

ADITYA BIRLA



GRASIM

Grasim Industries Limited

Big In Your Life

Corporate Presentation

November 2019



2019

KEY MILESTONES



1947
1956

Grasim industries incorporated

Production of fabric begins at Gwalior

VSF production commences at Nagda (MP)

1957
1976

VSF and Pulp plants at Harihar commissioned based on in house engineering

Caustic Soda production commences at Nagda for **Captive use**

1977
1986

Vikram Cement, **Grasim's first Cement plant** goes on stream at Jawad (MP)

1997
2006

Grasim acquires controlling stake in **UltraTech Cement Ltd.** from L&T

ABNL entered in JV with SunLife Insurance to **foray into Financial Services Business**

First Overseas acquisition (Canada) to form a JV for **backward integration of Pulp**

Promoted Idea Cellular jointly with Birla – Tata – AT&T Ltd

2007
2019

Acquired stake in Domsjo, Sweden to **further integrate Pulp**

Formed JV – **Birla Jingwei Fibres Ltd** in China and acquired VSF plant in China

Commissioned the single **largest VSF plant** with in-house technology at Vilayat

Consolidated the Caustic capacity with merger of Aditya Birla Chemicals Ltd with Grasim

OUR LEADERSHIP BUSINESSES



Viscose



Through Viscose and Yarn, we are present in the eco-friendly clothing and non-woven segment

50%

Chemicals



Through Chemicals, we are indirectly present in various daily use products

31%

Allied



Presence in Textiles, Fertilisers, Insulators, and Solar Power

19%

Cement



Through UltraTech Cement Ltd, we are a part of the Roads or Flyovers you tread upon

Financial Services



Through Aditya Birla Capital Limited, we remain committed to serve the end-to-end financial services needs of retail and corporate customers

Revenue contribution

Standalone businesses

Subsidiaries

#1 | In Viscose Staple Fibre[#]

#1 | In Caustic Soda & Specialty Chemicals*

#1 | In Premium Fabric

57%



Total Market Cap
(Sep 30, 2019):

INR 1.20 Lakh Crore

(USD 16.9 Billion)



Market Cap
(Sep 30, 2019):

INR 48,000 Crore

(USD 6.8 Billion)

57%



Total Market Cap
(Sep 30, 2019):

INR 18,688 Crore

(USD 2.7 Billion)

#1 | Cement Producer in India

#3 | Global Producer (Ex- China)

Top 3 | Asset Management Companies**

Top 5 | Private Diversified NBFC

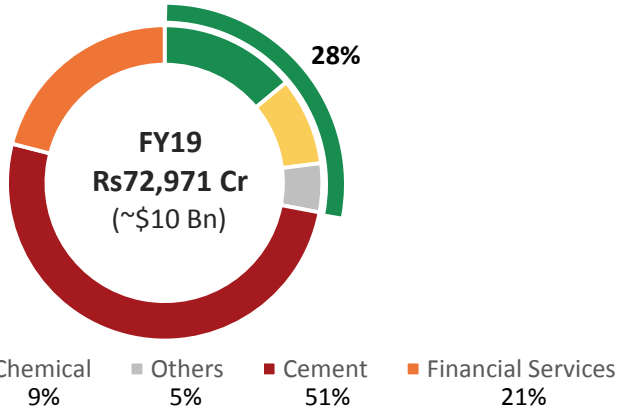
Presence In India in Viscose, Modal and 3rd generation Viscose

*Global leadership in Chlorine derivatives namely Stable Bleaching Powder and Aluminum Chloride and India leadership in Chloro Paraffin wax, PolyAluminium Chloride and Phosphoric Acid ** Excluding ETF

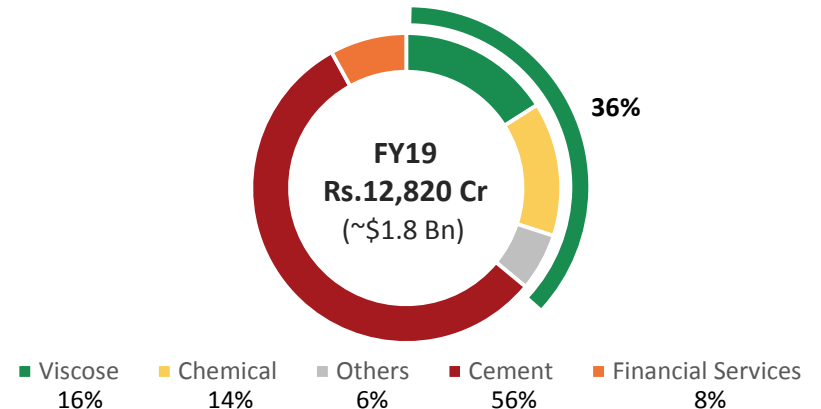
STRONG OVERALL PERFORMANCE



Revenue (Rs. Cr.)

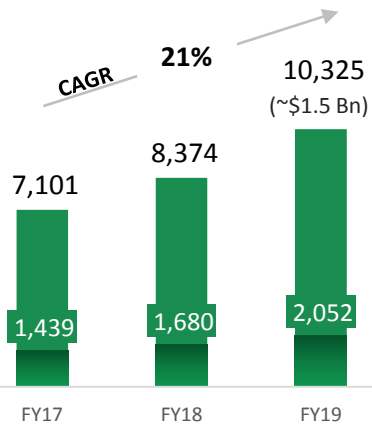


EBITDA (Rs. Cr.)

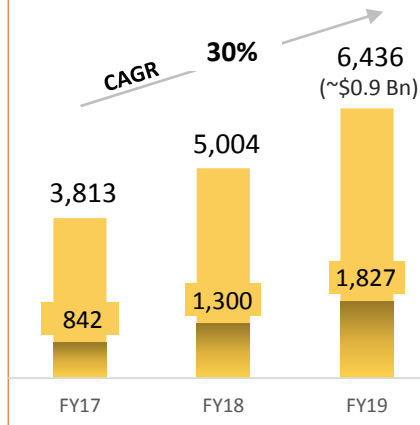


Revenue and EBITDA (Rs. Cr.)

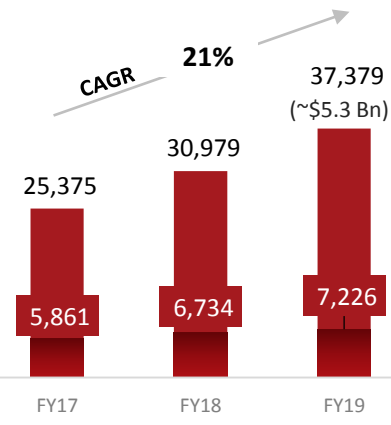
Viscose



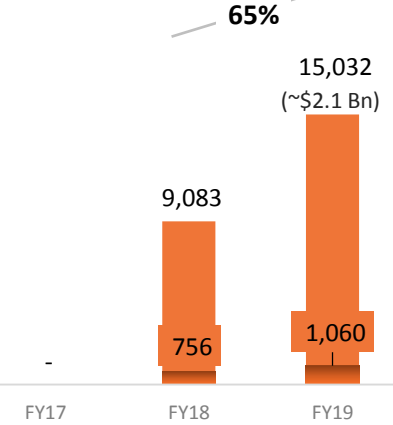
Chemicals



Cement

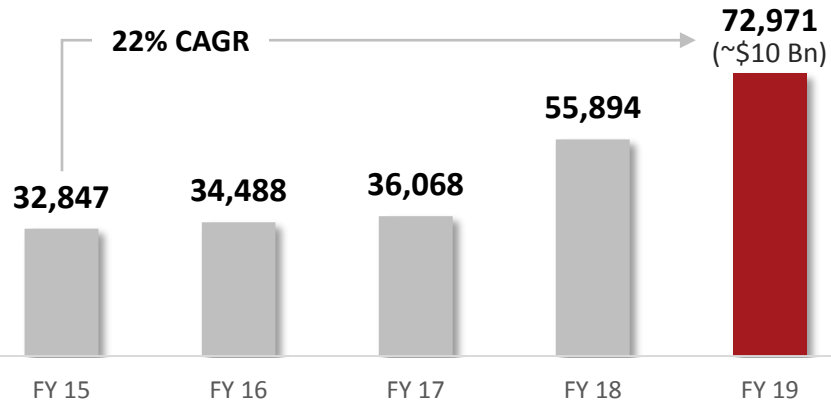


Financial Services

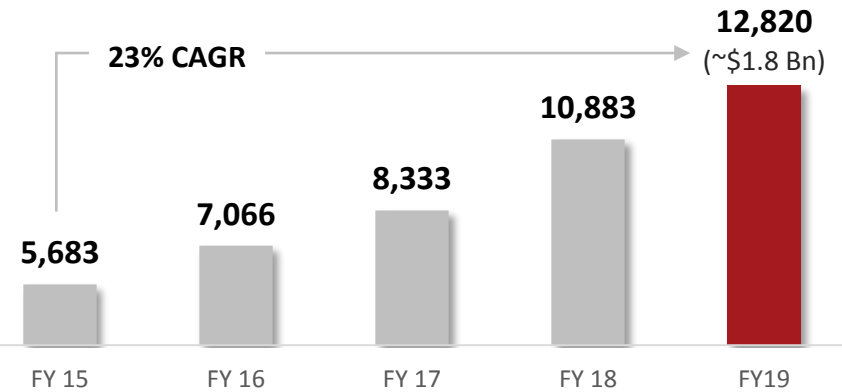


FINANCIAL HIGHLIGHTS: CONSOLIDATED

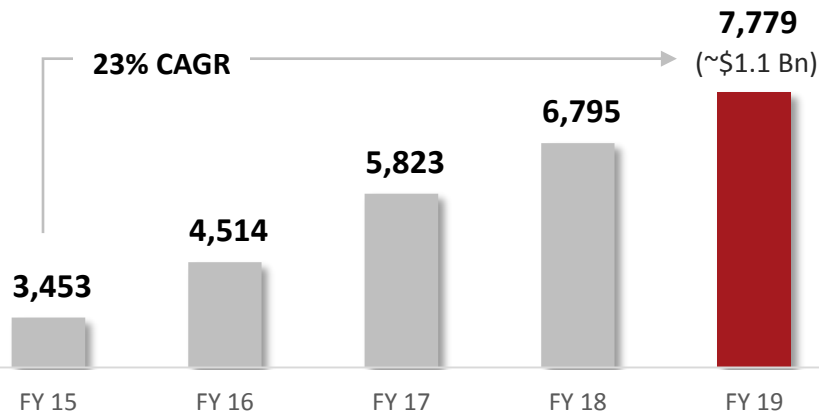
Revenue (Rs. Cr)



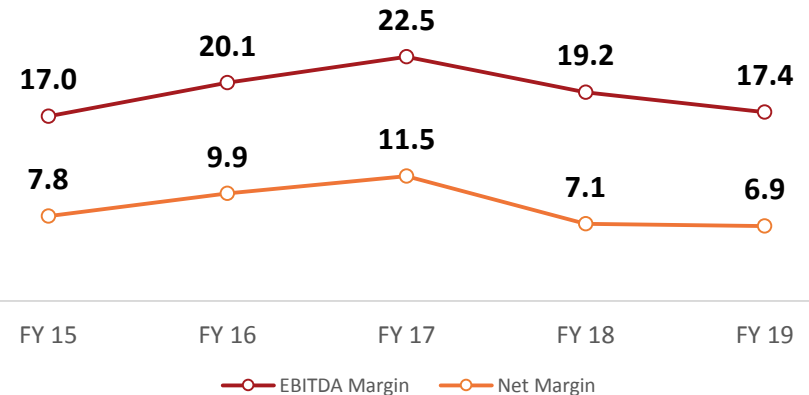
EBITDA (Rs. Cr)



Profit before tax*



Margins (%)

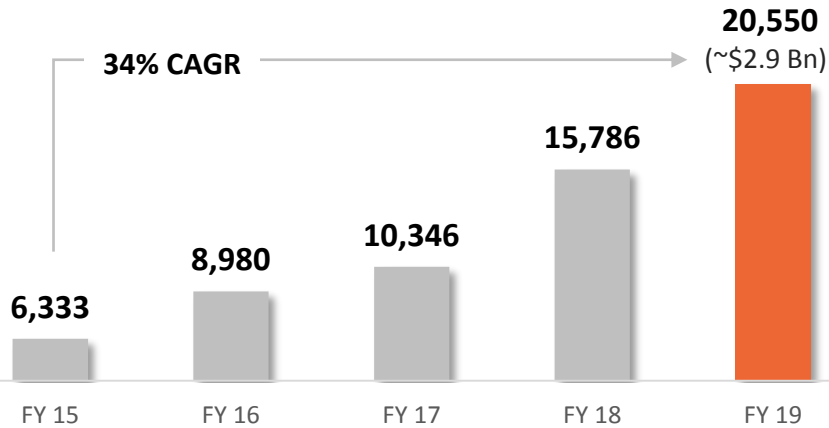


*Adjusted for exceptional items

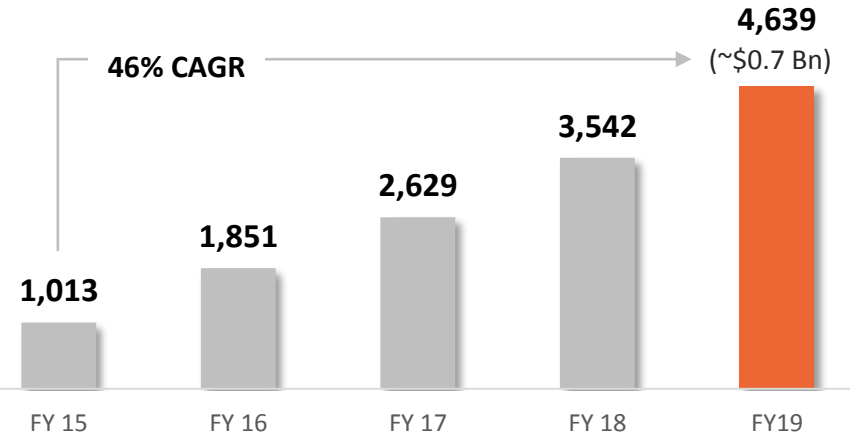
FINANCIAL HIGHLIGHTS: STANDALONE



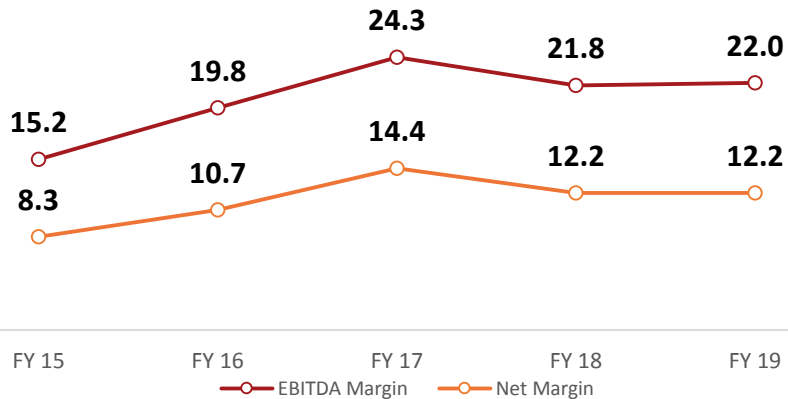
Revenue (Rs. Cr)



