

**Ambuja  
Cement**

**ACC**

**adani**  
Cement

# 40<sup>th</sup> Annual General Meeting - Ambuja

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20<sup>th</sup> July 2023

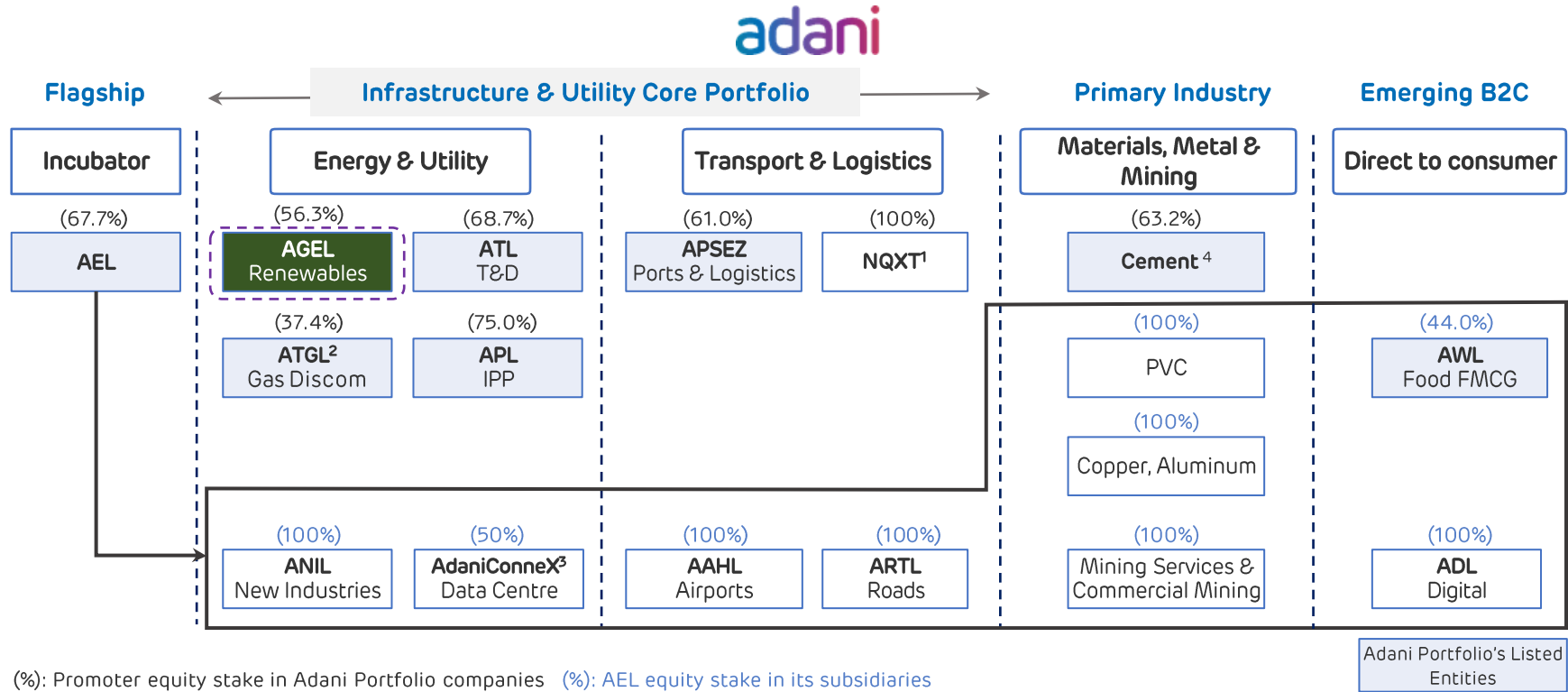
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# Adani Group Profile

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01



(%): Promoter equity stake in Adani Portfolio companies (AEL): AEL equity stake in its subsidiaries

**A multi-decade story of high growth centered around infrastructure & utility core**

1. NQXT: North Queensland Export Terminal | 2. ATGL: Adani Total Gas Ltd, JV with Total Energies | 3. Data center, JV with EdgeConnex, AEL: Adani Enterprises Limited; APSEZ: Adani Ports and Special Economic Zone Limited; ATL: Adani Transmission Limited; T&D: Transmission & Distribution; APL: Adani Power Limited; AGEL: Adani Green Energy Limited; AAHL: Adani Airport Holdings Limited; ARTL: Adani Roads Transport Limited; ANIL: Adani New Industries Limited; AWL: Adani Wilmar Limited; ADL: Adani Digital Limited; IPP: Independent Power Producer

4. Cement business includes 63.15% stake in Ambuja Cement which in turn owns 50.05% in ACC Limited. Adani directly owns 6.64% stake in ACC Limited

