



# INDIA'S LARGEST CEMENT COMPANY

EARNINGS: Q1 FY22



**ESG update**



**Key Highlights**



**Financial Performance**

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# ESG update

## UltraTech reaffirms commitment to help rejuvenate biodiversity:

- Biodiversity assessment undertaken at 8 of our Integrated units
- Committed to undertake biodiversity assessment and biodiversity management plans for all Integrated Units by 2024
- Our initiatives have helped flora and fauna thrive at our Units

# UltraTech ranks amongst the best in the Cement Industry



In its “ESG Way” series,  
An Equity Research firm says:

## Scores

E: 15.5 / 33

S: 27.9 / 33

G: 29.3 / 34

Overall – 72.7

UltraTech scored on top  
within the sector in  
**1<sup>st</sup> quartile**



In its “ESG Gauge” compendium,  
An Indian Credit Rating agency says:

## Scores

E: 50 / 100

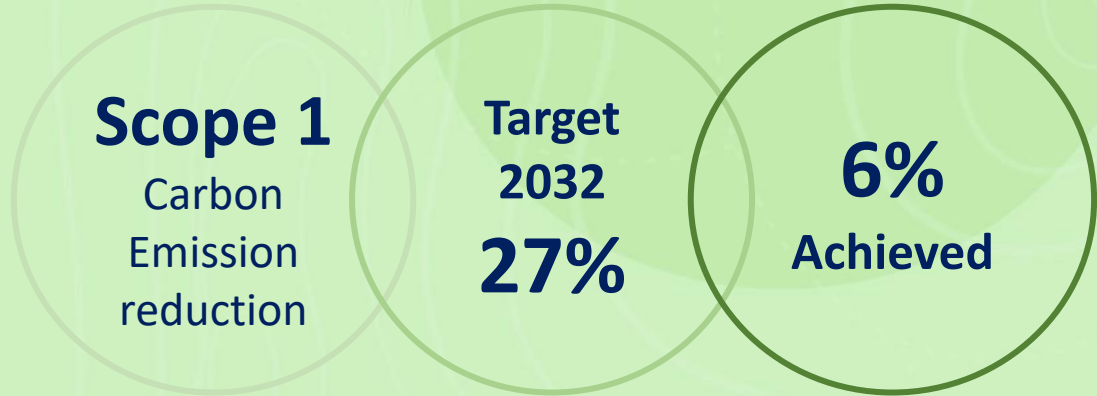
S: 61 / 100

G: 72 / 100

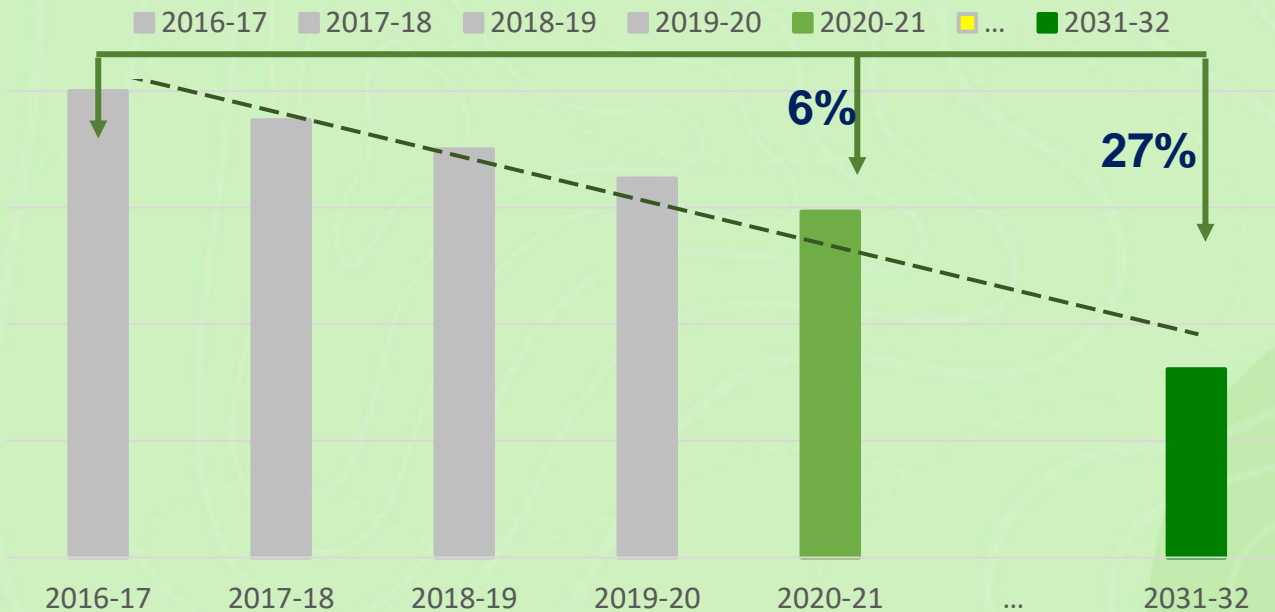
Overall – 61

UltraTech amongst the  
**top quartile** in the  
sector

# Carbon Emission reduction roadmap



Specific Net Direct GHG emissions



## Key Steps leading to reduction in emissions

- Increase in alternative fuel and clean energy
- Adoption of emerging technologies
- Increase in share of blended cement
- Energy productivity (EP100)
- GCCA Climate Ambition 2050
- Adoption of TCFD and Internal carbon price

# Adoption of TCFD framework



**TCFD** | TASK FORCE ON CLIMATE-RELATED  
FINANCIAL DISCLOSURES



Detailed study on four step recommendations



Climate related risks & opportunities assessment (transitional & physical risks)



Scenario analysis conducted as per TCFD recommendation



Scientific understanding of climate change & risks it entails

# Driving circular economy

## UltraTech continues to be >2 times plastic positive



3.5 lacs tons of  
alternative fuel used\*



20 million tons of  
alternative raw  
materials used\*



# Driving circular economy...contd.

- 25% heat consumption from waste materials at Reddipalayam, Tamil Nadu
- Alternative fuels initiative has helped in reduction of landfills, air and soil pollution
- >2,000 tons of CO<sub>2</sub> emissions reduced







# CSR Update



## Empowering women

Andhra Pradesh Cement Works catalysed self help group *Spoorti Jute Works* to empower rural women through creation of sustainable livelihood. Trained in stitching and supplying uniforms for the Unit, the SHG has now become the proud supplier of uniforms for several local industrial units

