# UltraTech Cement Limited

## A FORCE FOR GOOD

Results
**Q2 FY25**

**Stock code:** BSE: 532538 | **NSE:** ULTRACEMCO | **Reuters:** UTCL.NS | **Bloomberg:** UTCEM IS/UTCEM LX

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01

# Macro and Sectoral Update

Balaji Cement Works, Andhra Pradesh

# Macro Indicators

GDP growth of 6.7% for Q1FY25. Long election cycle and slowdown in consumption resulted in the lower GDP growth.

India CPI inflation around 3.6% in July and August, rising to 5.5% in September driven by food inflation.

GST collections remained steady at ₹ 1.75tn per month for the quarter; PMI manufacturing at 56.5 in September.

RBI keeps repo rate unchanged for the 10th consecutive time. Maintains growth and inflation forecasts for FY25: GDP growth at 7.2% YoY and inflation at 4.5%.

Source: Research Reports

# Key Government Initiatives and Economic Drivers

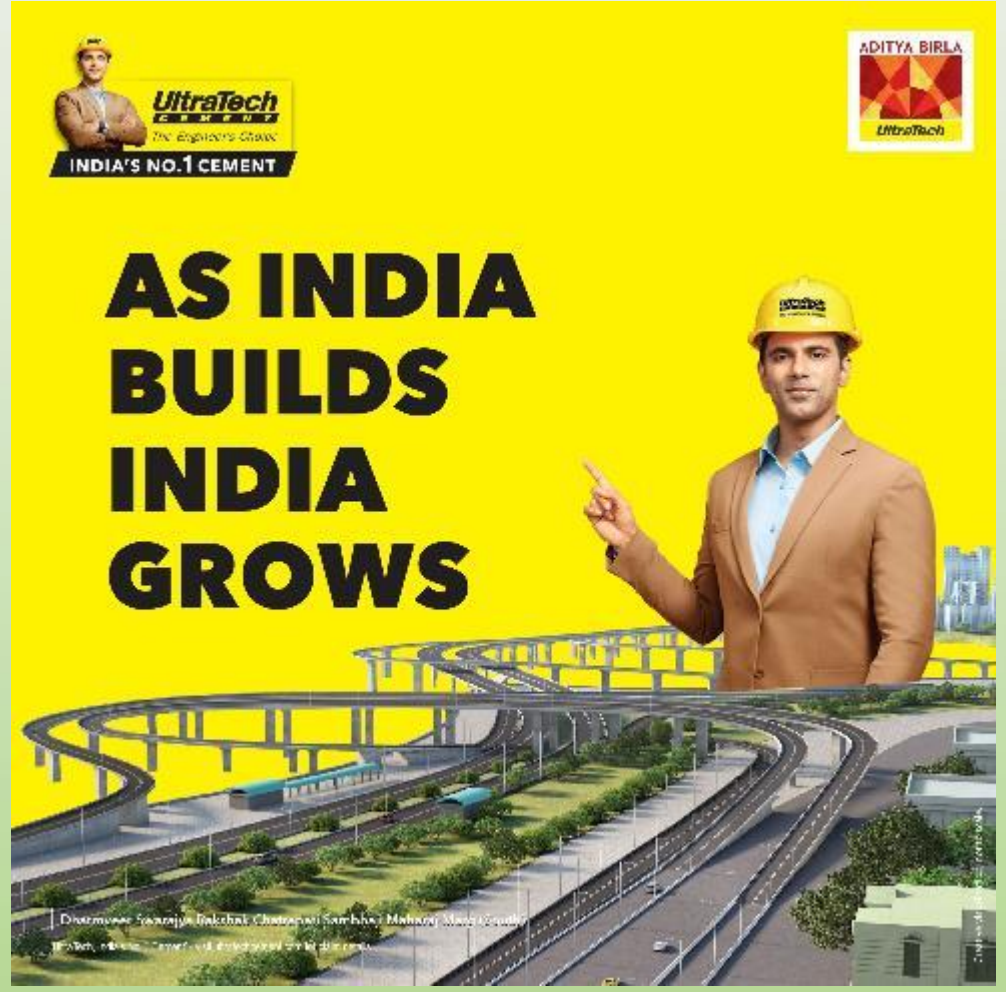
After a subdued Q1FY25, road awards picked up in Aug-24 by NHAI and MoRTH.

Chennai Metro's Phase 2 approved by Central Government.

Under Pradhan Mantri Awaas Yojana – Gramin (PMAY-G), 20 million houses will be built with a total subsidy outlay of ₹ 3.06 trillion from FY25 to FY29.

Under Pradhan Mantri Awaas Yojana – Urban (PMAY-U), 10 million houses will be built with a total subsidy outlay of ₹ 2.3 trillion.

For India as a whole, cumulative rainfall was 8% above the long period average. Improved reservoir levels positive for agriculture and should result in good growth in the rural markets.




Source: Research Reports, updates

NHAI : National Highways Authority of India, MoRTH : The Ministry of Road Transport & Highways

# Sectoral Update Q2 FY25

| Zone | I | C | H | R | Key drivers |
|---|---|---|---|---|---|
| North | ↓ | = | ↑ | ↑ | ✓ Housing registered growth in both rural and urban areas, however few States impacted due to excessive rainfall.<br>✓ Infrastructure registered degrowth as projects like Dwaraka Expressway, RRTS etc. are nearing completion, delay in announcement of new projects and excessive rainfall in Delhi, Rajasthan and parts of Madhya Pradesh.<br>✓ Demand within the commercial segment was steady. |
| Central | ↓ | ↓ | ↓ | ↓ | ✓ Housing registered degrowth in both rural and urban areas due to heavy rainfall.<br>✓ Infrastructure registered degrowth as major projects were nearing completion like Ram Temple, Kanpur Metro, Unnao Lalganj Expressway etc., heavy vehicle movement restriction due to Kawadh yatra and delay in announcement of new projects.<br>✓ Commercial segment registered degrowth due to adverse weather conditions. |
| East | ↓ | ↓ | = | = | ✓ Housing registered growth in West Bengal, Bihar and Jharkhand. However, excessive rains impacted demand in Chhattisgarh, Odisha and North-East.<br>✓ Infrastructure continued to degrow on account of extreme weather conditions and sand shortages in Bihar, Jharkhand and West Bengal.<br>✓ Commercial demand was adversely impacted due to sand shortage, farming activities and heavy rainfall. |
| West | ↓ | ↑ | ↓ | ↓ | ✓ **Maharashtra:** Infrastructure demand was subdued due to completion of projects like Samruddhi Expressway, adverse weather conditions and shortage of labour due to farming activities and festival season.<br>✓ Housing segment demand remained flat across rural and urban areas.<br>✓ Commercial segment registered strong growth across all regions.<br>✓ **Gujarat:** Housing demand was severely impacted due to excessive rainfall and floods.<br>✓ Infrastructure registered degrowth on account of extreme weather conditions, non-availability of labour and festival season.<br>✓ Commercial demand remained flat. |
| South | ↓ | ↓ | ↓ | ↓ | ✓ Housing registered degrowth in both rural and urban areas.<br>✓ Infrastructure continued to degrow on account of heavy rainfall, lack of funding by Government of Andhra Pradesh, Telangana and Kerala as well as sand shortage in Andhra Pradesh.<br>✓ Commercial demand was muted due to heavy rainfall in certain regions. |

**I: Infrastructure, C: Commercial, H: Housing, R: Rural**

RRTS : Regional Rapid Transit System

# 02
# Business Update

# Highlights : Q2

- Domestic sales volume grew 3% yoy.
- Blended manufacturing cost per mt reduced by 4% yoy for domestic operations.
- Domestic operating EBITDA/Mt of ₹ 732, lower by ₹ 224/Mt yoy.
- UAE-based 'Ras Al Khaimah Co. for White Cement and Construction Materials PSC' (RAKWCT), has become a subsidiary wef 10th July, 2024.
- Green Power Mix of 32%, an improvement of 47% yoy, includes WHRS power mix of 18.4% and RE Power Mix of 13.5%.
- Premium product mix of 23.4%, up 8% yoy.
- UBS outlets increased to 4,236 contributing 19.4% of domestic grey sales volume.

