

Adani Cement

(Ambuja, ACC, Sanghi)

12th April, 2024

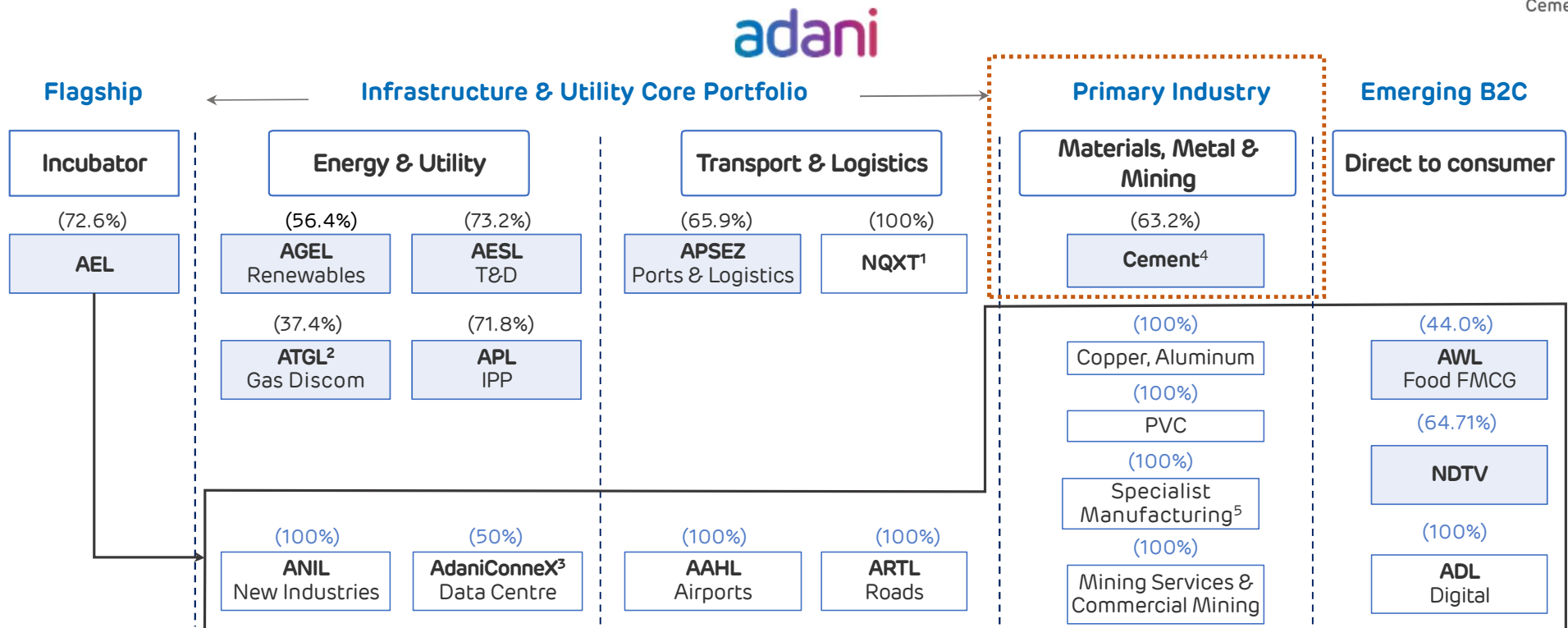


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01 Adani Group Profile

Adani Portfolio: A World class infrastructure & utility portfolio



(%): Promoter equity stake in Adani Portfolio companies (): 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, | 4. Adani Cement includes 63.19% stake in Ambuja Cements which in turn owns 50.05% in ACC Limited. Adani directly owns 6.64% stake in ACC Limited | 5. Includes the manufacturing of Defense and Aerospace Equipment | AEL: Adani Enterprises Limited; APSEZ: Adani Ports and Special Economic Zone Limited; AESL: Adani Energy Solutions 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 | NDTV: New Delhi Television Ltd | PVC: Polyvinyl Chloride | Promoters holding are as on 31st December, 2023

