



20th May, 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

Sub: Investor Presentation for the year ended 31st March, 2020.

Attached is an investor’s presentation on the performance of the Company for the quarter and year ended 31st March, 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



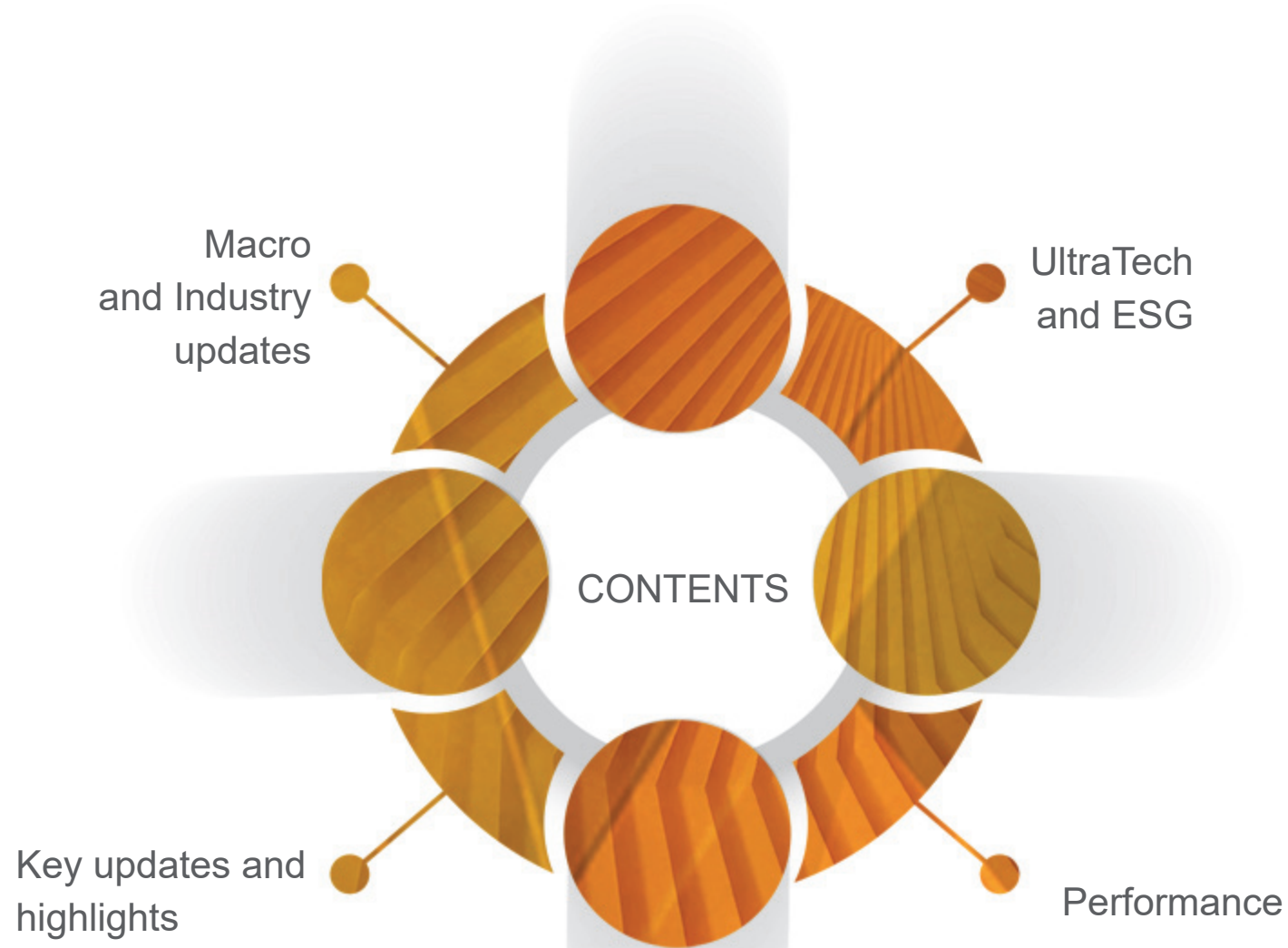
UltraTech Cement Limited



INDIA'S LARGEST CEMENT COMPANY

Earnings: Q4 FY20

20th May 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



General Economic Slowdown

Pandemic added to the Weakness







Consumer sentiment was affected;
construction work halted

Cement offtake for the quarter
shrunk due to COVID-19



UltraTech and ESG

Key Environment Protection Initiatives ...

	Key Activities / Actions	Targets / Achievement
 Zero carbon	<ul style="list-style-type: none"> • Increased share of blended products • Increased use of alternative fuels • Increased use of alternative raw materials 	Target 25% reduction over FY06
Project Jal (water positive) 	<ul style="list-style-type: none"> • Implementation of two integrated watershed projects • Potential assessment at six locations 	>2.5x water positive
 Energy Productivity (EP100)	<ul style="list-style-type: none"> • Implemented energy efficiency projects • Adoption of automation and data analytics 	Achieved 60% target of doubling energy productivity
Biodiversity 	<ul style="list-style-type: none"> • BMP¹ implementation at one of the plant in Gujarat & Karnataka • BMP¹ under process for 3 more plants in Rajasthan and Andhra Pradesh 	BMP for all IUs² by 2024

UltraTech and ESG

Our achievements



FY19 Sustainability Report included among **Global Top 20** and recognised as the **'Most Engaging Report Worldwide'**.



Received **'Green Pro Ecolabel'** certification from CII - Green Products & Services Council for major products



Amongst the **Top 10 Globally**, in the **Dow Jones Sustainability Index**

Founding member of GCCA¹ India, Driving Sustainability & Innovation across Cement and Concrete value chain

