



28th July, 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 on the financial results of the Company for the quarter ended 30th June, 2020.

Attached is an investor's presentation on the performance of the Company for the quarter ended 30th June, 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



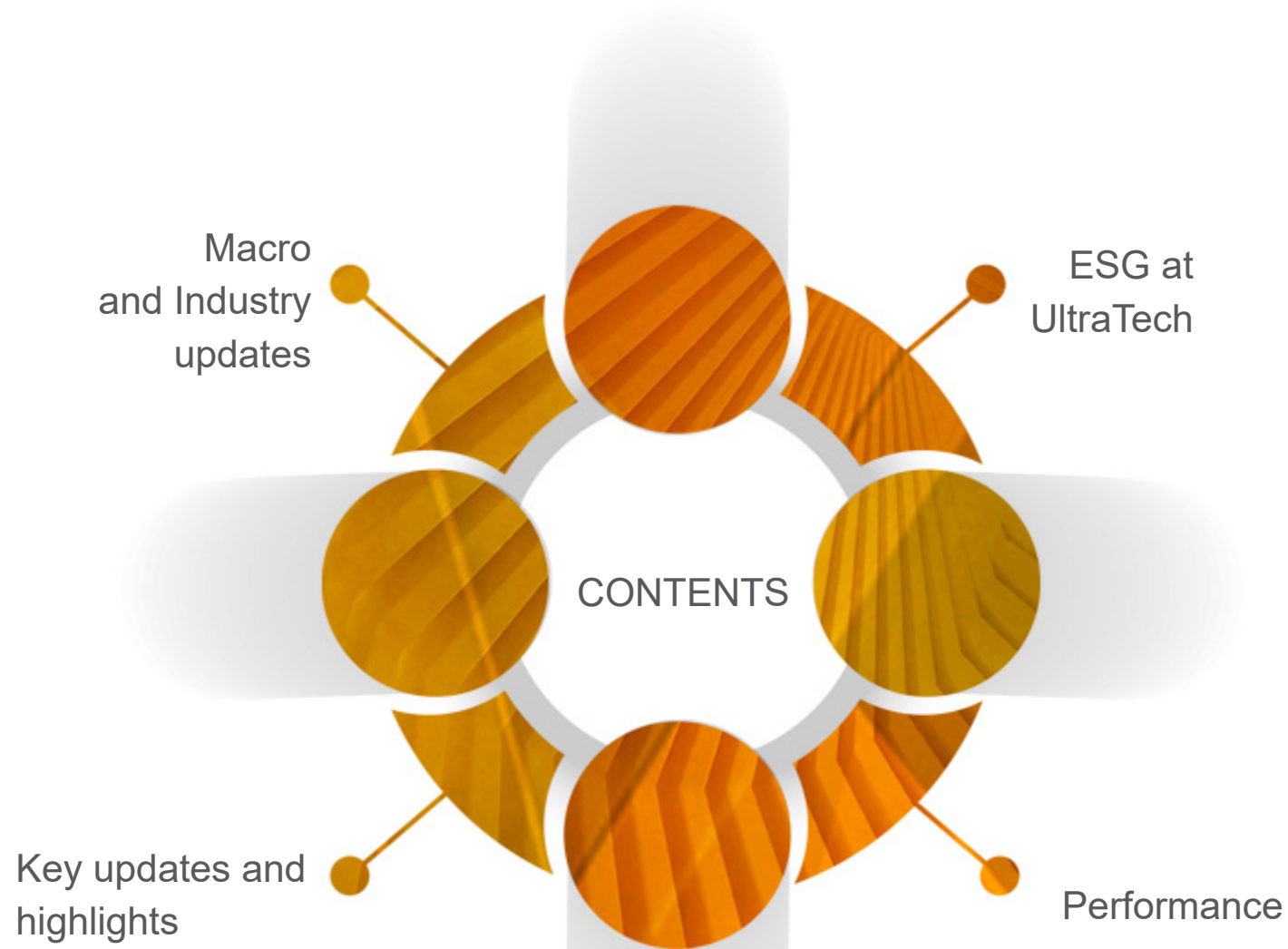
UltraTech Cement Limited



INDIA'S LARGEST CEMENT COMPANY

Earnings: Q1 FY21

28th July 2020



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)

Macro and Industry updates



COVID -19 impacted overall economy
FY20 GDP at 4.2% - lowest in last 2 decades

IIP contracted (-) 46% for YTD May'20



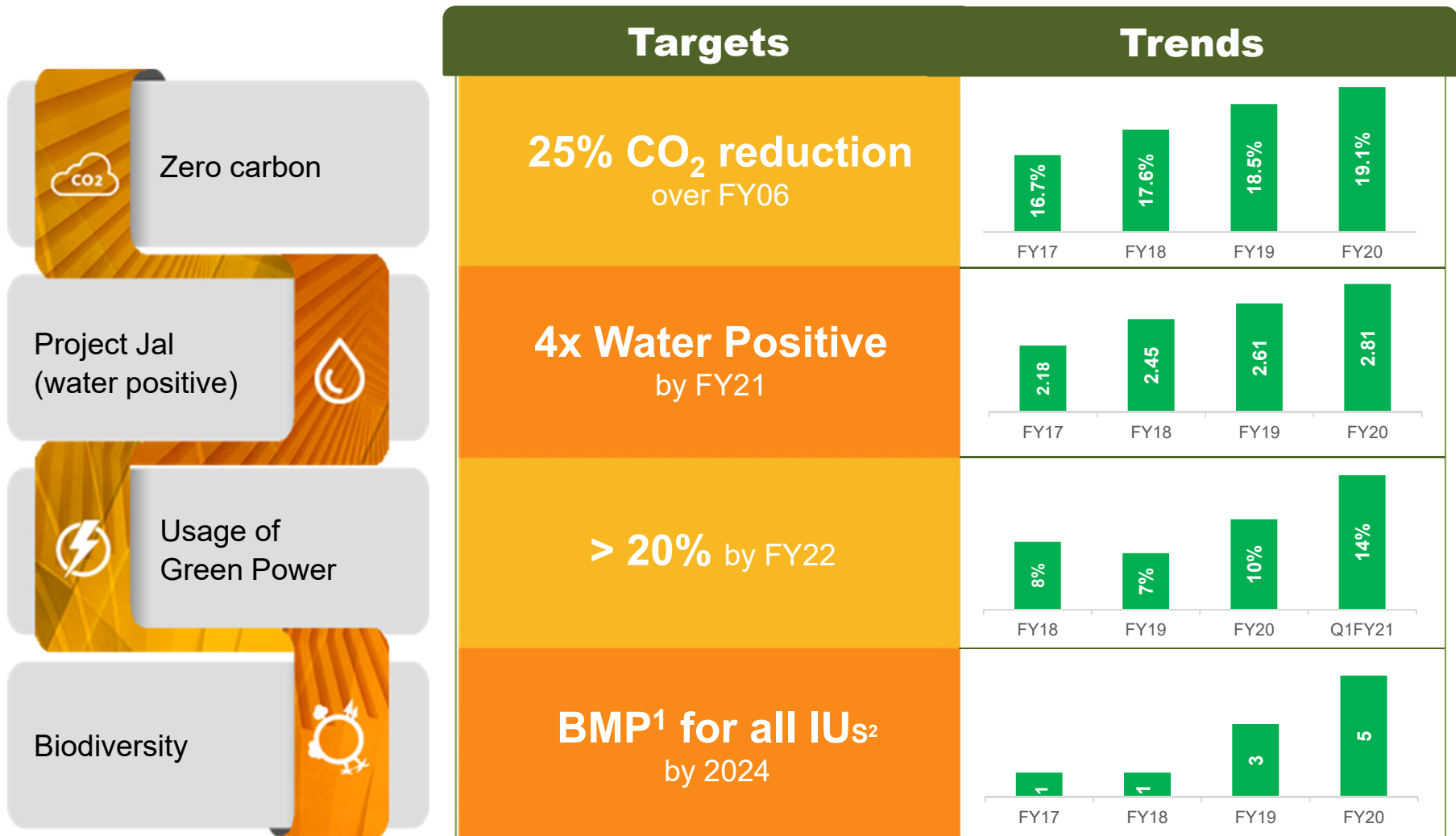
Construction work picked up in Rural and Semi-urban areas since easing of lockdown

