

Media Release

- EBITDA margin at 21.9%; up by 560 bps
- Operating EBITDA increased by 30% for the quarter
- Profit after tax increased by 35% for the quarter

Standalone unaudited financial results for the quarter ended 31st March, 2020

		Jan-Mar'20 Quarter	Jan-Mar'19 Quarter
Sales Volume	Mio t	5.76	6.37
Net Sales	₹ Cr	2,760	2,847
EBITDA	₹ Cr	603	463
EBITDA Margin	%	21.9%	16.3%
Profit after tax	₹ Cr	399	295*

* Excludes dividend received from ACC Limited in Jan-Mar 2019 quarter ₹ 132 crore

“We remain fully focused on securing health & safety of our employees and all our stakeholders. Our Ambuja Cement Foundation has launched several outreach programs to help the local communities around our plants in these difficult times. We are committed to live up to our social responsibility to prevent the pandemic spreading further, while ensuring business continuity that supports and enables our customers and markets.

Company recorded a solid EBITDA growth of 30% for the quarter. EBITDA margin expansion was at 560 bps taking it to 21.9%. This was driven by higher realizations along with improvement in plant efficiencies as well as reduction in logistics, power & fuel costs. Till February we had recorded a healthy volume growth, which was impacted in March 2020 due to the nationwide lockdown. I firmly believe we will emerge stronger from this crisis with our focus on business fundamentals and measures put in place to keep our people healthy & safe,” said Mr. Neeraj Akhoury, Managing Director & CEO.

COVID-19 pandemic and nationwide lockdown

Since 20th April 2020, our operations including several plants and warehouses have started to function, though at limited scale. The Company had temporarily suspended its operations from the date of nationwide lockdown. To prevent the spread of Corona virus and increase awareness, Ambuja Cement Foundation (ACF) has reached out to over 500,000 people through multiple initiatives. ACF has adopted communities around our plants and launched several campaigns in partnership with the health authorities and self-help groups. These projects have involved, distribution of masks, supply of food ration kits and intensive awareness campaigns like educating the community on social distancing and personal hygiene. There have been no cases of Corona virus infections in any of our sites.



Financial Performance for the Quarter ended 31st March 2020

Cement realisation increased by ~6% year on year. Volumes also registered a growth till February 2020 due to robust demand. Cement volumes for the quarter de-grew by ~10% on account of the country lockdown.

This quarter witnessed a reduction in key costs led by power & fuel on account of improvement of operational efficiencies and lower prices. The logistics cost has also seen an improvement due to sharper focus on efficiencies. As a result the operating EBITDA stood at ₹ 603 crore against ₹ 463 crore up by 30% against the corresponding quarter of the previous year.

Consolidated Financial Results for the quarter ended 31st March 2020

- EBITDA higher by 19.5%
- Profit after tax and minority higher by 11.9%
- EBITDA Margin at 19.4 %; up by 454 bps

		Consolidated	
		Jan-Mar'20 Quarter	Jan-Mar'19 Quarter
Sales Volume	Mio t	12.19	13.84
Net Sales	₹ Cr	6,129	6,694
EBITDA	₹ Cr	1,191	997
Profit after tax and minority	₹ Cr	554	495

Performance of Material Subsidiary – ACC Limited

Though cement volumes declined by 12% during this quarter, operating EBITDA achieved double digit growth of 10%, led by focused cost performance. Key actions for raw materials, supply chain helped drive EBITDA for the quarter to ₹ 586 Crore as against ₹ 532 Crore.

Outlook

In the near term, we expect the demand to stabilize due to normal monsoon and policy support measures taken by the Government and RBI. Post lockdown, it is expected that rural demand and construction sectors like road and irrigation will gather pace. India's push for infrastructure, housing for all and urbanization will collectively drive demand growth in the mid-term.