# Adani Portfolio: Decades long track record of industry best growth with national footprint

## Secular growth with world leading efficiency

## National footprint with deep coverage

adani

Ports and Logistics

Growth 3x

EBITDA 70%<sup>1,2</sup>

adani

Renewables

Growth 4x

EBITDA 92%<sup>1,4</sup>

adani

Transmission

Growth 3x

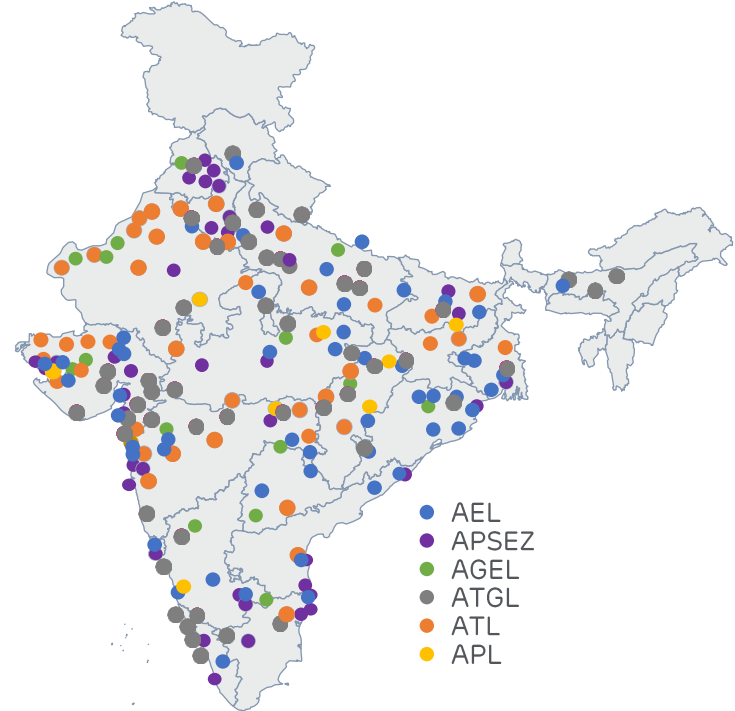
EBITDA 91%<sup>1,3,5</sup>

adani

Gas

Growth 1.4x

EBITDA 19%<sup>1,3</sup>



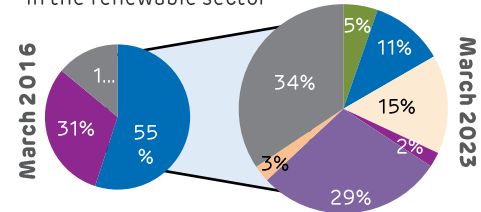
Note: 1. Data for FY23; 2. Margin for ports business only, Excludes forex gains/losses; 3. EBITDA = PBT + Depreciation + Net Finance Costs – Other Income; 4. EBITDA Margin represents EBITDA earned from power supply 5. Operating EBITDA margin of transmission business only, does not include distribution business, PBT- Profit before tax, ATGL-Adani Total Gas Limited, AEL: Adani Enterprises Limited, APSEZ: Adani Ports and Special Economic Zone Limited, ATL: Adani Transmission Limited, APL: Adani Power Limited, AGEL: Adani Green Energy Limited

# Adani Portfolio: Repeatable, robust & proven transformative model of investment



	Origination	Site Development	Construction	Operation	Capital Mgmt
Activity	<ul style="list-style-type: none"> <li>Analysis &amp; market intelligence</li> <li>Viability analysis</li> <li><b>Strategic value</b></li> </ul>	<ul style="list-style-type: none"> <li>Site acquisition</li> <li>Concessions &amp; regulatory agreements</li> <li><b>Investment case development</b></li> </ul>	<ul style="list-style-type: none"> <li>Engineering &amp; design</li> <li>Sourcing &amp; quality levels</li> <li><b>Equity &amp; debt funding at project</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Life cycle O&amp;M planning</b></li> <li>Asset Management Plan</li> </ul>	<ul style="list-style-type: none"> <li>Redesigning the <b>capital structure</b> of the asset</li> <li><b>Operational phase funding consistent with asset life</b></li> </ul>

Performance	India's Largest Commercial Port (at Mundra)	Longest Private HVDC Line in Asia (Mundra - Mohindergarh)	2,140 MW Hybrid cluster operationalized in Rajasthan in FY23	Energy Network Operation Center (ENOC)	<ul style="list-style-type: none"> <li>First ever GMTN of USD 2 bn by an energy utility player in India - an SLB in line with COP26 goals - at AEML</li> <li>AGEL's tied up "Diversified Growth Capital" with revolving facility of USD 1.64 Bn - will fully fund its entire project pipeline</li> <li>Issuance of 20 &amp; 10 year dual tranche bond of USD 750 mn - APSEZ the only infrastructure company to do so</li> <li>Green bond issuance of USD 750 mn establishes AGEL as India's leading credit in the renewable sector</li> </ul>
Highest Margin among Peers	Highest availability	India's first and World's largest solar-wind hybrid cluster	Centralized continuous monitoring of plants across India on a single cloud based platform		



O&M: Operations & Maintenance, HVDC: High voltage, direct current, PSU: Public Sector Undertaking (Public Banks in India), GMTN: Global Medium-Term Notes SLB: Sustainability Linked Bonds, AEML: Adani Electricity Mumbai Ltd. IG: Investment Grade, LC: Letter of Credit, DII: Domestic Institutional Investors, COP26: 2021 United Nations Climate Change Conference; AGEL: Adani Green Energy Ltd, NBFC: Non Banking Financial Company

● PSU ● Pvt. Banks ● Bond ● NBFCs & FIs  
● DII ● Global Int. ● PSU - Capex LC

# Adani Cement (Ambuja + ACC) - Overview

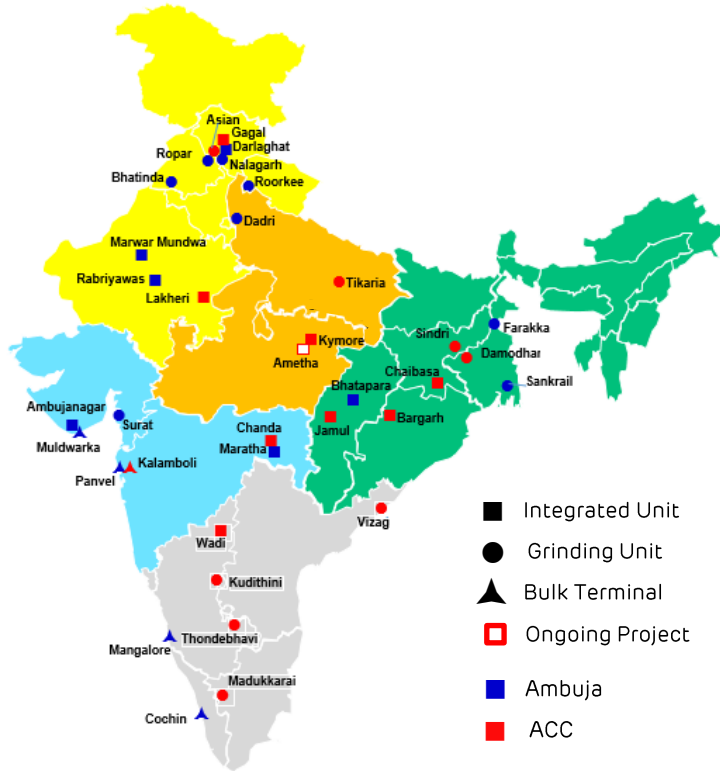
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02





