



21<sup>st</sup> October, 2020

BSE Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001.  
Tel.: 22721233/4  
Fax: 022 2272 2039  
**Scrip Code: 532538**

The Manager  
Listing Department  
The National Stock Exchange of India Limited  
"Exchange Plaza", Bandra-Kurla Complex,  
Bandra (East), Mumbai 400 051.  
Tel.: 26598236  
Fax: 2659 8237 / 38.  
**Scrip Code: ULTRACEMCO**

Dear Sirs

**Sub: Investor Presentation for the quarter ended 30<sup>th</sup> September, 2020.**

Attached is an investor's presentation on the performance of the Company for the quarter ended 30<sup>th</sup> September, 2020.

The same is for your information please.

Yours very truly,

For UltraTech Cement Limited

A handwritten signature in blue ink, appearing to read "Sanjeeb Kumar Chatterjee".

Sanjeeb Kumar Chatterjee  
Company Secretary

Encl: A/a



**UltraTech Cement Limited**



# INDIA'S LARGEST CEMENT COMPANY

Earnings:  
Q2 FY21  
21st October  
2020

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UltraTech

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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)

# UltraTech Cement announces joining '2050 Climate Ambition'



Global announcement on  
1<sup>st</sup> September 2020



GCCA members commit to continue to drive down the CO<sub>2</sub> footprint of their operations and aspire to deliver society with carbon neutral concrete by 2050. GCCA will work across the built environment value chain to deliver this aspiration in a circular economy, whole life context.

UltraTech is  
the founding  
member of  
**GCCA**

# UltraTech products deliver carbon emissions savings through critical Infrastructure projects

**Bandra Worli Sea Link (BWSL)** is one classic example of critical infrastructure that reduces the environment impact through decongestion. The project will benefit the society by carbon emission savings of approx. **15\* million tons of CO<sub>2</sub> over its life.**

\*Best estimates based on fuel savings projected from the project

**UltraTech was the exclusive cement supplier for this marvel project**

# UltraTech creating positive impact

Office  
electricity  
savings

**464**  
tCO<sub>2</sub>

Equivalent to  
~**145** cars  
put off road

Office  
commute  
savings

**583**  
tCO<sub>2</sub>

Equivalent to  
~**182** cars  
put off road

Rail  
Transportation  
saving

**1.25 mn**  
tCO<sub>2</sub>



**CO<sub>2</sub> estimated for Mumbai office based on period  
between March to September 2020**

# UltraTech creating positive impact (Contd...)

Reduction in  
Water  
consumption

**6.3**  
Million liters  
of water

Equivalent to  
approx. **5**  
Olympic size  
swimming pool

Reduction in  
paper usage

**8**  
Tons of  
paper

Saved approx.  
**136** trees

**CO<sub>2</sub> estimated for Mumbai office based on period  
between March to September 2020**

# Climate advocacy



Joined the list of proactive companies in the **Carbon Market Simulation** project initiated by WRI India

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Learnings from the project to be used to build capacity amongst medium, small and micro enterprises (MSMEs) on emission monitoring and management



UltraTech joined the **SBTi Incubator** launched by CDP and WWF India

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Accelerate the adoption of SBTi target

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Assist in best practice of target setting for built environment sector



# Project Jagruti 2.0: Sustainability awareness amongst employees



3300+



55

Jagruti 2.0 was  
launched on  
10<sup>th</sup> July 2020

Learning index for  
these sessions  
have been 76%

Plan to cover 100%  
of manufacturing  
employees this year

# UltraTech shines at the CII National Awards for Energy Management

Six manufacturing units recognized for 'energy efficiency'



UltraTech Cement Limited, has been recognized with seven awards at the 21<sup>st</sup> National Energy Award for Excellence in Energy Management 2020' conferred by Confederation of Indian Industry (CII) Green Business Centre. These include 'Excellent Energy Efficient Unit' awards for Dalla Cement Works and Sewagram Cement Works under the Captive Power Plant category. Sewagram Cement Works, Kotputli Cement Works, Sidhi Cement Works, Ratnagiri Cement Works, and Hotgi Cement Works have also been recognized with the 'Energy Efficient Unit' Award for their energy management initiatives and projects.

**20 different environment related awards during H1  
for UltraTech Plants**

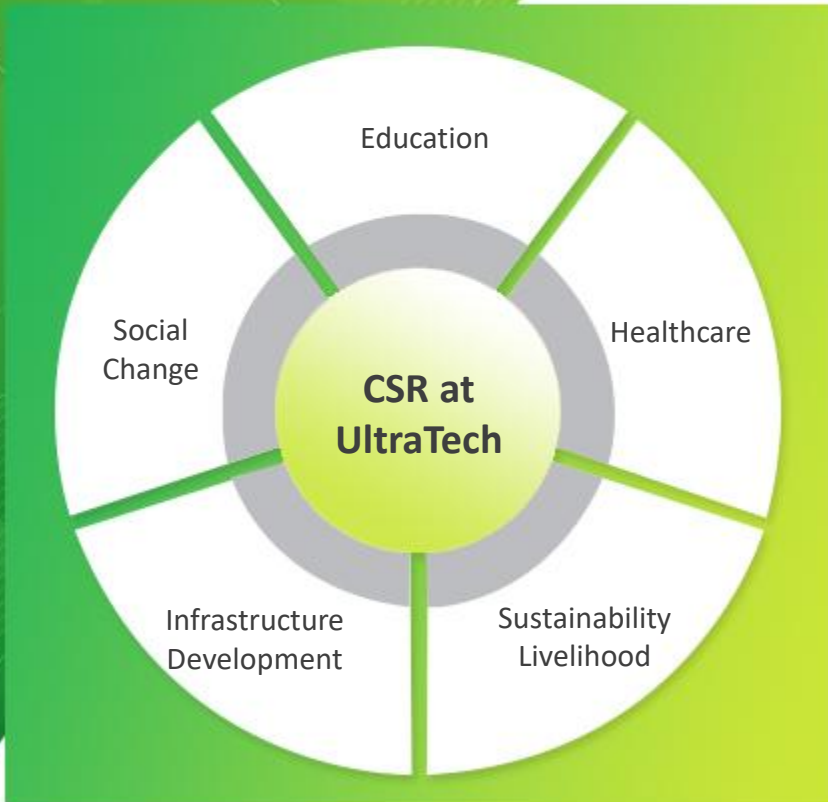
# UltraTech Concrete shines at the OSH & Fire Safety and NSCI Safety Awards

