



Investor Presentation: Q3'18 Results

Oct 17, 2018

ACC



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More than just business – Kerala Relief efforts

Economy & Cement Industry

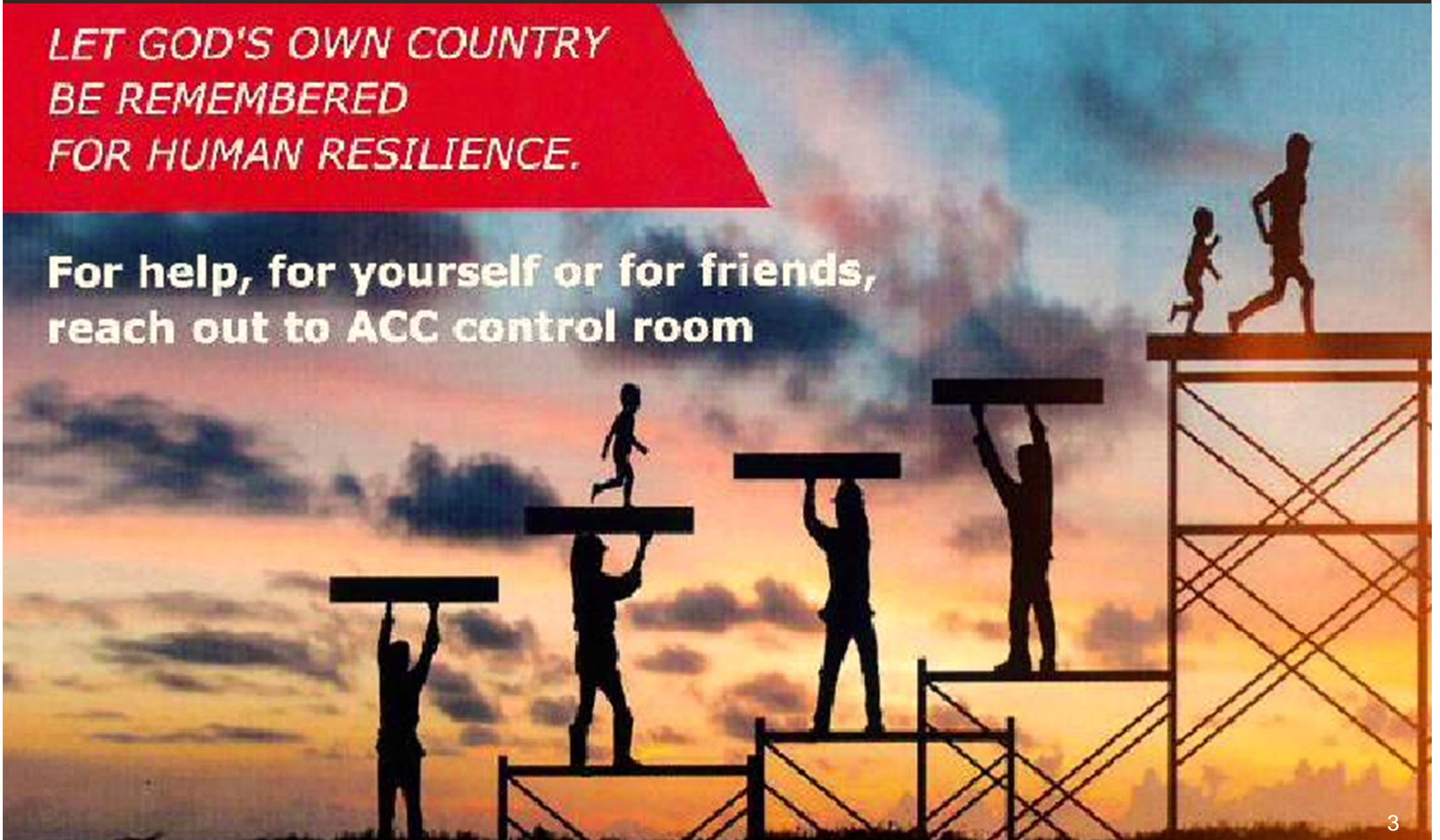
Performance Highlights

Performance Analysis

Rebuilding Kerala The *ACC* way

*LET GOD'S OWN COUNTRY
BE REMEMBERED
FOR HUMAN RESILIENCE.*

**For help, for yourself or for friends,
reach out to ACC control room**



ACC

**Agile
&
Immediate
Assistance
by ACC
teams**



- ACC leaped into action and was on site within 24 hours
- Set up a Core Action Group, Control Centre and Helpline
- In 48 hours, ACC Help kiosks, ACC Help Vans, logistics hubs for relief material distribution, volunteer task force deployed

