



18<sup>th</sup> January, 2018

BSE Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
Mumbai 400 001.  
Tel.: 2272 1233/34  
Fax: 022 2272 2039/3121  
**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 31<sup>st</sup> December, 2017**

Attached is an investor presentation on the performance of the Company for the quarter ended 31<sup>st</sup> December, 2017.

The same is for your information, please.

Yours faithfully,  
For UltraTech Cement Limited

A handwritten signature in blue ink, appearing to read "S. K. Chatterjee".

S. K. Chatterjee  
Company Secretary

Encl: A/a



**UltraTech Cement Limited**

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ADITYA BIRLA



**UltraTech**

UltraTech Cement Limited

# India's Largest Cement Company

Earnings **Q3** FY18

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

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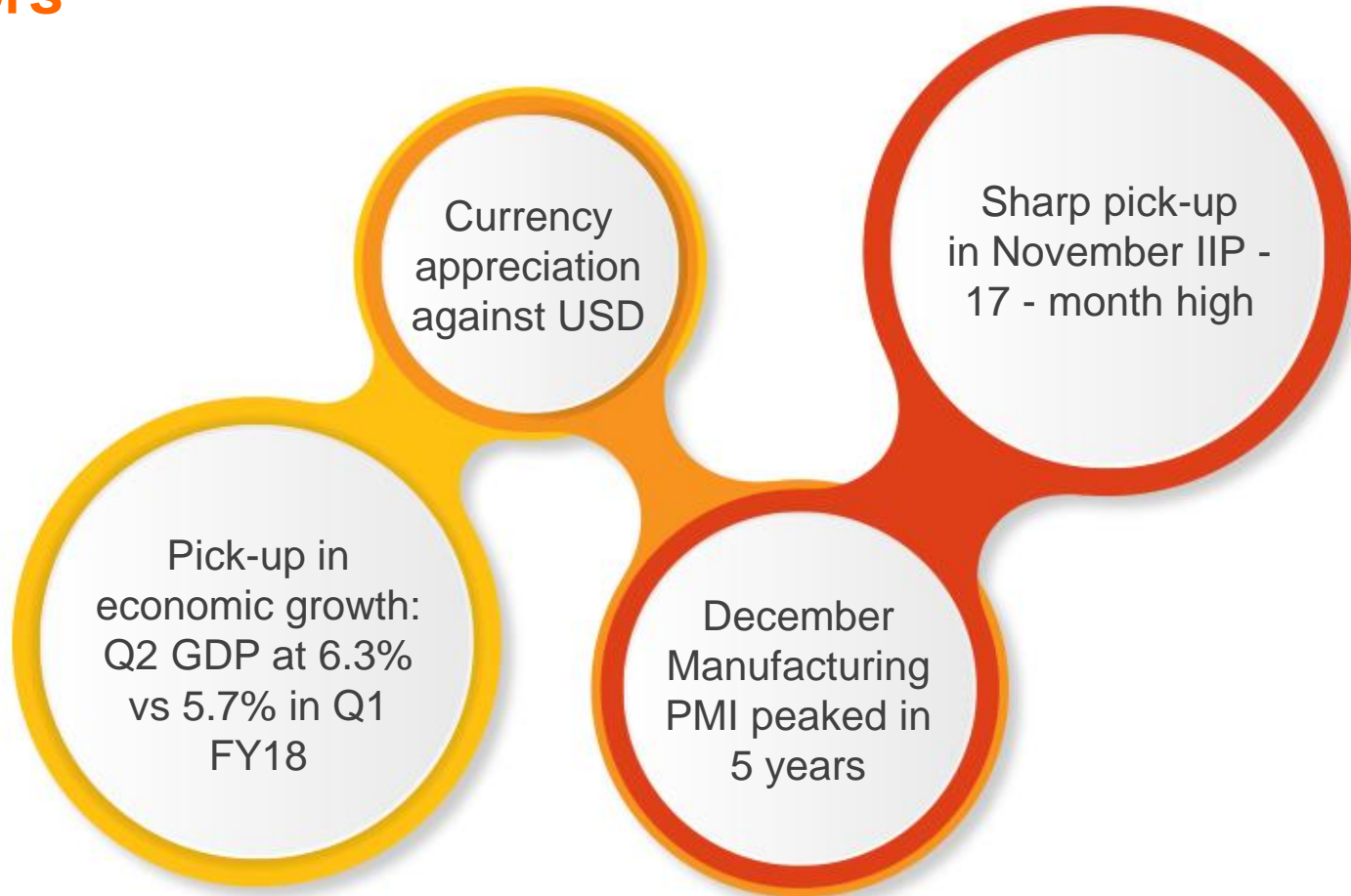