UltraTech and ESG

Project Jagruti: Sustainability awareness amongst employees



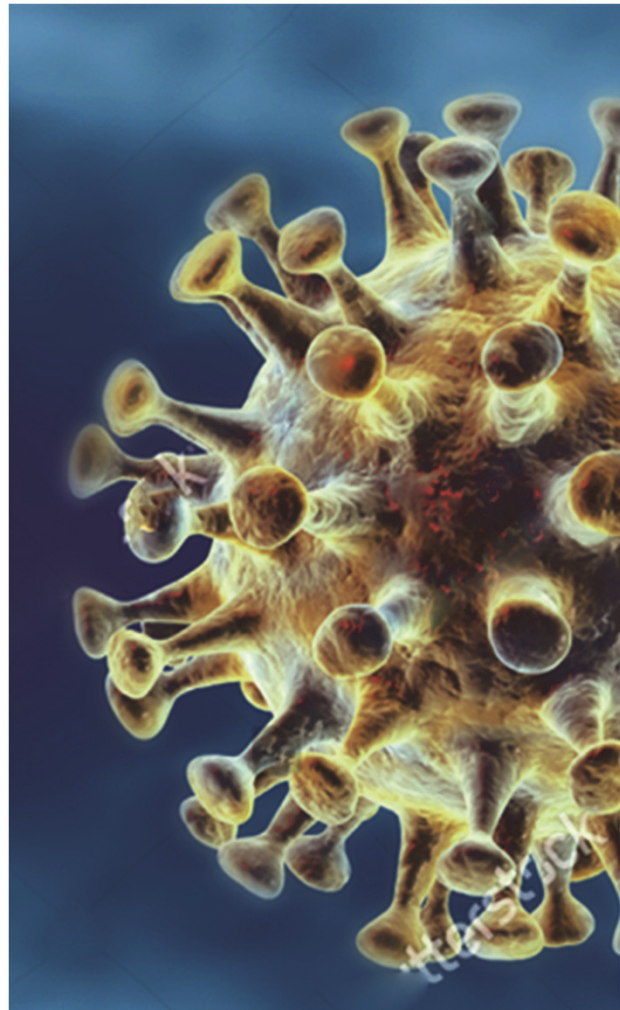
650+
Number of
employees covered
under the project



23
Number of plants
covered under the
project

An initiative to embed sustainability culture amongst employees

Target to cover 50% employees under Project Jagruti over the next 3 years



UltraTech's participation in fight against COVID-19

- ❖ Provided meals to 1.80 lakhs people
- ❖ Distributed grocery packets ~ 50000
- ❖ Supplied > 6.0 lakhs N95 masks & sanitizers
- ❖ Distributed ~ 1.00 lakh medical PPE
- ❖ Facilitated 2 quarantine centers in the State of Rajasthan and Madhya Pradesh
- ❖ Proactive awareness camps amongst local communities in our plant's vicinity



> 0.5 mln

Total population outreach



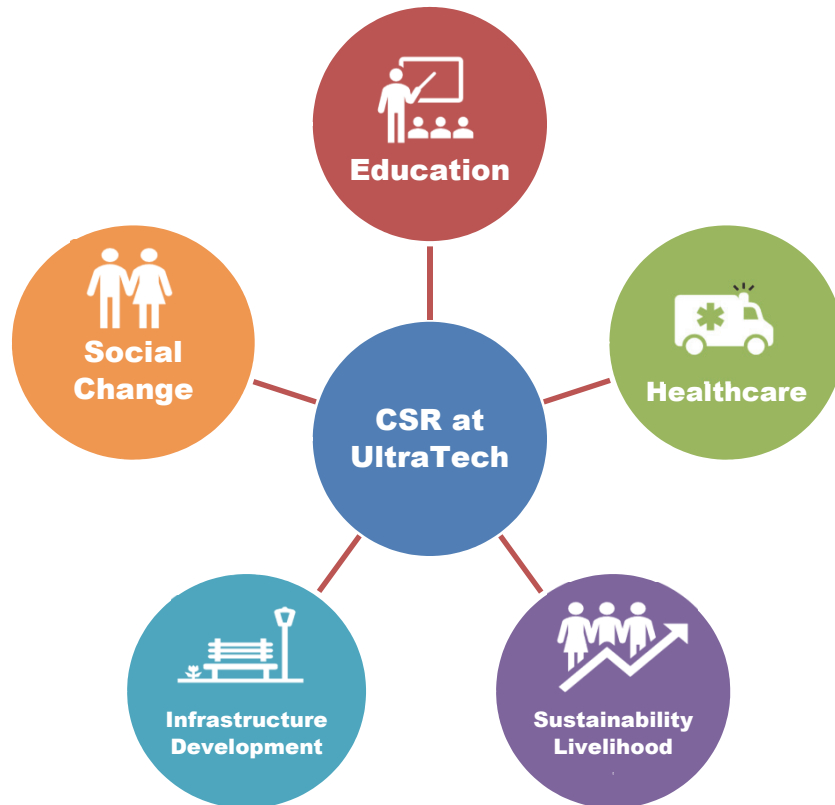
> Rs. 20.0 crores

Spent on various initiatives

Pledged support of Rs. 75 crores

UltraTech and ESG

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**

Total spends during the year: Rs. 125 crores

Key Initiatives ...



Education

- Promoting digital education in government schools
- Covered 355 schools



Health



- Focus on Mother and Child Health Care Covered > 9000 families
- Special camps on school health check-up for vision and dental (> 3500 children)



Self Empowerment

- Promoting Self Help Groups for women
- Formed 824 such group covering > 12000 members



Awards



- The Mother Teresa Corporate Citizenship Award by Loyola Institute of Business Administration – Chennai
- The Indian Chambers of Commerce – Kolkata for Education



Integration update : Century Cement

Capacity utilization
~80% in Q4 despite
COVID-19

Plant operating
efficiency
improvement
program on track

Reduced
power consumption
~ 8% over Q3

Pet coke usage
up at 69%

Leveraging
synergies
(materials,
movement and
procurements)

