

India's Largest Cement Company

EARNINGS: Q3 FY22

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

01

ESG update

02

Key
Highlights

03

Financial
Performance

G L O S S A R Y

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)

UltraTech among top 10 Construction Material companies globally in DJSI

UltraTech's score in S&P's Dow Jones Sustainability Index (DJSI) **has improved 11 points to 79** in FY21 and ranked 7th globally by DJSI in the construction material sector.

UltraTech scores higher than industry average:

Environment: 126%

Social: 108%

Governance: 71%



Key areas that contributed to significant improvement:

- Adoption of new policies
 - Anti-corruption and Bribery
 - Anti-discrimination policy
- Process and performance improvement against sustainable supply chain KPIs
- Adoption of TCFD framework and SBTi target validation
- Human rights due diligence
- Improved disclosure on people development metrics





UltraTech wins 'Leaders Award- Mega Large Business, Process Sector' at Frost & Sullivan & TERI Sustainability 4.0 Awards 2021. Highest Award in the category



This award recognizes the Sustainability Excellence on People, Purpose, Partnership, and Planet pillars, along with Sustainability Analytics and the Renewable Energy Consumption initiatives of Organizations in India.

UltraTech helps reduce water borne diseases in local communities



Dalla Cement Works has enabled safe drinking water for over **20,000 people** in a village in the state of Uttar Pradesh, by cleaning and disinfecting the community water tanks as well as repairing the filtration system.

Purvanchal Expressway project

Purvanchal Expressway is 340.8 kms long 6 lane wide access expressway in the State of Uttar Pradesh, India. It is a critical infrastructure that reduces impact of congestion and travel time on environment. The project will benefit the society by reduction of ~ 19 million tons of CO₂ emissions over its life, based on estimated fuel savings from the project.

Key Highlights

76% of the expressway is made using UltraTech Cement

Economy Update



- ❑ Composite PMI rose to 56.4 in December vs 53.3 in September



- ❑ December points towards strong improvement in consumption led by overall positive economic sentiment



- ❑ NSO estimates FY22 GDP growth at 9.2%, helped by a robust farm sector and strengthening recovery in manufacturing

Industry Update



- ❑ Demand is likely to be resilient. Rural and infrastructure growth has been the key driver during the last year; Consumption for Urban Housing has started improving.



- ❑ Union Budget and elections in key states could also drive infrastructure-driven demand.



- ❑ Input cost inflation due to rise in cost of fuel, raw material and transportation. However, costs seem to have likely peaked.

Sectoral update Q3 FY22

| State/Region wise performance | | | | | | |
|-------------------------------|---------------|---|---|---|---|---|
| State/Region | Volume Growth | I | R | H | C | Key drivers |
| North | ↑ | ● | ● | ● | ● | <ul style="list-style-type: none"> Urban housing demand slowed due to unseasonal rains, festivities and construction ban in NCR Rural housing registered marginal growth. Infrastructure segment registered relatively higher growth |
| Central | ↓ | ● | ● | ● | ● | <ul style="list-style-type: none"> Rural housing registered growth except Kashi; Infrastructure segment de-growth due to near completion of major projects. High Sand prices and labour unavailability impacted overall construction demand |
| East | ↓ | ● | ● | ● | ● | <ul style="list-style-type: none"> Rural and Infrastructure segment demand was impacted by unseasonal rains and festivities |
| West | ↓ | ● | ● | ● | ● | <ul style="list-style-type: none"> Maharashtra: Mumbai maintained housing growth. Rural housing saw growth in all regions. Gujarat: Overall housing demand impacted by labour unavailability and Gram Panchayat elections |
| South | ↓ | ● | ● | ● | ● | <ul style="list-style-type: none"> Housing de-growth in Karnataka and Tamil Nadu due to cyclonic rains; Growth in Andhra Pradesh, Telangana & Kerala Infrastructure segment de-growth except in Andhra Pradesh |

Key Performance Drivers (India Operations): Q3 FY22

Blended Realization



Rs 5527/ton
7% YoY



Premium Product Mix



15.5% of trade
1.1% YoY



Green Power Mix



15.6%
2.8% YoY



Alternative Fuel



5.2%
2.4% YoY



UBS Outlets



2759 Outlets
15% YoY



Projects commissioned during the quarter



Patliputra Cement Works, Bihar

Commissioned additional cement capacity of 0.6 mtpa at the grinding unit



Dankuni Cement Works, West Bengal

Commissioned additional cement capacity of 0.6 mtpa at the grinding unit



Kalamboli Bulk Terminal, Maharashtra

Commenced operations at bulk terminal with a handling capacity of 1.2 mtpa cement



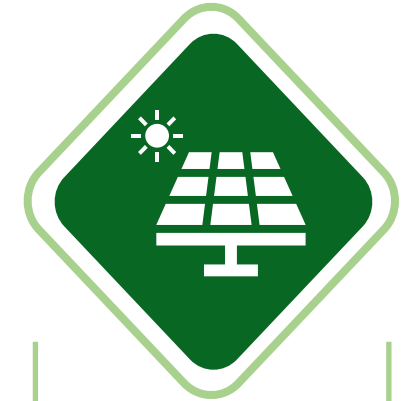
Bicharpur Coal Mine, Madhya Pradesh

Commenced operations at coal mine having extractable reserves of ~29 MMT



Bara Cement Works, Uttar Pradesh*

Commencement of Line II having capacity of 2 mtpa



Green Power

Commissioned Solar power capacity of 53 MW and WHRS capacity of 19 MW

Grey Cement capacity increased to 114.55 mtpa in January 2022

* Line II of Bara Grinding Unit commissioned during the current month i.e. January 2022

White Cement Expansion Plan

- Modernization and Expansion of capacity at Kharia, Rajasthan
- Nearly doubling capacity from 6.5 LTPA to 12.53 LTPA
- Capital outlay of Rs 965 Crs
- Capacity will be commissioned in phased manner



The first Cement brand from India to win Global awards for media innovation

Global Win For UltraTech

Cross Mobile Integration
#BaatGharKi Campaign



UltraTech wins big at MMA Smarties Asia Pacific 2021

Recognised as the 'Brand of the Year' and conferred three awards for #BaatGharKi campaign





Financial Performance



Sidhi Cement Works, Madhya Pradesh

Sales: Q3 FY22

| | Grey Cement (India) | RMC | White Cement | Export and Others | Grey Cement (Overseas) | Consolidated^ |
|---|---------------------|--|--------------|-------------------|------------------------|---------------|
|  Volumes (Mnt) | 21.43 | 151 <small>No of RMC plants</small> | 0.41 | 0.16 | 1.24 | 23.13 |
| Growth (YoY) | -3% | 42 <small>No of RMC plants</small> | 5% | -45% | -9% | -3% |
|  Revenues (Rs Crs) | 10,629 | 668 | 543 | 316 | 593 | 12,710 |
| Growth (YoY) | 3% | 17% | 1% | 5% | 13% | 5% |



^After elimination of inter company sales

Performance at a glance

| Particulars | Revenues | EBITDA | Normalised PAT |
|------------------------------|---------------|--------------|----------------|
| Q3 FY22 | | | |
| Consolidated (Rs Crs) | 12,710 | 2,490 | 1,173* |
| <i>Growth – YoY</i> | <i>5%</i> | <i>-26%</i> | <i>-26%</i> |
| Margin | | 20% | 9% |
| 9M FY22 | | | |
| Consolidated (Rs Crs) | 36,151 | 8,857 | 4,189* |
| <i>Growth – YoY</i> | <i>20%</i> | <i>4%</i> | <i>14%</i> |
| Margin | | 24% | 12% |

* Excluding reversal of provision of Tax of Rs 535 Crs pursuant to completion of prior year tax assessments

