

**THE RAMCO CEMENTS LIMITED**

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Website : [www.ramcocements.in](http://www.ramcocements.in)

Corporate Identity Number : L26941TN1957PLC003566

9 November 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 Sirs,

Sub: Investor Presentation

Pursuant to Regulation 30, read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose a copy of the Presentation on the performance of the Company for the quarter and six months ended 30.09.2022, being shared at the Investors' Meets.

Thanking you,

Yours faithfully,  
For **THE RAMCO CEMENTS LIMITED,**

**K.SELVANAYAGAM**  
**SECRETARY**

Encl : As above



# The Ramco Cements Limited

*Firm & Focussed*

# Investor Update

Q2FY23

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## 1 Overview of Economy

- India's GDP growth for FY23 is projected at 6.5% from an earlier estimate of 7.5% on account of extended geopolitical tensions and aggressive monetary policy tightening globally
- Repo Rate increased by 190 bps during last six months and tops pre-pandemic levels
- Rupee depreciated by 9.8% against USD since Jan 2022

## 2 Positives

- Robust demand from rural housing; Government's growing impetus on infrastructure development, evident from rising public spending
- 'PM Gati Shakti – National Master Plan (NMP)' launched for multi-modal connectivity to bring synergy for creation of world-class, seamless multimodal transport in India
- High Budget allocation for infrastructure, affordable housing schemes & road projects to fuel the economy
- Good monsoon, water levels in reservoirs

## 3 Watch outs

- Risks to the global growth outlook are overwhelmingly tilted to the downside as monetary authorities undertake aggressive tightening of money supply to rein in high inflation
- Uncertainty around the war and the pace of monetary tightening are imparting sizeable volatility to global financial markets that prefers to lending safe haven demand to the US dollar. These developments are generating large adverse spillovers to emerging market economies and posing sizeable downside risks to their growth prospects.
- High volatility of fuel prices
- Impact in farm income due to ban on exports of wheat and rice

# Market update for Q2FY23

## South

- ✓ Demand from Individual housing & Infra particularly in road projects, picked up
- ✓ Prices have dropped despite increase in cost
- ✓ Share of premium products are growing steadily
- ✓ Monsoon has impacted demand in Kerala & Karnataka

## East

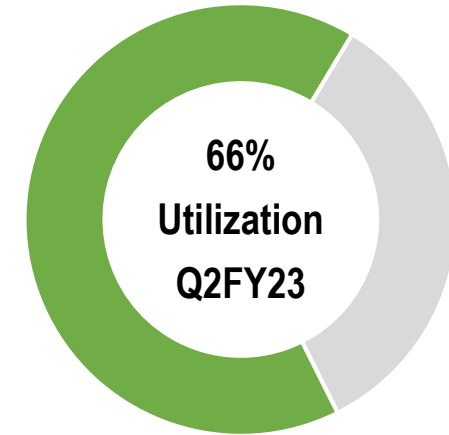
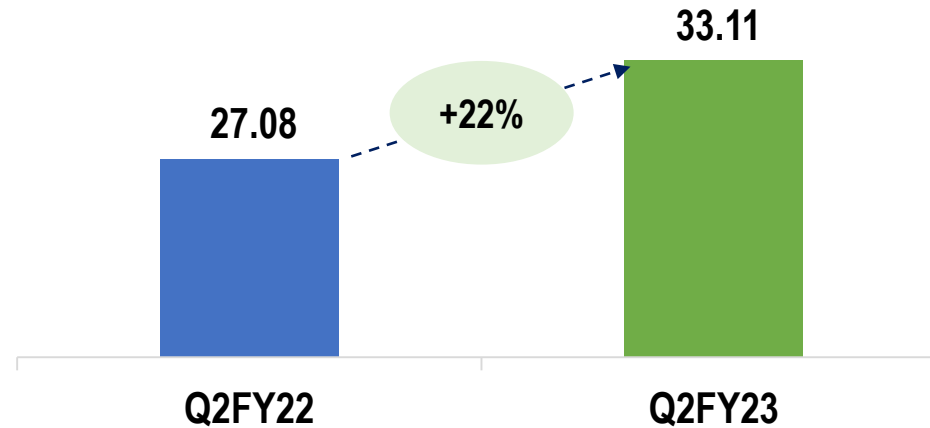
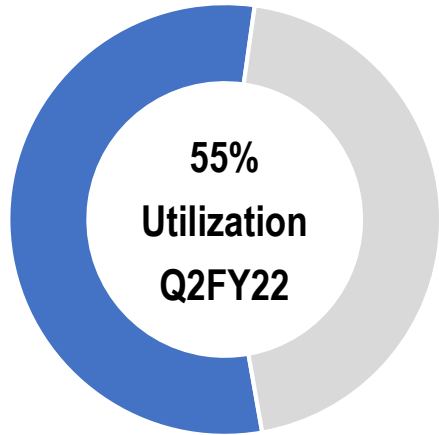
- ✓ Demand from Individual housing remained flat
- ✓ Demand from Infra / Commercial segment have grown
- ✓ Demand subdued in eastern markets due to monsoon
- ✓ Weak prices prevailed during Q2 despite cost increase

- ✓ **Company's strategy of right cement for right applications yielded positive results.**
- ✓ **The company continue to focus on this to make its brand more stronger**
- ✓ **While the long term prospects look promising, the short term outlook remains unclear due to geo-political uncertainties**

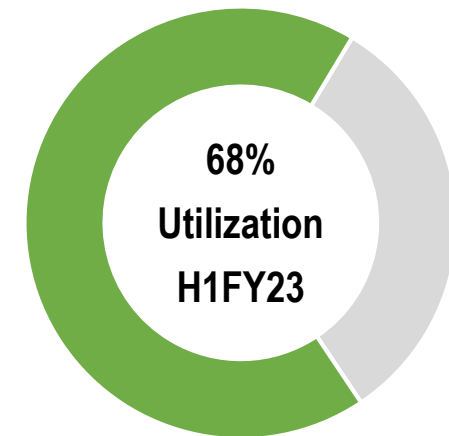
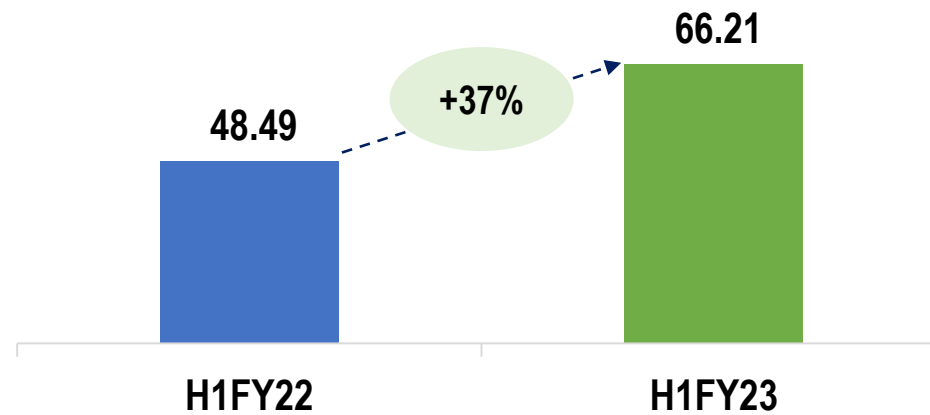
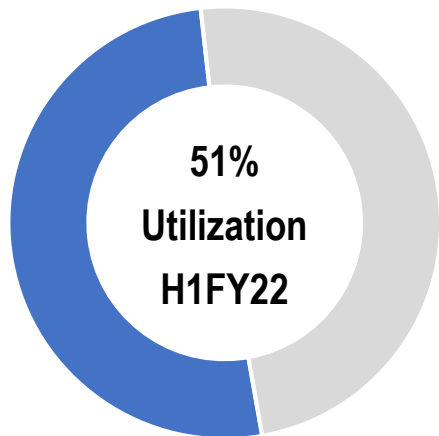
# Cement Sales & Capacity utilization



