

India

**Overweight** (no change)

**Highlighted Companies**

**UltraTech Cement Ltd**

**ADD, TP Rs12900, Rs11600 close**

Industry-leading capacity addition (via both organic/inorganic routes is likely to lead to market share gains. Currently Ultratech Cement has ~27% share in cement capacity in India. It is operating at >75% utilization level across most markets (except the eastern region) and is well-placed to benefit from improvement in pricing. The company targets cost savings of Rs200-300/t in the medium term.

**Asian Paints Limited**

**REDUCE, TP Rs2230, Rs2338 close**

Asian Paints is expected to remain under pressure owing to weak overall demand for decorative paints and heightened competition from a new entrant (already having a mid-single digit market share). We expect margin pressure to sustain for incumbents. Retain our REDUCE rating on it.

**Summary Valuation Metrics**

P/E (x)	Mar25-F	Mar26-F	Mar27-F
UltraTech Cement Ltd	54.3	39.6	30.2
Asian Paints Limited	52.0	49.1	45.3
P/BV (x)	Mar25-F	Mar26-F	Mar27-F
UltraTech Cement Ltd	5.2	4.8	4.3
Asian Paints Limited	10.9	10.0	9.1
Dividend Yield	Mar25-F	Mar26-F	Mar27-F
UltraTech Cement Ltd	0.5%	0.6%	0.0%
Asian Paints Limited	1.0%	1.1%	1.2%

# Constrn & Material - Overall

## Anecdotes from cement & paint sectors

- Our on-the-ground check in Mar 2025 showed cement prices were flat MoM & up ~3% QTD vs. 3Q average. South India prices fell due to high competition.
- The paint industry is still witnessing subdued demand for decorative paints, and heightened competition could hinder the pace of recovery.
- We remain constructive on cement majors like Ultratech Cement and retain our negative stance on paint majors like Asian Paints.

### Cement prices up ~4% vs 2QFY25 bottom; volume focus in Mar 2025

Our channel check with dealers and industry experts indicates that pan-India cement prices were flat-to marginally lower MoM in Mar 2025. Spot avg. pan-India price was up by ~3%/-4% vs. 3Q/2Q avg. levels, and flat on a yoy basis. So far in 4QFY25, region-wise market prices indicate that the northern, followed by western and central regions, have seen the highest improvement. The eastern region remained subdued but showed an improvement in Mar 2025 while the southern region witnessed the highest price decline due to intense competition between industry majors. Our recent interaction with dealers indicated a steep price hike of ~Rs15-40/bag is likely in Apr 2025F across regions (to be the highest in South India). In the month of March, companies typically focus on pushing up sales to meet their targets, leading to increased competition. However, by April, the approach often shifts. With the start of the new financial year next month, businesses prioritize profitability over sheer volume growth. There have been only two instances where a price hike of >Rs15/bag sustained in the month of April in the last five-to-six years.


### Demand for decorative paints continues to remain subdued

Our channel check across regions indicated continued weakness in demand for decorative paints among incumbent players. We expect demand conditions to remain consistent with those seen in 3QFY25, and growth primarily driven by projects and the industrial sector. Birla Opus has made significant strides in expanding its distribution network, resulting in improved product availability. Dealers reported a 15-20% loss in counter share of incumbents, particularly Asian Paints, in favour of Birla Opus. Furthermore, Birla Opus continues to offer substantial incentives to influencers, further strengthening its position in the market. By expanding the distribution network, increasing advertising efforts, and improving channel margins, we expect Birla Opus to witness sustained growth and expansion, while continuing to challenge established competitors.

### We continue to prefer cement majors over paint majors

We foresee a recovery in demand led by an uptick in government capex (post-election slowdown), growth in housing construction and policy-led support for affordable housing. Top picks: Ultratech Cement, and Birla Corporation. Paint majors, on the other hand, continue to grapple with weak demand and aggressive scale-up by the new competitor, Birla Opus. The potential acquisition of Akzo Nobel's India operations can further add to competitive pressure. We retain our negative stance on paint players. We have a REDUCE rating on Asian Paints, and Kansai Nerolac Paints & a HOLD rating on Berger Paints.

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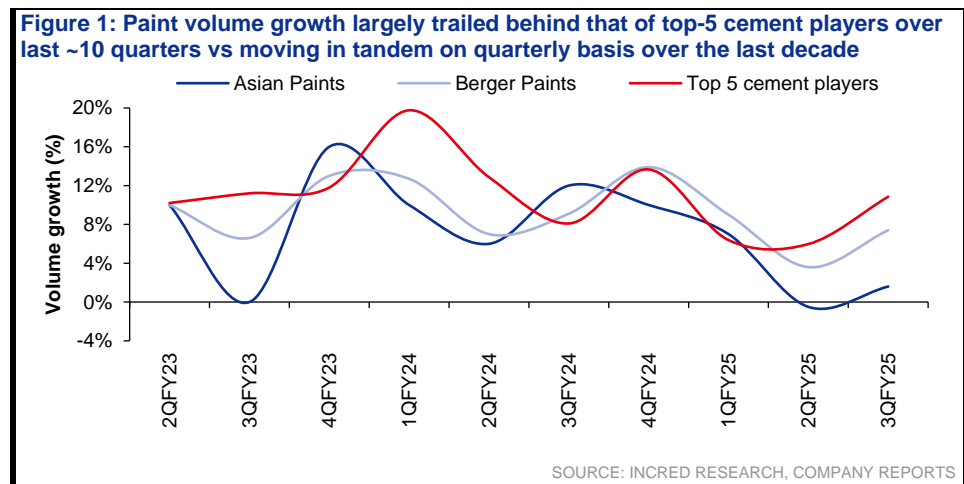


