



SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2022-23

11th May 2022

The National Stock Exchange of India Ltd.,
"Exchange Plaza", 5th Floor
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400 051

The Secretary
BSE Limited
P J Towers
Dalal Street
Mumbai – 400 001

Symbol: SAGCEM
Series: EQ

Scrip Code: 502090

Dear Sirs

Press Release regarding audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2022

Further to our letter of date, we are sending herewith a copy of the Press Release being issued by us following the announcement of our audited financial results for the quarter and year ended 31st March 2022.

Thanking you

Yours faithfully
For Sagar Cements Limited



R. Soundararajan

Company Secretary

Encl: a.a.



Registered Office : Plot No. 111, Road No. 10, Jubilee Hills, Hyderabad - 500033, Telangana, India.

Phone : +91-40-23351571, 23356572 Fax : +91-40-23356573 E-mail : info@sagarcements.in Website : www.sagarcements.in

CIN : L26942TG1981PLC002887 GSTIN : 36AACCS8680H2ZY

Factories : Mattampally, Via Huzurnagar, Suryapet-District, Telangana - 508204. Phone : 08683 - 247039 GSTIN : 36AACCS8680H1ZZ

Bayyavaram Village, Kasimkota Mandal, Visakhapatnam District, Andhra Pradesh - 531031. Phone : 08924-244550 Fax : 08924-244570 GSTIN : 37AACCS8680H1ZX

Gudipadu Village and Post, Yadiki Mandal, Ananthapur District, Andhra Pradesh - 515408. Phone: 08558-200272 GSTIN : 37AACCS8680H1ZX



Sagar Cements Limited

Q4FY22
Results Presentation

- ❑ Consolidated and Standalone Financial results
- ❑ Jt. Managing Director's Comment
- ❑ Financial and Operational Performance analysis
- ❑ Key Development
- ❑ Company snapshot

in Rs.Lakhs

Particulars	Q4 FY22	Q4 FY21	YoY (%)	Q3 FY22	QoQ (%)	FY22	FY21	YoY (%)
Sales Volume (MT)	11,27,902	10,22,721	▲ 10%	7,43,181	▲ 52%	36,03,754	31,60,752	▲ 14%
Revenue from Operations	50,172	41,765	▲ 20%	33,365	▲ 50%	1,59,687	1,37,132	▲ 16%
Other Income	417	171	▲ 144%	192	▲ 117%	1,342	778	▲ 72%
Total Income	50,589	41,936	▲ 21%	33,557	▲ 51%	1,61,029	1,37,910	▲ 17%
Operating expenses	44,063	31,340	▲ 41%	28,690	▲ 54%	1,32,110	97,088	▲ 36%
Op. EBITDA	6,109	10,425	▼ 41%	4,675	▲ 31%	27,577	40,044	▼ 31%
Op. EBITDA Margin %	12	25	-	14	-	17	29	-
Op. EBITDA per Ton in ₹	542	1,019	▼ 47%	629	▼ 14%	765	1,267	▼ 40%
Finance cost	4,713	1,084	▲ 335%	1,836	▲ 157%	9,248	4,656	▲ 99%
Depreciation	3,151	2,015	▲ 56%	2,188	▲ 44%	9,271	8,103	▲ 14%
(Loss)/ Profit before tax	(1,338)	7,497	-	843	-	10,400	28,063	▼ 63%
Tax expenses	577	2,683	▼ 78%	(135)	-	4,485	9,451	▼ 53%
(Loss)/ Profit after tax	(1,915)	4,814	-	978	-	5,915	18,612	▼ 68%

- Revenue increased by 20% Y-o-Y and volume increased by 10% for Q4 FY22.
- **Plants operated around 62% during the current quarter.**
- Operating EBITDA of ₹ 6,109 lakhs for Q4 FY22 and ₹27,577 lakhs during FY22; lower by 41% & 31% respectively.
- Operating EBITDA of ₹ 542 per ton during Q4 FY22 and ₹ 765 per ton during FY22.
- EBITDA margin declined by 1,300 bps to 12% for Q4 FY22 (v/s Q4 FY21) while the same declined by 1,200 bps to 17% during FY22 (v/s FY21).
- (Loss)/ Profit after tax stood at Rs. (1,915) lakhs for Q4FY22 and ₹ 5,915 for FY22.
- The Board at its meeting held today has recommended for approval of the shareholders a dividend at ₹ 0.70 per equity share of ₹ 2 each (35%) on the 13,07,07,548 equity shares of the Company.

