

Ambuja Cement

ACL:SEC:

October 23, 2018

BSE Limited, Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai – 400 023 corp.relations@bseindia.com	National Stock Exchange of India Ltd., Plot No.C/1 'G' Block Bandra – Kurla Complex Bandra East, Mumbai 400 051 cmlist@nse.co.in
Deutsche Bank Trust Company Americas Winchester House 1 Great Winchester Street London EC2N 2DB <a href="mailto:Documents<ctas.documents@db.com">Documents <ctas.documents@db.com	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:<ost@bourse.lu">ost@bourse.lu

Dear Sir,

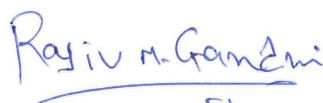
Sub: Investor Presentation on the Financial Results for the quarter ended September 30, 2018

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 September 30, 2018.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Ambuja Cements Limited

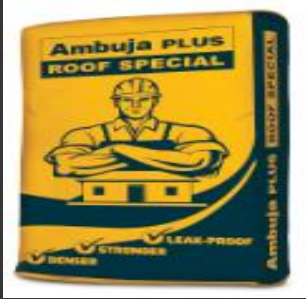


Rajiv Gandhi
Company Secretary
Membership No. A11263

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
Regd. Off. : P. O. Ambujanagar, Taluka - Kodinar, Dist. Gir Somnath, Gujarat.
CIN: L26942GJ1981PLC004717

Continuous Strong Growth



Fast establishing in slag Preferred market



Growth 'Beyond Cement'



AFR Initiative



Safety First



Globally 5th Rank in DJSI 2018



Topped 'Social Contributors' in Pitch Top 50 Brands Awards 2018



Best CSR and Sustainability Awards 2018



Investor Presentation

23rd October, 2018

Disclaimer / Safe Harbour

Cautionary statement regarding forward-looking statements

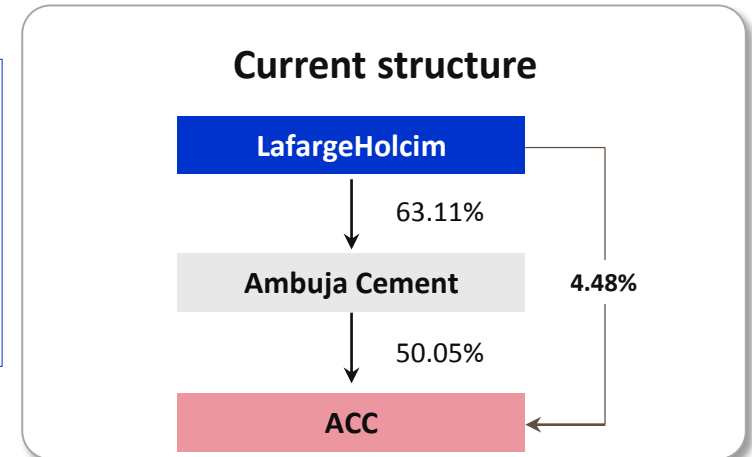
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Ambuja Cement (ACL): Leading cement company in India

- 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 Rs. 4 bn.

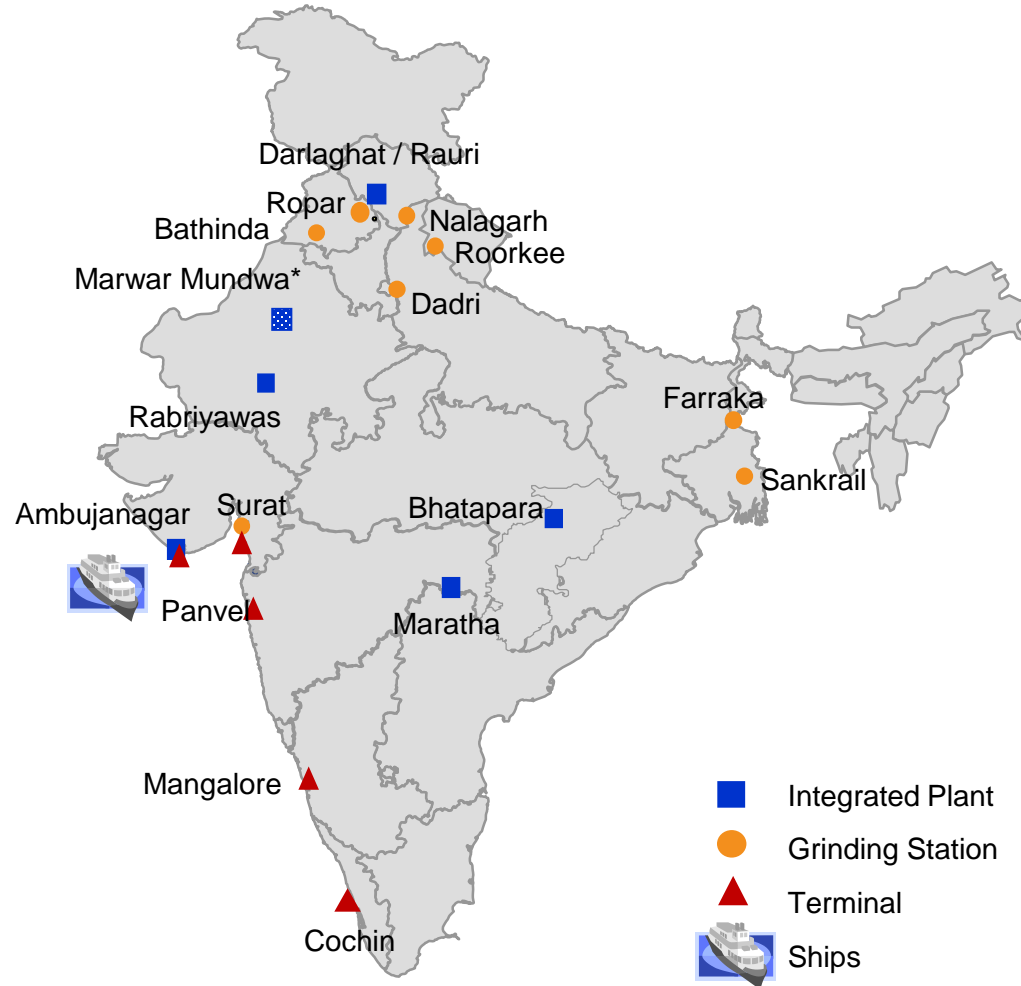


ACL - Strategies in place to enhance value

- Q3'18 cement capacity utilization at 74%, and YTD Jan-Sep'18 cement capacity utilization at 82%.
- Post successful ballot, to unlock synergies via Master Supply Agreement.
- The company proposes to set up a 3.1 Million Tonnes (9500 tpd) clinkerisation plant at Marwar Mundwa in Rajasthan. The Board of Directors have approved an initial investment of Rs.1,391 Crore towards the first phase of 1.7 Million Tonnes (5000 tpd) capacity which is expected to be commissioned in the second half of 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.

