

# BDM Assignment- ACC Cement

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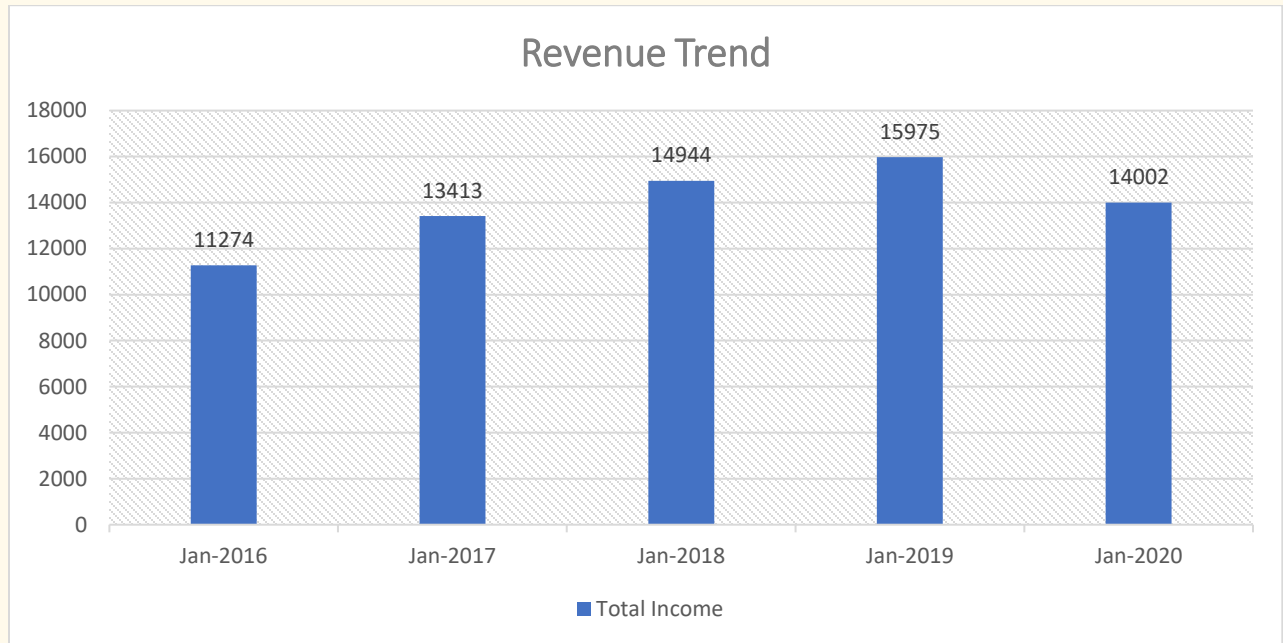
Source of Data: <https://www.moneycontrol.com/india/stockpricequote/cement-major/acc/ACC06>

General Statement: *All trends have an impact of Covid-19 in the year 2020*

## Covered Topics

- 1) Analyze the revenue trend over the last 5 years (construct a bar chart/line chart).
- 2) Analyze the net profit trend over the last 5 years (construct a bar chart/line chart).
- 3) Compare the key financial ratios (such as Current ratio; Acid test/Quick ratio; Earnings per share; Price earnings ratio; EV/EBITDA; Net profit; Net profit margin (%); Return on capital employed (%); Return on assets (%); Asset turnover ratio (%); Inventory turnover ratio; Debtor days) over the last 5 years and derive insights on the financial performance of the firm based on the ratios (construct a table).
- 4) Present the shareholding of the company and its variation over a period (construct a bar chart/pie chart).
- 5) Present the variation in the capital structure of the company over the last 5 years (construct a table).
- 6) Compare the financial performance of the company to its peers in the industry (construct a table).
- 7) Present the main components of cost and their movement across the last 5 years (construct a table).
- 8) Analyze the price performance over the last 5 years (construct a line chart).
- 9) Highlight a few important acquisitions, sales, and purchase of shares.

