



THE RAMCO CEMENTS LIMITED

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Corporate Identity Number: L26941TN1957PLC003566

8 June 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 Sir,

Sub: Transcript of the Annual Investor Conference

Ref: Disclosure under Clause 15(b) of Para A, Part A of Schedule III, read with
Regulation 30 of SEBI (LODR) Regulations, 2015.

We attach the transcript of the Annual Investor Conference held on 02.06.2022,
organised by Batlivala & Karani Securities India Private Limited, and the same is
also made available at –

<http://www.ramcocements.net/ramcocements/EarningsConferenceCallTranscript/Batlivala-TheRamco-6-Jun-2022.pdf>

Thanking you,

Yours faithfully,

For **THE RAMCO CEMENTS LIMITED,**

K.SELVANAYAGAM
SECRETARY

THE RAMCO CEMENTS LIMITED

Management Representation : a. Shri.A.V.Dharmakrishnan, Chief Executive Officer
b. Shri.S.Vaithyanathan, Chief Financial Officer

Key questions discussed during investor conference:

What is the status of Kurnool capacity and which are the other upcoming cement capacities for the company?

In Kurnool, trial production of clinker is going on and with this, the clinkering capacity has gone up to 13.65 mtpa. The cement grinding facility, 6 MW of WHRS and 18 MW TPP will be commissioned during 2QFY23.

One more 1-1.5 mtpa grinding capacity will come up in Karnataka at capex of Rs 3-3.5 bn – land acquisition is in process. Total Rs 12-13 bn capex planned over the next 2 years.

Please provide some more details on the limestone mine in Karnataka recently won by the company? Also, how is the access to limestone mines?

Company won the limestone mine in Karnataka at 25% premium of base price which is lower than the recent bids. These mines can be used for integrated plant which would come up in the state. Also, this mine can be used to feed the grinding unit in Maharashtra later once it comes up.

Company has no issues of limestone in Andhra Pradesh – if limestone cost goes up, company has option to feed the limestone from AP to TN in future.

What is the view on the recent Adani-Holcim deal and how does it impact Ramco or other South-based players?

Holcim group's presence in the South region is lower, which poses less concern for South-based players. Also, company is not much worried on Adani coming in the market and is rather a welcome move.

To get a view on Adani's rationality in pricing, taking cues from this coal dealing, Adani has never under-cut the pricing, does not sell at a throwaway price and is quality conscious. Hence, the new entrant would likely behave rationally on the pricing front.

What is the sustainable profitability in terms of EBITDA/tonne?

Near-term scenario is uncertain given sharp rise in cost inflation and lag in cement price increase. However, the average EBITDA per tonne of the past 10-12 years can be sustainable profitability range.

How is the pricing dynamics in different markets?

Price increase in East is sustaining, whereas South region price have come down from the peak levels. The company propose to take Rs 20-25/bag price increase in south during June in view of fuel price increase but the sustainability of this price needs to be watched out

How is the WHRS/renewable mix with the company? What kind of fuel inventory we have?

WHRs + wind energy is already 65% of the mix already. We are having fuel commitment of around 4-5 months.

How is the demand outlook and volume growth guidance?

April and May months demand was robust – base is favourable (last year lockdowns during second wave of covid) as well as demand has shown improvement as infrastructure projects have started picking up in the recent months. Overall, industry growth could be ~10% whereas company would likely achieve volume growth of 15% in FY23.

What is the blending ratio of the company?

The current blending stands at 1.5x. While this may look low, company already sells OPC at a higher/premium rate, which broadly compensates for the low blending.

What is the current debt with the company and what are the plans on deleveraging?

Company's net debt stands at Rs 38 bn as of FY22 and plans to repay ~Rs 5 bn debt in FY23 whereas it targets to become net debt free by FY26 if no other major capex planned

Some questions on data points like lead distance of 325km, trade : non-trade mix of 72-28% and premium cement of 22%.