



THE RAMCO CEMENTS LIMITED

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Corporate Identity Number: L26941TN1957PLC003566

11 November 2024

National Stock Exchange of India Limited,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (E),
Mumbai – 400 051.

Symbol : RAMCOCEM

BSE Limited,
Floor 25, "P.J.Towers",
Dalal Street,
Mumbai – 400 001.

Scrip Code : 500260

Dear Sirs,

Sub: Investor Update

Pursuant to Regulation 30, read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose a copy of the Investor Update on the performance of the Company for 2QFY25.

Thanking you,

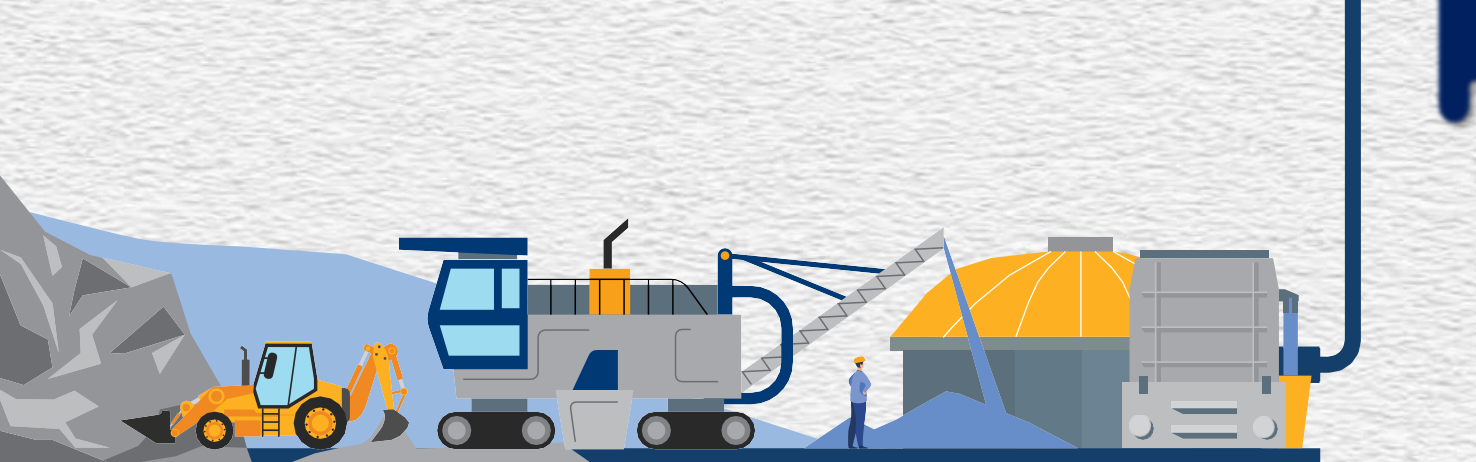
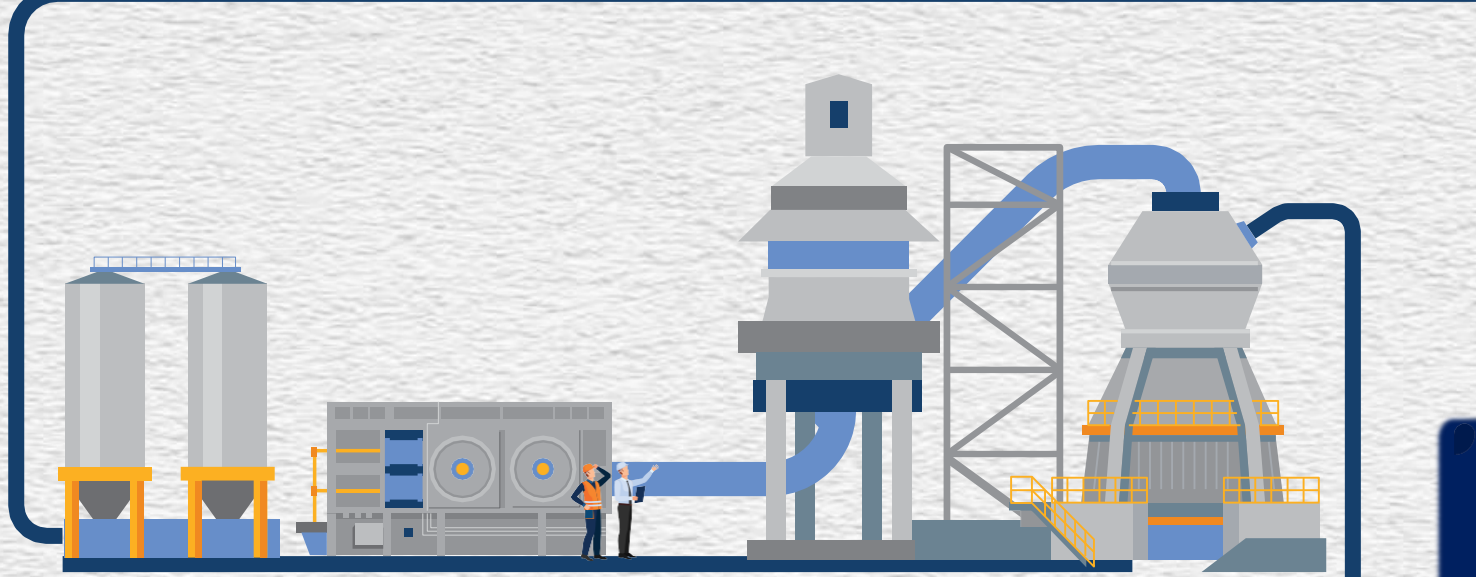
Yours faithfully,

For **THE RAMCO CEMENTS LIMITED**,

K.SELVANAYAGAM
SECRETARY

Encl : As above

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**Embracing Opportunities.
Enhancing Strengths.**

The Ramco Cements Limited
Investor Update for 2QFY25



- 01 Overview**
- 02 TRCL's Market update**
- 03 Sales & Capacity Utilization**
- 04 Key Performance**
- 05 Financial Analysis & Key Ratios**
- 06 Capex & Borrowings update**
- 07 ESG Update**
- 08 Awards & Accolades**



- The Reserve Bank of India (RBI) retained the GDP growth for FY25 at 7.2%; Indian rupee (INR) has remained steady against US dollar, being least volatile among major emerging market currencies in recent months.
- Fed cuts interest rate twice, marking the first rate cut in 4 years; Repo Rate in India remain unchanged at 6.5% since February 2023.
- In October 2024, India's foreign exchange reserves topped \$700 billion, making it the fourth nation to reach this milestone. China's stimulus package triggered FPI outflows; However India's long-term growth prospects remain strong.



- The FY25 budget features an increased infrastructure allocation of ₹11.11 lakh crores (3.4% of GDP), proposal for infrastructure development in Andhra Pradesh, Bihar, West Bengal, and Odisha, along with a ₹10 lakh crores, investment under PM Awas Yojana Urban 2.0, which is expected to stimulate cement demand.
- Reservoir levels @ 87% of capacity, with Southern reservoirs well in surplus. This is a key positive for upcoming rabbi season as most of the reservoir including North are well in surplus.
- Green power initiatives and benign fuel costs to cushion profitability for industry amid pricing pressures



- Geopolitical conflicts between Israel and Iran, as well as Russia and Ukraine resulted in volatile financial markets, and climate shocks, pose key risks to growth and inflation globally; Stability of oil prices is key to monitor.
- The RBI's neutral stance on the repo rate has heightened expectations for a potential rate cut in the upcoming MPC; Sustainability of cement prices amid rising pace of cement capacity additions / consolidation,
- Government spending on infrastructure is expected to improve during 2HFY25 since durable liquidity surplus rose to ₹ 4.2 trillion as on Sep 2024 from ₹ 3.5 trillion in June 2024.