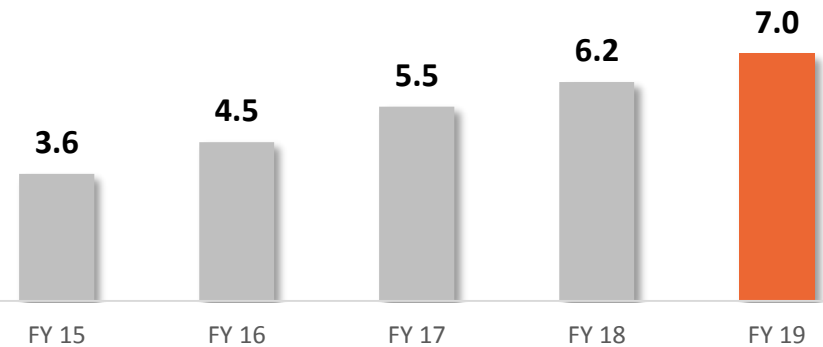
EBITDA (Rs. Cr)



Margins (%)



Dividend Per Share (Rs)

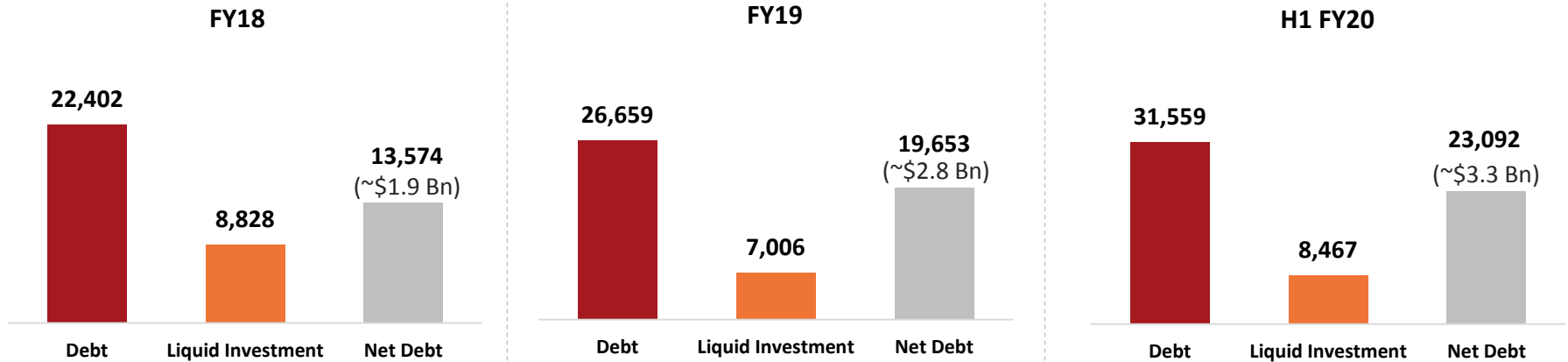


Adjusted for share split.

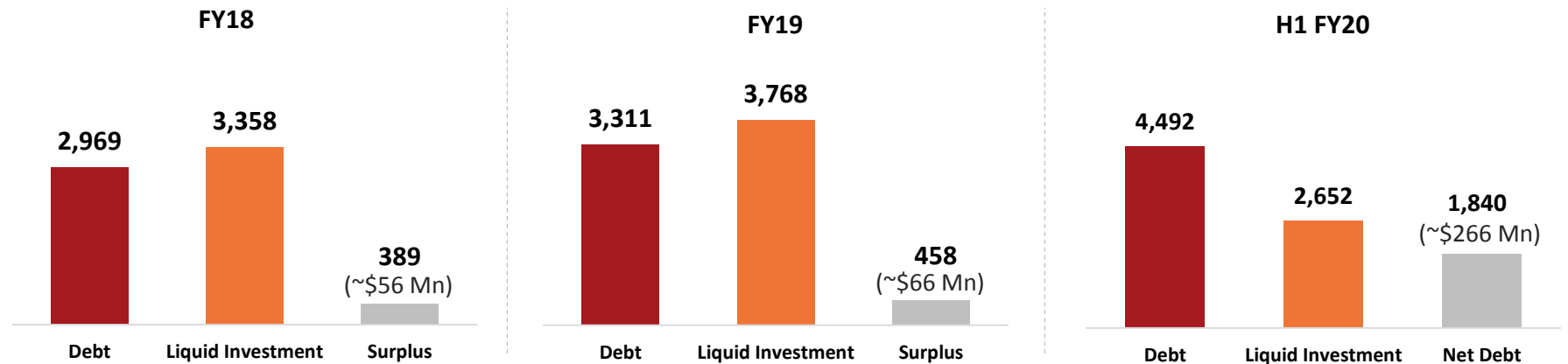
STRONG BALANCE SHEET



Consolidated Debt / Surplus (Rs . Cr.)

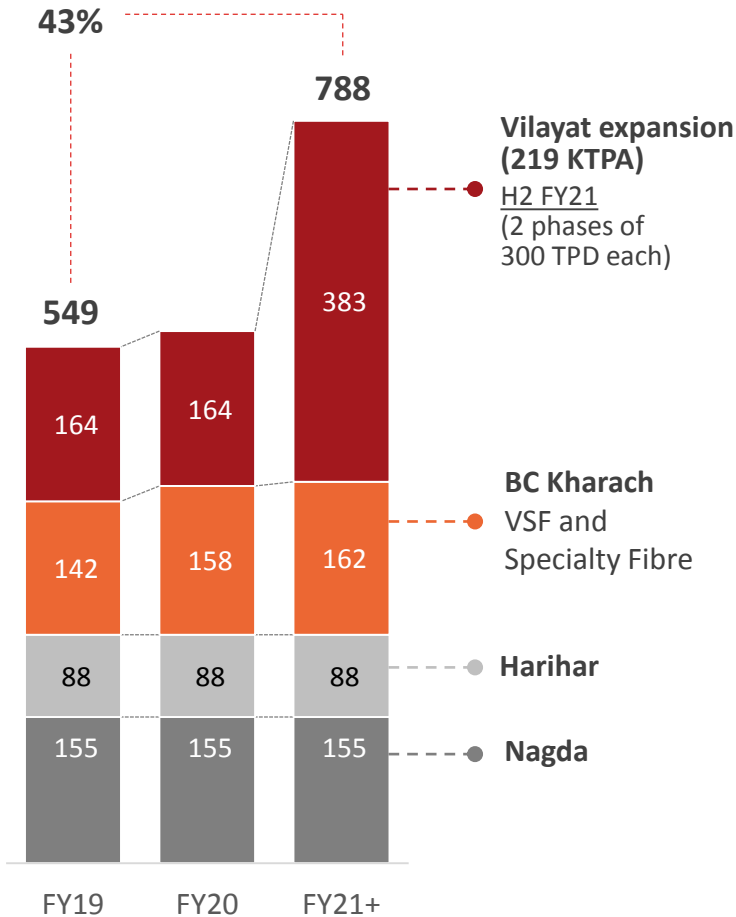


Standalone Debt / Surplus (Rs . Cr.)

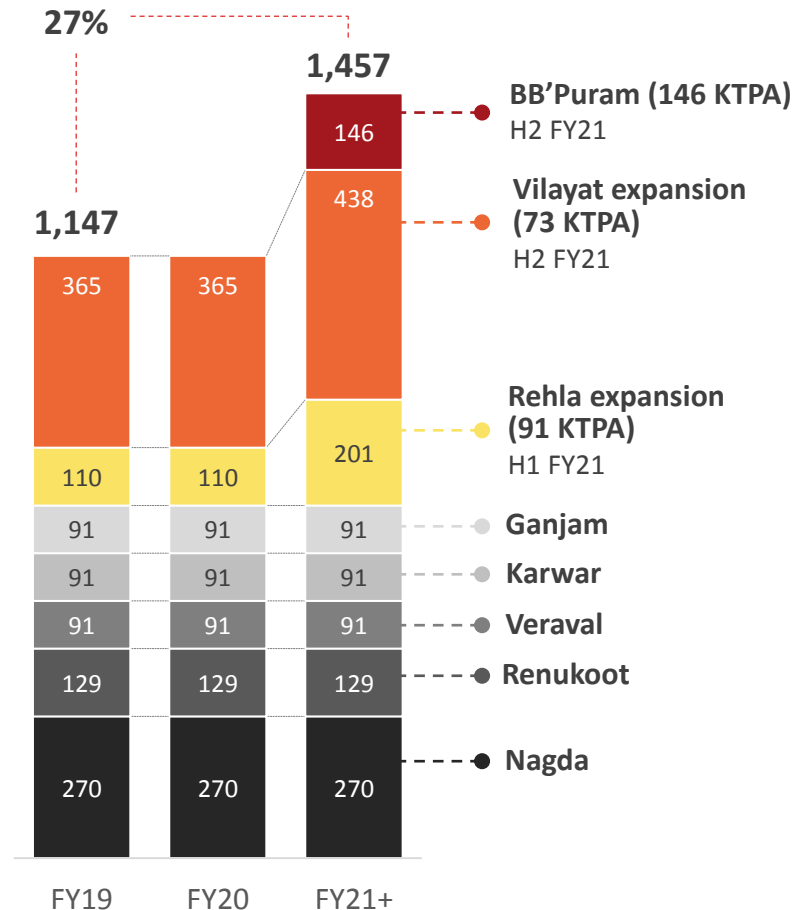


CAPACITY EXPANSION PLANS

VSF Capacity (KTPA)



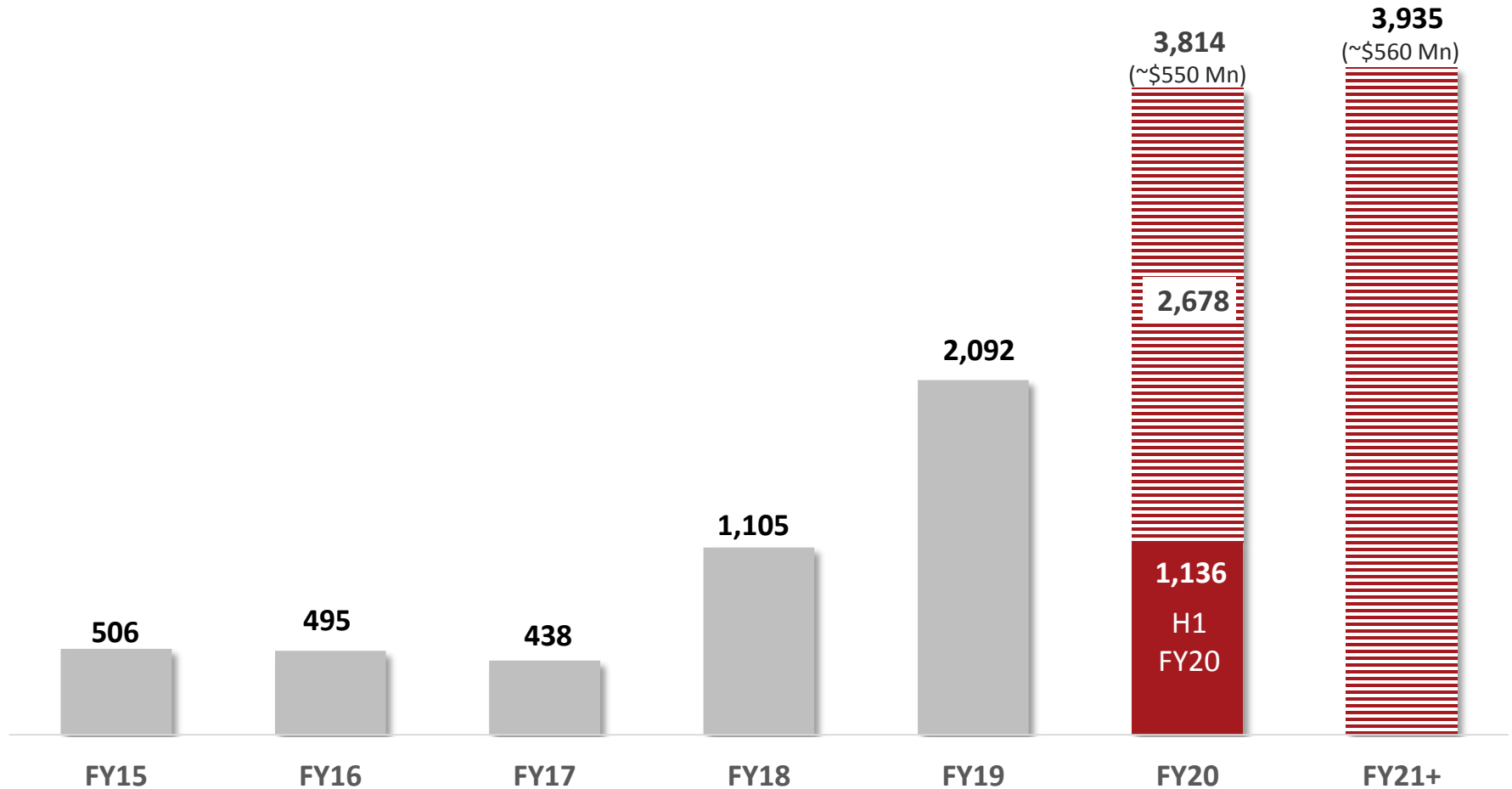
Caustic Soda Capacity (KTPA)



Excludes Century Rayon Caustic capacity of 24 KTPA

CAPEX PLAN

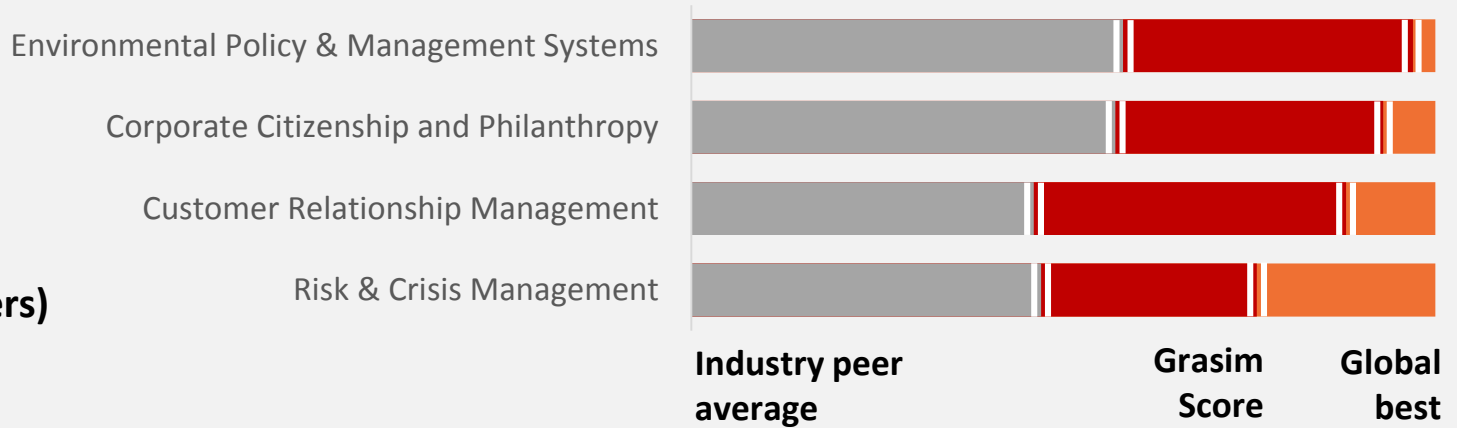
Capex (Rs. Cr.)