ACC

Senior Leadership Involvement & Professional rehabilitation Services



- Leadership team led the relief effort
- In-house professional and technical skills such as plumbing, electrical, carpentry, specialized cleaning and masonry, from Madukkarai plant deployed to help clean, repair and rehabilitate schools, homes, toilets and more
- Provided relief kits of food, cleaning, clothing, utensils etc.
- Classrooms, school infrastructure, homes rehabilitated



ACC

Collective
response -
extended
reach



Super Fine. Super Fast.

F2R
» SUPERFAST



Economy & Cement Industry Update

ACC cement

ACC Economy & Cement Industry

Economy

Growth firming up; projected @7.3% FY19 – WB

Current account deficit to worsen to 3% of GDP in current fiscal

IIP growth moderated to 6.6 % in Jul'18 (vs 1.0% PY) – MoCI

Rupee hitting all-time low above 74/\$ – IMF

Repo rate unchanged @6.5%

Inflation projected @ 4.7% in FY19 vs 3.6% FY18 amidst accelerating demand and rising fuel prices – IMF

CPI & WPI down to 3.7% & 4.5% in Aug'18 (4.2% & 5.1% in Jul'18 respectively)

Cement Industry

Demand drivers including affordable and rural housing segments as well as infrastructure projects are expected to strengthen healthy cement demand

Multiple cost headwinds viz. coal, petcoke, slag and diesel continues

Significant pressure on prices - not adequate enough to fully compensate cost rise

Government plans to auction over 100 mineral blocks in next 6 months

Abbrev: IMF - International Monetary Fund; WB - World Bank; CG - Capital Goods, MoCI - Ministry of Commerce & Industry, CPI - Consumer Price Index, WPI - Wholesale Price Index

NOT JUST STRONG, XTRA STRONG.



Performance Highlights Q3'18

ACC cement



Volume Performance Q3'18



Cement Volume
6.55 mt

+ 10% YoY



RMX Volume
7.34 lakh m³

+ 12% YoY




Capacity Utilisation
80%

PY 73%

Double digit Cement & RMX volume growth
Focus on value added premium products
Capacity utilization improved

ACC Financial Performance Q3'18



Op. EBITDA
Rs 444 Cr
+ 7% YoY



PBT
Rs 308 Cr
+ 16% YoY



PAT
Rs 209 Cr
+ 15% YoY



EPS
Rs 11/share
+ 15% YoY

Consistent positive financial performance in last 4 quarters

ACC IND AS Result - Consolidated

Particulars	UoM	Q3'17	Q3'18	Change vs PY	YTD Sep'17	YTD Sep'18	Change vs PY
Net Sales	Rs Cr	3054	3364	10%	9492	10689	13%
Op. EBITDA (Reported)	Rs Cr	416	444	7%	1469	1560	6%
<i>Margin</i>	<i>%</i>	<i>13.6</i>	<i>13.2</i>	<i>-40 bps</i>	<i>15.5</i>	<i>14.6</i>	<i>-90 bps</i>
Op. EBITDA (Excl. separation cost)	Rs Cr	416	447	8%	1469	1608	9%
<i>Margin</i>	<i>%</i>	<i>13.6</i>	<i>13.3</i>	<i>-30 bps</i>	<i>15.5</i>	<i>15.0</i>	<i>-50 bps</i>
Profit Before Tax (PBT)	Rs Cr	266	308	16%	1009	1167	16%
Tax Expenses	Rs Cr	85	99	16%	290	379	30%
Profit After Tax (PAT)	Rs Cr	182	209	15%	719	788	10%
<i>EPS</i>	<i>Rs/share</i>	<i>9.67</i>	<i>11.14</i>	<i>15%</i>	<i>38.27</i>	<i>41.97</i>	<i>10%</i>

