ACC announces another robust result with jump in sequential EBITDA by 40% at Rs. 588 Cr fuelled by operational efficiencies, synergy & business excellence

EDITOR'S SYNOPSIS

- Net Revenue up 6% at Rs. 4,791 Cr
- Volume up by 9% at 8.5 MTPA Quarter on Quarter (QoQ)
- Cost reduction QoQ by Rs 264 PMT (5%) at 5,106 PMT
- EBITDA on QoQ basis jumped to Rs 694 PMT from Rs. 542 PMT led by cost optimisation
- PAT rose to Rs. 236 Cr as compared to Rs. 113 Cr last quarter
- Improvement in Cash and Cash Equivalents – stands at Rs. 3,144 Cr at the end of quarter

Ahmedabad, April 27, 2023: ACC Limited, the cement and building material company of Adani Cement and part of the diversified Adani Group, today announced the financial results for the quarter and full year ended March 31, 2023 (15 months). Various initiatives on operational efficiencies, synergies and business excellence have resulted into substantial improvement in business parameters of the Company.

Operational Highlights:

- Volume increased by 9% QoQ at 8.5 MT, supported by an increase in blended cement (clinker factor reduced from 56.1% to 54.8%), better route planning and higher operational synergies with parent, M/s Ambuja Cements Limited. Market leadership maintained across key markets.
- Kiln fuel cost reduced by 10% from Rs. 2.61 per '000 kCal to Rs 2.35 per '000 kCal with change in coal basket, group synergies on coal procurement, higher Alternate Fuel and Raw Materials (AFR) factor.
- Warehouse infrastructure optimized, direct dispatch improved (45% to 46%), lead distance reduced (165 KM to 161 KM) & higher dispatches through rail helped to reduce logistics cost from Rs. 2.90 ptpk to Rs. 2.86 ptpk
- Manpower cost reduced QoQ from Rs. 262 PMT to Rs. 250 PMT

Financial Highlights:

- Net Revenue was sequentially up by 6% at Rs. 4,791 Cr and EBITDA rose by 40% at Rs. 588 Cr. EBITDA margin expanded from 9.3% to 12.3% on cost optimization and leveraging synergies from adjacency businesses of Adani Group.
- While Fuel cost is on a declining curve, EBITDA is lower YoY due to higher fuel cost compared to last year. Fuel cost is expected to further reduce in the coming months through synergies with the Group.
- Business initiatives are expected to further bring down operating cost, reduce clinker factor, reduce logistics cost, improve sale of blended cement and expand EBITDA margin.
- RMX & Construction Chemicals business are stable showing positive uptrend due to improved market demand.
- Ametha Integrated Unit to be commissioned by Q2 FY24 which will increase Clinker capacity by 3.30. MTPA (EC approvals in hand for 2.75 MTPA) and Grinding capacity by 1 MTPA.

Consolidated Financial Performance for the quarter ended March 31, 2023:

Particulars	UoM	Quarter Jan – Mar 2023	Quarter Oct – Dec 2022	Quarter Jan – Mar 2022	Year Jan 2022 – Mar 2023 *
Sales Volume - (Cement & Clinker)	Million Tones	**8.5**	7.7	7.9	**38.59**
Sales Volume - Ready Mix	Million Cubic Meters	**0.71**	0.79	0.87	**3.95**
Net Revenue	Rs Cr	**4,791**	4,537	4,427	**22,210**
EBITDA	Rs Cr	**588**	419	693	**2,267**
EBITDA Margin	%	**12.3%**	9.3%	15.7%	**10.2%**
EBIT	Rs Cr	**411**	247	539	**1,426**
EBIT Margin	%	**8.6%**	5.5%	12.2%	**6.4%**
Profit after Tax	Rs Cr	**236**	113	396	**885**

** The Company has changed its financial year end from December to March. Therefore, the figure for the current year is for fifteen months and not comparable with the figures for the previous twelve months year ended December 31, 2021.*

Mr. Ajay Kapur, Whole Time Director & CEO, ACC Limited said, "Our transformation journey fuelled by sizeable operational efficiencies, improved synergies and business excellence has led to substantial improvement in our financial performance and overall business indicators. We have a detailed blueprint on each of the cost factors and initiatives to reduce & improve. This along with capex program will position the Company back into growth momentum synonymous with its legacy. We have consistently included sustainability in all our operational and growth planning. We have continued to reduce our carbon footprint by lowering the clinker factor, reducing thermal and electrical energy intensity, implementing Waste Heat Recovery Systems at our plants and increasing our use of and capacity of generating renewable energy. Our long-term competitiveness remains intact, giving us industry-leading profitability, even as we pursue our growth aspirations. We are confident of continuing our journey of strong performance in the coming quarters."

Dividend

The Board of Directors have recommended a dividend on equity shares at Rs. 9.25 per share.

Outlook

We are encouraged by the Government's increased spending on infrastructure development, particularly roads, railways, affordable housing and other schemes as announced in the recent Union Budget. We are optimistic and maintain a positive outlook that the government's timely and pro-active measures will open up more opportunities for the cement sector which will stimulate cement demand & enhance economic growth.

ESG Highlights:

- ACC has developed a high-quality temperature-controlled concrete, Coolcrete
- 'ACC AEROMaxX', a state-of-the-art ultralight filler and insulation Concrete has been launched in Delhi & Hyderabad
- Plans to scale up renewable power
- 6.4 lakhs new beneficiaries added during the quarter under CSR initiatives. Strong focus on Water Management, Sustainable Livelihoods and Social Inclusion continues

Awards:

- ACC at No.2 in 'India's Most Trusted Cement Brands 2023' by TRA Research
- ACC wins Digital Customer Experience Award 2023 for 'Best Customer & Influencer Engagement'.
- ACC Cement wins Multiple Awards for Safety at OHSSAI Awards 2022
- ACC wins three NSCI Awards for its outstanding achievements at Thondebhavi, Jamul and Tikaria units

About ACC Limited

ACC Limited is a part of Adani Cement and one of India's leading producers of cement and ready-mix concrete. It is a member of the Adani Group - the largest and fastest-growing portfolio of diversified sustainable businesses. ACC has 17 cement manufacturing sites, over 88 concrete plants and a nationwide network of channel partners to serve its customers. With a world-class R&D centre in Mumbai, the quality of ACC's products and services, as well as its commitment to technological development, make it a preferred brand in building materials. Established in 1936, ACC is counted among the country's 'Most Sustainable Companies' and is recognised for its best practices in environment management and corporate citizenship. With sustainability at the core of its strategy, ACC is the first Indian Cement Company to sign the Net Zero Pledge with Science Based Targets.

For further information on this release, please contact: roy.paul@adani.com