



# Investor Presentation: Q2'19 Results

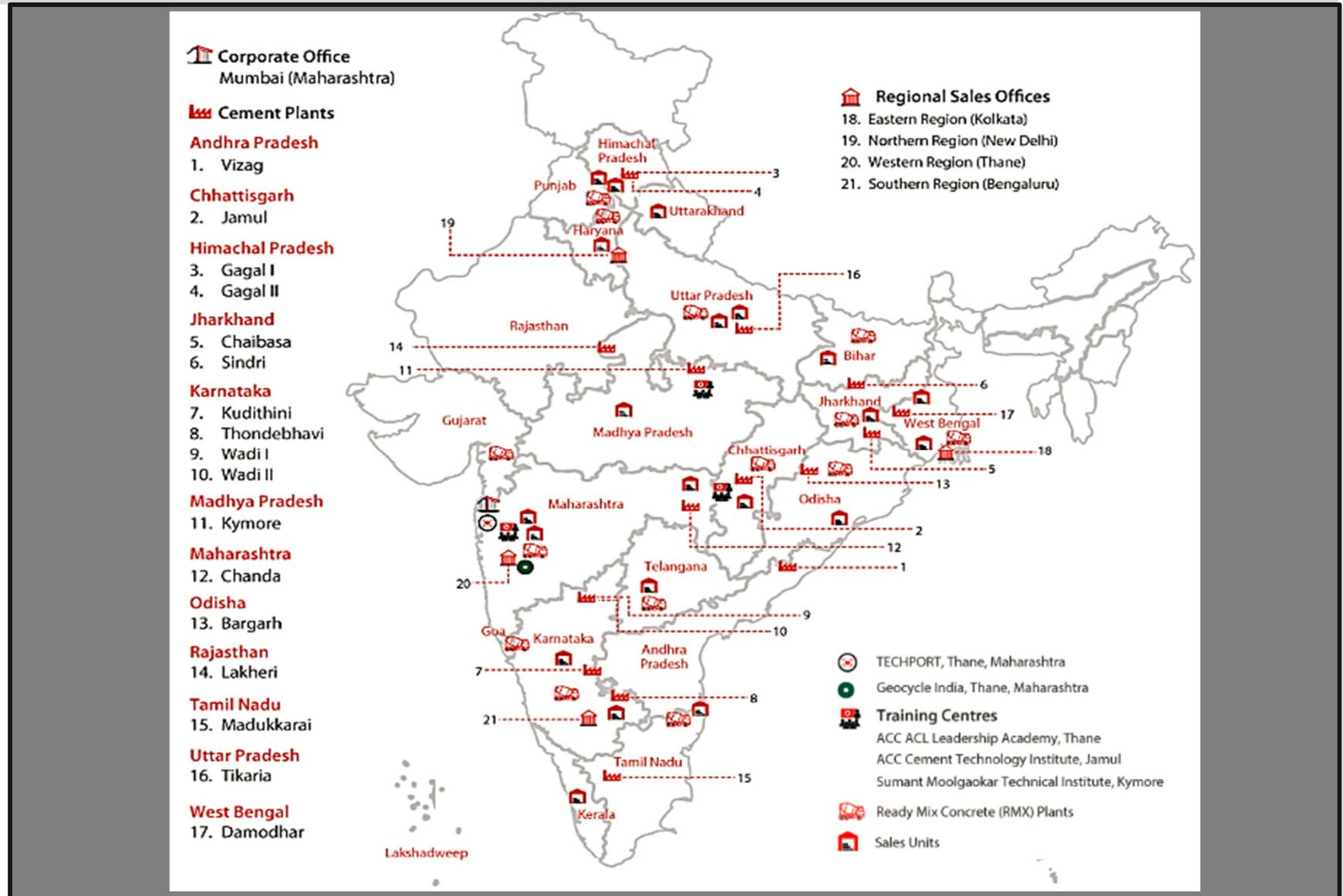
July 18, 2019



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

Growth likely  
@7-7.5% over  
next 5 years

Fiscal deficit  
target revised  
from 3.4% to  
3.3%



Foreign fund  
outflows weighs on  
rupee restricting  
upmove; easing  
crude oil prices  
supports rupee

Liquidity crisis post  
IL&FS default;  
greater surveillance  
over large NBFCs

## Inflation

CPI inflation  
at 8 month  
high @3.20%  
in Jun'19  
(3.05% in  
May'19)

