

### Ultratech Cement

### Quarterly Flash

<b>CMP</b> :	Rs. 809	<b>Target Price</b> :	-	As per report dated	<b>Date</b> :	April 23, 2007
<b>SENSEX</b> :	13928	<b>Recommendation</b> :	NR	18-Jan-07		

#### Views:

**Actuals v/s ARG Est.** Below Estimates

**Actuals v/s Consensus Est.** Below Estimates

**Absolute Performance** Good

#### Comments:

##### Topline

Topline growth was on the back of volume growth as well as increase in the realisations. The volumes were the highest in the last four quarters and increased by 9% y-o-y to 5.04 mn ton. Realisations at Rs 2,908 per ton showed a sharp surge of 27% yoy.

##### Operating Profit

Improved significantly owing to higher realisations. EBITDA per ton for the quarter was at ~Rs 811 per ton as compared to ~Rs 464 per ton in 1QCY06 (~Rs 847 in 4QCY06). Cost push pressures pushed down the EBITDA per ton on sequential basis.

##### Net Profit

PAT rose by 75% y-o-y on the back of higher operating profits. This was despite a significant rise in tax outgo yoy.

#### Key Data

Bloomberg Code :	UTCEM IN Equity
Reuters Code :	ULTC.BO
BSE Code :	532538
NSE Code :	ULTRACEMCO
52-Week Range(H/L) :	1205/501
Market Cap (Rs mn) :	100,712
Shares O/S (mn) :	124.5
Free Float (mn) :	58.5
3m Avg. Volume :	41,888
Face Value :	10

#### Financials (Rs. mn)

Y/E Mar	ARG Estimates			
	Mar-06	Mar-07	Mar-08	Mar-09
<b>Net sales</b>	32,995	49,108	52,343	58,338
<b>Operating profit</b>	5,543	14,178	15,703	18,231
Operating margins (%)	16.8	28.9	30.0	31.3
<b>PAT</b>	2,298	7,823	8,714	9,582
PAT margins (%)	7.0	15.9	16.6	16.4
FDEPS (Rs.)	18.5	62.8	70.0	77.0
PER (x)	43.8	12.9	11.6	10.5
P/B (x)	5.7	5.7	4.0	3.0
EV/ EBITDA (x)	20.4	7.9	7.5	6.1
Dividend Yield (%)	0.2	0.5	0.7	1.2
ROCE (%)	10.8	33.8	27.2	25.8
ROE (%)	21.8	55.8	40.4	32.4

Note: FY06 include figures of Narmada Cement from Oct'05 to Mar'06 only

#### Impact on-

**Financial Forecast** : Maintained

**Target Price** : Rs 924

**Recommendation** : Marketperformer

Quarterly Performance (Rs. mn)	1QCY06	2QCY06	3QCY06	4QCY06	1QCY07		Growth (%)		Variance Rs mn
					Actual	Estimate	YoY	QoQ	
Net Sales	10,604	11,803	10,045	12,605	14,655	13,558	38.2	16.3	1,097
- Operating expenses	8,457	8,057	7,501	8,802	10,570	9,232	25.0	20.1	1,338
<b>Operating profit</b>	<b>2,146</b>	<b>3,746</b>	<b>2,545</b>	<b>3,802</b>	<b>4,085</b>	<b>4,326</b>	<b>90.4</b>	<b>7.4</b>	<b>(241)</b>
<b>Operating margin (%)</b>	<b>20.2</b>	<b>31.7</b>	<b>25.3</b>	<b>30.2</b>	<b>27.9</b>	<b>31.9</b>			<b>-403 bps</b>
+ Other income	105	134	119	167	195	167	86.2	16.8	28
<b>EBITDA</b>	<b>2,251</b>	<b>3,880</b>	<b>2,664</b>	<b>3,969</b>	<b>4,280</b>	<b>4,493</b>	<b>90.2</b>	<b>7.8</b>	<b>(213)</b>
<b>EBITDA margin (%)</b>	<b>21.2</b>	<b>32.9</b>	<b>26.5</b>	<b>31.5</b>	<b>29.2</b>	<b>33.1</b>			<b>-394 bps</b>
- Depreciation	599	544	547	571	601	571	0.2	5.2	30
- Interest expense	223	226	237	202	203	346	(8.7)	0.9	(142)
<b>PBT</b>	<b>1,429</b>	<b>3,110</b>	<b>1,879</b>	<b>3,196</b>	<b>3,476</b>	<b>3,577</b>	<b>143.3</b>	<b>8.7</b>	<b>(101)</b>
- Taxes	108	1,002	605	1,072	1,161	1,122	978.6	8.3	39
<b>PAT</b>	<b>1,321</b>	<b>2,108</b>	<b>1,274</b>	<b>2,125</b>	<b>2,315</b>	<b>2,455</b>	<b>75.3</b>	<b>9.0</b>	<b>(140)</b>
+ Profit share in associates	-	-	-	-	-	-			-
- Minority interests	-	-	-	-	-	-			-
<b>Consolidated PAT</b>	<b>1,321</b>	<b>2,108</b>	<b>1,274</b>	<b>2,125</b>	<b>2,315</b>	<b>2,455</b>	<b>75</b>	<b>9.0</b>	<b>(140)</b>

**Disclaimer:** This note is to be read in conjunction with the disclaimer note as mentioned in the mail.

**Recommendation Guide:** Buy >30%; Outperformer (OP): 20 to 30%; Market Performer (MP): 10 to 20%; Under-Performer (UP): 0 to 10%; Sell: <0%; Not Rated (NR)