

Ambuja Cement

ACL:SEC:

October 23, 2018

BSE Limited, Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai – 400 023 corp.relations@bseindia.com	National Stock Exchange of India Ltd., Plot No.C/1 'G' Block Bandra – Kurla Complex Bandra East, Mumbai 400 051 cmist@nse.co.in
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,

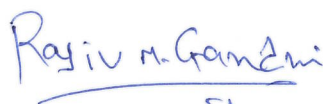
Sub: Investor Presentation on the Financial Results for the quarter ended September 30, 2018

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 ended September 30, 2018.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Ambuja Cements Limited

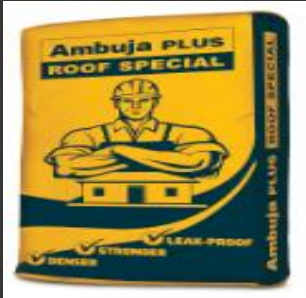


Rajiv Gandhi
Company Secretary
Membership No. A11263

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

**Continuous Strong
Growth**



**Fast establishing in slag
Preferred market**



Growth 'Beyond Cement'



AFR Initiative



Safety First



**Globally 5th Rank in DJSI
2018**



**Topped 'Social
Contributors' in Pitch Top
50 Brands Awards 2018**



**Best CSR and
Sustainability Awards
2018**



Investor Presentation

23rd October, 2018

Disclaimer / Safe Harbour

Cautionary statement regarding forward-looking statements

This presentation may contain certain forward-looking statements relating to Ambuja Cements Ltd. (“**Ambuja**”, or “**Company**”) and its future business, development and economic performance. These statements include descriptions regarding the intent, belief or current expectations of the Company, its subsidiaries and associates and their respective directors and officers with respect to the results of operations and financial condition of the Company, subsidiary or associate, as the case may be. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to (1) competitive pressures; (2) legislative and regulatory developments; (3) global, macroeconomic and political trends; (4) fluctuations in currency exchange rates and general financial market conditions; (5) delay or inability in obtaining approvals from authorities; (6) technical developments; (7) litigation; (8) adverse publicity and news coverage, which could cause actual development and results to differ materially from the statements made in this presentation. Company assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise. Any forward-looking statements and projections made by third parties included in this presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

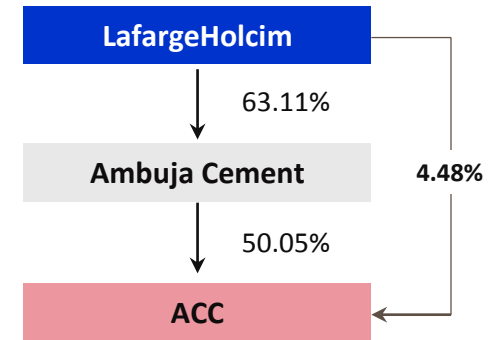
This presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this presentation. This presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this presentation is expressly excluded.

This presentation and its contents are confidential and should not be distributed, published or reproduced, in whole or in part, or disclosed by recipients directly or indirectly to any other person.

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. 4 bn.

