



Sagar Cements Limited

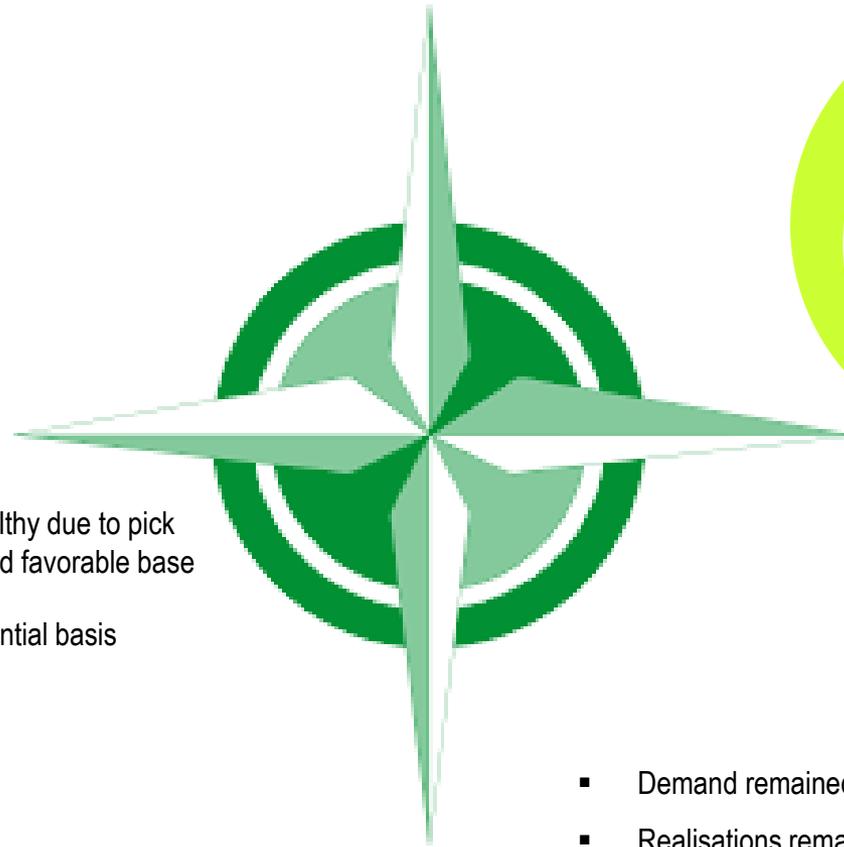
Q1FY19
Results Presentation





West

- Demand growth remained healthy due to pick up in Infrastructure projects and favorable base
- Prices were higher on a sequential basis



South

- Demand remained strong specially in AP and Telangana
- Realisations remained steady on account of steady demand and improved availability of Sand in Tamil Nadu

Perspective on Cement Prices

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. A better pricing environment and steady volumes aided in delivering revenue growth of around 6%.

Our Waste heat recovery plant remained shut down for a brief period from 9th June to 30th June, to enable its upgradation from 6 MW capacity to 8.8 MW capacity. But for this ,our profitability would have been still better.

Further, I am also pleased to report that we have been successful in commissioning our grinding unit ahead of schedule. Work on our captive power plant is also progressing as per the schedule and we are confident that the combination of the above coupled with our efforts towards improving product mix and conversion ratio should help us in delivering higher profitability in the coming years.

Going forward, we expect demand situation to remain steady on the back of Govt.'s focus on developing infrastructure & affordable housing segment.”





1

Steady demand across our key markets on the back of pick up in infrastructure projects and improved availability of sand.

2

Higher input prices resulted in margin compression and profitability.

3

Completed commissioning of expanded capacity of the Grinding unit; work on Captive Power Plant progressing smoothly.

