

# Ambuja Cement

ACL:SEC:

24<sup>th</sup> July, 2020

Bombay Stock Exchange Limited Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai – 400 023	National Stock Exchange of India Ltd., Plot No.C/1 'G' Block Bandra – Kurla Complex Bandra East, Mumbai 400 051
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Dear Sirs,

Sub: Investor Presentation on the Financial Results for the quarter and half year ended June 30, 2020

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, 2020.

You are requested to kindly take the above information on your records.

Thanking you,

Yours faithfully,  
For AMBUJA CEMENTS LIMITED

RAJIV GANDHI  
COMPANY SECRETARY  
**Membership No A11263**



# Second quarter and First half of the Year 2020 results

24<sup>th</sup> July 2020

- **Performance Highlights**
- Performance Analysis
- Standalone and Consolidated results
- Products Portfolio
- Ambuja Cement Foundation – Community outreach measures

# Q2 2020 PERFORMANCE HIGHLIGHTS



## Q2 2020

- Robust EBITDA margin expansion; up by 380 bps to 27.8%
- EBITDA of ₹ 595 crore only saw a decline of 15%
- Profit after tax up by 10% to ₹ 453 crore
- Net Sales de-grew 26% due to Covid-19 situation
- Cement realisations were up 2% YoY
- Total Operating expenses declined by ₹ 115 PMT, 3% YoY
- Company generated additional cash and cash equivalent of ₹ 714 Crore during January-June 2020
- Our greenfield project at Marwar Mundwa, Rajasthan is progressing

# H1 2020 PERFORMANCE HIGHLIGHTS



## H1 2020

- EBITDA Margin at 24.4% up by 420 bps
- EBITDA of ₹ 1198 crore ahead of 2019 by 3%
- EBITDA PMT increased by 27% to ₹ 1205
- Profit after tax at ₹ 852 crore up by 1.6%
- Net Sales de-grew 15% due to Covid-19 situation
- Cement realisations up 3.7% YoY
- Total Operating expenses declines by ₹ 48 PMT, 1% YoY

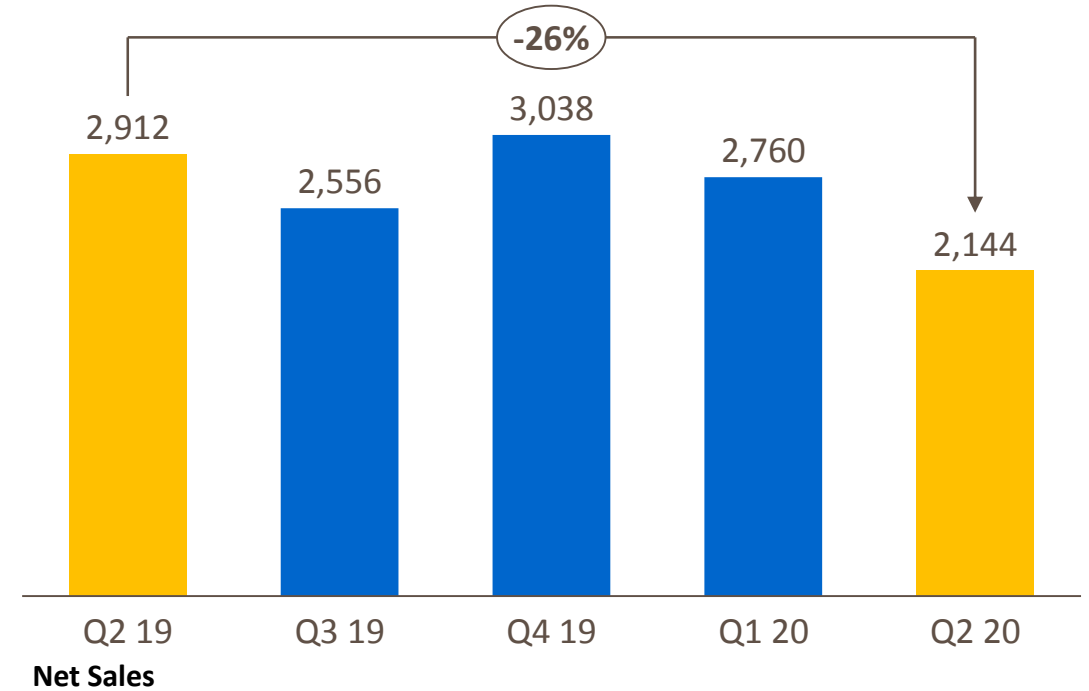
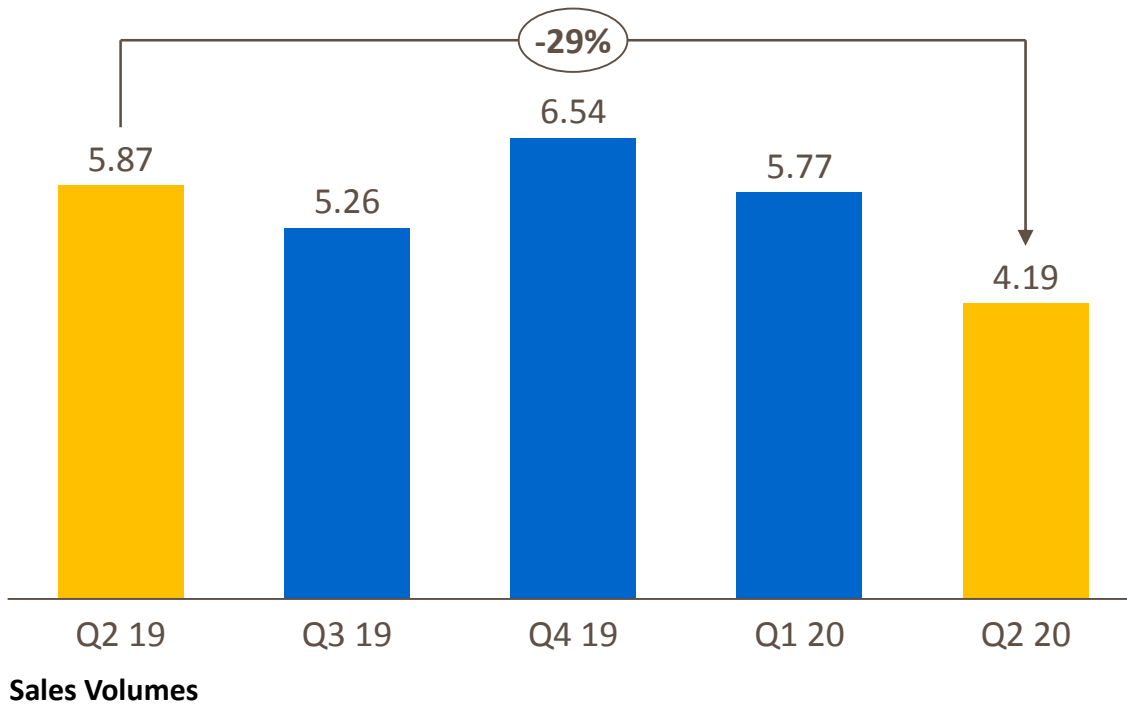
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# Q2 2020 PERFORMANCE ANALYSIS

