

Axis Annual Analysis 2025



UltraTech Cement Ltd



Strategically Positioned to Leverage Demand Momentum; Maintain BUY

Summary

In FY25, UltraTech Cement recorded a net revenue of Rs 75,955 Cr and expanded its cement production capacity by 41.6 MTPA to 188.4 MTPA, including 16.4 mtpa through organic and 25.2 mtpa through inorganic expansion. In FY26, as of Jun'25, UltraTech added 3.5 MTPA capacity across several locations.

The company reported an EBITDA of Rs 12,557 Cr in FY25, down 3% YoY. Lower operating profits were attributed to lower realisation during the year. Operating costs were down 1%, and volume growth stood at 10% at 135 MTPA (both Grey and White).

The company continued to focus on ensuring demand sustainability and made significant strides in decarbonization, energy transition, water management, biodiversity, and energy management. UltraTech achieved an installed renewable energy (RE) capacity of 1.02 GW in FY 2024-25, becoming one of the first industrial companies in India to cross this milestone. It aims to increase the total green energy share to 85% by 2030.

Key Highlights

- **Capacity Expansion Work on Track:** The capacity expansion program is currently underway at various locations across India, which will add another 29 MTPA by FY26-28.
- **Decline in EBITDA/Tonne:** During the year, EBITDA per tonne declined by 12% to Rs 957 per tonne, on the back of subdued demand and lower realisation.
- **Acquisition of India Cement:** During the year, the company acquired India Cement Ltd, which subsequently became its subsidiary. After the completion of the open offer, UTCL now holds 81.49% of ICL's equity share capital.

Key competitive strengths: a) Industry-leading brand; b) Extensive distribution network; c) Integrated operations; d) Experienced and reputed management.

Strategies implemented during FY24: a) Capacity expansion in line with growing demand; b) Maintained strong market position; c) Ensured cost competitiveness; d) Maintained profitable growth; e) Increased share of premium products.

Growth drivers: a) Housing; b) Infrastructure; c) Industrial & Commercial.

Key focus areas for the company in FY25 include: a) Capacity expansion; b) Sustainability; c) Low capex & High ROCE; d) Innovation.

Outlook & Recommendation

Cement demand has reached ~435 Mn tonnes in FY25. Continued government focus on infrastructure development, affordable housing, and urbanisation is expected to bolster the demand further. Overall, the Indian cement industry is poised for significant growth in 2026, supported by strategic growth initiatives, government policies, and a focus on sustainability. The sector's ability to navigate challenges and capitalise on opportunities will be crucial for its continued success. The industry is undergoing consolidation, and UltraTech, being the largest player with an estimated market share of 24%-25%, is expected to be a major beneficiary of this consolidation. It will benefit from economies of scale, improved operating parameters, and supply chain efficiencies.

We expect the company to grow its volume/revenue/EBITDA/APAT at 12%/12%/18%/22% CAGR over FY24-FY27E, respectively. This growth will be driven by robust demand, upcoming new capacity, ramping up of recently commissioned capacity, the benefit of lower commodity prices, a higher blending ratio, and an increasing share of green energy. **We value the stock at 18.5x FY26E EV/EBITDA, arriving at a TP of Rs 13,840 per share, implying an upside potential of 13% from the CMP.**

Key Financials

(Rs Cr)	FY25	FY26E	FY27E
Net Sales	74,546	87,205	98,460
EBITDA	12,571	17,393	21,333
Net Profit	6,294	9,240	12,017
EPS (Rs)	214	313	408
PER (x)	59	40	31
P/BV (x)	5.0	4.6	4.1
EV/EBITDA (x)	31	22	18
ROE (%)	9%	11%	13%

Source: Axis Securities Research

(CMP as of 07th August, 2025)

CMP (Rs)	12,273
Upside/Downside (%)	13
High/Low (Rs)	12,714/10,048
Market cap (Cr)	3,62,136
Avg. daily vol. (6m) Shrs.	4,00,000
No. of shares (Cr)	29.5

Shareholding (%)

	Dec-24	Mar-25	June-25
Promoter	60.0	60.0	59.2
FII's	18.0	17.0	15.2
MFs / UTI	11.6	12.3	13.8
Banks / FI's	0.1	0.1	0.3
Others	10.3	10.6	11.6

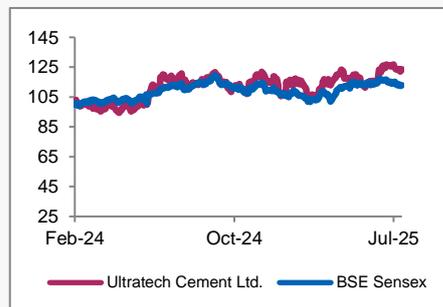
Financial & Valuations

Y/E Mar (Rs. Cr)	FY25	FY26E	FY27E
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EV/EBITDA (x)	31	22	18
ROE (%)	9%	11%	13%

Change in Estimates (%)

Y/E Mar	FY26E	FY27E
Sales	0	0
EBITDA	0	0
PAT	0	0

Relative Performance



Source: Ace Equity

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Company Overview

UltraTech Cement Limited is the cement flagship company of the Aditya Birla Group. It is a \$5.9 Bn building solutions company and the largest manufacturer of grey cement, ready-mix concrete (RMC), and white cement in India. Excluding China, it is the third-largest cement manufacturer in the world. UltraTech is unique in being the only cement company globally (outside China) with over 175 MTPA of cement production capacity in a single country.

The company's operations extend to the United Arab Emirates, Bahrain, Sri Lanka, and India. On a consolidated basis, UltraTech has a grey cement capacity of 188.8 MTPA. It boasts a network of over 1,45,000 retailers and dealers across India, with a market reach of more than 80% of the country. In the white cement segment, UltraTech markets its products under the brand name Birla White. It operates one white cement plant and three wall care putty units, with a combined capacity of 2.6 MTPA.

With 397 ready-mix concrete plants across 135 cities, UltraTech is the largest producer of concrete in India. The company also offers a range of speciality concretes to meet specific customer needs. Its Building Products business is a centre of innovation, providing a range of scientifically engineered products for modern construction.

FY25-Performance Round-up

- **Sales:** In FY24, the company recorded net revenue of Rs 75,955 Cr, marking a 7% YoY increase. Capacity utilisation stood at 78% for the year. Over the past 5 years, revenue has grown at a CAGR of 12%.
- **Operating Profits:** The company reported an EBITDA of Rs 12,557 Cr in FY25, which was 3% lower than the previous year's EBITDA. Lower operating profits were attributed to lower realisation during the year. Operating costs were down 1%, and volume growth was up 14% at 135 MTPA (both Grey and White). Over the past 5 years, EBITDA has grown at a CAGR of 6%.
- **Net Profit:** PAT declined by 15%, reaching Rs 6,039 Cr, mainly due to lower realisation during the year.
- **Blended Realisation:** During the year, blended realisation declined by 3% to Rs 5,790 due to higher competitive intensity, while cement realisation was down 5.5% YoY.
- **Cost/Tonne:** During the year, the company's cost per tonne decreased by 1% to Rs 4,833, primarily due to a 9% decline in power/fuel costs per tonne to Rs 1,404.
- **RMC Business:** The company's RMC revenue grew sharply by 18% to Rs 6,170 Cr as demand for Ready Mix Concrete saw a notable increase. As of 31st March, 2025, it operated 395 plants across more than 139 cities. It is the largest RMC player in India, offering 24 speciality concretes tailored to specific applications.
- **Dividend:** The directors have recommended a dividend of Rs 70 per share of Rs 10 each for the year ended 31st March, 2024, totalling Rs 2,062 Cr. The recommended dividend aligns with the company's dividend policy.
- **Borrowings:** During the year, the company's overall borrowings increased to Rs 19,460 Cr from Rs 8,087 Cr. Overall borrowing increased as the company chose to increase its capacity through organic and inorganic expansion.
- **Finance Cost:** Finance cost increased to Rs 1,465 Cr from Rs 867 Cr, primarily on account of an increase in borrowings, including those taken over from Kesoram. The interest rate was also marginally higher compared to the previous year.
- **Investment in Star Cement Ltd:** During the year, the company invested Rs 731 Cr for an 8.69% non-controlling minority stake in Star Cement Limited ("SCL"). The stake was purchased from one of the promoter group entities of SCL, which had approached the company to sell its equity holding.
- **Depreciation:** At Rs 3,739 Cr, depreciation was higher by Rs 712 Cr on account of capitalisation of new capacities and revaluation of the cement assets acquired from Kesoram Industries Limited ("Kesoram") during the year.

