BUY
TP: Rs 14,634 | ⮝ 18%

ULTRATECH CEMENT | Cement | 19 October 2025

Cost inflation likely a blip; growth focused, maintain BUY

- **Steady volume growth at ~7% YoY ahead of industry; capacity utilisation hovered ~ 71% in H1FY26**
- **Operating cost escalation was a negative surprise, leading to Rs200/tn impact on EBITDA/tn. Cost reversal of Rs100/tn from 2H onwards**
- **Revise earnings downwards with FY25-FY28E EBITDA/PAT CAGR ~28% each. Value UTCEM at 18x EV/EBITDA, revise TP to Rs 14,634. BUY**

Milind Raginwar
Research Analyst
Ayush Dugar
Research Associate
research@bobcaps.in

Steady revenue growth: UTCEM reported 20% YoY (-9% QoQ) revenue growth at ~Rs178.6bn in Q1FY26 in-line with estimates. (including ICEM contribution). Volumes (excluding the white cement segment at 0.56mn tonnes) were at 31.8mn tonnes, a healthy ~23.0% YoY (-9% QoQ). Including Kesoram Industries and India Cements volume, this growth was ~ 7% YoY. Effectively, grey cement realisation fell ~4%2% YoY/QoQ at Rs4,763/tn (adjusted for incentives assumed at Rs40/tn). With the GST cut fully passed on expect rise in demand as price softens (~Rs 30/bag).

Cost optimisation takes a breather: UTCEM's cost saving measures took a small blip due to higher other expenses that inflated overall cost by ~7% QoQ (down 5% YoY) to Rs4,754/tn and was a negative surprise. The OPEX shot up by 22%/19% YoY/QoQ, due to maintenance of kilns and marketing expenses. Further, employee expenses rose by 10% to Rs9.4bn due to bonuses. Cumulatively, this had an impact of ~Rs200/tn on the cost and on EBITDA/tonne. Raw material cost surge was due to input cost inflation to Rs876/tn. Energy cost and logistic cost savings came due to the softening of pet coke prices and lower lead distance. Effectively, EBITDA/t jumped by 17% YoY to Rs 873/t and EBITDA margin rose to 15.5% vs 13%.

Expansion on course: An additional ~10 mt is planned by Q4FY26, targeting 200 mt by FY26-end and 209 mt by FY27. A new 22.8 mt expansion (18 mt North, 4.8 mt West), primarily brownfield, is set for FY29, with potential for 20-25 mt more by FY31. India Cements' capacity will rise from 14.5 mt to 17.6 mt via debottlenecking and a 2.4 mt brownfield expansion at Chennai and Rajasthan.

No change in valuations: We revise our FY26E/FY27E/FY28E EBITDA given by 4%/3%/2% UTCEM's H1 performance. Our FY25-FY28E Revenue/EBITDA/PAT CAGR is baked in at 15%/28/28%. UTCEM is well geared for short-term industry challenges and is focused on cost savings, which is the correct strategy. Recovery in FY27 will continue and with new growth plans will sustain even beyond FY28. Given the effective cost management, healthy growth and a strong balance sheet, we continue to assign UTCEM 18x multiple1YF EV/EBITDA to arrive at TP of Rs14,634 on rollover (from Rs 14,556) and maintain BUY.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	UTCEM IN/Rs 12,370
Market cap	US$ 40.6bn
Free float	40%
3M ADV	US$ 33.3mn
52wk high/low	Rs 13,097/Rs 10,048
Promoter/FPI/DII	60%/15%/17%

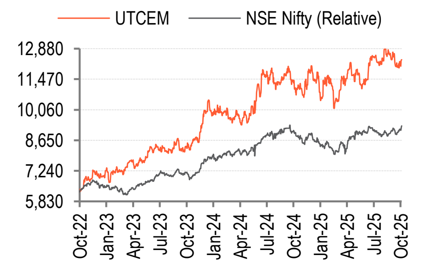
Source: NSE | Price as of 17 Oct 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	7,08,573	8,51,131	9,69,109
EBITDA (Rs mn)	1,22,961	1,77,869	2,18,942
Adj. net profit (Rs mn)	62,807	89,524	1,15,480
Adj. EPS (Rs)	217.6	310.1	400.1
Consensus EPS (Rs)	217.6	309.9	402.7
Adj. ROAE (%)	9.7	12.3	14.4
Adj. P/E (x)	56.9	39.9	30.9
EV/EBITDA (x)	29.9	20.4	16.0
Adj. EPS growth (%)	(10.0)	42.5	29.0

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Fig 1 – Earnings call highlights