## GLOSSARY

**Mnt** – Million Metric tons, **Lmt** – Lakhs Metric tons, **MTPA** – Million Tons Per Annum, **Q2** – July-September, **Q3** – October – December, **9M** - April-December, **CY** – Current year period, **LY** – Corresponding period last year, **FY** – Financial Year (April-March)

*Note: The financial figures in this presentation have been rounded off to the nearest Rs 1 cr; 1 US\$ = Rs 63.88*

# Macro indicators



# Sectoral update

- Industry entering into upward cycle

## Strong volume growth



# Sectoral update

## State wise performance

State / Region	Vol. Gr.	I	LCH	RH	UH	C	Key Drivers
Haryana	↑	●	●	●	●	●	PMAY and rural housing
Delhi + NCR	↑	●	●	●	●	●	NGT ban on construction work
Punjab	↑	●	●	●	●	●	Pick up in housing demand
Himachal Pradesh	↑	●	●	●	●	●	Govt. infrastructure spends
Madhya Pradesh	↑	●	●	●	●	●	Govt. infrastructure spends
Rajasthan	↑	●	●	●	●	●	Poor sand availability
Uttar Pradesh	↑	●	●	●	●	●	Govt. infrastructure spends & PMAY
West Bengal	↑	●	●	●	●	●	Govt. infrastructure spends & housing
Bihar	↓	●	●	●	●	●	Poor sand availability
Jharkhand	↑	●	●	●	●	●	PMAY and IHB
Odisha	↑	●	●	●	●	●	PMAY and Smart city projects
Chhattisgarh	↑	●	●	●	●	●	PMAY and IHB

Continuing infrastructure spending and pick-up in PMAY activities supported growth

**I:** Infrastructure, **LCH:** Low cost housing, **RH:** Rural Housing, **UH:** Urban Housing, **C:** Commercial

**PMAY:** Pradhan Mantri Awaas Yojana, **IHB:** Individual Home Builder

# Sectoral update

## State wise performance

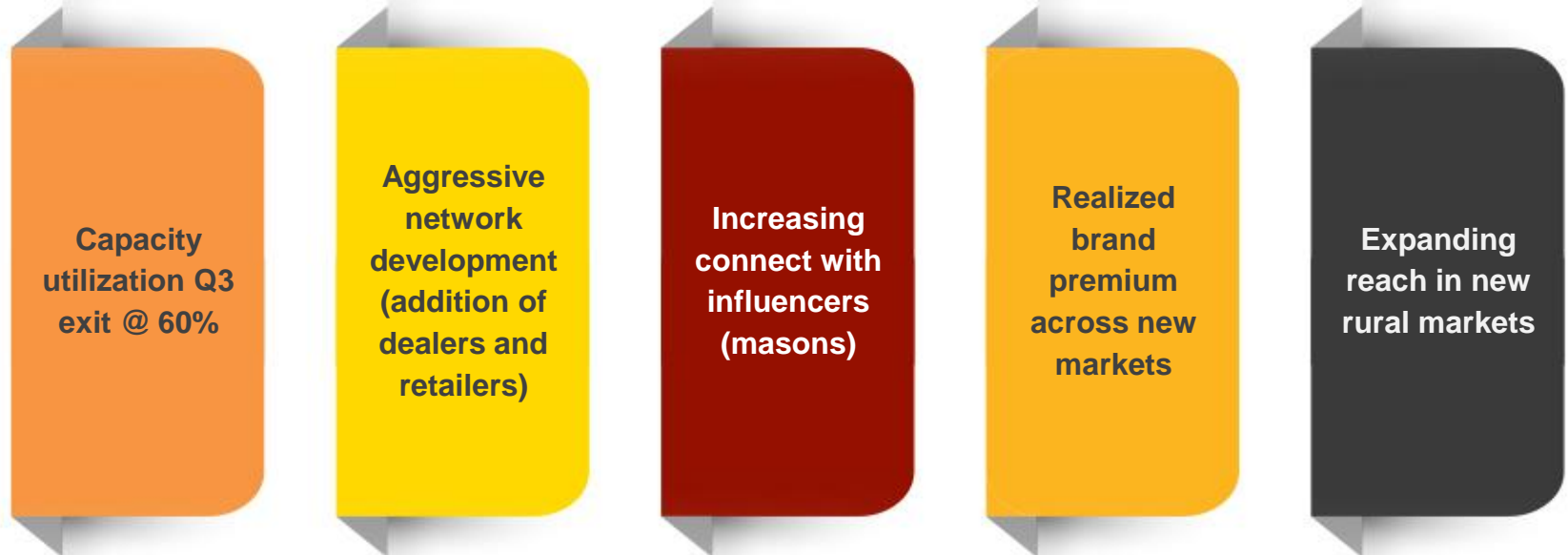
State / Region	Vol. Gr.	I	LCH	RH	UH	C	Key Drivers
Maharashtra	↑	●	●	●	●	●	Govt. infrastructure spends & PMAY
Gujarat	↑	●	●	●	●	●	Demand from DFC & road projects
AP / Telangana	↑	●	●	●	●	●	Development in AP capital city
Karnataka	↑	●	●	●	●	●	Pre-election spending
Tamil Nadu	↓	●	●	●	●	●	Political instability
Kerala	↓	●	●	●	●	●	Average IHB demand

