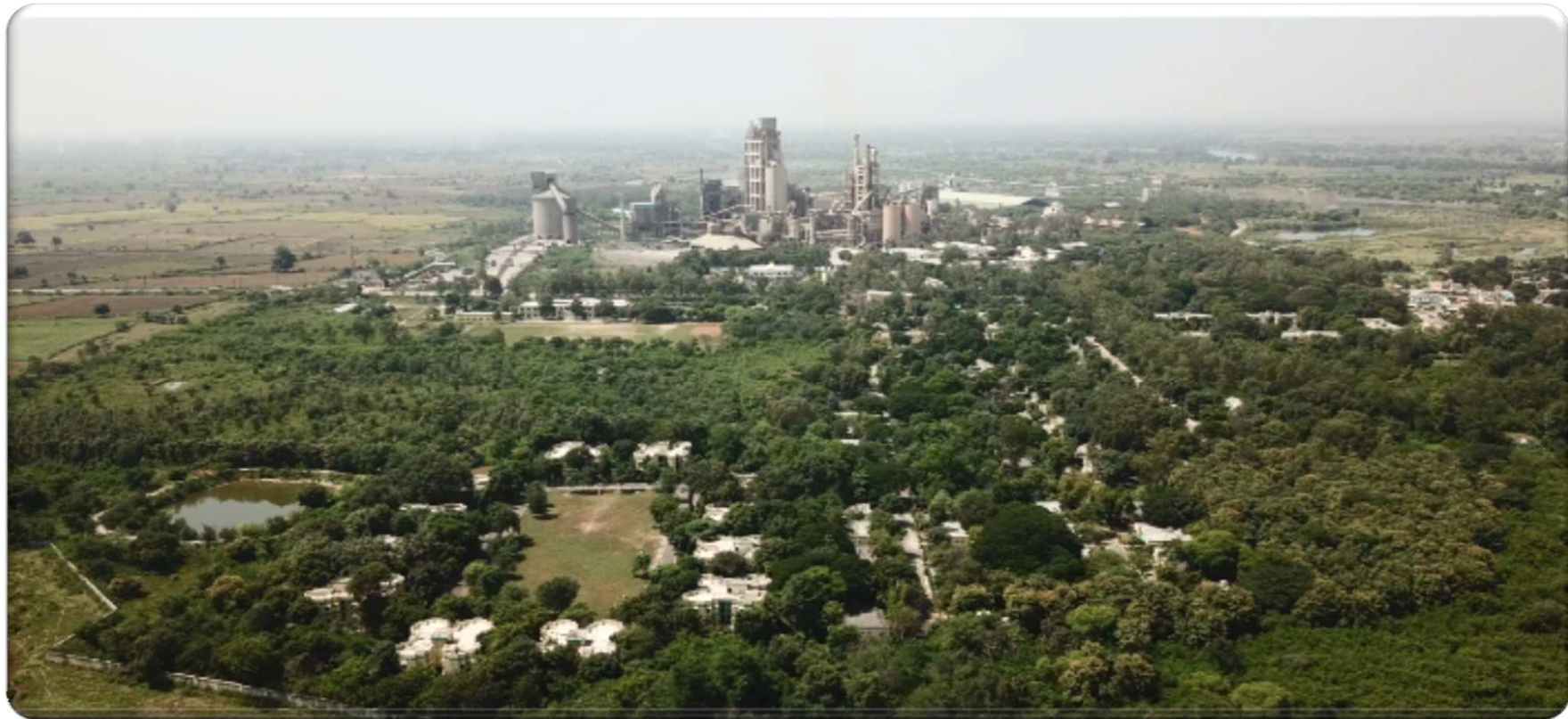


■ HeidelbergCement India Limited (HCIL)



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

Q1FY20 Investor Presentation

July 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.

