

HeidelbergCement India Limited

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HCIL:SECTL:SE:2018-19

30th July 2018BSE Ltd.
Listing Department
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai - 400001National 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 26th July 2018 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 at 2:00 P.M.

After the conference call, a transcript of the discussion shall also be posted on the website of the Company, 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)

Q1FY19 Investor Presentation

July 30, 2018



Renewable Power



Waste Heat Recovery System



Water Reservoir in Damoh

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■ 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



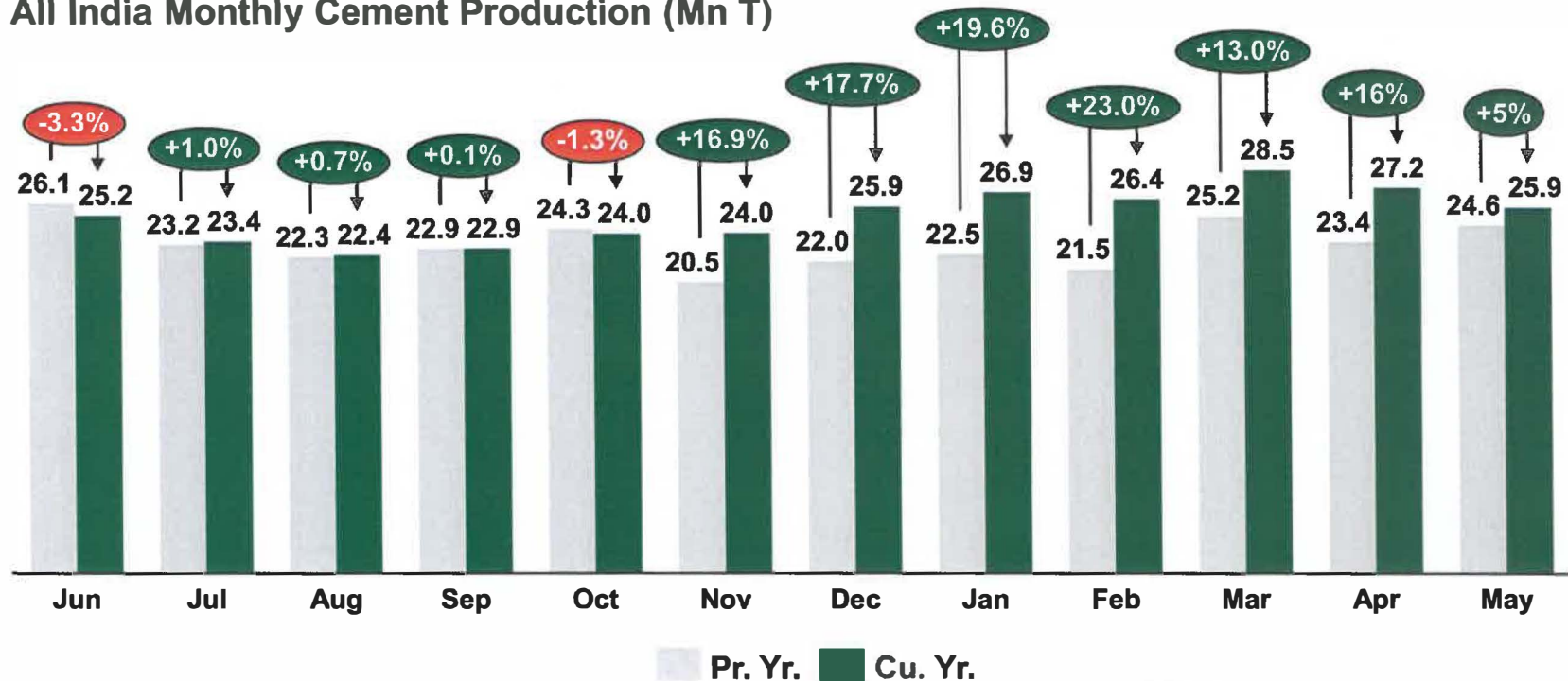
- ① Indian Cement Industry – trailing twelve months
- ② Quarterly Volumes – trailing twelve months
- ③ Q1FY19 – HCIL's major highlights
- ④ Q1FY19 – Income statement
- ⑤ EBITDA per tonne bridge: Q1FY18 to Q1FY19
- ⑥ Q1FY19 – Share of volume
- ⑦ Solar Power Purchase in Karnataka Plant
- ⑧ Awards and accolades
- ⑨ Outlook