# Domestic growth plans on track

| Particulars | Unit | Project | Cement Capacity (Mtpa) | Timelines |
|---|---|---|---|---|
| **Capacity as at Mar-24** | | | **140.8** | |
| Karur, Tamil Nadu | GU | G | 2.7 | Commissioned |
| Kukurdih, Chhattisgarh | IU | G | 2.7 | Commissioned |
| Parli, Maharashtra | GU | G | 1.1 | Acquired |
| Jharsuguda, Odisha | GU | B | 0.4 | Commissioned |
| APCW, Andhra Pradesh | IU | B | 1.8 | Commissioned |
| Arakkonam, Tamil Nadu | GU | B | 1.2 | Commissioned |
| Karur, Tamil Nadu | GU | B | 0.6 | Q3 FY25 |
| Sonar Bangla, West Bengal | GU | B | 0.6 | Q4 FY25 |
| Durgapur, West Bengal | GU | B | 0.6 | Q4 FY25 |
| Maihar, Madhya Pradesh | IU | B | 4.5 | Q4 FY25 |
| Lucknow, Uttar Pradesh | BT | G | 1.8 | Q4 FY25 |
| Panvel, Maharashtra | BT | B | 1.0 | Q4 FY25 |
| **Capacity by FY25 (Excl. BT)*** | | | **157.0** | |

Till Oct'24

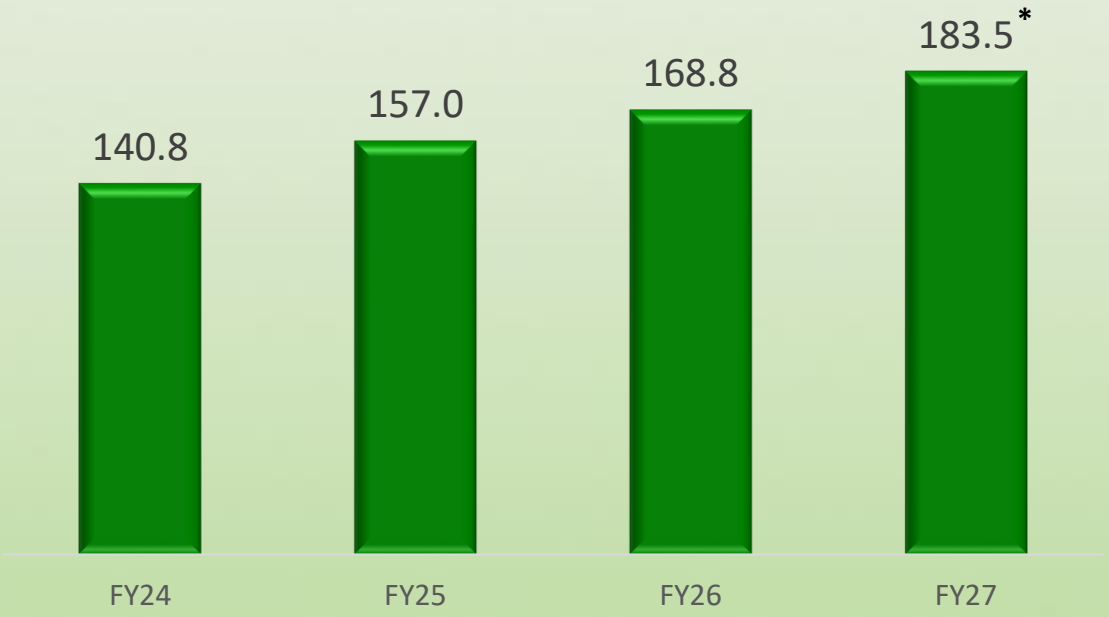
| Particulars | Unit | Project | Cement Capacity (Mtpa) |
|---|---|---|---|
| **To be commissioned in FY26** | | | |
| Patratu, Jharkhand | GU | B | 2.5 |
| Shahjahanpur, Uttar Pradesh | GU | G | 1.8 |
| Nathdwara, Rajasthan | IU | B | 1.2 |
| Dhule, Maharashtra | GU | B | 1.8 |
| Visakhapatnam, Andhra Pradesh | GU | G | 3.3 |
| Parli, Maharashtra | GU | B | 1.2 |
| **To be commissioned in FY27** | | | |
| Aligarh, Uttar Pradesh | GU | B | 2.7 |
| Bihar | GU | G | 3.3 |
| West Bengal | GU | G | 3.3 |
| APCW, Andhra Pradesh | IU | B | 2.7 |
| Andhra Pradesh | IU | G | 2.7 |
| Gujarat | BT | G | 1.2 |
| Karnataka | BT | G | 1.2 |
| Assam | BT | G | 1.2 |
| Tamil Nadu | BT | G | 1.8 |
| **Capacity by FY27*** | | | **183.5** |

***Excluding acquisition of Kesoram's Cement capacity of 10.75 MTPA and India Cements capacity of 14.45 MTPA, awaiting regulatory approvals**

*G : Greenfield, B : Brownfield, GU : Grinding Unit, IU : Integrated Unit, BT : Bulk Terminal*

