

# Ambuja Cement

ACL:SEC:

July 25, 2019

BSE Limited, Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai – 400 023 <a href="mailto:corp.relations@bseindia.com">corp.relations@bseindia.com</a>	National Stock Exchange of India Ltd., Plot No.C/1 'G' Block Bandra – Kurla Complex Bandra East, Mumbai 400 051 <a href="mailto:cmlist@nse.co.in">cmlist@nse.co.in</a>
Deutsche Bank Trust Company Americas Winchester House 1 Great Winchester Street London EC2N 2DB <a href="mailto:Documents &lt;ctas.documents@db.com">Documents &lt;ctas.documents@db.com</a>	Societe de la Bourse de Luxembourg, Avenue de la Porte Neuve L-2011 Luxembourg, B.P 165 "Luxembourg Stock Ex-Group ID " <a href="mailto:&lt;ost@bourse.lu">ost@bourse.lu</a>

Dear Sir,

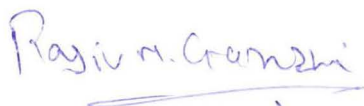
Sub: Investor Presentation on the Financial Results for the quarter and half year ended June 30, 2019

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 and half year ended June 30, 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

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



Darlaghat Plant

# Investor Presentation

25<sup>th</sup> July, 2019

# Disclaimer / Safe Harbour

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## Cautionary statement regarding forward-looking statements

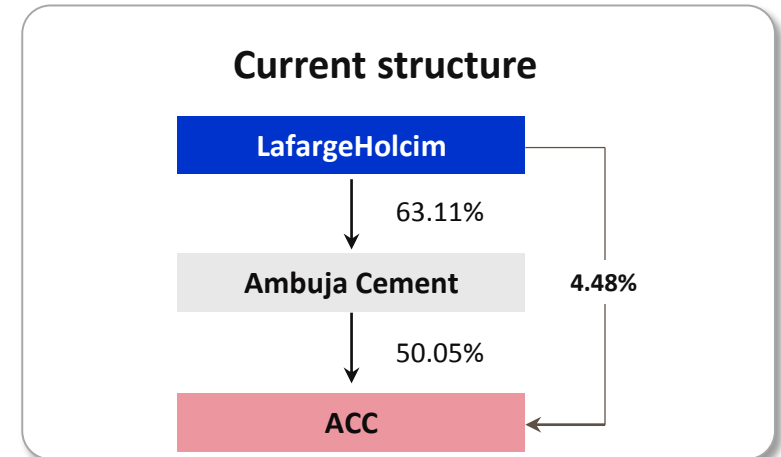
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# Ambuja Cement (ACL): Leading cement company in India

- 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 62 bn**



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

- Q2'19 cement capacity utilization at 79%
- 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.
- 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 support process costs.

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. For three decades, Ambuja Cements has provided hassle-free home building solutions with its unique sustainable development projects and environment-friendly practices.