# COVID-19 support program



Reaching out to local communities

- 628 oxygen cylinders
- 9 COVID treatment centres with 296 beds
- 5 oxygen plants at Unit locations - Dhar, Neemuch, Nathdwara, Dalla, Maihar
- 19,575 COVID fight kits to frontline workers
- 247 awareness campaigns



Protecting employees & stakeholders

- COVID related support for finding medical facility, insurance, immediate support to the family
- 73% employee force vaccinated till 15<sup>th</sup> July 2021
- WFH for all offices since March 2020
- Company-wide online resource centre

# CSR activities



## ग्राम पंचायत के सहयोग से अल्ट्राटेक नाथद्वारा सीमेंट लिमिटेड के द्वारा आदिवासी क्षेत्र कोरोना के बचाव हेतु चलाया जनजागृति अभियान

■ **रांचीवासी दुःखे विकास**

पिण्डवाड़ा। सिरोंही कोरोना महामारी की रोकथाम के लिए सरकार एवं विभिन्न संस्थाओं के द्वारा उत्तम प्रयास किए जा रहे हैं। इसमें पिण्डवाड़ा तहसील के गांवों के सरपंच भी अपने तरफ से लोगों को कोरोना महामारी से बचाने के लिए प्रयास कर रहे हैं। वही अल्ट्राटेक नाथद्वारा सीमेंट के द्वारा ग्राम पंचायत आमली, ठंडीबेरी मालप, वरली, आमलिया, एवं ग्राम पंचायत ठंडीबेरी (पाली) के सहयोग से गांवों में कोरोना से बचाव के लिए लोगों में जागरूकता लाने के लिए विशेष अभियान चलाया जा रहा है।

इस अभियान के तहत गांव-गांव जाकर प्रचार किया जा रहा है। कि लोगों को मास्क लगाने के लिए, दो गज दूरी बनाए रखने के लिए एवं घर से बिना काम बाहर ना जाए, एवं हाथों को बार-बार पानी से धोने के लिए लोगों से अपील की। कोरोना महामारी से बचाव हेतु जागरूकता फैलाई जा रही है। वहीं लोगों से अपील कर रहे हैं कि को-वैकसीन



टीकाकरण अधिक से अधिक लगावे। इस जागरूकता अभियान को सफल बनाने के लिए सभी गांव के सरपंच एवं अल्ट्राटेक नाथद्वारा सीमेंट के सयुक्त प्रयास से यह कार्य किया जा रहा है। इसी दरमियान कंपनी की ओर से कपूर व अजवाइन की मिनी बैग अंबे मां व आशापुरा स्वयं सहायता समूह ठंडीबेरी की महिलाओं द्वारा तैयार कराई गई। जिसका गांवों में ग्राम पंचायतों द्वारा वितरण किया गया। वहीं ऐसे ही ग्राम पंचायतों के सहयोग से लोगों को इस कोरोना महामारी से लोगों को बचाने के लिए बहुत ही सराहनीय प्रयास किया जा रहा है।

More than 22,000 sachets containing carom seeds and camphor powder (natural disinfectants) were distributed across 15 locations



Nursery development at biodiversity farm and model agriculture farm at Vikram Cement

# CSR activities



Generator support to Community Health Centre , Asop , Rajasthan



Disinfectant spray at Hirapur, Maharashtra

## Baikunth, Chhattisgarh



Latitude: 21.557735  
Longitude: 81.849731  
Elevation: 267.22 m



Tadipatri , Andhra Pradesh

### Water conservation

- Water security for farmers
- Rejuvenate local biodiversity
- Outreach: 4500 families

# Key Highlights Q1 FY22

# Macro indicators

- Real GDP growth estimate (RBI) at ~9.5% for FY22
- Composite PMI for June 21 at 43.1
- CPI inflation continued above 6% and it is expected to stay at these levels
- Gradual opening up of the economy and increase in vaccination will lead to normalization

## Economy



- The second wave of COVID-19 impacted domestic cement consumption in rural/urban areas alike
- With gradual ease of lockdowns since June 21, the construction activities are trending towards normalcy
- Rural Housing is seeing a gradual recovery supported by the higher MSP for kharif crop, increased procurement by Government agencies and improved food grain production in rabi harvest

## Industry



# Sectoral Update Q1 FY22

State/Region wise performance						
State/Region	Volume Growth	I	R	H	C	Key drivers
North	↑	●	●	●	●	<ul style="list-style-type: none"> <li>IHB witnessed increase in demand led by rural housing</li> <li>Urban housing also contributed to growth</li> </ul>
Central	↑	●	●	●	●	<ul style="list-style-type: none"> <li>IHB demand continued led by rural housing</li> </ul>
East	↑	●	●	●	●	<ul style="list-style-type: none"> <li>Rural, Urban housing and infrastructure segment grew in all the States</li> </ul>
West	↑	●	●	●	●	<ul style="list-style-type: none"> <li><b>Maharashtra:</b> Demand across housing and infrastructure segment</li> <li><b>Gujarat:</b> IHB demand led by strong urban and rural demand</li> </ul>
South	↑	●	●	●	●	<ul style="list-style-type: none"> <li>Housing saw growth in Andhra Pradesh and Telangana</li> <li>Infrastructure segment registered growth</li> </ul>

# Key Performance Drivers: Q1 FY22



Capacity  
Utilization



26% YoY



Volume  
Growth



47% YoY



Revenue  
Growth



56% YoY



Blended  
Sales



3% QoQ



Premium  
Products Share



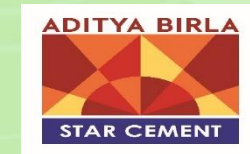
2% YoY



# Sales : Q1 FY22



	Grey Cement	RMC	White Cement	Export and Others	India Operations	Overseas	Consolidated*
Volumes (Mnt)	20.0	136 <small>No of RMC plants</small>	0.28	0.25	<b>20.53</b>	1.16	<b>21.53</b>
<b>Growth (yoy)</b>	<b>48%</b>	<b>32</b> <small>No of RMC plants</small>	<b>49%</b>	<b>25%</b>	<b>47%</b>	<b>25%</b>	<b>47%</b>
Revenues (Rs Crs)	10,185	509	362	243	<b>11,299</b>	445	<b>11,698</b>
<b>Growth (yoy)</b>	<b>51%</b>	<b>291%</b>	<b>47%</b>	<b>63%</b>	<b>56%</b>	<b>13%</b>	<b>54%</b>



