



CEMENT 03 Nov 2020

## Ramco Cements records highest ever quarterly profit

The Ramco Cements registered its highest-ever net profit, best-ever EBITDA and EBITDA per tonne during the September quarter of this fiscal helped by better prices and cost control measures, despite a drop in volumes.

The company's profit after tax stood at Rs 2.36 billion for the quarter ended September 30, 2020 compared to Rs 1.68 billion in the year-ago period, registering an increase of 40 per cent.

Ramco Cement's revenue (net of GST) fell 5 per cent at Rs 12.65 billion as against Rs 13.26 billion in the year-ago period due to lower volumes. Its sales dropped by 19 per cent to 22.13 lakh tonnes (27.24 lakh tonnes). However, its EBITDA increased by 48 per cent at Rs 4.50 billion as against Rs 3.04 billion in the year-ago quarter on account of improved margins.

Blended EBITDA per tonne for the quarter ended September 30, 2020 was Rs 2,035 as against Rs 1,118 in the year-ago quarter. Stability in cement prices, improved sale of its flagship products and premium products in the trade segment have played out well for the overall improvement of realisations.

Also, the variable cost came down due to lower fuel cost and improvement in blending ratio. The fuel procured in the earlier quarters has helped to keep a check on overall fuel cost during the current quarter, while the market prices of pet coke and coal have witnessed a sharp increase during the September quarter.

The sale was impacted mainly because of lockdown, restricted access in containment zones, and unusually heavy rains in Kerala, Karnataka, Andhra Pradesh and Telangana during August and September 2020. Even though the company has grown in eastern markets, heavy rains affected the growth rate. However, the demand is expected to pick up in the coming quarters.

During H1 of this fiscal, the company incurred a capex of Rs 6.85 billion in the ongoing expansion and the balance capex is Rs 8.81 billion for the same expansion.

“Our robust R&D process and relentless marketing efforts have fostered in development of niche markets for premium products in line with our strategy of right products for the right applications, which have achieved tremendous acceptance from its customers graduating the company from a cement maker to a complete cement solutions provider,” said **AV Dharmakrishnan, Chief Executive Officer, Ramco Cements.**

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