## Cement Sales (Lac Tons)



Share of Premium products increased by 4% and stood at 24% for H1FY23

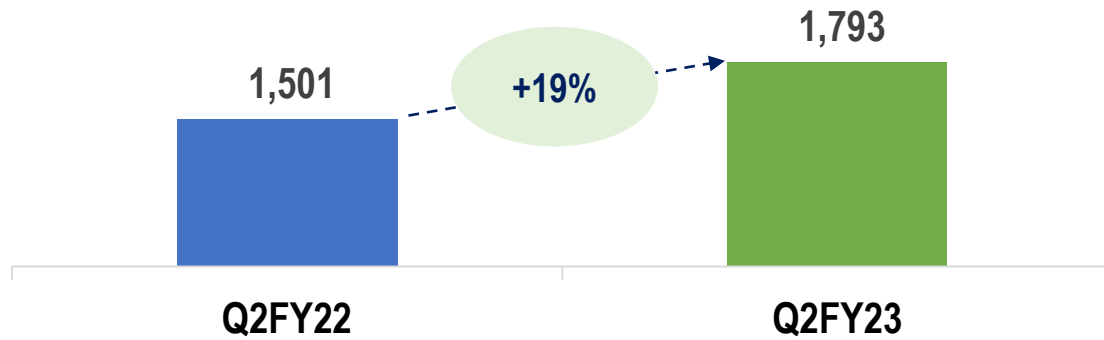


# Key Performance for Q2FY23

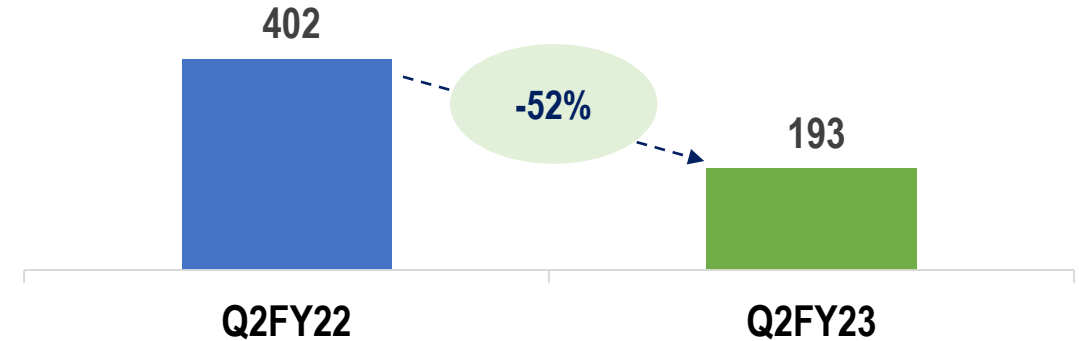
₹ in Crores



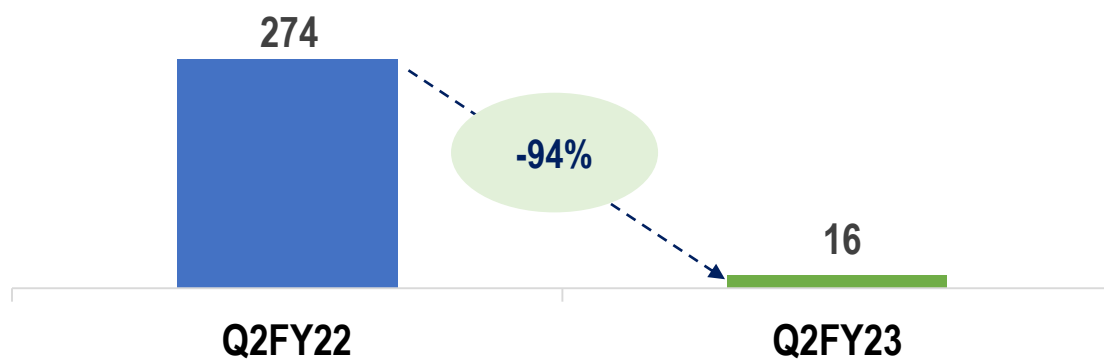
## Revenue



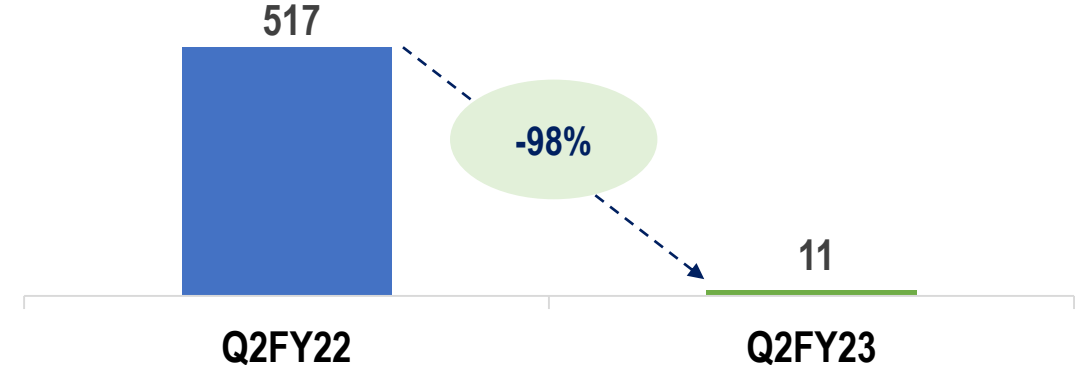
## EBITDA



## Profit Before Tax



## Profit After Tax



- ✓ Delivered strong volume growth during Q2FY23. But Profitability has affected adversely due to:
  - Drop in Cement prices
  - Sharp increase in fuel prices
  - Higher Variable Cost in Kolimigundla due to low operating leverage and without WHRS

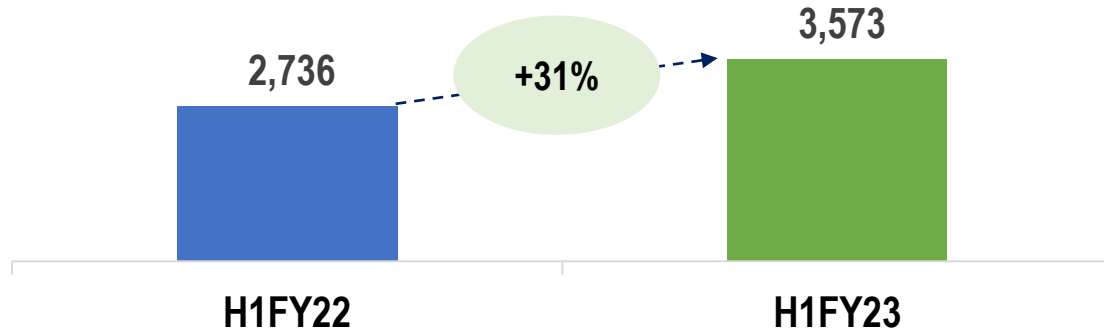
- ✓ The Company is not entitled to any tax incentives from any of the state governments hence the entire EBITDA is without any tax incentives
- ✓ Finance cost & Depreciation increased due to commissioning of clinkering units in JPM Line III & Kolimigundala
- ✓ PAT was higher in Q2FY22 due to write back of Deferred Tax Liability

