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CEMENT | Q1FY26 Preview | 10 July 2025

Good start for the year; monsoon holds the key

- **A healthy ~9% (coverage universe) demand, driven by improved rural sentiment and lower base YoY on general elections in May 2024**
- **Cement prices hiked early in Q1 failed to continue its momentum due to early onset of the monsoon, realisations +2%/1% YoY/QoQ**
- **Avg EBITDA margin (cement coverage) estimated at ~22% up by ~500 bps on weak base YoY (+150bps QoQ), EBITDA/t at ~Rs 1,164**

Milind Raginwar
research@bobcaps.in

Healthy vol growth; a weak base helps: Cement demand was steady in Q1FY26, though a weak base helped reflect healthier gains. Demand revival visible in Q4FY25 was extended in many pockets reflected in the ~9% volume growth in our coverage universe. Demand was healthy in the eastern and western regions, helped by states like Bihar (pre-election demand), West Bengal, Gujarat and Maharashtra. Predictions of above-normal monsoon helped improve the sentiments in the rural segment and improved infrastructure activity helped urban demand. However, across-the-border tensions and early monsoon were the dampeners.

Price revival in early Q1FY26 steadily tapers: The aggressive price hikes taken in South India and price revival in the eastern and central region helped improve pricing sentiment early in the quarter. However, political tensions kept pricing on tenterhooks in East and South India. Further, arrival of monsoon two weeks ahead of the schedule added concerns on maintaining prices at elevated levels. Pan-India cement prices were higher by ~5-6%, skewed by steep price hikes in South India, followed by North & Central; while the West remained range-bound.

Limited margin fall: Realisations of our coverage companies improved by an average ~2%YoY (up by ~1% QoQ). With limited negative cost headwinds and better operating leverage available, margin profile improved with margins at ~21% in Q1FY26. Efficiently driven companies like UTCEM, STRCEM, and SRCM outperformed the industry while ACC, TRCL and JK Lakshmi were below par.

Better pricing helps EBITDA/t recovery YoY: We estimate EBITDA/t at ~Rs 1,164/t recovering further from ~Rs995/tonne QoQ, on healthy pricing and limited cost headwinds. Better efficiencies by the use of alternate fuel helped recovery. EBITDA/t improvement was healthy on a weak base of general election quarter YoY. UTCEM, SRCM and STRCEM stayed above industry average, but ACC and Ramco Cements faired below average.

No major change in stance: We continue to be positive on UTCEM (BUY) and our negative stance (SELL Rating) on JK Lakshmi, Dalmia Bharat and TRCL.

Fig 1 – BOBCAPS Cement universe: Q1FY26 preview – Healthy top line and EBITDA growth, driven by steady demand and price hikes; margins recovery in sight on limited cost impact. Momentum continuity hinges on healthy monsoon

Y/E March	Net sales (Rs mn)			EBITDA (Rs mn)			EBITDA margin (%)			Adj. PAT (Rs mn)		
	Q1FY26E	YoY (%)	QoQ (%)	Q1FY26E	YoY (%)	QoQ (%)	Q1FY26E	YoY (bps)	QoQ (bps)	Q1FY26E	YoY (%)	QoQ (%)
ACC	58,293	13.1	(3.0)	8,651	27.7	8.1	14.8	170.6	152.0	5,278	44.1	(12.1)
ACEM	52,387	16.0	(7.8)	10,463	62.0	0.8	20.0	566.7	169.8	6,855	17.5	(26.2)
DALBHARA	38,497	6.3	(5.9)	9,033	35.0	13.9	23.5	498.9	408.1	4,097	61.3	(5.8)
JKCE	29,470	11.5	(11.8)	6,107	27.5	(17.1)	20.7	260.1	(130.6)	2,877	42.0	(20.7)
JKLC	16,280	12.7	(6.4)	2,735	48.2	12.8	16.8	402.3	286.0	1,522	99.4	10.3
TRCL	23,012	10.2	(3.8)	4,161	30.3	29.7	18.1	278.7	466.7	976	175.0	384.0
SRCM	54,591	12.9	4.2	16,423	79.2	18.4	30.1	1,113.1	362.1	4,661	46.7	(17.0)
STRCEM	8,531	13.6	(18.9)	1,975	70.1	(24.8)	23.1	768.3	(182.5)	849	174.1	(31.0)
UTCEM	1,95,482	11.5	(7.5)	43,610	46.3	(5.4)	22.3	530.6	49.8	23,789	42.0	(11.3)
Total	**4,76,544**	**11.9**	**(6.0)**	**1,03,158**	**47.6**	**1.2**	**21.6**	**523.7**	**154.0**	**50,905**	**43.7**	**(13.0)**

