



STOCK UPDATE

Result Update - Q3FY2026

SECTOR

Cement

COMPANY DETAILS

Market cap:	Rs. 3,64,370 cr
52-week high/low:	Rs. 13,102/10,053
NSE volume:	2,31,396 lakh (No of shares)
BSE code:	532538
NSE code:	ULTRACEMCO
Free float:	12.0 cr (No of shares)

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	59.3
FII	14.4
DII	17.5
Others	8.8

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	5.2	2.9	1.1	9.6
Relative to Sensex	9.7	6.8	0.3	2.6

Source: Mirae Asset Sharekhan Research, Bloomberg

UltraTech Cement Ltd

Robust Q3 beats estimates

Reco/View: **BUY**

CMP: **Rs. 12,368**

Price Target: **Rs. 14,800**

Quick Snapshot

- Consolidated revenue stood rose 22.8% y-o-y to Rs. 21,830 crore on a 28% y-o-y volume growth (excl ICL), while Adj volume grew by 15% y-o-y; EBITDA/tonne rose to Rs. 1,007 (+5.7% y-o-y), aided by operating leverage
- Revenue/EBITDA/PAT beat estimates by 5.8%/11%/21%, respectively. Grey cement capacity at 188.8 mtpa and is on track to add another 8-9 mtpa in Q4.
- Q4 expected to be stronger than Q3, on robust demand, company will operate at over 90% at its existing installed capacity.
- We maintain a Buy with a revised price target of Rs. 14,800, backed by strong growth visibility and margin recovery.

Result overview

- Revenue/EBITDA/PAT up 22.8%/35.3%/33.5% y-o-y, respectively.
- Consolidated volumes grew 15% y-o-y (incl. Kesoram & ICL), while grey cement volumes increased 15.4% y-o-y, outperforming industry average of 9-10%.
- Consolidated realisations declined 4% y-o-y to Rs. 5,616/tonne, while cost/tonne fell 6% y-o-y to Rs. 4,608 driven by effective cost-efficiency measures. EBITDA/tonne rose to Rs. 1,007 +5.7% y-o-y, aided by operating leverage.
- Management mentioned that Q4 EBITDA/tonne will be much better than Q3 and express a confident expansion over next 15 months.
- Net debt was reduced by Rs. 1,778 crore q-o-q, while Net debt/EBITDA stood at 1.08x, and management is confident in reducing leverage to ~1x by FY26, supported by strong cash flows.
- Management believes "South will be the new North", highlighting strong structural demand led by institutional projects, which is expected to support sustained growth over the medium term.
- Cables and wires business remains on track for launch in December 2026, with orders worth Rs. 500 crore placed and Rs. 197 crore capex already incurred.

Our Call

UltraTech is well positioned to benefit from strong demand led by infrastructure spending and housing demand. Capacity expansion through organic and inorganic routes, industry consolidation, and structural demand drivers provide long-term profitability tailwinds. Pricing is expected to improve with demand recovery and cost pass-through. The stock trades at EV/EBITDA of 21.03x/17.28x/13.96 FY26E/FY27E/FY28E and we maintain a Buy rating with a revised PT of Rs. 14,800.

Key Risks

Weak macros leading to lower cement demand and pressure on prices would negatively affect profitability.

Valuation

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Revenue	70,908	75,955	87,547	99,904	1,10,355
OPM (%)	18.29	16.53	20.45	21.73	24.19
Adjusted PAT	7,077	6,137	9,039	12,057	15,983
y-o-y growth (%)		-13.29	47.29	33.39	32.56
Adjusted EPS (Rs.)	247	208	307	409	542
P/E (x)	50.14	59.39	40.32	30.23	22.80
P/B (x)	5.89	4.93	4.57	3.97	3.38
EV/EBITDA (x)	27.53	30.34	21.03	17.28	13.96
RoNW (%)		12	9.1	11.8	14.1
RoCE (%)		18.4	13.0	18.3	20.1
					21.9

Source: Company; Mirae Asset Sharekhan estimates

Note: CMP as on Jan 23, 2026

Concall highlights

- **Company is optimistic about demands across the regions:**

- North India: Heavy spending on roads, highways; UP alone has a 1,500+ km metro pipeline.
- West India: Mumbai and Pune metro projects, coastal roads, ports.
- South India: Bengaluru metro expansion, IT hubs, Amaravati city project.
- East India: Large rural infrastructure projects.

