

Ultratech Cement Ltd.

The Engineer's Choice

About Company :

UltraTech Cement Limited is India's largest cement and building materials company and a flagship of the Aditya Birla Group. Headquartered in Mumbai, it is the country's leading producer of grey cement, ready-mix concrete (RMC), and white cement, with a strong presence across India and select overseas markets. Financially, the company has shown steady revenue growth, improving margins in favorable cost cycles, and strong operating cash generation. However, it remains a capital-intensive business, sensitive to energy costs, freight rates, and the construction cycle. Overall, UltraTech is considered a sector leader with long-term growth potential linked to India's infrastructure and housing development. In short UltraTech Cement is one of the leaders who has been excellent overall.

Executive Summary :

UltraTech Cement Limited has demonstrated steady revenue expansion over the historical period, with total income growing by **16.82%** in 2022, **20.03%** in 2023, **12.21%** in 2024, and **7.23%** in 2025, reflecting consistent demand momentum across cycles. Sales growth remained strong despite cost pressures, highlighting the company's scale advantage and pricing ability. Direct expenses increased sharply in certain years, rising by **24.97%** in 2022 and **32.69%** in 2023, which impacted operating profitability. As a result, EBITDA growth turned negative in 2022 **-2.11%** and 2023 **-7.48%**, before recovering strongly in 2024 with **22.16%** growth, indicating margin normalization and improved cost management. Gross margins declined from earlier peaks but stabilized in 2024 at **35.60%**, while EBITDA margins stood at **19.00%**. Operating performance showed volatility during periods of elevated costs. EBIT declined by **-2.86%** in 2022 and **-11.52%** in 2023, before rebounding in 2024 with **26.81%** growth. EBT followed a similar trend, contracting by **-11.37%** in 2023 and recovering with **23.83%** growth in 2024, aided by lower interest costs. Net profit growth remained uneven, increasing by **29.05%** in 2022, declining by **-29.32%** in 2023, and then recovering strongly with **39.21%** growth in 2024. Net profit margins stood at **8.02%** in 2025, reflecting improved profitability compared to the prior year. From a capital efficiency standpoint, UltraTech maintained stable returns, with ROCE at **9.47%** and ROE at **8.70%** in 2025, supported by disciplined capital deployment. Working capital efficiency remained strong, with debtor days at 20 days, inventory days at 65 days, and a cash conversion cycle of 22 days in 2025. The balance sheet strengthened significantly over the period, with debt-to-equity declining from 0.34x in 2021 to 0.28x in 2025. supported by strong operating cash flows. Cash generation remained healthy, with CFO to Sales at **14.58%**.

UltraTech

CEMENT

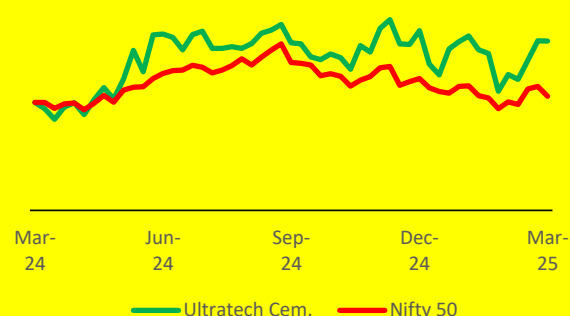
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Recommended	BUY
CMP	11,499
Target Price	13,837
Potential Target	20.33%

Stock data (as on 31 Mar 2025)

Nifty	26027
52 Week H/L (in Rs)	13097 / 10047
Market Cap (in Rs)	344,909
No. of Shares (in Crore)	30
Dividend Yield (%)	0.58%
NSE Code	ULTRACEMCO