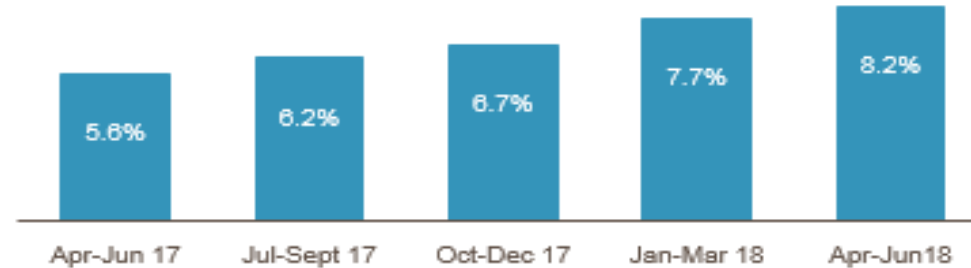
... with a strong independent standalone footprint & robust strategies ...



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

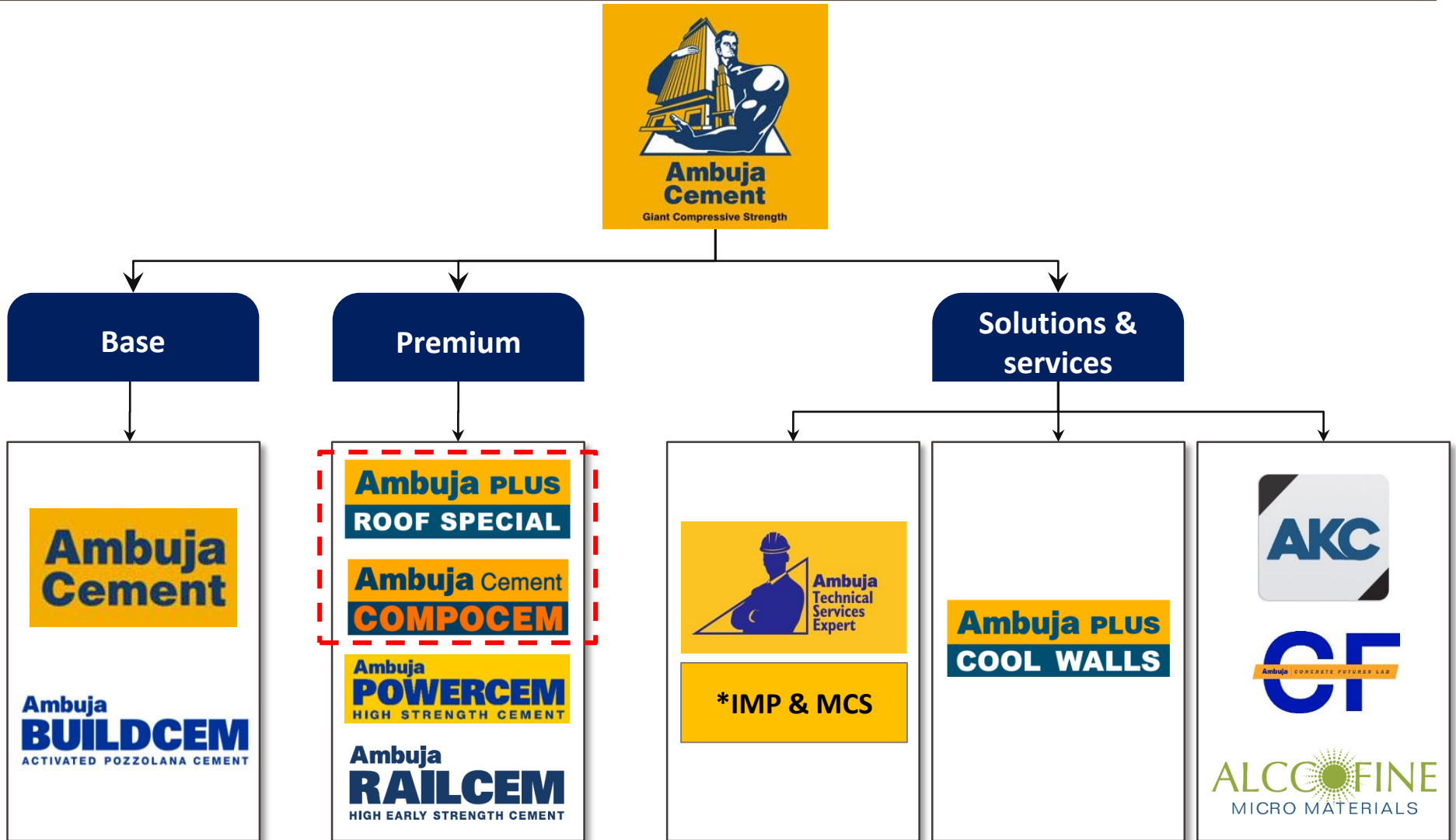
With a strong footprint in the North, West and East parts of India, and a presence in the South, Ambuja Cement covers key locations in each region

GDP growth maintained its upward trend



- **GDP growth** : Jumped to a high of 8.2% in Q1 2018-19 (highest in last 9 quarters)
- **Retail inflation** : 3.8% in Sep'18 (led by sharp drop in food inflation)
- **Repo rate** : Unchanged at 6.50% (RBI's bi-monthly monetary policy)
- **Construction GDP** : Sharp rise of 8.7% in Q1'FY-19 vs 1.8% in Q1' FY-18
- Macro-economic indicators
 - **Index of Industrial Production (IIP)** : Grew by 5.2% (YTD FY19) vs 2.3% (YTD FY18)
 - **Core industry** : Grew by 5.5% (YTD FY19) vs 3.0% (YTD FY18)
- **Risks** :
 - Fiscal slippage & widening of Current Account deficit (CAD) due to rising crude oil prices & depreciating rupee
 - Tightening of liquidity in NBFC Post ILFS- specially real Estate developers segment