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



Secular growth with world leading efficiency

National footprint with deep coverage



Growth 3x⁶

Growth 4x⁶

EBITDA 70%^{1,2}

EBITDA 92%^{1,4}

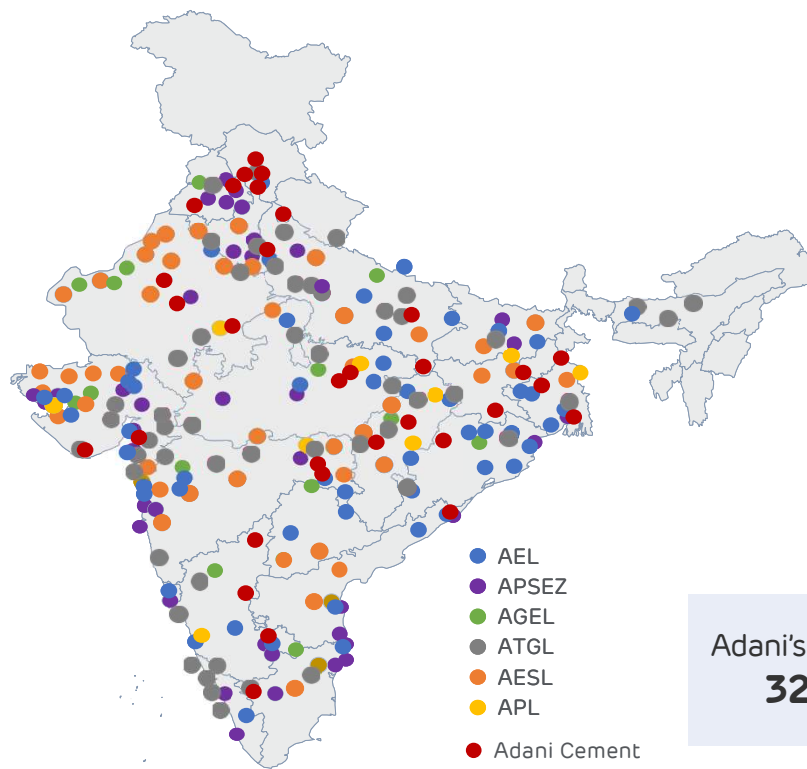


Growth 3x⁶

Growth 1.4x⁶

EBITDA 91%^{1,3,5}

EBITDA 19%^{1,3}

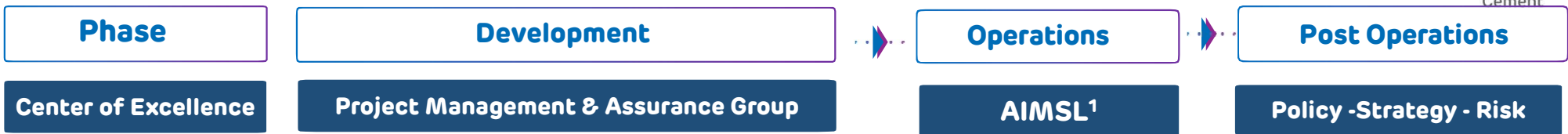


- AEL
- APSEZ
- AGEL
- ATGL
- AESL
- APL
- Adani Cement





Adani's Core Infra. Platform –
320 Mn Userbase

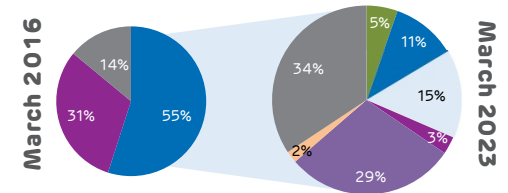
Note: 1. Data for FY23; 2. Margin for Indian ports business only, Excludes forex gains/losses; 3. EBITDA = PBT + Depreciation + Net Finance Costs – Other Income; 4. EBITDA Margin represents EBITDA earned from power supply; 5. Operating EBITDA margin of transmission business only, does not include distribution business; 6. Growth pertains to expansion and development aligned with market growth. Growth of respective Adani portfolio company vs. Industry growth is as follows: **APSEZ's** cargo volume surged from 113 MMT to 339 MMT (13%) between 2014 and 2023, outpacing the industry's growth from 972 MMT to 1433 MMT (4%). **AGEL's** operational capacity expanded from 0.3 GW to 8.1 GW (60%) between 2016 and 2023, surpassing the industry's growth from 46 GW to 125 GW (15%). **AESL's** transmission length increased from 6,950 ckm to 19,779 ckm (16%) between 2016 and 2023, surpassing the industry's growth from 3,41,551 ckm to 4,71,341 ckm (5%). **ATGL** expanded its geographical areas from 6 to 52 (31%) between 2015 and 2023, outperforming the industry's growth from 62 to 293 (21%). PBT- Profit before tax, ATGL-Adani Total Gas Limited, AEL: Adani Enterprises Limited, APSEZ: Adani Ports and Special Economic Zone Limited, AESL: Adani Energy Solutions Limited, APL: Adani Power Limited, AGEL: Adani Green Energy Limited | Growth represents the comparison with respective industry segment.

