

Result Preview



Company

ACC
Ambuja Cements
Birla Corporation
Dalmia Bharat
Grasim Industries
India Cements
JK Cement
JK Lakshmi Cement
The Ramco Cements
Shree Cement
UltraTech Cement

Demand softens; cement prices remain muted

Estimate ~5% YoY volume growth for our coverage universe in 1QFY25

- We estimate our cement coverage universe to report a volume growth of ~5% YoY (three-year CAGR of ~14%) in 1QFY25. Further, we estimate an average capacity utilization of ~85% vs. ~88%/95% in 1QFY24/4QFY24.
- The cement price remained muted during the quarter, and the all-India average cement price was down ~4% YoY/1% QoQ in 1QFY25. Similarly, we estimate the blended realization for our coverage universe to contract ~4%/1% YoY/QoQ.
- We estimate the average EBITDA/t to decline ~1% YoY (down 11% QoQ) to INR895, as weak cement prices offset the benefit of lower variable costs. The aggregate EBITDA of our coverage universe is estimated to increase by a mere 3% YoY, while OPM is likely to improve marginally by 50bp YoY to 16.7%.
- GRASIM's revenue is estimated to increase 11% YoY. VSF volume is estimated to grow 13% YoY, while realization is estimated to contract 6% YoY (flat QoQ). Its chemical segment's volume is estimated to increase 11% YoY, while realization could decline 5% YoY. Further, EBITDA is likely to dip 15% YoY to INR5.7b and OPM will be at ~8%; down 2.5pp YoY. PAT is estimated to decline 71% YoY.

Volume growth moderates; muted prices lead to subdued performance

- Following a strong growth (in the range of ~8-19% YoY) over eight consecutive quarters (1QFY23-4QFY24), growth in cement volume is estimated to moderate to ~5% YoY in 1QFY25 amid general elections during the quarter. We estimate 7-9% YoY volume growth for DALBHARA, JKCE, SRCM, and TRCL, followed by 3-5% growth for ACC, ACEM, BCORP, and UTCEM, and ~2% growth for JKLC. However, ICEM's volume is estimated to decline ~15% YoY.
- Further, cement prices remained muted during the quarter due to softness in demand. Cement prices in the East and South regions were down ~4% YoY each, followed by ~3% YoY dip in the North, Central and West regions. We estimate the blended realization for our coverage universe to decline ~4%/1% YoY/QoQ.
- Avg. opex/t for our coverage universe is estimated to decline 5% YoY (up 1% QoQ), largely due to a reduction in variable/freight costs. We estimate the avg. variable cost/t to decline by INR192 YoY and freight cost/t to dip by INR50 YoY.
- We estimate JKLC and SRCM to report an EBITDA growth of 27% YoY (each), followed by 17%/15% YoY growth for BCORP/JKCE and ~6% YoY growth for UTCEM. Conversely, we expect EBITDA to decline ~5%/8% YoY for ACC/TRCL, ~13% for DALBHARA, and ~24% for ACEM. ICEM is estimated to report an EBITDA surge of 5.7x YoY on a low base.
- We estimate an EBITDA/t of INR1,239 for SRCM (the highest within our coverage universe), followed by INR1,030 for UTCEM, and INR949 for JKCE. EBITDA/t is estimated to be between INR712 and INR802 for ACC, ACEM, BCORP, JKLC and DALBHARA, and INR679 for TRCL. ICEM's EBITDA/t is estimated at INR127.

Sector outlook and recommendations

- We estimate the cement demand momentum to improve due to the govt's intensifying focus on affordable housing and infrastructure development (expanding rail, roads, and construction of airports), continuing strong demand from real estate, and likely pick-up in industrial capex. We believe the announcements under the forthcoming Budget will be the key monitorables.
- We estimate cement demand to register a CAGR of 7.5% over FY24-27, higher than our supply growth estimate of ~7.0% over the same period. Further, we estimate clinker utilization to improve to 81% by FY27 from 78% in FY24.
- We shift our valuation multiples for our coverage companies to Jun'26E from FY26E. We prefer UTCEM and GRASIM in the large-cap space while, JKCE and JKLC are our preferred picks in the mid-cap space.

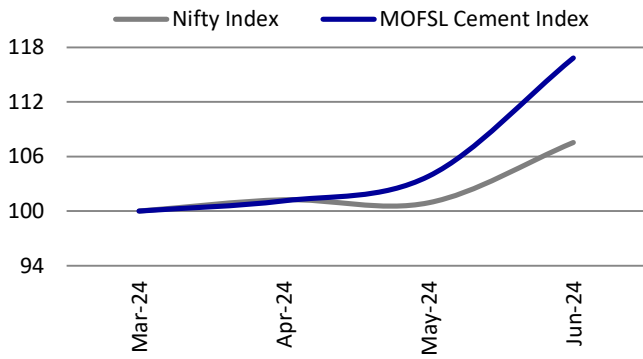
Exhibit 1: Summary of our 1QFY25 estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
ACC	2770	Neutral	51,154	-1.6	-5.2	7,296	-5.1	-12.8	4,167	-10.2	-15.2
Ambuja Cements	692	Neutral	46,567	-1.5	-2.6	7,225	-23.8	-9.4	4,773	-26.0	-12.3
Birla Corporation	1584	Buy	24,538	1.9	-7.6	3,474	16.6	-26.5	942	57.8	-50.0
Dalmia Bharat	1839	Buy	36,283	-0.1	-15.8	5,389	-12.7	-17.6	1,045	-19.6	-58.7
Grasim Industries	2743	Buy	69,043	10.7	2.0	5,731	-14.9	8.8	1,017	-71.4	-55.7
India Cements	284	Sell	11,521	-17.3	-7.5	288	474.2	-38.5	-543	Loss	Loss
J K Cements	4329	Buy	28,739	4.0	-7.5	4,687	14.9	-16.3	1,499	20.8	-29.9
JK Lakshmi Cem.	896	Buy	16,673	-3.6	-6.4	2,487	26.7	-26.1	1,000	27.5	-36.3
Ramco Cements	843	Neutral	22,193	-1.0	-17.0	3,133	-8.2	-24.9	345	-56.3	-71.6
Shree Cement	27672	Neutral	50,687	1.4	-0.6	11,833	26.9	-10.8	5,441	-6.4	-17.8
Ultratech Cement	11847	Buy	1,81,113	2.1	-11.3	32,474	6.5	-21.1	15,546	-7.9	-32.7
Cement			5,38,512	1.5	-7.5	84,018	2.0	-16.7	35,232	-14.7	-31.3

