ACC

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	ACC IN
Equity Shares (m)	188
M.Cap.(INRb)/(USDb)	251.8 / 2.6
52-Week Range (INR)	1987 / 1250
1, 6, 12 Rel. Per (%)	1/-15/-24
12M Avg Val (INR M)	433

Financials & Valuations (INR b)

Y/E Dec	FY26	FY27E	FY28E
Sales	257.7	253.4	272.9
EBITDA	29.0	24.8	31.3
Adj. PAT	12.9	11.2	15.5
EBITDA Margin (%)	11.3	9.8	11.5
Adj. EPS (INR)	68.7	59.6	82.3
EPS Gr. (%)	-3.5	-13.2	38.0
BV/Sh. (INR)	1,086	1,137	1,210
Ratios			
Net D:E	-0.0	-0.0	-0.1
RoE (%)	6.7	5.4	7.0
RoCE (%)	10.3	5.5	7.1
Payout (%)	6.2	15.3	10.9
Valuations			
P/E (x)	19.5	22.5	16.3
P/BV (x)	1.2	1.2	1.1
EV/EBITDA(x)	7.8	9.2	7.3
EV/ton (USD)	55	54	48
Div. Yield (%)	0.6	0.7	0.7
FCF Yield (%)	-9.9	2.6	4.1

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	56.7	56.7	56.7
DII	21.3	21.8	24.3
FII	5.8	5.9	4.7
Others	16.2	15.6	14.4

FII includes depository receipts

CMP: INR1,341 **TP: INR1,270 (-5%)** **Neutral**

Earnings miss; weak volume and margin pressure

Soft demand; near-term challenges persist

- ACC's 1QFY27 performance was below our estimates. Revenue/EBITDA declined ~5%/44% YoY to INR57.7b/INR4.3b (~4%/31% below our estimate). EBITDA/t declined ~40% YoY to INR404 (vs. est. INR576). OPM dipped 5.2pp YoY to 7.5% (-2.9pp vs. our estimates). Adjusted PAT was down ~57% YoY to INR1.7b (~41% miss).
- Management indicated that demand growth would be soft at ~5% in FY27. While the near-term growth may remain affected by seasonality and geopolitical uncertainties, the sector's long-term outlook remains constructive. ACC believes that the combined impact of peak fuel costs and seasonally weak 2Q will put pressure on profitability in the near term. However, it remains focused on mitigating these pressures through fuel mix optimization, higher RE share, logistics efficiencies, and focus on higher-margin markets.
- We cut our EBITDA estimates for FY27E/FY28E by ~10%/7% due to lower realizations and cost pressure. The stock is trading fairly at 9x/7x FY27/ FY28E EV/EBITDA. We value the stock at 7x FY28E EV/EBITDA to arrive at our TP of INR1,270. **Reiterate Neutral.**

Sales volume down ~6% YoY; EBITDA/t at INR404 (est. INR576)

- ACC's 1QFY27 revenue/EBITDA/PAT stood at INR57.7b/INR4.3b/INR1.7b (-5%/-44%/-57% YoY and -4%/-31%/-41% vs. our estimates). Sales volume was down ~6% YoY at 10.75mt. Cement realization dipped ~1% YoY (3% below est.). RMC revenue grew ~20% YoY to INR5.0b.
- Opex/t was up 7% YoY, led by an increase in variable/other expenses per ton by ~12%/3%. Freight cost/employee cost per ton declined ~2%/4% YoY. EBITDA/t declined 40% YoY to INR404. Depreciation increased ~3% YoY and finance cost declined ~11% YoY. Other income fell ~14% YoY. The effective tax rate was 25.3% vs. 33.0% in 1QFY26.
- Cash and cash equivalents stood at INR3.75b vs. INR4.8b as of Mar'26.

