

# Ambuja Cement

ACL:SEC:

April 30, 2019

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Dear Sir,

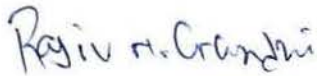
Sub: Investor Presentation on the Financial Results for the quarter and ended March 31, 2019

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed the Investor presentation on financial results for the quarter ended March 31, 2019.

Kindly take the same on record.

Thanking you,

Yours faithfully,  
For Ambuja Cements Limited



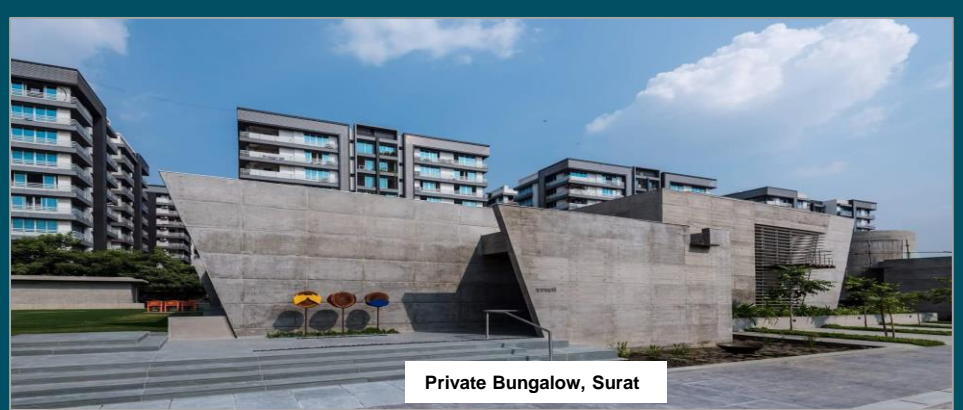
Rajiv Gandhi  
Company Secretary  
Membership No. A11263

## AMBUJA CEMENTS LIMITED

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Tel.: 022- 4066 7000 / 6616 7000, Fax: 022 - 6616 7711 / 4066 7711. Website: www.ambujacement.com  
Regd. Off. : P. O. Ambujanagar, Taluka - Kodinar, Dist. Gir Somnath, Gujarat.  
CIN: L26942GJ1981PLC004717



Individual House, Surat



Private Bungalow, Surat



VS Hospital New Building with Helipad, Ahmedabad



Kochi Metro - Alccofine

# Investor Presentation

30th April, 2019

## Disclaimer / Safe Harbour

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### Cautionary statement regarding forward-looking statements

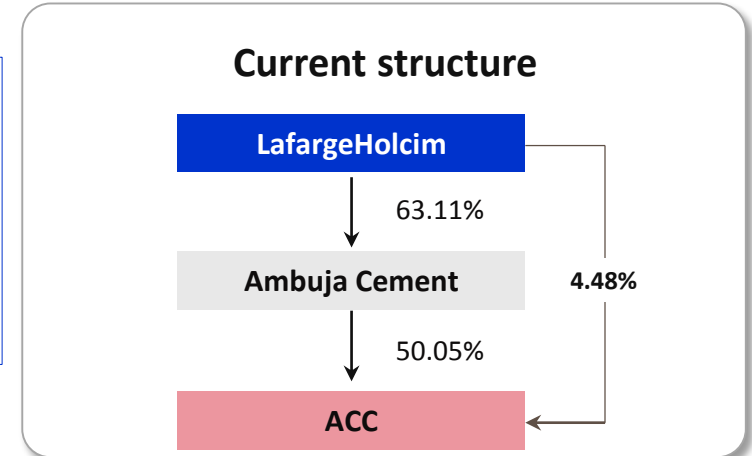
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## Ambuja Cement (ACL): Leading cement company in India

- Pan India footprint with consolidated cement capacity of 63 mn tonnes.
- Attractive geographical positioning.
- Market leading brands with large network of dealers/retailers (trade sales >80% of total volume).
- Strong balance sheet with consolidated net cash in excess of **INR 51 bn.**



