

India

April 01, 2024 - 8:10 AM

Overweight (no change)

Cement

Key monitorable - price hikes from Apr 2024

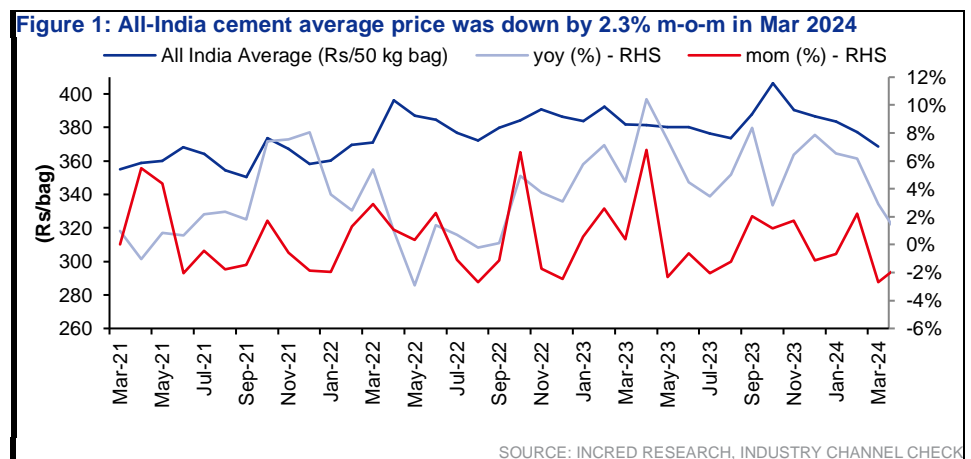
- In Mar 2024, cement prices continued to remain in a downtrend, down by an avg. Rs8-9/bag (~2%) m-o-m across regions, the lowest in the last three years.
- Our channel check suggests that companies will attempt price hikes (sharp in South & East India) from Apr 2024F, but sustainability to be key for earnings.
- We continue to remain selective in the cement sector and prefer large-caps like UTCEM & ACEM, mid-caps like DALBHARA and small-caps like BCORP.

Cement prices remain soft in Mar; Apr 2024 is a litmus test month

- As per our channel check and a discussion with experts, it was observed that pan-India prices have remained in downward trajectory with demand in most regions remaining slower than what is usually seen in March. Pan-India cement prices have fallen by Rs8-9/bag (~2%) m-o-m in Mar 2024 and by Rs18-20 (~5%) q-o-q in 4QFY24.
- Our channel check suggests that price hike will happen across markets in Apr 2024 (first week itself) by Rs10-60/bag (price hike likely to be sharper in South as well as East India) as it is crucial to maintain the earlier price levels. Also, our channel check suggests that price hikes will have nothing to do with general elections beginning across the country from Apr 2024, as the election dynamics this time are quite different. Whether the price hikes can be sustained or not will depend on the demand, as players had tried taking hikes previously too but couldn't maintain them due to several factors. The extent of price hikes and their sustainability remain a key near-term monitorable.

Region-wise channel check

- **South:** The demand remained subdued, and prices continued to witness a declining trend. South India saw a decline of Rs13/bag on a m-o-m basis. Dealers expect a price hike of Rs20-60/bag in Apr 2024 as cement prices have bottomed out and if they aren't increased during the month, it will be difficult to prevent the prices from falling further.
- **East:** Cement prices have declined by Rs6-7/bag owing to slower-than-normal demand from all channels along with some regions witnessing unseasonal rainfall. Dealers stated that there was hardly any room for prices to go down further and they expect them to rise by Rs15-25/bag in Apr 2024F but have doubts over their sustainability.
- **North:** This region witnessed a price decline of Rs10-11/bag in Mar 2024. Our channel check indicates that there is supply pressure and increased competition among brands in the region. Dealers don't seem optimistic about the price hike this month and in a best-case scenario, they expect the prices to go up by Rs5-7/bag.
- **West:** Prices have fallen by Rs5/bag in Mar 2024, after declining in Feb 2024. In both Mumbai and Ahmedabad, the prices fell by ~Rs5/bag mainly to clear the year-end inventory. The overall demand continued to remain relatively better, and dealers expect a price hike of Rs15-20/bag in Apr 2024F, expressing confidence that the hiked prices will sustain on the back of good demand and higher construction activity in the region.
- **Central:** The region saw a price decline of Rs6-7/bag. Some dealers believe a hike in Apr 2024 will be necessary to prevent cement prices from falling further.



Research Analyst(s)

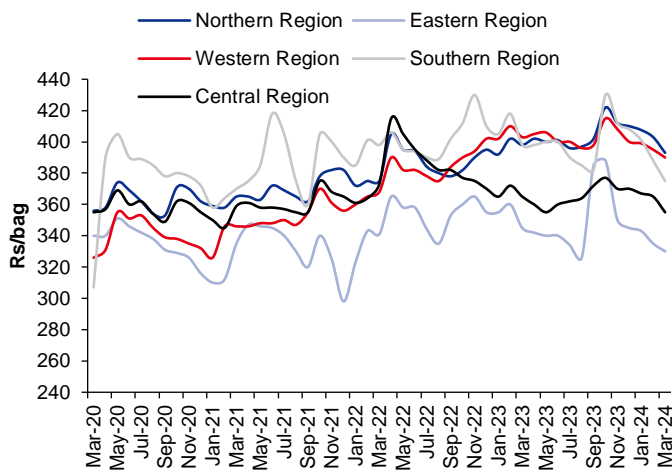
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Key monitorable – prices hikes from Apr 2024

