

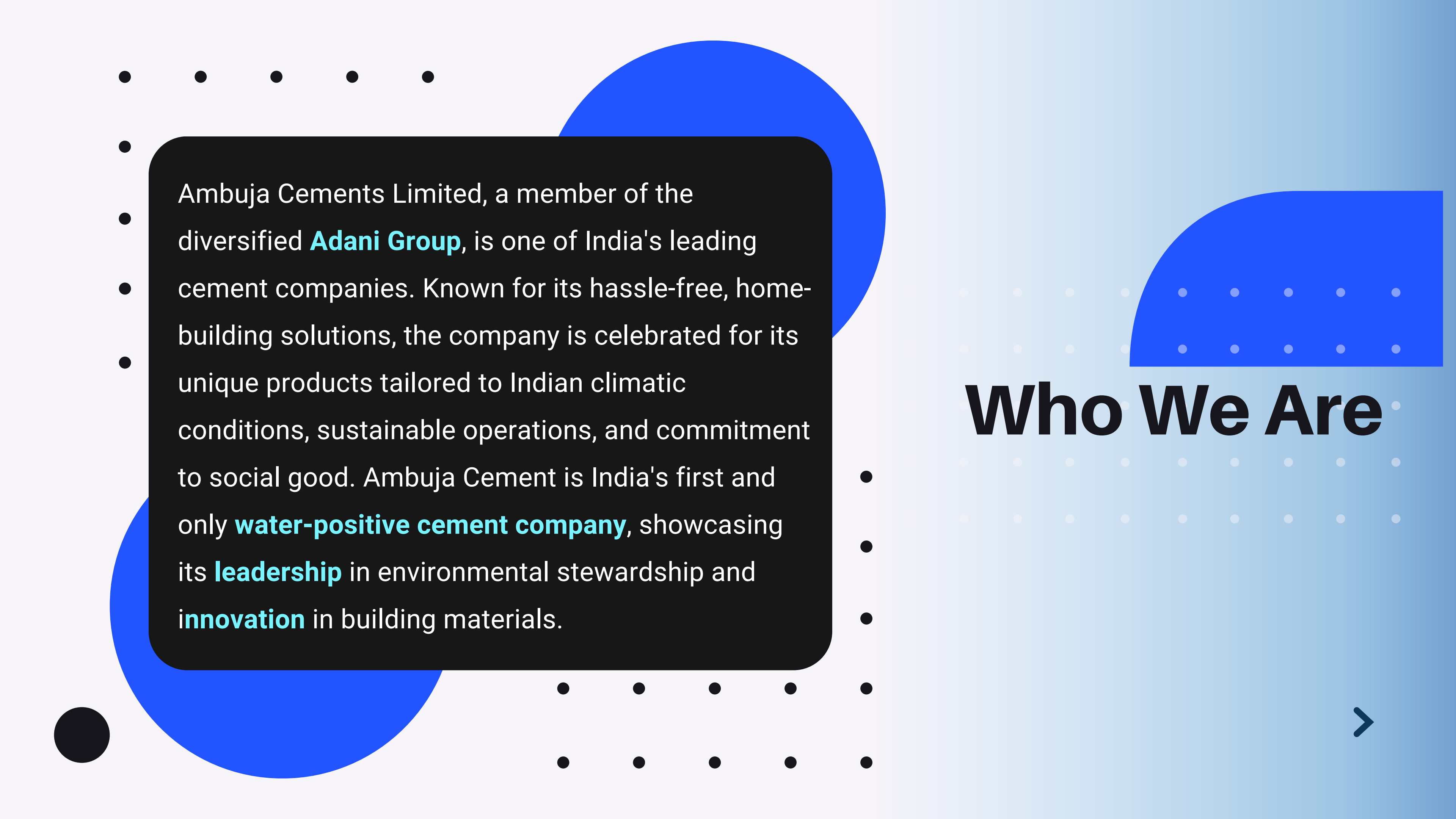
Ambuja Cement

Insights



An investors' analysis





Ambuja Cements Limited, a member of the diversified **Adani Group**, is one of India's leading cement companies. Known for its hassle-free, home-building solutions, the company is celebrated for its unique products tailored to Indian climatic conditions, sustainable operations, and commitment to social good. Ambuja Cement is India's first and only **water-positive cement company**, showcasing its **leadership** in environmental stewardship and **innovation** in building materials.

Who We Are



Our Products

**Ambuja
Kawach**

**Ambuja
Cool Walls**

**Ambuja
Compocem**

**Ambuja
Buildcem**

**Ambuja
Powercem**

**Ambuja
Railcem**



Our Vision

To be a world-class leader in enriching lives and contributing to national infrastructure through sustainable value creation.



Our Mission

- Achieve rapid growth through capacity expansion and premium product offerings.
- Ensure operational excellence with cost-efficient production facilities and an efficient supply chain.
- Build a world-class talent platform while promoting safety, innovation, and sustainability.



