



23rd January, 2021

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 31st December, 2020.

Attached is an investor's presentation on the performance of the Company for the quarter ended 31st December, 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", is written over a blue circular stamp.

Sanjeeb Kumar Chatterjee
Company Secretary

Encl: A/a



UltraTech Cement Limited



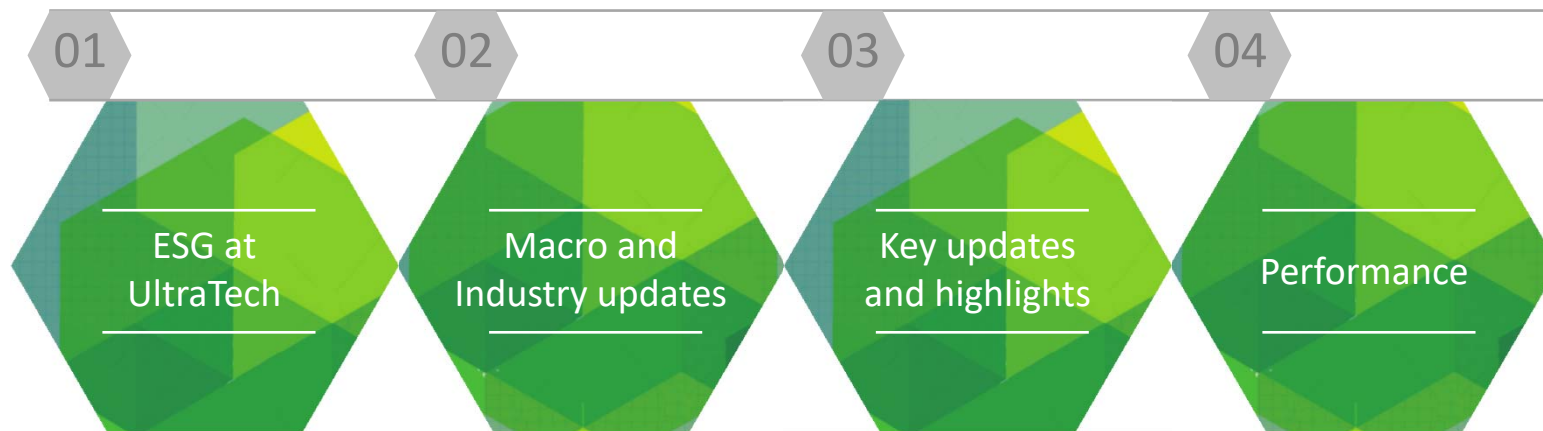
India's Largest Cement Company

EARNINGS: Q3 FY21

23RD JANUARY 2021

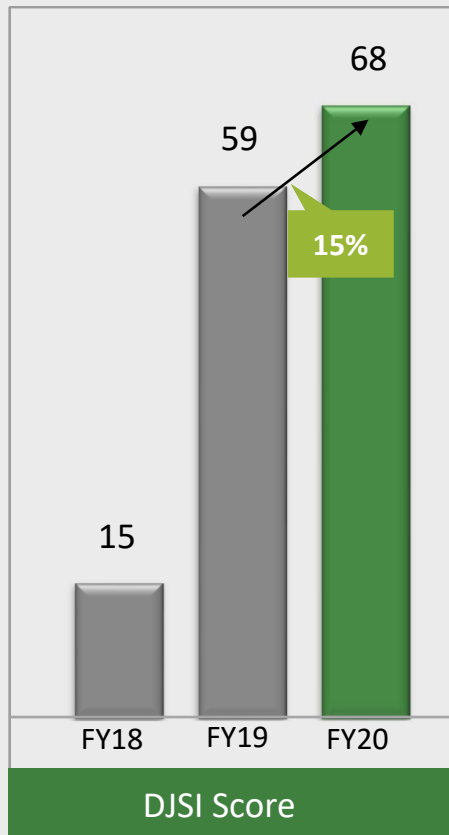
Stock code: BSE: **532538** | NSE: **ULTRACEMCO** | Reuters: **UTCL.NS** | Bloomberg: **UTCEM IS/UTCEM LX**

Contents



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 scores big on ESG



- UltraTech's score in S&P's Dow Jones Sustainability Index (DJSI) has improved by 9 points to 68
- UltraTech has retained its CDP score for Climate as "B". This is the highest score for the Indian cement sector

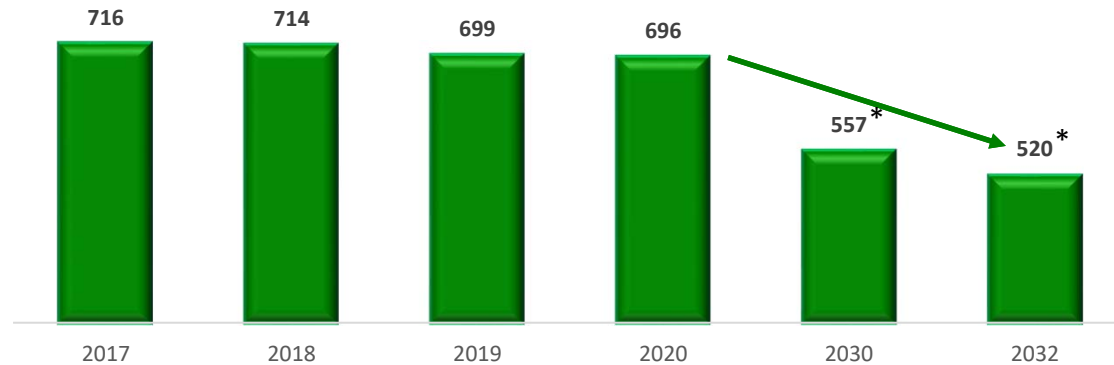
Science Based Targets Initiative (SBTi)



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Kg CO₂ per ton of cementitious material