Source: Company, BOBCAPS Research

Fig 2 – Sales volume driven by demand recovery across regions, steep price hike in South India

Y/E March	Sales Volume (mn tonnes)			Realisation (Rs/tonne)			EBITDA (Rs/tonne)		
	Q1FY26E	YoY (%)	QoQ (%)	Q1FY26E	YoY (%)	QoQ (%)	Q1FY26E	YoY (%)	QoQ (%)
ACC	11.27	10.5	(5.3)	4,878	2.5	2.1	768	15.6	14.1
ACEM	10.28	10.5	(11.4)	5,098	5.0	4.1	1,018	46.6	13.8
DALBHARA	7.99	8.0	(7.1)	4,817	(1.6)	1.3	1,103	25.8	23.3
JKCE	5.20	10.1	(8.8)	5,667	1.3	(3.4)	1,174	15.8	(9.1)
JKLC	2.44	5.0	(5.0)	6,833	10.0	1.0	1,120	41.1	18.7
TRCL	4.80	10.0	(7.8)	4,798	0.2	4.3	847	19.3	41.7
SRCM	9.76	1.3	(0.8)	5,405	7.8	1.5	1,683	77.0	19.4
STRCEM	1.30	12.4	(15.3)	6,578	1.1	3.1	1,522	51.3	24.3
UTCEM	34.12	12.0	(6.8)	4,919	(2.3)	4.2	1,278	30.6	1.5
Total	**88.39**	**9.1**	**(5.5)**	**5,025**	**1.5**	**1.3**	**1,164**	**35.4**	**8.0**

Source: Company, BOBCAPS Research

Fig 3 – ACC

Particulars	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Comment
Sales volume (mn tonnes)	11.3	10.2	10.5	11.9	(5.3)	ACC's margin is anticipated to improve from Q4FY25's 13.3%, supported by cost efficiencies (reduction in kiln fuel costs and rationalised logistics cost) and premium product focus (41% of trade sales in Q4). Industry-wide shifts toward sustainable practices, including ACC's 22.5% green power share and SBTi-validated Net Zero target, positioning it favourably for long-term growth.
Realisations (Rs/tonne)	4,878	4,757	2.5	4,778	2.1	
Sales (Rs mn)	**58,293**	**51,556**	**13.1**	**60,085**	**(3.0)**	
EBITDA (Rs mn)	**8,651**	**6,772**	**27.7**	**8,004**	**8.1**	
EBITDA margin (%)	14.8	13.1	171bps	13.3	152bps	
EBITDA (Rs/tonne)	768	664	15.6	673	14.1	
Adj PAT (Rs mn)	**5,278**	**3,662**	**44.1**	**6,007**	**(12.1)**	
Adj PAT margin (%)	9.1	7.1	195bps	10.0	(94bps)	

Source: Company, BOBCAPS Research

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Fig 4 – ACEM

Particulars	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Comment
Sales volume (mn tonnes)	10.28	9.30	10.5	11.60	(11.4)	ACEM is poised for sustained volume growth (~11% YoY) in Q1FY26, driven by integration of Orient Cement and contributions from new grinding units at Bhatapara and Farakka, capitalising on robust demand in western and central markets.
Realisations (Rs/tonne)	5,098	4,856	5.0	4,898	4.1	
Sales (Rs mn)	**52,387**	**45,158**	**16.0**	**56,814**	**(7.8)**	
EBITDA (Rs mn)	**10,463**	**6,460**	**62.0**	**10,382**	**0.8**	
EBITDA margin (%)	20.0	14.3	567bps	18.3	170bps	ACEM's advancements in green energy (targeting 30% power needs by FY28) and digital initiatives like the Cement Network Operating Centre should bolster cost efficiencies, supporting margin improvement from Q4FY25's 18.3% to 20% in Q1FY26 amidst industry-wide sustainability shifts.
EBITDA (Rs/tonne)	1,018	695	46.6	895	13.8	
Adj PAT (Rs mn)	**6,855**	**5,835**	**17.5**	**9,289**	**(26.2)**	
Adj PAT margin (%)	13.1	12.9	16bps	16.3	(326bps)	

