



18th November, 2025

BSE Limited
Corporate Relationship Department
Scrip Code: 532538

The National Stock Exchange of India Limited
Listing Department
Scrip Code: ULTRACEMCO

Sub: Credit rating by Fitch Ratings

Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sirs,

We write to inform that Fitch Ratings has affirmed the Company's Long-Term Foreign and Local Currency Issuer Default Ratings (IDRs) at 'BBB-', with the stable outlook. It has also affirmed the rating of Company's USD 400 million 2.80% senior unsecured notes due 2031 at 'BBB-'.

Copy of the press release issued is attached.

This is for your information and records, please.

Thanking you,

Yours faithfully,
For UltraTech Cement Limited

Sanjeeb Kumar Chatterjee
Company Secretary and Compliance Officer

Luxembourg Stock Exchange
BP 165 / L – 2011 Luxembourg
Scrip Code:
US90403E1038 and US90403E2028

Singapore Exchange
11 North Buona Vista Drive,
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Singapore 138589
ISIN Code:
US90403YAA73 and USY9048BAA18



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18 NOV 2025

Fitch Affirms UltraTech's Ratings at 'BBB-'; Outlook Stable

Fitch Ratings - Singapore/Mumbai - 18 Nov 2025: Fitch Ratings has affirmed India-based UltraTech Cement Limited's Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDRs) at 'BBB-'. The Outlook is Stable. Fitch has also affirmed UltraTech's USD400 million 2.80% senior unsecured notes due 2031 at 'BBB-'.

The ratings incorporate Fitch Ratings' expectation of a modest leverage profile, with EBITDA net leverage sustained around 1.5x; a leading market position in India; a large market with robust long-term demand-growth potential; and cost-efficient operations.

Key Rating Drivers

Significant Leverage Headroom: We estimate Fitch-adjusted EBITDA net leverage will improve to 1.5x in the financial year ending March 2026 (FY26), from 1.8x in FY25, and remain broadly flat thereafter. Thus, we forecast UltraTech's leverage to remain well below the negative sensitivity of 2.5x, with EBITDA growth offsetting a sustained increase in capex and net debt. Large acquisitions present a risk to our forecast. However, we think UltraTech will exercise financial discipline such that its metrics do not weaken materially for a prolonged period.

Robust Volume Growth: We forecast UltraTech's cement sales volume to grow at a CAGR of 10% over FY26-FY28, faster than our expectation of 7%-8% annual growth for the cement industry in India. UltraTech's growth should be supported by its reputed brand and cost advantages, along with capex for capacity addition. Cement demand in India should benefit from a reduction in the goods and services tax (GST) rate to 18%, from 28%, from September 2025.

Healthy EBITDA Margin: We expect the Fitch-adjusted unit EBITDA margin to improve to above INR1,000 per tonne (t) in FY26 (FY25: INR906/t), and remain broadly flat thereafter. UltraTech's margin should benefit from price and cost improvements, supported by its robust market position and operating leverage. The company is transitioning the volume from recent acquisitions, India Cements and Kesoram's cement assets, to the UltraTech brand, which should improve UltraTech's average price realisation over the next year.

Capex for Growth, Product Diversification: UltraTech intends to expand its grey cement capacity in India by around 25% to 235 million tonnes per annual (mtpa) by FYE28, compared with 187mtpa as of September 2025. The company expects to spend around INR100 billion on the expansion, which is focused on northern India. UltraTech is also setting up a plant to manufacture wires and cables, which will improve its product footprint, at a cost of around INR18 billion. The plant is scheduled to be

commissioned by December 2026.

Leading Market Position, Low Costs: UltraTech has the largest share of cement-making capacity in India (FY25: 28%), and we expect the share to rise in the next five years with rapid capacity growth. Its market leadership and reputation for quality has helped UltraTech establish its brand and command a pricing premium over smaller brands. It also enjoys cost advantages due to its captive limestone mines and powerplants, while its wide plant and distribution-depot network helps to reduce distance to end-customers and the cost of logistics.

Focus on Grey Cement, India: UltraTech derived around 85% of its FY25 consolidated revenue from sales of grey cement and around 95% from India. Its reliance on grey cement is higher than that of several higher-rated peers. We expect UltraTech's business mix to improve with the commissioning of its wire and cable capacity in FY27. UltraTech is well-diversified geographically in India, which has strong long-term growth prospects for cement. However, the country concentration exposes UltraTech to risk from potential adverse regulatory changes.

Parent-Subsidiary Linkage: We assess that UltraTech has a stronger credit profile than its 56% parent, Grasim Industries Limited. UltraTech's rating can be above that of its parent due to its 'insulated' access and control, despite 'open' ringfencing in the absence of material restrictions on dividends and affiliate transactions in debt documents, according to Fitch's *Parent and Subsidiary Linkage Rating Criteria*. UltraTech is listed with a large minority shareholding, and manages its operations, treasury and funding independently of Grasim. All of UltraTech's non-equity funding is external and self-managed with a high degree of autonomy.

