

BUY

TP: Rs 8,678 | ▲ 15%

ULTRATECH CEMENT

Cement

29 April 2023

On a strong pitch, Near term challenges fading away

- Q4 revenue grew 20% YoY and QoQ aided by strong double-digit volume gains and supportive pricing
- Despite a volume push, EBITDA rose 46% QoQ on higher operational efficiency
- TP revised to Rs 8,678 (vs. Rs 8,310) as we raise FY24/FY25 Ebitda by ~1.5%, maintain BUY

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Revenue driven by strong volume push and realisation gains: UTCEM reported a 20% YoY (21% QoQ) rise in Q4FY23 revenue to Rs 181.2bn. Volumes (excluding white cement segment at 0.5mn tonnes) came in at 30.1mt, an increase of 15% YoY (24% QoQ). Despite the strong volume push, grey cement realisation adjusted for incentive receipt rose 3% YoY (-2% QoQ) to at Rs 5,382/t as prices stayed healthy thanks to a prudent regional mix.

Cost inflation softens sequentially: Operating cost grew 6% YoY (but dipped 6% QoQ) to Rs 4,977/t, pushed up by energy cost/t (adjusted for raw material cost) that grew 12% YoY (-4% QoQ). Energy cost/t grew 17% YoY while declining 12% QoQ as fuel cost softened from Rs 2.6/kcal in Q3 to Rs 2.5/kcal. Raw material cost/tn increased 9% YoY (+19% QoQ) driven by higher inventory cost. Logistics cost grew 5% YoY while showing a 3% dip QoQ to Rs 1,375/t as the lead distance reduced by 15km to 413km and fuel cost softened sequentially. Other expenditure rose 7% YoY (+4% QoQ) to Rs 18.5bn.

EBITDA gain led by better operating efficiencies: EBITDA increased 7% YoY to Rs 31.4bn, but the margin fell to 17.3% from 19.4% in Q4FY22 (14.3% in Q3FY23). EBITDA/t declined 7% YoY to Rs 1,044/t, recovering QoQ from Rs 884/t. Margins were under pressure YoY due to higher fuel cost. Reported PAT at Rs 16.5bn contracted 33% YoY (+66% QoQ) owing to lower tax outgo in the year-ago quarter.

Capacity expansion plans: Phase-2 expansion of 22.6mt is in progress and 156mt is to be commissioned in H1FY26. UTCEM has 210MW of waste heat recovery capacity and aims to reach 318MW by FY24-end.

Maintain BUY: We expect UTCEM's strong leadership position and cost-saving initiatives to aid margin gains in FY24/FY25. A presence in the white cement segment is an added cushion. The balance sheet remains strong, driving our forecast of higher ROCE/ROE of 18%/15% by FY25. We continue to value the stock at 15x FY25E EV/EBITDA, in line with the 10Y mean, while raising FY24/FY25 Ebitda estimates by 1.5 each to arrive at a new TP of Rs 8,678 (vs. Rs 8,310). At our TP, the stock trades at a replacement cost of Rs 18.5bn/mt, 2.5x premium to the industry, which is justified for a company of its size. Maintain BUY.

Key changes

| Target | Rating |
|--------|--------|
| ▲ | ◀ ▶ |

| | |
|------------------|-------------------|
| Ticker/Price | UTCEM IN/Rs 7,556 |
| Market cap | US\$ 26.6bn |
| Free float | 40% |
| 3M ADV | US\$ 32.3mn |
| 52wk high/low | Rs 7,824/Rs 5,157 |
| Promoter/FPI/DII | 60%/15%/17% |

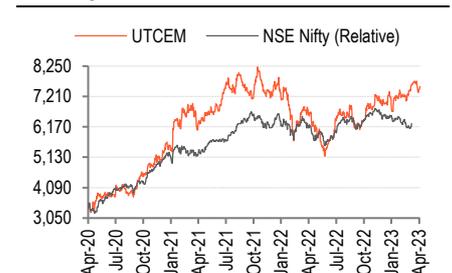
Source: NSE | Price as of 28 Apr 2023

Key financials

| Y/E 31 Mar | FY23P | FY24E | FY25E |
|-------------------------|----------|----------|----------|
| Total revenue (Rs mn) | 6,13,265 | 6,63,047 | 7,59,075 |
| EBITDA (Rs mn) | 1,02,565 | 1,33,256 | 1,65,738 |
| Adj. net profit (Rs mn) | 49,169 | 68,041 | 92,050 |
| Adj. EPS (Rs) | 170.3 | 235.7 | 318.9 |
| Consensus EPS (Rs) | 170.0 | 253.0 | 305.0 |
| Adj. ROAE (%) | 9.8 | 12.4 | 14.6 |
| Adj. P/E (x) | 44.4 | 32.1 | 23.7 |
| EV/EBITDA (x) | 20.9 | 16.0 | 12.8 |
| Adj. EPS growth (%) | (24.7) | 38.4 | 35.3 |

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

Stock performance



Source: NSE



Fig 1 – Earnings call highlights

| Parameter | Q4FY23 | Q3FY23 | Our view |
|------------------------|---|---|---|
| Volume and Realisation | <p>Despite high volumes, prices remained supportive in Q4. Capacity utilisation was at 95% for cement and 91% for clinker.</p> <p>Premium products crossed 20% volume share for UTCEM. Incremental margin on premium products is Rs 10/bag on average, which works out to Rs 200/t, per management.</p> | <p>Management indicated that volume growth in FY23 remains healthy and is gaining strength with the start of the busy season.</p> <p>Cost tailwinds and improved operating leverage will be higher contributory factors to margin improvement in the medium term (FY23/FY24) rather than price hikes. Management sounded cautious about cement price hikes even in the relatively healthy demand phase of Q4FY23.</p> | Pricing revival may be under pressure in FY24 due to expected demand from the non-trade segment. |
| Margins | <p>Spot pet coke prices hover at US\$ 150-160/t while coal remains at US\$ 170-180/t. Fuel cost was at Rs 2.5/kcal in Q4 and is guided to soften further in the next few quarters.</p> <p>UTCEM targets EBITDA/t between Rs 1,000 and Rs 1,200.</p> | <p>Key energy cost including pet-coke prices are expected to moderate with a lag of a quarter (will reflect in Q4). Domestic coal is available with priority to the power sector as decided by the government. Currently, UTCEM uses 89% of imported pet-coke and coal and the cost is Rs 2.6/kcal vs. Rs 2.5/kcal in Q2FY23.</p> <p>Management indicated that EBITDA/t will revert to Rs 1,000/t by FY23-end.</p> | Sustained energy cost softening has boosted management's confidence of delivering higher EBITDA/t. This can come under stress in case of slow cement price revival. |
| Capacity | <p>Phase-2 expansion of 22.6mt is in progress. Management expects to reach the next milestone of 156mt by H1FY26 and complete the same by FY26-end.</p> <p>The Dalla (Uttar Pradesh) asset under arbitration has 2.3mt of clinker, no grinding unit, and ~100mt of limestone mines.</p> | <p>Management indicated the timelines of the 19mt expansion (phase-1) will be adhered to and the entire pending capacity will be commissioned by FY23-end.</p> <p>The 22mt planned capacity expansion is scheduled to be commissioned by FY25. Management indicated plans to further take capacity to ~200mt over FY27-FY30.</p> | Capacity expansion delivery is expected to be timely given healthy demand and relatively less competition in the A category segment. |
| Green Energy | <p>UTCEM has WHRS capacity of 210MW and aims to reach 318MW by the end of FY24. At present, green power is 25% of the total with a target of 34%.</p> | NA | Aggressive green power targets will help reduce costs. |
| Capex | <p>UTCEM spent Rs 60bn on capex in FY23 and expects to incur Rs 128bn for phase-2 expansion.</p> | <p>Management has envisaged capex of Rs 60bn-70bn each for the next two years.</p> | Strong capex is aided by a healthy balance sheet. |
| Other key points | <p>Revenue for construction chemicals was Rs 5.5bn in FY23, with plants in 39 locations.</p> <p>The company has 231 RMC plants at present and added some in April. It expects to double this number soon.</p> | <p>Management aims to achieve Rs 10bn revenue in the construction chemical business in the medium term. This business is an attempt by the company to offer complete building solutions to customers.</p> | Contribution from other business would help derisk revenue concentration in the medium term. |

