

THE RAMCO CEMENTS LIMITED

Corporate Office :

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Website : www.ramcocements.in

Corporate Identity Number : L26941TN1957PLC003566

22 May 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 LODR, we enclose a copy of the Investor Update on the performance of the Company for the quarter and year ended 31st March 2024.

Thanking you,

Yours faithfully,

For **THE RAMCO CEMENTS LIMITED,**

K.SELVANAYAGAM
SECRETARY

Encl : As above

SOA

INNOVATE
DIFFERENTIATE
SUSTAINABLE

FOR A
BETTER
TOMORROW



The Ramco Cements Limited

Investor Update for FY24 / QFY24

Contents



- 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**



- India has emerged as the fastest growing major economy of the world in 2023-24 and is growing at a robust pace with an average annual growth of 8 per cent during the last three years and projected GDP of 7% for FY25
- Repo Rate remains unchanged at 6.5%, reflecting a cautious stance driven by inflation risks and the commitment to sustaining a 4% inflation target
- India's Manufacturing PMI rose to the highest level since 2008 on the back of strong demand from both domestic and export markets



- The Interim Budget for FY25 proposed three corridors, including a corridor for energy, mineral & cement to improve operations of passenger trains, decongest logistics, which will not only enable multi model connectivity but also improve logistics efficiency and reduce cost
- Infrastructure outlay hiked to ₹11.11 lac crores for FY25 equivalent to 3.4% of GDP is expected to drive the cement demand
- Cement volume is expected to recover post-election in view of robust demand from housing and commercial segments



- Lingering geopolitical tensions and their impact on commodity prices and supply chains, volatile global financial markets
- Adverse impact of El Nino or climate related weather vagaries pose uncertainties
- Stability of fuel prices
- Sustainability of cement prices amid rising pace of cement capacity additions

TRCL's Market update for 4QFY24

South

- Volume from B2C & B2B have grown YoY
- Share of premium products in 4QFY24: 29%; 4QFY23: 28%
- Margins were under pressure due to weak prices in all markets
- Volume share for 4QFY24: 76%; 4QFY23: 76%

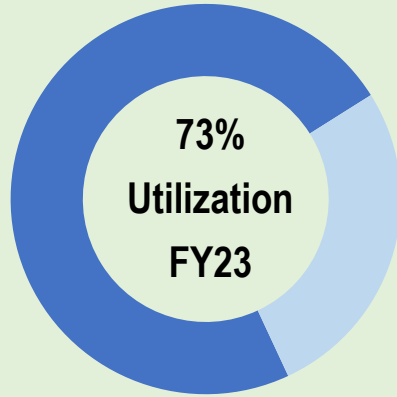
East

- Volume from B2C & B2B have grown YoY
- Share of premium products in 4QFY24: 20%; 4QFY23:16%
- Margins were under pressure due to weak prices except Orissa
- Volume share for 4QFY24: 24%; 4QFY23: 24%

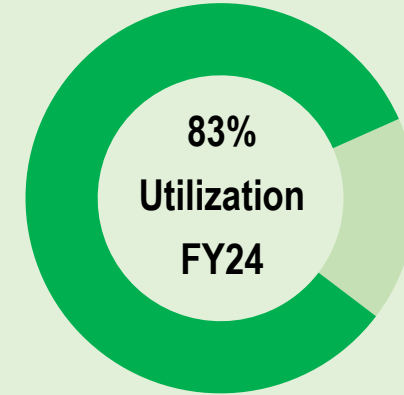
- ✓ **Company's strategy of right cement for right applications goes from strength to strength**
- ✓ **The company continue to focus on this to make its brand more stronger**

Sales & Capacity utilization for FY24

Cement Capacity Utilization %

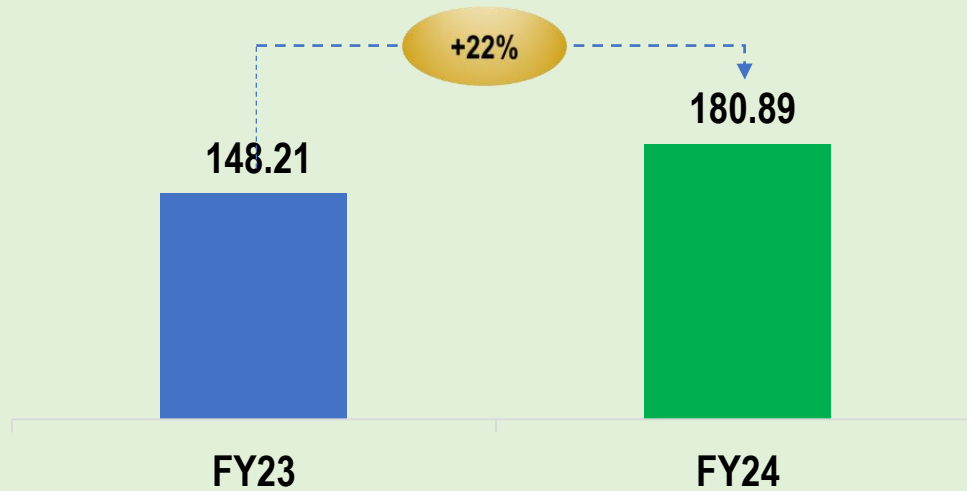


FY23: OPC 30%; B2B 34%

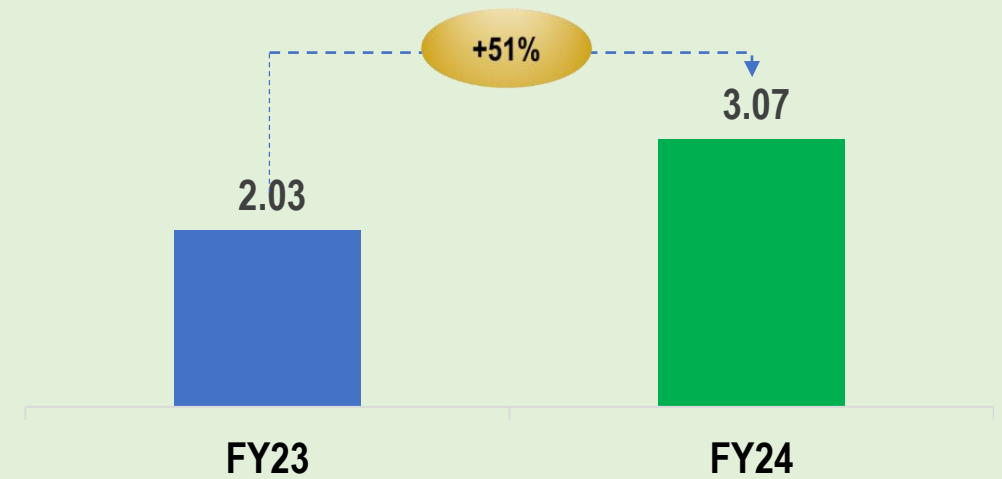


FY24: OPC 32%; B2B 35%

Cement Sales (Lac Tons)

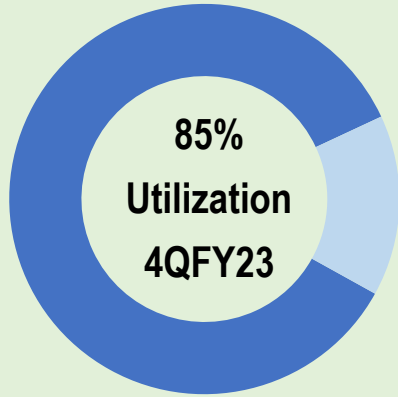


Dry Mortar Sales (Lac Tons)

