

Jan-Mar'25 Earnings Preview

April 7, 2025

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
ACC	BUY	1,966	2,549
Ambuja Cement	BUY	529	643
Dalmia Bharat	Acc	1,845	2,003
Nuvoco Vistas Corporation	Acc	316	357
Shree Cement	Reduce	30,788	28,336
Ultratech Cement	BUY	11,499	12,868

Source: PL Acc=Accumulate

Top Picks

Ultratech Cement

Ambuja Cement

Demand stays firm, cost inflation warrant higher pricing

We expect our cement coverage universe to report QoQ revenue/EBITDA/PAT growth of 21%/54%/-7% (~4%/0%/-16% YoY), primarily driven by decent volume growth and a slight uptick in pricing during the quarter. Demand remained firm across regions, led by private builders and IHB segment, supported by a growing real estate market, increased government-led infrastructure activities, and the lifting of GRAP-3 restrictions imposed earlier in NCR due to pollution. However, certain challenges impacted pricing and overall growth. Labor shortages due to regional festivals in Jan'25, an increase in non-trade sales, and a volume push by companies to meet year-end sales targets restricted the scope for price hikes. Additionally, intense competition among brands further constrained pricing power, resulting in a QoQ average price increase of just 2%. As a result, price hikes, when implemented, were not always sustainable.

With the monsoon still two months away, cement companies stand to benefit from this seasonally strong period and are likely to hike prices by Rs10-15/bag in April, as pet coke prices have inched up ~13% QoQ and would start hurting from Q1FY26. We expect our cement coverage universe to deliver strong sequential performance supported by strong volume growth and improvement in realizations. Although higher pet coke prices would warrant further price hikes, soft coal prices would aid. Key monitorables to watch out are: 1) continuation of demand growth, 2) sustainability of price hikes, and 3) trends of pet coke and other costs.

Limited recovery in cement realization: Realizations for our cement coverage universe are expected to increase by ~2% QoQ (-2% YoY) in Q4FY25. While cement players attempted price hikes across all regions whenever possible, short-term challenges and intense competition prevented these hikes from being fully sustained. Additionally, year-end pressure to meet sales targets further limited pricing growth. According to our recent channel checks, cement prices increased by just Rs10/bag QoQ across most regions, except in the South, where prices declined by 2% QoQ due to weaker infrastructure activity. In contrast, prices rose by 8% in the East, 3% in the Central region, and 2% each in the West and North. Looking ahead, a price hike of Rs10-15/bag is expected in Apr'25, driven by stable demand, which could significantly improve realizations in Q1FY26.

Decent volume growth on high base: Demand witnessed substantial sequential improvement in Q4FY25 and on higher YoY base industry grew 5-6% YoY. There is an uptick in demand since Dec'24 mostly aided by private builders and retailers. Growing real estate market and increased government-led infrastructure activities helped demand sustain during the quarter. Lifting of restrictions (GRAP-3) construction activities in NCR region aided as well. We expect our universe to report ~18% QoQ volume increase to 90mt (+6% YoY).

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Profitability to marginally decline YoY: Power and fuel costs are expected to remain soft however expected to inch up from Q1FY26 as Pet Coke prices increased ~13-14% in the last two months. Imported coal prices have softened in Q4FY25 which would negate that impact to a certain extent. There is no major inflation in freight cost while other expenses would get operating leverage benefit QoQ. In the long term, costs are expected to decline due to flat diesel prices, increasing RE power share and increase in railway sidings. Average EBITDA/t for our universe is expected to grow ~28% QoQ (by Rs205/t) to ~Rs929/t. ACEM and UTCEM are expected to witness maximum increase of Rs313/t and Rs232/t, respectively.

Change in Ratings:

Shree Cement: Despite being a pioneer in cost savings and an aggressive organic growth player over the last two decades, few misses in branding and increased competitiveness in the cement industry have limited SRCM's volume growth over the last few quarters. Due to recent run up of stock by 15% post the last quarterly result, the stock gets downgraded to stock to **Reduce** from **Hold** with revised TP of Rs28,336 (from Rs26,190 earlier) assigning 17x EV to Mar'27 EBITDA.

