



THE RAMCO CEMENTS LIMITED

Corporate Office :

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Website : www.ramcocements.in

Corporate Identity Number : L26941TN1957PLC003566

9 November 2023

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 six months ended 30.09.2023, being shared at the Investors' Meets.

Thanking you,

Yours faithfully,

For **THE RAMCO CEMENTS LIMITED,**

K.SELVANAYAGAM
SECRETARY

Encl : As above

Sola

INNOVATE
DIFFERENTIATE
SUSTAINABLE

FOR A
BETTER
TOMORROW



Investor Update for 2QFY24



The Ramco Cements Limited

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**

Overview



- Aggregate demand conditions exhibited buoyancy with gross domestic product (GDP) posting a growth of 7.8 per cent (y-o-y) in Q1FY24
- Repo Rate remain unchanged at 6.5% and RBI remains firmly committed to aligning inflation with the target going forward.
- Indian Rupee breached 83-level against USD in Sep 2023; but RBI's interventions persist, to mitigate rupee volatility and imported inflation; Crude oil prices surpassed USD 90 per barrel for the first time in Sep 2023 and expected to weigh on rupee in the near term



- The government's thrust on capital expenditure, moderation in commodity prices and robust credit growth are expected to nurture investment activity.
- Record rabi food grains production, easing input cost conditions and normalization of supply chain pressures helps for softening CPI inflation
- Real estate sector is on a steady and gradual growth plan, which positively influence cement production



- Slowing global growth, the drag from exports, geopolitical tensions, geo-economic fragmentation, extreme weather event and volatile global financial conditions, however, weigh heavily on the outlook. Ongoing crude oil price trends are likely to be influenced by China's economic outlook and geopolitical uncertainties
- The uneven south-west monsoon, El Nino formation and the volatile global food prices outlook impart significant uncertainty to the outlook of food and headline inflation, even as core inflation is showing some signs of easing.
- Softened pet coke prices started moving up again; Imported coal prices are volatile; Stability of cement prices

TRCL's Market update for 2QFY24

South

- 👉 Volume from B2C & B2B picked up
- 👉 Share of premium products in 2QFY24: 30%; 2QFY23: 28%
- 👉 Margins were under pressure due to weak prices
- 👉 Volume share for 2QFY24: 81%; 2QFY23: 78%

East

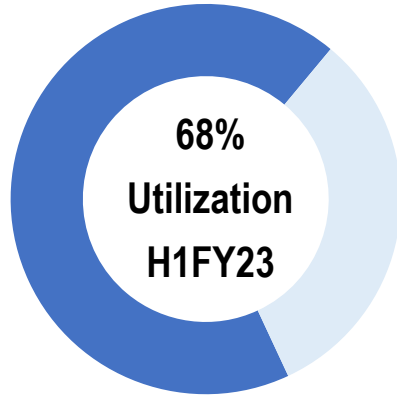
- 👉 Volume from B2C grown marginally & B2B remained flat
- 👉 Weak prices prevailed in all the markets
- 👉 Sales affected due to heavy rains
- 👉 Share of premium products in 2QFY24: 20%; 2QFY23: 15%
- 👉 Volume share for 2QFY24: 19%; 2QFY23: 22%

- 👉 **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**

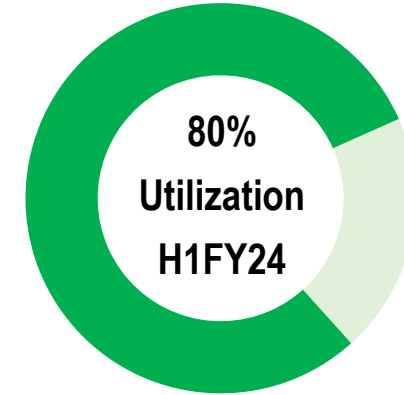
Sales & Capacity utilization for H1FY24



Cement Capacity Utilization %

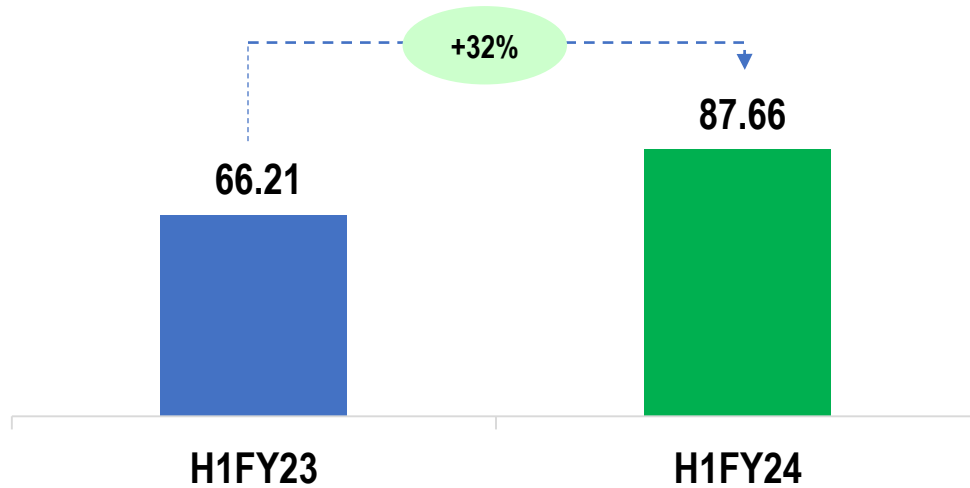


H1FY23: OPC 26%; B2B 31%

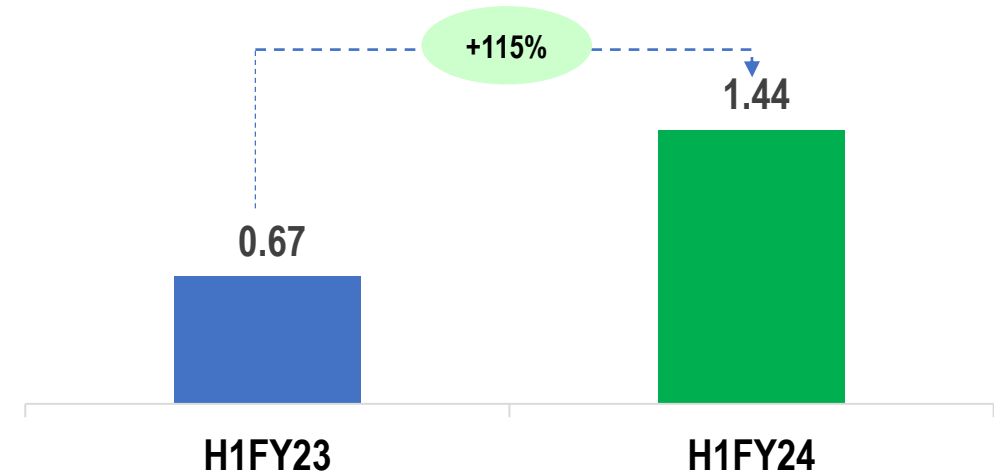


H1FY24: OPC 31%; B2B 34%

Cement Sales (Lac Tons)



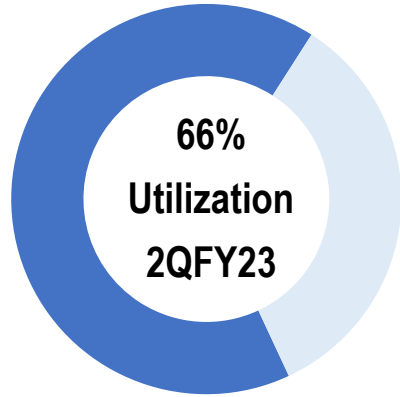
Dry Mortar Sales (Lac Tons)



