

Ambuja Cement

ACL:SEC:

February 18, 2019

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Deutsche Bank Trust Company Americas Winchester House 1 Great Winchester Street London EC2N 2DB <a href="mailto:Documents<ctas.documents@db.com">Documents <ctas.documents@db.com	Societe de la Bourse de Luxembourg, Avenue de la Porte Neuve L-2011 Luxembourg, B.P 165 "Luxembourg Stock Ex-Group ID " <a href="mailto:<ost@bourse.lu">ost@bourse.lu

Dear Sir,

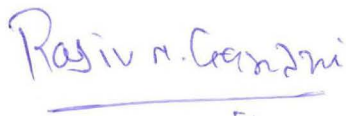
Sub: Investor Presentation on the Financial Results for the quarter and year ended December 31, 2018

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed the Investor presentation on financial results for the quarter and year ended December 31, 2018.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Ambuja Cements Limited



Rajiv Gandhi
Company Secretary
Membership No. A11263

AMBUJA CEMENTS LIMITED

Elegant Business Park, MIDC Cross Road 'B', Off Andheri Kurla Road, Andheri (E), Mumbai 400059.
Tel.: 022- 4066 7000 / 6616 7000, Fax: 022 - 6616 7711 / 4066 7711. Website: www.ambujacement.com
Regd. Off. : P. O. Ambujanagar, Taluka - Kodinar, Dist. Gir Somnath, Gujarat.
CIN : L26942GJ1981PLC004717

Productivity



- Highest Cement Production 24.34 mt Capacity Utilization, Cement@82%

Efficiency



- Lowest power consumption
- Highest Fly ash Consumption

Geocycle



- Improved TSR

Strategic Projects



- Commissioned Coal block - ahead of schedule

2018 Highlights

Market



- Highest Sales 24.22 mt
- 38% Premium Product Sales growth over PY

Ambuja House Strategy



- Cool Wall
- Roof Special
- Compocem
- PuraSand

Health & Safety



- 02 Plants - Zero Harm
- 07 Sites - LTI free Year
- 31% reduction in TIFR

Sustainable Development



- 5th rank in DJSI
- 2nd rank in CDP
- Best CSR by ICSR
- 6.2 times water positive

Investor Presentation

18th February, 2019

Disclaimer / Safe Harbour

Cautionary statement regarding forward-looking statements

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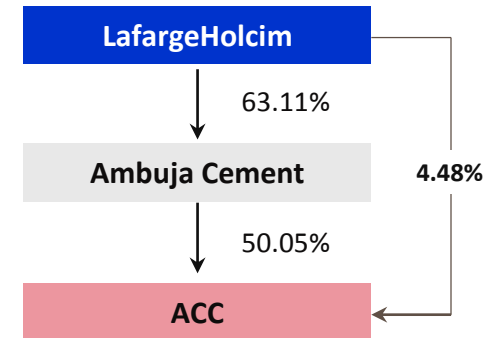
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Ambuja Cement (ACL): Leading cement company in India

- Pan India footprint with consolidated cement capacity of 63 mn tonnes.
- Attractive geographical positioning.
- Market leading brands with large network of dealers/retailers (trade sales >80% of total volume).
- Strong balance sheet with consolidated net cash in excess of Rs. 5 bn.