Exhibit 2: Comparative valuations

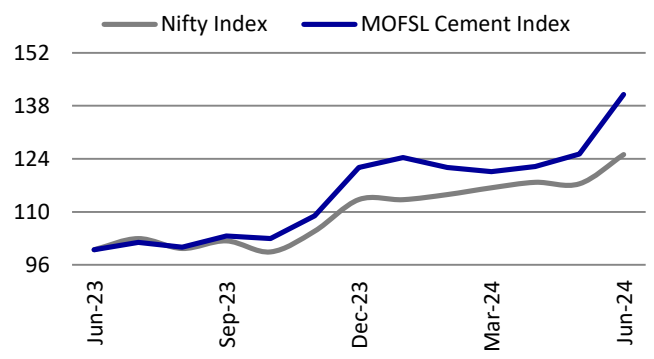
Company Name	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
	INR	Reco	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Cement						35.8	38.5	32.2	3.5	3.8	3.4	9.9	9.9	10.6
ACC	2,770	Neutral	99.3	123.8	135.7	25.1	22.4	20.4	2.9	2.9	2.5	12.4	13.6	13.2
Ambuja Cements	692	Neutral	10.7	10.7	13.5	57.2	64.5	51.1	3.6	3.6	3.4	11.8	9.3	9.6
Birla Corporation	1,584	Buy	54.0	66.8	87.2	26.4	23.7	18.2	1.6	1.7	1.6	6.6	7.5	9.1
Dalmia Bharat	1,839	Buy	41.1	52.7	67.3	47.2	34.9	27.3	2.2	2.0	1.9	4.8	5.9	7.2
Grasim Industries	2,743	Buy	95.6	97.2	108.9	23.9	28.2	25.2	2.9	3.3	3.2	4.3	1.7	2.5
India Cements	284	Sell	-7.6	-1.8	6.0	-28.1	-157.5	47.7	1.2	1.6	1.6	-4.3	-1.0	3.4
J K Cements	4,329	Buy	102.7	129.1	153.6	39.7	33.5	28.2	5.9	5.4	4.7	15.9	17.3	17.9
JK Lakshmi Cem.	896	Buy	39.6	41.9	47.0	22.0	21.4	19.1	3.2	2.9	2.6	15.6	14.5	14.4
Ramco Cements	843	Neutral	16.7	23.2	31.7	48.5	36.4	26.6	2.7	2.6	2.4	5.7	7.4	9.4
Shree Cement	27,672	Neutral	684.2	626.4	624.3	37.6	44.2	44.3	4.5	4.5	4.2	12.8	10.6	9.8
Ultratech Cement	11,847	Buy	244.5	279.6	347.2	39.9	42.4	34.1	4.7	5.1	4.3	12.3	12.7	13.8

Exhibit 3: Relative performance – three-months (%)



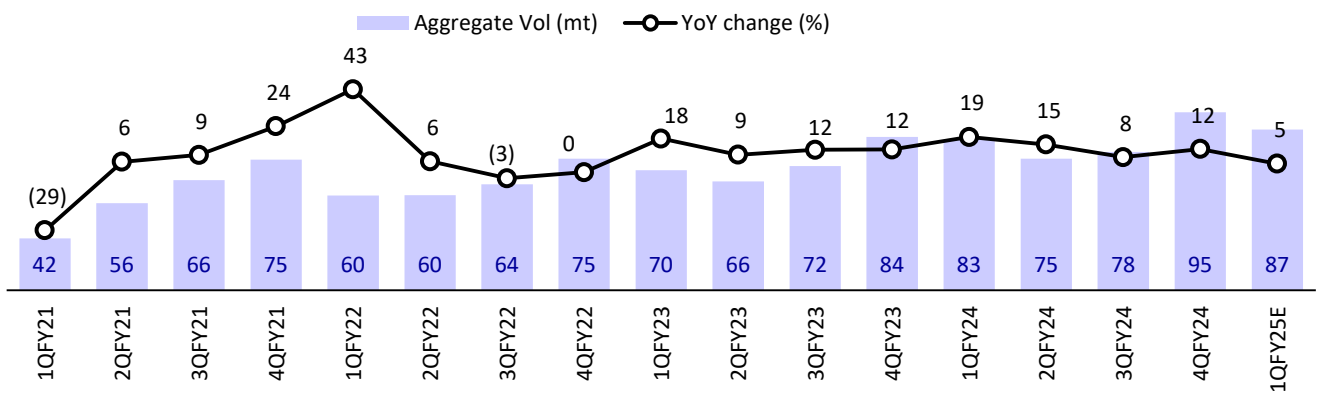
Source: Bloomberg, MOFSL

Exhibit 4: Relative performance – one-year (%)



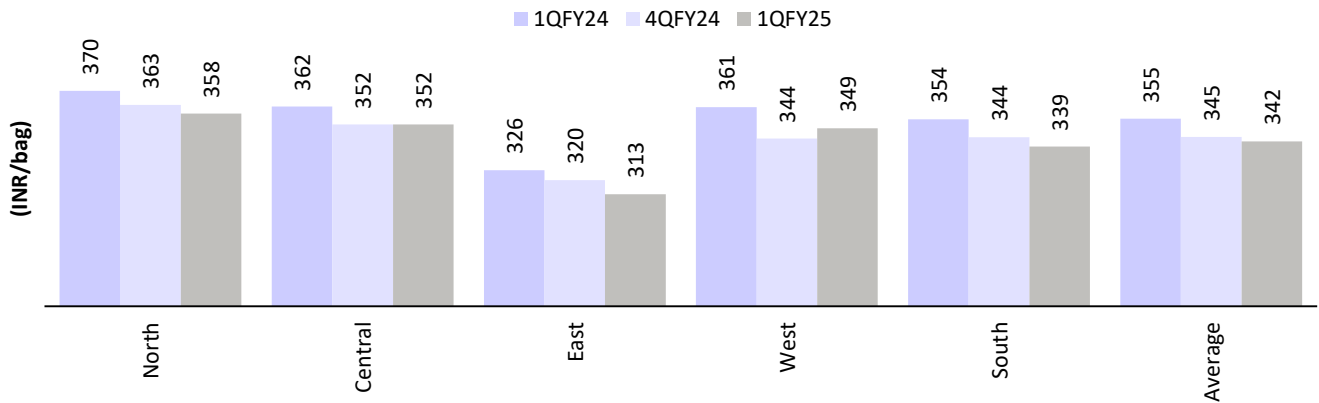
Source: Bloomberg, MOFSL

Exhibit 5: Expect 5% YoY growth in aggregate sales volume for our coverage universe



