

India

Neutral (no change)

Highlighted Companies

UltraTech Cement Ltd

ADD, TP Rs7592, Rs7252 close

Above-industry volume growth, positive operating leverage, continuous deleveraging, and improvement in ROE and RoCE are the key stock catalysts for UltraTech going forward, in our view.

Ramco Cements Ltd

ADD, TP Rs1186, Rs983 close

Ramco's operations are characterised by regional diversification with market share gain, while its execution capability reflects its cost leadership. We expect deleveraging to kick in much faster given Ramco's strong free cash flow generation in the coming years and likely becoming debt free by FY24F.

Prism Johnson Ltd

ADD, TP Rs158, Rs124 close

We prefer PRSMJ due to its margins improving on the back of substantial ongoing cost reduction initiatives and future growth visibility due to expansion plans in both the cement and tile divisions and further deleveraging despite higher capex.

Summary Valuation Metrics

P/E (x)	Mar21-A	Mar22-F	Mar23-F
UltraTech Cement Ltd	39.35	32.07	26.63
Ramco Cements Ltd	30.43	23.93	20.59
Prism Johnson Ltd	36.55	24.29	18.17

P/BV (x)	Mar21-A	Mar22-F	Mar23-F
UltraTech Cement Ltd	4.74	4.29	3.85
Ramco Cements Ltd	4.12	3.58	3.1
Prism Johnson Ltd	5.04	4.32	3.58

Dividend Yield	Mar21-A	Mar22-F	Mar23-F
UltraTech Cement Ltd	0.18%	0.75%	0.91%
Ramco Cements Ltd	0.31%	0.42%	0.49%
Prism Johnson Ltd	0%	0.78%	0.78%

Analyst(s)



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Cement

2QFY22F results preview

- We expect coverage volumes to post 7% yoy growth led by pent-up demand, but remain flat sequentially due to the seasonal impact of monsoons in 2Q.
- We expect average EBITDA/t for our coverage companies to decline by 14% yoy and 18% qoq, due to lower cement prices and input cost escalation.
- We maintain our Neutral stance on the sector with UltraTech and Ramco being our top picks. We also like Prism Johnson and Orient Cement in small cap.

Volumes to grow ~7% yoy but broadly flat sequentially

We expect 2QFY22F volumes for our coverage (12 companies) to increase by ~7% yoy and remain broadly flat qoq owing to the seasonal impact of the monsoon especially in Sep 2021. Demand recovery was promising in the months of Jul and Aug primarily on better offtake from continued demand in government infrastructure projects and revival in real estate demand. Regionally, we expect South and West India (especially Maharashtra) to lead volume growth on a low base while North and Central India will grow at a mid-single digit. East India is likely to witness sharp de-growth on a high base and other issues like flood, sand availability and transporter strike. We expect 2H (post festive season) will see strong demand recovery on government's continued focus on infrastructure projects and real estate activity picking up. We still expect low double-digit demand growth in FY22F.

Average pan-India price declined c.2.5-3% qoq due to seasonality

Our channel checks indicate that the pan-India price for 2QFY22 would have been down c.2.5-3% qoq with prices broadly stable in Jul 2021 but falling in Aug, while Sep 2021 price hikes did not hold up due to heavy rainfall. Price cuts were primarily driven by sharp declines across the East and South India markets, followed by Central and North, while the West market remained relatively better. We expect blended realisation for our coverage to decline by ~3% qoq (up 2% yoy) for 2Q. Our checks suggest prices were hiked in the first week of Oct 2021 across regions and expect the higher prices to sustain, and the industry to push large price hikes in Nov 2021 on higher cost and demand recovery.

Cost curve to remain on an uptrend & a key concern for the industry

Variable costs remain on an uptrend due to higher variable costs with energy costs increasing by 5-6% qoq due to higher pet coke and international/domestic coal prices, while low-cost fuel inventory is mostly exhausted. Diesel prices, too, are up 20% yoy and 5% qoq in 2QFY22 and would keep freight costs on an uptrend. We expect c.3-3.5% qoq rise in overall cost/t for our coverage universe, with the impact of input cost rises offset partly by the higher use of alternative fuels and other efficiency enhancement measures.

Unit operating EBITDA to fall sharply by ~18% qoq and ~12% yoy

We believe sequential correction in pricing leads to a decline in realisation and coupled with higher variable cost will lead to a decline in average EBITDA/t by ~18% qoq during the quarter. We believe companies with a dominant presence in the East and South India markets would feel the highest impact, followed by those in North, West and Central.