# Key Performance for H1FY23

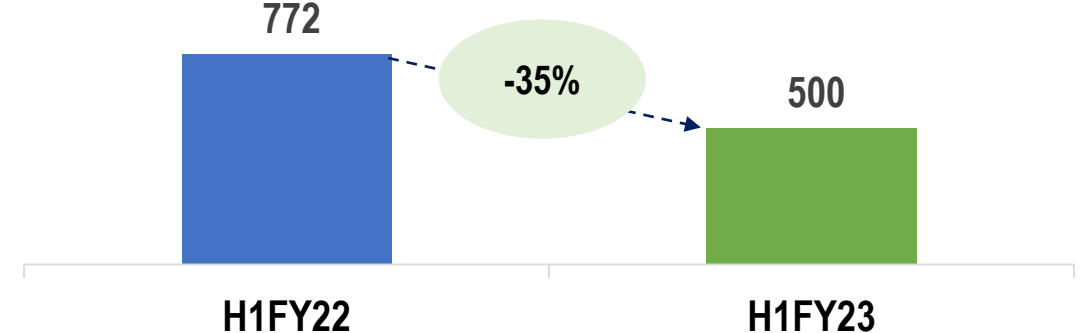
₹ in Crores



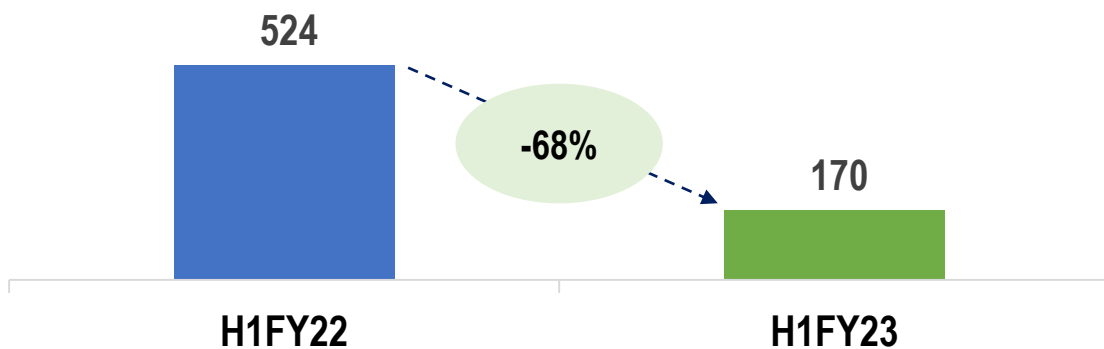
## Revenue



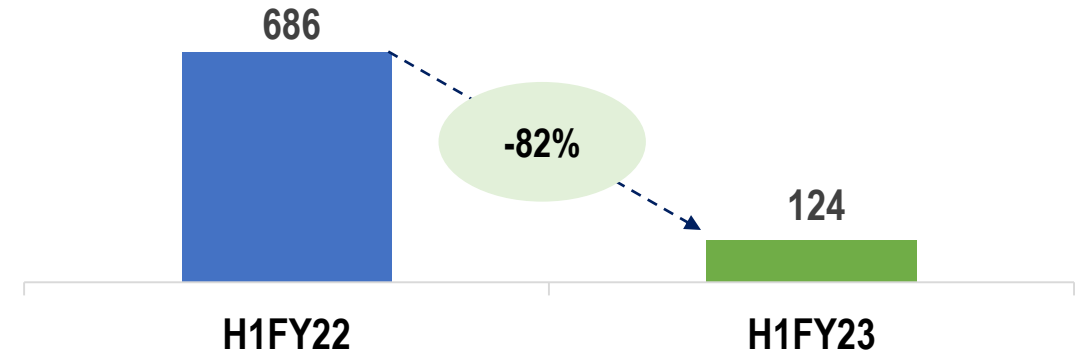
## EBITDA



## Profit Before Tax



## Profit After Tax



- ✓ Revenue surpassed ₹ 3500+ Crores in H1FY23 with volume growth of 37%.
- ✓ The Company is not entitled to any tax incentives from any of the state governments hence the entire EBITDA is without any tax incentives

- ✓ Cement prices have dropped while fuel has increased to an unprecedented level
- ✓ Finance cost & Depreciation increased due to commissioning of clinkering units in JPM Line 3 and Kolimigundla
- ✓ PAT was higher in H1FY22 due to write back of Deferred Tax Liability



# Income Statement for Q2FY23

₹ in Crores



Standalone			Particulars	Consolidated		
Q2FY23	Q2FY22	Variance %		Q2FY23	Q2FY22	Variance %
1,793.20	1,501.03	19% ▲	Revenue	1,800.61	1,510.33	19% ▲
1,600.55	1,099.29	46% ▲	Less: Operating Expenses	1,606.02	1,103.32	46% ▲
192.65	401.74	52% ▼	EBITDA	194.59	407.01	52% ▼
55.05	29.40	87% ▲	Less: Finance Costs	55.05	29.40	87% ▲
121.58	98.50	23% ▲	Less: Depreciation	121.99	98.88	23% ▲
16.02	273.84	94% ▼	Profit Before Tax	17.55	278.73	94% ▼
-7.63	62.46	- ▼	Less: Current Tax Expenses	-6.32	63.23	- ▼
12.18	-305.70	- ▲	Less: Deferred Tax Expenses	11.65	-303.62	- ▲
11.47	517.08	98% ▼	Profit After Tax	12.22	519.12	98% ▼
11.71	517.62	98% ▼	Total Comprehensive Income	5.16	517.16	99% ▼

## Subsidiaries

Ramco Windfarms Limited			Particulars	Ramco Industrial & Technology Services Ltd		
Q2FY23	Q2FY22	Variance %		Q2FY23	Q2FY22	Variance %
6.29	7.20	13% ▼	Revenue	10.48	10.32	2% ▲
4.62	5.75	20% ▼	EBITDA	-0.68	0.18	- ▼

# Income Statement for H1FY23

₹ in Crores



Standalone			Particulars	Consolidated		
H1FY23	H1FY22	Variance %		H1FY23	H1FY22	Variance %
3,572.59	2,735.70	31% ▲	Revenue	3,586.25	2,750.32	30% ▲
3,072.38	1,963.95	56% ▲	Less: Operating Expenses	3,082.32	1,971.54	56% ▲
500.21	771.75	35% ▼	EBITDA	503.93	778.78	35% ▼
102.53	53.70	91% ▲	Less: Finance Costs	102.53	53.70	91% ▲
227.96	194.11	17% ▲	Less: Depreciation	228.80	194.82	17% ▲
169.72	523.94	68% ▼	Profit Before Tax	172.60	530.26	67% ▼
11.23	106.16	89% ▼	Less: Current Tax Expenses	13.03	107.12	88% ▼
34.75	-268.28	- ▲	Less: Deferred Tax Expenses	34.08	-266.00	- ▲
123.74	686.06	82% ▼	Profit After Tax	125.49	689.14	82% ▼
123.54	686.56	82% ▼	Total Comprehensive Income	115.17	689.11	83% ▼