**Cementing Growth in its DNA**

\*After elimination of inter company sales

# Performance at a glance Q1FY22

**Consolidated**



Rs. 11,698 Cr



Rs. 3,512 Cr



Rs. 2,526 Cr



Rs. 1,703 Cr

Particulars	Revenues	EBITDA	PBT	PAT
<b>Growth - YoY</b>	<b>54%</b>	<b>49%</b>	<b>93%</b>	<b>114%</b>
Margin%		30.0%	21.6%	14.6%
Earnings per share * (Rs.) <i>(Trailing 12 months)</i>				<b>219</b>

**EPS Growth : 93%**

### Pimpalgaon-Nashik-Gonde Road



*Estimated reduction of 6 Million tons of CO<sub>2</sub> emissions over its lifetime.*

### Signature Delhi bridge



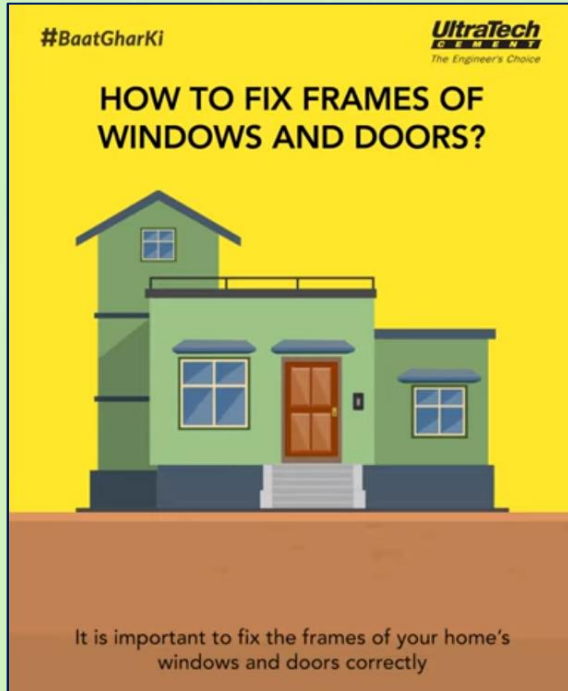
*Estimated reduction of 10 Million tons of CO<sub>2</sub> emissions over its life.*

**UltraTech: Partnering the National Infrastructure Development**

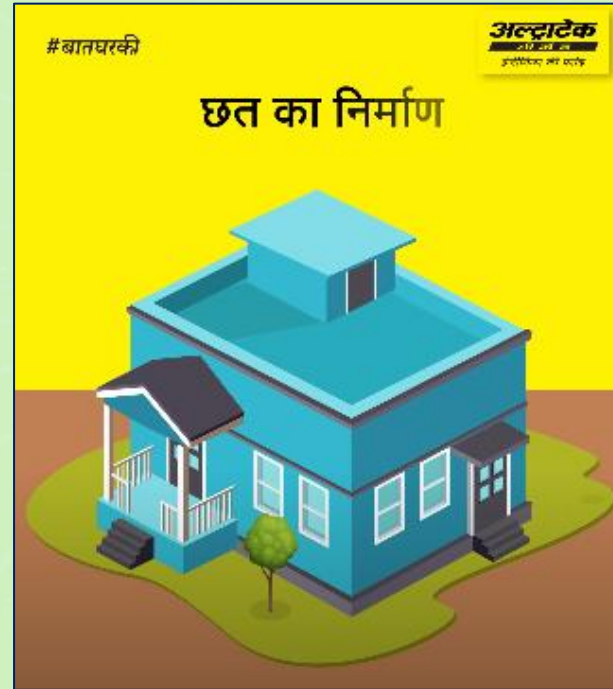
# 200 Mn views for #BaatGharKi videos

BGK videos are “How-to” videos on various aspects of home building in simple consumer speak in 6 languages

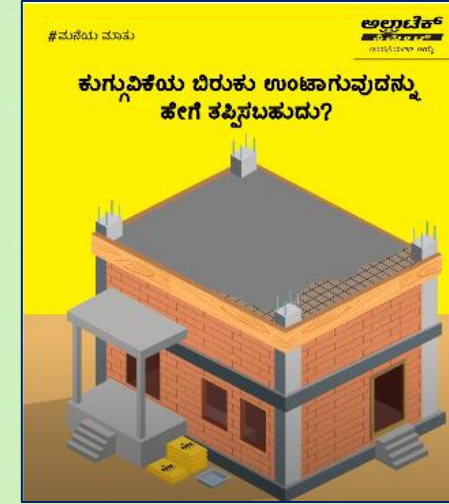
Total 69 original videos and 300 translated videos for “BaatGharKi” (BGK)



English



Hindi



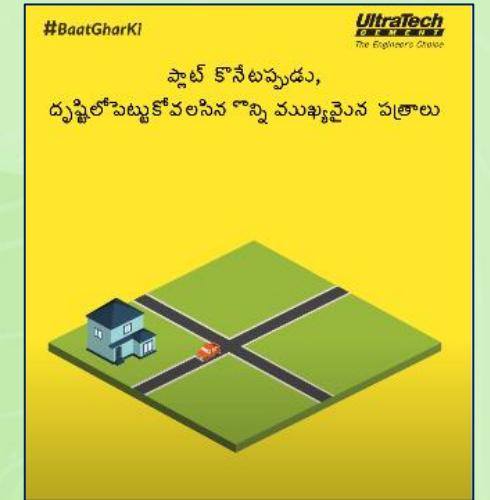
Kannada



Tamil



Malayalam



Telugu

# Awards & Accolades

Top honors at E4M Primetime Awards, including coveted title of “Advertiser of the year”



- UltraTech won the excellence award for “Advertiser of the year” + 4 other awards across categories at the prestigious Primetime awards
- Joined the list of Elite and Prestigious league of advertisers by setting industry best standards



# UltraTech Smart Factory: Goal-oriented planning & implementation of initiatives well underway



## Central Support Organization

### Levers:

- AR
- Remote Monitoring
- Analytics

### Business Impact:

- Optimize Spend/ Inventory
- Maintenance support
- Guidance through benchmarking