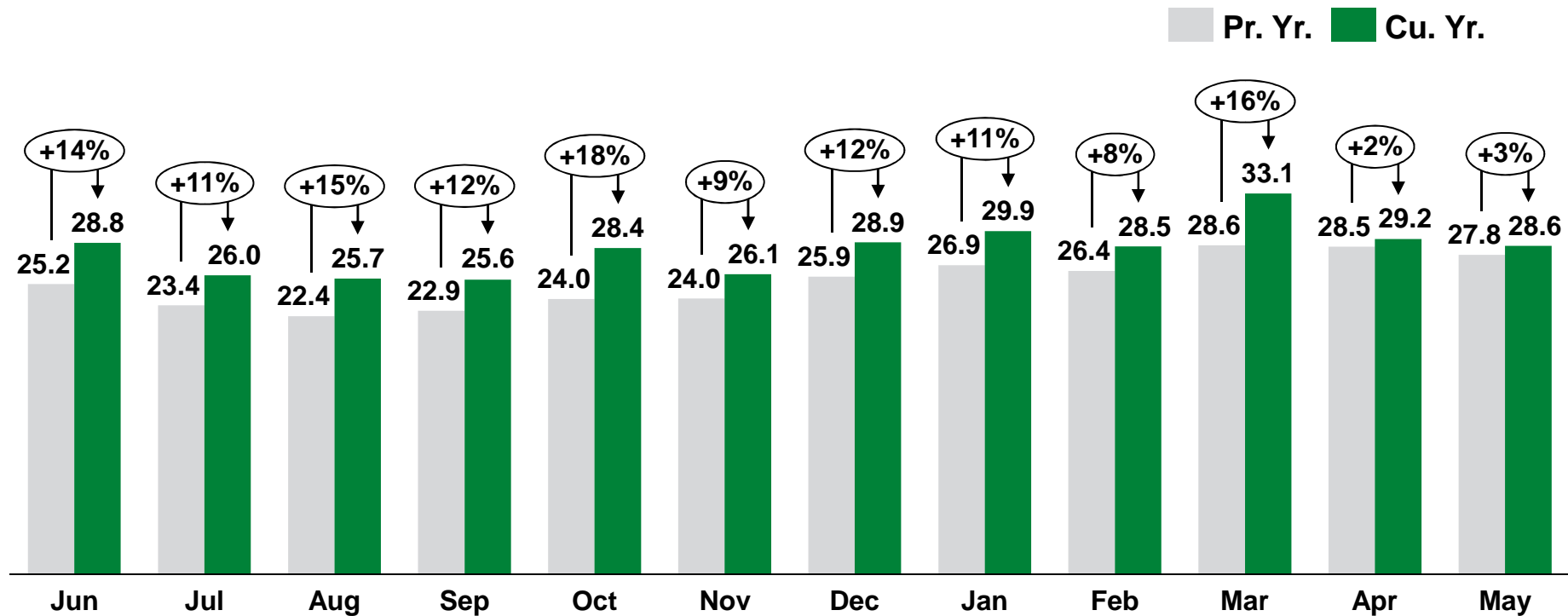
Index

- | | |
|----------|---|
| 1 | Indian Cement Industry – trailing twelve months |
| 2 | HCIL Quarterly Volumes – trailing twelve months |
| 3 | HCIL – Q1FY20 financial and operational highlights |
| 4 | Q1FY20 – Income statement |
| 5 | Q1FY20 – EBITDA per tonne bridge |
| 6 | Q1FY20 – Share of volume |
| 7 | Outlook |

