

# HeidelbergCement India Limited

## Sep'21Q Investor Presentation

20 Oct 2021







Sep'21Q Key messages

Environmental, Social and Governance

Operational and financial performance

Outlook

Digital Annual Report



## Sep'21Q Key messages

- ✓ ESG Projects – Alternate fuels project and 5.5 MW Solar Project in advance stages of commissioning
- ✓ Long-term Solar Power purchase agreement to source c. 22 Gigawatt hours p.a. for Jhansi plant
- ✓ Share of green power increased to c. 27%
- ✓ Continues to produce 100% blended cement
- ✓ Cement capacity utilization of c. 78%
- ✓ EBITDA of ₹ 946 per tonne, c. -17% y/y
- ✓ FY21 dividend ₹ 8 per share distributed
- ✓ Continue to operate on negative net operating working capital
- ✓ Net cash and bank balance at c. ₹ 796 million

**HEIDELBERGCEMENT**





## Increasing ESG footprint in every possible way

Trial runs of AFR Project started in Oct'21

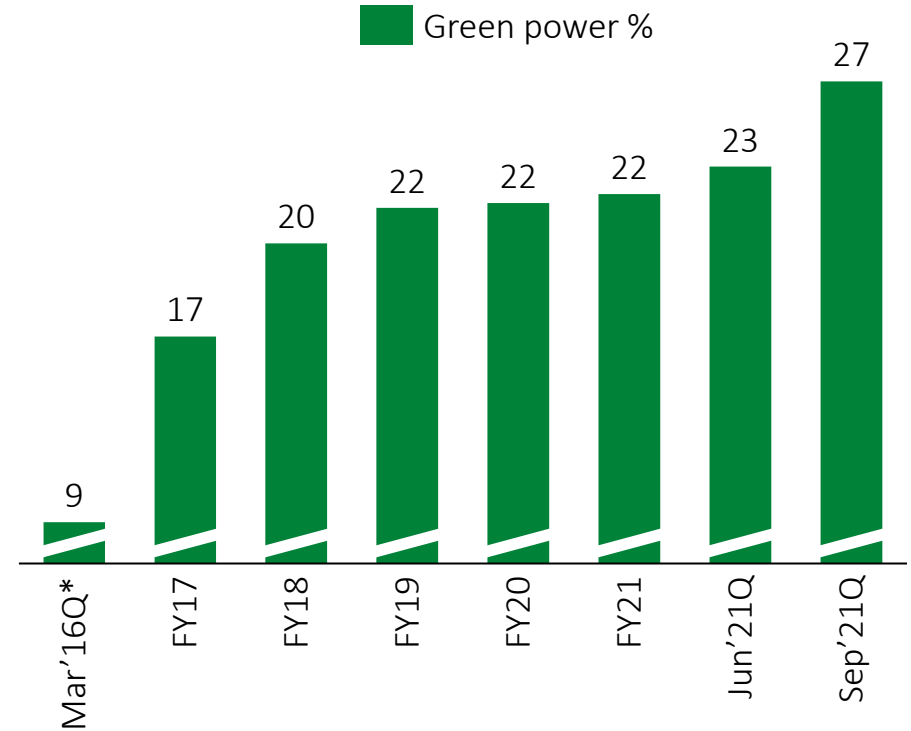
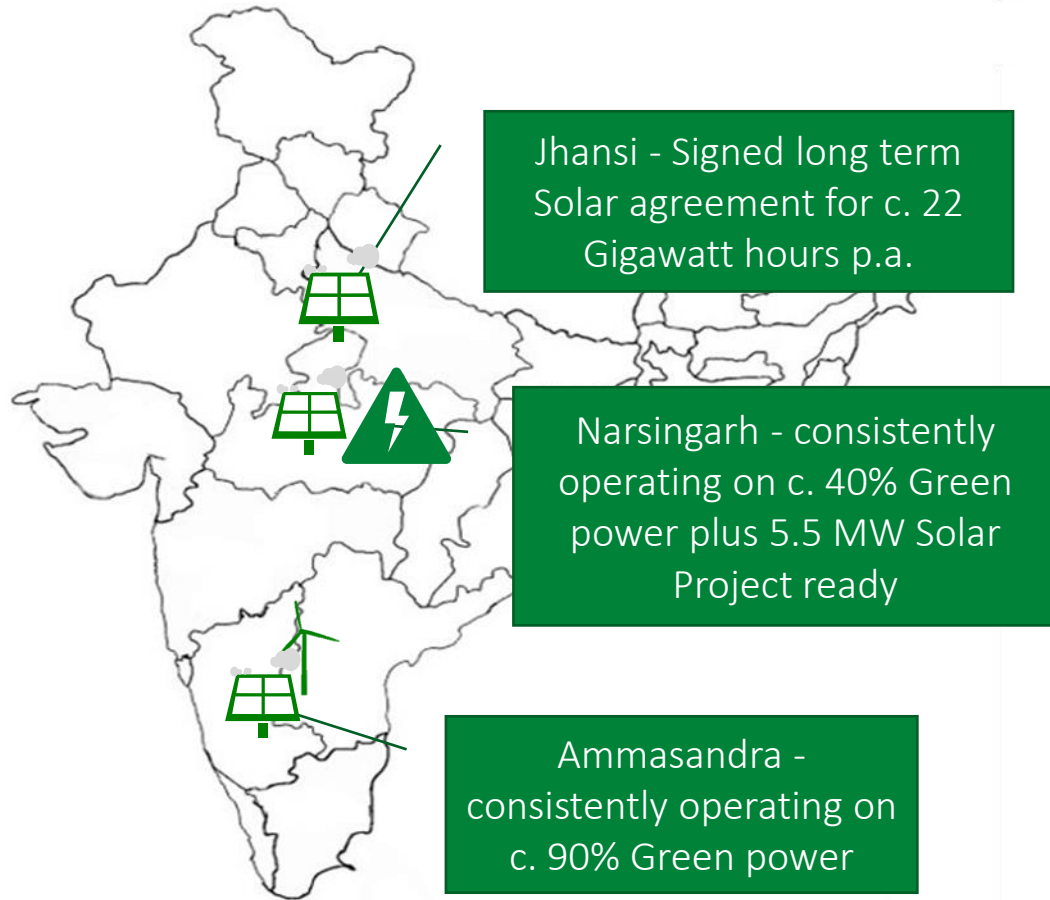