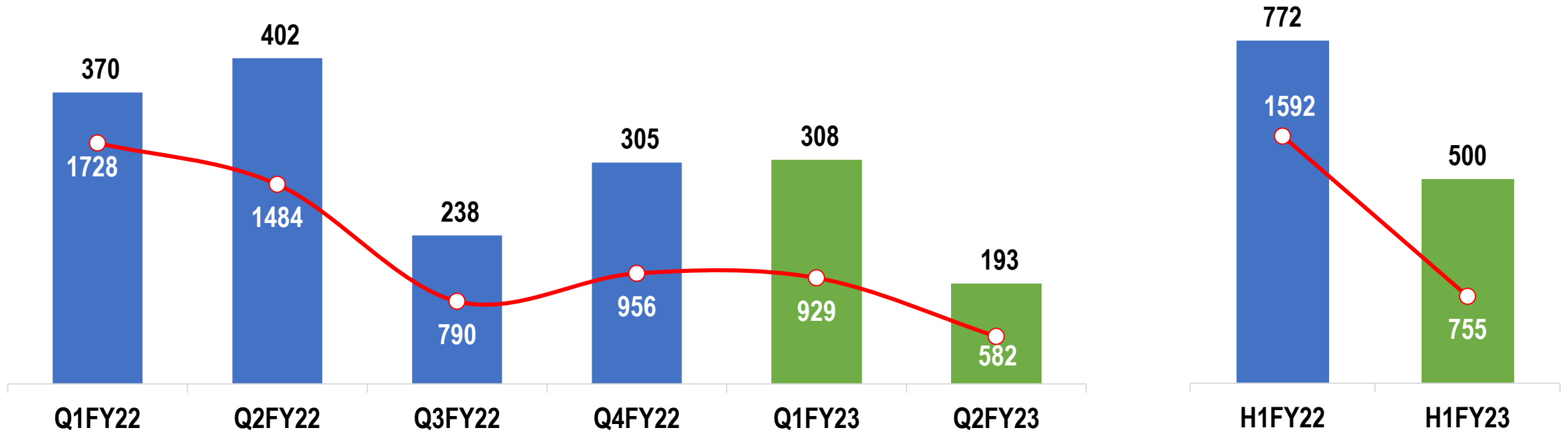
## Subsidiaries

Ramco Windfarms Limited			Particulars	Ramco Industrial & Technology Services Ltd		
H1FY23	H1FY22	Variance %		H1FY23	H1FY22	Variance %
10.62	10.89	2% ▼	Revenue	21.20	18.13	17% ▲
7.10	8.02	11% ▼	EBITDA	-0.71	0.37	- ▼

# EBITDA



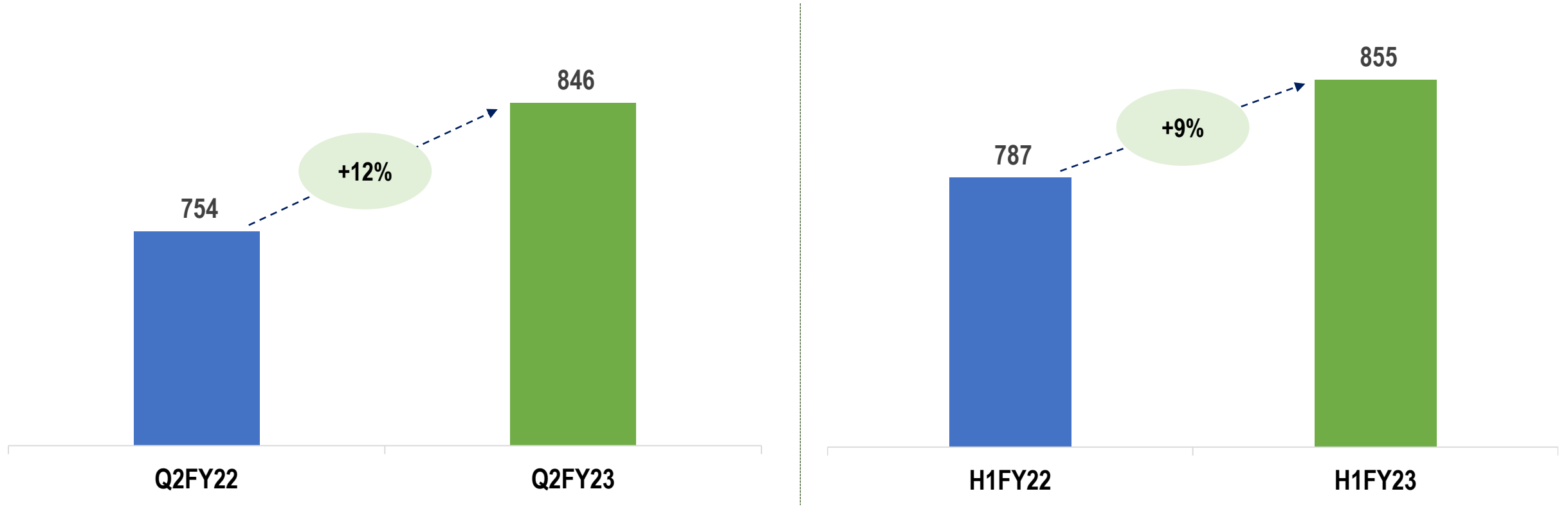
■ EBITDA in Crores      ○ EBITDA per Ton



- ✓ Pet coke and coal prices have increased. Consequently, power & fuel cost has increased by:
  - ₹ 753 / ton in H1 YoY & ₹ 956 / ton in Q2 YoY
- ✓ Continued focus on sale of premium products
- ✓ Cement prices have dropped during the current period
- ✓ Since the Company's capacities are concentrated in South, it is not entitled to any tax incentives from any of the state governments unlike other peers, who enjoy such privileges in other regions which is around ₹ 100 per ton
- ✓ Rupee depreciation has also played out inflationary effect
- ✓ One of the lowest quarterly EBITDA per Ton in the last 8 years

