

Cement

Ear to Ground: South leads in record price increase

Our channel checks suggest that pan-India average cement prices increased by INR 11/bag MoM (up 3% MoM and 5% YoY) to INR 384/bag in Apr'25 owing to a sharp rebound in prices in the South (+9% MoM). Prices increased by 1.5% MoM in the East and improved marginally in the West, while they were broadly flat in North and Central regions. Despite the low base (led by the general election), we estimate industry demand likely grew in low-single digit YoY owing to rising prices of construction materials (like cement, sand, aggregates, etc.), heat wave, and early harvesting activities. Petcoke prices has started declining in the past 3 weeks (~6% lower vs 4QFY25 average) owing to US-China trade dispute and lower freight rates.

- **Pan-India cement prices increased ~3% MoM in Apr'25 led by the South:** Our channel checks suggest that pan-India average cement prices rose by INR 11/bag MoM to INR 384/bag in Apr'25 led by the South. Prices increased by INR 35/bag in the South and INR 3-5/bag in the East/ West, while it was broadly flat in North and Central regions. In 1QFY26-TD basis, pan-India average prices have likely increased by ~3% QoQ with ~8% QoQ increase in the South and 3-4% in the East, and broadly flat in North, West and Central regions.
- **Industry demand likely to grow in low-single digit YoY in Apr'25:** Despite a low base (owing to the general election), industry demand is likely to grow in low-single digit YoY in Apr'25 led by rising prices of construction materials (like cement, sand, aggregates etc.), early harvesting activities and the heat wave. Industry demand has likely grown at ~4% YoY in FY25. Given the government's focus on infra and housing projects, along with increased rural/ urban demand, sustainable volume growth of 7-8% is expected in the coming years.
- **Spot international petcoke prices declined to a 15-week low:** USD petcoke CIF/ landed cost now stands at USD 104/ 119 respectively, ~6% lower than average prices in 4QFY25. Petcoke prices declined owing to the US-China trade dispute (removing a key buyer China) and lower freight rates. In the past 3 weeks, petcoke has started to gain attention owing to competitive pricing. Currently, the landed cost of petcoke from US in India stands at INR 1.35/ Mcal, 4% cheaper than thermal coal.
- **4QFY25 review- Key trends:** 6 groups have reported results comprising ~55% industry capacity share. EBITDA increased 9% YoY/ ~20% QoQ; while blended EBITDA/tn increased 8% YoY/ 10% QoQ to INR 1,041. In FY25, EBITDA declined 11% YoY with blended EBITDA/tn declined 15% YoY.

Exhibit 1. Valuation matrix

CompanyName	Mcap (USD mn)	Rating	CMP (INR/sh)	TP (INR/sh)	EV/EBITDA (x)		EV/Tonne (USD)	
					FY26E	FY27E	FY26E	FY27E
ACC	4,099	BUY	1,864	2,150	10.5	8.4	88	79
Ambuja	15,317	BUY	532	635	19.3	15.6	151	144
Birla Corp	966	BUY	1,073	1,460	7.9	6.4	61	58
Dalmia	4,333	HOLD	1,950	2,050	12.6	11.1	101	101
JK Cement	4,665	BUY	5,162	5,300	17.8	15.2	160	140
Ramco Cements	2,603	HOLD	942	915	16.0	13.4	124	105
Shree Cement	12,379	HOLD	29,335	27,800	20.6	17.1	164	151
Star Cement	1,034	HOLD	219	215	12.0	9.9	109	89
UltraTech	40,132	BUY	11,644	13,500	20.6	16.8	206	190



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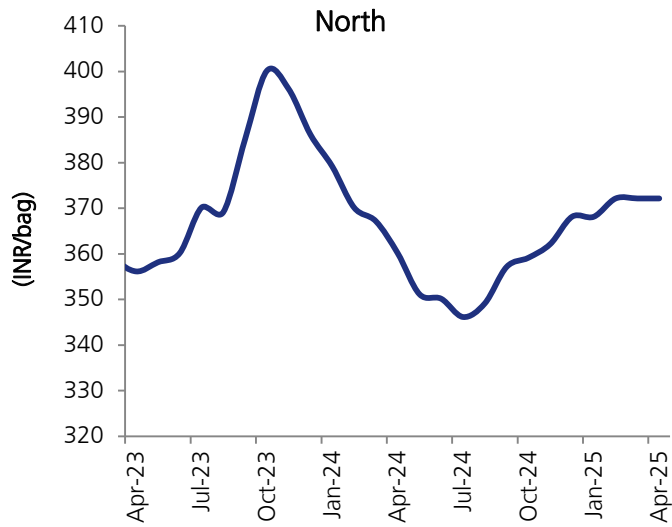
We acknowledge the contribution of **Piyush Kedia** (piyush.kedia@jmfl.com) in preparation of this report

