



Birla Corporation Limited

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8th August, 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 8th August, 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 KUMAR MEHTA)

Company Secretary & Legal Head



Press Release (Q1 2024-25)
8 August 2024

Birla Corporation's June quarter capacity utilization at 91% in contracting market

Kolkata, 8 Aug.: Unusually weak cement prices and sluggishness in demand, coupled with an unprecedented downturn in the jute industry, weighed down Birla Corporation Limited's June quarter profitability.

In the face of contracting demand, the Company's sales by volume fell less than 1%, thanks to improved capacity utilization at its Mukutban unit. Alongside, its Jute Division suffered a setback in the June quarter as the Government scaled back orders for jute bags and export of shopping bags was hobbled by logistical constraints.

Consolidated revenue for the June quarter at Rs 2,207 crore was down 9%, while EBITDA at Rs 275 crore was 12% lower than last year. Cement sales by volume during the quarter were at 4.38 million tons (mt) compared with 4.41 mt in the same period last year. This translates into a capacity utilization of 91%, which is well ahead of rating agency ICRA's estimated full-year average capacity utilization of 71%.

Cement sales during the quarter were impacted by the general elections and extreme weather conditions in some of the Company's key markets. Still, the Company ramped up sales of its premium products, the share of which was at 59% of total sales by volume through the trade channel. Premium product sales at 1.85 mt during the June quarter represent a 2% growth year-on-year. Sales by volume of Perfect Plus, the Company's flagship brand, grew 8% over the same period last year.

	Q1/2024-25	Q1/2023-24	Change
Revenue	Rs 2,207 crore	Rs 2,423 crore	-8.9%
EBITDA	Rs 275 crore	Rs 314 crore	-12.4%
Cash profit	Rs 190 crore	Rs 217 crore	-12.4%
Net profit	Rs 33 crore	Rs 60 crore	-45.0%
Realization/ton*	Rs 4,820	Rs 5,180	-6.9%
EBITDA/ton*	Rs 603	Rs 664	-9.2%

*for Cement Division only

Realization per ton for the June quarter at Rs 4,820 was 7% lower than last year, and resulted in EBITDA per ton falling 9% to Rs 603. It is estimated that overall cement prices in the June quarter were down 3-5% from the end of March as manufacturers pushed for market share despite tepid demand.

Cement prices fell sharply in Northern, Central and Eastern India. Even in Western India, prices were under pressure. Demand remains subdued even in the current quarter, whereas supply-side expansion is expected in the central and eastern Indian markets due to commissioning of new units. As a result, cement prices are expected to remain under pressure until the third quarter of the current fiscal year.

Amid unfavourable market conditions, Birla Corporation Limited benefited from further decline in power and fuel costs, which fell 20% year-on-year and 8% sequentially. Alongside optimizing fuel mix, the Company increased the share of renewables in total power consumption to 27% versus 23% in the same period last year and 25% in the March quarter. The Company also reduced its raw material costs for the Cement Division by 4% from last year.

The Mukutban unit of the Company's subsidiary, RCCPL Private Limited, continued to consolidate sales in its core markets and extend footprint into secondary markets. The Company continued to optimize the variable cost of production at Mukutban, which has been making positive contributions to EBITDA since the past three quarters.

Faced with challenging market conditions, the Company focused on optimizing costs and has had significant success in reducing variable cost in cement production across all units.

	Q1/2024-25	Q1/2023-24	Change
Sales (volume)	4.38 mt	4.41 mt	-1%
Capacity utilization	91%	91%	
Blended cement	84%	88%	-4 percentage points
Trade channel	72%	76%	-4 percentage points
Premium cement	59%	54%	5 percentage points

The Company's net debt at the end of June was Rs 3,152 crore. The Company reduced its interest cost for the June quarter to 7.90%, down 12 basis points from a year earlier.

Jute Division: Birla Jute Mills, or the Jute Division of the Company, registered a cash loss of Rs 3.9 crore in the June quarter against a cash profit of Rs 6.4 crore last year. The jute goods industry is faced with multiple challenges, which forced major mills to scale back production. Government orders have fallen sharply, leading to an inventory pile-up. Most mills are currently running at partial capacity.

Besides reduction in Government orders, several cottage-size mills have sprung up in jute-growing areas. These have a substantial cost advantage over organized sector mills and they are fast eating into Government orders.

The Company's Jute Division has, since the past few years, been trying to raise the share of exports of value-added fabric and jute goods in total sales. Despite improving production of value-added products, revenue from export of shopping bags dropped 26% from last year to Rs 11.9 crore owing to non-availability of containers and increase in freight.

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

Statements in this release describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws or regulations. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's Operations include global and domestic demand-supply conditions, finished goods prices, raw materials and fuel costs & availability, transportation cost, competitive intensity, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations. Neither our Company, our Directors, nor any of our affiliates, have any obligation to update or otherwise revise any statements reflecting circumstances arising after this date or to reflect the occurrence of the underlying events, even if the underlying assumptions do not come to fruition.