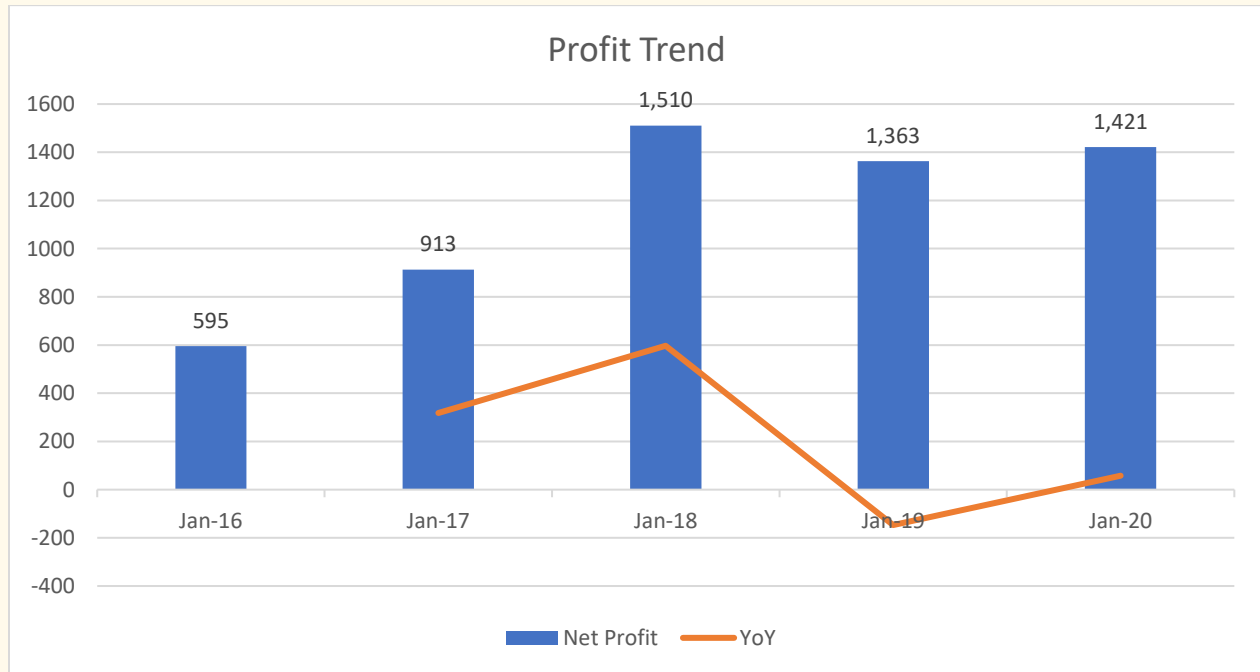
## Revenue Trend



- Consistent growth from 2016 to 2019 with a dip in 2020.
- Income trend is consistent with economic demands of the country.
- However, on close inspection of year-on-year growth it seems the growth has been consistently shrinking, with a huge impact of Covid-19 in the year 2020.



## Profit Trend



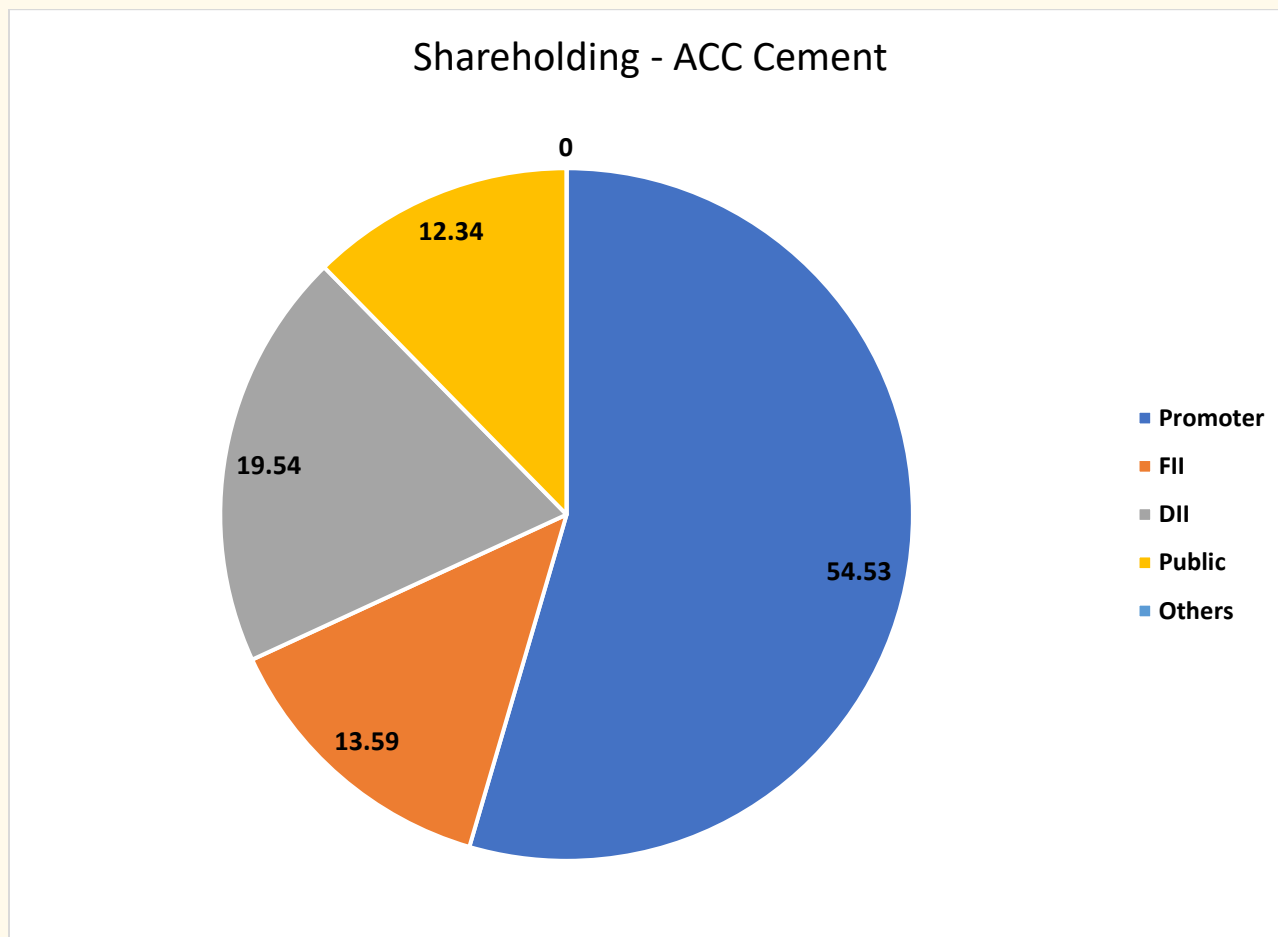
- Overall growth in Profit with a dip in 2019 and rise in 2020, indicating resilience within the company.
- Year-on-year trendline shows the 2019 dip and recovery.