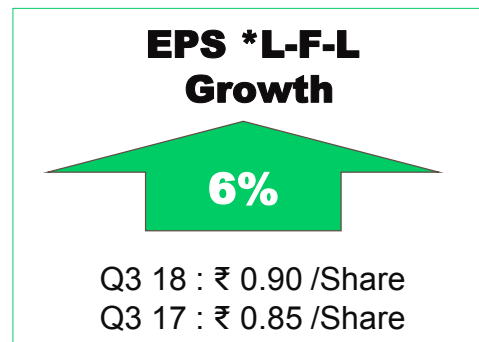
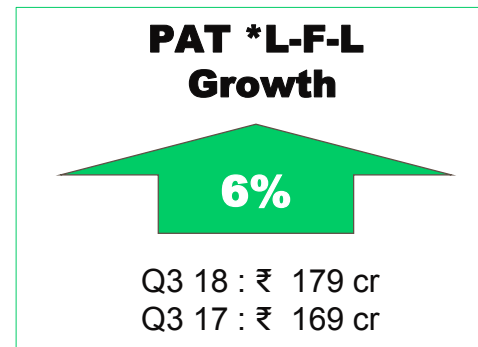
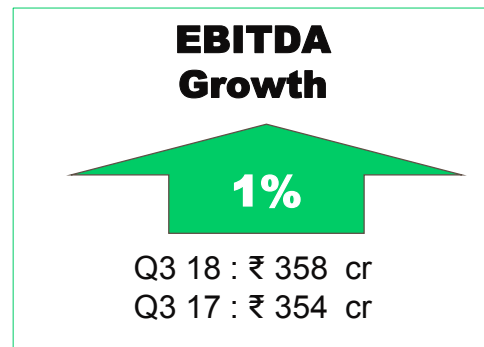
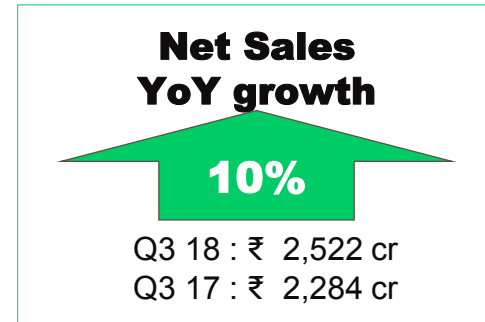
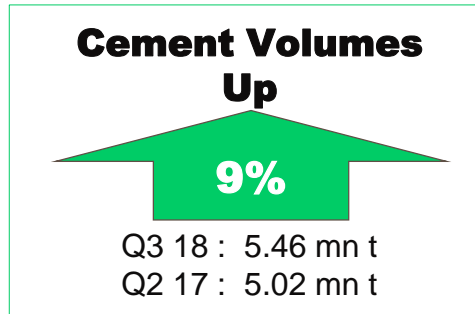
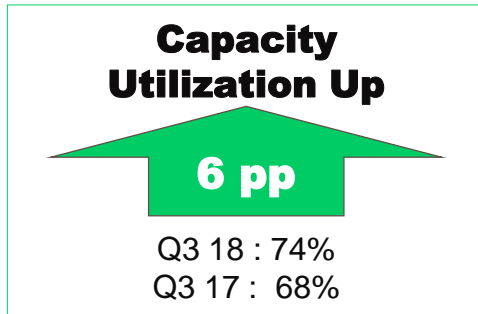
Brand Architecture



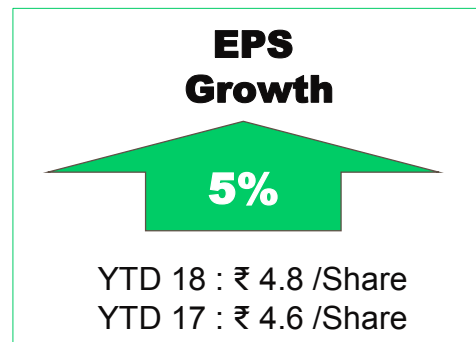
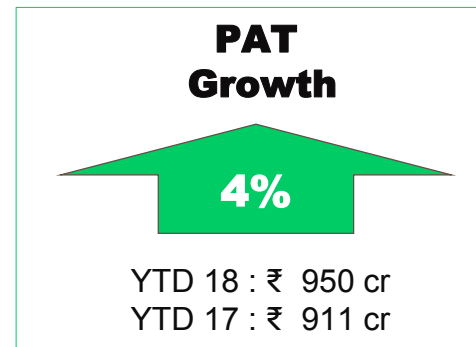
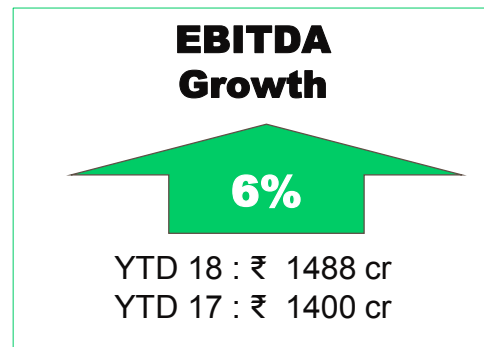
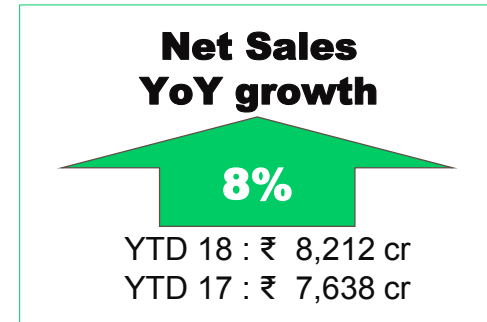
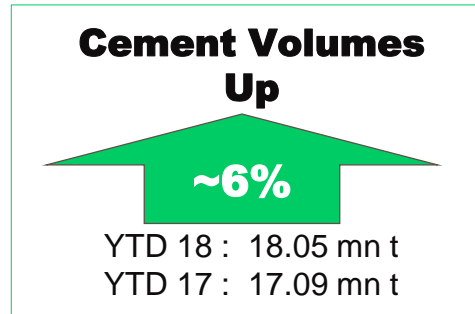
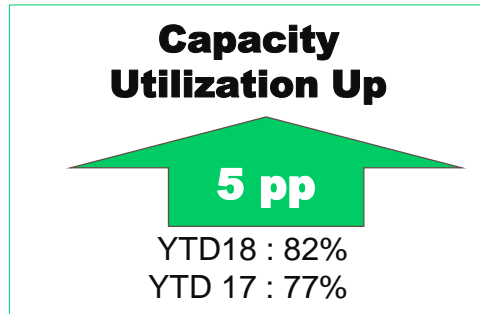
Sales of premium products has grown strongly and outperforms the normal growth trend