① Indian Cement Industry – trailing twelve months

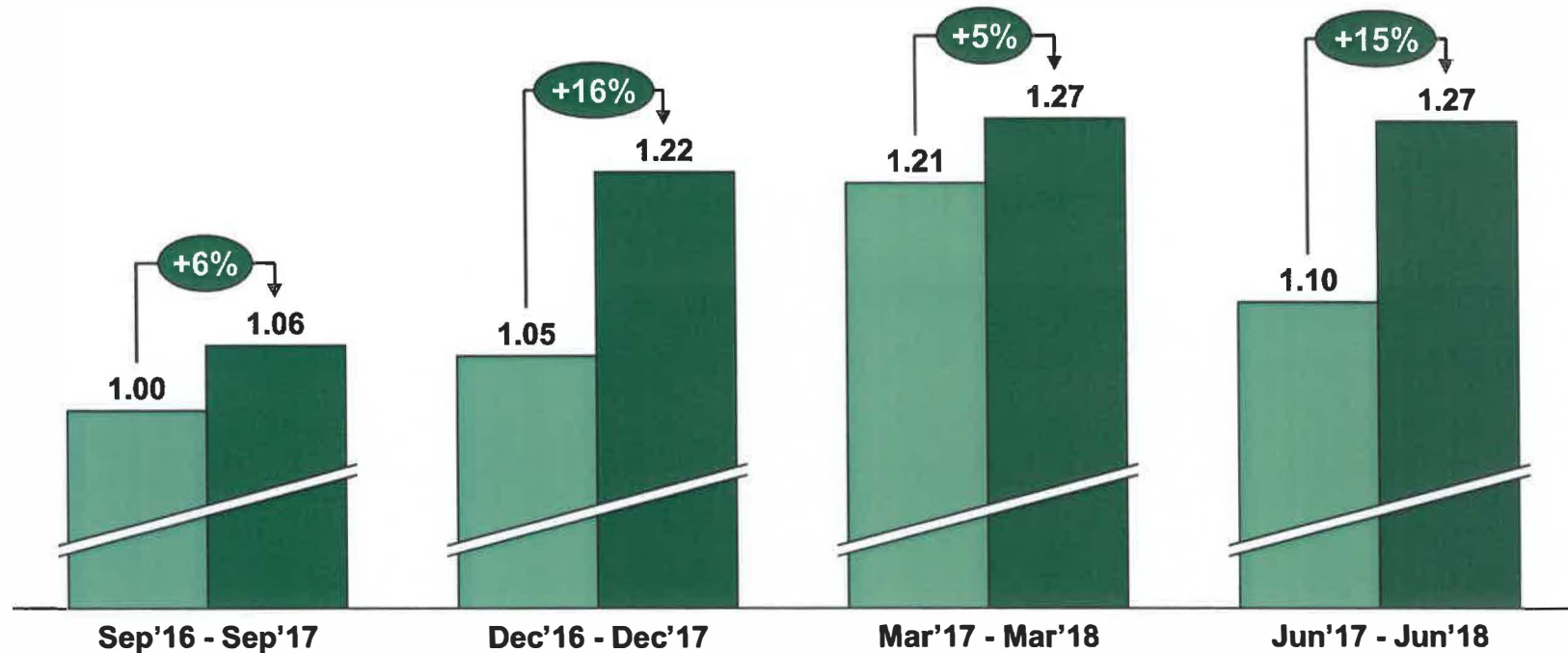


- All India installed cement capacity of ~475 Mn T as at 30-Jun-18.
- Cement Industry reported production volume growth of 8.7% in last twelve months. Part of the growth was also driven by low base due to demonetization. During the same period, HCIL's reported sales volume growth of more than 10%.
- HCIL reported cement capacity utilization of c. 88% against industry range of 65-70%.

