Ambuja Cement

ACL:SEC: July 25, 2019

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Dear Sir,

Sub: Investor Presentation on the Financial Results for the quarter and half year ended June 30, 2019

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, 2019.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Ambuja Cements Limited

Rajiv N. Gandhi

Rajiv Gandhi
Company Secretary
Membership No. A11263

Darlaghat Plant

Investor Presentation

25th July, 2019

Ambuja Cement

Disclaimer / Safe Harbour

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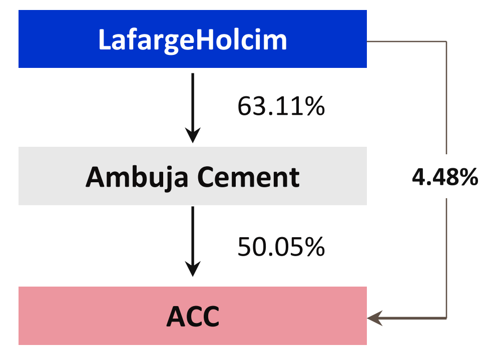
Ambuja Cement (ACL): Leading cement company in India

- 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 **INR 62 bn**

Current structure



Ambuja's - Strategies in place to enhance value

- Q2'19 cement capacity utilization at 79%
- 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 support process costs.

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. For three decades, Ambuja Cements has provided hassle-free home building solutions with its unique sustainable development projects and environment-friendly practices.

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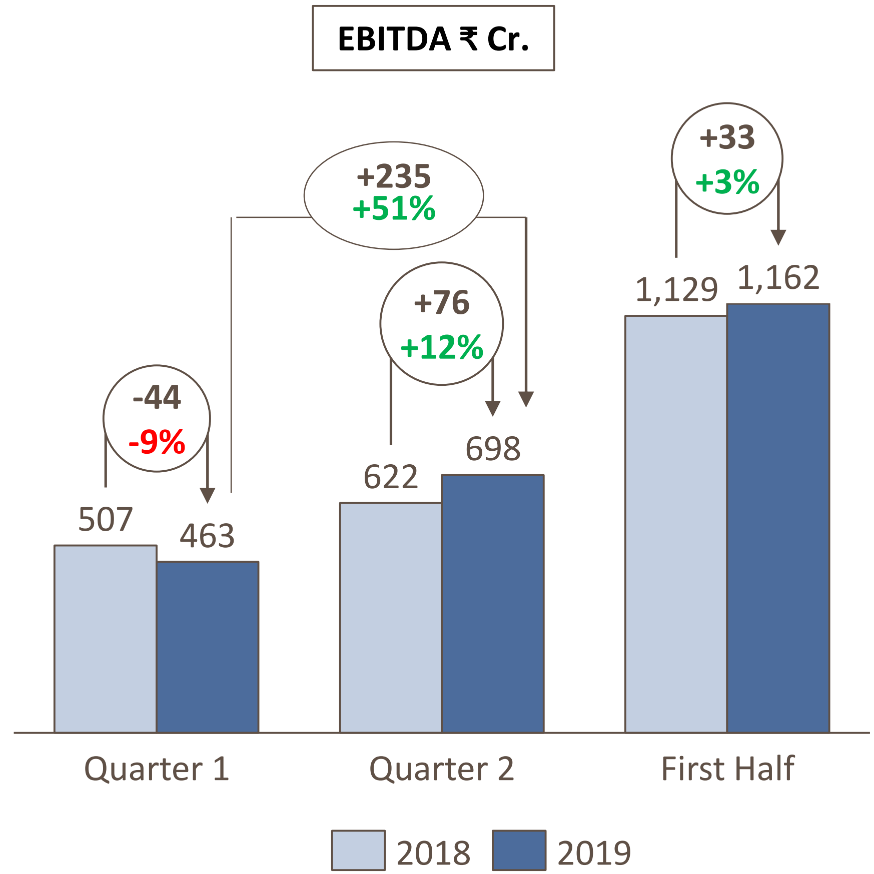
Performance Highlights

- **Ambuja delivers a strong performance in Q2 2019 on account of accelerated cost saving actions especially by optimizing logistics costs, reducing raw material and fixed costs**
- **Increase in EBITDA by 51% QoQ & 12% YoY**
- **EBITDA margin at 24% up by 270 bps YoY**



