

Result Update

Q1 FY26

Shree Cement Ltd.

Institutional
Research

Shree Cement Ltd.



BP WEALTH

Cement & Cement Products | Q1FY26 Result Update

07th August 2025

Stable margins amid declining volumes; Expansion strategy supports growth

Shree Cement Ltd. reported a revenue of Rs. 52,809 million (down 4.5% QoQ / up 3.1% YoY), driven by an increase in the share of premium products from 15.6% in Q4FY25 to 17.7% in Q1FY26. The company's EBITDA stood at Rs. 13,326 million (down 6.7% QoQ / up 43.7% YoY). The annual increase was due to price hikes at the start of the quarter. Its EBITDA margin stood at 25.2% compared to 18.1% for the same quarter in the previous year and 25.8% in the last quarter. The company's EBITDA/ton increased significantly on an annual basis to Rs. 1,373 during the quarter, compared to Rs. 951 in Q1FY25 and Rs. 1,437 in Q4FY25. Raw material costs stood at Rs. 4,379 million (down 12.3% QoQ / down 16.4% YoY). Freight costs during the quarter stood at Rs. 11,639 million (down 6.7% QoQ / up 1.4% YoY). Power and Fuel costs increased sequentially to Rs. 13,098 million (up 3.5% QoQ / down 15.3% YoY). The company's green power consumption stood at 65.7%, which is one of the highest among its peers, and green power capacity rose to 586 MW in Q1FY26. Other costs stood at Rs. 7,352 million (down 7.3% QoQ / up 6.0% YoY). The company's profitability improved significantly on both an annual and a sequential basis and stood at Rs. 6,437 million (up 11.9% QoQ / up 131.2% YoY), due to an increase in other income and lower depreciation during the quarter. The company's quarterly cement volumes fell, with total sales reaching 9 MT. The company's cement production capacity is expected to increase to 68.8 MTPA once it commissions the integrated cement unit in Jaitaran, Rajasthan (3.0 MTPA) and Kodla, Karnataka (3.0 MTPA).

Valuation and Outlook

Shree Cement continues to stand out in the Indian cement sector, backed by strong fundamentals and a clear, forward-looking strategy. The company delivered a commendable performance during the quarter, driven by its focus on premiumization, operational efficiency, and sustainable practices. Despite a decline in volumes, the company successfully protected margins through pricing discipline and tight cost control. The increasing contribution of premium products to overall trade volumes is a positive shift that supports long-term profitability and brand strength. Continued investment in green power usage, waste heat recovery, alternative fuel consumption, and NABL-accredited quality infrastructure underscores its leadership in sustainable cement manufacturing and sets it apart from peers. Notably, its rapid expansion in both cement production and ready-mix concrete plants reflects a strong commitment to meeting rising demand driven by infrastructure and housing growth across India. Looking ahead, Shree Cement appears well-positioned to benefit from the anticipated 6-7% industry growth, aided by government capex, infrastructure projects, and housing demand. Its strong execution capabilities, efficient cost structures, and sustainability-led branding makes it a compelling long-term story in the Indian cement space.

Key Highlights

Particulars (Rs. Mn)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Net Sales	52,809	51,240	3.1%	55,320	-4.5%
Gross Profit	48,430	46,000	5.3%	50,330	-3.8%
Gross Margin (%)	91.7%	89.8%	-85bps	91.0%	347bps
EBITDA	13,326	9,272	43.7%	14,286	-6.7%
OPM (%)	25.2%	18.1%	714bps	25.8%	-59bps
Net Profit	6,437	2,785	131.2%	5,750	11.9%
PAT Margin (%)	12.2%	5.4%	675bps	10.4%	179bps

Source: Company, BP Equities Research

Sector Outlook

Positive

Stock

CMP (Rs.)	30,280
BSE code	500387
NSE Symbol	SHREECEM
Bloomberg	SRCM IN
Reuters	SHCM.BO

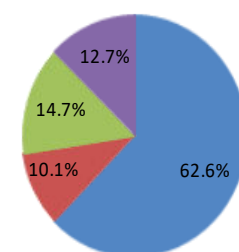
Key Data

Nifty	24,574
52 Week H/L (Rs.)	32,490 / 23,500
O/s Shares (Mn)	36
Market Cap (Rs. bn)	1093.1
Face Value (Rs.)	10

Average Volume

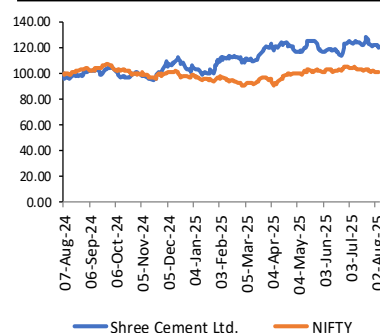
3 months	40,720
6 months	38,380
1 year	38,840

Share Holding (%)



