



THE RAMCO CEMENTS LIMITED

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Corporate Identity Number : L26941TN1957PLC003566

18 May 2023

National Stock Exchange of India Limited,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (E),
Mumbai – 400 051.

Scrip Code: 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 2023, being shared at the Investors' Meets.

Thanking you,

Yours faithfully,

For **THE RAMCO CEMENTS LIMITED,**

K.SELVANAYAGAM
SECRETARY

Encl : As above

SVA

INNOVATE

DIFFERENTIATE

SUSTAINABLE

FOR A
BETTER
TOMORROW





- 01 Overview**
- 02 TRCL's Market update**
- 03 Sales & Capacity Utilization**
- 04 Key Performance**
- 05 Financial Analysis & Key Ratios**
- 06 Capex update**
- 07 ESG update**
- 08 Awards & Accolades**

1 Overview of Economy

- India's GDP growth for FY24 is projected at 6.5%. CPI inflation has gradually declined from 7.8% in April 2022 to 5.7% in March 2023 and is projected to ease further to 5.2% in 4QFY24.
- Repo Rate increased by 250 bps during FY23 and tops pre-pandemic levels. In April 2023, RBI paused repo rate hike.
- The Indian rupee depreciated during FY23 by 8%. Inflation and the US Federal Reserve's sharp interest rate hikes have put the rupee under pressure

2 Positives

- Robust demand for cement in both rural and infra
- Good rabbi production to strengthen rural demand
- Home loans grew 15% in FY23, as against 12.9% in FY22, according to data from the Reserve Bank of India (RBI)
- Increased allocation in Budget 2023 for: (i) PMAY Scheme by 66% to ₹ 79,000 crores; (ii) Investment in Infrastructure by 33% to ₹10 lakh crores; (iii) Capital outlay for Railways: ₹ 2.4 lakh crores, out of which south has got allocation of around ₹ 28,000 crores; (iv) Urban Infrastructure Development Fund: 10,000 crores; (v) 100 transport infrastructure projects identified for end-to-end connectivity for ports, coal, steel, fertilizer sectors with an investment of ₹ 75,000 crores.

3 Watch outs

- Protracted geopolitical tensions, tight global financial conditions and global financial market volatility pose risks to the outlook. Pass-through of input costs may keep inflation at elevated levels.
- Sustenance of declining trend in pet coke prices
- Unseasonal rains and hailstorms may affect farm income
- Unprecedented climate changes may affect construction activity

TRCL's Market update for 4QFY23

South

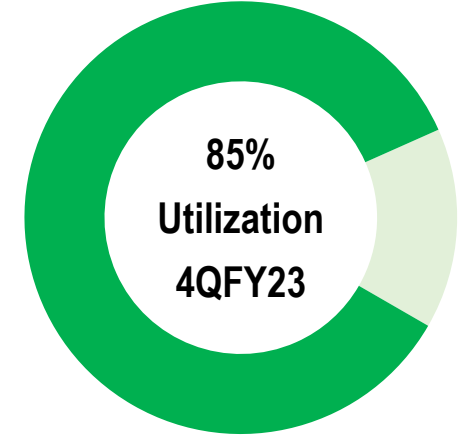
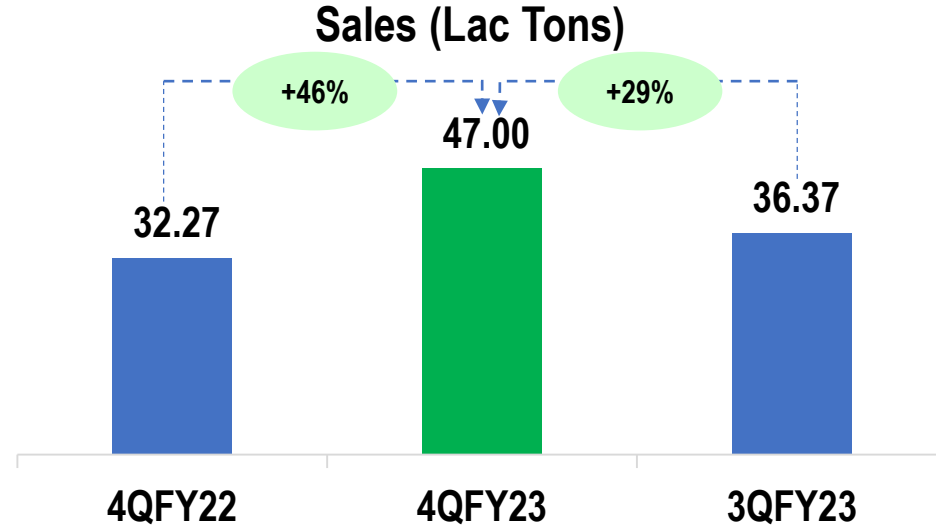
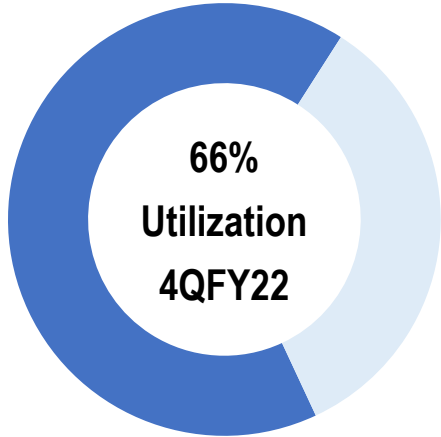
- 👉 Cement demand for B2C & B2B particularly in road projects, picked up
- 👉 Weak prices prevailed in all the markets
- 👉 Share of premium products in 4QFY23 & FY23: 28%
- 👉 Margins were under pressure
- 👉 Volume share for 4QFY23: 76%; FY23: 75%

East

- 👉 Cement demand from:
 - B2C segment remained flat;
 - B2B segment has grown
 - Overall demand improved
- 👉 Share of premium products in 4QFY23 & FY23: 16%
- 👉 Prices have improved in East / North East
- 👉 Volume share for 4QFY23: 24%; FY23: 25%

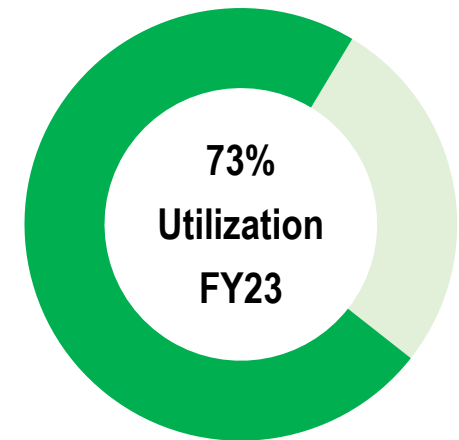
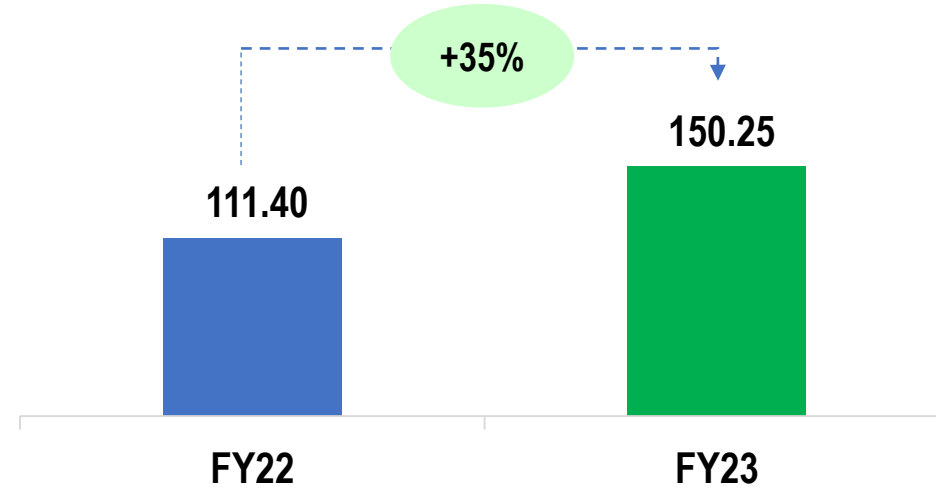
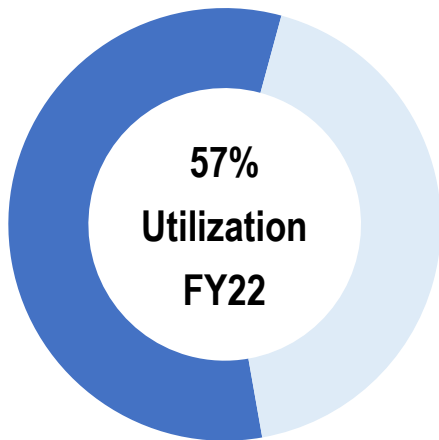
- 👉 **Company's strategy of right cement for right applications yielding positive results.**
- 👉 **The company continue to focus on this to make its brand more stronger**
- 👉 **While long term prospects of profitability look promising, the short term outlook is expected to improve from 2QFY24**

