

Media Release: October-December 2020

Ambuja continues to record strong growth in EBITDA and EBIT

Quarter 4, 2020

- EBITDA increased by 40% with a margin expansion of 410 basis points
- 61% growth in Operating EBIT supported by growth in volumes and reduction in key costs

Full year 2020

- EBITDA increased by 23% with margin expansion of 480 basis points supported by growth in premium products, cost reduction and operational efficiency programs
- Operating EBIT higher by 490 basis points

Standalone audited financial results for the quarter and year ended 31st December 2020

		Oct-Dec'20 Quarter	Oct-Dec'19 Quarter	Jan-Dec'20 Full Year	Jan-Dec'19 Full Year
Sales Volume	Million Tons	7.01	6.54	22.63	23.96
Net Sales	₹ Crore	3,468	3,038	11,175	11,353
Total operating costs	₹ Crore	2,747	2,588	8,725	9,519
EBITDA	₹ Crore	768	548	2,647	2,149
EBITDA Margin	%	22.1%	18.0%	23.7%	18.9%
Operating EBIT	₹ Crore	642	399	2,125	1,605
Operating EBIT Margin	%	18.5%	13.1%	19.0%	14.1%
Profit after tax*	₹ Crore	497	352	1,790	1,426

* Adjusted for ₹ 103 crore towards reversal of deferred tax liability on account of adoption of new income tax rate in December 2019 quarter and year.

Mr. Neeraj Akhoury, Managing Director & CEO said:

“Ambuja continues its journey of delivering strong performance with EBITDA growth of 40% in the quarter and 23% for the full year 2020. Margin expanded by 410 bps during the quarter and 480 bps for the full year backed by strong performance in price, volume and costs. We have witnessed significant acceleration in volumes under the MSA with ACC.

I am happy to share that Ambuja has scored 5th place globally in the DJSI Worldwide in Construction Materials category. We remain committed to our Sustainability goals.”

Ambuja Cements Limited is one of the leading cement companies in India. It is part of the LafargeHolcim Group, the world leader in the building materials industry, with a presence in around 70 countries, and a focus on Cement, Aggregates, Ready-Mix Concrete and Solutions & Products. For more than three decades, Ambuja Cements has provided hassle-free home building solutions with its unique sustainable development projects and environment-friendly practices.



Ambuja Cement

Financial Performance for the Quarter ended December 2020

Volumes grew by 7% and supported by good price this has resulted in a 14% growth in Net sales. Net Sales during the quarter stood at ₹ 3,468 Crore compared to ₹ 3,038 Crore in the corresponding quarter of the previous year.

Total operating cost per ton declined by 2% supported by operational efficiency programs in the plants as well as logistics efficiencies. These have been partly compensated due to impact of rising fuel costs.

EBITDA during the quarter at ₹ 768 Crore showed a growth of 40% and Operating EBIT at ₹ 642 Crore showed a robust growth of 61%.

Ambuja generated ₹ 2,606 Crore from operations led by improved performance and efficient working capital management.

The Greenfield project at Marwar Mundwa, Rajasthan will commission this year. This will further improve our market position in North and West regions.

On ESG front, we positively touched lives of 26 lacs beneficiaries through our CSR and community programs in areas of Water Resource Management, Livelihood Promotion skill based training, Human Development including Community Health, Women Empowerment Program and Education.

We used 82 lac tons of waste-derived resources as alternative raw materials and fuels in our production process, thus conserving huge amounts of depleting natural resources. This also helped us reduce carbon emissions and improve clinker factor further.

Dividend

The Board of Directors have recommended a final dividend on equity shares of ₹ 1 per equity share. The Company has paid interim dividend of ₹ 17 per equity share.

Consolidated Financial Results for the quarter and year ended December 2020

- EBITDA increased by 32% for the quarter; 12% for the full year
- Margin expansion for the quarter and year up by 400 basis points
- 47% growth in Operating EBIT in Q4 2020; 15% growth in Operating EBIT for the full year

		Consolidated			
		Oct-Dec'20 Quarter	Oct-Dec'19 Quarter	Jan-Dec'20 Full Year	Jan-Dec'19 Full Year
Net Sales	₹ Crore	7,350	6,963	24,094	26,539
EBITDA [#]	₹ Crore	1,472	1,117	5,135	4,597
Operating EBIT [#]	₹ Crore	1,188	807	3,973	3,444
Net income attributable to Ambuja Group	₹ Crore	732	592	2,365	2,095

[#] Excluding ₹ 129 crore one time charge included in other expenses in December 2020 quarter and year.

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Performance of Material Subsidiary – ACC Limited

Net Sales during the quarter increased to ₹ 4,066 Crore compared to ₹ 3,970 Crore last year. EBITDA during the quarter at ₹ 701 Crore showed a growth of 30% vs previous year with a margin expansion of 360 basis points. Generated additional cash and cash equivalents of ₹ 1,357 Crore during the year 2020, driven mainly by strong working capital actions.

Outlook

The Union Budget 2021 will give an impetus to India's economic growth with its strong focus on domestic manufacturing, infrastructure development, Public Sector Undertaking (PSU) privatization, and continued focus on healthcare, rural and social development. We expect these overall economic measures along with continued focus on rural economy and affordable housing segment to positively impact cement demand.

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