Key Cost Indicators: Q3 FY22

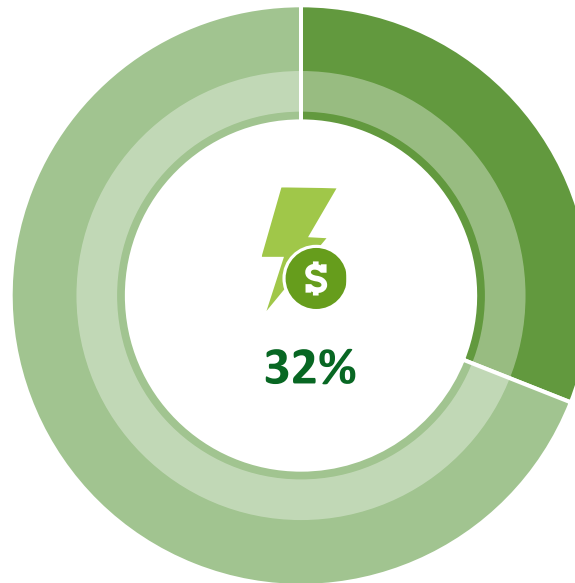
Logistic Cost



Increased 4% YoY to Rs. 1229/t

Diesel prices higher by ~24%

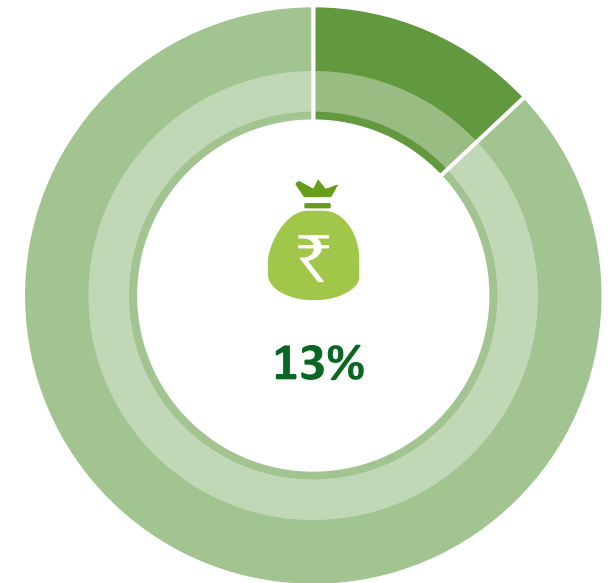
Energy Cost



Increased 39% YoY to Rs. 1327/t

Increase in prices of fuel

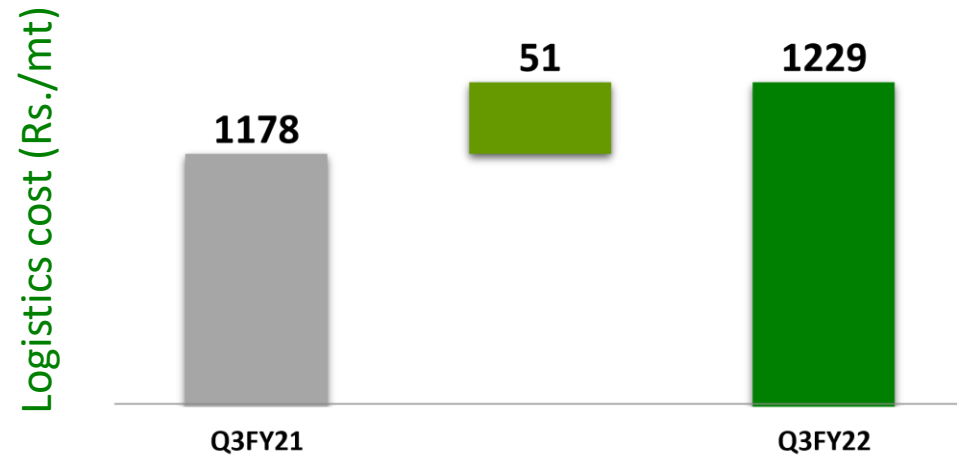
Raw Material Cost



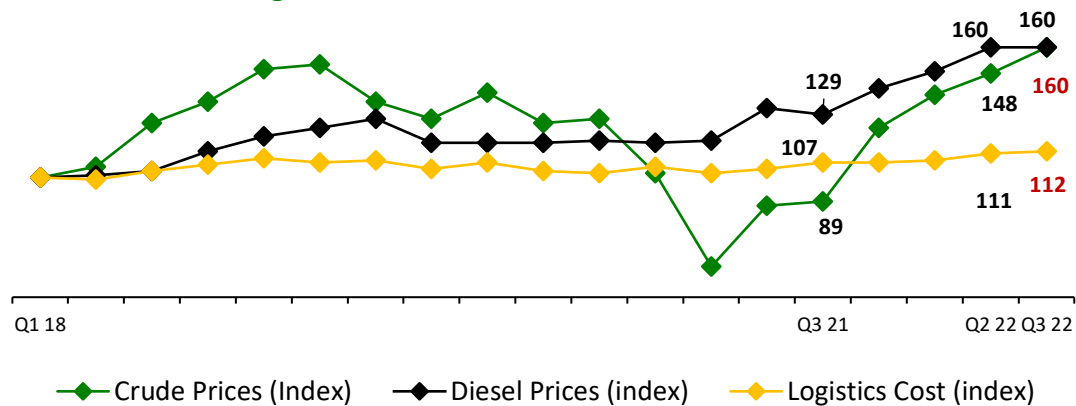
Increased 7% YoY to Rs. 538/t

Increase in prices of input material and diesel

Logistics Cost Trend



Logistics cost v/s Diesel Price Index