## Interest Rates

Likely to  
further cut  
rates in  
2019

## IIP Growth

Core sector  
growth  
declines  
marginally to  
5.1% in  
May'19 (6.3%  
in Apr'19)

Source: CRISIL Report, Central Statistics Office, Press Trust of India, RBI, Ministry of Finance (MoF), Ministry of Commerce & Industry

## Cement Sector

Pan-India  
Demand  
growth  
moderated  
during  
Q2'19

Pet coke prices  
softened to US \$ 85-  
90/ton from US \$95-  
100/ton range over  
last 6 months

Government's decision to  
allow Foreign Institutional  
Investors to subscribe to  
Real estate Investment  
Trust (REITs) and  
Infrastructure Investment  
trust (INVITs) a welcome  
move

Government's  
continued focus on  
urban development  
to be positive in  
terms of healthy  
volume off take

Slew of measures  
announced in recent  
Union Budget to  
boost rural income  
and promote  
affordable housing

Massive boost for  
infrastructure in  
Union Budget 2019  
to benefit Real Estate  
sector & stimulate  
cement demand





## Performance Highlights Q2'19

## Performance highlights – Q2'19

Cement Volume  
7.2 mt  
**Flat YoY**

↑  
RMX Volume  
0.85 Mio m<sup>3</sup>  
**+ 11% YoY**

↑  
Net Sales  
Rs. 4059 Cr  
**+ 8% YoY**

↑  
Op. EBITDA  
Rs 783 Cr  
**+ 25% YoY**  
(+17% YoY on Like-for-like basis)

↑  
PBT  
Rs 673 Cr  
**+ 39% YoY**

↑  
PAT  
Rs 456 Cr  
**+ 39% YoY**

↑  
EPS  
Rs 24/share  
**+ 39% YoY**

**Strong operating performance;  
Volume sustained; Cement realisation improved**



## Financial result – Consolidated

Particulars	UoM	Q2'18	Q2'19	Change vs PY	H1'18	H1'19	Change vs PY
Net Sales	Rs Cr	3768	4059	8%	7325	7909	8%
<b>Op. EBITDA</b>	<b>Rs Cr</b>	<b>625<sup>#</sup></b>	<b>783</b>	<b>25%**</b>	<b>1117<sup>#</sup></b>	<b>1315</b>	<b>18%</b>
<i>Margin</i>	<i>%</i>	<i>16.6</i>	<i>19.3</i>	<i>2.7 pp</i>	<i>15.2</i>	<i>16.6</i>	<i>1.4 pp</i>
<b>Profit Before Tax (PBT)</b>	<b>Rs Cr</b>	<b>483<sup>#</sup></b>	<b>673</b>	<b>39%</b>	<b>859<sup>#</sup></b>	<b>1196</b>	<b>39%</b>
Tax Expenses	Rs Cr	154	217	41%	280	394	41%
<b>Profit After Tax (PAT)</b>	<b>Rs Cr</b>	<b>329</b>	<b>456</b>	<b>39%</b>	<b>579</b>	<b>802</b>	<b>38%</b>
<i>EPS</i>	<i>Rs/share</i>	<i>17.5</i>	<i>24.3</i>	<i>39%</i>	<i>30.8</i>	<i>42.7</i>	<i>38%</i>

<sup>#</sup> Includes employee separation cost Rs 44 Cr

<sup>\*\*</sup> Like-for-like 17%

## Financial Position

Rs Cr

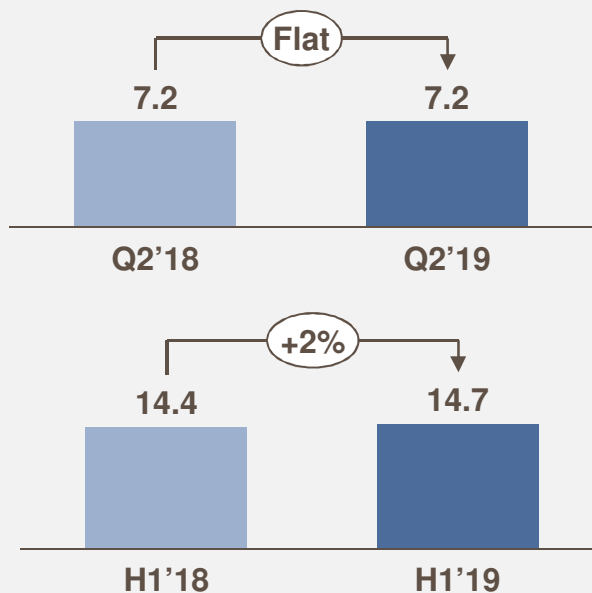
Particulars	Consolidated	
	31.12.18	30.06.19
Shareholders Funds	10,535	10,995
Non current Liabilities	815	833
Current Liabilities	4,706	4,671
<b>Equity &amp; Liabilities</b>	<b>16,056</b>	<b>16,499</b>
Fixed Assets	7,486	7,437
Non current investment	100	106
Non current loan and advances	173	173
Other non current assets	1,612	1,624
Current Assets	6,685	7,159
<b>Assets</b>	<b>16,056</b>	<b>16,499</b>