Sales & Capacity utilization



OPC % for FY22: 29%; B2B % for FY22: 29%

OPC % for FY23: 30%; B2B % for FY23: 34%

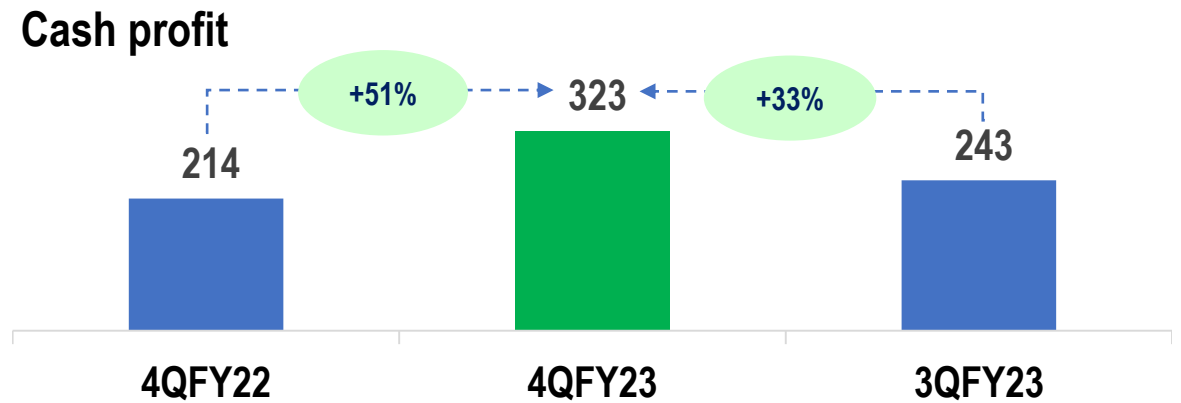
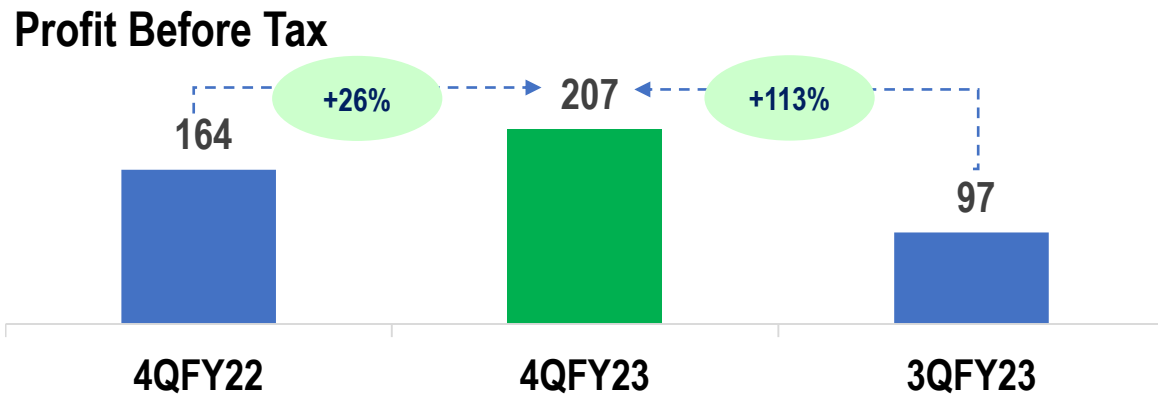
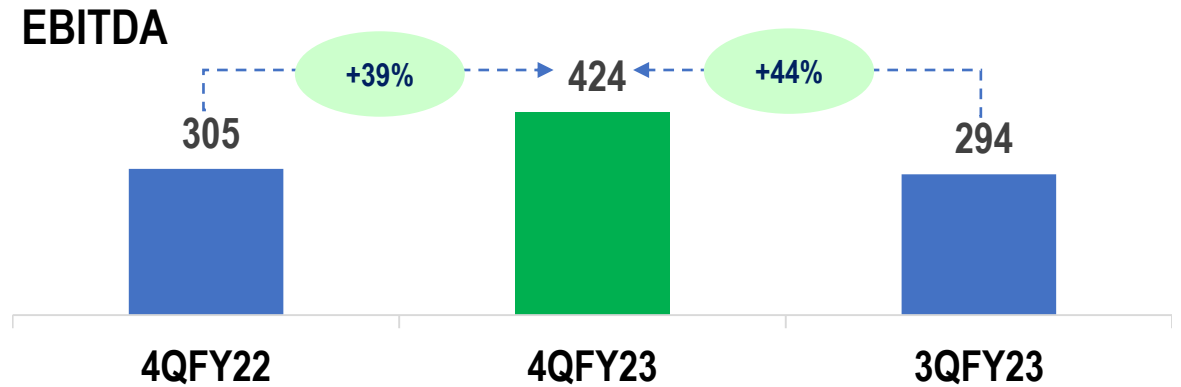
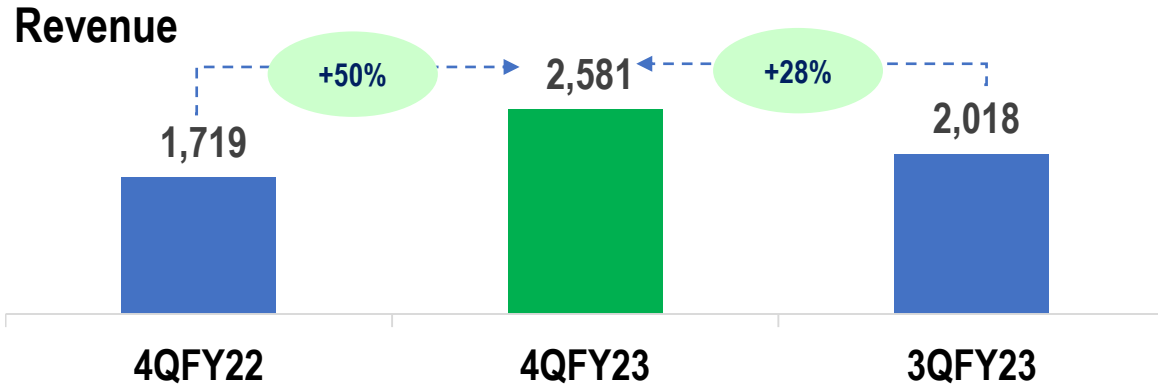


Sales include Dry Mortar Products

Capacity utilization based on pro-rated basis

Key Performance for 4QFY23

₹ in Crores



Cash profit = PBT + Depreciation – Current Tax

- 👉 Revenue surpassed ₹ 2,500 Crores in 4QFY23
- 👉 Highest sale volume of 4.7 MnT during 4Q with a growth of 46% YoY
- 👉 Margins impacted due to elevated fuel prices & levy of Surcharge by railways

