CEMENT | Q4FY26 Review | 05 June 2026

Steady volume gains savior; cost inflation to impact in H1FY27

- **Volume-led recovery (~11% YoY) outperforming the industry (~7% YoY), driven by capacity ramp-up and seasonal demand pick up**
- **EBITDAM faced significant compression (233bps YoY), due to cost escalation and competitive pressure preventing significant price hikes**
- **Post results, we maintain BUY on UTCEM and STRCEM; SELL on JKLC and TRCL; retain HOLD on JKCE and SRCM**

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Volume growth healthy, despite regional disparity: In Q4FY26, our coverage universe reported steady volume growth of ~11% YoY, as majority companies beat the industry growth of 6-7% YoY. Growth primarily was driven by capacity ramp-up (especially in Central and North India) and pickup in government capex spending; though East region was divergent due to the election in a few states. UTCEM led the growth (~16% YoY), followed by JKCE (~14% YoY), given the Central India foray and STRCEM (~13% YoY), as non-core market (East) surged ~31% YoY.

Listless pricing: Aggregate revenue grew ~12% YoY (19% QoQ), supported by healthy volume growth. Prices recovered QoQ across most regions after the cuts taken in Q3, post softer GST rate and festivities. Premium product contribution stayed healthy (ACC/NUVOCO/UTCEM/ACEM/SRCM ~45%/44%/36%/36%/22% of trade sales), supporting pricing, despite the competitive intensity. Realisations added ~3% QoQ across India, with price hikes of ~Rs10-25/bag taken in Q4. However, prices stayed muted YoY, due to continued competitive pressure.

Cost inflation emerging: Overall operating costs jumped ~3% though rising pet-coke/coal and packaging costs not having full Middle-East war impact. Fuel costs across coverage companies stayed in the range of ~Rs1.4-1.8 /kcal, with an eminent further inflation in Q1FY27 due to the war. Freight costs stayed stable (~1% YoY), aided by optimal lead-distance; however, select companies were impacted due to temporary logistics disruptions, on account of rake shortages and regional issues.

Margins resilient likely to weaken in H1FY27: EBITDA stayed listless YoY, due to limited pricing support and cost inflation YoY. Average EBITDA margins of coverage companies were ~17.4% vs 19.6% YoY (15.3% QoQ). STRCEM led the sector with ~27%, while JKCE and UTCEM retained margins of ~18% and ~20% respectively ahead of the industry. Aggregate EBITDA/tn gained ~16% QoQ despite emerging cost pressures, underpinning the continued focus on operational efficiency**.**

Top pick is UTCEM: BUY on UTCEM/STRCEM (TP Rs 14,401/Rs 308). SELL rating on TRCL/JKLC (Rs 760/Rs 571) on weak operating efficiencies. Retain HOLD on JKCE/SRCM (Rs5,821)/(Rs.28,719).

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Fig 1 – Revenue growth

(Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
ACC	70,758	60,566	16.8	64,586	9.6
ACEM	69,743	66,189	5.4	63,514	9.8
DALBHARA	42,450	40,910	3.8	35,060	21.1
JKCE	36,839	33,430	10.2	32,128	14.7
JKLC	19,015	18,976	0.2	15,884	19.7
JSWCEMEN	18,950	17,094	10.9	16,212	16.9
NUVOCO	33,068	30,423	8.7	27,013	22.4
SRCM	56,493	52,402	7.8	44,164	27.9
STRCEM	11,736	10,521	11.5	8,800	33.4
TRCL	26,061	23,920	9.0	21,015	24.0
UTCEM	2,45,821	2,11,347	16.3	2,00,879	22.4
Aggregate	**6,30,933**	**5,65,775**	**11.5**	**5,29,254**	**19.2**

Comment

- Aggregate top-line expansion was steady at 11.5% YoY, on the back of volume growth. But, pricing pressure checked further growth.
- Top performers like UTCEM and STRCEM reported the jump, largely on back of industry-beating volume gains.
- ACC and JSWCEMEN had a balance between volume growth and realisation gains.