## Key financial ratios

Categories	2016	2017	2018	2019	2020	Comments
Current Ratio	0.99	1.16	1.4	1.58	1.74	Ratio is consistently growing showing a healthy payment ability
Acid Test/Quick Ratio	0.69	0.87	1.04	1.34	1.55	Short term liquidity is showing promising growth
Earnings per Share	32.08	48.75	80.23	72.36	75.35	EPS has been over 80 only once in the last 5 years indicating less than expected growth
Price earnings ratio	37.99	35.8	18.63	19.74	21.3	Ratio indicates earnings compared to share price is increasing
EV/EBITDA	16.18	14.9	11.58	8.31	9.63	numbers shows a negative growth
Net Profit	32.04	48.7	80.14	72.29	75.27	trend shows a continuous growth except in the year 2019
Net Profit margin	5.39	6.89	10.17	8.67	10.26	consistent growth with a overall followed trend in the year 2019
ROCE	6.44	13.93	13.97	17.08	14.4	overall growth on capital employed
Return on assets	4.48	6.14	9.4	7.95	7.8	overall growth on returns
Asset turnover ratio	83.03	89.22	92.36	91.65	76.04	Growth in ratio indicates good sales
Inventory turnover ratio	9.12	9.46	8.82	13.72	15.31	overall good trend indicating good sales

- Ratios are projecting a healthy organization with a few dips however nothing shows a major concern

## SHAREHOLDING



- High percentage of promoter shareholding indicates trust
- Overall portfolio shows a balanced nature of the organization

Categories	Sep-2021	Dec-2021	Mar-2021	Jun-2021	Sep-2021
Promoter	54.53	54.53	54.53	54.53	54.53
FII	6.6	11.55	12.64	13.57	13.59
DII	25.75	20.83	20.43	19.56	19.54
Public	13.1	13.09	12.4	12.33	12.34
Others	0.02	0	0	0.01	0

## CAPITAL STRUCTURE

Period	Instrument	Authorized Capital	Issued Capital	- P A I D U P -		
FromTo		(Rs. cr)	(Rs. cr)	Shares (nos)	Face Value	Capital
20202020	Equity Share	225	188.79	187,787,263	10	187.79
20192019	Equity Share	225	188.79	187,787,263	10	187.79
20182018	Equity Share	225	188.79	187,787,263	10	187.79
20172017	Equity Share	225	188.79	187,787,263	10	187.79
20162016	Equity Share	225	188.79	187,787,263	10	187.79

- No change in the structure shows the stability of the firm
- At the same time no change may also indicate a lack of change required for growth

## PEER COMPARISON

Company Name	Price	% Chg	MCap(Cr)	TTM PE	P/B	ROE(%)	1 Yr Perform(%)	Net Profit(Rs.)	Net Sales(Rs.)	Debt to Equity
<a href="#">ACC</a>	2,240.90	-1.1	42,081.25	21.38	3.31	11.26	47.63	1,421	13,785	0.01
<a href="#">UltraTech Cement</a>	7,335.75	-0.26	211,753.58	33.63	4.79	12.36	68.79	5,316	44,725	0.4
<a href="#">Shree Cements</a>	27,757.15	-1.08	100,149.87	38.73	6.48	14.84	33.86	2,289	13,476	0.12
<a href="#">Ambuja Cements</a>	403.05	0.04	80,031.43	25.19	2.75	10.39	69.24	3,092	24,516	0
<a href="#">Dalmia Bharat</a>	2,099.95	0.33	39,293.74	30.99	3.1	9.74	174.54	1,243	10,522	0.23

