



Cementing growth with concrete results

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

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Macro and
Sectoral
Update



Hirmi Cement Works, Chhatisgarh was conferred the CII National Annual Award for Environmental Best Practices in 2023. The award was given to them for their achievements in kiln productivity, efficiency improvement, and the subsequent reduction in air pollution and CO₂ emissions.

Macro Indicators



FY24 GDP growth
forecasted at ~6%.



June composite PMI
output index at 59.4,
easing from 13-year
highs in April and
May.



CPI remains below
5% from Apr to Jun
and expected to
average ~5% for
FY24.

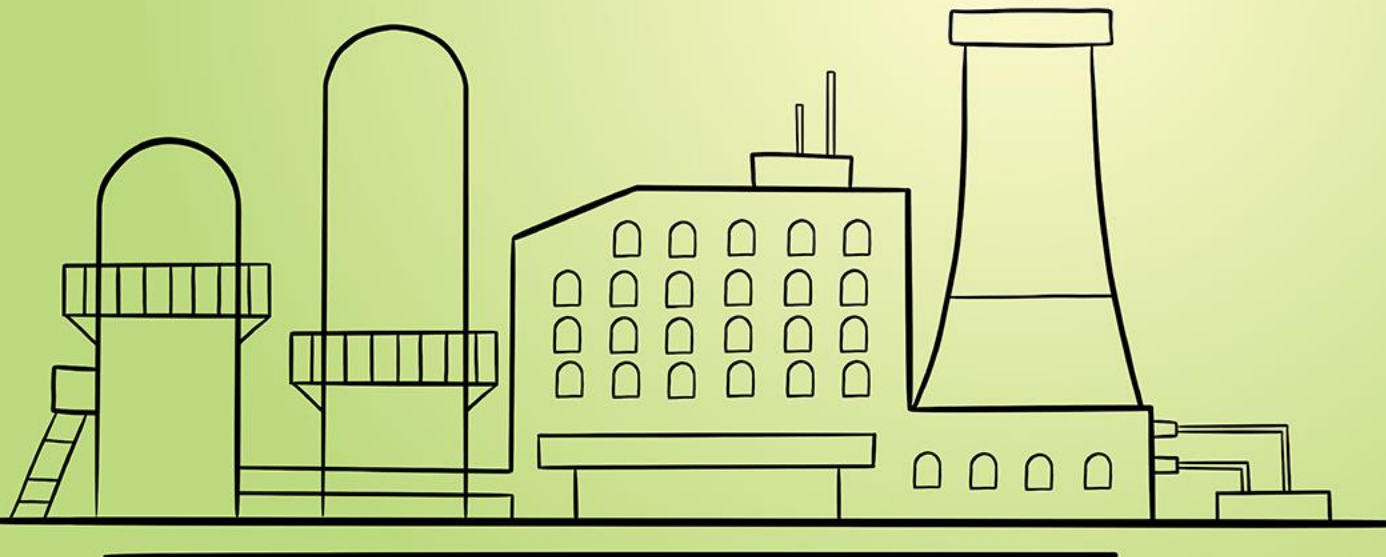


The RBI should
maintain status quo
for this year as the
domestic and external
sector situation
remains balanced.

02

Business
Update

UltraTech is leveraging technological and digital innovation to decarbonise manufacturing and deeply committed to drive operational excellence and deliver greater value to its stakeholders. For enhancing reliability and efficiency, we are constantly exploring new ways to optimise operations through use of cutting-edge technologies i.e., use of IoT/AI sensors, dynamic scheduling and auto ordering solutions etc.



Sectoral Update : Q1 FY24

Region	Volume Growth	I	C	H	R	Key drivers
North	↑	●	●	●	●	<ul style="list-style-type: none"> ✓ Infrastructure segment demand was supported by Government's sustained thrust on Projects like Delhi-Amritsar-Katra road project, Dwarka Expressway, etc. ✓ Commercial demand registered growth due to increased pace of work in all major centers. ✓ Housing segment registered growth in both the segments i.e. rural and urban.
Central	↑	●	●	●	●	<ul style="list-style-type: none"> ✓ Growth across segments except infrastructure which remained muted, owing to major projects at completion stage. Indore Metro picking up pace.
East	↑	●	●	●	●	<ul style="list-style-type: none"> ✓ All the segments registered growth across regions except commercial demand which remained flat.
West	↑	●	●	●	●	<ul style="list-style-type: none"> ✓ Maharashtra: Infrastructure segment demand picked up across all ongoing projects – Mumbai Metro, Mumbai Trans Harbour Link, Mumbai Goa Expressway etc. except in Vidarbha due to completion of major projects. Housing and commercial segments registered growth. ✓ Gujarat: Housing registered growth in both the segments i.e. rural and urban. Rural demand improved due to better liquidity on account of cashflow from harvesting. Infra registered robust growth as work progressed across major infra projects like High speed railway - Bullet Train and other metro and road projects.
South	↑	●	●	●	●	<ul style="list-style-type: none"> ✓ Housing and Commercial segments registered growth. ✓ Infra registered growth across the regions.

