

HeidelbergCement India Limited

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HCIL:SECTL:SE:2020-21

24th July 2020

BSE Ltd.
Listing Department
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai - 400001

National Stock Exchange of India Ltd
Listing Department,
Exchange Plaza, C/1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051

Scrip Code:500292

Trading Symbol: Heidelberg

Dear Sir,

Sub: Presentation for Conference Call – Regulation 30(6)

This has reference to our letter dated 22nd July 2020 sent earlier informing about conference call being organised by PhillipCapital (India) Pvt. Ltd. Further to our aforesaid letter please find attached a presentation to be made to analysts and the institutional investors at the conference call scheduled today.

After the conference call, a transcript of the discussion shall also be posted on the website of the Company, www.mycemco.com for information of the investors.

Thanking you,

Yours faithfully,
For HeidelbergCement India Ltd.p



Rajesh Relan
Legal Head & Company Secretary

Investor Presentation

Q1FY21 results

July 2020



1. Indian Cement Industry

2. HCIL – Ensuring business continuity

3. Financial and operational highlights

4. Income statement

5. EBITDA per tonne bridge

6. Share of volume

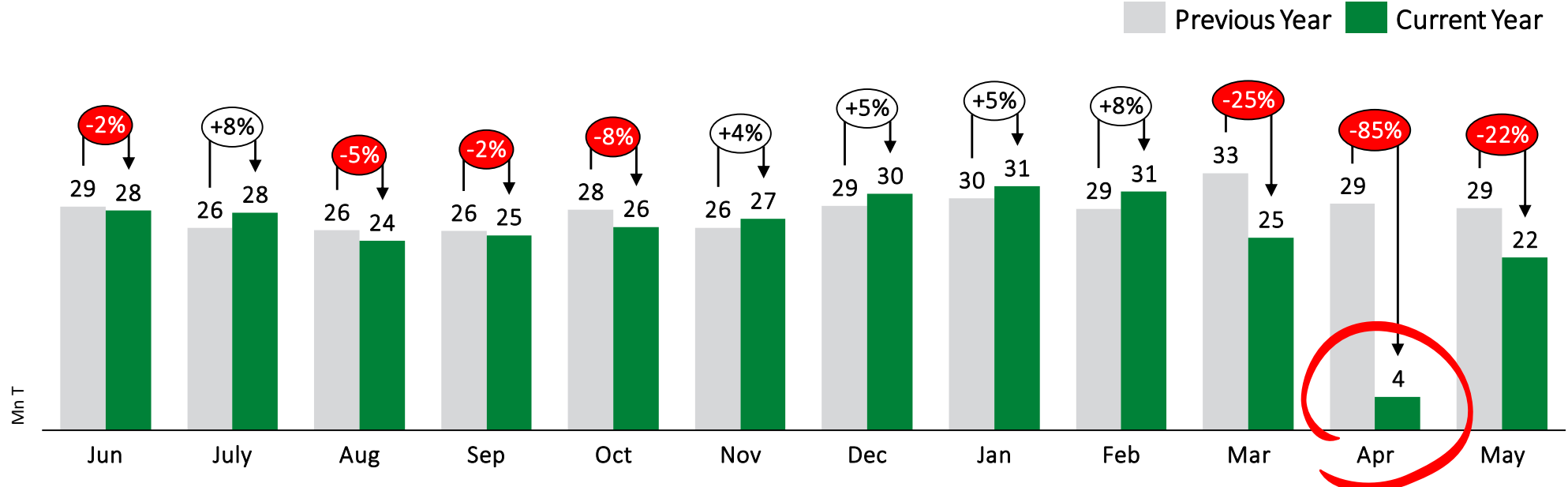
7. COVID 19 Activities

8. Outlook



Indian cement industry – volume development in trailing twelve months

- ❑ Cement Industry started seeing the impact of COVID19 from 2nd week of Mar'20
- ❑ The complete nation-wide lockdown was announced with effect from 24 March 2020 and the Industry suspending operations for most part of April 2020.



Source: Cement Section, Department of Industrial Policy & Promotion – Cement Production

HCIL – Ensuring business continuity

- Health and Safety of the employees – foremost priority
- Continuous communication to employees
- Work from home – continuing as per local situations
- Safety of assets and its upkeep during lockdown
- Optimization measures – cost and contracts
- Special focus on working capital management
- Digital media campaign
- Stepped up CSR initiatives to support local communities near our plants/markets



Q1FY21 Financial and operational highlights

- Zero Lost Time Injury (LTI) and Fatality
- Decrease in volume due to suspension of operations during lockdown
- 100% blended cement
- Optimization of fixed cost through concerted efforts
- Dependence on grid power decreased to 59%
- EBITDA of ₹ 1,264 per tonne, up 1% y/y
- Continue to operate on negative Net Working Capital
- Net cash of c. ₹ 1.6 billion as at 30-Jun-20



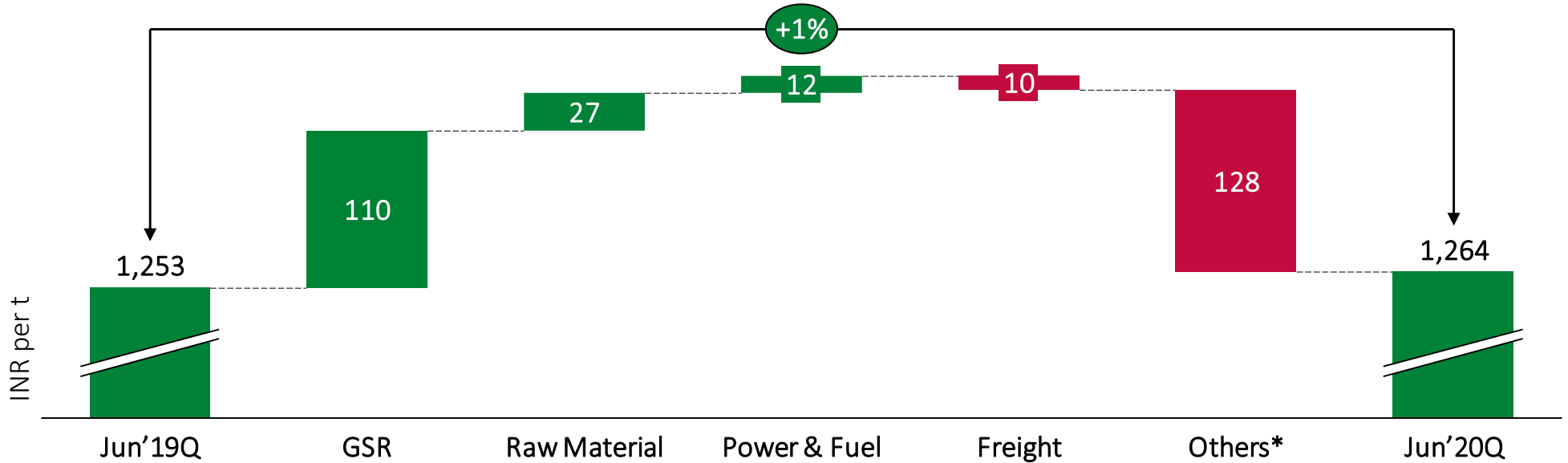
INCOME STATEMENT

Decrease in volume impacted revenue and profitability during the quarter

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Particulars	Quarter ended		Change
	Jun'20Q	Jun'19Q	
Total Income (net of taxes)	4,077	5,892	-31%
Operating expenses	2,994	4,316	-31%
EBITDA	1,083	1,577	-31%
Depreciation/amortization	276	279	-1%
Other Income	98	118	-17%
EBIT	905	1,416	-36%
Interest and financial charges	160	198	-19%
Profit Before Tax	745	1,218	-39%
Tax Expenses	256	428	-40%
Profit After Tax	489	790	-38%
KPIs			
Sales Volume (KT)	857	1,258	-31.9%
Gross realization (INR/t)	4,739	4,629	2.4%
Total Cost (INR/t)	3,492	3,430	1.8%
EBITDA (INR/t)	1,264	1,253	0.9%
EBITDA % of revenue	26.7%	27.1%	-40 bps
PAT % of revenue	12.0%	13.6%	-152 bps

EBITDA per tonne – increase in price offset by increase in fixed cost



Concerted efforts supported the Company optimize its fixed cost, however, decrease in volume negatively impacted the operating leverage. On a per tonne basis, increased fixed cost is partially offset by lower raw materials and power & fuel costs.

Note: Change in inventory has been apportioned in the ratio of 30:70 between Raw Material and Power and Fuel expenses.

*Other expenses include other operating income, employee cost and miscellaneous expenses.

SHARE OF VOLUME

Q1FY21 Share of volume



52% road
volume,
+679bps y/y



38% coal,
-213 bps y/y



14% of trade
volume,
-28% y/y



89% trade
sales,
+229 bps y/y

“annam” – Serving the society



The advertisement features a central illustration of a smiling cement bag character with arms and legs, holding a plate of food. Above the character, a green hand icon is shown dropping a gold coin into a slot. To the left, two children are sitting on the ground, looking towards the character. The background is white with a green border. Text elements include the 'mycem Annam' logo with a yellow leaf, 'HEIDELBERGCEMENT INDIA' in the top right, and a message at the bottom: 'Every bag of mycem cement you buy, company will contribute ₹.1 towards feeding the under privileged'. Social media icons for LinkedIn and Facebook are in the bottom right corner.

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Every bag of mycem cement you buy,
company will contribute ₹.1
towards feeding the under privileged

mycem
cement

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COVID19 ACTIVITIES

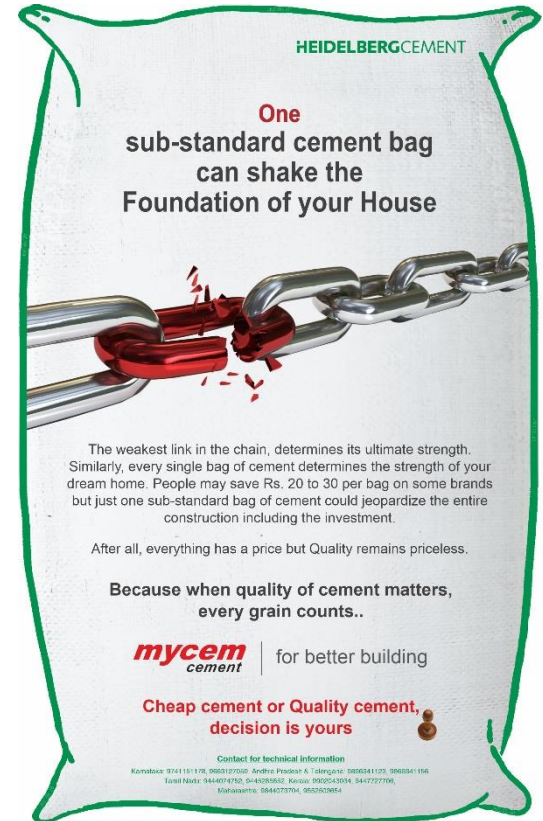
Digital media campaign



#MadeInIndiaMadeForIndia



Premium Positioning



Selfie Contest for Channel

FY21 outlook continues to be uncertain due to COVID-19

- Demand reduction in urban areas due to labour exodus and rural demand showing improvement
- Working capital - Liquidity crunch in the channel network
- Reduced availability of truck drivers impacting inward and outward logistics
- Energy prices may remain stable in short term, would depend on demand supply balance
- Input raw materials may have to be sourced from longer leads
- Reduced availability of manpower at railway yards may impact turnaround of rolling stock
- Optimization of the operational and capital expenditures

Contact information

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- Important factors that could make a difference to the Company's operations include global and Indian political, economic and demand-supply conditions, finished goods prices, raw materials cost and availability, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Policies, tax regimes, economic developments within India besides other factors such as litigation and industrial relations as well as the ability to implement strategies.
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