



Sagar Cements Limited

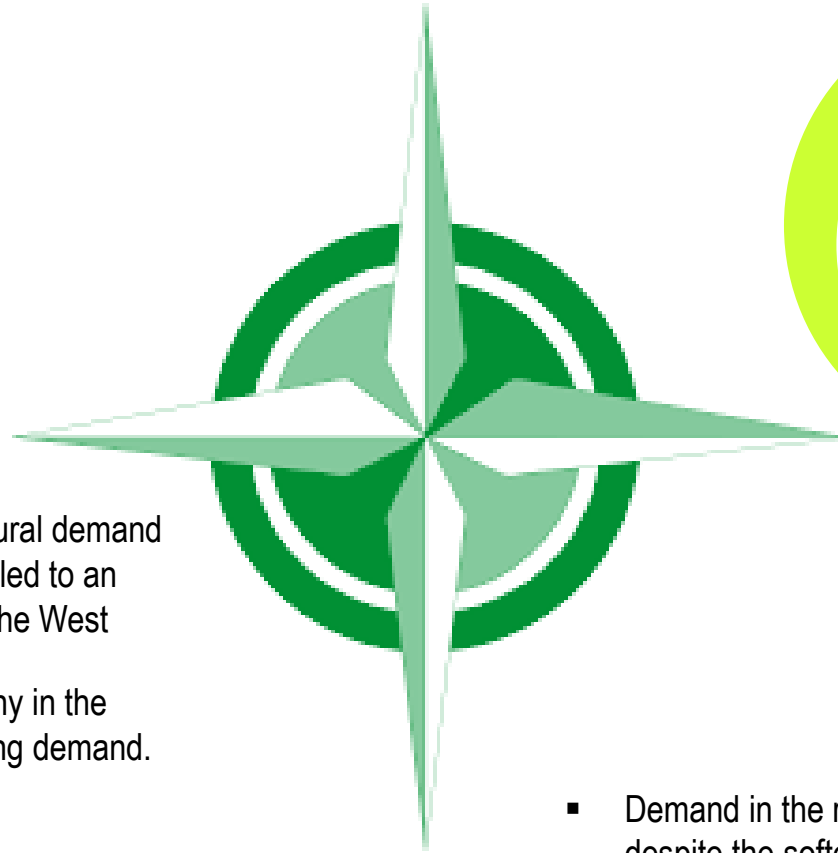
**Q1FY18
Results Presentation**





West

- Better infrastructure and rural demand especially in Maharashtra led to an overall strong demand in the West
- Prices too remained healthy in the region on the back of strong demand.



South

- Demand in the region remained relatively stable despite the softer demand in TN owing to sand mining ban & drought, thanks to strong growth in AP / Telangana.
- Prices improved during the quarter on the back of steady demand.

Perspective on Cement Prices



1

Demand in the region remained relatively stable despite the softer demand in TN owing to sand mining ban & drought, thanks to strong growth in AP / Telangana.

2

Realisations in our primary markets remained strong on the back of better pricing environment and improved demand