# Cost of raw materials

In ₹ per Ton

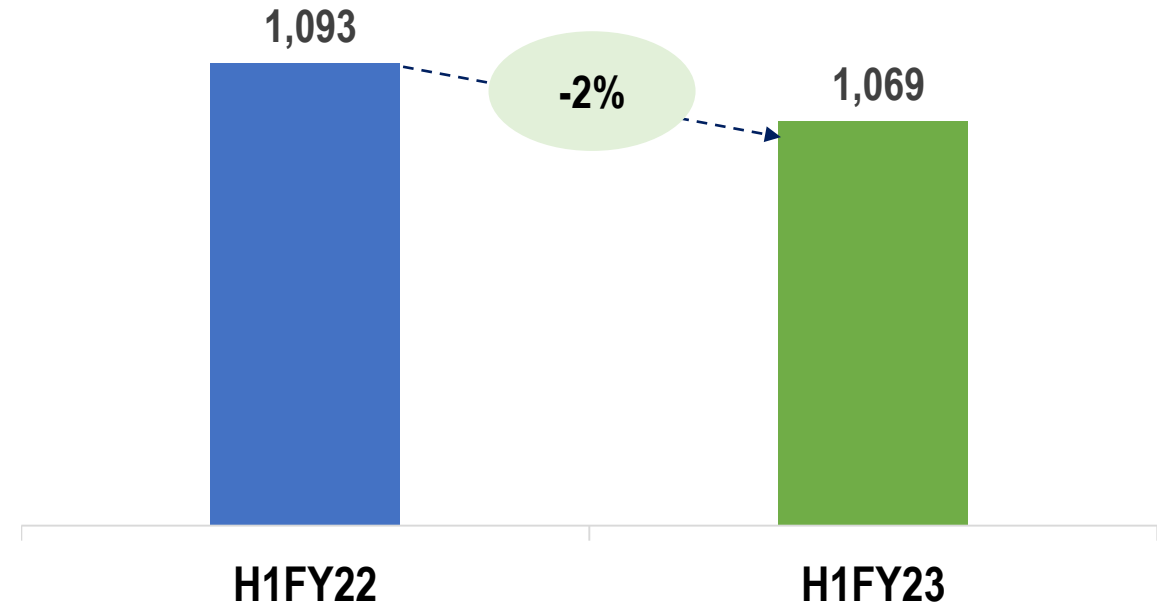
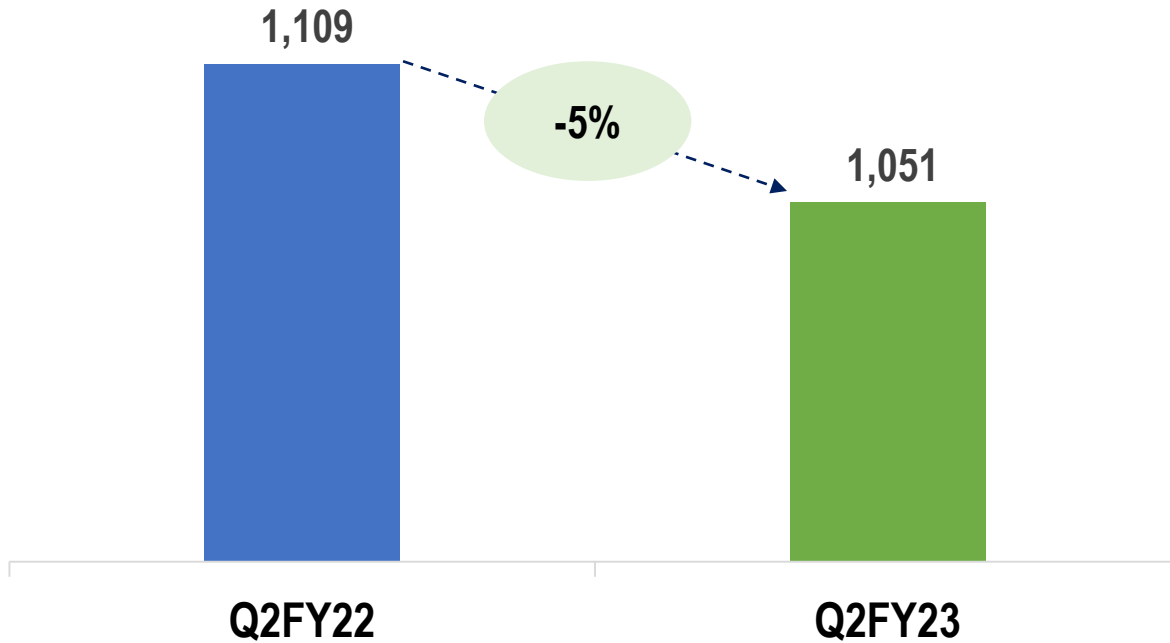


One off item of usage of clinker in TN units received from AP units during Q2FY23 in view of maintenance of TN units.  
The impact is ~ ₹ 55 per Ton

# Logistics cost



In ₹ per Ton



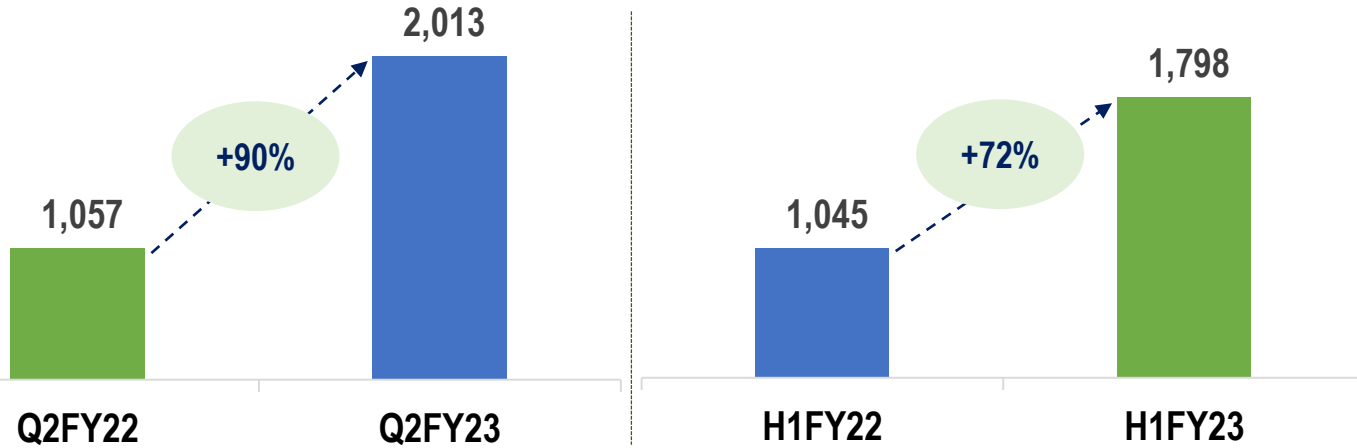
- ✓ Rail Co-efficient for Q2 is 9% vs 11% YoY
- ✓ Average lead distance is 279 KMs; Down by 8%

- ✓ Rail Co-efficient in H1 remained flat at 11% YoY
- ✓ Average lead distance in H1 is 290 KMs; Down by 10%

✓ Impact of increase in diesel price in H1 by 5% YoY offset by reduction in lead distance