Performance Highlights

Performance Analysis

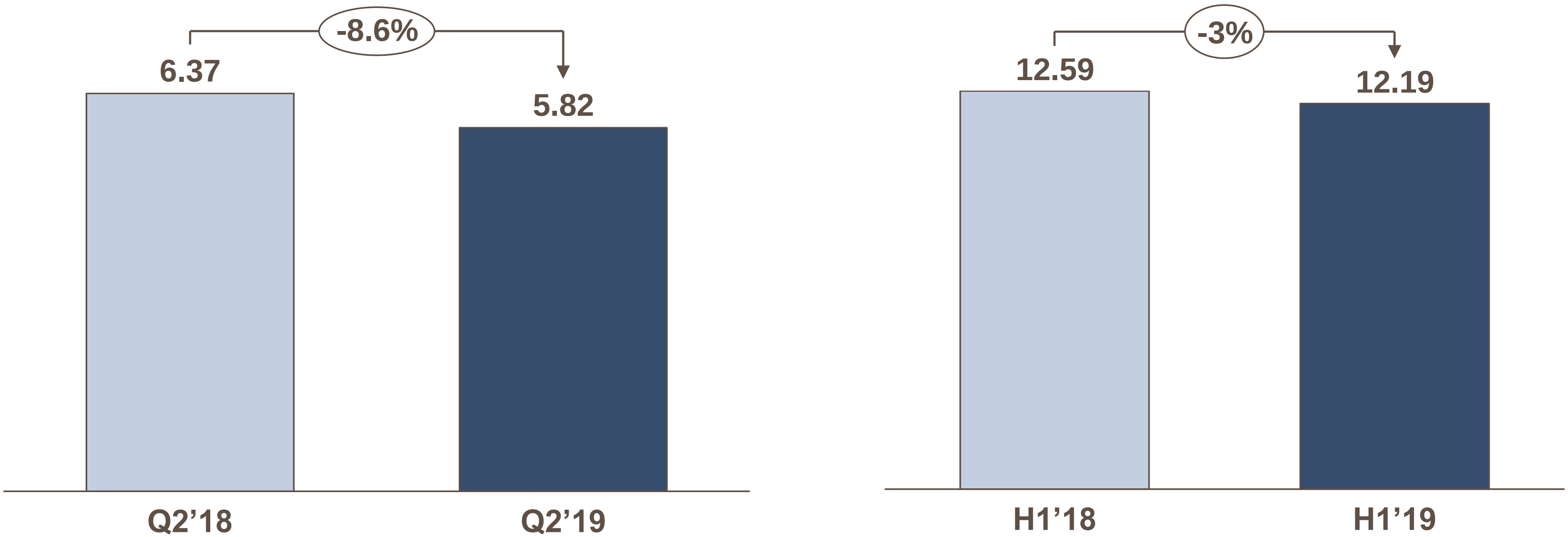
Standalone, Consolidated Financial Performance

Other New Initiatives undertaken in the Quarter

Ambuja Cement

Cement Sales Volumes

Mn Tonnes



Cement demand was muted in the quarter ended June’19, as the pace of construction activities slowed down due to liquidity issues in the market

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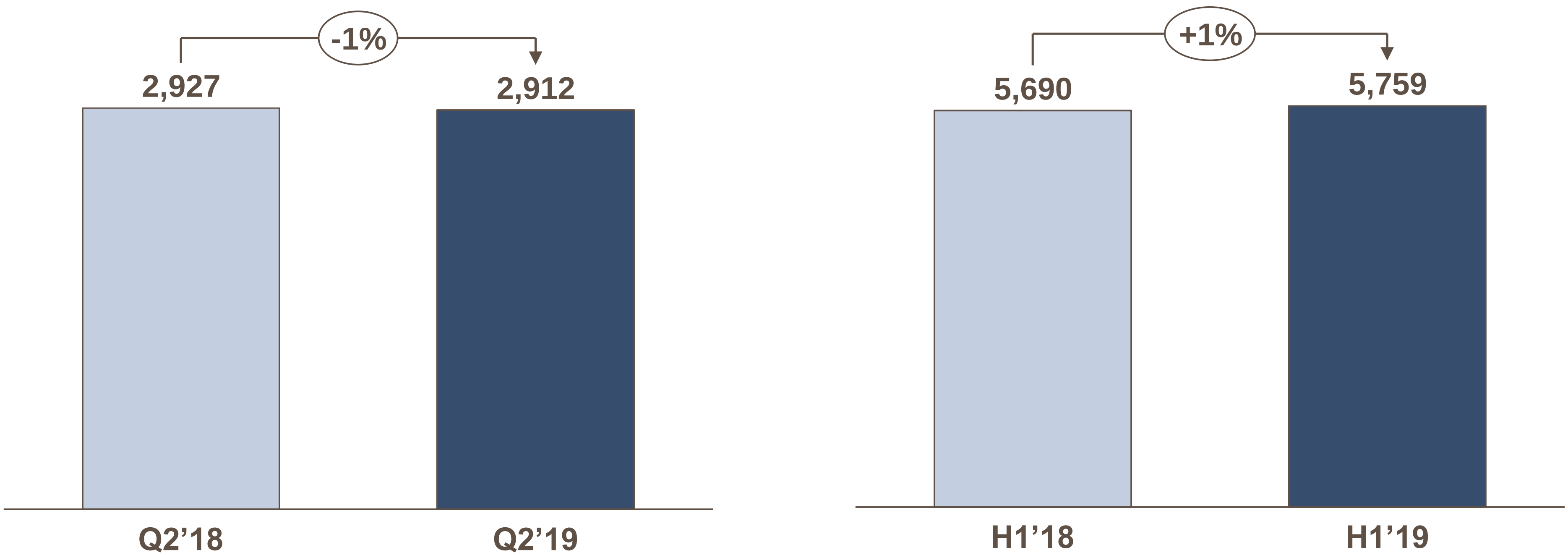
Net Sales

