

Cement: Muted Pricing and Higher Cost to Cap Profitability

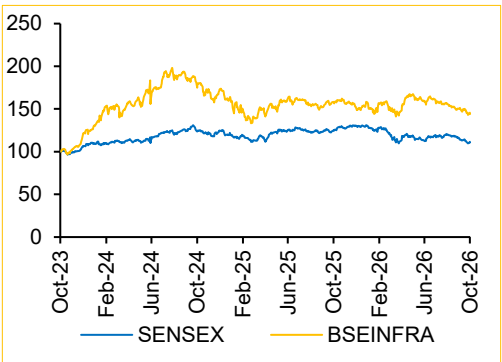
Sector View: Positive

Q2FY27 Quarterly Results Preview

| Recommendations            |           |          |        |
|----------------------------|-----------|----------|--------|
| Company                    | CMP (INR) | TP (INR) | Rated  |
| ACC (ACC)                  | 1,140     | 1,700    | BUY    |
| Ambuja (ACEM)              | 348       | 540      | BUY    |
| Birla Corp (BCORP)         | 801       | 1,345    | BUY    |
| Dalmia Bharat (DALBHARA)   | 1,596     | 2,405    | BUY    |
| J.K Cement (JKCE)          | 4,670     | 7,000    | BUY    |
| JK Lakshmi (JKLC)          | 463       | 775      | BUY    |
| Nuvoco Vistas (NUVOCO)     | 323       | 500      | BUY    |
| Ramco Cements (TRCL)       | 826       | 860      | SELL   |
| Shree Cement (SRCM)        | 21,540    | 26,740   | REDUCE |
| Ultratech Cement (UTCEM)   | 10,565    | 15,210   | BUY    |
| Grasim Industries (GRASIM) | 2,873     | 3,500    | ADD    |

\*CMP as on Oct 08, 2026

| Relative Performance (%) |      |        |        |
|--------------------------|------|--------|--------|
| YTD                      | 3Y   | 2Y     | 1Y     |
| BSE SENSEX               | 10.9 | (10.4) | (11.3) |
| BSE INFRA                | 44.0 | (17.6) | (9.1)  |



Source: Company, Choice Institutional Equities

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**Q2FY27E: Seasonal volume dip, but H2 recovery to support a positive sector outlook:** We expect the cement companies under our coverage universe (11 companies) to report an aggregate volume growth of ~6.3% YoY in Q2FY27E, despite a ~7.6% **sequential decline**, primarily reflecting the seasonal slowdown in construction activity due to uneven rainfall and labour-related challenges. We expect a **gradual recovery in demand in H2FY27**, supported by infrastructure spending and improving pricing, although the pace may remain measured amid softer real estate activity.

Within our coverage universe, **JKCE is projected to lead volume growth at ~22.2% YoY**, followed by **UTCEM at ~12.4%** and **NUVOCO at ~9.0%**. These players' strong performance is estimated to translate into stronger underlying demand and support **better earnings momentum as sector activity improves in H2FY27**.

Overall, we remain cautiously positive on the sector after Q2FY27, with improving volume and price providing a potential earnings recovery trigger in H2FY27.

**Outlook: Volume recovery intact; cost inflation to cap FY27 margin:** We remain **constructive on the cement sector**, with demand anticipated to grow **6–7% YoY in FY27**, supported by infrastructure spending, housing and improving post-monsoon construction activity. However, the **West Asia crisis impacted inflation in petcoke, coal, diesel and freight cost** is likely to keep profitability under pressure in H1FY27, while ~50 MTPA capacity addition in FY27E may limit pricing power in select regions. We expect **partial cost pass-through, supported by a price hike**, with margin likely to recover in H2FY27E as demand improves and input cost stabilises. Overall, **FY27E should be a year of earnings normalisation rather than sharp margin expansion**, favouring large integrated players with superior cost structures and stronger pricing power.