# Contents

**Performance Highlights**

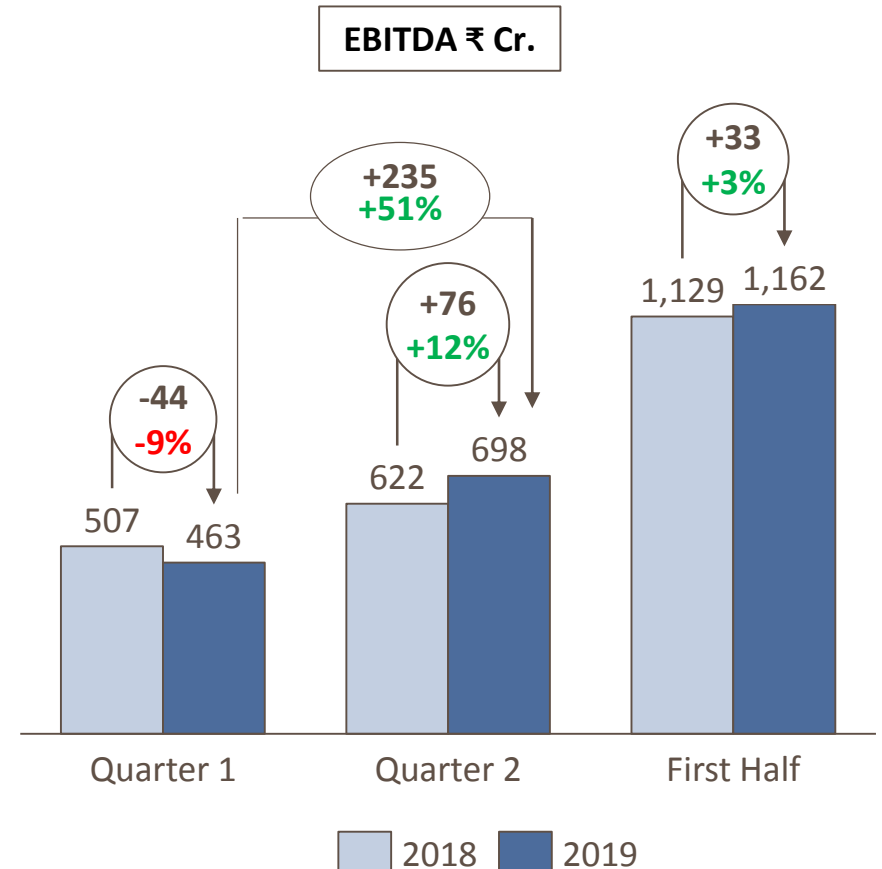
**Performance Analysis**

**Standalone, Consolidated Financial Performance**

**Other New Initiatives undertaken in the Quarter**

# Performance Highlights

- Ambuja delivers a strong performance in Q2 2019 on account of accelerated cost saving actions especially by optimizing logistics costs, reducing raw material and fixed costs
- Increase in EBITDA by 51% QoQ & 12% YoY
- EBITDA margin at 24% up by 270 bps YoY



