



SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2023-24

27th July 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

Scrip Code: 502090

Series: EQ

Dear Sirs

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

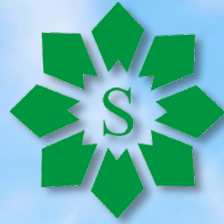
Phone : +91-40-23351571, 23356572 Fax : +91-40-23356573 E-mail : info@sagarcements.in Website : www.sagarcements.in

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

QIFY24
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	Q1 FY24	Q1 FY23	YoY (%)	Q4 FY23	QoQ (%)
Sales Volume (MT)	11,79,614	11,86,260	▼ 1%	13,56,863	▼ 13%
Revenue from Operations	53,967	55,772	▼ 3%	62,154	▼ 13%
Other Income	391	1,244	▼ 69%	18,104	▼ 98%
Total Income	54,358	57,016	▼ 5%	80,258	▼ 32%
Operating expenses	50,919	49,669	▲ 3%	58,268	▼ 13%
Op. EBITDA	3,048	6,103	▼ 50%	3,886	▼ 22%
Op. EBITDA Margin %	6	11	▼ 48%	6	▼ 10%
Op. EBITDA per Ton in ₹	258	514	▼ 50%	286	▼ 10%
Finance cost	4,367	4,808	▼ 9%	5,191	▼ 16%
Depreciation	4,959	3,658	▲ 36%	4,155	▲ 19%
Profit/ (Loss) before tax	(5,887)	(1,119)	-	12,644	-
Tax expenses	(1,664)	191	-	2,846	-
Profit/ (Loss) after tax	(4,223)	(1,310)	-	9,798	-

- Revenue decreased by 3% Y-o-Y and volume decreased by 1% for Q1 FY24.
- Plants operated at around 47% during the current quarter.
- Operating EBITDA of ₹ 3,048 lakhs for Q1 FY24 as against ₹ 6,103 lakhs during Q1FY23.
- Operating EBITDA of ₹ 258 per ton during Q1 FY24.
- EBITDA margin declined by 500 bps to 6% for Q1 FY24 (v/s Q1 FY23).
- Loss after tax stood at Rs. 4,223 lakhs for Q1 FY24 v/s Loss of ₹ 1,310 lakhs during Q1 FY23.

Consolidated Per Ton Analysis

Particulars (in Rs)	Q1 FY24	Q1 FY23	YoY%	Q4 FY23	QoQ (%)
Net Realization / T	4,575	4,701	▼ 3%	4,581	▼ 0%
Total Expenditure /T	4,317	4,187	▲ 3%	4,294	▲ 1%
Raw Material Consumed	849	733	▲ 16%	864	▼ 2%
Employee Expenses	226	222	▲ 1%	191	▲ 18%
Power & Fuel	1,735	1,827	▼ 5%	1,796	▼ 3%
Freight	862	798	▲ 8%	834	▲ 3%
Purchase of stock in Trade	45	68	▼ 33%	35	▲ 28%
Other Expenses	600	539	▲ 11%	574	▲ 5%
EBITDA/ T	258	514	▼ 50%	286	▼ 10%

Sagar Cements Limited

Particulars	Q1 FY24	Q1 FY23	YoY %	Q4 FY23	QoQ (%)
Sales Volume (MT)	8,95,800	10,41,424	▼ 14%	11,01,250	▼ 19%
Revenue from Operations	41,275	48,406	▼ 15%	50,218	▼ 18%
Other Income	570	1,840	▼ 69%	1,790	▼ 68%
Total Income	41,845	50,246	▼ 17%	52,008	▼ 20%
Operating expenses	37,991	41,543	▼ 9%	46,812	▼ 19%
Op. EBITDA	3,284	6,863	▼ 52%	3,406	▼ 4%
Op. EBITDA Margin %	8	14	▼ 44%	7	▲ 17%
Op. EBITDA per Ton in ₹	367	659	▼ 44%	309	▲ 19%
Finance cost	1,428	2,337	▼ 39%	2,746	▼ 48%
Depreciation	2,053	2,029	▲ 1%	2,162	▼ 5%
Profit before tax	373	4,337	▼ 91%	288	▲ 30%
Tax expenses	117	1,570	▼ 93%	160	▼ 27%
Profit after tax	256	2,767	▼ 91%	128	▲ 100%

- 14% YoY decrease in volumes during Q1 FY24.
- Op. EBITDA of ₹ 3,284 lakhs during Q1 FY24 lower by 52% on a Y-o-Y basis.
- Op. EBITDA of ₹ 367 per ton during Q1 FY24 lower by 44% on a Y-o-Y basis.

Sagar Cements (M) Private Limited

Particulars	Q1 FY24	Q1 FY23	YoY %	Q4 FY23	QoQ (%)
Sales Volume (MT)	2,00,886	1,14,024	▲ 76%	2,00,627	▲ 0%
Revenue from Operations	10,464	6,223	▲ 68%	10,037	▲ 4%
Other Income	19	19	▲ 0%	21	▼ 10%
Total Income	10,483	6,242	▲ 68%	10,058	▲ 4%
Operating expenses	8,777	6,563	▲ 34%	8,756	▲ 0%
Op. EBITDA	1,687	(340)	-	1,281	▲ 32%
Op. EBITDA Margin %	16	(5)	-	13	▲ 26%
Op. EBITDA per Ton in ₹	840	(298)	-	638	▲ 32%
Finance cost	1,232	1,041	▲ 18%	1,166	▲ 6%
Depreciation	938	904	▲ 4%	1,017	▼ 8%
Profit before tax	(464)	(2,266)	-	(881)	-
Tax expenses	(112)	(587)	-	(211)	-
Profit after tax	(352)	(1,679)	-	(670)	-

- 76% YoY increase in volumes during Q1 FY24.
- Op. EBITDA of ₹ 1,687 lakhs during Q1 FY24.
- Op. EBITDA of ₹ 840 per ton during Q1 FY24.