Pick up in affordable housing demand and infrastructure work supported growth

**I:** Infrastructure, **LCH:** Low cost housing, **RH:** Rural Housing, **UH:** Urban Housing, **C:** Commercial

**PMAY:** Pradhan Mantri Awaas Yojana, **IHB:** Individual Home Builder, **DFC:** Dedicated Freight Corridor

## Acquired assets: **Transforming realities**



**Conclusion:** Focused approach in market entry and capture translated into UltraTech outperformance



## Acquired assets: **Progressing towards defined targets**

Completed  
maintenance

Arresting  
operational  
gaps - plant  
by plant

Pet coke  
consumption  
>75% for Q3

Enhanced  
logistic  
synergies  
between  
acquired and  
existing  
plants

Implemented  
basic safety  
standards

**Conclusion:** Cost optimization key to bridge profitability gap

## Acquired assets: **Immediate agenda**

Enhancing  
capacity  
utilization

Deepening  
rural  
penetration

Enhancing  
plant  
efficiency

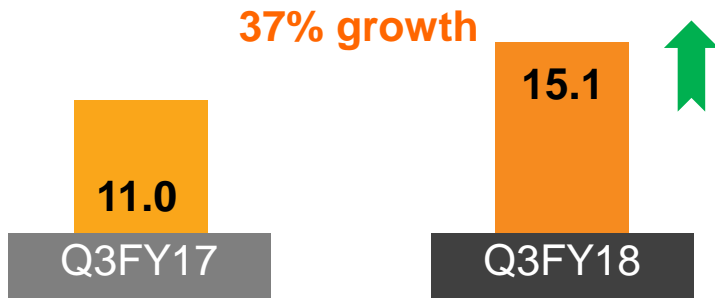
Improving  
employee  
residential  
standards

Graduating  
acquired  
units to  
UTCL  
EBITDA/mt

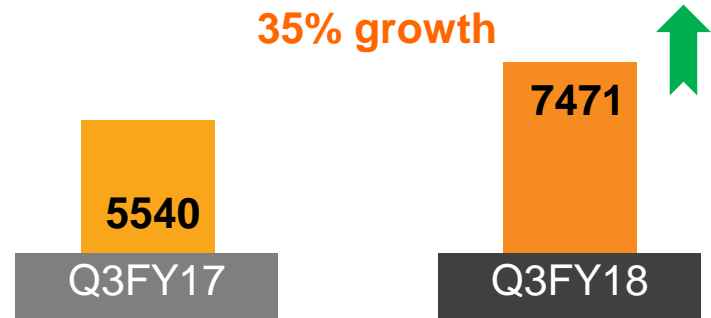
**Conclusion:** Cash break-even of acquired units by April-June 2018

