

# Ambuja Cement

28<sup>th</sup> April, 2022

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Dear Sir,

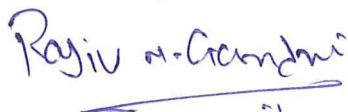
**Sub: Investor Presentation on the Financial Results for the quarter ended March 31, 2022**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed the Investor presentation on financial results for the first quarter ended March 31, 2022.

Kindly take the same on record.

Thanking you,

Yours faithfully,  
**For Ambuja Cements Limited**



**Rajiv Gandhi**  
**Company Secretary**  
**Membership No. A11263**



**AMBUJA CEMENTS LIMITED**

Elegant Business Park, MIDC Cross Road 'B', Off Andheri Kurla Road, Andheri (E), Mumbai 400059.  
Tel.: 022- 4066 7000 / 6616 7000, Fax: 022 - 6616 7711 / 4066 7711. Website: [www.ambujacement.com](http://www.ambujacement.com)  
Regd. Off. : P. O. Ambujanagar, Taluka - Kodinar, Dist. Gir Somnath, Gujarat.  
CIN : L26942GJ1981PLC004717

**Ambuja  
Cement**

Ranked as

**India's Most  
Trusted Cement Brand**

in 2022

by



**Ambuja  
Cement**

**INVESTOR PRESENTATION Q1CY22**

Stock code-BSE:500425 | NSE:AMBUJACEM | Reuters: ABUJ.NS| Bloomberg: ACEM

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# COMPANY OVERVIEW

# Ambuja Cement at a Glance



## Vision

To be the most sustainable and competitive company in our industry



## Mission

To create value for all

- Delighted customers
- Inspired employees
- Enlightened partners
- Energised society
- Loyal shareholders
- Healthy environment

**31.45** MTPA

Cement Capacity

**16%**

Share of premium products\*

**89%**

Share of blended cement

**62%**

Clinker Factor

**8x**

Water positive

**~7%**

Thermal Substitution rate

**~55,000**

Channel partners across India

**4,636**

Talent pool

**2.8 million**

Value Shared –  
(total beneficiaries)

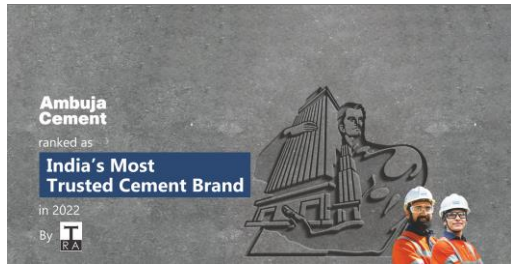
Part of Holcim - a global leader in building materials and solutions

Note: All figures for Q1 2022

Data/numbers rounded off to the nearest integer

\*Percentage of trade sales

# Awards and Recognition



Ambuja Cements ranked as India's Most Trusted Cement Brand in 2022 by TRA Research



Ambuja Cements ranked #1 in Construction and infrastructure sector of Business Today's "Best Companies To Work For" Survey



Ambuja Cement Foundation, has been felicitated with three awards at the 4th Social Impact Awards 2022 held by the Indian Chamber of Commerce (ICC) in Kolkata



Ambuja Cement Foundation recognised with 'Best Project Implementation Agency' by NABARD



Ambuja's Internal Audit team has achieved hat-trick awards at the Audit World Summit 2022



Ambuja Cement Foundation's Rupnagar Producer Company awarded Best Farmer Producer Organisation in Punjab for the 3rd time



# **ECONOMY AND SECTOR UPDATE**



# Economy Highlights



## Growth outlook

India's fiscal 2022-23 GDP is forecasted between 7.2% to 7.8%



## Accommodative stance

Repo rate unchanged at 4% for the eleventh consecutive time by RBI



## Government thrust

PLI scheme to help drive private investment activities



## Green Focus

Focus on renewables to accelerate India's green journey



## Budgetary support

Infrastructure and housing prominent focus for government



## Risk factor

Driven by geopolitical tensions and hardening commodity prices

Source: RBI MPC Meeting April 2022/CRISIL  
PLI: Production-linked Incentive  
RBI: Reserve Bank of India

# Favourable Sectoral Growth Drivers



## Housing

- Focus on Pradhan Mantri Awas Yojana (PMAY Urban & Rural) to continue with :
  - ~ 3.8 million units of urban housing under construction
  - ~ 3.7 million rural housing units under different stages of implementation
- Demand revival expected in real estate
- Promising Rabi 2022 crop outlook, will positively impact rural demand



## Infrastructure

- Target to construct 25,000 kilometer of highways and roads in FY 2022-23
- Momentum to continue in Urban infrastructure, Bharatmala and Metro projects
- Positive infra outlay in recent State Budgets



## Industrial / Commercial

- Implementation of PLI scheme to boost domestic demand
- Deferred industrial investments of past and new capex plans to drive demand
- Demand for warehouse space to be strong on back of e-commerce and retail growth
- Fresh capex uptick in mature capital-intensive sectors (steel and cement)

# Strategic Priorities Driving Sustainable Growth



Accelerating  
**GROWTH**

Read more

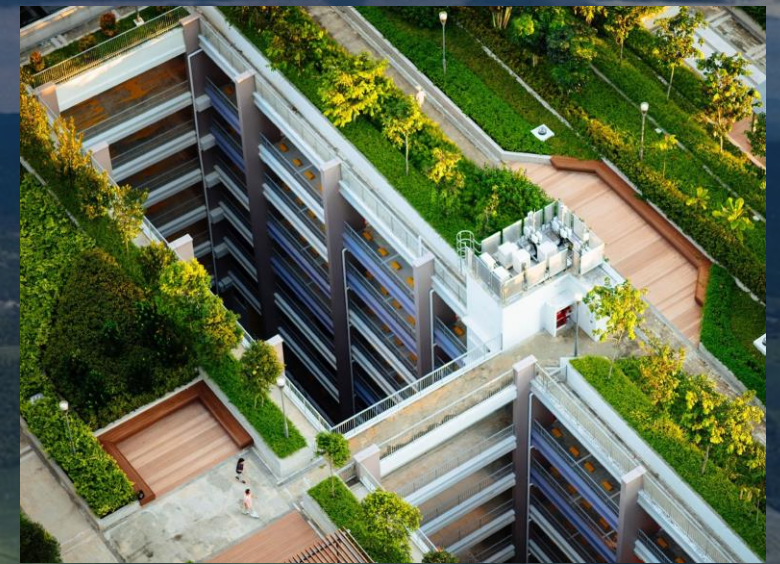
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Delivering **SUPERIOR**  
**PERFORMANCE**

