

Dalmia Bharat Limited



Earnings Release for the quarter and half year ended September 30, 2012

November 08, 2012



Disclaimer



Certain statements in this presentation describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Forward looking statements are identified, by using the words 'anticipates', 'believes', 'expects', 'intends' and similar expressions in such statements.

Although our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied. The Company takes no responsibility for any consequence of decisions made based on such statements and holds no obligation to update these in the future.



Presentation Plan



Corporate Highlights

Financial Results

Cement Business

OCL Financial Results

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Corporate Highlights



Strategic Initiatives Update



Acquisition of Adhunik Cement of 1.5 MnT by DCBL, subsidiary of DBEL

- Signed definitive agreements for acquisition of the entire shareholding
- Total consideration of Rs.560 Crore

Groundbreaking of 2.5 MnT Integrated Greenfield Project at Belgaum, Karnataka

- Initiated by DCBL in August 2012
- Clinker capacity – 4500 TPD; Expected completion Date – March 2014
- Estimated Project Cost – Rs.1300 cr; Capex Incurred – Rs. 125 cr

Groundbreaking of 1.35 MnT Grinding unit at Medinipur, West Bengal

- Initiated by OCL in August 2012
- Estimated Project Cost – Rs. 550 cr; Estimated completion Date–October 2013

Groundbreaking of Brownfield expansion at Umrangshu (Calcom Project)

- Started in September 2012
- Clinker unit of 1 MnT under construction, taking total clinker capacity to 1.3 MnT



Work in progress at Belgaum, Karnataka



Pre Heater



Kiln



Work in progress at Medinipur, West Bengal



Cement Mill



Clinker Silo



Key Highlights



Significant YoY growth in Net Sales Realization per tonne

- Up 7% for the quarter at Rs. 4,291
- Up 9% for half year at Rs. 4,310

Significant YoY growth in EBITDA per tonne

- Up 6% for the quarter at Rs. 1087
- Up 13% for half year at Rs. 1082

Optimization of fuel cost through increased usage of High Moisture Coal

- Usage in kiln in HY1FY13 – 79% vs 61% in HY1FY12

Improved energy efficiency

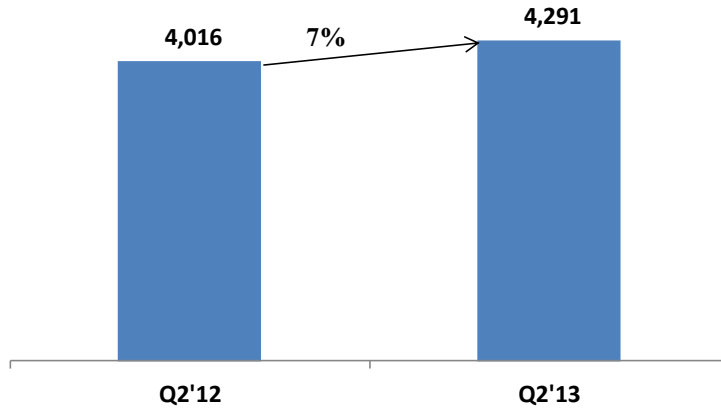
- Reduced power consumption /T of cement to 72.9 in Q2 FY13 from 74.1 in Q2 FY12



