

# Ambuja Cement

ACL:SEC:

July 23, 2021

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Dear Sir,

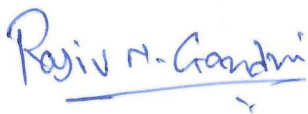
Sub: Investor Presentation on the Financial Results for the quarter and half year ended June 30, 2021

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 June 30, 2021.

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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CIN: L26942GJ1981PLC004717

**Ambuja  
Cement**



# Investor Presentation

APRIL - JUNE 2021

# Safe-harbour statement

This presentation may contain certain forward-looking statements relating to Ambuja Cements Ltd. (“Ambuja”, or “Company”) and its future business, development and economic performance. These statements include descriptions regarding the intent, belief or current expectations of the Company, its subsidiaries and associates and their respective directors and officers with respect to the results of operations and financial condition of the Company, subsidiary or associate, as the case may be. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. Company assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise. Any forward-looking statements and projections made by third parties included in this presentation are not adopted by the Company and the Company is not responsible for such third-party statements and projections.

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Cement**

# Company Overview



# Built on a strong foundation

## Our Vision

To be the most sustainable and competitive company in our industry

## Our Purpose

To create value for all

- Delighted Customers
- Inspired Employees
- Enlightened Partners
- Energized Society
- Loyal Shareholders
- Healthy Environment



Operational

**29.65** MTPA

Installed cement capacity

**4**

Captive Ports

**>12%**

Value Added products



People, partners and community

**2.7**

Value Shared – (million total beneficiaries)

**~50,000**

Channel partners

**~4,900**

Employee base



Environment and governance

**4.6** Mn Tonnes

Waste reused

**>90%**

Blended cement ratio

**1st**

to use bio-diesel as fuel in ships

data as on H1 2021

# Performance drivers



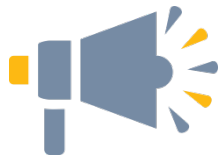
Increased Penetration of “Value Added Products”, achieved highest ever “Kawach” sales in the quarter



ICAN - improvement in clinker factor, lead distance reduction, reduced energy consumption;  
Significant benefit through synergies under Master Supply Agreement (MSA)



Marwar Mundwa to commence operation in Q3 2021;  
Embarking on brownfield expansion with 1.5 MTPA cement grinding unit at Ropar



Scaling up of Data & Analytics Infrastructure for TIS, PACT & EDGE AI;  
Digital connect with contractors through launch of “Darpan” app



Innovative products like Cool Walls & Blockol for a more eco-friendly construction



Consistent improvement in Thermal Substitution Rate (TSR);  
Developing Science Based Targets to align with Net Zero Roadmap

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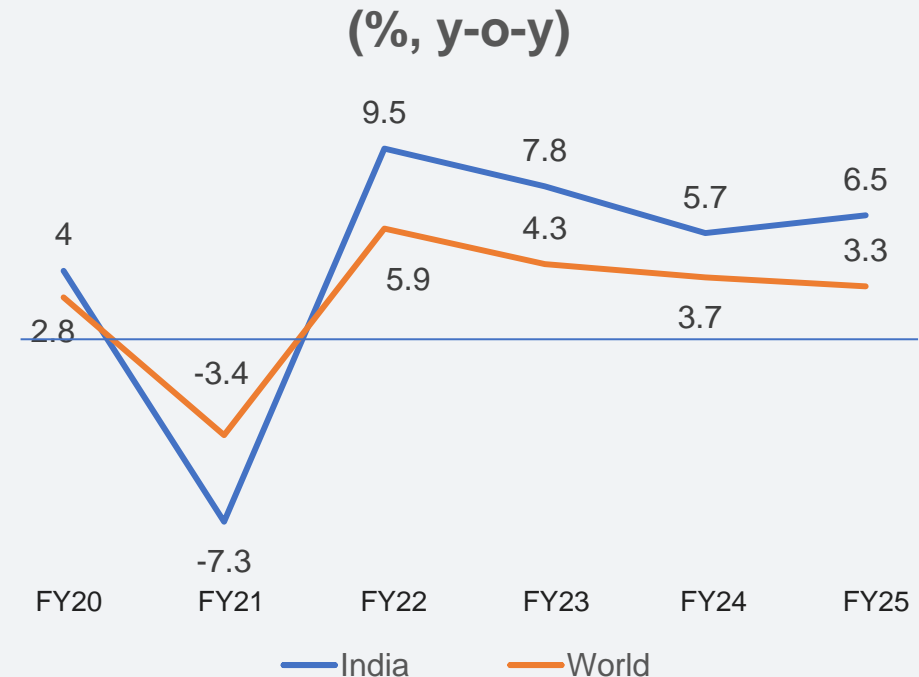
# Economy and Industry





