



CEMENT MONTHLY UPDATE

May 2025

Uptrend in prices sustain; domestic demand steady amid monsoon concerns

We interacted with cement dealers across regions to assess pricing trends as well as the demand-supply situation in the country. The cement industry witnessed an uptrend in May 2025, with an increase in both trade and non-trade prices. Average cement prices rose pan-India, with trade prices increasing by Rs. 4/bag to Rs. 394/bag. Demand was strong at the start of the month, supported by ongoing infrastructure activities and increased pre-monsoon construction. However, the demand softened towards the end of May due to early monsoon in several regions.

Key regional takeaways:

North: North India experienced weak demand in May 2025, primarily due to geopolitical tensions arising from a war-like situation near the India-Pakistan border. Additionally, heatwaves caused labor shortages in certain areas, further impacting demand. Average prices in the North declined by 1.1% MoM to Rs. 435/bag in May 2025.

East: Cement demand in East India decreased due to early monsoons. However, prices saw a marginal uptick during the post-festive period and peak construction season, aided by infrastructure and real estate activity. Efforts to hike prices further in May were rolled back due to high competitive intensity in the market. Average prices in the East increased by 1.5% MoM to Rs. 340/bag in May 2025.

South: The Southern region experienced a significant upturn in demand at the beginning of May 2025, fueled by increased government infrastructure spending. Additionally, anticipation of a slowdown in demand in the coming months due to monsoon and rising input costs of cement companies led to price hikes in the region. Average prices in the South saw an increase of 4.2% MoM to Rs. 398/bag in May 2025.

West: Cement demand in the West was impacted due to unseasonal rains and labor shortages, leading to reduced pricing in the region. Construction activities were further affected by the onset of monsoon, weighing on demand. Additionally, increased competition from capacity additions by major players exerted further pressure on pricing. Average prices in the West declined by 1.2% MoM to Rs. 420/bag in May 2025.

Central: Cement demand in Central India saw an improvement, supported by increased government spending on infrastructure projects. Rising input costs also influenced pricing to some extent. Average prices in Central India saw an increase by 1.4% MoM to Rs. 375/bag in May 2025.

Outlook:

The Indian cement sector has shown notable growth in recent months, with pricing trends remaining firm despite seasonal headwinds. May 2025 witnessed an uptick in cement prices across most regions, led by the South and followed by moderate increases in the East and Central regions, reflecting a steady demand. However, dealers have expressed concerns around the early onset of the monsoon, which is expected to soften demand in June. As a result, we expect cement demand to remain flat or slightly lower in the near term, which may limit further price hikes. Despite these near-term challenges, the overall outlook for the sector remains positive. Many state governments increased their infrastructure spending in FY25, and several have announced even higher budgets for FY26, which should support cement demand over the next few quarters. Additionally, the ongoing consolidation in the industry is helping companies maintain pricing discipline, contributing to improved profitability over the past few months. Upcoming capacity additions could increase competition and lead to pricing pressure in some regions. Companies will need to carefully manage their pricing and volumes to protect profit margins. Cement demand is expected to grow by 6-7.5% in FY26, supported by continued growth in housing, rural construction, and infrastructure projects. While the monsoon may slow down construction in the near term, demand is likely to bounce back strongly post-monsoon. Overall, we believe that the sector may face a temporary dip in demand due to seasonal factors, but its growth outlook for FY26 remains strong. Sustaining recent price hikes amid new capacity expansions and evolving demand conditions will be key to the sector's performance in the coming quarters.

We remain positive on companies such as Ultratech, Shree Cement and Dalmia Bharat from a long-term perspective.

Cement Monthly Price Update

Region (Rs./bag)	May-25	Apr-25	MoM	May-24	YoY
North	435	440	-1.1%	350	24.3%
East	340	335	1.5%	310	9.7%
South	398	382	4.2%	370	7.6%
West	420	425	-1.2%	405	3.7%
Central	375	370	1.4%	345	8.7%
Pan-India	394	390	0.8%	356	10.6%

Source : BP Equities Pvt. Ltd.

