



# Investor Presentation: Q1'19 Results

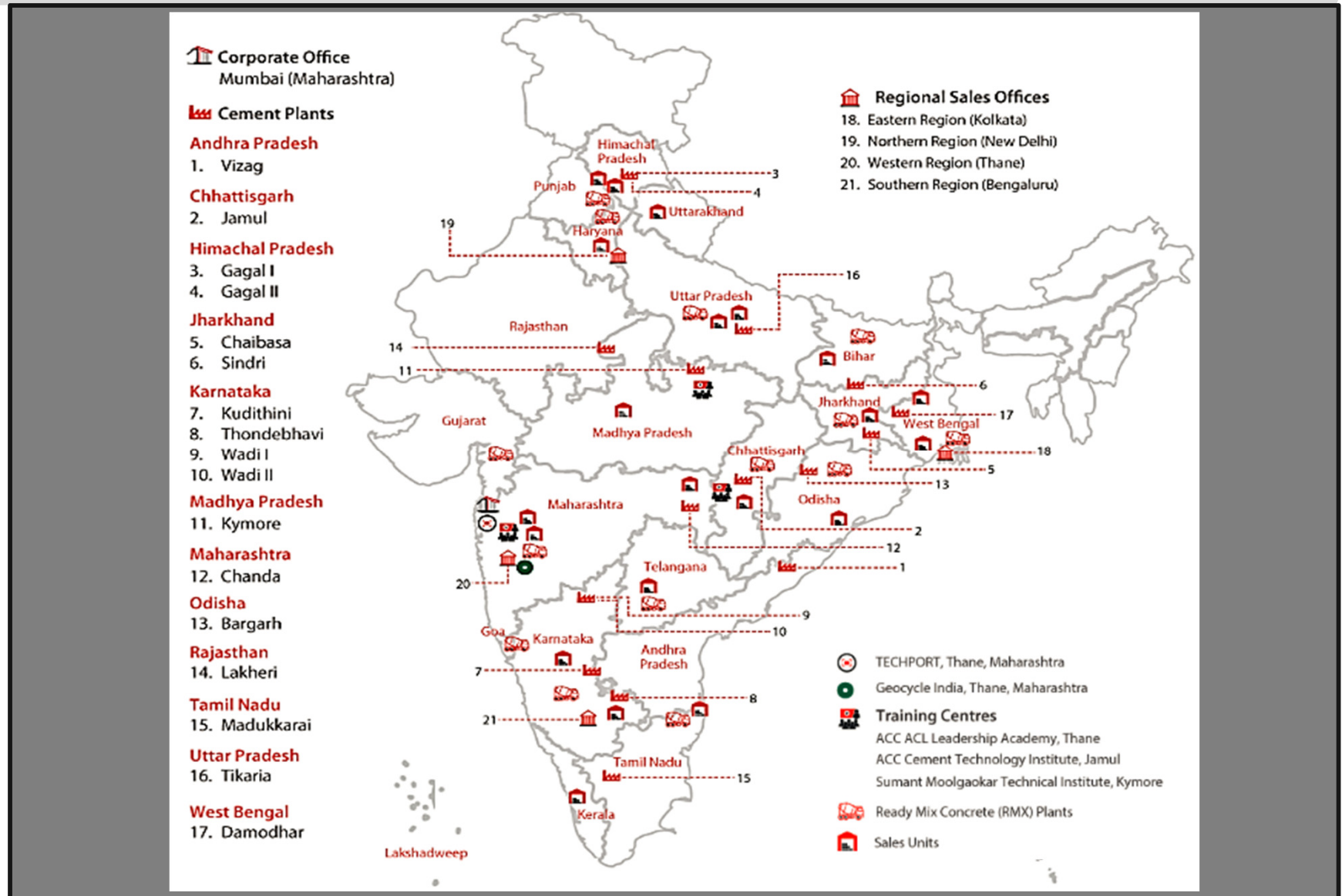
April 23, 2019



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



# ACC Network



**Economy & Cement Industry**

**Performance Highlights**

**Performance Analysis**



# Economy & Cement Industry Update



**GDP Growth**

**FY20 GDP growth forecast projected @7.3% - IMF**



**Asia's best performing currency against US dollar in Mar'19**

**Gained strength despite surge in global crude oil prices**

**Inflation**

**CPI inflation @2.86% in Mar'19 (2.57% in Feb'19)**

**Consumer inflation inching up; higher than developing peers - IMF**

**Interest Rates**

**RBI cuts repo rate by 25 basis points to 6.25%**

**Cuts interest rates twice in 3 months**

**IIP Growth**

**Slows to 20 month low of 0.1% in Feb'19 (1.7% in Jan'19)**

**Reduction in policy rates from RBI - positive for industrial sector**



## Cement Industry

Housing demand remains subdued – consumption slowdown a dampner

GST rate reductions in real estate sector – potential to fire up this sector

Government's mega infrastructure projects eats into retail cement demand

Downward trend in imported fuel prices

Cement demand could see rebound after Lok Sabha elections





