Ambuja Cement

ACL:SEC: July 25, 2018

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Dear Sir,

Sub: Investor Presentation on the Financial Results for the quarter and half ended June 30, 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 half year ended June 30, 2018.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Ambuja Cements Limited

Rajiv N. Gandhi

Rajiv Gandhi
Company Secretary
Membership No. A11263

Ambuja partners in iconic Krishanganaga Hydro Project

Robust Growth

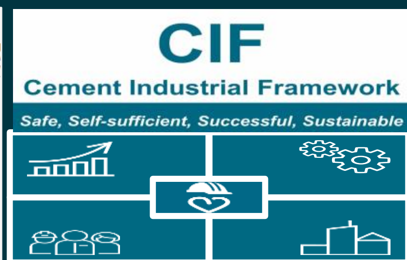
Faster Ramp-up – 5x growth

Coal Block - Open Cast mine is starrting ahead of Schedule in Jul'18

87% cement capacity utilization

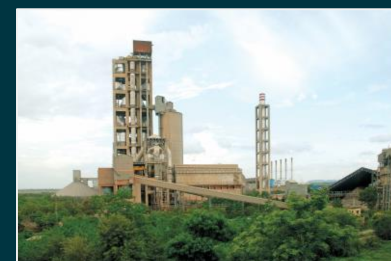
MCW 7th ranked in LH Global CIPR ranking

Launched CIF at 10 plants



Enhanced Petcoke utilization in kilns

Ambujanagar – Good AFR Performance



Leads Skill India Mission in Rajasthan

Investor Presentation

25th July, 2018

Disclaimer / Safe Harbour

Cautionary statement regarding forward-looking statements

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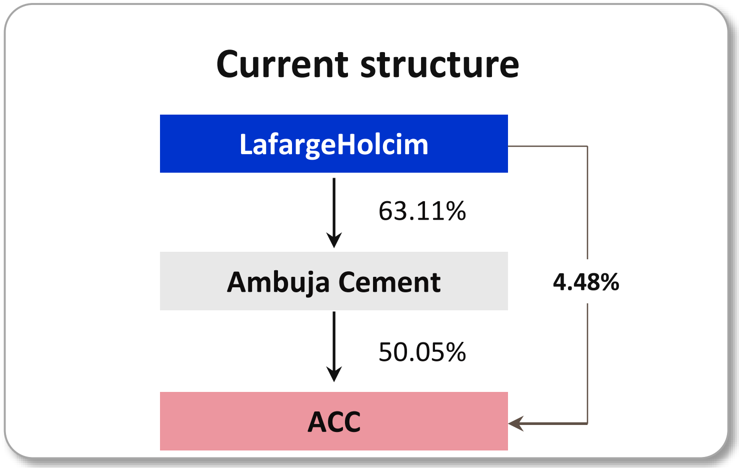
Ambuja Cement (ACL): Leading cement company in India

- 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 of Rs. ~47 bn.