Figure 2: Incred's cement coverage valuation matrix

Company	Bloomberg Ticker	Rating	Closing Price (Rs)	Target Price (Rs)	% Upside	Market cap. (US\$ m)	EV/EBITDA (x)			P/BV (x)			RoE (%)			P/E (x)			EV/T (US\$)		
							FY24	FY25F	FY26F	FY24	FY25F	FY26F	FY24	FY25F	FY26F	FY24	FY25F	FY26F	FY24	FY25F	FY26F
UltraTech Cement	UTCEM IN	ADD	11,600	12,900	11%	39,866	26.1	27.6	21.3	5.6	5.2	4.8	12.4%	9.9%	12.5%	46.8	54.3	39.6	146.2	177.6	189.
ACC	ACC IN	ADD	1,964	2,400	22%	4,302	11.2	14.6	10.6	2.3	2.1	1.9	14.1%	7.6%	10.1%	15.8	28.6	20.0	107.9	102.2	94.
Ambuja Cements	ACEM IN	ADD	543	630	16%	15,593	29.4	35.2	27.5	2.9	2.5	2.4	7.2%	5.6%	6.4%	45.6	47.0	37.9	180.1	184.1	211.
Shree Cement	SRCM IN	HOLD	30,146	27,600	-8%	12,686	23.2	28.3	22.7	5.3	5.1	4.8	12.2%	4.4%	6.9%	45.4	118.1	71.7	224.2	206.0	182.
The Ramco Cements	TRCL IN	HOLD	883	900	2%	2,433	16.5	18.7	15.3	2.9	2.9	2.7	5.7%	2.6%	5.6%	52.8	109.9	50.1	131.8	125.1	117.
JK Cement	JKCE IN	HOLD	4,886	4,900	0%	4,403	20.4	22.0	18.2	7.0	6.4	5.7	15.8%	12.6%	15.1%	47.4	53.3	39.9	207.5	193.4	157.
Birla Corporation	BCORP IN	ADD	1,078	1,455	35%	968	8.3	11.1	8.7	1.3	1.3	1.3	6.5%	2.5%	5.2%	21.6	52.8	24.5	70.3	70.0	65.
HeidelbergCement	HEIM IN	HOLD	197	166	-16%	521	12.4	10.0	8.6	3.0	2.9	2.8	11.4%	14.9%	16.9%	25.9	19.6	16.7	73.8	72.9	77.
Dalmia Bharat	DALBHARA IN	ADD	1,814	2,000	10%	3,967	13.1	14.8	12.0	2.1	2.0	1.9	5.2%	4.0%	5.7%	41.4	51.3	34.9	92.8	88.8	77.
JK Lakshmi Cement	JKLC IN	ADD	791	672	-15%	1,086	9.0	12.1	9.1	2.5	2.3	2.1	15.5%	8.0%	12.1%	17.1	29.9	18.1	66.7	64.9	58.
<b>Mean</b>							<b>17.0</b>	<b>19.4</b>	<b>15.4</b>	<b>3.5</b>	<b>3.3</b>	<b>3.0</b>	<b>10.6%</b>	<b>7.2%</b>	<b>9.6%</b>	<b>36.0</b>	<b>56.5</b>	<b>35.3</b>	<b>130.1</b>	<b>128.5</b>	<b>122.</b>
<b>Median</b>							<b>14.8</b>	<b>16.8</b>	<b>13.6</b>	<b>2.9</b>	<b>2.7</b>	<b>2.5</b>	<b>11.8%</b>	<b>6.6%</b>	<b>8.5%</b>	<b>43.4</b>	<b>52.0</b>	<b>36.4</b>	<b>119.8</b>	<b>113.6</b>	<b>106.</b>
<b>Minimum</b>							<b>8.3</b>	<b>10.0</b>	<b>8.6</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>5.2%</b>	<b>2.5%</b>	<b>5.2%</b>	<b>15.8</b>	<b>19.6</b>	<b>16.7</b>	<b>66.7</b>	<b>64.9</b>	<b>58.</b>
<b>Maximum</b>							<b>29.4</b>	<b>35.2</b>	<b>27.5</b>	<b>7.0</b>	<b>6.4</b>	<b>5.7</b>	<b>15.8%</b>	<b>14.9%</b>	<b>16.9%</b>	<b>52.8</b>	<b>118.1</b>	<b>71.7</b>	<b>224.2</b>	<b>206.0</b>	<b>211.</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS  
 NOTE: BLOOMBERG. PRICES AS ON 27<sup>TH</sup> MAR 2025

Figure 3: Incred's paint coverage valuation matrix

Company Name	Bloomberg Ticker	Recom.	Market Price Rs/share	Target Price Rs/share	Revenue		EPS		P/E (x)		
					CAGR FY24-27F	CAGR FY24-27F	FY24	FY25F	FY26F	FY27F	
Asian Paints	APNT IN	REDUCE	2,338	2,230	2.9%	-3.2%	41	52	49	45	
Berger Paints India	BRGR IN	HOLD	502	505	6.7%	4.7%	50	49	46	44	
Kansai Nerolac Paints	KNPL IN	REDUCE	233	235	6.0%	4.9%	28	29	26	24	
Pidilite Industries	PIDI IN	ADD	2,867	3,470	11.7%	19.2%	82	68	57	48	

