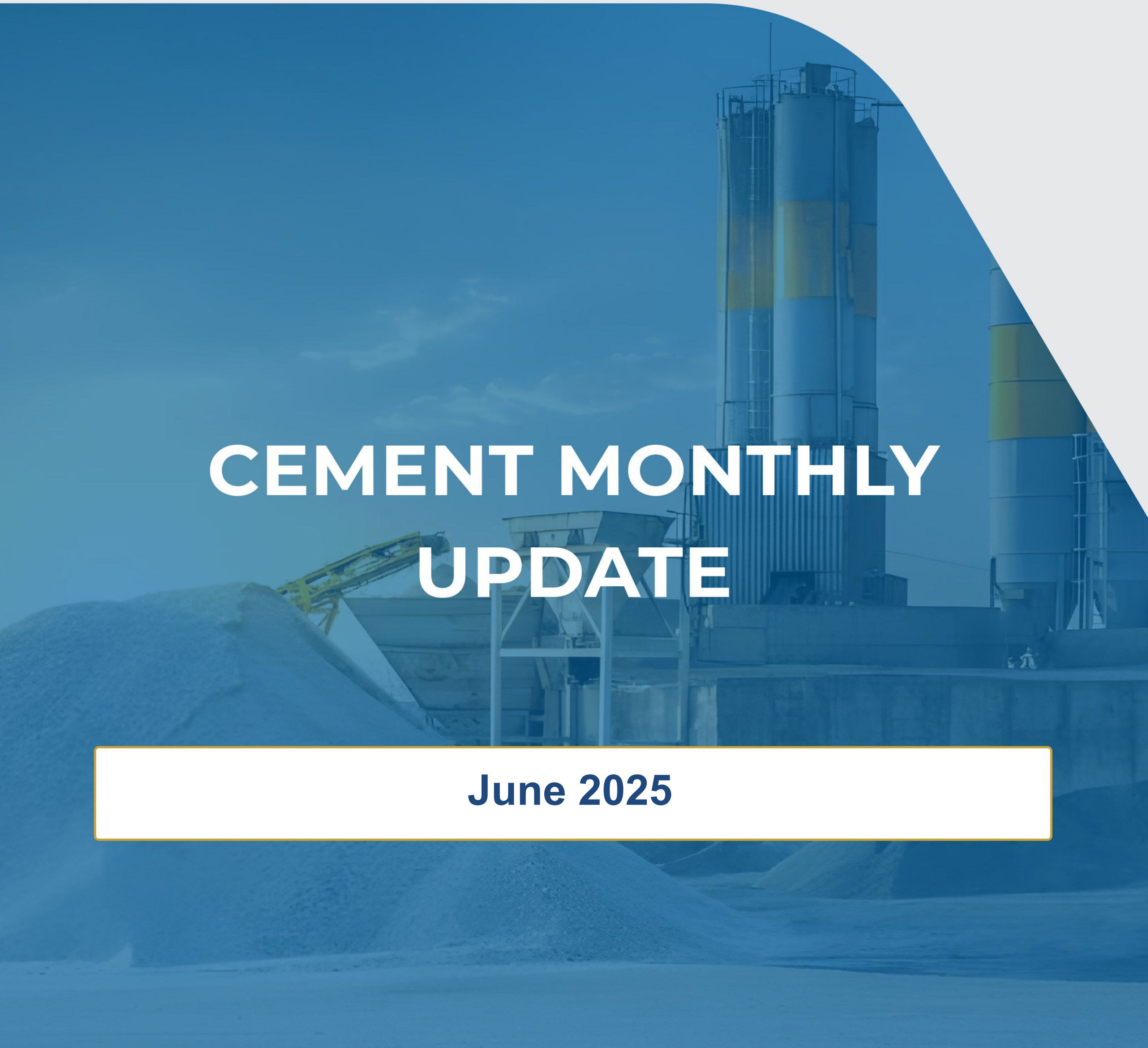
BP Wealth | STOXBOX



CEMENT MONTHLY UPDATE

June 2025

Cement Monthly Update (June 2025)

BP WEALTH

10th July 2025

Seasonal weakness impacts pricing; lower input costs keep optimism alive

We interacted with cement dealers across regions to assess pricing trends and the supply-demand situation in the country. The cement industry experienced a downward trend in June 2025 across both trade and non-trade prices, primarily due to a decline in demand. Average cement prices fell nationwide, with trade prices decreasing by Rs. 11/bag to Rs. 377/bag. Demand was strong at the beginning of the month, aided by ongoing infrastructure projects and increased pre-monsoon construction. However, it weakened toward the end of June with the onset of the monsoon across several regions. Overall demand remained subdued, with prices decreasing across most areas, except the central region, due to the early arrival of monsoons.