Cement prices ➤

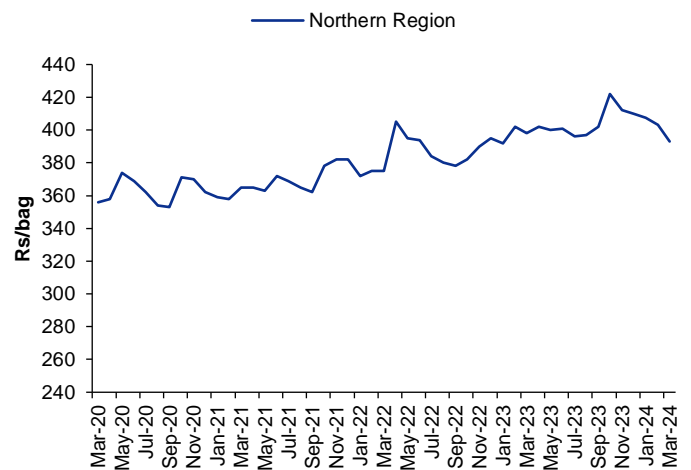
- Prices continued to be in a downtrend in Mar 2024 and a V-shaped recovery is expected by the channels:** There has been sustained pricing pressure over the past few months, with pan-India cement prices consistently trending downward for the last four months, declining by ~7-8% in Mar 2024 from the high levels witnessed in Oct 2023. This trend will result in narrowing of the spreads, as industry average EBITDA/t in 4QFY24F is expected to fall by Rs70-100 q-o-q based on the declining price trend vs. our earlier expectation of an improvement by Rs50 on a q-o-q basis. Any further decline in cement prices will exert further pressure on margins and potentially lead to a cut in our estimates for FY25F.

Figure 2: Region-wise, cement price decline was seen in all regions in Mar 2024, with a sharp rollback witnessed in the southern region followed by the northern region



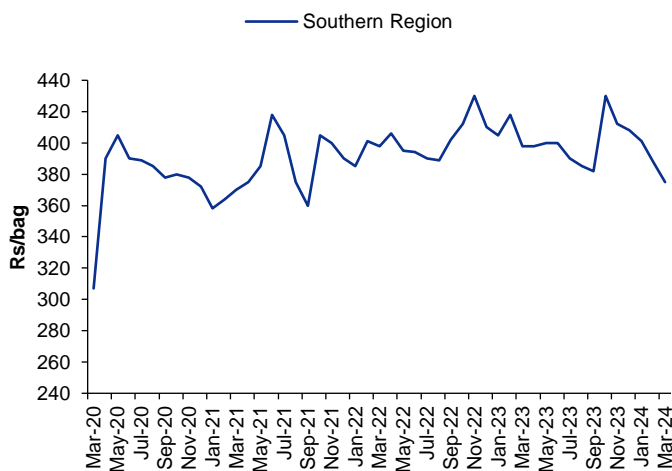
SOURCE: INCRED RESEARCH, INDUSTRY CHANNEL CHECK

Figure 3: North India cement price trend



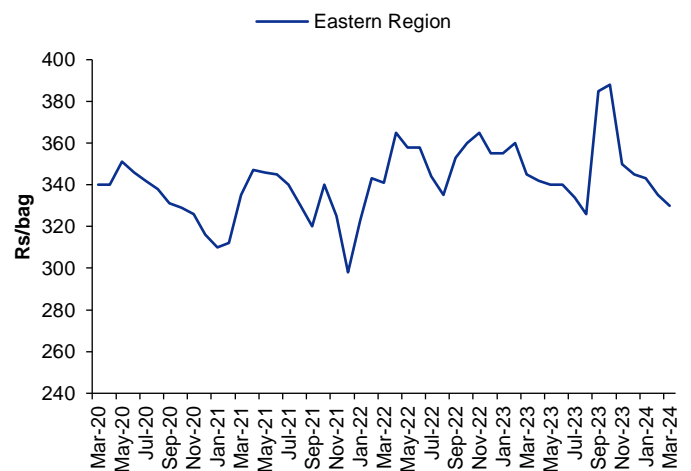
SOURCE: INCRED RESEARCH, INDUSTRY CHANNEL CHECK

Figure 4: Southern region's cement price trend



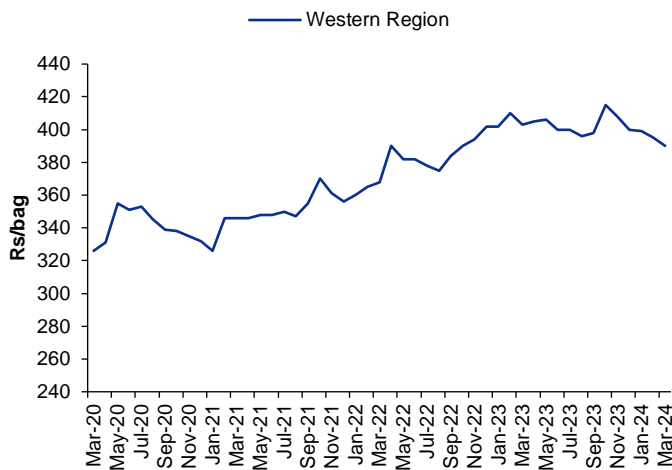
SOURCE: INCRED RESEARCH, INDUSTRY CHANNEL CHECK

Figure 5: Eastern region's cement price trend



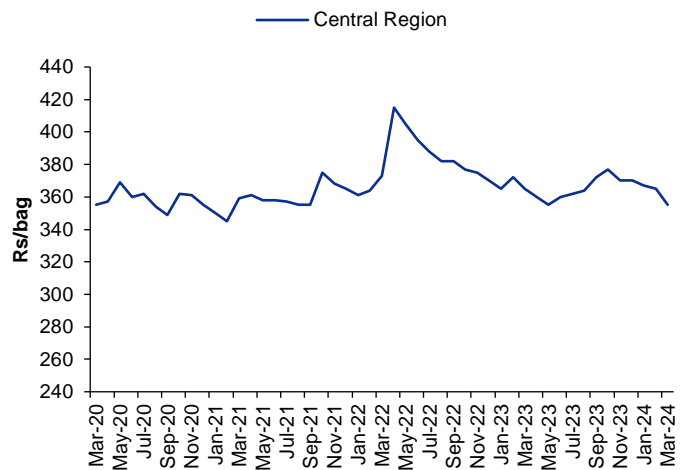
SOURCE: INCRED RESEARCH, INDUSTRY CHANNEL CHECK

Figure 6: Western region's cement price trend



SOURCE: INCRED RESEARCH, INDUSTRY CHANNEL CHECK

Figure 7: Central region's cement price trend



SOURCE: INCRED RESEARCH, INDUSTRY CHANNEL CHECK

Key demand drivers ➤

- Demand slowed due to region-specific factors but has improved of late:** Cement demand remained lower than expected across regions till mid-Jan 2024, with each region facing their own challenges. The northern states were affected by pollution curbs, central states due to elections and slower spending by the government, eastern states grappled with the ban on sand mining coupled with the government's focus on populist schemes, and the western states remained relatively stable while the southern states were impacted due to a change in government and unseasonal rains. Recently (from mid-Jan 2024), we witnessed a pick-up in demand, which continued to improve in Feb 2024. Going ahead, we believe there is hardly any room for a significant demand recovery in the near term (1HFY25F), given the upcoming general elections in India followed by the monsoon season which slows demand, as observed from the historical trend.