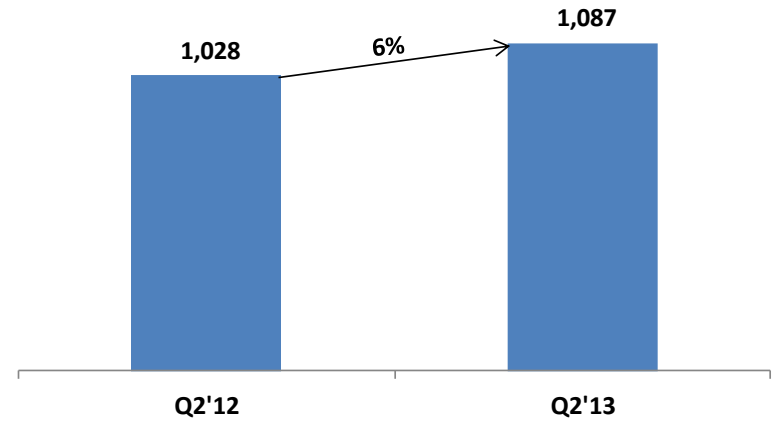
Improved Profitability



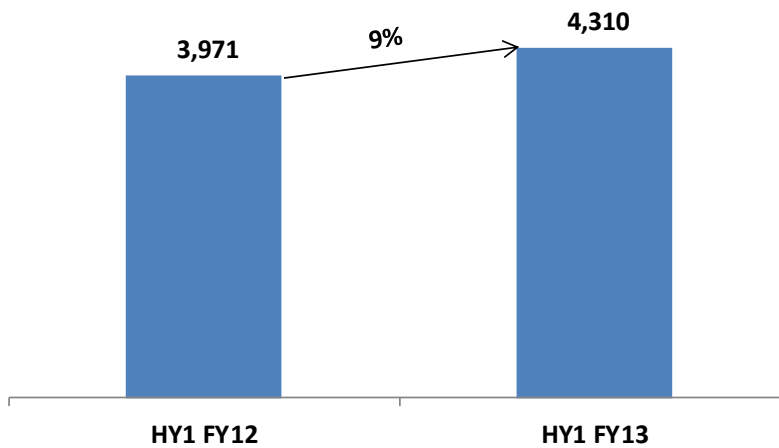
Net Sales Realization Rs./ton- Q2'13 vs Q2'12



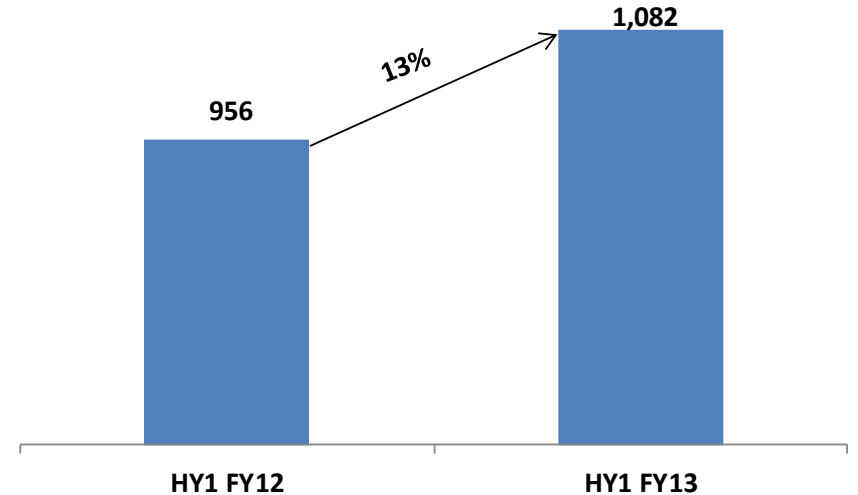
EBITDA Rs./ton- Q2'13 vs Q2'12



Net Sales Realization Rs./ton- HY1'13 vs HY1'12



EBITDA Rs./ton- HY1'13 vs HY1'12



Previous period numbers have been reclassified/regrouped as per current period groupings

