



18th October, 2017

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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 and half year ended 30th September, 2017

Attached is an investor presentation on the performance of the Company for the quarter and half year ended 30th September, 2017.

The same is for your information, please.

Yours very truly,

A handwritten signature in blue ink, appearing to read "S. K. Chatterjee", is written over a blue circular stamp.

S. K. Chatterjee
Company Secretary

KR
Encl: A/a



UltraTech Cement Limited

ADITYA BIRLA



UltraTech

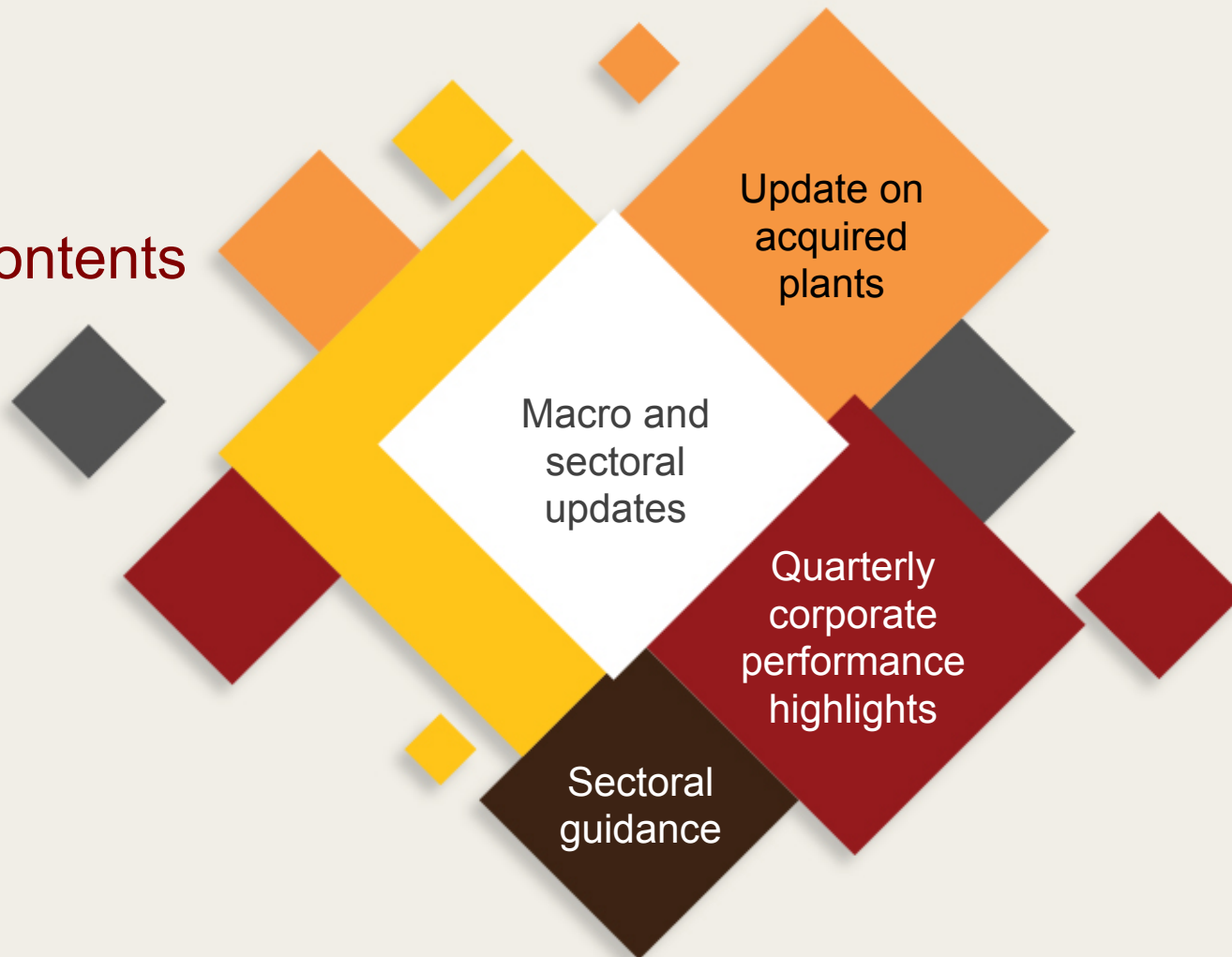
UltraTech Cement Limited

India's largest cement company

EARNINGS Q2 FY18

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

Contents



GLOSSARY

Mnt – Million Metric tons Lmt – Lakhs Metric tons MTPA – Million Tons Per Annum Q1 – Apr-Jun Q2 – Jul-Sep
H1- Apr-Sep 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 64.30

