



# Investor Presentation: Q3'19 Results

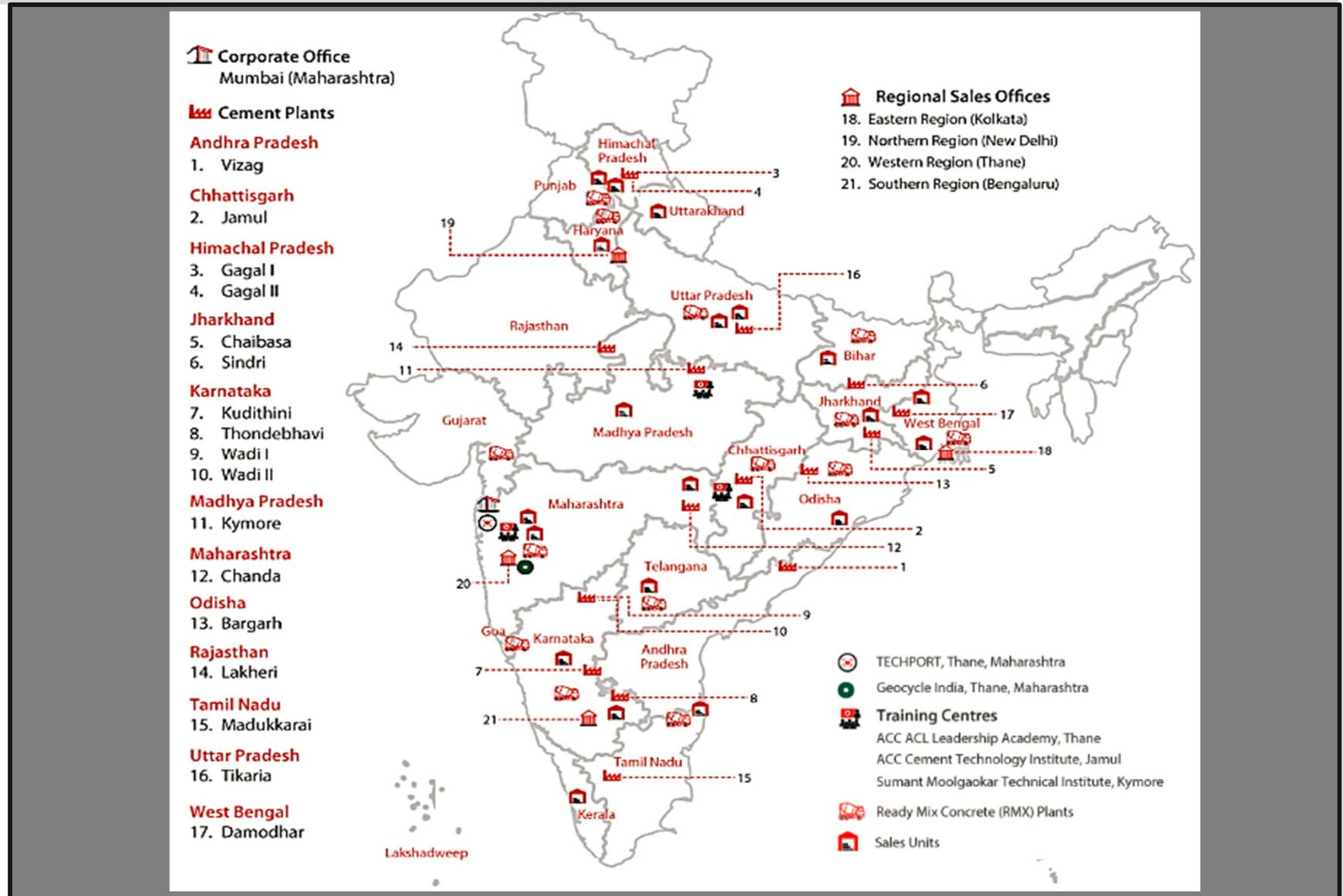
Oct 15, 2019



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



# ACC Network



**Cement Industry**

**Performance Highlights**

**Performance Analysis**





# **Cement Industry Update**

## Cement Sector

Economic slowdown  
key deterrent for  
housing demand  
growth

Pan-India  
cement  
demand  
declined during  
Q3'19

Government to  
spend Rs. 25  
Lakh Crore on  
infrastructural  
development in  
rural areas  
across country

