



Media Release

Net Profit after Tax grows by 27% (y-o-y) in Q2'18

Ambuja Cements Limited today announced its unaudited financial results for the quarter ended 30th June, 2018

		Quarter April-June 2018	Quarter April-June 2017	Year to date Jan-June 2018	Year to date Jan-June 2017
Sales Volume – Cement	Millions tonnes	6.37	6.05	12.59	12.07
Net Sales	₹ in Crore	2,927	2,817	5,690	5,347
Operating EBITDA	₹ in Crore	622	651	1,129	1,045
Net Profit after Tax	₹ in Crore	499	392	771	639

Better off-take in infrastructure projects, improved sand availability and increased Government spending resulted in steady demand growth trends in H1'18. Demand is expected to grow more strongly in the rural belt on account of the impetus from the increased MSP of Kharif crops and prospects of a normal monsoon.

“Ambuja is well positioned to benefit from the upsurge in rural demand and the encouraging external environment. Our consistent customer-connect initiatives, pursuit of operational excellence and continued focus on the retail segment is helping us reduce the impact of rising cost pressures.” said Ajay Kapur, MD & CEO, Ambuja Cement.

Performance

Cement volumes increased in Q2 2018, compared to the corresponding quarter of the previous year, backed by healthy demand. Net Sales stood at ₹ 2,927 crore compared to ₹ 2,817 crore. Sales of premium products has grown strongly and outperforms the normal growth trend.

Operating EBITDA for the quarter stood at ₹ 622 Crore against ₹ 651 Crore in the corresponding quarter of the previous year. Better top line, improvements in productivity and efficiency parameters helped largely mitigate the rising cost pressures particularly from power & fuel in this quarter.

Net profit after tax is ₹ 499 crore (includes dividend from ACC ₹ 141 crore) against ₹ 392 in the corresponding quarter of the previous year.

Performance of Material Subsidiary – ACC Limited

Cement volume grew in a sustained manner at 7%. Net Sales during the quarter went up by 13% to ₹ 3,768 Crore compared to ₹ 3,329 Crore for the same quarter last year.

Ambuja Cements Ltd. is one of the leading cement companies in India. It is part of the LafargeHolcim Group, the world leader in the building materials industry, with a presence in 80 countries, and a focus on cement, aggregate and concrete since 2006. For three decades, Ambuja Cements has provided hassle-free home building solutions with its unique sustainable development projects and environment-friendly practices.



Consolidated (Ambuja Cement and ACC Limited) Financial Results for the Quarter ended 30th June 2018

- H1 2018 Consolidated Net Sales up by 10%
- H1 2018 Consolidated Operating EBITDA up by 7%
- H1 2018 Consolidated PAT up by 8%

		Quarter April-June 2018	Quarter April-June 2017	Year to date Jan-June 2018	Year to date Jan-June 2017
Sales Volume – Cement	Million tonnes	13.61	12.78	26.94	25.40
Net Sales	₹ in Crore	6,683	6,145	12,997	11,782
Operating EBITDA	₹ in Crore	1,250	1,290	2,252	2,099
Net Profit after Tax	₹ in Crore	685	718	1,199	1,115
Net Profit after Tax and minority interest	₹ in Crore	525	555	915	847

The combined annual cement capacity of both the companies stands at 63 million tonnes.

Outlook

The company expects the economy to grow strongly in 2018 post successful GST transition and due to the various initiatives of the Government.

Improved rural demand on account of government interventions such as the increase in the Minimum Support Price for Kharif crops, job creation and spending on rural and labour intensive infrastructure and expectations of a normal monsoon, combined with Government's focus on infrastructure development (roads, ports, irrigation and metro projects), affordable housing and housing for all programme is expected to create buoyancy in the construction sector which will have a positive impact on cement demand. However, the Company expects that increase in fuel prices and input material costs will continue in the near term.

The Company is well placed to benefit from the above initiatives taken by the Government.

Rajiv Gandhi

Rajiv Gandhi
Company Secretary
25th July 2018

