



TM

Indian Cement Sector

09 April 2025

Volume tailwinds building; Long-term outlook remains robust

The cement industry is showing signs of recovery after a sluggish H1 owing to adverse monsoons, delays in infrastructure fund allocations, and seasonality. Cement demand has begun picking pace in 3Q as cement prices inch up after months of lull, driven by pent-up demand. Overall, we expect volume growth for companies under our coverage to be in the range of 8-9%, supported by a rebound in both trade and non-trade segments. Rural demand has also seen gradual improvement, aided by better agricultural output and an increase in construction activity. Ultratech, Ambuja and ACC are likely to report double digit volume growth at 10.0%/12.7%/10.6% while others are likely to report a slower growth. We factor in volume/revenue/EBITDA/PAT growth of 9.0%/9.6%/12.6%/22.6% for 4QFY25.

EBITDA/tn for our coverage expected to cross Rs1000/tn threshold

On the cost front, we expect a marginal improvement in operational efficiency, driven by favorable raw material prices and better fuel cost management. Input costs for the cement industry have moderated, offering near-term margin relief. Prices of imported coal and petcoke declined sequentially in Mar'25, with international coal down ~5% and petcoke easing 1–3%, while diesel rates remained largely stable. This softening in fuel costs has supported operating margins even as companies pushed volumes. Opex/tn for companies under our coverage is expected to fall by Rs55/tn QoQ. Power and Fuel costs for companies under our coverage are expected to see an improvement in the range of Rs20-30/tn. EBITDA/tn for our coverage universe is expected to be Rs1,079/tn in 4QFY25 (vs Rs1,044/tn in 4QFY24) led by healthy volume growth and price recovery. Shree Cement, Adani twins, JK Cement and Ultratech are expected to report an EBITDA/tn of over Rs1,100/tn led by price discipline, established brand reputation and superior cost initiatives while Ramco, Dalmia Bharat and Sagar will likely underperform.

Pricing traction builds; South to hike prices following mineral tax

Cement pricing exhibited regional divergence in March. While all-India average prices remained broadly stable MoM, Q4FY25 saw a QoQ improvement of ~2%, aided by hikes in select pockets. However, all India prices stood at Rs370/bag. The East registered a 2% MoM increase supported by firm demand and easing competition. The North witnessed a modest correction of Rs5/bag MoM in March, though prices remained up 4.9% QoQ. The South lagged, with realizations down 1.4% MoM while Central and West regions were relatively steady. Cost pressures are emerging in the South, with Tamil Nadu introducing a Rs160/tn mineral levy on limestone from April. However, a series of price hike of Rs15/bag has been absorbed in Southern regions with more expected to follow. NSR/tn for companies under our coverage improved marginally growing 1.2% QoQ and 0.5% YoY.

Outlook: Poised for a demand-led resurgence

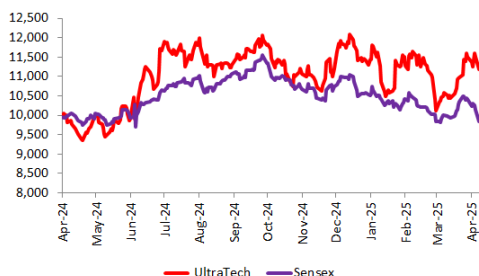
Cement demand in India is expected to witness a robust uptrend, supported by a strong macroeconomic backdrop and sustained government focus on infrastructure. Sector leader Ultratech Cement projects demand to exceed 640 MTPA by FY30, implying a CAGR of 7–8% from FY24 levels of ~430 MTPA. In the near term, FY25 demand growth is estimated at ~7–8% YoY, led by a revival in housing and infrastructure segments. The government has maintained its capex which is expected

4QFY25 RESULT PREVIEW

Industry

Cement

Relative performance: UltraTech v/s Sensex



Source: BSE, Systematix Institutional Research

Sector recommendations

Ticker	Mkt Cap (Rs bn)	TP (Rs)	Rating
Ultratech Cement	3,292	12,660	BUY
Shree Cement	1,073	27,185	HOLD
Ambuja Cement	1,294	654	BUY
ACC	362	2,701	BUY
Dalmia Bharat	335	1,853	HOLD
JK Cement	371	4,582	HOLD
Ramco Cement	218	1,000	HOLD
Sagar Cements	25	221	HOLD

Source: Systematix Institutional Research

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to catalyze construction activity and drive cement offtake. Additionally, early signs of revival are visible with April 2025 witnessing renewed demand momentum across East, North, and South India, supported by improved liquidity in the system and resumption of stalled projects. This demand resurgence is likely to provide strong volume tailwinds heading into H1FY26. Ultratech & Ambuja Cement remain our top picks within the coverage universe.

