

# Cement

## Ear to Ground: All eyes on price hikes

Our channel checks suggest that pan-India average cement prices declined by a marginal INR 2/bag MoM (down 1% MoM and up 2.5% YoY), to INR 373/bag in Mar'25 owing to year-end volume push. In 4Q, pan-India average prices have likely increased by 2.5-3% QoQ with ~4% QoQ increase in East and North, ~3% in West and Central and broadly flat sequentially in South. Cement industry is likely to attempt an INR 40-50/bag price hike across regions (even higher in South) in the initial couple of months of FY26. With the recent uptick in input prices, likely revision of limestone royalty rates, implementation of mining tax in Tamil Nadu and continued weak operating performance in South, we remain hopeful of partial price hike absorption in the market. Despite the high base, we expect industry demand to increase by mid-single digit YoY in 4Q owing to peak construction season and acceleration in government spending. Besides, we estimate that North will witness significantly better profitability vis-à-vis other regions in 4QFY25.

- **Pan-India cement prices decline ~1% MoM in Mar'25; up ~2.5-3% QoQ in 4Q:** Our channel checks suggest that pan-India average cement prices declined by a marginal INR 2/bag MoM (down 1% MoM and up 2.5% YoY) to INR 373/bag in Mar'25 owing to year-end volume push. The price declined by INR 6-7/bag in South, INR 2-3/bag in North/West, was broadly flat in Central, and increased by INR 7-8/bag in East. In 4Q, pan-India average prices have likely increased by 2.5-3% QoQ with ~4% QoQ increase in East and North, ~3% in West and Central and broadly flat sequentially in South.
- **Cement companies likely to attempt a sharp price hike in Apr/May25; absorption a monitorable:** Our channel checks suggest that the industry is likely to attempt an INR 40-50/bag price hike across regions (even higher in South) in the initial couple of months of FY26. With the recent uptick in petcoke prices (>10% up QoQ in 4Q), likely revision of limestone royalty rates, implementation of mining tax in Tamil Nadu and continued weak operating performance in South, we remain hopeful of partial price hike absorption in the market.
- **Industry demand likely to grow in mid-single digit YoY in 4Q:** Industry demand is likely to grow in high-single digit YoY in East and Central, mid-single digit YoY in South and MH and be flat YoY in North in Mar'25. Despite the high base, we expect industry demand to increase by mid-single digit YoY in 4Q owing to peak construction season and acceleration in government spending. We estimate that demand will grow at 4-4.5% YoY in FY25.
- **Industry profitability to further improve sequentially in 4QFY25** on the back of peak seasonal demand, and further supported by back-ended budgeted government spending and better prices. We estimate that North will witness significantly better profitability than other regions in 4QFY25.

Exhibit 1. Valuation matrix

Company Name	Mcap (USD mn)	Rating	CMP (INR/sh)	TP (INR/sh)	EV/EBITDA (x)		EV/Tonne (USD)	
					FY26E	FY27E	FY26E	FY27E
ACC	4,271	BUY	1,943	2,250	10.1	8.4	90	81
Ambuja	15,509	BUY	538	635	19.9	15.6	150	145
Birla Corp	951	BUY	1,056	1,460	8.2	7.0	61	57
Dalmia	4,048	HOLD	1,822	1,825	12.2	10.8	97	99
JK Cement	4,458	BUY	4,933	5,300	16.6	14.2	147	129
Ramco Cements	2,478	HOLD	897	915	14.5	12.1	111	94
Shree Cement	12,890	HOLD	30,546	27,800	20.4	16.8	150	139
Star Cement	1,016	HOLD	215	215	12.5	10.4	102	84
UltraTech	38,862	BUY	11,510	13,000	20.6	17.0	206	190