Nuvoco Vistas: We cut our FY25/26/27E EBITDA by 4%/9%/4%. Post its Q3FY25 result the stock has fallen by ~11% which upgrades the stock to **Accumulate** from **Hold** with TP of Rs357 (Rs339 earlier) assigning 8x EV to Mar'27 EBITDA. Nuvoco has 75% of its capacity in the Eastern region, where cement prices have seen the steepest increase (8% QoQ), serving as a key tailwind for the stock. Additionally, the company has recently got NCLT approval for its acquisition of Vadraj Cement. This acquisition provides direct entry into the Western region, strengthening its geographical footprint post-asset refurbishment. However, successful restarting of closed plants and intense competition from leaders in the Western region would remain monitorables.

ACC: Although ACEM management is working on old ACC units to upgrade the efficiencies, the initial timelines indicated by management seem to be delayed. We remain positive on ACC, however cut EV/EBITDA multiples to 12x from 15x given on the basis of long-term average multiple of 15x. We tweak our estimates by 2-3% incorporating improving cement prices across regions and maintain **Buy** with revised TP of Rs2,549 from Rs2,878 earlier. We still believe that ACC would benefit from ACEM's focus on maximizing volume growth and cost efficiencies in the process of achieving planned consolidated EBITDA/t of ACEM.

Exhibit 2: Exhibit 2: Strong 18% QoQ/6% YoY volume growth for coverage universe led by strong demand strong regions

Volumes (mt)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25E	YoY gr.	QoQ gr.
ACC	9.4	8.1	8.9	10.5	10.2	9.3	10.7	11.1	6%	4%
ACEM Cons	15.4	13.1	14.1	16.6	15.8	14.2	16.5	18.6	12%	13%
Dalmia	7.0	6.2	6.8	8.8	7.4	6.7	6.7	8.7	-1%	30%
NUVOCO	5.0	4.5	4.0	5.3	4.8	4.2	4.7	5.8	8%	23%
SRCM	8.9	8.2	8.9	9.5	9.6	7.6	8.8	9.9	4%	13%
UTCEM	29.0	25.7	26.1	33.9	30.9	26.4	28.8	35.9	6%	25%

Source: Company, PL

Exhibit 3: Exhibit 3: Realization per ton to improve by just 2% QoQ due to year end push to meet the sales targets

Realization (Rs/t)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25E	YoY gr.	QoQ gr.
ACC	5,199	5,125	5,220	4,895	4,757	4,680	4,652	4,698	-4.0%	1.0%
ACEM Cons	5,658	5,667	5,765	5,358	5,260	5,196	5,153	5,256	-1.9%	2.0%
Dalmia	5,199	5,079	5,300	4,894	4,893	4,594	4,727	4,843	-1.1%	2.5%
NUVOCO	5,611	5,778	6,052	5,486	5,493	5,401	5,126	5,280	-3.8%	3.0%
SRCM	5,078	5,141	5,112	4,861	4,582	4,498	4,601	4,717	-3.0%	2.5%
UTCEM	5,945	6,047	6,191	5,841	5,676	5,642	5,668	5,770	-1.2%	1.8%

Source: Company, PL

Exhibit 4: Exhibit 4: Raw material cost per ton to decline QoQ

RM Cost (Rs/t)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25E	YoY gr.	QoQ gr.
ACC	1,518	1,598	1,507	1,674	1,717	1,926	2,050	2,009	20%	-2%
ACEM Cons	723	789	844	956	998	1,000	1,082	1,082	13%	0%
Dalmia	812	860	921	1,111	818	662	764	785	-29%	3%
NUVOCO	909	1,056	1,107	1,096	1,093	1,121	895	1,064	-3%	19%
SRCM	647	670	493	372	530	539	616	401	8%	-35%
UTCEM	1,110	1,090	940	1,067	980	1,007	1,046	1,056	-1%	1%