**Performance Highlights**

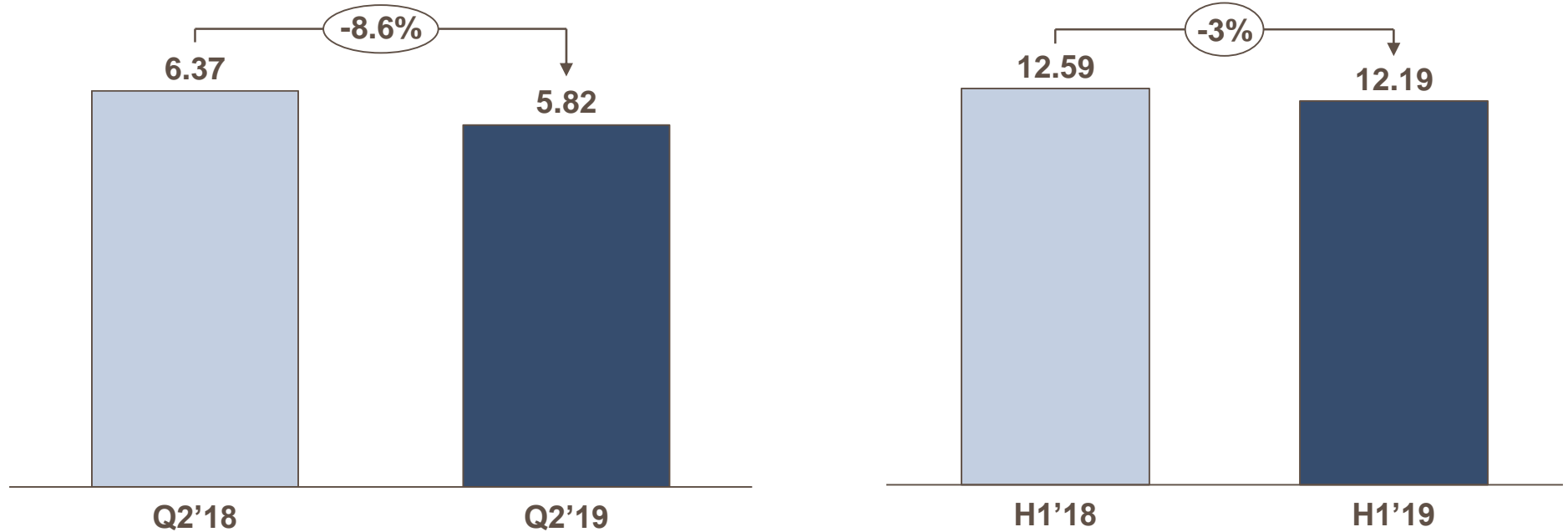
**Performance Analysis**

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# Cement Sales Volumes

Mn Tonnes

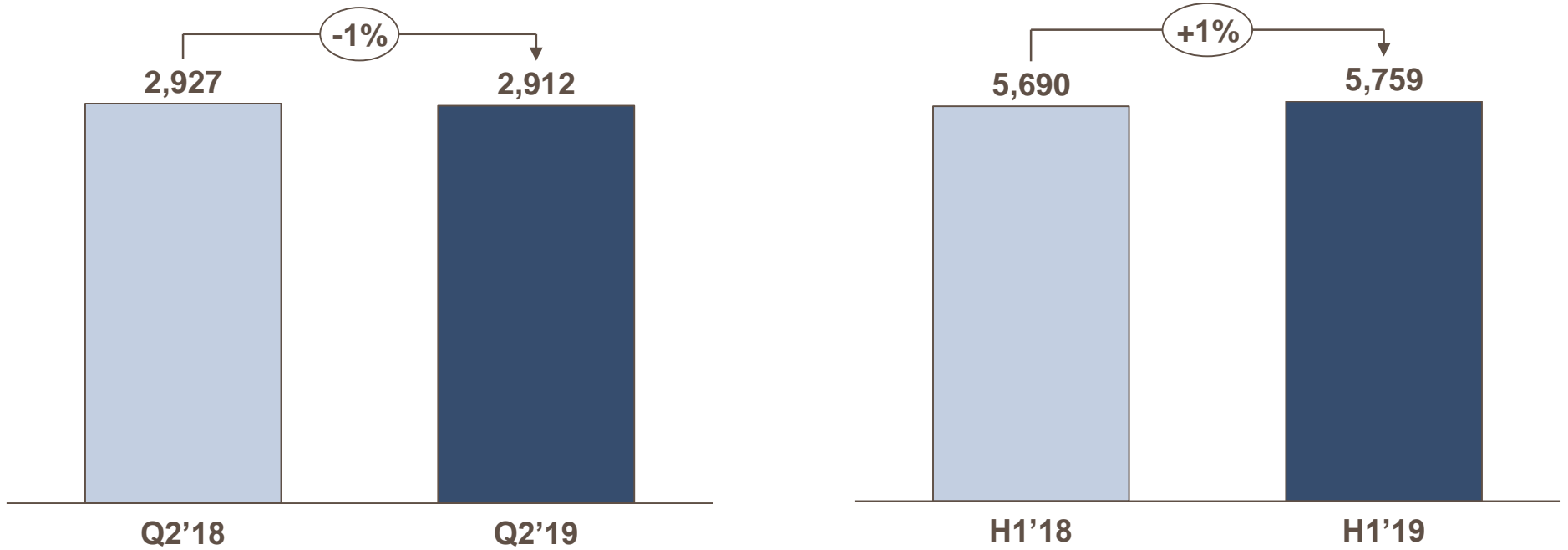


Cement demand was muted in the quarter ended June'19, as the pace of construction activities slowed down due to liquidity issues in the market



# Net Sales

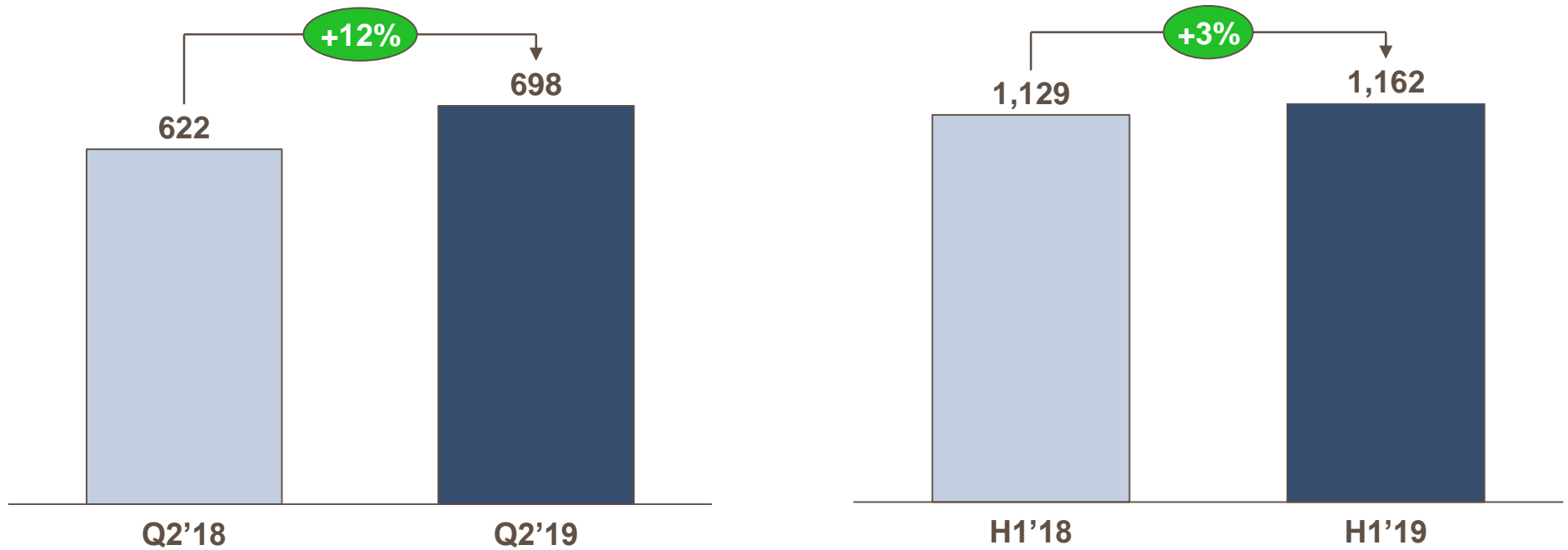
₹ Cr



- Net Sales stood at ₹ 2,912 crore compared to ₹ 2,927 crore
  - Growth of premium products
  - Sold more in high contribution markets