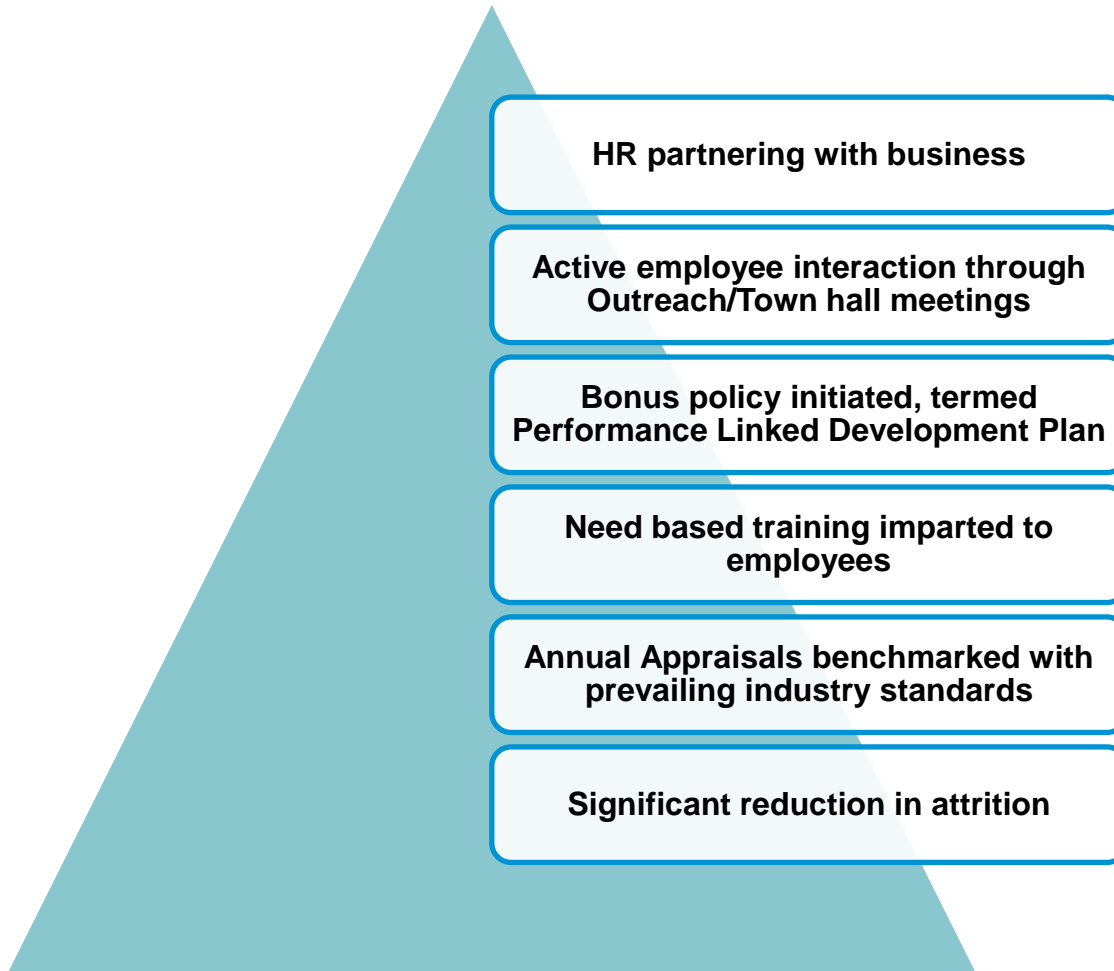


Award for Excellence in Energy Management





Human Resource Initiatives





Corporate Social Responsibility Initiatives



Highlights of the Quarter

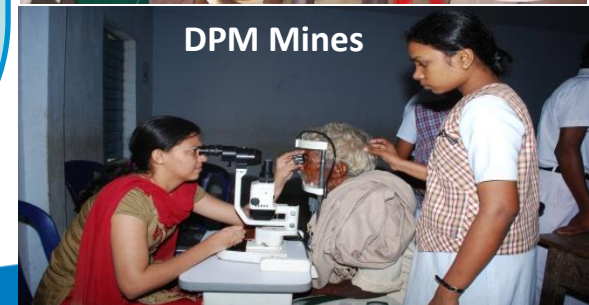
- 88 fresh beneficiaries have been given micro loans from CSR programme for buying cows. Historically, they have earned Rs. 1,500 to Rs. 4,000 in incremental income as an outcome.
- Our collaboration with NABARD resulted in an approved leverage of Rs. 11.5 Lakhs and 23 beneficiaries got loans for buying cows.
- 25 fresh beneficiaries trained for tailoring in Kadapa. The first batch of 25 earning average of Rs. 1,000 per month.
- Livelihood Business Units started by CSR programmes – garment making, candle making, palm-leaf based bags/ covers and music band – have served orders worth Rs 1.4 Lakh with 68 beneficiaries during the quarter. Income in the range of Rs. 400-Rs.2,000 per month for each beneficiary.
- 872 children are undergoing regular immunization programme.
- 186 Women part of regular pregnancy and post pregnancy care.
- 120 school children recognized with merit certificates and prizes in Ariyalur and DPM.
- 1183 new beneficiaries covered under medical camps.
- *New Location Belgaum:* Health programme has benefited 400 people and 20 farmers have been trained on agricultural inputs with a target to reach 1,000 farmers. It's a 16th Month programme started in Aug, 2012.



Natham, DPM



Belgaum



DPM Mines



Financial Results



Consolidated Result Highlights



Income

	Q2 FY13	(YoY%)	HY1 FY13	(YoY%)
• Gross Sales :	Rs. 766 cr;	↑ 13%	Rs. 1,493cr;	↑ 18%
• Net Sales :	Rs. 671cr;	↑ 12%	Rs. 1,314 cr;	↑ 17%

Profits

	Q2 FY13	(YoY%)	HY1 FY13	(YoY%)
• EBITDA :	Rs. 174 cr;	↑ 7%	Rs. 337 cr;	↑ 19%
• Consol Net Profit :	Rs. 69 cr;	↑ 29%	Rs. 142 cr;	↑ 53%

Margins

	Q2 FY13	HY1 FY13
• EBITDA :	26%	26%
• PAT :	10%	10%

- Improved profitability on account of higher realizations
- OCL contributes Rs.13 cr and Rs.43 cr to the total profits of the qtr and YTD respectively.



