HOLD (Maintain)

CMP: **INR 11,275** Target Price: **INR 12,138 (INR 11,900)** ▲ 8%

ICICI Securities

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04 September 2026

India | Equity Research | Company Update

UltraTech Cement

Cement

Launches wires and cables business 'Ultravolt'

UltraTech Cement (UTCEM) has formally launched its wires and cables business, 'Ultravolt'. Being under the banner of the Aditya Birla Group, the new segment has an ambitious business plan. As such, it aims to become a national brand and one of the top two players in the industry within five years. Backed by an investment of INR 18bn, Ultravolt has India's second-largest capacity in the wires segment at the launch stage itself. While we are certainly very excited about the new segment, we reckon that it is unlikely to move the needle materially for UTCEM just yet. Assuming revenue of INR 30bn in FY28E, net working capital of INR 5bn, and a valuation multiple of 2.5x price/sales, Ultravolt could yield an EV of INR 70bn, i.e., INR 238/share of UTCEM. With no change in our assumption for the core cement business (valued at 17x FY28E EV/EBITDA), our TP stands revised to INR 12,138 (vs. INR 11,900 earlier). Maintain **HOLD**.

Ambitious plan to scale up the new venture

Having achieved significant success in its new paint and B2B e-commerce ventures, the Aditya Birla Group appears to be beaming with confidence. It thus has ambitious business plans for 'Ultravolt' as well. As such, it plans to: 1) venture at a pan-India scale rather than testing the market region by region; 2) reach >1 lakh retailers and further activate availability through >5,000 UltraTech Building Solutions (UBS) outlets; 3) ambitious rollout across >500 districts and 6,000 pin codes to begin with; and 4) build a best-in-class electrician-engagement programme. The group has already onboarded >1,600 electricians at the pre-launch stage, with an aim to train >40k electricians over the coming year. Additionally, it recently announced the commissioning of its manufacturing facility at Jhagadia in the Bharuch district of Gujarat, which features India's second-largest wires capacity.

A lucrative foray, yet it may not move the needle much

The wires and cables segment appears to be an attractive industry with: a) high growth potential of 10-15% CAGR over the next few years; and b) high asset turns (5-7x) and lucrative RoEs (of 15-25%) for established players with EBITDA margins in the 8-14% range. Since Ultravolt is a new player with ambitious growth plans, it could incur losses in the initial phase. Hence, we prefer to value the segment on a price/sales basis. We have assumed INR 30bn revenue for FY28E, INR 5bn net working capital, and a valuation multiple of 2.5x price/sales (~30% discount to established peers). Accordingly, our TP for UTCEM stands revised by INR 238/share to INR 12,138 (vs. INR 11,900). Maintain **HOLD.**

Financial Summary

Y/E March (INR mn)	FY25A	FY26A	FY27E	FY28E
Net Revenue	7,59,551	8,85,115	10,11,687	11,33,031
EBITDA	1,25,575	1,70,202	1,90,568	2,16,358
EBITDA (%)	16.5	19.2	18.8	19.1
Net Profit	61,471	83,200	94,410	1,11,548
EPS (Rs)	208.6	282.3	320.4	378.5
EPS % Chg YoY	(14.6)	35.3	13.5	18.2
P/E (x)	54.1	39.9	35.2	29.8
EV/EBITDA (x)	27.9	20.5	18.5	16.1
RoCE (%) (Post Tax)	8.1	9.2	9.9	10.9
RoE (%)	9.4	11.3	12.1	13.4

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Market Data

Market Cap (INR)	3,323bn
Market Cap (USD)	34,972mn
Bloomberg Code	UTCEM IN
Reuters Code	ULTC.BO
52-week Range (INR)	12,848 /10,118
Free Float (%)	40.0
ADTV-3M (mn) (USD)	40.9

Price Performance (%)	3m	6m	12m
Absolute	3.6	(8.1)	(9.6)
Relative to Sensex	1.2	(3.0)	(4.2)

ESG Score	2024	2025	Change
ESG score	**70.8**	**71.1**	**0.3**
Environment	64.7	63.9	(0.8)
Social	65.6	67.1	1.5
Governance	79.5	80.2	0.7