Read more

**14**



Leading in  
**SUSTAINABILITY**

Read more

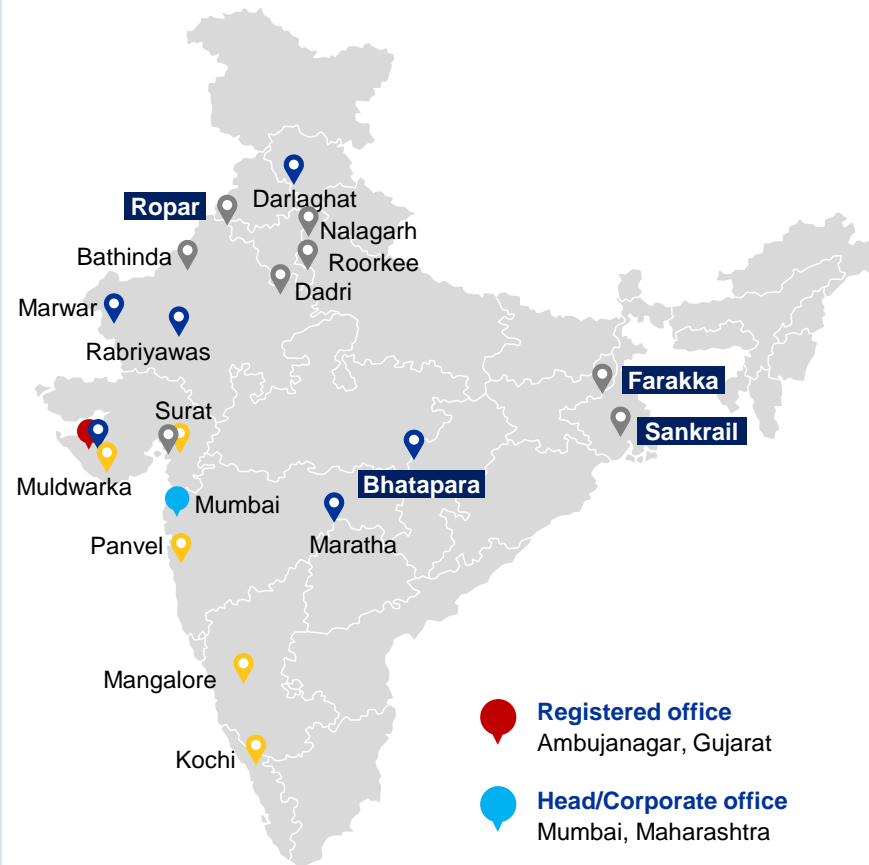
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# **ACCELERATING GROWTH**

# Accelerating Our Growth Journey

- Brownfield expansion of 1.5 MTPA cement grinding at existing plant in Ropar, Punjab
- Integrated facility with 7.0 MTPA cement grinding expansion at existing location (Sankrail and Farakka) and greenfield grinding unit at Barh, Bihar with 3.2 MTPA brownfield clinker expansion at Bhatapara, Chhattisgarh
- Swift ramping up of recently commissioned plant at Marwar, Rajasthan
- Securing limestone reserves to support long term growth



## Integrated cement plants

- |                                      |                            |
|--------------------------------------|----------------------------|
| 1. Ambujanagar, Gujarat              | 4. Rabriyawas, Rajasthan   |
| 2. Darlaghat, Himachal Pradesh       | 5. Bhatapara, Chhattisgarh |
| 3. Maratha Cement Works, Maharashtra | 6. Marwar, Rajasthan       |



## Grinding units

- |                          |                               |
|--------------------------|-------------------------------|
| 1. Ropar, Punjab         | 6. Dadri, Uttar Pradesh       |
| 2. Bathinda, Punjab      | 7. Nalagarh, Himachal Pradesh |
| 3. Sankrail, West Bengal | 8. Surat, Gujarat             |
| 4. Roorkee, Uttarakhand  |                               |
| 5. Farakka, West Bengal  |                               |



## Bulk cement terminals

- |                        |                         |
|------------------------|-------------------------|
| 1. Muldwarka, Gujarat  | 4. Surat, Gujarat       |
| 2. Panvel, Maharashtra | 5. Mangalore, Karnataka |
| 3. Kochi, Kerala       |                         |

MTPA: Million Tons Per Annum

# Expanding Solutions and Products

## The most sustainable, environment friendly wall solutions

### National footprint



### Towards sustainable solution

- 50% less Carbon emission
  - Use of Primary raw material as fly ash
  - Zero soil consumption
  - Low thermal conductivity and thus helps to avoid using equipments to reduce heat
  - No curing required during construction and thus saves water
  - Less density, save on fuel and reduced CO2 emission on transportation



### Scale Up Plan

Focus on coolwall as a wall solution and plan to scale up significantly in the next 3 years



**DELIVERING  
SUPERIOR  
PERFORMANCE**

## Cost Efficient Green Energy

- Next phase of Waste Heat Recovery System (WHRS) projects approved for plants at Ambujanagar and Maratha
- Ongoing WHRS projects at Bhatapara Darlaghat and Marwar on track
- Total WHRS capacity to reach ~87 MW post implementation of the above projects

