

4th Jun 2025

Close* – ₹5,493/-

View – Accumulate

Q4FY25 Performance

- JK Cement Limited's (JKC) consolidated net sales for Q4FY25 were ₹3,581crs, up 22% QoQ from ₹2,930crs in Q3FY25. Compared to Q4FY24, net sales increased by 15% YoY from ₹3,106crs. This growth reflects strong volume increases, particularly in Central India, and improved pricing in certain regions.
- Cement volumes grew by 16% YoY in Q4, reaching 6.06mn tons. Capacity utilization stood at 90% for cement and 94% for clinker, driven by improved construction season demand.
- Total expenses for Q4FY25 at ₹3,092crs increase 10%/15% YoY/QoQ.
- JKC's Q4FY25 net profit increased significantly by 64% YoY to ₹361crs, 90% up from ₹190crs in Q3FY25, primarily due to increased sales and higher EBITDA.
- EBITDA/ton is at ₹1260, marking a substantial rise of 18% YoY and 29% QoQ, while the EBITDA margin expanded back to 21% after 5 consecutive quarters.
- Finance costs remained nearly flat at 113crs, down 1% YoY during the quarter.
- Paints segment recorded ₹75crs revenue in Q4FY25 and ₹275crs for FY25, up from ₹153crs in FY24. It projects ₹375-400crs revenue in FY26 but anticipates a ₹40crs loss, with a goal of EBITDA positivity by FY27 after a ₹45crs loss in FY25.

Important Statistics

Nifty	24,542
Sensex	80,737
Close* (₹)	5,493
MCAP (₹ bn)	424
52 Week H/L (₹)	5,645 / 3,642
NSE Code	JKCEMENT
BSE Code	532644
Bloomberg Code	JKCE:IN

Close* as on 3rd Jun 2025

Shareholding	Mar'24	Jun'24	Sep'24	Dec'24	Mar'25
Promoters	45.7	45.7	45.7	45.7	45.7
FII	15.9	17.7	17.6	16.9	16.1
DII	23.3	22	22.4	23.7	24.5
Public	15	14.5	14.3	13.7	13.7

Management Concall Highlights

- Volume** – JKC achieved robust volume growth in FY25, notably supported by high-capacity utilization. The company reported a clinker capacity utilization rate of 94% in Q4, with annual clinker production reaching 11.92 million tons. This strong utilization reflects efficient operations and the ability to maximize output from existing assets. Management highlighted that ramping up capacity, especially in Central India, enabled higher volumes and positioned them well for further expansion as new projects come online.
- Capacity Expansion** – Company is undertaking significant capacity expansion, with a brownfield project at Panna and a greenfield split grinding unit in Bihar, totaling 6 million tons. Both projects are progressing on schedule and are expected to be operational by December 2025 or January 2026. This expansion will provide ample headroom for future growth, supporting the company's long-term vision of reaching 50 million tons capacity by 2030 and strengthening its market position. Capex guidance for FY26 and FY27 stands at ₹1,900crs and ₹1,800crs, respectively, with ₹1,700crs spent in FY25.
- Trade Mix** –Trade mix in Q4FY25 increased to 71% from 66% in Q3FY25, driven by a strategic focus on trade volumes in new markets like Bihar. The company aims to maintain this emphasis on trade to strengthen market share, with non-trade expansion planned after the Bihar grinding unit is commissioned.
- Cement prices** – In the North and Central regions, pricing increased by approximately 1%. In the South region, a more substantial increase of about 5% to 7% was observed. Specifically, within the South market, the price increase was mainly in Karnataka.
- Premium Sales** – Premium Product Sales registered 2% growth over the last year. For the full fiscal year FY25, premium products constituted 15% of sales, up from 13% in FY24. In Q4FY25, premium products accounted for 16% of Trade Sales, primarily due to improved realization in the North and Central Markets. Looking ahead, the company is targeting a premium product share between 15% to 17% of overall sales for FY26.
- Energy expense** – Pet Coke prices showed a trend of consistently increasing from February 2024 to March 2025 in US dollars per metric ton. However, on a per-ton basis for Grey standalone operations, there was a reduction in Pet Coke

