

BUY**TP: Rs 14,794 | ▲ 20%****ULTRATECH CEMENT**

Cement

25 January 2026

Focused on growth and balance sheet, Maintain BUY

- Strong volume growth to 36.6 mt, ~29% YoY growth (including ICEM and Kesoram) and ~15.4% YoY on a like-to-like basis
- Operating cost fell ~5% YoY/QoQ to ~Rs4,536/tn, aided by Q2 one-off reversals and sustained efficiency gains
- Revise FY27E/FY28E EBITDA (-2%/+1%) EBITDA/PAT CAGR ~28% each for FY27/FY28. Value at 18x EV/EBITDA, revise TP to Rs 14,794; BUY

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

Volume-led growth partially offsets pricing pressure: UTCEM reported ~23%/12% YoY/QoQ revenue growth to ~Rs201bn in Q3FY26, driven by strong volume momentum across regions despite continued pricing softness. Grey cement volumes rose to 36.6 mt, ~29% YoY growth (including ICEM and Kesoram) and ~15.4% YoY on a like-to-like basis. Grey cement realisations fell ~6%/2% YoY/QoQ to ~Rs4,680/tn, impacted by price competition. However, prices have recovered by Rs6-8/bag improving realisation by Rs3-4/bag since Jan'26.

Cost normalisation: Operating cost fell ~5% YoY/QoQ to ~Rs4,536/tn, aided by Q2 one-off reversals and sustained efficiency gains. Energy cost (adjusted for RM cost) remained controlled at Rs2,326/tn (-3% YoY) despite fuel rates at Rs1.8/kcal (Rs 1.78/kcal YoY), supported by higher green energy usage (42% vs 33% YoY). Logistics cost fell ~6% YoY as lead distance reduced by 14km YoY to ~363 km.

Operating leverage improves margins: Effectively, EBITDA rose ~26%/27% YoY/QoQ to ~Rs35bn, with EBITDA margin at ~17.5% vs 17% YoY. EBITDA/tn stood at ~Rs960, lower by 2%YoY due to pricing pressure, but up10% QoQ on strong operating leverage. A one-off labour cost of ~Rs808mn was recognised in the quarter, leading APAT of Rs15.9bn vs reported PAT of Rs15.1bn.

Expansion on course: UTCEM will add 8-9mtpa in Q4FY26 and further ~12mnt in FY27. Targets achieving ~235mnt by FY28 (add 22.8 mtpa expansion in FY28). Capex guidance for FY26 is maintained at Rs100bn and additional Rs100bn in FY27/FY28. Balance sheet remains healthy with net debt/EBITDA at 1.08x.

Revise earnings, no change in valuations: We revise our FY27E/FY28E EBITDA (-2%/+1%) to recalibrate demand supply dynamics (left FY26 earnings unchanged) Our FY25-FY28E Revenue/EBITDA/PAT CAGR is baked in at 14%/29/29%. UTCEM is focused on cost savings, which is the correct strategy, to prepare it for short/long-term industry challenges. Given the effective cost management, healthy growth and a strong balance sheet, we continue to assign UTCEM 18x multiple EV/EBITDA (rolling over to Dec 2027) to arrive at TP of Rs14,794 (from Rs 14,634) and maintain BUY.

Key changes

Target	Rating
▲	◀ ▶

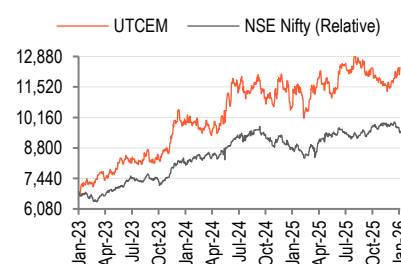
Ticker/Price	UTCEM IN/Rs 12,369
Market cap	US\$ 38.9bn
Free float	40%
3M ADV	US\$ 30.0mn
52wk high/low	Rs 13,097/Rs 10,048
Promoter/FPI/DII	60%/15%/17%

