

CEMENT

Q4FY25 Preview

16 April 2025

Supply equals strong year-end demand; price reversal awaited

- **Healthy demand of ~7% (coverage universe), driven by year-end project completion and lower base YoY due to general elections in May 2024**
- **Supply glut, as despite demand recovery in Q4FY25, cement prices stay muted reflected in flat (-1%) realisations YoY (+1% QoQ)**
- **Average EBITDA margin (cement coverage) estimated at ~19% flat YoY recovers from the low QoQ, EBITDA/t at ~Rs 995, down 3% YoY**

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Volume growth in higher single digit ~ 7% YoY: Cement demand recovery was clearly visible since January 2025 at ~7% YoY (except in southern regions). Year-end project completion activities as well as real estate demand helped recovery. Demand was strong in the eastern and western regions, pushed by states like Bihar, West Bengal, Gujarat and Maharashtra (post state elections. Predictions of above-normal monsoon and healthy reservoir levels should aid in prolonged sustenance of recovery. However, demand in South India was lacklustre, especially in Tamil Nadu and Kerala putting pressure on other regions like Telangana and Karnataka.

Supply glut keeps prices listless, though revival likely in Q1FY26: Excess supply matched demand recovery, keeping cement prices muted. In supply-glut regions like southern and eastern India, channel checks indicate that the companies extended discounts to keep prices steady. Pan-India cement prices stayed flat (weak by ~1%) YoY. Most of the impact was felt in the eastern and southern regions of India, as prices fell by ~12%/stayed flat each YoY, while West and North remained as the best regions with 4/3% YoY price improvement.

Limited margin fall: Realisations of our coverage companies fell on an average by ~1%YoY (up by ~1% QoQ). With limited negative cost headwinds and better operating leverage available, the margin drop was limited at an average of 24bps at ~19%. Efficiently driven companies like SRCM and STRCEM outperformed the industry while the fall was sharper for ACC, ACEM and JK Lakshmi.

EBITDA/t recovers further QoQ, lower than the higher base YoY: We estimate EBITDA/t at ~Rs 995/t recovering further from ~Rs854/tonne QoQ, owing to better cost efficiencies and partially, due to marginal price recovery. However, EBITDA/tonne, remains lower than YoY higher base. UTCCEM, SRCM and STRCEM stayed above the industry average, while companies in over-supply regions like JK Lakshmi Cement, ACC and Ramco Cements fared below average show.

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



Fig 1 – BOBCAPS Cement universe: Q4FY25 preview – Steady top line and EBITDA growth, driven by demand; margins recovery in sight on account of limited cost impact. Realisation weakness persists, likely to reverse in Q1FY26

Y/E March	Net sales (Rs mn)			EBITDA (Rs mn)			EBITDA margin (%)			Adj. PAT (Rs mn)		
	Q4FY25E	YoY (%)	QoQ (%)	Q4FY25E	YoY (%)	QoQ (%)	Q4FY25E	YoY (bps)	QoQ (bps)	Q4FY25E	YoY (%)	QoQ (%)
ACC	57,632	6.8	9.6	7,266	(13.2)	53.8	12.6	(289.9)	362.3	4,146	(15.6)	
ACEM	53,297	11.5	9.8	8,452	5.9	105.6	15.9	(83.0)	738.9	5,804	5.9	156.2
DALBHARA	41,989	(2.5)	32.0	7,752	18.5	51.7	18.5	327.1	239.8	2,765	(12.3)	353.3
JKCE	30,956	5.3	14.0	5,065	(7.5)	3.5	16.4	(226.7)	(166.8)	2,158	(4.7)	5.3
JKLC	17,943	8.9	30.7	2,480	(10.0)	74.0	13.8	(289.6)	344.2	1,307	(8.2)	119.8
TRCL	25,742	(3.7)	30.2	4,040	(3.1)	44.6	15.7	9.1	155.6	951	(21.6)	
SRCM	49,711	(2.5)	17.4	14,135	6.5	49.3	28.4	241.5	608.5	3,871	(41.5)	68.7
STRCEM	10,242	12.1	42.5	2,121	18.0	103.5	20.7	103.9	621.0	917	4.6	913.0
UTCEM	2,08,981	5.5	28.0	42,020	4.5	51.2	20.1	(19.1)	309.2	23,546	1.3	64.2
Total	4,96,493	4.4	22.2	93,331	3.1	52.1	18.8	(24.1)	370.2	45,465	(7.6)	112.2