Revenue growth was driven by higher volume. EBITDA margin was lower owing to lower realisations. The PAT declined owing to higher depreciation and finance cost. The cost of cement production was lower during the year.

Cost Optimisation Measures

- **Power/Fuel Cost:** In FY25, power and fuel costs declined by 11% YoY to Rs 1,360 per tonne, attributed to softness in fuel prices. The company is working on increasing the use of green energy and alternative fuels in its kiln to reduce the per-tonne cost of power and fuel and minimise carbon footprints.
- **Freight/Forwarding Cost:** Freight and forwarding costs stood at Rs 1,294 per tonne in FY25, compared to Rs 1,334 in FY24. Logistics costs declined due to better route planning. During the year, the Rail, Road, and Sea mix was 69:29:2. Digital adoption at the grassroots level is aiding in qualitative real-time decision-making for logistics operations.
- **Raw Material Cost:** Input material costs increased by 1%, from Rs 617 per tonne in FY24 to Rs 624 per tonne in FY25. The company is continuously working to increase the proportion of blended and premium products in its product mix, which is expected to enhance overall profitability.
- **Other Expenses:** Other expenses increased by 13% to Rs 9,940 Cr during the year, driven by higher spending on branding and promotion, as well as the commissioning of new capacity.

During the year, overall cost of production declined by 1% primarily led by lower power/fuel costs. The company is working on many initiatives to further lower the costs.

Key Growth Drivers

Infrastructure Push by the Government

The Indian government is strategically prioritising infrastructure development to spur economic growth, allocating a substantial amount of Rs 11 Lc Cr in the Union Budget 2025-26 for housing, roads and industrial projects, which is set to significantly boost cement demand. Further bolstering this, the Ministry of Road Transport and Highways received Rs 2,87,333 Cr, an increase of 3%. Initiatives like the 'PM Gati Shakti- National Master Plan' and the Smart Cities Mission are expected to stimulate future cement consumption across India.

Housing Rebound

There is a renewed focus on low-cost housing, with plans to construct 3 Cr new houses over the next 5-7 years. This initiative aims to support affordable housing, particularly in rural areas. The real estate sector is projected to more than double, becoming a \$1 Tn+ industry by 2030. As the single largest consumer of cement, housing currently contributes ~65% to the country's overall cement demand. With continued growth expected, the sector will remain a major demand driver, playing a pivotal role in shaping the trajectory of the cement industry and India's broader infrastructure landscape.

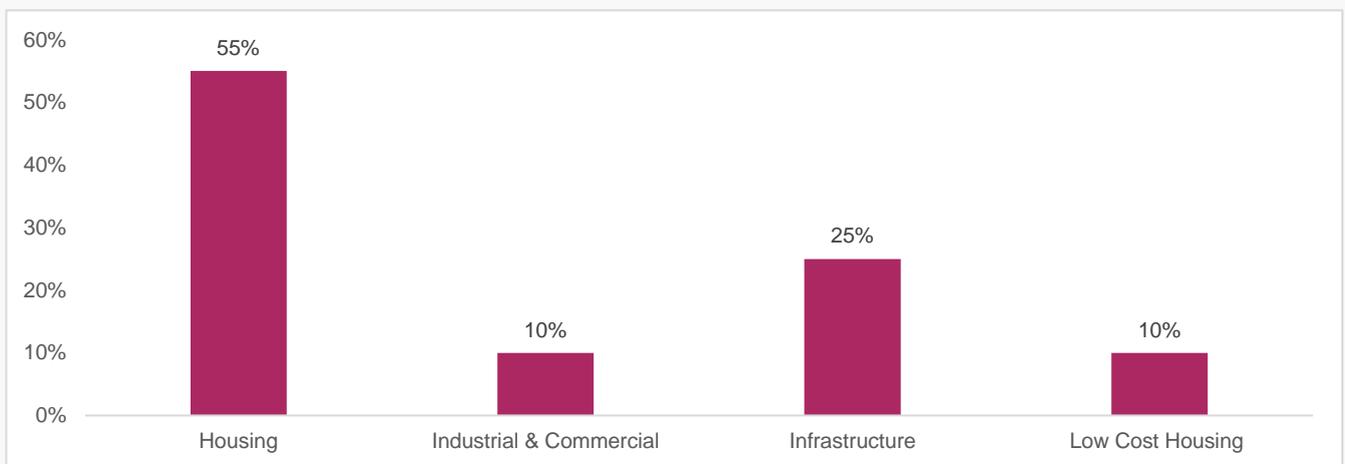
Increasing Urbanization

With India's rapid urbanisation, the urban population is set to rise from 36% to 40% by 2030, acting as a key catalyst for increased cement demand. This shift drives the need for expanded residential and commercial infrastructure. Further compounding this trend, a reduction in average household size from 5.3 in 2011 to 4.6 in 2019 translates into a higher number of housing units required. An estimated Rs 67 Tn market opportunity in affordable housing also reinforces the strong long-term outlook for cement consumption.

Growth in Commercial Real Estate

The expansion of the construction industry in India, especially in the commercial sector, has led to increased demand for cement. As the economy grows and urbanisation accelerates, the demand for commercial buildings such as offices, malls, hotels, and hospitals has surged. This trend is expected to keep cement demand at elevated levels.

Exhibit 1: Cement consumption trend segment-wise: Housing remains the largest cement consumer



Source: Company, Axis Securities Research

Key Operational Activities During the Year

Cement Capacity Expansion

In FY25, the company expanded its cement production capacity by 42.6 MTPA to 189.6 MTPA. In FY25, as of Jun'25, UltraTech added 3.5 MTPA of capacity across several locations. Of this total capacity, 17 MTPA was added through greenfield and brownfield expansions alone.

Increase in Renewable Energy Capacity

UltraTech significantly increased its renewable energy capacity by 64% and WHRS capacity by 26% from FY24. As of FY25, the company's renewable energy capacity stands at 1.02 GW and WHRS capacity at 351 MW, achieving a 28% electricity substitution by green power mix in FY25. It has achieved a 67.9 % clinker factor and a 5.7% thermal substitution rate.

Capacity Utilisation

Cement production in FY24 increased by 14% YoY to 127.44 Mn tonnes, with capacity utilisation at 78%. The total sales volume for grey cement stood at 129 MTPA.

Capex

The company spent Rs 9,130 Cr on various capital expenditures during the year. This expenditure was primarily for growth and maintenance capex, as well as Waste Heat Recovery Systems and the acquisition of India Cement.

The company increased its capacity by 42.6 mtpa during the year. It incurred over Rs 9,000 Cr on capex during the year on a capacity expansion program. It also achieved a major milestone in green energy capacity during the year.

Strategies Implemented During FY25

Capacity Expansion in Line with Growing Demand

During the year, the company added 42.6 MTPA of grinding units to align with its strategy of meeting growing demand. These capacity expansion projects have enhanced its ability to serve customers across remote parts of the country, improving reach and efficiencies at scale. UltraTech exited FY24 with a consolidated grey cement production capacity of 189.5MTPA.

Maintained Strong Market Position

The company maintained its leadership position in the cement industry, selling 135 MTPA of cement during the year, the highest since its inception, and gaining market share across key markets. Its market share in the Indian cement industry stood at 25%.