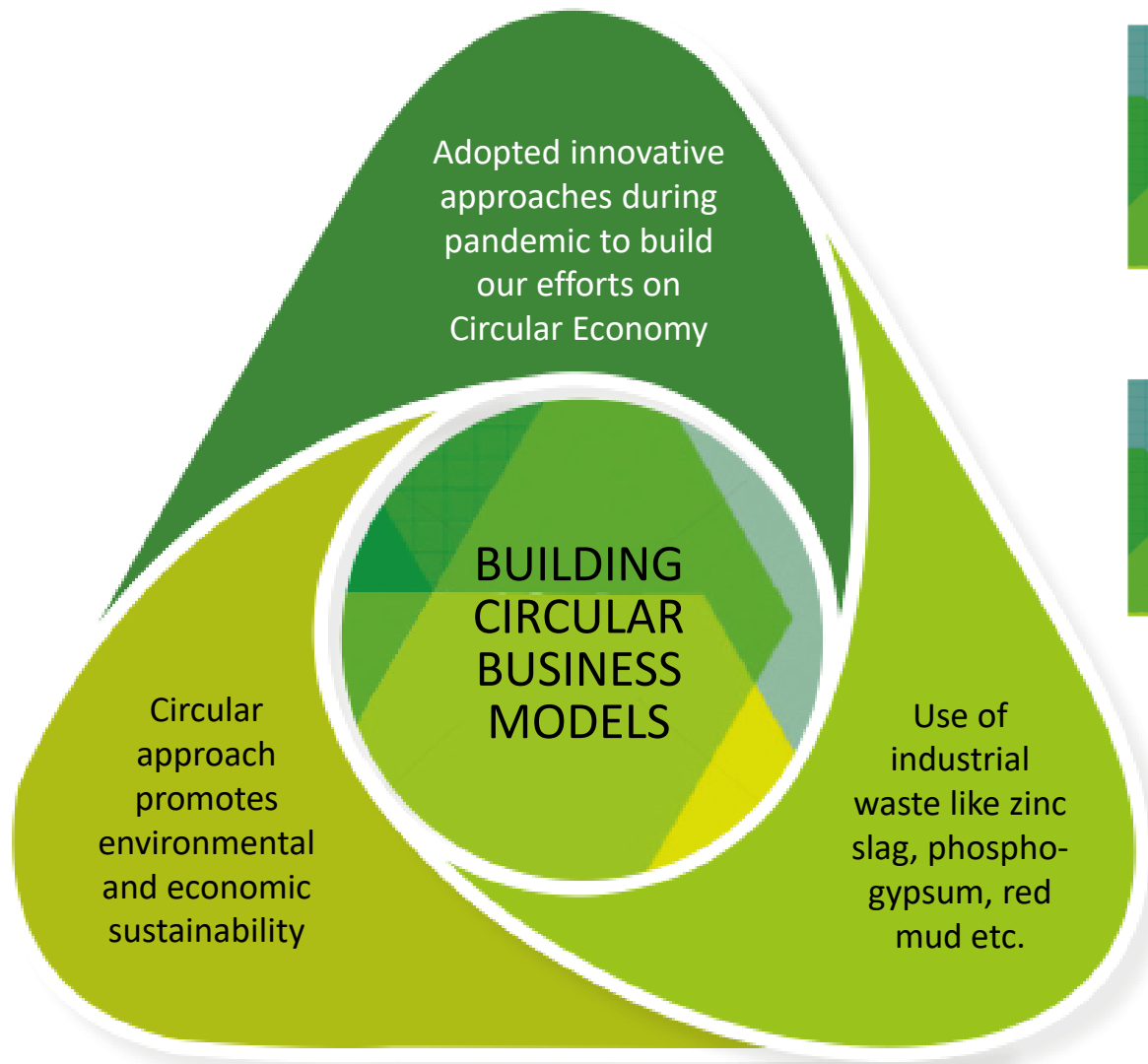


UltraTech joined the growing list of companies adopting **Science Based Target Initiative (SBTi)** as part of its climate commitment.

We are committed to build our business in line with **below 2 degree world under the Paris agreement.**

SBTi Target of ~27% **Reduction in CO₂ emission** by 2032 on the base year of the 2017.
***targets pending approval by SBTi**

Boosting Circular Economy

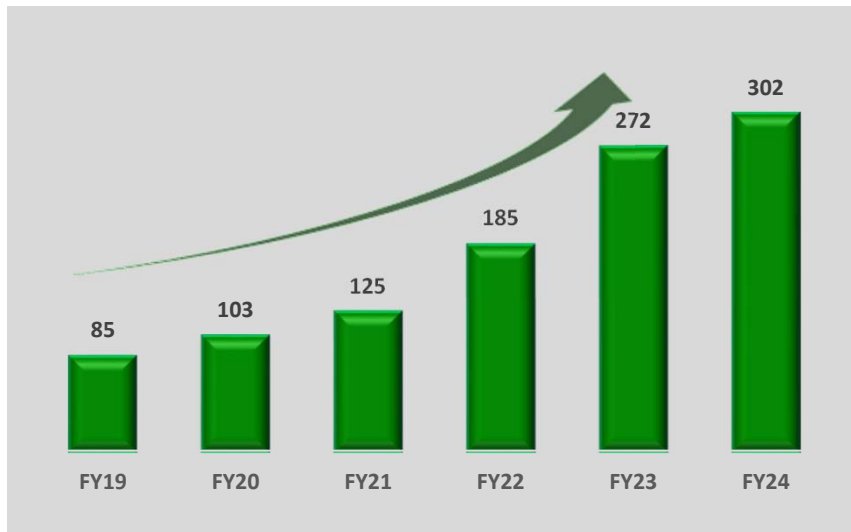


Industrial waste material consumed during the year:

- Flyash **~12 MnT**
- Slag & Waste Gypsum **~1 MnT**
- Industrial Waste **~1 MnT**

Long term arrangement with Hindalco Industries Ltd. for consuming red mud upto **~1 MnT pa.**

Increasing Green Power mix



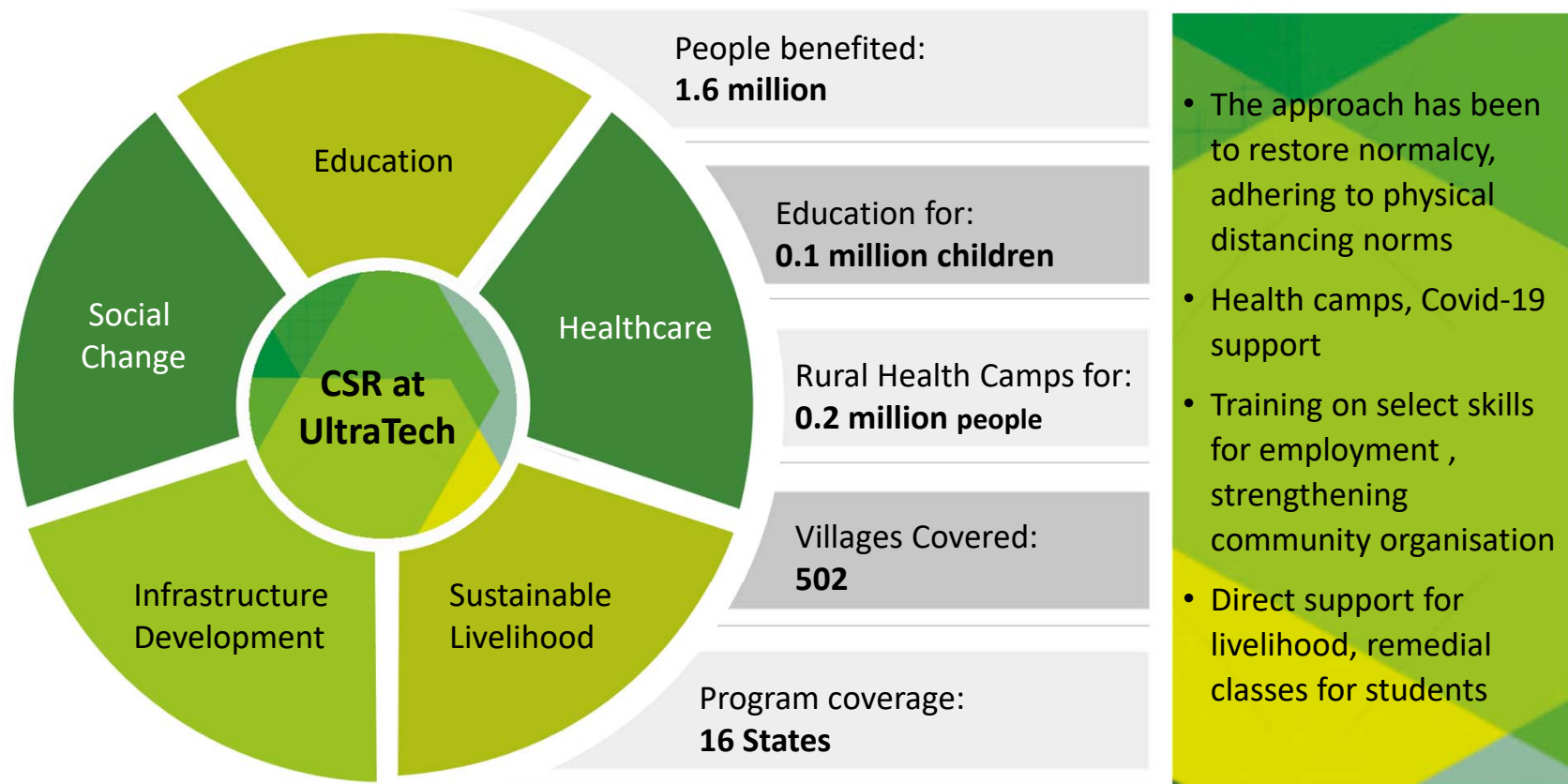
WHRs Capacity (MW)



Green Power Share (%)

Total Green Power: 34% (WHRs: 26%, Solar: 8%) by FY 24

ESG at UltraTech



CSR spend : Rs. 101 crores (Apr to Dec-20)



Chhattisgarh

The digitalisation of villages help to make them smart and transform the life of villagers.