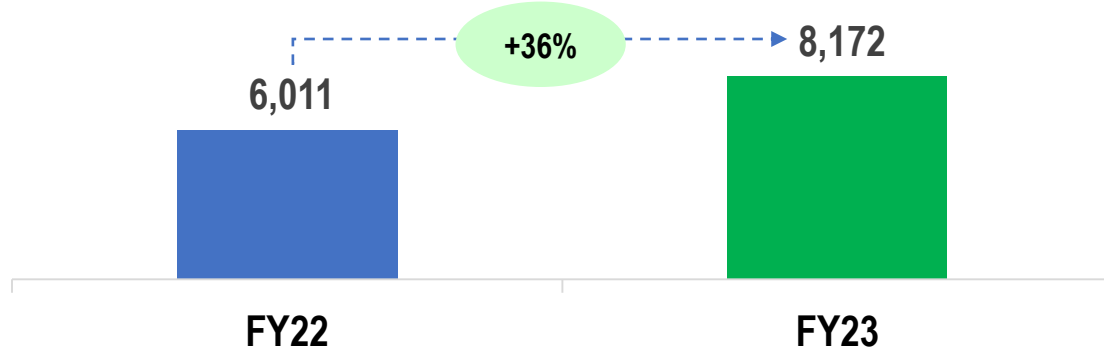
- 👉 Better absorption of fixed cost due to high operating leverage
- 👉 Finance cost & Depreciation increased due to commissioning of units in JPM Line-3, Kolimigundla, R R Nagar Line III and Dry Mortar Plants

Key Performance for FY23

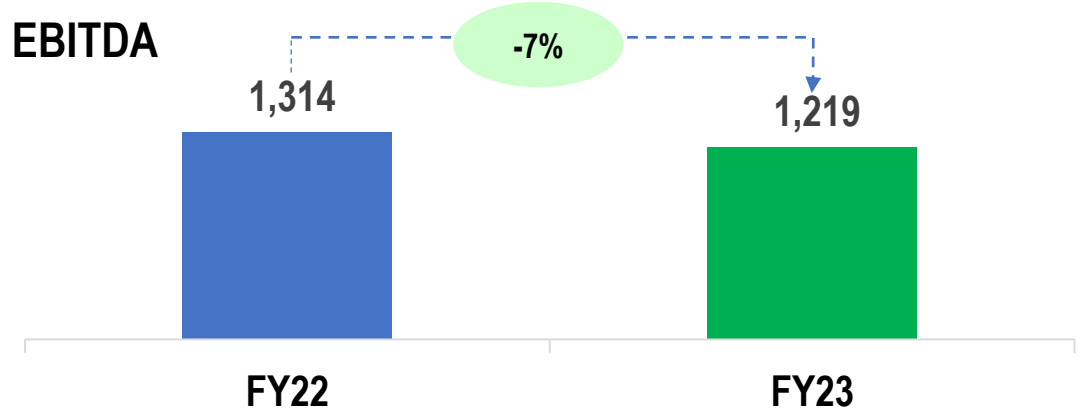
₹ in Crores



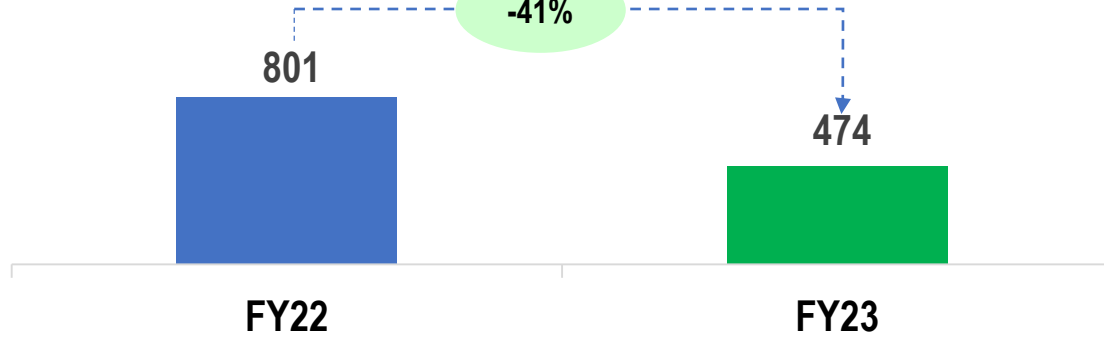
Revenue



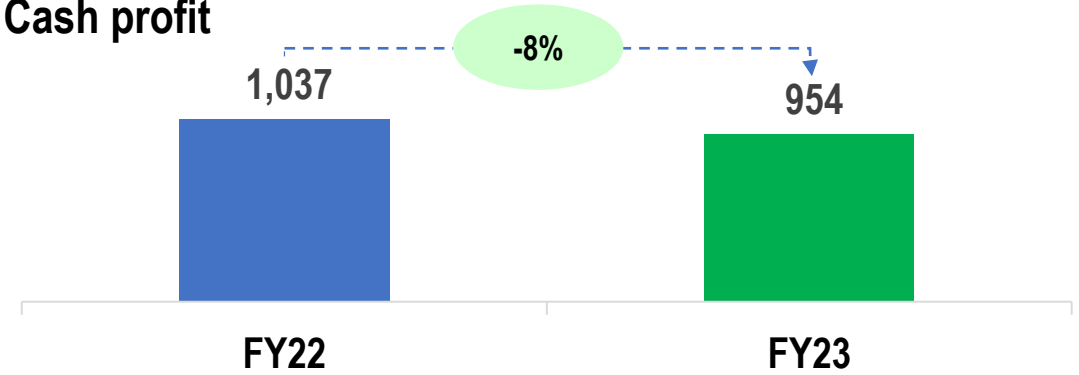
EBITDA



Profit Before Tax



Cash profit



Cash profit after tax = PBT + Depreciation – Current Tax

- 👉 Revenue for FY23 surpassed ₹ 8,000 Crores with volume growth of 35%
- 👉 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

- 👉 Margins impacted due to elevated fuel prices & levy of surcharge by railways during 2nd Half
- 👉 Finance cost & Depreciation increased due to commissioning of units in JPM Line-3, Kolimigundla, R R Nagar Line III and Dry Mortar Plants

Income Statement for 4QFY23

₹ in Crores



Standalone			Particulars	Consolidated		
4QFY23	4QFY22	Variance %		4QFY23	4QFY22	Variance %
2,581.29	1,719.04	50% ▲	Revenue	2,583.57	1,722.68	50% ▲
2,156.82	1,413.98	53% ▲	Less: Operating Expenses	2,160.87	1,418.50	52% ▲
424.47	305.06	39% ▲	EBITDA	422.70	304.18	39% ▲
77.15	33.42	131% ▲	Less: Finance Costs	77.15	33.42	131% ▲
140.59	107.53	31% ▲	Less: Depreciation	140.93	107.85	31% ▲
206.73	164.11	26% ▲	Profit Before Tax	204.62	162.91	26% ▲
24.37	60.99	60% ▼	Less: Current Tax Expenses	24.08	60.78	60% ▼
29.95	(-) 20.95	- ▲	Less: Deferred Tax Expenses	29.66	(-) 21.12	- ▲
152.41	124.07	23% ▲	Profit After Tax	150.88	123.25	22% ▲
147.99	121.27	22% ▲	Total Comprehensive Income	145.64	114.97	27% ▲