NOTE: INCRED RESEARCH, COMPANY REPORTS, BLOOMBERG. PRICES AS ON 27<sup>TH</sup> MAR 2025

## Anecdotes from cement & paint sectors

### Cement channel check highlights

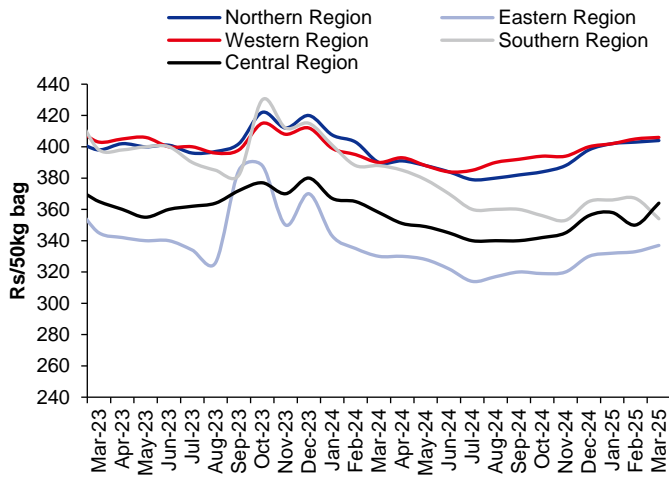
#### Region-wise highlights ►

- **East:** The year-end demand across markets supported a price hike of Rs5-12/bag in West Bengal, Bihar, and Chhattisgarh. The average price is now Rs335/bag, with a price hike of Rs5-10/bag expected in Apr 2025F.
- **South:** Market remains highly competitive. Stagnant demand has led to a decline in prices by Rs7-10/bag so far in Mar 2025. Channels expect a steep hike of Rs30-40/bag in Apr 2025F, but its absorption depends on demand and the discipline among players.
- **North:** No price hike taken in most pockets in Mar 2025. Prices in Punjab, New Delhi, Jammu & Kashmir, and Rajasthan stood at Rs390/bag, Rs370/bag, Rs400/bag, and Rs370/bag, respectively. A price hike of Rs5-15/bag across markets is expected in Apr 2025F.
- **West:** The region remains better-placed on the demand side, with strong demand from infrastructure projects. Prices in Gujarat remained stable MoM. Mumbai reported a price decline of Rs4-5/bag MoM for meeting year-end volume targets. Dealers remain optimistic on the back of successful absorption of a Rs10-15/bag price hike likely in Apr 2025F.
- **Central:** Post-Kumbh festival, the region witnessed a net price hike of Rs10/bag in Uttar Pradesh. Year-end promotional schemes and improved demand give guidance for a better quarter. Channels expect a price hike of ~Rs10-20/bag in most markets, with strong demand supporting the case for absorption.

#### Highlights from our interaction with cement dealers ►

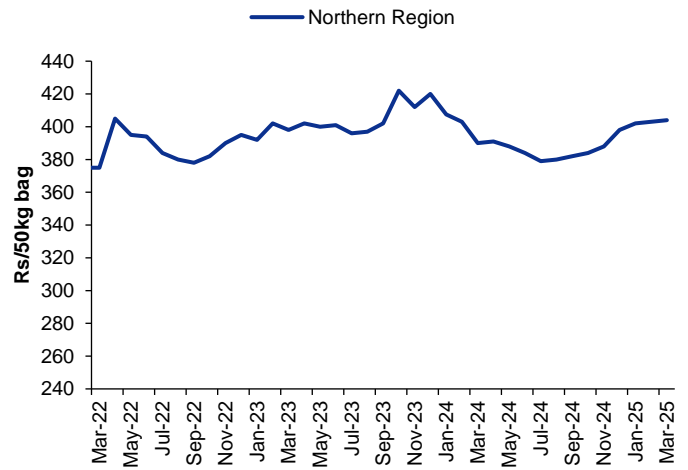
- **Players disciplining themselves to decide South India price direction next financial year:** Most markets expect a price hike of Rs10-40/bag in Apr 2025F, in line with yearly seasonal hikes. The steepest hike (Rs30-40/bag) is expected in the South India market; however, dealers believe the successful pass-on will be a mixed bag, amid a scenario of demand and mutual understanding among players on pricing discipline in the backdrop of rising competition.
- **Andhra Pradesh ends the year on a low note:** Our interaction with dealers in Andhra Pradesh highlighted that there has been no significant progress on the demand side, which was expected to boom post formation of a new government in the state.
- We observed that March was a better month for a recovery in trade demand, while non-trade demand was relatively stable.
- **Year-end discount schemes in place:** Commentaries from dealers and experts highlighted that, across pockets, there have been some additional price discounts being offered by companies to achieve their year-end volume targets, which are common in the last month of a financial year, as per dealers. It has also been observed there was increased volatility in strategies adopted by cement players in respect of pricing in some regions.
- Better recovery in demand and stable prices should contribute to another quarter of improvement for the cement industry in most markets (except South India).
- **Our view:** We remain selective on the cement sector, with Ultratech Cement as our top pick followed by Ambuja Cements. We believe the entry of Adani Cements in the central India region through Jaypee Group's assets will pose a key challenge for regional players.

**Figure 4: Region-wise, cement prices were stable in Mar 2025, barring South India**



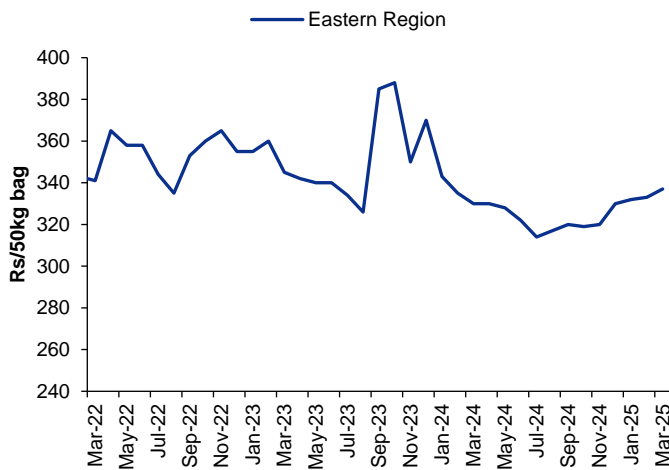
SOURCE: INCRED RESEARCH, INDUSTRY CHANNEL CHECK

**Figure 5: North India price trend**



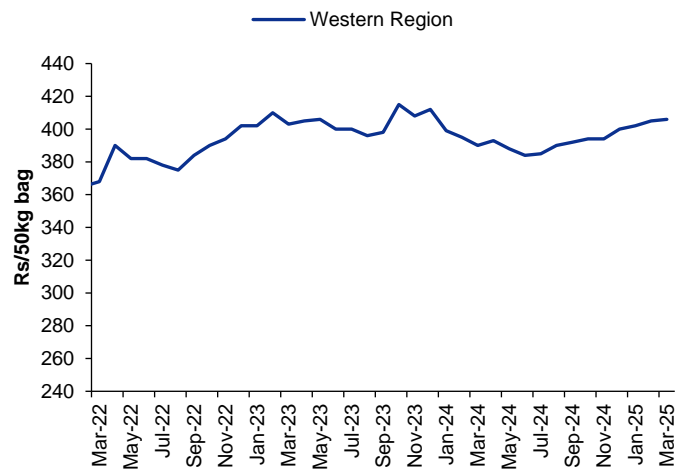
SOURCE: INCRED RESEARCH, INDUSTRY CHANNEL CHECK

**Figure 6: East India price trend**



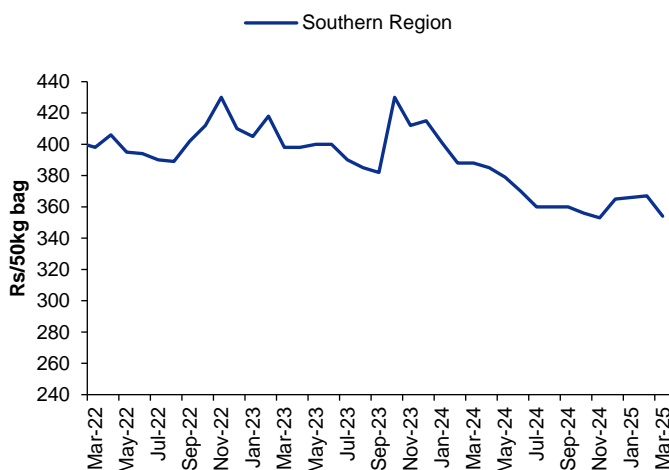
SOURCE: INCRED RESEARCH, INDUSTRY CHANNEL CHECK

**Figure 7: West India price trend**



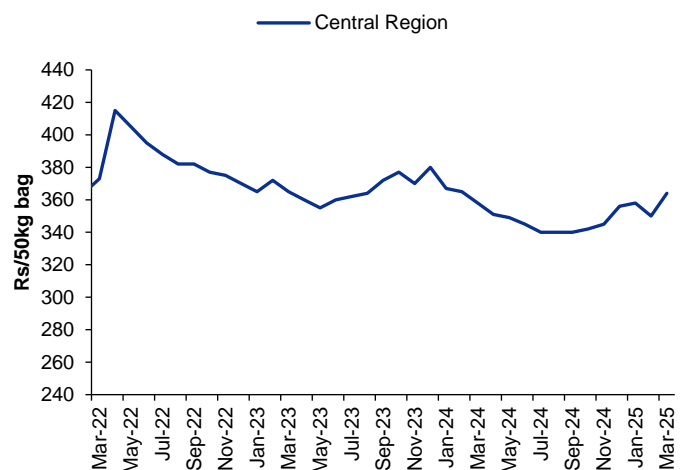
SOURCE: INCRED RESEARCH, INDUSTRY CHANNEL CHECK

**Figure 8: South India prices decline in Mar 2025**



SOURCE: INCRED RESEARCH, INDUSTRY CHANNEL CHECK

**Figure 9: Central India prices remain stable**

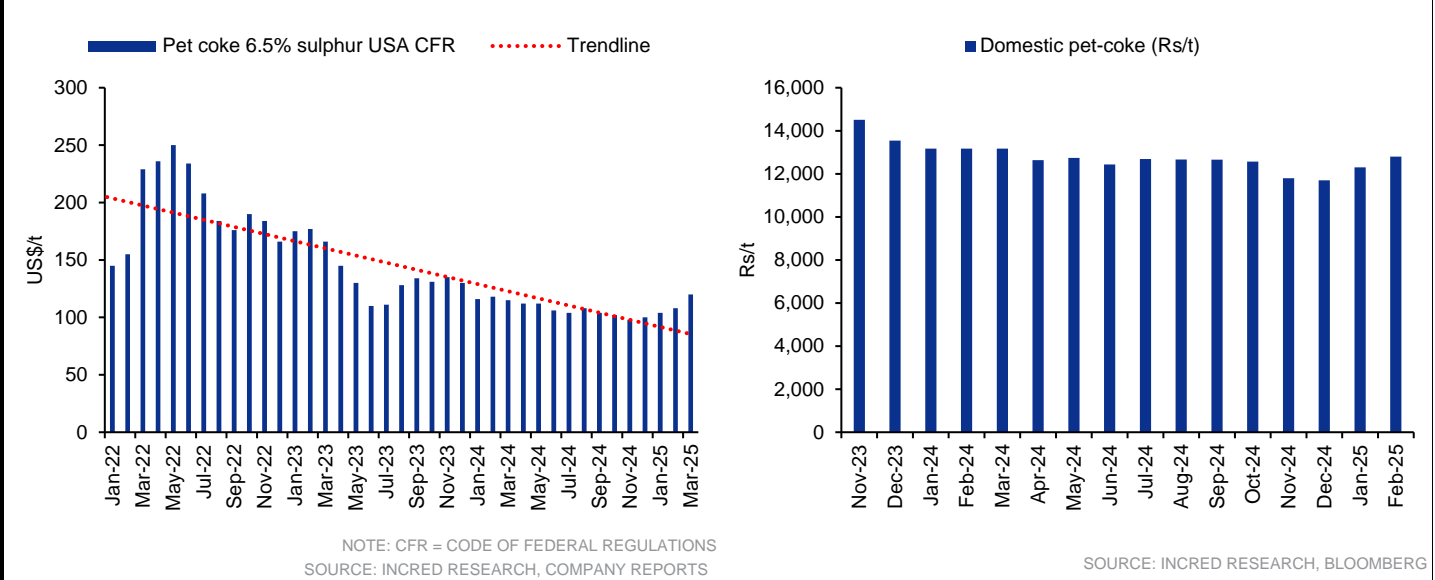


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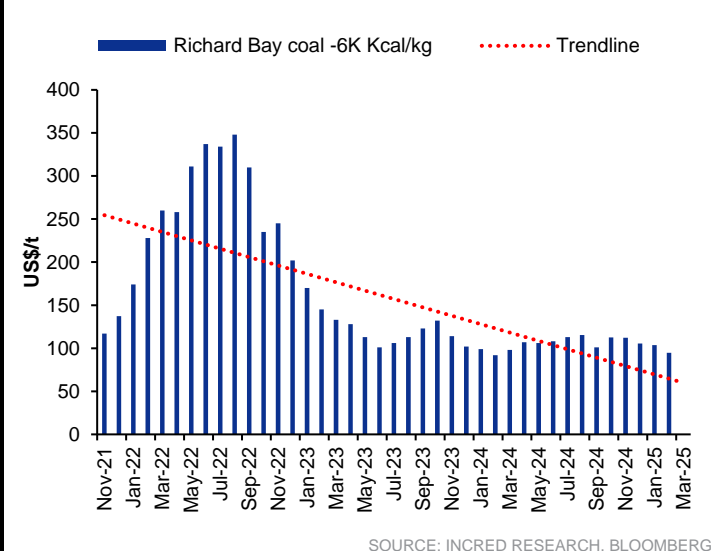
### Major input cost trend ➤

- Fuel prices' changing tide; hikes necessary to pass on cost inflation:** The cost environment, after remaining beneficial for the industry for the past few years, has started to change the tide following a rise in both domestic and imported pet-coke prices. Brent crude oil prices are now at US\$74/bbl. The Indian rupee or INR depreciation and the levy of additional state taxes on mining to impact the cost profile of companies. Sustainable price hikes are crucial in FY26F for protecting margin.

**Figure 10: International pet-coke prices up by ~20% vs. Dec 2024 exit prices**      **Figure 11: Domestic pet-coke prices up by ~9% vs. Dec 2024 exit prices**



**Figure 12: Imported coal price (South African 6k/kcal) trend**



**Figure 13: Average diesel price trend in top metro cities**

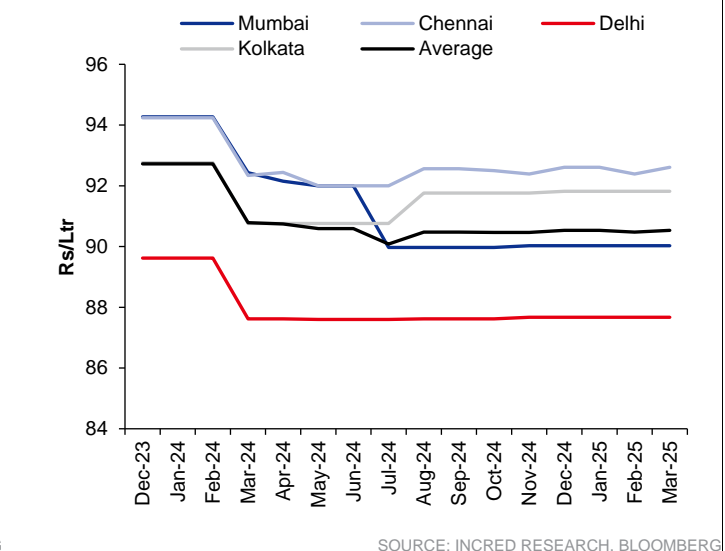
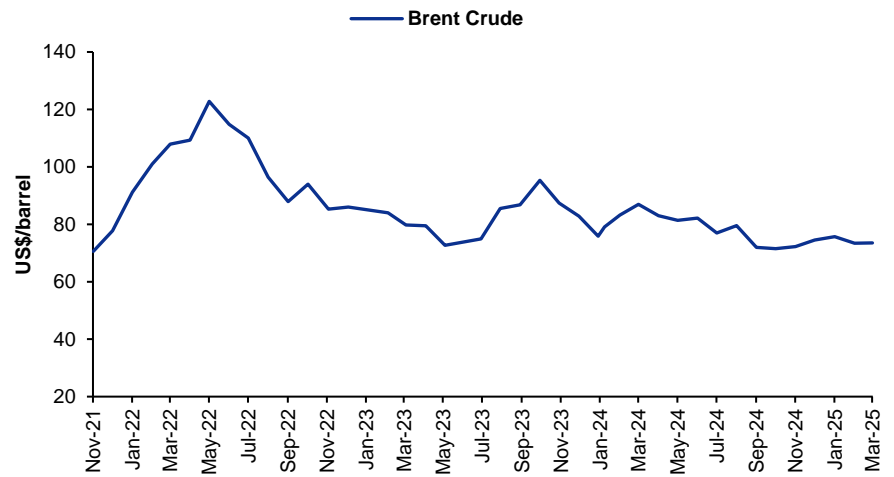
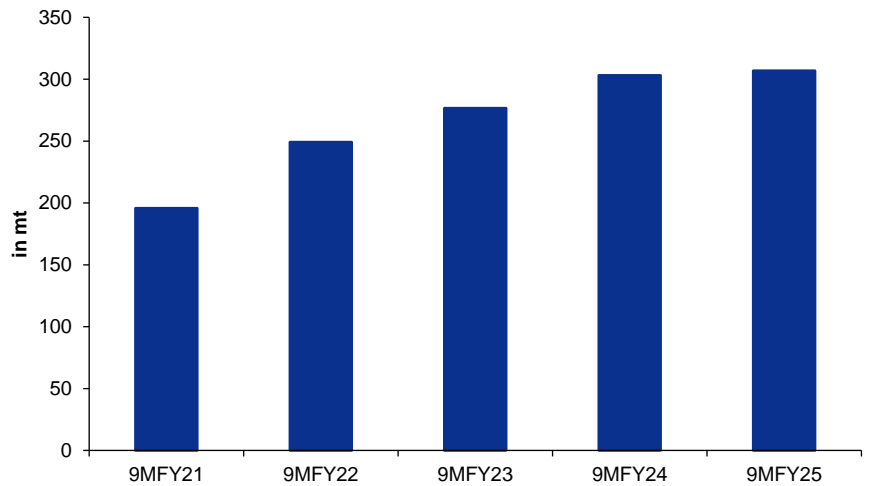


