



Monthly Update

April 1, 2025

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
ACC	BUY	1,945	2,878
Ambuja Cement	BUY	538	628
Dalmia Bharat	Acc	1,822	1,988
Nuvoco Vistas Corporation	Hold	307	339
Shree Cement	Hold	30,546	26,190
Ultratech Cement	Buy	11,481	12,303

Source: PL Acc=Accumulate

Strong demand, but pricing stagnates on year-end volume push

Quick Pointers:

- Cement prices improved in North and East markets by Rs5-8/bag, but declined by Rs4-6/bag MoM in South and West. Thus, all-India average price remained flattish MoM at Rs352/bag due to year-end volume push.
- Price hike of Rs10-15/bag is expected across regions in Apr'25 amid strong demand across regions.

We interacted with cement dealers across regions to assess the cement demand and pricing scenario. Our discussions indicated that demand was strong in Mar'25 and has been on an upward trend since late Dec'24. However, prices declined in a few regions in Mar'25, primarily due to dealers pushing volumes to meet year-end targets. Among key markets, Ahmedabad, Bhopal and Hyderabad saw a price decline of Rs10/bag, while prices remained unchanged in Jaipur, Chennai and Mumbai. In contrast, Delhi, Patna, Kolkata and Lucknow witnessed a price hike of ~Rs10/bag. As a result, all-India average price remained largely flat MoM at Rs352/bag. Looking ahead, with expectations of strong demand, prices are anticipated to rise by Rs10-15/bag across regions.

The quarter witnessed strong demand across regions, driven by private builders and retailers. Growing real estate market activities and increased government-led infrastructure activities are expected to sustain cement demand in the near term. With the monsoon still 2 months away, cement companies could benefit from this seasonally strong period for the sector. However, cost curve is also expected to rise with pet coke prices inching up ~15% QoQ and companies would need price hikes to maintain margins, although intense competition may restrict the same. We expect strong QoQ uptick in average NSR for cement companies focused on North, West and Central markets. Eastern region prices have improved from the lows of Nov'24, but sustenance would be a key amid increasing capacities from companies. Top picks: UTCEM & ACEM.

Northern region

Prices in **Delhi** increased by Rs5-10/bag, with UTCEM selling for ~Rs355/bag due to an uptick in demand. Demand is gradually picking up, driven by increased infrastructure activities following the lifting of GRAP-3 restrictions imposed earlier amid rising pollution. With expectations of growing demand, prices are anticipated to rise further in Apr.

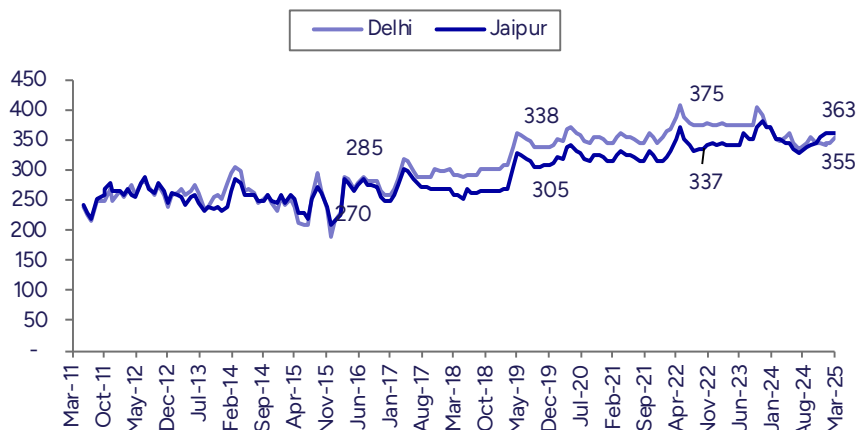
In contrast, **Jaipur** prices remained flat MoM due to volume push at discounted prices to meet year-end targets by dealers amidst stable demand, leading to an improvement in sales. Due to intense competition, pricing continues to remain a concern in the near term. Dealers in Jaipur saw their sales improve by more than

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15-20% MoM, primarily driven by private builders, farmers, and the IHB segment. Improvement is also visible due to government infrastructure projects.