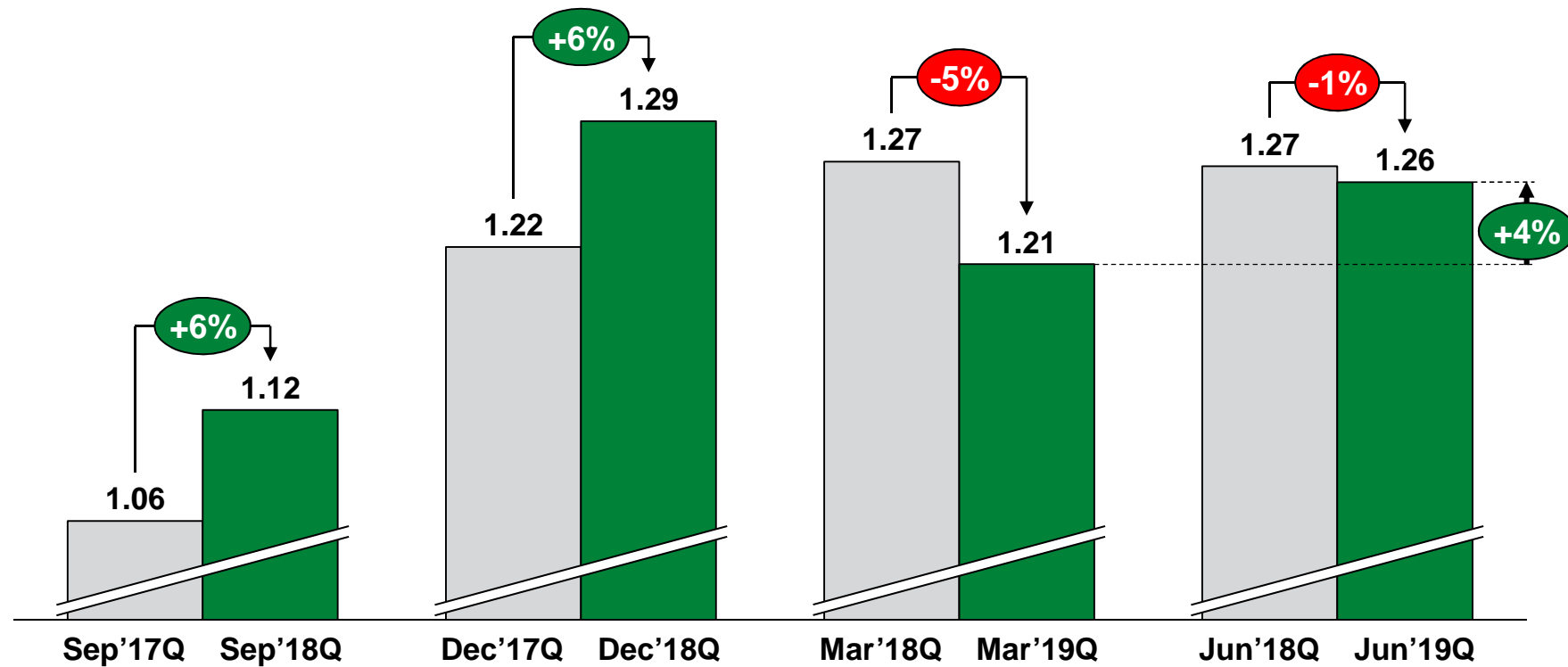
① Indian Cement Industry – trailing twelve months

- All India installed cement capacity estimated to be c. 480 Mn T as at Jun'19.
- Cement Industry reported production volume growth of 11% in last twelve months driven by growth in infrastructure and rural housing.
- During FY19, Cement Industry operated at an average utilization of c. 70%; FY20 has started on low capacity utilization.

All India Monthly Cement Production (Mn T)



② HCIL Quarterly Volumes – trailing twelve months



c.2% volume growth in trailing twelve months

③ HCIL – Q1FY20 financial and operational highlights

Zero Lost Time Injury (LTI)

