

Bloomberg Code	UTCEM IN
No of share O/S (in crs)	28.9
Market Cap (in Rs. Crs)	1,97,262
Face Value (in Rs.)	10.00
Dividend Yield (%)	0.55
52 Wk High/Low (Rs.)	7,576/5,157

Shareholding (%)

Promoters	59.96
Institutional	31.28
Public	8.76
Total	100.00

Key Highlights

Ultratech Cement Ltd (UTCEM) reported a revenue of INR 15,521 cr in Q3FY23, registering a QoQ/YoY growth of 11.7%/19.5% respectively on account of strong growth in cement volumes, which grew at a QoQ/YoY rate of 11.7%/19.5%. Pick up in the real estate sector and robust infrastructure activities improved the cement volumes. Net realisation per tonne in Q3FY23 was at INR 6,004/t as against INR 5,614/t in Q3FY22. Cement prices have gradually declined and settled at INR 5,600 levels.

During the quarter, UTCEM commissioned the following cement capacities in northern and central India:

- 1.9 MT integrated cement unit at Pali, Rajasthan
- 1.8 MT greenfield grinding unit at Dhule, Maharashtra
- brownfield integrated unit of 1.8MTat Dhar, Madhya Pradesh

This improved the overall cement capacities of UTCEM to 121.4 MT.

Cost of production increased at a YoY rate of 11.7% to INR 5,101/t due to higher energy cost. Power & fuel cost increased at a YoY rate of 35.4% to INR 1,885/t, while freight cost increased at a YoY rate of 6.9% to INR 1,346/t. Power & fuel and freight cost both remained higher due to utilisation of high cost inventory as well as reimposition of busy season surcharge. Power & fuel cost is expected to remain stable at of INR 1,600-1,800/t (compared to historical average of INR 1,000/t) in the coming years as no new pet coke capacities are coming up globally compared to higher cement capacity additions in India. The green power mix stood at 19.8% (up by 1% YoY) and the company is targeting its green power mix to increase to 36% by FY25. Furthermore, the company's total WHRS capacity has got augmented to 191 MW. This is expected to increase to 250 MW by the end of FY23.

Rise in energy cost impacted the profitability. EBITDA declined at a YoY rate of 3.5% to INR 2,336 cr, while EBITDA/t declined by 13.6% to INR 904/t. With the recent correction in the global energy prices and UTCEM's efforts towards the use of green energy and WHRS, the management is expecting cost reduction and improvement in profitability in the coming years. As a result, FY24 EBITDA/t is expected to higher than INR 1,000/t.

Financial Summary

Figures are in Rs Cr	Q3FY23	Q3FY22	YoY (%)	Q2FY23	QoQ (%)	FY19	FY20	YoY (%)	FY21	YoY (%)	FY22	YoY (%)
Net Sales	15,520.9	12,984.9	19.5	13,892.7	11.7	41,608.8	42,429.9	2.0	44,725.8	5.4	52,598.8	17.6
Raw Material Cost	2,243.7	2,060.6	8.9	2,017.7	11.2	6,983.1	6,518.1	-6.7	7,085.8	8.7	7,965.0	12.4
RM Cost to Sales (%)	14.5	15.9		14.5		16.8	15.4		15.8		15.1	
Employee Cost	694.2	642.9	8.0	691.2	0.4	2,291.1	2,519.9	10.0	2,353.0	-6.6	2,534.7	7.7
Employee Cost to Sales (%)	4.5	5.0		5.0		5.5	5.9		5.3		4.8	
Other Expenses	10,247.2	7,862.1	30.3	9,317.2	10.0	24,987.7	24,144.8	-3.4	23,719.1	-1.8	30,584.8	28.9
Other Exp to Sales (%)	66.0	60.5		67.1		60.1	56.9		53.0		58.1	
EBITDA	2,335.9	2,419.4	-3.5	1,866.6	25.1	7,346.9	9,247.2	25.9	11,567.9	25.1	11,514.4	-0.5
EBITDA Margin (%)	15.0	18.6	-3.58	13.4	1.61	17.7	21.8		25.9		21.9	
Depreciation	723.2	674.2	7.3	707.9	2.2	2,450.7	2,722.7	11.1	2,700.2	-0.8	2,714.8	0.5
Interest	215.3	182.3	18.1	200.3	7.5	1,777.9	1,991.7	12.0	1,498.0	-24.8	944.7	-36.9
Interest Coverage	7.5	9.6		5.8		2.8	3.3		5.9		9.3	
Other Income	126.6	70.5	79.6	146.3	-13.4	463.4	651.1	40.5	746.5	14.7	507.8	-32.0
Other Income to Sales (%)	0.8	0.5		1.1		1.1	1.5		1.7		1.0	
Profit Before Tax	1,524.0	1,633.4	-6.7	1,104.7	38.0	3,581.8	5,184.0	44.7	8,116.2	56.6	8,362.7	3.0
Tax Rate (%)	30.5	-4.7		31.2		33.0	-11.0		34.5		14.2	
Profit After Tax	1,059.3	1,709.4	-38.0	760.2	39.3	2,399.8	5,752.1	139.7	5,316.8	-7.6	7,172.6	34.9
PAT Margin (%)	6.8	13.2	-6.3	5.5	1.4	5.8	13.6		11.9		13.6	
Share of Assoc / Minority Int	-1.1	-1.7		-4.5		3.7	3.1		146.3		171.7	
Net Profit	1,058.2	1,707.7	-38.0	755.7	40.0	2,403.5	5,755.3	139.5	5,463.1	-5.1	7,344.3	34.4
Net Margin (%)	6.8	13.2	-6.3	5.4	1.4	5.8	13.6		12.2		14.0	
Adjusted EPS	36.6	59.0	-38.0	26.1	40.0	83.1	198.9	139.5	188.8	-5.1	253.8	34.4
Shareholder's Funds						33,750.7	39,043.8	15.7	44,174.7	13.1	50,435.3	14.2
BV per share						1,166.4	1,349.3	15.7	1,526.6	13.1	1,743.0	14.2
Net Debt						23,080.8	18,235.4	-21.0	7,586.4	-58.4	4,880.3	-35.7
Net Debt to Equity						0.7	0.5		0.2		0.1	
Net Debt to EBITDA						3.1	2.0		0.7		0.4	
RoE						7.1	14.7		12.4		14.6	
RoIC						5.8	12.6		11.2		13.6	
P/E						82.1	34.3		36.1		26.9	
EV/EBITDA						30.0	23.3		17.7		17.6	