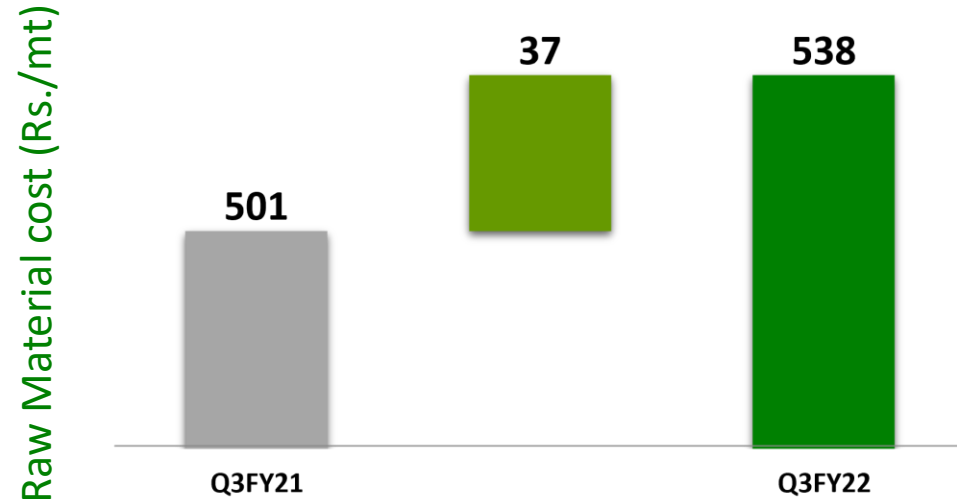
YoY cost increase : 4%

- Diesel price higher by ~24%
- Inflationary increase in cost partially mitigated by improved efficiency
- Favourable rail - road mix

QoQ cost increase : 1%

- Diesel prices remained stable
- Geographical mix impact

Raw Material Cost Trend

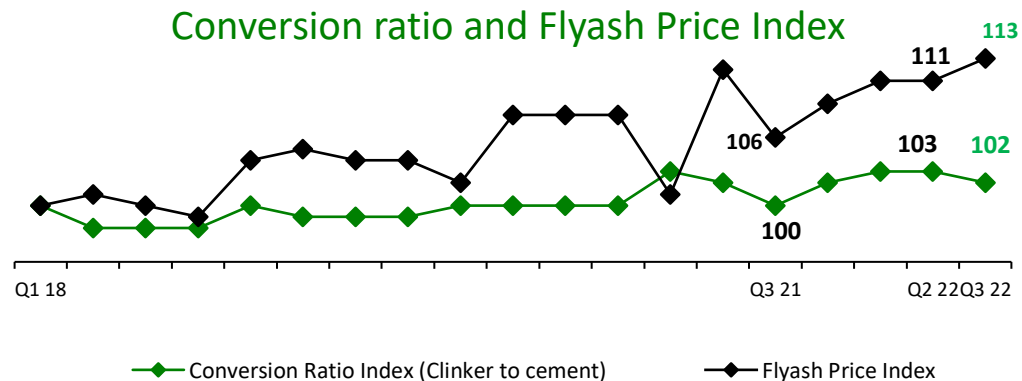


YoY cost increase : 7%

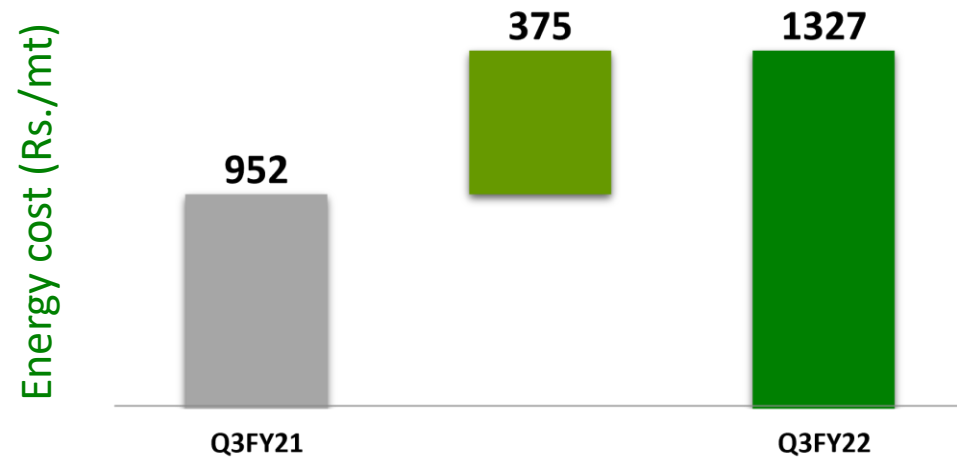
- Increase in flyash, gypsum prices
- Improved Clinker to Cement conversion ratio by ~ 1%

