



THE RAMCO CEMENTS LIMITED

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Web Site: www.ramcocements.in

Corporate Identity Number: L26941TN1957PLC003566

25 July 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 the quarter and three months ended 30.06.2024.

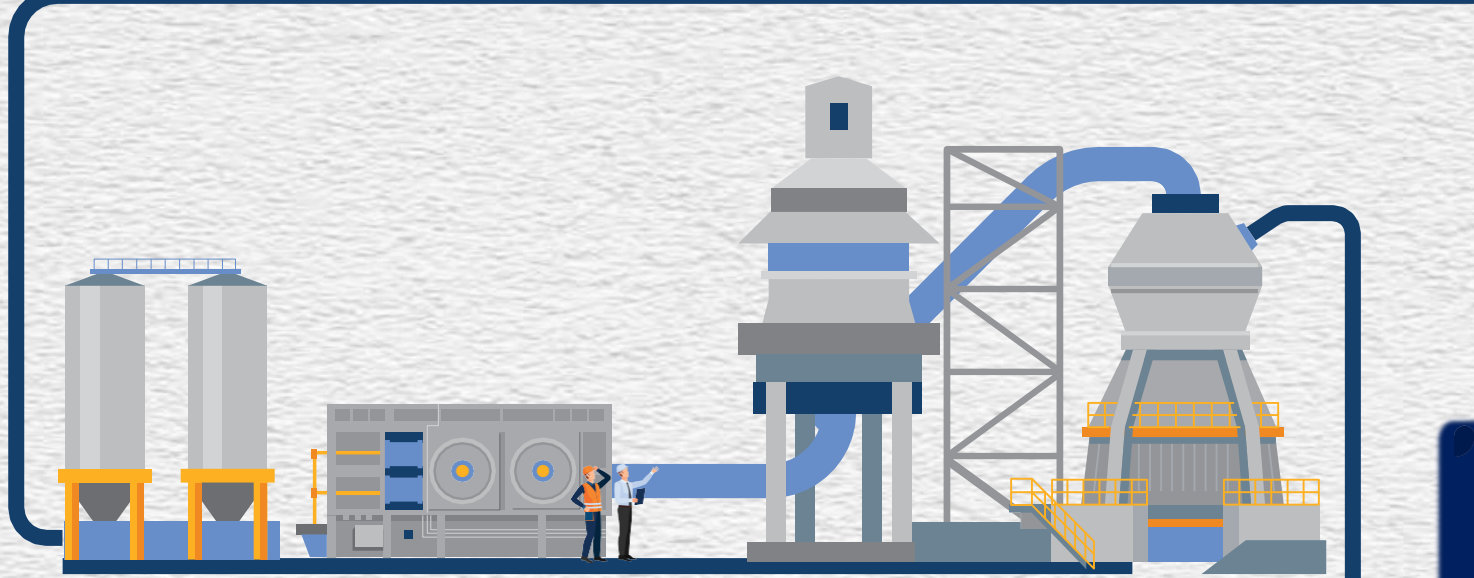
Thanking you,

Yours faithfully,

For **THE RAMCO CEMENTS LIMITED,**

K.SELVANAYAGAM
SECRETARY

Encl : As above



**Embracing Opportunities.
Enhancing Strengths.**

The Ramco Cements Limited
Investor Update for 1QFY25

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- The Reserve Bank of India (RBI) raised the GDP growth forecast to 7.2% from 7% for FY25 due to improved rural and urban demand, bolstered by monsoon prediction
- Repo Rate unchanged at 6.5% due to high food inflation; Rupee strengthens in July on the back of strong capital inflows despite trade deficit rise and higher crude prices
- India remains the fourth highest foreign exchange reserves holder in the world and Forex Reserves soar by nearly \$10 Billion to hit new record.



- The FY25 budget provides for –
 - ✓ increased infrastructure allocation to ₹11.11 lakh crores, equivalent to 3.4% of GDP
 - ✓ infrastructure development in Andhra Pradesh, Bihar, West Bengal, and Odisha, emphasizing both progress and heritage,
 - ✓ investment proposal of ₹ 10 lakh crores under PM Awas Yojana Urban 2.0, is expected to stimulate cement demand
- Green power initiatives and benign fuel costs to cushion profitability amid pricing pressures



- Spillover effects of continuing international geopolitical conflicts and trade limiting policies across the world pose uncertainties
- Extreme weather events during crop season may affect agricultural output
- Stability of fuel prices
- Sustainability of cement prices amid rising pace of cement capacity additions / consolidation

TRCL's Market update for 1QFY25

South

- Volume from B2C remained flat; B2B volume have de-grown YoY
- Demand affected due to elections & monsoon
- Demand outlook is positive in AP State in view of new Government
- Share of premium products in 1QFY25: 27%; 1QFY24: 29%
- Margins down due to weak prices in all markets
- Volume share for 1QFY25: 76%; 1QFY24: 79%

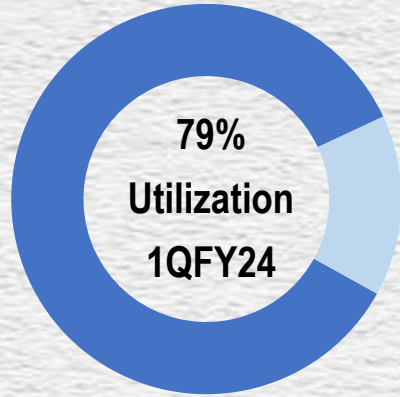
East

- Volume from B2C & B2B have grown YoY in Odisha
- Volume from B2C is flat; B2B has grown YoY in WB
- Demand affected due to elections & monsoon
- Share of premium products in 1QFY25: 20%; 1QFY24: 18%
- Margins down due to weak prices in WB / NE
- Volume share for 1QFY25: 24%; 1QFY24: 21%

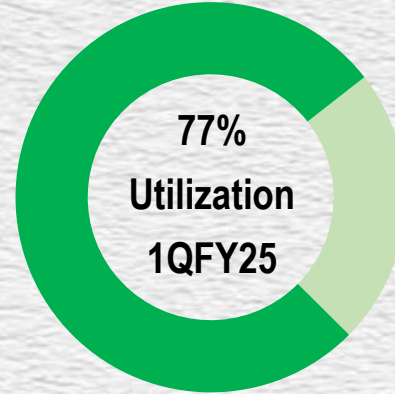
The company continue to focus on right products for right applications to make its brand more stronger

