

**HeidelbergCement India Limited**

CIN: L26942HR1958FLC042301

Registered Office

9th Floor, Infinity Tower "C",

DLF Cyber City, Phase-II,

Gurugram, Haryana 122002, India

Phone +91-124-4503700

Fax +91-124-4147698

Website: www.mycemco.com

HCIL:SECTL:SE:2019-20

31<sup>st</sup> October 2019

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 25<sup>th</sup> October 2019 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](http://www.mycemco.com) for information of the investors.

Thanking you,

Yours faithfully,  
For HeidelbergCement India Ltd.



Rajesh Relan  
Legal Head & Company Secretary

Encl.: a.a



# ■ HeidelbergCement India Limited (HCIL)



**Q2FY20 Investor Presentation**

**October 2019**

**HEIDELBERGCEMENT**

## ■ Cautionary Statement

- Statements in this presentation, which describe the Company's objectives, projections, estimates, expectations or predictions, may be considered to be "forward-looking statements" within the meaning of applicable Securities Laws and Regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however materially differ from those expressed or implied.
- 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.
- The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events or otherwise.

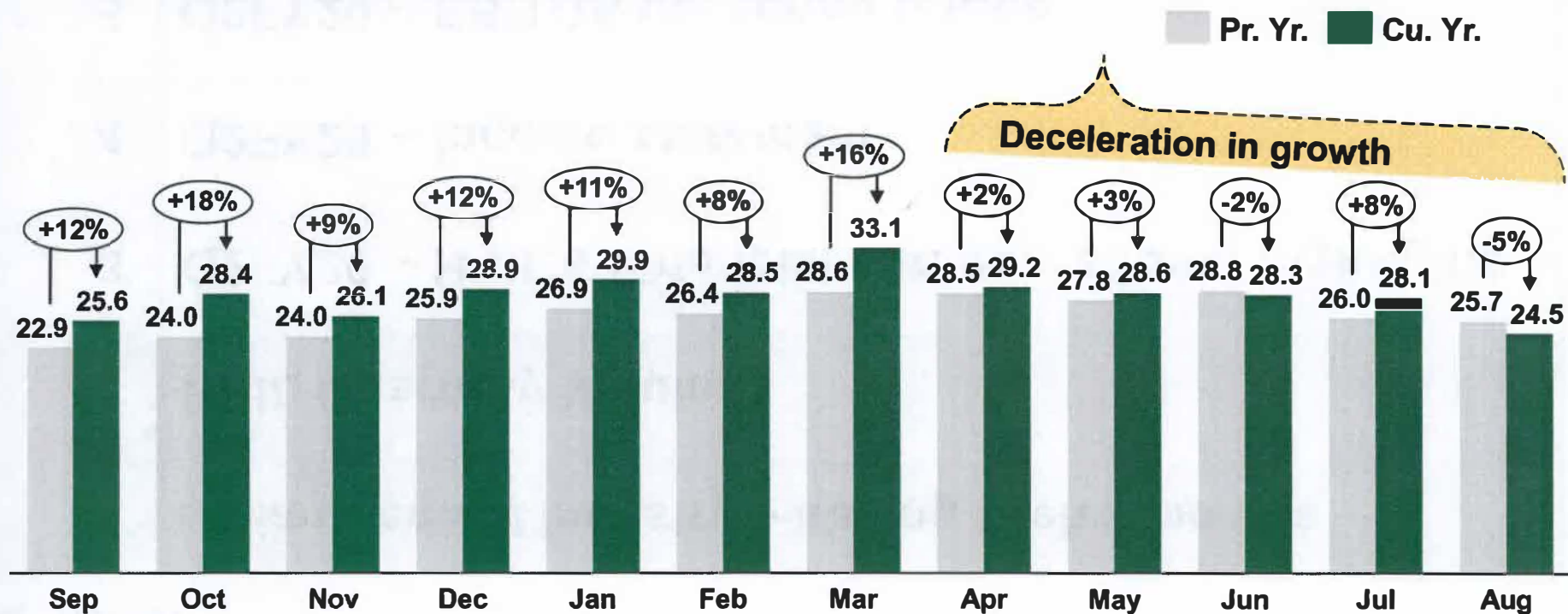
## Index

- 1 **Indian Cement Industry – trailing twelve months**
- 2 **HCIL Quarterly Volumes**
- 3 **Q2FY20 – HCIL’s Financial and operational highlights**
- 4 **Q2FY20 – Income statement**
- 5 **Q2FY20 – EBITDA per tonne bridge**
- 6 **Q2FY20 – Share of volume**
- 7 **Friends of Earth – a new green initiative**
- 8 **Outlook**

