Result Update

Q2 FY26

Ambuja Cements Ltd.

Institutional Research

Ambuja Cements Ltd.

BP WEALTH

Cement & Cement Products | Q2FY26 Result Update **06th November 2025**

Strong operational execution and strategic expansion support growth outlook

Ambuja Cements Ltd. reported quarterly operating revenue of Rs. 9,130 crores (down 10.9% QoQ / up 25.0% YoY). This annual increase was driven by the highest-ever Q2 volume growth and a higher share of premium products in trade sales, now at 35%. The company's reported EBITDA was Rs. 1,716 crores (down 10.4% QoQ / up 98.7% YoY). Its EBITDA margin stood at 18.8% compared to 11.8% for the same quarter in the previous year and 18.7% in the last quarter. The company's EBITDA/ton stood at Rs. 1,060 during the quarter, compared to Rs. 1,069 in Q1FY26. Raw material costs stood at Rs. 1,309 crores (down 14.2% QoQ / down 8.0% YoY). The company is making efforts to reduce raw material costs and increase operational efficiency by securing long-term supply agreements for major raw materials and improving plant infrastructure through BCFC projects for material handling. Freight costs during the quarter stood at Rs. 2,063 crores (down 14.8% QoQ / up 13.0% YoY), due to a reduction in the primary lead distance by 2 km and additional efforts such as improving the share of waterway transport and direct dispatches. Power and Fuel costs stood at Rs. 2,280 crores (down 9.3% QoQ / up 25.6% YoY). The company's green power share improved 33.0%, which is expected to reduce fuel costs in the coming quarters. Other costs stood at Rs. 1,356 crores (down 6.5% QoQ / up 31.8% YoY). The company is taking steps to manage the costs, such as reducing lead distance, aiming to raise its green power share to 60% by FY28, and implementing AI-enabled technology to improve its supply chain. The company's profitability increased significantly during the quarter, reaching Rs. 2,302 crores (up 126.4% QoQ / up 363.7% YoY). The company's sales volume increased significantly by 16.9% YoY to 16.6 MT. Ambuja reached 107 MTPA capacity and is on track to achieve its target of 118 MTPA by FY26.

Valuation and Outlook

Ambuja Cements Ltd. delivered a strong performance, showcasing solid operational execution despite seasonal headwinds, supported by exceptional volume growth that significantly outpaced the industry average, driven by its focus on premium products, brand strength, and strategic acquisitions. Through disciplined cost management, Ambuja is steadily advancing toward becoming one of the lowest-cost cement producers in the country. Its capacity expansion plans are notably aggressive yet well-managed through a combination of debottlenecking existing assets and setting up new plants, which will support sustained volume growth and efficient capital deployment. The company is combining innovation with operational efficiency by leveraging AI-enabled systems and ongoing supply chain optimizations that are expected to enhance productivity, lower costs, and improve margins further. The cement industry's tailwinds from government infrastructure spending and GST reforms create a favorable demand environment that Ambuja is well-positioned to capitalize on. Backed by a strong, debt-free balance sheet, the company appears set for long-term and profitable growth in India's cement sector.

Key Highlights

Particulars (Rs. Crs.)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)
Net Sales	9,130	7,305	25.0%	10,244	-10.9%
Gross Profit	7,821	5,882	33.0%	8,720	-10.3%
Gross Margin (%)	85.7%	80.5%	134bps	85.1%	282bps
EBITDA	1,716	864	98.7%	1,916	-10.4%
OPM (%)	18.8%	11.8%	448bps	18.7%	70bps
Net Profit	2,302	496	363.7%	1,017	126.4%
PAT Margin (%)	25.2%	6.8%	2bps	9.9%	-347bps

Source: Company, BP Equities Research

Sector Outlook	Positive

Stock

CMP (Rs.)	567
BSE code	500425
NSE Symbol	AMBUJACEM
Bloomberg	ACEM IN
Reuters	ABUJ.BO

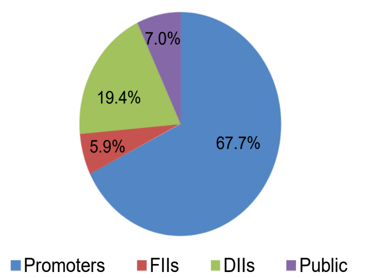
Key Data

Nifty	25,597
52 Week H/L (Rs.)	624 / 453
O/s Shares (Crs.)	247
Market Cap (Rs. Crs.)	1,40,226
Face Value (Rs.)	2