Current structure

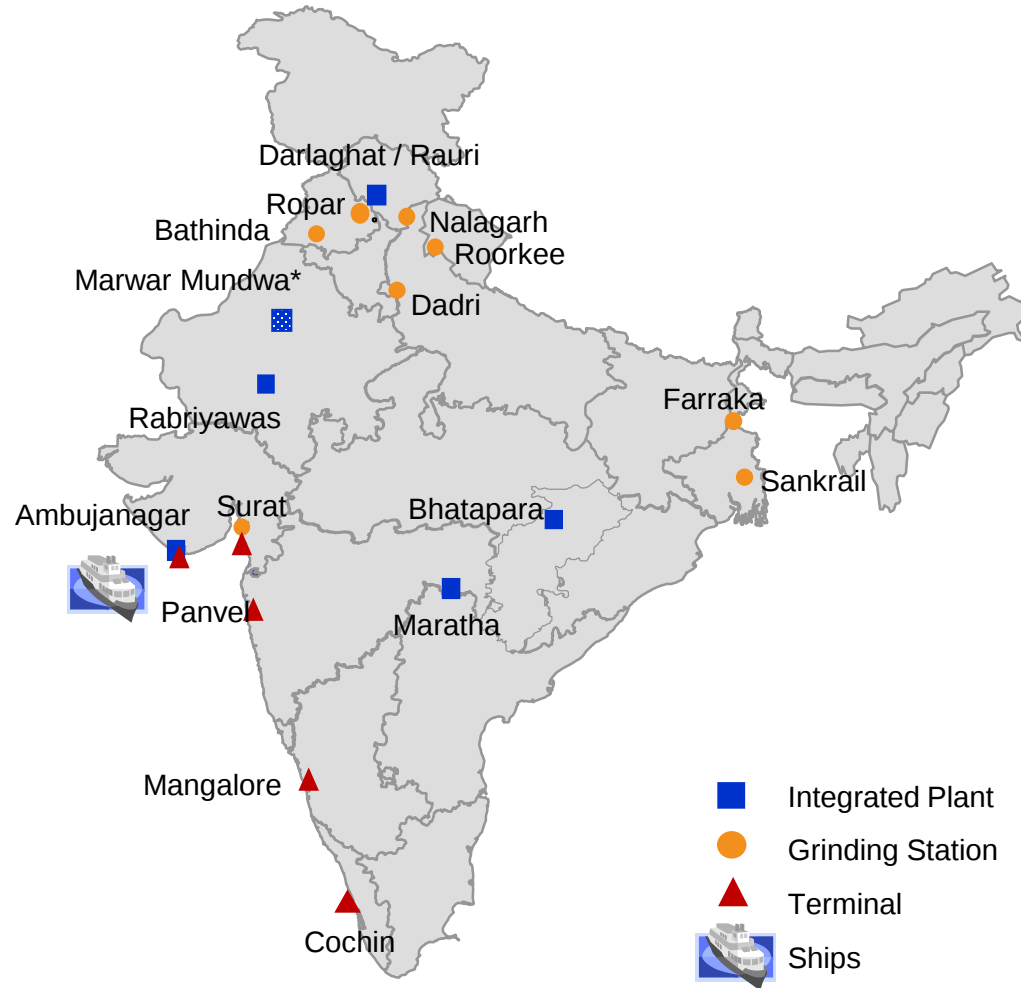


ACL - Strategies in place to enhance value

- Q3'18 cement capacity utilization at 74%, and YTD Jan-Sep'18 cement capacity utilization at 82%.
- 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 ...

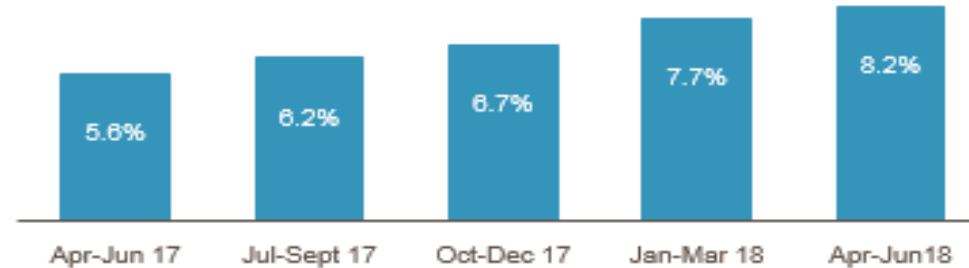


Physical infrastructure

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

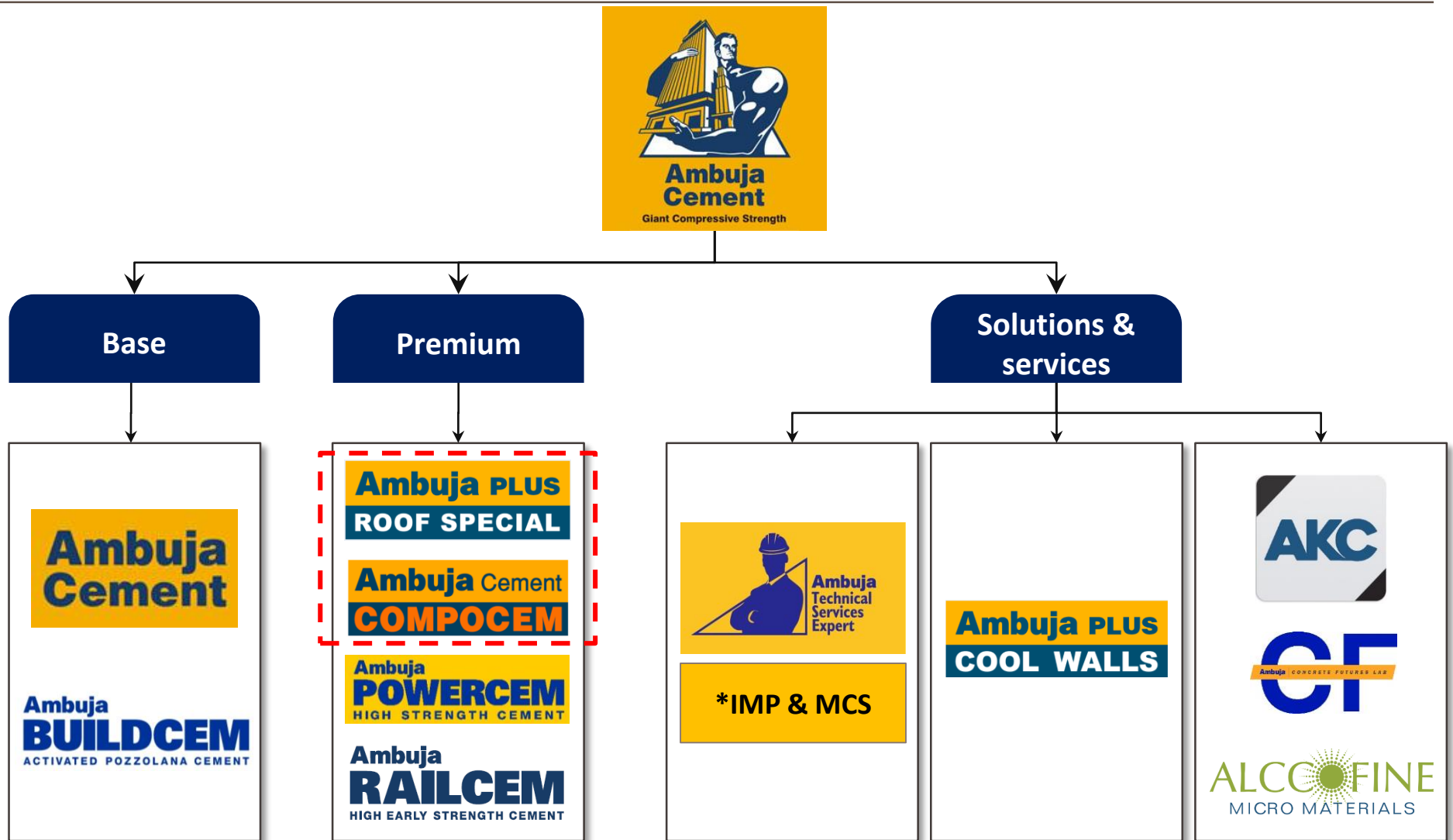
With a strong footprint in the North, West and East parts of India, and a presence in the South, Ambuja Cement covers key locations in each region

