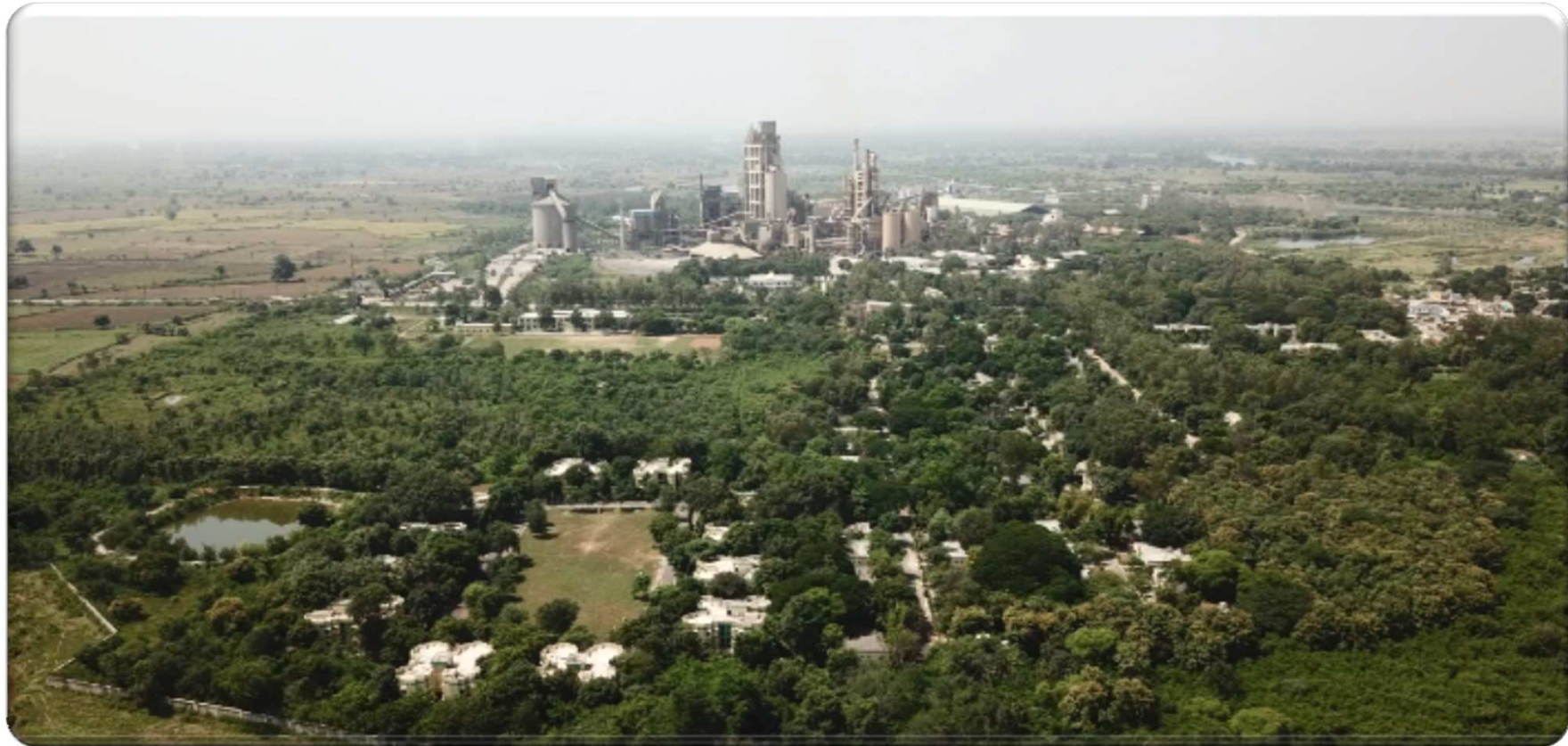


■ HeidelbergCement India Limited (HCIL)



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

Q4FY19 and FY19 Investor Presentation

June 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.

