

Assignment 1



Brief about ACC Limited

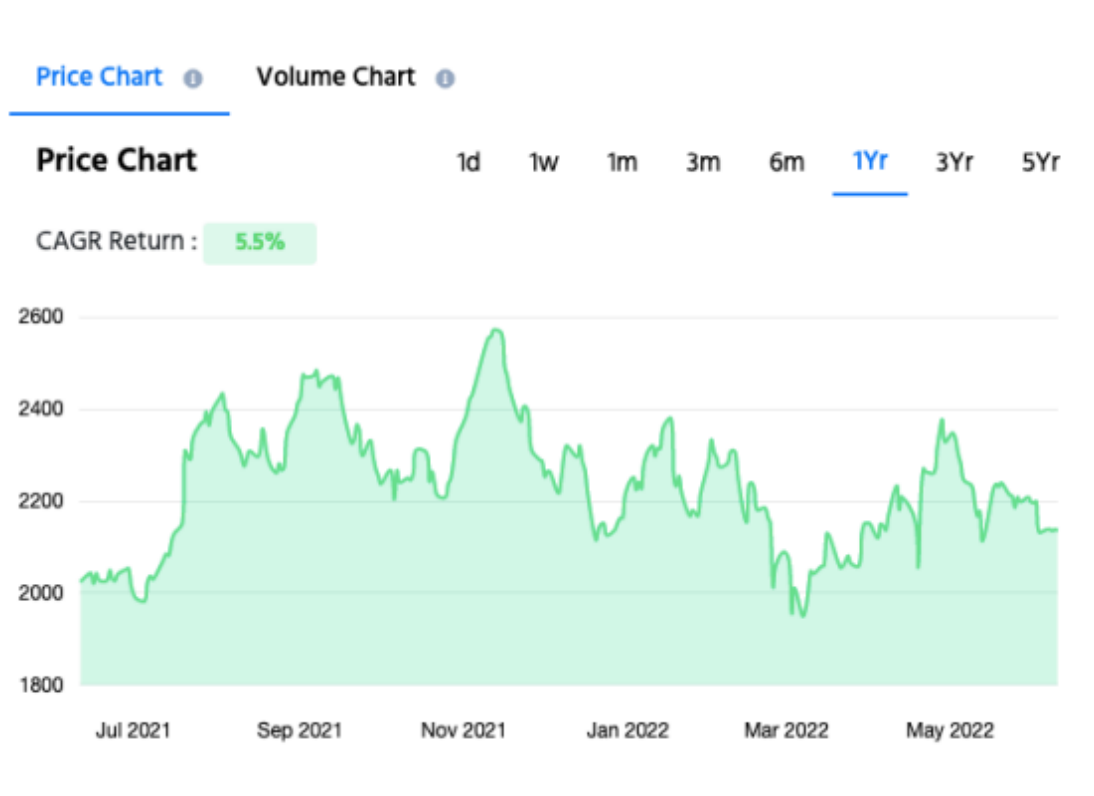
- ACC is a leading player in the Indian building materials space, with a pan-India manufacturing and marketing presence. Synonymous with cement, it has established reputation as a pioneer organisation that has consistently set new benchmarks with its innovative research and product development.
- ACC is a public Company domiciled in India and was incorporated on August 01, 1936 under the provisions of the Companies Act, 1913 applicable in India. Its shares are listed on The National Stock Exchange of India (NSE) and The Bombay Stock Exchange (BSE) of India.

BUSINESS AREAS OF THE COMPANY

ACC is principally engaged in the business of manufacturing and selling of Cement and Ready Mix Concrete. The Company has manufacturing facilities across India and caters mainly to the domestic market.

Products: Bulk cement; construction chemicals ; ready mixed concrete ;etc.