- Distributed 60 computers to schools adjoining a plant
- Students were supported with online classes at 14 locations and informal orientations

Macro and Industry updates



Economic Recovery
from Covid-19 led disruption has been faster than expected

Driven by
Quicker demand stabilization, supply side restoration and greater cost efficiencies

Strong macro recovery ahead
Strong Rural Growth, Pickup in Exports, Improving PMIs, Buoyancy in GST and Tax collections

Cement Demand
Robust growth in Rural Housing continues to support the demand growth

Urban Housing
Smart recovery in urban housing demand in Tier 2 and 3 cities

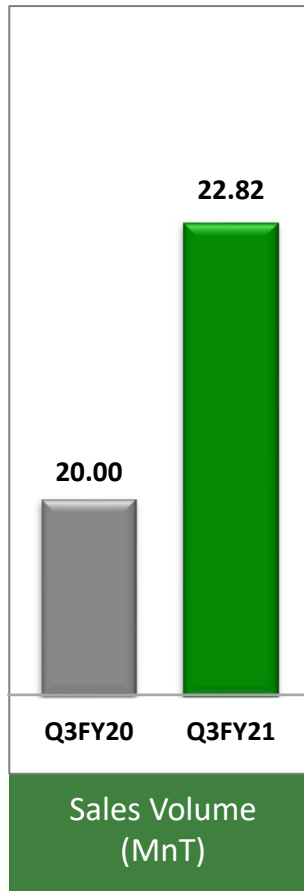
Government Thrust
Pick-up in infrastructure projects and government capex could further help the recovery momentum

Sectoral Update Q3 FY21

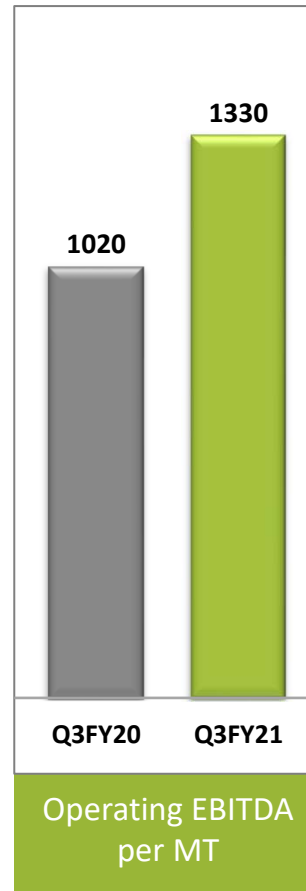


| State/Region wise performance | | | | | | |
|-------------------------------|----------|---|---|---|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| State/Region | Vol. Gr. | I | R | H | C | Key drivers |
| North | ↑ | ● | ● | ● | ● | <ul style="list-style-type: none"> IHB segment is witnessing increase in demand led by Rural Housing Infrastructure segment registered positive growth |
| Central | ↑ | ● | ● | ● | ● | <ul style="list-style-type: none"> IHB demand continues to be robust Infrastructure segment registered positive growth |
| West | ↑ | ● | ● | ● | ● | <ul style="list-style-type: none"> IHB segment is witnessing an increase in demand led by Rural Housing Infrastructure segment registered positive growth |
| East | ↑ | ● | ● | ● | ● | <ul style="list-style-type: none"> Strong Rural housing demand Infrastructure segment registered positive growth |
| South | ↑ | ● | ● | ● | ● | <ul style="list-style-type: none"> Infrastructure segment registered positive growth |

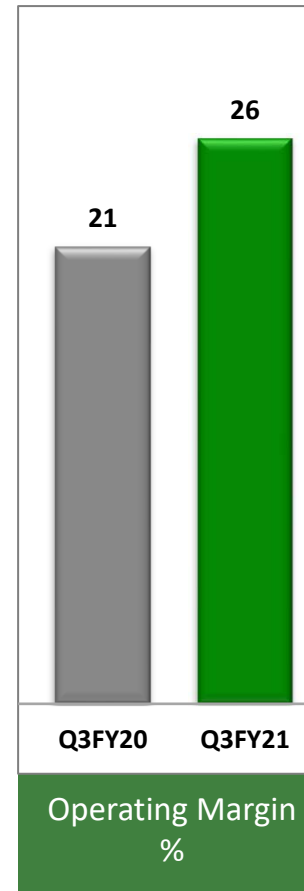
Q3 FY21 : Key Performance Highlights



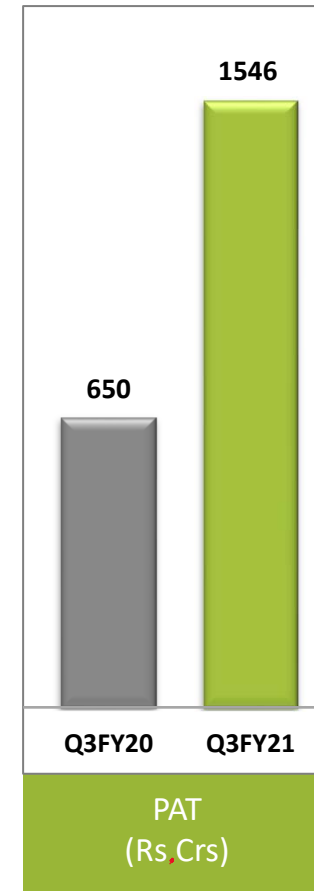
↑ 14%



↑ 30%



↑ 5%



↑ 138%

We Deliver what We Commit

Culture of Biodiversity is in our DNA

Continuous increase in green cover at our manufacturing plants under Biodiversity Management Plan