# Adani Cement: Presence in 28 states and 550+ districts (~70%) \*



67.5 MTPA  
Cement Capacity

1,11,000  
Channel partners across India

16  
Integrated units

14  
Grinding units

85+  
Ready-mix concrete plants

10  
Captive Ships

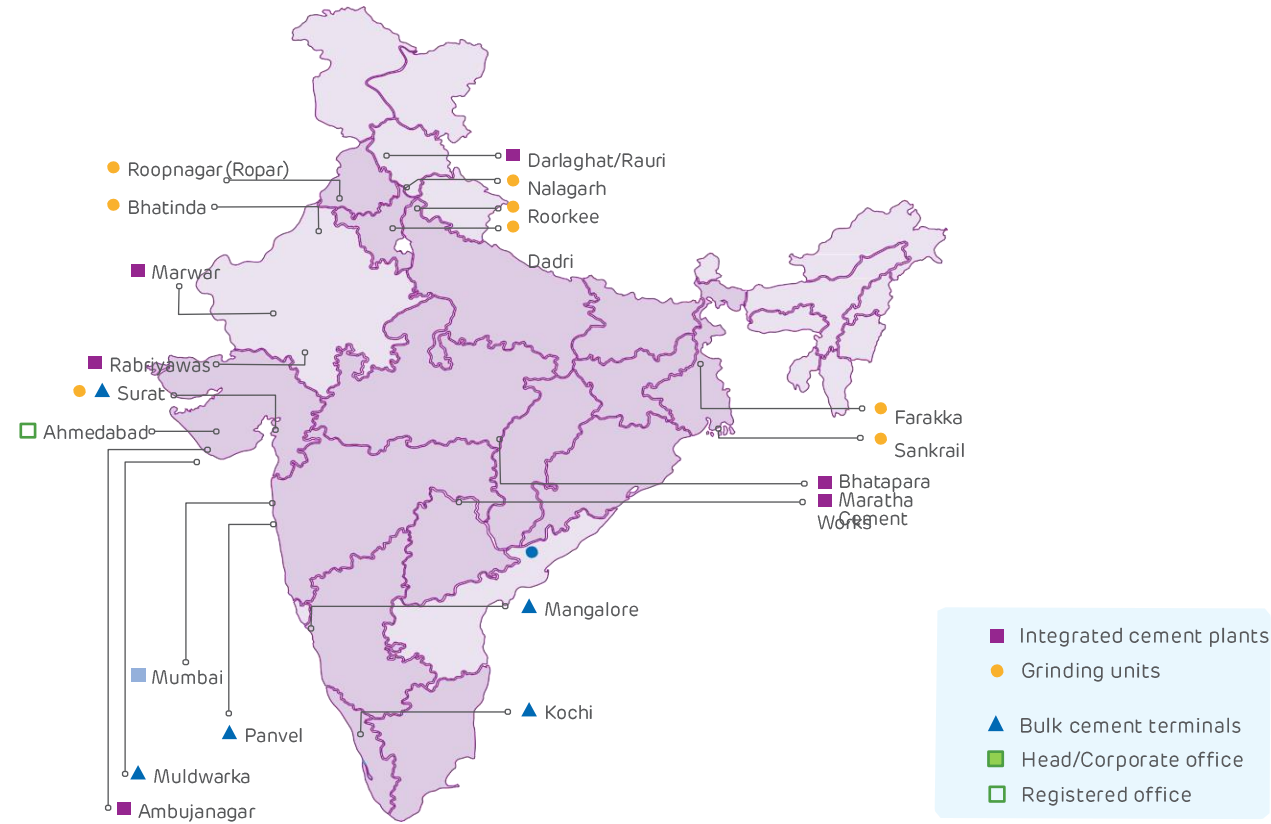
5  
Bulk Cement Terminals

92%  
Share of blended cement

8.8%  
Thermal Substitution rate

59.6%  
Clinker Factor

# Ambuja Cement: Presence in 11 states \*



Map: Not to scale  
\* As on 31.03.2023

**31.45** MTPA  
Cement Capacity

**~ 56,000**  
Channel partners across  
India

**6**  
Integrated units

**8**  
Grinding units

**5**  
Bulk Cement Terminals

**10**  
Captive Ships

## Iconic brands

# ACC

### Heritage

India's 1st Cement Company  
Inter-generational legacy  
Pioneered product development

# Ambuja Cement

### Strength

Original disruptor with Virat  
Compressive Strength  
Pioneered brand building &  
technical services

## Price Leadership

### A Band (>Rs 340+ /bag)



### B Band (Rs 320-340 /bag)



### C Band (<Rs 320/bag)



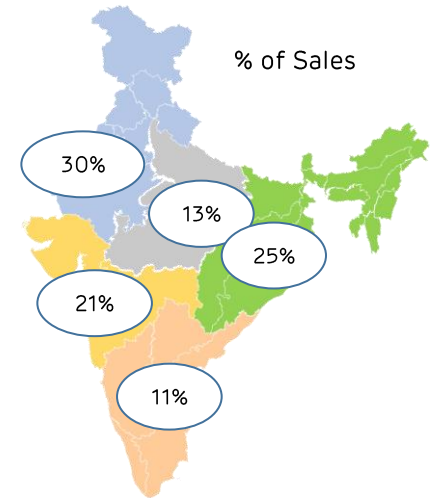
Share of Premium Products :  
22% of Trade Volume