Weak Rupee against USD
with 9% depreciation YoY



ESG at UltraTech

Key Environment Protection Initiatives



¹BMP: Biodiversity Management Plan ²IUs: Integrated Units

ESG at UltraTech

UltraTech joins the growing list of companies adopting **Science-Based Target initiative (SBTi)** as part of its climate commitment
Committed to build our business in line with **below “2 degrees world”**
under the Paris agreement.

Organised Virtual Sustainability Campaign 2020

Connected with > 11000 people

Engaged with both external and internal stakeholders

Objective: Inculcate sustainable living habits and create sustainability ambassadors

Agreement with SBTi is another steps towards our Sustainability Commitment

ESG at UltraTech

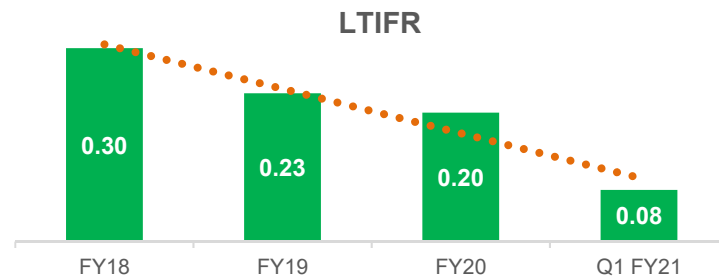
Safety Performance



Zero Fatality during the quarter



**Declining Lost Time Injury
Frequency Rate (LTIFR)**

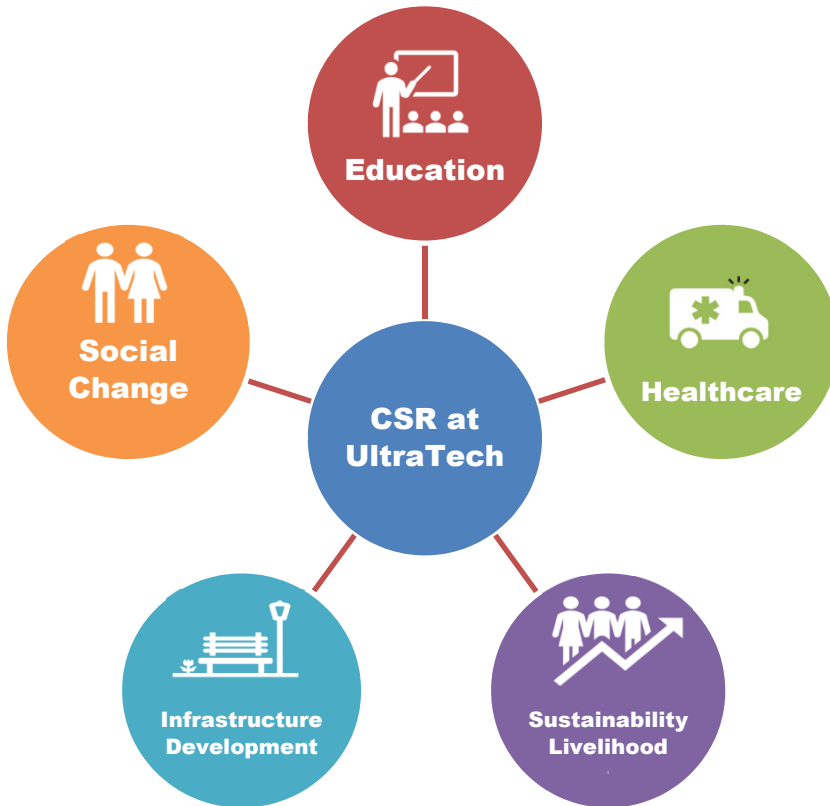


- COVID-19 safety related training for employees
- Initiated project on safety digitalisation
- Safety: Part of employee KRA

Safety : Non-negotiable and an Integral part of UltraTech's DNA

ESG at UltraTech

Sustainability at UltraTech



People benefited: **1.6 million**

Education for: **1 lakh children**

Rural Health Camps for:
2 lakhs people

Villages Covered: **502**

Program coverage: **16 States**

One-time spends on COVID-19 : Rs. 65 crores



**Trained Self-help groups
Produced and Distributed
1.00 lakh recyclable cloth masks**

COVID Initiatives : > 0.6 mn population outreach

- Provided meals to 4.3 lakhs people
- Distributed grocery packets ~ 50000
- Supplied > 6.0 lakhs N95 masks & sanitizers
- Distributed ~ 1.00 lakh PPE
- Facilitated 2 quarantine centers in the State of Rajasthan and Madhya Pradesh (130 beds)
- Proactive awareness camps amongst local communities
- Spraying disinfectants in public places



जिला चिकित्सालय को मिली वेंटिलेटर की सौगात अल्ट्राटेक कंपनी बघवार ने प्रदान किया वेंटिलेटर, कोरोना से लड़ाई में मिलेगी मदद