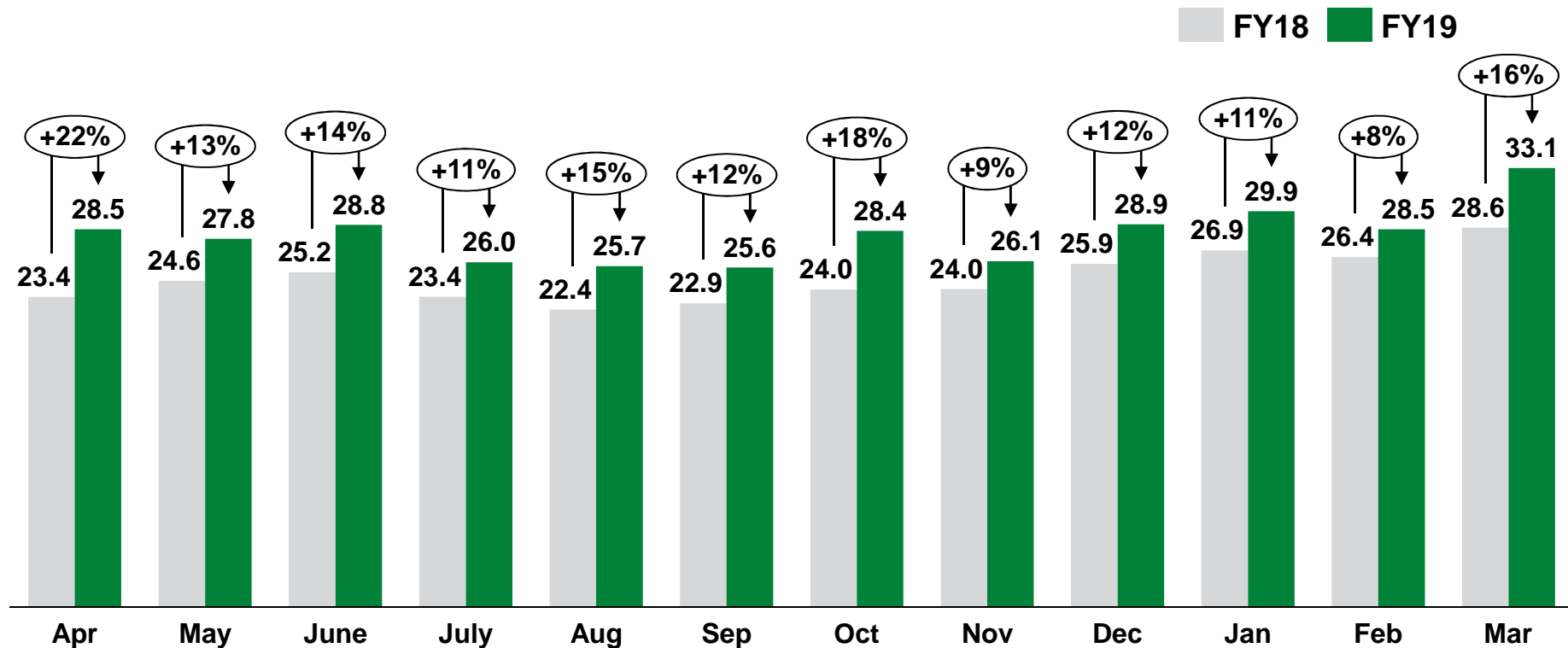
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① Indian Cement Industry – trailing twelve months

- All India installed cement capacity estimated to be c. 480 Mn T as at Mar'19.
- Cement Industry reported production volume growth of 13% in last twelve months driven by growth in infrastructure and rural housing.
- During FY19, Cement Industry operated at an average utilization of c. 70%.

All India Monthly Cement Production (Mn T)



② HCIL – FY19 financial and operational highlights

Zero Lost Time Injury (LTI)

