UltraTech Cement Limited

Results
Q2 FY23

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

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GLOSSARY

MNT - Million Metric Tons, **LMT** - Lakh Metric Tons, **MTPA** - Million 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)

01

Macro and Sectoral update

Rawan Cement Works, Chhattisgarh – A five-star rating is given to its Jhipan Limestone Mine which performed best on parameters such as scientific, efficient and sustainable mining, compliance of approved production, land, resettlement and other social impacts. This was awarded for FY21 at the felicitation ceremony held at the 6th National Conclave on Mines & Minerals (NCMM) on 12th July 2022 at New Delhi.

Macro Indicators

FY23 GDP growth forecast revised 20 bps lower to 7% by RBI.

September CPI rose to 7.4%, it should begin to fall October onwards with food inflation normalizes and fall in commodity prices.

Monsoon has been 6.5% above long period average. Rural demand outlook remains promising in FY23 given good rains, commodity prices and fall in MGNREGA demand.

Recent decline in oil prices will help reduce shortfall in India's balance of payments, but capital flows could be impacted by global volatility.

Sectoral Update Q2 FY23

Zone	Volume Gr.	I	R	H	C	Key drivers
North	↑	🟡	🟢	🟢	🟡	➢ Infrastructure segment registered growth on account of execution of major projects ➢ Commercial demand registered growth in Rajasthan. ➢ Housing segment registered growth in all the regions supported by good monsoon and cash flow from crop harvest except Punjab.
Central	↑	🔴	🟢	🟢	🟡	➢ Housing segment growth driven by IHB demand. ➢ Infrastructure segment degrowth across all regions (excl. Kashi) due to heavy rains.
East	↑	🟢	🟢	🟢	🟡	➢ Overall growth driven by housing & rural segments. ➢ Infrastructure segment registered growth in West Bengal, Bihar and Jharkhand, but degrowth in Chhattisgarh and Odisha due to sand mining ban and aggregates availability.
West	=	🟡	🟡	🟡	🔴	➢ **Maharashtra:** Infrastructure segment grew in Mumbai led by Metro & Mumbai Trans Harbour Link (MTHL) and degrowth in other regions due to completion of major projects and heavy rains. ➢ **Gujarat:** Housing and rural segment impacted by heavy rains. Infrastructure segment growth supported by major projects i.e., Bullet Train, Vadodara-Mumbai Expressway and Western Dedicated Freight Corridor etc.
South	↑	🟢	🟢	🟢	🟡	➢ Housing segment growth led by affordable housing, improved expat income and improved sand availability. ➢ Infrastructure segment growth supported by execution of major projects i.e. Bangalore and Chennai Metro and Central Institutional Projects, Expressway projects etc.

I: Infrastructure, R: Rural, H: Housing, C: Commercial, IHB: Individual Housing Builder

02

Business update

Q2 Highlights

- Domestic sales volume grew by 10% for the quarter on yoy basis with capacity utilization of 76%.
- Operating margin dropped significantly to 14% mainly on account of higher energy costs (increased by 58% yoy) and decline in realization.
- Commissioned cement capacity of 1.3 mtpa at Dalla Cement Works, Uttar Pradesh in this quarter, taking the total grey cement capacity of the company to 115.85 mtpa in India.
- RMC business registered volume growth of 29% for the quarter on yoy basis.
- Premium products contributed to 18.8% of trade sales volume in Q2 FY23.
- Green power mix increased to 19.5% with WHRS capacity of 191 MW and renewable power capacity of 318 MW.
- Net Debt increased to Rs 8,357 crs from Rs 5,561 crs in Jun-22 primarily on account of increase in working capital and growth capex.

Scaling up digital innovation

Manufacturing

- Adopted Artificial Intelligence (AI) based analytics to improve process performance and reliability, contributing to increase in alternative fuel consumption and WHRS generation.
- Power of IoT sensors and analytics is being harnessed to improve mechanical reliability and asset monitoring.
- Use of AR/VR for training and remote technical support, Drones for inspection, and Robots for automation.
- Advanced algorithms are under evaluation to demonstrate further potential in productivity improvement.

Logistics

- Demand forecasting, Supply planning and network optimization.
- Order visibility, Freight bill generation.
- Safety training on multi-lingual app for better engagement with drivers.
- E-bidding and digital agreements.
- GPS enabled vehicles and GPS based freight invoicing.
- Logistics Control Tower; Real time visibility of OTIF, Pending Orders, Truck availability.
- Fin Services (Ledger, Credit, Balances).
- Auto truck registration in yard and queuing.