Source: Company, BOBCAPS Research

Fig 2 – Key quarterly metrics

| (Rs) | Q4FY23 | Q4FY22 | YoY (%) | Q3FY23 | QoQ (%) |
|-----------------------------|--------|--------|---------|--------|---------|
| Volumes (mt) | 30.1 | 26.2 | 15.1 | 24.3 | 24.1 |
| Cement realisations (Rs/mt) | 5,382 | 5,222 | 3.1 | 5,511 | (2.3) |
| Operating costs (Rs/mt)* | 4,977 | 4,675 | 6.5 | 5,304 | (6.2) |
| EBITDA/t (Rs) | 1,044 | 1,125 | (7.3) | 884 | 18.0 |

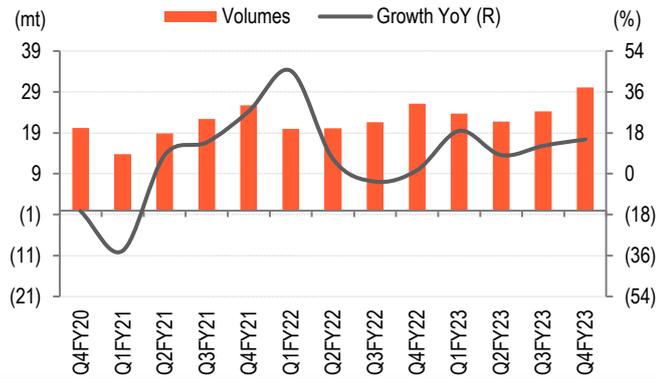
Source: Company, BOBCAPS Research | *Aggregate cost

Fig 3 – Quarterly performance

| (Rs mn) | Q4FY23 | Q4FY22 | YoY (%) | Q3FY23 | QoQ (%) |
|---------------------------------|----------------|----------------|---------------|----------------|-------------|
| Net Sales | 181,210 | 151,675 | 19.5 | 150,080 | 20.7 |
| Expenditure | | | | | |
| Change in stock | 2,417 | 1,519 | | (3,477) | (169.5) |
| Raw material | 24,502 | 19,891 | 23.2 | 21,715 | 12.8 |
| Purchased products | 7,986 | 7,363 | 8.5 | 7,790 | 2.5 |
| Power & fuel | 48,234 | 35,948 | 34.2 | 43,928 | 9.8 |
| Freight | 41,378 | 34,361 | 20.4 | 34,294 | 20.7 |
| Employee costs | 6,732 | 5,864 | 14.8 | 6,485 | 3.8 |
| Other exp | 18,551 | 17,299 | 7.2 | 17,897 | 3.7 |
| Total Operating Expenses | 149,800 | 122,246 | 22.5 | 128,632 | 16.5 |
| EBITDA | 31,410 | 29,429 | 6.7 | 21,448 | 46.4 |
| EBITDA margin (%) | 17.3 | 19.4 | (207bps) | 14.3 | 304.2 |
| Other Income | 2,006 | 1,448 | 38.5 | 1,582 | 26.8 |
| Interest | 1,749 | 1,747 | 0.1 | 1,937 | (9.7) |
| Depreciation | 6,948 | 6,374 | 9.0 | 6,535 | 6.3 |
| PBT | 24,719 | 22,756 | 8.6 | 14,558 | 69.8 |
| Non-recurring items | 0 | 0 | | 0 | |
| PBT (after non-recurring items) | 24,719 | 22,756 | 8.6 | 14,558 | 69.8 |
| Tax | 8,216 | (1,783) | (560.9) | 4,616 | 78.0 |
| Reported PAT | 16,503 | 24,539 | (32.7) | 9,942 | 66.0 |
| Adjusted PAT | 16,503 | 24,539 | (32.7) | 9,942 | 66.0 |
| NPM (%) | 9.1 | 16.2 | (707bps) | 6.6 | 248.2 |
| Adjusted EPS (Rs) | 57.2 | 85.0 | (32.7) | 34.4 | 66.0 |