3

Operating profitability remained strong despite increase in input costs

4

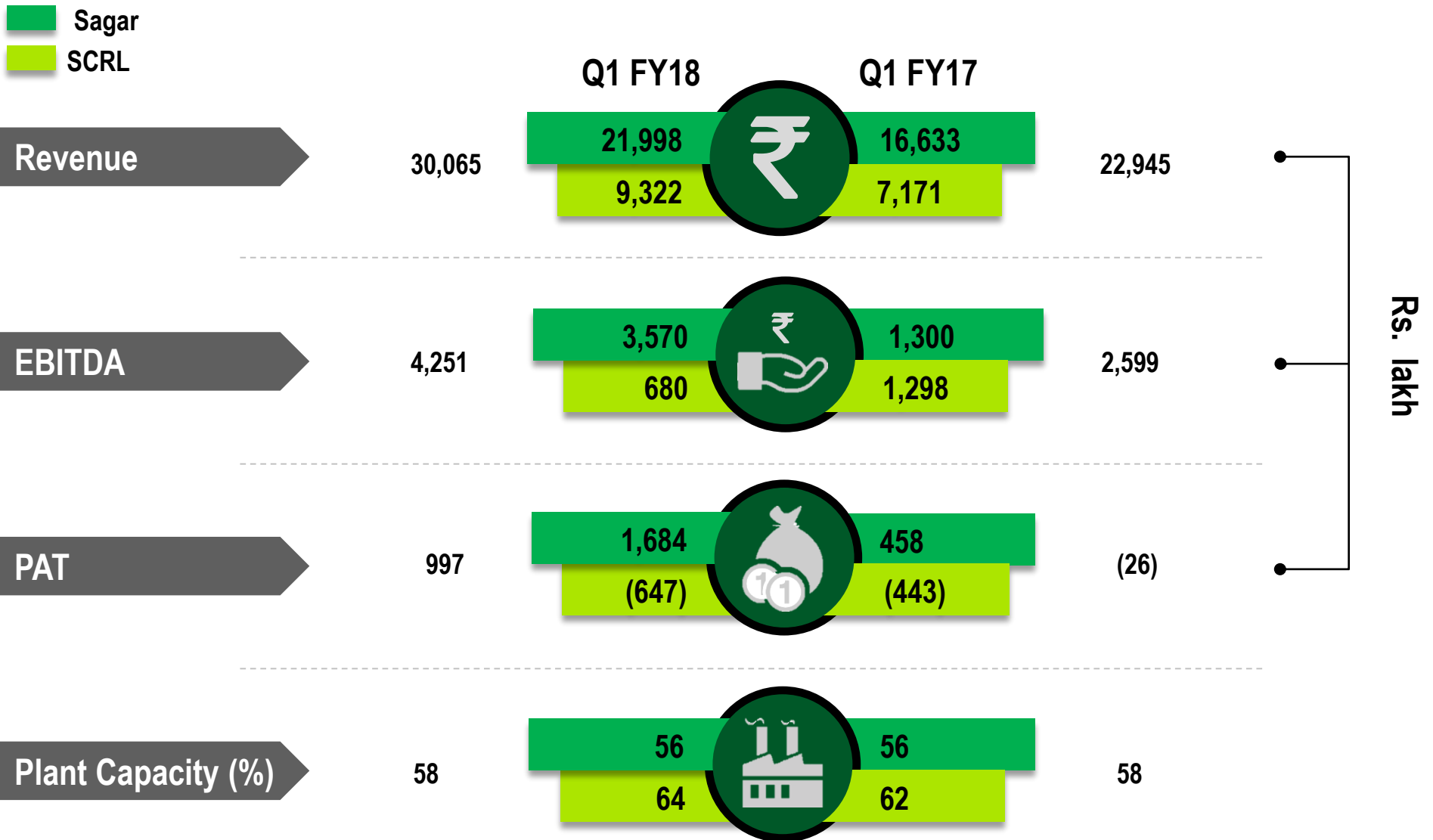
Outlook remains positive on the expectation of normal monsoon, Govt.s focus on infrastructure & affordable housing is also helpful.



Sagar Cements – Operational Results



Performance Highlights



Recent Highlights – Commissioning of Waste Heat Recovery Plant



- 6 Mw waste heat recovery (WHR) plant has been commissioned.
- Location: Mattampally, Nalgonda district, Telangana
- This will ensure greater control over power and fuel costs.



AQC & PH Boilers



Steam Turbine Generator (STG)



Cooling Tower



Demineralization Water Treatment Plant

Executive Director's Comment



Commenting on the performance, Mr. Sreekanth Reddy, Executive Director of the Company said,

"We have started the year on a positive note as reflected by revenue and profitability growth during the quarter. The business benefitted from steady demand and better pricing environment in our primary markets, with minimal disturbances surrounding GST implementation.

Our focus on controlling costs along with recent strategic initiatives have enabled us in delivering higher operational profitability despite rising input costs. Going ahead, we expect our efficiencies to improve further as the acquisition of Sagar Cements (R) Ltd. and grinding unit at Bayyavaram will not only help us lower our freight cost but will also aid us in improving our blending ratio. Also, the recent commissioning of waste heat recovery plant should further help us in improving our operational efficiencies. The implementation of 1.2 million tonnes cement grinding facility at Bayyavaram, Vizag, Andhra Pradesh and 18 MW Coal based Captive Power Plant at Mattampally, Telangana is on right track.

Going forward, we are hopeful that our recent strategic initiatives coupled with encouraging macros should help us in delivering consistent growth.