## New KPI visibility/estimation

### Levers:

- IIOT
- Process modelling

### Business Impact:

- Mines fuel & productivity tracking
- Improved cement process stability

## Energy & Sustainability

### Levers:

- Analytics & AI

### Business Impact:

- Energy Optimization
- Improved heat recovery
- Alternative fuel increase

## Quality Analytics

### Levers:

- Analytics & AI
- Process modelling

### Business Impact:

- Improved process optimization
- Quality consistency

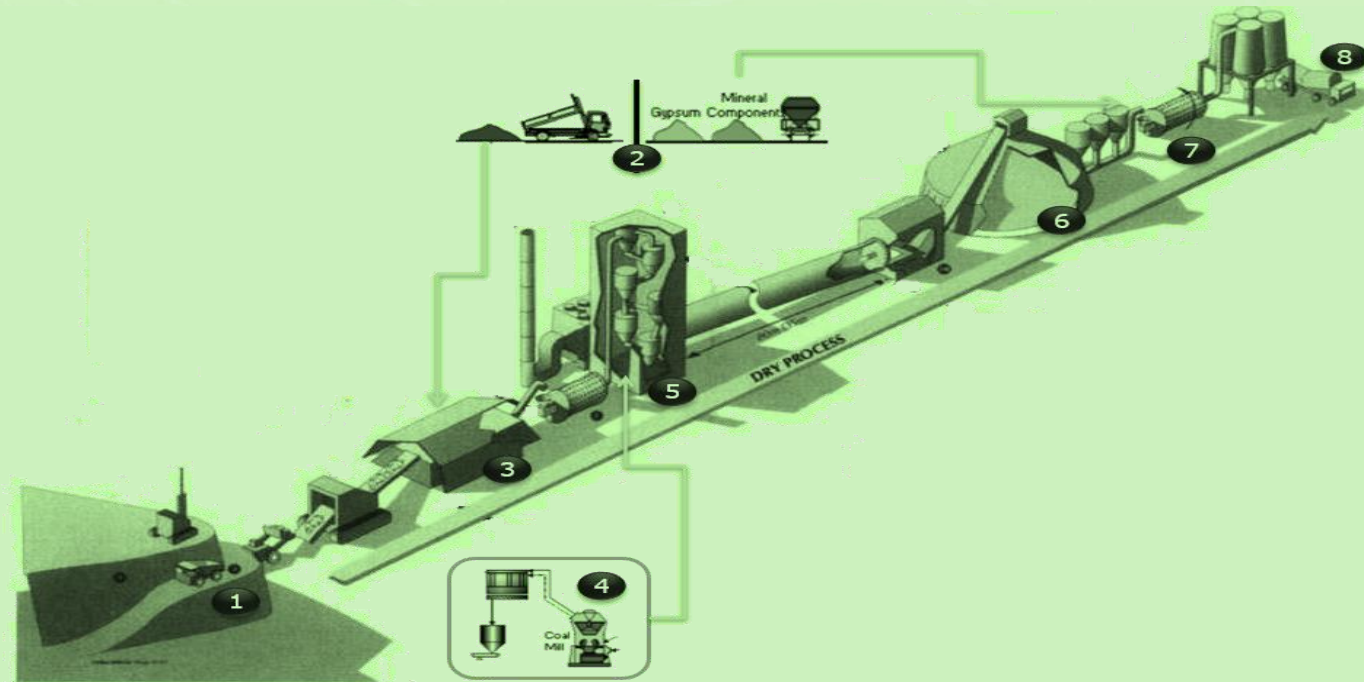
## Safety

### Levers:

- Robotics
- AI Vision

### Business Impact:

- Alerts for asset or human safety
- Reduce or better track human intervention



## Maintenance effectiveness

### Levers:

- IIOT
- AI / ML modelling
- Drones

### Business Impact:

- OEE improvement
- MTBF/MTTR improvement

## Enhanced Operator

### Levers:

- AR remote support
- Mobile Apps
- Digital Logbooks/checklist
- RPA

### Business Impact:

- Frequent Safety audits of process/ assets
- Operator empowerment
- Increased efficiency

The digital solution implemented in the manufacturing process at one of the plants provides multiple benefits:

- Higher output
- Lower fuel consumption in kilns and furnaces
- Better and greater consistency of quality
- Reduced grinding costs due to energy savings

