

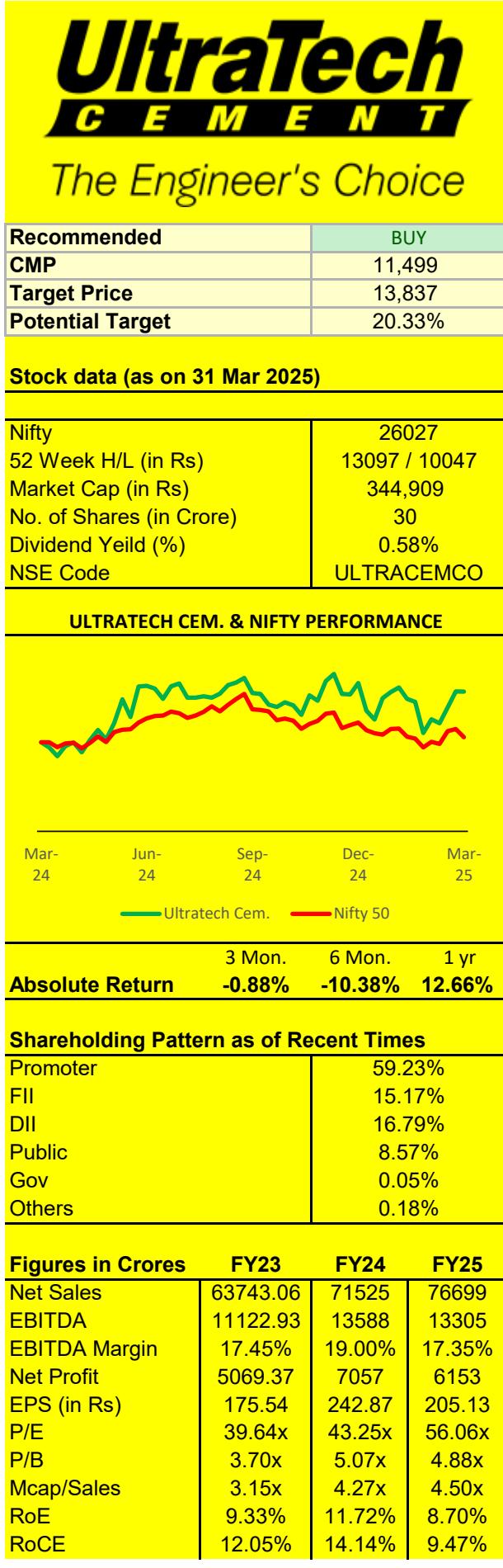
Equity Research Report  
**Ultratech Cement Ltd.**  
*The Engineer's Choice*

**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%**.



## 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 a single country. It includes **19.2%** in North India, **18.1%** East India, **27.5%** South India, **18.2%** West India, and **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 the forefront of every major construction initiative.



### Network

37000+

Dealers

108000 +

Retailers

4615 +

UBS outlets

50000 +

Truck Fleet

30000 +

Destinations served

25000 +

Daily truck movement

60 +

Daily rake movement

1350

Warehouses

300 +

Railheads

## 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 Vehicles trucks in its logistics operations.

##### Leveraged innovation to decarbonise the cement 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)



#### 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.



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**UltraTech**  
CEMENT  
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## GLOBAL PRESENCE