Jajpur Cements Private Limited

Particulars	Q1 FY24	Q1 FY23	YoY %	Q4 FY23	QoQ (%)
Sales Volume (MT)	53,271	30,811	▲ 73%	54,986	▼ 3%
Revenue from Operations	2,321	1,407	▲ 65%	2,347	▼ 1%
Other Income	11	963	▼ 99%	17,554	▼ 100%
Total Income	2,332	2,370	▼ 2%	19,901	▼ 88%
Operating expenses	3,147	1,826	▲ 72%	3,059	▲ 3%
Op. EBITDA	(826)	(419)	-	(712)	-
Op. EBITDA Margin %	(36)	(30)	-	(30)	-
Op. EBITDA per Ton in ₹	(1,551)	(1,360)	-	(1,295)	-
Finance cost	538	3,007	▼ 82%	2,350	▼ 77%
Depreciation	639	681	▼ 6%	734	▼ 13%
Profit before tax	(1,992)	(3,144)	-	13,758	-
Tax expenses	(373)	(792)	-	2,968	-
Profit after tax	(1,619)	(2,352)	-	10,790	-

- 73% YoY increase in volumes during Q1 FY24.
- Op. EBITDA of ₹ (826) lakhs during Q1 FY24.
- Op. EBITDA of ₹ (36) per ton during Q1 FY24.

Andhra Cements Limited

Particulars	Q1 FY24	Q1 FY23	YoY %	Q4 FY23	QoQ (%)
Sales Volume (MT)	29,657	-	-	-	-
Revenue from Operations	1,320	-	-	-	-
Other Income	36	14	▲ 157%	10	▲ 260%
Total Income	1,356	14	▲ 9,586%	10	▲ 13,460%
Operating expenses	2,417	387	▲ 525%	1,348	▲ 79%
Op. EBITDA	(1,097)	(387)	-	(1,348)	-
Op. EBITDA Margin %	(83)	-	-	-	-
Op. EBITDA per Ton in ₹	(3,699)	-	-	-	-
Finance cost	1,414	4,137	▼ 66%	(10,964)	-
Depreciation	1,287	1,163	▲ 11%	1,180	▲ 9%
(Loss)/ Profit before exceptional items and tax	(3,762)	(5,673)	-	8,446	-
Exceptional items	-	-	-	97,163	-
(Loss)/ Profit before tax	(3,762)	(5,673)	-	1,05,609	-
Tax expenses	(1,296)	-	-	(6,592)	-
(Loss)/ Profit after tax	(2,466)	(5,673)	-	1,12,201	-

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

“We would like to highlight that Q1 performance was largely impacted owing to the maintenance shutdown undertaken for Matampally’s line II clinker production. That coupled with competitive pricing environment across our key markets weighed in on our quarterly performance. Realisations have remained relatively stable as compared to the sequential quarter. Demand from both infrastructure and housing segments continued to witness good momentum aiding in healthy volume growth across regions. Incremental volume growth was visible in the newly commissioned plants.