₹ Cr



- Net Sales stood at ₹ 2,912 crore compared to ₹ 2,927 crore
  - Growth of premium products
  - Sold more in high contribution markets

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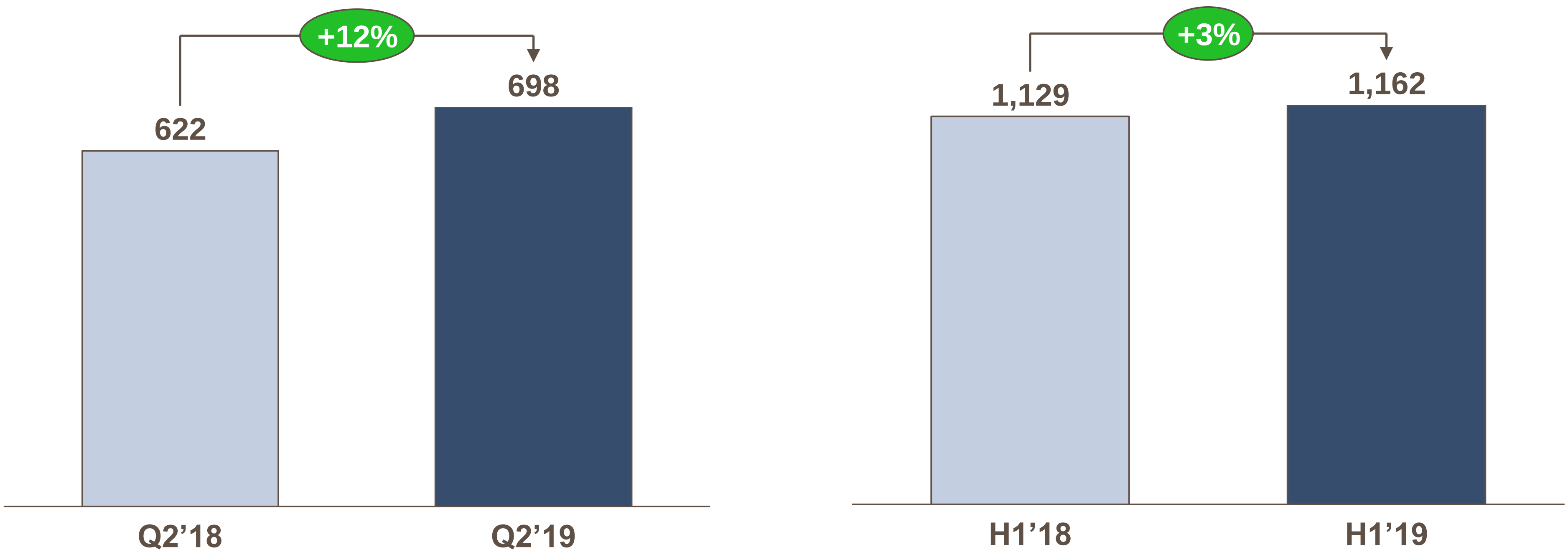
EBITDA

₹ Cr



- Absolute EBITDA grows by 12% in Q2’19,
  - Higher realisations
  - Accelerated cost saving initiatives in key cost elements

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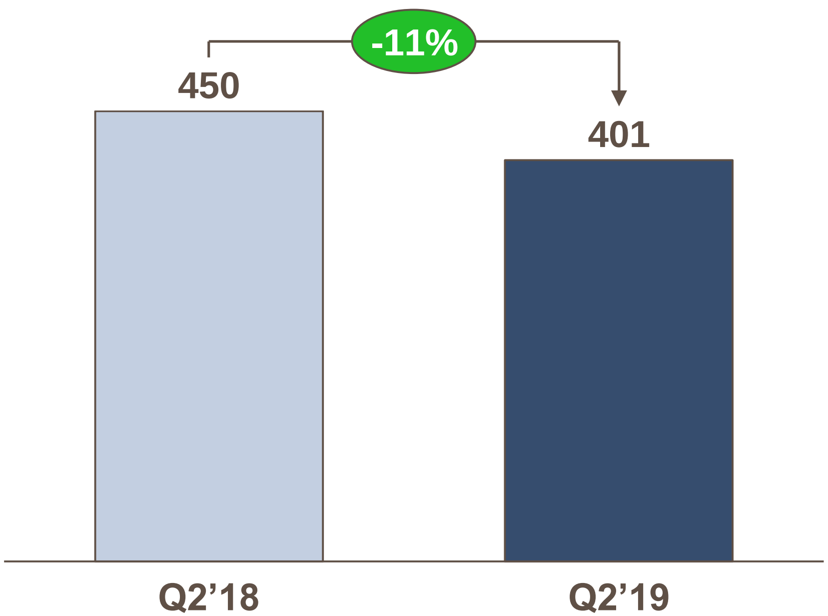
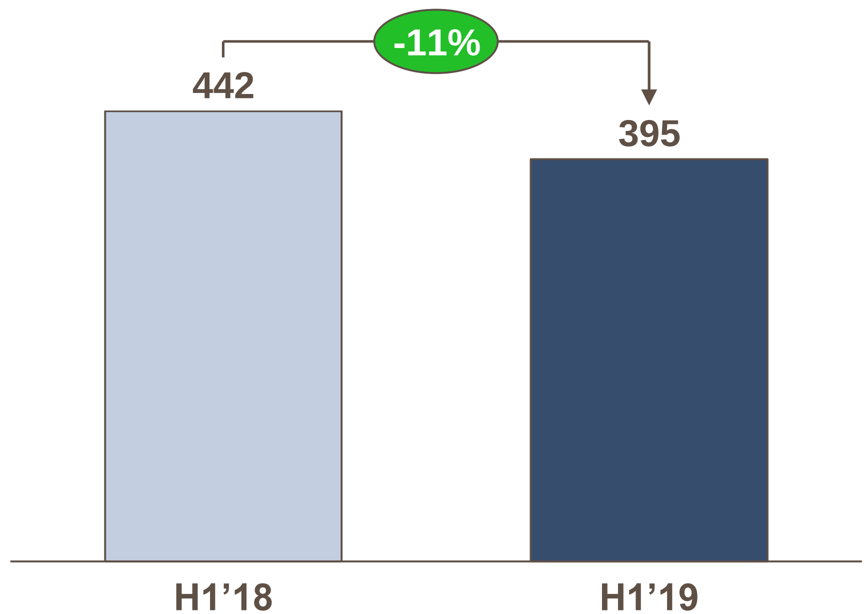
Raw Material Cost

₹ / t





- RM was lower in Q2'19 on account of
  - Reduced consumption of purchased Limestone
  - Reduced gypsum and fly ash rates

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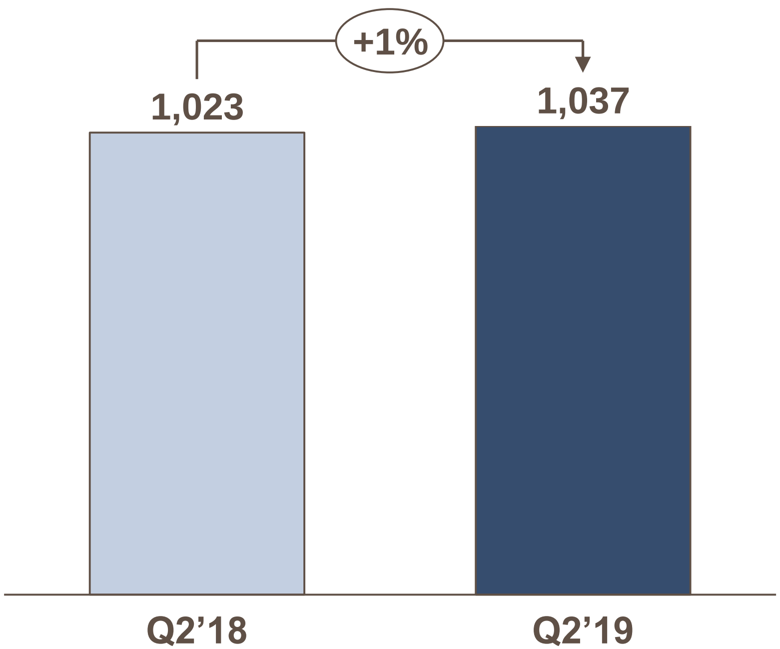
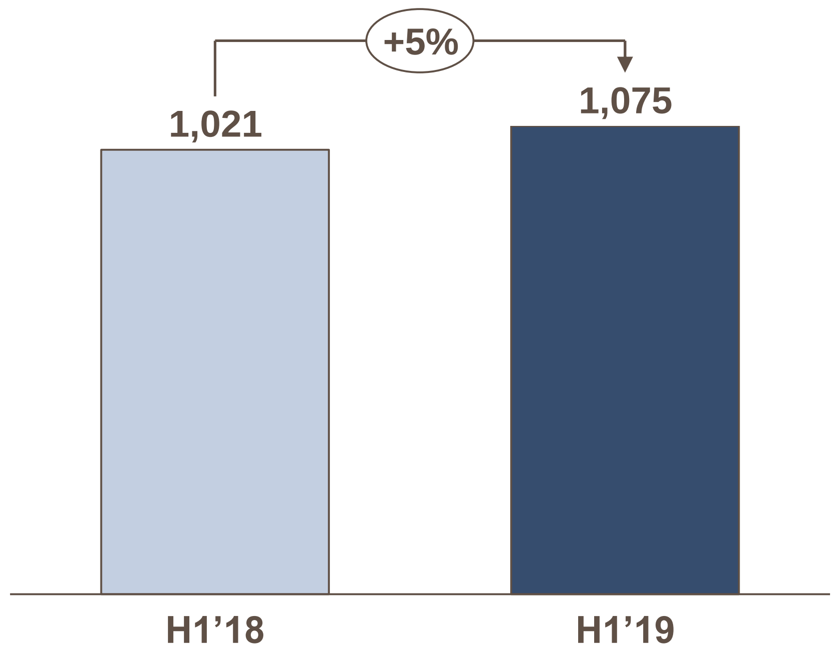
Power & Fuel Cost