## Alternate Fuel and Raw Materials

- Usage of waste generated through industrial, municipal and biomass as fuel in the kilns
- Alternate fuel forming ~7% of kiln fuel mix, increase of 1.5pp YoY
- Increased usage of waste derived resources (flyash and slag) in the cement production
- Wet Flyash Dryer units under advanced stages of implementation at various plant, for raw materials cost improvement

## New Age Digitalisation

- “Plants of Tomorrow” for implementing automation technologies, robotics, artificial intelligence and predictive maintenance through out the manufacturing process
- “Digital Eye” - Drones used for confined space inspection
- Logistic Efficiency through digital tools like TAC and Blue Yonder
- Enhancing scope of digitalisation for sales and marketing through various platform and applications including Dealer Connect app
- Successful pilot of Mines of Tomorrow

## Innovation

- Development of innovative products to deliver superior performance
- ‘Ambuja Kawach’ registered healthy growth of 66% YoY during the quarter





# Capturing the Share of Mind



## Republic day campaign

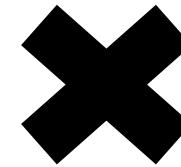
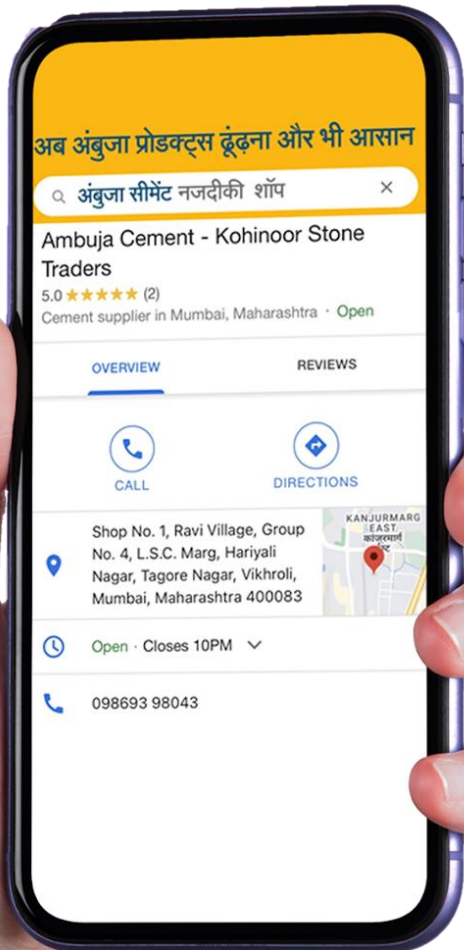
- Film on Republic Day to engage with stakeholders
- Total **8 Mn + Views & 3k+ Engagements** (YouTube & Facebook)
- Trending as **No.1 on Twitter India** with over 2.1k Tweets
- The film featured on various **trending pages & blogs** online
- Several LinkedIn **Top Voices** & Social Media **Influencers** promoted the film



## Partnership with BCCI

- **Heavy on-ground presence** through branding on perimeter boards, rope, sight screens and backdrops
- **Sustainability Initiative** – Partnered with BCCI & Geocycle to recycle waste generated in the cricket stadiums and to use it as alternate fuel in our plants
- Sponsor for **India vs Sri Lanka 2022 Test Match & ODI**

## Channel support through digital initiatives – Google My Business (GMB)



- Google My Business – An industry first one-of-a-kind initiative (Pilot) for about 500 channel partners

- Individual interactive Google listings for each of them, enabling Ambuja's hyperlocal presence



**LEADING IN  
SUSTAINABILITY**

# Sustainability Targets and Achievements

## Sustainable Development Plan 2030



### Climate and Energy



### Circular Economy



### Water and Nature



### People and Communities

Lead metrics	CO <sub>2</sub> Reduced (kg CO <sub>2</sub> /ton of cementitious material)	WASTE Re-used (Million tons)	WATER Saved (Fresh water consumption: Litre/t cementitious material)	VALUE Shared (Million beneficiaries)
Performance Q1 2021	518	2.2	60	2.7
<b>Performance Q1 2022</b>	<b>509</b>	<b>2.4</b>	<b>52</b>	<b>2.8</b>
Target 2030	453	21	62	3.5

SDGs linked





## Optimising Resource Utilisation

- One of the best clinker factor with focus on further reducing it through sustainable products
- Upcoming plants to optimise the production of blended cement
- Addressing flyash availability challenges with:
  - Increased use of wet/conditioned flyash
  - Installation of flyash dryers in strategic locations
  - Augmentation of handling and storage capacity at plants



## Climate and Energy

- Increasing clean and green energy with focus on Waste Heat Recovery System and renewable energy source
- Driving performance through Plants of Tomorrow
- Retrofitting of CNG kits in mining vehicles
- Use of electric vehicles in mines/plants
- Optimising lead distance through use of analytics
- Bulk transportation and substituting conventional fuel with green fuel



## Circular Economy

- Introduced complex waste and Low Flash Point waste
- Achieved higher Thermal Substitution Rate (TSR)
  - Market approach driven by footprint expansion of Municipal Solid Waste across key markets
- Associated with over 65 cities for managing legacy waste through urban mining; about 1.3 lakh tons of plastic used as alternative fuels across plants
  - Driving advocacy efforts on recognition of co-processing at par with recycling



## Water

- Higher use of recycled water and rainwater harvesting
- Develop innovative products focused on sustainability parameters (including lower water usage)
- Certified over eight times water positive - a testament to the success of efforts to conserve water

# Corporate Sustainability Campaign

## # CHANGE THE STORY

- The sustainability campaign is about efforts at cleaning the river Yamuna through the non-invasive technology called 'Bubble Barrier' - to remove ~2,400 tons of plastic waste from Agra's Mantola canal before they enter the river
- This river cleaning initiative is being taken care of by Geocycle, the in-house waste management arm of Ambuja Cements Limited and ACC Limited
- The campaign proposes to elevate the narrative around sustainability challenges by showcasing technology-backed solutions that offer measurable outcomes
- Aims to rewrite the problems of the present and create solutions for the future