Particulars	Standalone	
	31.12.17	30.09.18
Shareholders Funds	9,365	9,805
Non current Liabilities	683	773
Current Liabilities	4,841	4,436
Equity & Liabilities	14,889	15,014
Fixed Assets	7,503	7,402
Non current investment	230	230
Non current loan and advances	216	214
Other non current assets	1,322	1,355
Current Assets	5,618	5,813
Assets	14,889	15,014

BUILDING A NEW AND STRONG INDIA

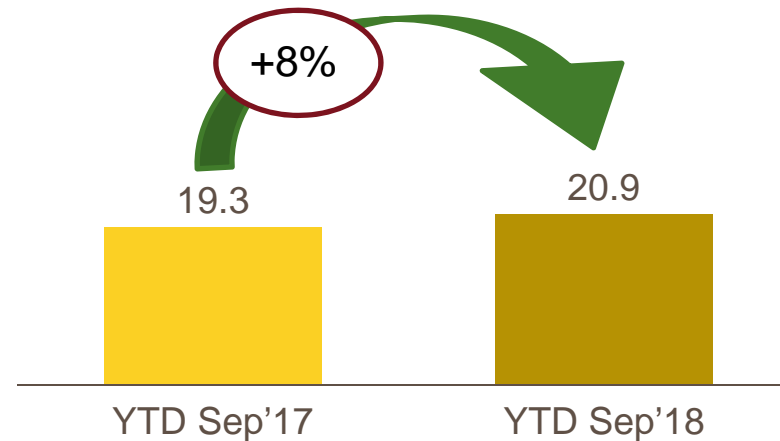
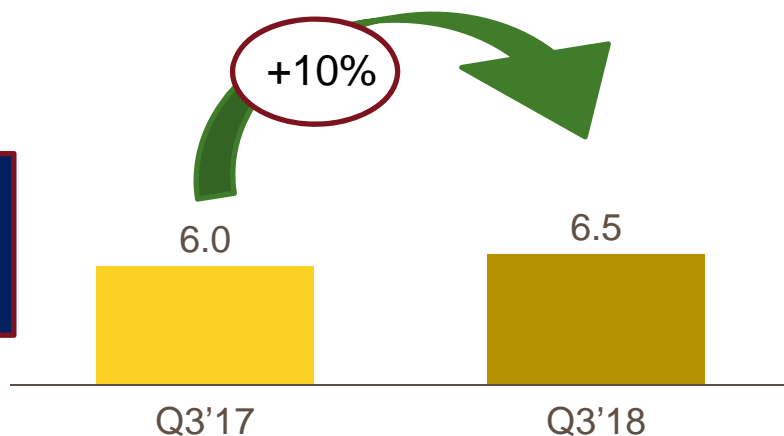


Performance Analysis

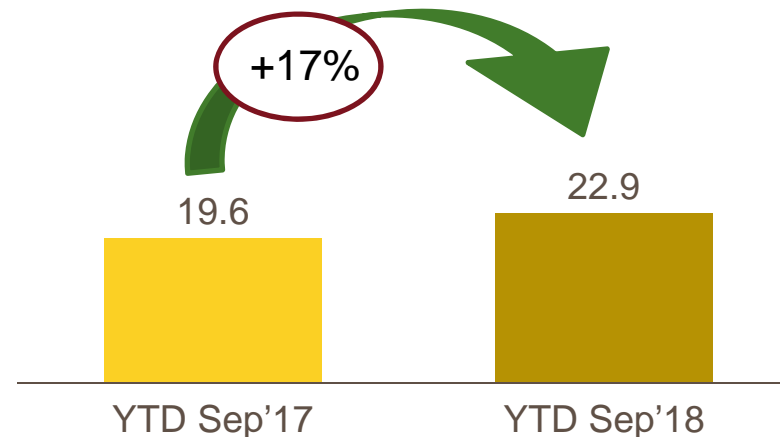
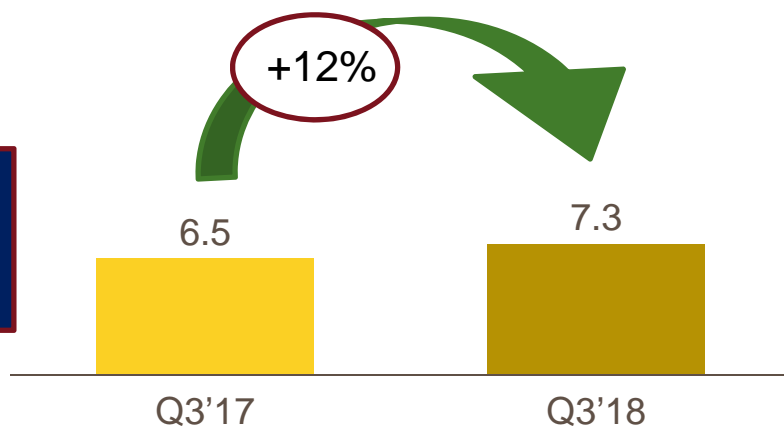