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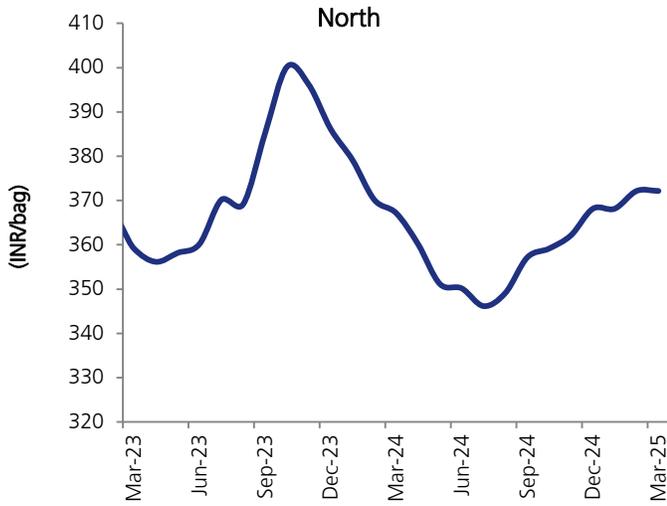
We acknowledge the contribution of **Akshaan Agrawal** (akshaan.agrawal@jmfl.com) in preparation of this report

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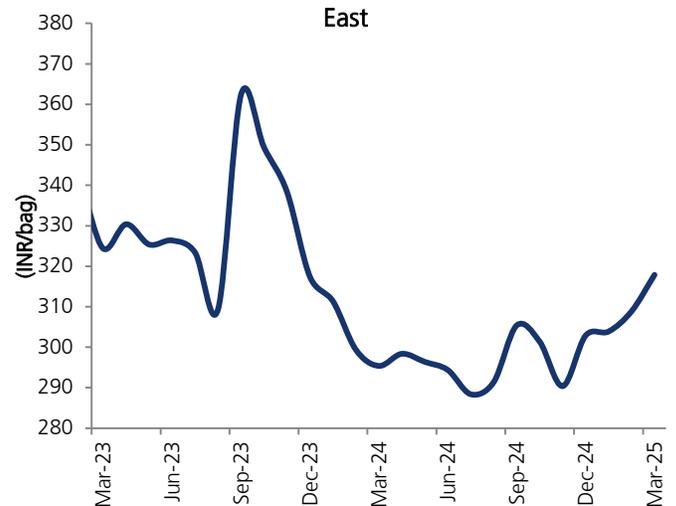
# Cement Prices

