



## Q3'17 Results



**Investor Presentation**

**Oct 17, 2017**

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**Economy**

- GST implementation **successful**, Government of India to resolve bottlenecks faced by Small & Medium-sized Enterprises (SMEs)
- Growth **momentum strong** despite structural disruptions viz. GST
- Index of Industrial Production (IIP) has slowed and is expected to **recover** to normalized levels in the coming months
- Normal monsoon, softer inflation, lower interest & loan waivers to drive **growth**
- FY18 growth forecast **reduced** from 7.3% to 6.7% (Source: RBI)

**Cement Industry**

- Cement **demand remained subdued** due to GST implementation, prolonged monsoon, sand availability crisis and RERA roll out
- Rising fuel and freight cost **continue to impact** the industry
- Coal **availability impacted** industry **adversely** due to prioritization to power sector
- Rake crisis at coastal ports on fuel import by industry - **availability impacted**
- Slag **prices up** due to spurt in demand
- Intense focus on Infrastructure development - **key driver for demand growth**



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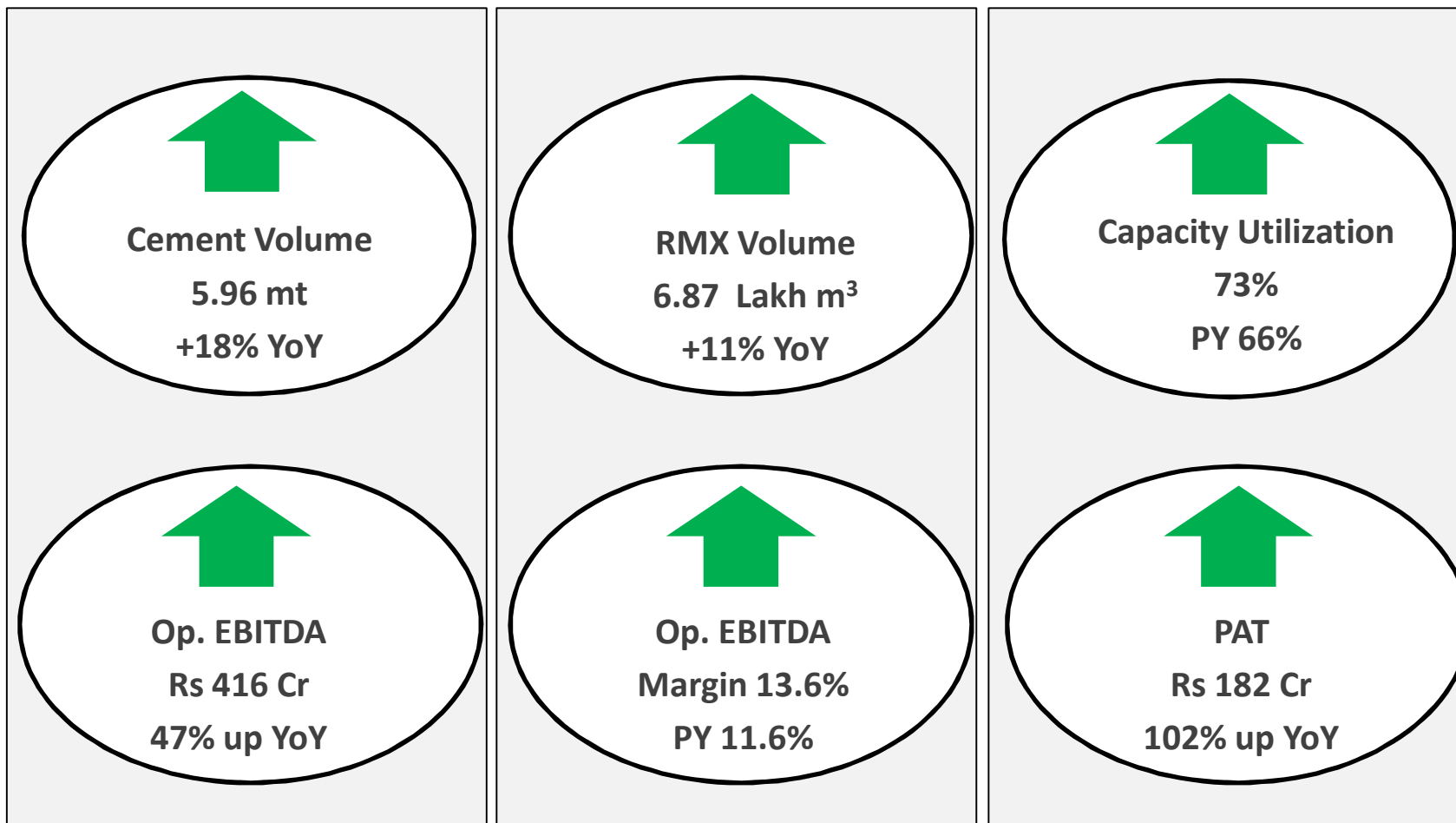
1 Economy & Cement Industry Update

