

ACC



Investor Presentation: Q4CY19 Results

Feb 07, 2020

Stock code: BSE: 500410 | NSE: ACC | Reuters: ACC.NS | Bloomberg: ACC:IN



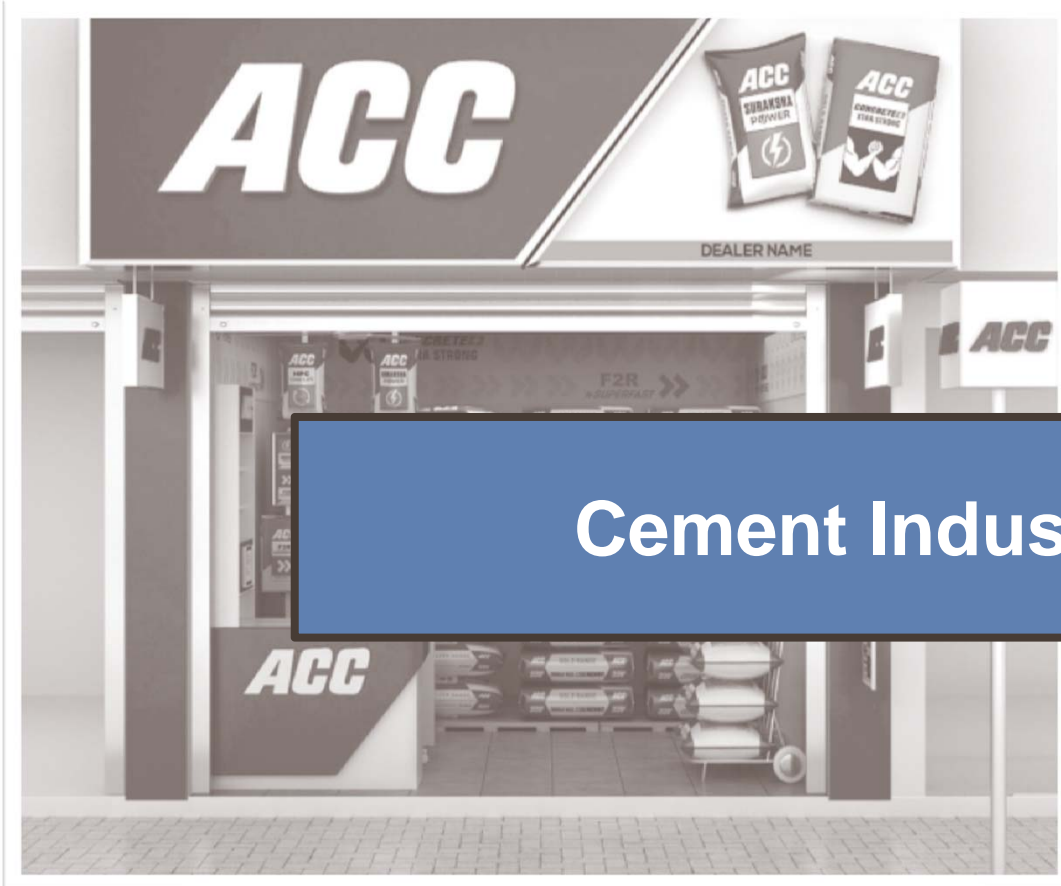
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Cement Industry Update