5.5 MW Solar Project ready



**Target to reach  $\leq 500$  Kgs/t CO<sub>2</sub> emission by 2025**

## Focus on clean and green power



\*Note: Damoh WHRS was commissioned in Mar'16Q

## HCIL is 4.4x water positive



**Harvested 5.68 billion liters of water against 1.3 billion liters of consumption**



## Jhansi - Oxygen Generation Plant dedicated to the Society



## Damoh – Upgradation of Rural Health Centers





## Damoh - Recognition for our CSR Works



### प्रभारी मंत्री व कलेक्टर ने हैडलबर्ग सीमेंट को प्रशस्ति पत्र दिया

दमोह/पथरिया देशबन्धु। 75 में स्वतंत्रता दिवस पर जिले के प्रभारी मंत्री गोविंद सिंह राजपूत व कलेक्टर दमोह एस.कृष्ण चैतन्य द्वारा कारपोरेट सामाजिक दायित्व का निर्वाह अच्छी तरह से करने के लिए हैडलबर्ग सीमेंट इंडिया लिमिटेड नरसिंहगढ़ को प्रशस्ति पत्र प्रदान किया गया। फैक्ट्री द्वारा 1200 पेड़ लगाए गए पिछले बार स्वतंत्रता दिवस पर 300 पेड़ सीमेंट फैक्ट्री नरसिंहगढ़ द्वारा सतपारा माईस एरिया में लगाए गए जो आज नीम के पेड़ों की ऊंचाई लगभग 8 से 10 फुट हो चुकी है इन पेड़ों को यूनिट हेड संजीव गुप्ता, एच.आर. हेड विकास शर्मा