Exhibit 1: 4QFY25E Financial Summary

Company	4QFY25E			Change in Revenue		Change in EBITDA		Change in PAT	
	Revenue	EBITDA	PAT	YoY	QoQ	YoY	QoQ	YoY	QoQ
	(Rs bn)	(Rs bn)	(Rs bn)	%	%	%	%	%	%
UltraTech Cement	222.8	43.7	33.3	9.1	29.6	6.3	51.3	51.4	126.1
Shree Cements	50.7	12.6	7.3	(0.5)	19.8	(5.6)	32.6	11.2	220.5
Ambuja Cements	107.2	21.2	13.4	20.5	14.9	25.0	24.1	2.0	48.6
ACC	64.9	13.4	9.0	20.1	10.0	59.0	20.5	19.6	(17.6)
Dalmia Bharat	43.9	7.0	2.0	1.8	38.0	7.0	36.1	(36.3)	208.8
JK Cement	30.1	5.9	2.7	2.4	10.9	7.8	21.1	19.0	33.7
Ramco Cements	26.6	4.5	1.3	(0.4)	34.5	6.5	60.2	5.5	(3,540.2)
Sagar Cements	6.5	0.7	-0.3	(8.3)	15.5	(6.9)	73.4	(442.0)	(46.7)
Coverage Universe (Total)	551.7	107.5	67.8	-	-	-	-	-	-

Source: Company, Systematix Institutional Research

Exhibit 2: 4QFY25E Key Performance Indicators

Company	4QFY25E			Change in Volume		Change in Realization		Change in EBITDA/tn	
	Volume	Realization	EBITDA/tn	YoY	QoQ	YoY	QoQ	YoY	QoQ
	(mt)	(Rs/tn)	(Rs/tn)	%	%	%	%	%	%
UltraTech Cement	30.4	5,774	1,132	10.0	27.1	(0.8)	2.0	(3.4)	19.1
Shree Cements	8.7	4,925	1,219	8.4	18.4	(8.3)	1.2	(12.9)	12.0
Ambuja Cements	16.5	5,731	1,136	12.7	13.3	7.0	1.4	11.0	9.5
ACC	10.7	5,642	1,162	10.6	7.5	8.7	2.4	43.8	12.1
Dalmia Bharat	6.7	4,770	756	4.5	37.3	(2.6)	0.5	2.4	(0.9)
JK Cement	4.7	5,837	1,149	1.2	9.6	1.3	1.2	6.6	10.6
Ramco Cements	4.3	4,575	770	5.6	35.1	(5.8)	(0.4)	0.9	18.5
Sagar Cements	1.4	4,121	413	(1.3)	14.5	(7.1)	0.8	(5.7)	51.5
Coverage Universe (Total)	100.9								
Coverage Universe (Average)		5,467	1,066	9.0	21.1	0.3	1.1	2.0	11.4

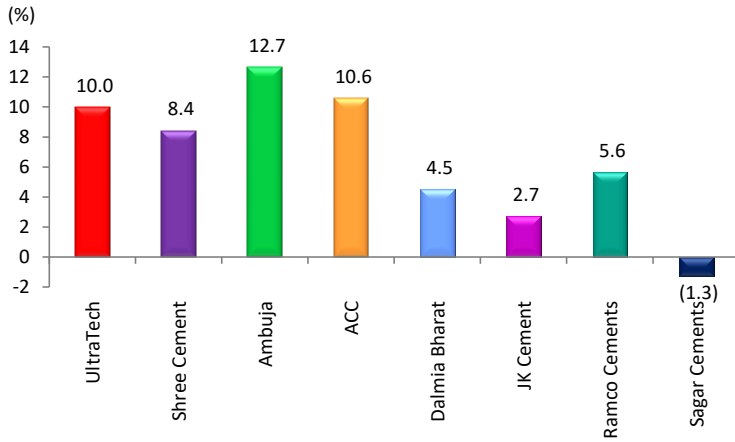
Source: Company, Systematix Institutional Research