TRCL's Market update for 2QFY25

South

- B2C Volume remained flat YoY
- B2B volume have de-grown marginally YoY
- Demand affected due to monsoon, extended heatwave and pressure on cement prices
- Share of premium products in 2QFY25: 27%; 2QFY24: 30%
- Margins down due to weak prices in all markets
- Volume share for 2QFY25: 82%; 2QFY24: 81%

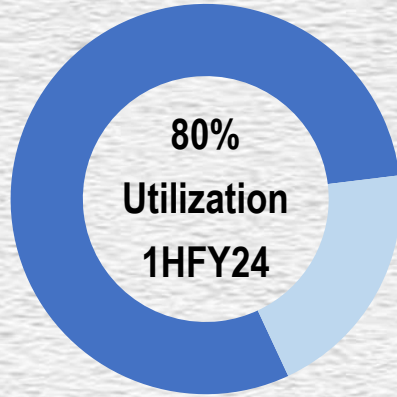
East

- Volume from B2C & B2B have grown YoY in West Bengal
- In Odisha, volume from B2C have de-grown YoY; B2B have grown marginally YoY
- Demand affected due to monsoon and pressure on cement prices
- Share of premium products in 2QFY25: 23%; 2QFY24: 20%
- Margins down due to weak prices in all markets
- Volume share for 2QFY25: 18%; 2QFY24: 19%

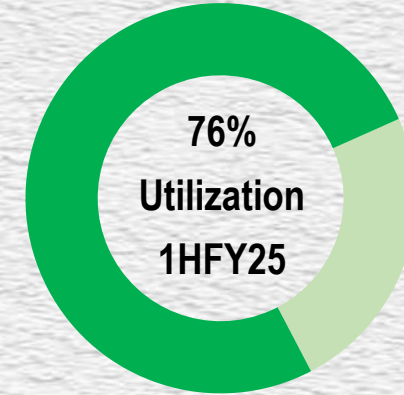
The company continue to focus on right products for right applications to make its brand more stronger

Sales & Capacity utilization for 1HFY25

Cement Capacity Utilization %

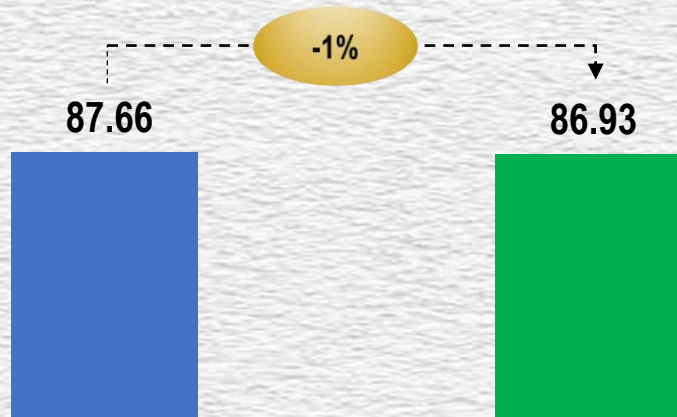


1HFY24: OPC 31%; B2B 34%; CC Ratio: 1.25x



1HFY25: OPC 31%; B2B 33%; CC Ratio: 1.39x

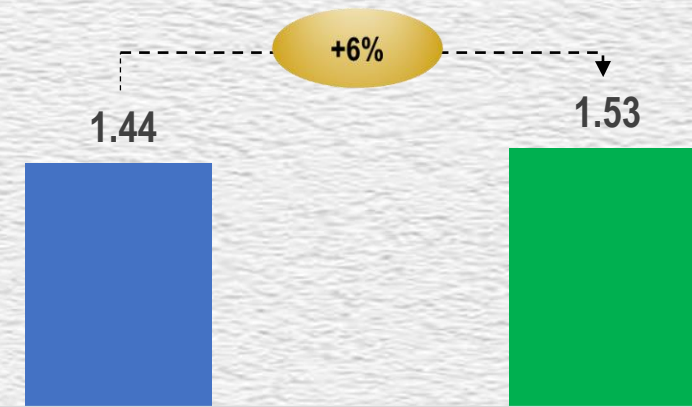
Cement Sales (Lac Tons)



1HFY24

1HFY25

Building product Sales (Lac Tons)

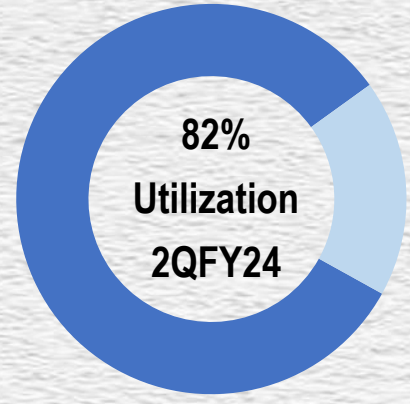


1HFY24

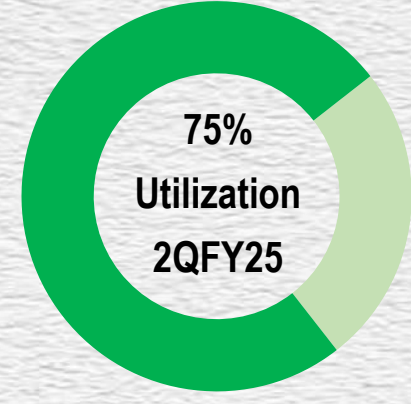
1HFY25

Sales & Capacity utilization for 2QFY25

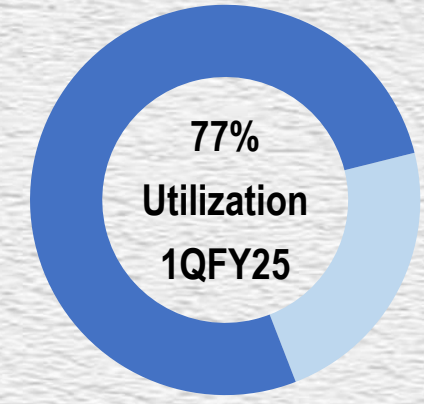
Cement Capacity Utilization %



2QFY24: OPC 31%; B2B 33%

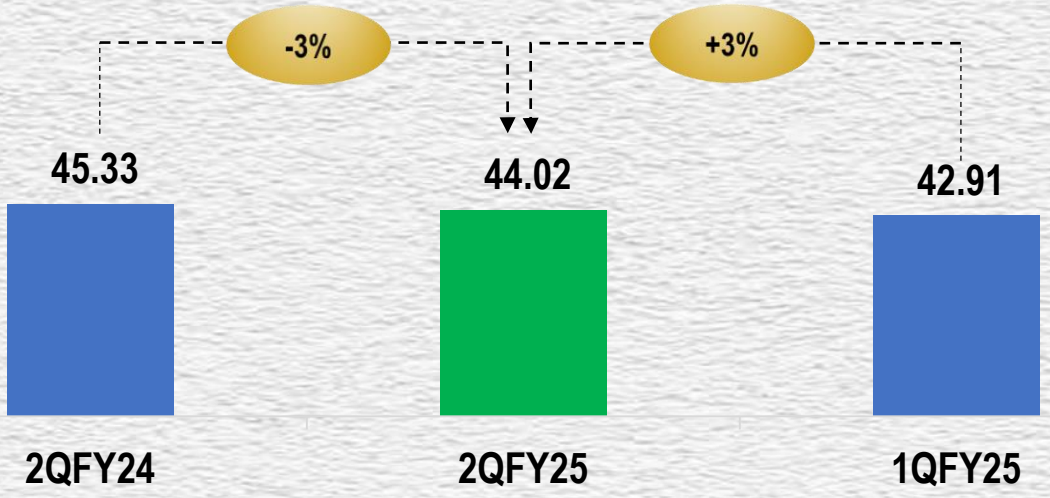


2QFY25: OPC 30%; B2B 32%

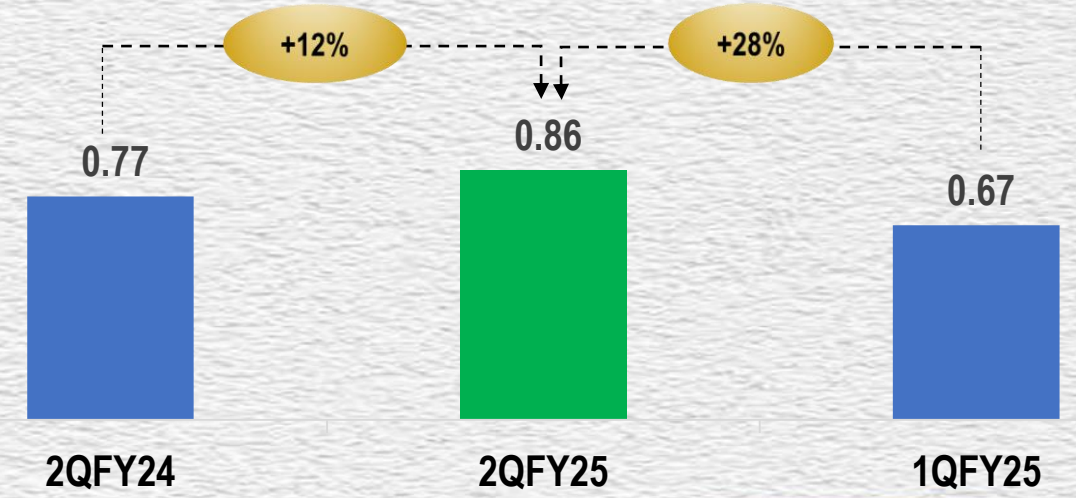


1QFY25: OPC 31%; B2B 35%

Cement Sales (Lac Tons)



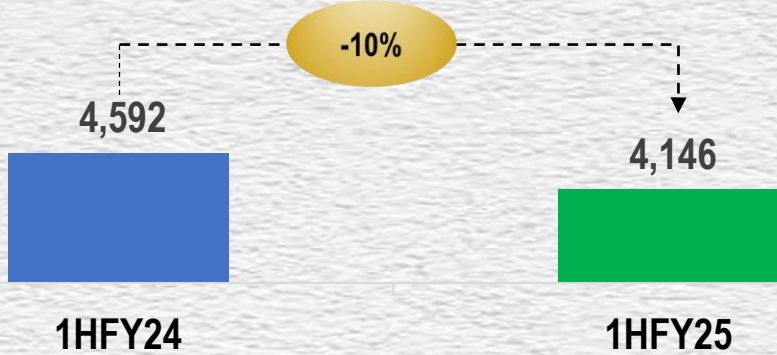
Building product Sales (Lac Tons)



