



22nd July, 2022

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

Sub: Investor Presentation for the quarter ended 30th June, 2022

Dear Sirs,

Attached is an investor’s presentation on the performance of the Company for the quarter ended 30th June, 2022.

This is for your information please.

Thanking you,

Yours faithfully,
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

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UltraTech Cement Limited

Results: Q1 FY23

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

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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)

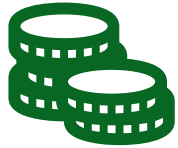
01

Key Highlights



Aditya Cement Works, has bagged the prestigious platinum award, 3rd time in a row, at Apex India Green Leaf Awards 2021 under the Cement sector in the Sustainability category.

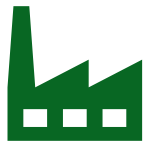
Macro indicators



Demand momentum remains robust, as seen through services PMI, external trade, air traffic and bank credit growth. However, cost pressures continue.



Inflation is showing some signs of relief. The mild moderation in Jun-22 CPI was led by sequential moderation in food and core inflation.



May IIP rose sharply 19.6% due to a low base and increased sequentially by 2.3%.

Sectoral Update Q1 FY23

State/Region wise performance

Region	Volume Gr.	I	R	H	C	Key drivers
North	↑	●	●	●	●	<ul style="list-style-type: none"> ✓ Infrastructure registered growth on account of execution of major projects ✓ Commercial demand registered growth in the region except Punjab ✓ Slowdown in rural segment due to inflation in construction materials, labour unavailability, low wheat crop yield in Punjab.
Central	↑	●	●	●	●	<ul style="list-style-type: none"> ✓ Good availability of labour supported overall growth in the region
East	↑	●	●	●	●	<ul style="list-style-type: none"> ✓ Housing registered growth in the region except Jharkhand and Odisha ✓ Infrastructure registered growth in West Bengal, Bihar and Jharkhand, but degrowth in Chhattisgarh and Odisha
West	↑	●	●	●	●	<ul style="list-style-type: none"> ✓ Maharashtra: Robust growth across segments as work progressed in road infrastructure, metro projects and supported by pent-up demand in real estate and housing ✓ Gujarat: Housing registered growth in both urban and rural segments due to improved cash flows in rural markets. Infrastructure registered growth on account of major projects i.e., Bullet Train, Vadodara-Mumbai Expressway etc.
South	↑	●	●	●	●	<ul style="list-style-type: none"> ✓ Housing witnessed growth in the region on account of affordable housing, good harvest during the last year and Infrastructure growth on account of execution of all major Government projects

Q1 Highlights



Capacity Utilization - 83%
(Up 11% YoY)



Blended Mix - 70%
(Up 2% over Q1 FY20)



Premium Product mix – 17.4%
(Up 3.2% YoY)

UBS Outlets > 3000
(Up 18% YoY)



Green Power-472 MW, 18.9%
(WHRS - 185 MW, Renewable - 286 MW)
(Green power mix up 1% YoY)



Alternative Fuel – 5.5%
(Up 2.4% YoY)



02

ESG Update



Balaji Cement Works, Andhra Pradesh has been awarded with the ***'International Safety Awards 2021'*** by the prestigious British Safety Council. The award recognizes efforts of companies across sectors in the arena of occupational health, safety and wellbeing.

Electrification of cement kiln heating process using Coolbrook's **Roto Dynamic Heater (RDH)** technology with a potential to eliminate up to 30% of CO₂ emissions from fossil fuel burning in cement manufacturing.



UltraTech to leverage transformational technology for reduction of CO₂ emissions in cement manufacturing

Stitching partnership to accelerate decarbonisation

GCCA runs Project 'Innovandi - the open challenge' as part of the industry's commitment to achieve net zero

Focus on developing technologies like carbon capture and calcination, as well as improving carbon use in the recycling process of concrete

In this recent initiative, UltraTech backed three bright innovation start-ups under a unique partnership

