

April 28, 2025

Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	2,383		2,549	
Sales (Rs. m)	2,26,305	2,33,118	2,21,755	2,35,399
% Chng.	2.1	(1.0)		
EBITDA (Rs. m)	32,732	35,255	31,749	35,898
% Chng.	3.1	(1.8)		
EPS (Rs.)	107.3	113.0	105.7	116.8
% Chng.	1.5	(3.2)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	1,99,589	2,11,255	2,26,305	2,33,118
EBITDA (Rs. m)	30,617	24,245	32,732	35,255
Margin (%)	15.3	11.5	14.5	15.1
PAT (Rs. m)	24,313	19,159	20,163	21,245
EPS (Rs.)	129.3	101.9	107.3	113.0
Gr. (%)	145.1	(21.2)	5.2	5.4
DPS (Rs.)	7.5	7.5	8.3	9.1
Yield (%)	0.4	0.4	0.4	0.5
RoE (%)	16.0	11.0	10.3	9.9
RoCE (%)	14.1	8.0	11.4	11.0
EV/Sales (x)	1.7	1.6	1.4	1.4
EV/EBITDA (x)	11.1	13.9	10.0	9.1
PE (x)	15.0	19.0	18.1	17.1
P/BV (x)	2.2	2.0	1.8	1.6

Key Data

ACC.BO | ACC IN

52-W High / Low	Rs.2,844 / Rs.1,778
Sensex / Nifty	79,213 / 24,039
Market Cap	Rs.364bn / \$ 4,259m
Shares Outstanding	188m
3M Avg. Daily Value	Rs.628.7m

Shareholding Pattern (%)

Promoter's	56.69
Foreign	4.93
Domestic Institution	24.92
Public & Others	13.46
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	0.4	(13.4)	(24.9)
Relative	(1.1)	(13.2)	(29.5)

Tushar Chaudhari

tusharchaudhari@plindia.com | 91-22-663222391

Satyam Kesarwani

satyamkesarwani@plindia.com | 91-22-66322218

Strong print on volume and pricing

Quick Pointers:

- Volume grew strong 14% YoY aided by MSA and higher growth in premium products. NSR improved 2.7% QoQ to Rs4,778/t.
- Subsidiary AMRL acquired 100% stake in 15 private companies for Rs2.98bn for land parcels for expansion; also provided inter corporate deposits of Rs3.8bn.

ACC reported robust operating performance in 4QFY25 aided by strong volume growth and improved NSR. Volumes grew 14% YoY to 11.9mt aided by higher trade volume and better growth in premium products (7% YoY). Average cement NSR grew 2.7% QoQ as cement price hikes were seen across regions during the quarter. Except for RM costs, which grew 22% YoY due to higher MSA and traded volumes, all other costs have been constrained. Optimization of the fuel basket, lower fuel costs, increased use of Green share, and higher volumes led to a 22% YoY decline in P&F costs. Reduction in lead distance and higher direct dispatch resulted in a 9% YoY decline in freight costs. Strong operating leverage contributed to an 18% YoY decline in Other Expenses. These cost reductions aided ACC to deliver EBITDA/t of Rs698 (PLe Rs598).

The management expects cement demand in FY26 to continue benefiting from government spending on infrastructure and construction activities, with growth projected at 7-8%. Improved cement prices, driven by cost push, along with strong domestic demand from ongoing consumption in the housing and infrastructure segments, are expected to drive ACC's earnings growth. With Adani Group's margin accretive project initiatives, we expect ACC's operating performance to continue to improve gradually over next two years. We tweak our FY26/27E EBITDA estimates by 3%/-2% with flattish volumes and higher pricing assumptions. The stock is currently trading at 10x/9.1x EV of FY26/27E EBITDA. Maintain 'BUY' with revised TP of Rs2,383 (Rs2,549 earlier) valuing at an EV multiple of 12x Mar'27E EBITDA.