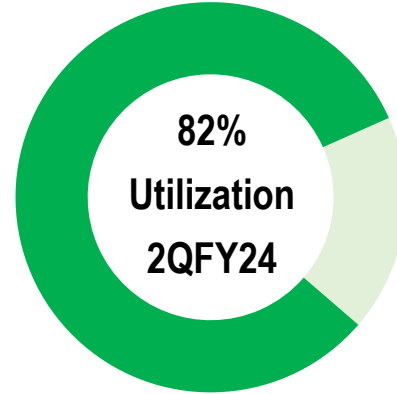
Sales & Capacity utilization for 2QFY24



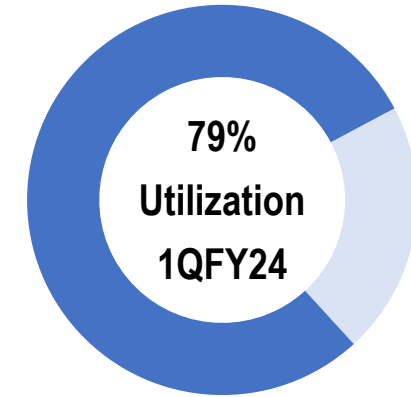
Cement Capacity Utilization %



2QFY23: OPC 26%; B2B 31%

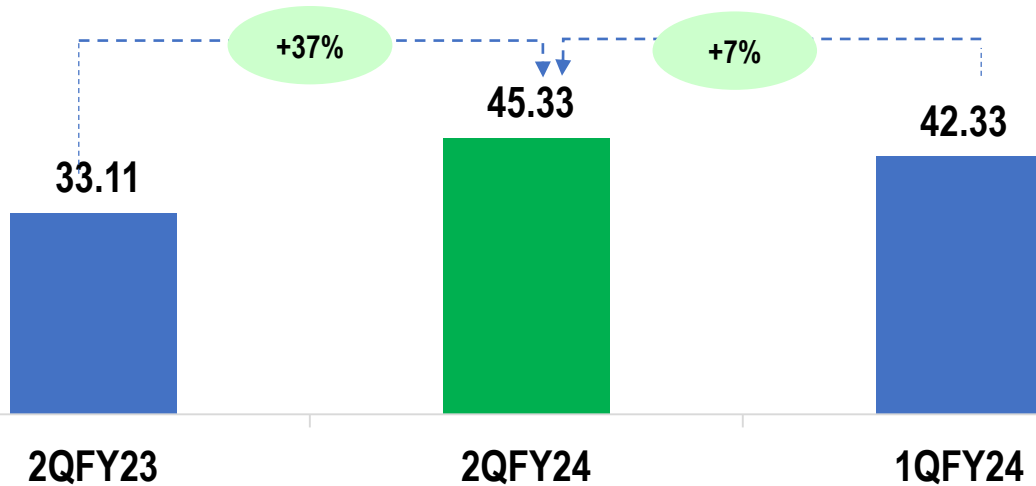


2QFY24: OPC 31%; B2B 33%

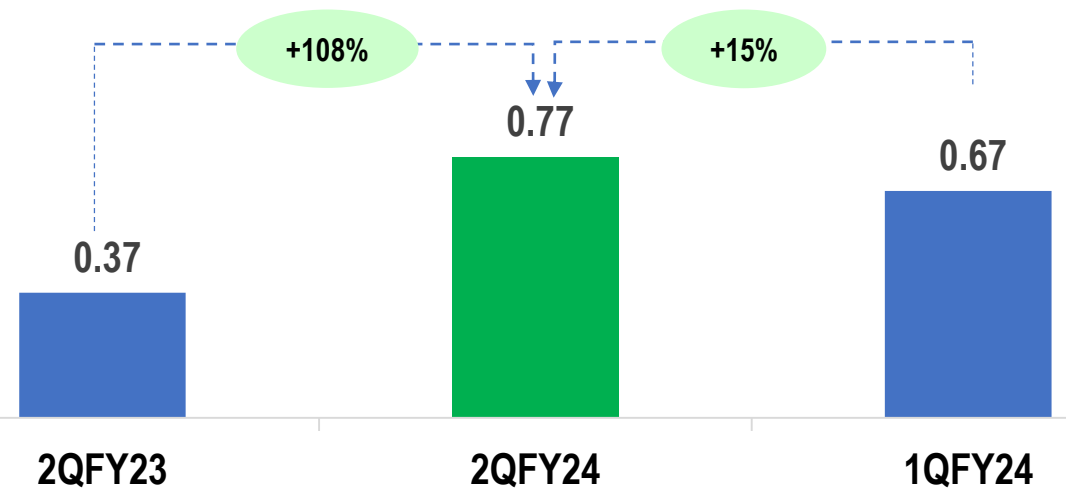


1QFY24: OPC 32%; B2B 35%

Cement Sales (Lac Tons)



Dry Mortar Sales (Lac Tons)

