



THE RAMCO CEMENTS LIMITED

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Corporate Identity Number: L26941TN1957PLC003566

1 August 2022

National Stock Exchange of India Limited,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (E),
Mumbai – 400 051.

Scrip Code: RAMCOCEM

BSE Limited,
Floor 25, "P.J.Towers",
Dalal Street,
Mumbai – 400 001.

Scrip Code: 500260

Dear Sirs,

Sub: Investor Presentation

Pursuant to Regulation 30, read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose a copy of the Presentation on the performance of the Company for the quarter ended 30.06.2022, being shared at the Investors' Meets.

Thanking you,

Yours faithfully,

For **THE RAMCO CEMENTS LIMITED,**

K. Selvanayagam
K.SELVANAYAGAM
SECRETARY

Encl : As above

SOA



The Ramco Cements Limited

Firm & Focussed

Investor Update

Q1FY23

Contents

01 Overview

02 Market update

03 Sales & Capacity Utilization

04 Key Performance

05 Income Statement & Analysis

06 Key Ratios

07 Capex update

08 ESG update



Overview of Economy

- India's GDP growth for FY23 is projected at 7.4%, with risks tilted to the downside
- Repo Rate increased by 90 bps in the preceding two months; However, it remains below pandemic level
- Rupee depreciated by 8% against USD since Jan 2022

Positives

- Robust demand from rural housing; Government's growing impetus on infrastructure development, evident from rising public spending
- 'PM Gati Shakti – National Master Plan (NMP)' launched for multi-modal connectivity to bring synergy for creation of world-class, seamless multimodal transport in India
- High allocation for infrastructure, affordable housing schemes and road projects to fuel the economy, under Budget 2022-23
- Commodity inflation is moderating; Ease of pet coke prices is a respite for cement manufacturers

Watch outs

- Commodity price stability given the geopolitical uncertainty and international supply chain bottlenecks
- Impact of inflationary pressure on cement demand has been limited so far, but downside risks will rise if macroeconomic conditions deteriorate significantly

Market update for Q1FY23

South

- ✓ Demand from Individual housing & Infra picked up
- ✓ Weak prices prevailed during the quarter
- ✓ Price increase to cover cost push could not sustain
- ✓ Share of premium products are growing steadily

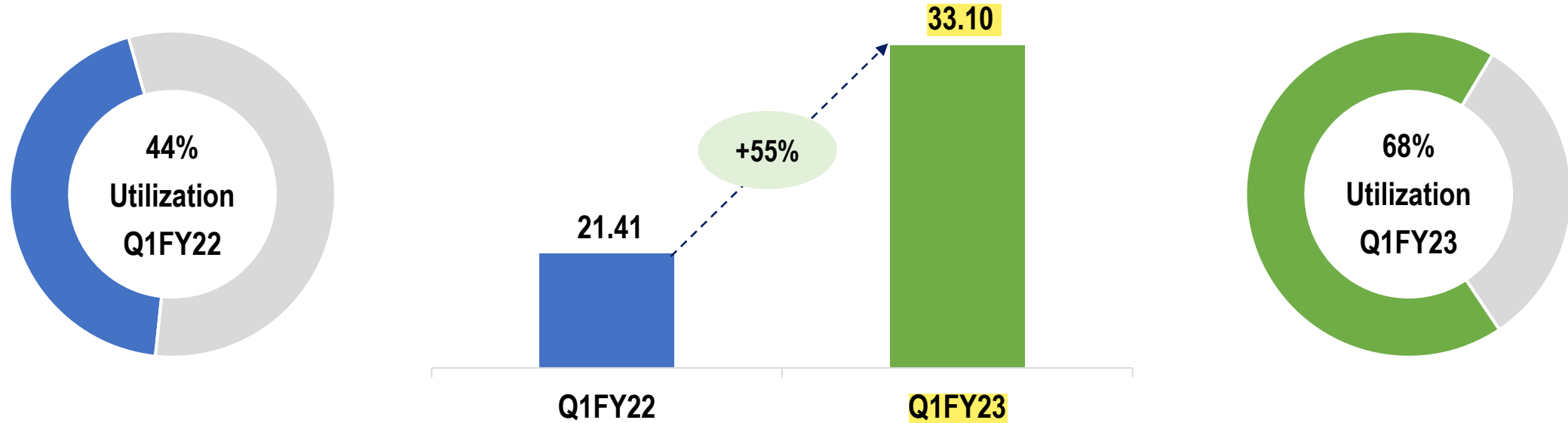
East

- ✓ Demand from Individual housing remained flat
- ✓ Demand from Infra / Commercial segment have grown
- ✓ Demand subdued in NE markets due to heavy monsoon
- ✓ Price increase to cover cost push could not sustain
- ✓ Weak prices prevailed during the quarter