# UltraTech: marching ahead

## Grey cement capacity (Mtpa) – India

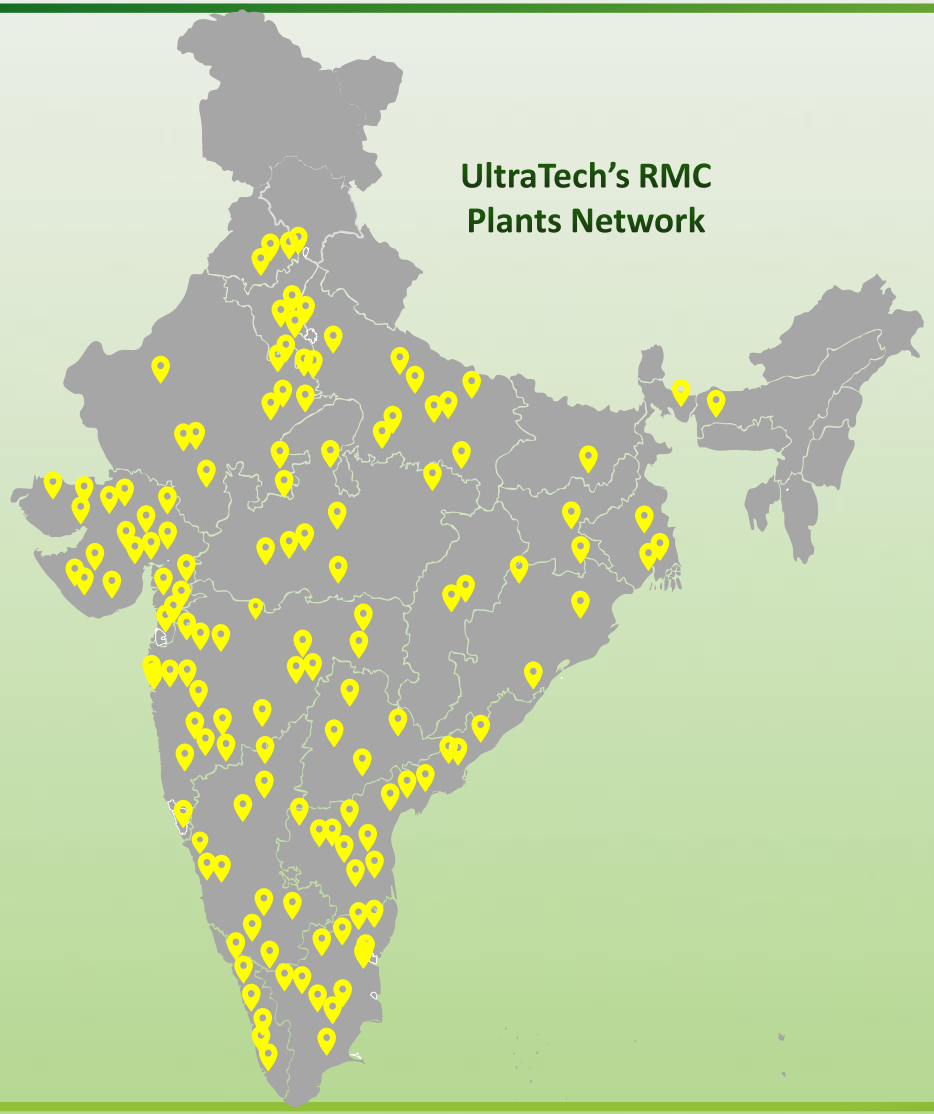



| Grey Cement Capacity (Mtpa) | | | | | | |
|---|---|---|---|---|---|---|
| **Zones** | **FY24** | **Added till Oct'24** | **Further Plan FY25** | **FY26** | **FY27** | **Total** |
| North | 33.3 | | | 3.0 | 2.7 | 39.0 |
| Central | 28.4 | | 4.5 | | | 32.9 |
| East | 27.6 | 3.1 | 1.2 | 2.5 | 6.6 | 41.0 |
| West | 31.1 | 1.1 | | 3.0 | 0.0 | 35.2 |
| South | 20.5 | 5.7 | 0.6 | 3.3 | 5.4 | 35.5 |
| **All India** | **140.8** | **9.9** | **6.3** | **11.8** | **14.7** | **183.5** |
| Overseas | 5.4 | | | | | 5.4 |
| **Overall** | **146.2** | | | | | **188.9*** |

***Excluding Kesoram's Cement capacity of 10.75 MTPA and India Cements capacity of 14.45 MTPA, awaiting regulatory approvals**

**Spread across 70 locations across the country by FY27.**

# ReadyMix Concrete (RMC): Q2 FY25




**321**

71 YoY

Number of Plants

**134**

18 YoY

Number of Cities

**3.01**

19% YoY

Volume (Mn $m^3$)

**1,397**

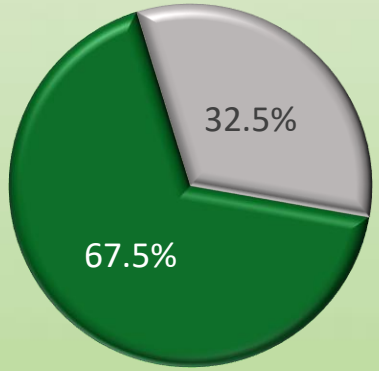
20% YoY

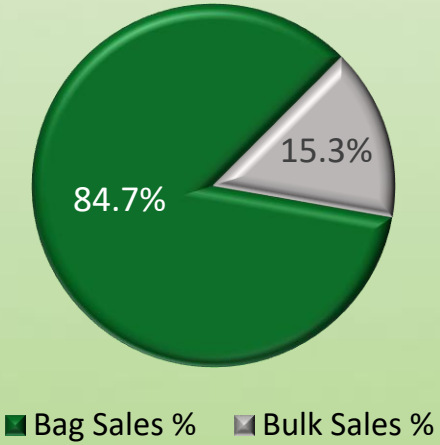
Revenue (₹ Crores)

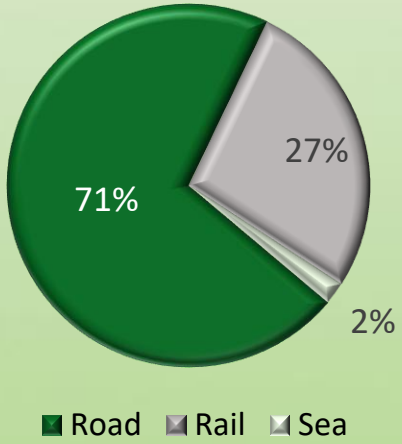
**40%**

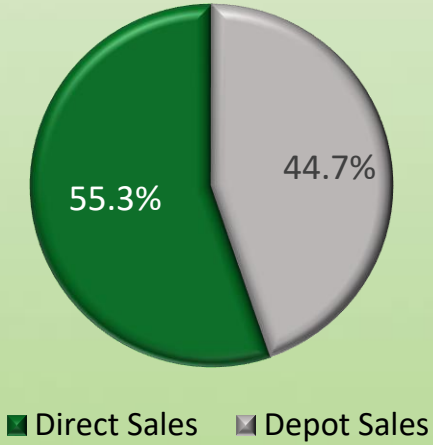
ROCE%

# Sales Performance Overview



02

ESG Update

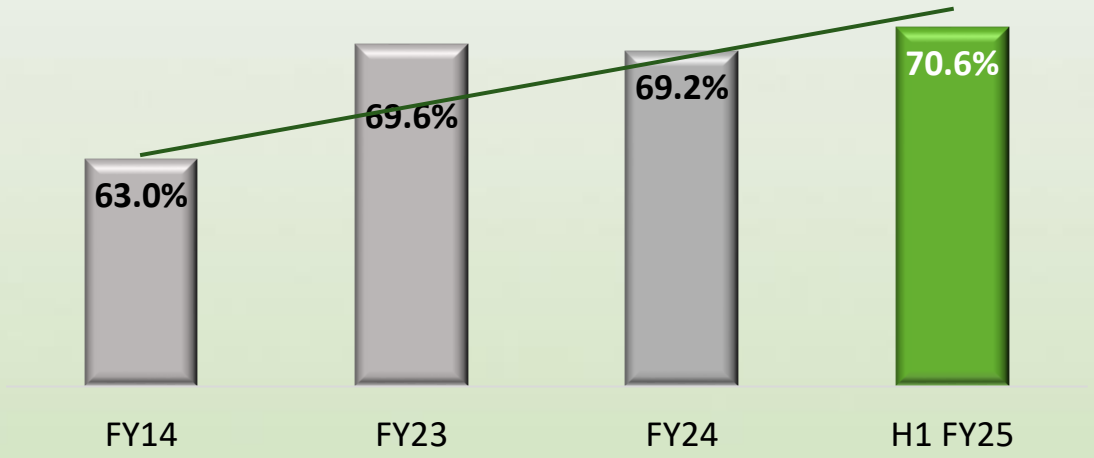
The Company runs 31 schools across plant locations, benefitting more than 18,000 students.

# ESG : Sustainability Highlights

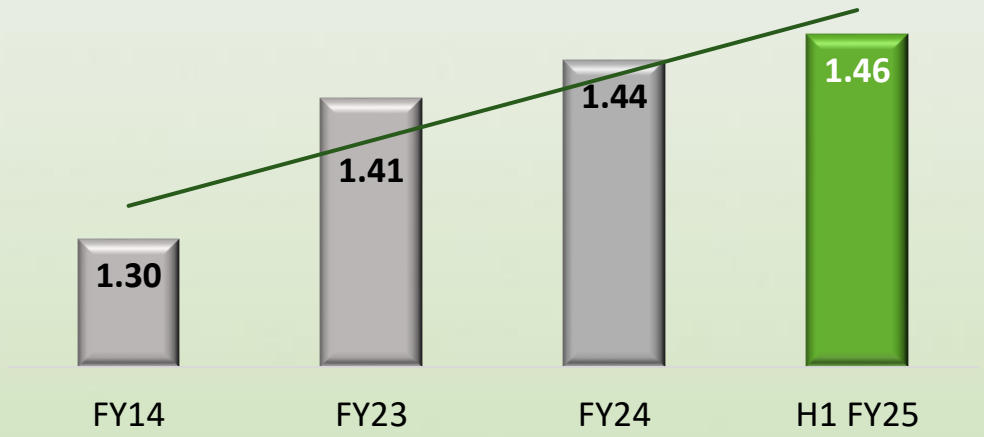
| | Climate and Energy | Circular Economy | Environment | Green Energy |
|---|---|---|---|---|
| ESG Metric | **Scope 1 Net $CO_2$ Emission** [kg $CO_2$/t cement] | **Alternative Raw Material and Fuel** [MnT] | **Water Positive** [Times] | **Green Power Mix** [% to total power] |
| H1FY25 Performance* | **550** -1.8% FY32 Target- 462 | **21.53** +20% | **5.5x** +21% | **30.6%** +38% FY30 Target- 85% |