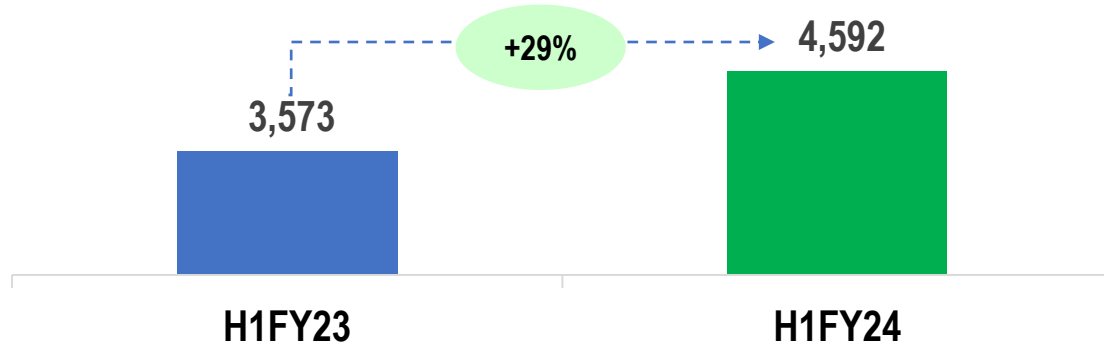


Key Performance for H1FY24

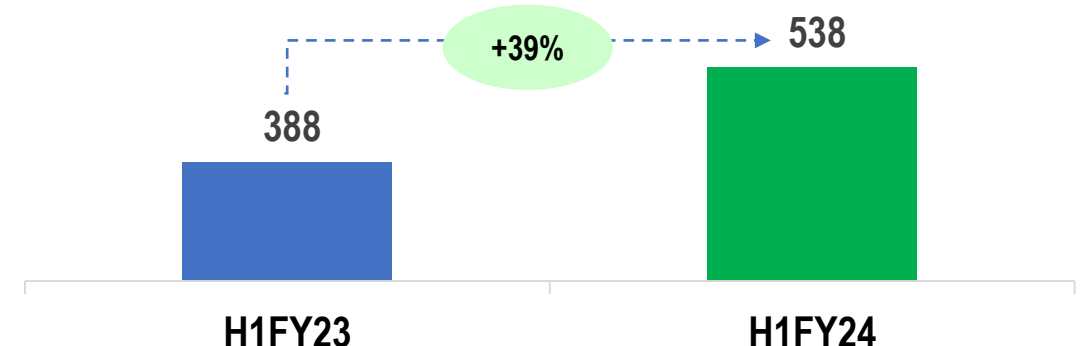
₹ in Crores



Revenue

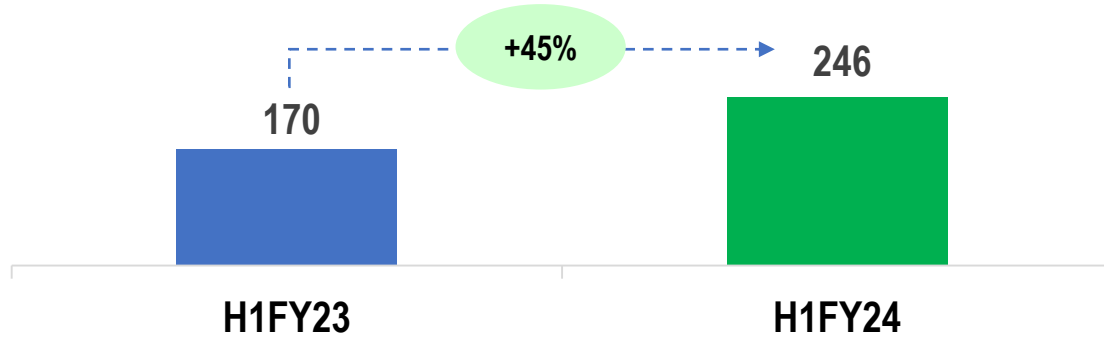


Cash Profit

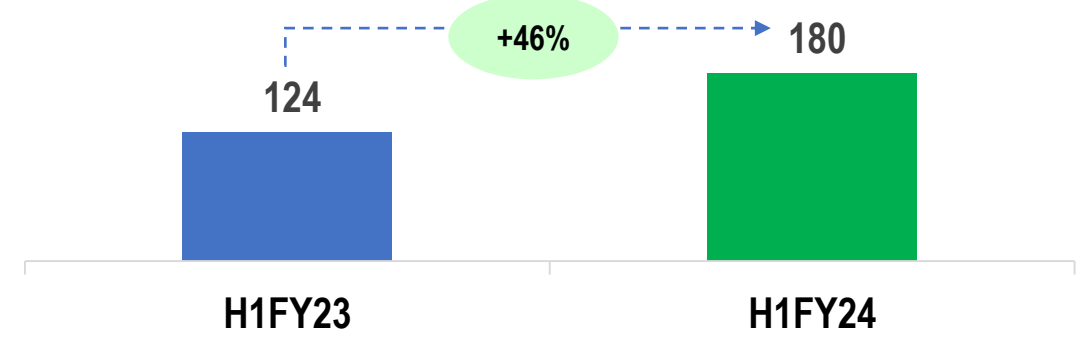


Cash profit = PBT + Depreciation – Current Tax

Profit Before Tax



Profit After Tax



👉 Company registered a total sale volume of 8.91 MnT in H1FY24 with a growth of 33% YoY

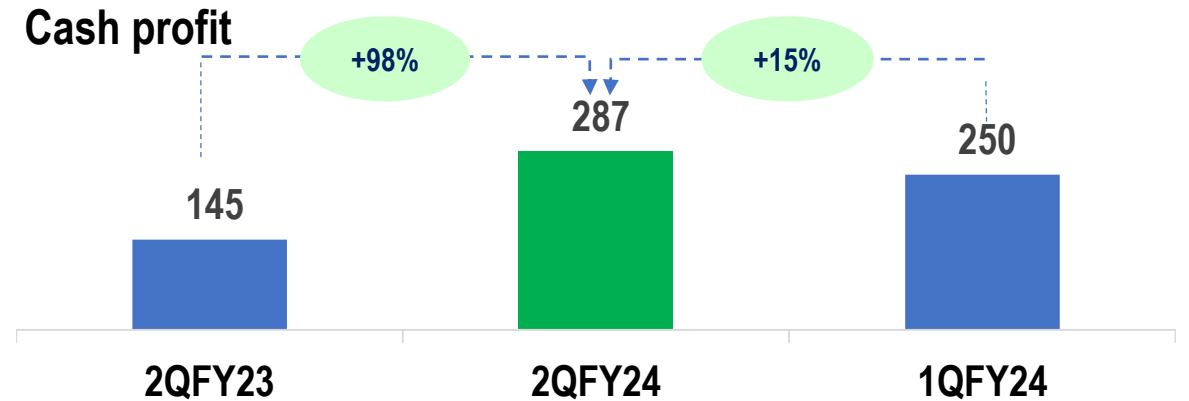
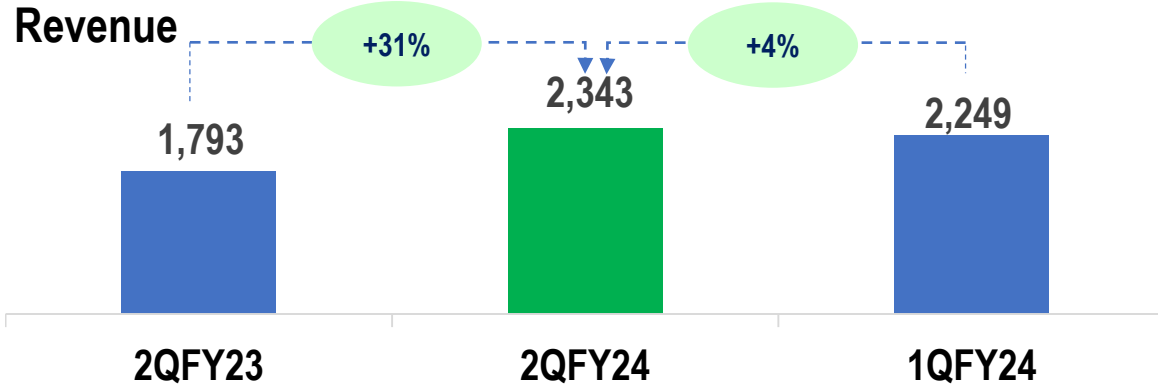
👉 The Company is not entitled to any tax incentives from any of the state governments hence the entire EBITDA is without any tax incentives

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

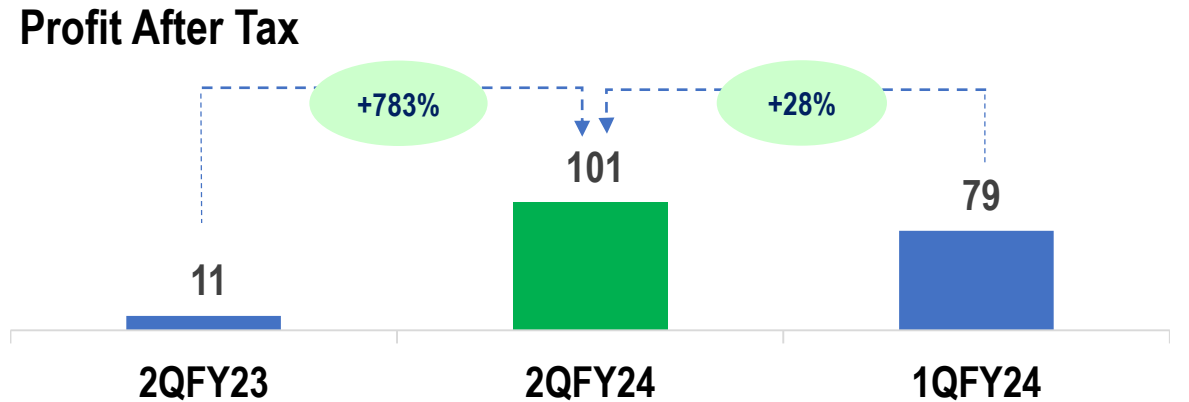
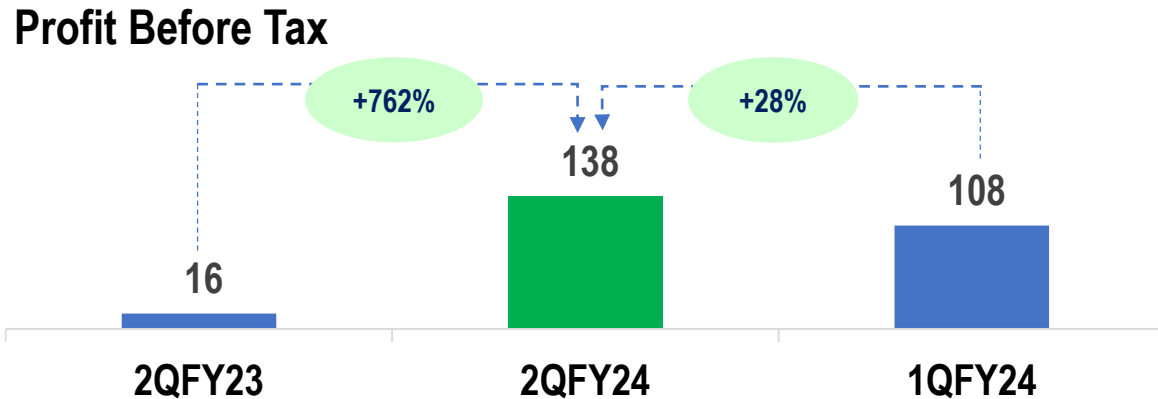
👉 Finance cost & Depreciation increased due to commissioning of units in Kolimigundla, R R Nagar Line III and 2 Dry Mortar Plants