₹ / t

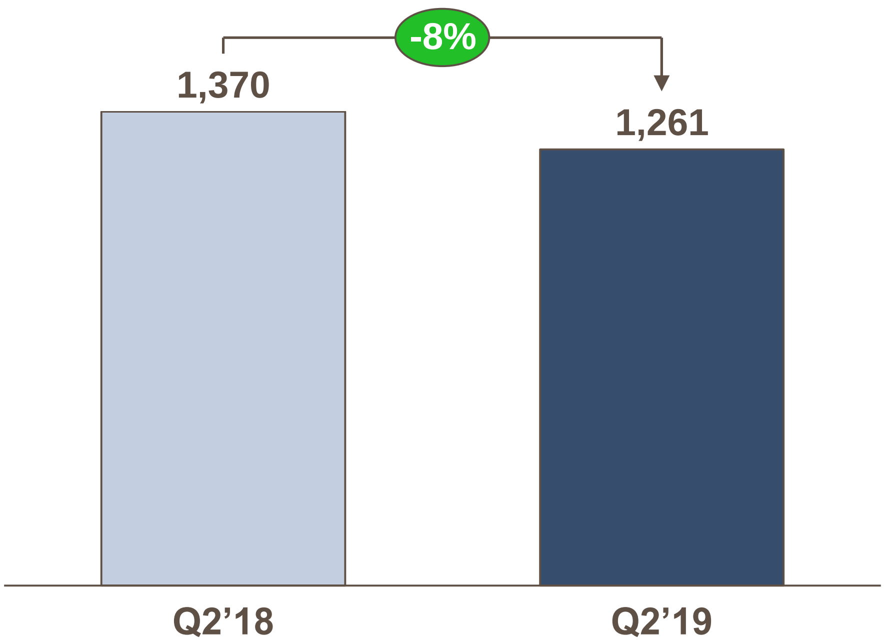


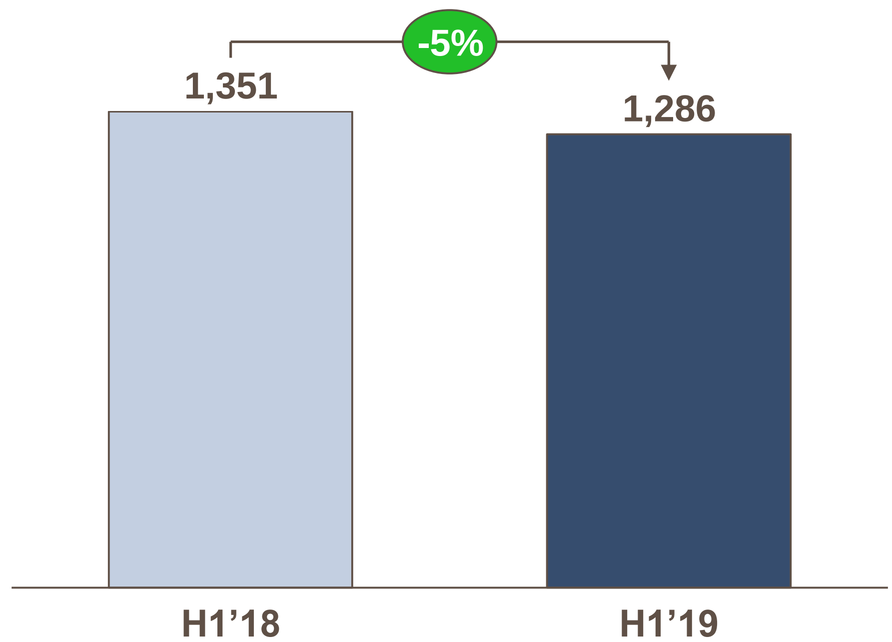


- Power and Fuel costs sees a marginal increase on account of increase in fuel cost, however higher consumption of Alternative Fuels contained the increase

Freight & Forwarding Cost

₹ / t

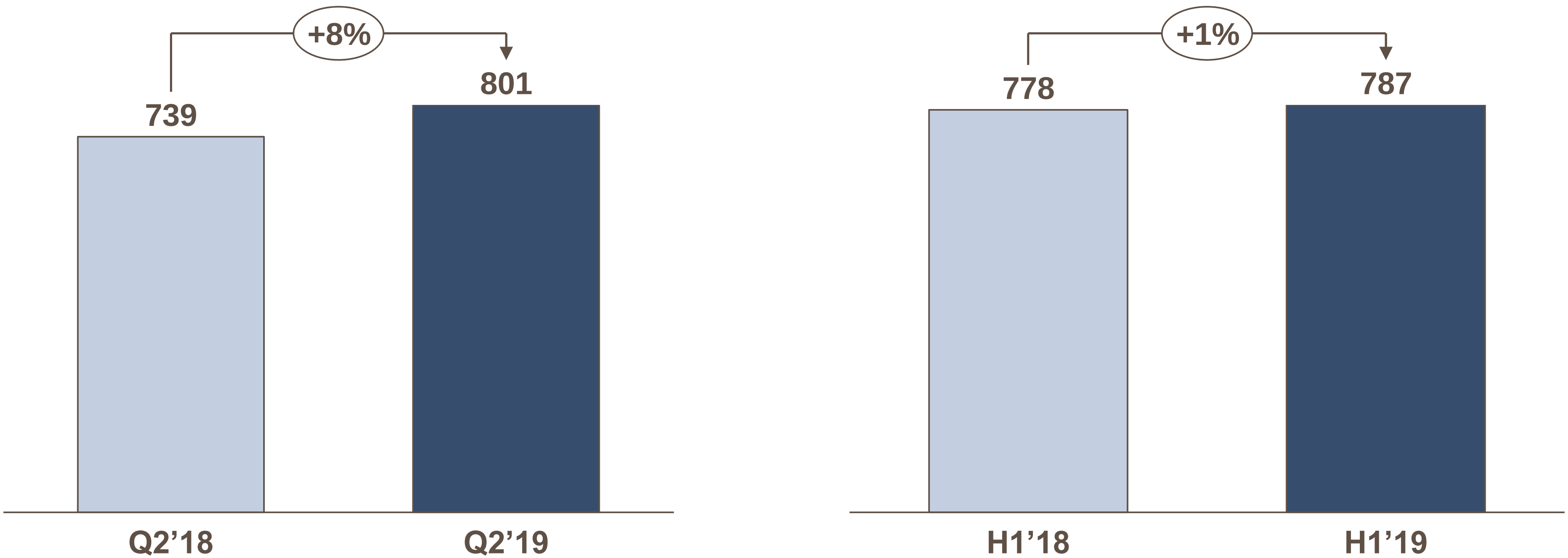




- Freight & forwarding costs declined in Q2’19 on account of
  - Network optimization
  - Re-negotiations of contracts
  - Change in mode mix

Other Expenses

₹ / t



Other expenses flat on absolute basis, however higher on a per tonne basis on account of operating leverage

Performance Highlights
Performance Analysis
Standalone, Consolidated Financial Performance
Other New Initiatives undertaken in the Quarter

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Standalone Results

₹ Cr