Funding challenges,  
regulatory and land  
acquisition issues  
increased project cost  
and slowing pace of  
execution of road  
projects

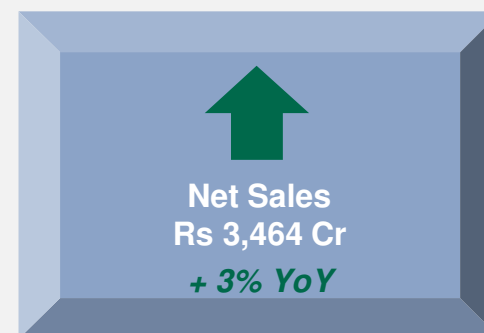
Government's release  
of funds for  
institutional projects  
post higher payout  
from RBI improved  
cement demand

Stronger government  
stimulus especially in  
infrastructure and  
affordable housing to  
support cement demand

# Performance Highlights Q3'19



## Performance highlights – Q3'19



**Cement lower due to weak demand;  
Consistent positive financial performance;  
Double digit RMX volume growth**

# ACC Financial result – Consolidated

| Particulars             | UoM      | Q3'18            | Q3'19 | Change<br>vs PY | YTD<br>Sep'18      | YTD<br>Sep'19 | Change<br>vs PY |
|-------------------------|----------|------------------|-------|-----------------|--------------------|---------------|-----------------|
| Net Sales               | Rs Cr    | 3,364            | 3,464 | 3%              | 10,689             | 11,373        | 6%              |
| Op. EBITDA              | Rs Cr    | 444 <sup>#</sup> | 557   | 26%             | 1,560 <sup>#</sup> | 1,872         | 20%             |
| Margin                  | %        | 13.2             | 16.1  | 2.9 pp          | 14.6               | 16.5          | 1.9 pp          |
| Profit Before Tax (PBT) | Rs Cr    | 308 <sup>#</sup> | 443   | 44%             | 1,167 <sup>#</sup> | 1,639         | 40%             |
| Tax Expenses            | Rs Cr    | 99               | 141   | 43%             | 379                | 535           | 41%             |
| Profit After Tax (PAT)  | Rs Cr    | 209              | 303   | 45%             | 788                | 1,104         | 40%             |
| EPS                     | Rs/share | 11.1             | 16.1  | 45%             | 42.0               | 58.8          | 40%             |

<sup>#</sup> Includes restructuring cost during Q3'18 Rs 4 Cr & YTD Sep'18 Rs 47 Cr