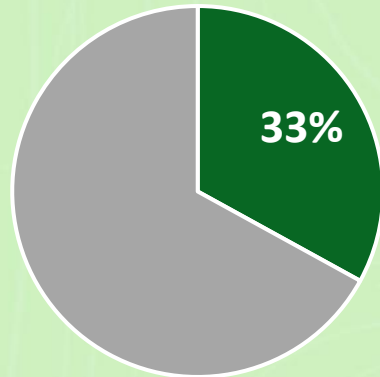


# Financial Performance Q1 FY22

# Key Cost Indicators: Q1 FY22



## LOGISTICS COST

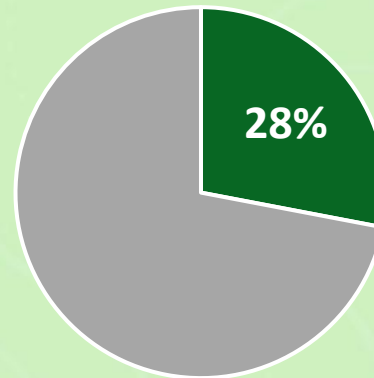


Increased 6% YoY to Rs. 1187/t

- Diesel price hike – 28% YoY



## ENERGY COST

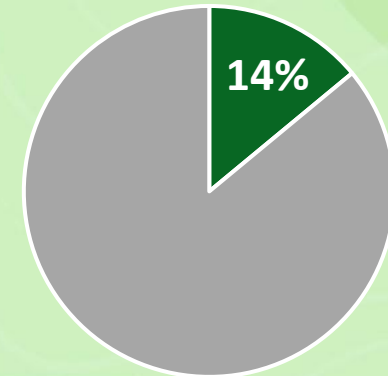


Increased 12% YoY to Rs. 1019/t

- Hike in coal / petcoke price



## RAW MATERIAL COST

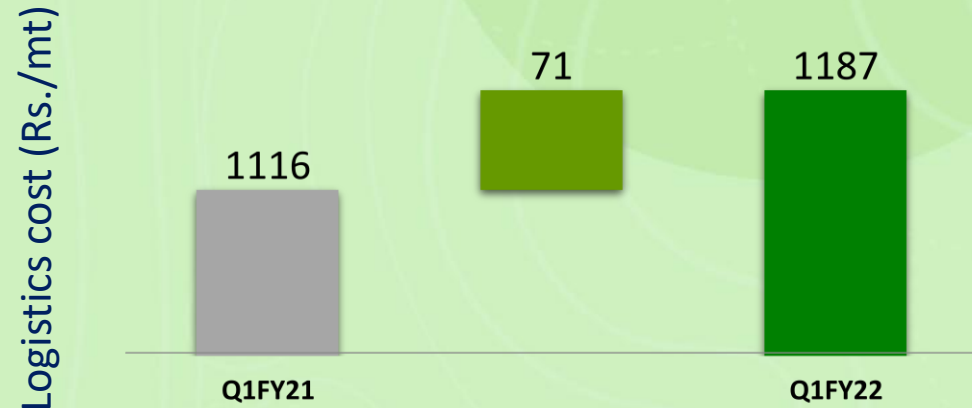


Increased 7% YoY to Rs. 510/t

- Diesel price hike impact on input costs



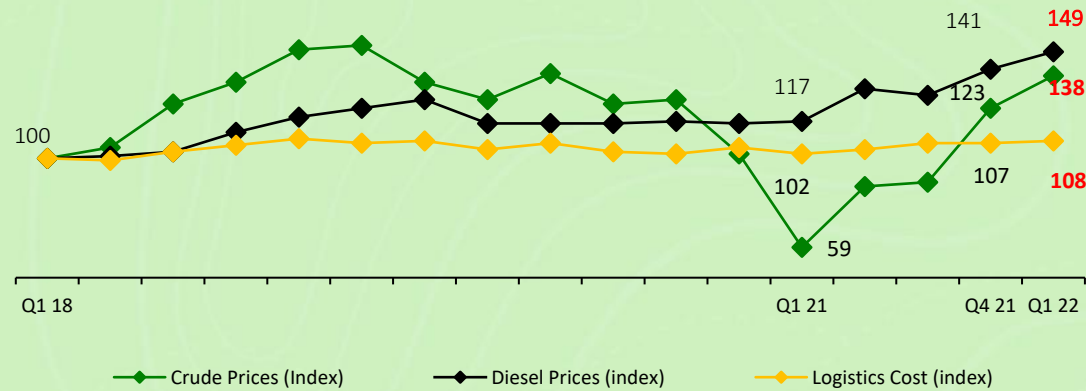
# Logistics Cost Trend



**YoY cost increase: 6%**

- Diesel price higher by ~28%

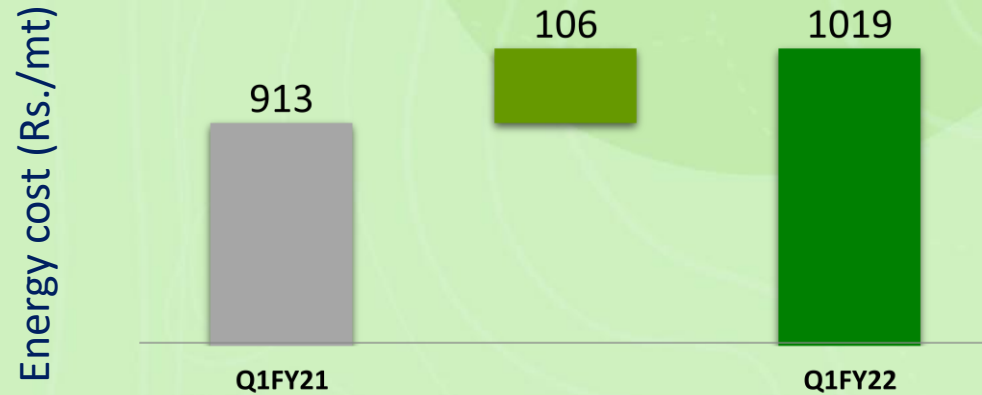
Logistics cost v/s Diesel Price Index



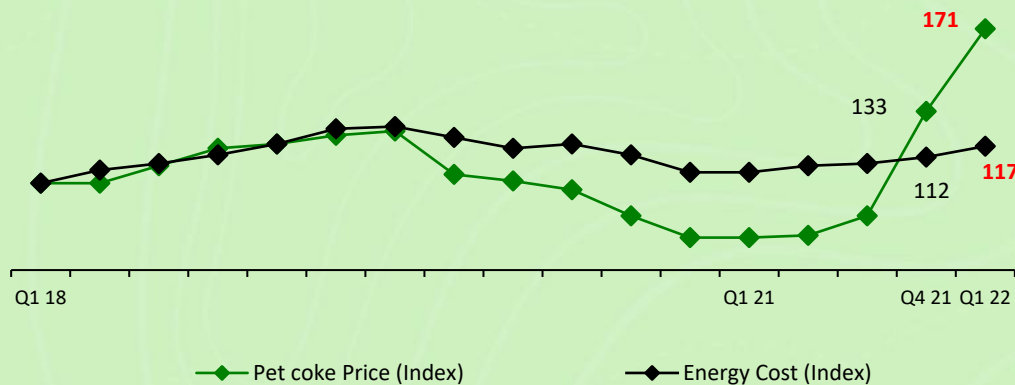
**QoQ cost increase: 1%**

- Diesel price higher by ~6%

# Energy Cost Trend



Energy cost v/s Pet coke Price Index



**YoY cost increase: 12%**

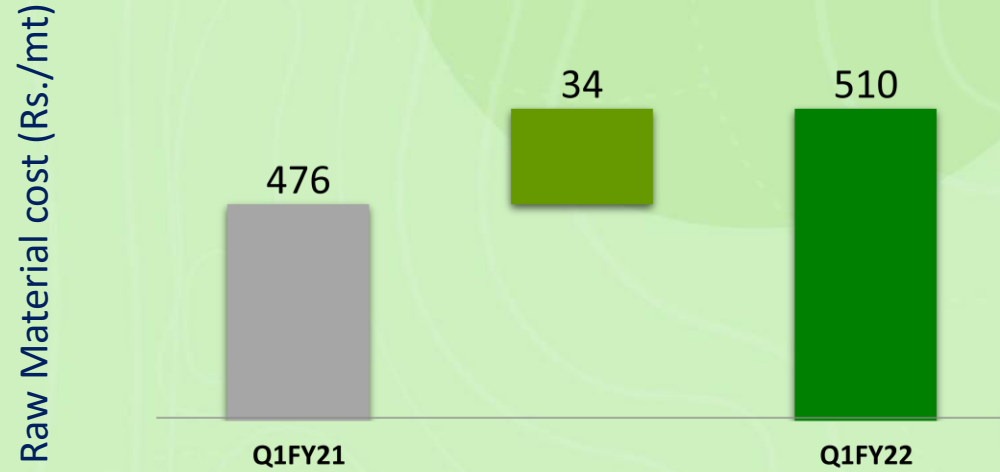
- Green power share in power mix raised to 15.5% (LY: 13.9%)
- Power consumption reduced by 3%
- Increase in Petcoke / Coal prices