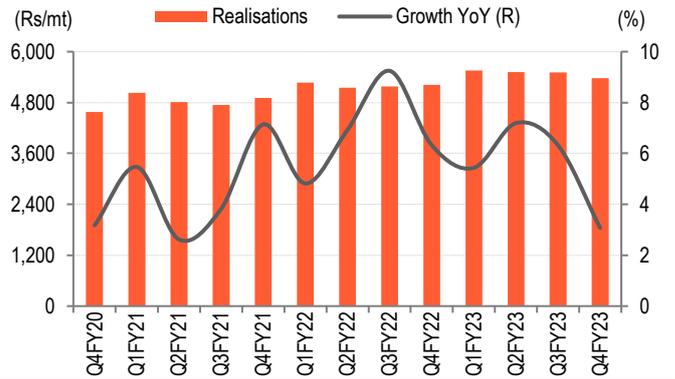
Source: Company, BOBCAPS Research

Fig 4 – Strong volume growth; run-rate to be continued



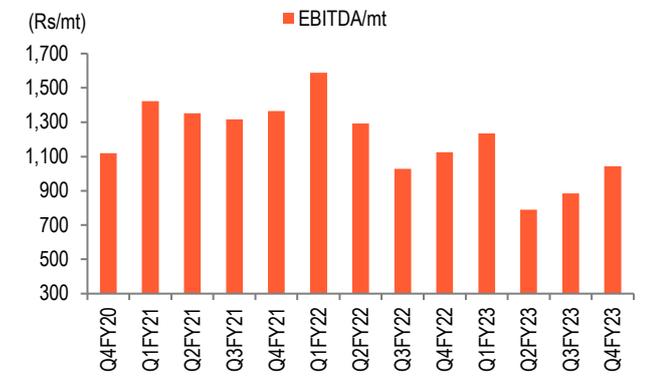
Source: Company, BOBCAPS Research

Fig 5 – Well supported by realisation on better region mix



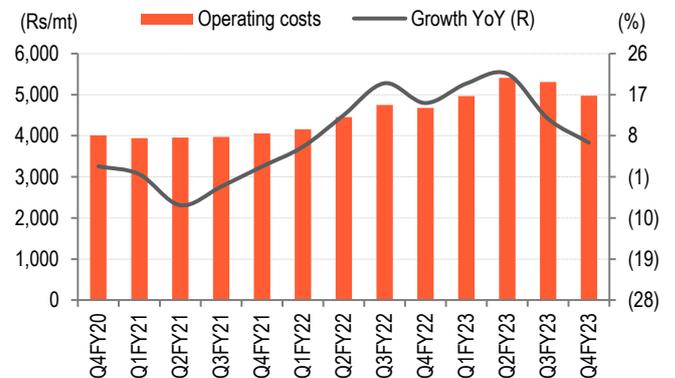
Source: Company, BOBCAPS Research

Fig 6 – EBITDA/mt crosses Rs 1,000



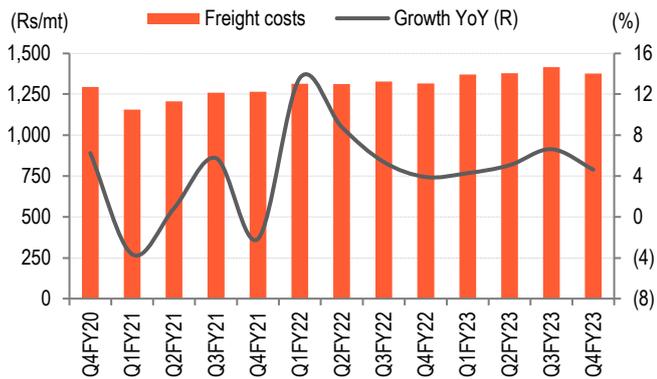
Source: Company, BOBCAPS Research

Fig 7 – Positive leverage helps cost savings



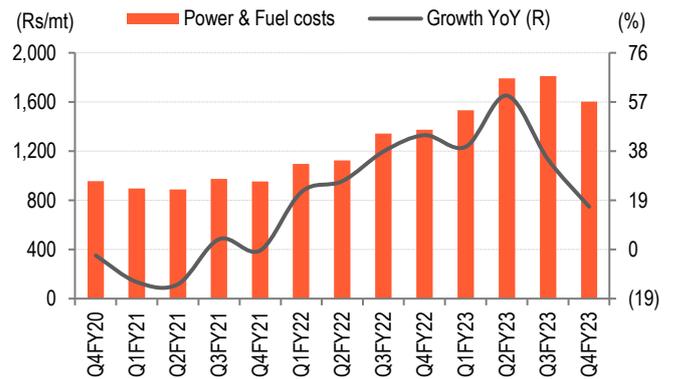
Source: Company, BOBCAPS Research

Fig 8 – Lower lead distance keeps logistic cost range-bound



Source: Company, BOBCAPS Research

Fig 9 – Fuel cost savings to continue



Source: Company, BOBCAPS Research

Valuation methodology

We model for a revenue/EBITDA/PAT CAGR of 15%/14%/12% for UTCEM over FY22-FY25. In our view, a strong leadership position coupled with cost-saving initiatives would help the company improve margins in FY24/FY25. Its presence in the white cement segment is an added cushion to earnings. Despite capex-heavy initiatives that will raise capacity by 15% to 154mt by FY25/FY26, the balance sheet is expected to remain sound, driving our forecast of higher ROCE/ROE at 18%/15% by FY25.

We value the stock at an unchanged 15x FY25E EV/EBITDA, in line with the 10-year mean, while upgrading our FY24/FY25 Ebitda estimates by 1.5% each to arrive at a new TP of Rs 8,678 (vs. Rs 8,310). At our TP, the stock trades at a replacement cost of Rs 18.5bn/mt, 2.5x% premium to the industry, which is justified for a company of its size, cost efficiencies and earnings visibility. Maintain BUY.

Fig 10 – Revised estimates

| (Rs mn) | New | | Old | | Change (%) | |
|--------------|----------|----------|----------|----------|------------|-------|
| | FY24E | FY25E | FY24E | FY25E | FY24E | FY25E |