UltraTech RMC won 5 prestigious awards at the Safety awards night by National Safety Council of India (NSCI).

Unit	Award
UltraTech RMC , Kelambakkam, Kanchipuram Chennai	Gold Trophy
UltraTech RMC , Medchal, Hyderabad	Bronze Trophy
UltraTech RMC, Bollaram, Hyderabad	Prashansa Patra
UltraTech RMC, Sarjapura, Bangalore	Prashansa Patra
UltraTech RMC, Peenya, Bangalore	Prashansa Patra

# ESG at UltraTech

## Sustainability at UltraTech



**People benefited: 1.6 million**

**Education for: 0.1 million children**

**Rural Health Camps for: 0.2 million people**

**Villages Covered: 502**

**Program coverage: 16 States**

**H1 FY21 CSR spends : Rs. 89 crores**

# UltraTech's R<sup>4</sup> strategy to manage Covid-19



Response

A safe exit strategy from the lockdown by formulating robust SOPs to control the virus spread



Relief

Leveraged technology to stay connected with each other and to keep abreast of the market conditions



Recover

Extended full support to our supply chain partners, vendors, business associates



Resilience

UltraTech's Freeflow Plus compacting Concrete helped our customers reduce dependence on labour

## ESG at UltraTech



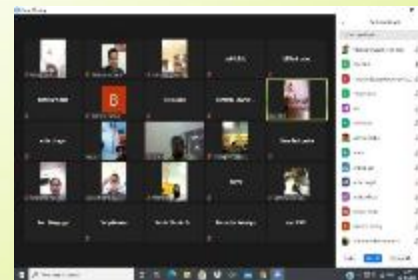
## COVID-19 counter-measures: ~ 1.0 mn population outreach

- ❑ Continuous and pro-active awareness camps across villages for social distancing methods
- ❑ Training for agriculture, non-farm livelihood and were virtual and reached out to 1874 farmers
- ❑ Training and learning sessions for alternative livelihoods
- ❑ Students were supported with online classes in 13 locations and informal orientations

### शिक्षक सम्मान समारोह आयोजित



नवज्योति,बोरोन्दा। शिक्षक दिवस पर बिरला क्वार्ट सर्वेज द्वारा अपनी सीएसआर गतिविधियों के अंतर्गत सीनियर सेकेंडरी स्कूल राजलानी में 12 शिक्षकों का सम्मान कर उन्हें स्मृति चिन्ह प्रदान किया गया। इस अवसर पर बिरला क्वार्ट के प्रबंधन प्रतिनिधि के रूप में श्रेष्ठआशीष चंदा एवं विपिन खन्ना ने शिक्षक को महत्ता पर प्रकाश डाला एवं शिक्षकों को शुभकामना दी। इस अवसर पर बिरला क्वार्ट के रामकुमारसिंह श्रेष्ठवाल आदि उपस्थित रहे। कार्यक्रम का सफल संचालन बबिता कुमावत ने किया। आभार गणपत लाल मेघवाल ने व्यक्त किया।



## ESG at UltraTech

### Contribution to Society

- ❑ With a focus on Mother & Child Health Care – 4371 families were supported through immunisation and food kits and health camps
- ❑ Continuous and pro-active awareness camps across villages and reinforce prevention message as well as social distancing.
- ❑ To ensure health and social workers safety & minimize the risk during the execution of work at field level, distributed health kits containing with nose mask, hand gloves & sanitizers and rain coats
- ❑ High standard of hygienic sanitary facilities for girl schools
- ❑ Agroforestry models on farm bunds were initiated



आंचलिक 16-09-2020

अल्ट्राटेक सीमेंट ने 120 आंगनवाड़ी कार्यकर्ताओं व मितानिनों को स्वच्छता किट और रेनकोट बांटे