Key Metrics

(₹ crs)

Particulars	FY24	FY25	FY26E	FY27E
Revenue	11,556	11,879	13,308	14,702
PAT	790	872	1066	1306
EBITDA margin %	18	17	19	20
EPS (₹)	102	111	131	151
ROE (%)	16	15	16	18
ROA (%)	5.6	5.5	8.7	9.8
P/BV	6.8	6.9	6	5.1
EV/EBITDA (x)	21.3	22.9	18.2	15.2

Source: Company, Way2Wealth

Relative Performance

Return (%)	1Yr	3Yr	5Yr
JKC	36	155	370
Nifty 50	6	49	145
Sensex	6	45	138

Source: Company, Way2Wealth

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price both YoY and QoQ in Q4FY25. The price per ton was ₹702 in Q4FY25, down from ₹745 in Q3FY25 and ₹903 in Q4FY24. Diesel prices were noted as stable. Regarding power, the Specific Power Consumption (Grey standalone) showed a reduction in ₹/K. Cal, moving from ₹1.80 in Q4FY24 to ₹1.50 in Q3FY25 and further down to ₹1.41 in Q4FY25. This reduction was attributed to operating leverage. The company's fuel mix consists of around 70% pet coke, with the balance made up of alternate fuel and imported/Indian crude.

- **Green Power** – JK Cement's Green Power mix has increased significantly, standing at 51% in FY25, up from 19% in FY20, as they move towards Green Clean Energy, with a target of 75% by FY2030. Their Green Power Capacity totals 184.14 MW, including 101.84 MW from Captive Solar and Wind Power and 82.3 MW from Waste Heat Recovery Systems. Efforts in areas including green power contributed to an exit cost reduction benefit of approximately ₹75 per ton achieved by the end of FY25, with an incremental benefit of about ₹25 per ton expected in FY26.
- **Freight Cost** – For Grey standalone operations, the Freight Cost per ton in Q4FY25 was ₹1,290, showing an increase from ₹1,263 per ton in Q3FY25 (a 2% increase QoQ) and ₹1,230 per ton in Q4FY24 (up YoY). This increase is attributed to an increase in the Lead Distance, which rose from 419 Kms in Q4FY24 and 422 Kms in Q3FY25 to 434 Kms in Q4FY25. Management explained that the extended footprint, particularly the expansion into new markets like Bihar, caused this increase in lead distance. While this leads to a higher freight cost per ton on the surface, the company is also focused on freight optimization through measures like negotiating better rates and reducing detention. As part of their cost reduction journey, they have achieved an exit benefit in logistics cost close to ₹35-40 per ton.
- **Debt & Interest** – The standalone gross debt stood at ₹6,065 crore, while cash and cash equivalents totaled ₹2,536 crore, bringing net debt to ₹2,565crs. During FY25, the company reduced its net debt by ₹22crs.

Key Risks

- Inflation in input costs is mostly from Power, Freight and Fuel
- Significant decline in cement demand and pricing.

View

JKC delivered a robust performance in Q4FY25, reporting a 22% sequential and 15% YoY increase in net sales, with EBITDA margins improving to 21%. Volume growth was primarily driven by strong demand in Central India, where the company achieved 94% clinker capacity utilization and produced 11.92 million tons of clinker for the year. The ongoing brownfield expansion at Panna and the greenfield split grinding unit in Bihar, totaling 6 million tons, are progressing as scheduled and are expected to be operational by December 2025 or January 2026. Management reaffirmed their long-term vision to reach 50 million tons capacity by 2030, with further expansion options being evaluated in Jaisalmer, Karnataka, Orissa, and an additional line at Panna. The company's focus on logistics optimization, efficient cost management, and a healthy trade mix has further strengthened its operational resilience and profitability. With a strong balance sheet, prudent capital allocation, and positive sector outlook, JKC is well-positioned for sustainable growth. Investors may consider **accumulating stock on dips**, given its expansion potential, improving margins, and clear strategic roadmap for the future. **Currently the stock is trading at 15x FY27E EV/EBITDA.**