**Pricing remains muted; gradual recovery expected in H2FY27:** Our channel checks suggest pan-India cement prices remained largely flat QoQ in Q2FY27, as attempted price hike failed to sustain amid seasonal demand weakness and heightened competitive intensity. **Non-trade price witnessed a sharper correction of INR 15–20/bag** in select East and Central markets, indicating continued pricing pressure.

Going forward, pricing is forecast to improve gradually rather than sharply. **FY27E realisation is expected to improve by ~5%**, supported by demand recovery and a higher capacity utilisation. Sustained price hike, however, will depend on utilisation crossing ~75% and moderation in competitive intensity.

**EBITDA/t likely to bottom out in Q2FY27; recovery hinges on cost:** We forecast **average EBITDA/t for our coverage universe at ~INR 701/t in Q2FY27E**, down from ~INR 879/t in Q2FY26, primarily due to **elevated fuel and freight cost**. **Muted pricing in Q2FY27** is unlikely to provide meaningful offset to the sharp increase in operating cost, thereby keeping margin under pressure.

**Q3FY27E margin should improve sequentially**, supported by better demand and potential pricing recovery; however, the pace of recovery is estimated to remain gradual. **Further increases in petcoke/coal prices or power cost remain key risks to margin recovery**.

High-conviction investment ideas

We continue to remain positive on **UTCEM, JKCE and NUVOCO**.

Q2FY27 Quarterly Results Preview

Aggregate revenue is expected to grow by 7.8% YoY

| Companies | Q2FY26   | Q1FY27   | Q2FY27E  | QoQ (%) | YoY (%) |
|-----------|----------|----------|----------|---------|---------|
| ACC       | 59,254   | 57,660   | 57,084   | (1.0)   | (3.7)   |
| ACEM      | 91,745   | 95,000   | 95,110   | 0.1     | 3.7     |
| BCORP     | 22,065   | 26,465   | 23,152   | (12.5)  | 4.9     |
| DALBHARA  | 34,170   | 38,900   | 36,537   | (6.1)   | 6.9     |
| JKCE      | 30,192   | 40,317   | 36,908   | (8.5)   | 22.2    |
| JKLC      | 15,318   | 19,048   | 15,827   | (16.9)  | 3.3     |
| NUVOCO    | 24,576   | 31,287   | 26,786   | (14.4)  | 9.0     |
| TRCL      | 22,348   | 22,690   | 23,244   | 2.4     | 4.0     |
| SRCM      | 43,032   | 56,227   | 45,932   | (18.3)  | 6.7     |
| UTCEM     | 1,96,069 | 2,46,482 | 2,20,346 | (10.6)  | 12.4    |
| Total     | 5,38,769 | 6,34,076 | 5,80,926 | (8.4)   | 7.8     |

Aggregate EBITDA forecast to decrease by 11.1% YoY

| EBITDA (INR Mn) | Q2FY26 | Q1FY27   | Q2FY27E | QoQ (%) | YoY (%) |
|-----------------|--------|----------|---------|---------|---------|
| ACC             | 8,195  | 4,340    | 3,733   | (14.0)  | (54.4)  |
| ACEM            | 17,609 | 15,890   | 12,582  | (20.8)  | (28.5)  |
| BCORP           | 3,049  | 3,423    | 2,234   | (34.7)  | (26.7)  |
| DALBHARA        | 6,960  | 8,050    | 5,472   | (32.0)  | (21.4)  |
| JKCE            | 4,465  | 6,477    | 5,101   | (21.2)  | 14.2    |
| JKLC            | 2,081  | 2,588    | 1,630   | (37.0)  | (21.7)  |
| NUVOCO          | 3,670  | 5,682    | 4,912   | (13.6)  | 33.8    |
| TRCL            | 3,869  | 3,071    | 2,252   | (26.7)  | (41.8)  |
| SRCM            | 8,513  | 10,745   | 7,052   | (34.4)  | (17.2)  |
| UTCEM           | 30,943 | 50,155   | 34,494  | (31.2)  | 11.5    |
| Total           | 89,354 | 1,10,421 | 79,462  | (28.0)  | (11.1)  |