Peer Analysis

UltraTech's rating can be compared with that of peers such as Mexico's CEMEX, S.A.B. de C.V. (Cemex, BBB-/Stable), Switzerland's Holcim Ltd (BBB+/Stable) and Ireland's CRH plc (BBB+/Stable).

UltraTech compares well with Cemex in terms of its focus on cement and related products and healthy market positions in core markets. However, Fitch forecasts Cemex's EBITDA net leverage to be slightly higher than that of Ultratech, at around 2.0x-2.5x.

UltraTech has a much smaller EBITDA scale and is less geographically diversified than Holcim and CRH. It also has a lower degree of product diversification than CRH, which has a large presence in building products. These factors result in a lower rating for UltraTech.

Key Assumptions

Fitch's Key Assumptions Within Our Rating Case for the Issuer:

- UltraTech's revenue to increase at a CAGR of 12% over FY26-FY28
- An average EBITDA margin of 18% over FY26-FY28 (FY25: 16%)
- Cumulative capex of INR345 billion over FY26-FY28

- Total dividend payments of INR76 billion during FY26-FY28

RATING SENSITIVITIES

Local-Currency IDR:

Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Worsening market position or industry competitive environment that causes a sustained deterioration in unit EBITDA margin
- EBITDA net leverage sustained above 2.5x
- Weakening of Grasim's consolidated credit profile.

Factors that could, individually or collectively, lead to positive rating action/upgrade:

- EBITDA net leverage below 1.5x on a sustained basis
- Improved business mix, with segments other than grey cement contributing around 30% of revenue
- Expectations of neutral or positive FCF profile
- Strengthening of Grasim's consolidated credit profile.

Foreign-Currency IDR:

Factors that could, individually or collectively, lead to negative rating action/downgrade:

- A downgrade of the Local-Currency IDR
- A downgrade of India's 'BBB-' Country Ceiling.

Factors that could, individually or collectively, lead to positive rating action/upgrade:

- An upgrade of the Local-Currency IDR, along with a material increase in EBITDA from countries with a Country Ceiling higher than 'BBB-', such as the United Arab Emirates.

Liquidity and Debt Structure

UltraTech had a Fitch-adjusted readily available cash balance of INR45 billion at FYE25, which we think is sufficient to cover most of the current portion of its Fitch-adjusted debt of INR42 billion after excluding working-capital-related debt. We expect the working capital-related debt, amounting to INR73 billion after adjusting for factoring and reverse factoring, to roll over in the normal course of business. UltraTech had INR11 billion of long-term debt maturing in FY27.

We expect negative FCF, but robust access to banks and public markets should allow UltraTech to address its debt obligations by obtaining incremental debt for growth-related spending and

refinancing. Should market conditions become challenging, UltraTech could support its liquidity by cutting capex. The group could also increase drawdowns of its working-capital facilities, which are normally renewed annually by banks. UltraTech had undrawn amounts of INR150 billion under fund- and non-fund-based facilities as of FYE25.

Issuer Profile

UltraTech is the second-largest cement producer outside China, and the largest in India by installed capacity.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

MACROECONOMIC ASSUMPTIONS AND SECTOR FORECASTS

[Click here](#) to access Fitch's latest quarterly Global Corporates Sector Forecasts Monitor data file which aggregates key data points used in our credit analysis. Fitch's macroeconomic forecasts, commodity price assumptions, default rate forecasts, sector key performance indicators and sector-level forecasts are among the data items included.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

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Rating Actions

ENTITY/DEBT	RATING		RECOVERY	PRIOR
UltraTech Cement Limited	LT IDR	BBB- 	Affirmed	BBB- 
	LC LT IDR	BBB- 	Affirmed	BBB- 
• senior unsecured	LT	BBB-	Affirmed	BBB-

RATINGS KEY OUTLOOK WATCH

POSITIVE		
NEGATIVE		
EVOLVING		
STABLE		

Applicable Criteria

[Corporate Rating Criteria \(pub.27 Jun 2025\) \(including rating assumption sensitivity\)](#)

[Corporates Recovery Ratings and Instrument Ratings Criteria \(pub.02 Aug 2024\) \(including rating assumption sensitivity\)](#)

[Parent and Subsidiary Linkage Rating Criteria \(pub.27 Jun 2025\)](#)

[Sector Navigators – Addendum to the Corporate Rating Criteria \(pub.27 Jun 2025\)](#)

Applicable Models

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Corporate Monitoring & Forecasting Model (COMFORT Model), v8.1.0 [\(1\)](#)

Additional Disclosures

[Solicitation Status](#)

Endorsement Status

UltraTech Cement Limited EU Endorsed, UK Endorsed

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The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see [Best- and Worst-Case Measures](#) under the Rating Performance page on Fitch's website.

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