GDP growth maintained its upward trend



- **GDP growth** : Jumped to a high of 8.2% in Q1 2018-19 (highest in last 9 quarters)
- **Retail inflation** : 3.8% in Sep'18 (led by sharp drop in food inflation)
- **Repo rate** : Unchanged at 6.50% (RBI's bi-monthly monetary policy)
- **Construction GDP** : Sharp rise of 8.7% in Q1'FY-19 vs 1.8% in Q1' FY-18
- Macro-economic indicators
 - **Index of Industrial Production (IIP)** : Grew by 5.2% (YTD FY19) vs 2.3% (YTD FY18)
 - **Core industry** : Grew by 5.5% (YTD FY19) vs 3.0% (YTD FY18)
- **Risks** :
 - Fiscal slippage & widening of Current Account deficit (CAD) due to rising crude oil prices & depreciating rupee
 - Tightening of liquidity in NBFC Post ILFS- specially real Estate developers segment

Brand Architecture



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 – Jul-Sep'18 vs Jul-Sep'17

Capacity Utilization Up

6 pp

Q3 18 : 74%
Q3 17 : 68%

Cement Volumes Up

9%

Q3 18 : 5.46 mn t
Q2 17 : 5.02 mn t

Net Sales YoY growth

10%

Q3 18 : ₹ 2,522 cr
Q3 17 : ₹ 2,284 cr

EBITDA Growth

1%

Q3 18 : ₹ 358 cr