Highlights : Q1



- Domestic sales volume grew 20% yoy with capacity utilization of 89%.
- Operating EBITDA/Mt of ₹ 1,034 vs ₹ 1,248 in Q1 LY and ₹ 1,060 in the last quarter.
- Commissioned cement capacity of 3.0 MTPA, taking total grey cement capacity of the Company to 129.95 MTPA in India.
- Blended cement at 70%, clinker conversion ratio improved to 1.44; **highest so far**.
- Trade sales at 68%. Rural sales at 65% of trade - growing at **24%**
- Premium Eco-friendly sustainable product mix @ **21.7%** of trade sales.
- Commissioned 22 MW of WHRS capacity, total WHRS capacity increased to 232 MW. Green power mix increased to **22%**.

UltraTech strengthens its brand equity



Ranked 28th, UltraTech is the only cement company to feature in Interbrand's top 50 Indian Brands for 2023

As per Interbrand's report, UltraTech has maintained its position in the Best Indian Brands list owing to its strong financial growth and continued leadership in its sub-category Cement and Value-added products under Home-Building and Infrastructure sector.

Leaping ahead with digitalisation

Smart Manufacturing



Investment in setting up cloud infrastructure for smart and connected factories to drive digital transformation and accelerate growth for improving efficiencies and enhancing customer experiences.

Energy optimisation and enhanced productivity



Scaling up the adoption of algorithmic solutions aimed at improving process stability and energy efficiency. Working on digital mining management and optimisation initiatives to further improve our operational efficiencies.

Safer operations

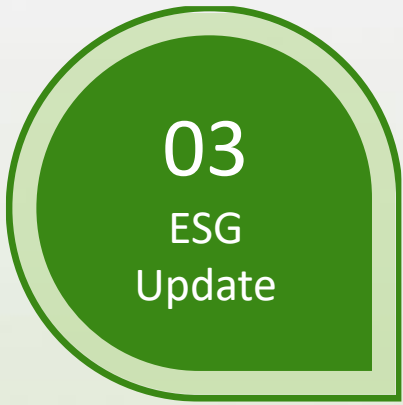


Adopted various advanced technologies such as computer vision, augmented reality (AR), virtual reality (VR), and other sensors to support our safety objectives at the manufacturing locations.

Empowering partners



Our multilingual app, Eye-to-Track, launched for our driver partners. It has been instrumental in helping us provide a superior delivery experience to our customers.



UltraTech ranks first among construction material companies on India's Most Sustainable Companies List for 2022-23



UltraTech has been ranked No.1 in Sustainability in the Infrastructure and Engineering sector and 13th overall in **Sustain Labs Paris and BW Businessworld's** India's Most Sustainable Companies List for 2022-23. It's a recognition of the significant progress made by the Company in its key sustainability focus areas of decarbonisation, circular economy, energy transition, water conservation and biodiversity management, as well as its ongoing efforts towards community development.



The rankings are based on extensive research done by Sustain Labs Paris (SLP) to assess the sustainability performance of India's 500 largest companies by revenue for FY23 in accordance with the SLP's Sustainability Cube framework.

UltraTech makes strides in plastic waste reduction

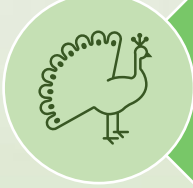



UltraTech has further strengthened its contribution towards circular economy by developing cement packaging bags using recycled polypropylene (rPP).


The new cement bags are made with 50 % of rPP. Overall, the use of rPP has helped to reduce the use of virgin plastic by 43%. This helps the cement bags to be more environment friendly by reducing the burden of plastic on landfill or the need for incineration. With a target to source 3 crores recycled polypropylene bags in FY24, UltraTech aims to reduce the use of virgin polypropylene by over 840 MT.


Fostering biodiversity and enabling water-positive operations



- 

Biodiversity assessments completed at **13 integrated units** and working to complete biodiversity assessments in all **24 integrated units** by FY24
- 

Planted **7500+ trees** at the premises of its integrated units – Bela, Vikram and Gujarat Cement Works by implementing the concept of Miyawaki forests
- 

Reused, recycled, harvested and recharged more than **81+ million m³** of water in FY23
- 

Zero Liquid discharge plants have been installed at various manufacturing units to help in the reuse of 100% treated water within the sites

Unwavering commitment to protect environment and society



UltraTech's determined efforts to protect environment recognized by Confederation of Indian Industry (CII)

Our integrated unit Aditya Cement Works has been awarded for 'Excellence in Environment Management (Manufacturing Sector)' by the CII-ITC Centre of Excellence for Sustainable Development.



UltraTech's commitment to safety and error prevention recognized by Confederation of Indian Industry (CII)

Our integrated units, Sewagram Cement Works and Rawan Cement Works, have been recognized at the 12th National Poka-Yoke Competition 2023, conducted by CII Institute of Quality and GTPM Club of India under the aegis of CII.