Customers

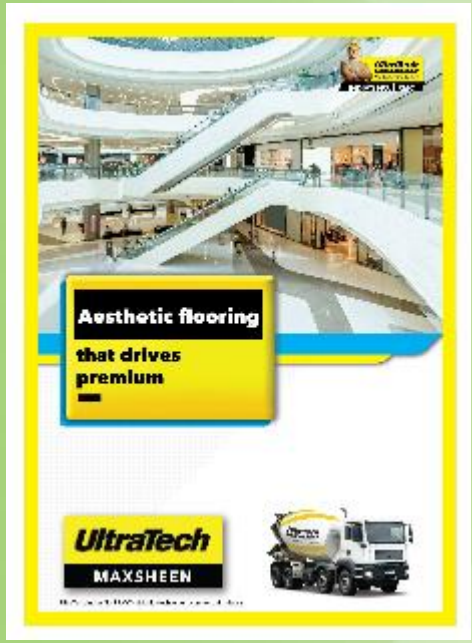
- Fin Services (Ledger, Credit, Balances).
- Online order booking by customers.
- Online dealer on-boarding.
- Alerts, notifications and fleet tracking.
- Delivery acknowledgement.

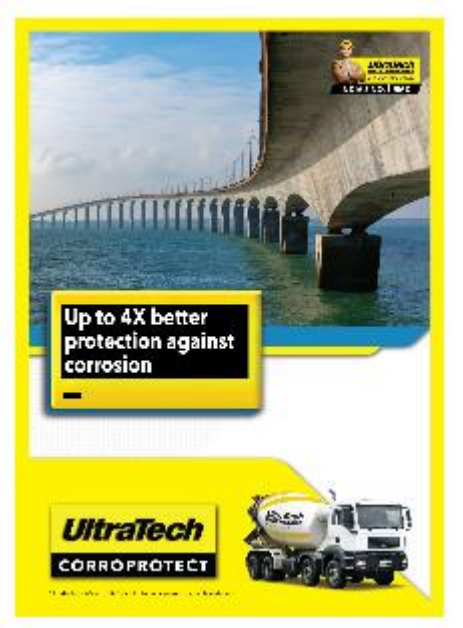
IoT - Internet of Things, AR/VR – Augmented Reality / Virtual Reality, EPoD – Electronic Proof of Delivery, WHRS – Waste Hear Recovery System

New Product Launches

UltraTech Tilefixo, to fill premium tile and marble joints. It not only protects but also enhances the stylish and unique decor.

UltraTech Maxsheen, an amazing concrete solution that enables building artistic yet durable flooring. Maxsheen offers end-to-end customized flooring solutions – from design to on-site implementation by ***UltraTech*** experts.





UltraTech Corroprotect, a concrete built with a patented traversing type corrosion inhibitor (TTCI) providing up to 4X better protection against corrosion.

India's 1st White Cement based Liquid Primer for better **adhesion, whiteness and coverage**

UltraTech continue its winning streak at various platforms with impactful brand presence

E4M's Golden Mikes Awards for excellence in Radio Advertising

4 Golds & 1 Silver

Digital Marketing Awards for excellence in Digital Advertising

1 Gold & 1 Bronze

Marketing Awards & Industry Recognition : 61 awards in FY22, 18 awards till date in FY23 with 7 in Q2 FY23

03

ESG update

Spread over 52 locations in India

16	24	39	507
States	Districts	Blocks	villages

- Population reach 1.6 million
- Education Reach 0.13 million students

ADITYA BIRLA
UltraTech

"Our CSR vision is to actively contribute to the social and economic development of the communities in which we operate. In sync with the UN SDGs, our endeavour is to lift the burden of poverty weighing down the underserved and foster inclusive growth. In doing so, build a better, sustainable way of life for the weaker and marginalized sections of society.

Mrs. Rajashree Birla

Chairperson, The Aditya Birla Centre
for Community Initiatives and Rural Development

Environmental Product Declaration granted for four of our key cement products

Four of our key cement products have been granted Environment Product Declaration (EPD). This is a key step in our endeavor to drive sustainability in our business with a life-cycle approach.

We are committed to enabling climate change mitigation through a holistic approach of decarbonizing our operations and by innovating to develop sustainable building products and solutions.

UltraTech's green products portfolio currently includes more than 70 GreenPro certified products

Accelerating Decarbonisation

- Collaboration with other global companies with a focus on Net Zero. The collaboration will provide solutions extending to digitalization, carbon capture and transition to move to 100% renewable power (RE).

- Initiated specific collaboration with Council on Energy, Environment and Water (CEEW) to study transition to 100% renewable power.

- Commissioned 5 MW WHRS and 32 MW RE power in this quarter.

- Blended cement mix increased to 71% which helped improving clinker conversion ratio to 1.41 in this quarter.

Building a sustainable supply chain

Onboarding

Sustainability high risk & critical supplier identification

High risk & critical supplier ESG assessment

Supply chain risk minimization & Sustainability performance

ESG integration into Supply chain

Sustainable Supply chain performance

KPI
Coverage of Tier 1 suppliers through sustainable supply chain awareness Sessions – 25% of Tier 1 supplies are covered as targeted.
Assessment of all the critical suppliers have been completed and corrective action and guidance provided.

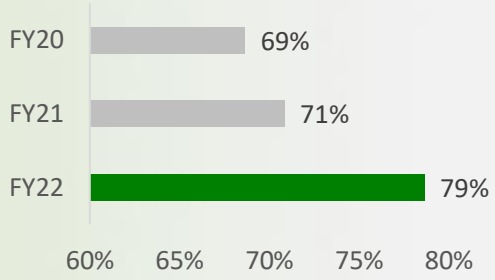
Developing a local supply chain ecosystem

Focus locally, even when operating from some of the remotest areas of the country. Responsible sourcing on our part also creates major gains for the communities around us as it creates employment and business opportunities and contributes locally.

11.2%

Contracts are from MSME suppliers

Procurement from local suppliers



Sustainable Livelihood

Gujarat Cement Works, Gujarat

Andhra Pradesh Cement Works, Andhra Pradesh

- More than 1500 women across all units imparted training in beautician course, tailoring etc and currently working as entrepreneurs.
- More than 800 farmers trained for integrated farming model in an organic approach.
- Use of water in a sustainable way and supported with drip irrigation system to farmers.
- Training for honey-bee cultivation.

Social development

Baikunth Cement Works, Chhatisgarh

~1200 youth improved their skill through various development courses in the areas of electrical, diesel mechanic, welding, fabrication, Solar PV , computer skills etc in villages near the Unit.

Bela Cement Works, Madhya Pradesh

Supported to make village youth physically stronger so that they could join in Indian Security Forces.

Balaji Cement Works, Andhra Pradesh

Village infrastructure strengthened at different unit locations benefitting ~18000 people.

Media Coverage

रायपुर हाईटेक चैनल

अल्ट्राटेक सीमेंट बैकुंठ क्षेत्र के युवाओं को बना रहा स्वालम्बी

परासपानी में कायाकल्प तालाब का लोकार्पण

भास्कर न्यूज़ | छत्त

समस्या का शीघ्र होगा निराकरण

देशोन्नती

अल्ट्राटेक कम्युनिटी वेलफेअर फाऊंडेशन तर्फे सायकल वाटप

देशोन्नती वृत्तसंकलन...

कोरपना : प्रत्येक व्यक्तीने शिक्षण घेतले पाहिजे या ध्येयाला लक्षात ठेवत अल्ट्राटेक कम्युनिटी वेलफेयर फाऊंडेशन, आवारपुर यांनी 'हर घर तिरंगा' या कार्यक्रमाचे औचित्य साधत परीसरातील आवारपूर, बिबी, नांदा, नोकारी, पालगाव, राजुरगुडा, कोल्हापुरगुडा, तळोधी, बाखर्डी, भोयेगाव, हिरापूर व सांगोळा अशा १२ गावातील २४ गरजू विद्यार्थ्यीनीना सायकलचे वाटप

या सायकलचा वापर त्यांना शाळेत ये-जा करण्याकरता होईल.या कार्यक्रमाला युनीट हेड श्रीराम पी. एस., डीवायएसपी सुशिल कुमार नायक, फंक्शन हेड गौतम शर्मा, सौदीप घोष, संदीप देशमुख, ललित देवपुरा, सुधा श्रीराम, दिव्या शर्मा, पल्लवी घोष, देवपुरा मॅडम तसेच सर्व डिपार्टमेंट हेड आणि ए.बी.पी.एस.स्कूल प्रिन्सिपल, सर्व गावचे सरपंच प्रियांका दिवे, आवारपूर, सुनीता तुमराम, हिरापूर, मडावी, नोकारी, ज्योती जेनेकर, तळोधी, शालीनी बोंडे, भोयगाव व पालगांव येथील ग्राम पंचायत सदस्य अनील आत्राम उपस्थित होते.

