UltraTech Cement Limited

Taking concrete actions for a sustainable future

Results Q3 FY24

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

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01

Macro and Sectoral Update

Hirmi Cement Works, Chhattisgarh revived a community pond located in the proximity of the Unit.

Macro Indicators

Overall GDP growth expected at 7.3% for FY24 supported by a surge in non-agriculture sectors.

For April-November 2023, IIP growth stood at 6.4 % as against 5.6 % in the first eight months of FY23.

CPI increased to 5.7% yoy in December v/s 5.6% yoy in November. The anticipated inflation stands at ~5% for Q4FY24 v/s average ~5.5% in YTD Dec-23.

Pre-election spending and thrust on infrastructure to remain key demand drivers in fiscal 2024.

Sectoral Update : Q3 FY24

Zone	Volume Gr	I	C	H	R	Key drivers
North	↑	●	●	●	●	✓ Housing segment registered de-growth in rural and urban owing to NGT ban, delayed kharif harvesting in Punjab, Haryana and Uttar Pradesh. Labour shortage on account of state elections impacted construction activities in Rajasthan. Himachal Pradesh registered growth. ✓ Commercial segment grew across the regions. ✓ Infrastructure segment growth momentum continued on account of road projects Delhi-Amritsar-Katra, Delhi Urban Extension Road, Jodhpur Road Project, Delhi Metro, Indore Metro, Jewar Airport, Delhi Meerut RRTS.
Central	↑	●	●	●	●	✓ Infrastructure segment growth momentum continued on account of Gorakhpur Link Expressway, Kanpur Lucknow Expressway, Kanpur Metro, Ganga Expressway. Elections in Madhya Pradesh ✓ Housing and Commercial segment grew across the regions.
East	↑	●	●	●	●	✓ Housing segment registered growth across the regions except Bihar. ✓ Infrastructure and Commercial segment demand adversely impacted due to festivities, shortage of aggregates and sand. ✓ Rural demand fueled by release of pending arrears of last 2 years of harvest payment.
West	↑	●	●	●	●	✓ **Maharashtra:** Infrastructure segment demand supported by ongoing projects: Mumbai Metro, Mumbai Goa Expressway, new phase of Pune Metro. ✓ Commercial and Housing segment grew across all regions except Vidarbha. ✓ **Gujarat:** Housing and Commercial segment grew in rural and urban segments. ✓ Infrastructure segment growth relatively slower owing to following projects, viz. Ahmedabad Mumbai High-Speed Railway, Deesa Airport, Rajkot Airport nearing completion.
South	↑	●	●	●	●	✓ Infrastructure segment demand supported by ongoing projects : Bangalore-Chennai Expressway, Ernakulam Road Project, Railway Bridge Road, Wadi. ✓ Commercial segment growth sustained by industrial and commercial activities across regions.

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

02 ESG Update

4.55x
Water Positive

29.3 MnT*
Alternative Raw Material and Fuel

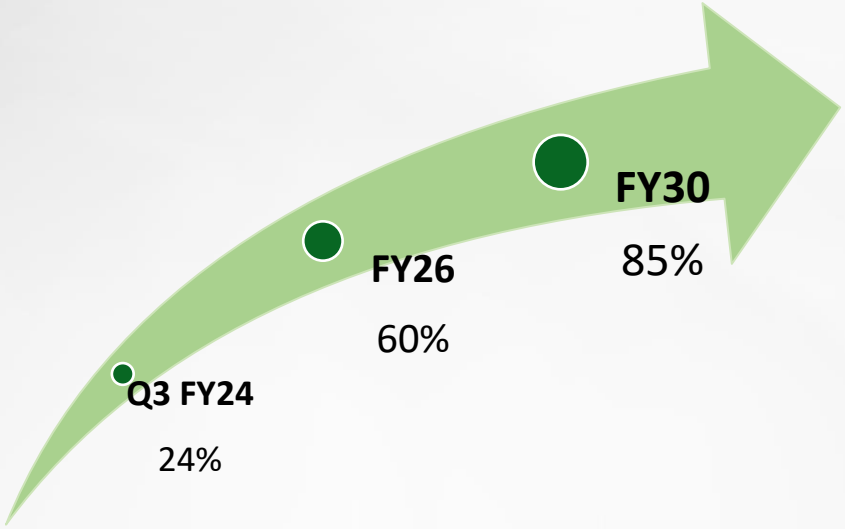
24%
Green Power Mix

Co2
Emission

560
[kg CO_2/t cement]

* For FY23

Holistic Decarbonization Commitment



UltraTech will use 85% green power by 2030

Our Company also targets to meet 100% of its electricity requirement through renewable sources by 2050, as part of its RE100 commitment.
As a member of EP100, our Company is committed to double its energy productivity.

% Green Energy Mix

Sustainability across the value chain

Driving in the lane of green mobility, UltraTech has successfully piloted electric trucks for clinker transportation from Dhar Cement Works, Madhya Pradesh.

Demonstrates our focused efforts to drive sustainability across the value chain of operations.

CSR update

Reddipalayam Cement Works, Tamil Nadu

Empowering the local communities by educating the girl child

Our integrated manufacturing unit Reddipalayam Cement Works helped better academic performance and increasing rural girl education through holistic intervention.

