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Chennai - 600 004, India.
Tel: +91 44 2847 8666 Fax: +91 44 2847 8676
Website: www.ramcocements.in
Corporate Identity Number: L26941TN1957PLC003566

THE RAMCO CEMENTS LIMITED

23 May 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

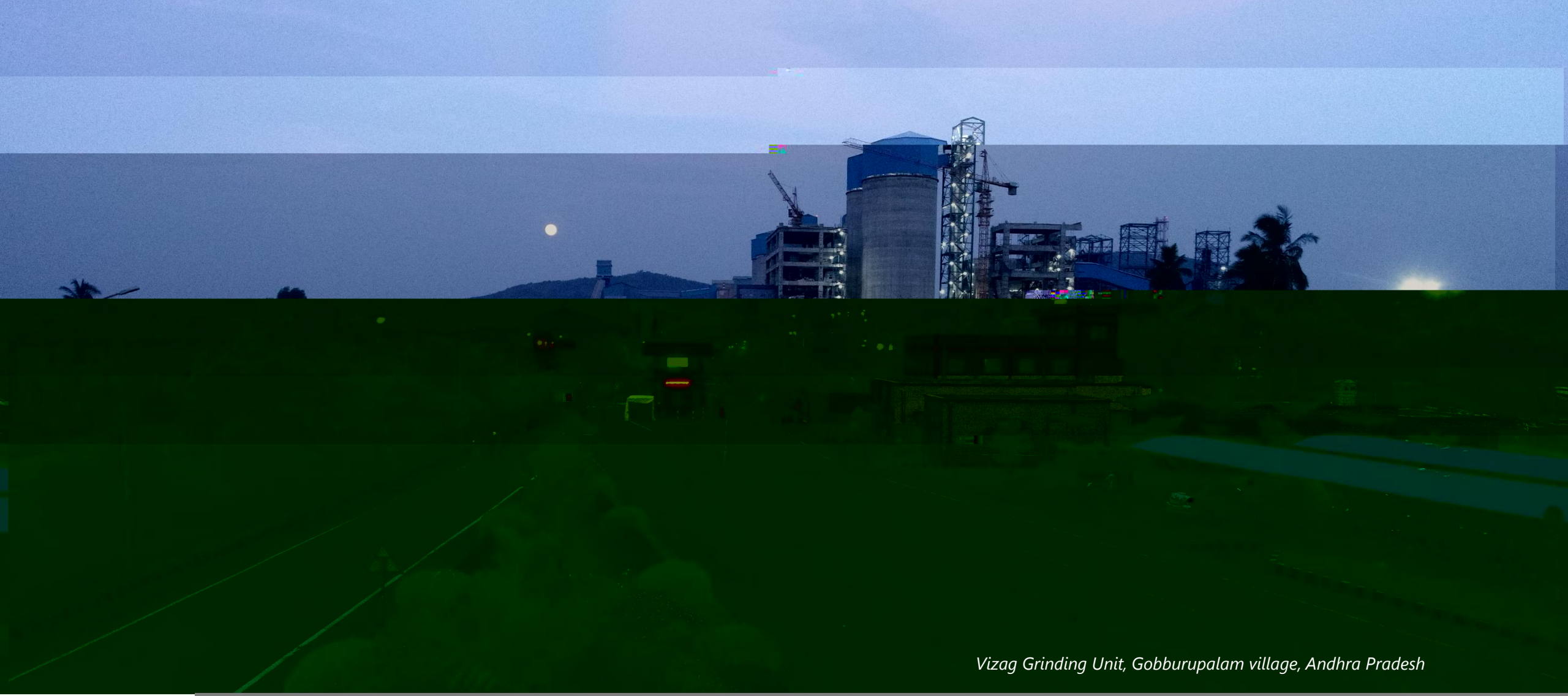
Pursuant to Regulation 30, read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose a copy of the Presentation on the performance of the Company for the quarter and year ended 31.03.2022, being shared at the Investors' Meets.

Thanking you,

Yours faithfully,
For **THE RAMCO CEMENTS LIMITED,**

K.SELVANAYAGAM
SECRETARY

Encl : As above



Vizag Grinding Unit, Gobburupalam village, Andhra Pradesh

The Ramco Cements Limited

Firm and Focused. Future progressive

Investor Update

Q4 2021-22

Contents

01 Overview

02 Market update

03 Sales

04 Key Performance

05 Income Statement & Financial Analysis

06 Financial position & Cash flow

07 Debt leverage

08 Capex update

09 ESG update

10 CSR update

Overview

Overview of Economy

- India's GDP growth for FY23 is projected at 7.4%, with risks tilted to the downside
- Effect of rising energy prices is a spike in inflation in the near term
- Economy growth is 1.8% above the pre-pandemic level (fiscal 2020) in the current fiscal
- Repo Rate increased by 40 bps
- Country's exports crossed $ 400 bn in FY22 with a growth of 40%

Positives

- Robust demand from rural housing; Government's strong focus on infrastructure development
- '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
- High allocation for infrastructure, affordable housing schemes and road projects to fuel the economy, under Budget 2022-23
- Good monsoon

Watch outs

- Commodity price stability
- Ramifications of Russia – Ukraine War

Market update for FY22

South

Individual housing and Infra demand picked up

CoVID lock downs during Q1 & heavy rains due to extended monsoon in Q3 affected demand for the year

Price increase to cover cost push could not sustain

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

Heavy rains and cyclones in Q3 affected demand in east

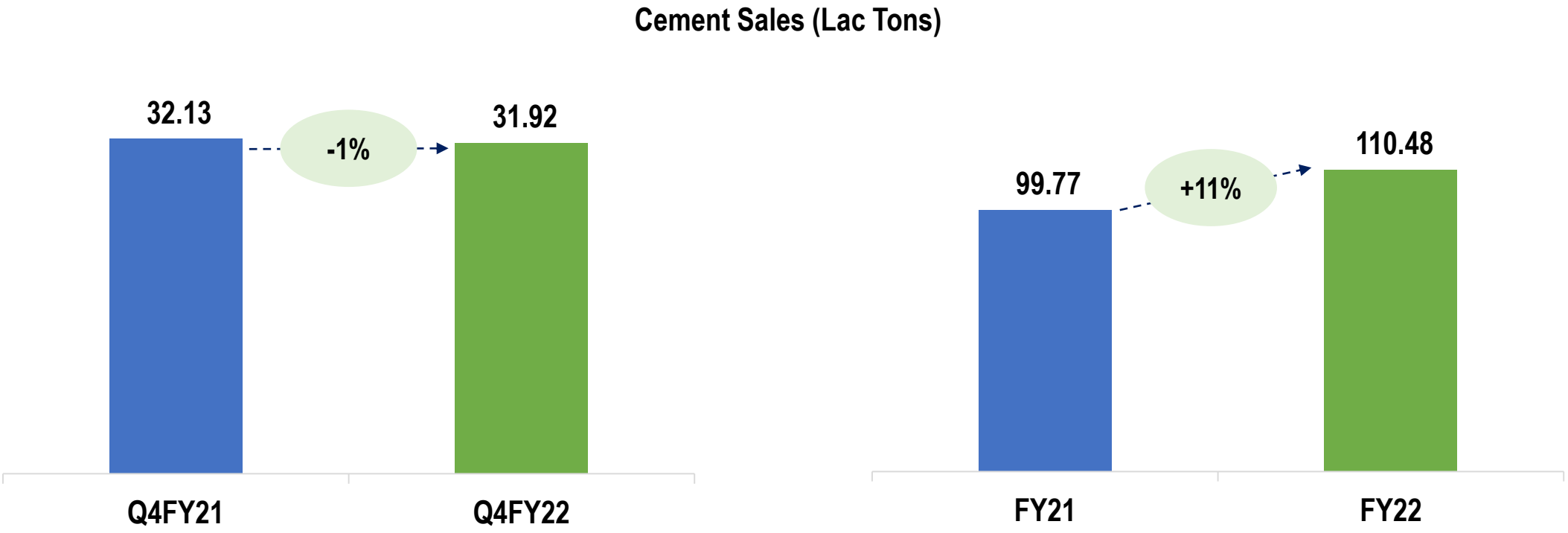
Price increase to cover cost push could not sustain