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## Performance Levers – Q3'17



**Significant cement volume growth @18%; Op. EBITDA up, Margin improved, PAT doubled YoY**



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## Financial Performance

Particulars	UoM	Q3'16	Q3'17	Change vs PY	YTD Sep'16	YTD Sep'17	Change vs PY
Net Sales	Rs Cr	2435	3054	25%	8147	9492	17%
<b>Op. EBITDA</b>	<b>Rs Cr</b>	<b>282</b>	<b>416</b>	<b>47%</b>	<b>1191</b>	<b>1469</b>	<b>23%</b>
<i>Op EBITDA Margin</i>	%	11.6	13.6	200 bps	14.6	15.5	90 bps
Depreciation	Rs Cr	154	156	1%	440	485	10%
Other income	Rs Cr	27	24	-11%	92	83	-10%
Finance cost	Rs Cr	21	20	-4%	59	66	12%
<b>Profit Before Tax (PBT)</b>	<b>Rs Cr</b>	<b>134</b>	<b>266</b>	<b>98%</b>	<b>789</b>	<b>1009</b>	<b>28%</b>
Tax Expenses	Rs Cr	45	85	91%	222	290	31%
<b>Profit After Tax (PAT)</b>	<b>Rs Cr</b>	<b>90</b>	<b>182</b>	<b>102%</b>	<b>568</b>	<b>719</b>	<b>27%</b>
<i>EPS</i>	<i>Rs/share</i>	4.8	9.7	102%	30.2	38.3	27%