## High contribution coming from IHB

ACC + Ambuja – 80%  
Industry – 65%







## All India Presence - 2022



# ESG Overview

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## Our sustainability strategy led by our Sustainable Development (SD) 2030 Plan

	 <b>Climate and energy</b>	 <b>Circular economy</b>	 <b>Environment</b>	 <b>Community</b>
<b>Target 2030</b>	Net specific CO <sub>2</sub> emissions* <b>453 kg /t</b> of cementitious materials	Use <b>21 million tons</b> of waste derived resources per year	Fresh water consumption <b>62</b> Ltrs / T of Cementitious material	<b>3.5 million</b> Number of new beneficiaries
<b>Performance Jan22-Mar23</b>	Net specific CO <sub>2</sub> emissions* <b>513 kg /t</b> of cementitious materials	Consumed <b>13.1 million tons</b> of waste derived resources	Fresh water consumption <b>49</b> Ltrs / T of Cementitious material	<b>2.5 million</b> people benefited through community development projects

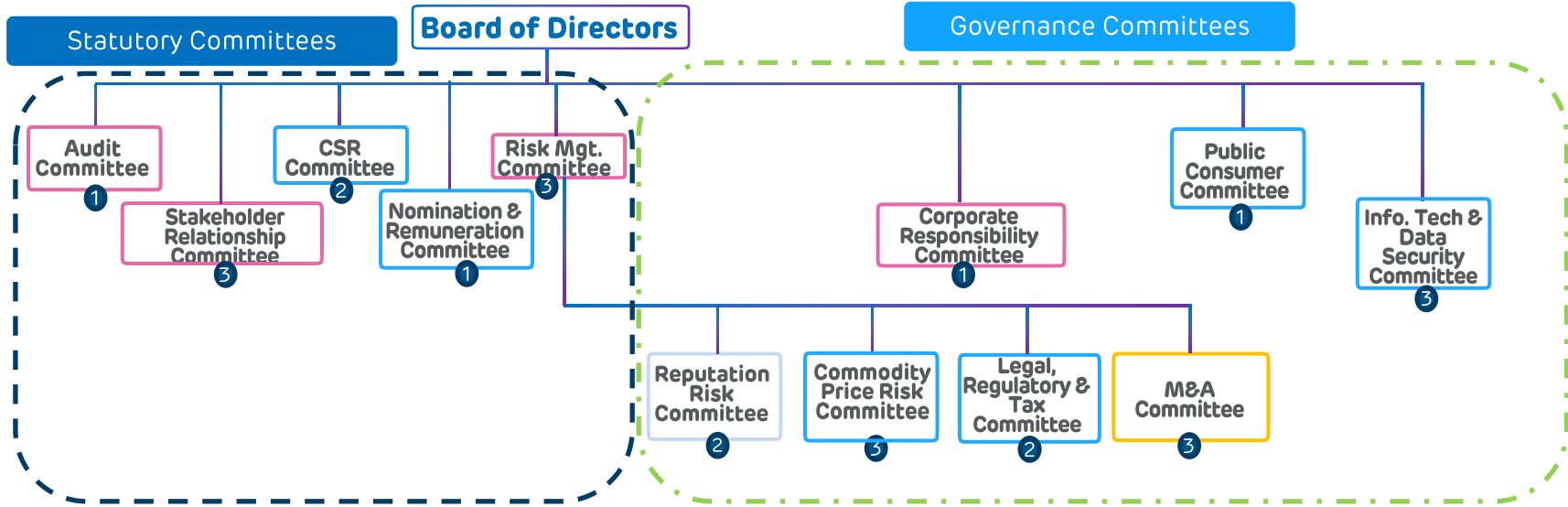
- Commissioned 33.2 MW of WHRS (Bhattapara L1 and L2 – 12.9 MW, Rauri– 6.3 MW & Marwar – 14 MW) during the year
- WHRA at - Bhatapara 5.4 MW , 5.2 MW at Rauri and 7.3 MW at Suli commissioned in Q1 FY 2023-24
- Clinker factor has been reduced by 0.7% to 62.3% from 63.0%

\* CO2 emissions are excluding emissions from Captive Power Plants

# Governance Overview

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# Board & Committee Structure



Meeting Frequency:
Quarterly
Half Yearly
As and when

Composition:
1 100% Independent
2 75% Independent
3 50% Independent

Key committees like Audit, NRC, CRC & Public Consumer Committee comprise of 100% independent directors

# Performance Highlights

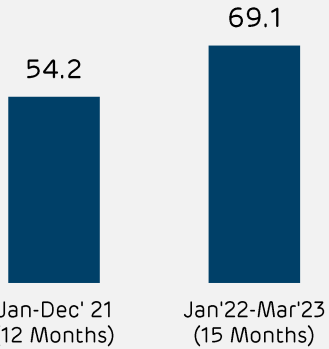
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For the year Jan 22 to Mar 23

# 04



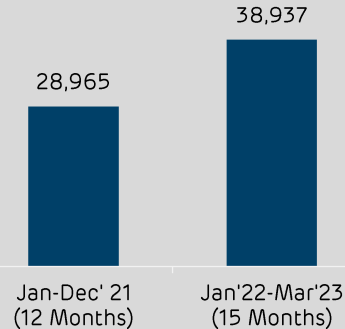
Sales volume – Clinker & Cement (MioT)



