

As the planet
grapples with
climate change...

We achieved the
lowest carbon
footprint in the
cement world

330

Net CO₂ emission
(kg per ton of
cementitious material)*

*Achieved by Eastern Operations,
2015-16

DALMIA BHARAT LIMITED

February , 2017

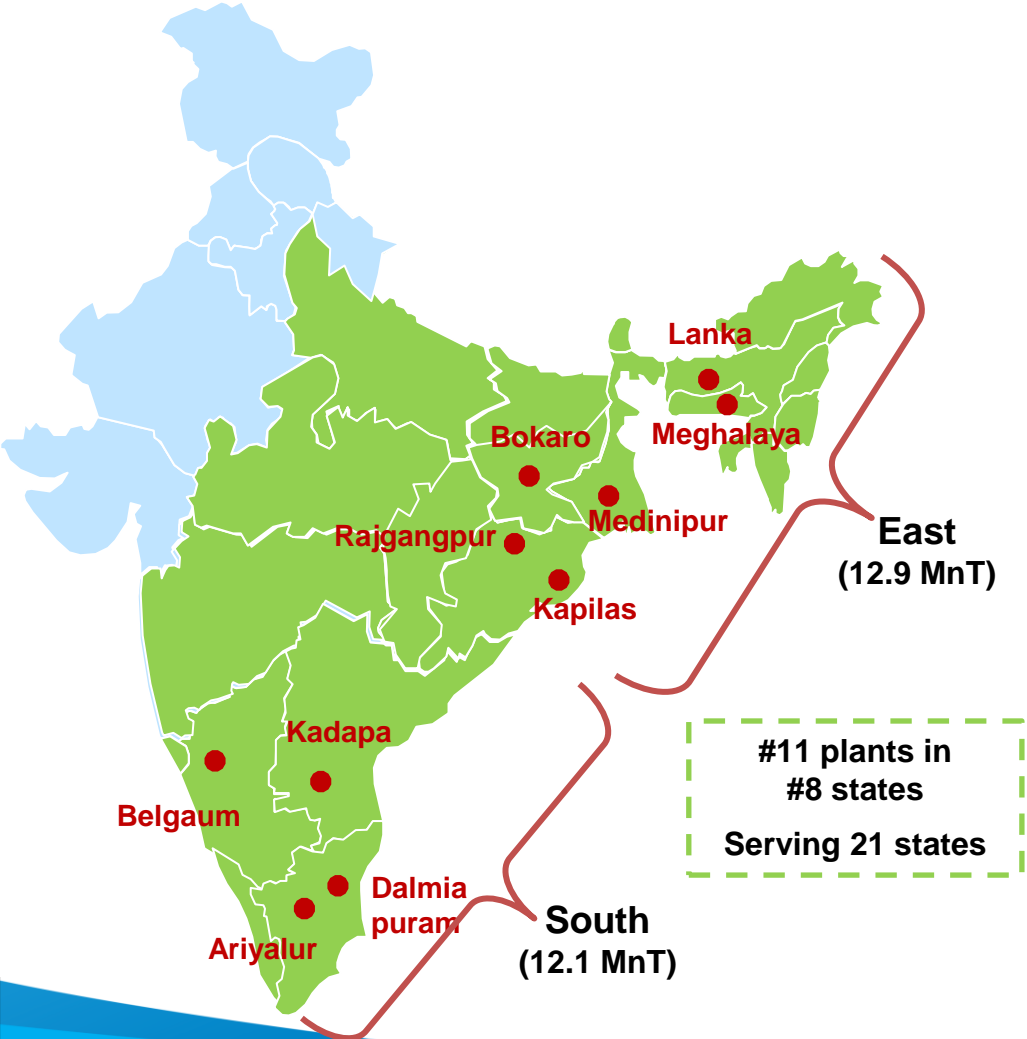




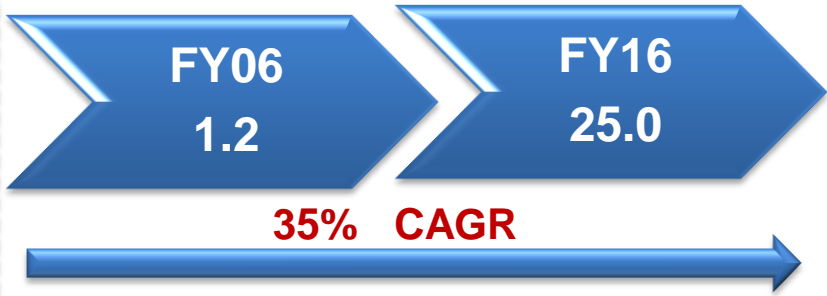
Last 10 years journey...



Fourth largest cement group in India with
25 Million Tons of installed cement capacity
186 MW of captive power capacity



Capacity (MnT)



Sales volume (MnT)

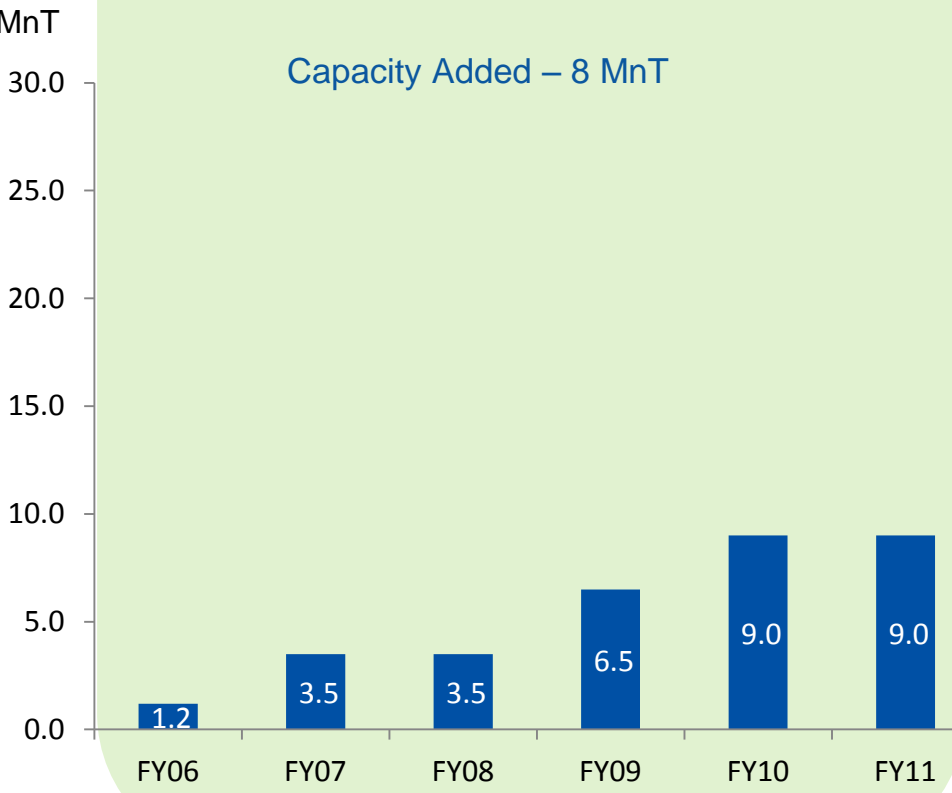


EBITDA (INR Crs)



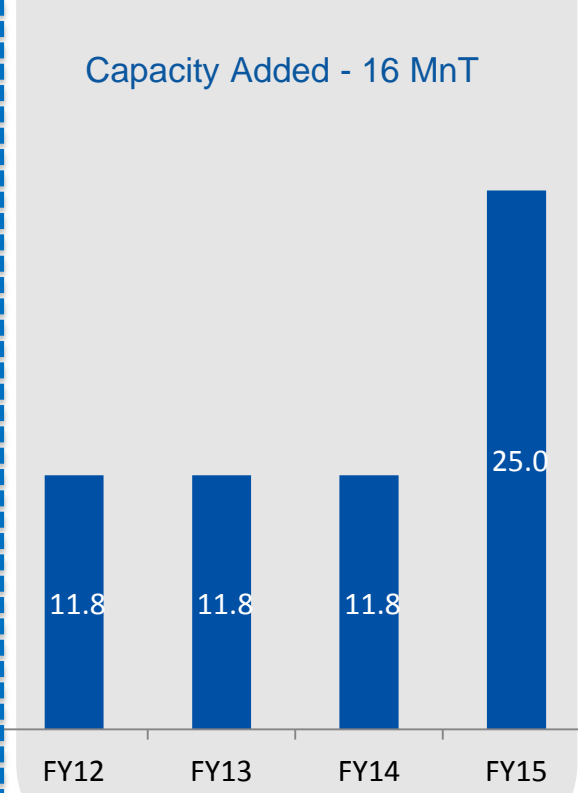
Organic Expansions - South

Capacity Added – 8 MnT



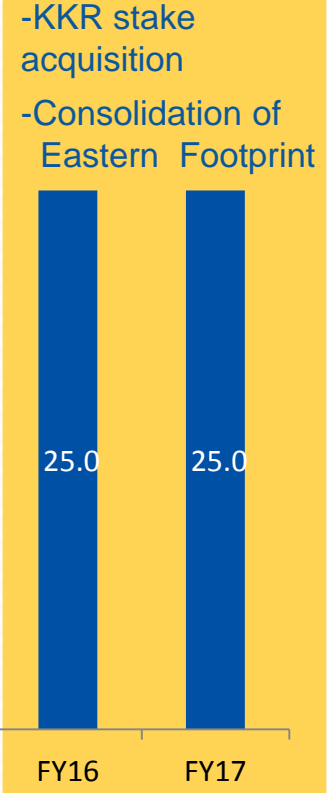
Consolidation & geographical diversification