**Exhibit 2. North cement prices rose ~3% QoQ in 4QFY25**



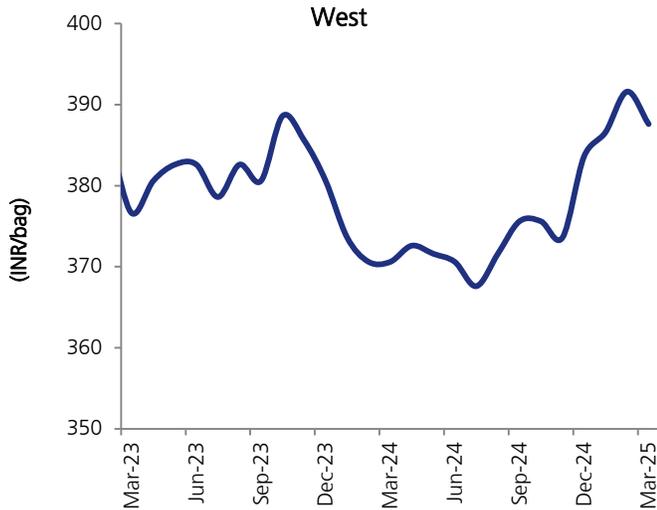
Source: Industry, JM Financial

**Exhibit 3. East cement prices rose ~4% QoQ in 4QFY25**



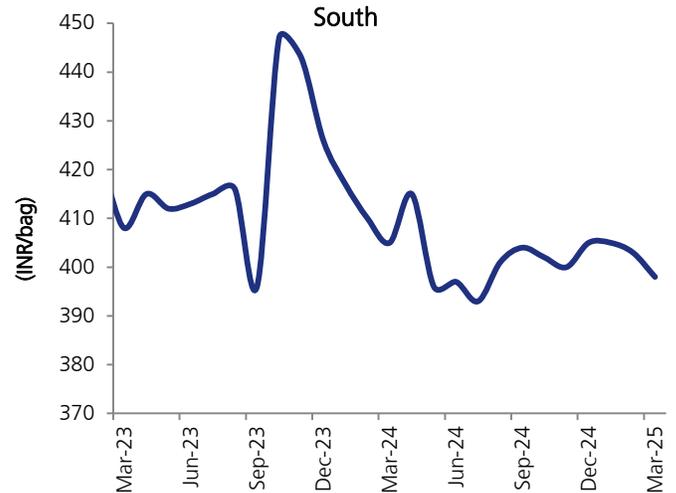
Source: Industry, JM Financial

**Exhibit 4. West cement prices rose ~3% QoQ in 4QFY25**



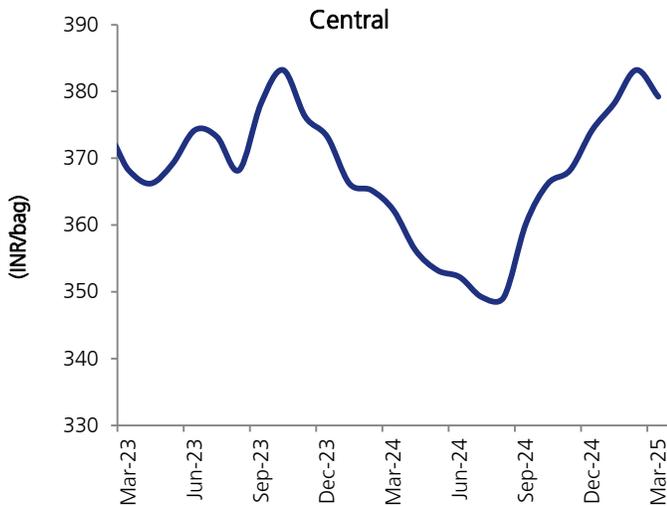
Source: Industry, JM Financial

**Exhibit 5. South cement prices broadly flat QoQ in 4QFY25**



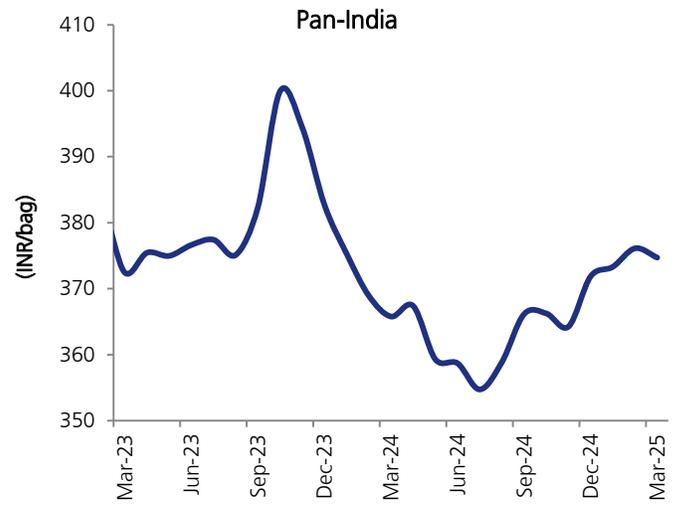
Source: Industry, JM Financial

**Exhibit 6. Central cement prices rose ~3% QoQ in 4QFY25**



Source: Industry, JM Financial

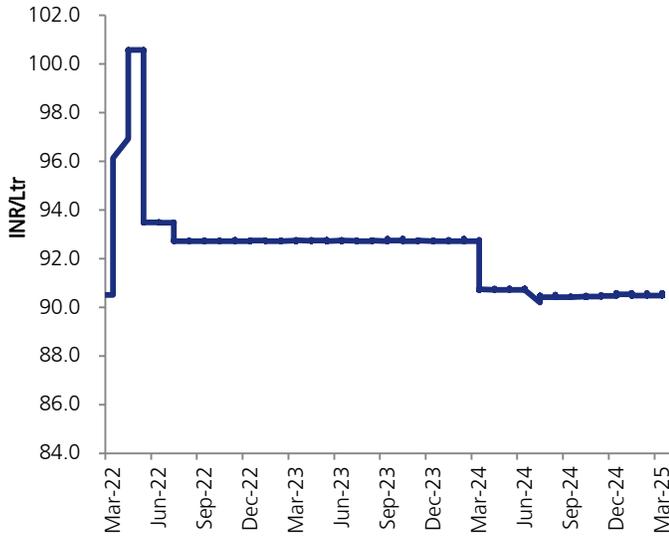
**Exhibit 7. Pan-India cement prices rose ~2.5-3% QoQ in 4QFY25**



