

Q2 FY19 Financial Performance

Share [f](#) [t](#) [in](#)

14 NOVEMBER, 2018

Grasim Reported excellent financial results for Q2FY19 recording all-round growth.

- Consolidated Revenue: Rs. 16,795 Cr. EBITDA: Rs. 2,854 Cr.
- Standalone Revenue: Rs. 5,118 Cr. - up 26% YoY
- Standalone EBITDA: Rs. 1,352 Cr. - up 28% YoY
- Standalone PAT Before exceptional item: Rs. 817 Cr. - up 30% YoY

| Rupees in crore | | | | | | |
|----------------------------|---------|---------|--------------|---------|---------|-----|
| Standalone | | | Consolidated | | | |
| | Q2 FY19 | Q2 FY18 | | Q2 FY19 | Q2 FY18 | |
| 26% | 5,118 | 4,059 | Net Revenue | 16,795 | 13,570 | 24% |
| 28% | 1,352 | 1,054 | EBITDA | 2,854 | 2,817 | 1% |
| 32% | 1,113 | 845 | PBT | 1,636 | 1,592 | 3% |
| 30% | 817 | 628 | PAT | 626 | 613 | 2% |
| (Before Exceptional Items) | | | | | | |

The Standalone cash profit for the quarter was Rs. 1,041 Cr. up by 29% YoY

The Standalone PAT (after exceptional item) was (-) Rs. 1,187 Cr. after considering a one-time non-cash exceptional item of Rs. 2,003 Cr. The Consolidated PAT (after exceptional items) was (-) Rs. 1,446 Cr.

With the merger of Vodafone India Ltd. with Idea Cellular Ltd., the Company’s shareholding in the merged entity, Vodafone Idea Ltd. (VIL) now stands at 11.55%. Consequently, VIL ceased to be an ‘Associate’ of the Company with effect from 31st August 2018. Accordingly, the share in PAT of VIL has not been consolidated with effect from 31st August 2018. The exceptional item of Rs. 2,003 Cr. represents the difference between Book Value and Fair Value of VIL as on 30th August 2018. This has been charged to the Profit and Loss Account, consequent to VIL ceasing to be an ‘Associate’.

Viscose Business

The Net Revenue for Q2FY19 at Rs. 2,606 Cr. is up by 23% and EBITDA at Rs. 576 Cr., rose by 23% vis-à-vis the comparable quarter of the earlier year

The VSF business reported quarterly production and sales volume of 137KT and 136KT respectively. The share of the domestic sales in the overall sales rose to 84% in Q2FY19 from 70% in Q2FY18, led by a robust demand.



direction.

The Brownfield capacity expansion plan of 219 KTPA at Vilayat is progressing well. Significant ordering of the long lead items has been done. Work at site has commenced with the ground breaking ceremony in October 2018.

Chemical Business

Caustic soda prices softened sequentially led by capacity restarts in China and Europe. The overall demand for caustic soda is expected to remain stable going forward.

The Net Revenue for the quarter rose by 38% YoY to Rs. 1,612 Cr. and EBITDA by 60% YoY to Rs. 456 Cr. driven by better realization and higher sales volume. The management focus on increasing the volume of speciality products (chlorine based value added products) continues.

The phosphoric acid plant of 29KTPA at Vilayat (Gujarat) has been commissioned, taking the total capacity of the Company to 54KTPA.

Capex Plan

The total capex plan of ~ Rs. 7,500 Cr. (at standalone level) is under execution for raising capacities in both the VSF and Chemical businesses, apart from maintenance capex at various plants. This capital expenditure will be incurred over FY19-FY21 and will be majorly funded by internal accruals. The cash profit generated in H1FY19 is over Rs. 1,900 Cr.

Cement Subsidiary - UltraTech

UltraTech reported Consolidated Sales Revenue of Rs. 8,151 Cr. up 20% (YoY) and EBITDA of Rs. 1,446 Cr. in Q2FY19. The consolidated sales volume registered an increase of 18% on YoY basis to 16.6 MTPA.