युनिट हेड, श्रीराम पी.एस. यांनी बोलतानी म्हटले की, शिक्षण करीता आम्ही सभोवतालील गावाना नेहमी मदत करण्यास तत्पर राहु. या कार्यक्रमाचे आयोजन कर्नल दिपक डे यांच्या मार्गदर्शनात सी.एस.आर. प्रमुख सतीश मिश्रा, सचिन गोवारदीपे, संजय ठाकरे व देविदास

हरिभूमि

रायपुर - मध्यांचल भूमि

29 Sep 2022

प्राथमिक स्कूलों में छात्रों को बैग का वितरण किया

जिले में शिक्षा को बढ़ावा देने में जुटा संयंत्र प्रबंधन

न्हा में अल्ट्राटेक सीमेंट प्ला ने अल्ट्राटेक सीमेंट प्लांट द्वारा करवाया गया प

रा करवाया गया फागिंग स च्छरों को भगाने के लिए की गई दवाओं का छि

उरों को भगाने के लिए की गई दवाओं का छिड़क

विप्र एक्सप्रेस, मेहर

जनपद पंचायत मेहर अन्तर्गत पंचायत डेल्हा में लगातार सी बीमारी से ग्रसित हो रहे इसकी वजह से अल्ट्राटेक प्लांट के द्वारा आज मच्छरों गाने के लिए फागिंग स्प्रे पूरे ा करवाया गया है । उसके साथ मच्छरों को भगाने के दवाई का छिड़काव करवाया है। जिससे कि मच्छरों के ं से ग्रामीण जनों को राहत मिल सके इन दिनों मच्छर की से मलेरिया जैसी बीमारी लोग हो रही है। जिसको देखते अल्ट्राटेक सीमेंट प्लांट के द्वार सराहनीय पहल की गई है कि लोगों को काफी मदद मि सरपंच अभिषेक जायसवाल के अल्ट्राटेक सीमेंट प्लांट से प स्प्रे करवाने की मांग की ग जिसके बाद अल्ट्राटेक सीमेंट के जिम्मेदारों द्वारा आज प स्प्रे भेज कर पूरे गांव में फागि करवाया गया है।

दैनिक अग्निवर्षा। डेल्हा तार बीमारी से ग्रसित हो रहे प्लांट के द्वारा आज मच्छरों ने के लिए फागिंग स्प्रे पूरे करवाया गया है उसके थ मच्छरों को भगाने के वाई का छिड़काव करवाया ससे कि मच्छरों के आतंक ण जनों को राहत मिल सके तें मच्छर की वजह से मलेरिया जैसी बीमारी लो रही है जिसको देखते हुए सीमेंट प्लांट के द्वारा यह पहल की गई है जिससे को काफी मदद मिलेगी सरपंच अभिषेक जयस द्वारा अल्ट्राटेक सीमेंट फौगिंग स्प्रे करवाने की गई थी जिसके बाद आज फौगिंग स्प्रे भेज का में फागिंग स्प्रे करवाया ग

04

Financial performance

Deoghar Airport, Jharkhand – UltraTech supplied more than 85% of the cement consumed in the project

Ahmedabad Metro, Gujarat – UltraTech supplied more than 90% of the cement consumed in the project

Sales: Q2 FY23

	Grey Cement (India)	RMC	White Cement	Others	Grey Cement (Overseas)	Consolidated
Volume (Mnt)	21.75	186 *no. of plants*	0.38		0.97	23.10
Growth (YoY)	*10%*	*38 Nos*	*-0.2%*		*-20%*	*7%*
Revenue (₹ Crores)	11,428	883	540	284	460	13,596
Growth (YoY)	*14%*	*44%*	*7%*	*109%*	*-8%*	*16%*

After elimination of inter company sales

Performance Highlights : Q2 FY23

	Net Sales	EBITDA	PAT	Net Debt
YoY	+15.8%	-29.5%	-42.5%	₹ 8,357 Crs
QoQ	-9.4%	-37.2%	-52.3%	0.77x (Net Debt / EBITDA)*
₹ Crs	13,596	2,013	756	

* EBITDA basis trailing 12 months.