One-time integration
costs booked
during the quarter:
Rs. 40 Crores

Achieved Variable Costs Reduction Rs. 200/t in Q4 over Q3

Integration update : Century Cement... contd

Brand transition completed for ~65% production

Increase in realization:
~ Rs. 160/t vs Q3

84% production to be transitioned to UltraTech brand by Q3 FY21

Logistics synergies in process

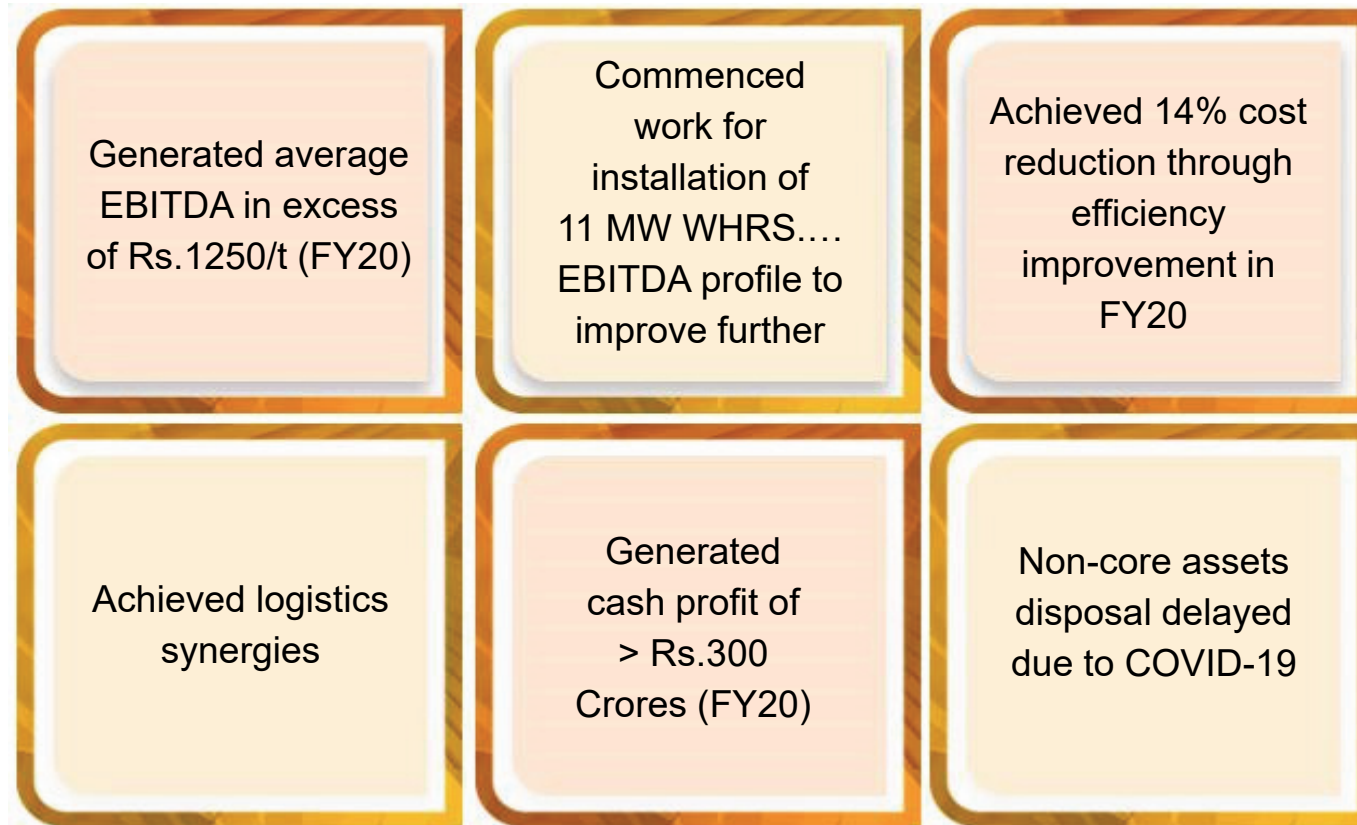
Completed people integration, strengthening the overall culture

Extended technical services for Birla Gold brand

Overall integration to be completed by Q3 FY21

Integration update : UltraTech Nathdwara

First full year of operation under “UltraTech” banner....



Assets fully integrated with UltraTech

Other updates : Deferred Tax Reversal during Q4 FY20

Government of India introduced section 115BAA under Income Tax Act, providing option to corporates for a lower income tax rate @ 25.168% (34.944% earlier)

The Company has the benefit of existing tax breaks and incentives under the old tax regime therefore not opted for lower tax rate regime

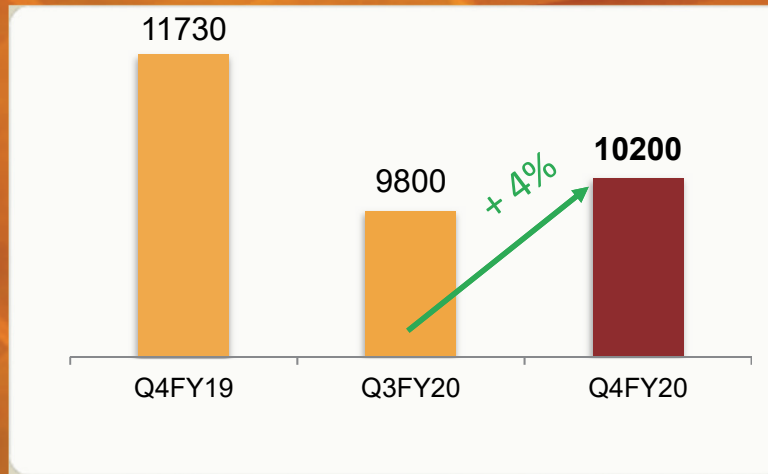
Deferred tax liability ('DTL') to be accounted for at the future income tax rates, hence the Company has reversed DTL of earlier years

W.E.F. FY20, DTL charge / reversal in P&L to be booked at reduced income tax rates

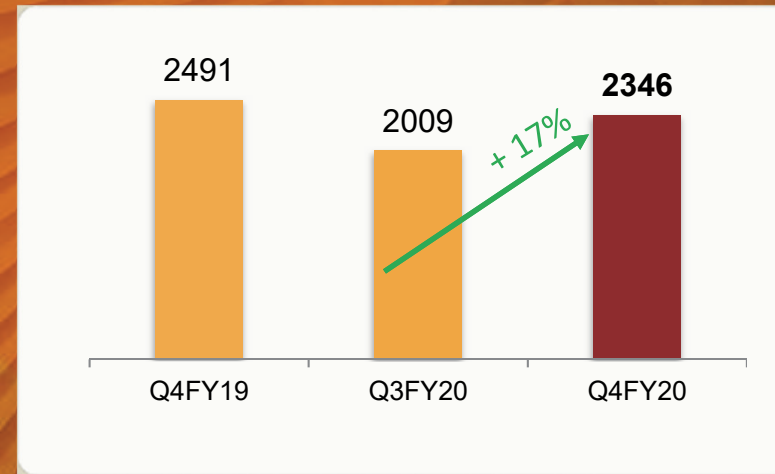
Incremental Free Reserves: Rs. 2112 Crores in Consolidated Financials

Q4 FY20 : Performance Highlights

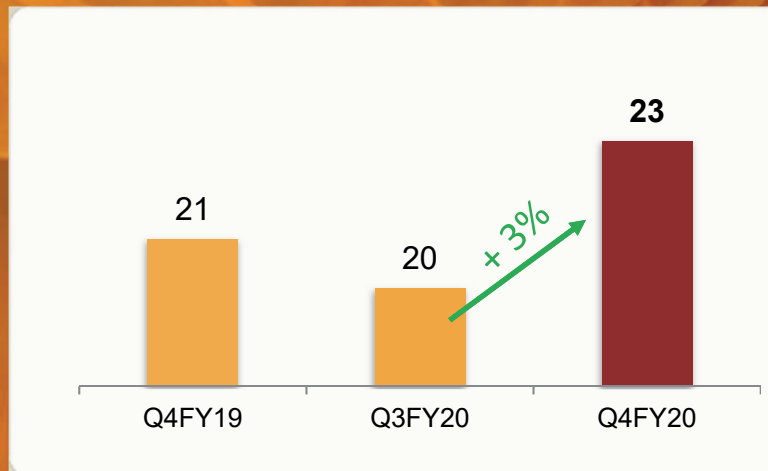
Turnover (Rs. crores)