Source: Company, BOBCAPS Research

Fig 2 – Sales volume driven by demand recovery across regions, except for pockets in South India

Y/E March	Sales Volume (mn tonnes)			Realisation (Rs/tonne)			EBITDA (Rs/tonne)		
	Q4FY25E	YoY (%)	QoQ (%)	Q4FY25E	YoY (%)	QoQ (%)	Q4FY25E	YoY (%)	QoQ (%)
ACC	11.34	9.1	6.0	4,792	(2.4)	3.0	641	(20.4)	45.1
ACEM	10.61	11.6	5.0	5,026	(0.1)	4.6	797	(5.1)	95.8
DALBHARA	8.84	0.5	32.0	4,748	(3.0)	-	850	18.6	15.5
JKCE	5.70	12.0	21.0	5,431	(5.9)	(5.8)	889	(17.4)	(14.5)
JKLC	3.00	17.7	33.5	6,229	(3.6)	2.0	826	(23.5)	30.3
TRCL	5.57	3.0	27.4	4,623	(6.5)	2.2	708	(6.0)	14.8
SRCM	9.74	2.1	11.1	4,940	0.2	2.3	1,451	7.5	34.5
STRCEM	1.53	8.6	43.7	6,681	3.2	(0.8)	1,384	8.6	41.7
UTCEM	35.88	7.5	26.8	5,154	(0.7)	3.4	1,171	(2.8)	19.3
Total	93.46	6.8	21.4	5,011	(1.2)	1.1	995	(3.1)	25.4

Source: Company, BOBCAPS Research

Fig 3 – ACC

Particulars	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	Comment
Sales volume (mn tonnes)	11.3	10.4	9.1	10.7	6.0	
Realisations (Rs/tonne)	4,792	4,908	(2.4)	4,652	3.0	
Sales (Rs mn)	57,632	53,981	6.8	52,592	9.6	ACC dispatches include sales under a market supply agreement to ACEM. Dispatches growth is driven by recovery in Maharashtra and North India.
EBITDA (Rs mn)	7,266	8,371	(13.2)	4,725	53.8	New capacities, too, add to growth.
EBITDA margin (%)	12.6	15.5	(290bps)	9.0	362bps	However, presence in eastern and southern regions keeps margins below industry average
EBITDA (Rs/tonne)	641	805	(20.4)	442	45.1	YoY, though there is healthy recovery from the abysmally low single-digit margins (9%) in Q3FY25.
Adj PAT (Rs mn)	4,146	4,913	(15.6)	(781)		
Adj PAT margin (%)	7.2	9.1	(191bps)	(1.5)	868bps	

Source: Company, BOBCAPS Research

Fig 4 – ACEM

Particulars	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	Comment
Sales volume (mn tonnes)	10.61	9.50	11.6	10.10	5.0	Recent acquisition of Penna Cement and lower base aid volume growth. Presence in healthy markets like Gujarat helps recovery. Further, tapping the non-trade segment has helped strong volume growth.
Realisations (Rs/tonne)	5,026	5,032	(0.1)	4,806	4.6	
Sales (Rs mn)	53,297	47,803	11.5	48,537	9.8	
EBITDA (Rs mn)	8,452	7,978	5.9	4,111	105.6	
EBITDA margin (%)	15.9	16.7	-83bps	8.5	739bps	Muted realisations are driven by change in stance by tapping the non-trade segment (ACEM predominantly a trade brand erstwhile) and higher volume push in the eastern region.
EBITDA (Rs/tonne)	797	840	(5.1)	407	95.8	
Adj PAT (Rs mn)	5,804	5,481	5.9	2,266	156.2	ACEM is also aggressively tapping Kerala markets via the sea route sourcing from Gujarat.
Adj PAT margin (%)	10.9	11.5	-58bps	4.7	622bps	