Aggregate PAT is estimated to decline by 53.2% YoY

| PAT (INR Mn) | Q2FY26 | Q1FY27 | Q2FY27E | QoQ (%) | YoY (%) |
|--------------|--------|--------|---------|---------|---------|
| ACC          | 11,122 | 1,480  | 908     | (38.6)  | (91.8)  |
| ACEM         | 17,657 | 5,770  | 3,138   | (45.6)  | (82.2)  |
| BCORP        | 905    | 1,157  | 292     | (74.8)  | (67.7)  |
| DALBHARA     | 2,360  | 1,880  | 582     | (69.0)  | (75.3)  |
| JKCE         | 1,605  | 2,775  | 1,783   | (35.7)  | 11.1    |
| JKLC         | 823    | 1,068  | 308     | (71.2)  | (62.6)  |
| NUVOCO       | 364    | 1,596  | 1,060   | (33.6)  | 191.2   |
| TRCL         | 743    | 318    | -387    | (221.7) | (152.1) |
| SRCM         | 2,771  | 4,380  | 1,753   | (60.0)  | (36.7)  |
| UTCEM        | 12,316 | 25,993 | 14,285  | (45.0)  | 16.0    |
| Total        | 50,666 | 46,417 | 23,722  | (48.9)  | (53.2)  |