Source: Company, BOBCAPS Research

Fig 2 – EBITDA growth

(Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
ACC	6,164	8,004	(23.0)	6,937	(11.1)
ACEM	6,487	10,648	(39.1)	5,308	22.2
DALBHARA	9,020	7,930	13.7	6,020	49.8
JKCE	6,700	7,364	(9.0)	5,356	25.1
JKLC	2,861	3,507	(18.4)	2,060	38.9
JSWCEMEN	3,650	2,402	52.0	2,850	28.0
NUVOCO	5,876	5,516	6.5	3,837	53.1
SRCM	12,566	13,867	(9.4)	8,605	46.0
STRCEM	3,151	2,627	19.9	2,025	55.6
TRCL	3,728	3,209	16.2	2,808	32.8
UTCEM	49,585	46,097	7.6	35,088	41.3
Aggregate	**1,09,787**	**1,11,171**	**-1.2**	**80,895**	**35.7**

Comment

- Aggregate EBITDA growth was highly polarised in Q4YF26 (down 1.2% YoY, but up 35.7% QoQ)
- Companies were constrained by the weak pricing environment and a sudden spike in costs, especially in packaging.
- Outperformers like JSWCMEN, STRCEM and DALBHARA managed to buck the trend by better sales mix and energy cost control, by green energy improvement and favourable fuel sources
- Laggards like ACEM, SRCM JKCE and JKLC were impacted by lower utilisation, increased other overheads as well as the focus on volume push.

Source: Company, BOBCAPS Research

~~Fig 3~~ – Adj. PAT growth

(Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
ACC	2,531	6,007	-57.9	3,846	-34.2
ACEM	3,628	6,897	-47.4	-11	0.0
DALBHARA	3,980	4,350	-8.5	1,579	152.1
JKCE	3,445	3,629	-5.1	2,265	52.1
JKLC	1,382	1,698	-18.6	772	79.0
JSWCEMEN	3,599	162	2120.5	1,643	119.1
NUVOCO	1,889	1,655	14.1	494	282.7
SRCM	5,383	5,614	-4.1	2,787	93.2
STRCEM	1,528	1,231	24.1	797	91.8
TRCL	722	202	258.1	-921	-178.4
UTCEM	26,217	26,821	-2.3	15,917	64.7
Aggregate	**54,305**	**58,267**	**(6.8)**	**29,167**	**86.2**

Comment

- Aggregate APAT growth was down by 6.8% YoY, as profitability was under pressure for majority of companies, due to margin compression on account of higher fuel cost and packaging cost
- Additionally, capacity ramp-up also increased depreciation and interest charges.
- Unusually high gains for JSWCEMEN and TRCL were due to tax credits and non-core asset monetisation

Source: Company, BOBCAPS Research

Fig 4 – Volume growth

(mn tonnes)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
ACC	11.9	11.1	7.2	11.3	5.3
ACEM	13.2	12.0	10.0	12.9	2.3
DALBHARA	8.8	8.6	2.3	7.3	20.5
JKCE	6.6	5.8	13.8	5.8	14.7
JKLC	3.9	3.6	8.3	3.3	18.7
JSWCEMEN	4.0	3.7	7.0	3.6	12.1
NUVOCO	6.0	5.7	5.3	5.0	20.0
SRCM	10.8	9.8	9.5	8.7	23.2
STRCEM	1.7	1.5	13.1	1.3	34.2
TRCL	5.4	5.2	3.6	4.4	21.6
UTCEM	42.5	36.6	16.1	36.6	16.3
Aggregate	**114.8**	**103.7**	**10.7**	**100.1**	**14.6**

Comment

- Volume growth was healthy, above industry growth rate of ~6-7%, aided capacity ramp ups
- UTCEM maintained healthy utilisation levels (~89), as stable rural demand aided a pan-India presence.
- STRCEM's diversification in the non-Northeast market provided the fillip
- JKCE and JKLC growth was driven by the completion and ramp-up of new capacities