## Performance Highlights Q1'19

## Performance highlights – Q1'19




Cement Volume  
7.5 mt  
**+ 5% YoY**




Capacity Utilisation  
90%  
**PY 87%**



RMX Volume  
0.94 Mio m<sup>3</sup>  
**+ 19% YoY**



Op. EBITDA  
Rs 532 Cr  
**+ 8% YoY**



PBT  
Rs 523 Cr  
**+ 39% YoY**



PAT  
Rs 346 Cr  
**+ 38% YoY**



EPS  
Rs 18/share  
**+ 38 YoY**

**Consistent strong performance; sustained growth trajectory**





## Financial result - Consolidated

Particulars	UoM	Q1'18	Q1'19	Change YoY
Net Sales	Rs Cr	3557	3850	8%
<b>Op. EBITDA</b>	<b>Rs Cr</b>	<b>492</b>	<b>532</b>	<b>8%</b>
<i>Margin</i>	<i>%</i>	<i>13.8</i>	<i>13.8</i>	-
<b>Profit Before Tax (PBT)</b>	<b>Rs Cr</b>	<b>376</b>	<b>523</b>	<b>39%</b>
Tax Expenses	Rs Cr	125	177	41%
<b>Profit After Tax (PAT)</b>	<b>Rs Cr</b>	<b>250</b>	<b>346</b>	<b>38%</b>
<i>EPS</i>	<i>Rs/share</i>	<i>13.3</i>	<i>18.4</i>	<i>38%</i>



# Financial Position

[Rs Cr]

Particulars	Standalone	
	31.12.18	31.03.19
Shareholders Funds	10,528	10,552
Non current Liabilities	803	802
Current Liabilities	4,695	4,691
<b>Equity &amp; Liabilities</b>	<b>16,025</b>	<b>16,045</b>
Fixed Assets	7,442	7,407
Non current investment	226	226
Non current loan and advances	165	157
Other non current assets	1,610	1,602
Current Assets	6,582	6,653
<b>Assets</b>	<b>16,025</b>	<b>16,045</b>