# EBITDA

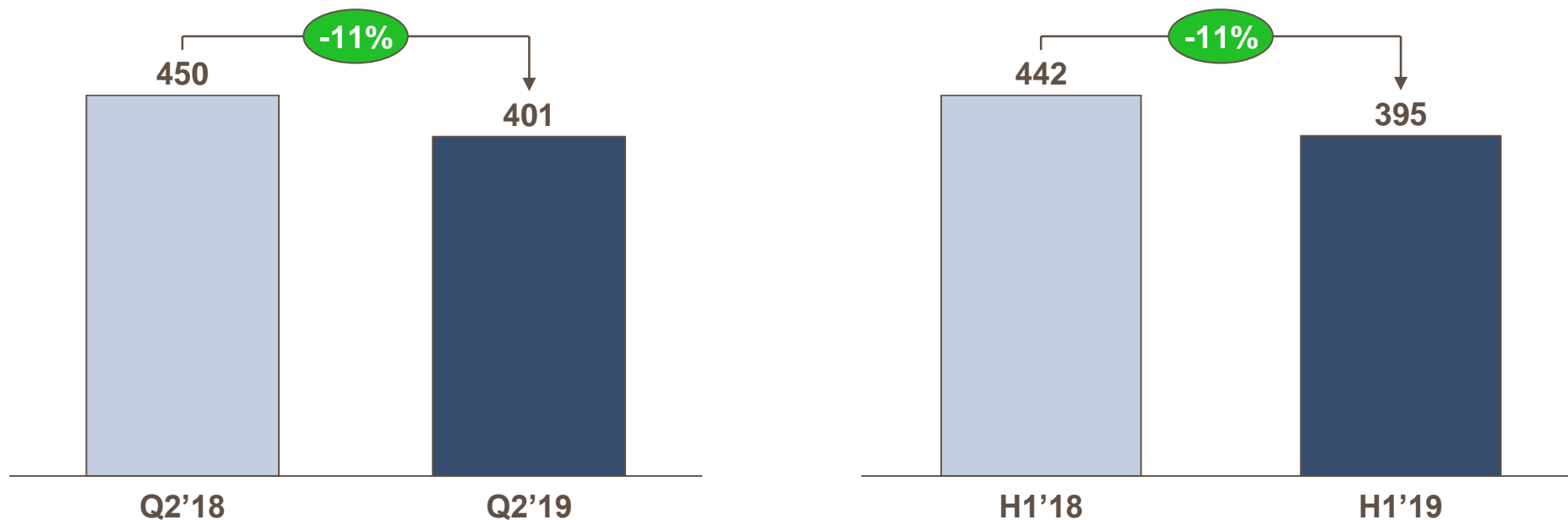
₹ Cr



- Absolute EBITDA grows by 12% in Q2'19,
  - Higher realisations
  - Accelerated cost saving initiatives in key cost elements

