19.5%	3.1%	15.7%
Dalmia Bharat	0.0%	0.0%	10.3%	61.5%

UltraTech Cement: For Both 5 & 3 yr CAGR,

- PAT growth > Sales Growth
- PAT CAGR growth numbers doubled
- Indicates Expansion in Margin %

## Capacity Metrics – 1. Installed Capacity in Million Tonne per Annum

Company	Capacity MTPA	Ranks	Points	Market Share %
UltraTech Cement	116.8	1	5	21.4%
Shree Cement	44.4	2	4	8.3%
Ambuja Cement	31.5	5	1	5.8%
ACC	34.5	3	3	6.3%
Dalmia Bharat	33.0	4	2	6.0%



## Capacity Metrics – 2. Utilization %

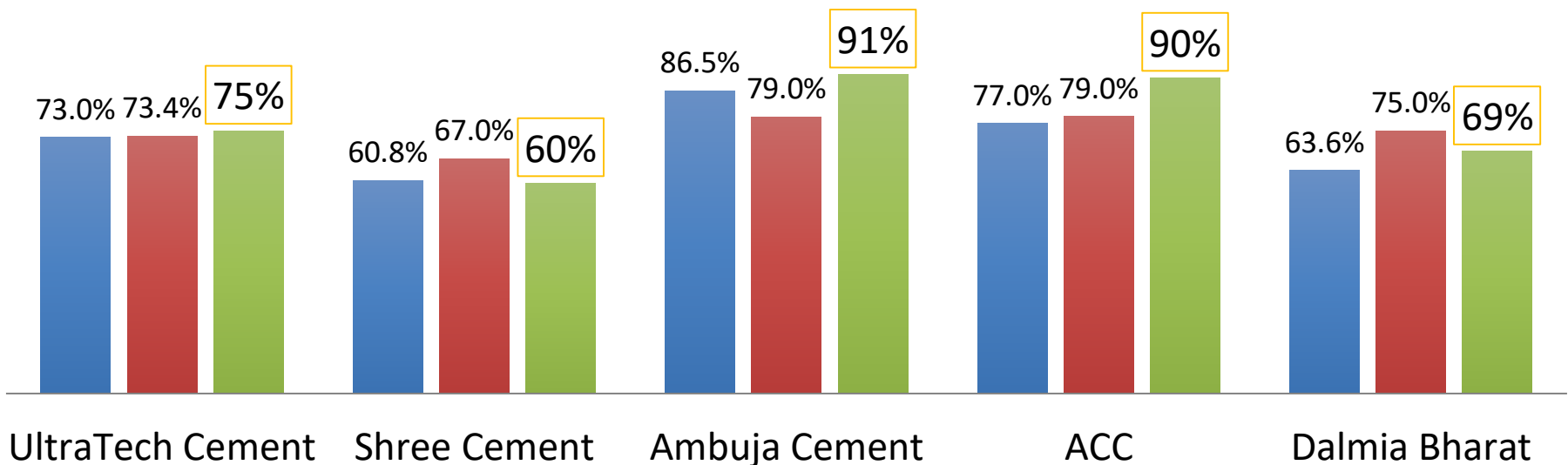
Company	Q3 FY22	Ranks	Points
UltraTech Cement	75%	3	3
Shree Cement	60%	5	1
Ambuja Cement	91%	1	5
ACC	90%	2	4
Dalmia Bharat	69%	4	2

Utilization = (Sales Volume / Total Installed Capacity)

- Ambuja : Highest Utilization % during Q3 FY22 as well as FY21
- Benefitted from lower installed capacity base vs peers

### Utilization % Trend QoQ

■ Jun-21    ■ Sep-21    ■ Dec-21



# Per Tonne Ratio Analysis

## 1. Realization Per Tonne – Higher the Better

Company	Realization /tn	Ranks	Points	QoQ Change	
				Sept-21	Dec-21
UltraTech Cement	5,527	1	5	5,538	→ 5,527
Shree Cement	5,423	2	4	5,104	→ 5,423
Ambuja Cement	5,135	3	3	5,321	→ 5,135
ACC	5,033	4	2	5,058	→ 5,033
Dalmia Bharat	4,791	5	1	5,294	→ 4,791

# Per Tonne Ratio Analysis

## 2. EBITDA Per Tonne – Higher the Better

Company	EBITDA/tn	Ranks	Points	QoQ Change	
				Sept-21	Dec-21
UltraTech Cement	1,076	2	4	1,394	→ 1,076
Shree Cement	1,260	1	5	1,430	→ 1,260
Ambuja Cement	793	3	3	1,172	→ 793
ACC	741	4	2	1,027	→ 741
Dalmia Bharat	718	5	1	1,439	→ 718

Big Hit on Operating Profit due to High Input Cost  
(Raw Material, Fuel, Power, Logistics)



EBITDA/tn of All Cement Companies eroded QoQ

## Per Tonne Ratio Analysis

Ranks		
Company	Realization/tn	EBITDA/tn
UltraTech Cement	5,527	1,076
Shree Cement	5,423	1,260
Ambuja Cement	5,135	793
ACC	5,033	741
Dalmia Bharat	4,791	718

## Operating Performance Ratios

### 1. Inventory Turnover Ratio – Higher the Better

Company	Inventory Turnover	Ranks	Points
UltraTech Cement	10.9	4	2
Shree Cement	7.9	5	1
Ambuja Cement	14.8	2	4
ACC	15.2	1	5
Dalmia Bharat	12.5	3	3

# Operating Performance Ratios

## 2. Debtor Days – Lower the Better

Company	Debtor Days	Ranks	Points
UltraTech Cement	20	3	3
Shree Cement	24	5	1
Ambuja Cement	11	1	5
ACC	13	2	4
Dalmia Bharat	21	4	2

## Operating Performance Ratios

### 3. Cash Conversion Cycle – Lower the Better

Company	CCC (days)	Ranks	Points
UltraTech Cement	-154	4	2
Shree Cement	-196	2	4
Ambuja Cement	-232	1	5
ACC	-174	3	3
Dalmia Bharat	-143	5	1

## Quantitative Analysis of Cement Sector – Final Score

Rank	Company	Score
1	Ambuja Cement	72
2	ACC	60
3	UltraTech Cement	59
4	Shree Cement	56
5	Dalmia Bharat	39