# GDP growth to accelerate

- For April-March 2022 GDP growth is projected at 9.5% and to remain strong and broad-based for future financial years
- Government budgetary focus on capex to support growth in short term and also create platform for medium term growth
- Economy witnessed sequential improvement across sectors in recent months, as states started lifting restrictions with the subsiding of the second wave of COVID-19, thereby raising the hope of growth recovery in April – March 2022
- Impact on manufacturing activity is less devastating as vaccination rollout gathers pace and people 'learn to live with the virus' and sufficient proportion of population gets vaccinated



Source: Crisil

Source: S&P Global (June 2021), Global outlook is for calendar year (FY21=2020 for World), NSO, CRISIL

# Urban housing and infrastructure to drive demand recovery

## Cement demand to show strong recovery in CY 2021

### Roads

- Road sector investments to grow by 10-15% in FY22 led by strong pipeline of national highways, expressways and state highways; centre's outlay is of Rs.1.7 lakh crore

### Railways

- Planned outlay of Rs. 2.1 lakh crore in Budget 2021- 22, 33% higher than fiscal 2021's revised estimate of Rs. 1.61 lakh crore

### Urban Housing-Real Estate

- Real estate construction to pick up as inventory level reduces substantially amid healthy demand momentum

### Urban Housing-Others

- Improving urban income, stable prices and labour availability to pick up housing construction in next fiscal

### Rural Housing

- Marginal decline in farm income, lower allocation to farm sector under Budget 2021-22 to slow down rural housing demand

### PMAY Affordable Housing

- PMAY-U construction to improve on back of healthy approvals in H2FY21 while PMAY-G to moderate

### Other infra

- Investments in water supply and sanitation projects, irrigation, metros, smart cities to drive demand next fiscal

### Industrial & Commercial

- Deferred capex to drive industrial growth

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# Strategic Priorities



# Growth and Competitiveness

## Capacity Expansion



### Marwar Mundwa, Nagaur, Rajasthan

- Greenfield integrated plant with 3 MTPA clinkerisation and 1.8 MTPA cement grinding to commence operations in Q3' 2021

### Ropar, Punjab

- Embarking on brownfield expansion with 1.5 MTPA cement grinding unit

## Special / Value Added Products



- Ambuja's Special / Value Added cement are widely accepted for its distinctive benefits
- Sales of Value Added products are up by 69% yoy in Q2' 2021
- Contributes ~12% of the total sales

## Operational Efficiency



- Energy cost improvement – WHRS (Waste Heat Recovery System) projects of 54MW at Bhatapara, Darlaghat and Marwar Mundwa is progressing well
- Raw materials cost improvement - Wet Flyash Dryer at Rabriyawas, Ropar, Dadri and Nalagarh in progress

# Digitisation & Innovation



## Manufacturing

- Operations data infrastructure:
  - Technical Information System (TIS) to help effectively monitor and manage plant productions and quality through real time information access
  - Performance and Collaboration Tool (PACT), to aid in real time performance capturing and reporting of Operational and Performance KPIs
- Analytics data infrastructure:
  - EDGE AI: enabling seamless data integration and predictive models
- Drones for confined spaces & volumetric analysis: Helps improve safety, reduce inspection time, improves plant availability