Sagar Cements Limited								
Particulars	Q4 FY22	Q4 FY21	YoY %	Q3 FY22	QoQ (%)	FY22	FY21	YoY%
Sales Volume (MT)	10,55,092	10,22,721	▲ 3%	7,38,155	▲ 43%	35,25,917	31,60,752	▲ 12%
Total Income (in Rs. Lakhs)	48,622	42,086	▲ 16%	33,509	▲ 45%	1,59,477	1,38,342	▲ 15%
Op. EBITDA (in Rs. Lakhs)	6,934	10,457	▼ 34%	4,717	▲ 47%	28,609	40,215	▼ 29%
Op. EBITDA / MT (in Rs.)	657	1,022	▼ 67%	639	▲ 3%	811	1,272	▼ 45%
PAT (in Rs. Lakhs)	1,631	4,873	▼ 67%	1,372	▲ 19%	10,378	18,926	▼ 45%

- 3% YoY increase in volumes during Q4 FY22 and 12% YoY increase in volumes during FY22.
- Op. EBITDA of ₹ 6,934 lakhs during Q4 FY22 and ₹ 28,609 lakhs during FY22; lower by 34% and 29% respectively.
- Op. EBITDA of ₹ 657 per ton during Q4 FY22 and ₹ 811 per ton during FY22; lower by 67% and 45% respectively.

Consolidated Per Ton Analysis								
Particulars (in Rs)	Q4 FY22	Q4 FY21	YoY%	Q3 FY22	QoQ (%)	FY22	FY21	YoY%
Net Realization / T	4,448	4,084	▲ 9%	4,489	▼ 1%	4,431	4,339	▲ 2%
Total Expenditure /T	3,906	3,065	▲ 27%	3,860	▲ 1%	3,666	3,072	▲ 19%
Raw Material Consumed	601	670	▼ 10%	733	▼ 18%	682	642	▲ 6%
Employee Expenses	236	229	▲ 3%	249	▼ 5%	231	246	▼ 6%
Power & Fuel	1,596	870	▲ 83%	1,452	▲ 10%	1,346	863	▲ 56%
Freight	776	742	▲ 5%	751	▲ 3%	773	740	▲ 4%
Purchase of stock in Trade	46	37	▲ 23%	83	▼ 45%	53	64	▼ 18%
Other Expenses	651	517	▲ 26%	592	▲ 10%	581	517	▲ 12%
EBITDA/ T	542	1,019	▼ 47%	629	▼ 14%	765	1,267	▼ 40%

Commenting on the performance, Mr. Sreekanth Reddy, Jt. Managing Director of the Company said,

“We are pleased with our performance for the quarter which witnessed a gradual pick up in volumes as well as realisations over the previous quarter. Realisations have further improved compared to the exit price of the quarter largely necessitated by the unrelenting increase in fuel prices. Demand sentiment as well is fairly buoyant, helping sustain the price revision. The increased volumes was largely owing to commissioning of new units.

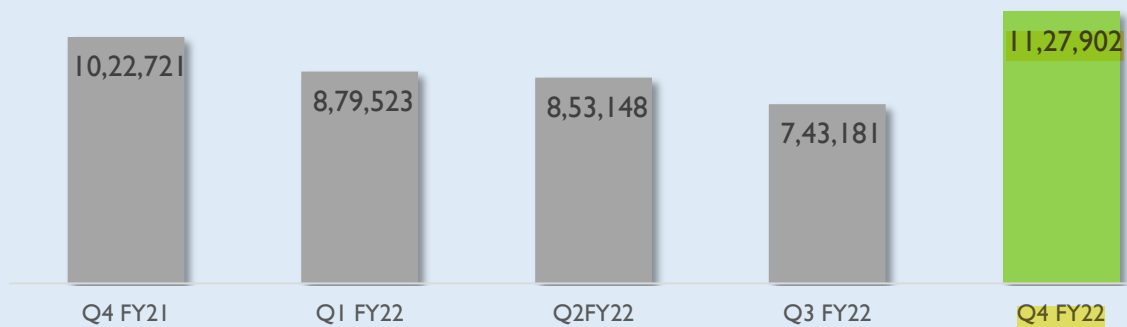
Another noteworthy development was the investment by Premji Invest to help meet the organic and inorganic aspirations of the Company. We will jointly work with Premji Invest towards setting up a best-in-class governance process in our endeavor to drive value creation for all the shareholders. Furthermore, we are also pleased to announce that we have been awarded the “Best Management Award” by the Govt. of Telangana and Gudipadu Unit was Awarded with “State Level and Zonal level overall 2nd prize for Mines Safety -2022”, in appreciation of the Safety and other working parameters in Mines by Mines Safety Association, Karnataka under the aegis of Directorate General of Mines Safety, Government of India.