हिरमी (ग्रामीण) | अल्ट्राटेक सीमेंट संयंत्र सामाजिक सहभागिता के दायित्वों की पूर्ति के अंतर्गत मितानिनों और आंगनवाड़ी कार्यकर्ताओं को कोरोना महामारी से बचाव, जन जागरण एवं सम्मान के लिए 7 से 14 सितंबर तक कोरोना सुरक्षा सप्ताह कार्यक्रम मनाया। इसके तहत संयंत्र के आसपास के 12 ग्रामों की 120 मितानिन और आंगनवाड़ी कार्यकर्ताओं का सम्मान कर उन्हें कोरोना से बचाव के लिए सैनिटाइजर, दस्ताने, मास्क, रेनकोट आदि सामानों की एक किट दी गई। संयंत्र कार्मिक प्रमुख विनोद नेक्वियर ने कहा कि वर्तमान में मितानिन और आंगनवाड़ी कार्यकर्ता कोरोना वायरस के रूप में अपनी जान की परवाह किए बिना काम कर रही हैं। इनका सम्मान कर जागरूकता लाना और इनकी सुरक्षा के लिए किट प्रदान करना ही इस अभियान का प्रमुख उद्देश्य था। कार्यक्रम में प्रशासनिक प्रमुख जितेंद्र तवर, ग्रामीण विकास अधिकारी वैभव त्रिपाठी, जनपद सदस्य अनुपम अग्रवाल, अल्का उपध्याय, ग्राम भटभरा, अमैरी, सकलौर, परेश्वानी, बरडोह, हिरमी, भिलौनी, कुथरौद, बुड़गहन, मोहरा, पाहरी, चंगेरी आदि ग्रामों के जनप्रतिनिधि शामिल थे।



# Macro and Industry updates



- ❑ Gradual resumption of business
- ❑ Early estimates for GDP for Q2 indicate a sharp recovery from the degrowth of 23.9% during Q1
- ❑ IIP growth contracted at a slower pace of (-) 8% for Aug'20
- ❑ Cement demand rebound in September, with most regions reporting YoY growth
- ❑ Pick-up in government spends on Infrastructure and affordable housing along with rising Rural consumption
- ❑ Unprecedented growth in Rural consumption



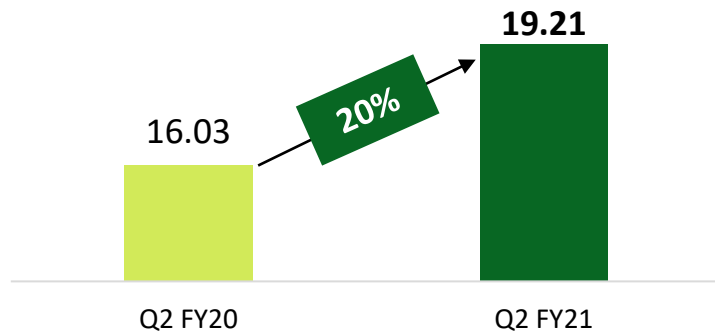
# Sectoral Update Q2 FY21

## State/Region wise performance

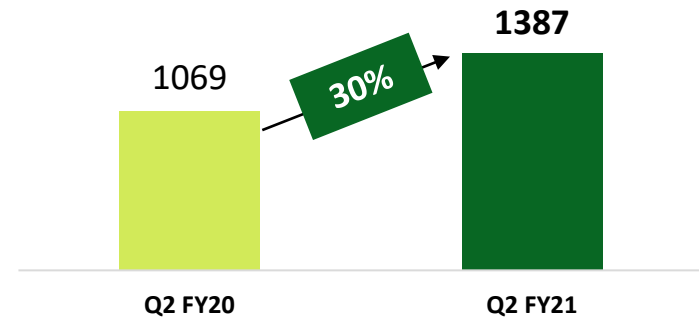
State/Region	Vol. Gr.	I	R	H	C	Key drivers
North	↑	●	●	●	●	<ul style="list-style-type: none"> <li>☐ Robust IHB demand</li> <li>☐ Infrastructure segment registered positive growth</li> </ul>
Central	↑	●	●	●	●	<ul style="list-style-type: none"> <li>☐ Robust IHB demand</li> <li>☐ Infrastructure segment registered positive growth</li> </ul>
Maharashtra	↓	●	●	●	●	<ul style="list-style-type: none"> <li>☐ Rural housing witnessed positive demand</li> <li>☐ Infrastructure segment recovery in Sep'20</li> </ul>
Gujarat	↑	●	●	●	●	<ul style="list-style-type: none"> <li>☐ IHB demand led by Rural housing</li> <li>☐ Infrastructure segment registered positive growth</li> </ul>
East	↑	●	●	●	●	<ul style="list-style-type: none"> <li>☐ Robust IHB demand</li> <li>☐ Strong Rural housing demand</li> <li>☐ Infrastructure segment registered positive growth</li> </ul>
South	↓	●	●	●	●	<ul style="list-style-type: none"> <li>☐ Sep'20 saw a sharp increase in demand.</li> <li>☐ Infrastructure segment registered positive growth</li> </ul>