Q3 17 : ₹ 354 cr

PAT *L-F-L Growth

6%

Q3 18 : ₹ 179 cr
Q3 17 : ₹ 169 cr

EPS *L-F-L Growth

6%

Q3 18 : ₹ 0.90 /Share
Q3 17 : ₹ 0.85 /Share

Performance highlights – Jan-Sep'18 vs Jan-Sep'17

Capacity Utilization Up

5 pp

YTD18 : 82%

YTD 17 : 77%

Cement Volumes Up

~6%

YTD 18 : 18.05 mn t

YTD 17 : 17.09 mn t

Net Sales YoY growth

8%

YTD 18 : ₹ 8,212 cr

YTD 17 : ₹ 7,638 cr

EBITDA Growth

6%

YTD 18 : ₹ 1488 cr

YTD 17 : ₹ 1400 cr

PAT Growth

4%

YTD 18 : ₹ 950 cr

YTD 17 : ₹ 911 cr

EPS Growth

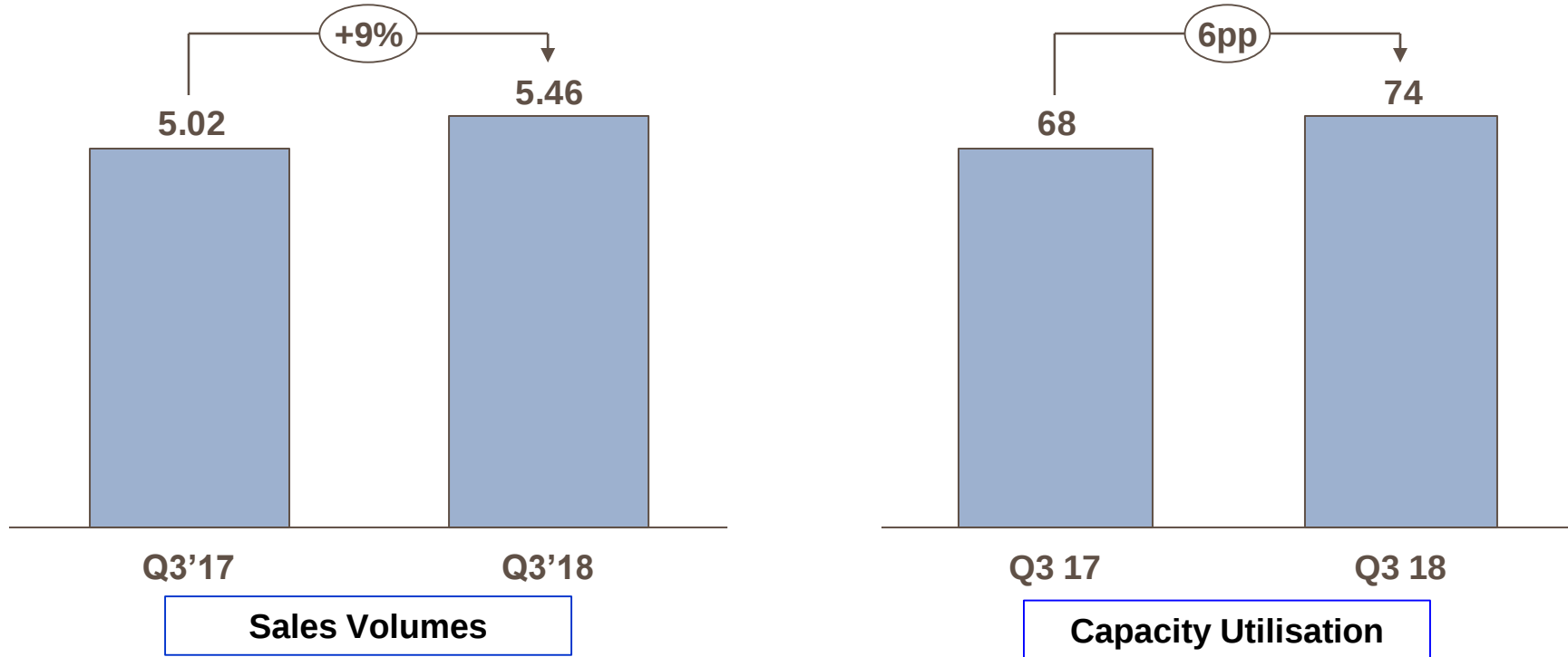
5%

YTD 18 : ₹ 4.8 /Share

YTD 17 : ₹ 4.6 /Share

Cement Sales Volumes and Capacity Utilization

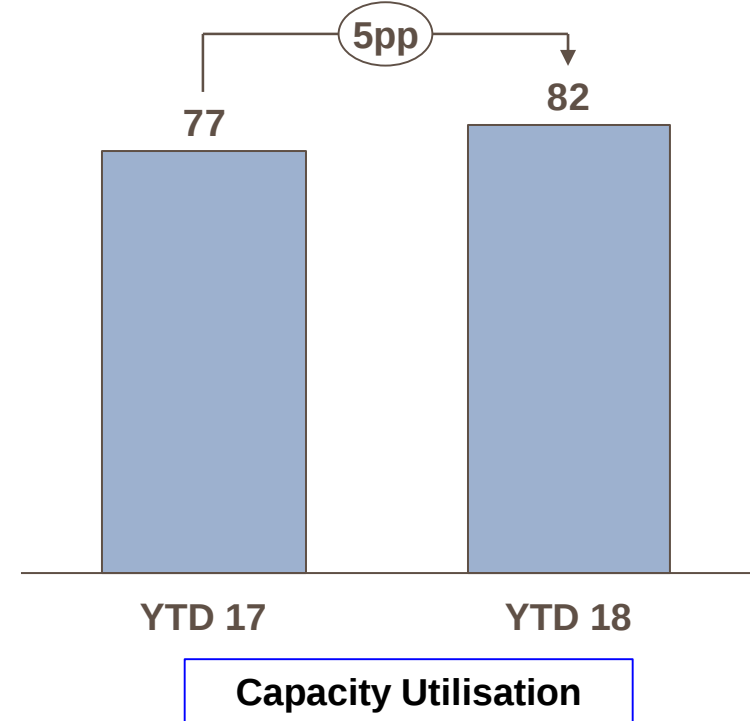
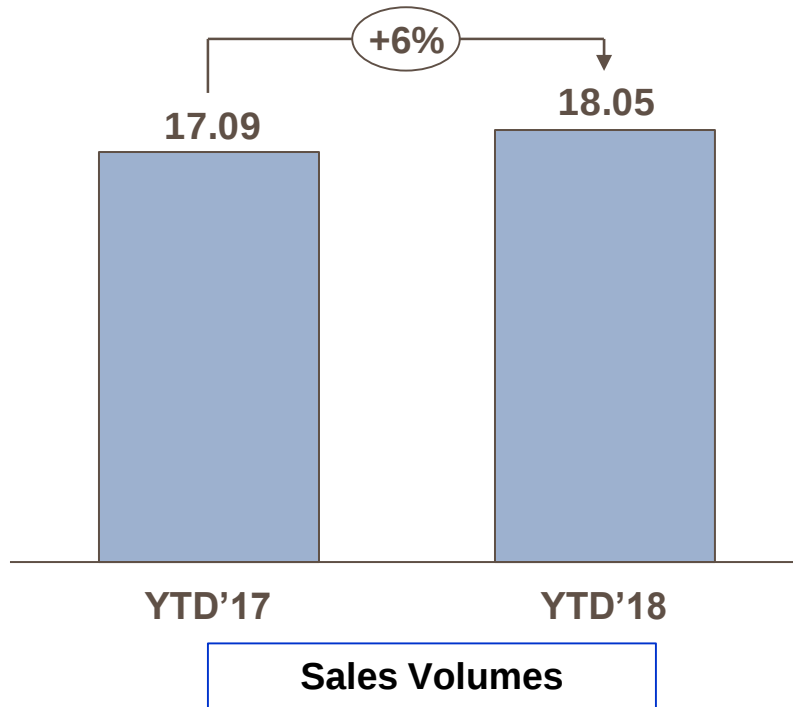
(Mn Tonnes)



- Improved growth in premium product volumes y-o-y basis, premium products sales led by Compocem, Roof Special and Cool Walls continues to see growth.
- Cement demand grew by 9% in the Jul-Sep 18 quarter led by good demand from Infrastructure and Housing sector.
- Increased participation in the Building and Infrastructure segment.