Long-term demand to remain intact on the back of key drivers like infrastructure and housing segments

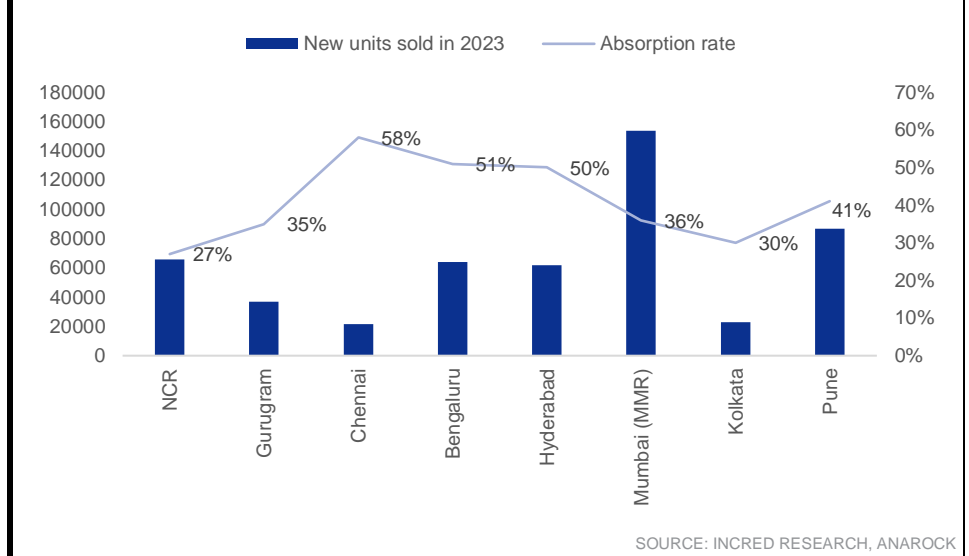
- India infrastructure story:** The long-term story of cement remains concrete, particularly driven by the infrastructure sector, which accounts for >24% of demand and is forecast to grow at a higher pace, primarily fueled by the government's robust infrastructure development initiatives. Over the past four years, government allocation to capital expenditure (capex) has grown by 3x, indicating a significant commitment to infrastructure development. Tourism infrastructure development, in our view, will bring in additional growth.
- Urban housing to outgrow rural housing demand:** The housing sector is gaining momentum, bolstered by India's transition towards becoming a middle-income country and a stable lending rate environment. Also, the impact of statutory regulations on the real estate sector is visible, as there is a rising preference among customers to veer towards newly launched projects (as per consultancy firm Anarock), providing more confidence for the developers to launch new projects. While the 30m houses to be built under the PMAY scheme are close to completion, 20m houses will be built over the next five years. Although the pace of construction may be slightly slower than expected, the trajectory remains promising.

Figure 8: Outlook on demand drivers

Demand Drivers	Segmental CAGR		Contribution to demand		Factors Driving
	FY18-FY23	FY24F-30F	FY23	FY30F	
Rural Housing	~5-6%	~5-5.5%	37%	33%	To grow at a slower pace, after the first phase of houses under the PMAY scheme come close to completion, due to higher inflation and continued rural income stress.
Urban Housing	~3-4%	~6%	30%	28%	Demand momentum seen across major metropolitan cities, preference for new real estate projects and a reduction in unsold inventory contributed to the launch of new projects by developers.
Infrastructure	~10%	~9-10%	24%	29%	The focus on infrastructure projects across countries, with major projects such as bullet trains, airports and metro rail lines to maintain the growth momentum.
Industrial & Commercial	~4%	~7%	9%	9%	Demand to pick up due to the implementation of various projects under the production-linked incentive or PLI schemes.

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: New units sold and absorption rates across major cities in India



SOURCE: INCRED RESEARCH, ANAROCK

Figure 10: Volume guidance provided by some listed cement companies

Volume target	FY24F	FY25F
ACC		>8%
Ambuja Cements		40mt
Shree Cement	34+mt or 12%	19-20mt
The Ramco Cements	17.5mt	
Birla Corporation	13%	
Orient Cement	6.2mt	
Sagar Cement	5.6mt	7mt
Star Cement		18-20% revenue growth

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 11: Long-term capacity expansion plans of various cement majors

Company	FY24F Capacity	Targeted Capacity	Near-Term Target
ACC+Ambuja Cements	77.4mtpa	140mtpa by 2028F	110mtpa by FY27F
Ultratech Cement	133mtpa	200mtpa by FY30F	
Shree Cement	46mtpa	80mtpa by 2028F	
JK Cement	22mtpa	25mtpa by FY25F	29.6mtpa by FY27F
The Ramco Cements	23mtpa	26mtpa by FY26F	
JK Lakshmi Cement	14mtpa	30mtpa by 2030F	19mtpa by FY27F
Dalmia Bharat	44.6mtpa	110-130mtpa by 2031F	75mtpa by FY27F
Birla Corporation	20mtpa	30mtpa by 2030F	25mtpa by FY27F
Orient Cement	8.5mtpa	11.5mtpa by FY26F	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

