India Cements

SH/ 23.07.2026

BSE Limited
Corporate Relationship Dept.
First Floor, New Trading Ring
Rotunda Building
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
MUMBAI 400 001.

Scrip Code : 530005

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (E)
MUMBAI 400 051.

Scrip Code : INDIACEM

Dear Sirs,

Sub.: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript of Earnings Call

In continuation to our letter dated 20th July 2026, please find enclosed the transcript of the Earnings Call held on 20th July 2026 on the unaudited financial results for the quarter ended 30th June 2026.

The same is available on the website of the Company i.e. www.indiacements.co.in.

Thanking you,

Yours faithfully,

for **THE INDIA CEMENTS LIMITED**

Krishnagopal Ladsaria

Digitally signed by Krishnagopal Ladsaria
Date: 2026.07.23 18:58:49 +05'30'

CHIEF FINANCIAL OFFICER

Encl.: As above

23rd July, 2026

BSE Limited
Corporate Relationship Department
Scrip Code: 532538

The National Stock Exchange of India Limited
Listing Department
Scrip Code: ULTRACEMCO

Sub: Transcript of Q1 FY27 Earnings Call of UltraTech Cement Limited ("the Company")

Dear Sirs,

In terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached transcript of the Q1 FY27 Earnings Call conducted after the meeting of the Board of Directors of the Company held on 20th July, 2026, for your information and record.

The same is also available on the website of the Company viz. www.ultratechcement.com.

Yours faithfully,
For UltraTech Cement Limited

DHIRAJ KAPOOR
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Date: 2026.07.23 18:14:14 +05'30'

Dhiraj Kapoor
Company Secretary and Compliance Officer

Encl: a/a

Luxembourg Stock Exchange
BP 165 / L – 2011 Luxembourg
Scrip Code:
US90403E1038 and US90403E2028

Singapore Exchange
11 North Buona Vista Drive,
#05-07 The Metropolis Tower 2,
Singapore 138589
ISIN Code:
US90403YAA73 and USY9048BAA18

"UltraTech Cement Limited

Q1 FY27 Earnings Conference Call"

July 20, 2026

MANAGEMENT: MR. ATUL DAGA – CHIEF FINANCIAL OFFICER

Moderator: Ladies and gentlemen, good day, and welcome to the UltraTech Cement Limited Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the call, please signal an operator by pressing star then zero on your touchstone phone.

I now hand the conference over to CFO, Mr. Atul Daga. Thank you, and over to you, sir.

Atul Daga: Good afternoon, ladies and gentlemen, and a very warm welcome to this Earnings Call. The one big theme for us quarter after quarter is demand. If the demand is good, everything falls in line, and I'm delighted to report that the first quarter of fiscal '27 has reaffirmed that conviction emphatically. The quarter began with the shadows of West Asia conflict, ended with a de-escalation and now we know where we are. Situation is still fluid. But with a double-digit volume growth and a demand pipeline across infrastructure, housing and urban real estate is as rich as it can be.

UltraTech has kicked off fiscal '27 with a very strong capacity base ready to serve the country, and we intend to grow like a challenger and not an incumbent. India's macroeconomic engines continue to demonstrate remarkable resilience. Even as global energy markets endured one of the most disruptive supply cycles, India's domestic consumption and investment flywheel kept turning. The Indian government is managing and planning its strategies supporting the industry at large in the country. Benchmark lending rates have remained attractive, improving housing affordability and lowering the cost of capital for infrastructure developers like us. There are near-term data points we watch very candidly. Coal sector growth slowing down in the month of May, lower coal and refinery output and aggregate state capex in April, May growing a modest 2% year-on-year. These are, I believe, timing effect and not any change in trends.

To give you a perspective of what is being announced and executed across the country because that is tomorrow's cement demand. First and foremost, if I were to call out, Maharashtra is planning a INR20,000 crores greenfield shipbuilding cluster anchored around Mazagaon Dock. Odisha has announced a deep seaport at a place called Ganjam, shipbuilding cluster at Paradip with investment of over INR50,000 crores. Tamil Nadu has signed ~INR18,000 crores MoU for data centres and shipbuilding projects. Ports, shipyards, data centres are among the most cement-intensive asset classes in the economy. The Cabinet has approved ~INR20,000 crores plus Ahmedabad-Dholera semi high-speed rail corridor. Metro programs continue to expand across Ahmedabad, Bangalore, Mumbai, Pune and Uttar Pradesh. There is additional ~INR30,000 crores infusion into NIIF with private capital across roads, ports and urban infrastructure. India's capex revival is also being propelled by power and data centres, both concrete hungry sectors.

Housing and urban real estate, roughly 55% to 60% of India cement consumption has a very strong start to calendar '26. Mumbai, the heart of construction activity in India, property registrations grew about 6%. Across India's top 8 cities, Q1FY26 saw a very big growth in the number of units sold as per the data available from registry records. Prices have remained strong for the real estate market, which means it's a structurally mature end user-driven market where the absorption is keeping pace with supply. Bangalore stood out on the strength of GCC and technology sector employment. Redevelopment space is equally significant for cement industry. Mumbai's Slum Rehabilitation Authority is set to redevelop about 850 acres of land. Developers are still land banking aggressively. Private sector real estate companies continue to acquire land parcels in various cities across the country. Commercial real estate is not getting left behind. India's grade A office market opened up with a very strong first quarter, I understand. Net-net, premium housing, redevelopment, office towers, hotels, this is urban India building upwards and outwards simultaneously and every square foot of it is built on cement. That gives us the confidence for cement demand growth.