Parameter	Q2FY26	Q1FY26	Our view
Volumes and realisations	Consolidated volume grew of 6.8% YoY, including Kesoram and India Cements, with total volumes at ~34 mt (India Cements: ~2.4 mt, Kesoram: ~1.7 mt). UTCEM brand sales grew 13.2% YoY, indicating rapid rebranding of India Cement and Kesoram. Excluding India Cements, volume growth was 9.6% YoY. Rural markets grew 13% YoY, while industry is expected to grow 10% in rural areas. Cement prices remained stable QoQ, with Central region seeing the most pressure. Though premium cement demand is rising post-GST changes.	Consolidated volume growth of 9.7% YoY, including Kesoram, with total volumes at 34.64 mt (India Cements: 2.18 mt). UltraTech brand sales grew 6.5% YoY. Cement prices remained stable despite heavy monsoons, with 2.3% sequential realisation increase for UTCEM (ex ICEM). The East continues to see price gains, followed by other markets; North and West were stable at high levels. Rural markets expected to grow post-monsoon. Urban redevelopment in Mumbai and Pune remains robust, with Mumbai contributing ~3% of India's cement demand. Management targets double-digit volume growth for FY26 (including India Cements), supported by 3.5 mt commissioned in Q1FY26 and ~10 mt more by Q4FY26.	UTCEM will beat industry growth and try to maximise performance even in a challenging phase. UTCEM has maintained higher capacity utilisation despite demand weakness only indicating that utilisation rates will improve from hereon.
Margins	Operating cost/t rose slightly QoQ due to one-off factors: maintenance (617 kiln days shutdown vs. 207 in Q1FY26, adding ~Rs 100/t to cost), advertising (Rs 500mn higher, ~Rs 15/t impact), staff costs (Rs 940mn higher, ~Rs 25/t impact) and operating leverage impact due to lower QoQ sales (~Rs 70/t). Total one-off impact was to the tune of ~Rs 200/t, with ~Rs 100/t expected to reverse in Q3FY26. Fuel costs rose to Rs 1.80/kcal from Rs 1.78/kcal QoQ, with coal at 48% and pet-coke at 44% of the mix. Consolidated EBITDA/t was Rs 966/t (UltraTech: Rs 914/t, India Cements: Rs 386/t, Kesoram: Rs 755/t). Clinker conversion factor steady at ~1.4 with plans to increase it to 1.6 post the expansion phase. Lead distance reduced to 366km from 388 km YoY, maintaining logistics savings. Green power share rose to 42% with a 65% target by FY28.	India Cements EBITDA/t was at ~Rs 400 but adjusting for marketing cost to UTCEM, it would be Rs 458, driven by better pricing and integration. Fuel costs increased slightly due to higher pet-coke prices but are range-bound. The clinker conversion factor improved to 1.49 from 1.44 in Q1FY25, enhancing efficiency. Lead distance reduced to 370 km from 386 km QoQ, yielding Rs. 24/t logistics savings (Rs1,158/t vs Rs1,182/t in Q4FY25). Other costs (handling, warehousing, rail-road mix) limited total savings. ICEM production costs are above average but expected to align with UTCEM by FY28 via capex (WHRS, preheater upgrades, alternate fuels). Renewable energy share to rise from 3% to 86% by FY28 (21 MW WHRS, 219 MW green power).	Thrust on cost savings is on track with contributions by better clinker conversion ratio, higher usage of green energy, prudent churn in fuel mix and logistics cost savings. Q2 cost inflation more of non-recurring impact. We expect UTCEM to meet the cost-savings guidance despite the ICEM and KSI asset acquisition, aiding higher utilisation levels even if prices stay range bound.
Capacity	Total capacity at 186 mt, with 3.5 mt commissioned in Q1FY26. Plans for ~10 mt by Q4FY26, targeting 200 mt by FY26-end and 209 mt by FY27. New expansion of 22.8 mt announced (18 mt North, 4.8 mt West), largely brownfield, to be completed by FY29, with scope for 20-25 mt more by FY31. Kesoram integration nearly complete; India Cements to remain separate, with 2.4 mt brownfield expansion planned at Chennai and Rajasthan (Rs 4.2bn). RMC plants at 400+, contributing ~4% of cement volumes.	Total capacity stood at 186 mt, with 3.5 mt commissioned in Q1FY26. Plans for ~10 mt more by Q4FY26, targeting 209 mt by FY27. Kesoram integration is nearly complete; but ICEM to remain a separate entity for now, with brownfield expansion opportunities identified for Phases 4 and 5. RMC plants exceeded 400 mark, supporting building products division. Phase 4 growth plan to be finalised by FY26-end, with Phase 5 planning underway.	Capacity expansion plans are on schedule. Both organic and inorganic growth would imply preponing UTCEM's drive towards >200mn.
Capex	FY26 capex guidance was reiterated at Rs 100 bn, while there was no change in capex of Rs 18 bn for wires and cables (on track for Q3FY26 production launch, with land and machinery secured). India Cements' Rs 15.92 bn capex (FY26-FY27) includes 21 MW WHRS, 192 MW RE, and 2.4mt capacity expansion, funded by internal accruals and debt, targeting <0.5x net	Q1FY26 capex at Rs 20bn; FY26 guidance at Rs 100bn, including Rs 18bn for wires and cables (on track with orders placed, land leases finalised in Gujarat). India Cements' Rs 15 bn capex (FY26-FY27) for WHRS, preheater upgrades, and alternate fuels to be funded via debt and internal accruals, targeting <Rs. 500mn net debt by FY28.	Healthy cashflows and sharp focus on maintaining balance sheet health have been sustained despite aggressive capital expenditure plans. We keep a close watch on UTCEM's investment in Star Cement. Additionally, transition of the