Sales Volume

**Cement
Volume
(Mio t)**

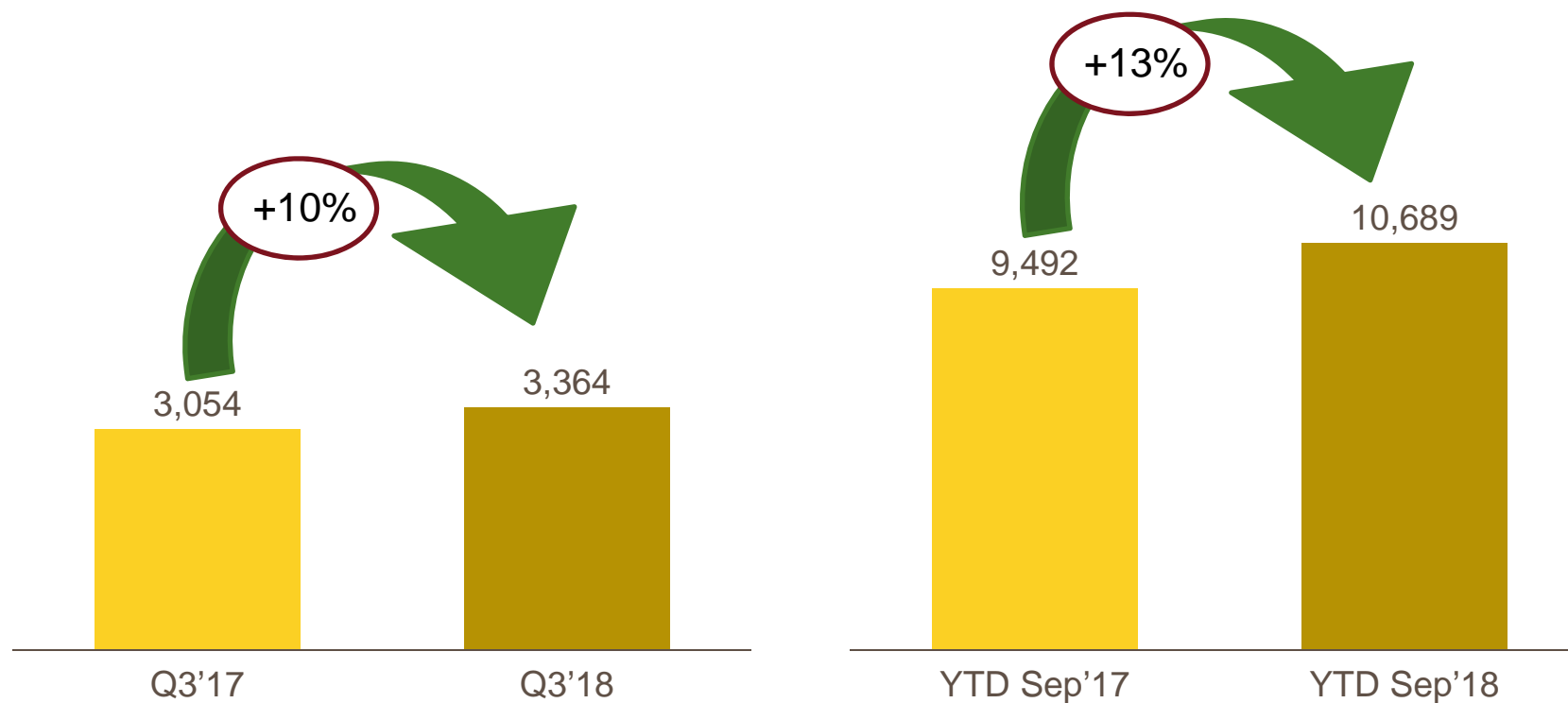


**RMX
Volume
(Lakh m³)**



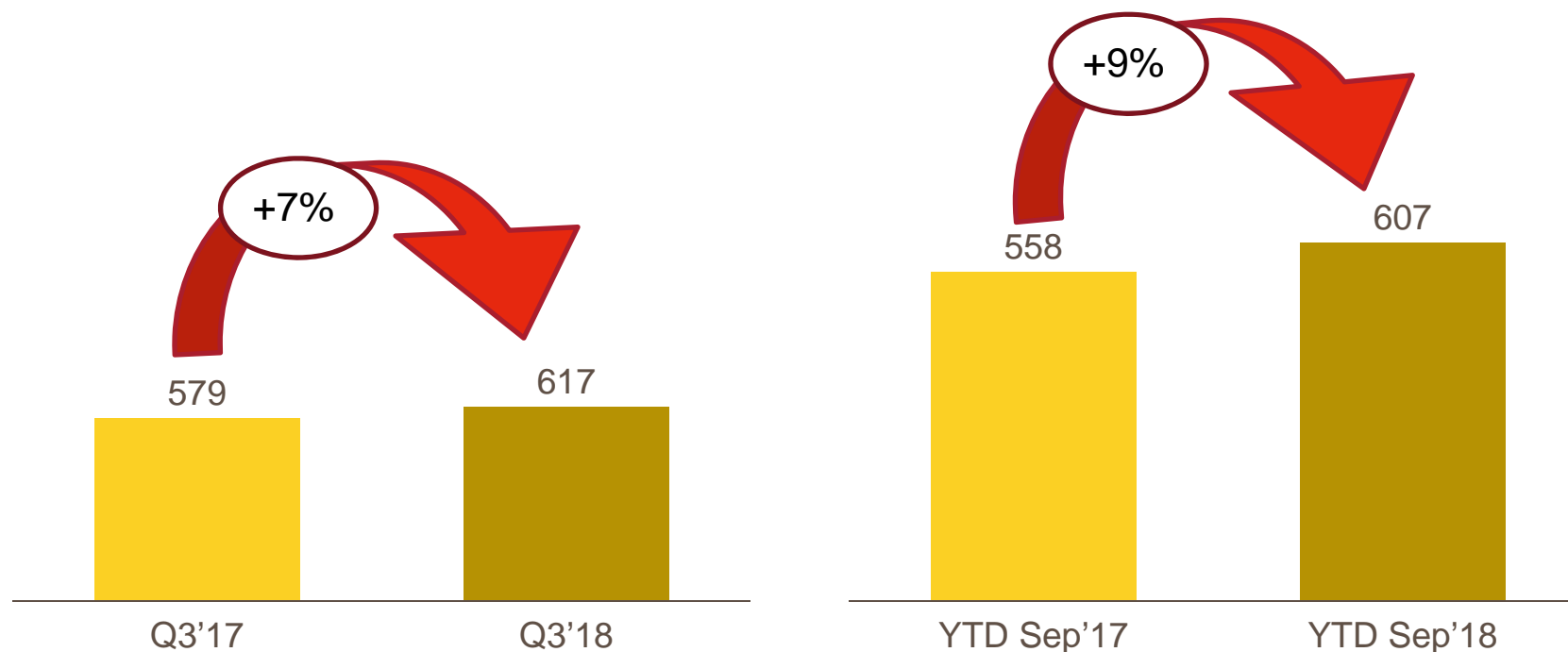
Quarter Performance

- Volume growth spurred by higher demand
- Robust growth in value added premium product
- Sustained volume growth in RMX business



