

# Ambuja Cement

ACL:SEC:

May 4, 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, Fax No.+44207547 6073 Ctas 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 " <ost@bourse.lu

Dear Sir,

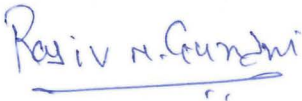
Sub: Investor Presentation on the Financial Results for the quarter ended March 31, 2018

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 March 31, 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

Robust Growth



Fast ramp up



Higher EBITDA Growth



Lowest Power kWh/T



High AFR usage at Ambujanagar Unit



Globally 2<sup>nd</sup> rank



Best Legal Compliance



Shipping - Silver Jubilee



Continue to Build Strong Brand



85% cement capacity utilization



## Investor Presentation

4<sup>th</sup> May, 2018

# Disclaimer / Safe Harbour

---

## Cautionary statement regarding forward-looking statements

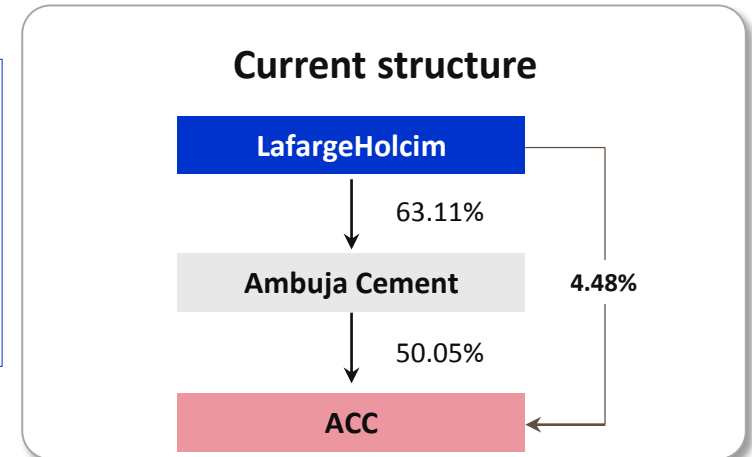
This presentation may contain certain forward-looking statements relating to Ambuja Cements Ltd. (“**Ambuja**”, or “**Company**”) and its future business, development and economic performance. These statements include descriptions regarding the intent, belief or current expectations of the Company, its 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. These risks and uncertainties include, but are not limited to (1) competitive pressures; (2) legislative and regulatory developments; (3) global, macroeconomic and political trends; (4) fluctuations in currency exchange rates and general financial market conditions; (5) delay or inability in obtaining approvals from authorities; (6) technical developments; (7) litigation; (8) adverse publicity and news coverage, which could cause actual development and results to differ materially from the statements made in this presentation. 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.

This presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this presentation. This presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this presentation is expressly excluded.

This presentation and its contents are confidential and should not be distributed, published or reproduced, in whole or in part, or disclosed by recipients directly or indirectly to any other person.

# 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 of Rs. 45 bn.



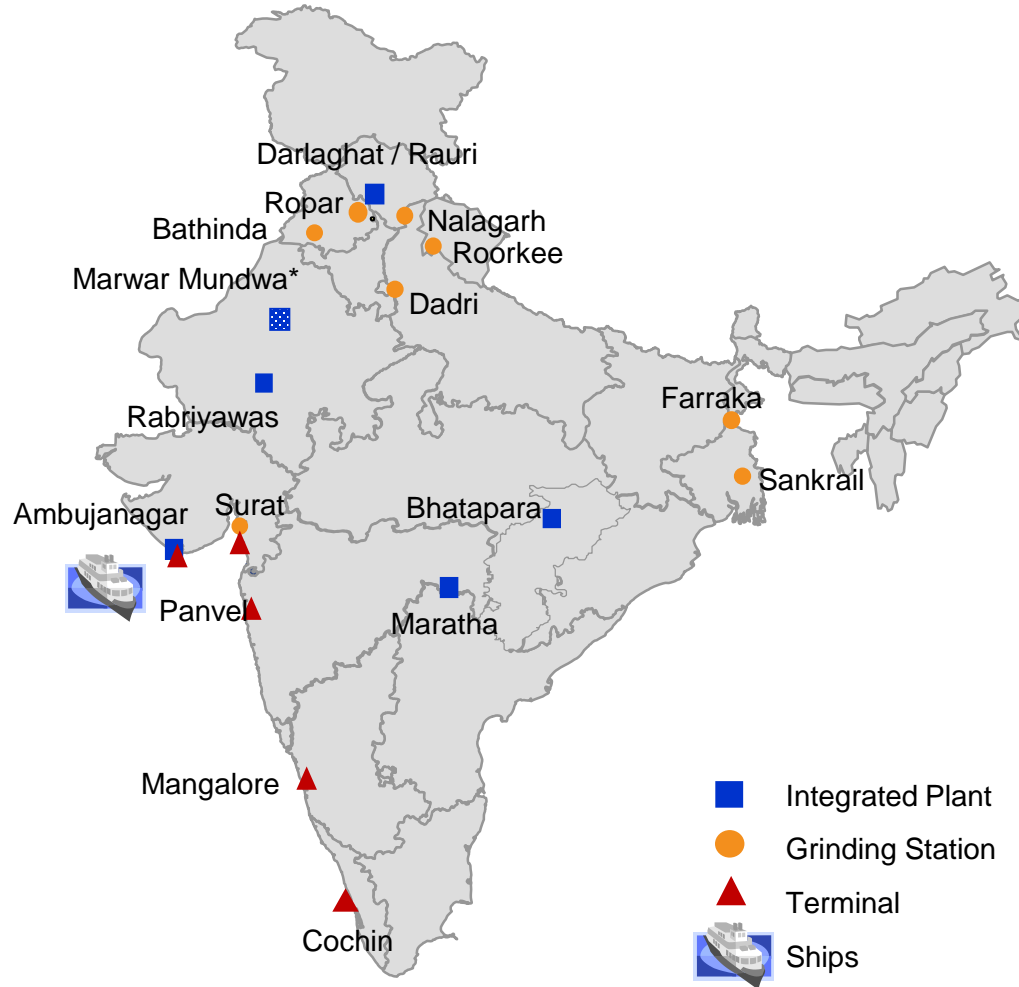
## ACL - Strategies in place to enhance value