Zero Fatality

Utilization > 90%

100% blended cement

**Premium product volume
increased 19% y/y**

**EBITDA of ₹ 987 per tonne
increase of 26% y/y**

**Phase 1 of de-bottlenecking
project completed**

**INR ECB of ₹ 1,500 Mio repaid;
Received interest free loan of
Mio ₹ 687 from UP Govt.**

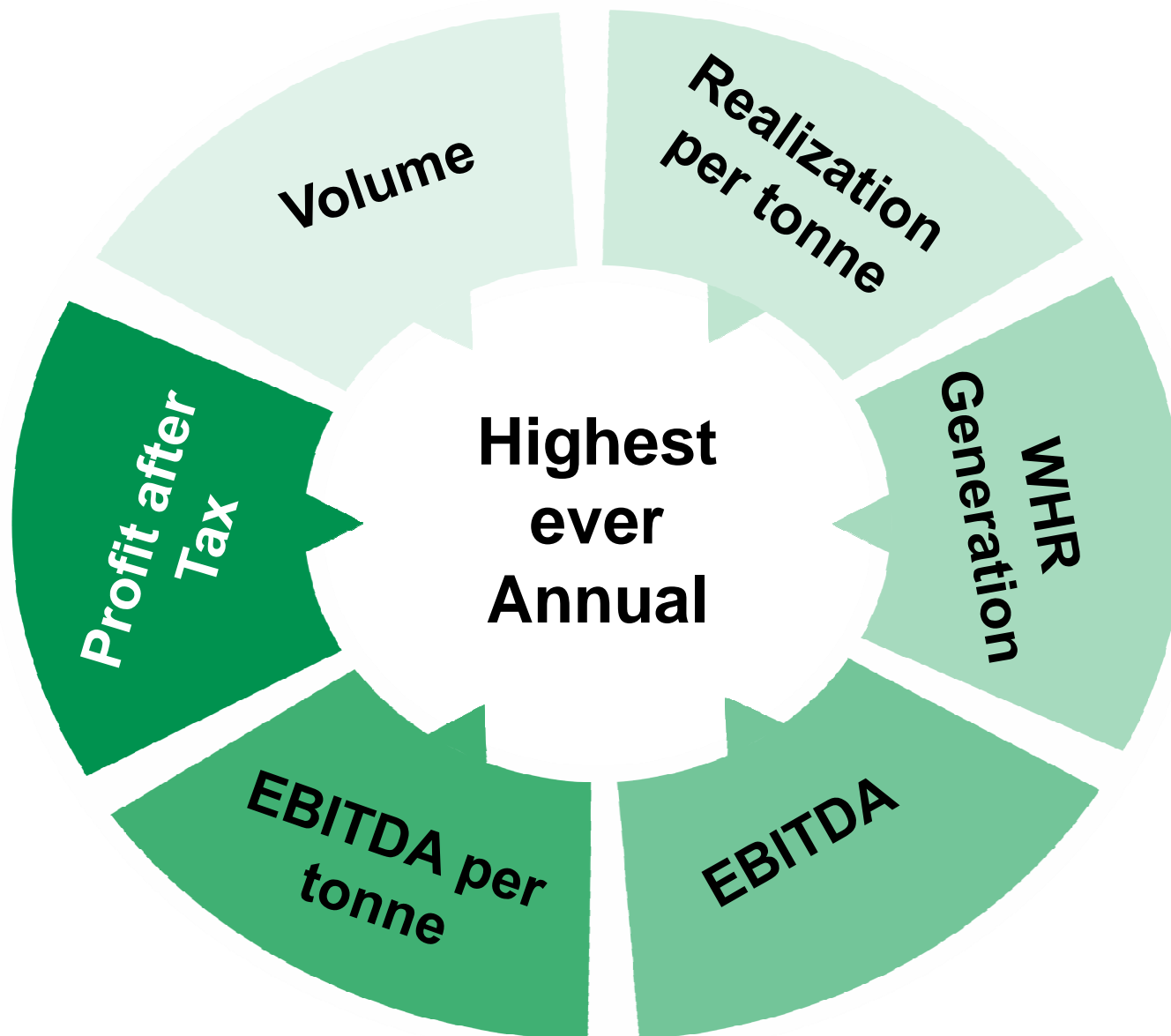
**Continue to operate on –ve Net
Working Capital**