Figure 14: Crude oil price trend



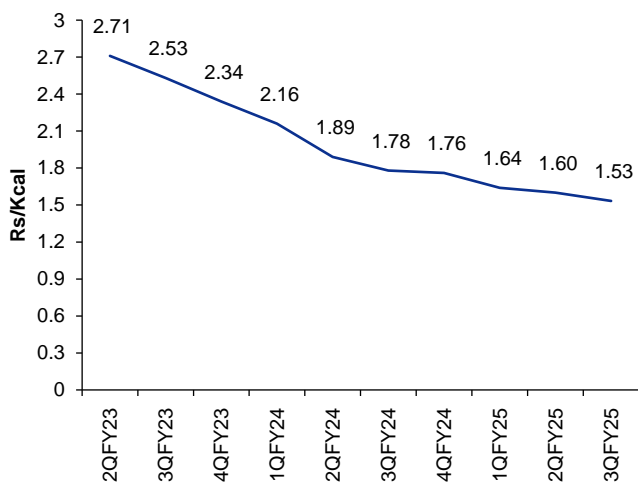
SOURCE: INCRED RESEARCH, BLOOMBERG

Figure 15: Cement production up by ~1% yoy in 9MFY25



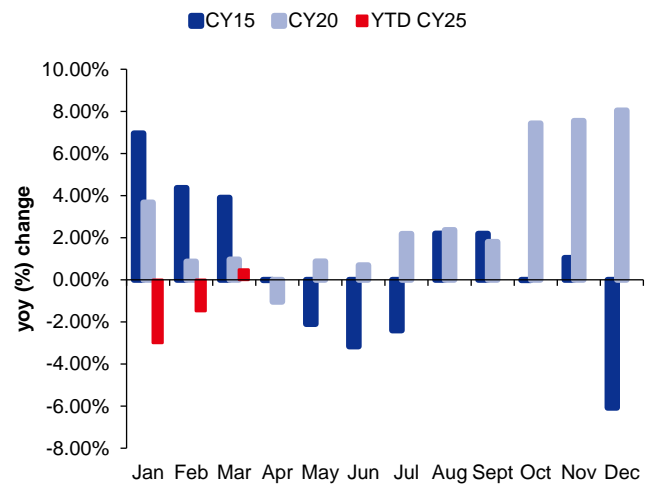
SOURCE: INCRED RESEARCH, CMIE, MOSPI

Figure 16: Average energy cost continues to decline



SOURCE: INCRED RESEARCH, BLOOMBERG

Figure 17: Pan-India cement price yoy change post general election years



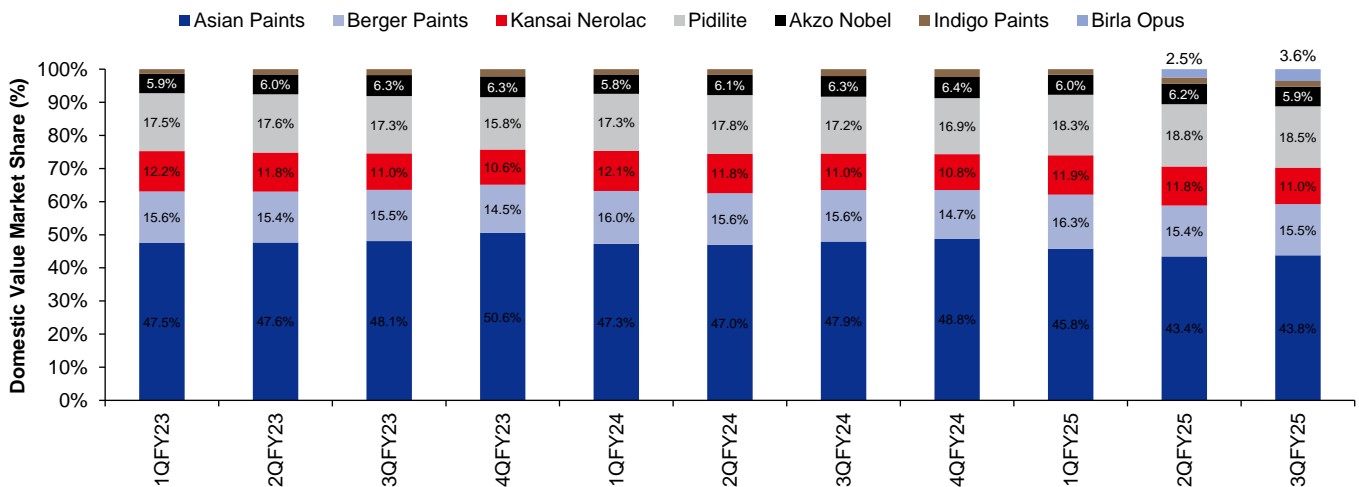
SOURCE: INCRED RESEARCH, INDUSTRY CHANNEL CHECK

## Paints channel check highlights

### Highlights from our interaction with paint dealers >

- **Volume growth continues to remain weak:** Our interactions with dealers point towards flattish volume growth for most companies. Only a handful of companies reported marginal growth. Demand in rural markets has remained buoyant; however, urban markets are expected to remain under pressure. The waterproofing category fared better than decorative paints for most companies.
- **Competitive intensity is stepping up in the project business:** While demand has been relatively stable for dealers who supply to projects, the overall competitive intensity has increased. Some dealers stated that Birla Opus products are being accepted by some projects in urban markets.
- **Birla Opus schemes remain in effect and products are now available across markets:** All previously introduced Birla Opus schemes remain active, and dealers anticipate new/modification to schemes from Apr 2025F. The feedback from channels was that this year, incumbents are offering attractive schemes to dealers, mostly influenced by the entry of Birla Opus. Birla Opus products are now easily available in most cities and rural areas.
- No price hikes have been taken by any player so far.
- Some dealers have reported Birla Opus' sales volume at 15-20% of their total volume, with many reporting an erosion in Asian Paints' share.
- Experts believe that it will take ~six-to-eight months for Birla Opus to stabilize its operations in B2B categories if the company ventures out in the coming financial year.