Our cost rationalization measures, and better inventory management helped us partly control the pressures of rising input prices. As indicated earlier, we have increased the usage of domestic coal and lowered our consumption of pet coke during the quarter which has helped us in lowering our operational cost.

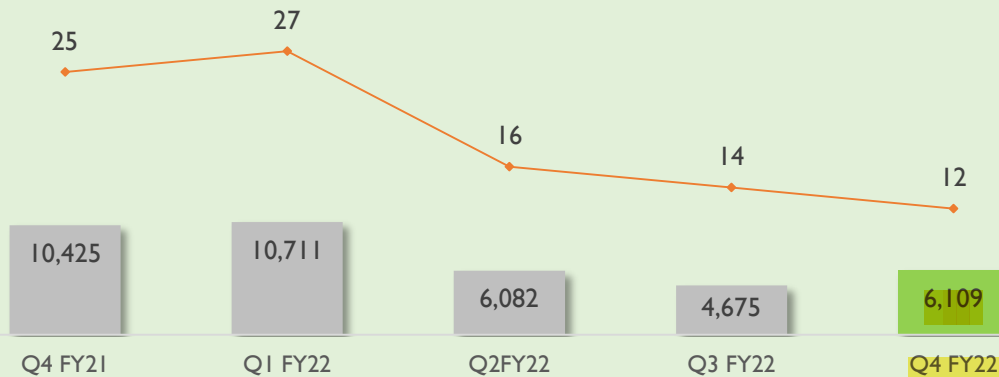
Going ahead, we believe the commissioning of the new units coupled with a strong balance sheet following the preferential allotment positions us well to deliver steady and consistent growth.”



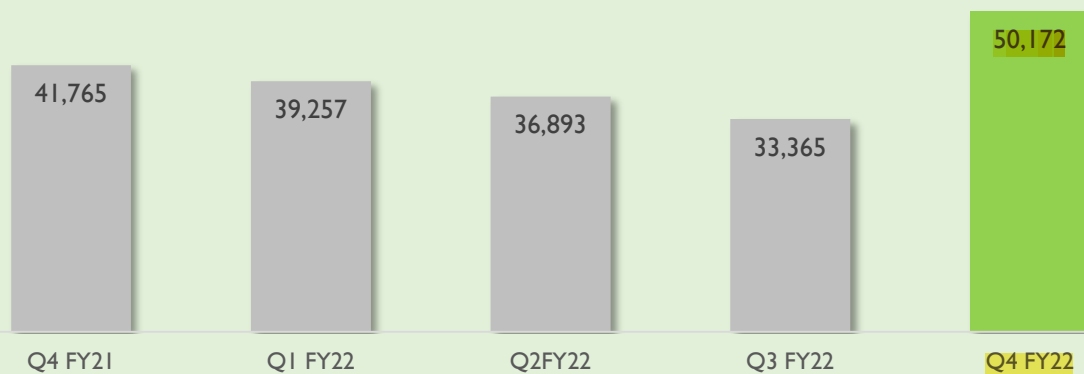
Cement Sale (MT)



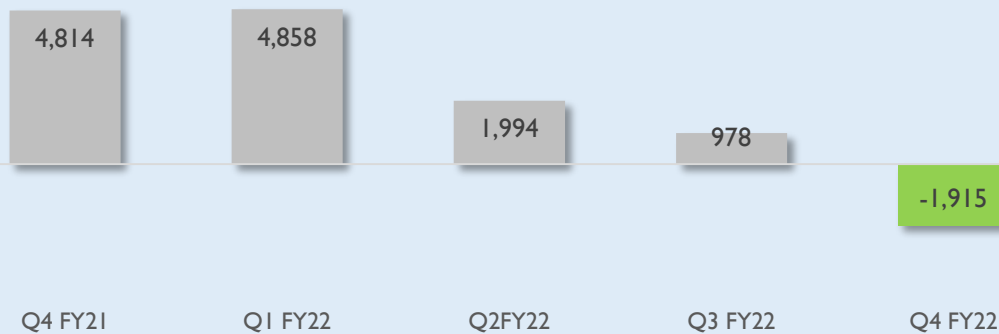
Op. EBITDA (Rs. Lakhs) and Margin (%)