**QoQ cost increase: 4%**

- Increase in Petcoke / Coal prices
- Increase in power consumption due to lower capacity utilization

**Effective fuel source management dampened the impact of fuel cost increase**

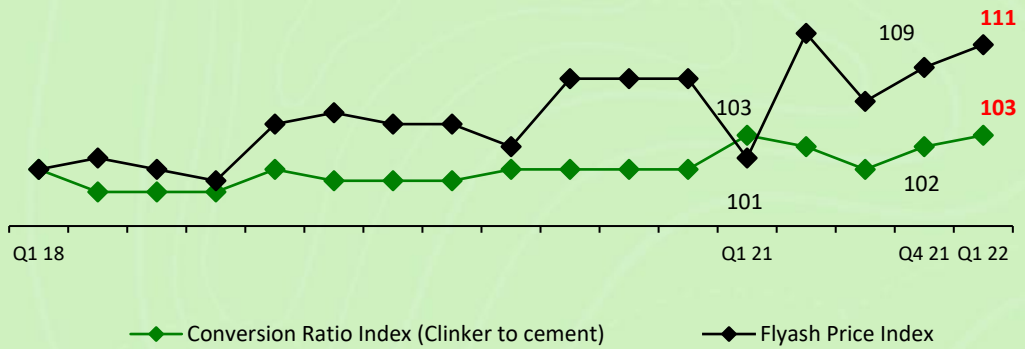
# Raw Material Cost Trend



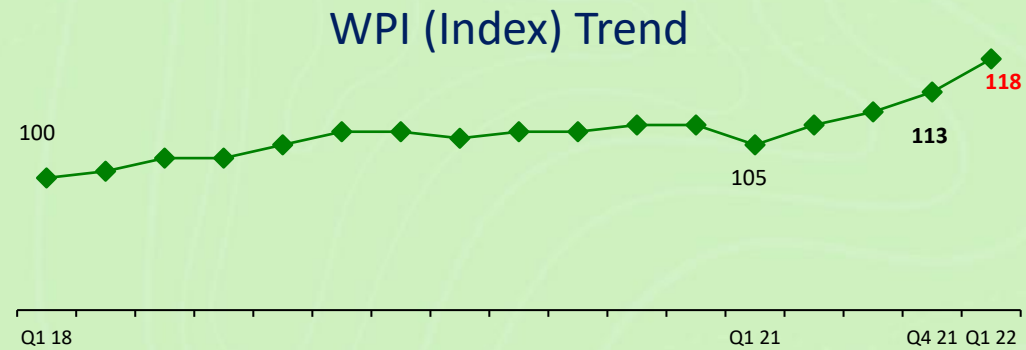
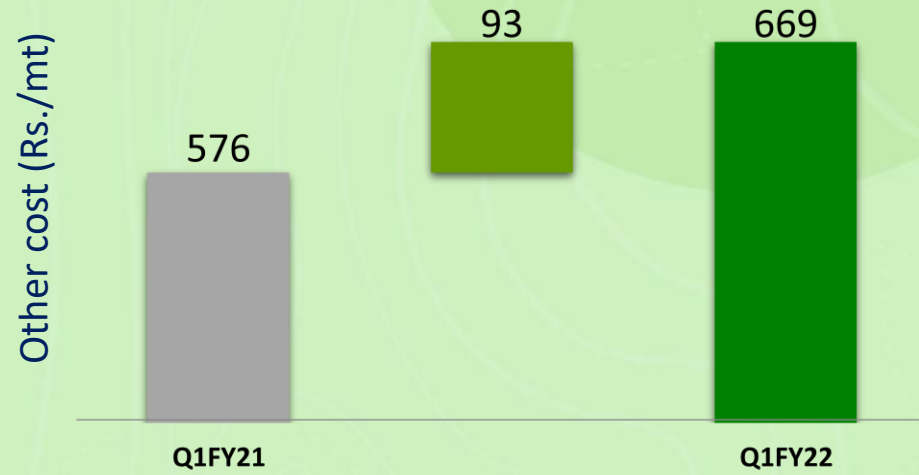
**YoY: 7% increase, QoQ : 2% decrease**

- Increase in inbound transportation cost due to diesel price hike

## Conversion ratio and Fly ash Prices (Index) Trends



# Other Cost Trend



**YoY cost increase: 16%**

- Fixed cost normalization
- Increase in packing cost

**QoQ cost increase: 6%**

- Increase in packing cost

# Q1 FY22 Financial Performance



Rs Crs

Particulars	UTCL Standalone		India Operations	
	CY	LY	CY	LY
Revenues (Net of Taxes)	11,327	7,290	11,299 <sup>^</sup>	7,262 <sup>^</sup>
Operating Income	150	84	151	84
Other Income	216	296	204	276
<b>Total Income</b>	<b>11,693</b>	<b>7,670</b>	<b>11,654</b>	<b>7,621</b>
<b>Expenses :</b>				
<i>Raw Materials Consumed</i>	1,382	739	1,374	749
<i>Purchase of Traded Goods</i>	523	328	244	121
<i>Changes in Inventory</i>	(290)	224	(301)	238
<i>Employee Costs</i>	544	518	558	532
<i>Power and Fuel</i>	2,193	1,235	2,306	1,282
<i>Logistics Cost</i>	2,623	1,590	2,631	1,594
<i>Other Expenses</i>	1,330	785	1,373	803
<b>EBITDA</b>	<b>3,388</b>	<b>2,251</b>	<b>3,468</b>	<b>2,302</b>

