



Corporate Presentation

January 2023

Disclaimer

Statements in this 'presentation' describing the Company's objectives, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in governmental regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement, due to any subsequent development, information or events, or otherwise





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Shree Cement at a Glance

Business Landscape

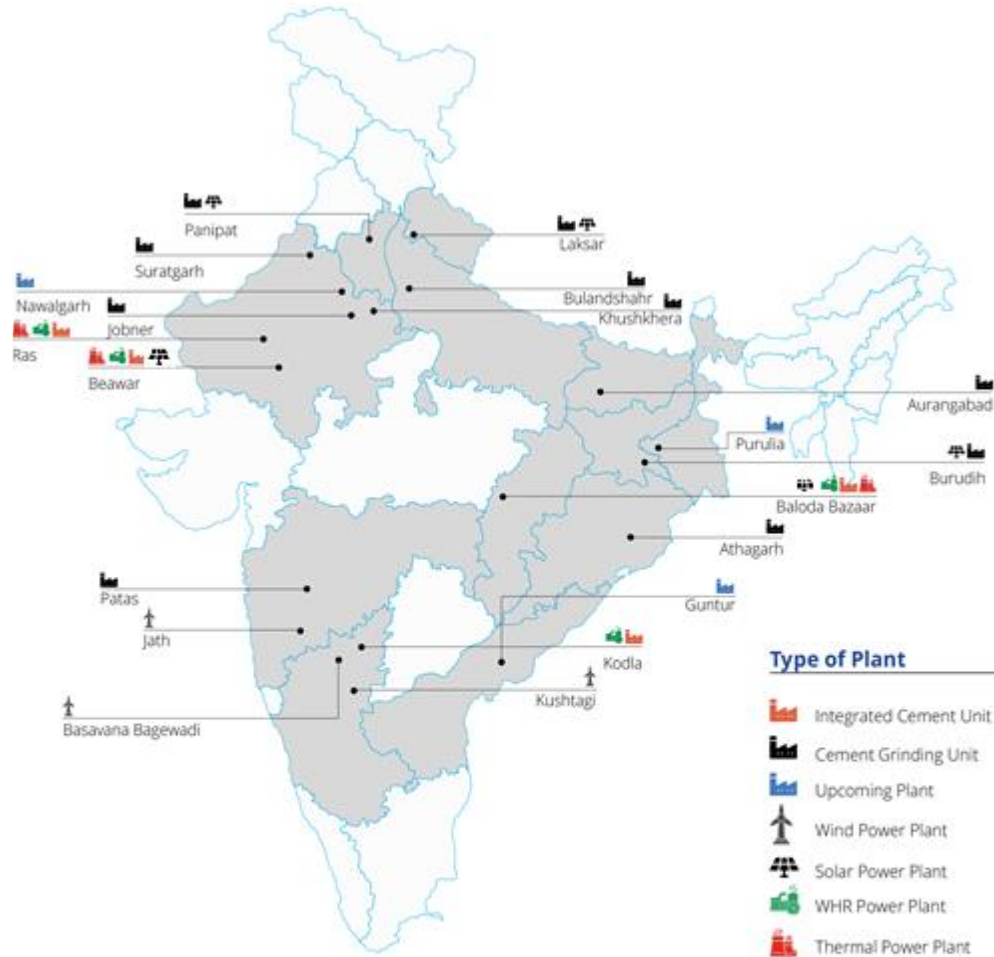
Strategic Priorities

Environment, Social and
Governance

Performance Review

Strategically located closer to key markets

Our footprints



Map not to scale

46.40 MTPA

Cement production capacity

29.60

Total clinker production capacity

4

Integrated manufacturing unit locations

10

Split grinding unit locations

30,700+

Dealers & Retailers

1,150+

Depots

Region-wise capacity (MTPA)

Region	Existing		Upcoming	
	Cement	Clinker	Cement	Clinker
North	26.30	18.00	3.50	3.80
East	14.10	9.20	3.00	-
West	3.00	-	-	-
South	3.00	2.4	3.00	1.50
Total	46.40	29.60	9.50	5.30