Financial Summary

Particulars	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23
Sales volume (mn tonnes)	21.4	18.7	20.0	21.4	14.7	20.1	23.9	27.8	21.3	21.6	23.1	27.9	25.0	23.1	25.9
<i>YoY growth (%)</i>					<i>(31.4)</i>	<i>7.5</i>	<i>19.4</i>	<i>29.8</i>	<i>45.0</i>	<i>7.7</i>	<i>(3.1)</i>	<i>0.4</i>	<i>17.4</i>	<i>6.7</i>	<i>11.8</i>
Revenue (INR cr)	11,420	9,615	10,439	10,854	7,671	10,387	12,262	14,406	11,830	12,017	12,985	15,767	15,164	13,893	15,521
<i>YoY growth (%)</i>					<i>(32.8)</i>	<i>8.0</i>	<i>17.5</i>	<i>32.7</i>	<i>54.2</i>	<i>15.7</i>	<i>5.9</i>	<i>9.5</i>	<i>28.2</i>	<i>15.6</i>	<i>19.5</i>
Revenue per tonne (INR)	5,331	5,145	5,220	5,072	5,218	5,168	5,135	5,186	5,549	5,553	5,614	5,651	6,056	6,014	6,004
<i>YoY growth (%)</i>					<i>(2.1)</i>	<i>0.5</i>	<i>(1.6)</i>	<i>2.2</i>	<i>6.3</i>	<i>7.5</i>	<i>9.3</i>	<i>9.0</i>	<i>9.1</i>	<i>8.3</i>	<i>7.0</i>
Raw material cost (INR cr)	1,569	1,498	1,848	1,527	1,204	1,676	1,794	2,412	1,451	1,730	2,061	2,724	2,283	2,018	2,244
<i>Raw material cost per tonne (INR)</i>	<i>733</i>	<i>801</i>	<i>924</i>	<i>714</i>	<i>819</i>	<i>834</i>	<i>751</i>	<i>868</i>	<i>680</i>	<i>799</i>	<i>891</i>	<i>976</i>	<i>912</i>	<i>873</i>	<i>868</i>
Power & fuel cost (INR cr)	2,343	1,967	2,054	2,136	1,381	1,845	2,402	2,704	2,427	2,520	3,221	3,968	4,013	4,296	4,873
<i>Power & fuel cost per tonne (INR)</i>	<i>1,094</i>	<i>1,052</i>	<i>1,027</i>	<i>998</i>	<i>939</i>	<i>918</i>	<i>1,006</i>	<i>973</i>	<i>1,139</i>	<i>1,165</i>	<i>1,393</i>	<i>1,422</i>	<i>1,603</i>	<i>1,860</i>	<i>1,885</i>
Freight & forwarding cost (INR cr)	2,594	2,134	2,346	2,682	1,608	2,300	2,848	3,288	2,648	2,673	2,912	3,479	3,291	3,044	3,479
<i>Freight & forwarding cost per tonne (INR)</i>	<i>1,211</i>	<i>1,142</i>	<i>1,173</i>	<i>1,253</i>	<i>1,094</i>	<i>1,144</i>	<i>1,193</i>	<i>1,183</i>	<i>1,242</i>	<i>1,235</i>	<i>1,259</i>	<i>1,247</i>	<i>1,314</i>	<i>1,318</i>	<i>1,346</i>
Employee cost (INR cr)	596	638	622	658	563	566	610	614	585	680	643	627	637	691	694
<i>Employee cost per tonne (INR)</i>	<i>278</i>	<i>342</i>	<i>311</i>	<i>308</i>	<i>383</i>	<i>282</i>	<i>256</i>	<i>221</i>	<i>274</i>	<i>314</i>	<i>278</i>	<i>225</i>	<i>254</i>	<i>299</i>	<i>269</i>
Other expenses (INR cr)	1,368	1,459	1,592	1,406	839	1,303	1,505	1,698	1,411	1,699	1,729	1,896	1,846	1,977	1,895
<i>Other expenses per tonne (INR)</i>	<i>639</i>	<i>781</i>	<i>796</i>	<i>657</i>	<i>570</i>	<i>648</i>	<i>630</i>	<i>611</i>	<i>662</i>	<i>785</i>	<i>747</i>	<i>680</i>	<i>737</i>	<i>856</i>	<i>733</i>
EBITDA (INR cr)	2,949	1,919	1,978	2,445	2,078	2,698	3,102	3,690	3,307	2,715	2,419	3,073	3,095	1,867	2,336
<i>EBITDA per tonne (INR)</i>	<i>1,377</i>	<i>1,027</i>	<i>989</i>	<i>1,143</i>	<i>1,413</i>	<i>1,342</i>	<i>1,299</i>	<i>1,328</i>	<i>1,551</i>	<i>1,254</i>	<i>1,046</i>	<i>1,101</i>	<i>1,236</i>	<i>808</i>	<i>904</i>

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