## Financial Position

Rs Cr

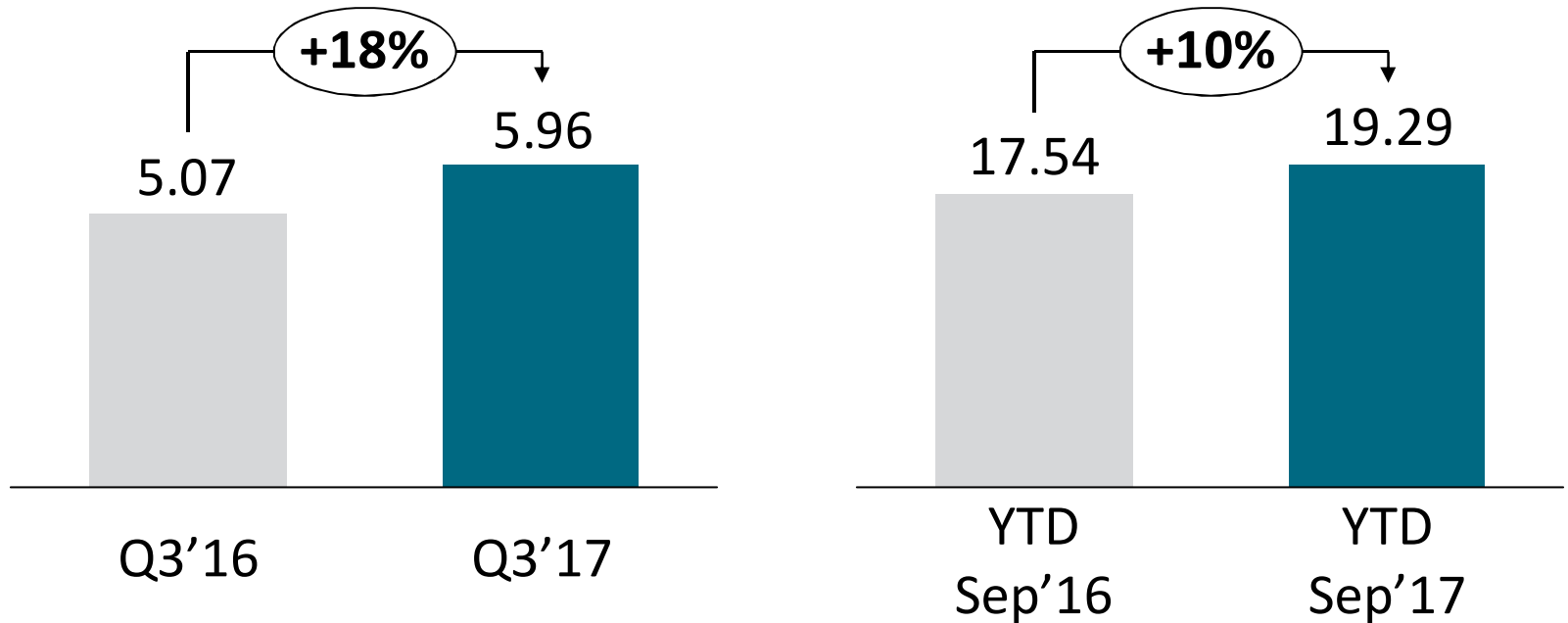
Particulars	Standalone	
	31.12.16	30.09.17
Shareholders Funds	8832	9161
Non current Liabilities	589	619
Current Liabilities	4019	4218
<b>Equity &amp; Liabilities</b>	<b>13440</b>	<b>13998</b>
Fixed Assets	7786	7508
Non current investment	259	230
Non current loan and advances	185	465
Other non current assets	1140	907
Current Assets	4070	4888
<b>Assets</b>	<b>13440</b>	<b>13998</b>





## Cement Sales Volume

[MioT]



Robust volume growth, evacuation of incremental volume from added capacity in East helped improve market share