स्टार समाचार | सीधी

कोरोना संक्रमण से लड़ने में जहाँ आमजनों द्वारा जिम्मेदार आचरण के सम्भन से सहयोग प्राप्त हो रहा है। वहीं समाज सेविर्षी, स्वयंसेवी संगठनों एवं औद्योगिक संस्थानों द्वारा भी प्रशासन को विभिन्न आयामों में सहयोग प्रदान किया जा रहा है। इसी क्रम में जिला चिकित्सालय सोपी की अल्ट्राटेक कंपनी बघवार द्वारा एक वेंटिलेटर प्रदान किया गया है। जिसके फलस्वरूप अब जिला चिकित्सालय में कोरोना संक्रमण से रोकथाम हेतु कुल वेंटिलेटरों की संख्या 2 हो गयी है। इस वेंटिलेटर को अल्ट्राटेक प्रबंधन द्वारा कलेक्टर रवीन्द्र कुमार चौधरी एवं पुलिस अधीक्षक आर. एस. बेलवंशी की उपस्थिति में जिला प्रशासन को सुपुर्द किया गया। कलेक्टर श्री चौधरी ने इस सहयोग हेतु अल्ट्राटेक प्रबंधन को धन्यवाद दिया है। अल्ट्राटेक प्रबंधन ने कोरोना से लड़ाई के इस अभियान में सहयोग करने एवं शासन के सम्पन्न निर्देशों के अनुपालन की बात कही है। मुख्य चिकित्सा एवं स्वास्थ्य अधिकारी डा. आर.एल. वर्मा ने कहा कि आवास परिस्थितियों में वेंटिलेटर अत्यंत आवश्यक, इससे कोरोना से संघर्ष करने में बल मिलेगा। उन्होंने बताया कि इनके अतिरिक्त 3 अन्य वेंटिलेटरों की खरीदी के आदेश जारी कर दिए गए हैं, जिससे ये एक वेंटिलेटर के लिए सातों श्रमिणी पीपी पीडक द्वारा सहयोग किया गया है। इस दौरान जिला चिकित्सालय का नई, खरे सखित जिला चिकित्सालय का स्टॉक एवं अल्ट्राटेक बघवार के अधिकारी उपस्थित रहे।

Continued Social Commitment



Environment and Natural Resource Management

- 10300 saplings were planted during COVID-19 applying necessary norms of social distancing



Health and Education

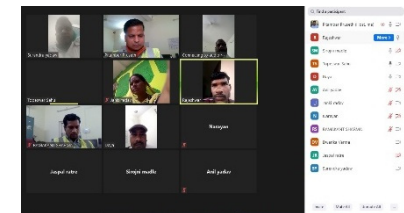


- Mother & Child Health care: 2000 families were supported for immunization & food
- Arranged online classes for students in 13 locations



Sustainability Livelihood

- Virtual Training session to > 750 farmers on Crop protection and Agronomy



Basic Life Support

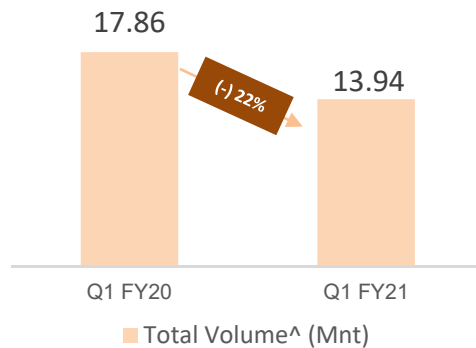


- Arranged supplementary support for drinking water benefiting 80000 villagers in remote areas
- Created water conservation structures for a population of 14600

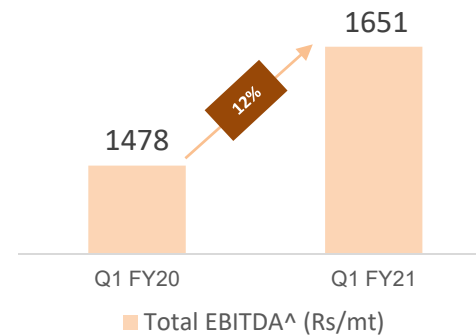


Q1 FY21 : Key Performance Highlights....

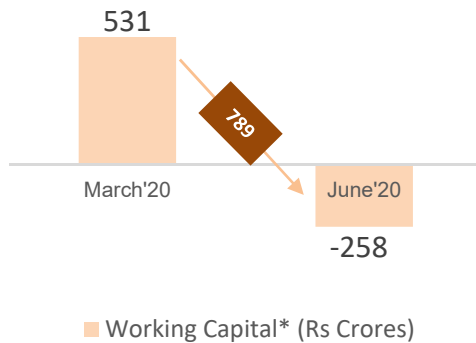
Effective volume growth (-) 22%



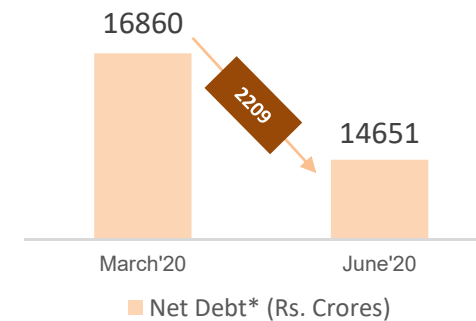
Total EBITDA up 12%



Working Capital Release 789 Crs



Net Debt Reduction 2209 Crs



Century Cement : Integration Efforts Continued....

More than 70% Capacity utilization during May & June'20 ... adequate to meet demand

Increased pet coke usage to 73% (Q4FY20 : 69%)
Power consumption improved : 3% over Q4 FY20

Costs Reduction :
Rs. 105/t over Q4 FY20

Brand transition process continuing, target to complete 84% by Q3 FY21

Logistics synergies between acquired and existing plants supporting in overall lead optimization

Achieved EBITDA per ton > Rs. 900/t

Assets are PBT accretive in the 3rd quarter of acquisition

UltraTech Nathdwara : Non-Core Assets Disposal

Divesting 92.5% equity in one of the overseas cement subsidiary

Advantage:
Deleverage

Enterprise value:
~ US\$ 120 mln,
subject to working capital adjustments

Transaction to complete by end of August, 2020

Asset currently designated as held for sales ... not part of operational performance

Disposal of other non-core assets in process

Sale proceeds to reduce Overall Net Debt

Q1 FY21 : Key Actions during lockdowns



Employees Health First : Zero movement in containment zones
All city office employees - working from home



Initiated Overheads Control Program with 10% cost reduction target – encouraging results



Sharp eye on Cash Conservation : Tightening of working capital and capex spends - expedite work on return-based capex

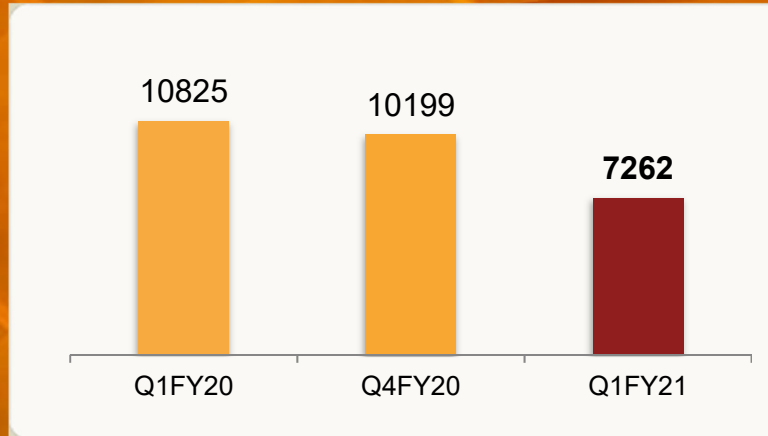


Various operational activities converted on digital platform
Conducting employee wide virtual management programs