Key highlights from the management commentary

- SEBI NOC for the proposed amalgamation of ACC with ACEM was received on 4th Jun'26. An application has been filed with the NCLT on 29th Jun'26. The transaction is expected to be completed during FY27.
- Green power share stood at 31% vs. 26%/31% in 1QFY26/4QFY26. Premium products as a % of sales stood at 44% vs. 41%/45% in 1QFY26/4QFY26
- The trial run has started for the 2.4 mtpa grinding unit at Salai Banwa (UP). The 1.0 mtpa capacity expansion in Kalamboli, Maharashtra, is expected to be commissioned in 2QFY28.

Valuation and view

- ACC reported weak earnings in 1QFY27, led by lower volume and realization than our estimates. Higher MSA continues to lead to higher purchase costs of finished goods, while higher fuel costs also weigh on margins in 1Q. Apart from that, other expenses also increased sharply due to higher packaging costs. We believe profitability would remain under pressure due to elevated costs.

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- We estimate a CAGR of 3%/4%/9% in revenue/EBITDA/PAT over FY26-28. We estimate a muted volume CAGR of ~2% over FY26-28. We estimate its EBITDA/t at INR529/ INR623 in FY27/FY28 vs. INR599 in FY26. The stock has seen significant de-rating in valuations due to continuing weak profitability. We value the stock at 7.0x FY28E EV/EBITDA to arrive at our TP of INR1,270. **Reiterate Neutral.**

Standalone quarterly performance **(INR b)**

Y/E March	FY26				FY27E				FY26	FY27E	FY27	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Cement Sales (mt)	11.45	11.20	12.70	13.10	10.75	10.64	12.07	13.54	48.5	47.0	10.88	(1)
Change (YoY %)	12.3	20.4	18.7	10.1	(6.1)	(5.0)	(5.0)	3.4	15.1	(3.0)	(5.0)	
Net Sales	**60.7**	**59.3**	**64.6**	**70.8**	**57.7**	**57.6**	**64.8**	**73.4**	**257.7**	**253.4**	**60.3**	**(4)**
Change (YoY %)	16.7	28.0	21.8	16.8	(4.9)	(2.9)	0.4	3.7	22.1	(1.7)	(0.6)	
EBITDA	**7.7**	**8.2**	**6.9**	**6.2**	**4.3**	**5.1**	**6.7**	**8.7**	**29.0**	**24.8**	**6.3**	(31)
Margin (%)	12.7	13.8	10.6	8.7	7.5	8.9	10.3	11.9	11.3	9.8	10.4	(286)
Change (YoY %)	14.1	90.9	45.4	(23.0)	(43.8)	(37.5)	(3.1)	41.6	26.9	(14.4)	(21.8)	
Depreciation	2.4	2.6	2.9	2.6	2.4	2.6	2.9	3.0	10.4	10.9	2.8	(11)
Interest	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	1.1	1.0	0.3	(10)
Other Income	0.7	0.2	0.6	0.5	0.6	0.4	0.6	0.7	2.0	2.2	0.6	2
PBT before EO Item	**5.7**	**5.5**	**4.3**	**3.8**	**2.2**	**2.7**	**4.1**	**6.2**	**19.5**	**15.1**	**3.8**	**(41)**
EO Income/(Expense)	0.0	2.1	1.6	0.0	-0.2	0.0	0.0	0.0	3.6	-0.2	0.0	
PBT after EO Item	**5.7**	**7.6**	**6.0**	**3.8**	**2.0**	**2.7**	**4.1**	**6.2**	**23.1**	**14.9**	**3.8**	**(48)**
Tax	1.9	-3.6	0.5	1.3	0.5	0.7	1.0	1.6	0.2	3.9	1.0	
Rate (%)	33.0	41.7	22.5	34.6	25.3	25.6	25.6	26.4	0.8	25.9	25.6	
Reported PAT	**3.8**	**11.1**	**5.4**	**2.5**	**1.5**	**2.0**	**3.0**	**4.5**	**22.9**	**11.0**	**2.8**	**(48)**
Adjusted PAT	**3.8**	**3.2**	**3.3**	**2.5**	**1.7**	**2.0**	**3.0**	**4.5**	**12.9**	**11.2**	**2.8**	**(41)**
Margin (%)	6.3	5.4	5.2	3.6	2.9	3.5	4.7	6.2	5.0	4.4	4.7	
Change (YoY %)	5.0	37.3	48.5	(51.0)	(56.8)	(38.0)	(9.9)	80.4	(3.5)	(13.2)	(26.6)	