# Q2 FY21 : Key Performance Highlights

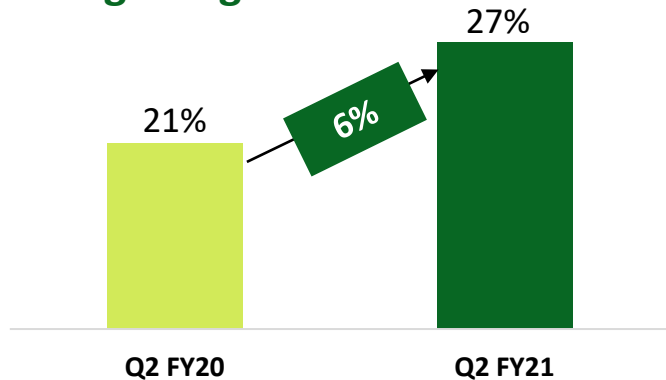
## Effective Volume Growth 20%



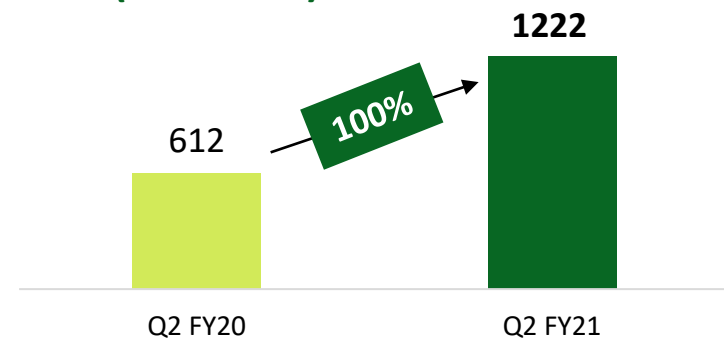
## Operating EBITDA per Ton



## Operating Margin %



## PAT (Rs crores)



**UltraTech Brand sales grew 15%**

**Century Cement:**

**1<sup>st</sup> year of  
Operations under  
UltraTech**

Capacity  
utilization in  
Sep'20 ~68%

Pet coke usage  
~74%  
(Q1FY21 : 73%)

Variable Costs  
reduction  
~12% YoY

Brand Transition  
to complete the  
transition by this  
fiscal year

WHRS  
implementation  
work started,  
will result into  
further cost  
saving

Achieved  
EBITDA of  
> Rs 700/mt

**Cost efficiency and synergy gains on track**

## UltraTech Nathdwara

China asset  
divestment  
proceeds  
received

Capital  
employed  
reduced  
~ Rs 750 crs

Disposal of  
other non- core  
assets in  
process

Operating at  
~60% capacity  
utilization

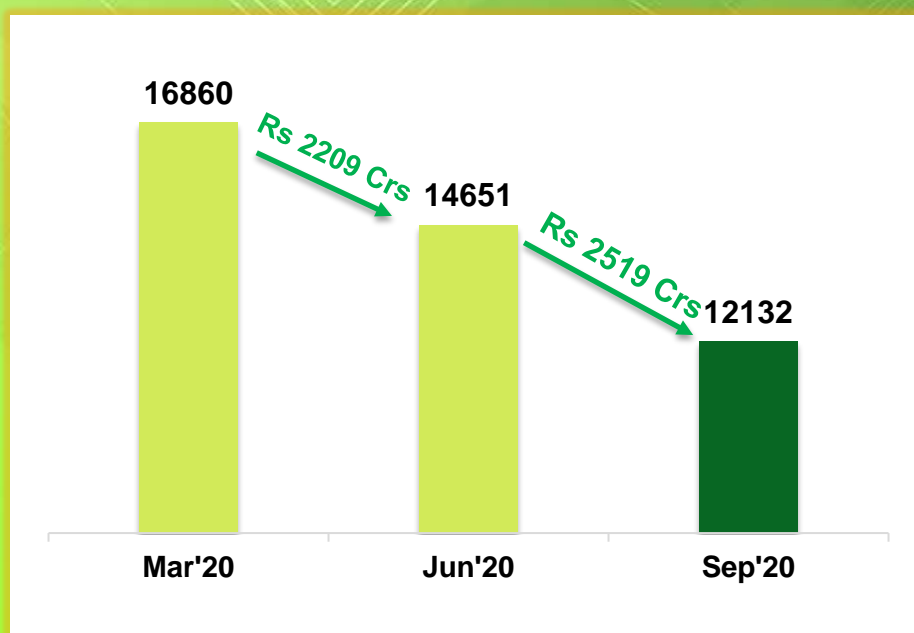
Production cost  
reduction:  
>17% YoY

Continuously  
achieving  
EBITDA of  
>Rs 1500/mt

Continues Stellar performance

# Reduction in Net Debt

## Consolidated Net Debt (Rs crores)



- ❑ **Effective Working Capital Management :**  
Q2 release : Rs 297 crores
- ❑ **Capex Spends :**  
Rs 286 crores
- ❑ **Net Debt Reduction in Q2 :**  
Rs 2519 crores
- ❑ **Consolidated Net Deb/EBITDA reduced :**  
1.22x v/s 1.70x in Mar'20

