

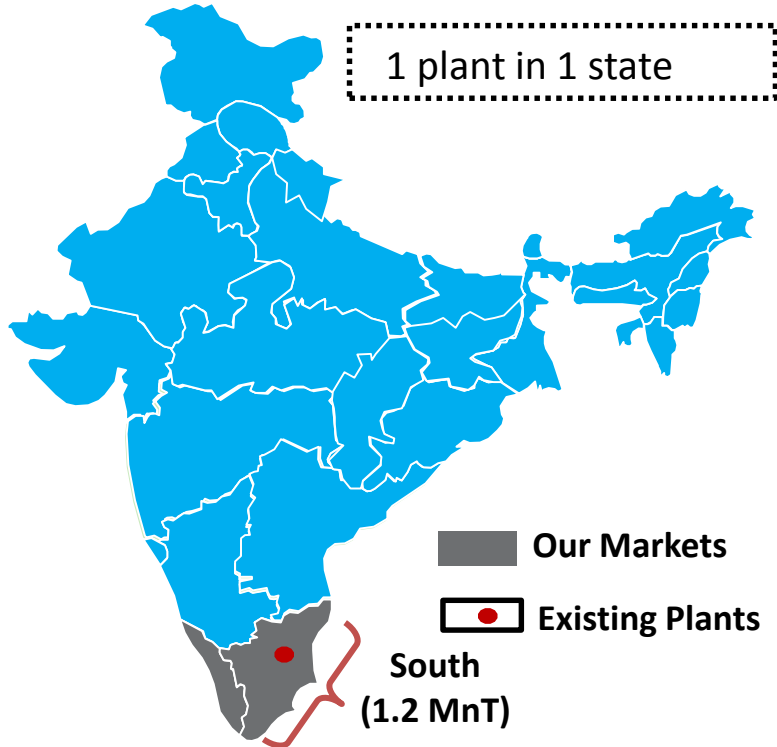


Investor Presentation  
June'19

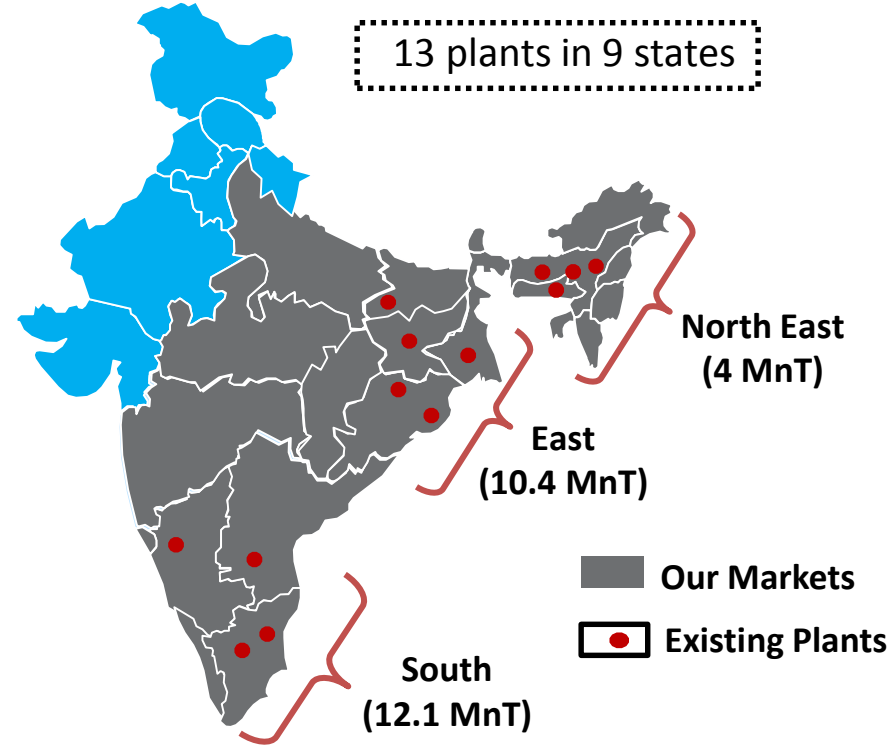
- Last 15 years
- Disciplined capital raise & deployment
- Our Business Model
- Going Forward
- Inclusive Growth
- Industry at Inflection Point

