



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

24 January 2022

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 Presentation

Pursuant to Regulation 30, read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose a copy of the Presentation on the performance of the Company for the quarter and nine months ended 31.12.2021, being shared at the Investors' Meets.

Thanking you,

Yours faithfully,

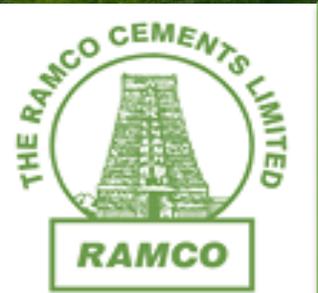
For **THE RAMCO CEMENTS LIMITED,**

K Selvanayagam

K.SELVANAYAGAM
SECRETARY

Encl : As above

SMA



The Ramco Cements Limited

Consolidating Strengths. Ready for future

Investor Update

Q3 2021-22

Contents



01 Overview

02 Market update

03 Sales

04 Key Performance

05 Income Statement & Financial Analysis

06 Key Financial Ratios

07 Capex update

08 Glimpses of 1st Sustainability Report

Overview of Economy

- India's GDP growth for FY22 is expected to be in the range of 9% - 9.5%
- During the second quarter, economy grew at the rate of 8.4%
- Looking at the current trend, India is on course to achieve the \$400-billion merchandise exports target for the current fiscal year

Positives

- Revival of demand from rural housing, PMAY Scheme, commercial and industrial construction, infrastructure development by private and Government
- 'PM Gati Shakti – National Master Plan (NMP)' launched for multi-modal connectivity to bring synergy for creation of world-class, seamless multimodal transport in India
- Continued growth in middle class and urbanization
- Good monsoon
- Continued thrust by Gol on vaccination against CoVID 19

Watch outs

- Fuel price stability
- 3rd wave of Covid19
- Initiatives to boost consumption in Budget 2022

Market update for Q3FY22

South

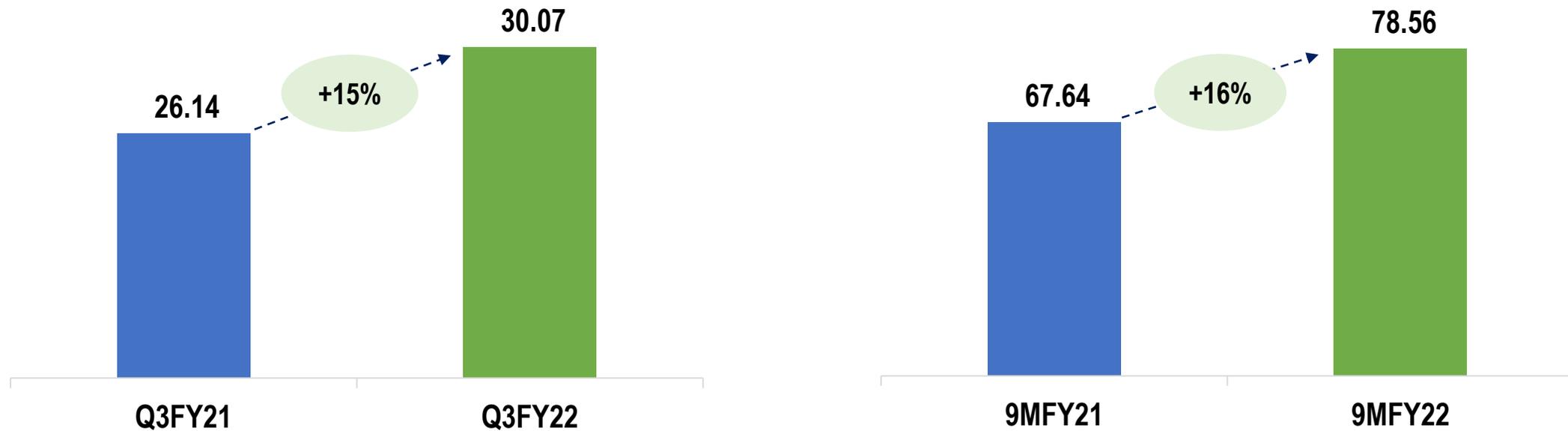
- ✓ Individual housing and Infra demand picked up
- ✓ Above normal monsoon affected demand in Nov'21
- ✓ Price increase to cover cost push could not sustain in Q3
- ✓ Cement prices fell sharply during Dec'21
- ✓ Volumes have grown by 22% YoY
- ✓ Signs for demand recovery is visible
- ✓ Share of premium products are growing steadily

East

- ✓ Individual housing witnessed de-growth
- ✓ Demand from Infra / Commercial segment have grown
- ✓ Cement prices fell sharply during Dec'21
- ✓ Price increase to cover cost push could not sustain in Q3
- ✓ Volumes have grown in Orissa by 30% YoY
- ✓ Orissa GP achieved full utilization in Q3
- ✓ WB market was very weak both in price & volume in Q3

**Company's strategy of right cement for right applications yielded positive results.
The company continue to focus on this to make its brand more stronger**

Cement Sales (Lac Tons)



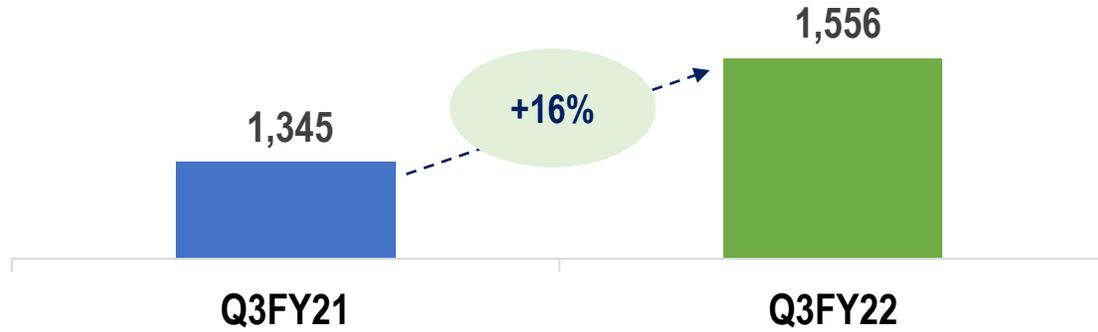
- ✓ Share of Premium products stands at 22% for the current period
- ✓ Weak demand persisted during the quarter, due to various reasons viz. monsoon, festivals and COVID implications