All India Monthly Cement Production (Mn T)



② HCIL Quarterly Volumes – trailing twelve months



> 10% volume growth in trailing twelve months driven by robust cement demand esp. in rural Central India

③ Q1FY19 – HCIL's major highlights



Highest ever quarterly revenue and sales realization;
EBITDA of ₹ 942 per tonne; 92% capacity utilization

mycem power - premium product volume increased 40% y/y
HCIL continues to sell 100% blended cement

₹ ECB first tranche of Mio ₹ 750 repaid
Net debt reduced to Mio ₹ 3,370; Net Debt to EBITDA at 0.7x

WHR generation increased by 17% y/y
Started consuming Renewable Power – 25 years PPA

④ Q1FY19 Income statement

Mio ₹



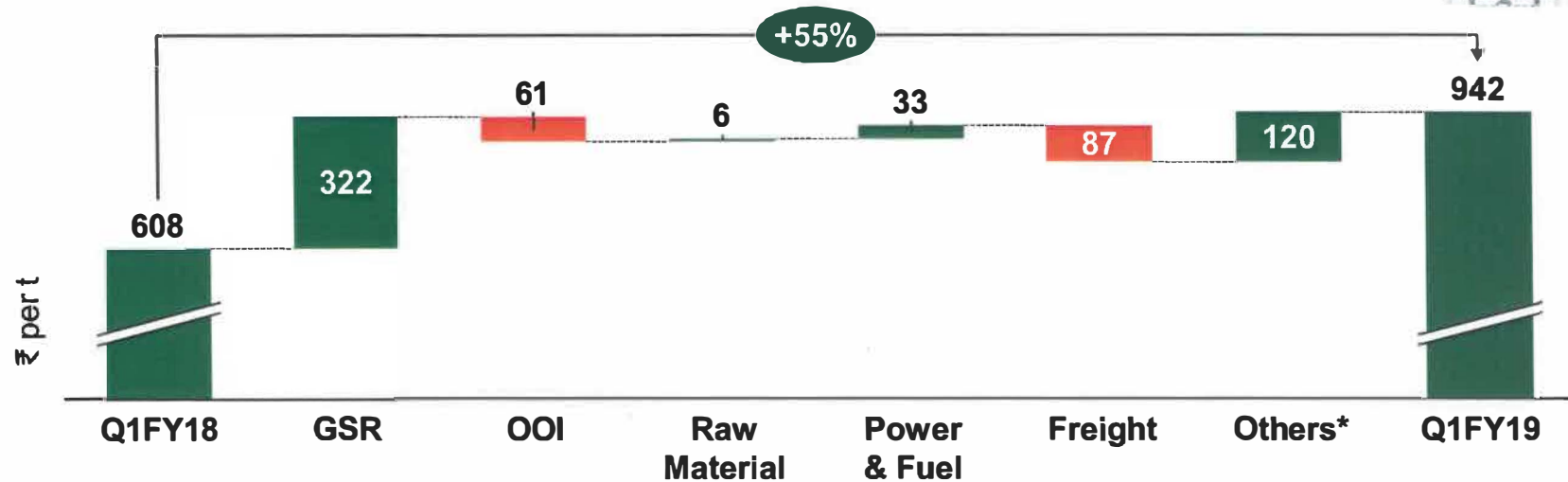
Particulars	Quarter ended		Y/y
	June 2018	June 2017	Change%
Total Income	5,402	4,410	22%
Total Expenditure	4,209	3,740	13%
EBITDA	1,193	671	78%
Depreciation / amortization	255	250	2%
Other Income	69	25	180%
EBIT	1,008	446	126%
Financial expenses	219	198	11%
Profit Before Tax	789	248	218%
Tax Expenses	278	88	217%
Profit After Tax	511	160	219%