Source: NSE | Price as of 23 Jan 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	7,08,573	8,51,131	9,64,853
EBITDA (Rs mn)	1,22,961	1,77,869	2,14,686
Adj. net profit (Rs mn)	62,807	89,524	1,12,331
Adj. EPS (Rs)	217.6	310.1	389.1
Consensus EPS (Rs)	217.6	293.0	387.0
Adj. ROAE (%)	9.7	12.3	14.0
Adj. P/E (x)	56.9	39.9	31.8
EV/EBITDA (x)	29.9	20.7	16.8
Adj. EPS growth (%)	(10.0)	42.5	25.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance

Source: NSE



Fig 1 – Earnings call highlights

Parameter	Q3FY26	Q2FY26	Our view
Volumes and realisations	<p>UTCEM's consolidated volume grew by 15% YoY including India Cements (2.59 mt, +25% YoY). Domestic grey cement markets grew 29.4% YoY ex-acquired volumes in base. Capacity utilisation improved to ~77% vs 72% YoY. Management indicated utilisation could exceed 90% in Q4FY26. Trade volumes remained resilient, indicating stable rural demand. Cement realisations declined ~6%/2% YoY/QoQ. Price competition in select regions and limited pricing traction outside the South. Management indicated pricing recovery has begun in Jan'26, with Rs3–4/bag improvement in net realisations (~Rs6–8/bag headline). Trade share was at 64.3% vs 65.4% YoY while premium share at 36% vs 26.5%.</p>	<p>Consolidated volume grew 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 rose 13.2% YoY, indicating rapid rebranding of India Cement and Kesoram. Ex-India Cements, volume growth was 9.6% YoY. Rural markets grew 13% YoY, while 10% industry growth likely in rural areas. Cement prices stayed stable QoQ, with Central region seeing the most pressure. Though premium cement demand rising post-GST changes.</p>	<p>UTCEM has maintained higher capacity utilisation, despite demand weakness only indicating that utilisation rates will improve from hereon. UTCEM will beat industry growth and try to maximise performance in the growth phase likely to start from Q4FY26.</p>
Margins	<p>EBITDA performance benefited from strong operating leverage and efficiency initiatives despite pricing pressure. Fuel costs remained range-bound at ~Rs1.8/kcal (Rs 1.78/kcal in Q3FY25), with pet-coke prices at USD 117–119/t. Lead distance reduced further by 14km YoY to ~363 km, beating internal targets. Clinker conversion ratio improved to ~1.49 (vs ~1.45 YoY earlier). Renewable energy share increased to ~42%, with management reiterating a ~65% target by FY27–FY28. Efficiency gains expected to exceed the earlier commitments, with >Rs100/t savings likely in FY26. During Q3FY26 UTCEM recognised one-off impact of new labor codes to the tune of ~Rs 808mn.</p>	<p>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.</p>	<p>Thrust on cost savings on track with contributions by better clinker conversion ratio, higher usage of green energy, prudent churn in fuel mix and logistics cost savings. We expect UTCEM to meet the cost-savings guidance despite ICEM and KSI asset acquisition, aiding higher utilisation levels even if prices stay range-bound.</p>
Capacity	<p>Domestic grey cement capacity is currently at 188.66 mtpa following 1.8 mtpa commissioning in Q3FY26 (Dhule grinding unit 0.6 mtpa, Nathdwara integrated unit 1.2 mtpa); global capacity at 194.06 mtpa. Capacity utilisation improved to 77% vs 72% YoY. UTCEM will add 8-9mtpa in Q4FY26, 12mtpa in FY27 and balance in FY28. The company added 7 mt clinker capacity in 9MFY26 (two lines of 3.5mtpa each). Integration of Kesoram and India Cements is progressing as per plan with brand transition at 70% and 55% respectively.</p>	<p>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.</p>	<p>Capacity expansion plans are on schedule. Both organic and inorganic growth would imply UTCEM's drive towards 235mn by FY28.</p>
Capex	<p>9MFY26 capex stood at ~Rs72bn, with ~Rs25bn expected in Q4FY26, keeping FY26 capex guidance of ~Rs100bn intact. At Kesoram, UTCEM has already spent ~Rs2.63bn out of a committed ~Rs3.82bn, largely towards WHRS, renewable energy and process efficiency upgrades. At India Cements UTCEM has</p>	<p>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</p>	<p>Healthy cashflows and sharp focus on maintaining balance sheet health have been sustained despite aggressive capital expenditure plans. Additionally, transition of the acquired assets will be a key task in FY26/FY27.</p>