Macro Indicators **Q2** FY18

01

Slowdown in economic growth: Q1 GDP 5.7%

02

Landmark GST introduced; sweeping sectoral impact

03

Impact at points of sale

04

Weak industrial production

05

Broadly normal monsoon (except few pockets)

Sectoral update: overall weak quarter

State wise performance

State / Region	Vol. Gr.	I	LCH	RH	UH	C	Key Drivers
Haryana	↑	●	●	●	●	●	Pick-up in rural demand
Delhi + NCR	↑	●	●	●	●	●	Govt Infrastructure spends
Punjab	↑	●	●	●	●	●	Govt Infrastructure spends
MP	↑	●	●	●	●	●	PMAY and rural housing
Rajasthan	↑	●	●	●	●	●	Road construction
UP	↓	●	●	●	●	●	Sand availability
WB	↑	●	●	●	●	●	Govt Infrastructure spends
Bihar	↓	●	●	●	●	●	Sand availability & Floods
Jharkhand	↑	●	●	●	●	●	PMAY and Govt. projects
Odisha	↑	●	●	●	●	●	Rural & Smart City projects
Chhattisgarh	↑	●	●	●	●	●	PMAY and Govt. projects

Low cost housing emerging as one of the key driver

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

Sectoral update: **low capacity utilization**

State wise performance

State / Region	Vol. Gr.	I	LCH	RH	UH	C	Key Drivers
Maharashtra	↑	●	●	●	●	●	Sand & monsoons impact
Gujarat	↓	●	●	●	●	●	Floods & RERA impact
AP / Telangana	↑	●	●	●	●	●	Govt Infrastructure spends
Karnataka	↑	●	●	●	●	●	IT Infrastructure demand
Tamil Nadu	↓	●	●	●	●	●	Sand availability
Kerala	↓	●	●	●	●	●	Poor housing demand

Sand mining ban impacted demand drivers

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

Asset acquisition:

Revamped – Revitalized – Re-energised

1

High product quality standards benchmarked across each acquired unit

2

Month-on-month decline in operational costs; increasing capacity utilization

3

Cost-efficiency strengthened:

- Pet coke use increased to 65%
- Outlined capex to enhance efficiency
- Logistics synergies

4

Narrowing the gap in EBITDA per ton between existing and new assets

5

Infused necessary working capital

EBITDA accretive from Start

Asset acquisition:

Enhanced Market Reach

- Graduated all the output to UltraTech brand
- Sales acceleration
- Superior Technical, Marketing and Logistics support services
- Added 6000 dealers and >12000 retailers to distribution network
- Increased engagement with trade channel (around product quality and feedback)
- Engaged sales and technical professionals in new markets
- Strengthened mason engagement program pan-India to promote UltraTech brand