Net debt at Mar'19 Mio ₹ 2,669

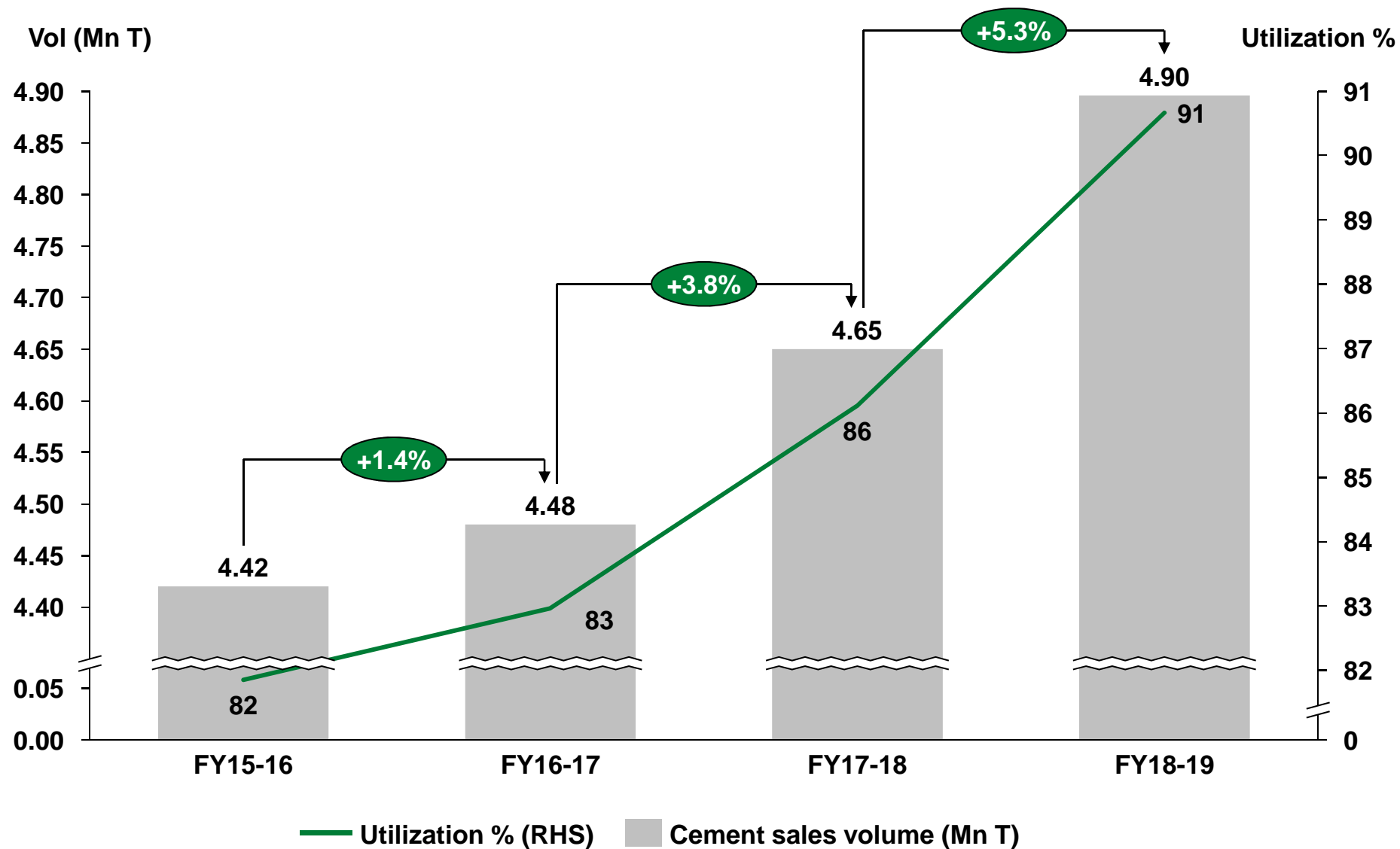
Net Debt to EBITDA at 0.55x

**Board recommended dividend of
₹ 3 per share (30%); interim
dividend of ₹ 1 per share (10%)
distributed during FY19**

② HCIL – FY19 financial and operational highlights



③ HCIL – Annual sales volumes and utilization trend

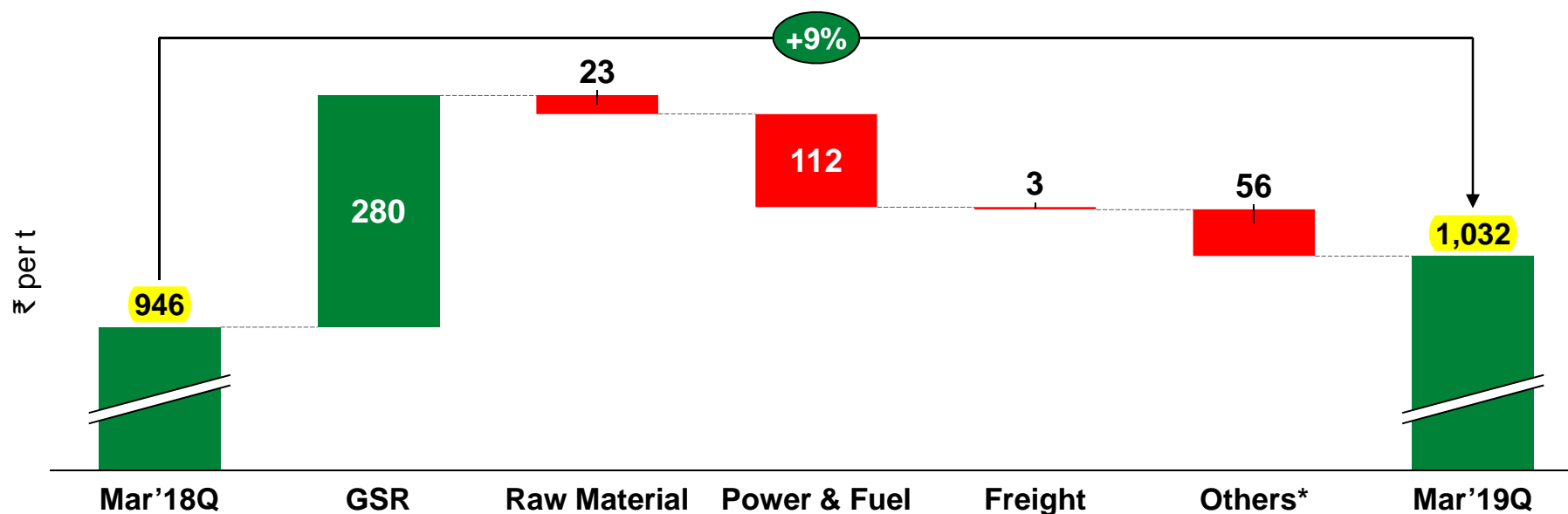


④ Q4FY19 and FY19 – Income statement

Mio ₹

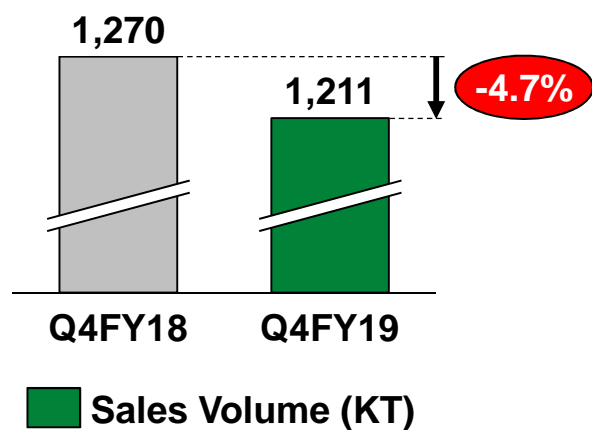
Particulars	Quarter ended		Change	FY ended		Change
	Mar 2019	Mar 2018		Mar 2019	Mar 2018	
Total Income (net of taxes)	5,434	5,313	2%	21,334	18,895	13%
Operating expenses	4,185	4,112	2%	16,500	15,261	8%
EBITDA	1,249	1,202	4%	4,833	3,634	33%
Depreciation/amortization	254	254	0%	1,018	1,012	1%