Cement Sector

Housing segment likely to drive cement demand in CY20

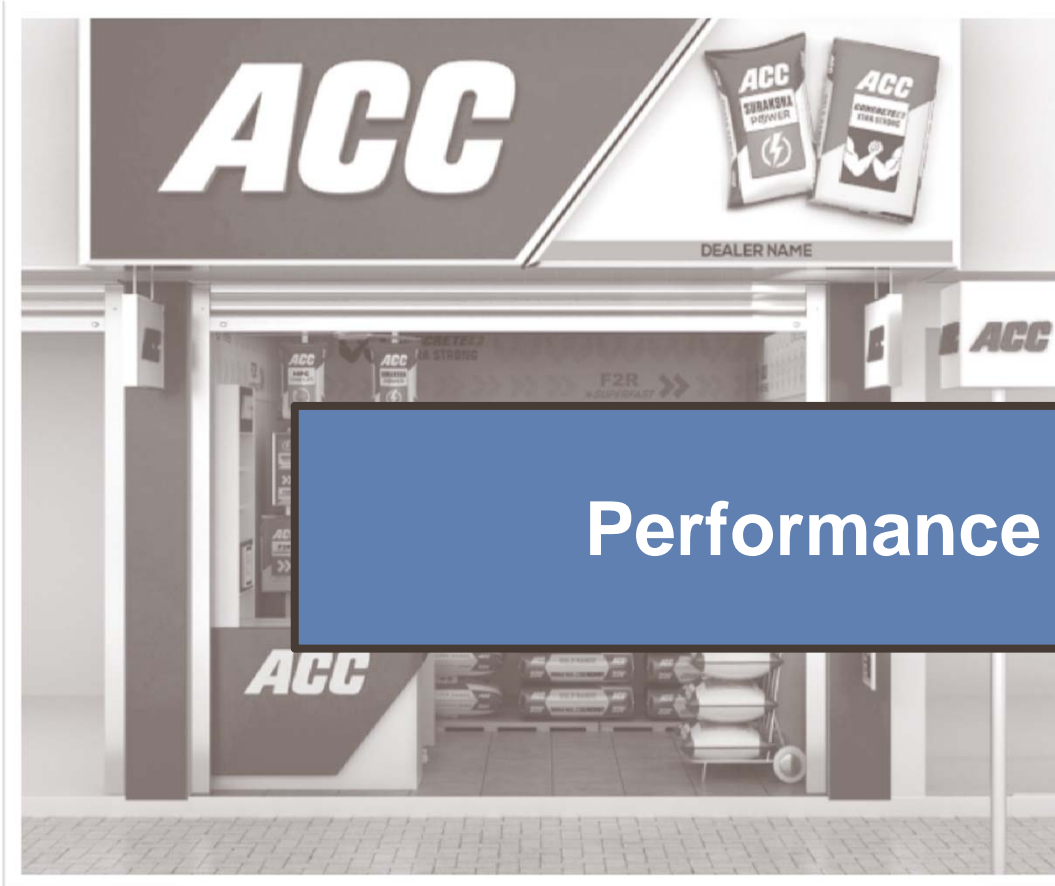
Budget allocation of Rs19,500 Cr under Pradhan Mantri Gram Sadak Yojana (PMGSY) for expansion of rural road network - positive for cement sector

Government strongly focused on infrastructure development

National Infra Pipeline of Rs 102 Lakh Cr for infrastructure projects over next five years to drive cement demand

Government plans to spend Rs 5 Lakh Cr on infrastructure development; expected to boost cement demand

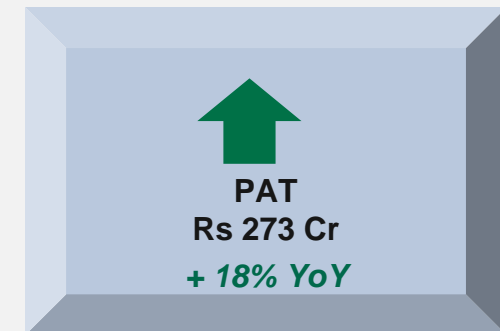
Source: CRISIL Report



Performance Highlights



Performance highlights – Q4'19



**Cement business delivered strong operating performance;
Consistent strong growth in RMX business**



Financial result – Consolidated

Particulars	UoM	Q4'18	Q4'19	Change
				YoY
Net Sales	Rs Cr	3,789	3,970	5%
EBITDA[#]	Rs Cr	488	541	11%
Margin	%	12.9	13.6	0.7 pp
Profit Before Tax (PBT) [#]	Rs Cr	343	413	20%
Tax Expenses	Rs Cr	112 ^{\$}	140	25%
Profit After Tax (PAT)	Rs Cr	232 ^{\$}	273	18%
EPS (Normalised)	Rs/share	12	15	18%

[#] Includes employee separation cost during Q4'18 Rs 23 Cr

^{\$} excludes Tax write-back of Rs 501 Cr pertaining to earlier years



Financial result – Consolidated

Particulars	UoM	2018	2019	Change YoY
Net Sales	Rs Cr	14,477	15,343	6%
EBITDA[#]	Rs Cr	2,048	2,413	18%
Margin	%	14.1	15.7	1.6 pp
Profit Before Tax (PBT) [#]	Rs Cr	1,510	2,053	36%
Tax Expenses	Rs Cr	490 ^{\$}	675	38%
Profit After Tax (PAT)	Rs Cr	1,020 ^{\$}	1,378	35%
EPS (Normalised)	Rs/share	54	73	35%

[#] Includes employee separation cost during 2018 Rs 70 Cr

^{\$} excludes Tax write-back of Rs 501 Cr pertaining to earlier years



Performance Analysis





Income Statement

Rs/ton

Particulars	Q4'18	Q4'19	Change per ton
Revenue	4,602	4,508	-94
Other Operating Income	139	107	-33
Total income from operations (net)	4,741	4,615	-127
Expenses			
Raw Material Consumed	664	426	-238
Power & Fuel Cost	1,010	916	-94
Logistics Cost	1,318	1,184	-135
Employee Cost	265	265	0
Other Expenses	803	708	-95
Total Expenses[#]	4,150	4,033	-117
EBITDA	592	582	-10

[#] includes changes in inventories of finished goods, work-in-progress and stock-in-trade & Purchase of traded Cement



Income Statement

Rs/ton

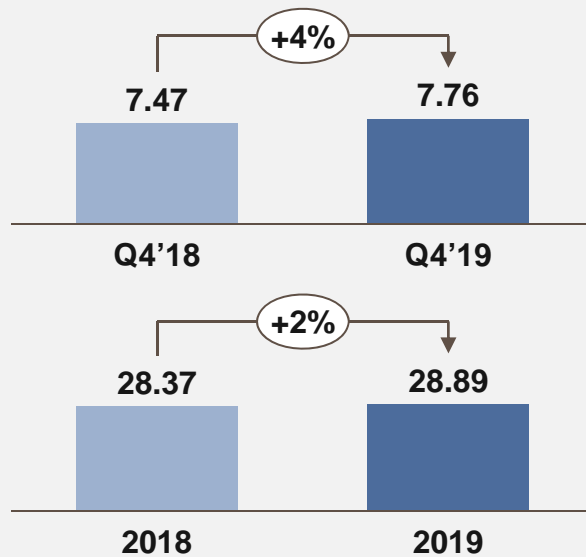
Particulars	2018	2019	Change per ton
Revenue	4,639	4,722	83
Other Operating Income	110	103	-7
Total income from operations (net)	4,749	4,825	76
Expenses			
Raw Material Consumed	613	519	-95
Power & Fuel Cost	1,033	1,046	13
Logistics Cost	1,343	1,307	-36
Employee Cost	284	266	-19
Other Expenses	829	774	-54
Total Expenses[#]	4,087	4,067	-20
EBITDA	662	758	96

[#] includes changes in inventories of finished goods, work-in-progress and stock-in-trade & Purchase of traded Cement

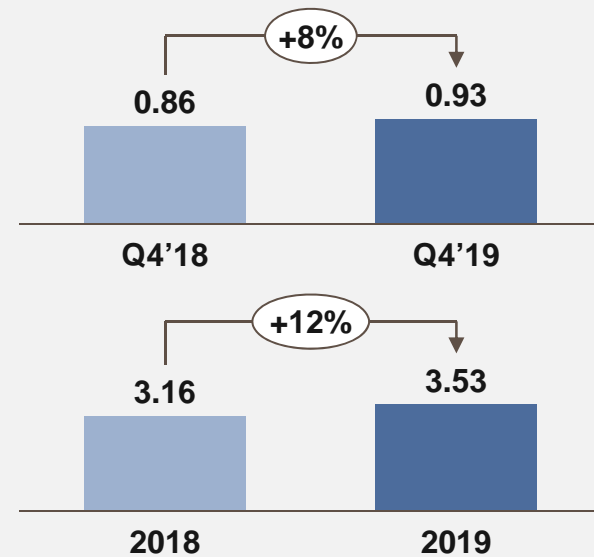


Sales Volume

Cement Volume (Mio ton)



RMX Volume (Mio m³)



Q4 YoY

Cement volume grew despite ongoing liquidity constraints & slowdown in infra projects