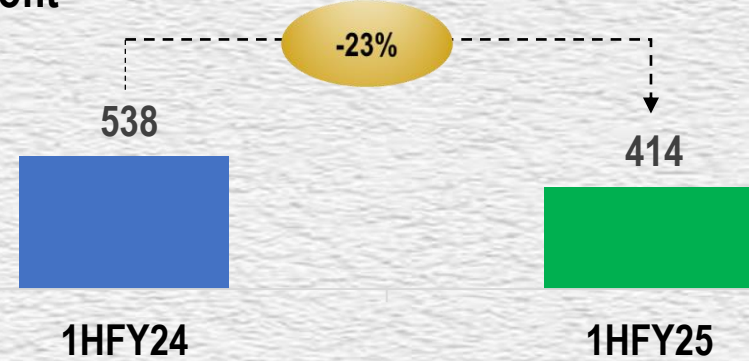
Key Performance for 1HFY25

₹ in Crores

Revenue



Cash Profit

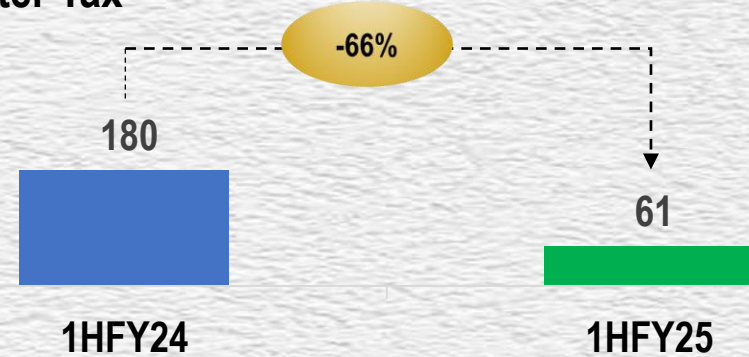


Cash profit = PBT + Depreciation – Current Tax

Profit Before Tax



Profit After Tax



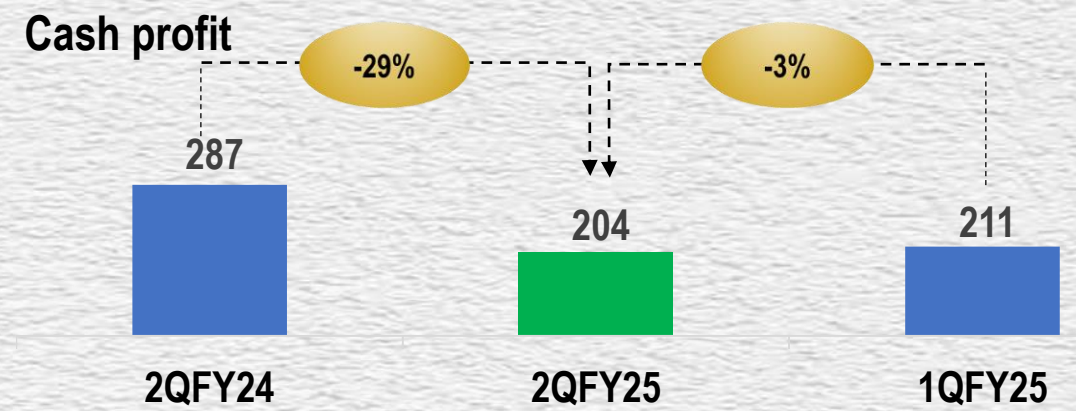
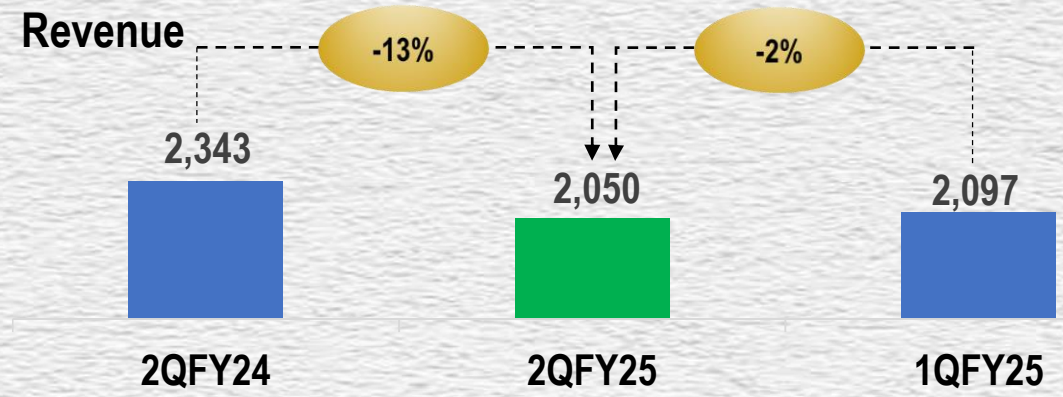
👉 Company registered a total sale volume of 8.85 MnT in 1HFY25 with a marginal de-growth of 1% YoY in view of weak demand due to election, extended heat waves and monsoon

👉 The Company is not entitled to any tax incentives from any of the state governments hence the entire EBITDA is without any tax incentives

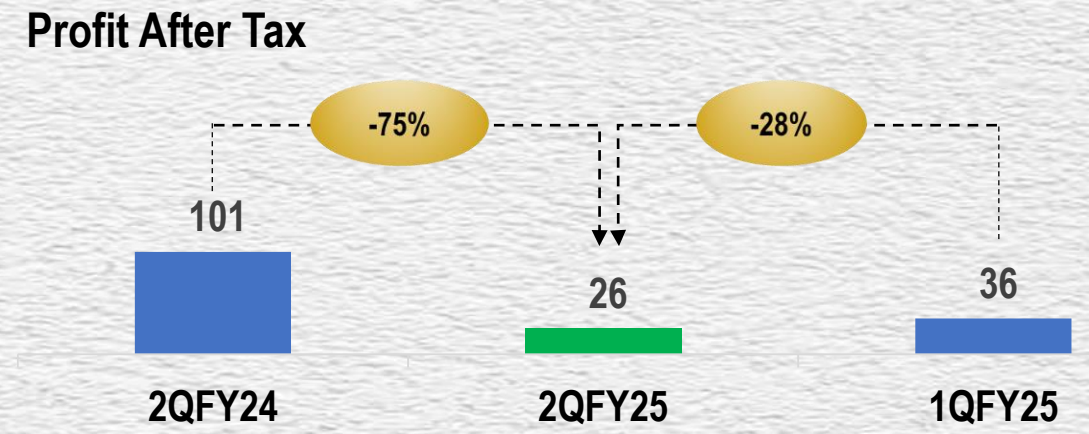
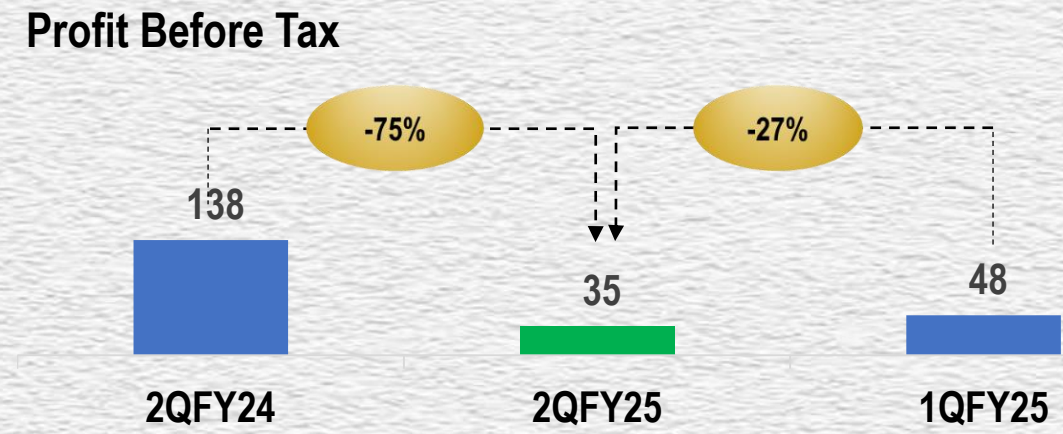
👉 In spite of reduction in cost due to softening of fuel prices and improvement in manufacturing efficiency, the overall margins remain weak in view of pressure on cement prices

👉 Finance cost & Depreciation increased due to commissioning of manufacturing facilities during PY