Capacity Added - 16 MnT

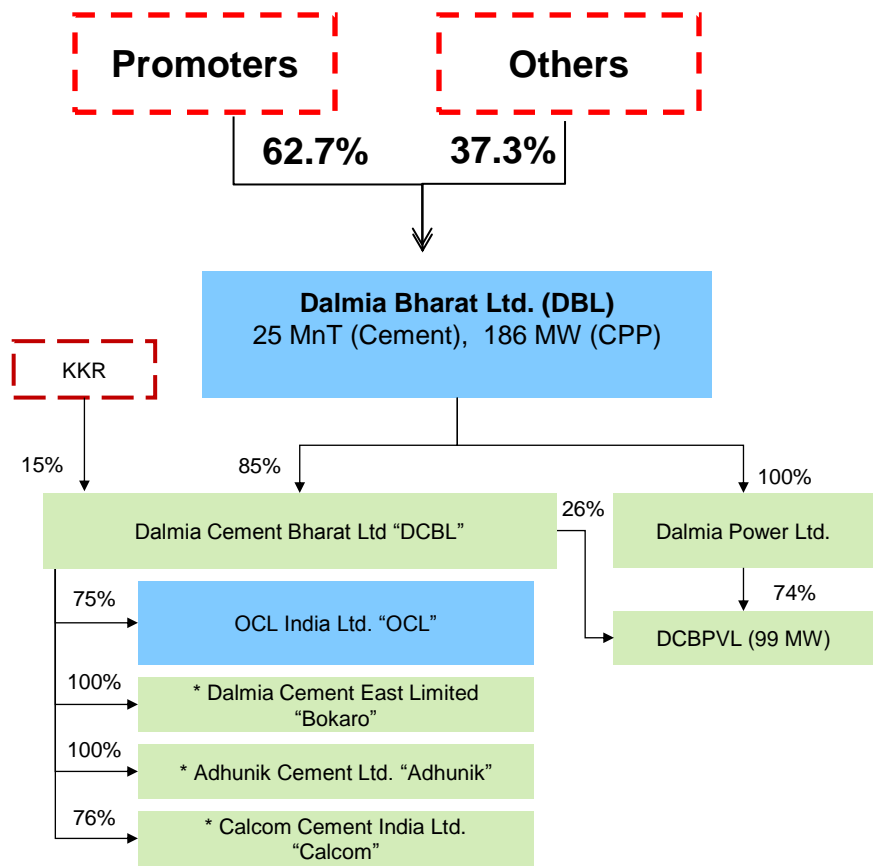


Simplification of group structure

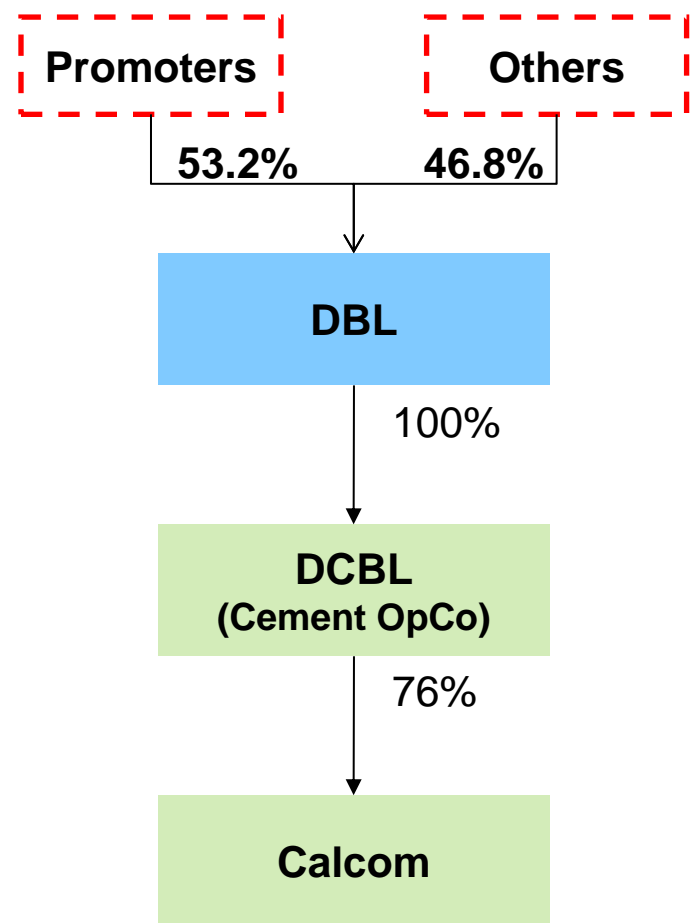
- KKR stake acquisition
- Consolidation of Eastern Footprint