Sales & Capacity utilization for 1QFY25

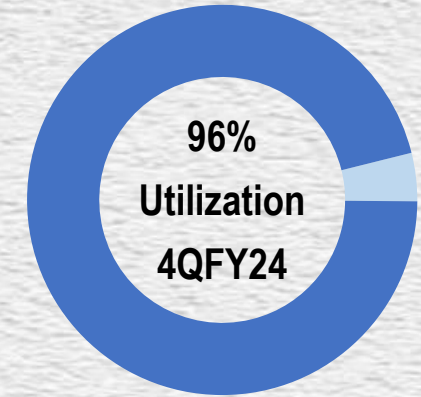
Cement Capacity Utilization %



1QFY24: OPC 32%; B2B 35%

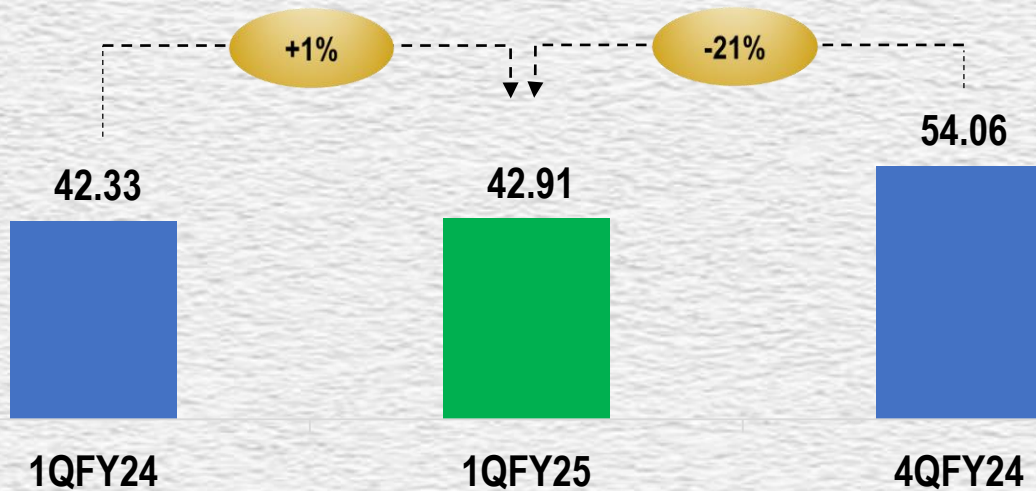


1QFY25: OPC 31%; B2B 35%

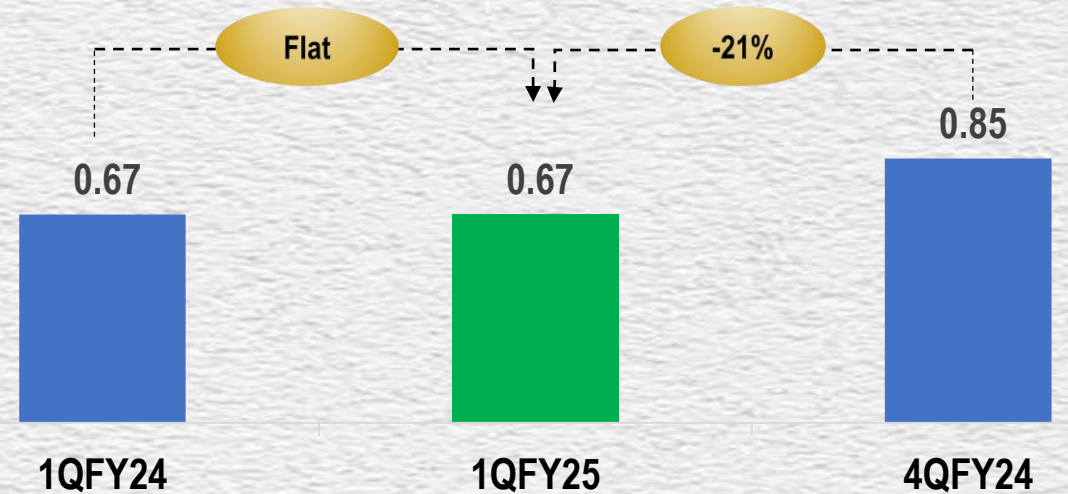


4QFY24: OPC 32%; B2B 35%

Cement Sales (Lac Tons)

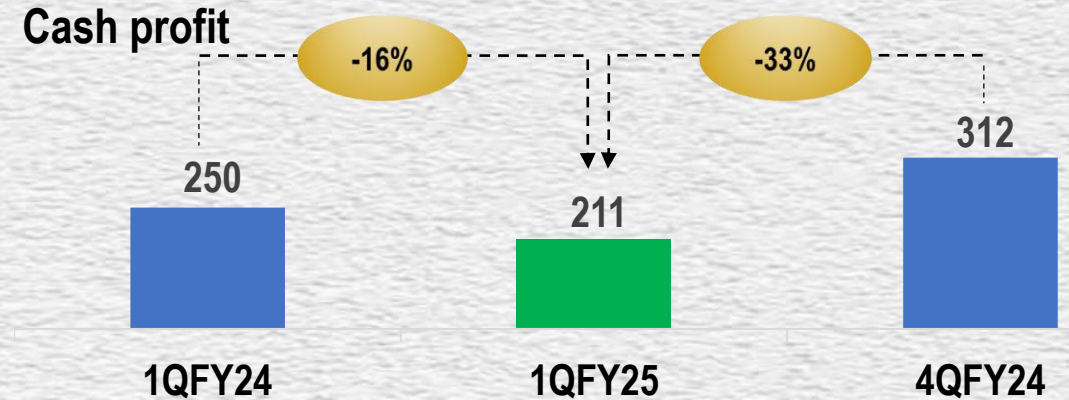
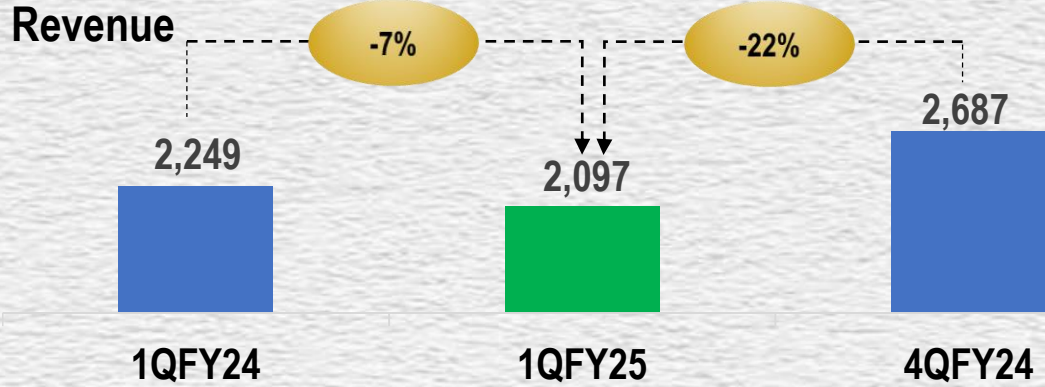


