

CMP INR 8,391.35

Bloomberg Code	UTCEM IN
No of share O/S (in Cr)	28.87
Market Cap (in Rs Cr)	2,37,297.29
Face Value (in Rs)	10.0
Dividend Yield (%)	0.46
52 Wk High/Low (in Rs)	8,501/6,005

Shareholding (%)	
Promoters	59.96
Institutional	15.82
Public	40.04
Total	100.0

Key result highlights:

- Ultratech Cement reported a consolidated revenue YoY growth of 17.3% but QoQ decline of 5% to INR 17,911 cr.
- EBITDA reported at INR 3,223 cr giving a jump of YoY 1% but a QoQ decline of 6%. The EBITDA margins for the quarter was at 18%.
- The PAT for the quarter stands at INR 1,688 cr YoY / QoQ growth of 7% / 1%. The PAT margins for the quarter was at 9.4%.

Key operational updates

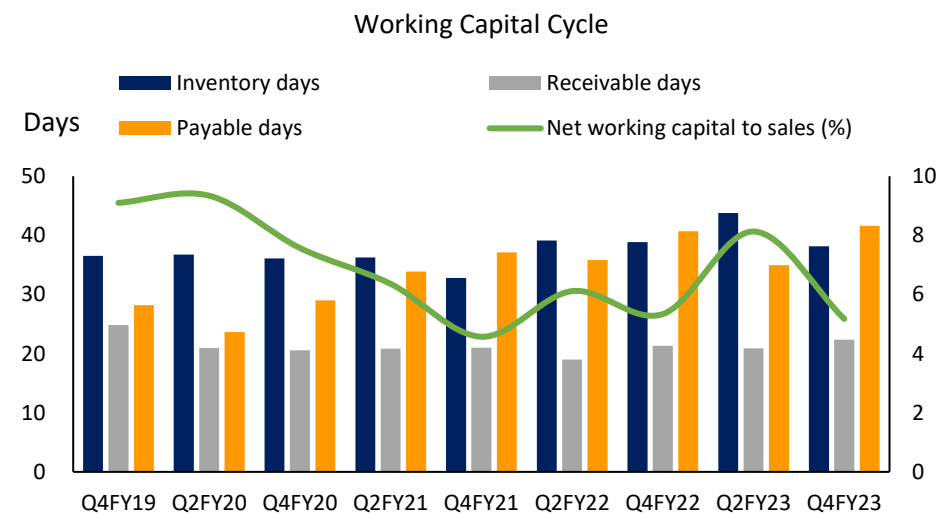
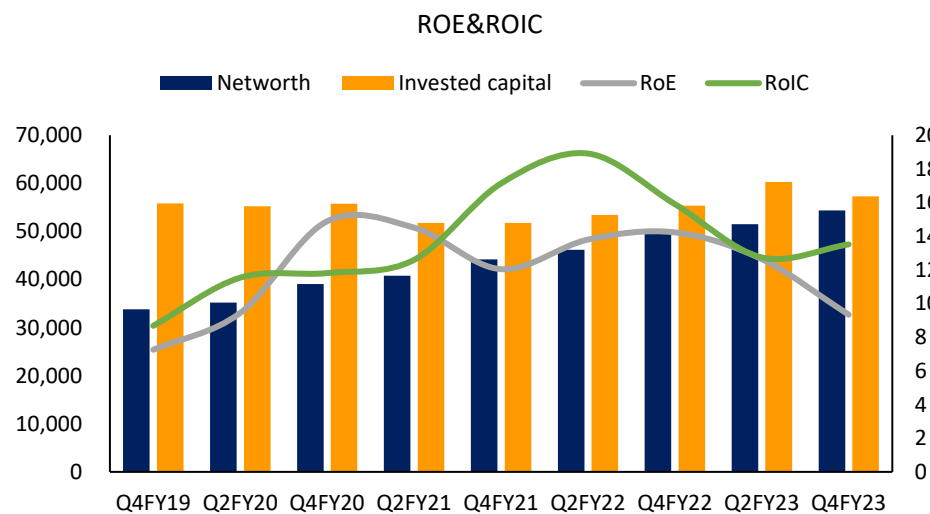
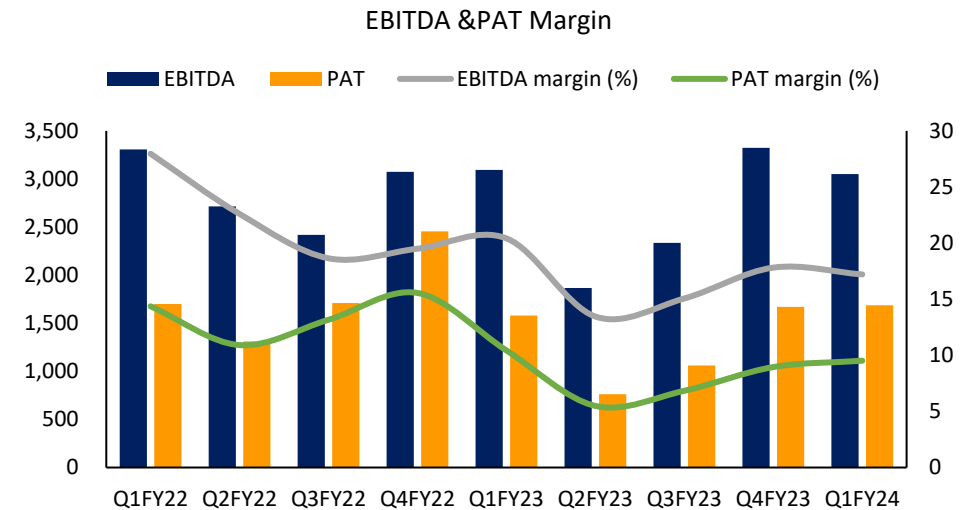
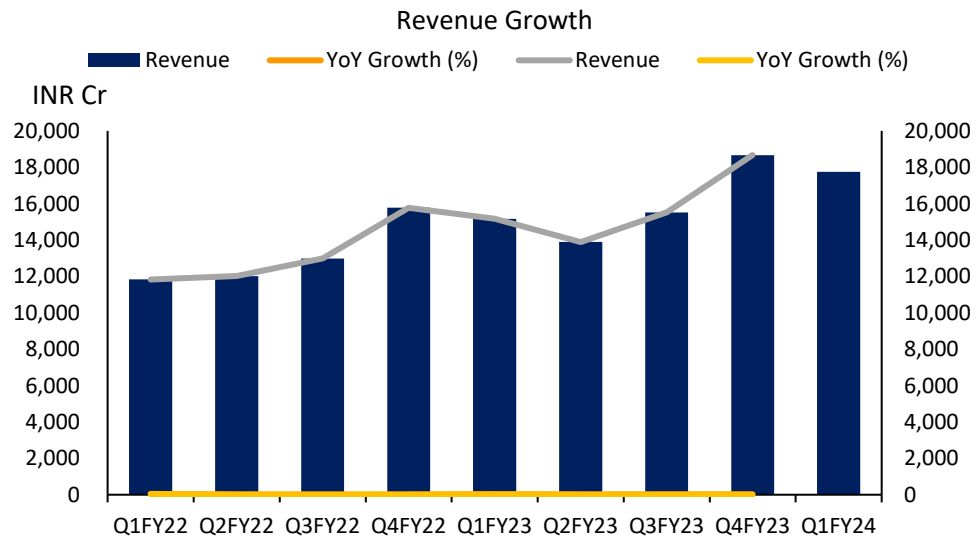
- The Company achieved capacity utilisation of 89% as against 83% during 01 FY23. Domestic sales volume registered 20% growth year-on-year.
- The energy cost was higher by 3% YoY, primarily due to currency devaluation. Additionally, there was a 6% rise in raw material cost, mainly driven by the higher costs of fly ash and slag.
- The Company has commissioned 4.3 mtpa capacity in this financial year, following the successful commissioning of 12.4 mtpa capacity of grey cement in FY23. The Company's total grey cement manufacturing capacity in India now stands at 131.25 mtpa.
- Work on its next phase of growth of 22.6 mtpa is in full swing. Commercial production from these new capacities is expected to go on stream in a phased manner by FY25/FY26.