# Performance Analysis

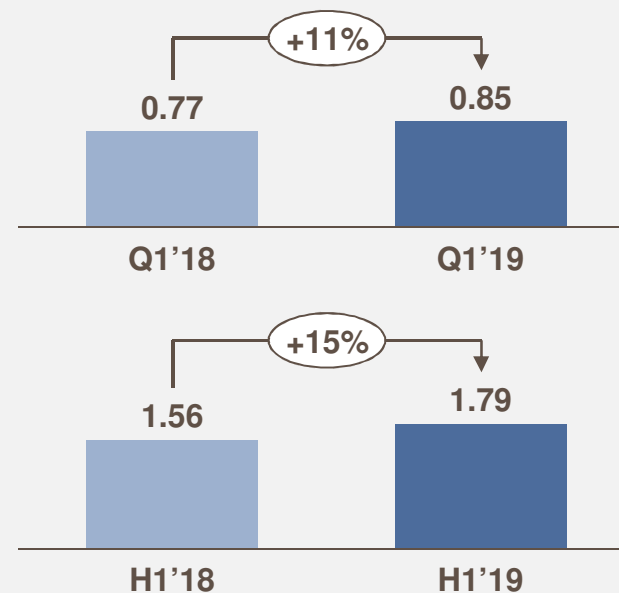




## Cement Volume (Mio t)

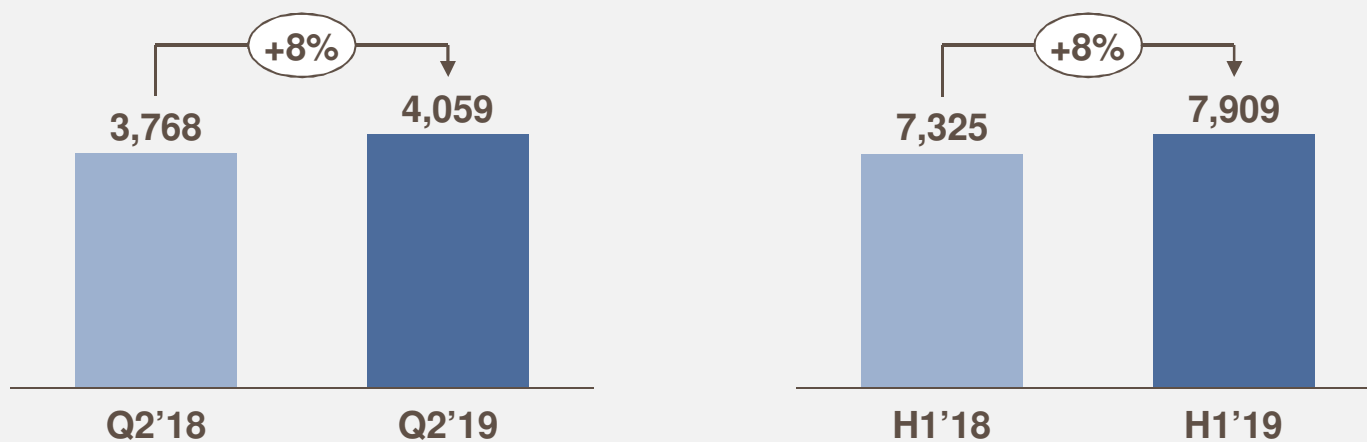


## RMX Volume (Lakh m<sup>3</sup>)



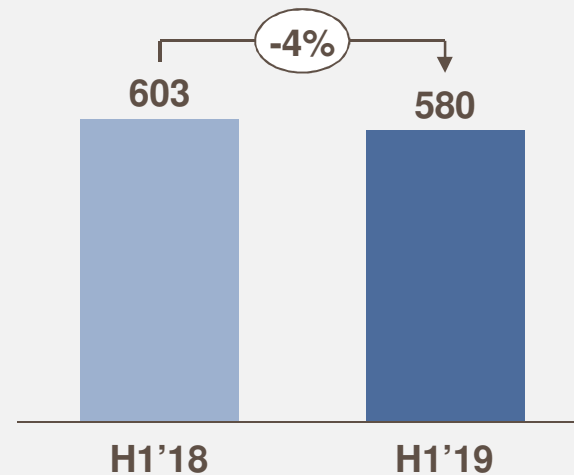
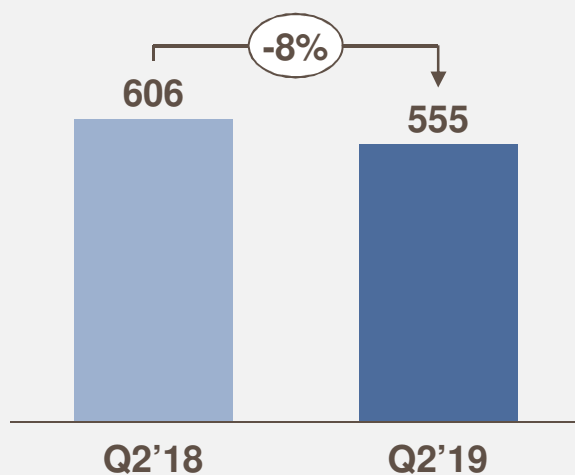
### Q2 Performance YoY

- Cement volume growth remained flat YoY;
- Premium products volume up by 9%