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

Performance highlights – Jul-Sep'18 vs Jul-Sep'17

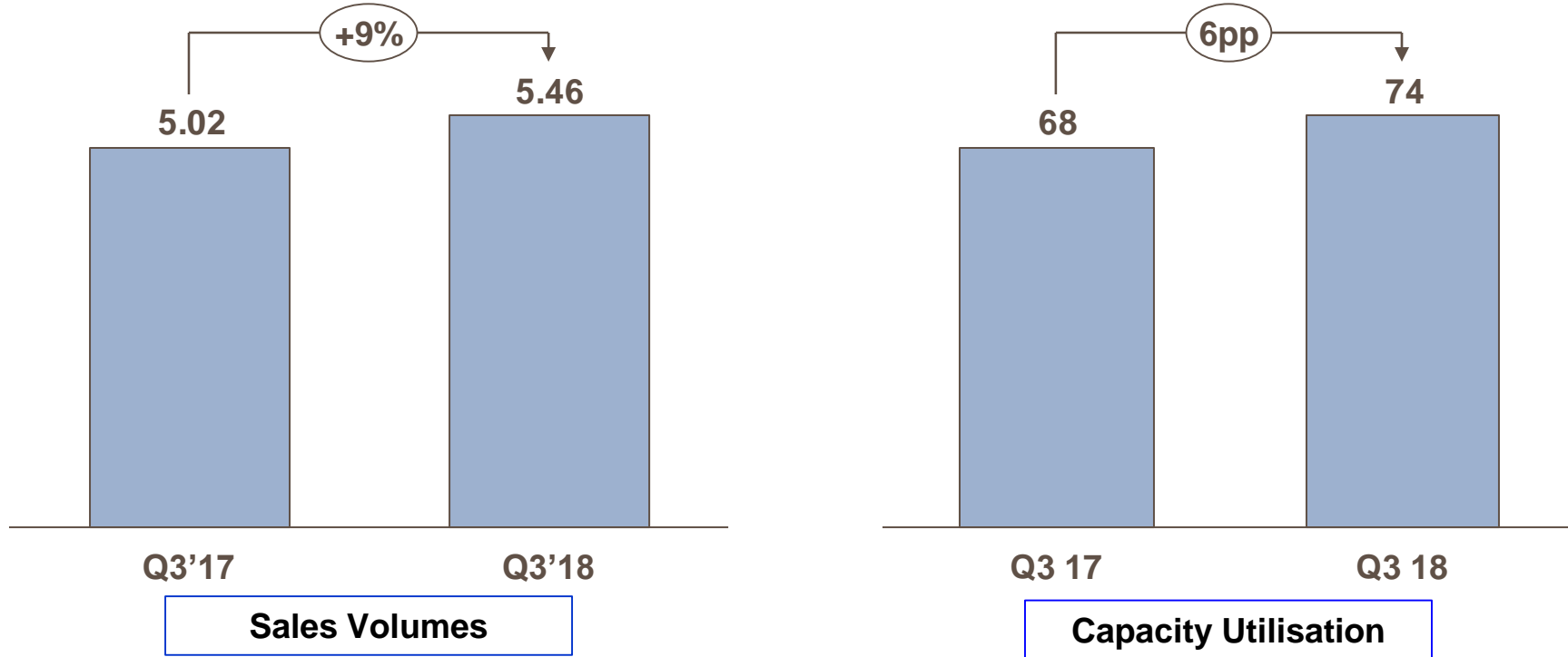


Performance highlights – Jan-Sep'18 vs Jan-Sep'17



Cement Sales Volumes and Capacity Utilization

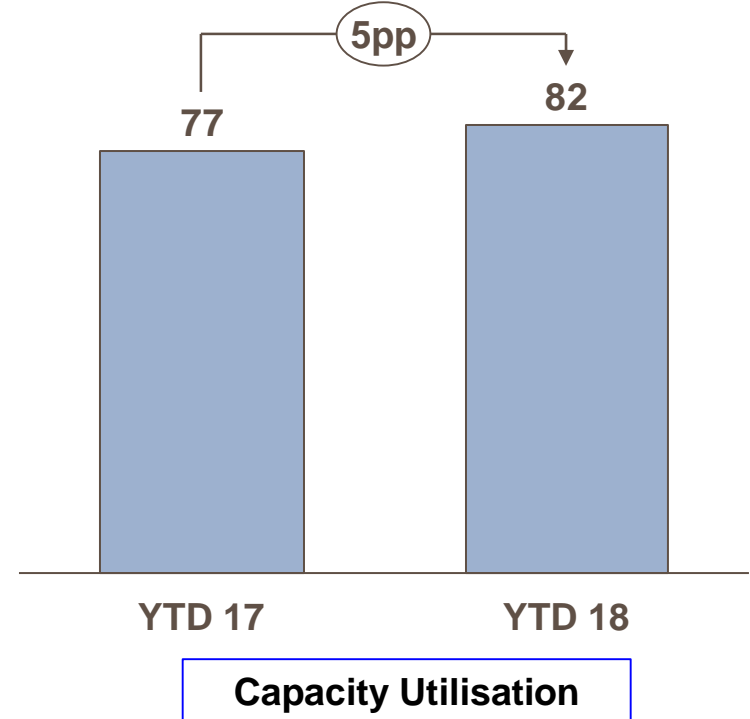
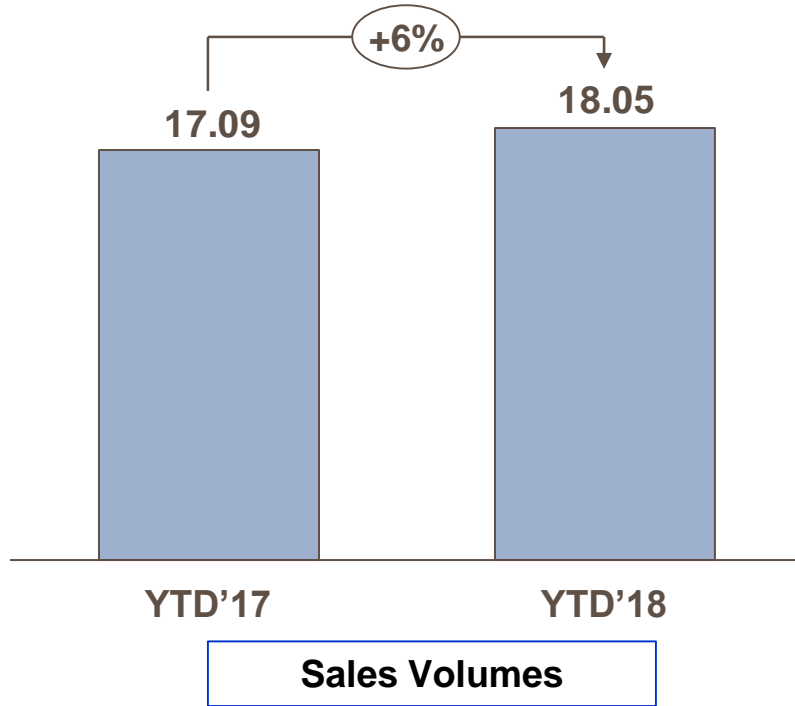
(Mn Tonnes)