CarbonOro

Unique bi-phasic amine carbon capture technology

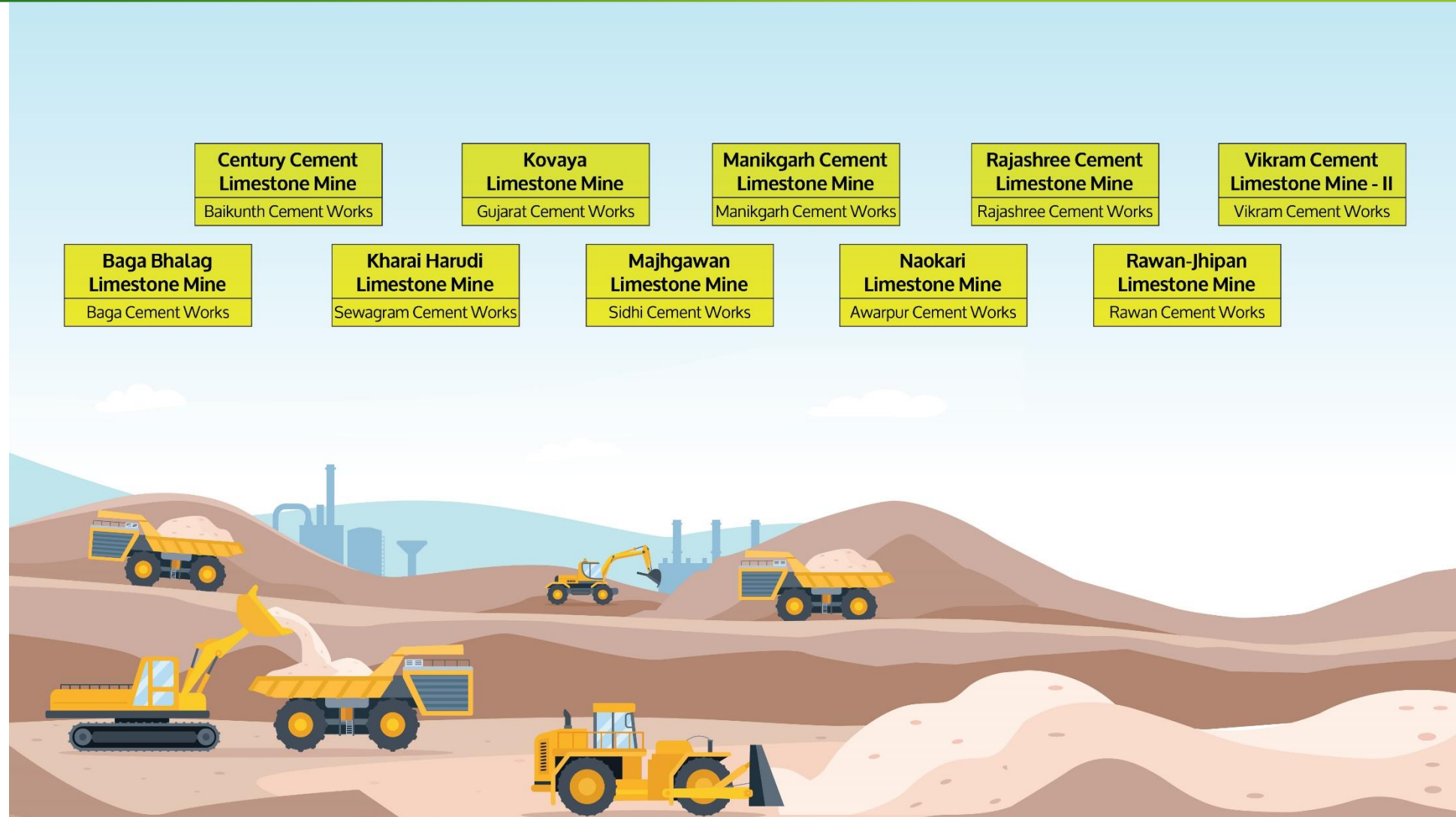
Coomtech

Kinetic energy based low energy, low cost drying technology

Fortera

Combining captured CO₂ emissions with calcium oxide to make reactive calcium carbonate

UltraTech mines awarded 5-Star rating for sustainable mines management



CSR Activities



1. Village infrastructure strengthened at different Unit locations; benefited 15,000 people

2. Skill development courses organised for more than 800 people

3. More than 800 farmers were trained for integrated farming model in organic approach

4. Soil and water conservation activities were adopted to secure water for small farmers

5. Safe drinking water by RO installation at different Unit locations benefited more than 12,000 people

6. ~7,000 beneficiaries benefitted through rural mobile health camps

03

Financial Performance

Bundelkhand Expressway- Uttar Pradesh

Bundelkhand Expressway is ~296 kms long four lane wide expressway in the State of Uttar Pradesh, India.

More than 85% of the cement consumed in the project supplied by
UltraTech Cement Limited

Sales : Q1 FY23






	Grey Cement (India)	RMC	White Cement	Others	Grey Cement (Overseas)	Consolidated
Volume (Mnt)	23.73	171 <i>no. of plants</i>	0.37		0.94	25.04
<i>Growth (YoY)</i>	19%	35 <i>Nos</i>	33%		-17%	16%
Revenue (₹ Crores)	12,824	900	499	291	494	15,007
<i>Growth (YoY)</i>	25%	77%	38%	116%	12%	28%

Volume growth over Q1 FY20 : 17%

Revenue growth over Q1 FY20 : 34%

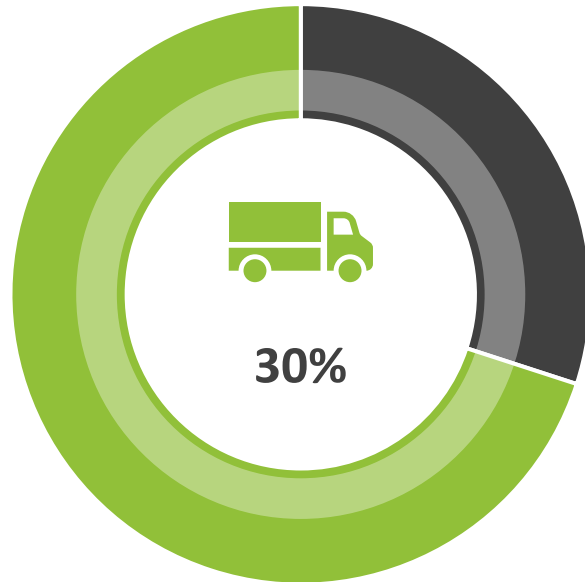
Performance Highlights : Q1 FY23

	 Net Sales	 EBITDA	 Normalised PAT
YoY	+28.3%	-8.8%	-7.0%
QoQ	-3.5%	+1.2%	+7.2%
	₹ 15,007 Crs	₹ 3,204 Crs	₹ 1,584 Crs