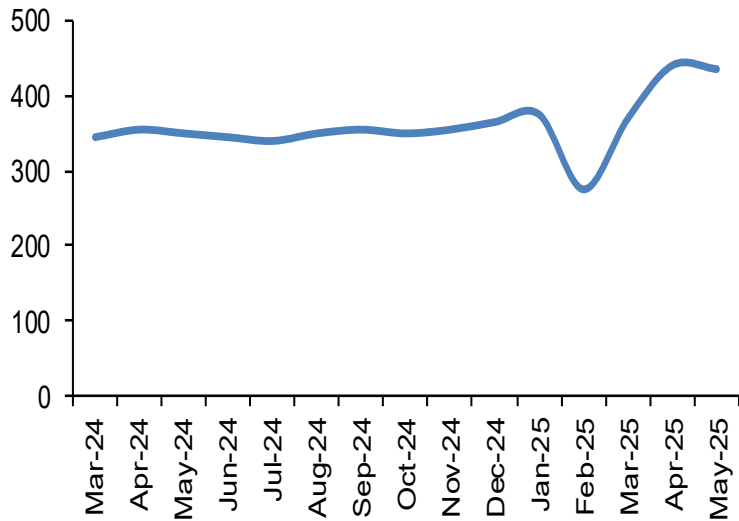
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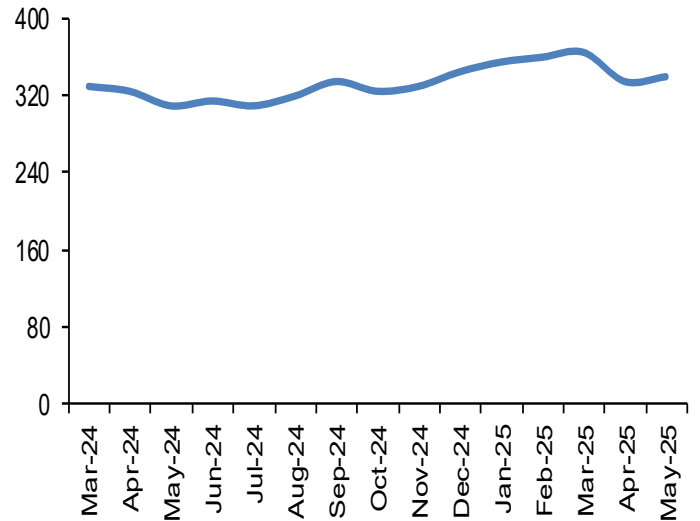
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Cement Monthly Update (May 2025)

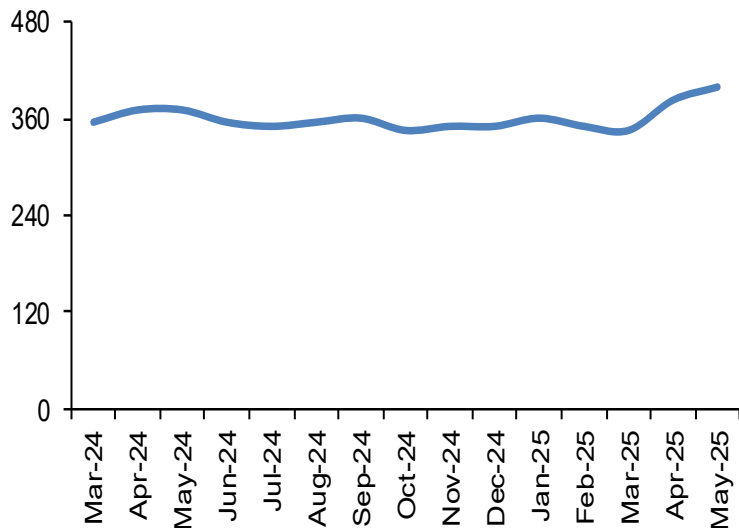
North prices decreased marginally MoM (Price Rs./bag)



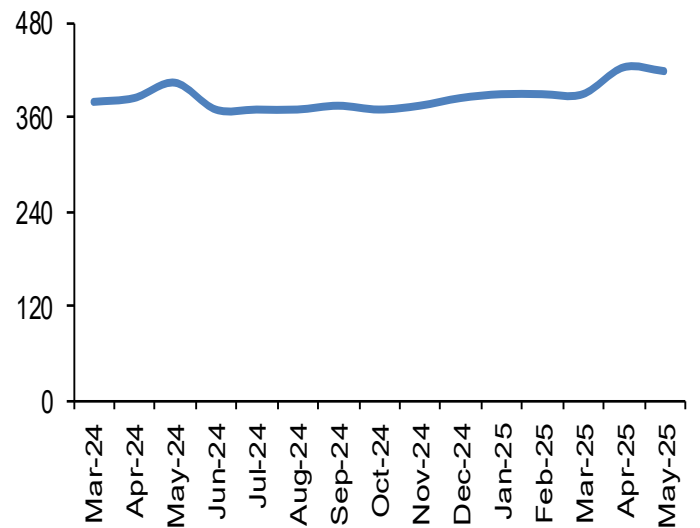
East prices increased marginally MoM (Price Rs./bag)