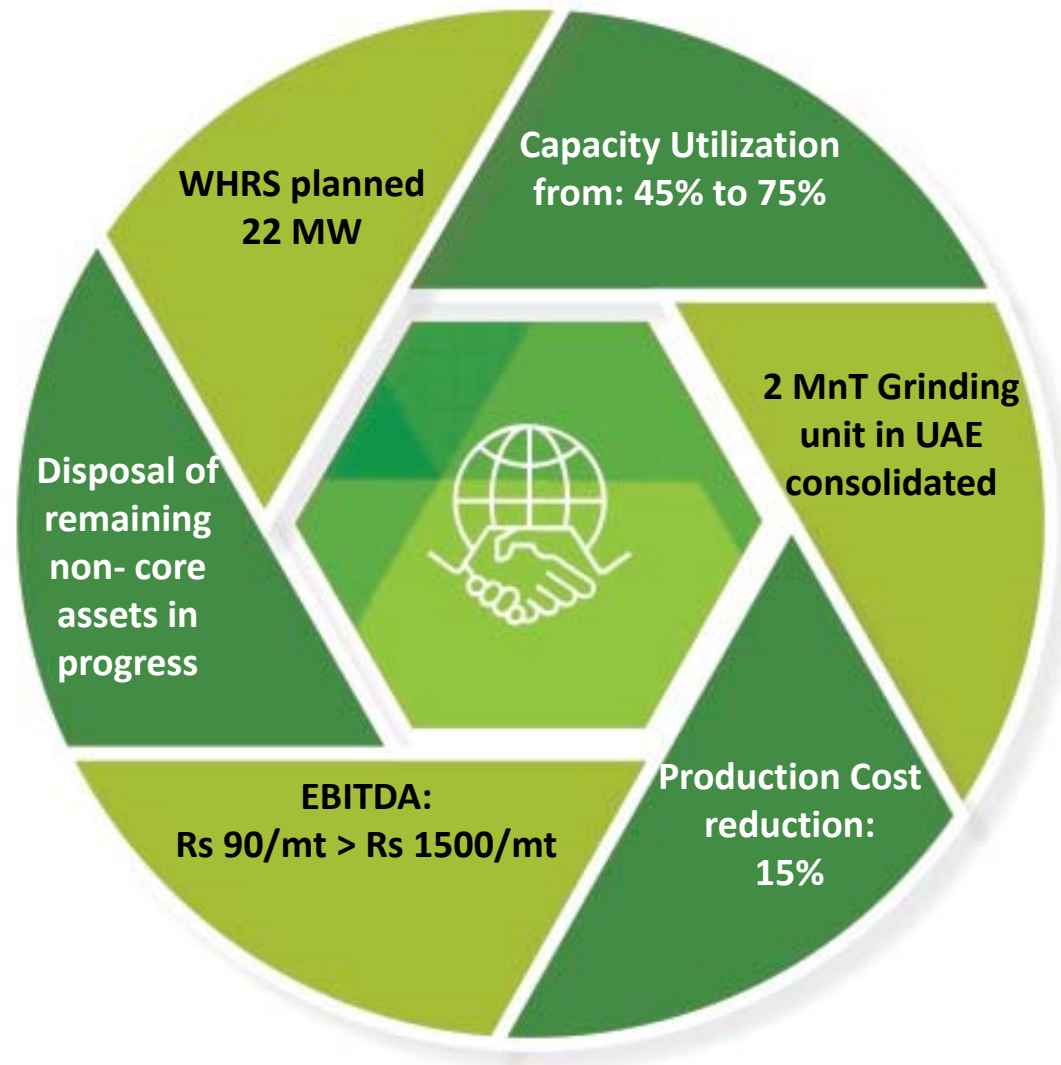
Developed and finalized biodiversity management plan at two of our locations