PRICE CHART



Mkt Cap
P/E ratio
Div yield

CDP
score
52-week

high
52-week
Low

40.09TCr 23.69% 2.72% A 2589.00 1900.00

PEER COMPARISON

Peer Comparison

COMPANY	PRICE <small>₹L.</small>	MCAP <small>Cr.</small>	P/B	P/E	EPS <small>₹L.</small>	ROE %	ROCE %	P/S	EV/EBITDA
Ultratech Cement	5,511.05	1,59,087.95	3.23	22.51	244.80	13.10	15.62	3.68	15.15
Ambuja Cement	365.15	72,505.84	3.19	37.94	9.62	9.79	13.50	5.19	20.85
Shree Cement	19,178.85	69,198.73	4.01	29.12	658.69	16.40	19.56	5.50	17.02
ACC	2,135.40	40,100.09	2.74	24.23	88.11	13.54	18.71	2.48	10.94
Dalmia Bharat	1,288.30	24,138.71	3.03	131.91	9.77	0.34	0.60	163.10	102.99
JK Cement	2,150.45	16,616.15	3.91	26.35	81.62	17.57	19.29	2.63	11.35
The Ramco Cements	611.05	14,438.65	2.21	16.17	37.78	14.49	14.73	2.74	13.27
Nuvoco Vistas Corpor	285.90	10,211.09	1.15	185.12	1.54	0.36	5.44	1.76	13.22
Prism Johnson	109	5,486.59	4.32	41.18	2.65	19.22	14.15	1.09	10.56

QUARTERLY RESULT

PARTICULARS	MAR 2021	JUN 2021	SEP 2021	DEC 2021	MAR 2022
Net Sales ⓘ	4,291.88	3,894.80	3,748.90	4,225.77	4,426.50
Total Expenditure ⓘ	1,432.53	1,010.09	1,037.61	1,670.72	1,792.83
Operating Profit ⓘ	859.35	874.71	711.29	555.05	633.67
Other income ⓘ	43.15	44.70	63.98	52.93	57.55
Interest ⓘ	11.22	13.36	17.12	12.93	10.56
Depreciation ⓘ	142.39	145.63	149.69	159.57	153.05
Exceptional Items ⓘ	0	-38.10	0	-54.76	0
Profit Before Tax ⓘ	748.89	722.32	608.46	380.72	527.61
Tax ⓘ	191.48	188.51	158.42	100.71	135.80
Profit After Tax ⓘ	557.41	533.81	449.04	280.01	391.81
Adjusted EPS (₹s) ⓘ	29.65	28.40	23.89	14.89	20.84

FINANCIAL SUMMARY

Profit & Loss Account (Rs mn)

Year-end: March	CY19	CY20	CY21E	CY22E
Net sales	156,567	137,845	166,208	180,513
Growth (%)	5.8	(12.0)	20.6	8.6
Operating expenses	(132,472)	(114,324)	(137,736)	(149,655)
EBITDA	24,095	23,522	28,472	30,858
Growth (%)	17.8	-2.4	21.0	8.4
Depreciation	(6,030)	(6,353)	(5,782)	(6,016)
EBIT	18,065	17,169	22,691	24,842
Interest paid	(862)	(570)	(436)	(402)
Other income	3,112	2,040	1,778	1,925
Pre-tax profit	20,315	16,878	24,033	26,365
Tax	(6,726)	(2,729)	(5,844)	(6,741)
Effective tax rate (%)	33.1	16.2	24.3	25.6
Net profit	13,589	14,149	18,190	19,624
Exceptional items	-	-	-	-
Reported net profit	13,589	13,399	18,190	19,624
Growth (%)	35.1	(1.4)	35.8	7.9
Shares o/s (mn nos)	188	188	188	188

Cash Flow Statement (Rs mn)

Year-end: March	CY19	CY20	CY21E	CY22E
Pre-tax profit	20,315	16,878	24,033	26,365
Depreciation	6,030	6,353	5,782	6,016
Tax paid	(4,462)	(7,064)	(5,844)	(6,741)
Chg in working capital	2,661	3,872	(562)	2,567
Other operating activities	(2,059)	(866)	(1,343)	(1,523)
Cash flow from operations (a)	22,484	19,173	22,067	26,684
Capital expenditure	(4,935)	(7,452)	(15,000)	(15,000)
Chg in investments	195	148	-	-
Other investing activities	-	-	-	-
Cash flow from investing (b)	(3,283)	(7,378)	(13,222)	(13,075)
Equity raised/(repaid)	5	1	-	-
Debt raised/(repaid)	(572)	(645)	(436)	(402)
Dividend (incl. tax)	(3,169)	(2,629)	(4,288)	(4,626)
Chg in minorities	-	-	-	-
Other financing activities	-	-	-	-
Cash flow from financing (c)	(3,737)	(3,273)	(4,723)	(5,028)
Net chg in cash (a+b+c)	15,464	8,522	4,122	8,582

Source

-company ; IDBI capital research

Why invest in ACC Ltd.

- Company is virtually debt free.
- Company has a healthy Interest coverage ratio of 46.04.
- Company's stock gave profit in 132/250 days of last year.
- Company's stock had a low loss percentage.

Limitations

- The company has shown a poor profit growth of 6.51% for the Past 3 years.
- The company has shown a poor revenue growth of 2.95% for the Past 3 years.