Orissa GP achieved full utilization in H2

Weak prices prevailed in east markets during the year

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

Sales



Share of Premium products stands at 22% for the current year

Sales Volume could have been better but for the impacts due to CoVID lock down in May / June 2021 in South and heavy rains in Q3 in South / East markets

Right product for right application

Ramco Supercrete

High strength cement with low heat of hydration for crack-free concrete

Ramco Supergrade

For producing durable concrete with less heat of hydration and lesser time leaching

OPC 43 Infra

For high strength & high slump concrete generally used for government works for structures like nuclear power projects

OPC 53 Infra

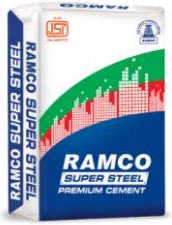
For all infrastructure projects like bridges, flyovers, tunnels, which requires concrete with high slump retention

OPC 43 Grade

For high strength concrete, suitable for cement sheet manufacturing & Govt, works

OPC 53 Grade

For high strength concrete



Ramco Super Steel

For high grade concrete in environment with extreme exposure conditions

Ramco Supercoast

Suitable for concreting in areas with high concentration of sulphates

Ramco Samudra

For durable concrete with low heat of hydration

Ramco Superfine EFC

For making concrete with high durability and enhanced impermeability

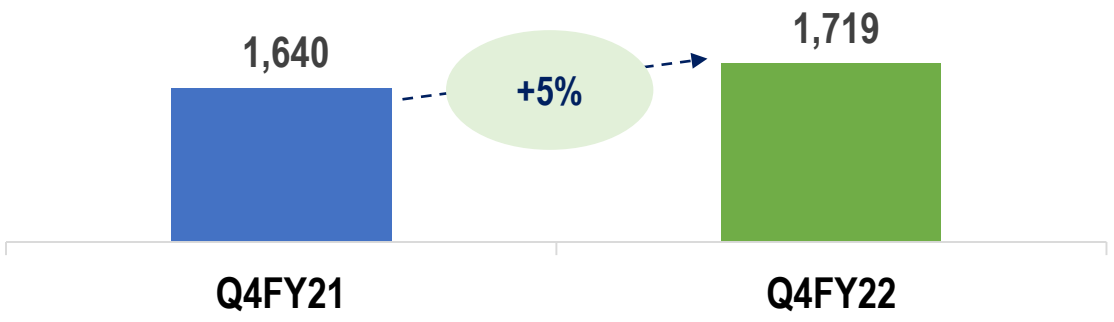
Karthik Super Plus

Blended cement for canal works & concreting where low heat hydration required

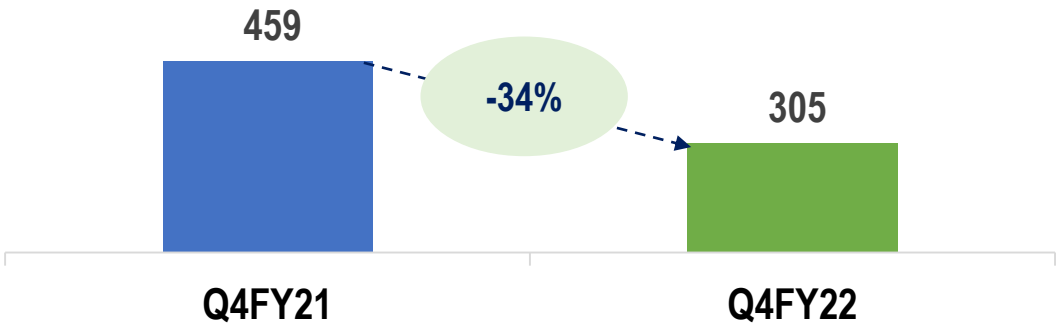
Key Performance for Q4FY22

₹ in Crores

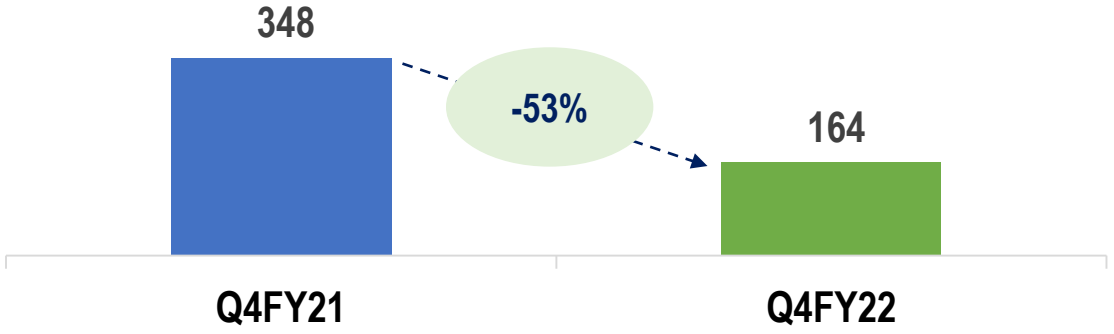
Revenue



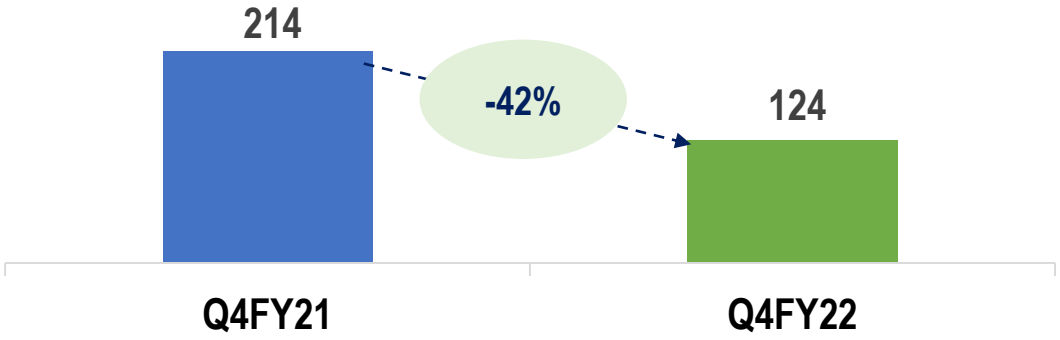
EBITDA



Profit Before Tax



Profit After Tax



Sales volume growth were flat during the quarter

Cement price increase was insufficient to cover fuel cost push

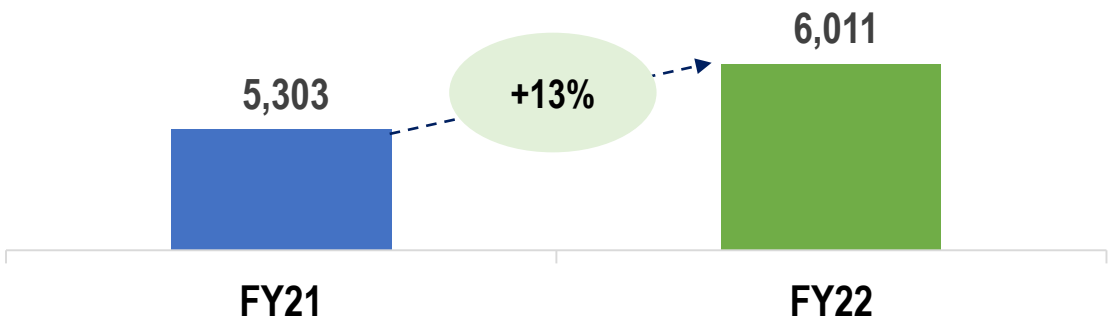
Variable Cost have gone up due to sharp fuel price increase