UltraTech wins acclaim for its international safety standards



Five of our integrated units, one grinding unit, and one bulk terminal won awards for excellence in safety at the prestigious British Safety Council's International Safety Awards, 2023

OUR WINNING UNITS

INTEGRATED UNITS



GRINDING UNIT



BULK TERMINAL



CSR at action



Education reach out this quarter 22,252 students



36,000 children got benefited by the immunization programs conducted



Balaji Cement works helping 16,800 villagers through providing safe drinking water



3,200 farmers benefitted from sustainable agricultural practices conducted at Andhra Pradesh Cement Works



Village infrastructures were strengthened in nearby villages at various unit locations



Self Help Groups training program at Maihar Cement Works

04

Financial
Performance



One more feather in our cap. UltraTech is the largest supplier of Cement, Ready-Mix Concrete and specialist Building Products for construction of the **new Parliament building in Central Vista**.

Sales Volume



Volume in Million tons







Particulars	Q1 FY24	Growth (YoY)	Growth (QoQ)
Grey Cement - Domestic	28.50	20%	-5%
Cement Export & Clinker Sales	0.10	1%	-38%
White Cement	0.41	12%	-13%
Sales Volume - India	29.01	20%	-5%
Grey Cement – Overseas	1.04	11%	-20%
Consolidated Sales Volume*	29.96	20%	-5%

* After elimination of inter company sales

Revenue



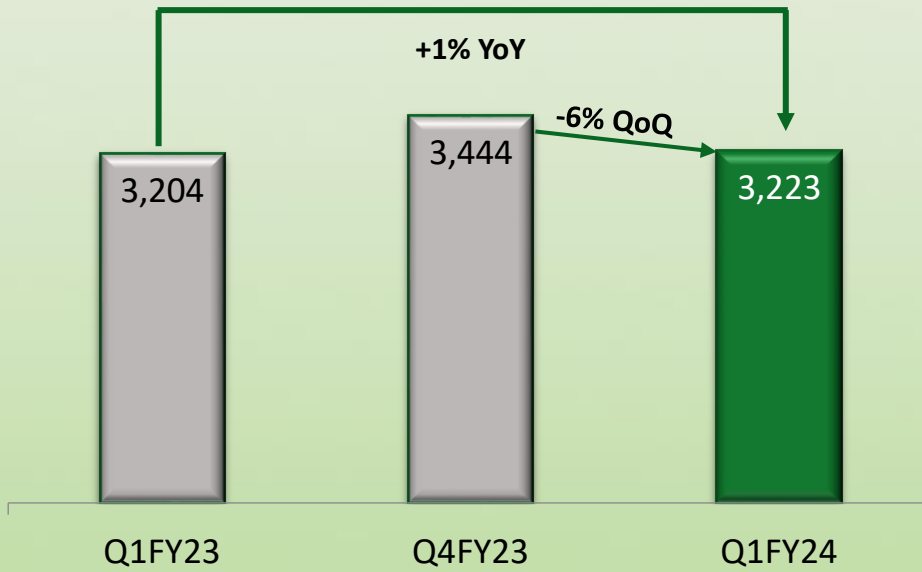
₹ Crores

	Particulars	Q1 FY24	Growth (YoY)	Growth (QoQ)
	Grey Cement - Domestic	15,247	17%	-5%
	White Cement	590	18%	-11%
	ReadyMix Concrete (RMC)	1,233	37%	8%
	Others	254	-16%	-14%
	Grey Cement – Overseas	555	13%	-10%
	Total Consolidated Revenues*	17,519	17%	-5%

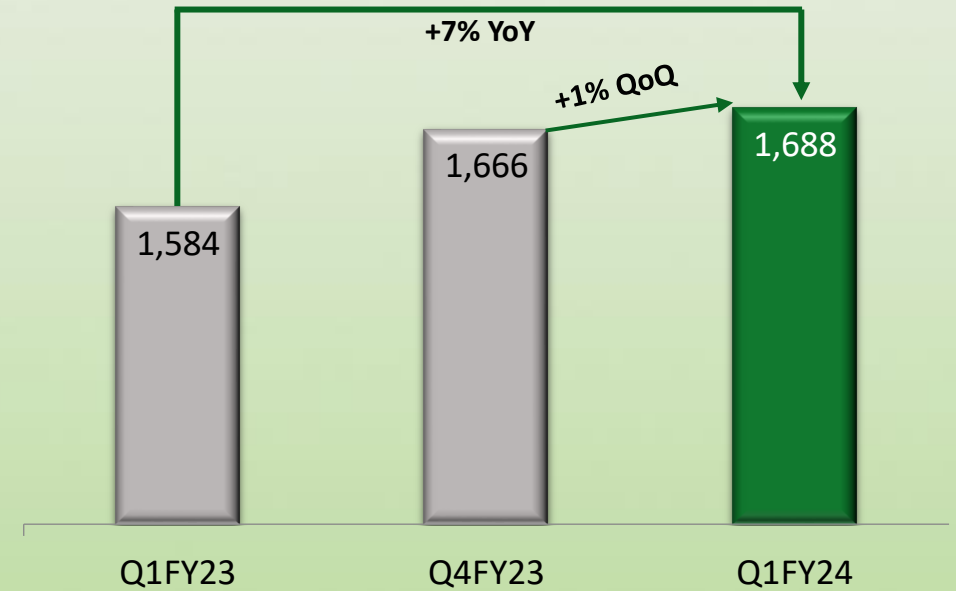
* After elimination of inter company sales