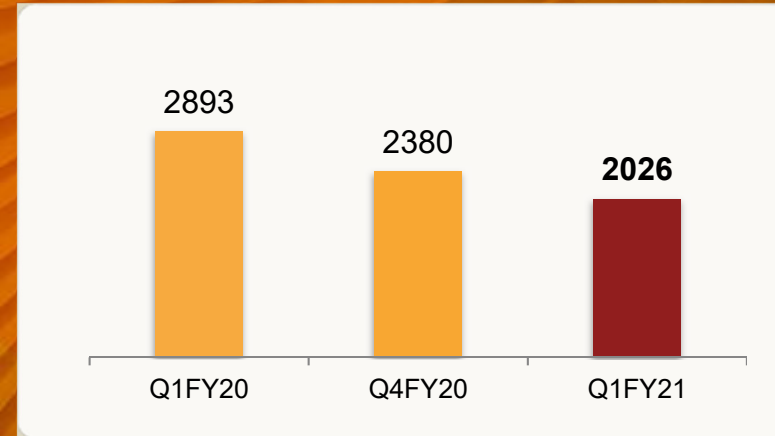
At the Top : Business Continuity within Regulatory Framework

Q1 FY21 : Healthy Performance in Uncertain Time

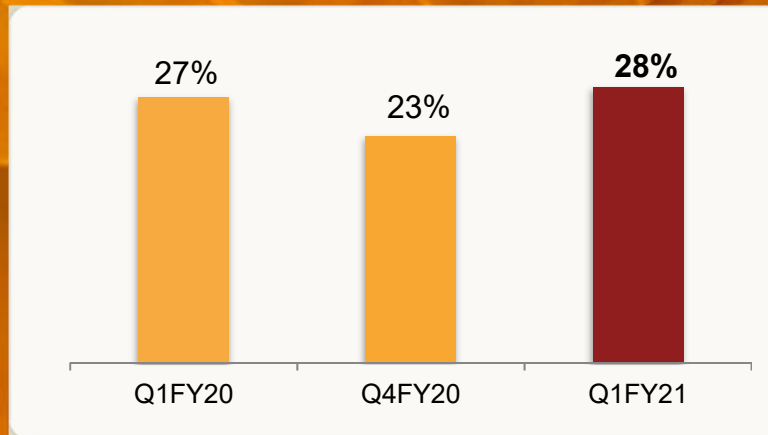
Turnover (Rs. crores)



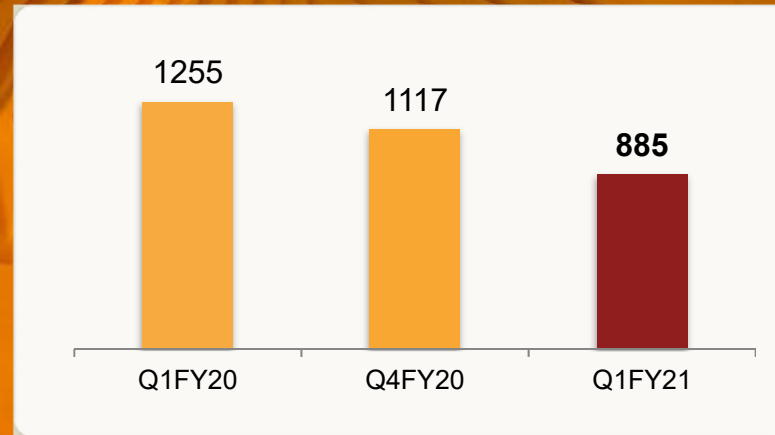
Operating EBITDA (Rs. crores)



Operating Margin (%)



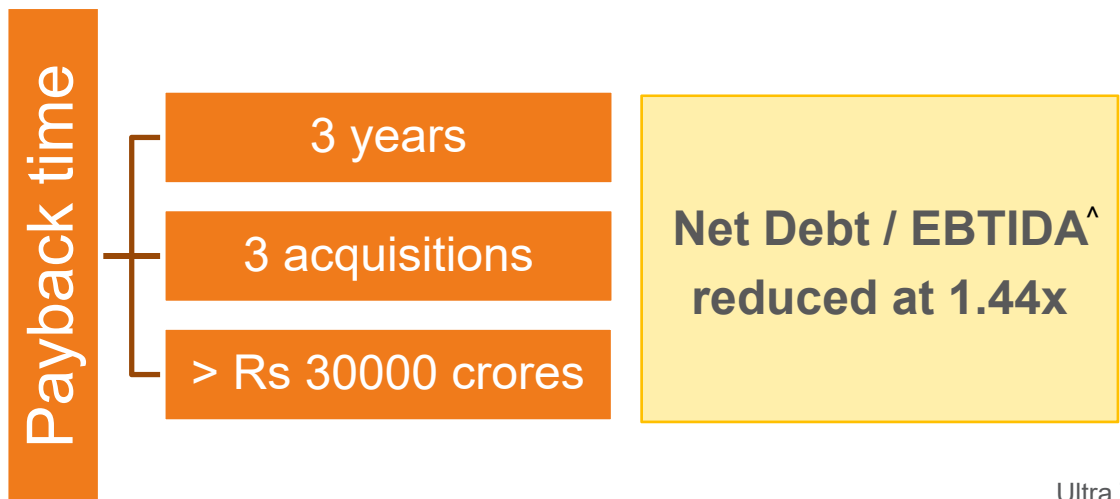
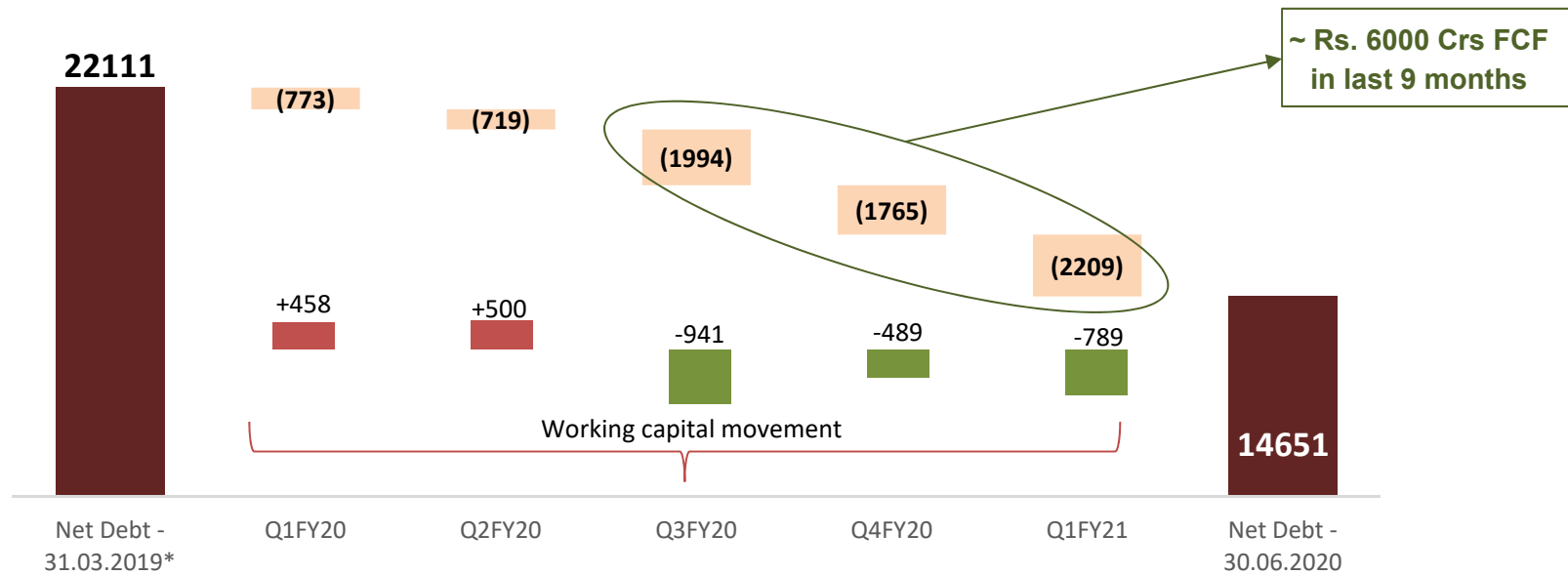
Normalised PAT (Rs. crores)