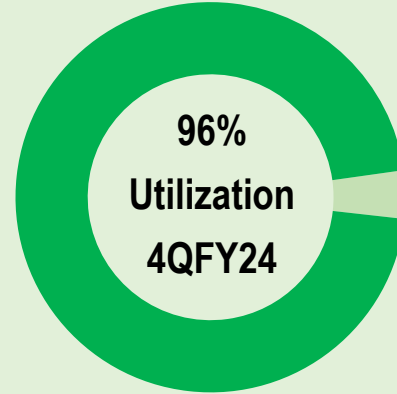


Sales & Capacity utilization for 4QFY24

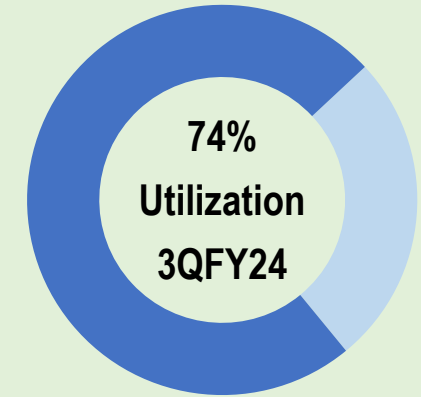
Cement Capacity Utilization %



4QFY23: OPC 33%; B2B 37%

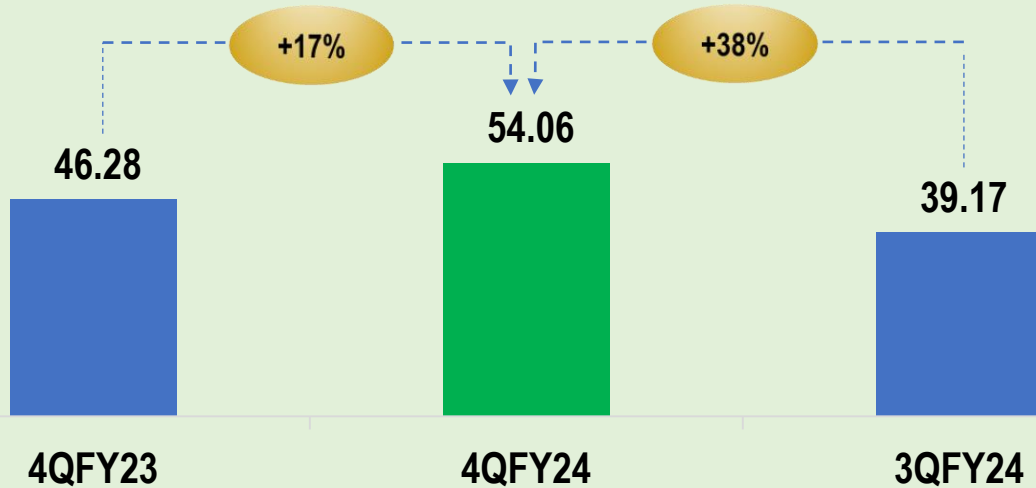


4QFY24: OPC 32%; B2B 35%

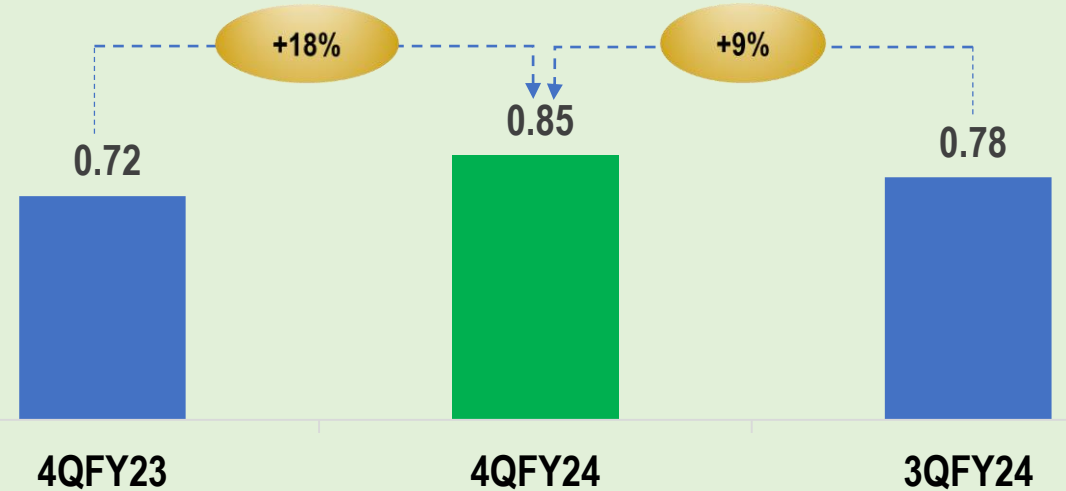


3QFY24: OPC 33%; B2B 36%

Cement Sales (Lac Tons)



Dry Mortar Sales (Lac Tons)

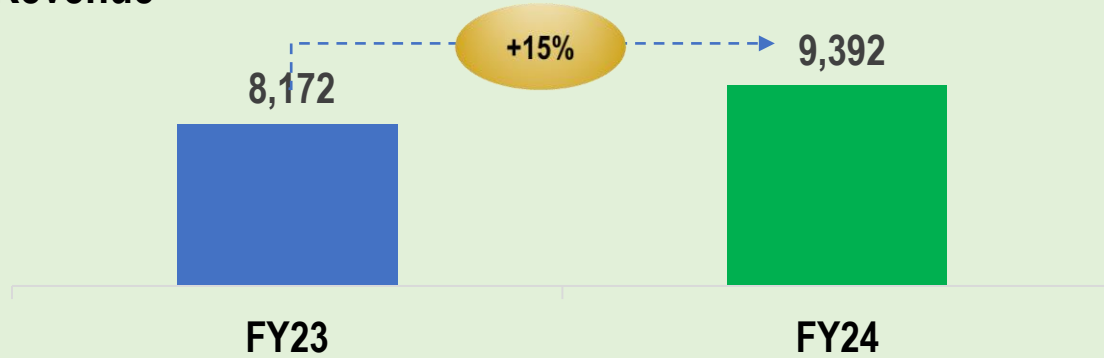


Key Performance for FY24

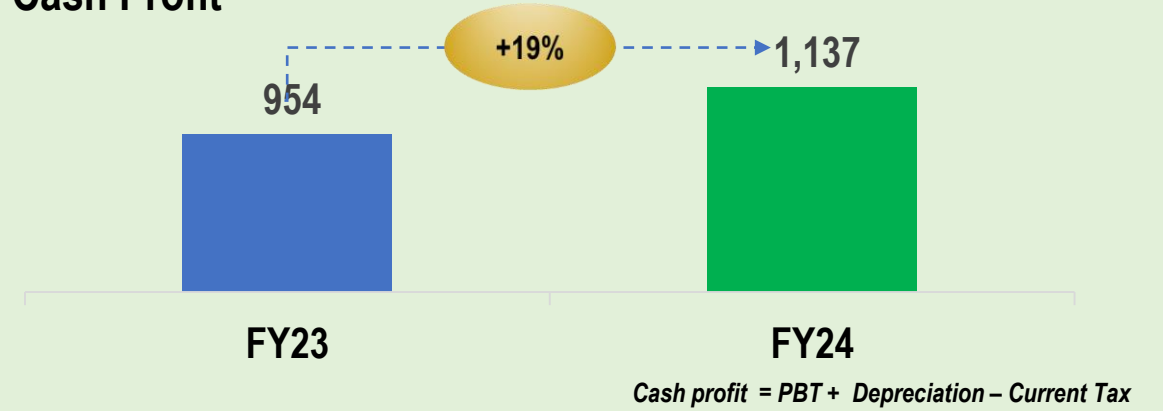
₹ in Crores



Revenue



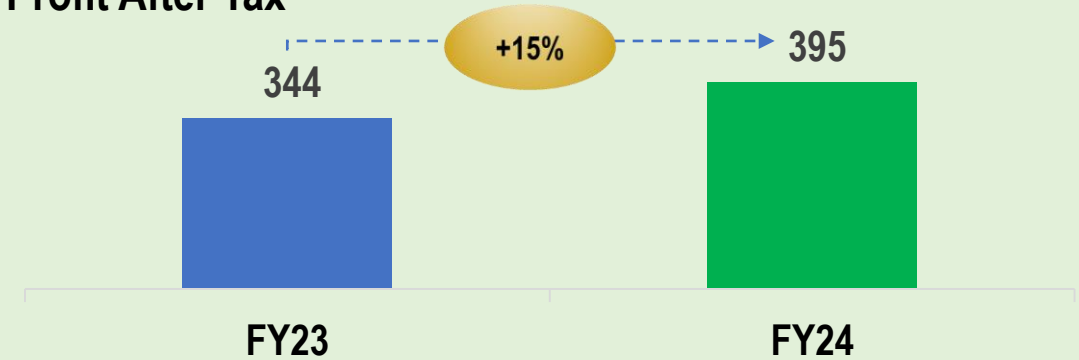
Cash Profit



Profit Before Tax



Profit After Tax



👉 Company registered a total sale volume of 18.4 MnT in FY24 with a industry leading growth of 22% YoY