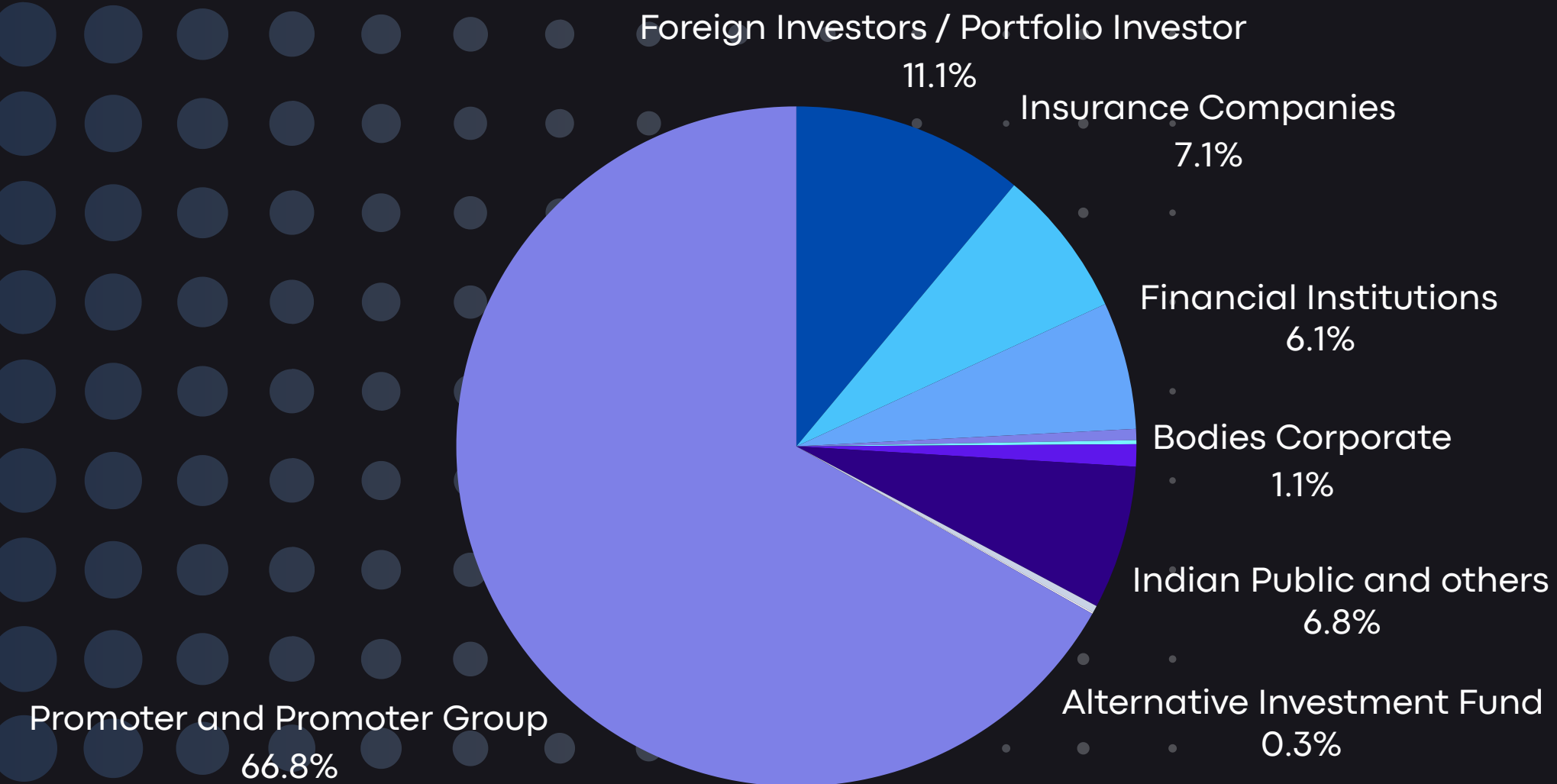
Competitors

- ACC Cement
- Ultratech Cement



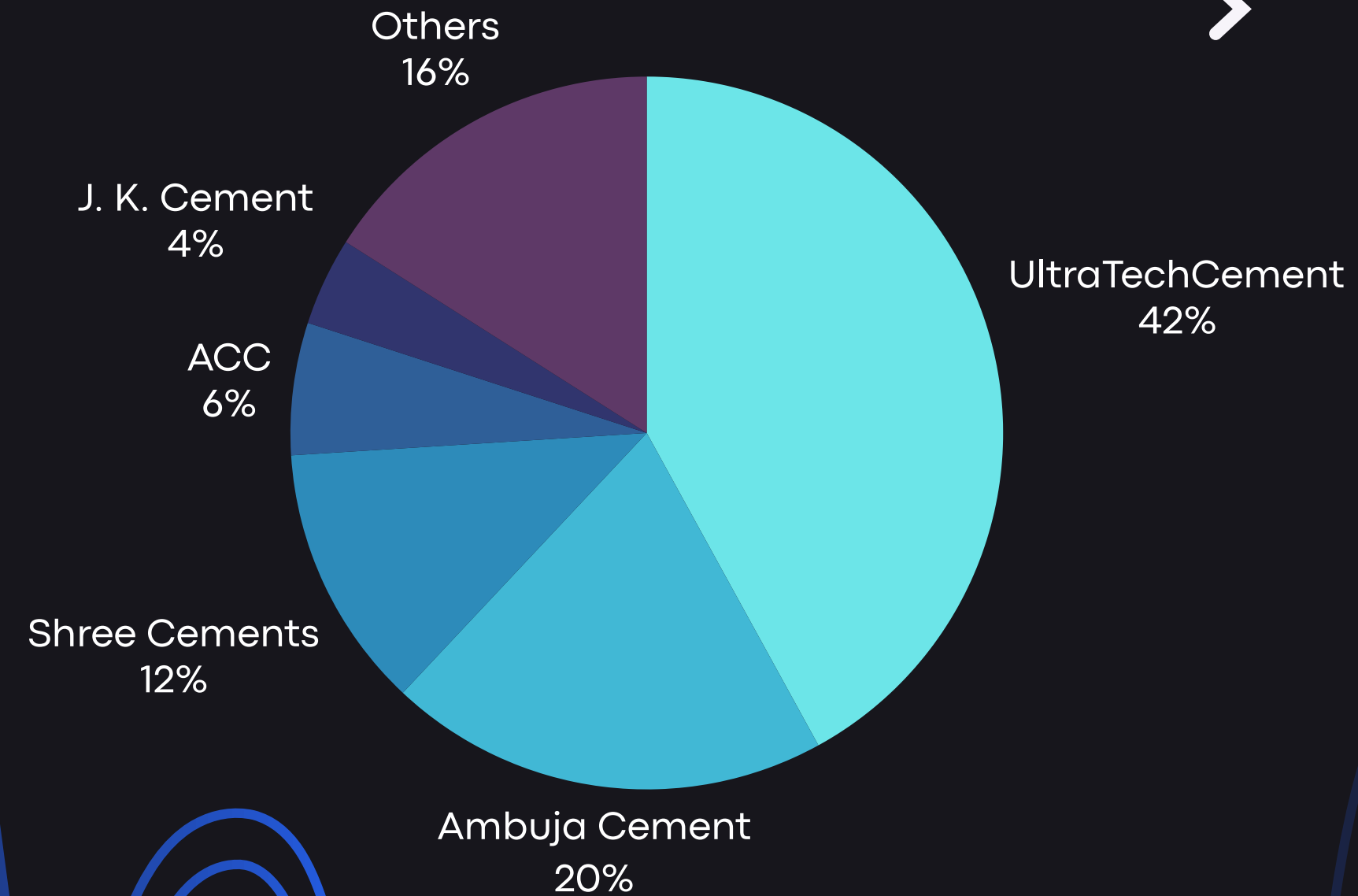
Shareholding Pattern

This diverse shareholding pattern reflects a healthy mix of ownership, **balancing control** with a broad base of institutional and public investors. The significant promoter holding ensures **strategic direction**, while substantial institutional investment underscores the company's attractiveness to both **domestic and international investors**



Industry Analysis

- Ambuja Cement is the **second largest** player in the Indian Cement market, second only to **Ultratech**, maintaining a strong market presence, driving growth and innovation within the sector.
- The Cement Industry is heavily dependent on the **Fuel** and **Power** costs so changes in the fuel taxes affect the market.
- Ambuja Cement, being a key player in the industry significantly **influences market trends and practices**.