## Logistics & Commercial

- Transport Analytics Centre (TAC) providing solutions to support cost and operation efficiency together with road safety and reduction in carbon emissions
- Blue Yonder enabling organization from planning to execution besides network optimization. Enabling scenario creation for cost optimisation
- Digital Assets:
  - Dealer Connect: > 80% volume being channeled
  - Contractor Loyalty ~ 32% of contractors use the solution for recording purchases
  - SFA adoption: > 90%



## Innovation & New Solutions

- New & innovative products and solutions with sustainability focus
  - Ambuja Cool Walls: The blocks of pre-cast concrete with special heat barrier technology
  - Ambuja Kawach: 33% less carbon footprint as compared to OPC
  - Range of green cement products under development
- Ambuja Certified Technology (ACT) : developing unique communication for each stakeholders and optimizing interface

# Sustainability – responsible growth

## SD 2030 Plan

Aligned with Holcim's Sustainability Strategy, the Sustainable Development Ambition 2030 provides critical impetus to the company's objective to achieve growth through sustainable operations



Climate and energy



Circular Economy



Environment



Community

Lead Metrics	Kg CO <sub>2</sub> Cementitious	Million tonnes	Fresh water consumption (liter/ tonne cement)	Millions new beneficiaries
Business Objectives	Become Carbon Neutral	Maximizing Waste Derived Resources	Improving Beyond Compliance	Enhancing Impact on Health & Well-being
Target -2030	<b>463</b>	<b>18</b>	<b>62</b>	<b>3.5</b>
Progress	<b>529</b>	<b>4.6</b>	<b>56</b>	<b>2.7</b>

**Ambuja Cement** data as on H1 2021



82  
DJSI  
Score  
2020  
Sector

Ranked 5th Globally in the Sector



Only Cement Company to score 'A-' (Leadership) on CDP Water



Endorsed by Solar Impulse Efficient Solution label for product that protects the environment in a profitable way

# Community outreach through ACF (Ambuja Cement Foundation)

Water	Education	Skill Development	Health and Nutrition	Women	Agriculture and Livelihood
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125 no. of water harvesting structures built

46 schools covered under WASH (Water, Sanitisation and Hygiene)



31,799 Women Empowered with a corpus of INR 22.42 Cr.

Cyclone Tauktae relief of food kits helped 400 families



More than 821 rural youth trained and 265 placed under SEDI

1,44,255 farmers benefited for productivity improvement through Agriculture and livelihood Programs

# Response to pandemic through ACF



Vaccination Drive



Oxygen Concentrator Support



Health Checkup Camp

- Mobilized COVID-19 vaccination drive / camps in local villages along with the local administration
- 6.6 lakh beneficiaries from 1988 villages vaccinated
- Conducted awareness and input session for all ACF staff, health workers and beneficiaries to break myths and rumors about vaccination
- ACF has partnered with CIPLA foundation for medical and mask making support
- Partnered with Swasth Alliance, Waterfield Advisors, IndusInd Bank & Ashok Leyland for concentrators and medical supplies support. Total 441 concentrators were provided by ACF & Donors in the second wave
- Under SAANS Mask Project more than 28,000 face masks were made by Handur Self Help Group, which are quality checked by CSIR-IICT Hyderabad. A new production centre is opened in Surat
- Rapid Antigen Tests were conducted for truckers in Health Care Centre Nalagarh
- ACF has set up an isolation centre (safe home) of 30 beds in collaboration with Block development and Medical team at Farakka