Parameter	Q2FY26	Q1FY26	Our view
	debt/EBITDA by FY28. Kesoram's Rs 4 bn capex for WHRS and efficiency nearing completion. Clinker capacity to reach 148 mt post-expansion, with a 1.6x conversion factor.	Kesoram integration capex (Rs 4-5 bn) nearing completion. Average finance costs were at 7% in Q1FY26, expected to decline with RBI rate cuts and refinancing of India Cements' borrowings to AAA rating. Intercompany eliminations (e.g., cement for RMC) at Rs 5bn.	acquired assets will be a key task in FY26/FY27.
Other key points	Reduction in clean energy cess on coal benefits UltraTech's fuel costs, given higher coal usage (48% of fuel mix). GST changes enhance premium cement affordability, expecting to boost demand for UltraTech's premium brands (~30 Rs/bag savings for consumers). 5,000 UBS stores contributed 21% of sales, supporting individual homebuilders. RMC (400+ plants) accounts for ~4% of cement volumes, enhancing diversification.		Impact of GST rate cut being fully passed through is a healthy indication. We expect this to positively help cement demand from 2HFY26 and it is likely to continue for reasonable period.

Source: Company, BOBCAPS Research | CCI: Competition Commission of India

Fig 2 – Key quarterly metrics

	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	Q2FY26E	Deviation (%)
Volumes (mn mt)	31.8	26.0	22.3	34.8	(8.7)	31.3	1.5
Cement realisations (Rs/t)	4,846	4,960	(2.3)	4,878	(0.6)	4,848	(0.0)
Operating costs (Rs/t)*	4,754	4,995	(4.8)	4,439	7.1	4,595	3.5
EBITDA/t (Rs)	873	744	17.2	1,208	(27.8)	1,097	(20.4)

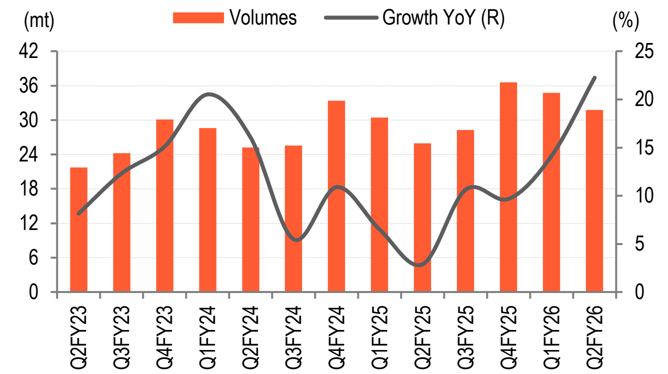
Source: Company, BOBCAPS Research | *Aggregate cost

Fig 3 – Quarterly performance

(Rs mn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	Q2FY26E	Deviation (%)
Net Sales	**1,78,644**	**1,49,052**	**19.9**	**1,96,353**	**(9.0)**	**1,78,118**	**0.3**
Expenditure							
Change in stock	(561)	(1,567)	(64.2)	(1,357)	(58.7)	511	(209.8)
Raw material	27,799	23,285	19.4	29,273	(5.0)	26,662	4.3
purchased products	8,794	4,887	79.9	7,923	11.0	7,197	22.2
Power & fuel	38,665	36,457	6.1	42,932	(9.9)	39,335	(1.7)
Freight	39,264	35,434	10.8	43,961	(10.7)	39,961	(1.7)
Employee costs	9,410	8,566	9.9	8,468	11.1	8,156	15.4
Other exp	27,572	22,662	21.7	23,136	19.2	21,979	25.4
Total Operating Expenses	1,50,942	1,29,725	16.4	1,54,335	(2.2)	1,43,801	5.0
EBITDA	**27,702**	**19,327**	**43.3**	**42,018**	**(34.1)**	**34,317**	**(19.3)**
EBITDA margin (%)	15.5	13.0	254bps	21.4	(589bps)	19.3	(376bps)
Other Income	726	1,817	(60.0)	1,544	(52.9)	1,645	(55.8)
Interest	3,962	2,824	40.3	3,698	7.1	3,810	4.0
Depreciation	10,018	8,501	17.8	9,752	2.7	9,851	1.7
PBT	14,449	9,819	47.1	30,112	(52.0)	22,301	(35.2)
Non-recurring items	0	0	0.0	0	0.0	0	
PBT (after non recurring items)	14,449	9,819	47.1	30,112	(52.0)	22,301	(35.2)
Tax	3,810	1,850	105.9	7,794	(51.1)	5,575	(31.7)
Reported PAT	10,639	7,969	33.5	22,318	(52.3)	16,726	(36.4)
Adjusted PAT	**10,639**	**7,969**	**33.5**	**22,318**	**(52.3)**	**16,726**	**(36.4)**
NPM (%)	6.0	5.3	61bps	11.4	(541bps)	9.4	(343bps)
Adjusted EPS (Rs)	**36.1**	**27.6**	**30.8**	**75.7**	**(52.3)**	**56.8**	**(36)**