Key Performance for Q3FY22

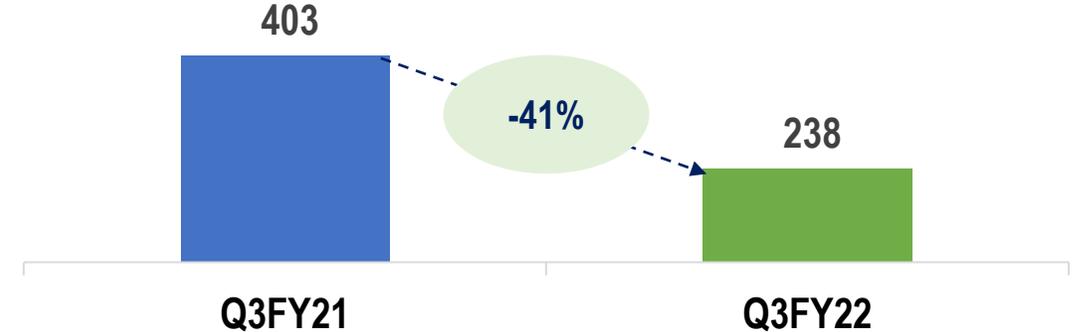
₹ in Crores



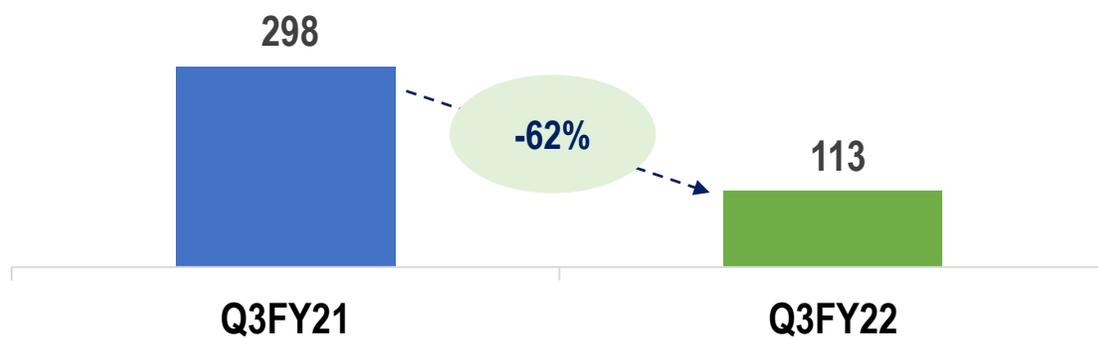
Revenue



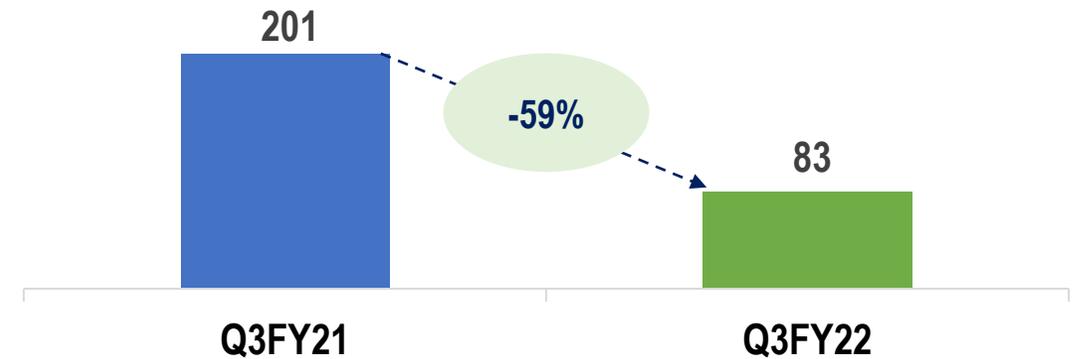
EBITDA



Profit Before Tax



Profit After Tax



- ✓ Delivered strong volumes during the quarter
- ✓ Variable Cost have gone up due to sharp fuel price increase

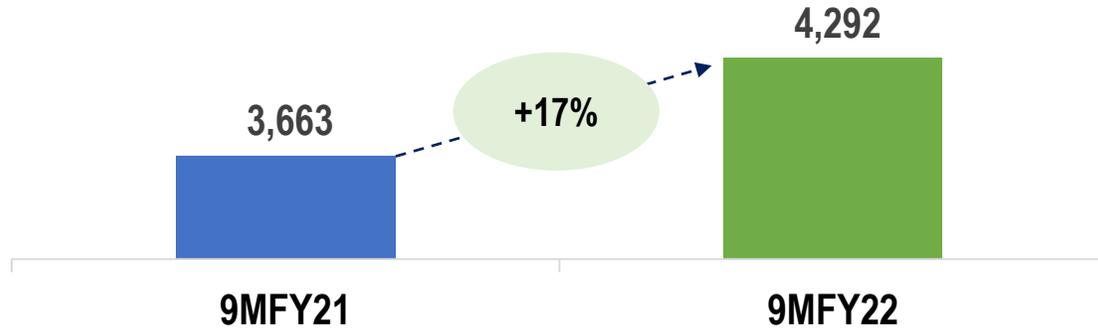
- ✓ Cement prices have declined sharply in Dec'21
- ✓ Effective tax rates reduced due to adoption of new tax regime

Key Performance for 9MFY22

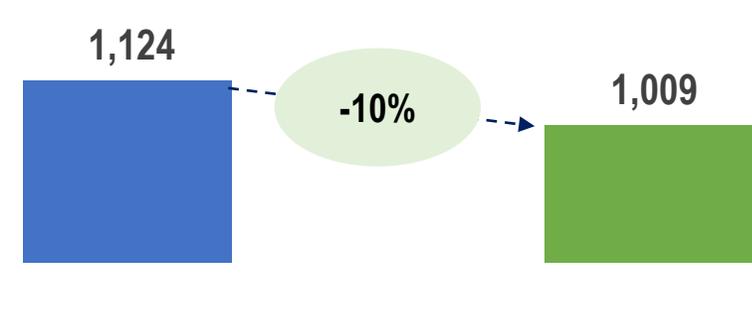
₹ in Crores



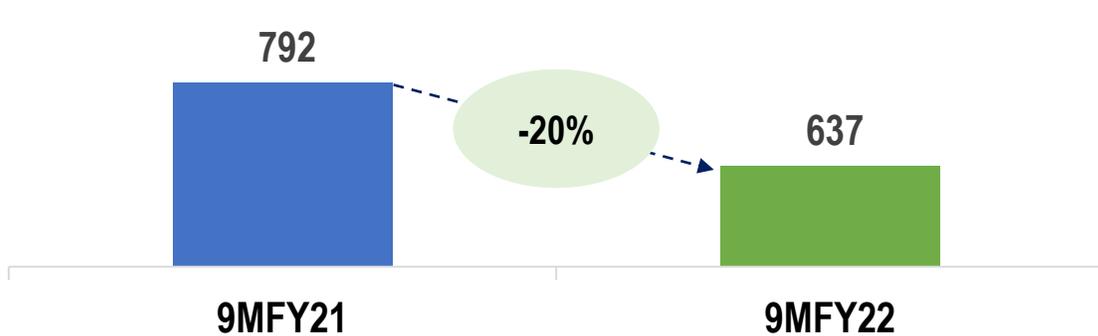
Revenue



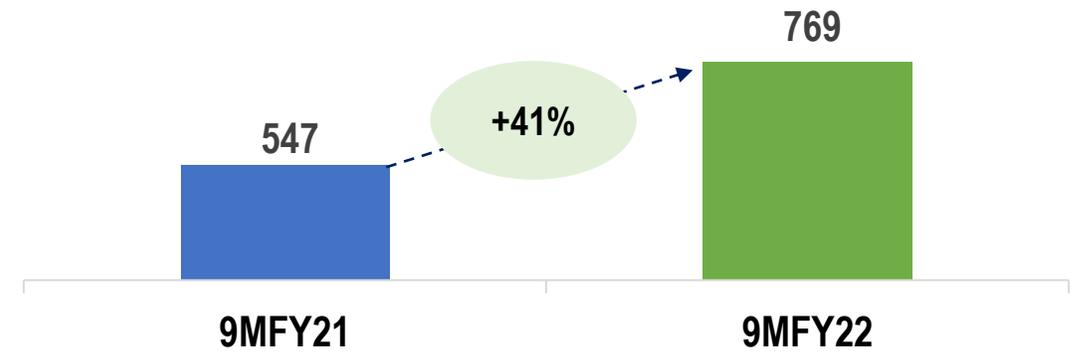
EBITDA



Profit Before Tax



Profit After Tax



- ✓ Delivered strong volumes during the nine months period
- ✓ Variable Cost have gone up due to sharp fuel price increase
- ✓ Diesel prices increase of 23% pushed overall operating cost