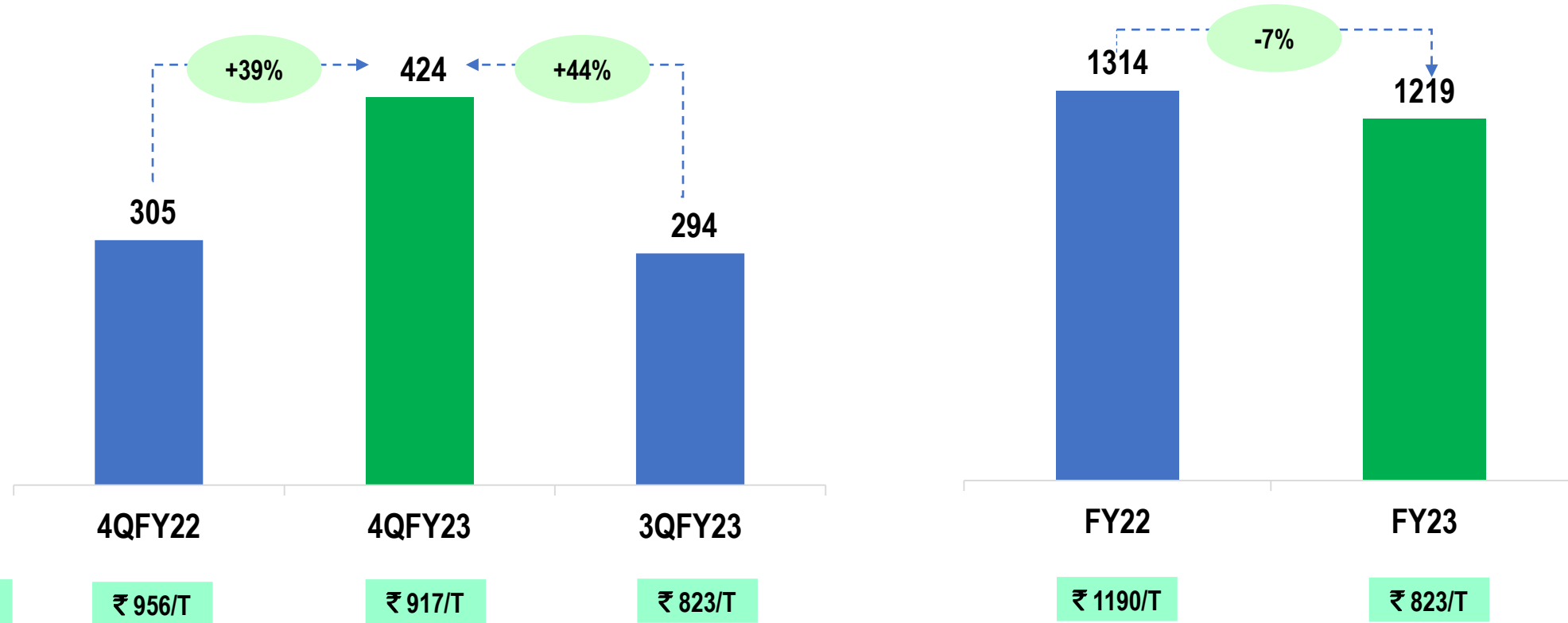
Income Statement for FY23

₹ in Crores



Standalone			Particulars	Consolidated		
FY23	FY22	Variance %		FY23	FY22	Variance %
8,171.97	6,010.62	36% ▲	Revenue	8,190.19	6,031.69	36% ▲
6,953.32	4,696.14	48% ▲	Less: Operating Expenses	6,971.71	4,713.62	48% ▲
1,218.65	1,314.48	7% ▼	EBITDA	1,218.48	1,318.07	8% ▼
240.52	112.40	114% ▲	Less: Finance Costs	240.52	112.40	114% ▲
504.44	400.84	26% ▲	Less: Depreciation	505.98	402.23	26% ▲
473.69	801.24	41% ▼	Profit Before Tax	471.98	803.44	41% ▼
25.68	172.15	85% ▼	Less: Current Tax Expenses	26.77	172.68	85% ▼
104.47	(-) 263.61	- ▲	Less: Deferred Tax Expenses (*)	103.22	(-) 262.09	- ▲
343.54	892.70	62% ▼	Profit After Tax	341.99	892.85	62% ▼
339.63	890.05	62% ▼	Total Comprehensive Income	313.43	878.88	64% ▼

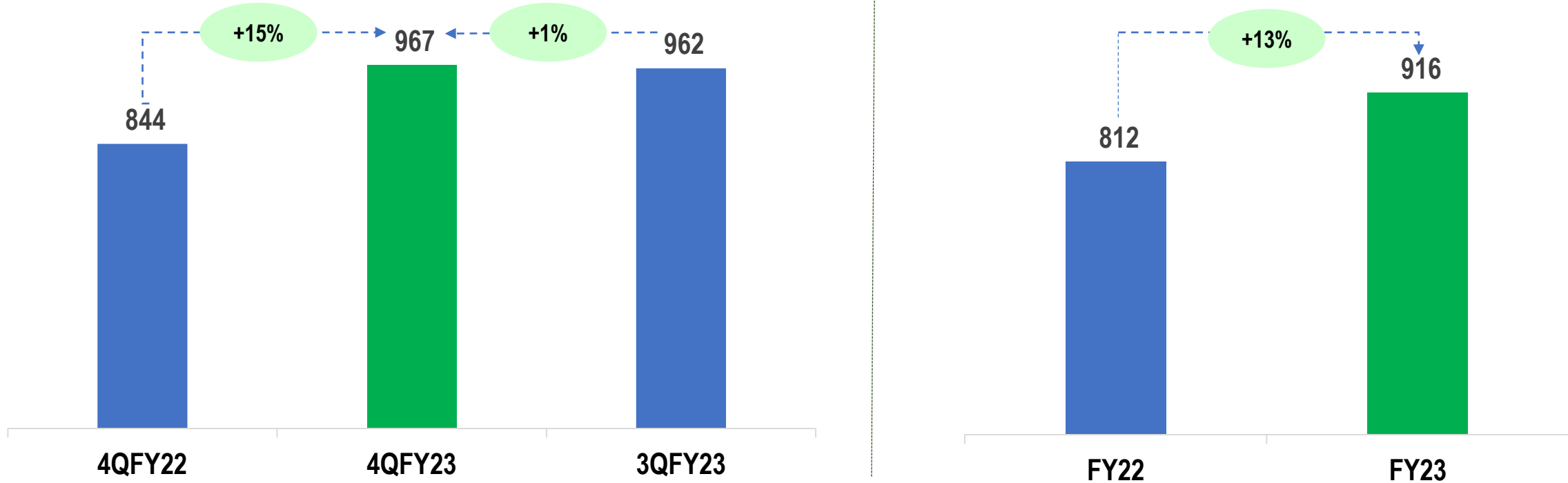
(*) Reversal of Deferred Tax Liability of ₹ 306 Crores in FY22 due to adoption of new tax regime



- 👉 Sale Volume up by 35% in FY23 YoY; 46% in 4QFY23 YoY; 29% in 4QFY23 QoQ
- 👉 Pet coke and coal prices remain at elevated level. Consequently, power & fuel cost has increased by ₹ 539 / ton during FY23 YoY and ₹ 199 / ton in 4Q YoY
- 👉 Share of premium products improved to 25% in FY23 / 4QFY23
- 👉 Rupee depreciation has pushed up imported fuel price
- 👉 Due to improved operating leverage in CY, the fixed cost absorption was comparatively better
- 👉 Levy of Busy season surcharge re-imposed by railways w.e.f Oct'22. The impact is around ₹ 50 per ton for 4QFY23 / H2FY23