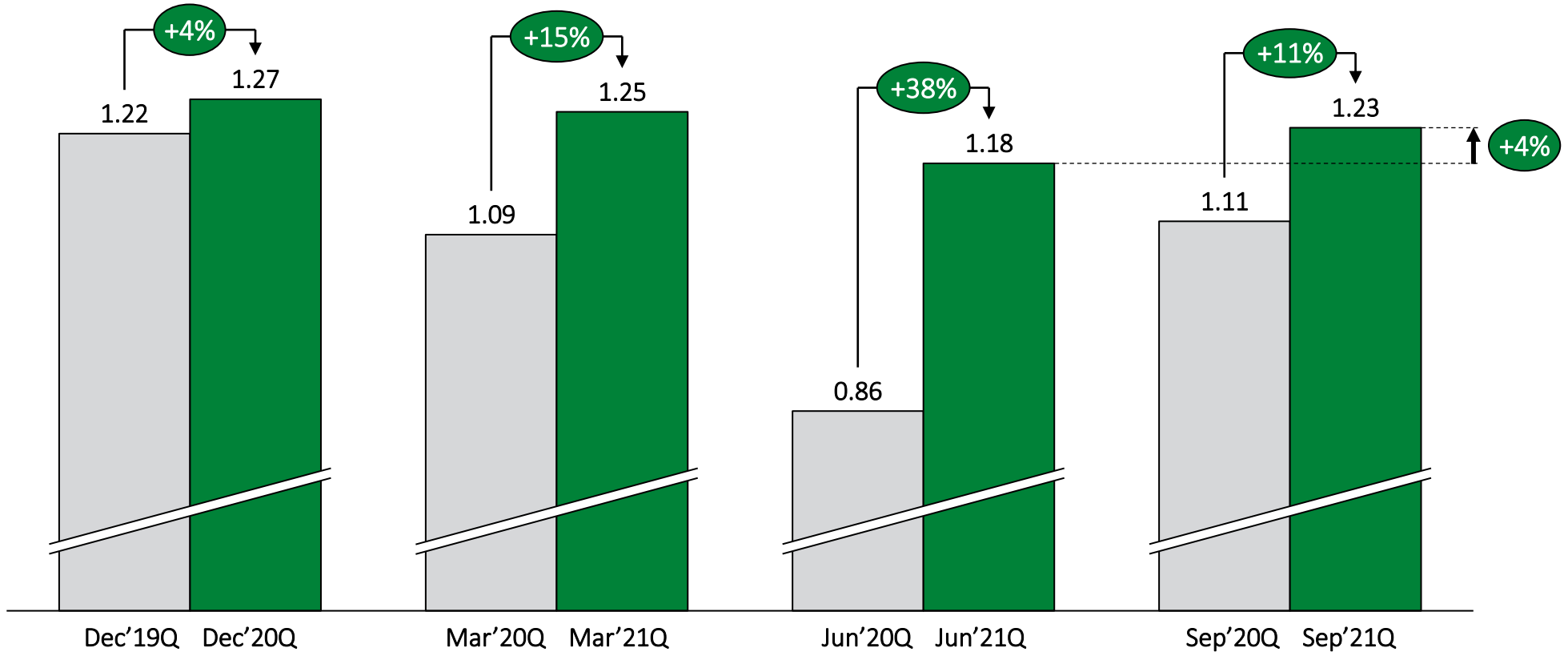


और हैडलबर्ग परिवार ने मिलकर 15 अगस्त 2020 स्वतंत्रता दिवस पर मात्र सतपारा में ही 300 पेड़ लगाए गए थे। इसी प्रकार निरंतर प्लांट के आसपास वृक्षारोपण का कार्य चलता रहता है कंपनी प्रशासन

मैनेजर दीपक ठाकुर ने बताया खाली 1200 पेड़ तो नीम पेड़ लगाए साथ ही फलदार वृक्षों का रोपण भी किया गया जो हजारों की संख्या में है आगामी सालों में इसी तरह पर्यावरण संबंधी जनहित कार्य करते रहेंगे।