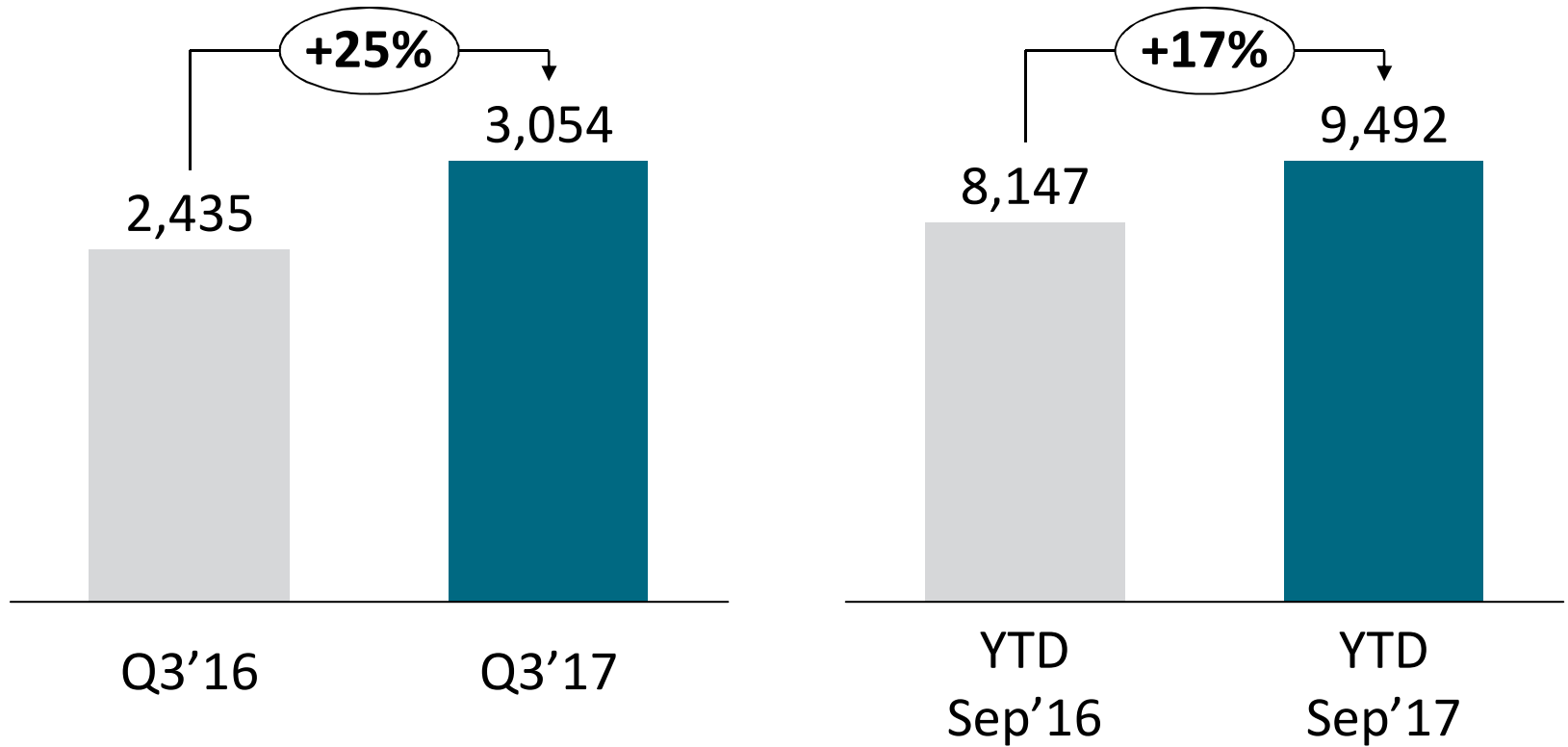
Enhanced participation in Infra projects (Z-Morh tunnel – Srinagar Leh Highway), integrated offers for metros, landmark buildings etc

Premium Product volume grew @ 18% YoY



## Consolidated Sales

[Rs Cr]