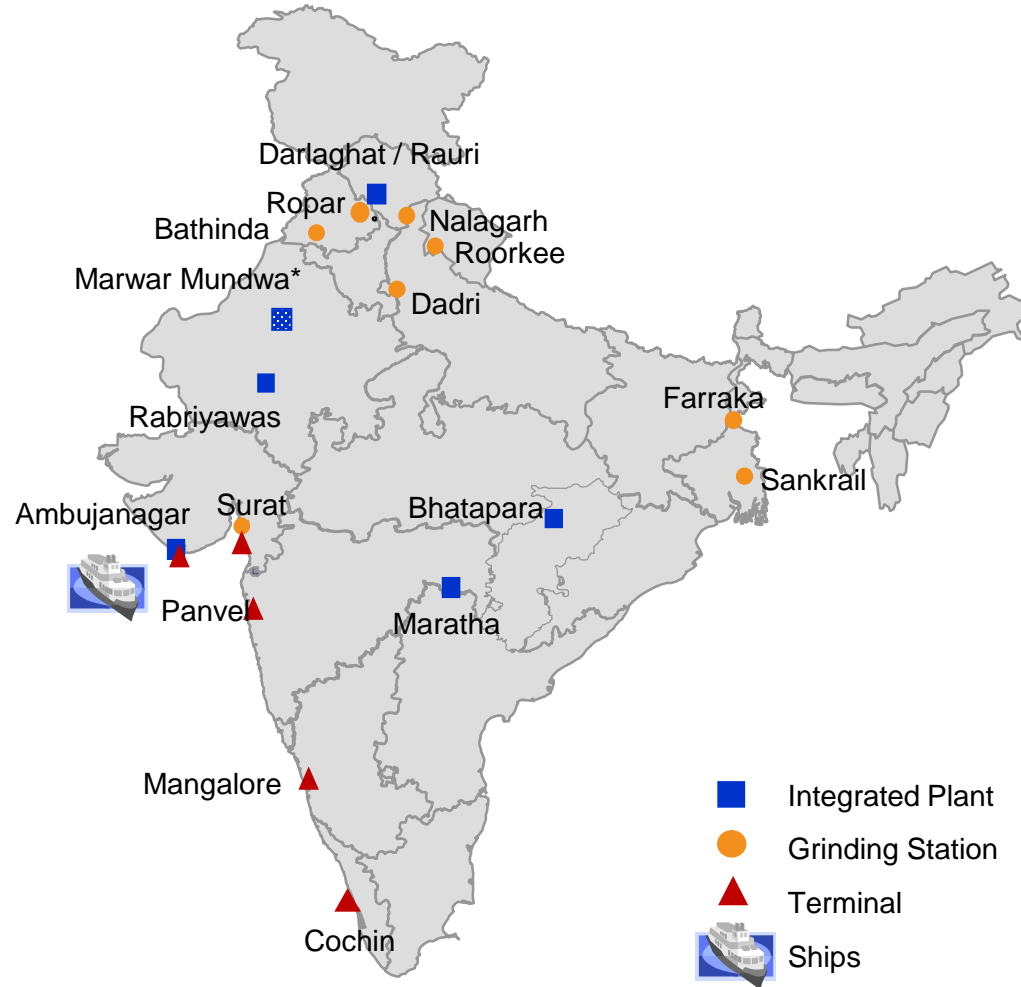
### Ambuja's- Strategies in place to enhance value

- Q1'19 cement capacity utilization at **86.6%**.
- Focus on Master Supply Agreement to unlock synergies in the areas of sales & marketing and logistics.
- The addition of 4.6 mn tonnes of cement volumes from Greenfield integrated cement plant at Marwar Mundwa, Rajasthan will further strengthen our position in core markets of North and Gujarat. To be operational in Q3 2020.
- Commercial transformation: New and innovative premium product launches, focus on customer excellence and on margin management levers.
- To continue to optimize cost structure: Optimisation of fuel including alternative fuel journey, reduction in lead distance and savings in fixed overheads.

*Ambuja Cements Ltd. is one of the leading cement companies in India. It is part of the LafargeHolcim Group, the world leader in the building materials industry, with a presence in 80 countries, and a focus on cement, aggregate and concrete since 2006. For three decades, Ambuja Cements has provided hassle-free home building solutions with its unique sustainable development projects and environment-friendly practices.*



... with a strong independent standalone footprint & robust strategies ...