Building product Sales (Lac Tons)



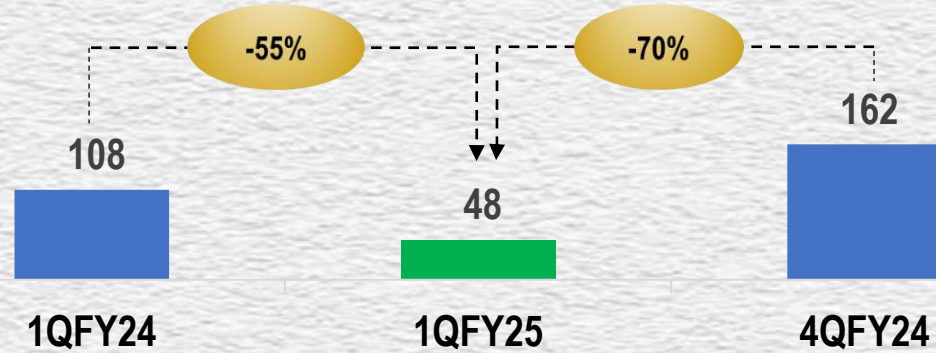
Key Performance for 1QFY25

₹ in Crores

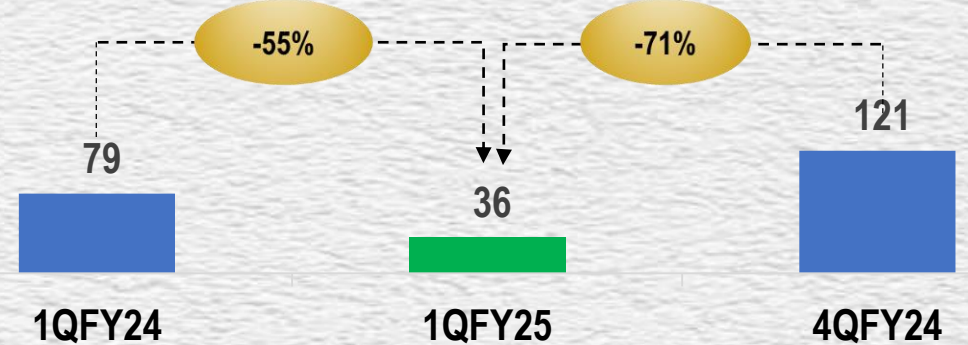


Cash profit = PBT + Depreciation – Current Tax

Profit Before Tax



Profit After Tax



👉 Sale volume marginally up by 1% to 4.36 MnT YoY amid constant pressure on cement prices. Average Cement prices have dropped by 8% YoY

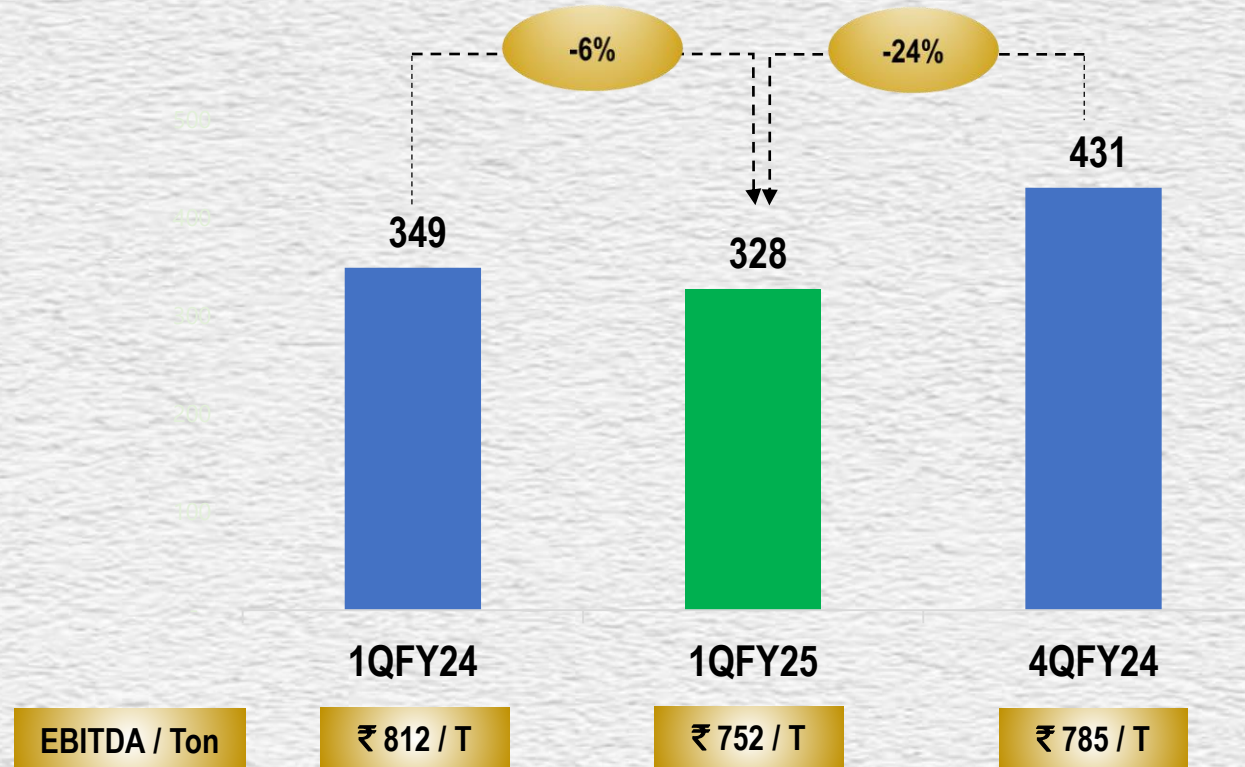
👉 Power & Fuel cost reduced due to lower fuel prices