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



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

Performance	Origination	Site Development	Construction	Operation	Capital Mgmt
	<p>India's Largest Commercial Port (at Mundra)</p> <p>Highest Margin among Peers</p> 	<p>Longest Private HVDC Line in Asia (Mundra - Mohindergarh)</p> <p>Highest line availability</p> 	<p>2,140 MW Hybrid cluster operationalized in Rajasthan in FY23</p> <p>India's first and World's largest solar-wind hybrid cluster</p> 	<p>Energy Network Operation Center (ENOC)</p> <p>Centralized continuous monitoring of plants across India on a single cloud based platform</p> 	<ul style="list-style-type: none"> Duration Risk Matching Forex Currency Risk Management Interest Rate Risk management Governance & Assurance (ABEX -Adani Business Excellence)



Note 1 Adani Environmental Resource Management Services Ltd. (additional company is being proposed)

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., AIMSL: Adani Infra Mgt Services Pvt 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

Legend: PSU (Blue), Pvt. Banks (Purple), Bonds (Grey), NBFCs & FIs (Light Blue), DII (Green), Global Int. Banks (Dark Purple), PSU - Capex LC (Orange)

Iconic brands with cumulative 150 years of history that shaped the industry

ACC

Heritage

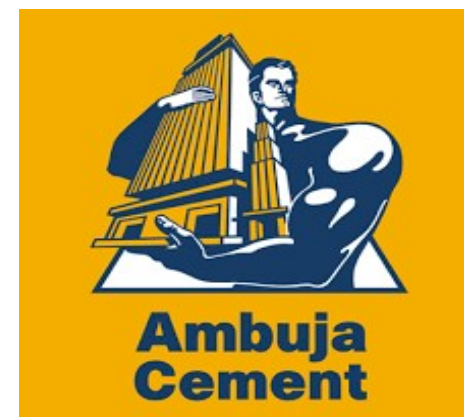
India's 1st Cement Company, Inter-generational legacy which pioneered product development

**Ambuja
Cement**

Strength

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

- Indian Cement industry (**\$ 32 Bn**) accounts for ~23% of Building Material industry (**\$ 140 Bn**) of the country
- Adani Cement market share targeted to be **20% by FY'28** (from current 14%)
- Cement Industry expected to grow at **CAGR of 7-8%**,
 - Adani Cement expected to have accelerated growth rate of 16% to reach **140 MTPA by 2028**
- Growth will further compound given the opportunities in the Building Materials Industry



**“India to be USD 30 Trillion Economy by 2050”
Mr. Gautam Adani**

The text "02 Industry Overview" is displayed in a large, white, sans-serif font. The "02" is significantly larger than the words "Industry Overview". The text is positioned in the lower-left quadrant of the image, partially overlapping the industrial scene and the green foliage.

02 Industry
Overview

Infrastructure and Housing sectors to keep Cement Demand vibrant

Housing



- Govt. of India promotional scheme for rural housing to push demand
- Aspirational India (per capita **GDP ~ USD 3000 by 2025**)
 - Working age population of 1 Bn by 2030
 - Rising shift from rental to own house
 - Redevelopment across several cities

(Housing sale grew 63% in Q4 FY'24 YoY (area volume growth))

Infrastructure

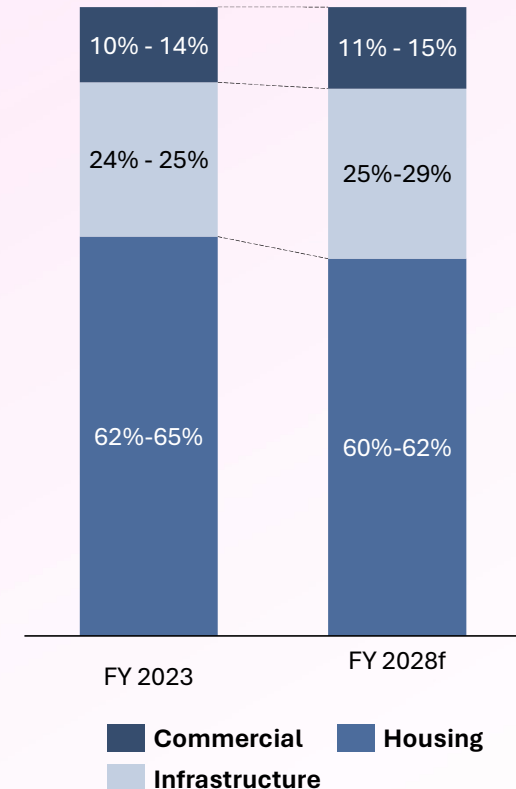


- GOI's National Infrastructure Pipeline (NIP), decade of infrastructure, ~**USD 4 Trillion** investment expected
- Highways (~15000 km/year), Ports, Bullet Trains, Rail/Metro, Renewables
- **New Economic Corridors** across the country to boost cement demand
- **Stronger Banking Industry** – a booster to Capex, **GDP** expected robust growth of **6-8%** in long run