Key Performance for 2QFY25



Cash profit = PBT + Depreciation – Current Tax

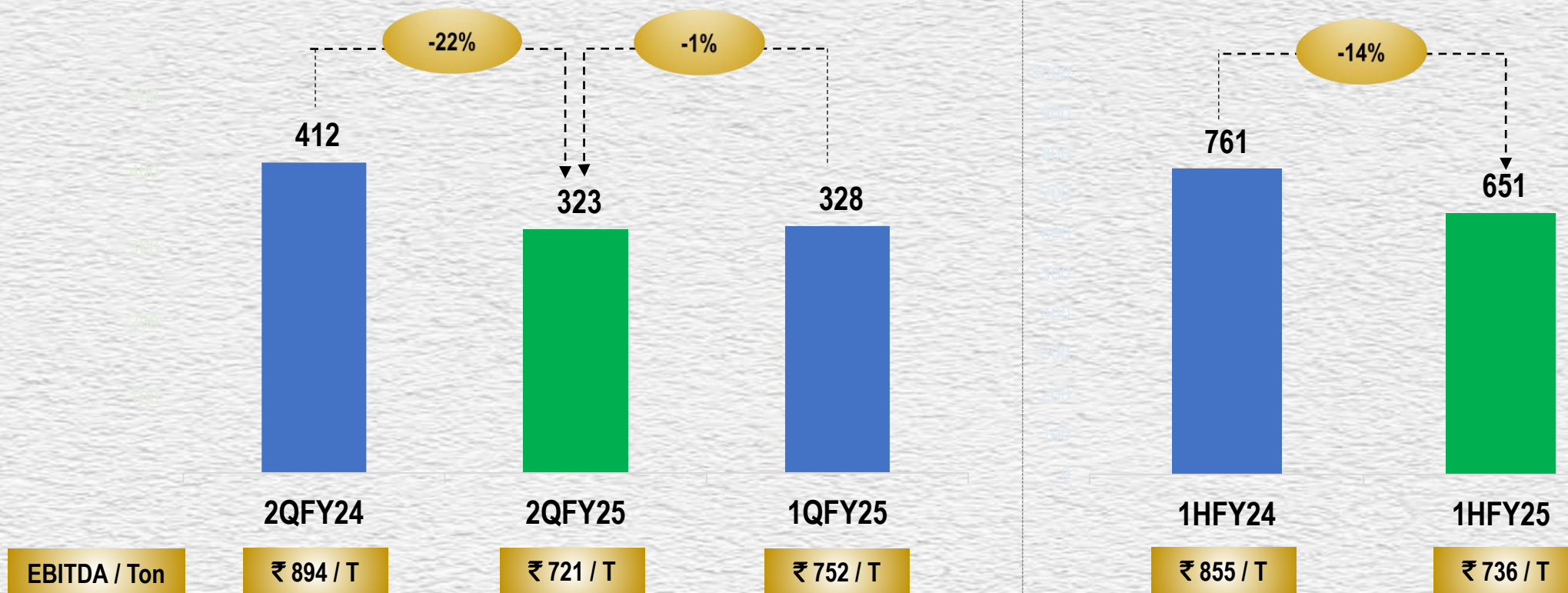


- 👉 Total Sale volume down by 3% to 4.45 MnT YoY and up by 3% compared with sequential quarter.
- 👉 Average Cement prices have dropped by 10% YoY and 5% compared with sequential quarter

- 👉 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 manufacturing facilities during PY

Strong EBITDA margin for 2QFY25 among industry players

₹ in Crores



👉 Compared to 1QFY25, the average cement prices for 2QFY25 have declined by:

- 4% to 5% in southern & northern region
- 2% to 3% in eastern & western region

👉 Power and fuel cost down by ₹ 342 / Ton in 1HFY25 YoY; Down by ₹ 237 / Ton in 2QFY25 YoY & Down by ₹ 179 / Ton compared with sequential quarter

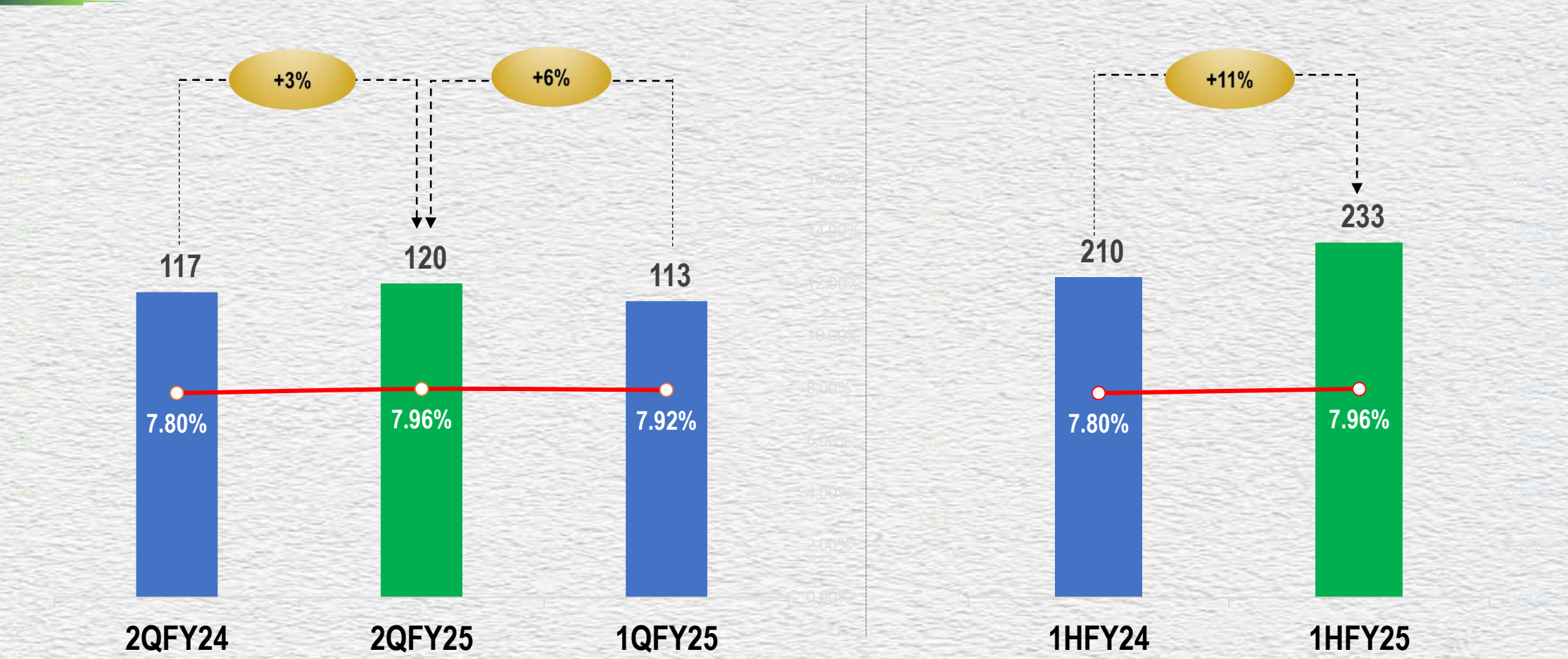
👉 Rupee depreciation by 1% during 1HFY25 impacted the fuel cost