 Represents planned Capex

Grasim has largely outperformed the global Industry average score

**Grasim
DJSI
Performance
(on Key parameters)**



We have set long-term goals in the areas of environment, safety, employees and society

Focus on new areas of improvement to enhance our sustainable footprint



1. Creating a Sustainability culture in the organization

2. We have made commitment of new investments on sustainability front

ADITYA BIRLA



GRASIM

Viscose Staple Fibre – *Fastest Growing Fibre*

Vytal

UltraTech
CEMENT
The Engineer's Choice

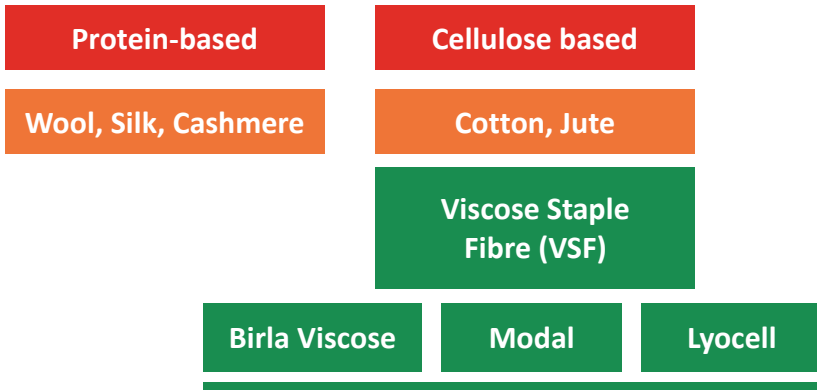
ADITYA BIRLA
CAPITAL

LINENCLUB

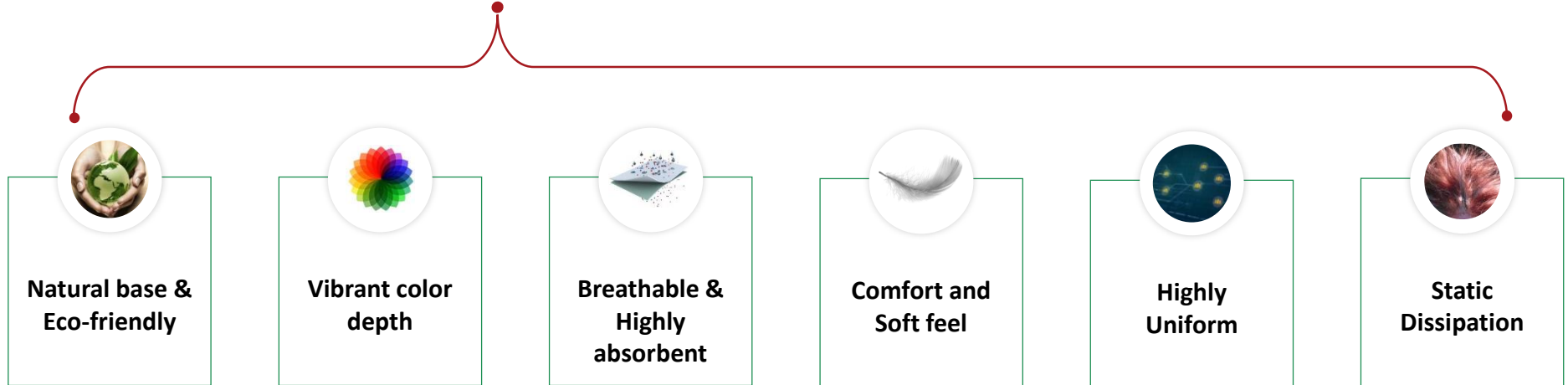
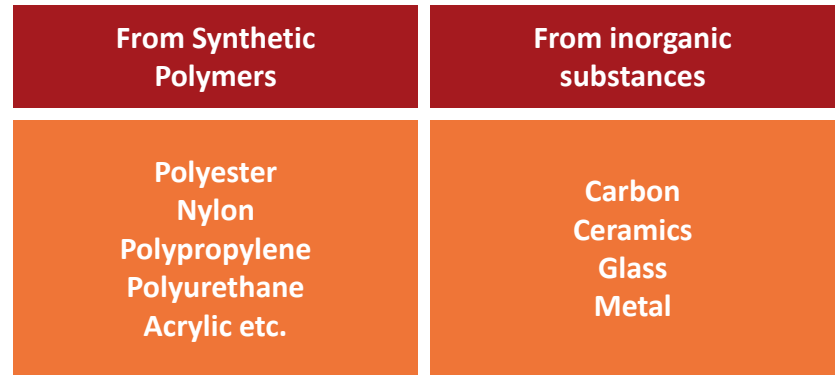
Raysil
ULTRA-FINE FIBRE

CURRENT FIBRE BASKET

Fibres from nature



Synthetic fibres



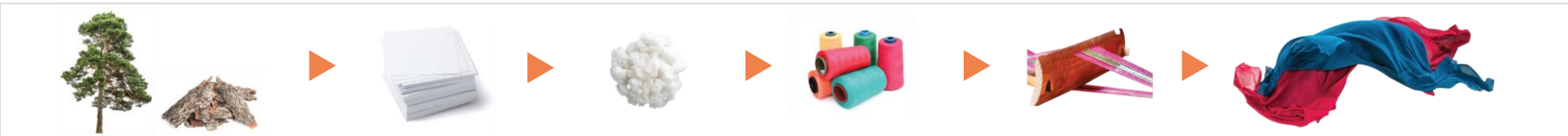
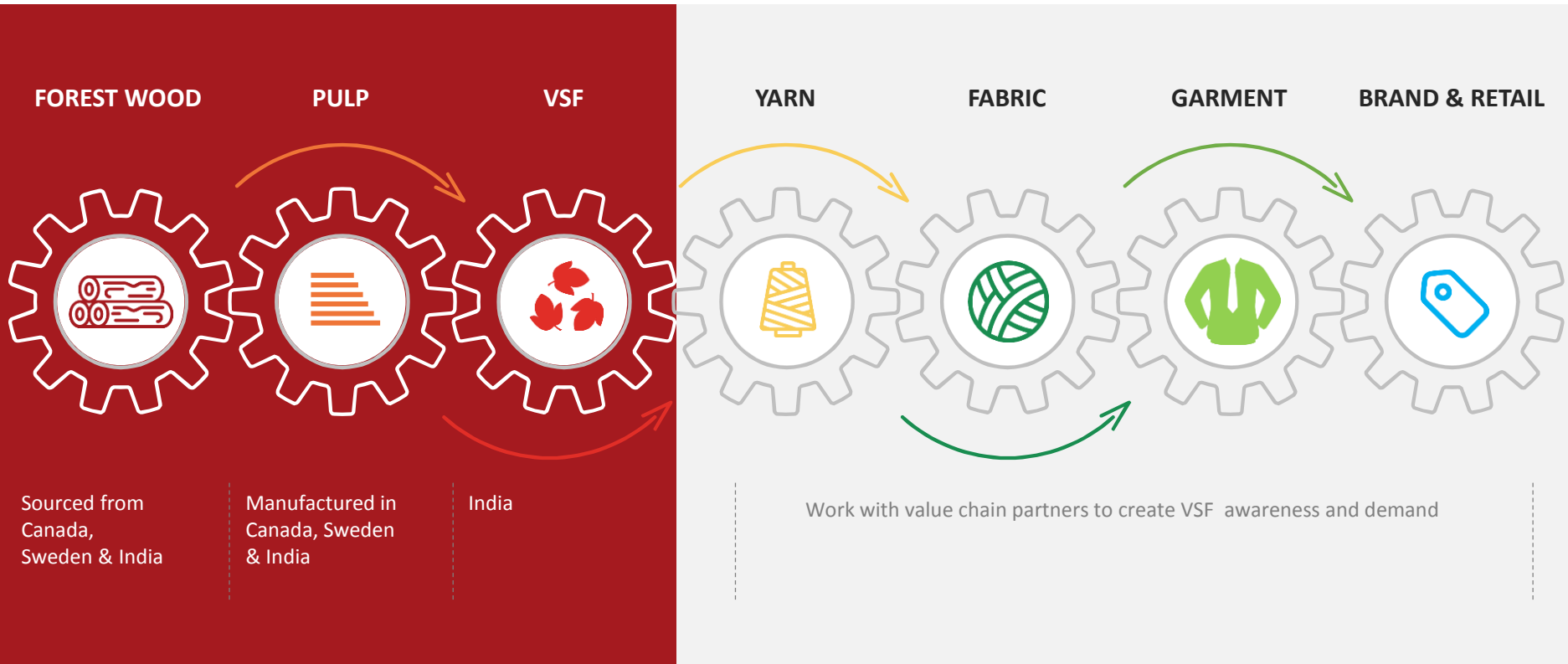
Viscose is the **most sustainable fibre**, made from natural materials and degrades at faster pace than other fibres:

Viscose: 8 Weeks

Cotton: 15 Weeks

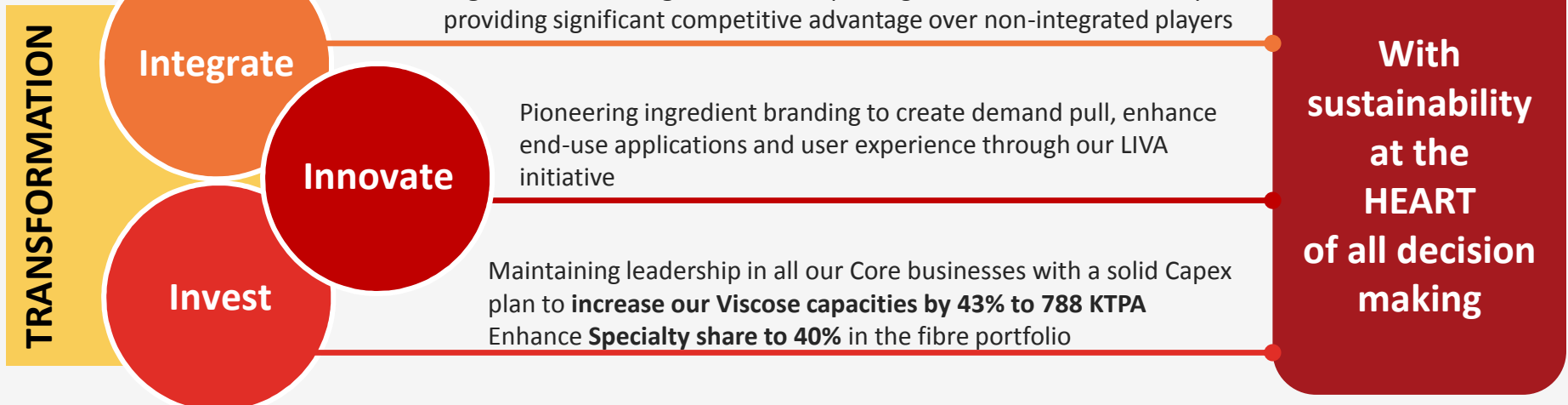
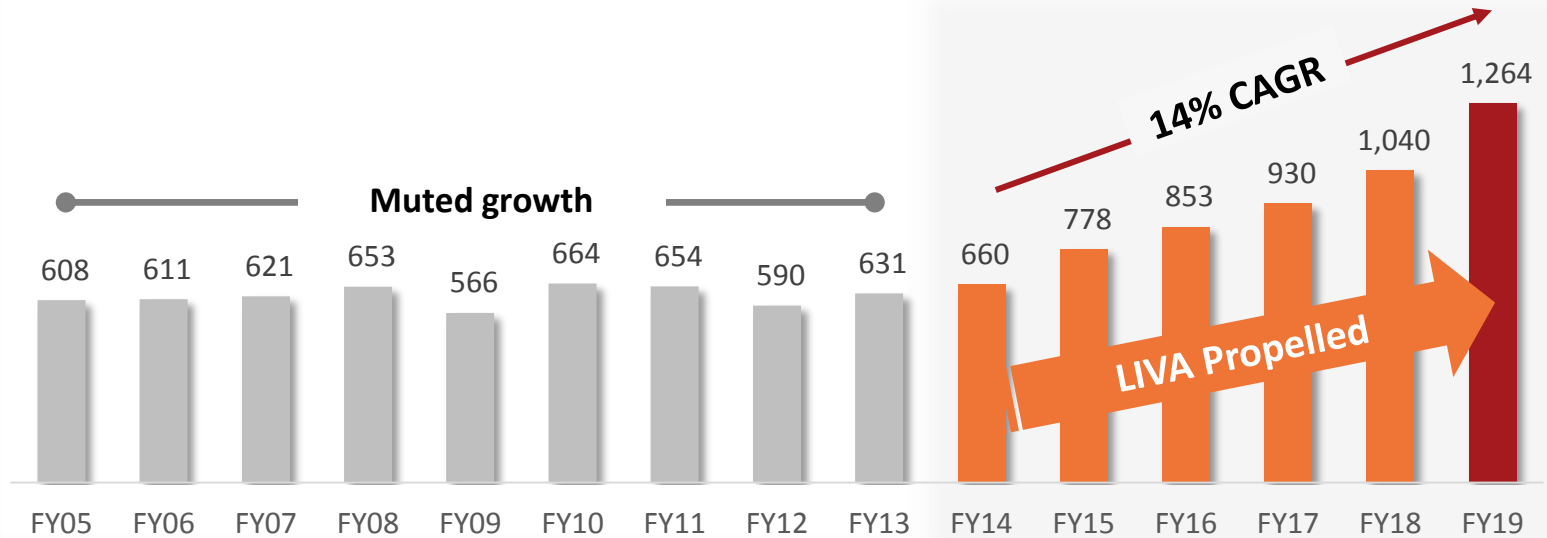
Synthetic: Over 200 years