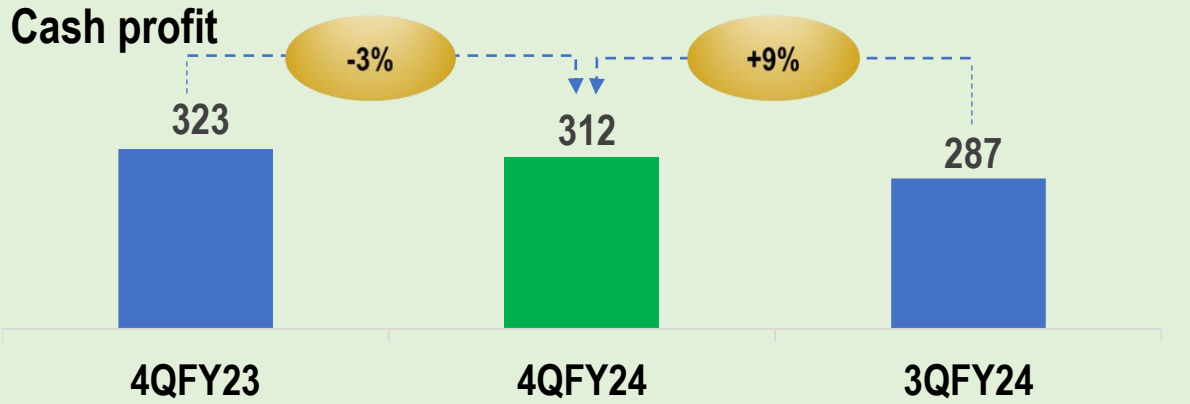
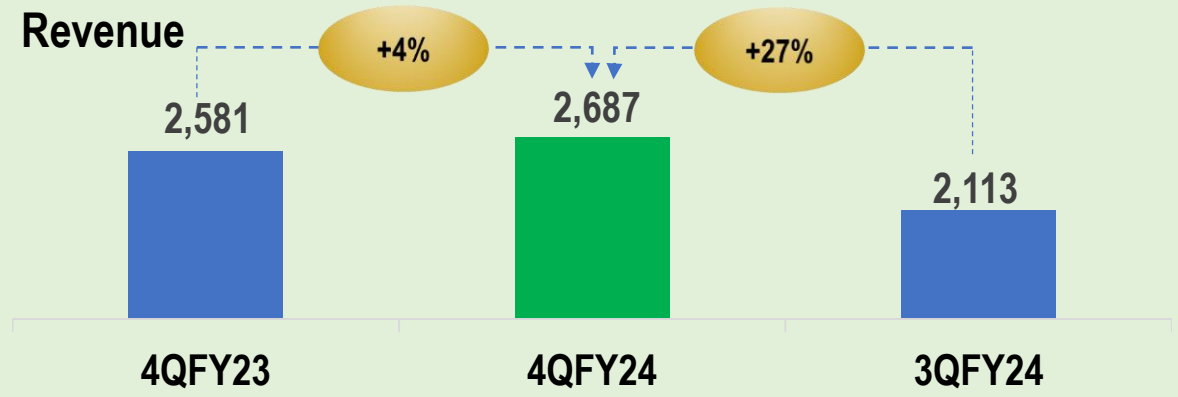
👉 The Company is not entitled to any tax incentives from any of the state governments hence the entire EBITDA is without any tax incentives

👉 Marginal recovery in profitability due to softened fuel prices amid constant pressure on cement prices; Better absorption of fixed cost due to high operating leverage

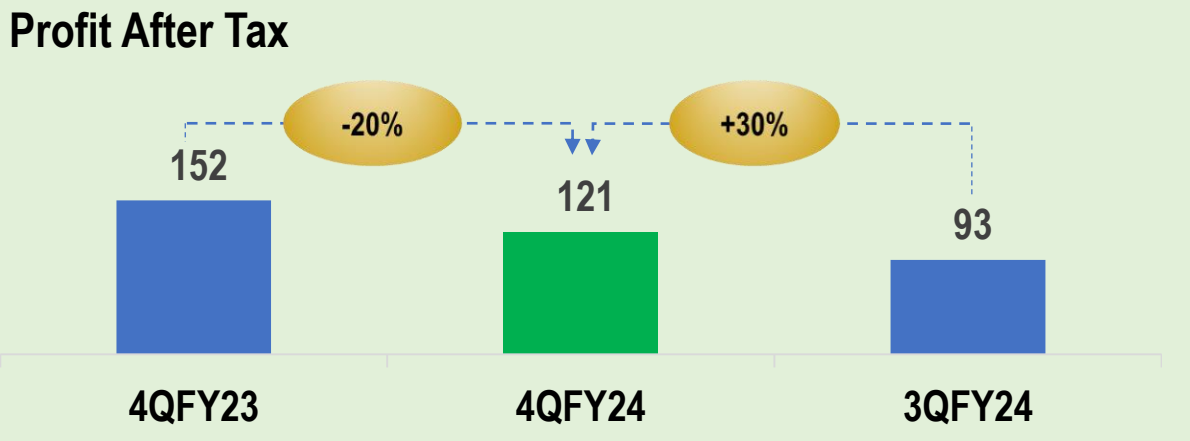
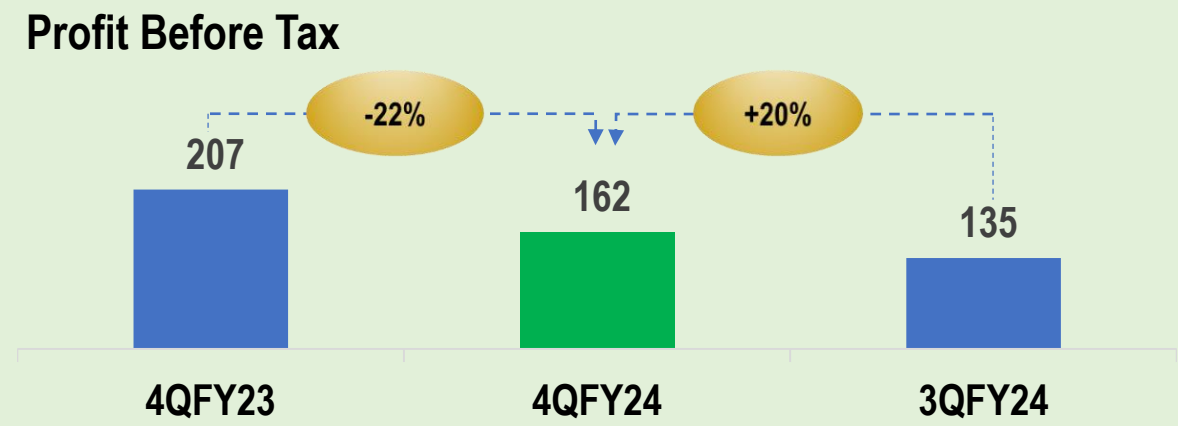
👉 Finance cost & Depreciation increased due to commissioning of units in Kolimigundla, R R Nagar Line III and 2 Dry Mortar Plants