Appreciated for Health Development Works & Model Anganwadi Centre by Mr. Govind Singh Rajput, Cabinet Minister, MP

# 15% volume growth in trailing twelve months

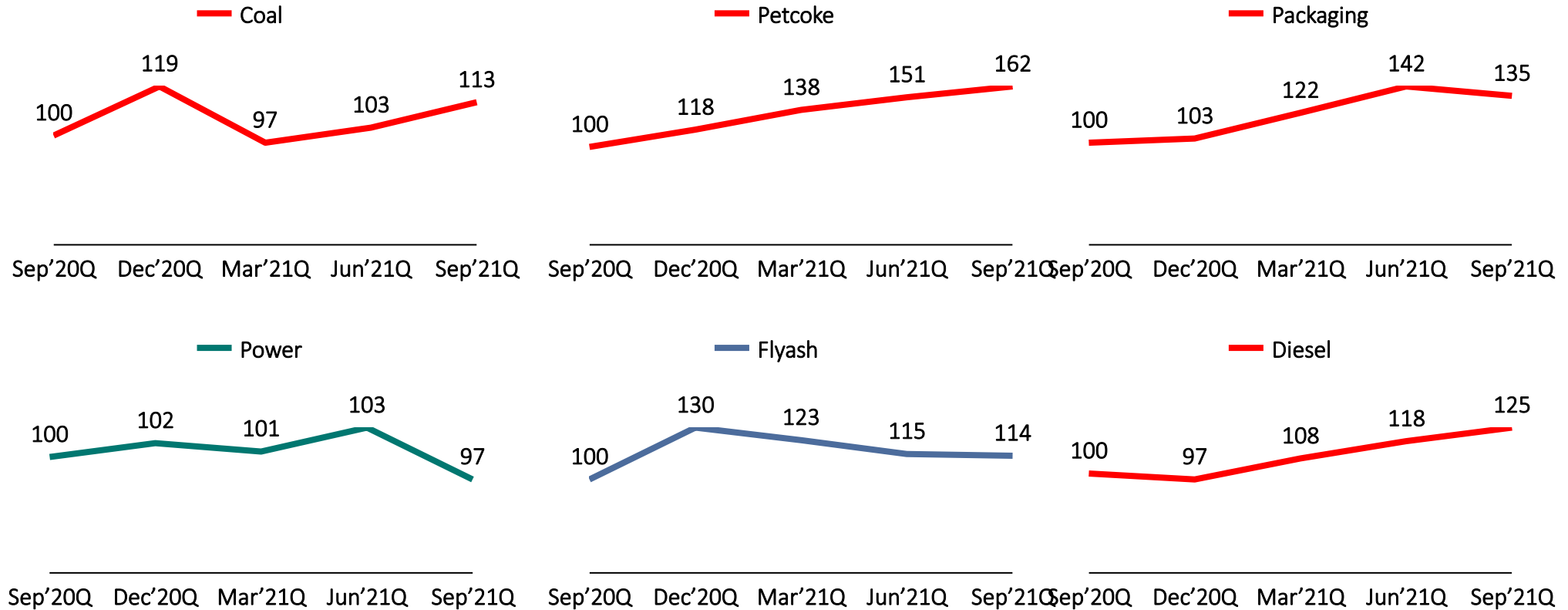


Note: Decrease in Jun'20Q volume due to nationwide lockdown due to COVID-19.



# MAJOR INPUT COSTS

## Increasing trend in major input costs



Note: Movement in weighted average costs for each quarter as compared to Sep'20Q, Sep'20Q considered as 100.