Initiated biodiversity assessment at three more locations

Flora & Fauna in our factories is a way of life

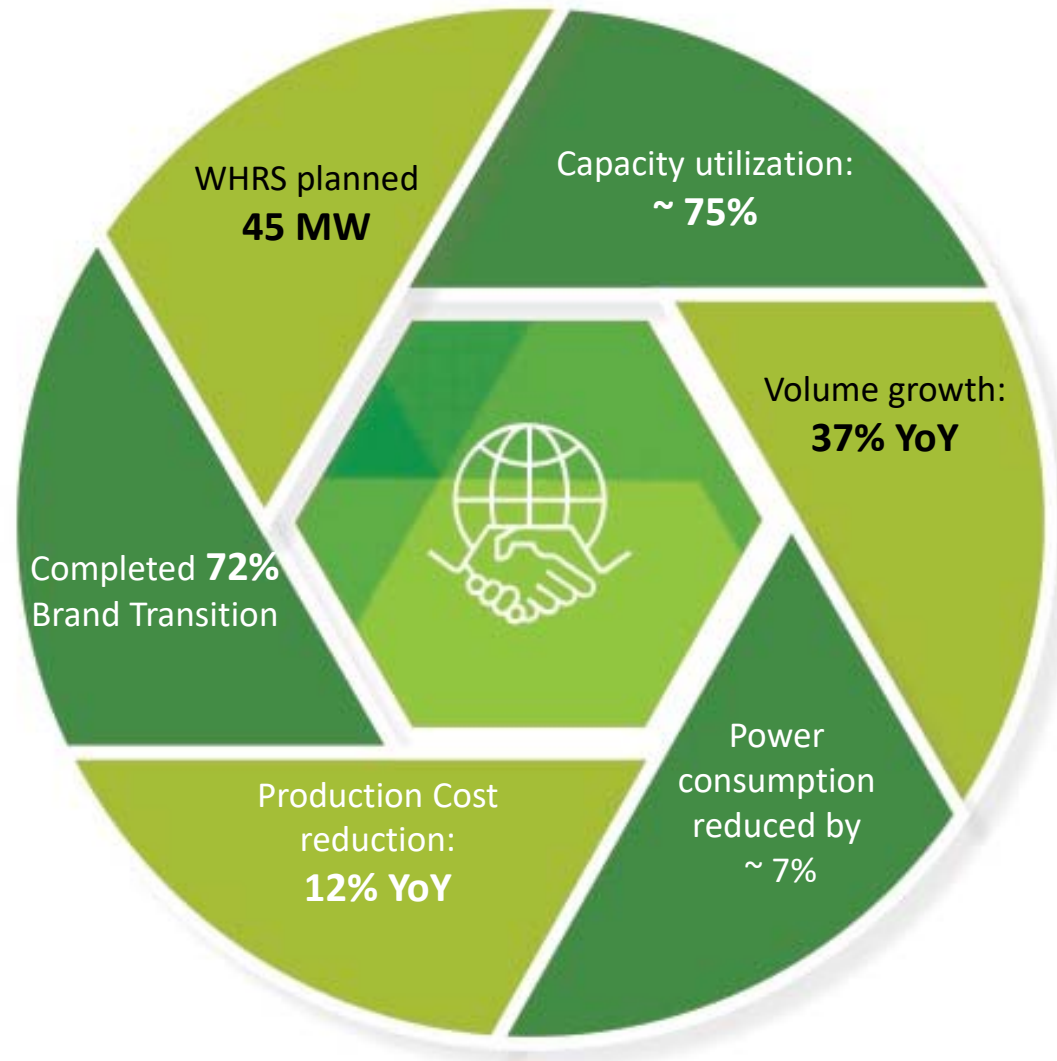


UltraTech Nathdwara: since take over



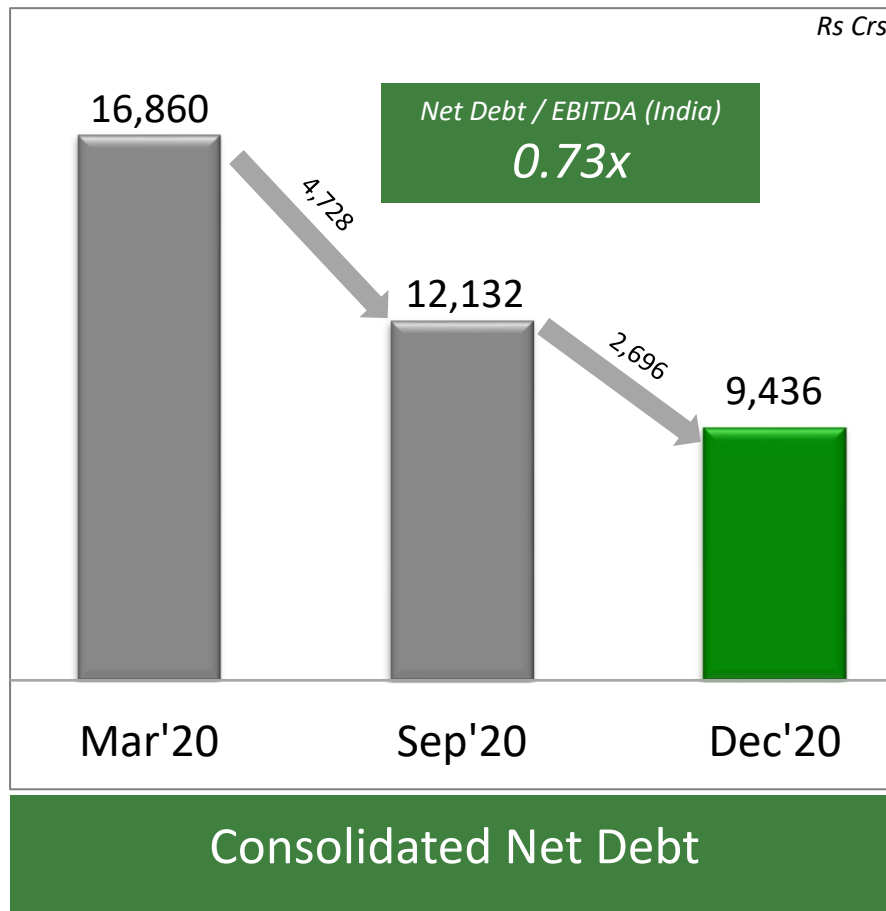
We Deliver what We Commit

Acquisition update: Century Cement



We Deliver what We Commit

Strong Cash Flows



Effective Working Capital Management :
Q3 release : Rs 780 Crs

Capex Spends :
Q3 : Rs 391 Crs

Net Debt Reduction YTD:
Rs 7424 Crs

Consolidated Net Debt/EBITDA reduced :
0.84x v/s 1.87x YoY

We Deliver what We Commit

Key Performance Drivers: Q3 FY21



Capacity Utilization ~ 80%
up 11% YoY

Increased sales network ~4%,
>75% appointed digitally

Production cost
down 1% QoQ

Rural markets penetration
increased by ~3.5% YoY

Selling price
down 1% QoQ

Number of UBS outlets: ~2350
>70% new outlets in rural areas

Sales Performance: Q3 FY21



MnT

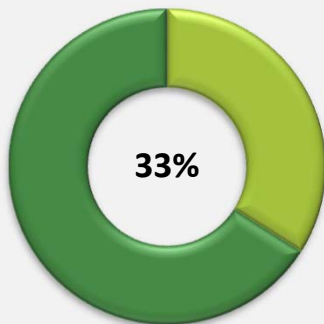
| Particulars | Q3 FY21 | | | 9M FY21 | | |
|-------------------------------------------------|--------------|--------------|-----------|--------------|--------------|------------|
| | CY | LY | % | CY | LY | % |
| Domestic Sales (basis restated prior period) | 22.15 | 19.41 | 14 | 54.24 | 56.48 | (4) |
| Exports and Others | 0.67 | 0.59 | 13 | 1.74 | 1.77 | (2) |
| Total India Operations | 22.82 | 20.00 | 14 | 55.98 | 58.24 | (4) |
| Consolidated Volume | 23.88 | 20.90 | 14 | 58.59 | 60.89 | (4) |

Expanding the reach of UltraTech brand

Key Cost Indicators: Q3 FY21



LOGISTICS COST

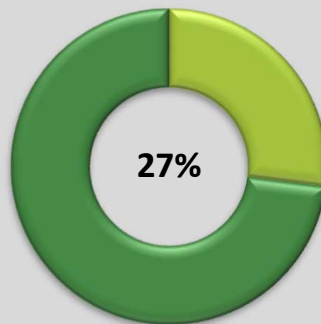


Increased 5% YoY to Rs. 1178/t ↑

- Diesel Price Hike – 10% YoY
- Change in Market Mix



ENERGY COST

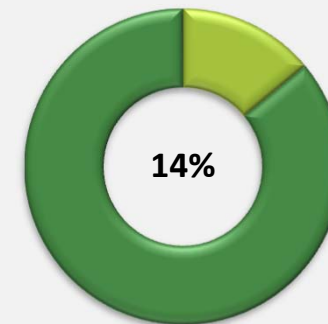


Declined 3% YoY to Rs. 952/t ↓

- Lower pet coke prices
- Increased share of Green Power



RAW MATERIAL COST



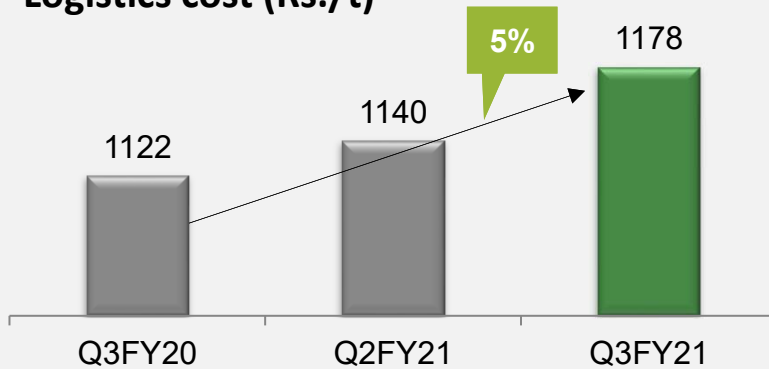
Remained flat at Rs. 501/t =

- Improved Clinker conversion

Operational Efficiency: Total cost increase only 1% YoY

Logistics Cost Trends

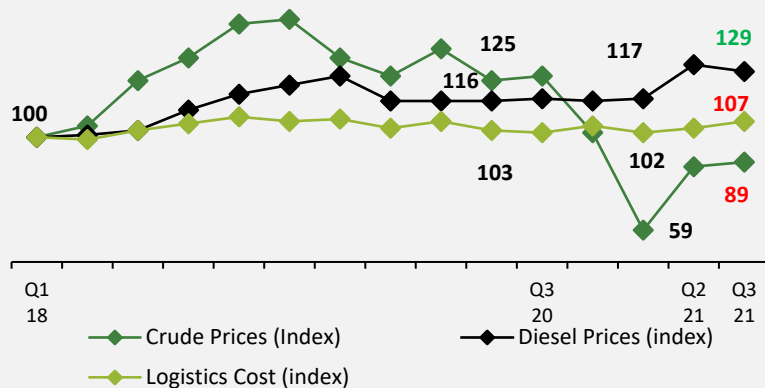
Logistics cost (Rs./t)



