



SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2022-23

20th July 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

Scrip Code: 502090

Series: EQ

Dear Sirs

Press Release regarding un-audited Financial Results (Standalone and Consolidated)
for the first quarter ended June 30, 2022

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 first
quarter ended 30th June 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

QIFY23
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	Q1 FY23	Q1 FY22	YoY (%)	Q4 FY22	QoQ (%)	FY22
Sales Volume (MT)	11,86,259	8,79,523	▲ 35%	11,27,902	▲ 5%	36,03,754
Revenue from Operations	55,772	39,257	▲ 42%	50,172	▲ 11%	1,59,687
Other Income	1,244	476	▲ 161%	417	▲ 198%	1,342
Total Income	57,016	39,733	▲ 43%	50,589	▲ 13%	1,61,029
Operating expenses	49,669	28,546	▲ 74%	44,063	▲ 13%	1,32,110
Op. EBITDA	6,103	10,711	▼ 43%	6,109	▼ 0%	27,577
Op. EBITDA Margin %	11	27	▼ 60%	12	▼ 10%	17
Op. EBITDA per Ton in ₹	514	1,218	▼ 58%	542	▼ 5%	765
Finance cost	4,808	1,557	▲ 209%	4,713	▲ 2%	9,248
Depreciation	3,658	1,923	▲ 90%	3,151	▲ 16%	9,271
(Loss)/ Profit before tax	(1,119)	7,707		(1,338)		10,400
Tax expenses	191	2,849	▼ 93%	577	▼ 67%	4,485
(Loss)/ Profit after tax	(1,310)	4,858		(1,915)		5,915

- Revenue increased by 42% Y-o-Y and volume increased by 35% for Q1 FY23.
- Plants operated around 57% during the current quarter.
- Operating EBITDA of ₹ 6,103 lakhs for Q1 FY23 as against ₹ 10,711 lakhs during Q1 FY22.
- Operating EBITDA of ₹ 514 per ton during Q1 FY23.
- EBITDA margin declined by 1,600 bps to 11% for Q1 FY23 (v/s Q1 FY22).
- (Loss)/ Profit after tax stood at Rs. (1,310) lakhs for Q1 FY23 v/s PAT of ₹ 4,858 lakhs during Q1 FY22.

Sagar Cements Limited					
Particulars	Q1 FY23	Q1 FY22	YoY %	Q4 FY22	QoQ (%)
Sales Volume (MT)	10,41,424	8,79,523	▲ 18%	10,55,092	▼ 1%
Total Income (in Rs. Lakhs)	50,246	39,843	▲ 26%	48,622	▲ 3%
Op. EBITDA (in Rs. Lakhs)	6,863	10,782	▼ 36%	6,934	▼ 1%
Op. EBITDA / MT (in Rs.)	659	1,226	▼ 46%	657	▲ 0%
PAT (in Rs. Lakhs)	2,767	5,274	▼ 48%	1,631	▲ 70%

- 18% YoY increase in volumes during Q1 FY23.
- Op. EBITDA of ₹ 6,863 lakhs during Q1 FY23 lower by 36% on a Y-o-Y basis.
- Op. EBITDA of ₹ 659 per ton during Q1 FY23 lower by 46% on a Y-o-Y basis.

