

Cement

Ear to ground: Mixed regional trends in Jul'25

Our channel checks indicate that in Jul'25 pan-India average cement prices declined by a marginal ~0.5% MoM (though up ~6% YoY) to INR 374/bag. Regionally, prices fell by 1–2% MoM in the West and the South, and were largely stable in the North and the East, while they rose by ~2% MoM in the Central region. Industry demand is estimated to have grown in the low- to mid-single digits YoY, despite a favourable base, as the heavy monsoon weighed on construction activity. Notably, demand declined YoY in the central and eastern regions, while the southern region outperformed. Looking ahead, cement manufacturers are expected to attempt a price hike of INR 10–20/bag across regions in early Aug'25. While the success of these hikes remains uncertain, we see increasing prospects of price stability through the remainder of the monsoon season. Our top picks are UltraTech in largecaps and JK Cement in mid-caps.

- **Pan-India prices declined by a marginal ~0.5% MoM in Jul'25**, though they rose ~6% YoY, to INR 374/bag. Following the sharp price hike in Apr'25 (primarily in the South and the East), prices have gradually corrected over the past 3 months. Regionally, prices declined by 1–2% MoM in the West and the South, and were largely stable in the North and the East, while they rose ~2% MoM in the Central region. Spot prices are estimated to be ~1% lower than the average price seen in 1QFY26. Looking ahead, industry players are likely to attempt a price hike of INR 10–20/bag across regions in early Aug'25. While the success of these hikes remains uncertain, we believe the likelihood of price stability through the monsoon season is improving.
- **Industry demand likely grew in low to mid-single digits YoY in Jul'25** despite a favourable base, as the persistent heavy monsoon disrupted construction activity across several regions. Notably, demand declined YoY in the central and eastern regions, while the southern region outperformed. On a 2-year CAGR basis, pan-India cement demand growth likely to be in low single digit YoY. We expect sustainable volume growth of 6–7% over the medium term, driven by continued government thrust on infrastructure and housing, along with improving demand from both rural and urban markets.
- **Petcoke prices inch up; near-term outlook weighed down by freight and coal competitiveness**: Spot international petcoke prices are currently ~3% higher than the 1QFY26 average. US petcoke spot CIF and landed prices at Indian ports stand at USD 109/tn and USD 123/tn, respectively—marking a ~15-week high, largely driven by rising freight rates. While potential freight normalisation and post-monsoon industrial recovery may support demand in select pockets, elevated shipping costs and relatively competitive coal prices are likely to remain headwinds for broader petcoke consumption across key markets.

Exhibit 1. Valuation matrix

Company Name	Mcap (USD mn)	Rating	CMP (INR/sh)	TP (INR/sh)	EV/EBITDA (x)			EV/Tonne (USD)		
					FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
ACC	3,869	HOLD	1,795	2,075	10.4	9.2	7.7	86	79	69
Ambuja	17,172	BUY	608	675	19.2	15.7	13.1	151	146	138
Birla Corp	1,165	BUY	1,319	1,650	8.8	7.8	7.3	68	65	65
Dalmia	4,803	HOLD	2,204	2,450	13.6	12.2	10.8	114	117	95
JK Cement	5,921	BUY	6,682	7,050	21.4	18.2	15.3	199	174	154
Ramco Cements	3,091	HOLD	1,141	1,000	17.5	15.1	13.3	144	121	103
Shree Cement	12,692	HOLD	30,675	31,000	20.8	17.8	15.3	171	156	143
Star Cement	1,130	HOLD	244	230	13.8	11.8	10.4	123	102	101
UltraTech	40,934	BUY	12,113	14,150	21.5	17.5	15.2	214	198	182

