



21<sup>st</sup> January, 2023

BSE Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001.  
**Scrip Code: 532538**

The Manager  
Listing Department  
The National Stock Exchange of India Limited  
“Exchange Plaza”, Bandra-Kurla Complex,  
Bandra (East), Mumbai 400 051.  
**Scrip Code: ULTRACEMCO**

Dear Sirs

**Sub: Investor Presentation for the quarter ended 31<sup>st</sup> December, 2022.**

Attached is an investor’s presentation on the performance of the Company for the quarter ended 31<sup>st</sup> December, 2022.

The same is for your information please.

Yours very truly,

For UltraTech Cement Limited

Sanjeeb Kumar Chatterjee  
Company Secretary

Encl: a/a

Luxembourg Stock Exchange  
BP 165 / L – 2011  
Luxembourg  
Scrip Code:  
US90403E1038 and  
US90403E2028

Singapore Exchange  
11 North Buona Vista Drive,  
#06-07  
The Metropolis Tower 2,  
Singapore 138589  
ISIN Code:  
US90403YAA73 and USY9048BAA18



**UltraTech Cement Limited**



# UltraTech Cement Limited

*Taking concrete actions for a  
sustainable future*

Results:  
Q3 FY23

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

01

Macro and  
Sectoral update

02

Business  
update

03

ESG  
update

04

Financial  
Performance


#### 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)



01

Macro and  
Sectoral update



**Aditya Cement Works, Rajasthan was felicitated with the GreenCo Gold rating at the 11<sup>th</sup> edition of GreenCo Summit organized by Confederation of Indian Industry. The Unit has been recognized for its exemplary efforts and commitment towards protecting the environment by adopting green practices.**

# Macro Indicators



National Statistical Office (NSO) estimates real GDP growth at 7% for FY23.



The composite PMI surging to an 11-year high of 59.4 in Dec-22.



Dec-22 CPI at 5.72%. Seems heading towards 5% on the back of improvement in domestic food supply and fall in global commodity prices.



USD/INR exchange rate depreciated by 9% since Mar-22. Indication of a stable currency in 2023, should stabilize input costs.



# Sectoral Update Q3 FY23




| Zone    | Volume Growth | I | R | H | C | Key drivers  |
|---------|---------------|---|---|---|---|--|
| North   | ↑             | ● | ● | ● | ● | <ul style="list-style-type: none"> <li>➤ Infrastructure segment registered growth attributable to execution of major projects.</li> <li>➤ Commercial demand registered growth in Madhya Pradesh, Rajasthan and Jammu &amp; Kashmir.</li> <li>➤ Housing segment grew in all regions - supported by good monsoon and cash flow from crop harvest, except in Punjab.</li> </ul>   |
| Central | ↑             | ● | ● | ● | ● | <ul style="list-style-type: none"> <li>➤ Robust IHB demand.</li> <li>➤ Delay in commencement of infrastructure projects.</li> </ul>  |
| East    | ↑             | ● | ● | ● | ● | <ul style="list-style-type: none"> <li>➤ Overall growth driven by housing and rural market (PMAY, PMGSY, Housing for all).</li> <li>➤ Infrastructure segment registered growth in West Bengal, Bihar and Jharkhand, but degrowth in Chhattisgarh and Odisha due to ban on sand mining and availability of aggregates.</li> </ul>   |
| West    | ↑             | ● | ● | ● | ● | <ul style="list-style-type: none"> <li>➤ <b>Maharashtra:</b> Infrastructure segment grew in Mumbai, led by Metro and Mumbai Trans Harbour Link (MTHL), Mumbai-Goa express-way. Delay in commencement of new projects in other regions hampered growth.</li> <li>➤ <b>Gujarat:</b> Housing growth in urban and rural market due to improved cash flow. Infrastructure growth supported by major projects viz. Bullet Train, Vadodara-Mumbai expressway and Western dedicated freight corridor etc.</li> </ul> |
| South   | ↑             | ● | ● | ● | ● | <ul style="list-style-type: none"> <li>➤ Housing segment supported by good monsoon.</li> <li>➤ Infrastructure segment supported by execution of major projects viz. Bangalore and Chennai Metro, Central institutional and Expressway projects etc.</li> </ul>   |



02

Business  
update



UltraTech is the largest supplier of cement (~68%) for the 702 kms Mumbai-Nagpur expressway. Yet another prestigious project exemplifying its expertise and commitment towards nation building.