JM Financial Research is also available on: Bloomberg - JMFR <GO>, Thomson Publisher & Reuters, S&P Capital IQ, FactSet and Visible Alpha

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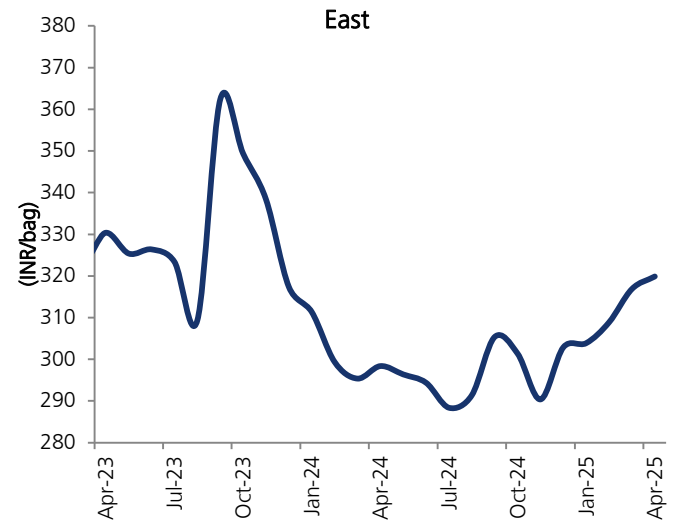
Cement Prices