Profitable Growth

In line with its strategy of profitable growth, the company achieved a net profit of Rs 6,039 Cr. With its capacity expansion program and improved cement demand, UltraTech is expected to grow its profitability better than the industry average.

Increased Share of Premium Products

Premium products now account for 31% of trade sales, up 29% YoY. The company is continuously working to increase its share of blended and premium products in its product mix, which is anticipated to enhance overall profitability.

In line with its strategy, the company focused on capacity expansion to strengthen its market position, with a focus on selling premium cement.

Key Focus Areas Moving Forward

Capacity Expansion & Leadership

The company is expanding its production capacity to reinforce its leadership position and address increasing demand. It plans to invest Rs 32,400 Cr over the next three years, aiming to increase grey cement capacity to 217 MTPA with the commissioning of new units. The ongoing expansion plan will raise total capacity to nearly 220 MTPA by FY27-28.

Customer Centricity

The company aims to enhance customer reach by establishing bulk terminals and grinding units. Lead distances have been reduced to 384 km from 400 km and are expected to decrease further with the completion of ongoing capacity expansion.

Cost Competitiveness

The company seeks to achieve the lowest cost of production in micro-markets. It has implemented advanced cost-saving measures that have led to lower production costs. Cost savings of Rs 86 per tonne were achieved through various initiatives.

Sustainability

The focus is on producing low-clinker products and increasing the use of alternative fuels. During the year, the company has achieved a 7.2% thermal substitution rate (TSR) through alternative fuels in kilns and a 2.4% reduction in the overall clinker factor.

Low Capex & High ROCE

The company prioritises investments that enhance returns on capital employed. It has launched several low-capex projects, resulting in improved ROCE and strong financial performance. Moreover, UltraTech achieved ROCE of 11%.

Higher capacity, larger customer focus, sustainability and better cost competitiveness to remain profitable and achieve sustainable growth.

Corporate Social Responsibility

During the year, the company spent Rs 165 Cr, against Rs 150 Cr spent last year, on Corporate Social Responsibility. To create a positive impact on the local communities where it operates, it has undertaken several initiatives. The total amount required to be spent during the year was Rs 161 Cr.

Business Outlook

Infrastructure and Planning

Cement demand has reached ~435 Mn tonnes. Continued government focus on infrastructure development, affordable housing, and urbanisation is expected to bolster the demand further. The Union Budget 2025–26, core to the vision of Viksit Bharat@2047, has allocated Rs 11.2 Tn for the infrastructure sector, providing further tailwind to demand for cement. The outlook for FY26 is therefore optimistic, with the cement industry expected to grow by around 8%..

Cement Industry Capacity Expansion:

The Indian cement industry, a good indicator of the national economic trajectory, achieved a decadal high in organic capacity addition during FY25, with nearly 30 Mn tonnes of new capacity bringing India's total installed capacity to 655 Mn tonnes as of 31st March, 2025. This is against an average of 25 to 30 Mn tonnes of annual capacity addition over the last decade. An additional 90 to 100 Mn tonnes are expected to be added over the next two years.

Cost Reductions

Cement companies are expected to benefit from structural cost reductions as they transition toward sustainable practices. Initiatives such as renewable energy adoption, waste heat recovery systems, and alternative fuel usage will lead to cost savings, enhancing margins over the next two to three years. Additionally, logistical efficiencies, bolstered by higher rail penetration and increasing Electric Vehicle ("EV") and Compressed Natural Gas ("CNG") usage, will further reduce costs.

Overall, the Indian cement industry is poised for significant growth in 2026, supported by strategic growth initiatives, government policies, and a focus on sustainability. The sector's ability to navigate challenges and capitalise on opportunities will be crucial for its continued success.

Govt's keen focus on infra development, housing, robust real estate demand and IHB demand to keep cement demand elevated in the medium to long-term perspective. Cement capacity is being added continuously to meet growing demand, and sustainable practices are being enforced to better cost control among industry players

Risks & Mitigation

The company's risk management process is designed to identify and mitigate risks that could significantly impact its business objectives while balancing risk management with opportunity maximisation. Its proactive approach to risk management helps maintain operational stability and supports continued growth despite external challenges.

Key Risks and Mitigation Strategies:

- **Economic Environment and Market Demand:** Economic slowdown and subdued infrastructural development could lead to reduced cement consumption.
- **Mitigation:** The company focuses on enhancing brand equity through innovative marketing, expanding the product portfolio, and adding value-added services. Engineering expertise and a commitment to quality serve as countermeasures against market fluctuations.

- **Inflation and Cost of Production:** The energy-intensive nature of the cement industry means that fluctuations in fuel prices and raw material costs can impact production costs.
- **Mitigation:** The company has implemented comprehensive procurement policies and just-in-time inventory systems. Strategic sourcing and adjustments to the input mix help mitigate risks related to raw material availability and cost fluctuations.

- **Climate and Sustainability:** Acute physical risks include long-term changes in climate patterns, such as floods, heatwaves, cyclones, and droughts, which may damage assets or disrupt the supply chain. Variations in temperature, precipitation patterns, and water stress can also impact operations.
- **Mitigation:** The company has disaster management plans, health and safety protocols, and communication strategies for extreme weather events. Rainwater harvesting systems and Zero Liquid Discharge (ZLD) plants are implemented at manufacturing sites to manage water resources effectively.

- **Information Technology:** Risks related to IT systems include data integrity issues and physical asset security. Risks can arise from system unavailability or data loss/manipulation.
- **Mitigation:** The company employs backup procedures, stores data at multiple locations, and upgrades systems regularly to meet security standards. Security policies are updated periodically, and users are educated on data protection practices to prevent breaches.

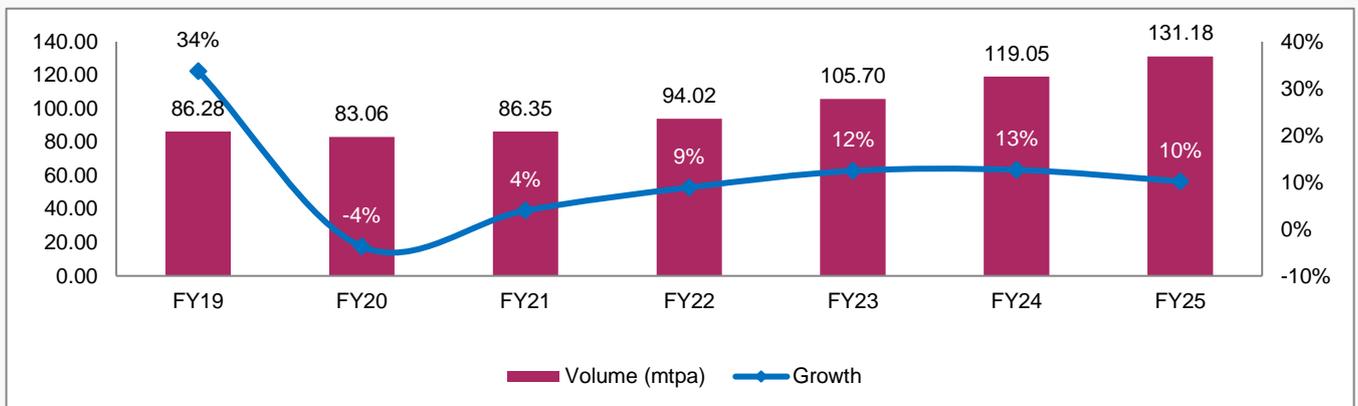
The company is exposed to many risks in its business operations, and has implemented comprehensive mitigation measures to deal with these risks.