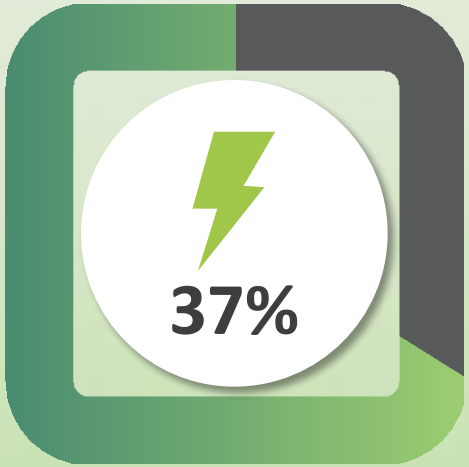
Key Cost Indicators: Q2 FY23

Logistics Cost

₹ 1239/t

- Increased 2% YoY
- Diesel prices lower by ~1% YoY

Energy Cost



₹ 1731/t

- Increased 58% YoY
- Increase in fuel prices

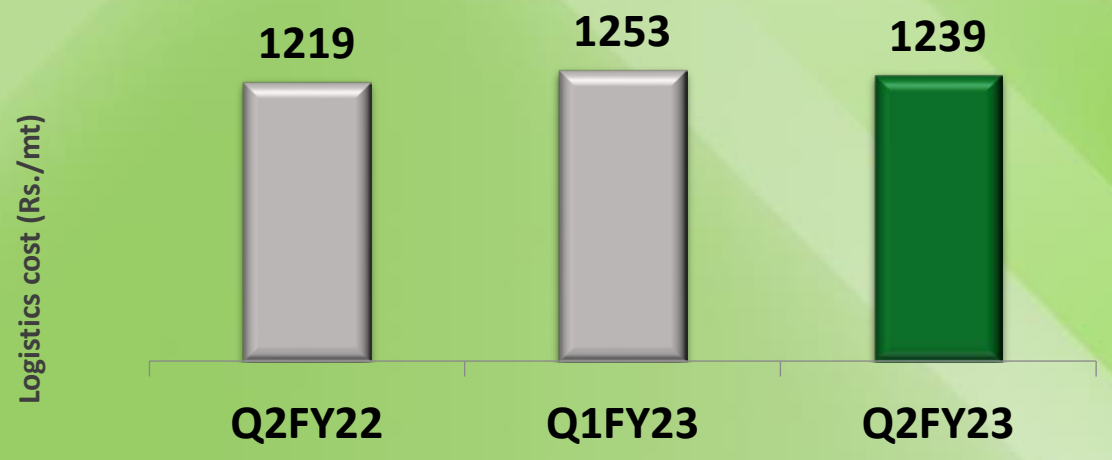
Raw Material Cost

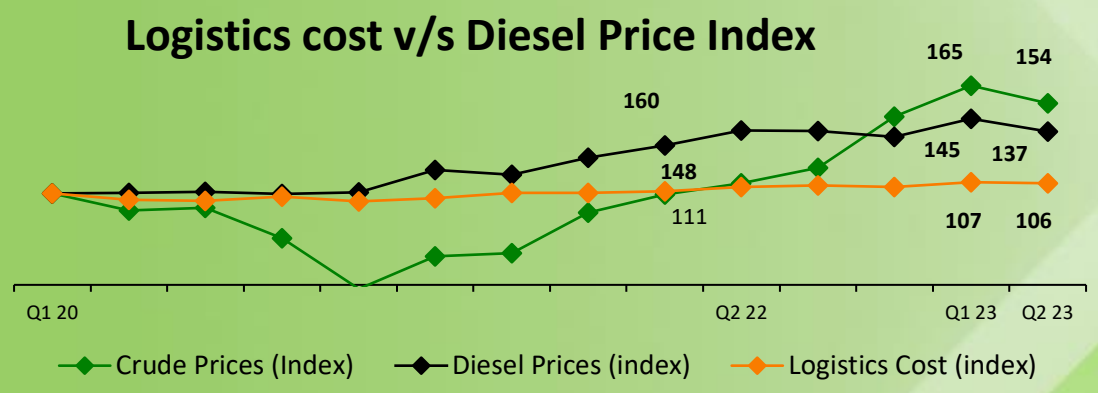
₹ 610/t

- Increased 18% YoY
- Increase in input cost and diesel prices

Above numbers are for Grey Cement – India

Logistics Cost Trend





YoY cost increase: 2%

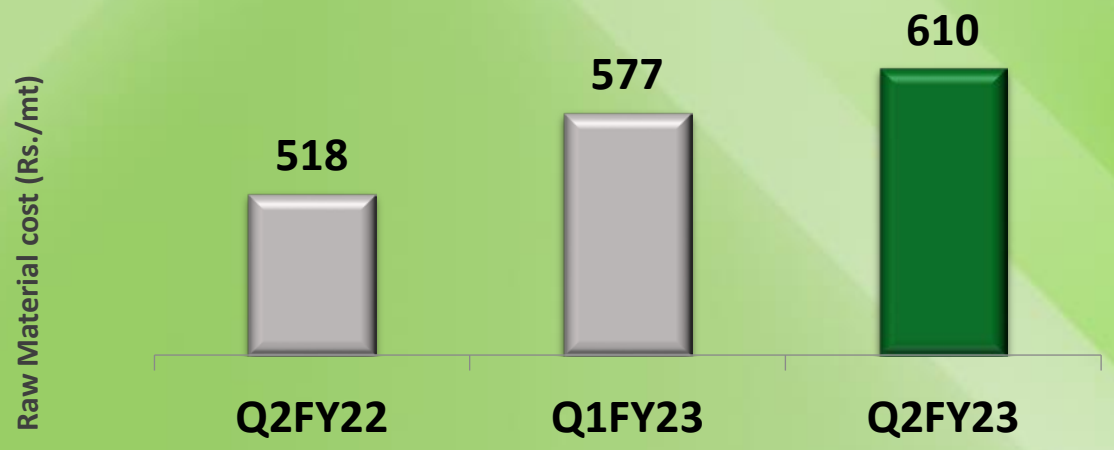
- Inflationary increase in cost partially mitigated by improved efficiency