4

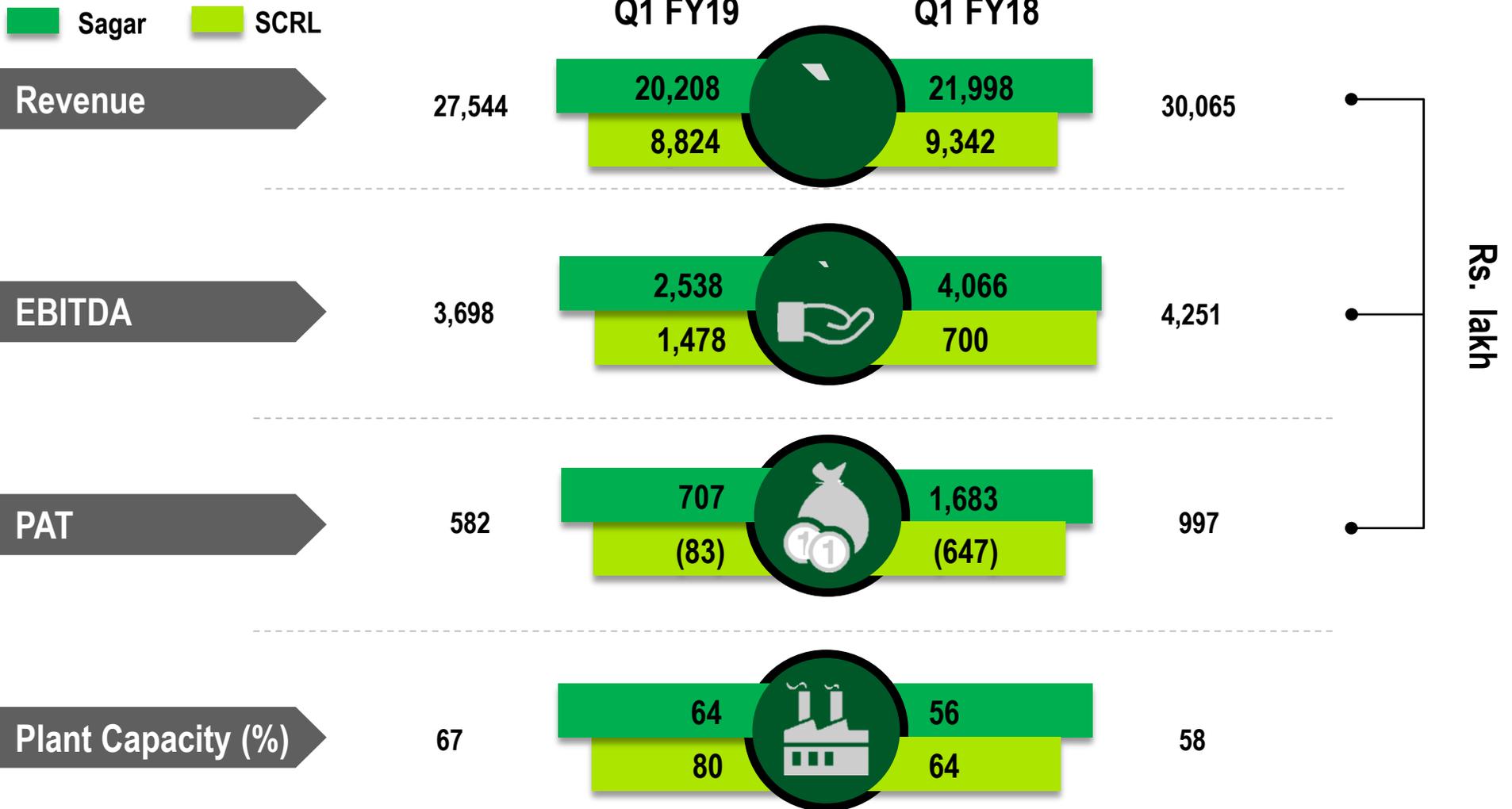
Outlook remains positive on the back of government's focus on infrastructure and housing.



Sagar Cements – Operational Results



Performance Highlights





Implementation of 18 MW, coal based Captive Power Plant

- **Location:** Mattampally, Suryapet, Telangana
- **Expected date of commissioning:** March 2019

ESP



CHIMNEY



BOILER



ACC



STG DECK:



STG BUILDING:





Grinding Unit

- **Location:** Bayyavaram., Anakapally, Visakhapatnam, Andhra Pradesh
- Expanded capacity Commissioned in June 2018, well ahead of schedule.



Raw Material storage facilities



VRM Building



Cement Silo



Packing Plant

Credit Rating ☆☆☆☆☆

Instrument Type	Size of Issue (million)	Rating/Outlook	Rating Action
Fund-based working capital limits	INR970	IND A-/Stable	Affirmed
Non-fund-based working capital limits	INR250	IND A2+	Affirmed
Term loan	INR1,730.6 (reduced from INR2,151)	IND A-/Stable	Affirmed
Working capital demand loan	INR350	IND A-/Stable	Assigned

India Ratings & Research affirmed the above mentioned ratings to the Company



Mattampally Plant

Utilisation (%)				
	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
Cement	57	44	43	59
	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18
Cement	56	52	58	69
	Q1 FY19			
Cement	64			

Gudipadu Plant

Utilisation (%)				
	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
Cement	62	71	64	71
	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18
Cement	64	63	70	84
	Q1 FY19			
Cement	80			



Q4 FY17

- Domestic : International coal mix was 20:80

Q1 FY18

- Domestic : International coal mix was 07:93

Q2 FY18

- Domestic : International coal mix was 04:96

Q3 FY18

- Domestic : International coal mix was 19:81

Q4 FY18

- Domestic : International coal mix was 59:41

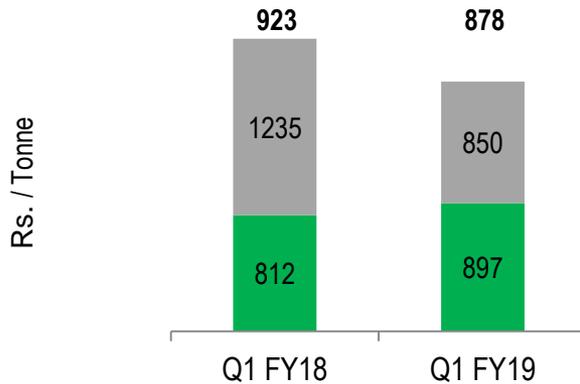
Q1 FY19

- Domestic : International coal mix was 64:36

		Coal Cost (Rs. / Tonne)			
		Q1	Q2	Q3	Q4
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	4,890	5,087	5,101
Imported Coal Average		6,714	7,508	7,860	8,155
Indigenous Average	FY19	5,146			
Imported Coal Average		8,577			