- Revenue beat on strong volume growth and pricing:** Revenue grew 12% YoY to Rs60.6bn (+14.7% QoQ; PLe Rs55.3bn) aided by strong volume growth and improving NSR. Cement volumes grew 14% YoY to 11.9mt (+11% QoQ; PLe 11.1mt) supported by higher trade volumes and higher premium product volumes. Average cement realization has improved 2.7% QoQ to Rs4,778/t (PLe Rs4,698).
- EBITDA remained flat despite high volume growth:** EBITDA remained flat YoY at Rs8.3bn (+73% QoQ; PLe Rs6.6bn) aided by lower operating expenses. RM costs jumped 26% YoY on higher MSA volumes to Rs2,109/t. P&F costs/t declined 22% YoY to Rs730 while freight costs/t declined 9% YoY to Rs957. Other expense/t declined 18% YoY to Rs456/t on strong operating leverage. Resultant, ACC delivered EBITDA/t of Rs698/t (-13% YoY/+56% QoQ) Vs PLe of Rs598/t on higher traded volumes. EBIT of RMC business grew 28% YoY to Rs212mn. Other income contains reversal worth Rs1.27 bn on a/c of prior period tax liabilities and interest provisions made earlier. Adjusted PAT declined 28% YoY to Rs5.5bn.

- **Improving cost efficiencies:** In Q4FY25 Kiln Fuel cost reduced to Rs1.47/kcal from Rs1.91/kcal YoY led by higher consumption of alternative fuels. Green power as a % of total power consumption increased 10.3pp YoY to 22.5%. AFR consumption in kiln increased 0.4pp to 11% YoY.

Other Key Points:

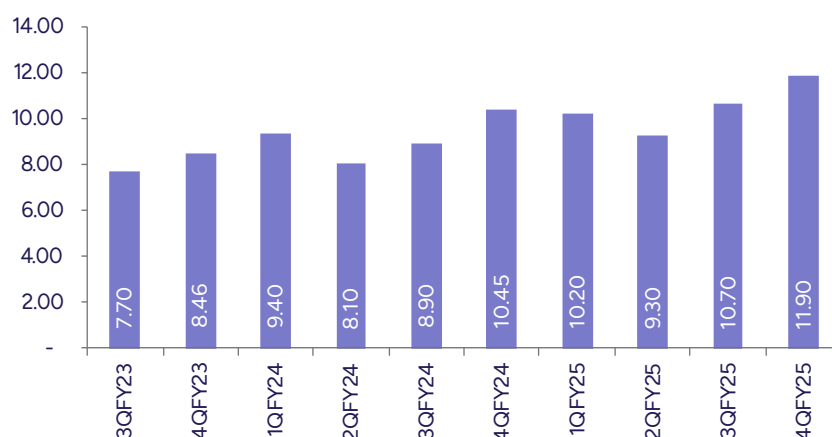
- **ICDs given to subsidiaries for land purchase:** ACC's wholly owned subsidiary ACC Mineral Resources (AMRL) acquired 100% stake in 15 private companies for cash consideration Rs2.98bn (also provided funds through inter corporate deposits of Rs3.8bn) in Feb–Mar'25; 13 were acquired on 27th Feb'25. These 15 companies collectively own land parcels — some meant for future manufacturing facilities and some with mining rights, which align with ACC's future expansion plans. Although the land acquired is meant for expansion and ICDs are given to its 100% subsidiaries, investors would expect further details on the same from management.
- **ACC trying to clear old matters and realign itself with parent company:** ACC reported exceptional items worth Rs1.35bn on account of: **1)** Rs270mn paid on settlement of a legacy dispute via arbitration on 20th Feb'25, related to a terminated 2012 Cement Purchase Agreement. **2)** Impairment loss of Rs2.07bn booked on three idle clinker units (Wadi-1, Bargarh, Chaibasa) due to weak viability outlook. This is part of ACC's initiatives to realign its EBITDA/t in line with its parent company. **3)** Completed sale of Thane land to related party Camrose Realtors for Rs3.85bn; conveyance deed signed on Mar'25. Booked Rs3.69bn profit as an exceptional item in Q4. Apart from this, AMRL settled old dispute with JMS Mining for Rs350mn Cr in Oct 2024 over cancelled Bicharpur Coal Block contract and included the same in FY25 exceptional items.
- Govt-approved Rs6.39bn excise duty refund recognized as income in Q3FY25, following Supreme Court ruling. Benefits from government now separately disclosed as "Government Grants including duty credits/refunds" from Dec'24 onwards.