Source: Company, BOBCAPS Research

Fig 5 – DALBHARA

Particulars	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Comment
Sales volume (mn tonnes)	7.99	7.40	8.0	8.60	(7.1)	Volume growth is expected to remain below par in Q1FY26, despite DALBHARA's strong presence in eastern markets, reflecting a strategic focus on protecting realisations. However, realisations may face pressure due to aggressive presence of large manufacturers in key operating regions of East and South India. Margins are likely to be supported by ongoing cost efficiencies, including a 39% renewable energy share and optimized fuel mix, alongside a favorable base effect from the pre-election slowdown in Q1FY25.
Realisations (Rs/tonne)	4,817	4,893	(1.6)	4,757	1.3	
Sales (Rs mn)	**38,497**	**36,210**	**6.3**	**40,910**	**(5.9)**	
EBITDA (Rs mn)	**9,033**	**6,690**	**35.0**	**7,930**	**13.9**	
EBITDA margin (%)	23.5	18.5	499bps	19.4	408bps	
EBITDA (Rs/tonne)	1,103	877	25.8	895	23.3	
Adj PAT (Rs mn)	**4,097**	**2,540**	**61.3**	**4,350**	**(5.8)**	
Adj PAT margin (%)	10.6	7.0	363bps	10.6	1bps	

Source: Company, BOBCAPS Research

Fig 6 – JKCE

Particulars	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Comment
Sales volume (mn tonnes)	5.2	4.7	10.1	5.7	(8.8)	JK Cement is expected to sustain volume growth in Q1FY26, fueled by expanded capacities in Bihar, Hamirpur, and Prayagraj, in the Central India region.
Realisations (Rs/tonne)	5,667	5,595	1.3	5,865	(3.4)	
Sales (Rs mn)	**29,470**	**26,431**	**11.5**	**33,430**	**(11.8)**	Further increased market penetration in North India should assist healthy pricing on higher base.
EBITDA (Rs mn)	**6,107**	**4,790**	**27.5**	**7,364**	**(17.1)**	
EBITDA margin (%)	20.7	18.1	260bps	22.0	(131bps)	
EBITDA (Rs/tonne)	1,174	1,014	15.8	1,292	(9.1)	Challenges in the white cement segment to impact overall performance still beats the industry average.
Adj PAT (Rs mn)	**2,877**	**2,027**	**42.0**	**3,629**	**(20.7)**	
Adj PAT margin (%)	9.8	7.7	209bps	10.9	(109bps)	

Source: Company, BOBCAPS Research

Fig 7 – JKLC

Particulars	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Comment
Sales volume (mn tonnes)	2.4	2.3	5.0	2.6	(5.0)	JKLC is expected to face a demand uptick supported by new capacity addition in Surat and Prayagraj. Realisations may see improvement, supported by a focus on premium products (25% share) and stable pricing in key markets. Margins are expected to stabilize, aided by cost savings from a 50% green power share.
Realisations (Rs/tonne)	6,833	6,210	10.0	6,766	1.0	
Sales (Rs mn)	**16,280**	**14,445**	**12.7**	**17,388**	**(6.4)**	
EBITDA (Rs mn)	**2,735**	**1,846**	**48.2**	**2,424**	**12.8**	
EBITDA margin (%)	16.8	12.8	402bps	13.9	286bps	
EBITDA (Rs/tonne)	1,120	793	41.1	943	18.7	
Adj PAT (Rs mn)	**1,522**	**763**	**99.4**	**1,380**	**10.3**	
Adj PAT margin (%)	9.3	5.3	406bps	7.9	141bps	