# UltraTech: Key performance highlights

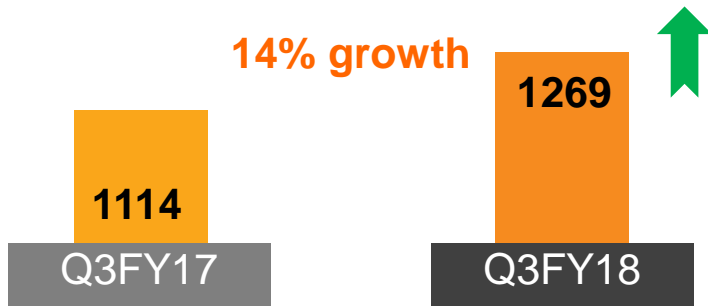
Domestic sales volume (MnT)



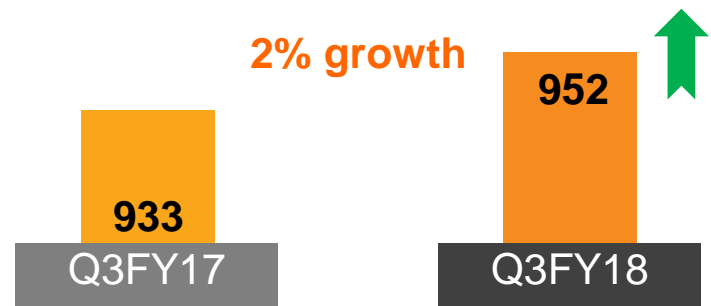
Turnover (Rs. Crs)



Operating EBITDA (Rs. Crs)



Cash Profit (Rs. Crs)



## Sales performance ... **robust volume growth**

Mnt

Particulars	Q3			9M		
	CY	LY	▲ %	CY	LY	▲ %
Domestic Capacity (MTPA)*	85.0	66.3	28	85.0	66.3	28
Capacity Utilization	69%	67%	2	68%	69%	(1)
Domestic Sales	15.10	11.01	37	40.11	34.27	17
Exports & Others	0.75	0.73	2	2.07	1.84	12
<b>Total</b>	<b>15.85</b>	<b>11.73</b>	<b>35</b>	<b>42.18</b>	<b>36.11</b>	<b>17</b>

**Conclusion:** UltraTech forging ahead

\* Excluding capacity under implementation: 11 MTPA

# Key sales initiatives

01

Growing rural off-take - a key growth driver

02

Increasing revenues from UltraTech Building Solutions (UBS)

03

UBS stores increased from 1500 in H1 FY18 to 1540 in Q3 FY18

04

Increasing connect with product applicators

05

UltraTech preferred choice in major infrastructure projects - fastest growing sectoral demand driver

# Operating Costs

(challenging environment)

## Logistics cost\*

33% share

YoY up 6%  
at Rs. 1127/t

Increased FOR sales against ex-works sales

## Energy cost\*

28% share

YoY up 21%  
at Rs. 949/t

Multiple headwinds besides higher fuel prices  
More usage of high cost fuel due to pet coke ban

## Raw materials cost\*

14% share

YoY lower 2%  
at Rs. 476/t

Slag prices increased over 65%  
Focus on replacing high cost additives with low cost alternates

**Conclusion:** UltraTech progresses despite cost challenges

## Consistent yields from **efficiency improvement program**

Freight optimisation to mitigate diesel price impact

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Reduced power consumption 5% YoY

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Sustained use of alternative fuels

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Declining auxiliary consumption of TPPs

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Procurement source optimization

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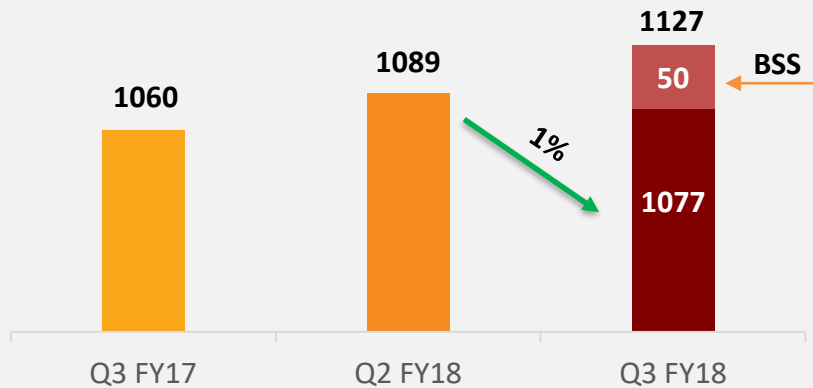
Increased additives blending ratio by ~ 100 bps

