

Ambuja Cement

17th February, 2022

| | |
|--|---|
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Dear Sir,

Sub: Investor Presentation on the Financial Results for the quarter and year ended December 31, 2021

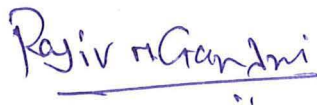
Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed the Investor presentation on financial results for the quarter and year ended December 31, 2021.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Ambuja Cements Limited



Rajiv Gandhi
Company Secretary
Membership No. A11263

CHANGE THE STORY

ACC

Ambuja
Cement

HOLCIM

Two cement giants join hands
to produce their strongest product yet.

Bubbles.



Revolutionary bubble barrier technology that removes plastic and revives the Yamuna.

To know more, visit www.changethestory.co.in

**Ambuja
Cement**

INVESTOR PRESENTATION Q4CY21 | CY2021

Stock code-BSE:500425 | NSE:AMBUJACEM | Reuters: ABUJ.NS | Bloomberg: ACEM

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. The 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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COMPANY OVERVIEW

Ambuja Cement at a Glance



Vision

To be the most sustainable and competitive company in our industry



Mission

To create value for all

- Delighted customers
- Enlightened partners
- Loyal shareholders
- Inspired employees
- Energised society
- Healthy environment

31.45 MTPA
Cement Capacity

15.2%
Share of premium products*

>89%
Share of blended cement

63%
Clinker Factor

8x
Water positive

5.1%
Thermal Substitution rate

~55,000
Channel partners across India

~4,900
Talent pool

2.8 million
Value Shared – (total beneficiaries)

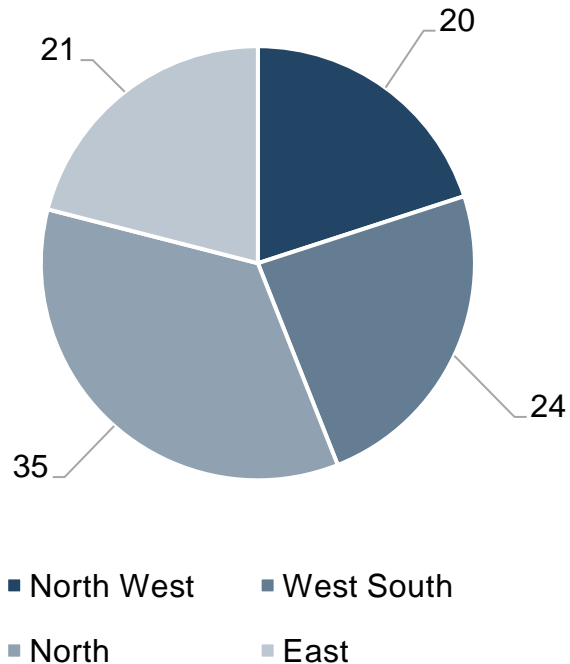
Part of Holcim - a global leader in building materials and solutions

Note: All figures for CY 2021

*Percentage of trade sales

Strong Pan-India Presence with Strategically Located Plants

Region-wise share of revenue (%)



Note: All figures are for CY 2021



- Integrated cement plants**
1. Ambujanagar, Gujarat
 2. Darlaghat, Himachal Pradesh
 3. Maratha Cement Works, Maharashtra
 4. Rabriyawas, Rajasthan
 5. Bhatapara, Chhattisgarh
 6. Marwar, Rajasthan

- Grinding units**
1. Roopnagar (Ropar), Punjab
 2. Bathinda, Punjab
 3. Sankrail, West Bengal
 4. Roorkee, Uttarakhand
 5. Farakka, West Bengal
 6. Dadri, Uttar Pradesh
 7. Nalagarh, Himachal Pradesh
 8. Surat, Gujarat

- Bulk cement terminals**
1. Muldwarka, Gujarat
 2. Panvel, Maharashtra
 3. Kochi, Kerala
 4. Surat, Gujarat
 5. Mangalore, Karnataka

Attractively Positioned for Capturing Opportunities



Well-defined growth plans with proven execution capabilities



Widespread presence to capture the growing demand



Strong Brand positioning in the market



Growing premiumisation



ICAN - Cost efficiency projects driving competitive stance



Sustainability leadership with SBTi validated carbon emission reduction targets



Superior stakeholder value creation through robust financial and ESG performance



Strong cash generation to support growth plans

SBTi- Science Based Targets initiative

ESG- Environmental, Social and Governance

Awards and Recognition



Global Top 5

#1 in India in Dow Jones Sustainability Index (DJSI) in the construction materials category



Global Bronze

In Sustainability Yearbook 2022 based on S&P Global ESG score for the second consecutive year; the only cement company in India to receive an award



CII 3R Award

For 'Excellence in Managing Municipal Solid Waste' to Geocycle



GRIHA Listing

Ambuja's blended cement listed in green product catalogue of Green Rating for Integrated Habitat Assessment (GRIHA), a national rating system by TERI and Ministry of New and Renewable Energy



Best Use of Influencer Marketing

For Contractor Loyalty Program 'Ambuja Abhimaan' at MINT Marketing Summit 2021



Best Mobile Loyalty Program

For Abhimaan at The Customer Fest Leadership Awards 2021



'Ambuja Kawach' included among **Top Ten Green Building Solutions of Holcim** recognised by **Solar Impulse Foundation**



Global Water Stewardship
Only cement company in the world to secure place in the prestigious '**A List**' of CDP for tackling water security



ECONOMY AND SECTOR UPDATE

Positive GDP Outlook

GDP growth estimated at 9.2% for fiscal 2022

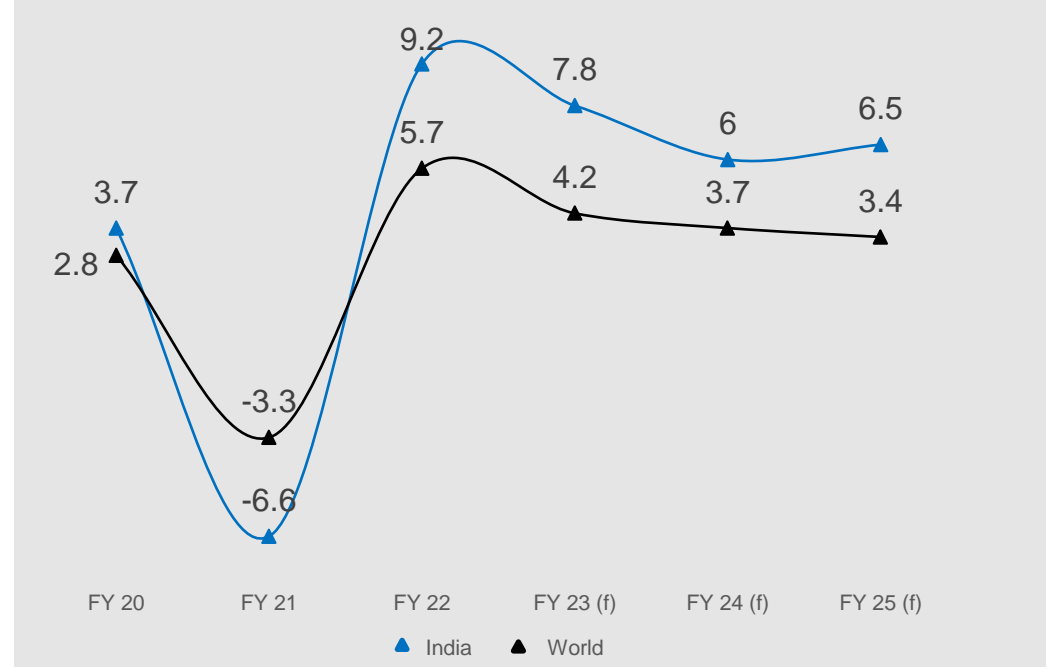
- Fiscal 2023 forecasts: Fitch 7.6%; S&P India 7.8%; Government of India Economic Survey 8.0%-8.5%
- Rising inflation, supply bottlenecks and further pandemic waves pose downside risks
- Unprecedented increase in fuel prices globally impacting costs

Fiscal deficit at 6.9% of GDP in fiscal 2022; 6.4% target for next year and gradual reduction to 4.5% by fiscal 2026

- Current year's fiscal deficit is high due to socio-economic welfare expenditure during successive pandemic waves
- Government committed to broad path of fiscal consolidation with target of less than 4.5% by 2026