Profitability

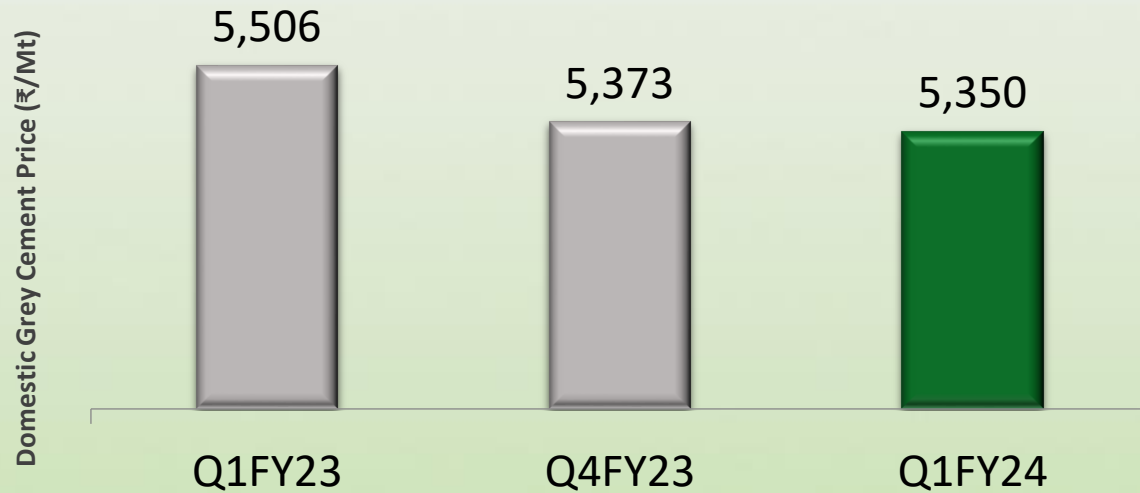
EBITDA (₹ Crores)



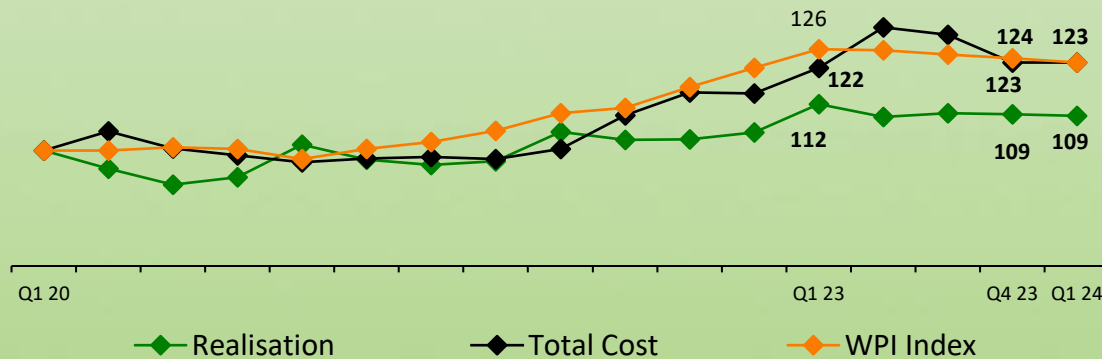
Profit after tax (₹ Crores)



Realisation (Grey Cement)



Realisation v/s Total Cost



Realization vs Cost

- Realization marginally lower on QoQ basis while cost remains flat.
- Impacted EBITDA/Mt by ₹ 26/Mt.