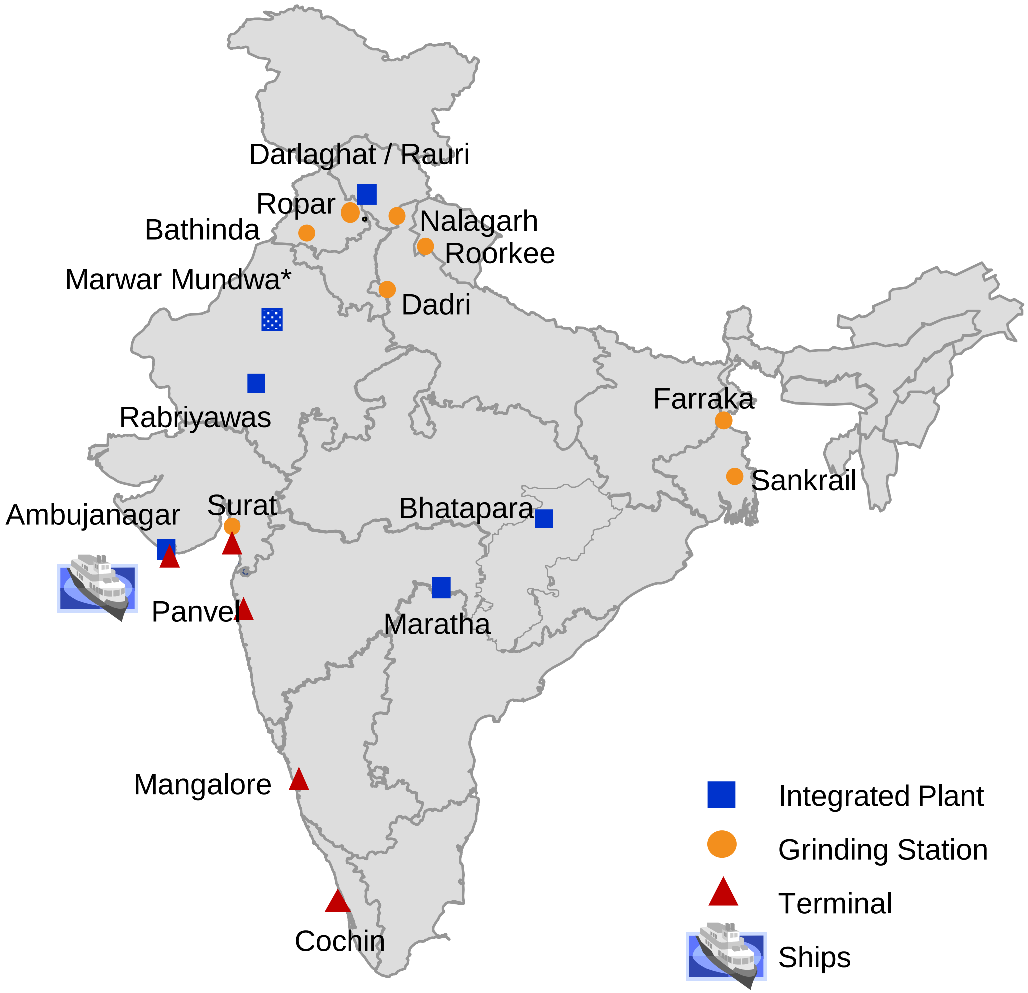


ACL - Strategies in place to enhance value

- Q2’18 cement capacity utilization at 87%
- Post successful ballot, to unlock synergies via Master Supply Agreement.
- The company proposes to set up a 3.1 Million Tonnes (9500 tpd) clinkerisation plant at Marwar Mundwa in Rajasthan. The Board of Directors have approved an initial investment of Rs.1,391 Crore towards the first phase of 1.7 Million Tonnes (5000 tpd) capacity which is expected to be commissioned in the second half of 2020.
- 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 …

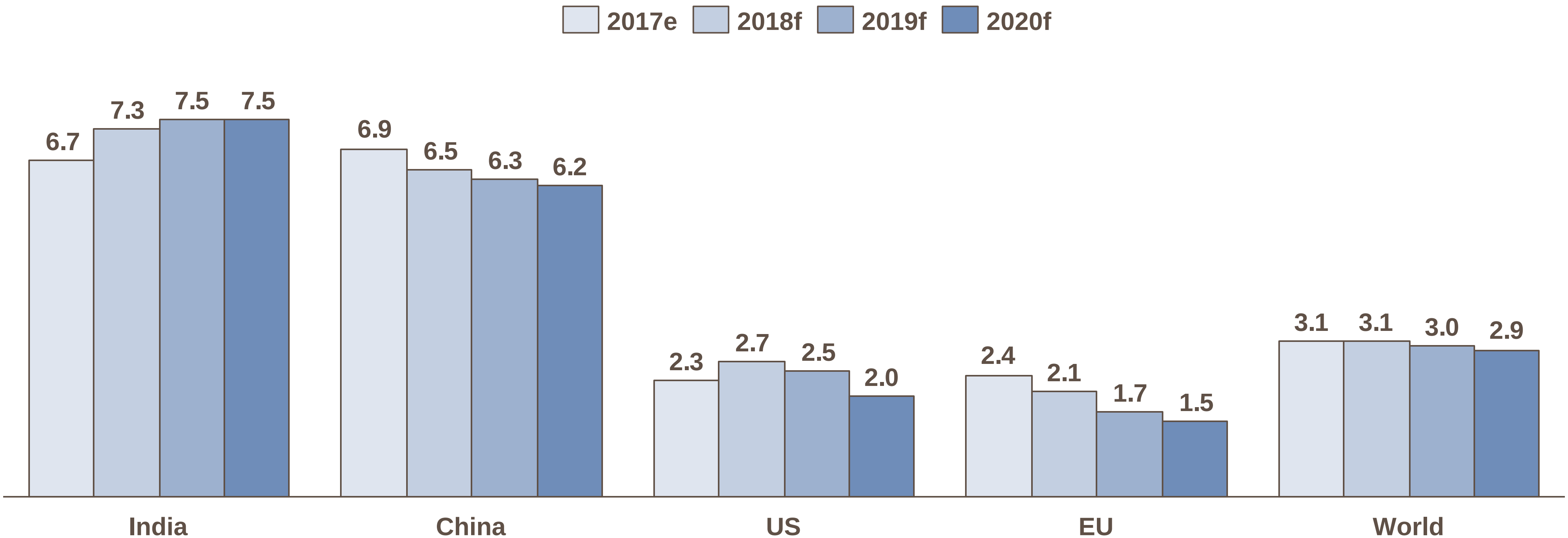


Physical infrastructure

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 expected to grow in 2018 and 2019 due to recovery in investment



- **Growth in India is projected to advance to 7.3% in the Fiscal Year 2018/19 (April 1, 2018-March 31, 2019) and 7.5% in FY 2019/20, reflecting robust private consumption and strengthening investment.** ***(Source – World Bank)***

Source: World Bank, e= estimate, f = forecast

2018 Potential drivers for cement demand

Infrastructure & Housing

- Increased focus on "Housing for All by 2022", target to construct 12 mn houses for urban residents. The government wants to complete it by 2020. Also launched PMAY (Rural) with an aim to build 10.2 mn houses in rural areas by March 2019. The government wants to complete the rural scheme by 2018 end.
- Government's continuous focus and spending on road construction. In fiscal 2018 ~17,000 km road projects, were being awarded by both the Ministry of Road Transport and Highways and NHAI. Pace of construction, at 27 km per day. Construction is expected to accelerate to 32 km per day by 2020 given NHAI's sharp focus on award of projects under the Bharatmala programme. (Source Crisil)

Focus on improving Rural income

- Increase in Minimum Support Price (MSP) for kharif crops by the Government to benefit farmers.
- Increase in allocation for irrigation projects under Pradhan Mantri Krishi Sinchayi Yojna (PMKSY).
- Increase in allocation for rural road construction (under the Pradhan Mantri Gram Sadak Yojana).