93.3

Million Impressions



14

Million Video views



41.5

Million Engagements



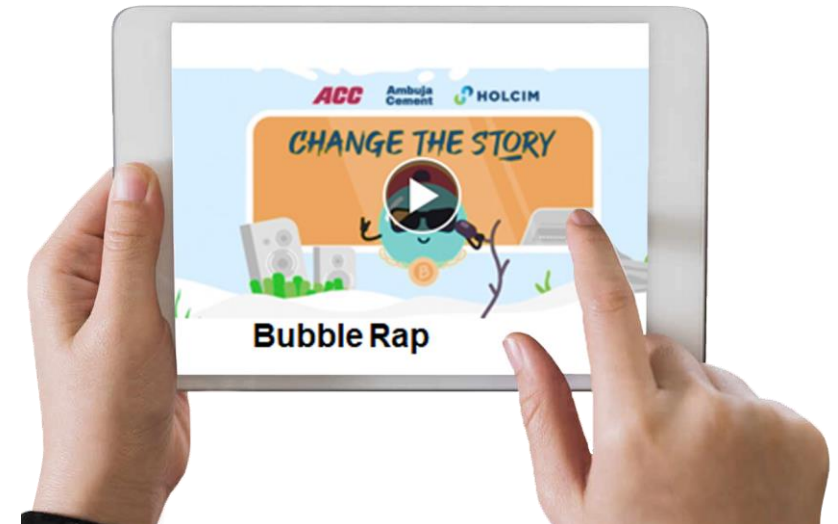
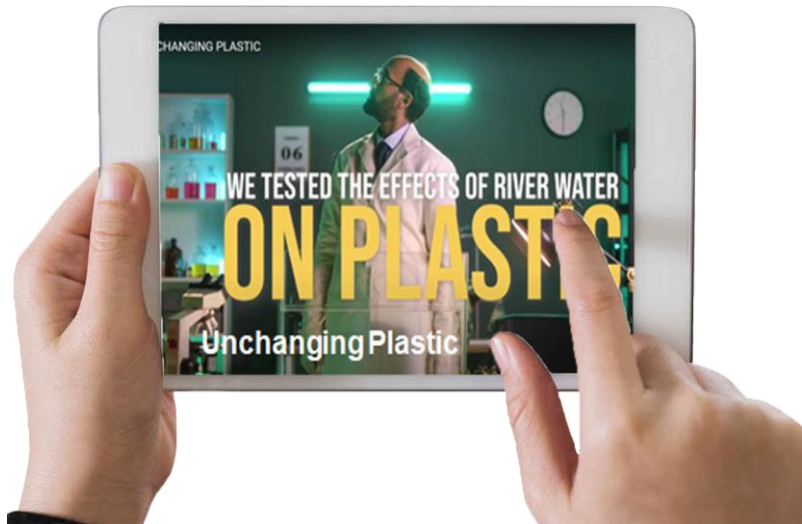
32

Million Reach



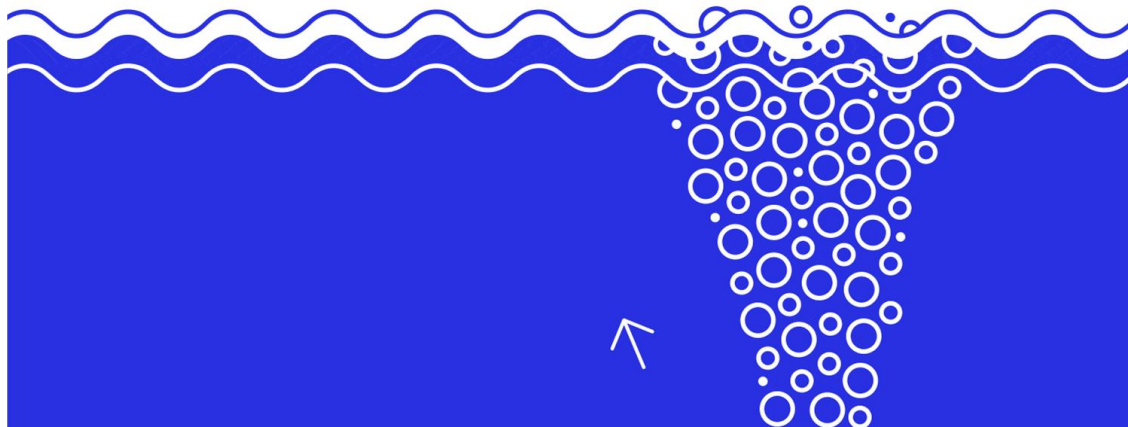
70+

Media coverage Coverage



click on the image to watch the videos

# Contributing to Making India Cleaner



## Geocycle Bubble Barrier

- Successful demonstration at Yamuna river (Agra)
- The second bubble barrier will be commissioned in Bhakra Beas Management Board (BBMB) lake located in Sunder Nagar, Himachal Pradesh and will help to remove ~1500 tons of plastics annually from the lake



## Community clean up

- Project #Bhoomi initiated in Bhatapara and Ambujanagar in coordination with Ambuja Cement Foundation
- Project aims at:
  - Developing a model for segregation and collection of plastics from nearby villages
  - Awareness generation amongst communities on waste segregation and proper disposal
  - Co-processing of non recyclable plastics

# Contributing to the Community through Ambuja Cement Foundation (ACF)



Smart Class – Varanasi HRDP



Launch of the Marwari Spice Brand



250 women in Darlaghat participated in a Jal Yatra on World Water Day

- 261 Individual RRWHS constructed
- 36,738 people benefitted from water projects
- 4,986 SEDI students trained across locations
- 2 New Skilling Centres (SEDI) started in Noida, UP; Sanand, Gujarat
- Facilitated in setting up SMART classes in 50 schools of Varanasi under the HDFC Bank Parivartan – HRDP Project

- At Marwar, promoted a Farmer Producer Company which has launched its own brand of spices called 'Marwari Hatadi'
- Implementing a new Water Project in Dariba in partnership with Hindustan Zinc Limited