👉 Fixed cost absorption was almost flat during 1HFY25 YoY

👉 Cement EBITDA margin does not have any fiscal incentives

Interest

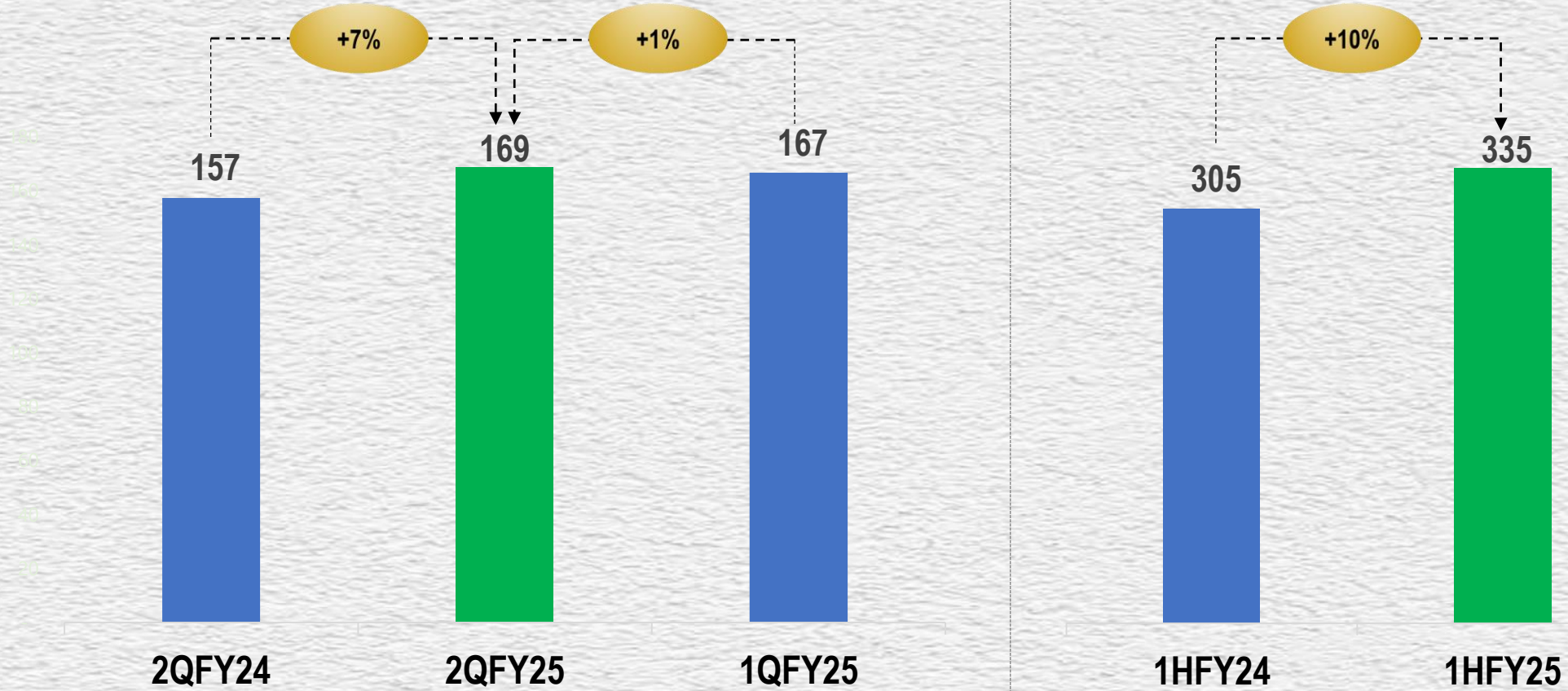
₹ in Crores



- 👉 Finance cost increased due to commissioning of Odisha Line II & Building products Plant at Jayanthipuram
- 👉 Effective rate of interest remained almost flat at 7.96%

Depreciation

₹ in Crores



Depreciation increased due to commissioning of Odisha Line II & Building products Plant at Jayanthipuram

Income Statement for 1HFY25

₹ in Crores



| Standalone | | | Particulars | Consolidated | | |
|---------------|---------------|--------------|-----------------------------------|---------------|---------------|--------------|
| 1HFY25 | 1HFY24 | Variance % | | 1HFY25 | 1HFY24 | Variance % |
| 4,146.37 | 4,591.77 | 10% ▼ | Revenue | 4,155.59 | 4,606.04 | 10% ▼ |
| 3,495.06 | 3,830.34 | 9% ▼ | Less: Operating Expenses | 3,503.43 | 3,838.19 | 9% ▼ |
| 651.31 | 761.43 | 14% ▼ | EBITDA | 652.16 | 767.85 | 15% ▼ |
| 232.92 | 209.91 | 11% ▲ | Less: Finance Costs | 232.92 | 209.91 | 11% ▲ |
| 335.26 | 305.29 | 10% ▲ | Less: Depreciation | 337.21 | 312.46 | 8% ▲ |
| 83.13 | 246.23 | 66% ▼ | Profit Before Tax | 82.03 | 245.48 | 67% ▼ |
| 4.43 | 13.83 | 68% ▼ | Less: Current Tax Expenses | 4.43 | 15.79 | 72% ▼ |
| 17.62 | 52.19 | 66% ▼ | Less: Deferred Tax Expenses | 17.54 | 50.20 | 65% ▼ |
| 61.08 | 180.21 | 66% ▼ | Profit After Tax | 60.06 | 179.49 | 67% ▼ |
| 60.38 | 190.61 | 68% ▼ | Total Comprehensive Income | 60.27 | 219.07 | 72% ▼ |

Income Statement for 2QFY25

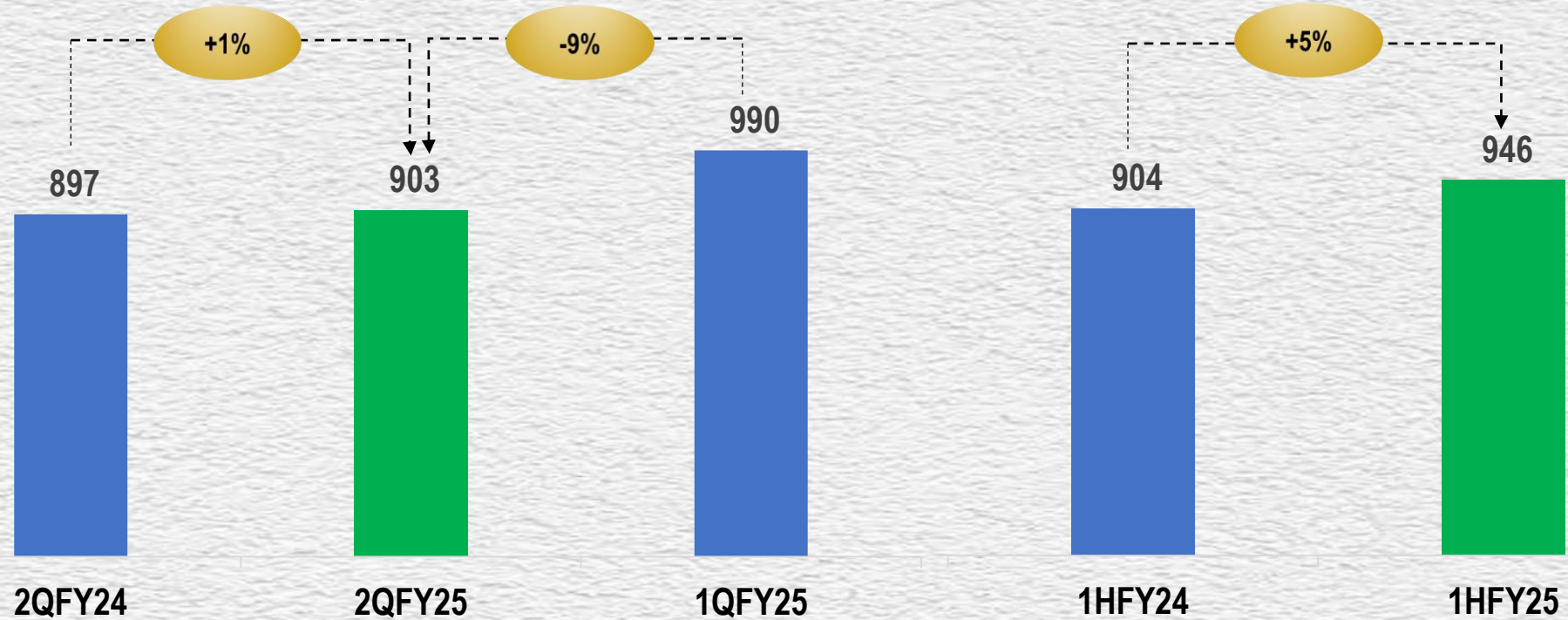
₹ in Crores



| Standalone | | | Particulars | Consolidated | | |
|------------|----------|------------|----------------------------|--------------|----------|------------|
| 2QFY25 | 2QFY24 | Variance % | | 2QFY25 | 2QFY24 | Variance % |
| 2,049.50 | 2,342.79 | 13% ▼ | Revenue | 2,053.94 | 2,352.09 | 13% ▼ |
| 1,726.11 | 1,930.71 | 11% ▼ | Less: Operating Expenses | 1,730.05 | 1,934.99 | 11% ▼ |
| 323.39 | 412.08 | 22% ▼ | EBITDA | 323.89 | 417.10 | 22% ▼ |
| 119.87 | 116.52 | 3% ▲ | Less: Finance Costs | 119.87 | 116.52 | 3% ▲ |
| 168.55 | 157.40 | 7% ▲ | Less: Depreciation | 169.53 | 162.75 | 4% ▲ |
| 34.97 | 138.16 | 75% ▼ | Profit Before Tax | 34.49 | 137.83 | 75% ▼ |
| 0.06 | 8.10 | 99% ▼ | Less: Current Tax | 0.06 | 9.57 | 99% ▼ |
| 9.33 | 28.76 | 68% ▼ | Less: Deferred Tax | 9.11 | 27.41 | 67% ▼ |
| 25.58 | 101.30 | 75% ▼ | Profit After Tax | 25.32 | 100.85 | 75% ▼ |
| 24.88 | 111.31 | 78% ▼ | Total Comprehensive Income | 23.08 | 143.28 | 84% ▼ |

