

**ADITYA BIRLA**



21<sup>st</sup> January, 2017

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Fax: 2659 8237 / 38.  
Scrip Code: ULTRACEMCO

Dear Sirs,

**Sub: Disclosure under Regulation 30 of (Listing Obligations and Disclosure Requirements) Regulations, 2015 – investor's presentation**

Attached is an investor's presentation on the performance of the Company for the quarter ended 31<sup>st</sup> December, 2016.

The same is for your information, please.

Yours very truly,

S. K. Chatterjee  
Company Secretary

Encl: A/a

**UltraTech Cement Limited**

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CIN L 26940MH2000PLC128420



# UltraTech Cement Limited

INDIA'S LARGEST CEMENT COMPANY

EARNINGS Q3 FY17



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

# Q3 FY17

was one of the most  
challenging quarters  
in recent years.



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Cement  
purchases slowed.

Cement  
prices weakened.

Sectoral capacity  
utilisation contracted  
to 60%.

Cost started  
hardening.

Difficult period



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# General Consensus

Q3 FY17 would be a  
weak quarter.



As industry leader,  
UltraTech resolved to  
outperform instead.

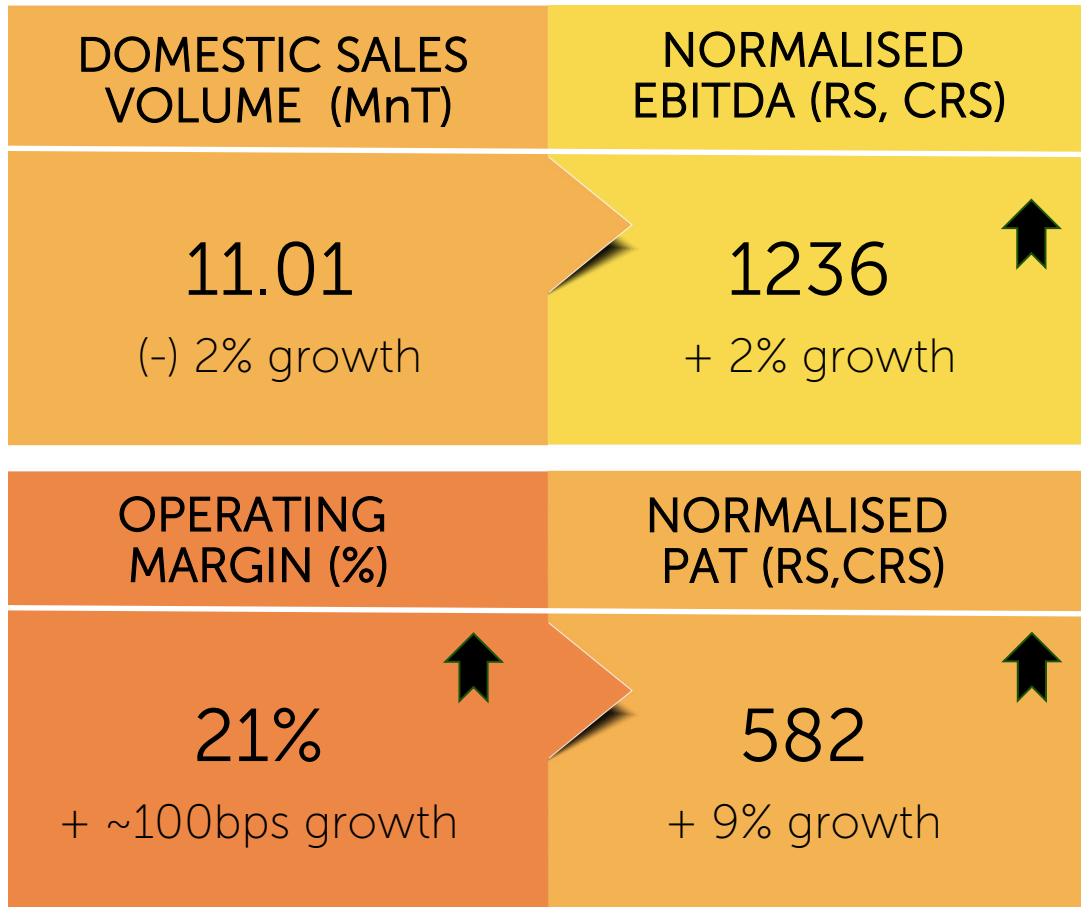
By drawing into our  
organisational scale, dispersal,  
knowledge and diversity.



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This is what we have to show for our 'Outperform all the time' commitment.



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\* Note: % changes on YoY basis

# UltraTech's Outperformance

INTERNAL  
PASSION



EXTERNAL  
CHALLENGES

ONE

War on  
costs

TWO

Stronger  
sales  
thrust

THREE

Enhanced  
cash  
availability



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ONE

It was felt that input costs were beyond control...