**Last 15 years**

**FY'04 : 1.2 MnT**

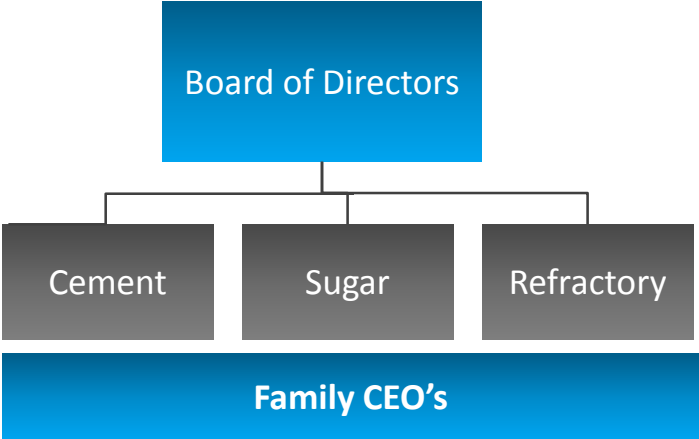


**FY'19 : 26.5 MnT**

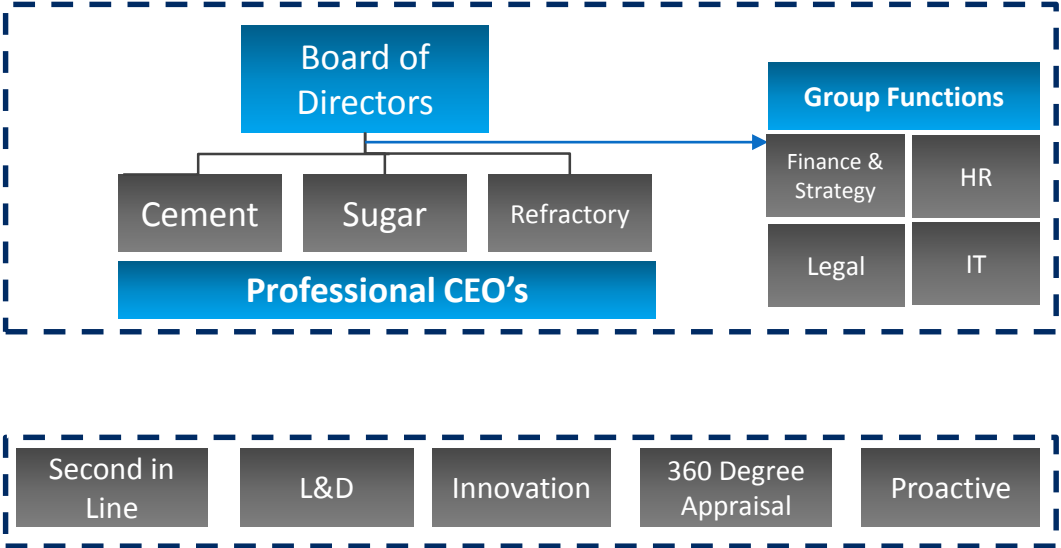


# Family to Professional Management

**2004**



**2019**



## Independent Board



### P.K Khaitan

*Chairman – DBL*

Founding member, Khaitan & Co.



### GN Bajpai

*Chairman - DCBL*

Ex-Chairman of SEBI and LIC



### Paul Hugetobler

*Board Member – DCBL*

Ex-Member, Holcim Executive Committee



### Sudha Pillai (IAS – 1972)

*Board Member – DBL & DCBL*

Ex-Assistant Secretary, Ministry of Mines



### VS Jain

*(Board Member, DBL)*

Ex-Chairman – Steel Authority of India



### DN Davar

*Board Member – OCL*

Ex-Chairman – IFCI & retired consultant to World Bank

## Committees\*

- Risk Management
- Audit
- Stakeholders' Relationship
- Nomination and Remuneration
- Corporate Social Responsibility
- Group Governance

\*Key Committees chaired by Independent Directors

## Systems

- Extensive use of technology and IT solutions
- Implemented globally used ERP, CRM, SAP, design and execution tools

# Leadership Team



**Gautam Dalmia**  
*Managing Director*

- Over 26 years of experience in cement and sugar industries.
- Holds a B.S and an M.S. degree in Electrical & Electronic Engineering from Columbia University.



**Puneet Dalmia**  
*Managing Director*

- Has over 14 years of experience in cement industry.
- Gold-Medalist, M.B.A from IIM-Bangalore and B.Tech from Indian Institute of Technology- Delhi.



**Mahendra Singhi**  
*(MD & CEO – DCBL)*

- More than 40 years of experience in cement sector.
- Also serving as Vice President of Cement Manufacturer’s Association (CMA).
- Chartered Accountant and a Science and Law graduate.



**Jayesh Doshi**  
*(Whole Time Director & Group CFO)*

- Has over 35 years of corporate experience in Capital Allocation, M&A & Treasury Management.
- Chartered Accountant and a Law graduate from Bombay University.



**Ujjwal Batria**  
*(COO-Cement)*

- Has more than 33 years of experience in companies like Lafarge, Nuvoco, Tata Steel etc.
- Holds a B.E (Mechanical) degree from BIT Mesra.