**Unaudited numbers and green circles indicate % change on yoy basis*

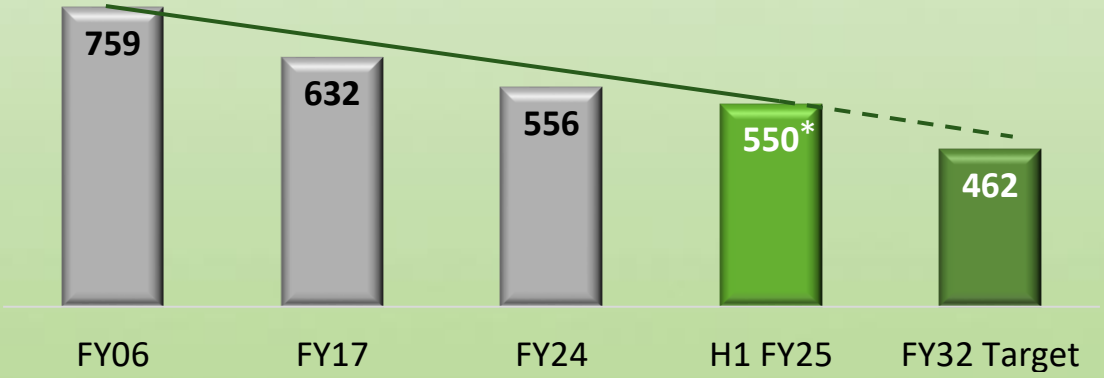
# ESG : Key trends




**Blended Cement Mix**



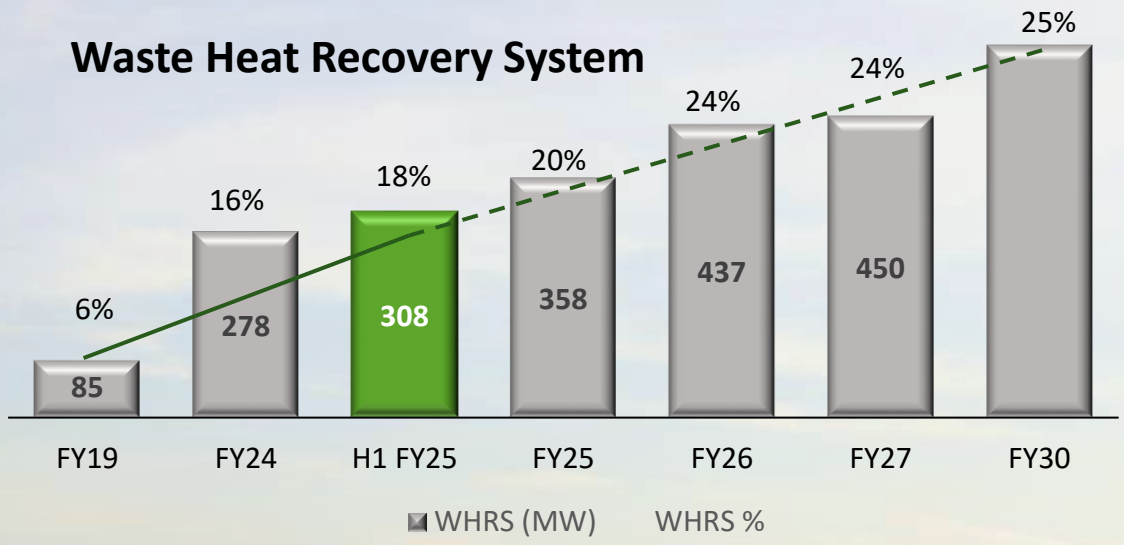

**Clinker to Cement Conversion Factor**

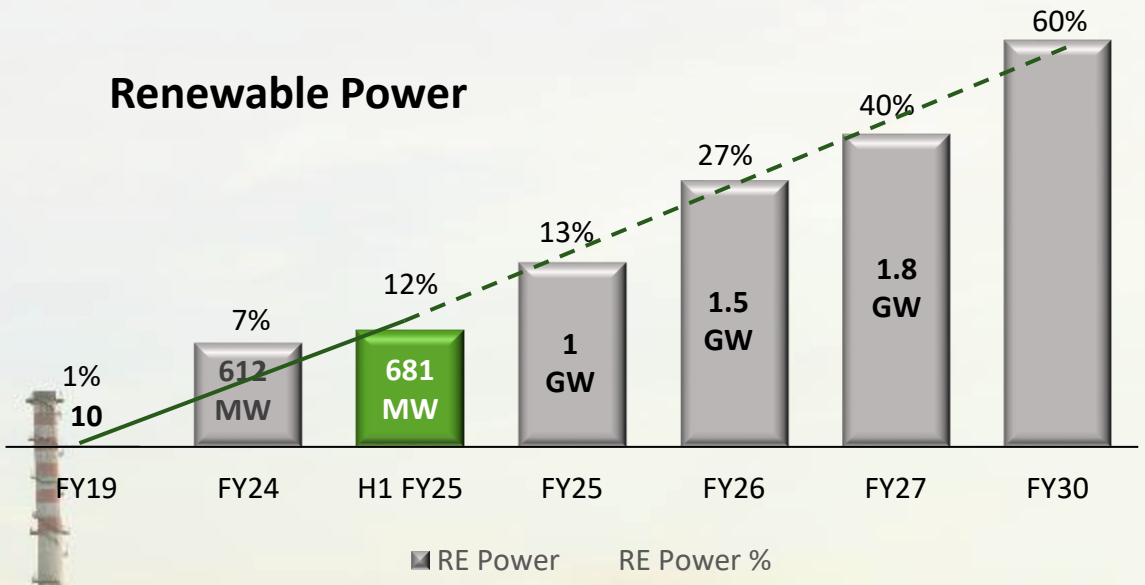



**Scope 1 Net $CO_2$ Emission [kg $CO_2$/t cement]**

**Unaudited*

# ESG : Green Power Roadmap



# ESG : UltraTech's Sustainability Goals

## Decarbonization

Net Zero emissions by 2050

## RE 100 initiative

85% green power in total mix by 2030 and
100% RE by 2050

## EP 100 initiative

UltraTech has doubled its energy productivity from base year of 2010, way ahead of its target year 2035

**Water Stewardship**

5 times water positive

**Biodiversity and Land use**

'No net loss' approach

**Circular Economy**

A sustainable solution towards urban, industrial and agricultural waste management

04
Financial Performance

# UltraTech raises USD 500 million through sustainability-linked financing

This financing signifies ongoing commitment to align our Company's funding strategy with its sustainability and ESG goals, with a fully hedged cost of financing at less than 7.25%.