Figure 1: 2QFY22F estimates for our coverage universe

Company	Revenue (Rs m)	% chg (yoy)	% chg (qoq)	EBITDA (Rs m)	% chg (yoy)	% chg (qoq)	PAT (Rs m)	% chg (yoy)	% chg (qoq)
UTCEM - Consol.	1,16,226	12%	-2%	28,901	7%	-13%	14,157	8%	-17%
SRCM	32,947	1%	-9%	8,091	-19%	-21%	4,620	-12%	-27%
ACC - Consol.	36,985	5%	-5%	6,682	5%	-5%	4,193	15%	-26%
ACEM	31,057	9%	-8%	7,302	9%	-8%	4,875	11%	-33%
TRCL	13,240	5%	8%	3,505	-21%	-4%	1,786	-24%	6%
JKCE	18,375	12%	7%	3,820	-11%	-5%	1,784	-20%	-7%
BCORP	16,846	2%	-4%	2,832	-26%	-18%	929	-44%	-34%
HEIM	5,285	3%	-5%	1,053	-16%	-20%	536	-14%	-22%
DALBHARA - Consol	25,615	6%	-1%	5,606	-20%	-20%	1,718	-26%	-35%
JKLC - Standalone	11,288	8%	-8%	1,592	-15%	-26%	688	-15%	-42%
ORCMNT	6,429	35%	-7%	1,427	26%	-23%	602	73%	-33%
PRSM - Consol.	12,853	-5%	-2%	1,616	-6%	35%	365	-17%	746%
Total	3,27,145	8%	-3%	72,426	-7%	-11%	36,253	-5%	-25%

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 2: Ultratech Cement (Consolidated)

	2QFY22F	1QFY22	qoq (%)	2QFY21	yoy (%)	Comment
Net Sales (Rs m)	1,16,226	1,18,298	-1.8%	1,03,871	11.9%	We expect volumes to increase by ~7% yoy on a consolidated basis while broadly flat qoq due to seasonal impact, while demand for government projects continue to be robust during the quarter. As per our industry checks, demand from non-trade was higher vs trade demand during the quarter mainly driven by continued government spending on infrastructure and affordable housing projects. We expect realisations to decline by ~2% qoq (+4% yoy) due to seasonality. EBITDA/t is likely to be down ~15% qoq and 1% yoy due to higher input costs (pet coke, coal and diesel prices) and lower realisations.
EBITDA (Rs m)	28,901	33,075	-12.6%	26,975	7.1%	
EBIT (Rs m)	22,181	26,477	-16.2%	20,204	9.8%	Key monitorables: Demand revival in core markets, price hikes, higher input cost impact, cost saving initiatives, progress on ongoing expansion & deleveraging.
PAT (Rs m)	14,157	17,026	-16.9%	13,091	8.1%	
EPS (Rs)	49.0	59.0	-16.9%	45.4	8.1%	
EBITDA Margin (%)	25%	28%	-309bp	26%	-110bp	

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 3: Shree Cement (Consolidated)

	2QFY22F	1QFY22	qoq (%)	2QFY21	yoy (%)	Comment
Net Sales (Rs m)	32,947	36,348	-9.4%	32,499	1.4%	We expect volumes to drop by ~4% yoy to 6.3mt (down 8% qoq) due to the impact of seasonality (unprecedented monsoon especially in Sep 2021), sand availability issues and transport strikes. Compared to its peers, Shree Cement saw sharp volume decline due to its base effect. We expect realisations to decline 1% qoq due to seasonality (while up 5.5% yoy), and EBITDA/t to be down ~14% qoq and 16% yoy due to a blend of higher input costs and price rollbacks during the quarter.
EBITDA (Rs m)	8,091	10,230	-20.9%	9,997	-19.1%	
EBIT (Rs m)	5,365	7,494	-28.4%	6,900	-22.3%	Key monitorables: Sustainability of further price hikes, status of growth capex, cost moderation and demand revival in its key markets.
PAT (Rs m)	4,620	6,309	-26.8%	5,279	-12.5%	
EPS (Rs)	127.8	174.6	-26.8%	146.1	-12.5%	
EBITDA Margin (%)	25%	28%	-358bp	31%	-620bp	

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 4: ACC (Consolidated)

	3QCY21F	2QCY21	qoq (%)	3QCY20	yoy (%)	Comment
Net Sales (Rs m)	36,985	38,849	-4.8%	35,373	4.6%	We expect cement volumes to decline by ~3% qoq to 6.6mt due to the impact of seasonality (unprecedented monsoon especially in Sep 2021) while up ~2% yoy, on continued demand from government spending on infrastructure and revival in real estate demand. We expect ready-mixed concrete (RMC) volumes to increase by ~17% yoy on last year's low base and down 7% qoq as demand was impacted by the monsoon. We believe cement realisations will rise ~2% yoy while down 2% qoq due to higher exposure to South and East India markets (sharp correction in prices during the quarter). We expect EBITDA/t to be down 21% qoq, and 4% yoy on lower volumes, higher variable costs and lower realisations during the quarter.
EBITDA (Rs m)	6,682	8,693	-23.1%	6,714	-0.5%	
EBIT (Rs m)	5,183	7,229	-28.3%	5,106	1.5%	Key monitorables: Cement pricing trend, cost saving initiatives (master supply agreement [MSA] with Ambuja and other internal cost efficiencies), further expansion plans & demand revival.
PAT (Rs m)	4,193	5,695	-26.4%	3,639	15.2%	
EPS (Rs)	22.3	30.3	-26.4%	19.4	15.2%	
EBITDA Margin (%)	18%	22%	-431bp	19%	-92bp	