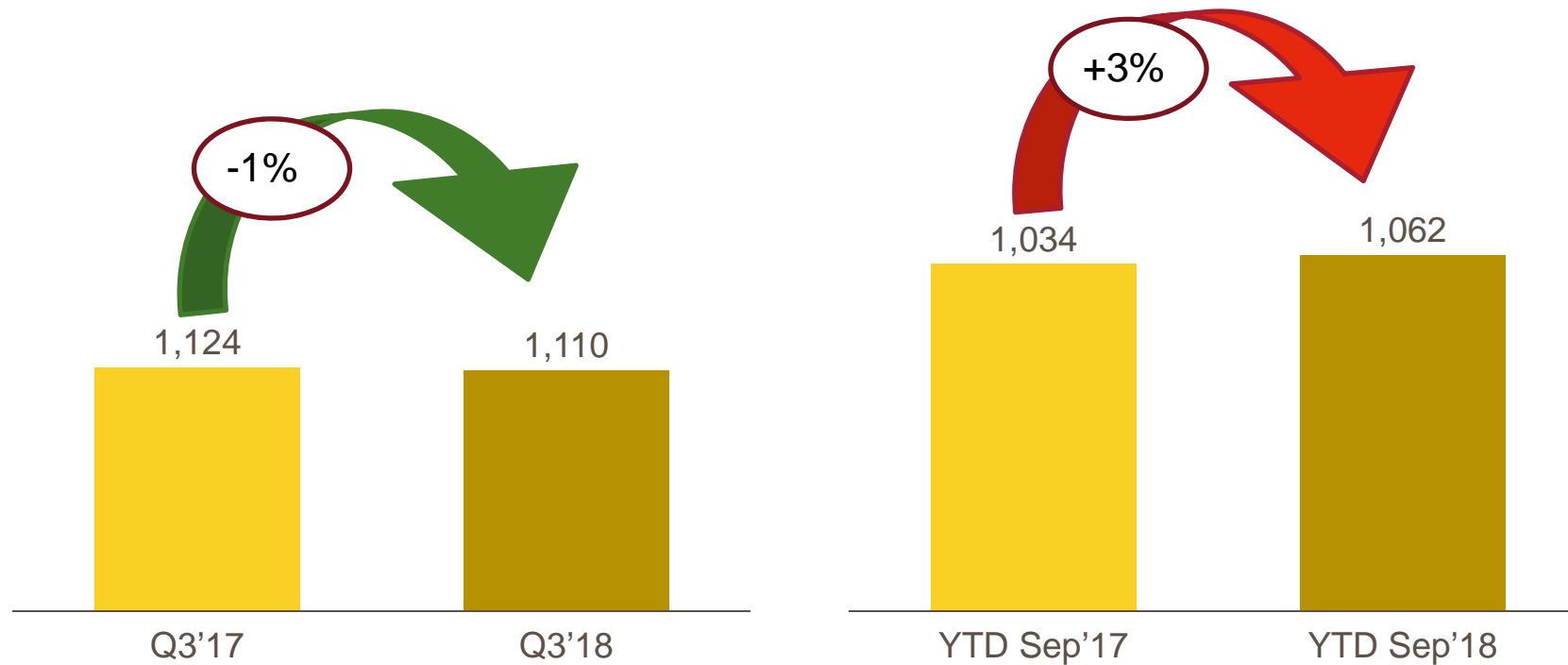
Quarter Performance

- Net Sales improvement driven by volume growth
- Significant pressure on prices



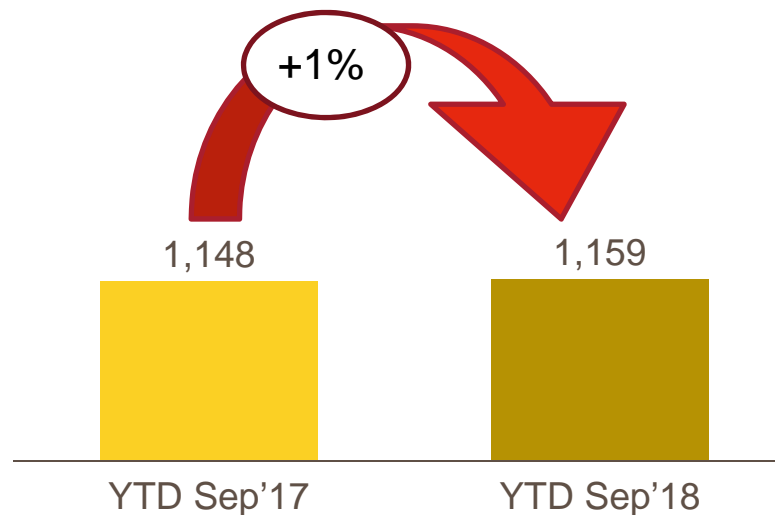
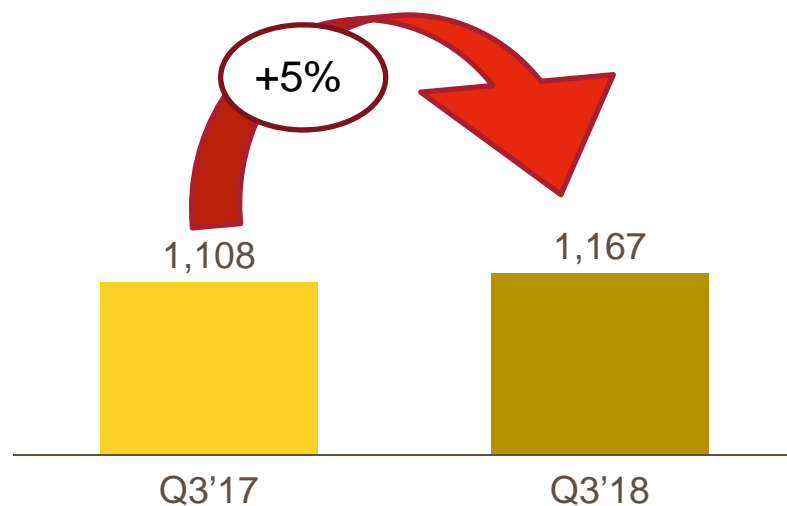
Quarter Performance

- Increase in cost of material influenced mainly by spiraling cost of slag