# Sales Volume

Volume in Million tons

| Particulars | Q2 FY25 | Growth (YoY) | Growth (QoQ) |
|---|---|---|---|
| Grey Cement - Domestic | 25.75 | 3% | -15% |
| Cement Export | 0.22 | 37% | 29% |
| White Cement | 0.45 | 7% | 3% |
| Sales Volume - India | 26.42 | 3% | -15% |
| Overseas | 1.66 | 40% | 36% |
| Consolidated Sales Volume* | 27.84 | 4% | -13% |
| ReadyMix Concrete (321 plants) (Mn $M^3$) | 3.01 | 19% | -8% |

*After elimination of inter-company sales volume

# Revenues

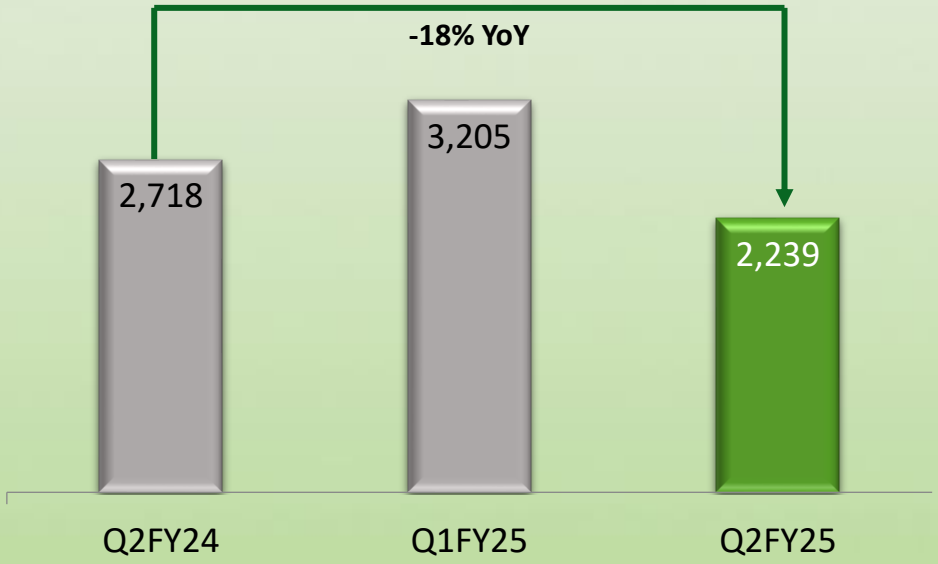
₹ Crores

| Particulars | Q2 FY25 | Growth (YoY) | Growth (QoQ) |
|---|---|---|---|
| Grey Cement - Domestic | 12,618 | -6% | -17% |
| White Cement | 525 | -10% | -10% |
| ReadyMix Concrete (RMC) | 1,397 | 20% | -6% |
| Overseas | 832 | 39% | 38% |
| Others | 332 | 6% | 3% |
| **Total Consolidated Revenues*** | **15,308** | **-3%** | **-14%** |

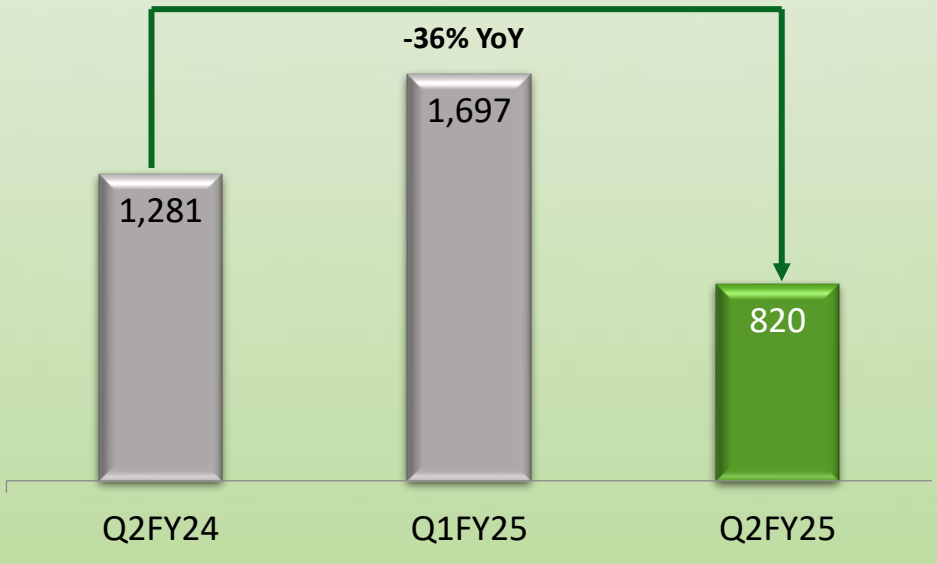
** After elimination of inter-company sales*

# Profitability

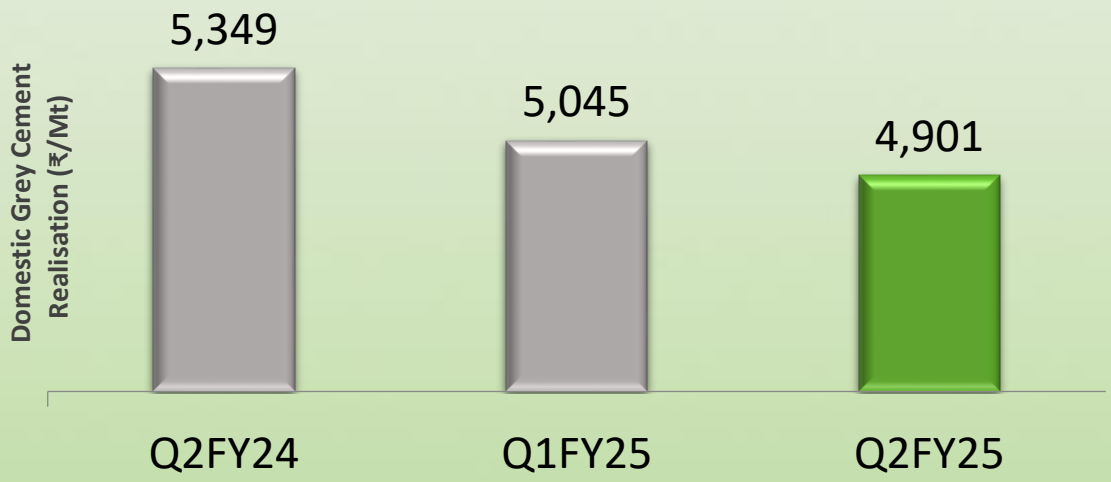
## EBITDA (₹ Crores)




## PAT (₹ Crores)



# Sales Realisation (Grey Cement)




**Realisation**

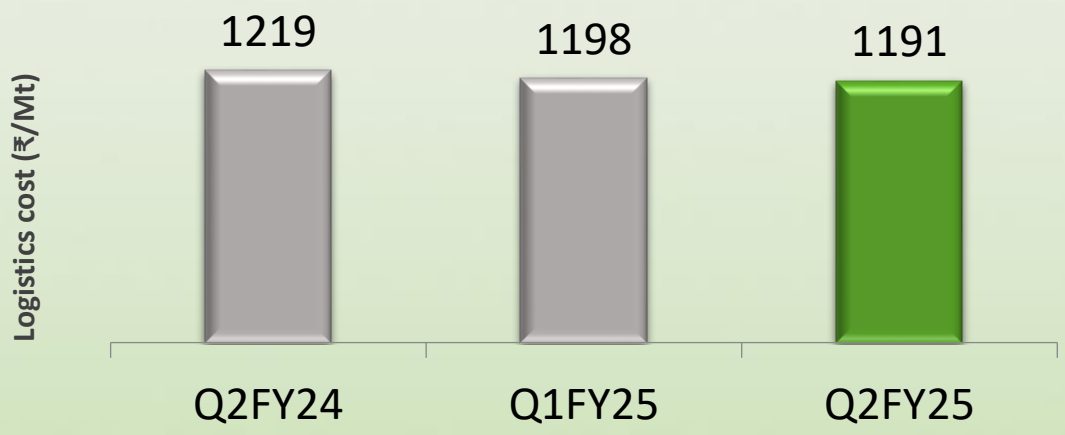
- Realisation declined 8.4% yoy and 2.9% qoq.

*Realisation = Selling Price less GST and Discount*

# Key Cost Indicators (Grey Cement): Q2 FY25

| | Logistics | Fuel | Power | Raw Materials |
|---|---|---|---|---|
| % to total costs | 29% | 22% | 10% | 15% |
| ₹ / Mt | 1,191 | 938 | 400 | 640 |
| | 2% decline yoy and 1% qoq | 17% decline yoy and 7% qoq | 7% decline yoy and 5% surge qoq | 1% surge yoy and 3% qoq |

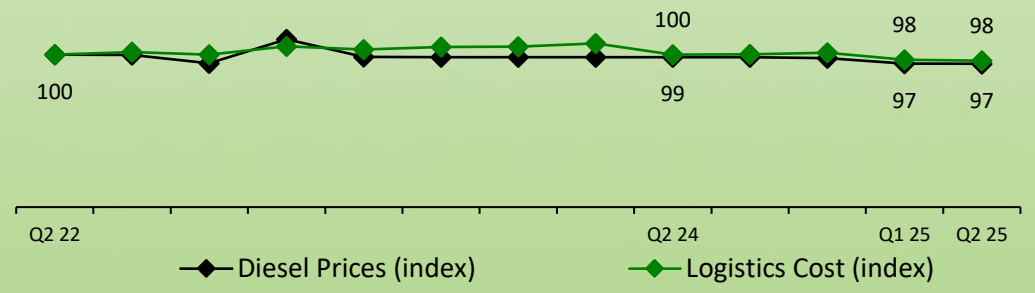
# Logistics Cost (Grey Cement)




**yoy costs decrease: 2%**

- Lead distance reduced to 388 kms in Q2FY25 vs 403 kms in Q2FY24
- Benefit on account of improved operating efficiencies and newer capacities in CY.