Figure 18: Asian Paints is losing market share in value terms



SOURCE: INCRED RESEARCH, COMPANY REPORTS

## Key assumptions for our cement coverage companies

**Figure 19: We expect cement volume of coverage companies to grow by ~9% over FY24-27F**

Volume (mt)	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	CAGR FY19-24	CAGR FY24-27F
UTCCEM*	81	86	94	106	119	129	144	158	6.8%	10.0%
ACC*#	29	26	29	39	37	42	44	46	5.4%	7.8%
ACEM#	24	23	27	38	34	39	45	51	7.3%	14.2%
SRCM*	25	27	28	32	36	36	40	45	6.6%	7.9%
TRLC	11	10	11	15	18	19	21	23	10.6%	7.5%
JKCE*	8	10	12	14	17	17	19	22	14.4%	8.8%
BCORP*	14	13	14	16	18	18	19	21	5.0%	6.0%
HEIM	5	4	5	4	5	5	5	6	-0.4%	5.3%
DALBHARA*	19	21	22	26	29	30	33	36	9.0%	7.9%
JKLC*	10	10	11	11	12	12	13	14	1.5%	6.4%
<b>Total</b>	<b>227</b>	<b>231</b>	<b>253</b>	<b>300</b>	<b>324</b>	<b>347</b>	<b>383</b>	<b>422</b>	<b>6.9%</b>	<b>9.2%</b>

\*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 20: We expect realization of coverage companies to decline by ~1% over FY24-27F**

Realization (Rs/t)	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	CAGR FY19-24	CAGR FY24-27F
UTCCEM*	5,127	5,122	5,501	5,900	5,864	5,583	5,644	5,735	4.2%	-0.7%
ACC#	4,801	4,909	5,044	5,276	5,059	4,695	4,799	4,890	1.7%	-1.1%
ACEM#	4,719	4,929	5,105	5,287	5,209	4,969	5,089	5,188	2.8%	-0.1%
SRCM*	5,163	5,052	5,411	5,611	5,741	5,281	5,381	5,478	4.8%	-1.6%
TRLC	4,792	5,281	5,413	5,416	5,081	4,594	4,660	4,735	2.2%	-2.3%
JKCE	4,527	4,494	4,774	4,971	5,009	4,808	4,924	5,042	4.6%	0.2%
BCORP	4,826	4,853	4,961	5,242	5,236	4,827	4,914	5,022	3.7%	-1.4%
HEIM	4,575	4,652	4,681	5,096	4,922	4,941	5,010	5,081	2.7%	1.1%
DALBHARA	4,691	4,874	5,073	5,141	5,105	4,809	4,905	5,003	1.5%	-0.7%
JKLC	4,342	4,523	4,840	5,650	5,662	5,034	5,155	5,247	7.9%	-2.5%
<b>Average</b>	<b>4,756</b>	<b>4,869</b>	<b>5,080</b>	<b>5,359</b>	<b>5,289</b>	<b>4,954</b>	<b>5,048</b>	<b>5,142</b>	<b>3.6%</b>	<b>-0.9%</b>

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

**Figure 21: We expect costs/t of coverage companies to decline by ~2% over FY24-27F**

Cost (Rs/t)	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	CAGR FY19-24	CAGR FY24-27F
UTCCEM*	4,072	3,839	4,371	4,981	4,867	4,699	4,609	4,571	4.0%	-2.1%
ACC	4,585	4,477	4,553	5,257	4,579	4,451	4,392	4,385	0.4%	-1.4%
ACEM	3,956	3,849	3,981	4,435	4,229	4,226	4,142	4,096	1.6%	-1.1%
SRCM*	3,655	3,532	4,075	4,681	4,470	4,238	4,210	4,231	3.4%	-1.8%
TRLC	3,777	3,729	4,251	4,629	4,238	3,881	3,861	3,866	2.7%	-3.0%
JKCE*	4,478	4,223	4,641	5,178	4,974	4,860	4,815	4,782	2.8%	-1.3%
BCORP	4,091	4,069	4,466	5,029	4,656	4,431	4,408	4,418	2.8%	-1.7%
HEIM	3,489	3,589	3,899	4,529	4,263	4,184	4,189	4,194	4.8%	-0.5%
DALBHARA	3,923	3,550	3,991	4,367	4,188	3,995	3,975	3,999	0.7%	-1.5%
JKLC	3,548	3,625	3,991	4,916	4,785	4,355	4,302	4,302	6.7%	-3.5%
<b>Average</b>	<b>3,957</b>	<b>3,848</b>	<b>4,222</b>	<b>4,800</b>	<b>4,525</b>	<b>4,332</b>	<b>4,290</b>	<b>4,284</b>	<b>2.9%</b>	<b>-1.8%</b>

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

**Figure 22: We expect EBITDA/t of coverage companies to increase by ~3% over FY24-27F**

EBITDA (Rs/t)	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	CAGR FY19-24	CAGR FY24-27F
UTCCEM*	1,055	1,339	1,225	1,005	1,089	965	1,122	1,254	7.0%	4.8%
ACC#	782	899	1,038	499	830	560	721	818	4.2%	-0.5%
ACEM#	893	1,167	1,187	852	980	744	946	1,092	4.6%	3.7%
SRCM*	1,508	1,520	1,337	930	1,271	1,044	1,171	1,247	3.3%	-0.6%
TRLC	1,015	1,552	1,162	787	844	712	799	869	-2.0%	1.0%
JKCE*	1,184	1,282	1,057	810	1,079	979	1,086	1,179	5.7%	3.0%
BCORP	979	999	781	491	815	590	698	792	3.5%	-0.9%
HEIM	1,122	1,129	910	567	659	757	822	887	-7.8%	10.4%
DALBHARA	1,072	1,324	1,084	906	917	814	929	1,004	-1.7%	3.1%
JKLC	794	898	849	735	878	679	852	945	16.6%	2.5%
<b>Average</b>	<b>1,040</b>	<b>1,211</b>	<b>1,063</b>	<b>758</b>	<b>936</b>	<b>784</b>	<b>915</b>	<b>1,009</b>	<b>2.8%</b>	<b>2.5%</b>