Cost of raw materials

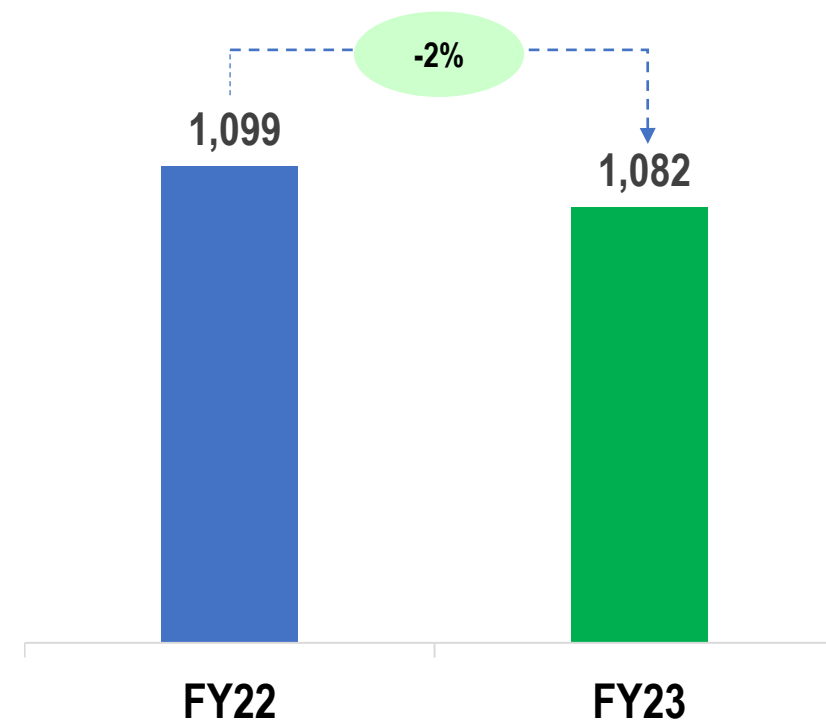
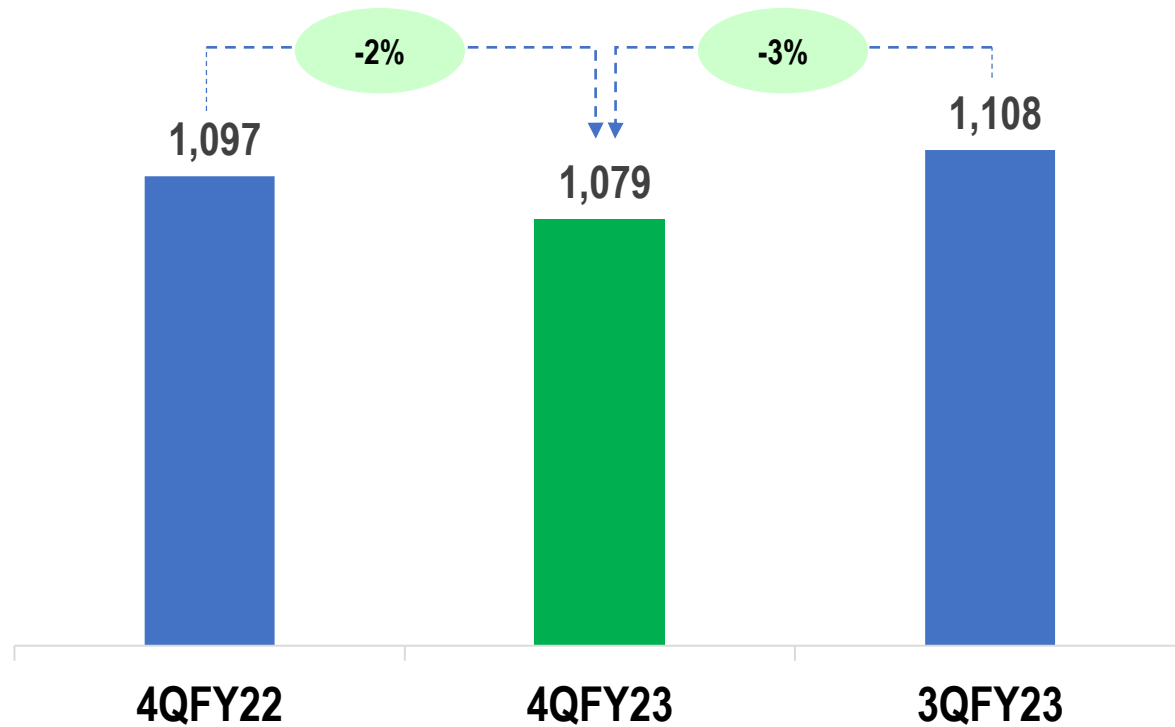
In ₹ per Ton of cement



- 👉 Additional incidence of freight on increased inter-unit clinker movement to grinding plants
- 👉 Impact of increase in diesel price: 4QFY23: Flat YoY; FY23: 3% YoY
- 👉 Busy season surcharge of 15% re-imposed by Railways w.e.f. 01-10-2022. The Impact is around ₹ 25/ T for 4QFY23 / H2FY23
- 👉 Inflationary impact on cost of other raw materials viz. Fly ash, Slag & Gypsum

Logistics cost

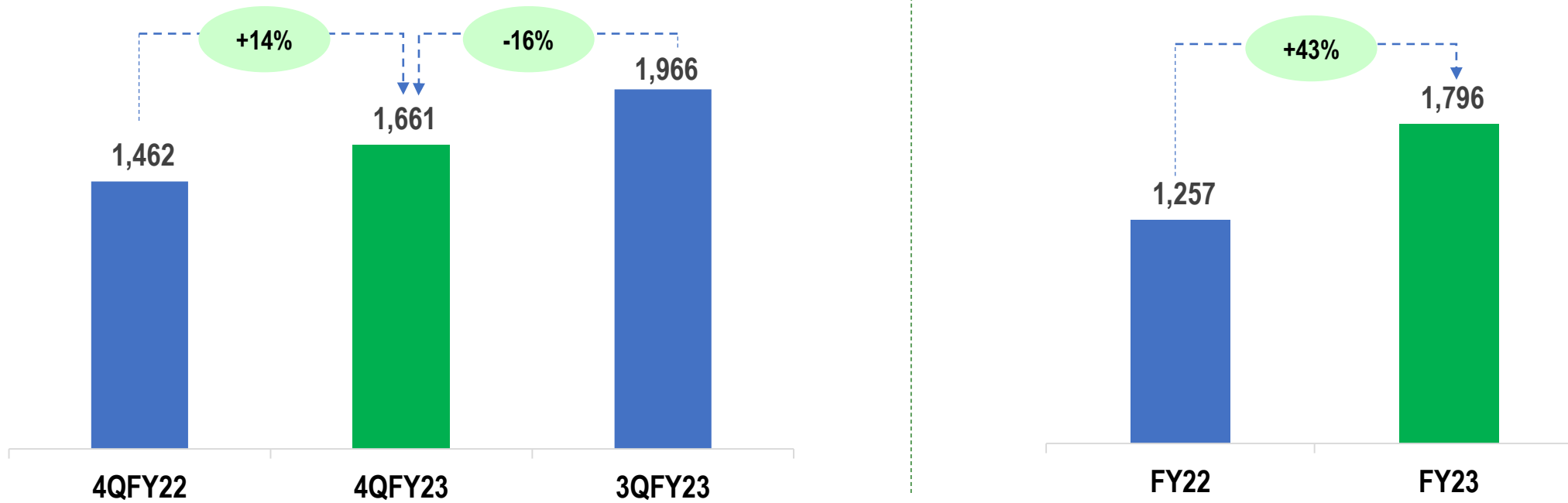
In ₹ per Ton of cement



- 👉 Rail Co-efficient for 4QFY23 is 12% vs 15% & 10% in 4QFY22 & 3QFY23
- 👉 Rail Co-efficient in FY23 is 11% vs 13% YoY
- 👉 Avg. lead distance is 310 KMs vs 326 KMs & 299 KMs in 4QFY22 & 3QFY23
- 👉 Average lead distance in FY23 is 298 KMs vs. 324 KMs; Down by 8%
- 👉 Impact of increase in diesel price in FY23 by 3% YoY & 15% levy of Busy Season Surcharge in H2FY23 is offset by reduction in lead distance

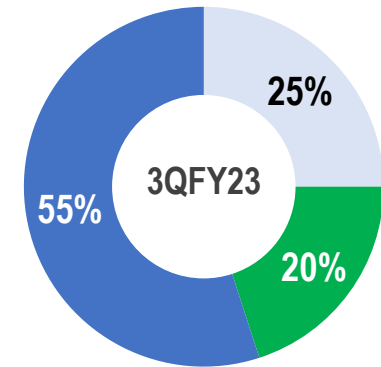
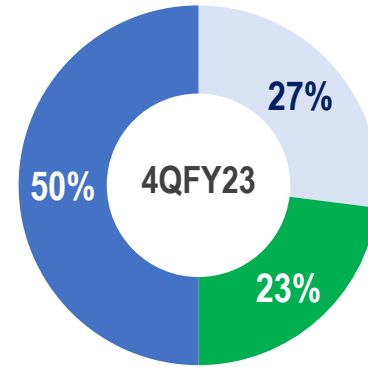
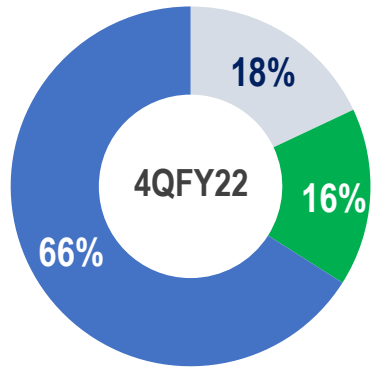
Power and Fuel Cost