Key Cost Indicators (Grey Cement): Q1 FY24



Logistics Cost

% to total costs

31%

₹ / Mt

1,264

Increased 1%: YoY and QoQ



Energy Cost

36%

1,621

Increased 3% YoY;
Decreased 4% QoQ



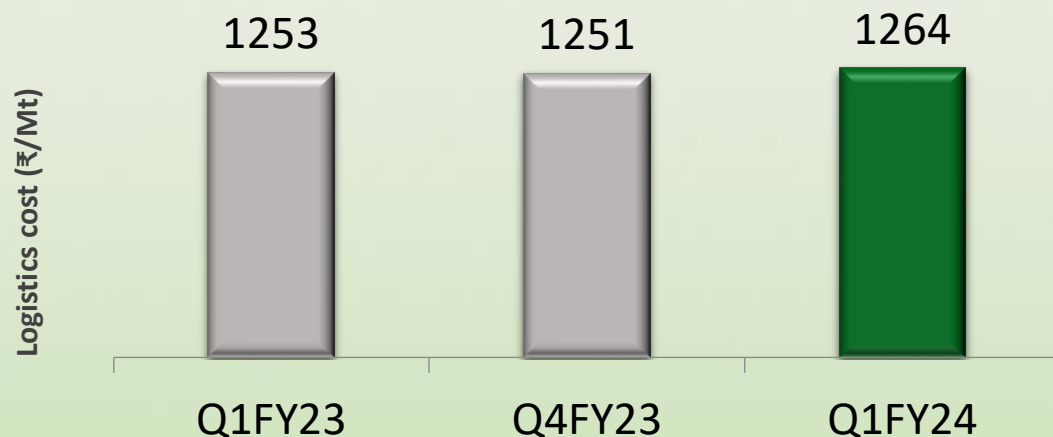
Raw Material Cost

14%

610

Increased 6% YoY;
Increased 1% QoQ

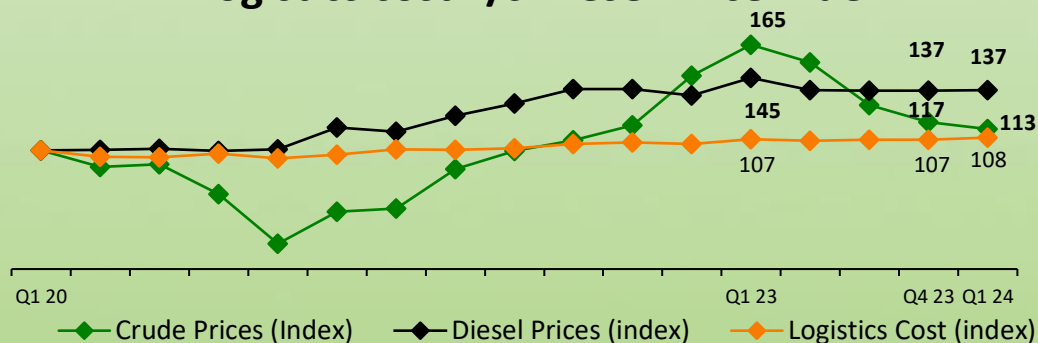
Logistics Cost (Grey Cement)



YoY costs increase: 1%

- Impacted by resumption of busy season surcharge, partially mitigated by lead optimization and operating efficiencies.
- Lead reduced to 410 km from 429 km in Q1 LY.

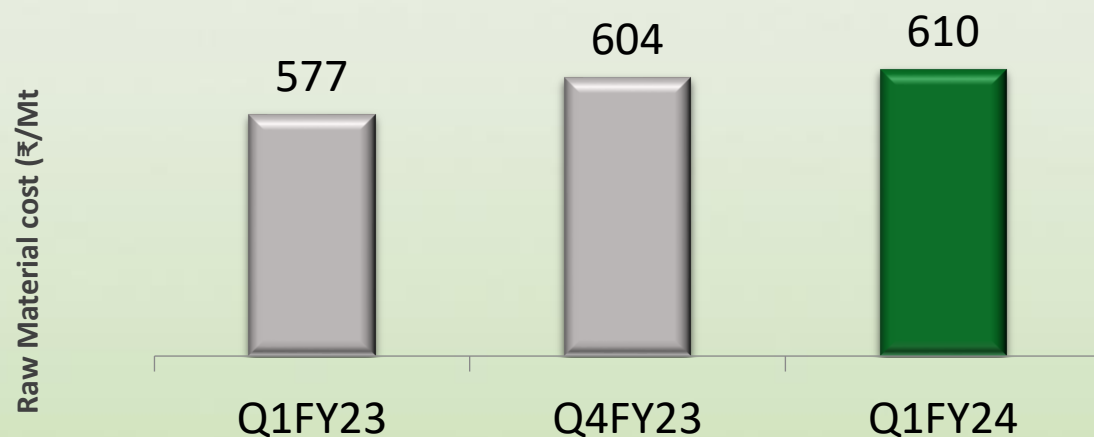
Logistics cost v/s Diesel Price Index



QoQ costs increase: 1%

- Cyclone “Biparjoy” impacted marine volumes and cost.