Let me now turn to our own scorecard. Q1 was the highest ever first quarter performance for UltraTech across volumes, revenues, EBITDA and profit. In volumes, you've seen our presentation, we grew about 13.1% in volume terms for the domestic markets. Capacity utilization was stronger at 81% as compared to 76%, EBITDA of INR5,146 crores and PAT of INR2,604 crores which was up 17.2% over the last year same period. Interestingly, I'm very proud to tell you, we have converted the Kesoram and India Cements brands to 100% UltraTech. They were operating in B or C category space. We did not vacate that space. Post brand conversion, the true performance of UltraTech is visible. In fact, if you look at the brand growth, the brand has grown 21.3% over the same period last year. Our team has been successful in converting the customers who were buying a B or C category brand of cement into a A category brand of cement willing to pay a price premium.

Our domestic grey cement volumes growth of 13.1%, I believe will be well ahead of industry's growth, translating directly into market share gains. Capacity utilization of 81% in a seasonally transitioning quarter on an enlarged 200-million-ton base speaks to the depth of our demand pipeline. This is the most important feature of UltraTech, the power of our brand.

Revenues grew 16%, EBITDA rose 12% and ever highest INR5,000 crores plus EBITDA for April-June quarter, profits rose about 17%. Operating EBITDA per ton has been steady above INR1,200 this quarter as well. I wanted to appreciate the stability that it represents.

We have absorbed and are absorbing the sharpest imported fuel cost shock in recent memory, during the quarter, on a volume base enlarged by acquired assets that are still ramping up to system profitability, and we held per ton earnings essentially flat while growing absolute EBITDA 12%. That is cost discipline and operating leverage working exactly as designed. We hope that fuel prices will normalize in the near future. The acquired assets improvement capex-led cash flows through the P&L over fiscal '27 and '28, which will result in the per ton EBITDA trajectory only moving in one way in a sustainable direction i.e. upwards.

The discussion will not be complete if we don't talk about prices. Cement prices have been constructive during the quarter in the report. Our all India exit prices improved through June even as the monsoon now sets in, East and South led price improvements, Central and West were steady and North was more or less a consistent performer. Industry expects prices to hold broadly steady through the monsoon quarter due to the impact of increase in costs, which, frankly, is a constructive outcome for this time of year. With cost escalations of the past 2 quarters still to be fully passed through and demand momentum of the kind, we see a supportive price environment as a busy season approaches.

Our premiumization engine and blended cement in the trade mix continues to do quite a compounding work on blended realizations regardless of headline price movements. This is why our retail focus matters so deeply to us. The retail market is built around the individual customer IHP, the person, who decides what their house will be built with. For that customer, a home is a once-in-a-lifetime investment, representing a large part of their life's wealth. Hence, I believe cement is not just a commodity purchase. The customer does not shop for the cheapest bag. They reach for the brand they trust, the quality they can stake their families future on. That is the premium and that is why it endures. As India urbanizes, last data I have is about 35% of India is urban. We will reach about 39% by 2030. This compares to countries like Indonesia, which are already 59% urbanized. There's a long way to go for construction, development and urbanization.

We should quickly touch upon the West Asia crisis. Q1 '27 opened with the most disruptive situation, the Strait of Hormuz effectively closed. Nobody knew what Strait is, at least I did not know what Strait of Hormuz was before the war. Crude crossed $100 and our coal cost hit the roof. Things are still uncertain, but we are focused on achieving our targets. Through the crisis, our structural buffers did their job pretty well. Structural buffers, what I mean is our green power of about 1,897 megawatts met about 47% of our total power requirements at the end of this quarter. For the quarter, it was a lower number, but we have exited the quarter with 47% of our power being met by renewable sources, which are cheaper also. We continue to ramp up our AFR substitution and cement lead distance for this quarter has come down to 360 kilometres. We absorbed the shock better than any peer, and we will harvest the relief faster than any peer.

Permit me briefly to be slightly immodest because the data that I want to talk about clearly shows UltraTech's power. UltraTech's volume and profitability trajectory over the past few quarters has consistently outpaced the industry. June 2022 quarter, UltraTech grew 17.7% in volume terms, EBITDA of 1,230, whereas rest of the cement industry grew about 15.5% and ~800 EBITDA per ton. The numbers continued like this, June '23, 20% volume growth for UltraTech and 15.4% volume growth for rest of the industry and our EBITDA was higher by 25%. June '24, 6.5% volume growth and rest of the industry degrew, our EBITDA was 26% higher. June '25 and September '25, we had a bit of a shock in our volumes where we degrew, but we came back with a bang. December '25 quarter, we grew 15%, industry grew half our growth. March '26, we grew 9%, industry growing again less than half our growth. June '26, we have grown 13%, wait for the results to come out for rest of the industry, and we'll know where the market share gains are.