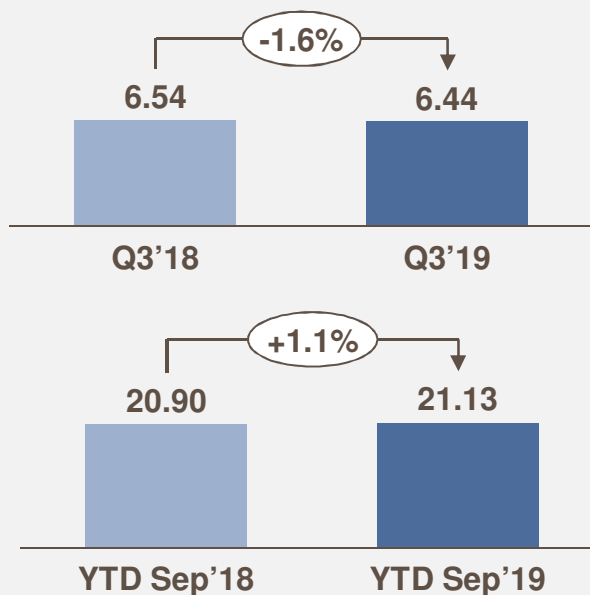




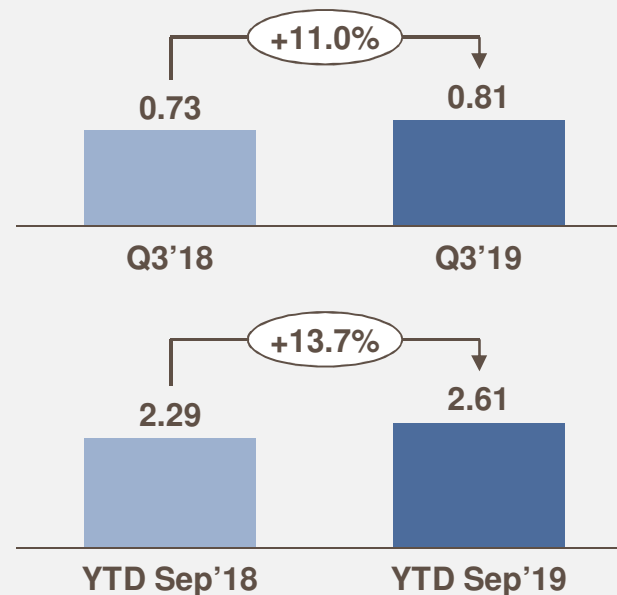
# **Performance Analysis**

# Sales Volume

## Cement Volume (Mio t)

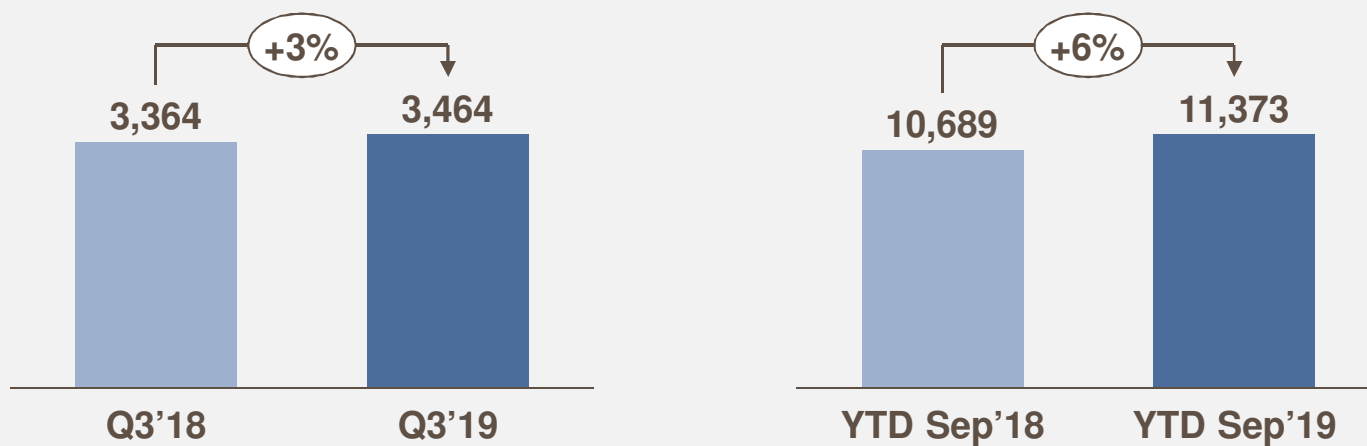


## RMX Volume (Lakh m<sup>3</sup>)



### Q3 Performance YoY

- Cement volume growth declined year-on-year due to weak demand;
- Premium products volume up by 8%
- RMX business - consistent double digit growth over the quarters
- RMX Value Added Solutions (VAS) volume grew substantially



