Birla Corporation Limited
Corporate Office:
1, Shakespeare Sarani,
A.C. Market (2nd Floor), Kolkata 700 071
P: 033 6603 3300-02
F: +91 332288 4426
E: Coordinator@birlacorp.com

23rd October, 2024

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001
Scrip Code: 500335

National Stock Exchange of India Ltd.
'Exchange Plaza', C-1, Block G,
Bandra-Kurla Complex, Bandra (East)
Mumbai- 400 051
Scrip Symbol: BIRLACORPN

Dear Sir(s),

Sub: Press Release

Please find enclosed herewith a copy of the Press Release issued by the Company after the conclusion of the Board Meeting held on 23rd October, 2024.

A copy of the same will also be uploaded on the Company's website at www.birlacorporation.com.

This is for your information and record.

Thanking you,

Yours faithfully,
For **BIRLA CORPORATION LIMITED**

MANOJ MEHTA Digitally signed by MANOJ MEHTA Date: 2024.10.23 16:26:03 +05'30'

(MANOJ KUMAR MEHTA)
Company Secretary & Legal Head

Encl: As above

Birla Corporation Limited
Registered Office:
Birla Building, 9/1 R. N. Mukherjee Road,
Kolkata 700 001
CIN: L01132WB1919PLC003334
Corporate Office:
1, Shakespeare Sarani,
A.C. Market (2nd Floor), Kolkata 700 071
P: 6603 3300/01/02 F: 2288 4426
E: coordinator@birlacorp.com
www.birlacorporation.com

Press Release (Q2 2024-25)
23 October 2024

Birla Corporation navigates market headwinds with cost & top-line management to deliver Q2 EBITDA of Rs 194 crore

Kolkata, 23 Oct.--Navigating extreme headwinds by cost and top-line management, through product, premium and geo-mix tweaking, helped Birla Corporation Limited post a September quarter consolidated EBITDA of Rs 194 crore against Rs 316 crore in the same period last year.

In the traditionally weak monsoon quarter, cement demand was sluggish and prices plummeted to record lows in all key markets. The Company's EBITDA per ton from cement sales for the September quarter was at Rs 461 compared to Rs 683 in the same period last year. The Cement Division's EBITDA margin at 9.8% for the September quarter represents a contraction of around 300 basis points from a year ago.

The Company's consolidated revenue at Rs 1,970 crore was down from Rs 2,312 crore in the same period last year. Birla Corporation Limited's cement sales by volume during the September quarter at 3.97 million tons (mt) was down 5% year-on-year, which is in line with industry estimates of a similar contraction in overall demand. Extended monsoons, floods and a slow pick-up in Government demand were largely responsible for the unusually weak demand.

	Q2/FY25	Q2/FY24	Change	H1/FY25	H1/FY24	Change
Revenue	Rs 1,970 crore	Rs 2,312 crore	(14.8%)	Rs 4,177 crore	Rs 4,735 crore	(11.8%)
EBITDA	Rs 194 crore	Rs 316 crore	(38.6%)	Rs 470 crore	Rs 630 crore	(25.4%)
Cash profit	Rs 109 crore	Rs 221 crore	(50.7%)	Rs 299 crore	Rs 437 crore	(31.6%)
Net profit	(Rs 25 crore)	Rs 58 crore		Rs 7 crore	Rs 118 crore	(94.1%)
Realisation/ton*	Rs 4,697	Rs 5,178	(9.3%)	Rs 4,762	Rs 5,179	(8.1%)
EBITDA/ton*	Rs 461	Rs 683	(32.5%)	Rs 536	Rs 673	(20.4%)

*for Cement Division only

MANOJ MEHTA Digitally signed by MANOJ MEHTA Date: 2024.10.23 16:27:18 +05'30'

Despite adverse market conditions, the Company was able to achieve an overall capacity utilization of close to 80%, and around 90 % in core markets.

With realization per ton from cement sales in the September quarter at Rs 4,697, the Company contained decline at 3% sequentially through a strategy of increasing share of premium products, improved geo-mix and selective participation in the non-trade segment, where prices were impacted owing to intense competition.

The Mukutban plant of the Company's subsidiary, RCCPL Private Limited, has achieved the best-in-class all-round performance: it optimized product mix and stabilized market footprint. As market conditions improve, the Company's mid-West operations are expected to improve profitability

Manufacturing assets of the RCCPL plants at Maihar, Kundangunj and Mukutban are among the most efficient units in the industry, and are to be the key growth drivers of the Company, going forward. Several initiatives are being taken to improve the operational efficiencies and cost parameters of the other manufacturing facilities of the Company.