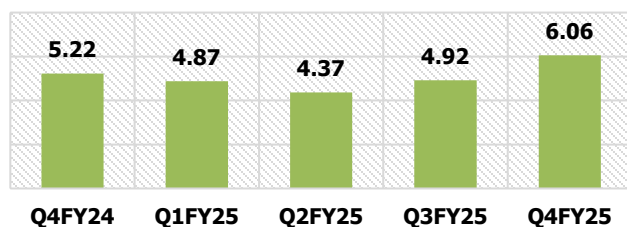
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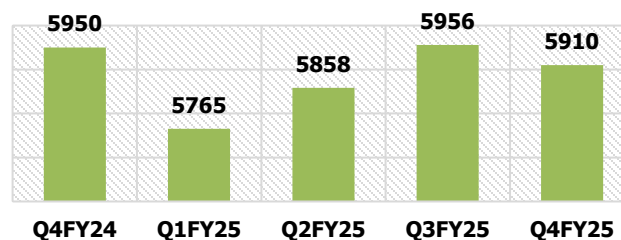
View - **Accumulate**

Operational Highlights

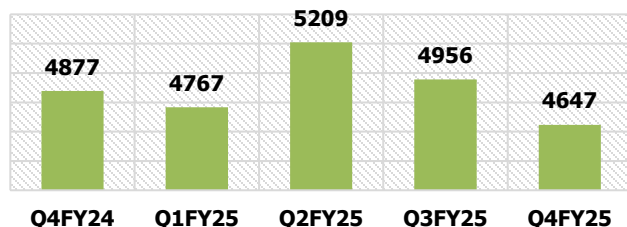
Volume/mnt



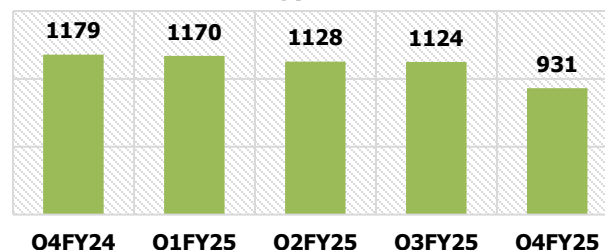
Realisation/tonne



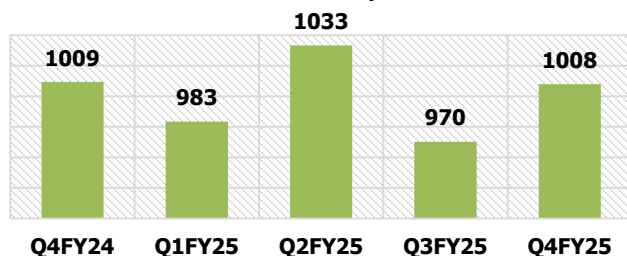
Cost / tonne



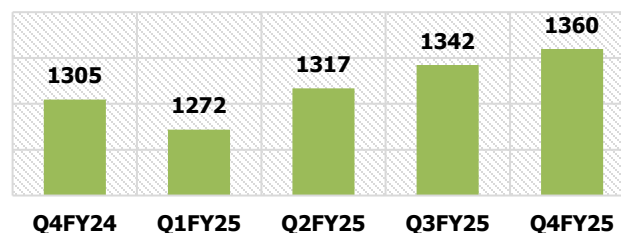
Energy / tonne



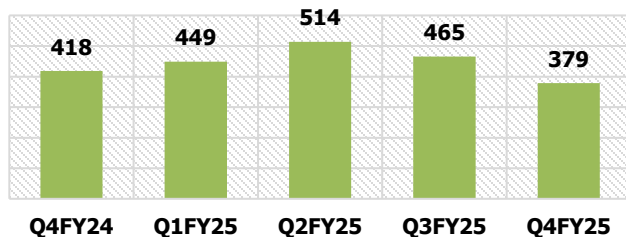
Raw Materials / tonne



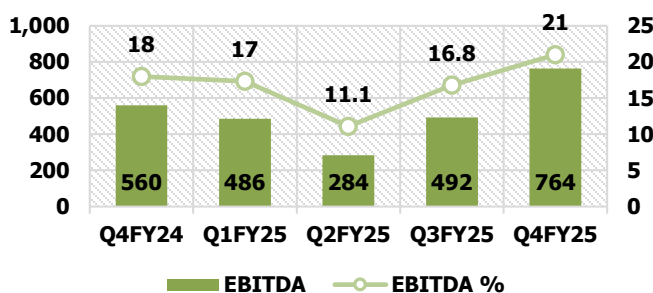
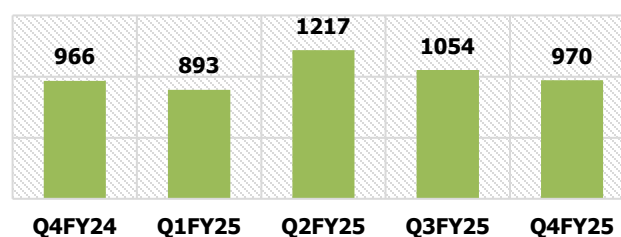
Freight / tonne



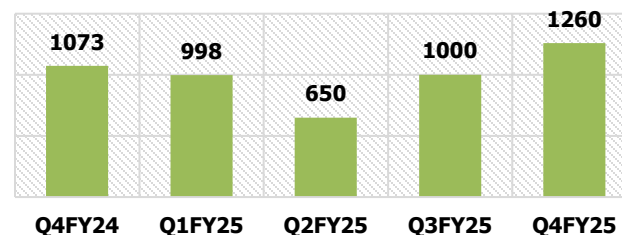
Staff Cost / tonne



Other Expenses / tonne



EBITDA / tonne



Source: Company, Way2wealth Research

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Key Operational Metrics

(₹ crs)								
Particulars	Q4FY25	Q4FY24	YoY	Q3FY25	QoQ	FY25	FY24	YoY
Volume/mt	6.06	5.22	16	4.92	23	202.2	190.5	6