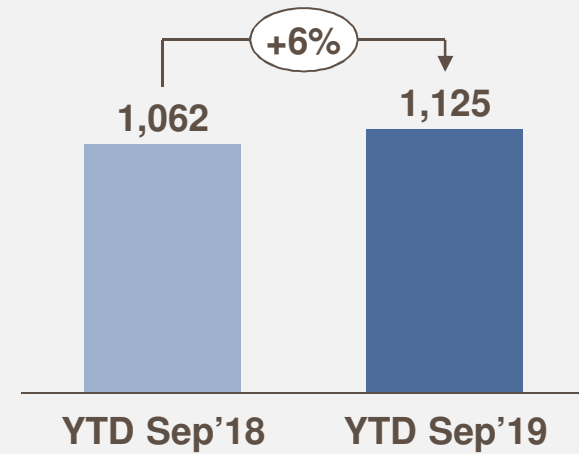
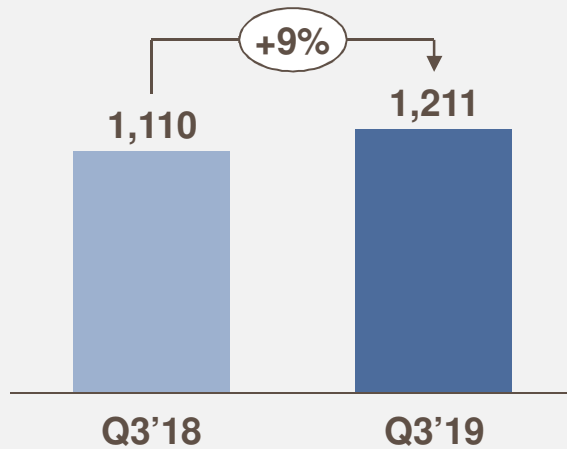
## Q3 Performance YoY

- Net Sales improved by optimising market & product mix
- Cement realisation improved year on year

**Q3 Performance YoY**

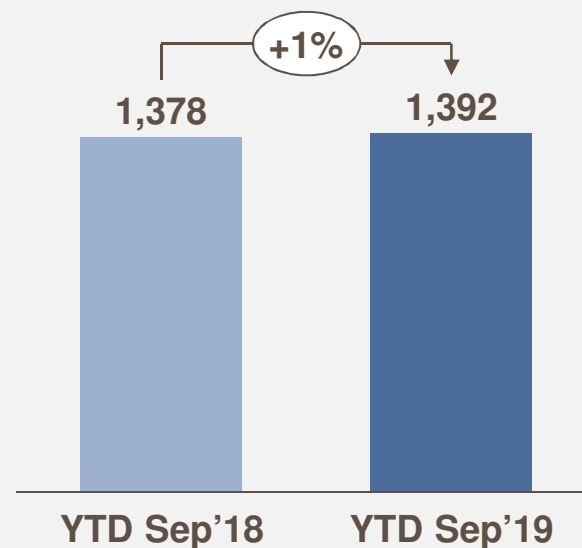
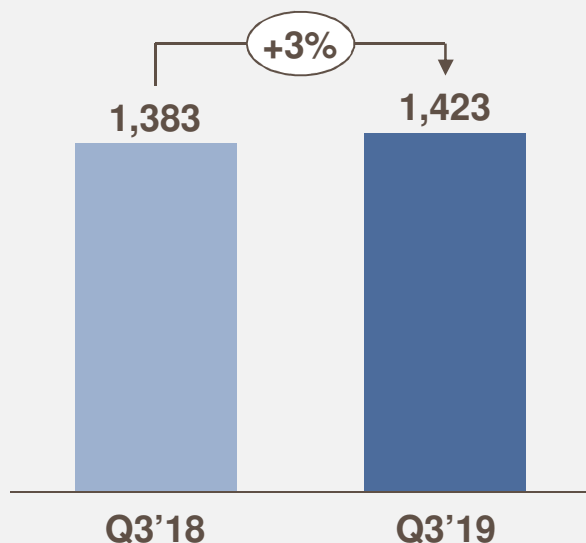
- Continuous product portfolio optimisation to control cost
- Material source-mix optimised through supply chain efficiency improvement
- Lower cost of raw materials





## Q3 Performance YoY

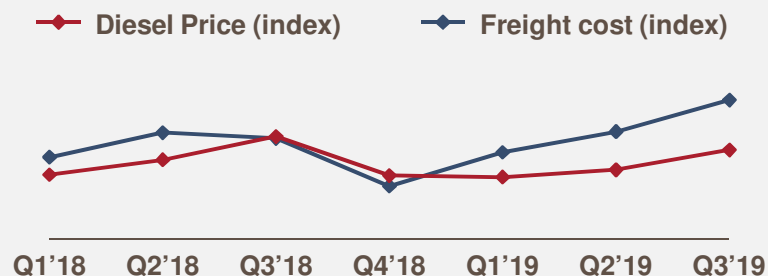
- Cost increase partly mitigated through fuel source mix optimization
- Electrical energy consumption improved
- Alternative fuels utilisation enhanced

