

THE RAMCO CEMENTS LIMITED

Corporate Office :

Auras Corporate Centre, V Floor,
98-A, Dr. Radhakrishnan Salai, Mylapore,
Chennai - 600 004, India.

Tel : +91 44 2847 8666 Fax : +91 44 2847 8676

Website : www.ramcocements.in

Corporate Identity Number : L26941TN1957PLC003566

8 February 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 nine months ended 31.12.2023, being shared at the Investors' Meets.

Thanking you,

Yours faithfully,

For **THE RAMCO CEMENTS LIMITED,**

K.SELVANAYAGAM
SECRETARY

Encl : As above

INNOVATE
DIFFERENTIATE
SUSTAINABLE

FOR A
BETTER
TOMORROW



The Ramco Cements Limited
Investor Update for 3QFY24

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**



- Indian economy is expected to grow by a robust 7.3% in FY24 over and above the growth rate of 7.2% during the last financial year.
- Repo Rate remain unchanged at 6.5%; Manufacturing PMI Index softened in Dec 2023, but remains well above its long term average
- Indian Rupee exhibited lower volatility compared to other Emerging Market Economies (EMEs) in 2023 amid elevated US treasury yields and a stronger USD.



- The Interim Budget for FY25 proposed three corridors, including a corridor for energy, mineral, and cement to improve operations of passenger trains, decongest logistics.
- Manufacturing sector gained strength with easing input cost pressures, pick up in demand conditions and rabi food grains production.
- Despite the short-term setbacks caused by unprecedented historic rainfall in TN / AP, the upcoming quarters holds promise for heightened cement demand, driven by post-disaster reconstruction activities



- The protracted geopolitical turmoil, volatility in global financial markets and growing geo-economic fragmentations, pose risks to the outlook.
- Domestic food inflation unpredictability, volatility in crude oil prices and financial markets in an uncertain international environment and adverse impact of El Nino or climate related weather vagaries pose risks to the overall inflation outlook
- Continuous softening of fuel prices; Stability of cement prices

TRCL's Market update for 3QFY24

South

- Volume from B2C & B2B have grown YoY
- Share of premium products in 3QFY24: 29%; 3QFY23: 30%
- Demand affected by extreme heavy rainfall in TN / AP due to Cyclone Michaung
- Margins were under pressure due to weak prices
- Volume share for 3QFY24: 75%; 3QFY23: 76%

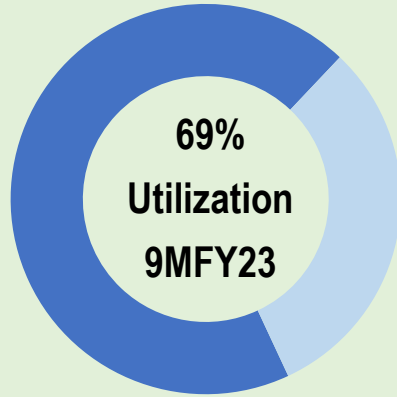
East

- Volume from B2C grown marginally & B2B remained flat YoY
- Share of premium products in 3QFY24: 20%; 3QFY23:16%
- Demand affected due to festival holidays
- Weak prices prevailed in all the markets
- Volume share for 3QFY24: 25%; 3QFY23: 24%

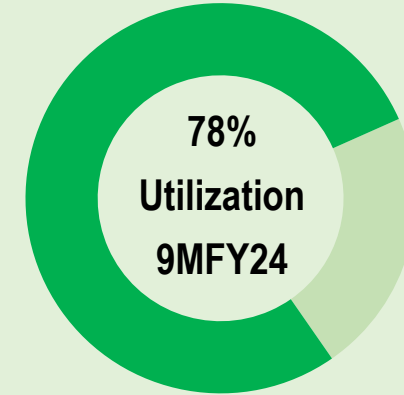
- ✓ **Company's strategy of right cement for right applications goes from strength to strength**
- ✓ **The company continue to focus on this to make its brand more stronger**

Sales & Capacity utilization for 9MFY24

Cement Capacity Utilization %

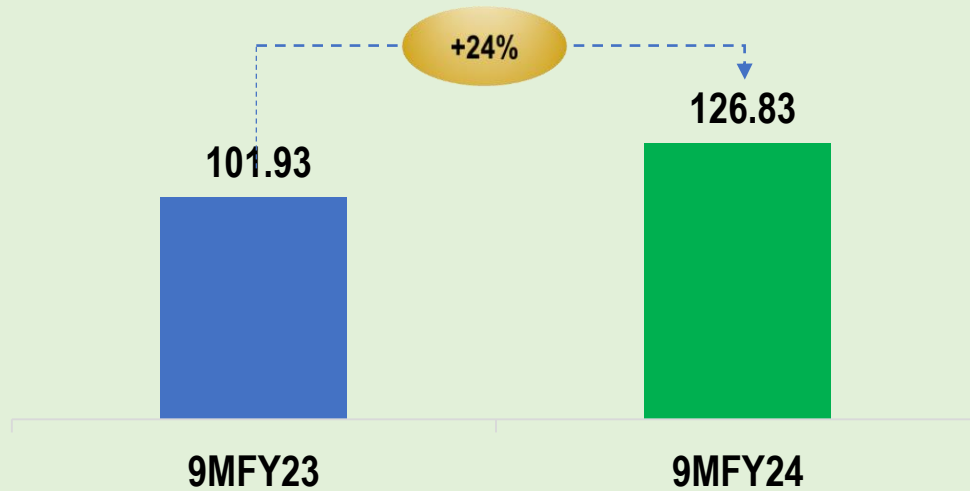


9MFY23: OPC 28%; B2B 33%

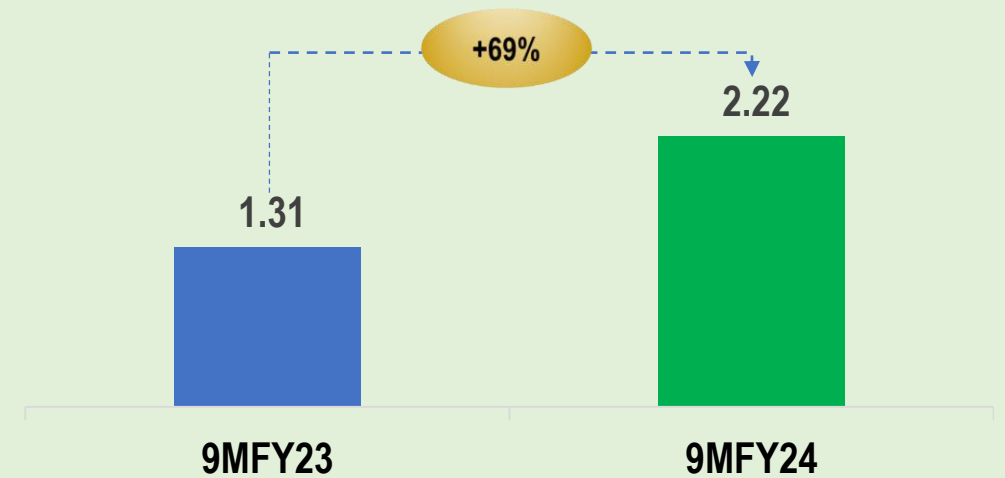


9MFY24: OPC 32%; B2B 35%

Cement Sales (Lac Tons)

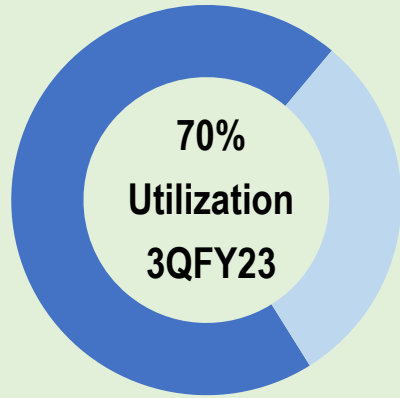


Dry Mortar Sales (Lac Tons)