Parameter	Q3FY26	Q2FY26	Our view
	committed ~Rs6.01bn and spent ~Rs1.44bn on efficiency improvement.	debt, targeting <0.5x net 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.	We keep a close watch on UTCEM's investment in Star Cement.
Other key points	RMC network covers 163 cities, expanding rapidly. Net debt/EBITDA at 1.08x, targeting <1x by FY26. 14 MW capacity of WHRS was added, taking the total at 383 MW; green power share 42.1%. Realised ~Rs 2.5bn from Indonesia coal + land parcels; further Rs 5bn expected from ongoing land sales.	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 4QFY26 and it is likely to continue for reasonable period.

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

Fig 2 – Key quarterly metrics

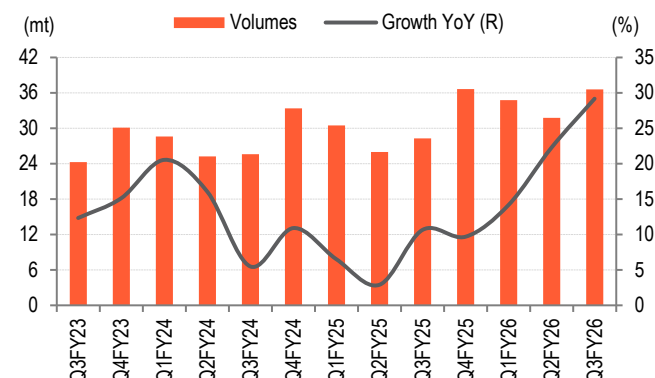
	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	Q3FY26E	Deviation (%)
Volumes (mn mt)	36.6	28.3	29.2	31.8	15.1	34.5	5.9
Cement realisations (Rs/t)	4,680	4,984	(6.1)	4,782	(2.1)	4,734	(1.1)
Operating costs (Rs/t)*	4,536	4,788	(5.3)	4,754	(4.6)	4,652	(2.5)
EBITDA/t (Rs)	960	982	(2.2)	873	10.0	877	9.5

Source: Company, BOBCAPS Research | *Aggregate cost

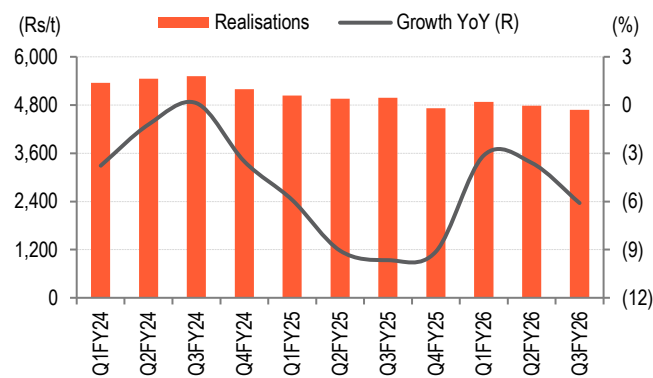
Fig 3 – Quarterly performance

(Rs mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	Q3FY26E	Deviation (%)
Net Sales	2,00,879	1,63,284	23.0	1,78,644	12.4	1,90,892	5.2
Expenditure							
Change in stock	1,086	(886)	(222.5)	(561)	(293.6)	(771)	(240.9)
Raw material	30,764	24,672	24.7	27,799	10.7	30,383	1.3
purchased products	10,748	6,347	69.3	8,794	22.2	9,840	9.2
Power & fuel	42,431	37,462	13.3	38,665	9.7	42,502	(0.2)
Freight	45,699	37,454	22.0	39,264	16.4	43,192	5.8
Employee costs	9,162	7,857	16.6	9,410	(2.6)	8,810	4.0
Other exp	25,901	22,596	14.6	27,572	(6.1)	26,663	(2.9)
Total Operating Expenses	1,65,791	1,35,501	22.4	1,50,942	9.8	1,60,618	3.2
EBITDA	35,088	27,783	26.3	27,702	26.7	30,274	15.9
EBITDA margin (%)	17.5	17.0	45bps	15.5	196bps	15.9	161bps
Other Income	816	2,061	(60.4)	726	12.4	1,919	(57.5)
Interest	4,330	3,420	26.6	3,962	9.3	3,991	8.5
Depreciation	10,240	8,565	19.6	10,018	2.2	10,480	(2.3)
PBT	21,334	17,859	19.5	14,449	47.6	17,722	20.4
Non-recurring items	(808)	0	0.0	0	0.0	0	
PBT (after non recurring items)	20,526	17,859	14.9	14,449	42.1	17,722	15.8
Tax	5,416	3,516	54.1	3,810	42.2	3,987	35.8
Reported PAT	15,110	14,344	5.3	10,639	42.0	13,734	10.0
Adjusted PAT	15,917	14,344	11.0	10,639	49.6	13,734	15.9
NPM (%)	7.9	8.8	(86bps)	6.0	197bps	7.2	73bps
Adjusted EPS (Rs)	55.1	49.7	11.0	36.1	52.8	47.6	16