State wise Realization & Utilization



Mattampally Plant

Gross Realisations (RS. / tonne)				
	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
Overall Average	4,394	4,899	5,534	4,793
AP	4,645	5,523	5,992	5,181
OAP	4,294	4,712	5,370	4,628
Q1 FY18				
Overall Average	5,565			
TG	5,734			
OTG	5,495			

State	Gross Realization \ t (Q1 FY18)
Telangana	5,734
Andhra Pradesh	5,909
Karnataka	5,387
Maharashtra	5,270
Odisha	5,006
Tamilnadu	6,068
Chhattisgarh	2,748

Utilisation (%)				
	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16
Cement	65	49	44	61
Q1 FY17				
Cement	57	44	43	59
Q1 FY18				
Cement	56			

Gudipadu Plant

Gross Realisations (RS. / tonne)				
	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
Overall Average	5,071	5,310	6,039	5,443
AP	5,671	6,260	6,426	5,545
OAP	4,938	5,147	5,962	5,416
Q1 FY18				
Overall Average	6,174			
AP	5,828			
OAP	6,301			

State	Gross Realization \ t (Q1 FY18)
Andhra Pradesh	5,828
Karnataka	6,622
Tamilnadu	5,990
Kerala	4,191
Pondicherry	5,412

Utilisation (%)				
	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
Cement	62	71	64	71
Q1 FY18				
Cement	64			



Q3 FY16

- Domestic : International coal mix was 20:80

Q4 FY16

- Domestic : International coal mix was 25:75

Q1 FY17

- Domestic : International coal mix was 4:96

Q2 FY17

- Domestic : International coal mix was 0.4:99.6

Q3 FY17

- Domestic : International coal mix was 20:80

Q4 FY17

- Domestic : International coal mix was 20:80

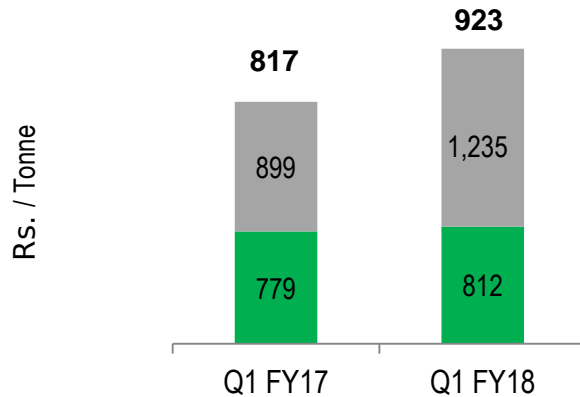
Q1 FY18

- Domestic : International coal mix was 07:93

Coal Cost (Rs. / Tonne)					
		Q1	Q2	Q3	Q4
Indigenous Average	FY16	4,964	3,678	4,533	4,227
Imported Coal Average		5,361	5,764	5,715	5,670
Indigenous Average	FY17	4,330	4,618	4,765	4,904
Imported Coal Average		5,485	6,060	5,956	7,201
Indigenous Average	FY18	4,871			
Imported Coal Average		6,714			

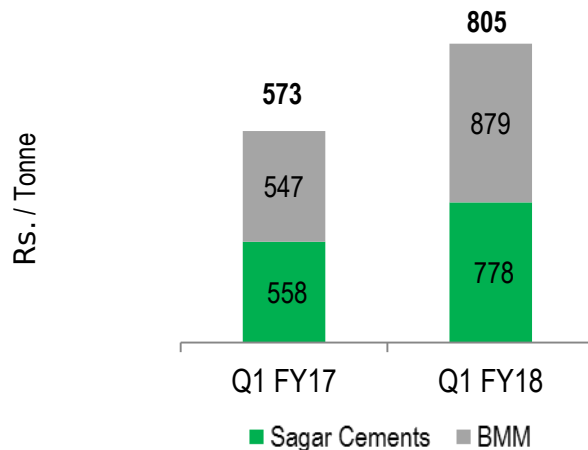


Average Fuel Cost Per Tonne



- Increase in price of imported coal consumed, has resulted in increase in the average fuel cost per tonne of clinker produced.

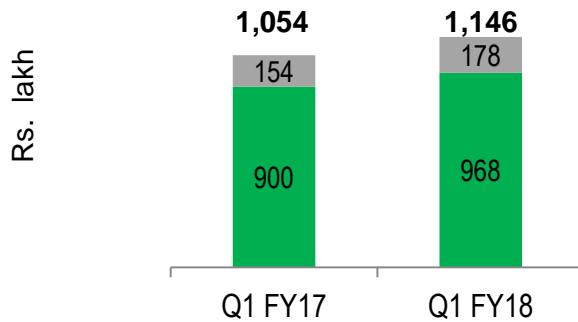
Freight Cost per Tonne



- Freight per ton increased due to increase in fuel prices.