ULTRATECH CEM. & NIFTY PERFORMANCE



	3 Mon.	6 Mon.	1 yr
Absolute Return	-0.88%	-10.38%	12.66%

Shareholding Pattern as of Recent Times

Promoter	59.23%
FII	15.17%
DII	16.79%
Public	8.57%
Gov	0.05%
Others	0.18%

Figures in Crores	FY23	FY24	FY25
Net Sales	63743.06	71525	76699
EBITDA	11122.93	13588	13305
EBITDA Margin	17.45%	19.00%	17.35%
Net Profit	5069.37	7057	6153
EPS (in Rs)	175.54	242.87	205.13
P/E	39.64x	43.25x	56.06x
P/B	3.70x	5.07x	4.88x
Mcap/Sales	3.15x	4.27x	4.50x
RoE	9.33%	11.72%	8.70%
RoCE	12.05%	14.14%	9.47%

WHAT ULTRATECH STANDS FOR

Strength that builds

UltraTech Cement Ltd. The cement flagship company of the Aditya Birla Group, stands as a formidable building solutions powerhouse. they are the only cement company in the world (outside of china) to boast an impressive 183.36 MTPA of cement manufacturing capacity within single country. It includes **19.2 %** in North India, **18.1 %** East India, **27.5 %** South India, **18.2 %** West India, **17.0 %** Central India.

2.6 MTPA

White Cement (1 Unit) and Wall care (3 Units) capacity.

Their Mission

To be leader in building solutions.

Their vision

To deliver superior value to our stakeholders on the four pillars of :

1. Sustainability
2. Innovation team
3. Empowerment
4. Customer centricity.

Their Strategy



Capacity and leadership



Customer centricity



Cost competitiveness



Sustainability



Low capex and high ROCE

Enhancing Partners Value

Socially responsible

Profitable growth

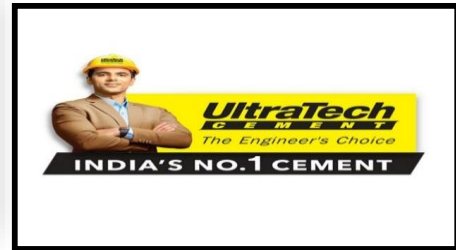
Premium brand

Strong financials

ULTRATECH'S EXISTENCE

Presence with purpose

They have firmly established a robust manufacturing and distribution presence across both domestic and international markets. Their widespread operational footprint enables them to stay closer to customers, ensuring timely delivery & support local economies.



Nationwide Reach

With an extensive network of facilities and operations spanning the entire country. they are positioned at forefront of every major construction initiative.

50000 +

Truck Fleet

30000 +

Destinations served

25000 +

Daily truck movement

60 +

Daily rake movement

1350

Warehouses

300 +

Railheads

Network

37000+

Dealers

108000 +

Retailers

4615 +

UBS outlets



DEFINING MOMENTS

Yearly Overview of 2024 - 2025

Quarter 1 2025

Cemented its position as India's largest cement manufacturer,

Ultratech commissioned two new units to surpass the groundbreaking 150 MTPA grey cement production.



Quarter 2 2025

Strengthened international footprint

Ultratech acquired an additional stake in Ras Al Khaimah Co. for white cement and construction materials PSC, making a latter a subsidiary.

Reaffirmed the company's commitment to sustainability and ESG goals

Ultratech raised 4500 crore through sustainability linked financing.

At the forefront of sustainability

Ultratech ranked No. 1 in sustainability in cement & building materials sector in India by BW (Business World) topping the sectoral ranking for fourth consecutive time.



Quarter 3 2025

Championed green logistics at scale

Ultratech announced transport service contract to deploy hundred more Electric Vehicals trucks in its logistics operations.

Leveraged innovation to decarbonise the cemet sector

Ultratech collaborated with University of California, Los Angeles, to pilot a groundbreaking and innovative new decarbonisation technology which is named ZeroCAL. (Zero Carbon Lime)

Expanded the company's production capabilities

Ultratech acquired India Cements, making it a subsidiary of the company



Quarter 4 2025

Expanded the company's footprint

Effective 1st March, 2025 Ultratech has successfully completed the acquisition of the cement business of kesoram Industries Limited.