Source: Company, BOBCAPS Research

Fig 5 – DALBHARA

Particulars	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	Comment
Sales volume (mn tonnes)	8.84	8.80	0.5	6.70	32.0	Volume growth muted despite presence in eastern regions, indicating efforts to guard realisation. Despite this, there is a dent in realisations pointing towards a glut in operative regions. Additionally, the set back of JPA assets has marred presence in remunerative central India.
Realisations (Rs/tonne)	4,748	4,895	(3.0)	4,748	0.0	
Sales (Rs mn)	41,989	43,073	(2.5)	31,810	32.0	
EBITDA (Rs mn)	7,752	6,543	18.5	5,110	51.7	
EBITDA margin (%)	18.5	15.2	327bps	16.1	240bps	Margins are driven by cost efficiencies and lower base in general elections (that impacted Q4FY24).
EBITDA (Rs/tonne)	850	717	18.6	736	15.5	
Adj PAT (Rs mn)	2,765	3,153	(12.3)	610	353.3	
Adj PAT margin (%)	6.6	7.3	(73bps)	1.9	467bps	

Source: Company, BOBCAPS Research

Fig 6 – JKCE

Particulars	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	Comment
Sales volume (mn tonnes)	5.7	5.1	12.0	4.7	21.0	Healthy double-digit volume growth, driven by new capacities and higher presence in the central India region. However, realisations have softened, indicating growth concerns especially in the South and West regions. Weaker putty realisations likely to impact white cement segment's performance.
Realisations (Rs/tonne)	5,431	5,773	(5.9)	5,765	(5.8)	
Sales (Rs mn)	30,956	29,389	5.3	27,155	14.0	
EBITDA (Rs mn)	5,065	5,475	(7.5)	4,896	3.5	
EBITDA margin (%)	16.4	18.6	(227bps)	18.0	(167bps)	Effectively, aggregate EBITDA margin and EBTIDA/t indicate pressure.
EBITDA (Rs/tonne)	889	1,075	(17.4)	1,040	(14.5)	
Adj PAT (Rs mn)	2,158	2,265	(4.7)	2,048	5.3	
Adj PAT margin (%)	7.0	7.7	(74bps)	7.5	(57bps)	

Source: Company, BOBCAPS Research

Fig 7 – JKLC

Particulars	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	Comment
Sales volume (mn tonnes)	3.0	2.6	17.7	2.2	33.5	JKLC's top line is driven by volume pressure to meet growth targets. However, strong dent in realisations will keep performance under pressure. Eastern region continues to be impacted by higher supply. Effectively, volume is pushed in the northern region by taking a toll on realisations. Operating areas of Rajasthan and Chhattisgarh are the glut areas. Effectively, EBITDA margin stays at the sub-industry level, but likely to catch up from the lower base QoQ.
Realisations (Rs/tonne)	6,229	6,459	(3.6)	6,109	2.0	
Sales (Rs mn)	17,943	16,478	8.9	13,733	30.7	
EBITDA (Rs mn)	2,480	2,755	(10.0)	1,425	74.0	
EBITDA margin (%)	13.8	16.7	(290bps)	10.4	344bps	
EBITDA (Rs/tonne)	826	1,080	(23.5)	634	30.3	
Adj PAT (Rs mn)	1,307	1,424	(8.2)	595	119.8	
Adj PAT margin (%)	7.3	8.6	(135bps)	4.3	295bps	