- ✓ Price increases were not sufficient to cover increase in variable cost
- ✓ Cost of debt reduced from 6.64% to 5.51% during the current period
- ✓ Improved PAT due to adoption of new tax regime under Income Tax

Income Statement for Q3FY22

₹ in Crores



Standalone			Particulars	Consolidated		
Q3FY22	Q3FY21	Variance %		Q3FY22	Q3FY21	Variance %
1,555.88	1,345.42	16% ▲	Revenue	1,558.69	1,349.58	15% ▲
1,318.21	942.08	40% ▲	Less: Operating Expenses	1,323.58	945.74	40% ▲
237.67	403.34	41% ▼	EBITDA	235.11	403.84	42% ▼
25.28	15.99	58% ▲	Less: Finance Costs	25.28	15.99	58% ▲
99.20	89.62	11% ▲	Less: Depreciation	99.56	89.95	11% ▲
113.19	297.73	62% ▼	Profit Before Tax	110.27	297.90	63% ▼
5.00	50.39	90% ▼	Less: Current Tax Expenses	4.78	50.35	91% ▼
25.62	45.99	44% ▼	Less: Deferred Tax, net of MAT Credit	25.03	46.08	46% ▼
82.57	201.35	59% ▼	Profit After Tax	80.46	201.47	61% ▼
-	-	-	Add: Share of Profit of Associates	-5.22	5.22	-
-	-	-	Less: Non-Controlling Interest	-0.38	-0.02	-
82.57	201.35	59% ▼	Profit for the period	75.62	206.71	-63% ▼

Income Statement for 9MFY22

₹ in Crores



Standalone			Particulars	Consolidated		
9MFY22	9MFY21	Variance %		9MFY22	9MFY21	Variance %
4,291.58	3,662.63	17% ▲	Revenue	4,309.01	3,679.84	17% ▲
3,282.16	2,538.92	29% ▲	Less: Operating Expenses	3,295.12	2,548.93	29% ▲
1,009.42	1,123.71	10% ▼	EBITDA	1,013.89	1,130.91	10% ▼
78.98	72.44	9% ▲	Less: Finance Costs	78.98	72.44	9% ▲
293.31	259.50	13% ▲	Less: Depreciation	294.38	260.45	13% ▲
637.13	791.77	20% ▼	Profit Before Tax	640.53	798.02	20% ▼
111.16	136.62	19% ▼	Less: Current Tax Expenses	111.90	137.46	19% ▼
62.92	108.43	42% ▼	Less: Deferred Tax, net of MAT Credit	63.04	109.25	42% ▼
-305.58	-	-	Add: Reversal of Deferred Tax Liability	-304.01	-	-
768.63	546.72	41% ▲	Profit After Tax	769.60	551.31	40% ▲
-	-	-	Add: Share of Profit of Associates	-5.92	17.10	-
-	-	-	Less: Non-Controlling Interest	0.77	0.93	-
768.63	546.72	41% ▲	Profit for the period	762.91	567.48	34% ▲

Income Statement of Subsidiaries

₹ in Crores



Q3FY22

Ramco Windfarms Limited			Particulars	Ramco Industrial & Technology Services Ltd		
Q3FY22	Q3FY21	Variance %		Q3FY22	Q3FY21	Variance %
1.23	2.42	49% ▼	Revenue	10.70	9.59	12% ▲
-0.29	0.99	- ▼	EBITDA	-1.62	0.20	- ▼

9MFY22

Ramco Windfarms Limited			Particulars	Ramco Industrial & Technology Services Ltd		
9MFY22	9MFY21	Variance %		9MFY22	9MFY21	Variance %
12.12	11.78	3% ▲	Revenue	28.83	26.99	7% ▲
7.73	7.76	- ▼	EBITDA	-1.25	1.70	- ▼

Opted for New Income Tax Regime in current FY

Highlights of new tax regime U/s.115BAA

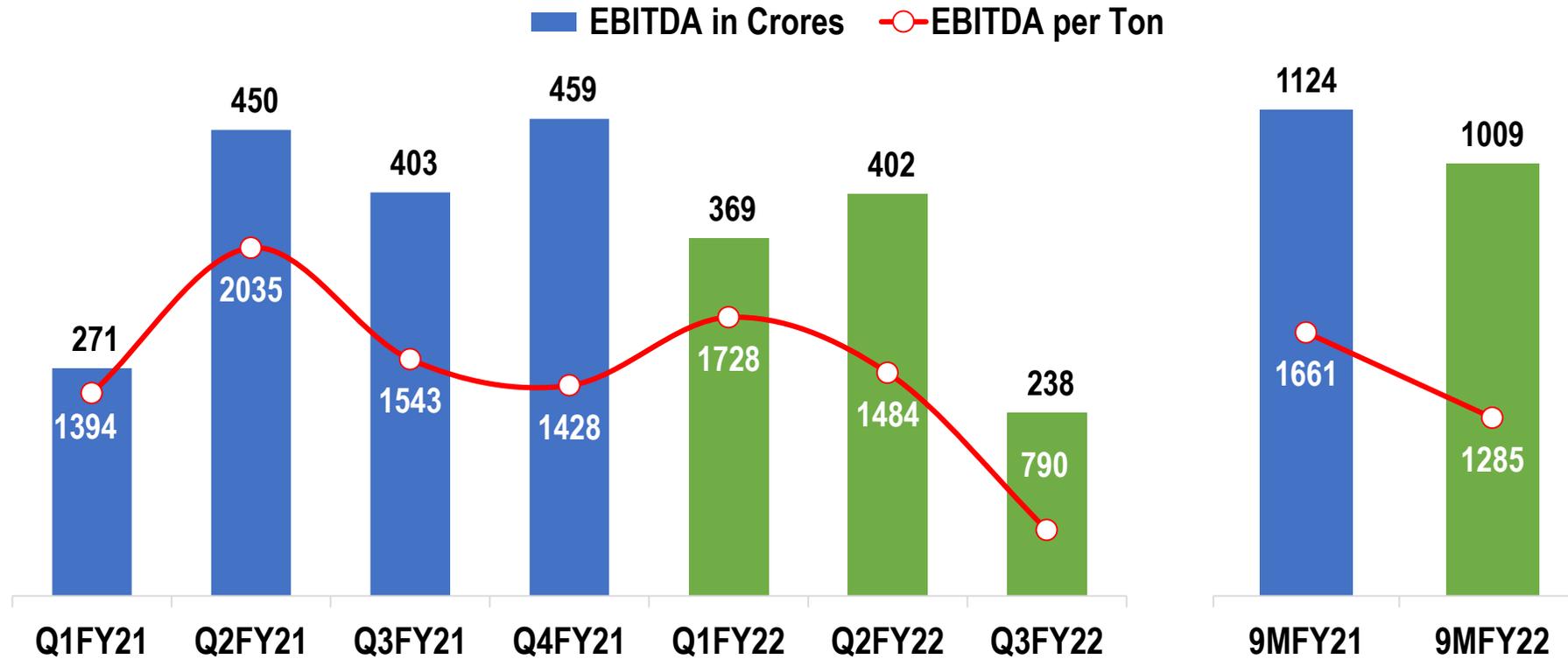
- ❖ Tax rates for domestic companies were changed by the Government through an ordinance on 20-9-2019.
- ❖ The rates are effective from 1-4-2019
- ❖ Effective regular rate reduced from 34.94% to 25.17% subject to the condition that deductions towards incentives, additional depreciation benefits, carry forward of MAT credit, and carry forward of losses are no longer permissible.
- ❖ Irreversible option given to companies to select new tax rates.
- ❖ Companies have the liberty to continue with the old rates with all applicable benefits.