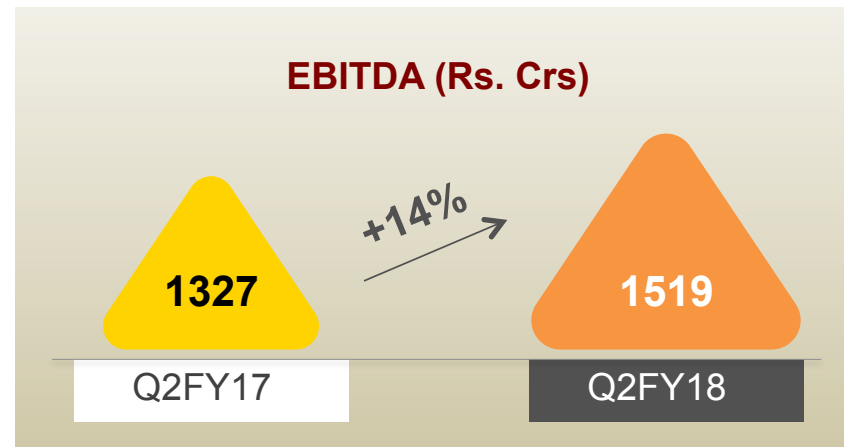
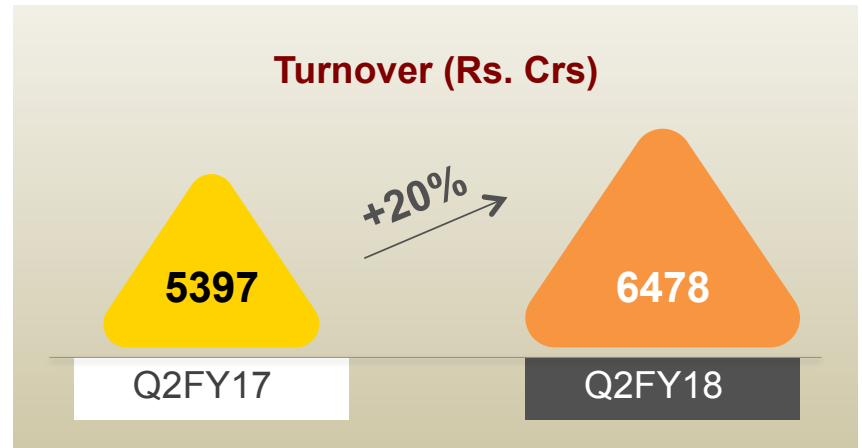
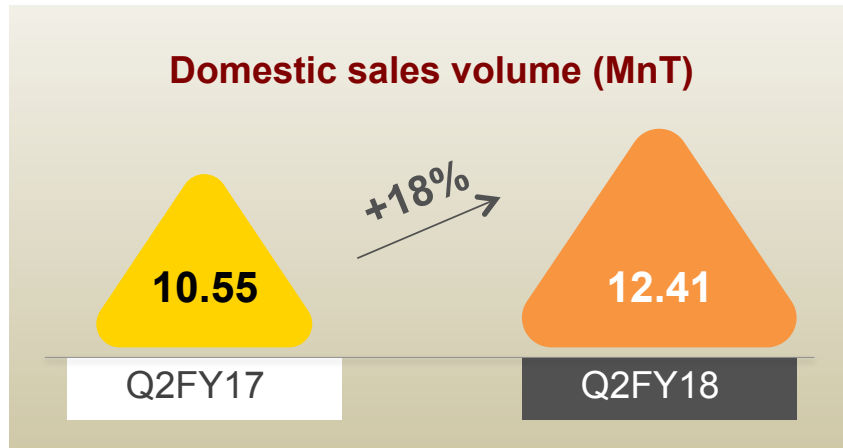
Daily sales run rate improved > 6x at exist from the first week following acquisition

Asset acquisition: **Road ahead**



Focus: Cash break-even by April-June 2018

UltraTech: Strong Performance



Sales performance ...