Capex is something which is at the heart of our growth story. Fiscal '26, we completed the year with about INR9,500 crores deployed on the capex program. This journey will continue in April '26 or in this quarter, around 12 million tons of new capacity has got commissioned in the country, out of which 8.7 million tons is by UltraTech, Shahjahanpur, Visakhapatnam and Patratu, tweaking our domestic capacity to 200.1 million tons and total capacity to 205.5 million tons.

Projects under execution for capacity growth are backed by a capex of about INR17,000 crores in the next 2 to 2.5 years. We'll take our consolidated capacity beyond 242 million tons with grey cement capacity to reach 212.7 million tons by the end of fiscal '27 and further balance to be completed in the next year. Every ton of committed expansion at UltraTech is fully backed by secured limestone. There is no raw material constraint anywhere on this growth trajectory. Alongside capacity, we continue to invest in structural cost advantages of green power, which now stands at 1,897 megawatts of renewable green power. Out of this, 71 megawatts of renewables and 19 megawatts of WHRS was commissioned in this quarter. We believe we will reach anywhere between 2.5 to 3 gigawatts very shortly. All these growth capexes, the cost improvement initiatives are all being funded with internal accruals.

We had started the year with a net debt EBITDA of 0.94 and the quarter, we have ended with 0.87x net debt to EBITDA. Our belief is, and we are confident that this year also, we'll end the net debt to EBITDA below 1x.

The call will not be completed if I don't speak about India Cements, what a turnaround story it has been for us. There has been small murmur around the revenue numbers. Let me clarify, whilst the printed number speaks about INR1,013 crores of revenues as compared to INR1,021 crores of revenue same period last year, but there's an accounting adjustment because if you look at net of freight cost, since we have started reporting ex-factory sales from Q1 '27, knocking off the freight costs, the revenues were INR993 crores as compared to INR821 crores on a like-for-like basis, which is a 21% growth in revenues, backed by a 19% growth in their volumes. This is a clearest illustration of a principle this management, UltraTech management, holds sacred. We deliver what we commit. When we acquired ICL, we told you it was a turnaround waiting to be unlocked. Sound assets in strong markets, held back only by years of underinvestment and subscale operating discipline. One year in, that turnaround is no longer a promise on the slide. It is a trajectory you can read in the numbers. The improvement has been sequential and unbroken. India Cements' EBITDA per ton has climbed from roughly INR386 per ton in Q2FY26 to INR400 to INR509 and INR603 this quarter. Gain, which is quarter after quarter exactly as we said it would be. And every lever behind that number is one we own. Brand migration to UltraTech is 100% complete. Premium and trade volumes are rising. Cost improvement capex of about INR2,000 crores is being deployed into waste heat recovery, preheater upgradation, cooler upgradation, etcetera, and a step change in the green power trajectory from around 3% of their power requirements to about 86% of their power requirements by the end of fiscal '28. You should also notice the rapid improvement in conversion ratio for India Cements. Today, we are already at 1.5x conversion ratio for India Cements production also.

Q2 fiscal '27 may look optically softer as the seasonal monsoon slowdown and the cost effects of West Asia disruption weigh on the quarter. But I would like you to look through that noise. The direction of travel is unmistakable and the destination is unchanged, and EBITDA of INR1,000 per ton for India Cements remains very much in sight with the full benefit of the capex program flowing through the P&L from Q4 fiscal '28.

Cables and Wires, the project is on schedule, on budget. We had approved an investment program of INR1,800 crores. Till the last quarter, INR888 crores has been spent or committed.

Channel partners onboarding is rapidly moving at a frantic pace. Facility setup is complete. Trial runs have commenced. Key regulatory approvals are in place. Leadership team is on board. The SAP systems, ERP systems are in place. CRM is under testing and will be live before the launch. We reaffirm commissioning and product launch in Q3 fiscal '27, October - December '26 quarter, precisely as committed to you when we announced this investment. We will be within our capex program, which we had announced earlier.

Let me close where I began. Demand is strong and broadening. Fuel cost, storm is a yoyo, we have to keep an eye on and wait through it, the West Asia crisis, I don't know when it will end. Our acquired assets are turning from integration effort into earnings engines. Our growth to 240 million tons is funded and under construction. And this year, we launched a new growth business in terms of cables and wires. We said we will cross 200 million tons; we did a year early. We said we would complete brand migration of India Cements and Kesoram, we did a quarter early. We said cables and wires would launch in Q3 fiscal '27, and it will. That consistency of delivery quarter after quarter is our foundation and commitment.

We remain very confident of a very bright future for the next quarter, the quarter after that and the quarter after that. Thank you for your continued trust in UltraTech.

And with that, I hand over the call for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from Amit Murarka from Axis Capital.

Amit Murarka: Congratulations on a great result. My question is now on capital allocation actually, like you seem to be well on track to exceed INR20,000 crores OCF maybe next year. And you mentioned that the capex plan is like INR17,000-odd crores over the next 2, 2.5 years. So how do you think this growing cash flow will get utilized across dividends, cement capex? And is there any plan to scale up the cables and wires building material capex further?