👉 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 manufacturing facilities during PY

EBITDA

₹ in Crores



EBITDA / Ton

₹ 812 / T

₹ 752 / T

₹ 785 / T

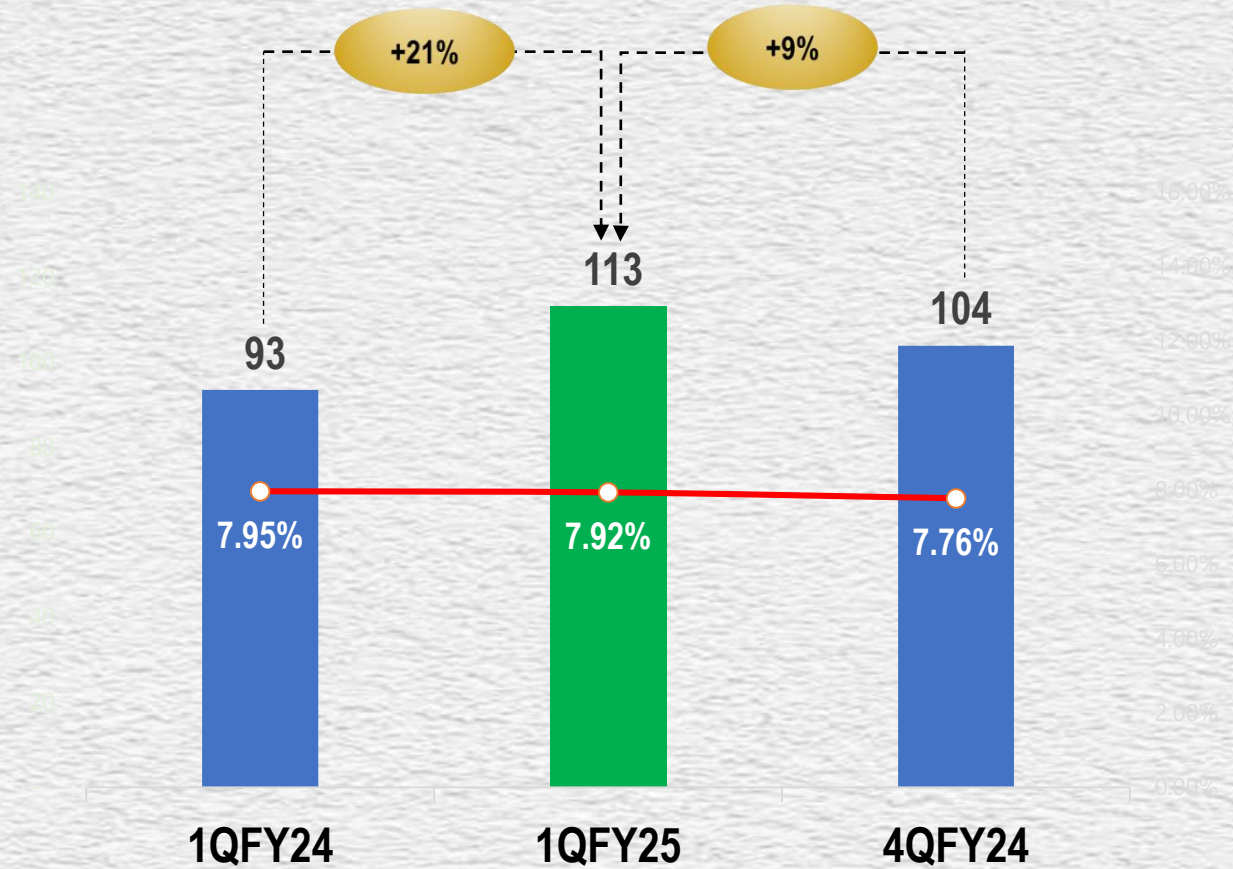
👉 During 1QFY25, total sale volume is higher by 1% YoY & down by 21% compared to 4QFY24

👉 Power and fuel cost down by ₹ 458 / Ton in 1QFY25 YoY; Up by ₹ 173 / Ton compared to 4QFY24

👉 Rupee depreciation by 2% during 1QFY25 impacted the fuel cost

👉 Fixed cost absorption was almost flat

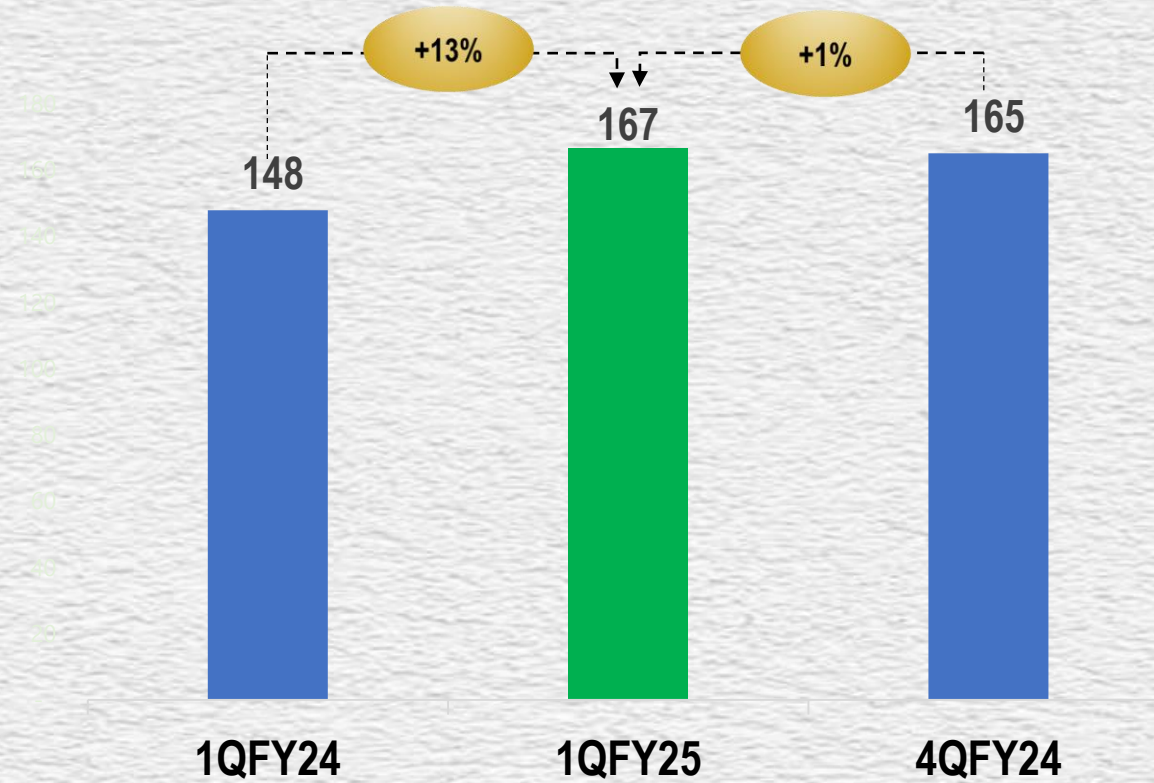
👉 Share of premium products stands at 25% for 1QFY25