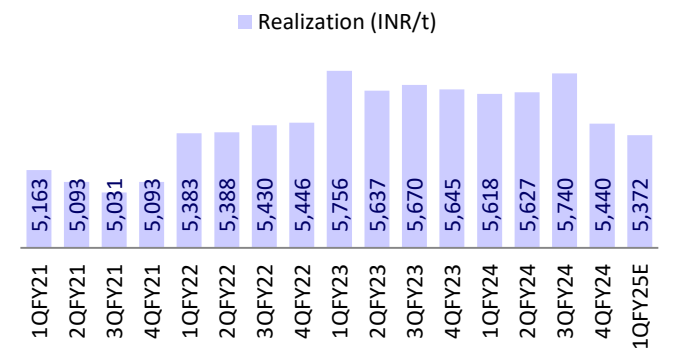
Source: MOFSL, Company, E: MOFSL estimate

Exhibit 6: Pan-India average cement price down ~4%/1% YoY/QoQ



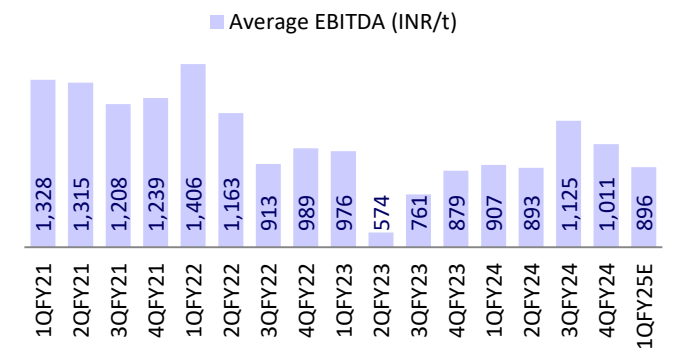
Source: MOFSL, Industry

Exhibit 7: Expect realization to decline 4%/1% YoY/QoQ



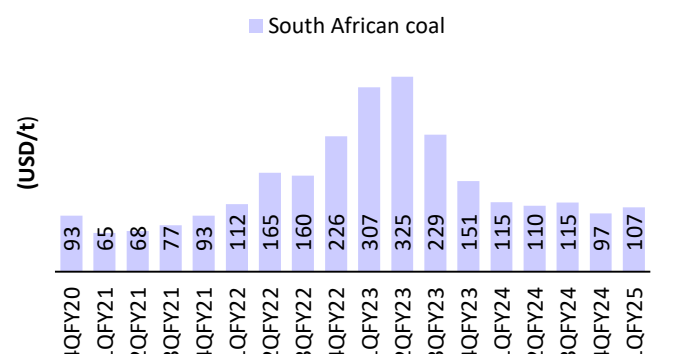
Source: MOFSL; E: MOFSL estimate

Exhibit 8: Expect average EBITDA/t to decline 1% YoY



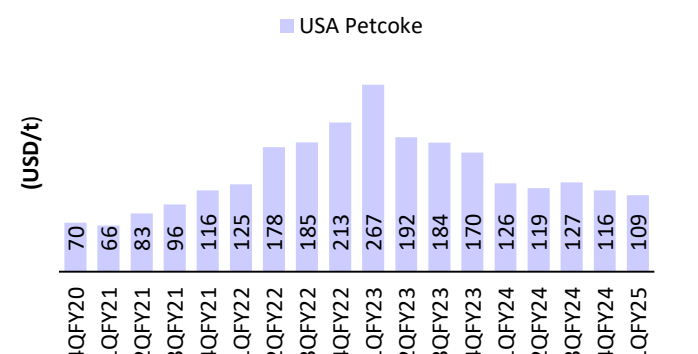
Source: Company, MOFSL; E: MOFSL estimate

Exhibit 9: Average South African coal price down 7% YoY



Source: Bloomberg, MOFSL

Exhibit 10: Average US Petcoke price down 13% YoY



Source: Company, Industry

Exhibit 11: Key operating parameters

Companies	Volume (mt)			Realization (INR/t)			EBITDA (INR/t)		
	1QFY25E	YoY (%)	QoQ (%)	1QFY25E	YoY (INR)	QoQ (INR)	1QFY25E	YoY (INR)	QoQ (INR)
ACC	9.9	5.5	(5.0)	5,158	(375)	(12)	736	(82)	(66)
Ambuja Cements	9.3	2.9	(2.0)	4,986	(223)	(30)	774	(271)	(63)
Birla Corporation	4.6	4.0	(5.4)	5,350	(111)	(127)	758	82	(217)
Dalmia Bharat	7.6	8.6	(14.0)	4,794	(415)	(100)	712	(163)	(31)
India Cements	2.3	(15.0)	(7.0)	5,084	(141)	(28)	127	108	(65)
JK Cement	4.9	6.7	(5.0)	5,819	(149)	(155)	949	68	(128)
JK Lakshmi Cement	3.1	2.1	(5.0)	5,379	(320)	(80)	802	156	(229)
The Ramco Cements	4.6	7.2	(16.0)	4,812	(399)	(57)	679	(115)	(80)
Shree Cement	9.5	7.1	0.2	5,308	(299)	(45)	1,239	193	(154)
UltraTech Cement	31.5	5.2	(10.1)	5,746	(175)	(75)	1,030	12	(143)
Sector aggregate/avg.	87.4	4.8	(7.6)	5,372	(246)	(68)	896	(12)	(115)

Exhibit 12: Valuation summary

	M-cap (USD b)	CMP (INR)	Rating	EV/EBITDA (x)		EV/t (USD)		Net debt/EBITDA (x)	
				FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
ACC	7.0	2,770	Neutral	11.8	10.3	143	131	(1.8)	(2.0)
Ambuja Cements	18.4	692	Neutral	24.1	20.7	201	199	(5.3)	(1.6)
Birla Corporation	1.6	1,584	Buy	9.2	7.7	96	85	1.7	1.2
Dalmia Bharat	4.6	1,839	Buy	11.6	9.8	95	93	0.4	0.2
Grasim Industries	25.0	2,750	Buy	13.3	10.1	N/A	N/A	2.6	1.7
India Cements	1.2	284	Sell	32.7	16.7	98	96	6.7	3.2
JK Cement	4.5	4,329	Buy	14.9	12.9	204	177	1.9	1.7
JK Lakshmi Cement	1.4	896	Buy	10.0	8.6	80	72	1.4	1.6
Ramco Cements	2.7	843	Neutral	12.7	11.2	131	124	2.8	2.5
Shree Cement	13.4	27,672	Neutral	18.6	17.1	218	189	(1.1)	(0.8)
UltraTech Cement	45.8	11,847	Buy	23.0	18.2	272	237	(0.1)	(0.3)

Source: MOFSL, Company

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

ACC					Neutral				
CMP: INR2,770 TP: INR2,830 (+2%)					EPS CHANGE (%): FY25 26: +3.4 +2.4				
<ul style="list-style-type: none"> Expect sales volume to grow 5% YoY, whereas cement realization could decline 7% YoY. Expect EBITDA/t at INR736 vs. INR818/INR802 in 1QFY24/4QFY24. 					<ul style="list-style-type: none"> Variable cost/t to decline 2% YoY. Opex/t is estimated to decline 10% YoY. Adj. PAT is likely to decline 10% YoY. 				