- Q1'18 cement capacity utilization of 85%.
- 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.*

1 CAN.

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



### Physical infrastructure

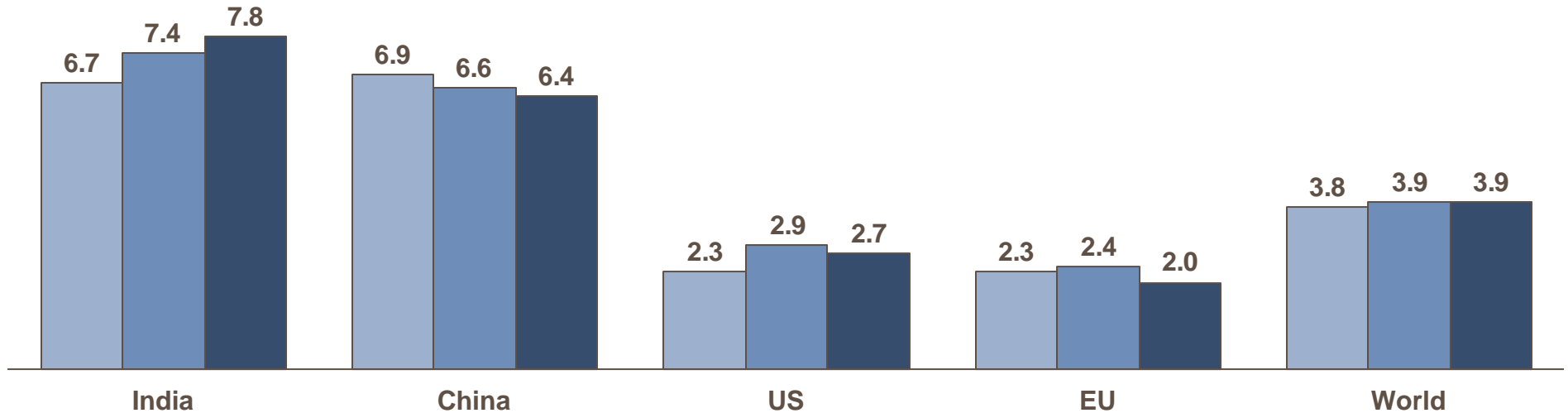
Integrated Plants	5
Kilns	9
Clinkerisation Capacity (MTPA)	17.7
Grinding Units	8
Bulk Cement Terminals	3
Loading Port	1
Cement Grinding Capacity (MTPA)	29.7
Ships	10

*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*

1 CAN.

# Indian economy projected to grow fastest in 2018-19 & 2019-20

2017 2018 2019



- IMF keeps GDP growth forecast for India unchanged at 7.4% for 2018-19 and 7.8% for 2019-20, holding that economic activity will be lifted by strong private consumption as well as fading transitory effects of demonetisation of high-value currencies and implementation of the national goods and services tax (GST).  
**(Source – IMF)**



# 2018 Potential drivers for cement demand

## Infrastructure & Housing



- ▶ Increased focus on “Housing for All by 2022”. To achieve a target of completing one crore (Pradhan Mantri Awas Yojana – Gramin PMAY-G) new pucca houses in rural areas by 31st March, 2019 and 2.95 crore pucca houses by 2022 has been set.
- ▶ Road Transport & Highways Ministry fixed a target of awarding works for around 20,000 kilometres length of National Highways during the current year 2018-19. About 25% more than the 17,055 kilometres awarded during 2017-18.