Cost of raw materials per ton

In ₹

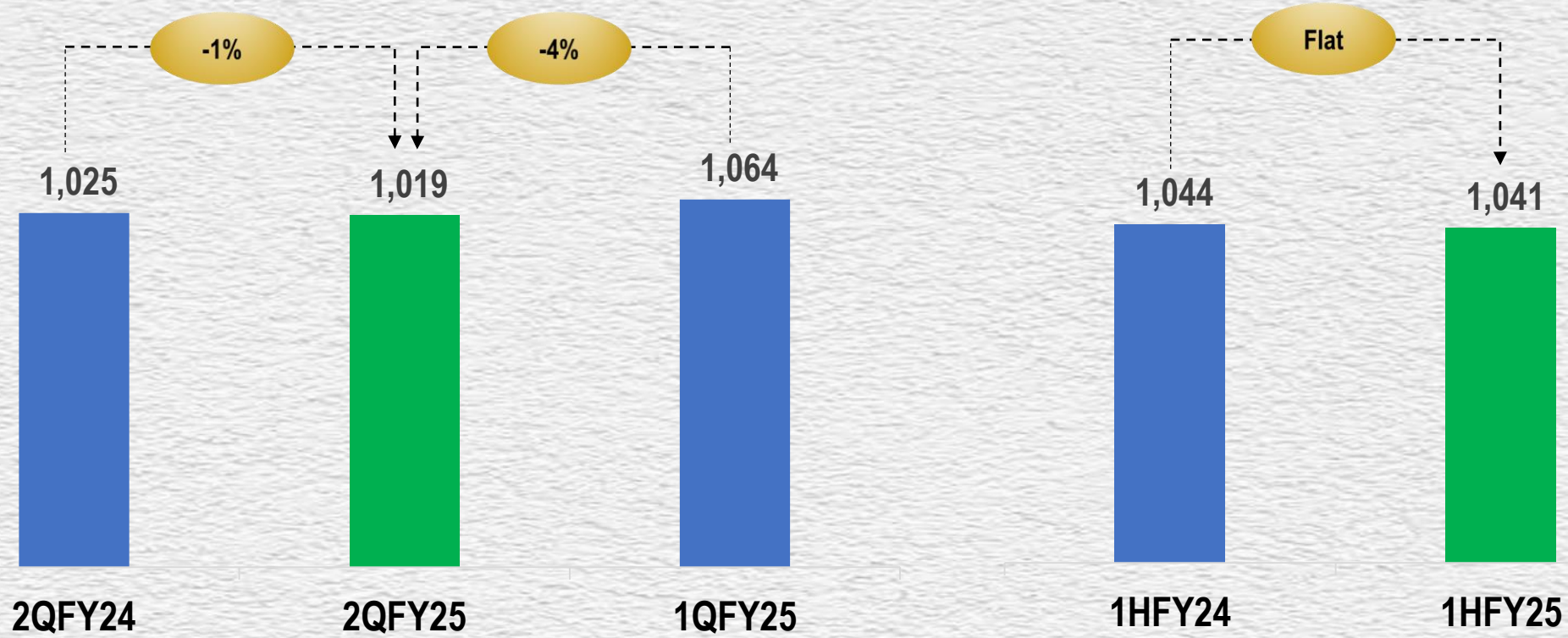


👉 Decrease in Diesel price by 2% in 1HFY25 & 2QFY25 YoY

👉 Inflationary impact on cost of other raw materials viz. Fly ash, Slag & Gypsum

Logistics cost per ton

In ₹

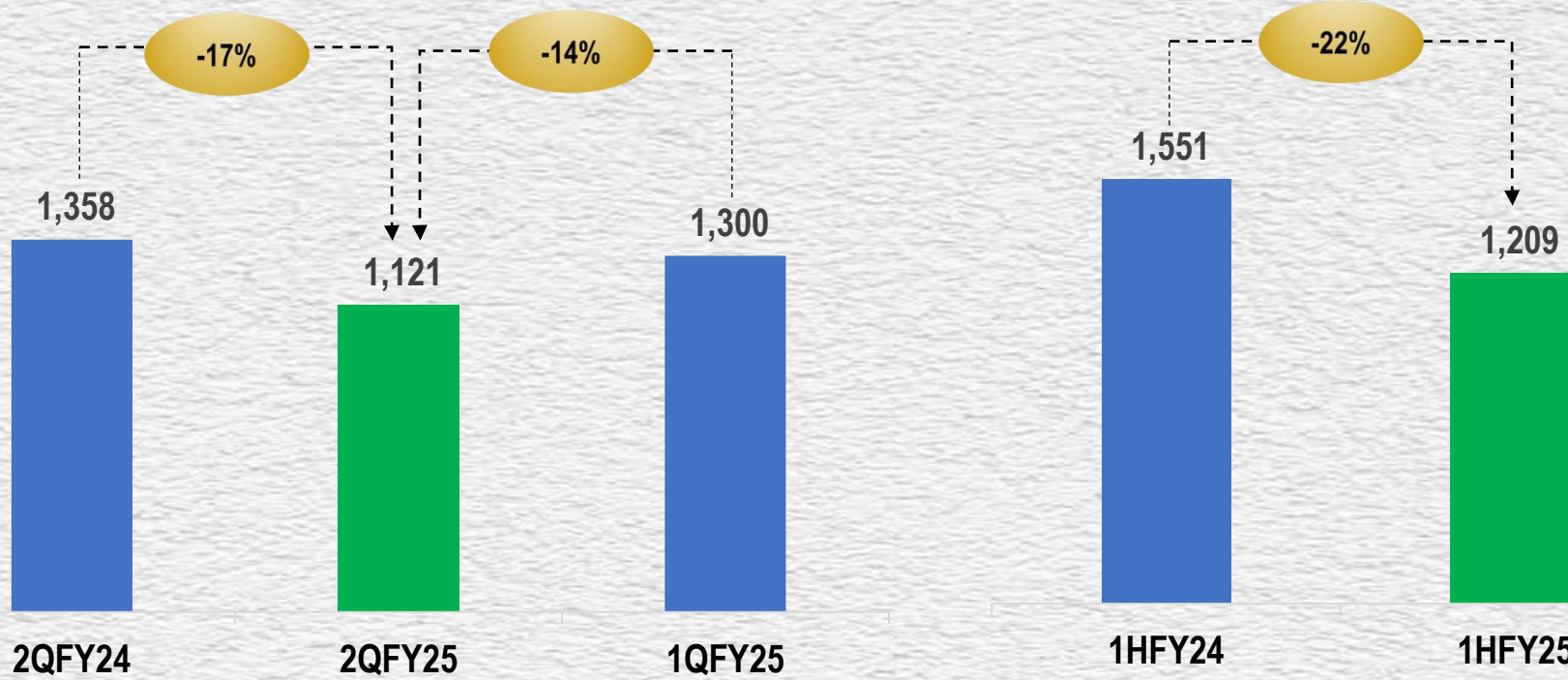


- 👉 Rail Co-efficient for cement despatches: 2QFY25 is 6% vs. 7% in 2QFY24 & 8% in 1QFY25
- 👉 Avg. lead distance for cement despatches: 2QFY25 is 244 KMs vs 259 KMs in 2QFY24 & 273 KMs in 1QFY25

- 👉 Rail Co-efficient for cement despatches: 1HFY25 is 7% vs. 7% in 1HFY24
- 👉 Avg. lead distance for cement despatches: 1HFY25 is 249 KMs vs 266 KMs in 1HFY24

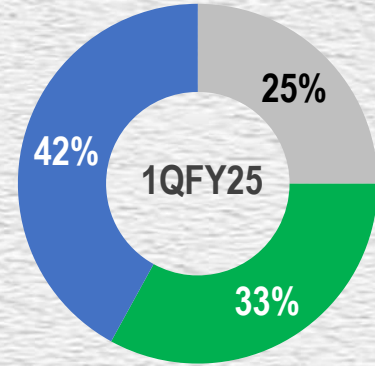
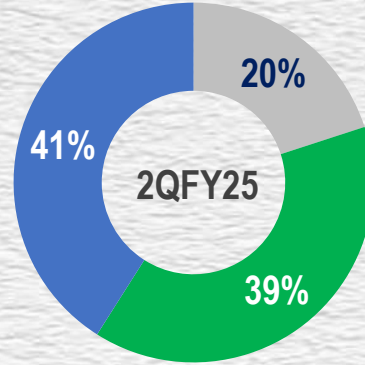
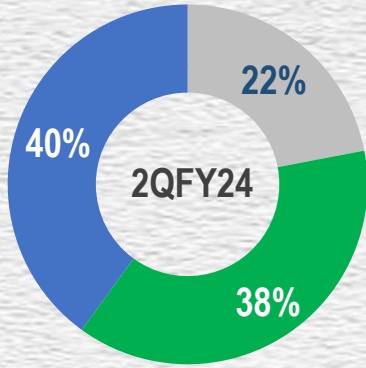
Power and Fuel Cost per ton

In ₹



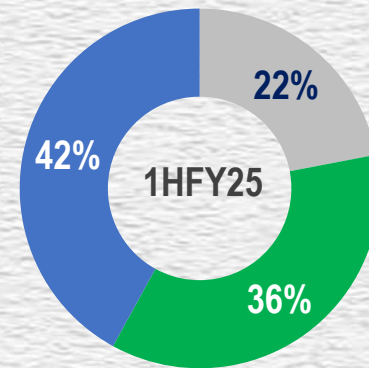
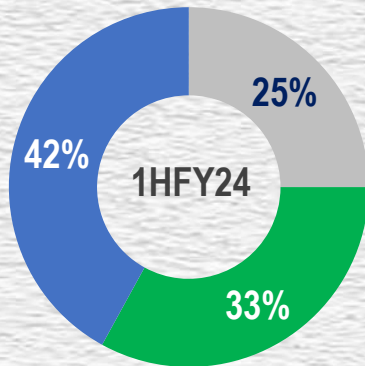
- 👉 Blended Fuel consumption (incl. TPP) per T of material: 2QFY25: \$ 130; 2QFY24: \$ 148; 1QFY25 : \$ 137; 1HFY25: \$ 133; 1HFY24: \$ 158
- 👉 Blended Fuel cost per Kcal: 2QFY25: ₹ 1.60; 2QFY24: ₹ 1.75; 1QFY25: ₹ 1.49; 1HFY25: ₹ 1.56; 1HFY24: ₹ 1.90
- 👉 Increased usage of Wind energy & WHRS contributed for reduction in overall power cost
- 👉 Rupee depreciation by 1% during 1HFY25 had an inflationary effect on fuel cost