Current structure

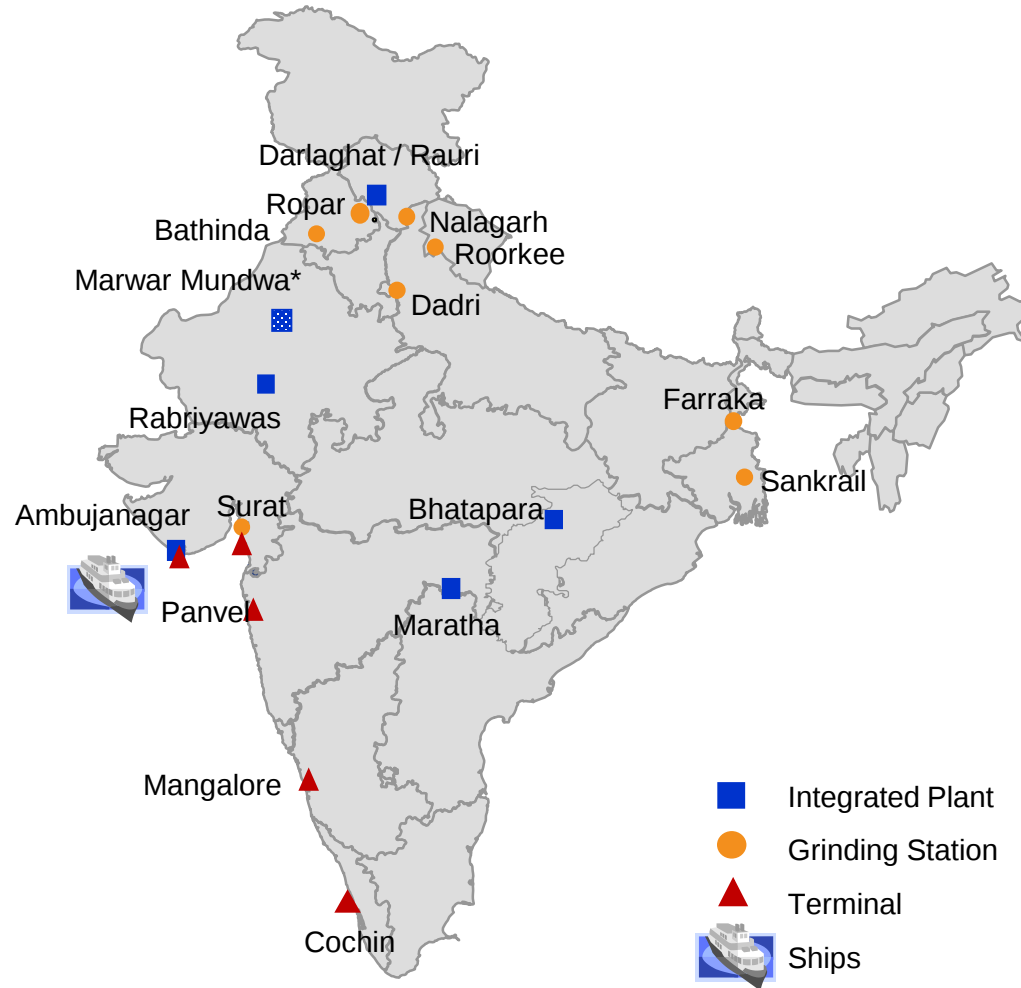


Ambuja's- Strategies in place to enhance value

- Q4'18 cement capacity utilization at 83%, and YTD Jan-Dec'18 cement capacity utilization at 82%.
- Post successful ballot, to unlock synergies via Master Supply Agreement.
- The addition of 4.6 mn tonnes of cement volumes from Greenfield integrated cement plant at Marwar Mundwa, Rajasthan will further strengthen our position in core markets of North and Gujarat.
- Commercial transformation: New and innovative premium product launches, focus on customer excellence and on margin management levers.
- To continue to optimize cost structure: Optimisation of fuel including alternative fuel journey, reduction in lead distance and savings in fixed overheads.

Ambuja Cements Ltd. 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 80 countries, and a focus on cement, aggregate and concrete since 2006. For three decades, Ambuja Cements has provided hassle-free home building solutions with its unique sustainable development projects and environment-friendly practices.

... with a strong independent standalone footprint & robust strategies ...

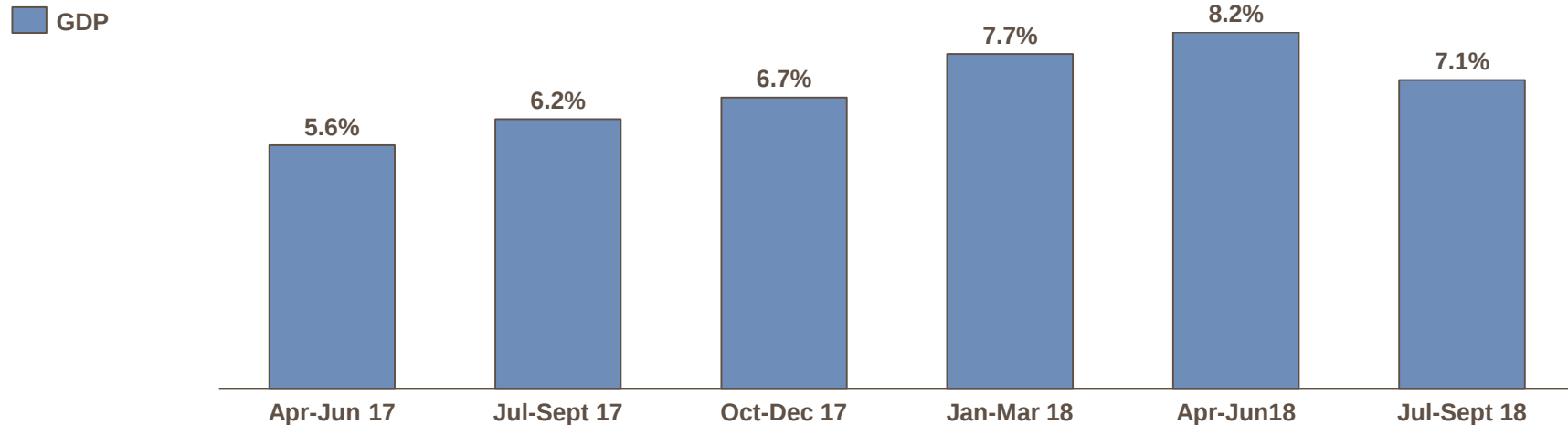


Physical infrastructure

Integrated Plants	5
Kilns	9
Clinkerisation Capacity (MTPA)	17.7
Grinding Units	8
Bulk Cement Terminals	3
Loading Port	1
Cement Grinding Capacity (MTPA)	29.7
Ships	10

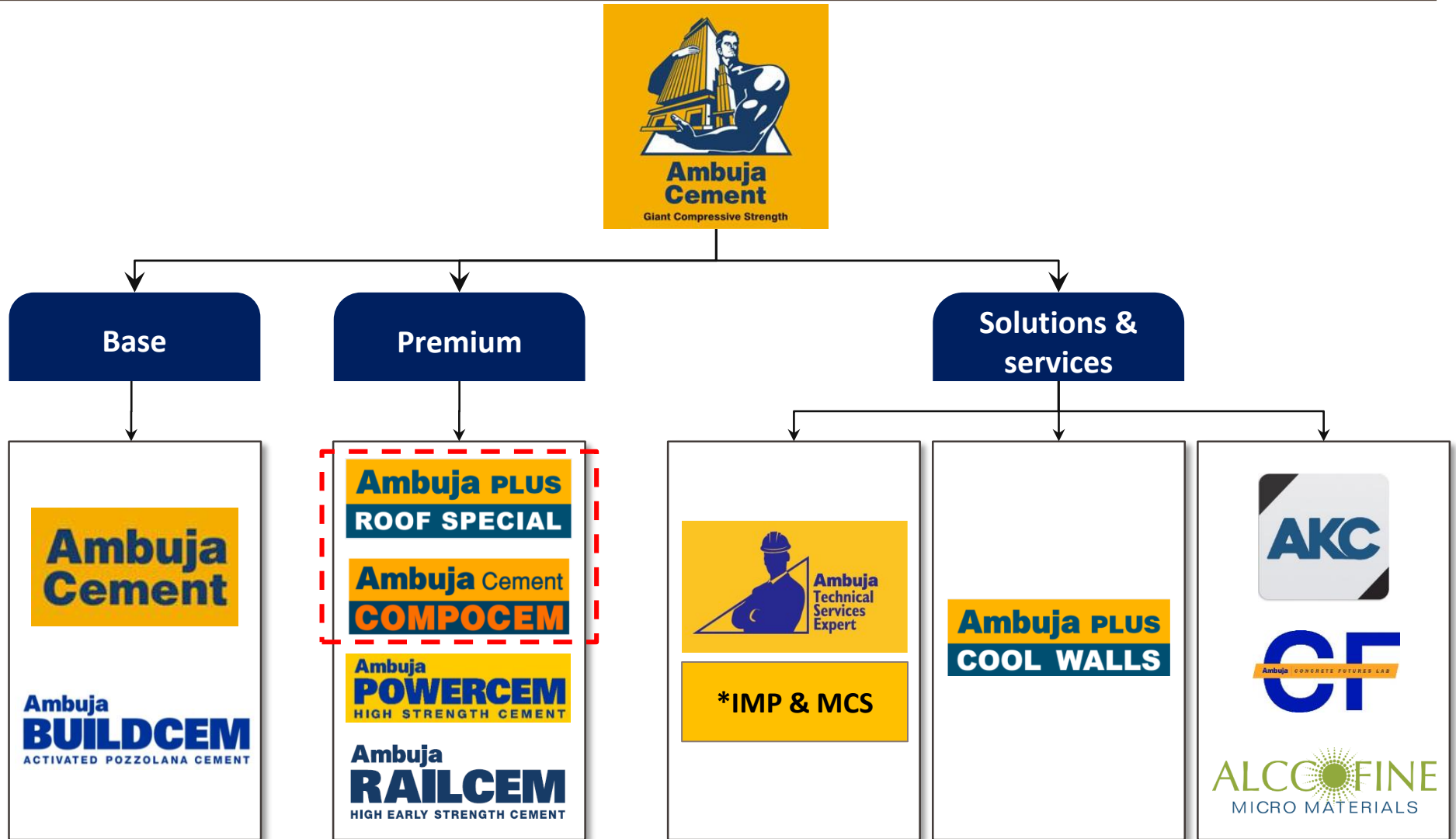
With a strong footprint in the North, West and East parts of India, and a presence in the South, Ambuja Cement covers key locations in each region

Indian economy - GDP growth maintained its upward trend



- **GDP growth** : Rose to 7.1% in Q2 2018-19 as compared to 6.2% previous year
- **Retail inflation** : 2.2% in Dec'18 (led by sharp drop in food inflation)
- **Construction GDP** : Sharp rise of 7.8% in Q2'FY-19 vs. 3.1% in Q2' FY-18
- **Macro-economic indicators**
 - **Index of Industrial Production (IIP)** : Grew by 5.0% (YTD FY19) vs. 3.2% (YTD FY18)
 - **Core industry** : Grew by 4.8% (YTD FY19) vs. 3.9% (YTD FY18)

Brand Architecture



Share of Premium products expected to increase sharply

*IMP – Instant Mix Proportion, MCS – Modular Curing Solution, AKC - Ambuja Knowledge Centre