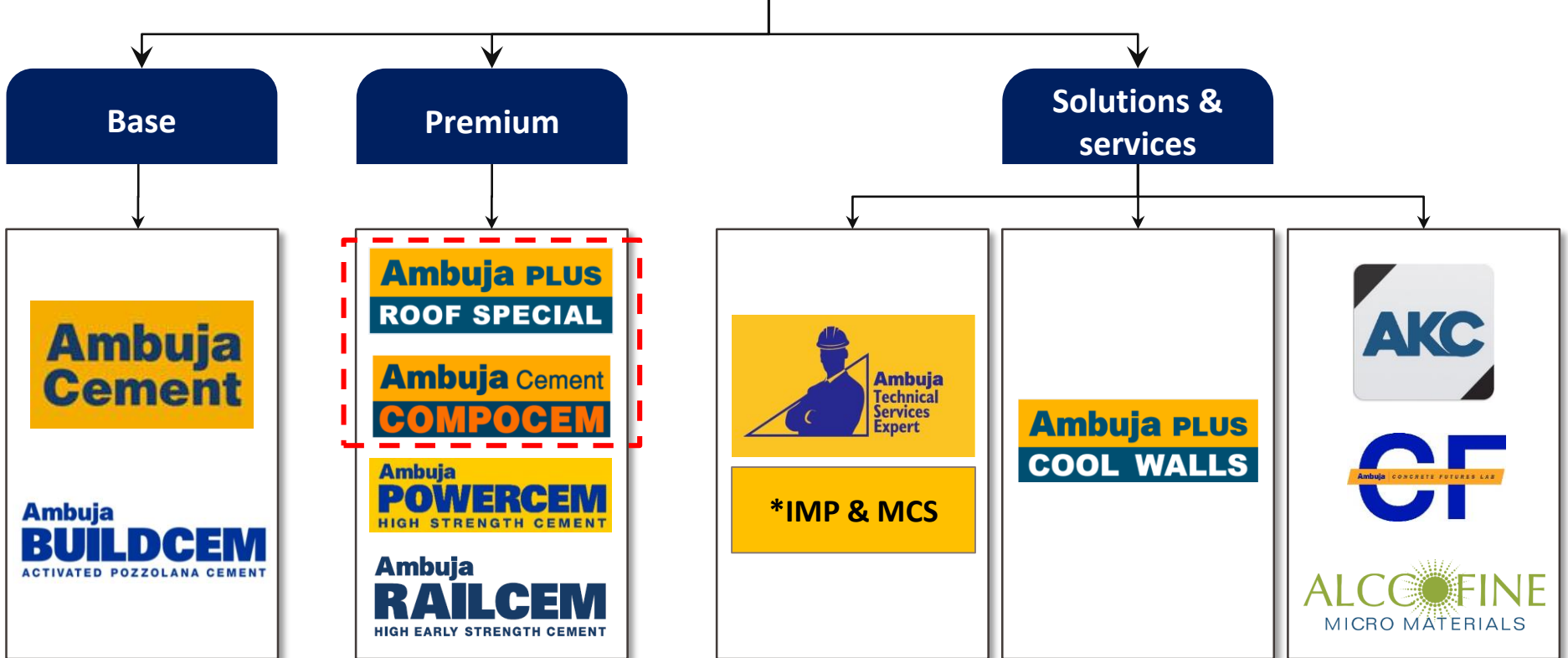
## Focus on improving Rural income



- ▶ Increase in Minimum Support Price (MSP) for kharif crops to be at least 1.5x of production cost. Crop Insurance scheme Pradhan Mantri Fasal Bima Yojana (PMFBY).
- ▶ Increase in allocation for irrigation projects under Pradhan Mantri Krishi Sinchayi Yojna (PMKSY).
- ▶ Increase in allocation for rural road construction (under the Pradhan Mantri Gram Sadak Yojana). Has set target of construction of 61,000 kms road length by providing connectivity to 19,725 habitations during the financial year 2018-19.