Consumer Price Inflation (CPI) projected at 5.5% for fiscal 2022, expected to remain elevated at 5.2% for fiscal 2023

GDP projection (% y-o-y)



Fiscal 2022 = April 2021 to Mar 2022
Fiscal 2023 = April 2022 to Mar 2023
Fiscal 2022 nos. are advance estimates

Note: FY – Fiscal Year from April to March ; (f) - forecast
Source: S&P, National Statistics Office, World projections are for calendar year

Key Trends Accelerating Sectoral Growth



150 crore Expected population of India by 2030 from 137 crore now

Population growth to continue driving housing demand in the country



60 crore India's urban population by 2030 from **37.7 crore** in 2011

Consistent rise in demand for urban dwellings



71% Increase in home sales in CY2021 against CY2020 (in top 7 cities)

Favourable government policies including softer interest rates



Increased demand for better living standards and more efficient infrastructure

Surge in demand for housing, including focus on better infrastructure aiding the growth of cement industry

Boost to the Infrastructure Sector in Budget 2022



Housing

- 8 million houses budgeted for completion under PMAY scheme (Urban and Rural) in FY23
- Modernisation of building by-laws and implementation of Town Planning Schemes - positive for urban housing
- Promising Rabi 2022 crop outlook will positively impact rural demand



Infrastructure

- Increase of 11% in budgetary support for core infrastructure
- Target to construct 25,000 kms of highways and roads in FY23
- Focus on logistics infrastructure with 4 multi-modal parks in FY23 and 100 new cargo terminals over the next 3 years
- Momentum on urban infrastructure, port modernisation (Sagarmala) and Metro projects to continue



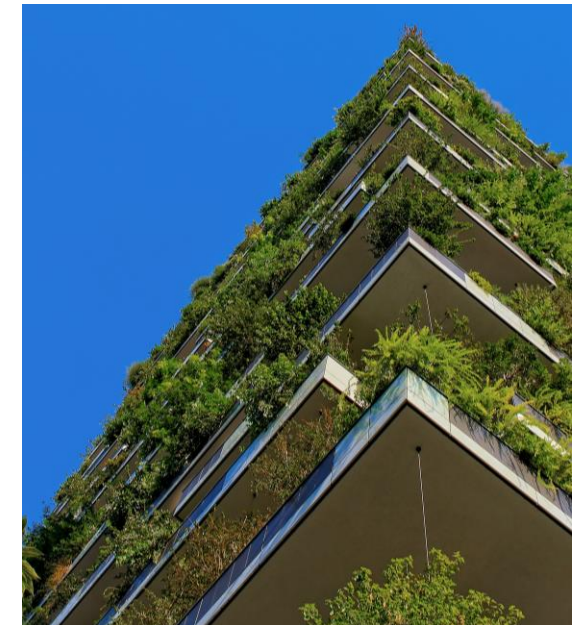
Industrial/Commercial

- Demand for warehousing space to increase sharply on the back of e-commerce boom
- Infrastructure status granted to data centres and energy storage systems; will accelerate investments
- Large players in mature capital-intensive sectors announcing fresh round of capex
- Continuation of Production Linked Incentive Scheme (PLI) to augur well for promoting private capex



STRATEGIC PRIORITIES

Strategic Priorities Driving Sustainable Growth



Accelerating
GROWTH



Expanding **SOLUTIONS
AND PRODUCTS**



Delivering **SUPERIOR
PERFORMANCE**



Leading in
SUSTAINABILITY

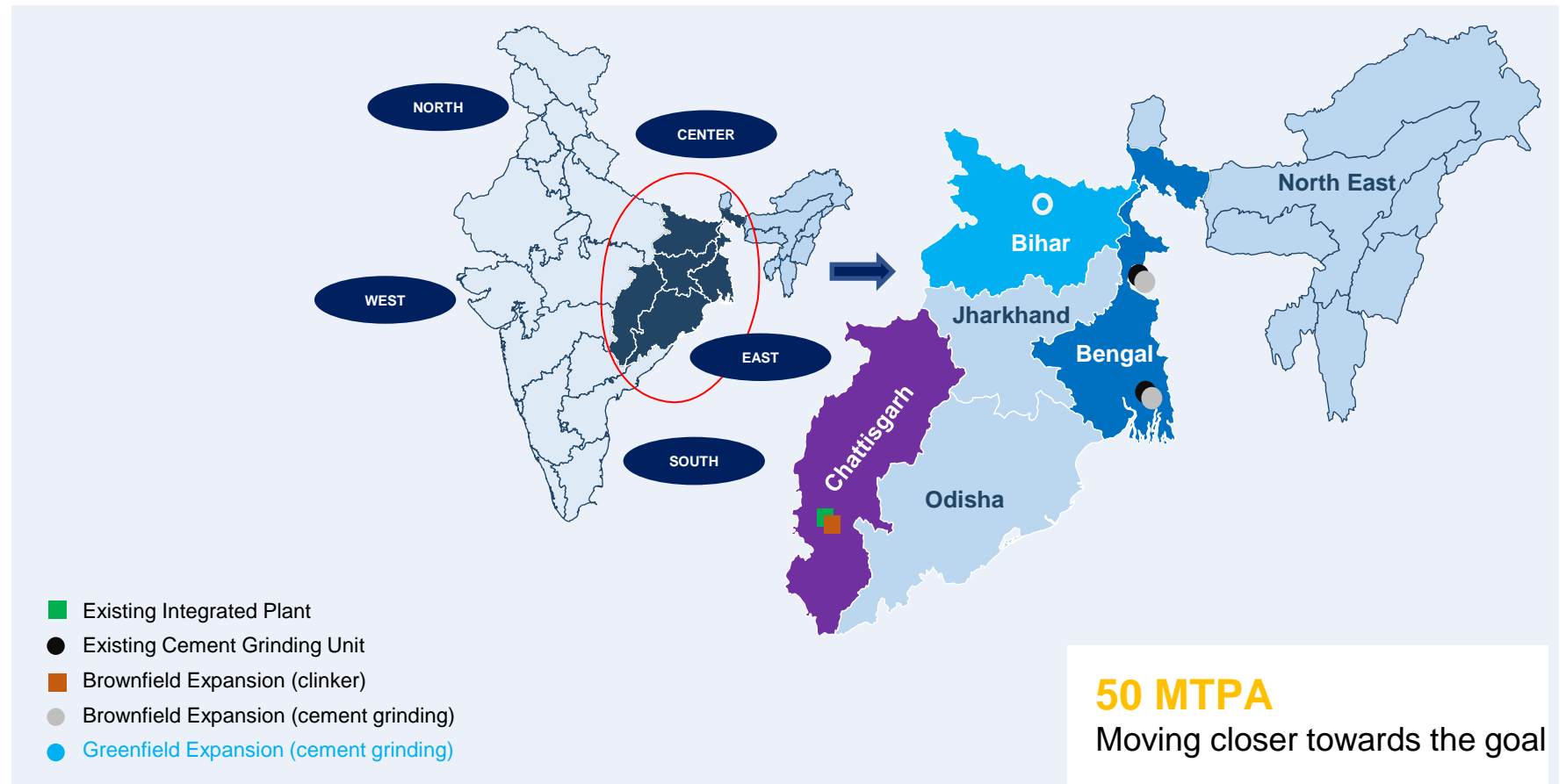


ACCELERATING GROWTH

Stepping Ahead on Growth Ambition

The Board has approved in principle an investment of ₹ 3,500 crore for :

- 7.0 MTPA potential cement grinding expansion across our existing grinding units at Sankrail and Farakka and greenfield grinding unit at Barh, Bihar
- 3.2 MTPA brownfield clinker expansion at our existing integrated plant in Bhatapara, Chattisgarh



Strengthening Capacities

Marwar, Rajasthan

- Commenced commercial production at Marwar cement plant in Naguar district of Rajasthan in September 2021
- Clinker capacity expansion of 3 MTPA with a potential to increase sales by 5 MTPA
- The Plant has deployed state-of-the-art technology and equipment to produce cement in a sustainable manner

Ropar, Punjab

- Executing a cement capacity expansion of 1.5 MTPA at existing grinding unit at Ropar, Punjab
- The plant is planned to be commissioned in 2023