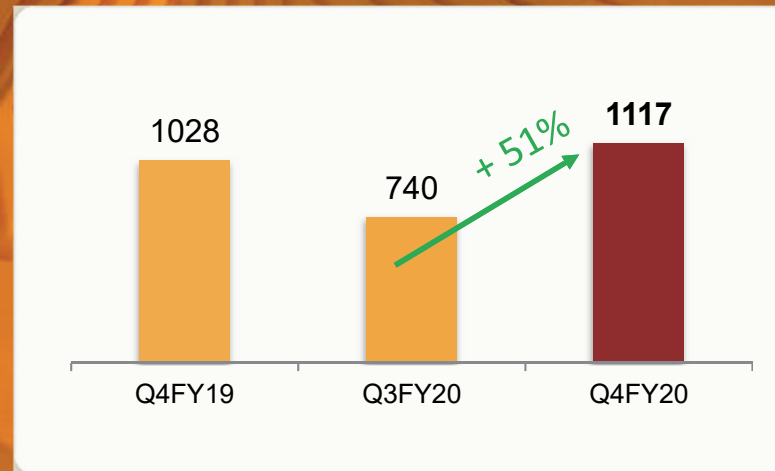
Operating EBITDA (Rs. crores)



Operating Margin (%)



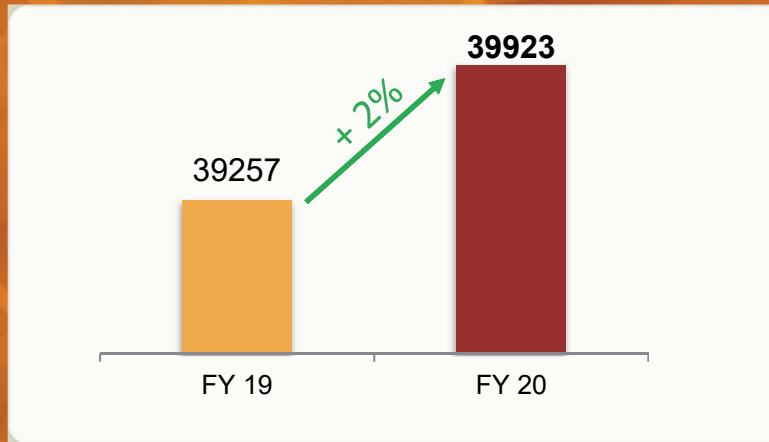
Normalised PAT (Rs. crores)



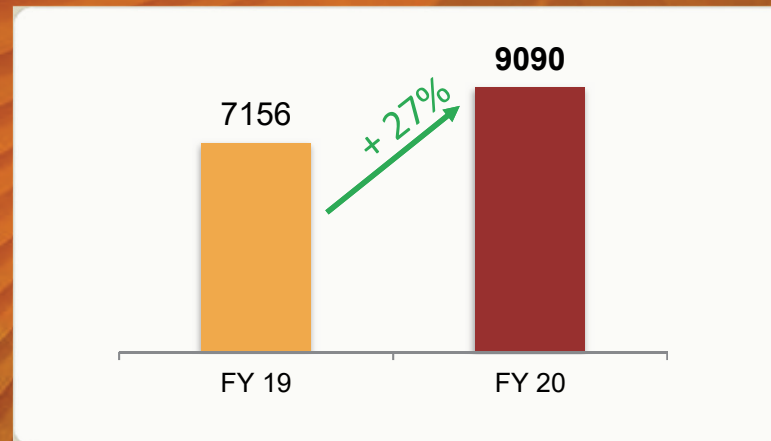
Operating EBITDA improved 16% and PAT jumped 51% over Q3

FY20 : Performance Highlights

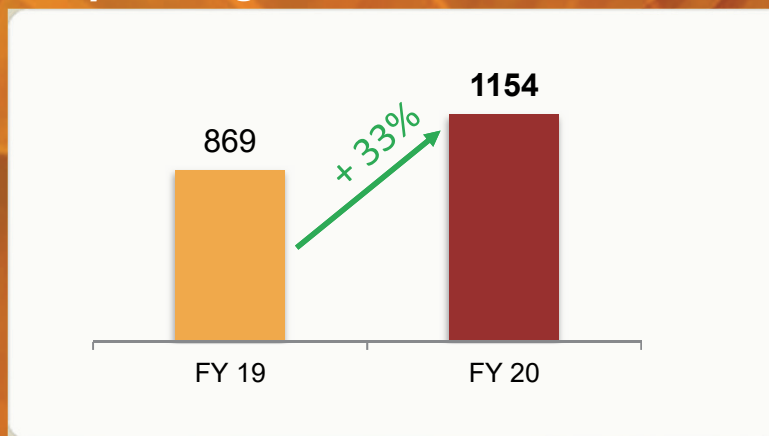
Turnover (Rs. crores)



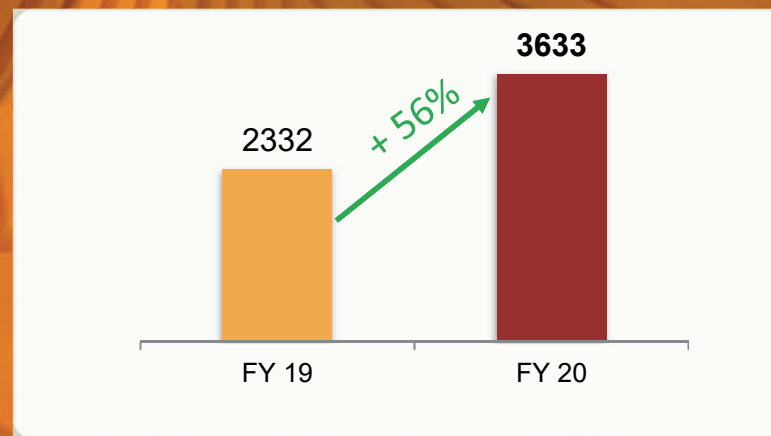
Operating EBITDA (Rs. crores)



Operating EBITDA (Rs./t)



Normalised PAT (Rs. crores)