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 5: Ambuja Cement (Standalone)

	3QCY21F	2QCY21	qoq (%)	3QCY20	yoy (%)	Comment
Net Sales (Rs m)	31,057	33,712	-7.9%	28,525	8.9%	We expect volumes to decline ~6% qoq to 5.97mt, while rising 5% yoy on strong demand recovery in the company's core market of West and North India (robust infra and real estate demand). We expect realisations to be down ~2% qoq on the back of lower pricing (seasonality impact) during the quarter (while up ~3% yoy). We believe EBITDA/t will decline 19% yoy on higher cost pressure and lower realisations (while rising 2% yoy) during the quarter.
EBITDA (Rs m)	7,302	9,597	-23.9%	6,803	7.3%	
EBIT (Rs m)	5,915	8,293	-28.7%	5,517	7.2%	
PAT (Rs m)	4,875	7,231	-32.6%	4,405	10.7%	Key monitorables: Sustainability of price hikes, higher input cost impact, utilisation rate of Marwar Mundwa plant (recently commissioned), and plans to reach 50mtpa in the medium term.
EPS (Rs)	2.5	3.6	-32.6%	2.2	10.7%	
EBITDA Margin (%)	24%	28%	-495bp	24%	-34bp	

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 6: The Ramco Cement

	2QFY22F	1QFY22	qoq (%)	2QFY21	yoy (%)	Comment
Net Sales (Rs m)	13,240	12,287	7.8%	12,570	5.3%	We expect volumes to increase by ~8% yoy and 12% qoq to 2.4mt factoring in a Covid-impacted high base along with improved demand (non-trade) in its key markets. We expect realisations to be down 4% qoq and 3% yoy due to sharp cement price correction in the South and East India markets during the quarter. We expect EBITDA/t to decline ~14% qoq and 27% yoy due to higher variable costs and lower realisations.
EBITDA (Rs m)	3,505	3,640	-3.7%	4,420	-20.7%	
EBIT (Rs m)	2,561	2,684	-4.6%	3,565	-28.2%	
PAT (Rs m)	1,786	1,690	5.7%	2,358	-24.3%	Key monitorables: Demand revival in core markets, sustainability of cement pricing, capacity commercialisation and deleveraging.
EPS (Rs)	7.6	7.2	5.7%	10.0	-24.3%	
EBITDA Margin (%)	26%	30%	-316bp	35%	-869bp	

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 7: JK Cement

	2QFY22F	1QFY22	qoq (%)	2QFY21	yoy (%)	Comment
Net Sales (Rs m)	18,375	17,141	7.2%	16,344	12.4%	We expect volumes, including white cement, to increase by ~9% qoq and 18% yoy to 3.3mt on strong demand in its key market of North India. Also, new capacities are ramping up well, helping the company to strengthen its share in the existing markets while exploring opportunities in new markets. We expect blended realisations to decline by ~2% qoq and 4.4% yoy due to sharp price correction in its region of operations during the quarter. We expect blended EBITDA/t to decline by 13% qoq and 25% yoy mainly due to higher input costs and lower realisations.
EBITDA (Rs m)	3,820	4,029	-5.2%	4,314	-11.5%	
EBIT (Rs m)	2,997	3,223	-7.0%	3,563	-15.9%	
PAT (Rs m)	1,784	1,919	-7.1%	2,218	-19.6%	Key monitorables: Demand revival in core markets, sustainability of pricing, capacity commercialisation, cost saving initiatives and deleveraging.
EPS (Rs)	23.1	24.6	-6.2%	28.7	-19.5%	
EBITDA Margin (%)	21%	24%	-272bp	26%	-561bp	

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 8: Birla Corporation

	2QFY22F	1QFY22	qoq (%)	2QFY21	yoy (%)	Comment
Net Sales (Rs m)	16,846	17,491	-3.7%	16,543	1.8%	We expect volumes to increase by ~6% yoy and 3% qoq to 3.5mt on improved demand from non-trade (continued traction in government infrastructure projects and revival in real estate demand). We expect realisations to be down by ~2% qoq on the back of lower pricing (seasonality impact) during the quarter in its key markets. We expect EBITDA/t to decline by ~20% qoq on higher variable costs and lower realisations.
EBITDA (Rs m)	2,832	3,436	-17.6%	3,827	-26.0%	
EBIT (Rs m)	1,835	2,452	-25.2%	2,909	-36.9%	Key monitorables: Cement price hikes in its key market, new capacity commercialisation, cost moderation and demand revival.
PAT (Rs m)	929	1,415	-34.4%	1,666	-44.3%	
EPS (Rs)	12.1	18.4	-34.4%	21.6	-44.3%	
EBITDA Margin (%)	17%	20%	-283bp	23%	-632bp	