Power Mix



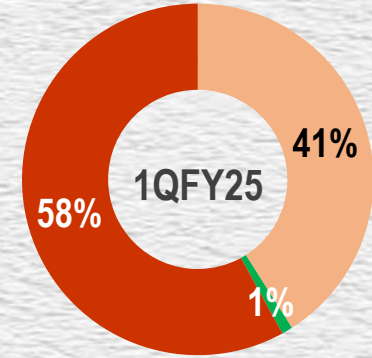
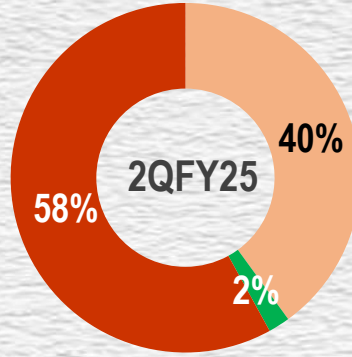
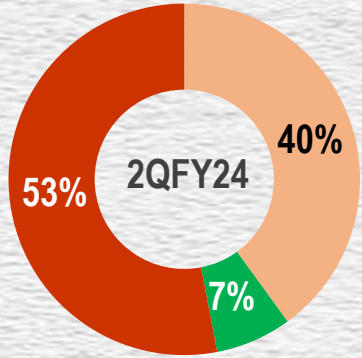
■ Grid power ■ Green Power ■ Thermal Power

Share of Green Power is expected to reach 42% on an annualized basis in FY25 #



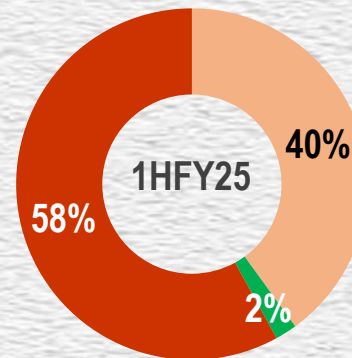
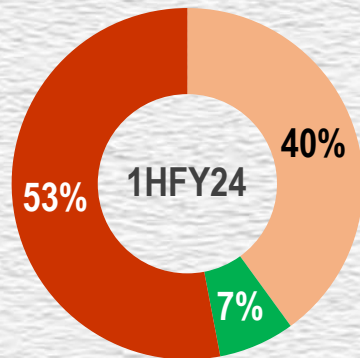
Based on current production levels