PAT growth over Q1 FY20 : 24%

Key Cost Indicators : Q1 FY23

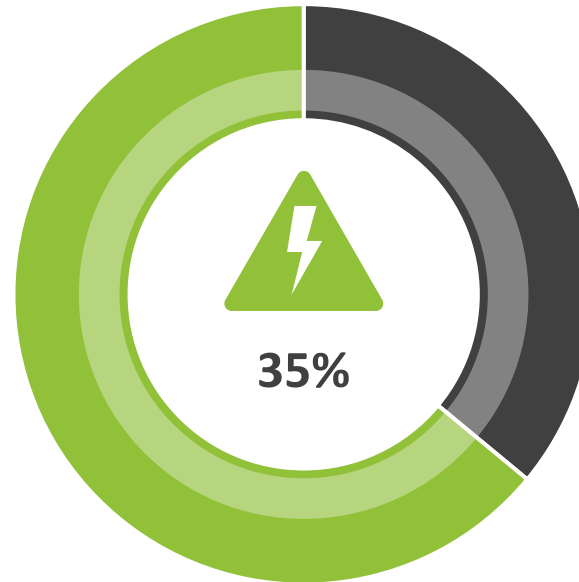
Logistics Cost



Increased 6% YoY to Rs. 1253/t

Diesel prices higher by ~12%

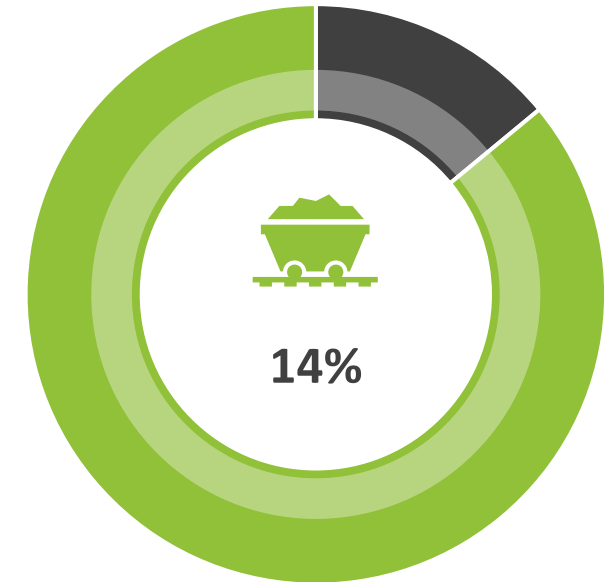
Energy Cost



Increased 54% YoY to Rs. 1573/t

Increase in fuel prices

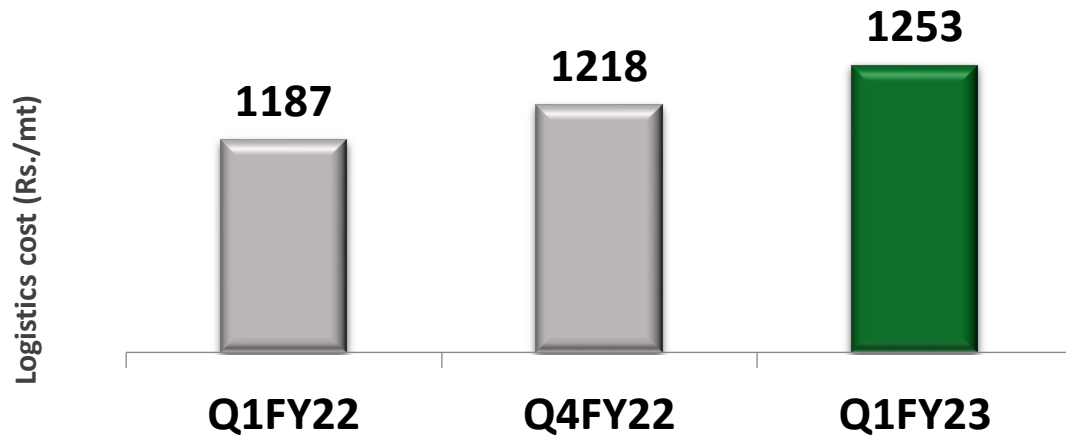
Raw Material Cost



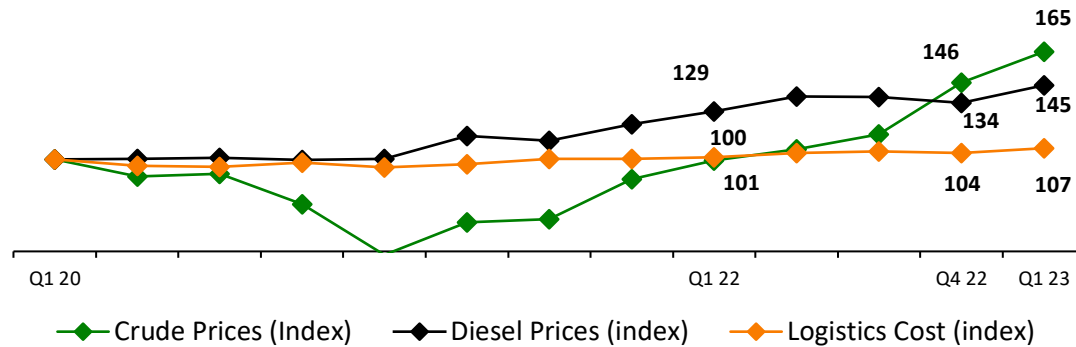
Increased 13% YoY to Rs. 577/t

Increase in input cost and diesel prices

Logistics Cost Trend