- ACC stands at 4<sup>th</sup> by Price, when compared to its peers the firm shows the most negative growth
- All the summary numbers indicate an overall average performance by the firm
- Sales when compared to market leader is just above 1/4<sup>th</sup>

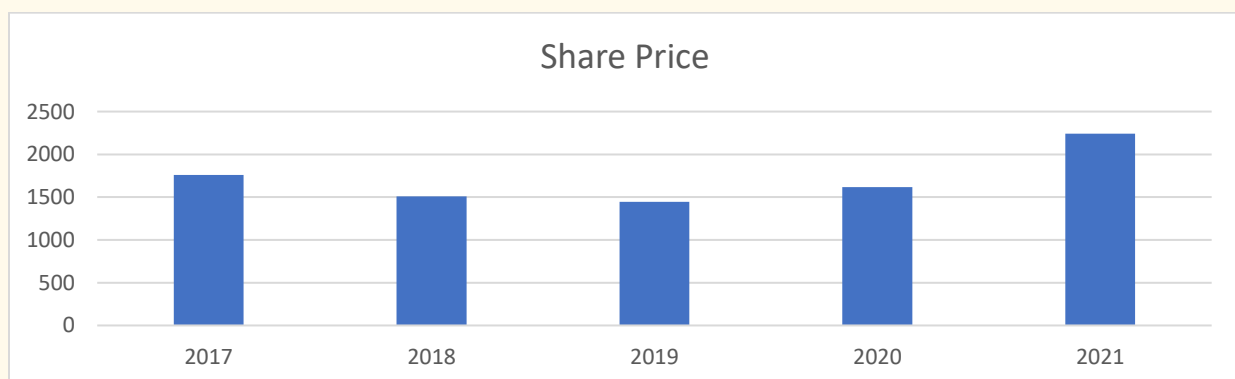
## MAIN COMPONENTS COST AND THEIR MOVEMENTS

Categories	Dec-2016	Dec-2017	Dec-2018	Dec-2019	Dec-2020
Cost of Materials Consumed	3,747.17	4,696.98	5,369.00	5,390.40	4,247.86
Operating and Direct Expenses	0	3,433.75	3,992.82	4,032.09	3,416.09
Employee Benefit Expenses	789.86	821.36	883.58	866.11	841.21
Finance Costs	68.91	98.53	87.77	86.27	57.08
Depreciation and Amortization Expenses	615.11	643.62	603.22	606.44	638.84
Other Expenses	5,108.59	2,440.80	2,546.53	2,495.99	2,087.43
<b>TOTAL EXPENSES</b>	<b>10,430.84</b>	<b>12,114.85</b>	<b>13,444.49</b>	<b>13,937.48</b>	<b>12,126.79</b>

- General trend follows in expenses with a dip in 2019 however expenses are not recovering in the year 2020
- Firm seems to move back a couple of years behind in terms of growth

## PRICE PERFORMANCE

Date	Open	Close	High	Low
2021	1617.2	2240.9	2509	1584.2
2020	1452.5	1617.65	1785	895.15
2019	1516.9	1445.65	1769.05	1326
2018	1763.95	1508.1	1857.45	1255.65
2017	1340	1758.4	1869.95	1314.05



- After an initial dip in the share price the trend picks up

## ACQUISITIONS, SALES AND PURCHASES OF SHARES

27 Nov, 2020

PURCHASE

**BNP PARIBAS ARBITRAGE**

Qty	Price	% Traded
231	1711.17	0.00

27 Nov, 2020

SELL

**INTEGRATED CORE STRATEGIES (ASIA) PTE. LTD.**

Qty	Price	% Traded
1902067	1703.45	1.01

27 Nov, 2020

SELL

**BNP PARIBAS ARBITRAGE**

Qty	Price	% Traded
942520	1700.58	0.50

31 May, 2018

SELL

**BLACKROCK INDIA EQUITIES FUND (MAURITIUS) LIMITED**

Qty	Price	% Traded
1280803	1354.38	0.68

15 Nov, 2016

PURCHASE

**HOLDERIND INVESTMENTS LIMITED**

Qty	Price	% Traded
7870000	1536.53	4.19

15 Nov, 2016

SELL

**NOMURA INDIA INVESTMENT FUND MOTHER FUND**

Qty	Price	% Traded
986171	1538	0.52

29 Apr, 2011

PURCHASE

**AMBUJA CEMENT INDIA LTD**

Qty	Price	% Traded
1498906	1134.72	0.80

29 Apr, 2011

SELL

**ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD**

Qty	Price	% Traded
1422156	1135	0.76

- Overall sell is more than purchase showing some instability
- No acquisitions