**Logistics cost v/s Diesel price index**



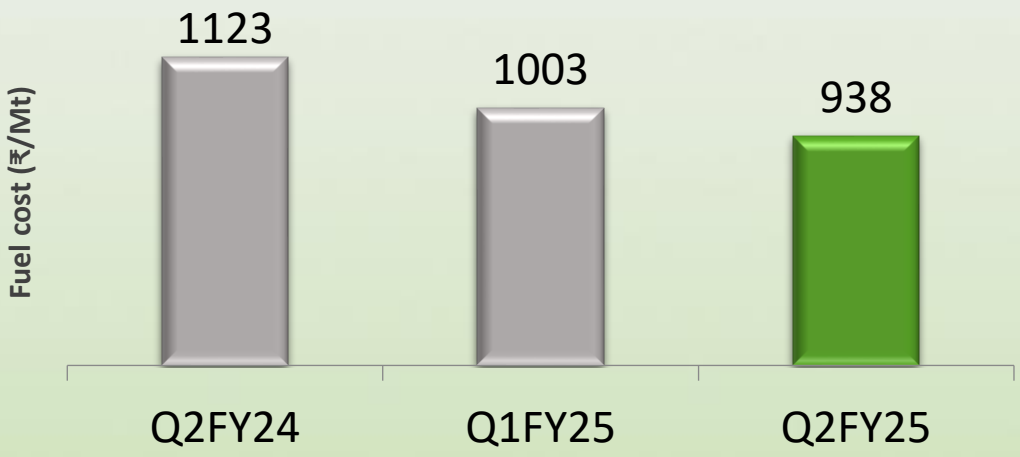

**qoq costs decrease: 1%**

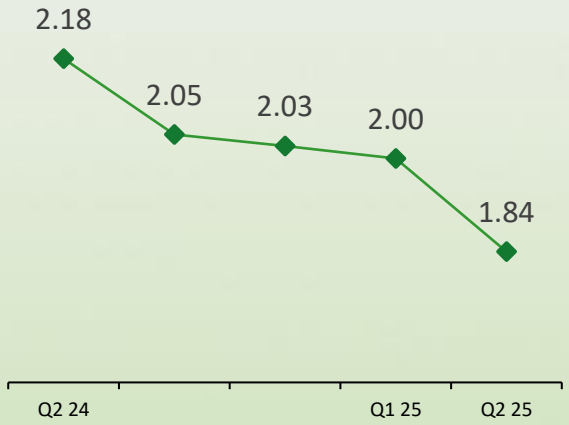
- Lead distance marginally increased from 385 kms in Q1FY25 to 388 kms in Q2FY25.
- Busy season surcharge during Jul to Sep and withdrawal of TEFD benefit from 1st April, 2024.



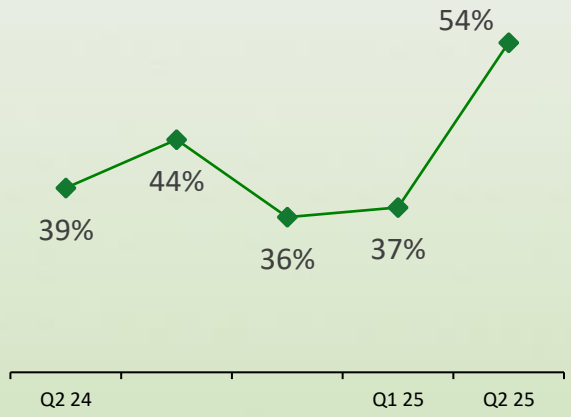
*TEFD : Traditional Empty Flow Direction*

# Fuel Cost (Grey Cement)




Fuel Rate : ₹ /Kcal *

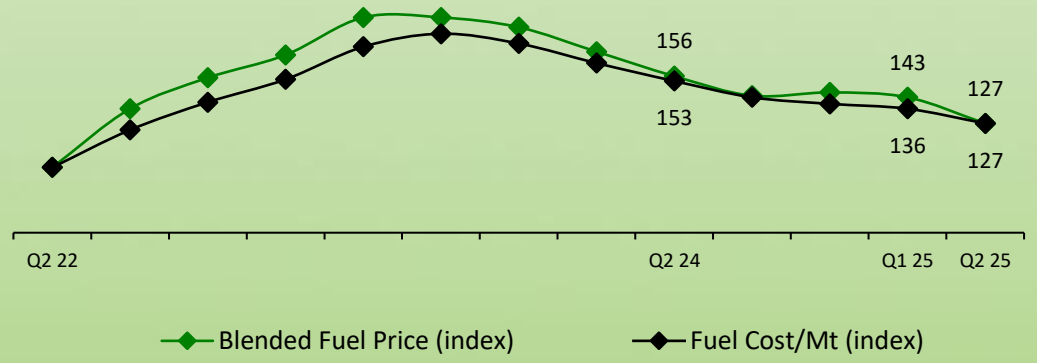



Petcoke Consumption Mix %

**qoq cost decrease: 7% and yoy cost decrease: 17%**

- Blended imported fuel consumption (CV: 7500) at $ 133/t; 10% lower qoq and 18% lower yoy.

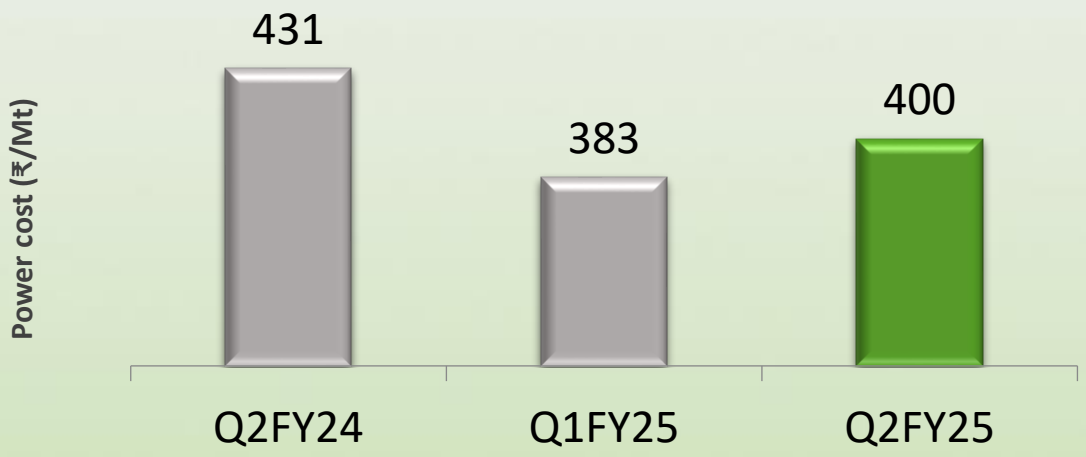
**Fuel Consumption Cost v/s Blended fuel price index**