Commercial

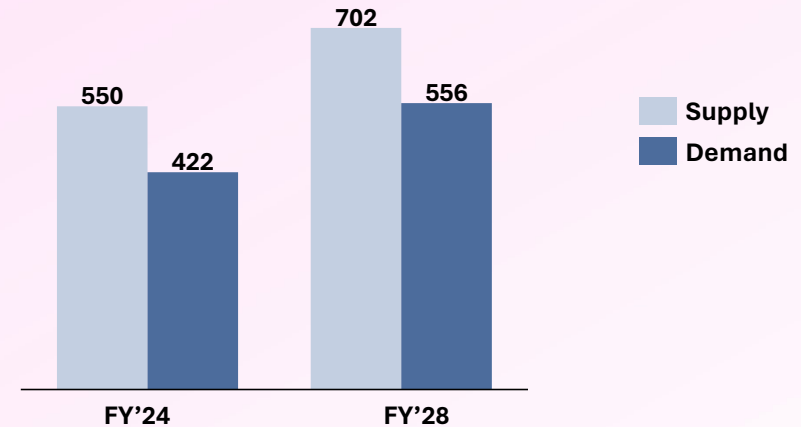


- GOI's **Make in India & PLI schemes** attracting sizeable investments ~ \$ 12 Bn in a year
- China Plus strategy driving manufacturing
- Growth in commercial space to support demand
 - Net leasing of office space expected to grow by 10-15%
 - 47-52% growth expected in the Indian data center industry in fiscal 2023

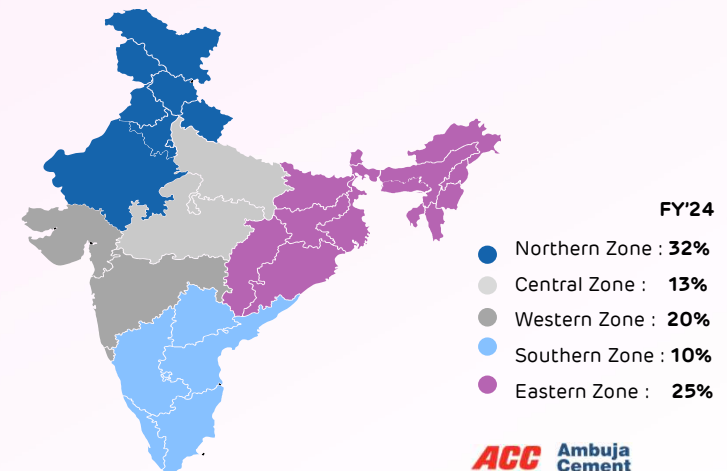


Indian Cement Industry – High growth expected

- 2nd largest producer of cement (**550 Mn MT**) – **8%** share of Global capacity (6,875 Mn MT)
- At **270 kg** per Capita Cement consumption (world average of 520 kg), India is 1/2 of the global average 1/8th of China.
- Next 5 years, demand expected to grow at a rate of 8 - 9%, higher than capacity addition rate, expect better capacity utilization (**Adani Cement at 90% of capacity utilisation**)
- Adani Cement current **market share is 14%, target of 20% by FY'28**
- Indian cement sector is fragmented and regional industry - **Adani Cement is a pan India player**
- Cement sector has witnessed increased M&A activities leading to market consolidation
 - 200 Mn T capacity exchanged hands during last 10 year
 - Last acquisition of Sanghi Industries successfully completed by Adani Cement



Adani Cement Geographical Spread

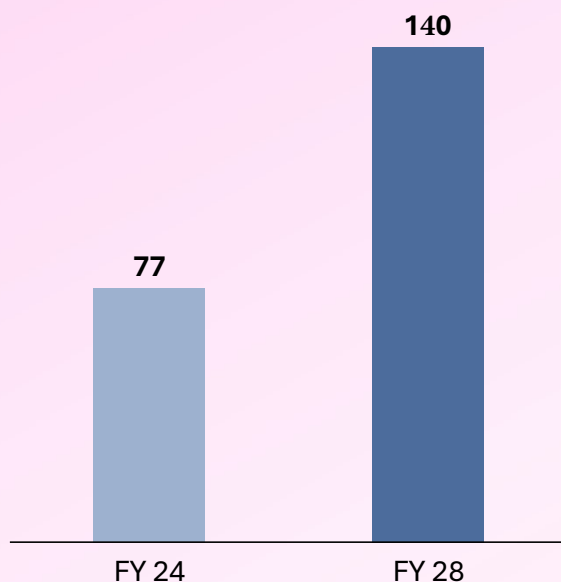




03 Growth
Strategy

Adani Cement – Capacity Enhancement Enablers

Cement Capacity (Mio T)