VSF: FOREST TO FASHION

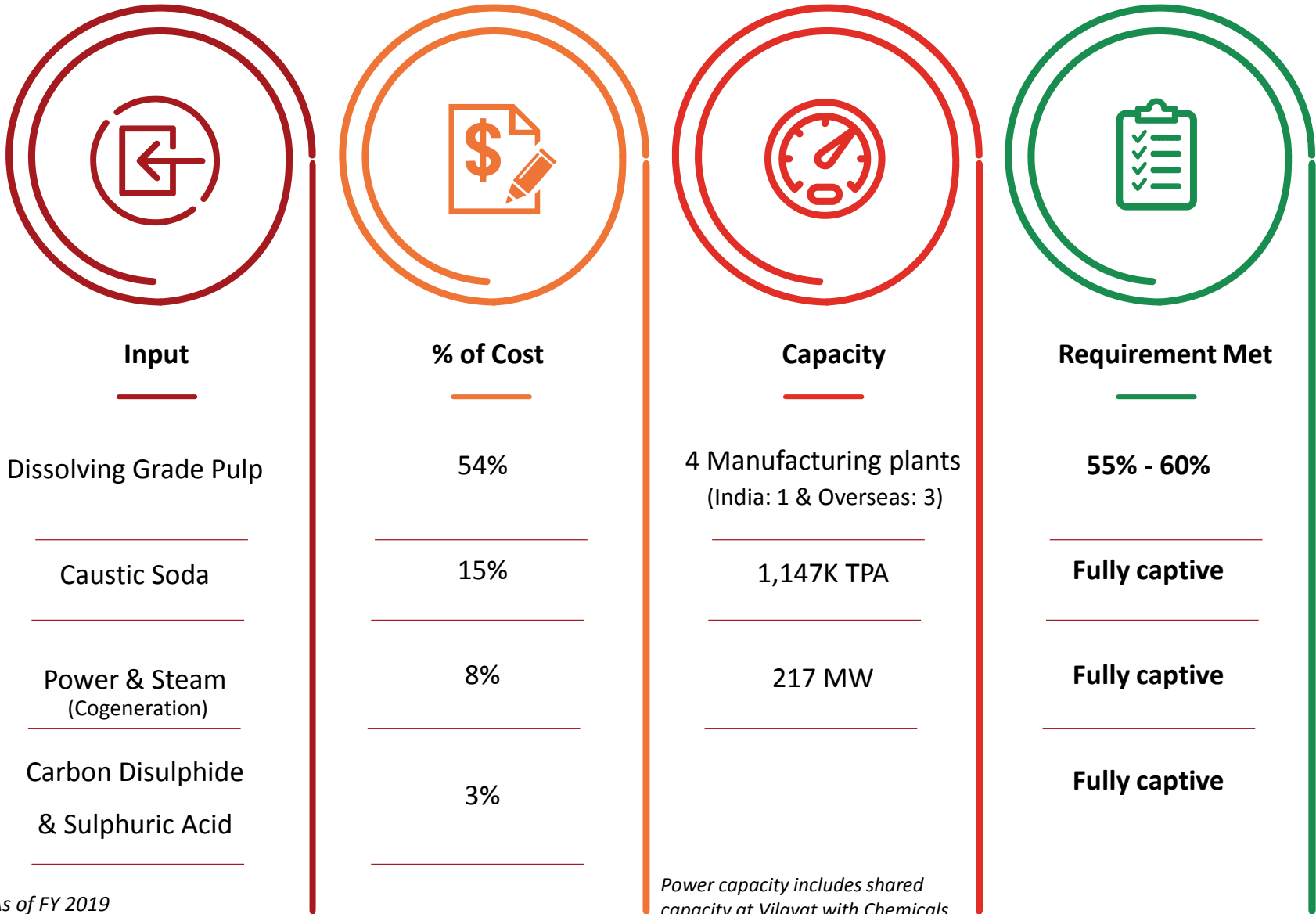


TRANSFORMING VISCOSE FIBRE

Domestic Sales volume growth (TPD)



HIGH BACKWARD INTEGRATION



Power capacity includes shared capacity at Vilayat with Chemicals

Note: As of FY 2019

STATE-OF-THE-ART R&D CENTRES OFFER CREATIVE SOLUTIONS ACROSS VALUE CHAIN



PLANTATION



FIBRE



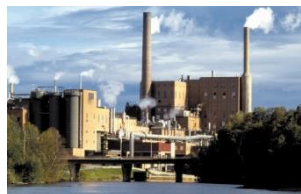
**TEXTILE VALUE
CHAIN PARTNER**



**Grasim Forest
Research Institute,
Harihar, India**



**Pulp and Fibre Innovation
Centre (PFIC), Taloja,
Maharashtra**



**Pulp research,
Dommlnova,
Domsjo Fabriker**



**Birla Research
Institute, Nagda, India**

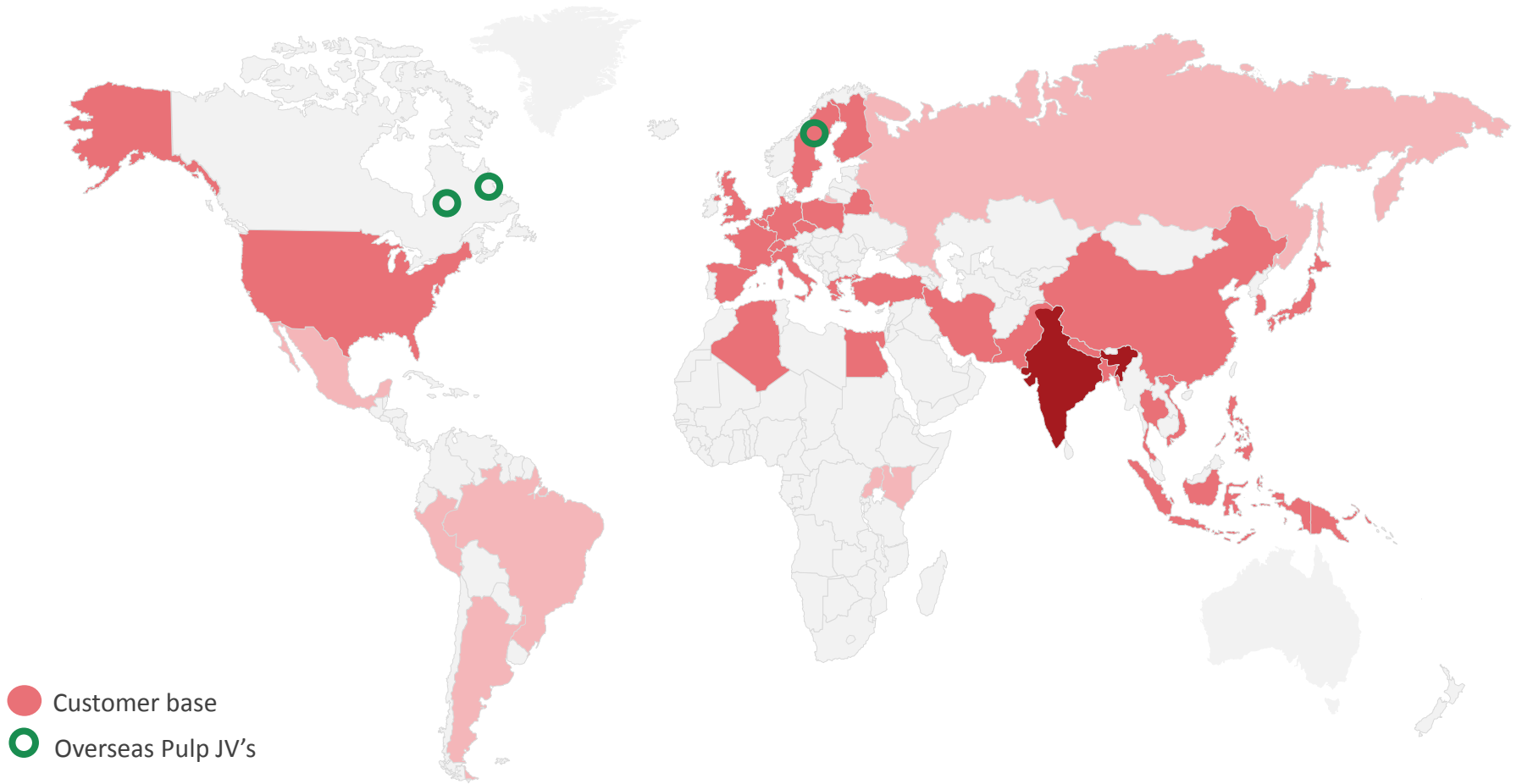


**Fibre research,
Kharach, Gujarat
(Pilot plant)**



**Textile Research and
Application
Development Centre
(TRADC)**

BIRLA CELLULOSIC FIBRE IS INGREDIENT TO MORE THAN 100 BRANDS



- Customer base
- Overseas Pulp JV's

Servicing ~650 Customers



LIVA: CREATING DEMAND PULL IN INDIA

LIVA is Grasim's **ingredient branding** with a natural fluid fashion promise to the customers. LIVA assures high quality fabric applied through accredited value chain termed as **Liva Accredited Partner forum (LAPF)**

LIVA Eco system delivers consumers continuous innovation in top quality fluid fashionable clothing.

LIVA

Launch in
2015



LAUNCH OF LIVA – Creating demand pull for Viscose

Pioneering ingredient branding for Viscose Staple Fibre

Presenting LIVA, a new-age naturally created fabric that transforms not just the garment but also the person wearing it. It is comfortable, soft, 100% natural and eco-friendly. **Moving from B2B TO B2B2C Business Model**

LIVAeco

(Sep 2018)



LIVAeco – Sustainable Fashion Solution

Natural fluid fashion that is ECO-ENHANCED

Sourced from FSC® C118017 certified sustainable forests that can be verified using end-to-end tracer

LIVAhome

(Jan 2019)



LIVAhome – Tapping the home textiles market

~\$3 Bn addressable market size

Bed sheets, Duvets & Comforters

LIVA brand extension for Home Textiles: LIVA Home (Post success of LIVA and LIVAeco)

LIVA Saree

(Aug 2019)



LIVASarees – Extending LIVA product portfolio

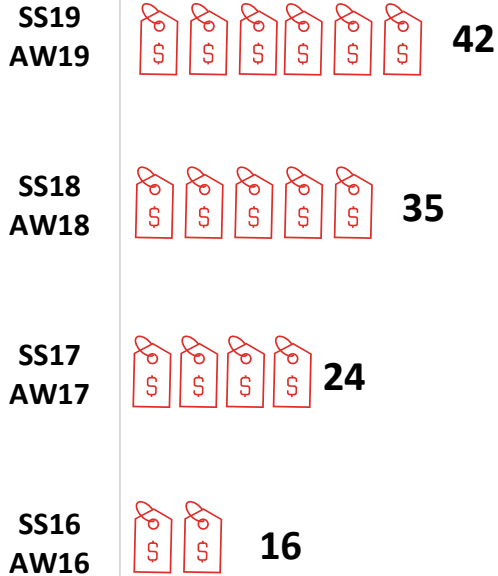
~\$6 Bn addressable market size

Sarees reimagined with LIVA enable effortless drape & luxurious softness

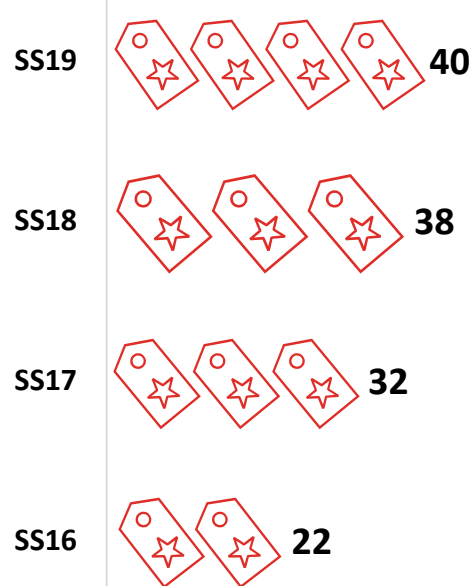


LIVA: MILESTONES ACHIEVED

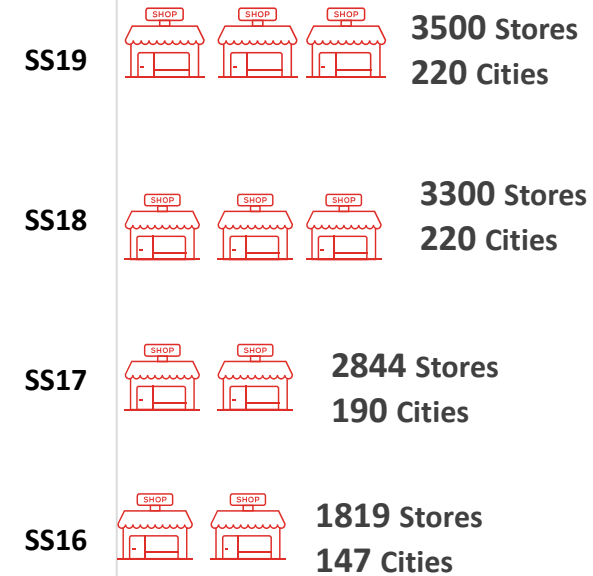
LIVA Tagging (Million)



Brands



Out-reach



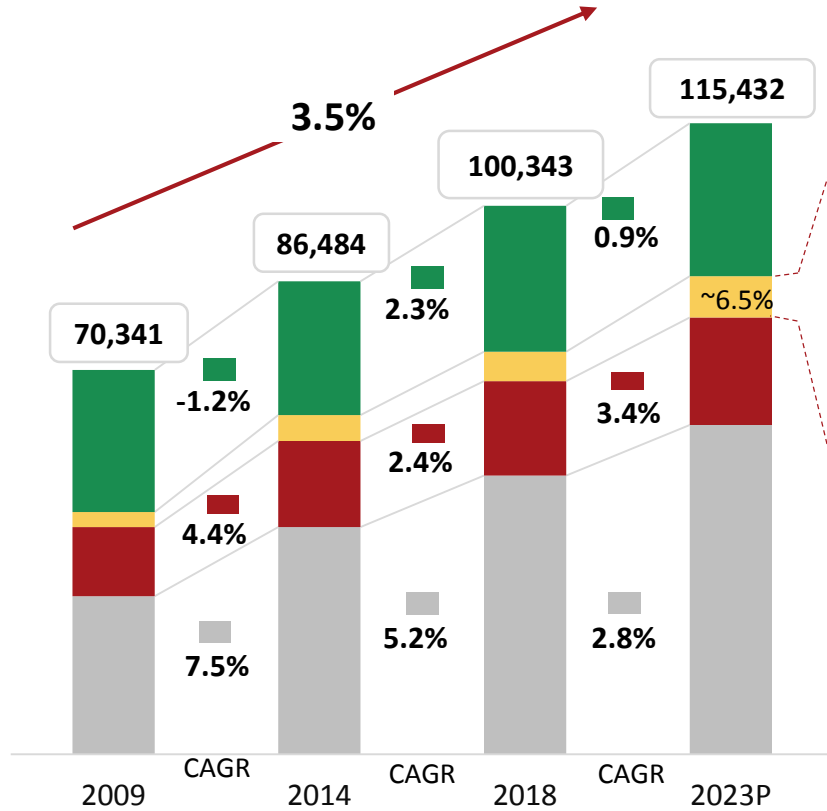
SS – Spring Summer AW - Autumn Winter

LIVA Available at

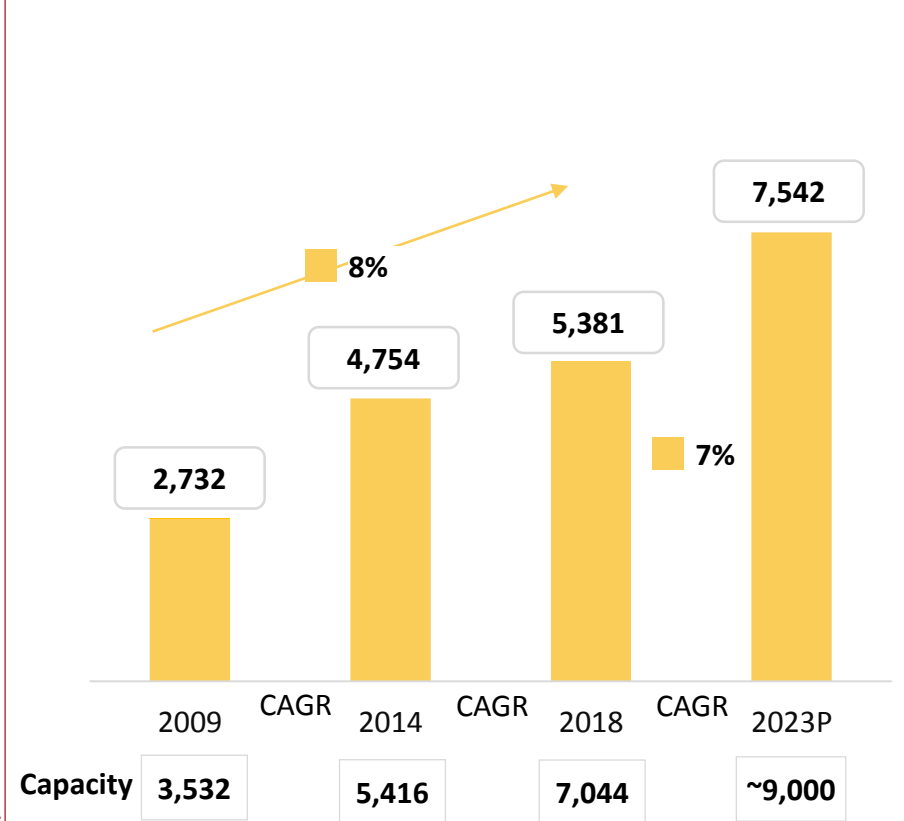


SUSTAINED FUTURE GROWTH

Global Fibre Demand (KTPA)



