



# SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2021-22

28th January 2022

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

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

**Symbol: SAGCEM**

**Scrip Code: 502090**

**Series: EQ**

Dear Sirs

Press Release regarding un-audited Financial Results (Standalone and Consolidated)  
for the third quarter and nine months period ended 31st December, 2021

Further to our letter of date, we are sending herewith a copy of the Press Release  
being issued by us in connection with the un-audited financial results (Standalone and  
Consolidated) for the third quarter and nine months period ended 31st December  
2021.

Thanking you

Yours faithfully  
For Sagar Cements Limited

R.Soundararajan  
Company Secretary

Encl: a.a.



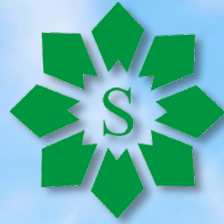
**Registered Office :** Plot No. 111, Road No.10, Jubilee Hills, Hyderabad - 500033, Telangana, India.

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

**Factories :** Mattampally, Via Huzurnagar, Suryapet-District, Telangana - 508204. Phone : 08683 - 247039

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

CIN : L26942TG1981PLC002887 GSTIN : 36AACCS8680H1ZZ



# Sagar Cements Limited

Q3FY22  
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	Q3 FY22	Q3 FY21	YoY (%)	Q2 FY22	QoQ (%)	9M FY22	9M FY21	YoY (%)
Sales Volume (MT)	7,43,181	8,60,525	▼ 14%	8,53,148	▼ 13%	24,75,852	21,38,032	▲ 16%
Revenue from Operations	33,365	36,367	▼ 8%	36,893	▼ 10%	1,09,515	95,367	▲ 15%
Other Income	192	199	▼ 4%	257	▼ 25%	925	607	▲ 52%
Total Income	33,557	36,566	▼ 8%	37,150	▼ 10%	1,10,440	95,974	▲ 15%
Operating expenses	28,735	25,926	▲ 11%	30,815	▼ 7%	88,096	65,748	▲ 34%
Op. EBITDA	4,630	10,441	▼ 56%	6,078	▼ 24%	21,419	29,619	▼ 28%
Op. EBITDA Margin %	14	29	-	16	-	20	31	-
Op. EBITDA per Ton in ₹	623	1,213	-	712	-	865	1,385	-
Finance cost	1,836	1,126	▲ 63%	1,142	▲ 61%	4,535	3,572	▲ 27%
Depreciation	2,186	2,034	▲ 7%	1,993	▲ 10%	6,120	6,053	▲ 1%
Profit before tax	800	7,480	▼ 89%	3,200	▼ 75%	11,689	20,601	▼ 43%
Tax expenses	338	2,521	▼ 87%	1,124	▼ 70%	4,142	7,025	▼ 41%
Profit after tax	462	4,959	▼ 91%	2,076	▼ 78%	7,547	13,576	▼ 44%

- Revenue declined by 8% Y-o-Y while volume de-grew by 14% for Q3 FY22.
- Plants operated around 49% during the current quarter.
- Operating EBITDA of ₹ 4,630 lakhs for Q3 FY22 as against ₹10,441 lakhs during Q3FY21; lower by 56%
- Operating EBITDA of ₹ 623 per ton during Q3 FY22 against ₹ 1,213 per ton during Q3FY21.
- EBITDA margin declined by (1,500) bps to 14% for Q3 FY22 (v/s Q3 FY21)
- Jajpur Cements Private Limited, Odisha (capacity: 1.5 MTPA) commenced its operations from January 10, 2022.

# Q3 & 9M FY22 Standalone Financial Results & Consolidated Per ton Analysis

## Sagar Cements Limited

Particulars	Q3 FY22	Q3 FY21	YoY %	Q2 FY22	QoQ (%)	9MFY22	9MFY21	YoY%
Sales Volume (MT)	5,61,222	609,090	▼ 8%	6,06,817	▼ 8%	18,10,483	15,45,368	▲ 17%
Total Income (in Rs. Lakhs)	25,546	26,544	▼ 4%	27,247	▼ 6%	81,871	71,270	▲ 15%
Op. EBITDA (in Rs. Lakhs)	3,919	7,706	▼ 49%	4,250	▼ 8%	16,019	22,443	▼ 29%
Op. EBITDA / MT (in Rs.)	698	1,265	-	700	-	885	1,452	-
PAT (in Rs. Lakhs)	1,428	4,191	▼ 66%	1,951	▼ 27%	7,715	11,992	▼ 36%

- 8% YoY decline in volumes during the quarter
- Op. EBITDA of ₹ 3,919 lakhs during Q3 FY22; lower by 49%.
- Op. EBITDA of ₹ 698 per ton during Q3 FY22 against ₹ 1,265 per ton during Q3 FY21.