**Company's strategy of right cement for right applications yielded positive results.
The company continue to focus on this to make its brand more stronger**

Cement Sales & Capacity utilization

Cement Sales (Lac Tons)



- ✓ Share of Premium products stands at 24% for Q1FY23
- ✓ Sales Volume was lower in Q1FY22 on account of CoVID related lock downs

Continued focus on Right product for right application



Ramco Supercrete

High early strength with high durability and engineered for crack resistant and high strength concrete suitable for even critical structures



Ramco Supergrade

High durability with high resistance to chloride and sulphate suitable for ordinary and standard concrete, and plastering



OPC 43 Infra

High early strength concrete with low heat of hydration and high slump retention generally used for structures like nuclear power projects



OPC 53 Infra

For infra projects like tunnels, bridges, flyovers, & pre-stressed concrete applications which requires concrete with high slump retention



OPC 43 Grade

For high early strength concrete providing quick set suitable for cement sheet manufacturing



OPC 53 Grade

For high early strength concrete suitable for high rise residential buildings, flyovers, runways



Ramco Super Steel

For high early strength concrete with smoother finish and for plastering with low heat of hydration and corrosion resistance



Ramco Super Fast

Faster hardening cement with high early strength and better finish for manufacturing hollow blocks, solid blocks, paving blocks and other precast items



Ramco Supercoast

For Progressive high strength concrete with sulphate resistance suited for harbours, ports, docks and dams exposed to saline & polluted water



Ramco Samudra

For corrosion resistance with enhanced durability under aggressive conditions suited for construction exposed to sea water & ETP



Ramco Superfine EFC

For high durability concrete providing superior finish suitable for standard concrete



Karthik Super Plus

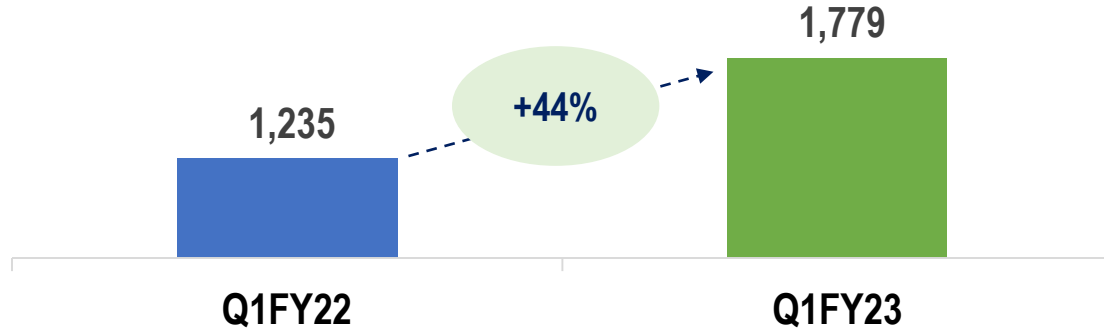
High durability concrete with good workability suitable for concrete applications and smoother finish with plastering