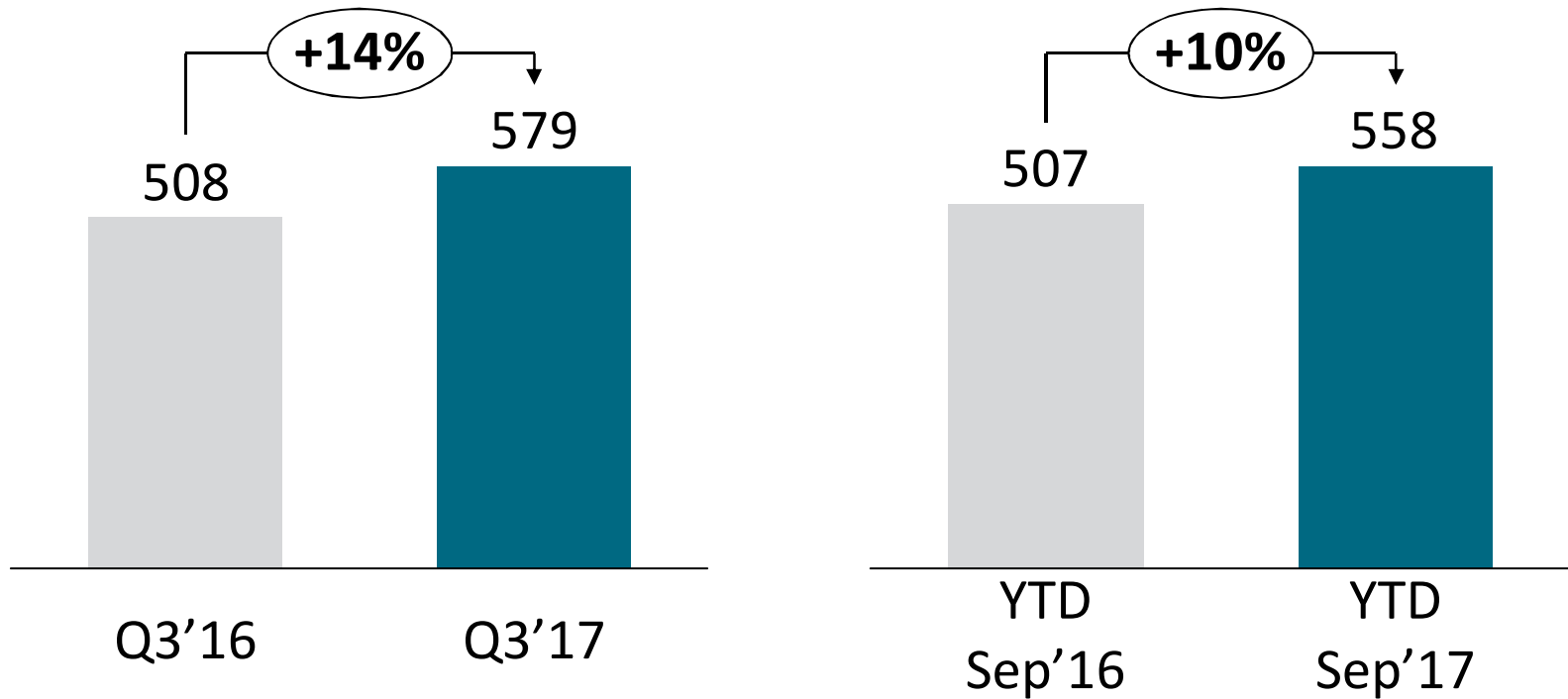
Net sales up @ 25 % despite market challenges

RMX Business maintained its sustained volume performance recording 11% growth



## Cost of Material Consumed

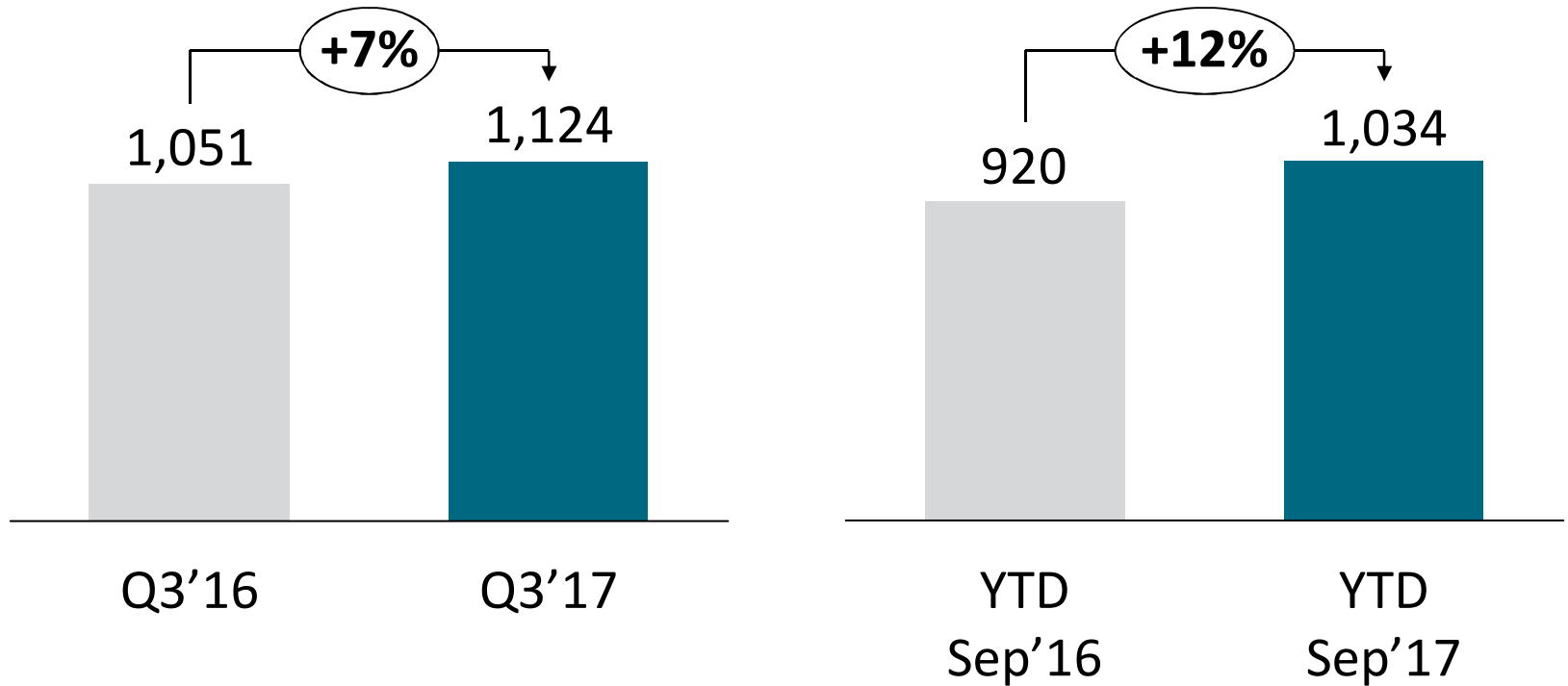
[Rs/t Cement]