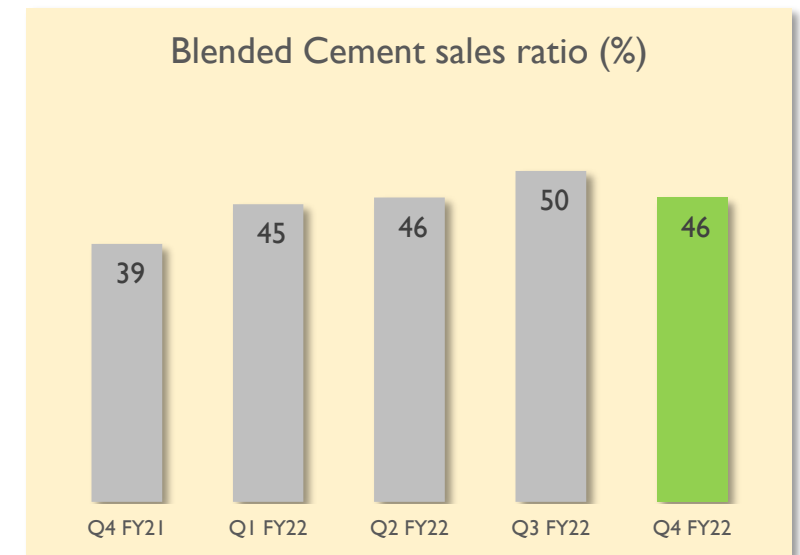
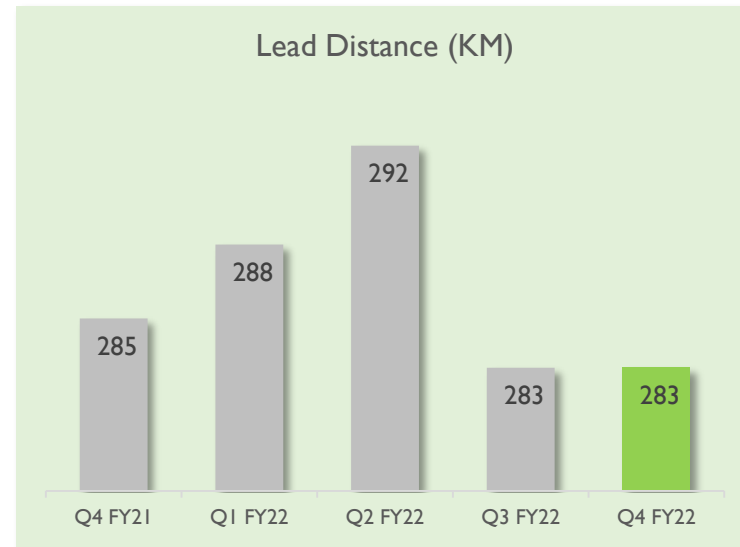
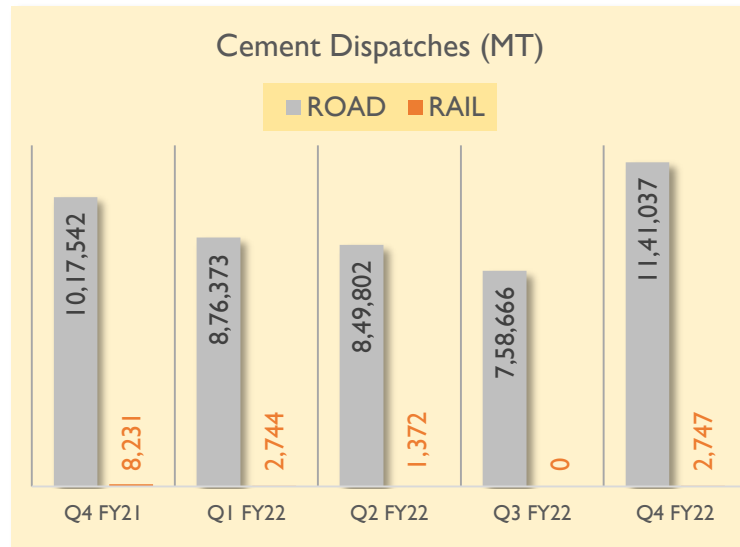
Net Revenue (Rs. Lakhs)