**5.3** lakh

Beneficiaries reached in Q1CY22

**50**

District coverage across 12 states in Q1CY22



# Recognised for our Community Development Efforts

- Sankrail won the ICC Social Impact Awards 2022 for Women Empowerment
- Farakka won the ICC Social Impact Awards 2022 for Water Resource Management & Healthcare
- Rabriyawas won the Indra Mahila Shakti Promotion and Honor award for work on Women Empowerment
- SEDI Chirawa won the Indra Mahila Shakti Samman Award for Best Skilling Institute
- ACF's HZL Skilling Centre in Dariba won the Indra Mahila Shakti Protsahan Award
- SEDI Jaitaran and Agoocha appreciated at the district level for work on skilling youth
- Best Implementation Agency in Watershed Development in Darlaghat awarded by NABARD
- Best NGO Award by KVK Bathinda for work in Agriculture
- Best NGO Award by KVK Mansa for Water Management Practices
- Celebrating 10 years as an implementation partner with Better Cotton



Honored by the Municipal Council, Pali, Rajasthan



A Women SHG won the social excellence award for its income generation initiative in the Gare Palma Coal mines region

## Awards received by our Communities

- Rupnagar FPO was awarded the Best FPO by NABARD, Chandigarh
- 2 women in Bathinda were awarded Excellent Entrepreneur Award
- 3 women leaders from the Women's Co-operative, Women's Federation and Watershed Committee were honored by the Chief Minister of Himachal Pradesh

SEDI: Skill and Entrepreneurship Development Institute  
HZL: Hindustan Zinc Limited


FPO: Farmer Producer Organisation  
KVK: Krishi Vigyan Kendra




# PERFORMANCE REVIEW

# Performance Highlights – Q1CY 2022 (Standalone)


**7.5 mn tons**

Sales Volume\* (3.4% YoY) 


**INR 3,855 cr**

Net Sales (7.7% YoY) 


**INR 790 cr**

Op. EBITDA (-19% YoY) 


**INR 639 cr**

Op. EBIT (-25% YoY) 

**INR 654 cr**

PBT (-26% YoY) 

**INR 495 cr**

Profit After Tax (-26% YoY) 

cr: crore

\*Cement and Clinker

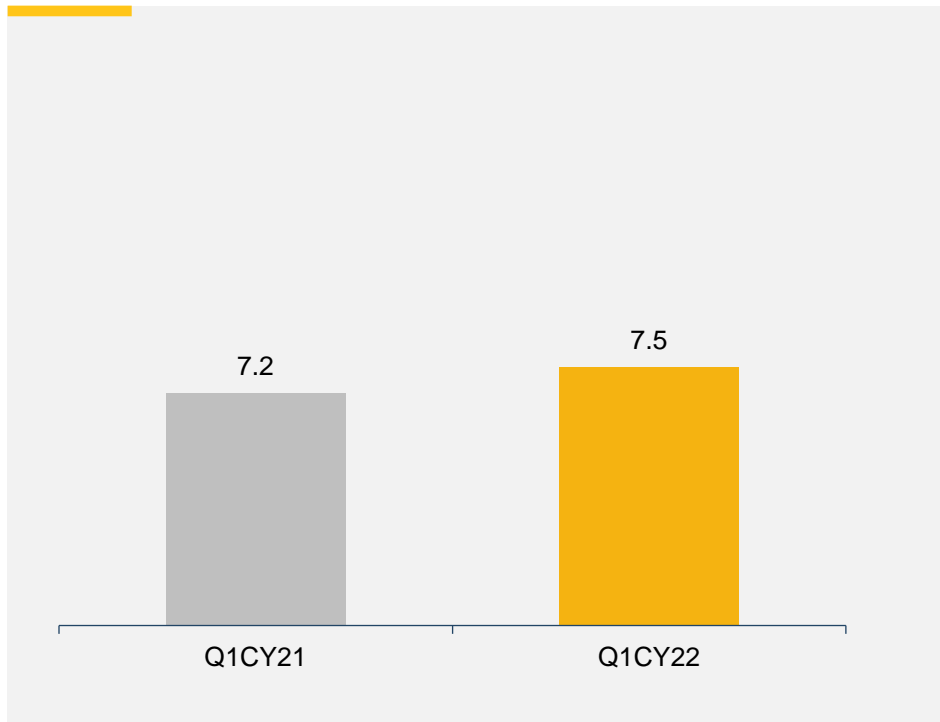
# Financial Results – Standalone

	Quarter Ended March		
	2021	2022	Change %
<b>(All amounts in ₹ Crore)</b>			
Net Sales	3,579	<b>3,855</b>	7.7%
EBITDA	977	<b>790</b>	-19.1%
EBITDA (%)	27.3%	<b>20.5%</b>	-6.8pp
Operating EBIT	851	<b>639</b>	-24.9%
Operating EBIT Margin (%)	23.8%	<b>16.6%</b>	-7.2pp
Profit Before Tax	886	<b>654</b>	-26.2%
Tax Expenses	222	<b>159</b>	-28.2%
Profit After Tax	665	<b>495</b>	-25.5%
Earning Per Share	3.35	<b>2.49</b>	-25.5%