Exhibit 1: Q4FY25 Result Overview

Y/e March (Rs mn)	Q4FY25	Q4FY24	YoY gr. (%)	Q4FY25E	Var. (%)	Q3FY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Net Sales	60,665	54,087	12.2	55,315	9.7	52,905	14.7	2,11,255	1,99,589	5.8
Raw Material	25,098	17,492	43.5	22,257	12.8	21,938	14.4	82,459	58,116	41.9
% of Net Sales	41.4	32.3		40.2		41.5		39.0	29.1	
Staff Costs	1,752	1,672	4.8	1,806	(3.0)	1,975	(11.3)	7,178	6,922	3.7
% of Net Sales	2.9	3.1		3.3		3.7		3.4	3.5	
Power & Fuel	8,691	9,763	(11.0)	8,565	1.5	8,529	1.9	35,054	40,030	(12.4)
% of Net Sales	14.3	18.1		15.5		16.1		16.6	20.1	
Freight	11,393	11,014	3.4	10,530	8.2	10,275	10.9	41,839	41,704	0.3
% of Net Sales	18.8	20.4		19.0		19.4		19.8	20.9	
Other Expenses	5,430	5,778	(6.0)	5,534	(1.9)	5,399	0.6	20,481	22,200	(7.7)
% of Net Sales	9.0	10.7		10.0		10.2		9.7	11.1	
Total Expenditure	52363	45719	14.5	48692	7.5	48117	8.8	187010	168973	10.7
EBITDA	8,302	8,368	(0.8)	6,624	25.3	4,789	73.4	24,245	30,617	(20.8)
Margin (%)	13.7	15.5		12.0		9.1		11.5	15.3	
Depreciation	2,649	2,350	12.7	2,444	8.4	2,596	2.0	9,991	8,831	13.1
EBIT	5,653	6,018	(6.1)	4,179	35.3	2,193	157.8	14,254	21,786	(34.6)
Other income	664	1,197	(44.6)	1,061	(37.4)	1,179	(43.7)	4,146	4,928	(15.9)
Interest	136	667	(79.6)	254	(46.3)	282	(51.6)	1,082	1,546	(30.0)
PBT	6,181	6,548	(5.6)	4,987	23.9	3,090	100.0	17,318	25,168	(31.2)
Extraordinary income/(expense)	2,622	2,296	NA	-		11,674	NA	13,946	2,296	NA
PBT (After EO)	8,803	8,843	(0.5)	4,987	76.5	14,764	(40.4)	31,264	27,464	13.8
Tax	1,311	-598	NA	1,282		3,847	(65.9)	7,251	4,228	71.5
% PBT	14.9	(6.8)		25.7		26.1		23.2	15.4	
Reported PAT	7,492	9,441	(20.7)	3,705	102.2	10,917	(31.4)	24,014	23,236	3.3
Minority Interest	0	-1	NA	0		1	NA	1	-2	(143.8)
Share of profit in JV/Associates	19	7	167.1	2	NA	3	484.4	28	129	(78.4)
Net Profit Attributable to shareholders	7,511	9,448	(20.5)	3,707	102.6	10,921	(31.2)	24,042	23,364	2.9
Adjusted PAT	5,548	7,730	(28.2)	3,707	49.7	2,294	141.9	13,606	21,646	(37.1)