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Previous Reports

21-07-2026: Q1FY27 results review

28-04-2026: Q4FY26 results review

Exhibit 1: Valuation working

Particulars (INR mn)	FY28E
Assumed EV/EBITDA multiple (x) (A)	17.0
Consolidated EBITDA (B)	2,16,358
Enterprise Value (C) = (A) x (B)	36,78,078
Less: Consolidated net debt (D)	1,73,113
MCap (E) = (C) - (D)	35,04,965
Shares o/s (mn) (F)	294.7
Value per share for cement business (INR) (G) = (E) / (F)	11,900
Value per share for wires and cables business (refer exhibit 2) (INR) (H)	238
Total Value per share (INR) (I)	**12,138**
Potential upside (%)	7.7%

Source: I-Sec research, Company data

Exhibit 2: Valuation working for wires and cables business

Particulars (INR mn)	FY28E
Revenue	30,000
Valuation multiple - based on Price/Sales (x)	2.5x
Enterprise Value	75,000
Working capital requirement - assuming 60 days cycle	5,000
Equity value	70,000
Shares o/s (mn)	294.7
Value per share (INR)	238

Source: I-Sec research, Company data

Key risks

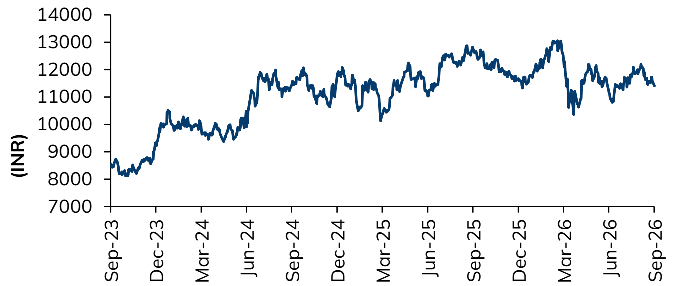
- A sharp increase in cement prices and/or a sharp fuel cost decline are key upside risks.
- A sharp fall in cement prices and/or a major surge in fuel prices are key downside risks.

Exhibit 3: Shareholding pattern

%	Dec'25	Mar'26	Jun'26
Promoters	59.3	59.3	59.3
Institutional investors	32.4	32.5	32.6
MFs and others	14.7	15.2	16.0
FIs/Banks	0.3	0.3	0.4
Insurance	2.5	2.9	3.3
FIIs	14.9	14.1	12.9
Others	8.3	8.2	8.1

Source: Bloomberg, I-Sec research

Exhibit 4: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 5: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Net Sales	**7,59,551**	**8,85,115**	**10,11,687**	**11,33,031**
Operating Expenses	6,33,977	7,14,913	8,21,119	9,16,674
EBITDA	**1,25,575**	**1,70,202**	**1,90,568**	**2,16,358**
EBITDA Margin (%)	16.5	19.2	18.8	19.1
Depreciation & Amortization	40,150	46,445	50,572	54,312
EBIT	85,425	1,23,758	1,39,996	1,62,046
Interest expenditure	16,505	18,717	18,225	17,997
Other Non-operating Income	7,442	5,775	5,259	5,985
Recurring PBT	**76,361**	**1,10,816**	**1,27,030**	**1,50,034**
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	14,885	27,388	32,393	38,259
Less: Minority Interest	5	227	227	227
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	**60,391**	**81,656**	**94,410**	**1,11,548**
Net Income (Adjusted)	**61,471**	**83,200**	**94,410**	**1,11,548**

Source Company data, I-Sec research

Exhibit 6: Balance sheet

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Total Current Assets	2,38,281	2,50,431	2,37,561	2,82,817
of which cash & cash eqv.	41,107	49,096	20,634	63,733
Total Current Liabilities & Provisions	2,58,038	2,67,198	2,79,842	2,82,586
Net Current Assets	**(19,757)**	**(16,767)**	**(42,281)**	**232**
Investments	61,698	61,698	61,698	61,698
Net Fixed Assets	7,60,152	8,02,830	8,37,259	8,67,947
ROU Assets	-	-	-	-
Capital Work-in-Progress	89,315	1,00,192	1,15,192	1,30,192
Total Intangible Assets	1,85,490	1,85,490	1,85,490	1,85,490
Other assets	-	-	-	-
Deferred Tax assets	-	-	-	-
Total Assets	**10,76,897**	**11,33,443**	**11,57,357**	**12,45,558**
Liabilities				
Borrowings	**2,42,175**	**2,39,675**	**2,39,675**	**2,39,675**
Deferred Tax Liability	**95,794**	**95,794**	**95,794**	**95,794**
provisions	-	-	-	-
other Liabilities	-	-	-	-
Equity Share Capital	2,947	2,947	2,947	2,947
Reserves & Surplus	7,04,115	7,62,934	7,86,621	8,74,595
Total Net Worth	**7,07,062**	**7,65,881**	**7,89,568**	**8,77,542**
Minority Interest	31,866	32,093	32,320	32,547
Total Liabilities	**10,76,897**	**11,33,443**	**11,57,357**	**12,45,558**