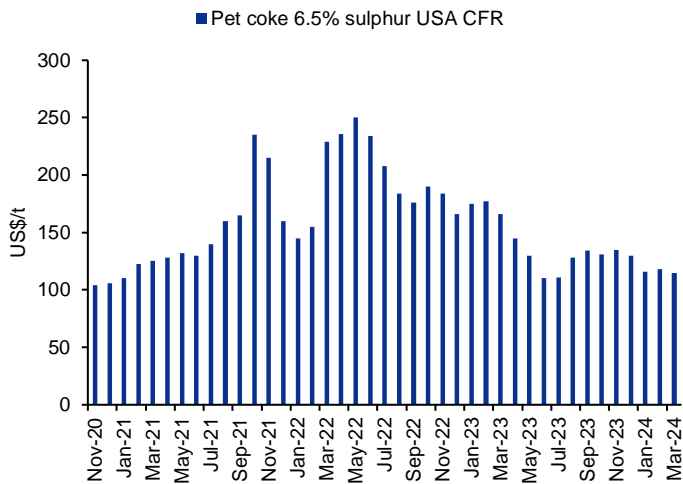
Major input costs trend ➤

- Coal and crude oil price decline led to a correction in pet-coke prices in recent months:** In Mar 2024, international pet-coke prices remained flat on a m-o-m basis at US\$118/t (down 9% in the last three months) while imported coal prices witnessed a decline of ~30% from their recent peak in Oct 2023. The average fuel cost stood at Rs1.77 on a kcal basis in 3QFY24 vs. Rs1.88 q-o-q. In the coming quarters, there is a likelihood of marginal benefits with stable input prices and the advantage of positive operating leverage. Cement

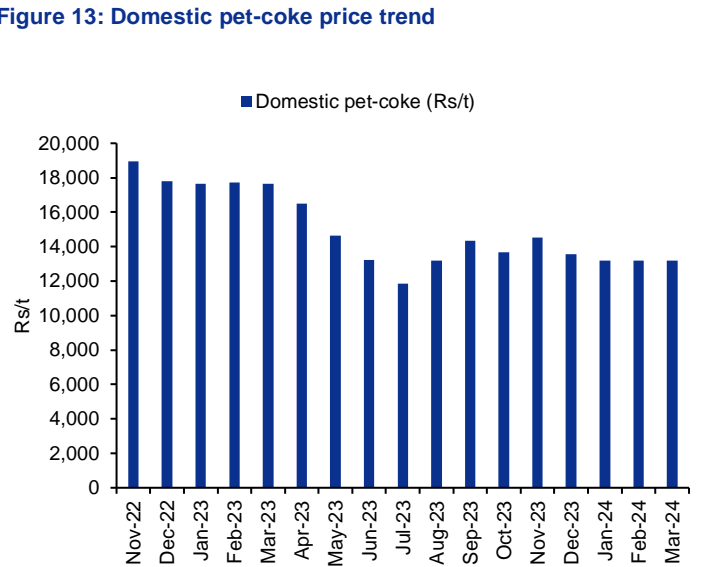
producers indicate that input costs for the industry are likely to be largely flat-to-marginally down q-o-q in 4QFY24F while the freight costs to remain stable q-o-q.

- 4QFY24F profitability to remain muted on lower realization:** The average fuel consumption cost for the sector on a kcal basis stood at Rs1.77 in 3QFY24 vs. spot price at Rs1.5/kcal, indicating that fuel cost may slide downwards q-o-q. With average EBITDA/t already improving by Rs236 q-o-q and by Rs360 y-o-y to Rs1,130 in 3QFY24 for our coverage companies, we believe there is barely any room for a significant margin expansion in the near term.

Figure 12: International pet-coke prices are down >10% from their recent peak in Oct 2023