Q2 FY13 Results-Businesswise



Period ending (Rs In crores)	Q2 FY13				Q2 FY12			
	Cement	Others	Inter Segment	Total	Cement	Others	Inter Segment	Total
Gross Sales	741	60	(36)	766	734	49	(39)	745
Net Sales	651	55	(36)	671	578	49	(26)	601
Operating Other Income	-	-	-	-	-	-	-	-
Total Income	651	55	(36)	671	578	49	(26)	601
Operating Expenses	491	42	(36)	497	432	33	(26)	439
EBITDA	160	13	-	174	147	16	0	162
EBITDA Margins %	25%	24%	0%	26%	25%	32%	0%	27%
Other Income				24				27
Depreciation				45				44
EBIT				152				145
Finance Cost				42				43
Exceptional Items				-				-
Tax Provision				43				39
Net Profit/(Loss)				68				64
Share of Profit in Associates				13				(2)
Minority Interest				11				8
Consolidated Net Profit/(Loss)				69				54
PAT Margin %				10%				9%

** Previous period numbers have been reclassified/regrouped as per current period groupings*



HY1 FY13 Results-Businesswise



Period ending (Rs In crores)	HY1 FY13				HY1 FY12			
	Cement	Others	Inter Segment	Total	Cement	Others	Inter Segment	Total
Gross Sales	1,442	118	(67)	1,493	1,224	94	(50)	1,268
Net Sales	1,267	113	(67)	1,314	1,082	94	(50)	1,126
Other Operating Income	-	-	-	-	-	-	-	-
Total Income	1,267	113	(67)	1,314	1,082	94	(50)	1,126
Operating Expenses	958	86	(67)	977	828	65	(50)	843
EBITDA	310	28	-	337	254	29	0	283
EBITDA Margins %	24%	24%	0%	26%	24%	31%	0%	25%
Other Income				39				48
Depreciation				89				88
EBIT				287				243
Finance Cost				85				80
Exceptional Items				-				-
Tax Provision				80				67
Net Profit/(Loss)				122				96
Share of Profit in Associates				43				9
Minority Interest				22				13
Consolidated Net Profit/(Loss)				142				93
PAT Margin %				10%				8%

** Previous period numbers have been reclassified/regrouped as per current period groupings*



Key Balance Sheet Parameters



(Rs. in Crore)	30-Sep-12
Share Capital	16
Reserves & Surplus	3,045
Minority Interest	511
Debt*	2,738
Term Loans	1,559
Soft Loans	328
Working Capital	851
Deferred Tax	106
Other Liabilities	619
Total	7,036
Fixed Assets	4,183
Investments	614
Cash and equivalents	688
Other Assets	1,552
Total	7,036
Net Debt to Equity	0.6

- Consolidated Net worth at Rs. 3,572 cr
- Net Debt stands at Rs. 2050 cr

* Also Includes Adhunik Cement debt of ~Rs. 520 cr

Term loan debt for Adhunik amounts to Rs.343 cr, of which Rs.87 cr is payable in next one year



Cement Business



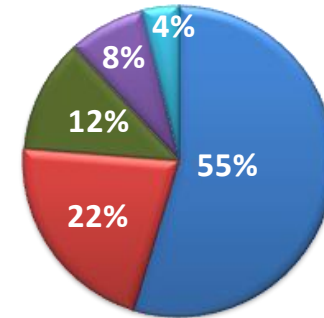
Cement Operating Metrics



Volumes ('000 T)	Q2 FY13	Q2 FY12	YoY%
Production	1,505	1,426	6%
Sales	1,476	1,426	3%

Volumes ('000 T)	HY FY13	HY FY12	YoY%
Production	2,878	2,665	8%
Sales	2,863	2,663	8%

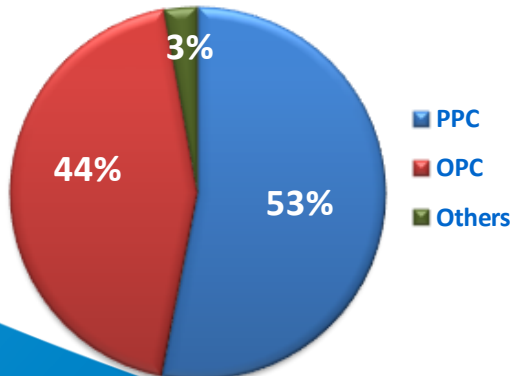
Geographic Mix HY1 FY13



■ Tamil Nadu ■ Kerala ■ Karnataka ■ AP ■ Others

CC Ratio : 1.26x

Product Mix HY1 FY13



Per Tonne Analysis (Rs/T)	Q2 FY13	Q2 FY12	YoY%
Net Sales Realization	4,291	4,016	7%
EBITDA	1,087	1,028	6%

Per Tonne Analysis (Rs/T)	HY FY13	HY FY12	YoY%
Net Sales Realization	4,310	3,971	9%
EBITDA	1,082	956	13%