Standalone quarterly performance (INR b)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Cement Sales (mt)	9.40	8.10	8.88	10.44	9.92	8.67	9.68	11.20	36.9	39.46
Change (YoY %)	23.8	18.2	15.3	24.0	5.5	7.0	9.0	7.3	19.5	33.8
Net Sales	52.0	44.3	49.2	54.0	51.2	46.6	53.5	61.9	199.5	213.1
Change (YoY %)	16.4	11.2	8.4	12.7	(1.6)	5.1	8.7	14.6	(10.2)	6.8
EBITDA	7.7	5.5	9.0	8.4	7.3	7.2	10.6	12.3	30.6	37.4
Margin (%)	14.8	12.4	18.4	15.5	14.3	15.5	19.7	19.9	15.3	17.5
Depreciation	2.0	2.1	2.3	2.3	2.3	2.3	2.3	2.3	8.8	9.2
Interest	0.3	0.3	0.3	0.7	0.6	0.5	0.3	0.3	1.5	1.6
Other Income	0.8	2.1	0.8	1.2	1.1	1.1	1.2	1.2	4.9	4.5
PBT before EO Item	6.2	5.2	7.2	6.6	5.6	5.5	9.1	10.8	25.2	31.0
EO Income/(Expense)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT after EO Item	6.2	5.2	7.2	6.6	5.6	5.5	9.1	10.8	25.2	31.0
Tax	1.6	1.3	1.9	-0.9	1.4	1.4	2.3	2.7	3.9	7.8
Rate (%)	25.5	25.5	26.6	(13.2)	25.0	25.0	25.0	25.0	15.7	25.0
Reported PAT	4.6	3.8	5.3	7.5	4.2	4.2	6.8	8.1	21.2	23.3
Adjusted PAT	4.6	3.8	5.3	4.9	4.2	4.2	6.8	8.1	18.7	23.3
Margin (%)	8.9	8.7	10.7	9.1	8.1	8.9	12.7	13.2	9.4	10.9
Change (YoY %)	108.8	NM	212.1	72.0	(10.2)	8.2	29.0	65.6	88.7	24.6

Ambuja Cements					Neutral				
CMP: INR692 TP: INR720 (+4%)					EPS CHANGE (%): FY25 26: -9.1 -3.3				
<ul style="list-style-type: none"> Standalone sales volume to increase 3% YoY. Consolidated volume to rise ~8% YoY. EBITDA/t is expected to be INR774 vs. INR1,045/INR837 in 1QFY24/4QFY24. 					<ul style="list-style-type: none"> We expect realization to decline 4% YoY. Opex/t is likely to increase 1% YoY. Other income to increase 6% YoY. Adj. PAT is estimated to decline 26% YoY. 				

Standalone quarterly performance (INR b)

Y/E December/March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales Volume (mt)	9.08	7.58	8.20	9.53	9.34	8.41	9.41	10.68	34.40	37.84
Change (YoY %)	23	8	6	18	3	11	15	12	14	10
Realization (INR/t)	5,209	5,235	5,414	5,016	4,986	5,066	5,246	5,196	5,138	5,078
Change (YoY %)	(4)	0	1	(5)	(4)	(3)	(3)	4	(2)	(1)
Net Sales	47.3	39.7	44.4	47.8	46.6	42.6	49.4	56.2	179.2	194.7
Change (YoY %)	18.4	8.0	7.5	12.3	-1.5	7.3	11.2	17.5	-10.3	8.7
EBITDA	9.5	7.7	8.5	8.0	7.2	6.3	10.1	13.5	33.7	37.1
Margin (%)	20.1	19.5	19.2	16.7	15.5	14.8	20.5	24.0	18.8	19.1
Depreciation	2.3	2.3	2.3	2.4	2.5	2.5	2.6	2.7	9.4	10.3
Interest	0.4	0.4	0.5	0.3	0.3	0.4	0.3	0.2	1.6	1.2
Other Income	1.9	3.8	1.1	1.8	2.0	4.1	1.7	1.7	8.5	9.6
PBT before EO Item	8.7	8.8	6.8	7.0	6.4	7.5	9.0	12.3	31.2	35.2
Extraordinary Inc./ (Exp.)	0.0	0.0	0.0	-0.2	0.0	0.0	0.0	0.0	-0.2	0.0
PBT after EO Exp./ (Inc.)	8.7	8.8	6.8	6.8	6.4	7.5	9.0	12.3	31.1	35.2
Tax	2.2	2.4	1.7	1.5	1.6	1.9	2.3	2.9	7.7	8.7
Prior period tax adj. and reversal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate (%)	25.6	26.8	24.5	21.8	25.6	25.6	25.6	23.5	24.9	24.9
Reported Profit	6.4	6.4	5.1	5.3	4.8	5.6	6.7	9.4	23.3	26.4
Adj. PAT	6.4	6.4	5.1	5.4	4.8	5.6	6.7	9.4	23.5	26.4
Change (YoY %)	(28.2)	328.5	23.8	(3.3)	(26.0)	(12.9)	29.7	72.4	(6.9)	12.6

Birla Corporation**Buy****CMP: INR1,584 | TP: INR1,970 (+24%)****EPS CHANGE (%): FY25|26: -6.9|-2.0**

- Estimate a volume growth of 4% YoY. Realization is expected to decline 2% YoY/QoQ each.
- Variable cost/t is estimated to decline 10% YoY and opex/t is estimated to decline 4% YoY.
- Expect EBITDA/t at INR758 vs. INR675/INR974 in 1QFY24/4QFY24.
- Interest cost is estimated to decline 13% YoY. Its adj. PAT is estimated to jump 58% YoY.