Baga Cement Works enables women's livelihoods through micro enterprises

The women were trained to become self-reliant in conducting businesses, helping them set up microenterprises based on locally available resources and community requirement.

Baga Cement Works, Himachal Pradesh

Maihar Cement Works, Madhya Pradesh

Maihar Cement Works enabling water security in nearby communities

Built a check dam on the river Tamas in Madhya Pradesh improving the lives of over 25,000 villagers.

03 Business Performance Update

UltraTech remains the largest supplier of cement to the Regional Rapid Transit System (RRTS) under construction linking Delhi to Ghaziabad and Meerut

Highlights : Q3

- Domestic sales volume grew **5%** yoy with capacity utilization of 77%.
- Operating EBITDA/Mt of ₹ 1208 for India Operations, an improvement of **34%** yoy and **27%** qoq.
- Achieved **highest ever** Profit after tax of Rs 1,777 Crs, improved 68% yoy and 39% qoq.
- Entry in **Jharkhand** with acquisition of 0.54 mtpa grinding capacity from Burnpur Cement Limited.
- Green Power Mix of **24.1%**, an improvement of 21% yoy, includes WHRS power mix 16.1% and RE Power Mix 7.9%.
- Rural sales at 64% of trade - grew at **5%** for the quarter.
- UBS outlets increased to **3,609** - contributing to 26% of trade sales volume.

Sales Volume

Volume in Million tons

Particulars	Q3 FY24	Growth (YoY)	Growth (QoQ)
Grey Cement - Domestic	25.44	5%	1%
Cement Export & Clinker Sales	0.14	30%	-12%
White Cement	0.48	18%	14%
Sales Volume – India	**26.06**	**5%**	**2%**
Grey Cement – Overseas	1.38	20%	17%
Consolidated Sales Volume*	**27.32**	**6%**	**2%**

** After elimination of inter company sales volume*

Revenues

₹ Crores

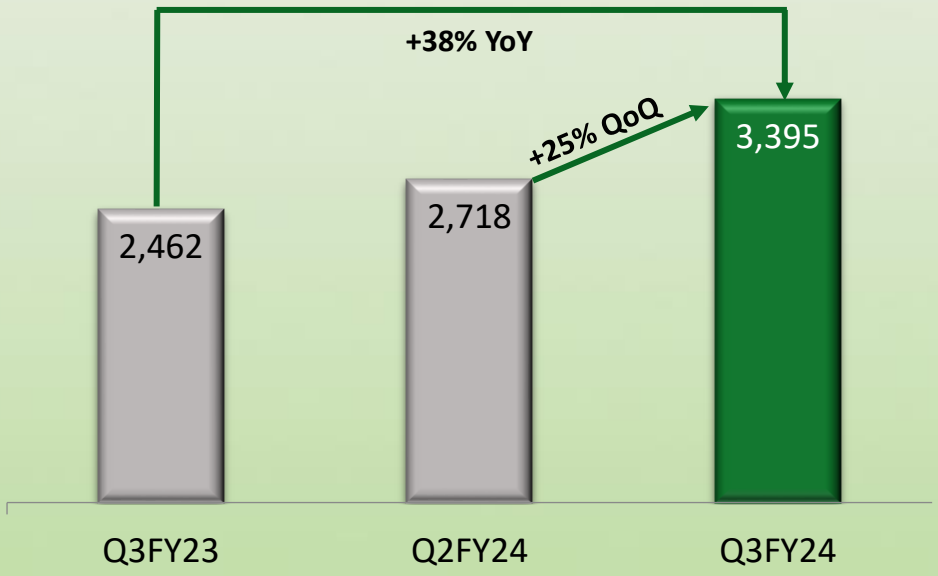
Particulars	Q3 FY24	Growth (YoY)	Growth (QoQ)
Grey Cement - Domestic	13,989	7%	4%
White Cement	648	13%	11%
ReadyMix Concrete (RMC)	1,293	29%	11%
Others	284	-20%	-10%
Grey Cement – Overseas	655	14%	9%
Total Consolidated Revenues*	**16,487**	**8%**	**5%**