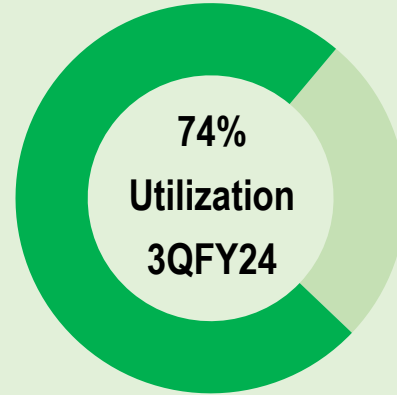


Sales & Capacity utilization for 3QFY24

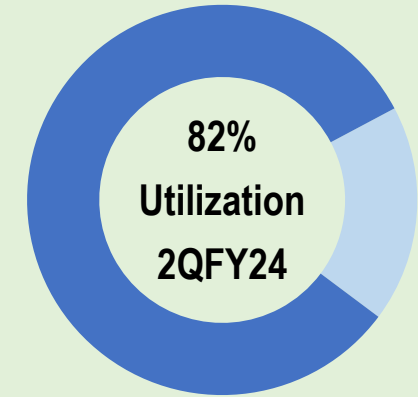
Cement Capacity Utilization %



3QFY23: OPC 32%; B2B 33%

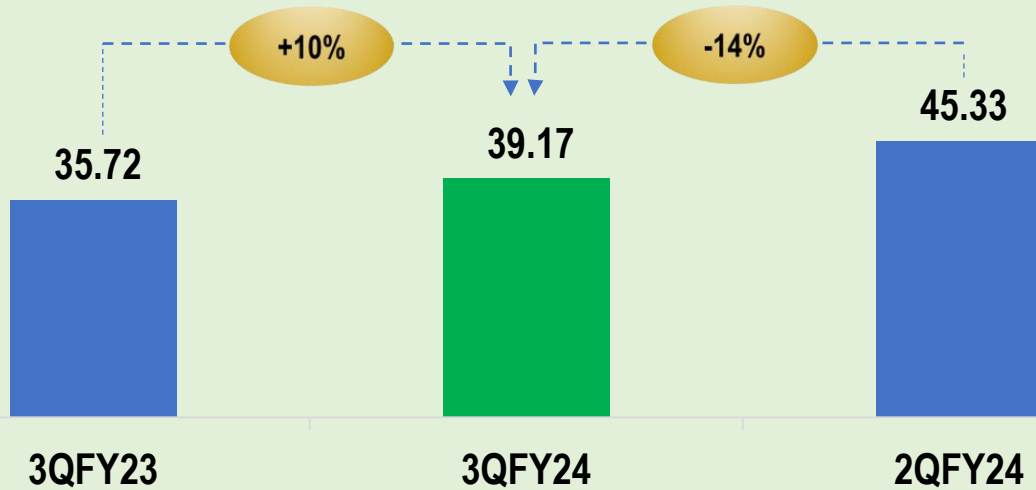


3QFY24: OPC 33%; B2B 36%

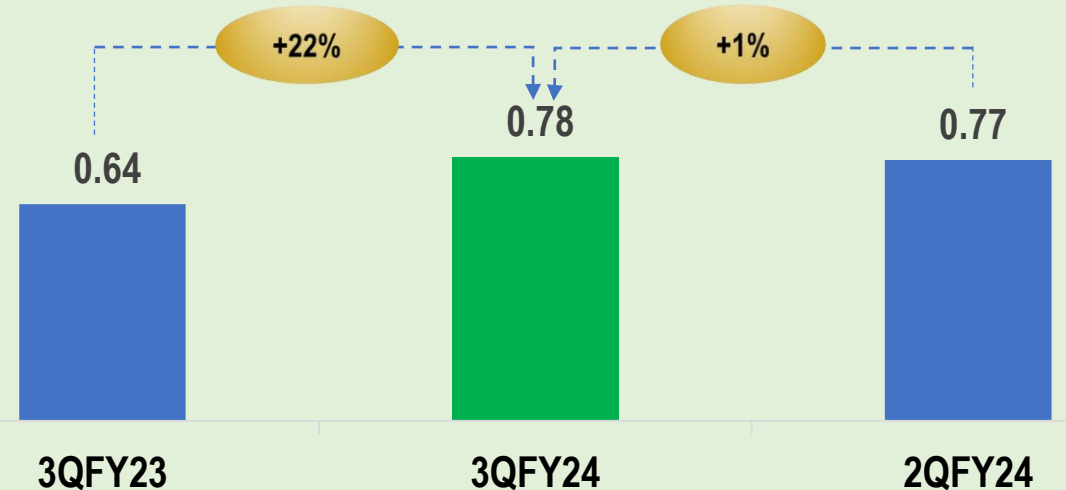


2QFY24: OPC 31%; B2B 33%

Cement Sales (Lac Tons)

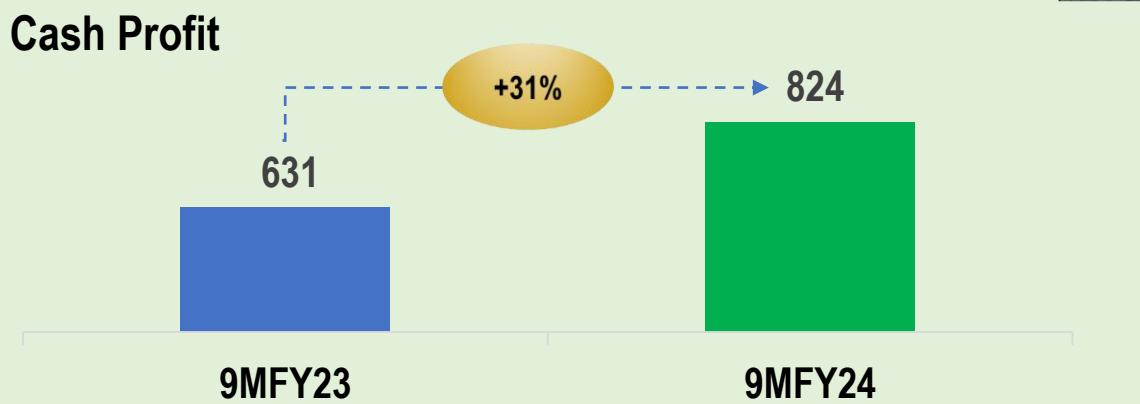
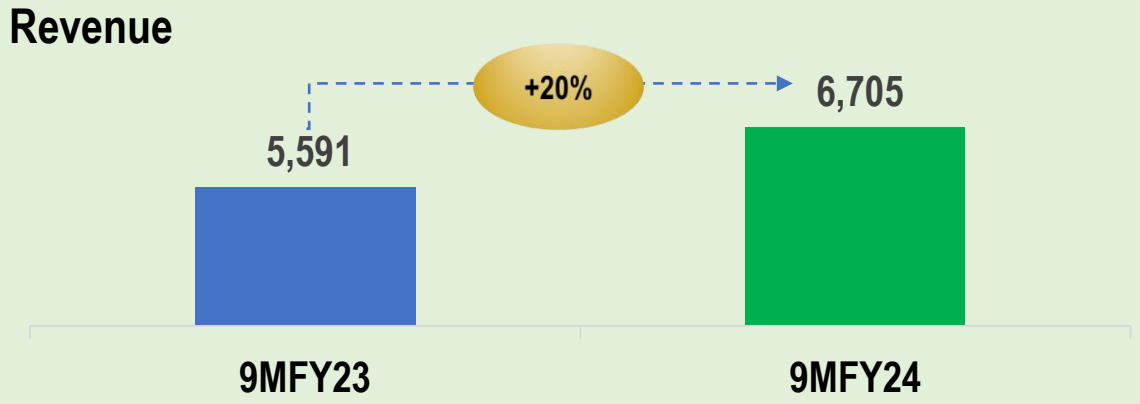


Dry Mortar Sales (Lac Tons)