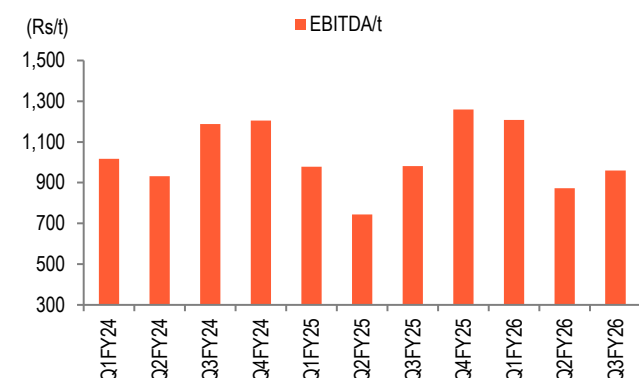
Source: Company, BOBCAPS Research

Fig 4 – Healthy double digit volume growth expected to gain further momentum


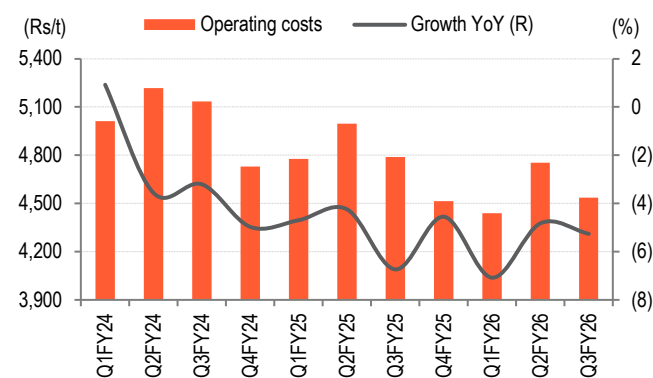
Source: Company, BOBCAPS Research

Fig 5 – Realisation stay soft following GST rate rationalization and supply pressure


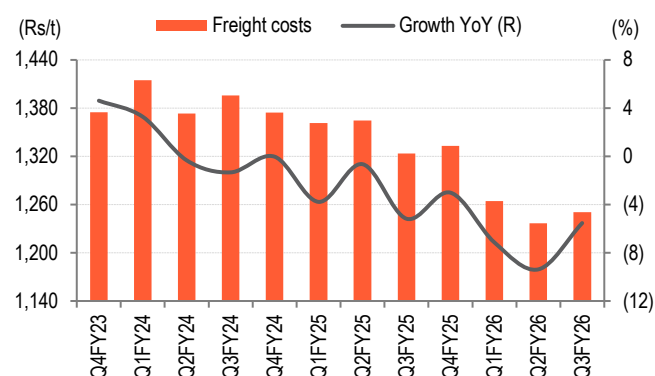
Source: Company, BOBCAPS Research

Fig 6 – EBITDA/tonne improvement driven by cost savings and operating leverage


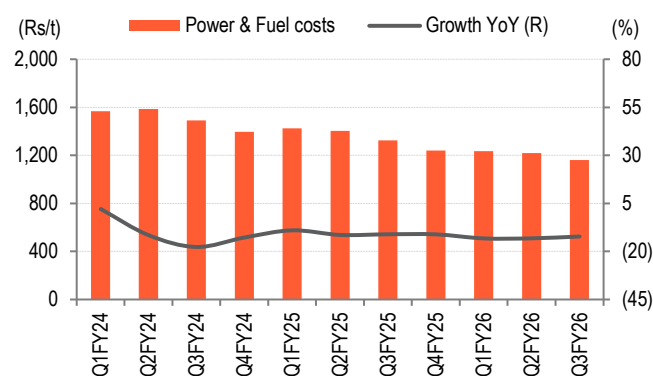
Source: Company, BOBCAPS Research

Fig 7 – Cost savings normalised, following a hi-cup in Q2; further initiatives will only lead to further cost softening