Logistics cost v/s Diesel Price Index



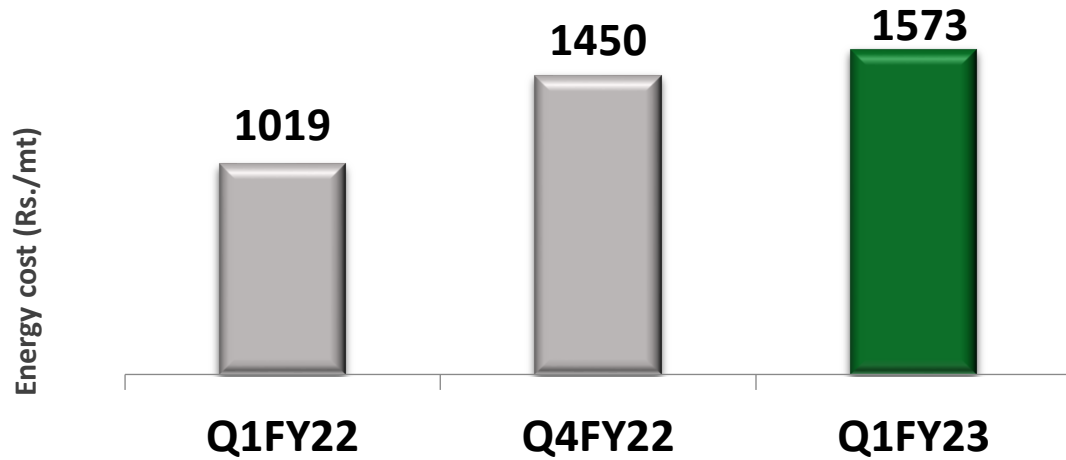
YoY cost increase : 6%

- ✓ Average diesel prices are higher by ~12%
- ✓ Inflationary increase in cost partially mitigated by logistics optimisation

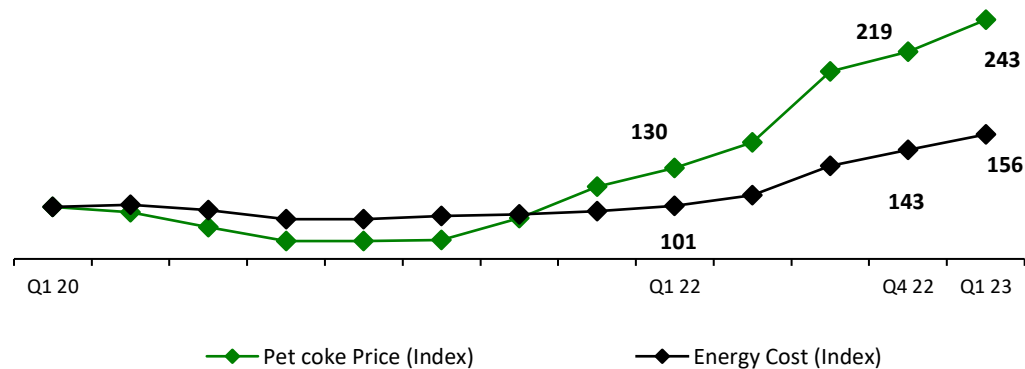
QoQ cost increase : 3%

- ✓ Average diesel prices are higher by 8%

Energy Cost Trend



Energy cost v/s Petcoke Price Index



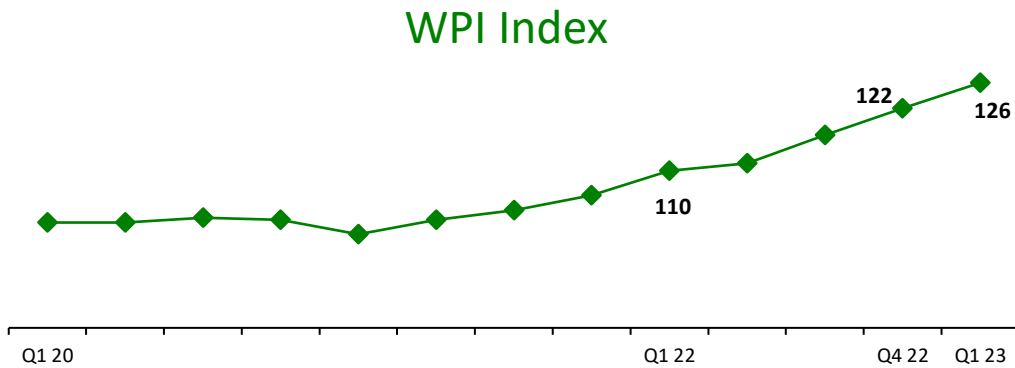
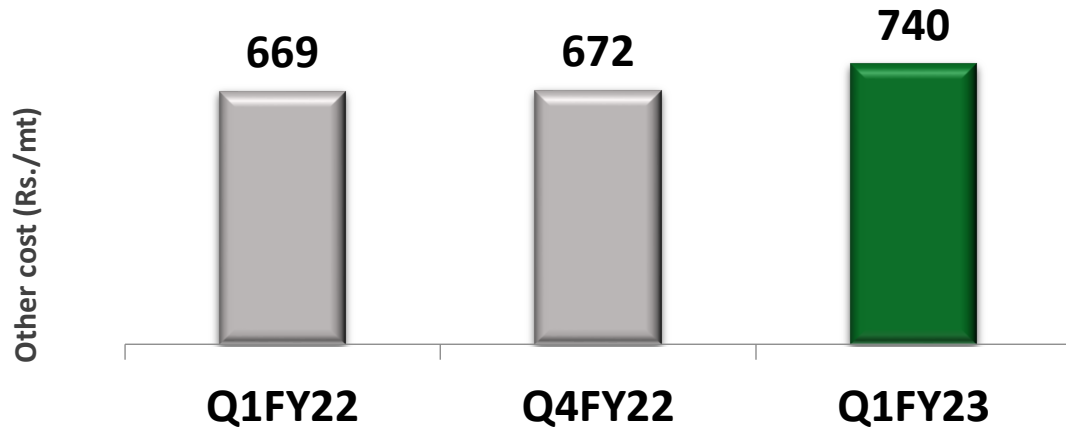
YoY cost increase : 54%