Zero Fatality

Capacity utilization > 90%

100% blended cement

mycem power (Premium product) volume increased 53% y/y

>13% of trade volume

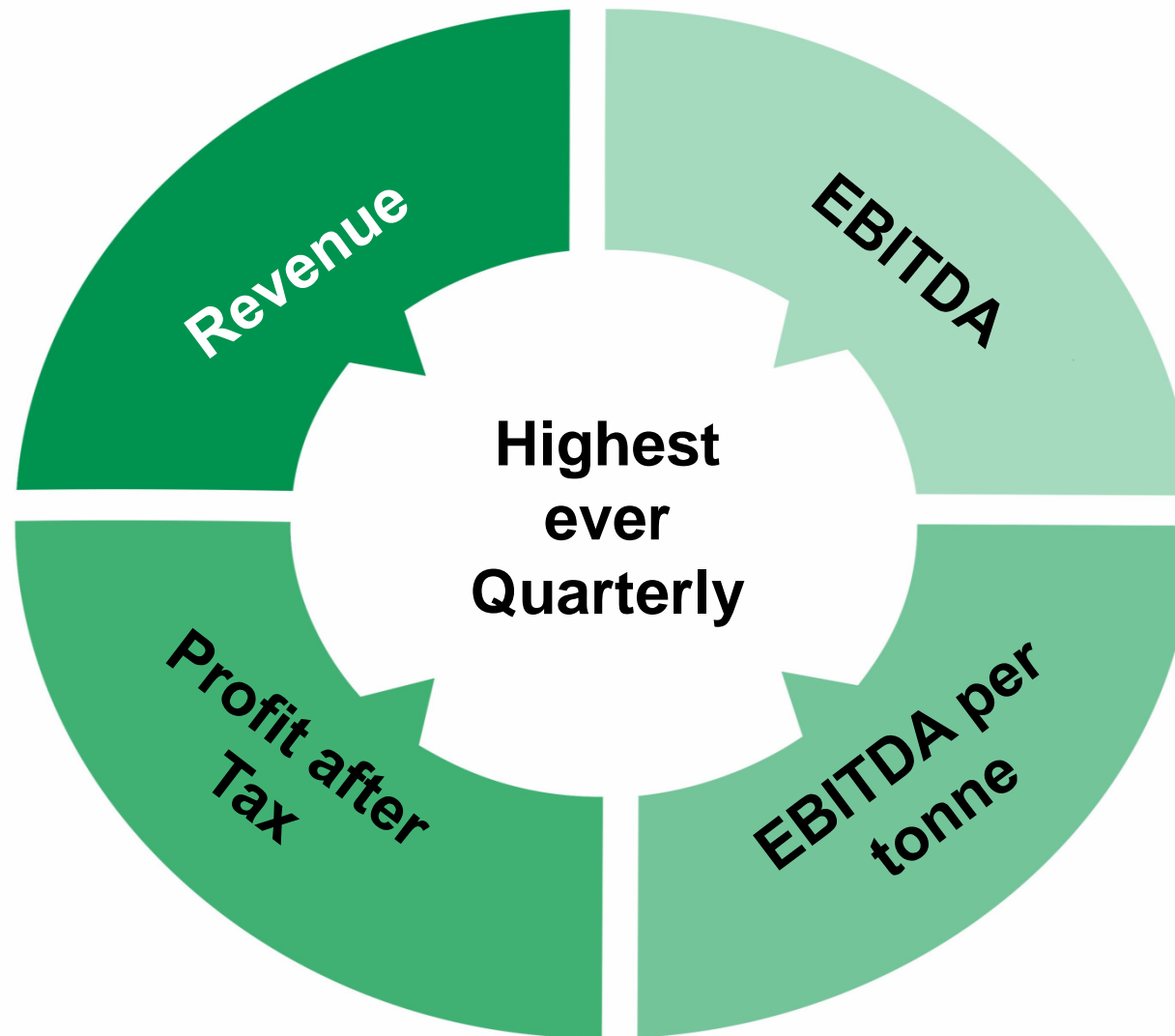
EBITDA of ₹ 1,253 per tonne, increase of 33% y/y