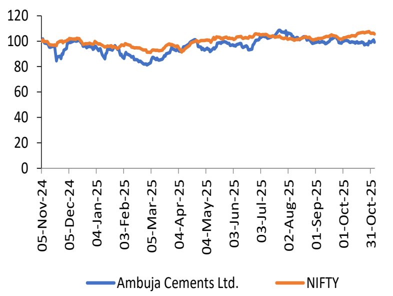
Average Volume

3 months	3,000,980
6 months	2,825,040
1 year	2,956,900

Share Holding (%)



Relative Price Chart



Research Analyst

Palak Devadiga

palak.devadiga@bpwealth.com

+022-61596138

Key Concall Highlights

Capacity Expansion:

- Debottlenecking initiatives across 13 plants will add 15 MTPA capacity at a lower CapEx of $48 per ton.
- Clinker capacity target revised from 84 MTPA to almost 96 MTPA by FY28, with three new kiln lines planned primarily in Chhattisgarh and other strategic locations.
- Ongoing greenfield and brownfield projects at Salai Banwa, Marwar, Dahej, Kalamboli, Bhatinda, Jodhpur, and others are advancing well, with several nearing commissioning by the end of FY26.
- The company is installing 13 new blenders over 12 months to optimize product mix and increase premium cement share, thereby improving realization.

"The company aims to reach 155 MTPA by FY28, including additions through debottlenecking and new plants."

Cost Optimization Strategies:

- Total cost reduced, led by kiln fuel cost among the lowest in the industry at INR 1.65 per thousand kcal, excluding alternative fuels.
- The company is targeting to reduce overall cost per ton to Rs. 4,000 by FY26, followed by further reductions by 5% in FY27 and another 5% in FY28.
- Logistics efficiency improved with primary lead distance reduced by 2 km and ongoing initiatives to reduce it by an additional 50 km.
- Average plant age is expected to decline 40% by FY28, reflecting modernization and the addition of newer assets.
- Efficiency gains from newer technologies are projected to lower both heat and power consumption significantly over time.

"Digital transformation through Cement Intelligent Network Operations Centre (CiNOC) will enhance operational efficiency and real-time collaboration."

CapEx Plans:

- CapEx spend for FY26 is guided at around Rs. 8,000 crores, with a significant portion already invested in ongoing projects.
- The company is maintaining a disciplined CapEx approach, prioritizing timely execution, scale profitability and optimization of operating leverage.

Brand, Distribution, and Market Initiatives:

- Ambuja deepened its B2B and dealer engagement through initiatives such as SamvAAAd and Dhanvarsha, CEO Club platforms.
- The company's dealer network now spans 29,000 dealers and over 50,000 retailers, with strong participation from contractors and builders.

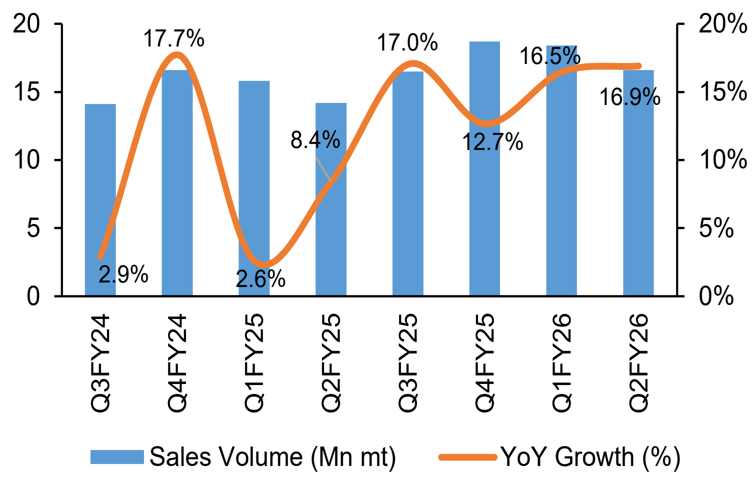
Other key concall highlights:

- Market share increased 1% to 16.6%, supported by strong brand preference and premium product mix.
- Management targets 20–22% market share by FY28.
- Management remains bullish on demand growth of 7–8% in FY26, supported by GST reforms, infrastructure push, and private investments, and expects to sustain double-digit volume growth driven by upcoming capacity additions.