- Improved growth in premium product volumes y-o-y basis, premium products sales led by Compozem, Roof Special and Cool Walls continues to see growth.
- Cement demand grew by 9% in the Jul-Sep 18 quarter led by good demand from Infrastructure and Housing sector.
- Increased participation in the Building and Infrastructure segment.

Cement Sales Volumes and Capacity Utilization

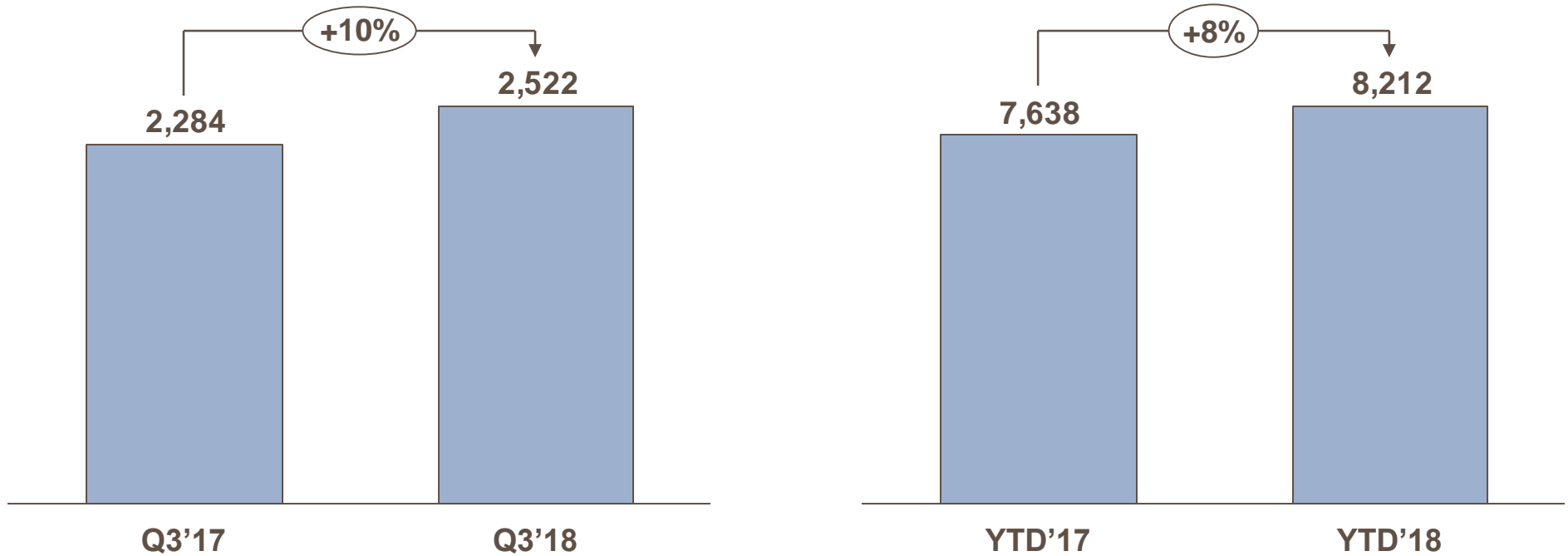
(Mn Tonnes)



- Improved growth in premium product volumes y-o-y basis, premium products sales led by Compocem, Roof Special and Cool Walls continues to see growth.
- Cement demand grew by 6% during Jan-Sep'18 led by good demand from Infrastructure and Housing sector.
- Increased participation in the Building and Infrastructure segment.

Net Sales

(INR Crore)

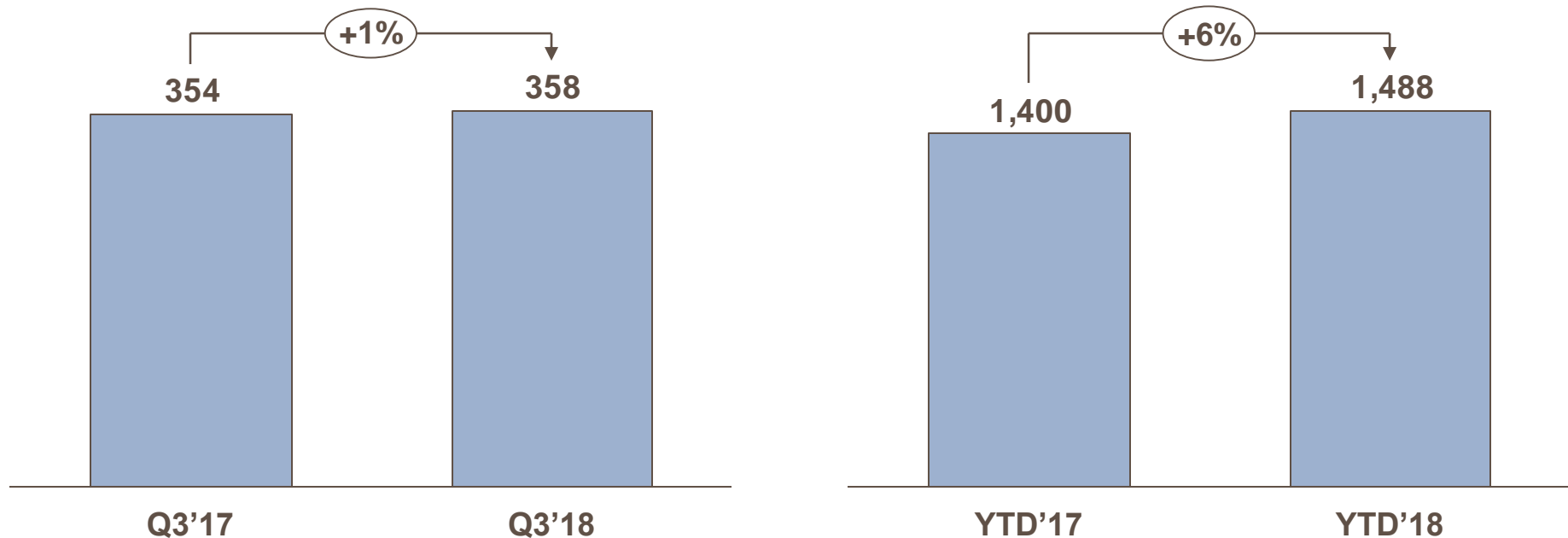


Quarterly performance

- Net Sales saw good growth in the Jul-Sep'18 quarter backed by :
Improved demand
Focus on value added portfolio of products
Selling more in our core markets