Key Performance for 4QFY24

₹ in Crores



Cash profit = PBT + Depreciation – Current Tax

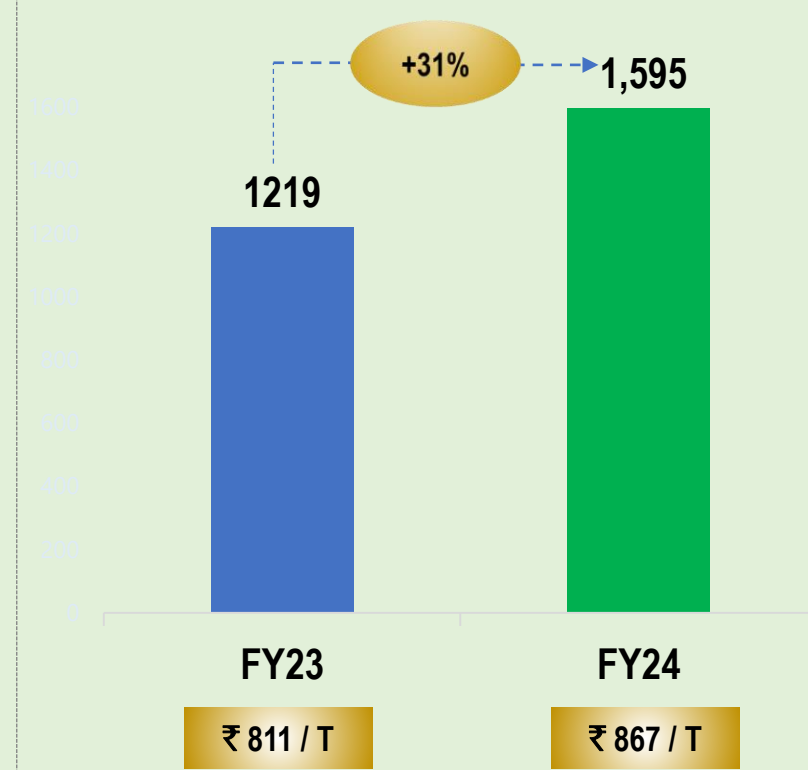
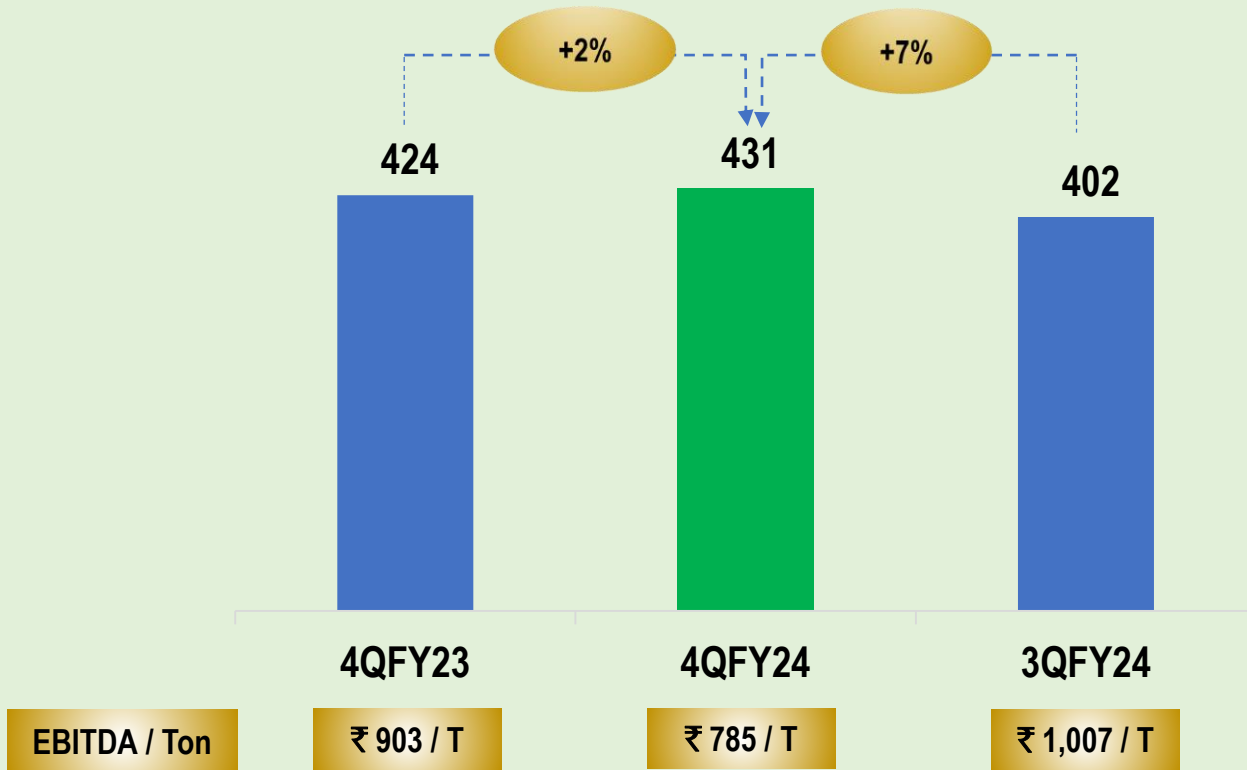


- 👉 Company registered a total sale volume of 5.5 MnT in 4QFY24 with a growth of 17% YoY
- 👉 Marginal margin recovery due to softened fuel prices amid constant pressure on cement prices

- 👉 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 units in Kolimigundla, R R Nagar Line III and 2 Dry Mortar Plants

EBITDA

₹ in Crores

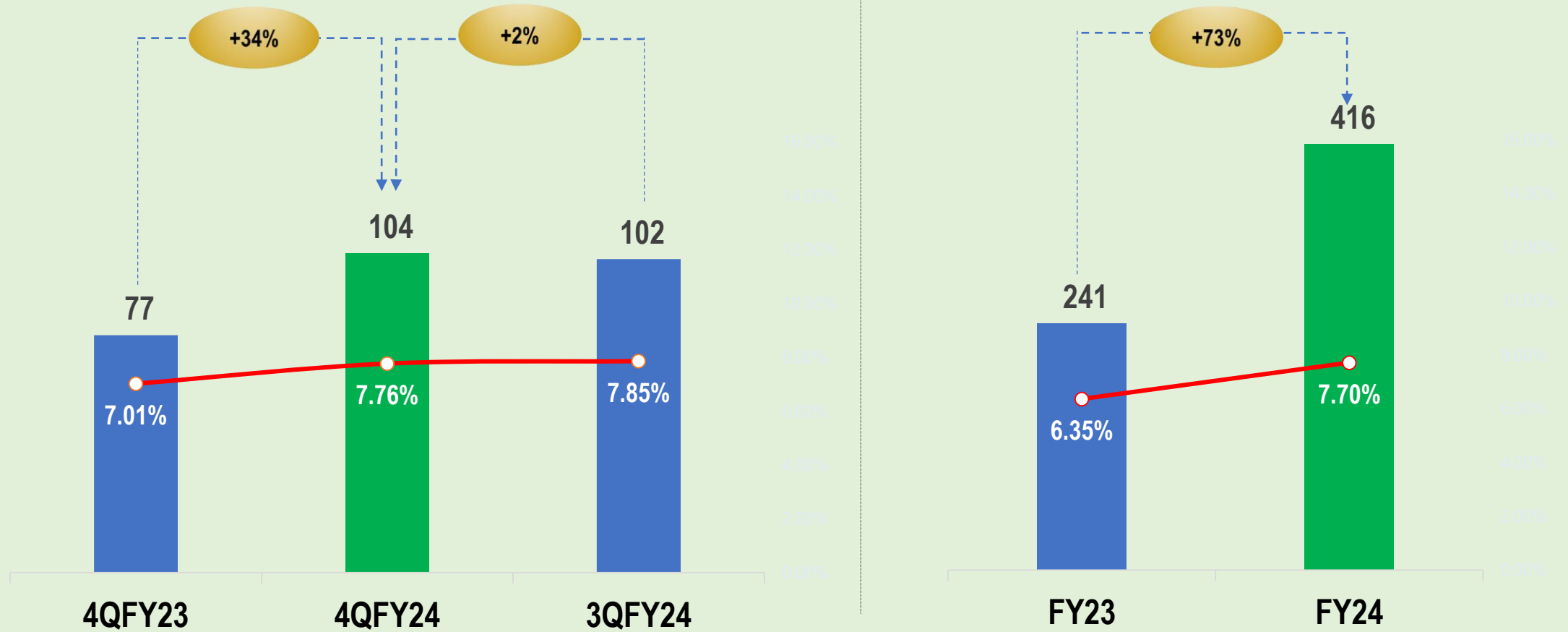


- 👉 During 4QFY24, total sale volume is higher by 17% YoY & 37% compared to 3QFY24
- 👉 Power and fuel cost down by ₹ 382 / Ton in FY24 YoY; ₹ 508 / Ton in 4Q YoY
- 👉 Share of premium products improved to 28% in 4QFY24 / FY24

- 👉 Rupee depreciation by 3% during FY24 impacted the fuel cost
- 👉 Fixed cost absorption was relatively better due to improved operating leverage
- 👉 Levy of Busy season SC by railways impacted the margin