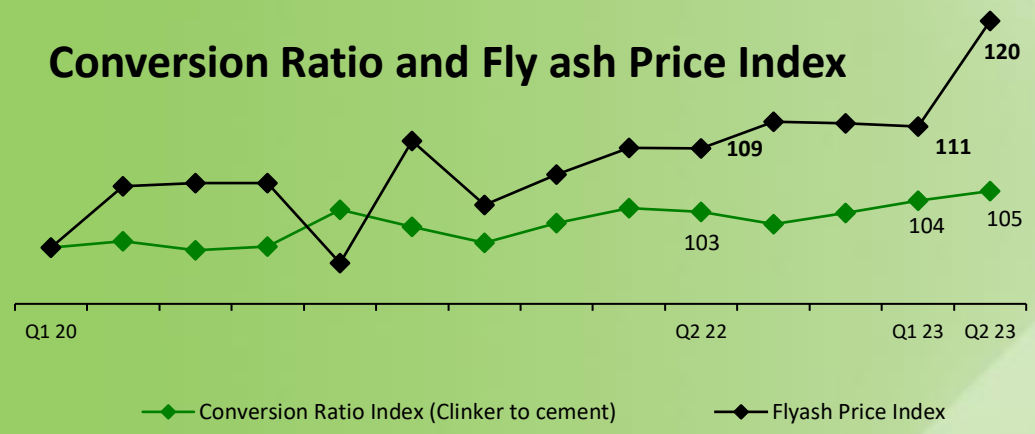
QoQ cost decrease: 1%

- Average diesel prices lower by 5% on QoQ basis

Above numbers are for Grey Cement – India

Raw Material Cost Trend





YoY cost increase: 18%

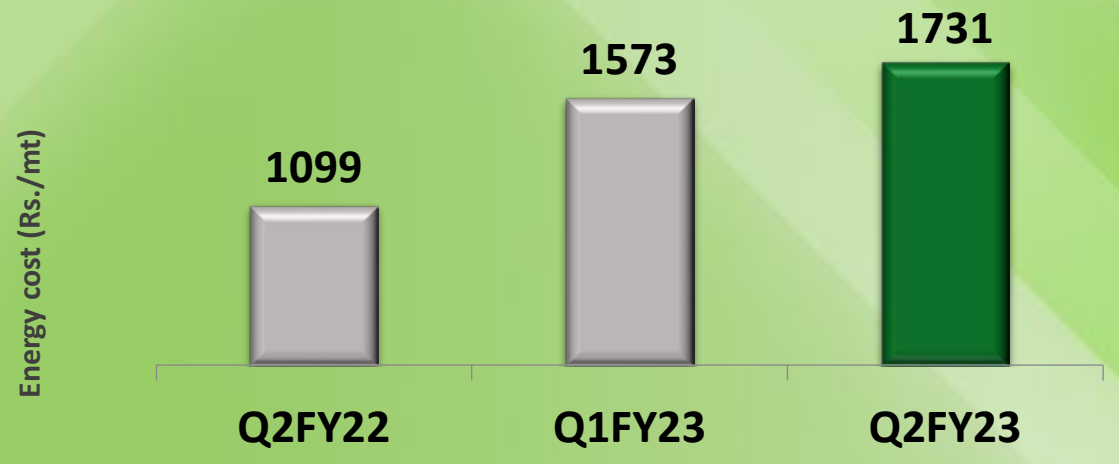
- Increase in cost of raw material; fly ash, slag and gypsum

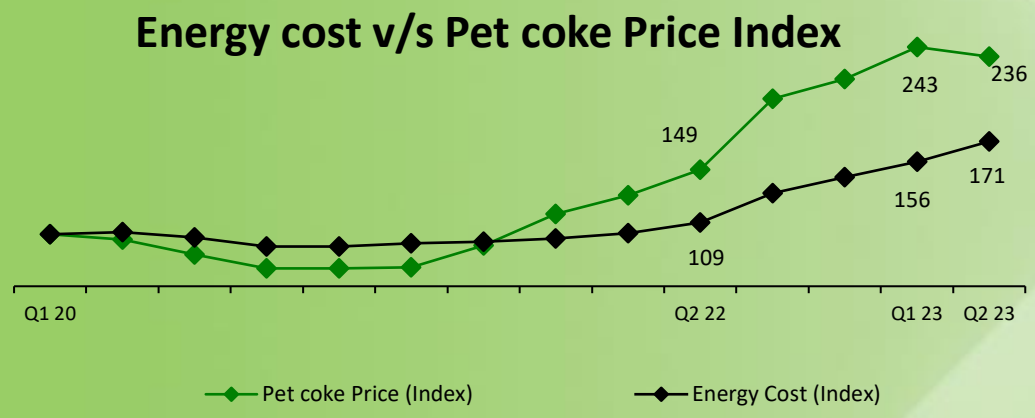