- Premium product ACC Gold Watershield launched in southern markets viz. Karnataka & Goa
- RMX business continues to deliver consistently double digit growth over the quarters
- RMX Volume grew @11%
- Value Added Solutions (VAS) volume increased significantly



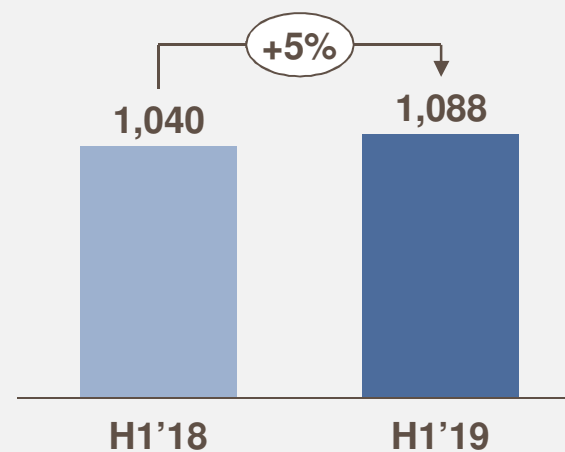
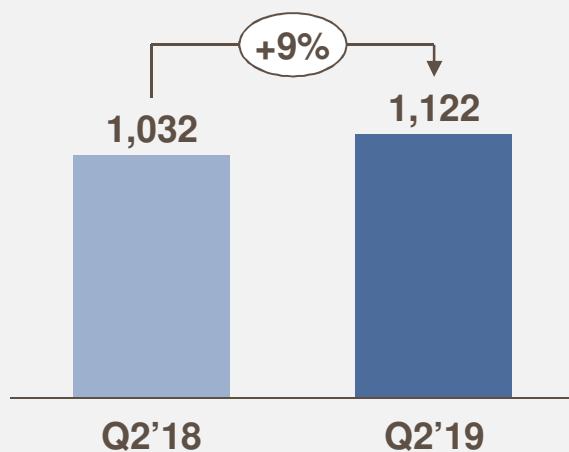
#### *Q2 Performance YoY*