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

Depreciation

₹ in Crores



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

Income Statement for 1QFY25

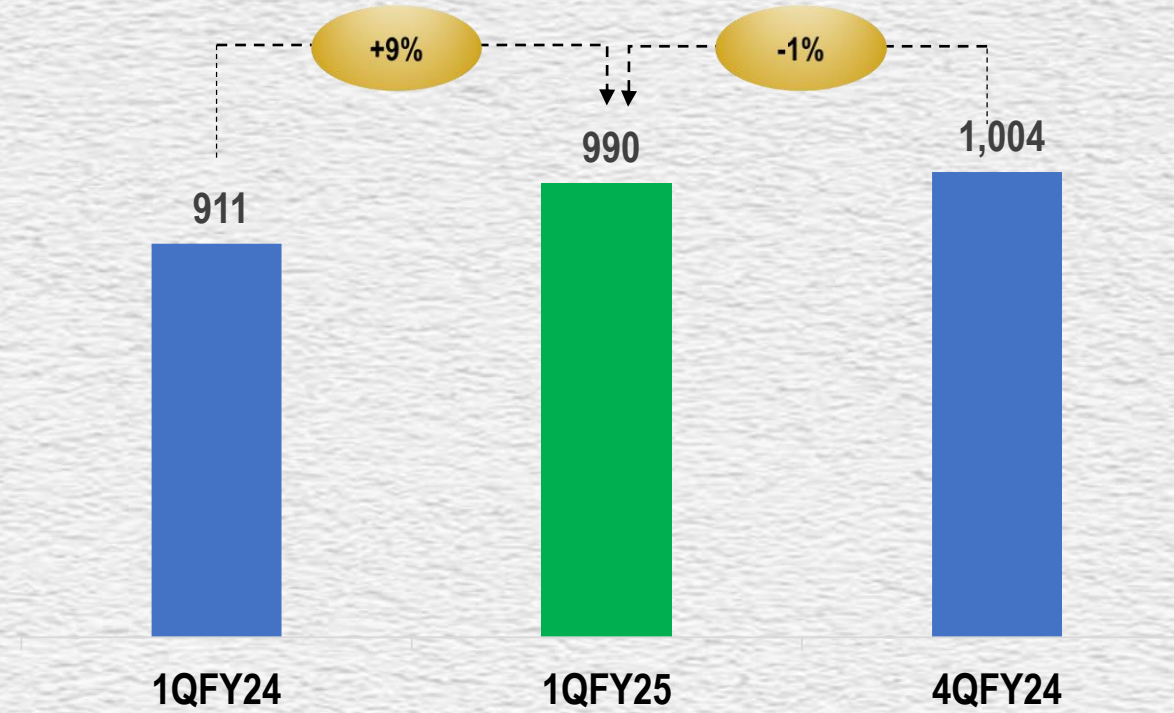
₹ in Crores



Standalone			Particulars	Consolidated		
1QFY25	1QFY24	Variance %		1QFY25	1QFY24	Variance %
2,096.87	2,248.98	7% ▼	Revenue	2,101.65	2,253.95	7% ▼
1,768.95	1,899.63	7% ▼	Less: Operating Expenses	1,773.38	1,903.20	7% ▼
327.92	349.35	6% ▼	EBITDA	328.27	350.75	6% ▼
113.05	93.39	21% ▲	Less: Finance Costs	113.05	93.39	21% ▲
166.71	147.89	13% ▲	Less: Depreciation	167.68	149.71	12% ▲
48.16	108.07	55% ▼	Profit Before Tax	47.54	107.65	56% ▼
4.37	5.73	24% ▼	Less: Current Tax	4.37	6.22	30% ▼
8.29	23.43	65% ▼	Less: Deferred Tax	8.43	22.79	63% ▼
35.50	78.91	55% ▼	Profit After Tax	34.74	78.64	56% ▼
35.50	79.30	55% ▼	Total Comprehensive Income	37.19	75.79	51% ▼