Realisation/tonne	5910	5950	(1)	5956	(1)	587	607	(3)
Cost/tonne	4647	4877	(5)	4956	(6)	487	498	(2)
Raw materials /tonne	1008	1009	(0)	970	4	100	96	4
Staff cost/tonne	379	418	(9)	465	(18)	45	41	8
Energy cost/tonne	931	1179	(21)	1145	(19)	108	136	(21)
Freight/tonne	1360	1305	4	1342	1	133	127	4
Other Expenses/tonne	970	966	0	1054	(8)	103	98	4
EBITDA/tonne	1260	1073	18	980	29	100	108	(7)

Source: Company, Way2wealth Research

Product Mix

(₹ crs)								
Particulars	Q4FY25	Q4FY24	YoY	Q3FY25	QoQ	FY25	FY24	YoY
Grey Net Sales	2676	2311	16	2068	29	8592	8454	2
White Net Sales	790	706	12	751	5	2901	2,748	6
Total Net Sales	3466	3016	15	2819	23	11493	11202	3
Combined EBITDA	764	560	36	492	55	2027	2,060	(2)

Source: Company, Way2wealth Research

Debt Profile

(₹ crs)			
Particulars	FY25	FY24	Var
Gross Debt	5101	4593	11
Cash	2536	2006	26
Net Debt	2565	2587	(1)
Net Debt/EBITDA	1.3	1.29	1
Equity	6065	5353	13
Net Debt/Equity	0.42	0.48	(13)