Structure during growth phase

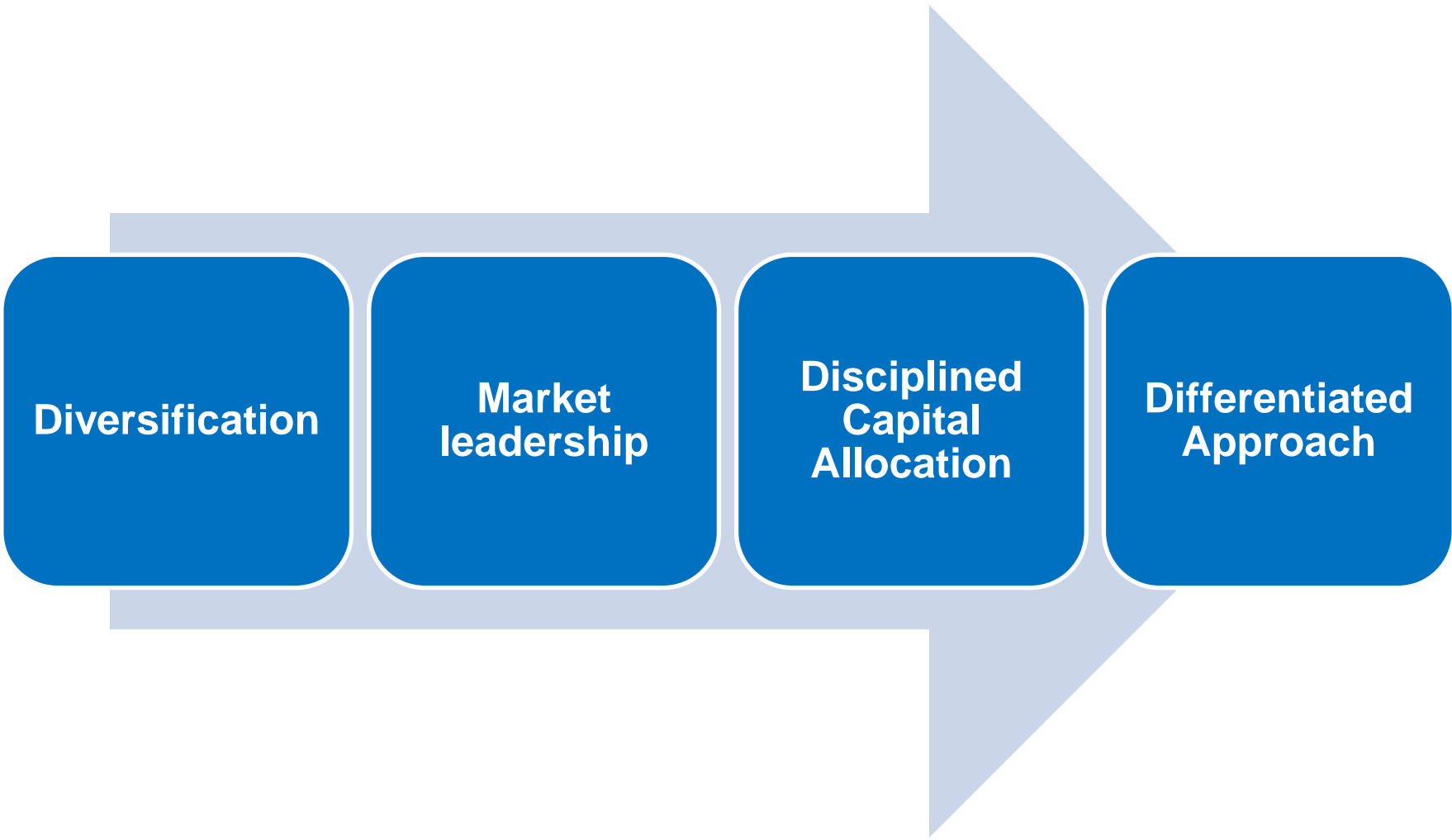


Proposed Structure



Note: 1) To be effective within next 4- 6 months

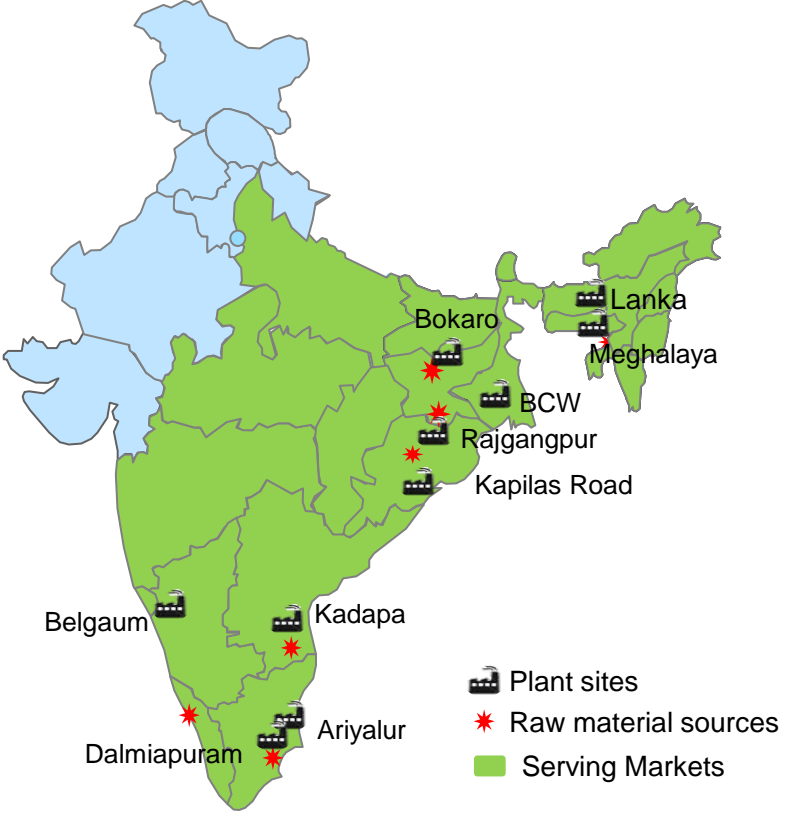
■ Listed entities



Proximity to Serving Markets & Raw material Sources

Proximity to Core Markets

- Well balanced capacity in Eastern (52%) and Southern India (48%).
- Servicing markets from least cost source



Lead Distance – 300 kms

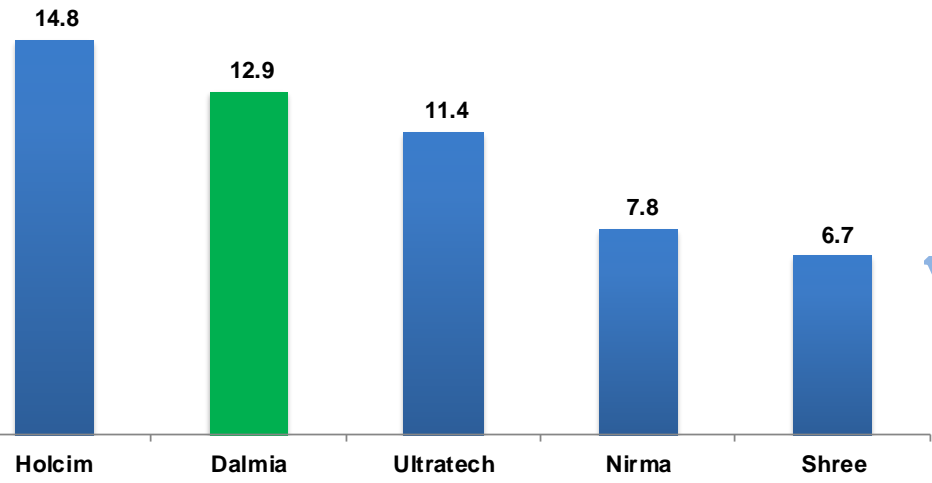
We are located where it matters!

Market Leadership

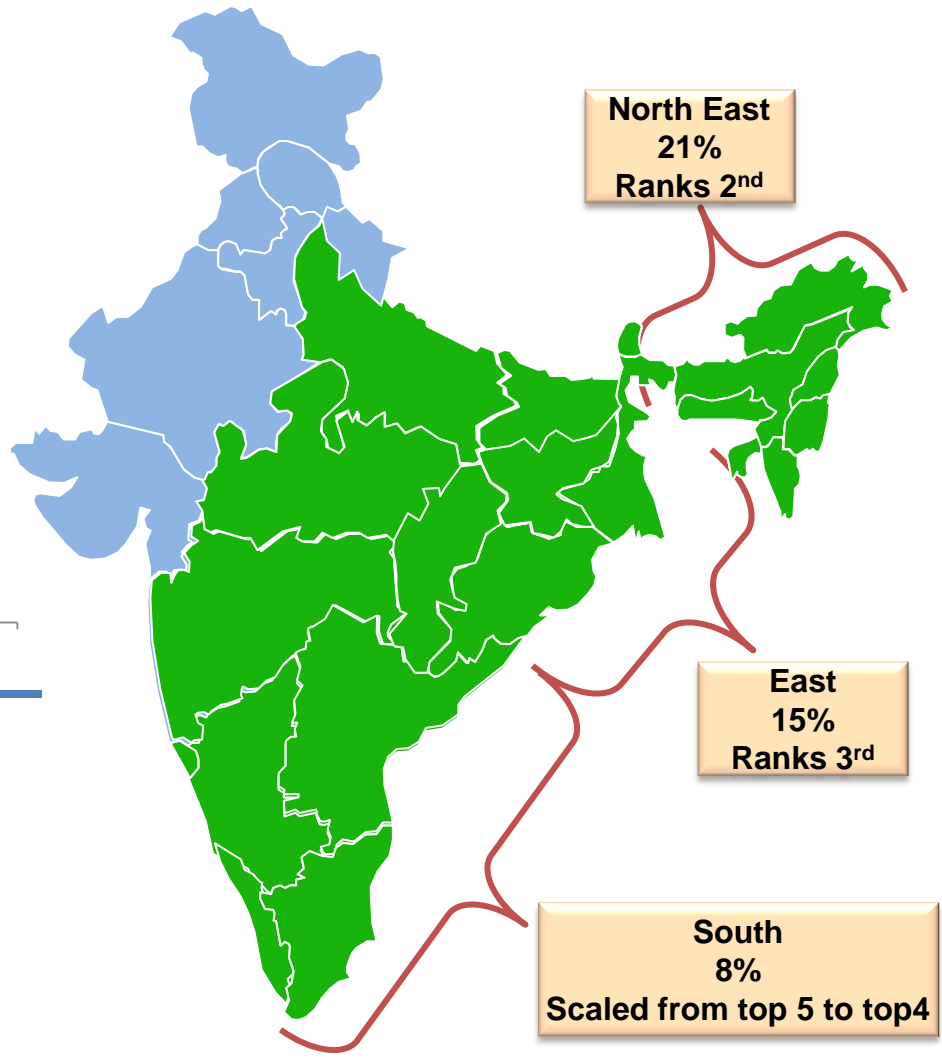
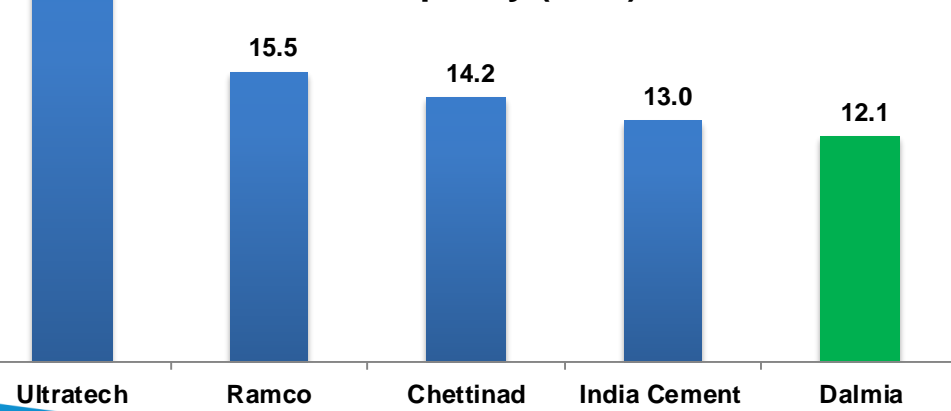


- Leading player in all the regions
- Leadership position in PSC and Oil well cement

East Capacity (MnT)