Interest

₹ in Crores

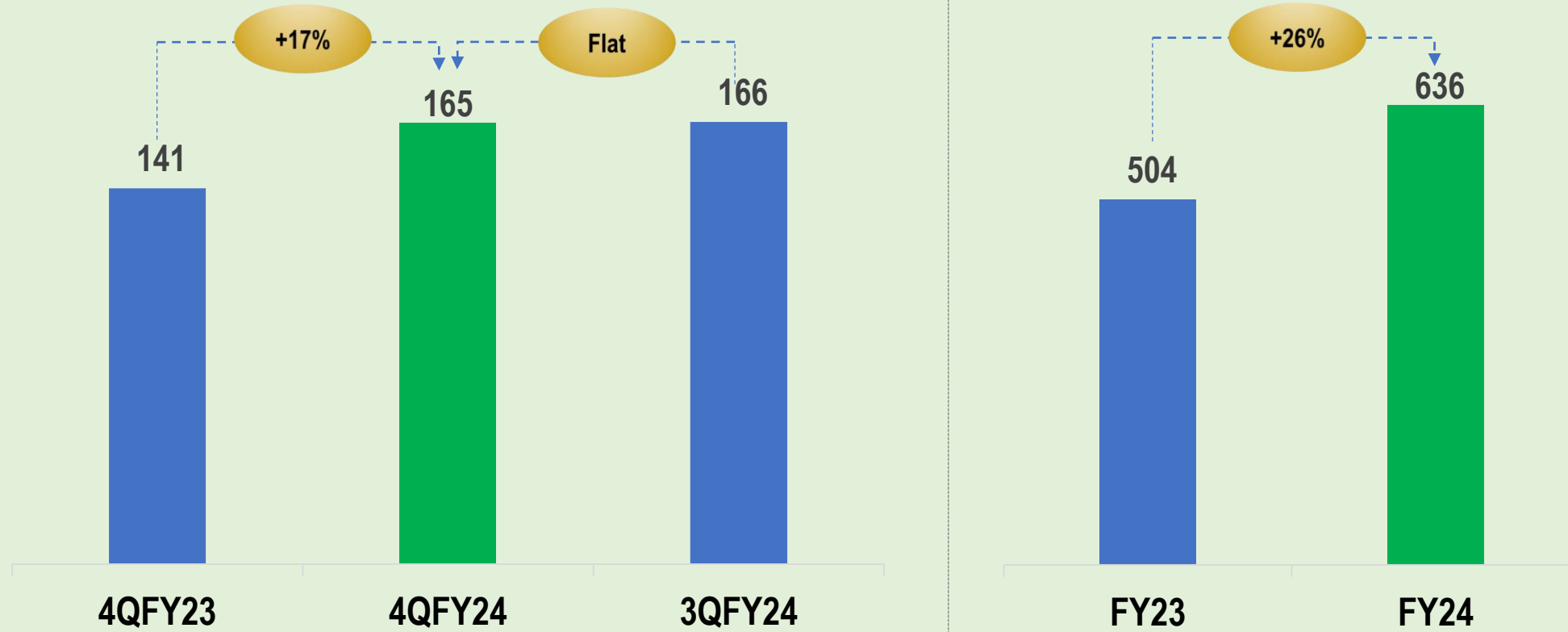


👉 Finance cost increased due to commissioning of units in Kolimigundla, R R Nagar Line III and 2 Dry Mortar Plants

👉 Effective rate of interest has gone from 7.01% to 7.76% YoY for 4QFY24; from 6.35% to 7.70% YoY for FY24

Depreciation

₹ in Crores



Depreciation increased due to commissioning of units in Kolimigundla, R R Nagar Line III and 2 Dry Mortar Plants

Income Statement for FY24

₹ in Crores



Standalone			Particulars	Consolidated		
FY24	FY23	Variance %		FY24	FY23	Variance %
9,392.17	8,171.97	15% ▲	Revenue	9,415.27	8,190.19	15% ▲
7,797.30	6,953.32	12% ▲	Less: Operating Expenses	7,811.77	6,971.71	12% ▲
1,594.87	1,218.65	31% ▲	EBITDA	1,603.50	1,218.48	32% ▲
415.53	240.52	73% ▲	Less: Finance Costs	415.53	240.52	73% ▲
635.87	504.44	26% ▲	Less: Depreciation	646.31	505.98	28% ▲
543.47	473.69	15% ▲	Profit Before Tax	541.66	471.98	15% ▲
40.92	25.68	59% ▲	Less: Current Tax Expenses	42.60	26.77	59% ▲
107.57	104.47	3% ▲	Less: Deferred Tax Expenses	105.53	103.22	2% ▲
394.98	343.54	15% ▲	Profit After Tax	393.53	341.99	15% ▲
397.90	339.63	17% ▲	Total Comprehensive Income	424.15	313.43	35% ▲

Income Statement for 4QFY24

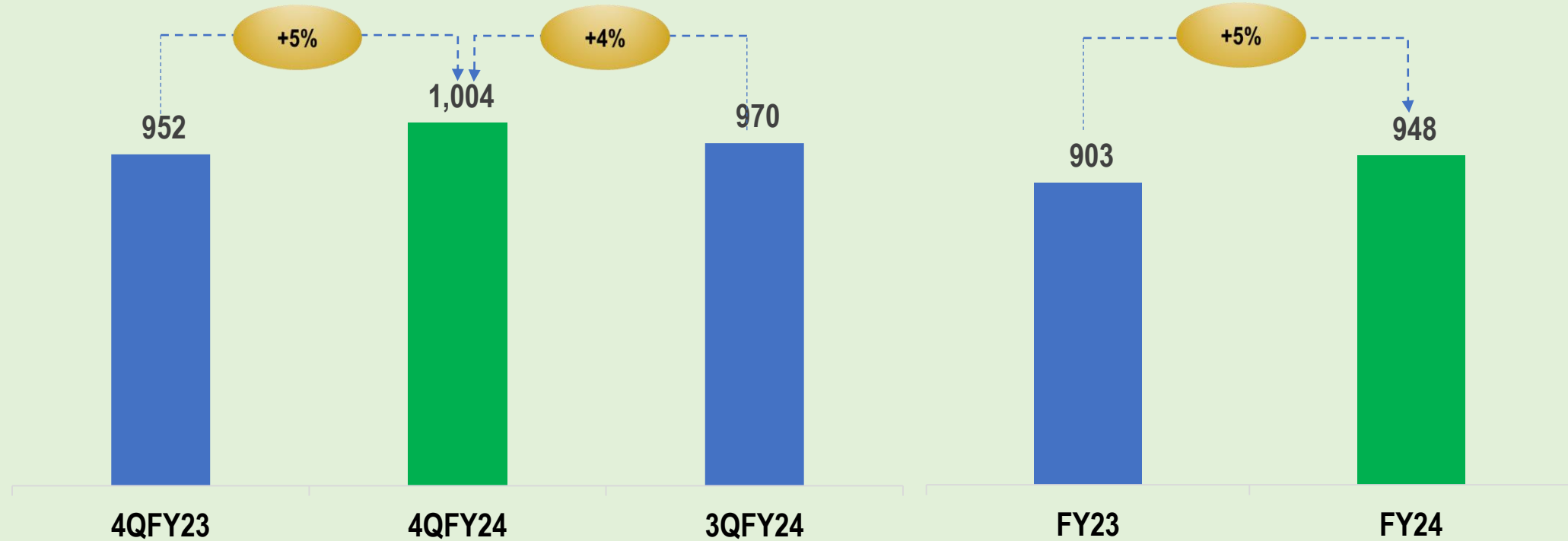
₹ in Crores



Standalone			Particulars	Consolidated		
4QFY24	4QFY23	Variance %		4QFY24	4QFY23	Variance %
2,687.30	2,581.29	4% ▲	Revenue	2,691.84	2,583.57	4% ▲
2,256.21	2,156.82	5% ▲	Less: Operating Expenses	2,259.23	2,160.87	5% ▲
431.09	424.47	2% ▲	EBITDA	432.61	422.70	2% ▲
103.76	77.15	34% ▲	Less: Finance Costs	103.76	77.15	34% ▲
165.06	140.59	17% ▲	Less: Depreciation	154.08	140.93	9% ▲
162.27	206.73	22% ▼	Profit Before Tax	174.77	204.62	15% ▼
13.57	24.37	44% ▼	Less: Current Tax Expenses	13.84	24.08	43% ▼
27.31	29.95	9% ▼	Less: Deferred Tax Expenses	30.90	29.66	4% ▲
121.39	152.41	20% ▼	Profit After Tax	130.03	150.88	14% ▼
113.28	147.99	23% ▼	Total Comprehensive Income	121.33	145.64	17% ▼