## Sagar Cements (R) Limited

Particulars	Q3 FY22	Q3 FY21	YoY %	Q2 FY22	QoQ (%)	9MFY22	9MFY21	YoY%
Sales Volume (MT)	1,76,933	2,51,435	▼ 30%	2,46,331	▼ 28%	6,60,342	5,92,664	▲ 11%
Total Income (in Rs.Lakhs)	8,462	10,636	▼ 20%	11,215	▼ 25%	30,862	26,284	▲ 17%
Op. EBITDA (in Rs.Lakhs)	753	2,810	▼ 73%	1,922	▼ 61%	5,607	7,315	▼ 23%
Op. EBITDA/ MT (in Rs.)	426	1,118	-	780	-	849	1,234	-
PAT (in Rs.Lakhs)	(530)	914	-	274	-	875	1,965	▼ 55%

- 30% YoY decline in volumes during the quarter
- Op. EBITDA of ₹ 753 lakhs during Q3 FY22; lower by 73% .
- Op. EBITDA of ₹ 426 per ton during Q3 FY22 against ₹ 1,118 per ton during Q3 FY21.

## Consolidated Per Ton Analysis

Particulars (in Rs)	Q3 FY22	Q3 FY21	YoY%	Q2 FY22	QoQ (%)	9M FY22	9M FY21	YoY%
Net Realization / T	4,489	4,226	▲ 6%	4,324	▲ 4%	4,423	4,461	▼ 1%
Total Expenditure /T	3,866	3,013	▲ 28%	3,612	▲ 7%	3,558	3,076	▲ 16%
Raw Material Consumed	733	651	▲ 13%	720	▲ 2%	719	632	▲ 14%
Employee Expenses	249	212	▲ 18%	232	▲ 7%	230	253	▼ 9%
Power & Fuel	1,452	865	▲ 68%	1,263	▲ 15%	1,233	856	▲ 44%
Freight	751	741	▲ 1%	795	▼ 6%	772	741	▲ 4%
Purchase of stock in Trade	83	44	▲ 89%	49	▲ 72%	56	77	▼ 27%
Adjustment for Stocks	(33)	14	-	(6)	-	(16)	8	-
Other Expenses	631	486	▲ 30%	559	▲ 13%	564	509	▲ 11%
<b>EBITDA/ T</b>	<b>623</b>	<b>1,213</b>	<b>▼ 49%</b>	<b>712</b>	<b>▼ 13%</b>	<b>865</b>	<b>1,385</b>	<b>▼ 38%</b>

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

“Our performance during the quarter was largely on expected lines given the external challenges which impacted demand and pricing sentiment. Unseasonal rains, sand unavailability in the east and labour unavailability due to festive season resulted in lower offtake. Prices as well remained benign on the back of lower demand. However, we did witness gradual pick-up in demand and prices towards the end of the quarter, which portends well for the coming quarters.