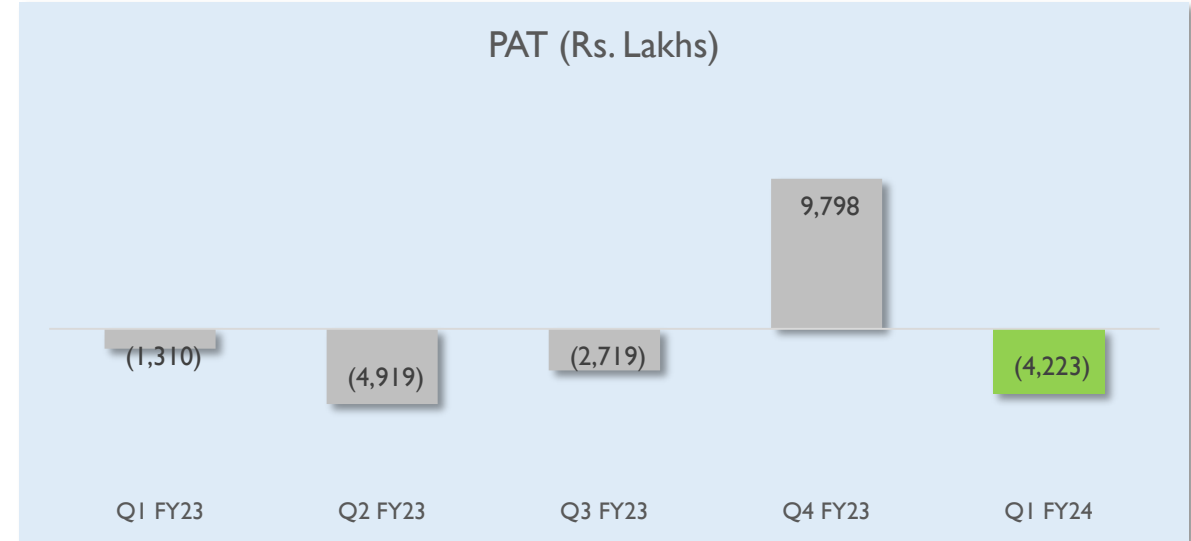
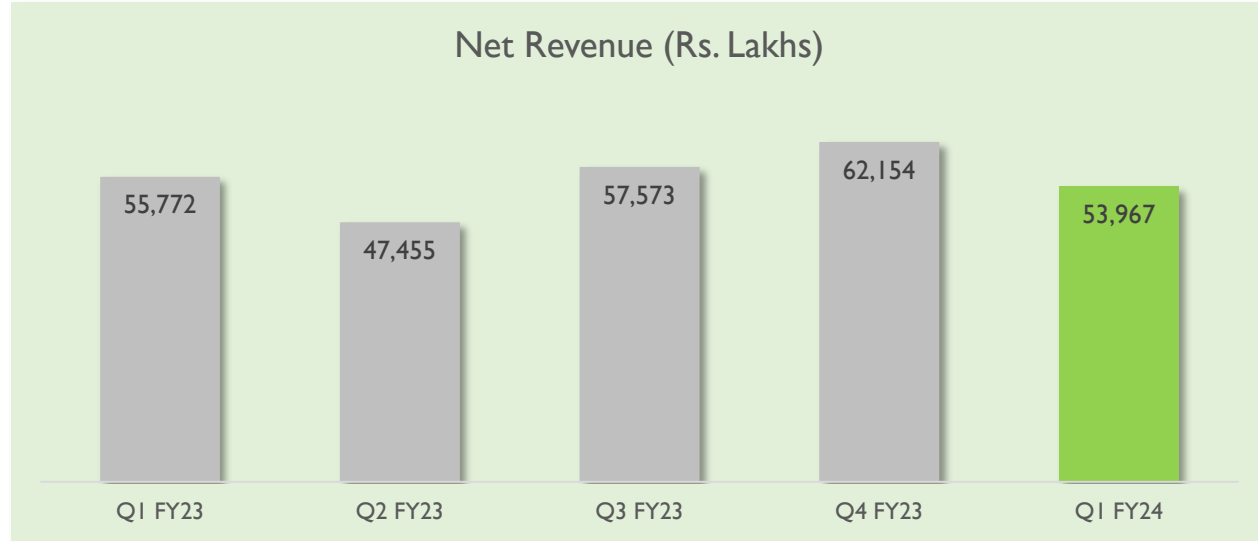
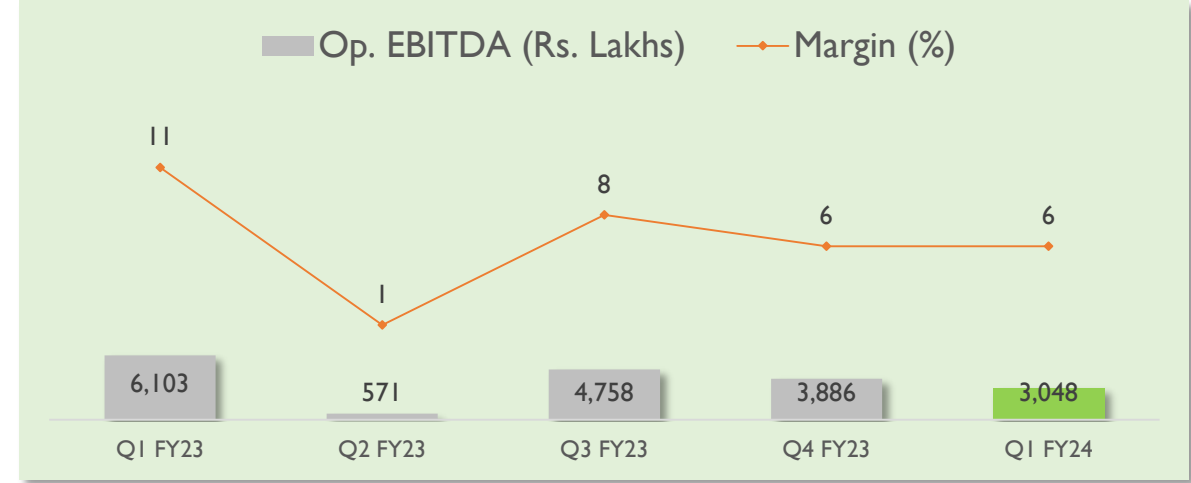
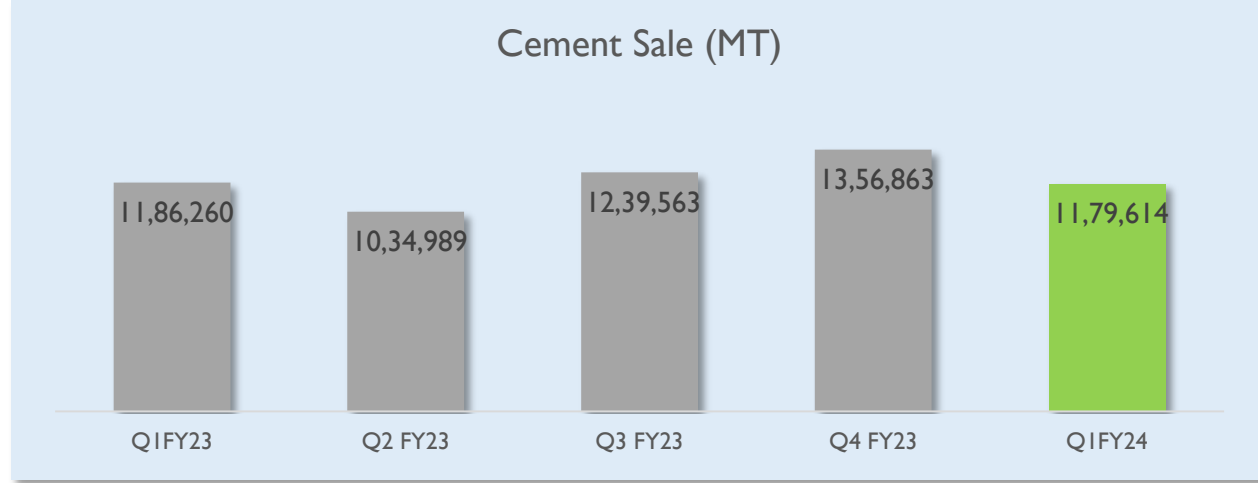
We have seen a decline in our operating profitability by 50% during the quarter in part owing to benign pricing environment and also largely owing to high-cost inventory on the books. We expect the margins to benefit from falling fuel prices in the coming quarters. In addition to moderating input prices, higher utilization levels and regional diversification should help us deliver better profitability. Although, the overall advantage may be restricted, due to the overall benign pricing environment.