# ① Indian Cement Industry – trailing twelve months

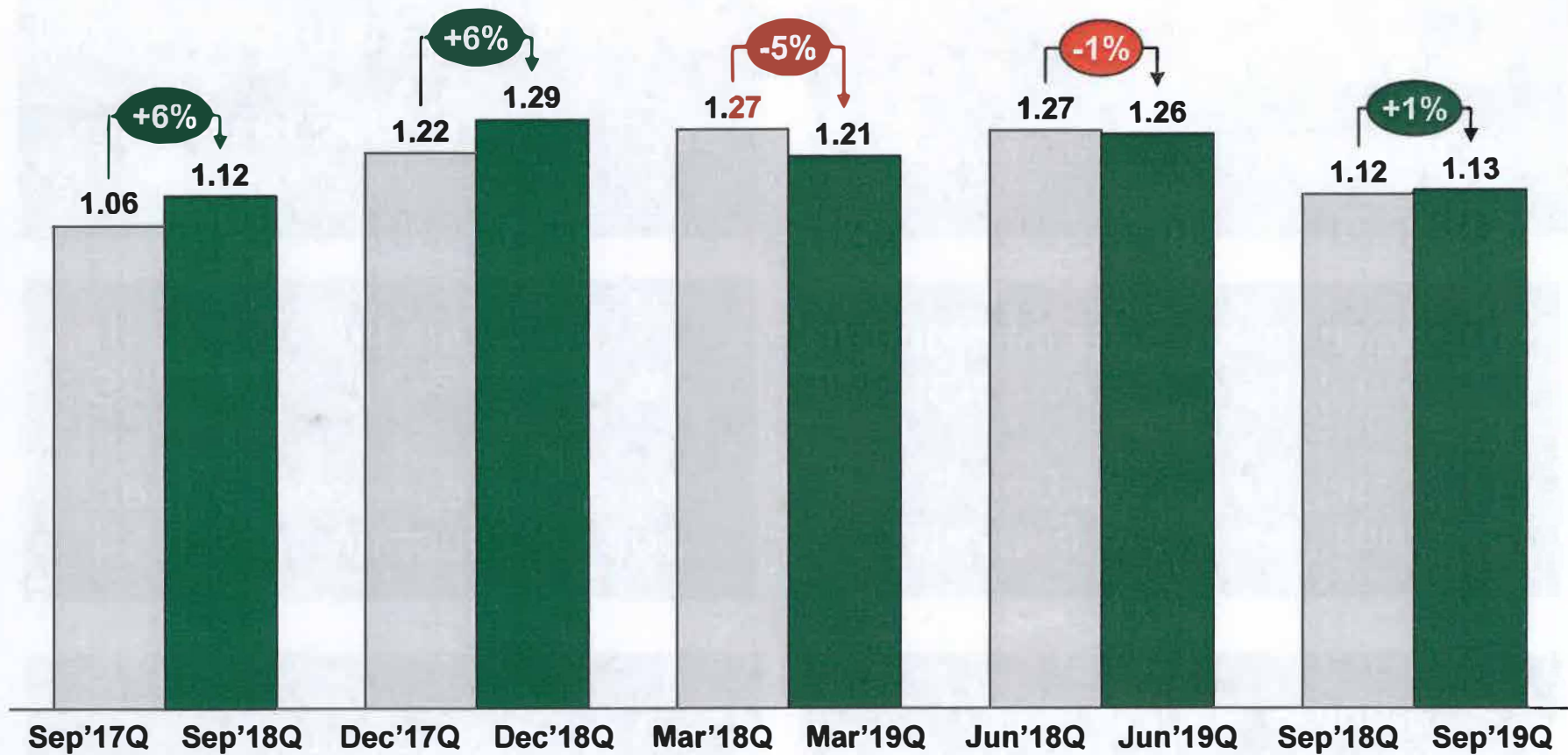
- All India installed cement capacity estimated to be c. 490 Mn T as at Sep'19.
- Cement Industry reported production volume growth of 7% in the last twelve months; growth has been relatively low from Apr to Aug'19.
- During trailing twelve months, Cement Industry operated at an average utilization of c. 70%.