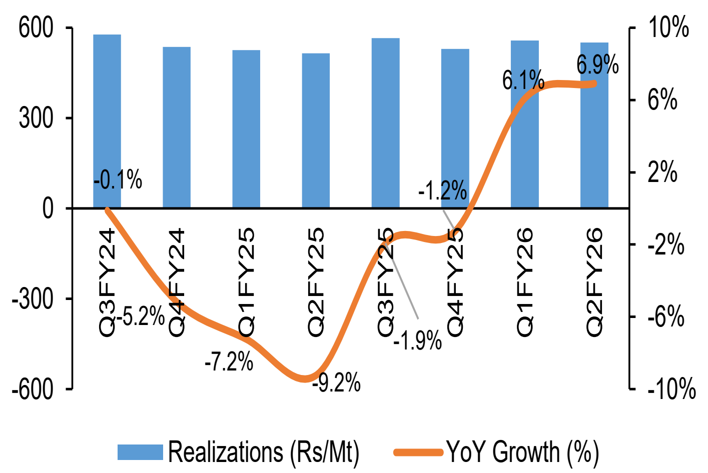
"Integration of Penna, Orient, and Sanghi Cement has been among the fastest in the industry, with sales now entirely under Ambuja and ACC brands."

Quarterly Snapshot

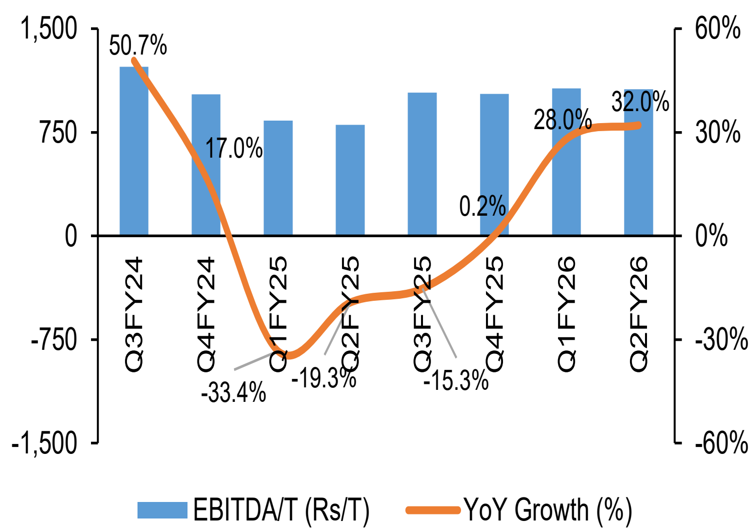
Sales Volume (Mn Mt)



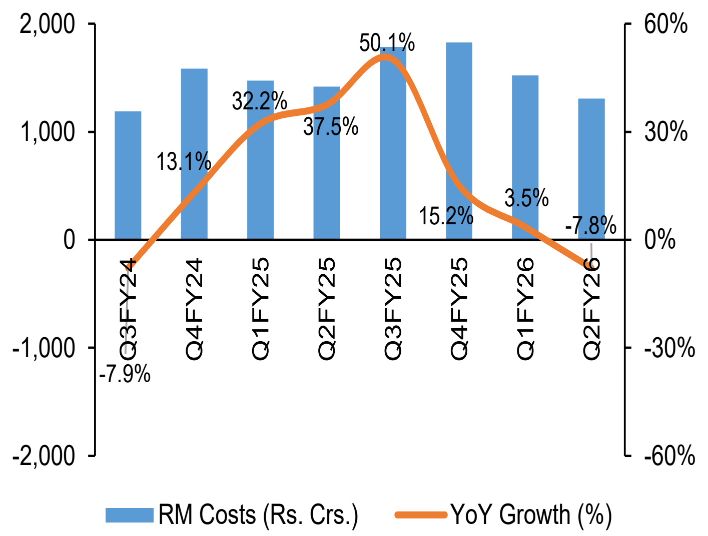
Realizations (Rs/Mt)



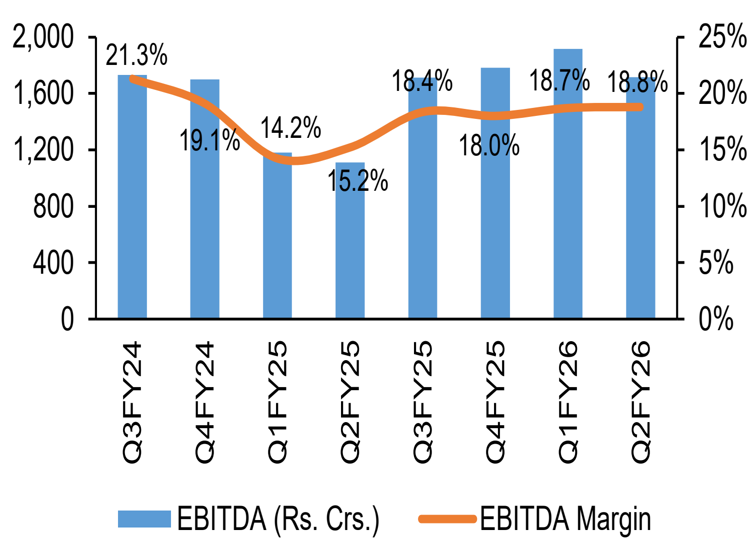
EBITDA/T (Rs/T)



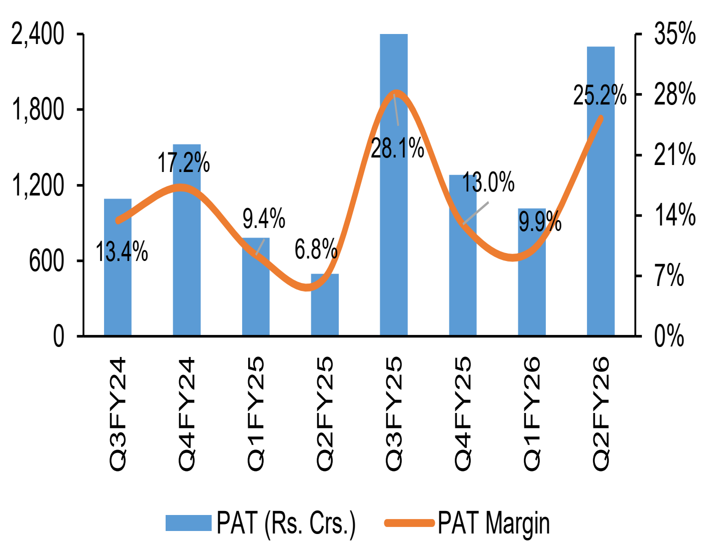
RM Costs



EBITDA & EBITDA Margin



PAT & PAT Margin



Key Financials						
YE March (Rs. Crs.)	CY21	FY23*	FY24	FY25	FY26E	FY27E
Revenue	**28,965**	**38,937**	**32,808**	**33,698**	**43,067**	**49,222**
Revenue Growth (Y-o-Y)	*18.1%*	*34.4%*	*(15.7%)*	*2.7%*	*27.8%*	*14.3%*
EBITDA	**6,210**	**5,122**	**6,400**	**5,971**	**8,164**	**10,539**
EBIDTA Growth (Y-o-Y)	*24.1%*	*(17.5%)*	*25.0%*	*(6.7%)*	*36.7%*	*29.1%*
Net Profit	**3,711**	**3,024**	**4,735**	**5,158**	**5,329**	**6,233**
Net Profit Growth (Y-o-Y)	*19.4%*	*(18.5%)*	*56.5%*	*9.0%*	*3.3%*	*17.0%*
Diluted EPS	**14.0**	**12.6**	**16.7**	**17.0**	**21.6**	**25.2**
Diluted EPS Growth (Y-o-Y)	*17.5%*	*(9.7%)*	*31.7%*	*1.9%*	*27.2%*	*17.0%*
Key Ratios						
EBIDTA margin (%)	**21.4%**	**13.2%**	**19.5%**	**17.7%**	**19.0%**	**21.4%**
NPM (%)	12.8%	7.8%	14.4%	15.3%	12.4%	12.7%
RoE (%)	**11.4%**	**7.8%**	**9.3%**	**8.1%**	**7.8%**	**8.4%**
RoIC (%)	15.5%	9.0%	9.4%	5.5%	7.1%	8.7%
Valuation Ratios						
P/E (x)	**40.5x**	**44.9x**	**34.1x**	**33.4x**	**26.3x**	**22.5x**
EV/EBITDA (x)	20.7x	27.2x	21.4x	22.6x	16.4x	12.6x
Market Cap. / Sales (x)	**4.8x**	**3.6x**	**4.3x**	**4.2x**	**3.3x**	**2.8x**

Source: Company, BP Equities Research Note: 15-month period due to change in accounting year from December to March*

Research Desk Tel: +91 22 61596138

Institutional Sales Desk Tel: +91 22 61596403/04/05

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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Corporate Office:
4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6464
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:
24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001

BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591

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