Particulars	Q4FY25	Q4FY24	YoY	Q3FY25	QoQ	FY25	FY24	YoY
Debt-Equity Ratio (in Times)	0.97	0.98	(1)	0.98	(1)	0.97	0.98	(1)
Debt Service Coverage Ratio (in Times)	2.94	2.15	37	2.15	37	1.91	2.1	(9)
Interest Service Coverage Ratio (in Times)	7.42	5.41	37	4.72	57	4.86	4.95	(2)
Net Worth (₹ In Crores)	6,055	5,322	14	5,695	6	6,055	5,322	14
Net Profit after Tax 18 In Crores)	361	220	64	190	90	872	790	10
EPS	46.64	28.44	64	24.54	90	111.44	102.35	9
Current Ratio (in Times)	1.47	1.48	(1)	1.37	7	1.47	1.48	(1)
Long Term Debt to Working Capital (in Times)	3.21	3.23	(1)	3.92	(18)	3.21	3.23	(1)
Bad Debts to Account Receivable Radio (in %)	0.08	-0.15	(153)	0.06	33	0.67	0.47	43
Current Liability Ratio (in Times)	0.32	0.31	3	0.33	(3)	0.32	0.31	3
Total Debts to Total Assets (in Times)	0.35	0.35	-	0.37	(5)	0.35	0.35	-
Trade Receivables Turnover Ratio (in Times)	16.25	18.4	(12)	13.17	23	16.43	20.66	(20)
Inventory Turnover Ratio (in Times Annualized)	10.85	9.38	16	8.14	33	9.75	10.39	(6)
Operating Margin (in %)	21.36	18.03	18	16.79	27	17.06	17.82	(4)
Net Profit Margin (in %)	9.96	6.97	43	6.38	56	7.24	6.75	7
Asset Cover Ratio for Secured NCDs (in Tires)	53.03	22.84	132	44.38	19	53.03	22.84	132
Debenture Redemption Reserve {₹ In Crores)	3.75	7.5	(50)	7.5	(50)	3.75	7.5	(50)
Securities Premium ₹ In Crores	756.8	756.8	-	756.8	-	756.8	756.8	-

Source: Company, Way2wealth Research

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Financials

(₹ crs)

Particulars	Q4FY25	Q4FY24	YoY	Q3FY25	QoQ	FY25	FY24	YoY
Revenue from operations	3,581	3,106	15	2,930	22	11,879	11,555	3
Other income	46	46	0	45	3	173	145	19
Total Income	3,627	3,151	15	2,975	22	12,052	11,701	3
Expenses								
Cost of materials consumed	458	452	1	454	1	1,730	1,789	(3)
Purchases of traded goods	67	94	(28)	65	4	251	248	1
Changes in inventories of finished goods	86	-18	(573)	-41	(309)	36	-202	(118)
Employee benefits expenses	230	218	5	229	0	902	784	15
Finance costs	113	115	(1)	112	1	459	453	1
Depreciation and amortisation expenses	162	153	6	146	11	601	573	5
Power and fuel (net)	564	616	(8)	563	0	2,180	2,590	(16)
Freight and forwarding expenses	824	681	21	660	25	2,680	2,418	11
Other expenses	588	504	17	518	13	2,073	1,871	11
Total Expenses	3,092	2,814	10	2,696	15	10,913	10,522	4
Profit before exceptional items and tax	535	338	58	279	92	1,139	1,179	(3)
Exceptional Items	-	-10	-	-	-	-102	6	-
Profit before tax	535	347	54	279	92	1,242	1,174	6
Current tax	107	-8	(1,425)	53	104	223	147	52
Adjustment of tax relating to earlier periods (net)	.	-2	-	0	-	1	2	(58)
Deferred tax	67	137	(52)	37	80	147	235	(38)
Total tax expense	174	128	36	89	94	370	384	(4)
Profit after tax	361	220	64	190	90	872	790	10
Paid-up equity share capital	77.27	77.27	-	77.27	-	77.27	77.27	-
Other Equity	-	-	-	-	-	6,012	5,290	14
Basic and Diluted EPS	45.54	28.44	60	24.54	86	111.44	102.35	9

Source: Company, Way2wealth Research

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Disclosure of Interest Statement: J K Cement Ltd. as on June 4th, 2025

Name of the Security	J K Cement Ltd.
Name of the analyst	Dhananjay Kansara
Analysts' ownership of any stock related to the information contained	NIL
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
Investment Banking relationship with company covered	NIL

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