RMC volume grew 28% yoy with 270 plants

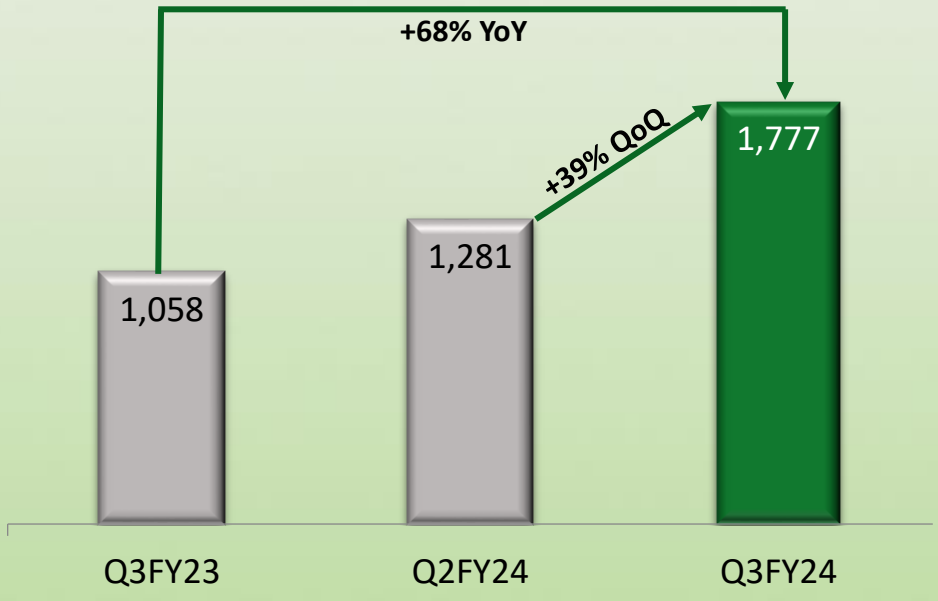
** After elimination of inter company sales*

Profitability

EBITDA (₹ Crores)

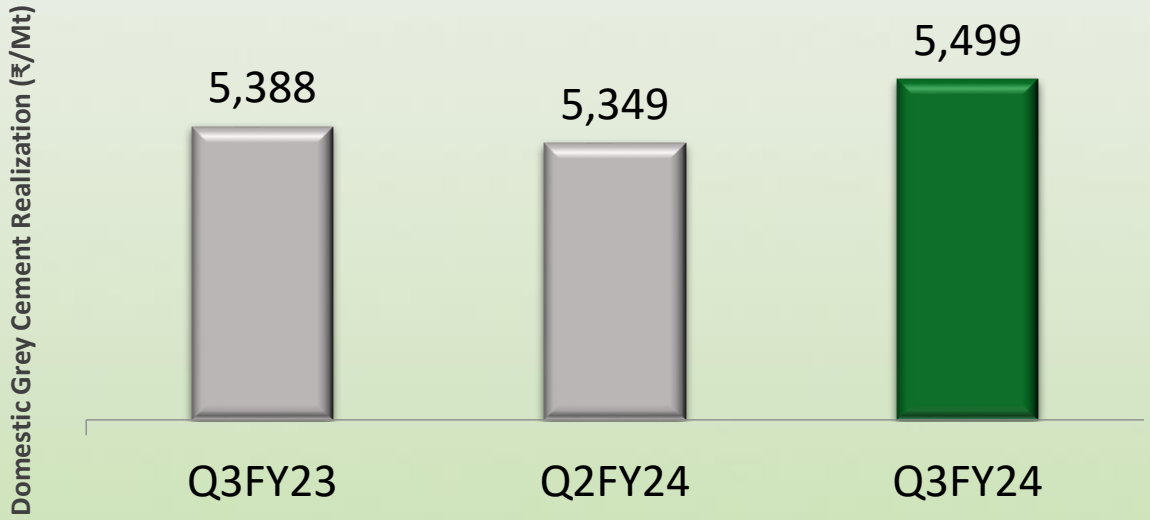


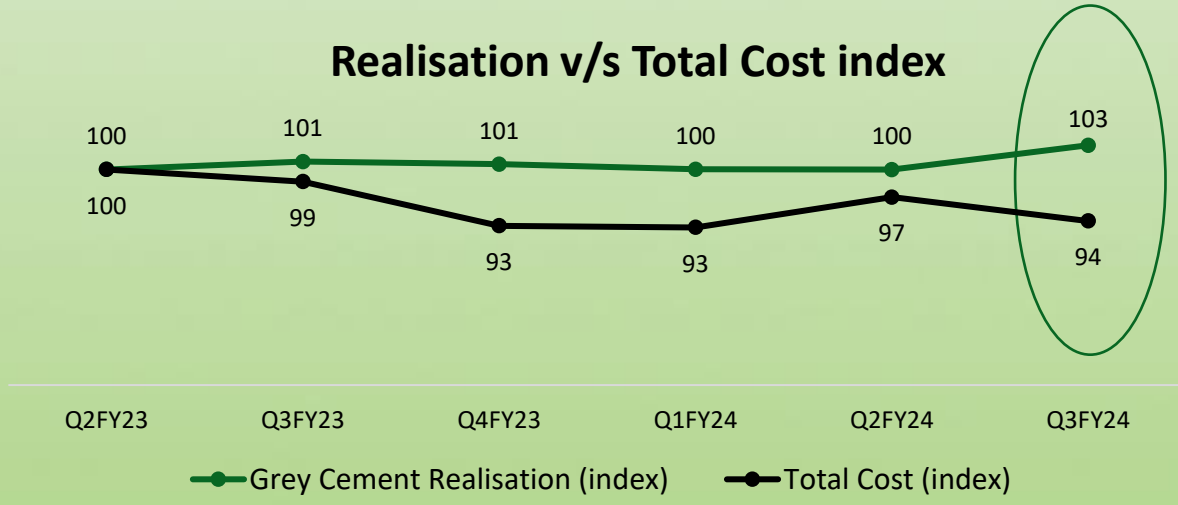
Profit after tax (₹ Crores)