Key Performance for Q1FY23

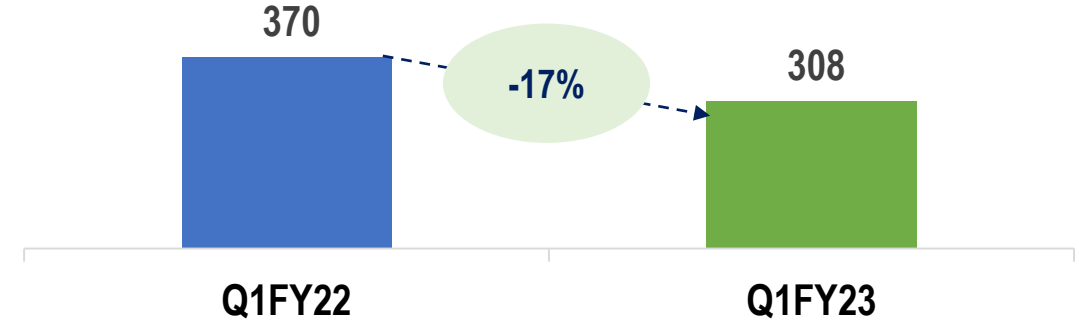
₹ in Crores



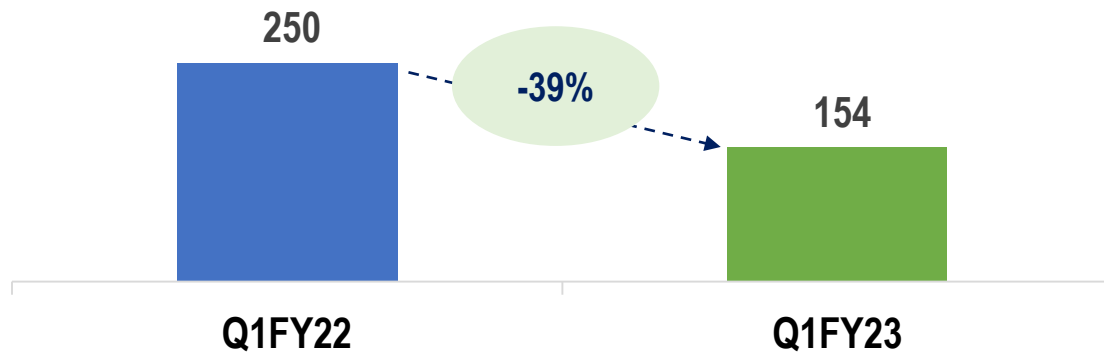
Revenue



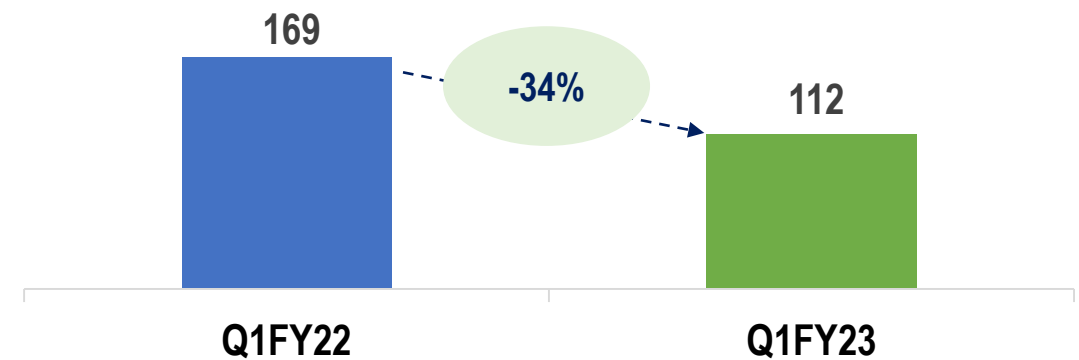
EBITDA



Profit Before Tax



Profit After Tax



- ✓ Variable Cost have gone up due to sharp fuel price increase
- ✓ Cement price increase was insufficient to cover fuel cost push
- ✓ Effective tax rates reduced due to adoption of new tax regime

- ✓ Delivered strong volume growth during Q1FY23 amid weak cement prices
- ✓ Finance cost increased due to commissioning of clinkering unit in JPM Line III