Source: MOSFL, Company

Per ton analysis, including RMC (INR/t)

Y/E March	FY26				FY27E				FY26	FY27E	FY27	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Blended Realization	**5,298**	**5,291**	**5,086**	**5,401**	**5,364**	**5,409**	**5,373**	**5,417**	**5,318**	**5,392**	**5,541**	(3)
Change (YoY %)	3.9	6.3	2.6	6.1	1.2	2.2	5.7	0.3	6.1	1.4	4.6	
Raw Material	2,149	2,183	2,151	2,512	2,515	2,400	2,340	2,298	2,303	2,382	2,280	10
Staff Cost	177	158	140	135	170	175	156	141	152	159	164	4
Power and fuel	740	795	730	718	719	860	780	747	745	775	850	(15)
Freight	1,012	958	986	1,028	992	970	985	999	997	987	1,000	(1)
Other expenditure	545	465	537	538	564	523	560	587	523	560	671	(16)
Total Expenditure	**4,623**	**4,559**	**4,545**	**4,931**	**4,960**	**4,928**	**4,822**	**4,772**	**4,719**	**4,863**	**4,965**	(0)
EBITDA	**675**	**732**	**541**	**471**	**404**	**481**	**551**	**645**	**599**	**529**	**576**	(30)

Source: MOSFL, Company

CONFERENCE CALL

Key takeaways from the management commentary

Cement demand

- Cement demand is expected to grow by ~5% in FY27, although near-term growth may be impacted by seasonal monsoon disruptions, geopolitical uncertainties, and input cost volatility.
- The industry faced cost pressures in Q1FY27 due to higher prices of imported fuels (petcoke and thermal coal) and elevated freight and logistics costs amid geopolitical tensions in West Asia. Given the 60–90-day fuel inventory cycle, the peak impact of higher fuel costs is expected to be reflected in Q2FY27.

Operational highlights

- Green power share stood at 31% vs. 26%/31% in 1QFY26/4QFY26. Premium products as a % of sales stood at 44% vs. 41%/45% in 1QFY26/4QFY26
- Fuel cost stood at INR1.67/kcal vs. INR1.56/INR1.65/kcal in 1QFY26/4QFY26. Lead distance was 254km vs. 290km/273km in 1QFY26/ 4QFY26. Direct dispatches stood at 52% vs. 51%/50% in 1QFY26/4QFY26.
- It continues to mitigate cost pressures through fuel mix optimization, increased renewable energy usage, logistics efficiencies, a focus on higher-margin markets, and disciplined cost management to protect profitability.

Capex and other highlights

- The Company has commenced trial operations at its 2.4mtpa grinding unit in Salai Banwa, Uttar Pradesh, marking progress in its ongoing capacity expansion program.
- The Kalamboli expansion is on track to add 1.0mtpa of grinding capacity, with commercial commissioning expected in 2QFY28.