- ✓ Blended petcoke/coal cost for the quarter USD 184/Mt; increased by 82%

QoQ cost increase : 8%

- ✓ Blended petcoke/coal cost increased by ~12%

Other Cost Trend



YoY cost increase : 11%

- ✓ Increase in fixed costs partly set off due to better operating leverage

QoQ cost decrease : 10%

- ✓ Operating leverage impact due to lower volume for the quarter on QoQ basis

Financial Performance : Q1 FY23

₹ Crores

Consolidated			Particulars	India Operations		
Q1 FY23	Q1 FY22	Q1 FY20		Q1 FY23	Q1 FY22	Q1 FY20
15007	11698	11229	Net Sales ^	14543	11,299	10825
157	132	190	Operating Income	146	151	188
109	205	135	Other Income	139	204	135
15273	12035	11554	Total Income	14828	11654	11148
Expenses :						
1999	1551	1411	Raw Materials Consumed	2030	1374	1287
364	243	347	Purchase of Traded Goods	203	244	305
(80)	(344)	(188)	Changes in Inventory	(79)	(301)	(191)
637	585	596	Employee Costs	609	558	568
4013	2427	2343	Power and Fuel	3860	2306	2253
3291	2648	2594	Logistics Cost	3270	2631	2581
1846	1411	1368	Other Expenses	1791	1373	1317
3204	3512	3084	EBITDA	3143	3468	3027
1230	1537	1361	Operating EBITDA per ton	1248	1590	1413

^After elimination of inter company sales

Income Statement : Q1 FY23

₹ Crores

Consolidated			Particulars	India Operations		
Q1 FY23	Q1 FY22	Q1 FY20		Q1 FY23	Q1 FY22	Q1 FY20
15007	11698	11229	Net Sales ^	14543	11299	10825
3204	3512	3084	EBITDA	3143	3468	3027
216	326	503	Finance costs	200	320	489
695	660	688	Depreciation and Amortization	667	633	661
711	827	612	Tax expenses	714	834	623
(2)	(3)	0.2	Minority interest	-	-	-
1584	1703	1281	Reported PAT	1562	1682	1255
192.4	219.4	108.5	EPS (₹) (basis trailing 12 months and before exceptional items)	190.0	216.0	106.3

^After elimination of inter company sales

04

Expansion Update



The exuberant ecosystem of UltraTech

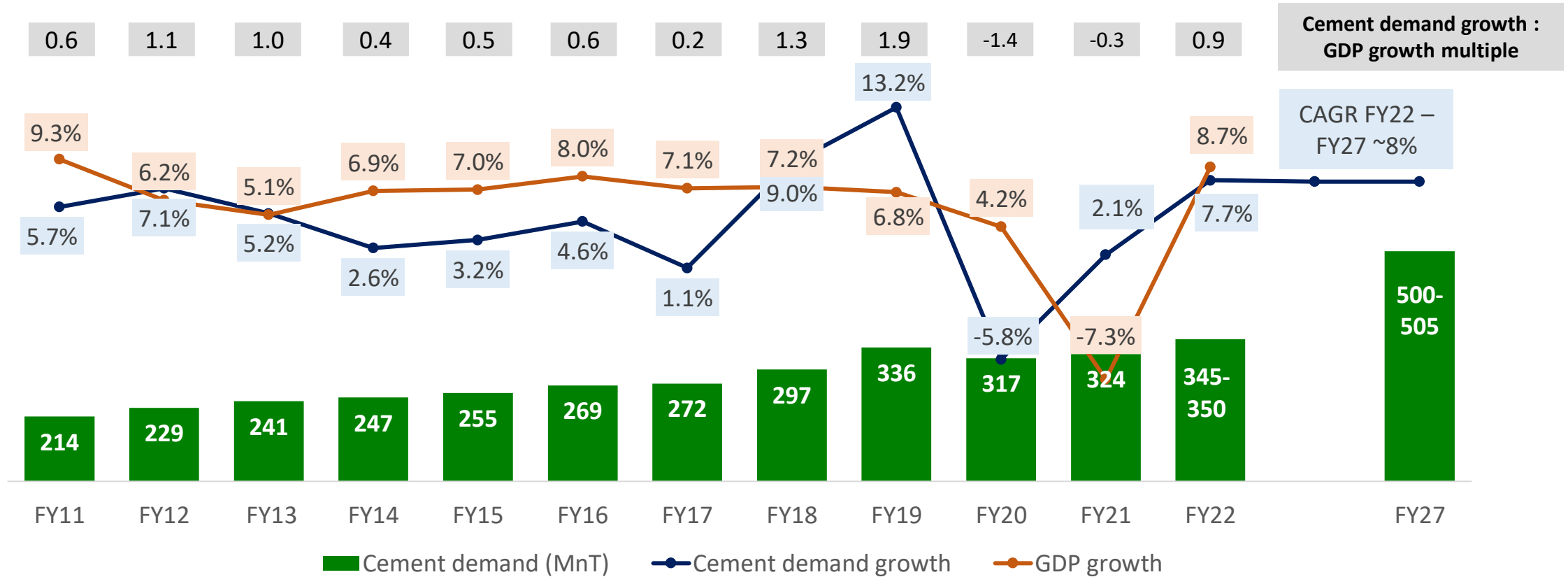
UltraTech has taken crucial steps towards preserving the rich biodiversity across the plant locations. Our efforts have played a crucial role in rejuvenating indigenous species of flora and fauna and providing a safe haven for migratory birds.