Source Company data, I-Sec research

Exhibit 7: Quarterly trend

(INR mn, year ending March)

	Sep-25	Dec-25	Mar-26	Jun-26
Net Sales	1,96,069	2,18,297	2,57,995	2,46,482
% growth (YOY)	20.3	22.8	11.9	15.9
EBITDA	30,943	39,152	56,003	50,155
Margin %	15.8	17.9	21.7	20.3
Other Income	1,741	1,356	876	1,303
Extraordinaries	-	(892)	(109)	(133)
Adjusted Net Profit	12,380	18,187	30,110	26,170

Source Company data, I-Sec research

Exhibit 8: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Operating Cashflow	**1,13,445**	**1,28,328**	**1,45,209**	**1,66,087**
Working Capital Changes	(6,711)	6,467	(2,948)	586
Capital Commitments	(89,506)	(1,00,000)	(1,00,000)	(1,00,000)
Free Cashflow	**17,228**	**34,795**	**42,261**	**66,673**
Other investing cashflow	(75,538)	(8,467)	15,000	(35,000)
Cashflow from Investing Activities	(1,65,045)	(1,08,467)	(85,000)	(1,35,000)
Issue of Share Capital	20	-	-	-
Interest Cost	(14,790)	-	-	-
Inc (Dec) in Borrowings	88,593	(2,500)	-	-
Dividend paid	(20,117)	(22,838)	(70,723)	(23,574)
Others	(2,949)	-	-	-
Cash flow from Financing Activities	50,758	(25,338)	(70,722)	(23,573)
Chg. in Cash & Bank balance	**(7,553)**	**990**	**(13,461)**	**8,100**
Closing cash & balance	12,516	13,506	44	8,143

Source Company data, I-Sec research

Exhibit 9: Key ratios

(Year ending March)

	FY25A	FY26A	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	208.6	282.3	320.4	378.5
Adjusted EPS (Diluted)	208.6	282.3	320.4	378.5
Cash EPS	344.9	440.0	492.0	562.8
Dividend per share (DPS)	77.5	240.0	80.0	82.5
Book Value per share (BV)	2,399.4	2,599.0	2,679.4	2,977.9
Dividend Payout (%)	37.2	85.0	25.0	21.8
Growth (%)				
Net Sales	7.1	16.5	14.3	12.0
EBITDA	(3.2)	35.5	12.0	13.5
EPS (INR)	(14.6)	35.3	13.5	18.2
Valuation Ratios (x)				
P/E	54.1	39.9	35.2	29.8
P/CEPS	32.7	25.6	22.9	20.0
P/BV	4.7	4.3	4.2	3.8
EV / EBITDA	27.9	20.5	18.5	16.1
EV / te (USD)	215.1	188.1	175.6	152.4
Dividend Yield (%)	0.7	2.1	0.7	0.7
Operating Ratios				
Gross Profit Margins (%)	82.0	80.6	80.2	80.3
EBITDA Margins (%)	16.5	19.2	18.8	19.1
Effective Tax Rate (%)	19.8	25.1	25.5	25.5
Net Profit Margins (%)	8.1	9.4	9.3	9.8
NWC / Total Assets (%)	(1.8)	(1.5)	(3.7)	0.0
Net Debt / Equity (x)	0.2	0.2	0.2	0.2
Net Debt / EBITDA (x)	1.4	1.0	1.0	0.7
Profitability Ratios				
RoCE (%) (Post Tax)	8.1	9.2	9.9	10.9
RoE (%)	9.4	11.3	12.1	13.4
RoIC (%)	10.6	11.2	11.9	13.3
Fixed Asset Turnover (x)	1.2	1.1	1.2	1.3
Inventory Turnover Days	66	63	58	56
Receivables Days	24	25	23	22
Payables Days	66	64	61	59

Source Company data, I-Sec research

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