Effective tax rates reduced due to adoption of new tax regime

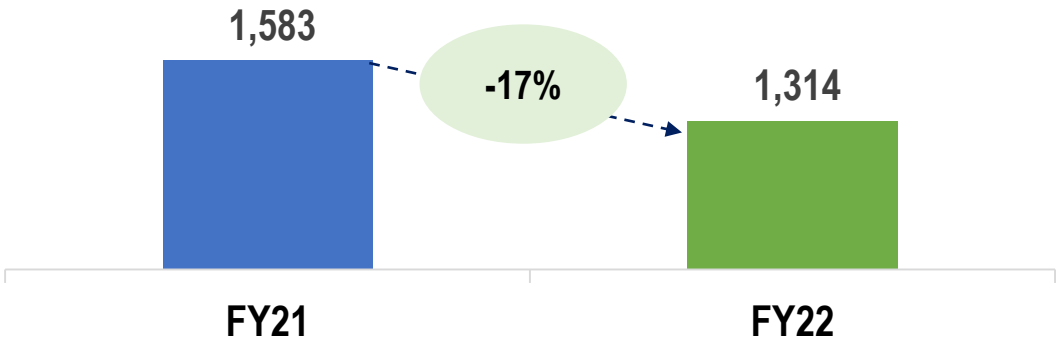
Key Performance for FY22

₹ in Crores

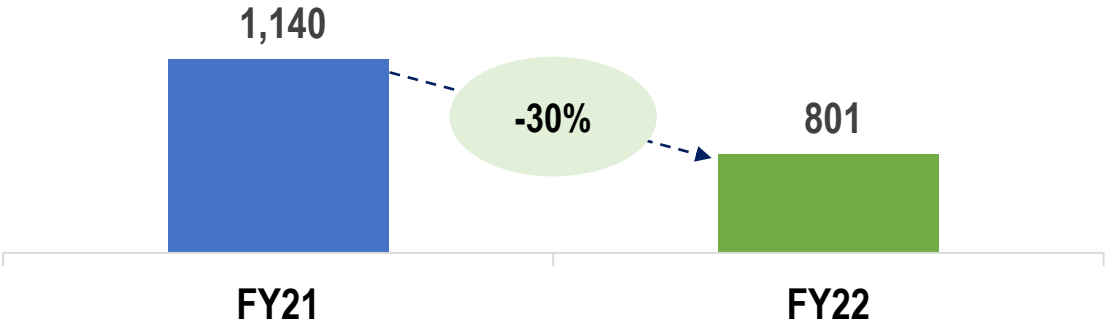
Revenue



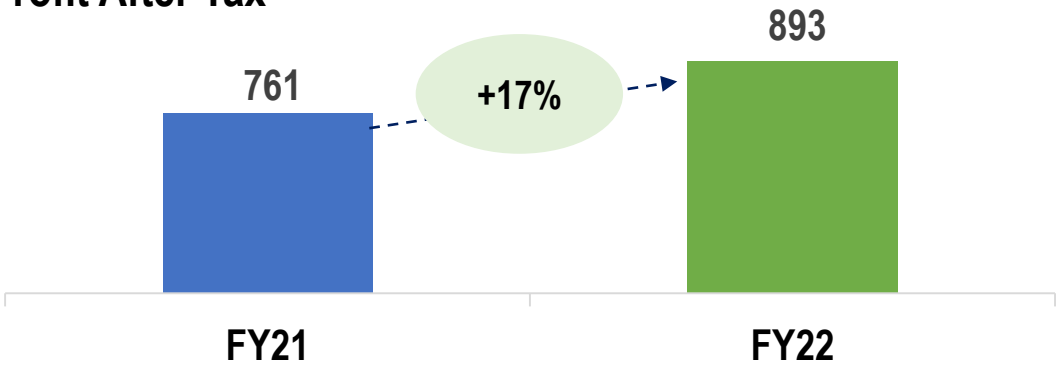
EBITDA



Profit Before Tax



Profit After Tax



Revenue surpassed ₹ 6000+ Crores in FY22 with strong volume growth

Cement price increase was insufficient to cover fuel cost push

Diesel prices increase of 20% pushed overall operating cost

Fixed expenses for FY22 were comparable with pre-CoVID levels

Finance cost increased in FY22 due to commissioning of JPM L-3 / Orissa GP. Cost of debt reduced from 6.59% to 5.54% during the current year

Improved PAT due to adoption of new tax regime under Income Tax

Income Statement for Q4FY22

₹ in Crores

Standalone			Particulars	Consolidated		
Q4FY22	Q4FY21	Variance %		Q4FY22	Q4FY21	Variance %
1,719.04	**1,640.45**	**5%** ▲	**Revenue**	**1,722.68**	**1,641.53**	**5%** ▲
1,413.98	1,181.56	20% ▲	Less: Operating Expenses	1,418.50	1,184.76	20% ▲
305.06	**458.89**	**34%** ▼	**EBITDA**	**304.18**	**456.77**	**33%** ▼
33.42	15.18	120% ▲	Less: Finance Costs	33.42	15.18	120% ▲
107.53	95.80	12% ▲	Less: Depreciation	107.85	96.11	12% ▲
164.11	**347.91**	**53%** ▼	**Profit Before Tax**	**162.91**	**345.48**	**53%** ▼
60.99	107.40	43% ▼	Less: Current Tax Expenses	60.78	107.15	43% ▼
(20.95)	26.15	- ▼	Less: Deferred Tax Expenses	(21.12)	26.06	- ▼
124.07	**214.36**	**42%** ▼	**Profit After Tax**	**123.25**	**212.27**	**42%** ▼
-	-	-	Add: Share of Profit of Associates	(4.98)	3.65	-
-	-	-	Less: Non-Controlling Interest	(0.30)	(0.24)	-
124.07	**214.36**	**42%** ▼	**Profit for the period**	**118.57**	**216.16**	**45%** ▼

Income Statement for FY22

₹ in Crores

Standalone			Particulars	Consolidated		
FY22	FY21	Variance %		FY22	FY21	Variance %
6,010.62	**5,303.08**	**13%** ▲	**Revenue**	**6,031.69**	**5,321.37**	**13%** ▲
4,696.14	3,720.48	26% ▲	Less: Operating Expenses	4,713.62	3,733.69	26% ▲
1,314.48	**1,582.60**	**17%** ▼	**EBITDA**	**1,318.07**	**1,587.68**	**17%** ▼
112.40	87.62	28% ▲	Less: Finance Costs	112.40	87.62	28% ▲
400.84	355.30	13% ▲	Less: Depreciation	402.23	356.56	13% ▲
801.24	**1,139.68**	**30%** ▼	**Profit Before Tax**	**803.44**	**1,143.50**	**30%** ▼
172.15	244.02	29% ▼	Less: Current Tax Expenses	172.68	244.61	29% ▼
45.85	115.80	60% ▼	Less: Deferred Tax Expenses	45.80	116.53	61% ▼
(309.46)	18.78	-	Less: Reversal of Deferred Tax Liability	(307.89)	18.78	-
892.70	**761.08**	**17%** ▲	**Profit After Tax**	**892.85**	**763.58**	**17%** ▲
-	-	-	Add: Share of Profit of Associates	(10.90)	20.75	-
-	-	-	Less: Non-Controlling Interest	0.47	0.69	-
892.70	**761.08**	**17%** ▲	**Profit for the year**	**881.48**	**783.64**	**12%** ▲

Income Statement of Subsidiaries

₹ in Crores

Q4FY22

Ramco Windfarms Limited			Particulars	Ramco Industrial & Technology Services Ltd		
Q4FY22	Q4FY21	Variance %		Q4FY22	Q4FY21	Variance %
1.29	1.35	4% ▼	Revenue	11.64	10.01	16% ▲
-0.25	-0.04	- ▼	EBITDA	-0.01	-0.06	- ▼