Other Income	115	58	99%	348	199	75%
EBIT	1,110	1,005	10%	4,164	2,821	48%
Interest and financial charges	160	172	-7%	748	745	0%
Profit Before Tax	949	833	14%	3,416	2,077	64%
Tax Expenses	340	312	9%	1,210	745	62%
Profit After Tax	609	521	17%	2,207	1,332	66%
KPIs						
Sales Volume (KT)	1,211	1,270	-4.7%	4,897	4,653	5.2%
Gross realization (INR/t)	4,416	4,136	6.8%	4,308	3,999	7.7%
Total Cost (INR/t)	3,456	3,236	6.8%	3,370	3,280	2.7%
EBITDA (INR/t)	1,032	946	9.1%	987	781	26.4%
EBITDA % of revenue	23.4%	22.9%	49 bps	22.9%	19.5%	338 bps
PAT % of revenue	11.4%	9.9%	147 bps	10.5%	7.2%	330 bps

5 EBITDA per tonne bridge: Q4FY18 to Q4FY19



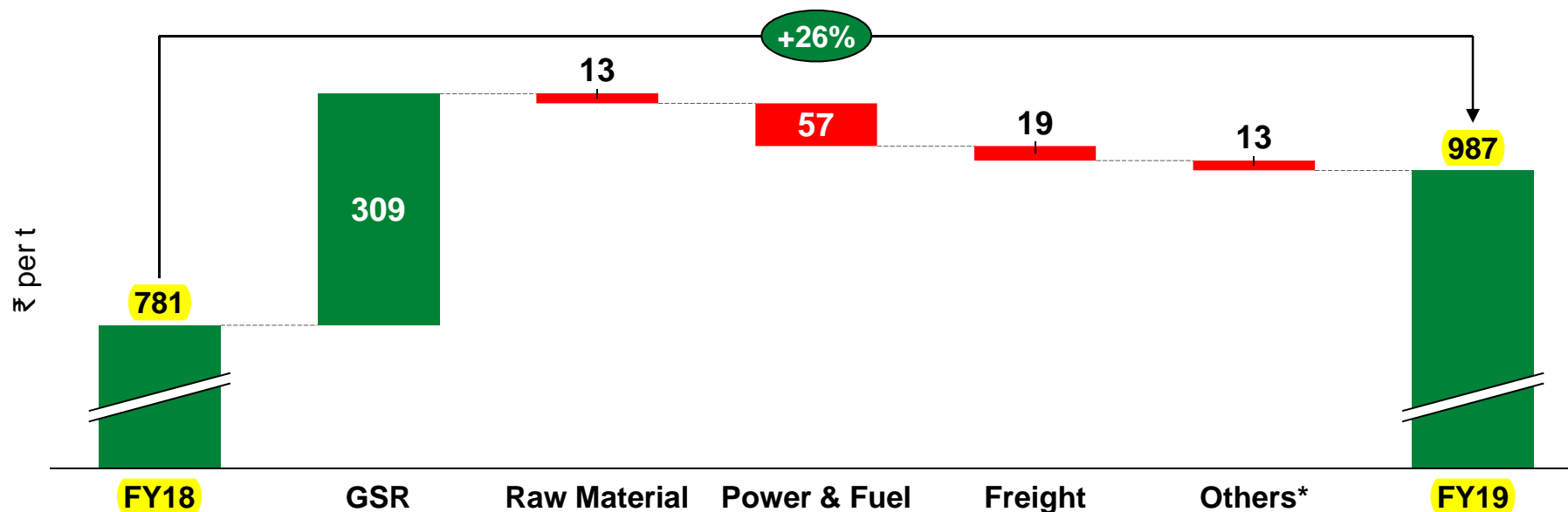
Note: Change in inventory has been apportioned equally on Raw Material and Power and Fuel expenses.