Cost of raw materials per ton

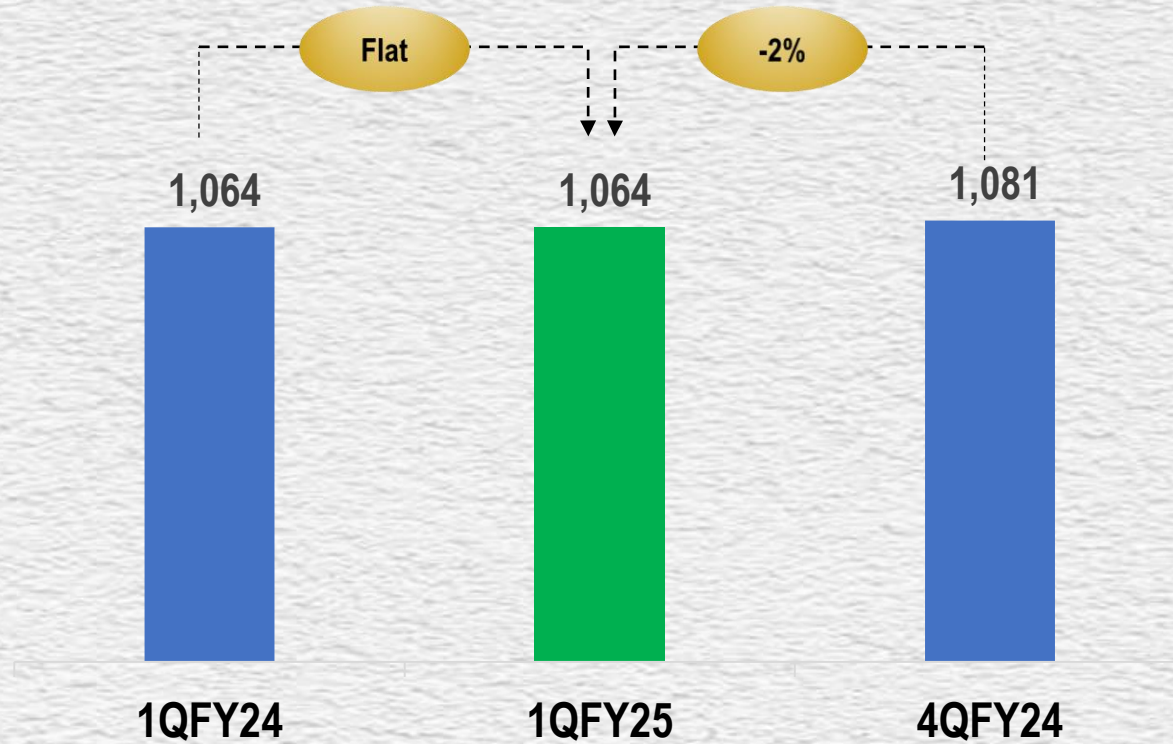
In ₹



- 👉 Decrease in Diesel price by 2% in 1QFY25 YoY
- 👉 Inflationary impact on cost of other raw materials viz. Fly ash, Slag & Gypsum

Logistics cost per ton

In ₹

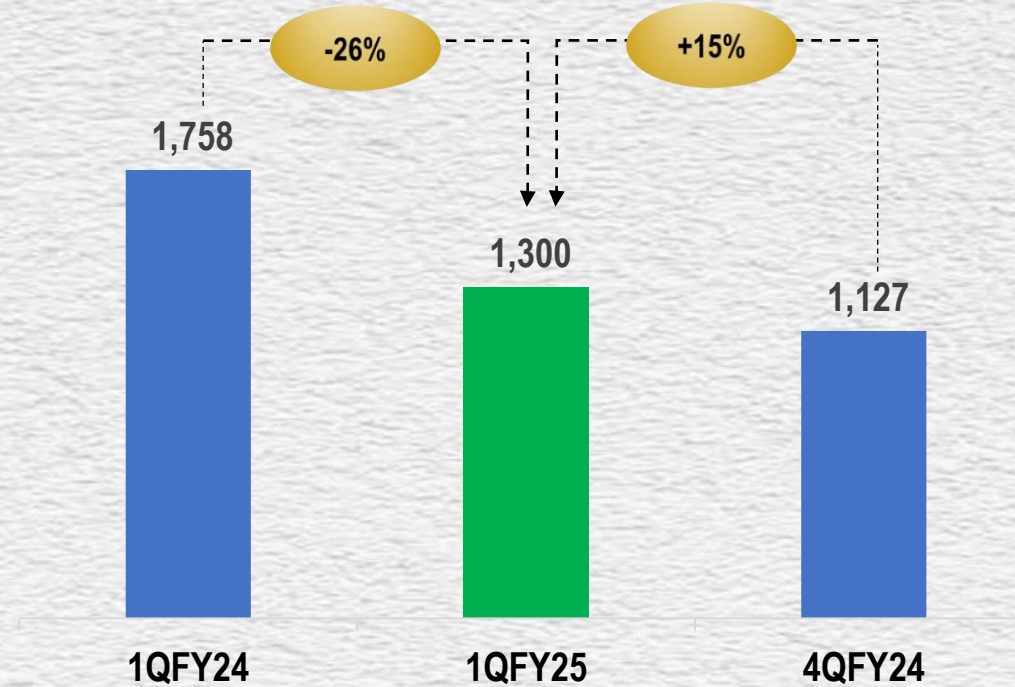


👉 Rail Co-efficient for cement despatches 1QFY25 is 8% vs. 7% in 1QFY24 & 11% in 4QFY24

👉 Avg. lead distance for 1QFY25 is 273 KMs vs 274 KMs in 1QFY24 & 294 KMs in 4QFY24

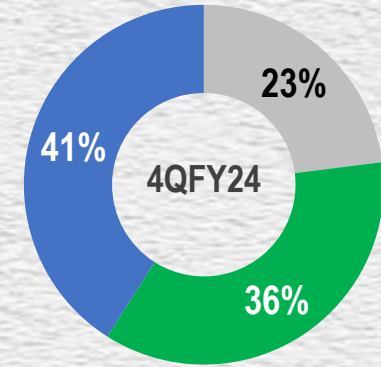
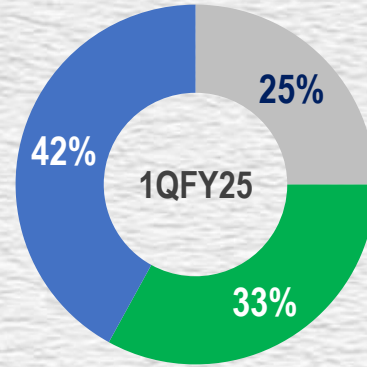
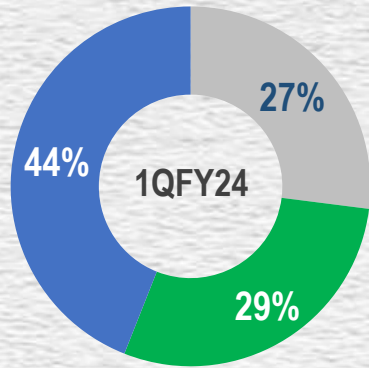
Power and Fuel Cost per ton