PAT (Rs. Lakhs)

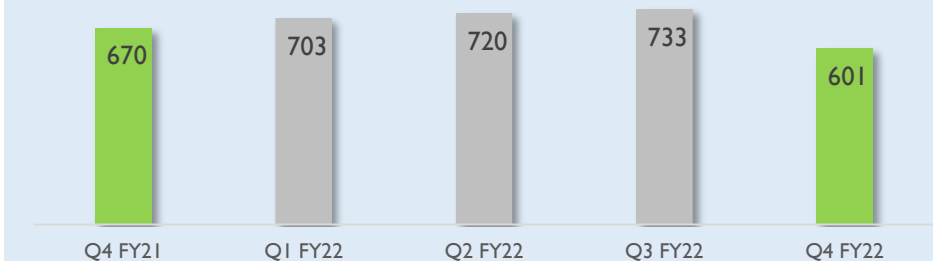


Description	Sagar Cements Ltd Qty in MT	Sagar Cements (M) Pvt Ltd Qty in MT	Jajpur Cements Pvt Ltd Qty in MT	Consolidated Qty in MT
Clinker	7,58,588	78,267	-	8,36,855
Cement Production / Purchase	10,41,247	74,392	9,769	11,25,408
Cement Sales	10,55,092	68,668	4,142	11,27,902



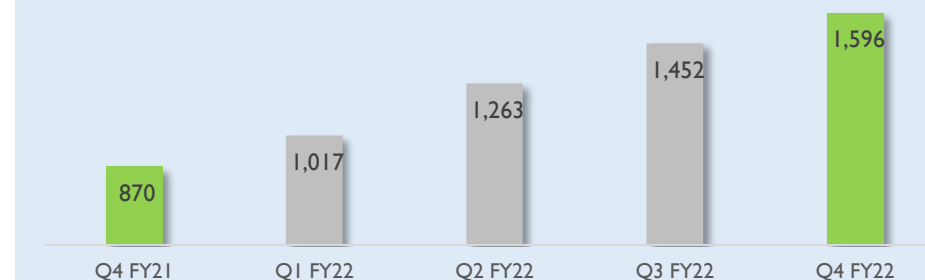
Raw Material Cost (₹/ T)

▼ 10% on YoY



Power & Fuel Cost (₹/ T)

▲ 83% on YoY



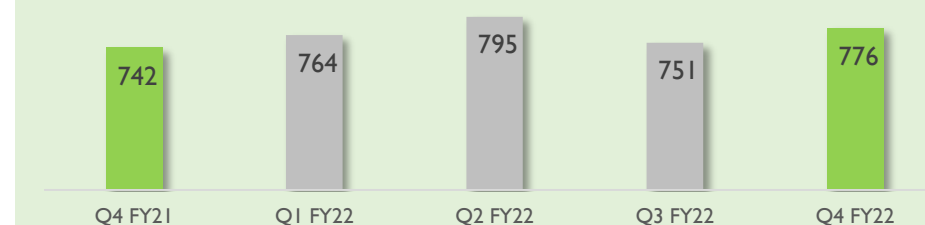
Employee Cost (₹/ T)

▲ 3% on YoY



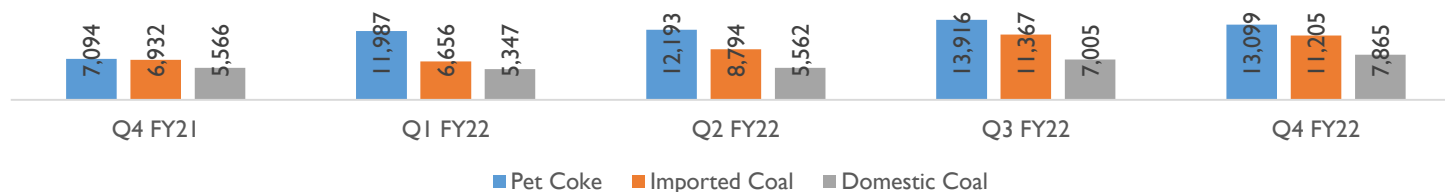
Freight Cost (₹/ T)