## All India Monthly Cement Production (Mn T)





## ② HCIL Quarterly Volumes



**During Sep'19Q, Capacity utilization was more than 80%;  
the Company continues to sell 100% blended cement**

## ③ Q2FY20 – HCIL's Financial and operational highlights

Zero Lost Time Injury (LTI)

Zero Fatality

mycem power (premium product) vol. up by 29% y/y

11% of trade volume

HCIL's dependence on grid power decreased to 69%

Grid prices increased in MP and UP

Evaluating options of reduced Corporate Tax Rate

HCIL has c. ₹ 1.6 billion of unutilized MAT credit at Mar'19

Net debt at Sep'19 Mio ₹ 1,186

Net debt to LTM EBITDA at 0.22x

Distributed FY19 dividend @ 30% Mio ₹ 676 excl. Dividend Distribution Tax

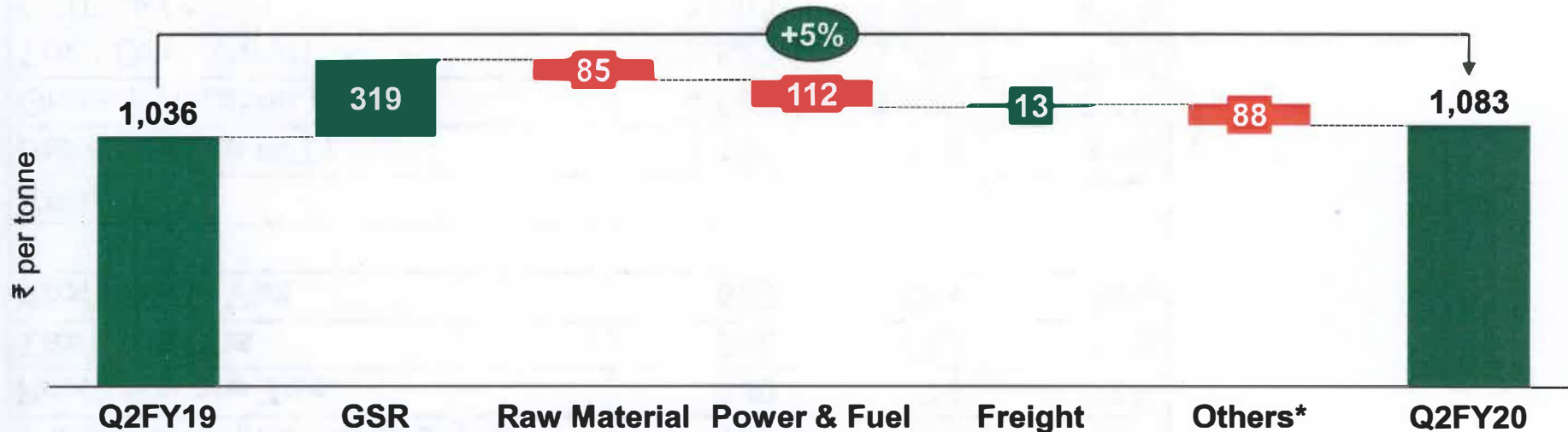
## ④ Q2FY20 – Income statement

Mio ₹

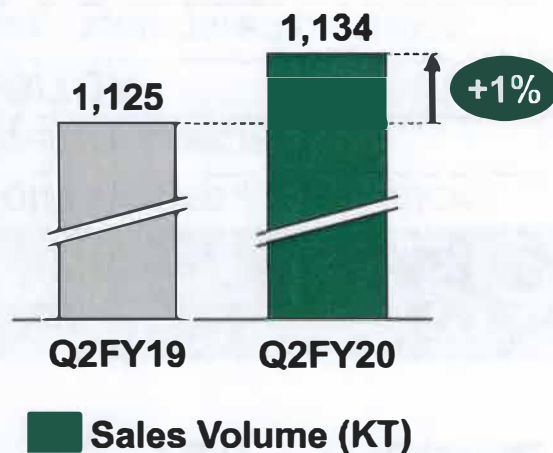
Particulars	Quarter ended		Change
	Sep'19Q	Sep'18Q	
Total Income (net of taxes)	5,222	4,859	7%
Operating expenses	3,994	3,693	8%
<b>EBITDA</b>	<b>1,228</b>	<b>1,166</b>	<b>5%</b>
Depreciation/amortization	265	255	4%
Other Income	125	62	102%
<b>EBIT</b>	<b>1,088</b>	<b>973</b>	<b>12%</b>
Interest and financial charges	188	199	-5%
<b>Profit Before Tax</b>	<b>900</b>	<b>774</b>	<b>16%</b>
Tax Expenses	318	273	17%
<b>Profit After Tax</b>	<b>582</b>	<b>501</b>	<b>16%</b>
<b>KPIs</b>			
Sales Volume (KT)	1,134	1,125	0.8%
Gross realization (INR/t)	4,582	4,263	7.5%
Total Cost (INR/t)	3,522	3,283	7.3%
EBITDA (INR/t)	1,083	1,036	4.5%
EBITDA % of revenue	23.6%	24.3%	-67 bps
PAT % of revenue	11.2%	10.4%	75 bps



## ⑤ EBITDA per tonne bridge: Q2FY19 to Q2FY20



Note: Change in inventory has been apportioned 30% in Raw Material and 70% in Power and Fuel expenses.  
 \*Other expenses include other operating income, employee cost and miscellaneous expenses.