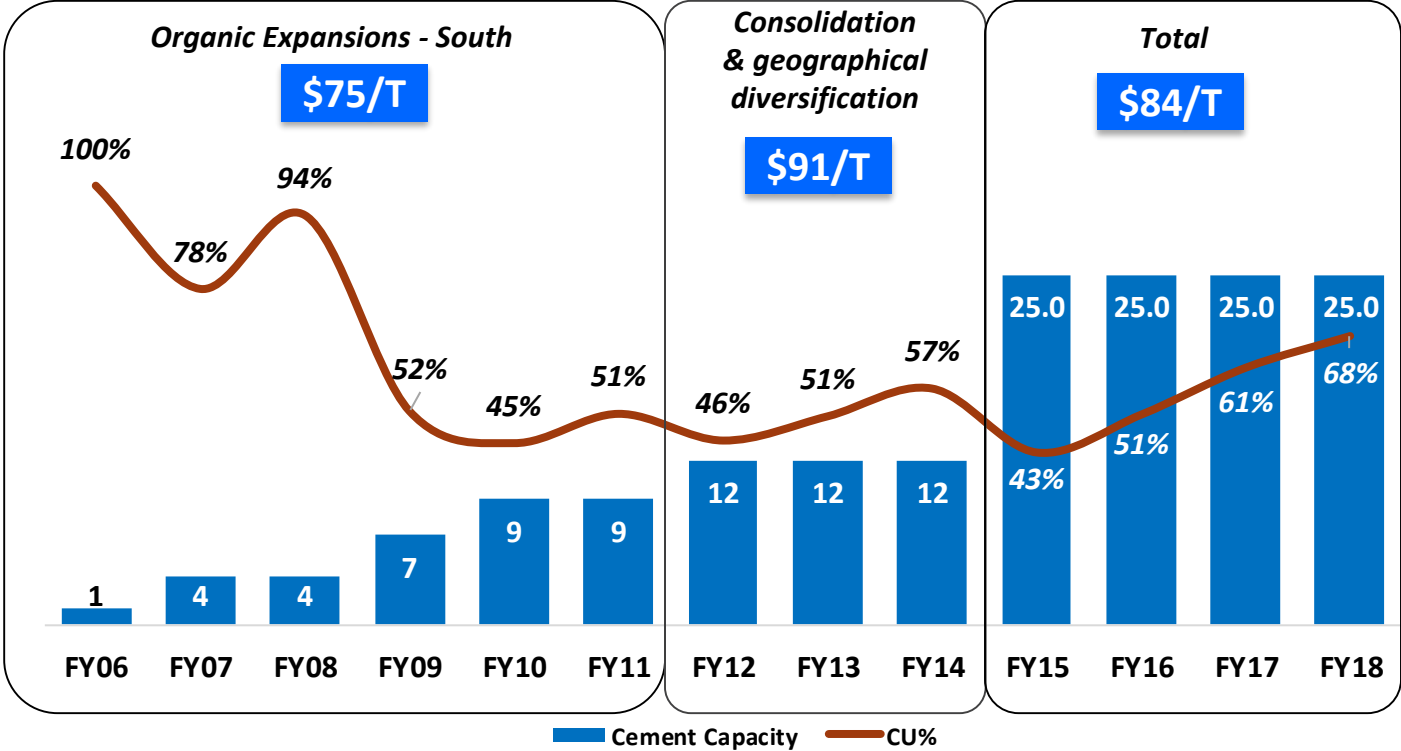
**Ajit Menon**  
*(Group HR Head)*

Has over 29 years of corporate experience in Hospitality, Media, and Aviation industry  
Holds a Master’s degree in Business Management from Washington International University.