- **Capacity expansions:**

- FY26 – 202.9 mtpa, FY27- 218 mtpa and FY28- 240.8 mtpa and FY29-250 mtpa
- Phase IV capacity expansion (22.8 mtpa) orders already placed; funding largely through internal accruals.
- The 9m capex stood at Rs. 7,200 crore and Rs.9,000-10,000 capex run rate remains intact annually.
- Management flagged rupee depreciation and labour cost inflation as potential cost pressures, but reiterated confidence in passing on cost increases through pricing.
- Traded demand to lead to strong rural demand.
- Traded share stood at 64% in Q3FY26. Premium shares accounted for 36% of the overall volumes.
- Cement prices have begun to firm up across regions, with Rs.6-8/bag price improvement translating to Rs.3-4/tonne rise in realizations on a blended basis.
- Brand integration remains on track, with Kesoram and India Cements conversion at ~69% and ~58%, respectively.

- **Operational efficiency improvements:**

- Lead distance reduced to 363 km (down 14 km y-o-y)
- Clinker conversion factor improved to 1.49.
- Renewable energy share at 42%, targeted to reach ~60% by FY28.
- Industry growth: About 9–10% in Q3; long-term industry CAGR of 7–8% reiterated.

- **Grey Cement Cost Metrics (Q3 FY26):**

- **Logistics:** Rs. 1,135/mt (down 4% y-o-y)
- **Fuel:** Rs. 884/mt (down 1.8% y-o-y)
- **Power:** Rs. 349/mt (15% y-o-y)
- **Raw materials:** Rs. 664/mt (6% y-o-y)

Results

Particulars	Q3FY26	Q3FY25	% yoy	Q2FY26	Rs cr % qoq
Net Sales	21,829.7	17,778.8	22.8	19,606.9	11.3
Operating Profit	3,915.2	2,894.7	35.3	3,094.3	26.5
Other Income	135.6	247.3	-45.2	174.1	-22.1
EBITDA	4,050.8	3,142.1	28.9	3,268.5	23.9
Interest	492.2	456.8	7.8	459.3	7.2
Depreciation	1,181.9	992.8	19.0	1,147.7	3.0
PBT	2,283.0	1,691.3	35.0	1,655.8	37.9
Tax	553.6	327.8	68.9	417.9	32.5
Reported PAT	1,729.4	1,363.4	26.8	1,238.0	39.7
Exceptional items	(89.2)	-	NA	-	NA
Adj.PAT	1,814.6	1,359.4	33.5	1,231.6	47.3
Margins			Bps		Bps
OPM	17.9	16.3	165	15.8	215
PATM	8.3	7.6	67	6.3	203
Tax Rate	24.2	19.4	486	25.2	-99

Source: Company; Mirae Asset Sharekhan Research
Additional Data
Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Grasim Ind	56.11
2	ICICI Prudential Asset mgmt	2.26
3	Life Insurance Corporation	2.19
4	Vanguard Group	1.76
5	Balckrock, Inc	1.68
6	SBI Fund Management	1.53
7	Pilani Investment & Industries	1.50
8	Kotak Mahindra Assets Mgmt	1.26
9	Republic of Singapore	1.18
10	Nippon Life India Asset Mgmt	0.85

Source: Bloomberg
Key management personnel

Name	Designation
KC Jhanwar	Managing Director
Atul Daga	Executive Director and CFO
Sanjeeb K. Chatterjee	Company Secretary

Source: Company Website

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