Income Statement for Q1FY23

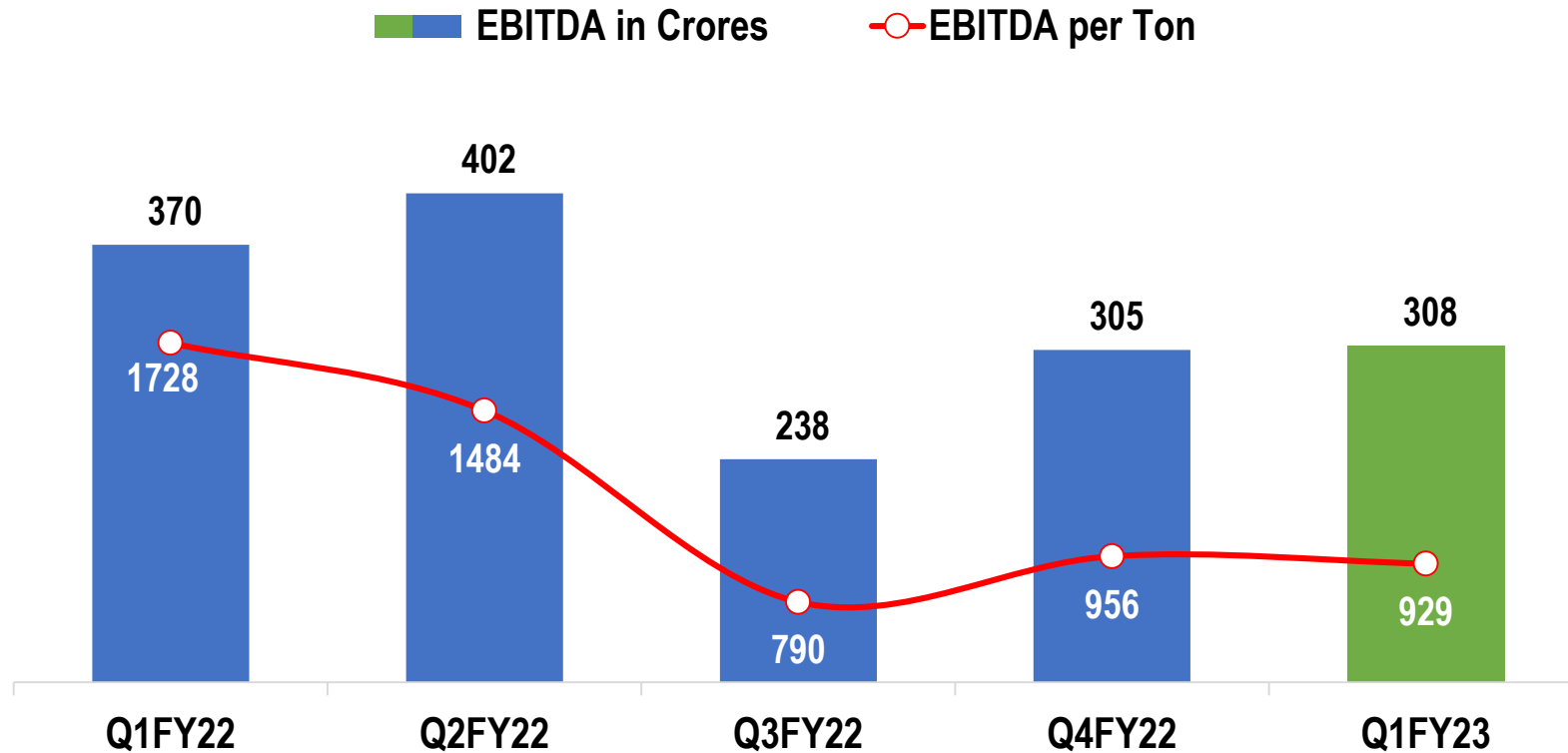
₹ in Crores



Standalone			Particulars	Consolidated		
Q1FY23	Q1FY22	Variance %		Q1FY23	Q1FY22	Variance %
1,779.39	1,234.67	44% ▲	Revenue	1,785.64	1,239.99	44% ▲
1,471.83	864.66	70% ▲	Less: Operating Expenses	1,476.30	868.22	70% ▲
307.56	370.01	17% ▼	EBITDA	309.34	371.77	17% ▼
47.48	24.30	95% ▲	Less: Finance Costs	47.48	24.30	95% ▲
106.38	95.61	11% ▲	Less: Depreciation	106.81	95.94	11% ▲
153.70	250.10	39% ▼	Profit Before Tax	155.05	251.53	38% ▼
18.86	43.70	57% ▼	Less: Current Tax Expenses	19.35	43.89	56% ▼
22.57	37.42	40% ▼	Less: Deferred Tax Expenses	22.43	37.62	40% ▼
112.27	168.98	34% ▼	Profit After Tax	113.27	170.02	33% ▼
111.83	168.94	34% ▼	Total Comprehensive Income	110.01	171.95	36% ▼

Subsidiaries

Ramco Windfarms Limited			Particulars	Ramco Industrial & Technology Services Ltd		
Q1FY23	Q1FY22	Variance %		Q1FY23	Q1FY22	Variance %
4.33	3.69	17% ▲	Revenue	10.72	7.81	37% ▲
2.48	2.27	9% ▲	EBITDA	-0.03	0.19	- ▼



✓ Pet coke and coal prices have increased. Consequently, power & fuel cost has increased by ₹ 553 / ton in Q1 YoY

✓ Increase in diesel price by 11% YoY

✓ Weak prices prevailed during the quarter

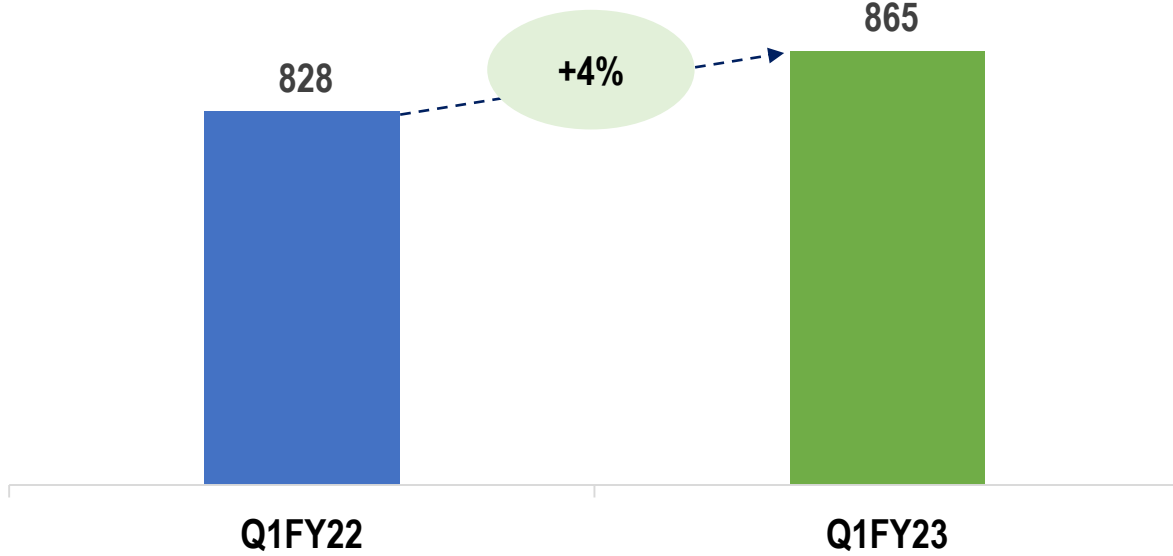
✓ Cement price increase was insufficient to cover fuel cost push