Source: Company, BOBCAPS Research

Fig 5 – Realisation per tonne

(Rs/t)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
ACC	5,594	5,165	8.3	5,335	4.8
ACEM	5,284	5,516	(4.2)	4,924	7.3
DALBHARA	4,824	4,757	1.4	4,803	0.4
JKCE	5,564	5,744	(3.1)	5,565	0.0
JKLC	4,881	5,274	(7.5)	4,841	0.8
JSWCEMEN	4,749	4,583	3.6	4,554	4.3
NUVOCO	4,995	4,818	3.7	4,867	2.6
SRCM	5,245	5,325	(1.5)	5,053	3.8
STRCEM	6,442	6,378	1.0	6,486	-0.7
TRCL	4,836	4,598	5.2	4,744	1.9
UTCEM	4,926	4,966	(0.8)	4,680	5.3
Aggregate	**5,213**	**5,193**	**0.4**	**5,077**	**2.7**

Comment

- Aggregate realisations for our coverage universe remained largely tepid (0.4% YoY) % despite healthy volume growth and a pickup in seasonal demand.
- Pricing recovery (QoQ) was visible across key markets during Q4FY26. However, the elevated industry capacity additions and aggressive market-share gains by larger companies limited the pace of improvement in realisations.
- Premiumisation provided key support to the overall realisations, with premium product share rising further across majors (ACC ~45%, UltraTech & Ambuja ~36%, Star ~15%)

Source: Company, BOBCAPS Research

Fig 6 – Operating cost per tonne

(Rs/t)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
ACC	5,428	4,735	14.6	5,102	6.4
ACEM	4,792	4,628	3.5	4,512	6.2
DALBHARA	3,799	3,835	(0.9)	3,978	-4.5
JKCE	4,552	4,478	1.6	4,637	-1.8
JKLC	4,146	4,299	(3.6)	4,213	-1.6
JSWCEMEN	3,835	3,901	(1.7)	3,677	4.3
NUVOCO	4,532	4,252	6.6	4,635	-2.2
SRCM	4,079	3,916	4.1	4,068	0.2
STRCEM	4,954	5,153	(3.9)	5,248	-5.6
TRCL	4,144	3,981	4.1	4,110	0.8
UTCEM	4,618	4,514	2.3	4,536	1.8
Aggregate	4,444	4,336	2.5	4,429	0.3

Comment

- Aggregate operating cost inflation for our coverage universe was under control, as the full impact of geo-political instability not yet reflected, due to the older low-cost inventory.
- On QoQ basis, operating costs remained broadly stable, aided by a stronger operating leverage from healthy volume growth, improved capacity utilisation, relatively lower lead distances as well as the continued efficiency initiatives.
- UTCEM iterated that bag cost rose ~Rs9-15 in March alone, impacting earnings by ~Rs900mn.

Source: Company, BOBCAPS Research

Fig 7 – EBITDA per tonne

(Rs/t)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
ACC	518	721	(28.2)	614	(15.6)
ACEM	491	887	(44.6)	412	19.4
DALBHARA	998	895	11.5	798	25.1
JKCE	1,012	1,265	(20.0)	928	9.1
JKLC	734	975	(24.7)	628	17.0
JSWCEMEN	915	644	42.1	801	14.2
NUVOCO	979	968	1.2	767	27.6
SRCM	1,167	1,409	(17.2)	985	18.5
STRCEM	1,488	1,225	21.5	1,239	20.2
TRCL	673	598	12.7	611	10.1
UTCEM	1,167	1,259	(7.3)	960	21.6
Aggregate	922	986	(6.5)	795	16.0