**Disciplined  
Capital Raise &  
Deployment**



# Investment at the opportune time



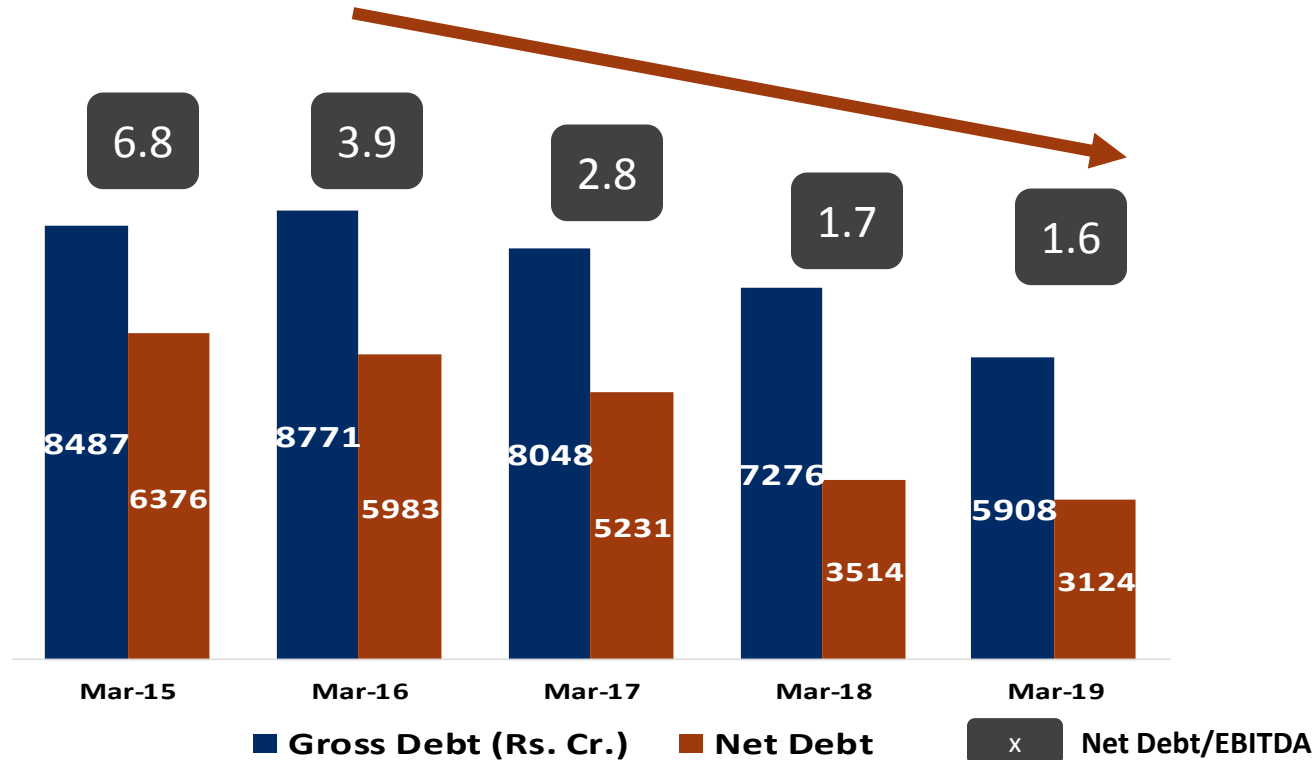
# Maintaining Strength of Balance Sheet

Rs.(Cr)

	FY' 08	FY' 15	FY' 19
Capacity (MnT)	3.5	25	26
Gross Debt	1,583	8,487	5,908
Cash & Cash Equivalents	237	2,111	2,784
Net Debt	1,346	6,376	3,124
Net Debt / EBITDA	2.1x	6.8x	1.6x
Cost of Debt*	9%	10%	8%

\*approx.

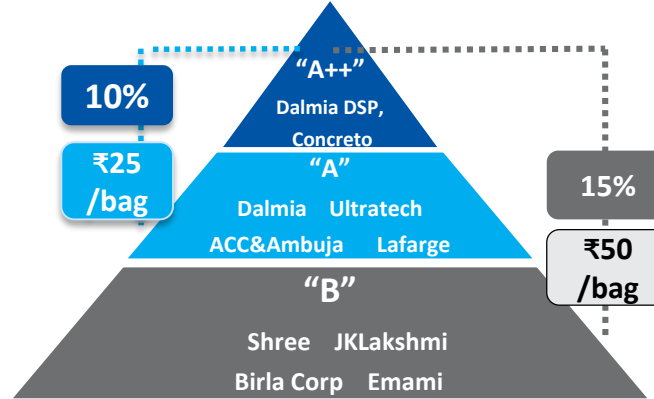
# Consciously reducing Leverage..