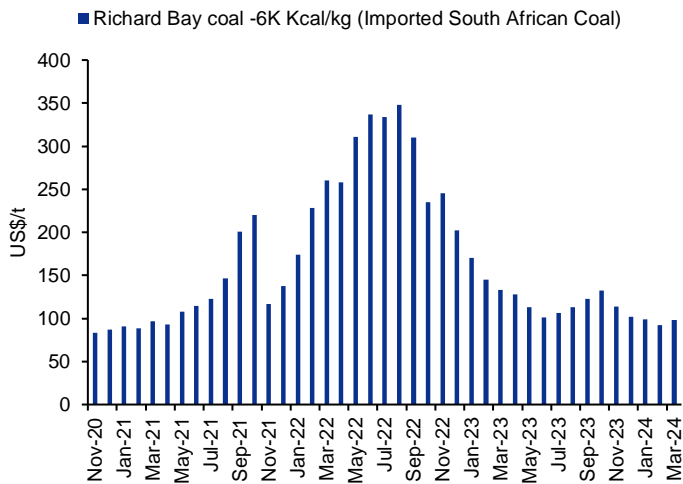


NOTE: CFR = CODE OF FEDERAL REGULATIONS
SOURCE: INCRED RESEARCH, COMPANY REPORTS



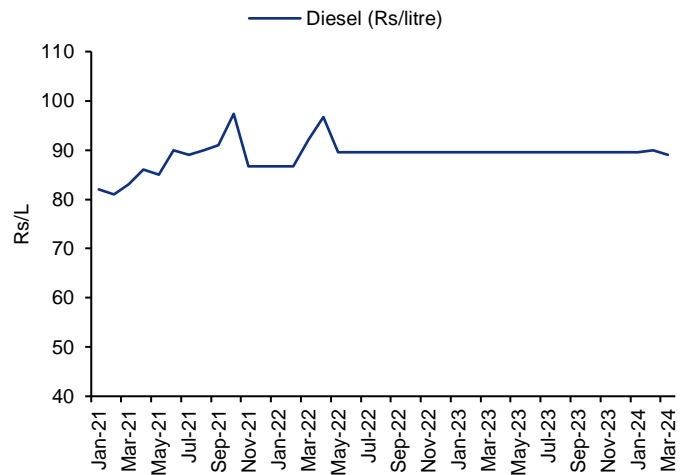
SOURCE: INCRED RESEARCH, BLOOMBERG

Figure 14: Imported coal price (South African 6k/kcal) trend



SOURCE: INCRED RESEARCH, BLOOMBERG

Figure 15: Average diesel price trend



SOURCE: INCRED RESEARCH, BLOOMBERG

Figure 16: Crude oil price trend

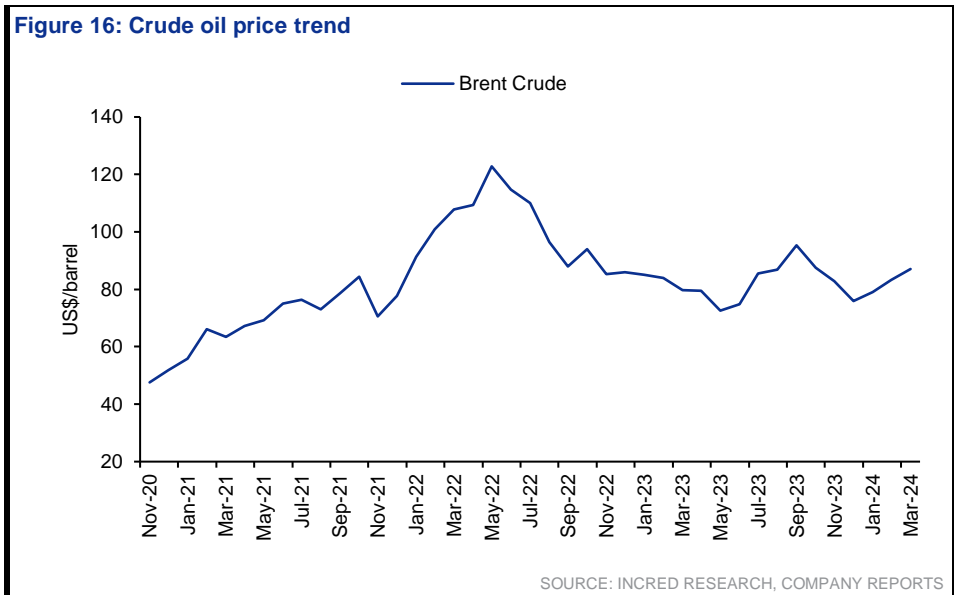


Figure 17: Average cost curve for listed cement companies

Rs/t	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Raw Material Costs	728	783	656	800	752	874	796	867	917	991	937	974	1,044
Power & Fuel Costs	965	947	1,129	1,132	1,396	1,390	1,683	1,883	1,740	1,588	1,534	1,475	1,397
Freight Costs	1,073	1,116	1,118	1,104	1,127	1,141	1,166	1,161	1,181	1,161	1,157	1,115	1,157
Other Costs	686	654	685	749	767	690	759	780	751	701	692	765	773
Employee Costs	298	279	337	335	325	266	306	325	309	269	291	325	317
Total Cost	4,077	4,037	4,140	4,481	4,815	4,784	5,080	5,428	5,344	5,081	4,944	5,015	5,007
EBITDA/t	1,119	1,129	1,249	1,011	807	856	810	384	557	676	715	717	924

SOURCE: INCRED RESEARCH, COMPANY REPORTS

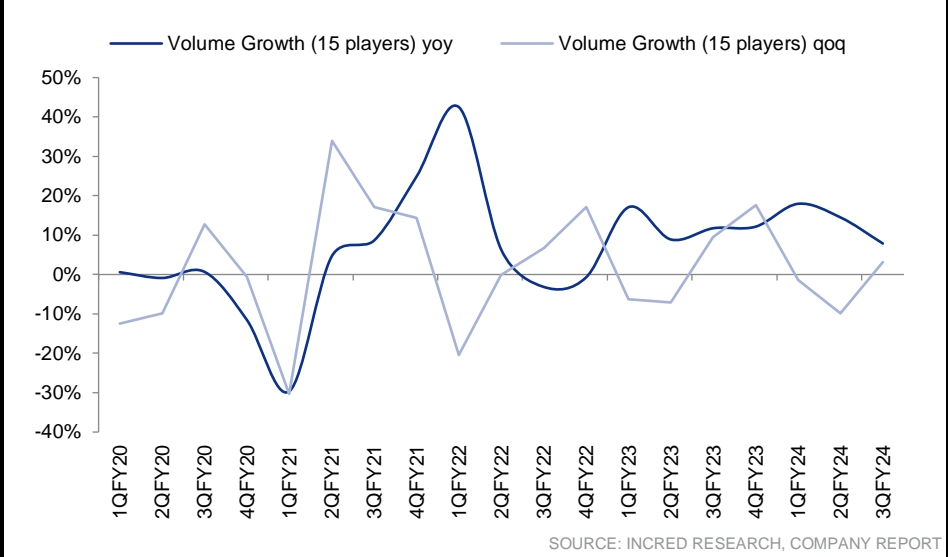
Figure 18: Fuel costs booked by various companies on kcal basis

Rs/kcal	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24F & onwards	vs. spot prices
ACC	2.25	2.52	3.10	2.61	2.35	2.13	1.85	1.86		
Ambuja Cements	2.20	2.50	2.80	2.33	2.10	2.09	1.82	1.84		
Ultratech Cement	1.95	2.20	2.50	2.60	2.50	2.34	2.12	2.05		A fall of 6-8%
Shree Cement	2.13	2.61	2.83	2.53	2.53	2.37	2.05	1.78		Stable q-o-q at 1.76
JK Cement	2.20	2.30	2.40	2.60	2.40	2.2	1.9	1.8		
Nuvoco		2.28	2.64	2.74	2.31	1.94	1.77	1.67		1.62-1.63
The Ramco Cements	1.88	1.87		2.43	2.21	2.03	1.75	1.64	Will moderately come down	Pet-coke - US\$118/t now
India Cement	2.23	2.69	3.26	2.95	2.70	2.25	2.04	1.99		Coal - US\$98/t now
JK Lakshmi Cement			2.30	2.57	2.42	2.23	2.04	1.78		
Dalmia Bharat	2.07	2.47	2.52	2.42	2.06	1.98	1.58	1.5		
Star Cement		2.09		2.09	2.10	2.35	1.9	1.75		1.7
Birla Corporation						1.95	1.75	1.58		
Orient Cement							1.8&2.1	1.8&2		
Average	2.15	2.45	2.71	2.53	2.33	2.16	1.88	1.77		