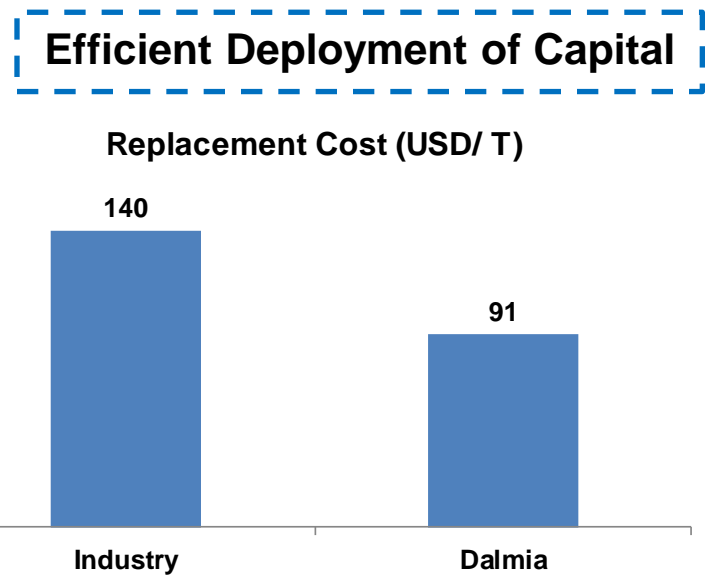
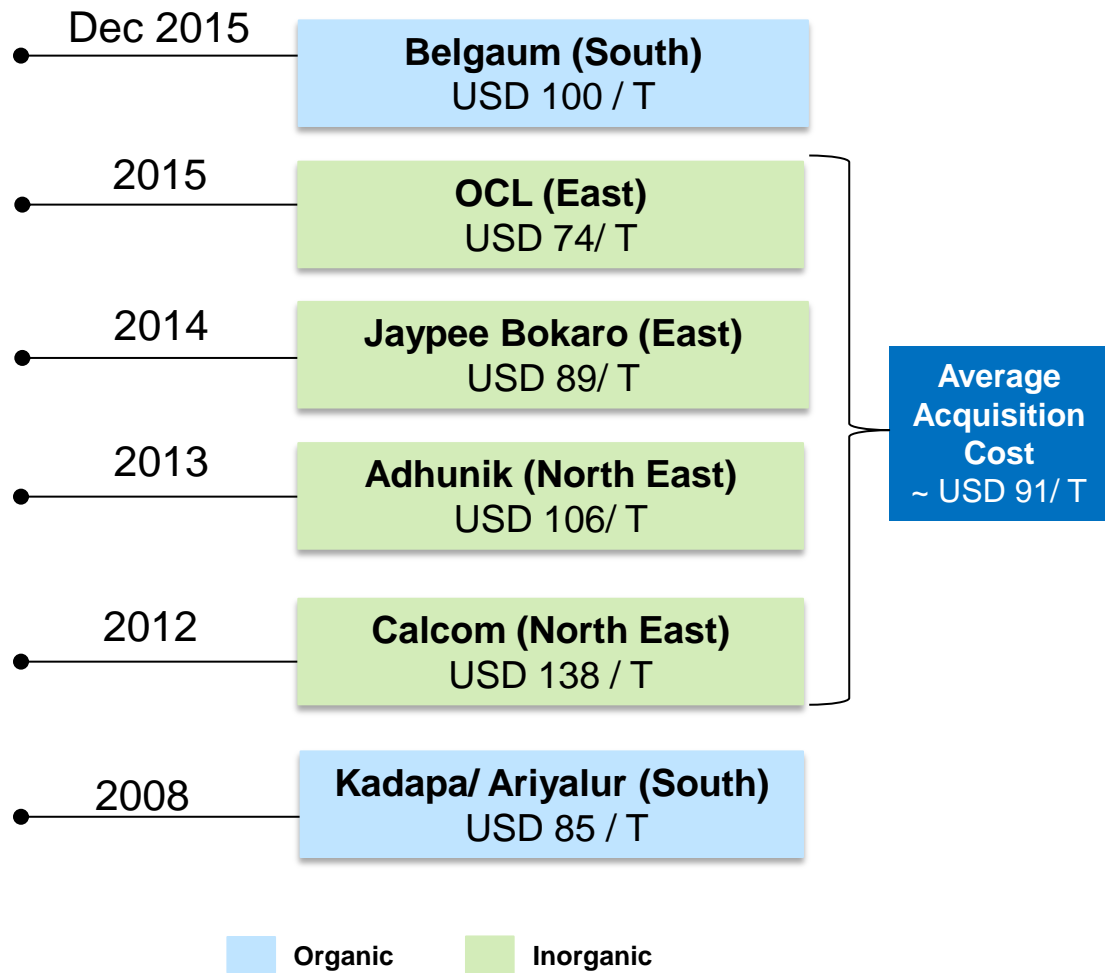


South Capacity (MnT)



% Represents our Market share
■ Represents our serving Markets

Disciplined Capital allocation



Balanced growth through Organic & Inorganic Expansion



Endeavour to grow higher than industry Volume



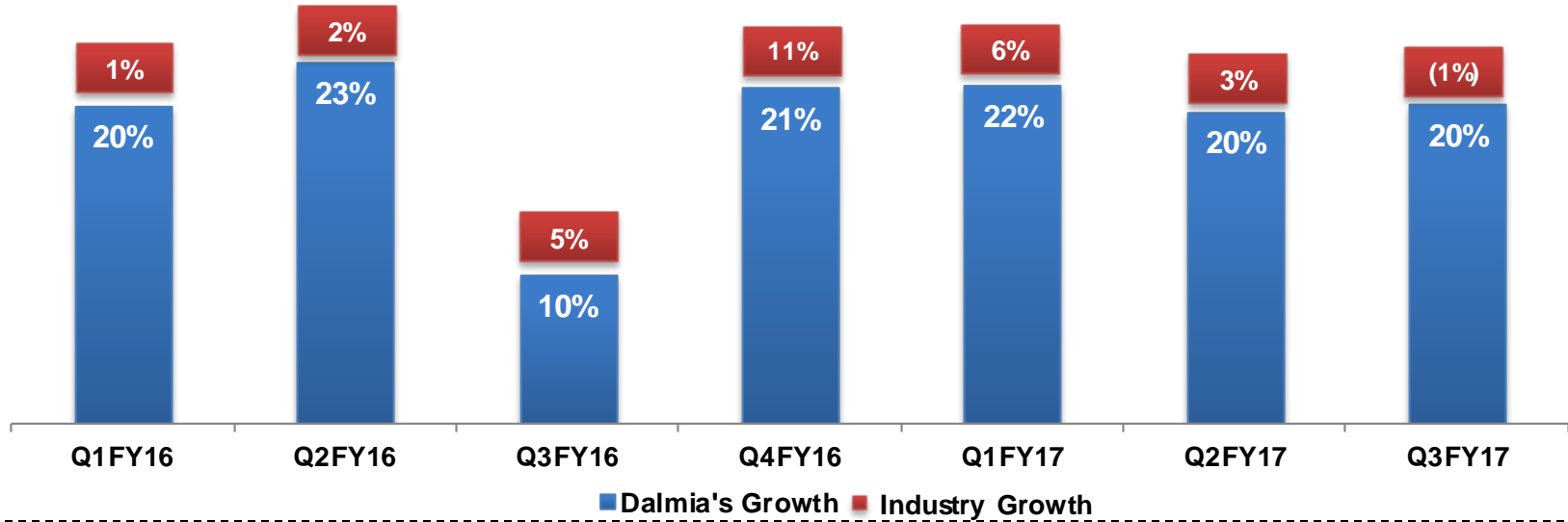
Premium brand + Low Cost = Sustainable business model



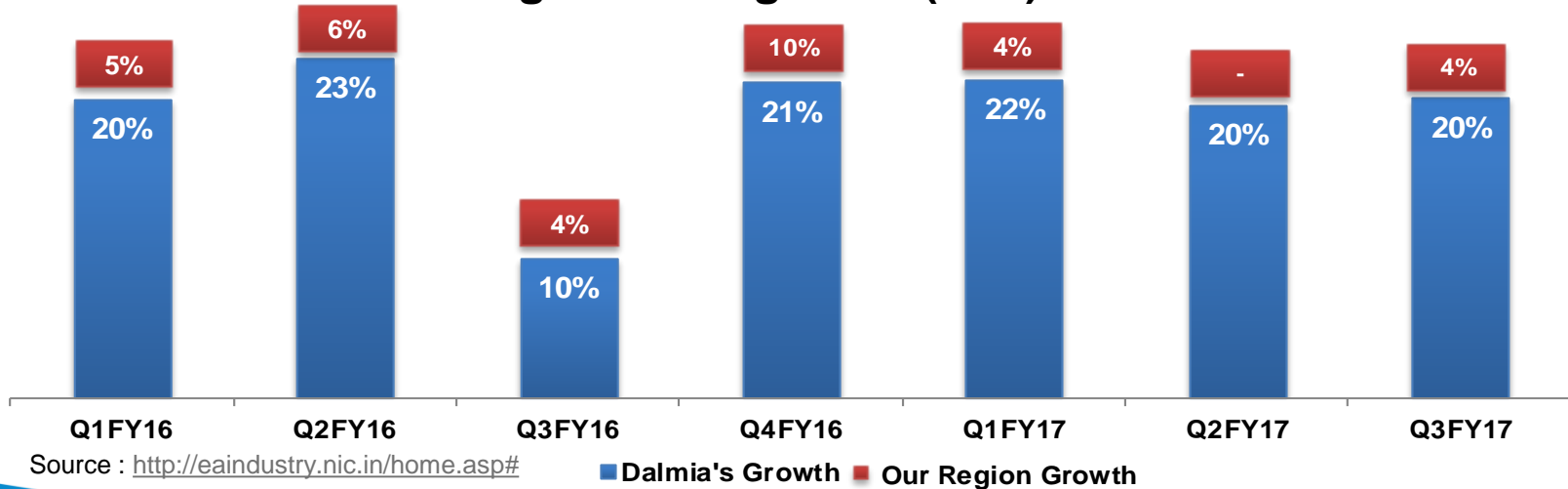
To optimize costs with process flexibility

Growing consistently higher than Industry

✓ Dalmia volume growth vs All India (YoY)