Key exhibits

Exhibit 1: Sales volume declined ~6% YoY

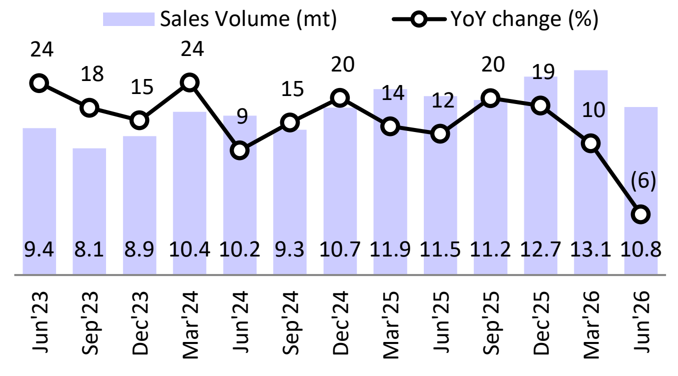


Exhibit 2: Cement realization down ~1% YoY

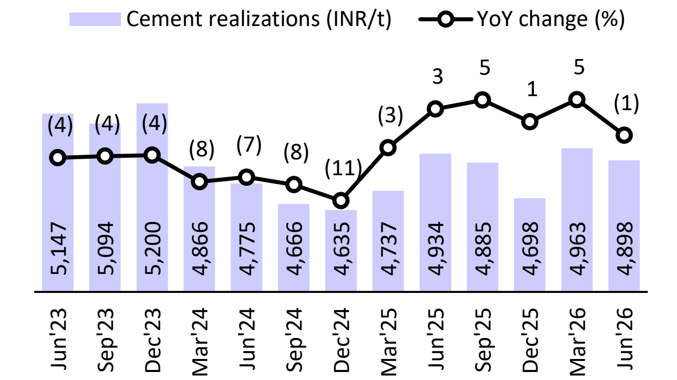


Exhibit 3: Opex/t was up 7% YoY (up 1% QoQ)

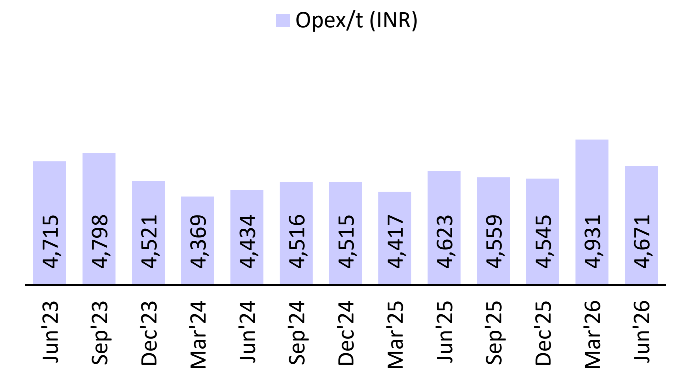


Exhibit 4: EBITDA/t declined 40% YoY to INR404

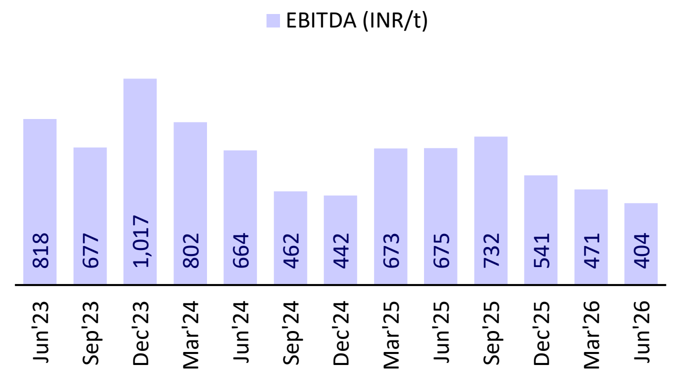
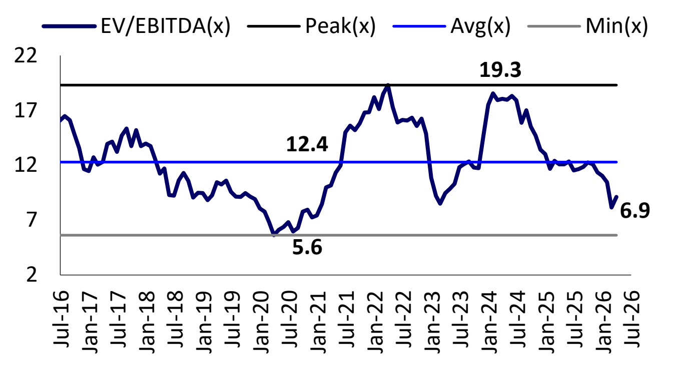