During Q1 FY24 the blended cement sales improved to 55% as against 50% reported during Q1 FY23.

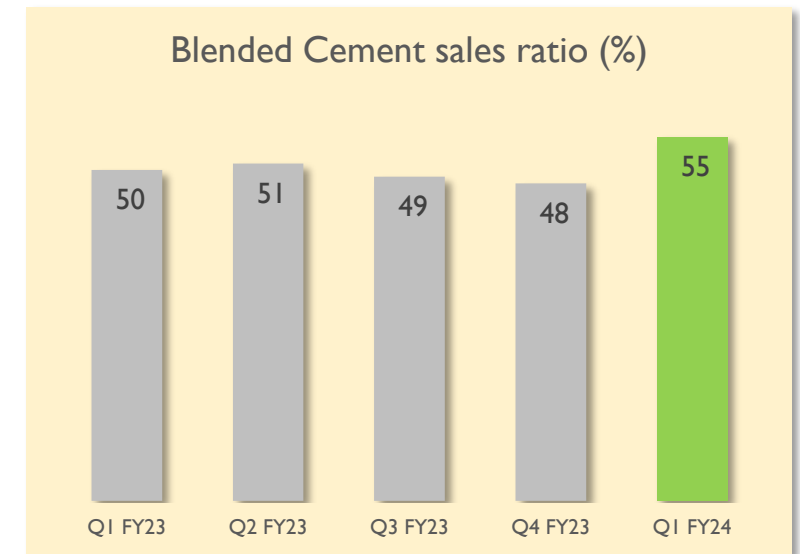
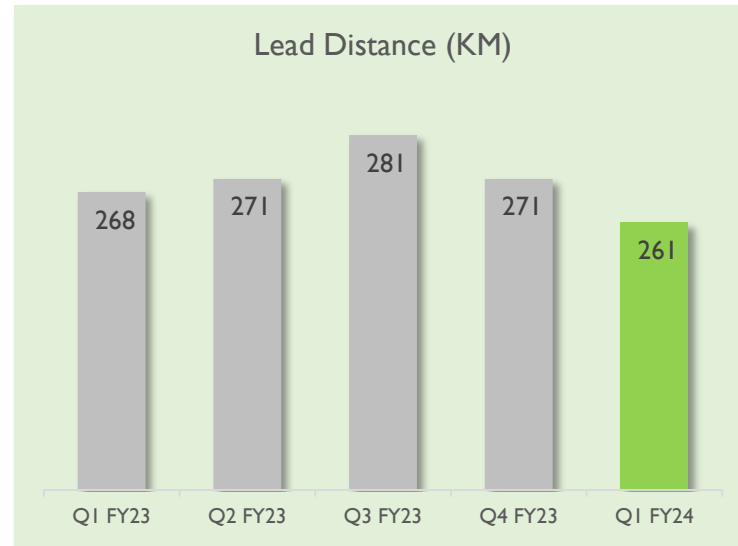
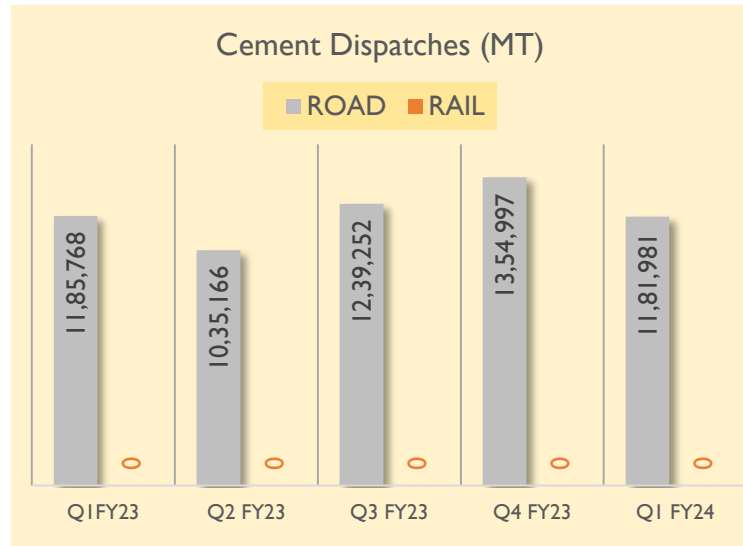
In terms of operations, as mentioned earlier, our efforts are directed towards improving the overall efficiencies and ramping up the utilization levels of our recently acquired units. Our Jeerabad and Jajpur facilities are performing in line with our expectations and we believe we will be able to achieve 80% utilization levels for the former and EBITDA breakeven for Jajpur during this fiscal.