Significant growth in realizations & EBITDA

Capacity Additions & Pricing



Installed Capacity (MnT) Q2 FY 13 Commissioned during FY13

• All India	:	344	8.6
• South	:	155	5.6
• East	:	51	0

Total Capacity additions for FY 13 : 8.6 MnT



Pricing

Q2 FY13

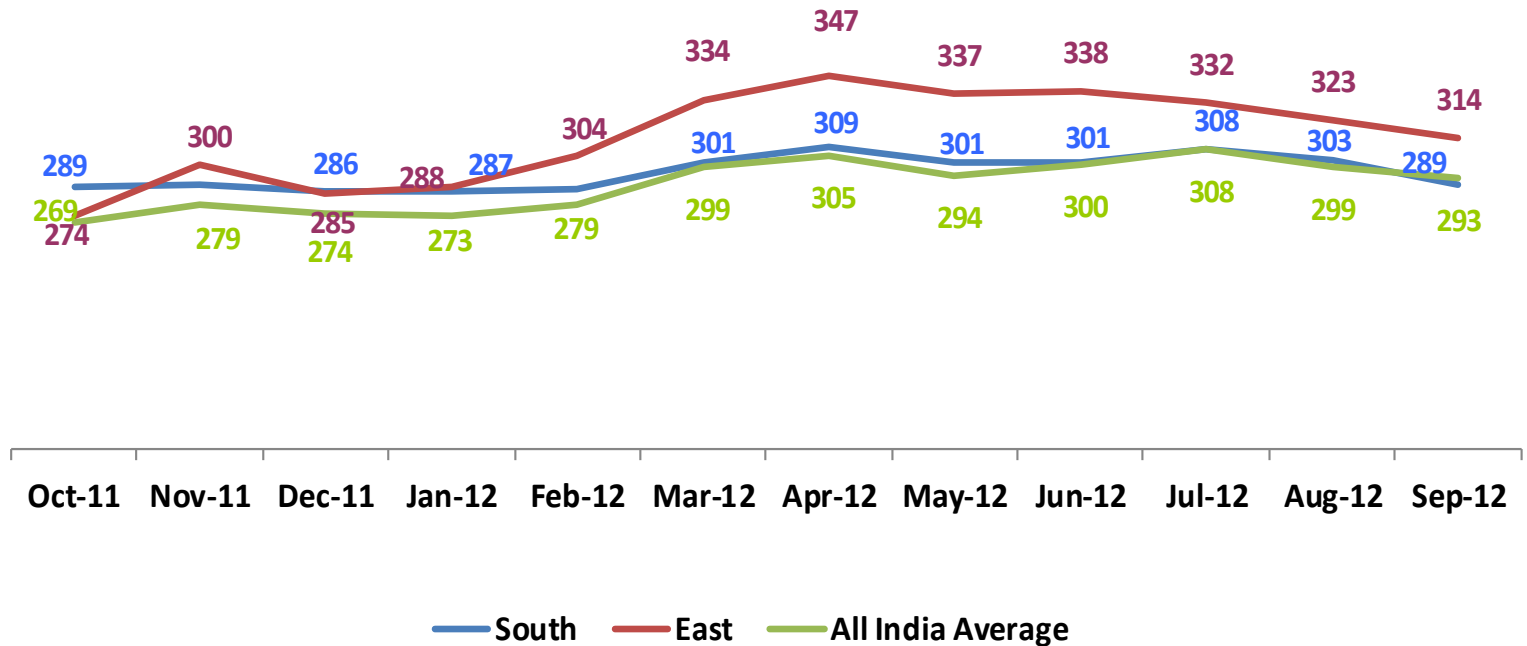
	(Q-O-Q)	(Y-O-Y)	(Y-T-D)
• All India	0%	20%	11%
• South	-1%	5%	5%
• East	-5%	33%	22%



Cement Price Trend- Q2 FY13



Rs./Bag



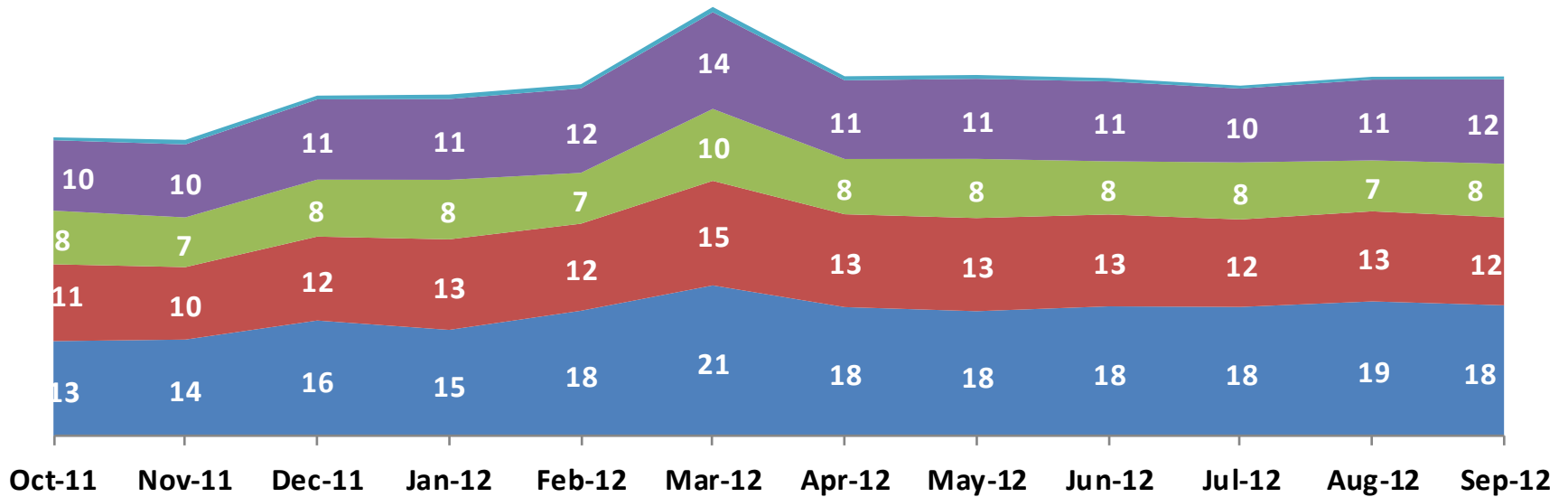
Southern markets witnessed mild softening of Prices during the quarter.