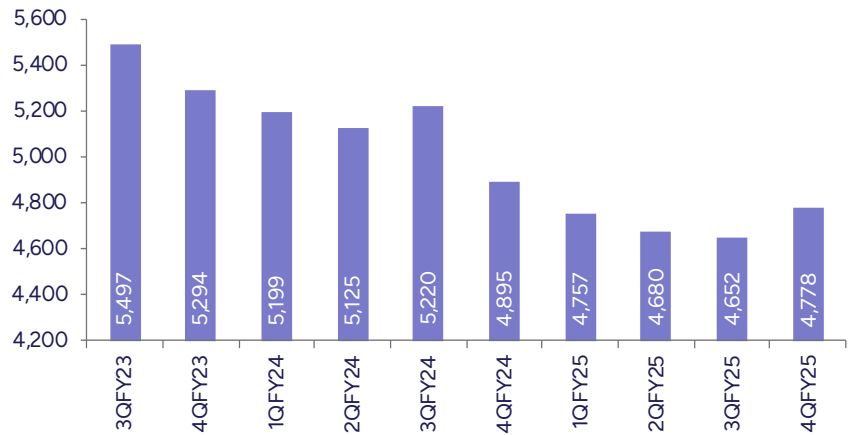
Source: Company, PL

Exhibit 2: 14% YoY volume growth aided by increased trade volume (mt)



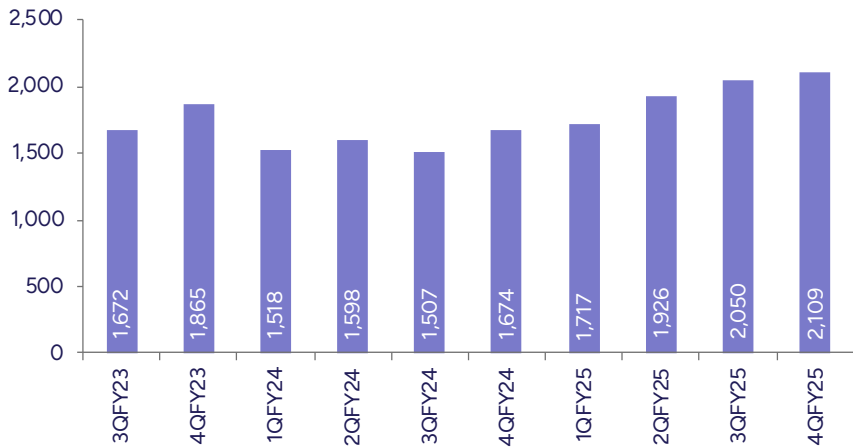
Source: Company, PL

Exhibit 3: NSR improved 2.7% QoQ due to price hikes across regions (Rs/t)



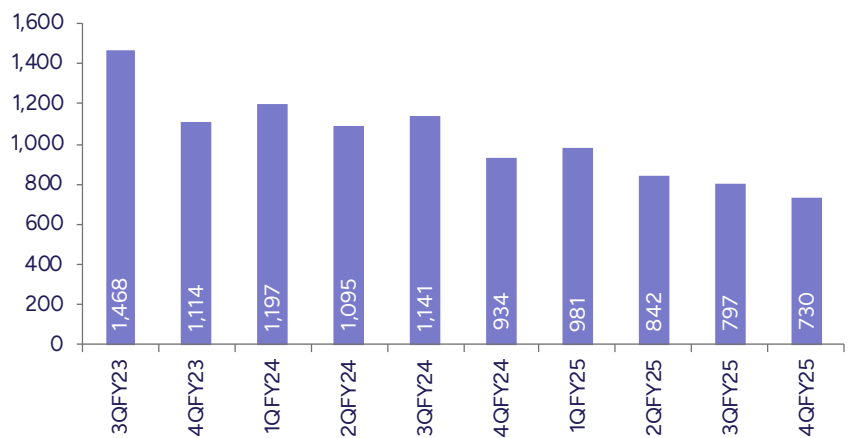
Source: Company, PL

Exhibit 4: RM costs/t grew 26% YoY on higher MSA volumes (Rs)