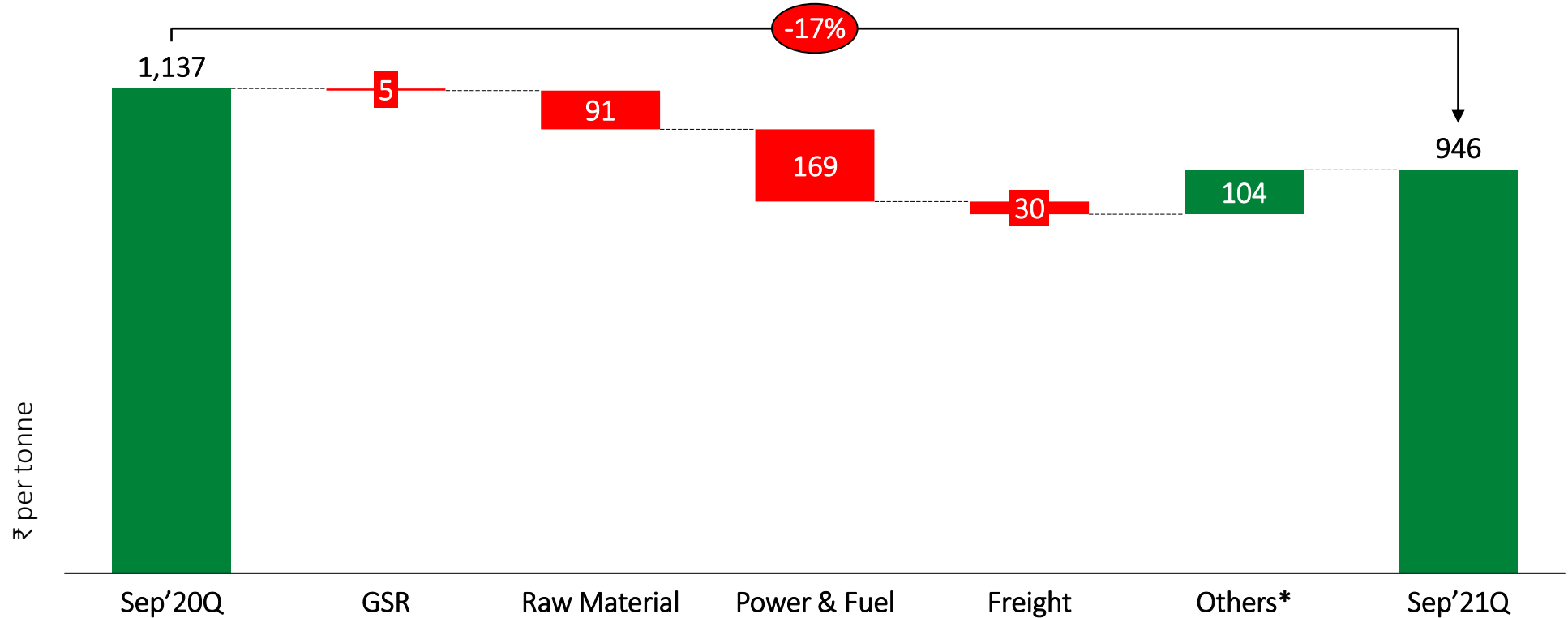
## Decrease in profitability due to increase in input costs

Mio ₹

Particulars	Quarter ended		Change	6 months ended		Change
	30-Sep-21	30-Sep-20		30-Sep-21	30-Sep-20	
<b>Total income (net of taxes)</b>	<b>5,765</b>	<b>5,138</b>	<b>12.2%</b>	<b>11,324</b>	<b>9,215</b>	<b>22.9%</b>
Operating Expenses	4,600	3,878	18.6%	8,849	6,872	28.8%
<b>EBITDA</b>	<b>1,165</b>	<b>1,260</b>	<b>-7.5%</b>	<b>2,476</b>	<b>2,343</b>	<b>5.7%</b>
Depreciation/amortization	282	281	0.4%	558	557	0.1%
Other income	139	101	36.8%	244	199	22.4%
<b>EBIT</b>	<b>1,021</b>	<b>1,080</b>	<b>-5.4%</b>	<b>2,162</b>	<b>1,985</b>	<b>8.9%</b>
Interest and financial charges	112	133	-15.9%	214	293	-27.0%
<b>Profit Before Tax</b>	<b>909</b>	<b>947</b>	<b>-4.0%</b>	<b>1,948</b>	<b>1,691</b>	<b>15.2%</b>
Tax Expenses	314	323	-2.8%	666	578	15.1%
<b>Profit After Tax</b>	<b>596</b>	<b>624</b>	<b>-4.6%</b>	<b>1,282</b>	<b>1,113</b>	<b>15.2%</b>
<b>KPIs</b>						
Sales volume (KT)	1,231	1,108	11.2%	2,415	1,965	22.9%
Gross realisation (INR/t)	4,624	4,629	-0.1%	4,636	4,677	-0.9%
Total cost (INR/t)	3,737	3,502	6.7%	3,664	3,497	4.8%
EBITDA (INR/t)	946	1,137	-16.8%	1,025	1,192	-14.0%
EBITDA% of revenue	20.5%	24.6%	-411 bps	22.1%	25.5%	-338 bps
PAT% of revenue	10.5%	12.2%	-171 bps	11.5%	12.1%	-66 bps