# At UltraTech, we attacked costs across-the-board.

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Reduced logistic costs 3% at Rs.1060/MT

Controlled the impact of rising fuel prices and improved Energy Costs 5% at Rs.785/MT

Raw material costs increased 4%  
at Rs 486/ MT

Result: We moderated  
Operating Cost 100 bps



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\* Note: % changes on YoY basis

At UltraTech,  
we responded to  
inflation with passion.

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Moderated logistic costs

Shrunk lead distances

Enhanced new Grinding Unit  
capacities utilisation

Restricted road freight rate increase

Result: Cost reduction 3% v/s  
diesel price increase 17%



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\* Note: % changes on YoY basis

# Reduced energy costs

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Reduced power consumption  
400 bps (YoY and QoQ)

Enhanced waste heat recovery share  
200 bps (YoY)

Improved fuel consumption 100 bps  
( YoY and QoQ)

Reduction: ~ Rs 40/ MT over previous  
year v/s rising purchase costs



# Increased low-cost fuel use

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Increased pet coke consumption in kiln  
from 74% to 78% (YoY)

Increased industrial waste use in kiln  
from 1% to 3% (YoY)

Result: Internal efforts contributed ~ 10%  
in operating EBITDA per ton



# OVERALL RESULT

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Grey cement  
operating cost remained  
lower than last year despite  
an increase in fuel prices





TWO

It was considered  
that nothing could  
be done to  
enhance offtake...

## At UltraTech, we...

Increased UBS outlets ~ 60 over Q2

Added ~ 400 dealers and ~1000 retailers

Increased rural offtake 30 bps (YoY)

Enhanced institutional sales

Result: Volumes grew 4% over Q2 FY17



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THREE

There was a  
general feeling that  
liquidity would  
dry out...

# At UltraTech, we...

Controlled capital expenditure

Reduced working capital ~ 14%  
over Mar-16

Reduced Net Debt > Rs. 2400 Crs  
over Mar-16

**Result: Consolidated Net Debt / EBITDA  
at 0.19 ( 0.66, FY16)**



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UltraTech Performance =  
Moderated costs + Enhanced sales + Higher liquidity



ROCE , FY 16



ROCE , FY 17 (9M)

Passion, Outperformance and UltraTech

When the going gets tough,

THE TOUGH get going



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# Income statement

Rs. Crs

Q3			Particulars	9M		
CY	LY	▲ %		CY	LY	▲ %
5540	5652	(2)	Revenues (net of excise duty)	17116	17108	-
97	89	9	Other Income	420	340	23
<b>1210</b>	<b>1204</b>	<b>1</b>	<b>EBITDA*</b>	<b>4111</b>	<b>3590</b>	<b>14</b>
22%	21%	1	Margin (%)	24%	21%	3
<b>563</b>	<b>528</b>	<b>7</b>	<b>PAT</b>	<b>1939</b>	<b>1589</b>	<b>22</b>
20.5	19.2	7	EPS (₹)	70.7	57.9	22

\* Includes Rs 25 crs notional charge on Hedge instruments for m-t-m impact (LY Rs 10 crs) for quarter ending Dec-16 and Rs 23 crs (LY Rs 31 crs) for nine months ended Dec-16.



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# Financial Position

Rs. Crs

Consolidated		Particulars	Standalone	
31.12.16	31.03.16		31.12.16	31.03.16
35565	35008	Total Capital Employed	32699	32313
1101	3523	Net Debt	(1288)	1181
(26)	72	Net Working Capital	(652)	(574)
		<b>Key Ratios:</b>		
0.05	0.16	Net Debt : Equity	(0.06)	0.05
0.19	0.66	Net Debt : EBITDA	(0.23)	0.23
7.5%	7.4%	ROIC	8.0%	7.6%
192	206	EV (USD/T)		
15.8	17.2	EV/EBITDA		
864	800	Book Value per share (Rs)	847	788



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## Greenfield expansion (South West MP)

Cement capacity: 3.5 mtpa

Total cost US\$: ~ 110/t

Commissioning by Q4 FY19

Attractive markets; Logistics advantage

Consolidated Capacity to augment at 95 mtpa in FY19



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CHALLENGING OUTLOOK.  
CAUTIOUS OPTIMISM.



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# WEAK

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Slow demand recovery

Weak demand from Housing &  
Commercial segments

Rural housing to improve with  
normalisation of cash circulation

Urban housing (ex Tier-I cities)  
sluggishness

Volatile cement prices

Rising costs





# ENCOURAGING

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Increase in Government spending on  
infrastructure & low cost housing

AP and Telangana development

Interest rate drop & subsidies for  
housing



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# 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 Government 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, on the basis of any subsequent development, information or events, or otherwise.

## ULTRATECH CEMENT LIMITED

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