Comment

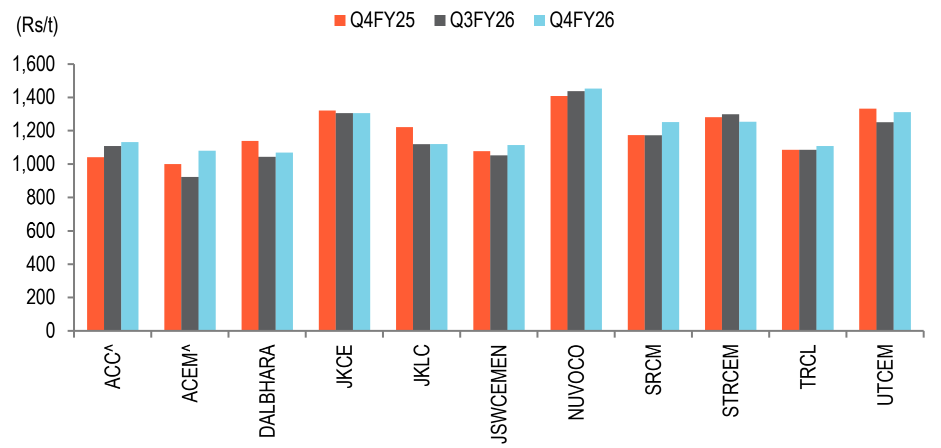
- EBITDA/t was mixed, declining by 6.5% YoY, but up 16% QoQ, strong seasonal volume growth, operating leverage, and relatively controlled costs despite emerging fuel and packaging headwinds
- STRCEM's strong growth was aided by sharp reduction in energy cost, aided by local coal usage.
- JKLC was pressured by significant decline in realisation, due to the competitive pressure from the West.

Source: Company, BOBCAPS Research

Marginal pickup in the overall logistics cost/t for our coverage companies (1.2% YoY)

Lead distance management was primary driver for control. UTCEM and STRCEM benefitted by lower distances at 418km and 220km respectively. Q4FY26 was marked by the challenges in rake availability, decreasing rail coefficient for few players

Fig 8 – Logistics cost per tonne

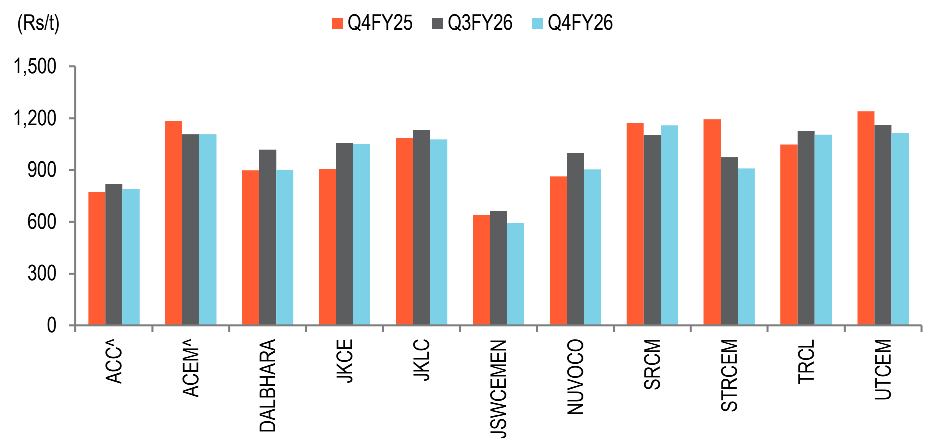


Source: Company, BOBCAPS Research

Fuel costs, though impacted by increasing pressure from geopolitical crisis, were well controlled at -2/4% YoY/QoQ

Spot prices hiked towards the end of Q4FY26, though the existing inventory and an increase in green energy share helped cost control

Fig 9 – Power & fuel cost per tonne

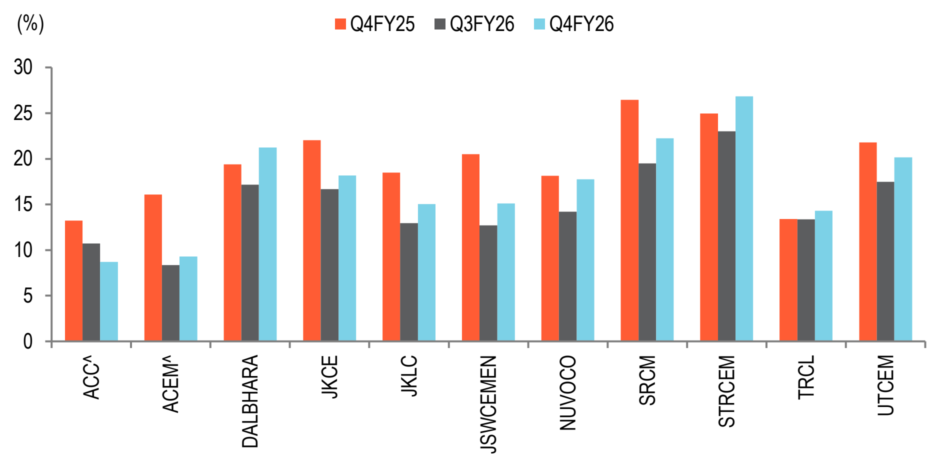


Source: Company, BOBCAPS Research

Average EBITDAM was at 17.2% down ~233bps YoY (up 200bps QoQ) as cost impact hit.

Margins are likely to be under further stress in H1FY27 as full impact of fuel cost and increased logistic cost factor gets reflected.

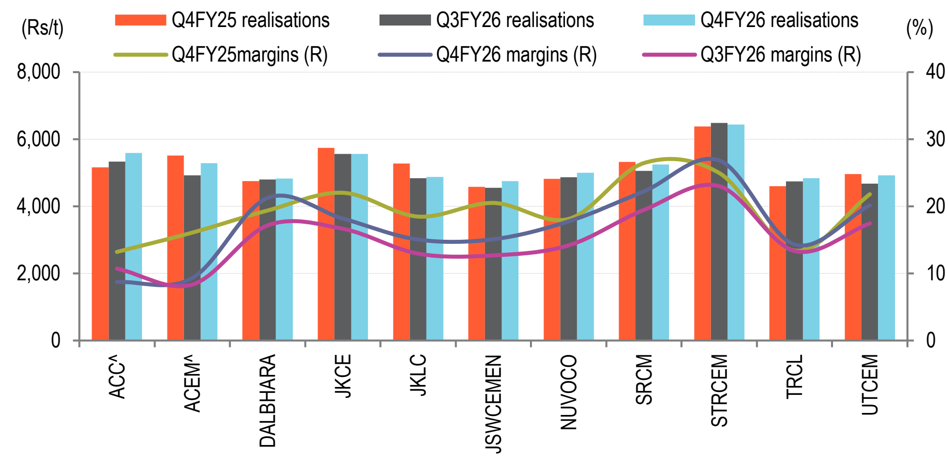
Fig 10 – EBITDA margin



Source: Company, BOBCAPS Research

Margins were soft despite steady realisations on account of mounting cost pressure. Cost inflation also negated the leverage benefit of healthy volume growth and operating efficiencies.