Profitability Analysis (Rs Cr)

Particulars	FY24	FY25	Change (%)	Comments/Analysis
Sales	70,908	75,955	7%	The revenue growth was modest 7% on the back of lower realisation. The company is expected to grow its revenue at a CAGR of 12%, driven by stable realisation and higher volume during FY24-27E.
Raw Materials/others	46,066	49,582	8%	Costs increased due to higher volume during the year.
Gross Profits	24,841	26,372	6%	Gross profits were higher, led by increased volume and lower costs despite a decline in realisation during the year.
Operating Expenses	11,873	13,815	16%	Other operating expenses increased owing to higher sales volume, brand promotion, and a rise in staff costs YoY.
EBITDA	12,968	12,557	-3%	EBITDA decline was led by lower realisation during the year. We project the company to grow its EBITDA at a CAGR of 18% over FY24-FY27E.
Interest	968	1,650	71%	Interest costs saw an increase as the company borrowed more for expansion and inorganic acquisitions.
PAT	7,005	6,040	-15%	Profits declined, led by lower realisation, higher depreciation and finance charge. We expect the company to grow its PAT at a CAGR of 19% over FY24-FY27E
EPS	245	205	-15%	EPS is in line with profits.

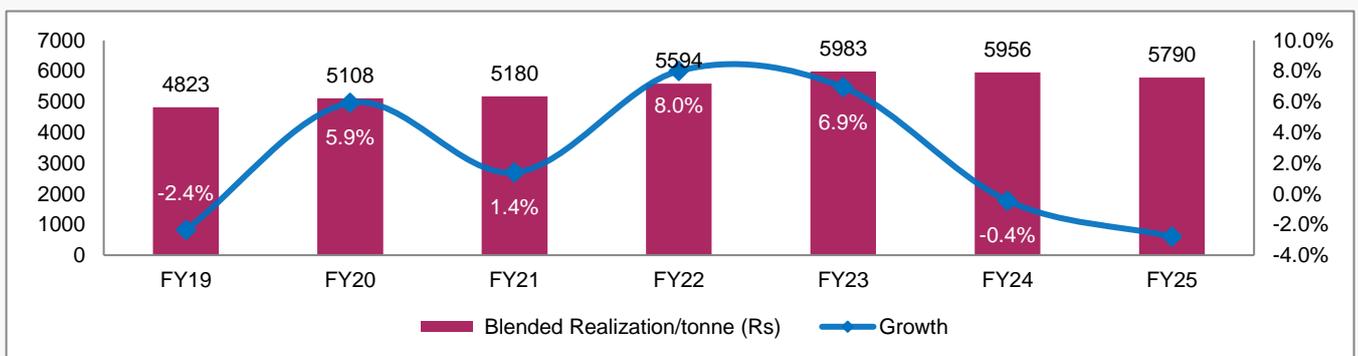
Source: Company; Axis Securities Research

Exhibit 2: Volume & Growth Trend

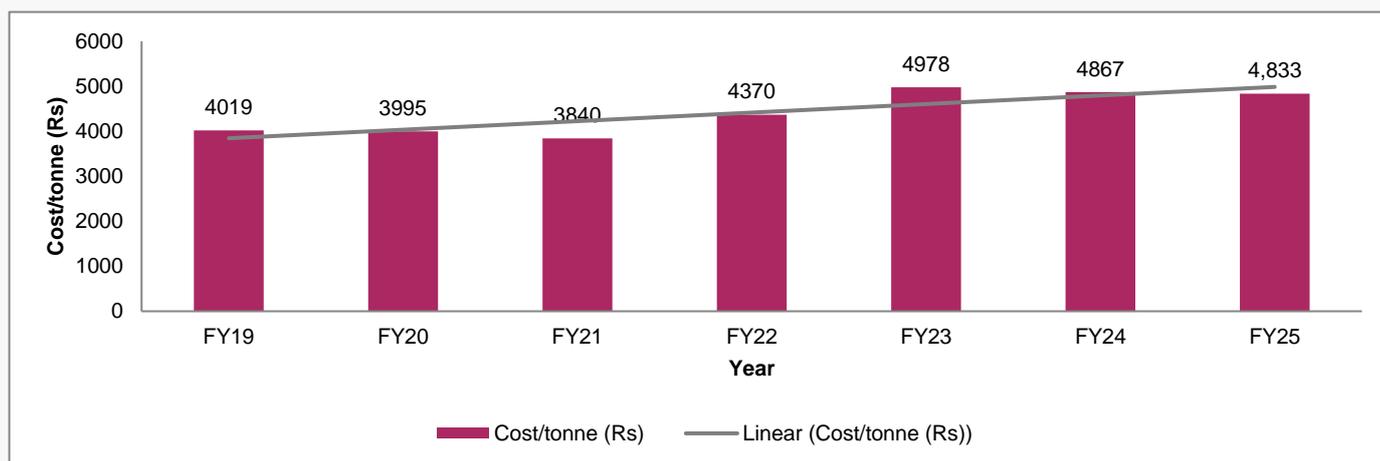


Source: Company, Axis Securities Research

Exhibit 3: Realisation/Tonne and Growth Trend



Source: Company, Axis Securities Research

Exhibit 4: Cost/tonne Trend


Source: Company, Axis Securities Research

Growth Indicators (Rs Cr)

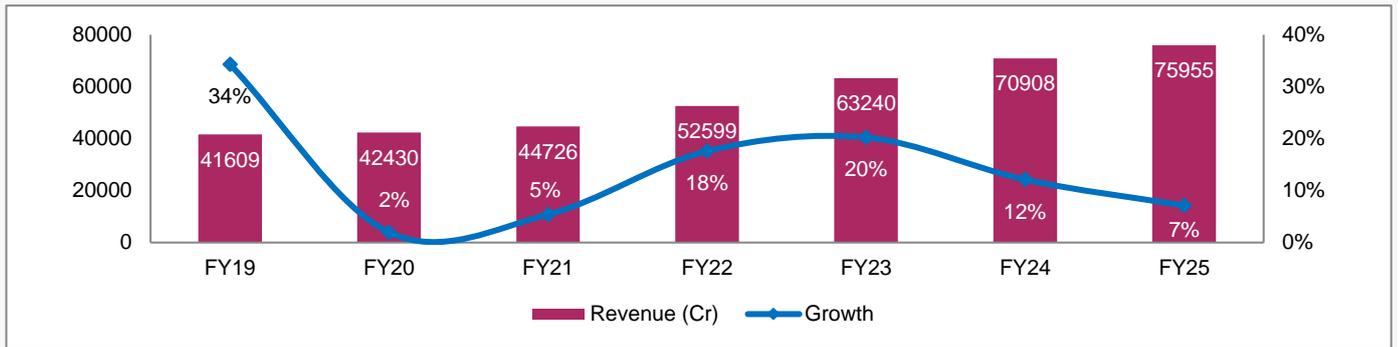
Particulars	FY24	FY25	Change	Comments/Analysis
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PAT	7,005	6,040	-15%	Profits declined, led by lower realisation, higher depreciation and finance charge. We expect the company to grow its PAT at a CAGR of 19% over FY24-FY27E.
EPS	245	205	-15%	EPS in line with PAT.
Volume	119	135	13%	Volume growth was led by new capacity expansion and ramp-up of already commissioned capacity. We anticipate the company to grow its volume at a CAGR of 12% over FY24-FY27E.