Capacity Augmentation

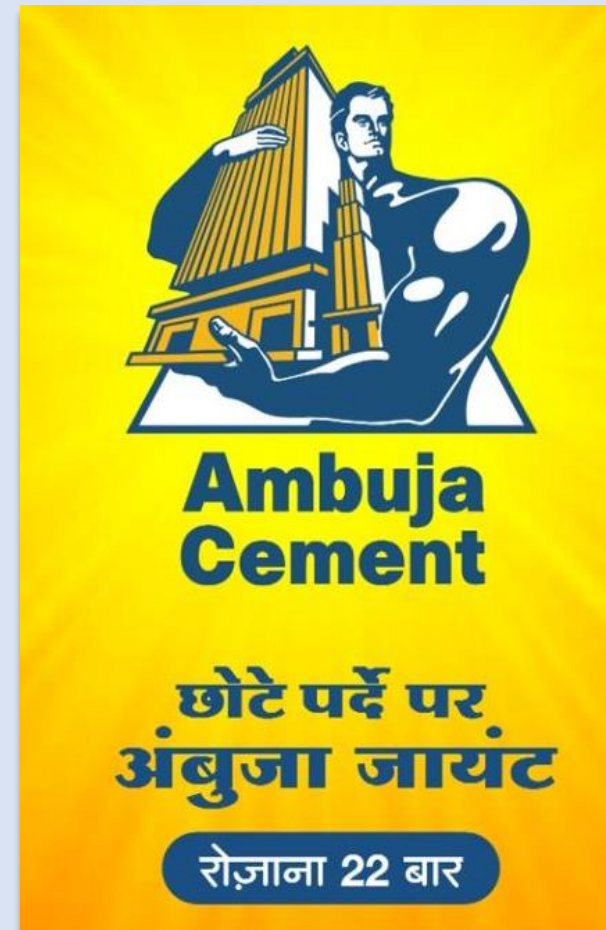
- Debottlenecking initiatives across various plants



Engaging with Customers Across Mediums

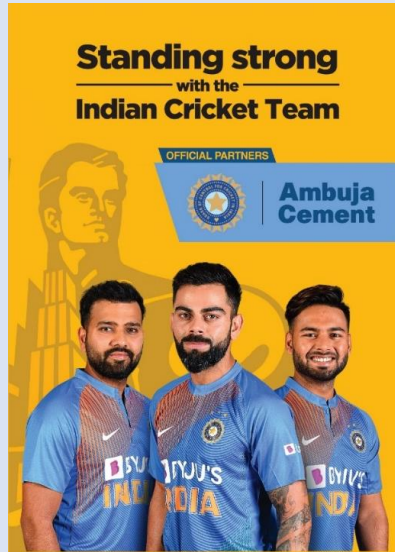


- Brand and to strengthen positioning- with a mother-brand TVC “Deewar 2” starring Boman Irani and Vinay Pathak
- TVC on-air in Sep 2021 on major national & regional channels
- Post campaign, research indicated high recall, engagement and enjoyability
- Digital campaign garnered over 2 Crore+ views. Rated in the top 10 most seen advertisements

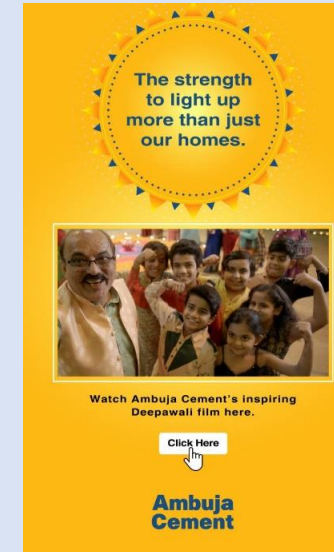
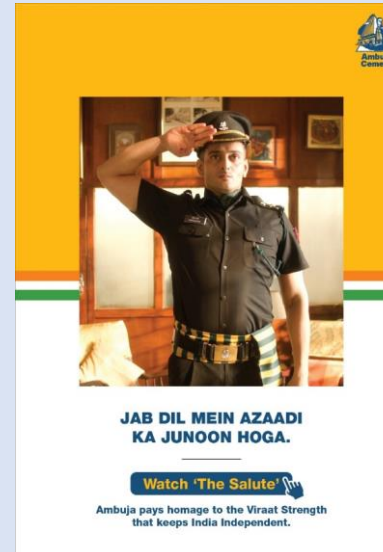


- Ten second “Giant” TV commercial was launched in Dec 2021
- TVC on-air on leading national & regional news channels (Regions - Rajasthan, Gujarat, Maharashtra & Punjab)
- Key channels : Aaj Tak, ABP News, Zee News, TV9, News Nation, News 24, NDTV

Engaging with Customers Across Mediums



- Partnered with BCCI as their Official Sponsor with a strategy to deepen our engagement with cricket and our target audiences
- Heavy on-ground presence through branding on perimeter boards, rope, sight screens, backdrops etc.
- **LBNW (Leave Behind no Waste)** – Partnered with BCCI & Geocycle to recycle waste generated in cricket stadiums to use alternate fuel in our plants
- In 2021, present in two series - Ind vs Eng (5 T20s held in Feb-Mar) & Ind vs NZ (1 Test & 2 T20s)



- Engagement with our stakeholders through films on festivals/events
- Occasion based films for New Year, Republic Day, Independence Day and Diwali
- Each film has generated more than 50 lakh+ views on digital platforms



Ambuja Abhimaan: Loyalty program to maintain long-term relationship



Ambuja Darpan: App designed to make contractors' work easier

Growing from Strength to Strength

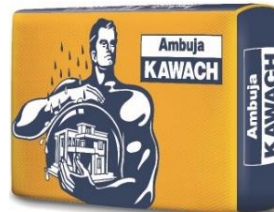
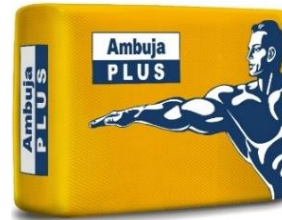


**EXPANDING
SOLUTIONS AND
PRODUCTS**

Product Portfolio

- High-strength and high-performance Portland Pozzolana Cement (PPC), Ordinary Portland Cement (OPC) and Blended cement across grades
- Focus on growth of premium products
- Services addressing three main customer segments – individual home builders, masons and contractors / professionals
- Ambuja Knowledge Centre helps in enhancing the knowledge base of architects, engineers and construction (AEC) professionals