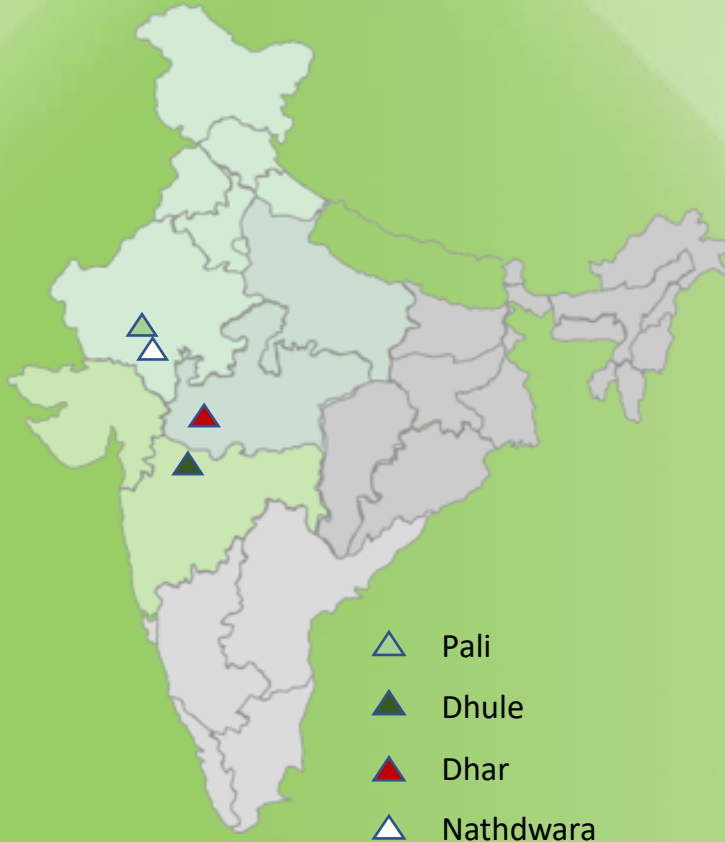
# Q3 Highlights



- Domestic sales volume grew 13% with capacity utilization of 83%.
- Operating EBITDA improved to Rs 900/Mt from a low of Rs 812/Mt in the last quarter.
- Commissioned cement capacity of 5.5 mtpa, taking the total grey cement capacity of the Company to 121.35 mtpa in India.
- Ready Mix Concrete (RMC) revenue grew by 50% YoY.
- Premium products contributed to 18.8% of trade sales volume.
- Green power mix increased to 19.8% with WHRS capacity of 208 MW and renewable power capacity of 325 MW.
- Consolidated Net Debt reduced to Rs 7,722 crs in Dec-22 from Rs 8,357 crs in Sep-22.



# Capacity expansion update



1.9 mtpa integrated cement unit at Pali, Rajasthan, taking cement capacity of the Company in the state to 16.25 mtpa.



1.8 mtpa greenfield grinding unit at Dhule, Maharashtra, taking cement capacity of the Company in the state to 19.45 mtpa.



Brownfield integrated unit of 1.8 mtpa at Dhar, Madhya Pradesh, taking cement capacity of the Company in the state to 18.0 mtpa.



0.4 mtpa greenfield wall care putty plant at Nathdwara, Rajasthan. UltraTech now has a wall care putty capacity of 1.3 mtpa in India.

# Construction Chemicals: New products launched in Q3



- UltraTech **Repair2Day** is a specialised ready mix plaster for urgent and quick repair.
- A special self-curing mortar that develops workable strength in just 2 days.



- Quick, easy and hassle free solution to fill surface cracks, tile joints and nail holes.

**A portfolio of 50 products and growing**



# Ready Mix Concrete: Customized concrete for special structures



**UltraTech Decor** offers end to end landscaping solution from designing to installation; range of designs, colours and textures or any customized unique design as per the requirement. Above picture showcasing decorative flooring done recently with **UltraTech Decor**.



**UltraTech iFloors**, concrete that can be customized to deliver high performance industrial and warehouse flooring as per specific business and operational requirements. Above picture showcasing industrial flooring done recently with **UltraTech iFloors**.

