



19th September, 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 Moody's Investors Service (Moody's)

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 Moody's has affirmed its Baa3 issuer rating and Baa3 senior unsecured rating relating to the Company. Moody's has also maintained the stable outlook.

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
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Rating Action: Moody's Ratings affirms UltraTech Cement's Baa3 ratings; outlook stable

19 Sep 2025

Singapore, September 19, 2025 -- Moody's Ratings (Moody's) has affirmed UltraTech Cement Limited's (UltraTech) Baa3 issuer rating and its Baa3 senior unsecured rating. The outlook on all ratings remains stable.

"The ratings affirmation reflects UltraTech's position as the largest cement producer in India with a nationwide presence, its strong balance sheet and a favorable industry environment that will continue to drive cement demand and earnings growth for the company," says Sweta Patodia, a Moody's Ratings Assistant Vice President and Analyst.

RATINGS RATIONALE

During the fiscal year ended 31 March 2025 (FY24-25), UltraTech added 16 million tons of cement capacity through greenfield expansions and another 26 million tons through the acquisition of India Cements Limited (ICL) and the cement business of Kesoram Industries.

UltraTech expects to expand its production capacity to 218 million tons per annum (mtpa) by March 2027, up from 192.3 mtpa as of June 2025. This growth will reinforce the company's position as India's largest cement producer.

We expect UltraTech's revenues to grow by 13% to INR850 billion (\$9.8 billion) in FY25-26, with subsequent annual growth rates of 7%-8% over the next two years. Revenue growth will be supported by contributions from ICL and continued demand for cement within India.

EBITDA margins will improve to around 18%-19% over the next 1-2 years, compared to 17% in FY24-25. As ICL gets integrated within UltraTech, operational improvements will enhance the profitability of the newly acquired capacity and improve overall margins. UltraTech also targets an EBITDA increase of INR300/ton through reductions in power and logistics costs; the company reported cost savings of INR86/ton in FY24-25 as part of these ongoing improvements.

UltraTech's annual capital spending will remain elevated at around INR105 billion. At the same time, shareholder payments will continue at current levels of INR22 billion-INR25 billion. Despite generating internal cash flows of INR100-INR110 billion annually, the company will likely have negative free cash flows of INR20-INR30 billion over the next 1–2 years, requiring additional borrowings. Consequently, we expect borrowings to increase to around INR260 billion by March 2027, from INR242 billion as of March 2025.

Nonetheless, UltraTech's leverage, as measured by Moody's adjusted gross debt/EBITDA, will remain at around 1.6x over the next 1-2 years. Moody's adjusted RCF/net debt will be around 40% over the same period. Despite the strong metrics, UltraTech's ratings are constrained at Baa3 as the company does not meet the criteria to be rated above the sovereign.

LIQUIDITY

We assess UltraTech's liquidity to be inadequate over the next 12–18 months, driven by higher capital spending. Nonetheless, we expect the company can recalibrate its capital spending if there were any signs of slowing growth or weakening profitability that impacts cash flow generation.

Additionally, given the company's status as the flagship cement company of India's leading conglomerate, the

Aditya Birla Group, UltraTech continues to have strong access to domestic and international capital markets as well as long-standing banking relationships with local and foreign banks.

RATING OUTLOOK

The stable outlook indicates UltraTech will remain India's largest cement producer, with strong earnings and cash flows supporting its Baa3 rating. This matches the sovereign rating outlook.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

Given UltraTech's close linkages with the economic cycles in India and its limited revenue and cash flow diversity outside the country, it does not meet the criteria to be rated higher than its country of incorporation, India, in accordance with our methodology for Assessing the Impact of Sovereign Credit Quality on Other Ratings (<https://ratings.moody.com/rmc-documents/60258>), published on 20 June 2019.

As such, UltraTech's ratings are unlikely to be upgraded unless India's sovereign rating is upgraded.

A downgrade of India's sovereign rating will lead to a downgrade to UltraTech's ratings.

Negative ratings pressure would also build if UltraTech's market position weakens or if its credit profile deteriorates due to lower profitability on the back of rising competition. Large debt-funded acquisitions or a significant increase in shareholder returns that weaken its financial profile could also exert negative ratings pressure.

Credit metrics indicative of downward rating pressure include Moody's adjusted gross debt/EBITDA staying above 3.5x or Moody's adjusted RCF/net debt remaining below 20% on a sustained basis.

PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Building Materials published in September 2025 and available at <https://ratings.moody.com/rmc-documents/450333>. Alternatively, please see the Rating Methodologies page on <https://ratings.moody.com> for a copy of this methodology.

The net effect of any adjustments applied to rating factor scores or scorecard outputs under the primary methodology(ies), if any, was not material to the ratings addressed in this announcement.

COMPANY PROFILE

UltraTech Cement Limited is India's largest cement manufacturer with total capacity of 192.3 million tons per annum (mtpa) as of 30 June 2025. The company principally conducts its operations in India, which generated 96% of its revenue for the fiscal year ending 31 March 2025 (FY24-25). As of 30 June 2025, the promoter group comprising Grasim Industries Limited and the Birla family along with their investment vehicles held 59.23% stake in the company.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moody.com/rating-definitions>.

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