Source: Choice Institutional Equities

## Cement Coverage Universe

| ACC                 |         |        |         |        |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------|---------|--------|---------|--------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                     | Q2FY27E | Q1FY27 | QoQ (%) | Q2FY26 | YoY (%) | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Volume (Mnt)        | 10.7    | 10.8   | (0.5)   | 11.2   | (4.5)   | <ul style="list-style-type: none"><li>Volumes are expected to decline 4.5% YoY, primarily impacted by seasonally weak demand during the monsoon. Realisations are estimated to decline 0.5% QoQ, while EBITDA/t is projected at <b>INR 349/t</b>, down by <b>INR 383/t YoY</b></li><li><b>Watch Out For:</b> Focus on <b>capacity expansion, volume growth and integration with the Adani Cement network</b>, which should strengthen ACC's scale and market reach</li></ul>                                                                                            |
| Realisation (INR/t) | 5,337   | 5,364  | (0.5)   | 5,291  | 0.9     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| EBITDA (INR Mn)     | 3,733   | 4,340  | (14.0)  | 8,195  | (54.4)  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| EBITDA/t            | 349     | 404    | (13.6)  | 732    | (52.3)  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Total Cost/t        | 4,988   | 4,960  | 0.6     | 4,559  | 9.4     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| ACEM                |         |        |         |        |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                     | Q2FY27E | Q1FY27 | QoQ (%) | Q2FY26 | YoY (%) | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Volume (Mnt)        | 17.4    | 17.3   | 0.6     | 16.9   | 3.0     | <ul style="list-style-type: none"><li>Volumes are expected to increase <b>3.0% YoY, with lower growth</b> due to softer demand. Realisations are likely to decline 0.5% <b>QoQ</b>. Consequently, <b>EBITDA/t is estimated to decline by INR 319/t YoY and INR 195/t QoQ</b>, reflecting cost pressure</li><li><b>Watch Out For:</b> Execution of Adani Group <b>synergy benefits</b> to drive structural cost savings</li></ul>                                                                                                                                        |
| Realisation (INR/t) | 5,464   | 5,491  | (0.5)   | 5,429  | 0.6     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| EBITDA (INR Mn)     | 12,582  | 15,890 | (20.8)  | 17,609 | (28.5)  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| EBITDA/t            | 723     | 918    | (21.2)  | 1,042  | (30.6)  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Total Cost/t        | 4,741   | 4,573  | 3.7     | 4,387  | 8.1     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| BCORP               |         |        |         |        |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                     | Q2FY27E | Q1FY27 | QoQ (%) | Q2FY26 | YoY (%) | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Volume (Mnt)        | 4.5     | 5.1    | (11.7)  | 4.3    | 4.9     | <ul style="list-style-type: none"><li>Volumes are expected to grow 4.9% YoY, <b>while blended realisation is likely to decline 1.0% QoQ</b>. EBITDA/t is estimated to reduce by INR 216/t YoY and INR 177/t QoQ, due to higher operating expenses</li><li><b>Watch Out For:</b> Focus on <b>capacity ramp-up, volume growth and utilisation improvement</b>, particularly as BCORP scales its expanded capacity and strengthens its regional presence</li></ul>                                                                                                         |
| Realisation (INR/t) | 5,188   | 5,240  | (1.0)   | 5,192  | (0.1)   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| EBITDA (INR Mn)     | 2,234   | 3,423  | (34.7)  | 3,049  | (26.7)  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| EBITDA/t            | 292     | 678    | (26.1)  | 717    | (30.1)  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Total Cost/t        | 4,687   | 4,563  | 2.7     | 4,474  | 4.8     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| DALBHARA            |         |        |         |        |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                     | Q2FY27E | Q1FY27 | QoQ (%) | Q2FY26 | YoY (%) | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Volume (Mnt)        | 7.2     | 7.6    | (5.1)   | 6.9    | 4.5     | <ul style="list-style-type: none"><li>Volumes are expected to grow 4.5% YoY, while realisation is likely to decline by 1.0% QoQ. EBITDA is projected to decline 32.0% YoY, <b>primarily due to higher operating expenses and lower pricing gains</b>, with EBITDA/t expected to contract by INR 250/t YoY</li><li><b>Watch Out For:</b> Focus on the <b>ramp-up of Jaypee assets, capacity expansion and utilisation</b>, which should drive DALBHARA volume growth and market-share gains</li></ul>                                                                    |
| Realisation (INR/t) | 5,067   | 5,118  | (1.0)   | 4,952  | 2.3     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| EBITDA (INR Mn)     | 5,472   | 8,050  | (32.0)  | 6,960  | (21.4)  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| EBITDA/t            | 759     | 1,059  | (28.3)  | 1,009  | (24.8)  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Total Cost/t        | 4,308   | 4,059  | 6.1     | 3,943  | 9.3     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| JKCE                |         |        |         |        |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                     | Q2FY27E | Q1FY27 | QoQ (%) | Q2FY26 | YoY (%) | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Volume (Mnt)        | 6.0     | 6.6    | (9.4)   | 5.0    | 19.5    | <ul style="list-style-type: none"><li>Volumes are expected to grow by 19.5% YoY, while blended realisation is likely to improve by 0.6% QoQ. Consequently, consolidated revenue is projected to increase by 22.2% YoY, <b>supported by healthy volume growth</b>. EBITDA is expected to improve by 14.2% YoY, with EBITDA/t anticipated to contract by 4.8% YoY</li><li><b>Watch Out For:</b> Focus on <b>capacity ramp-up, utilisation improvement and the premiumisation of JKCE's product mix</b>, which should support volume growth and margin expansion</li></ul> |
| Realisation (INR/t) | 6,127   | 6,090  | 0.6     | 6,014  | 1.9     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| EBITDA (INR Mn)     | 5,101   | 6,477  | (21.2)  | 4,465  | 14.2    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| EBITDA/t            | 847     | 978    | (13.4)  | 890    | (4.8)   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Total Cost/t        | 5,280   | 5,112  | 3.3     | 5,125  | 3.0     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