Operating EBITDA per ton at Rs. 1453/t

UltraTech : Benefit of Scale and Size... Robust Free Cash Generation

Consolidated net debt movement (Rs. crores)



* Restated with Debt transferred upon merger of Century Cement Assets ^ India operations

Sales Performance: Q1 FY21

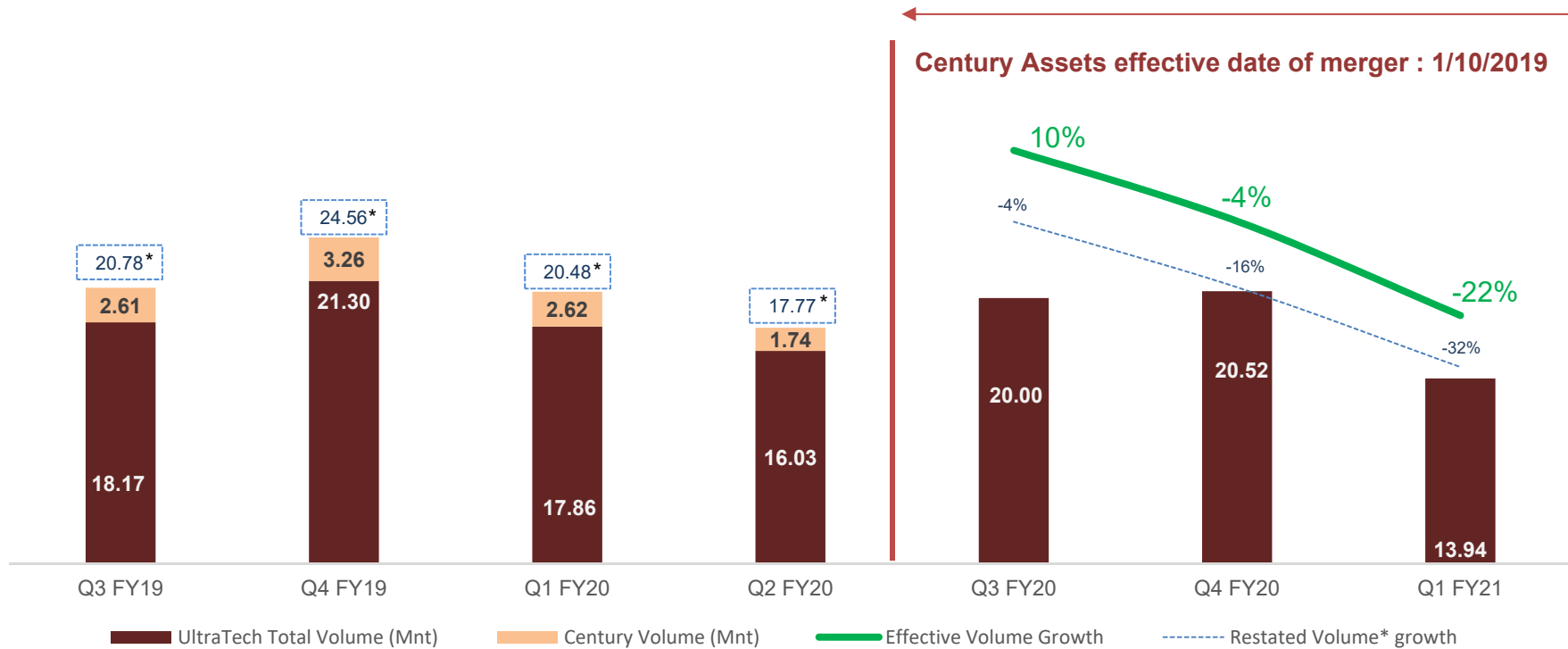
MnT

Particulars	Q1		
	CY	LY	▲ %
Domestic Sales (basis effective period)	13.56	17.26	(21)
Domestic Sales (basis restated prior periods)	13.56	19.88 ¹	(32)
Exports and Others	0.38	0.60	
Total India Operations (basis effective period)	13.94	17.86	(22)
Consolidated Volume (basis effective period)	14.65	18.80	(22)

¹ Sales of Century Cement for Q1 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 20th May 2018 whereas the effective date of take over of Century Cement operations was 1st October 2019.