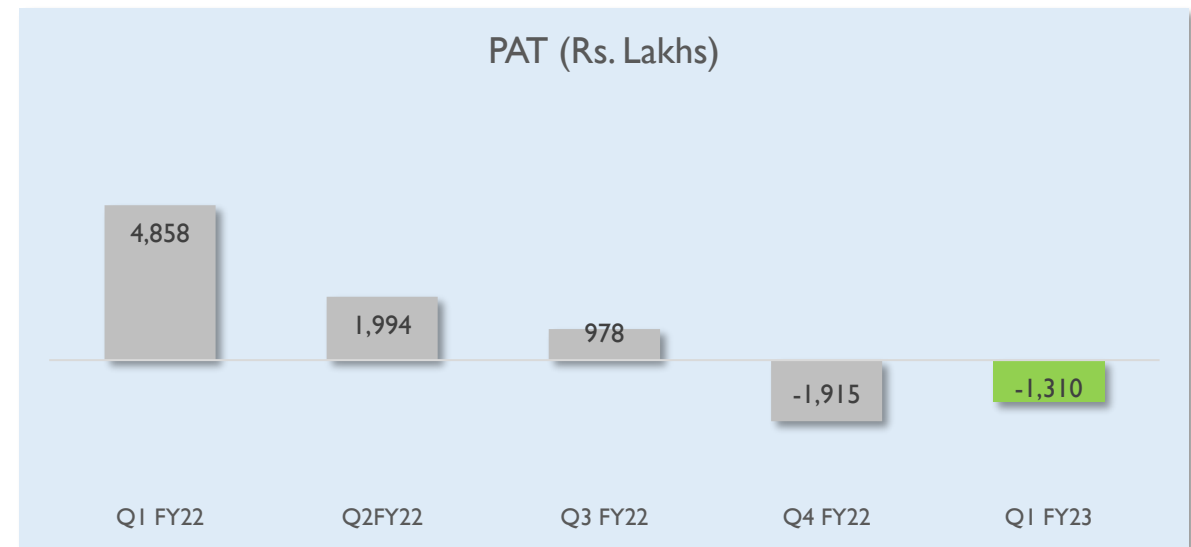
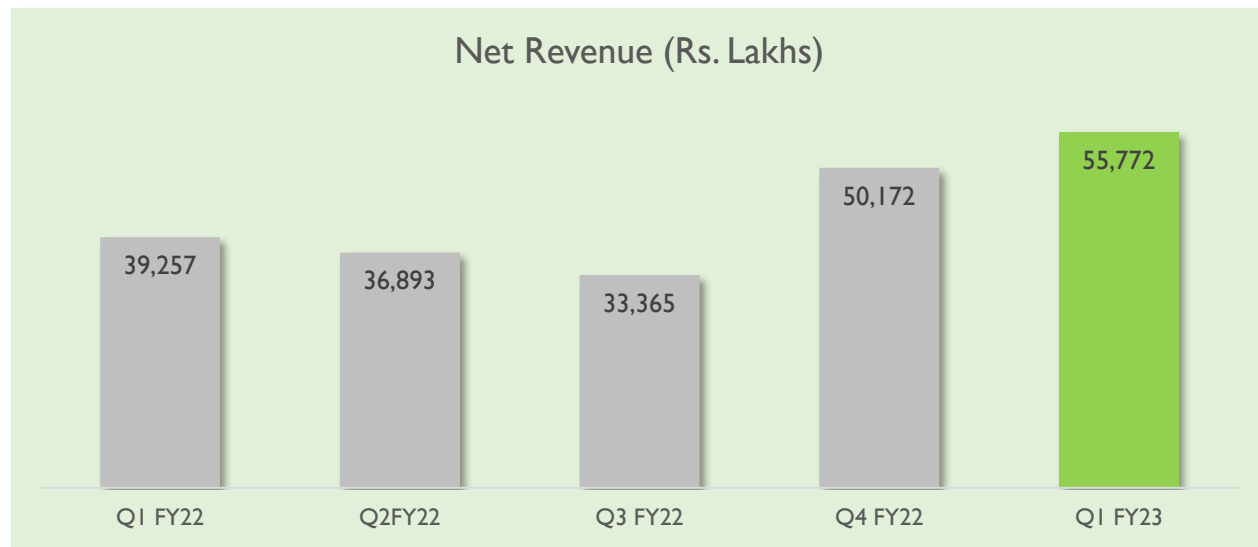
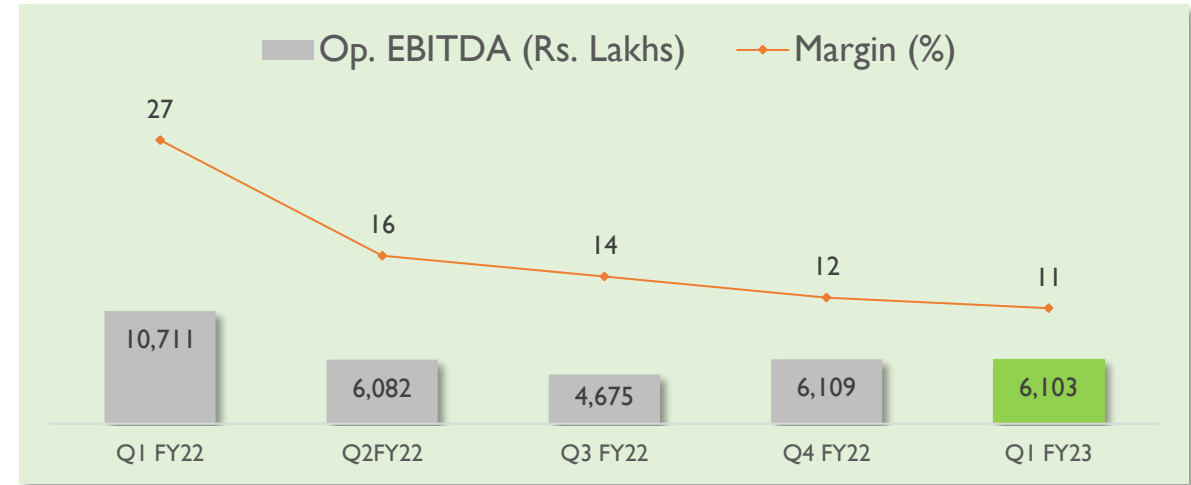
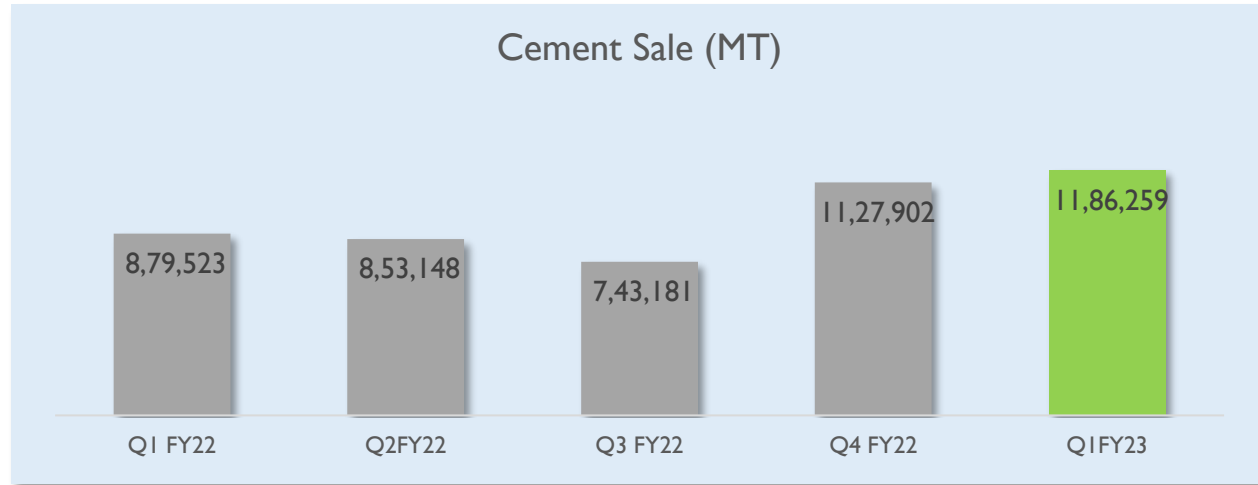
Consolidated Per Ton Analysis					
Particulars (in Rs)	Q1 FY23	Q1 FY22	YoY%	Q4 FY22	QoQ (%)
Net Realization / T	4,701	4,463	▲ 5%	4,448	▲ 6%
Total Expenditure /T	4,187	3,245	▲ 29%	3,906	▲ 7%
Raw Material Consumed	751	703	▲ 7%	703	▲ 7%
Employee Expenses	222	211	▲ 6%	236	▼ 6%
Power & Fuel	1,827	1,017	▲ 80%	1,596	▲ 14%
Freight	798	764	▲ 4%	776	▲ 3%
Purchase of stock in Trade	68	41	▲ 66%	46	▲ 48%
Other Expenses	521	509	▲ 2%	549	▼ 5%
EBITDA/ T	514	1,218	▼ 58%	542	▼ 5%