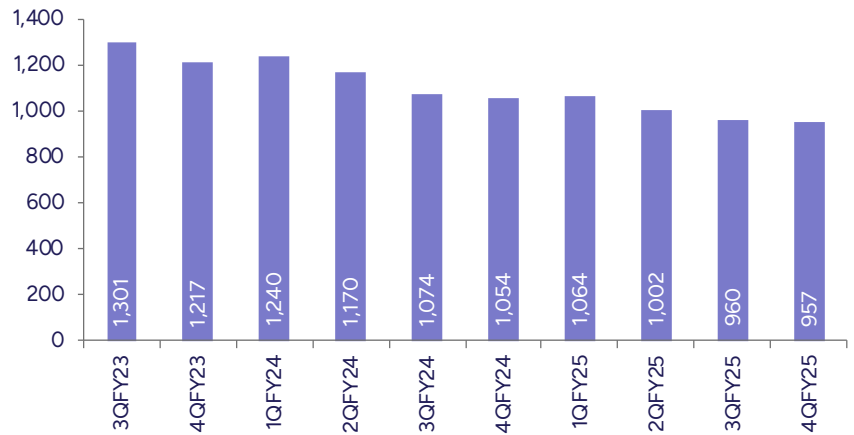
Source: Company, PL

Exhibit 5: P&F costs/t declined 22% YoY led by lower fuel costs (Rs)



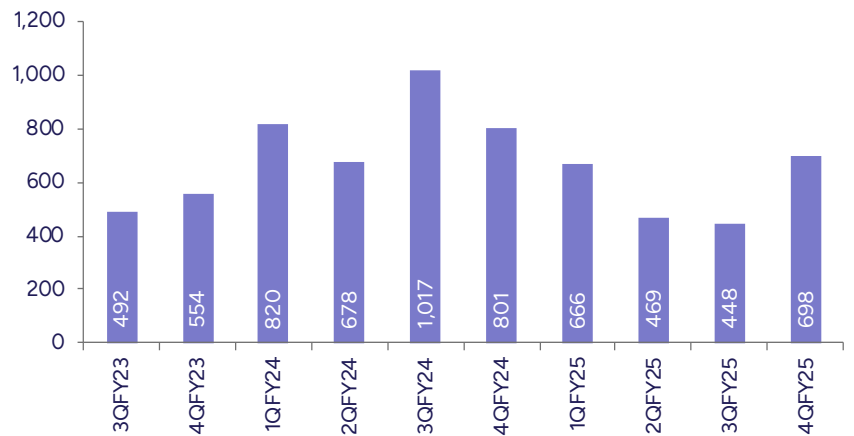
Source: Company, PL

Exhibit 6: Freight costs/t decreased 9% YoY led by decline in lead distance (Rs)



Source: Company, PL

Exhibit 7: EBITDA/t grew to Rs698/t on lower operating costs (Rs)



Source: Company, PL



Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	1,99,589	2,11,255	2,26,305	2,33,118
YoY gr. (%)	(8.3)	5.8	7.1	3.0
Cost of Goods Sold	58,050	82,459	80,948	83,890
Gross Profit	1,41,540	1,28,796	1,45,357	1,49,228
Margin (%)	70.9	61.0	64.2	64.0
Employee Cost	7,372	7,178	8,876	9,587
Other Expenses	1,03,551	97,374	1,03,749	1,04,386
EBITDA	30,617	24,245	32,732	35,255
YoY gr. (%)	106.6	(20.8)	35.0	7.7
Margin (%)	15.3	11.5	14.5	15.1
Depreciation and Amortization	8,831	10,013	10,129	11,504
EBIT	21,786	14,232	22,604	23,752
Margin (%)	10.9	6.7	10.0	10.2
Net Interest	1,546	1,082	790	760
Other Income	4,929	10,724	5,771	6,075
Profit Before Tax	27,464	31,240	27,585	29,067
Margin (%)	13.8	14.8	12.2	12.5
Total Tax	4,228	7,245	7,448	7,848
Effective tax rate (%)	15.4	23.2	27.0	27.0
Profit after tax	23,236	23,995	20,137	21,219
Minority interest	2	2	2	2
Share Profit from Associate	129	28	28	28
Adjusted PAT	24,313	19,159	20,163	21,245
YoY gr. (%)	145.1	(21.2)	5.2	5.4
Margin (%)	12.2	9.1	8.9	9.1
Extra Ord. Income / (Exp)	1,515	4,862	-	-
Reported PAT	23,364	24,021	20,163	21,245
YoY gr. (%)	164.0	2.8	(16.1)	5.4
Margin (%)	11.7	11.4	8.9	9.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	23,364	24,021	20,163	21,245
Equity Shares O/s (m)	188	188	188	188
EPS (Rs)	129.3	101.9	107.3	113.0