EBITDA

(INR Crore)

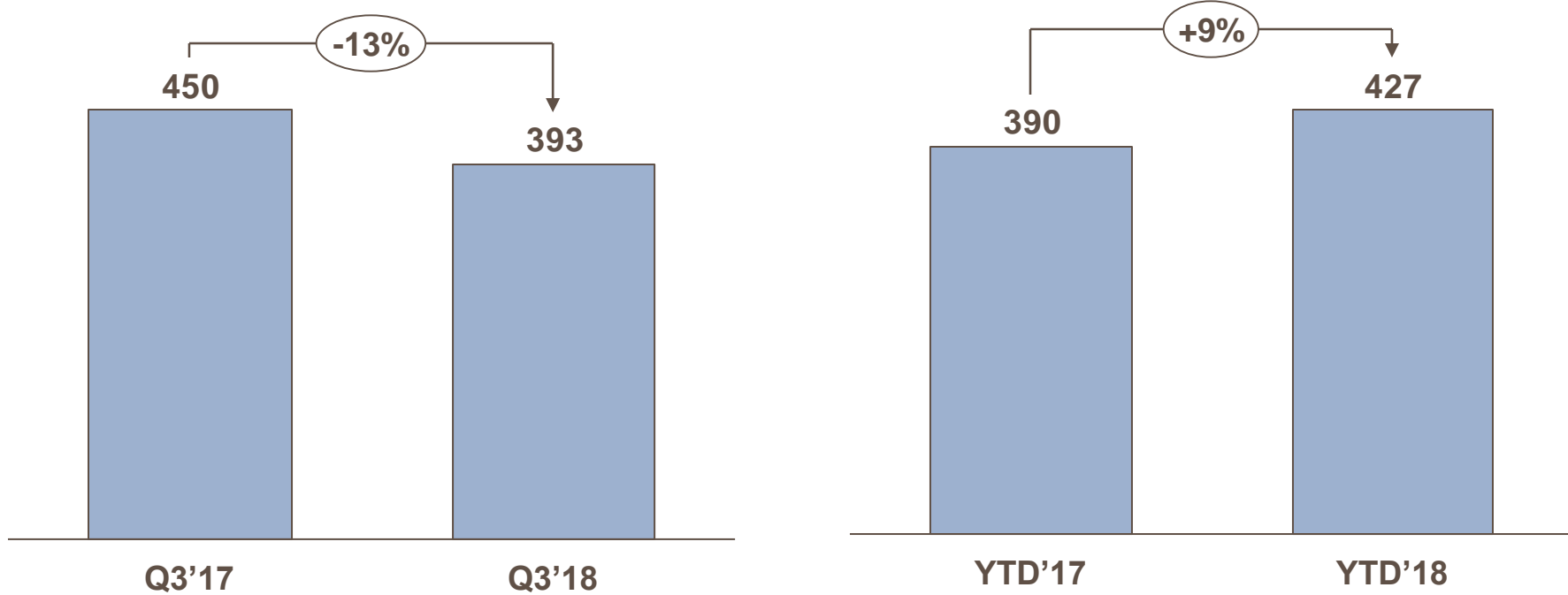


Quarterly performance

- Operating EBITDA for the quarter was ₹ 358 crore against ₹ 354 crore in the corresponding quarter of the previous year. There were pressures on account of rising costs especially for power & fuel, diesel, packing bags (impacted by increase in crude prices) coupled with volatility in the exchange rates. The company has focused on internal cost saving initiatives to contain the cost pressures.

Raw Material Cost

(INR / Tonne)