✓ Continued focus on sale of premium products

Raw materials and Logistics cost

Raw materials cost

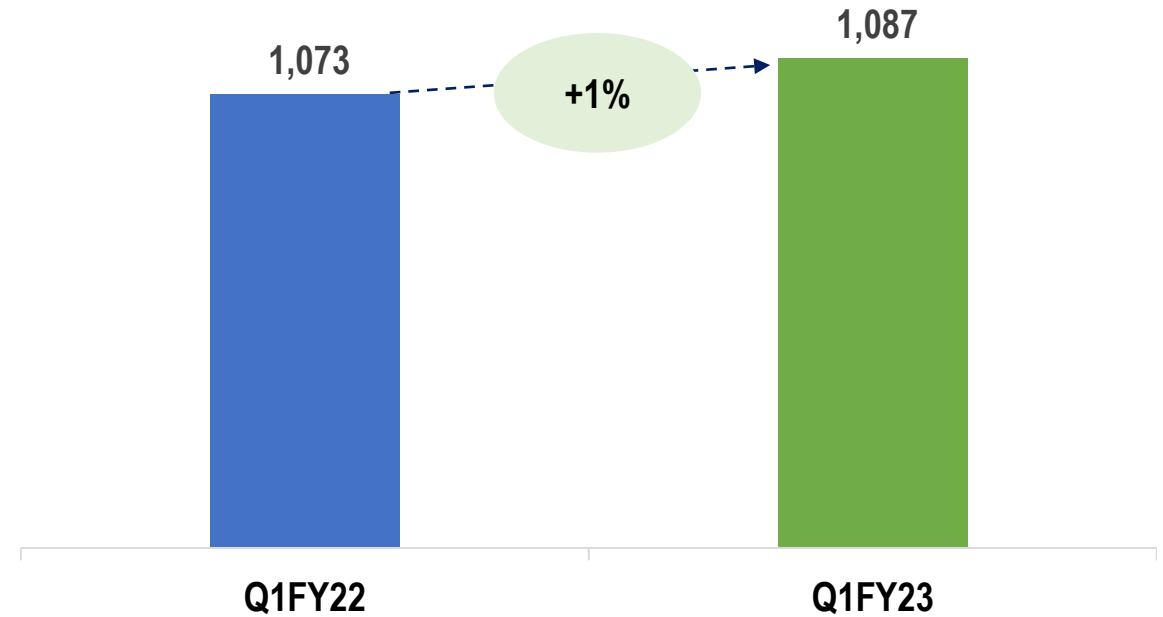
In ₹ per Ton



- ✓ Increase in diesel price pushed the cost of inbound materials

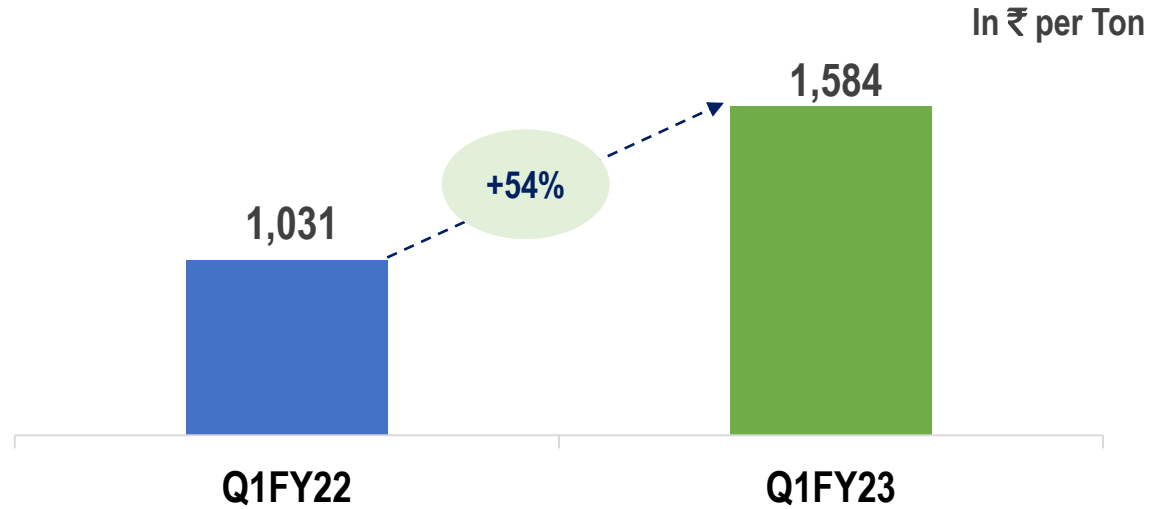
Logistics cost

In ₹ per Ton



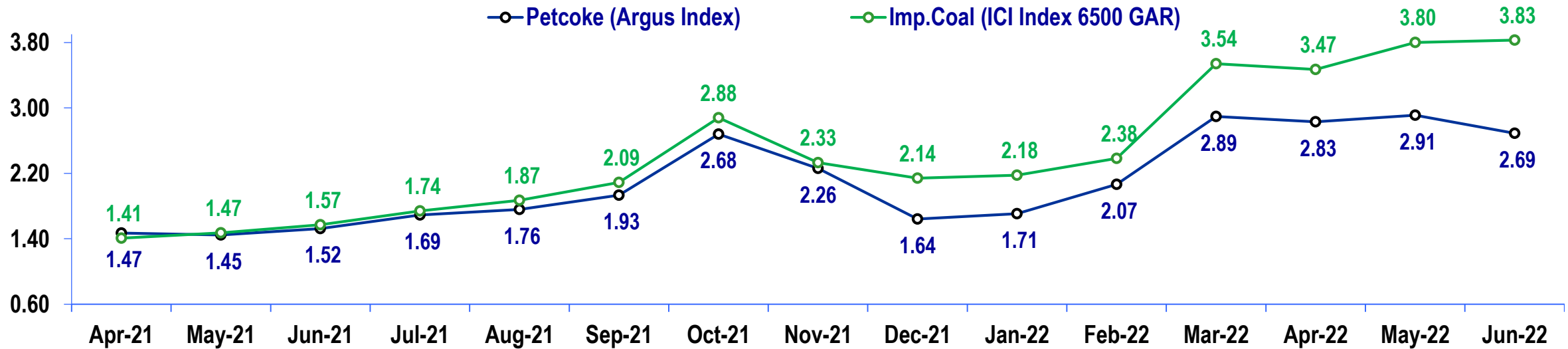
- ✓ Increase in diesel price pushed the cost of logistics cost
- ✓ Rail Co-efficient for the current quarter is 13% vs 12% YoY
- ✓ Average lead distance is 301 KMs; Down by 13% YoY