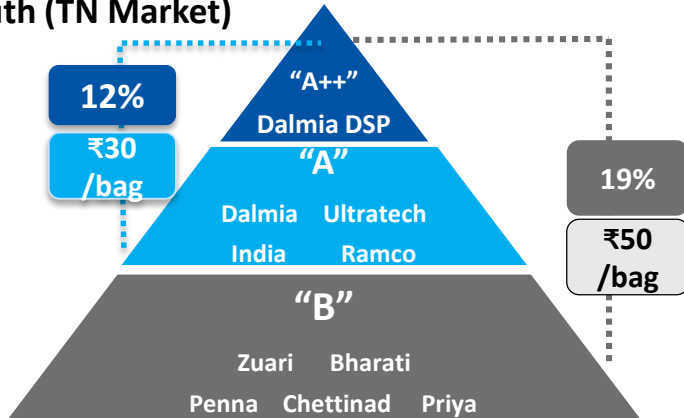
# Our Business Model

# Strong Brand

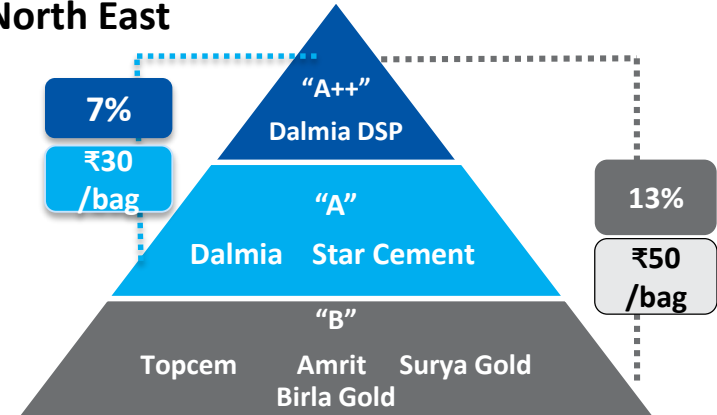
## East



## South (TN Market)



## North East





Multi Fuel Kilns & Boilers



Power Consumption <70 Kwh/t



Blended Cement ~70%



Attained Water neutrality of 2.5x



Lead Distance <300 km



Competitive Interest Cost at ~8%

10 year CAGR

15%

18%


14%

Capacity  
4x

Revenue  
5x

EBITDA  
4x

## EBITDA (Rs./T)

EBITDA(Rs./ Ton)	5 Yr Avg.	10 Yr Avg.	FY18	FY19
	(FY14-FY18)	(FY09-FY18)		
Peer Average*	898	942	952	858
 Dalmia Bharat Limited	1,134	1,076	1,198	1,009
Higher than average	26%	14%	26%	18%

- Top 5 players in Industry



**Going Forward**

# Planned Capacity Additions

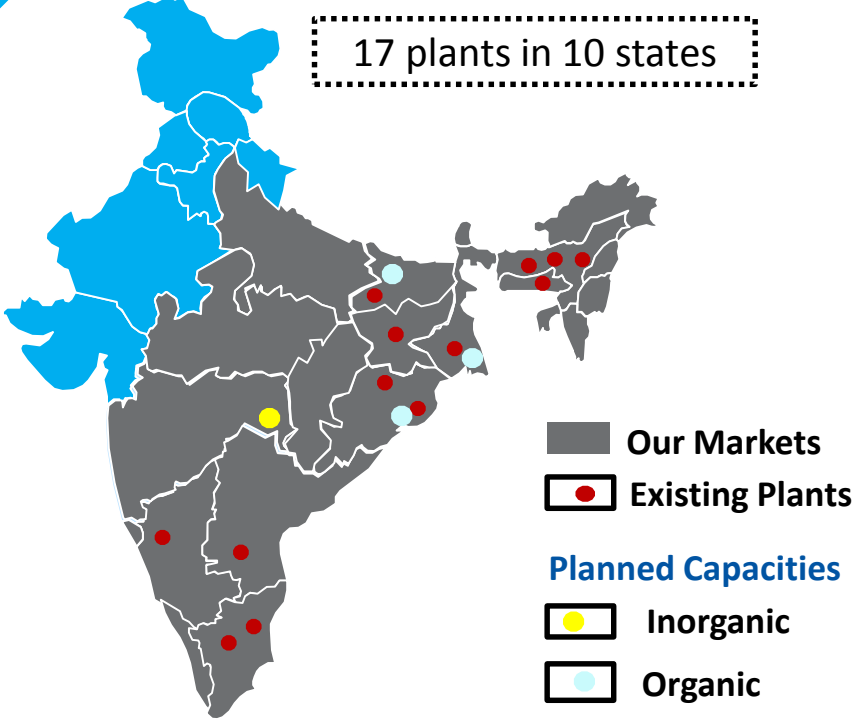
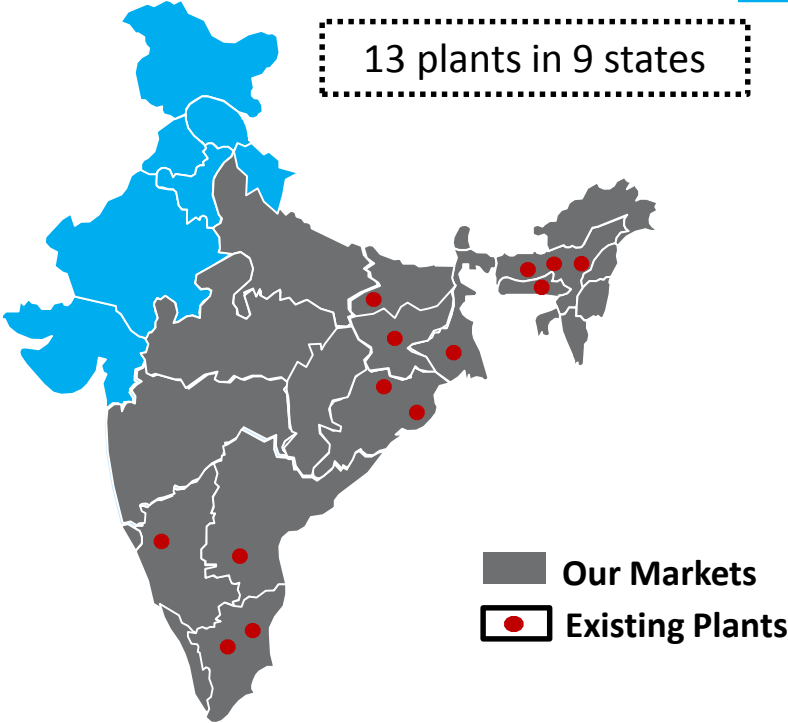
**FY'19 : 26.5 MnT**