| Revenue | 6,63,047 | 7,59,075 | 6,63,047 | 7,59,075 | 0.0 | 0.0 |
| EBITDA | 1,33,256 | 1,65,738 | 1,31,437 | 1,63,854 | 1.4 | 1.1 |
| Adj PAT | 68041 | 92050 | 67,095 | 90,741 | 1.4 | 1.4 |
| Adj EPS (Rs) | 236 | 319 | 232 | 314 | 1.4 | 1.4 |

Source: BOBCAPS Research

Fig 11 – Key assumptions

| Parameter | FY22 | FY23 | FY24E | FY25E |
|-------------------------|-------|-------|-------|-------|
| Volumes (mt) | 87.6 | 99.8 | 106.3 | 119.7 |
| Realisations (Rs/mt) | 4,984 | 5,510 | 5,642 | 5,783 |
| Operating costs (Rs/mt) | 4,535 | 5,148 | 5,091 | 5,061 |
| EBITDA/mt (Rs) | 1,205 | 995 | 1140 | 1,272 |

Source: Company, BOBCAPS Research

Fig 12 – Valuation summary

| Business (Rs mn) | FY25E |
|------------------------------|--------------|
| Target EV/EBITDA (x) | 15 |
| EBITDA | 165,738 |
| Target EV | 2,558,987 |
| Total EV | 2,558,987 |
| Net debt | 54,069 |
| Target market capitalisation | 2,504,918 |
| Target price (Rs/sh) | 8,678 |
| Weighted average shares (mn) | 288.65 |

Source: BOBCAPS Research

Fig 13 – Peer comparison

| Ticker | Rating | TP (Rs) | EV/EBITDA (x) | | | EV/tonne (US\$) | | | ROE (%) | | | ROCE (%) | | |
|----------|--------|---------|---------------|-------|-------|-----------------|-------|-------|---------|-------|-------|----------|-------|-------|
| | | | FY23E | FY24E | FY25E | FY23E | FY24E | FY25E | FY23E | FY24E | FY25E | FY23E | FY24E | FY25E |
| UTCEM IN | BUY | 8,678 | 21.2 | 17.0 | 13.7 | 211 | 212 | 212 | 9.7 | 12.0 | 14.5 | 12.8 | 15.8 | 18.3 |
| ACC IN | HOLD | 2,090 | 19.1 | 13.8 | 8.1 | 95 | 94 | 87 | 5.1 | 7.0 | 11.3 | 6.7 | 9.4 | 14.9 |
| ACEM IN | HOLD | 387 | 11.5 | 10.6 | 8.3 | 250 | 241 | 229 | 6.0 | 7.4 | 8.0 | 13.1 | 12.8 | 14.6 |

Source: Company, BOBCAPS Research

Key risks

Key downside risks to our estimates are:

- fuel prices staying firm near the peak,
- delays in planned capex, and
- slower-than-expected demand pickup.