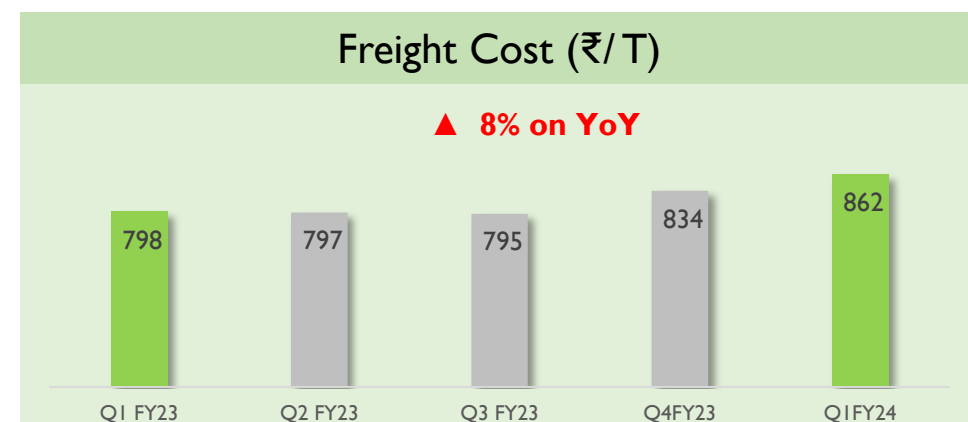
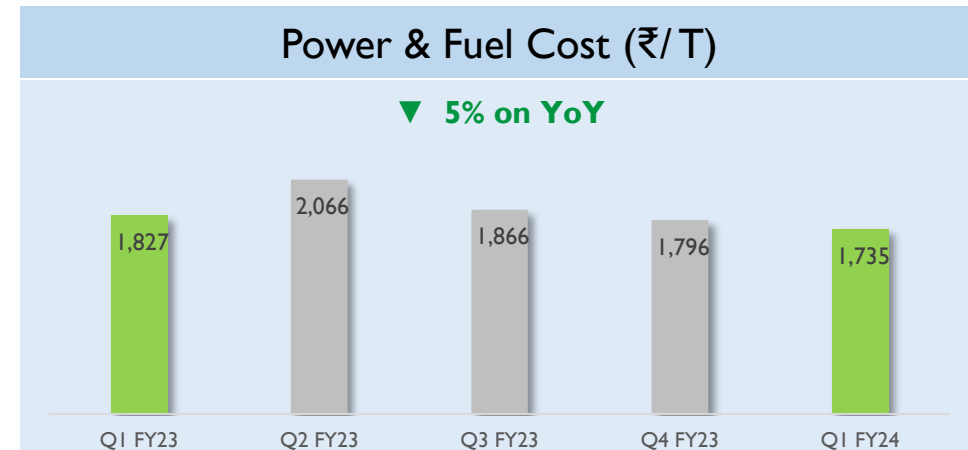
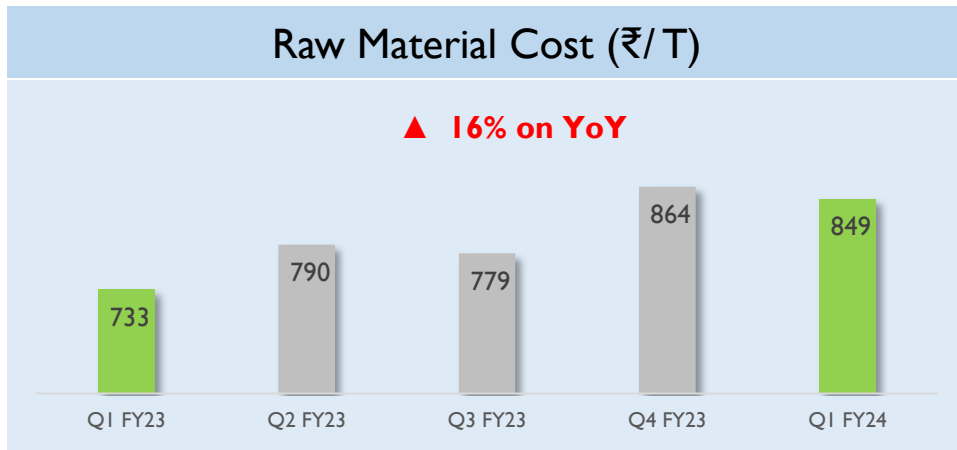
On ESG front, the company has acquired electric trucks & electric wheel loaders to be used in the operation at plants. Also Company has started growing Bio-mass to use as alternate fuel in the kilns.

To conclude, we believe our geographic and product mix, cost economics and commitment towards improving operational efficiencies will position us well to create value for our shareholders.”



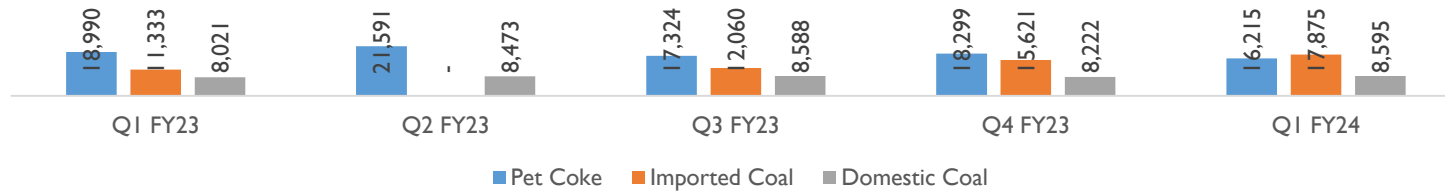
Description	Sagar Cements Ltd Qty in MT	Sagar Cements (M) Pvt Ltd Qty in MT	Jajpur Cements Pvt Ltd Qty in MT	Andhra Cements Ltd Qty in MT	Consolidated Qty in MT
Clinker	6,75,474	2,11,750	-	2,994	8,90,218
Cement Production / Purchase	9,00,906	2,01,778	52,743	25,635	11,81,062
Cement Sales	8,95,800	2,00,886	53,271	29,657	11,79,614





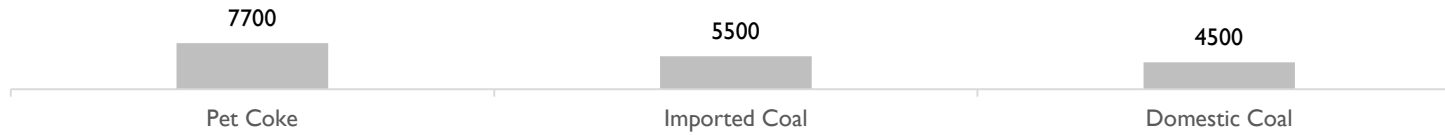
- Raw material cost per ton during Q1 FY24 was ₹ 849 per ton as against ₹ 733 per ton during Q1 FY23. Increase in sales from Jajpur resulted into increase in raw material cost since clinker is being transported from Mattampally unit to Jajpur.
- The main reasons for decrease in Power & Fuel cost is due to reduction in the prices of pet coke & coal.
- Optimal thermal efficiency at Mattampally Plant 736 Kcal /Kg of Clinker & Gudipadu 680 Kcal /Kg of Clinker & Jeerabad 711 Kcal /Kg of Clinker.
- Employee costs during Q1 FY24 amounted to ₹ 226 per ton as against ₹ 222 per ton during Q1 FY23.

Thermal Prices(Rs/Mt)

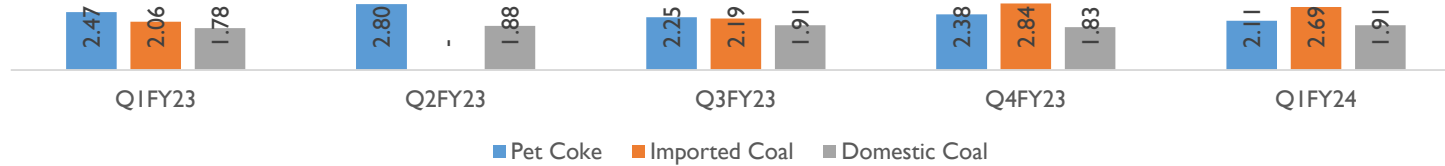


Current Fuel Price Trends		
Particulars	Per Ton (₹)	Per Kcal (₹)
Imported Pet Coke	13,750	1.79
Indian Pet Coke	12,000	1.56
Imported Coal	11,000	2.00
Domestic Coal	8,600	1.91

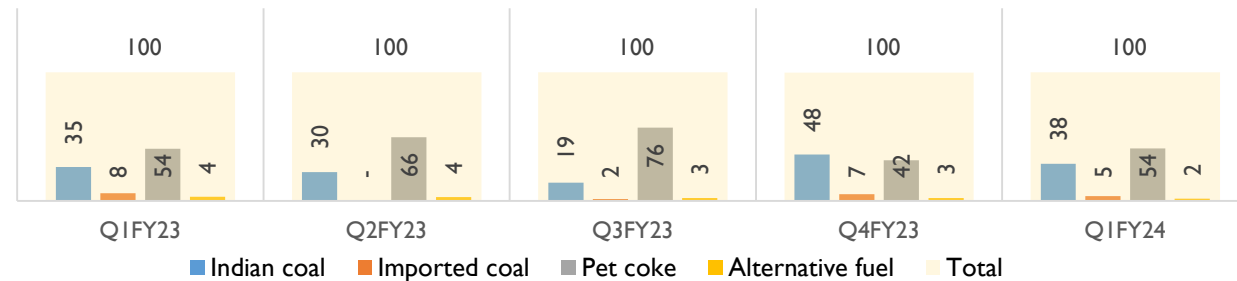
Kcal on NCV basis



Rs/Kcal



Group level Source of coal based on kcal (%)



in Rs.Lakhs

Particulars (Rs. In Lakh)	30 th Jun 2023	31 st Mar 2023	31 st Dec 2022	30 th Sep 2022	30 th Jun 2022
Gross Debt	1,50,675	1,47,212	1,39,088	1,48,585	1,48,987
- Long Term	1,29,975	1,27,665	1,22,188	1,27,525	1,29,300
- Working Capital	20,700	19,547	16,900	21,060	19,687
Cash & Bank Balance	15,146	21,048	31,283	30,849	28,174
Net Debt	1,35,529	1,26,164	1,07,805	1,17,736	1,20,813
Long term Debt Equity Ratio (%)	0.79	0.76	0.79	0.81	0.79
Net Worth	1,64,670	1,68,893	1,55,369	1,58,088	1,63,922

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



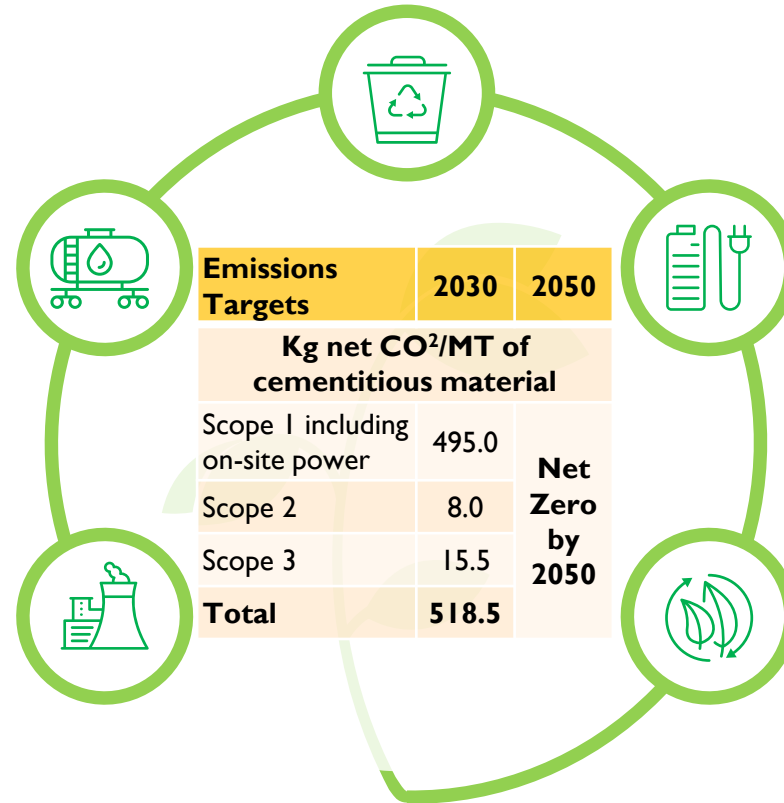
Water Management

- 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



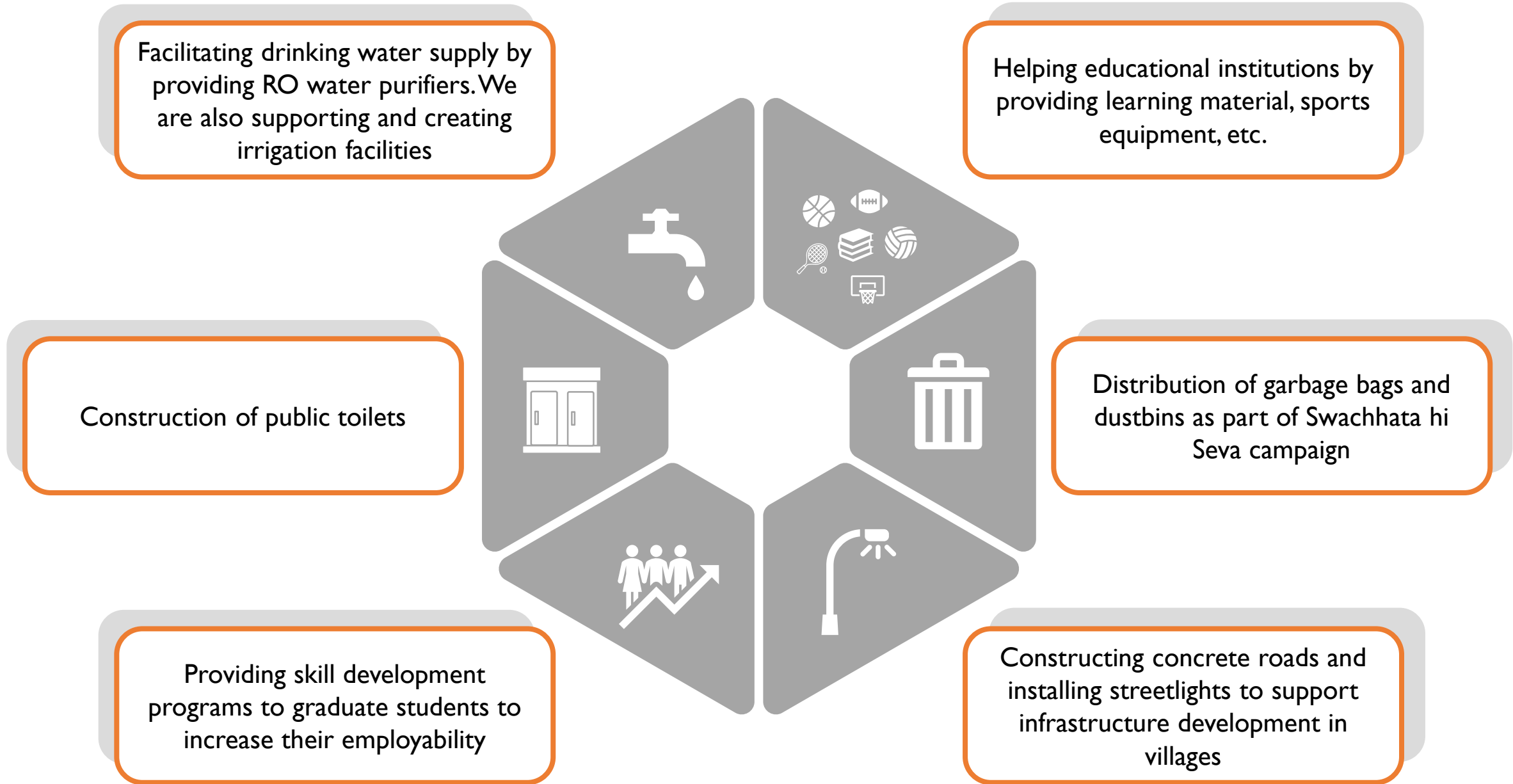
Energy Efficiency

- 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



BIO-MASS: Growing of Bio-mass to use as fuel in Cement Kiln has been started in about 20 Hectors as pilot project. 1st crop harvested.



Electric Vehicles: Deployed 2 Electric Wheel Loaders for mining operations at Mattampally unit.



Electric Vehicles: Received Two 55 Ton GCW Capacity Trucks for inward and outward movement at Bayyavaram unit.



Promotion of Blended Cements: Meetings held with partners 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 :

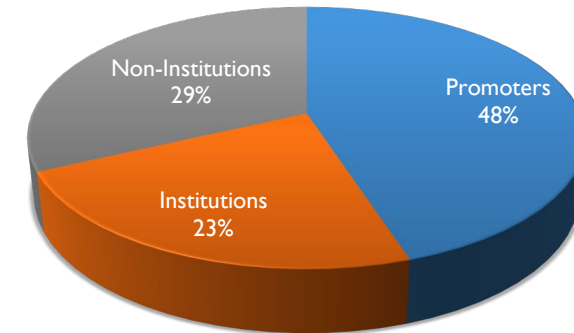
- Ordinary Portland Cement (OPC)- 53 & 43,
- Portland Pozzalona Cement (PPC)
- Composite Cement (CC)
- Sulphate Resistant Cement (SRC)
- Portland Slag Cement (PSC) &
- Ground Granulated Blast – Furnace Slag (GGBS).

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 June 2023)

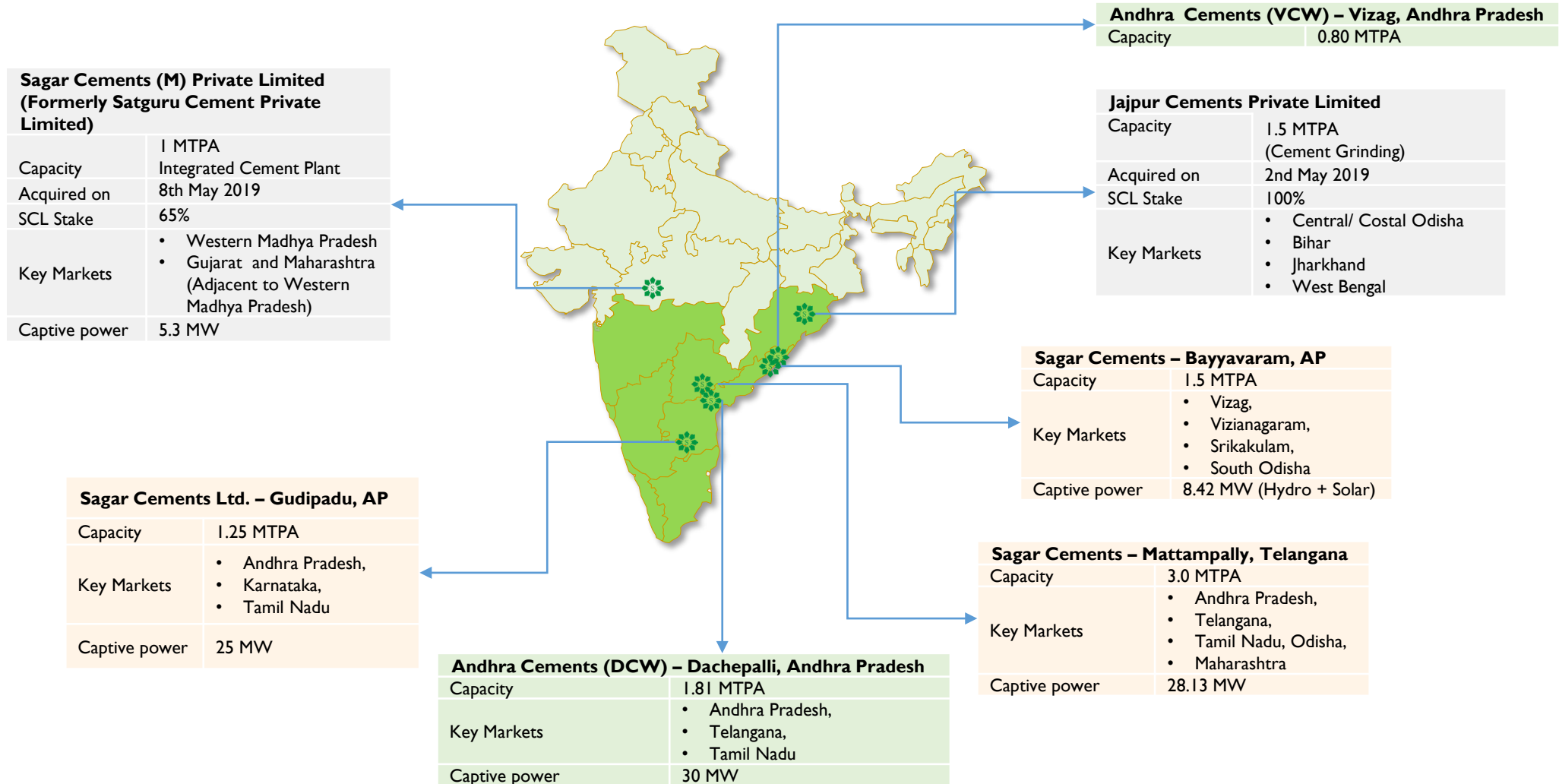


■ Promoters ■ Institutions ■ Non-Institutions

Capital Market Metrics	
Listed on	BSE & NSE
CMP (INR)*	~203
M-Cap (INR mn)	~26,534
52 week high (INR)	~268 (14 th December 2022)
52 week low (INR)	~171 (04 th August 2022)

*Market price at close on July 27, 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 – 2,675 dealers and 5,775 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/ Stable (India ratings)
- ✓ 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.



Bayyavaram Unit was Awarded with **“National Energy Conservation Award, Cement Sector -2022”**, in appreciation of the achievements in energy conversation in the cement sector for the year 2022 by **Government of India, Ministry of Power.**



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:

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Tel.: +91 40 2335 1571 / 6572	