In ₹ per Ton of cement

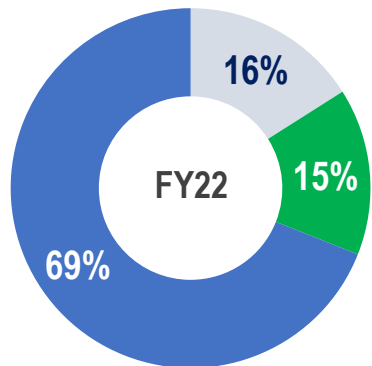


- 👉 Blended Fuel consumption (incl. TPP) per T of material: 4QFY23: \$ 178; 4QFY22: \$ 162; 3QFY23: \$ 191; FY23: \$ 177; FY22: \$ 125
- 👉 Blended Fuel cost per Kcal: 4QFY23: ₹ 2.21; 4QFY22: ₹ 1.88; 3QFY23: ₹ 2.43; FY23: ₹ 2.20; FY22: ₹ 1.52
- 👉 Operation of WHRS increased to 40 MW in FY23; Captive use of wind power capacity increased from 17 MW in FY22 to 33 MW in FY23
- 👉 Rupee depreciation has also impacted the fuel procurement cost

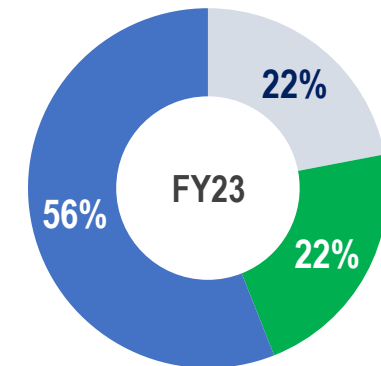
Power Mix



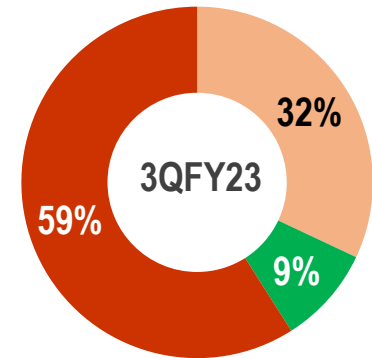
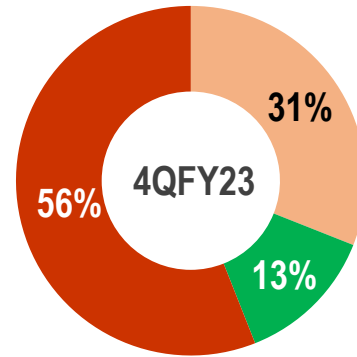
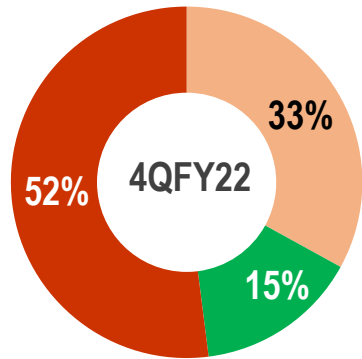
■ Grid power ■ Green Power ■ Thermal Power