SOURCE: INCRED RESEARCH, COMPANY REPORTS

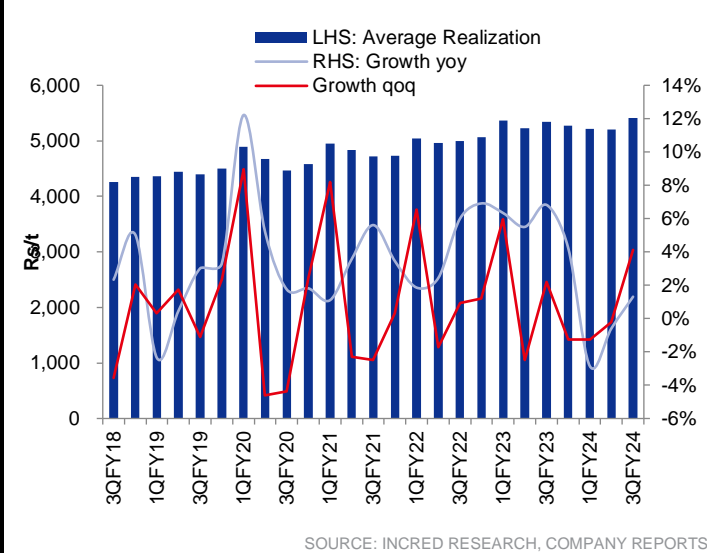
Key operational quarterly charts >

Figure 19: Quarterly volume growth trend of cement industry



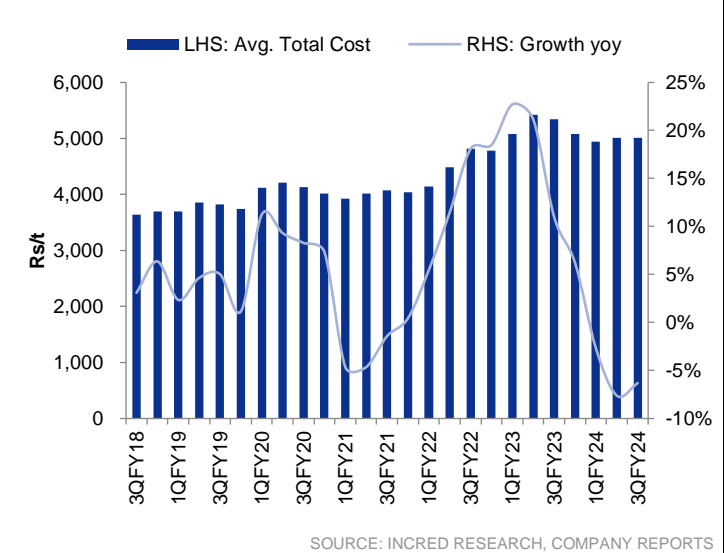
SOURCE: INCRED RESEARCH, COMPANY REPORT

Figure 20: Realization growth trend



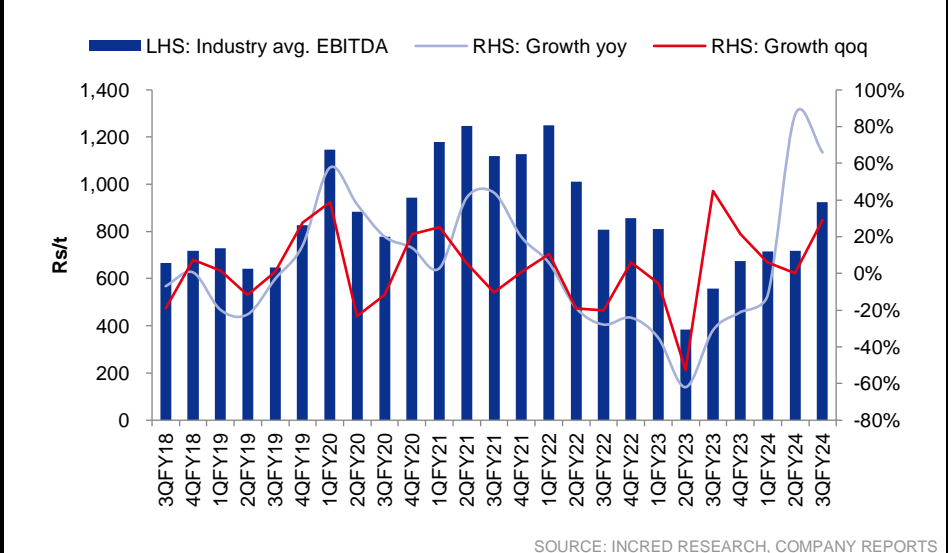
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 21: Trend in unit cost



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 22: Sector unit EBITDA (15 players)



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 23: Unit EBITDA of top five players

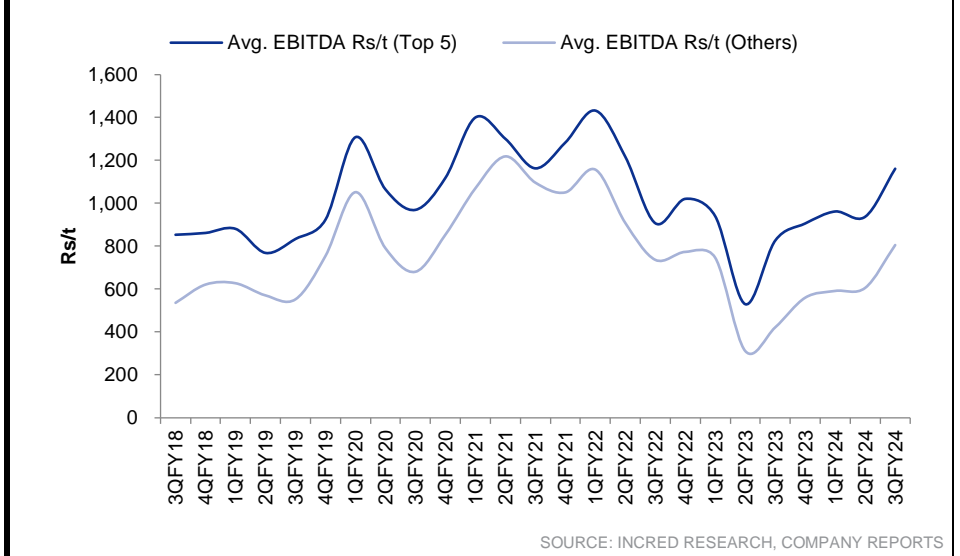


Figure 24: Long-term capacity expansion plans of various cement majors

Company	FY24F Capacity	Targeted Capacity	Near-Term Target
ACC+Ambuja Cements	77.4mtpa	140mtpa by 2028F	110mtpa by FY27F
Ultratech Cement	133mtpa	200mtpa by FY30F	
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Orient Cement	8.5mtpa	11.5mtpa by FY26F	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 25: Volume guidance for listed companies