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

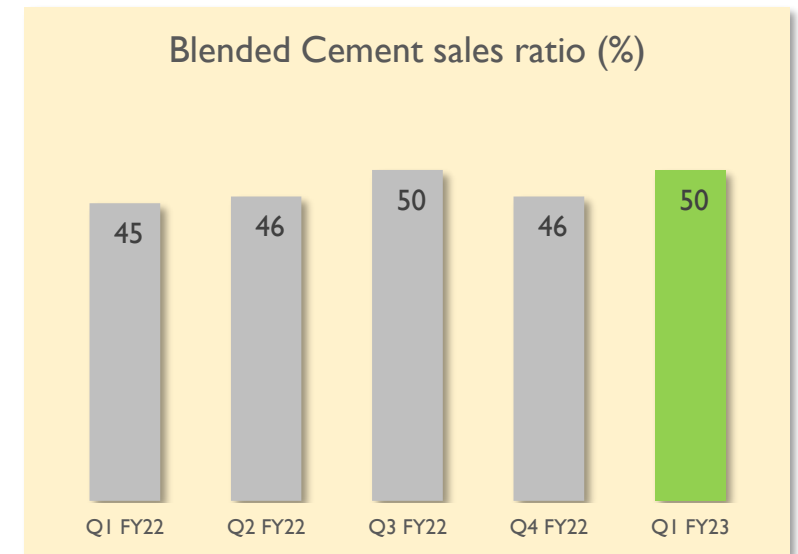
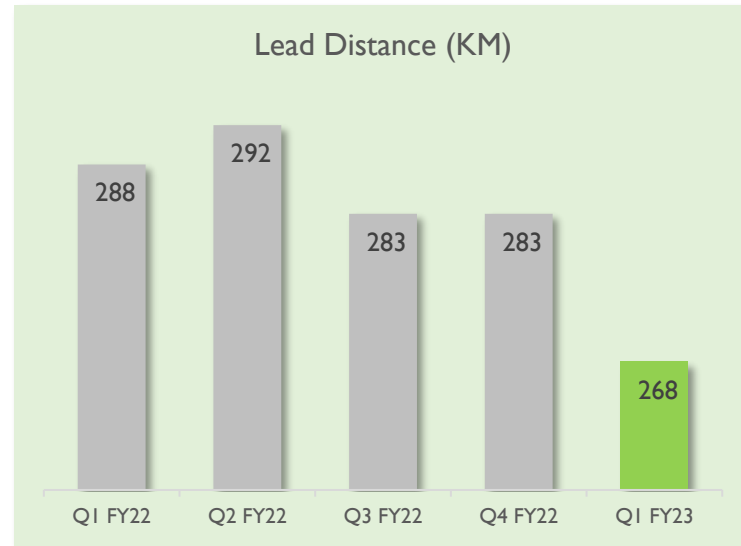
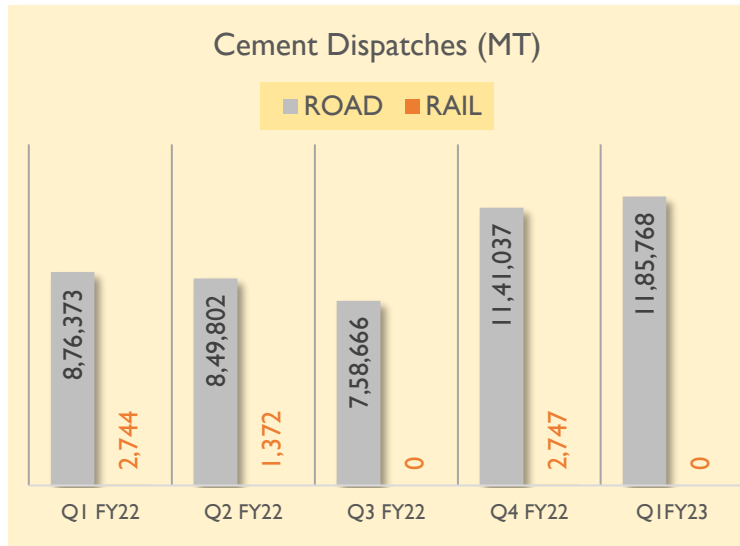
“We have expectedly had a soft start to the fiscal given the challenges surrounding inflationary environment. Volumes growth is high at 35% consequent to the commencement of our operations at Jajpur and Jeerabad. However overall realisations remained steady amidst a benign demand scenario. Besides elevated input prices, challenges surrounding heat wave and labour availability weighed in on demand. Higher volume growth was in part owing to the commissioning of new facilities and also owing to low base effect.