Cost of raw materials per ton

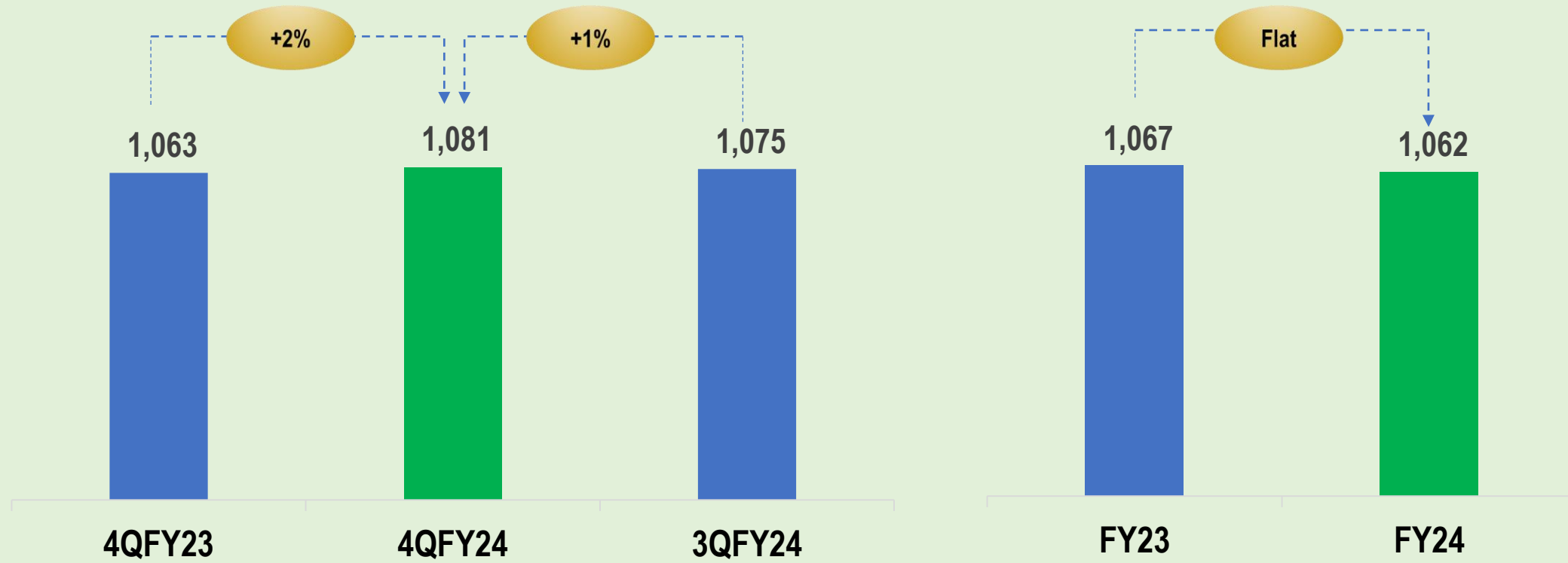
In ₹



- 👉 Decrease in Diesel price by 1% in FY24 YoY; Remain Neutral for 4QFY24 YoY
- 👉 Levy of Busy season surcharge by railways impacted the cost of inward material movements
- 👉 Inflationary impact on cost of other raw materials viz. Fly ash, Slag & Gypsum

Logistics cost per ton

In ₹

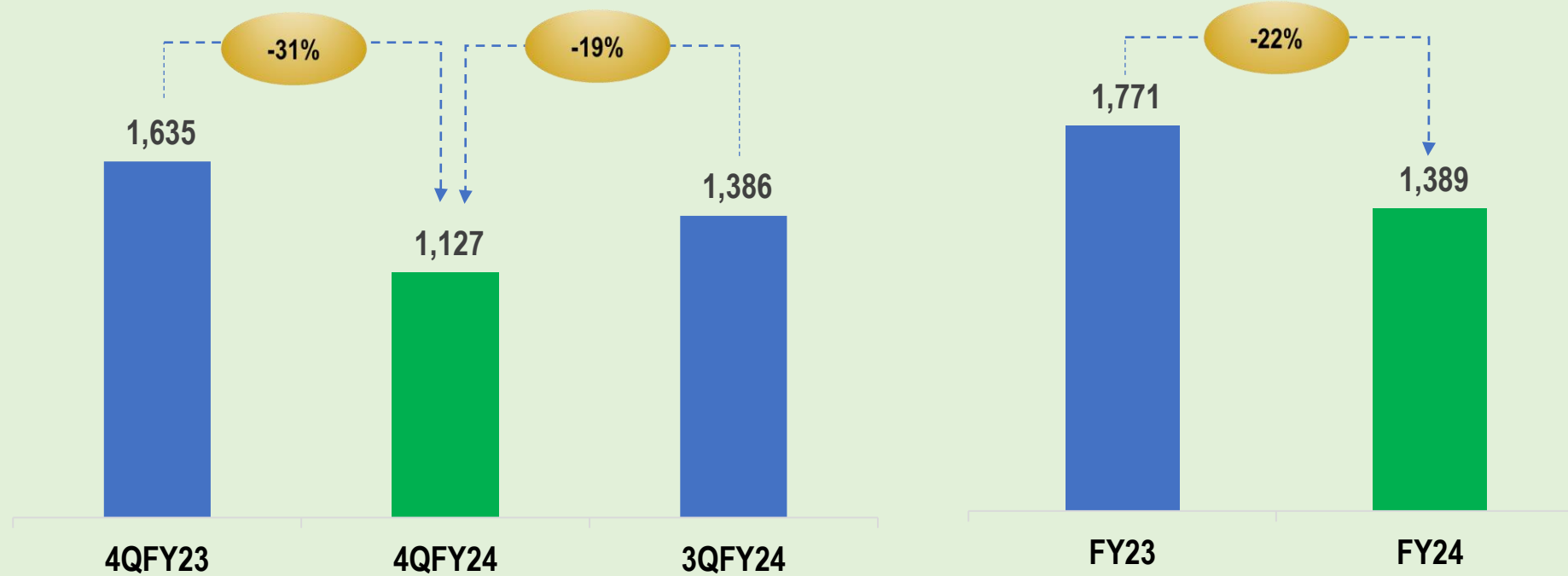


- 👉 Rail Co-efficient for cement despatches 4QFY24 is 11% vs. 12% in 4QFY23 & 9% in 3QFY24
- 👉 Avg. lead distance for 4QFY24 is 294 KMs vs 310 KMs in 4QFY23 & 282 KMs in 3QFY24

- 👉 Rail Co-efficient for cement despatches FY24 is 8% vs. 11% in FY23
- 👉 Avg. lead distance for FY24 is 280 KMs vs 298 KMs in FY23
- 👉 Impact on levy of Busy season surcharge by railways is offset by reduction in lead distance

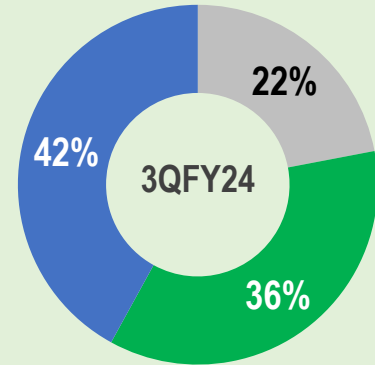
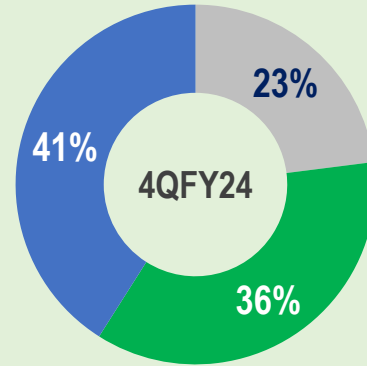
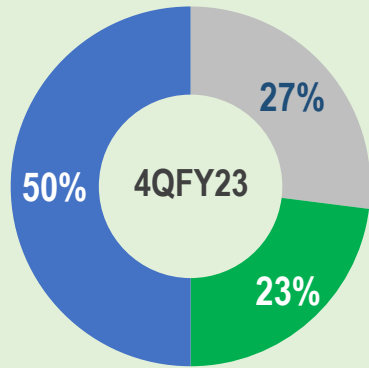
Power and Fuel Cost per ton