**Cement demand to see a positive growth backed by infrastructure development, housing and increased rural spends**

# Brand Architecture

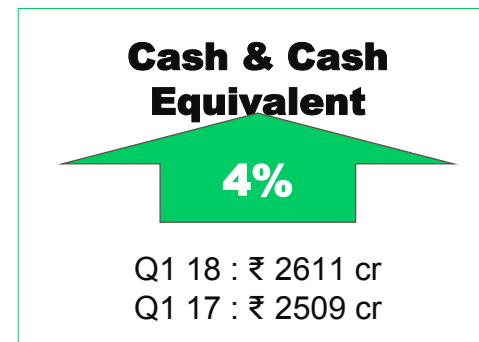
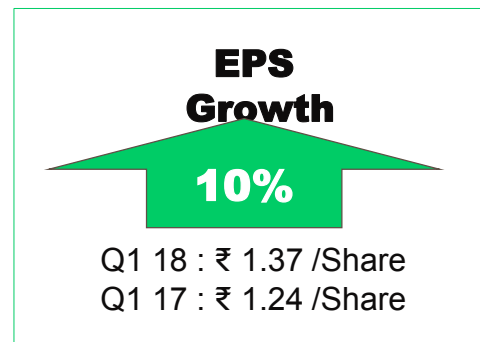
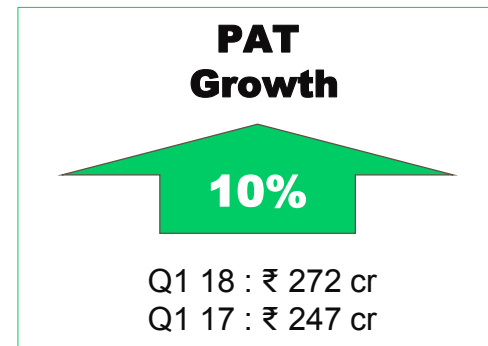
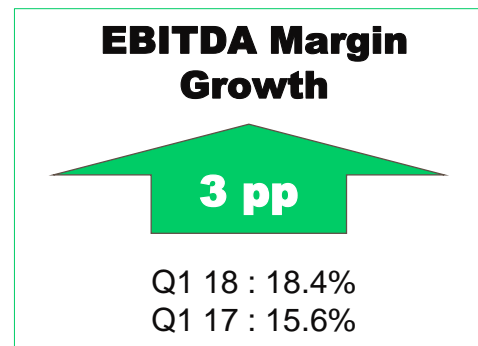
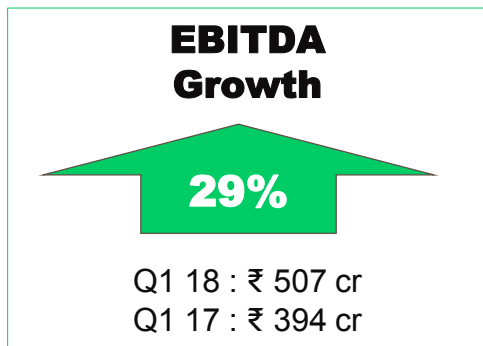
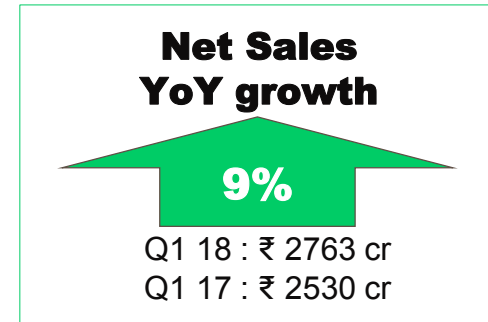
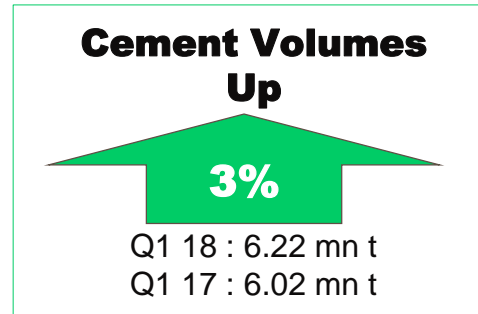
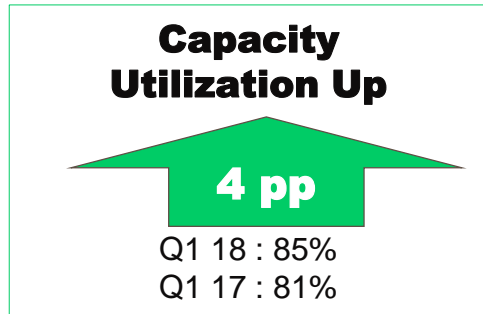