## Cement Coverage Universe

| JKLC                |         |        |         |        |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------|---------|--------|---------|--------|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                     | Q2FY27E | Q1FY27 | QoQ (%) | Q2FY26 | YoY (%) | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Volume (Mnt)        | 3.1     | 3.6    | (15.3)  | 2.8    | 7.4     | <ul style="list-style-type: none"><li>We anticipate volumes to grow by 7.4% YoY. Realisations are expected to reduce by 2.0% QoQ. <b>EBITDA/t is expected to decrease by INR 198/t YoY</b></li><li><b>Watch Out For:</b> Commentary on <b>capacity expansion plans</b></li></ul>                                                                                                                                                                                                                                                                                    |
| Realisation (INR/t) | 5,188   | 5,294  | (2.0)   | 5,388  | (3.7)   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| EBITDA (INR Mn)     | 1,630   | 2,588  | (37.0)  | 2,081  | (21.7)  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| EBITDA/t            | 534     | 719    | (25.7)  | 732    | (27.0)  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Total Cost/t        | 4,654   | 4,575  | 1.7     | 4,656  | 0.0     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| NUVOCO              |         |        |         |        |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                     | Q2FY27E | Q1FY27 | QoQ (%) | Q2FY26 | YoY (%) | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Volume (Mnt)        | 4.5     | 5.3    | (14.7)  | 4.3    | 5.1     | <ul style="list-style-type: none"><li>We expect volumes to increase by 5.1% YoY, while realisations are projected to improve by 0.5% QoQ. EBITDA/t is estimated at INR 1,088/t, up INR 235/t YoY.</li><li><b>Watch Out For: Execution-led volume recovery with margin expansion — monitor the pace of ramp-up at expanded capacities (including Vadraj)</b> and whether improving demand and pricing discipline translate into sustained EBITDA/t improvement and balance-sheet deleveraging by FY27E.</li></ul>                                                    |
| Realisation (INR/t) | 5,933   | 5,903  | 0.5     | 5,715  | 3.8     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| EBITDA (INR Mn)     | 4,912   | 5,682  | (13.6)  | 3,670  | 33.8    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| EBITDA/t            | 1,088   | 1,072  | 1.5     | 853    | 27.5    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Total Cost/t        | 4,845   | 4,831  | 0.3     | 4,862  | (0.3)   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| SRCM                |         |        |         |        |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                     | Q2FY27E | Q1FY27 | QoQ (%) | Q2FY26 | YoY (%) | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Volume (Mnt)        | 8.7     | 10.5   | (17.4)  | 8.1    | 6.7     | <ul style="list-style-type: none"><li>Volumes are expected to grow by 6.4% YoY, while blended realisations are likely to decline by 1.0% QoQ. Consequently, revenue is projected to increase by 6.7% YoY, <b>supported by higher volumes</b>. However, EBITDA/t is expected to decline by INR 233/t YoY, due to higher costs</li><li><b>Watch Out For: Capacity additions beyond 80 Mnt</b>, timing of project commissioning, <b>capital discipline and the ability to align incremental capacity with demand growth</b> while preserving ROCE and margin</li></ul> |
| Realisation (INR/t) | 5,306   | 5,360  | (1.0)   | 5,300  | 0.1     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| EBITDA (INR Mn)     | 7,052   | 10,745 | (34.4)  | 8,513  | (17.2)  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| EBITDA/t            | 815     | 1,024  | (20.4)  | 1,048  | (22.2)  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Total Cost/t        | 4,492   | 4,336  | 3.6     | 4,251  | 5.7     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| TRCL                |         |        |         |        |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                     | Q2FY27E | Q1FY27 | QoQ (%) | Q2FY26 | YoY (%) | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Volume (Mnt)        | 4.8     | 4.6    | 3.5     | 4.6    | 5.1     | <ul style="list-style-type: none"><li>Volumes are expected to grow by 5.1% YoY, while realisations are likely to decline by 1.0% QoQ. EBITDA/t is projected at INR 472/t, declining by INR 379/t YoY and INR 194/t on a QoQ basis</li><li><b>Watch Out For: Southern region pricing trends and execution progress on capacity expansion</b>, with a focus on ramp-up efficiency and margin impact</li></ul>                                                                                                                                                         |
| Realisation (INR/t) | 4,867   | 4,917  | (1.0)   | 4,914  | (1.0)   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| EBITDA (INR Mn)     | 2,252   | 3,071  | (26.7)  | 3,869  | (41.8)  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| EBITDA/t            | 472     | 666    | (29.1)  | 851    | (44.5)  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Total Cost/t        | 4,396   | 4,251  | 3.4     | 4,063  | 8.2     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| UTCME               |         |        |         |        |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                     | Q2FY27E | Q1FY27 | QoQ (%) | Q2FY26 | YoY (%) | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Volume (Mnt)        | 37.3    | 41.3   | (9.7)   | 33.9   | 10.2    | <ul style="list-style-type: none"><li>Volumes are expected to grow by 10.2% on a YoY basis. Blended realisation is anticipated to decline by 1.0% QoQ. EBITDA/t is expected to remain flat on a YoY basis</li><li><b>Watch Out For:</b> Sustainability of price recovery, pace of demand normalisation across regions and <b>execution of cost-reduction measures — especially renewable energy adoption, efficiency gains and logistics optimisation.</b></li></ul>                                                                                                |
| Realisation (INR/t) | 5,907   | 5,967  | (1.0)   | 5,792  | 2.0     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| EBITDA (INR Mn)     | 34,494  | 50,155 | (31.1)  | 30,943 | 11.5    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| EBITDA/t            | 925     | 1,214  | (23.8)  | 914    | 1.2     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Total Cost/t        | 4,982   | 4,753  | 4.8     | 4,878  | 2.1     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

