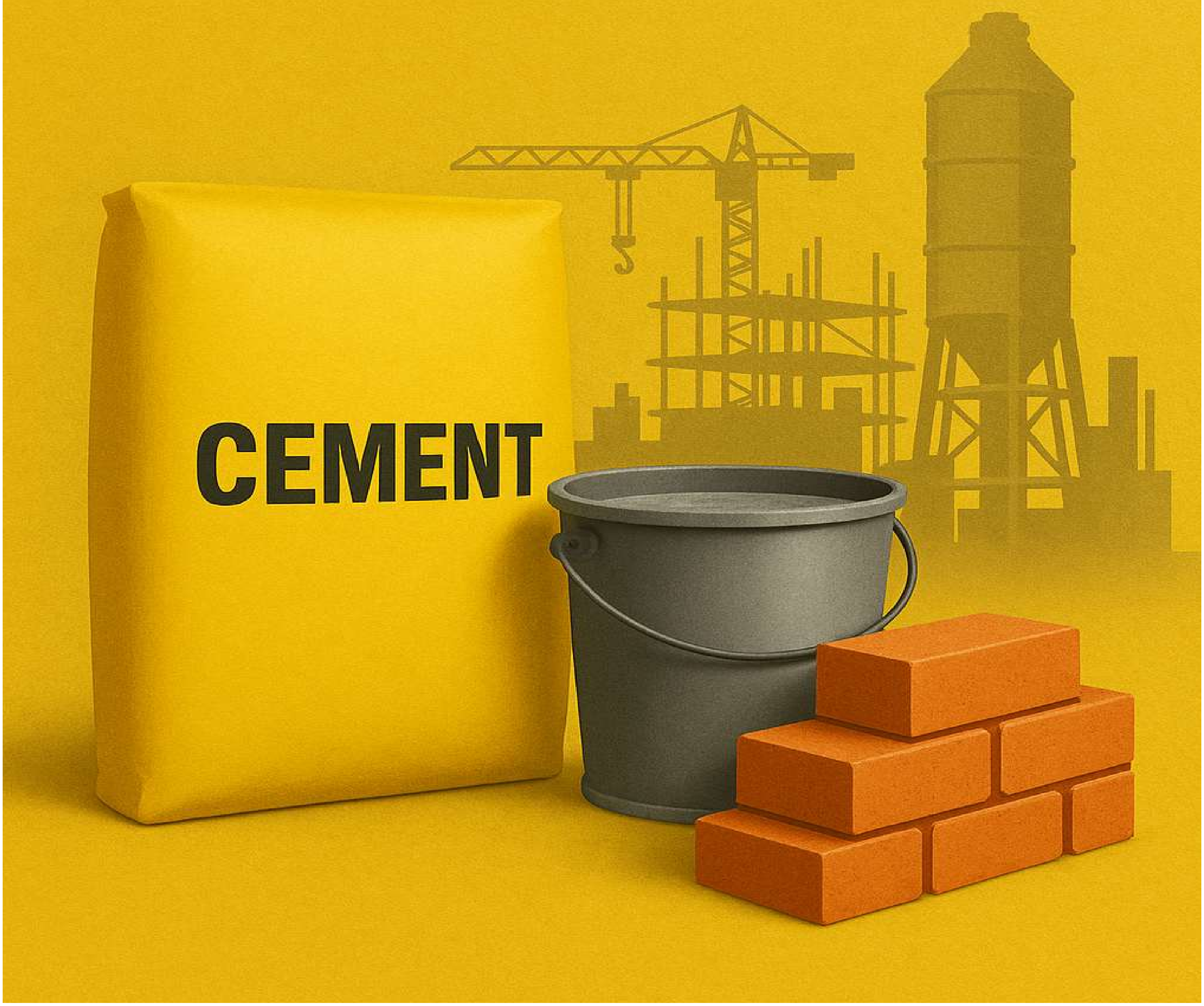
UltraTech
CEMENT LIMITED



Source : Company

20-05-2025

FIN2RESEARCH
Investment Advisor Pvt. Ltd.

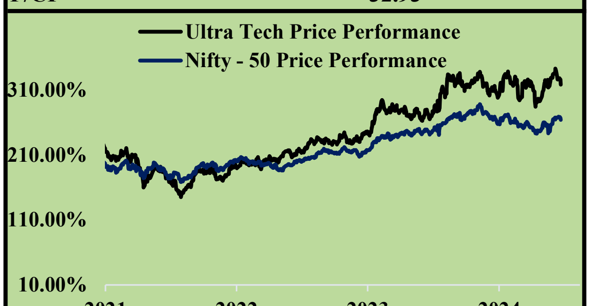
Rating	
Business	★★★★☆
Financials	★★★★☆
Valuation	★★★☆☆
Management	★★★★★

UltraTech CEMENT The Engineer's Choice

Company : UltraTech Cement Limted. Sector : Cement.