India Operations Net Debt / EBITDA as on Sep-20: **1.11x**

# Sales Performance: Q2 FY21

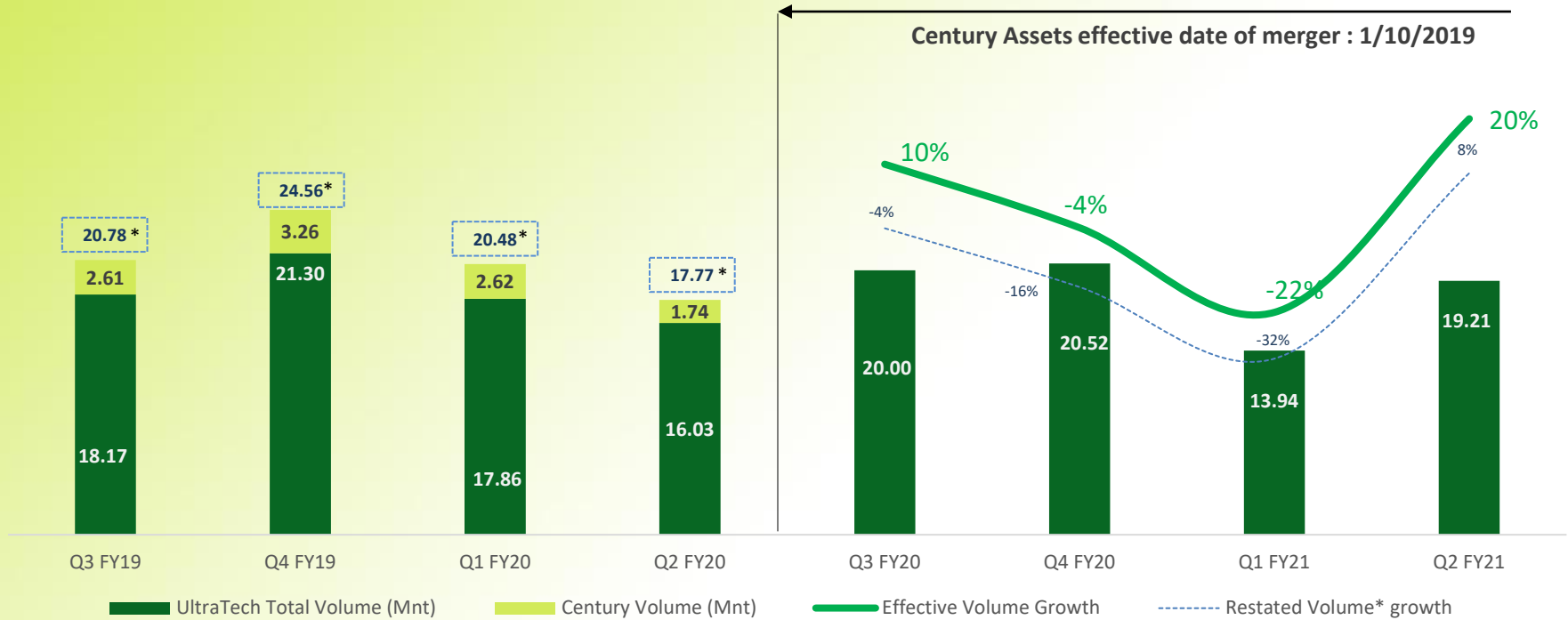
MnT

Particulars	Q2 FY21			H1 FY21		
	CY	LY	%	CY	LY	%
Domestic Sales (basis effective period)	18.52	15.45	20	32.08	32.71	(2)
Domestic Sales (basis restated prior periods)	18.52	17.19*	8	32.08	37.07*	(13)
Exports and Others	0.69	0.57	20	1.07	1.18	(9)
<b>Total India Operations (basis effective period)</b>	<b>19.21</b>	<b>16.03</b>	<b>20</b>	<b>33.15</b>	<b>33.88</b>	<b>(2)</b>
<b>Consolidated Volume (basis effective period)</b>	<b>20.06</b>	<b>16.90</b>	<b>19</b>	<b>34.72</b>	<b>35.70</b>	<b>(3)</b>

\* Sales of Century Cement for Q2 FY 2019-20 were not part of UltraTech operations, but the numbers have been restated in compliance with the NCLT order fixing the Appointed Date of merger as 20<sup>th</sup> May 2018 whereas the Effective Date of take over of Century Cement operations was 1<sup>st</sup> October 2019.