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 9: Heidelberg Cement India

	2QFY22F	1QFY22	qoq (%)	2QFY21	yoy (%)	Comment
Net Sales (Rs m)	5,285	5,559	-4.9%	5,138	2.9%	We expect volumes to decline by ~3% qoq to 1.15mt, factoring in moderation in demand due to a seasonally weak quarter, while rising ~4% yoy aided by improved demand from government spending on infrastructure and revival in real estate demand. We expect realisations to decline by ~2.3% qoq, due to correction in cement prices in its key markets. EBITDA/t is likely to be down 17% qoq and 19% yoy due to higher cost pressure (pet coke, coal and diesel prices) and lower realisations.
EBITDA (Rs m)	1,053	1,311	-19.7%	1,260	-16.4%	
EBIT (Rs m)	765	1,035	-26.1%	979	-21.9%	Key monitorable: Demand revival in core markets, sustainability of pricing, cost saving initiatives, any new capacity announcement and follow up on merger with Zuari.
PAT (Rs m)	536	687	-21.9%	624	-14.1%	
EPS (Rs)	2.4	3.0	-21.9%	2.8	-14.1%	
EBITDA Margin (%)	20%	24%	-365bp	25%	-459bp	

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 10: Dalmia Bharat

	2QFY22F	1QFY22	qoq (%)	2QFY21	yoy (%)	Comment
Net Sales (Rs m)	25,615	25,890	-1.1%	24,100	6.3%	We expect volumes to increase by ~6% yoy and 4% qoq to 5.1mt aided by improved demand from government spending on infrastructure and revival in real estate demand. We expect realisations to be down by ~5% qoq on the back of lower pricing (seasonality impact) during the quarter in its key markets while up by 5% yoy on a low base. We expect EBITDA/t to decline by ~24% qoq and yoy on higher variable costs and lower realisations.
EBITDA (Rs m)	5,606	7,000	-19.9%	7,020	-20.1%	
EBIT (Rs m)	2,514	4,020	-37.5%	4,000	-37.2%	Key monitorable: Demand revival in core markets, sustainability of pricing, cost savings initiatives, progress on ongoing expansion and deleveraging.
PAT (Rs m)	1,718	2,660	-35.4%	2,320	-25.9%	
EPS (Rs)	9.2	14.2	-35.4%	12.4	-25.9%	
EBITDA Margin (%)	22%	27%	-515bp	29%	-724bp	

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 11: JK Lakshmi Cement

	2QFY22F	1QFY22	qoq (%)	2QFY21	yoy (%)	Comment
Net Sales (Rs m)	11,288	12,315	-8.3%	10,448	8.0%	We expect volumes to drop by ~6% yoy to 2.5mt (up 4% qoq) due to the impact of seasonality (unprecedented monsoon especially in Sep 2021), sand availability issues and transport strikes. We expect realisations to decline 2% qoq on the back of lower pricing (seasonality impact) during the quarter in its key markets (while up 3.8% yoy), and EBITDA/t to be down ~21% qoq and 18% yoy due to blend of higher input costs and lower realisations during the quarter.
EBITDA (Rs m)	1,592	2,161	-26.3%	1,867	-14.8%	
EBIT (Rs m)	1,099	1,701	-35.3%	1,374	-20.0%	Key monitorable: Demand revival in core markets, sustainability of pricing, cost saving initiatives, progress on ongoing expansion and deleveraging.
PAT (Rs m)	688	1,187	-42.0%	806	-14.6%	
EPS (Rs)	5.8	10.1	-42.0%	6.8	-14.6%	
EBITDA Margin (%)	14%	18%	-344bp	18%	-377bp	

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 12: Orient Cement

	2QFY22F	1QFY22	qoq (%)	2QFY21	yoy (%)	Comment
Net Sales (Rs m)	6,429	6,909	-7.0%	4,775	34.6%	We expect volumes to increase by ~29% yoy while down ~3% qoq to 1.3mt, factoring in a Covid-impacted high base along with improved demand (non-trade) in its key markets. We expect realisations to be down ~4% qoq due to sharp cement price correction in the key market of its operation (South India market) during the quarter. We expect EBITDA/t to decline ~21% qoq and 2% yoy due to higher variable costs and lower realisations.
EBITDA (Rs m)	1,427	1,862	-23.4%	1,132	26.0%	
EBIT (Rs m)	1,069	1,509	-29.1%	779	37.3%	Key monitorable: Demand revival in core markets, sustainability of pricing, cost savings initiatives, progress on ongoing expansion and deleveraging.
PAT (Rs m)	602	895	-32.7%	348	72.9%	
EPS (Rs)	2.9	4.4	-32.7%	1.7	72.9%	
EBITDA Margin (%)	22%	27%	-476bp	24%	-152bp	