Decrease in Sep'21Q EBITDA/t mainly due to increase in fuel, packaging and diesel costs



Note: Change in inventory has been apportioned in the ratio of 30:70 between Raw Material and Power and Fuel expenses.

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

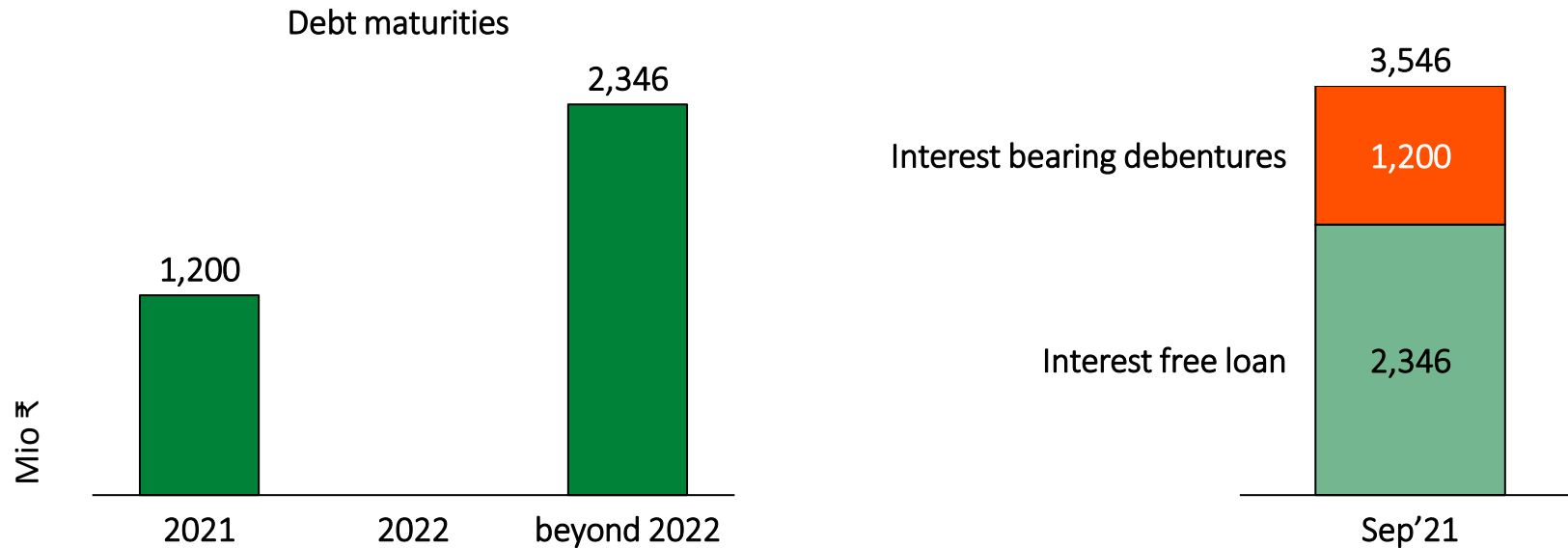
# Continue to operate on negative working capital