These initiatives would benefit the rural economy

Cement demand to see a positive growth backed by infrastructure development, housing and increased rural spends

Brand Architecture

Ambuja Cement
Giant Compressive Strength

- **Base**
  - Ambuja Cement
  - Ambuja BUILDCEM – ACTIVATED POZZOLANA CEMENT
- **Premium**
  - Ambuja PLUS ROOF SPECIAL
  - Ambuja Cement COMPOCEM
  - Ambuja POWERCEM – HIGH STRENGTH CEMENT
  - Ambuja RAILCEM – HIGH EARLY STRENGTH CEMENT
- **Solutions & services**
  - Ambuja Technical Services Expert
  - *IMP & MCS
  - Ambuja PLUS COOL WALLS
  - AKC
  - CF – Ambuja Concrete Futures Lab
  - ALCCOFINE MICRO MATERIALS

Sales of premium products has grown strongly and outperforms the normal growth trend

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

Performance highlights – Q2 18 vs Q2 17

Capacity Utilization Up

5pp

Q2 18 : 87%
Q2 17 : 82%

Cement Volumes Up

5%

Q2 18 : 6.37 mn t
Q2 17 : 6.05 mn t

Net Sales YoY growth

4%

Q2 18 : ₹ 2927 cr
Q2 17 : ₹ 2817 cr

PBT Growth

20%

Q2 18 : ₹ 658 cr
Q2 17 : ₹ 547 cr

PAT Growth

27%

Q2 18 : ₹ 499 cr
Q2 17 : ₹ 392 cr

EPS Growth

27%

Q1 18 : ₹ 2.5 /Share
Q1 17 : ₹ 2.0 /Share

Performance highlights – H1 18 vs H1 17

Capacity Utilization Up

4pp

Q2 18 : 86%
Q2 17 : 82%

Cement Volumes Up

4%

Q2 18 : 12.59 mn t
Q2 17 : 12.07 mn t

Net Sales YoY growth

6%

Q2 18 : ₹ 5690 cr
Q2 17 : ₹ 5347 cr

PBT Growth

22%

Q2 18 : ₹ 1051 cr
Q2 17 : ₹ 859 cr

PAT Growth

21%

Q2 18 : ₹ 771 cr
Q2 17 : ₹ 639 cr

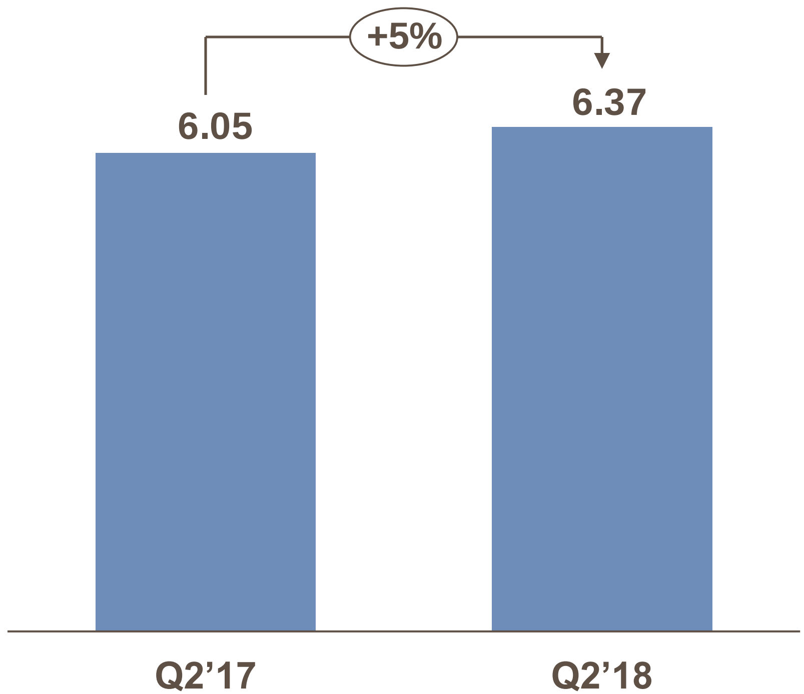
EPS Growth

21%

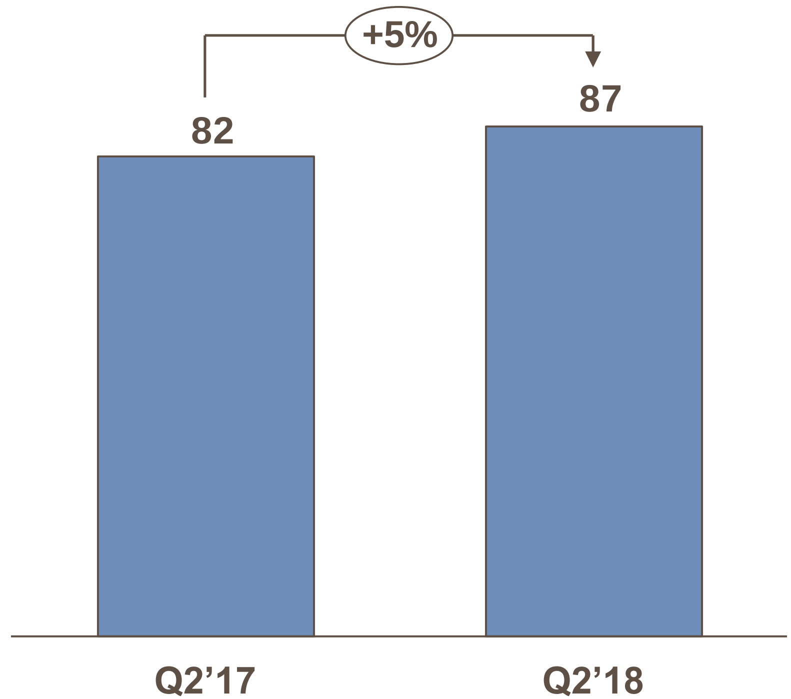
Q1 18 : ₹ 3.9 /Share
Q1 17 : ₹ 3.2 /Share