Volume target	FY24F	FY25F
ACC		>8%
Ambuja Cements		40mt
Shree Cement	34+mt or 12%	19-20mt
The Ramco Cements	17.5mt	
Birla Corporation	13%	
Orient Cement	6.2mt	
Sagar Cement	5.6mt	7mt
Star Cement		18-20% revenue growth

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Key assumptions for our coverage companies

Figure 26: We expect cement volume of coverage companies to grow by ~11% over FY23-26F

Volume (mt)	FY19	FY20	FY21	FY22	FY23	FY24F	FY25F	FY26F	CAGR FY18-23	CAGR FY23-26F
UTCEM*	86	81	86	94	106	119	128	141	10.7%	10.0%
ACC*#	28	29	26	29	31	36	38	40	2.9%	9.3%
ACEM#	24	24	23	27	30	34	37	41	5.6%	10.7%
SRCM*	26	25	27	28	32	36	39	43	7.1%	10.6%
TRLC	11	11	10	11	15	18	20	21	9.7%	12.1%
JKCE*	9	8	10	12	14	17	18	20	11.5%	12.4%
BCORP*	14	14	13	14	16	18	19	21	4.9%	9.3%
HEIM	5	5	4	5	4	5	5	5	-1.1%	6.0%
DALBHARA*	19	19	21	22	26	28	33	38	8.7%	14.2%
JKLC*	11	10	10	11	12	13	14	16	4.2%	10.5%
ORCMNT	6	6	5	5	6	6	7	9	0.0%	15.6%
Total	239	232	236	259	291	329	359	395	7.5%	10.7%

*CONSOLIDATED, # FOR ACC-ACEM, FY23 COMPRISES 15 MONTHS, SO ADJUSTED FOR 12M; YEAR-END CHANGES FROM DEC-MAR
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 27: We expect realization of coverage companies to grow by ~0.7% over FY23-26F

Realization (Rs/t)	FY19	FY20	FY21	FY22	FY23	FY24F	FY25F	FY26F	CAGR FY18-23	CAGR FY23-26F
UTCEM*	4,775	5,127	5,122	5,501	5,900	5,883	5,956	6,037	3.9%	0.8%
ACC#	4,643	4,801	4,909	5,044	5,276	5,149	5,221	5,294	3.5%	0.1%
ACEM#	4,540	4,719	4,929	5,105	5,287	5,298	5,372	5,426	3.5%	0.9%
SRCM*	4,545	5,163	5,052	5,411	5,611	5,779	5,803	5,872	6.1%	1.5%
TRLC	4,549	4,792	5,281	5,413	5,488	5,230	5,303	5,377	3.4%	-0.7%
JKCE	3,991	4,527	4,494	4,774	4,971	5,061	5,117	5,188	4.1%	1.4%
BCORP	4,358	4,826	4,853	4,961	5,242	5,242	5,315	5,389	3.7%	0.9%
HEIM	4,298	4,575	4,652	4,681	5,096	5,014	5,090	5,140	5.0%	0.3%
DALBHARA	4,749	4,691	4,874	5,073	5,141	5,110	5,161	5,235	0.9%	0.6%
JKLC	3,875	4,342	4,523	4,840	5,460	5,444	5,498	5,573	6.9%	0.7%
ORCMNT	3,933	4,178	4,604	4,975	5,100	5,171	5,244	5,317	5.7%	1.4%
Average	4,387	4,704	4,845	5,071	5,325	5,307	5,371	5,441	4.2%	0.7%

*BLENDED, # FOR ACC-ACEM, FY23 COMPRISES 15 MONTHS; YEAR-END CHANGES FROM DEC-MAR
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 28: We expect cost/t of coverage companies to decline by ~1.5% over FY23-26F

Cost (Rs/t)	FY19	FY20	FY21	FY22	FY23	FY24F	FY25F	FY26F	CAGR FY18-23	CAGR FY23-26F
UTCEM*	3,999	4,072	3,839	4,371	4,981	4,806	4,803	4,834	4.6%	-1.0%
ACC	4,496	4,585	4,477	4,553	5,257	4,774	4,761	4,798	4.1%	-3.0%
ACEM	3,915	3,956	3,849	3,981	4,435	4,192	4,143	4,153	3.6%	-2.2%
SRCM*	3,774	3,655	3,532	4,075	4,681	4,621	4,589	4,636	7.5%	-0.3%
TRLC	3,704	3,777	3,729	4,251	4,690	4,311	4,337	4,370	5.7%	-2.3%
JKCE*	4,481	4,694	4,353	4,780	5,194	4,993	4,972	4,980	4.5%	-1.4%
BCORP	4,047	4,091	4,069	4,466	5,029	4,743	4,728	4,723	4.8%	-2.1%
HEIM	3,369	3,489	3,589	3,899	4,529	4,208	4,158	4,178	6.7%	-2.7%
DALBHARA	4,037	3,923	3,550	3,991	4,367	4,189	4,218	4,236	2.5%	-1.0%
JKLC	3,468	3,548	3,625	3,991	4,751	4,667	4,672	4,699	6.6%	-0.4%
ORCMNT	3,446	3,517	3,513	3,896	4,467	4,355	4,361	4,408	6.0%	-0.4%
Average	3,885	3,937	3,830	4,205	4,762	4,533	4,522	4,547	5.1%	-1.5%

*BLENDED
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 29: We expect EBITDA/t of coverage companies to remain broadly flat in FY26F vs. FY22