KPIs

Sales Volume (Mn T)	1.27	1.10	15%
Gross realization (₹/t)	4,236	3,914	8%
Total cost (₹/t)	3,321	3,393	-2%
EBITDA (₹/t)	942	608	55%
EBITDA% of revenue	22.2%	15.5%	669 bps
PAT% of revenue	9.5%	3.7%	580 bps

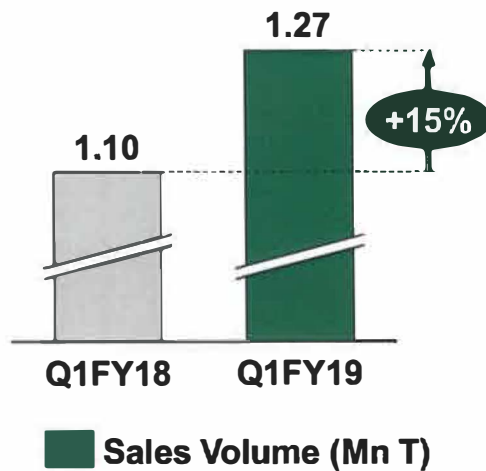
Improvement across all key performance indicators

⑤ EBITDA per tonne bridge: Q1FY18 to Q1FY19



Note: Change in inventory has been apportioned equally on Raw Material and Power and Fuel expenses.

*Other expenses include employee cost and miscellaneous expenses.



- Power and fuel per ton is lower mainly due to:
 - Higher power generation from WHR +17% y/y
 - Economical power sourcing
 - Partially offset by higher Petcoke and Packaging cost
- Higher freight cost due to increase in road freight cost primarily driven by increase in diesel
- Decrease in other operating income is on account of lower MP SGST benefit.

⑥ Q1FY19 – Share of volume



45% road volume, +3.1% y/y



42% Coal, +12% y/y

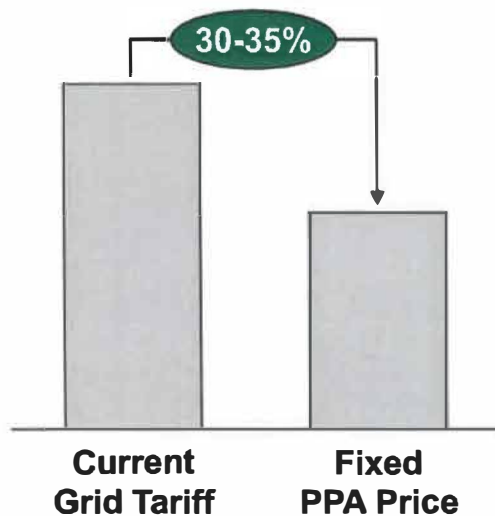
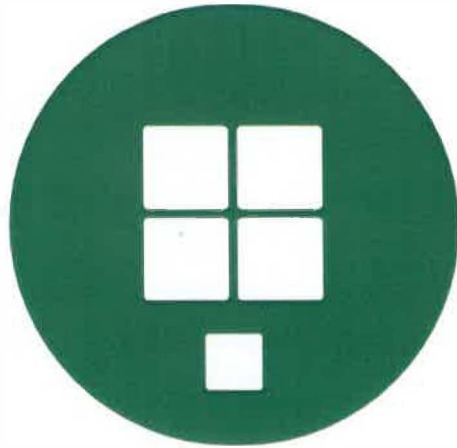


11% mycem power, +2% y/y



83% Trade sales, +1% y/y


7 Solar Power Purchase in Karnataka Plant



- ❑ Karnataka plant has started sourcing renewable (solar) power during June Quarter under its 25 years PPA; fixed pricing for first 10 years.
- ❑ Agreed quantum accounts for approx. 50% of the total requirement at a discount of 30-35% to current Grid tariff.
- ❑ Balance power is sourced through economical sources under open access such as Indian Energy Exchange.