Source: Company, PL

Exhibit 5: Exhibit 5: Power & Fuel to get benefits of previous quarter's decline in pet coke prices

P&F Cost (Rs/t)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25E	YoY gr.	QoQ gr.
ACC	1,197	1,095	1,141	934	981	842	797	773	-17%	-3%
ACEM Cons	1,501	1,423	1,359	1,216	1,308	1,280	1,262	1,224	1%	-3%
Dalmia	1,294	1,126	1,068	898	1,023	1,052	994	979	9%	-2%
NUVOCO	1,245	1,206	1,124	993	1,072	1,078	1,086	1,056	6%	-3%
SRCM	1,712	1,671	1,391	1,498	1,458	1,317	1,042	1,318	-12%	27%
UTCEM	1,544	1,560	1,536	1,375	1,404	1,380	1,300	1,248	-9%	-4%

Source: Company, PL

Exhibit 6: Exhibit 6: Freight costs per ton continue to decline led by flat diesel prices and declining lead distance QoQ

Freight costs (Rs/t)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25E	YoY gr.	QoQ gr.
ACC	1,240	1,170	1,074	1,054	1,064	1,002	960	951	-10%	-1%
ACEM Cons	1,436	1,374	1,326	1,277	1,327	1,285	1,239	1,189	-7%	-4%
Dalmia	1,161	1,018	1,093	1,159	1,122	1,095	1,116	1,135	-2%	2%
NUVOCO	1,638	1,531	1,557	1,505	1,480	1,476	1,405	1,380	-8%	-2%
SRCM	1,194	1,159	1,093	1,097	1,157	1,173	1,131	1,108	1%	-2%
UTCEM	1,395	1,351	1,374	1,353	1,342	1,341	1,300	1,313	-3%	1%

Source: Company, PL

Exhibit 7: Exhibit 7: EBITDA/t to sequentially grow by 27% led by strong volume growth and uptick in pricing

EBITDA/ton (Rs)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25E	YoY gr.	QoQ gr.
ACC	820	678	1,017	801	666	469	448	598	-25%	34%
ACEM Cons	1,082	994	1,228	1,023	810	686	537	849	-17%	58%
Dalmia	875	950	1,146	743	904	646	763	956	29%	25%
NUVOCO	785	741	1,026	918	715	521	549	729	-21%	33%
SRCM	1,048	1,061	1,386	1,393	951	780	1,079	1,242	-11%	15%
UTCEM	1,003	916	1,208	1,186	965	732	964	1,197	1%	24%

Source: Company, PL

Exhibit 8: Q4FY25 Result Preview (Rs mn)