Exhibit 3: 4QFY25E result estimates and key highlights

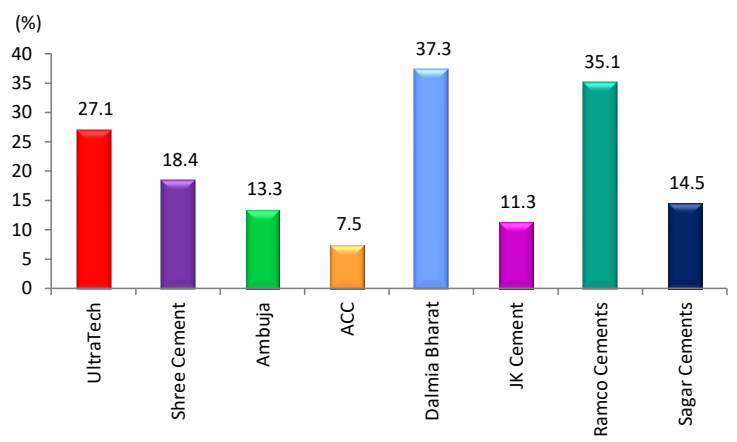
Ultratech (Consolidated)	Q4FY25E	Q4FY24	Q3FY25	YoY (%)	QoQ (%)
Volumes (mt)	38.6	35.1	30.4	10.0	27.1
Net Sales (Rs bn)	222.8	204.2	171.9	9.1	29.6
EBITDA (Rs bn)	43.7	41.1	28.9	6.3	51.3
EBITDA Margin (%)	19.6%	20.1%	16.8%	-52.0	281.6
Adj. PAT (Rs bn)	33.3	22.0	14.7	51.4	126.1
EPS (Rs/share)	115.3	76.2	51.0	51.4	126.1