Sales volume driven by strong demand with focus on micro markets. We improved our penetration in Tier II & Tier III markets

Volume expansion is key focus area and with the footprint optimization this is expected to grow

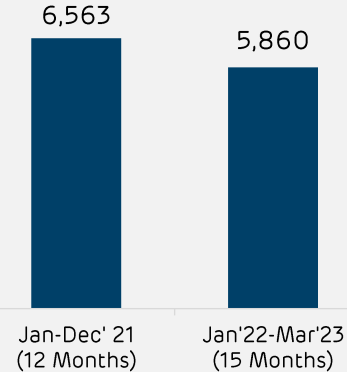
Revenue – (Rs. Crore)



Realization up mainly on account of higher volume

Endeavour to increase brand visibility and maximizing premium product share of total sales volume will further expand the revenue

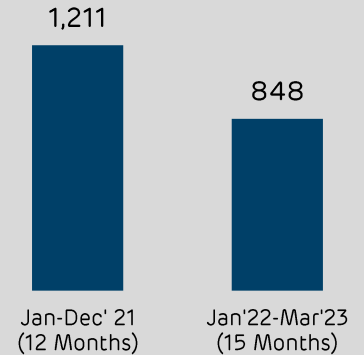
EBITDA – (Rs. Crore)



EBITDA impacted mainly due to higher Fuel and power cost

Continuous focus on input materials cost and efficiency improvement will result in higher EBITDA in coming year

EBITDA – (Rs./ton)

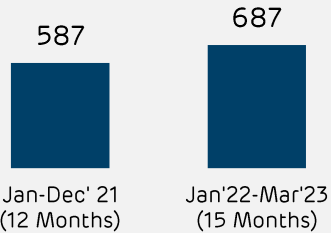


EBITDA PMT reduced by Rs. 363 PMT mainly driven by various Input cost increase (mainly fuel)

Our endeavor to increase it by group synergies and cost efficiencies to become market leader

- Both period are not comparable (being 12 month and 15 month period). Sales Volume and Revenue growth are on proportionate basis.

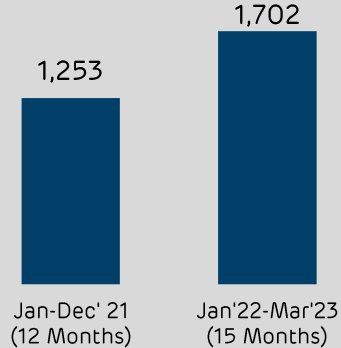
Raw Material Cost – (Rs./ton)



Improved synergies with group cos and various capex/non-capex cost saving programs are expected to control and bring down the Raw-Material cost further.

Long term contract with Thermal power companies will help in assured long-term supplies at a lower cost

Power & Fuel Cost – (Rs./ton)

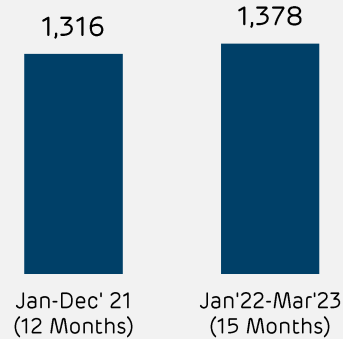


Power & Fuel cost increased due to higher prices of fuel.

Following initiatives were taken to control and bring it down.:

- Synergies on coal procurement with Group Cos.
- Fuel basket optimization
- Higher TSR (6.6% to 7.6%) contributing in lowering the costs
- Maximizing utilization of own coal mines
- WHRS share in power mix increasing from 2.1% to 4.4% (by capex initiatives)

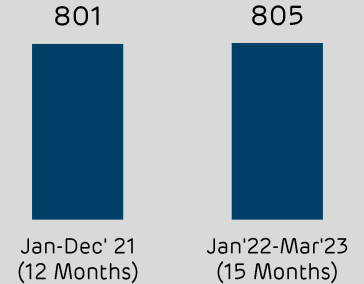
Freight and Forwarding Cost – (Rs./ton)



Strong focus on cost reduction initiatives are resulting in lower cost viz.

- Serving short lead markets directly to customers
- Improved synergies between Ambuja, ACC and group Cos.
- Improving dispatch facility from plants

Other Expenses – (Rs./ton)

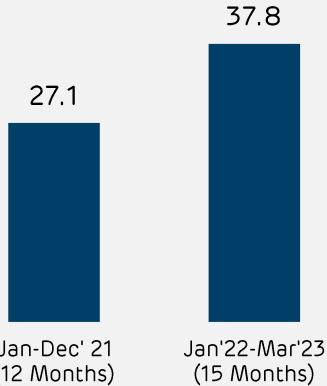


Other expense are at par with previous level.

Cost reduction initiatives & emphasis on Digitisation initiatives are going to further bring down the costs

# Ambuja Cement (Standalone): Performance highlights

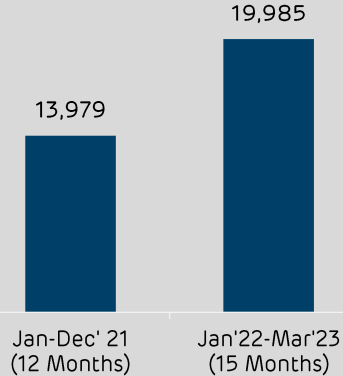
Sales volume – Clinker & Cement (MioT)



Volume expansion is a key focus area and this will contribute in expansion of profitability

Focus on improving sales in higher profitability markets

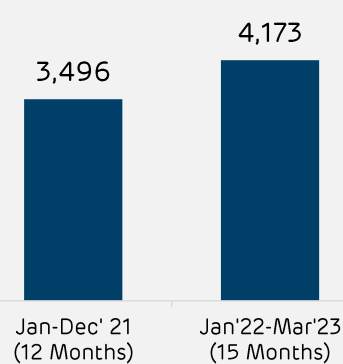
Revenue – (Rs. Crore)