*Other expenses include other operating income, employee cost and miscellaneous expenses.



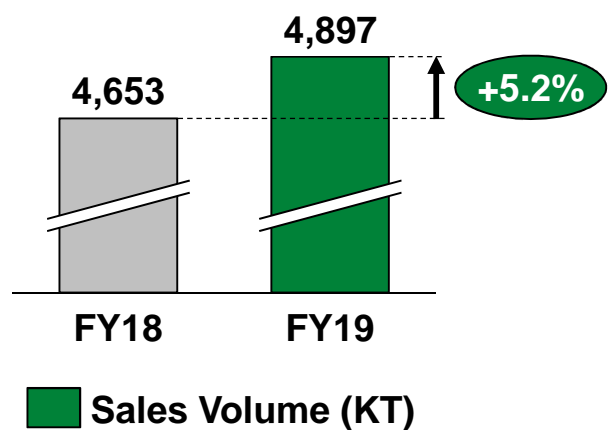
- Total cost per ton is higher mainly due to increase in coal and Petcoke price and fly ash cost over last year; increase has been partially offset by lower power consumption and lower bag price
- Increase in others is primarily due to decrease in volume

5 EBITDA per tonne bridge: FY18 to FY19



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.



■ Sales Volume (KT)

- Increase in EBITDA primarily driven by increase sale price and partially off-set by increase in total cost.
- The Company controlled its variable and fixed cost through concentered efforts across various aspects including consumption parameters.

⑥ Q4FY19 – Share of volume



54% road volume, +1070 bps y/y



40% Coal, +1046 bps y/y



>10% of trade volume, +31% y/y



85% Trade sales, +528 bps y/y

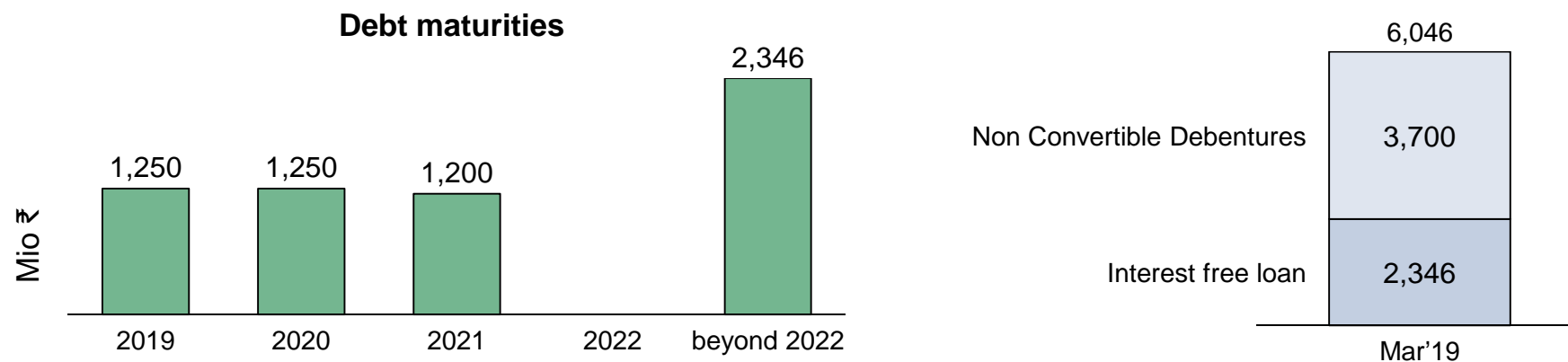
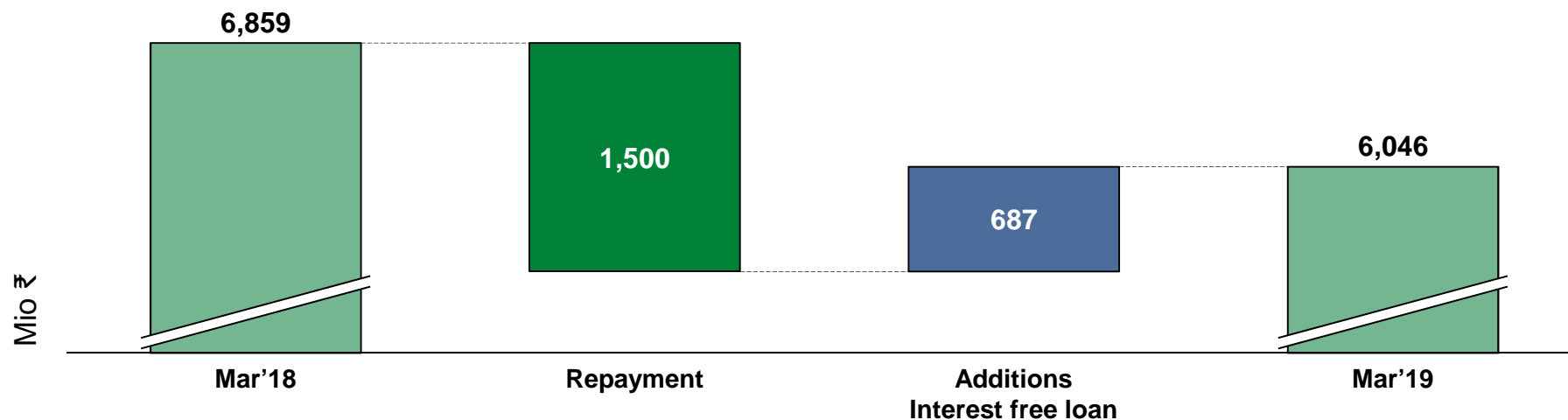
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7 Balance sheet