Company's Option from FY 2021-22

- ❖ Tax Rate is reduced from 34.94% to 25.17% from FY 2021-22
- ❖ Option can be exercised till the due date of filing of tax returns
- ❖ The Company has opted new tax rate 25.17% from FY 2021-22 onwards in view of the following advantages:
 - Reduced tax charge to P & L
 - All MAT Credits were utilized
 - Scope for lesser litigation in future periods
 - No material adverse impact in cash flows
- ❖ The Company has restated the deferred tax liability at the new tax rate. Consequently, it led to reversal of deferred tax liability to the extent of ₹ 305.58 Crores during previous quarter ended 30-9-2021

Due to change in rate of tax, PAT was higher by ₹ 305.58 crores for the nine months ended 31-12-2021

EBITDA



✓ Pet coke and coal prices have sharply increased. Consequently, power & fuel cost has increased by:

₹ 562 / ton in Q3 YoY
₹ 365 / ton in 9M YoY

✓ Overall WB market was weak on both price & volume

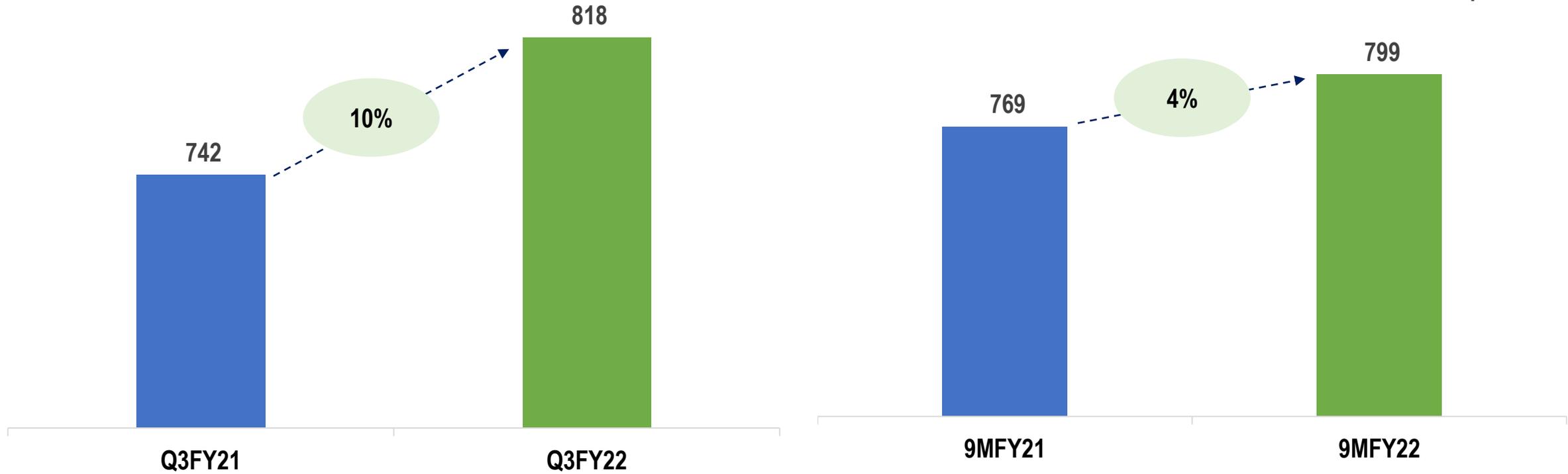
✓ Cement price increase could not sustain in Q3

✓ Continued focus on sale of premium products

Cost of raw materials



In ₹ per Ton

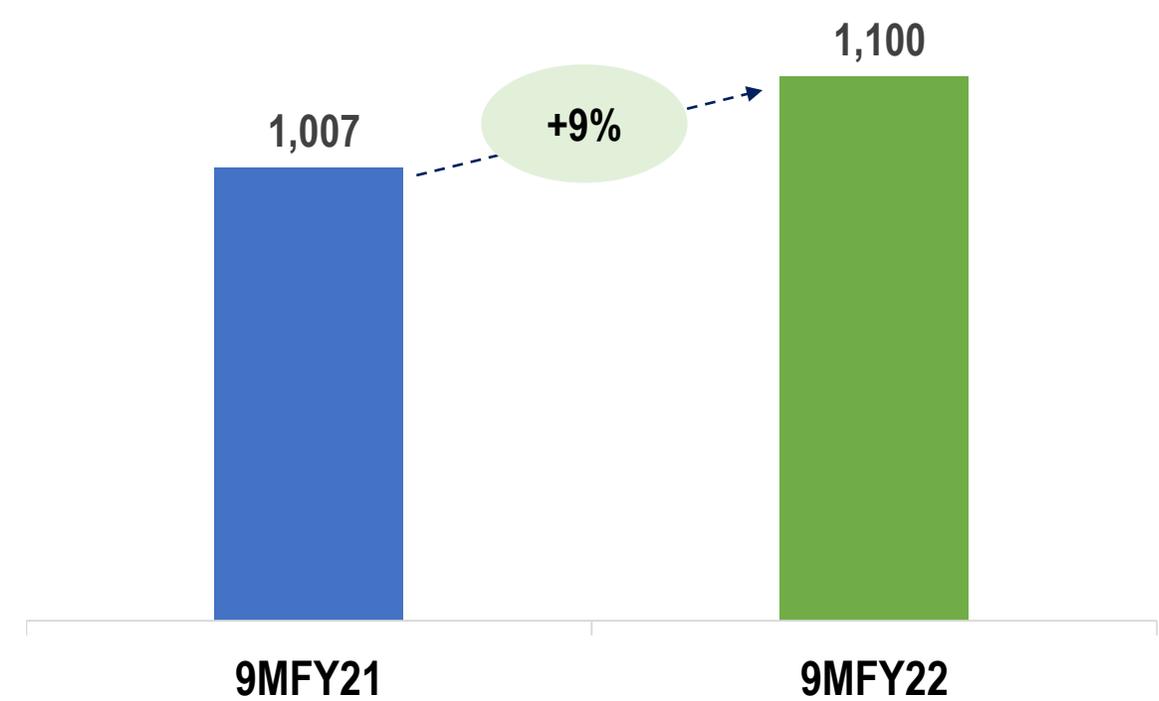
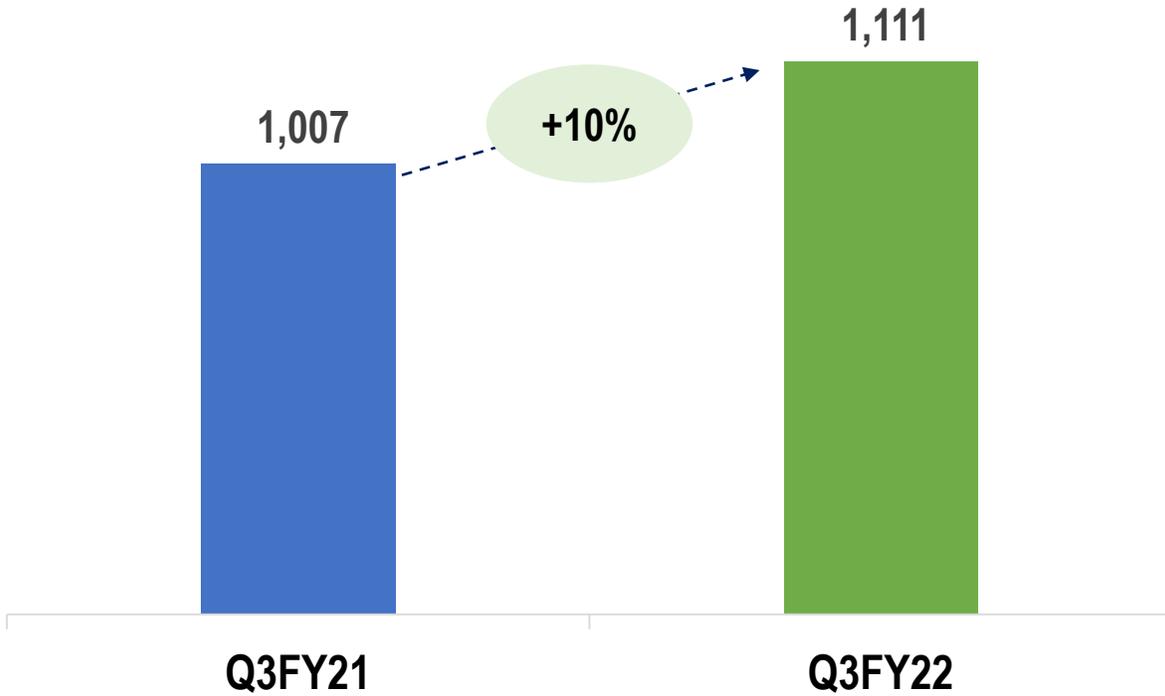