Key Performance for 2QFY24

₹ in Crores

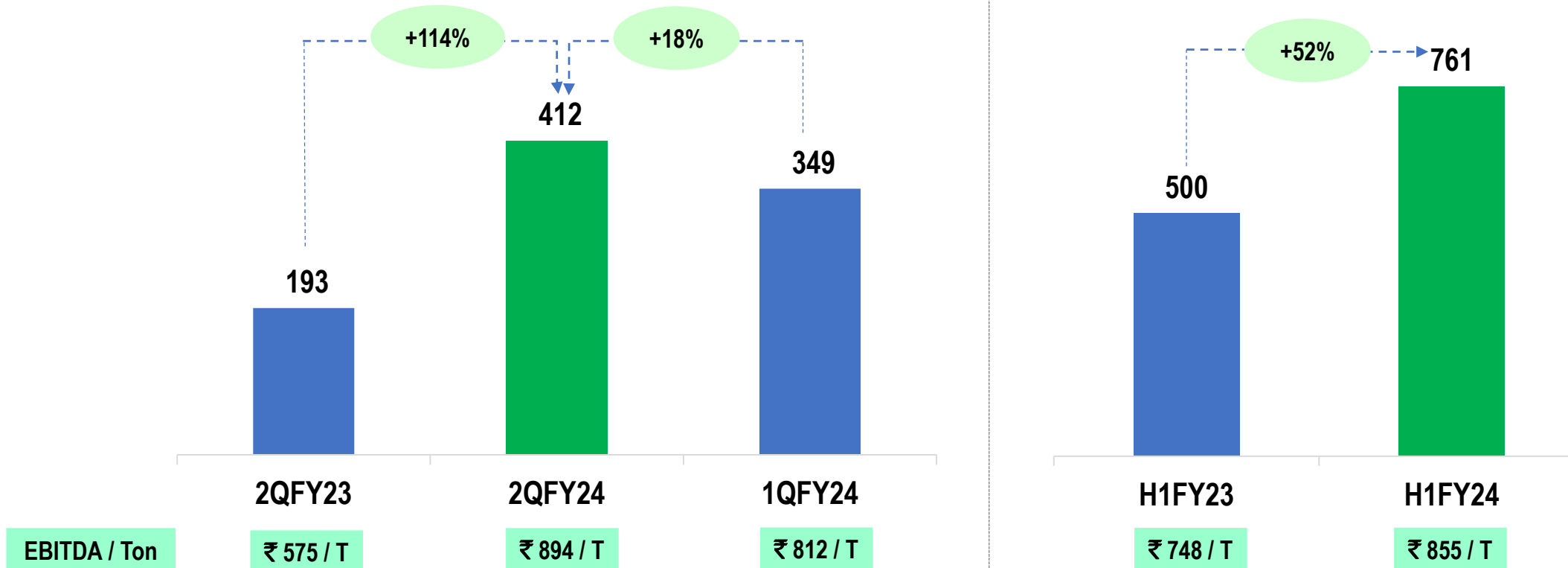


Cash profit = PBT + Depreciation – Current Tax



- 👉 Company registered a total sale volume of 4.61 MnT in 2QFY24 with a growth of 38% YoY
- 👉 Moderate margin recovery due to softened fuel prices amid constant pressure on cement prices; Better absorption of fixed cost due to high operating leverage

- 👉 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



👉 During 2QFY24, the sale volume is higher by 38% YoY & by 7% compared to 1QFY24

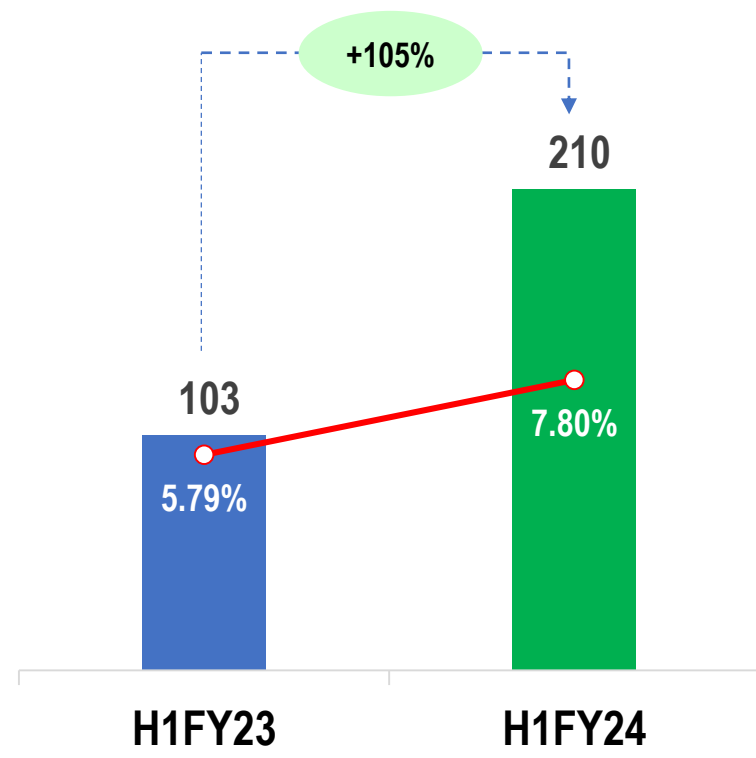
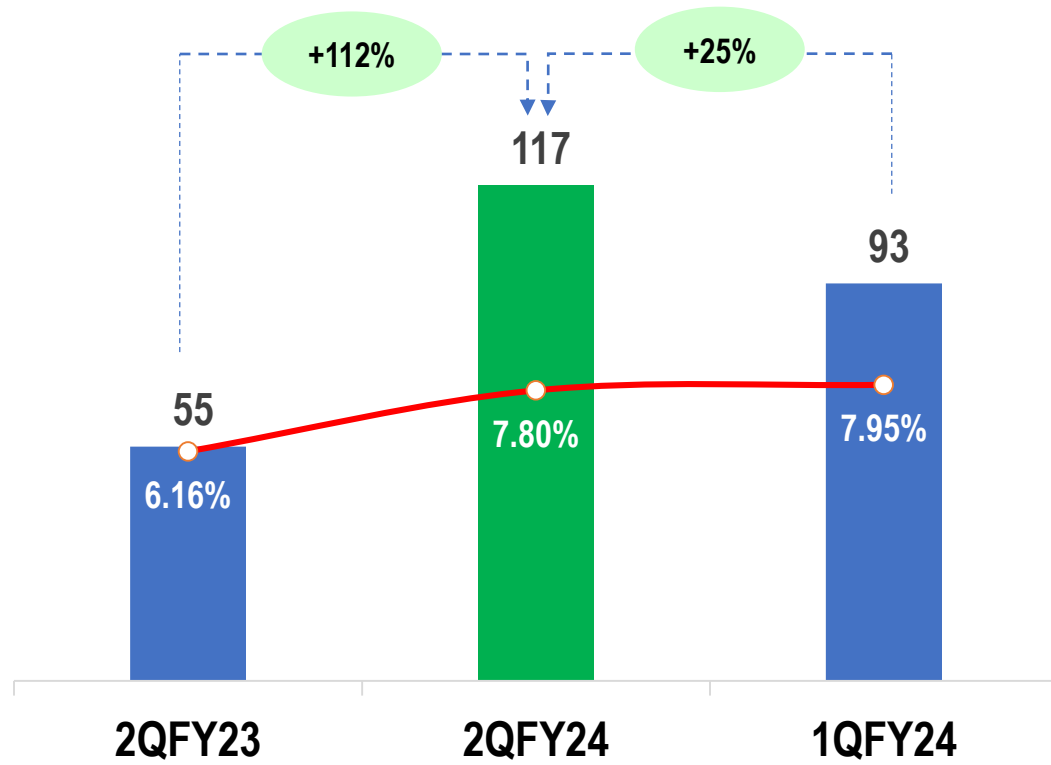
👉 Power and fuel cost down by ₹ 229 / Ton in H1 YoY; ₹ 631 / Ton in 2Q YoY

👉 Share of premium products improved to 28% in 2QFY24 / H1FY24

👉 Rupee depreciation by 5% impacted the fuel price

👉 Fixed cost absorption was comparatively better due to improved operating leverage