Particulars	31 Mar 2019 Mio ₹	31 Mar 2018 Mio ₹	Particulars	31 Mar 2019 Mio ₹	31 Mar 2018 Mio ₹
Assets			Equity and liabilities		
Non-current assets			Equity		
a) Property, plant and equipment	17,363	18,044	a) Equity share capital	2,266	2,266
b) Capital work-in-progress	172	81	b) Other equity	9,446	8,198
c) Intangible assets	6	17		11,712	10,464
d) Financial assets			Non-current liabilities		
(i) Security deposits	285	285	a) Financial liabilities		
(ii) Derivative instruments	-	-	(i) Borrowings	3,918	4,692
e) Other non-current assets	255	294	(ii) Other financial liabilities	41	54
	18,081	18,720	b) Provisions	197	196
Current assets			c) Government grants	650	512
a) Inventories	1,674	1,269	d) Deferred tax liabilities (net)	1,303	835
b) Financial assets				6,110	6,289
(i) Security deposits	145	107	Current liabilities		
(ii) Derivative instruments	-	-	a) Financial liabilities		
(iii) Trade receivables	253	188	(i) Trade payables		
(iv) Cash and bank balances	3,377	2,124	-Total outstanding dues of micro enterprises and small enterprises	1	-
c) Other current assets	3,398	2,901	-Total outstanding dues of creditors other than micro enterprises and small	2,777	2,266
	8,874	6,608	(ii) Other financial liabilities	3,045	3,122
Total assets	26,955	25,328	b) Other current liabilities	822	896
			c) Government grants	145	103
			d) Provisions	2,342	2,189
				9,133	8,575
			Total liabilities	15,243	14,864
			Total equity and liabilities	26,955	25,328

