



SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2021-22

12th May 2021

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

Series: EQ

Scrip Code: 502090

Dear Sirs

Press Release regarding audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2021

Further to our letter of date, we are sending herewith a copy of the Press Release being issued by us in connection with the audited financial results for the quarter and year ended 31st March 2021.

Thanking you

Yours faithfully
For Sagar Cements Limited

R.Soundararajan
Company Secretary

Encl: a.a.



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Factories : Mattampally, Via Huzurnagar, Suryapet-District, Telangana - 508204. Phone : 08683 - 247039

Bayyavaram Village, Kasimkota Mandal, Visakhapatnam District, Andhra Pradesh - 531031. Phone : 08924-244550 Fax : 08924-244570

CIN : L26942TG1981PLC002887 GSTIN : 36AACCS8680H1ZZ



Sagar Cements Limited

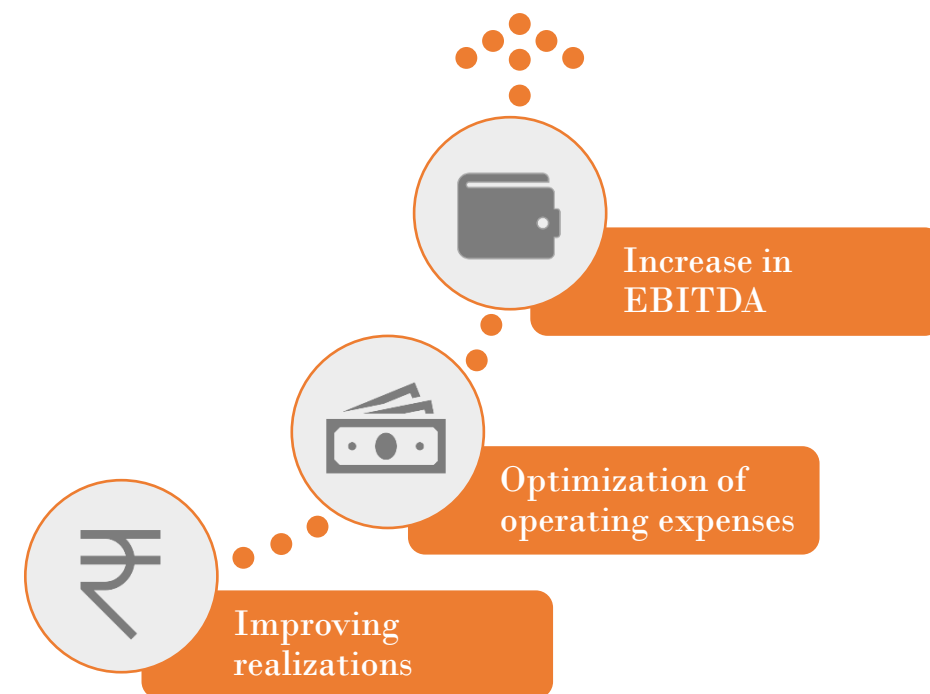
**Q4&FY21
Results Presentation**

- ❑ Consolidated and Standalone Financial results
- ❑ Jt. Managing Director's Comment
- ❑ Financial and Operational Performance analysis
- ❑ Company snapshot
- ❑ Key Developments

in Rs.Lakhs

Particulars	Q4 FY21	Q4 FY20	(%)	FY21	FY20	(%)
Sales Volume (MT)	10,22,721	8,36,922	▲ 22%	31,60,752	31,31,303	▲ 1%
Revenue from Operations	41,765	30,357	▲ 38%	1,37,132	1,17,515	▲ 17%
Other Income	171	230	▼ 26%	778	403	▲ 93%
Total Income	41,936	30,587	▲ 37%	1,37,910	1,17,918	▲ 17%
Operating expenses	31,340	25,892	▲ 21%	97,088	98,965	▼ 2%
Op. EBITDA	10,425	4,465	▲ 133%	40,044	18,550	▲ 116%
Op. EBITDA Margin %	25	15	-	29	16	-
Op. EBITDA per Ton in ₹	1,019	534	-	1,267	592	-
Finance cost	1,084	1,449	▼ 25%	4,656	6,099	▼ 24%
Depreciation	2,002	2,136	▼ 6%	8,055	7,887	▲ 2%
Profit before tax	7,510	1,110	▲ 576%	28,111	4,967	▲ 466%
Tax expenses	2,526	992	▲ 155%	9,551	2,314	▲ 313%
Profit after tax	4,984	118	▲ 4,110%	18,560	2,653	▲ 600%

- Volume growth of 22% and Revenue growth of 38% Y-o-Y for Q4 FY21.
- Plants operated around 70% during the current quarter.
- Operating EBITDA of ₹ 10,425 lakhs for Q4 FY21 and ₹40,044 lakhs during FY21; higher by 133% & 116% respectively
- Operating EBITDA of ₹ 1,019 per ton during Q4 FY21 and ₹ 1,267 per ton during FY21.
- EBITDA margin expanded by 1,000 bps to 25% for Q4 FY21 (v/s Q4 FY20) while the same expanded by 1,300 bps to 29% during FY21 (v/s FY20).
- Implementation of greenfield projects of Satguru Cement Private Limited, Madhya Pradesh and Jajpur Cements Private Limited, Odisha is progressing as per schedule



The Board at its meeting held today has recommended for approval of the shareholders a dividend at ₹ 6.50 per equity share of ₹ 10 each (65%) on the 2,35,00,000 equity shares of the Company, which includes interim dividend of ₹ 4 per equity share (40%), already paid during the financial year 2020-21.