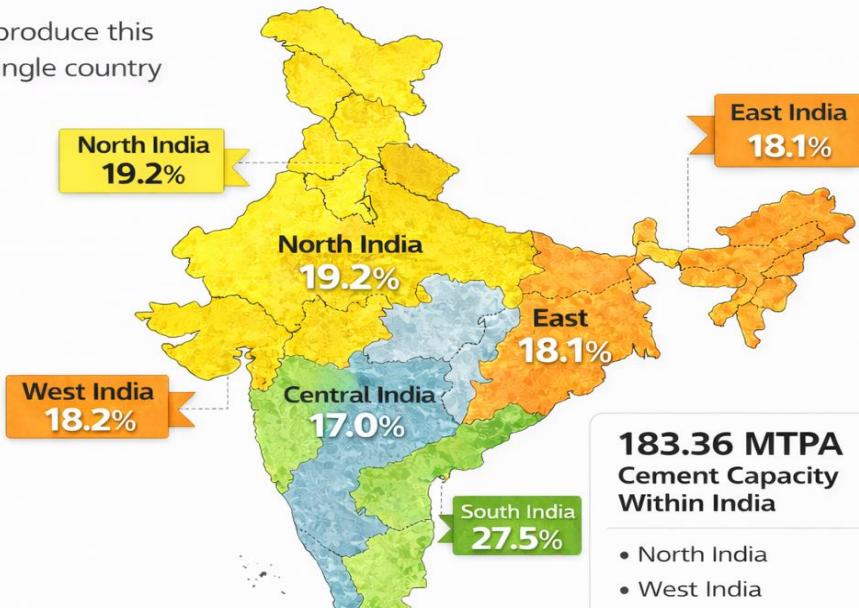


183.36 MTPA Within India itself

## WITHIN COUNTRY

### UltraTech Cement: 183.36 MTPA Within India

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



**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.

# Ultratech Cement Ltd.



## 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 |                   |

# Ultratech Cement Ltd.

**UltraTech  
CEMENT**  
The Engineer's Choice

Exhibit : 1

## SALES GROWTH FROM OPERATIONS

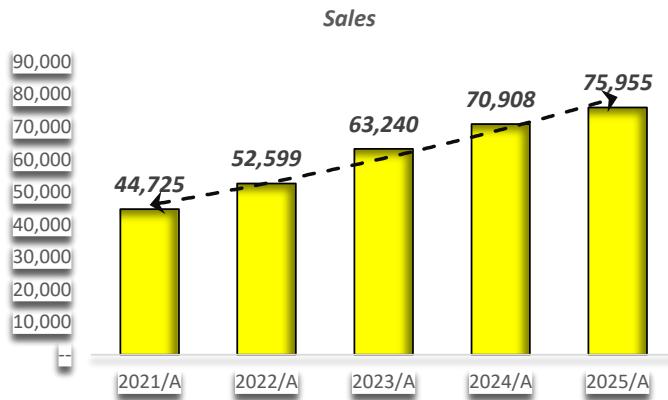


Exhibit : 2

## GROSS PROFIT GROWTH

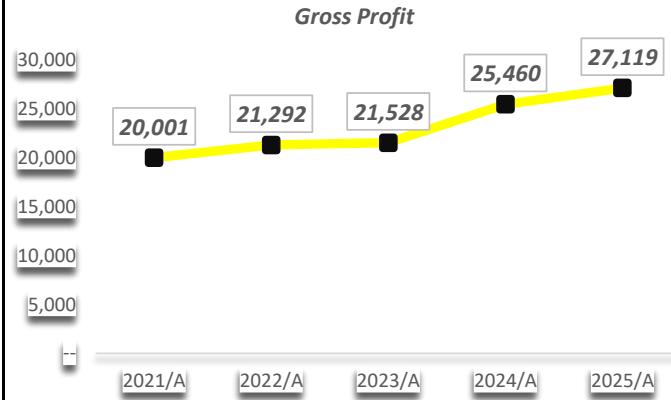


Exhibit : 3

## EBITDA GROWTH

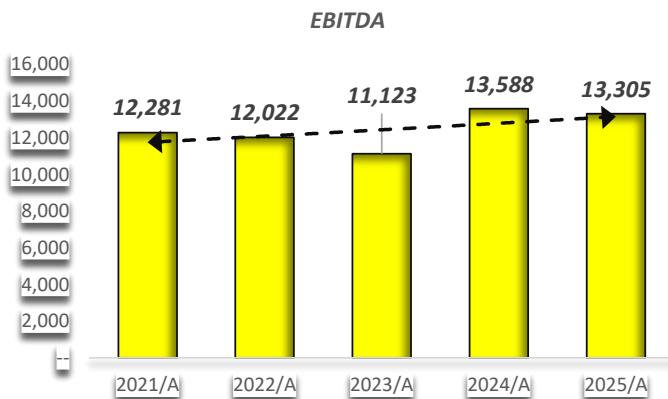


Exhibit : 4

## NET PROFIT GROWTH

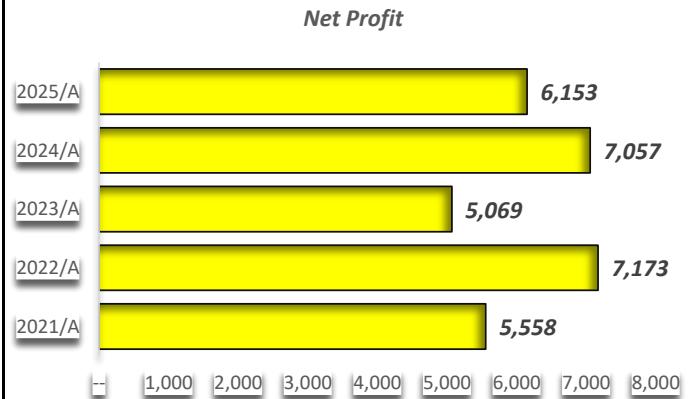
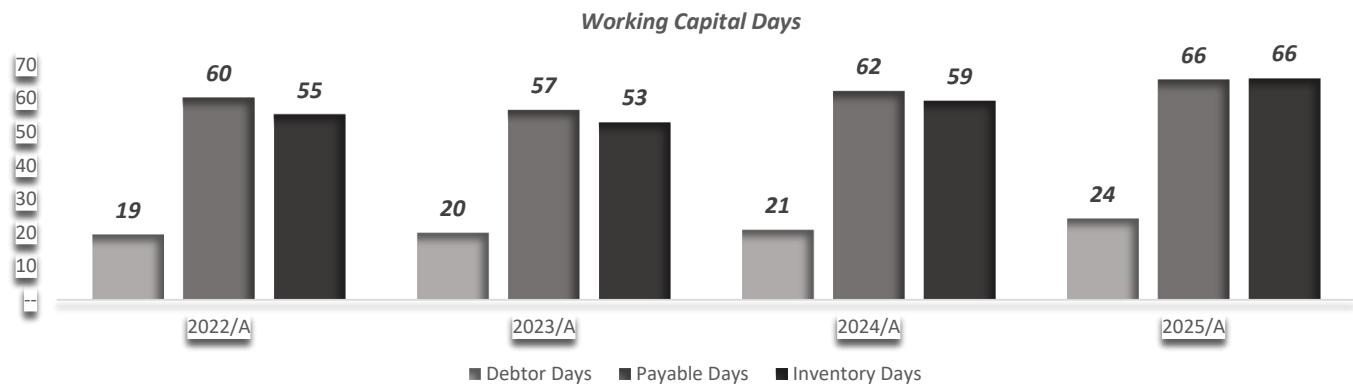


Exhibit : 5

## WORKING CAPITAL DAYS



# Ultratech Cement Ltd.



Exhibit : 6

## QUARTERLY SNAPSHOT

| 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%        |
| <b>Gross Profit</b>              | <b>7,261</b>  | <b>8,419</b>  | <b>6,350</b>  | <b>15.95%</b> | <b>32.58%</b> |
| <i>Gross Profit Margin %</i>     | <i>35.33%</i> | <i>36.34%</i> | <i>36.42%</i> | <i>2.88%</i>  | <i>-0.20%</i> |