## Sales Volumes and Net Sales

Million Tonnes – Cement & Clinker

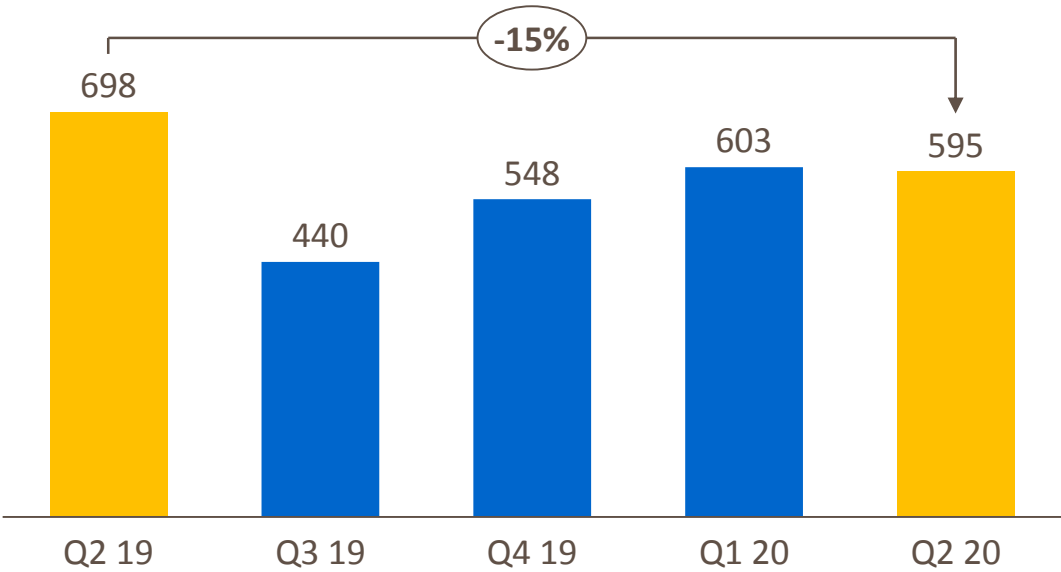
₹ Cr.