Effective Volume Growth : (-) 22%

Volume Growth Trends



Power of Brand and Scale - UltraTech The Industry LEADER

*Restated volumes as the Appointed date of merger fixed by NCLT for Century assets was 20/05/2018 and the effective date of merger was 01/10/2019

Key Performance Drivers : Q1 FY21

Retail volume share increased 13% YoY

Increased penetration in rural markets + 13% YoY

Blended sales at 78% up 11% YoY

Increased sales network 3.5% over March'20

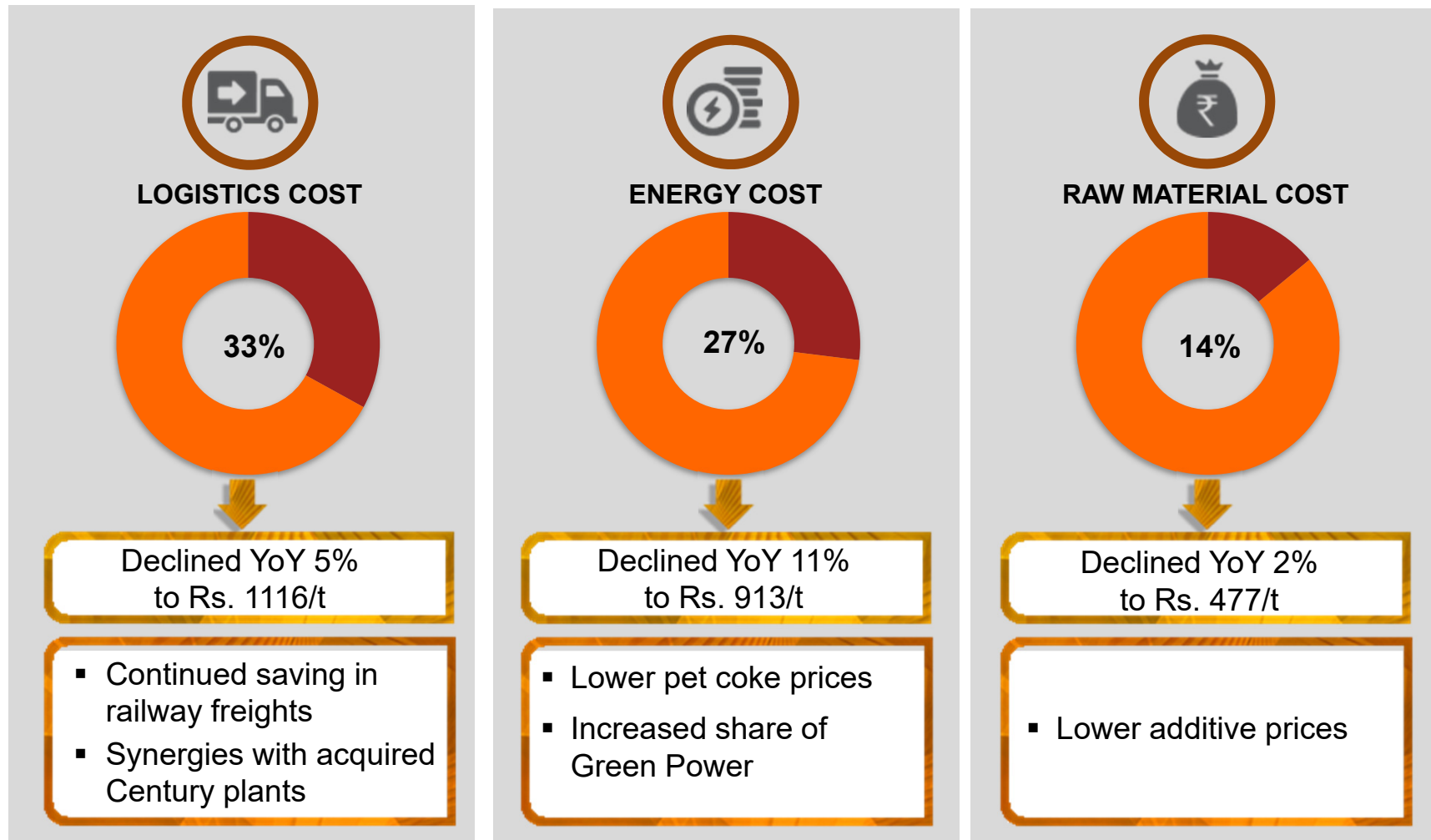
Number of UBS¹ outlets: ~2200 up 3% over March'20

UBS¹ Contributed 8% of total sales

Improved clinker to cement conversion ratio ~3% YoY

Fixed Cost down 21% YoY

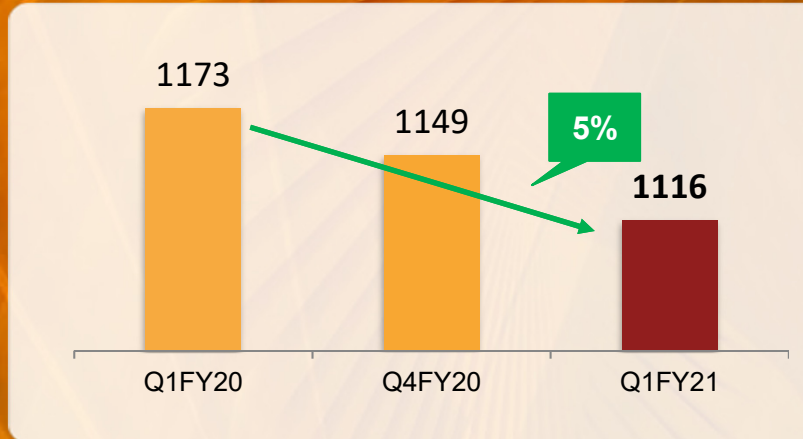
Operating Costs : Q1 FY21



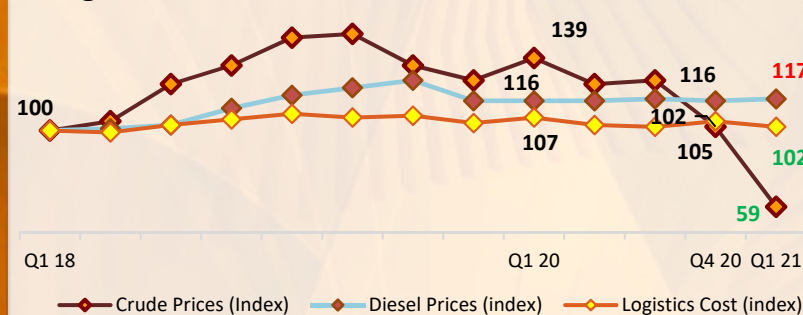
YoY Variable Production Cost Reduction : 9%

Logistics Cost Trends

Logistics cost (Rs./t)



Logistics costs v/s Diesel Price Index



YoY cost declined : 5%

- Savings from lower railway freight. No busy season surcharge : ~ 2.5%
- Rail share in overall transportation mix increased to 28% (LY: 25%)
- Synergies with acquired plants: ~2.5%