EBITDA (Rs/t)	FY19	FY20	FY21	FY22	FY23	FY24F	FY25F	FY26F	CAGR FY18-23	CAGR FY23-26F
UTCEM*	775	1,055	1,339	1,225	1,005	1,132	1,218	1,275	2.2%	8.3%
ACC#	675	782	899	1,038	499	789	899	928	-5.9%	23.0%
ACEM#	782	893	1,167	1,187	852	1,141	1,291	1,374	0.7%	17.3%
SRCM*	1,080	1,508	1,520	1,337	930	1,125	1,177	1,203	-0.8%	9.0%
TRLC	932	1,015	1,552	1,162	797	932	977	1,016	-7.6%	8.4%
JKCE*	845	1,241	1,322	1,089	832	1,022	1,058	1,070	-0.2%	8.8%
BCORP	685	979	999	781	491	751	821	915	-5.5%	23.1%
HEIM	987	1,122	1,129	910	567	806	931	962	-6.2%	19.3%
DALBHARA	999	1,072	1,324	1,084	901	1,024	1,080	1,096	-5.7%	6.7%
JKLC	407	794	898	849	710	766	816	863	9.6%	6.7%
ORCMNT	487	660	1,091	1,079	633	808	882	918	3.6%	13.2%
Average	787	1,011	1,204	1,067	747	936	1,014	1,057	-1.8%	12.3%

*BLENDED, # FOR ACC-ACEM, FY23 COMPRISES 15 MONTHS; YEAR-END CHANGES FROM DEC-MAR
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 30: We expect total revenue of coverage companies to increase by ~9.5% over FY23-26F

Revenue (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24F	FY25F	FY26F	CAGR FY18-23	CAGR FY23-26F
UTCCEM*	416	424	447	526	632	708	775	861	15.0%	10.8%
ACC*#	148	157	138	162	222	199	216	230	10.8%	1.2%
ACEM#	114	117	114	140	200	180	199	223	13.8%	3.7%
SRCM*	126	129	136	150	179	206	226	253	13.4%	12.3%
TRLC	52	54	53	60	81	95	104	113	13.0%	11.7%
JKCE*	53	58	66	80	97	113	123	135	14.9%	11.6%
BCORP*	65	69	68	75	87	98	107	116	8.7%	10.1%
HEIM	21	22	21	23	22	24	25	27	3.4%	6.3%
DALBHARA*	95	97	101	113	135	148	177	205	9.6%	14.8%
JKLC*	43	44	47	54	65	72	80	89	11.5%	11.3%
ORCMNT	25	24	23	27	29	33	36	47	5.7%	17.2%
Total	1,157	1,193	1,214	1,409	1,750	1,876	2,067	2,299	12.7%	9.5%

*CONSOLIDATED, # FOR ACC-ACEM, FY23 COMPRISES 15 MONTHS; YEAR-END CHANGES FROM DEC-MAR
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 31: We expect EBITDA of coverage companies to grow by over ~20% over FY23-26F

EBITDA (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24F	FY25F	FY26F	CAGR FY18-23	CAGR FY23-26F
UTCCEM*	73.5	92.5	115.7	115.1	106.2	133.6	155.6	177.0	11.6%	18.6%
ACC*#	20.5	24.1	23.6	30.0	19.2	28.8	35.1	38.0	0.5%	25.5%
ACEM#	18.9	21.5	26.5	32.1	32.2	39.7	49.4	56.5	11.2%	20.6%
SRCM*	27.9	37.6	40.8	37.1	29.6	40.4	45.9	50.3	6.3%	19.3%
TRLC	10.4	11.4	15.5	12.8	11.8	16.4	18.6	20.8	1.5%	20.8%
JKCE*	8.3	12.1	15.4	14.8	13.1	18.7	21.0	22.7	10.8%	20.1%
BCORP*	9.5	13.4	13.4	11.1	7.7	13.2	15.5	18.5	-0.9%	33.7%
HEIM	4.8	5.3	5.1	4.3	2.5	3.8	4.6	5.0	-7.3%	26.4%
DALBHARA*	19.4	21.1	27.6	24.3	23.2	29.8	34.6	37.9	2.6%	17.9%
JKLC*	4.5	8.0	9.4	9.5	8.4	10.1	11.8	13.7	14.2%	17.7%
ORCMNT	3.1	3.8	5.5	5.9	3.6	5.1	6.0	8.1	3.6%	30.6%
Total	201	251	298	297	258	340	398	449	7.5%	20.3%

*CONSOLIDATED, # FOR ACC-ACEM, FY23 COMPRISES 15 MONTHS; YEAR-END CHANGES FROM DEC-MAR
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 32: We expect PAT of coverage companies to increase by ~25% over FY23-26F

PAT (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24F	FY25F	FY26F	CAGR FY18-23	CAGR FY23-26F
UTCCEM*	24.0	57.6	53.2	71.8	50.6	74.1	88.1	101.5	17.9%	26.1%
ACC*#	15.2	13.7	14.3	18.6	8.9	16.9	21.2	23.0	-0.9%	37.6%
ACEM#	14.9	15.3	17.9	20.8	25.5	27.3	34.0	38.4	14.9%	14.5%
SRCM*	10.1	15.4	22.9	23.3	12.7	18.0	20.5	22.7	-1.7%	21.3%
TRLC	5.1	6.0	7.6	8.9	3.4	5.4	6.9	8.3	-9.2%	34.2%
JKCE*	2.7	4.9	7.1	6.9	4.3	7.4	9.1	10.5	8.3%	35.0%
BCORP*	2.6	5.1	6.3	4.0	0.4	3.8	5.2	7.3	-23.4%	162.5%
HEIM	2.2	2.7	3.1	2.5	1.0	2.0	2.7	3.0	-5.7%	44.4%
DALBHARA*	3.1	2.2	11.7	8.2	10.4	9.9	12.1	13.2	28.8%	8.3%
JKLC*	0.5	2.5	4.1	4.6	3.6	4.8	5.8	7.0	45.3%	25.2%
ORCMNT	0.5	0.9	2.1	2.6	1.2	2.1	2.5	3.5	22.7%	42.0%
Total	81	126	150	172	122	172	208	238	10.7%	25.0%

*CONSOLIDATED, # FOR ACC-ACEM, FY23 COMPRISES 15 MONTHS; YEAR-END CHANGES FROM DEC-MAR
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

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