Power and Fuel Cost

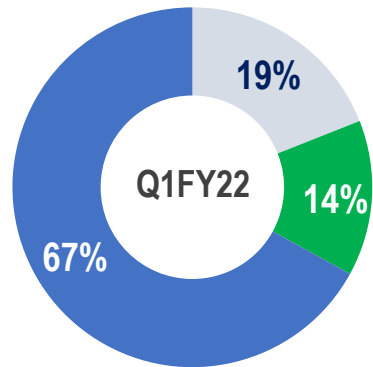


- ✓ Blended Fuel consumption per T of material for Q1FY23 is \$ 178 / T
- ✓ CIF Pet coke price peaked to \$ 242 / T in May'22
- ✓ Emphasis on increased usage of green energy
- ✓ WHRS operations in JPM helped to manage power cost better

Trend of Fuel Cost per CV based on Index price

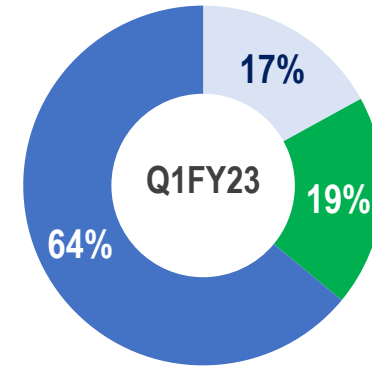


Power Mix



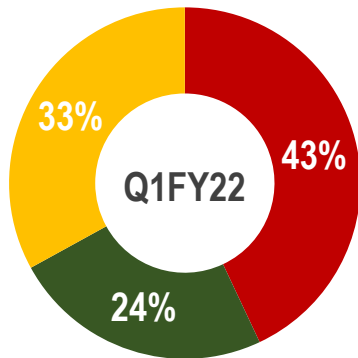
■ Grid power ■ Green Power ■ Thermal Power