Sagar Cements Limited						
Particulars	Q4 FY21	Q4 FY20	YoY %	FY21	FY20	YoY %
Sales Volume (MT)	7,46,105	6,03,229	▲ 24%	22,91,472	22,70,852	▲ 1%
Total Income (in Rs. Lakhs)	30,969	22,029	▲ 41%	1,02,239	86,390	▲ 18%
Op. EBITDA (in Rs. Lakhs)	7,872	3,060	▲ 157%	30,315	11,890	▲ 155%
Op. EBITDA / MT (in Rs.)	1,055	507	-	1,323	524	-
PAT (in Rs. Lakhs)	4,204	859	▲ 389%	16,196	3,473	▲ 366%

- 24% increase in volume (Y-o-Y) during the quarter; while the same increased 1% during FY21 (Y-o-Y)
- Op. EBITDA of ₹ 7,872 lakhs during Q4 FY21 and ₹ 30,315 lakhs during FY21; higher by 157% & 155% respectively.
- Op. EBITDA of ₹ 1,055 per ton during Q4 FY21 and ₹ 1,323 per ton during FY21.

Sagar Cements (R) Limited						
Particulars	Q4 FY21	Q4 FY20	YoY %	FY21	FY20	YoY %
Sales Volume(MT)	2,76,616	2,33,693	▲ 18%	8,69,280	8,60,451	▲ 1%
Total Income (in Rs.Lakhs)	11,510	8,990	▲ 28%	37,794	35,162	▲ 7%
Op. EBITDA (in Rs.Lakhs)	2,585	1,442	▲ 79%	9,900	6,760	▲ 46%
Op. EBITDA/ MT (in Rs.)	935	617	-	1,139	786	-
PAT (in Rs.Lakhs)	881	(614)	-	2,846	(501)	-

- 18% YoY increase in volumes during the quarter; while the same increased 1% during FY21 (Y-o-Y)
- Op. EBITDA of ₹ 2,585 lakhs during Q4 FY21 and ₹ 9,900 lakhs during FY21; higher by 79% & 46% respectively.
- Op. EBITDA of ₹ 935 per ton during Q4 FY21 and ₹ 1,139 per ton during FY21.