Increase in diesel price pushed the cost of inbound logistics cost

Logistics cost



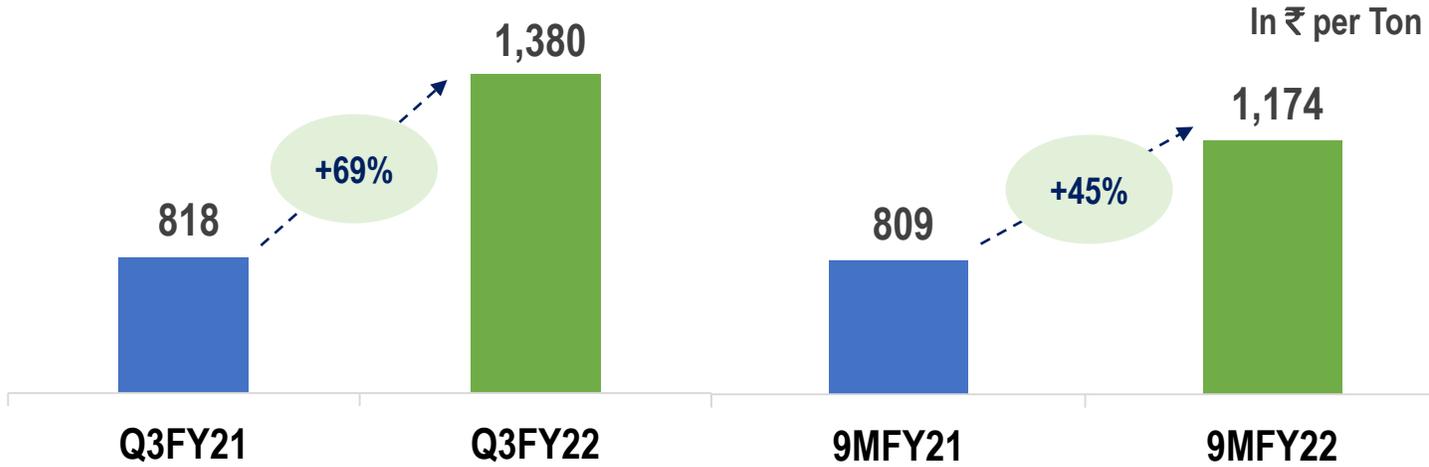
In ₹ per Ton



- ✓ Increase in diesel price pushed the cost of logistics cost
- ✓ Rail Co-efficient for the current quarter is 15% vs 12% YoY
- ✓ Average lead distance is 325 KMs; Down by 8%

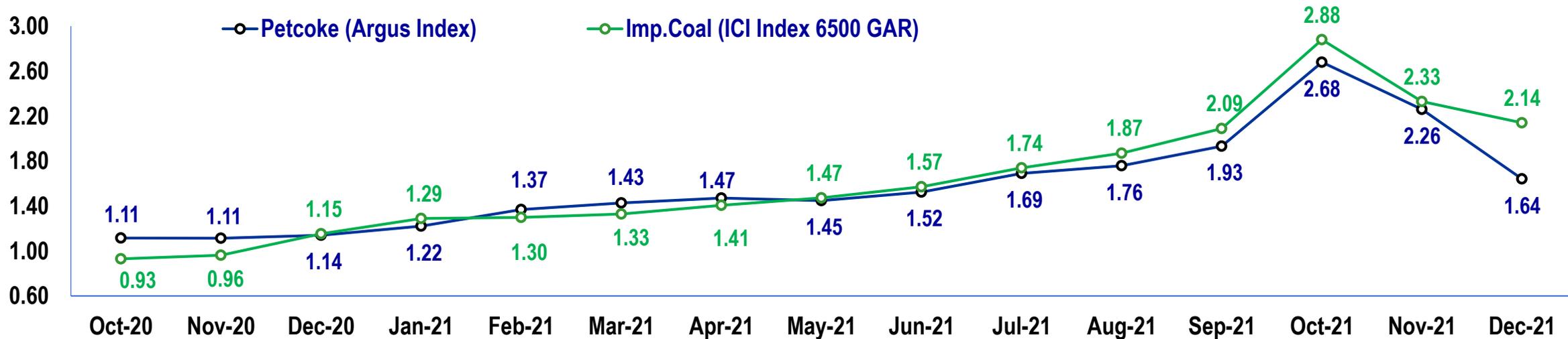
- ✓ Increase in diesel price pushed the cost of logistics cost
- ✓ Rail Co-efficient for the current year is 13% vs 9% YoY
- ✓ Average lead distance is 324 KMs; Up by 1%

Power and Fuel Cost

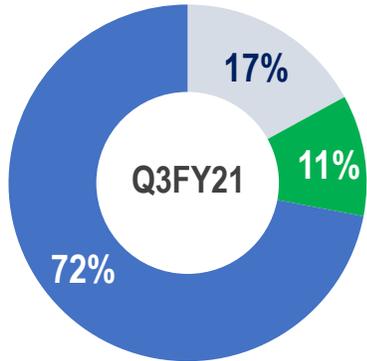


- ✓ Average Fuel consumption / T for Q3FY22 is \$ 149
- ✓ Pet coke consumption / T for Q3FY22 is \$ 168
- ✓ Imported coal consumption / T for Q3FY22 is \$ 141
- ✓ CIF Pet coke price peaked to \$ 250 / T in Oct'21
- ✓ Current CIF spot pet coke price is ~ \$ 150 / T
- ✓ Emphasis on increased usage of alternate fuels
- ✓ WHRS operations helped to manage power cost better

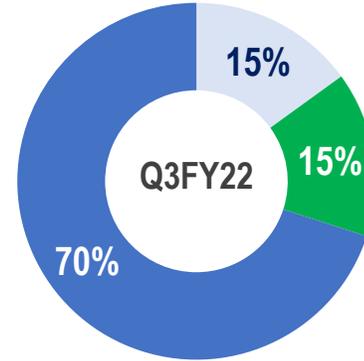
Trend of Fuel Cost per CV based on Index price