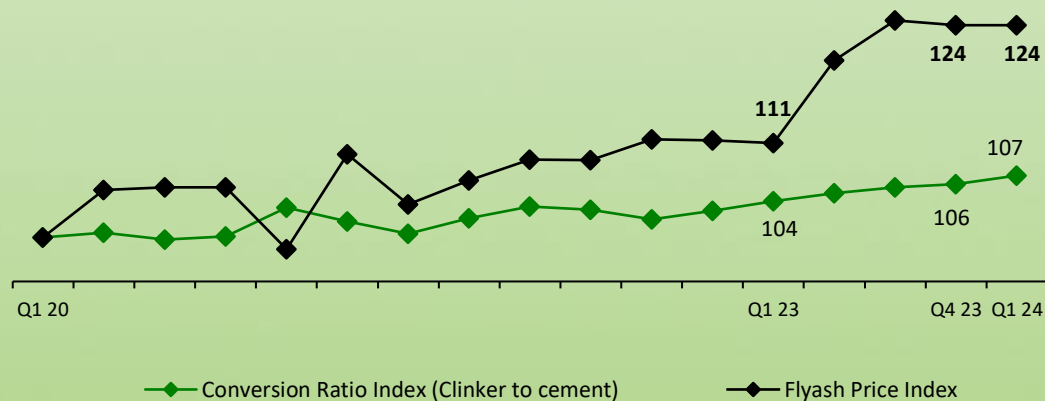
Raw Material Cost (Grey Cement)



YoY cost increase: 6%

- Increase in cost of raw materials: fly ash, slag and gypsum etc.
- Improvement in clinker conversion ratio.

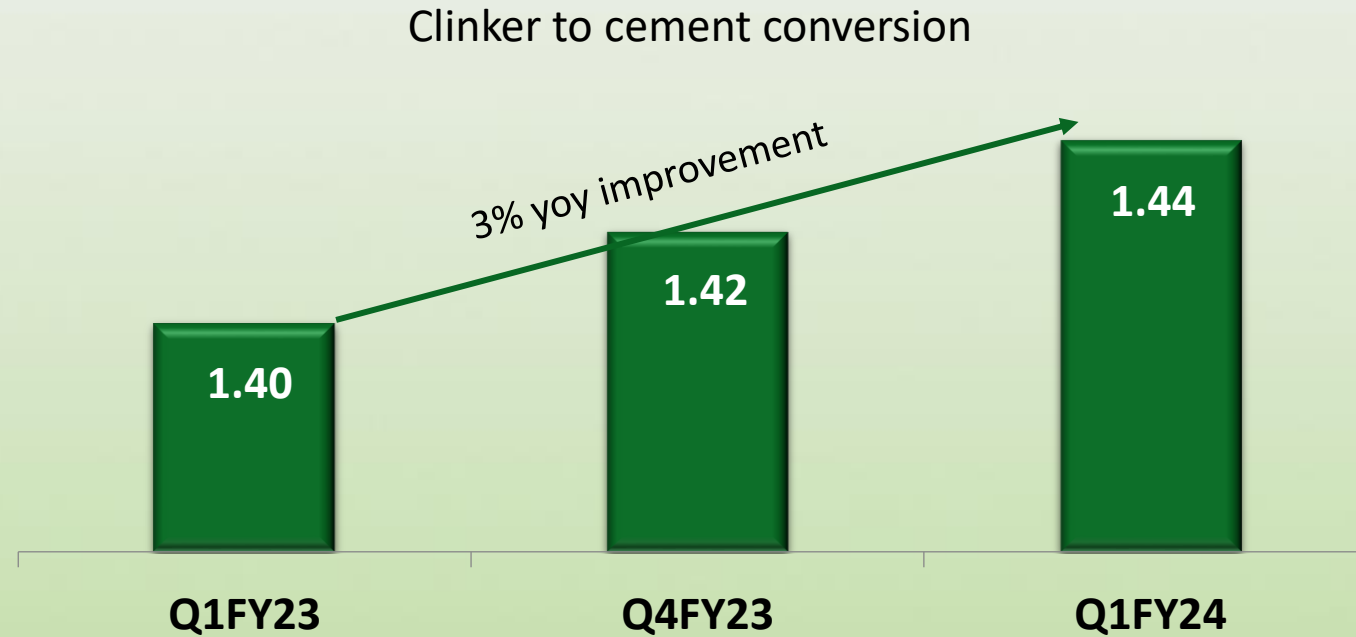
Conversion Ratio and Fly ash Price Index



QoQ cost increase: 1%

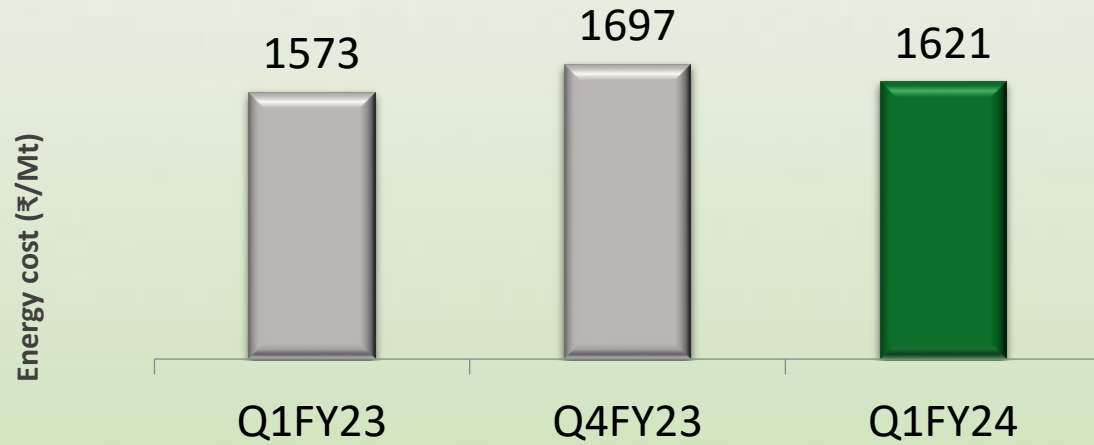
- Improvement in clinker conversion ratio.