FY22

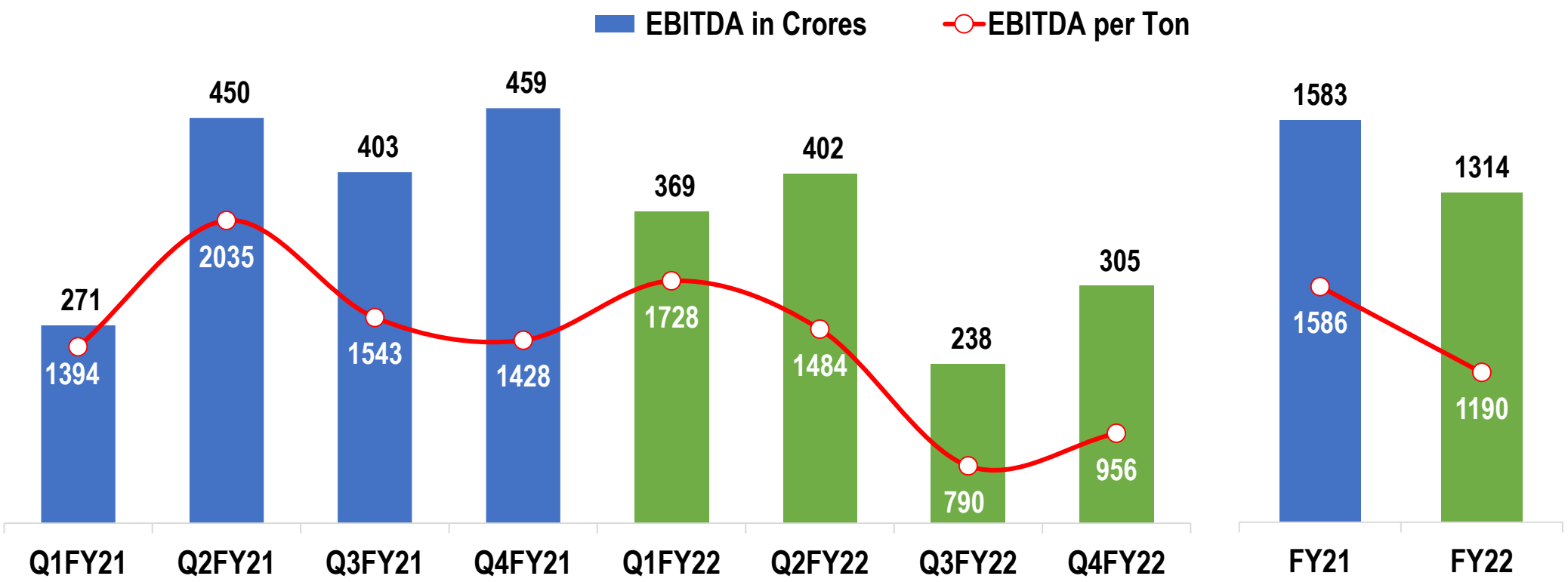
Ramco Windfarms Limited			Particulars	Ramco Industrial & Technology Services Ltd		
FY22	FY21	Variance %		FY22	FY21	Variance %
13.41	13.13	2% ▲	Revenue	40.47	37.00	9% ▲
7.48	7.72	3% ▼	EBITDA	-1.26	1.64	- ▼

Opted for New Income Tax Regime in current FY

Highlights of new tax regime U/s.115BAA	Company's Option from FY 2021-22
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.	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 the year ended 31-03-2022

Due to change in rate of tax, PAT was higher by ₹ 305.58 crores for the year ended 31-03-2022

EBITDA



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

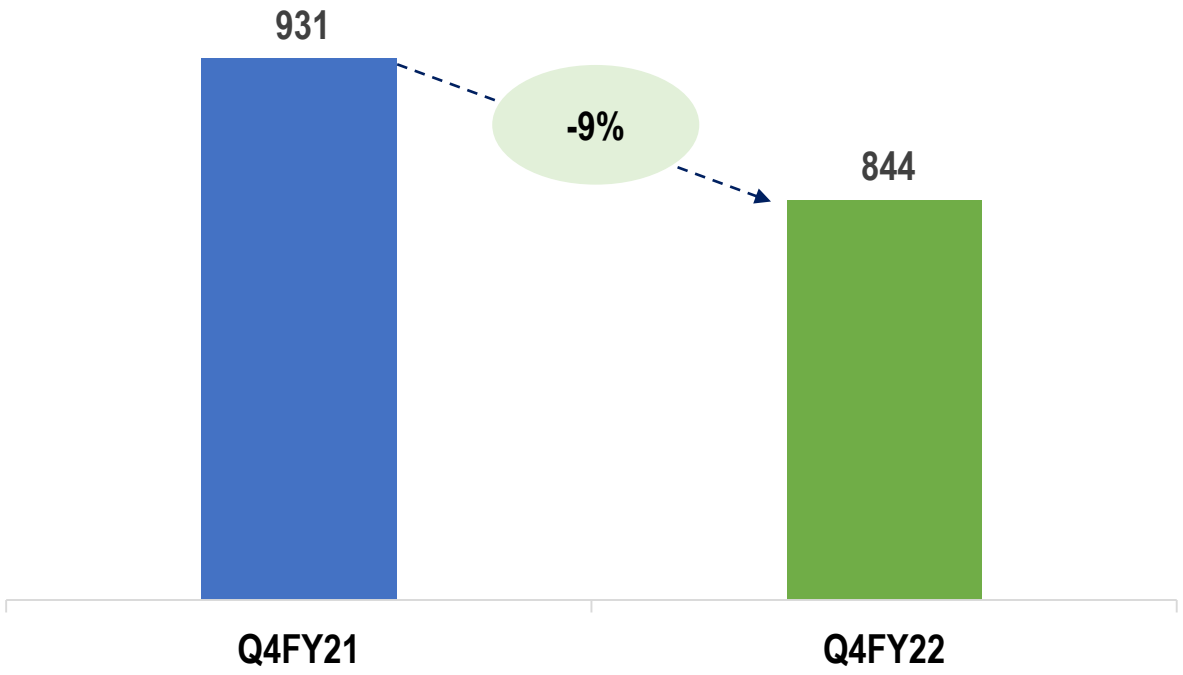
₹ 691 / ton in Q4 YoY
₹ 460 / ton in FY YoY

Trade prices in East were weak for most part of the year

Cement price increase was insufficient to cover fuel cost push

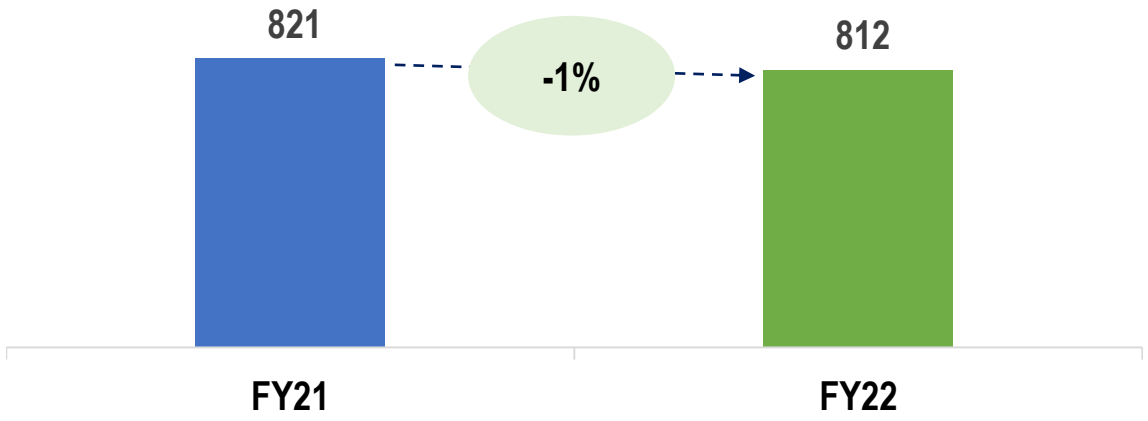
Continued focus on sale of premium products