Operational profitability and margins for the quarter remained under pressure owing to higher input prices. We have seen a material surge across commodity prices over the past few months, resulting in a significant increase in the cost of manufacturing and distribution. While we did undertake some price revisions, benign demand environment restricted our ability to implement requisite price hikes leading to lower profitability during the quarter. Input prices though have started to cool off from their recent highs and we are hopeful that the trend will continue which should aid our profitability going forward.

Going ahead, we believe our diversified geographic presence, improved product mix, cost rationalization measures and plans towards scaling up the business inorganically, positions us well to deliver consistent performance and create value for our shareholders.”

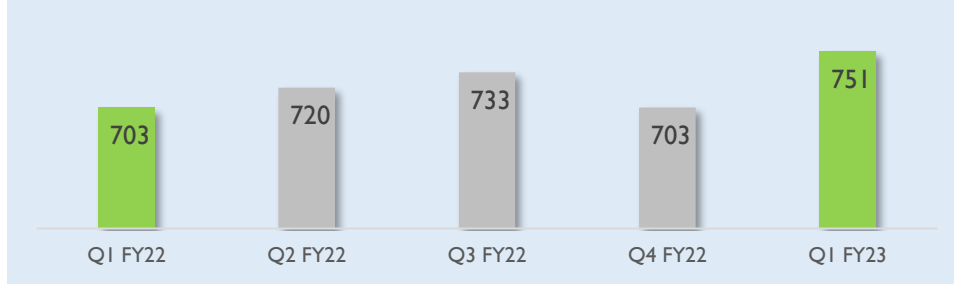


Description	Sagar Cements Ltd Qty in MT	Sagar Cements (M) Pvt Ltd Qty in MT	Jajpur Cements Pvt Ltd Qty in MT	Consolidated Qty in MT
Clinker	7,23,773	1,02,433	-	8,26,206
Cement Production / Purchase	10,41,776	1,15,306	30,507	11,87,589
Cement Sales	10,41,424	1,14,024	30,811	11,86,259



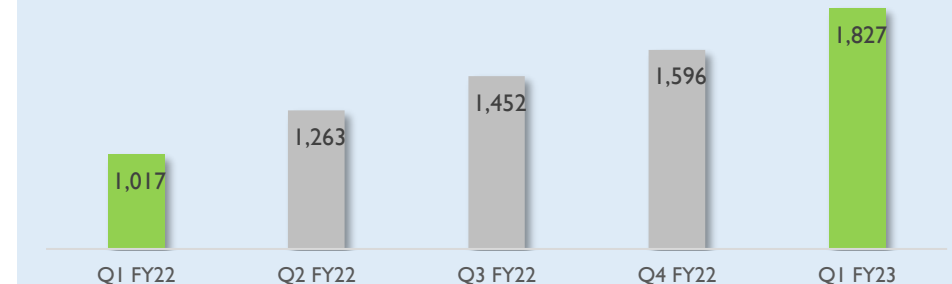
Raw Material Cost (₹/ T)