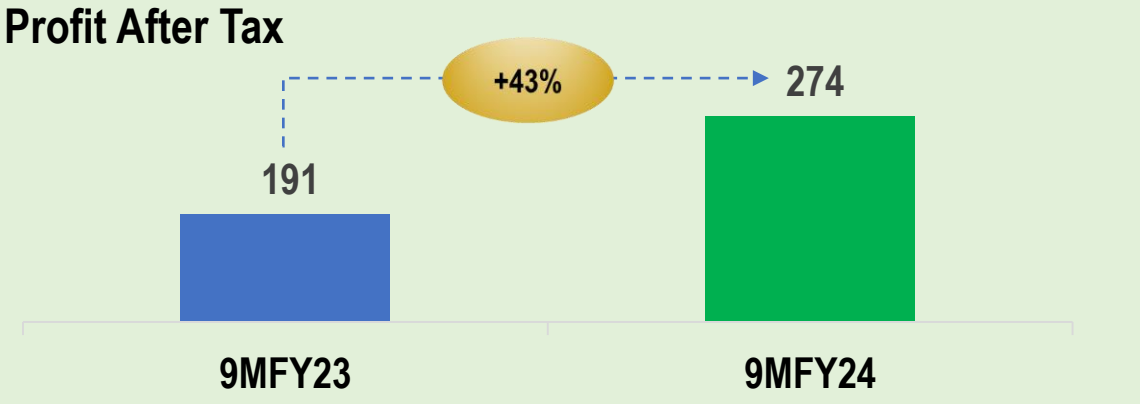
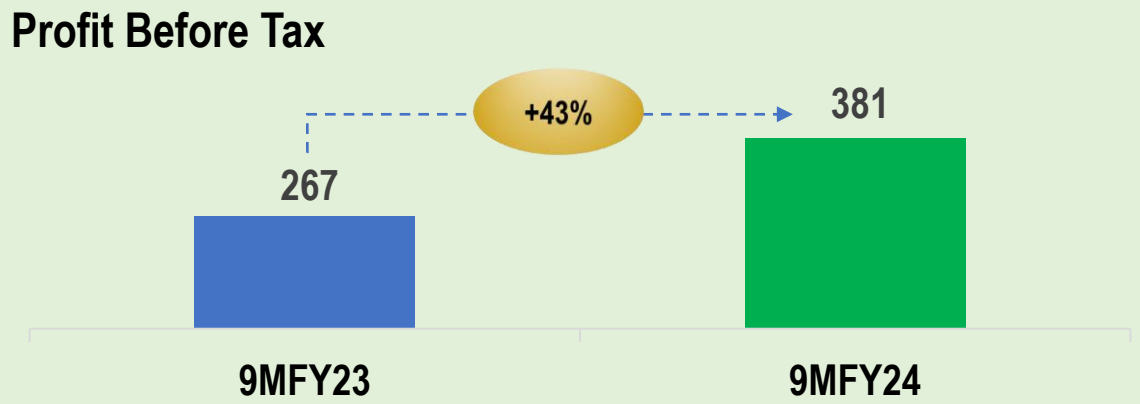


Key Performance for 9MFY24

₹ in Crores



Cash profit = PBT + Depreciation – Current Tax



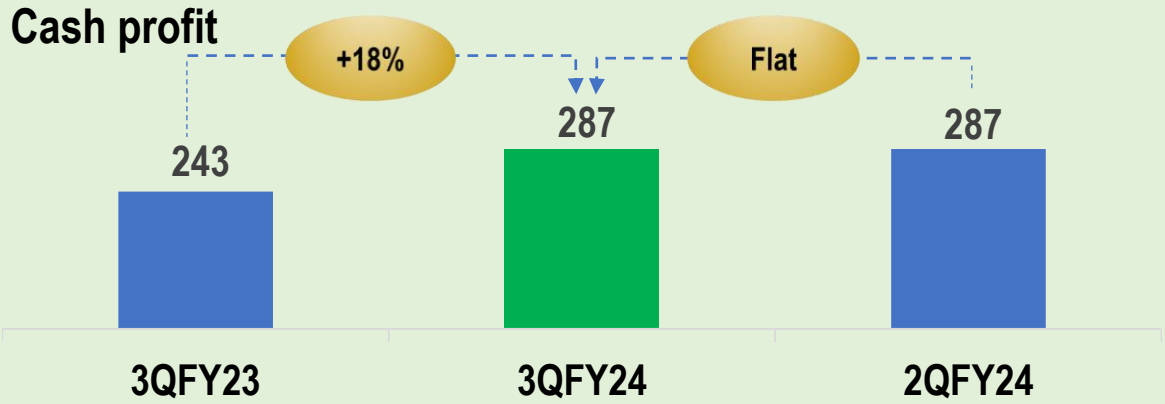
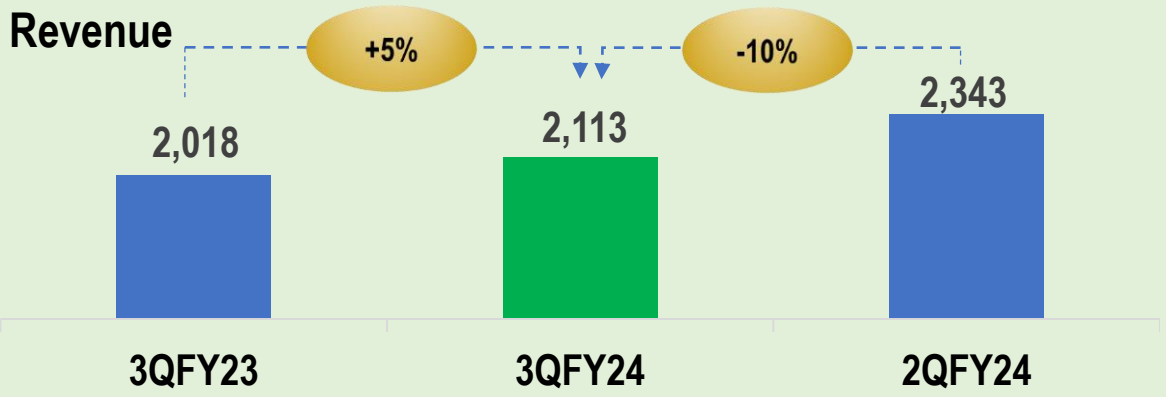
- 👉 Company registered a total sale volume of 12.91 MnT in 9MFY24 with a growth of 25% YoY
- 👉 The Company is not entitled to any tax incentives from any of the state governments hence the entire EBITDA is without any tax incentives

- 👉 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

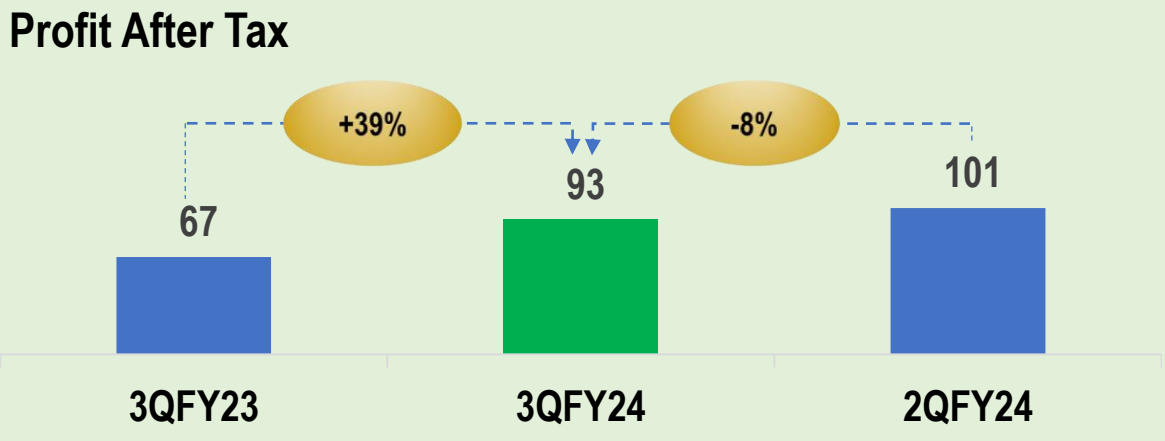
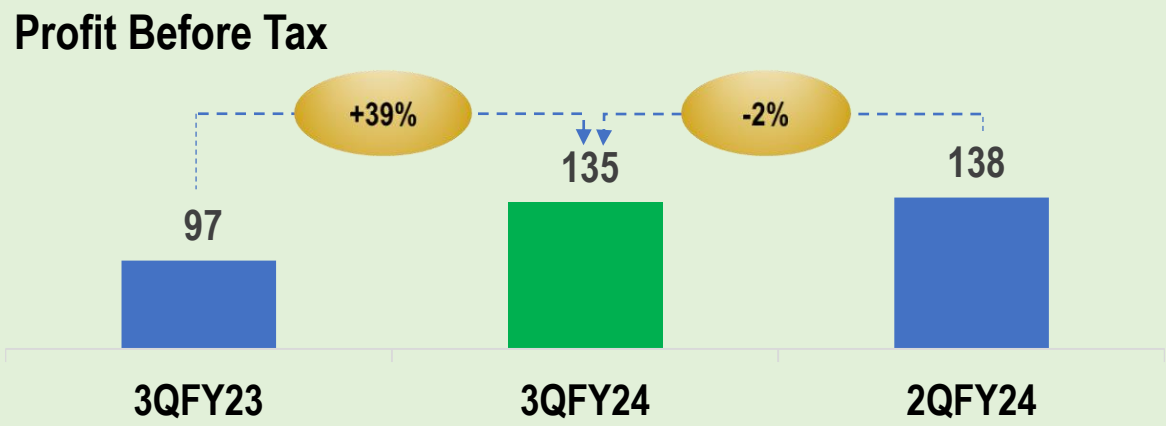