Key regional takeaways:

North: North India witnessed moderate demand in June 2025, impacted by heatwaves that caused labor shortages in certain areas. Additionally, the recent cross-border tensions also affected demand to some extent. Average prices in the North declined marginally by 0.5% MoM to Rs. 393/bag in June 2025.

East: Cement demand in East India dropped due to the early onset of monsoons, which disrupted construction and infrastructure activities in the region. These prices are unlikely to sustain in the near term due to seasonal weakness. Average prices in the East declined by 2.9% MoM to Rs. 330/bag in June 2025.

South: The Southern region saw moderate demand at the beginning of June 2025, supported by government infrastructure spending. However, it was dampened in the latter half of the month due to seasonality. Demand is expected to decline further in July 2025, which may continue to impact prices. Average prices in the South saw a decrease of 2.5% MoM to Rs. 388/bag in June 2025.

West: Cement demand in the West was impacted due to rainfall and labor shortages, resulting in reduced pricing in the region. A slowdown in construction activities by the onset of monsoon, weighed on demand. Average prices in the West declined by 4.8% MoM to Rs. 400/bag in June 2025.

Central: Cement demand in Central India remained consistent, as low rainfall did not significantly impact ongoing construction activities within the region. Average prices in Central India saw a marginal increase of 0.3% MoM to Rs. 376/bag in June 2025.

Outlook:

The cement sector is entering seasonally weak monsoon quarter, during which demand and pricing typically soften due to disruptions in construction activity. This trend has already begun to reflect in the June 2025 data, and prices are likely to remain under pressure through July and August. However, the overall impact on profitability is expected to be limited. This is due to the cost of key inputs, such as pet coke and non-coking coal, which have decreased and will help improve or maintain profit margins even if prices fall slightly. The drop in input costs, combined with improved operational efficiency and enhanced logistics by most companies, is expected to help limit the impact on profit margins. Regionally, no sharp price correction has been observed, further supporting earnings stability. Going forward, pricing will remain a key factor to watch as companies navigate reduced volumes. Companies with strong demand from government infrastructure projects or those with operations spread across multiple regions are likely to perform better during this phase. Demand is expected to recover in the second half of FY26. This will be aided by improved execution of central and state government infrastructure projects, higher rural development spending, and increased allocation towards housing projects. Industry players are also focusing on improving operational leverage through capacity additions in regions where demand is growing, which are expected to start contributing over the next few quarters. Additionally, improved liquidity conditions and continued government support for infrastructure will help the cement sector. While near-term challenges such as weak demand and soft pricing persist, our overall outlook for the sector remains positive. Companies that effectively manage costs and maintain pricing discipline are well-positioned to benefit once demand picks up. **We remain positive on companies such as Ultratech, Ambuja Cements and Dalmia Bharat from a long-term perspective.**

Cement Monthly Price Update

Region (Rs./bag)	Jun-25	May-25	MoM	Jun-24	YoY
North	393	395	-0.5%	345	13.9%
East	330	340	-2.9%	315	4.8%
South	388	398	-2.5%	355	9.3%
West	400	420	-4.8%	370	8.1%
Central	376	375	0.3%	360	4.4%
Pan-India	377	386	-2.1%	349	8.1%

Source : BP Equities Pvt. Ltd.

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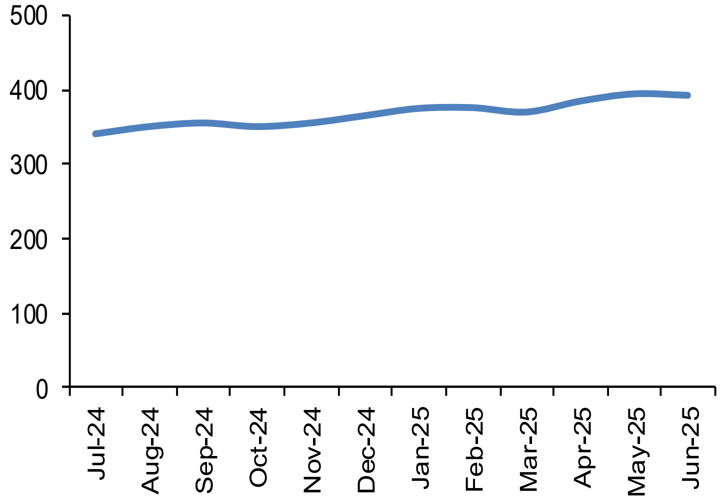
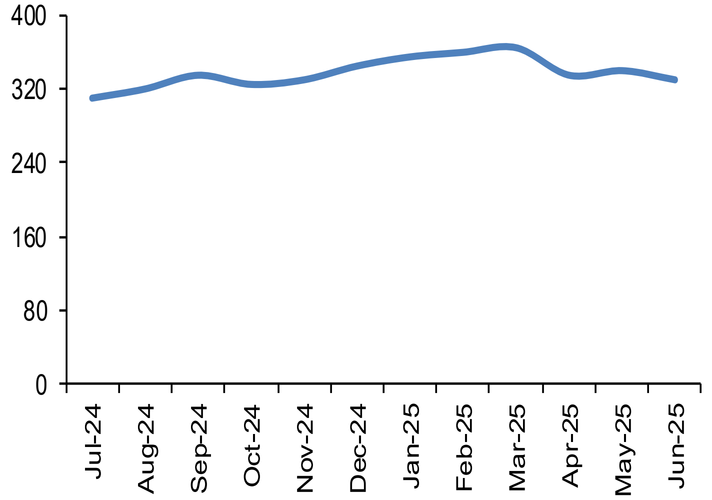
Cement Monthly Update (June 2025)

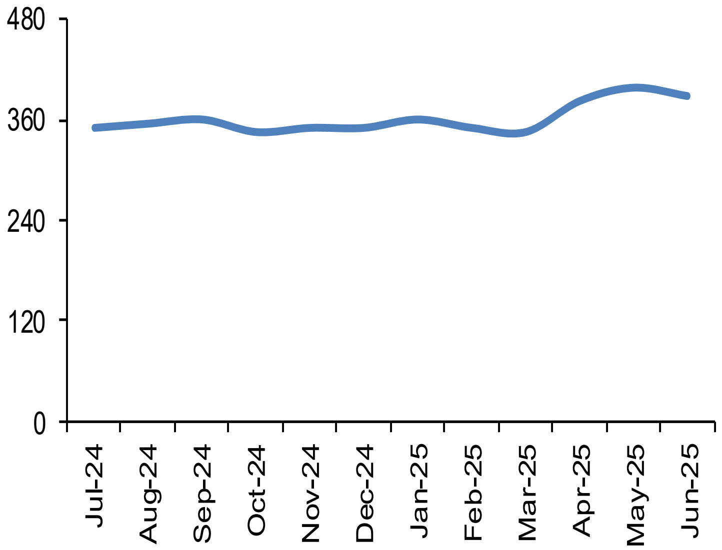
North prices decreased marginally MoM (Price Rs./bag)



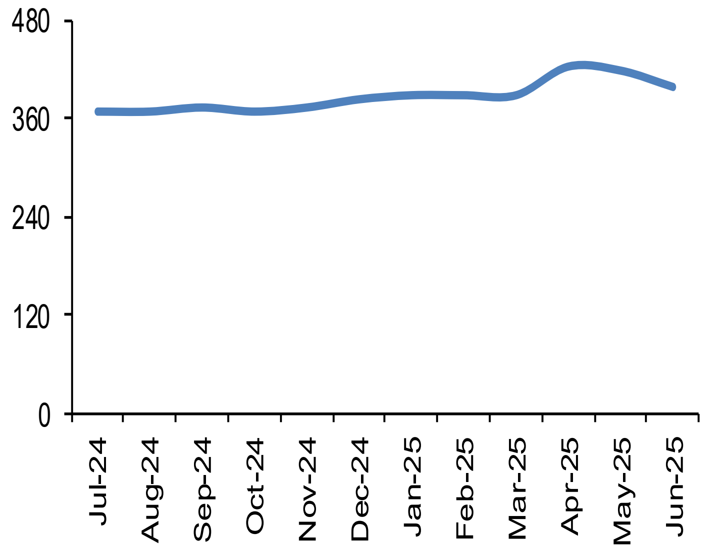
East prices decreased MoM (Price Rs./bag)



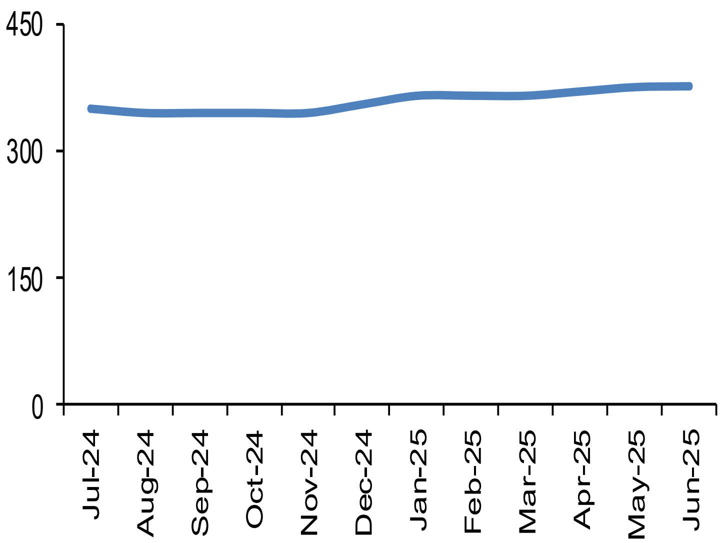
South prices declined MoM (Price Rs./bag)



