

## ACC (ACC) – ADD

### Result Update

Current Market Price (CMP)  
**Rs.2333**

Target Price  
**Rs.2550**

**Our fair value of Rs.2550 is 9.3% higher than the current market price.**

### Rationale:

- ACC's earnings outperformance was led by higher-than-expected prices.
- Expansion and cost-saving projects provide growth visibility.
- We expect earnings per share of Rs116.2 in CY21E and Rs130.2 in CY22E.
- ACC is trading at attractive 7.9x EV/EBITDA (or US\$105 EV/ton) on CY23E.  
(EV - Enterprise Value; EBITDA - Earnings Before Interest, Tax, Depreciation and Amortization)
- Our Fair Value is based on 9x December 2023E EV/EBITDA.

### Q3CY21 Earnings update:

#### 👍 Positives:

- EBITDA/ton increased to Rs1,083/ton (+5% yoy).
- Blended realization increased to Rs5,706/ton (+5% yoy).
- Continuous focus on cost-saving initiatives yielding results.

#### 👎 Negatives:

- Revenues stood at Rs3,749 cr (-3% qoq) against our estimate of Rs3,810 cr.
- Volumes declined to 66 lakh tons (-4% qoq); was lower than our estimate.

[Click here](#)

For detailed report dated 19<sup>th</sup> Oct 2021. Note: CMP & valuation may differ due to difference in dates.



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