YoY cost increased: 5%

- Diesel price higher by ~10%
- Due to change in market mix

Logistics costs v/s Diesel Price Index

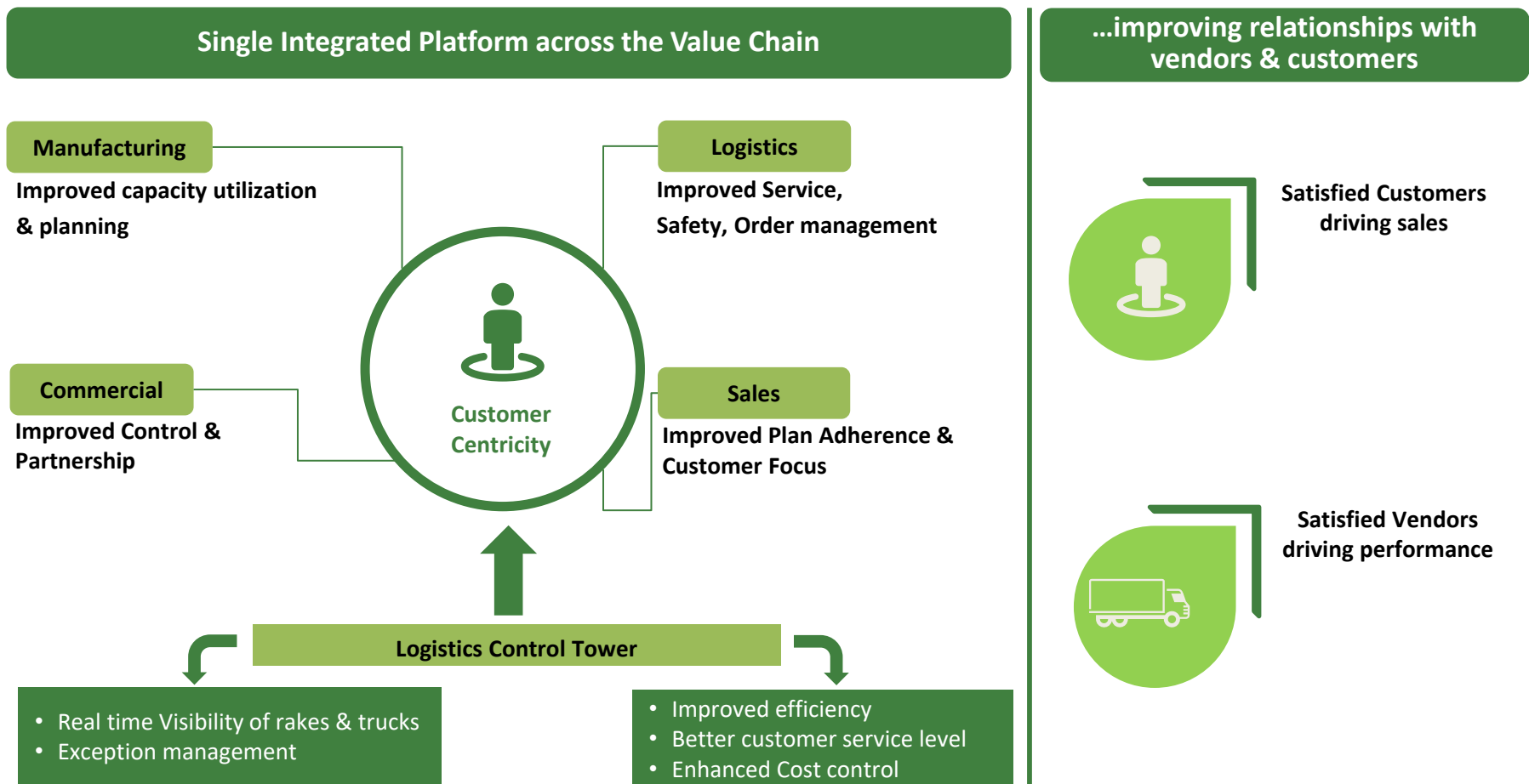


QoQ cost increased: 3%

- Lower clinker to cement ratio
- Due to change in market mix

Lower volatility than cost of diesel

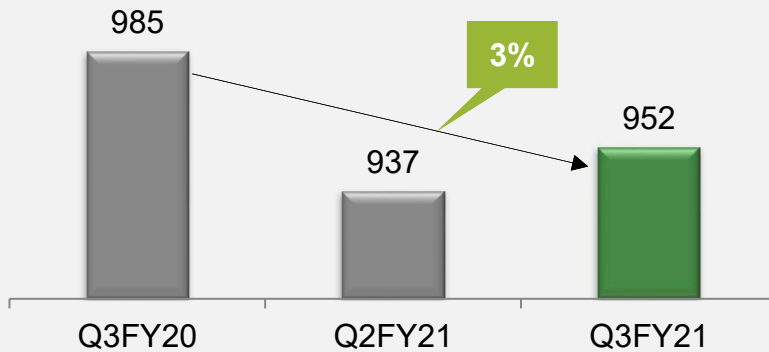
Strong move towards digitalization



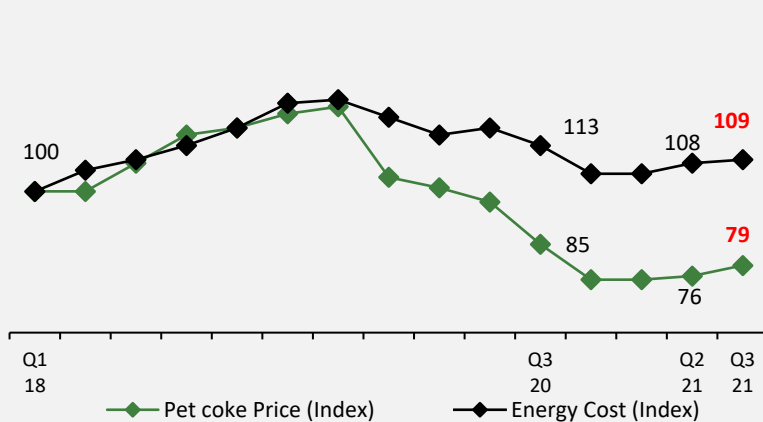
Improving customer connect

Energy Cost Trends

Energy cost (Rs./t)



Energy cost v/s Pet coke Price Index



YoY cost decreased: 3%

- Petcoke consumption at 44% and imported coal consumption at 43%
- 'Green power' share in power mix raised to 13% (LY: 11%)
- Reduced power consumption by 2%

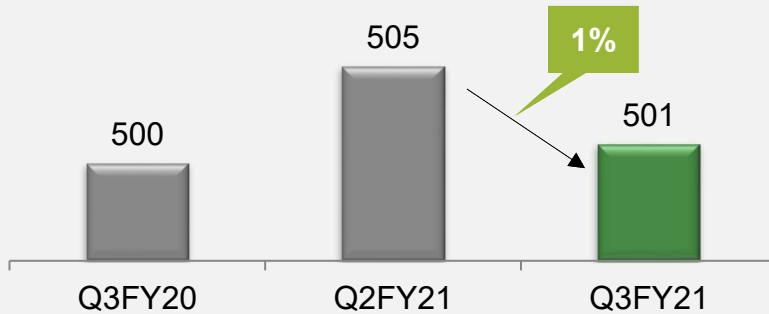
QoQ cost increased: 2%

- Petcoke consumption - \$74/t (Increase ~ 5%)
- Imported coal consumption - \$76/t

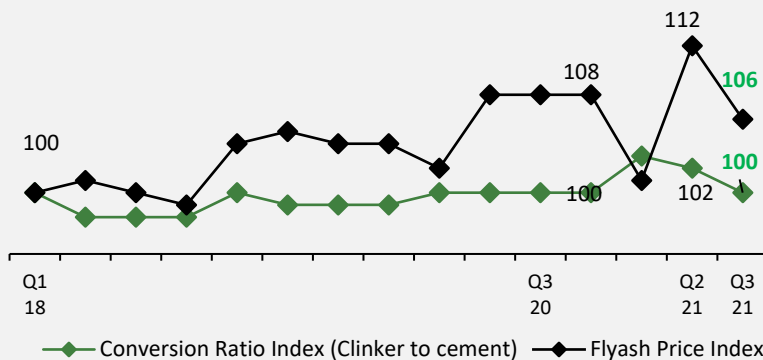
Fuel costs expected to stabilize by Q2 FY22

Raw Material Cost Trends

Raw Material cost (Rs./t)