Cost of raw materials



Due to usage of purchased clinker in the previous year

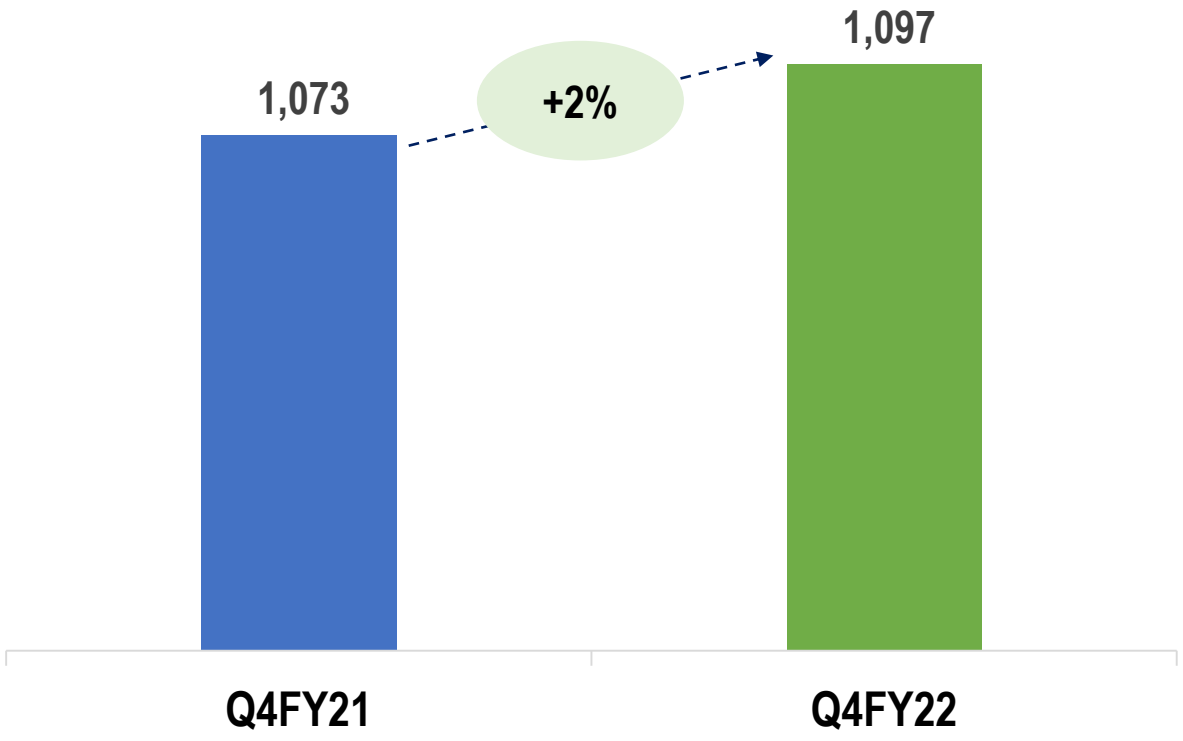
In ₹ per Ton

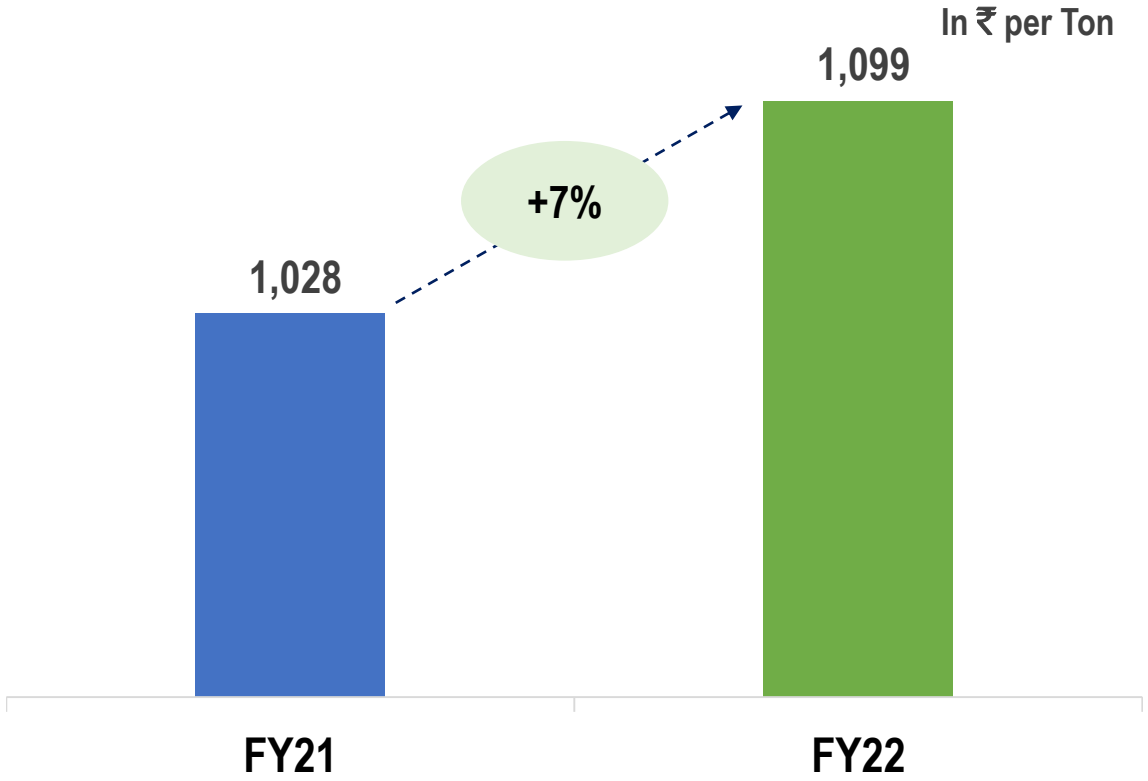


Overall RM cost remain flat in spite of diesel price increase

Due to usage of purchased clinker in the previous year

Logistics cost





Increase in diesel price pushed the cost of logistics cost

Rail Co-efficient for the current quarter is 15% vs 12% YoY

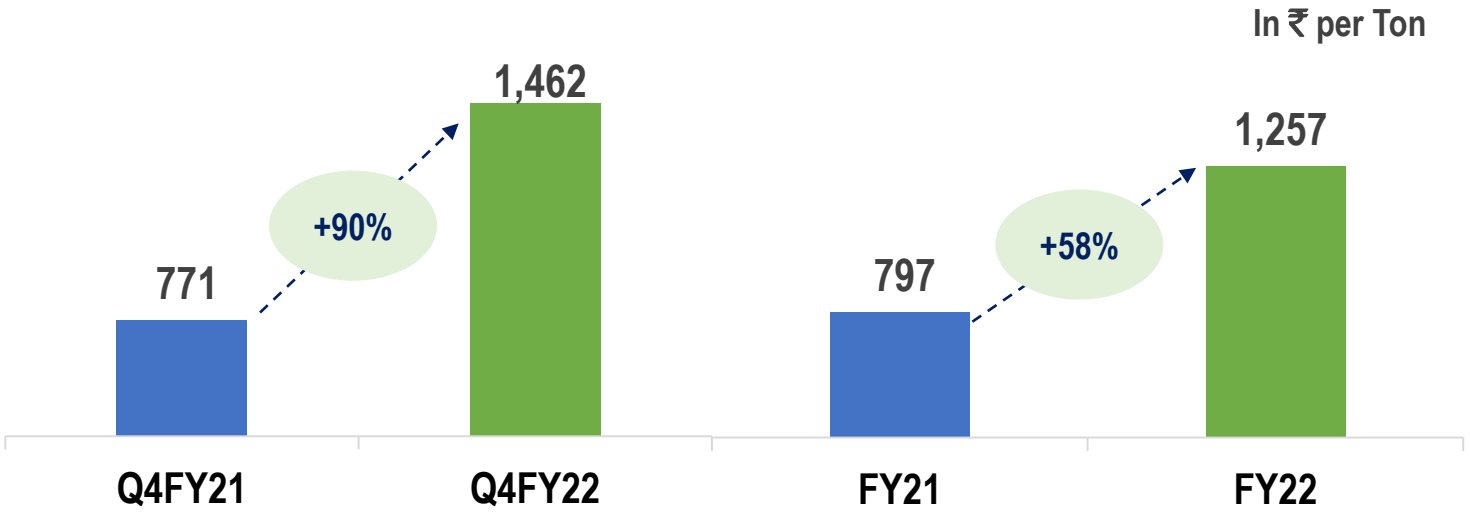
Average lead distance is 326 KMs; Down by 4%

Increase in diesel price pushed the cost of logistics cost

Rail Co-efficient for the current year is 13% vs 10% YoY

Average lead distance is 324 KMs; Down by 1%

Power and Fuel Cost



Blended Fuel consumption per T of material:

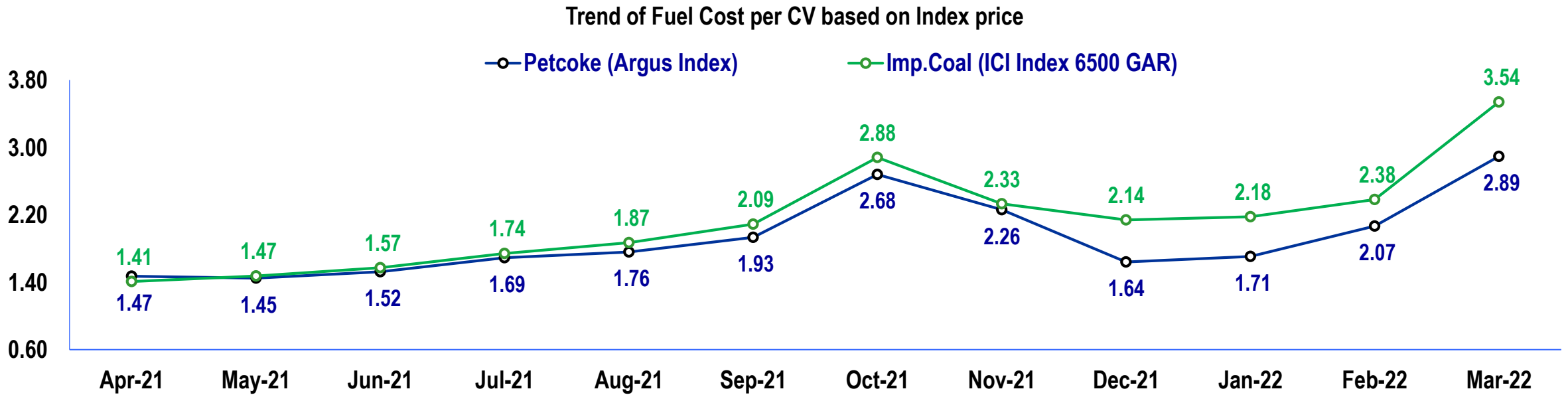
- Q4FY22 is $ 199 / T
- FY22 is $ 143 / T

CIF Pet coke price peaked to $ 248 / T in Mar'22

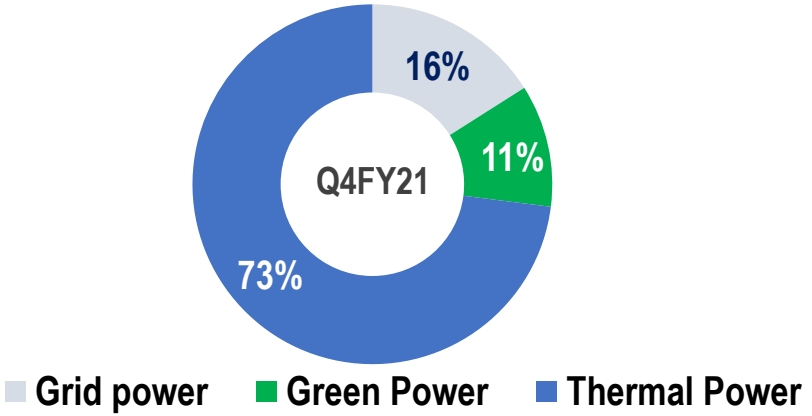
Current CIF spot pet coke price is ~ $ 240 / T

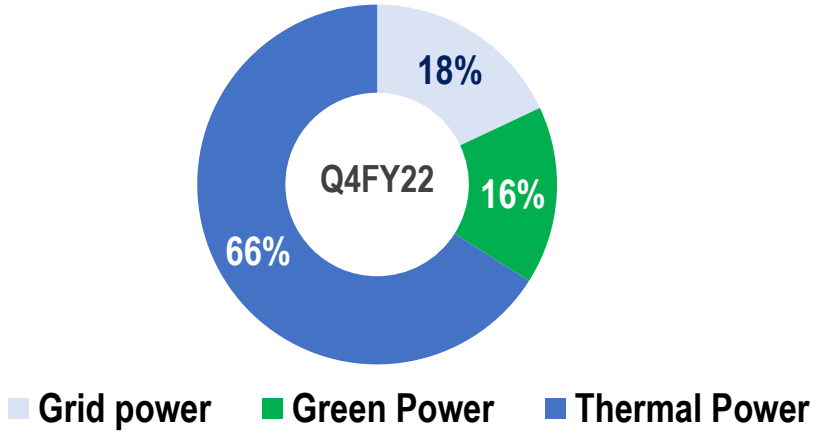
Emphasis on increased usage of alternate fuels