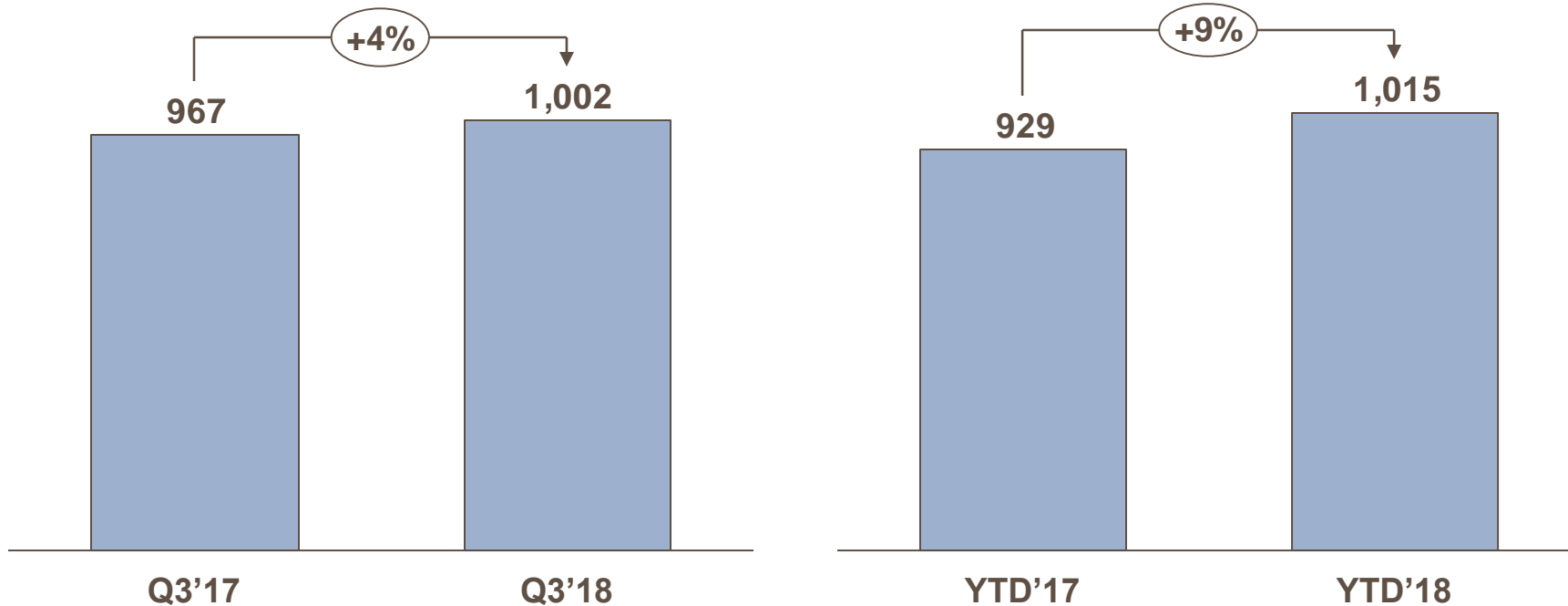


Quarterly performance

- Raw Material cost sees improvement y-o-y basis i.e. Q3'18 vs Q3'17 due to various initiatives undertaken. Optimization of additives / correctives in Raw Mix.

Power & Fuel Cost

(INR / Tonne)

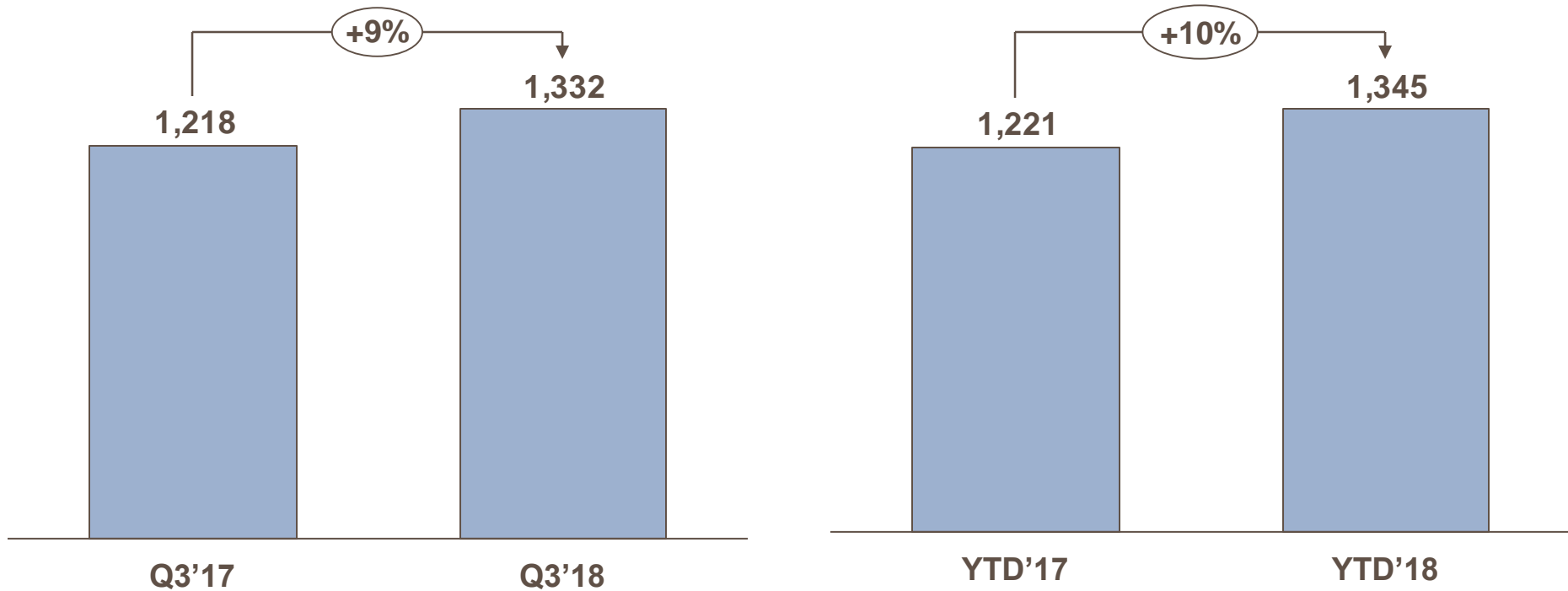


Quarterly performance

- Power & Fuel cost saw a rise due to increase in fuel cost mainly pet coke and coal price increase, however the focus on improving our efficiency parameters along with various initiatives help to restrict the cost increase.

Freight & Forwarding Cost

(INR / Tonne)