Exhibit 2: Average cement price in Northern region up by Rs5/bag

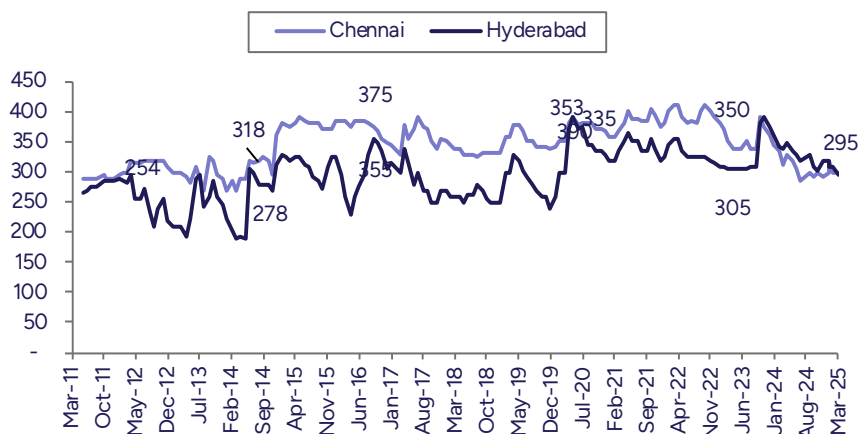


Source: PL

Southern region

Prices in **Chennai** remained flat MoM at ~Rs298/bag. Demand was slightly better in Mar, driven by customers taking advantage of lower year-end prices. With increased visibility of government projects (post recent state budget) in the coming months, demand is expected to improve further and a price hike of Rs10-15/bag is anticipated by dealers.

Exhibit 3: Southern region prices witness 2% decline MoM led by AP and TG



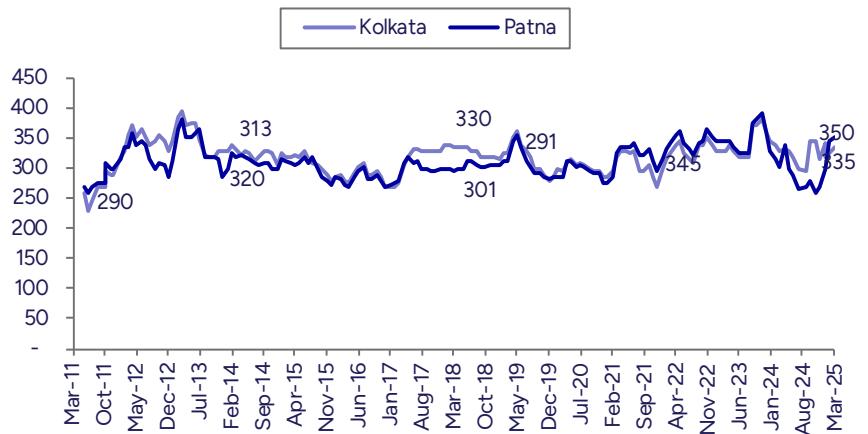
Source: PL

In contrast, **Hyderabad** saw a price decline of ~Rs10/bag, due to the year-end target push and competitive market conditions. Andhra Pradesh government's HYDRRAA initiative continues to pose a challenge for the public in building new projects due to significant due diligence requirements. According to dealers, cement prices in Andhra Pradesh and Telangana are expected to increase by Rs30-50/bag in 2 phases as demand is expected to improve.

Eastern region

Patna market witnessed a price hike of ~Rs10/bag to ~Rs350/bag in Mar, though dealers facing pressure to meet year-end targets amid lower demand, are selling bulk orders at discounted prices to boost sales. Another price hike of Rs5-10/bag is expected in Apr. The story is no different in **Kolkata**, with a price hike of ~Rs10/bag already implemented and another ~Rs5/bag increase expected in Apr. However, demand remains under pressure despite Q4 being a seasonally strong quarter.