# Performance Highlights

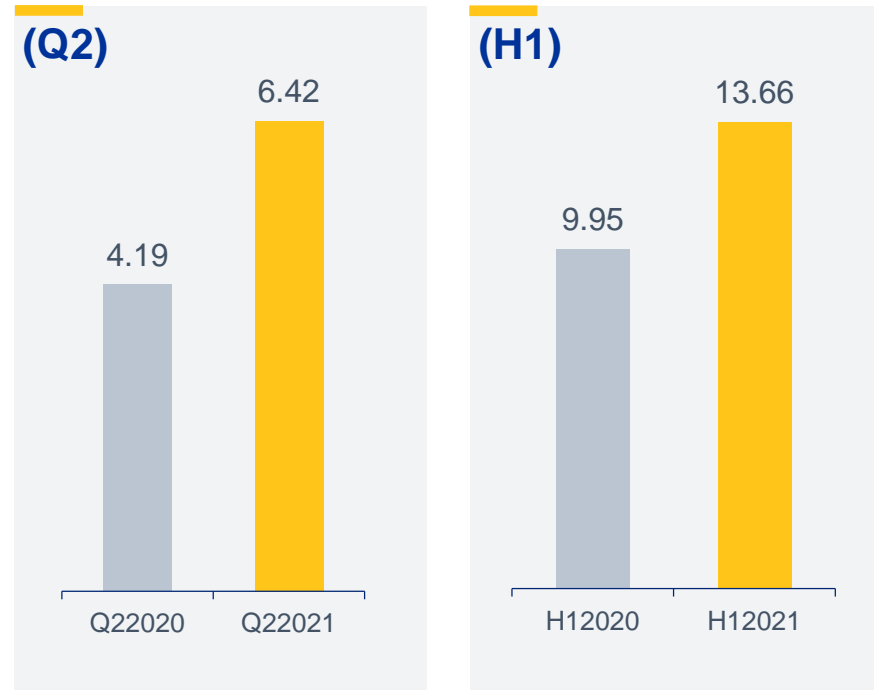


# Financial results – Standalone

(all amount in ₹ Crore)	Quarter Ended June 2021			Half-year Ended June 2021		
	Q2 2020	Q2 2021	Change %	H1 2020	H1 2021	Change %
Net Sales	2,145	<b>3,342</b>	55.8	4,905	<b>6,921</b>	41.1
EBITDA	595	<b>960</b>	61.2	1,198	<b>1,936</b>	61.6
EBITDA Margin (%)	27.8%	<b>28.7%</b>	0.9pp	24.4%	<b>28.0%</b>	3.6pp
Operating EBIT	466	<b>829</b>	77.8	932	<b>1,681</b>	80.4
Operating EBIT Margin (%)	21.7%	<b>24.8%</b>	3.1pp	19.0%	<b>24.3%</b>	5.3pp
Profit Before Tax	640	<b>966</b>	51.0	1,171	<b>1,853</b>	58.3
Tax Expenses	187	<b>243</b>	30.3	318	<b>465</b>	46.1
Total operating costs	1,582	<b>2,412</b>	52.5	3,806	<b>5,056</b>	32.9
Profit After Tax	453	<b>723</b>	59.5	852	<b>1,388</b>	62.8
Earnings Per Share (₹/share)	2.28	<b>3.64</b>	59.5	4.29	<b>6.99</b>	62.8

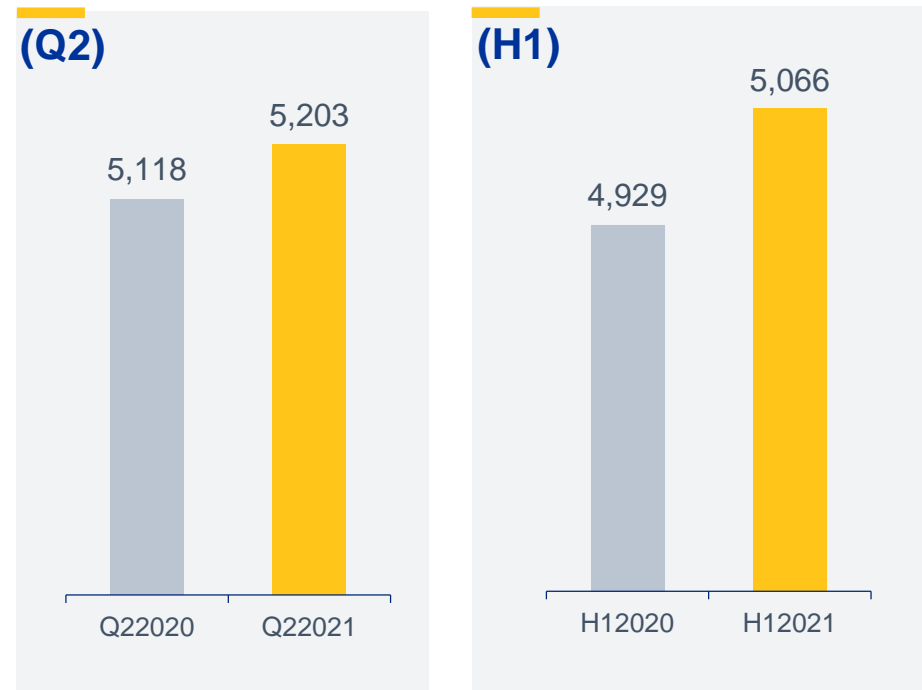
# Performance analysis – Sales Volume and Price