Achieved highest ever EBITDA pmt since inception: Rs. 1154 /t

Normalised PAT jumped + 56%

Key Achievements for FY 2019-20



Commissioned 2 MTPA cement capacity at Bara...
Total consolidated capacity 114.8 MTPA



Commissioned 33 MW WHRS capacity: **Total 118 MW**
Commenced operation for 32 MW Solar capacity: **Total 99 MW**



Completed integration of **UltraTech Nathdwara: 6.25 mtpa capacity**



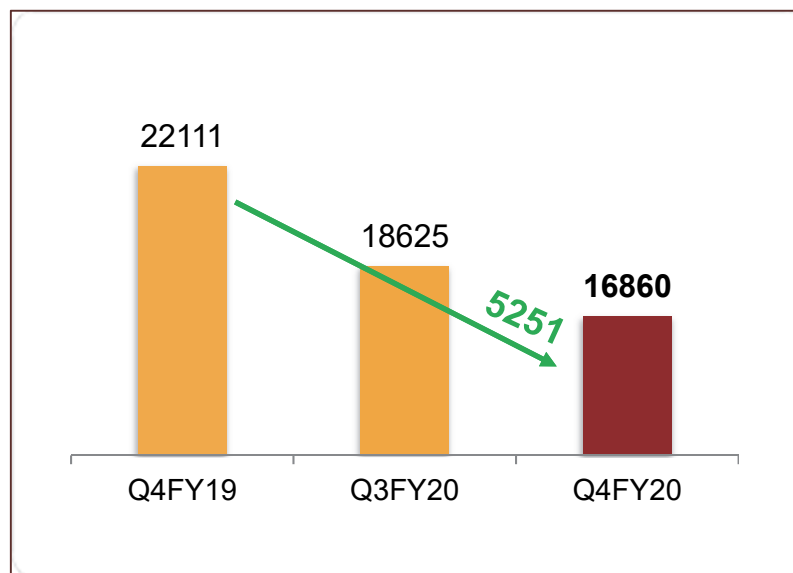
Highest Consolidated EBITDA in FY20: Rs. 9,930 crores



Overall Operating Free Cash flow generation > Rs. 5,700 Crores

Leverage Reduction Remained Key Focus for the Year

Consolidated net debt (Rs. crores)



Consistent improvement in working capital

- Reduction during Q4: Rs. 404 crores

Judicial Capex Spends

- Capex spend for the year: Rs.1604 crores
- Target for FY21: Rs.1000 crores

- **Net debt reduction in Q4: Rs. 1765 crores**

India Operations Net Debt / EBITDA as on March' 20: **1.55x**

Sales Performance: Q4 FY20

MnT

Particulars	Q4			FY20		
	CY	LY	▲ %	CY	LY	▲ %
Annual Capacity India (MTPA)	111.4	109.4	2	111.4	109.4	2
Domestic sales	19.92	23.73	(16)	76.40	79.34	(4)
Exports and others	0.60	0.84	(29)	2.36	3.02	(22)
Total India Operations	20.52	24.56	(16)	78.76	82.36	(4)
Consolidated Sales Volume	21.44	25.43	(16)	82.33	85.67	(4)

COVID-19 impacted sales volume for the quarter

Key Performance Drivers : Q4 FY20

Trade sales
increased 2% YoY

Maintained rural
sales volume

Blended sales at
68% up 2% YoY

Premium products
volume growth:
~ 19% YoY

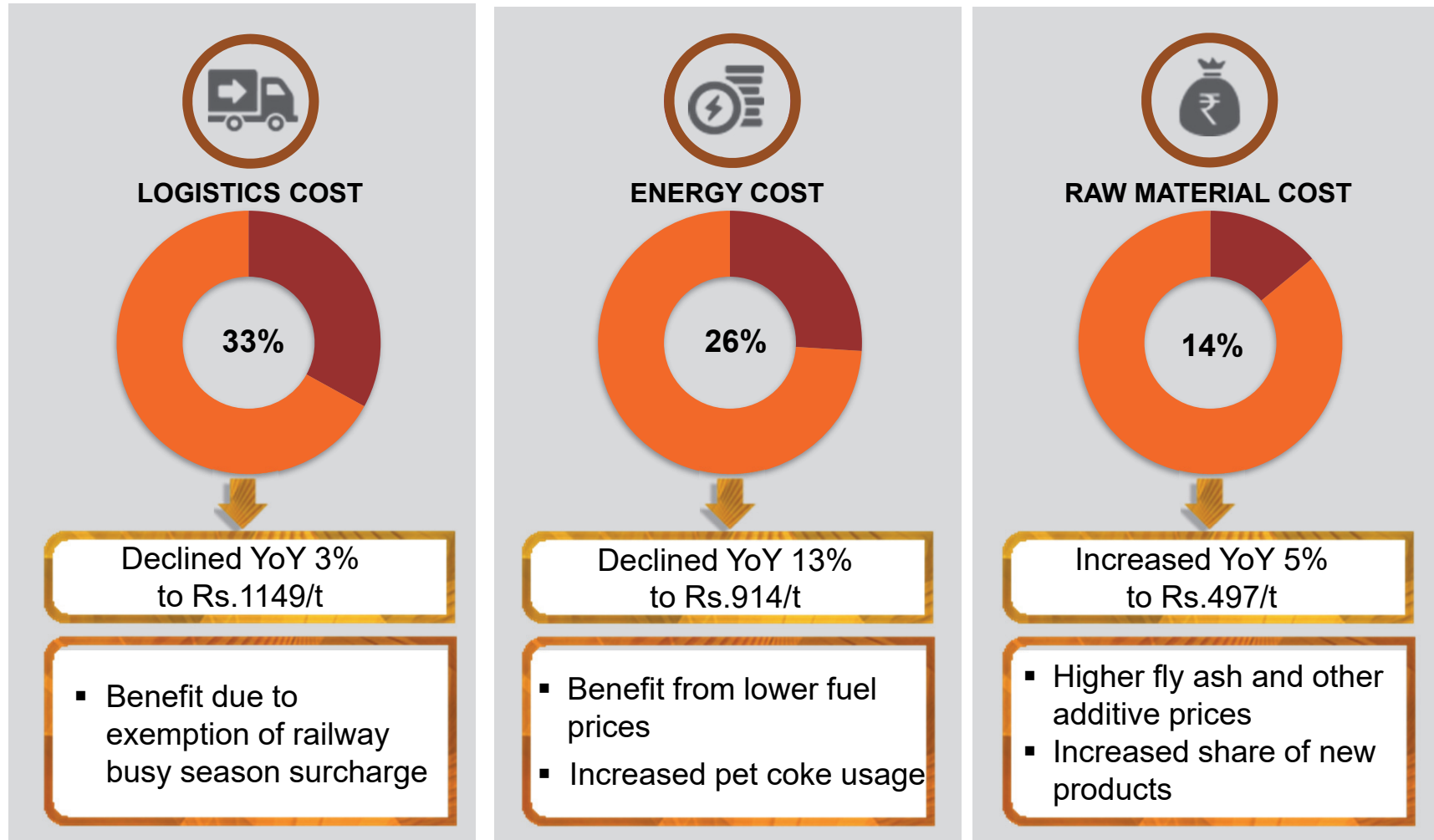
Number of UBS¹
outlets: ~2145
added 230 new
stores during
the year