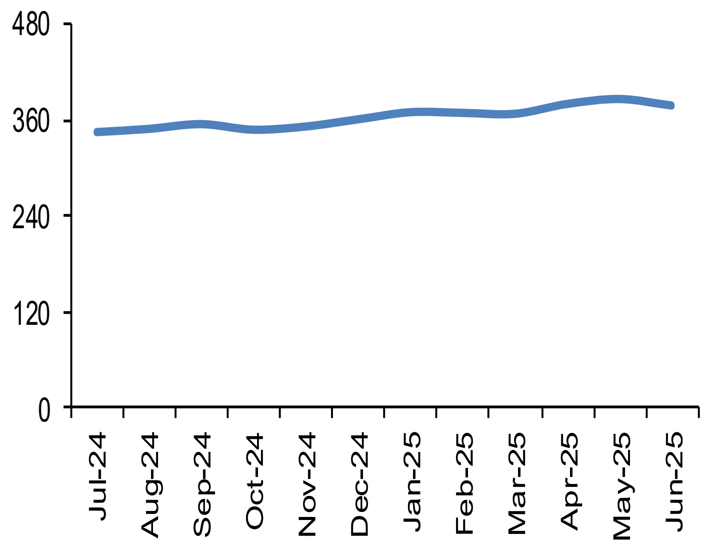
West prices fell significantly MoM (Price Rs./bag)



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



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



Cement Monthly Update (June 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.	88,592	98,760	22.0	18.2	20.1%	21.8%	10.3%	13.5%	12.2	14.2	39.8	30.8
Ambuja Cements Ltd.	42,933	49,059	18.2	14.2	18.9%	21.2%	9.1%	10.4%	6.9	8.4	37.6	28.3
Shree Cement Ltd.	22,351	24,780	21.1	18.3	22.7%	23.6%	8.6%	9.6%	8.2	9.4	62.7	49.7
JK Cement Ltd.	13,315	15,084	21.0	19.5	19.3%	20.3%	8.2%	9.3%	16.4	18.1	44.9	35.3
Dalmia Bharat Ltd.	15,689	17,232	13.6	11.6	19.7%	20.9%	6.8%	7.7%	6.1	6.9	37.7	30.9
ACC Ltd.	23,419	25,206	10.5	9.1	14.2%	15.2%	8.3%	9.2%	10.6	11.3	18.4	15.6
The Ramco Cements Ltd.	9,620	10,685	17.0	14.2	18.7%	20.1%	5.0%	6.9%	6.9	9.0	52.9	34.2
Nuvoco Vistas Corp Ltd.	11,236	12,132	9.7	8.5	15.4%	16.3%	2.3%	3.0%	2.9	3.8	52.2	34.7
Birla Corporation Ltd.	9,985	10,721	8.7	7.6	15.4%	16.5%	5.2%	6.1%	7.3	8.5	20.8	16.3
JK Lakshmi Cement Ltd.	6,995	7,800	11.6	9.7	16.7%	17.8%	6.7%	7.4%	12.2	13.5	24.8	20.3
Star Cement Ltd.	3,660	4,165	11.4	9.5	21.4%	22.5%	10.9%	12.7%	9.9	11.4	29.1	21.9
Heidelberg Cement India Ltd.	2,406	2,560	12.3	10.6	14.5%	15.8%	7.4%	8.6%	13.3	15.5	23.9	20.0

Source : Bloomberg, BP Equities Pvt. Ltd.

Key Operational Performance

Company	Sales volume (Mt) (FY25)	FY25 Capex (Rs. Cr.)	FY26 Capex Guidance (Rs. Cr.)
Ultratech Cement Ltd.	136	9000	9,000 - 10,000
Ambuja Cements Ltd.	65	5,000*	9000
Shree Cement Ltd.	40	3470	3000
JK Cement Ltd.	20	1,800-2000	1700
Dalmia Bharat Ltd.	29	2664	3500
Acc Ltd.	42	9000	9,000 - 10,000
The Ramco Cements Ltd.	19	1024	1200
Nuvoco Vistas Corporation Ltd.	19	NA	2200
Birla Corporation Ltd.	18	437	1100
JK Lakshmi Cement Ltd.	12	550	1100
Star Cement Ltd.	5	562	823
Heidelberg Cement India Ltd.	5	60	100

Source : Company, BP Equities Pvt. Ltd.

Note: *Ambuja Cements FY25 Capex includes Orient Cement acquisition

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Analyst (s) holding in the Stock : Nil

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