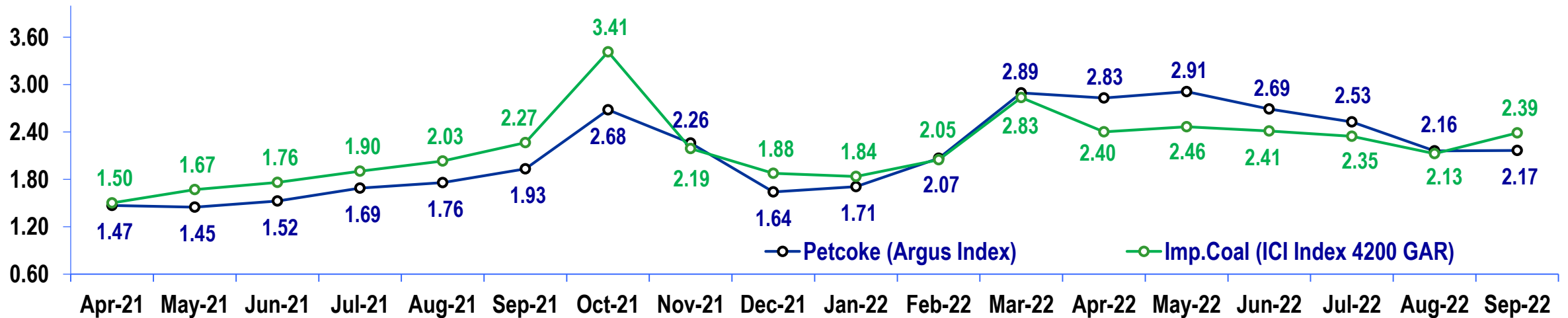
# Power and Fuel Cost

In ₹ per Ton

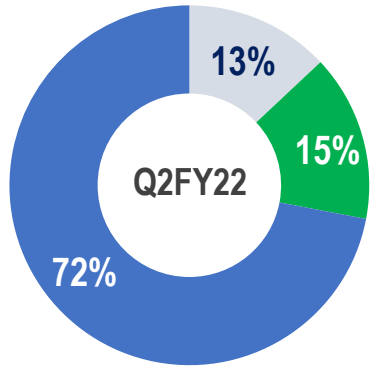


- ✓ Blended Fuel consumption per T of material:  
Q2FY23: \$ 199 / T  
H1FY23: \$ 181 / T
- ✓ Usage of high cost pet coke
- ✓ Emphasis on increased usage of green energy
- ✓ Rupee depreciation has impacted the fuel cost

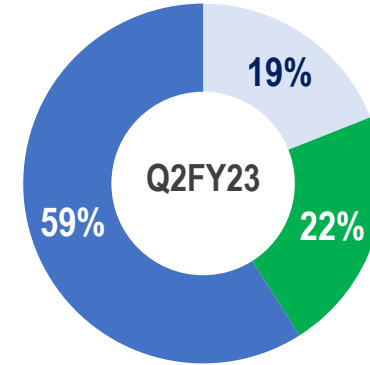
Trend of Fuel Cost per CV based on Index price



# Power Mix

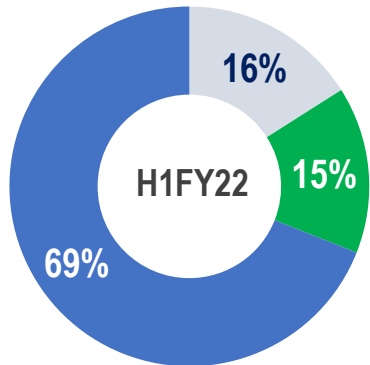


■ Grid power ■ Green Power ■ Thermal Power

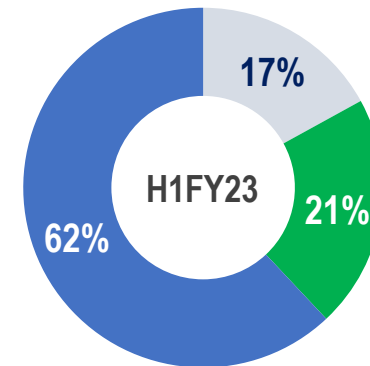


■ Grid power ■ Green Power ■ Thermal Power

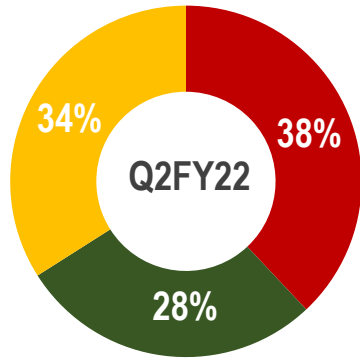
**Focus on Green Power**



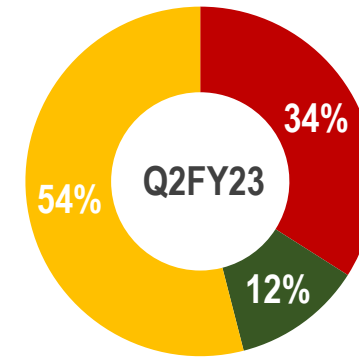
■ Grid power ■ Green Power ■ Thermal Power



■ Grid power ■ Green Power ■ Thermal Power

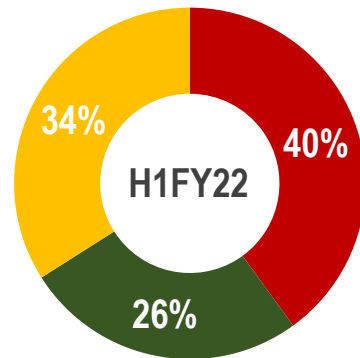


■ Coal   ■ Alternate Fuel   ■ Pet coke

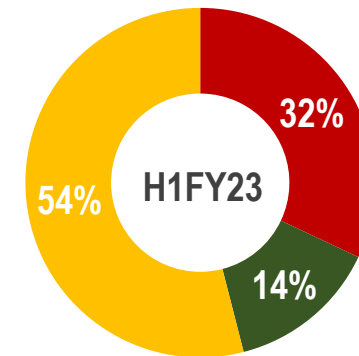


■ Coal   ■ Alternate Fuel   ■ Pet coke

Optimum usage of fuels based on cost per CV



■ Coal   ■ Alternate Fuel   ■ Pet coke



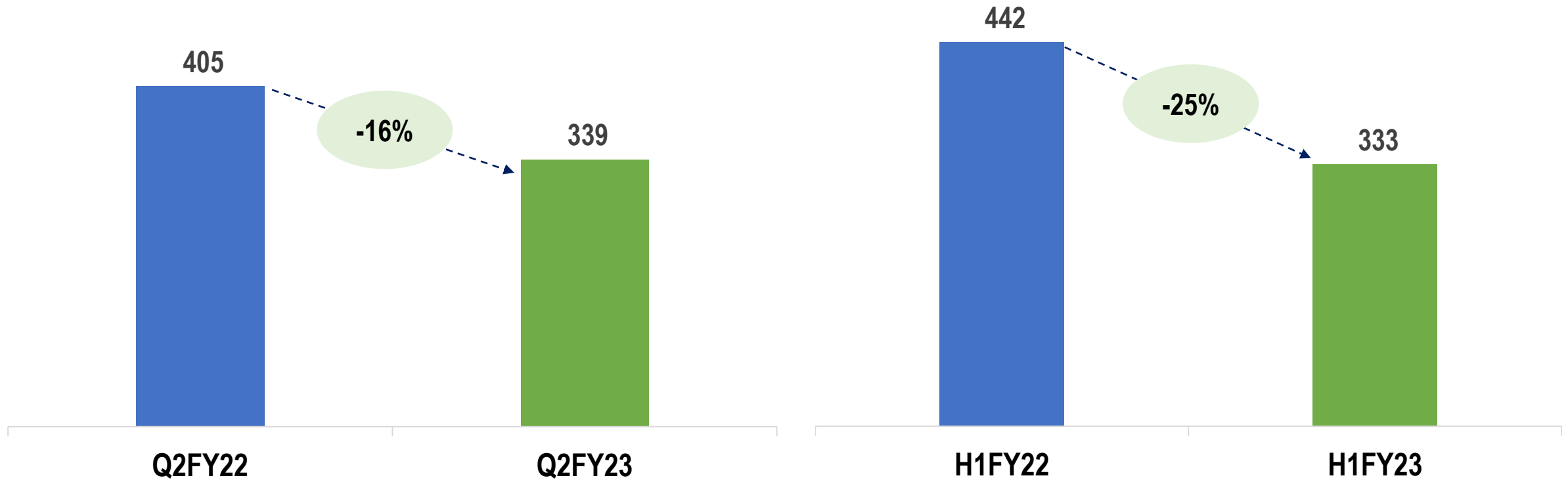
■ Coal   ■ Alternate Fuel   ■ Pet coke



# Employee Cost



In ₹ per Ton

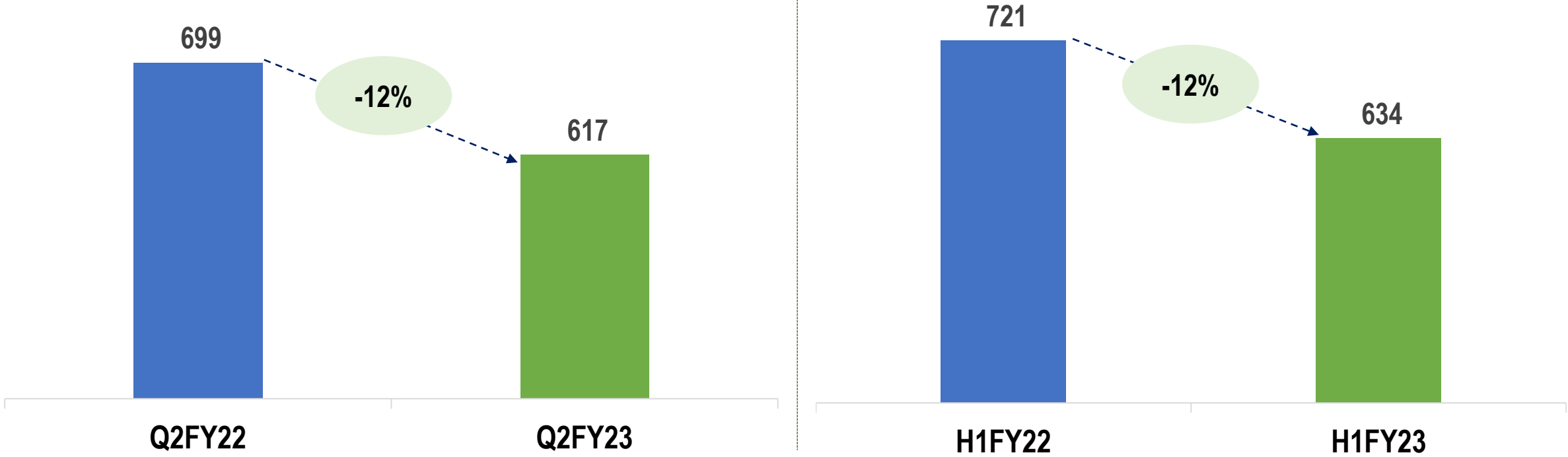


Due to better operating leverage

# Other Expenditure



In ₹ per Ton



- ✓ Increase in Volume has led to better absorption of fixed expense
- ✓ Softening of polymer price during Q2FY23

# Summarized Financial Position

₹ in Crores



Standalone		Particulars	Consolidated	
30-09-2022	31-03-2022		30-09-2022	31-03-2022
11,558.30	10,785.59	Fixed Assets including CWIP	11,578.92	10,806.79
201.07	201.27	Investments	286.31	297.09
645.33	709.51	Loans and Advances	632.21	690.99
958.98	833.33	Inventories	960.12	834.47
475.53	349.77	Trade Receivables	476.11	350.71
79.94	176.04	Cash and Bank Balances	81.50	178.48
<b>13,919.15</b>	<b>13,055.51</b>	<b>Total Assets</b>	<b>14,015.17</b>	<b>13,158.53</b>
23.63	23.63	Equity Share Capital	23.63	23.63
6,553.81	6,501.23	Reserves & Surplus, including NCI	6,646.80	6,601.73
4,821.12	3,929.95	Borrowings	4,821.12	3,929.95
858.79	824.04	Deferred Tax Liabilities, net	857.77	822.29
386.24	489.22	Trade Payables	387.66	490.74
98.28	78.16	Provisions	99.30	78.82
1,177.28	1,209.28	Other Current / Non-current Liabilities	1,178.89	1,211.37
<b>13,919.15</b>	<b>13,055.51</b>	<b>Total Equity and Liabilities</b>	<b>14,015.17</b>	<b>13,158.53</b>

# Summarized Cash flow

₹ in Crores



Particulars	30-09-2022	30-09-2021
Operating Profit	500.21	771.75
Changes in working capital	(-) 409.39	(-) 273.63
Direct Tax paid	(-) 28.98	(-) 80.61
Others	4.73	11.23
<b>Net cash flow from Operating Activities</b>	<b>66.57</b>	<b>428.74</b>
Investments in Equity Shares	-	(-) 0.43
Capital Expenditure	(-) 985.64	(-) 901.85
Others	64.94	(-) 11.72
<b>Net cash flow used in Investing Activities</b>	<b>(-) 920.70</b>	<b>(-) 914.00</b>
Issue of Equity shares upon exercise of ESOP	-	0.78
Increase in Borrowings	867.64	459.59
Interest / Dividend payments	(-) 131.78	(-) 42.02
<b>Net cash flow from Financing Activities</b>	<b>735.86</b>	<b>418.35</b>
<b>Net decrease in Cash and Bank Balances</b>	<b>(-) 118.27</b>	<b>(-) 66.91</b>

Operating Profit decreased mainly due to increase in price of fuel; Working capital increased mainly due to effect of increased prices of fuel

Capex incurred for ongoing capacity expansion program

Borrowings funded partly for Capex and increase in working capital

# Wind power

Particulars	Q2FY23	Q2FY22	Variance
Generation of Wind power (In Crore Units)	10.74	12.13	11% ▼
Revenue from Wind power ( ₹ in Crores)	26.23	33.43	22% ▼
Less: Operating Expenses ( ₹ in Crores)	5.22	5.57	6% ▼
<b>EBITDA from Wind power ( ₹ in Crores)</b>	<b>21.01</b>	<b>27.86</b>	<b>25% ▼</b>

Particulars	H1FY23	H1FY22	Variance
Generation of Wind power (In Crore Units)	18.45	19.14	4% ▼
Revenue from Wind power ( ₹ in Crores)	45.00	52.82	15% ▼
Less: Operating Expenses ( ₹ in Crores)	10.46	11.18	6% ▼
<b>EBITDA from Wind power ( ₹ in Crores)</b>	<b>34.54</b>	<b>41.64</b>	<b>17% ▼</b>