Premium products



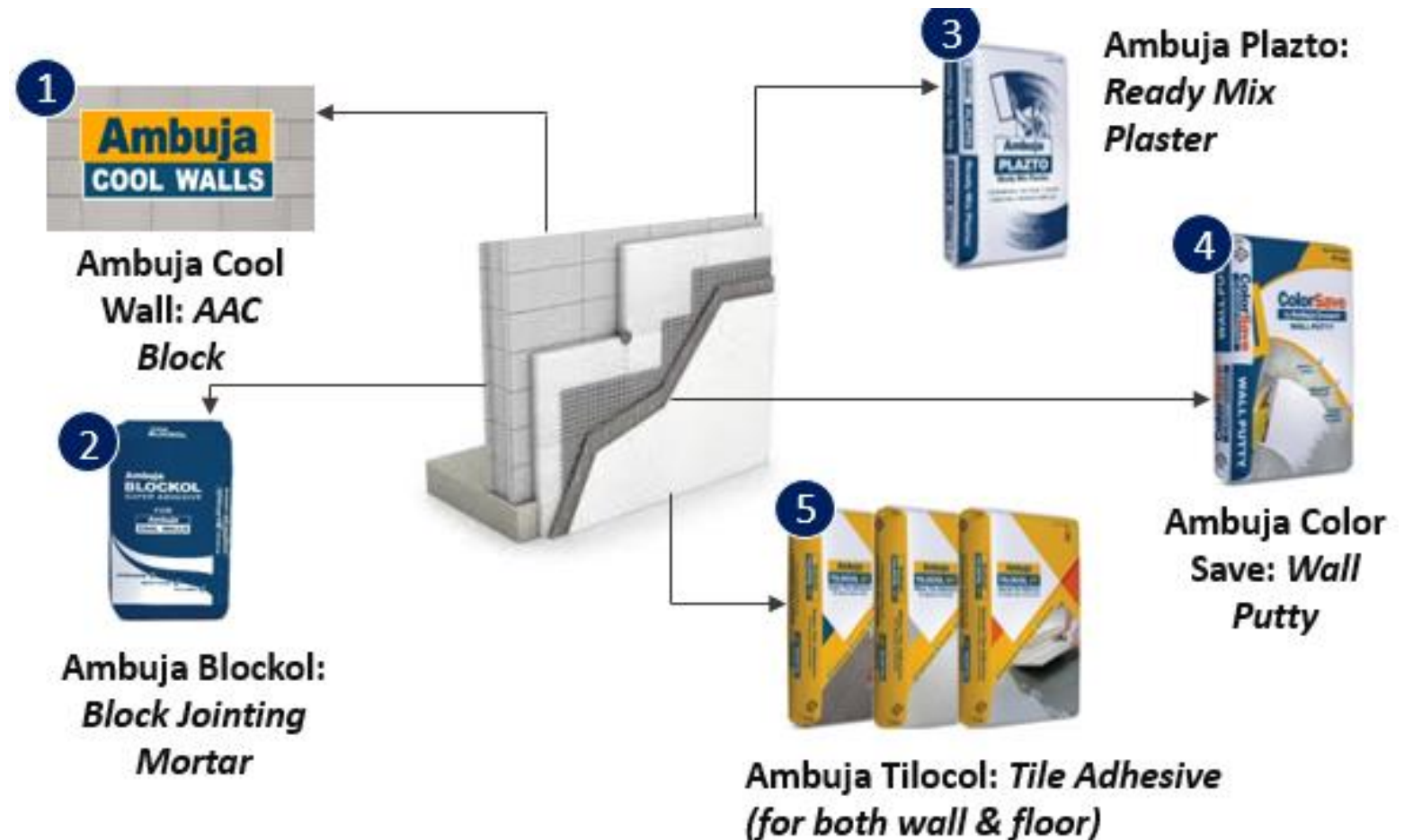
Base products



Solutions Range Complementing our Core Cement Range

- Solutions and Products portfolio (temperature resistant concrete blocks, micro fine mineral additives and maturity sensors), is in nascent stage and aims to complement our strength in core cement business and cater to the specialised applications
- We will continue to scale up volumes and revenue and strengthen our position in this segment

One-stop solution for construction needs



Capturing Share of Mind with Technology Solutions

Priorities

- Demand generation of Ambuja products & solutions
- Maximising trade volumes and retail penetration
- Developing and maximising premium products volumes
- Supporting Retail channel for enhancing its sales capabilities
- Widening customer base of profitable B2B customers on need basis

Strategic initiatives

- Customer Connect with 3.5 lakh+ customers annually
- Influencer connect with 80,000+ contractors through Abhimaan enrollment
- Channel Connect
- Promoting new/premium products and solutions
- Promoting sustainable construction practices /solutions
- B2B Connect

Tools

Ambuja Certified Technology

Capturing mind space of the customer and influencers – Shift from ‘Product’ to ‘Solution’



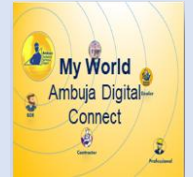
Ambuja Abhimaan

Loyalty program engaging, empowering and rewarding contractors for making strong homes using Ambuja Certified Technology



My World

Digital ecosystem connecting and engaging all stakeholders, enabling new customer acquisition



Ambuja Knowledge Centres (AKC)

19 - Knowledge sharing platforms



Concrete Future Laboratories

8 CFLs - Concrete future laboratories





**DELIVERING SUPERIOR
PERFORMANCE**



Energy cost efficiency

- 54 MW of Waste Heat Recovery System under implementation at Darlaghat, Bhatapara and Marwar
- Assessment underway at Ambujanagar and Maratha

Alternate Fuel (AFR)

- Achieved TSR of >9% at Maratha Plant
- AFR feeding system commissioned at Rauri plant in Q4 2021 and achieved 4.65% TSR

Renewable energy

- Increasing share of renewable energy in the power mix

Raw material cost efficiency

- Flyash Dryers at Rabriyawas, Ropar, Dadri, Nalagarh and Bathinda under implementation

Efficiency programs across the value chain to drive superior performance:

- Driving superior commercial process by using digital tools
- Reduction in electrical and thermal energy consumption by adopting Plants of Tomorrow framework and Digital Tools
- Improving clinker factor and raw material efficiencies
- Driving efficiencies in logistics through use of digital tools to reduce lead distance and leverage Master Supply Agreement with ACC for least delivered cost
- Simplifying organisational process and layers to drive dynamic decision making
- Timely execution of expansion and efficiency capex programs

Scaling Up Innovation and Digitalisation



Plants of Tomorrow

- Data & Analytics Infrastructure deployed (TIS, PACT)
- Advanced Data Analytics
- Predictive Quality
- Predictive Process
- Predictive Maintenance
- Digital Eye - Video analytics
- Kiln Energy Optimisation



Sales and Marketing

- Dedicated apps for sales force, technical teams, dealers and contractors
- Revenue and Margin Management
- Sales Force Automation
- Unified CRM



Logistics

- TAC enhancement
- Fleet Management
- Blue Yonder

Talent and succession

- Creating multiplier effect by leveraging talent pool between both operating companies (ACC/Ambuja)

Diversity and inclusion

- Building a diverse and inclusive workforce, free of discrimination

Learning for growth

- A continuous learning organisation enabling our talent to prepare for the future
- Facilitating employee training through ACC Ambuja Leadership Academy (AALA)

Performance culture

- Highly engaged and performance-oriented organisation empowered to thrive, driven by ICAN philosophy



Oorja

We constantly endeavour to foster workplace equality and encourage women to elevate themselves to leadership positions. We have introduced Oorja, a like-minded community of friends, listeners, role-models and mentors for women employees. It is expected to drive inclusive and diverse work place.



**LEADING IN
SUSTAINABILITY**

Global Sustainability Trends



Customer awareness and activism pushing the environment, social and governance (ESG) agenda



Decarbonisation will rise across industry, transport and buildings segments, supported by innovative technologies



Digital tools will shape the evolution of sustainable processes which will support reduction of CO₂ emissions



Design for environment and supply chain sustainability
Will include an emphasis on Scope 3 decarbonisation

Science Based Targets Aligned with Net Zero Emission Ambition



Climate and Energy

BUSINESS AMBITION FOR 1.5°C  



Signed the Business Ambition for 1.5 degree Celsius along with science based targets



Science Based Targets



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- Committed to reducing **Scope 1 and 2 GHG emissions** by 21% per ton of cementitious materials by 2030 from a 2020 base year









20%

Scope 1 GHG emission reduction per ton of cementitious materials

43%

Scope 2 GHG emissions reduction per ton of cementitious materials

Sustainability Targets and Achievements

| Sustainable Development Plan 2030 | | | | |
|-----------------------------------|--|--|--|--|
| |  Climate and Energy |  Circular Economy |  Water and Nature |  People and Communities |
| Lead metrics | CO ₂ Reduced (kg CO ₂ /ton of cementitious material) | WASTE Re-used (Million tons) | WATER Saved (Fresh water consumption: Litre/t cementitious material) | VALUE Shared (Million beneficiaries) |
| Performance 2021 | 529 | 8.6 | 58 | 2.8 |
| Target 2030 | 453 | 21 | 62 | 3.5 |
| SDGs linked |  |  |  |  |



Optimising Resource Utilisation

- Focus on reducing clinker factor
- New plants to optimise Blended Cement
- Addressing flyash availability challenges with:
 - Increased use of wet/conditioned flyash
 - Installation of flyash dryers in strategic locations
 - Augmentation of handling and storage capacity at plants



Climate and Energy

- Increasing clean and green energy
- Driving performance through Plants of Tomorrow
- Retrofitting of CNG kits in mine vehicles
- Use of electric vehicles in mines/plants
- Optimising lead distance through use of analytics
- Bulk transportation and substituting conventional fuel with green fuel



Circular Economy

- Introduce complex waste and Low Flash Point waste
- Achieve higher Thermal Substitution Rate (TSR)
 - Market approach driven by footprint expansion of Municipal Solid Waste across key markets
 - Associated with over 65 cities for managing legacy waste through urban mining; over 2.5 lakh tons of plastic used as alternative fuels across plants
 - Driving advocacy efforts on recognition of co-processing at par with recycling



Water

- Higher use of recycled water and rainwater harvesting
- Develop innovative products focused on sustainability parameters

Partnering For a Cleaner India



Geocycle Bubble Barrier

- Successful demonstration at Yamuna river (Agra)
- Various other locations in pipeline