Key Performance for 3QFY24

₹ in Crores



Cash profit = PBT + Depreciation - Current Tax

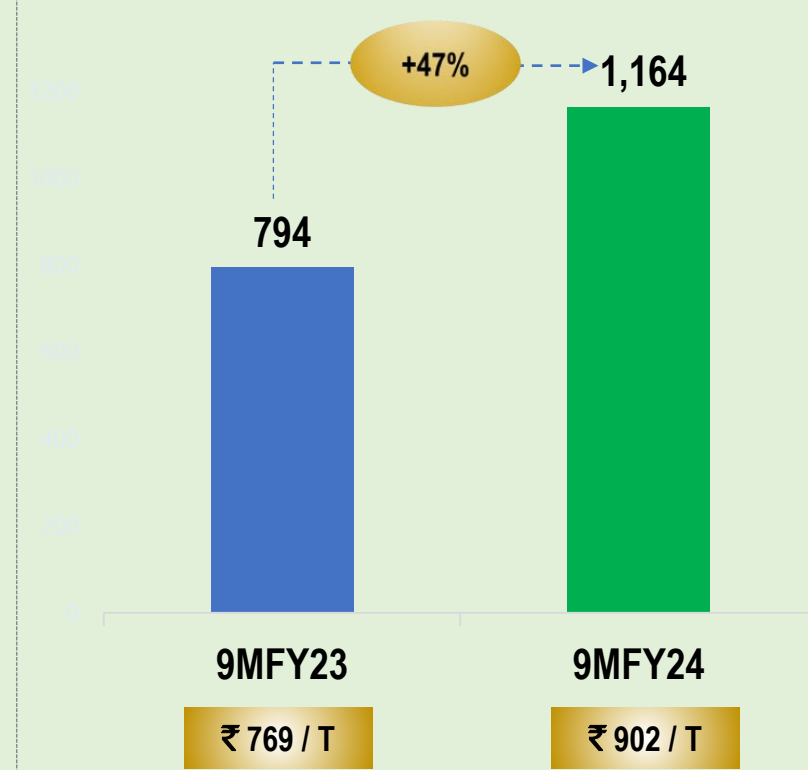
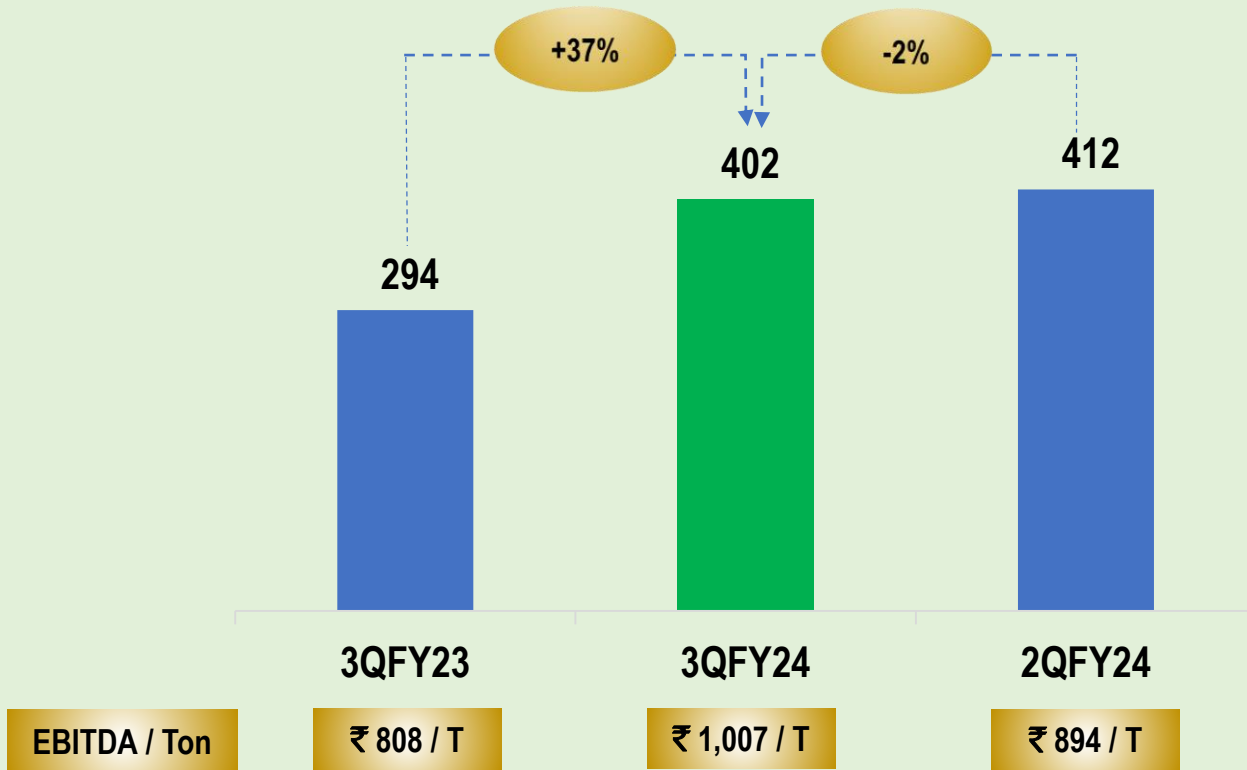


- 👉 Company registered a total sale volume of 4 MnT in 3QFY24 with a growth of 10% YoY
- 👉 Moderate margin recovery due to softened fuel prices amid constant pressure on cement prices

- 👉 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

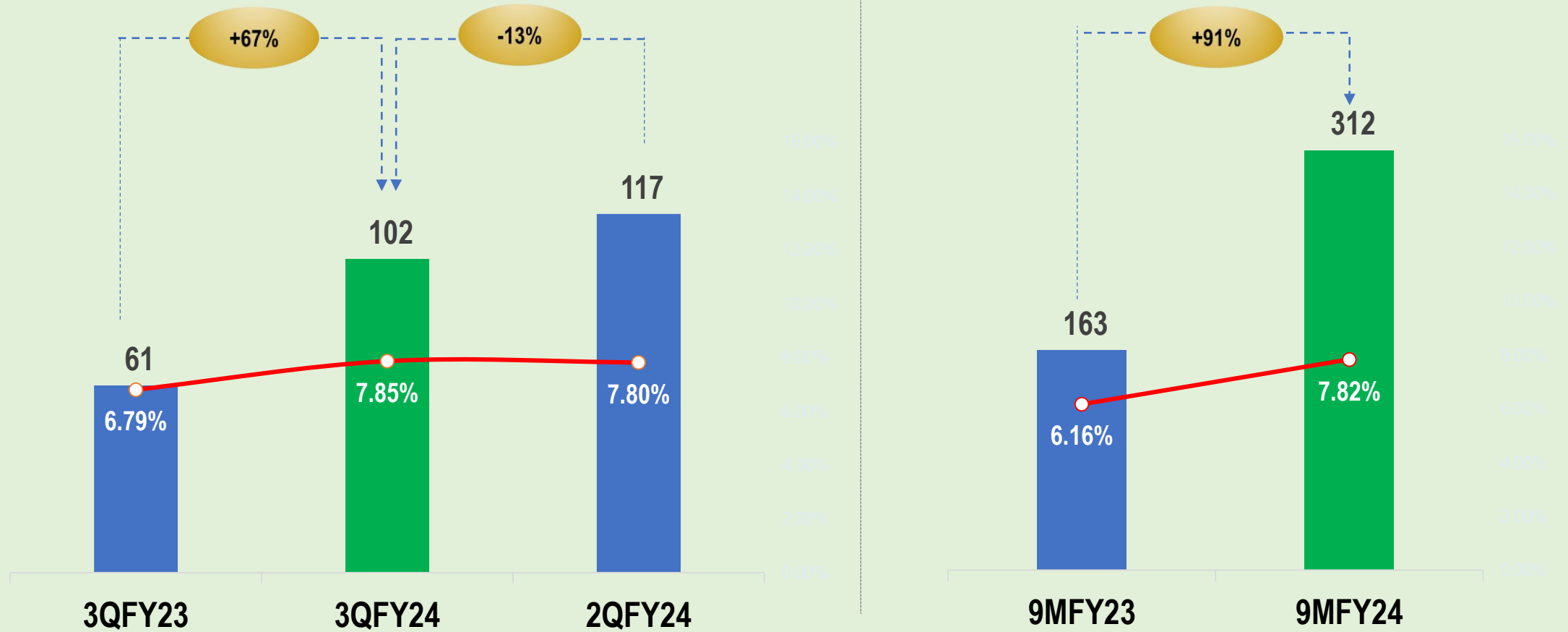


- 👉 During 3QFY24, total sale volume is higher by 10% YoY & down by 13% compared to 2QFY24
- 👉 Power and fuel cost down by ₹ 333 / Ton in 9M YoY; ₹ 543 / Ton in 3Q YoY
- 👉 Share of premium products improved to 27% in 3QFY24 / 9MFY24