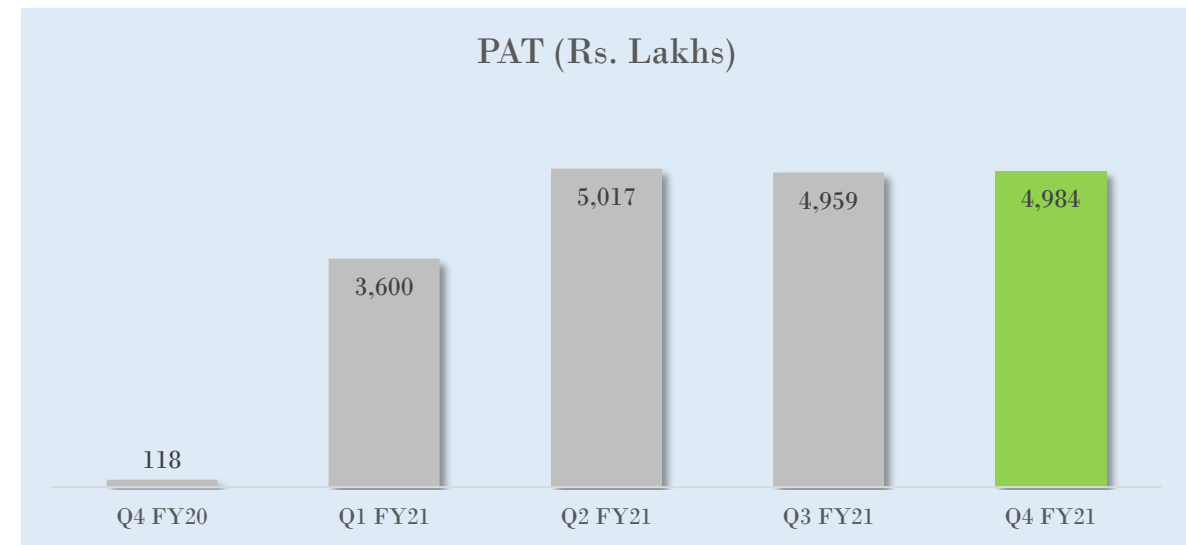
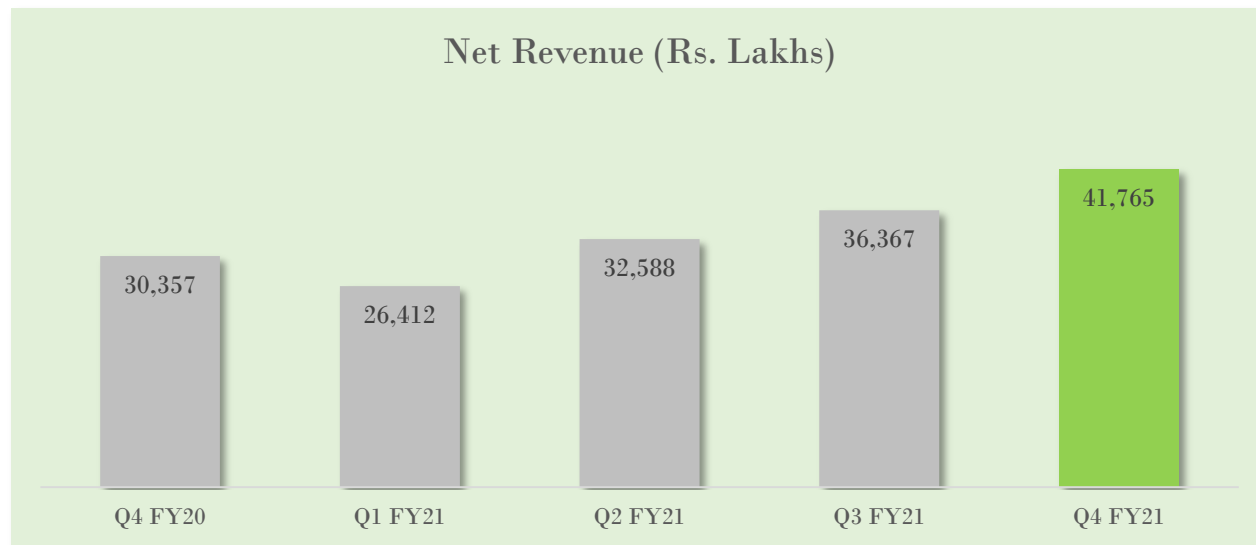
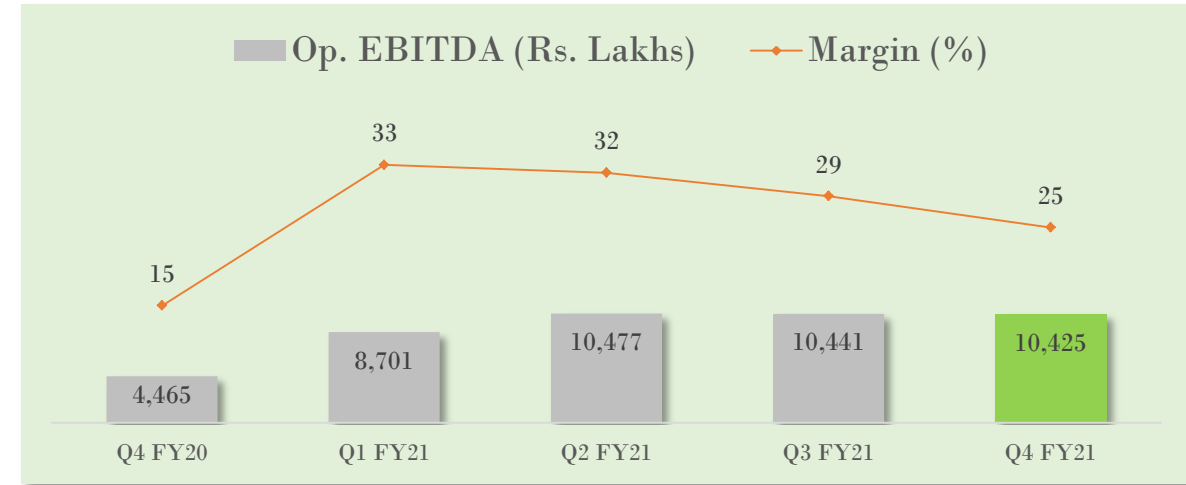
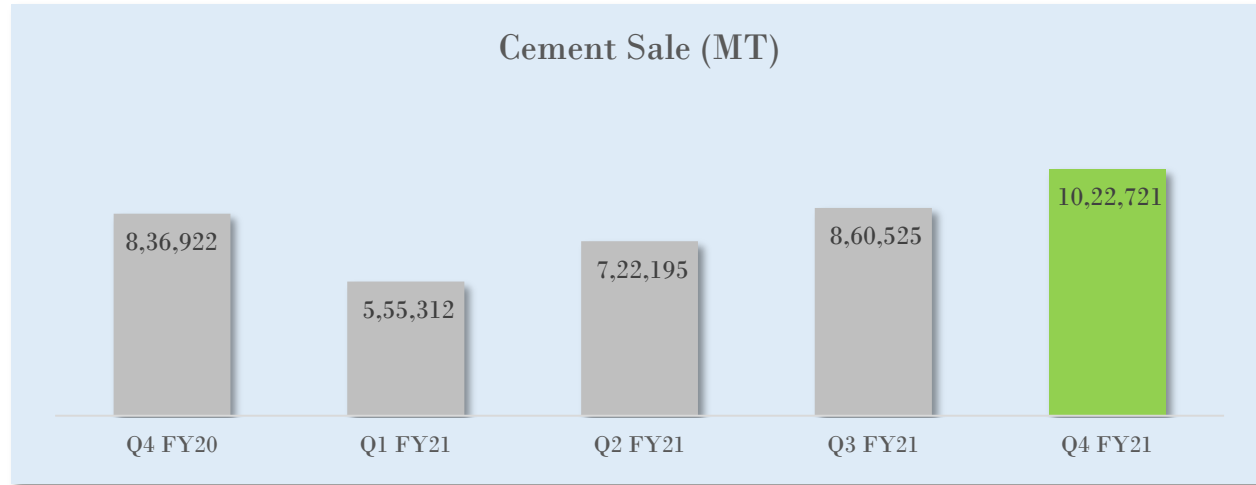
Consolidated Per Ton Analysis						
Particulars (in Rs)	Q4 FY21	Q4 FY20	%	FY21	FY20	%
Net Realization / T	4,084	3,627	▲ 13%	4,339	3,753	▲ 16%
Total Expenditure /T	3,065	3,093	▼ 1%	3,072	3,161	▼ 3%
Raw Material Consumed	660	625	▲ 6%	624	654	▼ 5%
Employee Expenses	229	226	▲ 1%	242	207	▲ 17%
Power, Oil & Fuel	864	911	▼ 5%	827	987	▼ 16%
Freight	742	713	▲ 4%	741	715	▲ 4%
Purchase of stock in Trade	37	82	▼ 55%	64	103	▼ 38%
Adjustment for Stocks	18	4	▼ 298%	71	(31)	-
Other Expenses	515	532	▼ 3%	503	526	▼ 4%
EBITDA/ T	1,019	534	▲ 91%	1,267	592	▲ 114%