**Effective Volume Growth : 20%**

# Volume Growth Trends ...



**UltraTech Brand grows 15%**

# Key Performance Drivers : Q2 FY21

Trade sales share  
up 3% YoY

Rural markets  
penetration  
increased by  
~5% YoY

Blended sales at  
71% up 3% YoY

Increased sales  
network 4.5%,  
most of it  
appointed  
digitally

Number of UBS  
outlets: ~2300  
up 4% over Q1

More products  
introduced in  
UBS  
strengthening  
the segment

Improved clinker  
to cement  
conversion ratio  
~2% YoY

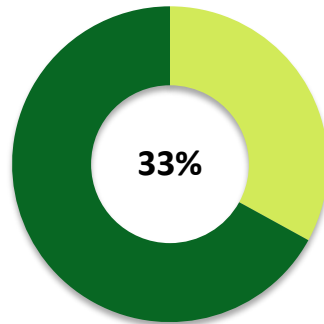
Fixed Cost down  
14% YoY



# Operating Costs : Q2 FY21



## LOGISTICS COST

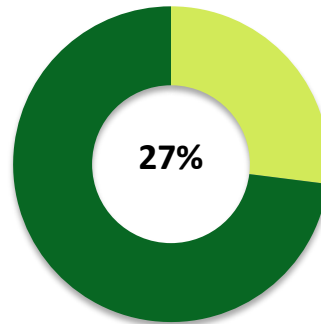


Increased YoY 1% to Rs. 1140/t

- Diesel Price Hike
- Geomix optimization and synergy benefits



## ENERGY COST

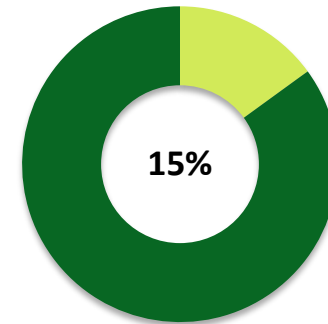


Declined YoY 9% to Rs. 937/t

- Lower pet coke prices
- Increased share of Green Power



## RAW MATERIAL COST



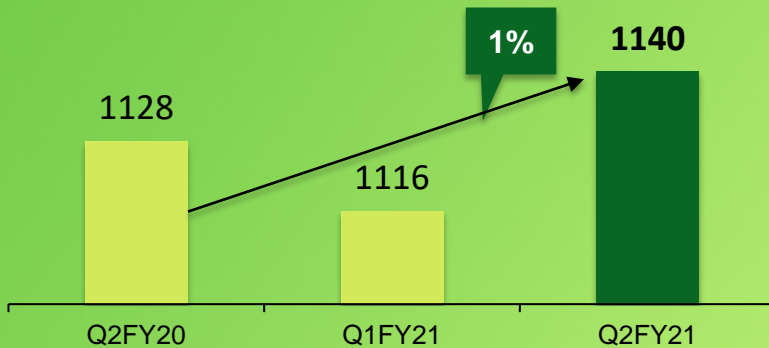
Increased YoY 3% to Rs. 505/t

- Higher Flyash prices
- Higher Blended Mix

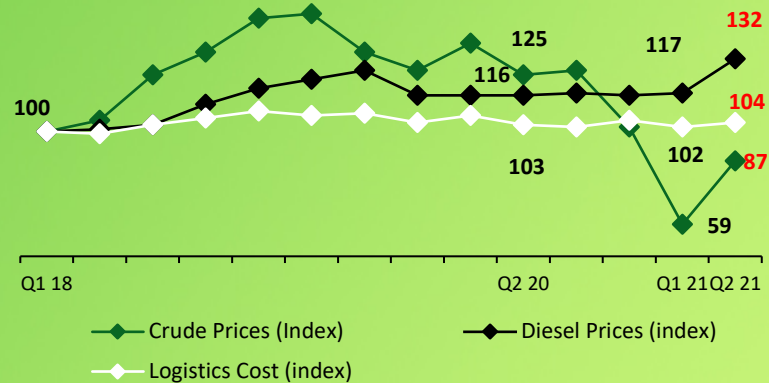
**Production Cost Reduction : 6%**

# Logistics Cost Trends

Logistics cost (Rs./t)



Logistics costs v/s Diesel Price Index



**YoY cost increased: 1%**

- ❑ Diesel Price higher by ~14%
- ❑ Savings on sourcing realignment, Geomix optimization
- ❑ Improved clinker to cement conversion ratio

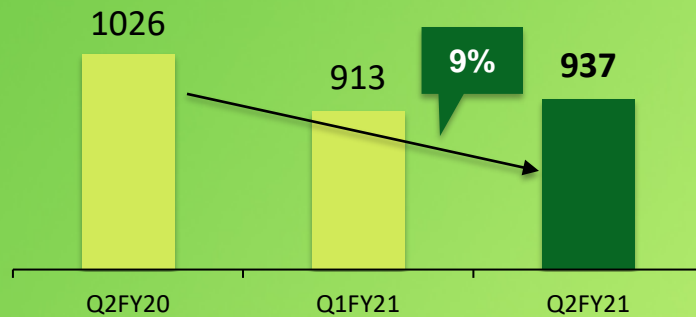
**QoQ cost increased: 2%**

- ❑ Diesel Price higher by ~13%
- ❑ Savings on sourcing mix and market mix

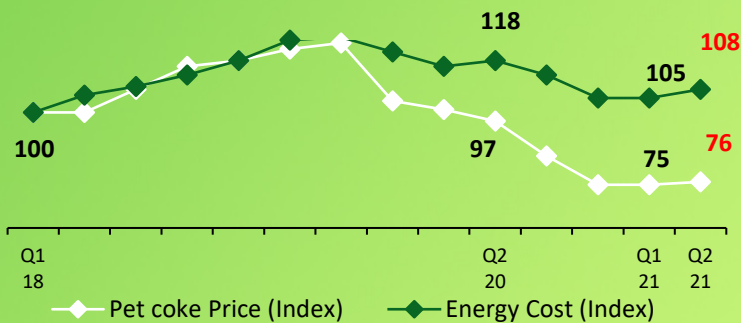
**Logistic saving & Efficiency on account of various initiatives and Synergy benefits with Century units**

# Energy Cost Trends

## Energy cost (Rs./t)



## Energy cost v/s Pet coke Price Index



## YoY cost reduced : 9%

- ❑ Pet coke consumption rate at \$71/t; 22% lower over last year
- ❑ Pet coke usage at 75% (LY: 64%)
- ❑ 'Green power' share in power mix raised to 13% (LY: 9%)

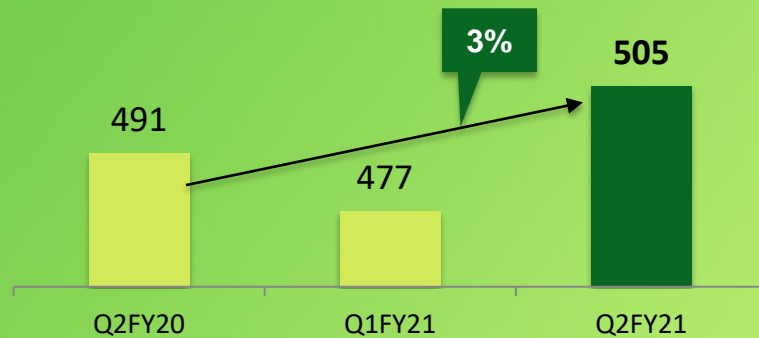
## QoQ cost increased : 3%

- ❑ Increase in petcoke price over Q1 ~ 1%
- ❑ Q2 being maintenance quarter; lower WHRS mix and increase in Power consumption ~ 2%

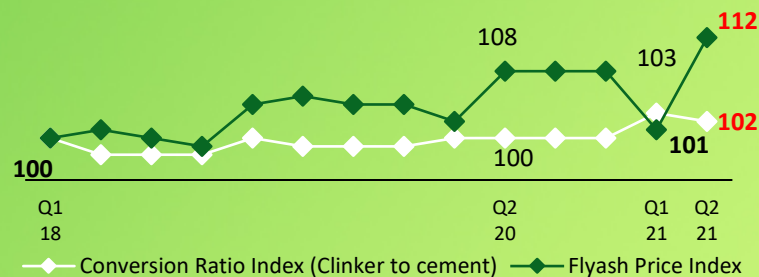
**Continuous rise in Pet coke demand and hence prices, will impact cost**