Company Name		Q4FY25E	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)	Remark
ACC	Sales	55,315	54,087	2.3	52,905	4.6	We expect volumes to grow ~4% QoQ to ~11.1mt (~6% YoY) led by strong demand in a seasonally strong quarter. Realization is expected to increase by just ~1% sequentially mainly due to year end pressure to meet sales targets. This slight uptick in price and strong volume growth are expected to increase EBITDA/t by ~Rs150 QoQ to Rs598 (decline by Rs203 YoY).
	EBITDA	6,624	8,368	(20.8)	4,789	38.3	
	Margin (%)	12.0	15.5	-350 bps	9.1	292 bps	
	PBT	4,987	6,548	(23.8)	3,090	61.4	
	Adj. PAT	3,707	7,730	(52.0)	2,294	61.6	
Ambuja Cement (Consolidated)	Sales	97,718	88,940	9.9	85,022	14.9	We expect consolidated volumes to grow ~13% QoQ to 18.6mt. MSA volume expected to be 5.13mt (19% QoQ). Standalone volume to increase by 5% QoQ to 10.64mt (12% YoY). Cons. Realization is expected to increase just by 2% QoQ due to aggressive selling by the company. EBITDA/t to increase by Rs313 QoQ to Rs 849/t.
	EBITDA	15,792	16,987	(7.0)	8,855	78.3	
	Margin (%)	16.2	19.1	-294 bps	10.4	575 bps	
	PBT	16,385	13,861	18.2	9,274	76.7	
	Adj. PAT	12,125	15,258	(20.5)	26,201	(53.7)	
Dalmia Bharat	Sales	42,291	43,070	(1.8)	31,810	33.0	Realization is expected to increase just by ~2.5% QoQ due to having higher exposure to Southern markets where the prices were impacted the most. We expect 30% QoQ increase in volumes to ~8.7mt due to lower base (-1% YoY). EBITDA/t is expected to increase by Rs194 QoQ to Rs 956 led by higher operating leverage.
	EBITDA	8,352	6,540	27.7	5,110	63.4	
	Margin (%)	19.7	15.2	456 bps	16.1	368 bps	
	PBT	4,406	3,520	25.2	830	430.9	
	Adj. PAT	3,206	3,150	1.8	610	425.6	
Nuvoco Vistas Corporation	Sales	30,492	29,334	3.9	24,094	26.6	We expect realization to rise ~3% QoQ on slightly more uptick in pricing in the Eastern region compared to other regions. Volumes are expected to grow 23% QoQ to 5.8mt (+8% YoY). EBITDA/t is expected to increase by Rs179 QoQ to Rs729/t (-21% YoY).
	EBITDA	4,207	4,908	(14.3)	2,583	62.9	
	Margin (%)	13.8	16.7	-293 bps	10.7	308 bps	
	PBT	700	1,550	(54.8)	-847	NA	
	Adj. PAT	665	1,004	(33.7)	-614	NA	
Shree Cement	Sales	50,266	50,727	(0.9)	42,355	18.7	We expect volumes to grow ~14% sequentially at ~9.9mt (+4% YoY). Realization is expected to increase ~2.5% led by increase in non-trade prices. We factor in ~Rs163 QoQ increase in standalone EBITDA/t to Rs1242/t (-11% YoY).
	EBITDA	12,313	13,272	(7.2)	9,466	30.1	
	Margin (%)	24.5	26.2	-167 bps	22.3	215 bps	
	PBT	5,208	7,722	(32.6)	2,590	101.1	
	Adj. PAT	4,166	6,618	(37.0)	2,294	81.6	
Ultratech Cement	Sales	2,07,388	1,98,059	4.7	1,63,284	27.0	Volume is expected to grow ~25% QoQ to ~35.9mt (6% YoY) on uptick in demand and having the highest market share. We expect UTCCEM to report just 1.8% QoQ increase in avg. realization due to intense competition. EBITDA/t is expected to increase by Rs 232/t QoQ to Rs 1197/t (1% YoY)
	EBITDA	43,009	40,202	7.0	27,783	54.8	
	Margin (%)	20.7	20.3	44 bps	17.0	372 bps	
	PBT	32,583	31,619	3.0	17,859	82.4	
	Adj. PAT	26,066	23,764	9.7	14,344	81.7	