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

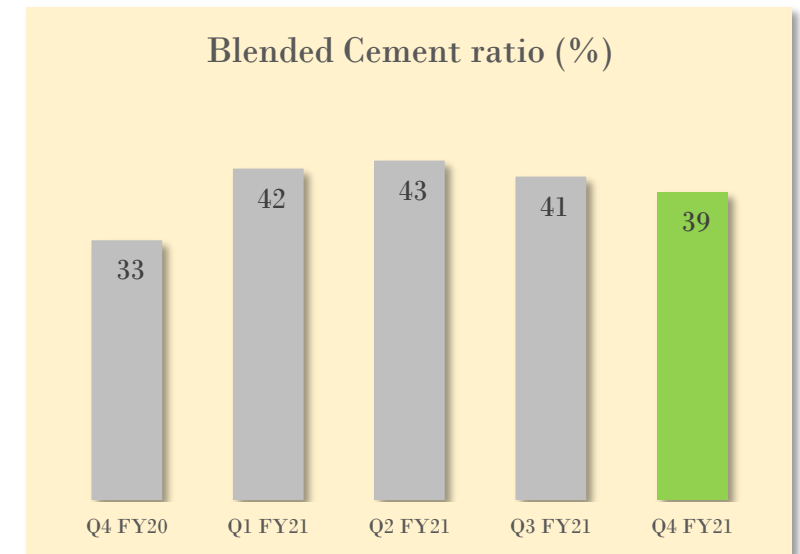
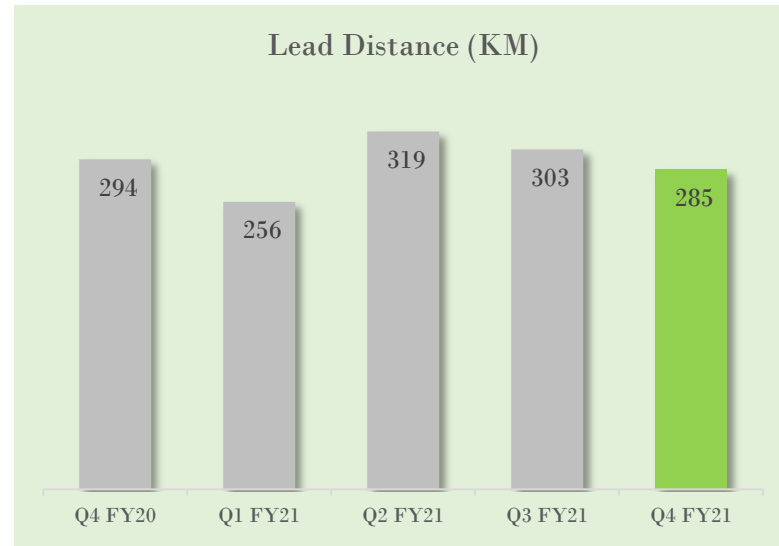
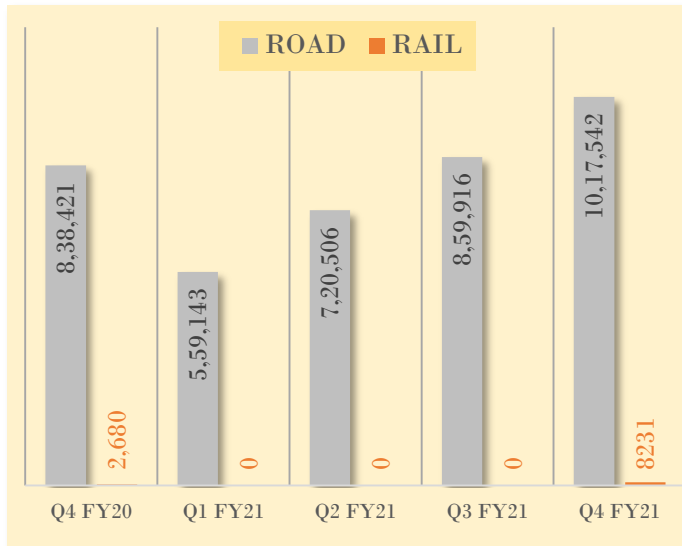
“We have ended the year on a strong note with revenues and profitability both up by 17% & 600% respectively over the previous year. The growth was largely owing to strong demand and steady realisations across our key markets. Infrastructure projects along with pick up in construction and residential activities translated into strong volume growth.