Exhibit 5: Key performance indicators (including the RMC business)

INR/t	Jun'26	Jun'25	YoY (%)	Mar'26	QoQ (%)
Blended realization	**5,364**	**5,298**	**1**	**5,401**	**(1)**
Cement realization	4,898	4,934	(1)	4,963	(1)
Raw materials	2,515	2,149	17	2,512	0
Staff cost	170	177	(4)	135	26
Power	719	740	(3)	718	0
Freight	992	1,012	(2)	1,028	(4)
Other expenditure	564	545	3	538	5
Total cost	**4,960**	**4,623**	**7**	**4,931**	**1**
EBITDA	**404**	**675**	**(40)**	**471**	**(14)**

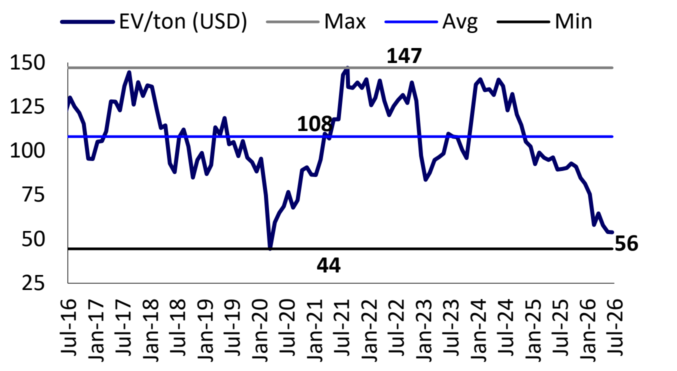
Source: Company, MOFSL

Exhibit 6: One-year forward EV/EBITDA trend



Source: Company, MOFSL

Exhibit 7: One-year forward EV/t trend



Source: Company, MOFSL

Financials and valuations

Income Statement								(INR m)
Y/E December/March	**CY20**	**CY21**	**FY23***	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Net Sales	**1,37,845**	**1,61,514**	**2,22,100**	**1,99,522**	**2,10,958**	**2,57,665**	**2,53,392**	**2,72,872**
Change (%)	(12.0)	17.2	37.5	(10.2)	5.7	22.1	(1.7)	7.7
EBITDA	**24,811**	**30,004**	**19,190**	**30,576**	**24,439**	**29,024**	**24,843**	**31,342**
Change (%)	3.0	20.9	(36.0)	59.3	(20.1)	18.8	(14.4)	26.2
Margin (%)	18.0	18.6	8.6	15.3	11.6	11.3	9.8	11.5
Depreciation	6,353	5,973	8,351	8,763	9,562	10,417	10,944	11,922
Int. and Fin. Charges	570	546	772	1,538	1,080	1,109	981	951
Other Income – Rec.	2,040	2,048	3,372	4,915	4,008	1,988	2,200	2,400
PBT Before EO Item	**19,927**	**25,533**	**13,439**	**25,191**	**17,805**	**19,487**	**15,118**	**20,870**
EO Income/(Expense)	(3,049)	(929)	(1,618)	-	14,294	3,577	(240)	-
PBT After EO Item	**16,878**	**24,604**	**11,821**	**25,191**	**32,100**	**23,064**	**14,878**	**20,870**
Tax	2,728	6,401	3,122	3,948	7,208	196	3,851	5,402
Tax Rate (%)	16.2	26.0	26.4	15.7	22.5	0.8	25.9	25.9
Reported PAT	**14,149**	**18,203**	**8,699**	**21,242**	**24,891**	**22,868**	**11,027**	**15,468**
Adjusted PAT	**14,746**	**18,899**	**9,896**	**18,670**	**13,387**	**12,918**	**11,207**	**15,468**
Change (%)	8.5	28.2	(47.6)	88.7	(28.3)	(3.5)	(13.2)	38.0
Margin (%)	10.7	11.7	4.5	9.4	6.3	5.0	4.4	5.7