Source: Company; Axis Securities Research

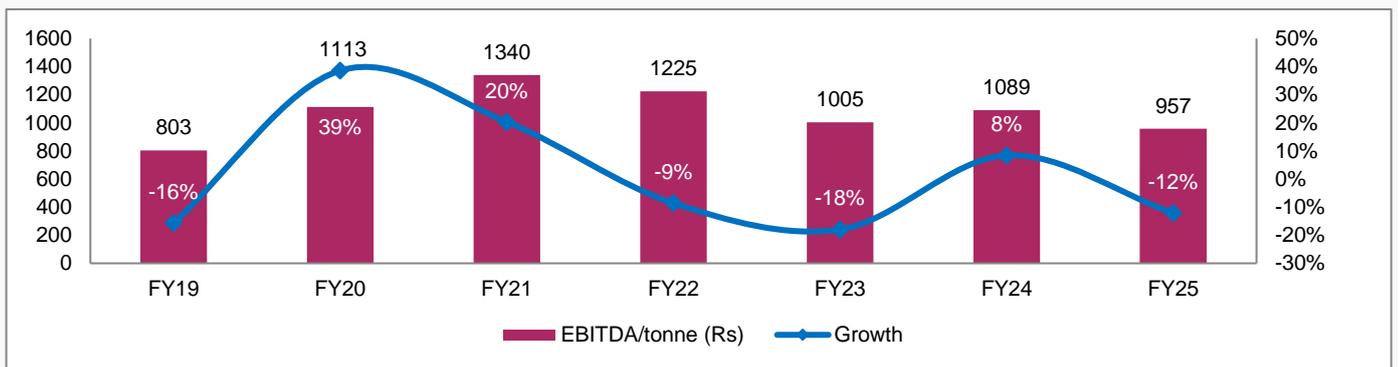
Profitability Margins

Particulars	FY24	FY25	Change	Comments/Analysis
GPM	35%	35%	0 bps	Margins were flattish owing to lower power/fuel prices during the year.
EBITDAM	18.3%	16.5%	180bps	The lower operating margin was attributable to lower realisation during the year. We expect EBITDA Margin to trend higher to 21-22% in FY27E.
PATM	10%	8%	-200 bps	Lower realisation, higher depreciation and the finance costs resulted in lower margin during the year.

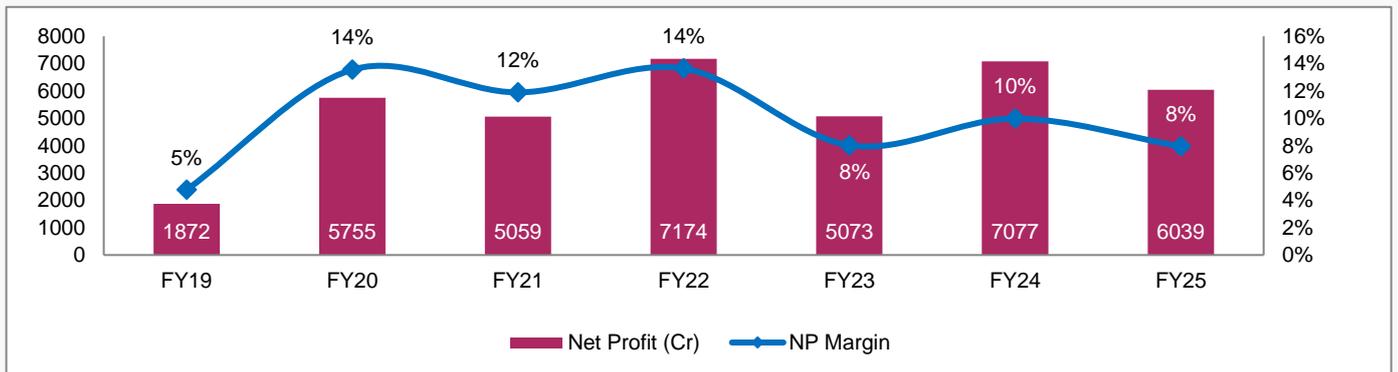
Source: Company; Axis Securities Research

Exhibit 5: Revenue and Revenue Growth Trend


Source: Company, Axis Securities Research

Exhibit 6: EBITDA/tonne Trend


Source: Company, Axis Securities Research

Exhibit 7: Net Profit and NPM Trend


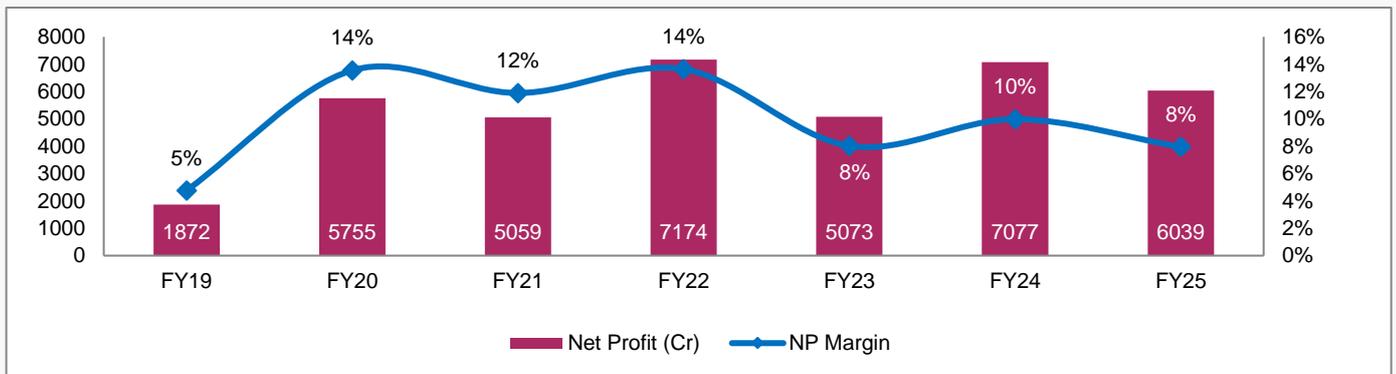
Source: Company, Axis Securities Research

Financial Ratios

Particulars	FY24	FY25	Change	Comments/Analysis
ROE	12%	8%	-400bps	ROE was lower owing to lower profits during the year.
ROCE	15%	11%	-400bps	ROCE was lower as the EBIT margin declined to 12% from 15% in FY25.
Asset Turn	1.1	0.8	-300bps	Lower due to additions of fixed assets during the year.
Net Debt/Equity	0.5	0.24	-	Increased owing to new debt taken to finance expansion and inorganic acquisition

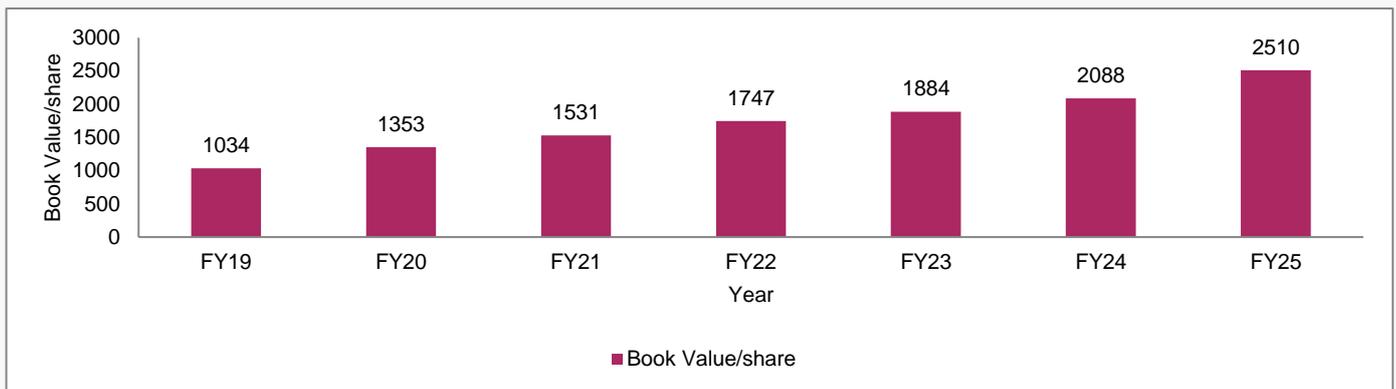
Source: Company; Axis Securities Research