Performance Indicators – Q4'18 vs Q4'17 and CY 2018 vs CY 2017

1 CAN.

Capacity Utilization Up

4 pp

Q4 18 : 83%
Q4 17 : 79%

Cement Volumes Up

4%

Q4 18 : 6.13 mn t
Q4 17 : 5.87 mn t

Net Sales YoY growth

6%

Q4 18 : ₹ 2,765 cr
Q4 17 : ₹ 2,614 cr

PAT Growth

59%

Q4 18 : ₹ 537 cr
Q4 17 : ₹ 338 cr

Capacity Utilization Up

4 pp

CY 18 : 82%
CY 17 : 78%

Cement Volumes Up

~6%

CY 18 : 24.26 mn t
CY 17 : 22.98 mn t

Net Sales YoY growth

7%

CY 18 : ₹ 10,977 cr
CY 17 : ₹ 10,252 cr

PAT Growth

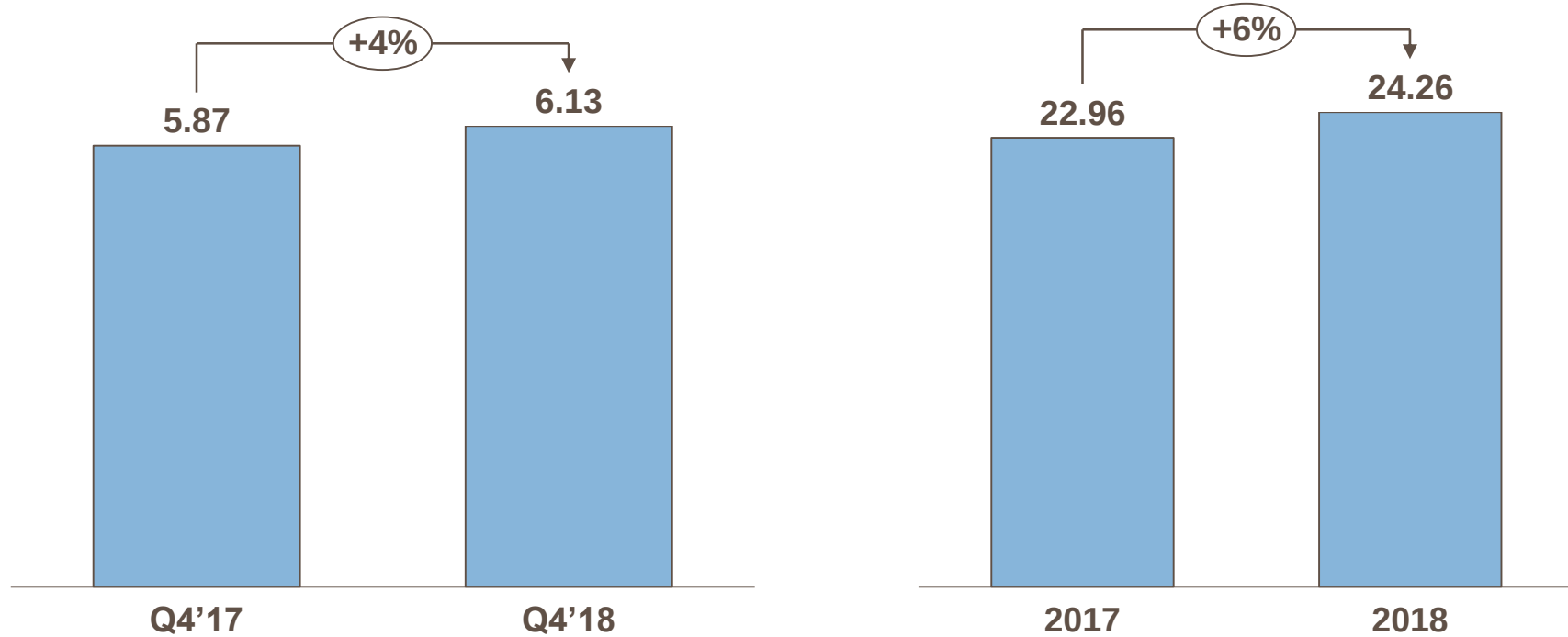
19%

CY 18 : ₹ 1,487 cr
CY 17 : ₹ 1,250 cr

In Q4'18 and CY '18, witnessed steady growth, Our well defined marketing and commercial strategies, increased sales of value added premium products and our continued focus on customer engagement has helped improve our reach in core markets.

Cement Sales Volumes

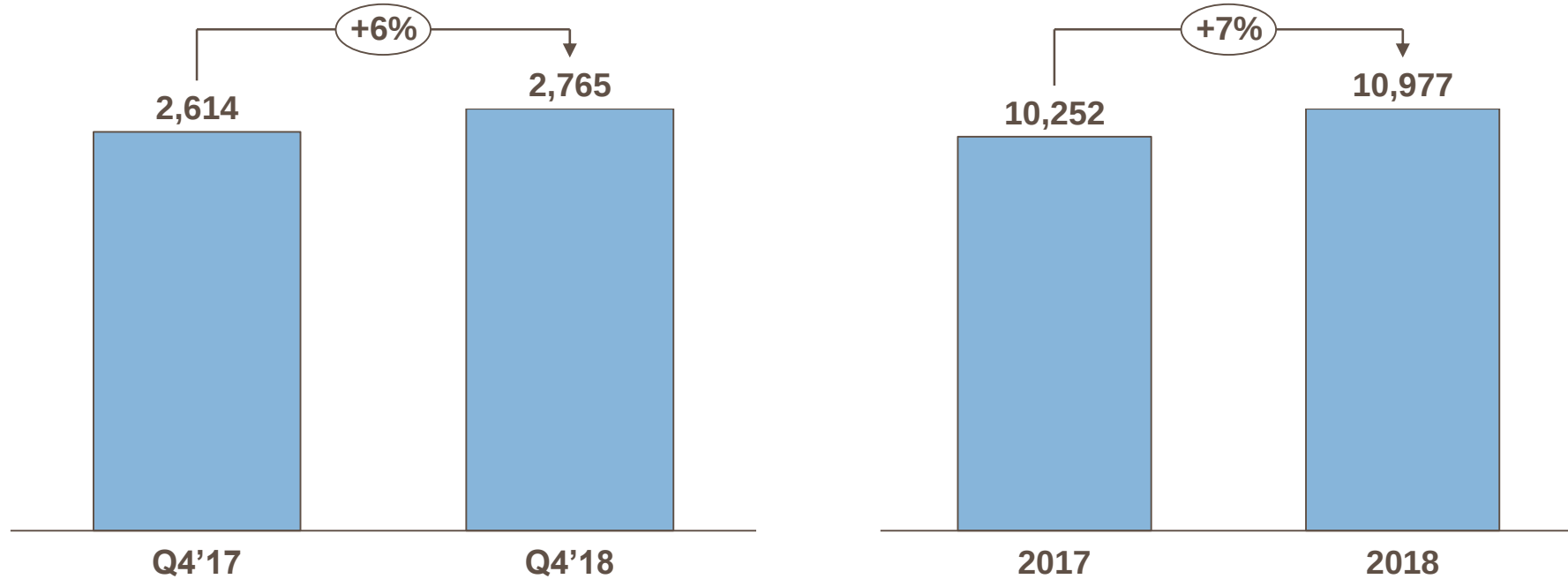
(Mn Tonnes)