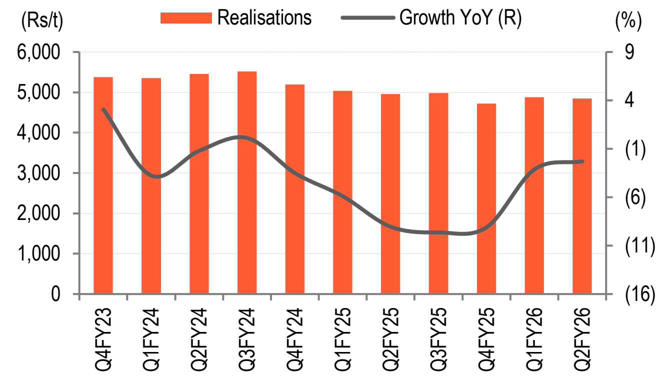
Source: Company, BOBCAPS Research

Fig 4 – Volume growth steady helped by acquired assets



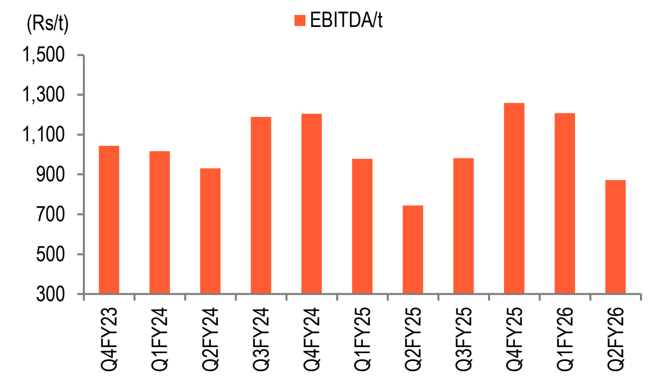
Source: Company, BOBCAPS Research

Fig 5 – Realisations softens, impact of overall extended monsoon season



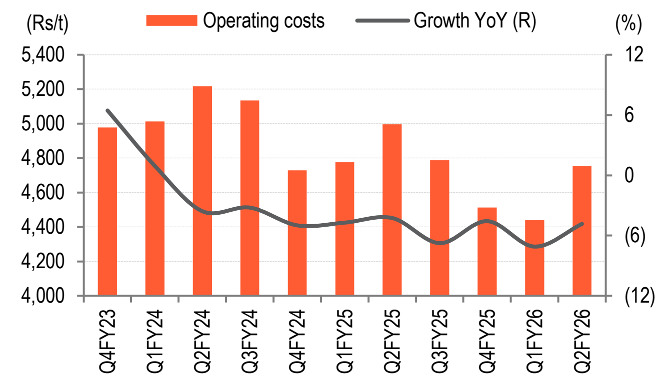
Source: Company, BOBCAPS Research

Fig 6 – EBITDA/tonne impacted largely due to non-recurring other expenses



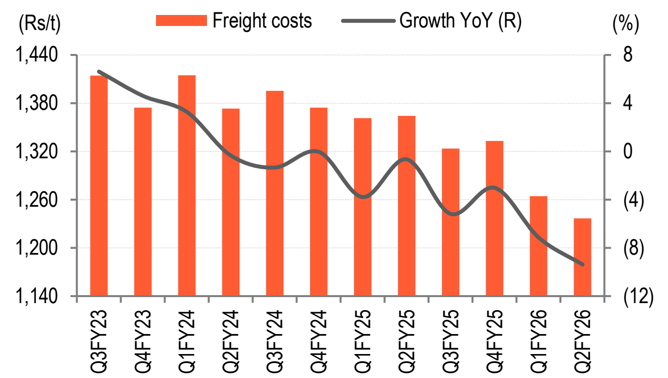
Source: Company, BOBCAPS Research

Fig 7 – Cost savings taking a break was the key highlight of the quarter, savings will continue from H2



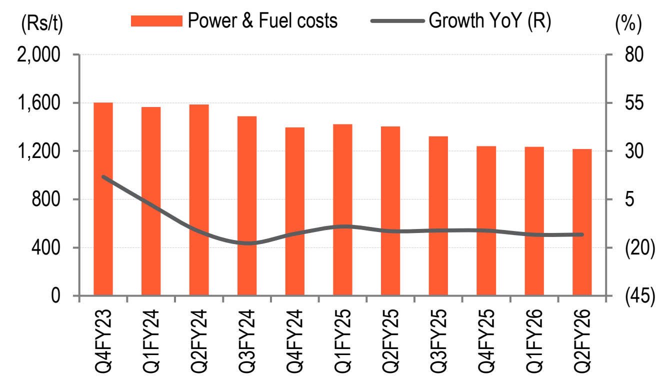
Source: Company, BOBCAPS Research

Fig 8 – Freight cost savings driven by rationalisation of lead distance



Source: Company, BOBCAPS Research

Fig 9 – Energy cost will be driven by power cost savings, contributed by green energy



Source: Company, BOBCAPS Research

Valuation Methodology

We revise our FY26E/FY27E/FY28E EBITDA, given UTCEM's H1 performance by 4%/3%/2%. Our FY25-FY28E Revenue/EBITDA/PAT CAGR is baked in at 15%/28/28%. UTCEM is well geared for short-term industry challenges and is focused on cost savings, which is the correct strategy. Recovery in FY27 will continue and with new growth plans will sustain even beyond FY28.