- 👉 Rupee depreciation by 4% during 9MFY24 impacted the fuel price
- 👉 Fixed cost absorption was relatively better in 9M due to improved operating leverage yet for the quarter, this benefit contracts due to lower volume
- 👉 Levy of Busy season SC by railways impacted the margin

Interest

₹ in Crores

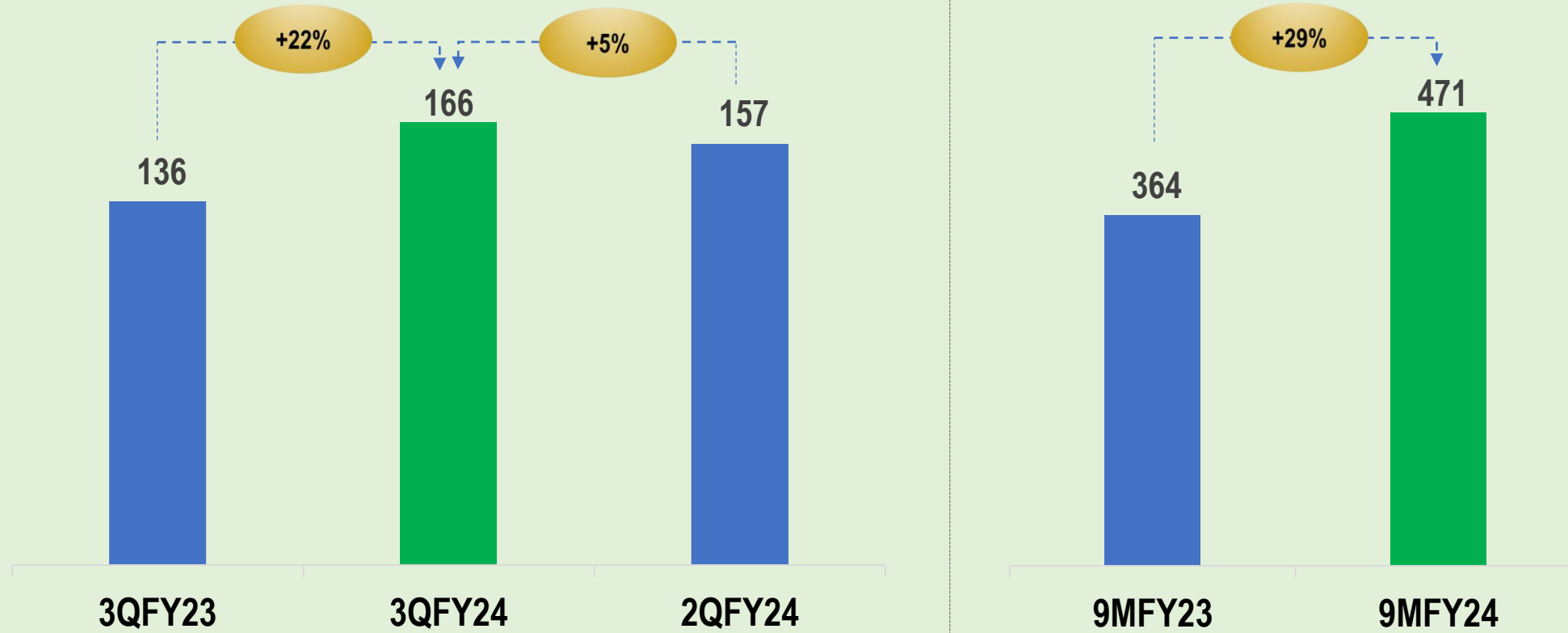


👉 Finance cost increased due to commissioning of units in Kolimigundla, R R Nagar Line III and 2 Dry Mortar Plants

👉 Due to hike in repo rates, effective rate of interest has gone from 6.79% to 7.85% YoY for 3QFY24; from 6.16% to 7.82% YoY for 9MFY24

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 9MFY24

₹ in Crores



Standalone			Particulars	Consolidated		
9MFY24	9MFY23	Variance %		9MFY24	9MFY23	Variance %
6,704.87	5,590.68	20% ▲	Revenue	6,723.43	5,606.62	20% ▲
5,541.09	4,796.50	16% ▲	Less: Operating Expenses	5,552.54	4,810.84	15% ▲
1,163.78	794.18	47% ▲	EBITDA	1,170.89	795.78	47% ▲
311.77	163.37	91% ▲	Less: Finance Costs	311.77	163.37	91% ▲
470.81	363.85	29% ▲	Less: Depreciation	492.23	365.05	35% ▲
381.20	266.96	43% ▲	Profit Before Tax	366.89	267.36	37% ▲
27.35	1.31	- ▲	Less: Current Tax Expenses	28.76	2.69	- ▲
80.26	74.52	8% ▲	Less: Deferred Tax Expenses	74.63	73.56	1% ▲
273.59	191.13	43% ▲	Profit After Tax	263.50	191.11	38% ▲
284.62	191.64	49% ▲	Total Comprehensive Income	302.82	167.79	80% ▲

Income Statement for 3QFY24

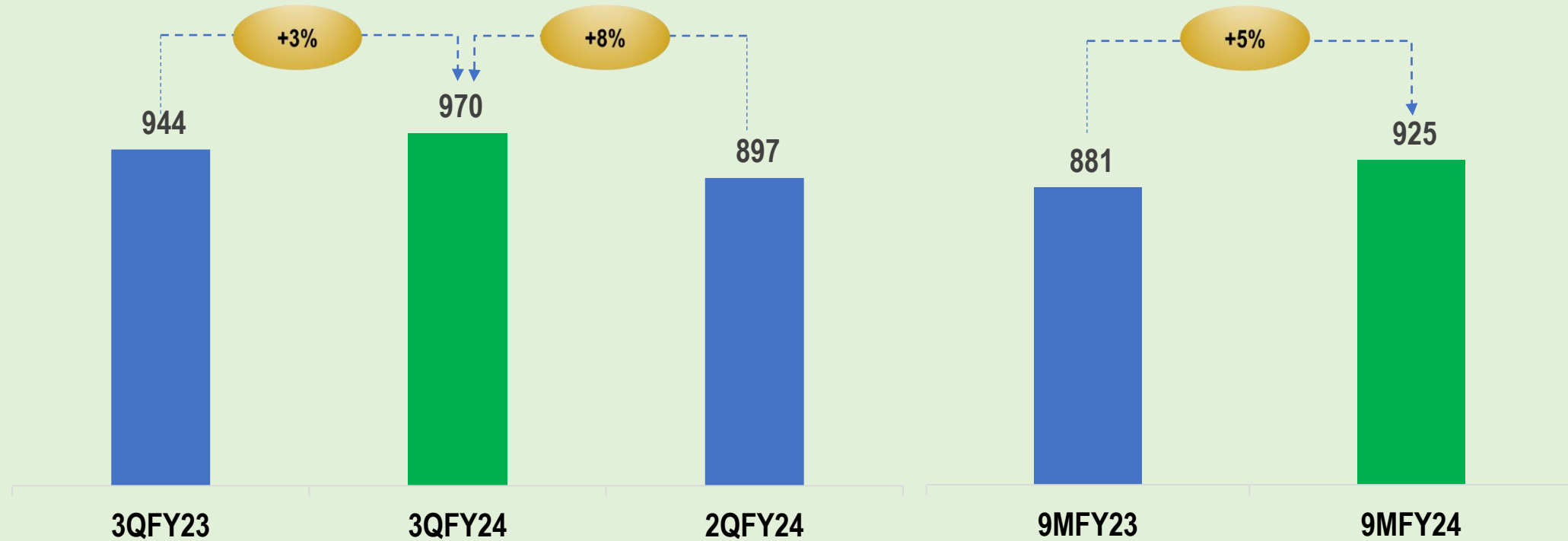
₹ in Crores



Standalone			Particulars	Consolidated		
3QFY24	3QFY23	Variance %		3QFY24	3QFY23	Variance %
2,113.10	2,018.09	5% ▲	Revenue	2,117.39	2,020.37	5% ▲
1,710.75	1,724.12	1% ▼	Less: Operating Expenses	1,714.35	1,728.52	1% ▼
402.35	293.97	37% ▲	EBITDA	403.04	291.85	38% ▲
101.86	60.84	67% ▲	Less: Finance Costs	101.86	60.84	67% ▲
165.52	135.89	22% ▲	Less: Depreciation	179.77	136.25	32% ▲
134.97	97.24	39% ▲	Profit Before Tax	121.41	94.76	28% ▲
13.52	(-) 9.92	- ▲	Less: Current Tax Expenses	12.97	-10.34	- ▲
28.07	39.77	29% ▼	Less: Deferred Tax Expenses	24.43	39.48	38% ▼
93.38	67.39	39% ▲	Profit After Tax	84.01	65.62	28% ▲
94.01	68.10	38% ▲	Total Comprehensive Income	83.75	52.62	59% ▲

Cost of raw materials per ton

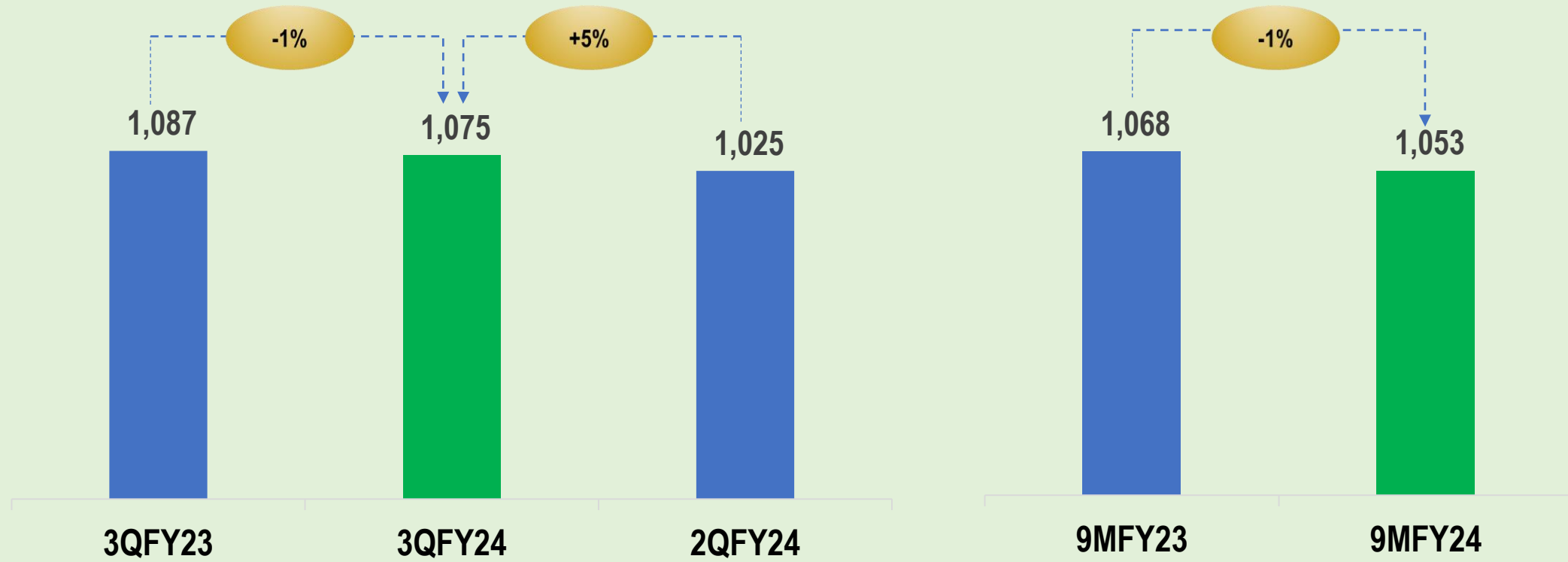
In ₹



- 👉 Decrease in Diesel price by 1% in 9MFY24 YoY; Remain Neutral for 3QFY24 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 ₹

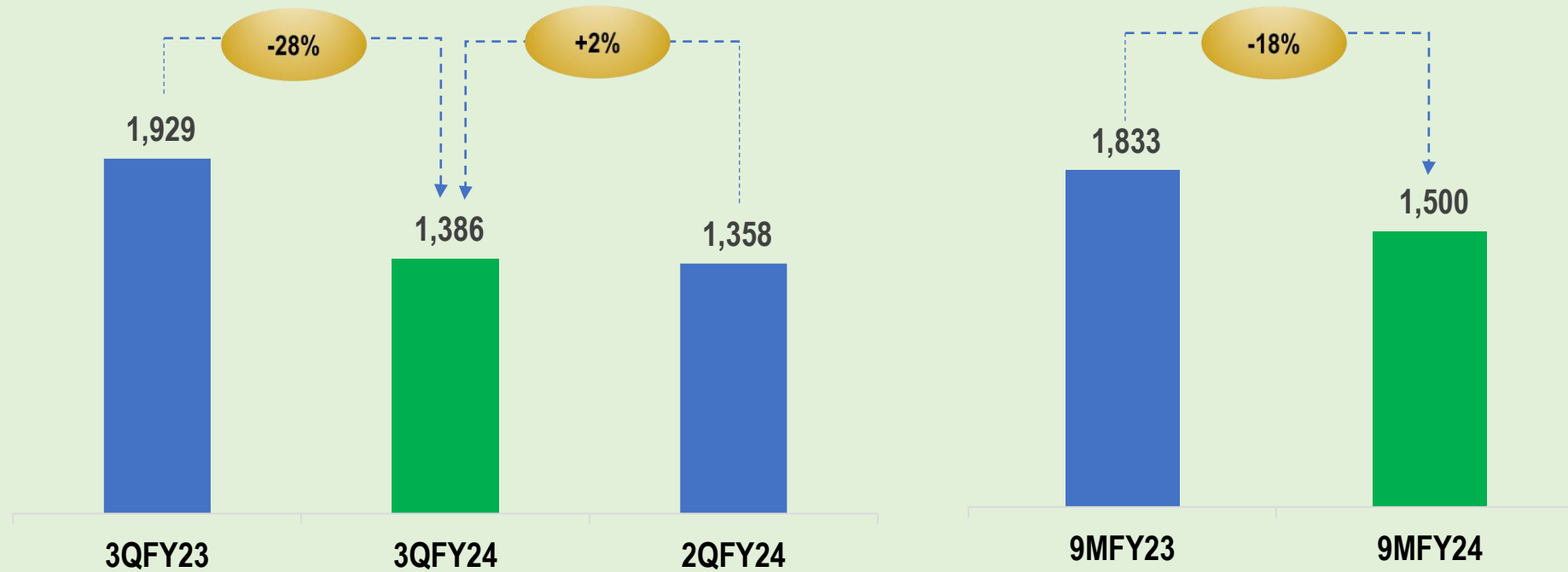


- 👉 Rail Co-efficient for cement despatches 3QFY24 is 9% vs. 10% in 3QFY23 & 7% in 2QFY24
- 👉 Avg. lead distance for 3QFY24 is 282 KMs vs 299 KMs in 3QFY23 & 259 KMs in 2QFY24

- 👉 Rail Co-efficient for cement despatches 9MFY24 is 8% vs. 11% in 9MFY23
- 👉 Avg. lead distance for 9MFY24 is 271 KMs vs 293 KMs in 9MFY23
- 👉 Impact on levy of Busy season surcharge by railways is offset by reduction in lead distance

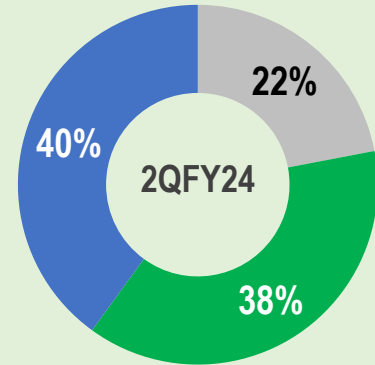
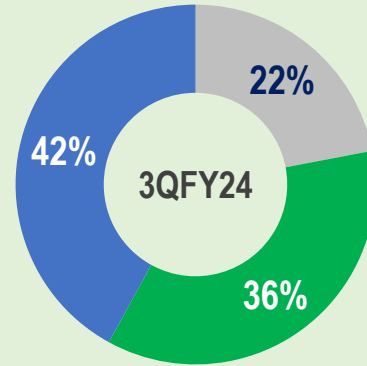
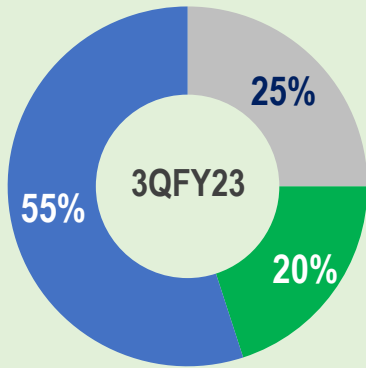
Power and Fuel Cost per ton

In ₹



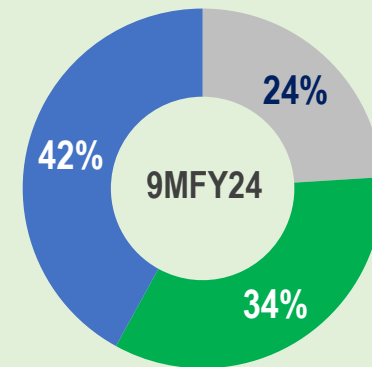
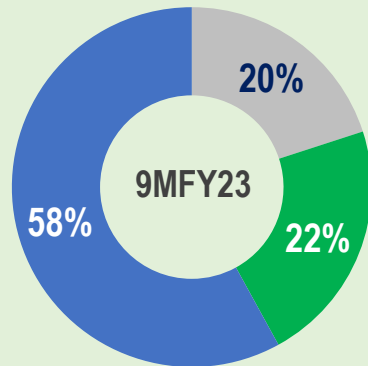
- 👉 Blended Fuel consumption (incl. TPP) per T of material: 3QFY24: \$ 138; 3QFY23: \$ 191; 2QFY24: \$ 148; 9MFY24: \$ 152; 9MFY23: \$ 179
- 👉 Blended Fuel cost per Kcal: 3QFY24: ₹ 1.64; 3QFY23: ₹ 2.43; 2QFY24: ₹ 1.75; 9MFY24: ₹ 1.82; 9MFY23: ₹ 2.35
- 👉 Captive usage of Wind energy contributed for reduction in overall power cost
- 👉 Lower cement sale volume by 14% in 3QFY24 vs 2QFY24, resulted in marginal increase in P & F cost / T despite cost / Kcal is lower by 6%
- 👉 Rupee depreciation by 4% during 9MFY24 had an inflationary effect on fuel cost

Power Mix



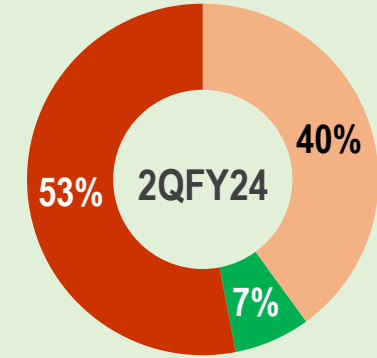
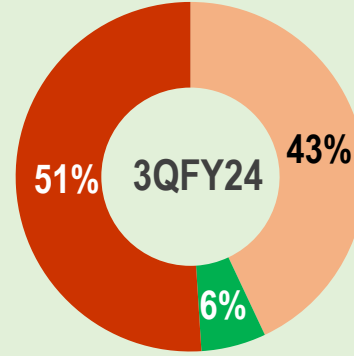
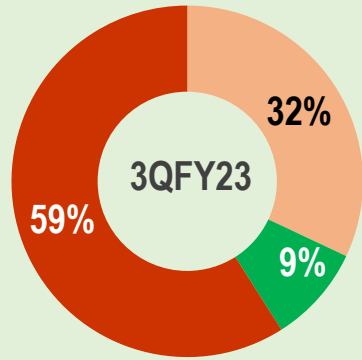
■ Grid power ■ Green Power ■ Thermal Power

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



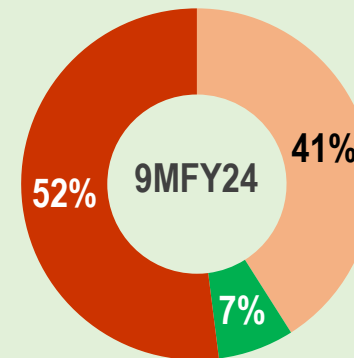
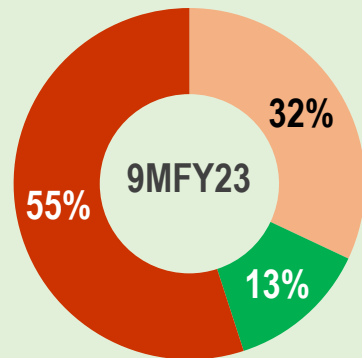
Based on current production levels