Shree Cement (Standalone)	Q4FY25E	Q4FY24	Q3FY25	YoY (%)	QoQ (%)
Volumes (mt)	10.3	9.5	8.7	8.4	18.4
Net Sales (Rs bn)	50.7	51.0	42.4	-0.5	19.8
EBITDA (Rs bn)	12.6	13.3	9.5	-5.6	32.6
EBITDA Margin (%)	24.8%	26.1%	22.4%	-131.7	240.0
Adj. PAT (Rs bn)	7.3	6.6	2.3	11.2	220.5
EPS (Rs/share)	203.4	182.9	63.5	11.2	220.5
Ambuja Cement (Standalone)	Q4FY25E	Q4FY24	Q3FY25	YoY (%)	QoQ (%)
Volumes (mt)	18.7	16.6	16.5	12.7	13.3
Net Sales (Rs bn)	107.2	88.9	93.3	20.5	14.9
EBITDA (Rs bn)	21.2	17.0	17.1	25.0	24.1
EBITDA Margin (%)	19.8%	19.1%	18.4%	72.0	146.8
Adj. PAT (Rs bn)	13.4	13.1	9.0	2.0	48.6
EPS (Rs/share)	50.9	6.0	34.3	751.6	48.6
ACC (Standalone)	Q4FY25E	Q4FY24	Q3FY25	YoY (%)	QoQ (%)
Volumes (mt)	11.5	10.4	10.7	10.6	7.5
Net Sales (Rs bn)	64.9	54.0	59.0	20.1	10.0
EBITDA (Rs bn)	13.4	8.4	11.1	59.0	20.5
EBITDA Margin (%)	20.6%	15.6%	18.8%	503.6	178.2
Adj. PAT (Rs bn)	9.0	7.5	10.9	19.6	-17.6
EPS (Rs/share)	47.8	39.9	58.0	19.6	-17.6
Dalmia Bharat (Consolidated)	Q4FY25E	Q4FY24	Q3FY25	YoY (%)	QoQ (%)
Volumes (mt)	9.2	8.8	6.7	4.5	37.3
Net Sales (Rs bn)	43.9	43.1	31.8	1.8	38.0
EBITDA (Rs bn)	7.0	6.5	5.1	7.0	36.1
EBITDA Margin (%)	15.9%	15.1%	16.1%	77.3	-21.5
Adj. PAT (Rs bn)	2.0	3.2	0.7	-36.3	208.8
EPS (Rs/share)	10.9	17.1	3.5	-36.3	208.8
JK Cement (Standalone)	Q4FY25E	Q4FY24	Q3FY25	YoY (%)	QoQ (%)
Volumes (mt)	5.2	5.1	4.7	1.2	9.6
Net Sales (Rs bn)	30.1	29.4	27.2	2.4	10.9
EBITDA (Rs bn)	5.9	5.5	4.9	7.8	21.1
EBITDA Margin (%)	19.7%	18.7%	18.0%	98.2	165.9
Adj. PAT (Rs bn)	2.7	2.3	2.0	19.0	33.7
EPS (Rs/share)	35.4	29.8	26.5	19.0	33.7
Ramco Cements (Standalone)	Q4FY25E	Q4FY24	Q3FY25	YoY (%)	QoQ (%)
Volumes (mt)	5.8	5.5	4.3	5.6	35.1
Net Sales (Rs bn)	26.6	26.7	19.8	-0.4	34.5
EBITDA (Rs bn)	4.5	4.2	2.8	6.5	60.2
EBITDA Margin (%)	16.8%	15.7%	14.1%	110.6	269.6
Adj. PAT (Rs bn)	1.3	1.2	0.0	5.5	-
EPS (Rs/share)	5.4	5.1	-0.2	5.5	-
Sagar Cements (Consolidated)	Q4FY25E	Q4FY24	Q3FY25	YoY (%)	QoQ (%)
Volumes (mt)	1.6	1.6	1.4	-1.3	14.5
Net Sales (Rs bn)	6.5	7.1	5.6	-8.3	15.5
EBITDA (Rs bn)	0.7	0.7	0.4	-6.9	73.4
EBITDA Margin (%)	10.0%	9.9%	6.7%	15.5	334.6
Adj. PAT (Rs bn)	-0.3	0.1	-0.6	-	-46.7
EPS (Rs/share)	-2.6	0.8	-4.9	-	-46.7

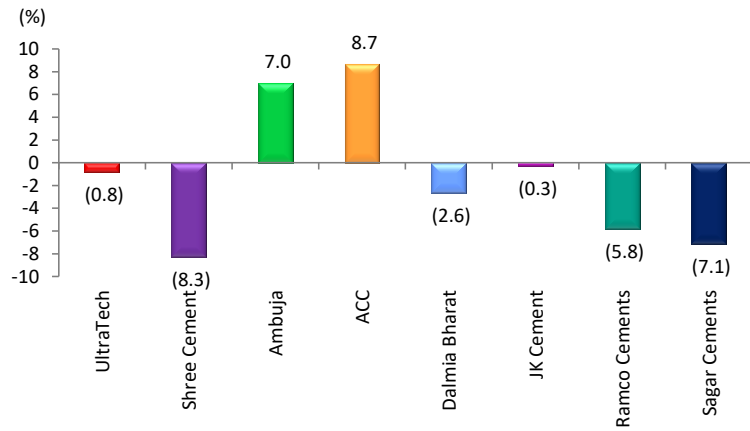
Source: Company, Systematix Institutional Research

Exhibit 4: ~1.7% YoY avg. volume growth for our cement coverage

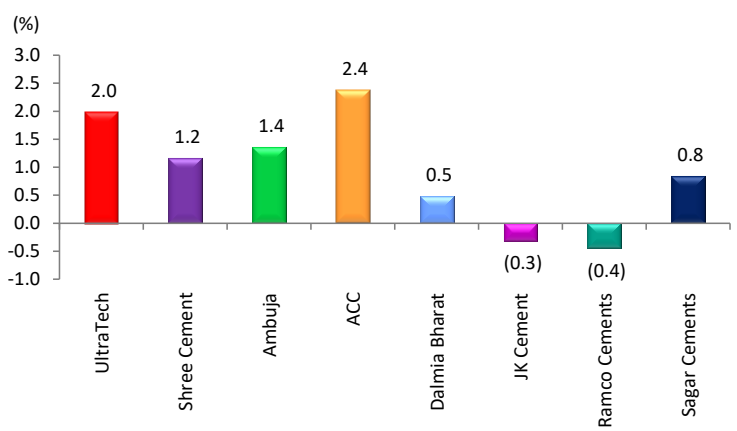
Source: Company, Systematix Institutional Research