In ₹



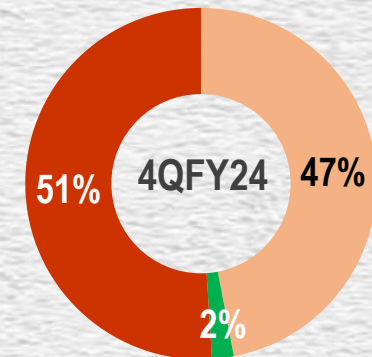
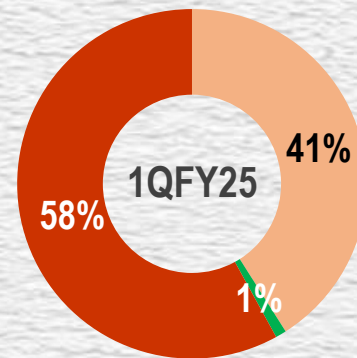
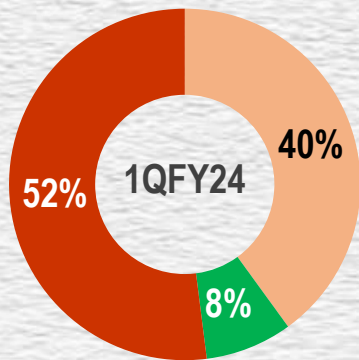
- 👉 Blended Fuel consumption (incl. TPP) per T of material: 1QFY25: \$ 137; 1QFY24: \$ 170; ; 4QFY24: \$ 141
- 👉 Blended Fuel cost per Kcal: 1QFY25: ₹ 1.49; 1QFY24: ₹ 2.03; 4QFY24: ₹ 1.65
- 👉 Captive usage of Wind energy has reduced the overall power cost
- 👉 Lower cement sale volume by 21% in 1QFY25 vs. 4QFY24 resulted in increase in P & F Cost per ton despite cost per Kcal is lower by 10% for the same period
- 👉 Rupee depreciation by 2% 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 # | Optimal usage of fuel based on Cost per CV