Growth in Premium products volume @6%

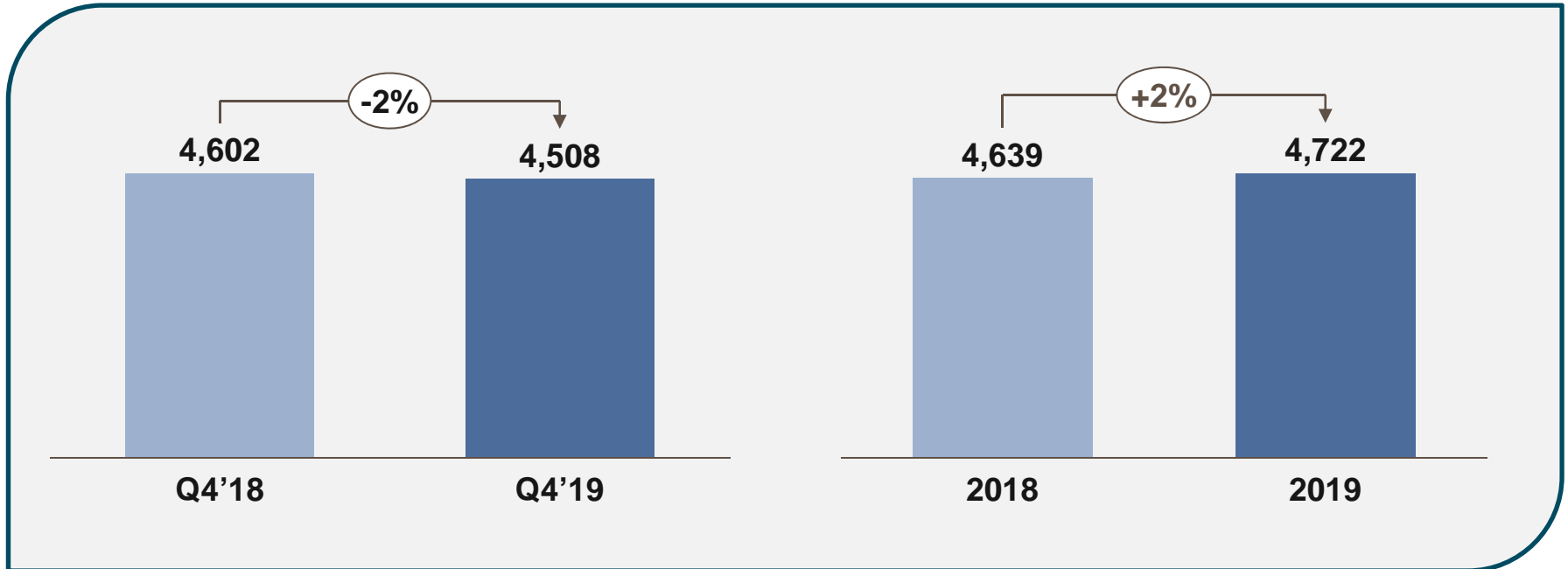
RMX business – registered growth of 8%; expansion of RMX footprint

RMX Value Added Products & Services (VAPS) volume grew significantly



Net Selling Price

Rs/ton



Q4 YoY

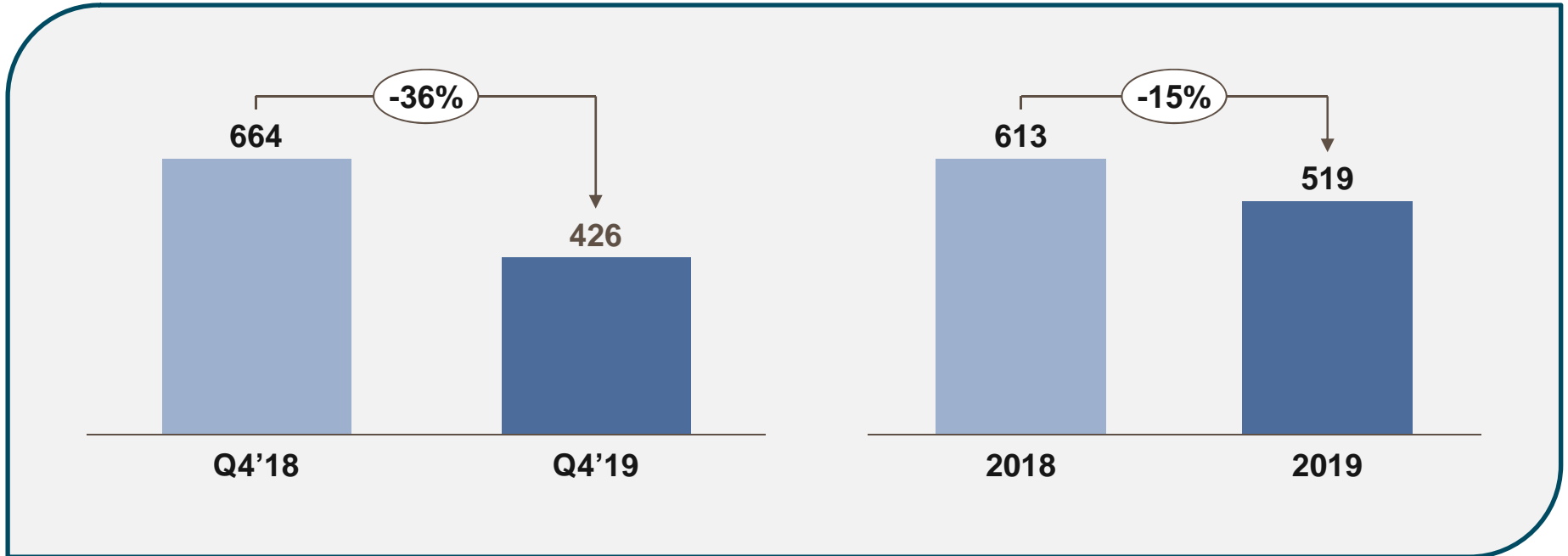
Focus on delivery of value added products & services