Exhibit 5: Avg. volume degrowth of ~13.6% QoQ

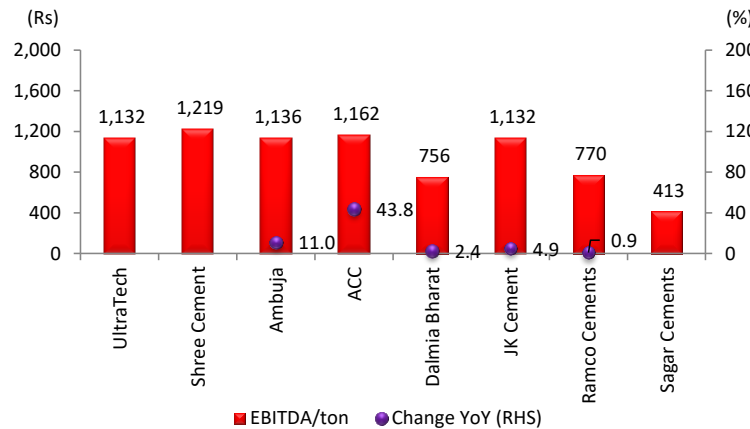
Source: Company, Systematix Institutional Research

Exhibit 6: Coverage NSR to decline 8.2% YoY amid price pressures

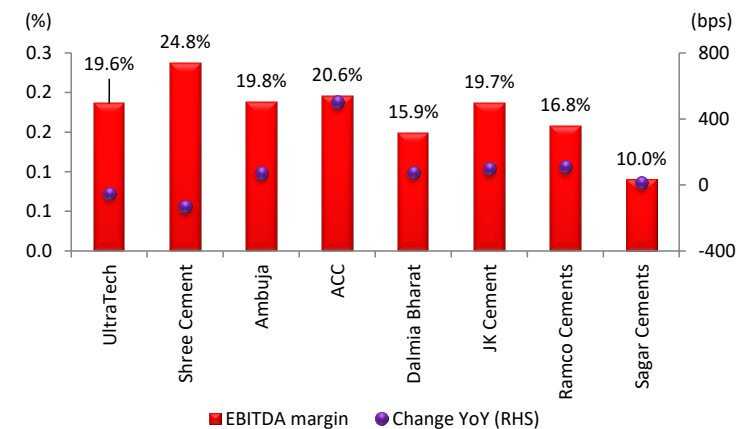
Source: Company, Systematix Institutional Research

Exhibit 7: Coverage NSR expected to decline 2.0% QoQ

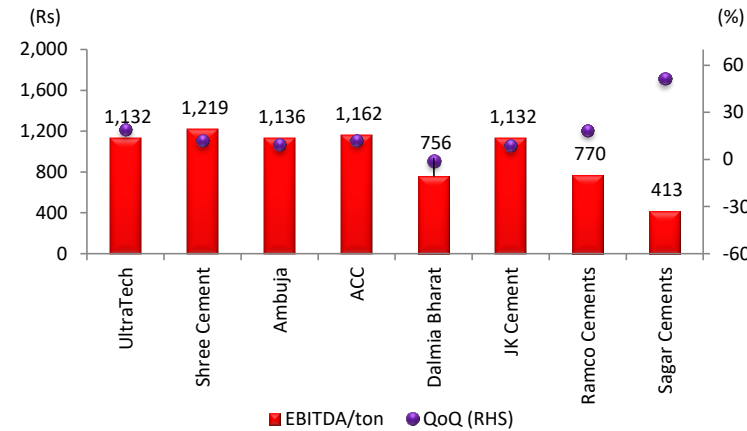
Source: Company, Systematix Institutional Research