- High growth of premium product portfolio (y-o-y growth of 38% Jan-Dec'18 vs Jan-Dec'17).
- Increased market share in retail segment.

Net Sales

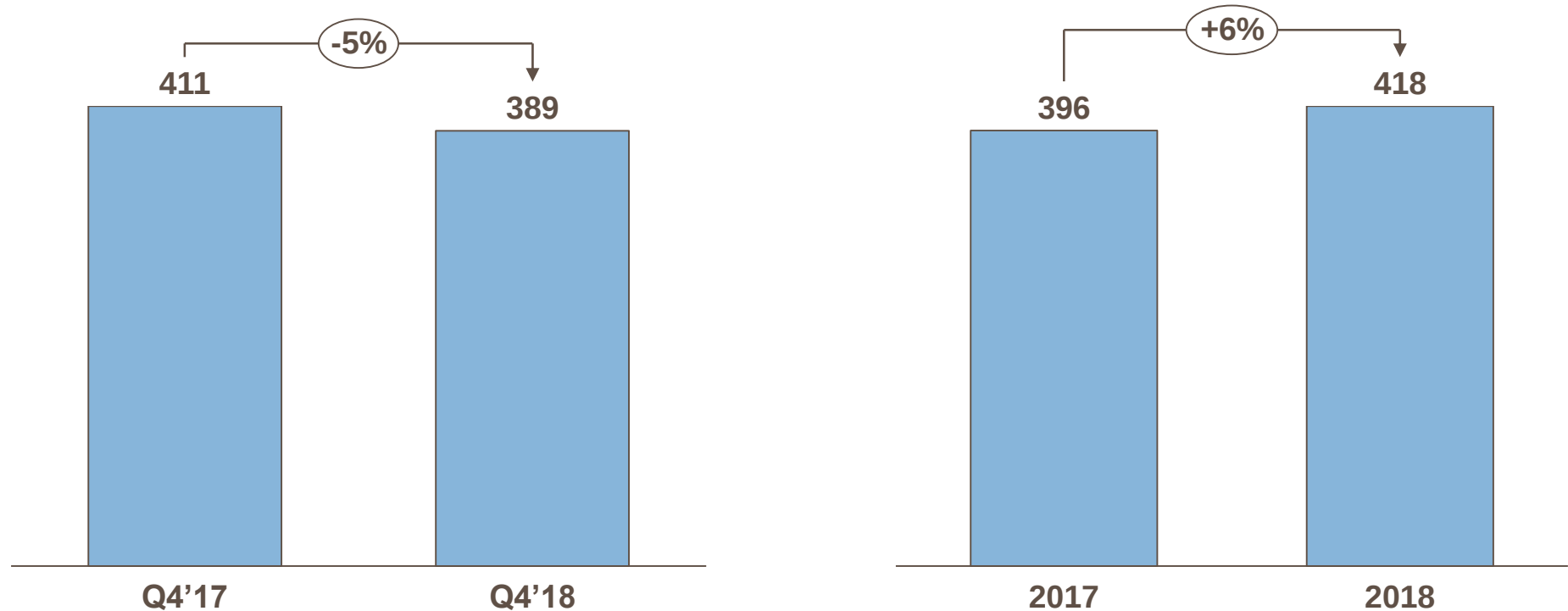
(Rs. Crore)



- Increased Premium Product Sales (Roof Special, Compocem and Cool Walls).
- Ambuja's customer oriented initiatives are creating differentiation resulting in increased sales.