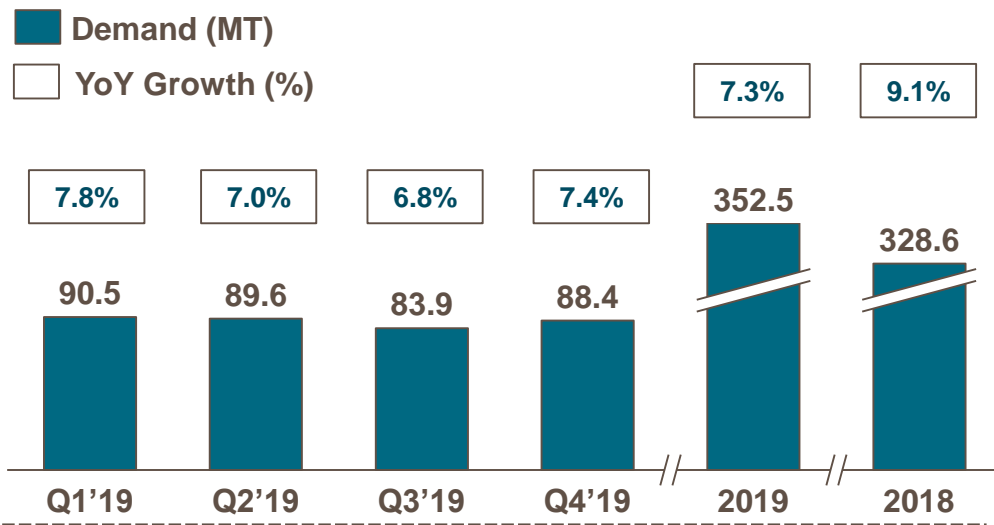


Physical infrastructure	
Integrated Plants	5
Kilns	9
Clinkerisation Capacity (MTPA)	17.7
Grinding Units	8
Bulk Cement Terminals	3
Loading Port	1
Cement Grinding Capacity (MTPA)	29.7
Ships	10

*With a strong footprint in the North, West and East parts of India, and a presence in the South, Ambuja Cement covers key locations in each region*

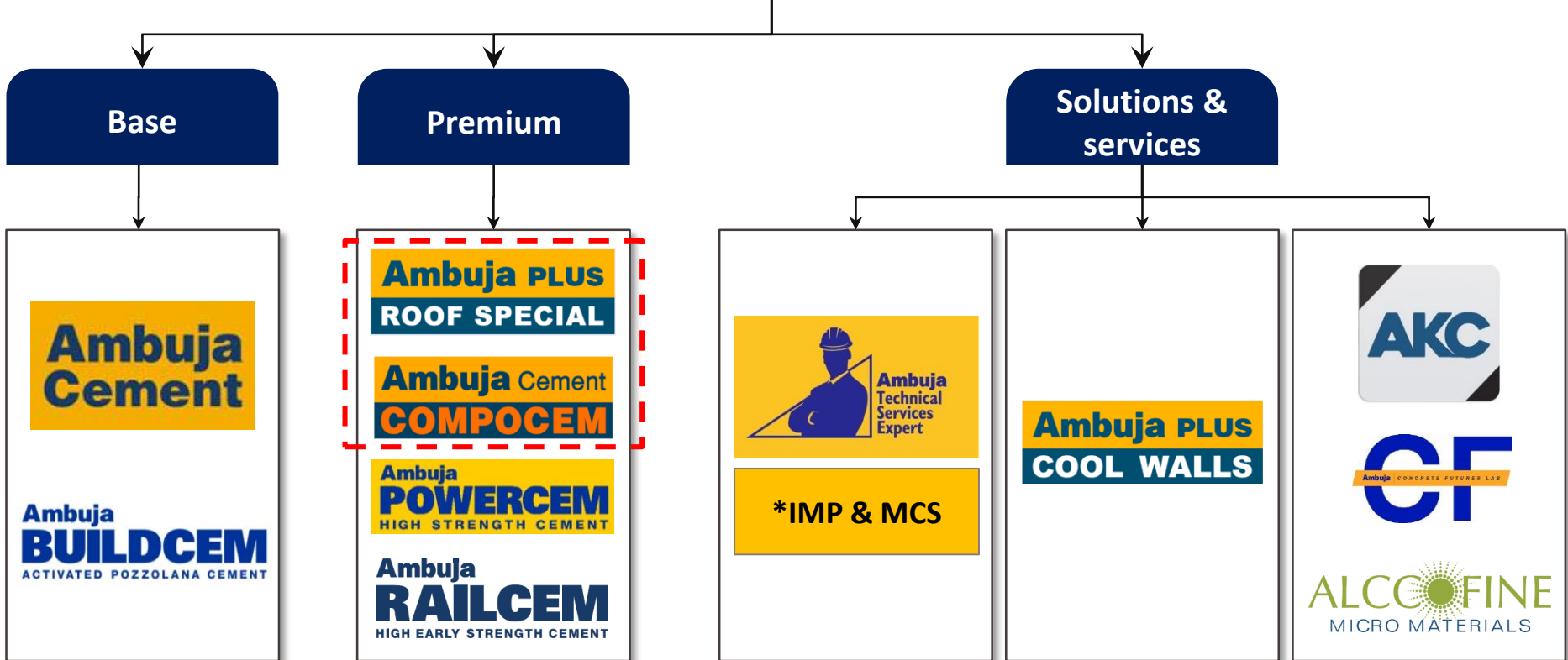
I CAN.