Higher sales volume resulting in higher revenue

Continuous focus on improving premium product volumes and enhancing Brand equity will result in higher revenues

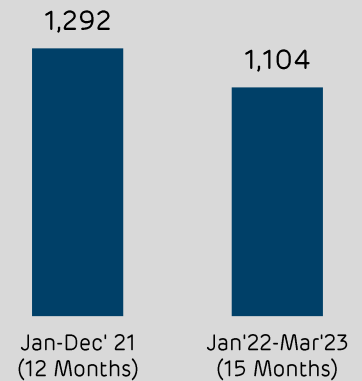
EBITDA – (Rs. Crore)



Higher volumes have led to increase in EBITDA however the same was eroded to some extent due to higher Fuel and Power cost

Continuous focus on input materials cost and efficiency improvement will result in higher EBITDA in coming year

EBITDA – (Rs./ton)

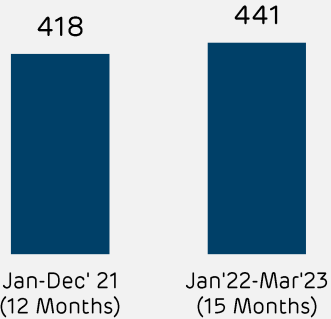


EBITDA PMT reduced by Rs. 188 PMT mainly due to input cost increase

Our endeavor to expand it further and become market leader through various cost efficiency measures

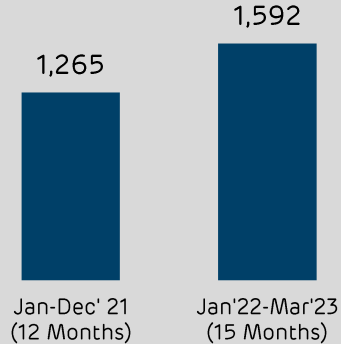
- Both period are not comparable (being 12 month and 15 month period). Sales Volume and Revenue growth are on proportionate basis.

Raw Material Cost – (Rs./ton)



Continuous focus on raw mix optimization and synergies with Group Cos. will enable in lowering cost

Power & Fuel Cost – (Rs./ton)

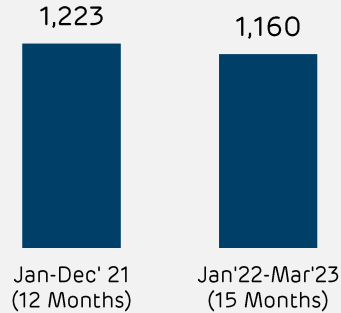


Power & Fuel cost increased due to higher prices of fuel.

Following initiatives were taken to control and bring it down.:

- Synergies on coal procurement with Group Cos.
- Fuel basket optimization
- Higher TSR (5.1% to 6.3%) contributing in lowering the costs
- Maximizing utilization of own coal mines
- WHRS share in power mix increasing from 2.2% to 4.8% (by capex initiatives)

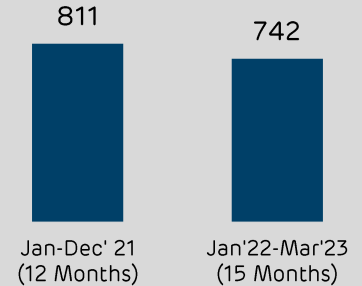
Freight and Forwarding Cost – (Rs./ton)



Various efficiency improvement projects are resulting in improved efficiency and lowered cost.

Continuous focus on further improvement of these parameters will contribute in expansion of EBITDA

Other Expenses – (Rs./ton)



Various cost saving initiatives are leading to reduction in costs.

# Way Forward & Growth Strategy

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05

## Fly Ash

Utilization of fly ash generated from power plants operated by Adani Power (APL)



## Coal

Use AEL / ANR expertise in procuring coal and mining operations



## People

Talent movement within the group across verticals



## Power & Renewables

Leverage APL's expertise to improve CPP's operational excellence (Lakshya)



## Logistics

Leverage APSEZ's MMLPs to serve major demand centers and use the company's expertise in logistics to reduce cost



## ABEX services/Digital Infra

Leverage shared services vertical of the group, along with digital infra (IT)



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## Cost leadership through operational efficiencies (Rs 400/ton improvement in EBITDA for FY24)

### Optimize Manufacturing cost (Rs 250/ton)

Increase in WHRS capacity from 80 MW to 175 MW

Increase in share of AFR in fuel mix

Coal extraction from newly allotted coal mine – Dahegaon Gawri

Focus on Renewable Energy (Solar - 200 MW) to enhance green power

Entering into long term Fly Ash sourcing contracts

### Optimize Logistics cost (Rs 100/ton)

Rail-Road mix optimisation

Warehouse footprint optimization by increasing direct dispatch

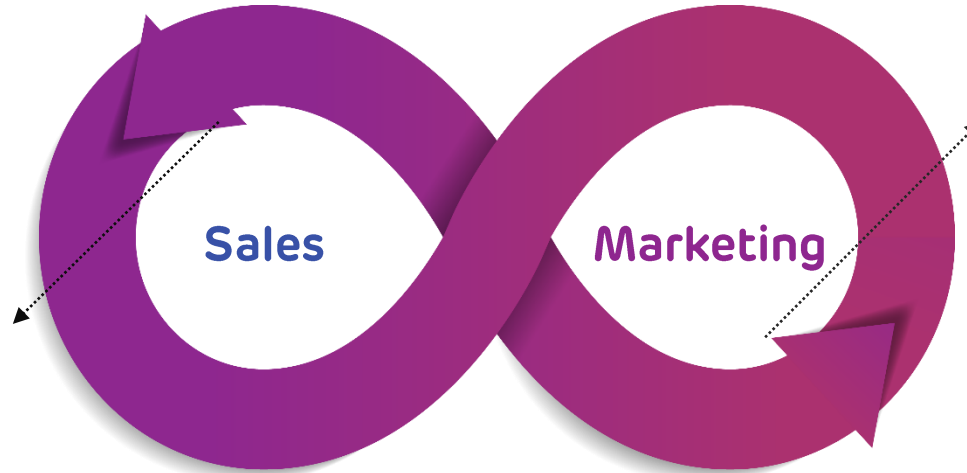
### Other optimizations (Rs 50/ton)