Exhibit 8: Avg. EBITDA/tn estimated at Rs 720 in 2QFY25E

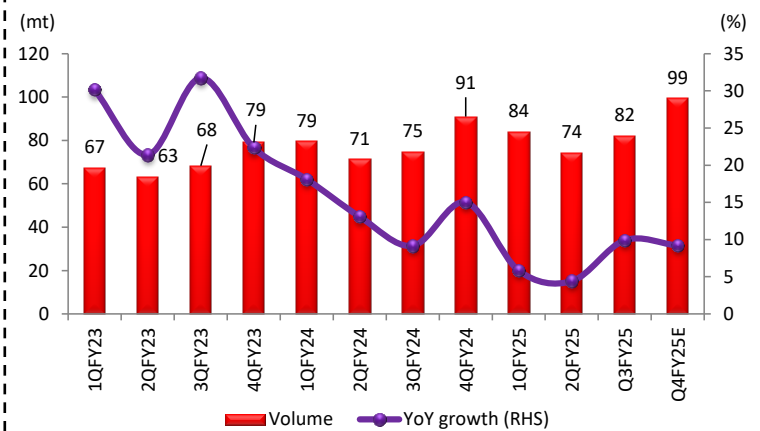
Source: Company, Systematix Institutional Research

Exhibit 9: Avg EBITDA margin at 14.0% in 2QFY25E

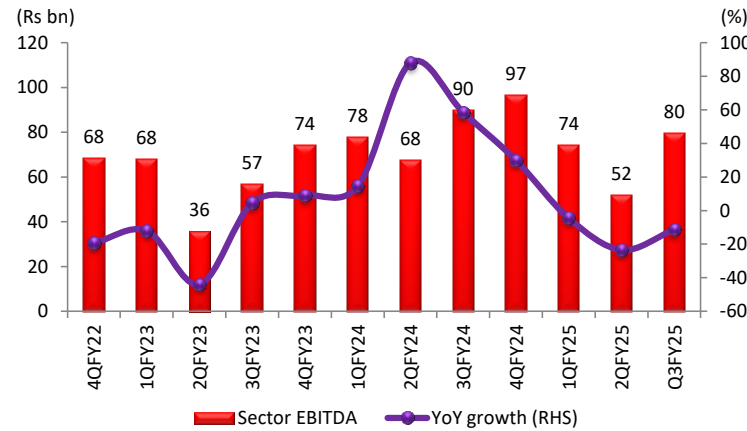
Source: Company, Systematix Institutional Research

Exhibit 10: EBITDA/tn to decline 22.7% YoY and 16.6% QoQ

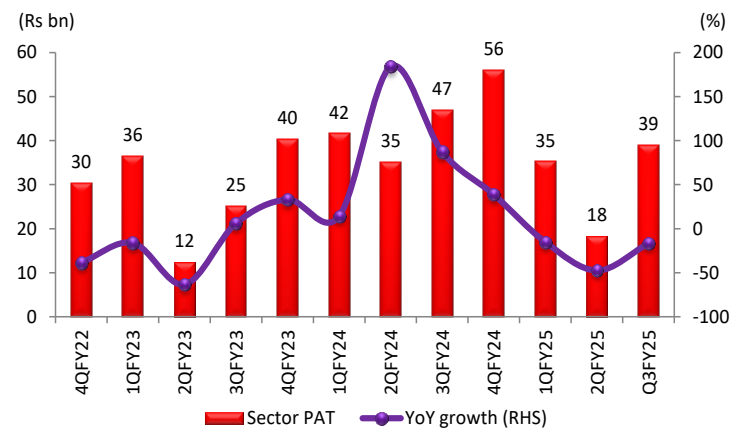
Source: Company, Systematix Institutional Research

Exhibit 11: Volume to degrow led by sluggish demand

Source: Company, Systematix Institutional Research

Exhibit 12: EBITDA to fall majorly led by lower realisations

Source: Company, Systematix Institutional Research

Exhibit 13: Coverage PAT to fall 46.1% YoY

Source: Company, Systematix Institutional Research

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