Viscose Staple Fibre Demand (KTPA)



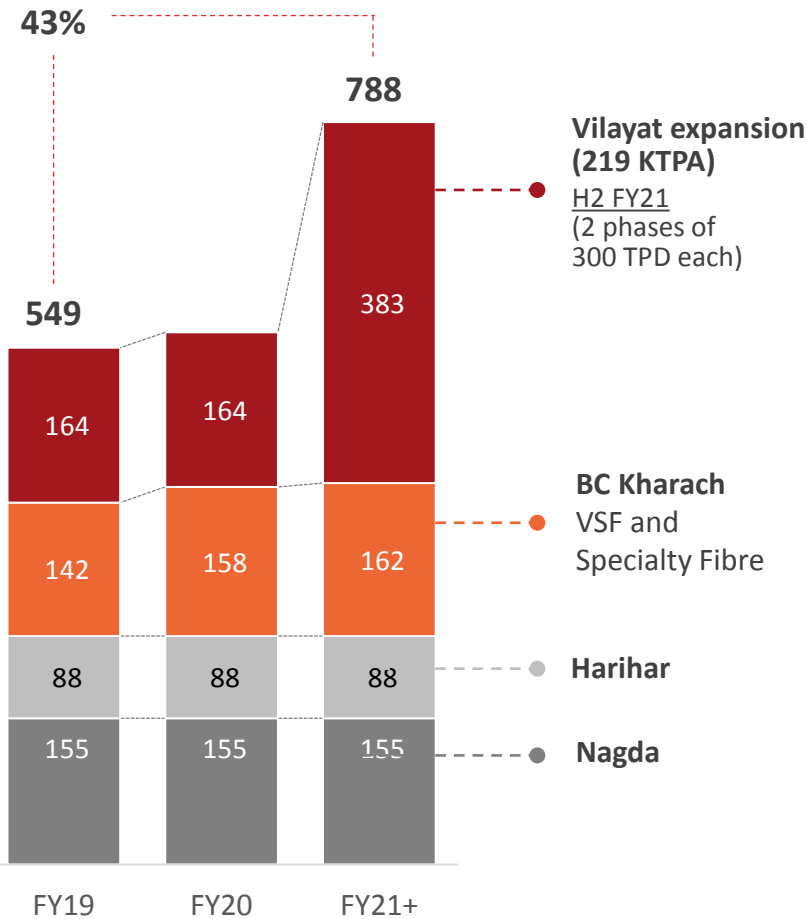
Source: Industry & Company estimates

Source: Industry & Company estimates

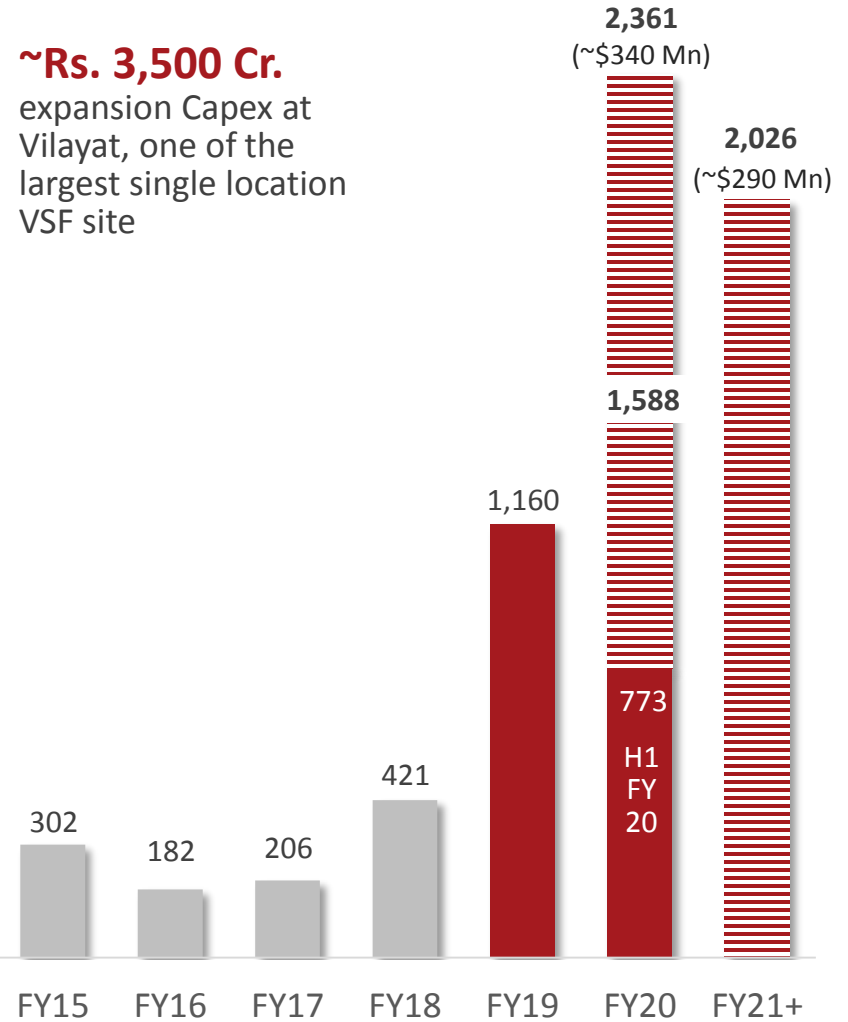
■ Cotton
 ■ VSF
 ■ PSF
 ■ Others

EXPANDING CAPACITIES IN TUNE TO GROWING DEMAND

VSF Capacity (KTPA)



Capex (Rs. Cr.)



Represents planned capital expenditure



Sustainable Forestry

- 100% of wood is certified FSC® C118017 / SFI® / PEFC™; No purchase of wood harvested from high conservation/ illegal forests
- Global leader in **Canopy's Hot Button Report** with '**Light Green Shirt**'
- USDA Biobased certification for Birla Modal, Birla Excel and Birla Spunshades



Carbon Footprint

- Birla Cellulose is carbon neutral in scope 1 and 2 emissions
- Continuous reduction in energy consumption, chemicals consumption, COD and sulphur emission
- Verified Higg Index FEM 3.0 Scores of 85%+ all manufacturing sites



GHG Reduction

- Total Scope 1 and Scope 2 GHG emissions were found to be 3.22 Mt CO₂e, and the total net sequestering was 3.44 Mt CO₂e at forests directly managed by Birla Cellulose, completely offsetting Scope 1 and Scope 2 emissions



EUBat Compliance

- Plans under implementation of going beyond regulatory norms to the most stringent EU norms at all the plant sites by the end of 2022 towards close looping the viscose production
- \$170 Million capex across ABG units including Grasim



Lowest Water Consumption

- Achieved lowest water consumption per ton of VSF globally. Water consumption in FY19 reduced by 27% YoY to <20 m3/TF
- Water Stewardship- We have set a target to bring down the consumption by about 60% by 2022 over 2015 (baseline)



Environment friendly Fibre

- Commissioned **3rd Generation 16 KTPA Specialty Fibre** plant using **in-house Green technology**, in May'19 which will enable entry into newer end use segments with **superior quality offerings**
- Strengthened our environmental credentials by launching LIVAeco: Eco-enhanced variant of LIVA with **'End-to-end' traceability**, a first in the country

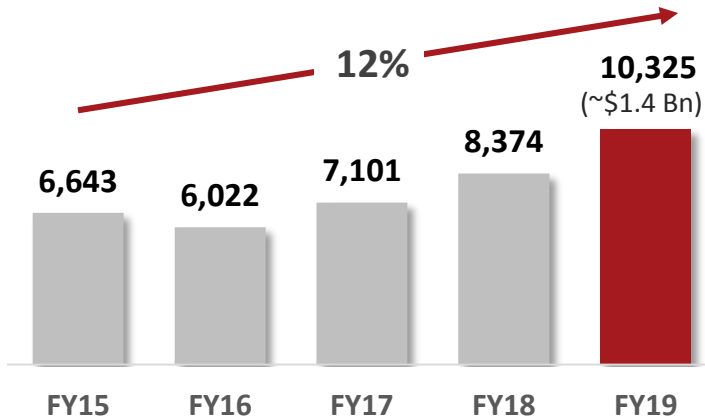


Circular economy/ Recycle of textile waste

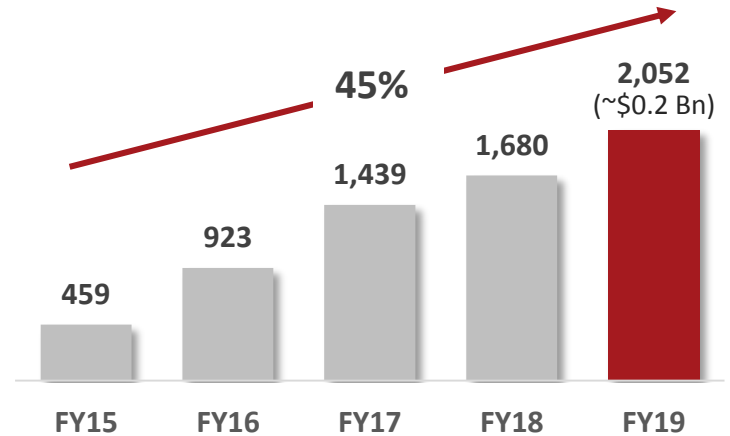
- Achieved a breakthrough in manufacturing viscose fibre using pre-consumer waste. This addresses concern relating to textile waste generation and use it as alternate raw material
- Efforts to build capabilities to recycle 50%+ cellulosic waste

VISCOSE PERFORMANCE

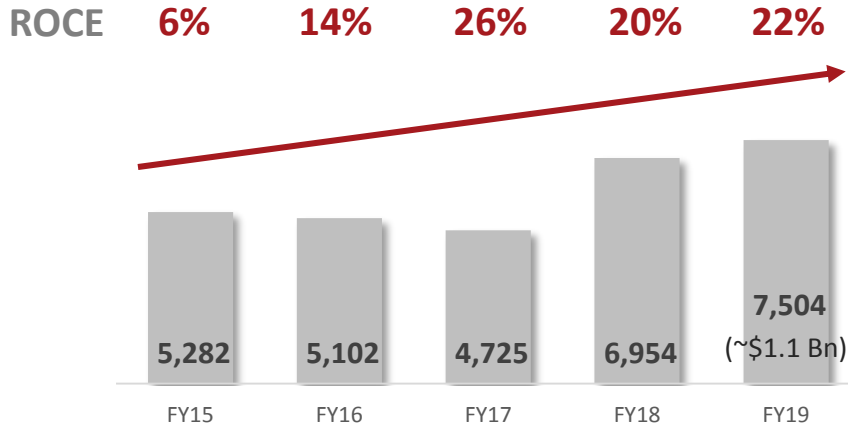
Net Revenue (Rs. Cr.)



EBITDA (Rs. Cr.)