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	1,50,150	1,67,708	1,92,708	2,17,708
Tangibles	1,50,150	1,67,708	1,92,708	2,17,708
Intangibles	-	-	-	-
Acc: Dep / Amortization	53,347	63,360	73,489	84,992
Tangibles	53,347	63,360	73,489	84,992
Intangibles	-	-	-	-
Net fixed assets	96,803	1,04,348	1,19,220	1,32,716
Tangibles	96,803	1,04,348	1,19,220	1,32,716
Intangibles	-	-	-	-
Capital Work In Progress	13,208	20,615	20,615	20,615
Goodwill	3,450	3,946	3,946	3,946
Non-Current Investments	10,441	18,425	18,425	18,425
Net Deferred tax assets	(5,801)	(6,092)	(6,092)	(6,092)
Other Non-Current Assets	12,693	15,349	15,349	15,349
Current Assets				
Investments	7,587	14,585	14,585	14,585
Inventories	18,686	19,254	18,600	17,883
Trade receivables	8,275	11,629	11,160	11,496
Cash & Bank Balance	18,629	16,493	24,965	31,727
Other Current Assets	13,578	17,234	15,844	16,068
Total Assets	2,33,856	2,54,126	2,74,957	2,95,058
Equity				
Equity Share Capital	1,880	1,880	1,880	1,880
Other Equity	1,61,417	1,83,669	2,02,280	2,21,819
Total Network	1,63,297	1,85,548	2,04,160	2,23,699
Non-Current Liabilities				
Long Term borrowings	2,238	2,809	2,809	2,809
Provisions	1,517	1,406	1,406	1,406
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	19,249	16,383	18,600	19,160
Other current liabilities	41,720	41,850	41,850	41,850
Total Equity & Liabilities	2,33,856	2,54,126	2,74,957	2,95,058

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	27,593	31,268	27,585	29,067
Add. Depreciation	8,831	10,013	10,129	11,504
Add. Interest	1,546	1,082	790	760
Less Financial Other Income	4,929	10,724	5,771	6,075
Add. Other	(7,531)	(11,374)	(5,771)	(6,075)
Op. profit before WC changes	30,439	30,989	32,732	35,255
Net Changes-WC	1,331	(12,957)	4,730	717
Direct tax	(1,819)	(918)	(7,448)	(7,848)
Net cash from Op. activities	29,951	17,115	30,015	28,125
Capital expenditures	(17,716)	(22,517)	(25,000)	(25,000)
Interest / Dividend Income	-	-	-	-
Others	5,265	9,744	5,771	6,075
Net Cash from Invt. activities	(12,451)	(12,773)	(19,229)	(18,925)
Issue of share cap. / premium	-	-	-	-
Debt changes	-	(153)	-	-
Dividend paid	(1,753)	(1,426)	(1,551)	(1,706)
Interest paid	(2,678)	(8,443)	(790)	(760)
Others	-	-	-	-
Net cash from Fin. activities	(4,432)	(10,023)	(2,341)	(2,466)
Net change in cash	13,069	(5,681)	8,445	6,734
Free Cash Flow	16,003	(2,570)	5,015	3,125

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	51,549	46,135	52,905	60,665
YoY gr. (%)	(0.9)	4.0	7.7	12.2
Raw Material Expenses	17,509	17,914	21,938	25,098
Gross Profit	34,040	28,222	30,967	35,567
Margin (%)	66.0	61.2	58.5	58.6
EBITDA	6,791	4,364	4,789	8,302
YoY gr. (%)	(11.9)	(20.6)	(47.1)	(0.8)
Margin (%)	13.2	9.5	9.1	13.7
Depreciation / Depletion	2,323	2,423	2,596	2,649
EBIT	4,468	1,941	2,193	5,653
Margin (%)	8.7	4.2	4.1	9.3
Net Interest	331	333	282	136
Other Income	717	1,586	1,179	664
Profit before Tax	4,853	2,844	14,764	8,803
Margin (%)	9.4	6.2	27.9	14.5
Total Tax	1,249	843	3,847	1,311
Effective tax rate (%)	25.7	29.7	26.1	14.9
Profit after Tax	3,605	2,000	10,917	7,492
Minority interest	-	-	(1)	-
Share Profit from Associates	9	(3)	3	19
Adjusted PAT	3,614	2,244	2,294	5,548
YoY gr. (%)	(22.5)	(42.2)	(57.3)	(28.2)
Margin (%)	7.0	4.9	4.3	9.1
Extra Ord. Income / (Exp)	-	(246)	8,627	1,962
Reported PAT	3,614	1,997	10,921	7,511
YoY gr. (%)	(22.5)	(48.5)	103.1	(20.5)
Margin (%)	7.0	4.3	20.6	12.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,614	1,997	10,921	7,511
Avg. Shares O/s (m)	188	188	188	188
EPS (Rs)	19.2	11.9	12.2	29.5

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	129.3	101.9	107.3	113.0
CEPS	176.3	155.2	161.1	174.2
BVPS	868.6	987.0	1,086.0	1,190.0
FCF	85.1	(13.7)	26.7	16.6
DPS	7.5	7.5	8.3	9.1
Return Ratio(%)				
RoCE	14.1	8.0	11.4	11.0
ROIC	14.4	7.5	10.4	10.2
RoE	16.0	11.0	10.3	9.9
Balance Sheet				
Net Debt : Equity (x)	(0.1)	(0.2)	(0.2)	(0.2)
Net Working Capital (Days)	14	25	18	16
Valuation(x)				
PER	15.0	19.0	18.1	17.1
P/B	2.2	2.0	1.8	1.6
P/CEPS	11.0	12.5	12.0	11.1
EV/EBITDA	11.1	13.9	10.0	9.1
EV/Sales	1.7	1.6	1.4	1.4
Dividend Yield (%)	0.4	0.4	0.4	0.5

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Cement Volume (mt)	37	42	43	43
Net Realisation (Rs/t)	5,132	4,900	4,924	5,072
EBITDA (Rs/ t)	831	574	754	813

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Apr-25	BUY	2,549	1,966
2	28-Jan-25	BUY	2,878	2,001
3	08-Jan-25	BUY	3,251	2,008
4	25-Oct-24	BUY	3,262	2,238
5	07-Oct-24	BUY	3,457	2,439
6	30-Jul-24	BUY	3,707	2,591
7	07-Jul-24	BUY	3,707	2,670

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	2,549	1,966
2	Ambuja Cement	BUY	643	529
3	Dalmia Bharat	Accumulate	2,117	1,974
4	Hindalco Industries	BUY	736	620
5	Jindal Stainless	BUY	655	581
6	Jindal Steel & Power	Accumulate	963	915
7	JSW Steel	Accumulate	1,150	1,044
8	National Aluminium Co.	BUY	181	159
9	NMDC	Accumulate	69	68
10	Nuvoco Vistas Corporation	Accumulate	357	316
11	Shree Cement	Reduce	28,336	30,788
12	Steel Authority of India	Hold	118	116
13	Tata Steel	BUY	173	138
14	Ultratech Cement	BUY	12,868	11,499

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Tushar Chaudhari- MMS-Finance, Mr. Satyam Kesarwani- BFM, Passed CFA Level I Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

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