GLOBAL PRESENCE

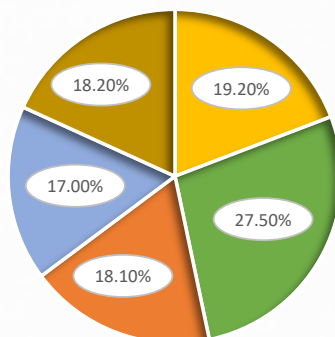


183.36 MTPA Within **India** itself

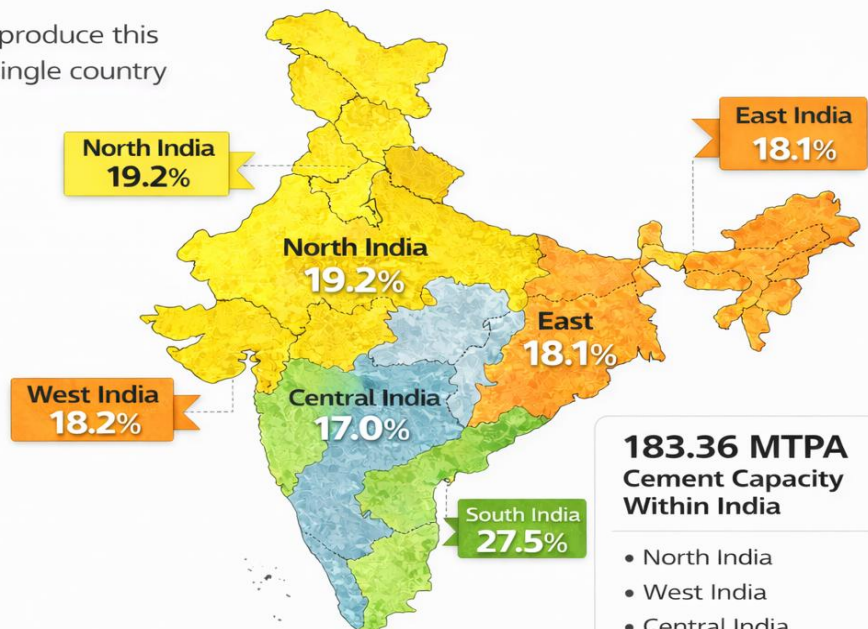
WITHIN COUNTRY

UltraTech Cement: 183.36 MTPA Within India

Only company outside China to produce this much cement capacity within a single country



■ North India ■ South India ■ East India
■ Central India ■ West India



183.36 MTPA Cement Capacity Within India

- North India
- West India
- Central India
- South India
- East India

183.36 MTPA Cement Capacity Within India

CONCALL ANALYSIS (PART 1)

Financial Performance :

_ Consolidated revenue and EBITDA growth were driven primarily by volume expansion, including contributions from recent acquisitions.

_ EBITDA margins improved sequentially, supported by cost efficiencies and operating leverage, despite pricing remaining largely stable.

_ Management reiterated focus on cost-led profitability improvement rather than price hikes.

Volume, Demand & Market Trends :

_ Cement demand growth for FY25 remained moderate, impacted by weather disruptions and uneven regional demand.

_ Rural and infrastructure-led demand showed relative resilience, and while looking at urban housing demand remained stable.

_ Management expects double-digit volume growth in FY26, which is supported by infrastructure spending and capacity additions.

Capacity Expansion & Capex :

_ Significant capacity additions were completed during FY25, taking total capacity materially higher.

_ FY26 capex guidance of ₹9,000–10,000 crore was reiterated, largely focused on brownfield expansions and efficiency enhancement which is aligned with our model.

_ Further expansion phases are under evaluation, indicating confidence in medium-term demand outlook.