**Conclusion:** Contribution to EBITDA ~ 9%

# Logistics cost trends

Grey Cement

## Logistics cost (Rs./t)



Mode Mix	Q3 FY17	Q2 FY18	Q3 FY18
Rail	24%	23%	24%
Road	72%	74%	73%
Sea	4%	3%	3%

### Costs escalated over Q2 - 3%

- Applicability of railway Busy Season Surcharge (“BSS”) [Impact ~ 5%]
- Inflated diesel prices by 2%
- Lower rakes availability
- Savings from synergies occurred between existing and acquired units

### YoY cost increase 6%

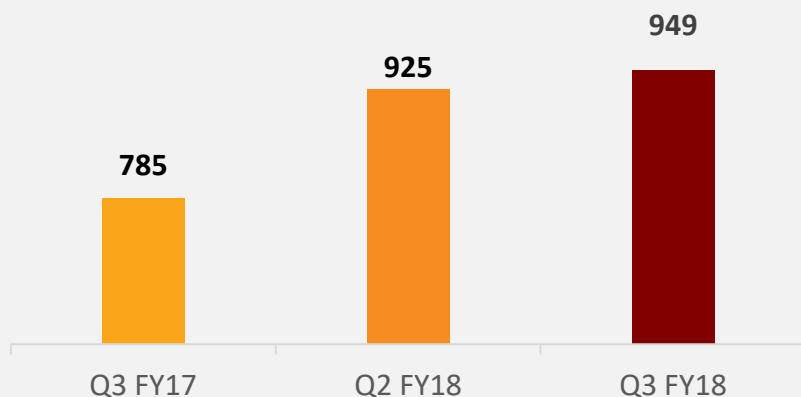
- More FOR sales [Impact ~ 3%]
- Rise in diesel prices by 5%
- Shorter lead distances