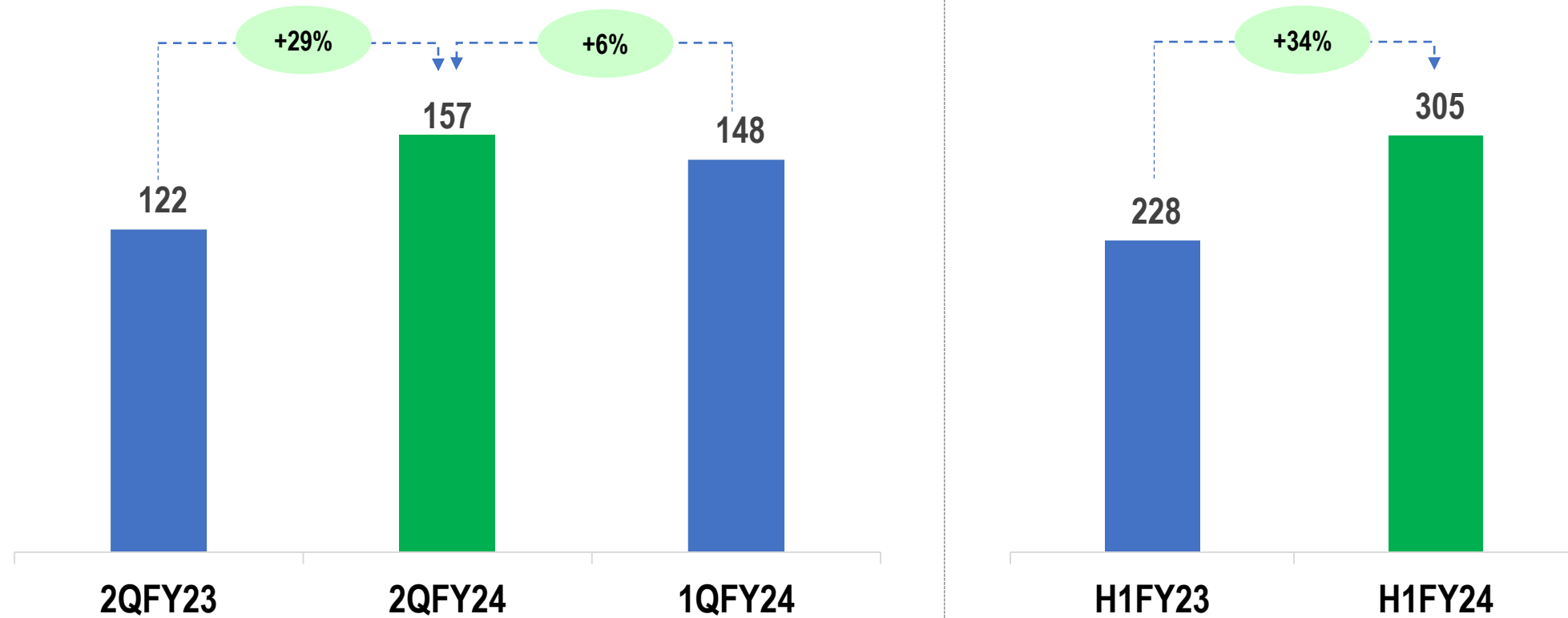
👉 Levy of Busy season surcharge by railways upto Jul 2023 impacted the margin



- 👉 Finance cost increased due to commissioning of units in Kolimigundla, R R Nagar Line III and 2 Dry Mortar Plants
- 👉 Due to hike in repo rates, effective rate of interest has gone from 6.16% to 7.80% YoY for 2QFY24; from 5.79% to 7.80% YoY for H1FY24

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 H1FY24

₹ in Crores



Standalone			Particulars	Consolidated		
H1FY24	H1FY23	Variance %		H1FY24	H1FY23	Variance %
4,591.77	3,572.59	29% ▲	Revenue	4,606.04	3,586.25	28% ▲
3,830.34	3,072.38	25% ▲	Less: Operating Expenses	3,838.19	3,082.32	25% ▲
761.43	500.21	52% ▲	EBITDA	767.85	503.93	52% ▲
209.91	102.53	105% ▲	Less: Finance Costs	209.91	102.53	105% ▲
305.29	227.96	34% ▲	Less: Depreciation	312.46	228.80	37% ▲
246.23	169.72	45% ▲	Profit Before Tax	245.48	172.60	42% ▲
13.83	11.23	23% ▲	Less: Current Tax Expenses	15.79	13.03	21% ▲
52.19	34.75	50% ▲	Less: Deferred Tax Expenses	50.20	34.08	47% ▲
180.21	123.74	46% ▲	Profit After Tax	179.49	125.49	43% ▲
190.61	123.54	54% ▲	Total Comprehensive Income	219.07	115.17	90% ▲

Income Statement for 2QFY24

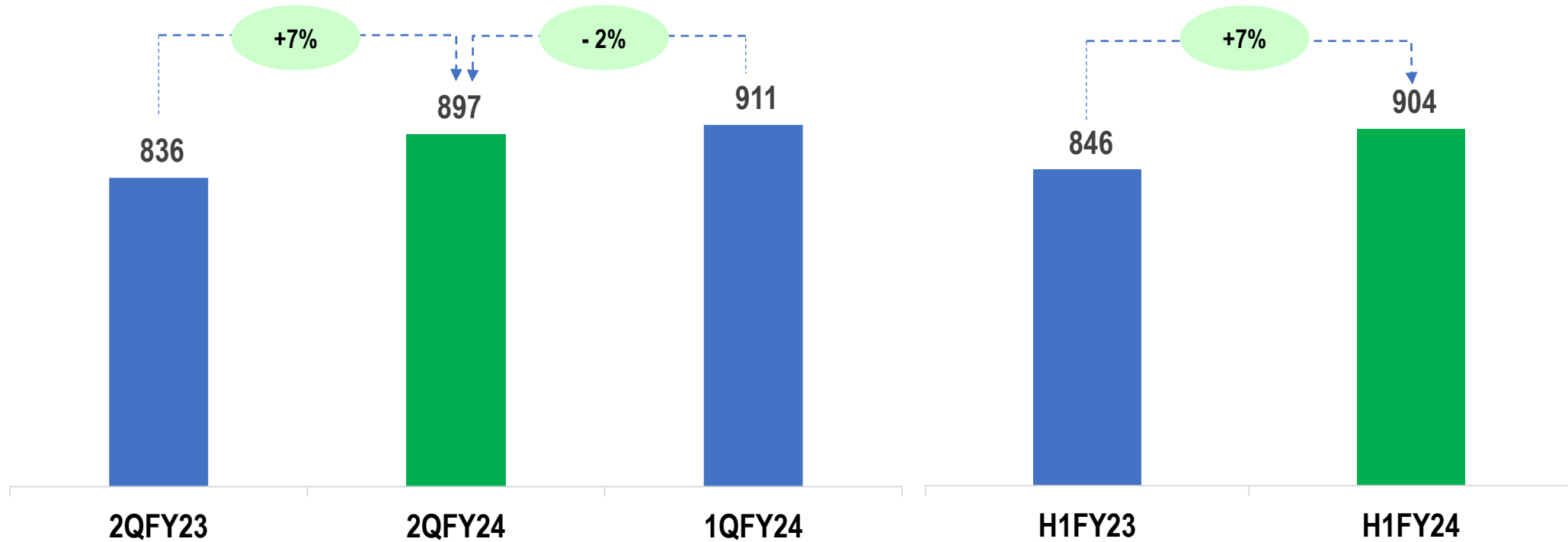
₹ in Crores



Standalone			Particulars	Consolidated		
2QFY24	2QFY23	Variance %		2QFY24	2QFY23	Variance %
2,342.79	1,793.20	31% ▲	Revenue	2,352.09	1,800.61	31% ▲
1,930.71	1,600.55	21% ▲	Less: Operating Expenses	1,934.99	1,606.02	20% ▲
412.08	192.65	114% ▲	EBITDA	417.10	194.59	114% ▲
116.52	55.05	112% ▲	Less: Finance Costs	116.52	55.05	112% ▲
157.40	121.58	29% ▲	Less: Depreciation	162.75	121.99	33% ▲
138.16	16.02	762% ▲	Profit Before Tax	137.83	17.55	685% ▲
8.10	(-) 7.63	- ▲	Less: Current Tax Expenses	9.57	-6.32	- ▲
28.76	12.18	136% ▲	Less: Deferred Tax Expenses	27.41	11.65	135% ▲
101.30	11.47	783% ▲	Profit After Tax	100.85	12.22	725% ▲
111.31	11.71	851% ▲	Total Comprehensive Income	143.28	5.16	- ▲