Strengthening margin levers



Cost of Materials Consumed

Rs/ton



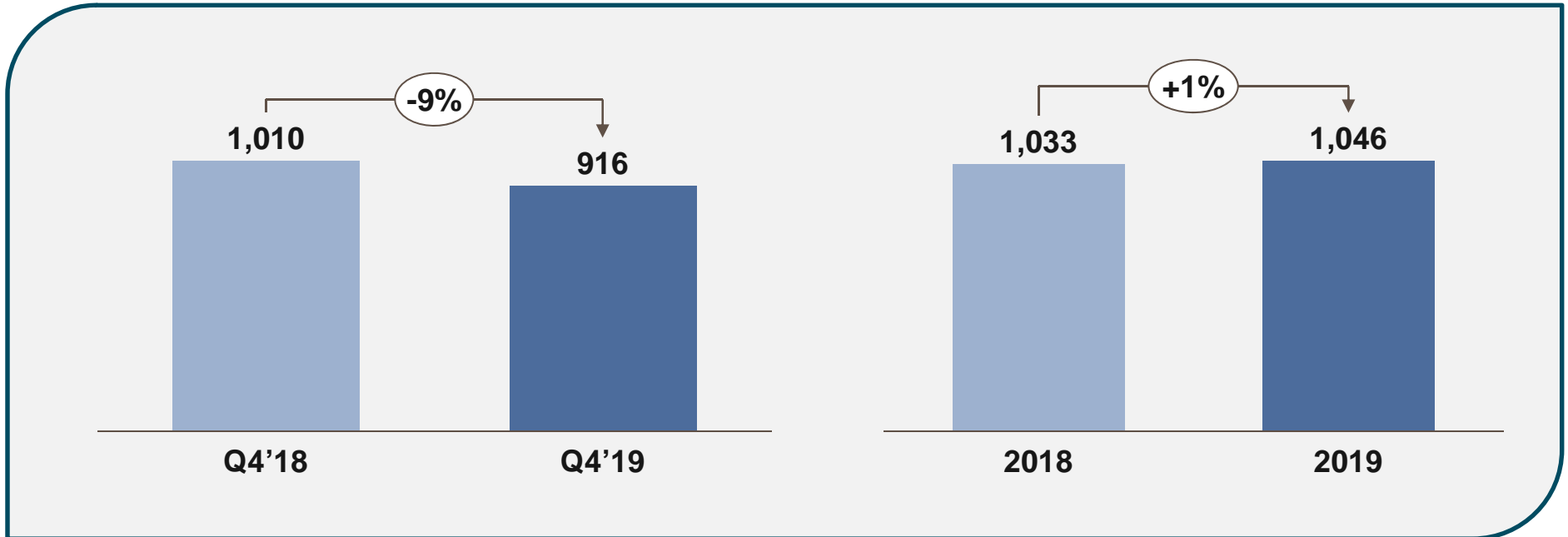
Q4 YoY

Source mix optimization
Better supply chain management



Power & Fuel

Rs/ton



Q4 YoY

Fuel flexibility

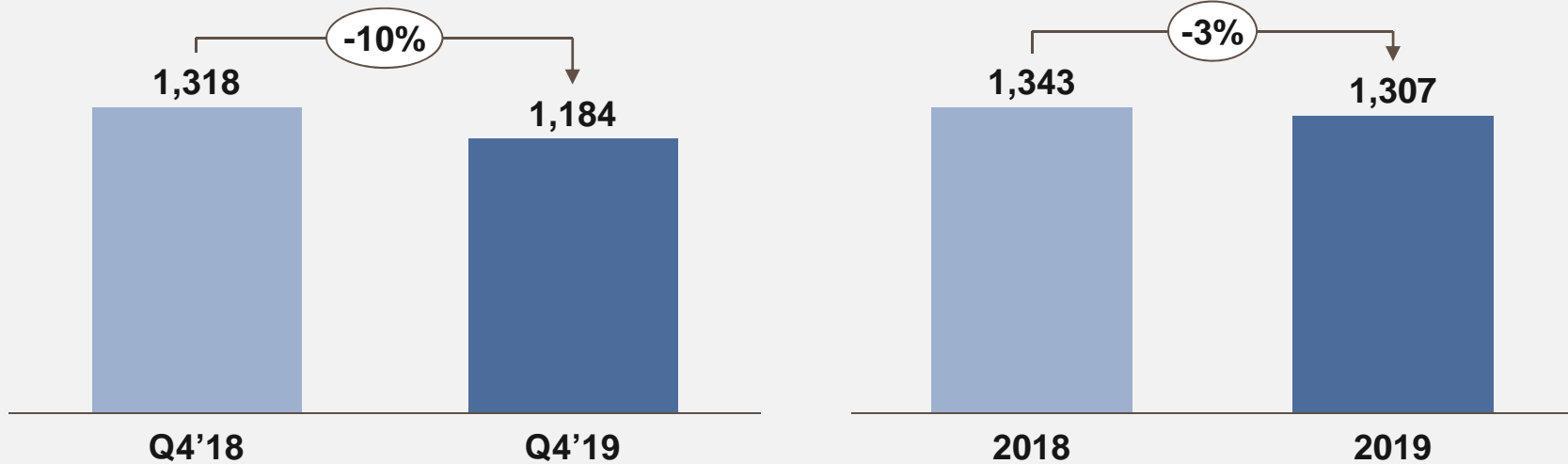
Maximization of consumption of alternative fuels