Fig 11 – Realisations vs Margins



Source: Company, BOBCAPS Research

Fig 12 – Ongoing expansion projects

Company	Projects
ACC	**Cement** Jodhpur Penna IU - 2 mnt by Q4FY26 Salai Banwa - 2.4 mnt by Q1FY27 Bathinda - 1.2 mnt by Q1FY27 Warishaliganj - 2.4 mnt by Q1FY27 Dahej Line 2 - 1.2 mnt by Q1FY27 Kalamboli - 1.0 mnt by Q1FY27
Ambuja Cement	**Clinker** Maratha Line 2 - 4 mnt by Q1FY27 ACEM has planned growth capex for FY27 at ~Rs 60-65bn. Company has shifted from aggresive capacity addition to calibrated allocation strategy.
Dalmia Bharat	**Cement** Belgaum - 3mnt by FY27 Pune - 3mnt by FY27 Kadapa - 6mnt by Q3FY28 **Clinker** Belgaum - 3.6mnt by FY27 Kadapa - 3.6mnt by Q3FY28 **Captive Energy** Lanka, Assam - 2.2mw solar power plant Group Captive - 13mw RE capacity Capex guided for FY27 is ~Rs 32-34bn with further increments as the project announcements are made.
Heidelberg Cement	-
India Cement	-
JK Cement	**Cement** 3mnt Grinding Unit at Jaisalmer by H1FY28 2mnt Split Grinding Unit at Bikaner by H1FY28 2mnt Split Grinding Unit at Bhatindar by H1FY28 **Clinker** 4 mnt Clinker Capacity at Jaisalmer by H1YF28 **Putty** 0.6mnt capacity at Nathdwara by Q2FY27 Capex guidance for FY27 is ~Rs 35-40bn and for FY28 ~Rs 15-20bn. JKCE also has additional expansion plans under consideration.
JK Lakshmi	**Cement** Durg,Chattisgarh -4.6 mnt (Q4FY28) Prayagraj(FY27),Madhubani(FY27),Patratu(FY28) - 3.4 mnt. Nagaur, Rajasthan - 3mnt (FY29-30) Kutch, Gujrat - (FY29-30) **Clinker** Durg,Chattisgarh -2.3 mnt (Q3FY27) Nagaur, Rajasthan - 2 mnt (FY29-30) Kutch, Gujrat - 2 mnt (FY29-30) Assam- 2-2.5mnt (FY29-30) Capex spend guidance for FY27 is stable at ~Rs 15-17bn while for FY28 it will be ~Rs20bn. Conveyor belt project is in final stages with approval from Ministry of Steel pending.
Nuvoco Vistas	**Cement** Vadraj, Gujarat - 2.5 mnt (FY27) Surat, Gujrat - 6 mnt (FY27) **Clinker** Vadraj, Gujrat - 3.5 mnt (FY27) Capex for FY27/FY28 is guided to be ~Rs 9bn/Rs 9.5bn and for FY27 increased to ~Rs10.5bn and for FY28 at ~Rs7bn.

Company	Projects
The Ramco cement	Management targets cement capacity of 31MTPA by Mar'27 with the commissioning of 2nd line in Kolimigundla along with de-bottlenecking of existing facilities / adding grinding capacities in existing locations with minimal capex. 59%of total mining lands and 13% of total factory lands have been acquired for Karnataka Green Field project The 10mw WHRS plant at Ramasamy Raja Nagar was commissioned in Sep'25 and another 15mw of WHRS in Kolimigundla is anticipated to be put into service, together with Kiln Line-2 in FY27. The capex guidance for FY27 is Rs 8bn.
Shree Cement	**Cement** Meghalaya - 1mnt **Clinker** Meghalaya -0.95mnt 20 RMC plant additoin by Q2FY27 Management has guided Rs 15bn capex for FY27.
Star Cement	**Cement** Nimbol GU, Rajasthan - 3mnt (H1FY27) Haryana GU - 2mnt (H1FY27) Jorhat GU, Assam - 2mnt (Q4FY27) Begusarai GU, Bihar - 2mnt (H1FY28) **Clinker** Nimbol, Rajasthan - 3.3mnt (H1FY27) Capex target for FY27 is guided at ~Rs6-7bn and expected to rise to ~Rs15bn in FY28.
Ultratech Cement	**Cement** Parli, Maharashtra- 1.2 mnt by FY26 Aligarh, Uttar Pradesh - 2.7 mnt by FY27 Bhagalpur, Bihar - 3.3 mnt by FY27 West Bengal - 3.3 mnt by FY27 APCW, Andhra Pradesh - 3.6 mnt by FY27 Jharsuguda, Odisha - 2.3 mnt by FY27 Dankuni, West Bengal - 1.0 mnt by FY27 Chennai, Tamil Nadu - 1.8 mnt by FY27 Dalavoi, Tamil Nadu - 0.4 mnt by FY27 Vapi, Gujarat - 1.2 mnt by FY27 Mandya, Karnataka - 1.2 mnt by FY27 Guwahati, Assam - 1.2 mnt by FY27 Kolkata, West Bengal - 1.0 mnt by FY27 Panvel, Maharashtra - 1.0 mnt by FY27
Sanghi Industries	-

Source: Company, BOBCAPS Research \| GU: Grinding Unit; IU: Integrated Unit; WHRS: Waste heat recovery systems, mnt: million tonnes

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