# Raw Materials Cost

## Raw Materials Cost (Rs./t)



## Conversion ratio and Fly ash Prices (Index) Trends



**YoY cost increased : 3%**

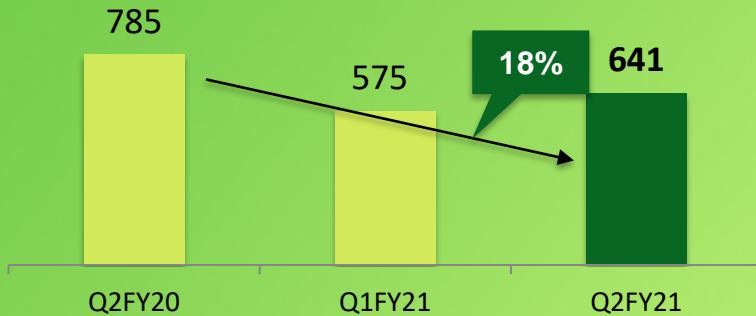
- Higher flyash prices ~ 3%
- Higher blended mix (71% vs 68%)

**QoQ cost increased : 6%**

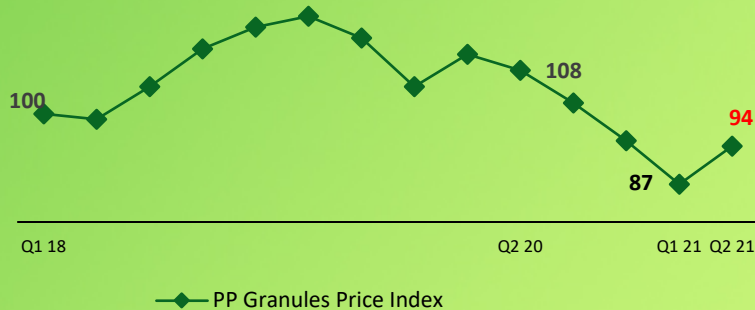
- Higher flyash prices ~ 8%
- Lower conversion ratio ~ 2%

# Other Costs Trends

Other costs (Rs./t)



PP Granules Price (Index) Trend



**YoY cost decreased : 18%**

- ❑ Higher volume – 8%
- ❑ Lower fixed cost

**QoQ cost increased : 11%**

- ❑ Higher costs during the maintenance quarter
- ❑ Packing cost increased ~ 4%

**Overheads Control Program yielded 14% reduction**

# Q2 FY21 Performance - P&L

Rs. crores

Particulars	UTCL Standalone Published			India Operations		
	CY	LY	▲%	CY	LY	▲%
Revenues (Net of Taxes)	9895	9123 <sup>^</sup>	8	9861	9092 <sup>^</sup>	8
Operating Income	124	141	(12)	143	141	2
Other Income	146	182	(19)	127	159	(20)
<b>Total Income</b>	<b>10165</b>	<b>9446</b>	<b>8</b>	<b>10131</b>	<b>9393</b>	<b>8</b>
<b>Expenses :</b>						
Raw Materials Consumed	1189	1102	(8)	1213	1130	(7)
Purchase of Traded Goods	455	566	20	169	242	30
Changes in Inventory	144	(72)	301	151	(58)	358
Employee Costs	522	593	12	536	607	12
Power and Fuel	1681	1795	6	1763	1888	7
Logistics Cost	2276	2122	(7)	2283	2130	(7)
Other Expenses	1198	1346	11	1232	1395	12
<b>EBITDA</b>	<b>2699</b>	<b>1995</b>	<b>35</b>	<b>2784</b>	<b>2059</b>	<b>35</b>