**EBITDA : Rs 1689/mt**

<sup>^</sup>After elimination of inter company clinker sales

# Income Statement : Q1 FY22



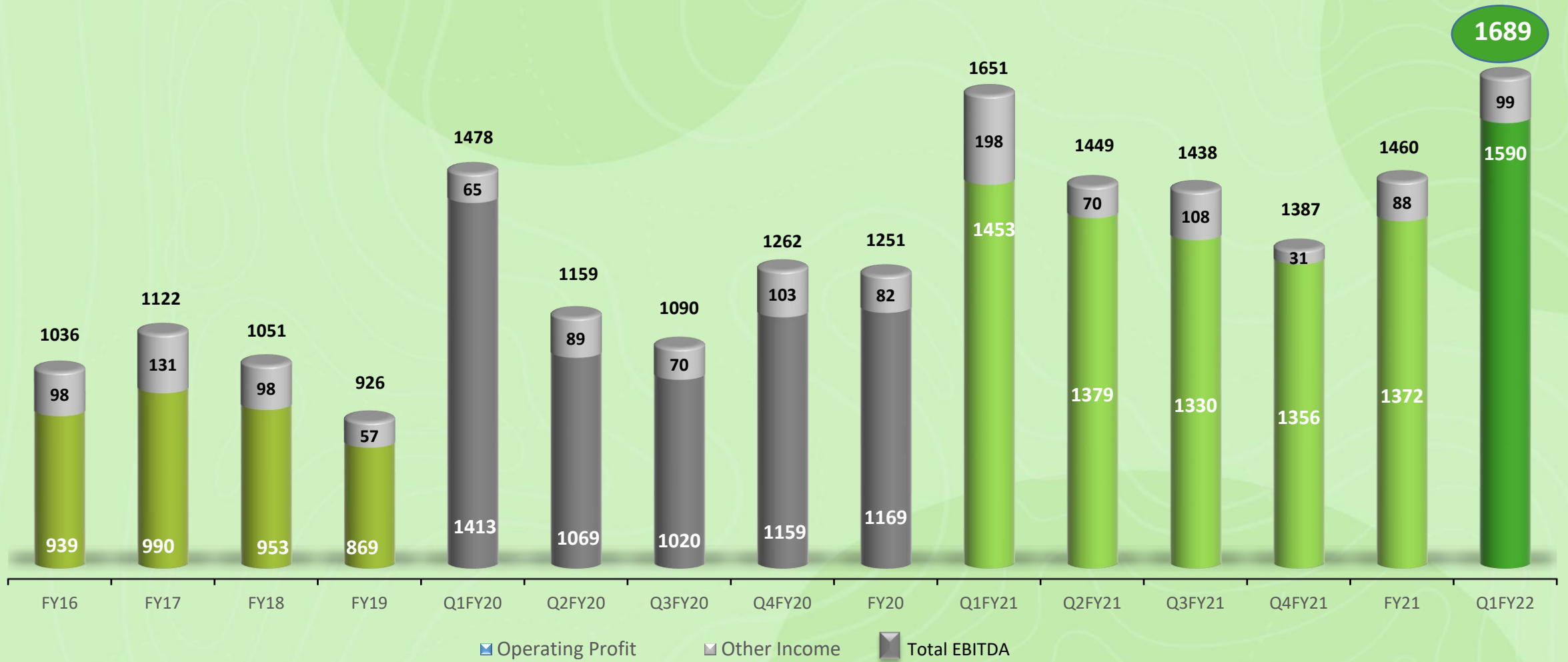
Rs Crs

Consolidated			Particulars	India Operations		
CY	LY	▲%		CY	LY	▲%
11698	7600	54	Revenues (net of taxes)^	11299	7262	56
<b>3512</b>	<b>2357</b>	<b>49</b>	<b>EBITDA</b>	<b>3468</b>	<b>2302</b>	<b>51</b>
<b>30%</b>	<b>31%</b>	<b>(1)</b>	<b>Margin (%)</b>	<b>31%</b>	<b>32%</b>	<b>(1)</b>
326	394	17	Finance costs	320	383	16
660	651	(1)	Depreciation and Amortization	633	619	(2)
<b>2526</b>	<b>1311</b>	<b>93</b>	<b>PBT</b>	<b>2516</b>	<b>1300</b>	<b>94</b>
	157		Exceptional Item		157	
827	360		Tax expenses	834	366	
(3)	(1)		Minority interest	-	-	
<b>1703</b>	<b>794</b>	<b>114</b>	<b>PAT</b>	<b>1682</b>	<b>776</b>	<b>117</b>
<b>219.4</b>	<b>113.6</b>	<b>93</b>	<b>EPS (Rs.)</b> (basis trailing 12 months and before exceptional item)	<b>216.0</b>	<b>113.3</b>	<b>91</b>

**PAT up 114%**

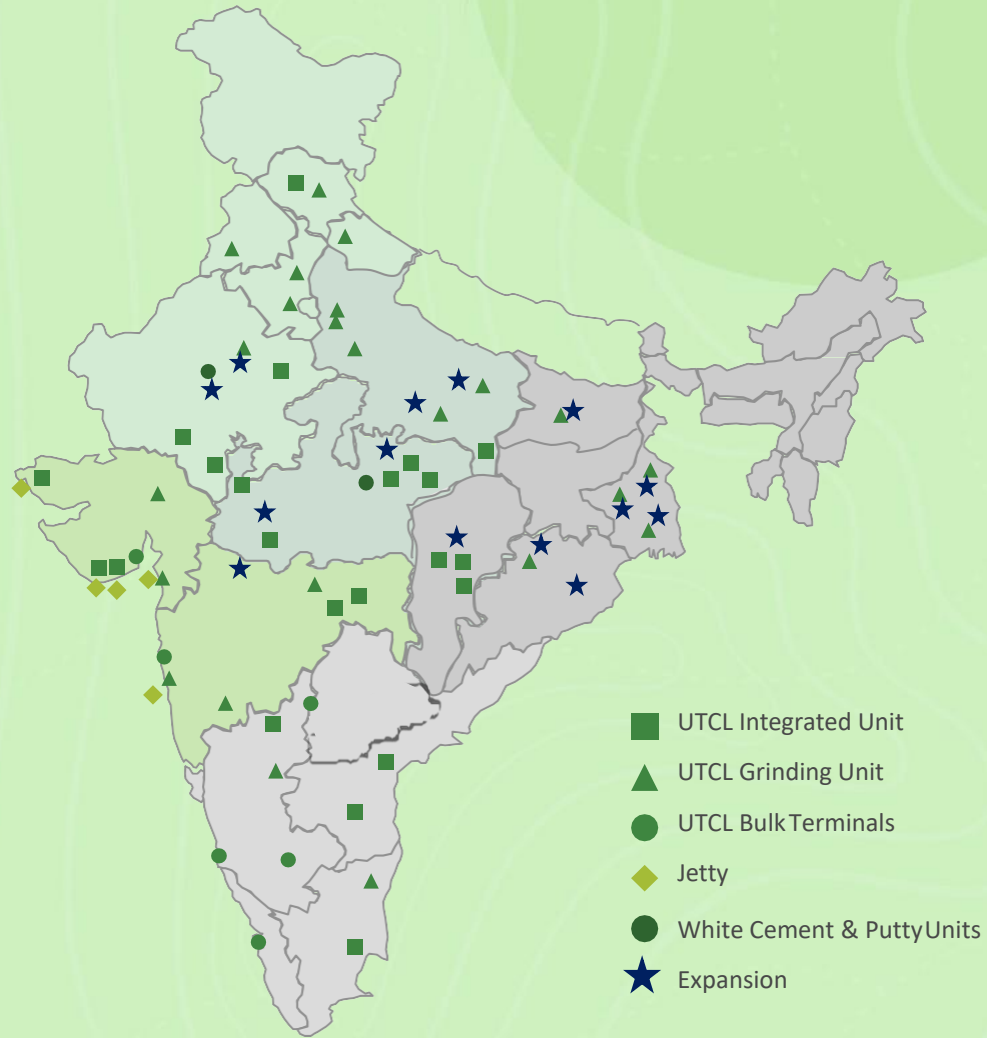
^After elimination of inter company clinker sales