- 1. Land:** land already in possession/ available with group / in advance stages of acquisition
- 2. Limestone:** Cumulative ~8000 Mn MT limestone reserve in possession at NIL to nominal premium
- 3. Raw Material:** 40 % of Fly Ash requirement under long term arrangement (will increase to 50%+ by 2028)
- 4. Enterprise Risk Management:** better enterprise risk management, 65% of total cost of cement has synergies with group or where Group is market leader
- 5. Ground Network:** Ground network (1,00,000+ channel partners), stronger brand equity will facilitate improved volumes and margins
- 6. Strong Balance Sheet:** Ambuja continues to remain debt free with net worth of Rs 43k Cr (\$ 5.2 Bn), cash and cash equivalents of Rs 8,591* Cr (\$ 1.04 Bn) (as on Dec'23) and Crisil AAA (stable) / A1+ credit rating maintained.

**Adani Cement business will implement its accelerated capex program through internal accruals.
Business will continue to remain debt free**

* This figure is of 31st Dec 2023. However, with the receipt of Share Warrants money in March 2024, this has improved to Rs 15,252 Cr (\$ 1.84 Bn)

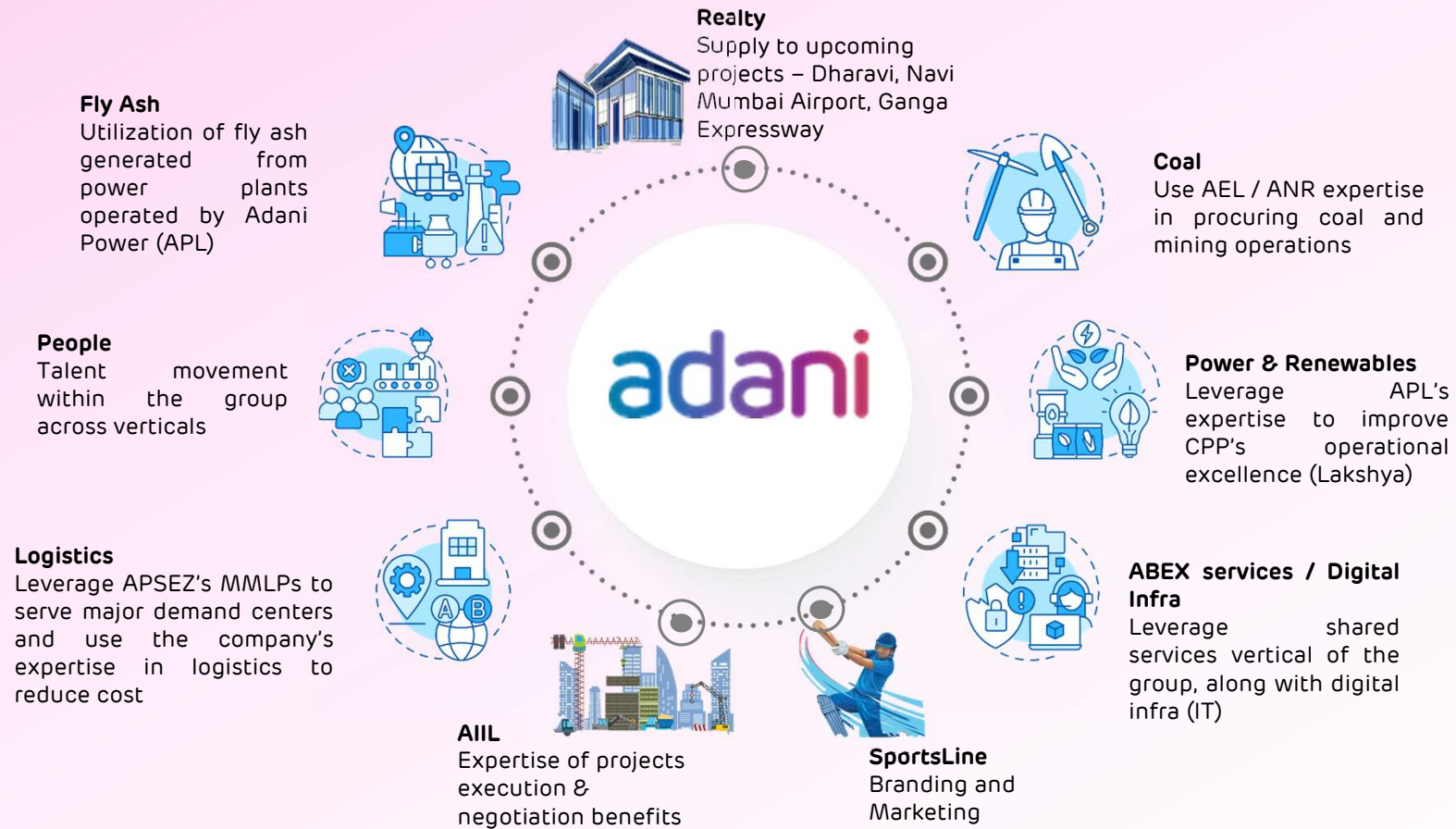
Adani Cement – Leadership

Adani Cement – Differentiating factors

1. Highest premium product volume @ 23% of trade sales
2. Trade sales @ 75% vs industry @ 65%
3. Flyash absorption @ 30% highest amongst peers
4. Green power @ 31% by '25, target of 60% by FY'28 of increased cement capacity
5. Thermal Substitution Rate (TSR) @ 9%, target up to 27% by FY'28
6. Strong Balance Sheet, better Enterprise Risk Management

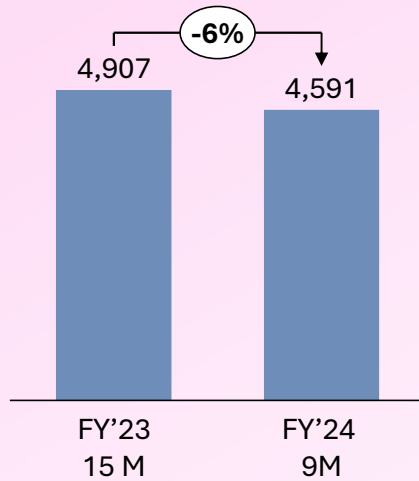
Accelerated Growth & Cost Leadership supported by Group Synergies is one of the most important differentiating points for Adani Cement

Leverage - Group and Group Synergy

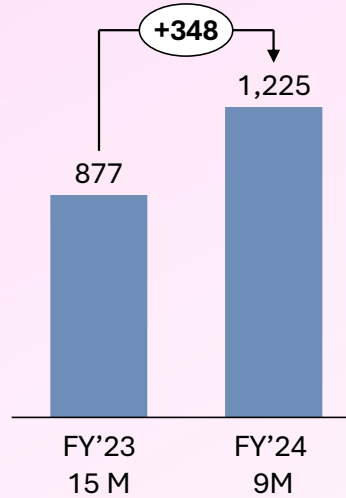


Cost Leadership Journey

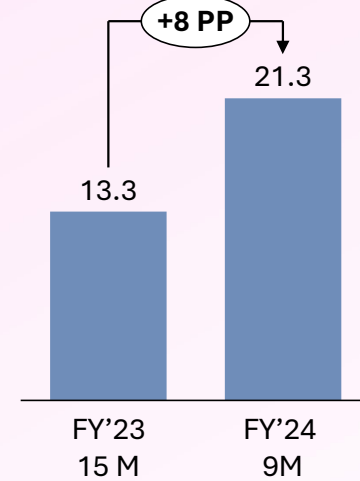
Cost PMT (Rs/ton)



EBIDTA PMT (Rs/ton)



EBIDTA Margin (%)