Cost of raw materials per ton

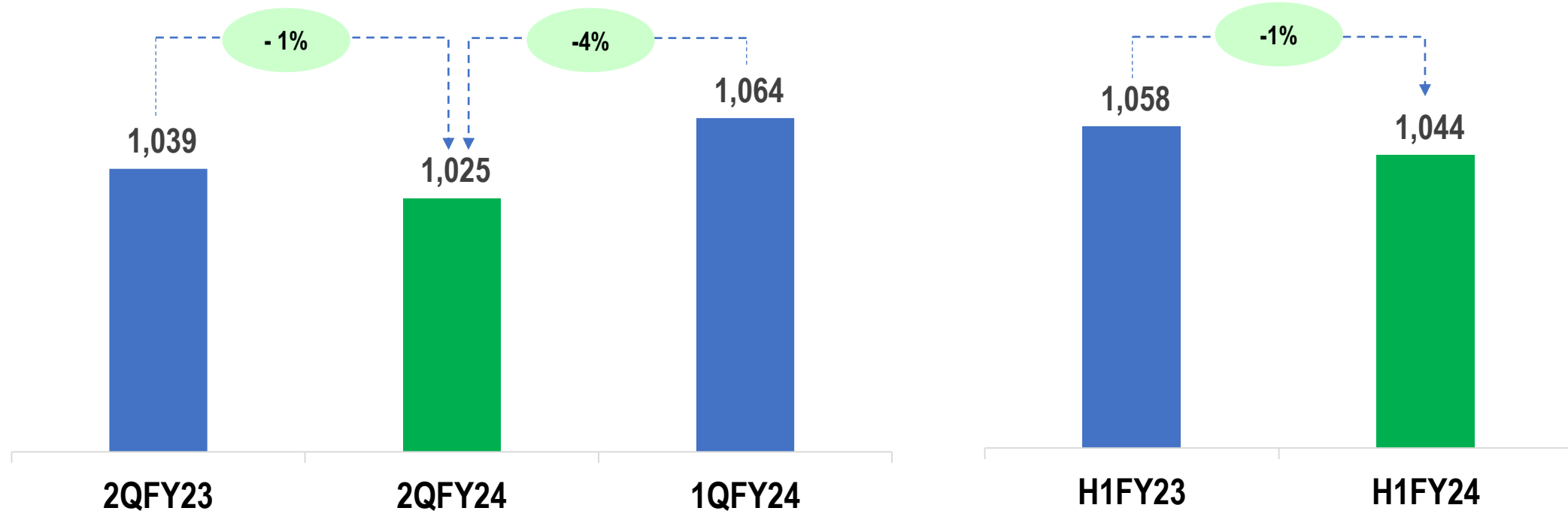
In ₹



- 👉 Decrease in Diesel price by 2% in H1FY24 YoY
- 👉 Levy of Busy season surcharge by railways upto July 2023 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 ₹

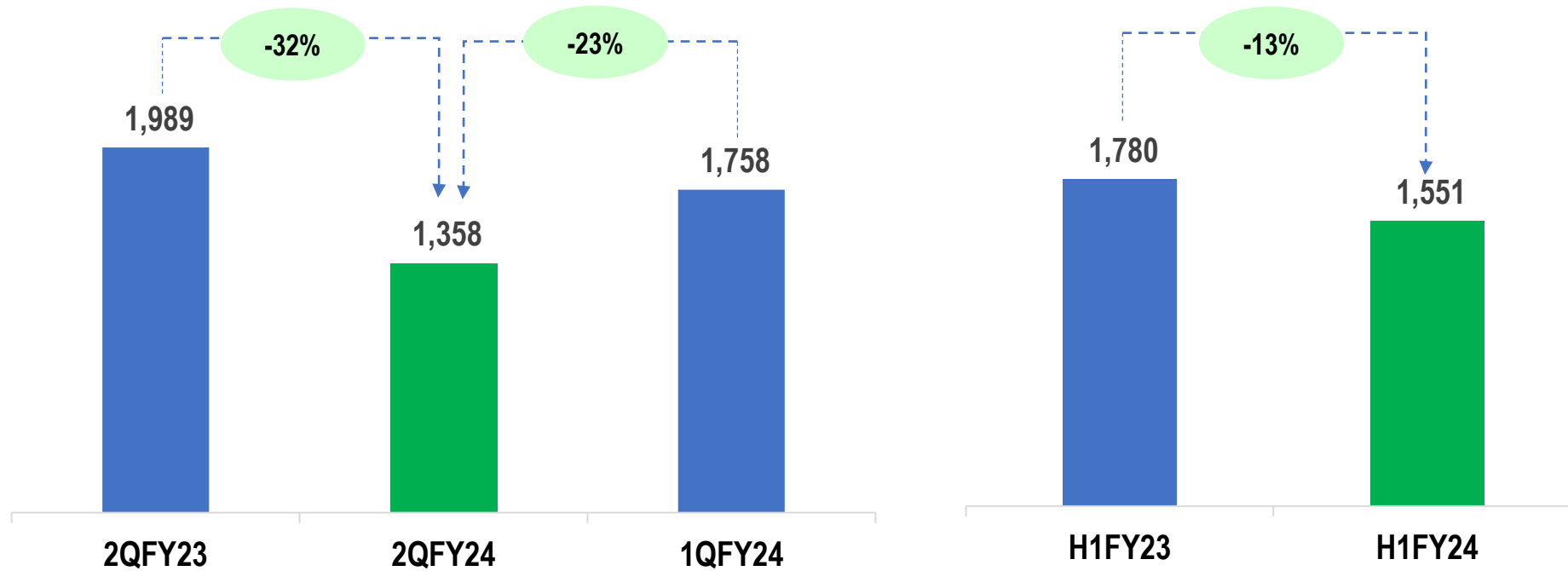


- 👉 Rail Co-efficient for cement despatches 2QFY24 is 7% vs. 9% in 2QFY23 & 7% in 1QFY24
- 👉 Avg. lead distance for 2QFY24 is 259 KMs vs 279 KMs in 2QFY23 & 274 KMs in 1QFY24

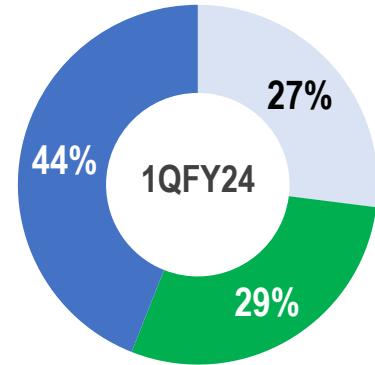
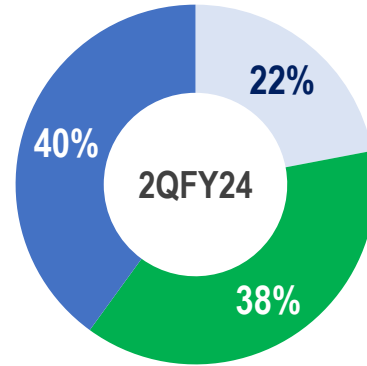
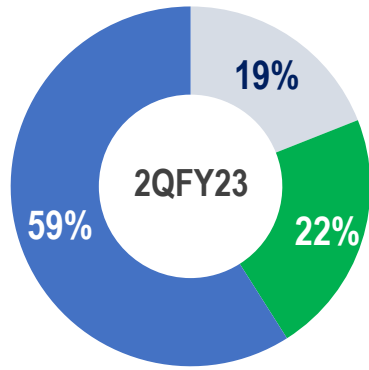
- 👉 Rail Co-efficient for cement despatches H1FY24 is 7% vs. 11% in H1FY23
- 👉 Avg. lead distance for H1FY24 is 266 KMs vs 290 KMs in H1FY23
- 👉 Impact on levy of busy season charge up to July 2023 is offset by reduction in lead distance