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 13: Prism Johnson

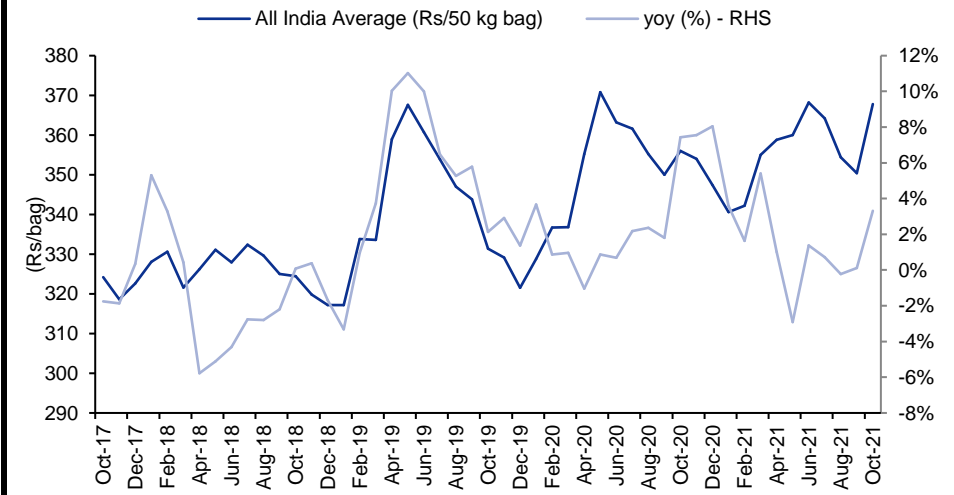
	2QFY22F	1QFY22	qoq (%)	2QFY21	yoy (%)	Comment
Net Sales (Rs m)	12,853	13,117	-2.0%	13,508	-4.9%	We expect cement volumes to increase by 4-5% yoy, with realisation to be down by ~4% qoq due to lower pricing (seasonality impact) during the quarter. We expect cement EBITDA/t to decline ~17% qoq and 5% yoy due to higher variable costs and lower realisations. As per our channel checks, tile volumes improved during the quarter on the back of good recovery in the domestic market particularly in the real estate sector while exports sales also performed well. In the RMC division, PRSMJ would have seen sequential improvement as the monsoon was delayed in many parts of the country.
EBITDA (Rs m)	1,616	1,201	34.6%	1,717	-5.9%	
EBIT (Rs m)	916	498	84.0%	935	-2.0%	Key monitorable: Demand revival in core markets, cost savings initiatives, progress on ongoing expansion in both Cement and Tiles, latest update on RQBE General Insurance JV stake sale and deleveraging.
PAT (Rs m)	365	(57)	745.9%	440	-17.1%	
EPS (Rs)	0.7	(0.1)	745.9%	0.8	-13.2%	
EBITDA Margin (%)	13%	9%	342bp	13%	-14bp	

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

2QFY22F results preview

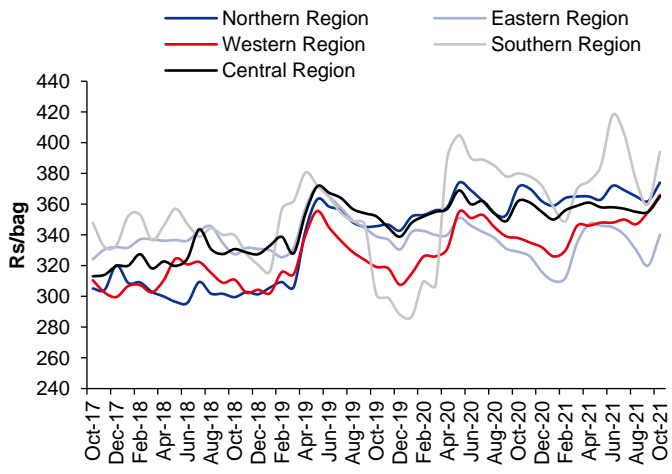
Cement prices

Figure 14: All-India cement prices increased 5% yoy and 3% mom in Oct 2021



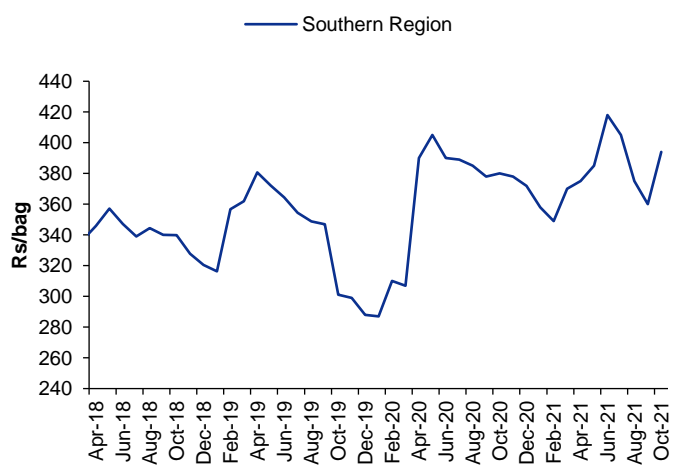
SOURCES: INDUSTRY CHANNEL CHECKS, INCRED RESEARCH