Cement Sales Volumes and Capacity Utilization

(Mn Tonnes)



Sales Volumes

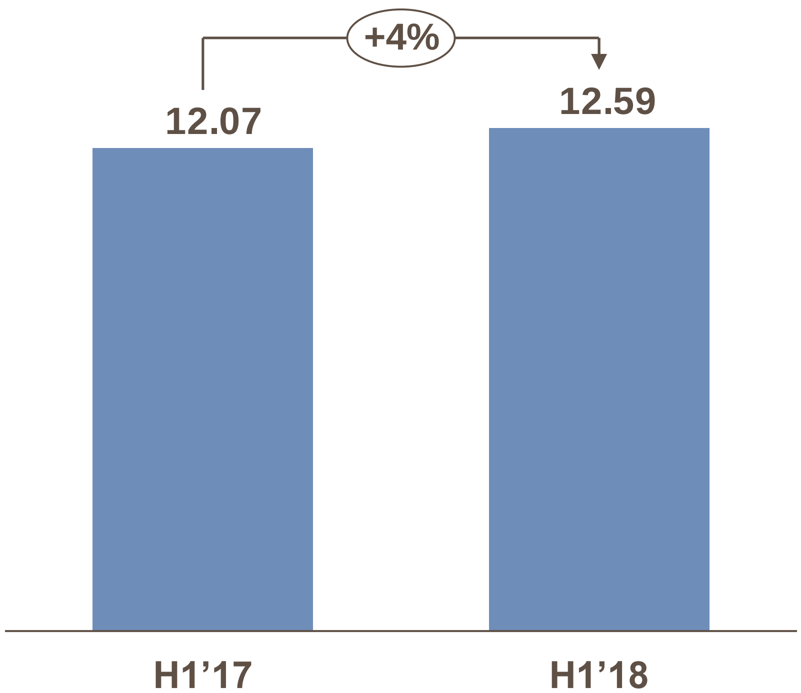


Capacity Utilisation

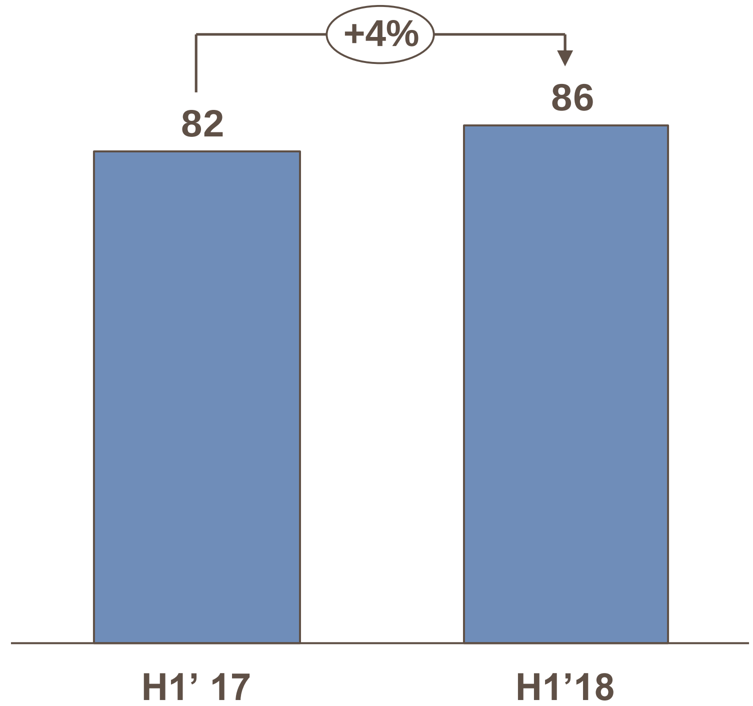
- Strong growth in Individual Housing Building (IHB) segment
- Increased participation in the Building and Infrastructure segment
- Capacity utilisation improved 5pp in Q2'18 vs % in Q2'17

Cement Sales Volumes and Capacity Utilization

(Mn Tonnes)