Our UAE presence
Union Cement Company

4 MTPA
Cement capacity

3.3 MTPA
Clinker capacity

Visionaries at the helm



B. G. Bangur
Chairman Emeritus



H. M. Bangur
Chairman

*A Chemical Engineer from IIT
Bombay*



Prashant Bangur
Vice Chairman

*A post-graduate from the Indian
School of Business, Hyderabad.*



Shreekant Somany
Independent Director



Uma Gurkha
Independent Director



Nitin Dayalji Desai
Independent Director



Zubair Ahmed
Independent Director



Neeraj Akhoury
Managing Director



**Sanjiv Krishnaji
Shelgikar**
Independent Director

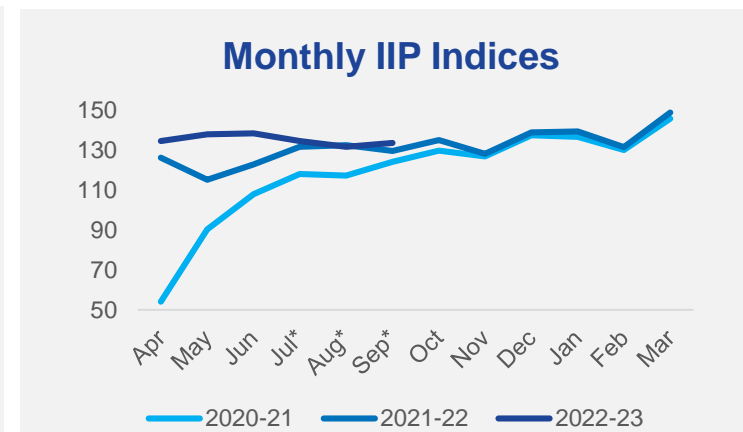
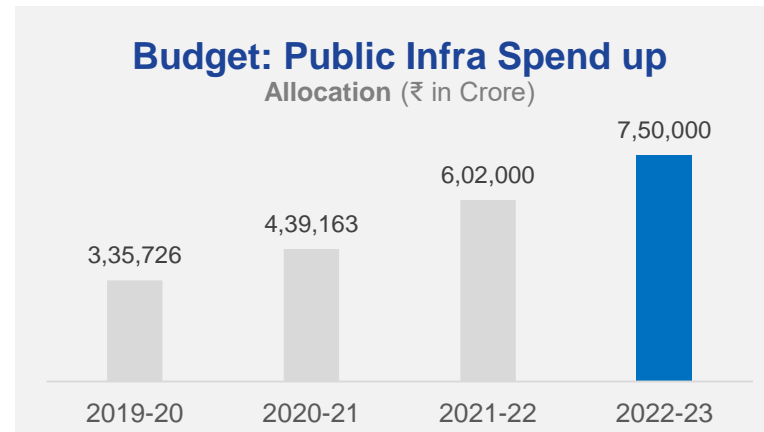
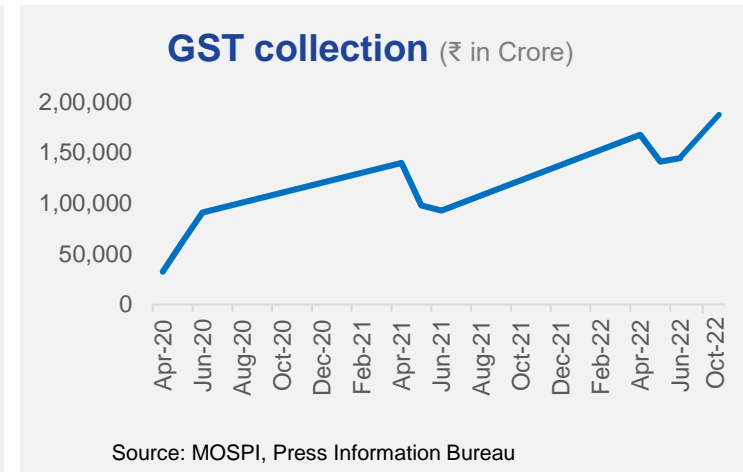
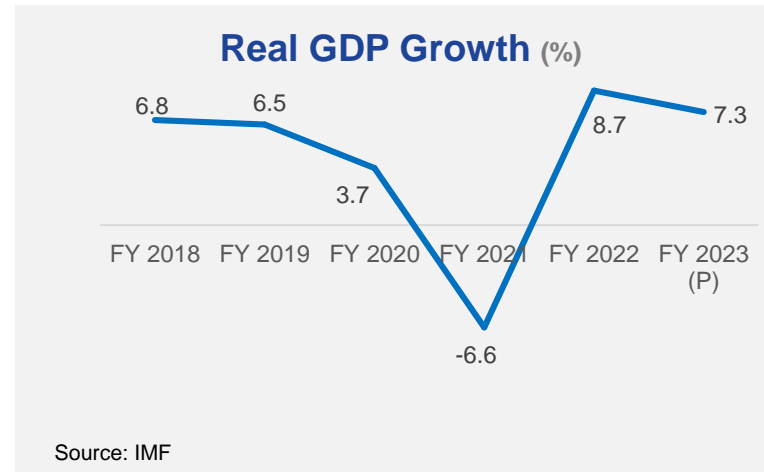