Atul Daga: Amit, as of now, we are fully booked in terms of our cash flows. All the operating cash flows will get ploughed back into growth. And beyond that, also, there is dividends for shareholders. As of now, I don't foresee any requirement for further investment in cables and wires. They will now first mature and milk the investment that they have done. So capital allocation to conclude, remains very committed to cement and shareholders.

Amit Murarka: Sure, sure. And just a second question on India Cements. So, I believe most of the targets you had in mind when you acquired the business is now nearing completion. Just wanted to understand like what are the steps that remain before you contemplate, let's say, merging the business into a stand-alone entity itself?

Atul Daga: There is a capex program underway, which we mentioned has to get completed. There are some non-core assets in terms of land, which we need to dispose of. So Q4 '28 or maybe a quarter earlier, we expect to complete our journey. So, there's a lot of work still happening. When we look at operating parameters, there are certain operating parameters, which we still need to bring under control or in line with UltraTech's stand-alone performance.

Amit Murarka: And is this fair to assume this time you've not reported the stand-alone volumes in the presentation or press release. So fair to assume that the entire volume that is mentioned over there is basically stand-alone in terms of grey cement?

Atul Daga: Yes, please.

Amit Murarka: Stand-alone, I meant, UltraTech stand-alone basically...

Atul Daga: Yes, entire India Cements is part of UltraTech volume.

Moderator: The next question is from Rahul Gupta from Morgan Stanley.

Rahul Gupta: So, a couple of questions. One, you have talked about you growing faster than the industry over the past few years. Now not just on volumes, you have been outperforming on cement pricing as well. Now if we look at other large players, they are able to either prioritize volumes or they prioritize pricing. But in your case, despite your base, you have been gaining share on both sides. Can you please help us understand what is working for you and not for others? That's my first question.

Atul Daga: Thank you, Rahul. I think you already spoke for us, you give the answer. But nonetheless, how should I begin? I think UltraTech is a brand that customers trust. Decades of consistent delivery, bag after bag, site after site, which has made UltraTech synonymous with reliability. Quality that we swear by. Every ton that goes out has to meet our quality standards. It's not that there are no complaints, if there are complaints, product complaints, they have to get resolved ASAP.

Our complete network of plants, whether it's integrated plant, grinding units or bulk terminals, everything is focused on meeting the customers' requirements. At Aditya Birla Group and as much as same as at UltraTech, the legacy of governance and ethical conduct is at its highest pecking order.

Dealers, institutional buyers, they know when they're dealing with UltraTech, that certainly is assurance for them and it requires and command a premium. We are able to meet our customers' requirements wherever we are present with today almost 76 operating facilities spread across the country. We are within the reach of a customer with a network of nearly 2,000 plus/minus warehouses, 150,000 channel partners across the country, our dedicated transporters, almost 50% plus of our transport service providers are dedicated to UltraTech. All these things put together bring forward a power which is very unique to UltraTech. I think, Rahul, it can be a commentary or a story, which I can tell you over a cup of coffee, which might extend for a couple of hours, but my story will not be complete.

But UltraTech today is in a position with more than what, 16,000 employees across the country and the network that I spoke about, our RMC plant network, which has been rapidly growing, 477 RMC plants, 5,000-plus UBS stores, which are dedicated dealers, if I can call them, dedicated outlets for UltraTech Cement besides any other building material clearly brings out a respect for UltraTech as a brand, which nobody else can come any close to.

Rahul Gupta: Got it. That's reassuring. My second question is partly data keeping. The last quarter, you mentioned that around INR20 per ton impact came in from the West Asia crisis. What would be that number for this quarter? And I know things are still volatile, but any guidance for the next quarter that may come up in terms of cost?

Atul Daga: Yes. So next quarter, which is July, September quarter will have a full impact of the war because we'll have all cost coming to a head from 1st of July plus monsoons. And monsoons are doing all right, if not too bad. But I know there are some pockets in the country, which are staring at a very dry spell. But generally, if monsoons are doing all right, maintenance, we would have a large number of kilns undergoing maintenance. So, maintenance costs will be there. Fuel is expensive. We have stocked up, but the cost of fuel will go up. I would expect the cost to go up by INR130 to INR140 per ton, all put together. I can't associate one line item with war and other with something else. But all put together, we should be going up around INR130, INR140 per ton.

Rahul Gupta: Got it. And what would be one-off cost inflation in the first quarter?

Atul Daga: In the first quarter was fuel cost and packing bags. Packing bags was the biggest cost impact than fuel.

Rahul Gupta: Any way that you can quantify what that number would be overall cost?

Atul Daga: Fuel cost, it's given in the presentation, from INR874, it went to INR915 per ton, which is a 5% increase.

Atul Daga: Yes, INR25 to INR40 per ton was increase in fuel cost alone. In quarter basis, but we had seen packing bags from an average cost of INR9 plus/minus going up to INR14, INR15 also before settling down somewhere around INR10 a bag. So, from a INR9 per bag, it went up to INR12 per bag average for the quarter. These 2 elements, so INR40 was on fuel and INR20, give or take, on bag.