Sales Volumes



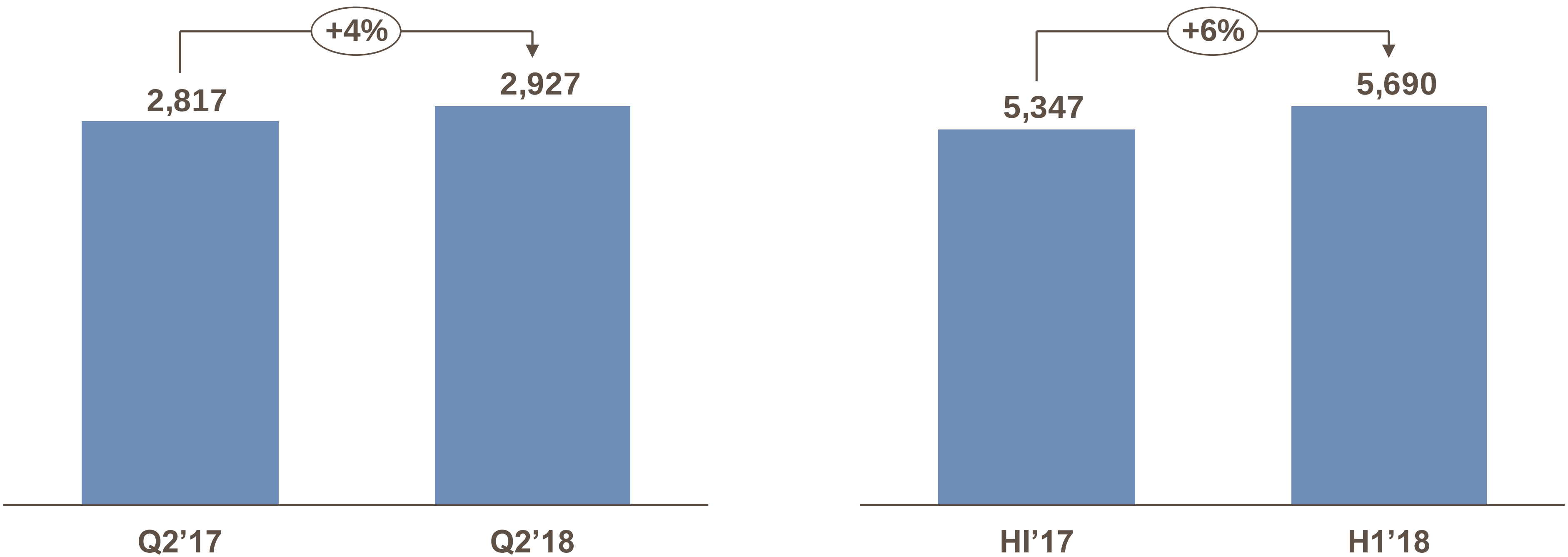
Capacity Utilisation

- Strong growth in Individual Housing Building (IHB) segment.
- Increased participation in the Building and Infrastructure segment.
- Capacity utilisation improved 4pp in H1'18 vs % in H1'17

I CAN.

Net Sales

(INR Crore)

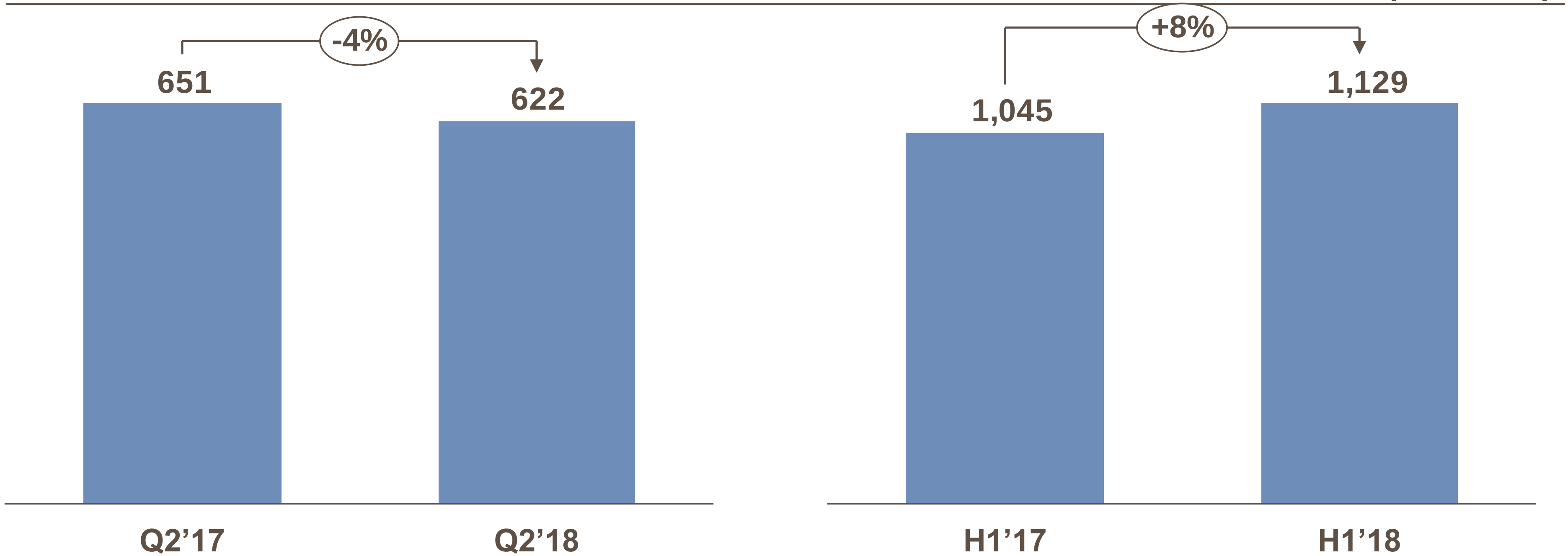


- Focus on Premium Products (Compocem and Roof Special)
- Sales of Premium Products has grown strongly
- Ambuja's customer oriented initiatives is creating differentiation resulting in increased sales

Ambuja Cement

EBITDA

(INR Crore)



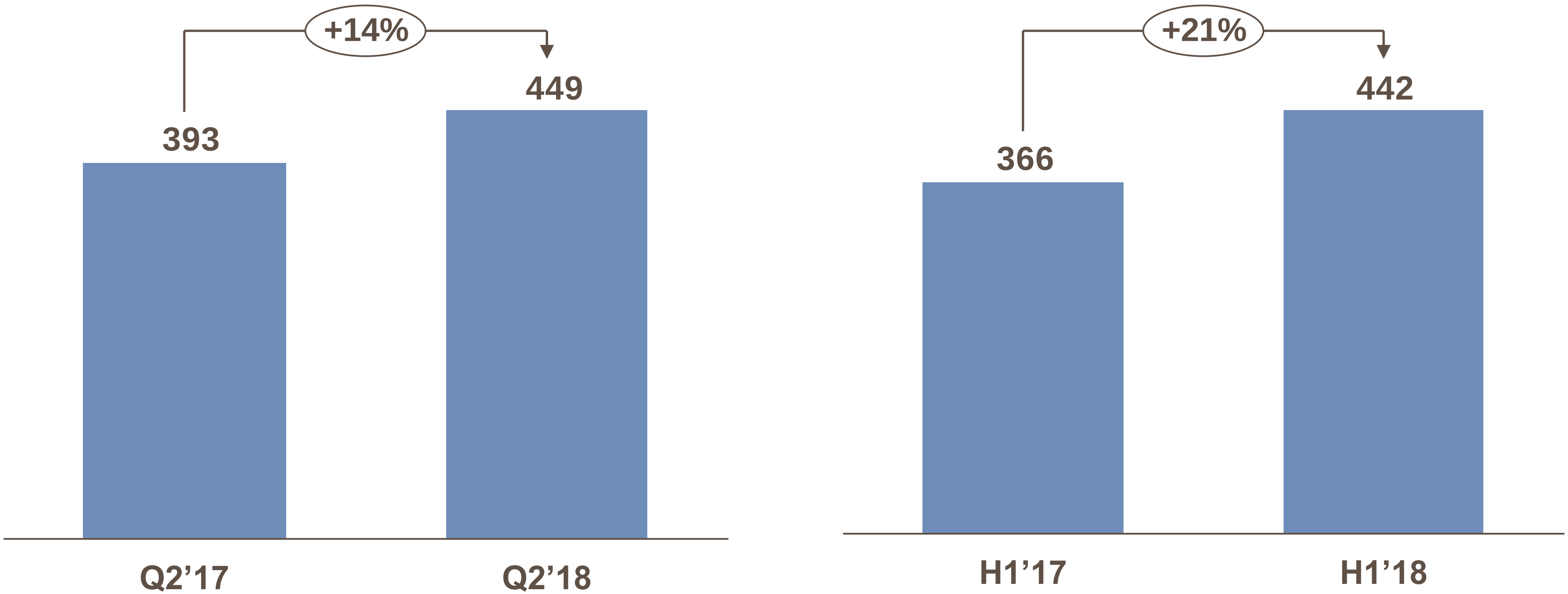
- Sales growth of premium brands - Compocem and Roof Special,

  and

- Improvements in productivity and efficiency parameters, combined with cost saving measures contributed to the increase in Operating EBITDA in H1’18 by 8%.

Raw Material Cost

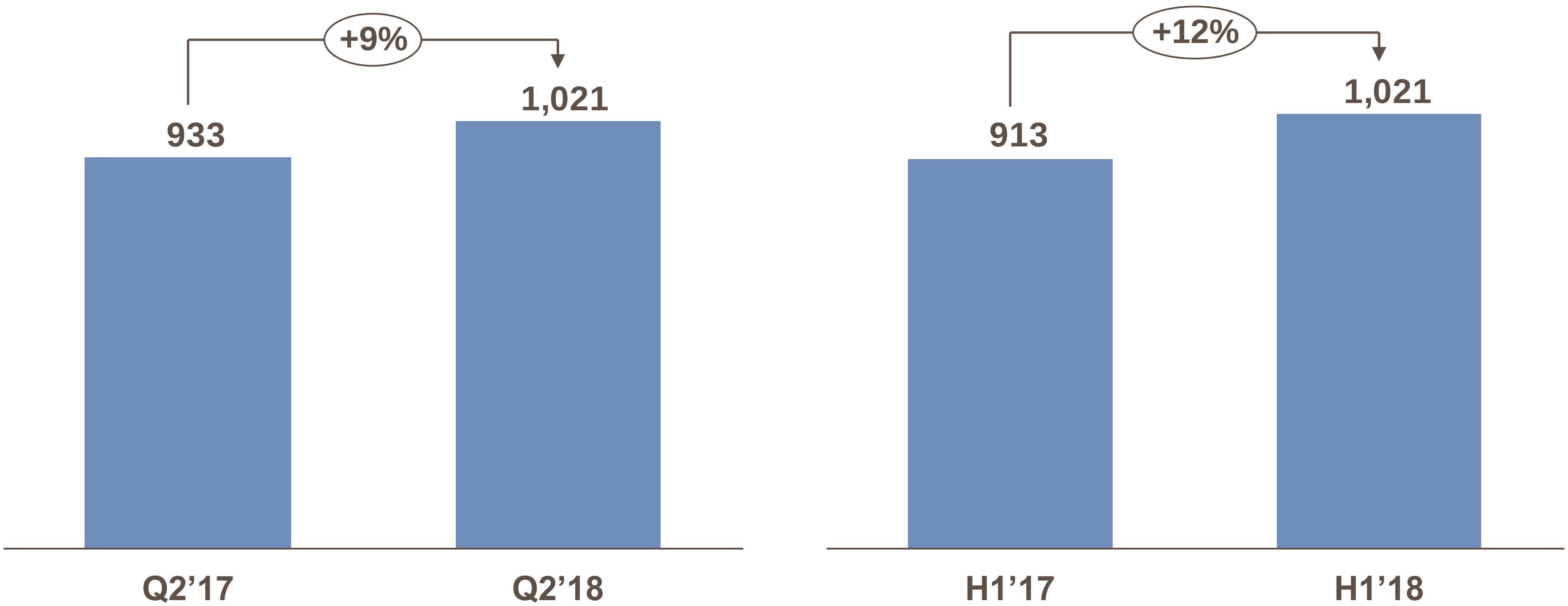
(INR / Tonne)



- **Raw Material cost impacted due to increase in Fly ash and gypsum cost on a y-o-y basis in Q2'18 and H1'18.**