# Infrastructure & Housing program drove cement demand to 9.1% in 2018; projected to grow by 7.0%- 8.0% in 2019



- In Jan-Mar' 2019 demand is expected to remain firm between 7.5% to 8.5% due to accelerated pre-election spending & faster execution of government sponsored housing & infrastructure projects.
- Election process in Apr-Jun'19 and Monsoon in Jul-Sep'19 may slowdown the cement demand growth momentum on the back of subdued construction activities
- During Oct-Dec'19, we expect demand growth to improve with new Government in place; All the ongoing infrastructure/construction projects most likely would continue and the new Government may also initiate new demand drivers/projects that would further boost cement demand.
- Overall demand in 2019 is estimated to grow in the range of ~7.0% - 8.0%

# Brand Architecture



Share of Premium products expected to increase sharply

\*IMP – Instant Mix Proportion, MCS – Modular Curing Solution, AKC - Ambuja Knowledge Centre

## Performance Indicators – Q1'19 vs Q1'18

### Capacity Utilization Up

**1.6 pp**

Q1 19 : 86.6%  
Q1 18 : 85.0%

### Cement Volumes Up

**2.4%**

Q1 19 : 6.37 mn t  
Q1 18 : 6.22 mn t

### Net Sales YoY growth

**3.0%**

Q1 19 : ₹ 2847 cr  
Q1 18 : ₹ 2763 cr

### PAT Growth

**57.1%**

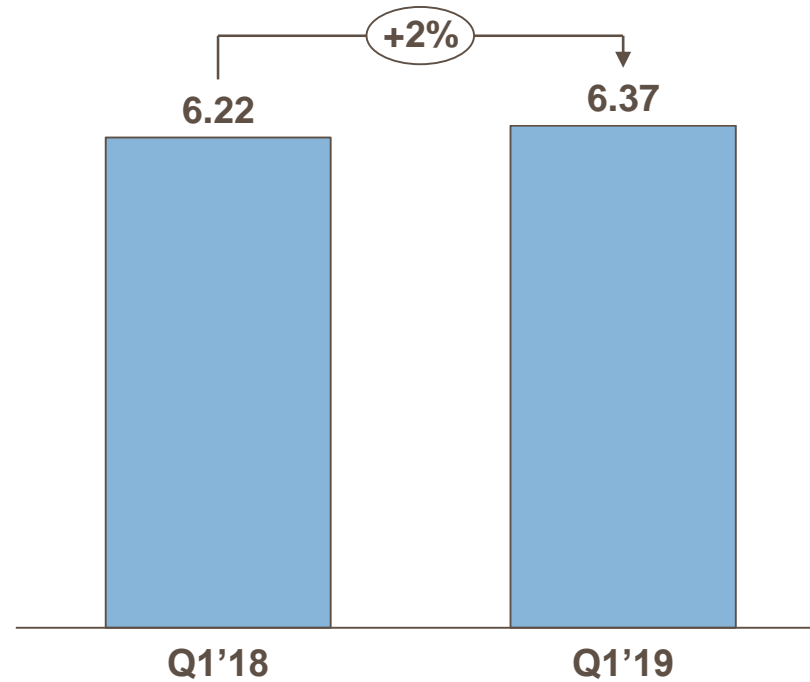
Q1 19 : ₹ 427 cr  
Q1 18 : ₹ 272 cr

- Highest ever Cement Sales in Q1 series, resulting in Top Line growth of 3%. Capacity utilization improvement by 1.6 pp.
- EBITDA impacted due to heavy cost increases but mitigation measures helped partially to overcome cost increase for the quarter.
- Profit after Tax up by 57%.