Source: Company, BOBCAPS Research

Fig 8 – TRCL

Particulars	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Comment
Sales volume (mn tonnes)	4.8	4.4	10.0	5.2	(7.8)	Volume growth is likely to inch up over the industry rate but, realisations may see marginal recovery, supported by an increased rail mix and premium product focus. EBITDA margins are anticipated to improve above Q4FY25's 13.4%, supported by cost savings from a new railway siding at Kolimigundla and a higher blended cement share.
Realisations (Rs/tonne)	4,798	4,790	0.2	4,598	4.3	
Sales (Rs mn)	**23,012**	**20,884**	**10.2**	**23,920**	**(3.8)**	
EBITDA (Rs mn)	**4,161**	**3,194**	**30.3**	**3,209**	**29.7**	
EBITDA margin (%)	18.1	15.3	279bps	13.4	467bps	
EBITDA (Rs/tonne)	847	710	19.3	598	41.7	
Adj PAT (Rs mn)	**976**	**355**	**175.0**	**202**	**384.0**	
Adj PAT margin (%)	4.2	1.7	254bps	0.8	340bps	

Source: Company, BOBCAPS Research

Fig 9 – SRCM

Particulars	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Comment
Sales volume (mn tonnes)	9.8	9.6	1.3	9.8	(0.8)	SRCM is expected to see flattish volume growth in Q1FY26, trailing the industry's 9% forecast, as focus remains on realisation gains limiting scope for market share gains. Cost leadership continues aiding strong margin growth on a weak base. Strategic limestone mine acquisitions in Rajasthan should secure raw material costs, aiding long-term profitability, though elevated capex may strain near-term cash flows.
Realisations (Rs/tonne)	5,405	5,015	7.8	5,325	1.5	
Sales (Rs mn)	**54,591**	**48,347**	**12.9**	**52,402**	**4.2**	
EBITDA (Rs mn)	**16,423**	**9,164**	**79.2**	**13,867**	**18.4**	
EBITDA margin (%)	30.1	19.0	1,113bps	26.5	362bps	
EBITDA (Rs/tonne)	1,683	951	77.0	1,409	19.4	
Adj PAT (Rs mn)	**4,661**	**3,177**	**46.7**	**5,614**	**(17.0)**	
Adj PAT margin (%)	8.5	6.6	197bps	10.7	(217bps)	

Source: Company, BOBCAPS Research

Fig 10 – STRCEM

Particulars	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Comment
Sales volume (mn tonnes)	1.30	1.15	12.39	1.53	(15.3)	Star Cement is anticipated to deliver healthy top-line growth in Q1FY26, driven by healthy volume growth in Northeast India and an expanding premium product portfolio with eastern region presence.
Realisations (Rs/tonne)	6,578	6,508	1.1	6,378	3.1	
Sales (Rs mn)	**8,531**	**7,510**	**13.6**	**10,521**	**(18.9)**	
EBITDA (Rs mn)	**1,975**	**1,161**	**70.1**	**2,627**	**(24.8)**	
EBITDA margin (%)	23.1	15.5	768bps	25.0	(182bps)	No major cost headwinds expected, hence margin improvement expected to be very strong and ahead of the industry.
EBITDA (Rs/tonne)	1,522	1,006	51.3	1,225	24.3	
Adj PAT (Rs mn)	**849**	**310**	**174.1**	**1,231**	**(31.0)**	Strategic focus on rural infrastructure demand should bolster near-term performance.
Adj PAT margin (%)	10.0	4.1	583bps	11.7	(175bps)	

Source: Company, BOBCAPS Research

Fig 11 – UTCEM

Particulars	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Comment
Sales volume (mn tonnes)	34.1	30.5	12.0	36.6	(6.8)	UTCEM is expected to maintain volume growth above the industry's 9% forecast in Q1FY26, driven by its pan-India network and contributions from newly integrated Kesoram and India Cements capacities.
Realisations (Rs/tonne)	4,919	5,036	(2.3)	4,719	4.2	
Sales (Rs mn)	**1,95,482**	**1,75,324**	**11.5**	**2,11,347**	**(7.5)**	
EBITDA (Rs mn)	**43,610**	**29,810**	**46.3**	**46,097**	**(5.4)**	
EBITDA margin (%)	22.3	17.0	531bps	21.8	50bps	Operating efficiencies, including enhanced green power adoption and optimized logistics, are likely to bolster margins and EBITDA/t above industry averages.
EBITDA (Rs/tonne)	1,278	979	30.6	1,259	1.5	
Adj PAT (Rs mn)	**23,789**	**16,758**	**42.0**	**26,821**	**(11.3)**	
Adj PAT margin (%)	12.2	9.6	261bps	12.7	(52bps)	

Source: Company, BOBCAPS Research

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Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**
SEBI Research Analyst Registration No: **INH000000040 valid till 03 February 2025**
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