# Key Ratios



Particulars	UOM	Q2FY23	Q2FY22	H1FY23	H1FY22
EBITDA Ratio	%	11%	27%	14%	28%
PBT Ratio	%	1%	18%	5%	19%
PAT Ratio	%	1%	34%	3%	25%
EPS, Not Annualized	₹	0.48	21.86	5.23	29.01
RoE, Annualized	%	1%	35%	4%	23%
RoCE (Post-tax), Annualized	%	2%	23%	4%	16%
Debt-Equity Ratio	Multiples	0.73	0.56	0.73	0.56
Debt Service Cover Ratio, Annualized	Multiples	0.82	2.05	1.20	1.66
Interest Service Cover Ratio	Multiples	0.88	5.98	1.71	5.59
Current Ratio	Multiples	1.20	1.10	1.20	1.10



Ratios computed based on Standalone figures

# Capex update



- ✓ Kurnool Integrated Unit commenced commercial production from 23<sup>rd</sup> September 2022; Unit was inaugurated by Honorable Chief Minister of Andhra Pradesh, Shri. Y.S.Jagan Mohan Reddy.
- ✓ Expansion of Dry Mortar Plant: 2 units in Tamil Nadu are ready for commissioning & market trials for products are in progress & the remaining 2 units in AP & Odisha will be commissioned during FY24
- ✓ WHRS capacity of 6 MW in Kurnool will be commissioned during Nov 2022; Balance 6.15 MW will be commissioned in Mar 2023. TPP of 18 MW and railway siding will be commissioned in FY24
- ✓ Grinding capacity in Odisha proposed to be doubled to 1.8 MTPA at a cost of ₹ 130 Crores only, in view of availability of other infrastructures
- ✓ Modernization of RRN Plant will be commissioned before Mar 2023



# Capex update



Particulars	Spent ₹ in Crores		Guidance ₹ in Crores	
	Q2FY23	H1FY23	H2FY23	FY24
Kolimigundala Integrated Unit				
▪ Cement plant, WHRS, TPP	115	264	60	100
▪ Railway Siding	28	51	91	100
▪ Township	13	25	18	-
RR Nagar Modernization	139	274	125	40
Limestone Benefication Plant at RRN	18	29	15	7
Infrastructure in Budawada Mines	48	72	72	20
Dry Mortar capacity expansion	26	60	80	75
Jayanthipuram Line III	14	47	37	-
Mining land and development	23	42	25	50
Lands for Bommanahalli project	-	-	100	250
Expansion of Odisha GU	-	-	30	100
Maintenance Capex	80	122	78	150
<b>Total</b>	<b>504</b>	<b>986</b>	<b>731</b>	<b>892</b>





# Overview of Installed Capacity

Clinker

**14 MTPA**

Integrated Unit

**14 MTPA**

Grinding Unit

**7 MTPA**

Dry Mortar

**5 LTPA**

*Include upcoming in TN, AP, OR*

Ready Mix Concrete

**56 Cu.Metre / Hour**

Thermal Power

**193 MW**

*Include upcoming in Kurnool 18 MW*

Waste Heat Recovery

**43 MW**

*Include upcoming in Kurnool 12 MW*

Wind power

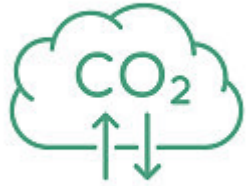
**166 MW**

*Include Subsidiary 40 MW*

State / Product	UOM	TN	AP	KAR	WB	ORI	Total
Clinker – Integrated Unit	MTPA	7	7	-	-	-	14
Cement – Integrated Unit	MTPA	9	5	-	-	-	14
Cement – Grinding Unit	MTPA	2	2	-	2	1	7
Dry Mortar	Lac Tons	3 #	1 #	-	-	1 #	5
Ready Mix Concrete	Cu. Metre / Hr	56	-	-	-	-	56
Thermal Power Plant	MW	133	60 #	-	-	-	193
Waste Heat Recovery System	MW	4	39 #	-	-	-	43
Wind Power	MW	160	-	6	-	-	166

*# Include capacity under pipeline*

## CO<sub>2</sub> Emission



561 Kg / T of Cement

## Blended Cement



74%

## Water Positive



2x

## Green energy



21%

## CSR



1,20,000 + Beneficiaries

**Firm and Focussed for a sustainable future**

*Based on half-year figures*

# Awards & Accolades



**CSR Winner Award by Green Tech Foundation for Promotion of Health Care**



**Award received by Alathiyur Plant for Best Environment Protection**



**Alathiyur Plant received 'Gold Medal' Award in the India Green Manufacturing Challenge 2021-22 by IRIM. This is the third time, the unit is receiving this award**



**Alathiyur & Ariyalur Plant received 'Platinum' Award from Apex India Foundation for Best Performance of occupation health & safety. This is the fourth time, the unit is receiving this award**

# Awards & Accolades



- ✓ Ariyalur Plant received ‘Green Champion’ Award with the cash prize of ₹ 1 lac from Government of Tamil Nadu for water management, energy efficiency, adoption of eco-friendly measures in the plant, creating exemplary awareness among the neighbouring communities on green development
  
- ✓ Ramasamy Raja Nagar Plant received ‘Green Champion Award’ with the cash prize of ₹ 1 lac from Government of Tamil Nadu for development of green belt in the premises and eco-park in 72 acres of exhausted mine land, ensuring eco restoration and conservation



**Wind Farm Division received ‘Best Performing Wind Farm Awards’ from IWPA**



**Jayanthipuram Plant received Best Organisation Supporting Quality Circles Movement Award from Minister for IT, Industries & Municipal Administration, Telangana. This is the 11<sup>th</sup> time, Jayanthipuram Plant is receiving this award**

# Awards & Accolades



**Ariyalur Plant receives Best CSR Impact Award in the Corporate Social Responsibility Summit & Awards 2022, conducted by UBS Forums. This is the second time, the unit is receiving such award**



**Ramasamy Raja Nagar unit has received 9th National Award for Environmental Best Practices 2022 from Confederation of Indian Industry for our Project – “Niskrith – A Journey of Restoration” as Innovative Environmental Project**

# Awards & Accolades

- ✓ Energy Efficient Unit Award for Ramasamy Raja Nagar Unit by CII
- ✓ Ramasamy Raja Nagar & Ariyalur receives Overall Performance Award in 'A' Class Mines Category conducted by Tamil Nadu Mines Safety Association
- ✓ Ramasamy Raja Nagar won the Kaizen Mela Award 2022 conducted by Quality Circle Forum of India
- ✓ Ramasamy Raja Nagar & Jayanthipuram Plant won Gold Awards at the 32<sup>nd</sup> Chapter Convention on Quality Concepts 2022 conducted by Quality Circle Forum of India
- ✓ Jayanthipuram Plant presented with 'Best Convention Award' by Quality Circle forum of India, Hyderabad
- ✓ Ramasamy Raja Nagar awarded with Certificate of Appreciation for providing infrastructure facilities for social cause by District Collector, Virudhunagar District, Government of TN



Alathiyur Plant received 'National Award for Excellence in Energy Management 2022' from CII. This is the Nineteenth time, the unit is receiving such an award

# Disclaimer



*This communication, except for the historical information, may contain statements which reflect the Management's current views and estimates and could be construed as forward looking statements. The future involves certain risks and uncertainties that could cause actual results to differ materially from the current views being expressed. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange and commodity price fluctuations, competitive product and pricing pressures, regulatory changes, economic developments within India and other countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement, due to any subsequent development, information or events, or otherwise.*

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