The operational profitability growth of 116% would have been even higher but for the rising input prices. Both diesel and pet-coke prices have been trending higher over the past quarter, which have exerted pressure on the margins. We continue to work diligently towards containing the costs and improving our efficiencies; prudent inventory management helped soften the overall impact on margins during this quarter. The completion of our MP and Odisha projects will help us further rationalize our freight costs going forward.

Going ahead, we believe that our diversified presence, better product mix, strategic cost rationalization positions us well to benefit from the pick up in construction cycle and create value for our stakeholders. Commissioning of the new units will also help us build our cash flows and fund the next growth phase for the Company. We believe we are on track to achieve our objective of attaining 10 mn mt capacity by 2025.”

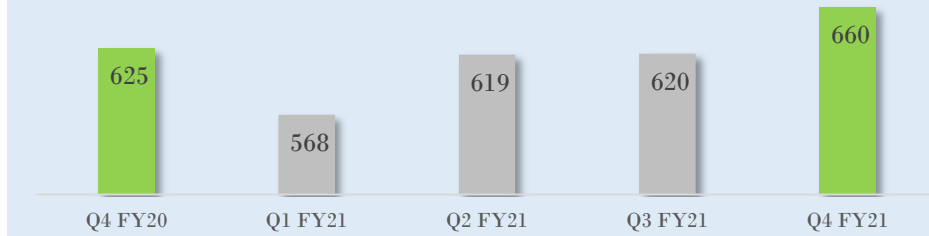


Description	Sagar Cements Ltd Qty in MT	Sagar Cements (R) Ltd Qty in MT	Consolidated Qty in MT
Clinker	5,51,684	2,21,319	7,73,003
Cement Production / Purchase	7,41,684	2,75,652	10,17,336
Cement Sales	7,46,105	2,76,616	10,22,721



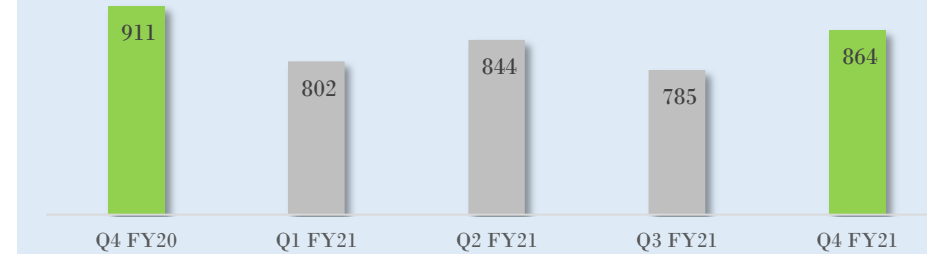
Raw Material Cost (₹/ T)

▲ 6% on YoY



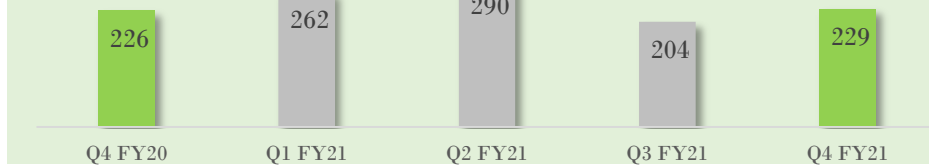
Power & Fuel Cost (₹/ T)

▼ 5% on YoY



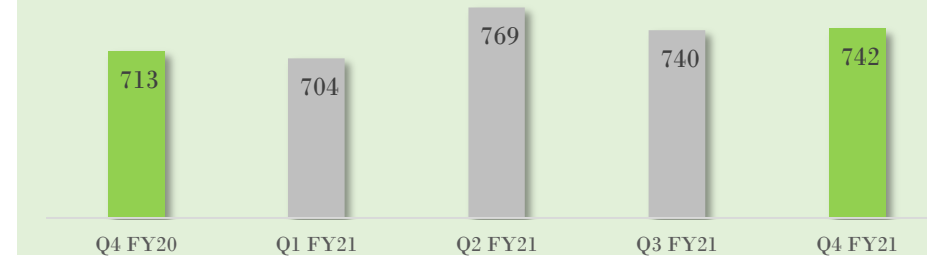
Employee Cost (₹/ T)