03

ESG  
update



## UltraTech conferred IGBC Green Champion Award

UltraTech has received the 9<sup>th</sup> Indian Green Building Council (IGBC) Green Champion Award for 'Organisation encouraging IGBC Accredited Professional' for training employees in green building.



UltraTech is part of the distinguished community spearheading the green and net zero building movement in India.



# ESG performance recognised globally



*UltraTech recognized as a 'Leader' in Climate Change by CDP*



UltraTech recognized for implementing best practices and for taking concerted action on climate issues, securing a place in the Leadership category for its 2022 CDP disclosure.

*UltraTech ranked No. 1 in Infrastructure & Engineering sector in India's Most Sustainable Companies 2022 rankings by Sustain Labs Paris'*



Sustain Labs Paris' (SLP) in partnership with BW Businessworld has ranked UltraTech No.1 in Sustainability in the Infrastructure and Engineering sector and #15 out of the top 200 Companies in India.

# Contribution to social infrastructure development



Internal village roads built near Andhra Pradesh Cement Works, Andhra Pradesh



Refurbished community hall for social activities at Nathdwara, Rajasthan

- Improved rural infrastructure is key to rural development. Crucial pathway for poverty alleviation as it provides access to safe, affordable, accessible and sustainable transport systems.
- Village infrastructure strengthened nearby plant locations benefitting ~17,000 population.



# Sustainable livelihood



Heavy Motor Vehicle Training



Water Harvesting Structure



Women Group Building Activity

- ~1,300 youth got an opportunity to improve their skills on main and allied trades.
- ~900 families were engaged for different livelihood activities and are being enabled to improve their social and economic status.
- Water harvesting structures benefited ~9,000 small farmers.



Tailoring Courses



Preparation of Organic Manure

# 04

Financial  
performance



## UltraTech and IRM India Affiliate collaborate

Risk management key to build a sustainable business. UltraTech has developed comprehensive risk management framework and integrated ESG into its Enterprise Risk Management (ERM) process.

Institute of Risk Management (IRM) India Affiliate has signed a Memorandum of Understanding with UltraTech to work towards enhancing ERM and risk intelligence in the Indian cement sector.





# Sales: Q3 FY23







|                     | Grey Cement (India) | RMC                         | White Cement | Others <sup>^</sup> | Grey Cement (Overseas) | Consolidated* |
|---------------------|---------------------|-----------------------------|--------------|---------------------|------------------------|---------------|
| Volume (Mnt)        | 24.25               | 202<br><i>no. of plants</i> | 0.41         |                     | 1.19                   | 25.86         |
| <b>Growth (YoY)</b> | <b>13%</b>          | <b>51</b><br><i>Nos</i>     | -            |                     | <b>-4%</b>             | <b>12%</b>    |
| Revenue (₹ crores)  | 12,813              | 1,001                       | 575          | 367                 | 577                    | 15,299        |
| <b>Growth (YoY)</b> | <b>21%</b>          | <b>50%</b>                  | <b>6%</b>    | <b>16%</b>          | <b>-3%</b>             | <b>20%</b>    |

\* After elimination of inter company sales

<sup>^</sup> Revenues from Construction Chemicals, UltraTech Business Solution and Exports

# Performance Highlights : Q3 FY23



|       | Net Sales  | EBITDA  | Normalized PAT  | Net Debt  |
|-------|---|--|--|--|
| YoY   | +20.4%  | -1.1%  | -9.7%  | ₹ 7,722 crs<br><br>0.71x<br>(Net Debt / EBITDA)*   |
| QoQ   | +12.5%  | +22.3%   | +40.0%   |  |
| ₹ crs | 15,299  | 2,462  | 1,058  |  |

\* EBITDA basis trailing 12 months.