Power Mix

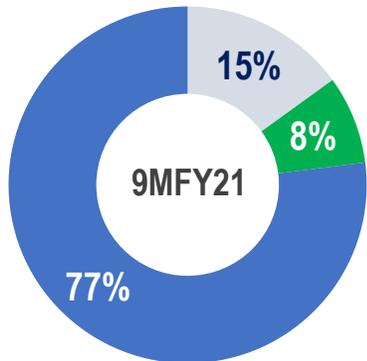


■ Grid power ■ Green Power ■ Thermal Power

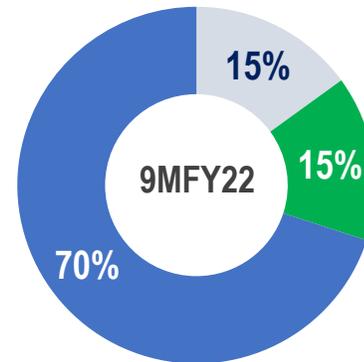


■ Grid power ■ Green Power ■ Thermal Power

Focus on Green Power



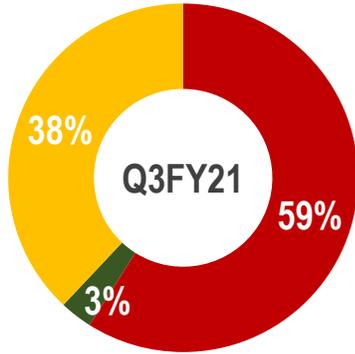
■ Grid power ■ Green Power ■ Thermal Power



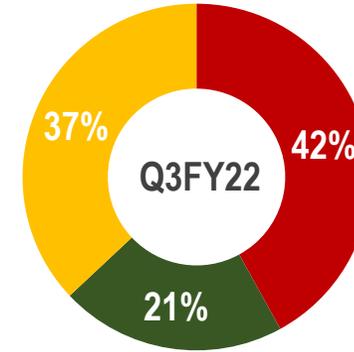
■ Grid power ■ Green Power ■ Thermal Power