**Share of Premium products expected to increase sharply**

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

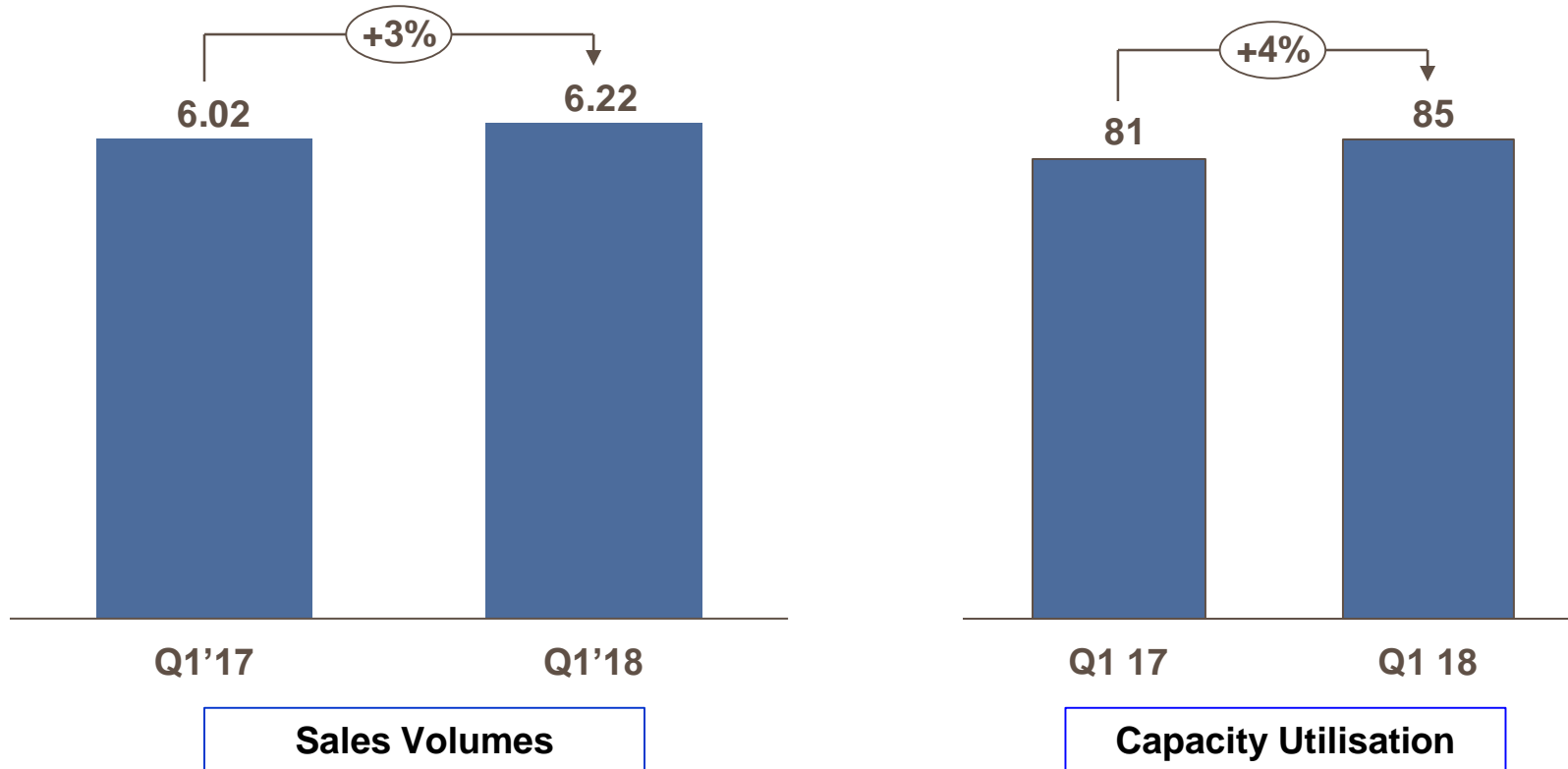


# Performance highlights – Q1 18 vs Q1 17



# Cement Sales Volumes and Capacity Utilisation

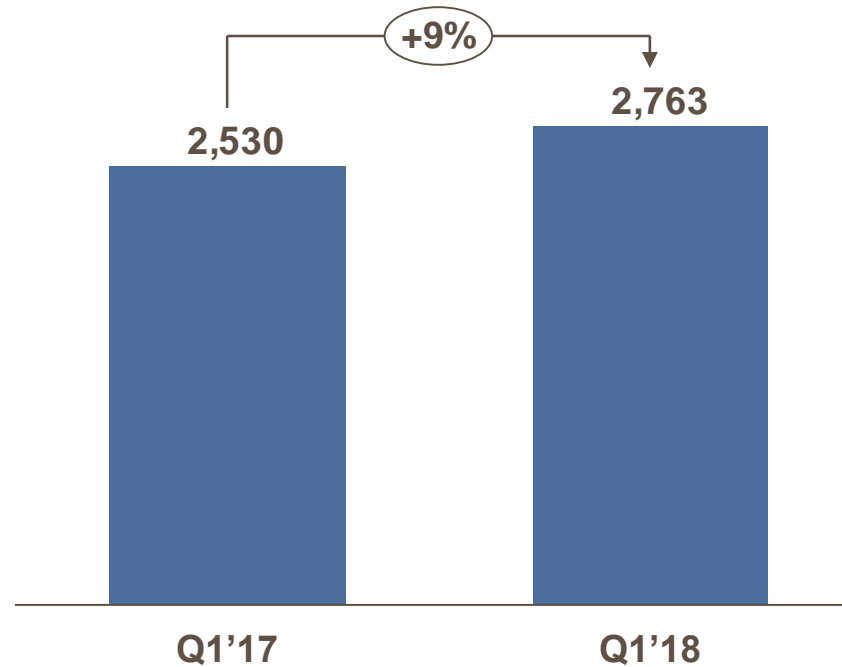
(Mn Tonnes)



- Strong growth in Individual Housing Building (IHB) segment.
- Increased participation in the Building and Infrastructure segment.
- Capacity utilisation improved to 85% in Q1'18 vs 81% in Q1'17