Southern Region- Monthly cement demand



■ T.N (Pondy & A.N) ■ Karnataka ■ Kerala ■ Andhra Pradesh ■ Goa

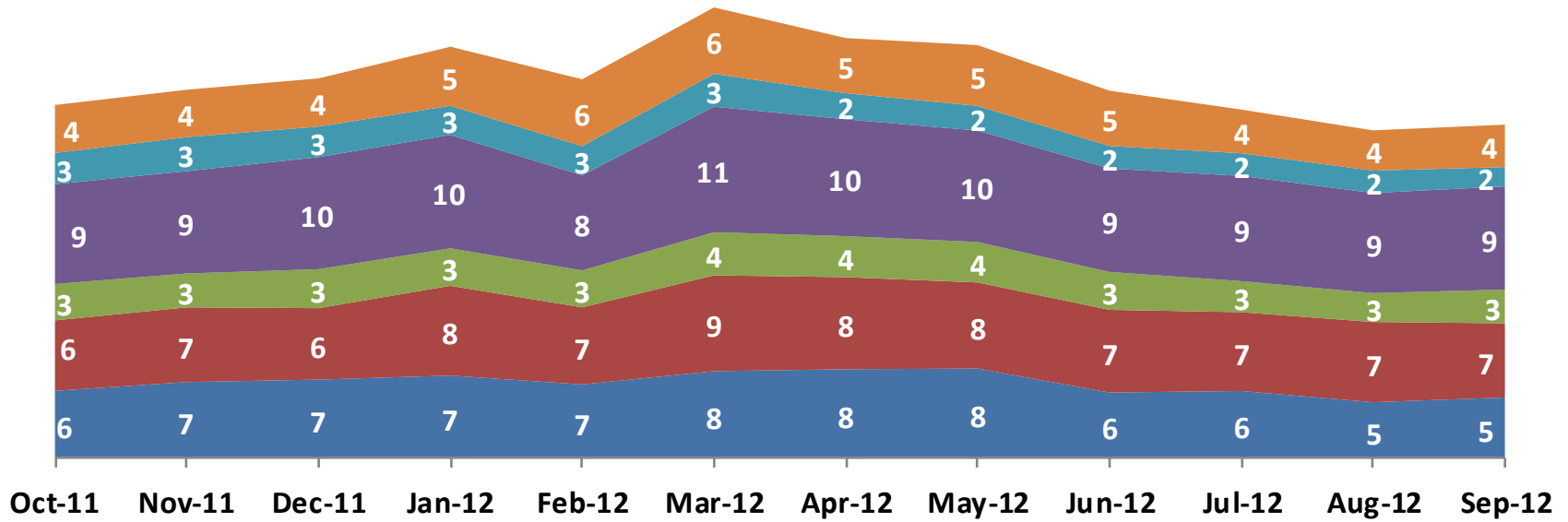




Eastern Region- Monthly cement demand

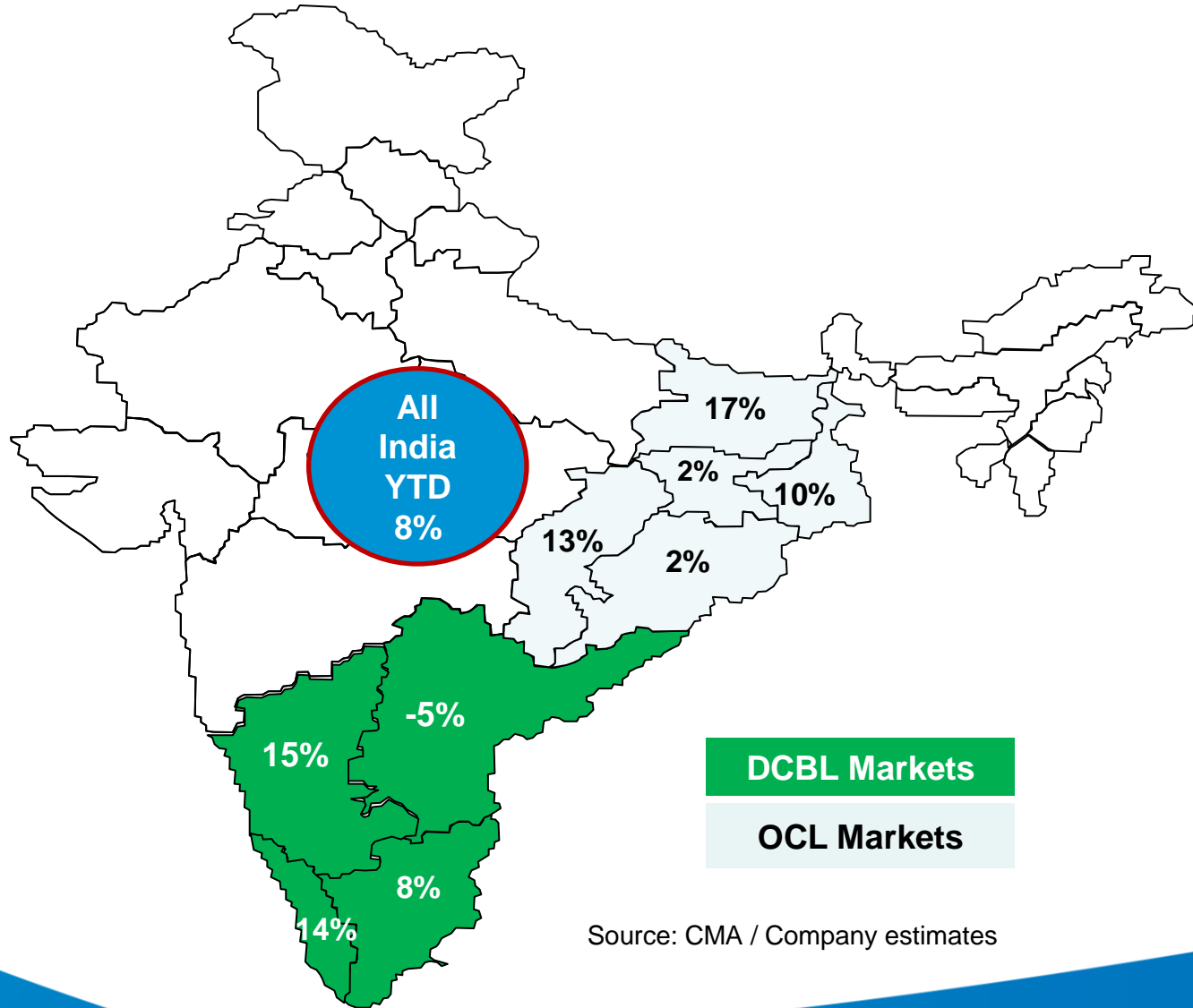


■ Orissa ■ Bihar ■ Jharkhand ■ W. Bengal ■ NE states ■ Chattisgarh





YTD Demand Scenario in Key South & Eastern Markets



Source: CMA / Company estimates



Capacity Addition in Key Markets



Capacity Additions during Q2 FY13

States	Opening	Additions	YTD Closing
TN	34.5	-	34.5
Karnataka	19.5	-	19.5
AP	77.9	-	77.9
Maharashtra	21.7	0.6	22.3
Kerala	0.6	-	0.6
South	154.2	0.6	154.8
East	51.3	-	51.3
All India	343.5	0.6	344.1

Capacity Additions - FY'13 - FY'15

States	Opening	Additions	Closing	% of Total Additions
TN	34.5	-	34.5	
Karnataka	19.5	14.8	34.3	24%
AP	72.8	5.0	77.8	8%
Maharashtra	21.7	3.6	25.3	6%
Kerala	0.6	-	0.6	
South	149.2	23.4	172.6	38%
East	51.3	13.2	63.3	21%
All India	335.5	62.2	396.5	100%

8.6 Mnt Capacity already commissioned till date in FY13. Wonder cement (3); Jaypee (5) and Reliance (0.6) Mnt.

Source: Company Estimates



Peer Comparison



	Sales Volumes		
	HY1 FY13	HY1 FY12	YoY %
Dalmia	2,863	2,663	8%
OCL	1,613	1,642	-2%
Chettinad	2,885	2,404	20%
Madras Cement	4,182	3,512	19%
Heidelberg Cement	1,428	1,341	6%
Ultratech	19,900	19,100	4%
Ambuja	10,390	9,980	4%
India Cement	4,909	4,770	3%
ACC	11,480	11,620	-1%