- Landed cost of slag increased by ~50% due to rapid rise in demand & also rake availability constraints
- input material Source mix optimisation & product portfolio optimisation enabled restricting cost rise



Quarter Performance

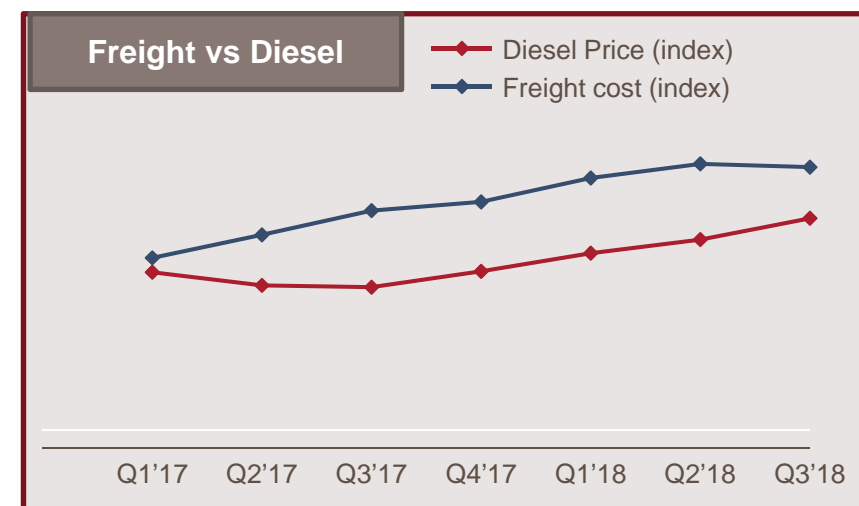
- Energy efficiencies improved
- Continuous fuel source mix optimization enabled containing cost