Sector recommendation snapshot

| Company | Ticker | Market Cap (US\$ bn) | Price (Rs) | Target (Rs) | Rating |
|-------------------|-------------|----------------------|------------|-------------|--------|
| ACC | ACC IN | 4.0 | 1,763 | 2,090 | HOLD |
| Ambuja Cements | ACEM IN | 9.6 | 397 | 387 | HOLD |
| Dalmia Bharat | DALBHARA IN | 4.8 | 1,996 | 1,835 | HOLD |
| JK Cement | JKCE IN | 2.8 | 2,993 | 3,371 | BUY |
| JK Lakshmi Cement | JKLC IN | 1.1 | 782 | 551 | SELL |
| Orient Cement | ORCMNT IN | 0.3 | 128 | 140 | HOLD |
| Shree Cement | SRCM IN | 10.7 | 24,335 | 24,656 | HOLD |
| Star Cement | STRCEM IN | 0.6 | 117 | 138 | BUY |
| The Ramco Cements | TRCL IN | 2.1 | 736 | 534 | SELL |
| Ultratech Cement | UTCEM IN | 26.6 | 7,556 | 8,678 | BUY |

Source: BOBCAPS Research, NSE | Price as of 28 Apr 2023

Financials

Income Statement

| Y/E 31 Mar (Rs mn) | FY21A | FY22A | FY23P | FY24E | FY25E |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total revenue | 4,26,770 | 4,97,294 | 6,13,265 | 6,63,047 | 7,59,075 |
| EBITDA | 1,09,648 | 1,09,364 | 1,02,565 | 1,33,256 | 1,65,738 |
| Depreciation | (24,343) | (24,568) | (26,192) | (29,912) | (33,177) |
| EBIT | 93,191 | 90,915 | 80,014 | 1,12,101 | 1,43,598 |
| Net interest inc./(exp.) | (12,591) | (7,983) | (7,550) | (9,035) | (9,353) |
| Other inc./(exp.) | 7,887 | 6,118 | 3,641 | 8,757 | 11,037 |
| Exceptional items | (1,640) | 5,352 | 0 | 0 | 0 |
| EBT | 78,961 | 88,284 | 72,464 | 1,03,066 | 1,34,245 |
| Income taxes | (25,540) | (17,618) | (23,295) | (35,025) | (42,195) |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | 0 | 0 | 0 | 0 | 0 |
| Reported net profit | 53,421 | 70,666 | 49,169 | 68,041 | 92,050 |
| Adjustments | (1,640) | 5,352 | 0 | 0 | 0 |
| Adjusted net profit | 55,061 | 65,314 | 49,169 | 68,041 | 92,050 |