Balance Sheet								(INR m)
Y/E December/March	**CY20**	**CY21**	**FY23***	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Share Capital	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880
Fully Diluted Capital	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880
Reserves	1,24,735	1,40,404	1,38,550	1,58,340	1,80,829	2,02,284	2,11,901	2,25,677
Net Worth	**1,26,614**	**1,42,284**	**1,40,430**	**1,60,220**	**1,82,709**	**2,04,164**	**2,13,781**	**2,27,557**
Loans	0	0	0	0	0	0	0	0
Deferred Tax Liability	3,762	3,827	4,331	4,543	4,733	6,240	6,240	6,240
Capital Employed	**1,30,376**	**1,46,112**	**1,44,761**	**1,64,762**	**1,87,442**	**2,10,404**	**2,20,021**	**2,33,797**
Gross Block	98,093	1,04,708	1,20,694	1,46,866	1,61,689	1,72,393	1,92,393	2,12,393
Less: Accum. Depn.	31,507	37,480	45,831	54,593	64,155	74,573	85,516	97,438
Net Fixed Assets	**66,586**	**67,228**	**74,863**	**92,273**	**97,534**	**97,821**	**1,06,877**	**1,14,956**
Capital WIP	5,453	12,121	16,831	9,720	16,159	20,304	12,304	5,304
Investments – Trade	37	37	37	7,624	14,585	0	0	0
Investments in subsidiaries	2,169	1,890	1,890	6,117	12,834	15,335	15,335	15,335
Curr. Assets, Loans, and Adv.	**1,07,014**	**1,27,914**	**1,10,464**	**1,13,263**	**1,08,118**	**1,37,057**	**1,52,681**	**1,69,868**
Inventory	9,005	12,733	16,235	18,429	18,950	17,516	24,098	22,254
Account Receivables	4,515	4,624	8,747	8,412	11,716	36,715	36,090	38,883
Cash and Bank Balance	59,219	74,345	32,062	37,536	15,165	4,791	9,841	18,420
Others	34,275	36,212	53,420	48,886	62,287	78,036	82,651	90,311
Curr. Liab. and Prov.	**50,883**	**63,078**	**59,324**	**64,235**	**61,788**	**60,113**	**67,176**	**71,666**
Account Payables	14,163	18,992	14,922	19,142	15,995	22,841	28,418	31,347
Other Liabilities	30,189	33,868	35,632	30,802	28,050	25,394	26,664	27,997
Provisions	6,531	10,219	8,770	14,291	17,743	11,878	12,094	12,321
Net Current Assets	**56,131**	**64,835**	**51,141**	**49,028**	**46,331**	**76,944**	**85,505**	**98,202**
Application of Funds	**1,30,376**	**1,46,112**	**1,44,761**	**1,64,762**	**1,87,442**	**2,10,404**	**2,20,021**	**2,33,797**

Source: Company, MOFSL; *Note: FY23 is a 15-month period as the company changed its accounting year-end from December to March