Figure 15: South & East India cement prices fell sharply in Aug/Sep, while prices were hiked in early Oct 2021



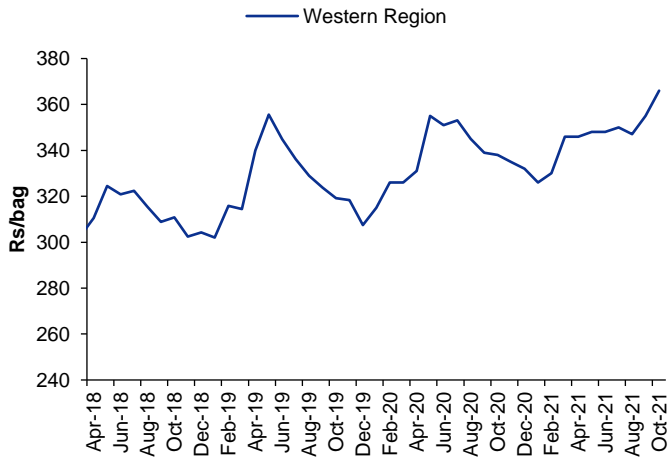
SOURCES: INDUSTRY CHANNEL CHECKS, INCRED RESEARCH

Figure 16: South India's cement pricing trend



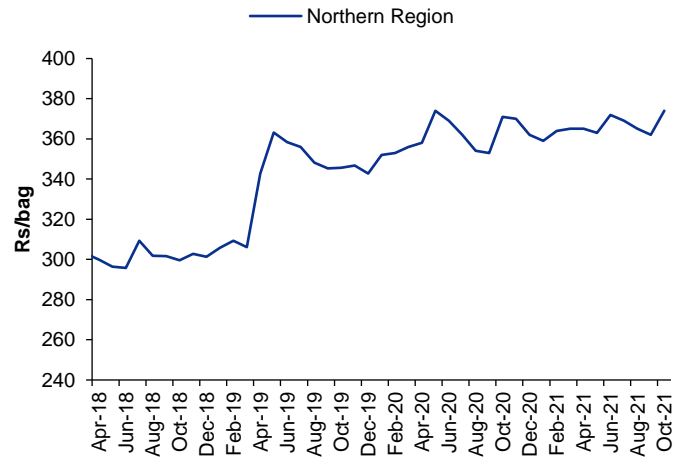
SOURCES: INDUSTRY CHANNEL CHECKS, INCRED RESEARCH

Figure 17: West India cement pricing trend



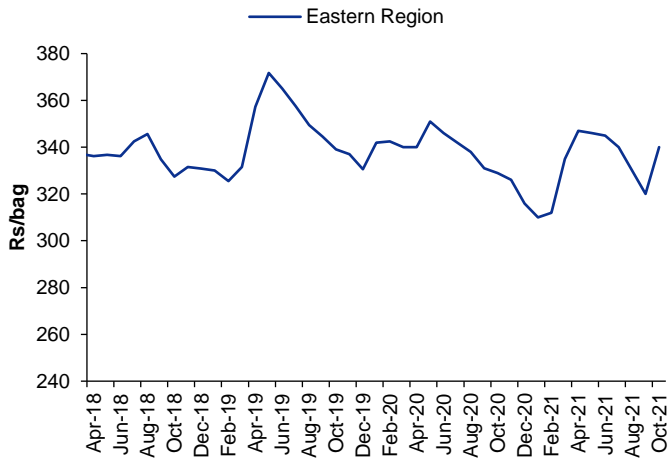
SOURCES: INDUSTRY CHANNEL CHECKS, INCRED RESEARCH

Figure 18: North India's cement pricing trend



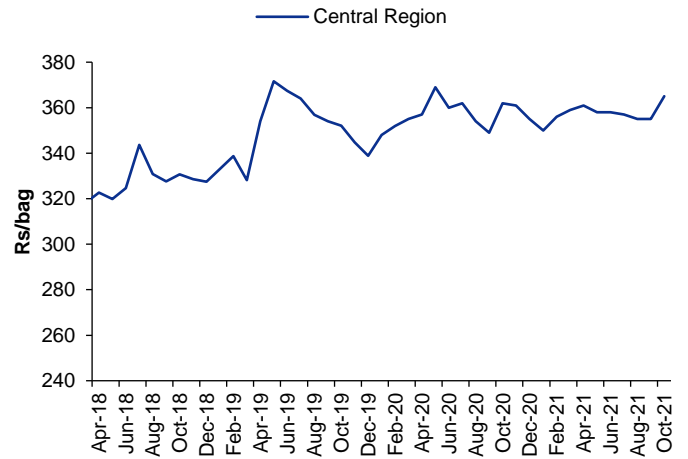
SOURCES: INDUSTRY CHANNEL CHECKS, INCRED RESEARCH