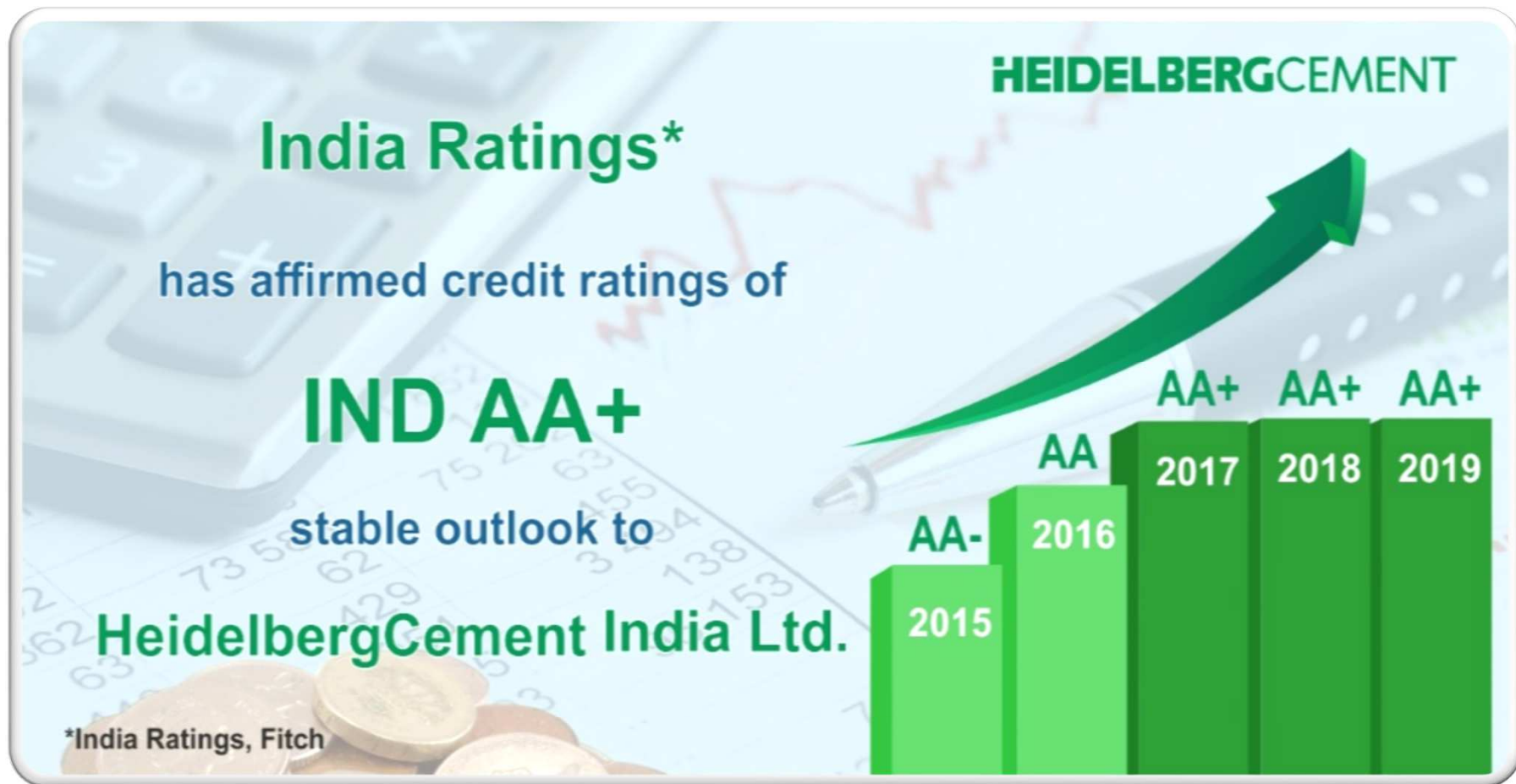
Entire INR ECB of ₹ 1,500 Mio repaid during FY19; As at Mar'19, Net debt reduced to Mio ₹ 2,669 and Net Debt to EBITDA at 0.55x

⑧ Debt and repayment profile



With the help of interest free loan, average interest cost reduced to 6.36% p.a.


⑨ Credit rating




10 Q4FY19 Awards and accolades




Patharia Mines
awarded 5 Star
Rating




Patharia Mines -
first prize in Fire
Safety provisions
& organizations in
Jabalpur Region



Patharia Mines –
second prize in
use of explosives
and dust
suppression in
Jabalpur Region



Patharia Mines –
second prize in
standard of
working in
Jabalpur Region



Patharia Mines –
second prize in
Electrical
Installations & ore
handling plant in
Jabalpur Region



Patharia Mines –
awarded Third in
Overall
Performance in
Jabalpur Region

11 ISO Certification

All HCIL locations are certified for following ISO standards:

- ISO 9001:2015 - Quality Management System
- ISO 14001:2015 - Environment Management System
- ISO 45001:2018 - Occupational Health and Safety Management System
- ISO 50001:2011 - Energy Management System



⑫ Outlook

Positives:



- ❑ **Cement demand** is likely grow ~7% in calendar year 2019. Demand is likely to be driven by growth in infrastructure and affordable housing.
- ❑ **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 GST rates in Real Estate and benefits in home loan** to drive Demand in Urban India.
- ❑ **Monsoon:** India Meteorological Department (IMD) forecast normal monsoon.

Concerns:



- ❑ **Increase in crude prices:** negative for the economy and Cement Industry – imported fuel prices, diesel cost, bags costs etc.
- ❑ **Hardening of compliance norms.**



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for better building

Safety is our foremost priority

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