Financials and valuations

Ratios

Y/E December/March	CY20	CY21	FY23*	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)								
EPS	**78.4**	**100.5**	**52.6**	**99.3**	**71.2**	**68.7**	**59.6**	**82.3**
Cash EPS	112.2	132.3	97.1	145.9	122.1	124.1	117.8	145.7
BV/Share	674	757	747	852	972	1,086	1,137	1,210
DPS	14.0	58.0	9.3	7.5	7.5	7.5	9.0	9.0
Payout (%)	18.6	59.9	20.0	6.6	5.7	6.2	15.3	10.9
Valuation (x)								
P/E ratio	17.1	13.3	25.4	13.5	18.8	19.5	22.5	16.3
Cash P/E ratio	11.9	10.1	13.8	9.2	11.0	10.8	11.4	9.2
EV/Sales ratio	1.4	1.0	0.9	1.0	1.0	0.9	0.9	0.8
EV/EBITDA ratio	7.5	5.5	10.6	6.4	8.4	7.8	9.2	7.3
P/BV ratio	2.0	1.8	1.8	1.6	1.4	1.2	1.2	1.1
Dividend Yield	1.0	4.3	0.7	0.6	0.6	0.6	0.7	0.7
EV/t (USD-Cap)	60	51	60	52	55	55	54	48
Return Ratios (%)								
RoE	12.2	14.1	7.0	12.4	7.8	6.7	5.4	7.0
RoCE	13.6	14.0	7.2	14.6	8.3	10.3	5.5	7.1
RoIC	22.6	28.4	10.3	17.9	9.2	11.3	5.4	7.1
Working Capital Ratios								
Debtor (Days)	12	10	14	15	20	52	52	52
Asset Turnover ratio (x)	0.9	0.9	0.7	0.8	0.9	0.8	0.9	0.9
Leverage Ratio								
Debt/Equity ratio (x)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Cash Flow Statement (INR m)

Y/E December/March	CY20	CY21	FY23*	FY24	FY25	FY26	FY27E	FY28E
OP/(Loss) before Tax	16,878	24,604	11,821	25,191	31,454	23,064	14,878	20,870
Depreciation	6,353	5,973	8,351	8,763	9,562	10,417	10,944	11,922
Interest and Finance Charges	570	0	-1,835	-3,554	-3,489	0	0	0
Direct Taxes Paid	(7,064)	(2,849)	(4,027)	(1,748)	(845)	3,311	(3,851)	(5,402)
(Inc.)/Dec. in WC	5,419	588	(26,697)	1,153	(19,619)	(48,537)	(3,510)	(4,119)
CF from Operations	**22,156**	**28,316**	**-12,388**	**29,804**	**17,063**	**-11,745**	**18,460**	**23,271**
Others	-	-	-	-	-	-	-	-
CF from Operations incl. EO	**22,156**	**28,316**	**-12,388**	**29,804**	**17,063**	**-11,745**	**18,460**	**23,271**
(Inc.)/Dec. in FA	(7,252)	(11,509)	(19,788)	(13,560)	(15,299)	(13,301)	(12,000)	(13,000)
Free Cash Flow	**14,904**	**16,808**	**-32,175**	**16,244**	**1,763**	**-25,046**	**6,460**	**10,271**
(Pur.)/Sale of Investments	1,886	1,619	(26,632)	1,861	2,414	24,427	-	-
Others	-	-	-	-	-	-	-	-
CF from Investments	**(5,366)**	**(9,890)**	**(46,420)**	**(11,699)**	**(12,885)**	**11,126**	**(12,000)**	**(13,000)**
Issue of Shares	0	0	0	0	0	0	0	0
Inc./(Dec.) in Debt	0	0	0	0	0	0	0	0
Interest Paid	(399)	(316)	(596)	(1,424)	(988)	(978)	0	0
Dividend Paid	(2,629)	(2,629)	(10,892)	(1,753)	(1,426)	(1,413)	(1,410)	(1,692)
Others	(246)	(360)	(889)	(1,245)	(7,454)	-	-	-
CF from Fin. Activity	**(3,274)**	**(3,305)**	**(12,377)**	**(4,423)**	**(9,868)**	**(2,391)**	**(1,410)**	**(1,692)**
Inc./Dec. in Cash	13,516	15,121	-71,185	13,682	-5,691	-3,009	5,050	8,579
Opening Balance	45,477	58,908	74,029	32,062	20,856	7,800	4,791	9,842
Closing Balance	**58,993**	**74,029**	**32,062**	**37,536**	**15,166**	**4,791**	**9,842**	**18,421**

Source: Company, MOFSL; *Note: FY23 is a 15-month period as the company changed its accounting year-end from December to March

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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