

Adani set to cement Holcim assets' deal for ₹81,000cr

Largest M&A For The Group

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Mumbai: In his largest-ever M&A, Gautam Adani is all set to pay \$10.5 billion (about Rs 81,360 crore) to buy Switzerland-based Holcim's India assets—Ambuja Cements and ACC, giving the Ahmedabad-based billionaire a foothold in the construction materials market.

Last year, Adani incorporated entities for a play in the cement sector and has been weighing several options including mergers and acquisitions.

The Ambuja Cements-ACC deal will transform Adani, the head of the eponymous infrastructure conglomerate, into a sizeable player in India's cement sector, where commodities king Kumar Mangalam Birla's UltraTech is placed in the top slot. Of the total 540 million tonnes annu-

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Gautam Adani | ADANI GROUP CHAIRMAN



al capacity in India—the world's second-largest cement market after China—UltraTech accounts for 117 million tonnes, while Ambuja Cements-ACC is at 70 million tonnes. Holcim owns 63.11% in Ambuja Cements and 54.53% in ACC—the twin assets through which it entered India in 2005.

Adani, in line with India's M&A rules, will make an open offer to acquire an additional 26% stake in the two publicly-traded companies. The value for the Holcim stake and open offer consideration for Ambuja Cements and ACC is \$10.5 billion, the Indian conglomerate said. Adani has offered Rs 385 for a share

of Ambuja Cements and Rs 2,300 apiece for ACC. The offer prices are at a premium to Ambuja Cement's and ACC's Friday closing prices of Rs 359 and Rs 2,114 on the BSE.

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offshore special purpose vehicle.

A first-generation entrepreneur with a net worth of about \$100 billion, according to the Bloomberg Billionaires Index, 59-year-old Adani has been expanding his empire beyond logistics, energy and agribusiness into newer areas such as data centres, steel, petrochemicals and digital.

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Holcim deal expected to be concluded by H2

► Continued from P1

Ambuja Cements-ACC has a combined footprint of 31 manufacturing sites and 78 ready-mix concrete plants with 10,700 people across India. The deal, subject to local authorities approval, is expected to be concluded by the second half of this year. "I am delighted that the Adani Group is acquiring our business in India to lead its next era of growth," said Holcim's global CEO Jan Jenisch. Holcim is selling the India cement business as part of its strategy to exit non-core markets. It has sold its businesses in Zambia, Malawi and Brazil in recent months as it looks to focus on new construction business outside of the traditional cement play.

With India's cement consumption at just 242 kg per capita, as compared to the global average of 525 kg per

2ND-BIGGEST CEMENT CO BY CAPACITY

What Adani gets |

- Holcim's **63.2%** stake in Ambuja Cements, **4.5%** in ACC and Ambuja's **50.1%** in ACC
- Ambuja's and ACC's 23 mfg units; 14 grinding stations and 80 ready-mix concrete plants

- **Gautam Adani** has a huge need for cement as he looks to build infrastructure structures across the country. The group had incorporated cos for a cement foray



The new pecking order: Ambuja and ACC have a combined annual capacity of **70mn tonnes**, second only to Birlas' UltraTech, which has a capacity of **117mn tonnes**

capita, there is significant potential for the growth of the cement sector in India, Adani Group said. The tailwinds of rapid urbanisation, the growing middle-class and affordable housing cou-

pled with the post-pandemic recovery in construction and other infrastructure sectors are expected to continue driving the growth of the cement sector over the next several decades, it added.