Additionally, cost savings guidance augurs well for providing a boost to EBITDA/t on a higher volume base in the next two years, even if prices stay under pressure. This offer added levers to enhance margins, even as it is positioned as a capacity leader. The acquisition of Kesoram Industries' cement assets will consolidate its presence in Telangana and Maharashtra. ICEM assets will help consolidate UTCEM's position deep in South India. Further, debt on balance sheet is in a manageable trajectory, though initially, the book may be mildly stressed.

Given the effective cost management, healthy growth and a strong balance sheet, we continue to assign UTCEM 18x multiple1YF EV/EBITDA, to arrive at TP of Rs14,634 on rollover (from Rs 14,556). We maintain our BUY rating on the stock. The stock trades at a replacement value of $248/tn (Rs20.8bn/mn tonne), which is the deserved premium for a large size pan-India presence efficiently managed company.

Fig 10 – Revised estimates

(Rs mn)	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	8,51,131	9,69,109	10,67,043	8,51,131	9,69,109	10,67,043	0.0	(0.0)	(0.0)
EBITDA	1,77,869	2,18,942	2,49,713	1,84,444	2,26,349	2,53,707	(3.6)	(3.3)	(1.6)
Adj PAT	89,524	1,15,480	1,29,617	92,020	1,17,715	1,30,888	(2.7)	(1.9)	(1.0)
Adj EPS (Rs)	310.1	400.1	449.0	318.8	407.8	453.4	(2.7)	(1.9)	(1.0)

Source: BOBCAPS Research

Fig 11 – Key assumptions

Parameter	FY25	FY26E	FY27E	FY28E
Volumes (mt)	118.89	143.86	161.27	175.8
Realisations (Rs/t)	5,145	5,278	5,410	5,491
Operating costs (Rs/t)	5,013	4,759	4,726	4,721
EBITDA/t (Rs/t)	940	1,151	1,277	1,343

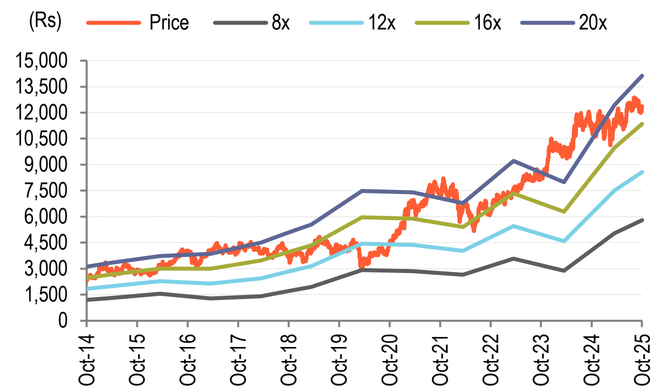
Source: Company, BOBCAPS Research

Fig 12 – Valuation summary

Business (Rs mn)	FY28E
Target EV/EBITDA (x)	18
EBITDA	2,49,713
Target EV	**43,72,474**
Total EV	43,72,474
Net debt	(139,669)
Target market capitalisation	45,12,143
Target price (Rs/sh)	**14,634**
Weighted average shares (mn)	288.7

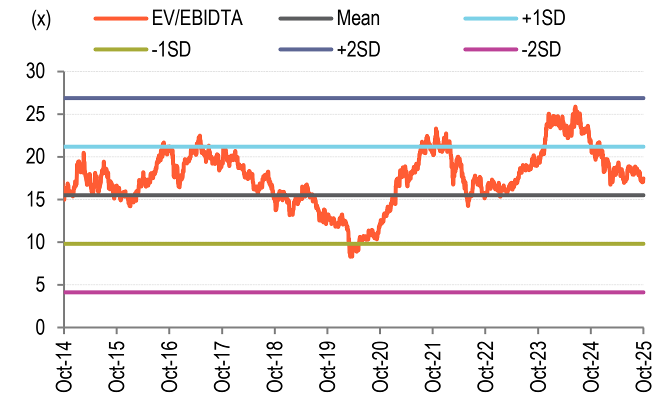
Source: Company, BOBCAPS Research Note: Valuations based on 1-year forward earnings (September 2027)

Fig 13 – EV/EBITDA band: Valuations to stay elevated for the largest cement company and top brand



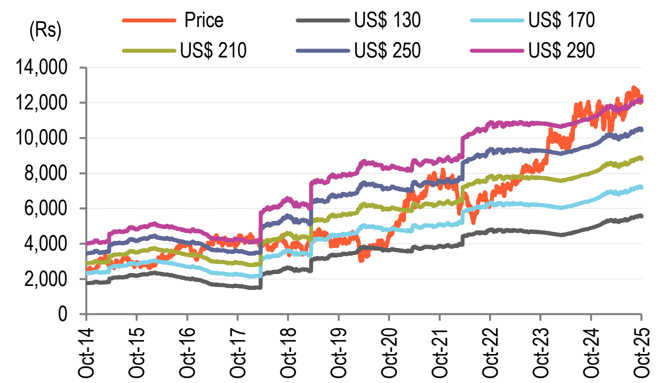
Source: Company, Bloomberg, BOBCAPS Research