Exhibit 4: Prices improve after hitting lows of Rs290 in Nov'24

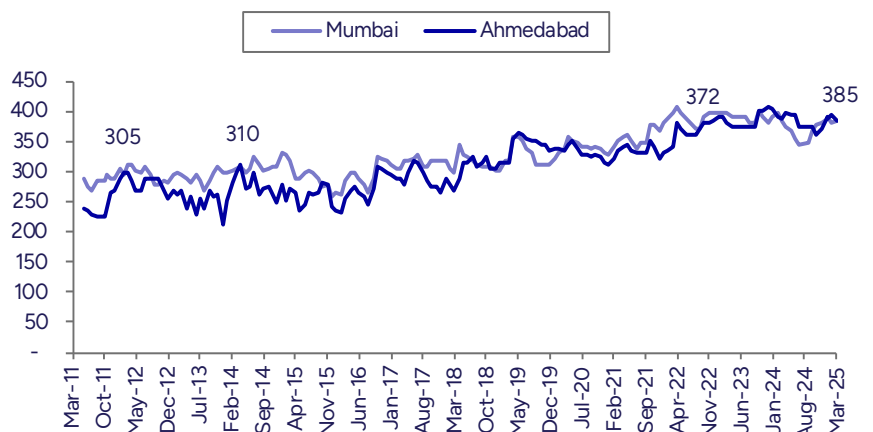


Source: PL

Western region

In **Ahmedabad**, bulk orders increased due to the year-end discounts offered to customers, positively impacting demand but leading to a price decline of ~Rs10/bag. Dealers expect Apr to be a strong month with prices anticipated to improve by Rs10-15/bag. Prices in **Mumbai** remained flat due to intense competition among brands, preventing any upward movement. Demand has been strong, driven by the growing property market. With a stable real estate sector and ongoing government projects, prices are expected to rise by Rs10-15/bag in Apr.

Exhibit 5: Western region prices decline by ~Rs4/bag on year-end volume push

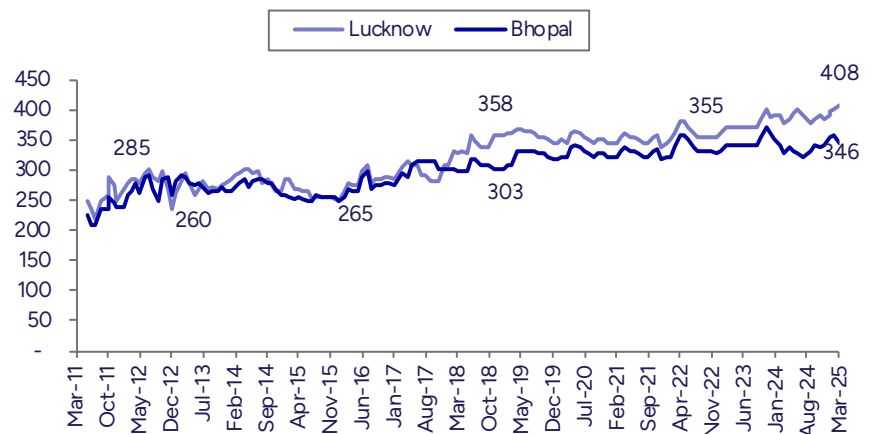


Source: PL

Central region

Cement prices in **Lucknow** increased by ~Rs10/bag MoM to Rs408/bag due to seasonal factors and a raw material shortage caused by the Mahakumbh. This hike has been well accepted by the market. However, demand declined during Holi after remaining strong until mid-Mar. In the near term, both pricing and demand may remain stagnant due to the wheat harvesting season, which is expected to lead to temporary labor shortage.