Focus on Green Power



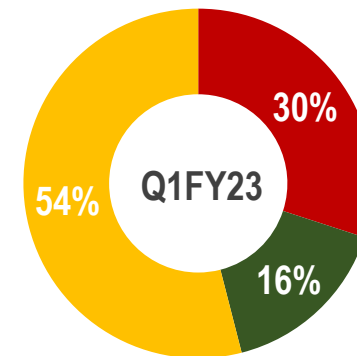
■ Grid power ■ Green Power ■ Thermal Power

Fuel Mix



■ Coal ■ Alternate Fuel ■ Pet coke

Optimum usage of fuels based on cost per CV



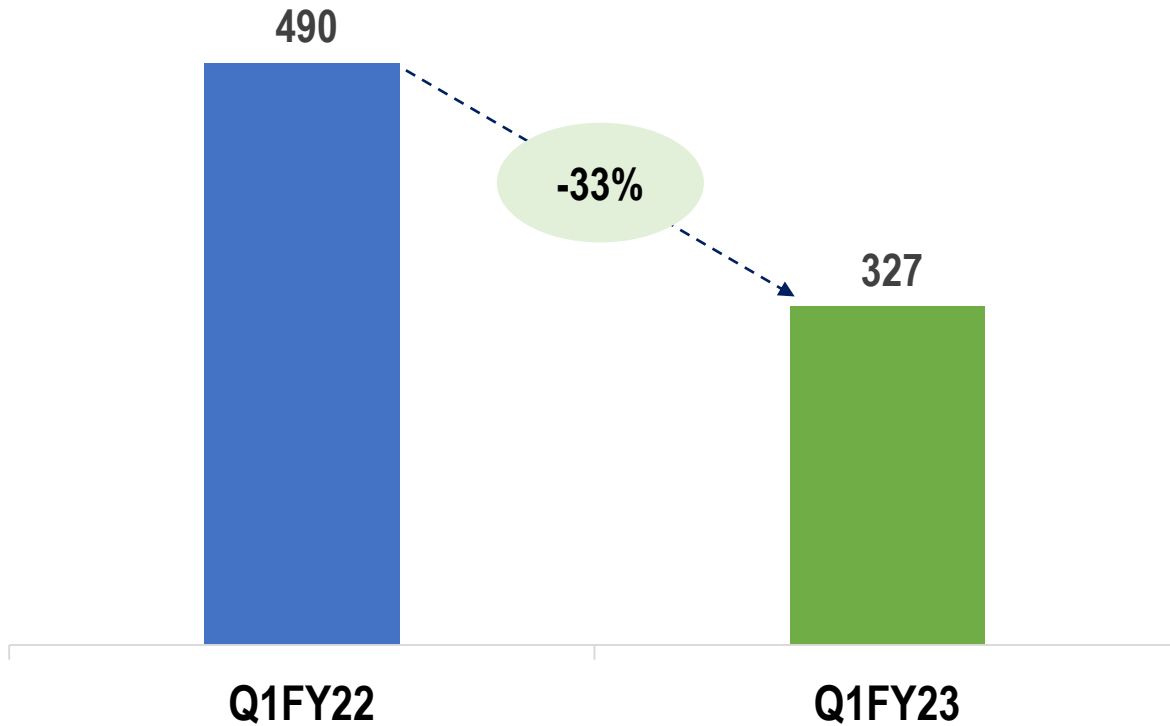
■ Coal ■ Alternate Fuel ■ Pet coke

Employee cost and Other expense



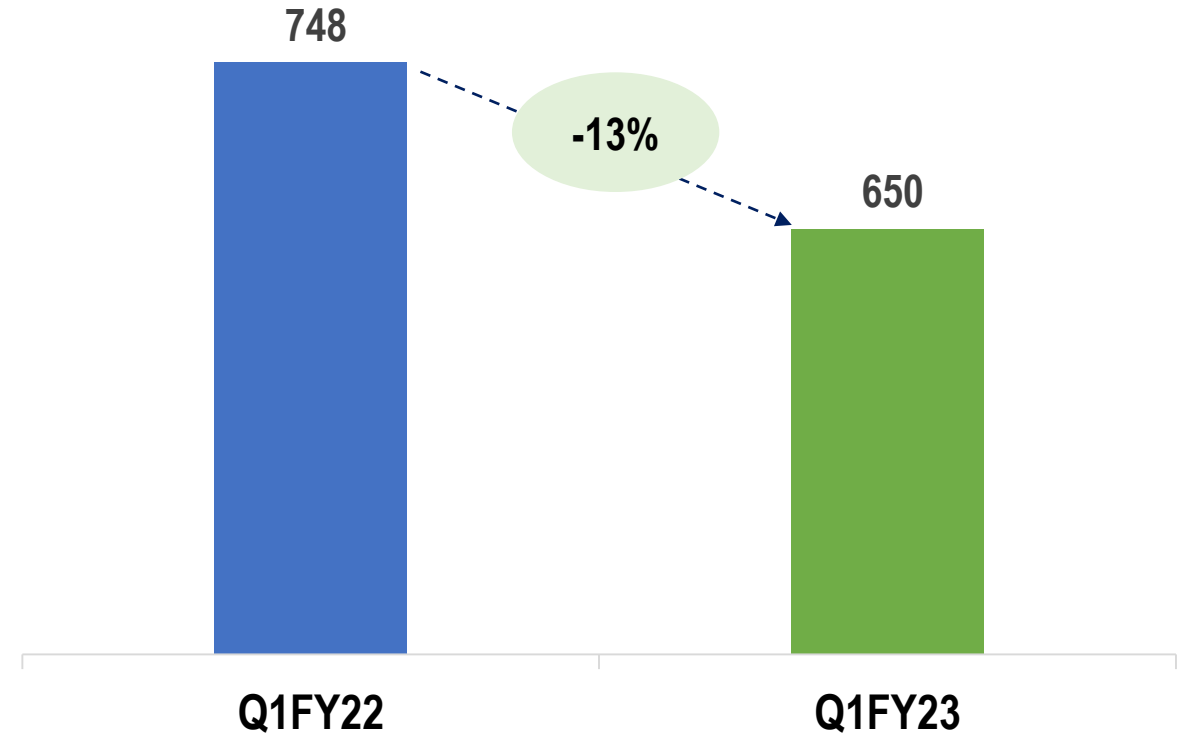
Employee cost

In ₹ per Ton



Other Expenses

In ₹ per Ton



Due to better operating leverage

Wind power

Particulars	Q1FY23	Q1FY22	Variance
Generation of Wind power (In Crore Units)	7.71	7.01	10% ▲
Revenue from Wind power (₹ in Crores)	18.77	19.39	3% ▼
Less: Operating Expenses (₹ in Crores)	5.24	5.61	7% ▼
EBITDA from Wind power (₹ in Crores)	13.53	13.78	2% ▼

- ❖ Presently, power from windfarms are partly used for captive consumption and partly sold to the grid.
- ❖ Steps are being taken to use the entire wind power in our manufacturing facilities to offset the increase in overall power cost, which also lead to usage of more green power



Key Ratios

Particulars	UOM	Q1FY23	Q1FY22
EBTIDA Ratio	%	17%	30%
PBT Ratio	%	9%	20%
PAT Ratio	%	6%	14%
EPS, Not Annualized	₹	5	7
RoE, Annualized	%	7%	12%
RoCE (Post-tax), Annualized	%	6%	8%
Debt-Equity Ratio	Multiples	0.64	0.65
Debt Service Cover Ratio, Annualized	Multiples	1.76	1.38
Interest Service Cover Ratio	Multiples	2.57	5.22
Current Ratio	Multiples	1.26	1.33

Ratios computed based on Standalone figures