Volume de-grew 29%, resultant net sales impacted by 26%, due to country lockdown from 25<sup>th</sup> March till end April

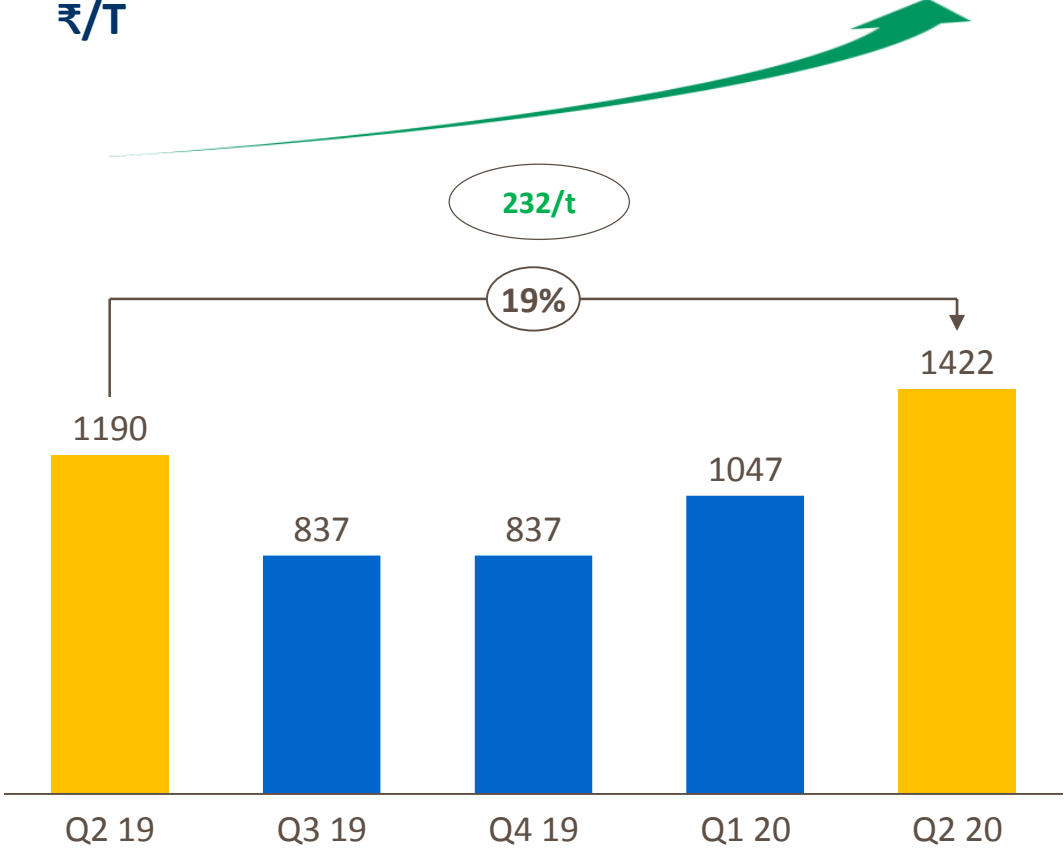
# EBITDA ₹ Cr and EBITDA / Tonne trend

₹ Cr.



EBTDA

₹/T



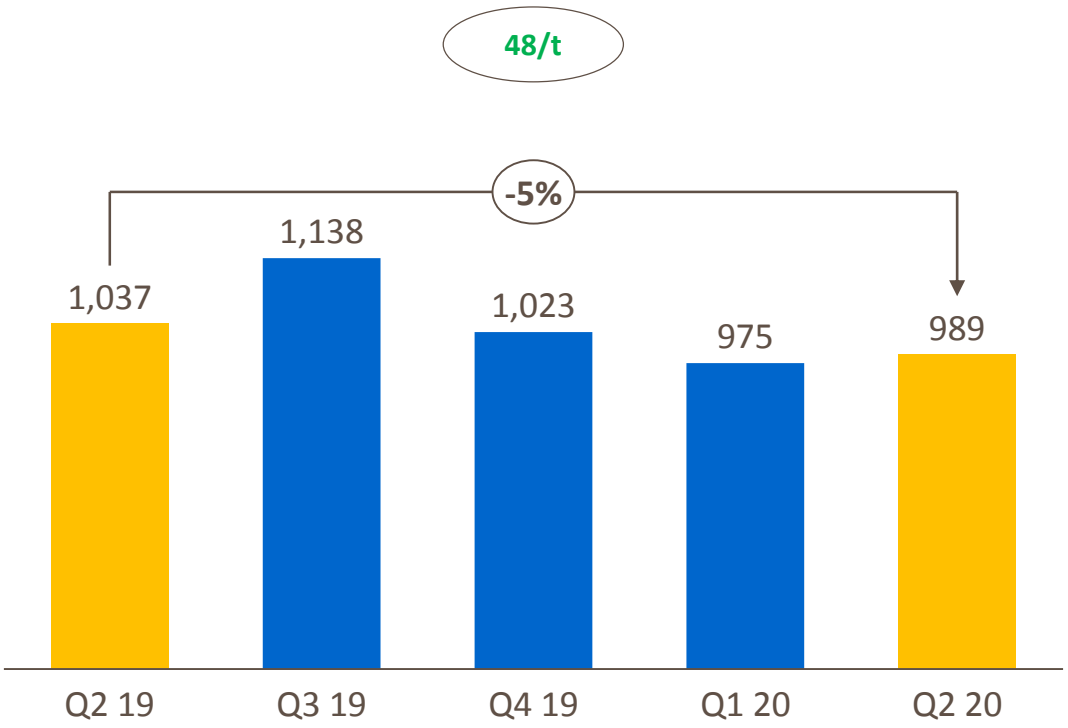
EBITDA PMT

EBITDA/Tonne increased 19% for the quarter i.e. by ₹ 232/t on account of higher realisations coupled with lower raw material, power & fuel, logistics costs and other fixed costs



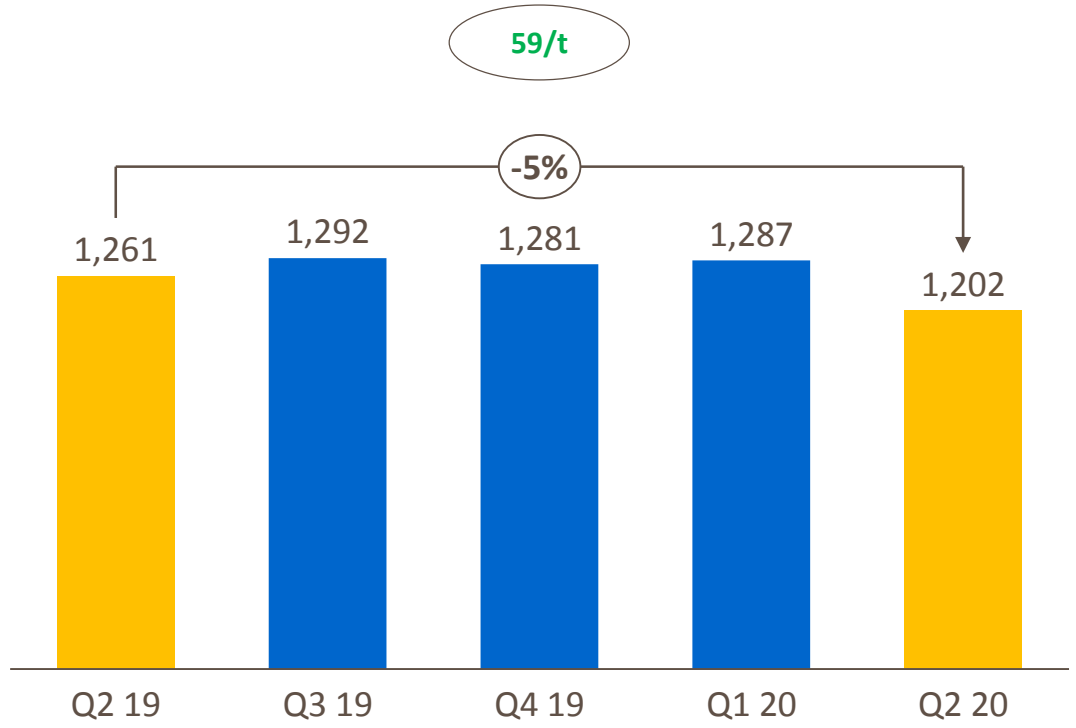
# Key Costs - Power & Fuel and Freight & Forwarding Costs trend

₹/T



Power & Fuel

₹/T



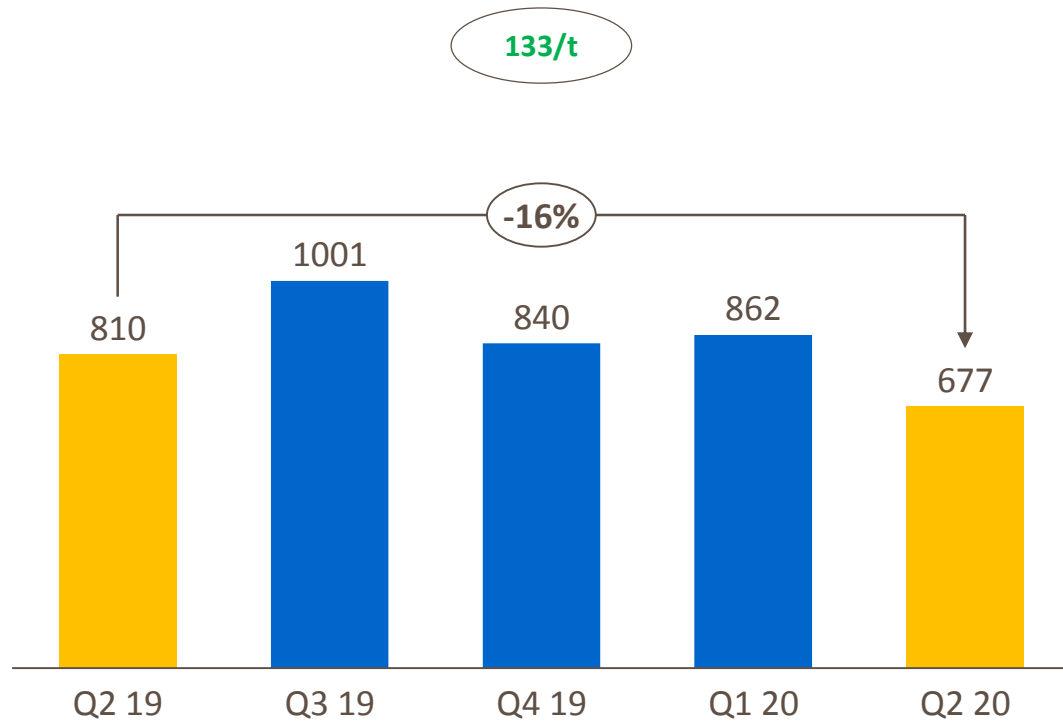
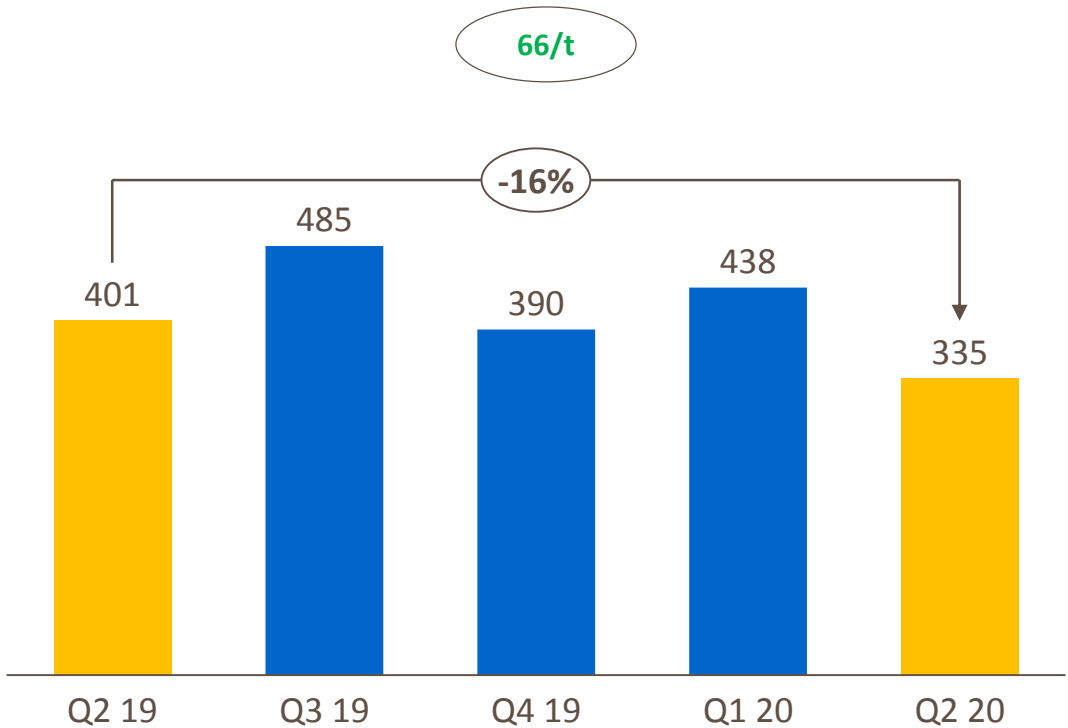
Freight & Forwarding

Power & fuel sees reduction on account of low cost of fuel, Savings in logistics on account of re-negotiation of contracts, logistic efficiencies as well as network optimization gained momentum due to acceleration of Master Supply Agreement (MSA) with ACC Limited

# Key Costs - Raw Material Costs and Other Expenses trend

₹/T

₹/T

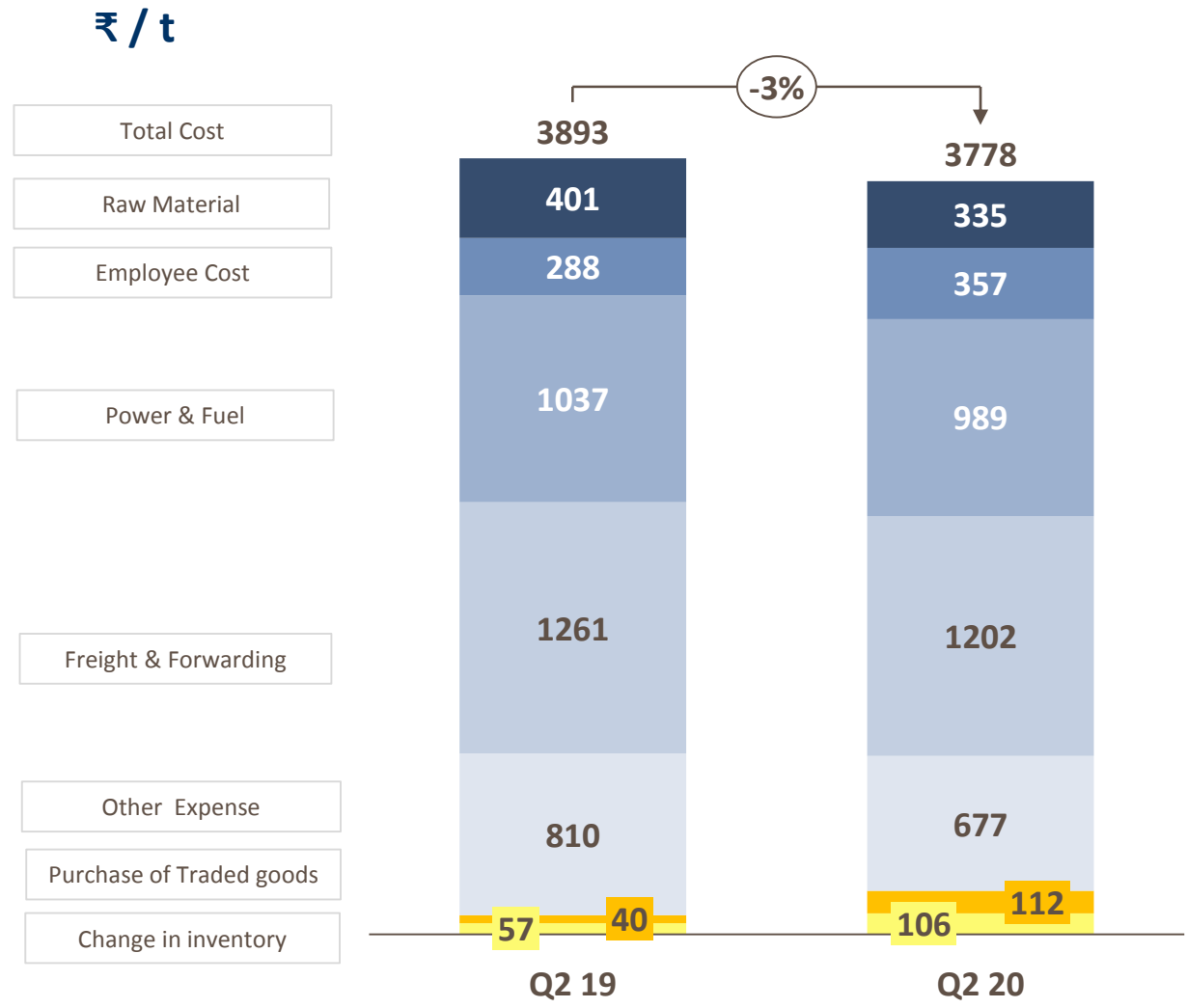


Raw Material

Other expense

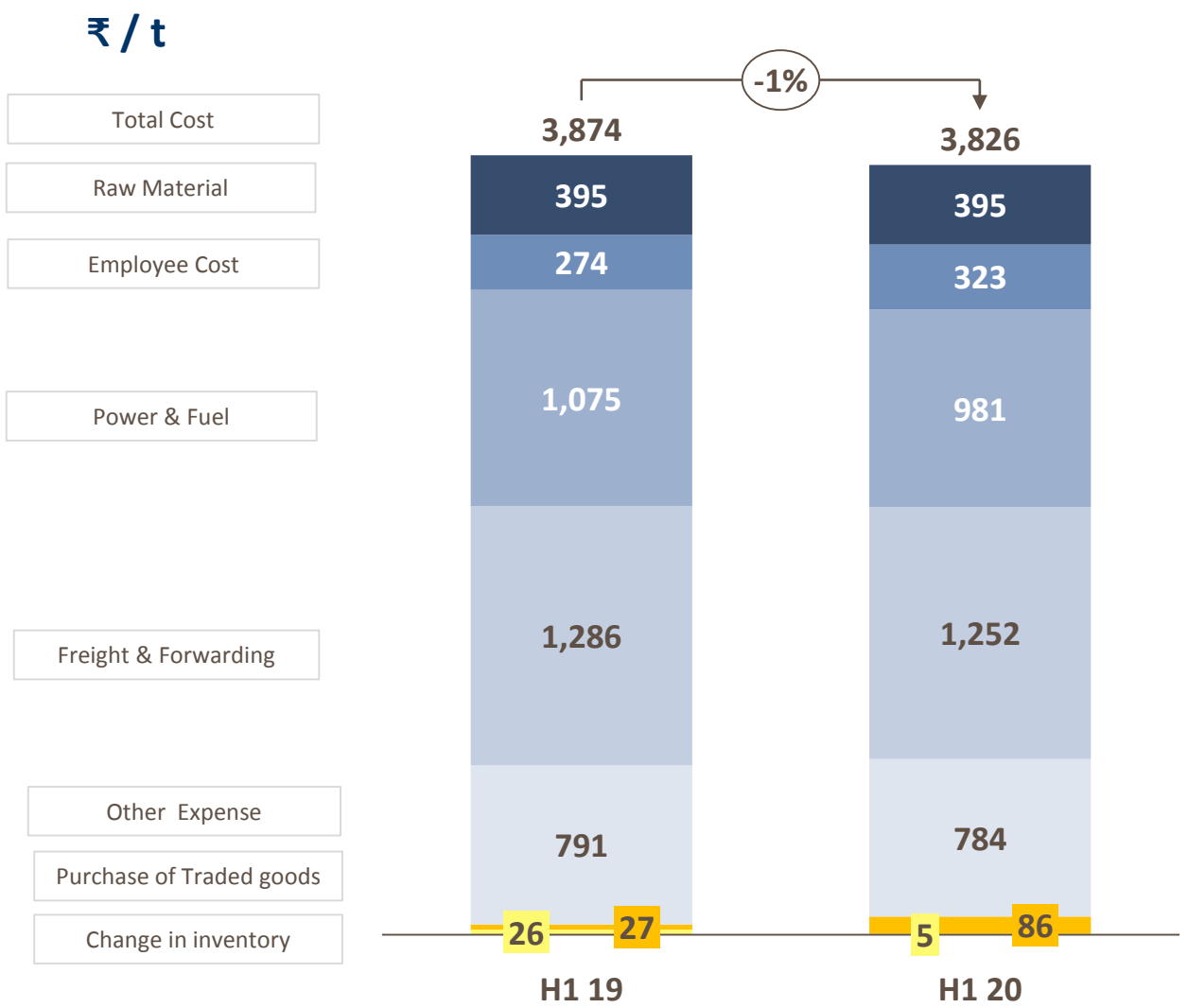
Raw Material costs decreased YoY mainly due to reduction in rates of Fly & Gypsum  
 Despite weak operating leverage i.e. lower volumes, Other expenses/tonne saw a sharp reduction YoY due to reduction in other fixed costs coupled with various cost optimisation initiatives

# Total cost sees a reduction of 3% YoY i.e. Q2 20 vs Q2 19



Total Costs saw a decline on account of lower raw material, power& fuel, logistics and other fixed cost in Q2'20

# Total cost sees a reduction of 1% YoY i.e. H1 20 vs H1 19



Total Costs saw a decline on account of lower power& fuel, logistics and other fixed cost in H1'20

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# Standalone Results: Apr-June 2020

EBITDA Margin expanded by 4.2 pp despite volume de-growth by 18.4%

Particulars	UoM	Apr-Jun 2019	Apr-Jun 2020	Δ %	Jan-Jun 2019	Jan-Jun 2020	Δ %
Sales Volume	MnT	5.82	4.19	-28.1%	12.19	9.95	-18.4%
Price (Cement)	₹/bag	251	257	2.2%	238	247	3.7%
Sales	₹ Cr	2,912	2,145	-26.4%	5,759	4,905	-14.8%
Revenue from operation	₹ Cr	2,984	2,177	-27.0%	5,911	5,004	-15.3%
Revenue from Operation	₹ per ton	5,083	5,200	2.3%	4,822	5,031	4.3%
Operating Expenses	₹ Cr	2,285	1,582	-30.8%	4,750	3,806	-19.9%
Operating Expenses	₹ per ton	3,893	3,778	-3.0%	3,874	3,826	-1.2%
EBITDA	₹ Cr	698	595	-14.8%	1,162	1,198	3.2%
EBITDA Margin	%	24.0%	27.8%	3.8 pp	20.2%	24.4%	4.2 pp
EBITDA	₹ per ton	1,190	1,422	19.5%	948	1,205	27.2%
Finance cost	₹ Cr	21	18	-12.3%	38	41	7.9%
Depreciation	₹ Cr	131	129	-1.5%	262	267	1.7%
Non Operating Income	₹ Cr	58	192	231.6%	298	280	-6.0%
Profit before tax	₹ Cr	605	640	5.9%	1,159	1,171	1.0%
Tax expenses	₹ Cr	193	187	-3.0%	320	318	-0.7%
Profit after Tax	₹ Cr	412	453	10.0%	839	852	1.6%
Earning per Share	₹	2.08	2.28	9.6%	4.23	4.29	1.4%

## Comments Q2'19 vs Q2'20

- Volume down by 28% due to lockdown in April
- Non operating income is up as dividend from ACC ₹ 133 crore
- EBITDA Margin expanded by 3.8 pp

## Comments H1'19 vs H1'20

- EBITDA higher than PY despite lockdown impact

# Consolidated Results: Apr-Jun 2020

Particulars	UoM	Apr-Jun 2019	Apr-Jun 2020	Δ %	Jan-Jun 2019	Jan-Jun 2020	Δ %
Cement Volume	MnT	12.96	<b>8.66</b>	-33.2%	26.80	<b>20.85</b>	-22.2%
Sales	₹ Cr	6,920	<b>4,544</b>	-34.3%	13,614	<b>10,673</b>	-21.6%
Revenue from operations	₹ Cr	7,074	<b>4,644</b>	-34.3%	13,905	<b>10,894</b>	-21.7%
Operating Expenses	₹ Cr	5,590	<b>3,522</b>	-37.0%	11,424	<b>8,580</b>	-24.9%
EBITDA	₹ Cr	1,484	<b>1,122</b>	-24.4%	2,481	<b>2,314</b>	-6.7%
EBITDA margin	%	21.4%	<b>24.7%</b>	3.3 pp	18.2%	<b>21.7%</b>	3.5 pp
Finance Cost	₹ Cr	41	<b>31</b>	-23.0%	79	<b>65</b>	-17.8%
Depreciation	₹ Cr	278	<b>292</b>	5.0%	558	<b>588</b>	5.5%
Share in profit of joint venture	₹ Cr	4	<b>2</b>	-51.9%	9	<b>6</b>	-36.8%
Non Operating Income	₹ Cr	110	<b>111</b>	0.4%	373	<b>253</b>	-32.3%
Profit Before Tax	₹ Cr	1,280	<b>912</b>	-28.8%	2,226	<b>1,918</b>	-13.8%
Tax Expenses	₹ Cr	448	<b>319</b>	-28.7%	699	<b>583</b>	-16.5%
Profit Before Non Controlling Interest	₹ Cr	832	<b>593</b>	-28.8%	1,527	<b>1,335</b>	-12.6%
Non Controlling Interest	₹ Cr	209	<b>135</b>	-35.2%	409	<b>324</b>	-20.8%
Profit After Non Controlling Interest	₹ Cr	623	<b>457</b>	-26.6%	1,118	<b>1,011</b>	-9.6%
EPS	₹	3.14	<b>2.30</b>	-26.8%	5.63	<b>5.09</b>	-9.6%

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# AMBUJA PRODUCT PORTFOLIO

## STRENGTH FOR THE CORE



STRENGTH THAT LASTS



STRONG LEAK-PROOF SLAB



BRIGHTNESS GETS AMBUJA'S STRENGTH



STRENGTH TO WITHSTAND WATER

## STRENGTH FOR THE DÉCOR



STRENGTH THAT LASTS



PERFECT PARTNER FOR STRENGTH & FINISH



STRENGTH THAT HOLDS BEAUTY



SMOOTHER FINISH CRACK-FREE WALLS



COLOUR THAT LASTS



THE SCIENCE OF MAKING STRONGER HOMES

You build your home only once, and to build it stronger you need the right materials, the right techniques and the right people. Ambuja through its Ambuja Certified Technology brings the techniques used in high-rise construction, now available for your home:

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- 🏠 MCS (Modular Curing Sheet): Hassle-free curing
- 🏠 PAD (Planning and Architecture Design): Space-optimizing designs

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# Community Outreach through Ambuja Foundation

## Continued Efforts of programs inspite of the lockdown and restrictions(1 of 2)

- **Completed constructions of 200 Rooftop Rainwater Harvesting Structures and 59 projects related to Water harvesting, Irrigation and Drinking Water** through April - June which were stalled mid-way in Mar 2020
- **Skill training module moved to online module**, currently training 3,000 youth in 125 batches.
- Followed up with ex-trainees who lost jobs and have **placed 500 trainees in Rajasthan** amidst lockdown.
- **Focused on COVID safety** during harvesting and market sale with awareness through digital technology and **covered 25,000 farmers under the Better Cotton Initiative (BCI) with Insurance** against infection of COVID. ACF's innovation captured by Better Cotton Initiative, Geneva
- **Continued work on Maternal Child Health, Tuberculosis, Vaccination & Non-Communicable Disease (NCD) program** through our frontline workers and completed baseline study on NCD with Harvard TH Chan School of Public Health
- **Relief material Provided** to those adversely affected in Sankrail due to **Cyclone Amphan**



*Completed recently constructed dam*



*Sakhi checking up elder with blood pressure machine*

Won the CII – ITC  
Sustainability Awards  
2019 for Excellence in  
CSR, Outstanding policy,  
practice and results in  
Chandrapur, Farakka and  
Bhatapara

# Community Outreach through Ambuja Foundation

## Quick response help communities prepare for COVID (2/2)

### Digital Messaging continued for specific target group

Reaching 7 lakh beneficiaries everyday through mobile messages and focused messaging sent to elderly, truckers, migrant workers and pregnant and lactating mothers.



Farmer referring to mobile message



Mask and Awareness with MNREGA workers

### Donation of Relief Services

Donation of PPE Kits in Ropar and Ration Kits in locations



Boxes of PPE Kits ready to be donated

### Mental Health Advisory

24 experts trained 450 ACF staff and frontline workers on basic stress and anxiety counselling and now servicing the community

21 images, 19 videos created on mental health. 23 cases under counselling. Reaching out to staff members and beneficiaries with counselling support



Mental Health Advisory Slide during training

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