▲ 5% on YoY

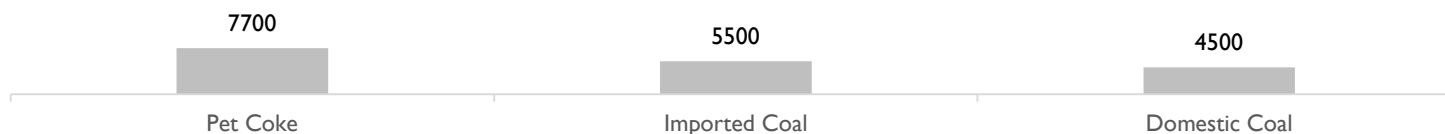


- Material cost per ton during Q4 FY22 was ₹ 601 per ton as against ₹ 670 per ton during Q4 FY21.
- The main reasons for increase in Power & Fuel cost is the significant increase in the prices of pet coke & Imported coal.
- Optimal thermal efficiency at Mattampally Plant 742 Kcal /Kg of Clinker & Gudipadu 691 Kcal /Kg of Clinker.
- Employee costs during Q4 FY22 amounted to ₹ 236 per ton as against ₹ 229 per ton during Q4 FY21.
- Higher diesel prices have also considerably impacted the outward freight costs.

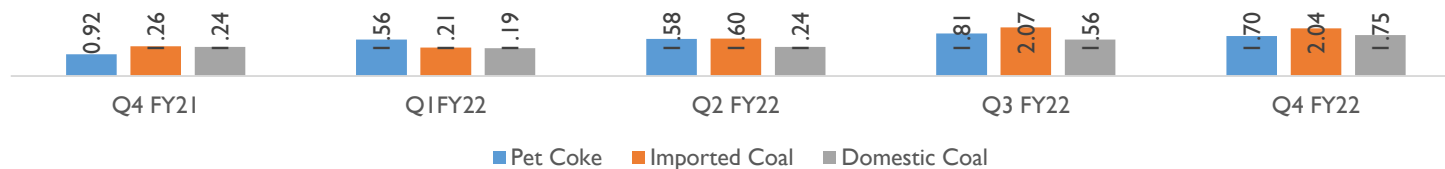
Thermal Prices(Rs/Mt)



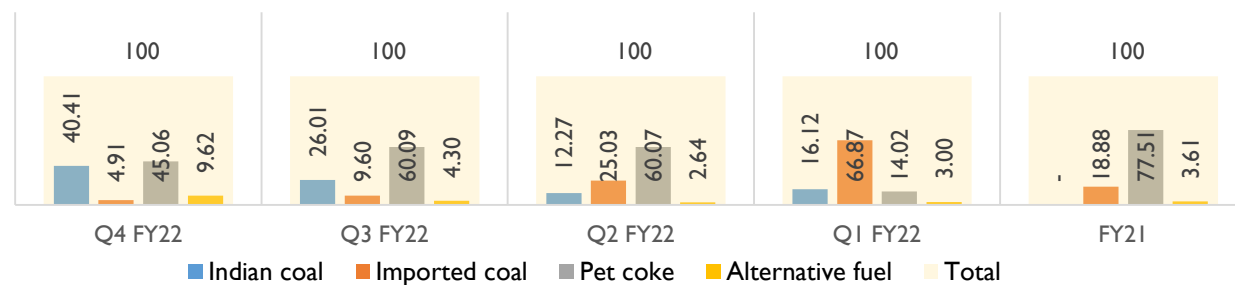
Kcal on NCV basis



Rs/Kcal



Group level Source of coal based on kcal (%)



Current Fuel Price Trends

Particulars	Per Ton (₹)	Per Kcal (₹)
Imported Pet Coke	22,789	3.04
Indian Pet Coke	21,454	2.79
Imported Coal	24,915	4.53
Domestic Coal	8,710	1.94