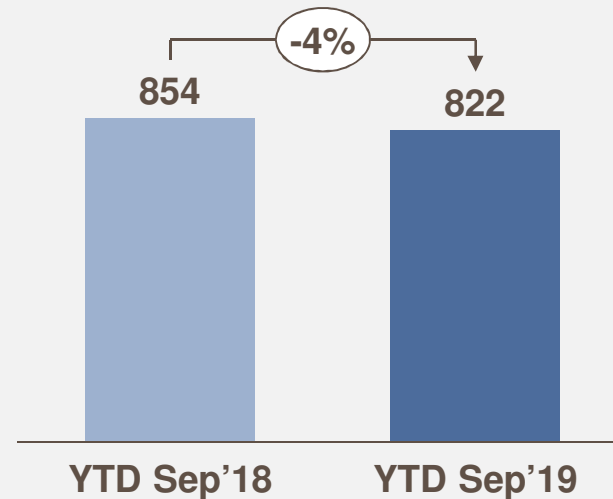
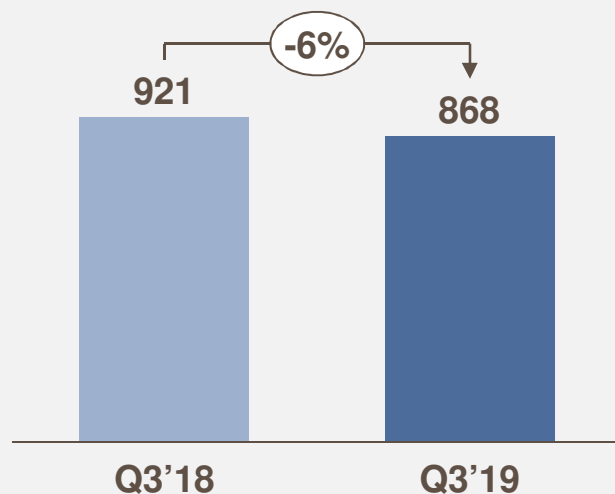


## Q3 Performance YoY

- Cost increase due to higher handling and warehouse cost
- Focus on improvement in logistics efficiency levers helped contain freight cost increase
- Key levers improvement – Increase in home market sale, higher evacuation from high contribution plants and mode-mix optimisation

## Freight vs Diesel



**Q3 Performance YoY**

- Cost below previous year
- Reduction in packing material on account of re-negotiation and PP granule price reduction
- Fixed cost and Sales & General Administration cost lower than previous year



ACC won Confederation of Indian Industry's (CII) highest recognition for its Climate Action Programme (CAP) - *"CAP 2.0 Resilient award for Energy, Mining & Heavy Manufacturing Sector"*. ACC also achieved the distinction of being the only Indian company to realise the 'resilient' status amongst all sectors and categories of companies — small, medium and large



ACC RMX Poonamallee, Chennai won the prominent *"Sarvashreshtha Suraksha Puraskar"* Golden trophy, under the Micro, Small and Medium Enterprises sector for the award year 2018 (assessment period 2016-17) organised by National Safety Council, India



ACC Bargarh Cement Works recently won the prestigious CII National Award in the category 'Energy Efficient Unit' at the 20<sup>th</sup> National Award Function conducted by CII for Excellence in Energy Management 2019





**ACC TRUST's Rural Sports Initiatives in Kymore, won the CSR Journal Excellence Award**



**ACC Jamul Cement Plant wins CII National Award in the categories 'National Energy Leader' and 'Energy Efficient Unit'**

**ACC TRUST received the Asian level CSR Excellence Award (Gold Category) under 'Social Impact Award Category' for the Best Education/Scholarship Programme "ACC Gyan Setu" being implemented under ACC VIDYA UTKARSH at Kymore , in the 8th Edition of ACEF Asian Leaders Forum and Awards**





**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

Such statements may be subject to a number of risks, uncertainties and other important factors, such as but 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 developments and results to differ materially from the statements made in this presentation. ACC assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise.