Date: 11.02.2020

The Listing Department,  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block-G  
Bandra Kurla complex, Bandra-East  
Mumbai-400 051  
Stock code: STARCEMENT

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai-400 001  
Stock code: 540575

Dear Sir,

Subject: Investor Presentation

An Investor Presentation for the third quarter and nine months ended 31st December, 2019 has been prepared and the same has been disseminated in the Company’s website www.starcement.co.in. We are enclosing herewith a copy of the Presentation for your information and record.

Thanking you,

Yours faithfully,

For Star Cement Limited

Debabrata Thakurta  
(Company Secretary)

Encl. as stated
Disclaimer

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This presentation contains certain statements of future expectations and other forward-looking statements, including those relating to our general business plans and strategy, our future financial conditions and growth prospects, and future developments in our industry and our competitive and regulatory environment. In addition to statements which are forward-looking by reason of context, the words ‘may, will, should, expects, plans, intends, anticipates, believes, estimates, predicts, potential or continue’ and similar expressions identify forward looking statements.

Actual results, performances or events may differ materially from these forward-looking statements including the plans, objectives, expectations, estimates and intentions expressed in forward looking statements due to a number of factors, including without limitation future changes or developments in our business, our competitive environment, technology and application, and political, economic, legal and social conditions in India. It is cautioned that the foregoing list is not exhaustive.

This presentation is not being used in connection with any invitation of an offer or an offer of securities and should not be used as a basis for any investment decision.
Industry Update

Cement dealers foresee increase in prices in Q4 once infrastructure-related construction gains momentum.

Sector is expected to add capacity of 23 mn tonnes (MT) in 2020 enhancing it to 508 MTPA.

Good monsoons and expected healthy Rabi crop should aid rural housing demand for cement in FY21.

The CII is suggesting a reduction on the customs duty on packaging for use in bagging cement to 5% from 10%. There is currently no import tax on cement and duties of 5% and below on various clinker constituents.

Lack of adequate investment in infrastructure has also been blamed for the broader economic slowdown.

Macro-Economic Update
Analysts and sector experts believe that there is basis for improvement in demand given the sustained long-term investments in infrastructure by the government, which plans to invest Rs 102 lakh crore in the five years ending FY25. So far, 7,000 kilometres (km) of roads have been constructed with a plan to build additional 2,000 km by March 2020.

<table>
<thead>
<tr>
<th>Fiscal</th>
<th>In MT</th>
<th>In %</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Effective Capacity</td>
<td>Demand</td>
</tr>
<tr>
<td>FY20E</td>
<td>461</td>
<td>359</td>
</tr>
<tr>
<td>FY21E</td>
<td>489</td>
<td>384</td>
</tr>
<tr>
<td>FY22E</td>
<td>515</td>
<td>411</td>
</tr>
</tbody>
</table>

Source: CMIE, GoI Axis Capital
Performance Highlights-Q3

- EPS INR 1.71/share as against INR 1.99/share YOY
- PAT INR 71 cr. as against INR 82 cr. YOY
- PBT INR 73 cr. as against INR 94 cr. YOY
- Net Sales 7.52 Lac Ton as against 6.55 Lac Ton YOY
- Net Revenue INR 458 cr. as against INR 417 cr. YOY
- EBITDA INR 100 cr. as against INR 123 cr. YOY

Decrease in profitability has been on account of reduction in price of INR (200-300)/ton
Performance Highlights-Star Edge

- Largest cement manufacturer in North East India with a capacity market share of nearly 24%

- Cement and Clinker sales in the region amount to 15.37 Lac ton till Dec’19, a 7% increase Y-O-Y

- Focus on Trade sales which constitutes 83% of the total sales

- Being a Brand Leader in the North East Region (NER) which is a high contribution market for Star Cement coupled with major revenue share helps identify it amongst highest EBITDA/Ton among peers
• Net Sales showed sharp improvement in the quarter due to better demand from market outside North East and higher export sales of clinker

• Demand was bullish in the third quarter because the market was subdued in the previous 2 quarters

# Sales Volume includes Cement + Clinker sales
Performance Anatomy

Net Revenue

₹ Cr.

Q3 FY 19  |  Q3 FY 20
417       | 458

YTD Dec FY 19  |  YTD Dec FY 20
1299       | 1316

+10%  |  +1%

- There was no proportionate increase in revenue vis-à-vis Volume growth due to decrease in prices
• Reduction in PAT was due to increase in fuel cost and lower realisations
Cost of Goods Sold

- Increase in cost has been mainly on account of Power & Fuel cost
Power & Fuel cost analysis

<table>
<thead>
<tr>
<th></th>
<th>Q3 FY 19</th>
<th>Q3 FY 20</th>
<th>YTD Dec FY 19</th>
<th>YTD Dec FY 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>₹ / t</td>
<td>996</td>
<td>1244</td>
<td>912</td>
<td>1295</td>
</tr>
<tr>
<td>Change</td>
<td>+25%</td>
<td>+42%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Increase in fuel cost has been due to higher usage of outside coal
- Alternative fuels utilization enhanced in Q3
- Although prices have increased Y-O-Y, but there has been a considerable reduction in power & fuel cost from Q2 (1244/t vs. 1545/t) of 19%
Freight & Forwarding Cost

- Freight Cost has been optimized due to improvement in road condition and lower clinker dispatches to Nepal in the current year.
### Income Statement:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Q3FY19</th>
<th>Q3FY20</th>
<th>% change</th>
<th>YTD Dec FY 19</th>
<th>YTD Dec FY 20</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Operating Revenue</td>
<td>416</td>
<td>451</td>
<td>8%</td>
<td>1297</td>
<td>1294</td>
<td>-0.2%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>123</td>
<td>100</td>
<td>-18%</td>
<td>324</td>
<td>292</td>
<td>-10%</td>
</tr>
<tr>
<td>EBITDA margin%</td>
<td>29.61%</td>
<td>22.32%</td>
<td>-7.3pp</td>
<td>25.08%</td>
<td>22.60%</td>
<td>-2.5pp</td>
</tr>
<tr>
<td>PAT</td>
<td>82</td>
<td>71</td>
<td>-13%</td>
<td>209</td>
<td>200</td>
<td>-4%</td>
</tr>
<tr>
<td>PAT margin%</td>
<td>20.16%</td>
<td>15.82%</td>
<td>-4.3pp</td>
<td>16.50%</td>
<td>15.52%</td>
<td>-0.9pp</td>
</tr>
</tbody>
</table>

### Balance Sheet:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31-Dec’19</th>
<th>31-Mar’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>1821</td>
<td>1724</td>
</tr>
<tr>
<td>Debt</td>
<td>15</td>
<td>73</td>
</tr>
<tr>
<td>Cash Surplus</td>
<td>266</td>
<td>212</td>
</tr>
</tbody>
</table>
Commencement of Buyback Offer : 22\textsuperscript{nd} October, 2019

Closure of Buyback Offer : 05\textsuperscript{th} November, 2019

Total of 68,00,000 (68 lakh) equity shares of Face value ₹1 each at an average price of ₹150 per share were extinguished

Buyback represented 1.62% of pre-buyback equity share capital of the company

Total cash outflow was ₹102 crore (excluding transaction costs, taxes, etc)

Payment to eligible shareholders were completed on 15\textsuperscript{th} November, 2019
Star Cement Limited won the coveted Supply Chain & Logistics Excellence (SCALE) Award 2019- Cement Industry Category held by the prestigious Confederation of Indian Industry (CII) Institute of Logistics. It is the first ever award series by an industry apex body to recognize Supply Chain excellence by benchmarking and comparing with the best in class industry practices related to logistics and supply chain management.
## Key Developments - CSR

### Health
- A free health Check-up Camp and 3 diabetes check up camps were organized at Jalpaiguri covering 900 people
- Organized Special Eye camp at Lumshnong village where 300 eye patients were treated

### Livelihood
- Initiated two livelihood project - Spice cultivation and Weaving cluster Development in Sonapur area, GGU and new farmers identified for Dairy project
- Four days residential Hobby course was organised for selected 20 girls of Star Usha Tailoring school at Auxilien Reach Out, Chandmari, Guwahati, in December

### Education
- 1200 nos. School Bags and 1200 nos. tiffin boxes were distributed to the students of 35 nos. school in association with District Administration, Kamrup (M) District
- School bus services were initiated from Bryshnot village to Khilehriat for smooth transportation of 100 students

### Rural Development
- Around 18 Solar Street lights installation process is in progress at Gumoria under Star Roshni Project
- Painting work of community hall Dongumsho locality hall is completed
Key Developments-CSR-Through Our Eyes
Thank You

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www.starcement.co.in