Fig 14 – EV/EBITDA 1YF: Forward earnings ahead of mean valuations, factoring in better earnings/growth



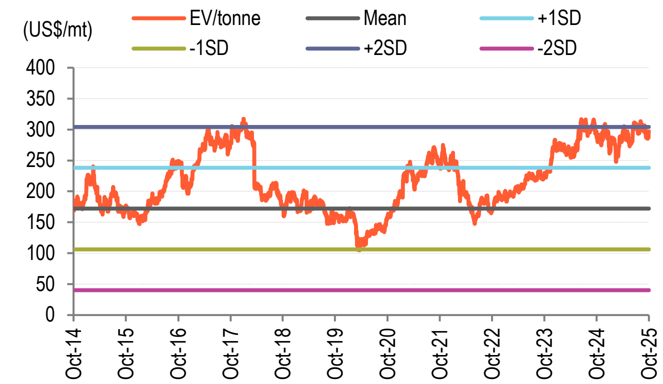
Source: Company, Bloomberg, BOBCAPS Research

Fig 15 – EV/tonne: Replacement cost at valuations for industry leader



Source: Company, Bloomberg, BOBCAPS Research

Fig 16 – EV/tonne 1YF: Valuations to stay elevated



Source: Company, Bloomberg, BOBCAPS Research

Key Risks

Key downside risks to our estimates:

- Increasing competitive intensity and capacity addition may have a negative impact on the cement sector pricing and could be detrimental for the industry and UTCEM.
- Delays in the implementation of capex plans could hamper growth.
- Energy cost spikes due to global uncertainties could dampen profitability.

Sector recommendation snapshot

Company	Ticker	Market Cap (US$ bn)	Price (Rs)	Target (Rs)	Rating
ACC	ACC IN	3.9	1,833	2,038	HOLD
Ambuja Cements	ACEM IN	12.7	564	592	HOLD
Dalmia Bharat	DALBHARA IN	4.7	2,245	2,087	SELL
JK Cement	JKCE IN	5.7	6,490	5,652	SELL
JK Lakshmi Cement	JKLC IN	1.1	832	731	SELL
Nuvoco Vistas Corporation	NUVOCO IN	1.0	411	427	HOLD
Shree Cement	SRCM IN	12.2	29,690	28,874	HOLD
Star Cement	STRCEM IN	1.2	258	333	BUY
The Ramco Cements	TRCL IN	2.7	1,024	752	SELL
Ultratech Cement	UTCEM IN	40.6	12,370	14,634	BUY

Source: BOBCAPS Research, NSE | Price as of 17 Oct 2025

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	**6,75,357**	**7,08,573**	**8,51,131**	**9,69,109**	**10,67,043**
EBITDA	1,26,201	1,22,961	1,77,869	2,18,942	2,49,713
Depreciation	(30,274)	(37,391)	(43,519)	(50,047)	(60,056)
EBIT	1,02,548	92,504	1,40,890	1,75,545	1,96,460
Net interest inc./(exp.)	(8,668)	(14,653)	(17,952)	(17,531)	(16,917)
Other inc./(exp.)	6,622	6,934	6,540	6,649	6,804
Exceptional items	(720)	(881)	0	0	0
EBT	93,160	76,970	1,22,938	1,58,014	1,79,544
Income taxes	(24,111)	(15,044)	(33,414)	(42,534)	(49,927)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**69,049**	**61,926**	**89,524**	**1,15,480**	**1,29,617**
Adjustments	(720)	(881)	0	0	0
Adjusted net profit	**69,769**	**62,807**	**89,524**	**1,15,480**	**1,29,617**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	1,26,815	1,33,373	1,49,327	1,66,183	1,96,907
Other current liabilities	94,541	85,187	78,320	80,400	82,480
Provisions	8,878	9,393	9,946	10,542	11,184
Debt funds	80,873	2,03,604	1,03,957	73,113	78,298
Other liabilities	64,250	81,976	83,426	84,876	86,326
Equity capital	2,887	2,947	2,887	2,887	2,887
Reserves & surplus	5,88,065	6,93,826	7,58,021	8,43,106	9,40,640
Shareholders' fund	5,90,952	6,96,772	7,60,907	8,45,993	9,43,526
Total liab. and equities	**9,66,309**	**12,10,305**	**11,85,883**	**12,61,106**	**13,98,721**
Cash and cash eq.	28,680	51,877	1,36,954	1,75,023	2,17,967
Accounts receivables	34,965	43,778	54,918	65,185	74,696
Inventories	80,358	85,668	1,05,235	1,22,477	1,37,777
Other current assets	83,962	96,719	1,08,188	1,09,270	1,20,197
Investments	71,397	1,18,050	71,397	71,397	71,397
Net fixed assets	4,55,902	6,10,299	6,72,200	6,67,450	6,82,069
CWIP	1,85,035	1,77,155	10,000	23,000	67,000
Intangible assets	26,010	26,760	26,991	27,304	27,617
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	**9,66,309**	**12,10,305**	**11,85,883**	**12,61,106**	**13,98,721**