Source: Company, BOBCAPS Research

Fig 8 – Freight cost savings on rationalisation of lead distance by 14kms YoY


Source: Company, BOBCAPS Research

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


Source: Company, BOBCAPS Research

Valuation Methodology

We revise our FY27E/FY28E EBITDA (-2%/+1%) to re-calibrate demand supply dynamics (left FY26 earnings unchanged). Our FY25-FY28E Revenue/EBITDA/PAT CAGR is baked in at 14%/29/29%. UTCEM is focused on cost savings, which is the correct strategy to prepare it for short/long-term industry challenges, guarding it against adverse pricing. Recovery in FY27 will continue and with new growth plans, will sustain beyond FY28; implying price recovery adding to margins.

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. 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 multiple EV/EBITDA (rolling over to Dec'27) to arrive at TP of Rs14,794 (from Rs 14,634) and maintain BUY. 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	9,64,853	10,69,432	8,51,131	9,69,109	10,67,043	0.0	(0.4)	0.2
EBITDA	1,77,869	2,14,686	2,52,102	1,77,869	2,18,942	2,49,713	0.0	(1.9)	1.0
Adj PAT	89,524	1,12,331	1,31,361	89,524	1,15,480	1,29,617	0.0	(2.7)	1.3
Adj EPS (Rs)	310.1	389.1	455.0	310.1	400.1	449.0	0.0	-2.7	1.3

Source: BOBCAPS Research

Fig 11 – Key assumptions

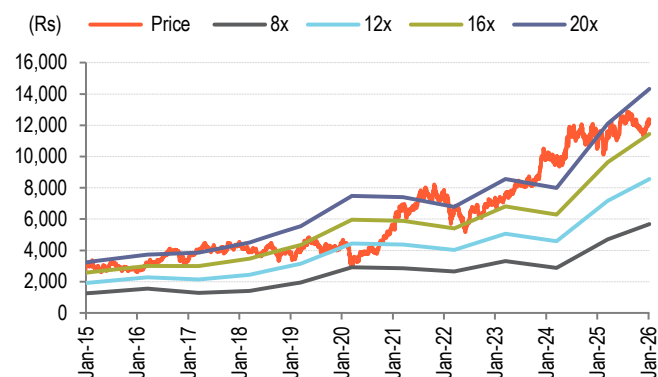
Parameter	FY25	FY26E	FY27E	FY28E
Volumes (mt)	118.89	143.86	161.27	175.8
Realisations (Rs/t)	5,145	5,278	5,384	5,491
Operating costs (Rs/t)	5,013	4,759	4,726	4,721
EBITDA/t (Rs/t)	940	1,151	1,251	1,357

Source: Company, BOBCAPS Research

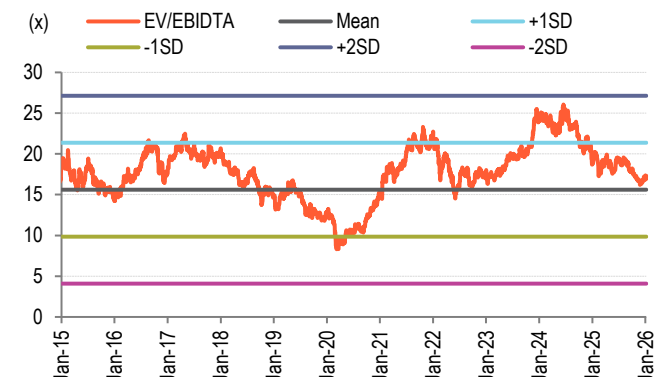
Fig 12 – Valuation summary

Business (Rs mn)	FY28E
Target EV/EBITDA (x)	18.0
EBITDA	2,42,748
Target EV	42,50,521
Total EV	42,50,521
Net debt	(19,973)
Target market capitalisation	42,70,494
Target price (Rs/sh)	14,794
Weighted average shares (mn)	288.7

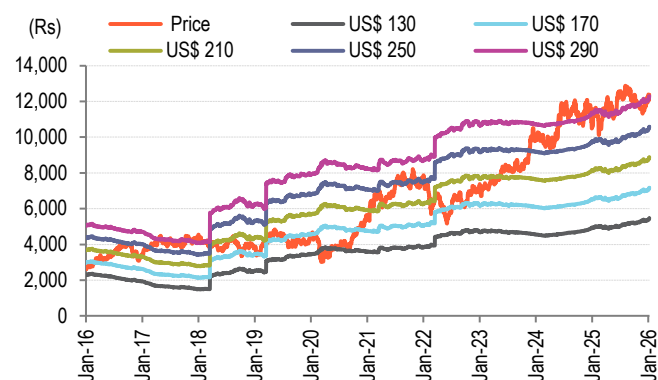
Source: Company, BOBCAPS Research Note: Valuations based on 1-year forward earnings (December 2027)

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


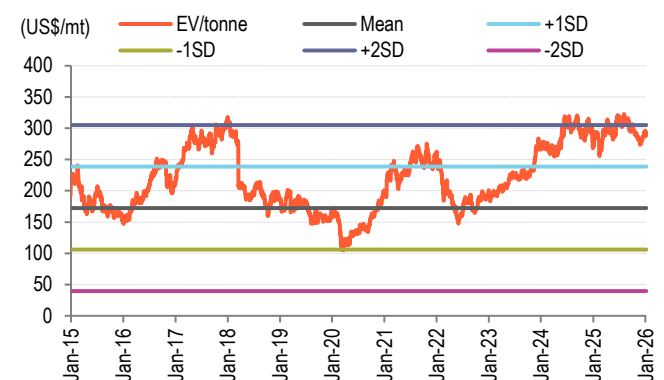
Source: Company, Bloomberg, BOBCAPS Research

Fig 14 – EV/EBITDA 1YF: Forward earnings ahead of mean valuations, pointing towards better earnings


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 UTCM.
- Delays in the implementation of capex plans could hamper growth.
- Energy cost spikes due to global uncertainties could dampen profitability.

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	9,64,853	10,69,432
EBITDA	1,26,201	1,22,961	1,77,869	2,14,686	2,52,102
Depreciation	(30,274)	(37,391)	(43,519)	(50,047)	(60,056)
EBIT	1,02,548	92,504	1,40,890	1,71,289	1,98,850
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	1,53,758	1,81,933
Income taxes	(24,111)	(15,044)	(33,414)	(41,427)	(50,572)
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	1,12,331	1,31,361
Adjustments	(720)	(881)	0	0	0
Adjusted net profit	69,769	62,807	89,524	1,12,331	1,31,361

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	7,58,017	8,39,949	9,39,222
Shareholders' fund	5,90,952	6,96,773	7,60,904	8,42,836	9,42,109
Total liab. and equities	9,66,310	12,10,305	11,85,880	12,57,949	13,97,304
Cash and cash eq.	28,681	51,878	39,047	58,597	1,09,767
Accounts receivables	34,965	43,778	54,918	64,899	74,863
Inventories	80,358	85,668	1,02,903	1,19,296	1,35,156
Other current assets	83,962	96,719	1,08,188	1,09,270	1,20,197
Investments	71,397	1,18,050	73,897	74,397	81,397
Net fixed assets	5,44,462	7,03,921	7,30,822	7,25,073	7,44,193
CWIP	67,362	54,419	20,000	50,000	75,000
Intangible assets	55,123	55,873	56,104	56,417	56,730
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	9,66,310	12,10,305	11,85,880	12,57,949	13,97,304

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	1,51,962	86,918	1,05,253	1,55,903	1,89,563
Capital expenditures	(1,69,256)	(1,84,657)	(36,233)	(74,610)	(1,04,490)
Change in investments	42,860	(72,652)	54,152	(15,500)	(57,000)
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(1,26,396)	(2,57,309)	17,920	(90,110)	(1,61,490)
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)	(26,296)	(30,399)	(32,088)
Other financing cash flows	(1,343)	58,025	(60)	0	0
Cash flow from financing	(28,033)	1,67,588	(1,26,004)	(61,242)	(26,903)
Chg in cash & cash eq.	(2,467)	(2,803)	(2,831)	4,551	1,170
Closing cash & cash eq.	28,680	51,878	39,047	58,597	1,09,767

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	239.2	214.5	310.1	389.1	455.0
Adjusted EPS	241.7	217.6	310.1	389.1	455.0
Dividend per share	37.9	69.9	75.0	90.0	95.0
Book value per share	2,047.0	2,413.6	2,635.7	2,919.5	3,263.4

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	5.3	5.2	4.3	3.7	3.3
EV/EBITDA	28.6	29.9	20.7	16.8	14.1
Adjusted P/E	51.2	56.9	39.9	31.8	27.2
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	89.8	91.5
EBIT margin (EBIT/Revenue)	15.2	13.1	16.6	17.8	18.6
Asset turnover (Rev./Avg TA)	73.4	65.1	71.0	79.0	80.6
Leverage (Avg TA/Avg Equity)	1.6	1.7	1.6	1.5	1.5
Adjusted ROAE	12.4	9.7	12.3	14.0	14.7

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	11.7	4.9	20.1	13.4	10.8
EBITDA	27.1	(2.6)	44.7	20.7	17.4
Adjusted EPS	41.9	(10.0)	42.5	25.5	16.9

Profitability & Return ratios (%)

EBITDA margin	18.4	17.1	20.6	22.0	23.3
EBIT margin	15.2	13.1	16.6	17.8	18.6
Adjusted profit margin	10.3	8.9	10.5	11.6	12.3
Adjusted ROAE	12.4	9.7	12.3	14.0	14.7
ROCE	14.4	10.8	14.6	17.6	18.9

Working capital days (days)

Receivables	19	23	24	25	26
Inventory	43	44	44	45	46
Payables	83	82	80	80	87

Ratios (x)

Gross asset turnover	0.9	0.8	0.8	0.9	0.9
Current ratio	1.0	1.2	1.3	1.4	1.5
Net interest coverage ratio	11.8	6.3	7.8	9.8	11.8
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**



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%

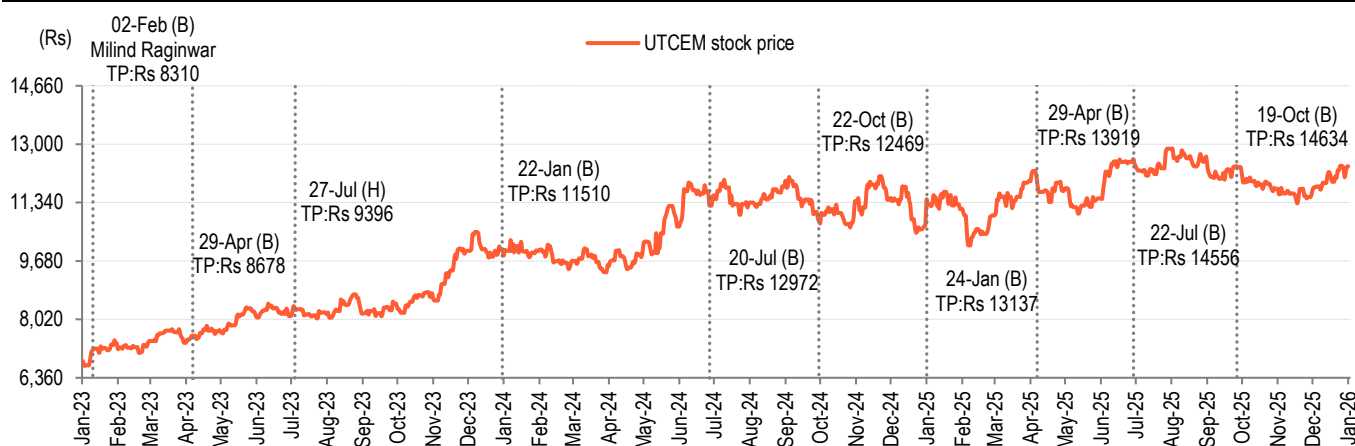
HOLD – Expected return from -6% to +15%

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.