Highlights from Press release

- The Company experienced a 1% YoY increase in logistics cost due to resumption of busy season surcharge, partially mitigated by lead optimization and operating efficiencies. Logistics cost increased by 1% QoQ as cyclone “Biparjoy” impacted marine volumes and cost.
- The company developed cement packaging bags using recycled polypropylene (rPP). The new cement bags are made with 50 % of rPP. Thus, helping to reduce the use of virgin plastic by 43%.
- The company aims to reduce the use of virgin polypropylene by over 840 MT with a target to source 3 crores recycled polypropylene bags in FY24.

VALUATION

At the CMP of INR 8,391.35, the stock is trading at 25.4x FY25 P/E.



Figures in Cr	Q1FY24	Q4FY23	QoQ (%)	Q1FY23	YoY (%)
Net Sales	17,737	18,662	-5.0	15,164	17.0
Raw material cost	2,944	3,171	-7.2	2,283	29.0
<i>Employee Cost To Sales (%)</i>	<i>16.6</i>	<i>17.0</i>		<i>15.1</i>	
Employee Cost	707	716	-1.3	637	11.0
<i>Employee Cost To Sales (%)</i>	<i>4.0</i>	<i>3.8</i>		<i>4.2</i>	
Other Expenses	11,037	11,452	20.6	9,149	20.6
<i>Other Expenses To Sales (%)</i>	<i>62.2</i>	<i>61.4</i>		<i>60.3</i>	
EBITDA	3,049	3,322	-8.2	3,095	-1.5
<i>EBITDA Margin (%)</i>	<i>17.2</i>	<i>17.8</i>		<i>20.4</i>	
Depreciation	749	762	-1.7	695	7.8
<i>Depreciation To Sales (%)</i>	<i>4.2</i>	<i>5.0</i>		<i>3.7</i>	
EBIT	2,300	2,561	-10.2	2,400	-4.1
<i>EBIT Margin (%)</i>	<i>13.0</i>	<i>13.7</i>		<i>15.8</i>	
Other Income	174	122	43.0	109	59.8
Interest	211	191	10.1	216	-2.3
Interest Coverage Ratio (X)	11	13		11	
<i>Interest Cost to Sales (%)</i>	<i>1.2</i>	<i>1.0</i>		<i>1.4</i>	
Profit Before Tax	2,263	2,491	-9.1	2,293	-1.3
<i>PBT Margin (%)</i>	<i>12.8</i>	<i>13.3</i>		<i>15.1</i>	
Tax	577	822	-29.9	711	-19.0
<i>Tax Rate (%)</i>	<i>25.5</i>	<i>33.0</i>		<i>31.0</i>	
Profit After Tax	1,687	1,669	1.1	1,581	6.7
<i>PAT Margin (%)</i>	<i>9.5</i>	<i>8.9</i>		<i>10.4</i>	
Adjusted EPS	58.5	57.7	1.4	54.9	6.6

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