**1.4x** →

**FY21E : 37 MnT**

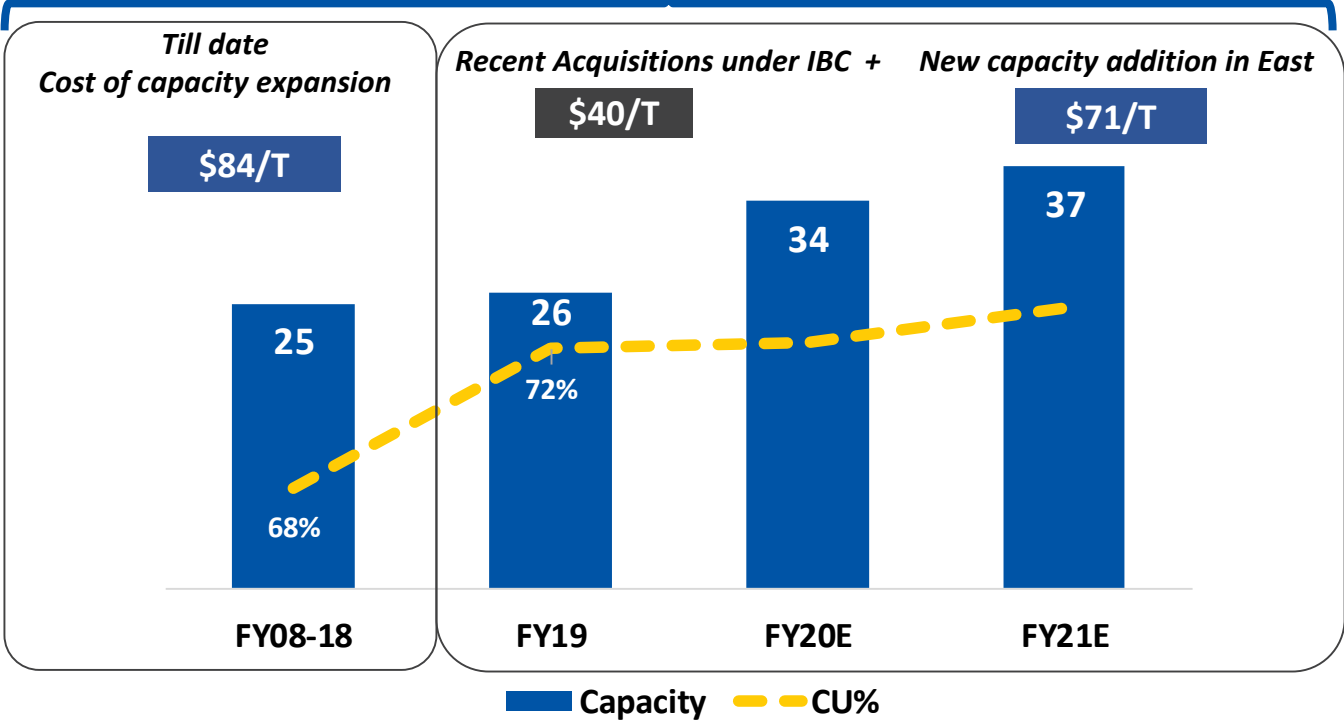
13 plants in 9 states

17 plants in 10 states



# Optimum Capital Allocation ... Further

Overall average **~\$75/T**



Till date  
Cost of capacity expansion

**\$84/T**

Recent Acquisitions under IBC + New capacity addition in East

**\$40/T**

**\$71/T**

# Inclusive Growth

# Thrust on Sustainability

Reduced Use of  
Mineral  
Resources

Lower Use of  
Fossil Fuels

Reduced  
Usage of  
Energy

Water  
Positivity

Upliftment  
of Society



Composite Cement<sup>^</sup>  
(% of total volume)

Q4 FY18

Q4 FY19

Estimated

4%

17%

20%



Alternate fuel  
(as % of fuel mix)

2%

4%

10%



Green Power\*  
(% of total captive power)

4%

9%

22%

<sup>^</sup> comprises of both slag and fly-ash

\*Comprises of Solar Power & Waste Heat Recovery System

# 1<sup>st</sup> Rank in CDP League Table *for Low Carbon Economy Transmission*

League Rank Table	Company	League Table weighted rank
1	<b>Dalmia Bharat</b>	<b>4.64</b>
2	Ambuja Cement	5.62
3	Cementos Argos	5.90
4	Shree Cement	5.91
5	Lafarge Holcim	6.03

The company is best aligned to the futuristic policy developments of Paris Agreement.

Source: CDP Cement Report 2018

First cement company and 3<sup>rd</sup> Indian Company to join RE100.