Improvement in electrical energy efficiency



Freight & Forwarding

Rs/ton



Q4 YoY

Improvement in logistics operating efficiencies

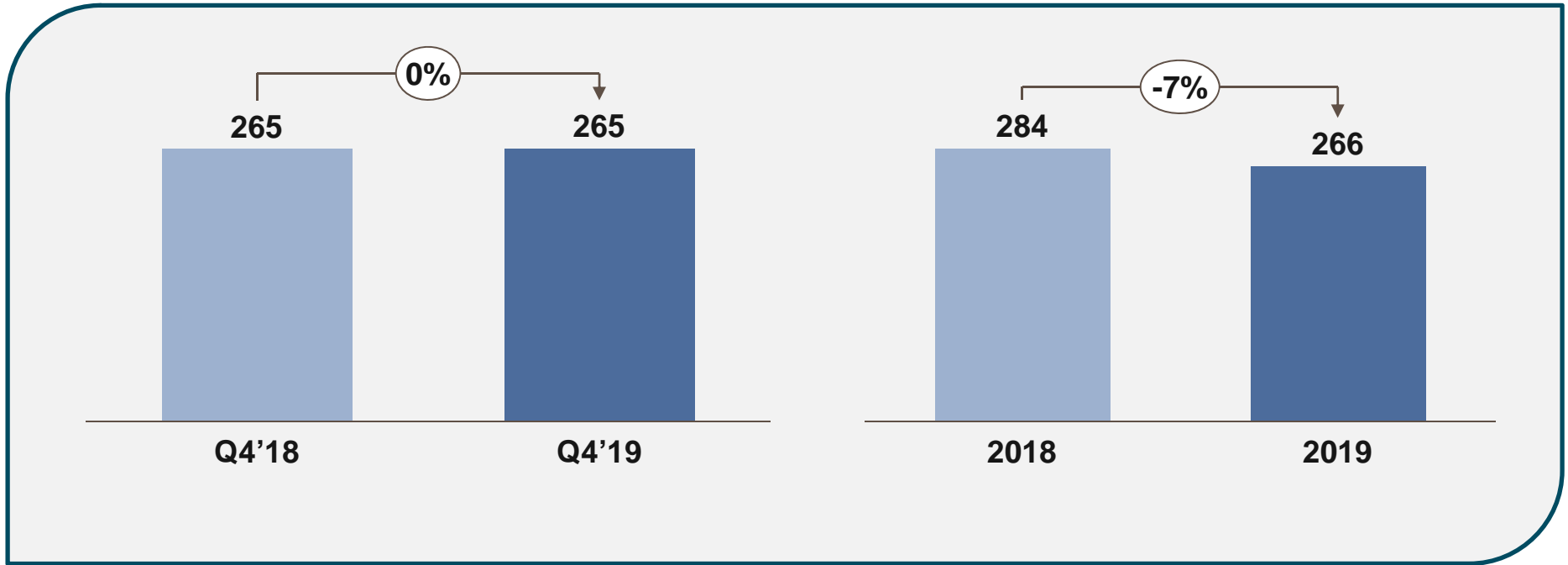
Focus on road dispatches

Road freight reduction



Employee Cost

Rs/ton



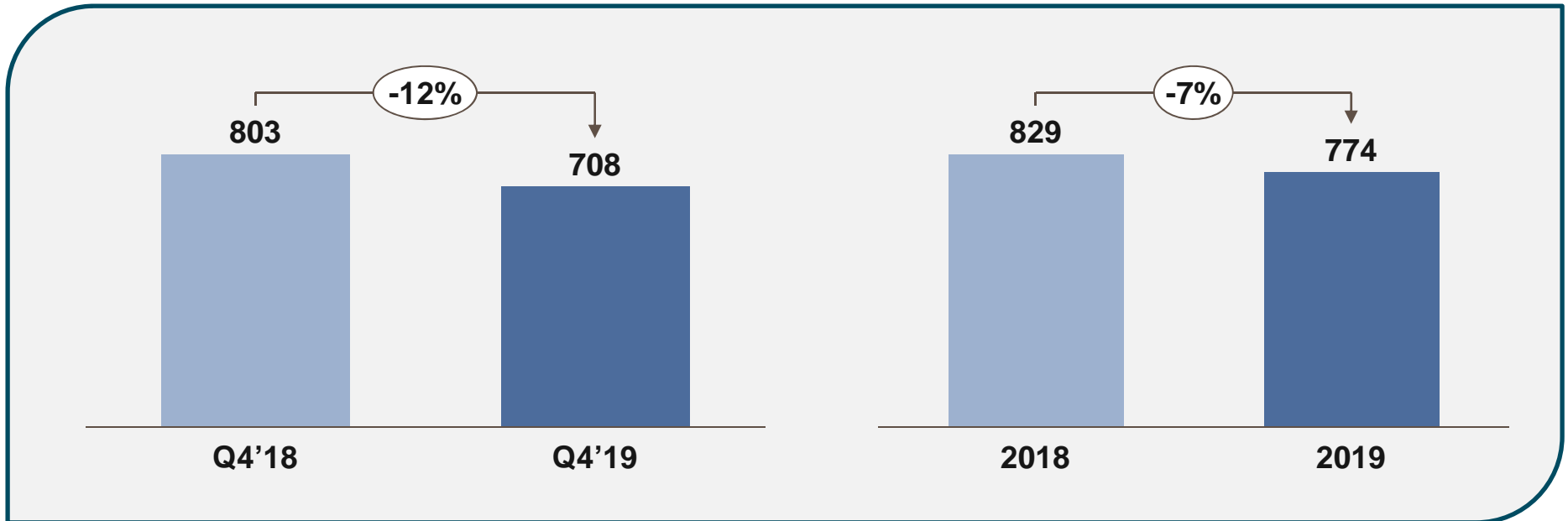
Q4 YoY

People productivity improvement



Other expenses

Rs/ton



Q4 YoY

Reduction in support function cost

Lower packing material cost



Awards & Accolades



Awards & Accolades:



“**Gold award**” for excellence in financial reporting for its Annual report 2018 from the Institute of Chartered Accountants of India (ICAI)

ACC was named the winner of the Climate Action Programme (CAP) 2.0 “**Resilient Award**” in the Energy, Mining & Heavy Manufacturing Sector by the Confederation of Indian Industries (CII)



ACC Concrete was conferred a “**GreenPro certification**” by the Confederation of Indian Industries (CII) at the Green Building Conference 2019





THANK YOU

Cautionary statement regarding forward looking statements

This presentation may contain certain forward-looking statements relating to the Company's future business, developments and economic performance

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