YoY cost increase : 4%

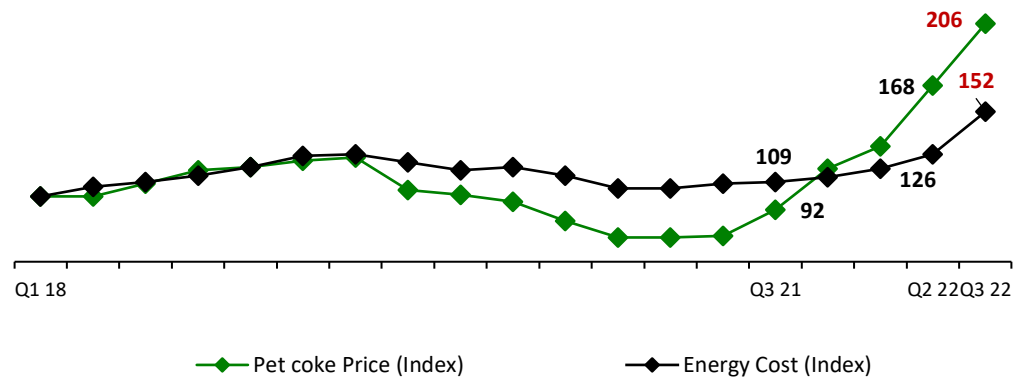
- Increase in flyash, gypsum and HSD prices