In ₹



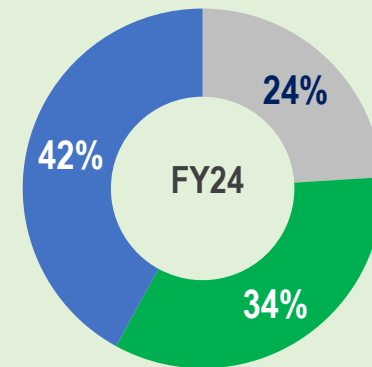
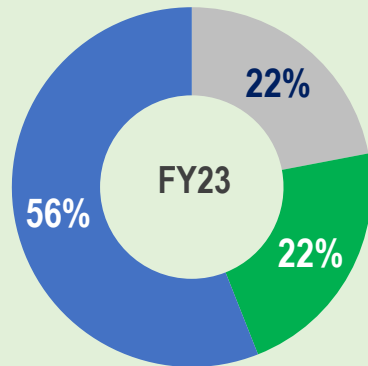
- 👉 Blended Fuel consumption (incl. TPP) per T of material: 4QFY24: \$ 141; 4QFY23: \$ 178; 3QFY24: \$ 138; FY24: \$ 149; FY23: \$ 177
- 👉 Blended Fuel cost per Kcal: 4QFY24: ₹ 1.65; 4QFY23: ₹ 2.21; 3QFY24: ₹ 1.64; FY24: ₹ 1.75; FY23: ₹ 2.20
- 👉 Captive usage of Wind energy contributed for reduction in overall power cost
- 👉 Rupee depreciation by 3% during FY24 had an inflationary effect on fuel cost

Power Mix



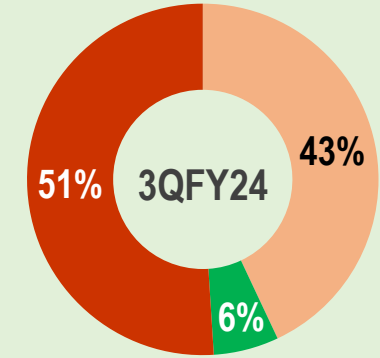
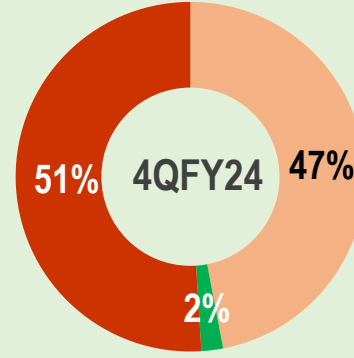
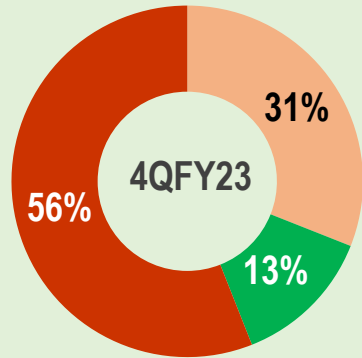
■ Grid power ■ Green Power ■ Thermal Power

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



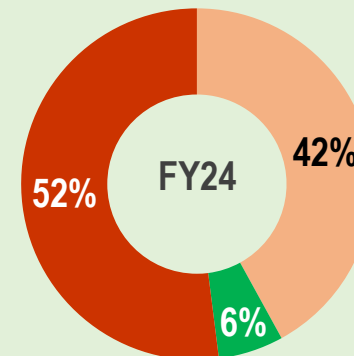
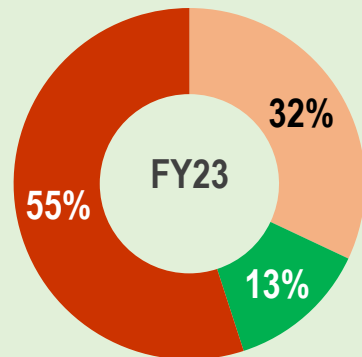
Based on current production levels