# Key Cost Indicators (Grey Cement): Q3 FY23

## Logistics Cost



₹ 1250/t

Increased 2% YoY; 1% QoQ

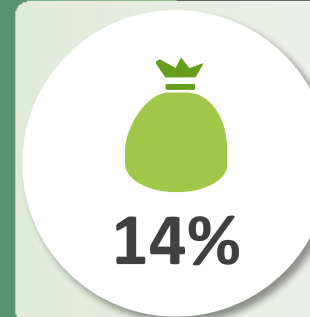
## Energy Cost



₹ 1766/t

Increased 33% YoY; 2% QoQ

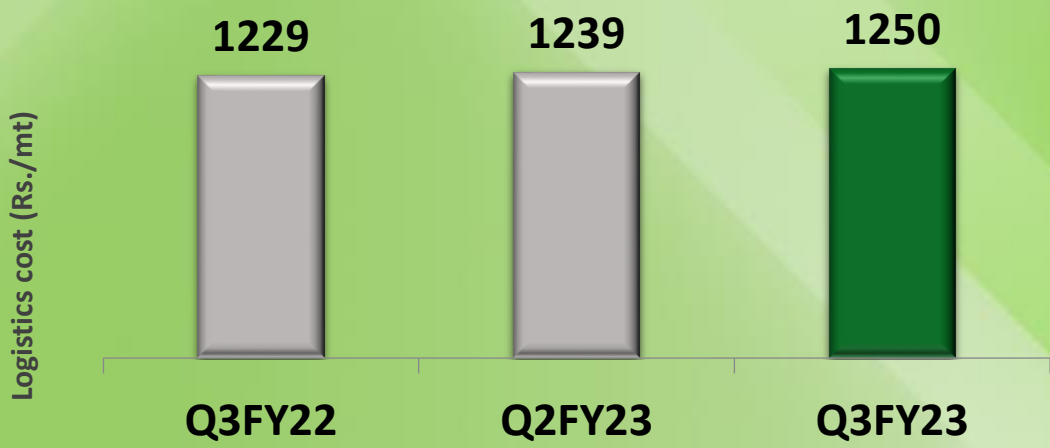
## Raw Material Cost



₹ 610/t

Increased 13% YoY

# Logistics Cost Trend (Grey Cement)



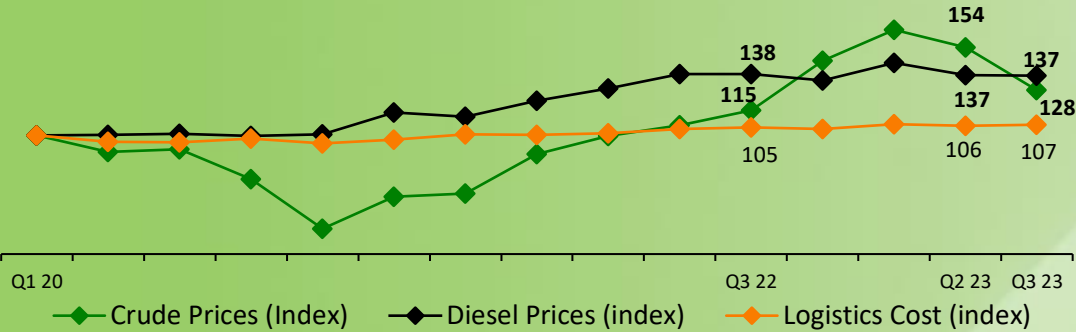
**YoY cost increase: 2%**

- Reimposition of busy season surcharge on rail freight from Oct-22 onwards.
- Benefit on account of lead optimization and improved operating efficiency.

**QoQ cost increase: 1%**

- Diesel prices remained flat QoQ, however reimposition of busy season surcharge on rail freight adversely affected costs.

Logistics cost v/s Diesel Price Index





# Green Logistics

- First CNG based vehicle onboarded in Sep-21 at our plant, since then introduced across 13 plants and 4 secondary locations.
- Deployment of 250+ CNG vehicles across locations, till date.
- Pilot run of LNG vehicles done at one plant in current quarter.