## Sales volume – Cement + Clinker (million tonnes)



- Sales volumes grew by 53% for the quarter, and 37% in H1' 2021 backed by growth in all regions

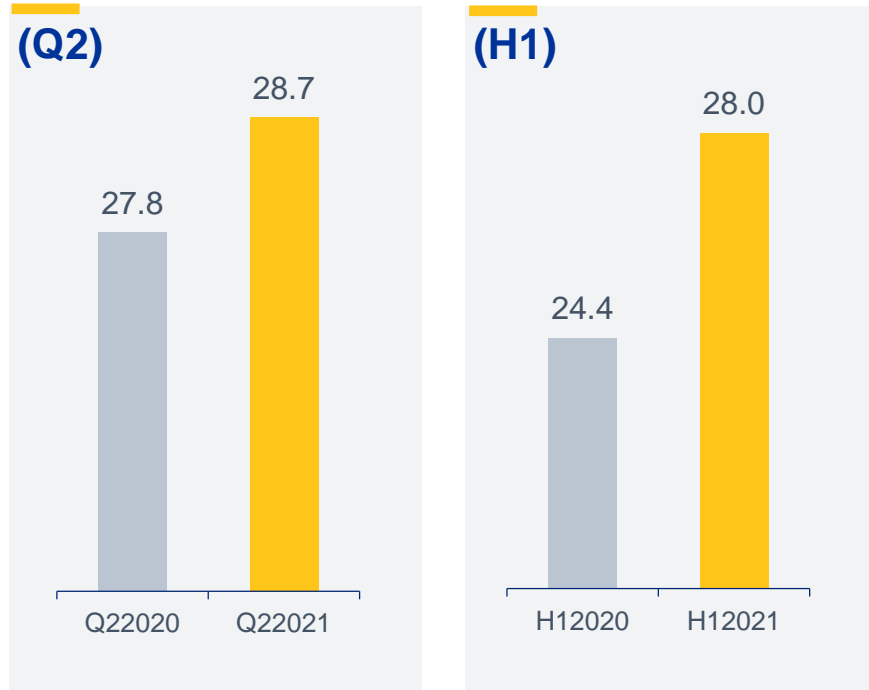
## Realisations (₹/tonne)



- Realizations per tonne grew 2% for the quarter and 3% in H1' 2021 supported by strong performance of Special Cement