Fuel Mix



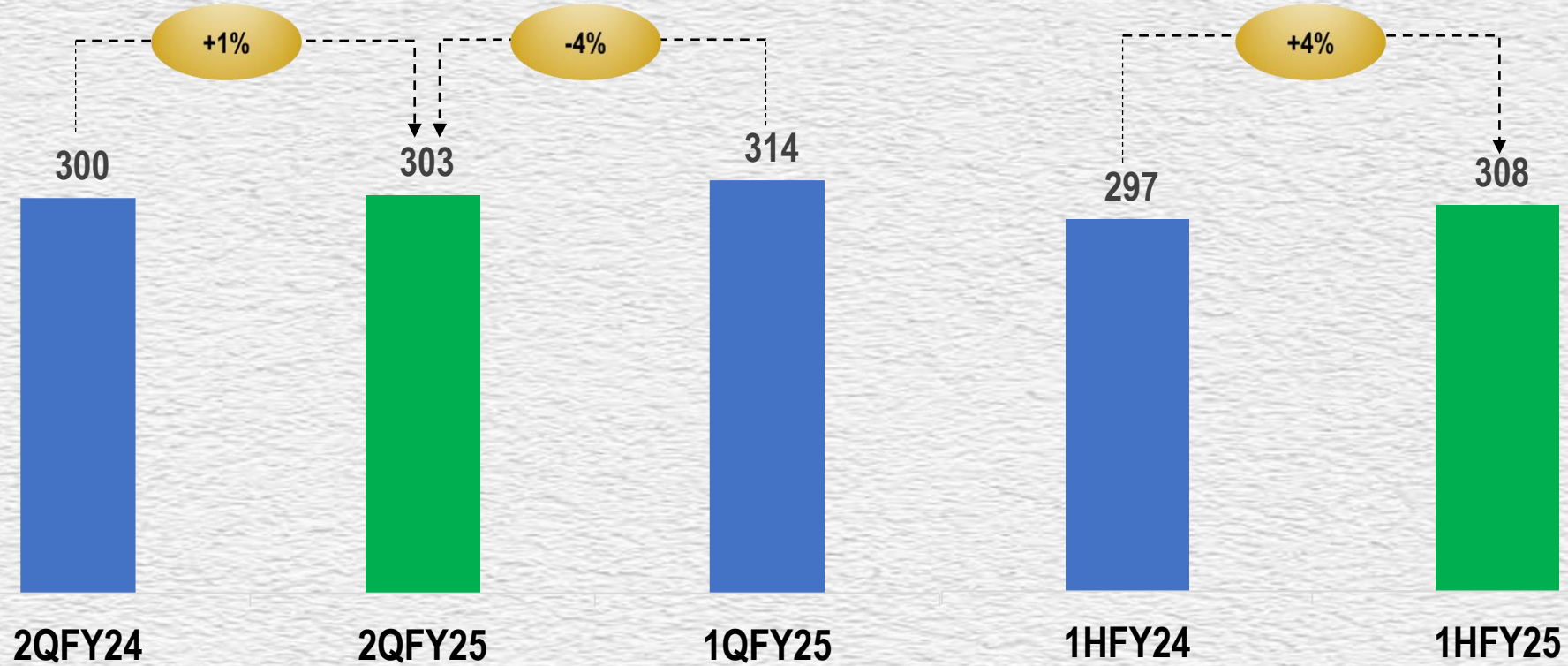
■ Coal ■ Alternate Fuel ■ Pet coke

Optimal usage of fuel based on Cost per CV



Employee Cost per ton

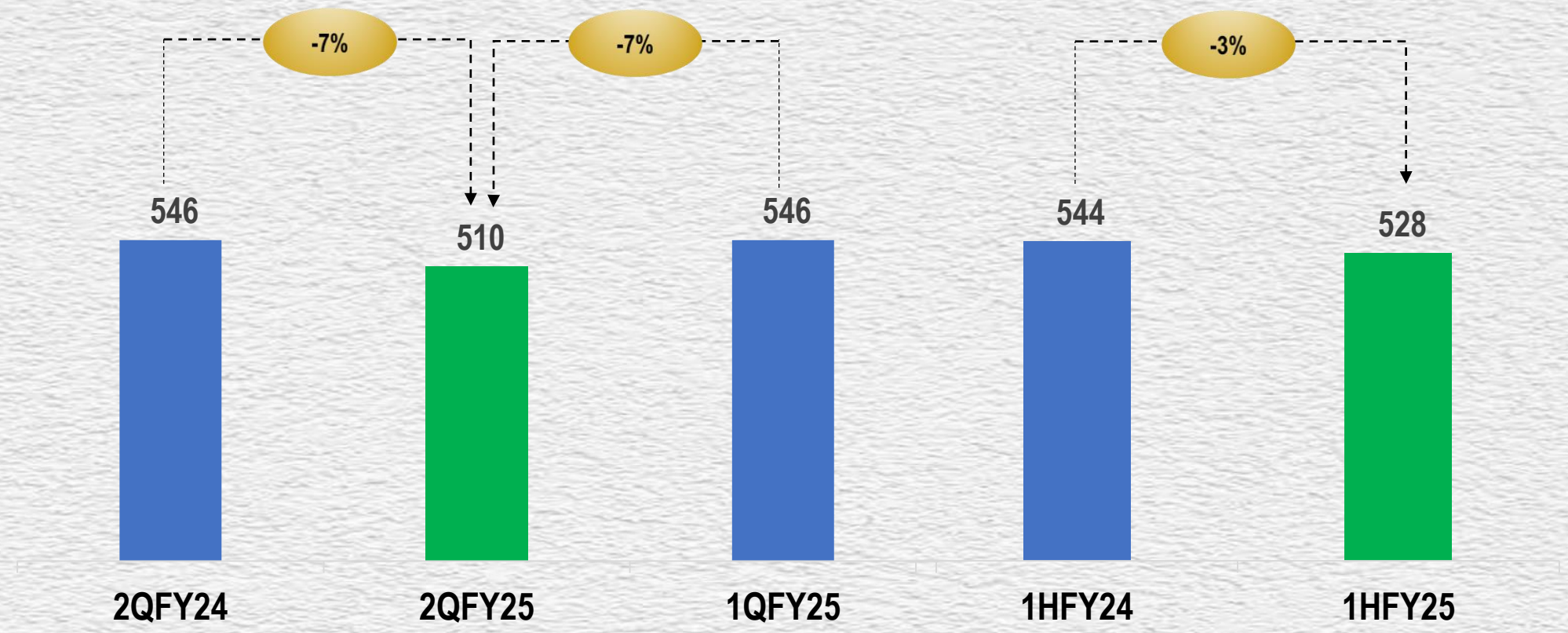
In ₹



Better absorption of cost per ton is due to improved operating leverage

Other Expenditure per ton

In ₹



Better absorption of cost per ton is due to improved operating leverage

Summarized Financial Position

₹ in Crores



| Standalone | | Particulars | Consolidated | |
|------------------|------------------|---|------------------|------------------|
| 30-09-2024 | 31-03-2024 | | 30-09-2024 | 31-03-2024 |
| 13,617.42 | 13,421.70 | Fixed Assets including CWIP | 13,625.43 | 13,431.64 |
| 172.60 | 223.12 | Investments | 267.88 | 319.04 |
| 679.01 | 553.90 | Loans and Advances | 670.97 | 545.96 |
| 1,209.54 | 982.30 | Inventories | 1,210.74 | 983.48 |
| 575.02 | 852.15 | Trade Receivables | 578.91 | 855.70 |
| 140.34 | 135.18 | Cash and Bank Balances | 142.15 | 136.91 |
| 16,393.93 | 16,168.35 | Total Assets | 16,496.08 | 16,272.73 |
| 23.63 | 23.63 | Equity Share Capital | 23.63 | 23.63 |
| 7,121.74 | 7,120.49 | Reserves & Surplus, including NCI | 7,218.47 | 7,217.86 |
| 5,203.72 | 4,916.82 | Borrowings | 5,203.72 | 4,916.82 |
| 1,047.84 | 1,030.43 | Deferred Tax Liabilities, net | 1,047.37 | 1,029.92 |
| 895.70 | 990.96 | Trade Payables | 898.10 | 993.30 |
| 132.63 | 113.45 | Provisions | 134.31 | 114.67 |
| 1,968.67 | 1,972.57 | Other Current / Non-current Liabilities | 1,970.48 | 1,976.53 |
| 16,393.93 | 16,168.35 | Total Equity and Liabilities | 16,496.08 | 16,272.73 |

Summarized Cash flow

| Particulars | 1HFY25 | 1HFY24 |
|--|-------------------|---------------------|
| Operating Profit | 651.31 | 761.43 |
| Changes in working capital | (-) 190.90 | 52.38 |
| Direct Tax paid | (-) 18.86 | (-) 9.14 |
| Others | 3.73 | 4.49 |
| Net cash flow from Operating Activities | 445.28 | 809.16 |
| Capital Expenditure | (-) 543.87 | (-) 1,224.51 |
| Proceeds from sale of investments measured at FVTOCI | 50.00 | - |
| Others | 10.88 | 12.17 |
| Net cash flow used in Investing Activities | (-) 482.99 | (-) 1,212.34 |
| Increase in Borrowings | 238.11 | 540.38 |
| Interest | (-) 182.83 | (-) 156.34 |
| Dividend | (-) 59.13 | (-) 47.31 |
| Net cash flow generated from / (used in) Financing Activities | (-) 3.85 | 336.73 |
| Net decrease in Cash and Cash Equivalents | (-) 41.56 | (-) 66.45 |

Operating cash flow impacted due to weak cement prices amid softened fuel prices; Changes in working capital mainly due to increase in inventory

Capex incurred for Kolimigundla Integrated units Line I & II, Acquisition of mining land for new project in Karnataka, DMP Odisha, & general capex

To meet part funding of Capital Expenditure

Based on Standalone figures

Key Ratios



| Particulars | UOM | 2QFY25 | 2QFY24 | 1QFY25 | 1HFY25 | 1HFY24 |
|--------------------------------------|-----------|--------|--------|--------|--------|--------|
| EBITDA Ratio | % | 16% | 18% | 16% | 16% | 17% |
| PBT Ratio | % | 2% | 6% | 2% | 2% | 5% |
| PAT Ratio | % | 1% | 4% | 2% | 1% | 4% |
| EPS, Not Annualized | ₹ | 1.08 | 4.28 | 1.50 | 2.58 | 7.62 |
| RoE, Annualized | % | 1% | 6% | 2% | 2% | 6% |
| RoCE (Post-tax), Annualized | % | 5% | 8% | 5% | 5% | 7% |
| Debt-Equity Ratio | Multiples | 0.73 | 0.73 | 0.70 | 0.73 | 0.73 |
| Debt Service Cover Ratio, Annualized | Multiples | 1.97 | 1.14 | 0.90 | 1.24 | 1.42 |
| Interest Service Cover Ratio | Multiples | 2.33 | 2.93 | 2.47 | 2.40 | 2.98 |
| Current Ratio | Multiples | 1.09 | 1.02 | 1.05 | 1.09 | 1.02 |
| Net Debt / EBITDA | Multiples | 3.95 | 3.01 | 3.79 | 3.92 | 3.26 |

Ratios computed based on Standalone figures

Capex update & Borrowings

Capex incurred during 1HFY25: ₹ 544 Crores; 2QFY25: ₹ 263 Crores

- 👉 The cement capacity has been increased from 23 MTPA to 24 MTPA during 2QFY25 at the cost of \$ 8 per ton through de-bottlenecking in Kolimigundla Integrated Unit and Salem Grinding Unit.
- 👉 The company is on track to achieve cement capacity of 30 MTPA by March 2026 with the commissioning of 2nd line in Kolimigundla along with de-bottlenecking of existing facilities / adding grinding capacities in existing locations with minimal capex.
- 👉 The capex estimated for FY25 remain unchanged at ₹ 1,200 Crores.
- 👉 The Company has monetized ₹ 376 Crores (Sep 2024: ₹ 50 Crores; Oct 2024: ₹ 326 Crores) out of targeted value of ₹ 1,000 Crores of non-core assets and the company is on track to achieve the target as committed earlier. Further, the Company has entered into a sale agreement for disposal of lands worth ₹ 74 Crores, which is expected to be realized during 3QFY25.
- 👉 In Kolimigundla, TPP of 18 MW commenced commercial production in Sep 2024 which is expected to contribute reduction in power cost in the upcoming quarters. Railway siding will be commissioned during Dec 2024.
- 👉 WHRS plant with a capacity of 10 MW in Ramasamy Raja Nagar is scheduled to be commissioned by 4QFY25.
- 👉 Expansion of capacity of Building Products: Unit in Odisha will be commissioned before March 2025.
- 👉 52% of mining land for new project in Karnataka have been acquired so far.

Borrowings as on 30-09-2024

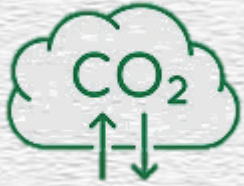
| Particulars | ₹ in Crores |
|---------------------------------|-----------------|
| Interest-bearing Borrowings | |
| - Long Term Debt | 4,773.93 |
| - Short Term Debt | 359.03 |
| Interest Free / Soft Loans | 70.76 |
| Gross Debt | 5,203.72 |
| Less: Cash and Cash Equivalents | 100.26 |
| Net Debt | 5,103.46 |

Credit Ratings

| Particulars | Rating |
|------------------------------|--------|
| ICRA Rating | |
| - Long Term Debt | AA+ |
| - Short Term Debt | A1+ |
| - Non-Convertible Debentures | AA+ |
| CRISIL Rating | |
| - Short Term Debt | A1+ |

ESG Update

CO₂ Emission



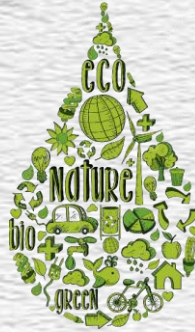
585 Kg / T of Cement

Blended Cement



70%

Water Positive



4.5x

Green energy



39%

CSR



4k + Beneficiaries

Based on 2QFY25 figures

Firm and Focussed for a sustainable future

Awards & Accolades



Ramco Corporate Tech Team has been felicitated with “CIO Award” from NEXT100 Award 2024 for the implementation of latest technologies like Zero Trust Network Access to access our Applications securely by remote users

RR Nagar Unit bagged 5 Star Rating Award for Sustainable Development framework from Indian Bureau of Mines during September 2024

Awards & Accolades



Jayanthipuram Unit bagged Excellent Energy Efficient Unit Award in the 25th National Award for Excellence in Energy Management 2024, Hyderabad conducted by Confederation of Indian Industry during September 2024

Awards & Accolades



Alathiyur / Ariyalur / RR Nagar units bagged 1st prize in various categories in connection with mining in the 64th Mines Safety week organized by Tamil Nadu Mines Safety association during September 2024

Awards & Accolades



Jayanthipuram Unit bagged 7 Gold awards from the 38th Chapter Convention & 2 Gold awards from the 24th Chapter Convention on quality concepts conducted by Quality Circle forum of India, Hyderabad & Vishakhapatnam Chapter during September 2024.

Awards & Accolades



Alathiyur & Ariyalur unit bagged 11 Gold awards each from Quality Circle forum of India, Madurai Chapter during September 2024

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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