WHRS operations in JPM helped to manage power cost better

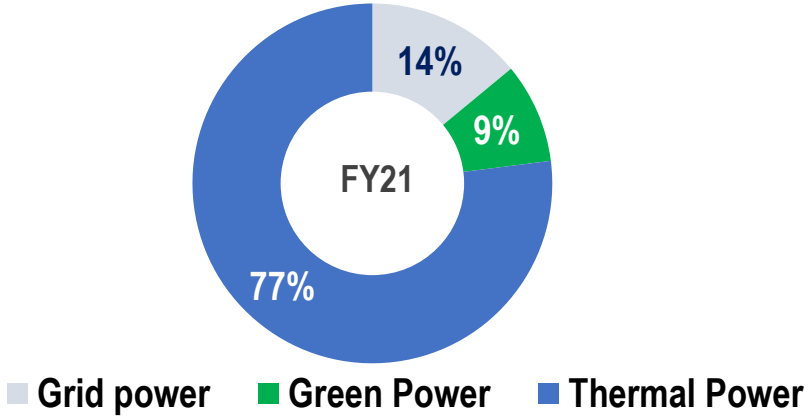


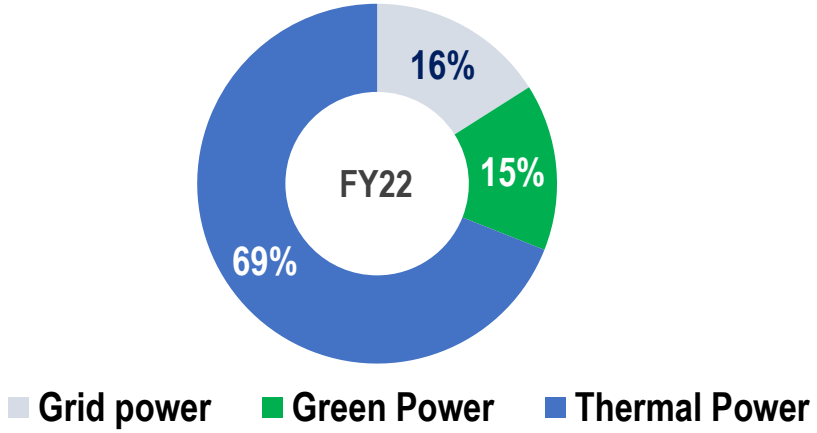
Power Mix



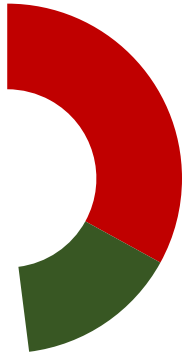


Focus on Green Power

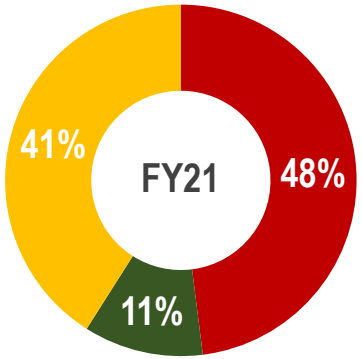




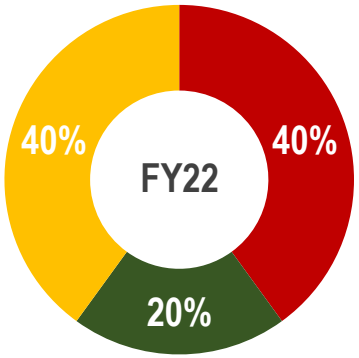
Fuel Mix



Optimum usage of fuels based on cost per CV



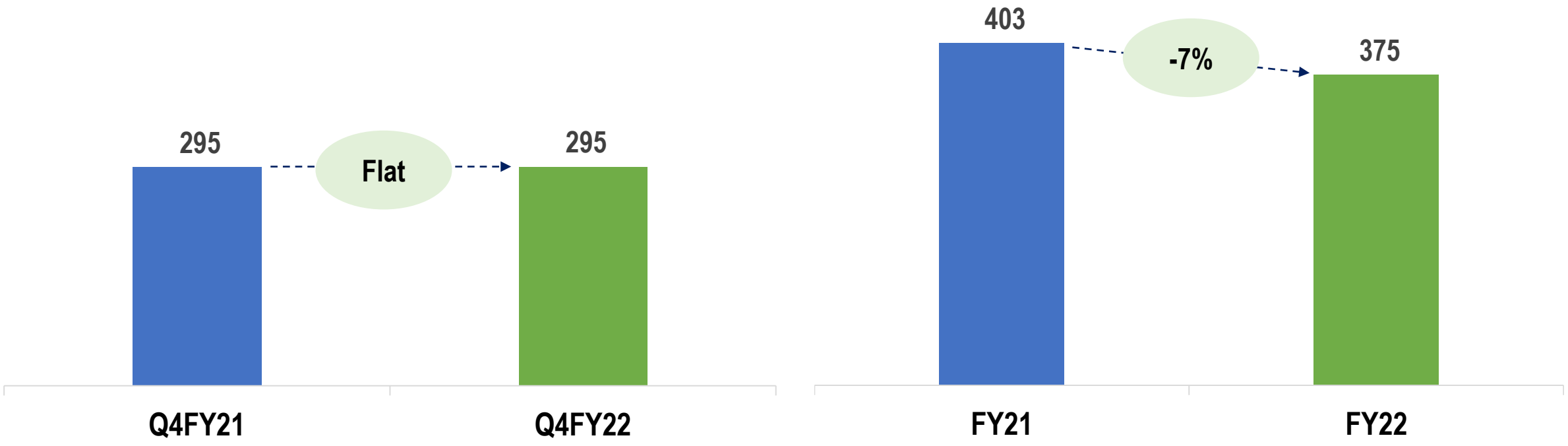
Coal Alternate Fuel Pet coke



Coal Alternate Fuel Pet coke

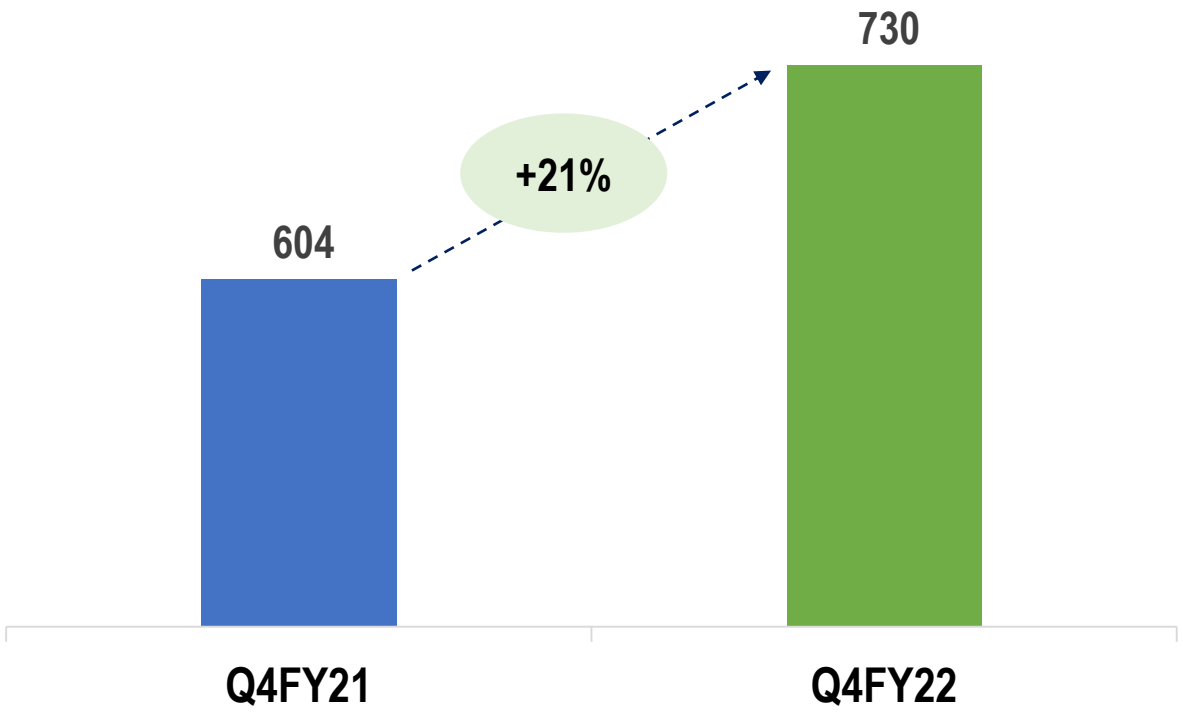
Employee Cost

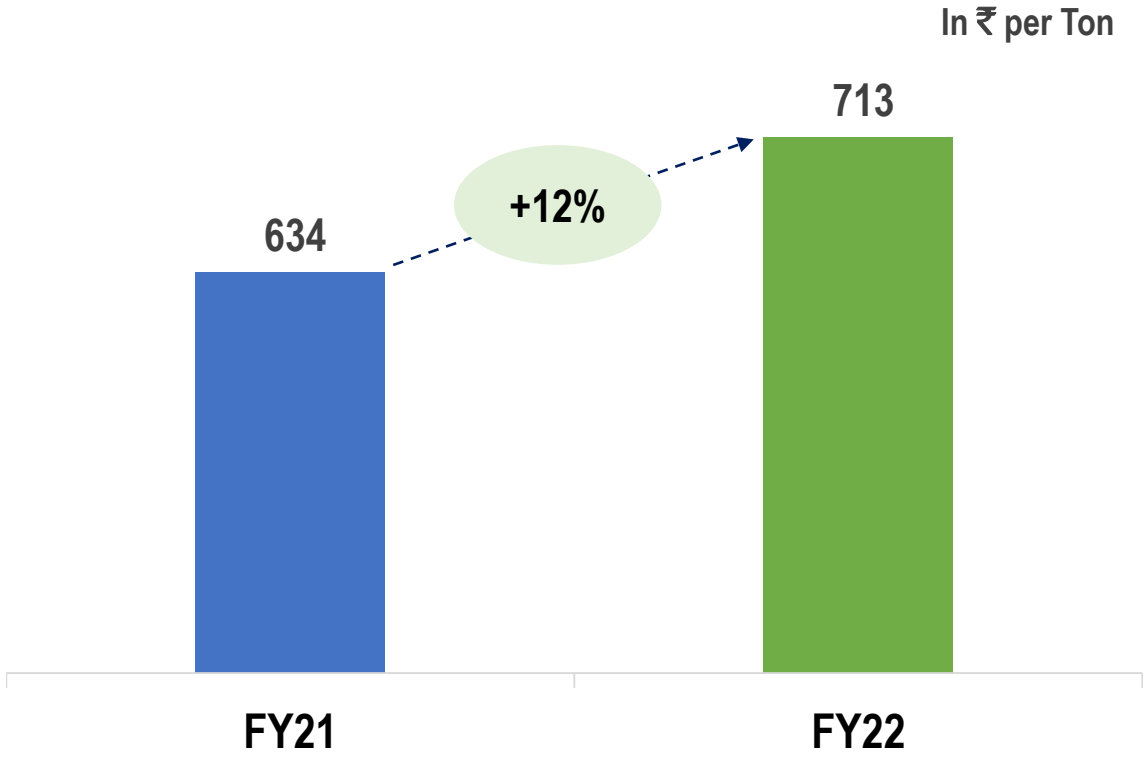
In ₹ per Ton



Increase in volume has led to better absorption of employee cost

Other Expenditure





Increase in Packing cost / ton of cement by 25% for FY22 and 14% for Q4FY22 due to increase in polymer price

Due to CoVID 19 related restrictions, previous year figure was comparatively low with respect to Advt. & SP, Travel & Admin expenses

Due to Additional manufacturing location at Orissa & JPM Line III, Stores & Spares, R & M, Rates & Taxes, Insurance have increased

Wind power

Particulars	Q4FY22	Q4FY21	Variance
Generation of Wind power (In Crore Units)	1.83	1.60	14% ▲
Revenue from Wind power (₹ in Crores)	2.77	2.54	9% ▲
Less: Operating Expenses (₹ in Crores)	5.27	8.37	37% ▼
EBITDA from Wind power (₹ in Crores)	**-2.50**	**-5.83**	**-** ▲

Particulars	FY22	FY21	Variance
Generation of Wind power (In Crore Units)	23.25	21.41	9% ▲
Revenue from Wind power (₹ in Crores)	59.54	56.42	6% ▲
Less: Operating Expenses (₹ in Crores)	22.26	24.99	11% ▼
EBITDA from Wind power (₹ in Crores)	**37.28**	**31.43**	**19%** ▲