Ongoing Capacity Expansion (Phase-1) announced in Dec-20

Location	Cement Capacity (Mtpa)	
	Earlier	Revised
Patliputra, Bihar*	0.60	0.60
Dankuni, West Bengal*	0.60	0.60
Bara, Uttar Pradesh*	2.00	2.00
Dalla, Uttar Pradesh	1.30	1.30
Hirmi, Chhatishgarh	0.55	1.30
Cuttack, Odisha	4.40	2.80
Dhule, Maharashtra	1.80	1.80
Pali, Rajasthan	1.90	1.90
Dhar II, Madhya Pradesh	1.80	1.80
Neem ka Thana, Rajasthan	0.60	0.80
Jharsuguda II, Odisha	0.60	1.50
Sonar Bangla II, West Bengal	0.60	1.30
Patliputra II, Bihar	2.20	2.20
Durgapur II, West Bengal	0.55	-
Total	19.50	19.90

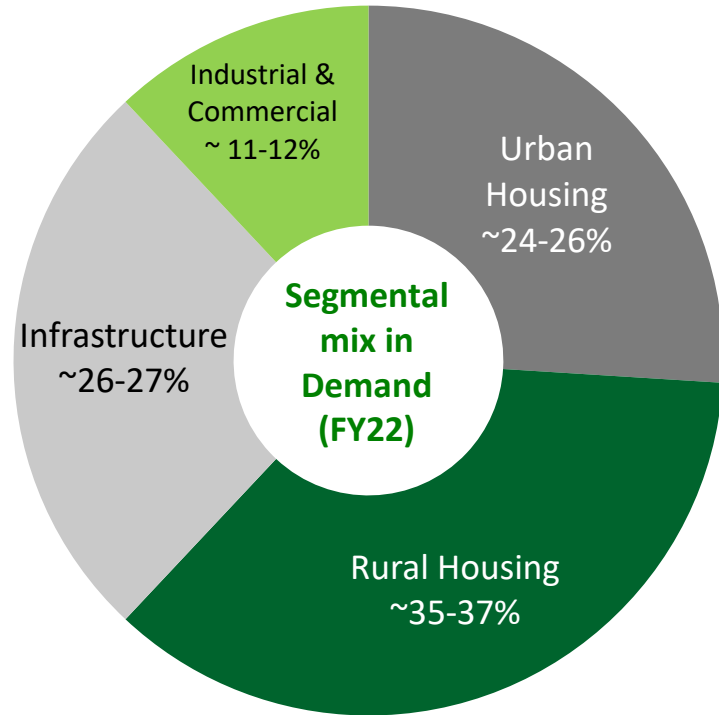
- ✓ Original plan of total capacity expansion of 19.5 Mtpa revised up to 19.9 Mtpa
 - ✓ Cement capacity 3.2 Mtpa already commissioned in FY22
 - ✓ Remaining capacity expansion is on track to commission by Mar-23; 1.3 Mtpa in Q2, 9.6 Mtpa in Q3 and 5.8 Mtpa in Q4
- ✓ After this expansion, total grey cement capacity of the Company will be 131.25 Mtpa in India

Cement demand expected to grow at c. 8% CAGR over next 5 years

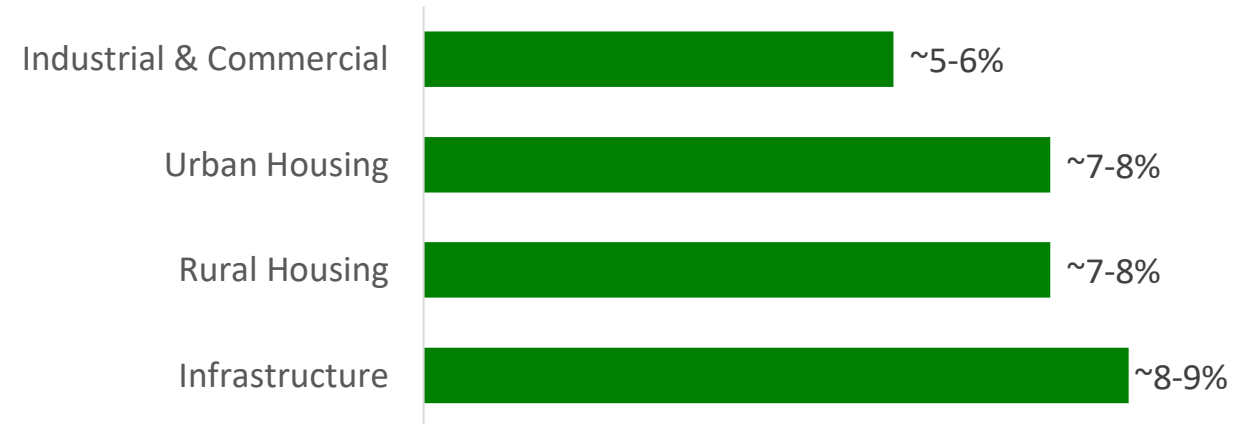


Cement demand expected to cross 500 Mtpa by FY27

All segments indicating a positive demand environment



Sectoral demand growth CAGR: FY22-FY27



Demand growth largely supported by Government spending and improved outlook for the real estate industry