Long-Term Goals

1

Enhance
Market Share

2

Drive
premiumisation

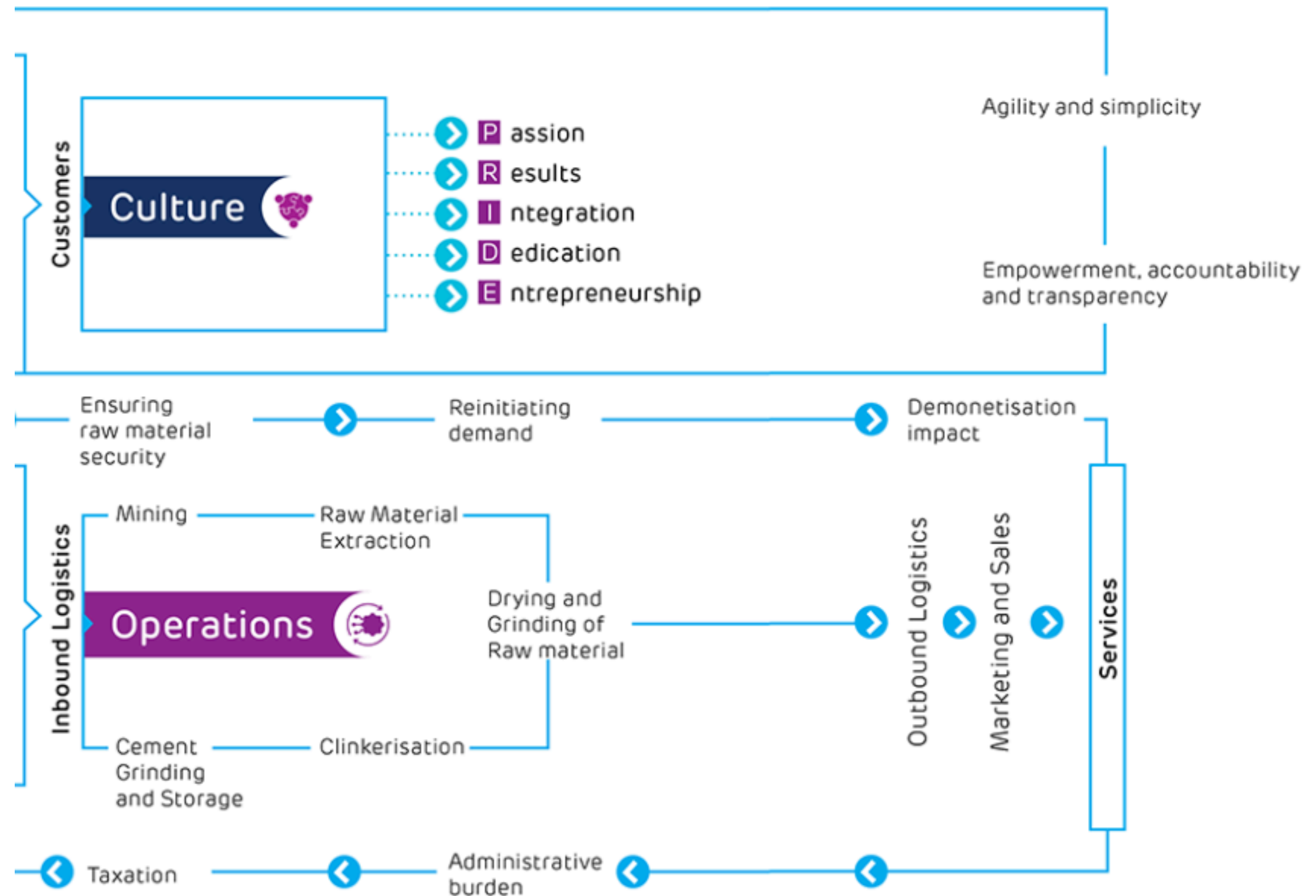
3

Enhance
efficiency

4

Achieve
sustainability
leadership

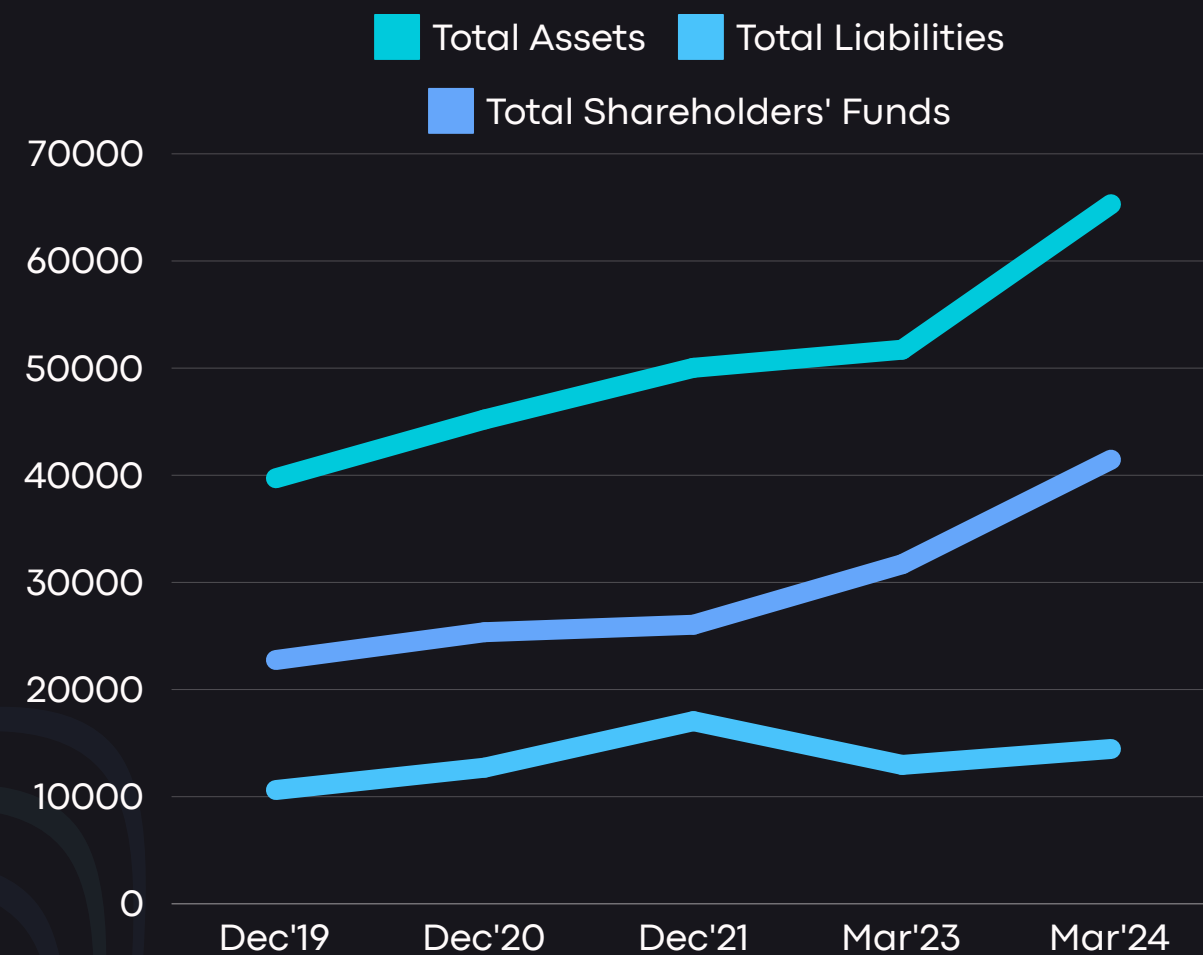