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



**Figure 23: We expect total revenue of coverage companies to increase by ~8% over FY24-27F**

Revenue (Rs bn)	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	CAGR FY19-24	CAGR FY24-27F
UTCCEM*	424	447	526	632	709	730	824	923	11.3%	9.2%
ACC*#	157	138	162	222	200	208	224	240	6.2%	6.4%
ACEM#	117	114	140	200	179	192	226	266	9.6%	14.0%
SRCM*	129	136	150	179	204	190	215	244	10.2%	6.2%
TRLC	54	53	60	81	93	87	97	108	12.6%	5.0%
JKCE*	58	66	80	97	116	115	128	144	17.1%	7.5%
BCORP*	69	68	75	87	97	91	99	110	8.1%	4.3%
HEIM	22	21	23	22	24	25	27	29	2.1%	6.5%
DALBHARA*	97	101	113	136	147	146	162	181	9.1%	7.1%
JKLC*	44	47	54	65	68	61	68	76	9.5%	3.8%
<b>Total</b>	<b>1,169</b>	<b>1,191</b>	<b>1,382</b>	<b>1,721</b>	<b>1,836</b>	<b>1,846</b>	<b>2,071</b>	<b>2,319</b>	<b>10.2%</b>	<b>8.1%</b>

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

**Figure 24: We expect EBITDA of coverage companies to grow by over ~12% over FY24-27F**

EBITDA (Rs bn)	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	CAGR FY19-24	CAGR FY24-27F
UTCCEM*	92.5	115.7	115.1	106.2	129.7	124.3	161.3	198.6	12.0%	15.3%
ACC*#	24.1	23.6	30.0	19.2	30.6	23.3	31.6	37.8	8.4%	7.3%
ACEM#	21.5	26.5	32.1	32.2	33.7	28.8	42.1	55.9	12.3%	18.3%
SRCM*	37.6	40.8	37.1	29.6	45.2	37.6	46.8	55.6	10.1%	7.2%
TRLC	11.4	15.5	12.8	11.8	15.5	13.6	16.7	19.8	8.4%	8.5%
JKCE*	12.1	15.4	14.8	13.1	20.6	19.2	23.5	28.4	19.8%	11.3%
BCORP*	13.4	13.4	11.1	7.7	14.4	10.7	13.6	16.7	8.7%	5.1%
HEIM	5.3	5.1	4.3	2.5	3.2	3.9	4.4	5.0	-8.1%	16.3%
DALBHARA*	21.1	27.6	24.3	23.3	26.4	24.7	30.8	36.3	6.3%	11.2%
JKLC*	8.0	9.4	9.5	8.4	10.5	8.2	11.2	13.7	18.3%	9.1%
<b>Total</b>	<b>247</b>	<b>293</b>	<b>291</b>	<b>254</b>	<b>330</b>	<b>294</b>	<b>382</b>	<b>468</b>	<b>10.8%</b>	<b>12.4%</b>

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

**Figure 25: We expect PAT of coverage companies to increase by ~14% over FY24-27F**

PAT (Rs bn)	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	CAGR FY19-24	CAGR FY24-27F
UTCCEM*	57.6	53.2	71.8	50.6	70.0	61.7	84.5	110.9	23.9%	16.5%
ACC*#	13.7	14.3	18.6	8.9	23.4	12.9	18.4	22.4	9.0%	-1.3%
ACEM#	15.3	17.9	20.8	25.5	23.3	25.7	35.3	45.1	9.4%	24.5%
SRCM*	15.4	22.9	23.3	12.7	24.0	9.2	15.2	20.9	18.9%	-4.4%
TRLC	6.0	7.6	8.9	3.4	3.9	1.9	4.2	6.4	-4.8%	17.4%
JKCE*	4.9	7.1	6.9	4.2	7.9	7.1	9.5	12.2	23.9%	15.6%
BCORP*	5.1	6.3	4.0	0.4	4.2	1.7	3.6	5.8	10.5%	11.5%
HEIM	2.7	3.1	2.5	1.0	1.7	2.2	2.6	3.0	-5.3%	21.6%
DALBHARA*	2.2	11.7	8.2	10.4	8.3	6.7	9.9	12.7	21.8%	15.3%
JKLC*	2.5	4.1	4.6	3.6	4.7	2.6	4.4	5.7	55.8%	6.4%
<b>Total</b>	<b>125</b>	<b>148</b>	<b>170</b>	<b>121</b>	<b>171</b>	<b>132</b>	<b>187</b>	<b>245</b>	<b>16.4%</b>	<b>12.7%</b>

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

**Key assumptions for our paints coverage companies ➤**

**Figure 26: We expect total revenue of our paints coverage companies to increase by ~4% over FY24-27F**

Revenue (Rs bn)	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	CAGR FY24-FY27F (%)
Asian Paints	202	217	291	345	355	340	356	387	3%
Berger Paints	64	68	88	106	112	118	125	136	7%
Kansai Nerolac Paints	53	51	64	75	78	79	86	93	6%
Pidilite Industries	73	73	99	118	124	137	153	172	12%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 27: We expect total EBITDA of our paints coverage companies to decline by ~1% over FY24-27F**

EBITDA (Rs bn)	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	CAGR FY24-FY27F (%)
Asian Paints	42	49	48	63	76	61	65	70	-3%
Berger Paints	11	12	13	15	19	19	20	21	4%
Kansai Nerolac Paints	8	9	6	8	10	10	11	12	4%
Pidilite Industries	16	17	18	20	27	32	38	43	17%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 28: We expect PAT of our paints coverage companies to remain flat over FY24-27F**

APAT (Rs bn)	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	CAGR FY24-FY27F (%)
Asian Paints	27	31	31	42	55	43	46	49	-3%
Berger Paints	7	7	8	9	12	12	13	13	5%
Kansai Nerolac Paints	5	5	4	5	5	7	7	8	14%
Pidilite Industries	12	11	12	13	18	22	26	30	19%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

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*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

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