# Performance Analysis

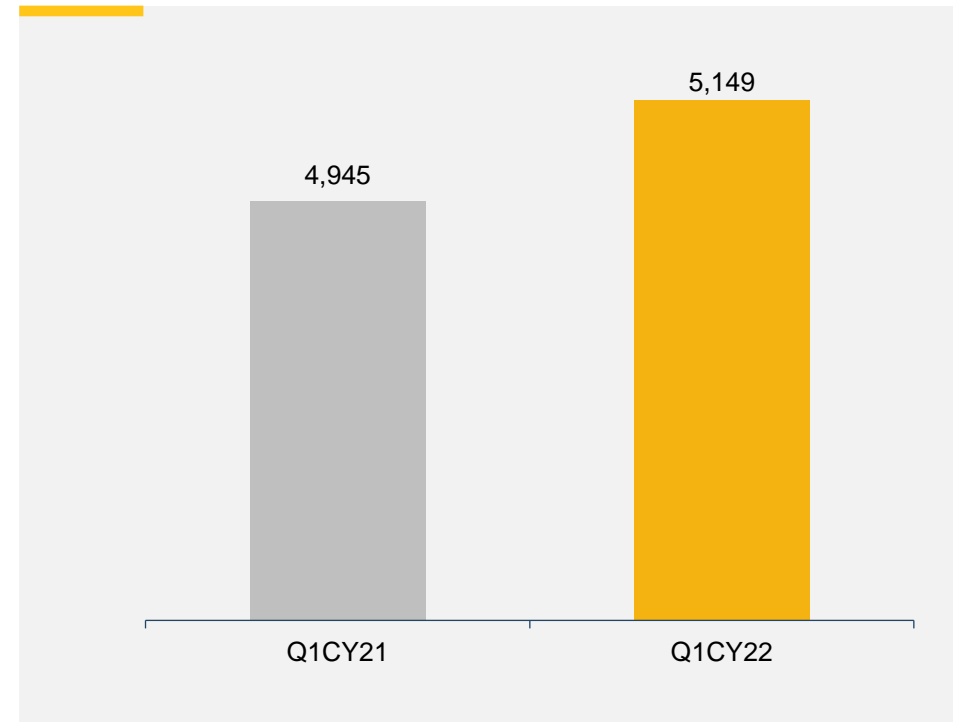
## Sales Volume & Realisation

**Sales volume – Cement + Clinker**  
(million tons)



- Swift ramp up of recently commissioned Marwar plant at Rajasthan, aiding the volume growth

**Realisation**  
(₹/ton)

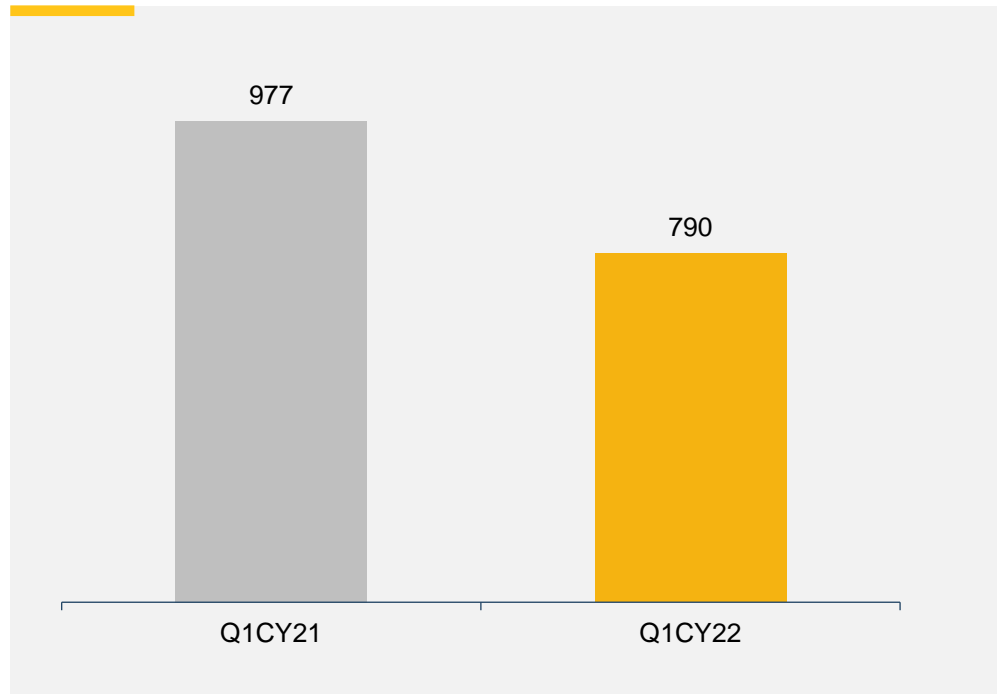


- In line with market trends, supported by increase in volumes of special cement 'Ambuja Kawach'

# Performance Analysis

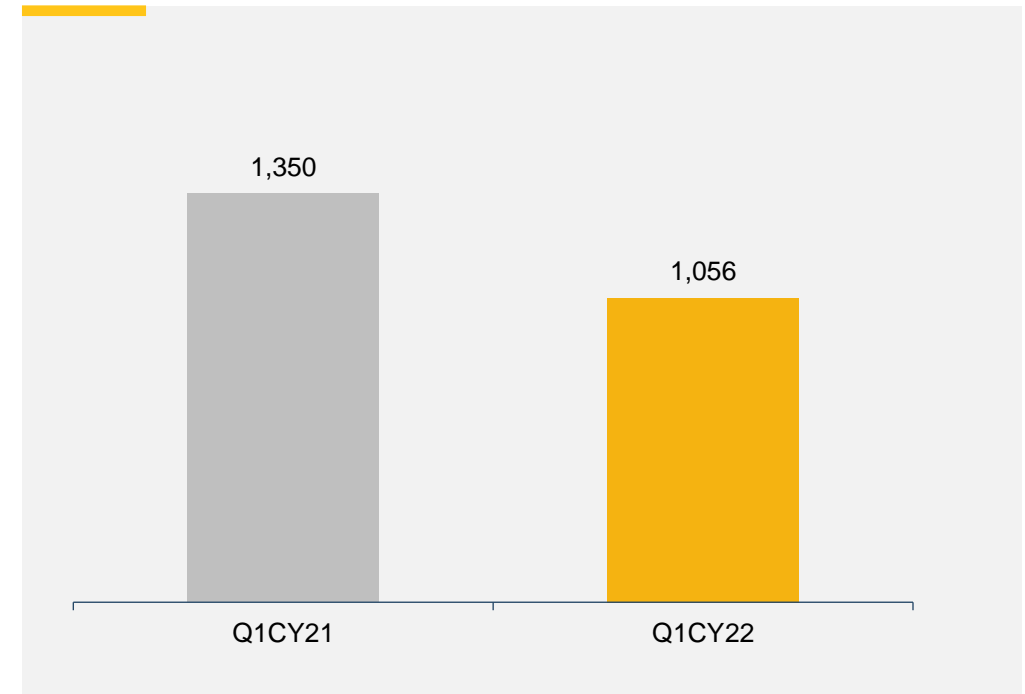
## EBITDA

EBITDA  
(₹/crore)