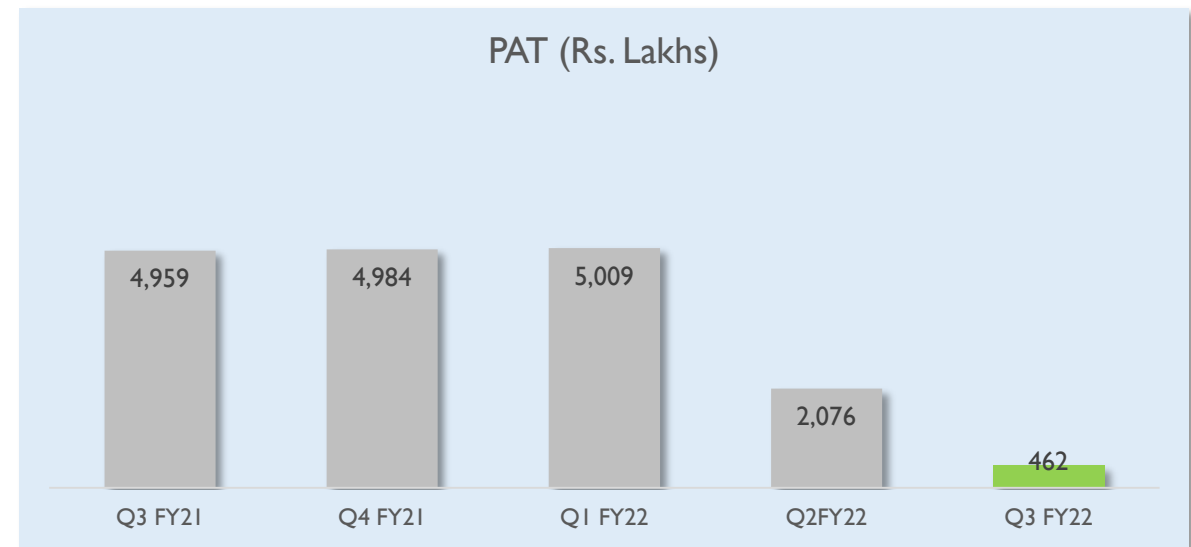
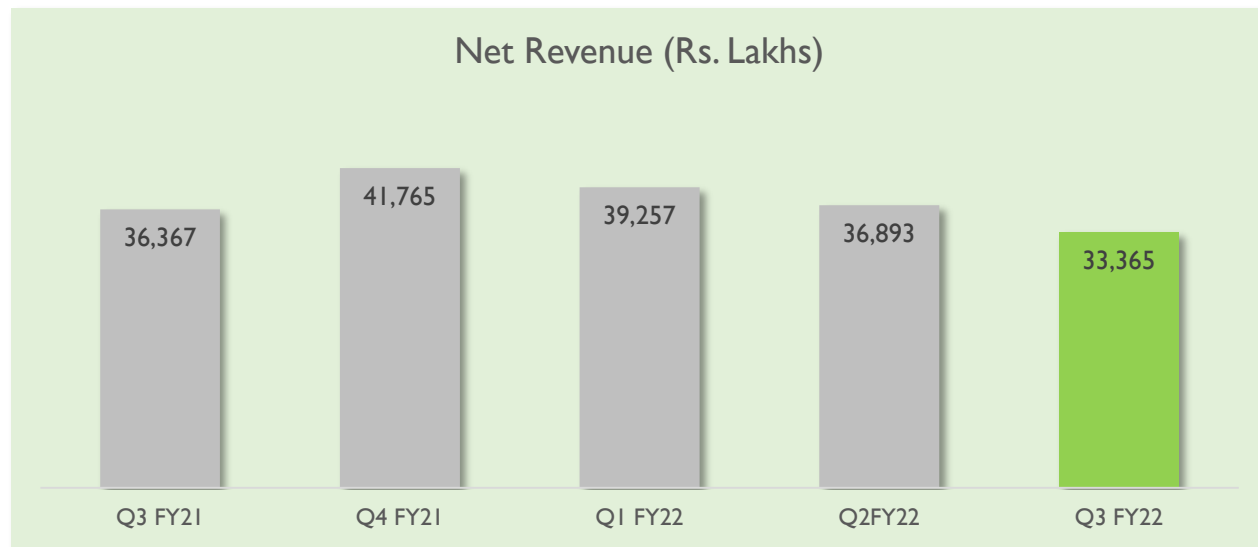
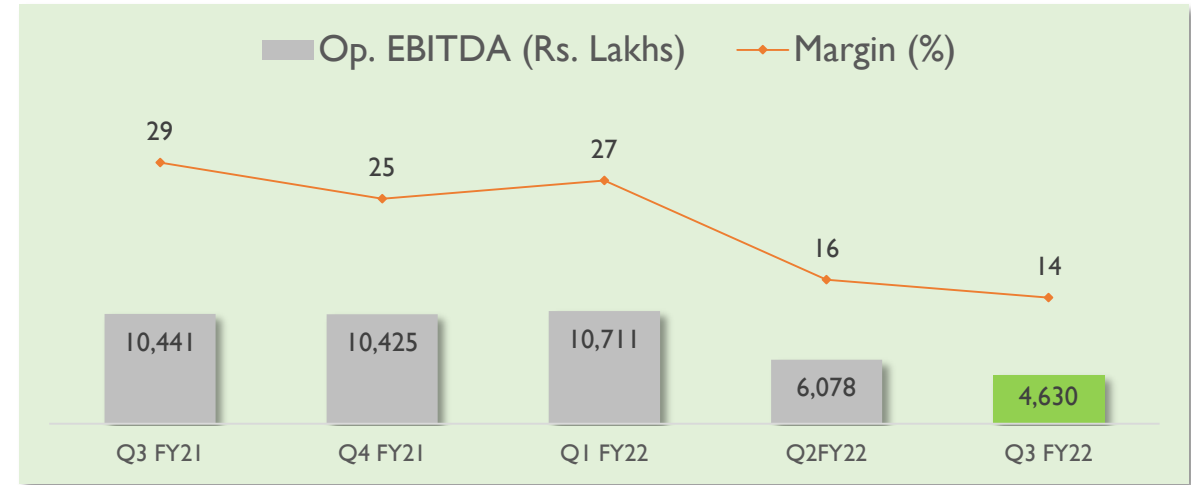
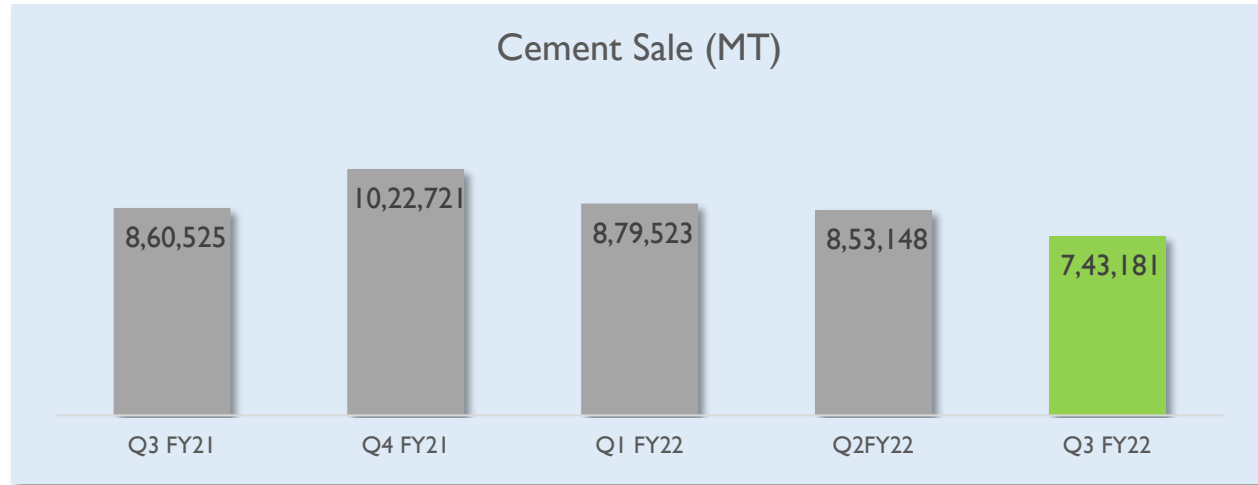
The other positive development is the commissioning of Jajpur plant, which coupled with Sagar Cements (M) Pvt. Ltd.,(Jeerabad plant) would, help us in diversifying our sales outside our existing markets. We are hopeful of attaining utilization of 60%-65% and 75% respectively for these plants by next year.