▲ 7% on YoY



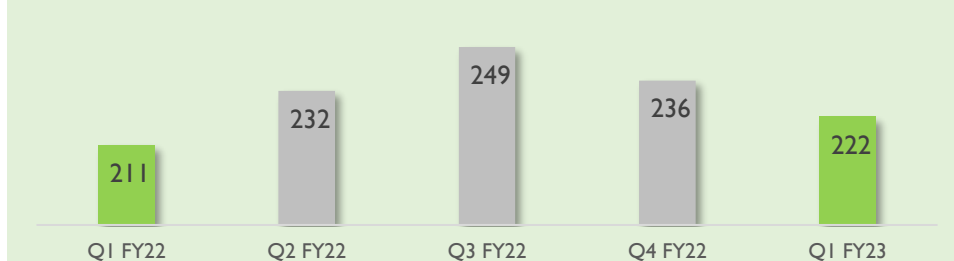
Power & Fuel Cost (₹/ T)

▲ 80% on YoY



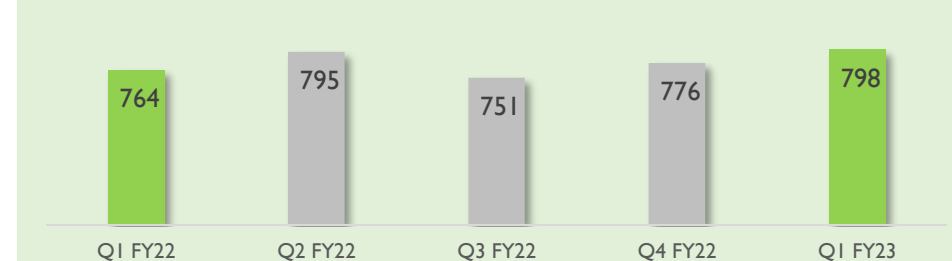
Employee Cost (₹/ T)

▲ 6% on YoY

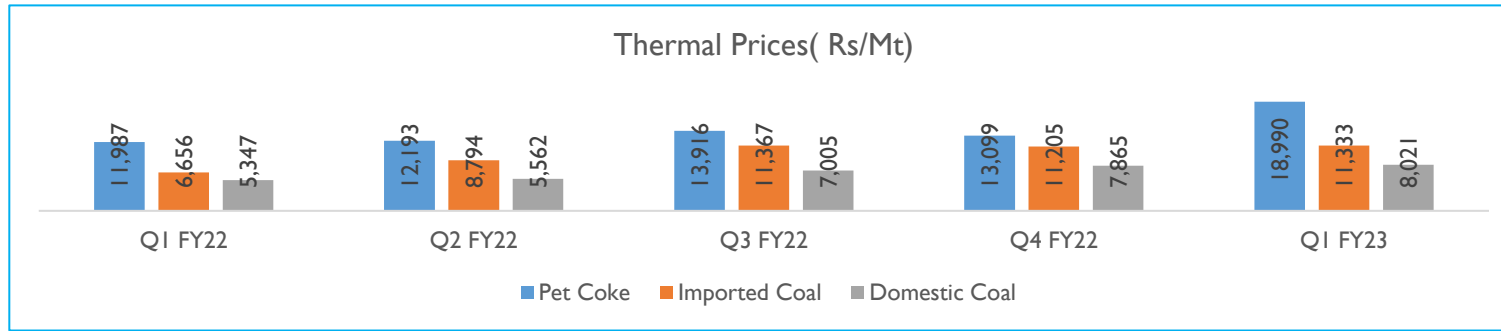


Freight Cost (₹/ T)

