

New Delhi, 6th August, 2020

Strong Margin with Cost optimization in a challenging environment...

Dalmia Bharat Limited announced its unaudited consolidated financial results for the quarter ended June 30, 2020.

Particulars (Rs. Cr.)	Q1FY21	Q1FY20
Sales Volume (MnT)	3.66	4.55
Income from Operations	1,974	2,537
EBITDA	614	666
Profit Before Tax	295	252
Profit After Tax	188	152
EBITDA (Rs./T)	1,675	1,437
Net Debt to EBITDA (x)	1.02	1.60

Key Highlights:

- Long Term Issuer rating assigned as 'AA+' by CRISIL
- Gross Debt Repayment of Rs. 508 cr during the quarter
- The expansion of grinding units in East has been impacted due to Covid-19 and part of the capacity is expected to be completed by Dec'20.
- Share buyback completed so far for 61.6 lac shares amounting to Rs. 328 Cr.

Operational Performance

Despite the challenges posed by COVID, the company once again delivered a strong performance and achieved an EBITDA of Rs. 1675/T during this quarter. The same is the highest ever EBITDA achieved by the company and is an outcome of a combination of price increases in our operating regions and our sustained sharp focus on cost optimization, both variable and fixed.

On volume front, the company witnessed volume de-growth of ~19% on YOY basis which was reasonably better than the overall cement industry average. The volume de-growth was only on account of complete lockdown in April and there being no production activity at all. However, after resumption of operations at end of April, there was an immediate pickup in cement demand from pending infra projects and Individual home building segment, especially in East India. The pick-up of demand in rural demand was stronger than that in the urban areas.

Ali Qutub

Dalmia Bharat Limited

(formerly known as Odisha Cement Limited)

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 Registered Office: Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu- 621 651, India
 A **Dalmia Bharat Group** company, www.dalmiabharat.com

The company has witnessed favorable pricing environment in most of its operating markets in Q1, especially in Southern states. However, given that the next quarter will be impacted by monsoon, one can expect some weakness in prices in the next few months.

On the cost front, our Variable Cost moderated as our new clinker line has started contributing clinker under trial run production and we did not have to purchase clinker from outside. Furthermore, we utilized low cost Pet coke inventory during the quarter.

The company has also cut down on overheads expenses including advertisement, travel, and some administration related spends etc. during the quarter. We will endeavor that we continue to take cost efficient measures to sustain these savings and improve cash flows.

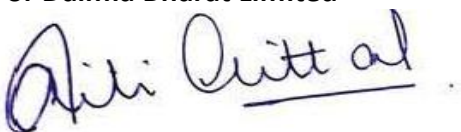
With a continued effort to strengthen the balance sheet further and have a robust cash position, we have during the quarter repaid more than 500 Cr of gross debt and our Net Debt to EBITDA ratio is now at 1.02x. After taking care of the Capex, we will continually apply the surplus cash towards debt repayment.

As a company, we reiterate that the safety & welfare of our people is of prime importance and hence we have taken all precautionary measures with respect to the same. The management will continue to focus on the well-being of its employees as well as maintain solvency of business by conserving cash.

Outlook

While there has been an uptick in cement demand in the last quarter, it may take some time for the broader economy to pick up. We anticipate that the cement industry could witness an improvement in demand from second half of this financial year.

For Dalmia Bharat Limited



Aditi Mittal
(Head - Investor Relations)

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