Business Model



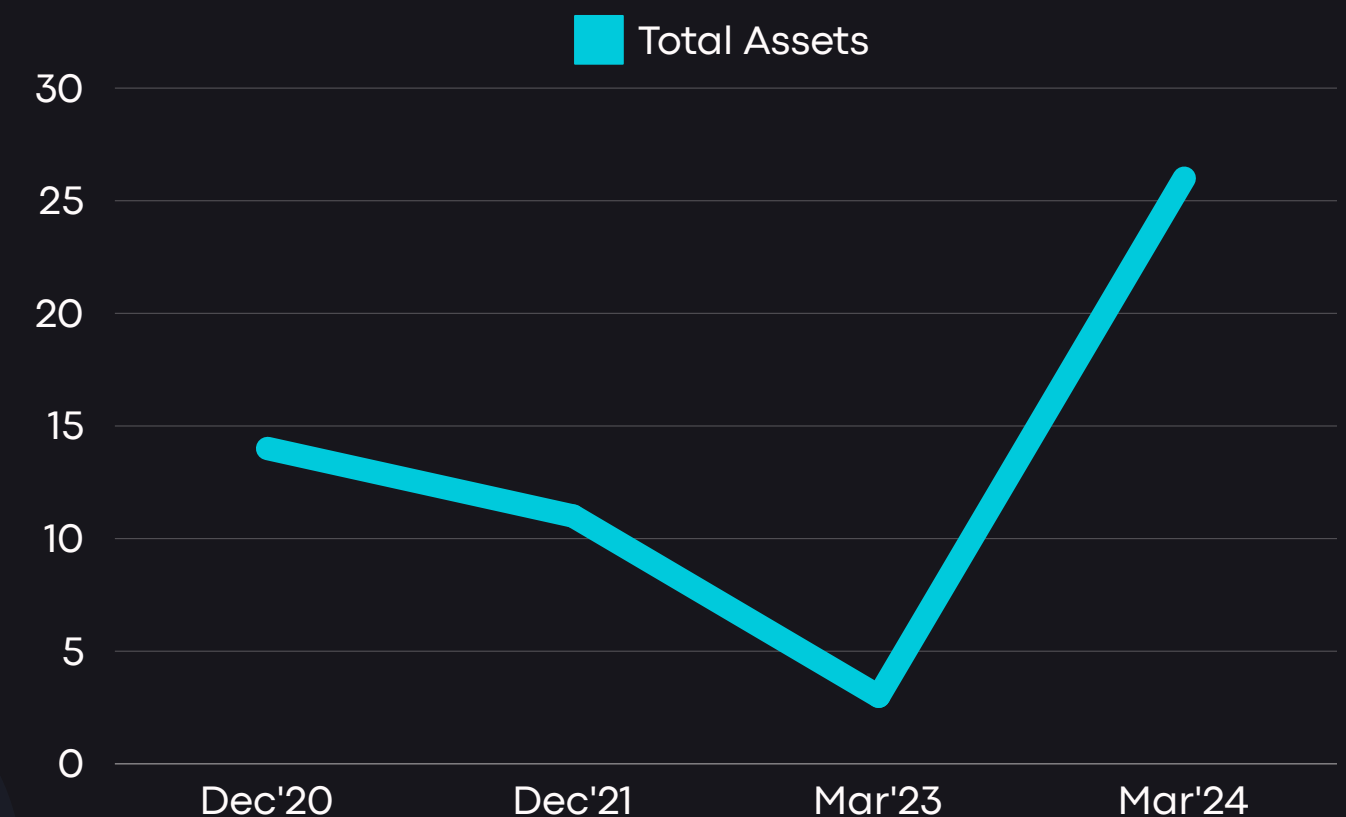
Balance Sheet Breakdown



Ambuja Cement has experienced a steady growth in its assets, indicating an **expansion in operations and market presence**.