Fuel Mix



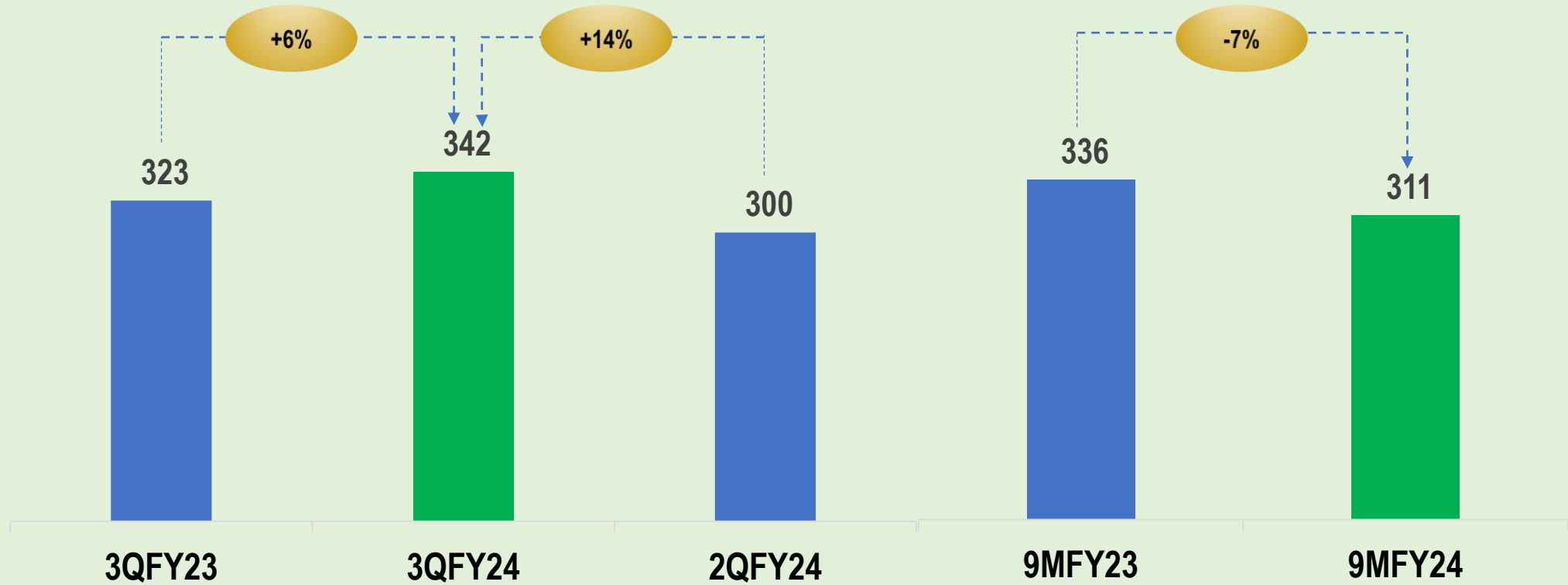
■ Coal ■ Alternate Fuel ■ Pet coke

Optimal usage of fuel based on Cost per CV



Employee Cost per ton

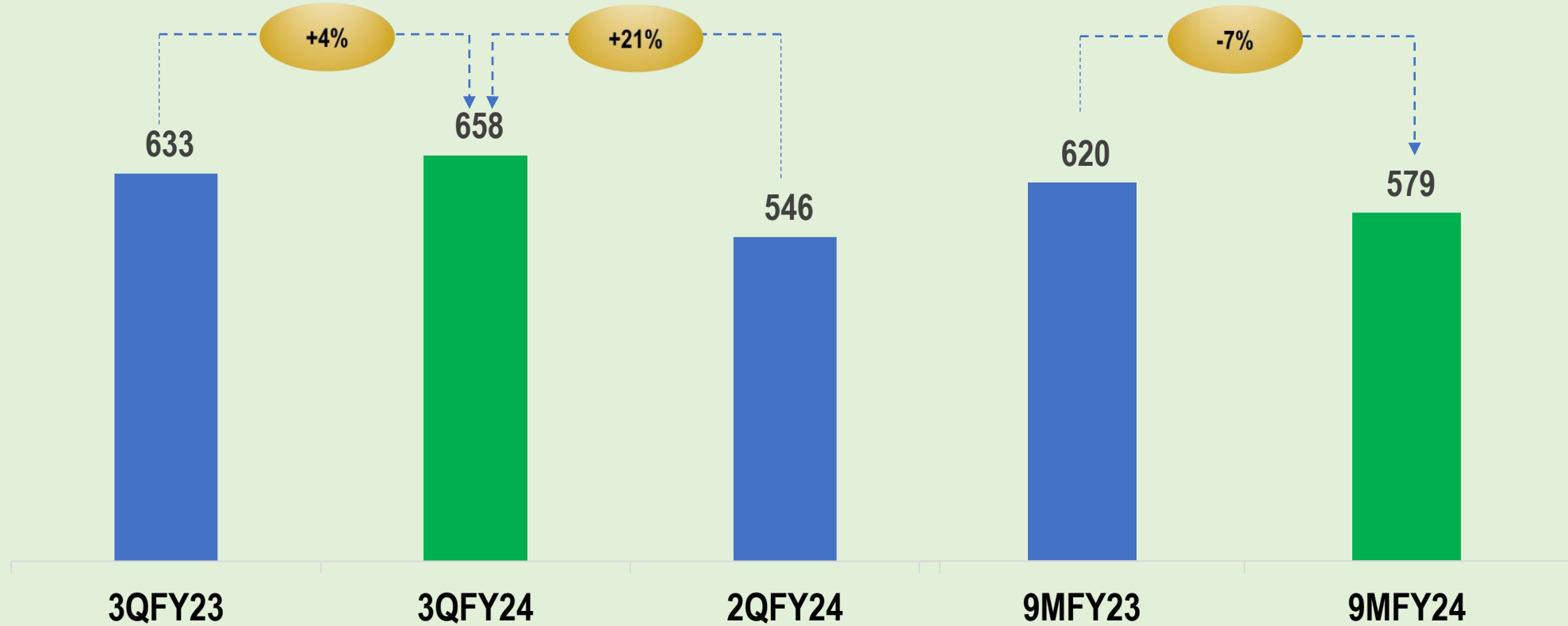
In ₹



Better absorption of cost per ton is due to improved operating leverage for 9MFY24;
For 3QFY24, the cost per ton is higher due to lower sale volume compared with 2QFY24

Other Expenditure per ton

In ₹



Better absorption of cost per ton is due to improved operating leverage for 9MFY24;
For 3QFY24, the cost per ton is higher due to lower sale volume compared with 2QFY24

Key Ratios



Particulars	UOM	3QFY24	3QFY23	2QFY24	9MFY24	9MFY23
EBITDA Ratio	%	19%	15%	18%	17%	14%
PBT Ratio	%	6%	5%	6%	6%	5%
PAT Ratio	%	4%	3%	4%	4%	3%
EPS, Not Annualized	₹	4	3	4	12	8
RoE, Annualized	%	5%	4%	6%	5%	4%
RoCE (Post-tax), Annualized	%	7%	5%	8%	7%	4%
Debt-Equity Ratio	Multiples	0.72	0.70	0.73	0.72	0.70
Debt Service Cover Ratio, Annualized	Multiples	2.69	1.61	1.14	1.69	1.33
Interest Service Cover Ratio	Multiples	1.88	1.82	1.85	1.84	1.75
Current Ratio	Multiples	1.05	1.07	1.02	1.05	1.07
Net Debt / EBITDA	Multiples	3.10	3.87	3.01	3.22	4.30

Ratios computed based on Standalone figures

Capex update & Borrowings

Capex incurred during 9MFY24: ₹ 1,610 Crores; Q3FY24: ₹ 385 Crores

- 👉 In Kolimigundala, TPP of 18 MW will be commissioned during March 2024 and railway siding will be commissioned during June 2024
- 👉 Expansion of Dry Mortar Plant: 2 units in AP & Odisha will be commissioned during March 2024.
- 👉 Odisha Grinding Unit Line II with cement capacity of ~ 1 MTPA is expected to commission during March 2024.
- 👉 Clinker capacity increased by 0.65 MTPA and 0.35 MTPA during 3QFY24 through debottlenecking in Kolimigundala and Ariyalur respectively. Now, the clinker capacity stands at 16 MTPA; The Company has identified opportunities for debottlenecking of cement capacity aggregating to 1 MTPA.
- 👉 Around 500 acres of mining land acquired in Karnataka so far
- 👉 It is proposed to double the 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 and it is scheduled to commission by Q4FY26.
- 👉 It is proposed to install WHRS plant with a capacity of 10 MW in Ramasamy Raja Nagar at an estimated cost of ₹ 153 Crores and is scheduled for commissioning by Q4FY25.
- 👉 Estimated capex for FY25 is expected to be around ₹ 1,700 Crores

Borrowings as on 31-12-2023

Particulars	₹ in Crores
Interest-bearing Borrowings	
- Long Term Debt	4,542.29
- Short Term Debt	410.21
Interest Free / Soft Loans	110.87
Gross Debt	5,063.37
Less: Cash and Cash Equivalents	69.97
Net Debt	4,993.40

Credit Ratings

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

Capacity by FY26

Clinker

19 MTPA

Cement

26 MTPA

Dry Mortar

5 Lac T

Thermal Power

193 MW

Particulars	UOM	Capacity as at Q3FY24	Expansion scheduled			Capacity by FY26
			Q4FY24	FY25	FY26	
Clinker	MTPA	16	-	-	3	19
Cement	MTPA	22	1	1 *	2	26
Dry Mortar	Lac Tons	3	2	-	-	5
Thermal Power Plant	MW	175	18	-	-	193
Waste Heat Recovery System	MW	43	-	10	15	68

* De-bottleneck of capacity

Waste Heat Recovery

68 MW

+

Wind power

42 MW

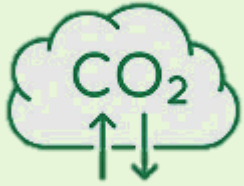
=

Green Power

110 MW

Given PLF of 25% on 166 MW

CO₂ Emission



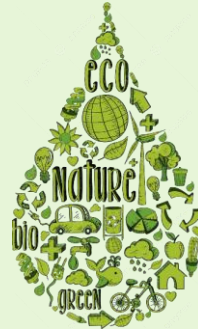
595 Kg / T of Cement

Blended Cement



67%

Water Positive



3.8x

Green energy



36%

CSR



1.5 lac + Beneficiaries

Based on 3QFY24 figures

Firm and Focussed for a sustainable future

Awards & Accolades



Ramco Cements Tech team have bagged Silver at exchange4media #e4mIDMA Awards 2023 in the Category - Best Use of Mobile – Customer Engagement

Awards & Accolades



Ariyalur unit had been awarded Winner in Visionary Leader Award under Health & Safety Management Category by Apex India Foundation on 6th October 2023.

Ariyalur unit had been awarded BIS Sustainable Award under Sustainable Development Category by Bureau of Indian Standards on 13th October 2023.

Awards & Accolades



Kolaghat unit had been awarded “CII Energy Conservation Award” for the year 2023, by the Confederation of India Industry on 20th December 2023. This is the 5th time the unit is receiving this award

Awards & Accolades



Ariyalur unit had been awarded Platinum Award under Occupational Health & Safety Category by Apex India Foundation on 6th October 2023. This is the fifth time, the unit is receiving such an award



Kolaghat had been awarded “Memento of Appreciation” on 14th October 2023 for the year 2023 by the Bureau of Indian Standards for being a Best Supporting Company, towards promotion and awareness of BIS Standards.

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

www.ramcocements.in

Corporate Office:

No.98A, Auras Corporate Center, 5th Floor,

Dr.Radhakrishnan Salai, Mylapore, Chennai 600004