Cleaning up airports and ports

- Dry waste collection and co-processing from airports, ports and customs



Leave Behind no Waste Initiative #LBnW

- Ambuja and ACC partnership with BCCI for post match clean up

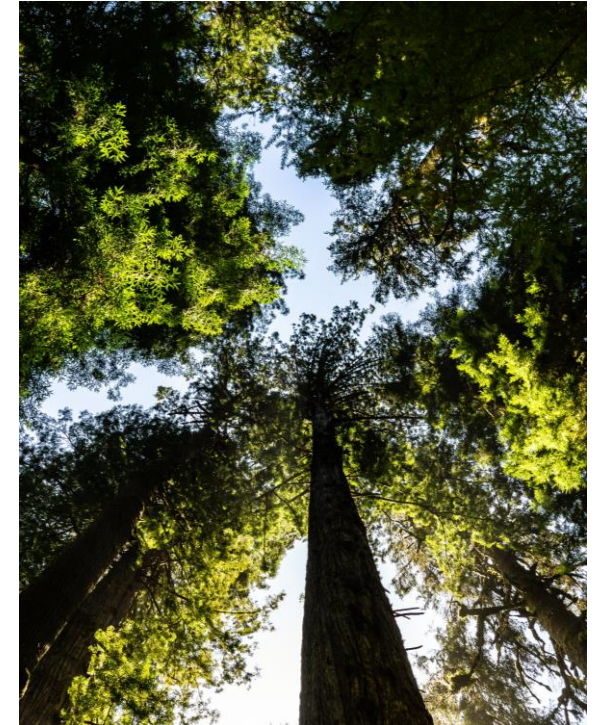


Community clean up

- Direct sourcing of biomass from farmers at Rabriyawas
- Reduction in stubble burning
- Sustainable source of alternative fuel

Water and Biodiversity Conservation

- Biodiversity Assessment, through Biodiversity Indicator and Reporting System (BIRS) tool, across quarries
- Implementing Biodiversity Management Plans (BMP) or Wildlife Conservation Plan
- Green belt development in and around plants and mines
- Aim to further strengthen our “Positive Impact on Biodiversity”
- Reducing freshwater consumption through process optimisation, reusing and recycling of water
- Enhancing our water harvesting efforts within premises and communities
- Close monitoring of water withdrawal and consumption



Targeted Water Positivity Index of 10x by 2030

Community Outreach through Ambuja Cement Foundation



Water harvesting post monsoon in a new water structure in Vizag



Industry-academia interaction at AU Skill Academy for prospect placement for SEDI students



Oxygen Plant inaugurated in Gir Gadhada Dist. Gir Somnath



Kitchen gardening success in Ropar

- Additional storage capacity created through water harvesting structures
- 128 individual rooftop rainwater harvesting systems constructed
- Additional 718 hectares covered under watershed development through water and soil conservation
- 1,509 students trained by SEDI and 960 students placed for work
- 12,816 women and adolescents benefited under Menstrual Hygiene Management Program
- 54,263 farmers trained under Integrated Crop Management
- CNC plasma cutting machines installed in SEDI Ambujanagar and Chandrapur

- ACF certified a Great Place To Work in the Non-Profit and Charity Organisation category
- Punjab State Government awarded a student from Ambuja Manovikas Kendra (AMK) for being the Best Sportsman with Disability and a staff member for being the Best Individual Working with People with Disabilities
- ACF Chirawa was awarded for work in skill and community development
- ACF Dadri received commendation certificate from the Governor of UP for work in Anganwadi empowerment

SEDI – Skill and Entrepreneurship Development Institute
CNC – Computer Numerical Control
ACF – Ambuja Cement Foundation

Covid-19 Update



COVID-19 and Vaccination awareness wall paintings in villages



ACF Dadri received commendation letter for effort in awareness during vaccination drive



COVID-19 medical kits provided to CoviSAINIKs to march towards ending the pandemic

- 6,347 CoviSAINIK's trained; 2,576 are currently volunteering at hospitals and community clinics
- 27 lakh community members from ACF villages vaccinated till date
- Distribution of 2,200 COVID Kits to volunteers and frontline workers across ACF locations during Q4 CY2021
- 550 caps produced by Sai Baba SHG, Dadri and distributed to COVISainiks
- Appreciation Certificate from the Department of Health & Family Welfare Office of CMO, District Solan for efforts during vaccination
- Oxygen Plants inaugurated in Dadri and Ambujanagar
- 204 vaccine carrier boxes provided to Community Health Clinics and other institutions at various locations

Maintaining Highest Standards

Governance framework

Board of Directors

- Board members
-

Executive management

- Executive Committee
 - Managing Director and CEO
-

Committees of Directors

- Audit
- Nomination and Remuneration
- Stakeholders' Relationship
- Corporate Social Responsibility
- Risk Management
- Compliance
- Capex
- Management

Core principles of governance

- Corporate Governance is an integral part of the way Ambuja has been doing business since inception. Good Corporate Governance at Ambuja Cement emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics
- The above drivers, together with the Company's ongoing contributions to the local communities plays a pivotal role in fulfilling our renewed vision to be the most sustainable and competitive company in our industry and our mission to create value for all our stakeholders

5

Independent Directors

2

Women Directors

30+ years

Average experience of Directors

Board of Directors



NS Sekhsaria
Chairman



Jan Jenisch
Vice Chairman



Nasser Munjee
Independent Director



Rajendra P Chitale
Independent Director



Shailesh Haribhakti
Independent Director



Dr. Omkar Goswami
Independent Director



Shikha Sharma
Independent Director



Christof Hassig
Director



Martin Kriegner
Director



Then Hwee Tan
Director



Mahendra Kumar Sharma
Director



Ranjit Shahani
Director



Praveen Kumar Molri
Director



Ramanathan Muthu
Director




Neeraj Akhoury
Managing Director & CEO




PERFORMANCE REVIEW

Performance Highlights – CY 2021 (Standalone)


27.02 mn tons

Sales Volume (CLC)
(19% YoY) 


INR 13,794 cr

Net Sales
(23% YoY) 


INR 3,207 cr

Op EBITDA
(21% YoY) 


INR 2,656 cr

Op EBIT
(25% YoY) 


INR 2,785 cr

PBT
(15% YoY) 

INR 2,081 cr

Profit After Tax*
(16% YoY) 

INR 2,132 cr

Profit After Tax*
(19% YoY) 

Cr - Crore


CLC – Cement and Clinker

*Including exceptional expense of ₹ 65.69 crore in Q4 2021


**Excluding exceptional expense (net of tax) in Q4 2021

Performance Highlights – Q4 2021 (Standalone)


7.16 mn tons

Sales Volume (CLC)
(2% YoY) 


INR 3,679 cr

Net Sales
(6% YoY) 


INR 568 cr

Op EBITDA
(-26% YoY) 


INR 398 cr

Op EBIT
(-38% YoY) 


INR 340 cr

PBT
(-48% YoY) 

INR 252 cr

Profit After Tax*
(-49% YoY) 

INR 303 cr

Profit After Tax**
(-39% YoY) 

Cr – Crore

CLC – Cement and Clinker

*Including exceptional expense of ₹ 65.69 crore in Q4 2021

**Excluding exceptional expense (net of tax) in Q4 2021

Financial Results – Standalone

| (All amounts in ₹ Crore) | Quarter Ended December | | | Year ended | | |
|---------------------------|------------------------|--------------|----------|------------|---------------|----------|
| | 2020 | 2021 | Change % | 2020 | 2021 | Change % |
| Net Sales | 3,468 | 3,679 | 6.1% | 11,175 | 13,794 | 23.4% |
| EBITDA | 768 | 568 | -26.0% | 2,647 | 3,207 | 21.2% |
| EBITDA (%) | 22.1% | 15.4% | -6.7 pp | 23.7% | 23.3% | -0.4 pp |
| Operating EBIT | 642 | 398 | -38.0% | 2,125 | 2,656 | 25.0% |
| Operating EBIT Margin (%) | 18.5% | 10.8% | -7.7 pp | 19.0% | 19.3% | 0.3 pp |
| Profit Before Tax | 658 | 340 | -48.3% | 2,414 | 2,785 | 15.4% |
| Tax Expenses | 161 | 89 | -44.9% | 624 | 705 | 12.9% |
| Profit After Tax* | 497 | 252 | -49.4% | 1,790 | 2,081 | 16.2% |
| Profit After Tax** | 497 | 303 | -39.0% | 1,790 | 2,132 | 19.1% |
| Earning Per Share | 2.50 | 1.27 | -49.4% | 9.02 | 10.48 | 16.2% |

