

Media Release

Strong profit growth in July-September 2019 quarter

- Net Profit After Tax (PAT) up by 31%
- EBITDA higher by 23%
- EBITDA Margin at 17.2%; up by 300 bps

Unaudited financial results for the quarter and nine months ended 30th September 2019

		Jul-Sep'19 Quarter	Jul-Sep'18 Quarter	Jan-Sep'19 9 months	Jan-Sep'18 9 months
Sales Volume	Mio t	5.23	5.46	17.42	18.05
Net Sales	₹ Cr	2,556	2,522	8,315	8,212
EBITDA	₹ Cr	440	358	1,601	1,488
PAT	₹ Cr	235	179	1,074	950

“In the backdrop of general slowdown in economy and subdued construction activity, Ambuja has delivered yet another quarter of good EBITDA and PAT growth despite lower volumes. This has been possible with a clear focus on product mix enrichment and reduction in logistics costs. Premium products registered a growth of 17% year on year and the company maintained its progress on fossil fuel substitution with alternative fuels and renewable energy. With these efforts, I am happy to announce that Ambuja Cement is now ranked 4th in the global Dow Jones Sustainability Index rankings, emphasizing our strong focus on sustainability.

I am also happy to report significant progress at our greenfield project site in Marwar Mundwa.” said Bimlendra Jha, Managing Director and CEO.

Financial Performance

Net Sales stood at ₹ 2,556 crore compared to ₹ 2,522 crore in the corresponding quarter of the previous year. Cement realisation registered a growth of ~5% year on year. Freight & forwarding costs saw reduction year on year on account of network optimization, contract re-negotiation and logistics efficiencies.

For the quarter operating EBITDA stood at ₹ 440 crore against ₹ 358 crore in the corresponding quarter of the previous year.

Ambuja Cement

Highlights for Consolidated results July to September 2019 (versus July to September 2018)

- Net Profit After Tax (PAT) up by 34%
- EBITDA higher by 24%
- EBITDA Margin at 16.8%; up by 310 bps

		Consolidated			
		Jul-Sep'19 Quarter	Jul-Sep'18 Quarter	Jan-Sep'19 9 months	Jan-Sep'18 9 months
Sales Volume	Mio t	11.63	12.01	38.52	38.95
Net Sales	₹ Cr	5,957	5,877	19,576	18,874
EBITDA	₹ Cr	999	806	3,480	3,102
PAT	₹ Cr	385	288	1,503	1,203

Performance of Material Subsidiary – ACC Limited

Net Sales during the quarter went up by 3% to ₹ 3,464 crore compared to ₹ 3,364 crore for the same quarter last year. Operating EBITDA for the quarter grew strongly by 26% year on year to reach ₹ 557 crore.

Outlook

Recent reforms announced by the Government, i.e. sharp cut in corporate tax, aggressive divestment plan coupled with the Reserve Bank of India's latest interest rate cuts, ought to augur well for the economy. These measures should support growth and hence boost cement demand. Healthy monsoon bodes well for rural housing demand which is a key segment for cement. The above factors along with higher spends in infrastructure and affordable housing are also expected to favor demand.