

Ambuja Cements delivers stellar Q3 FY24 results

Q3 operating EBITDA up 70% at Rs. 1,732 cr
PAT up 123% at Rs. 1,090 cr

Ahmedabad, 31 January 2024: Ambuja Cements, the cement and building materials flagship company of the diversified Adani Group, today announced robust financial results for Q3 FY'24, supported by continued operational excellence, business synergies, and cost leadership.

Mr. Ajay Kapur, Whole Time Director & CEO, Ambuja Cements Limited, said, "Our performance is a reflection of our resilience and focused efforts. Our pursuit of excellence continues to propel us towards setting new benchmarks in our steady growth. We remain steadfast in our mission to deliver value for all stakeholders by redefining the industry landscape."

Operational Highlights

- In December 2023, Ambuja Cements successfully completed the acquisition of Sanghi Industries having 6.1 MTPA capacity. This month, Ambuja's subsidiary ACC completed the acquisition of the balance 55% stake in Asian Concretes and Cements Private Ltd (ACCPL) having 2.8 MTPA capacity. **These acquisitions reinforce the Adani Group's market leadership and takes its cement capacity to 77.4 MTPA, a jump of 15% from last year.** Integration of these acquired companies is going on well.
- There is an ongoing Cement capacity expansion of **20 MTPA** at various stages. Board has also approved additional Cement capacity expansion of **12 MTPA**, which outlines a road map for **110 MTPA** (80% of **140 MTPA** capacity targeted by FY 2028)
- Ongoing green power projects of @ capex of **10,000 crores** will take green power share to **60%** of expanded capacity while reducing operating costs.
- Total Cost PMT reduced by Rs. 491 on consolidated basis. Additional savings are expected from ongoing investments on efficiency improvement projects.
- Competitive basket of kiln fuel and AFR volume has helped to reduce fuel cost by 25%.
- Long term contracts for key raw materials like fly ash and gypsum will help to secure the materials at optimised cost and curb volatility.
- Improving synergies within cement business and with the Adani Group are helping to improve manpower productivity and optimise manpower cost.
- Micro market analysis has helped fix issues and improve the ground network, which will yield accelerated results in the coming quarters.

Particulars (YoY)	Q3 FY'24	9M FY'24
Sales Volume (Clinker & Cement)	Growth of 3% at 14.1 Mn T	Growth of 4.9% at 42.6 Mn T
Kiln Fuel Cost	Down by 25% (Rs 2.45 to Rs 1.84 per '000 kCal)	Down by 28% (Rs 2.68 to Rs 1.92 per '000 kCal)
WHRS as a % of total power Consumption	Up by 6.5 pp to 12.7%	Up by 8.2 pp to 12.0%

Financial Highlights:

The business has seen notable progress in every financial matrix. EBITDA, EBITDA PMT and EBITDA margins have grown higher than revenue growth given sharp improvement in operating costs. **EBITDA margin at 21.3% for Q3'24 is the highest in the last 10 quarters**

A total of Rs. 562 crore incremental Cash & Cash Equivalent was generated in Q3'24. With this, the Cash & Cash Equivalent stands at **Rs. 8,591 crore** after factoring the outflows related to the acquisition of Sanghi, Asian Cements, as well as ICDs provided to Sanghi. **This is highest amongst peer group and in the industry.**

In the 9 months ending Dec'23, Net Worth increased by Rs. 4,067 crore and stood at Rs. 42,824 crore, Crisil AAA (stable) / Crisil A1+ maintained. For Ambuja (standalone) business level Working Capital stands at 26 days, amongst the best in the peer group.

Financial Performance for the quarter and Nine Months ended December 31, 2023:

For the Quarter ended Dec'23

Particulars	UoM	Consolidated		Standalone	
		Q3 FY'24	Q3 FY'23	Q3 FY'24	Q3 FY'23
Sales Volume (Cement and Clinker)	Mn T	14.1	13.7	8.2	7.7
Revenue from Operations	Rs. Cr	8,129	7,907	4,440	4,129
Operating EBITDA & Margin (Excl. Other Income)	Rs. Cr	1,732	1,021	851	639
	%	21.3%	12.9%	19.2%*	15.5%
	Rs PMT	1,225	744	1,043	829
Other Income	Rs Cr	194	117	108	76
Profit Before Tax	Rs. Cr	1,448	623	680	464
Profit After Tax	Rs. Cr	1,090	488	514	369
EPS – Diluted	Rs.	3.86	2.02	2.41	1.71

* For Ambuja Standalone, ~12% of Clinker capacity of Ambuja (Standalone) was under planned maintenance resulting lower cost absorption for the quarter, benefit will accrue coming quarter.

For the Nine Months ended Dec'23

Particulars	UoM	Consolidated		Standalone	
		9M FY'24	9M FY'23	9M FY'24	9M FY'23
Sales Volume (Cement and Clinker)	Mn T	42.6	40.6	24.9	22.2
Revenue from Operations	Rs. Cr	24,266	23,071	13,139	11,802
Operating EBITDA & Margin (Excl. Other Income)	Rs. Cr	4,701	2,459	2,573	1,639
	%	19.4%	10.7%	19.6%	13.9%
	Rs PMT	1,103	606	1,035	738
Other Income	Rs Cr	933	363	676	746
Profit Before Tax	Rs. Cr	4,299	1,557	2,426	1,759
Profit After Tax	Rs. Cr	3,212	1,405	1,802	1,557
EPS – Diluted	Rs.	11.90	6.28	8.50	7.69

Outlook:

Cement Industry is expected to have a demand growth between 7% and 8% because of investments in infrastructure and real estate projects. India's per capita consumption of 272 Kg as compared to the global average of ~ 550 kg provides a sizeable potential for expansion of the cement industry.

Ambuja has lined up massive investments in green power (WHRS, Solar, Wind), AFR handling, railway infrastructure and fly ash handling systems amongst others. These are expected to result in sizeable improvement in profitability/EBITDA and returns to stake holders.

Higher consumption of domestic coal helped in improving coal cost and the trend is expected to continue. The opportunity buy of low cost petcoke in the past few weeks will help to further optimise fuel costs in the coming quarters and this augurs well in our cost optimisation journey.

Branding:

We partnered with 'Gujarat Giants' as its official partner for the Ultimate Kho-Kho League, promoting one of the most promising sports leagues, essential for the youth and development of the country. Thematic campaigns were launched during the Cricket World Cup on new channels and digital platforms. In addition to our branding efforts, we had robust interactions with technical and end user groups. Through our technical services, we are supporting ethical and environmentally friendly building practices, which have a significant positive influence on society. **We are the proud sponsors of Women's IPL.**

ESG Highlights:

- Committed investment of ~ Rs. 10,000 crores in 1 GW solar and wind power projects, Additional 243 MW WHRS projects (built-in for new Integrated plants), will increase green power share to 60% towards the 140 MTPA planned capacity.
- Leadership in water governance – We are 8x water positive.
- More than 2.5 million people continue to benefit from our CSR initiatives. The focus is on sustainable livelihoods, women empowerment, rural infrastructure, and social inclusion

Awards:

- Ambuja Cements was recognized for Excellence in Logistics at CII SCALE Awards 2023.
- Ambuja Cements was felicitated with the prestigious 'Safety Excellence Award' at UPES Sustainability Fair 2.0.
- Ambuja Cement's Bhatapara plant received APEX India OH&S 'Platinum Award'.