# Net Sales

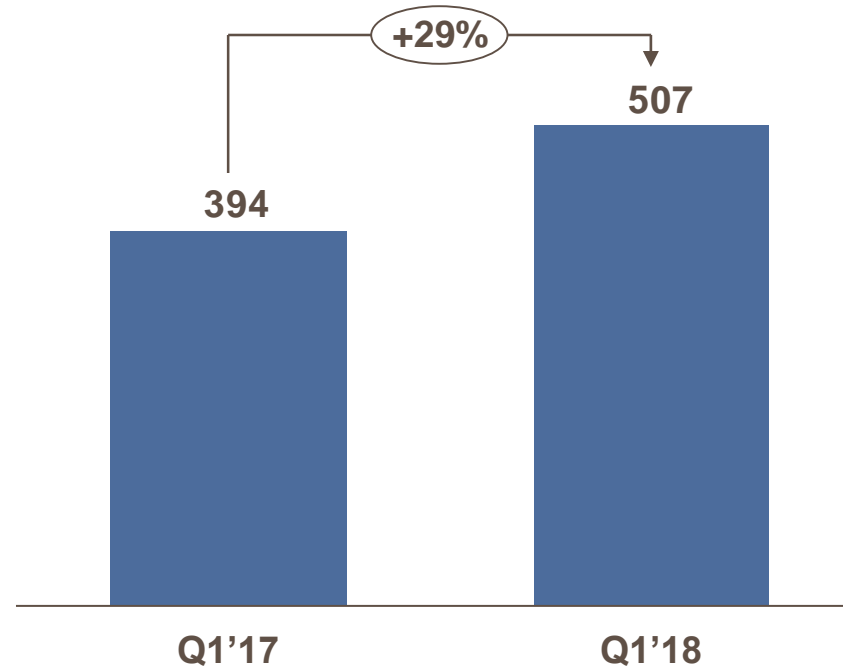
(INR Crore)



- Focus on Premium Products (Compozem and Roof Special)
- Sales of Premium Products is continuously growing
- Ambuja's customer oriented initiatives is creating differentiation resulting in increased sales.

# EBITDA

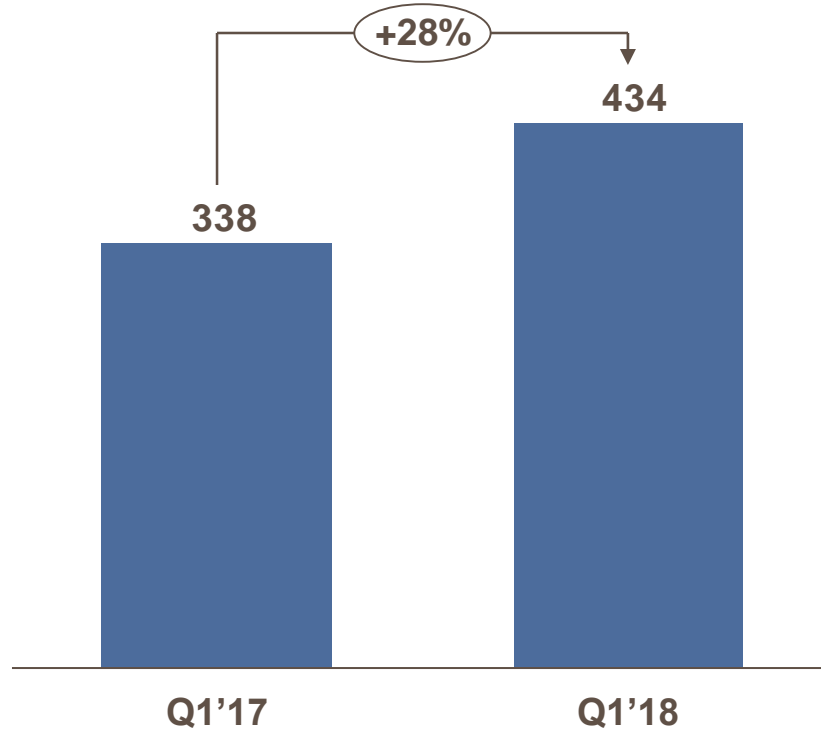
(INR Crore)



- A top line growth of 9% on a y-o-y basis attributable to improved realisations and sales growth of premium brands - Compcem and Roof Special and Productivity improvements combined with cost saving measures contributed to the increase in Operating EBITDA increase by 29% on a y-o-y basis.