Dalmia volume vs our serving markets growth (YoY)



Source : <http://eaindustry.nic.in/home.asp#>



Unique packaging – water-resistant & tamper-proof

Unparalleled gain in strength



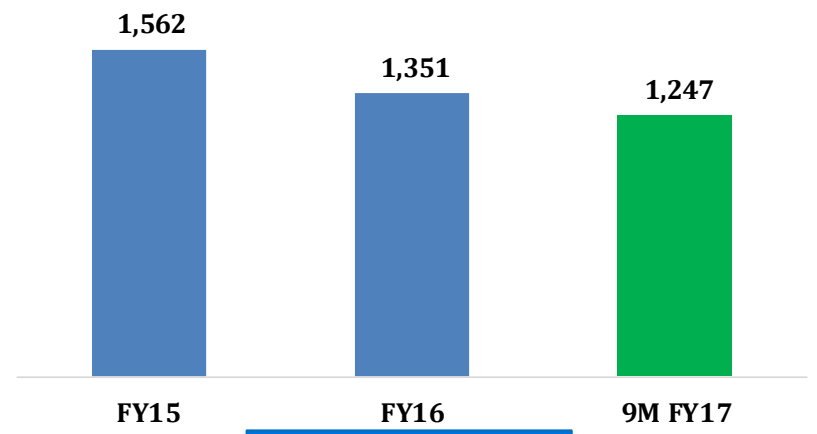
Improved Construction efficiency

Smooth & uniform finish

Carefree Durability

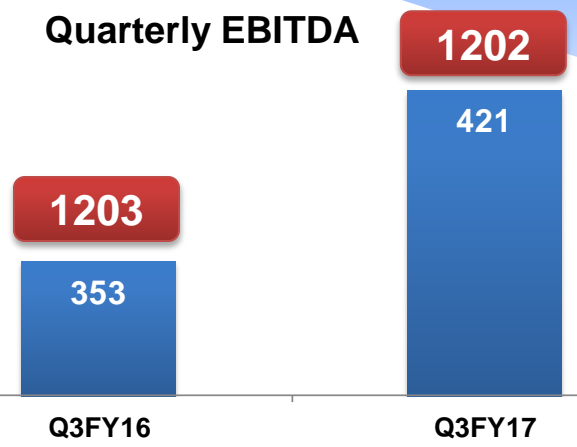
Premium Brand

Variable Cost (Rs./T)



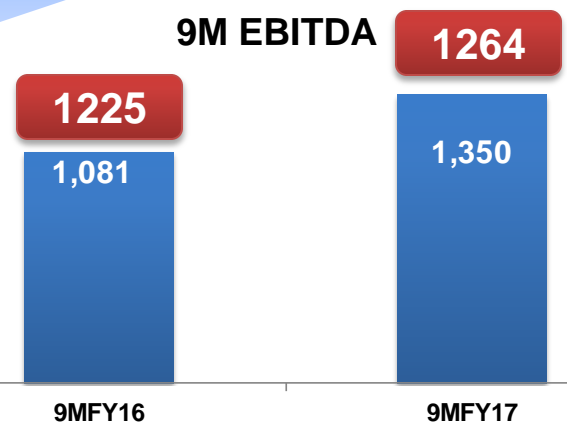
Cost Efficiency

Quarterly EBITDA



Improved Profitability

9M EBITDA

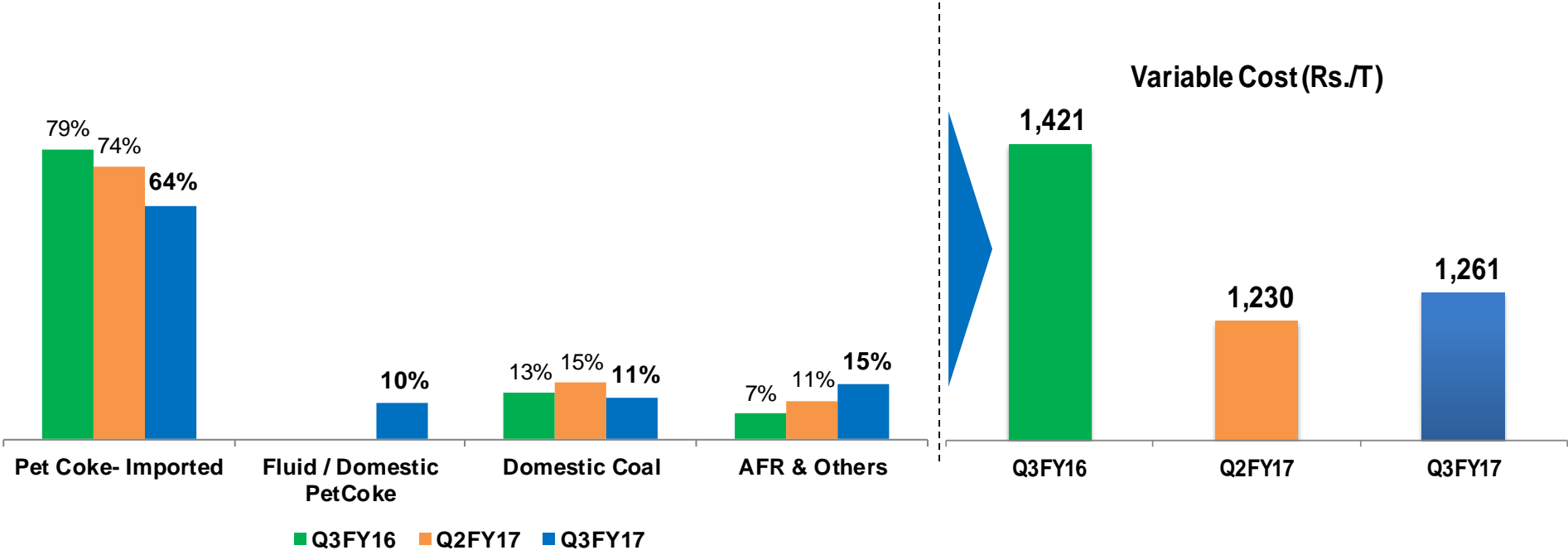


■ EBITDA (Cr) ■ EBITDA (Rs/T)

■ EBITDA (Cr) ■ EBITDA (Rs/T)



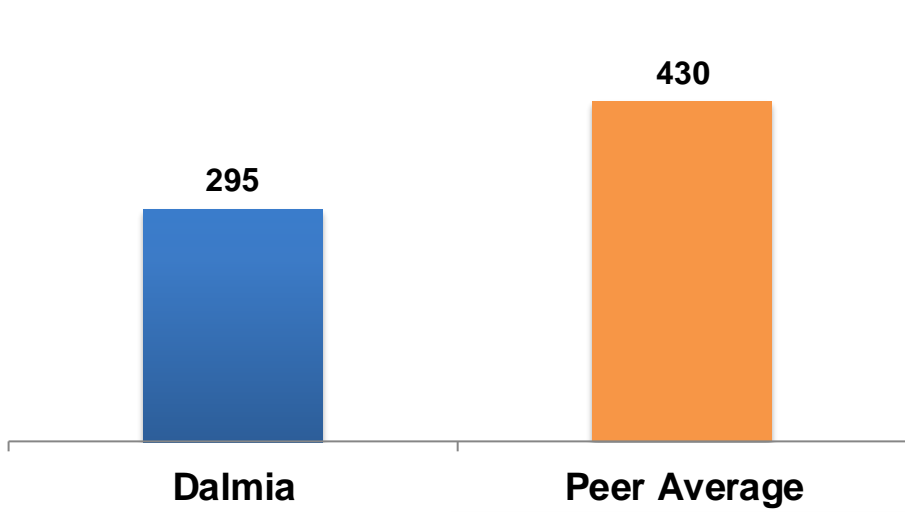
Fuel mix optimized due to flexibility of usage of multiple fuel types