Consolidated performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales volume (mt)	4.41	4.18	4.20	4.85	4.59	4.35	4.41	5.06	17.65	18.40
Change (YoY %)	12.2	14.8	12.9	9.2	4.0	4.0	5.0	4.3	12.2	4.2
Cement Realization (INR/t)	5,229	5,211	5,316	5,218	5,118	5,188	5,263	5,283	5,239	5,214
Change (YoY %)	(2.2)	1.2	2.7	(1.2)	(2.1)	(0.5)	(1.0)	1.3	(0.0)	(0.5)
Net Sales	24.1	22.9	23.1	26.6	24.5	23.7	24.1	28.0	96.6	100.4
Change (YoY %)	9.3	14.3	14.7	7.9	1.9	3.7	4.2	5.5	11.3	3.9
EBITDA	3.0	2.9	3.8	4.7	3.5	3.5	3.7	5.0	14.4	15.7
Margin (%)	12.4	12.6	16.4	17.8	14.2	14.7	15.5	17.8	14.9	15.7
Depreciation	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.6	5.8	6.2
Interest	1.0	1.0	1.0	0.8	0.9	0.8	0.8	0.9	3.7	3.4
Other Income	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.3	0.9	1.0
Profit before Tax	0.8	0.8	1.5	2.7	1.3	1.3	1.6	2.8	5.7	7.1
EO (Income)/Expense	-	0.0	-	(0.1)	-	-	-	-	(0.1)	-
Profit before Tax after EO	0.8	0.8	1.5	2.7	1.3	1.3	1.6	2.8	5.8	7.1
Tax	0.2	0.2	0.4	0.8	0.4	0.4	0.4	0.8	1.6	1.9
Rate (%)	21.7	24.3	28.9	29.2	27.5	27.5	27.5	27.5	27.5	27.5
Reported PAT	0.6	0.6	1.1	1.9	0.9	1.0	1.2	2.1	4.2	5.1
Adj. PAT	0.6	0.6	1.1	1.9	0.9	1.0	1.2	2.1	4.2	5.1
Margin (%)	2.5	2.6	4.7	7.1	3.8	4.1	4.8	7.4	4.3	5.1
Change (YoY %)	(16.2)	NM	NM	164.6	57.8	66.9	6.7	9.4	1,052.2	23.7

Dalmia Bharat**Buy****CMP: INR1,839 | TP: INR2,300 (+25%)****EPS CHANGE (%): FY25|26: +0.8|-5.2**

- Estimate sales volume to grow 9% YoY. Realization to decline 8% YoY.
- Estimate variable cost/t to decline 7% YoY. Opex/t is likely to decline 6% YoY.
- Estimate EBITDA/t to be INR712 vs. INR875/INR743 in 1QFY24/4QFY24.
- Depreciation is estimated to decline 15% YoY. Adj. PAT is estimated to dip 20% YoY.

Consolidated performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales volume (mt)	7.0	6.2	6.8	8.8	7.6	6.8	7.7	9.5	28.8	31.5
Change (YoY %)	12.4	6.9	7.9	18.9	8.6	9.9	13.2	7.5	12.1	9.5
Realization (INR/t)	5,209	5,079	5,300	4,894	4,794	4,919	5,019	5,127	5,101	4,976
Change (YoY %)	-2.2	-0.8	-0.5	-7.4	-8.0	-3.1	-5.3	4.8	-3.2	-2.5
Net Sales	36.3	31.5	36.0	43.1	36.3	33.5	38.6	48.5	146.9	156.9
Change (YoY %)	10.0	6.0	7.4	10.1	-0.1	6.4	7.2	12.6	8.5	6.8
EBITDA	6.2	5.9	7.8	6.5	5.4	5.3	7.3	10.7	26.4	28.7
Margin (%)	17.0	18.7	21.6	15.2	14.9	15.8	19.0	22.0	18.0	18.3
Depreciation	4.0	4.0	3.7	3.3	3.4	3.4	3.5	3.6	15.0	13.9
Interest	0.8	1.0	1.1	0.9	1.0	1.0	1.0	1.1	3.9	4.1
Other Income	0.5	0.9	0.6	1.2	0.6	0.5	0.6	1.3	3.2	3.0
PBT before EO Expense	1.9	1.7	3.6	3.5	1.6	1.4	3.4	7.3	10.7	13.7
Extra-Ord. expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT after EO Expense	1.9	1.7	3.6	3.5	1.6	1.4	3.4	7.3	10.7	13.7
Tax	0.4	0.5	1.0	0.3	0.4	0.4	0.9	1.8	2.2	3.5
Prior period tax adj.	0.0	0.0	0.1	-0.6	0.0	0.0	0.0	0.0	-0.6	0.0
Rate (%)	22.2	27.9	24.7	26.7	25.6	25.6	25.6	25.3	15.0	25.4
Reported PAT (pre-minority)	1.4	1.2	2.7	3.2	1.2	1.0	2.5	5.5	8.5	10.2
Minority + associate	0.1	0.1	0.0	0.1	0.1	0.1	0.0	0.1	0.3	0.3
PAT Adj. for EO items	1.3	1.2	2.7	2.5	1.0	1.0	2.5	5.4	7.7	9.9
Change (YoY %)	-33.3	325.0	33.8	-3.1	-19.6	-17.6	-7.1	111.9	12.6	28.2

Grasim Industries

Buy

CMP: INR2,743 | TP: INR3,150 (+15%)

EPS CHANGE (%): FY25|26: -0.9|-1.9

- Expect revenue for the VSF/Chemical segments to increase 6%/5% YoY.
- EBITDA for the VSF segment is expected to grow 22% YoY and OPM is likely to improve 1.6pp YoY to 12.5%.
- Chemical segment's EBITDA is expected to decline 17% YoY, and OPM to contract 3.5pp YoY to 13.2%.
- Expect blended EBITDA/kg at INR21.4 for the VSF segment vs. INR19.9/INR21.1 in 1QFY24/4QFY24.
- Standalone EBITDA is likely to decline 15% YoY to INR5.7b and OPM is estimated to contract 2.5pp YoY to 8.0%.
- Interest/depreciation are estimated to increase 79%/31% YoY. Adjusted profit to decrease 71% YoY to INR1.0b.