# Energy **cost trends**

Grey Cement

## Energy Cost (Rs./t)

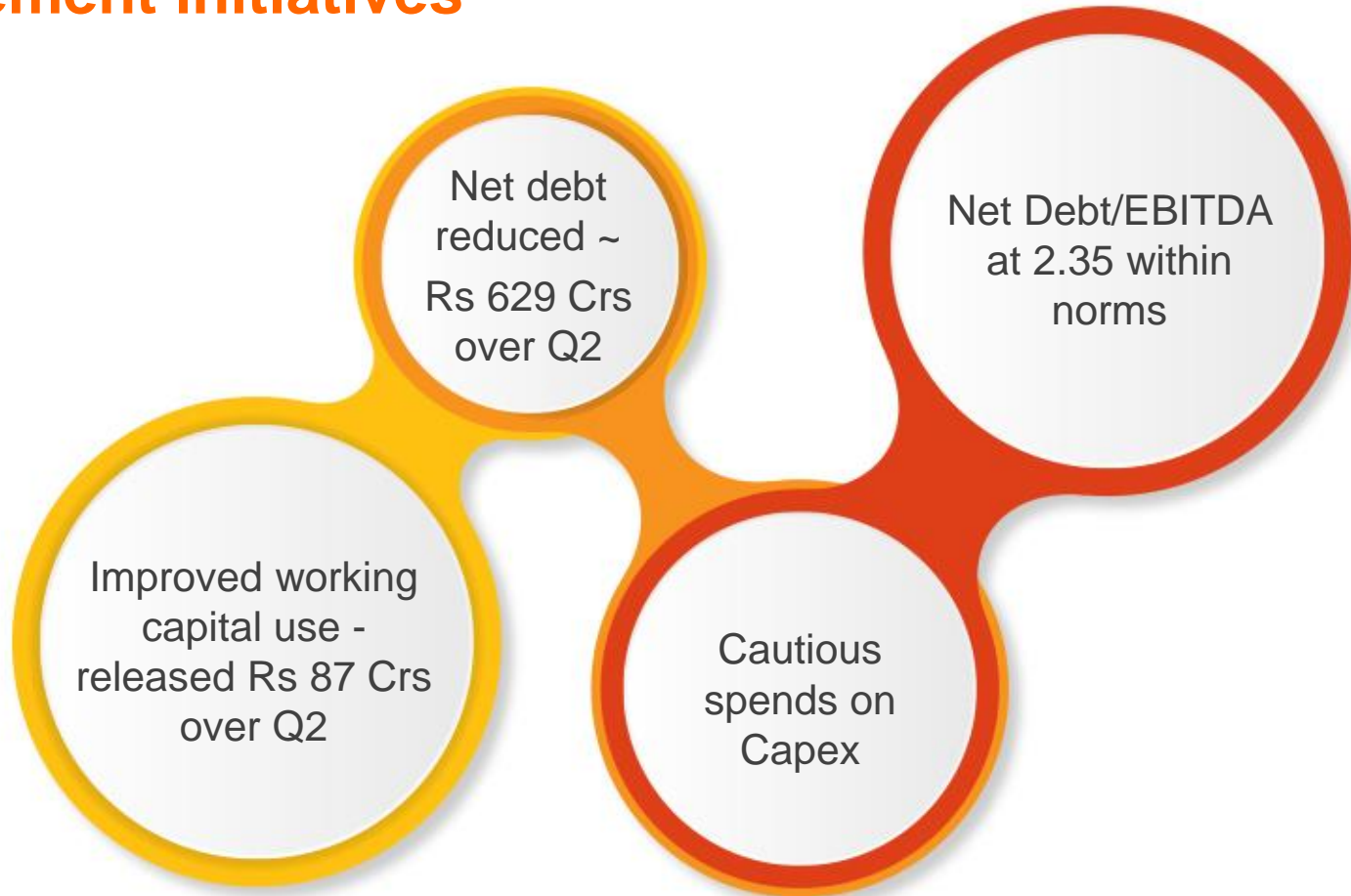


Kiln fuel mix %	Q3 FY17	Q2 FY18	Q3 FY18
Pet coke	78%	76%	70%
Industrial waste	3%	3%	3%
Imported coal	11%	11%	17%
Lignite	-	2%	3%
Indigenous coal and others	9%	9%	6%

### ■ YoY cost rose 21%

- Pet coke prices soared 33% at \$104/t
- Pet coke ban impact
- Import duty hike on pet coke from 2.5% to 10%
- Cost control initiatives reduced impact of fuel prices increase - 4%
  - WHRS share increase at 8%
  - Lignite use over imported coal 3%
  - Power consumption improved 5%
  - Power mix optimisation

# Liquidity improvement initiatives



# Income statement Q3

Rs. Crs

Consolidated			Particulars	Standalone		
CY	LY	▲%		CY	LY	▲%
7897	5927	33	Revenues (net of taxes)	7471	5540	35
156*	97	60	Other Income	156*	97	61
<b>1494</b>	<b>1280</b>	<b>17</b>	<b>EBITDA</b>	<b>1425</b>	<b>1210</b>	<b>18</b>
<b>19%</b>	<b>22%</b>	<b>(3)</b>	<b>Margin (%)</b>	<b>19%</b>	<b>22%</b>	<b>(3)</b>
359	144		Finance Costs	347	129	
496	336		Depreciation	474	316	
182	206	12	Tax Expenses	182	202	10
<b>456</b>	<b>595</b>	<b>(23)</b>	<b>PAT after minority interests</b>	<b>421</b>	<b>563</b>	<b>(25)</b>

