



SAGAR CEMENTS LIMITED

SCL:SEC:NSE:2023-24

19th October 2023

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 un-audited Financial Results (Standalone and Consolidated)
for the second quarter and half- year ended 30th September, 2023

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 for the second
quarter and half-year ended 30th September 2023.

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 State, 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 Village & Mandal, Suryapet District, Telangana State - 508204. Phone : 08683 - 247039 GSTIN : 36AACCS8680H1ZZ
Bayyavaram Village, Kasimkota Mandal, Anakapally District, Andhra Pradesh State - 531031. Phone : 08924-244550 Fax : 08924-244570 GSTIN : 37AACCS8680H1ZX
Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh State - 515408. Phone: 08558-200272 GSTIN : 37AACCS8680H1ZX



Sagar Cements Limited

Q2 & HIFY24
Results Presentation

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

in Rs.Lakhs

Particulars	Q2 FY24	Q2 FY23	YoY (%)	Q1 FY24	QoQ (%)	H1FY24	H1FY23	YoY%
Sales Volume (MT)	13,12,572	10,34,989	▲ 27%	11,79,614	▲ 11%	24,92,186	22,21,249	▲ 12%
Revenue from Operations	58,682	47,455	▲ 24%	53,967	▲ 9%	1,12,649	1,03,227	▲ 9%
Other Income	274	1,493	▼ 82%	391	▼ 30%	665	2,737	▼ 76%
Total Income	58,956	48,948	▲ 20%	54,358	▲ 8%	1,13,314	1,05,964	▲ 7%
Operating expenses	52,660	46,884	▲ 12%	50,917	▲ 3%	1,03,577	96,553	▲ 7%
Op. EBITDA	6,022	571	▲ 955%	3,050	▲ 97%	9,072	6,674	▲ 36%
Op. EBITDA Margin %	10	1	▲ 753%	6	▲ 82%	8	6	▲ 25%
Op. EBITDA per Ton in ₹	459	55	▲ 732%	259	▲ 77%	364	300	▲ 21%
Finance cost	4,681	5,027	▼ 7%	4,367	▲ 7%	9,048	9,835	▼ 8%
Depreciation	5,126	3,793	▲ 35%	4,959	▲ 3%	10,085	7,451	▲ 35%
(Loss)/ profit before exceptional items and tax	(3,511)	(6,756)	-	(5,885)	-	(9,396)	(7,875)	-
Exceptional items	(1,479)	-	-	-	-	(1,479)	-	-
(Loss)/ profit before tax	(2,032)	(6,756)	-	(5,885)	-	(7,917)	(7,875)	-
Tax expenses	(979)	(2,403)	-	(1,689)	-	(2,668)	(2,411)	-
(Loss)/ profit after tax	(1,053)	(4,353)	-	(4,196)	-	(5,249)	(5,464)	-

- Revenue increased by 24% Y-o-Y and volume increased by 27% for Q2 FY24.
- Plants operated at around 53% during the current quarter.
- Operating EBITDA of ₹ 6,022 lakhs for Q2 FY24 as against ₹ 571 lakhs during Q2 FY23.
- Operating EBITDA of ₹ 459 per ton during Q2 FY24.
- EBITDA margin increased by 900 bps to 10% for Q2 FY24 (v/s Q2 FY23).
- Loss after tax stood at Rs. 1,053 lakhs for Q2 FY24 v/s Loss of ₹ 4,353 lakhs during Q2 FY23.

Consolidated Per Ton Analysis

Particulars (in Rs)	Q2 FY24	Q2 FY23	YoY%	Q1 FY24	QoQ (%)	H1FY24	H1FY23	YoY%
Net Realization / T	4,471	4,585	▼ 2%	4,575	▼ 2%	4,520	4,647	▼ 3%
Total Expenditure /T	4,012	4,530	▼ 11%	4,316	▼ 7%	4,156	4,347	▼ 4%
Raw Material Consumed	768	793	▼ 3%	853	▼ 10%	809	770	▲ 5%
Employee Expenses	222	217	▲ 2%	226	▼ 2%	223	219	▲ 2%
Power & Fuel	1,626	2,062	▼ 21%	1,732	▼ 6%	1,677	1,927	▼ 13%
Freight	848	797	▲ 6%	862	▼ 2%	855	798	▲ 7%
Purchase of stock in Trade	47	66	▼ 28%	45	▲ 5%	46	67	▼ 31%
Other Expenses	500	594	▼ 16%	598	▼ 16%	546	565	▼ 3%
EBITDA/ T	459	55	▲ 732%	259	▲ 77%	364	300	▲ 21%

Sagar Cements Limited

Particulars	Q2 FY24	Q2 FY23	YoY %	Q1 FY24	QoQ (%)	H1FY24	H1FY23	YoY%
Sales Volume (MT)	10,52,042	9,57,655	▲ 10%	9,49,071	▲ 11%	20,01,112	20,29,890	▼ 1%
Revenue from Operations	45,951	43,770	▲ 5%	42,876	▲ 7%	88,827	93,353	▼ 5%
Other Income	449	1,597	▼ 72%	573	▼ 22%	1,022	2,939	▼ 65%
Total Income	46,400	45,367	▲ 2%	43,449	▲ 7%	89,849	96,292	▼ 7%
Operating expenses	42,073	42,562	▼ 1%	40,416	▲ 4%	82,489	85,702	▼ 4%
Op. EBITDA	3,878	1,208	▲ 221%	2,460	▲ 58%	6,338	7,651	▼ 17%
Op. EBITDA Margin %	8	3	▲ 206%	6	▲ 47%	7	8	▼ 13%
Op. EBITDA per Ton in ₹	369	126	▲ 192%	259	▲ 42%	317	377	▼ 16%
Finance cost	1,800	4,023	▼ 55%	1,958	▼ 8%	3,758	7,907	▼ 52%
Depreciation	2,829	2,824	▲ 0%	2,692	▲ 5%	5,521	5,534	▼ 0%
Profit before tax	(302)	(4,042)	-	(1,617)	-	(1,919)	(2,851)	-
Tax expenses	19	(1,714)	-	(281)	-	(262)	(1,135)	-
Profit after tax	(321)	(2,328)	-	(1,336)	-	(1,657)	(1,716)	-

- 10% YoY increase in volumes during Q2 FY24.
- Op. EBITDA of ₹ 3,878 lakhs during Q2 FY24 increased by 221% on a Y-o-Y basis.
- Op. EBITDA of ₹ 369 per ton during Q2 FY24 increased by 192% on a Y-o-Y basis.

Sagar Cements (M) Private Limited

Particulars	Q2 FY24	Q2 FY23	YoY %	Q1 FY24	QoQ (%)	H1FY24	H1FY23	YoY%
Sales Volume (MT)	1,65,808	77,334	▲ 114%	2,00,886	▼ 17%	3,66,693	1,91,359	▲ 92%
Revenue from Operations	8,794	3,708	▲ 137%	10,464	▼ 16%	19,258	9,931	▲ 94%
Other Income	23	16	▲ 44%	19	▲ 21%	42	35	▲ 20%
Total Income	8,817	3,724	▲ 137%	10,483	▼ 16%	19,300	9,966	▲ 94%
Operating expenses	7,425	4,345	▲ 71%	8,777	▼ 15%	16,202	10,908	▲ 49%
Op. EBITDA	1,369	(637)	-	1,687	▼ 19%	3,056	(977)	-
Op. EBITDA Margin %	16	(17)	-	16	▼ 3%	16	(10)	-
Op. EBITDA per Ton in ₹	826	(824)	-	840	▼ 2%	833	(511)	-
Finance cost	1,225	1,124	▲ 9%	1,232	▼ 1%	2,457	2,165	▲ 13%
Depreciation	954	927	▲ 3%	938	▲ 2%	1,892	1,831	▲ 3%
Profit before tax	(787)	(2,672)	-	(464)	-	(1,251)	(4,938)	-
Tax expenses	(193)	(689)	-	(112)	-	(305)	(1,276)	-
Profit after tax	(594)	(1,983)	-	(352)	-	(946)	(3,662)	-

- 114% YoY increase in volumes during Q2 FY24.
- Op. EBITDA of ₹ 1,369 lakhs during Q2 FY24.
- Op. EBITDA of ₹ 826 per ton during Q2 FY24.

Sagar standalone numbers have been restated post merger of its wholly owned subsidiary Jaipur Cements Private Limited with effect from 1st April, 2022, as approved by Hyderabad Bench of NCLT on September 14, 2023.

Andhra Cements Limited

Particulars	Q2 FY24	Q2 FY23	YoY %	Q1 FY24	QoQ (%)	H1FY24	H1FY23	YoY%
Sales Volume (MT)	94,723	-	-	29,657	▲ 219%	1,24,380	-	-
Revenue from Operations	6,515	-	-	1,320	▲ 394%	7,835	-	-
Other Income	25	28	▼ 11%	36	▼ 31%	61	42	▲ 45%
Total Income	6,540	28	▲ 23,257%	1,356	▲ 382%	7,896	42	▲ 18,700%
Operating expenses	5,740	394	▲ 1,357%	2,417	▲ 137%	8,157	781	▲ 944%
Op. EBITDA	775	(394)	-	(1,097)	-	(322)	(781)	-
Op. EBITDA Margin %	12	-	-	(83)	-	(4)	-	-
Op. EBITDA per Ton in ₹	818	-	-	(3,699)	-	(259)	-	-
Finance cost	1,879	4,289	▼ 56%	1,414	▲ 33%	3,293	8,426	▼ 61%
Depreciation	1,303	1,168	▲ 12%	1,287	▲ 1%	2,590	2,331	▲ 11%
(Loss)/ Profit before exceptional items and tax	(2,382)	(5,823)	-	(3,762)	-	(6,144)	(11,496)	-
Exceptional items	1,479	-	-	-	-	1,479	-	-
(Loss)/ Profit before tax	(903)	(5,823)	-	(3,762)	-	(4,665)	(11,496)	-
Tax expenses	(805)	-	-	(1,296)	-	(2,101)	-	-
(Loss)/ Profit after tax	(98)	(5,823)	-	(2,466)	-	(2,564)	(11,496)	-

- 219% QoQ increase in volumes during Q2 FY24.
- Op. EBITDA of ₹ 775 lakhs during Q2 FY24.
- Op. EBITDA of ₹ 818 per ton during Q2 FY24.

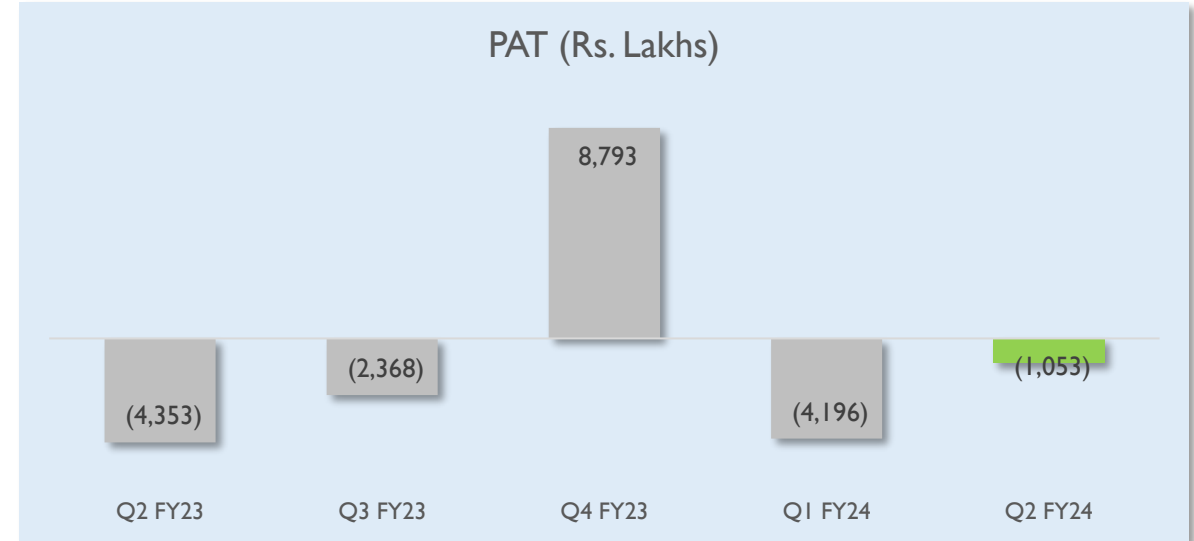
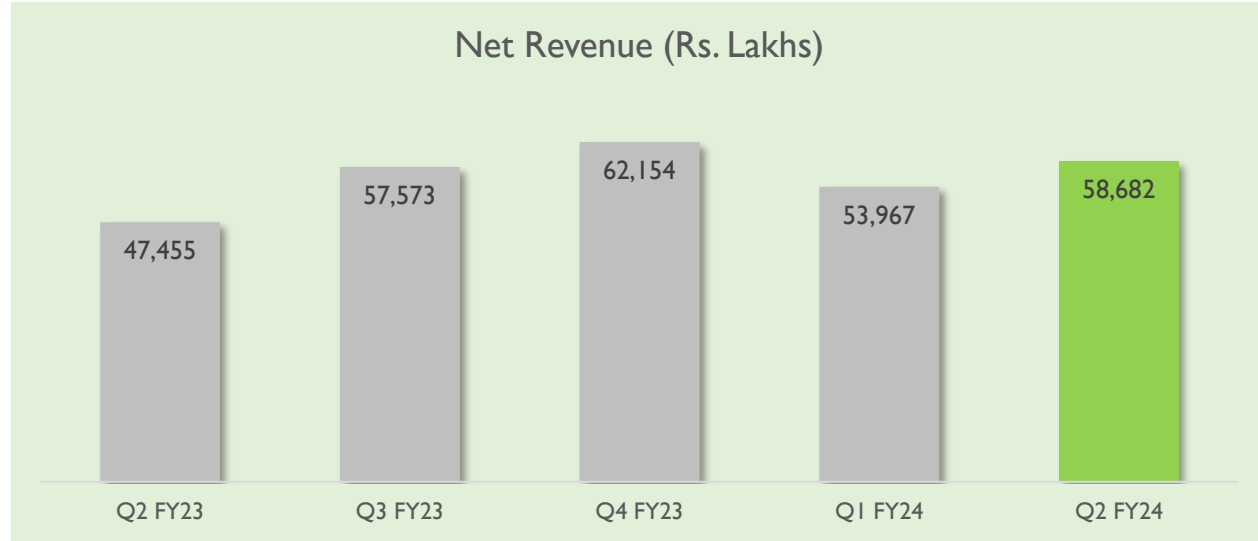
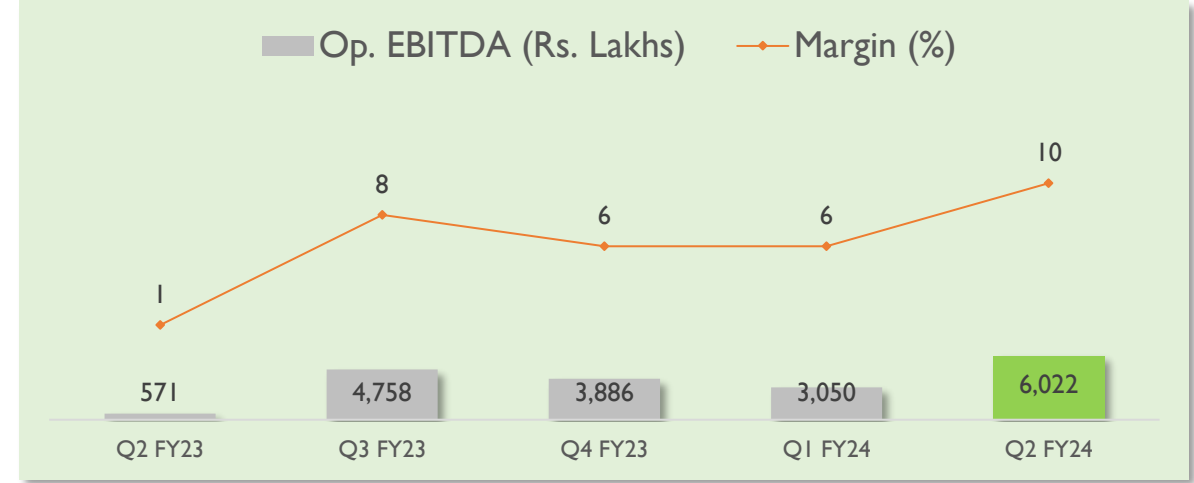
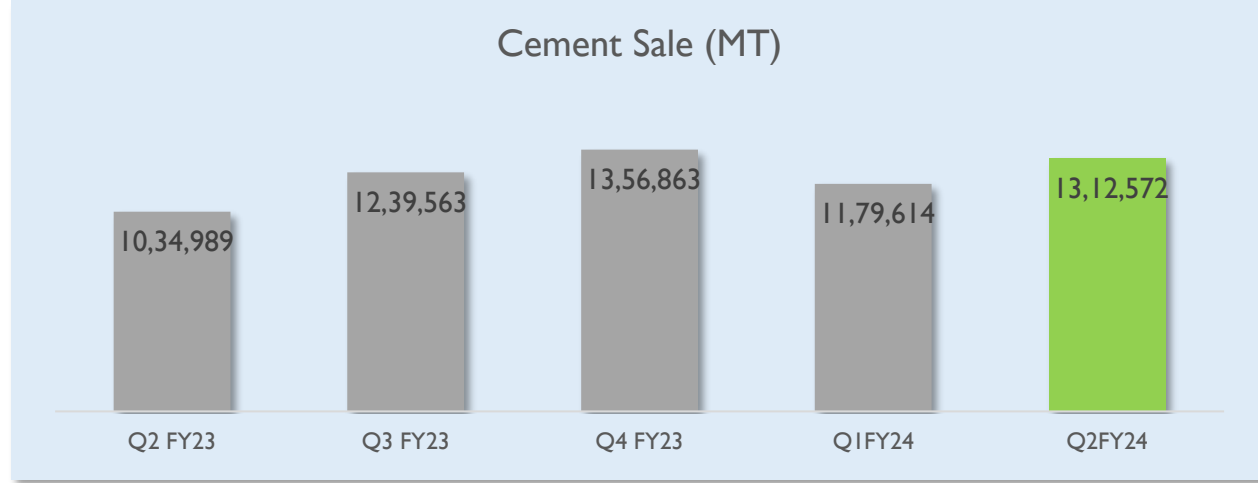
Commenting on the performance, Mr. Sreekanth Reddy, Jt. Managing Director of the Company said,

“We have seen a good pick up in the business during the quarter amidst steady prices and strong demand. Volume offtake remained healthy on the back of sustained demand from infrastructure and housing segments. We also witnessed pricing improvement across some of our markets towards end of the quarter which in turn aided revenue and profitability growth.

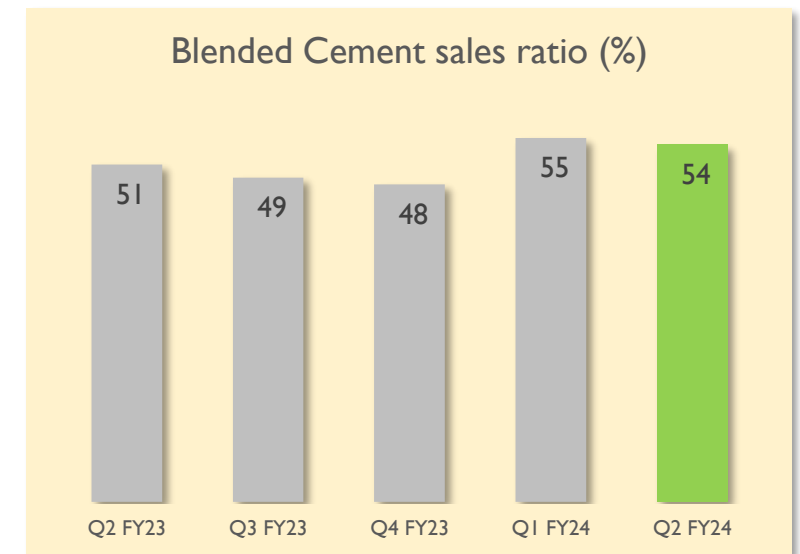
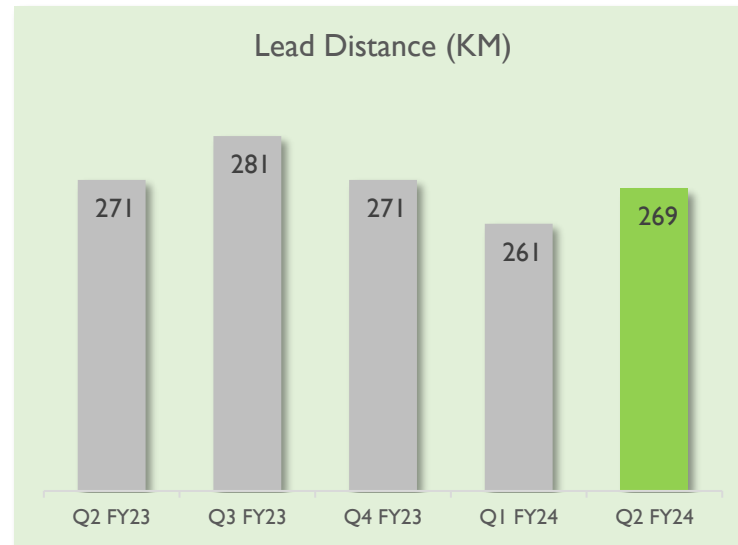
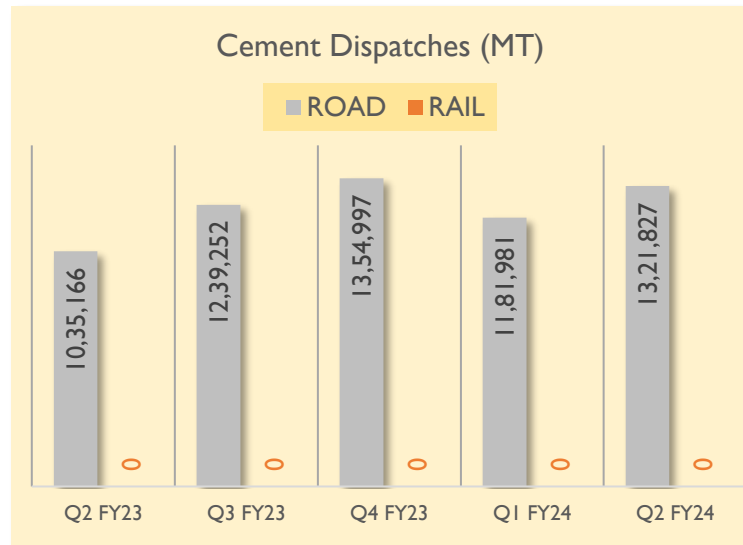
As far as EBITDA and margins are concerned, the improvement during the quarter was largely on expected lines as previous quarter's profitability was impacted by high fuel cost inventory and low utilization levels. We expect similar margin profile during the second half of the fiscal driven in part by lower input costs and better volume growth on account of ramp-up of Andhra cement and MP and Odisha plants. Also, our strategic initiatives towards increasing the share of green power, usage of electric trucks and wheel loaders and increased usage of alternative fuel, bodes well for rationalization in operating costs over medium to long term.

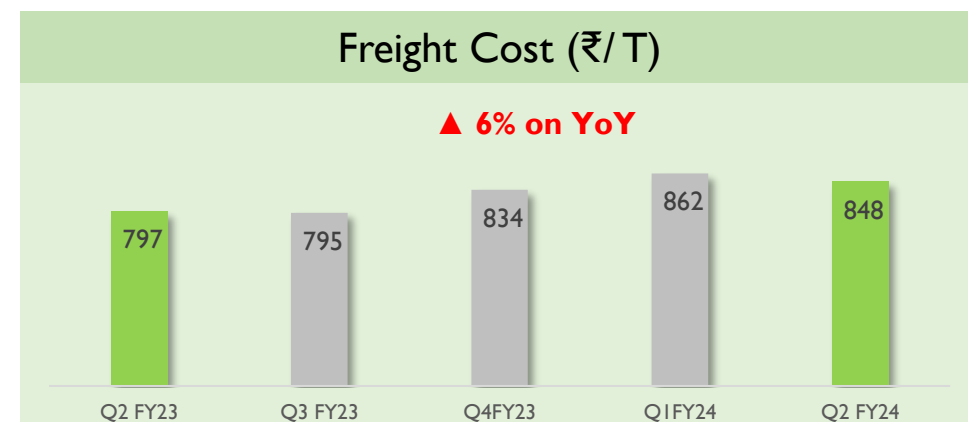
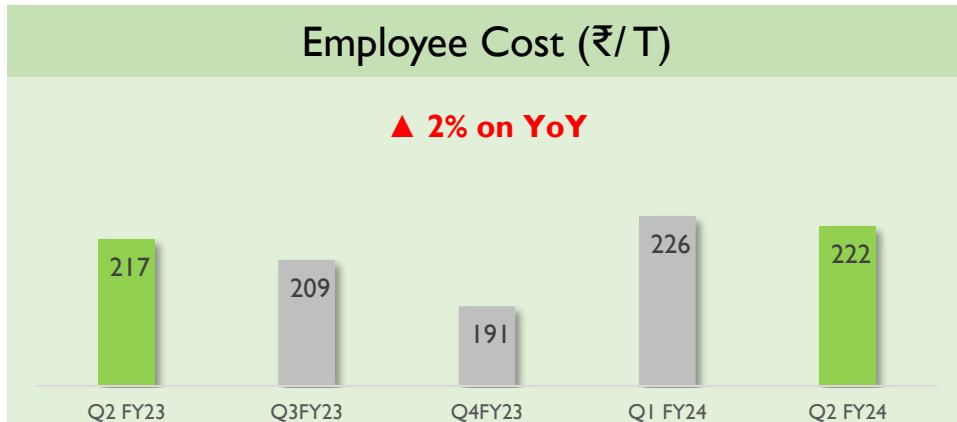
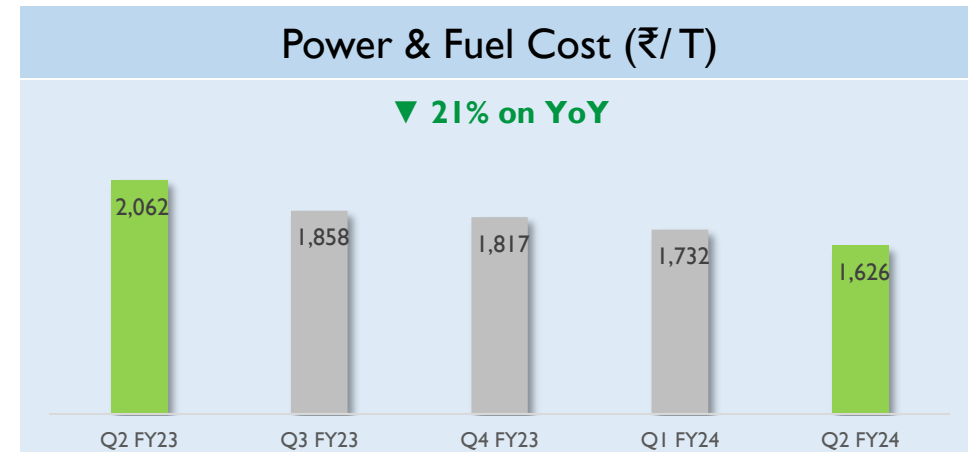
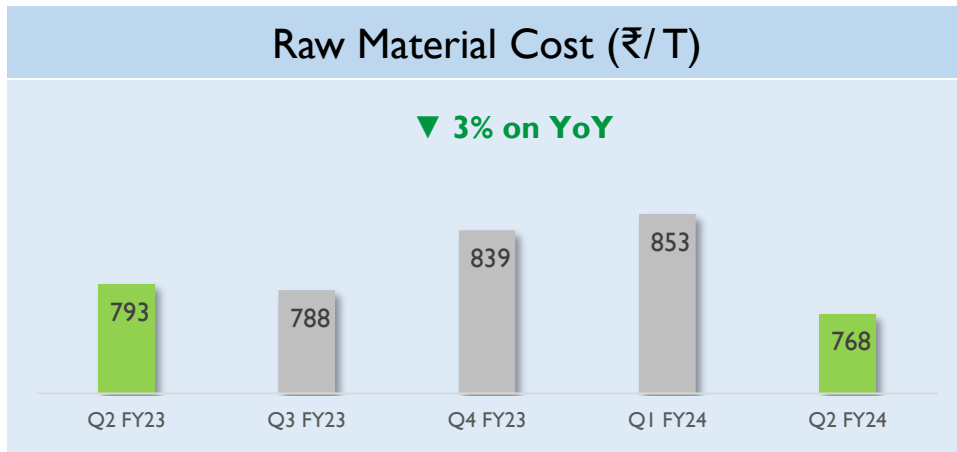
In terms of operational performance, we believe we are on track towards meeting our targets of ramping up the utilization levels at Jeerabad and Jajpur facilities and we will be able to achieve 80% utilization levels for the former and EBITDA breakeven for Jajpur and achieving overall volumes of 6.0 mn mt during this fiscal.

To conclude, with a healthy demand outlook, increased utilization of newly established facilities, and an improved product and geographical blend, we are poised to generate value for our shareholders in the years ahead.”



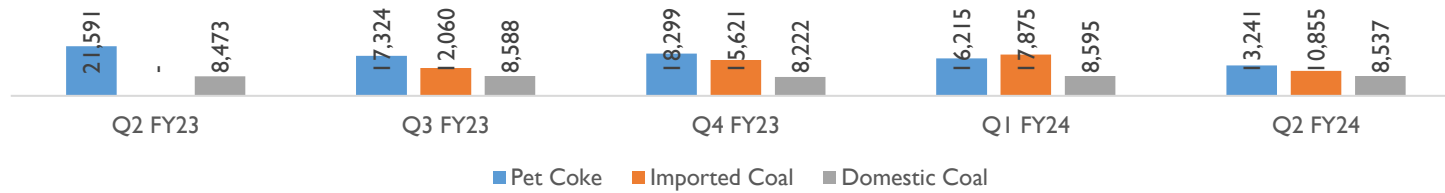
Description	Sagar Cements Ltd Qty in MT	Sagar Cements (M) Pvt Ltd Qty in MT	Andhra Cements Ltd Qty in MT	Consolidated Qty in MT
Clinker	7,72,962	1,33,638	2,19,196	11,25,796
Cement Production / Purchase	10,72,453	1,63,385	99,345	13,35,183
Cement Sales	10,52,042	1,65,808	94,723	13,12,572





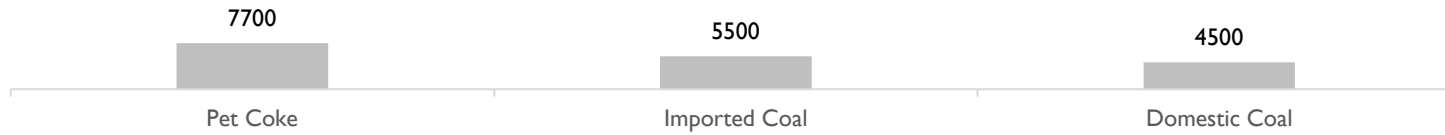
- Raw material cost per ton during Q2 FY24 was ₹ 768 per ton as against ₹ 793 per ton during Q2 FY23.
- The main reasons for decrease in Power & Fuel cost is due to reduction in the prices of pet coke & coal.
- Employee costs during Q2 FY24 amounted to ₹ 222 per ton as against ₹ 217 per ton during Q2 FY23.

Thermal Prices(Rs/Mt)

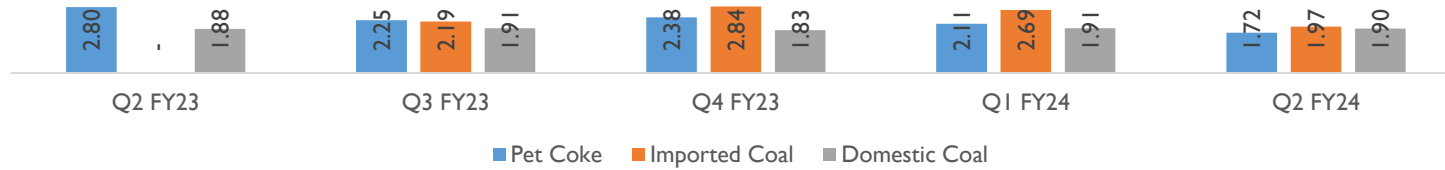


Current Fuel Price Trends		
Particulars	Per Ton (₹)	Per Kcal (₹)
Imported Pet Coke	14,439	1.88
Indian Pet Coke	13,567	1.76
Imported Coal	13,498	2.45
Domestic Coal	8,630	1.92

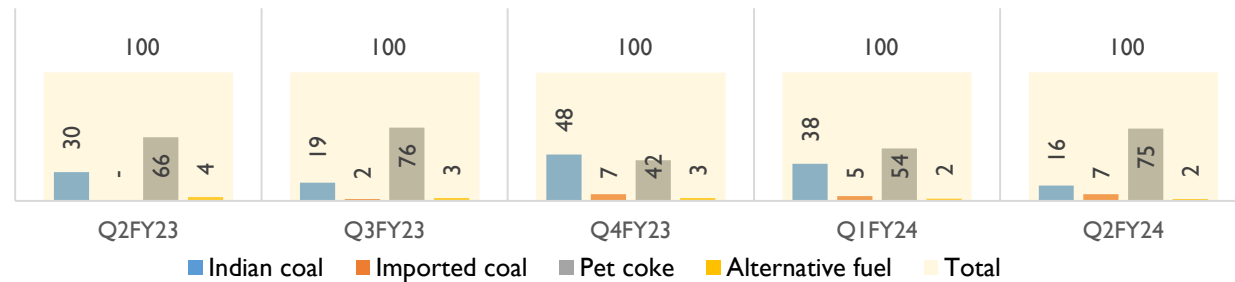
Kcal on NCV basis



Rs/Kcal



Group level Source of coal based on kcal (%)



in Rs.Lakhs

Particulars (Rs. In Lakh)	30 th Sep 2023	30 th Jun 2023	31 st Mar 2023	31 st Dec 2022	30 th Sep 2022
Gross Debt	1,53,337	1,50,675	1,47,212	1,39,088	1,48,585
- Long Term	1,30,540	1,29,975	1,27,665	1,22,188	1,27,525
- Working Capital	22,797	20,700	19,547	16,900	21,060
Cash & Bank Balance	15,205	15,146	21,048	31,283	30,849
Net Debt	1,38,132	1,35,529	1,26,164	1,07,805	1,17,736
Long term Debt Equity Ratio (%)	0.80	0.79	0.76	0.78	0.80
Net Worth	1,62,840	1,64,808	1,69,004	1,56,485	1,58,853

Waste Management

- Strict adherence towards disposal of hazardous and non-hazardous waste as prescribed by the laws
- Disposal of waste such as fly ash, slag, gypsum, oil and metal scrap in a responsible manner with zero hazardous waste sent to landfills



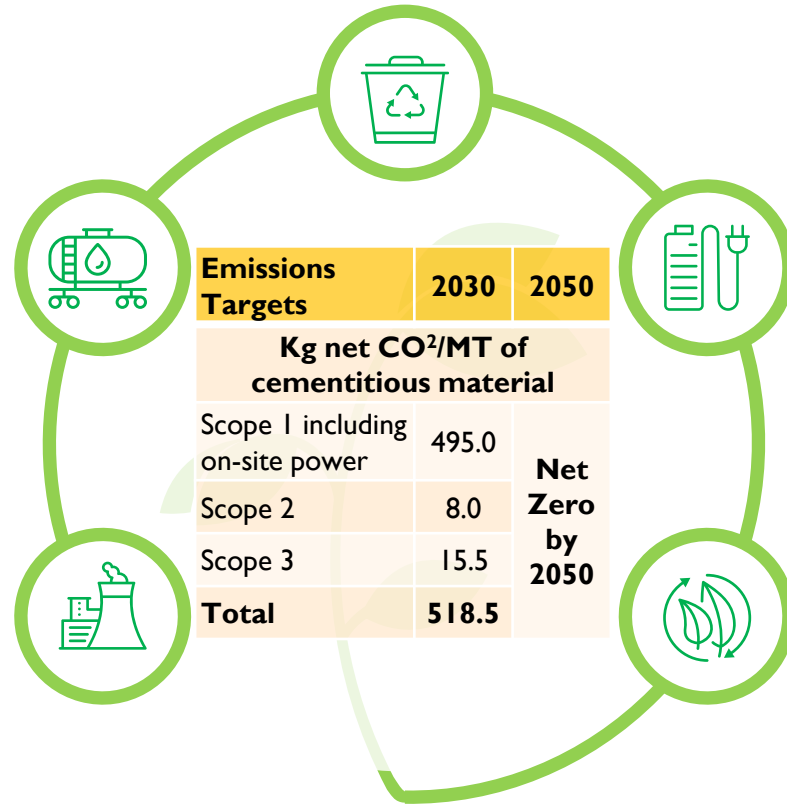
Water Management

- Undertaking conscious efforts to reduce water consumption at all levels; proactively undertaking initiatives towards groundwater recharge
- Gradually reduced water usage over the last decade, and have already reduced dependence on freshwater withdrawals through measures such as rainwater harvesting at our plants, and nearby communities



Emissions

- Successfully reduced emissions over the last five years
- Continue to invest in the latest and advanced technology solutions to bring down overall GHG emission



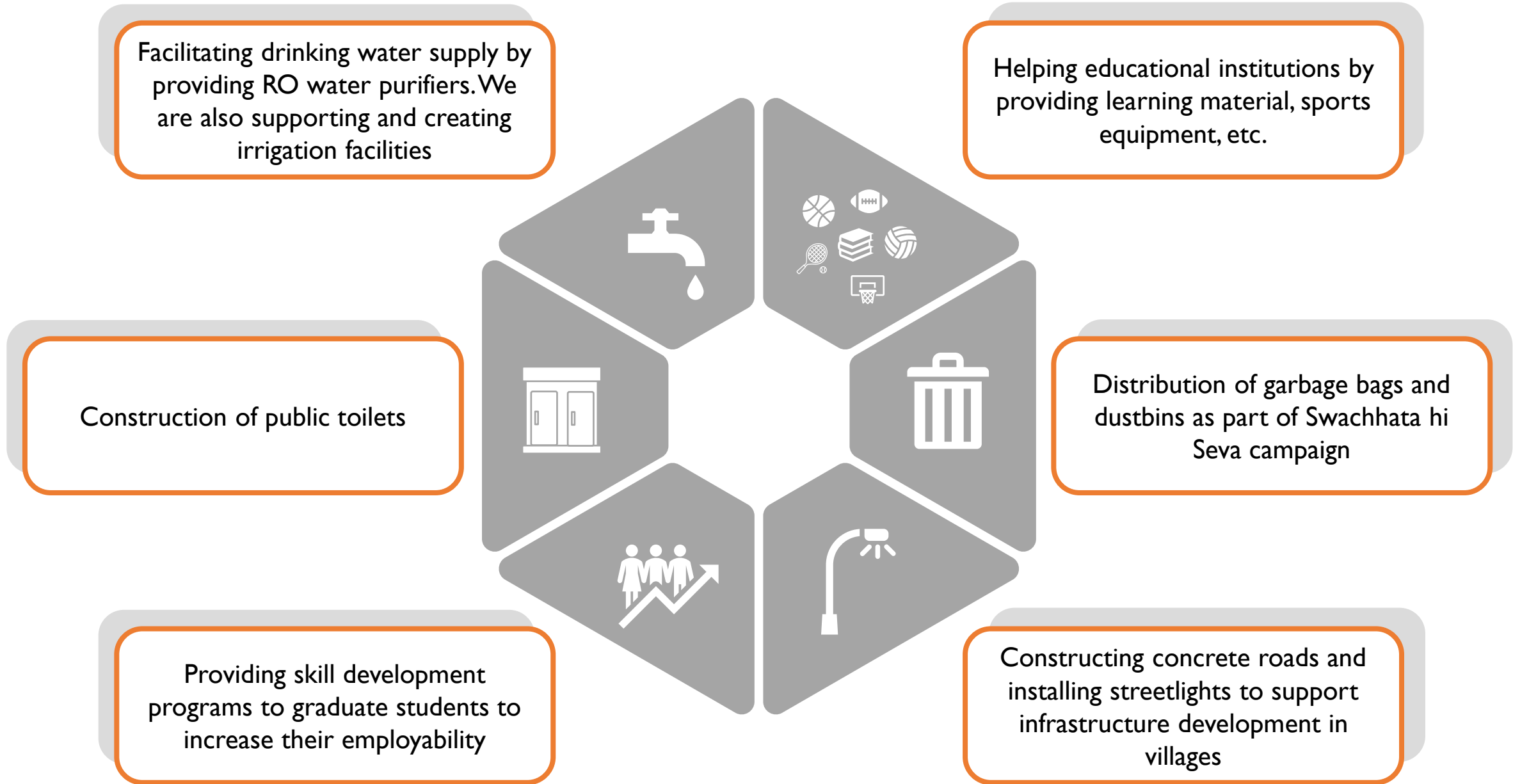
Energy Efficiency

- Reducing dependence on fossil fuels as energy source has been a top priority over the years
- Implemented WHRS and solar-roof panel



Bio-Diversity

- Periodically conduct biodiversity assessment at all our plant locations to gauge the volume of flora and fauna that could get possibly impacted by our operations
- Routinely conduct awareness sessions among local communities about biodiversity conservation



Activities to enhance TSR% (Thermal Substitution Rate)

- Initiated a pilot project for biomass cultivation as fuel for cement kiln.
- Approximately 20 hectares of land allocated for biomass growth.
- First harvest covered 12.3 acres, resulting in a yield of 26.72 MT of dry grass.
- Second harvest expanded to 15.14 acres, producing 37.6 MT of dry grass.
- Demonstrated successful growth and harvesting of biomass for sustainable energy use.
- Highlighted potential for increased biomass yield in future cultivation cycles.



Zero Emissions for Transport

- Deployed two electric trucks into our operations at Bayyavaram unit. These vehicles are dedicated to the transportation of slag and cement from the plant to Visakhapatnam.
- We have commissioned one E-loader at Dachepalli Plant of Andhra Cements.



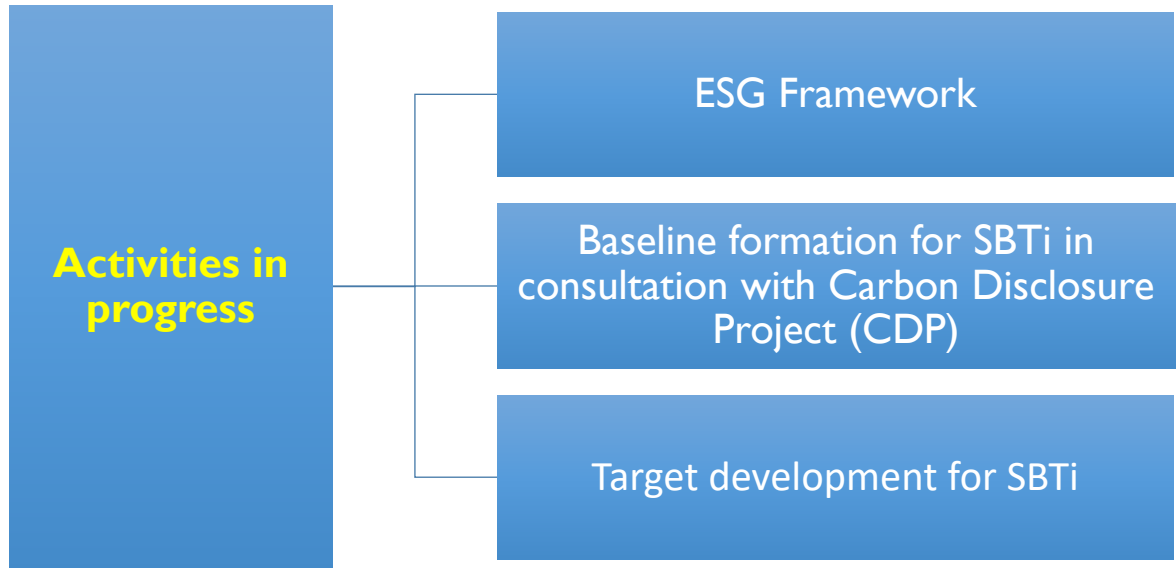
Green Energy

- At Mattampally Unit, Installation of additional damper in the By pass duct for the better utilization of hot gases and thereby enhancing Green Energy.



Promotion of Blended Cements

Meetings held with partners and stakeholders towards promotion of use of blended / low carbon cements.



- 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 : 10.85 MTPA.

Captive power capacity of 96.96 MW

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

Manufactures :

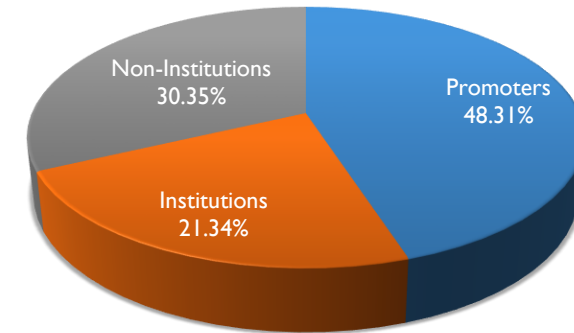
- Ordinary Portland Cement (OPC)- 53 & 43,
- Portland Pozzalona Cement (PPC)
- Composite Cement (CC)
- Sulphate Resistant Cement (SRC)
- Portland Slag Cement (PSC) &
- Ground Granulated Blast – Furnace Slag (GGBS).

Strong brand built over the last 4 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 19.64% equity stake in the Company.
- PI Opportunities Fund – I Scheme II (“PIOF”), an affiliate of Premji Invest, the Private Equity and investment arm of one of India’s largest philanthropic endowments, holds 10.10% equity stake in the Company.