Ensuring sustainability in business growth



Continuous focus on sustainability by promoting use of sustainable products and improving clinker to cement conversion

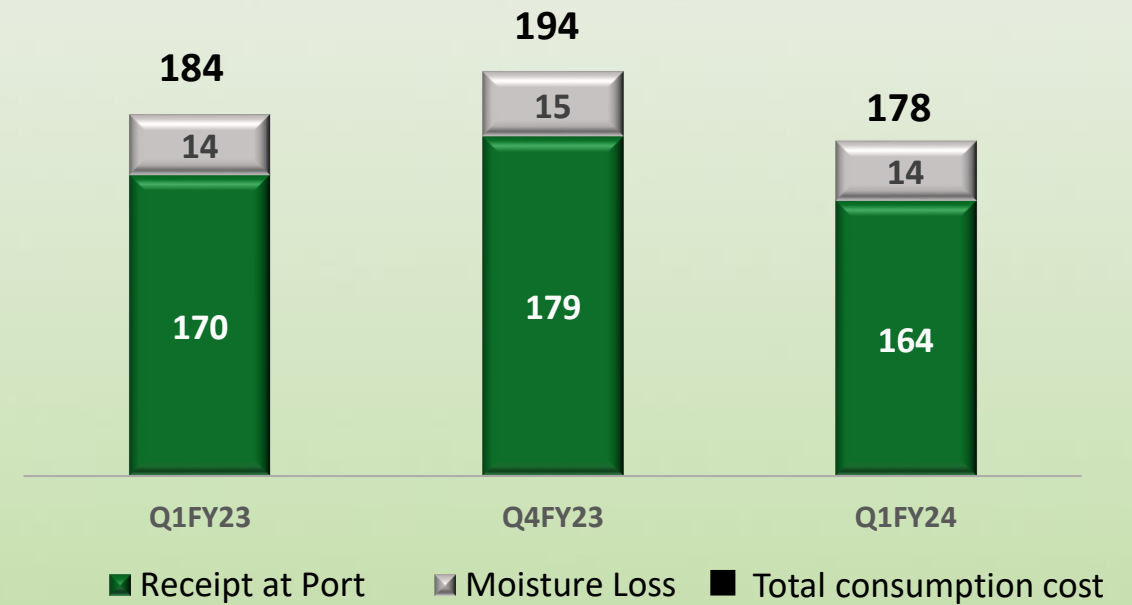
Energy Cost (Grey Cement)



Energy cost v/s Pet coke Price Index



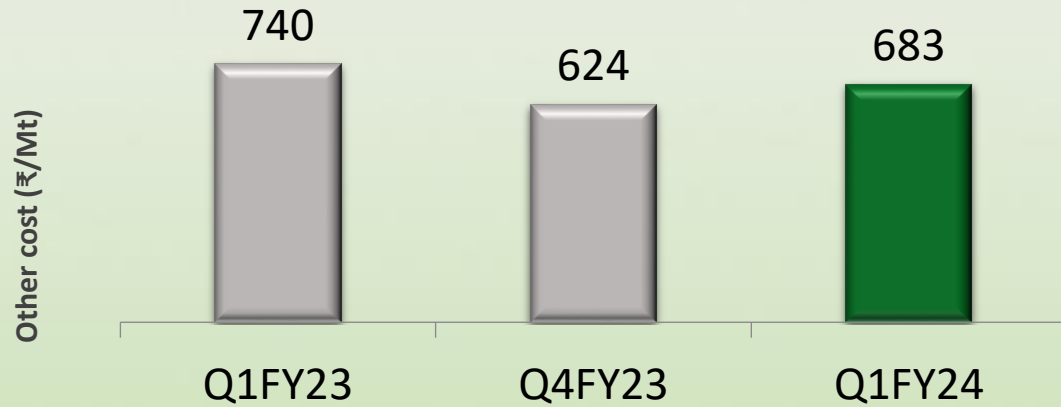
Blended Fuel cost at 7500 CV: \$/Mt



YoY cost increase: 3% and QoQ cost decrease: 4%

➤ Pet coke consumption at 42% vs 52% in Q4 FY23 and Q1FY23.