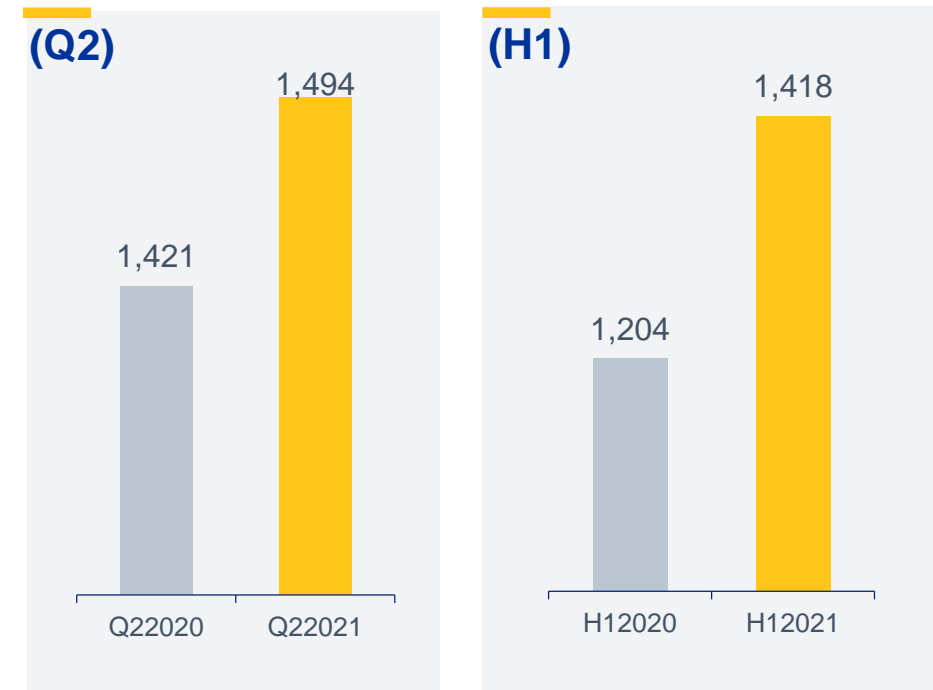
# Performance analysis – EBITDA

## EBITDA Margin (%)



- EBITDA margins grew by ~1pp for the quarter and ~3.6pp in H1' 2021 on account of strong growth in volumes and efficiency gains

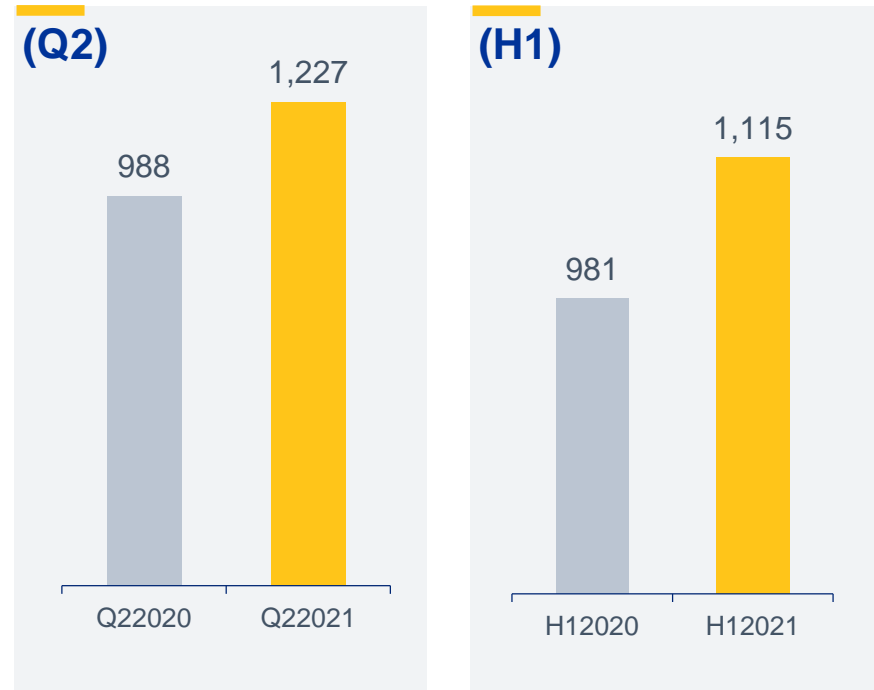
## EBITDA (₹/tonne)



- EBITDA per tonne grew by 5% for the quarter and 18% in H1' 2021 as a result of strong growth in volumes and successful execution of efficiency improvement programs