India picking up growth momentum



Housing for All

- Government impetus since 2017 to bring >1 trillion USD investment in the sector by 2025
- ~18 mn houses are constructed under PMAY-G vs target of 29.5 mn by FY22



Urban Housing

- Unsold inventory at 17 months lowest since 2011
- 38% of population (534 mn) to occupy Indian cities by FY25 (current 33%)
- Housing Shortage of 62.45 Mn units of which 30% is in Urban India



Roads

- Bharatmala project target of 60,000 km from FY20 to FY24, of which ~53% constructed till FY22
- Momentum to continue given strong investment pipeline under NIP



Industrial

- Industrial and Commercial segment should grow in mid term; favorable base, production linked incentive schemes, corporate capex pick up



Metro & Airports

- Total operational metro length increased threefold over last few years, Government targets to double the length by FY25
- Airports planned to increase from 140 to 220 by 2025



Irrigation

- Various irrigation projects are in progress or to begin; PMKSY with an outlay of Rs 0.93 lakh crores, River linking project - Draft DPRs for 5 river links have been finalized

Urban Real Estate : Projected Future Trends

- ✓ Demand rebound on account of reforms introduced
- ✓ Unsold Inventory overhang at a decade low level across tier-I and tier-II cities
- ✓ Regulatory changes leading to rapid consolidation towards organized players (GST, RERA, IBC etc)
- ✓ RERA levies stringent penalties on real estate developers for project delays
- ✓ Real estate market will continue to witness steady introduction of new inventory of approx. 500-550 mn sq.ft annually
- ✓ Increase in Per Capita income (CAGR 10% -2014-20)
- ✓ Rising desire of Young India for own roof (66% below 35 years age)

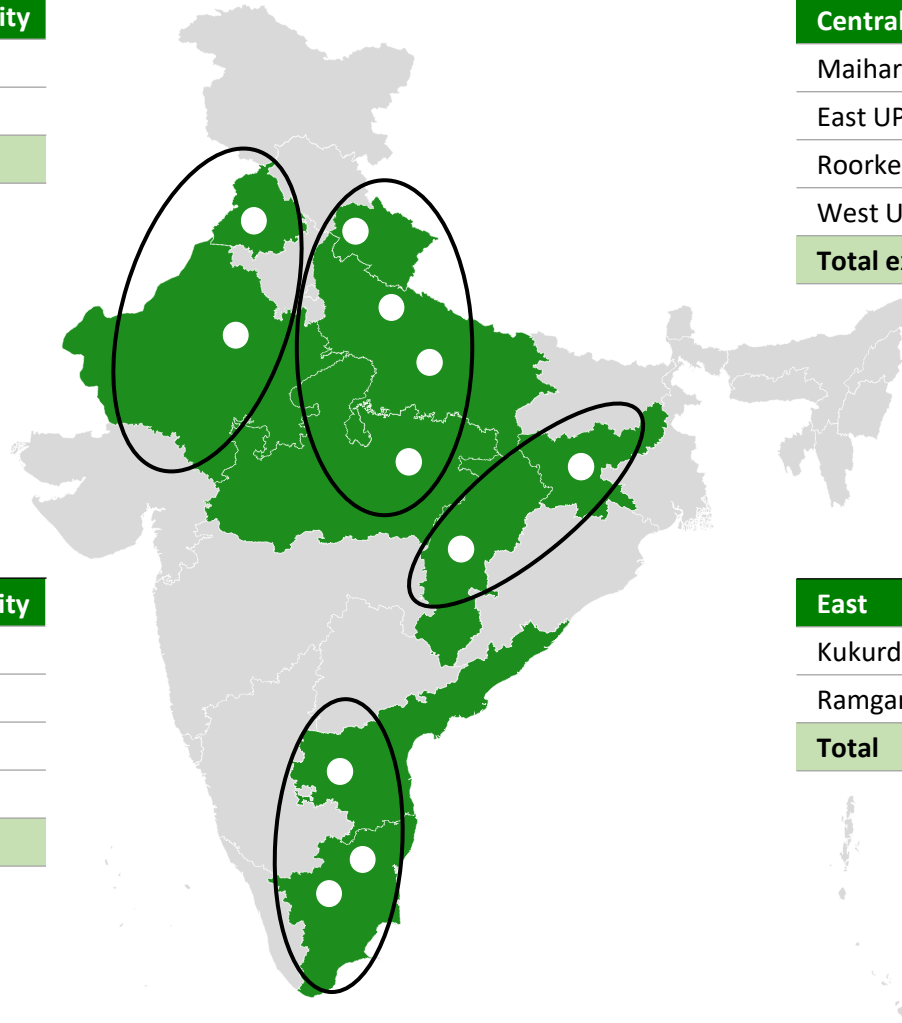
UltraTech's expansion plan (Phase-II)

Total Cement capacity of 22.6 Mtpa at a capex of Rs 12,886 Crs (\$76/t) and IRR >15%



North	Unit	Project	Capacity
Rajpura, Himachal Pradesh	GU	G	2.6
Kotputli, Rajasthan	IU	B	1.8
Total			4.4