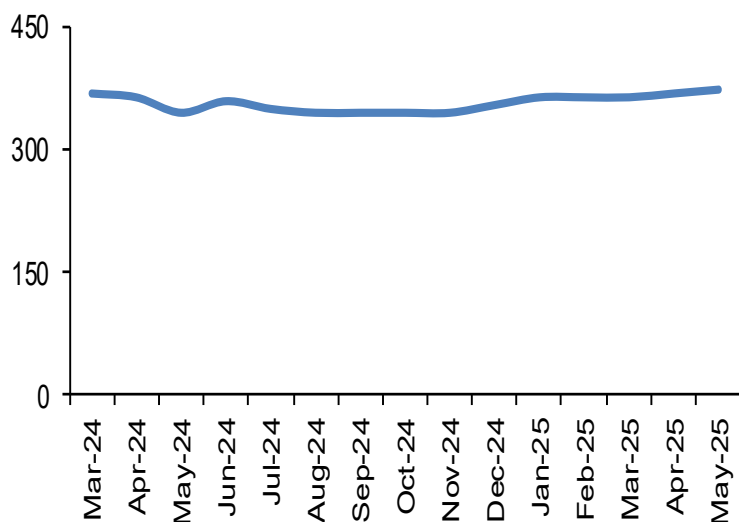
South prices surged MoM (Price Rs./bag)



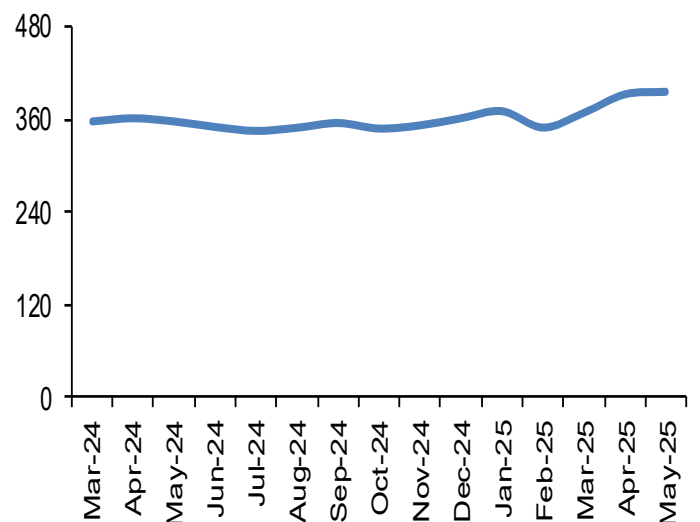
West prices decreased MoM (Price Rs./bag)



Central prices increased MoM (Price Rs./bag)



Pan-India prices decreased MoM (Price Rs./bag)



Source : Industry, BP Equities Pvt. Ltd.

Cement Monthly Update (May 2025)

Key Financials

Company	Revenue (Rs. Cr.)		EV/EBITDA		EBITDA Margin (%)		PAT Margin (%)		ROE		P/E	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Ultratech Cement Ltd.	87,243	97,560	20.7	17.1	20.2	21.9	10.5	12.1	11.0	12.5	37.5	29.0
Ambuja Cements Ltd.	43,156	49,331	15.2	11.9	19.2	21.4	9.4	11.2	6.0	7.5	32.1	23.8
Shree Cement Ltd.	22,887	25,562	23.2	19.7	21.4	22.7	7.6	8.5	7.5	8.5	65.9	51.9
JK Cement Ltd.	13,236	14,956	17.9	15.1	19.2	20.1	7.9	9.1	15.0	16.8	39.0	29.3
Dalmia Bharat Ltd.	15,944	17,490	14.1	12.1	18.9	20.1	6.1	7.1	5.3	6.4	38.6	30.1
ACC Ltd.	23,338	25,125	9.6	8.3	14.3	15.3	8.4	9.3	10.7	11.4	17.2	14.4
The Ramco Cements Ltd.	9,623	10,671	16.7	13.9	18.5	20.0	5.4	6.8	6.7	8.9	51.6	33.2
Nuvoco Vistas Corp Ltd.	11,254	12,145	9.6	8.3	15.3	16.3	1.9	2.9	3.1	3.9	52.2	34.7
Birla Corporation Ltd.	9,980	10,708	8.5	7.4	15.4	16.5	5.0	5.8	7.3	8.5	20.2	15.9
JK Lakshmi Cement Ltd.	7,010	7,830	10.1	8.5	16.6	17.7	6.6	7.4	12.2	13.5	21.2	17.2
Star Cement Ltd.	3,666	4,161	11.6	9.8	21.4	22.3	8.5	9.5	8.3	9.5	29.2	22.4
Heidelberg Cement India Ltd.	2,406	2,560	11.4	9.8	14.5	15.8	8.1	9.3	9.7	10.1	22.7	18.6

Source : Bloomberg, BP Equities Pvt. Ltd.

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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