<sup>^</sup>After elimination of inter company clinker sales

**Absolute EBITDA grew 35%**

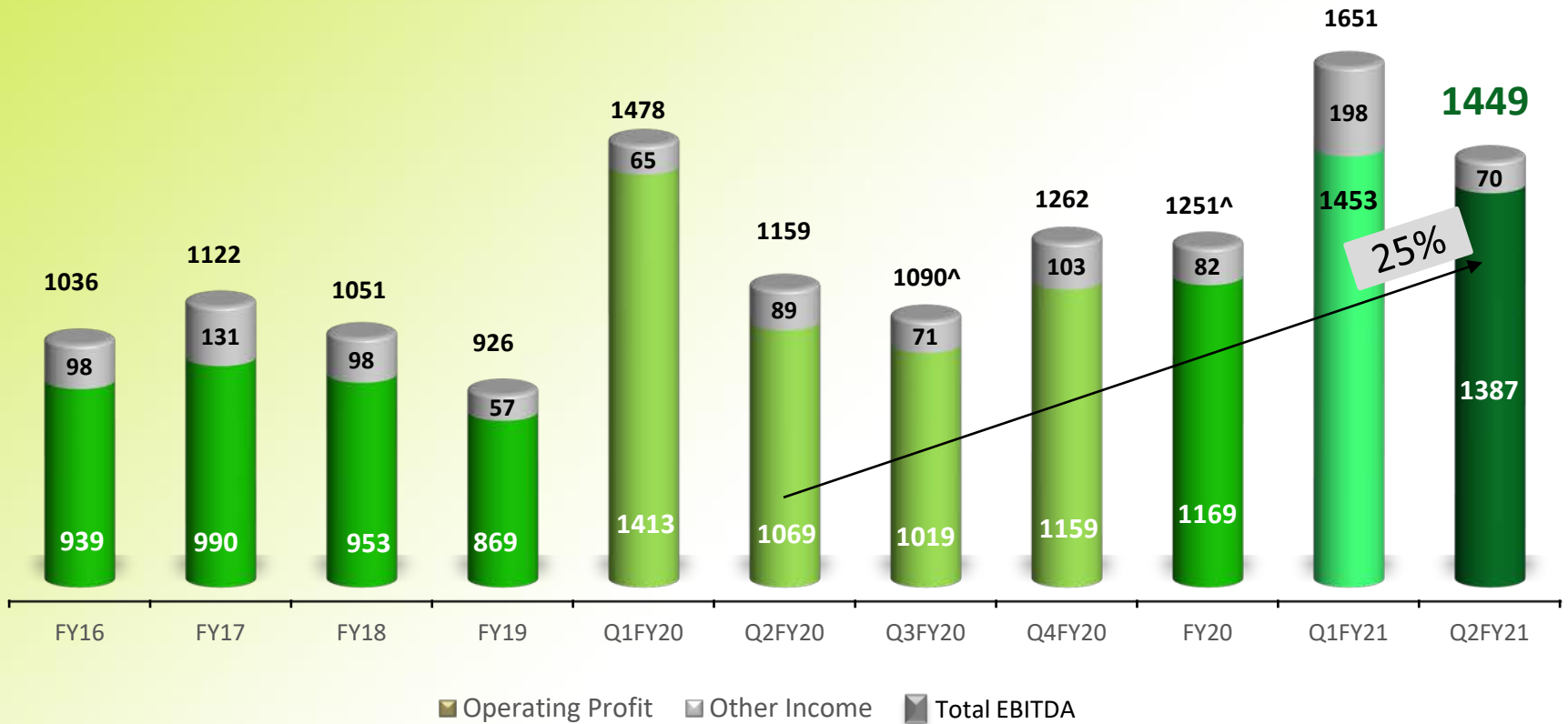
# Income Statement : Q2 FY21

Rs. crores

Consolidated			Particulars	India Operations		
CY	LY	▲%		CY	LY	▲%
10231	9486	8	Revenues (net of taxes)	9861	9092	8
<b>2830</b>	<b>2065</b>	<b>37</b>	<b>EBITDA</b>	<b>2784</b>	<b>2059</b>	<b>35</b>
<b>28%</b>	<b>22%</b>	<b>6</b>	<b>Margin (%)</b>	<b>28%</b>	<b>23%</b>	<b>5</b>
357	507	30	Finance costs	348	494	30
672	668	(1)	Depreciation & Amortization	645	641	(1)
<b>1801</b>	<b>890</b>	<b>101</b>	<b>PBT</b>	<b>1792</b>	<b>924</b>	<b>94</b>
566	311	(82)	Tax expenses	569	312	(82)
0.7	(0.6)	233	Minority interest	-	-	
<b>1234</b>	<b>579</b>	<b>113</b>	<b>Reported PAT</b>	<b>1222</b>	<b>612</b>	<b>100</b>
<b>138.0</b>	<b>115.1</b>	<b>20</b>	<b>Annualized EPS (Rs.)</b> (basis trailing 12 months)	<b>134.2</b>	<b>114.6</b>	<b>18</b>

**PAT Jump > 100%**

# EBITDA PMT Trends



**7% CAGR over FY16**

<sup>^</sup> Before provision for disputed liabilities offered under Sabka Vishwas Scheme



# Financial Position: Key elements

Rs. crores

Consolidated		Particulars	India Operations	
30.09.2020	31.03.2020		30.09.2020	31.03.2020
52727	53523	Net Fixed Assets incl. CWIP	51069	51748
(708)	531	Net Operating Working Capital	(1049)	87
40757	39123	Shareholders Fund	40173	38533
22556	22898	Total Debt	20931	20978
5304	4906	Deferred Tax Liability	5308	4910
<b>69731</b>	<b>68086</b>	<b>Capital Employed</b>	<b>67279</b>	<b>65316</b>
<b>10.9%</b>	<b>11.2%</b>	<b>ROCE (Basis trailing 12 months)</b>	<b>11.1%</b>	<b>11.5%</b>
<b>10.0%</b>	<b>10.2%</b>	<b>ROE (Basis trailing 12 months)</b>	<b>9.8%</b>	<b>10.1%</b>

# Key Financial Ratio Trends : India Operations

*Rs. crores*

Particulars	FY16	FY17	FY18	FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	FY20	Q1FY21	Q2FY21
EBITDA Margin (%)	22%	24%	22%	19%	28%	23%	21%	25%	24%	32%	28%
ROCE (%)	12.3%	13.4%	9.9%	9.0%	10.5%	11.0%	11.6%	11.5%	11.5%	10.1%	11.1%
ROE (%)	11.5%	11.5%	8.9%	7.2%	9.0%	9.6%	10.3%	10.1%	10.1%	8.4%	9.8%
Net Debt/EBITDA	0.23	(0.43)	1.85	2.64	2.19	2.00	1.74	1.55	1.55	1.44	1.11
Net Debt/Equity	0.05	(0.10)	0.46	0.61	0.56	0.54	0.48	0.39	0.39	0.33	0.27
EPS (Rs.) *	86.4	95.7	81.3	81.5	106.3	114.6	123.2	126.0	126.0	113.1	134.2
Book Value Per share (Rs.)	788	872	944	1151	1193	1203	1225	1336	1336	1363	1392

**CAGR growth of 9% in EPS over FY16**

## 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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