Operating profitability and margins remain under pressure owing to lower realisations and stubborn input prices. Elevated levels of diesel, pet-coke and international coal prices resulted in higher production and transportation costs during the quarter compared with previous year. We have however been able to soften the overall impact of higher raw material prices owing to our prudent procuring strategy and cost rationalization measures. As indicated earlier, we have been working towards increasing the share of domestic coal to help contain power & fuel expenses.

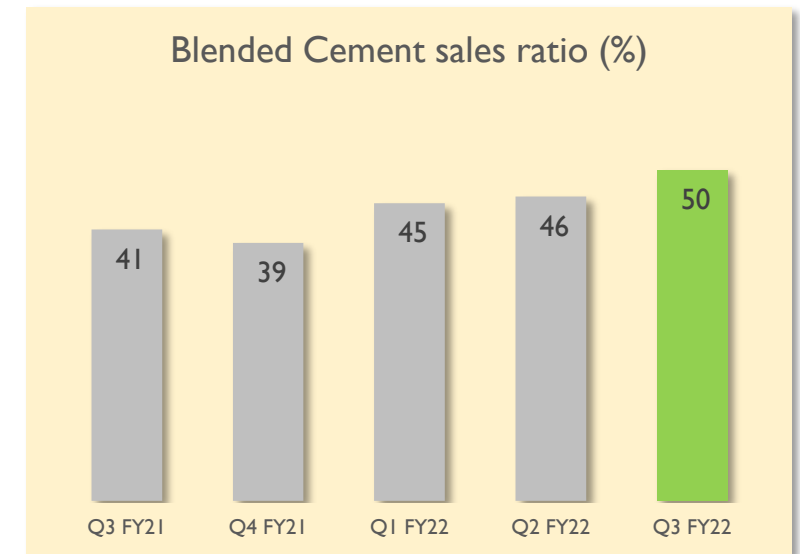
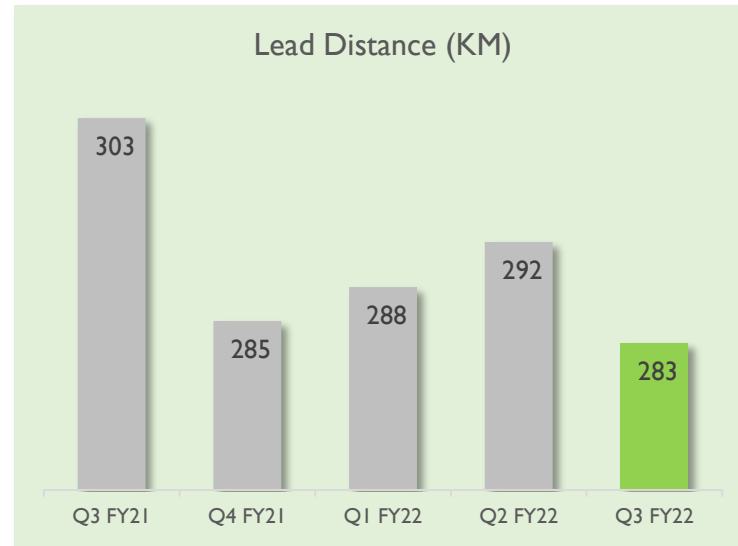
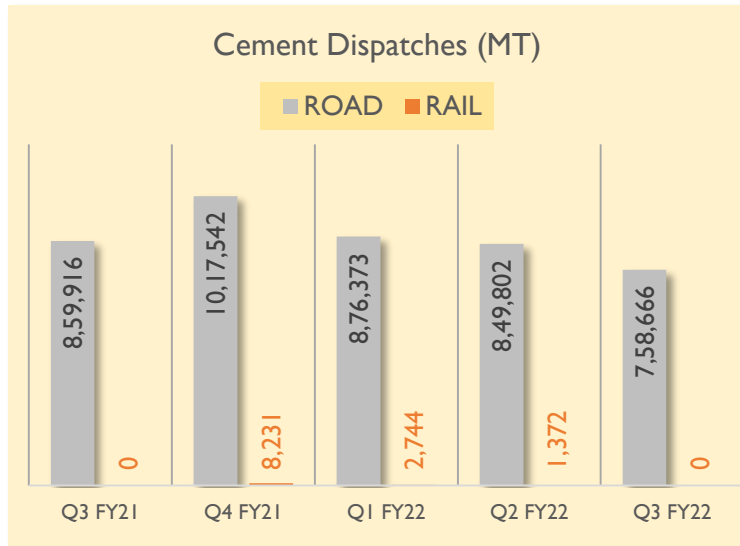
Another noteworthy development has been that the Bayyavaram Unit was Awarded with “National Energy Conservation Award, Cement Sector -2021”, in appreciation of the achievements in energy conversation in the cement sector for the year 2021 by Government of India, Ministry of Power.

Going ahead, we believe the commissioning of the new units, cost rationalization measures and better geographic footprint position us well to deliver growth and create value for our shareholders. Furthermore, the improving cash flow profile of the business over the ensuing years would help us remain on track towards achieving our objective of attaining 10 mln tonnes capacity by 2025.”





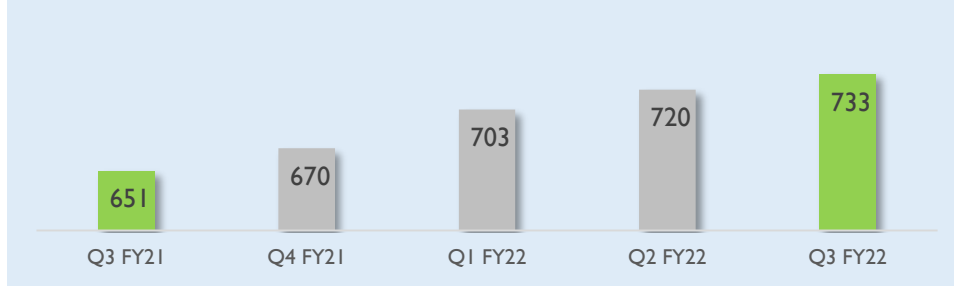
Description	Sagar Cements Ltd Qty in MT	Sagar Cements (R) Ltd Qty in MT	Sagar Cements (M) Pvt Ltd Qty in MT	Consolidated Qty in MT
Clinker	5,02,180	1,44,773	15,993	6,62,946
Cement Production / Purchase	5,59,359	1,75,489	6,208	7,41,056
Cement Sales	5,61,222	1,76,933	5,026	7,43,181