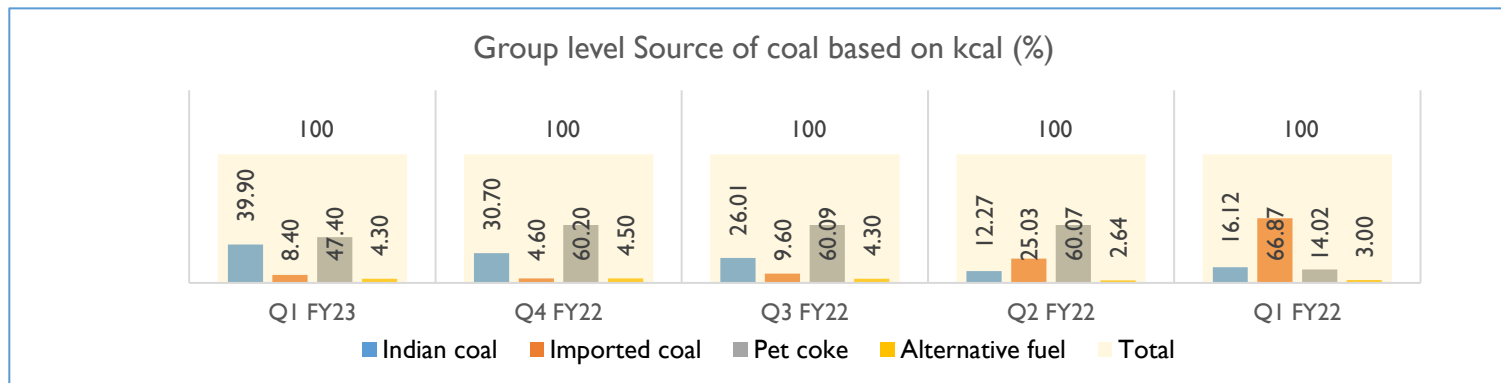
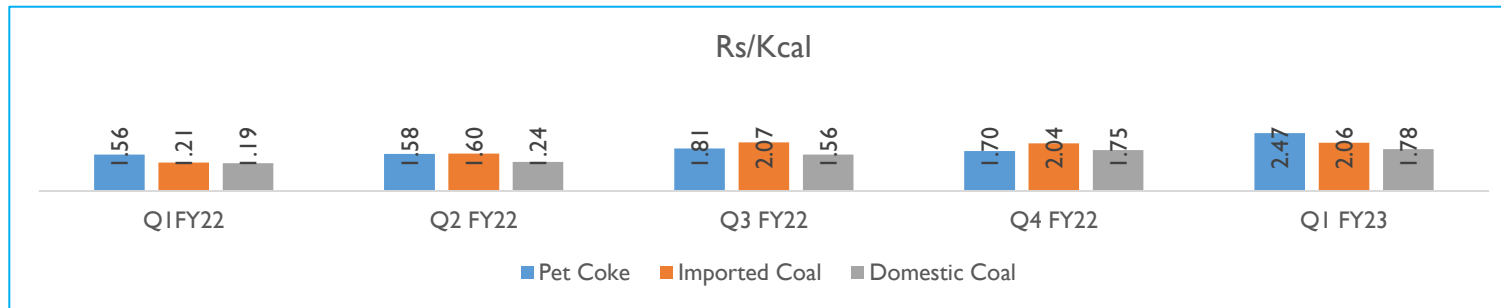
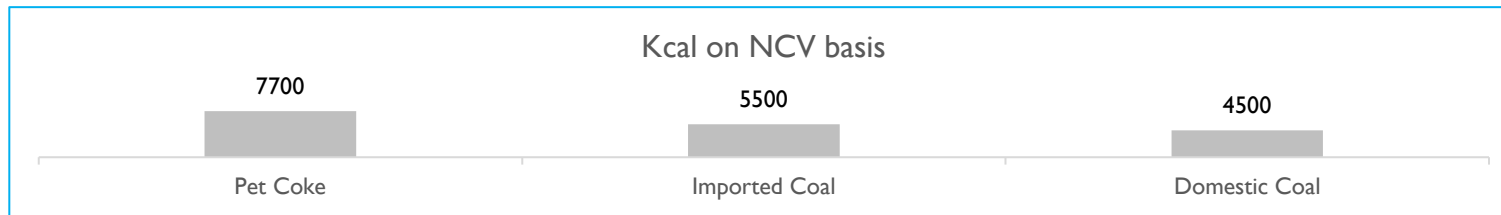
▲ 4% on YoY



- Material cost per ton during Q1 FY23 was ₹ 751 per ton as against ₹ 703 per ton during Q1 FY22.
- The main reasons for increase in Power & Fuel cost is the significant increase in the prices of pet coke & Imported coal prices.
- Optimal thermal efficiency at Mattampally Plant 740 Kcal /Kg of Clinker & Gudipadu 691 Kcal /Kg of Clinker & Jeerabad 838 Kcal /Kg of Clinker.
- Employee costs during Q1 FY23 amounted to ₹ 222 per ton as against ₹ 211 per ton during Q1 FY22.
- Higher diesel prices have also considerably impacted the outward freight costs.



Current Fuel Price Trends		
Particulars	Per Ton (₹)	Per Kcal (₹)
Imported Pet Coke	21,085	2.74
Indian Pet Coke	20,842	2.71
Imported Coal	19,315	3.51
Domestic Coal	9,124	2.03



Particulars (Rs. In Lakh)	30th Jun 2022	31 st Mar 2022	31 st Dec 2021	30 th Sep 2021	30 th Jun 2021
Gross Debt	1,48,987	1,50,335	1,39,040	91,385	84,423
- Long Term	1,29,300	1,32,361	1,25,672	77,365	73,147
- Working Capital	19,687	17,974	13,368	14,020	11,276
Cash & Bank Balance	28,174	16,269	41,891	12,811	17,216
Net Debt	1,20,813	1,34,066	97,149	78,574	67,207
Long term Debt Equity Ratio (%)	0.79	1.01	0.95	0.59	0.57
Net Worth	1,63,922	1,30,944	1,32,727	1,31,749	1,29,293

- 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 :

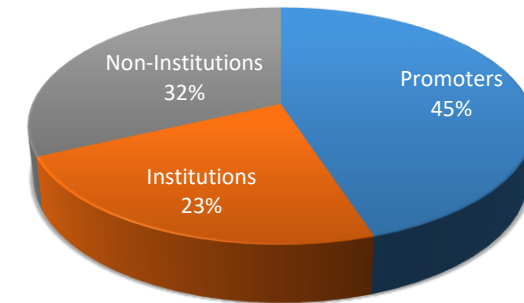
- Ordinary Portland Cement (OPC)- 53 & 43,
- Portland Pozzalona Cement (PPC)
- Sulphate Resistant Cement (SRC)
- Portland Slag Cement (PSC) &
- GGBS.

Strong brand built over the last 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 Jun. 2022)



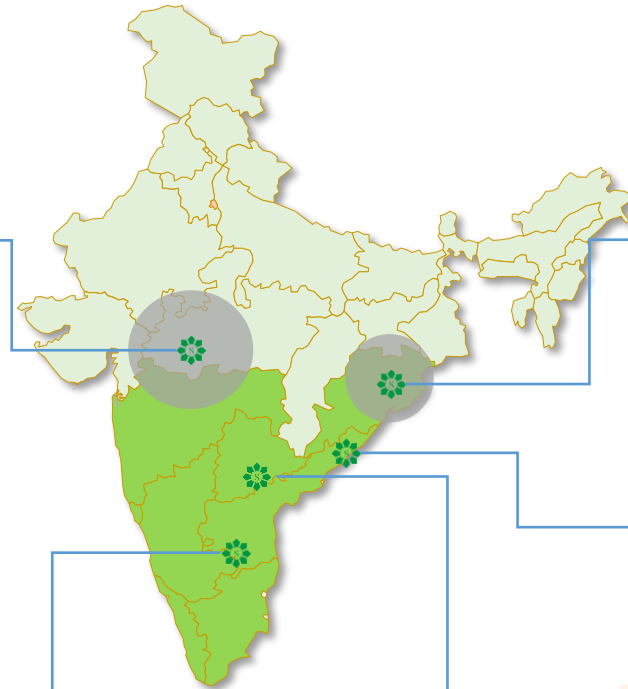
■ Promoters ■ Institutions ■ Non-Institutions

Capital Market Metrics	
Listed on	BSE & NSE
CMP (INR)*	~172
M-Cap (INR mn)	~22,429
52 week high (INR)	~317 (17 th August 2021)
52 week low (INR)	~154 (21 st June 2022)

*Market price at close on 20th July, 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/ Costal Odisha Bihar Jharkhand West Bengal
Status	Commenced operations

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 – 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 – 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 – 2,244 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 10 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 !



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