Raw Material Cost

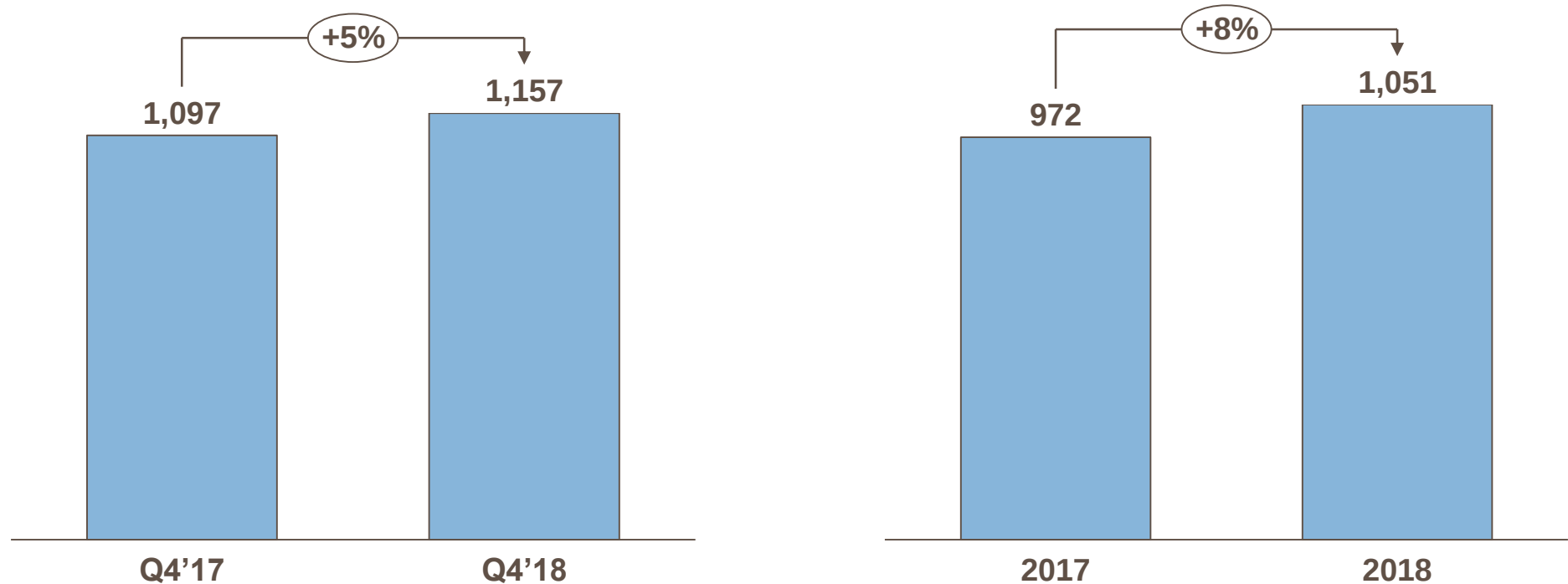
(Rs. / Tonne)



- Raw material sees a decline in Q4'18 vs Q4'17 due to lower gypsum rate and lower purchases of clinker. On a y-o-y basis raw material cost is higher in CY 2018 vs CY 2017, on account of rising input costs. However, the company has adopted various initiatives such as optimisation of additives and correctives in Raw Mix to contain costs.

Power & Fuel Cost

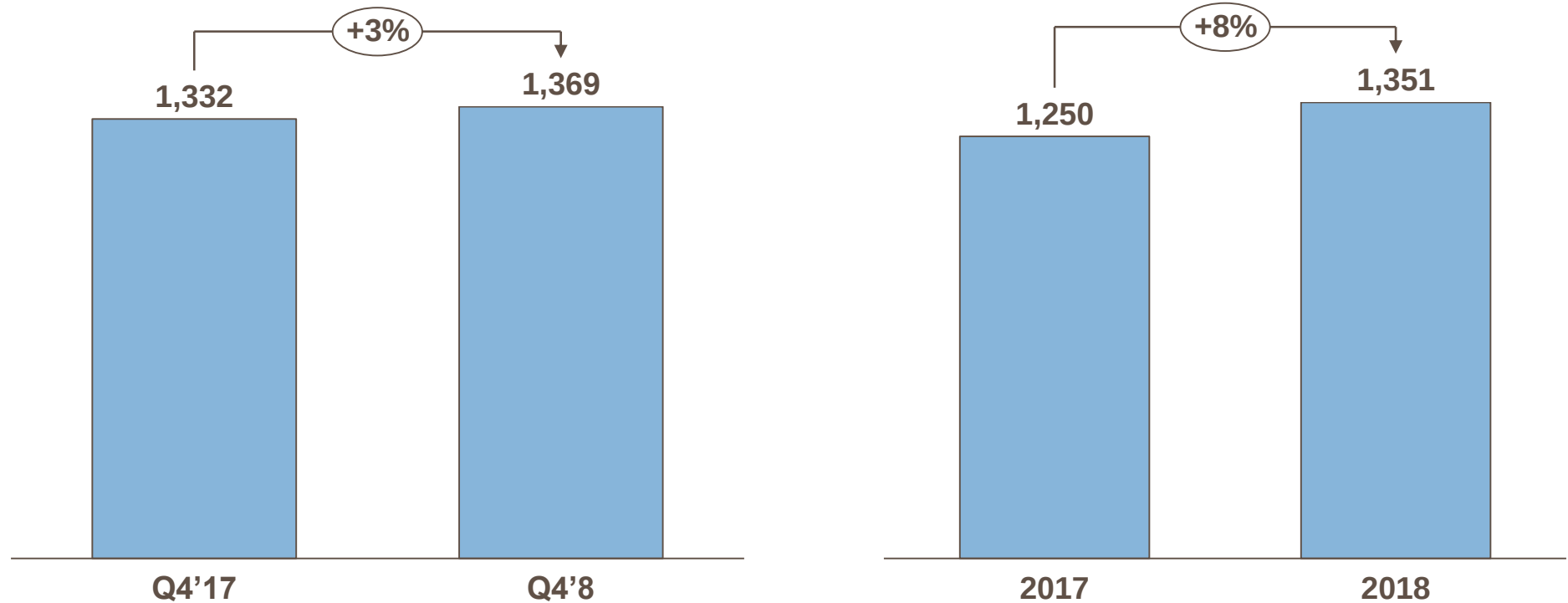
(Rs. / Tonne)



- Power & Fuel costs increased in Q4'18 as well as full Year 18 as a result of rising petcoke and fuel cost. This impact was partly mitigated through improved efficiencies.
- Efficiency parameters and cost saving initiatives helped offset impact of rising input cost, increased AFR usage.
- Commissioned our new Coal block Gare Palma ahead of schedule, which will help further in optimising our fuel mix.