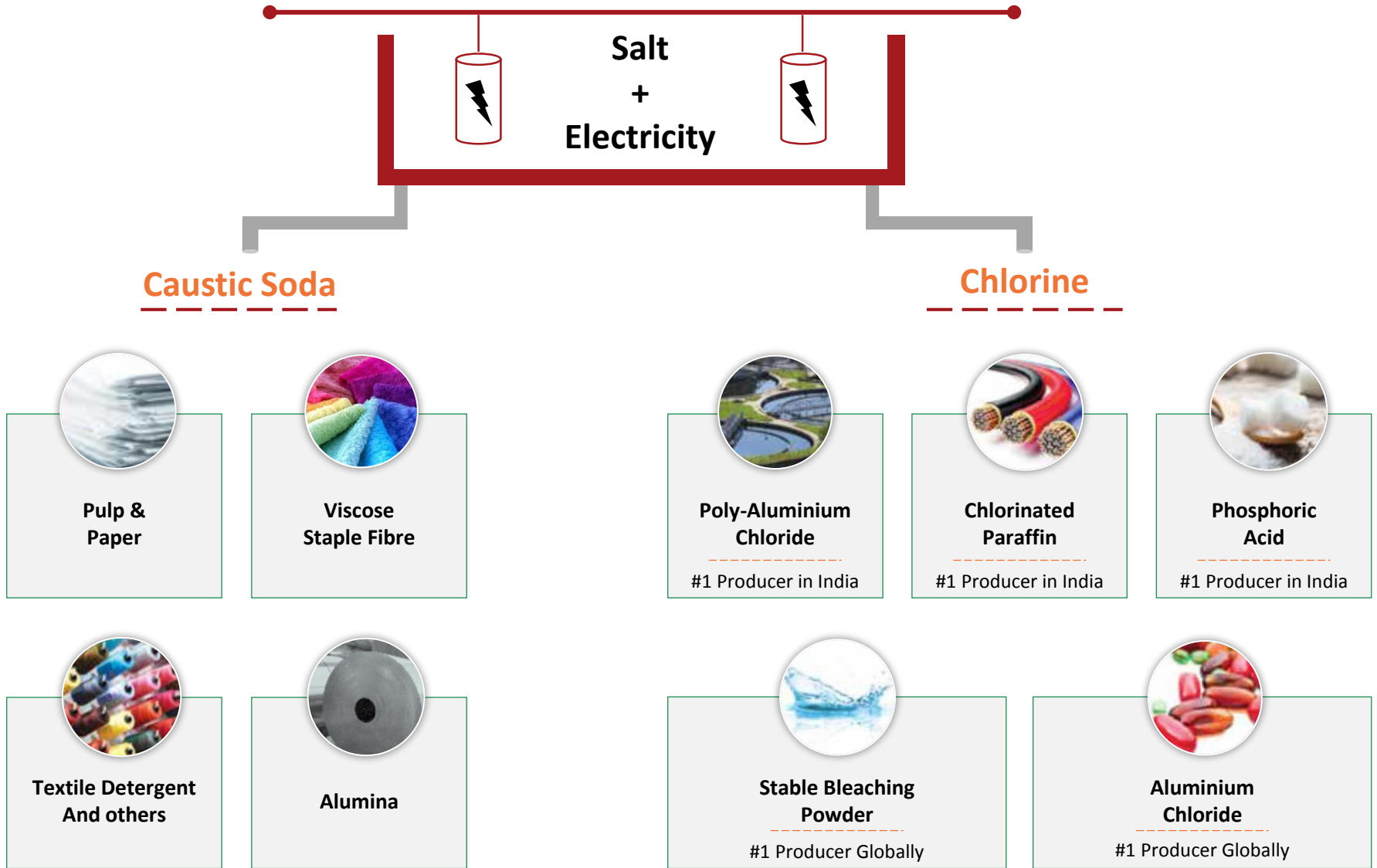
Capital Employed (incl. CWIP) [Rs. Cr.] and ROCE



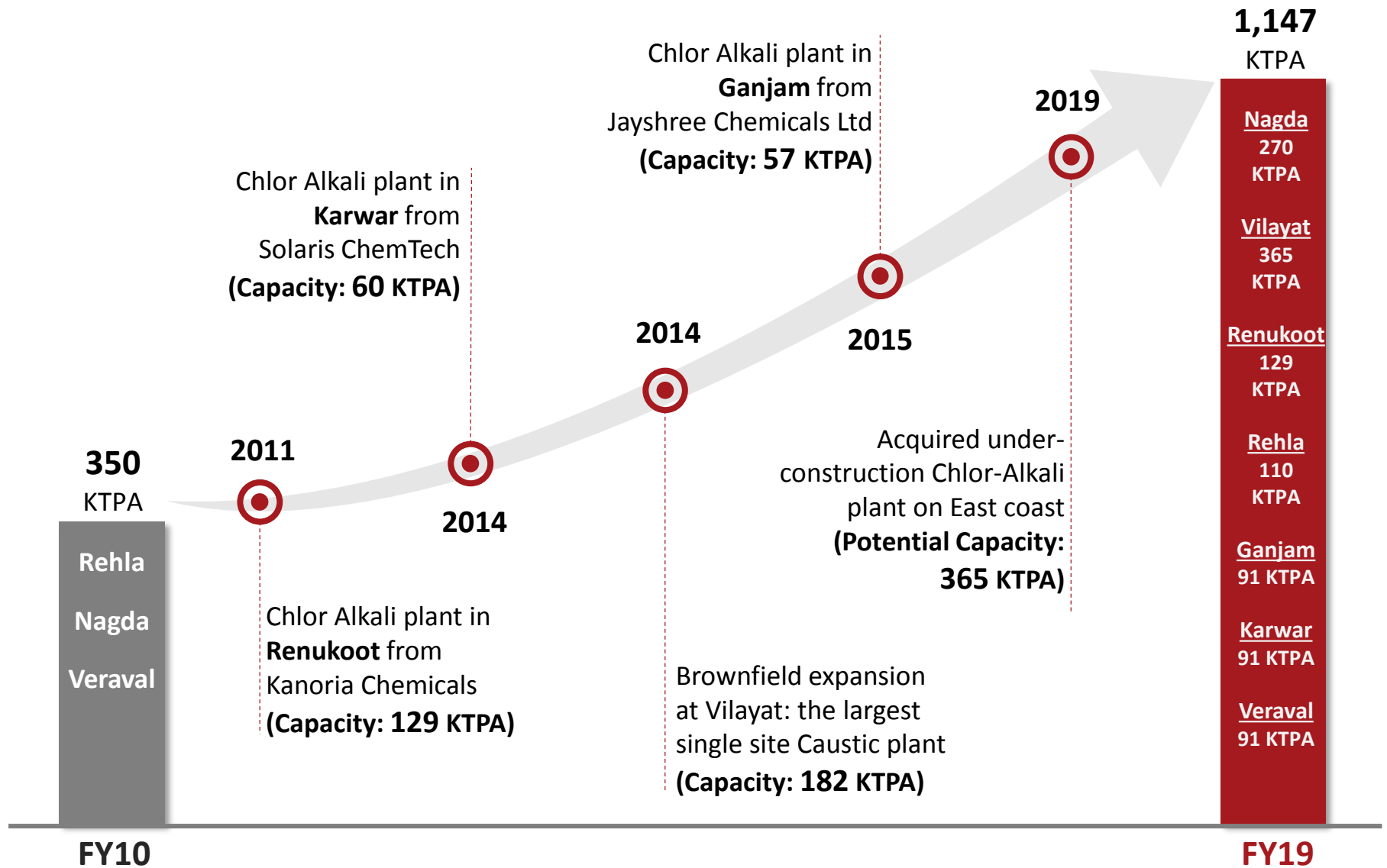
- Global VSF prices have weakened as expected during the year on account of extra capacity in the Industry and US-China Trade war
- Globally, VSF continues to be fastest growing fibre with projected 6-7% growth; India demand continues to be buoyant with double digit growth: Expect to restore supply demand balance over next 12 to 18 months
- Grasim better placed to withstand global price volatility by virtue of superior product offering, technical and customer support leading to higher realizations in India



CHLOR ALKALI PORTFOLIO

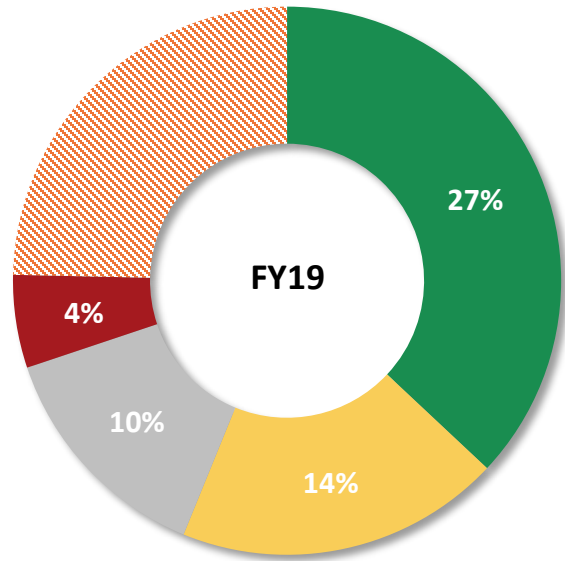


CAUSTIC SODA: CAPACITY RAMP UP



STRONG PRESENCE IN HIGH GROWTH BUSINESSES: CAUSTIC SODA

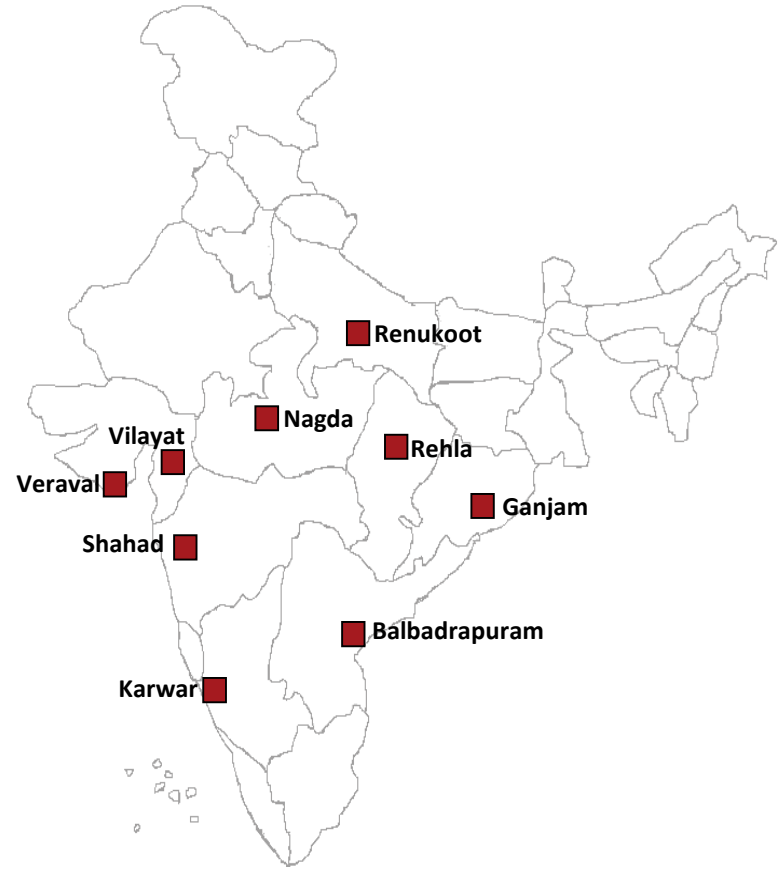
Fragment industry -23 players
Top-3 players account for ~50% of capacity