Particulars	Q2 2018	Q2 2019	Δ %	H1 2018	H1 2019	Δ %
Sales Volume MnT	6.37	5.82	-8.6%	12.59	12.19	-3.2%
NSP ₹ ton	4671	5030	7.7%	4617	4769	3.2%
Revenue from operation	3,017	2,978	-1.3%	5,880	5,906	0.4%
Other income*	191	58	-69.6%	242	298	23.1%
Total Income	**3,208**	3,036	**-5.4%**	**6,122**	6,204	1.3%
Total Expenses	2,395	2,280	-4.8%	4,750	4,744	-0.1%
Expenses ₹ ton	3,736	3,884	4.0%	3,758	3,870	3.0%
EBITDA	622	698	12.2%	1,129	1,162	2.9%
EBITDA margin %	21.3%	24.0%	2.7 pp	19.8%	20.2%	0.4 pp
EBITDA ₹ per tonne	970	1,190	22.6%	894	948	6.0%
Finance cost	19	20	5.3%	44	39	-11.4%
Depreciation and amortisation	136	131	-3.7%	276	262	-5.1%
Profit before Tax	658	605	-8.1%	1,051	1,159	10.3%
Tax expenses	159	193	21.4%	280	320	14.3%
Profit after Tax (PAT)	**499**	412	**-17.4%**	**771**	839	**8.8%**
EPS ₹	2.51	2.08	-17.1%	3.88	4.23	9.0%

* Other income in Quarter 2, 2018 includes dividend received from ACC Ltd (our subsidiary) ₹ 141 Cr. In 2019, it was recognised in Quarter 1.
Like for Like PAT is up by 15% (₹ 358 Cr to ₹ 412 Cr)

Consolidated Results

₹ Cr

Particulars	Q2 2018	Q2 2019	Δ %	H1 2018	H1 2019	Δ %
Sales Volume – Cement (MnT)	13.61	13.02	-4.3%	26.94	26.89	-0.2%
Sales	6,683	6,925	3.6%	12,997	13,619	4.8%
EBITDA	1,294	1,484	14.7%	2,296	2,481	8.1%
EBITDA margin (%)	19.4%	21.4%	2.0 pp	17.7%	18.2%	0.5 pp
Depreciation	286	278	-2.8%	574	558	-2.8%
Other Income	83	110	32.5%	168	373	122.0%
Finance Cost	47	41	-12.7%	91	79	-13.1%
Exceptional Item	44	-		44	-	
Share in profit of associates / JV	2	4	92.5%	6	9	47.5%
Profit Before Tax	1,002	1,279	27.6%	1,761	2,226	26.4%
Tax Expenses	318	448	40.8%	563	699	24.1%
Profit Before minority	684	831	21.5%	1,198	1,527	27.5%
Non Controlling Interest	159	209	31.2%	283	409	44.4%
Profit After Tax	525	623	18.5%	915	1,118	22.2%
EPS ₹	2.65	3.14	18.5%	4.61	5.63	22.2%

Balance Sheet - Standalone

₹ Cr

Particulars	Standalone	
	Dec 18	Jun 19
Shareholders funds	21,013	21,513
Non Current Liabilities	459	449
Current Liabilities	3,715	3,826
Equity & Liabilities	**25,187**	**25,788**
Property, Plant & Equipment (including CWIP and Other intangibles)	6,273	6,414
Non Current Investments	11,814	11,789
Non Current Loan and advances	60	59
Other Non Current assets	1,290	1,202
Current Assets	5,750	6,324
Assets	**25,187**	**25,788**

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Performance Highlights

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Standalone, Consolidated Finance Performance