Exhibit 6: Prices remain flat MoM due to volume push amid stable demand

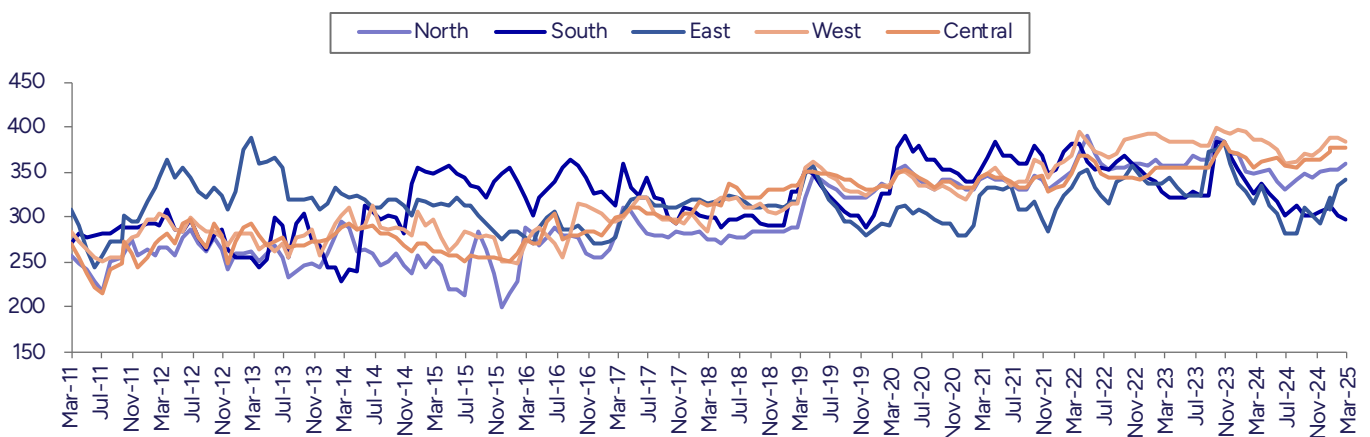


Source: PL

In contrast, prices in **Bhopal** declined by ~Rs10/bag MoM to Rs346/bag due to year-end target closing pressure and the impact of Holi. Similar to Lucknow, demand remained strong until mid-Mar. In the near term, demand may be affected until the wheat harvesting season concludes in Apr, after which a price hike of Rs10-20/bag is expected.

All-India pricing

Exhibit 7: All-India average price increase 3% QoQ in Q4FY25 amid stable demand in seasonally strong quarter (flat MoM)



Source: PL

Exhibit 8: Region wise pricing details

	North	South	East	West	Central	All India
Jun-23	358	323	323	384	356	349
Jul-23	368	328	323	384	356	352
Aug-23	363	325	323	379	356	349
Sep-23	363	325	373	379	356	359
Oct-23	388	385	375	400	370	384
Nov-23	385	383	385	395	385	387
Dec-23	372	368	360	394	374	373
Jan-24	370	353	338	398	370	366
Feb-24	350	339	328	395	366	355
Mar-24	349	325	316	386	354	346
Apr-24	350	337	335	386	362	354
May-24	353	327	313	382	363	348
Jun-24	339	316	304	376	366	340
Jul-24	331	301	283	360	357	326
Aug-24	341	313	282	362	355	330
Sep-24	349	302	312	371	364	339
Oct-24	345	301	303	369	364	336
Nov-24	350	306	293	376	364	338
Dec-24	353	310	321	389	374	349
Jan-25	354	314	308	388	377	348
Feb-25	354	303	335	388	378	352
Mar-25	359	296	343	384	377	352

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	1,945	2,878	365.6	199.6	198.1	217.9	231.3	30.6	24.6	31.0	35.0	24.3	16.5	19.3	21.3	129.3	87.8	102.5	113.1	16.0	9.7	10.4	10.5	15.0	22.2	19.0	17.2
Ambuja Cement	C	BUY	538	628	1,326.0	331.6	337.3	432.9	478.1	64.0	51.1	95.0	109.9	32.9	25.9	45.6	46.8	15.0	10.5	18.5	19.0	9.0	5.5	8.3	7.9	35.9	51.2	29.1	28.4
Dalmia Bharat	C	Acc	1,822	1,988	341.6	146.9	149.7	171.4	196.2	26.4	25.2	32.6	38.3	7.7	6.8	11.6	14.1	41.1	36.4	61.7	75.1	4.8	4.1	6.6	7.6	44.3	50.1	29.5	24.2
Nuvoco Vistas Corporation	C	Hold	307	339	109.7	107.3	104.8	118.7	126.4	16.2	13.1	17.1	19.7	1.3	-0.1	3.1	5.3	3.6	-0.4	8.6	14.7	1.4	-0.1	3.3	5.5	85.7	####	35.9	20.9
Shree Cement	C	Hold	30,546	26,190	1,102.1	202.5	191.6	218.1	250.4	42.4	37.0	47.0	59.0	24.0	10.0	19.6	22.4	664.0	276.4	544.3	622.0	12.2	4.7	8.9	9.4	46.0	110.5	56.1	49.1
Ultratech Cement	C	Buy	11,481	12,303	3,383.0	709.1	738.1	910.9	1,018.3	129.7	130.8	187.9	218.4	70.1	69.8	107.4	128.1	242.6	236.7	364.5	434.7	12.2	11.1	15.5	16.3	47.3	48.5	31.5	26.4

Source: Company, PL

S=Standalone / C=Consolidated / 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	804	702
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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