Work on Kundangunj Line 3 with a capacity of 1.4 mt is continuing full steam, and it is expected to be commissioned by the first quarter of the next financial year.

The initiatives undertaken by the Company in the post-Covid environment to bring about excellence in manufacturing, supply-chain and logistics paid off by reducing variable costs in cement production by 11% from the previous year.

While ramping up the share of renewables in total power consumption to 25%, against 23% a year ago, the Company rationalized its power and fuel costs by optimizing fuel mix and increasing generation from the Waste Heat Recovery System (WHRS). Helped by a sharp drop in pet coke prices, the Cement Division's power and fuel costs for the September quarter were down 16% from the previous year.

Project Shikhar, the Company's ongoing efficiency improvement and cost rationalization drive, continued to deliver incremental savings in manufacturing for the sixth consecutive quarter. It is estimated that in the September quarter, various initiatives under *Project Shikhar* together led to savings of around Rs 42 per ton in manufacturing costs. It remains a work-in-progress and for the current financial year, the Company has identified as many as 287 projects to rationalize operating costs.

MANOJ MEHTA Digitally signed by MANOJ MEHTA Date: 2024.10.23 16:27:00 +05'30'

Project Unnati, which is aimed at improving efficiency in sales, marketing and logistics functions with adoption of digitization across the board, has helped the Company rationalize cost, improve geo-mix and provide better customer service. During the September quarter, the entire outsourced logistic operations have been covered under the IT-enabled logistics management system.

Alongside, Birla Corporation Limited continued to push sales of premium products even amid flagging sales. Sales through the more profitable trade channel was maintained at 71% of the total sales, roughly the same as a year ago. Share of blended cement in total sales was a tad lower than last year at 83%.

	Q2/FY25	Q2/FY24	H1/FY25	H1/FY24
Sales (by volume)	3.97 mt (down 5%)	4.18 mt	8.35 mt (down 2.3%)	8.59 mt
Capacity utilisation	78%	83%	85%	87%
Blended cement	83%	85%	83%	87%
Trade channel	71%	72%	71%	74%
Premium cement	62%	54%	60%	56%

In its pursuit of scaling up consumption of green power, Birla Corporation Limited has entered into an agreement with a private enterprise to provide 12 MW of renewable power at the Maihar unit. The supply of power from this captive unit is expected to start within the current financial year.

Jute Division: Weighed down by flagging orders both from within the country and overseas, the Jute Division reported a cash loss of Rs 2 crore for the September quarter against a cash profit of Rs 4 crore a year ago. Production during the quarter was cut from standard 77 days to 57 days, leading to a decline in production from 8,738 tons a year ago to 6,592 tons in the September quarter. Though production of value-added goods was stepped up to 1,512 tons from 1,069 tons a year ago, export revenue dropped 41% year-on-year to Rs 12 crore.

Outlook: The Company remains cautiously optimistic about the December quarter. With the festive season continuing till mid-November and assembly elections being held in Maharashtra, recovery in demand is expected to be delayed till end-November. However, a good Rabi crop and Central Government expenditure on infrastructure announced in this year's Union Budget are expected to provide impetus to the economy. On balance, with moderate increase in prices and visible uptick in demand, one expects the cement industry to recover the losses of the last two quarters with buoyant performance in Q4 of the current financial year.

MANOJ MEHTA Digitally signed by MANOJ MEHTA Date: 2024.10.23 16:26:41 +05'30'

Birla Corporation Limited is the flagship Company of the MP Birla Group. Incorporated as Birla Jute Manufacturing Company Limited in 1919, it was given shape by Syt MP Birla. The Company has interest in cement and jute goods. Its Birla Jute Mills is the first jute mill started by an Indian entrepreneur. The Company and its subsidiary, RCCPL Pvt Ltd, have 10 cement plants, in eight locations, across the country, with an annual installed capacity of 20 million tons. The Company produces an array of cement products, under the MP Birla Cement brand, suited to different climatic conditions as well as consumer segments. It also sells construction chemicals and wall putty.
For more information, visit www.birlacorporation.com

DISCLAIMER

MANOJ MEHTA Digitally signed by MANOJ MEHTA Date: 2024.10.23 16:26:17 +05'30'