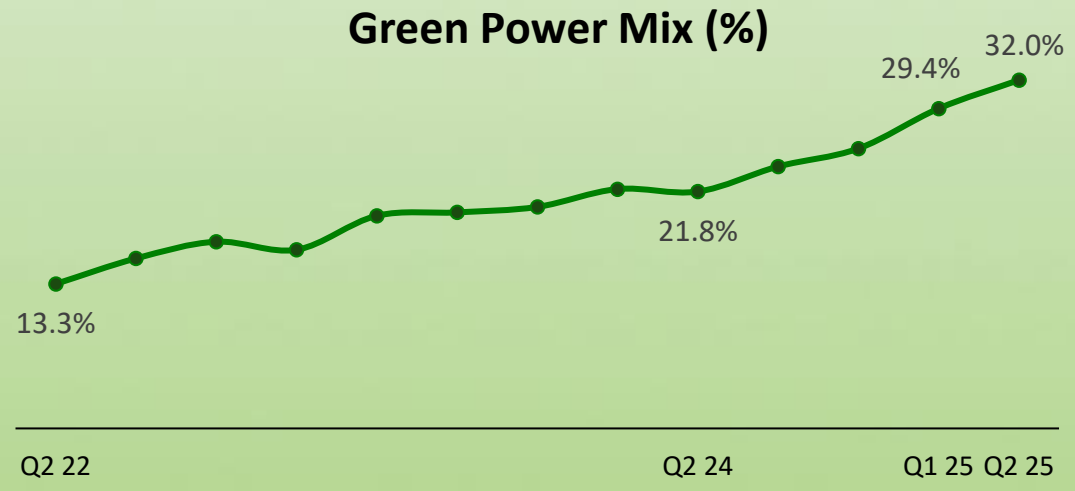





** Fuel Rate ₹/Kcal = Cost per Mt/Net CV (Net off moisture consumed at plant)*

# Power Cost (Grey Cement)



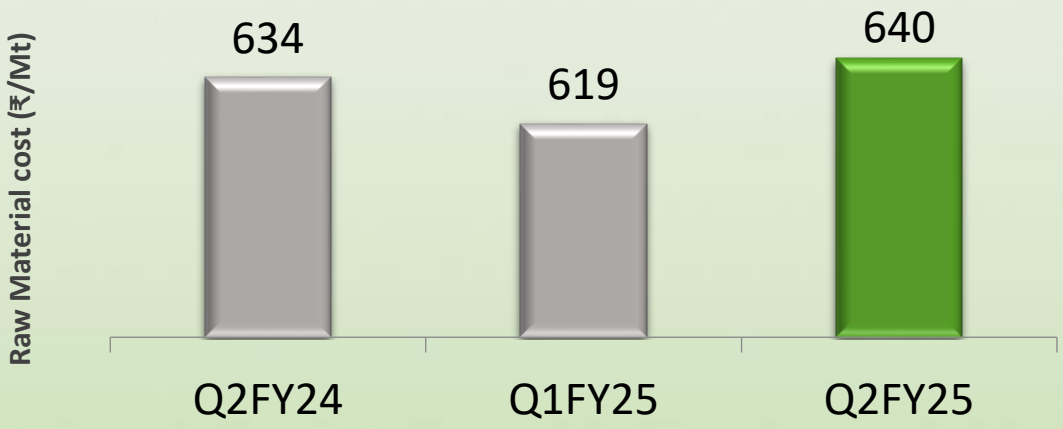

**yoy cost decrease: 7%**

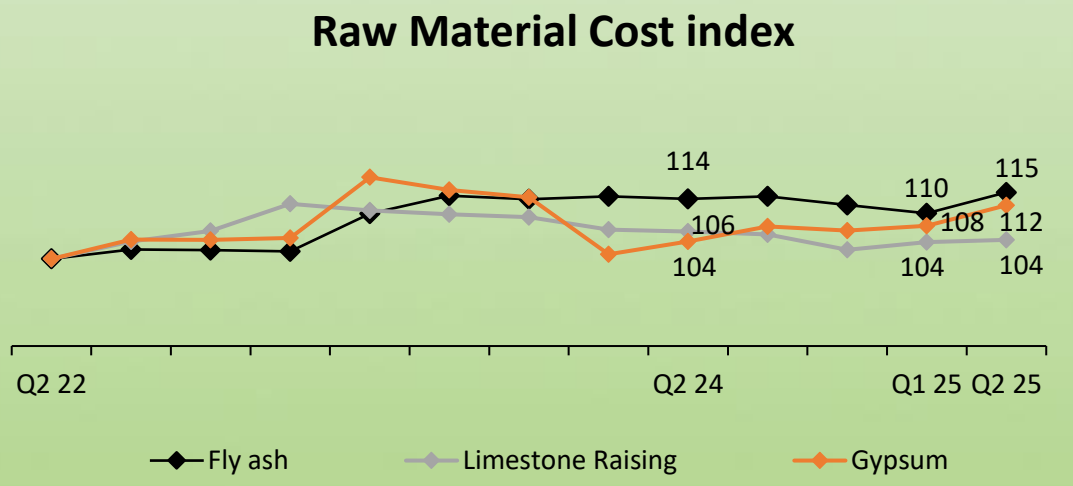
- Green Power Mix has increased to 32.0% vs 21.8% in Q2FY24.
- Efficiency improvement.

**qoq cost increase: 5%**

- Green Power Mix increased to 32.0% vs 29.4% in Q1FY25.
- Cost increase mainly on account of higher plant maintenance during the quarter.

# Raw Material Cost (Grey Cement)

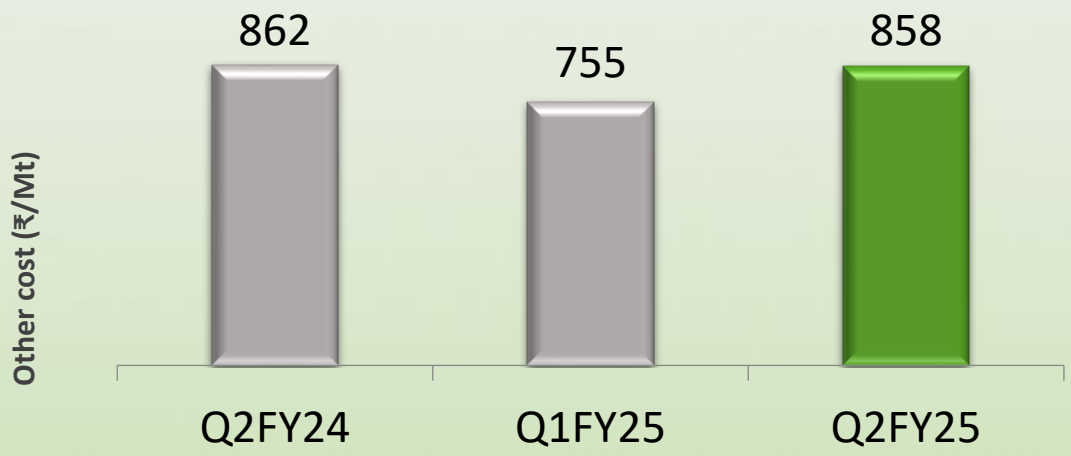


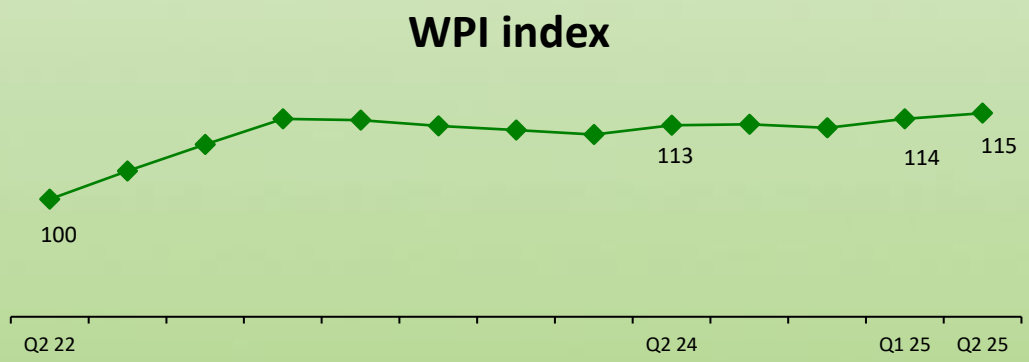




**qoq cost increase: 3% and yoy cost increase: 1%**

- Clinker conversion ratio at 1.46 vs 1.44 in Q2FY24

# Other Costs




**qoq cost increase: 14% and yoy flat**

- Higher plant maintenance
- Increase in employee cost due to annual increments
- Impact of operating leverage - qoq