- EBITDA declined by 19% vs previous year due to significant rise in fuel prices which was partly mitigated by strong delivery of efficiency initiatives under 'I CAN' program

EBITDA  
(₹/ton)

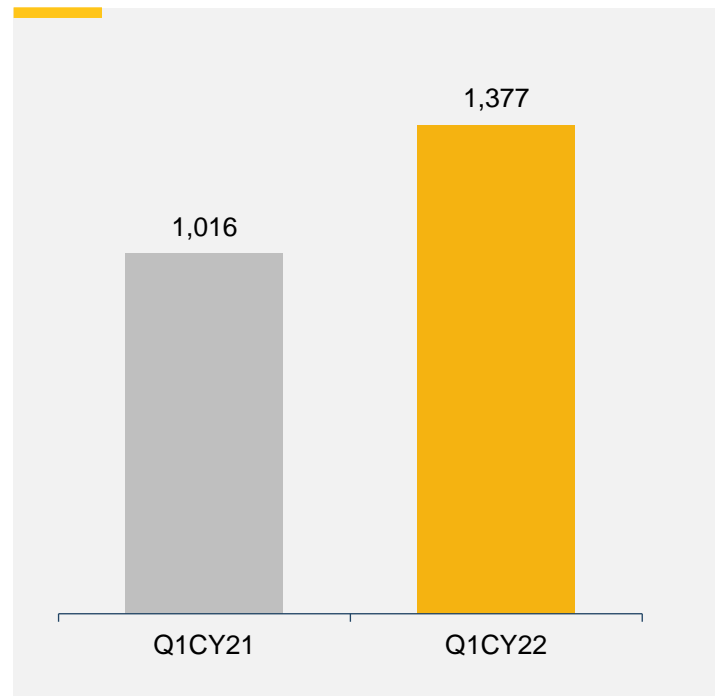


- EBITDA/ton during the quarter dropped by 22% on account of rising fuel cost, which was partly mitigated by improvement in efficiency parameters and strong leverage of MSA (Master Supply Agreement)

# Performance Analysis

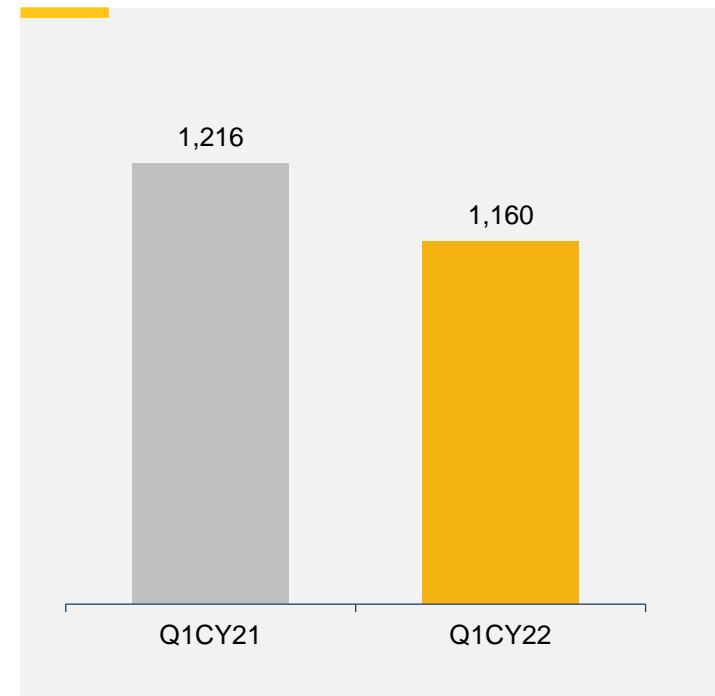
## Cost Elements

### Power and Fuel Cost (₹/ton)



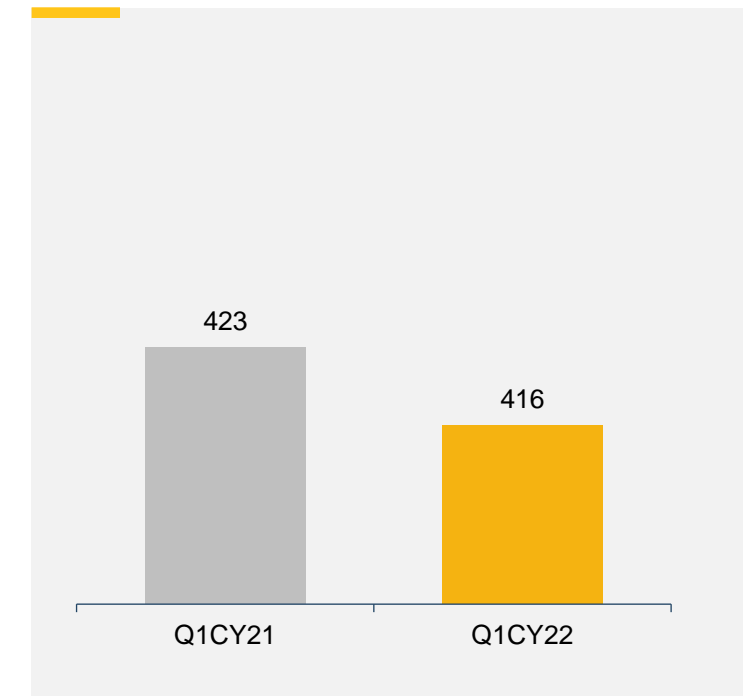
- Power and Fuel Cost impacted significantly on account of fuel cost inflation