Cement Coverage Universe

| GRASIM            |          |          |           |        |         | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------|----------|----------|-----------|--------|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   | Q2FY27E  | Q1FY27   | QoQ (%)   | Q2FY26 | YoY (%) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Revenue (INR Mn)  | 1,21,322 | 1,17,947 | 2.9       | 96,103 | 26.2    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| EBITDA (INR Mn)   | 6,529    | 9,497    | (31.3)    | 3,662  | 78.3    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| EBITDA Margin (%) | 5.4      | 8.1      | (267) Bps | 3.8    | 162 bps |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| PAT (INR Mn)      | 26,812   | 2,467    | NM        | 8,045  | 233.3   | <div>Revenue is projected to increase by 26.2% YoY, <b>supported by higher volumes</b>. However, EBITDA is expected to improve by 78.3% YoY, supported by better realisations. PAT is anticipated to increase by 233.3%, supported by higher other income in the quarter.</div> <div><b>Watch Out For:</b> The pace of execution across capacity expansion, distribution ramp-up and brand investments, alongside sustained market share gains, pricing discipline amid input cost volatility and the company's ability to balance growth with profitability.</div> |

Source: Choice Institutional Equities

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CHOICE RATING DISTRIBUTION & METHODOLOGY

| Large Cap*        |                                                                                                   |
|-------------------|---------------------------------------------------------------------------------------------------|
| BUY               | The security is expected to generate upside of 15% or more over the next 12 months                |
| ADD               | The security is expected to show upside returns from 5% to less than 15% over the next 12 months  |
| REDUCE            | The security is expected to show upside or downside returns by 5% to -5% over the next 12 months  |
| SELL              | The security is expected to show downside of 5% or more over the next 12 months                   |
| Mid & Small Cap*  |                                                                                                   |
| BUY               | The security is expected to generate upside of 20% or more over the next 12 months                |
| ADD               | The security is expected to show upside returns from 5% to less than 20% over the next 12 months  |
| REDUCE            | The security is expected to show upside or downside returns by 5% to -10% over the next 12 months |
| SELL              | The security is expected to show downside of 10% or more over the next 12 months                  |
| Other Ratings     |                                                                                                   |
| NOT RATED (NR)    | The stock has no recommendation from the Analyst                                                  |
| UNDER REVIEW (UR) | The stock is under review by the Analyst and rating may change                                    |
| Sector View       |                                                                                                   |
| POSITIVE (P)      | Fundamentals of the sector look attractive over the next 12 months                                |
| NEUTRAL (N)       | Fundamentals of the sector are expected to be in stasis over the next 12 months                   |
| CAUTIOUS (C)      | Fundamentals of the sector are expected to be challenging over the next 12 months                 |

\*Large Cap: More Than INR 20,000 Cr Market Cap  
\*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

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