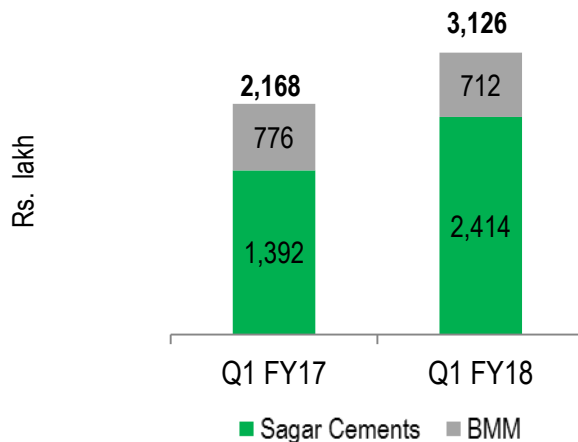


Employee Cost



- Employee costs in Q1 FY 18 was Rs. 1,146 lakhs on a consolidated basis when compared to Rs. 1,054 lakhs during Q1 FY17.

Raw Material Cost



- Raw Material cost has increased due to higher production during the Q1 FY 18.

Production & Sales in Q1 FY18 and Dispatches by Road & Rake



Production & Sales in Q1 FY 18			
Particulars	Sagar Cements Ltd.	Sagar Cements (R) Ltd.	Consolidated
	Quantity (in Tonnes)	Quantity (in Tonnes)	Quantity (in Tonnes)
Clinker Production	3,86,016	1,37,072	5,23,088
Cement Production/Purchase	4,74,296	1,59,649	6,33,945
Cement Sales	4,69,469	1,68,213	6,37,682

Dispatch Details					
TPT	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	TOTAL
BY ROAD	5,72,527	4,89,731	4,66,045	6,28,844	21,57,147
BY RAKE	5,310	21,830	8,120	5,491	40,751
TOTAL	5,77,837	5,11,561	4,74,165	6,34,335	21,97,898
Consolidated					
TPT	Q1 FY18				
BY ROAD	6,12,088				
BY RAKE	13,594				
TOTAL	6,25,682				

Key Balance Sheet Items



Rs. In Lakh	Sagar Cements Ltd.	Sagar Cements (R) Ltd.	Consolidated
Gross Debt	22,389	31,481	46,455
- Long Term	16,861	27,551	36,997
- Working Capital	5,528	3,930	9,458
Cash & Bank Balance	9,846	58	9,905
Debt Equity Ratio (%)	0.21	3.11	0.48
Net Worth	80,129	8,860	77,293
Investments	25,996	0	28

As of Jun' 2017



Historical trend in cement sales

	Q1 FY18			
OAP & TG Sales (Consolidated)	48%			
	Q4 FY17	Q3 FY17	Q2 FY17	Q1 FY17
OAP & TG Sales	49%	56%	63%	55%
	Q4 FY16	Q3 FY16	Q2 FY16	Q1 FY16
OAP & TG Sales	48%	55%	64%	67%
	Q4 FY15	Q3 FY15	Q2 FY15	Q1 FY15
OAP & TG Sales	71%	63%	64%	47%



For further information contact:

Sagar Cements Limited

K Prasad- (Chief Financial Officer)
prasadk@sagarcements.in

PS Prasad - (President Marketing)
prasadps@sagarcements.in

Company Secretary & Compliance Officer:
R.Soundararajan (CS)
soundar@sagarcements.in

Tel.: +91 40 2335 1571 / 6572

CDR India

Gavin Desa
gavin@cdr-india.com

Suraj Digawalekar
suraj@cdr-india.com

Tel.: +91 22 6645 1237 / 1235

Safe Harbour :

Certain matters discussed in this communication may contain statements regarding the company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian Economy and of the economies of various International markets, the performance of the Cement Industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the company's future levels of growth and expansion, technological implementation, changes and advancements, change in revenue, income or cash flows, the company's market preferences and its exposure to market risks, as well as other risks. The company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this presentation. The Company assumes no obligation to update any forward-looking information contained in this communication. Any forward – looking statements and projections made by third parties included in this communication are not adapted by the company and the company is not responsible for such third party statements and projections