- Aditya Birla
- DCM
- GACL
- Meghmani
- Others

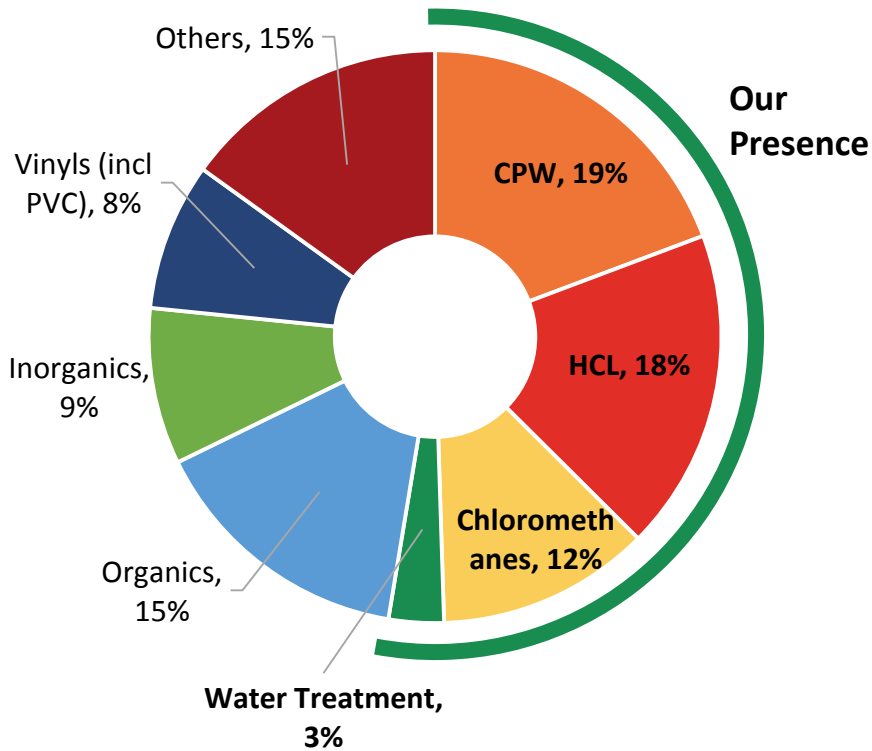
Source: Company estimates

Grasim: Pan India Player

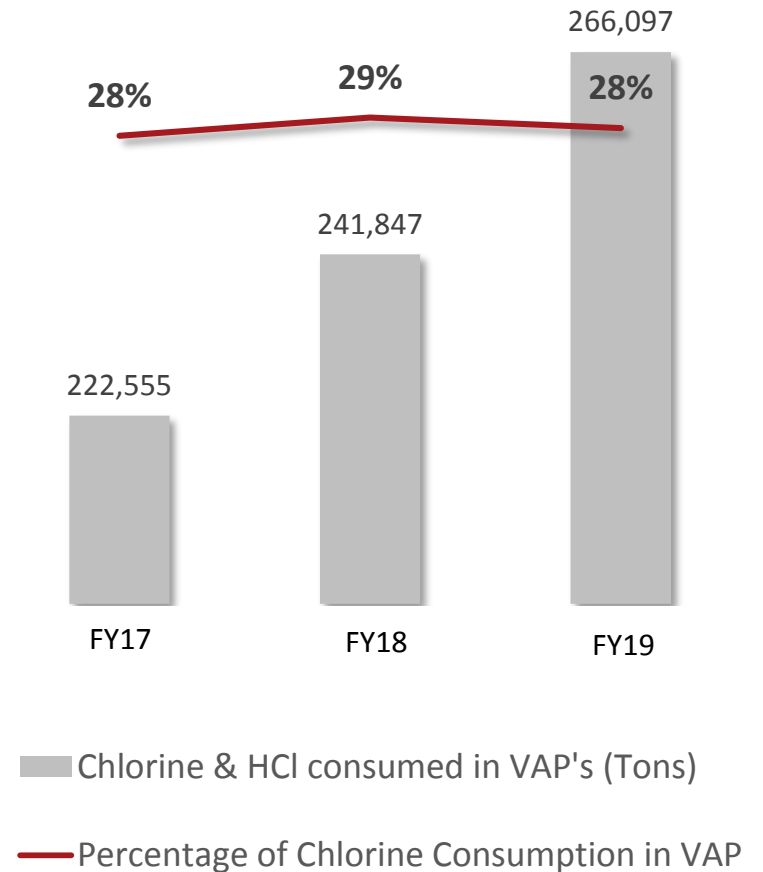


FOCUS ON CHLORINE INTEGRATION

Applications of Chlorine in India



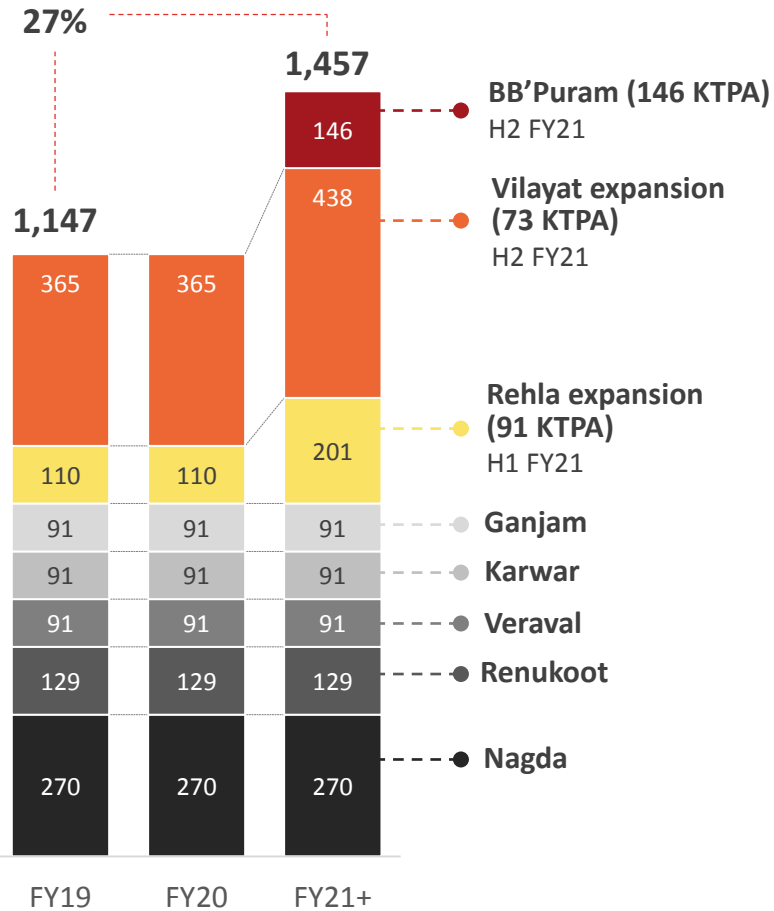
Captive Chlorine Consumption



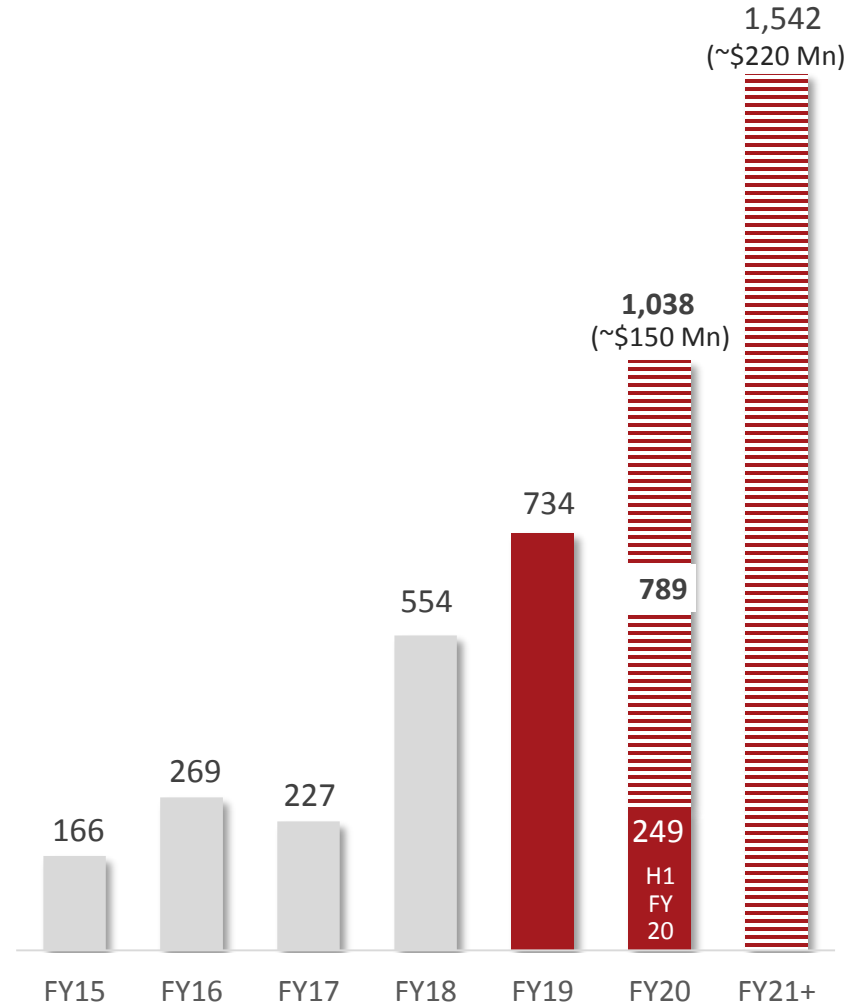
Source: Company estimates

EXPANDING CAPACITIES IN TUNE TO GROWING DEMAND

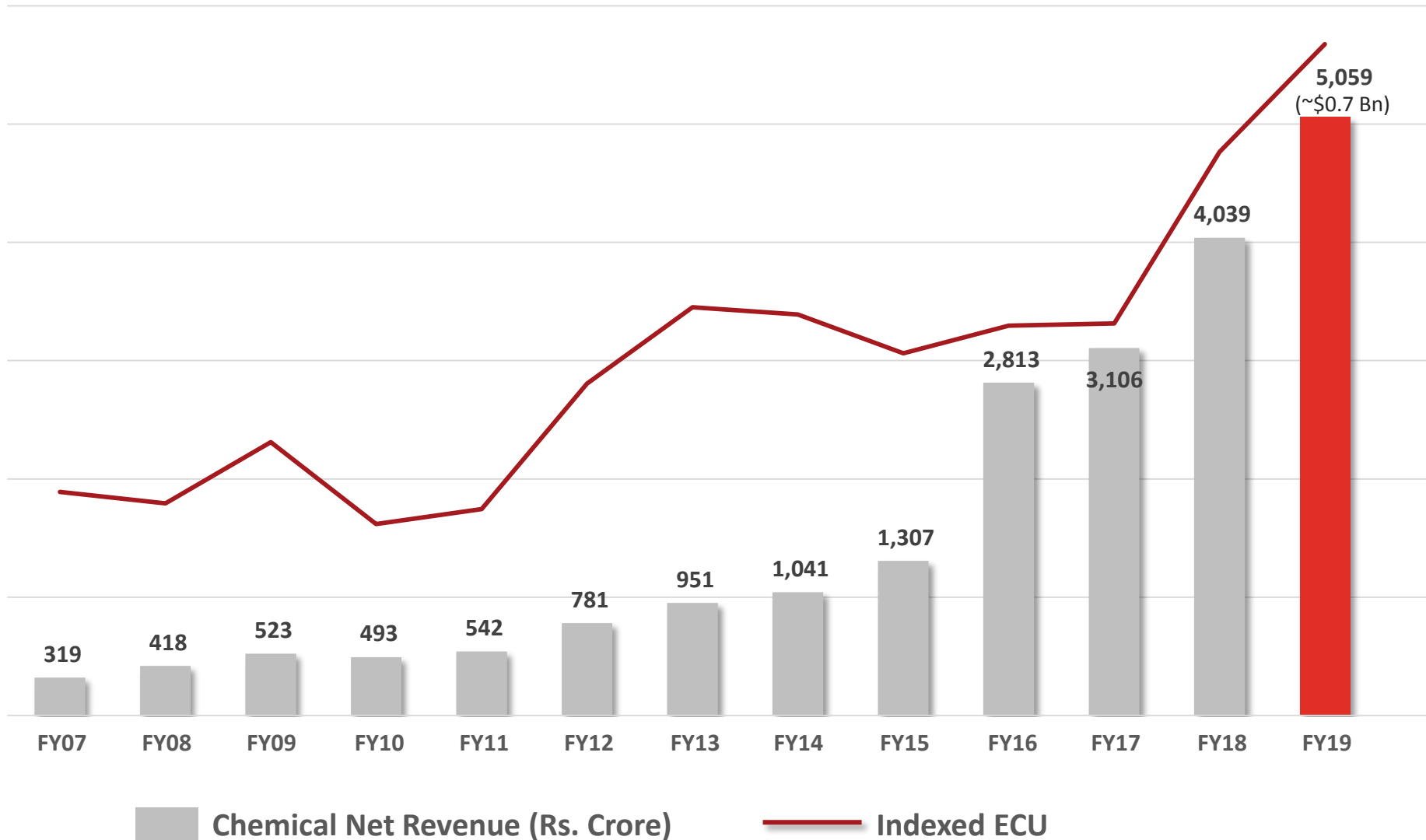
Caustic Soda Capacity (KTPA)



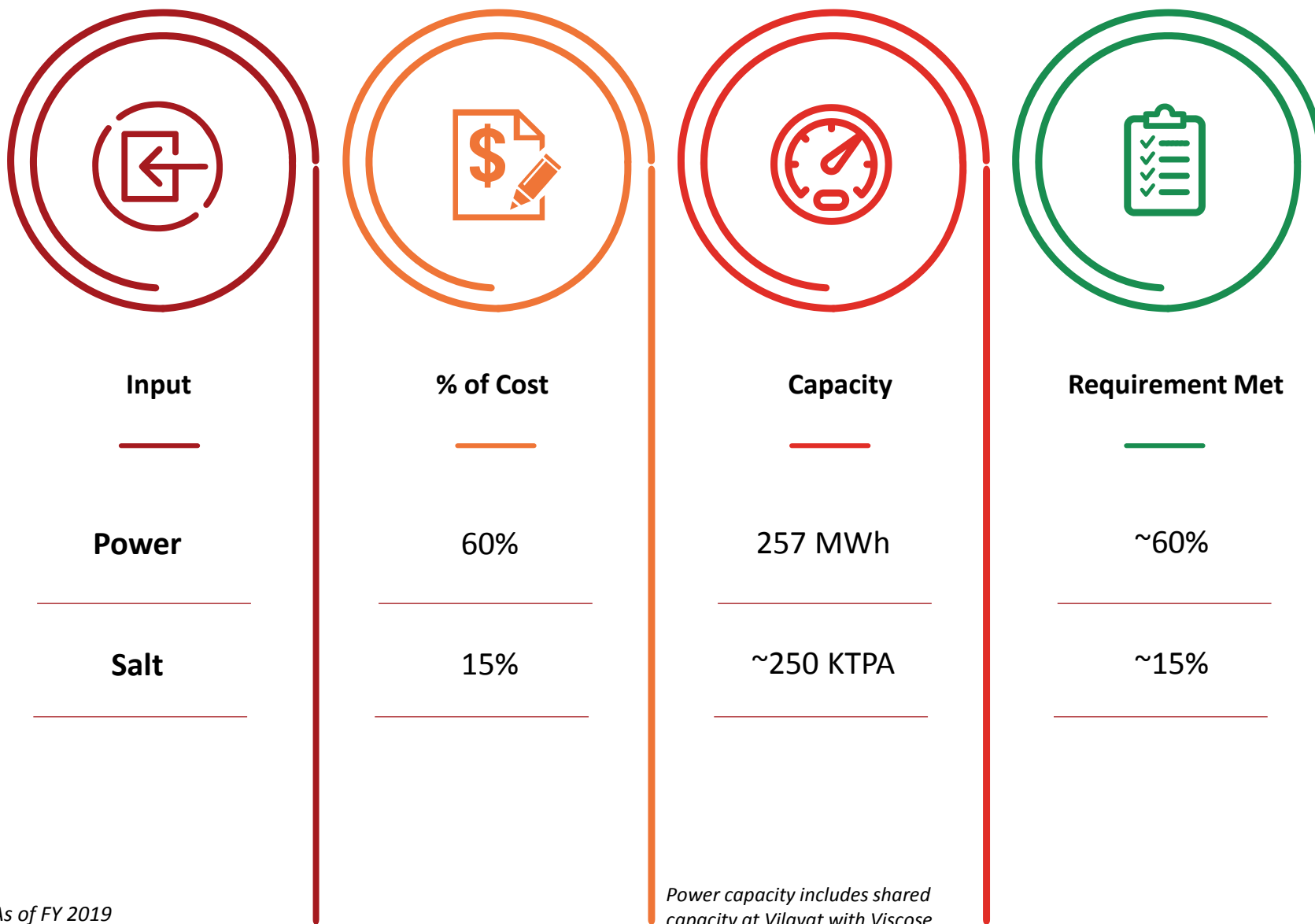
Capex (Rs. Cr)



CAUSTIC SODA: LONG TERM PERFORMANCE INDICATORS



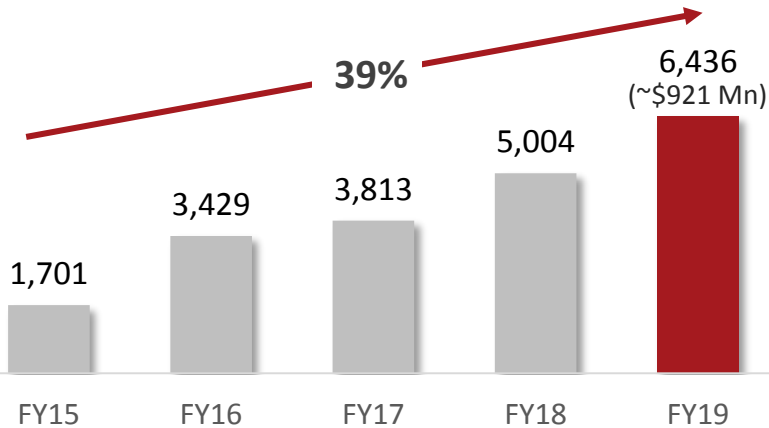
CAUSTIC SODA: INPUT COST STRUCTURE



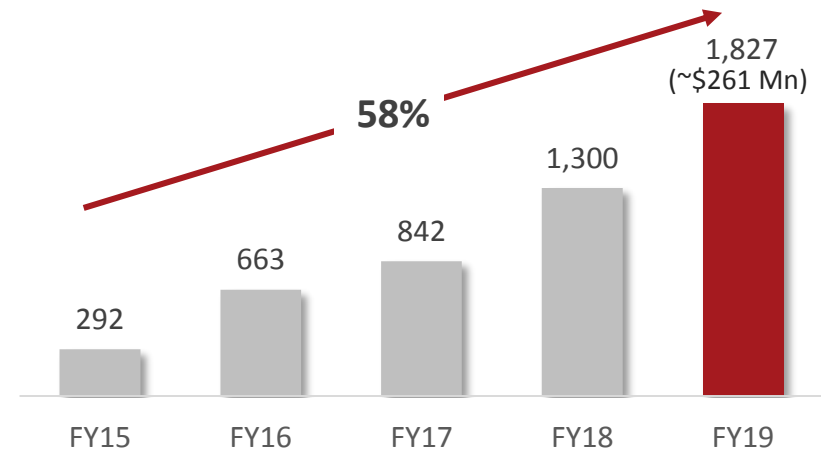
Note: As of FY 2019

CHEMICALS PERFORMANCE

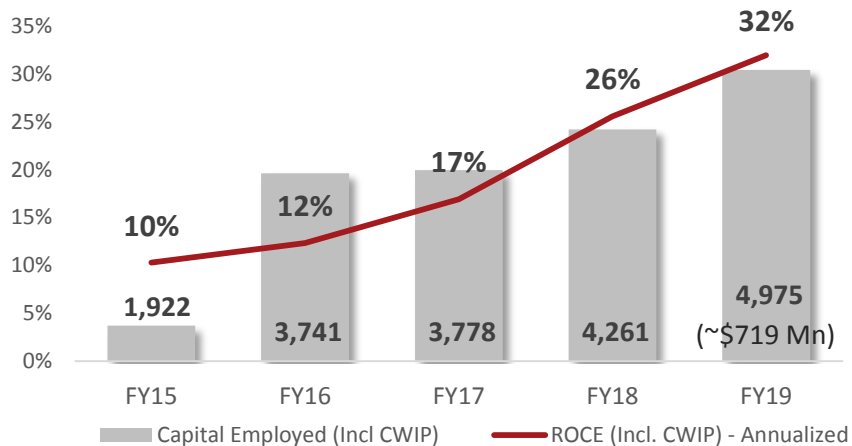
Net Revenue (Rs. Cr.)