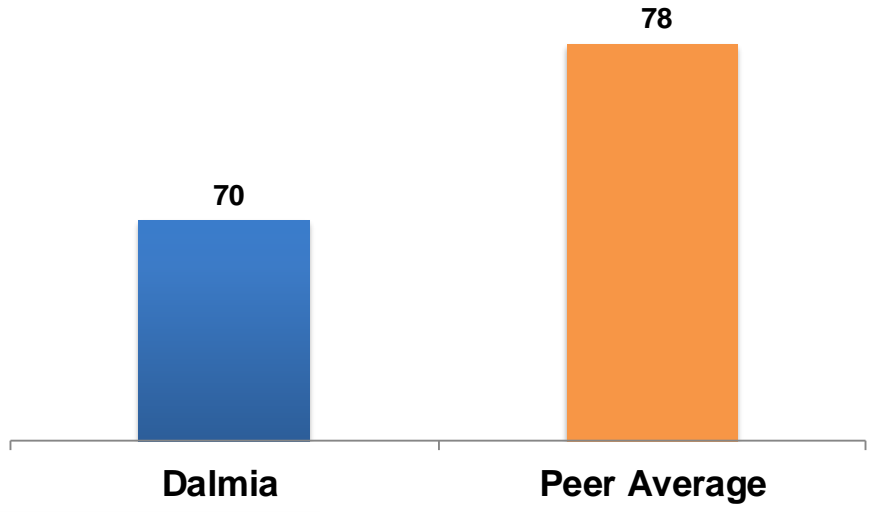
Proactively augmented the fuel mix



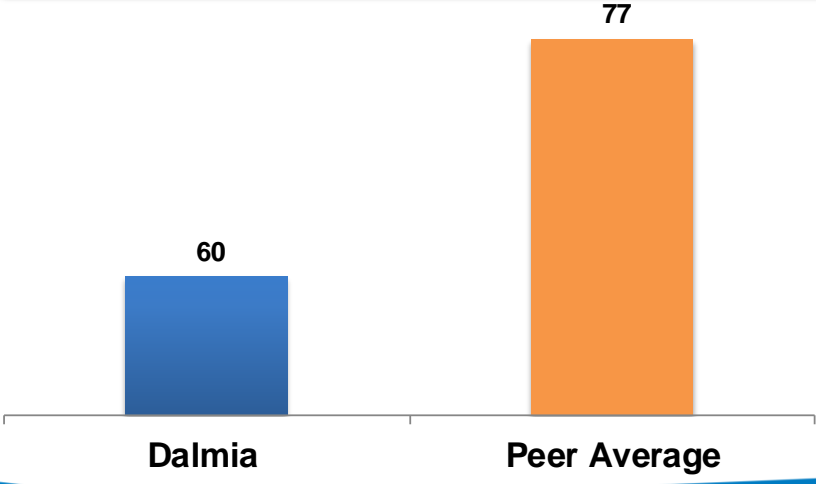
Lead Distance (KM)



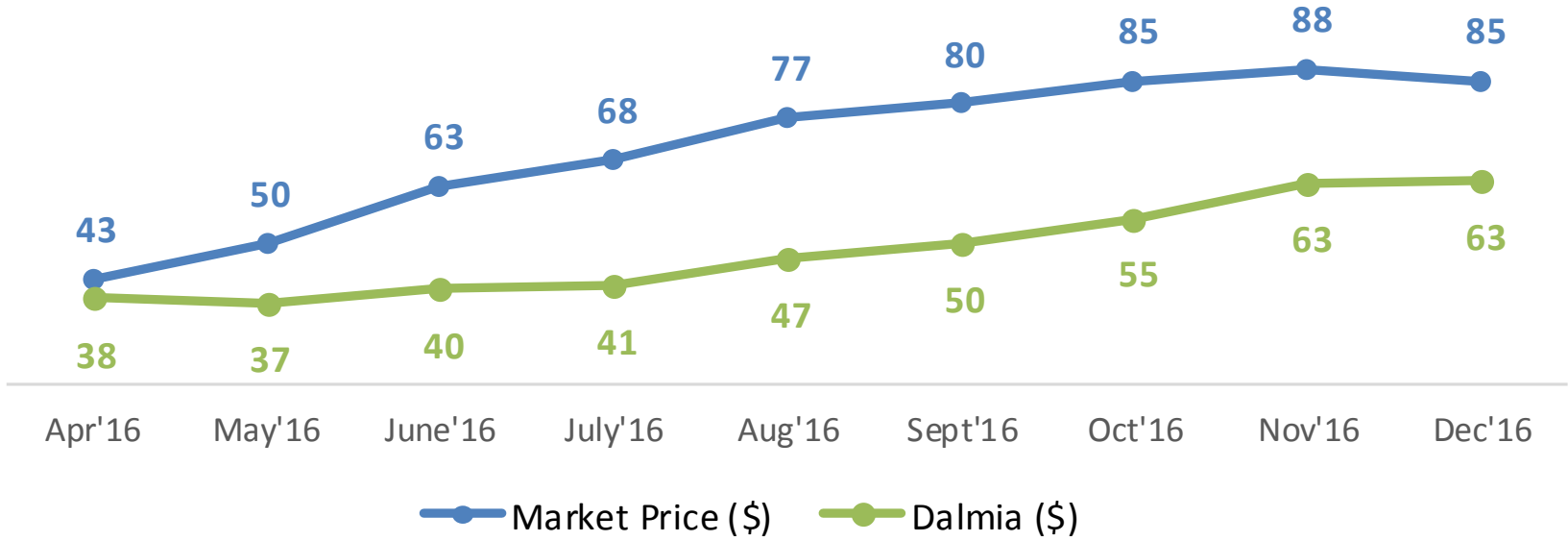
Power Consumption (Kwh/T of Cement)



Pet Coke (\$/T)- Q3FY17












Pet Coke: Market Price Vs. Our Consumption Rate



Sustainability initiatives

Our Global Platform Associations/ Memberships...

Associations	Description	Achievements	Other Key Members
	<p>Global campaign to encourage energy productivity.</p>	<p>The first cement company in the globe to join the initiative.</p>	
	<p>World's largest corporate sustainability initiative.</p>	<p>Participation at the Paris Climate Agreement Signing Ceremony.</p>	
	<p>Global effort by 25 major cement producers for sustainable development.</p>	<p>Lowest carbon footprints amongst CSI member companies.</p>	
	<p>Launched at COP-21 in Paris with a goal to expand the effective carbon pricing policies.</p>	<p>Only Indian cement company to join this initiative.</p>	
 Caring for climate initiative	<p>Launched by UN Secretary General Ban Ki-moon in 2007 & jointly convened by UNGC, UNFCCC & UNEP.</p>	<p>One of the two Global cement companies associated.</p>	

UNFCC – United Nations Framework Convention on Climate Change, UNEP – United Nations Environment Programme
 UNGC – United Nations Global Compact

***Target is to achieve
'Water Neutrality'
by 2018***



Sustained Profitability

(Rs. in Cr.)

Particulars (Rs. Cr.)	9M FY16	9M FY17	YoY
Total Income from Operations	5,153	5,915	15%
Operating Expenses	4,072	4,565	12%
EBITDA	1,081	1,350	25%
Other Income	166	227	37%
Depreciation	414	452	9%
EBIT	833	1,126	35%
Finance Cost	523	690	32%
Profit Before Tax	310	436	41%
Provision for Tax	177	220	24%
Profit After Tax	95	161	69%

Sales Volume (MnT)	8.91	10.75	21%
EBITDA (Rs./ T)	1,225	1,264	3%
EBITDA Margin (%)	23.9%	25.9%	196bps

Particulars (Rs. Cr.)	Q3FY16	Q3FY17	YoY
Total Income from Operations	1,698	1,967	16%
Operating Expenses	1,345	1,546	15%
EBITDA	353	421	19%
Other Income	45	71	60%
Depreciation	142	159	13%
EBIT	256	333	30%
Finance Cost	173	220	27%
Profit Before Tax	83	113	36%
Provision for Tax	39	62	62%
Profit After Tax	30	36	19%

Sales Volume (MnT)	2.96	3.56	20%
EBITDA (Rs./ T)	1,203	1,202	0%
EBITDA Margin (%)	23.6%	24.2%	56bps

Particulars	As on March 31, 2016	As on Dec 31, 2016	Change
Gross Debt (Rs. Cr.)	8,825	8,235	(590)
Cash (Rs. Cr.)	2,803	2,530	(273)
Net Debt (Rs. Cr.)	6,022	5,705	(317)
*Net Debt/ EBITDA (x)	3.81	3.17	
Average Cost of Debt (%)	9.0%	8.7%	

Increased share of super premium cement

Logistics Cost Reduction

Power savings

Process Digitization



Customer App

Online ordering
& status update

(First in Indian Cement Industry)



Sales force App

Dealer performance
management

(First in Indian Cement Industry)



