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14th November 2024

BSE Limited
Script Code: 500300 / 890190

National Stock Exchange of India Limited
Symbol: GRASIM / GRASIMPP1

Dear Sir/Madam,

Sub: Press Release

Please find enclosed the press release on the Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and half year ended 30th September 2024.

The above is for your information and record.

Thanking you,

Yours sincerely,
For Grasim Industries Limited

Sailesh Kumar Daga
Company Secretary and Compliance Officer
FCS - 4164

Encl: as above

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CREATING AND SCALING GROWTH ENGINES FOR A GROWING ECONOMY

KEY HIGHLIGHTS – Q2FY25

- ✓ **Revenue:** Consolidated revenue stood at ₹33,563 Cr., up 11% YoY; TTM revenue at ₹1,37,116 Cr.
- ✓ **Cement:** Added new grey cement capacity of 9.9 Mn TPA (in current FY till Oct'24), taking total grey cement capacity (domestic + overseas) to 156.1 Mn TPA
- ✓ **Birla Opus:** Production ramping up at three plants commissioned in Q1FY25 and trial run commenced at Chamarajanagar and Mahad
- ✓ **Financial Services:** Total Lending Portfolio* stood at ₹1,37,946 Cr., up 27% YoY
- ✓ **Cellulosic Staple Fibre:** Highest ever quarterly sales volumes at 219 KT
- ✓ **Chemicals:** Improved profitability in Chlorine Derivatives and Specialty Chemicals

*Lending Portfolio (NBFC + HFC)

Grasim Industries Limited today announced its financial results for the quarter ended 30th September 2024 (Q2FY25). Consolidated revenue stood at ₹33,563 Cr., up by 11% YoY, driven by the superior performance of Financial Services, Cellulosic Staple Fibre and Specialty Chemicals businesses. Consolidated EBITDA declined by 10% at ₹4,042 Cr., as a result of lower profitability in the Cement business and initial investments in the Paints business under brand 'Birla Opus'. The results are in line with our plan to build a strong consumer-facing business. Further, higher interest and depreciation charges on account of investments in the Building Materials and Renewables businesses has led to lower PAT.

CONSOLIDATED FINANCIAL RESULTS

₹ Cr.

| H1FY25 | H1FY24 | YoY | | Q2FY25 | Q2FY24 | YoY |
|--------|--------|-------|------------------------|--------|--------|-------|
| 67,424 | 61,286 | 10% | Revenue | 33,563 | 30,221 | 11% |
| 8,802 | 9,490 | (7%) | EBITDA | 4,042 | 4,509 | (10%) |
| 1,662 | 2,740 | (39%) | PAT[^] | 473 | 1,164 | (59%) |

[^]owner's share of PAT excluding exceptional items.

Cellulosic Fibres (Cellulosic Staple Fibre - CSF and Cellulosic Fashion Yarn - CFY)

China operating rates averaged at 86% in Q2FY25, higher compared to 82% in Q1FY25. Additionally, inventory levels reached its lowest levels of 8 days. Improving demand scenario in China has led to the third consecutive quarter of price improvement in CSF prices from an average of \$1.51/kg in Q3FY24 to \$1.65/kg in Q2FY25.



CSF business achieved its highest ever quarterly sales volume at 219 KT up 4% YoY led by stable domestic demand. EBITDA Margins improved on the back of higher sales volume and improving trend in global prices. Volume growth in CFY business was driven by festive demand, however realisation remains under pressure due to Chinese producers' aggressive pricing for the Indian markets. Cellulosic Fibres segment reported revenue of ₹4,125 Cr. and EBITDA of ₹494 Cr., marking a YoY increase of 6% each.

Chemicals (Chlor-Alkali, Chlorine Derivatives and Specialty Chemicals)

Caustic Soda international average spot prices (CFR-SEA) recovered for the fifth consecutive quarter to \$471/ton in Q2FY25, up 13% YoY. Domestic realisations also improved, however ECU realisations declined by 4% YoY to ₹30,650/ton mainly due to increased negative chlorine realisations on account of continued oversupply conditions.

The Chemicals business revenue stood at ₹2,054 Cr., up 3% YoY. Caustic soda sales volume was down by 4% YoY due to lower production on account of maintenance shutdown of the captive power plant at Vilayat. EBITDA for the Chemicals segment stood at ₹273 Cr. up by 16% YoY driven by higher profitability in Chlorine Derivatives and Specialty Chemicals businesses.

Building Materials (Cement, Paints and B2B E-commerce)

Building Materials segment reported revenue of ₹16,683 Cr., up 3% YoY driven by Paints and B2B E-Commerce businesses. EBITDA stood at ₹1,886 Cr., down 28% YoY, mainly due to lower realisations in cement business and initial investments in building a consumer facing brand 'Birla Opus' in the Indian decorative paints market.

Consolidated sales volumes of the Cement business (UltraTech) were up by 4% YoY to 27.84 MT and ready-mix concrete sales volumes grew by 19% YoY to 3.01 Mn m³. UltraTech Building Solutions (UBS) outlets increased to 4,236, contributing 19.4% of total sales. During the year, UltraTech added 9.9 Mn TPA of grey cement capacity (till Oct'24) with a target to reach total grey cement capacity of 162.4 Mn TPA in FY25.