UBS¹ Contributed
7% of total sales

Improved clinker to
cement conversion
ratio ~100 bps YoY

YoY reduction in
variable cost: ~6%

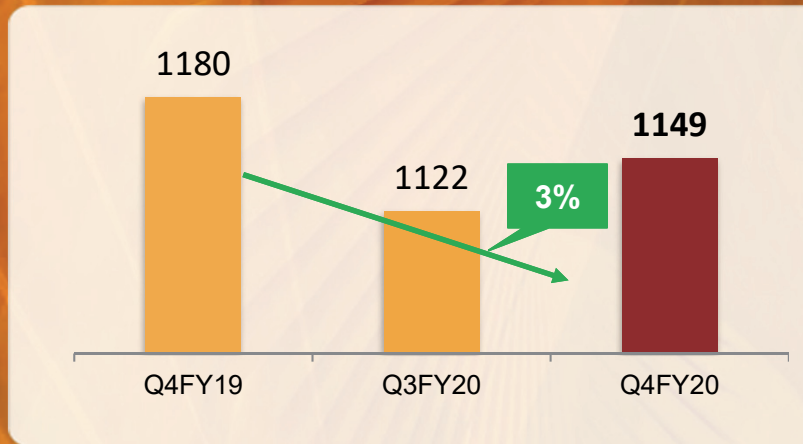
Operating Cost : Q4 FY20



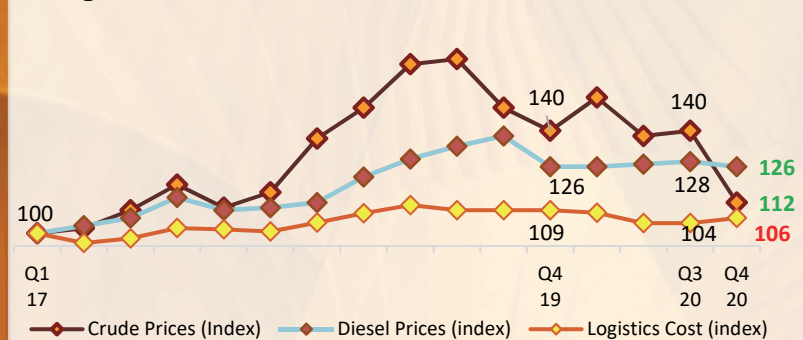
Costs under control

Logistics Cost Trends

Logistics cost (Rs./t)



Logistics costs v/s Diesel Price Index



YoY cost reduced: 3%

- Railways extended period for exemption of busy season surcharge: cost benefits ~ 3%
- Improved clinker to cement conversion ratio

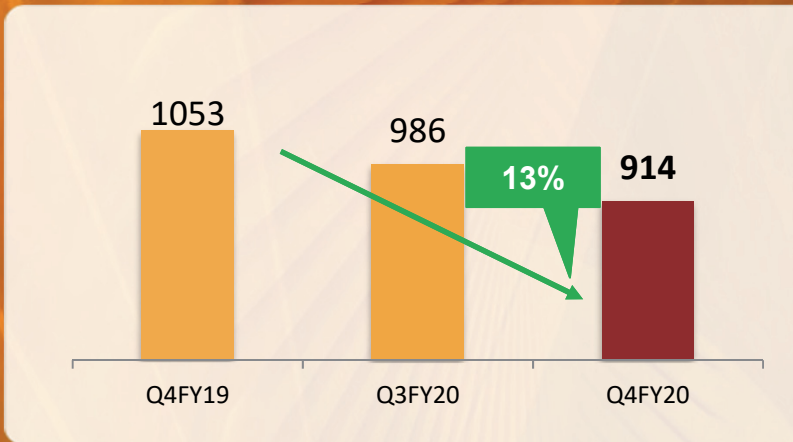
Cost increase vs Q3: (-) 2%

- Benefit from increased availability of railway wagons: 27% vs 23%
- Servicing long lead markets resulted in costs increase

Century Cement's integration in process

Energy Cost Trends

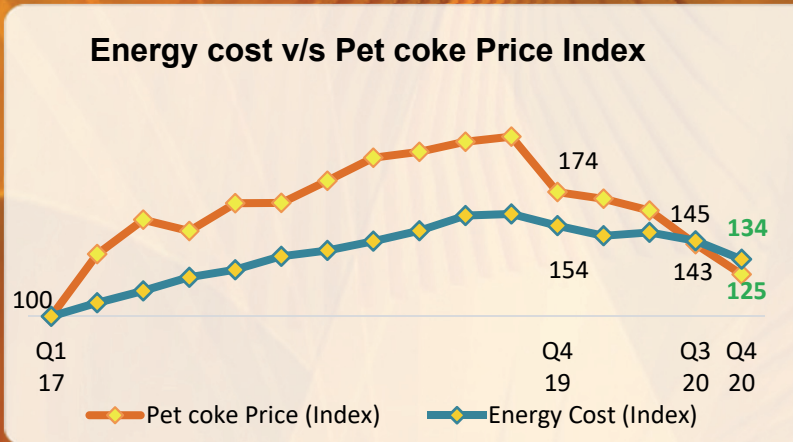
Energy cost (Rs./t)



YoY cost reduced: 13%

- Average fuel prices dropped :~ 15%
- ‘Green power’ consumption increased to 11.6% (LY: 7.9%)
- Pet coke usage at 77% (LY: 67%)
- Average power consumption improved : 100 bps