Inventory Management

Effective management
of Godown stock through
centralized system



Logistics App

Vehicle planning
& management



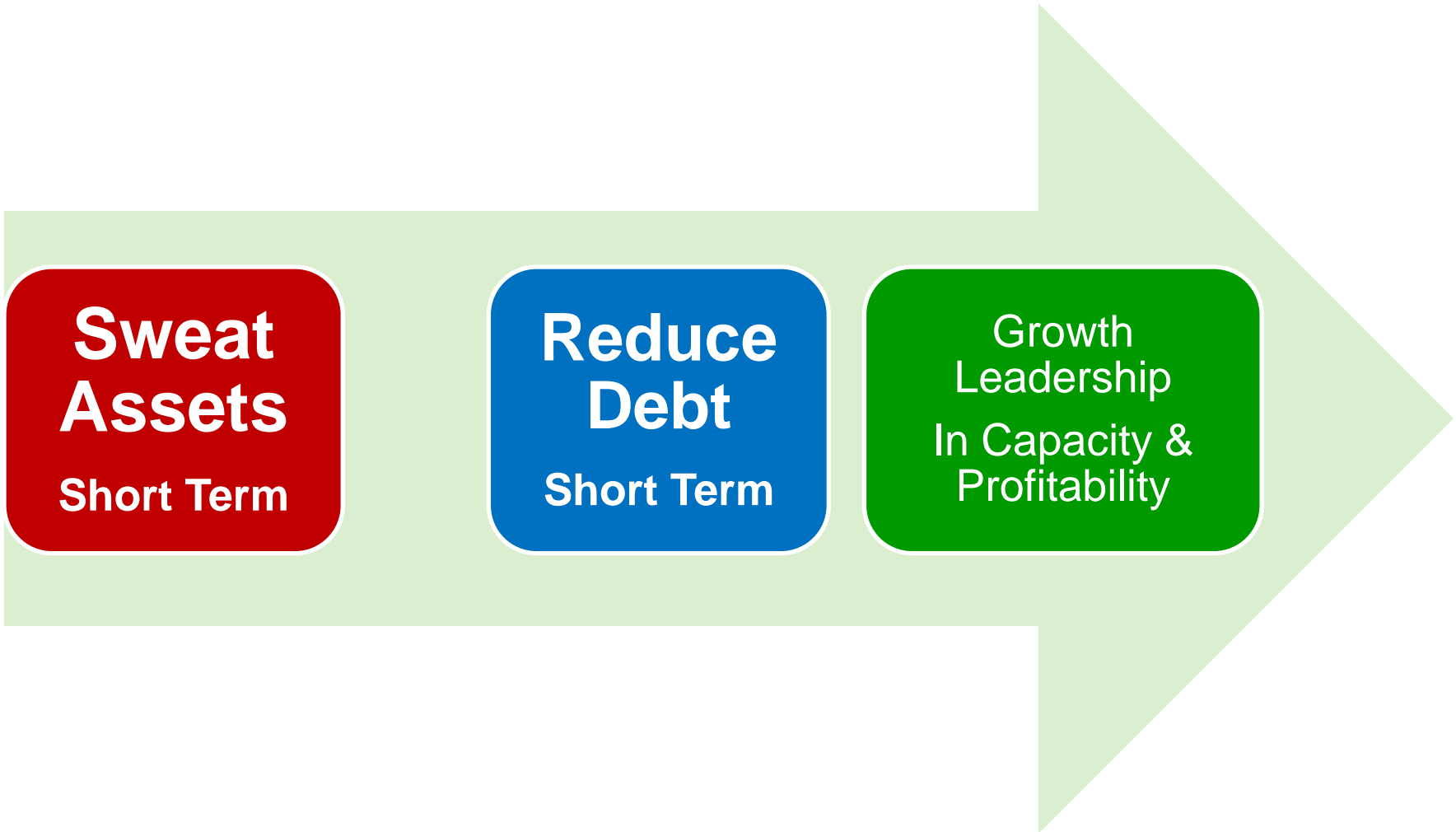
BI Tools

Usage of BI tools for effective
decision making



People Management

HRIS for HR related
information & analysis



Macro Economic Indicators

Increased Transparency

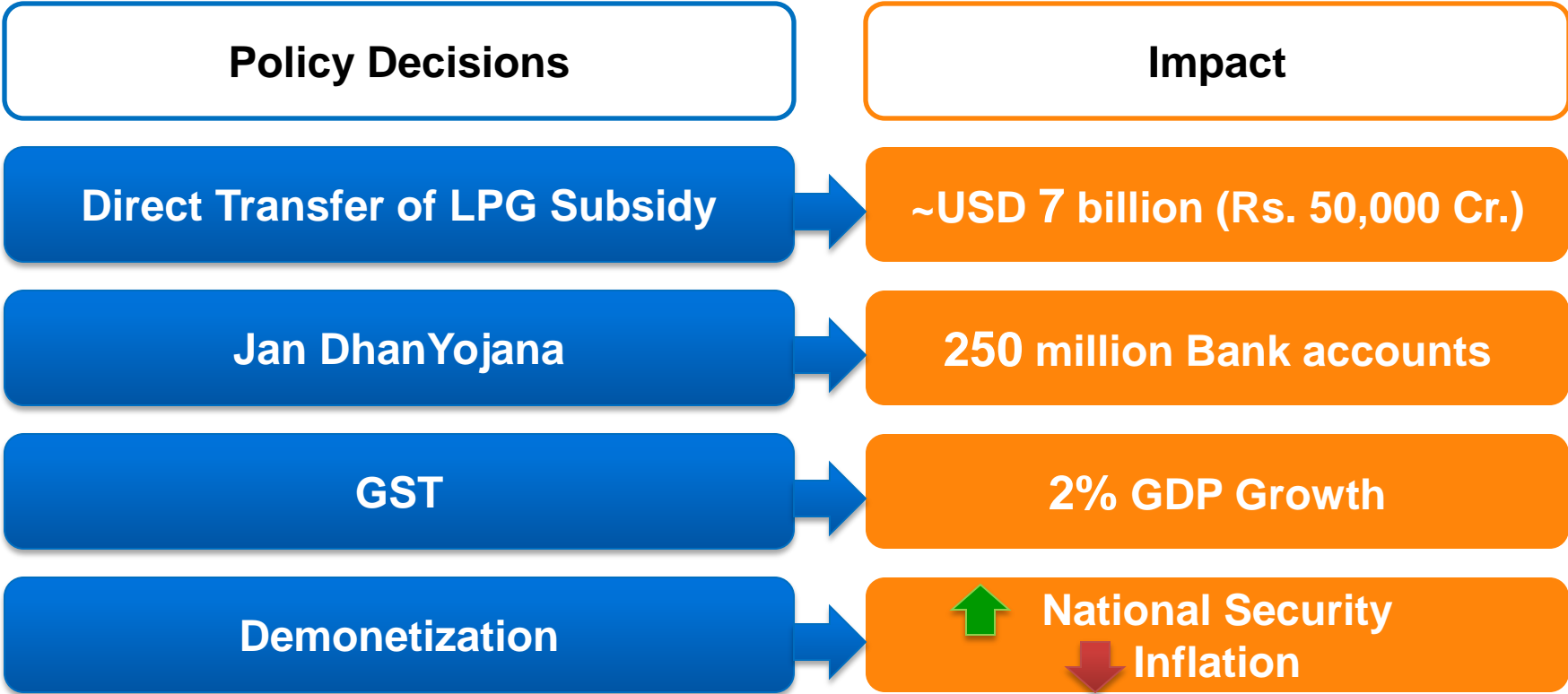
Bold & Decisive

Hard Working

Embracing Technology



Governance Standard of India Reset

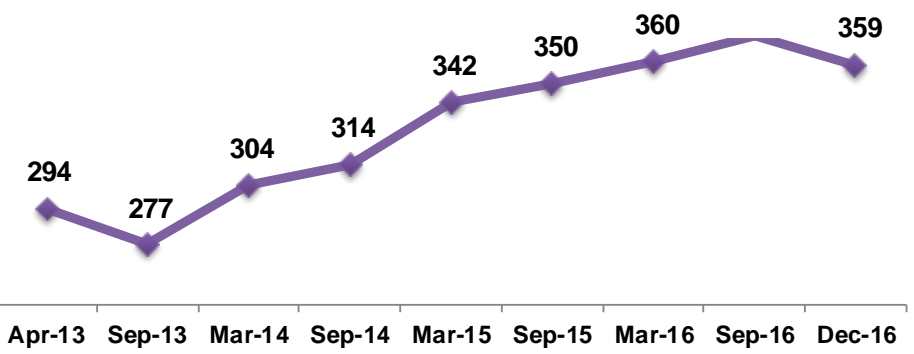


International Image of India Transformed

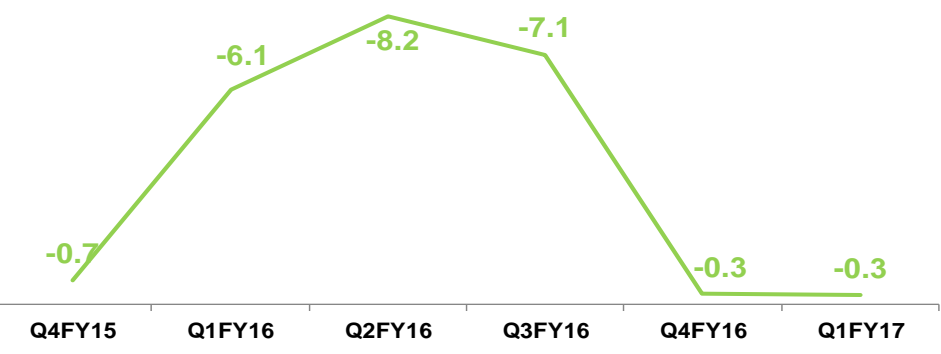
Fiscal Stability



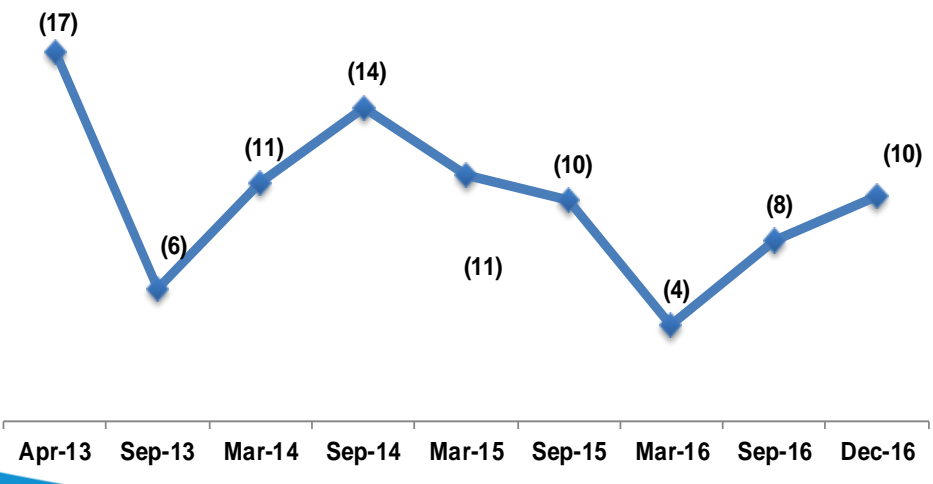
Foreign Exchange Reserves (US\$ billion)