Google



Coca-Cola



RE 100 is a global association of those progressive companies who pledge to consume 100% renewable electricity for their operations by 2030.

## Carbon Negative by 2040

**900<sup>^</sup>**

Global  
average\*

**526<sup>^</sup>**

Group  
average\*

**342<sup>^</sup>**

Eastern  
operation\*



\*data as on FY18

<sup>^</sup>CO<sub>2</sub> emission- Kg/ton of cement

# Industry at Inflection Point



# New Land Acquisition Law

2013

Land Acquisition Law

Aggregation  
by Govt.



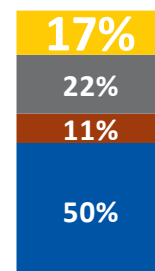
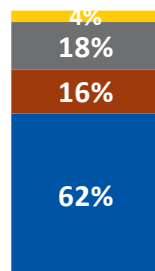
Individual  
aggregation

Result: Supply  
Squeeze

Minimum Size

1 MnT

3 MnT



2007

2017

■ Plant and Machinery ■ CPP ■ Civil Work ■ Land

5600/T

8800/T

Entry cost

560 cr

2650 cr

Source- Goldman Sachs India Cement Stressed Asset Analysis

2015

Limestone access

Allotment



Auction

Result: Consolidation

EARLIER

28 new entrants

59 MnT added

31% of  
Greenfield



NOW

18 blocks  
auctioned

50% won by Top  
5

1 NEW entrant



# Discipline of Investment Decisions

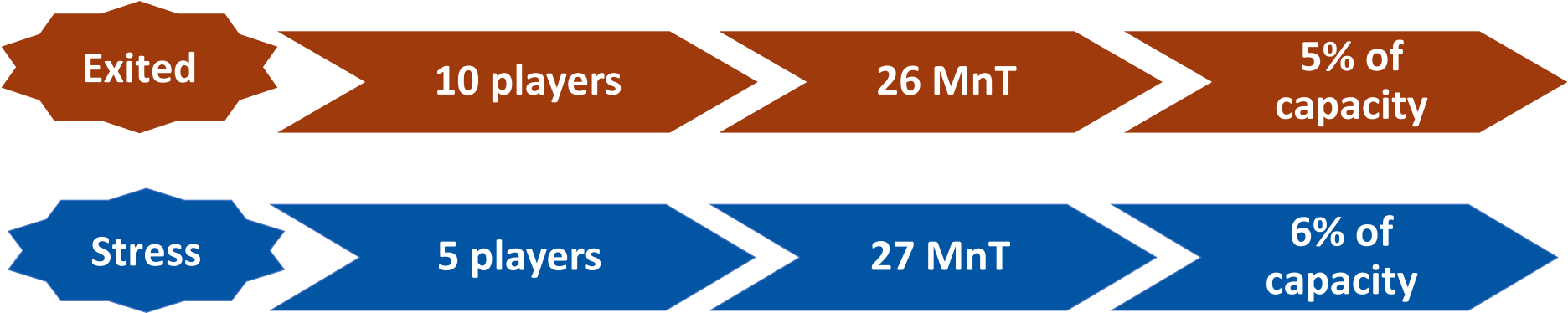
2017

Easy Credit & No  
Redressal Law



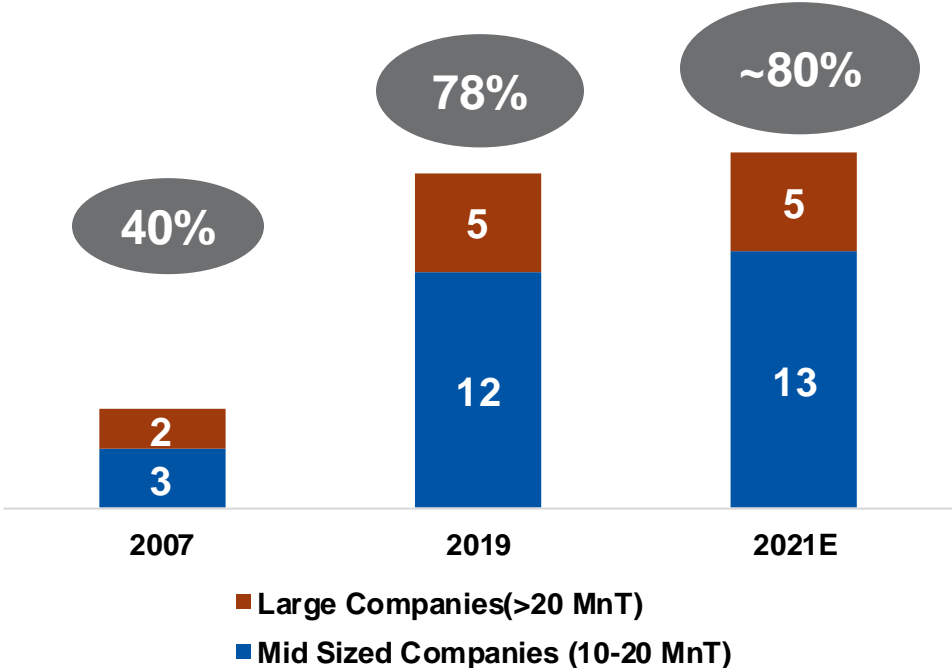
Credit squeeze &  
Insolvency Law

**Result: Consolidation**



# Further consolidation is expected

Capacity Share



Capacity share of >10 MnT will be 80% by 2021.