▲ 1% on YoY

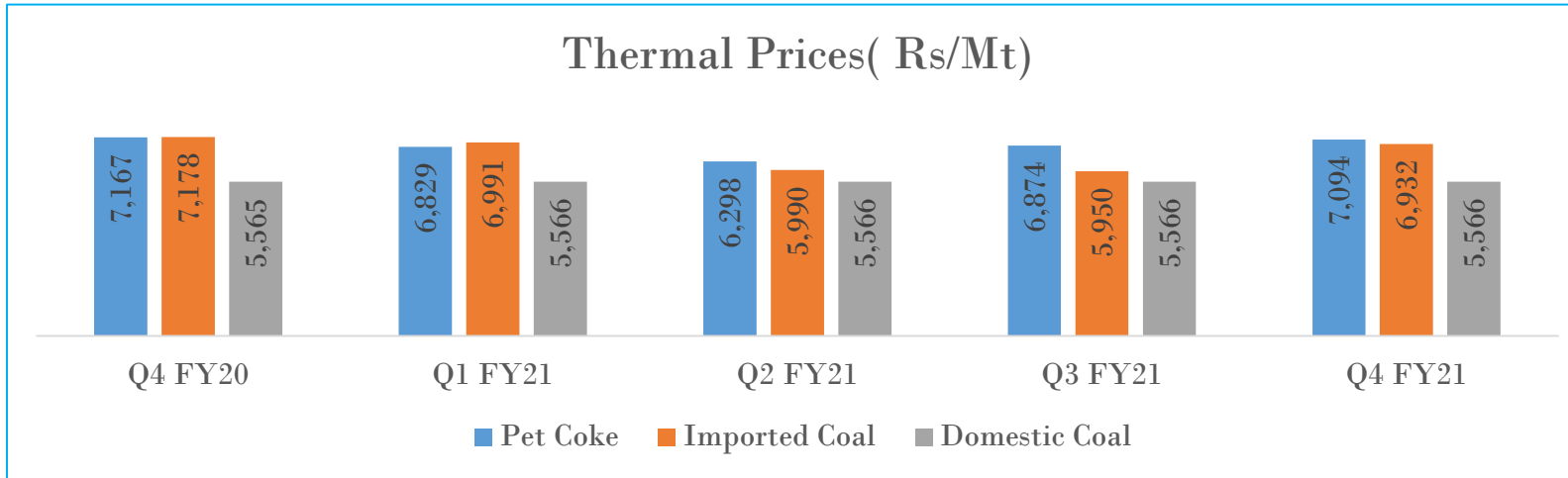


Freight Cost (₹/ T)

▲ 4% on YoY

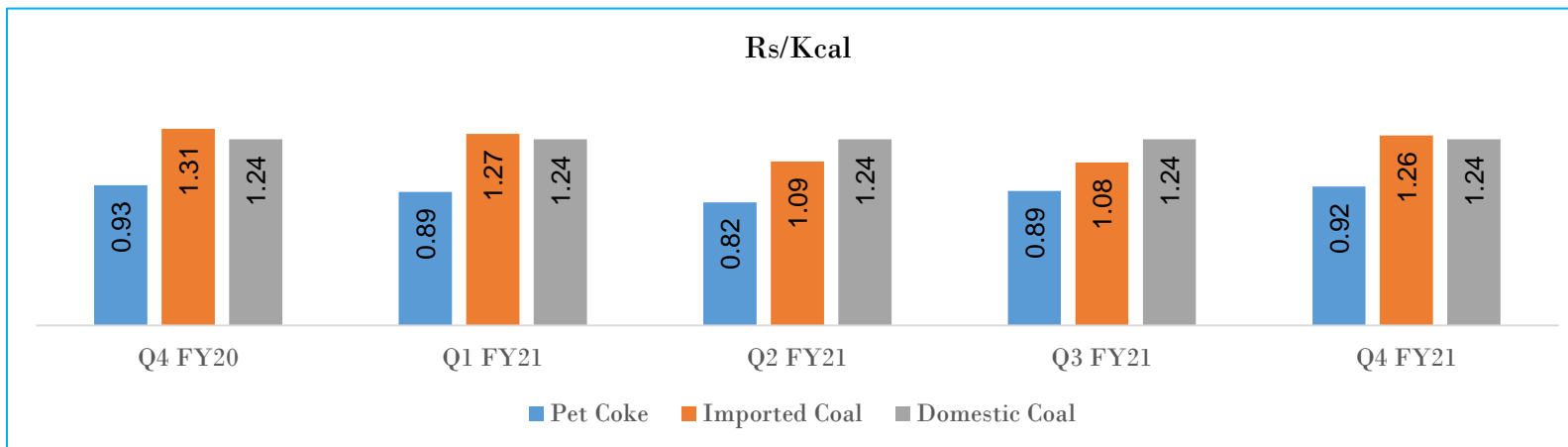
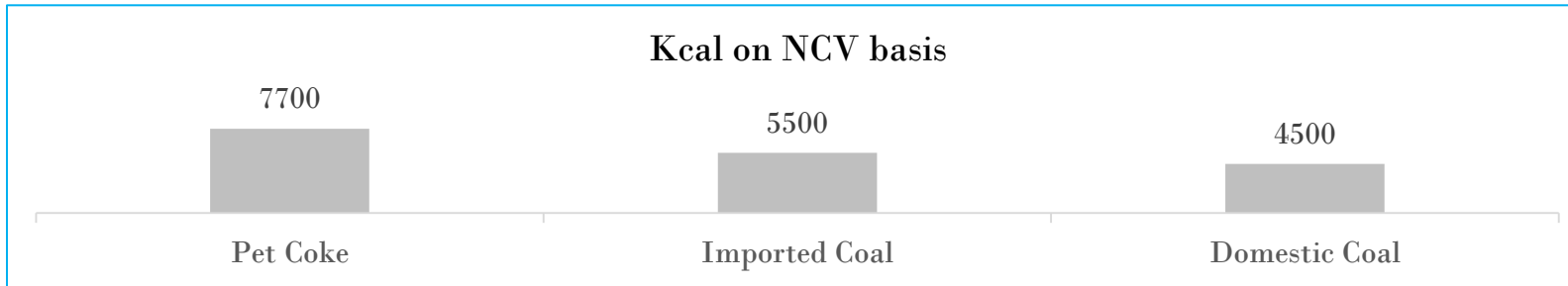