Cost Structure & Margin Outlook :

_ Management targets ₹300+/ton structural cost savings by FY27, driven by:

>>> Higher use of renewable energy and WHRS

>>> Logistics optimization

>>> Improved fuel mix and operational efficiencies

>>> Margin expansion is expected even in a flat pricing environment, enhancing earnings visibility.

Balance Sheet & Capital Allocation :

_ Net debt remains within management's comfort range, with Net Debt/EBITDA ~ 1.1–1.5x.

_ Management reiterated a medium-term target of reducing leverage to ~ 0.5x through internal accruals.

_ Capital allocation remains disciplined, balancing growth and balance sheet strength.

CONCALL ANALYSIS (PART 2)

Pricing & Competitive Environment :

- _ Management refrained from giving explicit pricing guidance.
- _ Pricing trends improved modestly post-March, but pricing is not a key assumption for margin recovery.
- _ Competitive intensity remains elevated in select regions, particularly the South.

Management Commentary & Risk :

- _ Management commentary remained measured and execution-focused.
- _ Key risks highlighted include:

- >>> Weather-related demand volatility
- >>> Fuel cost fluctuations
- >>> Regional pricing pressure
- >>> No structural concerns flagged.

Overall Assessment :

- _ Q4 FY25 concall reinforces UltraTech's volume-led growth strategy, cost-driven margin expansion and disciplined capital allocation.
- _ Management guidance supports a stable to improving earnings trajectory over the medium term, aligned with ongoing capacity expansion and efficiency initiatives.

Q1 - 2026 & Q2 - 2026 Analysis

Metrics	Our Model	Quarterly Results
Revenue Growth	Base Case	Aligned
Conclusion	No mismatch identified, base case is aligned	
Ebitda Growth	Base Case	Aligned
Conclusion	No mismatch identified, base case is aligned	
Capex Assumption	Base Case	Aligned
Conclusion	No mismatch identified, base case is aligned	
Pricing Assumption	Base Case	Aligned
Conclusion	No mismatch identified, base case is aligned	
Valuation Framework	Base Case	Aligned
Conclusion	No mismatch identified, base case is aligned	