| Indirect Expenses                | (3,009)       | (3,695)       | (3,218)       | 22.80%        | 14.82%        |
| <b>EBITDA</b>                    | <b>4,252</b>  | <b>4,724</b>  | <b>3,132</b>  | <b>11.10%</b> | <b>50.83%</b> |
| <i>EBITDA Margin %</i>           | <i>20.69%</i> | <i>20.39%</i> | <i>17.96%</i> | <i>-1.42%</i> | <i>13.53%</i> |
| Depreciation                     | (814)         | (1,124)       | (916)         | 38.08%        | 22.71%        |
| <b>EBIT</b>                      | <b>3,438</b>  | <b>3,600</b>  | <b>2,216</b>  | <b>4.71%</b>  | <b>62.45%</b> |
| <i>EBIT YoY Change %</i>         | <i>16.73%</i> | <i>15.54%</i> | <i>12.71%</i> | <i>-7.09%</i> | <i>22.28%</i> |
| Interest                         | (261)         | (475)         | (381)         | 81.99%        | 24.67%        |
| <b>EBT</b>                       | <b>3,177</b>  | <b>3,125</b>  | <b>1,835</b>  | <b>-1.64%</b> | <b>70.30%</b> |
| Tax                              | (851)         | (625)         | (357)         | -26.56%       | 75.07%        |
| <b>Net Profit</b>                | <b>2,326</b>  | <b>2,500</b>  | <b>1,478</b>  | <b>7.48%</b>  | <b>69.15%</b> |
| <i>Net Profit Margin %</i>       | <i>11.32%</i> | <i>10.79%</i> | <i>8.48%</i>  | <i>-4.63%</i> | <i>27.32%</i> |