Power and Fuel Cost per ton

In ₹

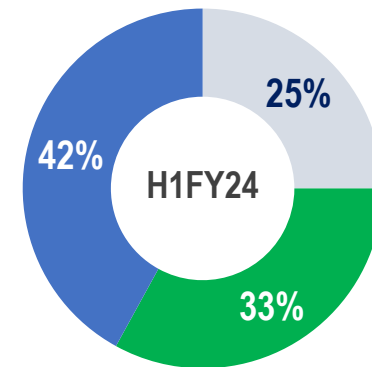
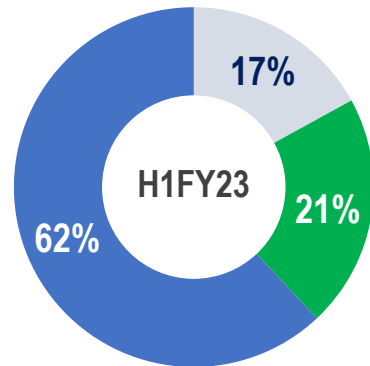


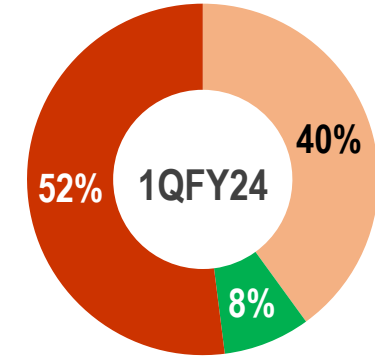
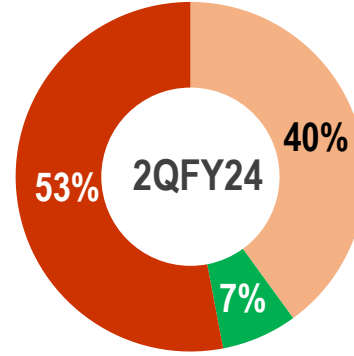
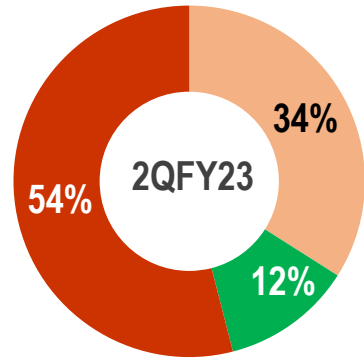
- 👉 Blended Fuel consumption (incl. TPP) per T of material: 2QFY24: \$ 148; 2QFY23: \$ 199; 1QFY24: \$ 170; H1FY24: \$ 158; H1FY23: \$ 181
- 👉 Blended Fuel cost per Kcal: 2QFY24: ₹ 1.75; 2QFY23: ₹ 2.58; 1QFY24: ₹ 2.03; H1FY24: ₹ 1.90; H1FY23: ₹ 2.31
- 👉 Captive usage of Wind energy contributed for reduction in overall power cost from 2QFY24
- 👉 Rupee depreciation by 5% had an inflationary effect on fuel cost



■ Grid power ■ Green Power ■ Thermal Power

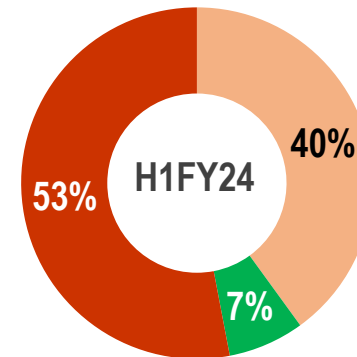
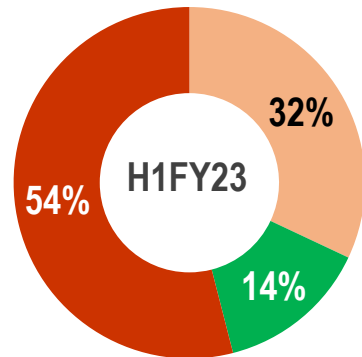
Share of Green Power is expected to reach 40% in FY24 & 45% in FY25