Standalone performance

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	62.4	64.4	64.0	67.7	69.0	73.3	80.2	83.2	258.5	305.8
Change (YoY %)	(14.0)	(4.5)	3.3	1.8	10.7	13.9	25.3	22.9	(3.7)	18.3
EBITDA	6.7	5.9	5.2	5.3	5.7	6.2	7.2	7.5	23.2	26.7
Margin (%)	10.8	9.2	8.2	7.8	8.3	8.5	9.0	9.0	9.0	8.7
Depreciation	2.9	2.9	3.0	3.4	3.8	3.8	3.9	4.0	12.2	15.4
Interest	1.1	1.1	1.1	1.2	1.9	1.9	1.9	2.0	4.4	7.7
Other Income	1.2	7.6	1.2	2.6	1.2	11.6	1.5	1.7	12.6	15.9
PBT before EO Items	4.0	9.6	2.4	3.3	1.3	12.1	2.9	3.2	19.2	19.5
Extraordinary Inc./ (Exp.)	-	-	-	(7.2)	-	-	-	-	(7.2)	-
PBT after EO Items	4.0	9.6	2.4	-3.9	1.3	12.1	2.9	3.2	12.0	19.5
Tax	0.4	1.6	0.0	0.5	0.2	2.3	0.6	0.6	2.6	3.7
Rate (%)	10.2	16.8	1.2	(13.5)	19.0	19.0	19.0	19.0	21.3	19.0
Reported PAT	3.6	7.9	2.4	-4.4	1.0	9.8	2.4	2.6	9.5	15.8
Prior period tax/DTL reversal	-	-	-	-	-	-	-	-	-	-
Adj. PAT	3.6	7.9	2.4	2.3	1.0	9.8	2.4	2.6	16.2	15.8
Margin (%)	5.7	12.3	3.7	3.4	1.5	13.3	3.0	3.2	6.3	5.2
Change (YoY %)	(56.1)	(22.9)	46.9	145.3	(71.4)	23.0	0.3	14.3	(22.8)	(2.3)

India Cements

Sell

CMP: INR284 | TP: INR180 (-44%)

EPS CHANGE (%): FY25|26: NA|-9.1

- Expect sales volume to decline 15% YoY and blended realization to decline 3% YoY.
- Expect blended EBITDA/t of INR127 vs. INR19/INR192 in 1QFY24/4QFY24.
- Expect variable cost/t to decline 11% YoY. Opex/t is estimated to decrease 5% YoY.
- ICEM to report a net loss of INR543m vs. a loss of INR753m/INR435m in 1QFY24/4QFY24.

Standalone performance

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales volume (mt)	2.7	2.4	2.0	2.4	2.3	2.5	2.1	2.7	9.5	9.6
Change (YoY %)	(0.2)	5.1	(9.0)	(12.5)	(15.0)	5.0	8.0	12.8	(4.4)	2.0
Realization (INR/t)	5,225	5,157	5,450	5,112	5,084	5,155	5,419	5,397	5,226	5,266
Change (YoY %)	(3.5)	(7.4)	(2.5)	(2.5)	(2.7)	(0.0)	(0.6)	5.6	(3.9)	0.8
Net Sales	13.9	12.2	10.8	12.5	11.5	12.8	11.6	14.8	49.4	50.8
Change (YoY %)	(3.7)	(2.6)	(11.3)	(14.7)	(17.3)	5.0	7.4	19.1	(8.1)	2.8
EBITDA	0.1	0.1	0.5	0.5	0.3	0.3	1.0	1.7	1.1	3.3
Margin (%)	0.4	0.7	4.5	3.8	2.5	2.6	8.8	11.3	2.2	6.5
Depreciation	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	2.2	2.3
Interest	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	2.4	2.3
Other Income	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.5	0.5
PBT before EO expense	(1.0)	(1.0)	(0.5)	(0.5)	(0.7)	(0.7)	0.0	0.6	(3.0)	(0.8)
Extra-Ord. expense	-	-	(0.3)	(0.2)	-	-	-	-	(0.4)	-
PBT	(1.0)	(1.0)	(0.2)	(0.3)	(0.7)	(0.7)	0.0	0.6	(2.5)	(0.8)
Tax	(0.2)	(0.2)	(0.1)	(0.0)	(0.2)	(0.2)	0.0	0.2	(0.5)	(0.2)
Rate (%)	23.9	17.6	31.3	10.9	25.7	25.7	25.7	25.7	20.5	25.7
Reported PAT	(0.8)	(0.8)	(0.2)	(0.3)	(0.5)	(0.5)	0.0	0.5	(2.0)	(0.6)
Tax	-	-	-	-	-	-	-	-	-	-
Adj. PAT	(0.8)	(0.8)	(0.3)	(0.4)	(0.5)	(0.5)	0.0	0.5	(2.3)	(0.6)
Change (YoY %)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Margin (%)	(5.4)	(6.7)	(3.2)	(3.5)	(4.7)	(4.0)	0.2	3.2	(4.7)	(1.1)

JK Cement**Buy****CMP: INR4,329 | TP: INR5,300 (+22%)****EPS CHANGE (%): FY25|26: -8.8|-9.7**

- Estimate JKCE's volume to grow 7% YoY. Blended realization is estimated to decline 2% YoY.
- Estimate EBITDA/t at INR949 vs. INR881/INR1,077 in 1QFY24/4QFY24.
- Opex/t is estimated to decline 4% YoY. Variable cost/t is likely to dip 13% YoY.
- Depreciation/interest costs to increase 15%/8% YoY. Adj. PAT is estimated to increase 21% YoY.

Consolidated performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales volume (mt)	4.6	4.5	4.7	5.2	4.9	4.9	5.3	5.7	19.07	20.84
Change (YoY %)	25.4	24.5	13.5	11.3	6.7	8.1	12.4	9.8	17.5	9.3
Realization (INR/t)	5,968	6,068	6,238	5,974	5,819	6,066	6,065	5,713	6,060	5,910
Change (YoY %)	(2.9)	(1.1)	6.1	0.5	(2.5)	(0.0)	(2.8)	(4.4)	1.2	(2.5)
Net Sales	27.6	27.5	29.3	31.1	28.7	29.7	32.1	32.6	115.6	123.2
Change (YoY %)	21.7	23.1	20.5	11.8	4.0	8.1	9.3	5.0	18.9	6.6
EBITDA	4.1	4.7	6.3	5.6	4.7	5.2	6.0	7.0	20.6	22.9
Margin (%)	14.8	17.0	21.3	18.0	16.3	17.6	18.7	21.4	17.8	18.6
Depreciation	1.3	1.4	1.4	1.5	1.6	1.6	1.6	1.9	5.7	6.6
Interest	1.1	1.2	1.1	1.1	1.2	1.2	1.2	1.1	4.5	4.7
Other Income	0.3	0.3	0.4	0.5	0.3	0.3	0.3	0.7	1.5	1.6
PBT before EO expense	2.0	2.4	4.1	3.4	2.3	2.8	3.5	4.7	11.9	13.2
Extra-Ord. expense	0.2	-	-	(0.1)	-	-	-	-	0.1	-
PBT	1.8	2.4	4.1	3.5	2.3	2.8	3.5	4.7	11.8	13.2
Tax	0.7	0.7	1.3	1.3	0.8	0.9	1.2	2.2	3.9	5.1
Profit from associate and MI	(0.0)	(0.0)	(0.0)	(0.0)	-	-	-	-	(0.0)	-
Rate (%)	37.2	26.9	30.6	36.7	33.6	33.6	33.6	46.7	32.4	38.2
Reported PAT	1.1	1.8	2.8	2.2	1.5	1.8	2.3	2.5	8.0	8.2
Adj. PAT	1.2	1.8	2.8	2.1	1.5	1.8	2.3	2.5	8.0	8.2
Change (YoY %)	(23.7)	59.8	628.0	90.3	20.8	1.9	(17.3)	16.5	87.9	1.9