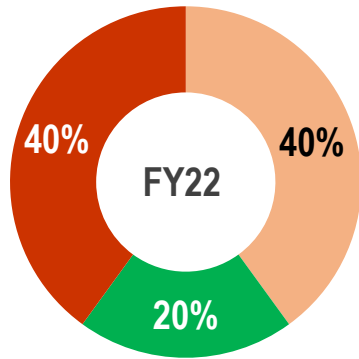
Focus on Green Power



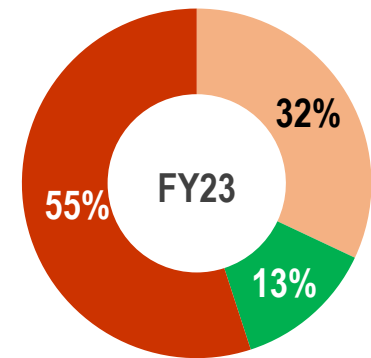
Fuel Mix



■ Coal ■ Alternate Fuel ■ Pet coke

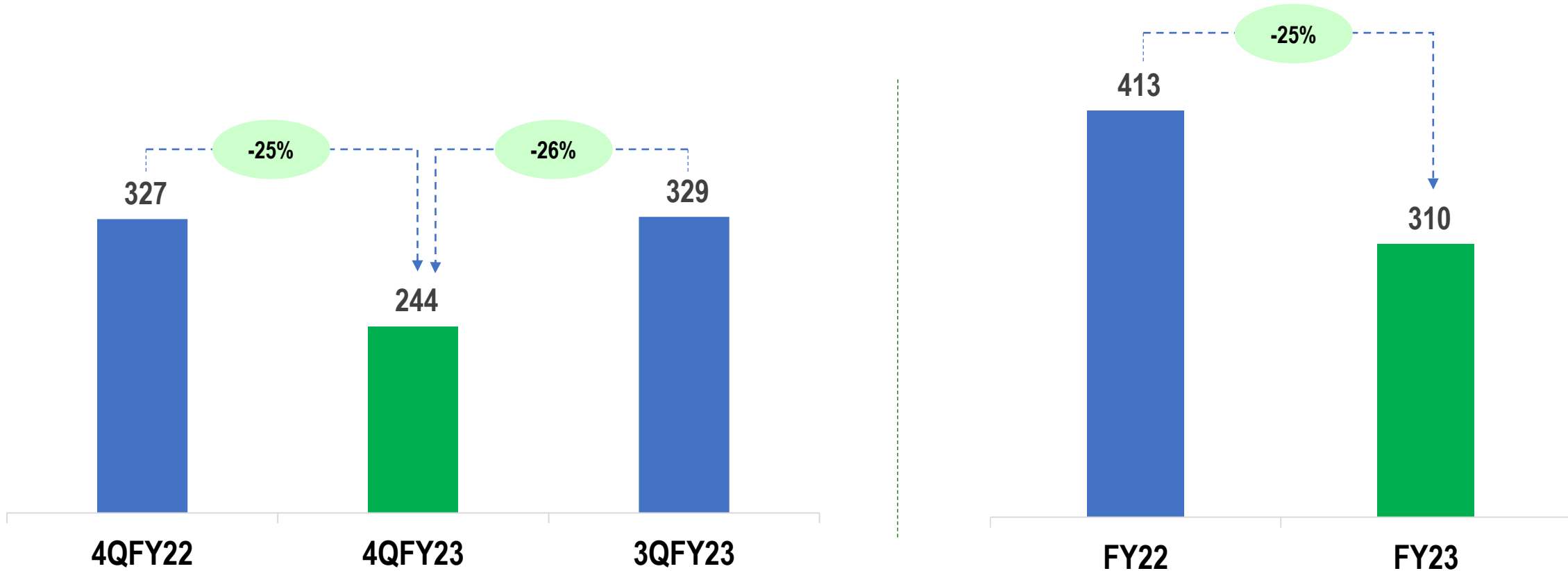


Optimum usage of fuels based on cost per CV



Employee Cost

In ₹ per Ton of cement

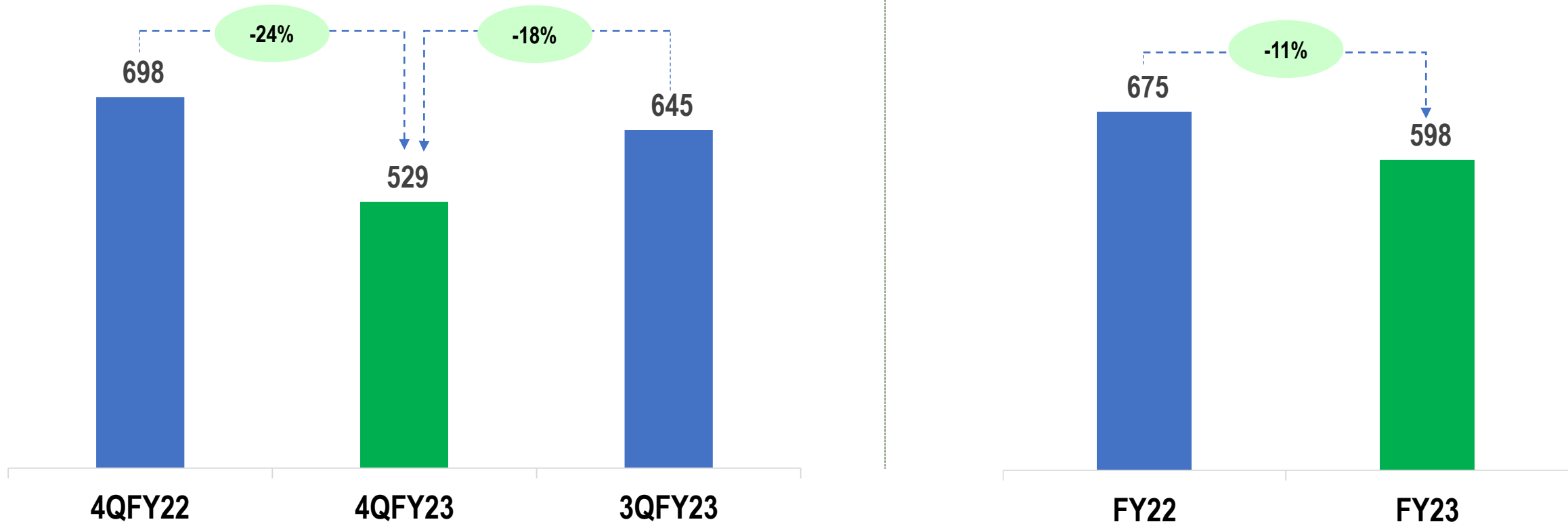


Better absorption of employee cost is due to improved operating leverage

Employee Cost include Managing Director's remuneration, in accordance with Ind AS 19

Other Expenditure

In ₹ per Ton of cement



- 👉 Other expenditure include contribution to political parties amounting to ₹ 20.50 Crores
- 👉 Better absorption of fixed expenses is due to improved operating leverage

Wind power

Particulars	4QFY23	4QFY22	Variance	3QFY23	Variance
Revenue from Wind power (₹ in Crores)	1.66	2.77	40% ▼	1.47	13% ▲
Less: Operating Expenses (₹ in Crores)	5.32	5.27	1% ▲	5.15	3% ▲
EBITDA from Wind power (₹ in Crores)	(-) 3.66	(-) 2.50	- ▼	(-) 3.68	- ▲

Particulars	FY23	FY22	Variance
Revenue from Wind power (₹ in Crores)	48.13	59.54	19% ▼
Less: Operating Expenses (₹ in Crores)	20.93	22.26	6% ▼
EBITDA from Wind power (₹ in Crores)	27.20	37.28	27% ▼

During FY23, 19% of the wind power capacity under 'Sale to Grid' was changed to 'Captive use'



Summarized Financial Position

₹ in Crores



Standalone		Particulars	Consolidated	
31-03-2023	31-03-2022		31-03-2023	31-03-2022
12,161.61	10,785.59	Fixed Assets including CWIP	12,181.86	10,806.79
202.31	201.27	Investments	272.70	297.09
637.08	709.51	Loans and Advances	621.14	690.99
882.34	833.33	Inventories	883.61	834.47
464.96	349.77	Trade Receivables	465.10	350.71
168.59	176.04	Cash and Bank Balances	170.33	178.48
14,516.89	13,055.51	Total Assets	14,594.74	13,158.53
23.63	23.63	Equity Share Capital	23.63	23.63
6,769.90	6,501.23	Reserves & Surplus, including NCI	6,844.43	6,601.73
4,487.42	3,929.95	Borrowings	4,487.42	3,929.95
928.51	824.04	Deferred Tax Liabilities, net	927.43	822.29
643.83	483.59	Trade Payables	638.58	485.11
93.32	78.16	Provisions	94.30	78.82
1,570.28	1,214.91	Other Current / Non-current Liabilities	1,578.95	1,217.00
14,516.89	13,055.51	Total Equity and Liabilities	14,594.74	13,158.53

Summarized Cash flow

₹ in Crores



Particulars	31-03-2023	31-03-2022
Operating Profit	1,218.65	1,314.48
Changes in working capital	247.12	(-) 17.05
Direct Tax paid	(-) 31.64	(-) 157.47
Others	(-) 29.13	(-) 10.91
Net cash flow from Operating Activities	1,405.00	1,129.05
Investments in Equity Shares	(-) 0.52	(-) 0.43
Capital Expenditure	(-) 1,765.14	(-) 1,815.53
Others including loans repaid by subsidiaries / associates	78.73	5.65
Net cash flow used in Investing Activities	(-) 1,686.93	(-) 1,810.31
Issue of Equity shares upon exercise of ESOP	-	2.29
Increase in Borrowings	578.97	825.72
Interest / Dividend payments	(-) 304.49	(-) 112.57
Net cash flow from Financing Activities	274.48	715.44
Net increase / (decrease) in Cash and Bank Balances	(-) 7.45	34.18

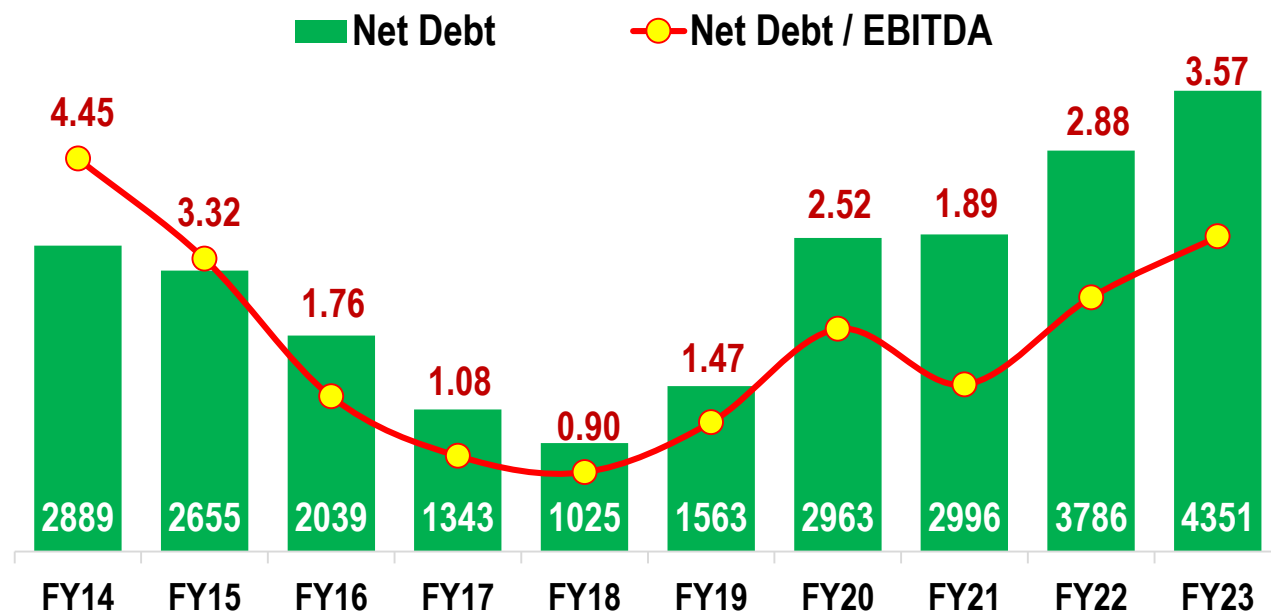
Operating Profit decreased mainly due to increase in price of fuel; Changes in working capital mainly due to increase in customer credit balance / deposits

Capex incurred for Kolimigundla, Integrated unit, RR Nagar Line III, Dry Mortar plants & general capex