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Exhibit : 1

SALES GROWTH FROM OPERATIONS

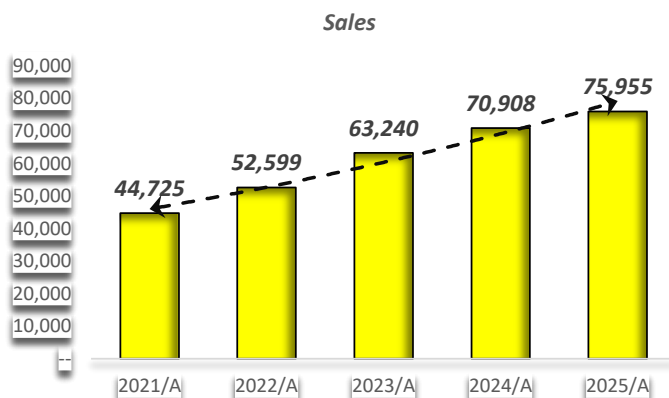


Exhibit : 2

GROSS PROFIT GROWTH

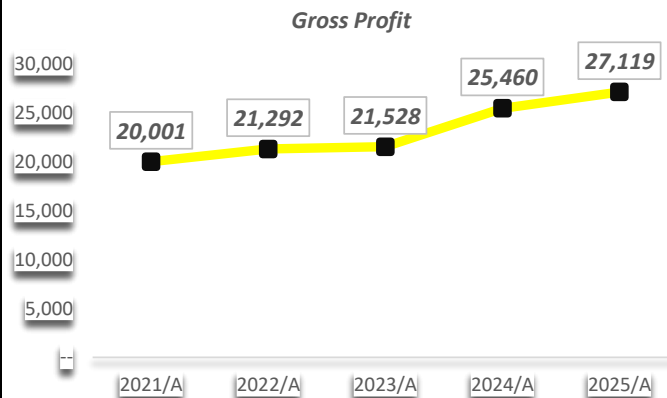


Exhibit : 3

EBITDA GROWTH

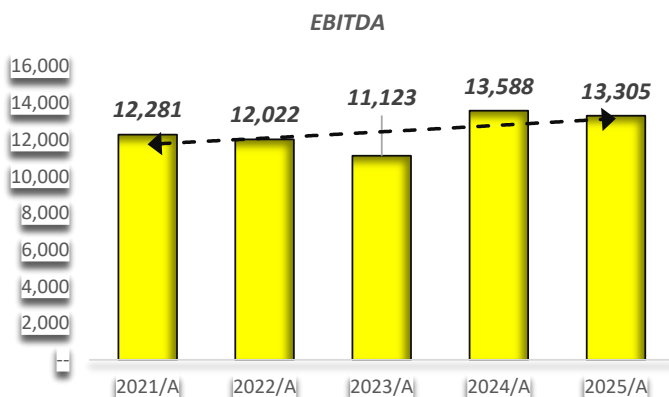


Exhibit : 4

NET PROFIT GROWTH

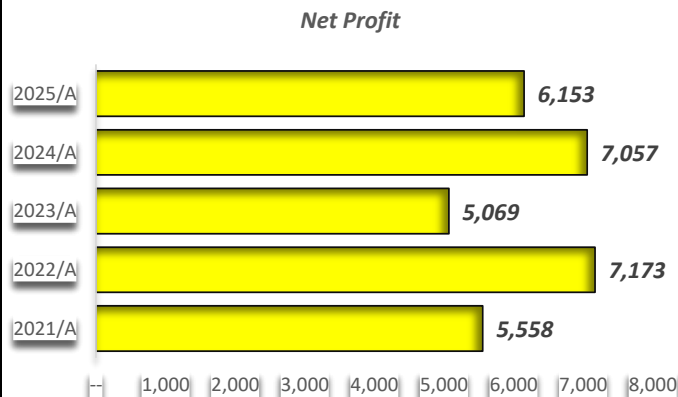


Exhibit : 5

WORKING CAPITAL DAYS

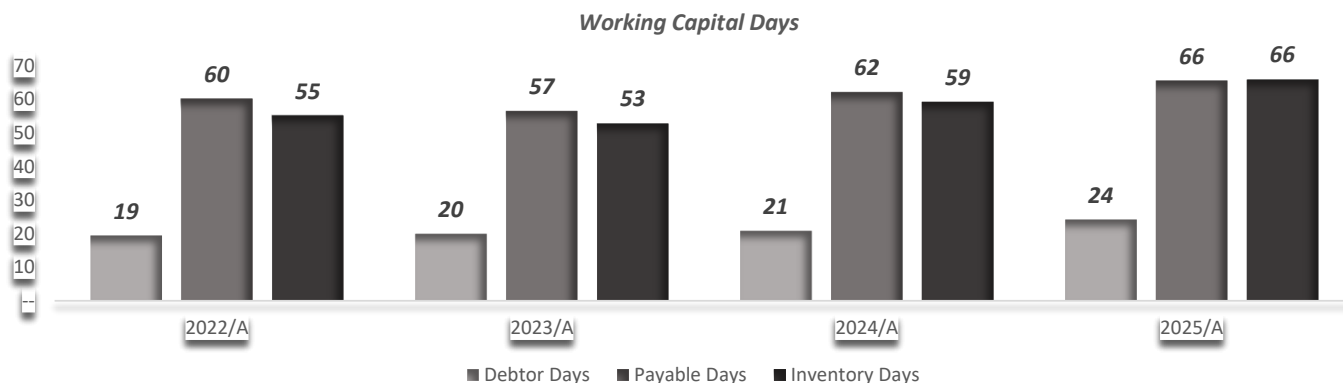


Exhibit : 6

QUARTERLY SNAPSHOTS

IN CRORE UNLESS STATED OTHERWISE	Q4FY24	Q4FY25	Q3FY25	YoY %	QoQ %
Total Revenue	20,554	23,165	17,437	12.70%	32.85%
COGS	(13,293)	(14,746)	(11,087)	10.93%	33.00%
Gross Profit	7,261	8,419	6,350	15.95%	32.58%
<i>Gross Profit Margin %</i>	35.33%	36.34%	36.42%	2.88%	-0.20%
Indirect Expenses	(3,009)	(3,695)	(3,218)	22.80%	14.82%
EBITDA	4,252	4,724	3,132	11.10%	50.83%
<i>EBITDA Margin %</i>	20.69%	20.39%	17.96%	-1.42%	13.53%
Depreciation	(814)	(1,124)	(916)	38.08%	22.71%
EBIT	3,438	3,600	2,216	4.71%	62.45%
<i>EBIT YoY Change %</i>	16.73%	15.54%	12.71%	-7.09%	22.28%
Interest	(261)	(475)	(381)	81.99%	24.67%
EBT	3,177	3,125	1,835	-1.64%	70.30%
Tax	(851)	(625)	(357)	-26.56%	75.07%
Net Profit	2,326	2,500	1,478	7.48%	69.15%
<i>Net Profit Margin %</i>	11.32%	10.79%	8.48%	-4.63%	27.32%

Exhibit : 7

YEARLY SNAPSHOTS

IN CRORE UNLESS STATED OTHERWISE	FY23 - A	FY24 - A	FY25 - A	FY26 - E	FY27 - E
Total Revenue	63,743	71,525	76,699	84,775	98,778
COGS	(42,215)	(46,065)	(49,580)	(54,256)	(63,218)
Gross Profit	21,528	25,460	27,119	30,519	35,560
<i>Gross Profit Margin %</i>	33.77%	35.60%	35.36%	36.00%	36.00%
Indirect Expenses	(10,405)	(11,872)	(13,814)	(16,107)	(18,768)
EBITDA	11,123	13,588	13,305	14,412	16,792
<i>EBITDA Margin %</i>	17.45%	19.00%	17.35%	17.00%	17.00%
Depreciation	(2,888)	(3,145)	(4,014)	(4,239)	(4,939)
EBIT	8,235	10,443	9,291	10,173	11,853
<i>EBIT YoY Change %</i>	12.92%	14.60%	12.11%	12.00%	12.00%
Interest	(823)	(968)	(1,650)	(1,423)	(1,427)
EBT	7,412	9,475	7,641	8,750	10,426
Tax	(2,343)	(2,418)	(1,488)	(2,188)	(2,607)
Net Profit	5,069	7,057	6,153	6,563	7,820
<i>Net Profit Margin %</i>	7.95%	9.87%	8.02%	7.74%	7.92%

Exhibit : 8

FY26 QUARTER 1,2 ANALYSIS

IN CRORE UNLESS STATED OTHERWISE	Q1FY25	Q1FY26	Q2FY26	YoY %	QoQ %
Total Revenue	18,235	21,455	19,781	17.66%	8.46%
COGS	(11,897)	(13,328)	(12,461)	12.03%	6.96%
Gross Profit	6,338	8,127	7,320	28.23%	11.02%
<i>Gross Profit Margin %</i>	34.76%	37.88%	37.01%	8.98%	2.36%
Indirect Expenses	(3,131)	(3,534)	(4,049)	12.87%	-12.72%
EBITDA	3,207	4,593	3,271	43.22%	40.42%
<i>EBITDA Margin %</i>	17.59%	21.41%	16.54%	21.72%	29.46%
Depreciation	(842)	(1,106)	(1,147)	31.35%	-3.57%
EBIT	2,365	3,487	2,124	47.44%	64.17%
<i>EBIT YoY Change %</i>	12.97%	16.25%	10.74%	25.31%	51.36%
Interest	(255)	(433)	(459)	69.80%	-5.66%
EBT	2,110	3,054	1,665	44.74%	83.42%
Tax	(447)	(786)	(417)	75.84%	88.49%
Net Profit	1,663	2,268	1,248	36.38%	81.73%
<i>Net Profit Margin %</i>	9.12%	10.57%	6.31%	15.91%	67.55%

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Exhibit : 9

KEY RATIOS

PARTICULARS	FY24 - A	FY25 - A	FY26 - E	FY27 - E
EPS	242.87	205.13	218.76	249.61
Cash EPS	387.07	369.25	384.52	540.65
BVPS	2,073	2,357	2,653	2,986
DPS	37.65	67.04	39.95	45.58
Cash per Share	19.03	15.57	27.52	20.76

OPERATING RATIOS %

EBITDA Margin	19.00%	17.35%	17.00%	17.00%
EBIT Margin	14.60%	12.11%	12.00%	12.00%
Net Profit Margin	9.87%	8.02%	7.74%	8.18%

ACTIVITY RATIOS

Inventory Days	59	66	58	58
Debtor Days	21	24	21	21
Creditor Days	62	66	61	61

RETURN RATIOS %

ROE	11.72%	8.70%	8.25%	8.36%
ROCE	14.14%	9.47%	10.57%	10.16%
ROIC	15.05%	9.19%	12.80%	12.80%

VALUATION RATIOS %

P / E	43.25x	56.06x	63.25x	N/A
EV / EBITDA	23.14x	27.58x	29.50x	N/A
EV / Net Sales	4.40x	4.79x	4.79x	N/A

SOLVENCY RATIOS

Debt / EBITDA	0.76	1.73	0.70	0.84
Debt / Equity	0.17	0.33	0.13	0.15
Current Ratio	0.86	0.73	0.83	0.78
Quick Ratio	0.55	0.43	0.52	0.48

Note that for ratios we have considered base case meaning what we think is most likely to happen and you can also notice that roic is assumed by directly taking average of last 5 years since further analysis would have been needed otherwise, for valuation ratios we can observe that 2027 estimated are mentioned as not applicable since we can not directly predict the metrics which are needed for calculating those ratios, for 2026 we have analyzed relative valuation from our financial model and from our model we can only make assumptions about next year only.

Exhibit : 10

PEER STOCK PERFORMANCE INDEXED (1 YEAR)

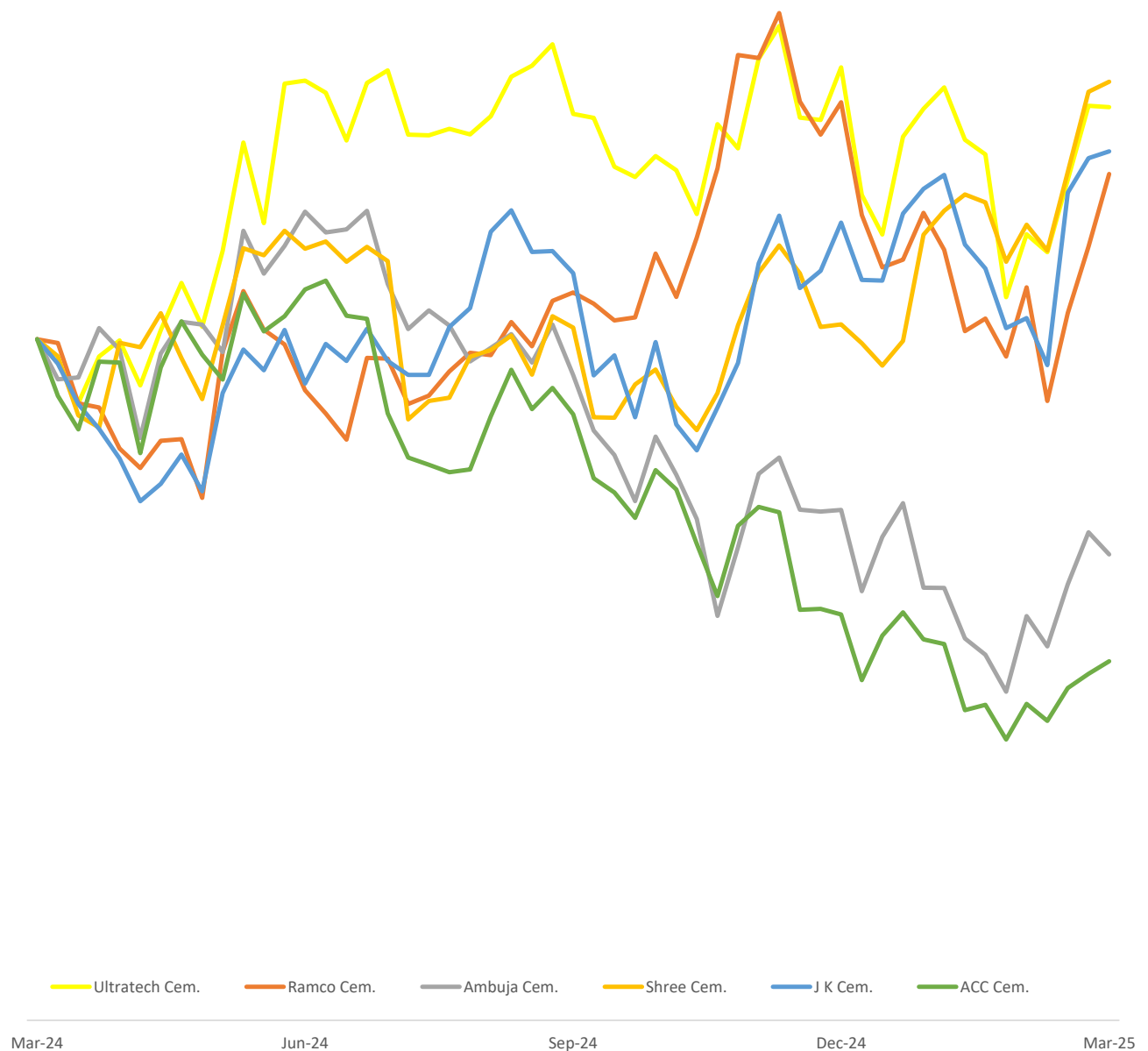


Exhibit : 11

PEER FINANCIAL PERFORMANCE

Peers	Market Cap.	EV / Revenue	EV / EBITDA	P/E
Ultratech Cements	344,920	4.83x	27.58x	56.06x
Ambuja Cements	130,340	7.10x	20.04x	36.45x
Ramco Cements	23,575	4.75x	31.42x	41.86x
Shree Cements	103,316	4.31x	39.14x	53.19x
J. K. Cements	44,144	1.68x	13.03x	13.37x
Acc	32,112	2.97x	15.77x	36.99x

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Exhibit : 10

ANALYST COVERAGE UNIVERSE

Broker / Research house	Reco.	Target price	% Change	Notes
Axis Direct	BUY	13840	14.00%	Positive trend
Motilal Oswal	BUY	13800	19.00%	Strong volume
Prabhudas Lilladhar	BUY	13425	12.50%	Focus on growth
Sharekhan	BUY	13000	12.50%	Capacity expansion
BOB Capital Markets	BUY	13137	11.50%	Stable margins
Geojit BNP Paribas	BUY	12650	10.50%	Long term view
ICICI Direct	BUY	13500	13.00%	Consistent buy stance
Axis Direct (Earlier Series)	BUY	12000	10.00%	Slightly lower older target

Our Analysis	BUY	13837	20.33%	Volume led growth
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