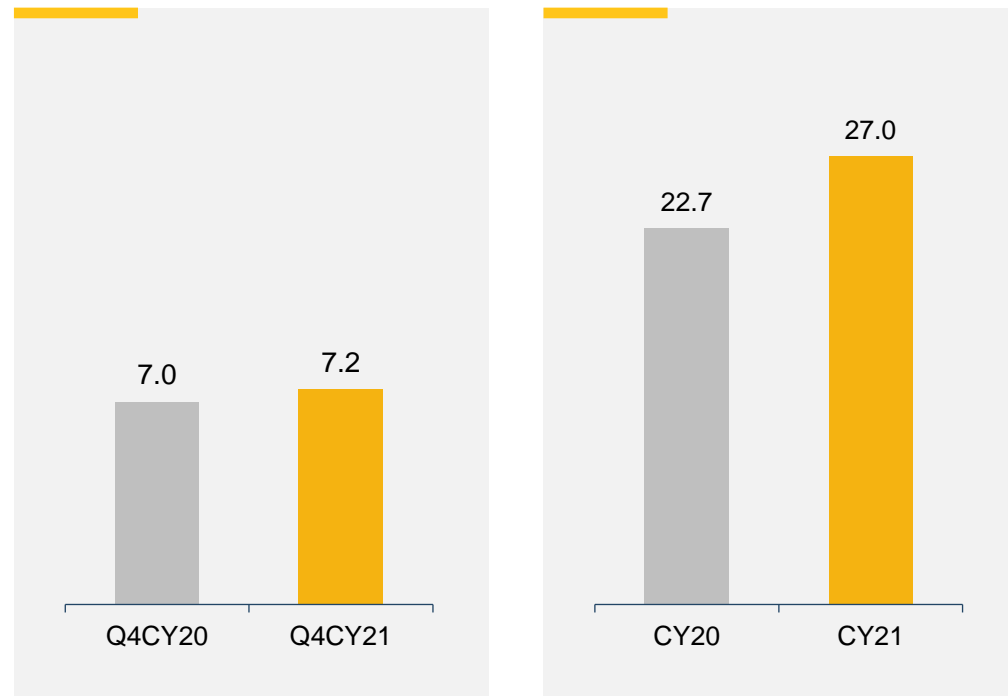
*Including exceptional expense of ₹ 65.69 crore in Q4 2021

**Excluding exceptional expense (net of tax) in Q4 2021

Performance Analysis

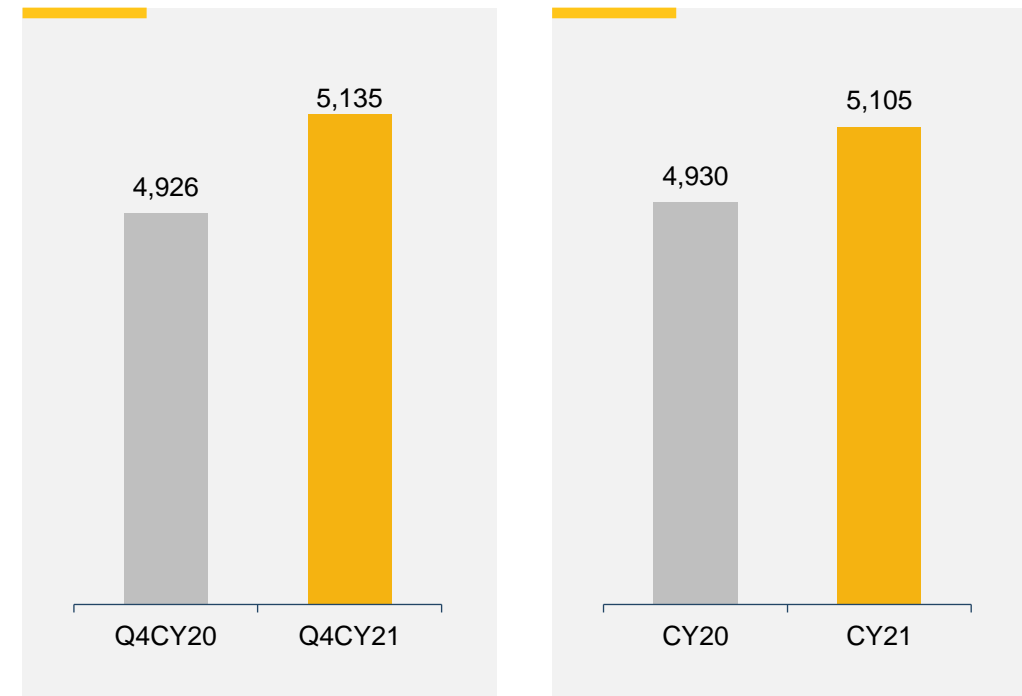
Sales Volume & Realisation

Sales volume – Cement + Clinker (mn tons)



- Highest ever cement sales volume in CY 2021, growth of 17% over 2020
- Cement volumes were flat for the quarter, due to subdued demand especially in the month of November 2021

Realisation (₹/ton)

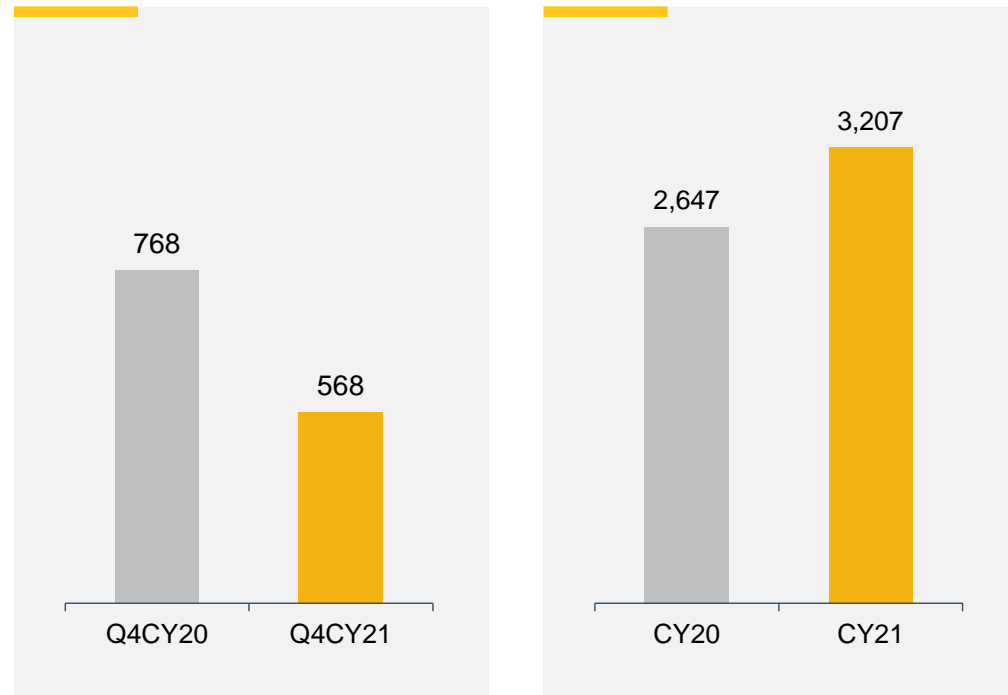


- Improvement in realization on account of favourable geo mix and product mix
- Special cement recorded a robust growth during CY 2021

Performance Analysis

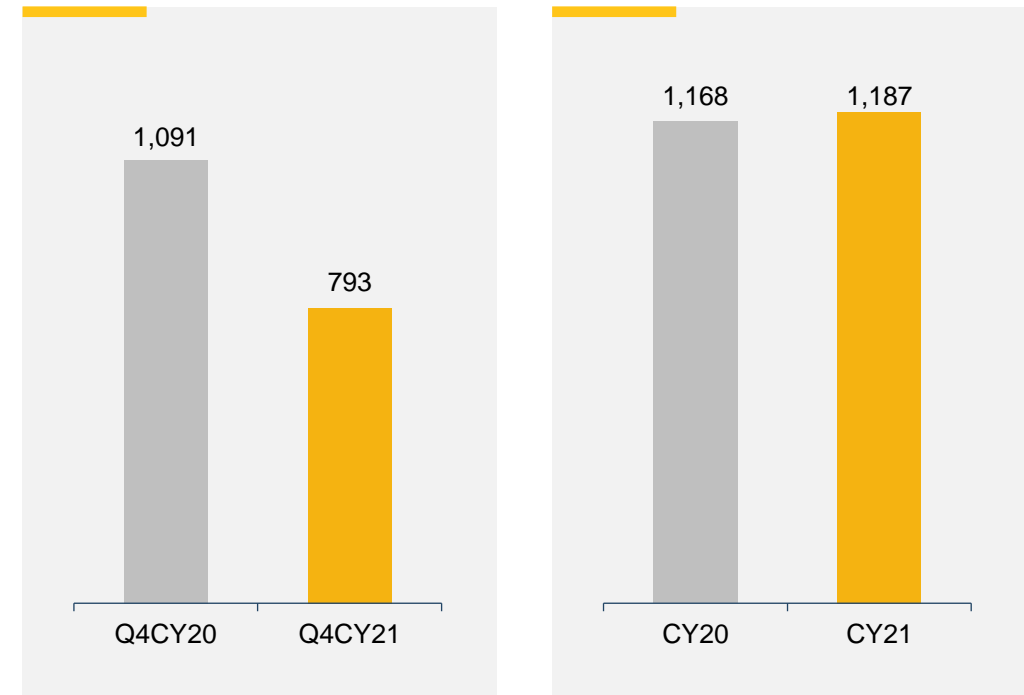
EBITDA

EBITDA (₹/crore)