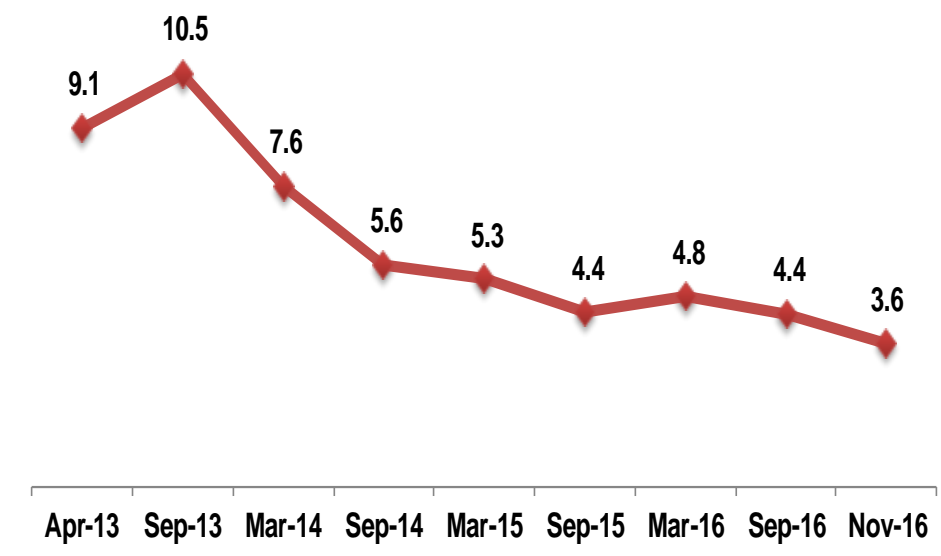
Current A/c Deficit (US\$ billion)



Trade Deficit (US\$ billion)

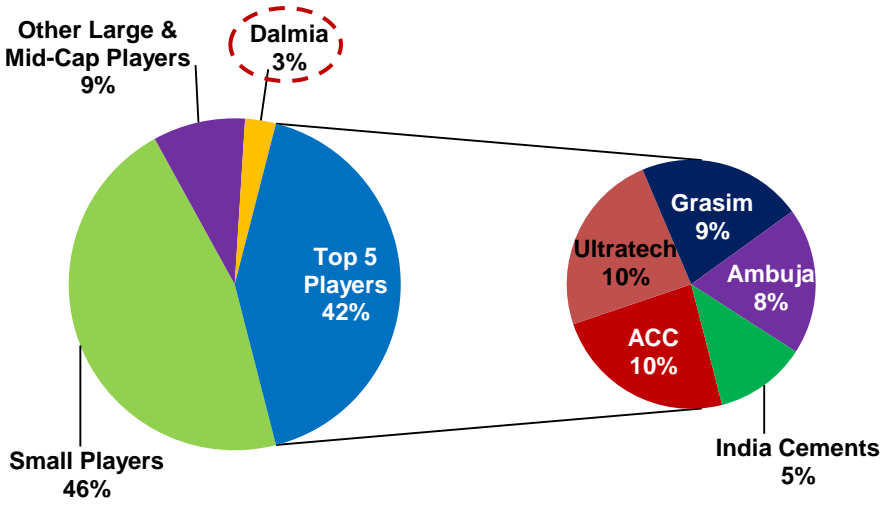


CPI Inflation (%)

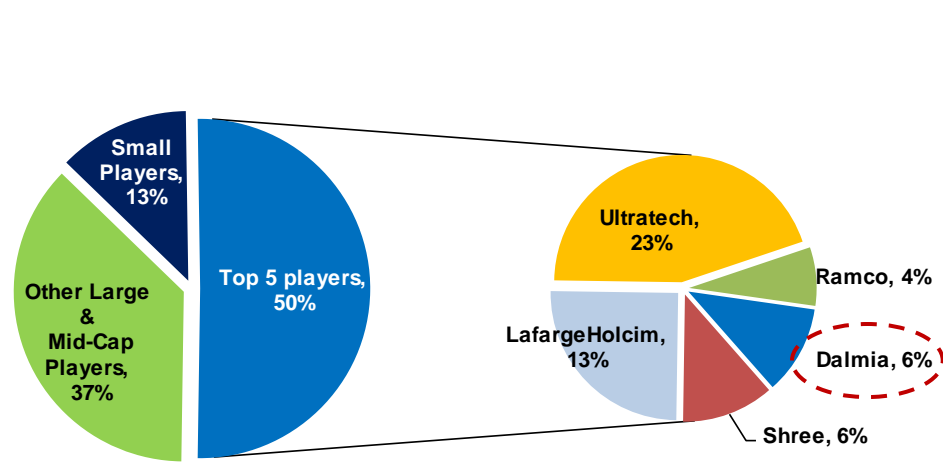


- ✓ Second largest cement market in the world
- ✓ Low per capita consumption of ~ 200 kgs as compared to world average of ~ 400 kgs
- ✓ Significant consolidation led to 50% capacity under control of top 5 players
- ✓ Regional play due to high freight costs
- ✓ Primarily retail sales driven (65%)
- ✓ Location and branding plays a critical role

FY2010 : All India Capacity Distribution



FY2016 : All India Capacity Distribution



Building greenfield plant will take ~5-7 years...



Capacity additions

FY08-10

140 MnT

Shock



FY14-16

65 MnT



FY17-19E

32 MnT

Drought

Land acquisition issues

Increased time lag

MMDRA & EC/ FC

Supply drought driven by credit squeeze & massive change in regulatory environment

Demand drivers

Infrastructure
build out
by Govt.

Rural
Demand

Low cost
Housing

...however there could be moderate demand growth in the next few quarters

	2006	2016
Acquisition	\$79/T (Ultratech and L&T)	\$130/T (Lafarge & Nirma)
Green Field	\$62/T (Dalmiapuram, Dalmia)	\$100/T (Belgaum, Dalmia)
EBITDA/T required	~Rs.650/T*	~Rs.1,800/T**

*(Capex -\$70/t, CU-80%
ROCE 10%)

** (Capex \$ 135/T, CU-80%;
ROCE 10%)

Last 10 Years

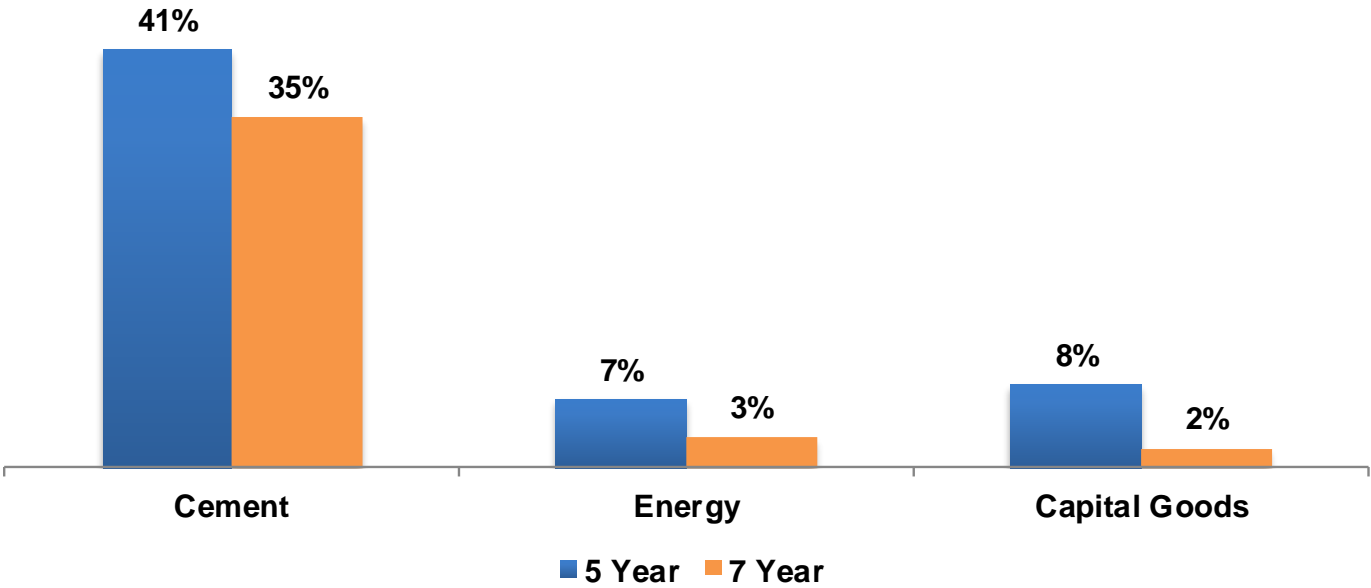
Strong Volume growth 7.3%

Strong Pricing growth 6.4%

***India is one of the few markets in the World
with both volume and pricing growth...***

**India offers good returns
in long term...**

Average sector stock returns



Note: Sector return is calculated based on stock price return over last 5 and 7 years

India: The Place to invest

Cement: The Sector

Dalmia: The Company

thankyou