



14th August, 2024

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: The Chairman’s Speech at the 24th Annual General Meeting of the Company held on Wednesday, 14th August, 2024

Dear Sirs,

Attached is the Chairman’s Speech delivered at the 24th Annual General Meeting of the Company held on Wednesday, 14th August, 2024 at 3.00 p.m. (IST) through Video Conference / Other Audio Visual Means.

This is for your information and records please.

Thanking You.

Yours faithfully,
For UltraTech Cement Limited

Sanjeeb Kumar Chatterjee
Company Secretary and Compliance Officer

Cc:
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

Chairman's Speech

At the

Twenty-fourth Annual General Meeting

Wednesday,

14th August, 2024 – 3.00 pm

Dear fellow shareholders'

Introduction

At the Aditya Birla Group, we have always envisioned business as a force for good. This expansive vision guides our strategic decisions, propelling us to harness the transformative power of business to create collective prosperity. Being a force for good entails a multifaceted approach that extends across our entire value chain. From fostering inclusive growth and empowering local communities to mitigating environmental impact and creating prosperity for our nation and its people, our commitment to operating responsibly is woven into the fabric of our business endeavours. It is part of our DNA and our legacy. It defines who we are.

Let me briefly touch upon the broader macro-economic context in which your Company is operating.

In 2023, the global economy demonstrated incredible resilience and divergence, defying fears of recession and stagflation. Global economic development was supported by significant labour force participation, sustained household consumption growth, and increased government expenditure. Despite significant interest rate hikes by the central banks, economic activity expanded steadily, supported by policies bolstering mortgage and housing markets along with household consumption fueled by pandemic savings. These growth factors reduced the impact of policy rate hikes. Major central banks, including the US Federal Reserve, have probably reached the peak of their rate hikes. The second half of 2024 is expected to mark the beginning of rate cuts, indicating cautious optimism for the global economy and financial markets. Global economic growth stood at 3.2% in 2023 and is projected to continue at a similar pace in 2024 and 2025, albeit these growth rates remain historically modest.

For India, the picture is promising amidst a globally uncertain macroeconomic environment. India's economy has shown resilience, with real GDP growth of 8.2% in 2023-24, making it

the fastest-growing major economy and the fifth-largest globally. Structural reforms and domestic household demand are key drivers of India's growth. Inflation has eased, supported by monetary policy actions and supply-side interventions. India is expected to grow at 7.2% in FY 2024-25 driven by its ongoing efforts to strengthen the domestic economy through increased capital expenditures, creating a world-class digital infrastructure and payment platform, and reforming policies to improve the ease of doing business.

Moving on to your Company's performance.

In FY24, your Company recorded net sales of USD 8.4 billion (Rs.69,810 crores) and EBITDA of USD 1.6 billion (Rs.13,586 crores).

Your Company has embarked on a capacity expansion drive on a scale that is globally unprecedented in the cement sector. In FY24 alone, your Company increased its cement production capacity by 13.3 MTPA through expansion projects. In April this year, your Company marked a historic milestone of 150+ MTPA production capacity. This capacity surpasses 150% of the capacity in the United States and constitutes 80% of Europe's capacity.

With the completion of the ongoing expansion projects across India by FY27, and receipt of statutory approvals for the recently announced acquisitions of Kesoram Cement (10.75 MTPA) and The India Cements (14.45 MTPA), our total cement capacity will surpass the 200 MTPA target I announced at last year's AGM. This will align with our Group's long-standing vision of being the leading global player in the cement sector.

With a mix of integrated cement plants, grinding units, and bulk terminals across 60 locations in India, along with 300+ ready mix concrete plants, UltraTech's scale and capacity footprint is unparalleled. For us, capacity expansion is not a number's game. We are leveraging this expanded manufacturing footprint to reduce our operational costs, particularly logistics costs

and improve customer service by reducing lead time and leveraging our strong nation-wide distribution network. More importantly, this scale will further enable your Company to service India's growing demand for cement across the country reinforcing UltraTech's contribution to national development.

Our ambitious capacity expansion builds on the significant long term growth opportunity for the cement sector in India. India's infrastructure sector is poised for remarkable growth, with an estimated 15.3 percent compound annual growth rate (CAGR) in investments, projected over the next five years.

Infrastructure has a pivotal role in enabling India's ambition to become the third largest economy in the world with a GDP of 5 trillion dollars by 2027. In addition to growth, Infrastructure has another critical impact of catalysing economic aspirations even in remote rural areas through improved connectivity. It is your Company's goal to contribute impactfully to the nation's growth by providing the foundation for infrastructure that defines modern India.