- Material cost per ton during Q4 FY 21 was ₹ 660 per ton as against ₹ 625 per ton during Q4 FY20.
- Reduction in fuel price, usage of alternative fuel and optimization of thermal efficiency have resulted in lower cost of fuel.
- Optimal thermal efficiency at Mattampally Plant 725 Kcal /Kg of Clinker & Gudipadu 695 Kcal /Kg of Clinker.
- Employee costs during Q4 FY 21 amounted to ₹ 229 per ton as against ₹ 226 per ton during Q4 FY20.
- Increase in freight cost owing to higher diesel prices.



Fuel rates are on upward trend currently.

Started using mix of pet coke & coal to optimize the fuel cost



Particulars (Rs. In Lakh)	31 st Mar 2021	31 st Dec 2020	30 th Sep 2020	30 th June 2020
Gross Debt	80,648	63,573	52,656	48,212
- Long Term	70,431	52,850	41,392	35,369
- Working Capital	10,217	10,723	11,264	12,843
Cash & Bank Balance	25,419	7,775	7,563	1,883
Net Debt	55,229	55,798	45,093	46,329
Debt Equity Ratio (%)	0.56	0.44	0.35	0.33
Net Worth	1,25,804	1,21,283	1,16,794	1,05,659

- 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 : 5.75 MTPA.

Captive power capacity of 61.55 MW

Strong presence across all five southern states, along with Maharashtra and Odisha.

Manufactures :

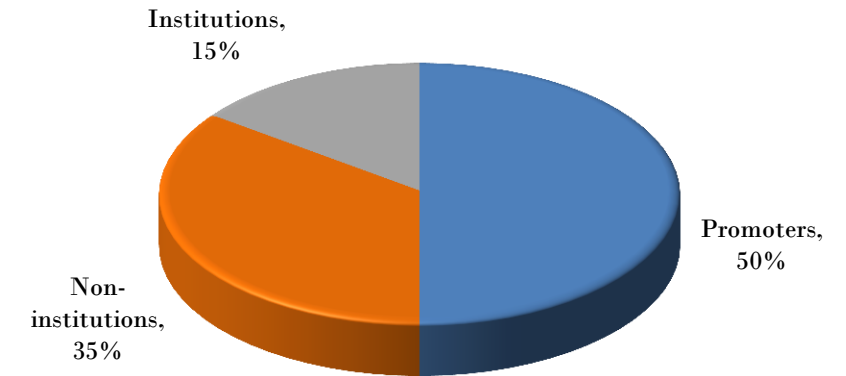
- Ordinary Portland Cement (OPC)- 53 & 43,
- Portland Pozzalona Cement (PPC)
- Sulphate Resistant Cement (SRC)
- Portland Slag Cement (PSC) &
- GGBS.

Strong brand built over the last 3 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 21.85% equity stake in the Company.

High focus on technology and process efficiencies; High levels of Corporate Governance standards

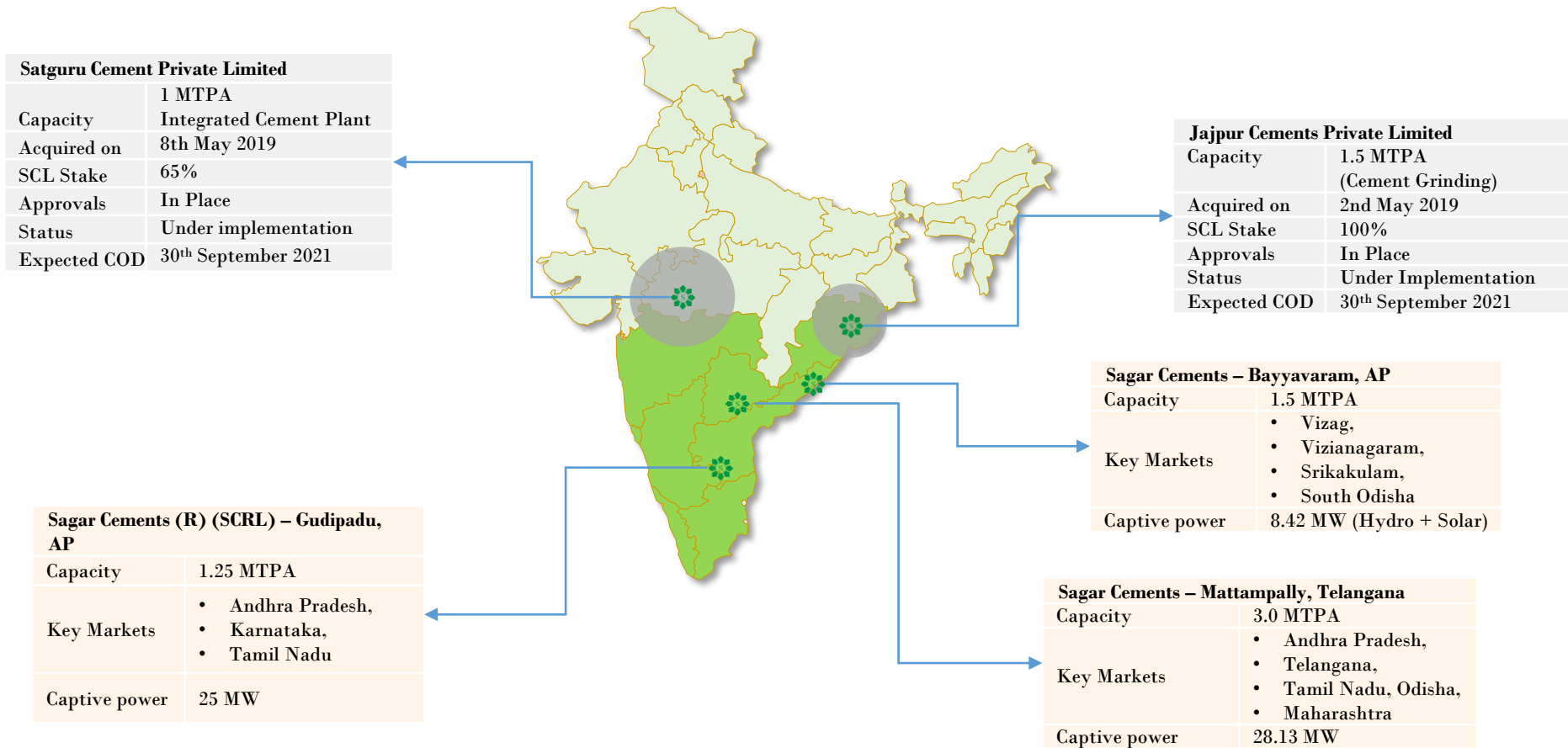
Share Holding Pattern (as on 31st Mar. 2021)