- ❑ Total cost per tonne is higher mainly due to increase in raw materials, power price increase by Madhya Pradesh and Uttar Pradesh which has been partially offset by lower logistics cost.
- ❑ Other operating income of Q2FY20 is lower mainly due to non recognition of VAT incentive from Aug'19 onwards.

## 6 Q2FY20 – Share of volume



44% road volume, -3% y/y



40% Coal, -19% y/y



11% of trade volume, +29% y/y



88% Trade sales, +3% y/y

## ⑦ Friends of Earth – a new green initiative



## ⑧ Outlook

### Positives:



- ❑ Cement demand is likely to grow around mid single digit in calendar year 2020.
- ❑ Stability in Central and State Govt. to drive investments in housing and infrastructure projects – housing for all, concrete roads, railways, metros, civil aviation, irrigation, mega Industrial and dedicated freight corridors etc.
- ❑ Multiple reduction in interest rates by RBI – benefit for home buyers / builders
- ❑ Stability of Brent crude is likely to help control fuel and diesel prices

### Concerns:



- ❑ Liquidity situation may affect cement and other sectors; concerted efforts by the Govt.
- ❑ Imbalanced monsoon may have affect in select regions
- ❑ Weakness in economy may lead to depreciation of Indian Rupee



## ■ HeidelbergCement India Limited – Investor Relations

For additional information, please contact:

**Amit Angra**

Email: [amit.angra@heidelbergcement.in](mailto:amit.angra@heidelbergcement.in)

Tel: +91-124-4503-700 (B)

Tel: +91-124-4503-782 (D)

Address:

HeidelbergCement India, 9<sup>th</sup> Floor, Infinity Tower C,  
DLF Cyber City, Phase 2, Gurugram,  
Haryana 122002,  
India

Website: [www.mycemco.com](http://www.mycemco.com)



Bird's-eye view of clinker plant at Narsingarh, Damoh

# HEIDELBERGCEMENT

for better building

Safety is our foremost priority

HEIDELBERGCEMENT