Balance Sheet

| Y/E 31 Mar (Rs mn) | FY21A | FY22A | FY23P | FY24E | FY25E |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Accounts payables | 85,167 | 97,164 | 91,556 | 93,416 | 1,01,256 |
| Other current liabilities | 51,683 | 57,321 | 1,09,663 | 61,350 | 67,430 |
| Provisions | 8,358 | 8,175 | 8,627 | 9,111 | 9,630 |
| Debt funds | 1,73,235 | 98,953 | 97,037 | 81,857 | 91,870 |
| Other liabilities | 52,191 | 52,299 | 54,758 | 58,348 | 59,598 |
| Equity capital | 2,886 | 2,887 | 2,887 | 2,887 | 2,887 |
| Reserves & surplus | 4,30,640 | 4,89,820 | 5,28,482 | 5,85,716 | 6,66,959 |
| Shareholders' fund | 4,33,526 | 4,92,706 | 5,07,350 | 5,88,602 | 6,69,845 |
| Total liab. and equities | 8,04,161 | 8,06,617 | 8,68,991 | 8,92,684 | 9,99,629 |
| Cash and cash eq. | 1,38,459 | 56,853 | 39,425 | 27,471 | 37,800 |
| Accounts receivables | 22,860 | 27,068 | 32,422 | 35,962 | 41,690 |
| Inventories | 37,221 | 51,625 | 60,824 | 66,670 | 76,846 |
| Other current assets | 79,585 | 1,05,963 | 1,04,433 | 1,13,509 | 1,24,860 |
| Investments | 56,098 | 63,074 | 99,338 | 62,354 | 62,354 |
| Net fixed assets | 4,29,898 | 4,30,850 | 4,83,177 | 4,70,225 | 5,08,836 |
| CWIP | 15,221 | 46,191 | 23,627 | 90,000 | 1,20,000 |
| Intangible assets | 24,820 | 24,993 | 25,743 | 26,493 | 27,243 |
| Deferred tax assets, net | 0 | 0 | 0 | 0 | 0 |
| Other assets | 0 | 0 | 0 | 0 | 0 |
| Total assets | 8,04,161 | 8,06,617 | 8,68,991 | 8,92,684 | 9,99,629 |

Cash Flows

| Y/E 31 Mar (Rs mn) | FY21A | FY22A | FY23P | FY24E | FY25E |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| Cash flow from operations | 1,20,293 | 66,835 | 1,11,983 | 37,113 | 1,13,661 |
| Capital expenditures | (17,544) | (55,697) | (56,706) | (84,083) | (1,02,538) |
| Change in investments | (74,591) | 58,463 | (11,264) | 45,984 | (5,000) |
| Other investing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from investing | (92,136) | 2,766 | (67,970) | (38,099) | (1,07,538) |
| Equities issued/Others | 0 | 0 | 0 | 0 | 0 |
| Debt raised/repaid | (9,639) | (74,282) | (1,915) | (15,180) | 10,013 |
| Interest expenses | 6 | 7 | 8 | 9 | 10 |
| Dividends paid | (3,750) | (10,670) | (12,833) | (10,807) | (10,807) |
| Other financing cash flows | 892 | (816) | (21,692) | 24,019 | 0 |
| Cash flow from financing | (12,497) | (85,769) | (36,441) | (1,968) | (795) |
| Chg in cash & cash eq. | 15,661 | (16,167) | 7,572 | (2,954) | 5,329 |
| Closing cash & cash eq. | 1,38,459 | 56,853 | 39,425 | 27,471 | 37,800 |

Per Share

| Y/E 31 Mar (Rs) | FY21A | FY22A | FY23P | FY24E | FY25E |
|----------------------|---------|---------|---------|---------|---------|
| Reported EPS | 185.1 | 244.8 | 170.3 | 235.7 | 318.9 |
| Adjusted EPS | 190.8 | 226.3 | 170.3 | 235.7 | 318.9 |
| Dividend per share | 13.0 | 37.0 | 38.0 | 32.0 | 32.0 |
| Book value per share | 1,502.0 | 1,706.9 | 1,757.7 | 2,039.2 | 2,320.6 |

Valuations Ratios

| Y/E 31 Mar (x) | FY21A | FY22A | FY23P | FY24E | FY25E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales | 4.7 | 4.2 | 3.5 | 3.2 | 2.8 |
| EV/EBITDA | 18.5 | 19.2 | 20.9 | 16.0 | 12.8 |
| Adjusted P/E | 39.6 | 33.4 | 44.4 | 32.1 | 23.7 |
| P/BV | 5.0 | 4.4 | 4.3 | 3.7 | 3.3 |

DuPont Analysis

| Y/E 31 Mar (%) | FY21A | FY22A | FY23P | FY24E | FY25E |
|------------------------------|-------------|-------------|------------|-------------|-------------|
| Tax burden (Net profit/PBT) | 67.7 | 80.0 | 67.9 | 66.0 | 68.6 |
| Interest burden (PBT/EBIT) | 86.5 | 91.2 | 90.6 | 91.9 | 93.5 |
| EBIT margin (EBIT/Revenue) | 21.8 | 18.3 | 13.0 | 16.9 | 18.9 |
| Asset turnover (Rev./Avg TA) | 56.1 | 61.7 | 73.2 | 75.3 | 80.2 |
| Leverage (Avg TA/Avg Equity) | 1.9 | 1.7 | 1.7 | 1.6 | 1.5 |
| Adjusted ROAE | 13.4 | 14.3 | 9.8 | 12.4 | 14.6 |