# Biggest Cement Demand Drivers- PMAY & Road Construction

	FY15	FY16	FY17	FY18	FY19
No. of Houses (Mn units)	1.2	1.8	3.2	4.8	5.6
Houses /day (units)	3,288	4,932	8,767	13,151	15,288
Roads Constructed (km)	4,410	6,061	8,231	9,828	10,800
Roads /day (km)	12	17	23	27	30

## Target Completion-2022



418 MnT  
Expected  
cement  
demand

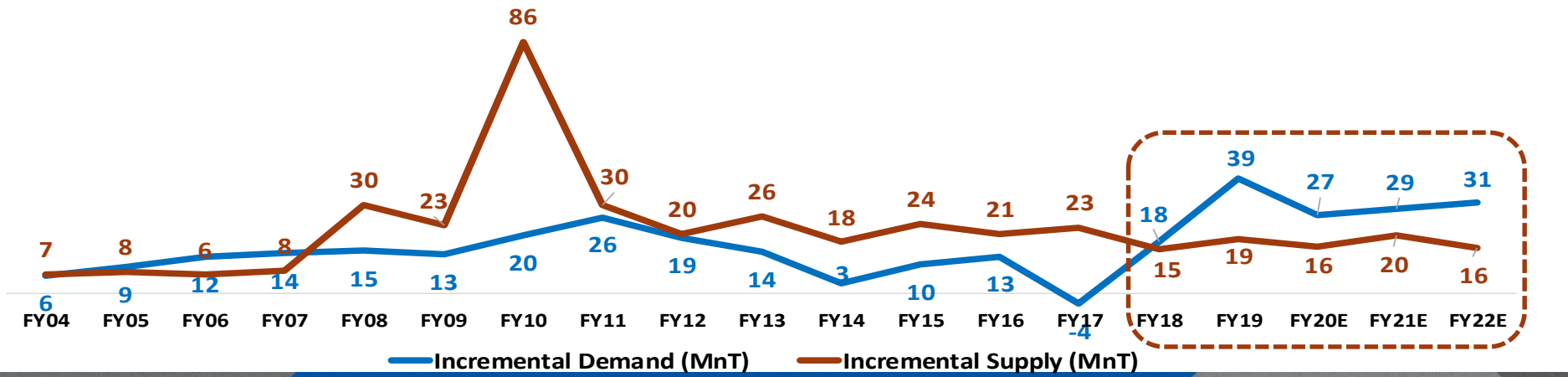
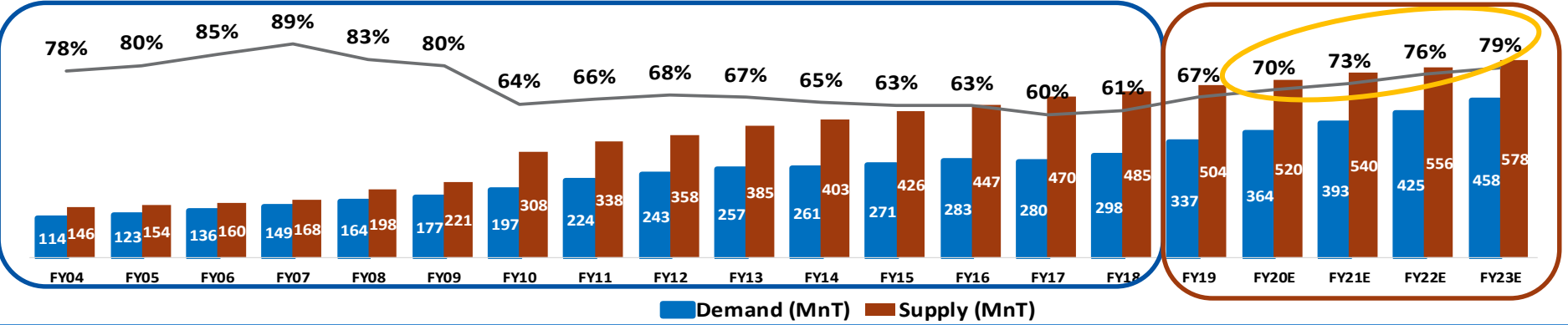


75 MnT  
Expected  
cement  
demand

# Infrastructure- Expected to fuel Cement Demand Growth



# Demand Supply Gap



# Thank You

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