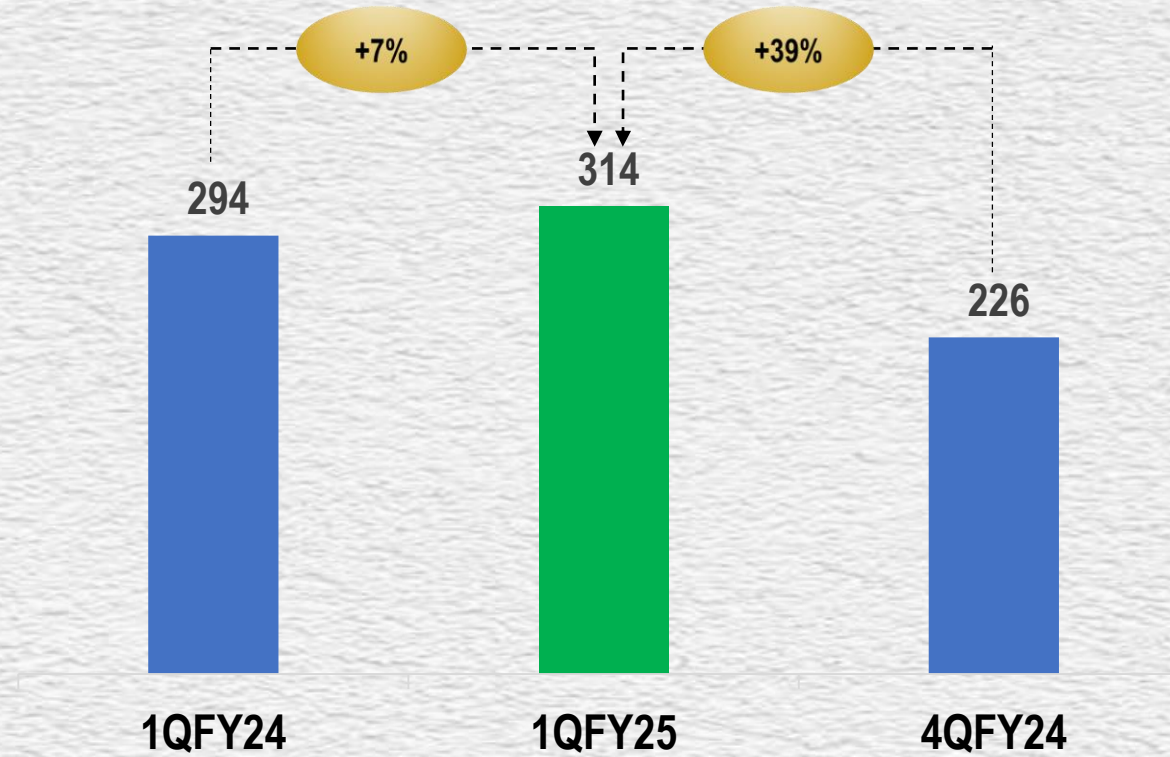


■ Coal ■ Alternate Fuel ■ Pet coke

Based on current production levels

Employee Cost per ton

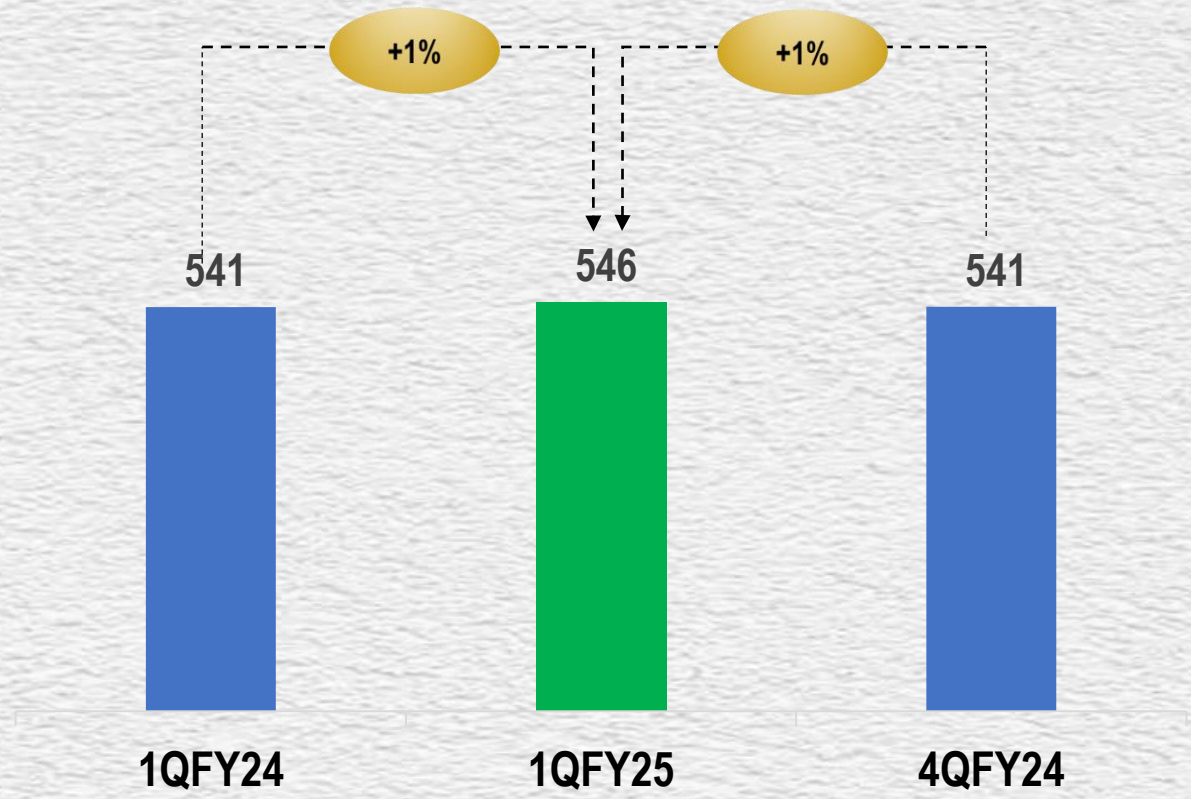
In ₹



Cost per ton is higher in 1QFY25 compared to 4QFY24 in view of lower sale volume

Other Expenditure per ton

In ₹



Cost per ton marginally increased in view of inflationary impact in fixed expenses

New product launched under Building products

New Product



Integral Waterproofing Compound



Existing Building Products portfolio

<p>Wall Plastering</p>  <p>RAMCO SUPER PLASTER NON-REFRACTORY PLASTER & BRICK MORTAR CONCENTRATE 25kg</p>		<p>Wall Plastering (With self curing property)</p>  <p>RAMCO ECO PLAST SELF CURING PLASTER 40 kg Nett</p>	
<p>Tile Mortar</p>  <p>RAMCO TILE FIX 25 kg Nett</p> 	<p>Tile Grout</p>  <p>RAMCO TILE GROUT 1kg</p> 	<p>AAC Block Mortar</p>  <p>RAMCO BLOCK FIX 40 kg Nett</p> 	<p>Wall Putty</p>  <p>RAMCO SUPER FINE 40 kg Nett</p> 

Revenue from Building Products business expects to cross ₹ 500 crores p.a in next 2 years

- First plant established near Chennai with the capacity of ~ 1 lac tons in 2002
- Two plants with the capacity of 1 lac ton each commissioned in Salem and Ramasamy Raja Nagar during FY23
- One Plant with the capacity of 1 lac ton in Jayanthipuram, AP commissioned during this quarter.
- Another plant with the capacity of 1 lac ton in Odisha is expected to be commissioned soon.

Key Ratios



Particulars	UOM	1QFY25	1QFY24	4QFY24	FY24
EBITDA Ratio	%	16%	16%	16%	17%
PBT Ratio	%	2%	5%	6%	6%
PAT Ratio	%	2%	4%	5%	4%
EPS, Not Annualized	₹	2	3	5	17
RoE, Annualized	%	2%	5%	7%	6%
RoCE (Post-tax), Annualized	%	5%	6%	7%	7%
Debt-Equity Ratio	Multiples	0.70	0.65	0.69	0.69
Debt Service Cover Ratio, Annualized	Multiples	0.90	1.99	2.50	1.85
Interest Service Cover Ratio	Multiples	1.23	1.78	2.28	1.94
Current Ratio	Multiples	1.05	1.06	1.04	1.04

Ratios computed based on Standalone figures

Capex update & Borrowings

Capex incurred during 1QFY25: ₹ 281 Crores

- 👉 By Mar-26, the company is on track to achieve cement capacity of 30 MTPA by commissioning of 2nd line in Kolimigundla along with de-bottlenecking of existing facilities and adding grinding capacities in existing locations with minimal capex.
- 👉 The estimated capex for FY25 is expected to be around ₹ 1,200 Crores.
- 👉 The Company has taken effective steps to monetise non-core assets worth ₹ 1,000 Crores in the next 12 months
- 👉 In Kolimigundla, TPP of 18 MW commissioned in Jul 2024 and trials are being taken. Railway siding will be commissioned during Sep 2024. The Company has started to see synergies in the cost for usage of limestone mined from the lands purchased from Prism.
- 👉 Line 2 in Kolimigundla comprising of Clinker capacity of 3.15 MTPA and cement capacity of 1.5 MTPA with WHRS capacity of 15 MW is scheduled to be commissioned by 4QFY26.
- 👉 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 AP commissioned during 1QFY25 & Odisha will be commissioned in Sep 2024
- 👉 50% of mining land for new project in Karnataka have been acquired so far.

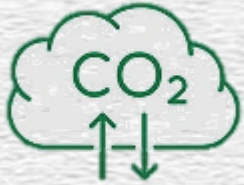
Borrowings as on 30-06-2024

Particulars	₹ in Crores
Interest-bearing Borrowings	
- Long Term Debt	4,567.00
- Short Term Debt	389.79
Interest Free / Soft Loans	69.53
Gross Debt	5,026.32
Less: Cash and Cash Equivalents	51.53
Net Debt	4,974.79

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



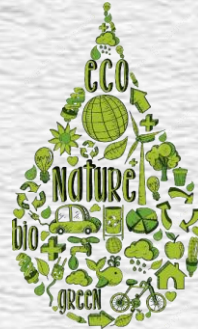
588 Kg / T of Cement

Blended Cement



69%

Water Positive



4.5x

Green energy



33%

CSR



5k + Beneficiaries

Based on 1QFY25 figures

Firm and Focussed for a sustainable future

Awards & Accolades



Ariyalur Unit had been certified Greenco Silver Rating by the Greenco-Green company rating system of CII – Sohrabji Godrej Green Business Centre, Confederation of Indian Industry



RR Nagar Unit have won par excellence award in the 10th National Conclave on 5S organized by The Quality Circle Forum of India during June 2024

Awards & Accolades



Alathiyur & RR Nagar Unit have won Best Performance Award in the First International Conclave on Cement Industry organized by The Quality Circle Forum of India during May 2024

Awards & Accolades



Ramco Corporate Tech Team has been awarded 'Aspiring CXOs Award 2024' by CXO Junction for the outstanding achievements and contributions made to the organization in driving down costs, increasing capacity, improving agility & security by enabling dynamic application routing to optimally utilize both Primary and Secondary links, unified threat protection at all our offices with full mesh



Ramco Corporate Tech Team has been awarded with “CSO100 Awards : The Rising Star” award from Foundry (an IDG Inc. company) and IDC for the cybersecurity project implemented at our office

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.

Stock Code: BSE: 500260 | NSE: RAMCOCEM

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