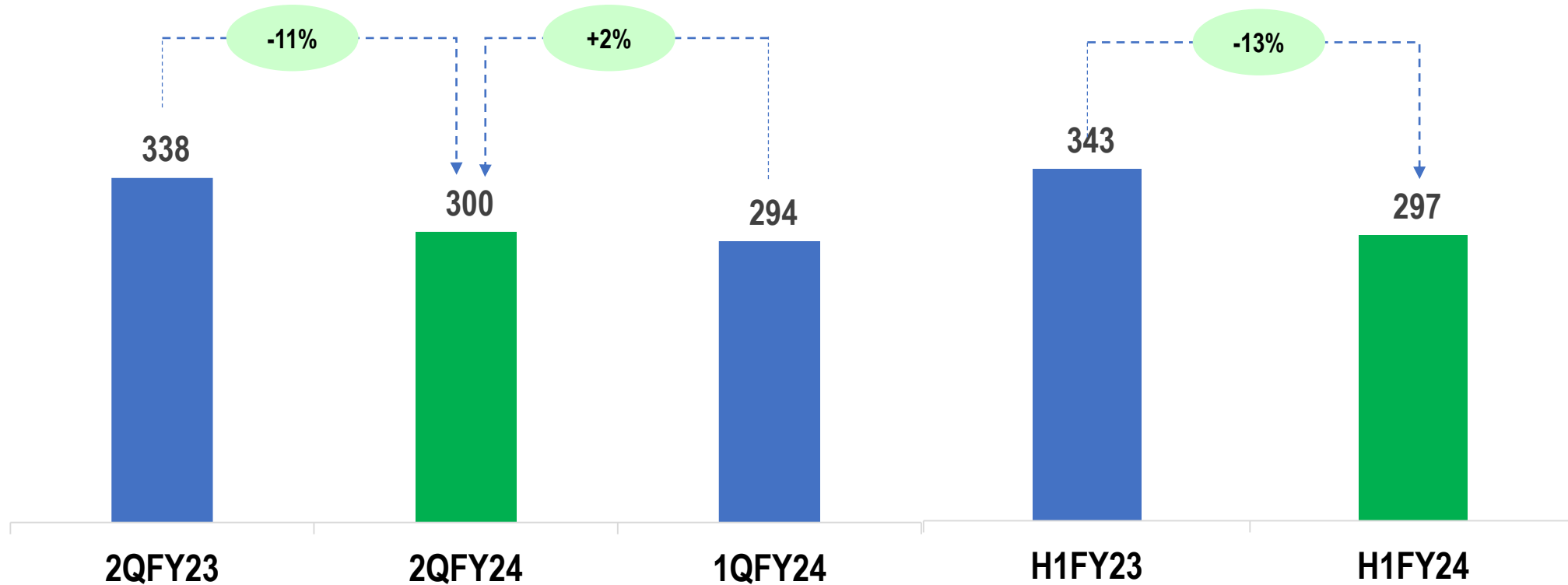
■ Coal ■ Alternate Fuel ■ Pet coke

Optimal usage of fuel based on Cost per CV



Employee Cost per ton

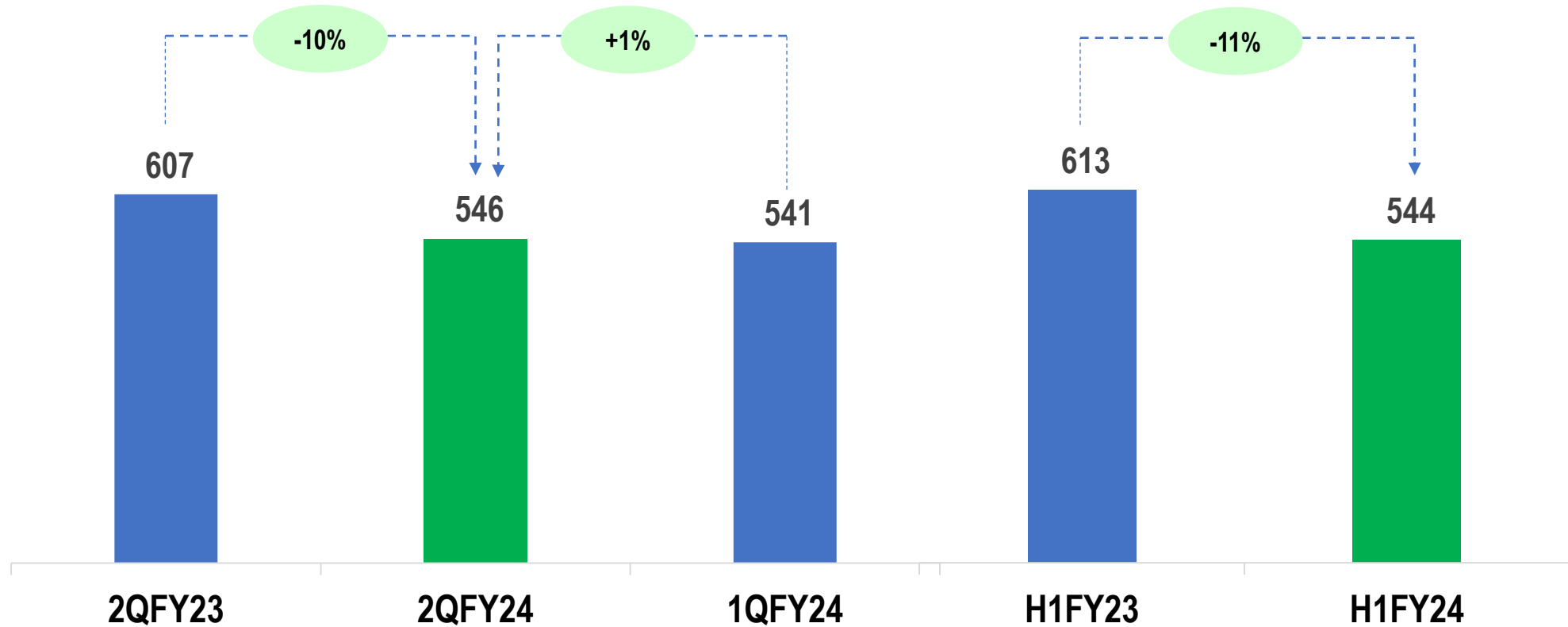
In ₹



Better absorption of employee cost is due to improved operating leverage

Other Expenditure per ton

In ₹



Better absorption of fixed expenses is due to improved operating leverage

Summarized Financial Position

₹ in Crores



Standalone		Particulars	Consolidated	
30-09-2023	31-03-2023		30-09-2023	31-03-2023
13,045.50	12,161.61	Fixed Assets including CWIP	13,058.46	12,181.86
216.33	202.31	Investments	316.96	272.70
638.58	637.08	Loans and Advances	625.94	621.14
1,057.47	882.34	Inventories	1,058.58	883.61
474.11	464.96	Trade Receivables	475.37	465.10
116.25	168.59	Cash and Bank Balances	120.02	170.33
15,548.24	14,516.89	Total Assets	15,655.63	14,594.74
23.63	23.63	Equity Share Capital	23.63	23.63
6,913.20	6,769.90	Reserves & Surplus, including NCI	7,016.18	6,844.43
5,044.31	4,487.42	Borrowings	5,044.31	4,487.42
975.60	928.51	Deferred Tax Liabilities, net	974.70	927.43
829.28	643.83	Trade Payables	830.54	638.58
114.67	93.32	Provisions	116.09	94.30
1,647.55	1,570.28	Other Current / Non-current Liabilities	1,650.18	1,578.95
15,548.24	14,516.89	Total Equity and Liabilities	15,655.63	14,594.74

Summarized Cash flow

₹ in Crores



Particulars	30-09-2023	30-09-2022
Operating Profit	761.43	500.21
Changes in working capital	52.38	(-) 409.39
Direct Tax paid	(-) 9.14	(-) 28.98
Others	4.49	4.73
Net cash flow from Operating Activities	809.16	66.57
Capital Expenditure	(-) 1,224.51	(-) 985.64
Others including loans repaid by subsidiaries / associates	12.17	64.94
Net cash flow used in Investing Activities	(-) 1,212.34	(-) 920.70
Increase in Borrowings	540.38	867.64
Interest / Dividend payments	(-) 203.65	(-) 131.78
Net cash flow from Financing Activities	336.73	735.86
Net decrease in Cash and Bank Balances	(-) 66.45	(-) 118.27

Operating cash flow improved due to increase in operating leverage and softened fuel price; Release of working capital

Capex incurred for Kolimigundla Integrated unit, RR Nagar Line III, DMP, Mining Land acquisition & general capex

To meet part funding of Capital Expenditure

Based on Standalone figures

Key Ratios



Particulars	UOM	2QFY24	2QFY23	1QFY24	H1FY24	H1FY23
EBITDA Ratio	%	18%	11%	16%	17%	14%
PBT Ratio	%	6%	1%	5%	5%	5%
PAT Ratio	%	4%	1%	4%	4%	3%
EPS, Not Annualized	₹	4	-	3	7	5
RoE, Annualized	%	6%	1%	5%	6%	4%
RoCE (Post-tax), Annualized	%	8%	2%	6%	7%	4%
Debt-Equity Ratio	Multiples	0.73	0.73	0.65	0.73	0.73
Debt Service Cover Ratio, Annualized	Multiples	1.14	0.82	1.99	1.42	1.20
Interest Service Cover Ratio	Multiples	1.85	0.88	1.78	1.82	1.71
Current Ratio	Multiples	1.02	1.20	1.06	1.02	1.20
Net Debt / EBITDA	Multiples	3.01	6.15	3.15	3.26	4.74



Ratios computed based on Standalone figures

Capex update & Borrowings

Capex update for the half-year ended 30-9-2023

- 👉 Acquired Limestone bearing lands in the states of Andhra Pradesh and Karnataka for long term augmentation of mining reserves which is a continuous process.
- 👉 In Kolimigundala, 3 MW of WHRS commissioned during August. 2023. TPP of 18 MW will be commissioned during December 2023 and railway siding will be commissioned during June 2024
- 👉 Expansion of Dry Mortar Plant: 2 units in AP & Odisha will be commissioned during December 2023.
- 👉 Odisha Grinding Unit Line II with cement capacity of 0.9 MTPA is expected to commission during January 2024.

Capex incurred during H1FY24: ₹ 1,225 Crores

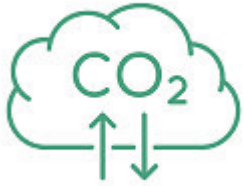
Borrowings as on 30-09-2023

Particulars	₹ in Crores
Interest-bearing Borrowings	
- Long Term Debt	4,550.62
- Short Term Debt	374.13
Interest Free / Soft Loans	119.56
Gross Debt	5,044.31
Less: Cash and Cash Equivalents	78.33
Net Debt	4,965.98

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



69%

Water Positive



3.8x

Green energy



38%

CSR



80,000 + Beneficiaries

Firm and Focussed for a sustainable future

Based on 2QFY24 figures

Awards & Accolades



Ariyalur, R R Nagar and Jayanthipuram plants bagged 'Excellent Energy Efficient Unit Award' at the 24th National Award for Excellence in Energy Management conducted by Confederation of Indian Industry in Hyderabad

Awards & Accolades



Ariyalur unit bagged an award in CII-SR Industrial Water / Waste Management Competition conducted by Confederation of Indian Industry in Chennai



R R Nagar unit won the first prize in the Overall Performance in A - Class mines Category and Second prize in B-Class mines Category in the 63rd Mines Safety Observance week 2023 organized by Tamil Nadu Mines Safety Association

Awards & Accolades



Ariyalur Unit & Salem Unit bagged Gold award in various categories at the Coimbatore Chapter Quality Circle Convention, conducted by Quality Circle Forum of India, Coimbatore Chapter at Kodaikkanal



**Wind Farm Division received 'Best Performing Wind Farm Awards' from IWPA
for the year 2022-23**

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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