JK Lakshmi**Buy****CMP: INR896 | TP: INR1,100 (+23%)****EPS CHANGE (%): FY25|26: -3.9|-9.6**

- Sales volume is expected to increase 2% YoY. Realization is likely to decline 6% YoY.
- EBITDA/t is estimated at INR802 vs. INR646/INR1,032 in 1QFY24/4QFY24.
- We expect opex/t to decline 9% YoY. Variable cost is likely to decline 14% YoY.
- Depreciation/interest costs to increase 28%/42% YoY. PAT is estimated to grow 27% YoY.

Consolidated performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales volume (mt)	3.04	2.73	2.96	3.26	3.10	2.92	3.36	3.65	11.99	13.03
Change (YoY %)	1.2	12.3	7.6	0.9	2.1	6.8	13.5	11.8	5	9
Realization (INR/t)	5,699	5,763	5,753	5,459	5,379	5,439	5,539	5,561	5,662	5,485
Change (YoY %)	3.4	2.1	1.3	(5.2)	(5.6)	(5.6)	(3.7)	1.9	0.2	(3.1)
Net Sales	17.3	15.7	17.0	17.8	16.7	15.9	18.6	20.3	67.9	71.4
Change (YoY %)	4.6	14.6	9.0	(4.4)	(3.6)	0.8	9.3	13.9	5.2	5.2
EBITDA	2.0	2.2	3.0	3.4	2.5	2.4	3.3	3.7	10.5	11.9
Margin (%)	11.3	13.8	17.7	18.9	14.9	14.9	17.5	18.4	15.5	16.6
Depreciation	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	2.5	2.9
Interest	0.3	0.3	0.4	0.4	0.5	0.5	0.5	0.6	1.5	2.0
Other Income	0.1	0.1	0.2	0.3	0.2	0.2	0.2	0.2	0.7	0.8
PBT before EO expense	1.2	1.4	2.1	2.5	1.5	1.4	2.2	2.7	7.2	7.7
Extra-Ord. expense	-	-	(0.1)	-	-	-	-	-	(0.1)	-
PBT	1.2	1.4	2.2	2.5	1.5	1.4	2.2	2.7	7.3	7.7
Tax	0.4	0.5	0.7	0.9	0.5	0.4	0.7	0.9	2.4	2.5
Prior period tax adj.	-	-	-	-	-	-	-	-	-	-
Rate (%)	32.7	32.0	32.7	35.1	32.6	32.6	32.6	32.6	33.4	32.6
Reported PAT	0.8	1.0	1.5	1.6	1.0	0.9	1.5	1.8	4.9	5.2
Adj. PAT	0.0	0.0	0.1	0.1	0.1	0.1	0.1	(0.0)	0.2	0.3
Change (YoY %)	0.8	0.9	1.4	1.6	1.0	0.9	1.5	1.8	4.7	5.2

The Ramco Cements**Neutral****CMP: INR843 | TP: INR920 (+9%)****EPS CHANGE (%): FY25|26: -5.6|-2.1**

- Expect volume to rise 7% YoY. Realization to decline 8% YoY, due to weak pricing in the southern region.
- EBITDA/t is estimated at INR679 vs. INR794/INR760 in 1QFY24/4QFY24.
- Expect variable cost/t to decline 12% YoY. Opex/t is likely to decline 6% YoY.
- Depreciation/interest costs to increase 14%/12% YoY. PAT is estimated to decline 56% YoY.

Quarterly performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales Volume (mt)	4.30	4.61	4.00	5.49	4.61	4.98	4.58	5.88	18.40	20.06
Change (YoY %)	29.9	37.7	9.9	16.8	7.2	8.0	14.6	7.1	22.5	9.0
Cement Realization (INR/t)	5,212	5,053	5,265	4,869	4,812	4,912	5,012	5,353	5,081	5,041
Change (YoY %)	(1.6)	(3.8)	(4.5)	(10.9)	(7.7)	(2.8)	(4.8)	9.9	(5.6)	(0.8)
Net Sales	22.4	23.3	21.1	26.7	22.2	24.5	23.0	31.5	93.5	101.1
Change (YoY %)	26.4	30.5	4.8	4.0	(1.0)	5.0	9.0	17.8	14.9	8.1
EBITDA	3.4	4.0	4.0	4.2	3.1	4.3	3.7	7.4	15.5	18.5
Margin (%)	15.2	17.1	18.8	15.6	14.1	17.7	16.1	23.4	16.6	18.3
Depreciation	1.5	1.6	1.7	1.7	1.7	1.7	1.8	1.8	6.4	7.0
Interest	0.9	1.2	1.0	1.0	1.0	1.1	1.1	1.2	4.2	4.4
Other Income	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.4
PBT before EO expense	1.1	1.4	1.3	1.6	0.5	1.7	0.9	4.5	5.4	7.5
PBT	1.1	1.4	1.3	1.6	0.5	1.7	0.9	4.5	5.4	7.5
Tax	0.3	0.4	0.4	0.4	0.1	0.5	0.3	1.2	1.5	2.1
Prior year tax adj.	-	-	-	-	-	-	-	-	-	-
Rate (%)	27.0	26.7	30.8	25.2	28.0	28.0	28.0	27.2	27.3	27.5
Reported PAT	0.8	1.0	0.9	1.2	0.3	1.2	0.7	3.3	3.9	5.5
Adj. PAT	0.8	1.0	0.9	1.2	0.3	1.2	0.7	3.3	3.9	5.5
Change (YoY %)	(29.7)	783.2	38.6	(20.4)	(56.3)	19.5	(29.4)	168.2	15.0	38.5
Margin (%)	3.5	4.3	4.4	4.5	1.6	4.9	2.9	10.3	4.2	5.4

Shree Cement**Neutral****CMP: INR27,672 | TP: INR30,000 (+8%)****EPS CHANGE (%): FY25|26: -1.3|+0.8**

- Expect volume to increase 7% YoY. Blended realization to decline 5% YoY.
- We estimate EBITDA/t at INR1,239 vs. INR1,046/INR1,393 in 1QFY24/4QFY24.
- Variable cost/t is estimated to decline 17% YoY. Opex/t is likely to decline 11% YoY.
- Depreciation is estimated to increase 69% YoY. Adj. PAT is estimated to decrease 6% YoY.