Gypsum & Raw mix optimization helped curb cost increase;  
Slag absorption improved by 4%

Slag prices increased

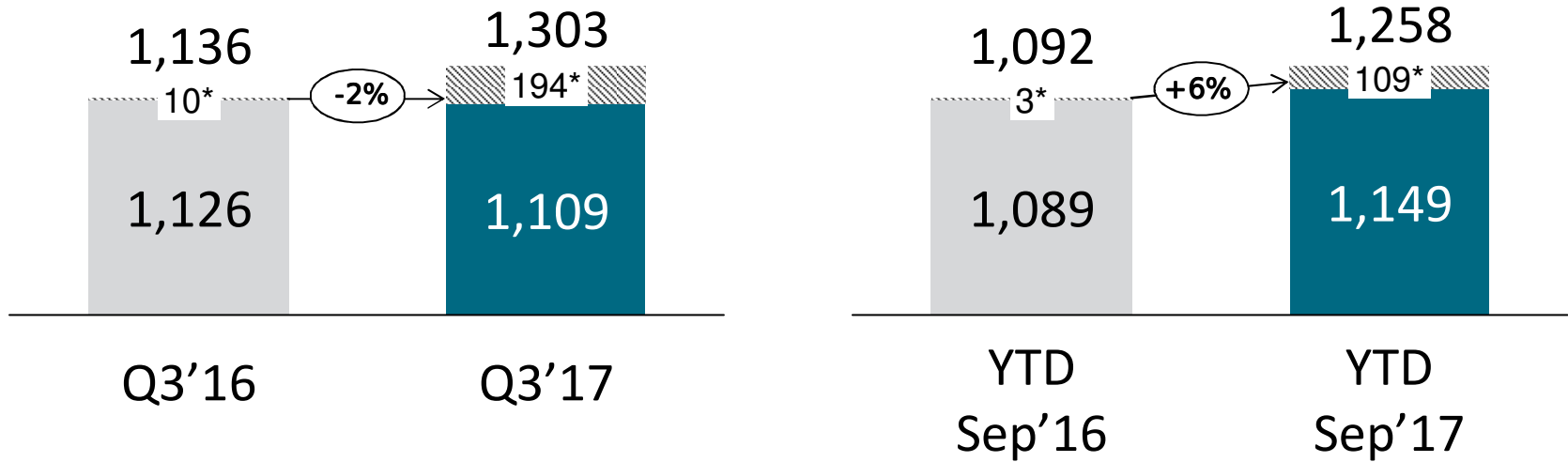
Flyash sourced from long lead due to shortage from L1 sources