- EBITDA growth of 21% for the full year supported by strong performance in volume, product mix and operational efficiencies combined with significant acceleration in volumes under the Master Supply Agreement with ACC
- EBITDA for the quarter impacted due to steep escalation in fuel prices

EBITDA (₹/ton)

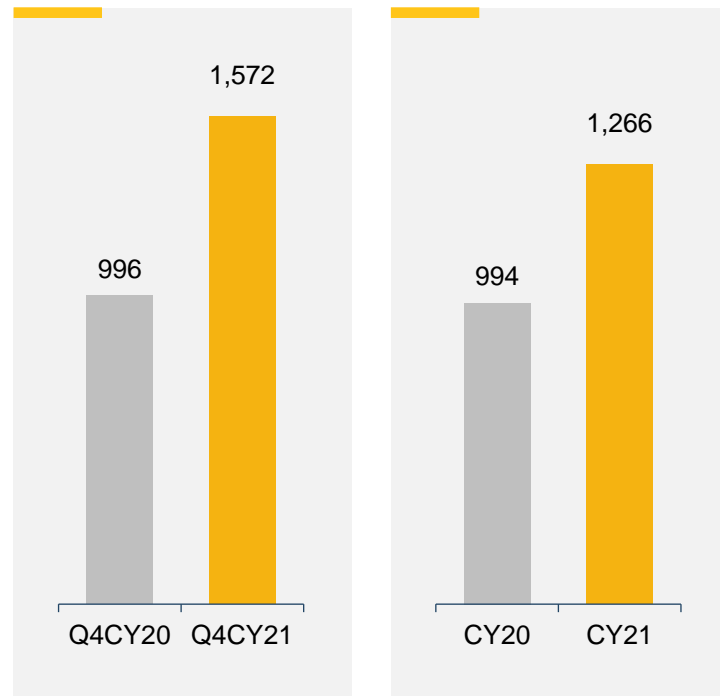


- EBITDA/ ton for CY 2021 grew supported by cost mitigation through efficiency improvements and favorable product mix
- EBITDA/ ton for Q4 2021 declined on account of substantial cost headwinds. However, efficiencies delivered under our flagship ICAN program and favorable product mix, partly mitigated the impact of cost headwinds

Performance Analysis

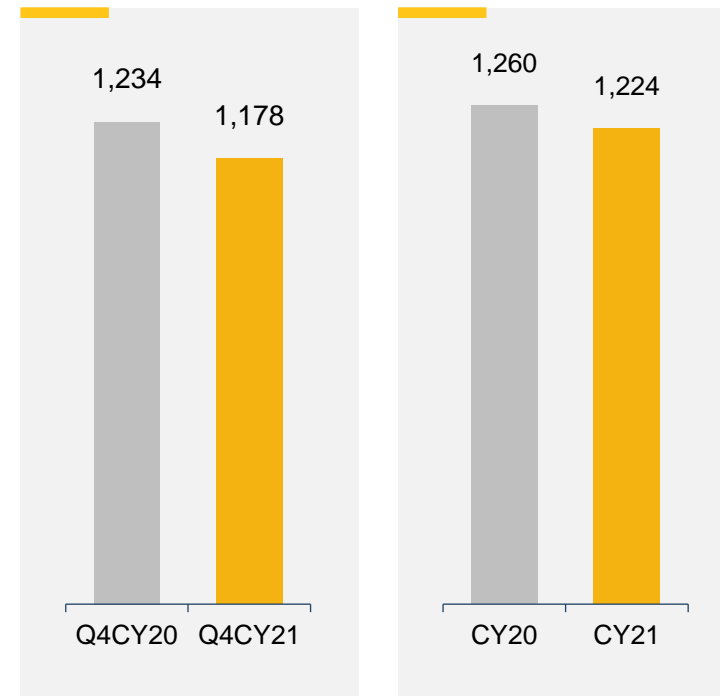
Cost Elements

Power and Fuel Cost (₹/ton)



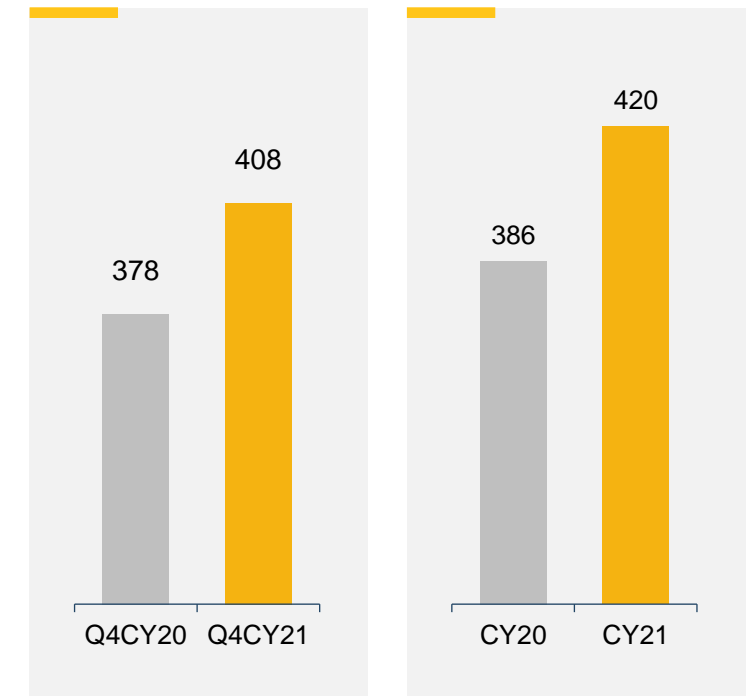
- Power & Fuel cost rose sharply during 2021 on account of significant increase in coal and petcoke prices
- December 2021 quarter was unfavorably impacted by steep escalation in fuel prices and due to higher inventory

Freight and Forwarding Cost (₹/ton)



- Strong performance in logistics offsetting inflation in diesel prices

Raw Material Cost (₹/ton)