P N Chhangani
Whole Time Director

India's accelerated growth momentum

- One of the fastest-growing major economies in the world. H1FY2023 GDP growth at 9.7%
- Fifth largest economy in the world in 2022*
- Healthy macro economic drivers with the pick-up in private and government investments
- Strength across indicators (GST collection and IIP)
- Increasing government expenditure on infrastructure

* S&P Global Market Intelligence



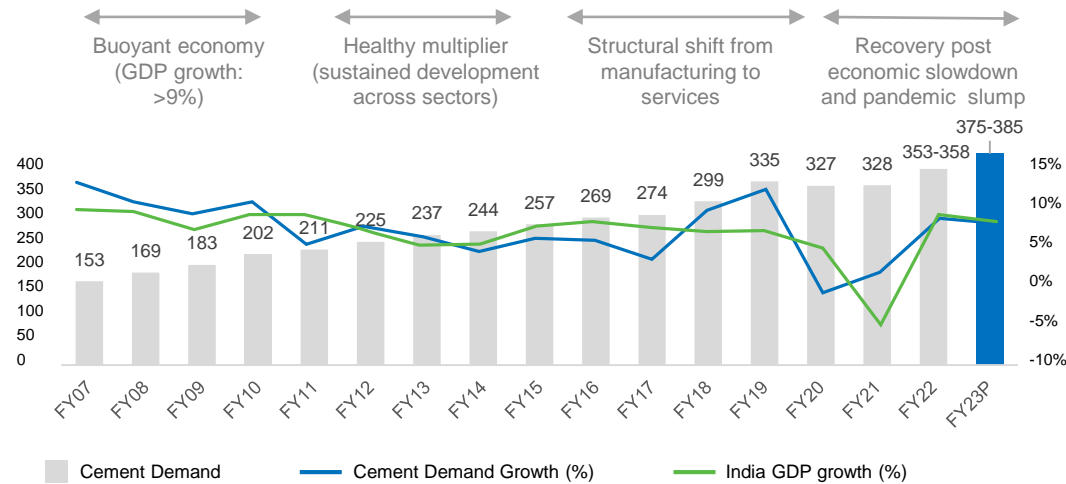
Tight monetary policy, geo-political conflicts and global slowdown remain key risks for the Indian economy

Indian Cement industry is the 2nd largest in the world

India's Global Rank



Cement demand-GDP growth trend (Mn Tonnes)

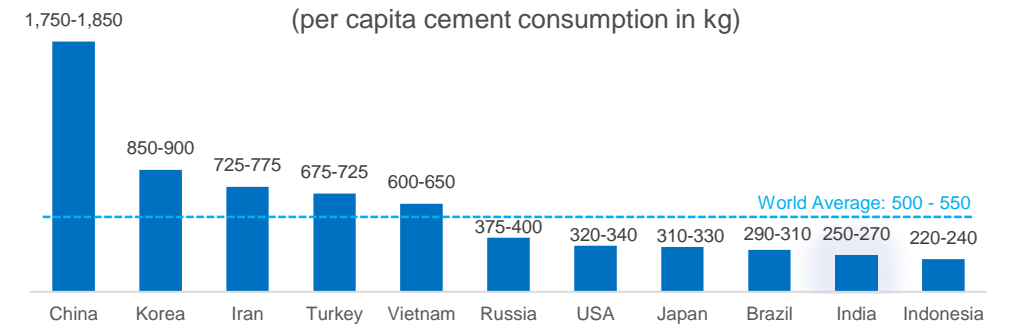


Source: CRISIL research

Region-wise installed capacity as on 31.03.2022 (MTPA)



Indian cement market remains underpenetrated against global average



Source: CRISIL research/ USGS

Lower per capita consumption coupled with strong focus on infrastructure development & good correlation with GDP (~1x) offers tremendous growth potential for cement industry in India

Secular trends driving construction market



Housing

- Solid real estate demand witnessed across the country
- Focus on PMAY (Urban & Rural) scheme to continue construction of 3.9 million urban and 5.4 million rural houses*
- Over 185-195 million sq. ft of real estate projects to be launched in FY 2023 across top 6 cities
- Buoyant farm incomes to drive demand for rural housing



Infrastructure

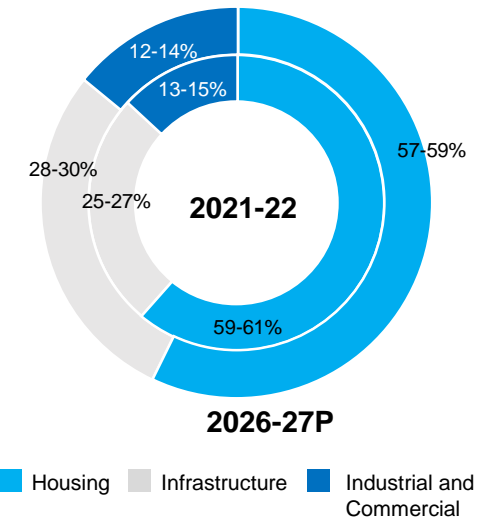
- Strong momentum in urban infrastructure, Bharatmala and metro projects across states
- National logistics policy and Gati-Shakti mission
- Higher budgetary allocation for infrastructure– US\$ 26.74 billion in roads and US\$ 18.84 billion in railways in 2022-23; ₹13,750 crore and ₹12,294 crore for Urban Rejuvenation Mission: AMRUT and Smart Cities Mission and Swachh Bharat Mission**



Industrial/commercial

- Implementation of PLI scheme to generate strong capex
- Make in India leading to higher investments in end-use sectors
- Increasing demand for warehouses and data centers
- Fresh capex uptick in mature capital-intensive sectors (steel and cement)

Cement demand drivers



Segmental demand growth outlook

End segment	FY22-27P
Housing	4.5-5.5%
Infrastructure	7-8%
Industrial/Commercial	5-6%
Overall	5.5-6.5%

Source: CRISIL Research

*Ministry of Housing and Urban Affairs, Ministry of Rural Development; **Indian Brand Equity Foundation

Our strategic levers to aid in next leg of growth

- Usage of Alternative Fuels and Raw Materials
- Investment in Renewable Energy
- Logistics cost optimization
- Digitalization
- Branding



Usage of Alternative Fuels and Raw Materials

- Continually increasing the share of alternative fuels (hazardous waste of various industries such as Pharma, Chemical, Sponge Iron), MSW (Municipal Solid Waste), RDF (Refused Derived Fuel) and Agricultural waste (crop residue) within total fuels consumed to bring down fuel costs
- Importing 6 shredders from Denmark and Italy to augment usage of plastic waste, biomass and municipal waste. Installation to complete by March'23
- Pioneered the in-house manufacture of synthetic gypsum in India, replacing the use of mineral gypsum



9.8%

Share of alternative fuels (by weight) in total fuel consumption in FY 2021-22

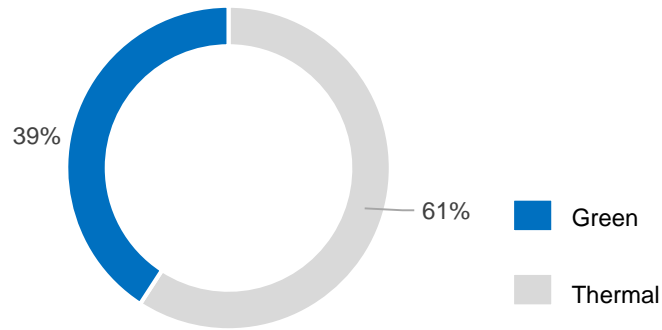
2.41%

Thermal Substitution Rate (TSR) in FY 2021-22

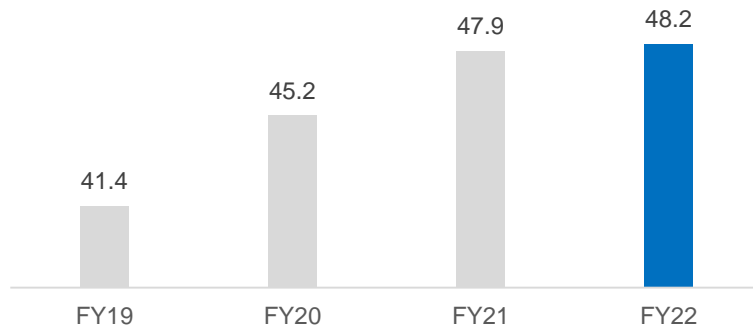
TSR is expected to increase to 15% by FY 2023-24

Investment in Renewable Energy

Total installed power capacity in India: 820.4 MW



Consistently growing the share of green in total power consumption (%)



Focused efforts on green energy capacity creation

Segments	Existing Capacity (MW)	Upcoming capacity (MW)
WHR	211.5	45.0
Solar	58.0	71.5
Wind	47.9	2.1
Total	317.4	118.6

- Largest capacity of WHR based power plants in the world excluding China
- Plant Load Factor (PLF) of WHR plants is one of the best in the industry

48.2%

Share of green power in total power consumption, one of the highest in the industry

55%

Targeted share of green power in total power consumption

Logistics cost optimization

SCL's plants are at strategic locations having proximity to raw material sources and key service markets with extensive logistics infrastructure

Initiatives to further rationalise logistics cost:

- To increase cheaper mode of rail transport in overall transportation, developing railway sidings at new project sites as well at existing locations (e.g. Panipat, Kodla, Baloda Bazar, etc.)
- Digitalisation initiatives such as installation of online performance monitoring platform (Logistics Control Towers) and automation of operations
- Installation of GPS in vehicles for route and distance monitoring for Eastern operations
- Development of mobile app for transporters to participate in bidding process



Digitalization



Manufacturing

- Industrial Internet of Things (IIoT) for smart manufacturing
- 360-degree cyber security framework
- Implemented a software – Labour works to manage contract labor
- Use of AI and robotics
- Installation of Plant Data Management system to track and monitor the performance of the plants
- Capability of extracting more out of less; enjoys one of the best productivity rates in the industry



Logistics and Sourcing

- Enhancing Logistics Infrastructure
- Shree Dynamine (OITDS)- GPS based Truck dispatch system
- Mining software like DATAMINE to ensure maximum mining recovery



Sales and marketing

- Sales Force Automation
- Revenue & Margin Management
- Unified Customer Relationship Management (CRM) implementation
- Created social media campaigns on contemporary topics
- Mapping of influencers with our network through our mobile application - Nirman Mitra

Branding

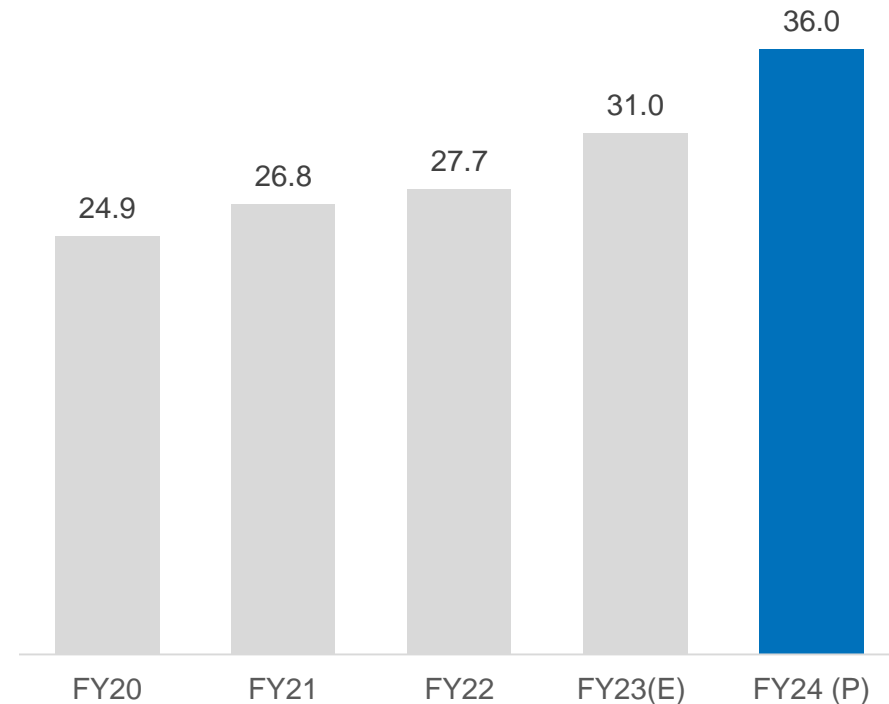
Focus on branding to bridge gap with premium brands and increase realization

Initiatives underway:

- Formation of Technical Services teams to increase sales by close interaction with end users
- Implementation of unified Customer Relationship Management (CRM) platform to automate & integrate sales operations
- Continuous training and skill development of Sales Force
- Reducing price gap with other brands to increase sales realization
- Focus on pushing direct sales

Cement and Clinker sales trajectory

(in million tonnes)



Sustaining leadership with strategic expansion projects

46.4 MTPA

Current capacity



55.9 MTPA

By FY2025



80 MTPA

By FY2030

**Philosophy in project execution:
Patience in planning, Impatience in
implementation**

**9.5 MTPA of cement project across the country in
different phases of implementation**

<u>Projects</u>	<u>Cement capacity</u>	<u>Clinker capacity</u>
Purulia, West Bengal <i>(Scheduled commissioning in Q1 of FY 2023-24)</i>	3.0 MTPA	-
Nawalgarh, Rajasthan <i>(Targeted commissioning in Q3 of FY 2023-24)</i>	3.5 MTPA	3.8 MTPA
Guntur, Andhra Pradesh <i>(Targeted commissioning in Q2 of FY 2024-25)</i>	3.0 MTPA	1.5 MTPA
TOTAL	9.5 MTPA	5.3 MTPA

Our execution strength

- Over three decades of project management experience
- Proven track record of implementation ahead of schedule
- Organic growth largely funded through internal accruals
- Efficient deployment of equipment with an in-house project management team
- One of the lowest capital cost per tonne

Has acquired limestone mines at different locations

Developing couple of sites for setting up greenfield cement grinding units (North, South and East)

₹ 6500 crore capex to be funded through internal accruals

Sustainable growth – consistently building capability

Focus areas



Increasing share of green energy

- Largest capacity of power generation through WHR globally outside of China
- Efficient power generation from WHR compared to industry norms
- Building green portfolio of wind and solar plant



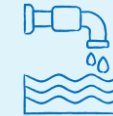
Improving energy efficiency

- Continuous upgradation of existing technology and deployment of energy efficient process
- Optimization of processes and continuous innovation
- Energy audits, continuous reduction in specific electrical energy consumption
- Outstanding performance under PAT scheme of BEE, Govt of India



Emission management

- State of art facilities to reduce emissions
- Wind power generation and waste heat recovery registered under CDM projects
- Enhancing green cover across the manufacturing facilities, 90% survival rate of plants in FY21-22



Water stewardship

- Creation of water harvesting structures for conservation of rain water
- Awareness campaign about water conservation across the board
- Water audits, Zero liquid discharge
- Specific water consumption reduced
- >5 times water positive



Quality and efficiency improvement

- Alternative raw material usages increased to 27.23% in FY 21-22
- Clinker factor reduced
- Increased use of alternative fuel such as biomass, agrohusk, RDF, etc.

Collaborations for a better world



United Nations Framework Convention on Climate Change

- First Indian cement company to register its project 'Optimum Utilisation of Clinker' with the United Nations Framework Convention on Climate Change (UNFCCC) under the Clean Development Mechanism (CDM)



Global Cement and Concrete Association

- Partnering with Global Cement & Concrete Association (GCCA) to accelerate deployment of Carbon, Capture, Usage & Storage (CCUS) as part of Innovandi project

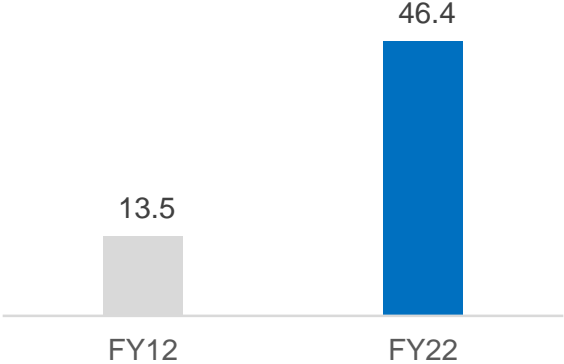


Other collaborations

- Partnered with National Council for Cement and Building Materials (NCCBM), IIT Delhi to strengthen our R&D capability
- DSIR accredited R&D labs across all integrated manufacturing sites
- Collaboration with Carbon Upcycling Technologies (CUT), a leading firm engaged in identifying solutions and technologies to reduce cement and concrete's carbon footprint

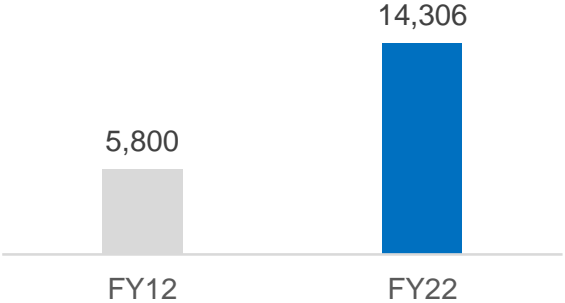
A decade of consistent value addition

Cement Production Capacity (MTPA)



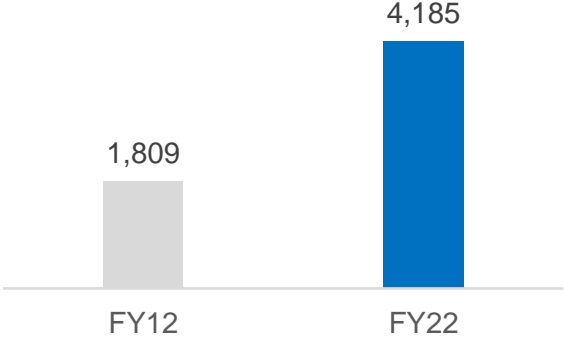
CAGR 13.14%

Revenue (₹ in Crore)



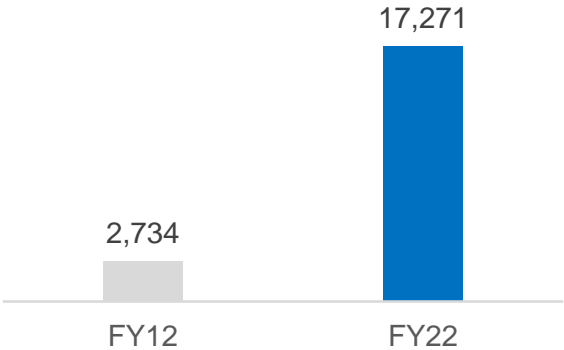
CAGR 11.92%

EBITDA (₹ in Crore)



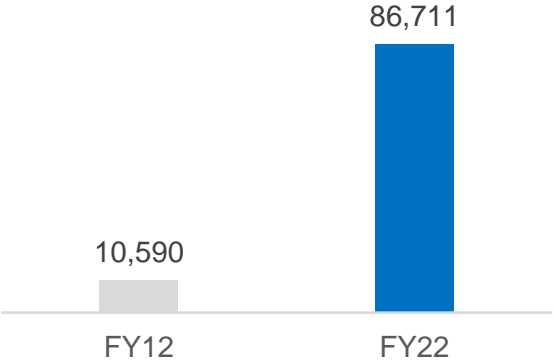
CAGR 11.92%

Net Worth (₹ in Crore)



CAGR 20.24%

Market Capitalization (at year end) (₹ in Crore)

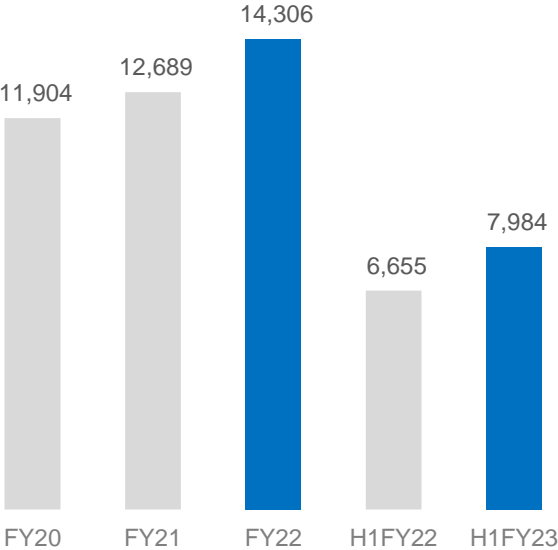


CAGR 23.40%

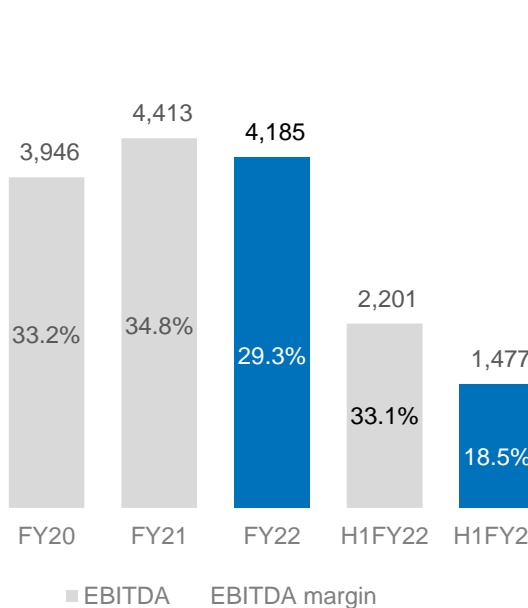
One of the fastest growing cement companies

Performance Highlights

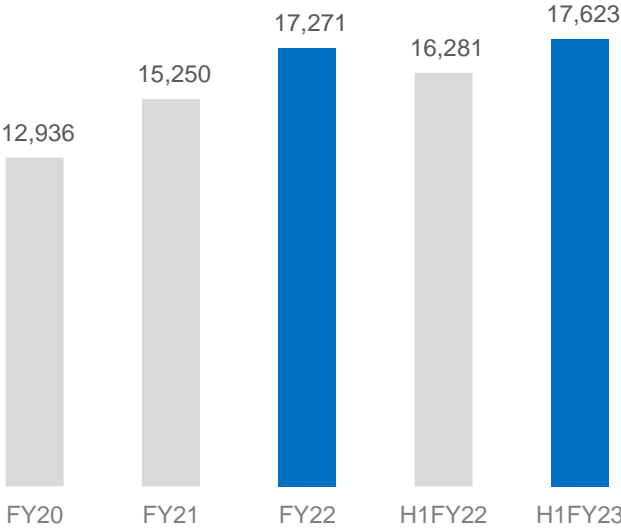
Revenue from Operations
(₹ in Crore)



EBITDA and EBITDA margin
(₹ in Crore) (%)



Net worth (₹ in Crore)



EBITDA margin reduced in H1FY23 due to significant increase in fuel prices

P&L Statement

(₹ Crore)

Particulars	FY20	FY21	FY22	H1FY22	H1FY23
Net Revenue from Operations	11,904	12,588	14,306	6,655	7,984
Other Income	272	458	537	289	135
Total EBITDA	3,946	4,413	4,185	2,201	1,477
Finance Costs	287	247	218	109	125
Depreciation & Amortization	1,699	1,140	1,036	483	691
PAT	1,570	2,312	2,377	1,239	505

Standalone numbers,

Balance Sheet

(₹ Crore)

Particulars	FY20	FY21	FY22	H1FY22	H1FY23
Assets					
Fixed Assets, CWIP, Right to use, intangible assets	5,281	5,163	6,294	5,521	6,835
Financial assets & investment in subsidiaries	6,038	7,401	8,199	8,098	8,416
Other non-current assets	1,193	1,276	1,231	1,255	1,369
Total Non-Current Assets	12,512	13,839	15,724	14,875	16,620
Inventories	1,428	1,477	2,161	1,811	2,435
Trade Receivables	828	486	596	662	972
Investments, cash & bank balances	3,194	3,989	3,603	3,344	3,382
Other current assets	1,375	1,247	1,331	1,312	1,349
Total Current Assets	6,826	7,199	7,691	7,130	8,137
Total Assets	19,338	21,039	23,415	22,005	24,757
Equity and Liabilities					
Equity Share Capital	36	36	36	36	36
Other Equity	12,900	15,214	17,235	16,245	17,587
Total Equity	12,936	15,250	17,271	16,281	17,623
Total Non-Current Liabilities	3,200	2,273	1,586	2,204	1,433
Total Current Liabilities	3,201	3,515	4,559	3,519	5,700
Total Equity and Liabilities	19,338	21,039	23,415	22,005	24,757

Standalone numbers,

Thank You

Registered Office

Bangur Nagar, Beawar - 305 901,
District-Ajmer, Rajasthan.

Group Corporate Office

21 Strand Road,
Kolkata - 700 001, West Bengal.

Corporate Office

9th Floor,
DLF Epitome Building,
5, DLF Cyber City,
Gurugram, Haryana 122008

Mumbai Office

Unit No. 1110A, 11th Floor,
“C” Wing, One BKC Building,
Plot No. C-66, G-Block, BKC,
Bandra (East), Near MCA Club,
Mumbai – 400051