Power & Fuel Cost

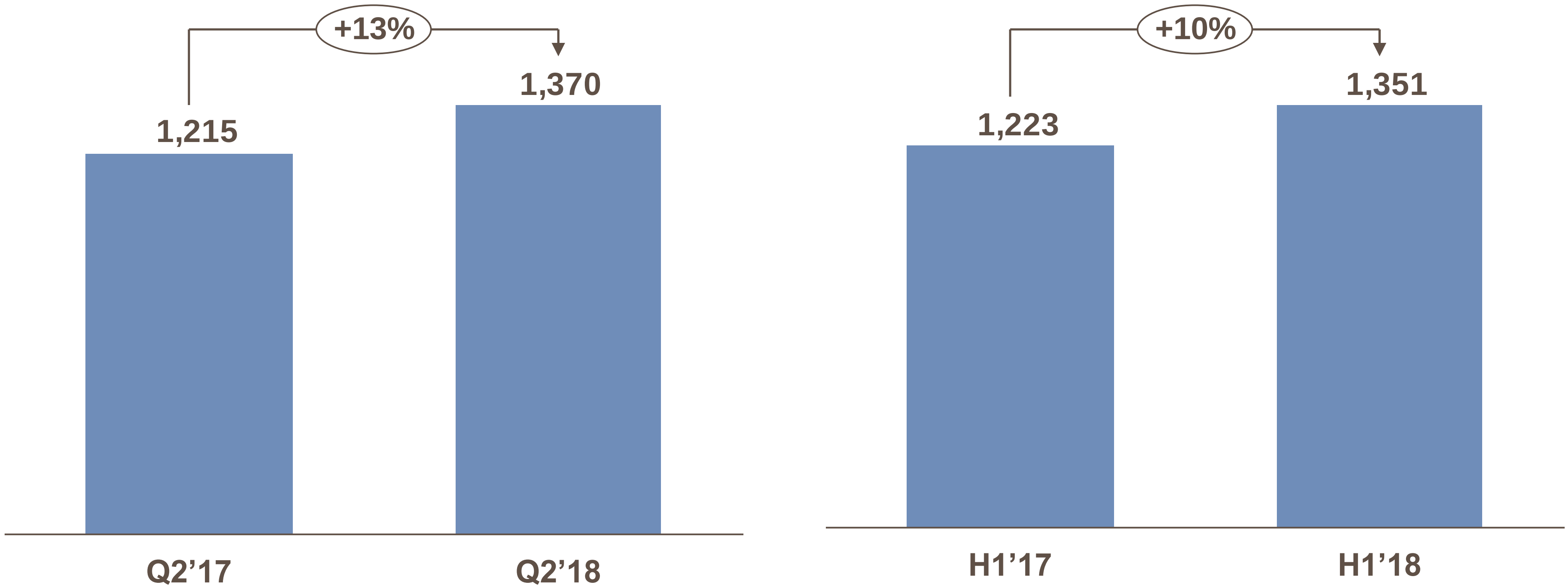
(INR / Tonne)



- **Power & Fuel cost sees increase on a y-o-y basis due to rise in coal and petcoke prices, however this was partly mitigated by improved efficiencies and productivity improvements.**

Freight & Forwarding Cost

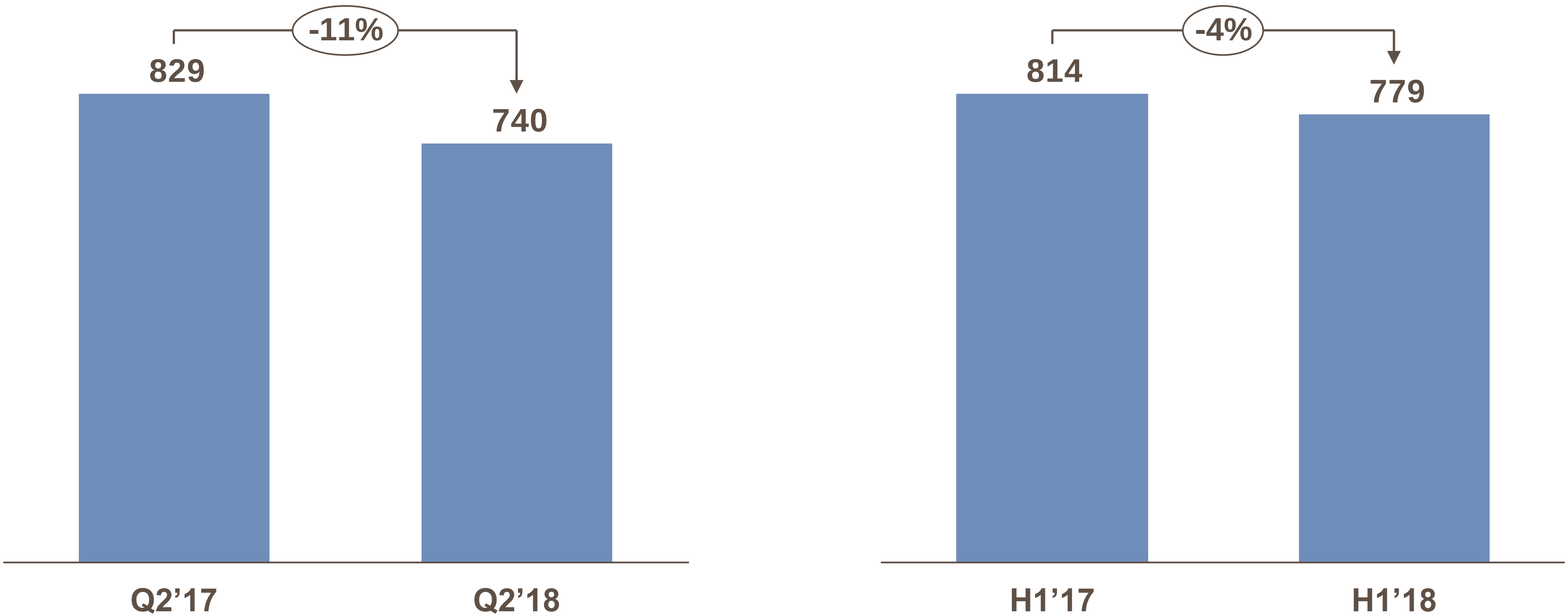
(INR / Tonne)



- Freight cost is higher y-o-y basis due to increase in lead and diesel prices and clinker movement through external sidings due to shortage of adequate availability of rakes in the east.