Rahul Gupta: Got it. Thank you so much and wish you all the best.

Moderator: Thank you. The next question is from Indrajit Agarwal from CLSA. Please go ahead.

Indrajit Agarwal: Hi, thank you for the chance and congratulations on a good set of numbers. I have 2 questions. My first question has 2 parts on demand. Part of the demand has been helped by a drier weather, particularly in the month of June. Do you think that impacts demand negatively in the second half, particularly in rural areas?

Atul Daga: Yes. There are still some dry states. I was speaking to somebody in the morning. Rajasthan is going through a very dry patch right now. So that demand impact will be felt next year because they will have water crisis. The usual slowdown in monsoon quarters, June was, of course, as you said, dry, but July onwards, we have started seeing wet spells across various parts of the country.

Good thing is that barring 1 or 2 states, every state has experienced rains. So, it's not that bad. But it's still the first month of monsoons, we'll have to wait for August and September to tell us how the weather progresses and what is the impact of the dry/wet spell.

Indrajit Agarwal: And second part of the same question, do you see a step change in demand in East, which has been a laggard so far at least in the past?

Atul Daga: Yes. Yes, very much. Multiple states which have gone through elections, the land reforms, which is about to come in place in one of the Eastern states. The structural change, which will be visible, it's not next quarter story, but it's next 2, 3, 4 years story. East will witness good demand upcycle.

Indrajit Agarwal: My next question is on the fuel mix. Given that the correction we have seen in pet coke, let's say, in the past month or so, is it still more favourable to buy coal or do we see that mix...

Atul Daga: Pet coke has become more expensive in energy terms than coal. So yes, coal becomes more attractive to buy, domestic coal becomes more attractive to buy.

Indrajit Agarwal: Sure. And lastly, the INR130 to INR140 per ton impact that you mentioned, does it also include the impact of operating deleverage given that 2Q is generally a low volume quarter?

Atul Daga: Yes. All in, I'm looking at, maintenance cost, operating deleverage, if you want to call it, fuel costs. Packing bag luckily is not moving haywire. So, it's a usual July, September quarter impact, whether. We cannot really say it's happening because of the war, let's be honest with ourselves. It's a usual July, September quarter.

Indrajit Agarwal: Yes, because the quantum looks much lower than the seasonality. So, congratulations on that as well.

Atul Daga: That's UltraTech for you, my friend.

Indrajit Agarwal: Thank you.

Moderator: Thank you. The next question is from Prateek Kumar from Jefferies. Please go ahead.

Prateek Kumar: Congrats for great results. My first question is on if can you revisit your cost saving numbers? I think the last quarter, there were like for the next 2 years, we had like talking about upwards of INR200. Like how do you see...

Atul Daga: Prateek, what I had said also instead of looking at it quarter-by-quarter, we should look at it on an annual basis because this quarter, I show you something, and I'll have to show a negative performance in July, September quarter. Lead distance has come down further from 367 to 360 now so,7 kilometres of lead has come down, if you annualize it at, at least INR2.5 to INR3 per ton per kilometre, that's a saving which is visible upfront. The clinker conversion has improved to 1.5. That's a small improvement. Other than that, power consumption has gone down, which is visible in my presentation. Power rate has gone down because of our power mix changes, which is visible in our presentation. But at the end of the year, we will give a comprehensive number. That will make more sense to do a comparison.

Prateek Kumar: Sure. And on war impact on cost curve, so it was like expected that the impact of cost would be -- I mean you also, I think, presented in a slide like last time, upwards of INR250 to maybe a higher number. So, including this INR130, INR140 cost impact next quarter, all of it is in the cost now by the end of 2Q for the company?

Atul Daga: So, Prateek, what I talked about, INR250 would be expecting for the industry generally was not a very thorough number. But as I mentioned now, from where we are, now I'm speaking about UltraTech, INR130 to INR140 further increase in cost, and we would trigger measures to absorb these costs. So, we'll see what we can achieve. But cost increases could be anywhere between INR130 to INR140 per ton in the July, September quarter, and I cannot alienate what is because of war and what is the normal maintenance quarter.

Prateek Kumar: Last question on your capacity utilization of 81%. Can we like split it region-wise? And you said the East region is inflecting, but any specific demand trend on a regional basis?

Atul Daga: One second. So yes, 13.1% growth that we talk about, East was the slowest in April, June quarter, partly because of the elections, labor availability. South and North were a shade below 15%. West and Central were above 15%.

Prateek Kumar: Sure. Thank you. I will get back to the queue.

Atul Daga: Thanks, Prateek.

Moderator: Thank you. The next question is from Siddharth Mehrotra from Kotak Securities. Please go ahead.

Siddharth Mehrotra: Thank you for the opportunity and congratulations on a good set of numbers, sir. Given the backdrop in which we are now almost 30% of the overall market, and we seem to put no foot wrong. Sir, just wanted to know what do you think are, say, the top 3 challenges for our company, from a 5-year horizon?