# Operational Performance: Q2FY25

₹ Crores

| Q2FY24 | | | Particulars | Q2FY25 | | |
|---|---|---|---|---|---|---|
| Domestic | Overseas | Consolidated* | | Domestic | Overseas | Consolidated* |
| 15,195 | 600 | 15,735 | Net Sales | 14,575 | 832 | 15,308 |
| 281 | 1 | 277 | Operating Income | 331 | 2 | 326 |
| 158 | 2 | 167 | Other Income | 182 | 22 | 221 |
| **15,634** | **603** | **16,179** | **Total Income** | **15,087** | **856** | **15,855** |
| | | | **Expenses:** | | | |
| 2,187 | 237 | 2,348 | Raw Materials Consumed | 2,329 | 325 | 2,570 |
| 407 | 18 | 425 | Purchase of Traded Goods | 489 | 8 | 474 |
| (242) | (46) | (279) | Changes in Inventory | (157) | 29 | (127) |
| 778 | 34 | 812 | Employee Costs | 857 | 57 | 914 |
| 4,207 | 179 | 4,385 | Power and Fuel | 3,646 | 192 | 3,838 |
| 3,478 | 34 | 3,512 | Logistics Cost | 3,543 | 42 | 3,584 |
| 2,211 | 47 | 2,258 | Other Expenses | 2,266 | 94 | 2,365 |
| **13,025** | **502** | **13,461** | **Total Expenses** | **12,973** | **748** | **13,616** |
| **2,609** | **100** | **2,718** | **EBITDA** | **2,114** | **108** | **2,239** |
| **955** | **830** | **956** | **Operating EBITDA per ton** | **732** | **516** | **725** |

**After elimination of inter company transactions*

# Financial Statement: Q2FY25

*₹ Crores*

| Q2FY24 | | | Particulars | Q2FY25 | | |
|---|---|---|---|---|---|---|
| Domestic | Overseas | Consolidated* | | Domestic | Overseas | Consolidated* |
| 15,195 | 600 | 15,735 | Net Sales | 14,575 | 832 | 15,308 |
| **2,609** | **100** | **2,718** | **EBITDA** | **2,114** | **108** | **2,239** |
| 211 | 25 | 234 | Finance Costs | 282 | 35 | 317 |
| 768 | 30 | 798 | Depreciation and Amortization | 850 | 54 | 904 |
| 410 | -3 | 409 | Tax expenses | 185 | 2 | 191 |
| - | 3 | 3 | Share of Profit from JVs & Associates | - | - | (1) |
| - | - | (1) | Minority interest | - | 9 | 5 |
| **1,221** | **53** | **1,281** | **PAT** | **797** | **8** | **820** |
| | | **198** | **EPS (₹) (basis trailing 12 months)** | | | **227** |

**After elimination of inter company transactions*

# Financial Position

*₹ Crores*

| Consolidated | | Particulars | Domestic | |
|---|---|---|---|---|
| Mar-24 | Sep-24 | | Mar-24 | Sep-24 |
| 71,284 | 76,132 | Net Fixed Assets^ | 68,458 | 71,262 |
| 1,231 | 3,217 | Non-Current Investments | 2,221 | 4,866 |
| (3,010) | (1037) | Net Working Capital | (4,588) | (1,915) |
| **69,506** | **78,313** | **Total Assets** | **66,091** | **74,213** |
| 60,283 | 62,770 | Shareholders Fund (Incl. Minority Interest) | 59,095 | 60,215 |
| 10,298 | 15,922 | Gross Debt | 8,087 | 13,570 |
| 7,519 | 7,130 | Less: Treasury Surplus | 7,516 | 6,261 |
| **2,779** | **8,792** | **Net Debt** | **571** | **7,309** |
| 6,443 | 6,751 | Deferred Tax Liability | 6,425 | 6,689 |
| **69,506** | **78,313** | **Total Equity and Liabilities** | **66,091** | **74,213** |

*^Includes goodwill and asset held for sale*

# Cash Flow Statement: H1 FY25

*₹ Crores*

| Particulars | H1FY25 |
|---|---|
| **EBITDA** | **5,444** |
| Less : Interest & lease payments | (571) |
| Less : Tax paid | (484) |
| Less : Increase in working capital | (2,531) |
| **Operating Cash Flow** | **1,858** |
| Less : Capex spend | (4,486) |
| **Free Cash Flow to Firm (Before Strategic Investment)** | **(2,628)** |

# Driving excellence in Mining

## Twelve of UltraTech's Limestone Mines have been rated 5 Star by Indian Bureau of Mines in 2024

| Unit |
|---|
| Aditya Cement Works |
| Andhra Pradesh Cement Works |
| Awarpur Cement Works |
| Baga Cement Works |
| Dhar Cement Works |
| Gujarat Cement Works |
| Hirmi Cement Works |
| Narmada-Jafrabad Cement Works |
| Maihar Cement Works |
| Manikgarh Cement Works |
| Rajashree Cement Works |
| Sewagram Cement Works |

The Star ratings are based on adoption of best practices for exhaustive and universal implementation of Sustainable Development Framework in mining. A five-star rating, highest in the rating scheme, is given to mines which performed best on parameters such as scientific and efficient mining, compliance of approved production, zero waste mining, environment protection, steps taken for progressive and final mine closure, green energy sourcing, adoption of international standards, local communities engagement and welfare programmes, resettlement and other social impacts.

# Leading the way in Sustainability

**UltraTech ranked No.1 in sustainability in Cement & Building Materials sector in India**

At the 4th edition of Business World's India's Most Sustainable Companies 2024 (IMSC 2024), UltraTech topped in the Cement & Building materials sector (4th consecutive time) and 17th out of 200 companies in India.

Holistic approach followed across its value chain:

- Integrated low carbon strategy into its business conduct
- Scaling up the investments in development of environment friendly products
- Increasing the share of renewable energy, increasing green cover to nurture biodiversity
- Scaling up the use of industrial and municipal waste in its manufacturing operations to drive circularity

**UltraTech ranks among Asia-Pacific Climate Leaders 2024**

The Financial Times and Statista recently unveiled the 3rd edition of their prestigious Asia-Pacific Climate Leaders 2024 list, recognising companies that are making significant strides in environmental sustainability.

India has made a strong showing with 36 companies featured on the list, UltraTech is one of them. This acknowledgment underscores UltraTech's ongoing efforts to integrate sustainable practices within its operations and contribute positively to the environment.

# Branding Excellence

## UltraTech wins 'MarTech brand of the year' at ET MarTech Awards 2024

At the second edition of ET MarTech Awards 2024 hosted by ETBrand Equity, there were a total of 76 winners across 37 segments and categories. UltraTech Cement Limited won 'MarTech brand of the year'. Birla White bagged a medal in the use of customer experience platform/tool category.
ET MarTech Awards felicitated and commended the work of brands, agencies and solution providers in the Marketing Technology space.

## UltraTech wins two trophies at the Indian Digital Marketing Awards 2024

UltraTech struck gold at exchange4media's 15th Indian Digital Marketing Awards 2024. It secured two awards at the event - a Gold Trophy for Best Multi Mobile Channel Campaign and a Bronze for Best Digital Innovation for its groundbreaking campaign, "Ghar Ek, Mauka Ek".

The campaign, "Ghar Ek, Mauka Ek," touches upon the emotions that go into the creation of a home and elucidated through various anecdotes on how one wrong decision can have disastrous consequences on an otherwise perfect home.

# 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**

Regd. Office: Ahura Centre, Mahakali Caves Road, Andheri (E), Mumbai – 400 093

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www.ultratechcement.com or www.adityabirla.com

investorrelations.utcl@adityabirla.com