Buy Range : ₹ 11700-12000 **Target 1 /2 : ₹13000/13800** **Potential Upside: 16.00%** **Research Report**

Stock Info		
Market Cap (₹ in cr)	349811.55	
52-Weeks High/Low	12,339.00 / 9,525.50	
Avg Volume (Mn)	3,71,922	
No. of eq shares (cr)	29.47	
Face Value	10	
Bse Code	532538	
Nse Code	ULTRACEMCO	
Free Float (cr)	138293.26	
Source : NSE/BSE		
Particulars	**2024**	**2025**
Current Ratio	0.86	0.73
Quick Ratio	0.55	0.44
ROCE	13.85%	9.92%
Debt/EBITDA	0.88	1.92
Interest Coverage (Times)	13.40	7.61
EPS	242.87	205.13
ROA (%)	7.29%	5.22%
ROE (%)	12.22%	9.00%
Equity/Assets	0.60	0.57
Soruce : Company		
Particulars	**2024**	**2025**
Promoters	59.95%	59.23%
Mutual Funds/AIF	12.22%	13.78%
BANK	0.09%	0.27%
Insurance Companies	1.83%	2.74%
Other DIIs	0.10%	0.01%
FII	18.26%	15.71%
Retails and Others	7.31%	8.03%
Total	100.00%	100.00%
Soruce : NSE/BSE		
Particulars	**TTM**	
P/E	58.15	
P/B	4.97	
EV/EBITDA	29.55	
P/S	4.63	
EPS	205.13	
P/CF	32.93	



UltraTech Cement Limited: UltraTech Cement Ltd produces and markets cement and related products, with the majority of its revenue generated in India. Its product range includes Ordinary Portland Cement, Portland Blast-Furnace Slag Cement, and Portland Pozzolana Cement. Ordinary Portland Cement is widely used in applications such as concrete products, masonry, and plastering. The company primarily serves the building and construction industries.

Key Highlights: UltraTech reported a strong Q4 FY25 performance with consolidated net sales of ₹22,788 Cr (up 14% YoY), EBITDA of ₹4,721 Cr (up 11% YoY), and PAT of ₹2,482 Cr (up 10% YoY). For FY25, consolidated revenue stood at ₹74,936 Cr (up 7% YoY), while EBITDA dipped slightly to ₹13,302 Cr. PAT declined 14% to ₹6,039 Cr due to higher interest and depreciation. EPS fell to ₹205 (from ₹243) due to a broader equity base.

Domestic grey cement remained the primary contributor, with Q4 sales at ₹18,347 Cr (up 7% YoY). Other segments included white cement ₹697 Cr (down 3%), RMC ₹1,819 Cr (up 17%), building products ₹290 Cr (up 19%), and overseas ventures ₹933 Cr (up 38%). Capacity utilization was ~89% in Q4 and ~78% for FY25. Effective capacity increased to ~183 Mt with Kesoram and India Cements acquisitions.

Grey cement realizations improved modestly in Q4 (~1.6% QoQ), premium cement mix rose to ~30.8%, and trade sales grew 7.2% YoY. Fuel costs declined to ₹864/ton (down 16% YoY), aided by lower global energy prices. Renewable energy capacity rose to 1.363 GW, now meeting ~46% of energy needs.

Capex stood at ₹9,000 Cr in FY25, with similar guidance for FY26. UltraTech commissioned 17.4 Mtpa of new capacity and aims for 209 Mtpa by FY27. Key investments included a bulk terminal in Lucknow and digital upgrades like SAP rollout.

India Cements, now 81.5% owned, turned EBITDA-positive in Mar'25. Management targets EBITDA/t of ₹1,000 by FY28, supported by ₹1,500 Cr in capex. Rebranding to UltraTech is planned by FY27.

Kesoram's cement assets (15 Mtpa) were integrated from March 2025, with UltraTech assuming ₹2,101 Cr of its debt. Efficiency upgrades and green projects are planned. Kesoram is performing ahead of India Cements, with cost synergies expected by FY27. Rebranding will be gradual, with no fixed deadline.

UltraTech expects steady volume growth ahead, supported by government infrastructure and housing spend, along with rural recovery. Management projects a sustainable 7–8% volume CAGR in the medium term and targets double-digit growth in FY26, including contributions from recent acquisitions.

The company aims to improve EBITDA/ton by ₹250–300 by FY28 through new capacities and renewable energy initiatives. It also reiterated a ₹300/ton efficiency improvement target on legacy assets. While cement prices remained broadly flat—up only ~₹12/bag in Q4 but down ~7% YoY in FY25—management noted potential demand softness in H1 FY26 due to extreme heat, with recovery expected in H2.

Risks flagged include geopolitical tensions and local regulatory challenges. Overall, the outlook remains cautiously optimistic, with a strong focus on cost efficiencies and synergy execution.

UltraTech management highlighted strong infrastructure-driven demand, with firm rural housing trends and ongoing state-level projects (roads, metro, water). Urban housing is expected to rebound post-summer. However, extreme heat poses a near-term risk, with Q1 FY26 volumes likely flat or soft, followed by a seasonal recovery after the monsoon.

Cement prices remain largely stable, with only marginal Q4 increases and minimal nationwide hikes. Management remains cautious on cost pressures and local regulatory risks (e.g., taxes in Tamil Nadu), but expects new renewable projects and efficiency gains to support margins.

Key Risk : **Fuel price volatility**: While FY25 saw a decline in fuel costs, crude oil and petcoke prices remain vulnerable to global supply shocks . UltraTech's large dependence on thermal fuel makes this a major cost risk.

Peer aggression: Shree Cement, Dalmia, and Ambuja are also expanding. If peers resort to price-led volume capture, UltraTech's trade/bulk pricing mix could face pressure.

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Source : Company

20-05-2025

RATING SCALE: DEFINITION OF RATINGS

• BUY – We expect the stock to deliver more than 10%-20% returns over the next 9 months.
• ACCUMULATE – We expect the stock to deliver 5% - 12% returns over the next 9 months.
• REDUCE – We expect the stock to deliver 0% - 5% returns over the next 9 months.
• SELL – We expect the stock to deliver negative returns over the next 9 months.
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• NM – Not Meaningful. The information is not meaningful and is therefore excluded.
• NOTE – Our target prices are with a 9-month perspective. Returns stated in the rating scale are our internal benchmark.

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