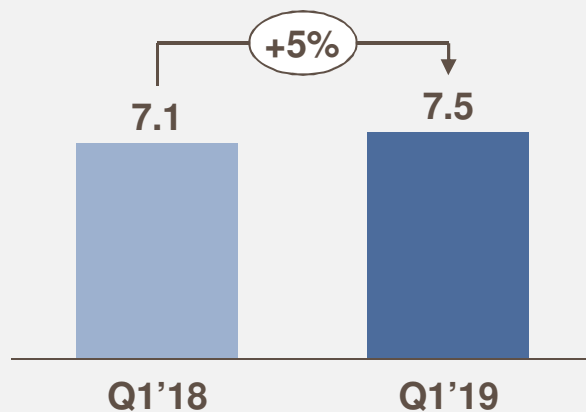
# Performance Analysis





## Sales Volume

**Cement Volume  
(Mio t)**

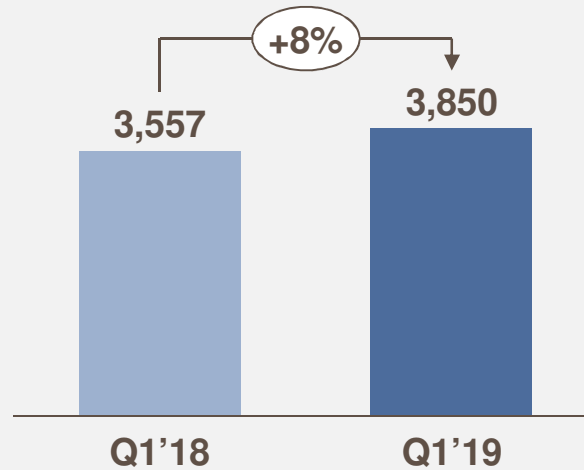


**RMX Volume  
(Lakh m<sup>3</sup>)**

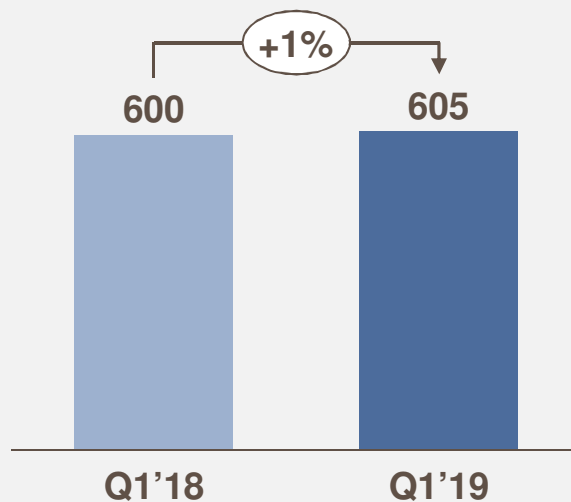


### *Q1 Performance YoY*

- Cement volume growth @5%; East region witnessed double digit growth
- Premium products volume up by 23%
- 'Karein Kuch Kamaal'- new branding building campaign launched in Feb'19
- RMX business continues to deliver consistent strong volume growth
- RMX Volume up 19% due to addition of plants in potential markets; Value Added Solutions (VAS) volume grew significantly

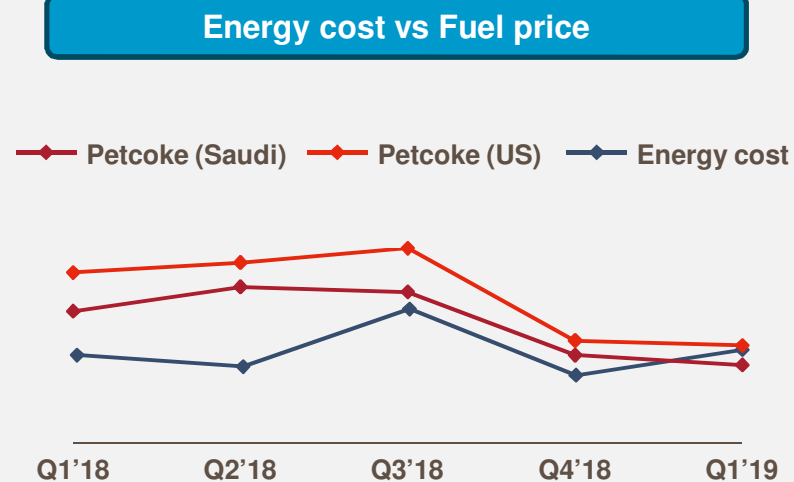
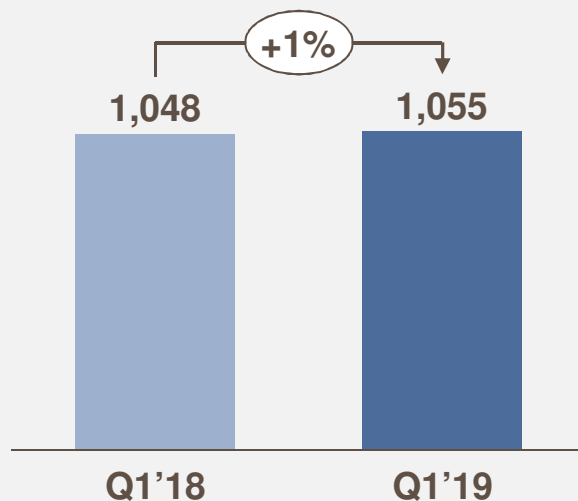
***Q1 Performance YoY***