QoQ cost increase: 6%

- Inflationary increase in cost of raw material due to monsoon

Above numbers are for Grey Cement – India

Energy Cost Trend





YoY cost increase: 58%

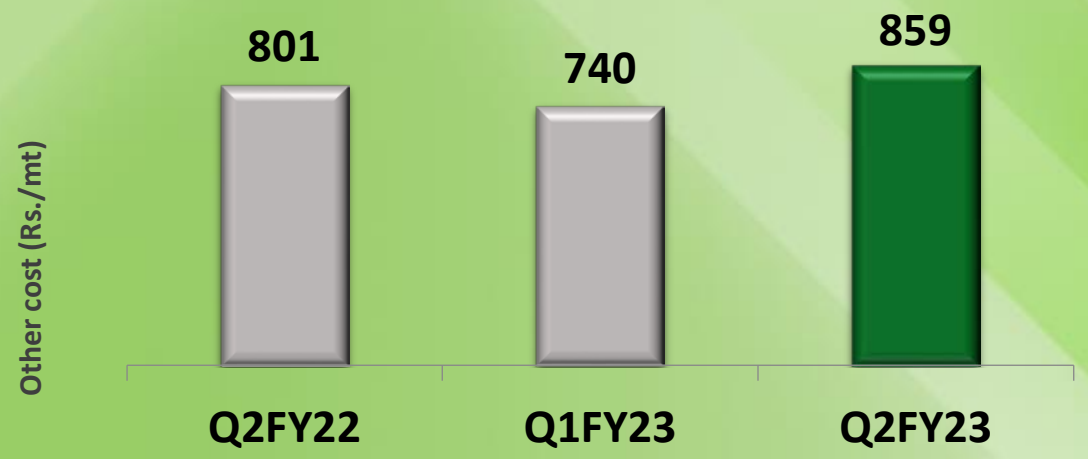
- Blended fuel prices of USD 200/t compared to USD 120/t in LY Q2
- Petcoke consumption at 40% vs 19% in LY Q2