Atul Daga: The challenge, I'm trying to think. I will think and come back in the queue. So, I really don't know. I'm not being hoity-toity over here, but the biggest challenge for the industry and for us would be if demand slows down, which I don't foresee happening. So, from that point of view, I think we are in a very good situation where we have 200 million tons of capacity, utilized at 81% this quarter, 200 million going to 240 million and there will be growth further very soon, we'll come back with our growth plans. As long as I think fundamentally, we believe as long as demand is there, everything else is immaterial. And as I mentioned, the urbanization factor, which is 35% in India, might reach about 39% by 2030, which is still way below as compared to most of the other markets.

So, if something were to happen structurally to demand growth and suddenly people are not buying houses and industrialization is not happening, data centers start vanishing from India and be done in Pakistan or anywhere else, that could be an issue, which I don't think is going to happen. So, demand remains strong. The challenge will be that we don't have capacity. We have to expand.

Siddharth Mehrotra: Got it, sir. This is well understood, sir. Sir, just wanted to check, there's a slide we have presented on raw material cost index. And I noticed that our limestone raising costs have gone up significantly, almost like 13% to 14% on a Q-o-Q basis, and they are at the highest level in the past 2 years. So, can you just tell us what has happened there? Why is this cost suddenly spiking?

Atul Daga: You know, I don't know what kind of vehicle you drive, petrol or diesel. And you didn't pay any higher price for fuel, but industrial diesel went up almost 50% from INR100 per liter to INR157. From INR78, INR80, my colleagues correct me from INR78, INR80 pre-war, it went up to INR150s during the war period. They had reduced it, but now I believe, again, prices are going up. So again, it's an upward movement. So, this diesel is a very big component and limestone raising cost, which impacted our raw material costs.

Siddharth Mehrotra: Understood, sir. This is essentially industrial diesel, which has been used?

Atul Daga: Yes. Industrial diesel.

Siddharth Mehrotra: Just sir, one last question. Sir, any sort of guidance or projections or any aspirations you have, say, for example, in the Wires and Cables segment, which is about to come online next quarter?

Atul Daga: Sky is the limit. So, we don't give any guidance. So, we would like to be profitable, grounded and grow with the market.

Siddharth Mehrotra: Got it, sir. Thank you.

Atul Daga: Thank you.

Moderator: Thank you. The next question is from Raghav Maheshwari from Equirus Securities. Please go ahead.

Raghav Maheshwari: Congratulations, sir, on the excellent results. Sir, just one thing I want to understand. As you mentioned in your opening remarks about brand power and premiumization. My question is regarding that how do you see Indian cement industry as a brand product play versus right now going into the market as a commodity product play? And what is your view on a brand power role in the trade market today and its importance evolving over the medium to long term?

Atul Daga: Thanks, Raghav. So, I think India is a retail market. From any wild stretch of imagination, if you look at the urbanization level in the country, the demand potential that exists, the RMC mix in the country, RMC as a percentage of overall business might not be more than 20%. That clearly says that where is the remaining cement getting sold, it's in the retail market. So as long as cement or India is the retail market for cement, it will remain a branded cement play, is my view, my personal opinion. And there is enough data available for you. As I told you, RMC, for us, it's about 3.5%. 3.5% of our sale is RMC. Our institutional customers would be 35% or thereabouts, give or take. 65% to 66% would be retail. If I marry this data point to India as a whole, as the demography of India, the spending habits of India, if you look at the number of cities, which are more than 1 million population, today, we have 63 cities which will reach to 71 cities by 2030. The point is there's a huge amount of urbanization required. If you look at cities with vertical housing, there are not too many. You can count them on your fingertips and now

Indian housing is verticalizing wherein corporate real estate is happening, but large part of the country remains to be individual homebuilder.

As long as India is an individual homebuilder market, it's a retail market, and that's where the retail markets bring the requirement of brand. Very unique market in India, not just cement, steel is also branded. There are several other commodities which if you step outside India and look at those are commodities, but India, for example, TMT, my colleague is telling me, TMT rebar, Tatas have steel, which is a branded product, JSW has a retail brand on steel. Paints in India is a big brand, because it's a retail market. Why are they brands? Because it's a retail market, and that's where cement also is in the same story. So, India is a retail market, and that's where brand play comes into picture. And I believe given the timelines that we look at, at least I don't know, very long number of years before India is fully urbanized. So, till then, you will have a brand play. I hope I have answered your question.

Raghav Maheshwari: Yes. Sir, is it a fair understanding that till the market level, we will not achieve almost 70%, 80% sales of cement via RMC or for the key customers, still the brand power will remain in the key focus, right?

Atul Daga: Yes. And if I were to correlate this with UltraTech, out of our total sale of 40 million tons or last year, total sales of 145 million tons, 3.5% was RMC sales. This is in spite of the fact that we have the largest number of RMC plants in the country. We have today 477 plants. So, RMC will be a surrogate. You go to any other market, you step to the neighbouring UAE, where RMC is the biggest customer for cement. And there, we don't have a brand play. As long as India is still very in its nascent stages in RMC, India will remain a branded cement player.