Cement Sales Volumes and Capacity Utilization

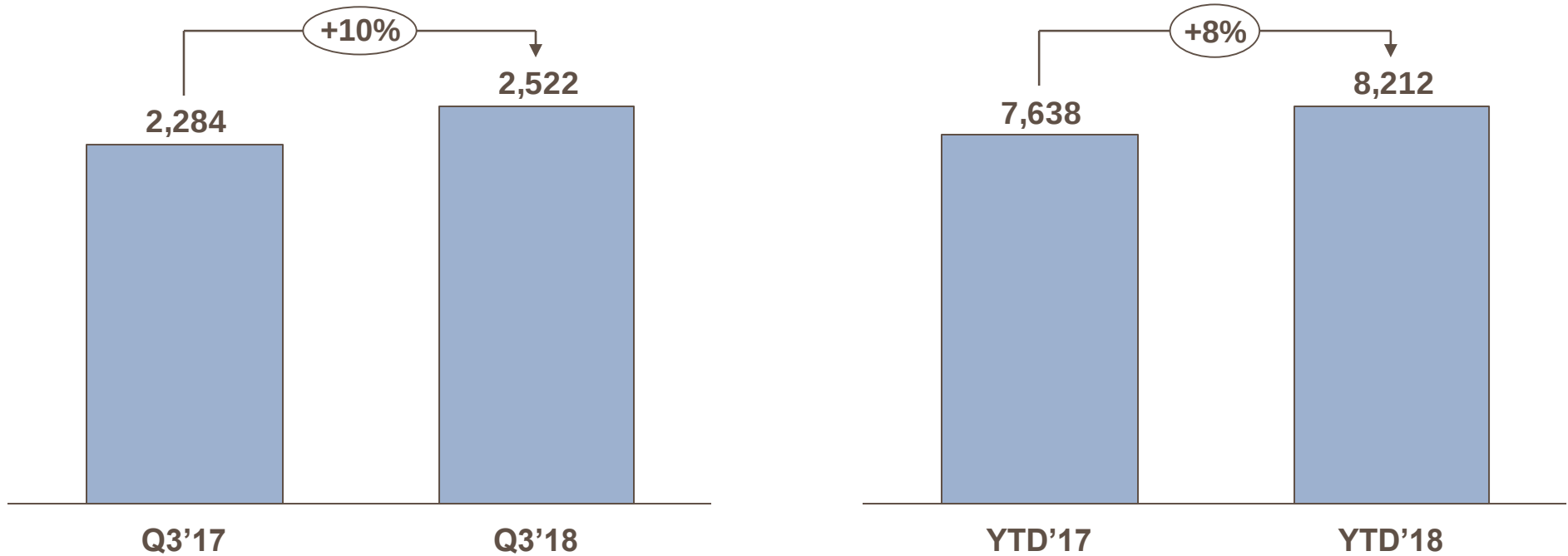
(Mn Tonnes)



- Improved growth in premium product volumes y-o-y basis, premium products sales led by Compocem, Roof Special and Cool Walls continues to see growth.
- Cement demand grew by 6% during Jan-Sep'18 led by good demand from Infrastructure and Housing sector.
- Increased participation in the Building and Infrastructure segment.

Net Sales

(INR Crore)

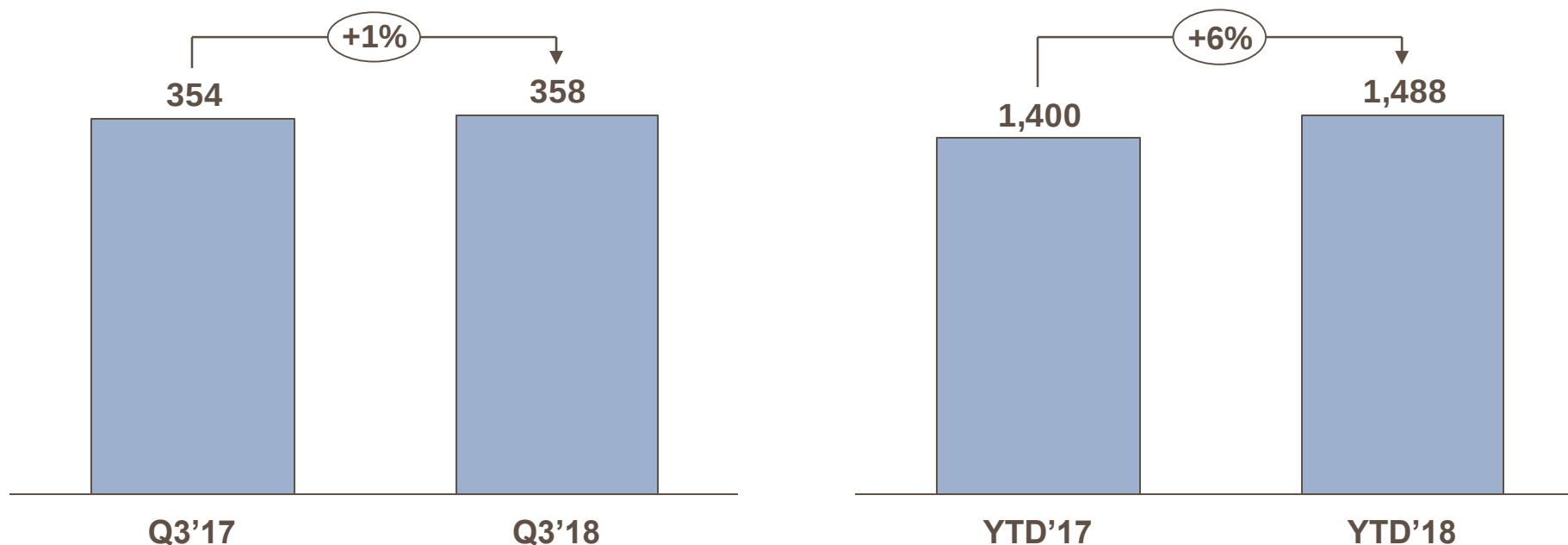


Quarterly performance

- Net Sales saw good growth in the Jul-Sep'18 quarter backed by :
 - Improved demand
 - Focus on value added portfolio of products
 - Selling more in our core markets

EBITDA

(INR Crore)

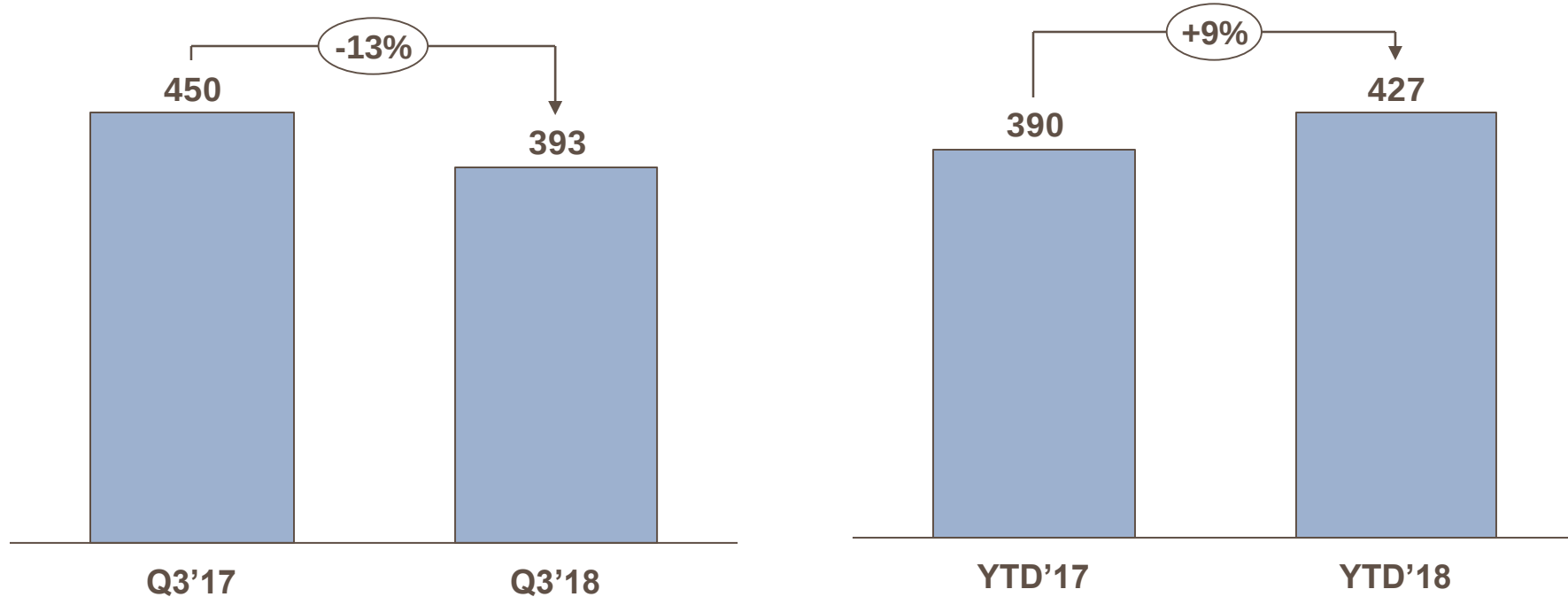


Quarterly performance

- Operating EBITDA for the quarter was ₹ 358 crore against ₹ 354 crore in the corresponding quarter of the previous year. There were pressures on account of rising costs especially for power & fuel, diesel, packing bags (impacted by increase in crude prices) coupled with volatility in the exchange rates. The company has focused on internal cost saving initiatives to contain the cost pressures.

Raw Material Cost

(INR / Tonne)

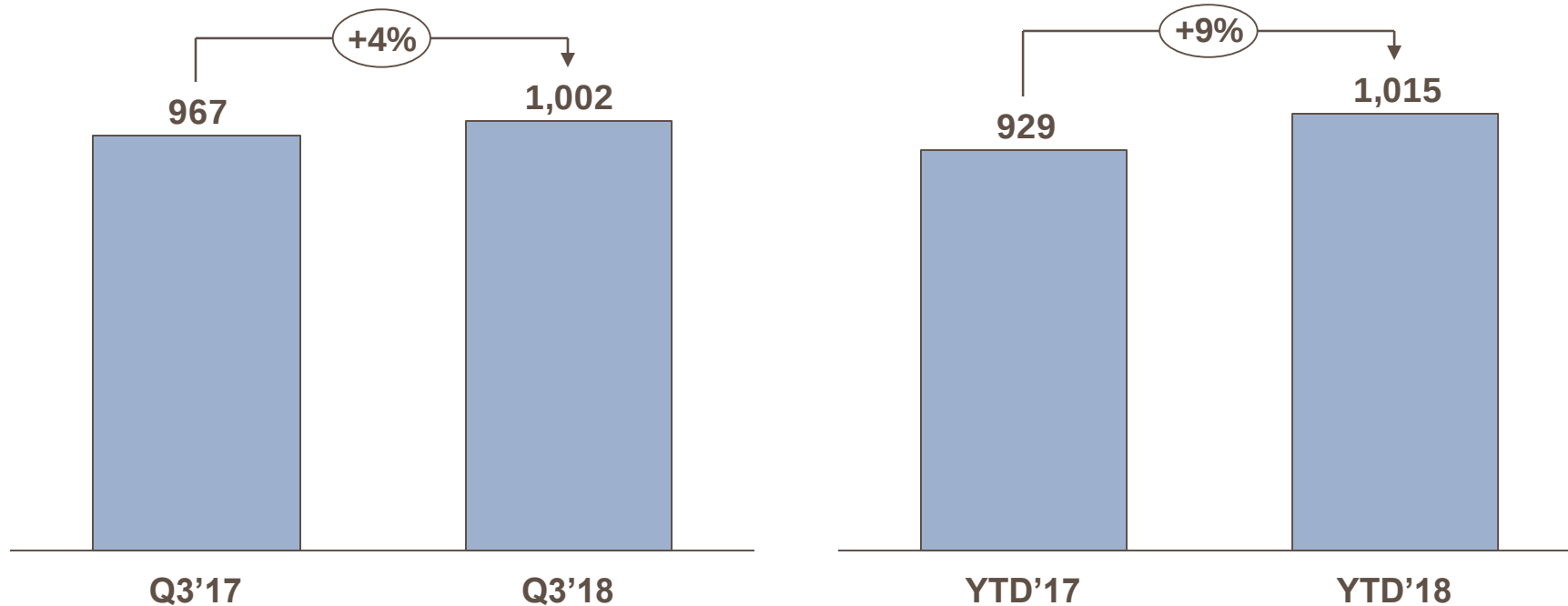


Quarterly performance

- Raw Material cost sees improvement y-o-y basis i.e. Q3'18 vs Q3'17 due to various initiatives undertaken. Optimization of additives / correctives in Raw Mix.

Power & Fuel Cost

(INR / Tonne)

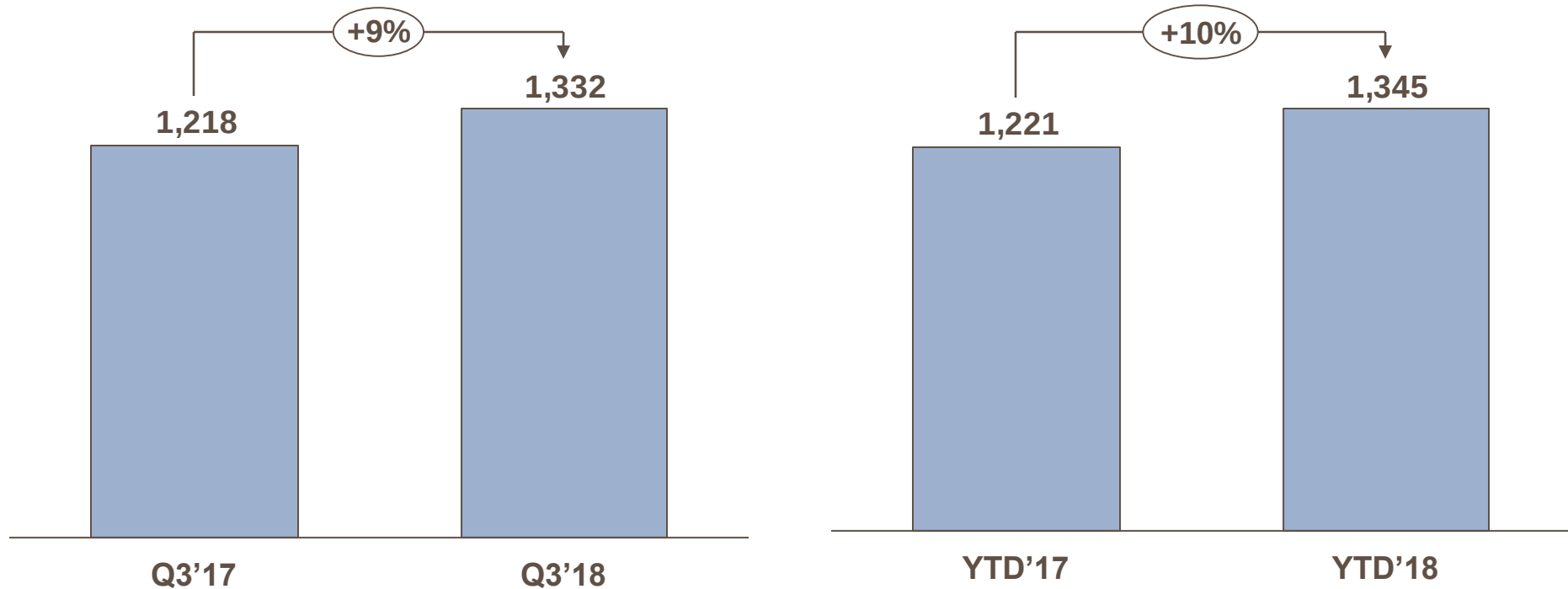


Quarterly performance

- Power & Fuel cost saw a rise due to increase in fuel cost mainly pet coke and coal price increase, however the focus on improving our efficiency parameters along with various initiatives help to restrict the cost increase.

Freight & Forwarding Cost

(INR / Tonne)

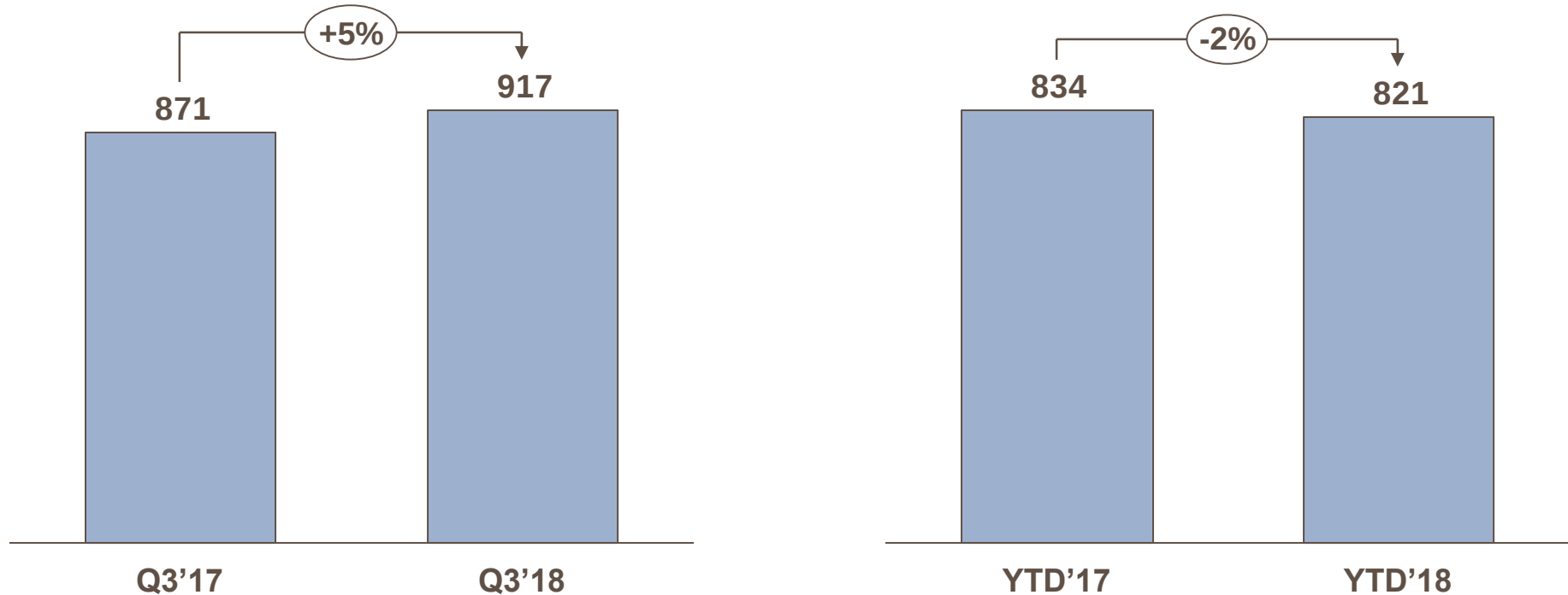


Quarterly performance

- Freight cost is higher y-o-y basis due to increase in diesel prices (impacted by increase in crude prices), however the cost increase was restricted with help of internal initiatives like network optimization resulting in freight gains in primary and secondary movement.

Other Expenses Cost

(INR / Tonne)



Quarterly performance

- Other expenses sees an increase y-o-y basis due increase in packing bags and annual maintenance, however SG&A was contained due to various cost saving measures.

Ind AS Result – Standalone – ₹ crore

1 CAN.

Net Sales up

8%

PBT up

9%

PAT up

4%

Particulars	Standalone						
	UOM	Q3'17	Q3'18	+ / - PY	YTD '17	YTD '18	+ / - PY
Sales (net of excise duty)	₹ Cr	2,284	2,522	10%	7,638	8,212	8%
Op. EBITDA	₹ Cr	354	358	1%	1,400	1,488	6%
<i>Op. EBITDA margin</i>	%	15.5%	14.2%	-130 bps	18.3%	18.1%	-20 bps
Depreciation	₹ Cr	140	136	-3%	430	412	-4%
Other Income	₹ Cr	153	48	-69%	311	290	-7%
Finance Cost	₹ Cr	31	19	-39%	86	64	-26%
Profit Before Tax (PBT)	₹ Cr	336	251	-25%	1,195	1,302	9%
Tax Expenses	₹ Cr	64	72	13%	284	352	24%
Profit After Tax (PAT)	₹ Cr	272	179	-34%	911	950	4%
EPS	₹ / share	1.4	0.9	-34%	4.6	4.8	4%

Ind AS Result – Consolidated – ₹ crore - YTD

Particulars	UOM	Consolidated					
		Q3'17	Q3'18	+ / - PY	YTD '17	YTD '18	+ / - PY
Sales (net of excise duty)	₹ Cr	5,328	5,877	10%	17,105	18,874	10%
Op. EBITDA	₹ Cr	773	803	4%	2,872	3,055	6%
							-60
<i>Op. EBITDA margin</i>	%	14.5%	13.7%	-80 bps	16.80%	16.20%	bps
Depreciation	₹ Cr	297	287	-3%	917	862	-6%
Other Income	₹ Cr	73	80	10%	229	248	8%
Finance Cost	₹ Cr	52	39	-25%	152	130	-14%
Share of profit in associates and joint ventures	₹ Cr	3	3	0%	9	9	0%
Profit Before Tax (PBT)	₹ Cr	500	560	12%	2,040	2,321	14%
Tax Expenses	₹ Cr	149	164	10%	574	727	27%
Profit After Tax (PAT)	₹ Cr	351	396	13%	1,466	1,595	9%
Non-controlling interest	₹ Cr	91	108	19%	359	392	9%
Net profit for the period	₹ Cr	260	288	11%	1,107	1,203	9%
	₹ /						
EPS	share	1.3	1.4	11%	5.6	6.1	9%

Other key highlights for the Quarter



Dow Jones Sustainability Indexes

Globally Ranked 5th in Construction Material Sector by DJSI 2018



Achieved “Zero Harm” for more than ONE Year at Farakka & Surat, Rabriyawas unit achieved 400 days of LTI Free



Top Brand in “SOCIAL CONTRIBUTORS” category for the coveted Pitch Top 50 Brands 2018



Ms Sapna Devendra, Regional Manager (South) - Alccofine was conferred “Young Engineer of Karnataka - 2018” by the Indian Concrete Institute



ACF won ‘Best CSR and Sustainability Practices 2017’ award



A'nagar plant awarded best integrated pre- and co-processing plant (GAV - Rs 84.8 million, Volume - 27524 MT, TSR - 11.75% in Q2'18)

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**