# EBITDA PMT Trend

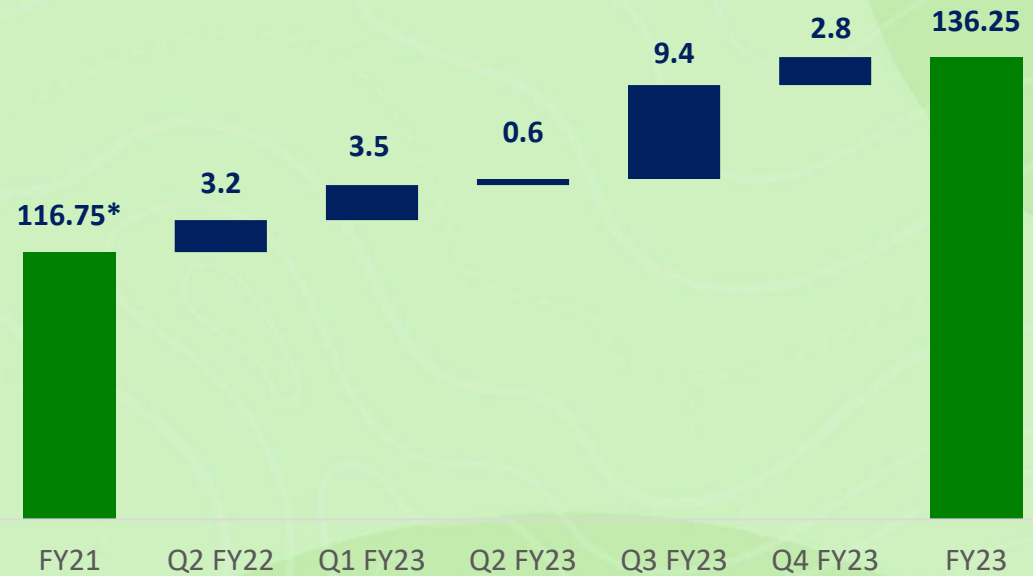


**Continuously improving margins**

# Organic Expansion: Fueling growth



Cement capacity (mtpa)

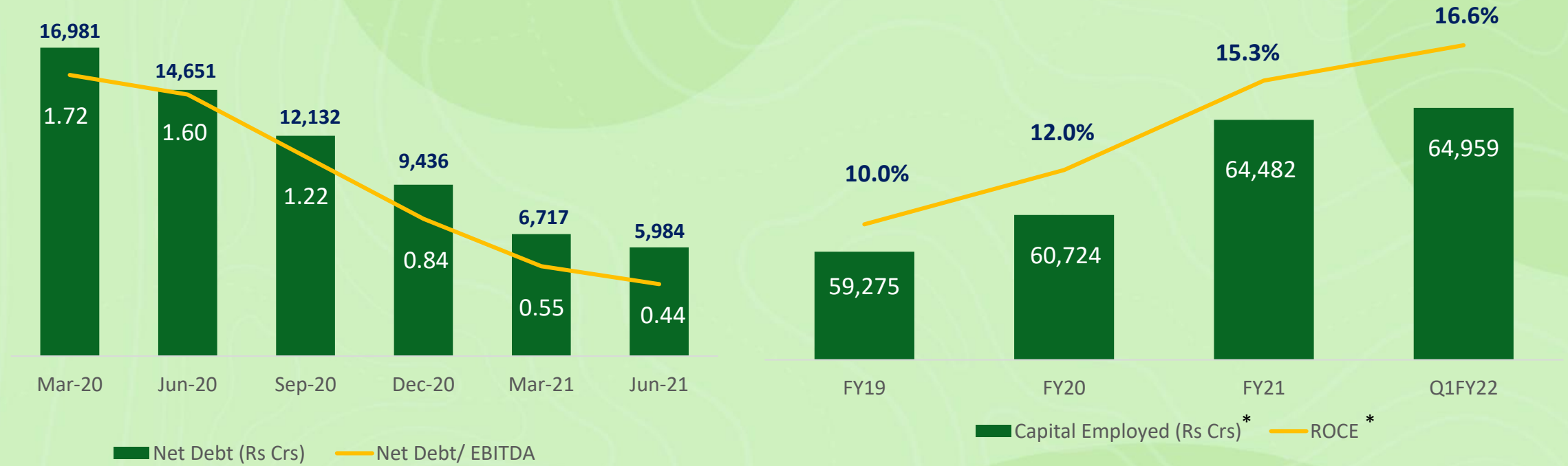


**Expansion of 19.5 mtpa cement capacity is on track**

\*India : 111.35 mtpa, Overseas : 5.4 mtpa



# Value creation for all stakeholders



**We deliver what we commit**

\* Excluding Goodwill

## Disclaimer

Statements in this ‘presentation’ describing the Company’s objectives, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company’s operations include global and Indian demand supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company’s principal markets, changes in governmental regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement, due to any subsequent development, information or events, or otherwise.

## UltraTech Cement Limited

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[Corporate Identity Number L26940MH2000PLC128420]

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