Source: Company, BOBCAPS Research

Fig 8 – TRCL

Particulars	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	Comment
Sales volume (mn tonnes)	5.6	5.4	3.0	4.4	27.4	We expect TRCL's top line to be impacted due to strong hit on realisations, given its presence in Tamil Nadu and Kerala. These two states collectively contribute ~55% of sales. Further, the company faces stiff competition in the non-remunerative eastern region. Overall EBITDA slumps by ~3%, while EBITDA/t continues to hover in the ~Rs 700 range. This may continue in the medium term as both the operating regions face supply glut.
Realisations (Rs/tonne)	4,623	4,945	(6.5)	4,523	2.2	
Sales (Rs mn)	25,742	26,733	(3.7)	19,766	30.2	
EBITDA (Rs mn)	4,040	4,171	(3.1)	2,794	44.6	
EBITDA margin (%)	15.7	15.6	9bps	14.1	156bps	
EBITDA (Rs/tonne)	708	753	(6.0)	617	14.8	
Adj PAT (Rs mn)	951	1,214	(21.6)	(37)		
Adj PAT margin (%)	3.7	4.5	(85bps)	(0.2)	388bps	

Source: Company, BOBCAPS Research

Fig 9 – SRCM

Particulars	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	Comment
Sales volume (mn tonnes)	9.7	9.5	2.1	8.8	11.1	SRCM's has clearly shifted focus on maintaining profitability over growth. This is indicated in the muted volume and realisations gain YoY. However, EBITDA gain, EBITDA margin and EBITDA/t relatively better vs industry.
Realisations (Rs/tonne)	4,940	4,930	0.2	4,830	2.3	
Sales (Rs mn)	49,711	51,010	(2.5)	42,355	17.4	
EBITDA (Rs mn)	14,135	13,272	6.5	9,466	49.3	Constant shuffling between growth and profitability will impact the performance in the long term for SRCM though its earnings performance beats industry.
EBITDA margin (%)	28.4	26.0	241bps	22.3	608bps	
EBITDA (Rs/tonne)	1,451	1,350	7.5	1,079	34.5	
Adj PAT (Rs mn)	3,871	6,618	(41.5)	2,294	68.7	
Adj PAT margin (%)	7.8	13.0	(519bps)	5.4	237bps	

Source: Company, BOBCAPS Research

Fig 10 – STRCEM

Particulars	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	Comment
Sales volume (mn tonnes)	1.53	1.41	8.65	1.07	43.7	Top-line gains are driven by better volume growth and improvement in realisations YoY due to its North-East India presence. STRCEM is consolidating its presence in the region with new capacities in ASSAM. This will help rationalise inter-unit logistics costs (currently inflated on higher clinker movement). EBTIDA margin and EBITDA/t improvement are driven by better leverage and realisation gains..
Realisations (Rs/tonne)	6,681	6,474	3.2	6,736	(0.8)	
Sales (Rs mn)	10,242	9,135	12.1	7,188	42.5	
EBITDA (Rs mn)	2,121	1,797	18.0	1,042	103.5	
EBITDA margin (%)	20.7	19.7	104bps	14.5	621bps	
EBITDA (Rs/tonne)	1,384	1,274	8.6	977	41.7	
Adj PAT (Rs mn)	917	877	4.6	91	913.0	
Adj PAT margin (%)	9.0	9.6	(64bps)	1.3	770bps	

Source: Company, BOBCAPS Research

Fig 11 – UTCCEM

Particulars	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	Comment
Sales volume (mn tonnes)	35.9	33.4	7.5	28.3	26.8	UTCCEM's volume growth stayed ahead of industry (coverage universe) growth, due to its pan-India presence and new capacities. We believe this will help offset realisation weakness partially. Operating efficiencies with cost savings in energy and logistic expenses are likely to keep margins and EBITDA/t ahead of the industry (despite being weak on a higher YoY base).
Realisations (Rs/tonne)	5,154	5,193	(0.7)	4,984	3.4	
Sales (Rs mn)	2,08,981	1,98,059	5.5	1,63,284	28.0	
EBITDA (Rs mn)	42,020	40,202	4.5	27,783	51.2	
EBITDA margin (%)	20.1	20.3	(19bps)	17.0	309bps	
EBITDA (Rs/tonne)	1,171	1,204	(2.8)	982	19.3	
Adj PAT (Rs mn)	23,546	23,240	1.3	14,344	64.2	
Adj PAT margin (%)	11.3	11.7	(47bps)	8.8	248bps	

Source: Company, BOBCAPS Research

Fig 12 – Coal prices remained flat in recent past

Source: Company, BOBCAPS Research, CMIE

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