# Raw Material Cost

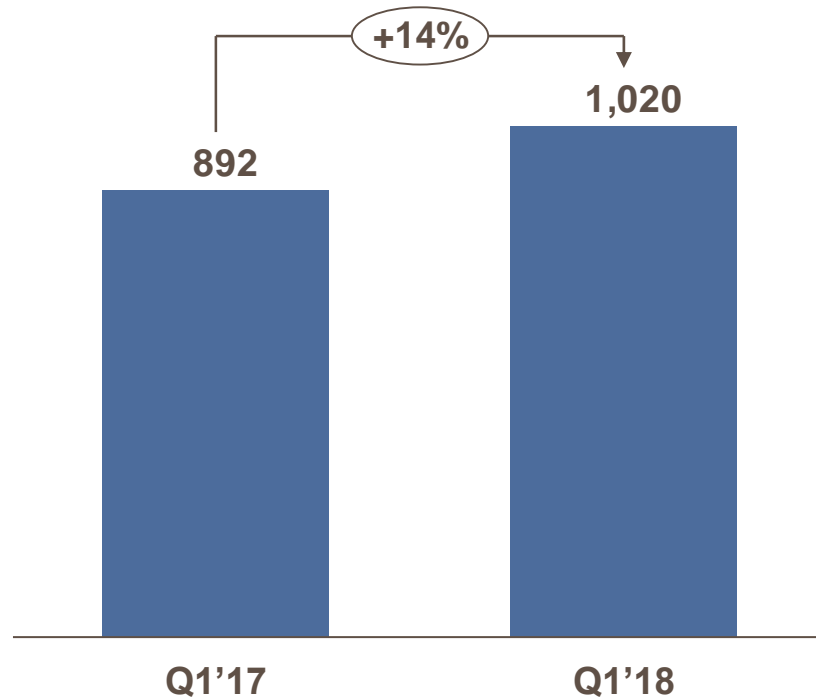
(INR / Tonne)



- RM cost impacted due to rise in Fly ash and gypsum cost on a y-o-y basis.

# Power & Fuel Cost

(INR / Tonne)

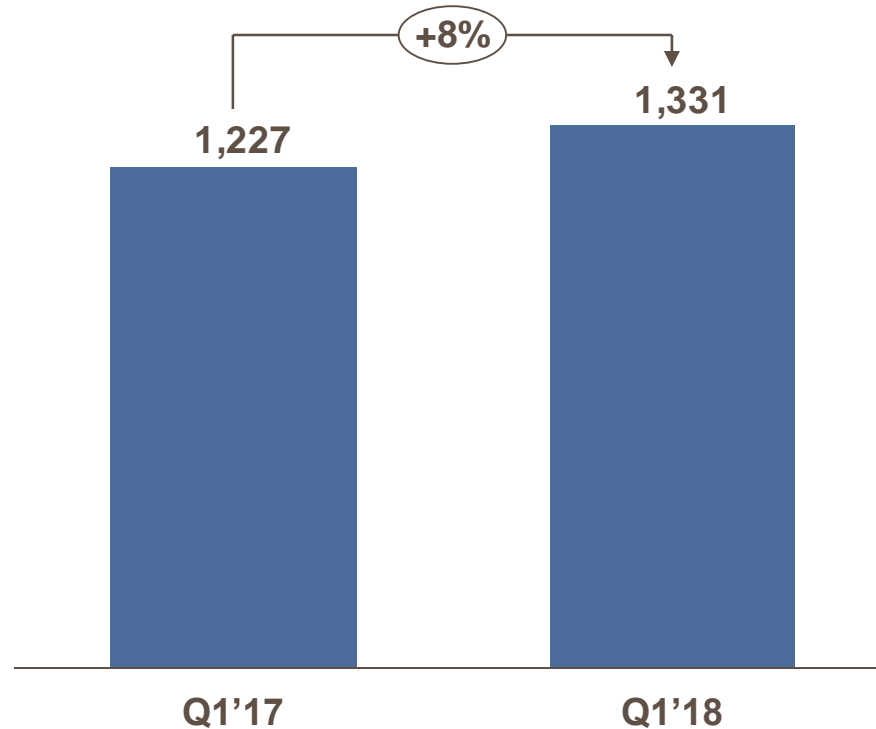


- Power & Fuel cost see increase on a y-o-y basis due to rise in coal and petcoke prices, however partly mitigated by improved efficiency and productivity improvements.



# Freight & Forwarding Cost

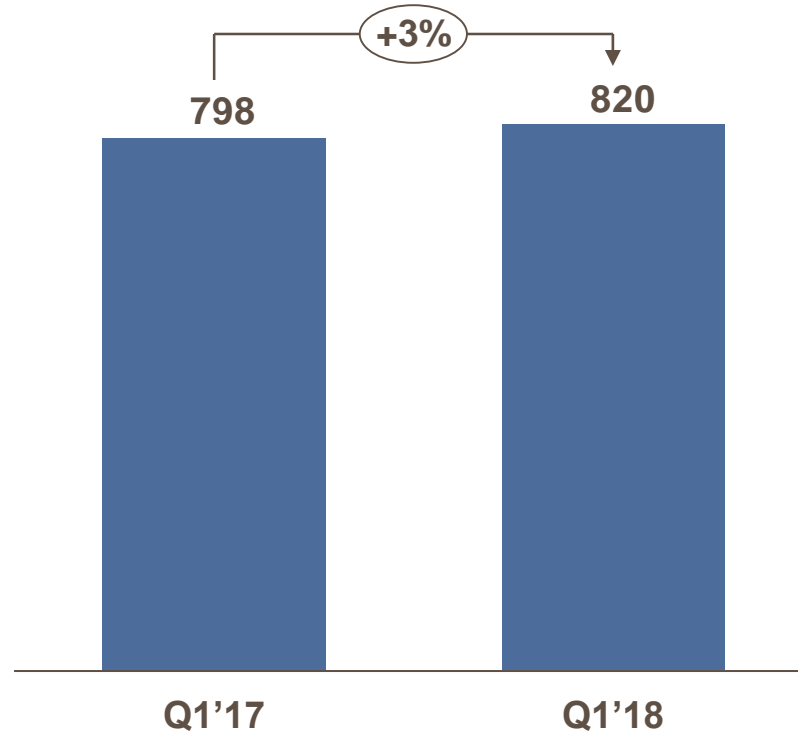
(INR / Tonne)