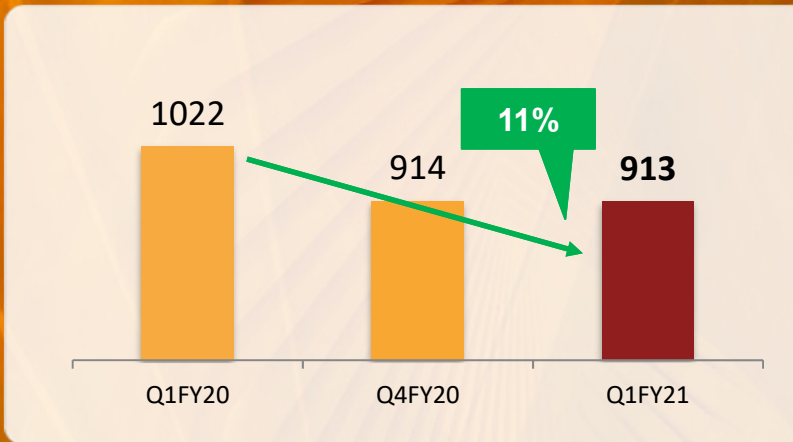
QoQ cost declined : 3%

- Lead optimization benefit : ~ 2%
- Freight rates optimization savings : ~ 0.5%
- Average diesel prices at Q4 level

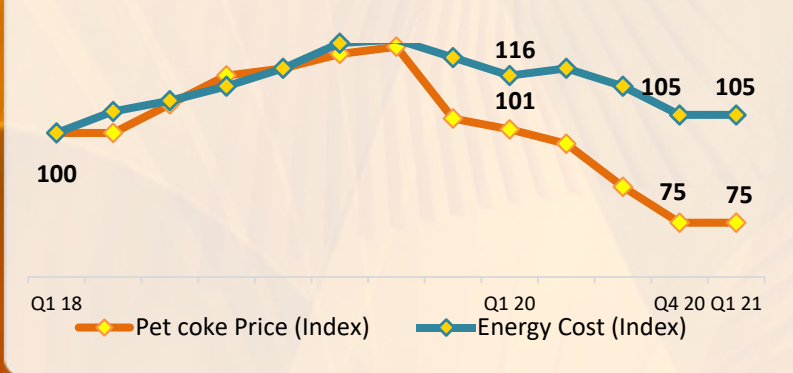
Increasing diesel prices to impact logistics cost from Q2

Energy Cost Trends

Energy cost (Rs./t)



Energy cost v/s Pet coke Price Index



YoY cost dropped : 11%

- Pet coke consumption rate at \$70/t 26% drop over last year
- Lower benefit reflected in landed cost due to 9% devaluation of INR
- Pet coke usage at 77% (LY: 59%)
- 'Green power' share in power mix raised to 14% (LY: 8%)

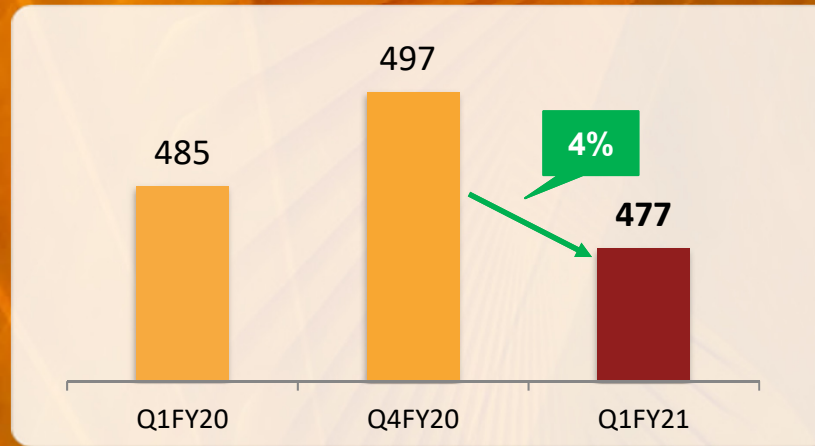
Cost at par vs Q4 FY20

- Interruptions in plant operations resulted into adverse power and fuel consumption norms
- Higher usage of green power : + 2%

Rise in Pet coke demand causing Price increase

Raw Materials Cost

Raw Materials Cost (Rs./t)

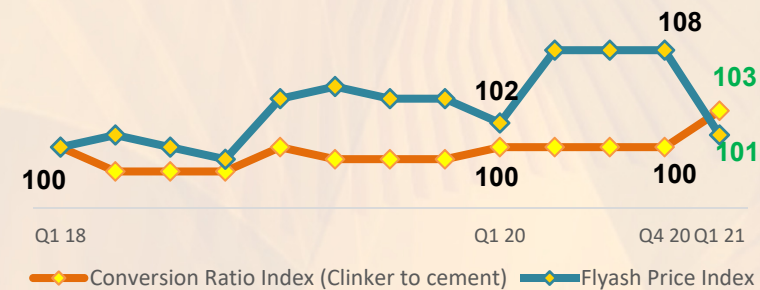


YoY cost reduced : 2%

- Lower gypsum and fly ash prices
- Use of pond fly ash

QoQ cost down : 4%

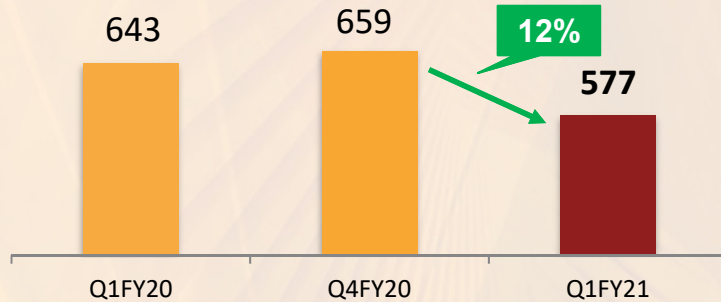
Conversion ratio and Fly ash Prices (Index) Trends



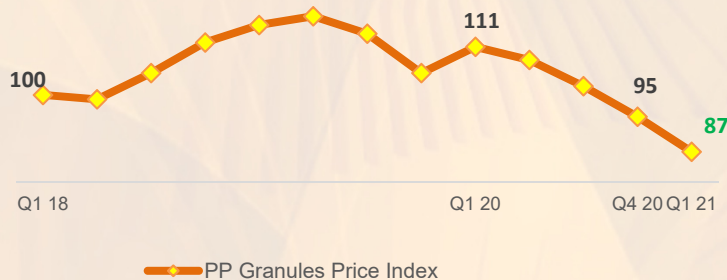
- Opportunity to source from most economical sources
- Fly ash prices lower : 7%
- Raw mix optimisation

Other Costs Trends

Other costs (Rs./t)



PP Granules Price (Index) Trend



YoY cost decreased : 10%

- No annual maintenance cost
- Benefit in packing cost with the reduction in PP granules prices
- Overall per ton cost lower than LY despite drop in sales volume - **Results of our efforts on cost reduction**