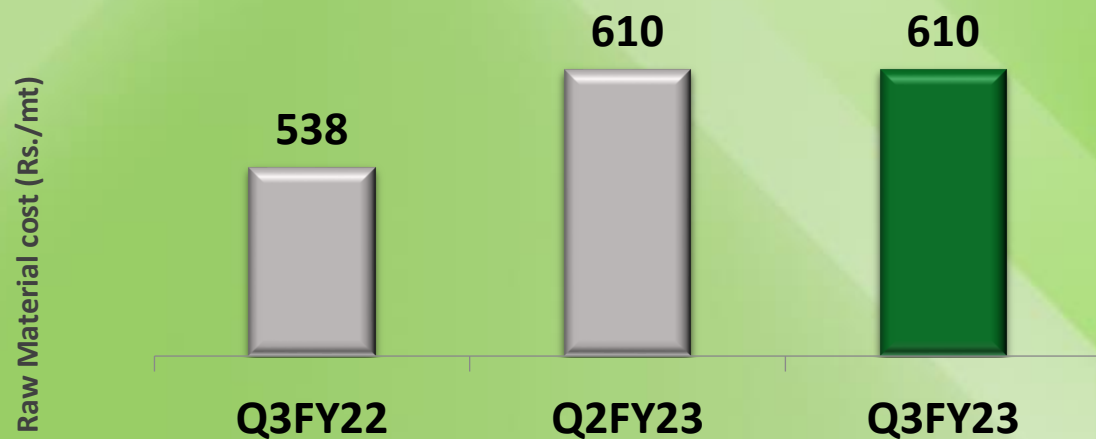


CO<sub>2</sub> emissions 132 grams/ kilometer



CO<sub>2</sub> emissions 113 grams/ kilometer

# Raw Material Cost Trend (Grey Cement)

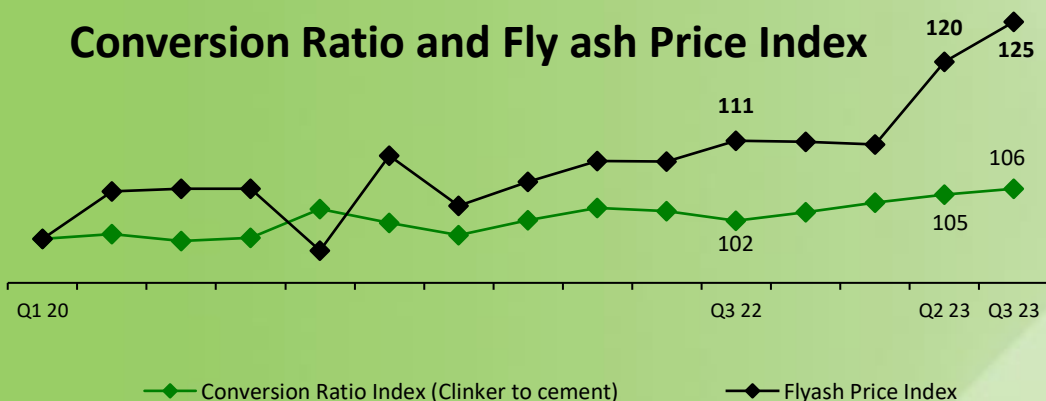


**YoY cost increase: 13%**

- Increase in cost of raw materials: fly ash, slag and gypsum.

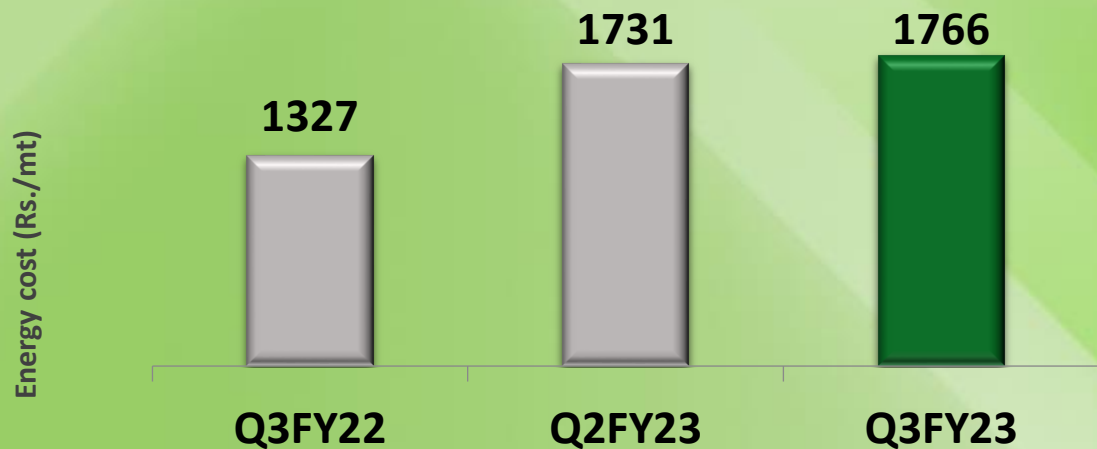
**QoQ cost: Flat**

- Increase in fly ash price set-off by improved clinker conversion ratio; 1.42 vs 1.41 in Q2 FY23.