# Raw Material Cost

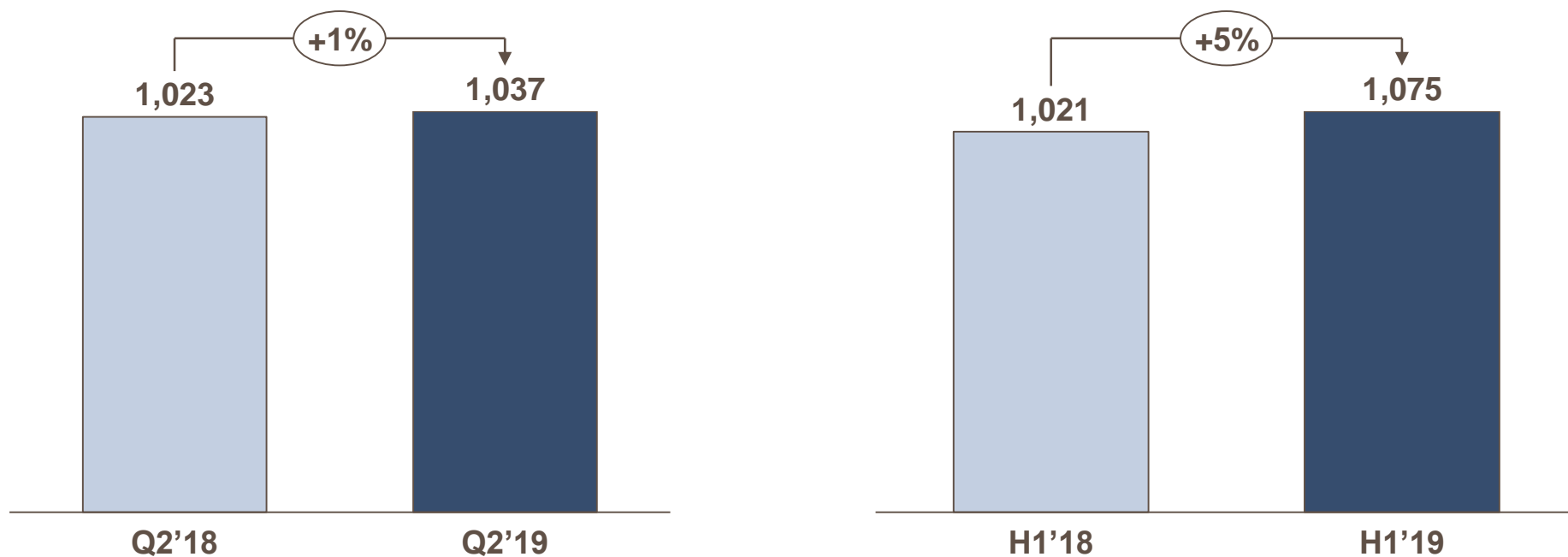
₹ / t



- RM was lower in Q2'19 on account of
  - Reduced consumption of purchased Limestone
  - Reduced gypsum and fly ash rates

# Power & Fuel Cost

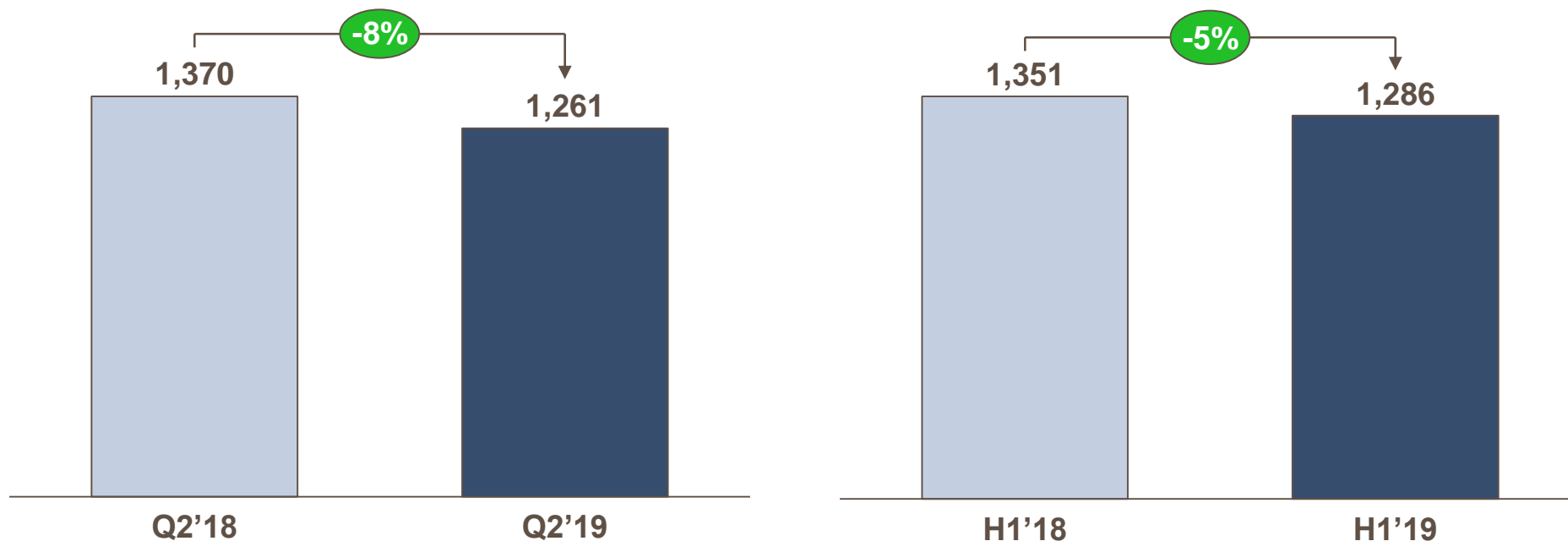
₹ / t



- Power and Fuel costs sees a marginal increase on account of increase in fuel cost, however higher consumption of Alternative Fuels contained the increase