Particulars (Rs. In Lakh)	31st Mar 2022	31 st Dec 2021	30 th Sep 2021	30 th Jun 2021	31st Mar 2021
Gross Debt	1,50,335	1,39,040	91,385	84,423	80,648
- Long Term	1,32,361	1,25,672	77,365	73,147	70,341
- Working Capital	17,974	13,368	14,020	11,276	10,217
Cash & Bank Balance	16,269	41,891	12,811	17,216	25,419
Net Debt	1,34,066	97,149	78,574	67,207	55,229
Long term Debt Equity Ratio (%)	1.01	0.95	0.59	0.57	0.57
Net Worth	1,30,944	1,32,727	1,31,749	1,29,293	1,24,436

- Securities Allotment Committee in its meeting held on May 07, 2022, allotted 1,32,07,548 equity shares of face value of Rs. 2/- each at an issue price of Rs.265/- per share, to PI Opportunities Fund – I Scheme II (“PIOF”), an affiliate of Premji Invest, a leading Private Equity fund in India on a preferential basis in accordance with the approval accorded by the shareholders at their Extra-Ordinary General Meeting held on April 23, 2022.
- Pursuant to the above allotment, the paid-up equity share capital of the Company stands increased from Rs.23,50,00,000/- to Rs.26,14,15,096/-.
- The investment proceeds will be largely utilized towards meeting the organic and inorganic expansion plans of the Company along with funding its general corporate expenses.

- Promoted by experienced technocrat and entrepreneurs.
- Listed entity with around 4 decades of successful operations.

- Plant started operations in 1985 with a capacity of 66,000 TPA.
- Current group capacity : 8.25 MTPA.

Captive power capacity of 61.56 MW

Strong presence across all five southern states, along with Maharashtra and Odisha.

Manufactures :

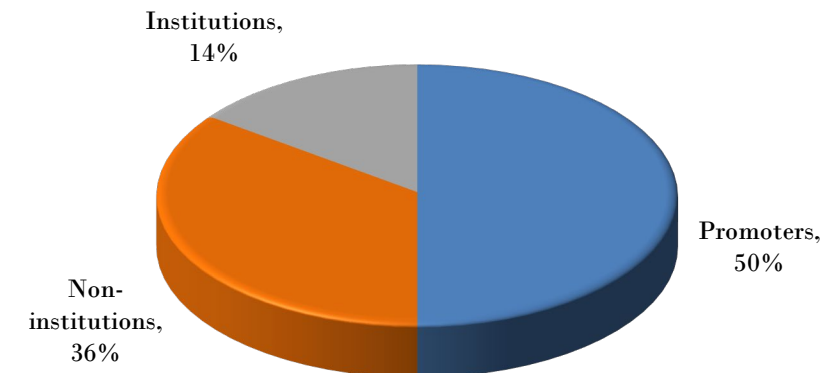
- Ordinary Portland Cement (OPC)- 53 & 43,
- Portland Pozzalona Cement (PPC)
- Sulphate Resistant Cement (SRC)
- Portland Slag Cement (PSC) &
- GGBS.

Strong brand built over the last 3 decades – “Sagar Cement”

AvH Resources India Pvt. Ltd., a wholly owned subsidiary of Ackermans & Van Haaren NV belonging to AvH Group, a Belgian major holds 21.85% equity stake in the Company.

High focus on technology and process efficiencies; High levels of Corporate Governance standards

Share Holding Pattern (as on 31th Mar. 2022)



Capital Market Metrics

Listed on	BSE & NSE
CMP (INR)*	~214
M-Cap (INR mn)	~25,110
52 week high (INR)	~317 (17 th August 2021)
52 week low (INR)	~154 (14 th May 2021)

*Market price at close on 11th May, 2022 (NSE)

Strategically located to reap a significant locational advantage

Sagar Cements (M) Private Limited (Formerly Satguru Cement Private Limited)

Capacity	1 MTPA
Integrated Cement Plant	
Acquired on	8th May 2019
SCL Stake	65%
Key Markets	<ul style="list-style-type: none"> Western Madhya Pradesh Gujarat and Maharashtra (Adjacent to Western Madhya Pradesh)
Status	Commenced operations

Jajpur Cements Private Limited

Capacity	1.5 MTPA (Cement Grinding)
Acquired on	2nd May 2019
SCL Stake	100%
Key Markets	<ul style="list-style-type: none"> Central/ Coastal Odisha Bihar Jharkhand West Bengal
Status	Commenced operations