Highest ever quarterly PAT

Sales Realisation (Grey Cement)





Realisation

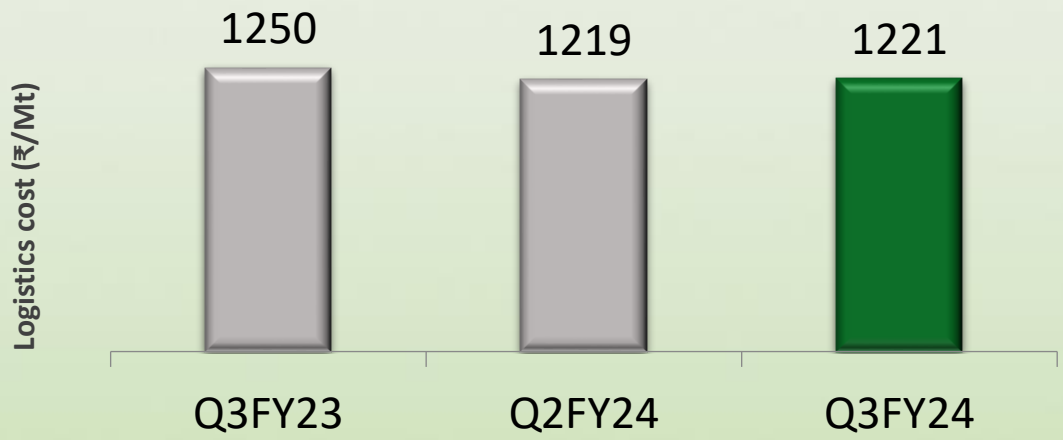
- Realization improved by 2.1% and 2.8% yoy and qoq.
- Visible margins improvement.

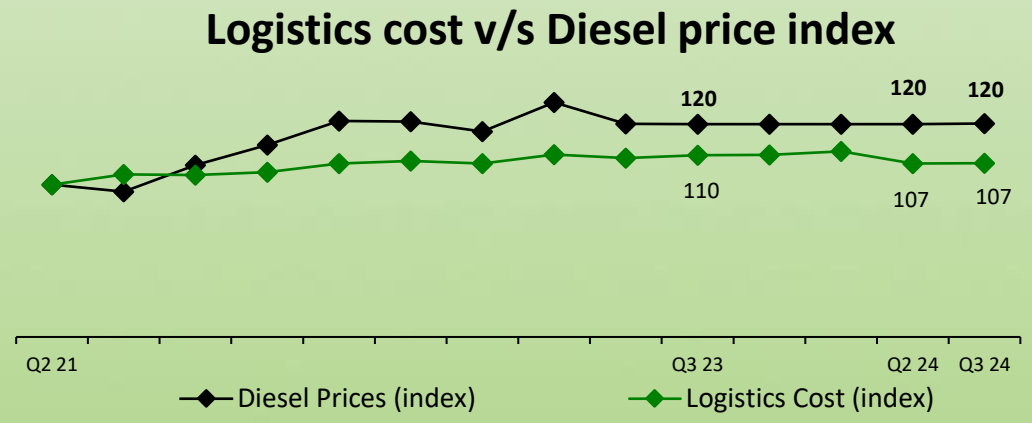
Realisation = Selling Price less GST and Discount

Key Cost Indicators (Grey Cement): Q3 FY24

	Logistics Cost	Energy Cost	Raw Material Cost
% to total costs	29%	33%	15%
₹ / Mt	1,221	1,477	631
	Decreased 2% yoy and qoq Flat	Decreased 16% yoy and 5% qoq	Increased 3% yoy and qoq: Flat

Logistics Cost (Grey Cement)





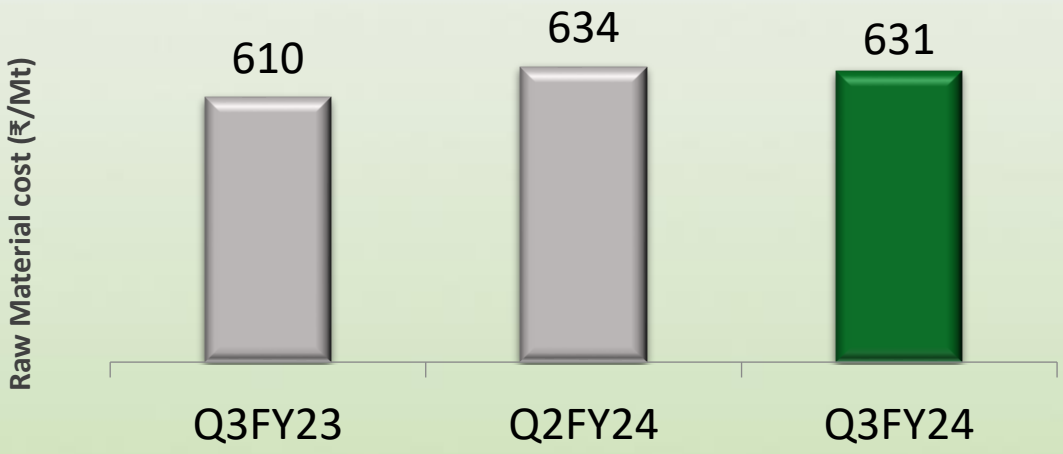
yoy costs decrease: 2%

- Lead reduced to 397 kms in Q3 FY24 vs. 413 kms in Q3 FY23.