- Freight cost higher y-o-y basis due to increase in lead and diesel prices, FOR sales, despatches were impacted due to railway rakes availability especially in the East region.

## Other Expenses Cost

(INR / Tonne)

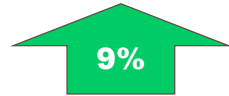


- Other expenses see marginal rise on a y-o-y basis, however SG&A sees a reduction due to various initiatives undertaken.

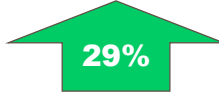
# Ind AS Result – Standalone – ₹ crore

1 CAN.

Net Sales up



Operating EBITDA up



PAT up



Particulars	UOM	Q1'17	Standalone	
			Q1'18	+ / - PY
Sales (net of excise duty )	₹ Cr	2,530	2,763	9%
<b>Op. EBITDA</b>	<b>₹ Cr</b>	<b>394</b>	<b>507</b>	<b>29%</b>
<i>Op. EBITDA margin</i>	%	15.6%	18.4%	280 bps
Depreciation	₹ Cr	146	139	-5%
Other Income	₹ Cr	102	51	-50%
Finance Cost	₹ Cr	38	26	-32%
<b>Profit Before Tax (PBT)</b>	<b>₹ Cr</b>	<b>312</b>	<b>393</b>	<b>26%</b>
Tax Expenses	₹ Cr	65	121	85%
<b>Profit After Tax (PAT)</b>	<b>₹ Cr</b>	<b>247</b>	<b>272</b>	<b>10%</b>
<b>EPS</b>	₹ / share	1.2	1.4	10%

# Ind AS Result – Consolidated – ₹ crore

1 CAN.

Net Sales up

12%

Operating EBITDA up

24%

PAT up

30%

Particulars	UOM	Q1'17	Consolidated	
			Q1'18	+ / - PY
Sales (net of excise duty )	₹ Cr	5,637	6,314	12%
<b>Op. EBITDA</b>	<b>₹ Cr</b>	<b>809</b>	<b>1,002</b>	<b>24%</b>
<i>Op. EBITDA margin</i>	%	14.4%	15.9%	150 bps
Depreciation	₹ Cr	313	288	-8%
Other Income	₹ Cr	75	86	16%
Finance Cost	₹ Cr	62	44	-29%
Share of profit in associates and joint ventures	₹ Cr	3	4	38%
<b>Profit Before Tax (PBT)</b>	<b>₹ Cr</b>	<b>512</b>	<b>759</b>	<b>48%</b>
Tax Expenses	₹ Cr	115	245	113%
<b>Profit After Tax (PAT)</b>	<b>₹ Cr</b>	<b>397</b>	<b>514</b>	<b>30%</b>
Non-controlling interest	₹ Cr	105	124	18%
<b>Net profit for the period</b>	<b>₹ Cr</b>	<b>292</b>	<b>390</b>	<b>34%</b>
<b>EPS</b>	₹ / share	1.5	2.0	34%

# 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.

Ambuja Cement continues to set industry benchmarks in tackling carbon emissions and creating sustainable solutions. Aligned with the vision of LafargeHolcim, the parent company, Ambuja Cement is committed to group-level targets to mitigate the effects of climate change. The company has also taken the lead in encouraging the construction sector to formulate sustainable development strategies in India.



**Ambuja Cement among top companies in global CDP ranking**

**Ranked No. 2 in the world by Carbon Disclosure Project (CDP)**

**Company tops in 'Climate Governance & Strategy' parameter**

# Other key highlights for the quarter



**Ambuja Ranked no 2 in global CDP (Carbon Disclosure Project) ranking**



**High AFR usage at Ambujanagar Unit**



**Best Compliance In-House Legal Team Award, 2017-18**  
At the 7<sup>th</sup> National GenNext Business and Law Congress held by *Legal Era* magazine.



**ACF- Silver Jubilee**  
ACF Silver Jubilee year celebrated at Maratha and Bhatapara



**Ambuja celebrates its Shipping journey's Silver Jubilee year**



**Continue to Build Strong Brand**



# Ambuja Cement