Exhibit 8: EV/EBITDA, ROE & ROCE Trend



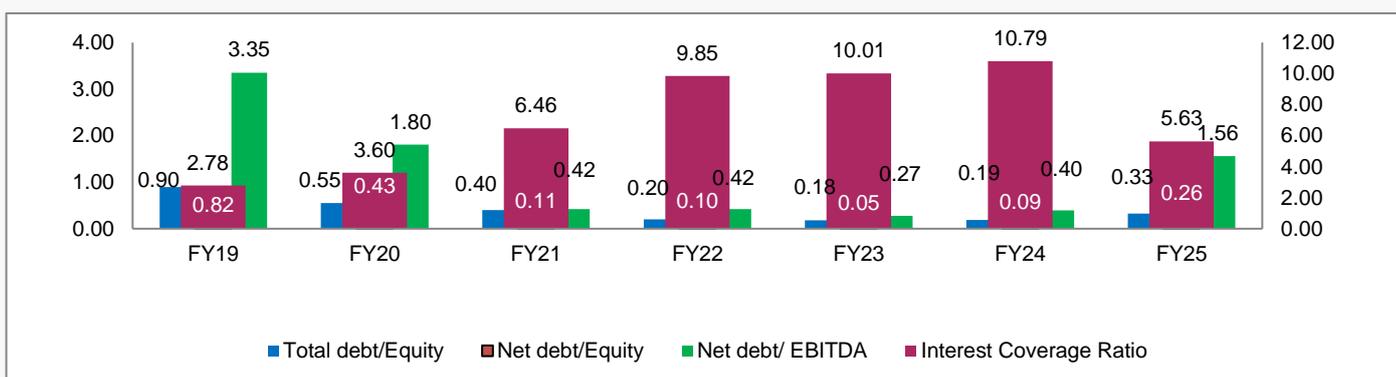
Source: Company, Axis Securities Research

Exhibit 9: Book Value (Rs)



Source: Company, Axis Securities Research

Exhibit 10: Leverage Ratio



Source: Company, Axis Securities Research

Key Balance Sheet Takeaways

Working Capital Management

During the year, the cash conversion cycle increased to 30 days in FY25 from 21 days in FY24. This was due to higher inventory days and debtor days. During the year, OCF to EBITDA was marginally higher at 85% compared to 84% in FY24.

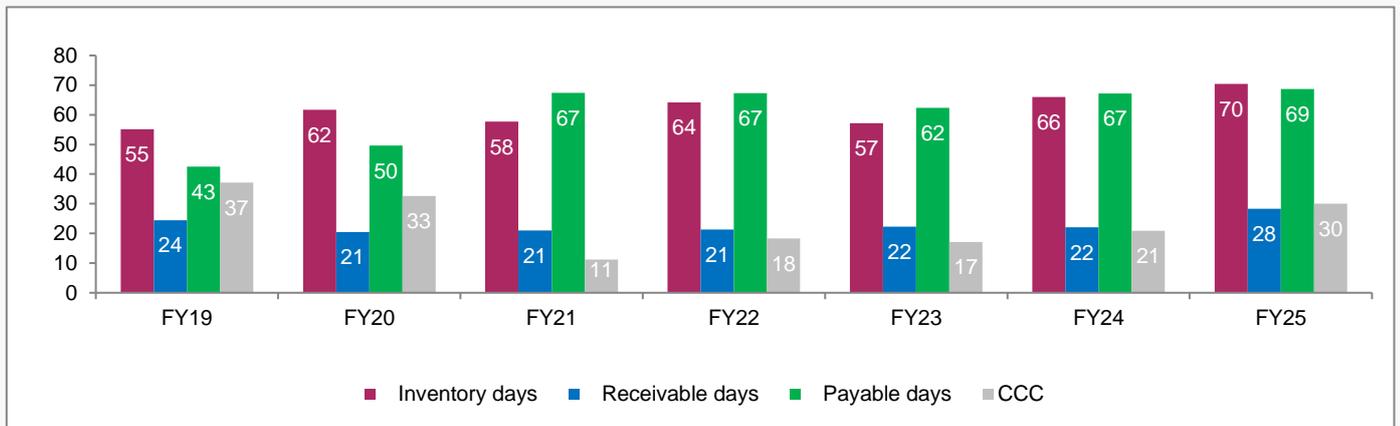
From FY20-FY25, the company generated a total OCF of Rs 61,398 Cr, with 55% of the total OCF (Rs 33,562 Cr) utilised towards the company's capex for the capacity expansion program. While the CFO remained the major source of funding for the company, it generated FCF of Rs 27,835 cr (45% of OCF) during FY20-FY25.

Cash Conversion Cycle

Particulars	FY24	FY25	Change	Comments/Analysis
Inventory Days	66	70	4	Increase in days owing to higher purchase of fuel during the year and production.
Trade Receivables Days	22	28	6	Increased owing to higher credit allowed during the year.
Trade Payables Days	67	69	2	Increase in days due to favourable terms with suppliers
Cash Conversion Cycle	21	30	9	Increased owing to overall business conditions during the year.

Source: Company; Axis Securities Research

Exhibit 11: Cash Conversion Cycle

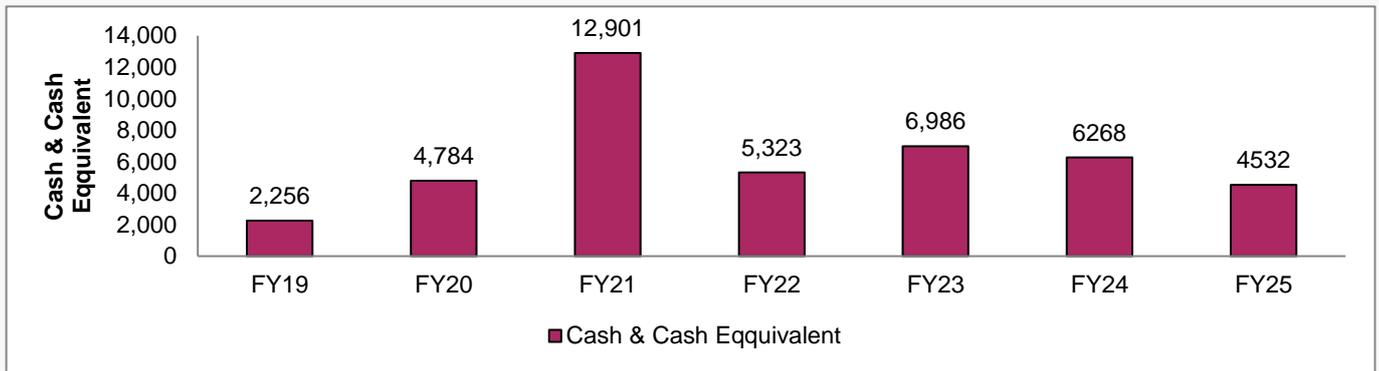


Source: Company, Axis Securities Research

Key Balance Sheet Takeaways (Contd...)

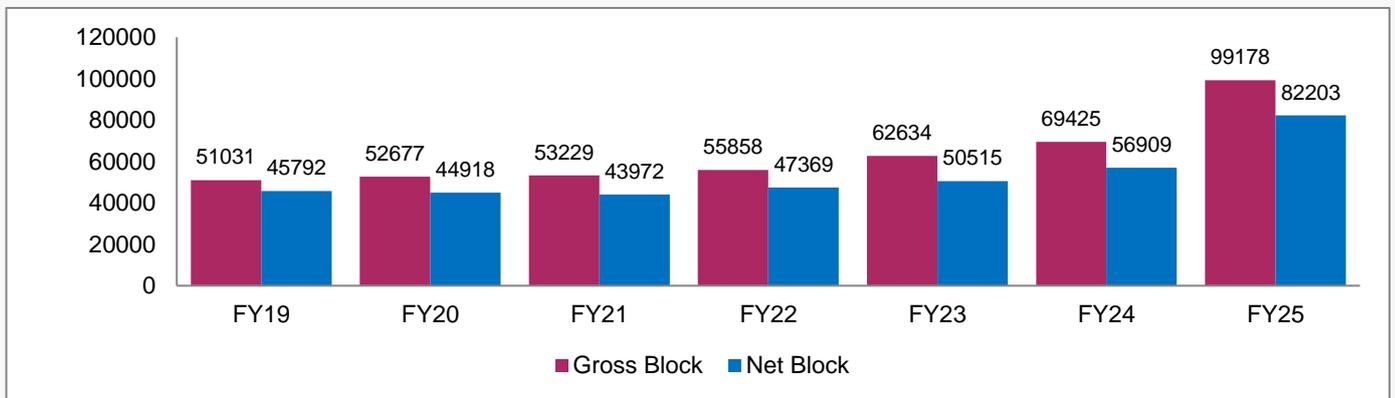
- **Debt Levels:** The company’s overall debt increased to Rs 19,460 Cr from Rs 8,088 Cr during the year.
- **Fixed capital formation:** Gross fixed capital formation improved from Rs 69,425 Cr in FY24 to Rs 99,178 Cr in FY25, an improvement of 43% as the company is expanding its current capacity to sustain growth and to gain more market share
- **Capex plans:** During the year, the company expanded its grinding capacity to 188.5 mtpa. The third phase of expansion is underway and expected to be completed by FY27-28, taking the total capacity to over 218 mtpa.
- **Cash and liquidity position:** The cash/cash equivalent stood at Rs 4,532 Cr as of 31st March, 2025, compared to Rs 6,268 Cr in FY24, down 28%, as the company spent more on capex during the year.