Manpower streamlining – Operating as a single entity

Debottlenecking initiatives to improve plant capacity

Change in product mix to improve realisations

- Focus on 10 high growth states for cement – Gujarat, Rajasthan, Punjab, HP, UP, J&K, Bihar, Jharkhand, Maharashtra and Karnataka
- Ramp up demand generation activities by appointing new retailers
- Increase in share of B2B segment (growing at a faster rate than trade segment)
- Increase in share of premium products (higher realization)
- Increase in the productivity of technical service team to convert IHB leads



- Improve brand awareness through differentiated regional positioning and elevating website and social media communication. Contract with top advertising agency – Ogilvy & Mather
- Maintain local outdoor visibility through mix of impact walls and other outdoor elements
- Ambuja Knowledge Centre (AKC) - for Influencer segment
- Construction Apps for improving Brand visibility



- Targeting total cement capacity of ~140 MTPA by FY28
- Add ~40 MTPA of clinker capacity and ~70 MTPA of grinding capacity
- Improve TSR% to 30%
- Increase share of WHRS to 30%
- Renewable capacity addition to increase green power share
- Procurement of rakes

## ESTIMATED TOTAL CAPEX OF RS 7,000 CRS IN FY24

### Grinding Units\*

Sankrail – 2 MTPA - Ambuja  
Kharagpur – 2 MTPA - Ambuja  
Farakka – 2 MTPA - Ambuja  
Jalgaonr – 2 MTPA - Ambuja  
Amravati – 2 MTPA – Ambuja  
Pune - 2 MTPA – Ambuja  
Bhatinda – 1 MTPA – Ambuja

### Clinker Units\*

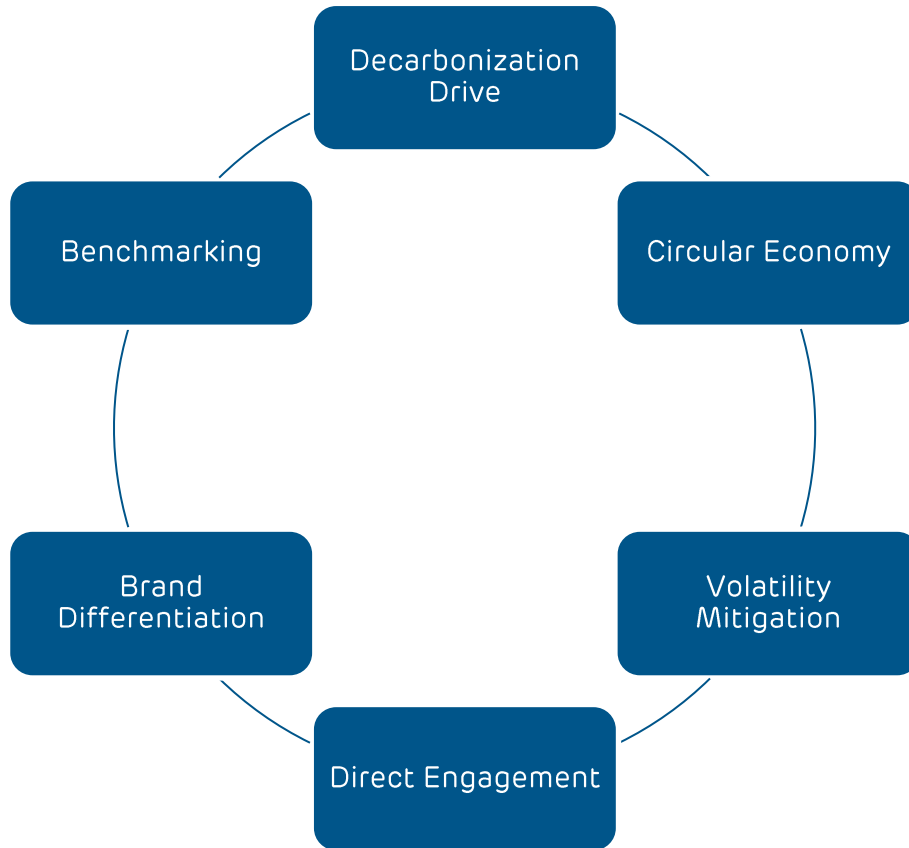
Bhatapara – 4 MTPA – Ambuja  
Chandrapur – 4 MTPA - Ambuja  
Mundra – 3.75 MTPA - Ambuja  
Ametha – 3.3 MTPA - ACC

### Other optimizations\*

WHRs – 73.6 MW  
Procurement of 10 rakes  
Geoclean projects to improve TSR  
Replacement/upgradation of coolers  
Green Power – 200 MW