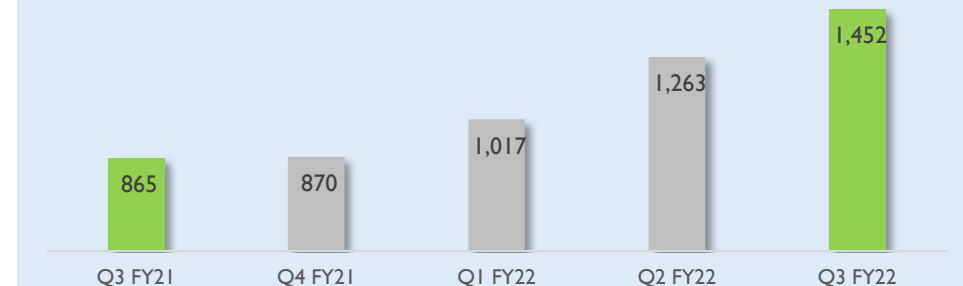
## Raw Material Cost (₹/ T)

▲ 13% on YoY



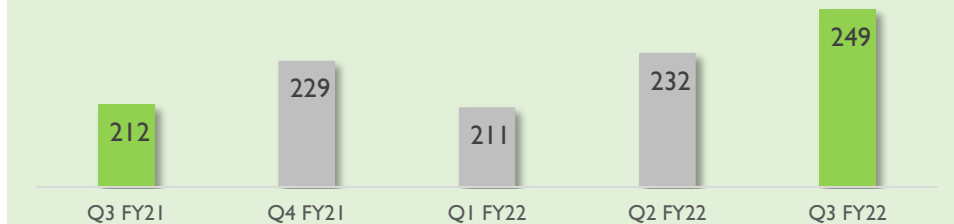
## Power & Fuel Cost (₹/ T)

▲ 68% on YoY



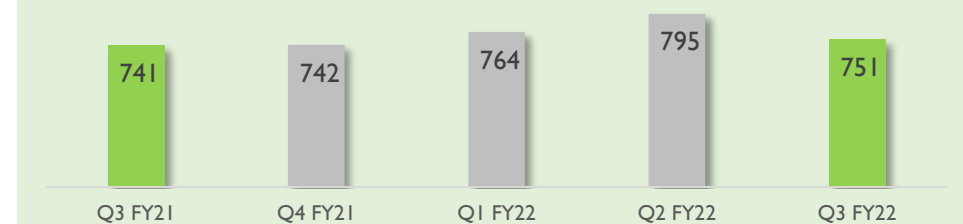
## Employee Cost (₹/ T)

▲ 18% on YoY



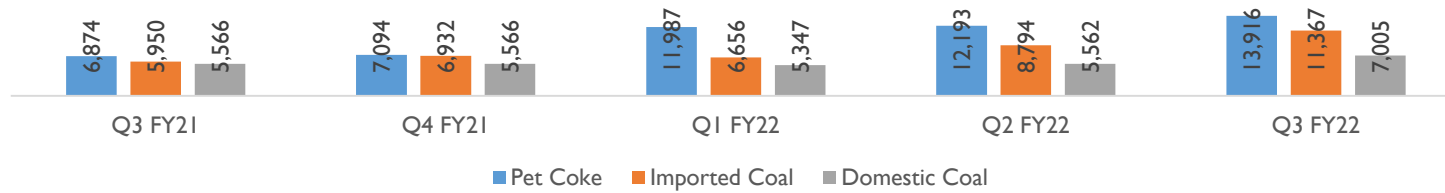
## Freight Cost (₹/ T)

▲ 1% on YoY



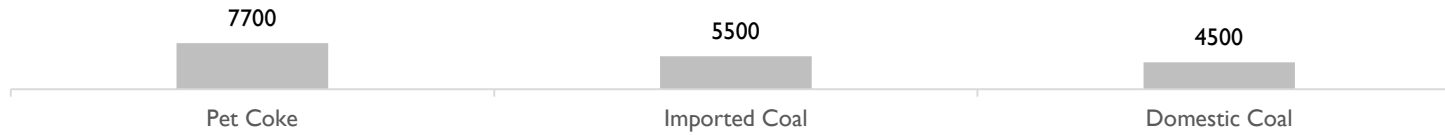
- Material cost per ton during Q3 FY22 was ₹ 733 per ton as against ₹ 651 per ton during Q3 FY21. The main reasons for increase in material cost is significant upward revision in inward freight charges owing to continuous upward movement in HSD prices.
- The main reasons for increase in Power & Fuel cost is a significant close to threefold rise in pet coke & Imported coal prices.
- Optimal thermal efficiency at Mattampally Plant 729 Kcal /Kg of Clinker & Gudipadu 690 Kcal /Kg of Clinker.
- Employee costs during Q3 FY22 amounted to ₹ 249 per ton as against ₹ 212 per ton during Q3 FY21.
- Higher diesel prices have also considerably impacted the outward freight costs.