# Freight & Forwarding Cost

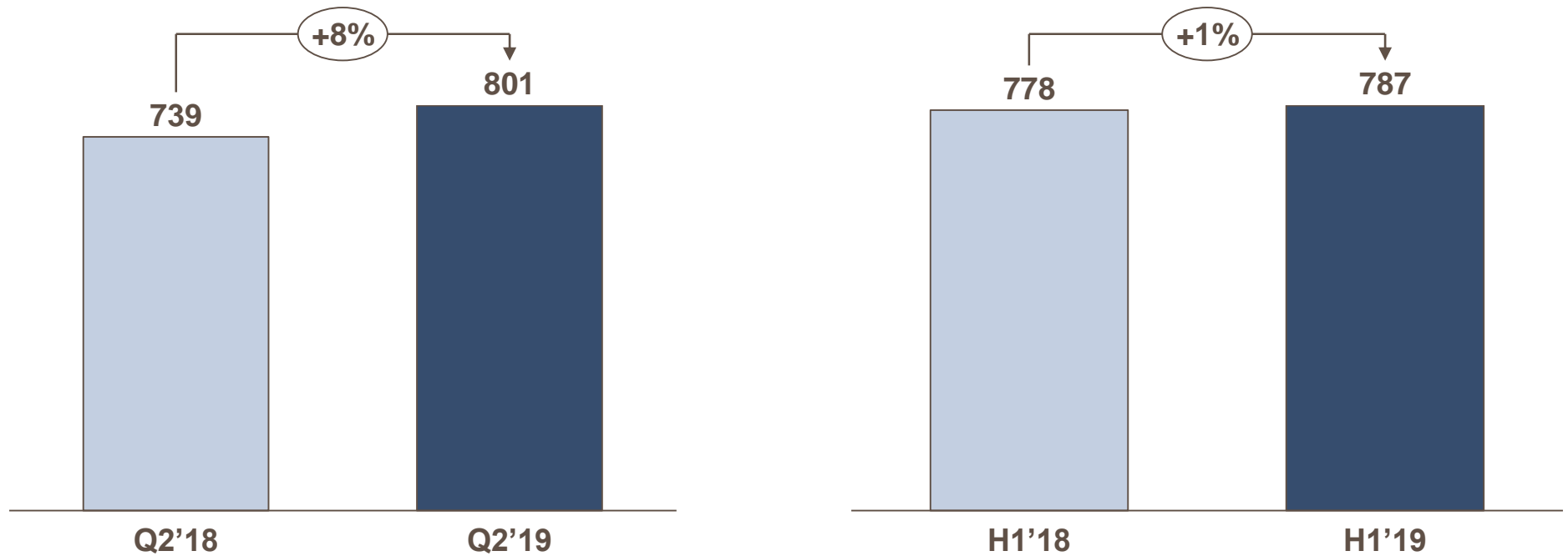
₹ / t



- Freight & forwarding costs declined in Q2'19 on account of
  - Network optimization
  - Re-negotiations of contracts
  - Change in mode mix

# Other Expenses

₹ / t



Other expenses flat on absolute basis, however higher on a per tonne basis on account of operating leverage

**Performance Highlights**

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# Standalone Results

₹ Cr

Particulars	Q2 2018	Q2 2019	Δ %	H1 2018	H1 2019	Δ %
Sales Volume MnT	6.37	5.82	-8.6%	12.59	12.19	-3.2%
NSP ₹ ton	4671	5030	7.7%	4617	4769	3.2%
Revenue from operation	3,017	2,978	-1.3%	5,880	5,906	0.4%
Other income*	191	58	-69.6%	242	298	23.1%
<b>Total Income</b>	<b>3,208</b>	<b>3,036</b>	<b>-5.4%</b>	<b>6,122</b>	<b>6,204</b>	<b>1.3%</b>
Total Expenses	2,395	2,280	-4.8%	4,750	4,744	-0.1%
Expenses ₹ ton	3,736	3,884	4.0%	3,758	3,870	3.0%
EBITDA	622	698	12.2%	1,129	1,162	2.9%
EBITDA margin %	21.3%	24.0%	2.7 pp	19.8%	20.2%	0.4 pp
EBITDA ₹ per tonne	970	1,190	22.6%	894	948	6.0%
Finance cost	19	20	5.3%	44	39	-11.4%
Depreciation and amortisation	136	131	-3.7%	276	262	-5.1%
Profit before Tax	658	605	-8.1%	1,051	1,159	10.3%
Tax expenses	159	193	21.4%	280	320	14.3%
<b>Profit after Tax (PAT)</b>	<b>499</b>	<b>412</b>	<b>-17.4%</b>	<b>771</b>	<b>839</b>	<b>8.8%</b>
EPS ₹	2.51	2.08	-17.1%	3.88	4.23	9.0%

\* Other income in Quarter 2, 2018 includes dividend received from ACC Ltd (our subsidiary) ₹ 141 Cr. In 2019, it was recognised in Quarter 1.  
Like for Like PAT is up by 15% (₹ 358 Cr to ₹ 412 Cr)



# Consolidated Results

₹ Cr

Particulars	Q2 2018	Q2 2019	Δ %	H1 2018	H1 2019	Δ %
Sales Volume – Cement (MnT)	13.61	13.02	-4.3%	26.94	26.89	-0.2%
Sales	6,683	6,925	3.6%	12,997	13,619	4.8%
EBITDA	1,294	1,484	14.7%	2,296	2,481	8.1%
EBITDA margin (%)	19.4%	21.4%	2.0 pp	17.7%	18.2%	0.5 pp
Depreciation	286	278	-2.8%	574	558	-2.8%
Other Income	83	110	32.5%	168	373	122.0%
Finance Cost	47	41	-12.7%	91	79	-13.1%
Exceptional Item	44	-		44	-	
Share in profit of associates / JV	2	4	92.5%	6	9	47.5%
Profit Before Tax	1,002	1,279	27.6%	1,761	2,226	26.4%
Tax Expenses	318	448	40.8%	563	699	24.1%
Profit Before minority	684	831	21.5%	1,198	1,527	27.5%
Non Controlling Interest	159	209	31.2%	283	409	44.4%
Profit After Tax	525	623	18.5%	915	1,118	22.2%
EPS ₹	2.65	3.14	18.5%	4.61	5.63	22.2%

# Balance Sheet - Standalone

₹ Cr

Particulars	Standalone	
	Dec 18	Jun 19
Shareholders funds	21,013	21,513
Non Current Liabilities	459	449
Current Liabilities	3,715	3,826
<b>Equity &amp; Liabilities</b>	<b>25,187</b>	<b>25,788</b>
Property, Plant & Equipment (including CWIP and Other intangibles)	6,273	6,414
Non Current Investments	11,814	11,789
Non Current Loan and advances	60	59
Other Non Current assets	1,290	1,202
Current Assets	5,750	6,324
<b>Assets</b>	<b>25,187</b>	<b>25,788</b>

**Performance Highlights**

**Performance Analysis**

**Standalone, Consolidated Finance Performance**

**Other New Initiatives undertaken in the Quarter**

# Launch of Ambuja RMC in Chandigarh

INTRODUCING

**Ambuja RMC**  
READY-MIX CONCRETE

*Delivered, when you need it  
where you need it.*

Call Ambuja - 1800 22 30 10

INTRODUCING

**Ambuja RMC**  
READY-MIX CONCRETE

A special concrete for every need.

- Ambuja FibreCrete**  
Crack-resistant concrete. Fibre strengthened concrete.
- Ambuja FoundationCrete**  
High compressibility. Resists corrosion.
- Ambuja ColumnCrete**  
Smooth finish. Higher load-bearing capacity.
- Ambuja SuperCrete**  
Super strength concrete. Spall-free work.

INTRODUCING

**Ambuja RMC**  
READY-MIX CONCRETE

**Strong Concrete. Stronger Homes.**



<b>Ambuja FoundationCrete</b> High compressibility. Resists corrosion.	<b>Ambuja RoofCrete</b> Dense, stronger and leak-proof.	<b>Ambuja SuperCrete</b> Super strength concrete. Spall-free work.	<b>Ambuja ColumnCrete</b> Smooth finish. Higher load-bearing capacity.
<b>Ambuja FibreCrete</b> Crack-resistant concrete. Fibre strengthened concrete.	<b>Ambuja Plazzo</b> Ready-mix plaster. Smooth finish.	<b>Ambuja FibrePlast</b> Crack-resistant plaster. Fibre strengthened plaster.	<b>Ambuja BagCrete</b> Ready to use concrete in bags. High compressive for repairs and small jobs.



INTRODUCING

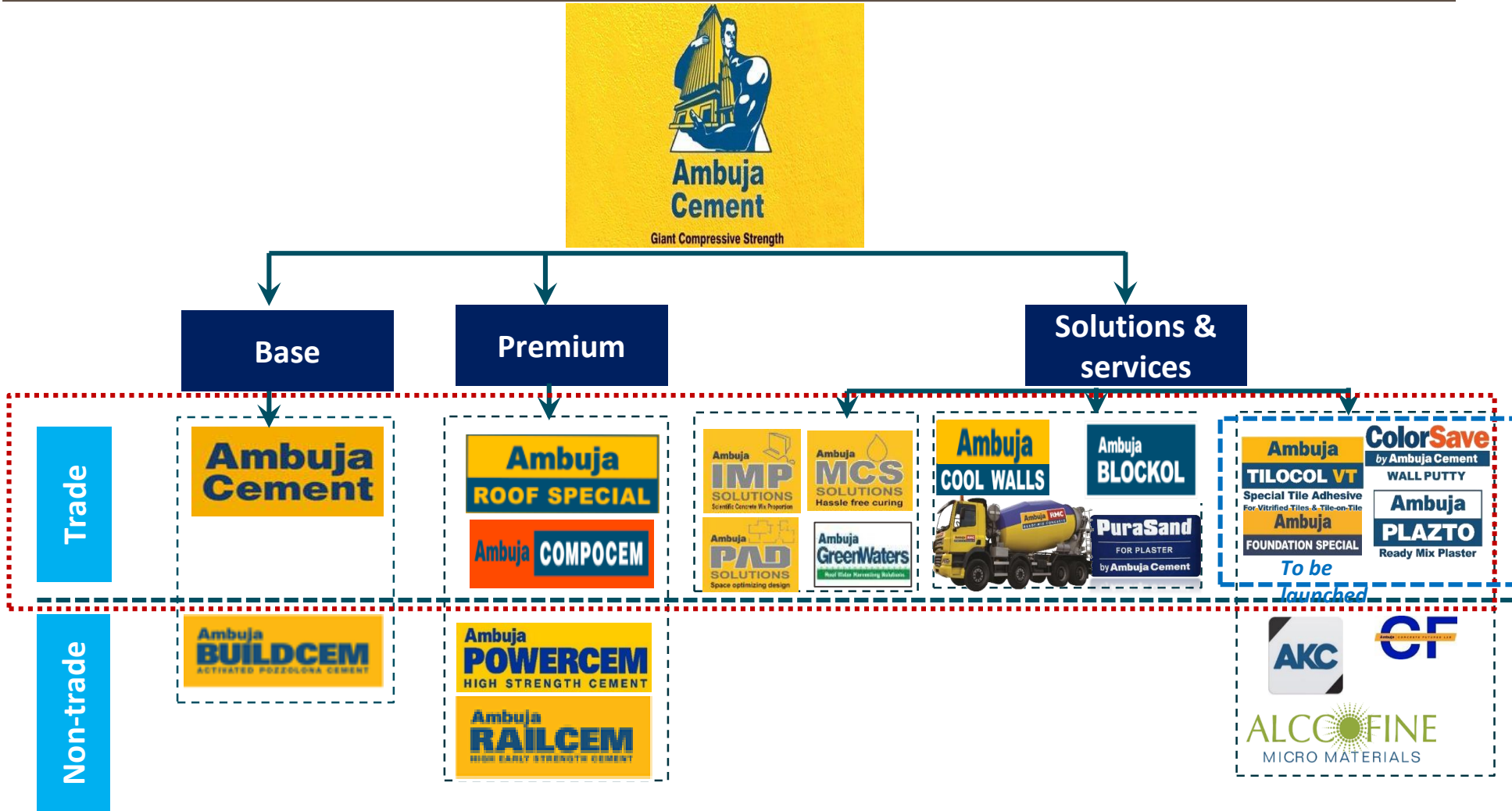
**Ambuja RMC**  
READY-MIX CONCRETE

A special concrete for every need.

- Ambuja FibreCrete**  
Crack-resistant concrete. Fibre strengthened concrete.
- Ambuja FibrePlast**  
Crack-resistant plaster. Fibre strengthened plaster.
- Ambuja Plazzo**  
Ready-mix plaster. Smooth finish.
- Ambuja BagCrete**  
Ready to use concrete in bags. High compressive for repairs and small jobs.

Official Launch: 26<sup>th</sup> June 2019

# Products & Solutions



# ACL Product Portfolio



**Buildcem**



**Powercem  
53**



**Powercem  
43**



**Railcem**

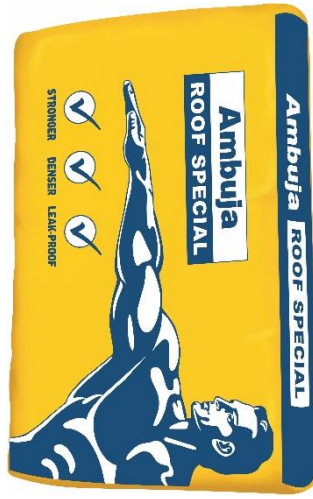
## Ambuja COOL WALLS



**Ambuja Cool Walls**



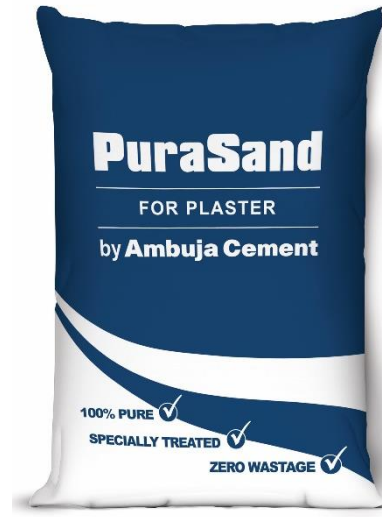
**Ambuja  
PPC**



**Ambuja  
Roof  
Special**



**Ambuja  
Compozem**



**PuraSand**



**Ambuja  
Blockol**

# 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