Ratio Analysis

| Y/E 31 Mar | FY21A | FY22A | FY23P | FY24E | FY25E |
|--|------------|------------|------------|------------|------------|
| YoY growth (%) | | | | | |
| Revenue | 6.6 | 16.5 | 23.3 | 8.1 | 14.5 |
| EBITDA | 26.7 | (0.3) | (6.2) | 29.9 | 24.4 |
| Adjusted EPS | 50.8 | 18.6 | (24.7) | 38.4 | 35.3 |
| Profitability & Return ratios (%) | | | | | |
| EBITDA margin | 25.4 | 21.6 | 16.6 | 19.8 | 21.5 |
| EBIT margin | 21.8 | 18.3 | 13.0 | 16.9 | 18.9 |
| Adjusted profit margin | 12.9 | 13.1 | 8.0 | 10.3 | 12.1 |
| Adjusted ROAE | 13.4 | 14.3 | 9.8 | 12.4 | 14.6 |
| ROCE | 14.7 | 14.0 | 12.3 | 16.2 | 18.5 |
| Working capital days (days) | | | | | |
| Receivables | 20 | 20 | 19 | 20 | 20 |
| Inventory | 32 | 38 | 36 | 37 | 37 |
| Payables | 96 | 89 | 65 | 63 | 61 |
| Ratios (x) | | | | | |
| Gross asset turnover | 0.8 | 0.9 | 0.9 | 1.0 | 1.0 |
| Current ratio | 1.9 | 1.5 | 1.1 | 1.5 | 1.6 |
| Net interest coverage ratio | 7.4 | 11.4 | 10.6 | 12.4 | 15.4 |
| Adjusted debt/equity | 0.4 | 0.2 | 0.2 | 0.1 | 0.1 |

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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Disclaimer

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

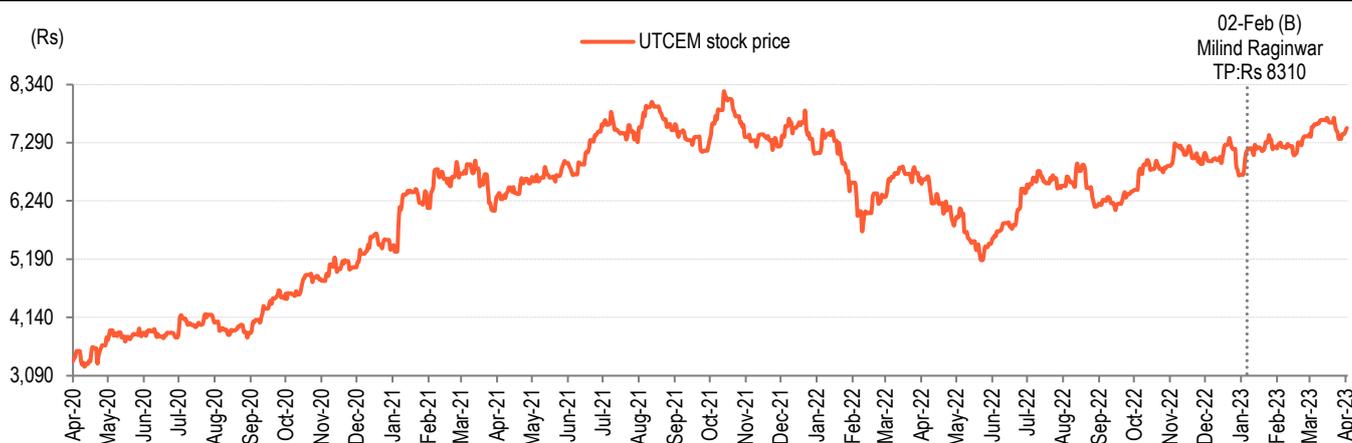
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): ULTRATECH CEMENT (UTCEM IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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