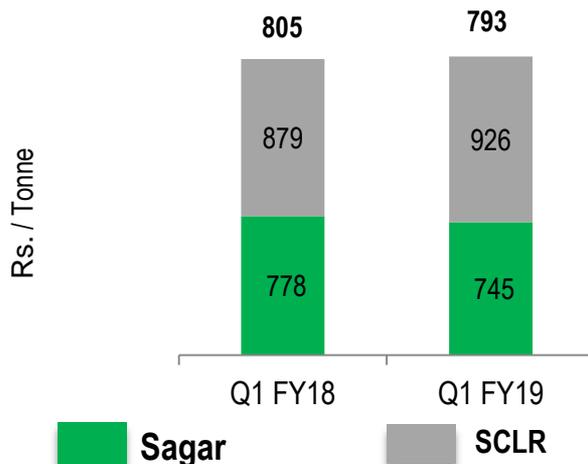


Average Fuel Cost Per Tonne



- Increase in price of imported pet coke & coal resulted in higher average fuel cost per tonne of clinker produced.
- Gudipadu Plant has stabilized itself and is, currently using pet coke & coal resulting in a lower fuel cost.

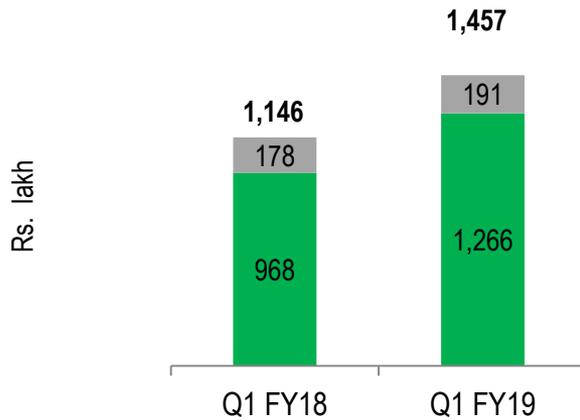
Freight Cost per Tonne



- Weighted average freight cost per ton increased/decreased for SCL(R) and SCL due to optimization of lead distance and increase in fuel cost respectively.

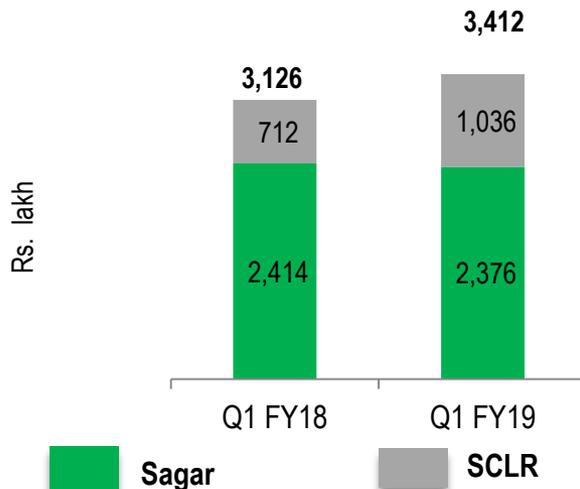


Employee Cost



- Employee costs during Q1 FY 19 amounted to Rs. 1,457 lakhs on a consolidated basis as against Rs. 1,146 lakhs during Q1 FY18.

Raw Material Cost



- Higher Raw Material cost firmed up owing to increased production during Q1 FY 19.

Production & Sales in Q1 FY19 and Dispatches



Description	Sagar Cements Ltd	Sagar Cements (R) Ltd	Consolidated
	Qty in MT	Qty in MT	Qty in MT
Clinker	2,90,334	2,14,227	5,04,561
Cement Production / Purchase	5,51,305	1,98,776	7,50,081
Cement Sales	5,44,227	1,96,904	7,41,131

Consolidated					
Dispatch Details					
TPT	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	Total
BY ROAD	6,12,088	5,61,140	6,80,048	7,70,949	26,24,225
BY RAKE	13,594	13,262	-	-	26,856
TOTAL	6,25,682	5,74,402	6,80,048	7,70,949	26,51,081

TPT	Q1 FY19
BY ROAD	7,43,053
BY RAKE	00
TOTAL	7,43,053

Key Balance Sheet Items



Rs. In Lakh	Sagar Cements Ltd.	Sagar Cements (R) Ltd.	Consolidated
Gross Debt	31,229	32,052	55,008
- Long Term	17,433	27,869	37,029
- Working Capital	13,796	4,183	17,979
Cash & Bank Balance	1,675	143	1,818
Debt Equity Ratio (%)	0.21	3.8	0.47
Net Worth	83,090	7,286	78,502
Investments	26,828	0	0

As of Jun' 2018



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
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 / 1219

Safe Harbour :

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