- Net Sales improved by optimising market & product mix and volume growth
- Sales realisation per ton improved

***Q1 Performance YoY***

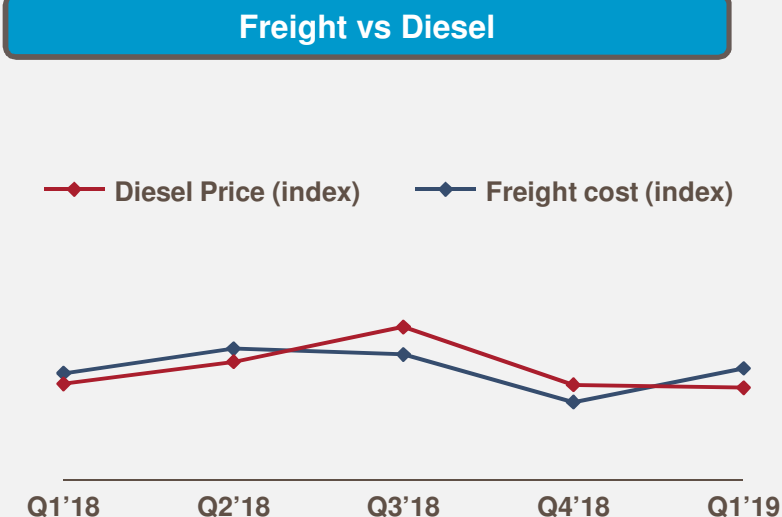
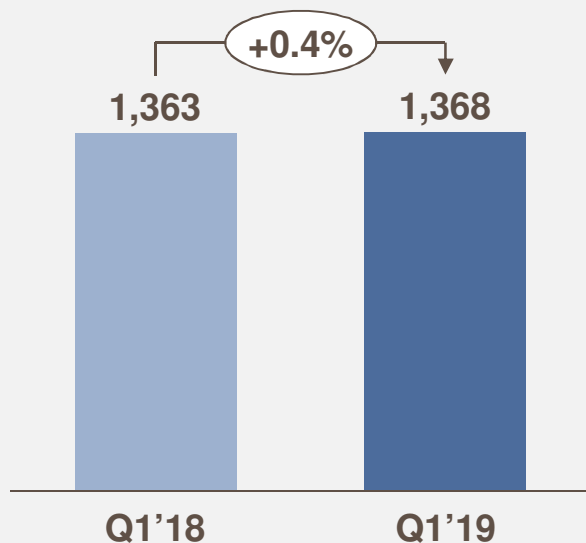
- Rising slag cost impact mitigated partly through source-mix optimisation
- Product portfolio optimised to restrict all cost increase





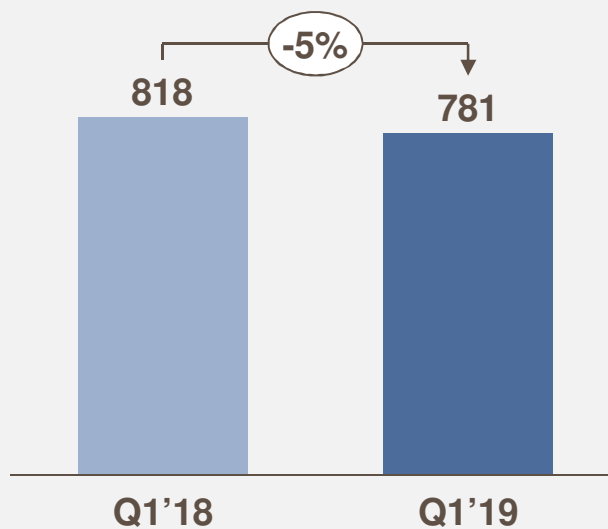
## Q1 Performance YoY

- Alternative fuels consumption improved
- Thermal substitution rate improved
- Cost contained through fuel source mix optimization



## Q1 Performance YoY

- Cost almost at par with corresponding quarter of previous year
- Rationalisation in freight cost through improvement in logistics efficiency levers

***Q1 Performance YoY***

- **Cost below previous year**
- **Fixed cost and Sales, General & Administrative overheads lower than PY**





**THANK YOU**

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