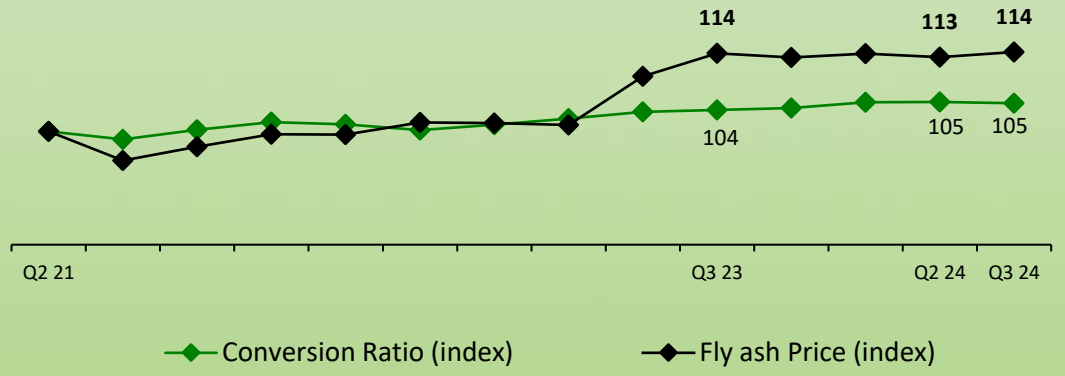
qoq cost flat

- Lead reduced to 397 kms in Q3 FY24 from 403 kms in Q2 FY24.
- Benefit of lead optimization and operating efficiencies absorbed busy season surcharge on rail freight.

Raw Material Cost (Grey Cement)



Conversion Ratio and Fly ash Price index



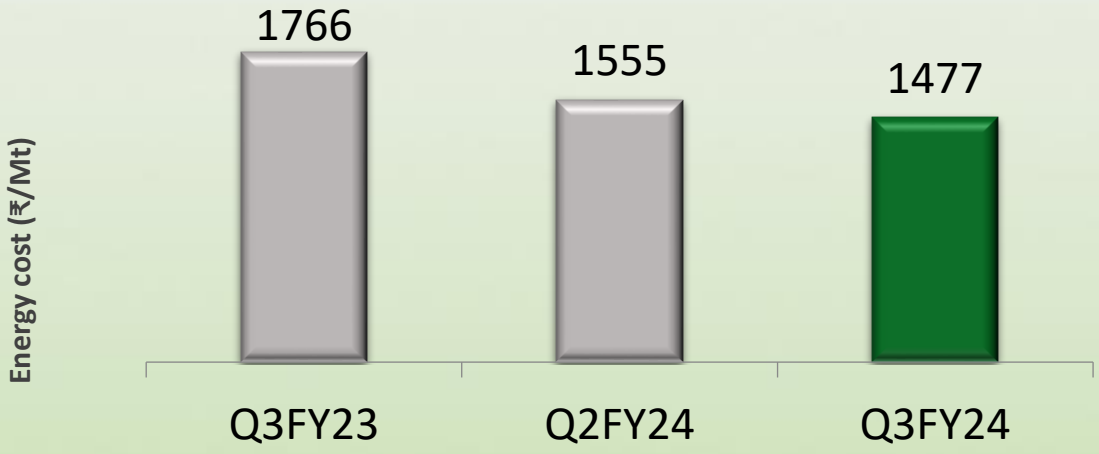
yoy cost increase: 3%

- Increase in cost of raw materials: gypsum and slag.
- Clinker conversion ratio at 1.42.

qoq cost flat

- Increase in cost of raw materials: gypsum and slag.

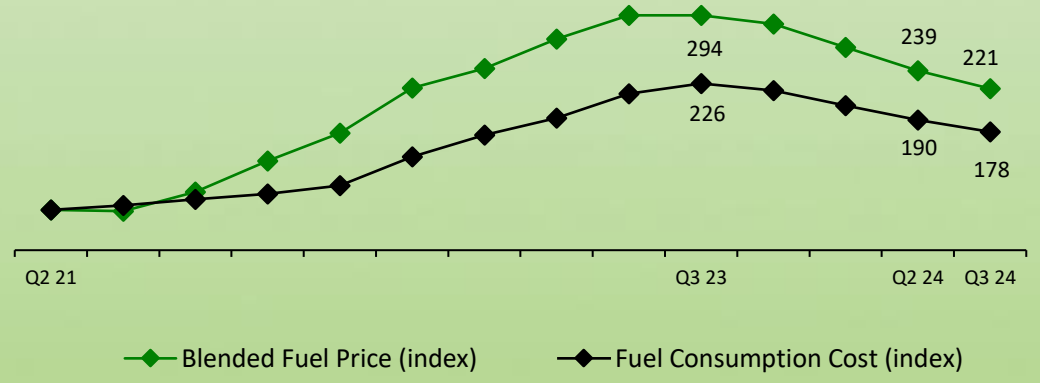
Energy Cost (Grey Cement)



yoy cost decrease: 16%

- Blended fuel consumption (CV: 7500) at ~USD 150/t compared to ~USD 200/t in Q3 FY23.
- Pet coke consumption at 44% vs 43% in Q3 FY23.

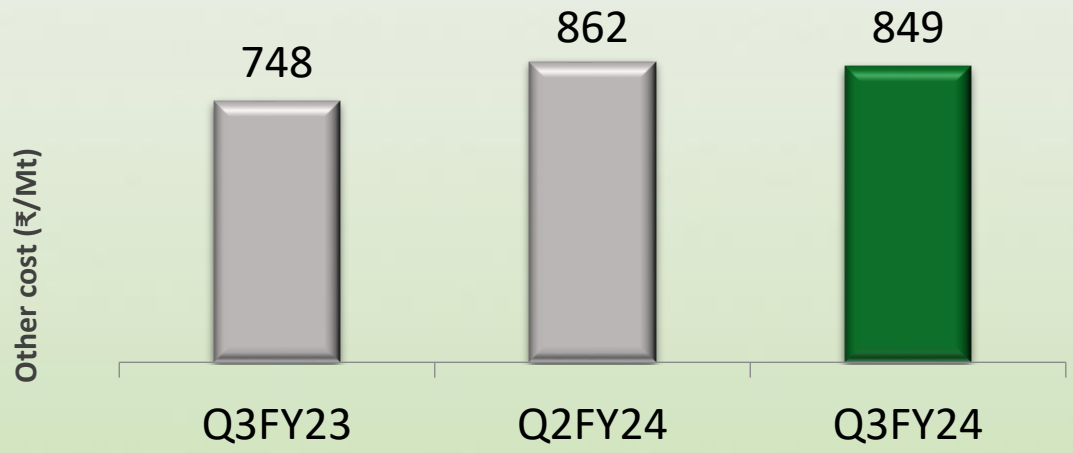
Fuel Consumption Cost v/s Blended fuel price index

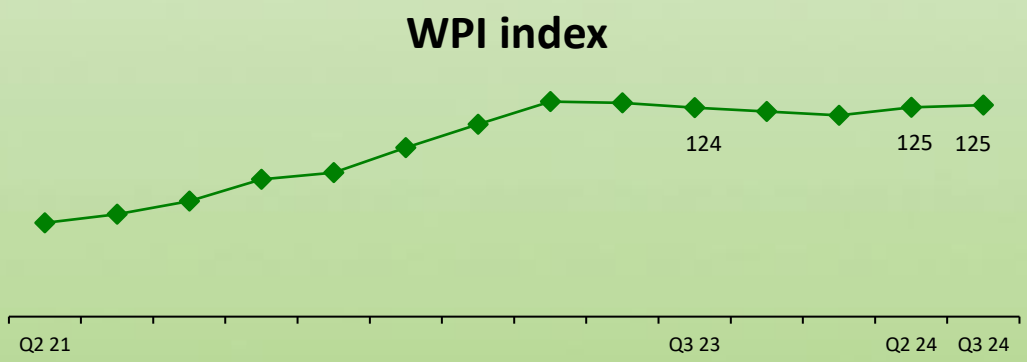


yoy cost decrease: 5%

- Blended fuel consumption (CV: 7500) of ~USD 150/t compared to USD 162/t in Q2 FY24.
- Pet coke consumption at 44% vs 39% in Q2FY24.

Other Costs





yoy cost increase : 14%

- Increase in plant maintenance cost.

qoq cost decrease: 1%

- Benefit of Operating Leverage and one time cost in Q2 FY24.

Operational Performance

₹ Crores

Consolidated		Particulars	India Operations	
Q3 FY24	Q3 FY23		Q3 FY24	Q3 FY23
16,487	15,299	Net Sales ^	15,882	14,755
253	222	Operating Income	252	234
140	127	Other Income	140	95
16,880	**15,648**	**Total Income**	**16,274**	**15,085**
		Expenses:		
2,506	2,263	Raw Materials Consumed	2,297	2,220
378	381	Purchase of Traded Goods	406	287
(228)	(400)	Changes in Inventory	(252)	(378)
769	694	Employee Costs	737	664
4,178	4,873	Power and Fuel	4,003	4,655
3,621	3,479	Logistics Cost	3,581	3,444
2,262	1,895	Other Expenses	2,214	1,853
13,485	**13,185**	**Total Expenses**	**12,986**	**12,745**
3,395	**2,462**	**EBITDA**	**3,288**	**2,340**
1,191	**903**	**Operating EBITDA per ton**	**1,208**	**900**

^After elimination of inter company sales

Financial Statement

₹ Crores

Consolidated		Particulars	India Operations	
Q3 FY24	Q3 FY23		Q3 FY24	Q3 FY23
16,487	15,299	Net Sales ^	15,882	14,755
3,395	**2,462**	**EBITDA**	**3,288**	**2,340**
262	215	Finance Costs	237	194
783	723	Depreciation and Amortization	754	694
580	465	Tax expenses*	586	462
(2)	4	Minority interest	-	-
1,777	**1,058**	**PAT***	**1,711**	**990**
223	**169**	**EPS (₹) (basis trailing 12 months)**	**218**	**165**

* The Company has opted for new tax regime from the financial year 2023-24

. *^After elimination of inter company sales*

Operational Performance : Overseas

Amount in Mn AED | *Amount in Mn SLR*

Middle East		Particulars	Lanka	
Q3FY24	Q3FY23		Q3FY24	Q3FY23
240	207	Net Sales	4,361	5,574
0.3	1	Operating Income	23	55
0.1	1	Other Income	45	308
240	**208**	**Total Income**	**4,428**	**5,937**
64	38	Purchase/Consumption of Raw Material	3,531	4,161
2	(10)	Changes in Inventory	832	(11)
13	13	Employee Costs	69	88
77	98	Power and Fuel	15	12
17	15	Logistics Cost	71	52
18	16	Other Expenses	241	322
191	**171**	**Total Expenses**	**4,760**	**4,625**
50	**37**	**EBITDA**	**(332)**	**1,312**
27	**21**	**PAT**	**(419)**	**985**

66% increase in cess on cement imports in Sri Lanka impacted performance

Financial Position

₹ Crores

Consolidated		Particulars	India Operations	
31.12.2023	31.03.2023		31.12.2023	31.03.2023
69,635	64,987	Net Fixed Assets^	66,799	62,121
1,139	1,017	Investment in Subs/Associates/JVs	3,297	3,187
(829)	(2,669)	Net Working Capital	(2,397)	(3,987)
69,946	**63,335**	**Total Assets**	**67,698**	**61,321**
58,033	54,380	Shareholders Fund (Incl. Minority Interest)	56,844	53,369
10,583	9,901	Gross Debt	9,418	8,750
5,042	7,199	Less: Treasury Surplus	4,991	7,093
5,541	**2,702**	**Net Debt**	**4,427**	**1,658**
6,371	6,254	Deferred Tax Liability	6,427	6,295
69,946	**63,335**	**Total Equity and Liabilities**	**67,698**	**61,321**

^Includes goodwill and asset held for sale

Cash Flow Statement

₹ Crores

Particulars	For 9 months ended Dec-23
EBITDA	**9,336**
Less : Interest & lease payments	(674)
Less : Tax paid	(1,396)
Less : Increase in working capital	(1,971)
Operating Cash Flow	**5,296**
Less : Capex spend	(6,922)
Free Cash Flow	**(1,627)**

Awards and Accolades

UltraTech has been honoured with 'India's Top Value Creators 2023' in cement category by Dun & Bradstreet.

Newsweek magazine and Statista recognized UltraTech as one of the most trusted Building Materials company globally.

Our Company's integrated unit Reddipalayam Cement Works recognized with the Best Performing Wind Farms for the year 2022-23.

Birla White's CSR efforts wins the Golden Peacock CSR Award.

UltraTech bags 5 trophies at e4m Maddies 2023.

UltraTech has been honoured by Confederation of Indian Industries (CII) for successfully implementing 'SAP Advanced Financial Closing (SAP-AFC).

04

Growth Plans

UltraTech is the largest supplier of cement for the Rajkot International Airport, Gujarat.

UltraTech: Expansion status update

Location	Unit	Project	Cement Capacity (Mtpa)	Expected Timeline
Capacity as at Dec-23			**133.0**	
Bangalore, Karnataka	BT	B	1.0	Commissioned
Roorkee, Uttar Pradesh	GU	B	1.0	Q4 FY24
Kotputli, Rajasthan	IU	B	1.8	Q1 FY25
Rajpura, Punjab	GU	G	2.6	
Karur, Tamil Nadu	GU	G	3.3	
Kukurdih, Chhattisgarh	IU	G	2.7	Q2 FY25
APCW, Andhra Pradesh	IU	B	1.8	
Arakkonam, Tamil Nadu	GU	B	1.2	
Sonar Bangla, West Bengal	GU	B	0.6	Q3 FY25
Durgapur, West Bengal	GU	B	0.6	Q3 FY25
Lucknow, Uttar Pradesh	BT	G	1.8	Q4 FY25
Shahjahanpur, Uttar Pradesh	GU	G	1.8	
Maihar, Madhya Pradesh	IU	B	4.5	
Patratu, Jharkhand	GU	G	2.5	
Total Cement Capacity by FY25			**157.4**	

Grey Cement Capacity in India (mtpa)			
Zones	**Dec-23**	**Ongoing expansion**	**FY25**
North	26.5	4.4	30.9
Central	28.4	7.3	35.7
East	27.0	6.4	33.4
West	30.7	-	30.7
South	20.5	6.3	26.8
All India	**133.0**	**24.4**	**157.4**

Company's grey cement capacity will increase to 157.4 mtpa by FY25

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

Phase III expansion

Brownfield Expansion	Capacity (mtpa)
Nathdwara, Rajasthan	1.2
Aligarh, Uttar Pradesh	2.7
North	**3.9**
Hotgi, Maharashtra	2.7
West	**2.7**
APCW, Andhra Pradesh	2.7
South	**2.7**
Total (A)	**9.3**

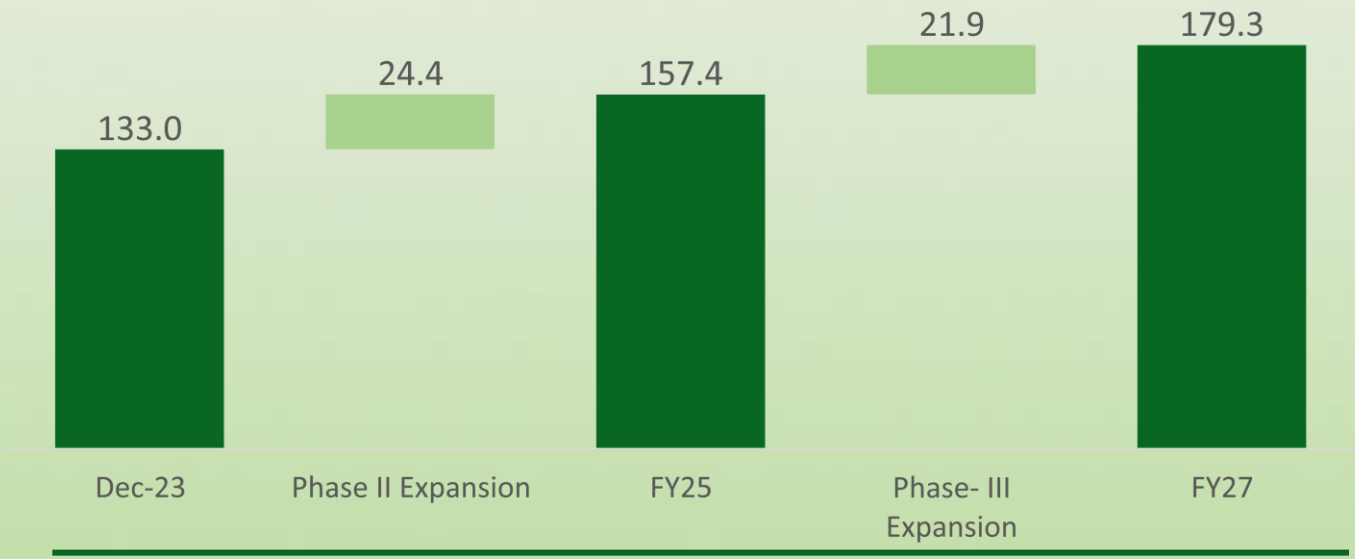
Greenfield Expansion	Capacity (mtpa)
Bihar	3.3
West Bengal	3.3
East	**6.6**
Andhra Pradesh	6.0
South	**6.0**
Total (B)	**12.6**

Total (A+B)	**21.9**

Bulk Terminal	Capacity (mtpa)
Gujarat (G)	1.2
Karnataka (G)	1.2
Assam (G)	1.2
Tamil Nadu (G)	1.8
Maharashtra (B)	1.0
Total	**6.4**

GU – Grinding Unit, IU – Integrated Unit, BT – Bulk Terminal, G – Greenfield Expansion, B – Brownfield Expansion. Plant locations marked are for reference purpose only.

UltraTech: Growing stronger



Grey cement capacity (Mtpa) – India

Grey Cement Capacity in India (mtpa)			
Zones	**FY25**	**Phase III**	**FY27**
North	30.9	3.9	34.8
Central	35.7	-	35.7
East	33.4	6.6	40.0
West	30.7	2.7	33.4
South	26.8	8.7	35.5
All India	**157.4**	**21.9**	**179.3**

Grey cement capacity of 179.3 Mtpa at 69 locations across the country by FY27.

Investment Impact: Capital expenditure and return on investment

₹ 13,000 Crs Capex

₹ 6,000/Mt ($ 72/Mt) of cement capacity

IRR ~15%

To be commissioned by FY27

Optimal use of financial resources

1 USD = ₹ 83

Glossary

- **MNT** - Million Metric Tons
- **LMT** - Lakh Metric Tons
- **MTPA** - Million Tons Per Annum
- **LTPA** - Lacs Tons Per Annum
- **MW** - Mega Watts
- **Q1** - April-June
- **Q2** - July-September
- **Q3** - October-December
- **Q4** - January-March
- **CY** - Current Year period
- **LY** - Corresponding period Last Year
- **FY** - Financial Year (April-March)
- **CPI** - Consumer Price Index
- **WPI** - Wholesale Price Index
- **NGT –** National Green Tribunal
- **DMRC -** Delhi Metro Rail Corporation
- **RRTS-** Regional Rapid Transit System
- **CSR** - Corporate Social Responsibility
- **ESG** - Environmental, Social, and Governance
- **WHRS** - Waste Heat Recovery System
- **Green power Mix** includes WHRS and captive renewable power
- **Realization** = Selling Price *less* GST and Discounts
- **Blended Fuel** includes imported coal and petcoke
- **Blended Fuel cost/t** = CIF price at India port equivalent to 7500 CV
- **EBITDA** = Profit Before Tax *plus* Finance Cost and Depreciation
- **Operating EBITDA** = EBITDA *less* Other Income
- **Net Debt** = Gross Debt *less* Liquid Investments

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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