EBITDA (Rs. Cr.)



Capital employed (incl. CWIP) [Rs. Cr.] and ROCE



- Consistently improvement in Power security and the share of renewables. Over the next 18 to 24 months we are set to expand our CPP capacities and adopt more wind/solar
- Salt securitization by increasing capacities at current salt fields and setting up new fields
- Expanding capacity to 1,457 KTPA from 1,147 KTPA by FY 21. Expanding the capacities of existing VAPs and entering new VAPs by H2FY21. (Capex Planned ~Rs. 2,500)
- Globally, Caustic soda price is expected to stabilize, and Indian ECU should follow suit too



Water

Focus on water consumption through reduction, recycle and reuse in all the units. **Zero liquid discharge** at Nagda and Renukoot achieved and Rehla and Ganjam in progress



Energy

Continuous focus on improving energy efficiency across businesses
Adding renewable mix to the overall power mix



Safety

Tracking movement of chlorine (tonner) from factory to customer's end through our mobile application Suraksha providing real-time feedback



Circular Economy

Fly ash waste generated in power plant, being utilized in cement for blending purpose

Salt Transportation - Replace HDPE salt bag with rack/ containers



Allied Businesses

Vytal

UltraTech
The Engineer's Choice

ADITYA BIRLA
CAPITAL

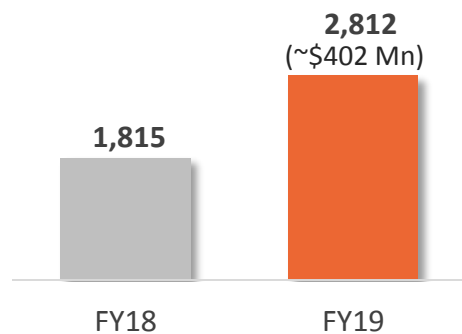
LINEN CLUB

Wacoal

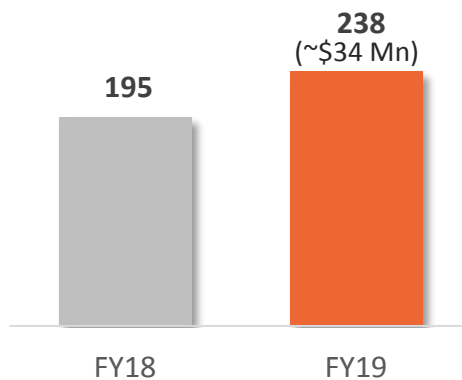
Raysil
UltraSoft Cotton

Fertilisers

Net Revenue (Rs. Cr.)

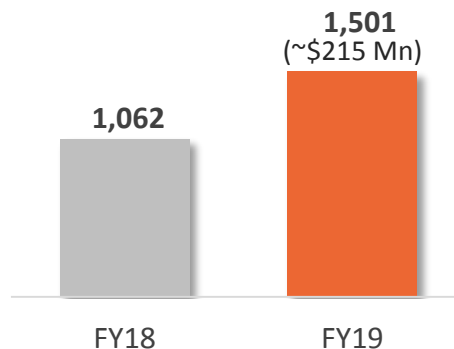


EBITDA (Rs. Cr.)

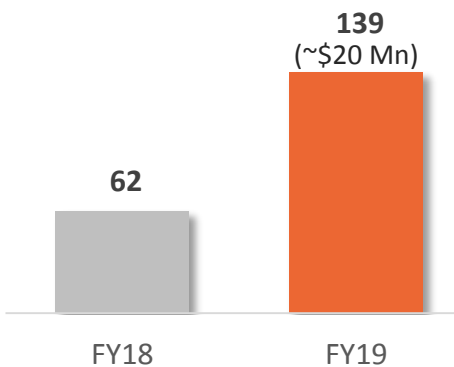


Textile

Net Revenue (Rs. Cr.)

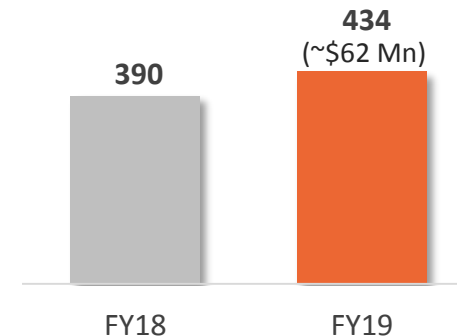


EBITDA (Rs. Cr.)

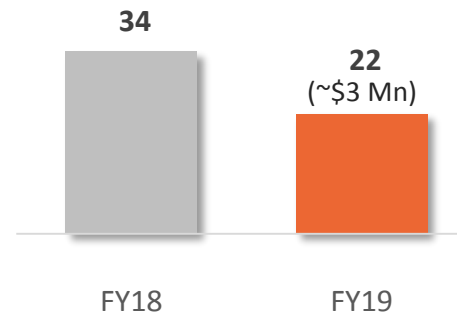


Insulators

Net Revenue (Rs. Cr.)



EBITDA (Rs. Cr.)



ADITYA BIRLA



GRASIM

Consolidating Subsidiaries

Vytal

UltraTech
CEMENT
The Engineer's Choice

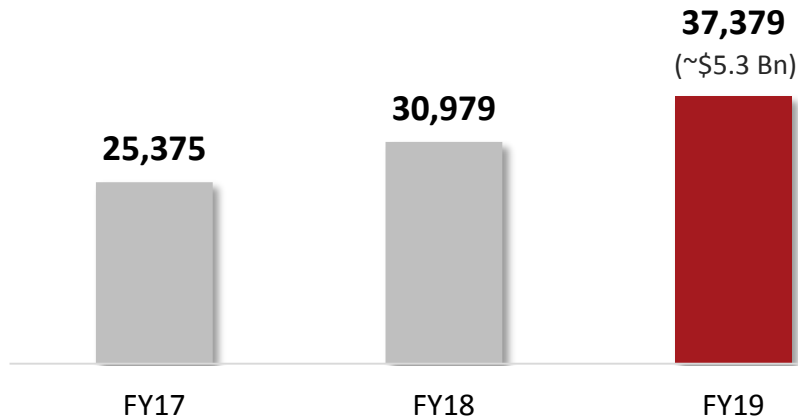
ADITYA BIRLA
CAPITAL

LINENCLUB

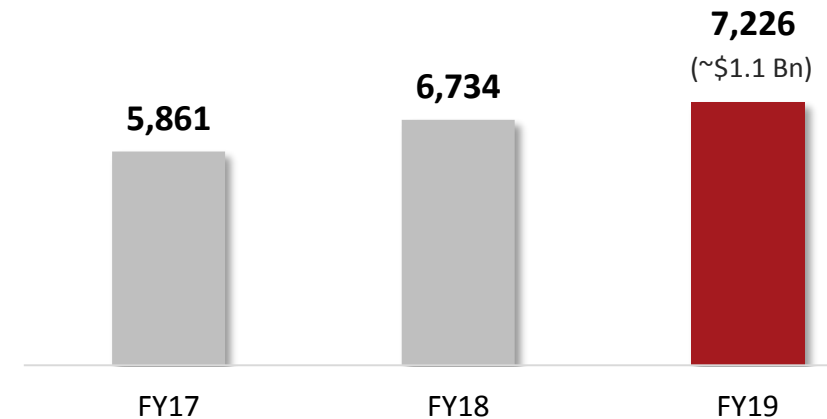
Waco

Raysil
ULTRA FINE MESH

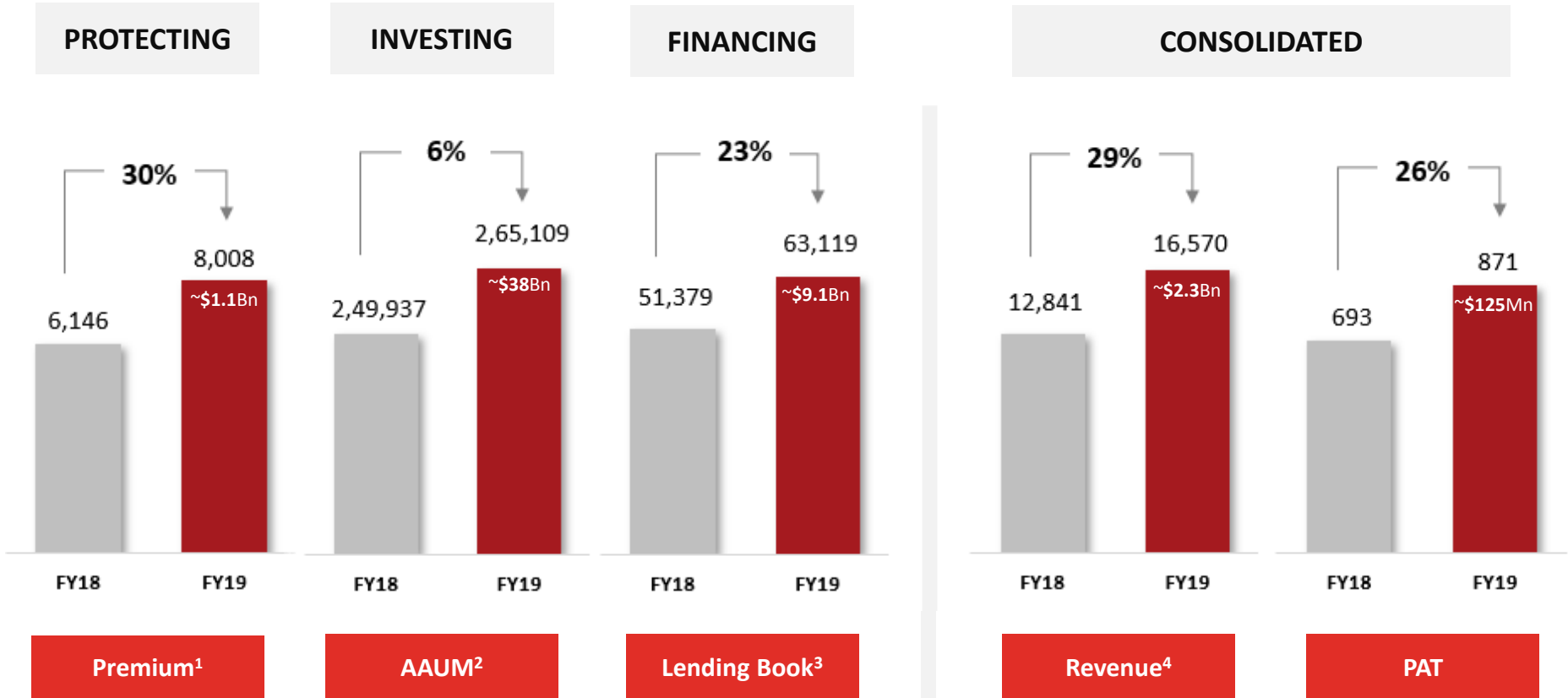
Net Revenue (Rs. Cr.)



EBITDA (Rs. Cr.)



- The Indian cement industry grew approximately by 12% in FY19
- Overall focus on maintaining moderate debt and enhancing liquidity
- UltraTech completed the acquisition of Century's cement business, with this acquisition, its manufacturing capacity stands augmented to 117.4 mtpa, including its overseas capacity
- Revival of rural housing, Affordable housing and Infra spending are some favorable factors for demand growth
- Achieved successful integration of the biggest acquisition in Indian Cement Industry (21.2 MTPA) as planned in 8 quarters



¹ Includes Life Insurance and Health Insurance gross total premium (as per IRDAI reporting)

² AAUM of Asset Management business

³ Includes NBFC and Housing Finance businesses

⁴ Consolidated segment revenue ; for Ind AS statutory reporting purpose Asset management and wellness business are not consolidated and included under equity accounting

OTHER SUBSIDIARIES

Solar subsidiaries

Particulars (Rs. Cr.)		Q2FY20	Q1FY20
Net Revenue	Rs. Cr.	20	26
EBITDA	Rs. Cr.	10	14
EBITDA Margin	%	50%	54%
EBIT	Rs. Cr.	5	8
Capital Employed (Incl. CWIP)	Rs. Cr.	973	851

Parameters

Sep 2019

Cumulative Installed Capacity (MW)	182
No. of Projects	16
No. of Projects with Group Companies	11
Capacity with Group Companies (MW)	111



Planned capacity at 500 MW by FY20

Grasim Premium Fabrics (Brand Suktas)

Particulars (Rs. Cr.)		Q2FY20	Q1FY20
Net Revenue	Rs. Cr.	45	48
EBITDA	Rs. Cr.	7	8
EBITDA Margin	%	16%	17%
EBIT	Rs. Cr.	-3	4
Capital Employed (Incl. CWIP)	Rs. Cr.	177	181



The merger of Grasim Premium Fabric Private Limited with the Company is under process



Post acquisition, the fair valuation exercise has been completed in Q2FY20

ADITYA BIRLA



GRASIM

Appendix

Vytal

UltraTech
CEMENT
The Engineer's Choice

ADITYA BIRLA
CAPITAL

LINENCLUB

Wacoal

Raysil
ULTRA FINE MERINO

- **Grasim Industries has been Ranked # 205 in the list of “Global 2000 – Growth Champions 2018” by Forbes Magazine, USA**
- **Grasim Industries has been ranked the #154 Top Regarded Company of the World in 2018**
- **Grasim Industries Limited ranks #59 in Forbes Global 2000 Best Employers List**
- **Harihar Pulp unit** has been declared the winner of **Golden Peacock Award for Sustainability – 2018**
Sustainability initiatives at Harihar like Colour reduction of Treated effluent/Pulp Unit etc. this year
- **Liva- Best Use of experiential Marketing in a Loyalty Programme at 11th Customer Loyalty Summit on 1st Feb 2018**
- **Liva- Most admired fashion innovation of the year by India Fashion Forum**

Abbreviation	Particulars
AAUM	Average Asset Under Management
CAGR	Compound annual growth rate
CPP	Captive Power Plant
CPW	Chlorinated Paraffin Wax
ECU	Electrochemical Unit
FY	Financial Year
Exchange Rate	Avg. USD-INR : 69.905 Closing USD-INR : 69.1612
HCL	Hydrochloric Acid
Ind AS	Indian Accounting Standards
IRDAI	The Insurance Regulatory and Development Authority of India
KTPA	Thousand ton per annum
MTPA	Million ton per annum
MWh	Mega Watt Hour
NBFC	Non-Banking Finance Company
ROCE	Return on Capital Employed
Rs./ INR	Indian National Rupees
TPD	Ton per day
VAP	Value Added Products
VSF	Viscose Staple Fibre

ADITYA BIRLA



GRASIM

Thank you



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