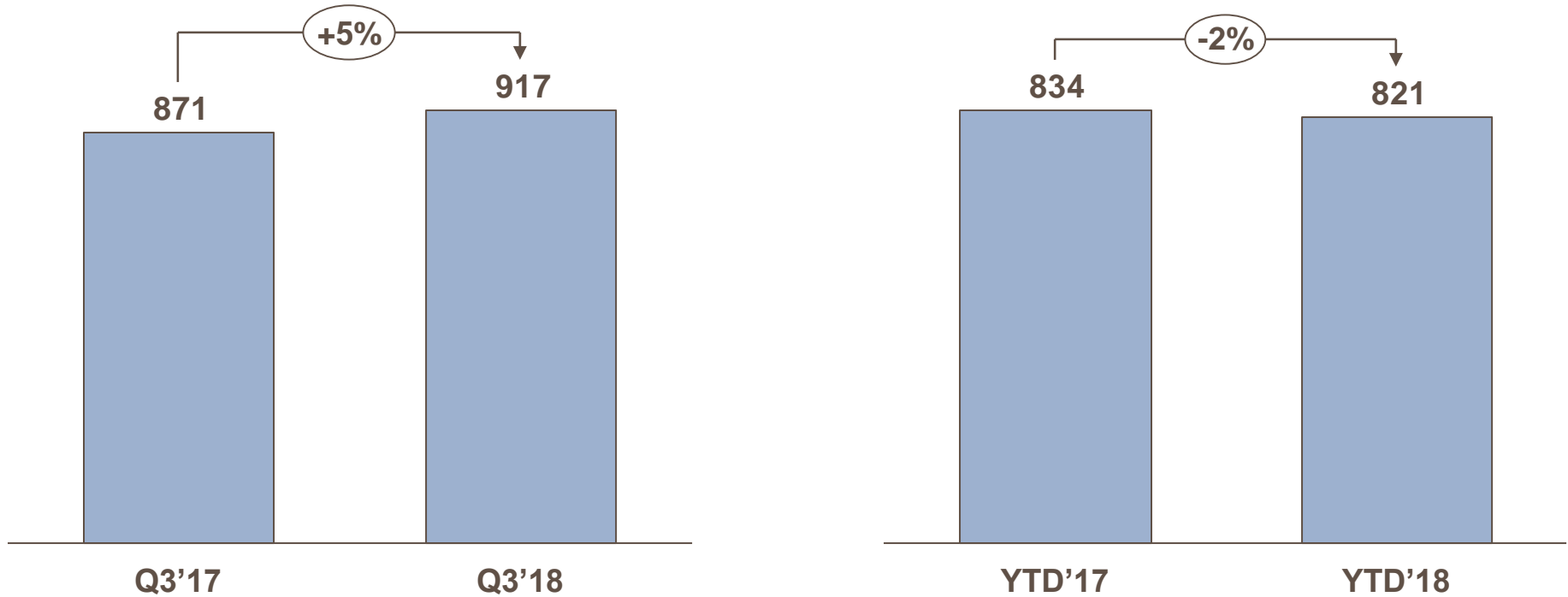


Quarterly performance

- Freight cost is higher y-o-y basis due to increase in diesel prices (impacted by increase in crude prices), however the cost increase was restricted with help of internal initiatives like network optimization resulting in freight gains in primary and secondary movement.

Other Expenses Cost

(INR / Tonne)



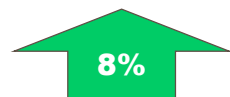
Quarterly performance

- Other expenses sees an increase y-o-y basis due increase in packing bags and annual maintenance, however SG&A was contained due to various cost saving measures.

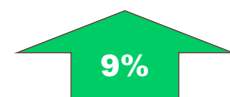
Ind AS Result – Standalone – ₹ crore

1 CAN.

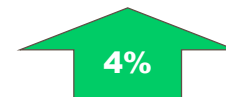
Net Sales up



PBT up



PAT up



Particulars	UOM	Standalone					
		Q3'17	Q3'18	+ / - PY	YTD '17	YTD '18	+ / - PY
Sales (net of excise duty)	₹ Cr	2,284	2,522	10%	7,638	8,212	8%
Op. EBITDA	₹ Cr	354	358	1%	1,400	1,488	6%
<i>Op. EBITDA margin</i>	%	15.5%	14.2%	-130 bps	18.3%	18.1%	-20 bps
Depreciation	₹ Cr	140	136	-3%	430	412	-4%
Other Income	₹ Cr	153	48	-69%	311	290	-7%
Finance Cost	₹ Cr	31	19	-39%	86	64	-26%
Profit Before Tax (PBT)	₹ Cr	336	251	-25%	1,195	1,302	9%
Tax Expenses	₹ Cr	64	72	13%	284	352	24%
Profit After Tax (PAT)	₹ Cr	272	179	-34%	911	950	4%
EPS	₹ / share	1.4	0.9	-34%	4.6	4.8	4%

Ind AS Result – Consolidated – ₹ crore - YTD

Particulars	UOM	Consolidated					
		Q3'17	Q3'18	+ / - PY	YTD '17	YTD '18	+ / - PY
Sales (net of excise duty)	₹ Cr	5,328	5,877	10%	17,105	18,874	10%
Op. EBITDA	₹ Cr	773	803	4%	2,872	3,055	6%
							-60
<i>Op. EBITDA margin</i>	%	14.5%	13.7%	-80 bps	16.80%	16.20%	bps
Depreciation	₹ Cr	297	287	-3%	917	862	-6%
Other Income	₹ Cr	73	80	10%	229	248	8%
Finance Cost	₹ Cr	52	39	-25%	152	130	-14%
Share of profit in associates and joint ventures	₹ Cr	3	3	0%	9	9	0%
Profit Before Tax (PBT)	₹ Cr	500	560	12%	2,040	2,321	14%
Tax Expenses	₹ Cr	149	164	10%	574	727	27%
Profit After Tax (PAT)	₹ Cr	351	396	13%	1,466	1,595	9%
Non-controlling interest	₹ Cr	91	108	19%	359	392	9%
Net profit for the period	₹ Cr	260	288	11%	1,107	1,203	9%
	₹ /						
EPS	share	1.3	1.4	11%	5.6	6.1	9%

Other key highlights for the Quarter



Dow Jones Sustainability Indexes

Globally Ranked 5th in Construction Material Sector by DJSI 2018



Achieved “Zero Harm” for more than ONE Year at Farakka & Surat, Rabriyawas unit achieved 400 days of LTI Free



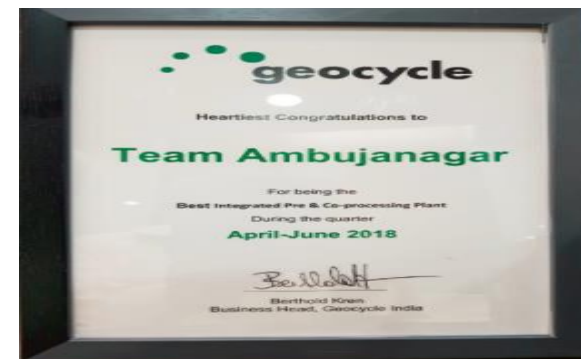
Top Brand in “SOCIAL CONTRIBUTORS” category for the coveted Pitch Top 50 Brands 2018



Ms Sapna Devendra, Regional Manager (South) - Alccofine was conferred “Young Engineer of Karnataka - 2018” by the Indian Concrete Institute



ACF won ‘Best CSR and Sustainability Practices 2017’ award



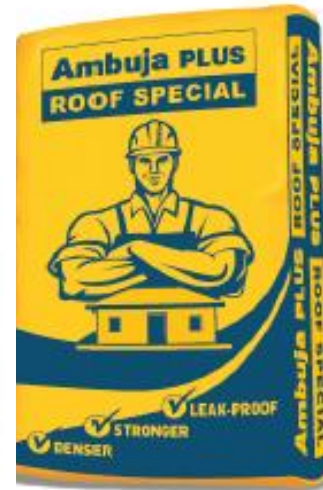
A'nagar plant awarded best integrated pre- and co-processing plant (GAV - Rs 84.8 million, Volume - 27524 MT, TSR - 11.75% in Q2'18)

Create value for all stakeholders

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



Strong brand commanding a high price premium



Premium Product & Value offering



Ambuja Cement