Other Costs



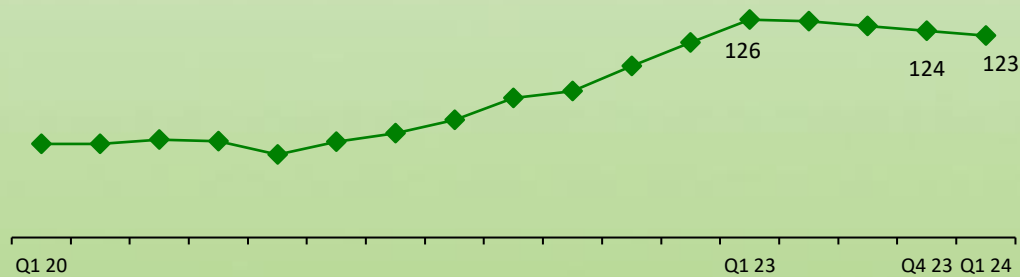
YoY cost decrease: 8%

- Operating leverage benefit; volume growth of 20%.

QoQ cost increase: 9%

- Higher maintenance
- Operating leverage impact

WPI Index



Operational Performance



₹ Crores

Consolidated		Particulars	India Operations	
Q1 FY24	Q1 FY23		Q1 FY24	Q1 FY23
17,519	15,007	Net Sales ^	17,007	14,543
218	157	Operating Income	218	146
174	109	Other Income	209	139
17,911	15,273	Total Income	17,434	14,828
		Expenses:		
2,560	1,999	Raw Materials Consumed	2,397	1,932
433	364	Purchase of Traded Goods	403	302
(49)	(80)	Changes in Inventory	(32)	(79)
707	637	Employee Costs	676	609
4,881	4,013	Power and Fuel	4,730	3,860
4,101	3,291	Logistics Cost	4,069	3,270
2,055	1,846	Other Expenses	1,982	1,791
14,688	12,069	Total Expenses	14,224	11,685
3,223	3,204	EBITDA	3,209	3,143
1,018	1,236	Operating EBITDA per ton	1,034	1,248

^After elimination of inter company sales

Financial Statement



₹ Crores

Consolidated		Particulars	India Operations	
Q1 FY24	Q1 FY23		Q1 FY24	Q1 FY23
17,519	15,007	Net Sales ^	17,007	14,543
3,223	3,204	EBITDA	3,209	3,143
211	216	Finance Costs	192	200
749	695	Depreciation and Amortization	720	667
577	711	Tax expenses	588	714
2	(2)	Minority interest	-	-
1,688*	1,584	Normalized PAT	1,709*	1,562
179	192	EPS (₹) (basis trailing 12 months)	176	190

* 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		Particulars	Amount in Mn SLR	
Middle East			Lanka	
Q1FY24	Q1FY23		Q1FY24	Q1FY23
198	186	Net Sales	4,263	5,440
0.1	0.2	Operating Income	20	7
0.3	0.3	Other Income	72	235
198	186	Total Income	4,355	5,681
55	50	Purchase/Consumption of Raw Material	3,914	3,463
0.3	-4	Changes in Inventory	-366	225
13	13	Employee Costs	80	71
68	73	Power and Fuel	17	6
14	9	Logistics Cost	59	47
30	18	Other Expenses	197	1,863*
179	159	Total Expenses	3,902	5,675
19	27	EBITDA	454	6
-2	4	PAT	334	-466

* Higher due to exchange loss on account currency devaluation.

Financial Position



₹ Crores

Consolidated		Particulars	India Operations	
30.06.2023	31.03.2023		30.06.2023	31.03.2023
66,054	64,987	Net Fixed Assets^	63,211	62,121
1,042	1,017	Investment in Subs/Associates/JVs	3,203	3,187
(2,271)	(2,669)	Net Working Capital	(3,692)	(3,987)
64,825	63,335	Total Assets	62,721	61,321
56,091	54,380	Shareholders Fund (Incl. Minority Interest)	55,044	53,369
9,886	9,901	Gross Debt	8,735	8,750
7,417	7,199	Less: Treasury Surplus	7,369	7,093
2,469	2,702	Net Debt	1,366	1,658
6,265	6,254	Deferred Tax Liability	6,311	6,295
64,825	63,335	Total Equity and Liabilities	62,721	61,321

^Includes goodwill and asset held for sale

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
- **IHB** - Individual Housing Builder
- **PMAY** - Pradhan Mantri Awas Yojana
- **PMGSY** - Pradhan Mantri Gram Sadak Yojana
- **CSR** - Corporate Social Responsibility
- **ESG** - Environmental, Social, and Governance
- **WHRS** - Waste Heat Recovery System
- **Green power Mix** includes WHRS and captive renewable power
- **IoT** - Internet of Things
- **AI** - Artificial Intelligence
- **rPP** - Recycled polypropylene
- **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
 - Receipt basis – Without taking moisture impact
 - Net basis – After considering moisture impact
- **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.

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