Exhibit 12: Cash & Cash Equivalent (Rs Cr)



Source: Company, Axis Securities Research

Exhibit 13: Gross & Net Block (Rs Cr)



Source: Company, Axis Securities Research

Contingent Liability Analysis

Particulars (Rs Cr)	FY24	FY25	Change	Comments/Analysis
Excise Duty and Service Tax Matters	1552	1217	-22%	Related to the valuation matter (Rule 8 vs. Rule 4), Denial of Cenvat credit on Input Service Distributor and others.
GST/ Sales-tax / VAT / Entry Tax Matters	1152	1423	23%	Related to stock transfer treated as interstate sales, Demand for the freight component and the levy of purchase tax on the exempted Supply, Demand of Entry Tax and others
Royalty on Limestone/ Marl / Shale	391	396	1%	Based on the fixed conversion factor on limestone, the royalty rate difference on Marl and the additional royalty on mines transfer
Land Related Matters	281	279	1%	Demand for Higher Compensation
Electricity Duty / Energy Development Cess	285	306	7%	Related to electricity duty, Minimum power consumption, Energy development cess and denial of the electricity duty exemption
Customs	301	320	6%	Related to the classification dispute
Stamp duty	347	348	%	Related to the stamp duty on name change
Others	440	463	5%	Related to Fly ash matters, claims raised by the vendor/supplier, Road Tax matters, Income Tax matters and other
Total	4749	4752		Any adverse decision may lead to financial implications.

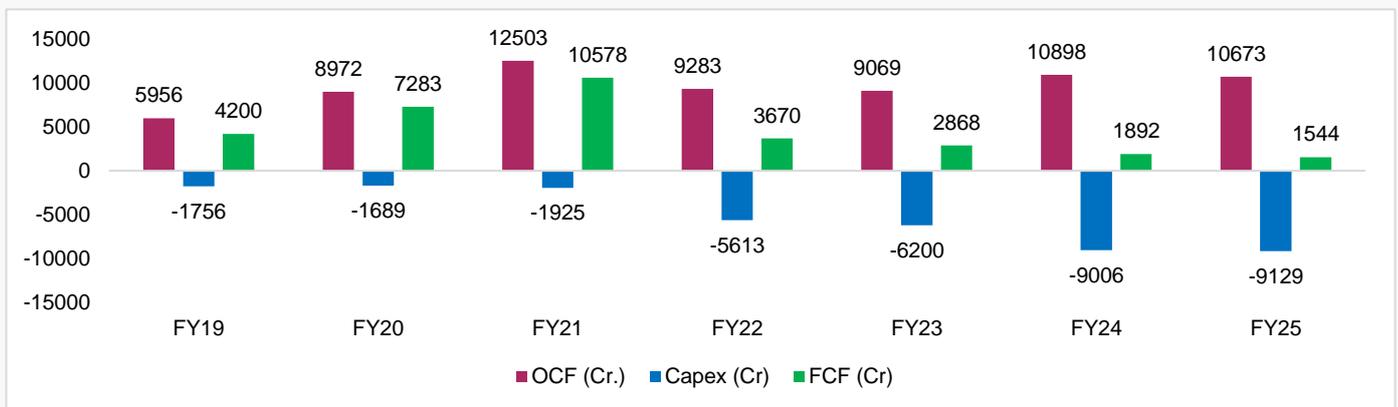
Source: the company, Axis Securities Research

Key Cash Flow Takeaways

Particulars (Rs Cr)	FY24	FY25	Change	Comments/Analysis
PBT	9,422	7,528	-20%	Profitability was lower owing to lower Cement prices, higher realisation and finance cost.
Non-cash expenses				
Depreciation	3,145	4015	28%	Increase in depreciation owing to capitalisation of new assets
Finance Cost	968	1,650	71%	Increased owing to an increase in overall debt during the year.
Others	-408	-548	-34%	
Working Capital Adjustments	-481	-671	39%	Increase in working capital due to an increase in inventories and debtors during the year.
CFO	10,898	10673	-2%	Cash from operations was lower owing to lower profits and higher working capital requirements during the year.
CFI	-8788	-16504	88%	Increased owing to capex during the year.
CFF	-1925	5076	NA	Increased due to increased borrowing during the year.
Capex	-8878	-8950	1%	Increased due to the capacity expansion plan
Free Cash Flow Generation	1892	1544	18%	Decreased owing to higher Capex during the year.

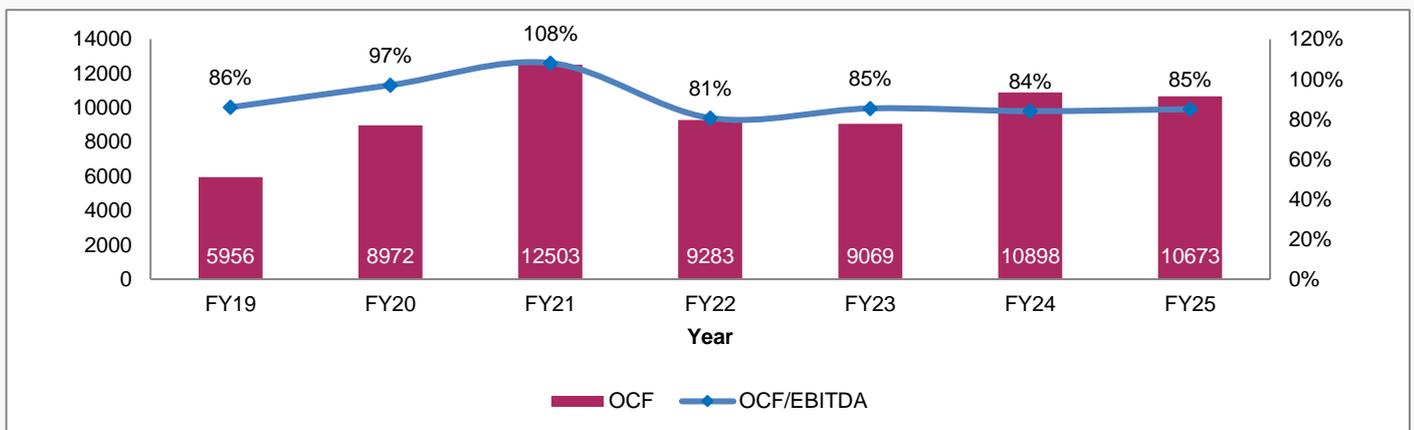
Source: Company; Axis Securities Research

Exhibit 14: OCF, Capex, FCF Trend (in Cr)



Source: Company, Axis Securities Research

Exhibit 15: OCF, EBITDA & Conversion ratio trend (Cr)



Source: Company, Axis Securities Research

Financials (Consolidated)

Profit & Loss

(Rs Cr)