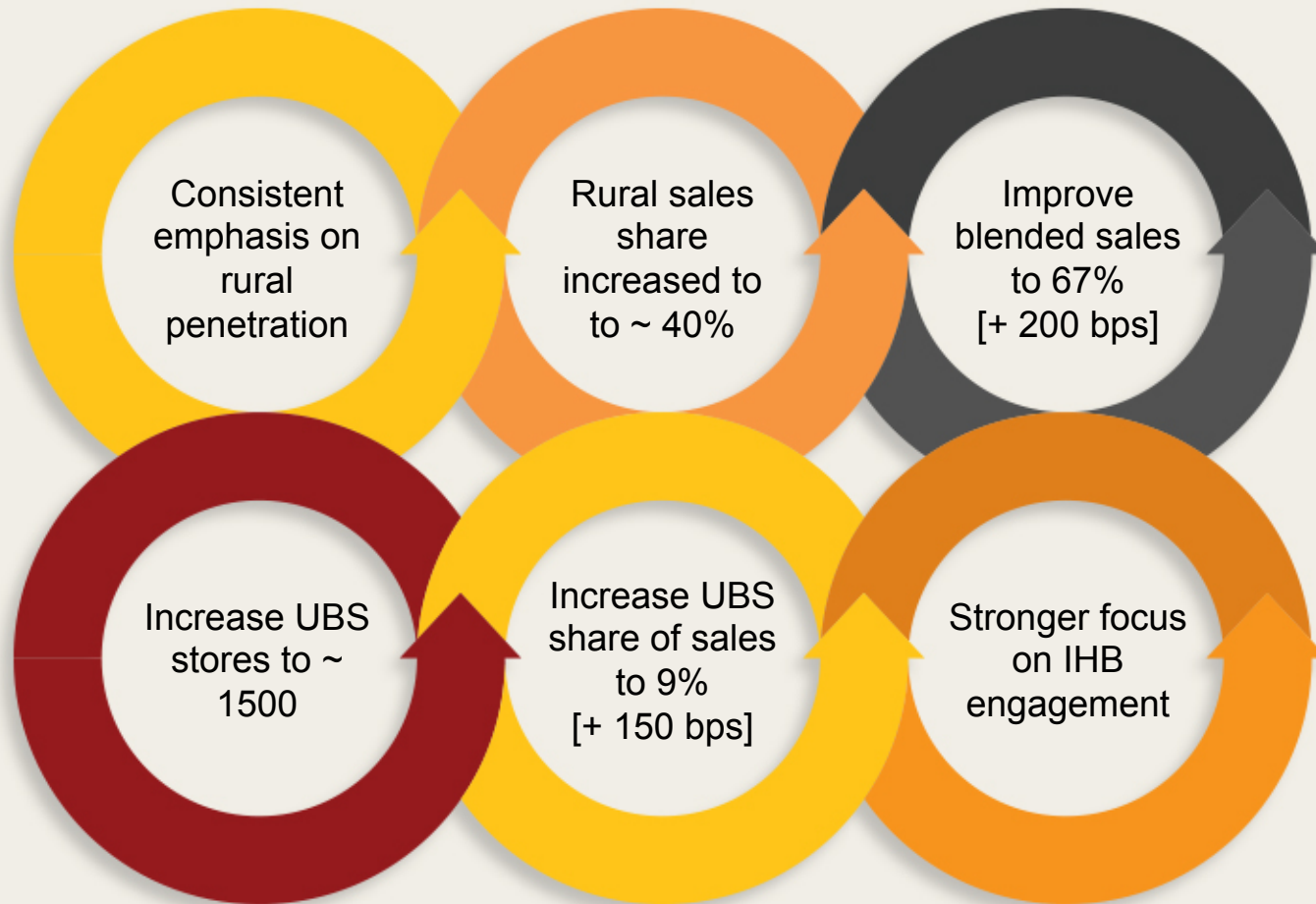
Sectoral outperformance

Particulars	Q2			H1		
	CY	LY	Change %	CY	LY	Change %
Capacity (mtpa)	89.0*	66.3	34	89.0*	66.3	34
Domestic Sales	12.41	10.55	18	25.00	23.26	7
Exports & Others	0.73	0.63	16	1.33	1.12	19
Total	13.14	11.18	18	26.33	24.38	8

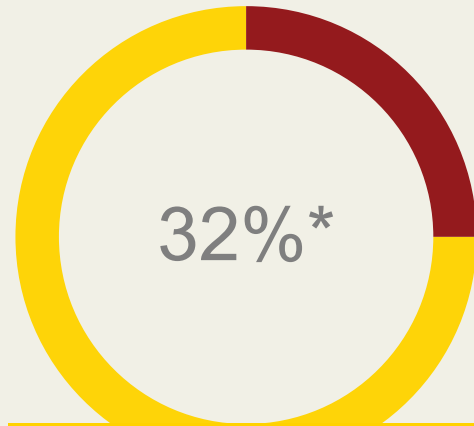
Strong Volume Growth

**Including 4 mtpa capacity of Bara GU – under commissioning*

Principal objective: **Market more cement**

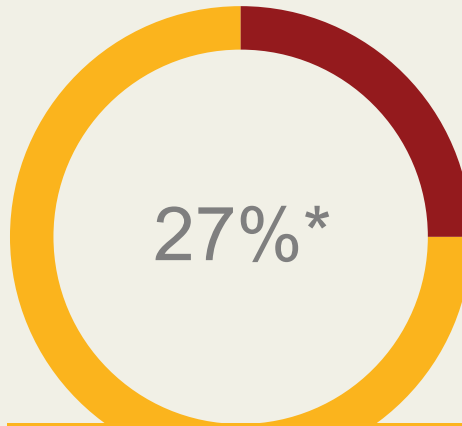


Operating Costs



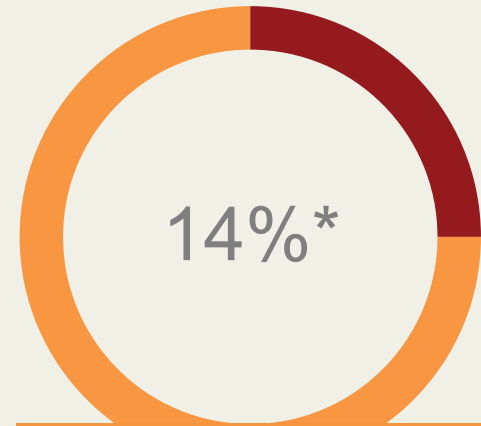
Logistics cost – YoY up 5% at Rs. 1089/t