Raghav Maheshwari: Got it sir. Thank you all the best.

Atul Daga: Thank you.

Moderator: Thank you. The next question is from Raashi from Citigroup. Please go ahead.

Raashi: Thank you. My first question is on pricing. You mentioned that the June exit prices were higher in the South and the East. So, are you expecting like the overall monsoon quarter to average slightly higher than the prior quarter or flattish?

Atul Daga: Expecting higher is definitely everybody's desire. We will attempt it. We'll see where we land.

Raashi: Okay. Understood. Then industry volume growth would be how much during this quarter?

Atul Daga: Too early, but anywhere between 7% to 8%. We want to see some more results. But our marketing intel says it should be around 7% to 8%.

Raashi: And on the capital’s expenditure, the bulk of your expansion is getting concluded in FY28. So, beyond that, is there anything on the drawing board yet organic? Or is it going to be inorganic if at all opportunities come up?

Atul Daga: So inorganic, obviously, if there are opportunities, we will examine them. And our team has already got on to the drawing board to take us beyond 240. Once the plans are ready, we will come back with absolute micro details.

Raashi: Got it. And just one last question for me. The blended coal cost was how much during the quarter? And how much is it now?

Atul Daga: 1.9 Yes, that's you're asking was 1.9.

Raashi: On a coal cost basis and on a dollar basis, do you have a number?

Atul Daga: USD134 per ton.

Raashi: And where are we at now?

Atul Daga: Would be around INR2 per Kcal. And Raashi, INR2, I think we won't go beyond that because we are fully inventory loaded.

Raashi: Got it. Okay. Thank you.

Atul Daga: Thanks Raashi.

Moderator: Thank you. The next question is from Pulkit Patni from Goldman Sachs. Please go ahead.

Pulkit Patni: Thank you for taking my question. Sir, my first question is more a clarification to the question Indrajit had asked. Typically, between first and second quarter, just because of negative operating leverage, you have about a INR200 increase in cost per ton. Plus, obviously, there's increase in power and fuel cost. What you mentioned was the overall increase in cost would be more like INR120, INR130 per ton. I just want to make sure that I get this.

Atul Daga: Yes. There will be INR130 to INR140 cost pressure. And what Indrajit talked about negative operating leverage, there is a positive in that negative operating leverage also because our size has been continuously going up. So whatever volumes we sell will be significantly higher than earlier periods, which will give us still some advantage.

Pulkit Patni: But sir, still, I mean, so it will be 200 decline plus the increase in fuel cost? So that should be in the range of INR320, INR330 overall, right? Is that not right?

Atul Daga: No. I am looking at not 200 decline. I'm looking at 140 decline in terms of my 130 to 140 decline because of costs.

Pulkit Patni: Okay. Maybe I'll take it offline just to understand things better. My second question is on river linking.

Atul Daga: Pulkit, one second. What I was talking about is from the previous quarter.

Pulkit Patni: Sequentially?

Atul Daga: Sequentially, yes. I was not commenting on Y-o-Y because I think nobody looks at Y-o-Y these days.

Pulkit Patni: No. Absolutely. My question was also only sequentially.

Atul Daga: All right.

Pulkit Patni: Okay. But I'll need to get a better understanding. Sir, my second question is on river linking. You mentioned Ken-Betwa, which is the first project which is underway. Like just to understand, is river linking a very cement-intensive project, like because there could be more coming in India in the next few years. So just wanted to get a broad understanding like how cement intensive similar to like a hydropower plant would it be?

Atul Daga: Well, I don't have a comparison with hydropower plants, but river banks have to be done. Silting has to be done. And I don't know whether dams are required or not required, but river banks have to be built, which is concrete. And with the river banks being built, you have concrete structures on the either sides as well. So, we expect it to be very cement happy situation. But Vadhavan port, I forgot to mention, I should have mentioned now. I think multiple packages have already been awarded, which means that, that work will also commence for the country. So, a lot of positivity.

Pulkit Patni: Absolutely. No, thank you so much.

Atul Daga: Thanks Pulkit.

Moderator: Thank you. The next question is from Ashish Jain from Macquarie India. Please go ahead.

Ashish Jain: Hello. Hi sir, good afternoon. Sir, my first question is on dividend. How should we think about dividend? Because last year, what we paid had a one-off. Should we think it is more per share basis or as a percentage of profits, how should we think about it?

Atul Daga: Percentage of profits, that's the way our Board is looking at it.

Ashish Jain: But ex of one-off, is the more sustainable one to think?

Atul Daga: I'm sorry?

Ashish Jain: Ex of the one-off that we paid

Atul Daga: You call it special, be happy with it, but I'm expecting good dividends.

Ashish Jain: Right. Sir, secondly, in terms of pricing, let's say, in the short term, which is Q2, I understand pricing, we are hoping it to be resilient. But is there something for us to believe is a more structural change and shift on profitability focus, at least for us and hope that even if, let's say, input cost goes down in the later part, pricing and margins should structurally remain higher? Or there could be a focus shift to market share much faster with all the capacities that we are adding?

Atul Daga: I don't know you went too long; I have lost track of what you were saying. Can you repeat?