Exhibit 2. North: Cement prices remained flat MoM in Apr'25



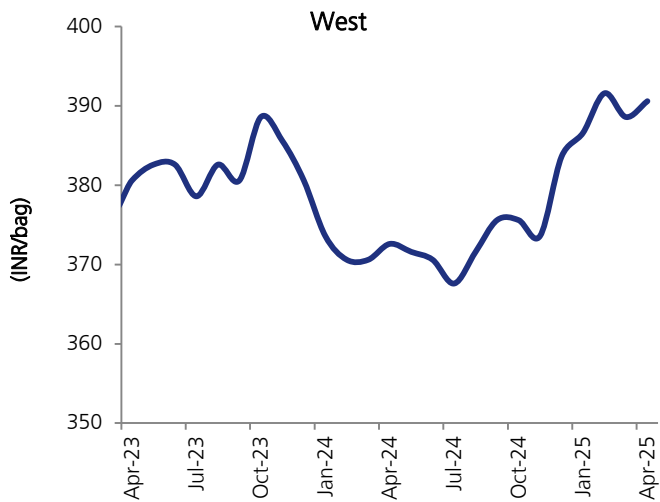
Source: Industry, JM Financial

Exhibit 3. East: cement prices rose 1.5% MoM in Apr'25



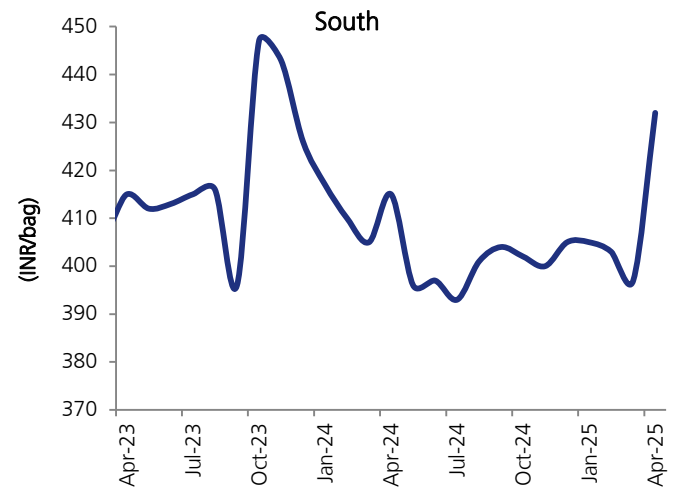
Source: Industry, JM Financial

Exhibit 4. West: Cement prices rose marginally on MoM in Apr'25



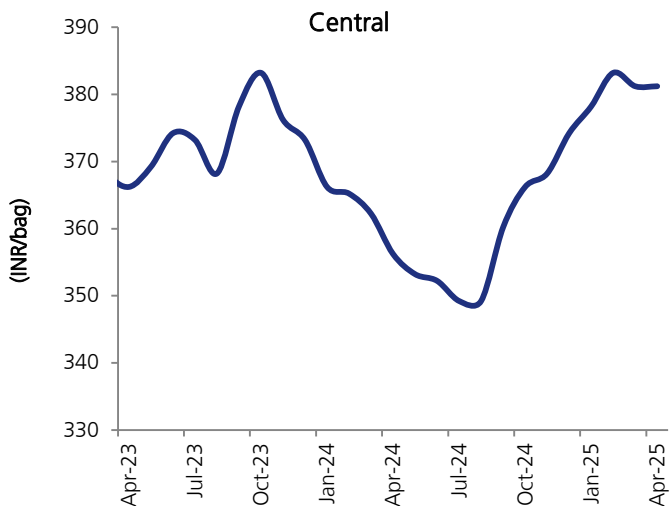
Source: Industry, JM Financial

Exhibit 5. South: Cement prices increased ~9% MoM in Apr'25



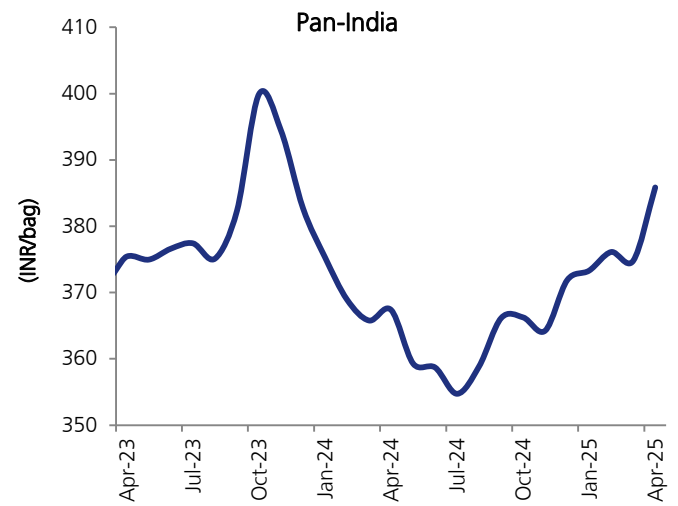
Source: Industry, JM Financial

Exhibit 6. Central: Prices broadly remained flat in Apr'25



Source: Industry, JM Financial

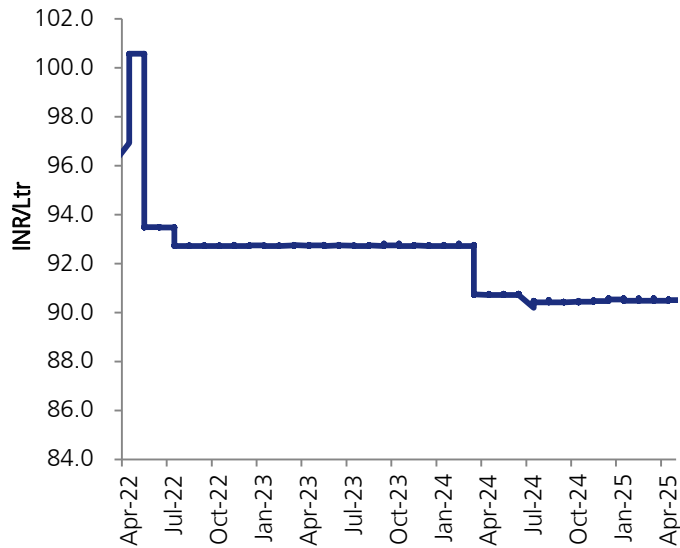
Exhibit 7. Pan-India cement prices increased ~3% MoM in Apr'25



Source: Industry, JM Financial

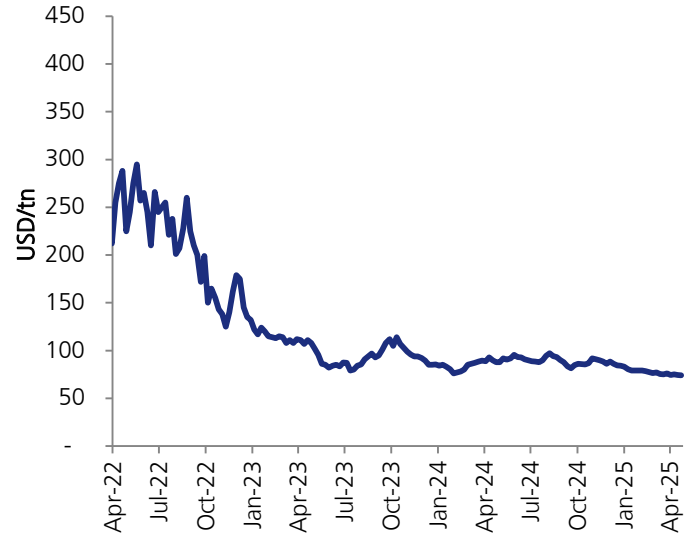
Input Costs

Exhibit 8. Diesel prices have been stable in the recent past



Source: Industry, JM Financial

Exhibit 9. International coal prices declined 1% MoM in Apr'25



Source: Industry, JM Financial

Exhibit 10. Domestic petcoke prices increased 14% QoQ in 4QFY25



Source: Industry, JM Financial

Exhibit 11. International petcoke prices declined ~6% MoM in Apr'25



Source: Industry, JM Financial

APPENDIX I

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