Key Ratios

Particulars	UOM	Q4FY22	Q4FY21	FY22	FY21
EBTIDA Ratio	%	18%	28%	22%	30%
PBT Ratio	%	10%	21%	13%	21%
PAT Ratio	%	7%	13%	15%	14%
EPS, Not Annualized	₹	6	9	38	32
RoE	%	8%	16%	15%	14%
RoCE (Post-tax)	%	6%	11%	10%	10%
Debt-Equity Ratio	Multiples	0.60	0.55	0.60	0.55
Debt Service Cover Ratio	Multiples	0.51	0.94	1.00	1.80
Interest Service Cover Ratio	Multiples	3.27	8.93	4.25	6.53
Current Ratio	Multiples	1.14	1.26	1.14	1.26

Ratios computed based on Standalone figures

Summarized Financial Position

₹ in Crores

Standalone		Particulars	Consolidated	
31-03-2022	31-03-2021		31-03-2022	31-03-2021
10,785.59	9,311.78	Fixed Assets including CWIP	10,806.79	9,333.53
201.27	200.92	Investments	297.09	306.97
709.51	718.12	Loans and Advances	690.99	695.33
833.33	597.90	Inventories	834.47	599.34
349.77	375.18	Trade Receivables	350.71	375.92
176.04	141.86	Cash and Bank Balances	178.48	143.83
13,055.51	**11,345.76**	**Total Assets**	**13,158.53**	**11,454.92**
23.63	23.59	Equity Share Capital	23.63	23.59
6,501.23	5,603.21	Reserves & Surplus, including NCI	6,601.73	5.714.42
3,929.95	3,101.72	Borrowings	3,929.95	3,101.72
824.04	1,087.65	Deferred Tax Liabilities, net	822.29	1,083.46
489.22	363.43	Trade Payables	490.74	364.52
78.16	64.07	Provisions	78.82	64.47
1,209.28	1,102.09	Other Current / Non-current Liabilities	1,211.37	1,102.74
13,055.51	**11,345.76**	**Total Equity and Liabilities**	**13,158.53**	**11,454.92**

Summarized Cash flow

₹ in Crores

Particulars	31-03-2022	31-03-2021
Operating Profit	1,314.48	1,582.60
Changes in working capital	(17.05)	507.60
Direct Tax paid	(157.47)	(207.73)
Others	(10.91)	2.33
Net cash flow from Operating Activities	**1,129.05**	**1,884.80**
Investments in Equity Shares	(0.43)	(9.95)
Capital Expenditure	(1,815.53)	(1,766.28)
Others	5.65	5.51
Net cash flow used in Investing Activities	**(1,810.31)**	**(1,770.72)**
Issue of Equity shares upon exercise of ESOP	2.29	1.59
Increase in Borrowings	825.72	75.35
Interest / Dividend payments	(112.57)	(140.58)
Net cash flow from Financing Activities	**715.44**	**(63.64)**
Net Increase in Cash and Bank Balances	**34.18**	**50.44**

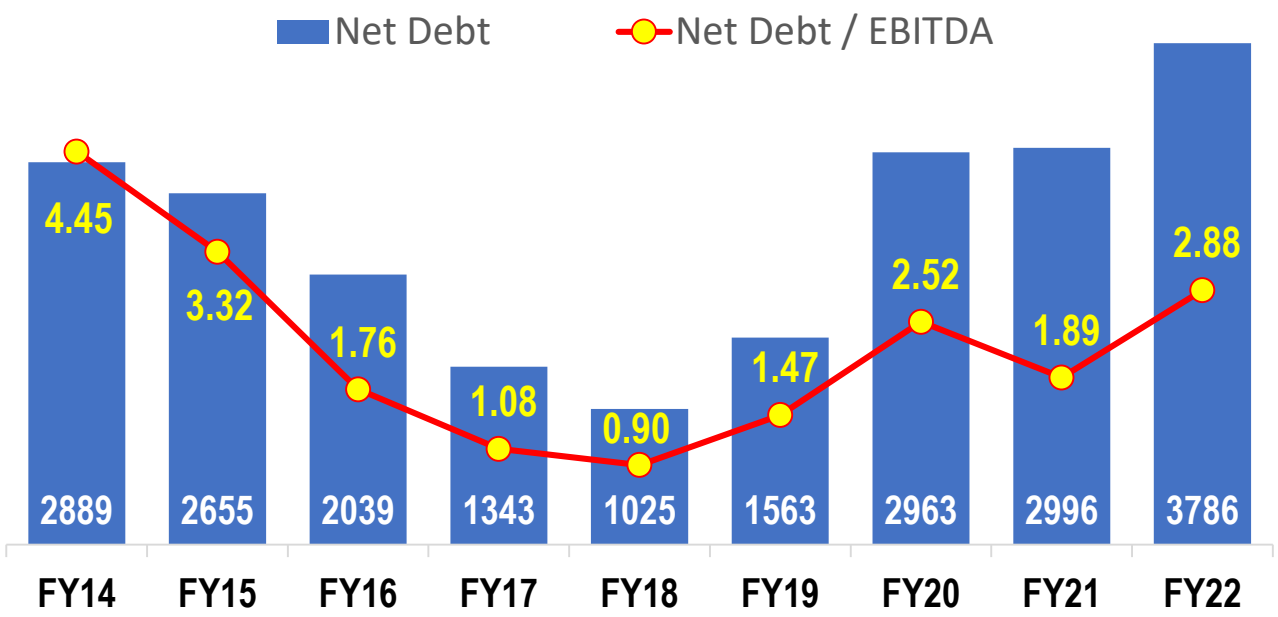
Operating Profit decreased mainly due to increase in price of fuel

Capex incurred for ongoing capacity expansion program

Capex funded partly through borrowings

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
Cement Capacity in MTPA								
15.54	16.49	16.49	16.49	16.69	16.69	18.79	19.40	19.40
Clinker Capacity in MTPA								
9.15	9.15	9.15	10.11	10.11	10.11	10.11	9.90	11.40

Capacity built without dilution of equity

Borrowings as on 31-03-2022

Particulars	₹ in Crores
Interest-bearing Borrowings	
- Long Term Debt	3,206
- Short Term Debt	505
Interest Free / Soft Loans	219
Gross Debt	**3,930**
Less: Cash and Cash Equivalents	144
Net Debt	**3,786**

Credit Ratings

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

Capex update

Trial production of clinker commenced in Kurnool in May 2022

Cement8(ri1(in)3die)4(g e)4 inKuernoolwiolcnedn inJn2

ESG Update

Towards Net Zero Carbon emission

Focus on increased usage of green power and alternate Fuels

Key Metrics		
Particulars	**FY2022**	**FY2021**
Carbon Emission Kg CO_2 / T cement	742	761
Water positive (Times)	1.3x	1x
Green power consumption (WHRS + Wind power) %	15%	9%
Renewable energy generation (Crore units)	26.59	24.69
Waste recycled (Lac MT)	1.43	0.45
Alternate Fuel Usage %	20%	11%
Number of trees planted	1,01,271	1,73,908

71% of electrical energy required for clinker production will be met thro' green energy in FY23

ESG Update

Rehabilitation of mined out land at Pandalgudi, TN by way of afforestation

Proposed area coverage for this eco-park is 800 acres

Aim is to create natural self-sustaining eco-system that supports local bio-diversity of flora and fauna

Planted over 5 lakhs saplings of various indigenous species

Target to achieve 10 lakhs saplings over a period of time for creation of diverse forest area

This initiative will lead to improvement of storage of ground water table and ambient air quality

This eco-park was inaugurated by Hon'ble Chief Minister of TN on 6th March 2022

CSR Update

CoVID Relief

Provided Oxygen Generator Plants to Government Hospitals

Supplied medical equipments to TN, Kerala, Orissa, AP & TG

Contribution to Disaster relief fund in TN

Education & Skilling

Infrastructure support to schools

Multifunctional learning centre for community development

Support underprivileged students in their education and career through NGO

Rural Development

Enhancing the vocational skills of women for empowerment

Setting up homes for underprivileged groups to reduce inequalities

Child nutrition, sanitation & agricultural livelihood for Tribal community

Green Belt Development

Conservation of tropical dry evergreen forest

Pond renovation and afforestation for ensuring environmental balance

Awareness programme to create oxygen hubs, preserve local water bodies & reduce the usage of plastics

CSR Spent: ₹ 18.29 Crores as against statutory requirement of ₹ 17.48 Crores for FY22

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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