Fuel Mix

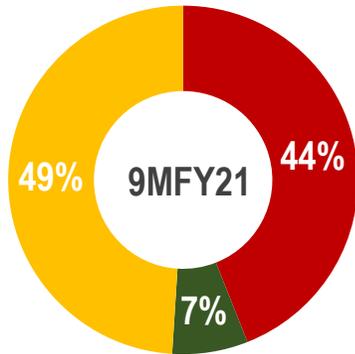


■ Coal ■ Alternate Fuel ■ Pet coke

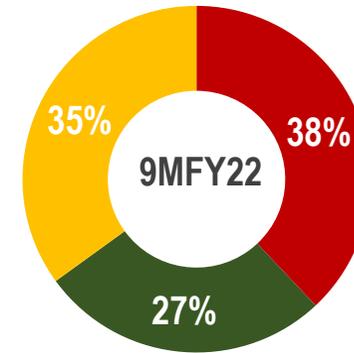


■ Coal ■ Alternate Fuel ■ Pet coke

Optimum usage of fuels based on cost per CV



■ Coal ■ Alternate Fuel ■ Pet coke

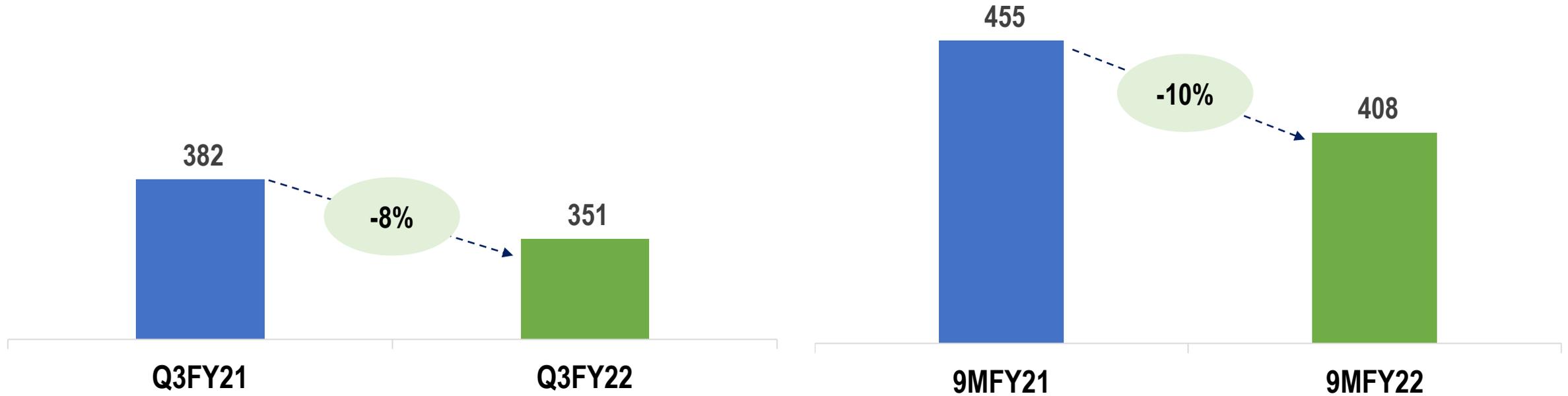


■ Coal ■ Alternate Fuel ■ Pet coke

Employee Cost



In ₹ per Ton

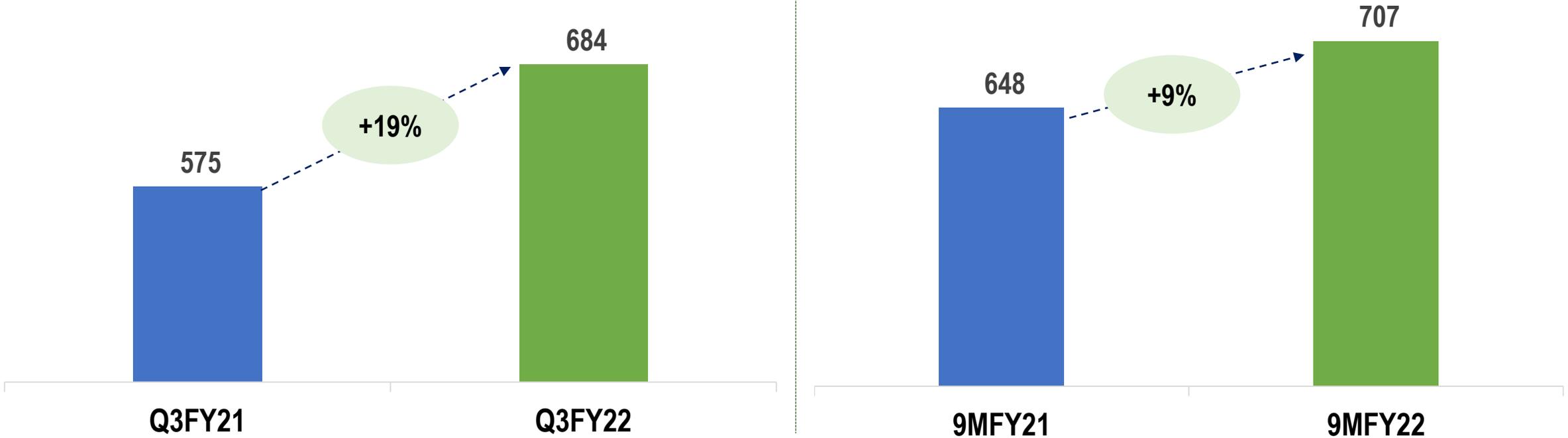


Increase in volume has led to better absorption of employee cost

Other Expenditure



In ₹ per Ton

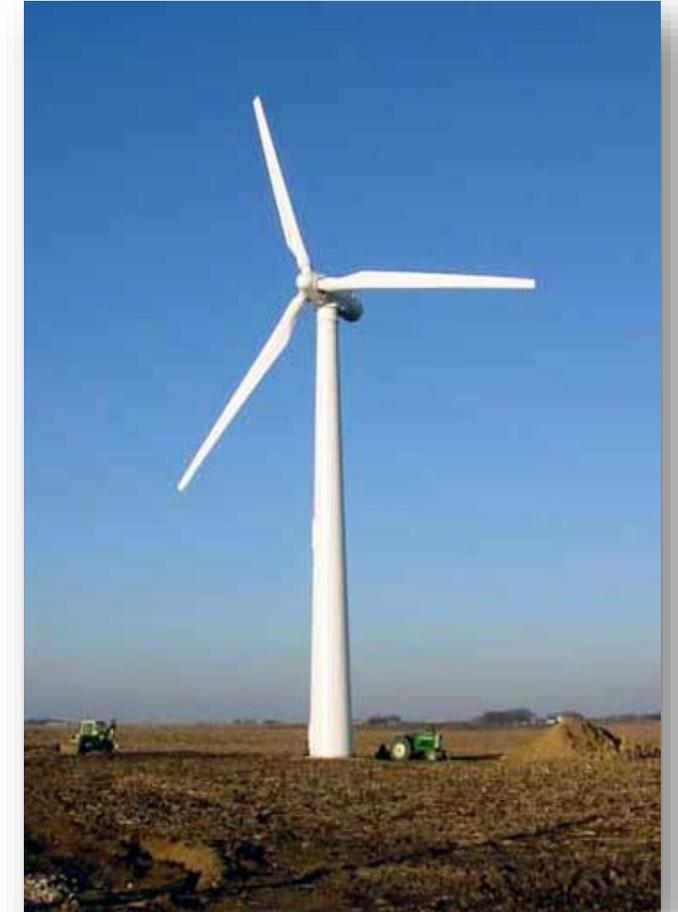


- ✓ Increase in Packing cost during the current period due to increase in polymer price
- ✓ Advertisement & Sales Promotion expenses have increased during the current year
- ✓ Increase in Admin & CSR expenses during the current year

Wind power

Particulars	Q3FY22	Q3FY21	Variance
Generation of Wind power (In Crore Units)	228	350	35% ▼
Revenue from Wind power (₹ in Crores)	3.95	8.50	54% ▼
Less: Operating Expenses (₹ in Crores)	5.81	5.64	3% ▲
EBITDA from Wind power (₹ in Crores)	-1.86	2.86	- ▼

Particulars	9MFY22	9MFY21	Variance
Generation of Wind power (In Crore Units)	2,142	1,981	8% ▲
Revenue from Wind power (₹ in Crores)	56.77	53.88	5% ▲
Less: Operating Expenses (₹ in Crores)	16.99	16.62	2% ▲
EBITDA from Wind power (₹ in Crores)	39.78	37.26	7% ▲



Key Ratios



Particulars	UOM	Q3FY22	Q3FY21	9MFY22	9MFY21
EBTIDA Ratio	%	15%	30%	24%	31%
PBT Ratio	%	7%	22%	15%	22%
PAT Ratio	%	5%	15%	18%	15%
EPS, Not Annualized	₹	3	9	32	23
RoE	%	5%	16%	17%	14%
RoCE (Post-tax)	%	5%	11%	12%	10%
Debt-Equity Ratio	Multiples	0.60	0.57	0.60	0.57
Debt Service Cover Ratio	Multiples	0.89	4.39	1.35	2.66
Interest Service Cover Ratio	Multiples	2.71	9.02	4.64	5.87
Current Ratio	Multiples	1.16	1.21	1.16	1.21



Capex update



- ✓ Clinkering unit of 2.25 MTPA in Kurnool will be commissioned in Feb 2022
- ✓ Cement mill of 1 MTPA in Kurnool will be commissioned in FY 2022-23
- ✓ WHRS capacity of 12.15 MW in Kurnool will be commissioned in FY 2022-23
- ✓ TPP capacity of 18 MW in Kurnool will be commissioned in FY 2022-23
- ✓ Modernization of RRN Plant with the new 3000 TPD Kiln will be commissioned in FY 2023-24
- ✓ Expansion of Dry Mortar Plant will be commissioned in FY 2023-24



Capex spent during: Q3FY22: ₹ 486 Crores; 9MFY22: ₹ 1,387 Crores

Glimpses of 1st Sustainability Report

First Report on Sustainability

Our first year of sustainability report released during the month of Dec'21
[Click here to view Sustainability Report](#)

Overview

This report outlines our sustainability strategy, priorities, goals and targets, and our commitment to embed sustainability in our core business operations

Sustainability Vision

We aim to pave a way towards a resilient planet and happy people by embracing excellence and innovation in a sustainable manner

ESG
GOALS

Resource Efficiency

Circular Economy

Zero Waste to Landfill;
Waste Traceability

Water Stewardship

Water Neutrality

Net Zero Carbon Emission

15% reduction in Carbon emission

Biodiversity

Increase biodiversity conservation areas

Responsible Product

Supply chain

100% Vendors assessment

Sustainable product

100% plastic take back; Life cycle assessment for 100% products

Sustainable Labelling

50% products with sustainable labelling

Alternative materials

Increasing the share of alternative materials

People & Communities

Strategic Collaborations

Global partnership

Health, Safety, Well-being

Zero fatalities; Enhanced employee well-being

Employee Engagement

Enhanced employee satisfaction; Integration of ESG trainings

CSR

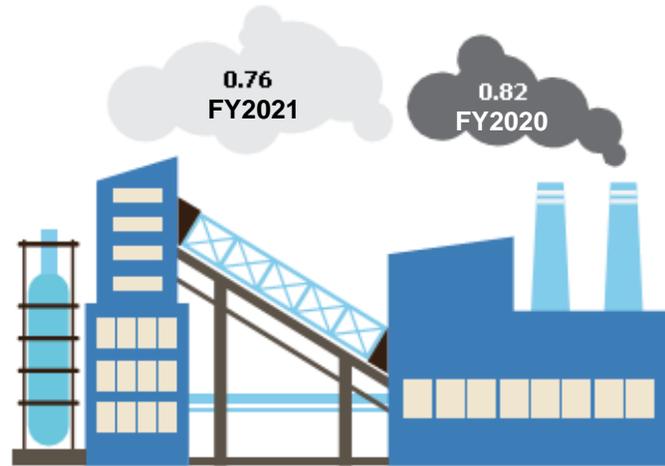
To reach 2,00,000 beneficiaries

Sustainability towards net zero carbon emissions



Net
Zero

Carbon emission



Emission Intensity (tCo2/MT of Cement)

Absolute Emissions (in tCo2)		
Category	FY2021	FY2020
Scope I Emissions	74,61,451	91,65,306
Scope II Emissions	90,354	91,915



27 MW

Waste Heat Recovery System



Higher usage of
Blended Cements



Increased usage of
Alternate materials / fuels



166 MW

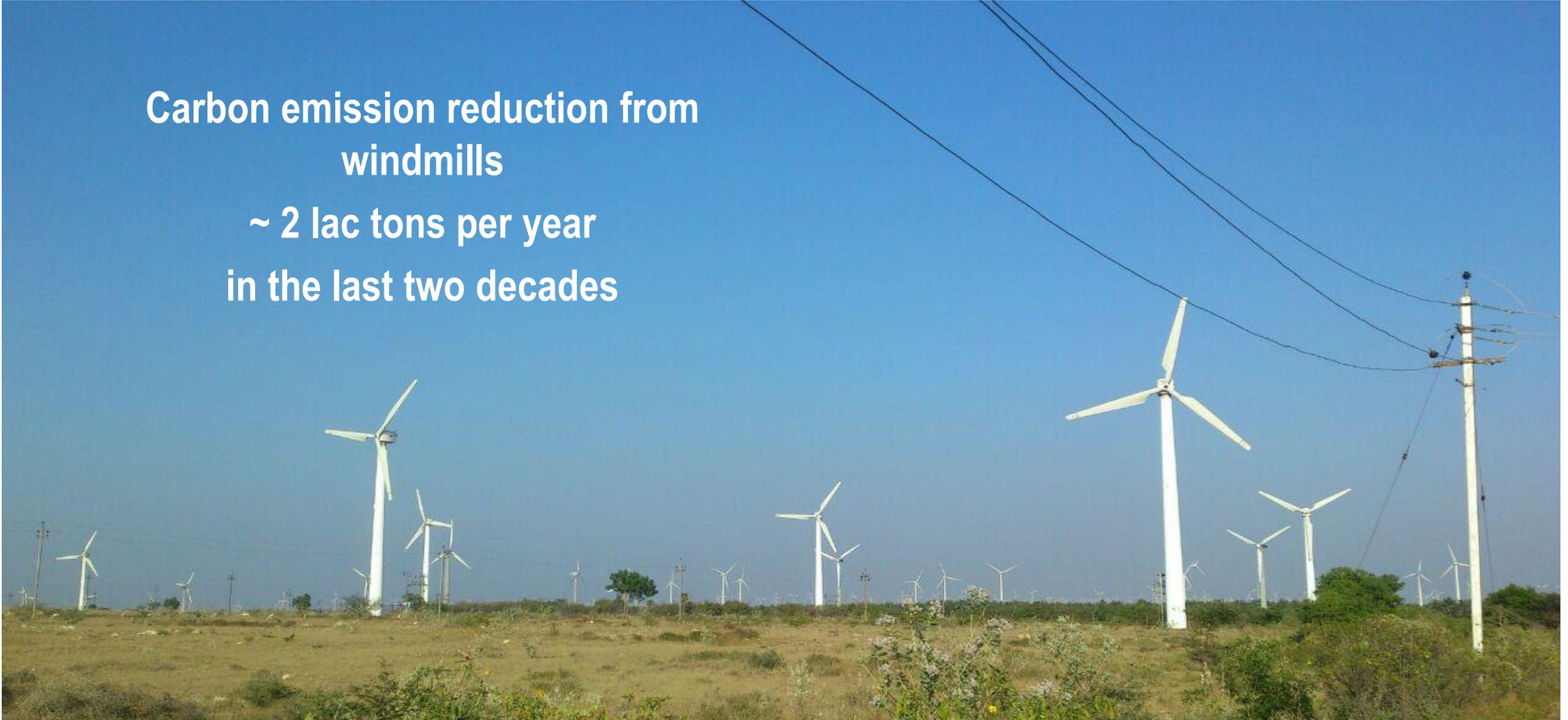
Wind Power

Proactive drive for a greener tomorrow

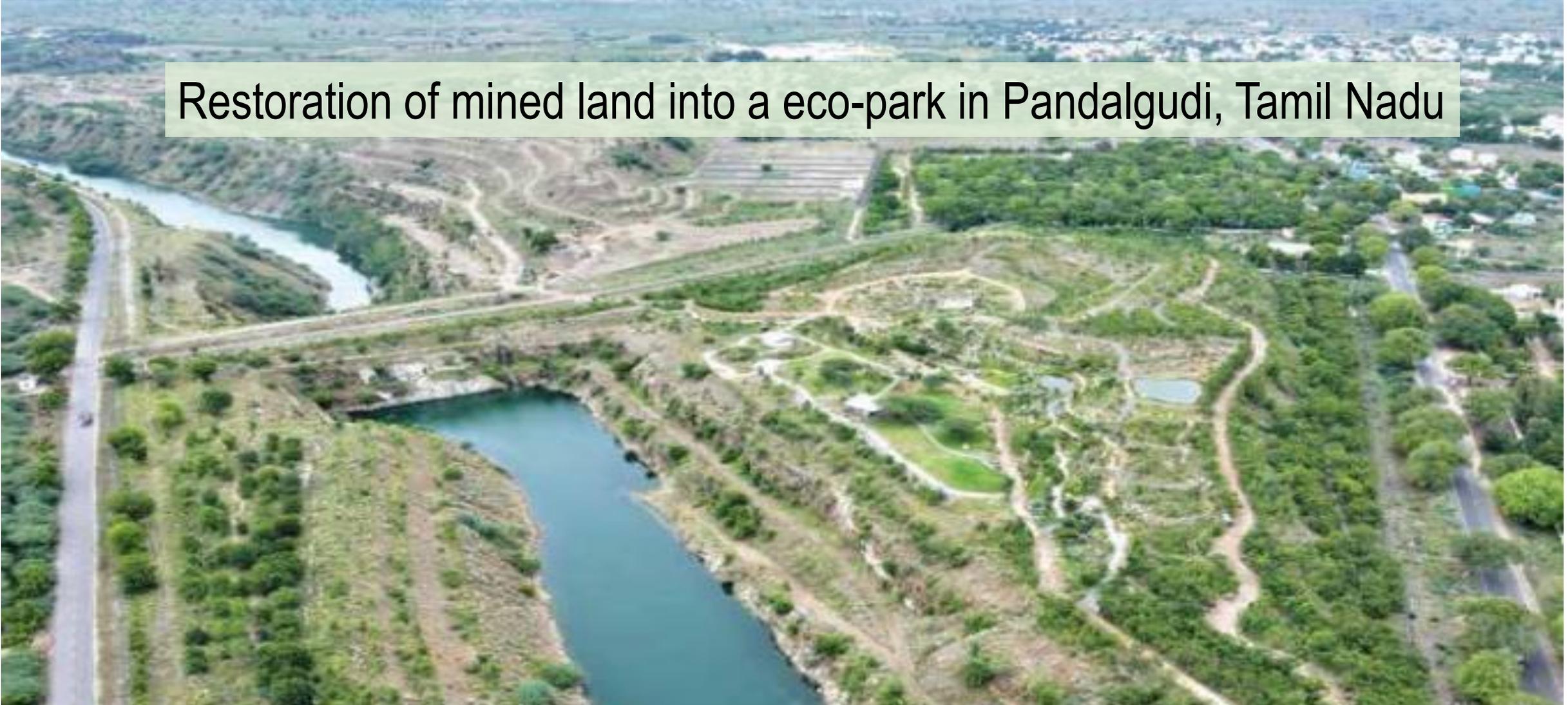
Sustainability by pioneering wind generation

Carbon emission reduction from
windmills

~ 2 lac tons per year
in the last two decades



Restoration of mined land into a eco-park in Pandalgudi, Tamil Nadu



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

The Ramco Cements Limited

Corporate Office:

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

Dr.Radhakrishnan Salai, Mylapore,

Chennai 600 004