Figure 19: East India's cement pricing trend



SOURCES: INDUSTRY CHANNEL CHECKS, INCRED RESEARCH

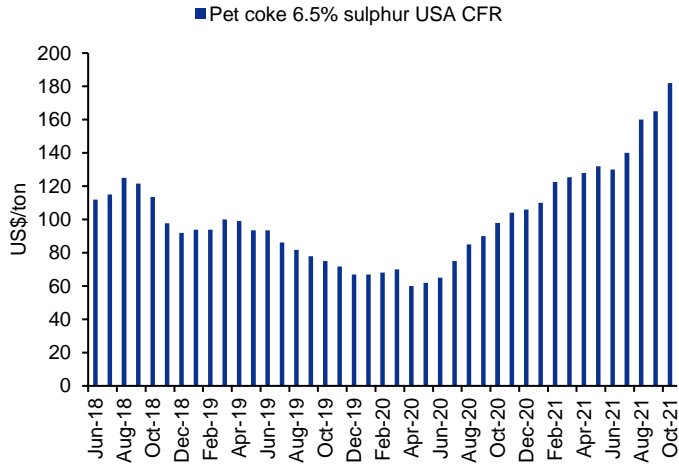
Figure 20: Central India's cement pricing trend



SOURCES: INDUSTRY CHANNEL CHECKS, INCRED RESEARCH

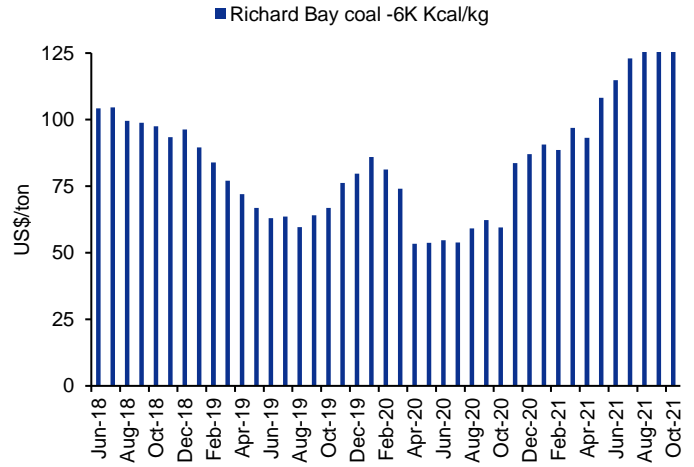
Input costs

Figure 21: Pet coke prices rose 12% mom in Oct 2021



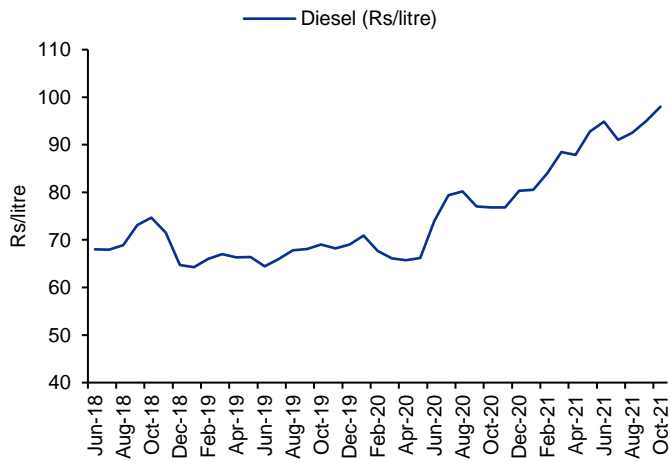
CFR = CODE OF FEDERAL REGULATIONS
SOURCES: INCRED RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 22: Imported coal prices rose 15% mom in Oct 2021

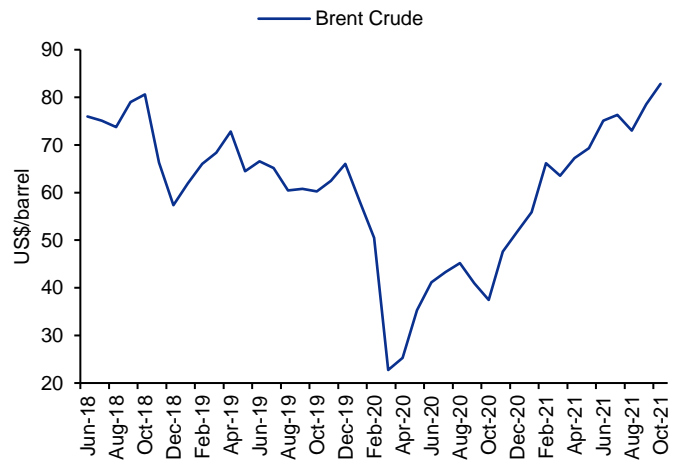


SOURCES: INCRED RESEARCH, BLOOMBERG

Figure 23: Average diesel prices increased ~4% mom in Oct 2021; Figure 24: Crude prices were up ~5% mom in Oct 2021 continue to trend higher