Energy cost v/s Pet coke Price Index



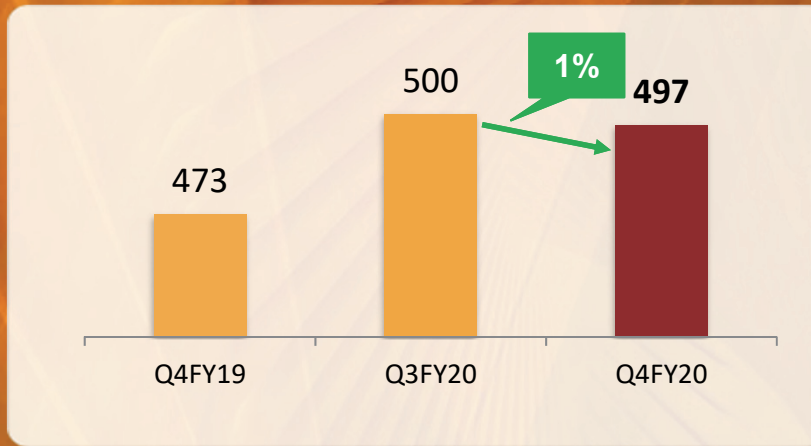
Cost reduced 7% over Q3 FY20

- Average pet coke consumption price during the quarter \$ 70/t (Q3: \$ 80/t)
- Decline in power consumption: ~3%

Century plant integration will improve energy cost index

Raw Materials Cost

Raw Materials Cost (Rs./t)



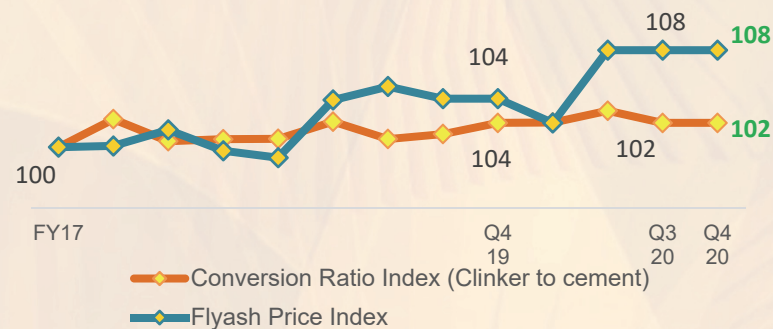
QoQ cost reduced marginally: 1%

- Increased usage of low-cost additives

YoY costs up: 5%

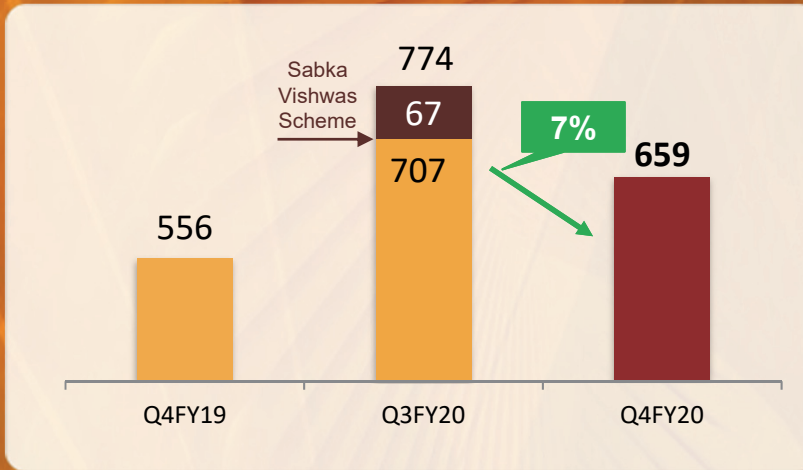
- Fly ash prices increased ~ 4%
- Increased use of additives due to higher blended cement sales

Conversion ratio and Fly ash Prices (Index) Trends



Other Cost Trends

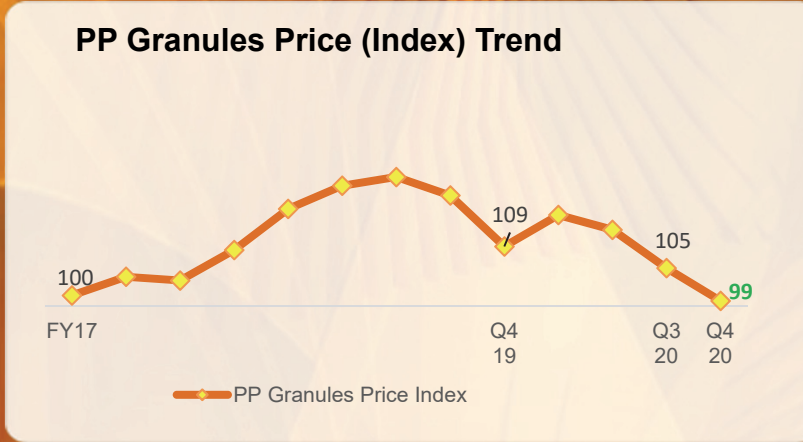
Other costs (Rs./t)



QoQ cost decreased: 7%

- Lower maintenance cost: Rs. 25/t

PP Granules Price (Index) Trend



YoY cost increase: 18%

- Sales volume lower: (-) 16%
- Packing costs reduced 7%

Q4 FY20 Performance - P&L

Rs. crores

Particulars	UTCL Standalone Published			India Operations		
	CY	LY	▲%	CY	LY	▲%
Revenues (Net of Taxes)	10237	11765	(13)	10200 [^]	11730 [^]	(13)
Operating Income	123	218	(43)	167	220	(24)
Other Income	224	145	55	212	128	65
Total Income	10584	12128	(13)	10578	12078	(12)
Expenses :						
<i>Raw Materials Consumed</i>	1356	1435	5	1373	1471	7
<i>Purchase of Traded Goods</i>	502	638	21	228	328	30
<i>Changes in Inventory</i>	(228)	343		(229)	340	
<i>Employee Costs</i>	612	523	(17)	629	536	(17)
<i>Power and Fuel</i>	1932	2364	18	2018	2479	19
<i>Logistics Cost</i>	2611	2938	11	2615	2939	11
<i>Other Expenses</i>	1312	1320	1	1352	1366	1
EBITDA	2486	2566	(3)	2592	2619	(1)

[^]After elimination of inter company clinker sales

EBITDA at par with LY despite COVID-19

Income Statement : Q4 FY20

Rs. crores

Consolidated			Particulars	India Operations		
CY	LY	▲%		CY	LY	▲%
10579	12170	(13)	Revenues (net of taxes)	10200	11730	(13)
2639	2672	(1)	EBITDA	2592	2619	(1)
25%	22%	3	Margin (%)	25%	22%	3
505	505	-	Finance costs	485	496	2
672	641	(5)	Depreciation & Amortization	646	620	(4)
1462	1526	(4)	PBT	1460	1503	(3)
334 [^]	461		Tax expenses	344 [^]	476	
(3)	1		Minority interest	-	-	
1131[^]	1064	6	Normalised PAT	1117[^]	1028	9
3243	1064		Reported PAT	3228	1028	
39.2[^]	37.2	5	Normalised EPS (Rs.)	38.7[^]	35.9	8