Net debt as at Jun'19 Mio ₹ 797

Net debt to TTM EBITDA at 0.15x

Continue to operate on negative Net Working Capital

③ HCIL – Q1FY20 financial and operational highlights

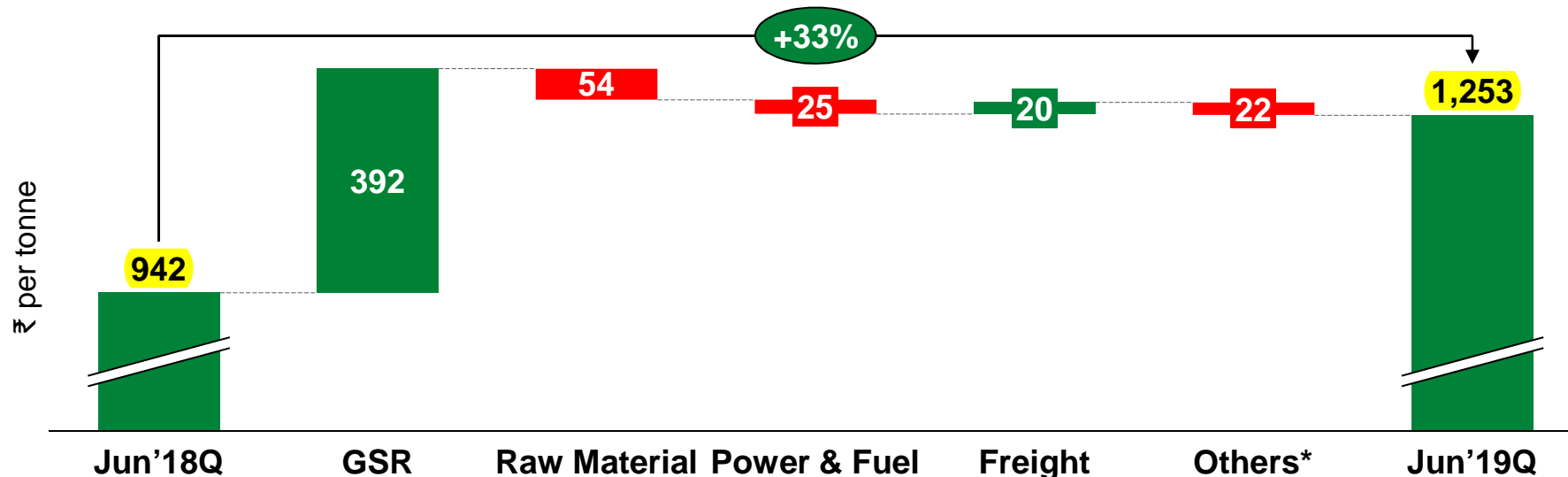


④ Q1FY20 – Income statement

Mio ₹

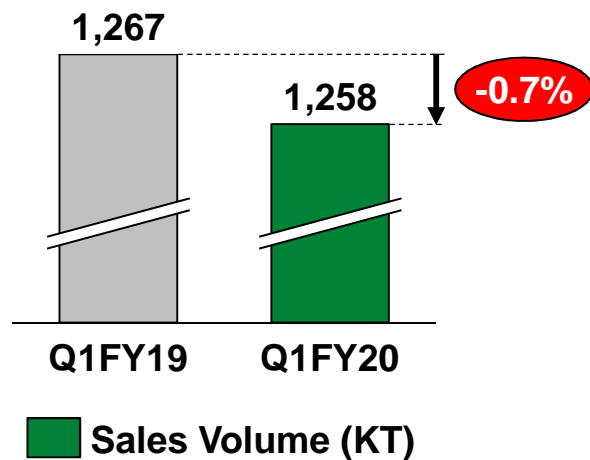
Particulars	Quarter ended		Change
	Jun 2019	Jun 2018	
Total Income (net of taxes)	5,892	5,402	9%
Operating expenses	4,316	4,209	3%
EBITDA	1,577	1,193	32%
Depreciation/amortization	279	255	9%
Other Income	118	69	70%
EBIT	1,416	1,008	41%
Interest and financial charges	198	219	-10%
Profit Before Tax	1,218	789	54%
Tax Expenses	428	278	54%
Profit After Tax	790	511	55%
KPIs			
Sales Volume (KT)	1,258	1,267	-0.7%
Gross realization (INR/t)	4,629	4,236	9.3%
Total Cost (INR/t)	3,430	3,321	3.3%
EBITDA (INR/t)	1,253	942	33.0%
EBITDA % of revenue	27.1%	22.2%	484 bps
PAT % of revenue	13.6%	9.5%	405 bps

⑤ EBITDA per tonne bridge: Q1FY19 to Q1FY20



Note: Change in inventory has been apportioned equally on Raw Material and 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 and fuel cost which has been partially offset by lower logistics cost

⑥ Q4FY19 – Share of volume



45% road volume, flat y/y



40% Coal, -170 bps y/y



>13% of trade volume, +53% y/y



86% Trade sales, +305 bps y/y

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⑦ Outlook

Positives:



- ❑ **Cement demand** is likely to grow in mid single digit in calendar year 2019.
- ❑ **Stability in Govt. will increase the speed of** investments in infrastructure projects i.e. concrete roads, railways, metros, civil aviation, irrigation, mega Industrial and freight corridors etc.
- ❑ **Reduction in interest rates** – benefit for home buyers / builders
- ❑ **Stability of** Brent crude and INR against USD

Concerns:



- ❑ Liquidity situation may affect growth not only in cement but across sectors
- ❑ Hardening of compliance norms
- ❑ Lower rainfall, albeit monsoon gathered momentum in July



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Safety is our foremost priority

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