SOURCES: INCRED RESEARCH, BLOOMBERG



SOURCES: INCRED RESEARCH, BLOOMBERG

Valuation Summary

Figure 25: Cement sector peer comparison

Company	Bloomberg Ticker	Closing Price (LC)	Target Price (LC)	% Upside	Rating	Market cap (US\$ m)	EV/EBITDA (x)		P/BV (x)		RoE (%)		P/E (x)		EV/t (US\$)	
							FY22F	FY23F	FY22F	FY23F	FY22F	FY23F	FY22F	FY23F	FY22F	FY23F
UltraTech Cement	UTCEM IN	7,350	7,592	3%	ADD	28,144	17.1	14.6	4.3	3.9	14.0	15.2	32.4	26.9	254.7	211.1
ACC	ACC IN	2,260	2,424	7%	HOLD	5,629	10.3	8.8	2.7	2.4	14.3	14.5	19.7	17.5	137.7	114.7
Ambuja Cements	ACEM IN	404	353	-13%	ADD	10,641	20.0	18.2	3.4	3.2	11.3	11.3	31.4	29.0	158.8	156.7
Shree Cement	SRCM IN	27,816	25,799	-7%	REDUCE	13,313	22.7	19.7	6.0	5.2	15.2	15.6	41.8	35.5	292.2	279.4
Ramco	TRCL IN	983	1186	21%	ADD	3,076	13.5	11.4	3.6	3.1	16.0	16.1	24.1	20.8	158.0	151.7
JK Cement	JKCE IN	3,365	2918	-13%	HOLD	3,448	15.4	13.6	5.5	4.6	22.3	22.2	27.0	22.6	221.1	222.5
Birla Corp	BCORP IN	1,404	1357	-3%	ADD	1,434	10.0	8.1	1.8	1.6	10.3	11.7	18.0	14.5	100.7	90.8
Heidelberg	HEIM IN	253	268	6%	ADD	762	9.6	8.1	3.5	3.0	20.2	21.0	18.1	15.4	117.7	113.0
Dalmia Bharat	DALBHARA IN	2,073	2366	14%	ADD	5,145	13.1	11.3	2.9	2.6	9.3	10.5	32.1	25.8	156.7	156.0
JK Lakshmi	JKLC IN	632	740	17%	ADD	986	8.0	7.1	2.9	2.5	21.4	20.7	14.9	12.9	76.8	74.7
Orient Cement	ORCMNT IN	159	199	26%	ADD	431	5.6	5.6	2.1	2.1	20.1	19.2	11.2	9.9	55.5	61.8
Prism Johnson	PRSMJ IN	122	158	29%	ADD	816	8.9	7.3	4.3	3.5	19.1	21.6	23.9	17.9	139.9	121.1
Mean							12.9	11.1	3.6	3.1	16.1	16.6	24.6	20.7	155.8	146.1
Median							11.7	10.1	3.4	3.1	15.6	15.9	24.0	19.3	148.3	136.4
Minimum							5.6	5.6	1.8	1.6	9.3	10.5	11.2	9.9	55.5	61.8
Maximum							22.7	19.7	6.0	5.2	22.3	22.2	41.8	35.5	292.2	279.4

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Corporate Governance Report:

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The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

Score Range:	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
Description:	Excellent	Very Good	Good	N/A	N/A

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Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2020, Anti-Corruption 2020

ADVANC – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BLA** – Excellent, Certified, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENTEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Very Good, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Very Good, n/a, **DELTA** – Excellent, Certified, **DDD** – Very Good, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, n/a, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** – Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, n/a, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – Excellent, Declared, **JMT** – Very Good, Declared, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KEX** – n/a, n/a, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – n/a, n/a, **OR** – n/a, n/a, **ORI** – Excellent, Certified, **OSP** – Very Good, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, n/a, **PSH** – Excellent, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, Certified, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RBF** – Good, n/a, **RS** – Excellent, n/a, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – n/a, n/a, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – n/a, n/a, **SHR** – Very Good, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** – Excellent, Declared, **SPRC** – Excellent, Certified, **SSP** – Good, Declared, **STEC** – n/a, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, n/a, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, n/a, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TMB** – Excellent, Certified, **TOP** – Excellent, Certified, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2020 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of January 30, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

Recommendation Framework

Stock Ratings

Definition:

Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.

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.

Sector Ratings

Definition:

Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.