# Energy Cost Trend (Grey Cement)



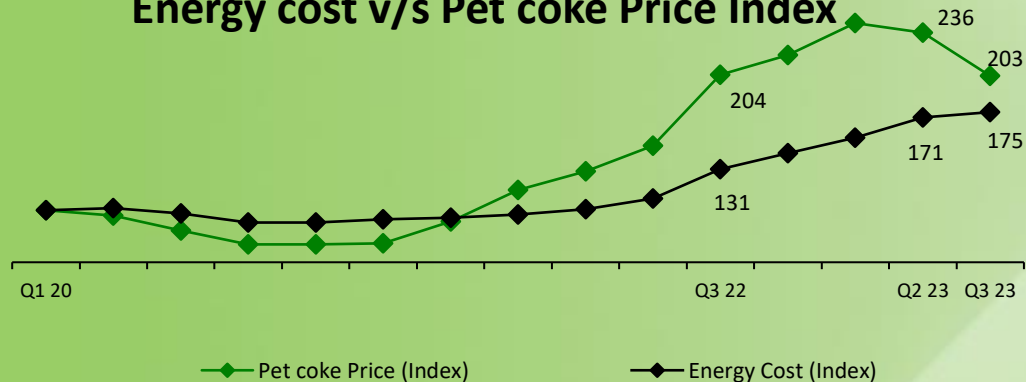
**YoY cost increase: 33%**

- Blended fuel prices of USD 200/t compared to USD 151/t in Q3 FY22.
- Pet coke consumption at 43% vs 25% Q3 FY22.

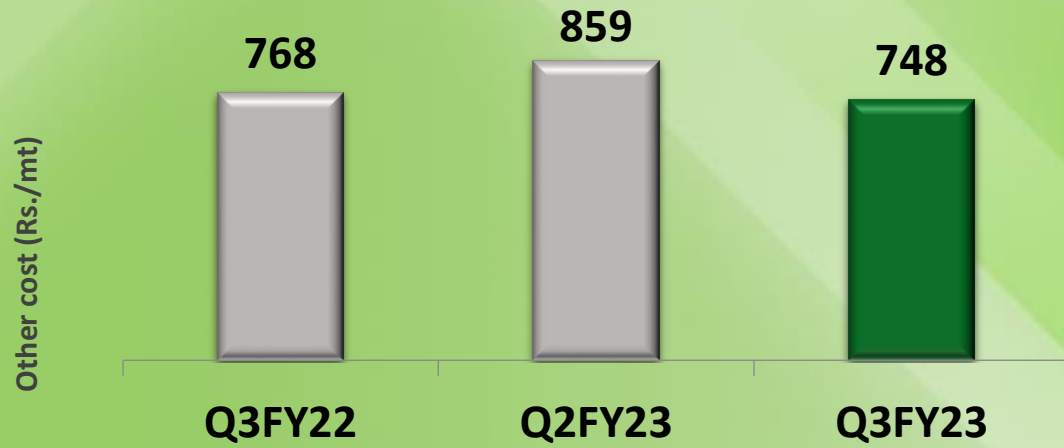
**QoQ cost increase: 2%**

- Blended fuel prices remain stable in USD terms but impacted by exchange rate.
- Pet coke consumption increased to 43% vs 40% Q2 FY23.

Energy cost v/s Pet coke Price Index



# Other Costs Trend

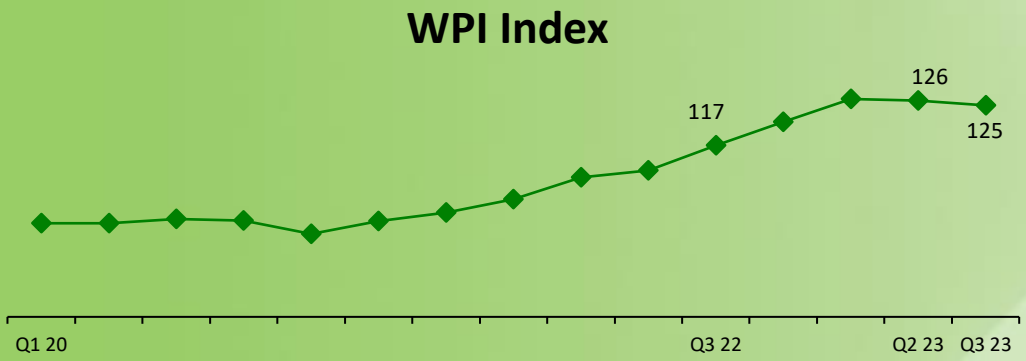


**YoY cost decrease: 3%**

➤ Operating leverage benefit; volume growth of 13%.