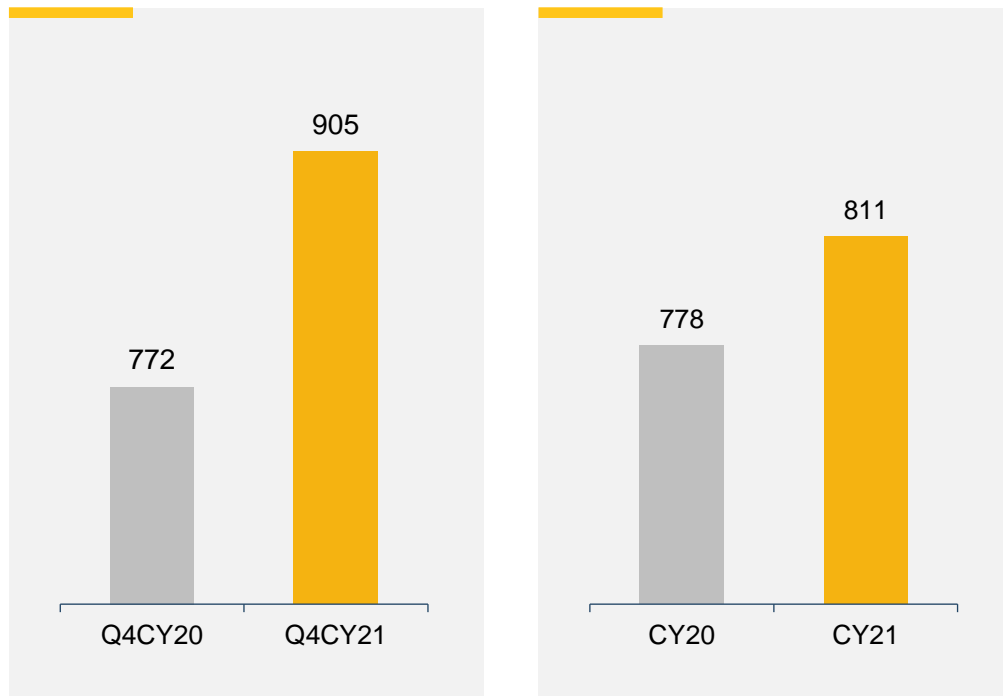


- Higher raw material cost due to inflation and reduction in clinker factor

Performance Analysis

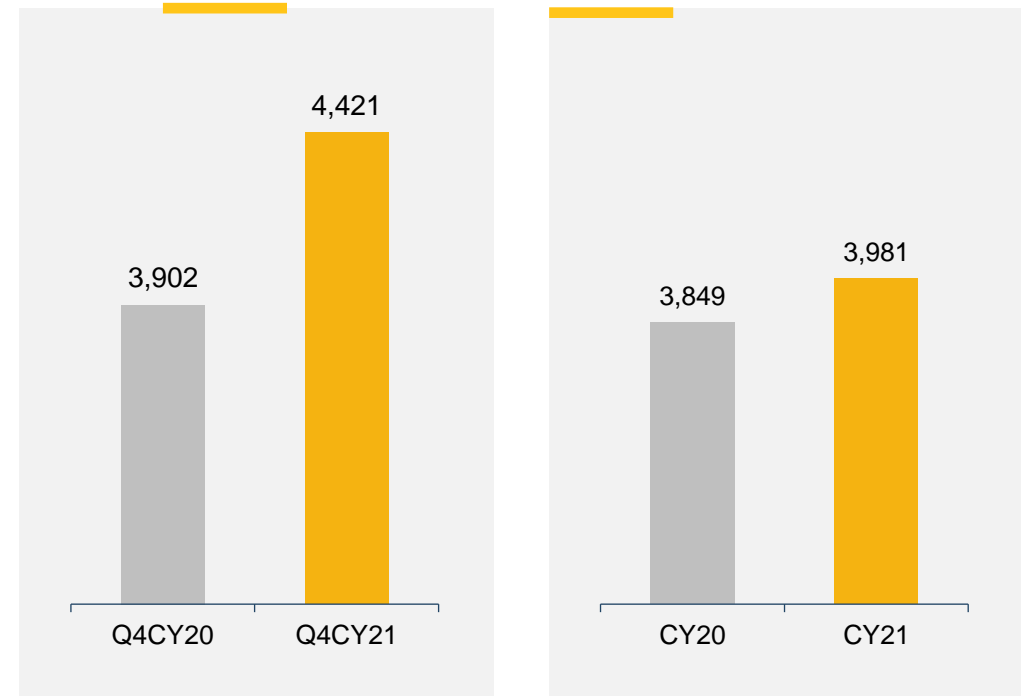
Cost Elements

Other Expenses (₹/ton)



- Other expenses impacted mainly on account of brand & promotion expenses, maintenance & shutdown down cost

Total Cost (₹/ton)



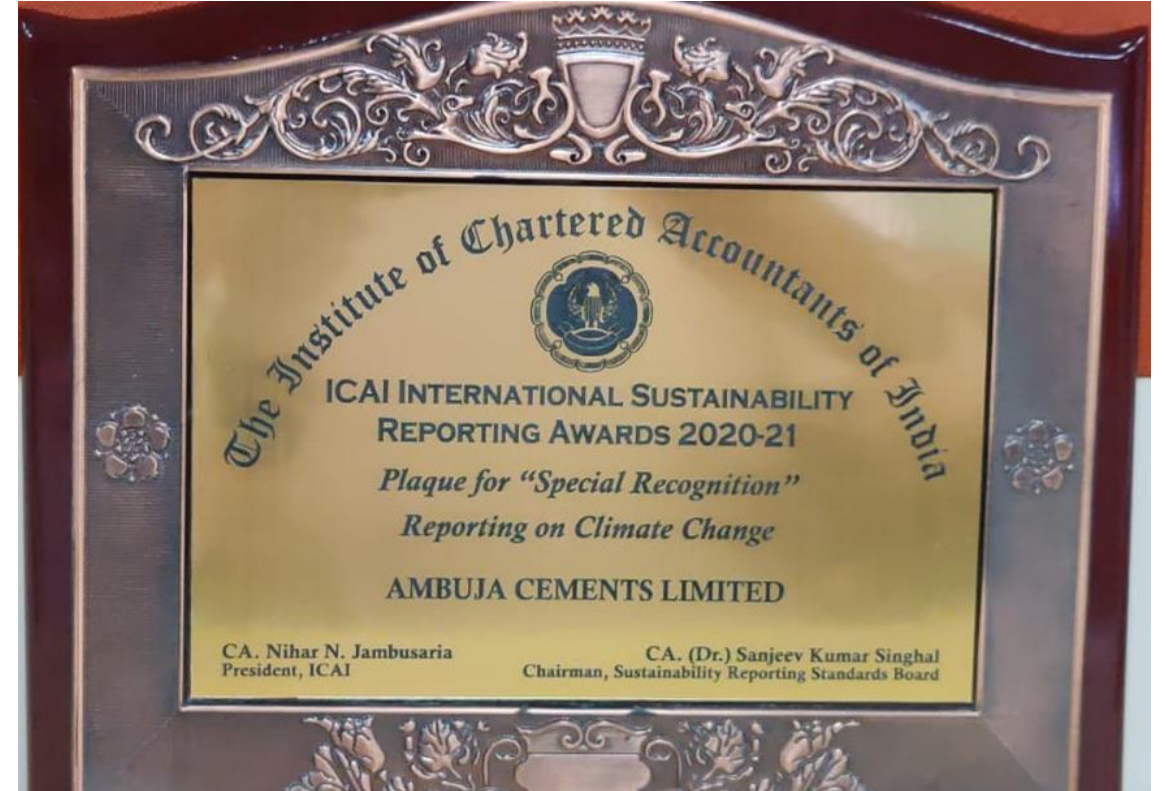
- Total operating cost per ton increased by 3% during the year and 13% for the quarter largely on account of significant increase in fuel cost
- Efficiencies delivered under our flagship ICAN program partly mitigated the impact of cost headwinds

Financial Results – Consolidated

| | Quarter Ended December | | | Year ended | | |
|--|------------------------|--------------|----------|------------|---------------|----------|
| (All amounts in ₹ Crore) | 2020 | 2021 | Change % | 2020 | 2021 | Change % |
| Net Sales | 7,350 | 7,503 | 2.1% | 24,094 | 28,548 | 18.5% |
| EBITDA | 1,472 | 1,128 | -23.4% | 5,135 | 6,210 | 20.9% |
| EBITDA (%) | 20.0% | 15.0% | -5 pp | 21.3% | 21.8% | 0.4 pp |
| Operating EBIT | 1,188 | 798 | -32.8% | 3,973 | 5,058 | 27.3% |
| Operating EBIT Margin (%) | 16.2% | 10.6% | -5.6 pp | 16.5% | 17.7% | 1.2 pp |
| Profit Before Tax | 949 | 728 | -23.3% | 3,992 | 5,164 | 29.4% |
| Tax Expenses | (20) | 297 | | 885 | 1,453 | 64.3% |
| Profit after Tax | 968 | 431 | -55.5% | 3,107 | 3,711 | 19.4% |
| Profit attributable to owners of the Company | 732 | 291 | -60.2% | 2,365 | 2,780 | 17.5% |
| Earning Per Share | 3.69 | 1.46 | -60.3% | 11.91 | 14.00 | 17.5% |

Excluding charge of ₹ 128.92 crore in December 2020 quarter and year

Awards Financial and Sustainability Reporting



Plaque Awards for Excellence in Financial Reporting for the year 2020-21 in Category VII (A) – Manufacturing and Trading Sector (turnover equal to Rs. 3000 crore or more)



Plaque Award for "Special Recognition" in Category II - Climate Change - "ICAI International Sustainability Reporting Awards 2020-21"



Thank you

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