It is heartening to note that your Company has had the distinction of being the preferred supplier of cement, concrete and speciality products to several iconic infrastructure projects which were operationalised recently including Mumbai Trans Harbour Link, Mumbai Coastal Motorway, Surat Diamond Bourse and Rajkot International Airport among others. And that's why at UltraTech, we say, **Banega toh Badhega India.**

Company Performance in Q1 FY25

Let me now briefly touch upon your Company's performance in Q1FY25. Your Company registered a strong performance in a challenging market context. Domestic sales grew 6% year-on-year (yoy) with capacity utilisation at 85%, well above the industry level. Consolidated Net Sales stood at Rs.17,879 crores and Profit after tax was at Rs.1,697 crores.

Dividend

Given the Company's commendable performance, the Board of Directors deemed it appropriate to consider an increase in dividend payout and proposed a dividend of 700% at the rate of Rs.70/- per equity share of Rs.10/- per share, totalling Rs. 2,020.84 crores. The dividend shall be taxed in the hands of shareholders at applicable rates of tax and your Company shall withhold tax at source appropriately.

On to Sustainability

As a leading global cement company, your Company is committed to driving the sustainability agenda for the sector. As a founding member of the Global Cement and Concrete Association, your Company is fully committed to the GCCA 2050 Cement and Concrete Industry Roadmap for Net Zero Concrete, and the sectoral pledge to produce carbon neutral concrete by 2050.

Your Company has taken a holistic approach to sustainability with a focus on five key pillars: enhancing operational efficiency, promoting material circularity, increasing use of green energy, embracing advanced technologies, and developing a range of eco-friendly products to mitigate our environmental footprint.

In FY24, your Company achieved its EP100 commitment ahead of the 2035 target year, doubling its energy productivity from the base year of 2010. This exemplifies our commitment to operational efficiency and reducing environmental impact.

As part of its RE100 commitment, your Company has significantly increased its renewable energy capacity by 77% and WHRS capacity by 32% in FY24 compared to FY23. As of FY24, your Company had 890 MW of Green Energy capacity. And this helped achieve 22% electricity substitution by green power in FY24. With planned increases in renewable energy and WHRS capacity, your Company is expected to soon touch a significant milestone of 1000 MW of

Green Power. Your Company aims to increase the overall share of green energy in its total energy mix to 85% by 2030.

We have similarly made significant progress in water stewardship. Your Company has successfully reused, recycled, harvested and recharged more than 105 million cubic meters of water in FY24 making it 5 times water positive in line with its stated ambition.

As part of the commitment to driving material circularity, your Company has continued to scale up the use of alternative fuels and raw materials (AFR) in its cement manufacturing operations. Your Company has successfully utilised over 33.6 million tonnes of recycled and alternative raw materials in cement production in FY 24. In addition to this, over 1.5 million tonnes of alternative fuels was utilised by the Company in FY24. The use of alternative fuels, which include industrial waste, municipal solid waste and agricultural waste, helps to contribute significantly to alleviating the pressing societal burden of increasing waste to landfill, reducing water pollution as well as improving the civic conditions in urban areas.

Your Company continues to harness multi-stakeholder collaborations in the ecosystem to explore technological breakthroughs required to accelerate the decarbonisation of cement manufacturing. The collaboration with Coolbrook to implement its RDH technology for electrification of the kiln operations as well as the partnerships with technology startups such as CarbonOro, Coomtech and Fortera put your Company at the forefront of sustainable cement manufacturing.

Our tremendous progress in key sustainability areas has earned us national and international recognition. The Carbon Disclosure Project (CDP), a global non-profit organisation, awarded your Company a 'B' score for 'Climate Action' and an 'A-' rating for 'Water Security' in their latest 2023 rating. Your Company has also been ranked among the top ten companies globally in the sector by S&P Global's CSA 2023. UltraTech is the only cement company from India to feature in the global top sectoral list.

Caring Corporate Citizen

Your Company actively contributes to the social and economic development of the communities in which it operates. This is done through focused interventions across education and capacity building, infrastructure, healthcare, and social reforms to transform life and livelihood opportunities in sync with the major United Nations Sustainable Development Goals (“SDG”).

Your Company takes a bottom-up approach to engaging with communities in a transparent and inclusive manner to understand on the ground challenges and needs.

In FY24, your Company has reached out to and positively impacted 1.8 million people in over 500 villages across India through its CSR interventions.

Conclusion

Before I conclude, I would like to acknowledge the pivotal role played by the employees of UltraTech. The ingenuity, passion and collaborative spirit of the UltraTech team is genuinely remarkable and makes me very proud.

On behalf of your Company’s Board, I convey our gratitude to all the banks, financial institutions, stakeholders, business associates and the Central and State Governments for their co-operation and support.

Let me express my deepest gratitude to each one of you, our shareholders. I look forward to your continued trust, confidence, and support.

Given the inherent strengths of your Company, we are poised for a sustained period of growth and success.

Thank you very much.

Kumar Mangalam Birla