Standalone quarterly performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales Volume (mt)	8.92	8.20	8.89	9.53	9.55	8.93	9.96	10.26	35.53	38.70
Change (YoY %)	18.8	9.9	10.7	8.0	7.1	8.9	12.0	7.7	11.7	8.9
Blended Realization (INR/t)	5,607	5,594	5,513	5,353	5,308	5,397	5,388	5,528	5,512	5,407
Change (YoY %)	0.1	10.3	8.8	-1.3	-5.3	-3.5	-2.3	3.3	4.2	-1.9
Net Sales	50.0	45.8	49.0	51.0	50.7	48.2	53.6	56.7	195.9	209.2
Change (YoY %)	18.9	21.3	20.4	6.6	1.4	5.1	9.4	11.2	16.3	6.8
EBITDA	9.3	8.7	12.3	13.3	11.8	10.8	12.2	14.4	43.6	49.3
Margin (%)	18.7	19.0	25.2	26.0	23.3	22.5	22.8	25.4	22.3	23.6
Depreciation	3.1	3.3	3.5	6.3	5.2	5.1	5.3	6.5	16.1	22.1
Interest	0.8	0.7	0.6	0.6	0.6	0.6	0.5	0.5	2.6	2.3
Other Income	1.6	1.3	1.4	1.4	1.3	1.2	1.4	1.5	5.6	5.4
PBT before EO Exp.	7.1	6.0	9.7	7.7	7.3	6.3	7.8	8.9	30.5	30.3
Extra-Ord. Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT	7.1	6.0	9.7	7.7	7.3	6.3	7.8	8.9	30.5	30.3
Tax	1.3	1.1	2.3	1.1	1.9	1.6	2.0	2.3	5.8	7.7
Rate (%)	18.2	17.6	24.0	14.3	25.5	25.5	25.5	25.5	19.0	25.5
Reported PAT	5.8	4.9	7.3	6.6	5.4	4.7	5.8	6.6	24.7	22.6
Prior period Tax adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adj. PAT	5.8	4.9	7.3	6.6	5.4	4.7	5.8	6.6	24.7	22.6
Change (YoY %)	84.2	159.1	165.3	68.8	-6.4	-3.9	-20.8	0.0	110.3	-8.4

UltraTech Cement

Buy

CMP: INR11,847 | TP: INR13,300 (+12%)

EPS CHANGE (%): FY25|26: -2.8|+0.3

- Estimate sales volume (consolidated) to increase 5% YoY and blended realization to decline 3% YoY.
- RMC revenue is expected to increase 20% YoY. White cement revenue is likely to grow 3% YoY.
- We expect EBITDA/t at INR1,030 vs. INR1,018/INR1,173 in 1QFY24/4QFY24.
- Variable cost per tonne is estimated to decline 7% YoY. Expect opex/t to dip 4% YoY.
- EBITDA is estimated to grow 6% YoY and OPM to surge 75bp YoY to ~18%.
- Depreciation/Interest expenses are estimated to increase 12%/19% YoY. Adj. PAT to decline 8% YoY.

Consolidated performance

	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales Volume (mt)	30.0	26.7	27.3	35.1	31.5	28.6	29.9	38.8	119.0	128.8
Change (YoY %)	19.6	15.5	5.6	10.8	5.2	7.3	9.4	10.5	12.6	8.2
Blended Realn. (INR/t)	5,920	5,999	6,127	5,821	5,746	5,762	5,918	5,888	5,957	5,832
Change (YoY %)	-2.2	-0.2	2.1	-1.2	-2.9	-4.0	-3.4	1.2	-0.4	-2.1
Change (QoQ %)	0.5	1.3	2.1	-5.0	-1.3	0.3	2.7	-0.5		
Net Sales	177.4	160.1	167.4	204.2	181.1	165.0	176.9	228.3	709.1	751.3
Change (YoY %)	17.0	15.3	7.9	9.4	2.1	3.0	5.7	11.8	12.1	6.0
Total Expenditure	146.9	134.6	134.9	163.1	148.6	136.7	142.0	178.6	579.4	606.0
EBITDA	30.5	25.5	32.5	41.1	32.5	28.3	34.9	49.7	129.7	145.3
Margin (%)	17.2	15.9	19.4	20.1	17.9	17.1	19.7	21.8	18.3	19.3
Depreciation	7.5	8.0	7.8	8.1	8.4	8.5	8.7	9.0	31.5	34.4
Interest	2.1	2.3	2.6	2.6	2.5	2.4	2.3	2.3	9.7	9.6
Other Income	1.7	1.7	1.4	1.4	1.7	1.7	1.6	1.8	6.2	6.7
PBT before EO expense	22.6	16.9	23.5	31.7	23.3	19.0	25.5	40.2	94.7	108.0
Extra-Ord. expense	-	-	-	0.72	-	-	-	-	0.72	-
PBT after EO Expense	22.6	16.9	23.5	31.0	23.3	19.0	25.5	40.2	94.0	108.0
Tax	5.8	4.1	5.8	8.5	7.8	6.3	8.5	4.7	24.2	27.3
Prior period tax adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate (%)	25.5	24.3	24.7	27.5	33.3	33.3	33.3	11.8	25.7	25.3
Reported PAT	16.9	12.8	17.7	22.5	15.5	12.7	17.0	35.5	69.8	80.7
Minority Interest	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	-0.2	0.0
Adj. PAT	16.9	12.8	17.8	23.1	15.5	12.7	17.0	35.4	70.6	80.7
Change (YoY %)	6.3	69.6	67.9	38.7	-7.9	-0.8	-4.2	53.4	39.2	14.4

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Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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