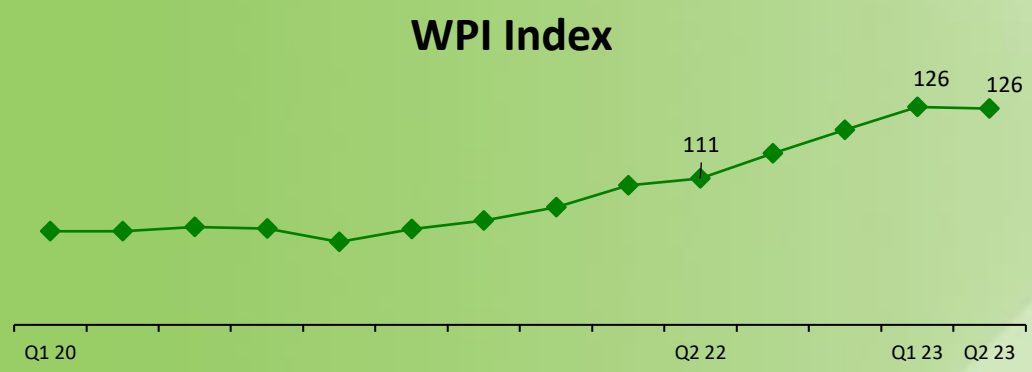
QoQ cost increase: 10%

- Blended fuel prices of USD 200/t compared to USD 184/t in Q1

Above numbers are for Grey Cement – India

Other Costs Trend





YoY cost increase: 7%

- Inflationary increase in plant maintenance cost
- Preponed shutdown work
- Annual increase in employee cost

QoQ cost increase: 16%

- Lower operating leverage due to lower volume in monsoon period
- Higher plant maintenance in the current quarter
- Normal increase in employee cost wef Q2

Financial Performance : Q2 FY23

₹ Crores

Consolidated		Particulars	India Operations	
Q2 FY23	Q2 FY22		Q2 FY23	Q2 FY22
13,596	11,743	Net Sales ^	13,176	11,242
297	274	Operating Income	271	286
146	140	Other Income	119	142
14,039	**12,157**	**Total Income**	**13,565**	**11,670**
		Expenses:		
2,004	1,731	Raw Materials Consumed	1,984	1,492
325	215	Purchase of Traded Goods	259	201
(312)	(217)	Changes in Inventory	(288)	(213)
691	680	Employee Costs	660	646
4,296	2,520	Power and Fuel	4,103	2,410
3,044	2,673	Logistics Cost	3,013	2,648
1,977	1,699	Other Expenses	1,910	1,637
2,013	**2,855**	**EBITDA**	**1,926**	**2,849**
819	**1,253**	**Operating EBITDA per ton**	**812**	**1,324**

^After elimination of inter company sales

Income Statement : Q2 FY23

₹ *Crores*

Consolidated		Particulars	India Operations	
Q2 FY23	Q2 FY22		Q2 FY23	Q2 FY22
13,596	11,743	Net Sales ^	13,176	11,242
2,013	**2,855**	**EBITDA**	**1,926**	**2,849**
200	230	Finance Costs	187	225
708	677	Depreciation and Amortization	679	649
344	637	Tax expenses	333	646
3	(3)	Minority interest	0	0
756	**1,314**	**PAT**	**727**	**1,328**
173.1	**222.4**	**EPS (₹) (basis trailing 12 months and before exceptional items)**	**169.3**	**219.8**

^After elimination of inter company sales

Cash Flow Statement India Operations : Q2 FY23

₹ Crores

Particulars	Amount
PBIDT	**1,926**
Less : Interest & Lease	(197)
Less : Tax	(315)
Less : Increase in Working Capital	(1,156)
Operating Cash Flow	**257**
Less : Capex	(1,509)
Free Cash Flow to Firm	**(1,251)**

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.

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