[^] Excluding gain of opening Deferred tax liabilities (DTL) reversal of Rs. 2112 Crs due to change in income tax rates (34.944% to 25.168%)

EBITDA Margin: 25%

Consolidated Normalised PAT increased: 6%

FY20 Performance - P&L

Rs. crores

Particulars	UTCL Standalone Published			India Operations		
	CY	LY	▲%	CY	LY	▲%
Revenues (Net of Taxes)	40033	39234	2	39923 [^]	39257 [^]	2
Operating Income	616	765	(19)	697	766	(9)
Other Income	727	497	46	645	468	38
Total Income	41376	40495	2	41264	40490	2
Expenses :						
<i>Raw Materials Consumed</i>	4961	5039	2	5059	5090	1
<i>Purchase of Traded Goods</i>	2263	1582	(43)	1046	1225	15
<i>Changes in Inventory</i>	(363)	63		(356)	51	
<i>Employee Costs</i>	2336	2158	(8)	2395	2176	(10)
<i>Power and Fuel</i>	7703	8828	13	8103	8992	10
<i>Logistics Cost</i>	9632	10316	7	9669	10330	6
<i>Other Expenses</i>	5465	4933	(11)	5623	5004	(12)
EBITDA	9379	7576	24	9724	7623	28

[^]After elimination of inter company clinker sales

Income Statement : FY20

Rs. crores

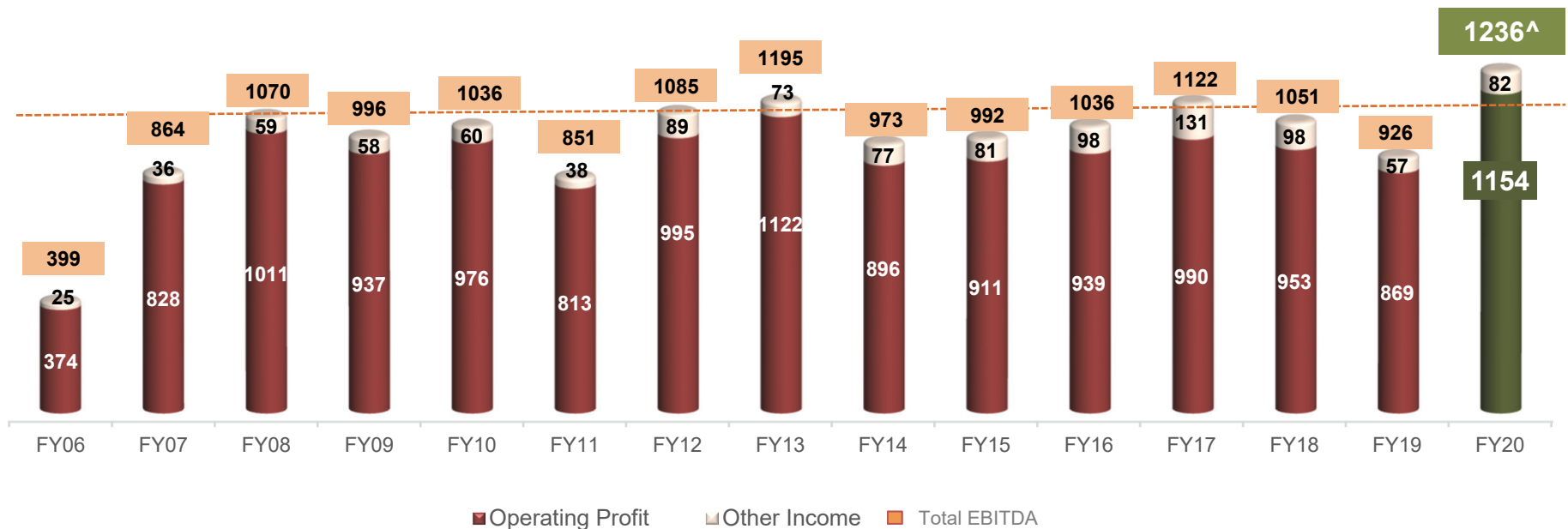
Consolidated			Particulars	India Operations		
CY	LY	▲%		CY	LY	▲%
41476	40904	1	Revenues (net of taxes)	39923	39257	2
9930	7811	27	EBITDA	9724	7623	28
24%	19%	5	Margin (%)	24%	19%	5
1986	1778	(12)	Finance costs	1926	1733	(11)
2702	2451	(10)	Depreciation & Amortization	2595	2364	(10)
-	(114)		Stamp duty on assets transfer	-	(114)	
5242	3468	51	PBT	5203	3412	52
1543 [^]	1068		Tax expenses	1570 [^]	1080	(45)
(4)	(3)		Minority interest	-	-	
3703[^]	2404	54	Normalised PAT	3633[^]	2332	56
5815	2404		Reported PAT	5745	2332	
128.4[^]	84.0	53	Normalised EPS (Rs.)	126.0[^]	81.5	55

[^] Excluding gain of opening Deferred tax liabilities (DTL) reversal of Rs. 2112 Crs due to change in income tax rates (34.944% to 25.168%)

Achieved highest ever EBITDA for the year

Consolidated Normalised PAT increased: 54%

EBITDA PMT Trends



^A Excluding impact of Lease Accounting Standard and before provision for disputed liabilities offered under Sabka Vishwas Scheme

Highest Annual EBITDA PMT so far

Financial Position

Rs. crores

Consolidated		Particulars	India Operations	
31.03.2020	31.03.2019		31.03.2020	31.03.2019
53553	53440	Net Fixed Assets incl. CWIP	51646	51778
563	967	Net Operating Working Capital	83	368
1085	1051	Other Current Assets	1251	1152
39123	33763	Shareholders Fund	38533	33220
22898	25337	Total Debt	20978	23336
4906	6399	Deferred Tax Liability	4910	6408
68086	65499	Capital Employed	65316	62964
11.2%	8.9%	ROCE	11.5%	9.1%
10.2%	7.3%	ROE	10.1%	7.2%
16860	22111	Net debt	15096	20112

ROE improved 10% vs 7% of LY

Cash Flow

Rs. crores

Consolidated	Particulars	India Operations
7112	Operating Cash Profit (Net of Tax)	6895
225	Change in Working Capital	167
7337	Cash Flow from Operations	7061
(1604)	Capex	(1582)
5733	Free Cash Flow	5479

Free Cash flows will rise further after acquisitions achieve maturity

**STAY
SAFE**

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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