Y/E Mar	FY24	FY25	FY26E	FY27E
Net sales	70908	75955	87205	98460
Other operating income	0	0	0	0
Total income	70908	75955	87205	98460
Raw Material	11903	13704	15725	17297
Power & Fuel	18283	18419	19723	21695
Freight & forwarding	15881	17460	18859	20745
Employee benefit expenses	3038	3605	4360	4797
Other Expenses	8836	10210	11145	12594
EBITDA	12968	12557	17393	21333
Other income	617	744	780	788
PBIDT	13585	13302	18174	22121
Depreciation	3145	4015	4497	5296
Interest & Fin Chg.	968	1651	1753	1583
E/o income / (Expense)	-72	97	38	38
Associates	22	-11	3	3
Pre-tax profit	9566	7528	11888	15206
Tax provision	2418	1488	2652	3193
Minority Interests	-1	1	4	4
PAT	7147	6040	9240	12017
OCI	0	0	0	0
APAT	7147	6040	9240	12017

Source: Company, Axis Securities Research

Balance Sheet

(Rs Cr)

Y/E Mar	FY24	FY25	FY26E	FY27E
Total assets	107148	133697	141807	149508
Net Block	69252	94610	99316	103374
CWIP	6783	6188	6188	6188
Investments	5485	2859	4359	8359
Wkg. cap. (excl cash)	11825	13780	15443	13816
Cash / Bank balance	783	1673	1794	2429
Misc. Assets	13021	14586	14707	15342
Capital employed	107148	133697	141807	149508
Equity capital	289	295	295	295
Reserves	59939	70412	77583	87531
Minority Interests	56	3187	3191	3195
Borrowings	11403	24102	24102	21102
Def Tax Liabilities	6448	9579	9579	9579
Other Liabilities and Provision	29013	26123	27057	27807

Source: Company, Axis Securities Research

Cash Flow

(Rs Cr)

Y/E Mar	FY24	FY25	FY26E	FY27E
Profit before tax	9422	7528	11888	15206
Depreciation	3145	4015	4497	5296
Interest Expenses	968	1651	1753	1583
Non-operating/ EO item	-506	-548	-780	-788
Change in W/C	-481	-671	-895	1741
Income Tax	1651	1301	2652	3193
Operating Cash Flow	10898	10673	13811	19845
Capital Expenditure	-9006	-9129	-9157	-9354
Investments	55	3059	-1500	-4000
Others	162	-9643	780	788
Investing Cash Flow	-8788	-15713	-9876	-12566
Borrowings	440	7341	0	-3000
Interest Expenses	-853	-1479	-1753	-1583
Dividend paid	-1094	-2012	-2061	-2061
Others	-417	1225	0	0
Financing Cash Flow	-1926	5076	-3814	-6643
Change in Cash	184	-755	121	635
Opening Cash	370	554	467	588
Closing Cash	554	467	588	1223

Source: Company, Axis Securities Research

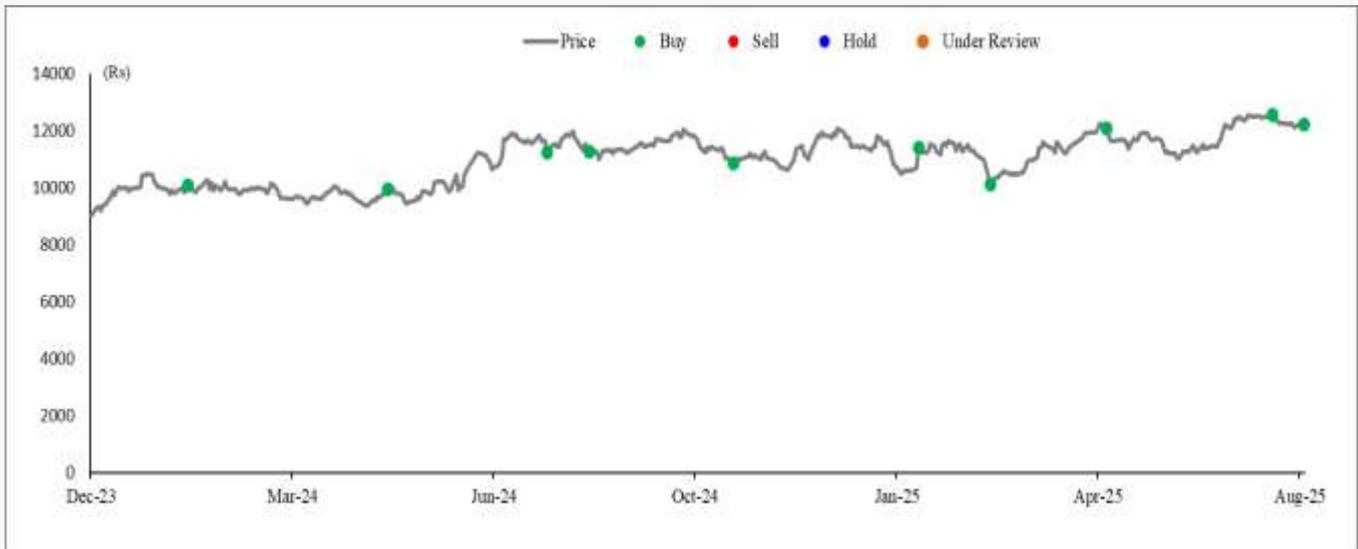
Ratio Analysis

(%)

Y/E Mar	FY24	FY25	FY26E	FY27E
Operational Ratios				
Gross profit margin	35%	35%	38%	39%
EBITDA margin	18%	17%	20%	22%
PAT margin	10%	8%	11%	12%
Depreciation / G. block	4.1%	4.0%	4.2%	4.5%
Growth Indicator				
Sales growth	12%	7%	15%	13%
Volume growth	13%	10%	14%	11%
EBITDA growth	22%	-3%	39%	23%
PAT growth	39%	-15%	53%	30%
Efficiency Ratios				
Sales/Gross block (x)	1.02	0.77	0.805	0.837
Sales/Net block(x)	1.02	0.86	0.845	0.916
Working capital/Sales (x)	-0.06	-0.12	-0.077	-0.045
Valuation Ratios				
PE (x)	51	61	40	31
P/BV (x)	6.0	5.0	4.6	4.1
EV/EBITDA (x)	28	31	22	18
EV/Sales (x)	5.2	5.1	4.5	3.9
MCap/ Sales (x)	5.1	4.9	4.2	3.8
EV/Tonne \$	286	231	218	199
Return Ratios				
ROE	12%	8%	11%	13%
ROCE	15%	11%	13%	15%
ROIC	16%	11%	14%	17%
Leverage Ratios				
Debt/equity (x)	0.2	0.3	0.3	0.2
Net debt/ Equity (x)	0.1	0.3	0.2	0.1
Net debt/EBITDA	0.4	1.6	1.0	0.5
Interest Coverage ratio (x)	11	6	8	11
Cash Flow Ratios				
OCF/Sales	15%	14%	16%	20%
OCF/EBITDA	84%	85%	79%	93%
FCF/Sales	3%	2%	5%	11%
FCF/EBITDA	15%	12%	27%	49%
OCF/Capital Employed	15%	12%	13%	18%
Payout ratio (Div/NP) (%)	29%	34%	22%	17%
AEPS (Rs.)	245	205	314	408
AEPS Growth (%)	40%	-16%	53%	30%
CEPS (Rs.)	354	342	466	588

Source: Company, Axis Securities Research

UltraTech Cement Price Chart and Recommendation History



Date	Reco	TP	Research
22-Jan-24	BUY	11,100	Result Update
30-Apr-24	BUY	11,100	Result Update
22-Jul-24	BUY	12,400	Result Update
12-Aug-24	BUY	12,450	AAA
22-Oct-24	BUY	12,000	Result Update
24-Jan-25	BUY	13,510	Result Update
03-Mar-25	BUY	13,510	Company Update
29-Apr-25	BUY	13,510	Result Update
22-Jul-25	BUY	13,840	Result Update
08-Aug-25	BUY	13,840	AAA

Source: Axis Securities Research

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