Freight & Forwarding Cost

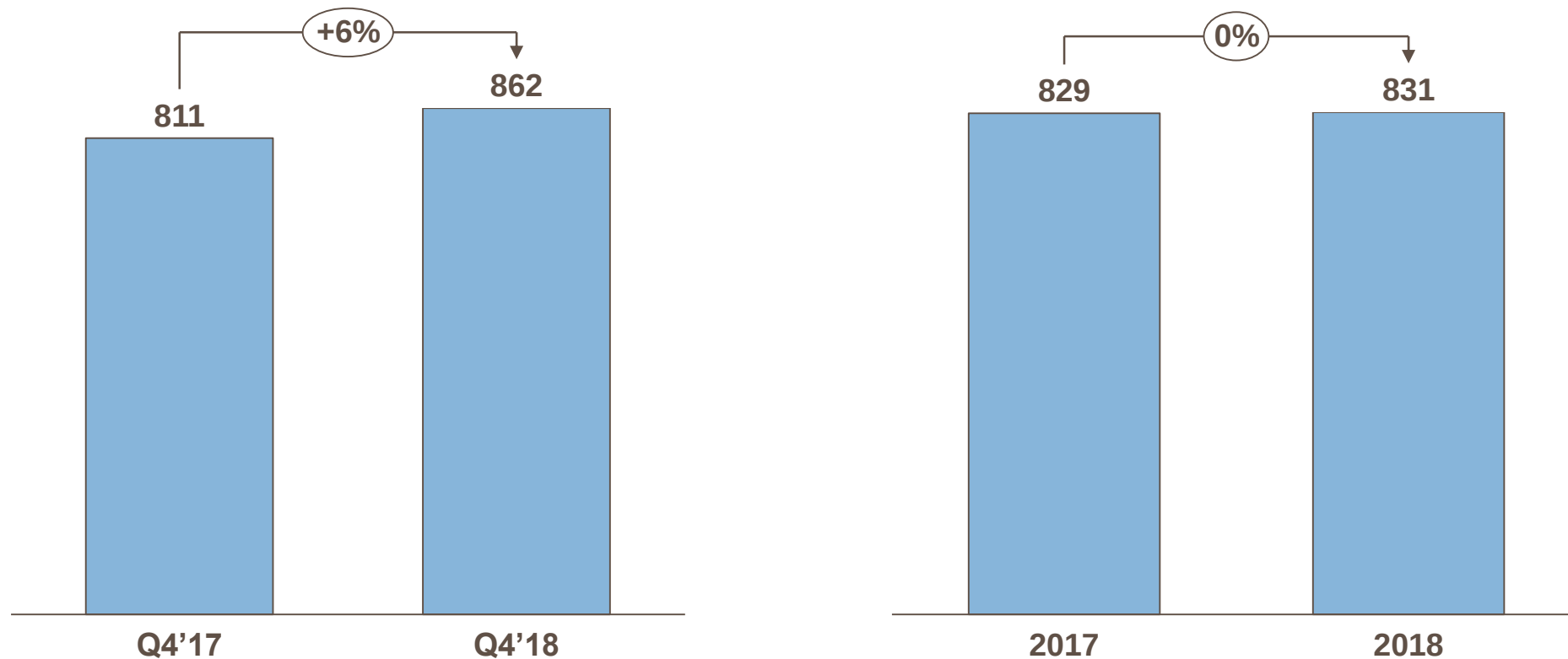
(Rs. / Tonne)



- Freight cost increased due to higher diesel prices, cost also increased due to inter regional cement and clinker movement adequately compensated by improved contribution.
- Better network management and operational efficiencies largely enabled mitigation of the fuel hike effect.

Other Expenses Cost

(Rs. / Tonne)



- Other expenses was flat y-o-y basis i.e. full year 18 vs 17 due to various fixed cost optimization measures.

Ind AS Result – Standalone – ₹ crore

Particulars	UOM	Q4'17	Q4'18	Standalone		YTD '17	YTD '18	+ / - PY
				+ / - PY				
Sales (net of excise duty)	₹ Cr	2,614	2,765	6%		10,250	10,977	7%
Op. EBITDA (Reported)	₹ Cr	541	404	-25%		1,940	1,891	-3%
<i>Op. EBITDA margin (Reported)</i>	%	20.7%	14.6%	-610 bps		18.9%	17.2%	-170 bps
Op. EBITDA (LFL)*	₹ Cr	508	404	-20%		1,895	1,891	0%
<i>Op. EBITDA margin (LFL)</i>	%	19.4%	14.6%	-480 bps		18.5%	17.2%	-130 bps
Depreciation	₹ Cr	143	136	-5%		573	548	-4%
Other Income	₹ Cr	48	85	77%		359	375	4%
Finance Cost	₹ Cr	22	19	-14%		107	82	-23%
Profit Before Exceptional Items and Tax (PBT) (INR Cr)	₹ Cr	424	334	-21%		1,619	1,636	1%
Exceptional item	₹ Cr	0	130	0%		0	130	0%
Profit Before Tax (PBT)	₹ Cr	424	204	-52%		1,619	1,506	-7%
Tax Expenses	₹ Cr	86	-333	-487%		369	19	-95%
Profit After Tax (PAT)#	₹ Cr	338	537	59%		1,250	1,487	19%
EPS	₹ / share	1.70	2.71	59%		6.29	7.49	19%
EPS excluding tax adjujustment	₹ / share	1.70	0.65	-62%		6.29	5.43	-14%