Capital Market Metrics	
Listed on	BSE & NSE
CMP (INR)*	813.95
M-Cap (INR mn)	~19,128
52 week high (INR)	~867.70 (11 th May 2021)
52 week low (INR)	~255 (19 th May 2020)

*Market price at close on 12th May, 2021 (NSE)

Strategically located to reap a significant locational advantage





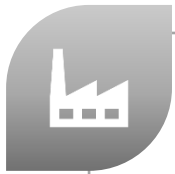
Access to resources

- ✓ Part of Nalgonda & Yerraguntla Cement Cluster
- ✓ Strong limestone reserves:
 - Over 815 MnT at Mattampally
 - Over 163 MnT at Gudipadu (SCRL)
- ✓ 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 and Odisha
- ✓ Average lead distance below 300 km
- ✓ Strong sales network – 1,643 dealers and 3,586 sub-dealers
- ✓ Acquisition of SCRL and Bayyavaram plants helped to increase market reach and depth
- ✓ SCRL – Better margins and reach into the Southern markets
- ✓ Bayyavaram – Capture north AP and South Odisha markets



Advanced plants

- ✓ Fully automated 3.00 MTPA plant in Mattampally
- ✓ Highly advanced 1.25 MTPA plant in Gudipadu
- ✓ 1.50 MTPA unit in Bayyavaram
- ✓ Group captive power generation of ~61.55 MW



Strong financials

- ✓ Net worth increased over 10x in the last 7 years
- ✓ Long term debt rating of IND A-/Stable (India ratings)
- ✓ Consistent profits
- ✓ Consistent track record of dividends

- Board of Directors approve on April 26, 2021 a proposal of merger of its wholly owned subsidiary Sagar Cements (R) Ltd with it
- Sagar Cements (R) Limited (SCRL) was incorporated in Karnataka as a public limited company on 30th August, 2007 under the name BMM Cements Limited (BMM). The entire 100% shareholding of BMM was later acquired by Sagar Cements Limited (SCL) in the year 2015-16, making SCRL a wholly-owned subsidiary of SCL
- Benefits derived from the merger include –
 - Enhancement in the scale of operations providing a significant impetus to the growth of the Company, since both the companies are engaged in the same line of business. These may be derived by drawing upon synergies between the two companies
 - Synergies in business activity, consolidation, focused attention, centralized administration, economy of operation, integrated business approach and greater efficiency
 - Reduction in the cost of overheads and improvement of organization efficiency
 - The consolidation by way of amalgamation would lead to more efficient utilization of capital and an improved financial structure
 - The benefit of consolidation of financial resources, managerial and technical expertise of both entities will result in overall optimization of operational and administration costs
 - Reduction in multiplicity of legal and regulatory compliances and a more simplified group structure
 - The amalgamation will rationalize and optimize the Group's legal entity structure to ensure greater alignment of the businesses by reducing number of legal entities and statutory compliances required
- Since the merger is between a holding company and its wholly owned subsidiary, there will not be any fresh issuance of shares by SCL

Safe Harbour :

Certain matters discussed in this communication may contain statements regarding the company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian Economy and of the economies of various International markets, the performance of the Cement Industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the company’s future levels of growth and expansion, technological implementation, changes and advancements, change in revenue, income or cash flows, the company’s market preferences and its exposure to market risks, as well as other risks. The company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this presentation. The Company assumes no obligation to update any forward-looking information contained in this communication. Any forward – looking statements and projections made by third parties included in this communication are not adapted by the company and the company is not responsible for such third party statements and projections

Thank You !



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