Energy efficiency improved; higher usage of Alternative Fuel

Spiraling fuel prices – Petcoke prices almost doubled

Limited availability of Linkage Coal led to higher consumption of costlier coal



Rail freight reduced due to lower lead; road freight maintained at PY level due to restricted freight pass-on

C&F charges higher due to higher rail co-efficient and increase in premium product volume

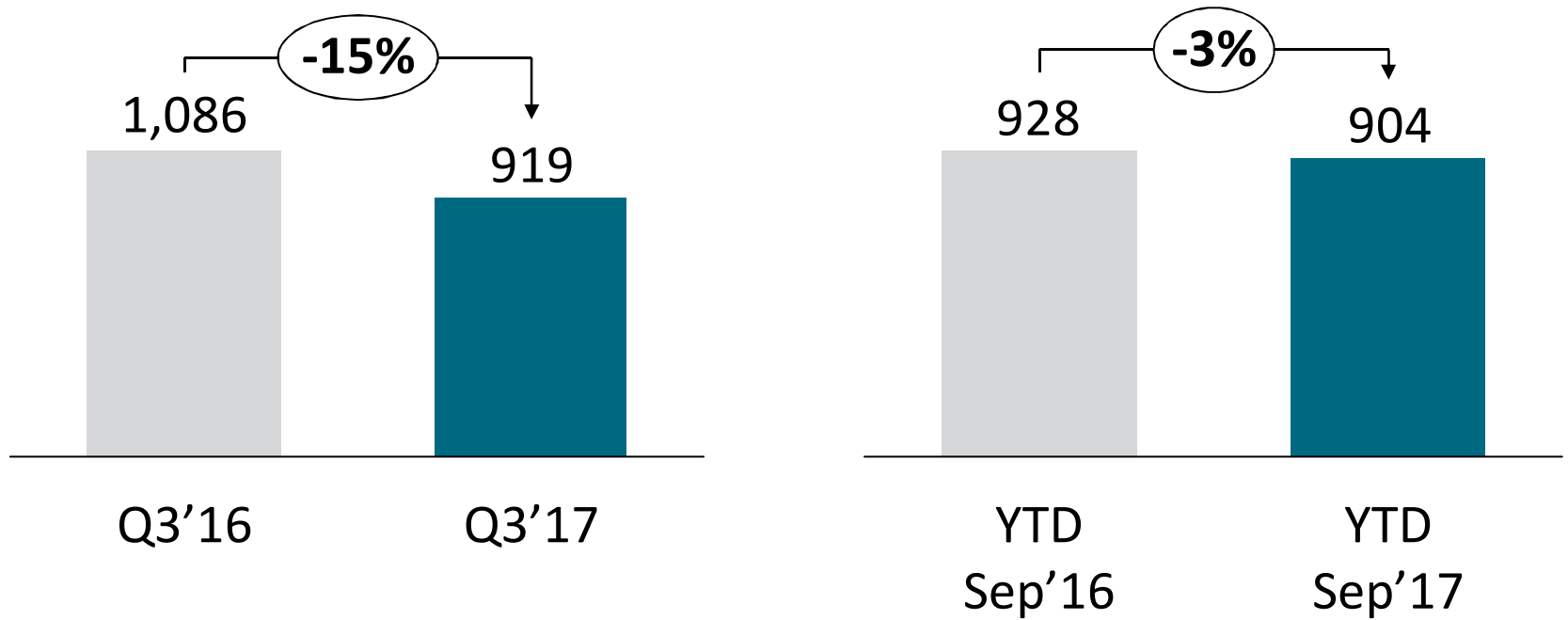
Geo-mix optimization

\* impact of change in commercial terms (Ex to FOR delivered) during Q3'17 & YTD Sep'17



## Other Expenses

[Rs/t Cement]



Cost Lower



## ***Disclaimer***

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