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	**1,47,378**	**86,918**	**1,02,921**	**1,57,917**	**1,88,832**
Capital expenditures	(1,64,673)	(1,84,657)	61,504	(58,610)	(1,18,989)
Change in investments	42,860	(72,652)	16,652	(30,000)	(40,000)
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(1,21,813)**	**(2,57,310)**	**78,156**	**(88,610)**	**(1,58,989)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(20,567)	1,22,731	(99,648)	(30,843)	5,185
Interest expenses	9	10	10	10	10
Dividends paid	(6,123)	(13,168)	(26,293)	(30,395)	(32,083)
Other financing cash flows	(1,343)	58,025	(60)	0	0
Cash flow from financing	**(28,033)**	**1,67,588**	**(1,26,000)**	**(61,238)**	**(26,899)**
Chg in cash & cash eq.	**(2,467)**	**(2,803)**	**55,077**	**8,069**	**2,945**
Closing cash & cash eq.	**28,680**	**51,877**	**1,36,954**	**1,75,023**	**2,17,967**

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	239.2	214.5	310.1	400.1	449.0
Adjusted EPS	241.7	217.6	310.1	400.1	449.0
Dividend per share	37.9	69.9	75.0	90.0	95.0
Book value per share	2,047.3	2,413.9	2,636.1	2,930.9	3,268.8

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	5.3	5.2	4.3	3.6	3.2
EV/EBITDA	28.6	29.9	20.4	16.0	13.8
Adjusted P/E	51.2	56.9	39.9	30.9	27.5
P/BV	6.0	5.1	4.7	4.2	3.8

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	74.1	80.5	72.8	73.1	72.2
Interest burden (PBT/EBIT)	91.5	84.2	87.3	90.0	91.4
EBIT margin (EBIT/Revenue)	15.2	13.1	16.6	18.1	18.4
Asset turnover (Rev./Avg TA)	73.4	65.1	71.0	79.2	80.2
Leverage (Avg TA/Avg Equity)	1.6	1.7	1.6	1.5	1.5
Adjusted ROAE	12.4	9.7	12.3	14.4	14.5

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	11.7	4.9	20.1	13.9	10.1
EBITDA	27.1	(2.6)	44.7	23.1	14.1
Adjusted EPS	41.9	(10.0)	42.5	29.0	12.2
Profitability & Return ratios (%)					
EBITDA margin	18.4	17.1	20.6	22.3	23.1
EBIT margin	15.2	13.1	16.6	18.1	18.4
Adjusted profit margin	10.3	8.9	10.5	11.9	12.1
Adjusted ROAE	12.4	9.7	12.3	14.4	14.5
ROCE	14.4	10.8	14.6	18.0	18.6
Working capital days (days)					
Receivables	19	23	24	25	26
Inventory	43	44	45	46	47
Payables	83	82	80	80	87
Ratios (x)					
Gross asset turnover	1.0	0.8	0.9	1.0	1.0
Current ratio	1.0	1.2	1.7	1.8	1.9
Net interest coverage ratio	11.8	6.3	7.8	10.0	11.6
Adjusted debt/equity	0.1	0.3	0.1	0.1	0.1

Source: Company, BOBCAPS Research | Note: TA = Total Assets

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA ("US") OR IN OR INTO ANY OTHER JURISDICTION IF SUCH AN ACTION IS PROHIBITED BY APPLICABLE LAW.

Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**
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**
Brand Name: **BOBCAPS**
Trade Name: **www.barodaetrade.com**
CIN: **U65999MH1996GOI098009**

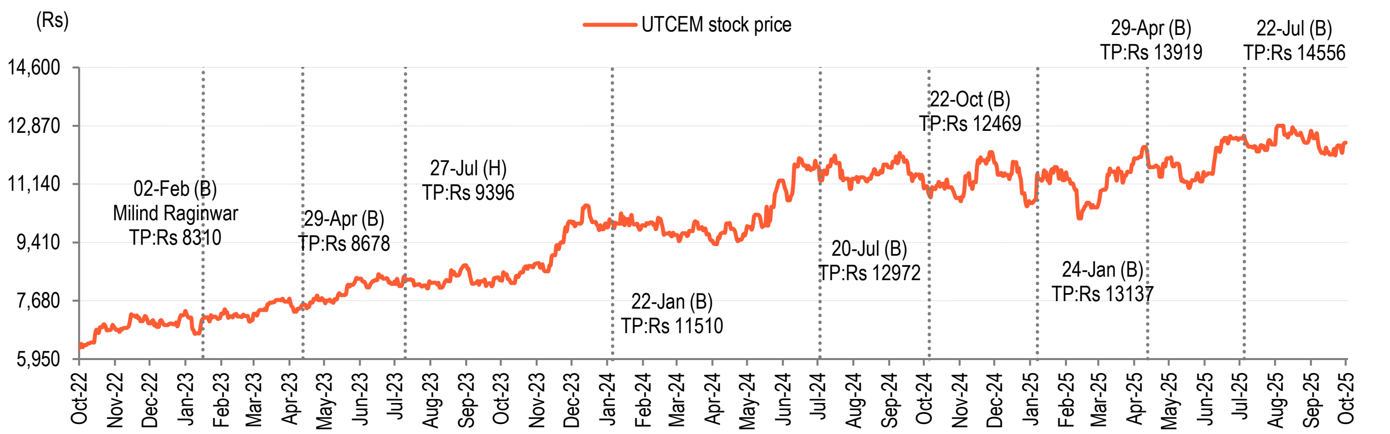
Logo:

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.
Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Recommendation scale: Recommendations and Absolute returns (%) over 12 months
BUY – Expected return >+15%
HOLD – Expected return from -6% to +15%
SELL – Expected return <-6%
Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): ULTRATECH CEMENT (UTCEM IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

Analyst certification

The research analyst(s) authoring this report hereby certifies that (1) all of the views expressed in this research report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOB Capital Markets Limited (BOBCAPS).