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

Share Holding Pattern (as on 30th Sep 2023)

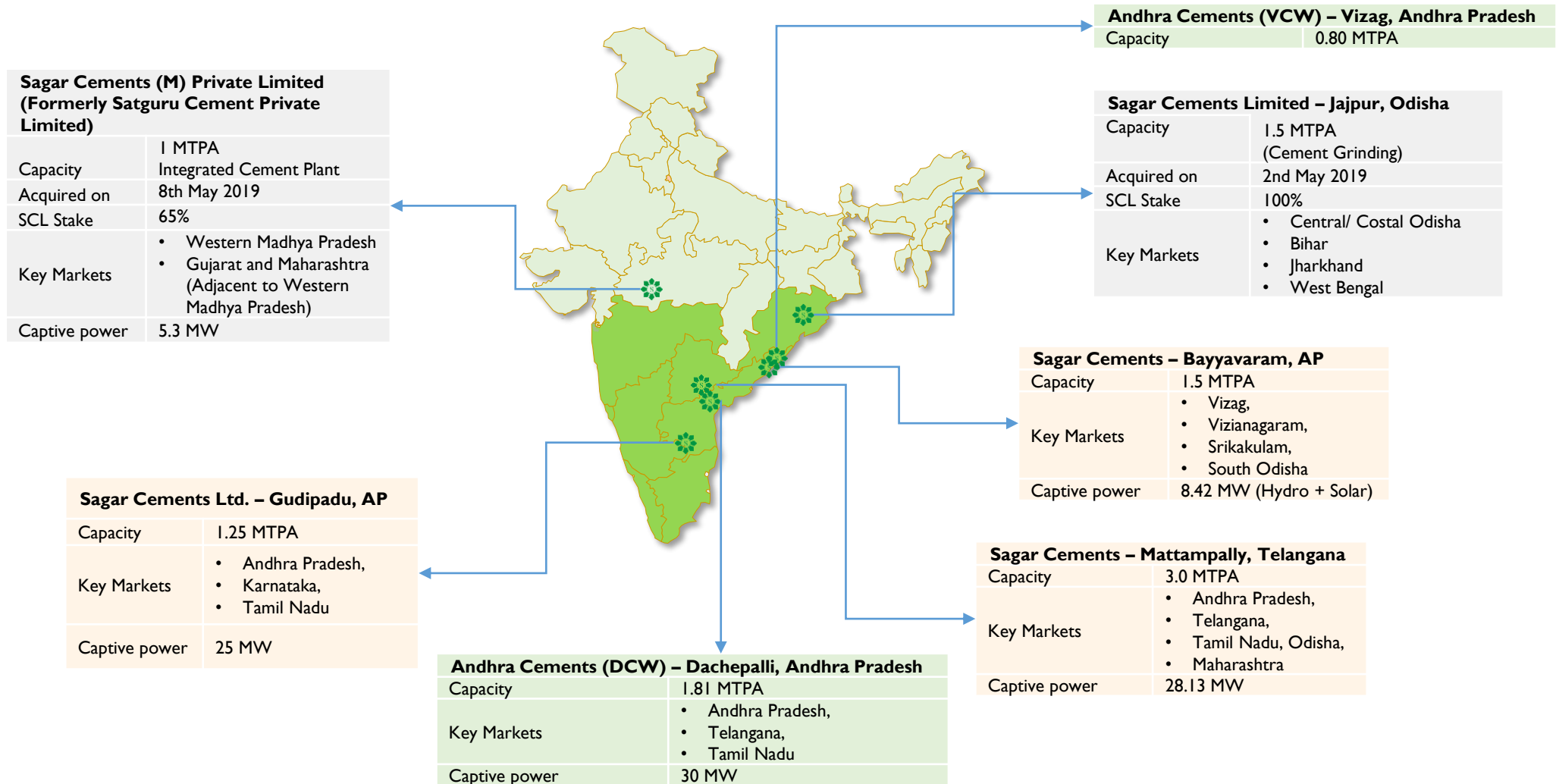


■ Promoters ■ Institutions ■ Non-Institutions

Capital Market Metrics	
Listed on	BSE & NSE
CMP (INR)*	~250
M-Cap (INR mn)	~32,677
52 week high (INR)	~268 (14 th December 2022)
52 week low (INR)	~180 (28 th March 2023)

*Market price at close on October 19, 2023 (NSE)

Strategically located to reap a significant locational advantage





Access to resources

- ✓ Part of Nalgonda & Yerraguntla Cement Cluster
- ✓ Strong limestone resources:
 - Over 398 MnT at Mattampally
 - Over 166 MnT at Gudipadu
 - Over 65 MnT at Indore (SCMPL)
 - Over 198 MnT at Dachepalli
- ✓ 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 – 2,909 dealers and 5,895 sub-dealers
- ✓ Acquisition of Gudipadu and Bayyavaram plants helped to increase market reach and depth
- ✓ Gudipadu acquisition helped in better penetration to 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
- ✓ 1.81 MTPA integrated plant in Dachepalli, Andhra Pradesh
- ✓ 0.80 MTPA grinding unit in Vizag, Andhra Pradesh
- ✓ Group captive power generation of ~96.96 MW



Strong financials

- ✓ Net worth increased over 6x in the last 10 years
- ✓ Long term debt rating of IND A/Negative
- ✓ Consistent profits
- ✓ Consistent track record of dividends

Sagar Cements Limited had received **“Certificate of Appreciation”** from **Commercial Taxes Department, Government of Telangana** for being tax compliant and contributing the highest revenue towards realising the dream of Bangaru Telangana.



Mattampally Limestone Mine has awarded with 5-star rating for exemplary performance in implementation of Sustainable Development Framework during 2021-22 assessed under the Star Rating System by Indian Bureau of Mines, Government of India, Ministry of Mines.



Gudipadu & Bayyavaram Unit were Awarded with **“Energy Efficient Unit Award, Cement Sector -2023”**, in appreciation of the achievements in energy conversation in the cement sector for the year 2023 by **CII**.



Sagar Cements Limited was Awarded with **“Best Management Award”**, in appreciation of providing local employment and providing skill development training for local newly qualified graduates at Mattampally unit, by Ministry of labour, Government of Telangana.



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:

 Sagar Cements Limited	CDR India
K Prasad-Chief Financial Officer prasadk@sagarcements.in	Gavin Desa gavin@cdr-india.com
Rajesh Singh - Chief Marketing Officer rajeshsingh@sagarcements.in	Suraj Digawalekar suraj@cdr-india.com
R.Soundararajan- CS & Compliance Officer soundar@sagarcements.in	Tel.: +91 98206 37649// +91 98211 94418
Tel.: +91 40 2335 1571 / 6572	