Southern players outperformed national players



OCL Financial Results



OCL Q2 FY13 Results – Business wise



Period ending	Q2 FY13			Q2 FY12			YoY%		
	Cement	Refractory	Total	Cement	Refractory	Total	Cement	Refractory	Total
Rs Crores									
Net Sales	330	81	411	256	83	339	29%	-2%	21%
Other Operating Income	1	1	2	1	1	1	126%	20%	69%
Total Income	331	82	413	257	84	340	29%	-2%	21%
Operating Expenses	251	78	329	236	78	314	6%	0%	5%
EBITDA	80	5	84	20	6	26	290%	-22%	220%
EBITDA Margins %	24%	6%	20%	8%	7%	8%			
Other Income			9			10			-9%
Depreciation			35			30			17%
EBIT			58			6			834%
Interest			20			17			14%
Tax Provision			11			(7)			253%
Net Profit/(Loss)			28			(4)			762%
PAT Margin %			7%			-1%			



OCL HY FY13 Results – Business wise



Period ending	HY FY13			HY FY12			YoY%		
	Cement	Refractory	Total	Cement	Refractory	Total	Cement	Refractory	Total
Rs Crores									
Net Sales	744	144	888	554	143	697	34%	1%	27%
Other Operating Income	2	2	5	2	1	3			
Total Income	746	146	893	556	144	700	34%	2%	28%
Operating Expenses	526	138	664	463	138	601	14%	0%	10%
EBITDA	220	8	229	93	6	99	137%	43%	132%
EBITDA Margins %	30%	6%	26%	17%	4%	14%			
Other Income			14			17			-19%
Depreciation			69			57			21%
EBIT			174			59			195%
Interest			40			34			16%
Tax Provision			40			4			909%
Net Profit/(Loss)			94			21			355%
PAT Margin %			10%			3%			



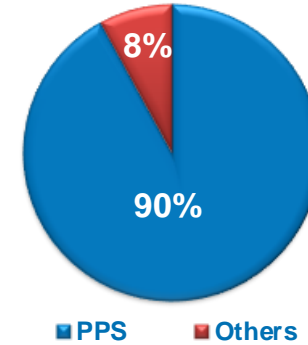
OCL – Operating Metrics



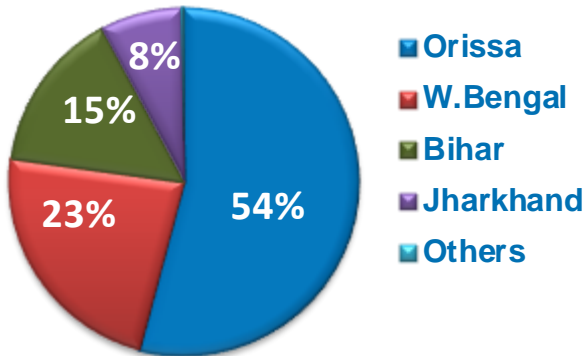
Volumes ('000 T)	Q2'13	Q2'12	YoY%
Cement			
Production	740	755	-2%
Sales	768	807	-5%
Refractory			
Production	16	18	-14%
Sales	18	23	-22%

Per Tonne Analysis (Rs./T)	Q2'13	Q2'12	YoY%
Cement			
Sales Realizations	4,290	3,175	35%
EBITDA	1,036	253	309%
Refractory			
Sales Realizations	46,095	36,482	26%
EBITDA	2,603	2,591	0%

C:C ratio : 2.03
Product Mix HY1 FY13



Geographic Mix HY1 FY13



Volumes ('000 T)	HY FY13	HY FY12	YoY%
Cement			
Production	1,658	1,590	4%
Sales	1,613	1,641	-2%
Refractory			
Production	32	35	-8%
Sales	33	41	-18%

Per Tonne Analysis (Rs./T)	HY FY13	HY FY12	YoY%
Cement			
Sales Realizations	4,611	3,375	37%
EBITDA	1,367	566	141%
Refractory			
Sales Realizations	43,326	35,194	23%
EBITDA	2,471	1,413	75%



Key Balance Sheet Parameters



(Rs. Crs)	As on 30th Sep, 2012	
Equity Capital		11
Reserves & Surplus		1,043
Debt		756
Long Term	590	
Working Capital Loan	166	
Deferred Tax		129
Total		1,939
Net Fixed Assets		1,169
Investments		-
Cash & Equivalents		358
Net Current Assets		412
Total		1,939
Net Debt to Equity		0.4

Net Debt stands at Rs. 398 cr



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thankyou