In the paints business (Birla Opus), production is steadily ramping at its three plants - Ludhiana, Panipat and Cheyyar commissioned in Q1 of this financial year. Trial production has started at Chamarajanagar and Mahad plants. The new advertisement campaign '**Naye Zamane ka Naya Paint**' was launched across print, TV, digital and outdoor channels after the successful launch of the first media campaign '**Make life Beautiful**'. The new advertisement campaign focuses on innovative features and superior product quality across interior, exterior & waterproofing paints by 'Birla Opus'. The product availability has increased to 129



products with 900+ SKUs already placed in the distribution channel. The product reach has increased to 4,300+ towns being serviced from 114 depots operational across India. The product quality is garnering excellent feedback and good demand is witnessed from contractors and consumers at the dealers' network leading to increase in counter share. The total Capex for the business is ~₹8,470 Cr. till September 2024, ~85% of the planned Capex outlay.

Birla Pivot, the B2B E-Commerce business revenue continues to grow in-line with the plan and remains on track to achieve revenue of \$1 billion in three years as announced in FY24. The business has expanded its product offerings across 35 product categories comprising 40,000+ SKUs sourced from 300+ Indian and International brands. Birla Pivot continues to expand its geographical reach with delivery to 375 cities across 26 states and union territories.

Financial Services

Revenue and EBITDA of the financial Services business (Aditya Birla Capital), as consolidated in accordance with Ind AS, stood at ₹10,252 Cr. and ₹1,280 Cr., registering growth of 33% and 25%, respectively. The overall lending portfolio (NBFC and HFC) increased by 27% YoY to ₹1,37,946 Cr. The total AUM (AMC, life insurance and health insurance) crossed the milestone of ₹5,00,000 Cr., with a growth of 24% YoY. The business continues to focus on leveraging technology to provide customers an omni-channel experience. During the quarter, the D2C platform, ABCD (Aditya Birla Capital Digital), introduced new products such as digigold gifting, family health scan, gold loan and pocket insurance. ABCD application manages +2.5 mn customers as of Oct'24. Udyog Plus, the channel addressing the needs of MSMEs, continues to scale up well with 16 lakh+ registrations and a total AUM of ~₹2,900 Cr.

Other Businesses (Textiles, Renewables and Insulators)

Revenue from other businesses stood at ₹778 Cr. and EBITDA stood at ₹45 Cr. In Renewable business cumulative installed capacity crossed milestone of 1 GW, up 21% from 894 MW in Mar'24.

Capital Expenditure

Capital expenditure for H1FY25 stood at ₹1,884 Cr. The budgeted standalone capex for FY25 is ₹4,691 Cr., of which ~₹3,000 Cr., is towards new growth businesses. Additionally, the Board has approved an investment of ₹287 Cr. (₹118 Cr. to be spend in FY25) for additional pulp capacity at Harihar and ₹20 Cr. for Textiles business.



Sustainability

For FY24, Grasim has achieved its highest ever S&P Global ESG Score of 71 by Dow Jones Sustainability Index (DJSI), recognising our sustainability initiatives. The Company remains committed to increase the adoption of renewable energy and water recycling across manufacturing units. On a standalone basis, the proportion of recycled water consumption to freshwater consumption improved to 52%. The share of renewable power consumption on Standalone Businesses stood at 11%.

Outlook

Grasim Industries Limited with its significant presence across businesses is well positioned to capitalise on the opportunities in diverse sectors of the fast-growing Indian economy. The Government's continued focus on infrastructure & housing, manufacturing, financialisation and thrust on increasing economic prosperity of the large section of people augurs well for the Company.

About Grasim Industries Limited

Grasim Industries Limited, a flagship company of the Aditya Birla Group, ranks amongst the top publicly listed companies in India. Incorporated in 1947, it started as a textiles manufacturer in India. Today, it has evolved into a leading diversified player with leadership presence across many sectors. It is a leading global producer of Cellulosic Fibres, Diversified Chemicals, Fashion Yarn and Fabrics producer in India. Implementing next phase of transformational growth journey, the company has entered paints business under the brand name 'Birla Opus'. Out of the six plants to be set-up for manufacturing decorative paints across pan India locations, three plants commenced operations in Apr'24. Leveraging the Group synergies, Grasim has launched 'Birla Pivot', the B2B online marketplace for building materials. Through its subsidiaries, UltraTech Cement, Aditya Birla Capital and Aditya Birla Renewables, it is also India's prominent cement producer, leading diversified financial services player and clean energy solutions player. At Grasim, there is an endeavour to create sustainable value for 45,000+ employees, 2,52,000+ shareholders, society, and customers. The company reported consolidated net revenue of ₹1,30,978 Cr. and EBITDA of ₹20,837 Cr. in FY 2024.

GRASIM INDUSTRIES LIMITED

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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 expressed 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, based on any subsequent development, information or events, or otherwise.