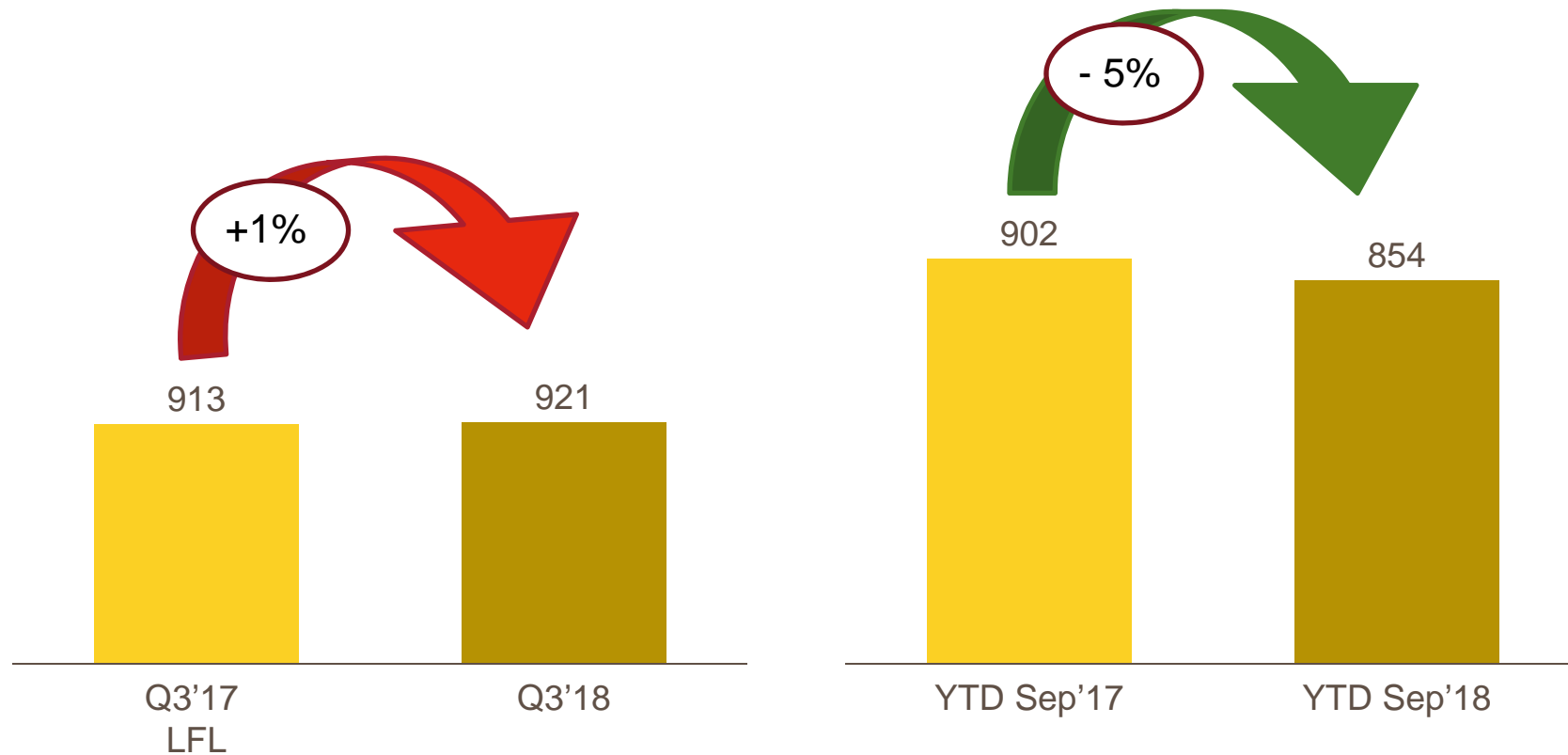


Quarter Performance

- Road freight and packing material cost impacted due to hike in diesel price (~ 27% YoY)
- Cost up due to additional warehousing space to meet volume growth & higher premium product handling
- Direct despatch improved
- Reduction in rail lead through route optimisation

Note: Adjusted for impact of change in commercial terms (Ex to FOR delivered)





Quarter Performance

- Selling, General & Administrative expenses maintained at previous year level
- Strict control on discretionary spend



Awards & Accolades: Q3

- ACC Jamul won the **'Rio Tinto Health & Safety Award'** for Opencast Mines (2017-18) for exemplary performance in implementation of safety management systems and safe work culture, Aug'18
- **'Excellent Energy Unit'** recognition by CII at the 19th National Award for Excellence in Energy Management, Aug'18 for:
 - ACC Thondebhavi plant
 - ACC Kymore plant
 - ACC Jamul plant
- ACC Jamul awarded 1st Runner-Up in Large Scale Category at the **CII Energy Conservation Awards**, Aug'18
- ACC won the Bronze award at the **CSR Health Impact Awards 2018**, Aug'18
- Declared Winner of **'Golden Peacock Award for Excellence in Corporate Governance'** for the year 2018



THANK YOU

ACC Wadi Plant



Disclaimer

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