\* CY includes reversal of DMF Provision ₹ 104 Crs

17% growth in EBITDA

# Financial position

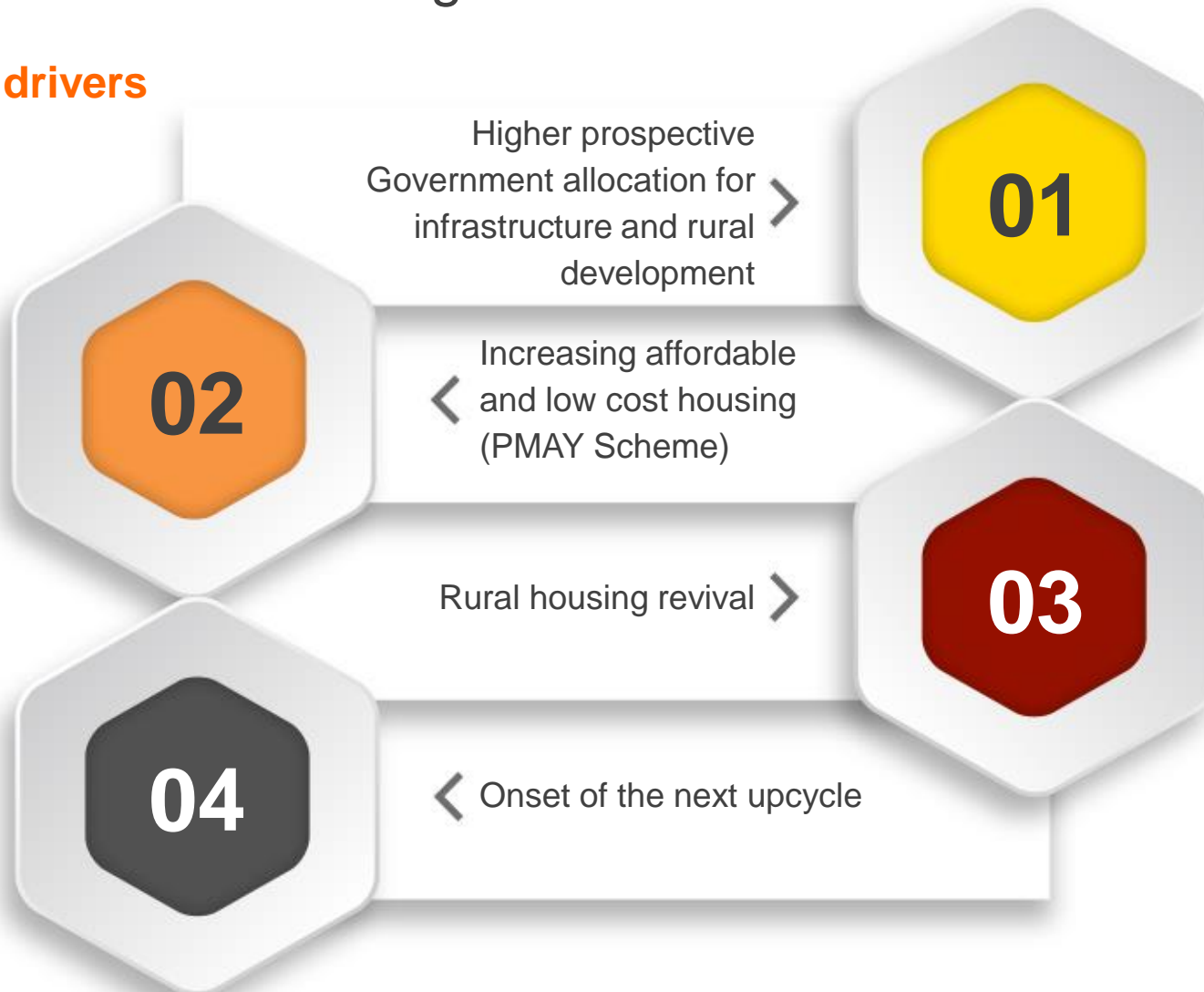
Rs. Crs

Consolidated		Particulars	Standalone	
31.12.17	31.03.17		31.12.17	31.03.17
25847	24401	Shareholders Funds	25362	23941
19999	8474	Borrowings	17883	6240
3037	2773	Deferred Tax Liabilities	3038	2774
<b>48882</b>	<b>35648</b>	<b>Sources of Funds</b>	<b>46283</b>	<b>32955</b>
42298	26039	Fixed Assets	40705	24387
1020	1085	Goodwill	-	-
4864	8713	Investments	5575	9409
700	(189)	Net Working Capital	3	(841)
<b>48882</b>	<b>35648</b>	<b>Total Application of Funds</b>	<b>46283</b>	<b>32955</b>
<b>15161</b>	<b>(215)</b>	<b>Net Debt</b>	<b>13057</b>	<b>(2422)</b>

# Sectoral Outlook

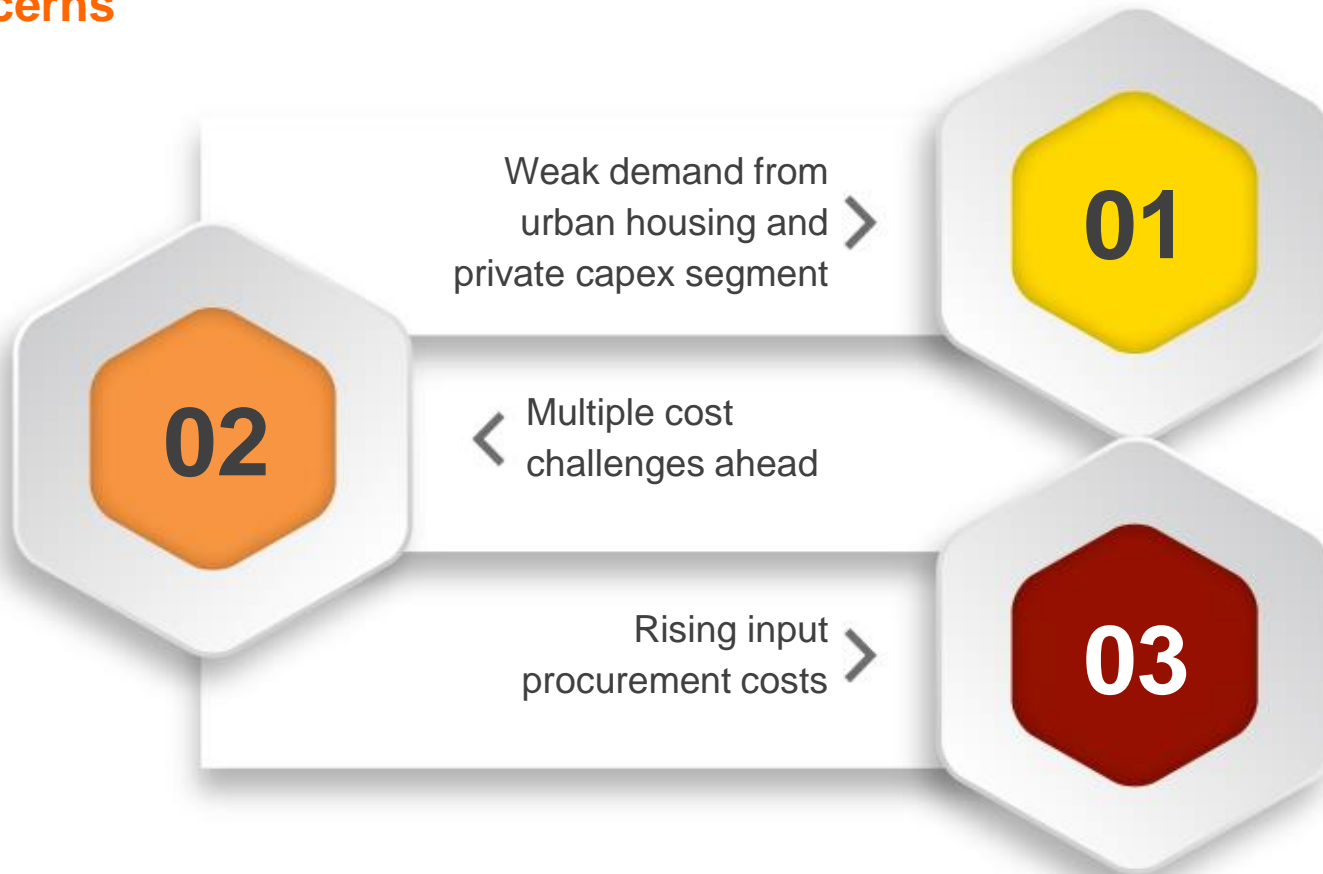
## Demand to mirror GDP growth

### Demand drivers



# Sectoral Outlook

## Key concerns



## 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 labor 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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