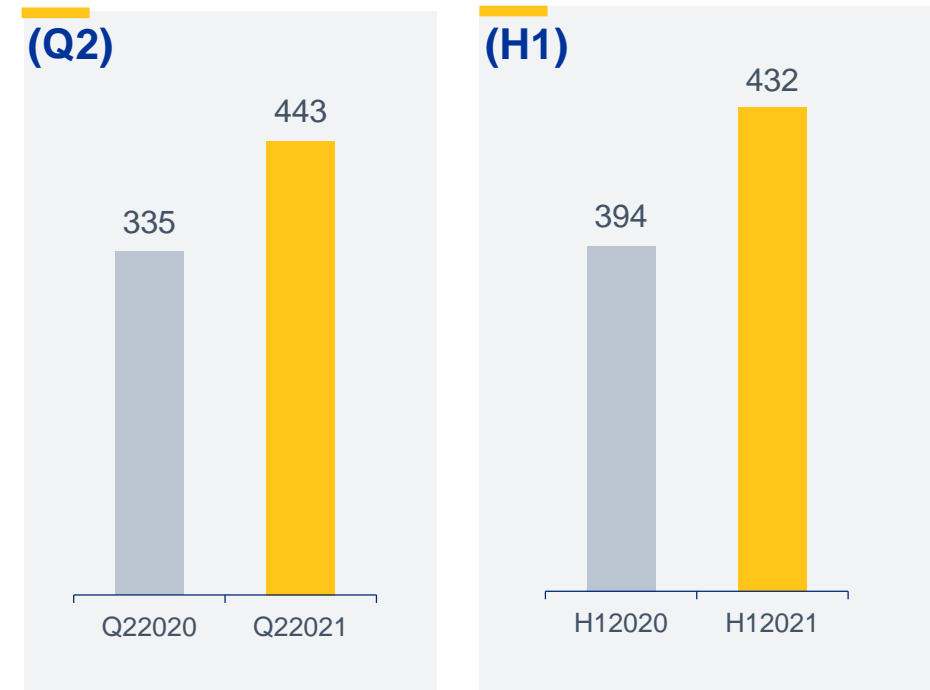
# Performance analysis – Costs

## Power and fuel Cost (₹/tonne)



- Power and fuel per tonne cost increased by 24% for the quarter and by 14% in H1' 2021 due to surge in fuel prices which was partly mitigated by efficiency improvement

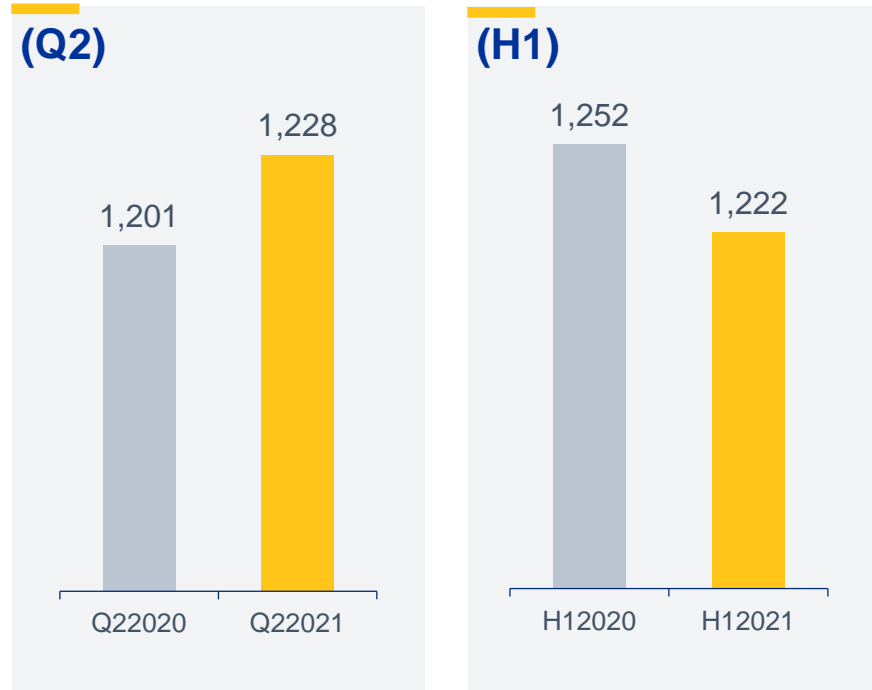
## Raw material Cost (₹/tonne)



- Raw Material per tonne costs increased 32% for the quarter and by 10% in H1' 2021

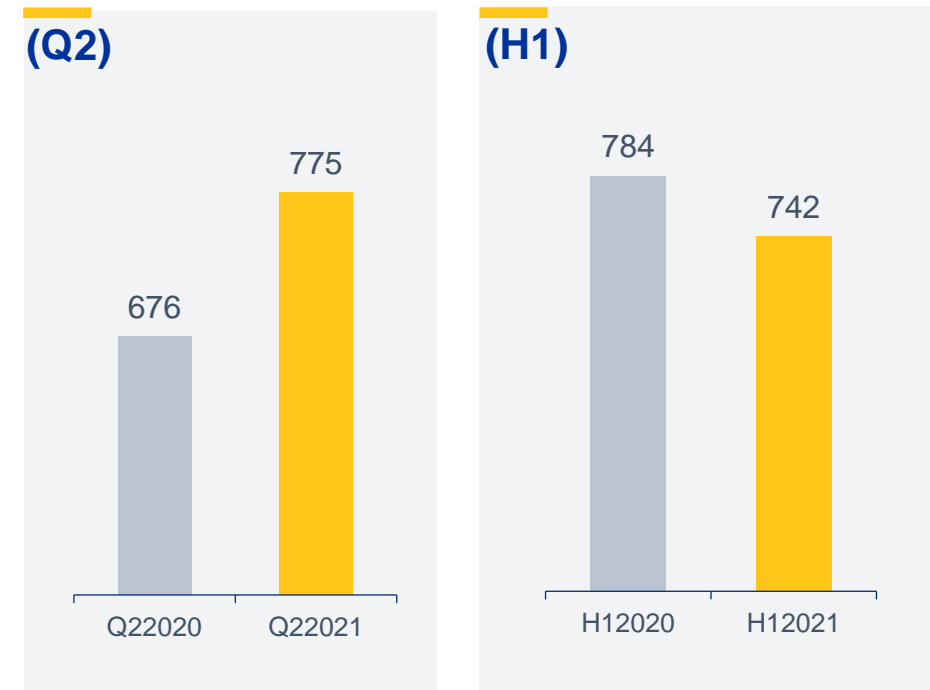
# Performance analysis – Costs

## Freight and forwarding Cost (₹/tonne)



- Focus on direct dispatches, network optimisation and lead distance reduction helped in mitigating impact of rising diesel costs

## Other Expenses (₹/tonne)



- Other expenses per tonne increased by 15% for the quarter and declined by 5% in H1' 2021

# Financial results – Consolidated

(all amount in ₹ Crore)	Quarter Ended June 2021			Half-year Ended June 2021		
	Q2 2020	Q2 2021	Change %	H1 2020	H1 2021	Change %
Net Sales	4,544	<b>6,899</b>	51.9	10,673	<b>14,516</b>	36.0
EBITDA	1,123	<b>1,827</b>	62.8	2,314	<b>3,666</b>	58.5
EBITDA Margin (%)	24.7%	<b>26.5%</b>	1.8pp	21.7%	<b>25.3%</b>	3.6pp
Operating EBIT	830	<b>1,550</b>	86.8%	1,725	<b>3,120</b>	80.9
Operating EBIT Margin (%)	18.3%	<b>22.5%</b>	4.2pp	16.2%	<b>21.5%</b>	5.3pp
Profit Before Tax	912	<b>1,593</b>	74.8	1,918	<b>3,235</b>	68.6
Tax Expenses	319	<b>432</b>	35.4	583	<b>846</b>	45.0
Total operating costs	3,522	<b>5,151</b>	46.2	8,580	<b>11,027</b>	28.5
Net income attributable to Ambuja Group	457	<b>877</b>	91.8	1,011	<b>1,824</b>	80.3
Earnings Per Share (₹/share)	2.30	<b>4.42</b>	91.8	5.09	<b>9.19</b>	80.3

**Ambuja  
Cement**

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