### Freight and Forwarding Cost (₹/ton)



- Freight Cost per ton declined by ~5% year on year supported by logistics efficiencies
- Network optimisation through MSA helping in reining the logistic cost

### Raw Material Cost (₹/ton)

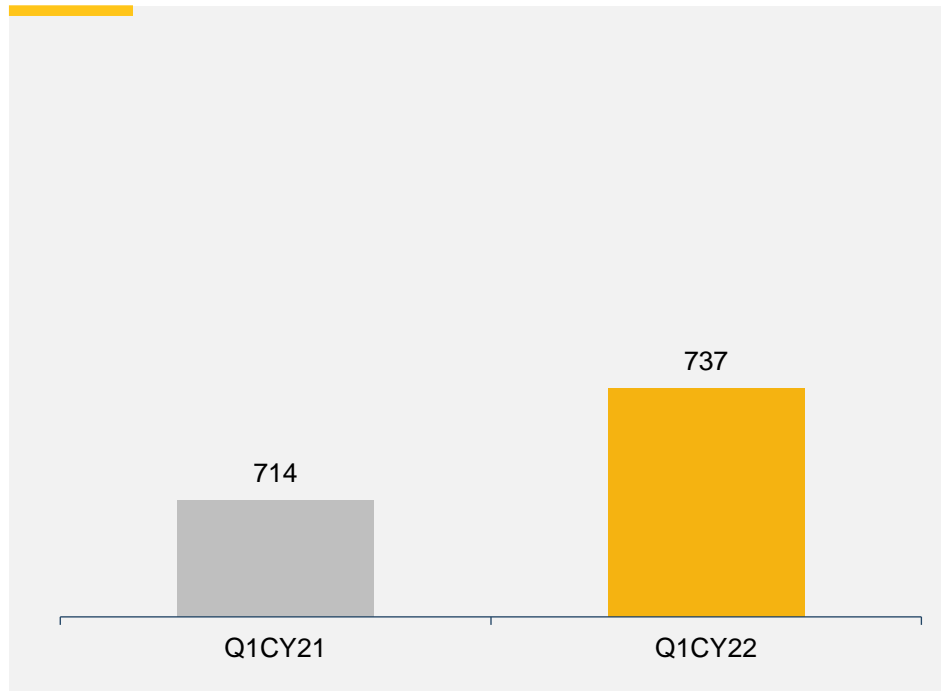


- Raw Material Cost sees a marginal decline of 1.5% year on year

# Performance Analysis

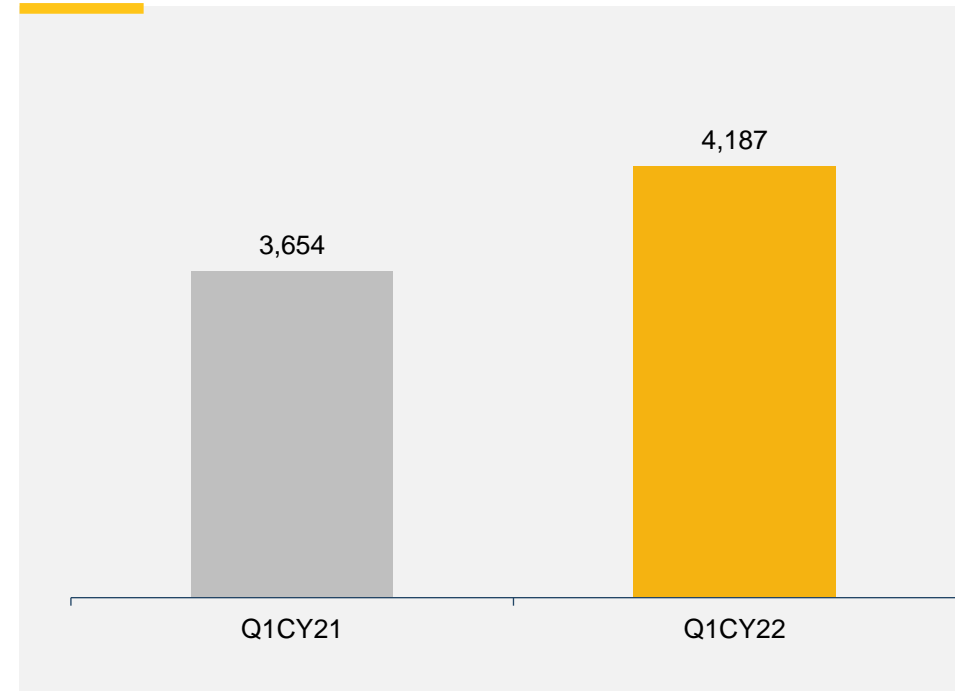
## Cost Elements

### Other Expenses (₹/ton)



- Other Expense per ton increased by 3% largely in line with current inflationary trends

### Total Cost (₹/ton)



- Total Cost /ton increased by 15% year on year impacted by significant increase in fuel prices, partly mitigated by cost efficiency measures



# Financial Results – Consolidated

(All amounts in ₹ Crore)	Quarter Ended March		
	2021	2022	Change %
Net Sales	7,617	7,754	1.8%
EBITDA	1,838	1,424	-22.5%
EBITDA (%)	24.1%	18.4%	-5.7 pp
Operating EBIT	1,570	1,119	-28.7%
Operating EBIT Margin (%)	20.6%	14.4%	-6.2 pp
Profit Before Tax	1,642	1,183	-27.9%
Tax Expenses	413	327	-21.0%
Profit after Tax	1,228	856	-30.3%
Profit attributable to owners of the Company	947	659	-30.4%
Earning Per Share	4.77	3.32	-30.4%



# Thank you

**REGISTERED OFFICE**

PO Ambujanagar  
Taluka Kodinar  
Gir Somnath district  
Gujarat – 362 715

**CORPORATE OFFICE**

Elegant Business Park  
MIDC Cross Road B  
Off Andheri -Kurla Road  
Andheri (E) Mumbai – 400 059