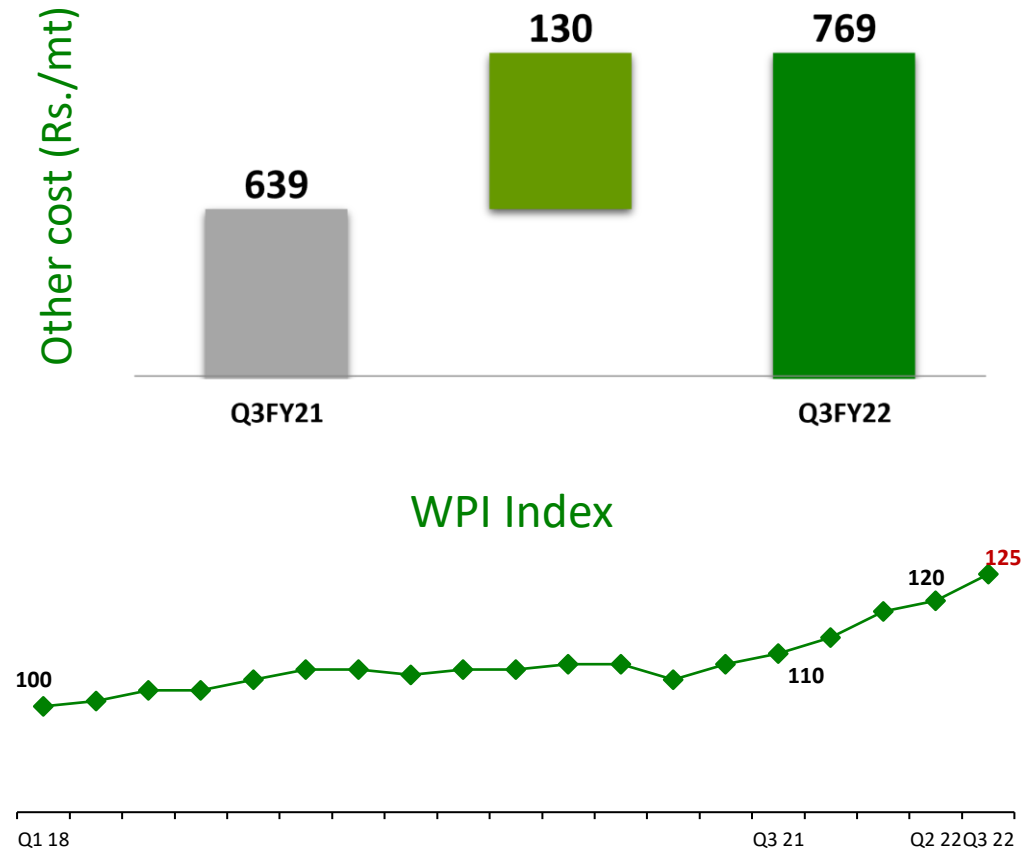
Energy Cost Trend



Energy cost v/s Petcoke Price Index



Other Cost Trend



YoY cost increase : 20%

- Increase in packing cost ~ 24%
- Normalised fixed cost

QoQ cost decrease : 4%

- fixed cost absorption due to higher QoQ volume

Q3 FY22 Financial Performance

Rs Crs

| Consolidated | | Particulars | India Operations | |
|--------------|--------|---------------------------|------------------|--------------|
| CY | LY | | CY | LY |
| 12,710 | 12,144 | Revenues (Net of Taxes) ^ | 12,156 | 11,698 |
| 275 | 118 | Operating Income | 288 | 127 |
| 71 | 260 | Other Income | 70 | 254 |
| 13,055 | 12,522 | Total Income | 12,514 | 12,079 |
| | | Expenses : | | |
| 1,715 | 1,669 | Raw Materials Consumed | 1,626 | 1,554 |
| 331 | 250 | Purchase of Traded Goods | 251 | 205 |
| 14 | (125) | Changes in Inventory | (22) | (134) |
| 643 | 610 | Employee Costs | 614 | 582 |
| 3,221 | 2,402 | Power and Fuel | 3,075 | 2,298 |
| 2,905 | 2,848 | Logistics Cost | 2,872 | 2,831 |
| 1,736 | 1,505 | Other Expenses | 1,692 | 1,459 |
| 2,490 | 3,362 | EBITDA | 2,406 | 3,282 |

^After elimination of inter company sales

Income Statement: Q3 FY22

Rs Crs

| Consolidated * | | | Particulars | India Operations | | |
|----------------|--------------|-------------|--|------------------|--------------|-------------|
| CY | LY | % | | CY | LY | % |
| 12,710 | 12,144 | 5 | Revenues (net of taxes)^ | 12,156 | 11,698 | 4 |
| 2,490 | 3,362 | (26) | EBITDA | 2,406 | 3,282 | (27) |
| 182 | 356 | 49 | Finance costs | 178 | 346 | 49 |
| 674 | 674 | - | Depreciation and Amortization | 645 | 637 | (1) |
| 459 | 747 | 39 | Tax expenses | 460 | 753 | 43 |
| 2.4 | 0.2 | | Minority interest | - | - | |
| 1,173* | 1,584 | (26) | Normalised PAT | 1,123 * | 1,546 | (27) |
| 1,708 | 1,584 | 8 | Reported PAT | 1,658 | 1,546 | 7 |
| 208.2 | 168.0 | 24 | EPS (Rs.) (basis trailing 12 months and before exceptional items) | 205.2 | 165.2 | 24 |

^After elimination of inter company sales

* Excluding reversal of provision of Tax of Rs 535 Crs pursuant to completion of prior year tax assessments

Financial Position

| Consolidated | | Particulars | India Operations | |
|--------------|----------|----------------------------------|------------------|----------|
| Mar – 21 | Dec – 21 | | Mar – 21 | Dec – 21 |
| 64,482 | 58,325 | Capital Employed (Rs Crs) | 64,432 | 58,327 |
| 6,717 | 6,147 | Net Debt (Rs Crs) | 6,353 | 5,786 |
| 15.3% | 16.1% | ROCE (basis trailing 12 months) | 15.6% | 16.0% |
| 15.6% | 15.1% | ROE (basis trailing 12 months) | 15.1% | 14.7% |
| 0.55 | 0.49 | Net Debt : EBITDA | 0.53 | 0.47 |

Recognition of UltraTech's sustainability progress

Five-star rating for Sustainable Mine Management

UltraTech's 15 limestone mines were awarded 30 five-star rating awards for the last three years (2017-18, 2018-19 and 2019-20) by the Ministry of Mines and Indian Bureau of Mines.



UltraTech wins FICCI Indian Circular Economy Award 2021

This award appreciates our efforts to accelerate our business towards a circular economy model and identifies UltraTech as most innovative and impactful in its practices.

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
[Corporate Identity Number L26940MH2000PLC128420]

www.ultratechcement.com or www.adityabirla.com
investorrelations.utcl@adityabirla.com