Borrowings funded for Capex

Debt Leverage

₹ in Crores



Debt – Equity Ratio (In Multiples)

1.18 1.03 0.69 0.38 0.28 0.36 0.61 0.55 0.60 0.66

Cement Capacity in MTPA

15.54 16.49 16.49 16.49 16.69 16.69 18.79 19.40 19.40 21.99

Clinker Capacity in MTPA

9.15 9.15 9.15 10.11 10.11 10.11 10.11 9.90 11.40 14.94

Capacity built without dilution of equity

Borrowings as on 31-03-2023

Particulars	₹ in Crores
Interest-bearing Borrowings	
- Long Term Debt	3,825.37
- Short Term Debt	478.13
Interest Free / Soft Loans	183.92
Gross Debt	4,487.42
Less: Cash and Cash Equivalents	135.97
Net Debt	4,351.45

Credit Ratings

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

Key Ratios



Particulars	UOM	4QFY23	4QFY22	3QFY23	FY23	FY22
EBITDA Ratio	%	16%	18%	15%	15%	22%
PBT Ratio	%	8%	10%	5%	6%	13%
PAT Ratio	%	6%	7%	3%	4%	15%
EPS, Not Annualized	₹	6	5	3	15	38
RoE, Annualized	%	9%	8%	4%	5%	15%
RoCE (Post-tax), Annualized	%	8%	6%	5%	5%	10%
Debt-Equity Ratio	Multiples	0.66	0.60	0.70	0.66	0.60
Debt Service Cover Ratio, Annualized	Multiples	1.26	1.32	1.61	1.31	1.35
Interest Service Cover Ratio	Multiples	2.81	3.27	1.82	2.06	4.25
Current Ratio	Multiples	1.08	1.14	1.07	1.08	1.14



Ratios computed based on Standalone figures

Capex update

- 👉 Kurnool Integrated Unit: Clinker Capacity of 2.5 MTPA & Cement Capacity of 1.5 MTPA commenced commercial production from 16th June 2022 & 23rd September 2022 respectively and achieved clinker capacity utilization ~ 83% in 4QFY23.
- 👉 WHRS capacity of 8 MW in Kurnool was commissioned during FY 2022-23 and the balance 4 MW will be commissioned in May 2023. TPP of 18 MW and railway siding will be commissioned in FY24.
- 👉 Expansion of Dry Mortar Plant: In TN, one unit was commissioned in Dec'22 & another unit was commissioned in Feb'23. The remaining two units in AP & Odisha will be commissioned during FY24.
- 👉 RRN Line III with clinker capacity of 1.04 MTPA and cement capacity of 1 MTPA commissioned in Mar 2023.
- 👉 Odisha Grinding Unit Line II with cement capacity of 0.9 MTPA is expected to commission during H2FY24



Capex spent during 4QFY23: ₹ 389 Crores; FY23: ₹ 1,765 Crores

Installed Capacity as at 31st March 2023

Clinker

15 MTPA

Integrated Unit

15 MTPA

Grinding Unit

7 MTPA

Capacity in Pipeline: 1 MTPA

Dry Mortar

3 LTPA

Capacity in Pipeline: 2 LTPA

Ready Mix Concrete

56 Cu.Metre / Hour

Thermal Power

175 MW

Capacity in Pipeline: 18 MW

Waste Heat Recovery

39 MW

Capacity in Pipeline: 4 MW

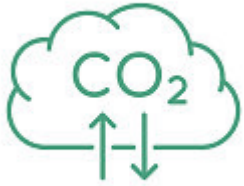
Wind power

166 MW

Include Subsidiary 40 MW

State / Product	UOM	TN	AP	KAR	WB	ORI	Total
Clinker – Integrated Unit	MTPA	8	7	-	-	-	15
Cement – Integrated Unit	MTPA	10	5	-	-	-	15
Cement – Grinding Unit	MTPA	2	2	-	2	1	7
Dry Mortar	Lac Tons	3	-	-	-	-	3
Ready Mix Concrete	Cu. Metre / Hr	56	-	-	-	-	56
Thermal Power Plant	MW	133	42	-	-	-	175
Waste Heat Recovery System	MW	4	35	-	-	-	39
Wind Power	MW	160	-	6	-	-	166

CO₂ Emission



591 Kg / T of Cement

Blended Cement



70%

Water Positive



3.8x

Green energy



22%

CSR



4,00,000 + Beneficiaries

Firm and Focussed for a sustainable future

Based on FY23 figures

Awards & Accolades



Ariyalur Unit bagged 'Gold Award' in the Environment, Health, and Safety Excellence Awards, 2022 instituted by Confederation of Indian Industry, Southern region on 31st March 2023. The Award was presented by Minister for Environment – Climate change, Youth Welfare and Sports Development, Government of Tamil Nadu



Ariyalur Unit had won various awards in the Mines Environment Week 2022-23 awards function conducted by Mines Environment and Mineral Conservation Council on 5th March 2023 for Afforestation, Category A Non-Conventional Method of Mining, Waste Dump Management, Systematic & Scientific Development and Sustainable Development



THE MADRAS CHAMBER OF COMMERCE & INDUSTRY

Proudly presents the

MCCI - TAFE CSR AWARDS 2022

to the

Partners in Progress

Gramalaya and The Ramco Cements Ltd.

In recognition of the innovation, collaboration and social impact created in the Field of Health, Hygiene & Sanitation through their “Promotion of Sanitation and Hygiene through Smart Toilets” project.

Let's continue to make a difference!

31st January 2023



Awards & Accolades

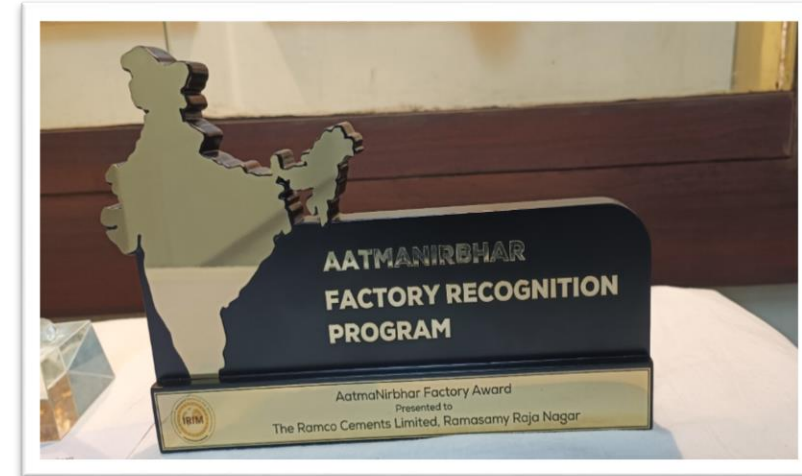


Jayanthipuram Unit had won various awards in the Mines Environment Week 2022-23 awards function conducted by Mines Environment and Mineral Conservation Council on 5th March 2023 for Reclamation & Rehabilitation, Large mechanized mine and Waste Dump management

Awards & Accolades

Ramasamy Raja Nagar bagged the following awards in 4QFY23

- 👉 “Aatmanirbhar Factory Award” from International Research Institute for Manufacturing (IRIM) on 21st April 2023
- 👉 “Gold Medal” in the National Awards for Manufacturing Competitiveness (NAMC) 2022-23 instituted by IRIM
- 👉 “Diamond Trophy” for having secured the Gold Medal for the second time at the NAMC Awards
- 👉 Two first prizes and one second prize in Maintenance in the National Productivity Week Celebration conducted by Madurai Productivity Council on 17th February 2023
- 👉 Bronze Award in Environment, Health & Safety Excellence Award 2022 for its commitment to Environment, Health & Safety Practices. This award has been bestowed by Confederation of Indian Industry, Southern region on 31st March 2023
- 👉 Awards for Afforestation, Mineral Benefication, Waste Dump Management, Reclamation & Rehabilitation and Sustainable Development at 30th Mines Environment and Mineral Conservation Week 2023, on 5th March 2023



Various awards received from ‘International Research Institute for Manufacturing’

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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