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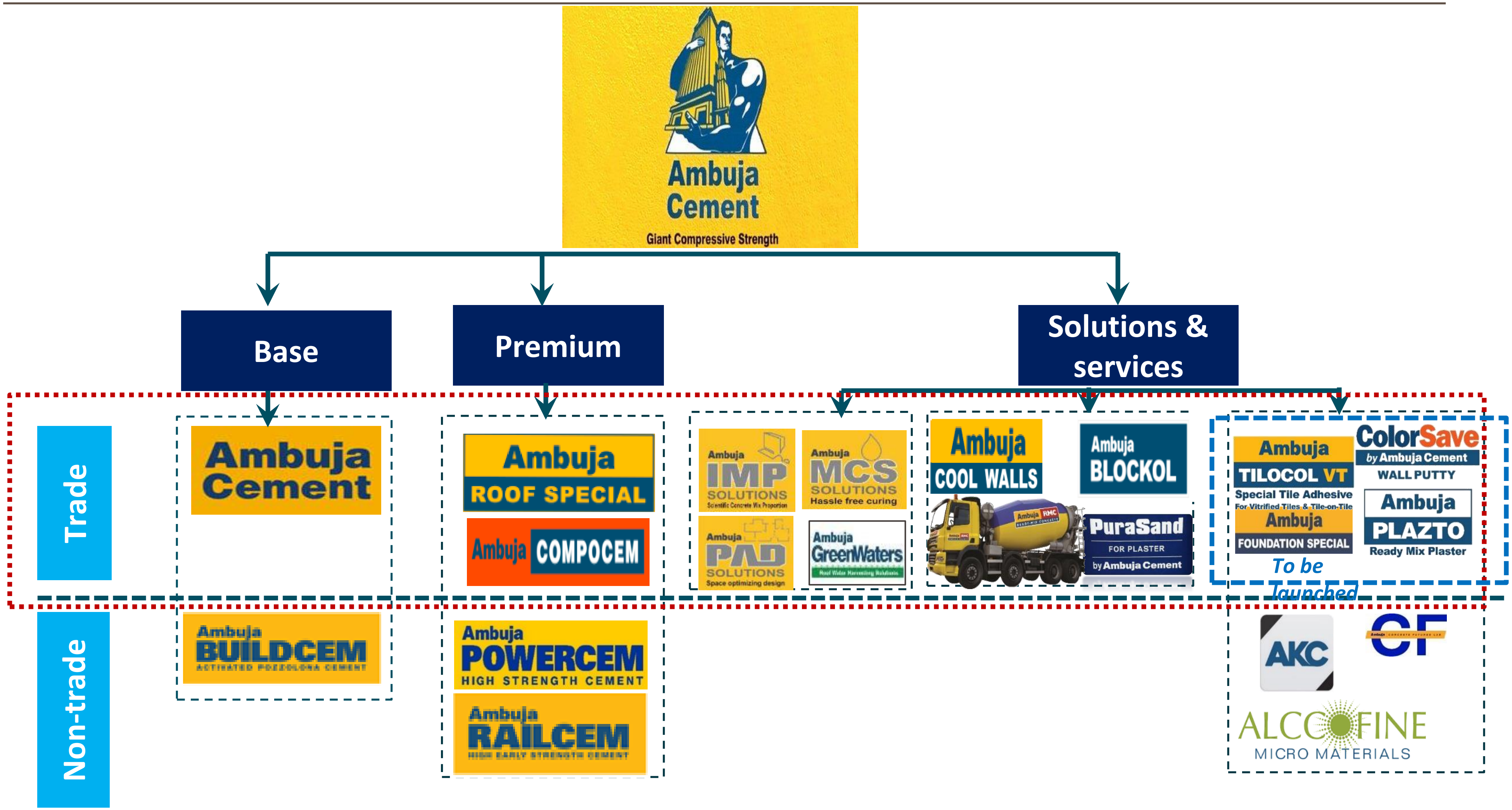
New Initiatives

Launch of Ambuja RMC in Chandigarh

Official Launch: 26th June 2019

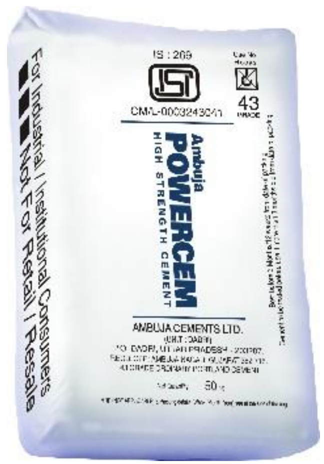
Products & Solutions



ACL Product Portfolio

Buildcem

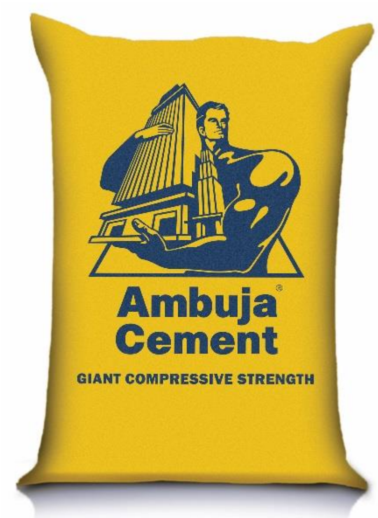
Powercem 53



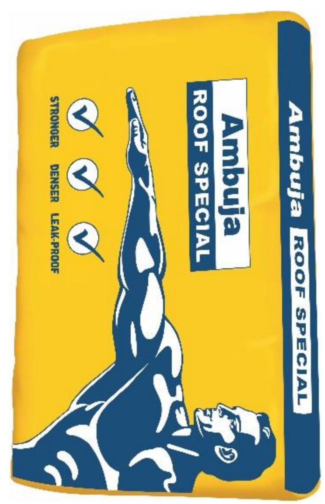
Powercem 43

Railcem

Ambuja Cool Walls



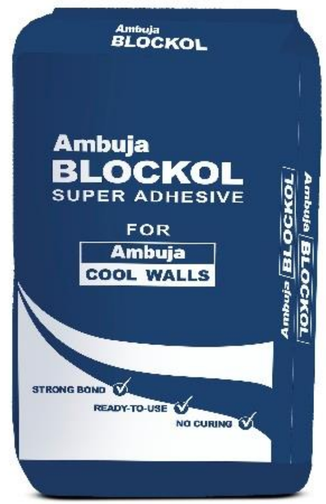
Ambuja PPC



Ambuja Roof Special

Ambuja Compocem

PuraSand



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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