UltraTech has successfully completed the integration of 21.2 MTPA cement capacity acquired in July 2017. As the next phase of improvement, the Company is exploring for the investments in WHRS systems at these plants.

UltraTech's total capacity will stand augmented to 111.1 Mn MTPA upon completing the ongoing expansion and the acquisition of Cement business of Century Textiles and Industries Ltd. and this includes overseas capacity. The said scheme of arrangement has been approved by CCI and the shareholders of both the companies.

Financial Services Subsidiary – Aditya Birla Capital Limited (ABCL)

ABCL's Revenue for Q2FY19 at Rs. 3,590 Cr. Recorded an increase of 33% YoY. Net Profit for the quarter was Rs. 195 Cr. against Rs. 225 Cr. in Q2 of the previous year. Compared to previous year, the Net Profit for Q2 FY19 includes an increase of Rs. 34 Cr. mainly due to interest cost and brand spends at ABCL standalone. Additionally an adverse impact of Rs. 42 Cr. has been factored given the change in the fair valuation of investments.

ABCL's lending book (including housing) grew 30% YoY to Rs. 57,945 Cr. in Q2FY19 from Rs. 44,675 Cr. (Q2FY18), backed by well-matched Asset and Liability mix. The lending book is of high quality with Gross NPA of 93 bps and 71 bps in NBFC and HFC respectively.

Mutual Fund assets under management reported 11% growth at Rs. 2.72 Lakh Crore YoY. Equity AUM are over Rs. 1 Lakh Crore with steady market share of 9.04% in Q2 FY19, despite the challenging market scenario. SIP book grew to approximately 29% of equity AUM. The monthly SIP book (including STP) crossed Rs. 1,000 Crore: approximately 3x growth over last 2 years.

The annualised Premium Income (APE) for Life Insurance business grew by 60% YoY vs 10% industry growth for H1 FY19. Persistency ratios are improving consistently. The 13 month persistency ratio improved by 6.4% to 74.1% in H1 FY19 over last two years.

In the Health Insurance business, gross written premium crossed Rs. 100 Cr. in Q2FY19.



chemicals, achieving better customer connect through brand LIVA and intensive research work in enriching the product mix through a larger share of specialty fibre. To cater to the expanding market, the Company has commenced brown field capacity expansion at Vilayat as mentioned.

The Chemical business is witnessing a healthy growth with a good demand momentum in the downstream industries for both caustic soda and specialty products. To meet the increasing customer demand, the Company has initiated a brown field capacity expansion for caustic soda as well as specialty chemicals, taking the total caustic soda capacity to 1,310 KTPA by FY22.

In Cement, demand is witnessing an upward movement with higher spends on infrastructure and government sponsored programs. With the additional capacities acquired through the organic and inorganic route and its rapid ramp-up. UltraTech is very well placed to participate in the growth of the economy.

In Financial Services, ABCL has built a leadership position in a number of businesses. It is in the unique position of being able to provide Universal Financial Solutions to meet customers' money needs for life. ABCL's focused customer-centric approach under a single brand "Aditya Birla Capital" enables it to chart a differentiated and disciplined path to growth.

Cautionary Statement

Statements in this "Press Release" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities law and regulations. Actual results could differ materially from those express or implied. Important factors that could make a 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 Government 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, on the basis of any subsequent development, information or events, or otherwise.



ADITYA BIRLA GROUP

Grasim Industries Limited, part of the **Aditya Birla Group**, ranks amongst the top publicly listed companies in India

Contact us

Birlagram, Nagda 456 331
Madhya Pradesh, India

Tel: [91-7366-246760](tel:91-7366-246760) / [246766](tel:91-7366-246766)

Fax: 91-7366-244114 / 246024

Email: grasim.secretarial@adityabirla.com

Follow us on: