

**STAR CEMENT LIMITED**  
(Formerly CEMENT MANUFACTURING COMPANY LTD)

Date:- 11.02.2020

The Listing Department,  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block-G  
Bandra Kurla complex, Bandra-East  
Mumbai-400 051  
Stock code: STARCEMENT

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai-400 001  
Stock code: 540575

Dear Sir,

**Subject: Investor Presentation**

An Investor Presentation for the third quarter and nine months ended 31<sup>st</sup> December, 2019 has been prepared and the same has been disseminated in the Company's website [www.starcement.co.in](http://www.starcement.co.in). We are enclosing herewith a copy of the Presentation for your information and record.

Thanking you,

Yours faithfully,  
For Star Cement Limited

11-02-2020

X

Debabrata Thakurta  
Company Secretary  
Signed by: THAKURTA DEBABRATA

**Debabrata Thakurta**  
(Company Secretary)

*Encl. as stated*



**STARCEMENT**  
Solid Setting

**Regd. Office & Works :** Lumshnong, P.O.- Khaliehriat, Dist.- East Jaintia Hills, Meghalaya- 793 210, Ph: 03655-278215/16/18, Fax: 03655-278217, e-mail:lumshnong@starcement.co.in  
**Works :** Gopinath Bordoloi Road, Village - Chamatapathar, District - Kamrup (M), Guwahati - 782 402, Assam, e-mail : ggu@starcement.co.in  
**Guwahati Office :** Mayur Garden, 2<sup>nd</sup> Floor, Opp. Rajiv Bhawan, G.S. Road, Guwahati - 781 005, Assam, Ph: 0361-2462215/16, Fax: 0361-2462217, e-mail: guwahati@starcement.co.in  
**Delhi Office:** 281, Deepali, Pitampura, Delhi-110 034. Ph: 011 - 2703 3821/22/27, Fax: 011 - 2703 3824, e-mail: delhi@starcement.co.in  
**Kolkata Office:** 3, Alipore Road, Satyam Towers, 1<sup>st</sup> Floor, Unit No. 9B, Kolkata - 700 027, Ph: 033-2448 4169/4170, e-mail: kolkata@starcement.co.in  
**Durgapur Office:** C/O - Ma Chandi Durga Cements Ltd., Bamunara Industrial Area, P.O.- Bamunara, P.S.- Kanksha, Dist. Burdwan, West Bengal - 713 212  
**Siliguri Office:** MLA House, 3<sup>rd</sup> Floor, above Reliance Trend Showroom, Sevak Road, Siliguri - 734 001, Ph: 0353-2643611/12

**AN ISO 9001, ISO 14001 & OHSAS 18001 CERTIFIED COMPANY**

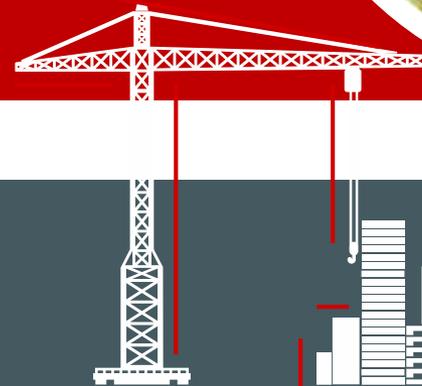
CIN NO. L26942ML2001PLC006663



# Star Cement Limited (SCL)

Investor Presentation-Q3' FY 20 Results

Cementing growth.  
Branding success.



## Disclaimer

---

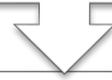
The information contained in this presentation is only current as of its date. All actions and statements made herein or otherwise shall be subject to the applicable laws and regulations as amended from time to time. There is no representation that all information relating to the context has been taken care off in the presentation and neither we undertake any obligation as to the regular updating of the information as a result of new information, future events or otherwise. We will accept no liability whatsoever for any loss arising directly or indirectly from the use of, reliance of any information contained in this presentation or for any omission of the information. The information shall not be distributed or used by any person or entity in any jurisdiction or countries were such distribution or use would be contrary to the applicable laws or Regulations. It is advised that prior to acting upon this presentation independent consultation / advise may be obtained and necessary due diligence, investigation etc may be done at your end. You may also contact us directly for any questions or clarifications at our end.

This presentation contains certain statements of future expectations and other forward-looking statements, including those relating to our general business plans and strategy, our future financial conditions and growth prospects, and future developments in our industry and our competitive and regulatory environment. In addition to statements which are forward-looking by reason of context, the words 'may, will, should, expects, plans, intends, anticipates, believes, estimates, predicts, potential or continue' and similar expressions identify forward looking statements.

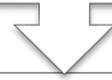
Actual results, performances or events may differ materially from these forward-looking statements including the plans, objectives, expectations, estimates and intentions expressed in forward looking statements due to a number of factors, including without limitation future changes or developments in our business, our competitive environment, technology and application, and political, economic, legal and social conditions in India. It is cautioned that the foregoing list is not exhaustive.

This presentation is not being used in connection with any invitation of an offer or an offer of securities and should not be used as a basis for any investment decision.

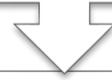
Industry Update



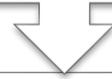
Performance Highlights



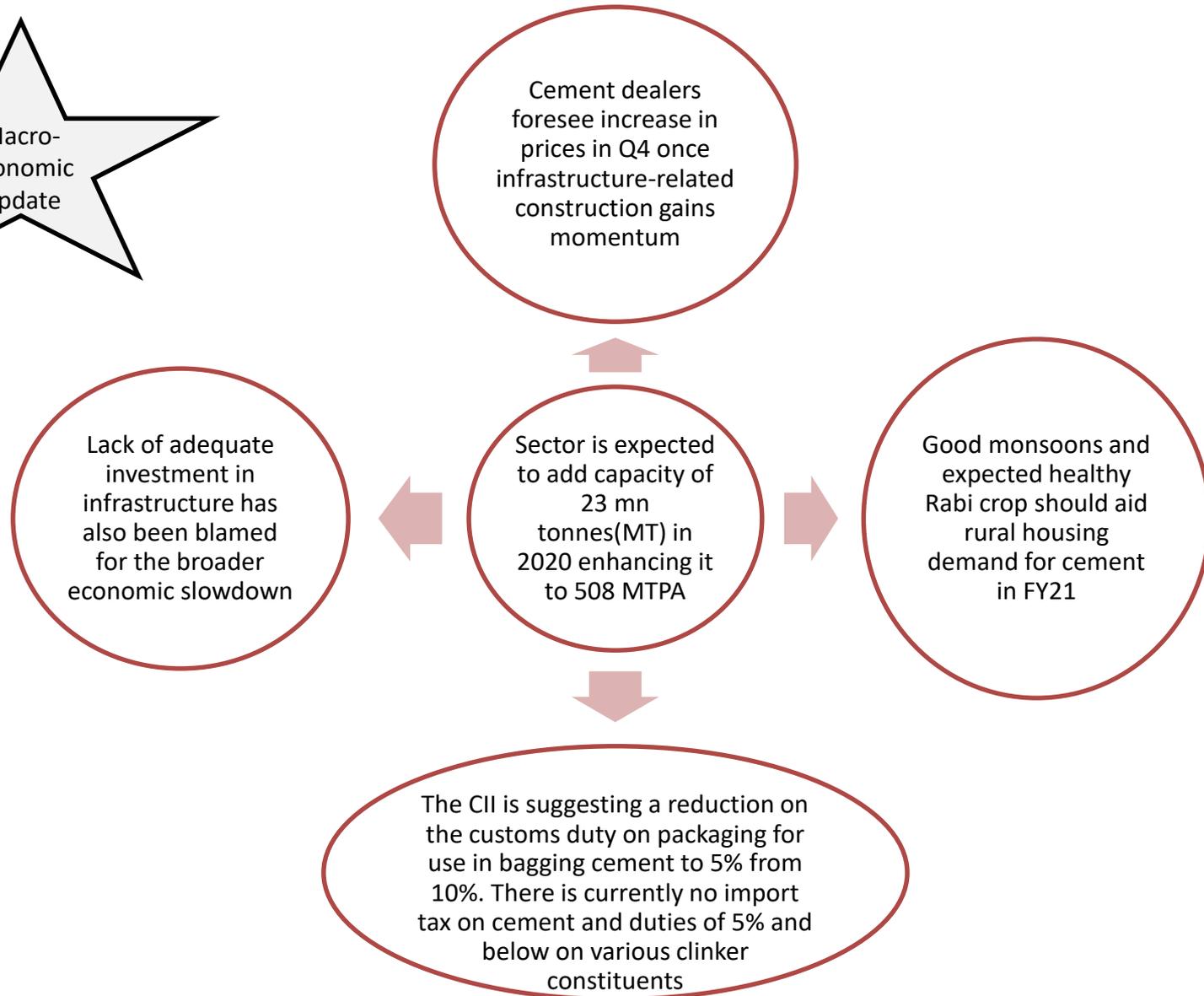
Performance Anatomy



Awards & Accolades



Key Developments



Analysts and sector experts believe that there is basis for **improvement in demand** given the sustained long-term investments in infrastructure by the government, which plans to invest Rs 102 lakh crore in the five years ending FY25. So far, 7,000 kilometres (km) of roads have been constructed with a plan to build additional 2,000 km by March 2020.

Fiscal	In MT		In %	
	Effective Capacity	Demand	Demand Growth	Capacity Utilisation
FY20E	461	359	5	78
FY21E	489	384	7	79
FY22E	515	411	7	80

Source: CMIE, Gol Axis Capital

EPS INR 1.71/share  
as against INR  
1.99/share YOY

Net Sales 7.52 Lac  
Ton as against 6.55  
Lac Ton YOY

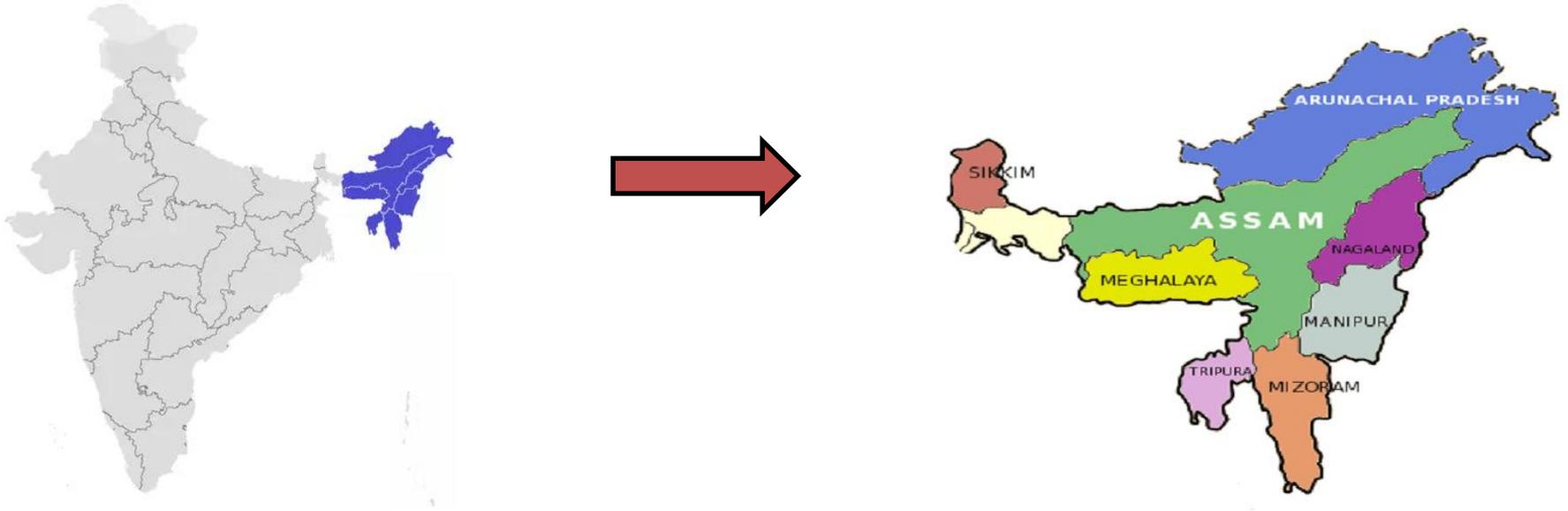
PAT INR 71 cr. as  
against INR 82 cr.  
YOY

Net Revenue INR  
458 cr. as against  
INR 417 cr. YOY

PBT INR 73 cr.  
as against INR 94 cr.  
YOY

EBITDA INR 100 cr. as  
against INR 123 cr.  
YOY

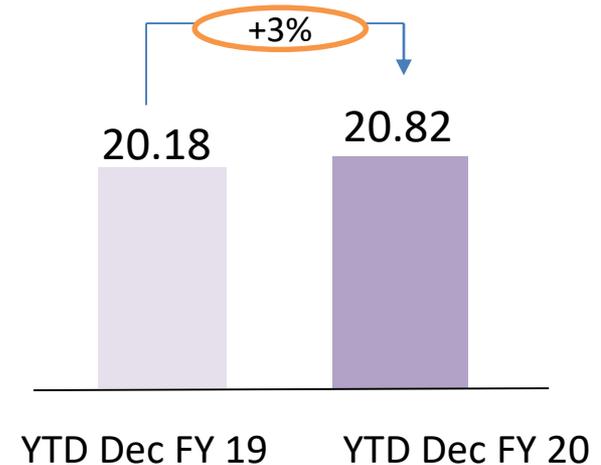
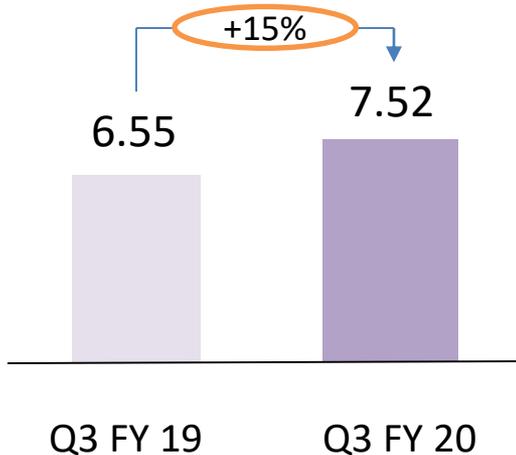
**Decrease in profitability has been on account of reduction in price of INR (200-300)/ton**



- ❖ Largest cement manufacturer in North East India with a capacity market share of nearly 24%
- ❖ Cement and Clinker sales in the region amount to 15.37 Lac ton till Dec'19, a 7% increase Y-O-Y
- ❖ Focus on Trade sales which constitutes 83% of the total sales
- ❖ Being a Brand Leader in the North East Region(NER) which is a high contribution market for Star Cement coupled with major revenue share helps identify it amongst highest EBITDA/Ton among peers

## Sales Volume

Lac Ton

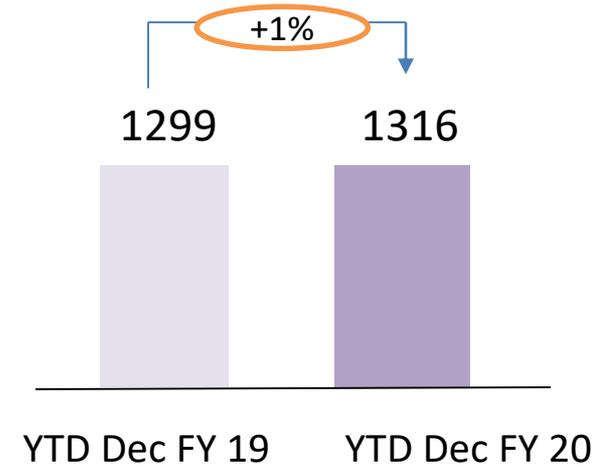
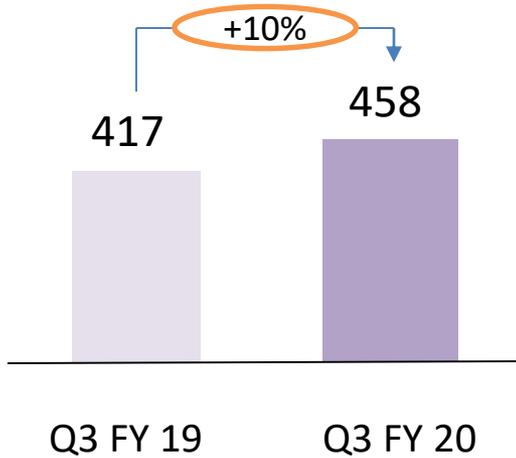


- Net Sales showed sharp improvement in the quarter due to better demand from market outside North East and higher export sales of clinker
- Demand was bullish in the third quarter because the market was subdued in the previous 2 quarters

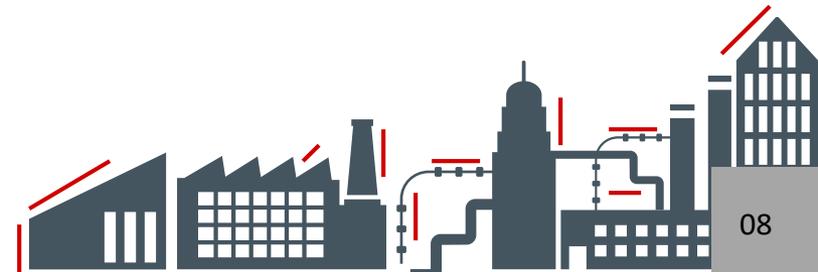
# Sales Volume includes Cement + Clinker sales

## Net Revenue

₹ Cr.

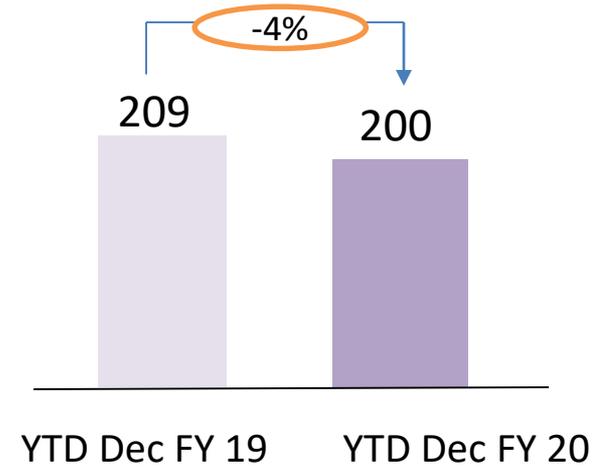
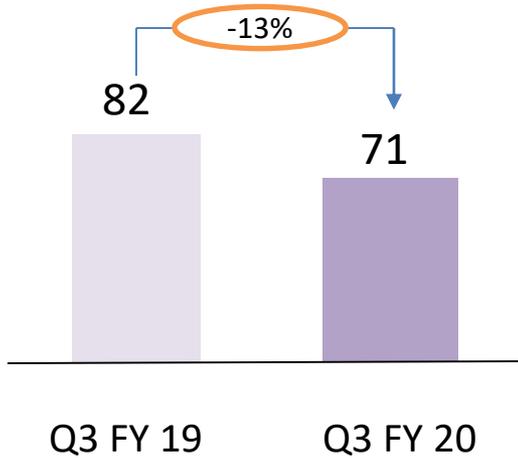


- There was no proportionate increase in revenue vis-à-vis Volume growth due to decrease in prices



## PAT

₹ Cr.

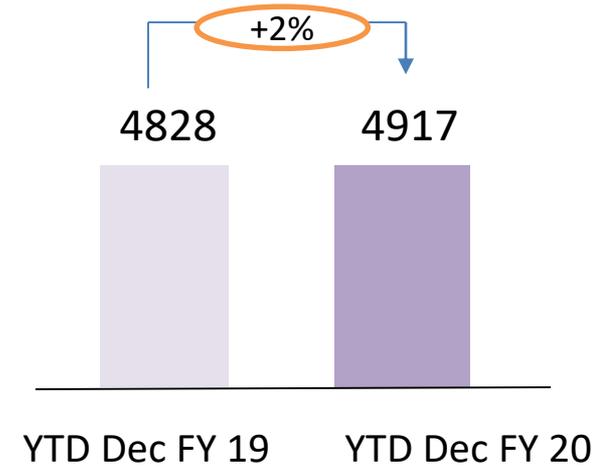
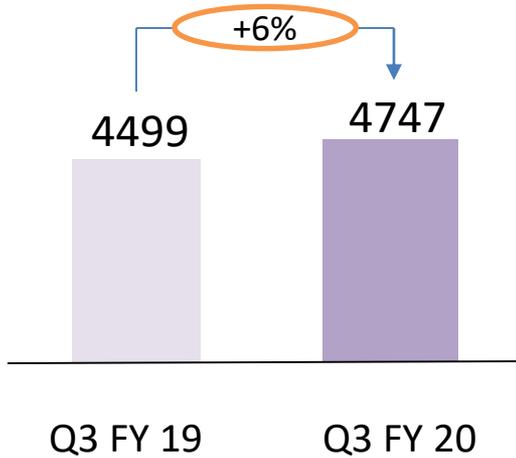


- Reduction in PAT was due to increase in fuel cost and lower realisations



## Cost of Goods Sold

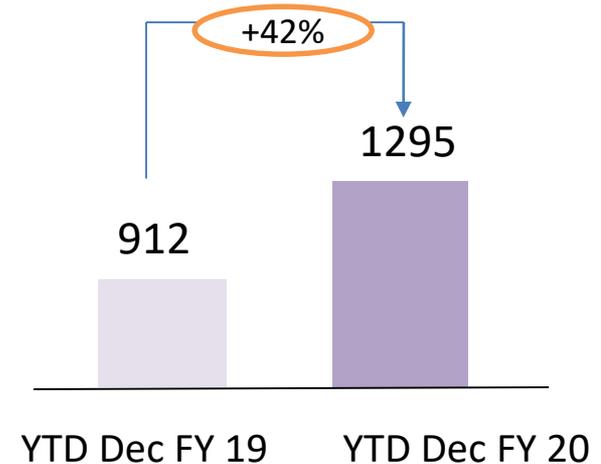
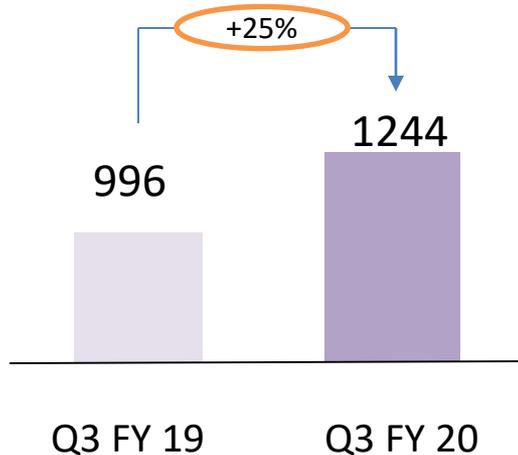
₹ / t



- Increase in cost has been mainly on account of Power & Fuel cost

## Power & Fuel cost analysis

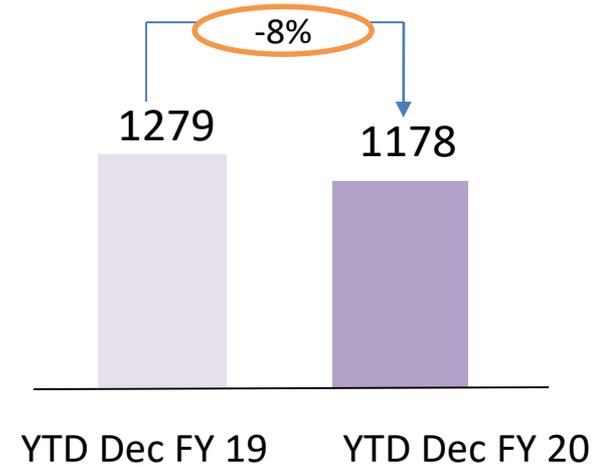
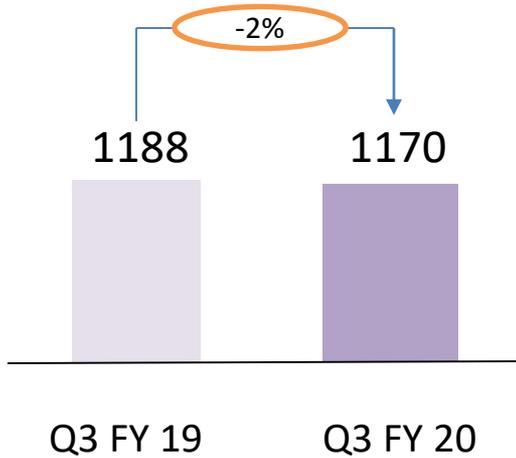
₹ / t



- Increase in fuel cost has been due to higher usage of outside coal
- Alternative fuels utilization enhanced in Q3
- Although prices have increased Y-O-Y, but there has been a considerable reduction in power & fuel cost from Q2 ( 1244/t vs. 1545/t) of 19%

## Freight & Forwarding Cost

₹ / t



- Freight Cost has been optimized due to improvement in road condition and lower clinker dispatches to Nepal in the current year



## Income Statement :

₹ Cr.

Particulars	Q3FY19	Q3FY20	% change	YTD Dec FY 19	YTD Dec FY 20	% change
Net Operating Revenue	416	451	8%	1297	1294	-0.2%
EBITDA	123	100	-18%	324	292	-10%
<b>EBITDA margin%</b>	<b>29.61%</b>	<b>22.32%</b>	<b>-7.3pp</b>	<b>25.08%</b>	<b>22.60%</b>	<b>-2.5pp</b>
PAT	82	71	-13%	209	200	-4%
<b>PAT margin%</b>	<b>20.16%</b>	<b>15.82%</b>	<b>-4.3pp</b>	<b>16.50%</b>	<b>15.52%</b>	<b>-0.9pp</b>

## Balance Sheet :

₹ Cr.

Particulars	31-Dec'19	31-Mar'19
Equity	1821	1724
Debt	15	73
Cash Surplus	266	212



**STARCEMENT**  
Solid Setting

**Buyback**  
Size - Rs 102 Cr  
Shares - 68L  
Price - Rs 150

**BUYBACK**

- ❖ Commencement of Buyback Offer : 22<sup>nd</sup> October,2019
- ❖ Closure of Buyback Offer : 05<sup>th</sup> November,2019
- ❖ Total of 68,00,000 ( 68 lakh) equity shares of Face value ₹1 each at an average price of ₹150 per share were extinguished
- ❖ Buyback represented 1.62% of pre-buyback equity share capital of the company
- ❖ Total cash outflow was ₹102 crore( excluding transaction costs, taxes,etc)
- ❖ Payment to eligible shareholders were completed on 15<sup>th</sup> November,2019

**Star Cement Limited won the coveted Supply Chain & Logistics Excellence (SCALE) Award 2019- Cement Industry Category** held by the prestigious Confederation of Indian Industry (CII) Institute of Logistics. It is the first ever award series by an industry apex body to recognize Supply Chain excellence by benchmarking and comparing with the best in class industry practices related to logistics and supply chain management.



Confederation of Indian Industry



## Health

- A free health Check-up Camp and 3 diabetes check up camps were organized at Jalpaiguri covering 900 people
- Organized Special Eye camp at Lumshnong village where 300 eye patients were treated

## Livelihood

- Initiated two livelihood project-Spice cultivation and Weaving cluster Development in Sonapur area, GGU and new farmers identified for Dairy project
- Four days residential Hobby course was organised for selected 20 girls of Star Usha Tailoring school at Auxilien Reach Out ,Chandmari, Guwahati, in December

## Education

- 1200 nos. School Bags and 1200 nos. tiffin boxes were distributed to the students of 35 nos. school in association with District Administration, Kamrup (M) District
- School bus services were initiated from Bryshnot village to Khleihriat for smooth transportation of 100 students

## Rural Development

- Around 18 Solar Street lights installation process is in progress at Gumoria under Star Roshni Project
- Painting work of community hall Dongumsho locality hall is completed

# Key Developments-CSR-Through Our Eyes



Media Coverage: MOU signing and Road Safety





experience

solid setting

an inherent of

**Star Cement**

› OHSAS Certificate - ISO 18001-2007

› EMS Certificate - ISO 14001-2004

› ISO Certificate - ISO 9001-2008

# Thank You

Mr. Sanjay Kr. Gupta  
[investors@starcement.co.in](mailto:investors@starcement.co.in)

[www.starcement.co.in](http://www.starcement.co.in)