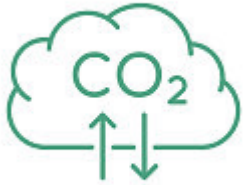
Capex update

- ✓ Trial production of Clinker in Kurnool is successful and plant operation is very smooth
- ✓ Cement grinding in Kurnool will be commissioned in Aug 2022
- ✓ WHRS capacity of 6 MW in Kurnool will be commissioned in Aug 2022; Balance 6.15 MW will be commissioned in Mar 2023
- ✓ Modernization of RRN Plant will be commissioned in Mar 2023
- ✓ Expansion of Dry Mortar Plant: 2 units will be commissioned in 2022-23 & remaining 2 units will be commissioned in 2023-24



Capex spent during Q1FY23: ₹ 482 Crores

CO₂ Emission



587 Kg / T of Cement

Blended Cement



74%

Water Positive



2x

Green energy



19%

CSR



1,20,000 + Beneficiaries

Firm and Focussed belief for a sustainable future



Disclaimer



This communication, except for the historical information, may contain statements which reflect the Management's current views and estimates and could be construed as forward looking statements. The future involves certain risks and uncertainties that could cause actual results to differ materially from the current views being expressed. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange and commodity price fluctuations, competitive product and pricing pressures, regulatory changes, economic developments within India and other 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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