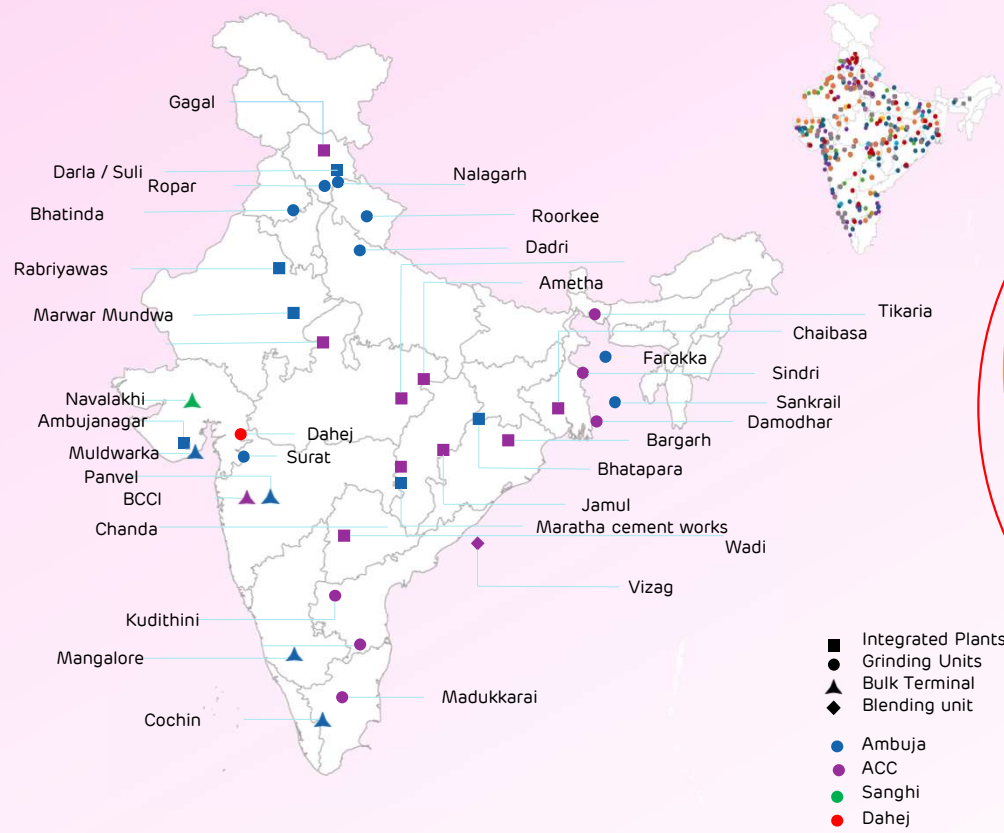


This accelerated journey of business growth will be achieved through strong focus on

- **Growth**
 - Accelerated capacity addition program will give leverage of cost benefits over peers
- **Cost leadership journey**
 - Securing major raw material assured supplies at cost competitive and efficiency & productivity improvement capex will help in further cost optimization by 8-10%
 - With this cost optimization, gap vs world's lowest cost cement manufacturer getting reduced by ~ Rs 1000 PMT
- **Stakeholders value creation**
 - Above initiatives will strengthen the balance sheet and improve liquidity

04 Digital

Intelligent PHYGITAL Infrastructure



Rainbow of Intelligent PHYGITAL Infrastructure

ESG Dashboard

Material topic	Ambuja		ACC		UN SDGs	
	2030 TARGETS	STATUS FY 24*	2030 TARGETS	STATUS FY 24*		
Climate & Energy (Net specific CO ₂ emissions - Kg/T)	453	504	400	475.5	 3 GOOD HEALTH AND WELL-BEING	 6 CLEAN WATER AND SANITATION
Circular Economy (Use of waste derived resources MnT/yr)	21	8.6	30	12.0	 8 DECENT WORK AND ECONOMIC GROWTH	 9 INDUSTRY INNOVATION AND INFRASTRUCTURE
Water & Nature (Fresh water consumption L/T of Cementitious material)	10x Water positive	8x Water positive	5x Water positive	1x Water positive	 13 CLIMATE ACTION	 7 AFFORDABLE AND CLEAN ENERGY
People & Community (Number of beneficiaries – million)	3.5	>2.5	3.5	>1.1	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	 15 LIFE ON LAND
					 14 LIFE BELOW WATER	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Management confident of achieving ESG targets ahead of schedule time

* Annualised

ESG Ratings

	RATING AGENCIES	AMBUJA	ACC
 S&P Dow Jones Indices <small>A Division of S&P Global</small>	DJSI(2023)	60	61
	CDP - CC	B	A-
	CDP - WS	B	B
	Sustainalytics	25.1 Medium risk	29.3 Medium risk
	MSCI	B	-

With our Ongoing projects for Solar, Wind & WHRS at an investment of Rs 10,000 crore

- Scope 2 Carbon Emissions will reduce substantially
- Will reach 60% Green Power share

Ambuja Cements clinches top honours at SKOCH Awards 2024



Ambuja Cements wins Gold for water positivity and Silver for plastic waste co-processing at the SKOCH Awards 2024, underscoring our steadfast commitment to sustainability through innovation and responsible use of resources.