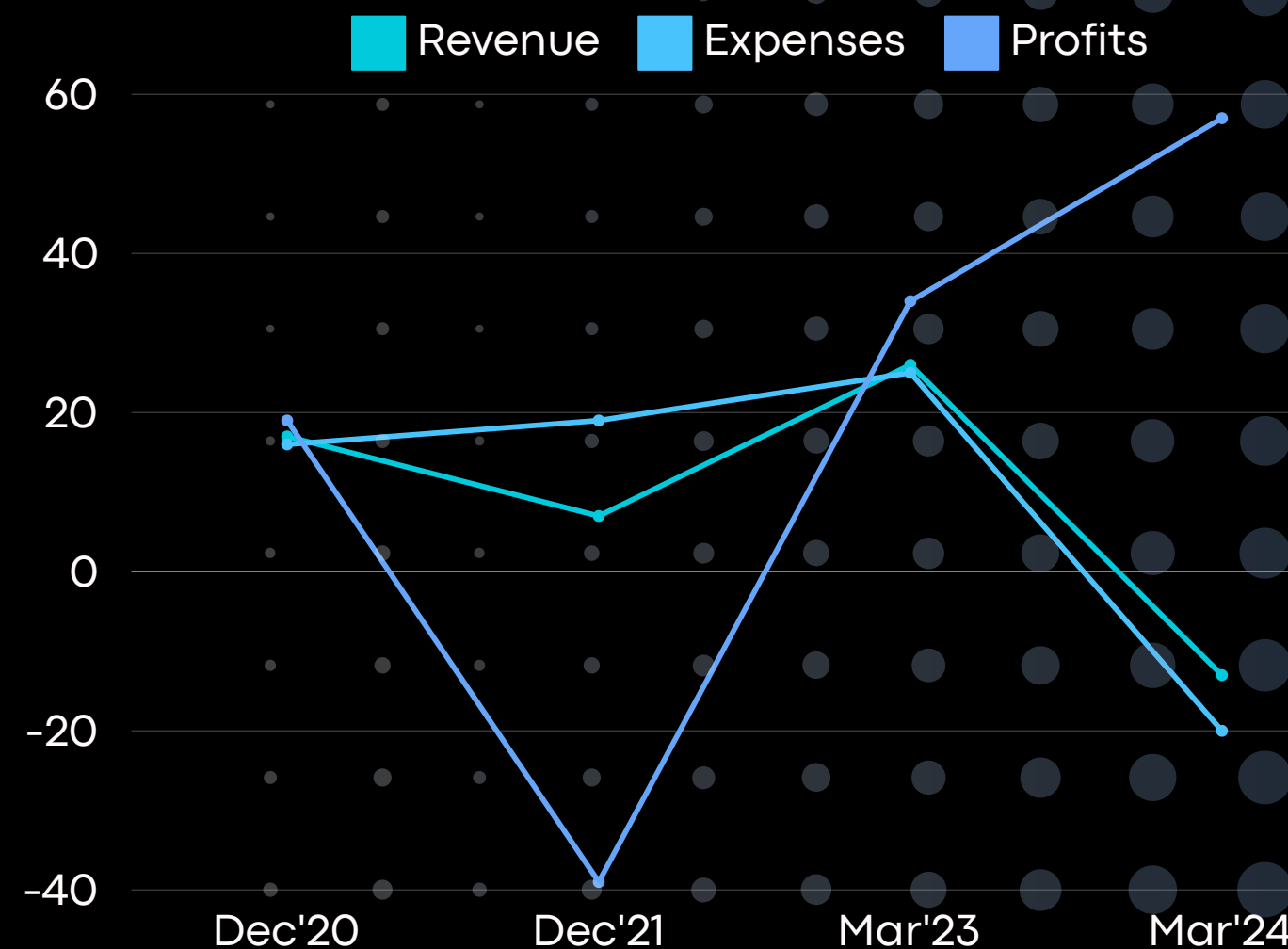


Current liabilities have increased, highlighting a **need for careful management of short-term financial obligations**, while non-current liabilities have remained stable. Shareholder equity has significantly risen, showcasing **strong retained earnings and a robust capital base**, which reflects the company's **financial strength and stability**.



The Profitability Puzzle

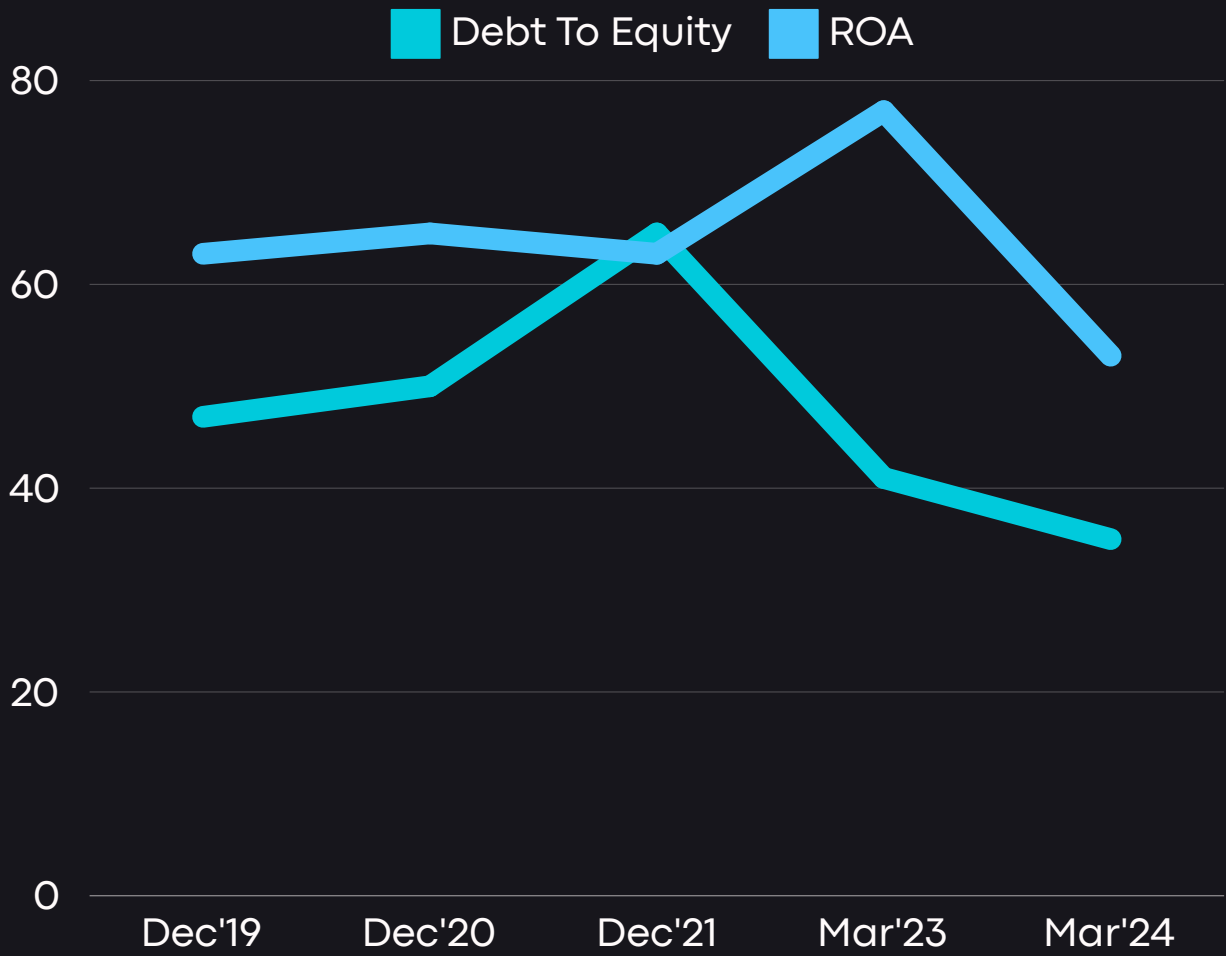
- Ambuja Cements has demonstrated robust financial growth from Dec'19 to Mar'24, with equity share capital rising from **₹397.13 cr** to **₹439.54 cr**.
- Reserves and surplus increasing from **₹22,360.47 cr** to **₹38,235.87 cr**.
- Consequently, total shareholders' funds surged from **₹22,757.6 cr** to **₹41,455.06 cr**.
- Non-current liabilities also grew, notably deferred tax liabilities, which climbed from **₹626 cr** to **₹1,549.1 cr**.
- Current liabilities saw an uptick with trade payables increasing from **₹2,213.41 cr** to **₹3,108.75 cr**.



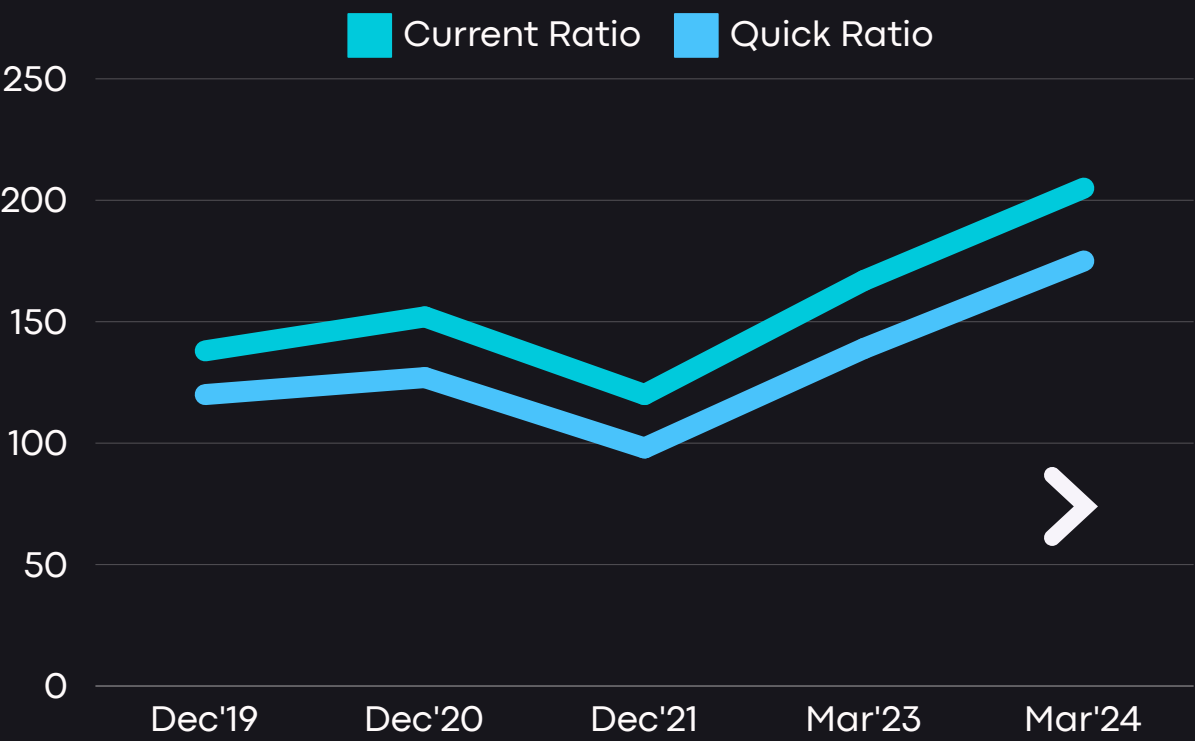
Financial Ratios

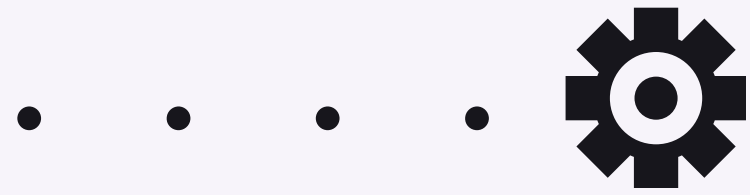
- Operating margins improved in Mar '24, showing **better efficiency** and **cost management**.
- PAT margin increased in Mar '24, indicating **stronger profitability** and **expense control**.
- The debt-to-equity ratio is very low, signifying a **strong equity base** and low financial risk.

- The P/E ratio is rising, suggesting investor expectations of **higher earnings growth**.
- The P/B ratio is higher than book value, indicating **investor confidence**.

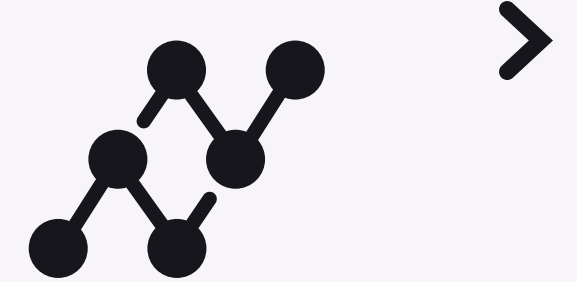


Month	Mar'24	Dec'19
Operating Margins	17.92%	17.51%
PAT margin	13.74%	12.39%
Debt to Equity	0.02%	0.00%
P/E (Price to Earning)	34.04%	0.00%
P/B (Price to Booking)	3.25%	2.17%





Competitive Advantages



Stock Performance

Ambuja Cement's stock price is around **₹550** with a **10%** growth rate, while UltraTech Cement's stock price is approximately **₹7,500** with an **8%** growth rate.

Profitability

Ambuja Cement has a net profit margin of **18%** and an ROE of **15%**, compared to UltraTech's **14%** net profit margin and **13%** ROE.

Debt Levels

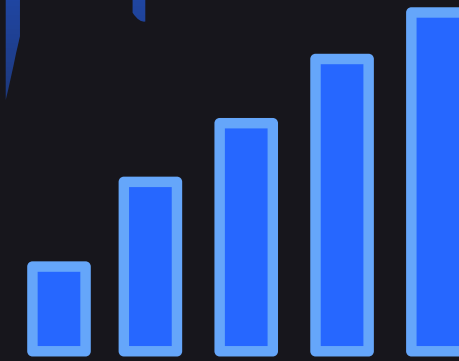
Ambuja Cement has a debt-to-equity ratio of **0.35** and total debt of **₹2,500 cr**, while UltraTech has a ratio of **0.65** and total debt of **₹22,000 cr**.

Financial Ratios

Ambuja's current ratio is **1.5** and quick ratio is **1.2**, whereas UltraTech's current ratio is **1.3** and quick ratio is **1.0**.

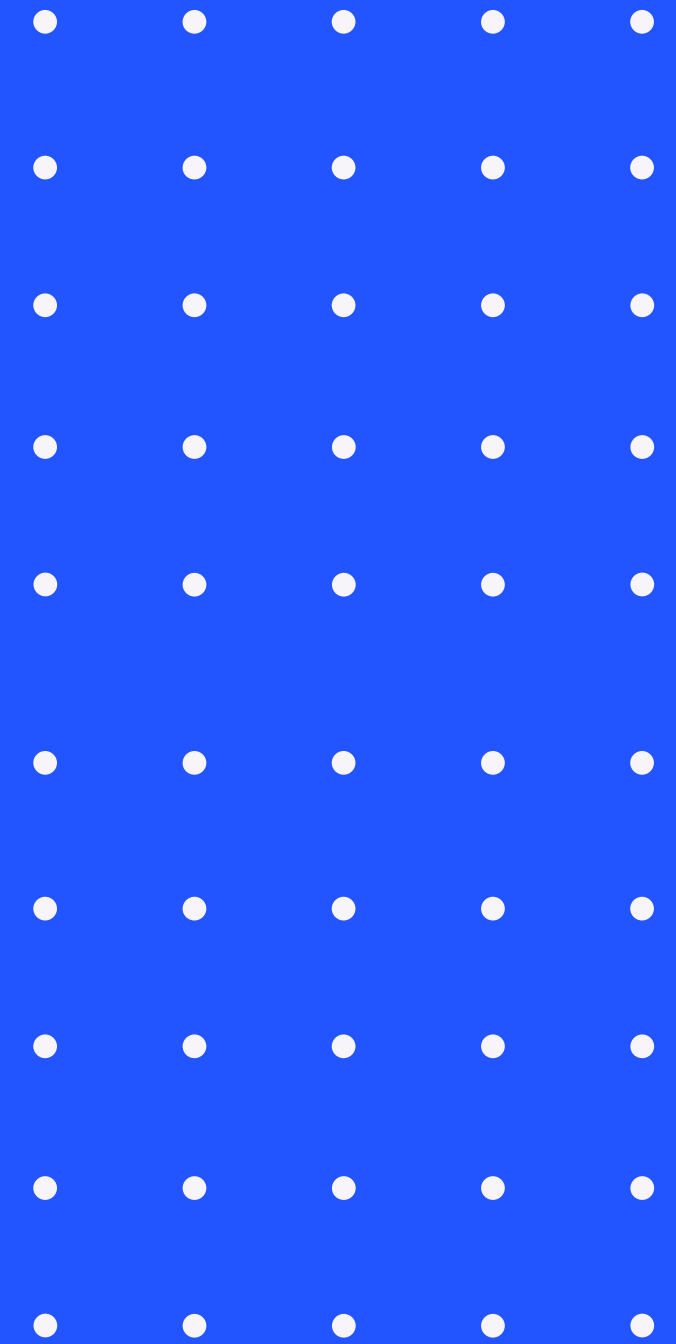


The Bottom Line



- The company has a consistent performance, strong financial health, and lower risk profile.
- Company is almost debt free.
- Company has been maintaining a healthy dividend payout of 25.5%
- Promoter holding has increased by 3.59% over last quarter indicating effective management and financial stability.

Thus, Ambuja Cement emerges as a superior investment opportunity compared to its competitors.





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