# Cement Sales Volumes

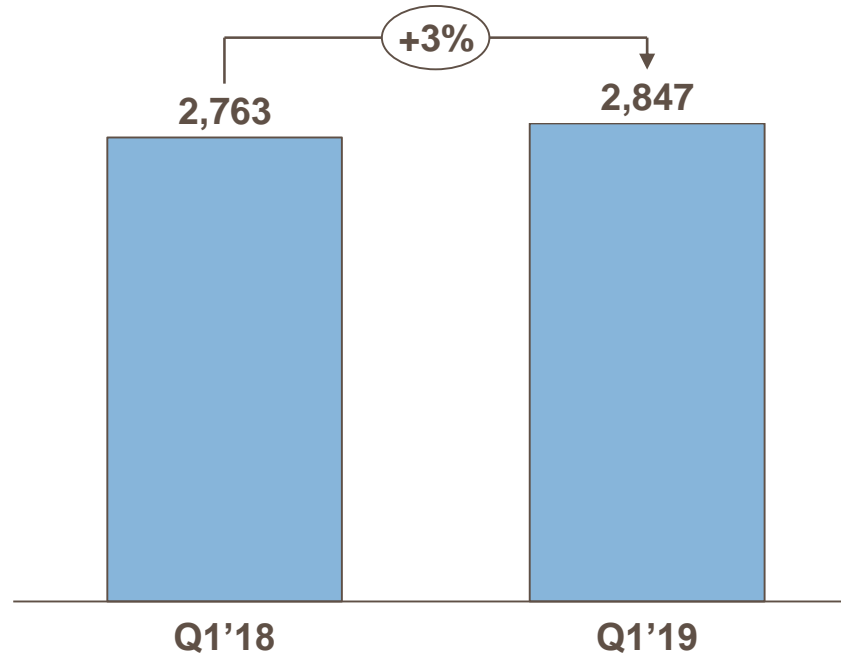
(Mn Tonnes)



- Highest ever volume at 6.37 mn tonnes in Q1 series, growth of +2.4% y-o-y (PY 6.22 mn tonnes)
- Higher Capacity utilisation (from 85% to 86.6%)
- Premium products sales see a rising trend

# Net Sales

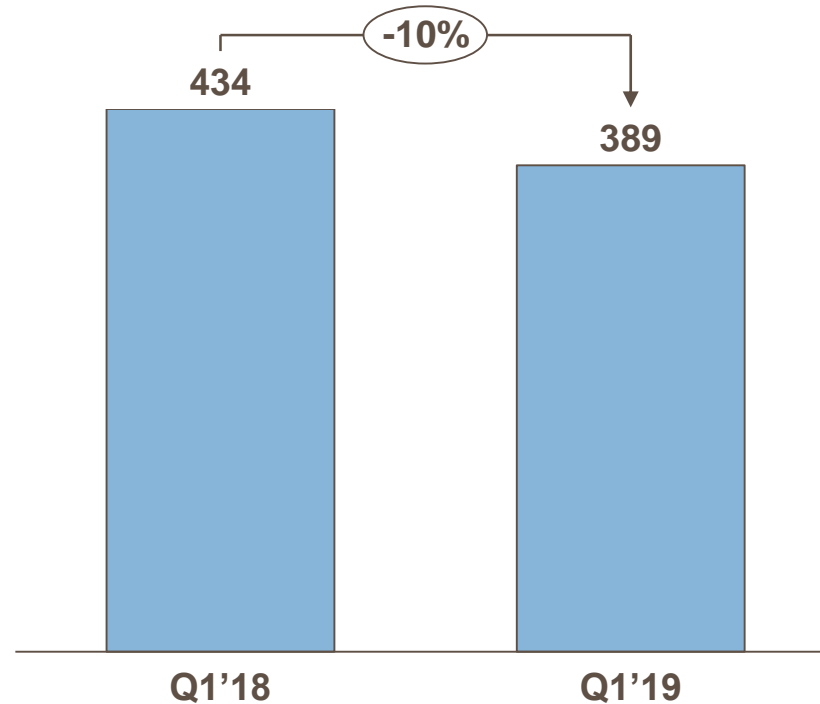
(Rs. Crore)