* Excludes

- Income related to VAT incentive of ₹ 33 crore, in Q4 2017
- Reversal of provision related to contribution towards District Mineral Fund under MMDRA Act, 2015, ₹ 45 crore, in previous year 2017

Includes

- Write-back of tax provisions relating to earlier years ₹ 372 crore in Q4 2018 and in current year 2018
- Charge towards exceptional item (net of tax) ₹ 85 crore in Q4 and in current year 2018

Ind AS Result – Consolidated – ₹ crore

Particulars	UOM	Q4'17	Q4'18	Consolidated			
				+ / - PY	YTD '17	YTD '18	+ / - PY
Sales (net of excise duty)	₹ Cr	6,021	6,545	9%	23,126	25,419	10%
Op. EBITDA (Reported)	₹ Cr	986	908	-8%	3,858	4,011	4%
<i>Op. EBITDA margin</i>	%	16.4%	13.9%	-250 bps	16.7%	15.8%	-90 bps
Op. EBITDA (LFL)*	₹ Cr	919	908	-1%	3,779	4,011	6%
<i>Op. EBITDA margin (LFL)</i>	%	15.3%	13.9%	-140 bps	16.3%	15.8%	-50 bps
Depreciation	₹ Cr	303	292	-4%	1,220	1,154	-5%
Other Income	₹ Cr	94	122	30%	323	371	15%
Finance Cost	₹ Cr	54	40	-26%	206	170	-17%
Share of profit in associates and joint ventures	₹ Cr	4	4	0%	13	13	0%
Profit Before Exceptional Items and Tax (PBT) (INR Cr)	₹ Cr	727	702	-3%	2,768	3,071	11%
Exceptional items	₹ Cr	0	105	0%	0	152	0%
Profit before tax (PBT)	₹ Cr	727	597	-18%	2,768	2,919	5%
Tax Expenses	₹ Cr	249	-781	-414%	823	-54	-107%
Profit after tax (PAT)#	₹ Cr	478	1,378	188%	1,945	2,973	53%
Non-controlling interest	₹ Cr	69	404	486%	429	795	85%
Profit for the period attributable to owners	₹ Cr	409	974	138%	1,516	2,178	44%
EPS	₹ / share	2.06	4.91	138%	7.64	10.97	44%
EPS excluding tax adjujustment	₹ / share	2.06	1.59	-23%	7.64	7.65	0%

* Excludes

- Income related to VAT incentive of ₹ 33 crore, in Q4 2017
- Reversal of provision related to contribution towards District Mineral Fund under MMDRA Act, 2015, ₹ 79 crore in previous year 2017 and ₹ 34 crore in Q4 2017

Includes

- Write-back of tax provisions relating to earlier years ₹ 873 crore in Q4 2018 and current year 2018
- Charge of exceptional items (net of tax) ₹ 68 crore in Q4 2018 and ₹ 99 crore in current year 2018

Ambuja - Financial Position – Standalone – ₹ in crore

Particulars	Standalone	
	Dec 17	Dec 18
Shareholders funds	19,973	21,013
Non Current Liabilities	527	459
Current Liabilities	4,127	3,715
Equity & Liabilities	24,627	25,187
Fixed Assets	5,693	5,563
Non Current Investments	11,845	11,814
Non Current Loan and advances	67	60
Other Non Current assets	1,512	1,995
Current Assets	5,510	5,755
Assets	24,627	25,187

Other key highlights for the Quarter



Ambuja Cement launches 'PuraSand' for plaster in Mumbai



Ambuja Plus Cool Walls launched in Nagpur



Best Corporate (Large Category) ICSI CSR Excellence Award for holistic CSR efforts



Ambuja shines with highest number of wins at CII-ITC Sustainability Awards



Ambuja ranks # 02 in Responsible Business Ranking 2018
(A research report released by IIM Udaipur)



Ambuja launches accident insurance policy for truckers benefiting over 12000 drivers

Sustainability a way of life

Ambuja Cement aspires to be the most competitive and sustainable company in the cement manufacturing industry. Acting in a sustainable manner is not only a business imperative but also provides the company with a competitive advantage

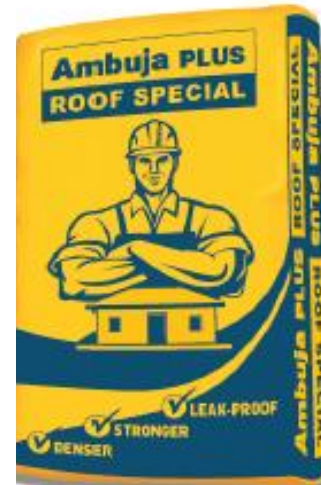


Create value for all stakeholders

Ambuja is committed to deliver **Best Quality Product, Best Support & Best Service**



Strong brand commanding a high price premium



**Ambuja PLUS
ROOF SPECIAL**

**Ambuja PLUS
COOL WALLS**

Premium Product & Value offering

**Ambuja
Cement**