Conversion ratio and Fly ash Prices (Index) Trends



YoY cost remained stable

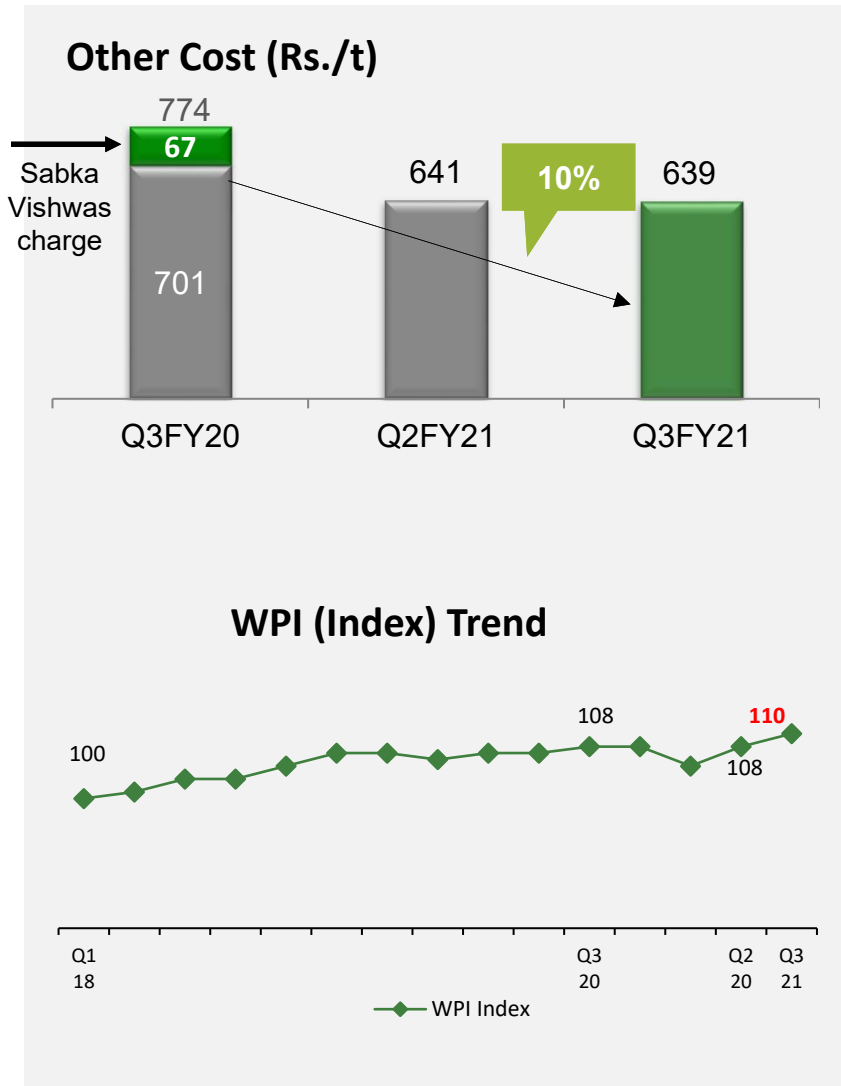
- Improved clinker to cement conversion ratio
- Stable Raw material prices i.e. Flyash, Gypsum etc.

QoQ cost decreased: 1%

- Fly ash prices lower by 2%

Operational Efficiency driven cost improvement

Other Cost Trends



YoY cost decreased: 10%

- Higher Volumes – 14%
- Lower Fixed Cost – 4% YoY

QoQ cost remained flat

- Higher Volumes – 19%
- Fixed Costs normalized during the quarter

Overall Costs under control

Q3 FY21 Financial Performance



Rs. Crs

| Particulars | UTCL Standalone | | | India Operations | | |
|--------------------------|-----------------|---------------|-----------|---------------------|--------------------|-----------|
| | CY | LY | % | CY | LY | % |
| Revenues (Net of Taxes) | 11,708 | 9,816 | 19 | 11,698 [^] | 9,800 [^] | 19 |
| Operating Income | 122 | 166 | (26) | 127 | 200 | (37) |
| Other Income | 262 | 164 | 60 | 254 | 141 | 81 |
| Total Income | 12,092 | 10,146 | 19 | 12,079 | 10,140 | 19 |
| Expenses : | | | | | | |
| Raw Materials Consumed | 1,515 | 1,234 | (23) | 1,554 | 1,265 | (23) |
| Purchase of Traded Goods | 519 | 565 | 8 | 205 | 271 | 24 |
| Changes in Inventory | (125) | 125 | 200 | (134) | 122 | 210 |
| Employee Costs | 567 | 577 | 2 | 582 | 591 | 2 |
| Power and Fuel | 2,180 | 1,841 | (18) | 2,298 | 1,944 | (18) |
| Logistics Cost | 2,816 | 2,340 | (20) | 2,831 | 2,353 | (20) |
| Other Expenses | 1,414 | 1,513 | 7 | 1,459 | 1,548 | 6 |
| EBITDA | 3,206 | 1,950 | 64 | 3,282 | 2,046 | 60 |