Promoters FII DII Public

Relative Price Chart



Research Analyst

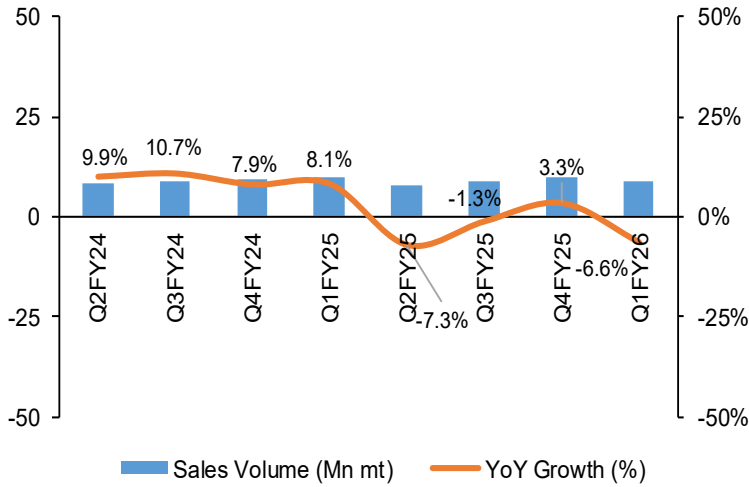
Palak Devadiga

palak.devadiga@bpwealth.com

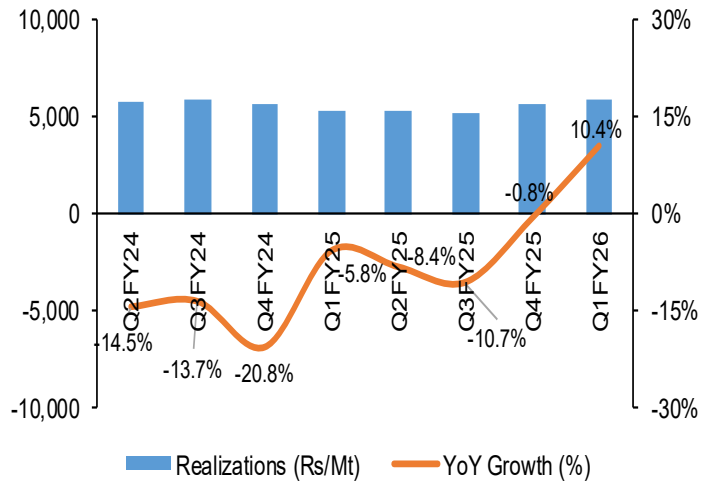
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Quarterly Snapshot

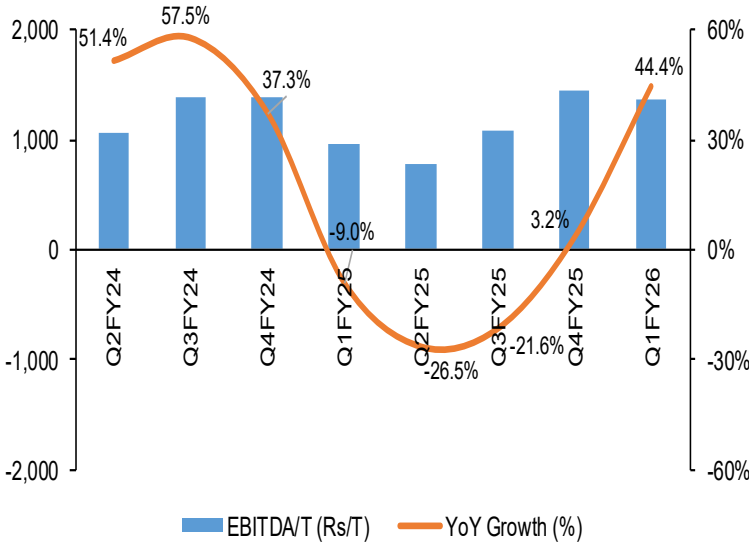
Sales Volume (Mn Mt)



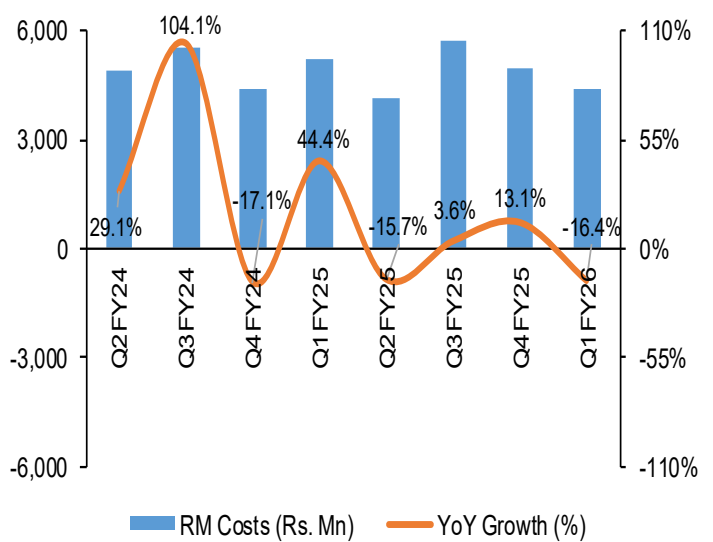
Realizations (Rs/Mt)