Corporate Social Responsibility



Health Check up Camps



Assistant Electrician Training



Sprinkler irrigation

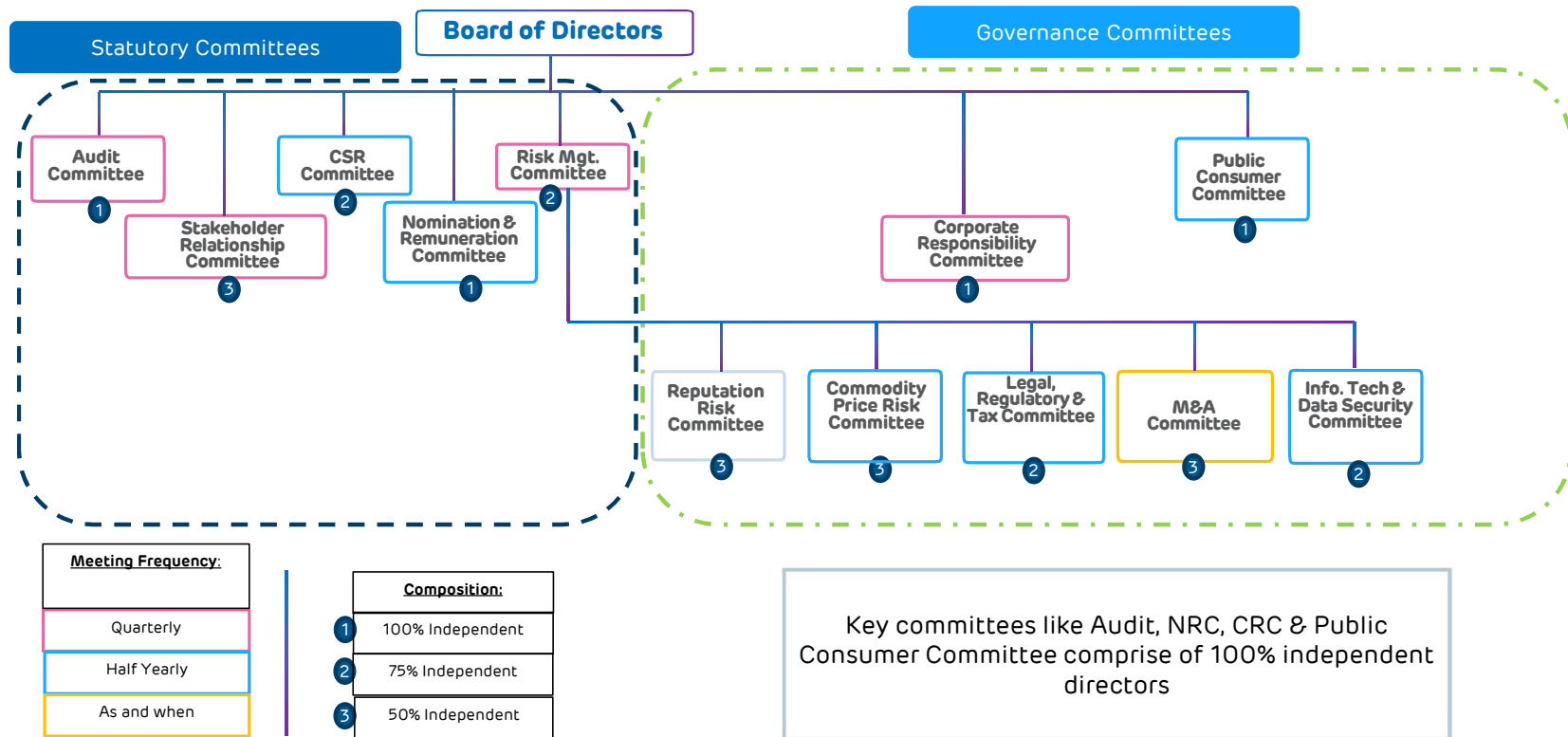


Women IG activity Soil testing, Kymore

- **Health:** 1,394 awareness camps on Menstrual Hygiene Management (MHM); 5 Healthcare centers cater to healthcare needs of approx. 27,943 truckers and allied population reached
- **Skill Based Livelihoods:** 1,998 Youth Trained across 17 centers (10 states); 68 trainings conducted for women on income generation
- **Social Inclusion:** 77 new Self-Help Groups formed (3,292 SHGs cumulative); Till date, 98% of those facilitated in allied agricultural activities are small, marginal and landless farmers
- **Water Governance & Management:** 163 Roof Rain-Water Harvesting Systems constructed; 873 Awareness camps on water harvesting reaching 30,150 people and 434 Hectare land covered under micro irrigation
- **Agriculture:** Reached over 2.6 lakh farmers across locations (cumulative); 55 farm ponds to improve availability of irrigation water
18,114 trees planted; 17,398 MT of biomass collected and supplied through local Farmer Producer Organisations

Collaborative approach enabling kitty expansion and spend more than government prescribed limits

Board & Committee Structure



06 Management Team

Strengthened by Effective Management



Mr. Karan Adani
Non-Executive director



Mr. Ajay Kapur
Chief Executive Officer



Mr. Vinod Bahety
Chief Financial Officer

Other ManCom members

Mr. Sukuru Ramarao	Chief Operating Officer – Cement Manufacturing
Mr. Ramesh Sharma	Chief Operating Officer – Business Operations
Mr. Sanjay Kumar Gupta	Chief Procurement Officer
Mr. Praveen Kumar Garg	Chief Logistics Officer
Mr. Manoj Sharma	Chief Human Resources Officer
Mr. Navin Malhotra	Chief Sales & Marketing Officer
Mr. Bhimsi Kachhot	Chief - Strategy & Business Development
Mr. Hemal Shah	Chief Digital Officer
Mr. Vineet Bose	Chief Legal Officer

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