UltraTech Cement

BSE SENSEX	S&P CNX
76,153	23,873

CMP: INR11,275 TP: INR13,800 (+22%) Buy

Eying a strong position in cables and wires

Aditya Birla Group has formally launched its cables and wires (C&W) business under the brand 'Ultravolt', housed under UTCEM with an initial Investment of INR18b. The company aims to build a scaled national brand and become one of the top two players in this segment within five years. It has commissioned a C&W plant at Bharuch, Gujarat, with installed capacity of 1.1m KM, and commenced commercial production from 1st Sep'26.

- The entry is consistent with UTCEM's broader building solutions strategy and expands its participation in the construction value chain beyond grey cement, ready-mix concrete, building products and white cement. C&W offers an attractive adjacency to UTCEM's existing customer ecosystem, particularly individual home builders, contractors, real-estate developers and EPC companies. The opportunity is supported by structural tailwinds around urbanization, electrification and digitization. Increasing residential construction, infrastructure spending and data-center development should provide multiple demand drivers over the medium to long term.
- Ultravolt plans to launch products at pan-India scale, targeting 100k+ retailers and leveraging 5k+ UltraTech Building Solutions (UBS) outlets to accelerate market penetration. The initial rollout will cover 500+ districts and 6k+ pin codes, supported by a network of 20+ warehouses. It is also focusing on electrician engagement, having already onboarded 1,600+ electricians and planning to train over 40k electricians over the next year.
- Ultravolt is launching home wires, flexible wires and cables catering to residential, commercial, industrial and infrastructure applications, while it intends to gradually expand into electrical accessories. The initial portfolio includes single-core, multipore flexible, flat, solar and communication cables, and the company is planning to add LV cables in the coming weeks and HV cables by early next year.
- The company is making significant upfront investments in brand building. The campaign will span print, outdoor, television, digital, social media, cricket, radio and other consumer touchpoints.

Initial guidance at the time of announcement of entry into C&W business

- UTCEM will invest INR18b in C&W business, with a focus on ramping up the capacity and achieving optimum utilization by FY31/32. The plant is likely to have a capacity of 3.5m-4.0m km (commissioned 1.1m km as of now). It is not exploring the HT, MVT, and EHV segments in cables.
- Initial operating profitability could be lower due to the gradual ramp-up, higher marketing and promotional spending, brand-building efforts, etc. However, it targets RoCE of ~25% by FY31-32.
- Copper will be available near the plant (within a 100km range) and UTCEM will be able to manage working capital well. It will be able to operate this business with negative working capital, similar to its cement operations.

Bloomberg	UTCEM IN
Equity Shares (m)	295
M.Cap.(INRb)/(USDb)	3322.5 / 35.2
52-Week Range (INR)	12848 / 10118
1, 6, 12 Rel. Per (%)	-3/-6/-8
12M Avg Val (INR M)	3588

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	885	1,016	1,116
EBITDA	170	196	231
Adj. PAT	83	98	118
EBITDA Margin (%)	19	19	21
Adj. EPS (INR)	281	332	401
EPS Gr. (%)	35	18	21
BV/Sh. (INR)	2,600	2,692	2,942
Ratios			
Net D:E	0.2	0.2	0.2
RoE (%)	11.2	12.5	14.2
RoCE (%)	10.1	11.1	12.3
Payout (%)	85.5	45.2	39.9
Valuations			
P/E (x)	40.0	33.8	28.0
P/BV (x)	4.3	4.2	3.8
EV/EBITDA(x)	19.8	17.3	14.4
EV/ton (USD)	179	166	151
Div. Yield (%)	2.1	1.3	1.4
FCF Yield (%)	1.8	1.5	2.6

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	59.3	59.3	59.2
DII	19.7	18.5	16.9
FII	13.0	14.3	15.9
Others	7.9	7.9	8.0

FII Includes depository receipts

Stock's performance (one-year)