**QoQ cost decrease: 13%**

➤ Higher plant maintenance in Q2 FY23.  
➤ Higher volumes by 11.5%.



# Financial Performance : Q3 FY23



₹ crores

| Consolidated  |               | Particulars                     | India Operations |               |
|---------------|---------------|---------------------------------|------------------|---------------|
| Q3 FY23       | Q3 FY22       |                                 | Q3 FY23          | Q3 FY22       |
| 15,299        | 12,710        | Net Sales ^                     | 14,755           | 12,156        |
| 222           | 275           | Operating Income                | 234              | 288           |
| 127           | 71            | Other Income                    | 95               | 70            |
| <b>15,648</b> | <b>13,055</b> | <b>Total Income</b>             | <b>15,085</b>    | <b>12,514</b> |
|               |               | <b>Expenses:</b>                |                  |               |
| 2,263         | 1,715         | Raw Materials Consumed          | 2,220            | 1,626         |
| 381           | 331           | Purchase of Traded Goods        | 287              | 251           |
| (400)         | 14            | Changes in Inventory            | (378)            | (22)          |
| 694           | 643           | Employee Costs                  | 664              | 614           |
| 4,873         | 3,221         | Power and Fuel                  | 4,655            | 3,075         |
| 3,479         | 2,912         | Logistics Cost                  | 3,444            | 2,879         |
| 1,895         | 1,729         | Other Expenses                  | 1,853            | 1,685         |
| <b>2,462</b>  | <b>2,490</b>  | <b>EBITDA</b>                   | <b>2,340</b>     | <b>2,406</b>  |
| <b>903</b>    | <b>1,046</b>  | <b>Operating EBITDA per ton</b> | <b>900</b>       | <b>1,062</b>  |

^After elimination of inter company sales



# Income Statement : Q3 FY23



₹ crores

| Consolidated |               | Particulars  | India Operations |               |
|--------------|---------------|--|------------------|---------------|
| Q3 FY23      | Q3 FY22       |  | Q3 FY23          | Q3 FY22       |
| 15,299       | 12,710        | Net Sales <sup>^</sup>   | 14,755           | 12,156        |
| <b>2,462</b> | <b>2,490</b>  | <b>EBITDA</b>  | <b>2,340</b>     | <b>2,406</b>  |
| 215          | 182           | Finance Costs  | 194              | 178           |
| 723          | 674           | Depreciation and Amortization  | 694              | 645           |
| 465          | 459           | Tax expenses   | 462              | 460           |
| 4            | 2             | Minority interest  | -                | -             |
| <b>1058</b>  | <b>1,173*</b> | <b>Normalized PAT</b>  | <b>990</b>       | <b>1,123*</b> |
| <b>169.1</b> | <b>208.2</b>  | <b>EPS (₹) (basis trailing 12 months and before exceptional items)</b> | <b>164.6</b>     | <b>205.2</b>  |

\* Excluding reversal of provision of tax of Rs. 535 crs pursuant to completion of prior year tax assessment.

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

# Cash Flow Statement: Q3 FY23



₹ crores

| Particulars                       | India operations | Consolidated |
|-----------------------------------|------------------|--------------|
| <b>EBITDA</b>                     | <b>2,340</b>     | <b>2,462</b> |
| Less : Interest & lease payments  | (161)            | (172)        |
| Less : Tax paid                   | (512)            | (512)        |
| Add : Decrease in working capital | 566              | 399          |
| <b>Operating Cash Flow</b>        | <b>2,233</b>     | <b>2,177</b> |
| Less : Capex spend                | (1,514)          | (1,517)      |
| <b>Free Cash Flow</b>             | <b>719</b>       | <b>660</b>   |

# 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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[Corporate Identity Number L26940MH2000PLC128420]

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