- Sales growth of premium products such as 'Roof Special', 'Cool Walls' and 'Pura Sand' launched recently have seen a double digit growth in January – March 19 over the previous quarter.
- Premium Cement growth in Q1, 2019 ~14% y-o-y basis.

# Raw Material Cost

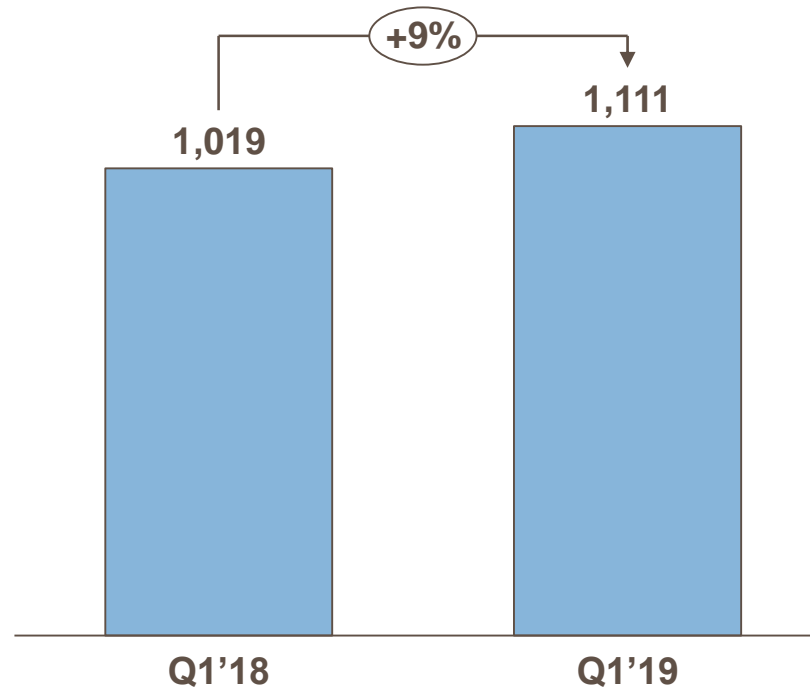
(Rs. / Tonne)



- Ambuja sees a reduction in RM cost/t on a y-o-y basis due to :
  - Maximization of Fly ash at nearly 33%
  - Increased usage of low cost wet Fly ash
  - Manufacture of Compozem– Improvement in clinker factor due to utilization of Slag
  - Consumption of purchased limestone reduced

# Power & Fuel Cost

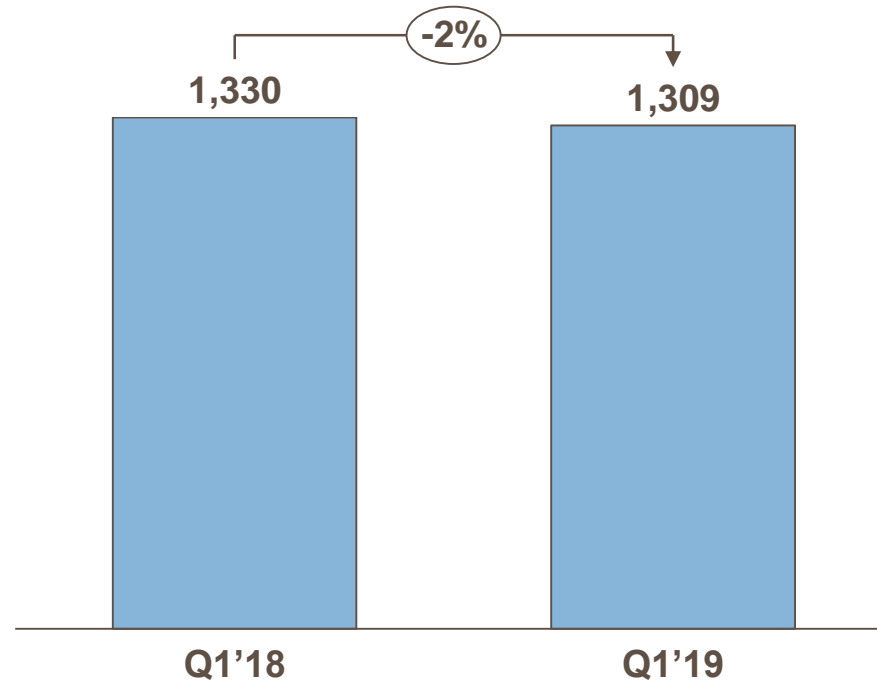
(Rs. / Tonne)