Fuel Mix



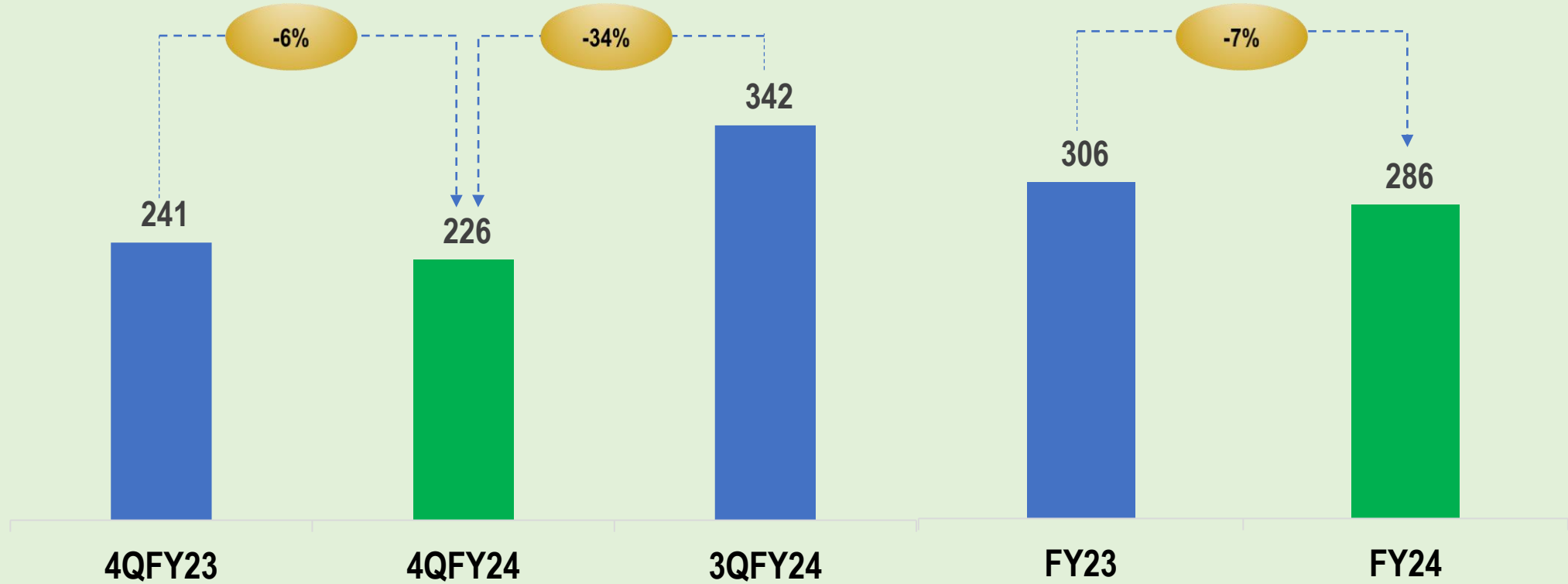
■ Coal ■ Alternate Fuel ■ Pet coke

Optimal usage of fuel based on Cost per CV



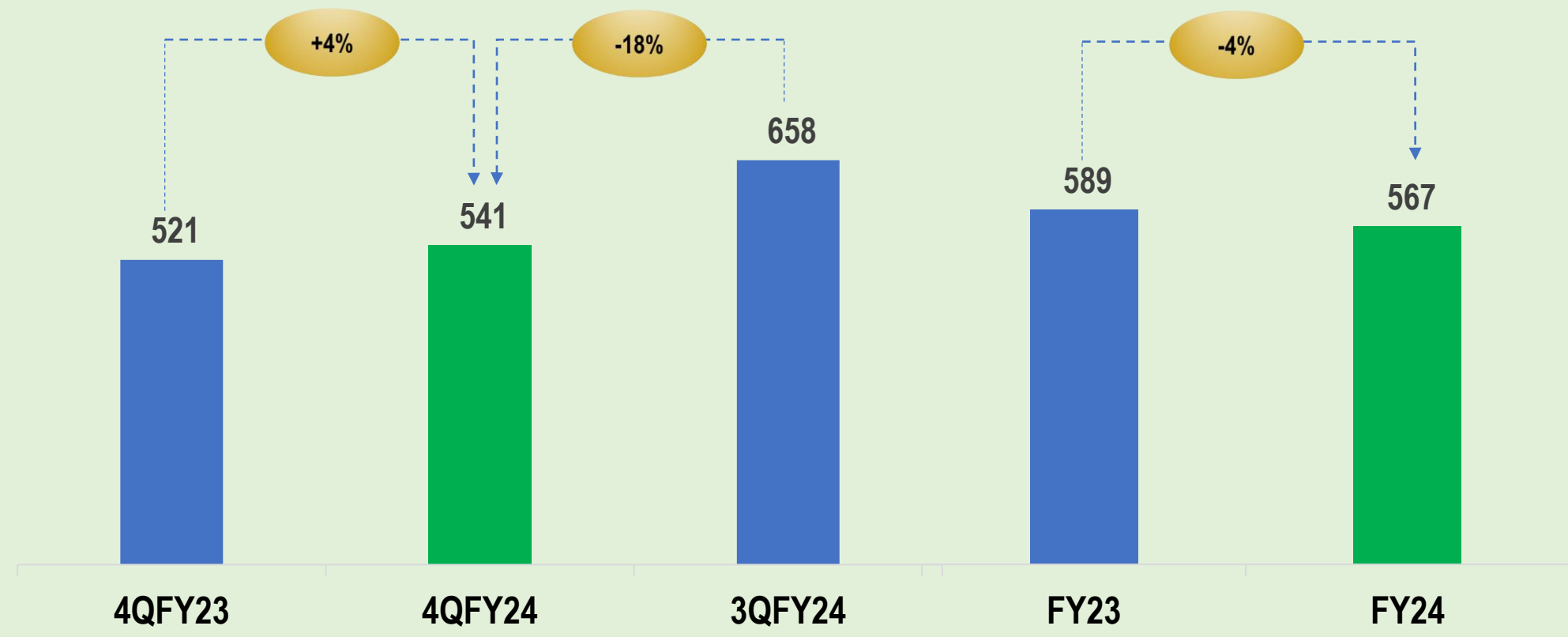
Employee Cost per ton

In ₹



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

Other Expenditure per ton



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

Summarized Financial Position

₹ in Crores



Standalone		Particulars	Consolidated	
31-03-2024	31-03-2023		31-03-2024	31-03-2023
13,421.70	12,161.61	Fixed Assets including CWIP	13,431.64	12,181.86
223.12	202.31	Investments	319.04	272.70
553.90	637.08	Loans and Advances	545.96	621.14
982.30	882.34	Inventories	983.48	883.61
852.15	464.96	Trade Receivables	855.70	465.10
135.18	168.59	Cash and Bank Balances	136.91	170.33
16,168.35	14,516.89	Total Assets	16,272.73	14,594.74
23.63	23.63	Equity Share Capital	23.63	23.63
7,120.49	6,769.90	Reserves & Surplus, including NCI	7,217.86	6,844.43
4,916.82	4,487.42	Borrowings	4,916.82	4,487.42
1,030.43	928.51	Deferred Tax Liabilities, net	1,029.92	927.43
990.96	637.26	Trade Payables	993.30	638.58
113.45	93.32	Provisions	114.67	94.30
1,972.57	1,576.85	Other Current / Non-current Liabilities	1,976.53	1,578.95
16,168.35	14,516.89	Total Equity and Liabilities	16,272.73	14,594.74

Summarized Cash flow

₹ in Crores



Particulars	31-03-2024	31-03-2023
Operating Profit	1,594.87	1,218.65
Changes in working capital	366.02	247.12
Direct Tax paid	(-) 41.91	(-) 31.64
Others	(-) 24.45	(-) 29.13
Net cash flow from Operating Activities	1,894.53	1,405.00
Capital Expenditure	(-) 1,922.38	(-) 1,765.14
Others	22.47	78.21
Net cash flow used in Investing Activities	(-) 1,899.91	(-) 1,686.93
Increase in Borrowings	425.77	578.97
Interest / Dividend payments	(-) 453.80	(-) 304.49
Net cash flow from Financing Activities	(-) 28.03	274.48
Net decrease in Cash and Bank Balances	(-) 33.41	(-) 7.45

Operating cash flow improved due to increase in operating leverage and softened fuel price amid pressure on cement prices; Release of working capital

Capex incurred for Kolimigundla Integrated unit, DMP, Mining Land acquisition & general capex

To meet part funding of Capital Expenditure

Based on Standalone figures

Key Ratios



Particulars	UOM	4QFY24	4QFY23	3QFY24	FY24	FY23
EBITDA Ratio	%	16%	16%	19%	17%	15%
PBT Ratio	%	6%	8%	6%	6%	6%
PAT Ratio	%	5%	6%	4%	4%	4%
EPS, Not Annualized	₹	5	6	4	17	15
RoE, Annualized	%	7%	9%	5%	6%	5%
RoCE (Post-tax), Annualized	%	7%	8%	7%	7%	5%
Debt-Equity Ratio	Multiples	0.69	0.66	0.72	0.69	0.66
Debt Service Cover Ratio, Annualized	Multiples	2.50	1.26	2.69	1.85	1.31
Interest Service Cover Ratio	Multiples	2.28	2.81	1.88	1.94	2.06
Current Ratio	Multiples	1.04	1.08	1.05	1.04	1.08
Net Debt / EBITDA, Annualized	Multiples	2.80	2.56	3.10	3.02	3.57

Ratios computed based on Standalone figures

Capex update & Borrowings

Capex incurred during FY24: ₹ 1,922 Crores; Q4FY24: ₹ 312 Crores

- 👉 In Kolimigundala, TPP of 18 MW will be commissioned during June 2024 and railway siding will be commissioned during Sep 2024
- 👉 Expansion of Dry Mortar Plant: 2 units in AP & Odisha will be commissioned during June 2024.
- 👉 Around 660 acres of mining land acquired for new project in Karnataka
- 👉 Capacity addition: Clinker capacity in Kolimigundala to 6.3 MTPA and cement capacity to 3 MTPA with additional WHRS capacity of 15 MW at an estimated cost of ₹ 1,250 Crores is scheduled to commission by Q4FY26.
- 👉 WHRS plant with a capacity of 10 MW in Ramasamy Raja Nagar at an estimated cost of ₹ 153 Crores is scheduled to commission by Q4FY25.
- 👉 Estimated capex for FY25 is expected to be around ₹ 1,200 Crores

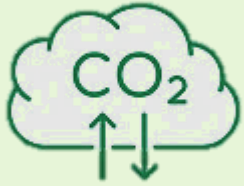
Borrowings as on 31-03-2024

Particulars	₹ in Crores
Interest-bearing Borrowings	
- Long Term Debt	4,506.21
- Short Term Debt	312.25
Interest Free / Soft Loans	98.36
Gross Debt	4,916.82
Less: Cash and Cash Equivalents	95.24
Net Debt	4,821.58

Credit Ratings

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

CO₂ Emission



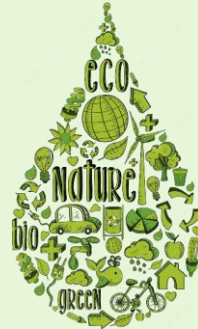
590 Kg / T of Cement

Blended Cement



68%

Water Positive



4.5x

Green energy



36%

CSR



3.5 lac + Beneficiaries

Based on FY24 figures

Firm and Focussed for a sustainable future

Awards & Accolades



Ramco Cement Tech Team has been awarded 9th Innovative CIO Awards 2024 by CIO Axis for implementing IT solutions, policy and technologies in an innovative way

Awards & Accolades



Jayanthipuram Unit had been presented with Industrial Safety Leadership Award in the Awards Ceremony of CII Andhra Pradesh Industrial Safety Excellence Awards 2023 by Confederation of Indian Industry on 6th March 2024



Alathiyur Unit had been awarded “Environment Excellence Award” by Quality Circle Forum of India, Hyderabad Chapter at its 3rd National Sustainability Awards on Cement and Ready Mix Concrete.

Awards & Accolades



Alathiyur unit had been awarded “Zero Quality Failure for Three Years” by Bureau of Indian Standards at its 77th Foundation Day



Chengalpattu Grinding unit had been awarded “Commitment to Quality” award from Bureau of Indian Standards at its 77th Foundation Day Celebrations for its commitment to quality for zero failure in market samples

Awards & Accolades



Ariyalur & Jayanthipuram unit has won various awards in the Mines Environment and Mineral Conservation Week – 2024 celebrations conducted by Mines Environment and Mineral Conservation Council, Chennai & Hyderabad Region

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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