General disclaimers

BOBCAPS is engaged in the business of Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS is also a SEBI-registered intermediary for the broking business having SEBI Single Registration Certificate No.: INZ000159332 dated 20 November 2017.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. BOBCAPS research reports follow rules laid down by Securities and Exchange Board of India and individuals employed as research analysts are separate from other employees who are performing sales trading, dealing, corporate finance advisory or any other activity that may affect the independence of its research reports.

The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS's prior written consent.

Company-specific disclosures under SEBI (Research Analysts) Regulations, 2014

The research analyst(s) or his/her relatives do not have any material conflict of interest at the time of publication of this research report.

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company. BOBCAPS or its research analyst(s) or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

The research analyst(s) has not received any compensation from the subject company or third party in the past 12 months in connection with research report/activities. Compensation of the research analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions.

BOBCAPS or its research analyst(s) is not engaged in any market making activities for the subject company.

The research analyst(s) has not served as an officer, director or employee of the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Other disclaimers

BOBCAPS and MAYBANK (as defined below) make no representation or warranty, express or implied, as to the accuracy or completeness of any information obtained from third parties and expressly disclaim the merchantability, suitability, quality and fitness of this report. The information in this report has not been independently verified, is provided on an "as is" basis, should not be relied on by you in connection with any contract or commitment, and should not be used as a substitute for enquiries, procedures and advice which ought to be undertaken by you. This report also does not constitute an offer or solicitation to buy or sell any securities referred to herein and you should not construe this report as investment advice. All opinions and estimates contained in this report constitute BOBCAPS's judgment as of the date of this report and are subject to change without notice, and there is no obligation on BOBCAPS or MAYBANK to update this report upon issuance. This report and the information contained herein may not be reproduced, redistributed, disseminated or copied by any means without the prior consent of BOBCAPS and MAYBANK.

To the full extent permitted by law neither BOBCAPS, MAYBANK nor any of their respective affiliates, nor any other person, accepts any liability howsoever arising, whether in contract, tort, negligence, strict liability or any other basis, including without limitation, direct or indirect, special, incidental, consequential or punitive damages arising from any use of this report or the information contained herein. By accepting this report, you agree and undertake to fully indemnify and hold harmless BOBCAPS and MAYBANK from and against claims, charges, actions, proceedings, losses, liabilities, damages, expenses and demands (collectively, the "Losses") which BOBCAPS and/or MAYBANK may incur or suffer in any jurisdiction including but not limited to those Losses incurred by BOBCAPS and/or MAYBANK as a result of any proceedings or actions brought against them by any regulators and/or authorities, and which in any case are directly or indirectly occasioned by or result from or are attributable to anything done or omitted in relation to or arising from or in connection with this report.

Distribution into the United Kingdom ("UK"):

This research report will only be distributed in the United Kingdom, in accordance with the applicable laws and regulations of the UK, by Maybank Securities (London) Ltd) ("**MSL**") who is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom (MSL and its affiliates are collectively referred to as **"MAYBANK"**). BOBCAPS is not authorized to directly distribute this research report in the UK.

This report has not been prepared by BOBCAPS in accordance with the UK's legal and regulatory requirements.

This research report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of MAYBANK as selected by MAYBANK solely at its discretion; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the "Order"), or (c) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc. as mentioned in the stated Article) of the Order; (all such persons together being referred to as "relevant persons").

This research report is directed only at relevant persons and must not be acted on or relied on by any persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

The relevant person as recipient of this research report is not permitted to reproduce, change, remove, pass on, distribute or disseminate the data or make it available to third parties without the written permission of BOBCAPS or MAYBANK. Any decision taken by the relevant person(s) pursuant to the research report shall be solely at their costs and consequences and BOBCAPS and MAYBANK shall not have any liability of whatsoever nature in this regard.

No distribution into the US:

This report will not be distributed in the US and no US person may rely on this communication.

Other jurisdictions:

This report has been prepared in accordance with SEBI (Research Analysts) Regulations and not in accordance with local regulatory requirements of any other jurisdiction. In any other jurisdictions, this report is only for distribution (subject to applicable legal or regulatory restrictions) to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions by Maybank Securities Pte Ltd. (Singapore) and / or by any broker-dealer affiliate or such other affiliate as determined by Malayan Banking Berhad.

If the recipient of this report is not as specified above, then it should not act upon this report and return the same to the sender.

By accepting this report, you agree to be bound by the foregoing limitations.