QoQ cost decreased : 12%

- Lower maintenance cost: 8%
- Lower spends on SG&A expenses

Overheads Control Program yielded 21% reduction

Q1 FY21 Performance - P&L

Rs. crores

Particulars	UTCL Standalone Published			India Operations		
	CY	LY	▲%	CY	LY	▲%
Revenues (Net of Taxes)	7290	10851	(33)	7262 [^]	10825 [^]	(33)
Operating Income	84	186	(55)	84	188	(55)
Other Income	296	157	88	276	135	105
Total Income	7670	11194	(31)	7621	11148	(32)
Expenses :						
<i>Raw Materials Consumed</i>	739	1264	42	749	1287	42
<i>Purchase of Traded Goods</i>	328	630	48	121	305	60
<i>Changes in Inventory</i>	224	(188)		238	(191)	
<i>Employee Costs</i>	518	554	7	532	568	6
<i>Power and Fuel</i>	1235	2134	42	1282	2253	43
<i>Logistics Cost</i>	1590	2570	38	1594	2581	38
<i>Other Expenses</i>	785	1283	39	803	1317	39
EBITDA	2251	2948	(24)	2302	3027	(24)

[^]After elimination of inter company clinker sales

Drop in EBITDA lesser than the drop in Revenues

Income Statement : Q1 FY21

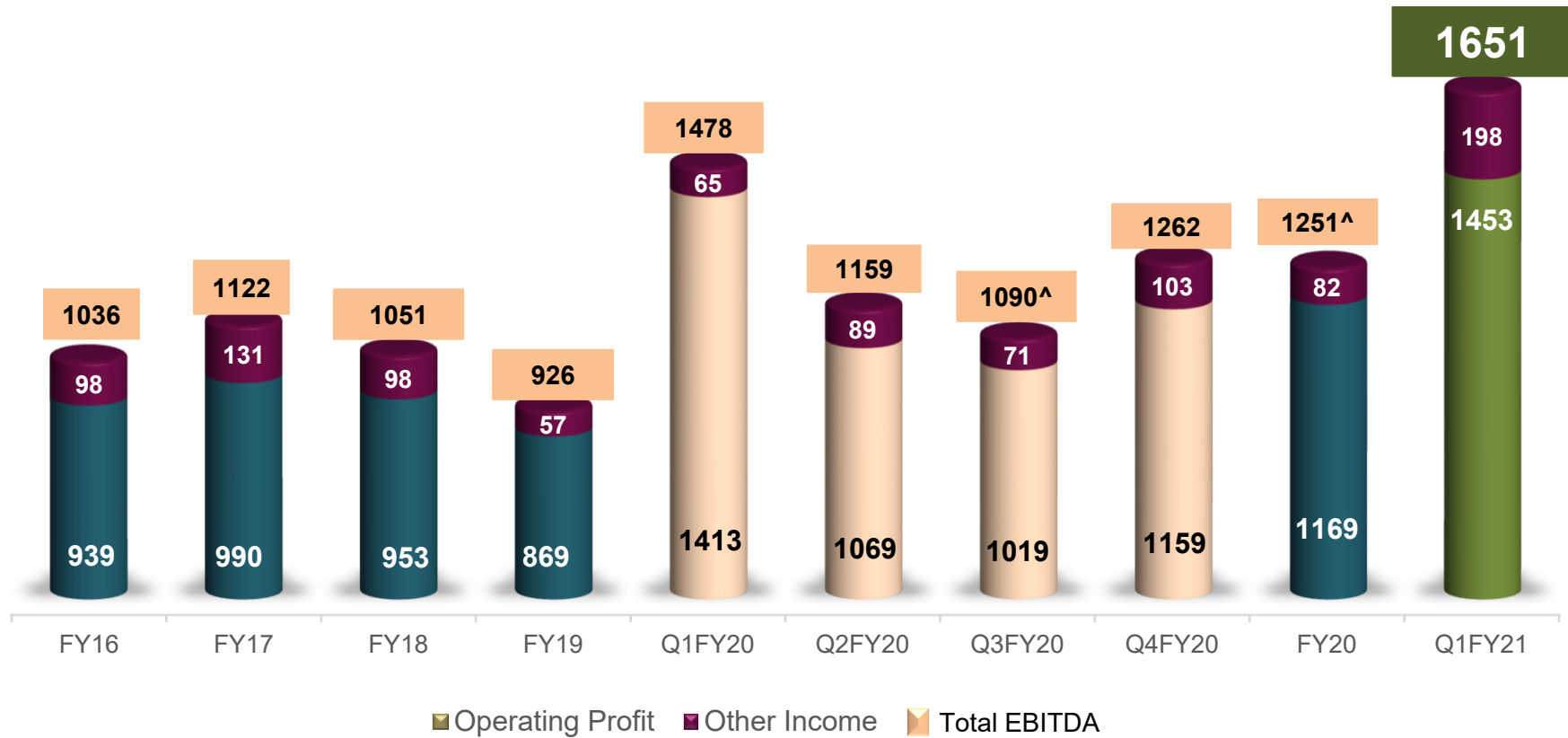
Rs. crores

Consolidated			Particulars	India Operations		
CY	LY [^]	▲%		CY	LY [^]	▲%
7563	11229	(33)	Revenues (net of taxes)	7262	10825	(33)
2353	3084	(24)	EBITDA	2302	3027	(24)
31%	27%	4	Margin (%)	32%	28%	4
393	503	22	Finance costs	383	489	22
646	688	6	Depreciation & Amortization	619	661	6
1314	1893	(31)	PBT	1300	1878	(31)
157	-		Exceptional Item	157	-	
1157	1893	(39)	PBT after Extra-ordinary Item	1143	1878	(39)
360	612	41	Tax expenses	366	623	41
(1)	0.2		Minority interest	-	-	
906	1281	(29)	Normalized PAT *	885	1255	(30)
797	1281	(38)	Reported PAT	776	1255	(38)
115.4	108.5	6	Annualized EPS (Rs.)* (basis trailing 12 months)	113.1	106.3	6

* Excluding exceptional expenses net of tax Rs. 108 crores consequent to an order passed by the Supreme Court of India against the Company's claim of capital investment incentive, relating to past periods.

Effective EBITDA (-) 17% YoY & Effective PAT (-) 25% YoY

EBITDA PMT Trends



YoY Total EBITDA per ton increased 12%

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

Financial Position

Rs. crores

Consolidated		Particulars	India Operations	
30.06.2020	31.03.2020		30.06.2020	31.03.2020
53045	53523	Net Fixed Assets incl. CWIP	51296	51748
(258)	531	Net Operating Working Capital	(669)	87
1143	1146	Other Current Assets	1143	1146
39910	39123	Shareholders Fund	39311	38533
23303	22898	Total Debt	21446	20978
5054	4906	Deferred Tax Liability	5060	4910
69403	68086	Capital Employed	66695	65316
9.8%	11.2%	ROCE (Basis trailing 12 months)	10.1%	11.5%
8.4%	10.2%	ROE (Basis trailing 12 months)	8.4%	10.1%
14651	16860	Net debt	12950	15096

Key Financial Ratio Trends : India Operations

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

Financial Muscle: From Strength to Strength

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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 investorrelations.utcl@adityabirla.com