[^]After elimination of inter company clinker sales

EBITDA margin up 6%

Income Statement : Q3 FY21



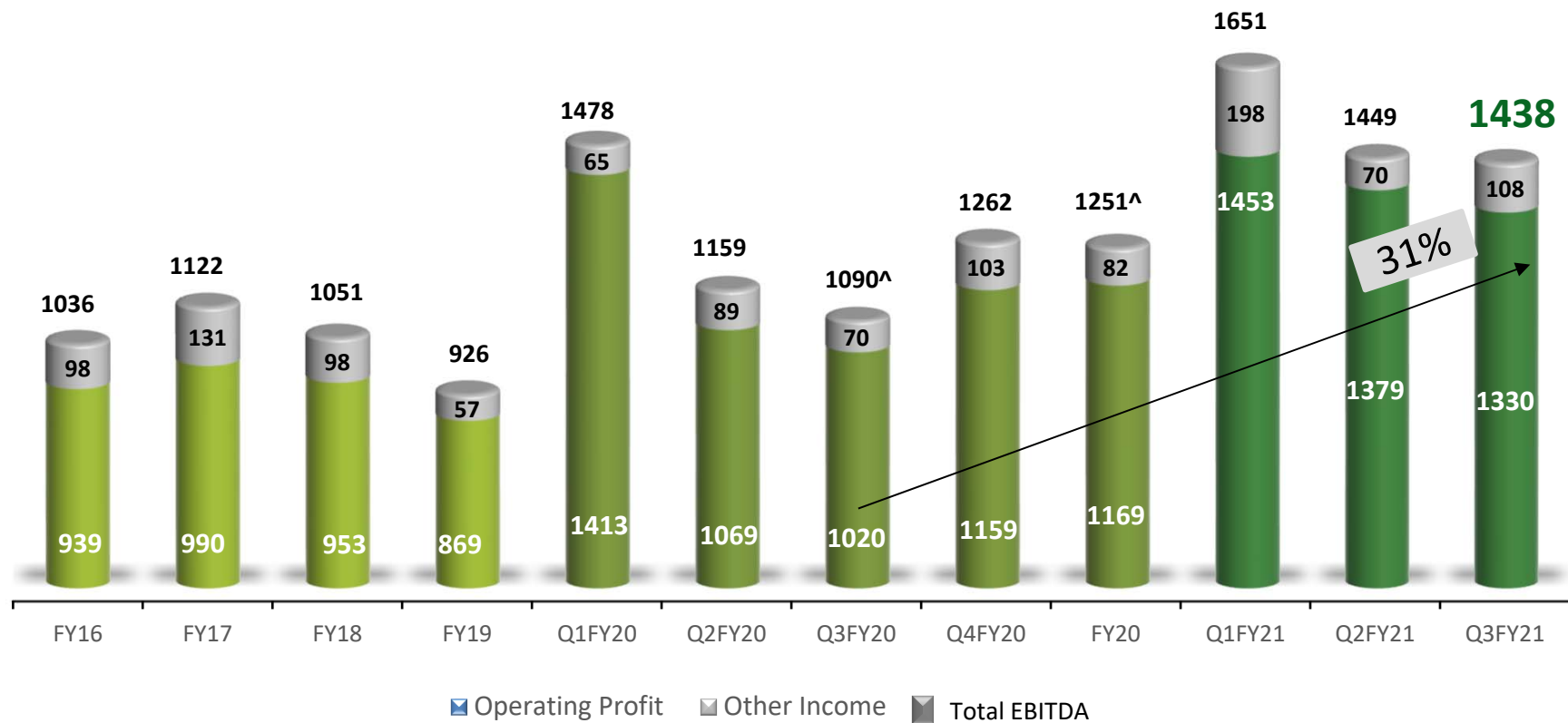
Rs Crs

| Consolidated | | | Particulars | India Operations | | |
|--------------|--------------|------------|-----------------------------------------------------------|------------------|--------------|------------|
| CY | LY | ▲% | | CY | LY | ▲% |
| 12144 | 10261 | 18 | Revenues (net of taxes) ^ | 11698 | 9800 | 19 |
| 3362 | 2147 | 57 | EBITDA | 3282 | 2046 | 60 |
| 28% | 21% | 7 | Margin (%) | 28% | 21% | 7 |
| 356 | 472 | 25 | Finance costs | 346 | 459 | 25 |
| 674 | 678 | 1 | Depreciation & Amortization | 637 | 647 | 2 |
| 2332 | 997 | 134 | PBT | 2299 | 940 | 145 |
| 747 | 286 | | Tax expenses | 753 | 291 | |
| 0.2 | (0.7) | 136 | Minority interest | - | - | |
| 1584 | 712 | 123 | PAT | 1546 | 650 | 138 |
| 168.2 | 126.1 | 33 | Annualized EPS (Rs.) (basis trailing 12 months) | 165.2 | 123.4 | 34 |

^After elimination of inter company clinker sales

Blockbuster Performance

EBITDA PMT Trends



Consistently delivering > Rs 1400/mt EBITDA in FY21

[^] Before provision for disputed liabilities offered under Sabka Vishwas Scheme

Financial Position



Rs Crs

| Consolidated | | Particulars | India Operations | |
|--------------|------------|----------------------------------------------|------------------|------------|
| 31.03.2020 | 31.12.2020 | | 31.03.2020 | 31.12.2020 |
| 61866 | 65431 | Capital Employed <i>(Excluding goodwill)</i> | 60182 | 64141 |
| 11.9% | 13.4% | ROCE * | 12.1% | 13.5% |
| 12.3% | 14.1% | ROE* | 11.9% | 13.6% |

Effective ROE at 14.1%

* Basis trailing 12 months *(excluding Goodwill)*

Key Financial Ratio Trends : India Operations



| Particulars | FY16 | FY17 | FY18 | FY19 | Q1FY20 | Q2FY20 | Q3FY20 | Q4FY20 | FY20 | Q1FY21 | Q2FY21 | Q3FY21 |
|-------------------------|------|--------|------|------|--------|--------|--------|--------|-------|--------|--------|--------|
| EBITDA Margin (%) | 22% | 24% | 22% | 19% | 28% | 23% | 21% | 25% | 24% | 32% | 28% | 28% |
| 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 | 0.73 |
| 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 | 0.19 |
| EPS (Rs.) * | 86.4 | 95.7 | 81.3 | 81.5 | 106.3 | 114.6 | 123.2 | 126.0 | 126.0 | 113.1 | 134.2 | 165.2 |
| Book Value / share (Rs) | 788 | 872 | 944 | 1151 | 1193 | 1203 | 1225 | 1336 | 1336 | 1363 | 1392 | 1446 |

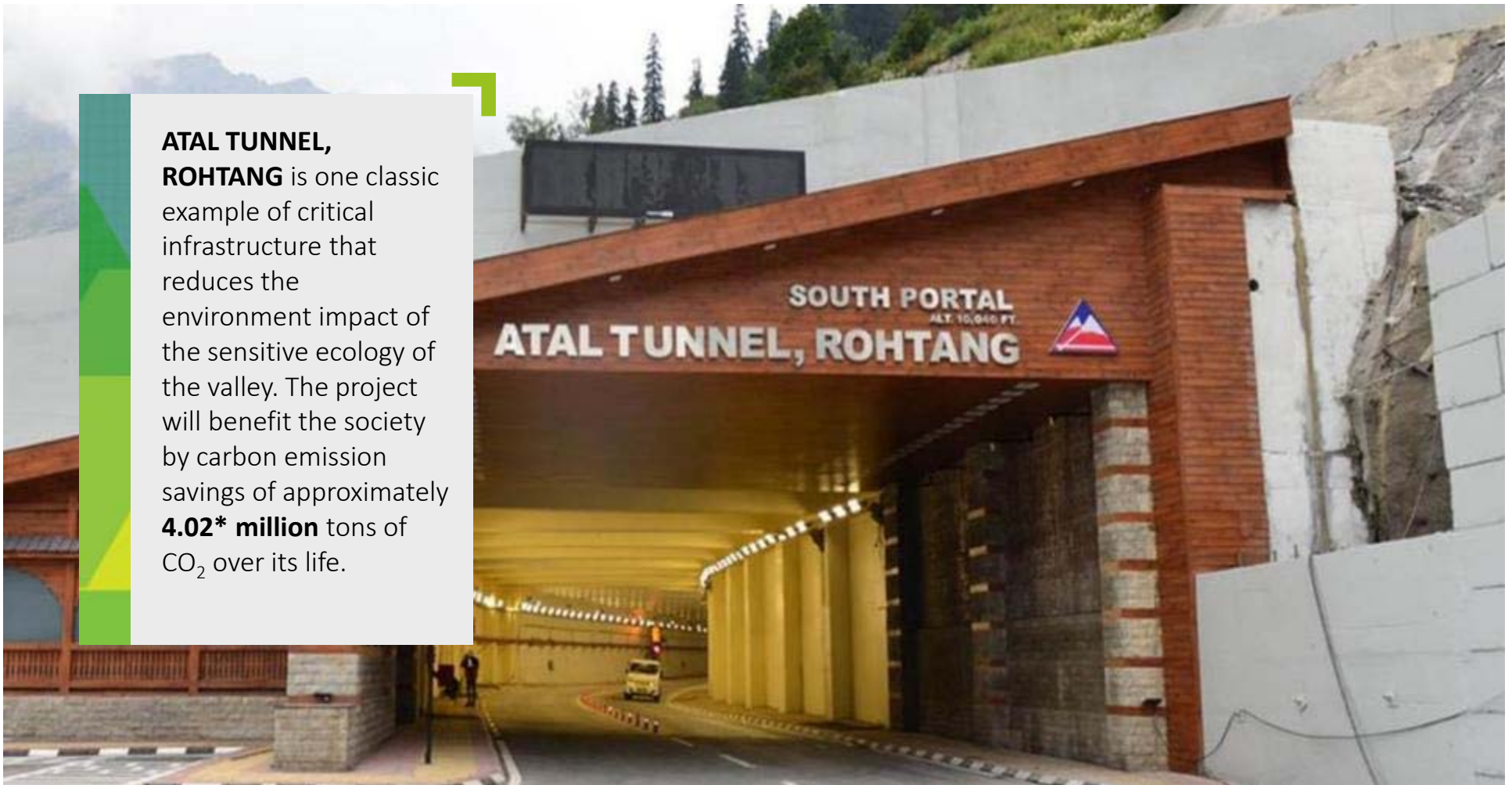
EPS increased by >30% over FY20

* Quarterly EPS is annualized basis trailing 12 months

UltraTech delivers carbon emission savings through critical Infrastructure projects



ATAL TUNNEL, ROHTANG is one classic example of critical infrastructure that reduces the environment impact of the sensitive ecology of the valley. The project will benefit the society by carbon emission savings of approximately **4.02* million** tons of CO₂ over its life.



*Best estimates based on fuel savings projected from the project

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

Regd. Office: Ahura Centre, Mahakali Caves Road, Andheri (E), Mumbai – 400 093
[Corporate Identity Number L26940MH2000PLC128420]

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