Other Expenses Cost

(INR / Tonne)



- Other expenses sees a fall on a y-o-y basis, due to various cost saving measures undertaken.

Ind AS Result – Standalone – ₹ crore

I CAN.

Net Sales up **4%** PBT up **20%** PAT up **27%**

Particulars	UOM	Q2'17	Q2'18	Standalone + / - PY
Sales (net of excise duty)	₹ Cr	2817	2927	4%
Op. EBITDA	**₹ Cr**	**651**	**622**	**-4%**
Op. EBITDA margin	%	23.1	21.3	-180 bps
Depreciation	₹ Cr	144	136	-5%
Other Income	₹ Cr	56	191	241%
Finance Cost	₹ Cr	17	19	12%
Profit Before Tax (PBT)	**₹ Cr**	**547**	**658**	20%
Tax Expenses	₹ Cr	154	159	3%
Profit After Tax (PAT)	**₹ Cr**	**392**	**499**	**27%**
EPS	₹ / share	2.0	2.5	26%

I CAN.

Ambuja- Balance Sheet– Standalone – ₹ crore

Particulars	Standalone	
	Dec-17	Jun-18
Shareholders funds	19,973	20,299
Non Current Liabilities	527	506
Current Liabilities	4,117	3,909
Equity & Liabilities	**24,617**	**24,714**
Fixed Assets	5,693	5,561
Non Current Investments	11,845	11,814
Non Current Loan and advances	67	74
Other Non Current assets	1,520	1,587
Current Assets	5,492	5,678
Assets	**24,617**	**24,714**

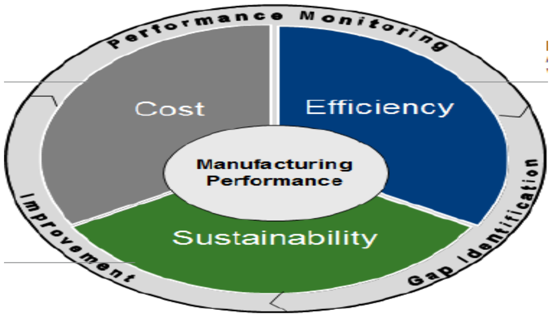
Ind AS Result – Consolidated – ₹ crore

				Consolidated
Particulars	**UOM**	**Q2'17**	**Q2'18**	**+ / - PY**
Sales (net of excise duty)	₹ Cr	6145	6683	9%
Op. EBITDA	**₹ Cr**	**1290**	**1250**	**-3%**
Op. EBITDA margin	%	21%	19%	-200 bps
Depreciation	₹ Cr	308	286	-7%
Other Income	₹ Cr	81	82	1%
Finance Cost	₹ Cr	38	46	22%
Share of profit in associates and joint ventures	₹ Cr	3	2	-14%
Profit Before Tax (PBT)	**₹ Cr**	**1029**	**1002**	**-3%**
Tax Expenses	₹ Cr	310	318	2%
Profit After Tax (PAT)	**₹ Cr**	**718**	**684**	**-5%**
Non-controlling interest	₹ Cr	163	159	-2%
Net profit for the period	**₹ Cr**	**555**	**526**	**-5%**
EPS	₹ / share	2.8	2.6	-5%

Ind AS Result – Consolidated – ₹ crore

Particulars	UOM	H1'17	H1'18	Consolidated + / - PY
Sales (net of excise duty)	₹ Cr	11782	12997	10%
Op. EBITDA	**₹ Cr**	**2099**	**2252**	**7%**
Op. EBITDA margin	%	17.8%	17.3%	-50 bps
Depreciation	₹ Cr	620	574	-7%
Other Income	₹ Cr	156	168	8%
Finance Cost	₹ Cr	100	91	-9%
Share of profit in associates and joint ventures	₹ Cr	5.6	6.1	9%
Profit Before Tax (PBT)	**₹ Cr**	**1540**	**1761**	**14%**
Tax Expenses	₹ Cr	425	562	32%
Profit After Tax (PAT)	**₹ Cr**	**1115**	**1199**	**7%**
Non-controlling interest	₹ Cr	268	283	6%
Net profit for the period	**₹ Cr**	**847**	**915**	**8%**
EPS	₹ / share	4.3	4.6	8%

Other key highlights for the Quarter



MCW Plant Globally Ranked 7th in LafargeHolcim CIPR Ranking 2017

Ambuja Cement partners in iconic Kishanganga 330 MW Hydro Power Project - Supplied value added Micro fine products for special Concrete

Gare Palma Coal Block - Open Cast mine (0.6 mt) is starrting ahead of Schedule in Jul'18 (Originally Scheduled by Dec'18)

CIF Cement Industrial Framework

SAFE, SELF-SUFFICIENT, SUSTAINABLE AND SUCCESSFUL

CIF Lunched in 10 Plants
"Standardization of processes for sustainable operation of plants"

Celebration of Global H&S Safety Days and Road Safety Campaign

Ambuja Cement Leads Skill India Mission in Rajasthan

***Cement Industrial Performance Report**

Ambuja Cement