Source: JM Financial



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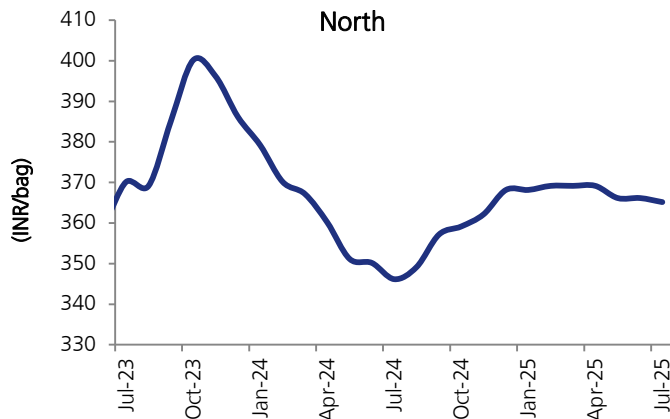
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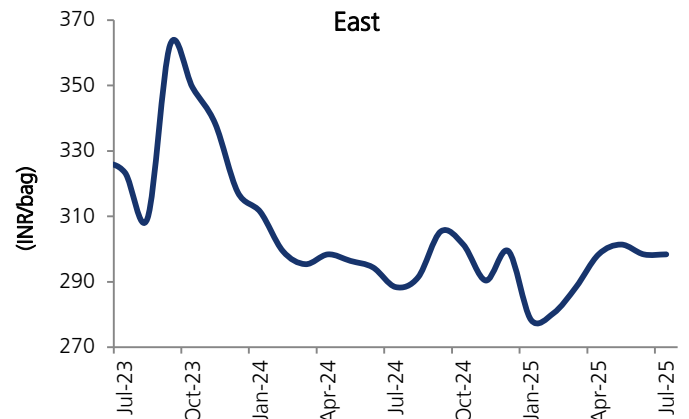
Cement Prices

Exhibit 2. North cement prices largely flat MoM in Jul'25



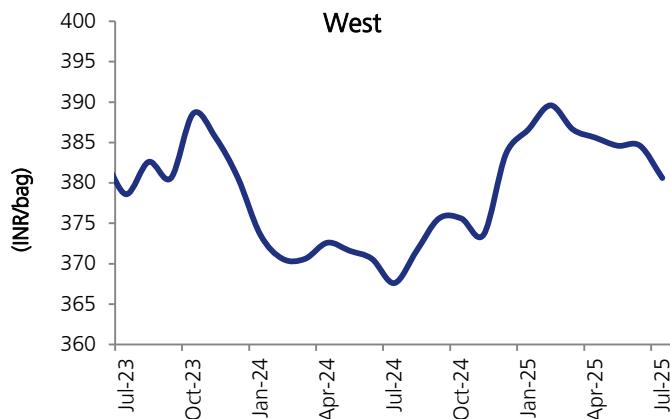
Source: Industry, JM Financial

Exhibit 3. East cement prices stable MoM in Jul'25



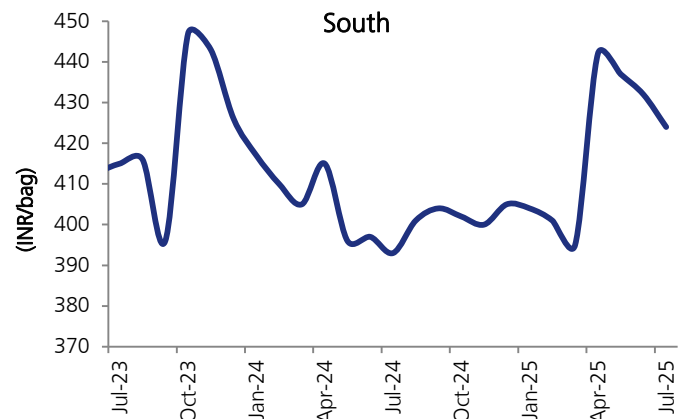
Source: Industry, JM Financial

Exhibit 4. West cement prices declined 1% MoM in Jul'25



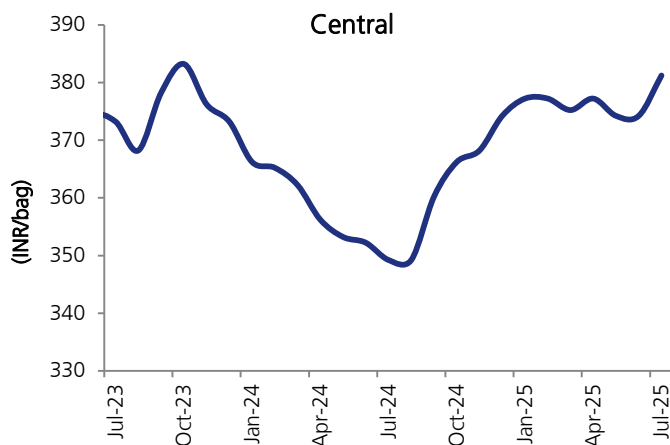
Source: Industry, JM Financial

Exhibit 5. South cement prices fell ~2% MoM in Jul'25



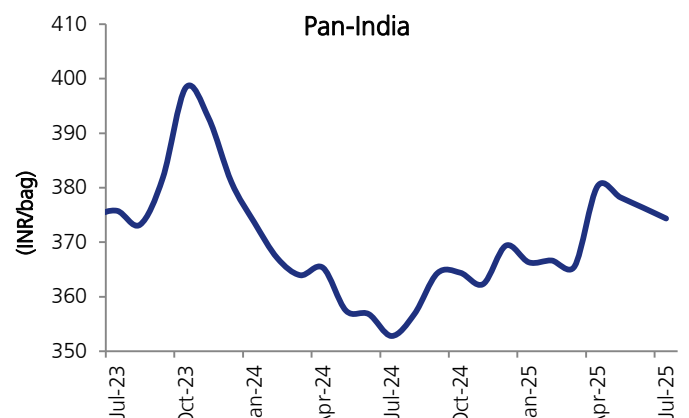
Source: Industry, JM Financial

Exhibit 6. Central cement prices rose 2% MoM in Jul'25



Source: Industry, JM Financial

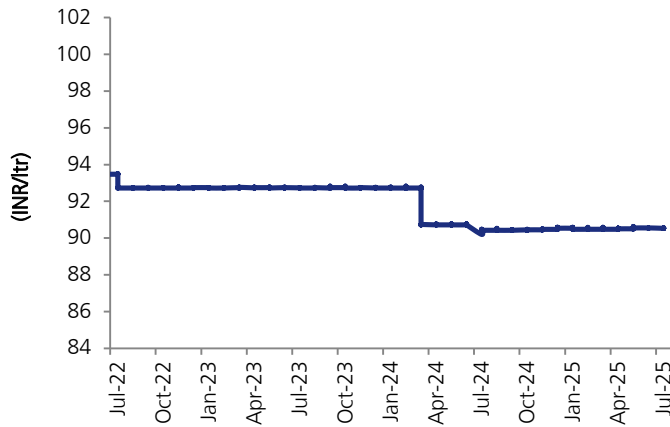
Exhibit 7. Pan-India prices declined by a marginal ~0.5% MoM in Jul'25



Source: Industry, JM Financial

Input Costs

Exhibit 8. Diesel prices have been stable in recent past



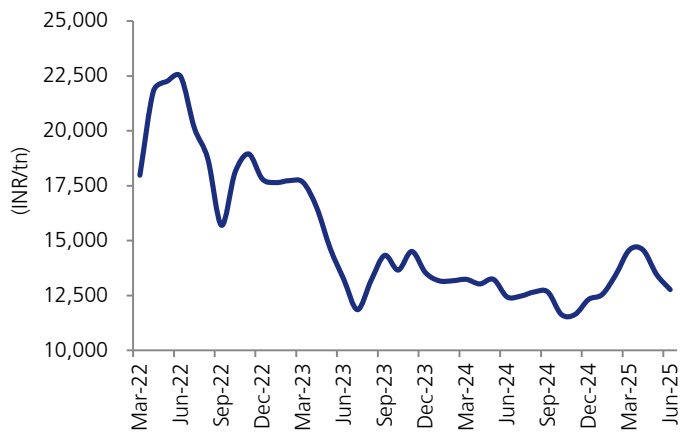
Source: Industry, JM Financial

Exhibit 9. Spot coal prices ~2% higher than 1QFY26



Source: Industry, JM Financial

Exhibit 10. Domestic petcoke prices increased 3% YoY/ decreased 5% MoM in Jun'25



Source: Industry, JM Financial

Exhibit 11. Spot international petcoke prices ~3% higher than 1QFY26



Source: Industry, JM Financial

Exhibit 12. Volume likely to grow at ~11% CAGR over FY25-28E

Volumes (mt)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	CAGR	
										FY20-25	FY25-28E
UltraTech	82	86	94	106	119	136	153	169	184	10.5	10.6
Shree Cement	28	30	31	35	39	40	43	46	50	7.3	8.1
Ambuja	54	49	56	69	59	64	78	89	101	3.6	16.4
Dalmia	19	21	22	26	29	29	30	33	36	8.8	6.6
ACC	30	26	29	39	37	42	46	49	52	7.2	6.9
Ramco	11	10	11	15	18	19	20	22	23	10.6	7.7
JK Cement	10	12	14	16	19	20	22	25	28	14.6	11.9
Birla Corp	14	14	14	16	18	18	19	20	21	5.5	4.9
Star Cement	3	3	3	4	4	5	5	6	7	10.4	13.0
Total*	222	224	247	286	306	331	370	410	450	8.3	10.8

Source: Company, JM Financial *Excl. ACC

Exhibit 13. Realisation likely to grow at ~2% CAGR over FY25-28E

Realisation (INR/tn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	CAGR	
										FY20-25	FY25-28E
UltraTech	5,038	5,118	5,502	5,895	5,864	5,517	5,648	5,722	5,797	1.8	1.7
Shree Cement	4,609	4,523	4,765	5,091	5,208	4,852	5,009	5,127	5,250	1.0	2.7
Ambuja	5,035	5,017	5,134	5,643	5,602	5,329	5,502	5,575	5,622	1.1	1.8
Dalmia	4,967	5,088	5,084	5,258	5,104	4,764	5,113	5,164	5,228	(0.8)	3.1
ACC	5,156	5,151	5,380	5,645	5,308	4,903	5,189	5,249	5,328	(1.0)	2.8
Ramco	4,788	5,278	5,392	5,465	5,097	4,605	4,973	4,998	5,023	(0.8)	2.9
JK Cement	5,603	5,449	5,592	5,854	5,868	5,684	5,782	5,843	5,941	0.3	1.5
Birla Corp	4,865	4,872	5,129	5,395	5,387	4,991	5,069	5,117	5,177	0.5	1.2
Star Cement	6,389	6,500	6,523	6,735	6,546	6,336	6,463	6,538	6,616	(0.2)	1.5
Wtd. Avg.*	5,039	5,076	5,330	5,686	5,647	5,329	5,508	5,583	5,656	1.1	2.0

Source: Company, JM Financial *Excl. ACC

Exhibit 14. EBITDA/tn likely to grow at ~9% CAGR over FY25-28E

EBITDA (INR/tn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	CAGR	
										FY20-25	FY25-28E
UltraTech	1,144	1,338	1,225	1,004	1,089	924	1,140	1,260	1,315	(4.2)	12.5
Shree Cement	1,346	1,360	1,177	844	1,146	998	1,157	1,232	1,308	(5.8)	9.5
Ambuja	854	1,051	1,101	742	1,081	801	985	1,100	1,190	(1.3)	14.1
Dalmia	1,092	1,346	1,093	899	917	820	1,080	1,125	1,180	(5.6)	12.9
ACC	811	949	1,020	499	830	575	630	675	740	(6.6)	8.8
Ramco	1,024	1,560	1,168	800	851	666	920	970	1,020	(8.2)	15.3
JK Cement	1,186	1,320	1,057	810	1,079	1,002	1,140	1,215	1,270	(3.3)	8.2
Birla Corp	967	988	781	491	815	672	745	825	885	(7.0)	9.6
Star Cement	1,369	1,258	1,014	1,167	1,261	1,223	1,370	1,400	1,425	(2.2)	5.2
Wtd. Avg.*	1,082	1,266	1,138	865	1,051	881	1,076	1,174	1,126	(4.0)	8.5

Source: Company, JM Financial *Excl. ACC

APPENDIX I

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