- Increased diesel costs and sales pattern change



Energy cost – YoY up 26% at Rs. 925/t

- Higher pet coke and coal prices
- Cost increase countered with improved efficiency

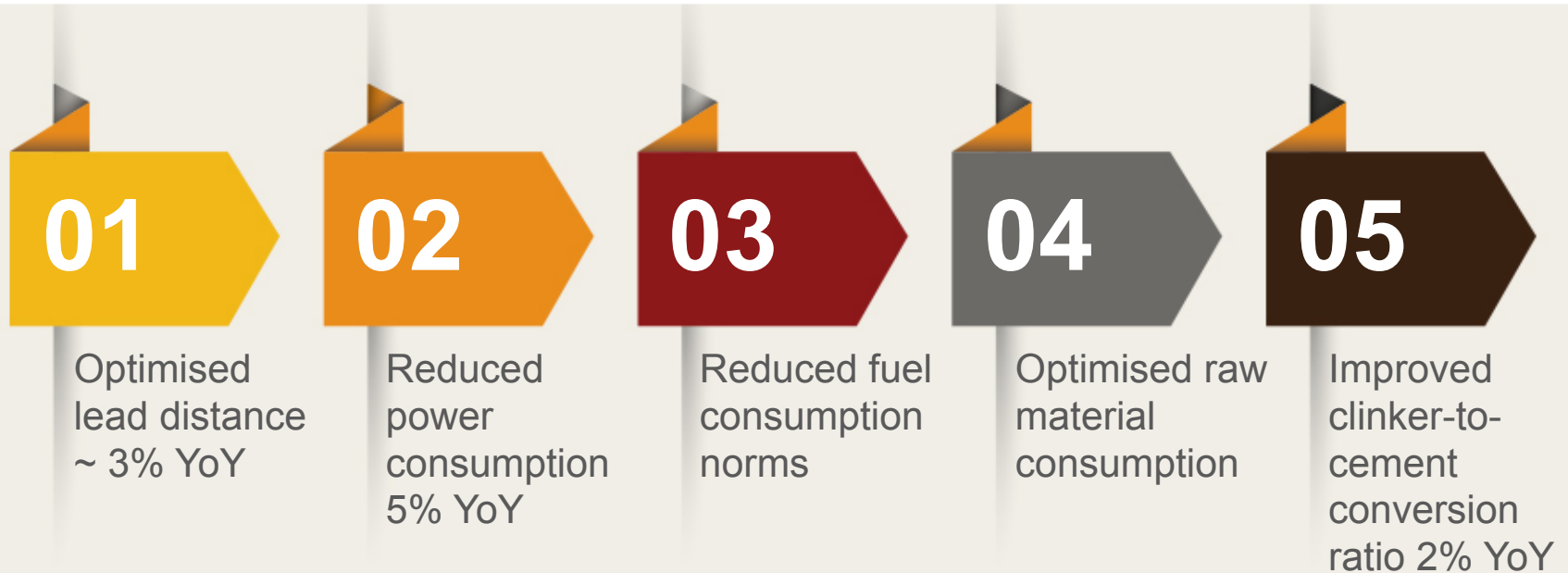


Raw material cost – YoY up 3% at Rs. 478/t

- Slag prices increased 65%
- Increased additive usage

**Share in total operating costs*

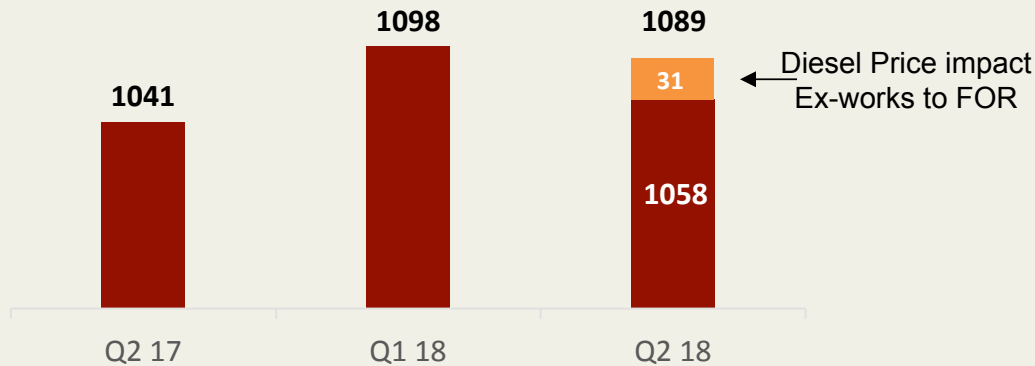
Countering external challenges with internal improvements