Central	Unit	Project	Capacity
Maihar, Madhya Pradesh	IU	B	4.5
East UP, Uttar Pradesh	BT	G	1.8
Roorkee, Uttar Pradesh	GU	B	1.0
West UP, Uttar Pradesh	GU	B	1.8
Total excl BT			7.3



South	Unit	Project	Capacity
APCW, Andhra Pradesh	IU	B	1.8
Karur, Tamil Nadu	GU	G	2.7
Arakkonam, Tamil Nadu	GU	B	1.2
Bangalore, Karnataka	BT	B	1.0
Total excl BT			5.7

East	Unit	Project	Capacity
Kukurdi, Chhatishgarh	IU	G	2.7
Ramgarh, Jharkhand	GU	G	2.5
Total			5.2

Capacity mentioned in million tons per annum

Catering to regional demand and deepening its foot-print

FY23 – FY27

Region	I	H	C	Demand growth drivers and rationale
North	↑	↑	↑	<ul style="list-style-type: none"> ✓ National Capital Region (NCR) would require bulk cement with expected increase in Real Estate. Kotputli is suitably located to serve the region within average lead of <125 kms ✓ Delhi Metro; Jaipur Metro, Smart cities in Rajasthan and Delhi, Eastern peripheral expressway/ six-laning of NH8, dam project
Central	↑	↑	↑	<ul style="list-style-type: none"> ✓ Lucknow + Kanpur are amongst the top 20 growing cities in India and expected to grow at a CAGR of ~10% on back of infrastructure and real estate development. Proposed expansion will also reduce overall lead distance ✓ Several metro projects, Upper Ganga Expressway, irrigation (Ken-Betwa), smart cities (Indore, Bhopal, Lucknow..)
East	↑	↑	↑	<ul style="list-style-type: none"> ✓ Entry for UltraTech in Jharkhand for manufacturing. Jharkhand expected to grow at ~9% over next 5 years ✓ Reduction in current lead distance ✓ Metro projects in Patna, Kolkata, EDFC, north-east (several road and rail connectivity projects) ✓ Capacity to service North-East markets of Assam and Meghalaya
South	↑	↑	↑	<ul style="list-style-type: none"> ✓ UltraTech presence is negligible currently in South Tamil Nadu. ✓ Commercial & industrial and real estate growth will lead to higher requirement of bulk volume mainly in Chennai & Salem/ Coimbatore region, which can be serviced from Arakkonam economically ✓ Vizag IT City Project in Andhra Pradesh, irrigation projects in Telangana.

Reducing CO₂ emissions will be at the heart of expansion

No additional thermal power capacity

~45% green power

All new clinker capacity will be enabled for alternative fuel consumption

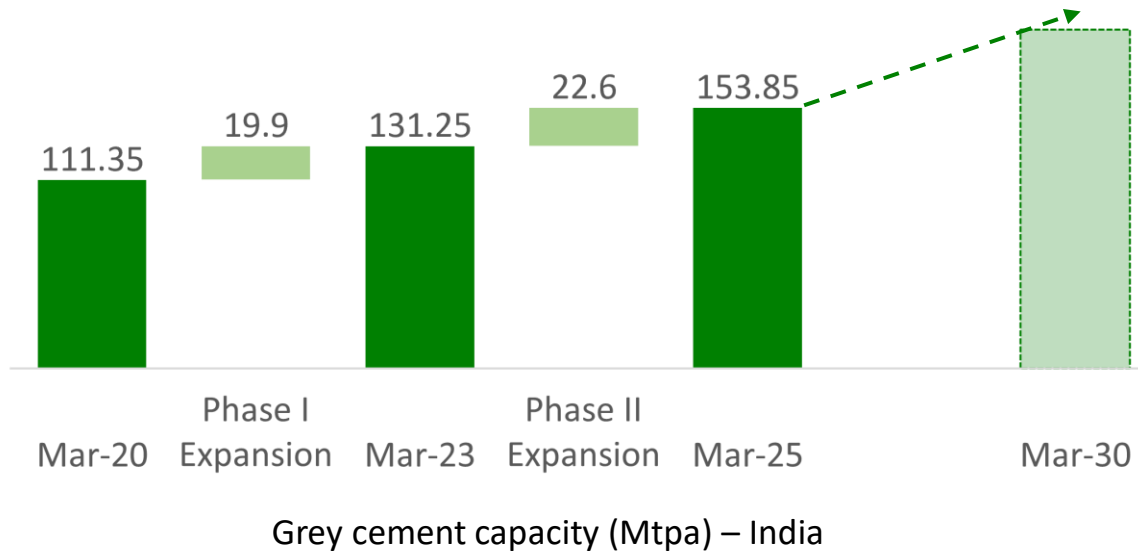
High clinker conversion ratio, thrust on blended cement

Additional renewable power investment

Green power mix will increase to 36% by FY25
from 18% in FY22

Thermal power mix will reduce to 50% by FY25
from 65% in FY22

UltraTech: Contributing to build a strong nation



Grey Cement Capacity (mtpa)				
Zones	Mar-20	Phase I Expansion	Phase II Expansion	Mar-25
North	23.8	2.7	4.4	30.9
Central	23.3	5.1	7.3	35.7
East	16.2	10.3	5.2	31.7
West	27.7	1.8	0.0	29.5
South	20.5	0.0	5.7	26.2
All India	111.35	19.90	22.60	153.85

Grey cement network of 153.85 Mtpa at 57 locations (IU/GU/BT) by Mar-25 in India

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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UltraTech wins brand of the year at the prestigious “Brand Equity Shark Awards”