Particulars	30 Sep 2021 Mio ₹	31 Mar 2021 Mio ₹
<b>Assets</b>		
<b>Non-current assets</b>		
a) Property, plant and equipment	15,586.4	16,068.7
b) Right of use of asset	89.3	113.6
c) Capital work-in-progress	383.9	189.1
d) Intangible assets	1.8	2.1
e) Financial assets		
(i) Investments	48.0	-
(ii) Loans	1,500.0	1,500.0
(iii) Other financial assets	287.8	287.7
f) Other non-current assets	196.2	331.0
	<b>18,093.4</b>	<b>18,492.2</b>
<b>Current assets</b>		
a) Inventories	1,562.8	1,607.1
b) Financial assets		
(i) Trade receivables	398.1	333.2
(ii) Cash and cash equivalents	4,341.9	4,302.7
(iii) Other Bank Balances	22.8	13.8
(iv) Other financial assets	1,004.3	957.7
c) Other current assets	2,896.9	2,747.5
	<b>10,226.8</b>	<b>9,962.0</b>
<b>Total assets</b>	<b>28,320.2</b>	<b>28,454.2</b>

Particulars	30 Sep 2021 Mio ₹	31 Mar 2021 Mio ₹
<b>Equity</b>		
a) Equity share capital	2,266.2	2,266.2
b) Other equity	12,141.9	12,672.7
	<b>14,408.1</b>	<b>14,938.9</b>
<b>Non-current liabilities</b>		
a) Financial liabilities		
(i) Borrowings	1,823.5	1,744.9
(ii) Lease Liabilities	62.9	74.5
(iii) Other financial liabilities	56.8	46.8
c) Provisions	160.3	172.1
d) Government grants	286.8	359.4
e) Deferred tax liabilities (net)	2,262.3	1,937.5
	<b>4,652.6</b>	<b>4,335.2</b>
<b>Current liabilities</b>		
a) Financial liabilities		
(i) Borrowings	1,200.0	1,200.0
(ii) Lease Liabilities	31.9	43.9
(iii) Trade payables		
-Dues of micro and small enterprises	6.4	7.8
-Dues of creditors other than MSME	2,772.1	2,698.5
(iv) Other financial liabilities	2,025.6	2,010.0
b) Other current liabilities	861.2	874.4
c) Government grants	145.4	145.3
d) Provisions	2,216.9	2,200.2
	<b>9,259.5</b>	<b>9,180.1</b>
<b>Total liabilities</b>	<b>13,912.1</b>	<b>13,515.3</b>
<b>Total equity and liabilities</b>	<b>28,320.2</b>	<b>28,454.2</b>



## Debt and repayment profile



Note: Final instalment of NCD of MINR 1,200 to be paid on 16-Dec-21.

**Bank balance Mio ₹ 4,342 against debt of Mio ₹ 3,546 = Net cash balance of Mio ₹ 796**

## Sep'21Q share of volume



45% road  
volume,  
-387 bps y/y



70% coal,  
+2875bps  
y/y



21% of trade  
volume,  
+25% y/y



83% trade  
sales,  
-264 bps y/y

Continuously increasing premiumization and optimizing towards the appropriate mix



## Cautious outlook amid sharp increase in input prices in recent times

- Increase in vaccination program leading to confidence improvement; > 50% of Country's population has been vaccinated with single dose and > 20% with double dose.
- Uttar Pradesh 2022 elections to accelerate infra projects in near term.
- Sharp increase in international and domestic fuel prices, non availability of coal may also reduce fly-ash availability.
- Power Distribution Companies likely to increase grid prices in next review.
- Input raw materials may have to be sourced from longer leads.
- The fear of third wave gradually subsiding and building consumer confidence.
- China crisis likely to delay equipment supply for new capacities in India.

# HCIL pioneers in Digitalizing its Annual Report



<https://www.youtube.com/watch?v=89AmlqOJD1s>


## Contact information

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Note: With effect from 1-Apr-21, our Corporate cum Registered office has been relocated to above-mentioned address.

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# MATERIAL TO BUILD OUR FUTURE

**Safety is our foremost priority**



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