Efficiency gain contribution in EBITDA 5%

Logistics cost trends

Logistics Cost Rs/t



Mode Mix	Q2 17	Q1 18	Q2 18
Rail	23%	25%	23%
Road	73%	72%	74%
Sea	3%	3%	3%

► Cost decline over Q1

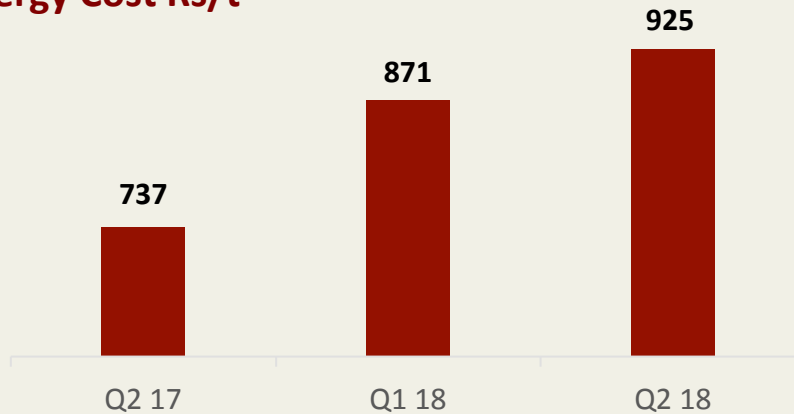
- Rail freight – exemption of busy season surcharge

► YoY cost up 5%

- Diesel prices increased 7%;
- Change in sales pattern from ex-works to FOR post-GST
- Higher costal freight and change in plant mix

Energy cost trends

Energy Cost Rs/t



Kiln Fuel Mix %	Q2 17	Q1 18	Q2 18
Petcoke	76%	71%	76%
Industrial waste	2%	3%	3%
Imported Coal	15%	13%	11%
Indigenous Coal and Others	7%	14%	11%

► YoY cost up 26%

- Pet coke prices up 70% at US\$ 95/t
- Efficiency improvement program resulted in savings 5%
 - Waste heat recovery share increased 8%
 - Alternate fuel use at 3% vs LY 2%
 - Improved thermal power plant performance

Strengthening our liquidity management

1

Working capital outlay increased; addressed acquired asset needs

2

Tightened capex

3

Liquid surplus – positive carry

4

Debt pre-payment of US\$ 10 mn in UAE subsidiary

5

Net Debt/ EBITDA within prudential limits

Income statement - Q2

Rs crs

Consolidated			Particulars	Standalone		
CY	LY	▲%		CY	LY	▲%
6840	5708	20	Revenues (net of taxes)	6478	5397	20
1550	1378	13	EBITDA	1519	1327	14
23%	24%	(1)	Margin (%)	23%	25%	
388	150		Finance Costs	376	137	
522	334	(56)	Depreciation	499	314	(59)
640	894	(28)	PBT	645	877	(26)
216	280	23	Tax Expenses	213	276	23
1.0	(0.7)		Minority Interest	-	-	
423	614	(31)	PAT	431	601	(28)
15.4	22.4	(31)	EPS (Rs)	15.7	21.9	(28)

YoY EBITDA up 14% at Standalone level and 13% at Consolidated level

Financial Position

Rs crs

Consolidated		Particulars	Standalone	
30.09.17	31.03.17		30.09.17	31.03.17
25382	24401	Shareholders Funds	24924	23941
20824	8474	Loans	18635	6240
2994	2773	Deferred Tax Liabilities	2995	2774
49200	35648	Total Sources of Funds	46554	32955
42172	26039	Fixed Assets	40531	24387
1039	1085	Goodwill	-	-
5064	8713	Investments	5755	9409
160	185	Derivative Assets	104	115
764	(373)	Net Working Capital	163	(956)
49200	35648	Total Application of Funds	46554	32955
15790	(215)	Net Debt	13626	(2422)

Sectoral outlook:

Positive signs for Demand Pick-up

Key demand drivers

1

Infrastructure spending continuously increasing

2

Healthy Rural Cashflows, to improve rural demand

3

Affordable and Low Cost Housing (PMAY Scheme) – State wise firm plan in place

Sectoral outlook:

Key concerns

1

Urban housing demand – stagnating

2

Insignificant private sector capex

3


Increasing fuel price trends

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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