In addition to power consumption optimization, HCIL is also focusing on economical power sourcing

⑧ Awards and accolades



**CSR Leadership
Award in the
category of Quality
of Education to
Damoh Plant**



**Certificate of
Excellence to
Narsingarh Plant
from Directorate of
Skill Development at
'World Youth Skill
Day Programme'**



**Golden Peacock
Occupational Health &
Safety Award,
Narsingarh plant**

9 Outlook



Positives:

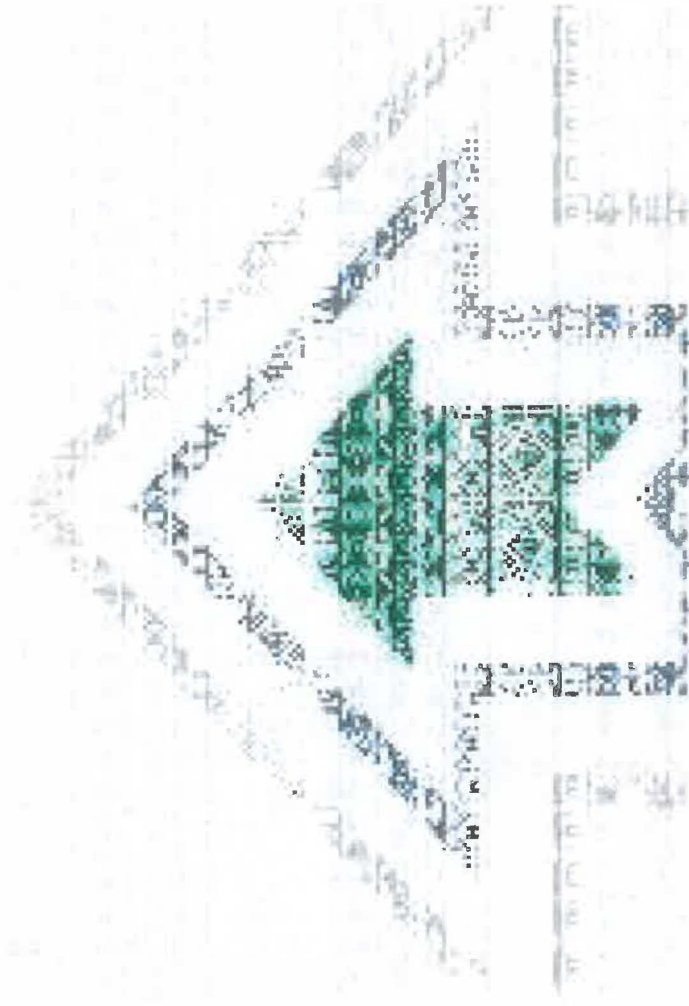


- ❑ **Cement demand** is likely grow ~7% in FY19; with availability of sand and aggregates, demand expected to grow in rural and urban housing.
- ❑ **Upcoming state elections** in major states like Madhya Pradesh, Rajasthan and Chhattisgarh.
- ❑ **Boost in government spending** on infrastructure to drive growth: Affordable housing and Infrastructure development – concrete roads, railways, irrigation, mega Industrial and freight corridors etc.
- ❑ **Increase in truck load capacity** will increase dispatches through road network.
- ❑ **Monsoon:** Cumulative rainfall of c.3% below normal; Central, South and West India have seen favourable rainfall.

Concerns:



- ❑ **Increase in crude prices:** negative for the economy and Cement Industry – imported fuel prices, diesel cost, bags costs etc.
- ❑ **Depreciation** of Indian Rupee against US Dollar.
- ❑ **Hardening of compliance norms:** Real Estate (Regulation and Development) Act, SOx and Nox.



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for better building

Safety is our foremost priority