- The quarter saw a significant increase in power and fuel costs year on year, however continued focus on the use of alternative fuels helped to partly mitigate this impact.
- Impact of huge increase in energy prices was also partially mitigated by internal efficiencies and cost initiatives.

# Freight & Forwarding Cost

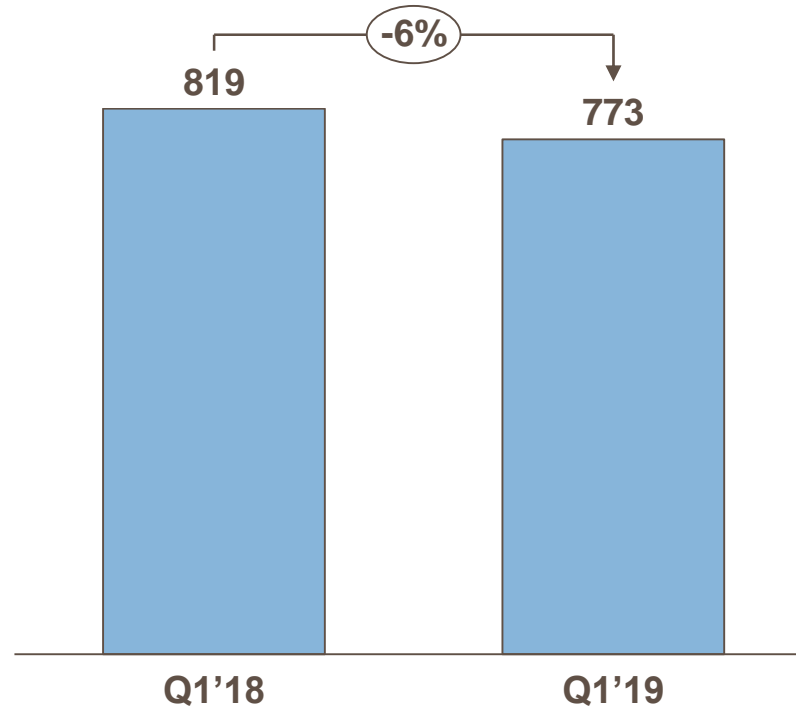
(Rs. / Tonne)



- Freight and Forwarding costs were lower y-o-y basis due to successful implementation of cost mitigation initiatives (outbound) i.e. renegotiation of contracts and network optimization.
- Renegotiation of clinker transport contracts and control over movement from external sidings.

## Other Expenses Cost

(Rs. / Tonne)



- Other expenses lower due to lower Selling General and Administrative expenses (SG&A) on a year on year basis.



## Ind AS Result – Standalone – ₹ crore

Particulars	UOM	Standalone		
		Q1 '18	Q1'19	+ / - PY
Net Sales	₹ Cr	2,763	2,847	3%
<b>Operating EBITDA</b>	<b>₹ Cr</b>	<b>507</b>	<b>463</b>	<b>-9%</b>
<i>Op. EBITDA margin</i>	%	18.3%	16.3%	-200 bps
Depreciation	₹ Cr	139	131	-6%
Other Income	₹ Cr	51	240	371%
Finance Cost	₹ Cr	26	17	-35%
<b>Profit Before Tax (PBT)</b>	<b>₹ Cr</b>	<b>393</b>	<b>555</b>	<b>41%</b>
Tax Expenses	₹ Cr	121	128	6%
<b>Profit After Tax (PAT)</b>	<b>₹ Cr</b>	<b>272</b>	<b>427</b>	<b>57%</b>
EPS	₹ / share	1.37	<b>2.15</b>	57%