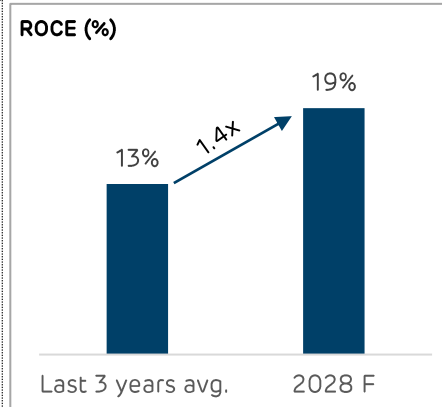
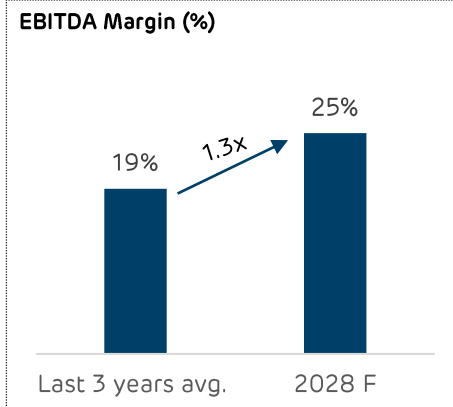
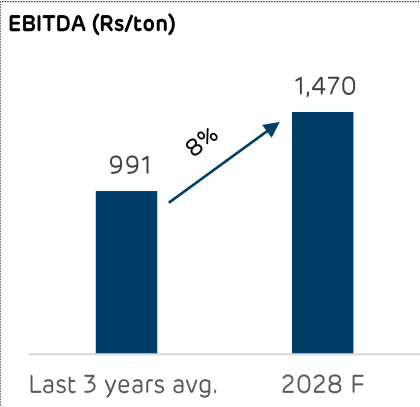
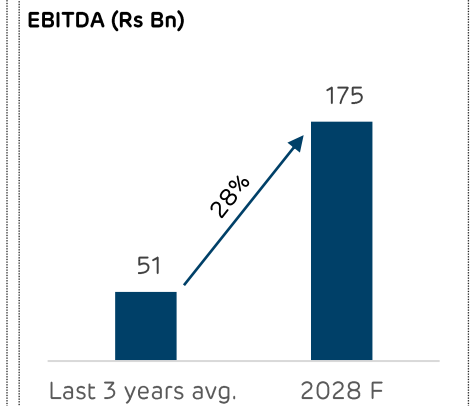
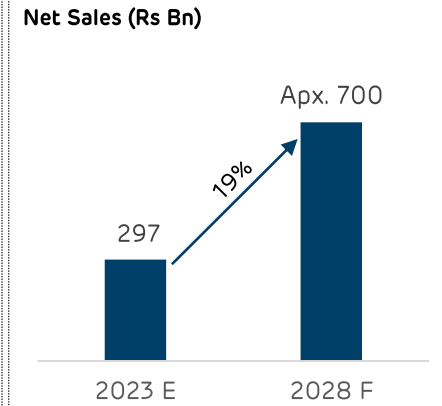
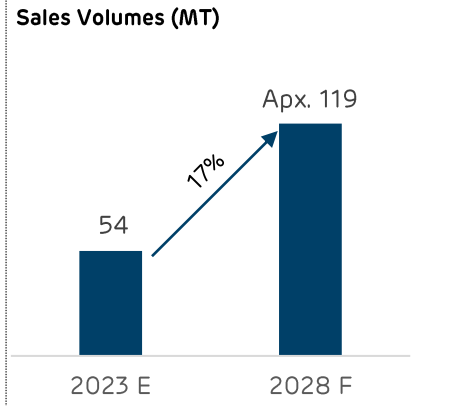
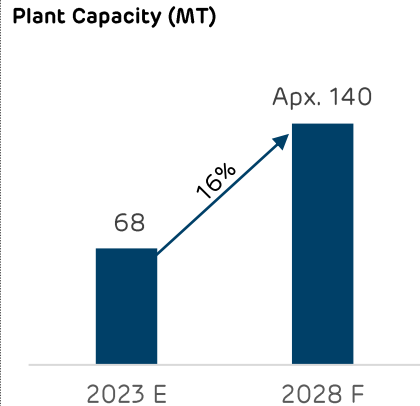
# Investment Summary

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- **Decarbonize** - Use of ships / rails for carbon efficient transportation, use of renewable power, increase WHRS capacity
- **Circular Economy** – Increased use of Fly Ash, use of alternate fuel, synesthetic gypsum
- **Mitigate from the volatilities of commodity cycles** – Long term contracts for Fly Ash, captive coal mines, higher procurement of coal through linkage
- **Direct engagement with customers through digital network** – Strong digital network which will enable higher penetration of B2C
- **Brand differentiation** – Differentiate the brands on strength of quality, innovation and technical experts engaging with the influencers. Increasing the number of on-field technical experts and Knowledge Centre programs
- **Benchmarking** – Focusing on efficiencies and outsourcing of non-core activities by benchmarking within business, with competitors and with global major players.

# Adani Cement: Transformational Roadmap



Internal accruals sufficient to fund the capex for doubling of capacity

Capacity to  
double from  
**67.5 MTPA to  
140 MTPA**

**Growth to be funded through internal accruals**

ESG focus on  
reducing CO<sub>2</sub>,  
**enhance  
consumption of  
waste resources  
and decrease  
freshwater  
consumption**

Net sales to grow  
from Rs 297 Bn  
in FY23 to **Rs  
~700 Bn** in FY28

EBITDA margin to expand from 19%\* to **25% in FY28**

EBITDA/ton to  
grow from ~Rs  
1,000\* to ~Rs  
**1,470 in FY28**

# Accolades & Awards

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07

# Accolades & Awards



**Ambuja ranked No.1 as India's Most Trusted Cement Brands 2023**



**Ranked amongst 'India's Top 50 Most Sustainable Companies' cross industry by BW Businessworld**



**OHSSAI Silver Award for Occupational Health & Safety**



**Development Catalyst Award 2022**



**OHSSAI Gold Award for Road Safety**



**ICAI Award for Excellence in Financial Reporting 2021-22**



**ICC Social Impact Award 2022**



**Digital Customer Experience Award 2023**

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