Source: Company, PL

Exhibit 9: Valuation Summary

Company Names	S/C	Rating	CMP (Rs)	TP (Rs)	M Cap (Rs bn)	Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)				RoE (%)				PE (x)			
						FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E
ACC	C	BUY	1,966	2,549	369.6	199.6	201.6	221.8	235.4	30.6	22.8	31.7	35.9	24.3	15.2	19.9	21.9	129.3	80.9	105.7	116.8	16.0	9.0	10.8	10.9	15.2	24.3	18.6	16.8
Ambuja Cement	C	BUY	529	643	1,303.0	331.6	336.2	429.1	470.8	64.0	47.9	91.6	103.2	32.9	23.8	42.5	40.7	15.0	9.7	17.3	16.5	9.0	5.1	7.8	7.0	35.3	54.7	30.6	32.0
Dalmia Bharat	C	Acc	1,845	2,003	346.1	146.9	147.6	164.8	182.9	26.4	26.0	31.4	36.0	7.7	7.4	10.7	12.4	41.1	39.4	57.0	66.0	4.8	4.4	6.1	6.7	44.9	46.9	32.4	28.0
Nuvoco Vistas Corporation	C	Acc	316	357	113.0	107.3	105.1	114.2	124.7	16.2	12.5	15.6	18.9	1.3	-0.6	1.9	4.6	3.6	-1.5	5.4	12.9	1.4	-0.6	2.1	4.9	88.2	####	58.7	24.5
Shree Cement	C	Reduce	30,788	28,336	1,110.8	202.5	191.6	215.4	245.1	42.4	37.0	46.4	57.5	24.0	10.0	19.0	21.2	664.0	276.4	526.9	587.4	12.2	4.7	8.6	8.9	46.4	111.4	58.4	52.4
Ultratech Cement	C	BUY	11,499	12,868	3,388.2	709.1	726.5	903.0	1,018.3	129.7	125.3	177.6	215.6	70.1	65.1	99.2	125.9	242.6	221.1	336.5	427.1	12.2	10.4	14.5	16.4	47.4	52.0	34.2	26.9

Source: Company, PL

S=Standalone / C=Consolidated / Acc=Accumulate

Exhibit 10: Change in Estimates

	Rating		Target Price			Sales						PAT						EPS					
	C	P	C	P	% Chng.	FY25E		FY26E		FY25E		FY26E		FY25E		FY26E		FY25E		FY26E			
						C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
ACC	BUY	BUY	2,549	2,878	-11.4%	2,01,612	1,98,132	1.8%	2,21,755	2,17,922	1.8%	15,204	16,497	-7.8%	19,874	19,278	3.1%	80.9	87.8	-7.8%	105.7	102.5	3.1%
Ambuja Cement	BUY	BUY	643	628	2.4%	3,36,184	3,37,264	-0.3%	4,29,108	4,32,863	-0.9%	23,818	25,896	-8.0%	42,523	45,621	-6.8%	9.7	10.5	-8.0%	17.3	18.5	-6.8%
Dalmia Bharat	Acc	Acc	2,003	1,988	0.8%	1,47,568	1,49,717	-1.4%	1,64,816	1,71,364	-3.8%	7,385	6,818	8.3%	10,696	11,563	-7.5%	39.4	36.4	8.3%	57.0	61.7	-7.5%
Nuvoco Vistas Corporation	Acc	Hold	357	339	5.1%	1,05,150	1,04,837	0.3%	1,14,239	1,18,735	-3.8%	-553	-130	NA	1,925	3,054	-37.0%	-1.5	-0.4	NA	5.4	8.6	-37.0%
Shree Cement	Reduce	Hold	28,336	26,190	8.2%	1,91,598	1,91,598	0.0%	2,15,409	2,18,055	-1.2%	9,971	9,971	0.0%	19,010	19,637	-3.2%	276.4	276.4	0.0%	526.9	544.3	-3.2%
Ultratech Cement	BUY	BUY	12,868	12,303	4.6%	7,26,452	7,38,083	-1.6%	9,03,033	9,10,859	-0.9%	65,139	69,750	-6.6%	99,159	1,07,396	-7.7%	221.1	236.7	-6.6%	336.5	364.5	-7.7%

Source: Company, PL

C=Current / P=Previous / Acc=Accumulate

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	2,878	2,001
2	Ambuja Cement	BUY	628	522
3	Dalmia Bharat	Accumulate	1,988	1,799
4	Hindalco Industries	BUY	773	661
5	Jindal Stainless	Accumulate	715	626
6	Jindal Steel & Power	Accumulate	847	792
7	JSW Steel	Hold	919	932
8	National Aluminium Co.	Accumulate	205	183
9	NMDC	Accumulate	70	64
10	Nuvoco Vistas Corporation	Hold	339	353
11	Shree Cement	Hold	26,190	27,796
12	Steel Authority of India	Hold	107	106
13	Tata Steel	Accumulate	145	129
14	Ultratech Cement	BUY	12,303	10,128

PL's Recommendation Nomenclature

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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