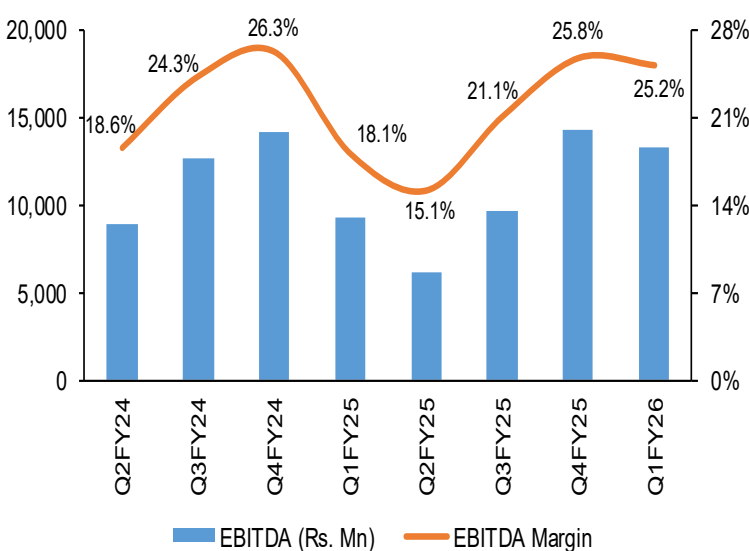
EBITDA/T (Rs/T)



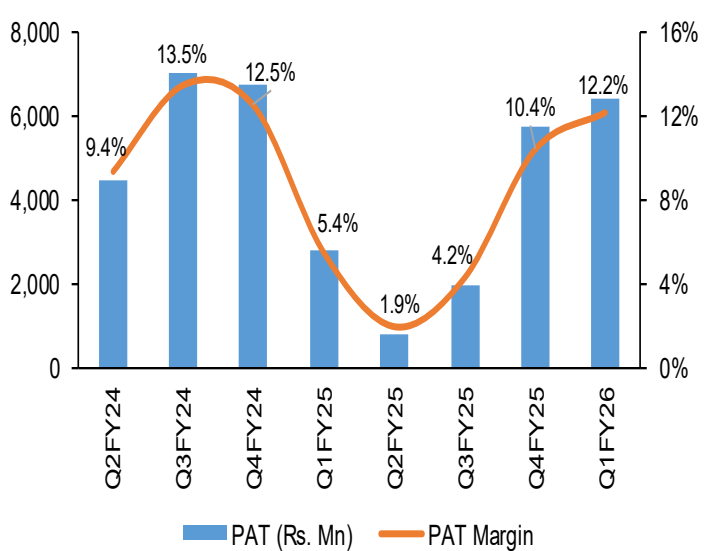
RM Costs



EBITDA & EBITDA Margin



PAT & PAT Margin



Key Financials

YE March (Rs. millions)	FY22	FY23	FY24	FY25	FY26E	FY27E
Revenue	150,096	178,523	205,210	192,828	213,420	248,188
<i>Revenue Growth (Y-o-Y)</i>	10.7%	18.9%	14.9%	(6.0%)	10.7%	16.3%
EBITDA	37,100	29,600	45,180	39,340	50,690	58,187
<i>EBITDA Growth (Y-o-Y)</i>	(9.3%)	(20.2%)	52.6%	(12.9%)	28.9%	14.8%
Net Profit	23,366	12,691	23,962	11,238	19,217	23,461
<i>Net Profit Growth (Y-o-Y)</i>	2.1%	(45.7%)	88.8%	(53.1%)	71.0%	22.1%
Diluted EPS	646.3	352.2	664.0	311.2	532.3	649.9
<i>Diluted EPS Growth (Y-o-Y)</i>	2.0%	(45.5%)	88.5%	(53.1%)	71.1%	22.1%

Key Ratios

EBITDA margin (%)	24.7%	16.6%	22.0%	20.4%	23.8%	23.4%
NPM (%)	15.6%	7.1%	11.7%	5.8%	9.0%	9.5%
RoE (%)	13.3%	6.8%	11.6%	5.2%	8.2%	9.1%
RoCE (%)	13.4%	6.0%	11.9%	17.6%	20.8%	21.6%

Valuation Ratios

P/E (x)	46.9x	86.0x	45.6x	97.3x	56.9x	46.6x
EV/EBITDA (x)	29.8x	37.9x	24.4x	27.9x	21.7x	18.9x
Market Cap. / Sales (x)	7.3x	6.1x	5.3x	5.7x	5.1x	4.4x

Source: Company, BP Equities Research

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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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