## Ind AS Result – Consolidated – ₹ crore

Particulars	UOM	Consolidated		
		Q1 '18	Q1'19	+ / - PY
Net Sales	₹ Cr	6,314	6,694	6%
<b>Operating EBITDA</b>	<b>₹ Cr</b>	<b>1,002</b>	<b>997</b>	<b>0.5%</b>
<i>Op. EBITDA margin</i>	%	15.9%	14.9%	-100 bps
Depreciation	₹ Cr	288	280	-3%
Other Income	₹ Cr	85	263	209%
Finance Cost	₹ Cr	44	38	-13%
Share of profit in associates and joint ventures	₹ Cr	4	5	14%
<b>Profit before tax (PBT)</b>	<b>₹ Cr</b>	<b>759</b>	<b>946</b>	<b>25%</b>
Tax Expenses	₹ Cr	245	251	2%
<b>Profit after tax (PAT)</b>	<b>₹ Cr</b>	<b>514</b>	<b>695</b>	<b>35%</b>
Non-controlling interest	₹ Cr	124	200	61%
<b>Profit for the period attributable to owners</b>	<b>₹ Cr</b>	<b>390</b>	<b>495</b>	<b>27%</b>
<b>EPS</b>	₹ / share	1.96	<b>2.49</b>	27%

# Other key highlights for the Quarter



Launched Ambuja Cool Walls in 5 Markets in 4 states (Nagpur, Thane, North Rajasthan, Alver, Karnal)



Launched Ambuja PuraSand in Thane and Pune Markets



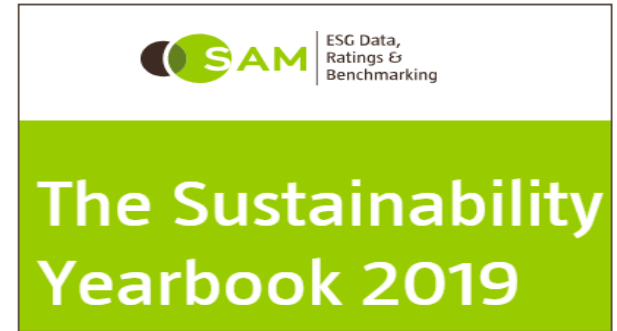
Signed first Onsite Solar Power Purchase Agreement 7.14 MW for Rabriyawas



Ambuja's innovative curing technique – **Modular Curing Solution (MCS)** – has featured in the newsletter of the United Nations (UN)



Geocycle India wins '**Best Sustainable Solution Provider 2019**' award for effective waste management solutions



Bronze Class Award in "**The Sustainability Yearbook 2019**" for achieving scores within 10% of the global leader's score in DJSI

# Ambuja Branding Activities

ATL Engagement:  
TV Commercial



ASTON Bands



L Bands

BTL Engagement:  
Mobile Van



Market: Rajasthan & Haryana

## Key Highlights

- 1400+ Promotion activities touching 3+ lakh IHBs
- 440 Mason Meets covering 11,000+ Masons
- 2500+ leads through site visits
- 150+ day visibility
- 50+ PR coverage



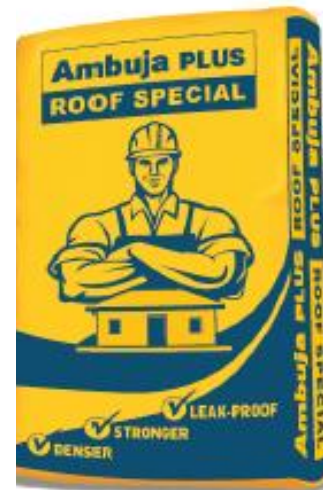
# Create value for all stakeholders

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Ambuja is committed to deliver **Best Quality Product, Best Support & Best Service**



Strong brand commanding a high price premium



Premium Product & Value offering

**Ambuja PLUS  
ROOF SPECIAL**

**Ambuja PLUS  
COOL WALLS**

# Sustainability a way of life

**Ambuja Cement aspires to be the most competitive and sustainable company in the cement manufacturing industry. Acting in a sustainable manner is not only a business imperative but also provides the company with a competitive advantage**





# Ambuja Cement