Sagar Cements – Bayyavaram, AP

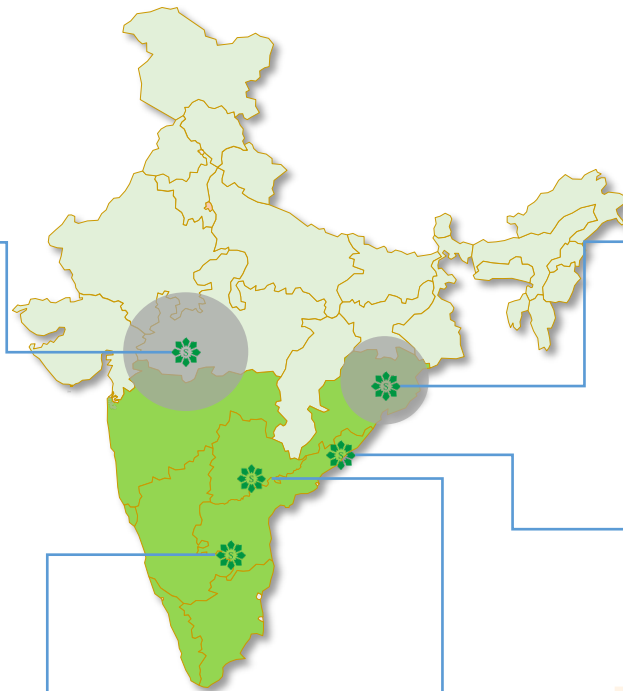
Capacity	1.5 MTPA
Key Markets	<ul style="list-style-type: none"> Vizag, Vizianagaram, Srikakulam, South Odisha
Captive power	8.43 MW (Hydro + Solar)

Sagar Cements Ltd. – Gudipadu, AP

Capacity	1.25 MTPA
Key Markets	<ul style="list-style-type: none"> Andhra Pradesh, Karnataka, Tamil Nadu
Captive power	25 MW

Sagar Cements – Mattampally, Telangana

Capacity	3.0 MTPA
Key Markets	<ul style="list-style-type: none"> Andhra Pradesh, Telangana, Tamil Nadu, Odisha, Maharashtra
Captive power	28.13 MW





Access to resources

- ✓ Part of Nalgonda & Yerraguntla Cement Cluster
- ✓ Strong limestone reserves:
 - Over 401 MnT at Mattampally
 - Over 161 MnT at Gudipadu
 - Over 63 MnT at Indore (SCMPL)
- ✓ Geographic location with proximity to Coal mines (Major Fuel) and ports (less than 150 km from the plant)
- ✓ Packing Material primarily sourced from a Group entity



Growing market

- ✓ Plants located in close proximity to major markets in the South and select markets in Maharashtra, Odisha and Madhya Pradesh.
- ✓ Average lead distance below 300 km
- ✓ Strong sales network – 2,224 dealers and 4,501 sub-dealers
- ✓ Acquisition of SCRL and Bayyavaram plants helped to increase market reach and depth
- ✓ SCRL – Better margins and reach into the Southern markets
- ✓ Bayyavaram – Capture north AP and South Odisha markets



Advanced plants

- ✓ Fully automated 3.00 MTPA integrated plant in Mattampally, Telangana
- ✓ Highly advanced 1.25 MTPA integrated plant in Gudipadu, Andhra Pradesh
- ✓ 1.50 MTPA grinding unit in Bayyavaram, Andhra Pradesh
- ✓ 1 MTPA integrated plant in Jeerabad, near Indore, Madhya Pradesh
- ✓ 1.5 MTPA grinding unit in Jajpur, Orissa
- ✓ Group captive power generation of ~61.56 MW



Strong financials

- ✓ Net worth increased over 5x in the last 8 years
- ✓ Long term debt rating of IND A/RWE (India ratings)
- ✓ Consistent profits
- ✓ Consistent track record of dividends

Safe Harbour :
Certain matters discussed in this communication may contain statements regarding the company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian Economy and of the economies of various International markets, the performance of the Cement Industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the company’s future levels of growth and expansion, technological implementation, changes and advancements, change in revenue, income or cash flows, the company’s market preferences and its exposure to market risks, as well as other risks. The company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this presentation. The Company assumes no obligation to update any forward-looking information contained in this communication. Any forward – looking statements and projections made by third parties included in this communication are not adapted by the company and the company is not responsible for such third party statements and projections

Thank You !



<i>For further information contact:</i>	
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