### Thermal Prices( Rs/Mt)

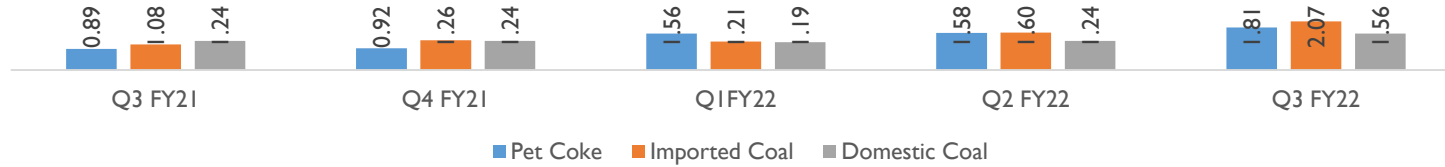


Fuel Price Trends		
Particulars	Per Ton (₹)	Per Kcal (₹)
Imported Pet Coke	14,400	1.87
Indian Pet Coke	13,500	1.75
Imported Coal	15,300	2.78
Domestic Coal	7,550	1.68

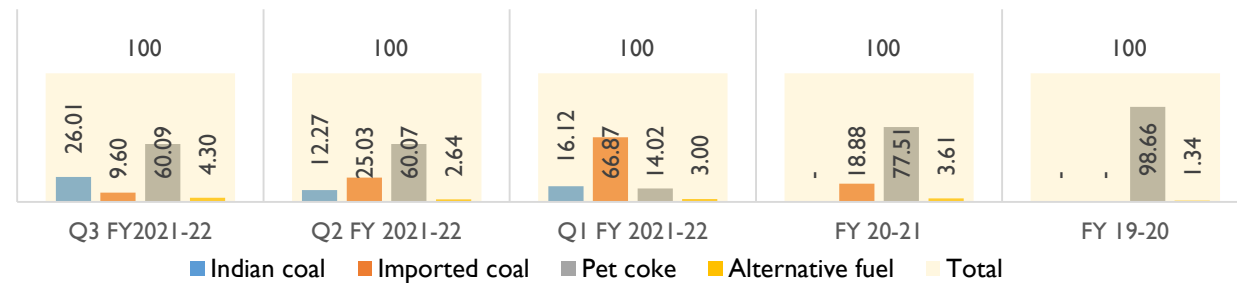
### Kcal on NCV basis



### Rs/Kcal



### Group level Source of coal based on kcal (%)



Particulars (Rs. In Lakh)	31 <sup>st</sup> Dec 2021	30 <sup>th</sup> Sep 2021	30 <sup>th</sup> Jun 2021	31 <sup>st</sup> Mar 2021
Gross Debt	1,39,040	91,385	84,423	80,648
- Long Term	1,25,672	77,365	73,147	70,431
- Working Capital	13,368	14,020	11,276	10,217
Cash & Bank Balance	41,891	12,811	17,216	25,419
<b>Net Debt</b>	<b>97,149</b>	<b>78,574</b>	<b>67,207</b>	<b>55,229</b>
Long term Debt Equity Ratio (%)	0.94	0.58	0.56	0.56
<b>Net Worth</b>	<b>1,33,813</b>	<b>1,33,351</b>	<b>1,30,813</b>	<b>1,25,804</b>

- Board of Directors approved on April 26, 2021 a proposal to merge with it, its wholly owned subsidiary Sagar Cements (R) Ltd., accordingly an application for the merger was filed with the Hon'ble National Company Law Tribunal on July 12, 2021. Awaiting for the order.
- Since a wholly owned subsidiary company is being merged with its holding company, there will not be any issue of fresh shares by the said holding company.

- 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 :

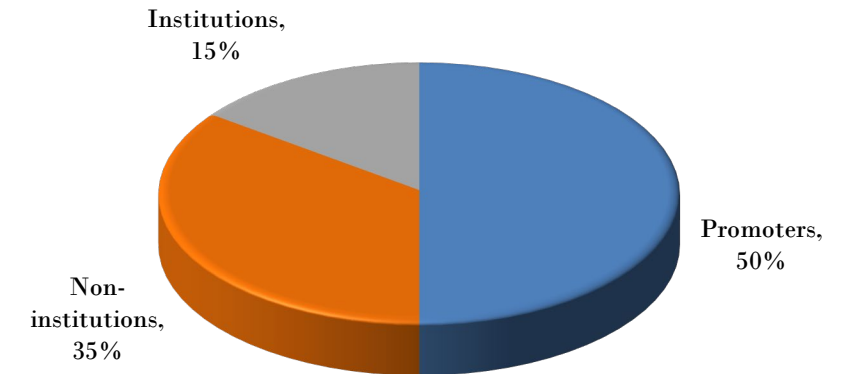
- Ordinary Portland Cement (OPC)- 53 & 43,
- Portland Pozzalona Cement (PPC)
- Sulphate Resistant Cement (SRC)
- Portland Slag Cement (PSC) &
- GGBS.

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 31<sup>th</sup> Dec. 2021)



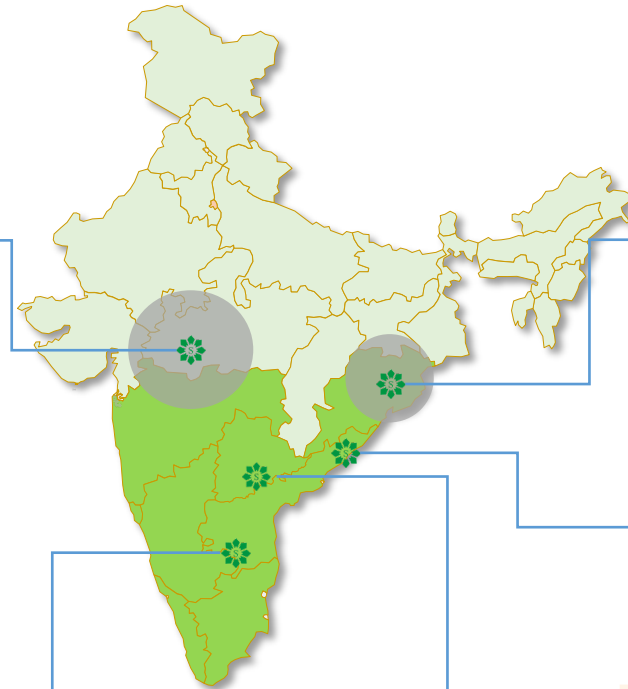
Capital Market Metrics	
Listed on	BSE & NSE
CMP (INR)*	~244
M-Cap (INR mn)	~28,658
52 week high (INR)	~317 (17 <sup>th</sup> August 2021)
52 week low (INR)	~122 (24 <sup>th</sup> February 2021)

\*Market price at close on 28<sup>th</sup> January, 2022 (NSE)

# Strategically located to reap a significant locational advantage

<b>Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited)</b>	
Capacity	1 MTPA Integrated Cement Plant
Acquired on	8th May 2019
SCL Stake	65%
Key Markets	<ul style="list-style-type: none"> <li>Western Madhya Pradesh</li> <li>Gujarat and Maharashtra (Adjacent to Western Madhya Pradesh)</li> </ul>
Status	Commenced operations

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



<b>Sagar Cements (R) (SCRL) – Gudipadu, AP</b>	
Capacity	1.25 MTPA
Key Markets	<ul style="list-style-type: none"> <li>Andhra Pradesh,</li> <li>Karnataka,</li> <li>Tamil Nadu</li> </ul>
Captive power	25 MW

<b>Sagar Cements – Bayyavaram, AP</b>	
Capacity	1.5 MTPA
Key Markets	<ul style="list-style-type: none"> <li>Vizag,</li> <li>Vizianagaram,</li> <li>Srikakulam,</li> <li>South Odisha</li> </ul>
Captive power	8.43 MW (Hydro + Solar)

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



## Access to resources

- ✓ Part of Nalgonda & Yerraguntla Cement Cluster
- ✓ Strong limestone reserves:
  - Over 404 MnT at Mattampally
  - Over 162 MnT at Gudipadu (SCRL)
  - 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 – 1,732 dealers and 3,998 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 10x in the last 7 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 !



*For further information contact:*

 <b>Sagar Cements Limited</b>	<b>CDR India</b>
K Prasad- Chief Financial Officer <a href="mailto:prasadk@sagarcements.in">prasadk@sagarcements.in</a>	Gavin Desa <a href="mailto:gavin@cdr-india.com">gavin@cdr-india.com</a>
Rajesh Singh - Chief Marketing Officer <a href="mailto:rajeshsingh@sagarcements.in">rajeshsingh@sagarcements.in</a>	Suraj Digawalekar <a href="mailto:suraj@cdr-india.com">suraj@cdr-india.com</a>
R.Soundararajan - CS & Compliance Officer <a href="mailto:soundar@sagarcements.in">soundar@sagarcements.in</a>	Tel.: +91 22 6645 1237 / 1219
Tel.: +91 40 2335 1571 / 6572	