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

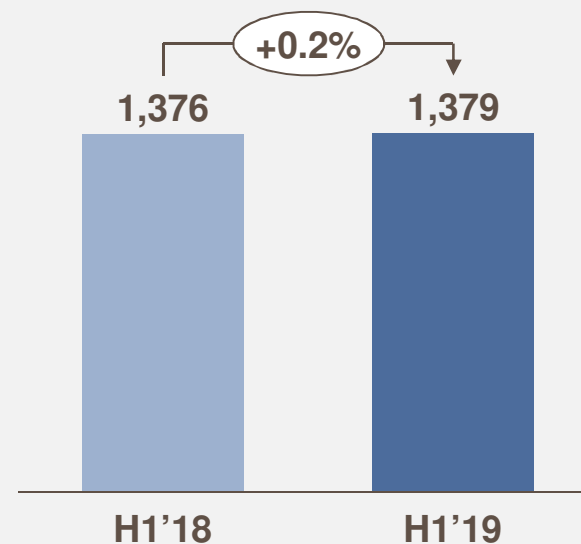
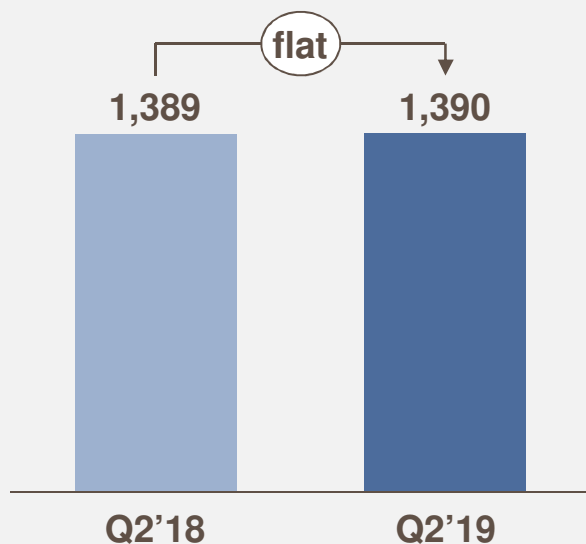
***Q2 Performance YoY***

- **Material source-mix further optimised**
- **Supply chain efficiency improved**
- **Product portfolio optimisation**



**Q2 Performance YoY**

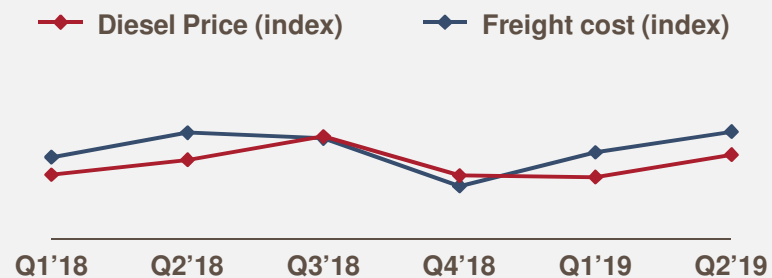
- Higher premium on e-auction coal, higher petcoke & imported coal prices impacted cost YoY
- Alternative fuels consumption enhanced
- Better fuel source mix planning

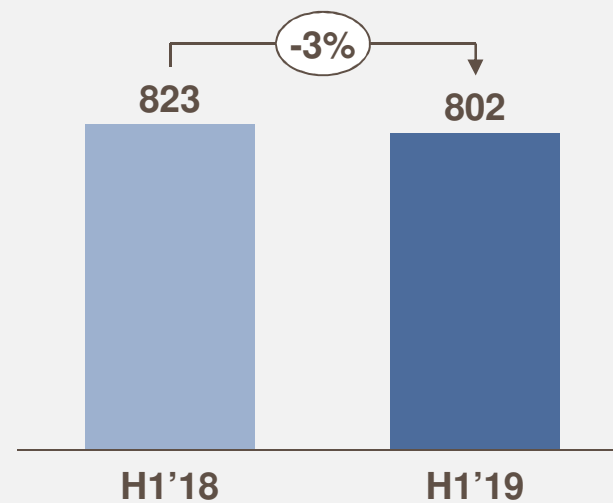
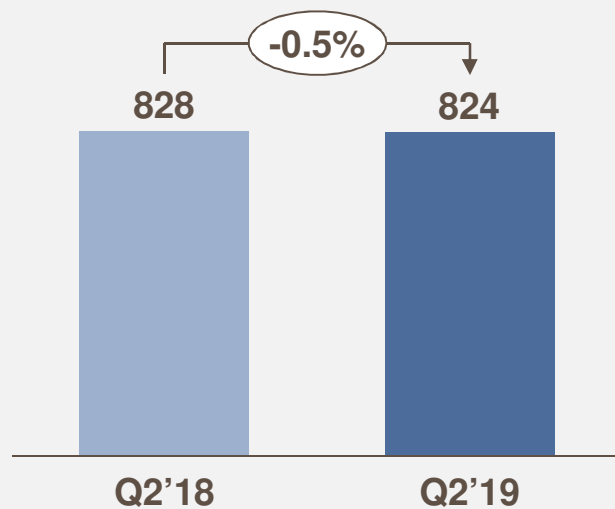


## Q2 Performance YoY

- Freight & forwarding cost contained at previous year level
- Road freight cost reduction & logistics operating efficiency improvement

## Freight vs Diesel





- Fixed cost reduced YoY





**THANK YOU**

## Cautionary statement regarding forward looking statements

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