Exhibit : 7

## YEARLY SNAPSHOT

| 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)      |
| <b>Gross Profit</b>              | <b>21,528</b> | <b>25,460</b> | <b>27,119</b> | <b>30,519</b> | <b>35,560</b> |
| <i>Gross Profit Margin %</i>     | <i>33.77%</i> | <i>35.60%</i> | <i>35.36%</i> | <i>36.00%</i> | <i>36.00%</i> |
| Indirect Expenses                | (10,405)      | (11,872)      | (13,814)      | (16,107)      | (18,768)      |
| <b>EBITDA</b>                    | <b>11,123</b> | <b>13,588</b> | <b>13,305</b> | <b>14,412</b> | <b>16,792</b> |
| <i>EBITDA Margin %</i>           | <i>17.45%</i> | <i>19.00%</i> | <i>17.35%</i> | <i>17.00%</i> | <i>17.00%</i> |
| Depreciation                     | (2,888)       | (3,145)       | (4,014)       | (4,239)       | (4,939)       |
| <b>EBIT</b>                      | <b>8,235</b>  | <b>10,443</b> | <b>9,291</b>  | <b>10,173</b> | <b>11,853</b> |
| <i>EBIT YoY Change %</i>         | <i>12.92%</i> | <i>14.60%</i> | <i>12.11%</i> | <i>12.00%</i> | <i>12.00%</i> |
| Interest                         | (823)         | (968)         | (1,650)       | (1,423)       | (1,427)       |
| <b>EBT</b>                       | <b>7,412</b>  | <b>9,475</b>  | <b>7,641</b>  | <b>8,750</b>  | <b>10,426</b> |
| Tax                              | (2,343)       | (2,418)       | (1,488)       | (2,188)       | (2,607)       |
| <b>Net Profit</b>                | <b>5,069</b>  | <b>7,057</b>  | <b>6,153</b>  | <b>6,563</b>  | <b>7,820</b>  |
| <i>Net Profit Margin %</i>       | <i>7.95%</i>  | <i>9.87%</i>  | <i>8.02%</i>  | <i>7.74%</i>  | <i>7.92%</i>  |

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%         |
| <b>Gross Profit</b>              | <b>6,338</b>  | <b>8,127</b>  | <b>7,320</b>  | <b>28.23%</b> | <b>11.02%</b> |
| <i>Gross Profit Margin %</i>     | <i>34.76%</i> | <i>37.88%</i> | <i>37.01%</i> | <i>8.98%</i>  | <i>2.36%</i>  |
| Indirect Expenses                | (3,131)       | (3,534)       | (4,049)       | 12.87%        | -12.72%       |
| <b>EBITDA</b>                    | <b>3,207</b>  | <b>4,593</b>  | <b>3,271</b>  | <b>43.22%</b> | <b>40.42%</b> |
| <i>EBITDA Margin %</i>           | <i>17.59%</i> | <i>21.41%</i> | <i>16.54%</i> | <i>21.72%</i> | <i>29.46%</i> |
| Depreciation                     | (842)         | (1,106)       | (1,147)       | 31.35%        | -3.57%        |
| <b>EBIT</b>                      | <b>2,365</b>  | <b>3,487</b>  | <b>2,124</b>  | <b>47.44%</b> | <b>64.17%</b> |
| <i>EBIT YoY Change %</i>         | <i>12.97%</i> | <i>16.25%</i> | <i>10.74%</i> | <i>25.31%</i> | <i>51.36%</i> |
| Interest                         | (255)         | (433)         | (459)         | 69.80%        | -5.66%        |
| <b>EBT</b>                       | <b>2,110</b>  | <b>3,054</b>  | <b>1,665</b>  | <b>44.74%</b> | <b>83.42%</b> |
| Tax                              | (447)         | (786)         | (417)         | 75.84%        | 88.49%        |
| <b>Net Profit</b>                | <b>1,663</b>  | <b>2,268</b>  | <b>1,248</b>  | <b>36.38%</b> | <b>81.73%</b> |
| <i>Net Profit Margin %</i>       | <i>9.12%</i>  | <i>10.57%</i> | <i>6.31%</i>  | <i>15.91%</i> | <i>67.55%</i> |

# Ultratech Cement Ltd.



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.

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Exhibit : 10

## PEER STOCK PERFORMANCE INDEXED (1 YEAR)



Exhibit : 11

## PEER FINANCIAL PERFORMANCE

| Peers                    | Market Cap.    | EV / Revenue | EV / EBITDA   | P/E           |
|--------------------------|----------------|--------------|---------------|---------------|
| <b>Ultratech Cements</b> | <b>344,920</b> | <b>4.83x</b> | <b>27.58x</b> | <b>56.06x</b> |
| 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        |

# Ultratech Cement Ltd.



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 |
| <b>Our Analysis</b>          | <b>BUY</b> | <b>13837</b> | <b>20.33%</b> | <b>Volume led growth</b>    |

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CAPITAL**