Ashish Jain: Sir, so what I'm saying is near term, the cost inflation will support pricing is the hope or expectation at least that we have. But in the later part, if input cost goes down, should we think that pricing will be at risk or given that we still focus on.

Atul Daga: I feel, Ashish, prices move with demand. If demand is strong, all India basis, then prices can go up. And if cost curve comes down, then obviously not necessary to prices to reduce.

Ashish Jain: Okay. Fine. Thanks a lot sir.

Atul Daga: Thank you.

Moderator: Thank you. The next question is from Pinakin from HSBC. Please go ahead.

Pinakin: Thank you sir. Two questions. If I look at the grey cement volume growth, in the fourth quarter, it was 9.3% year-on-year, in the first quarter it's 13.1%. So clearly the market is picking up. If the industry environment remains as it is, can we expect double-digit demand growth, double-digit sales volume growth for grey cement in FY27 for the company?

Atul Daga: Yes, we are targeting double-digit volume growth this year.

Pinakin: Okay. And what will you attribute to this acceleration in market share gains quarter-on-quarter?

Atul Daga: Pinakin, we spoke about it. I think the fundamentals of our brand are very strong. Our distribution network, our reach to the markets, our people, our quality, the brand which people trust, I mentioned about the whatever category you might want to call the old India Cement and Kesoram brands, they were certainly not A category brands. From their own B or C category markets, we have not lost a market share. What does it mean? That we have converted that market for a customer who was happy buying B and C category at a at a particular price point, now has got convinced to buy UltraTech at a higher price. That's where our strength lies, and that is where the whole growth trajectory is, that is where we are able to do better than the industry.

Pinakin: Sure, thanks. Just on the variable cost, especially packaging and energy. Now we understand Q2 would have a delayed flow-through of the prices that were prevailing in April and May. But if we take the spot prices of pet coke, of packaging, should we expect second half variable cost to be lower on a per ton basis versus the first half?

Atul Daga: Yes, logically yes. Now the war has to go out of the way, so that oil subsides and coal and pet coke, because ocean freight, my colleague was telling me just today, insurance premiums have gone up to 4%-5% for the ocean route as compared to less than 1%. So that is the kind of differences which the war is creating. Once the war is out of the way, things should stabilize and H2 hopefully, God willing, should be a better place in terms of cost.

Pinakin: Sure, thank you very much, sir.

Atul Daga: Thank you.

Moderator: Thank you. The next question is from Ritesh Shah from Investec. Please go ahead.

Ritesh Shah: Hi, sir, thanks for the opportunity. Congratulations for good set of numbers. Three quick questions. Sir, first on wires and cable, what is the sort of working capital days that we are looking at?

Atul Daga: So initially we will have a higher working capital because we have to pile up, ramp up inventories. But going forward and structurally we are working on financing our suppliers on cables and wires which should release working capital. So, excuse me for having a higher working capital for the next six months after which we start stabilizing and coming down to 30 days plus-minus of working capital. I don't have a number readily, but that's the intent.

Ritesh Shah: But sir, specifically on the inventory days, I think, again we will be procuring from Hindalco, given the lead distance it's quite low over here.

Atul Daga: Four hours, four hours.

Ritesh Shah: Exactly, so there should be tangible benefit on the denominator on working capital over here, right?

Atul Daga: Yes, please. That's what I'm saying. So, I don't have a handle on exact number which we'll land with, but April-June '27 should be a period to see a stable number. Right now, it'll be a ramp-up of working capital.

Ritesh Shah: Sure. Sir, my second question is we've already commissioned 55% of what we are supposed to commission for the full year. We are adding almost 45 million tons FY27- FY28. Would you like to put a certain number, say for our capacity addition FY27- FY28? This is like what percentage of the market? Probably you can qualify it from a capacity share or a market share, either of it will help?

Atul Daga: So, this I think we'll have to work out and give it to you, but March '28 we should exit with 235 million tons in India. We will end 212 million tons March '27, so that's a balance coming up to a 22-25 million tons the next year.

Ritesh Shah: As per your estimates, how much is the industry capacity addition in '27-'28?

Atul Daga: We'll have to again recalibrate it, Ritesh, because whatever I hear some industry players are wanting to revisit their expansion plans. So, when we have a firm number there, then only I think you would be in a better position to tell me what is the industry growth expected. You know my number, we will reach at 235 million tons to end of March '28 from 200. something today. So, we have 37 million tons coming in '27 and '28.

Ritesh Shah: Perfect. Sir, just last question, you covered most of the variables, we didn't hear magical INR1,400 per ton number from you. Would you like to qualify timelines over here?

Atul Daga: I have already called it out n number of times. There's no point in repeating it. January-March '28 quarter without any war.

Ritesh Shah: Without any war. Okay, cool. Thank you, sir.

Moderator: Thank you very much. We'll take that as the last question. On behalf of UltraTech Cement Limited, that concludes this conference. Thank you for joining us, ladies and gentlemen. You may now disconnect your lines.

Disclaimer - The transcript has been edited for language and grammar; it however may not be a verbatim representation of the call.