Source: Industry, JM Financial

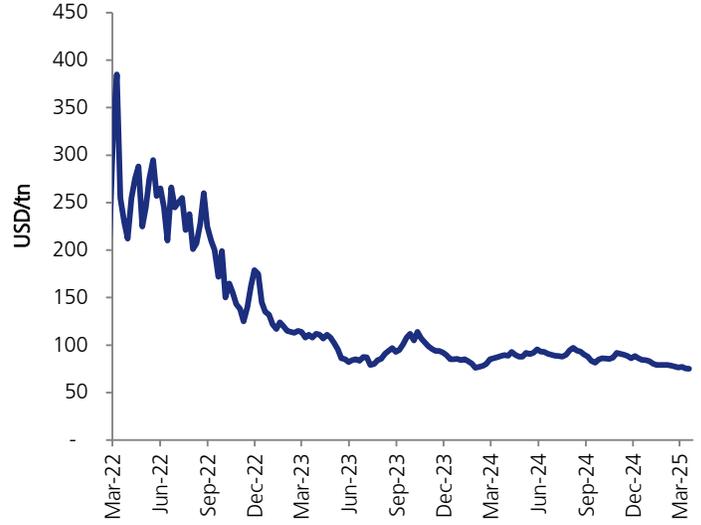
# Input Costs

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



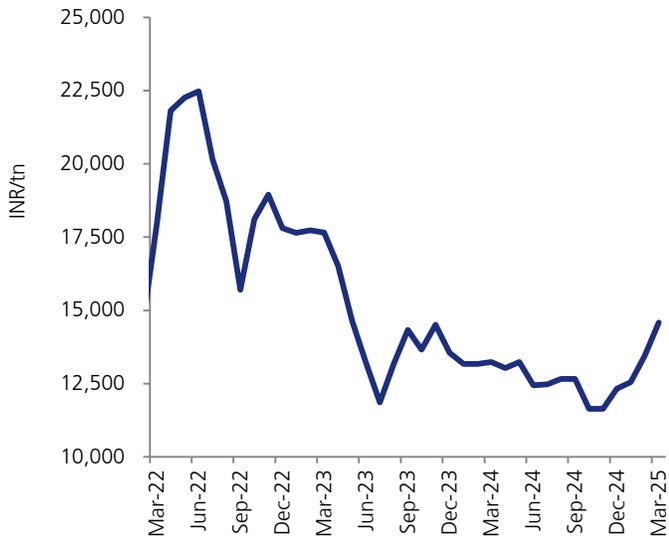
Source: Industry, JM Financial

**Exhibit 9. International coal prices declined 10% QoQ in 4QFY25**



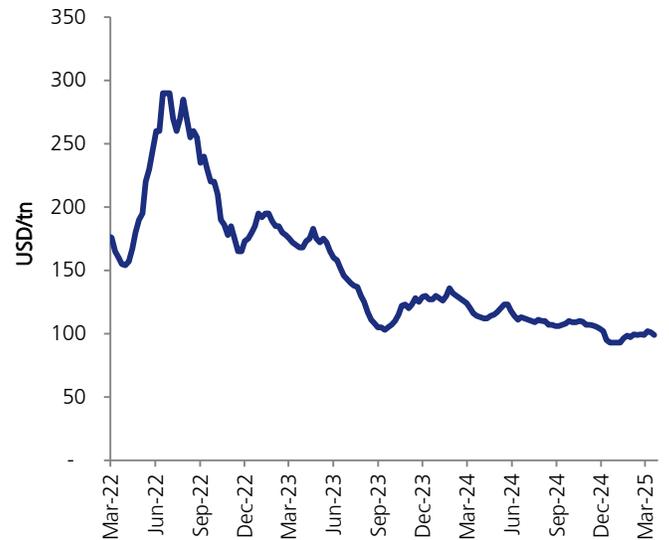
Source: Industry, JM Financial

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



Source: Industry, JM Financial

**Exhibit 11. International petcoke prices increased ~13% QoQ in 4Q**



Source: Industry, JM Financial

**Exhibit 12. Volumes likely to grow at 12% CAGR over FY25E-27E**

Volumes (mt)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY20-25E	FY25E-27E
ACC	30	26	29	39	37	43	46	49	7.4	7.5
Ambuja	54	49	56	69	59	66	80	91	4.0	17.9
Birla Corp	14	14	14	16	18	18	19	19	5.2	4.2
Dalmia	19	21	22	26	29	29	31	34	8.4	8.3
JK Cement	10	12	14	16	19	20	22	25	14.2	11.5
Ramco	11	10	11	15	18	19	21	23	11.1	9.5
Shree Cement	28	30	31	35	39	40	45	49	7.4	10.7
Star Cement	3	3	3	4	4	5	5	6	10.3	13.5
UltraTech	82	86	94	106	119	131	152	169	9.7	13.5
<b>Total</b>	<b>251</b>	<b>250</b>	<b>276</b>	<b>325</b>	<b>343</b>	<b>370</b>	<b>421</b>	<b>465</b>	<b>8.0</b>	<b>12.2</b>

Source: Company, JM Financial

**Exhibit 13. Realisation likely to grow at 1% CAGR over FY25E-27E**

Realisation (INR/tn)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY20-25E	FY25E-27E
ACC	5,156	5,151	5,380	5,645	5,336	4,869	4,937	4,991	(1.1)	1.3
Ambuja	5,035	5,017	5,134	5,643	5,602	5,232	5,293	5,363	0.8	1.3
Birla Corp	4,865	4,872	5,129	5,395	5,387	4,934	4,994	5,069	0.3	1.4
Dalmia	4,967	5,088	5,084	5,258	5,104	4,788	4,849	4,911	(0.7)	1.3
JK Cement	5,603	5,449	5,592	5,854	5,868	5,704	5,777	5,791	0.4	0.8
Ramco	4,788	5,278	5,392	5,465	5,097	4,592	4,623	4,671	(0.8)	0.8
Shree Cement	4,609	4,523	4,765	5,091	5,208	4,783	4,869	4,954	0.7	1.8
Star Cement	6,389	6,500	6,523	6,735	6,593	6,656	6,731	6,824	0.8	1.2
Ultratech	5,038	5,118	5,502	5,895	5,864	5,569	5,610	5,687	2.0	1.1
<b>Wt. avg.</b>	<b>5,016</b>	<b>5,052</b>	<b>5,290</b>	<b>5,639</b>	<b>5,567</b>	<b>5,222</b>	<b>5,288</b>	<b>5,361</b>	<b>0.8</b>	<b>1.3</b>

Source: Company, JM Financial

**Exhibit 14. EBITDA/tn likely to grow at 14-15% CAGR over FY25E-27E**

EBITDA (INR/tn)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY20-25E	FY25E-27E
ACC	811	949	1,020	499	830	555	670	740	(7.3)	15.5
Ambuja	854	1,051	1,101	742	1,081	710	920	1,075	(3.6)	23.0
Birla Corp	967	988	781	491	815	605	725	815	(8.9)	16.0
Dalmia	1,092	1,346	1,093	899	917	827	975	1,030	(5.4)	11.6
JK Cement	1,186	1,320	1,057	810	1,079	965	1,080	1,135	(4.0)	8.5
Ramco	1,024	1,560	1,168	800	851	710	800	885	(7.1)	11.7
Shree Cement	1,346	1,360	1,177	844	1,146	900	1,024	1,137	(7.7)	12.4
Star Cement	1,369	1,258	1,014	1,167	1,261	1,070	1,250	1,335	(4.8)	11.7
Ultratech	1,144	1,338	1,225	1,004	1,089	975	1,135	1,235	(3.1)	12.5
<b>Wt. avg.</b>	<b>1,050</b>	<b>1,233</b>	<b>1,125</b>	<b>821</b>	<b>1,027</b>	<b>829</b>	<b>983</b>	<b>1,087</b>	<b>(4.6)</b>	<b>14.5</b>

Source: Company, JM Financial

## APPENDIX I

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