

The Ramco Cements

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	TRCL IN
Equity Shares (m)	236
M.Cap.(INRb)/(USDb)	233.4 / 2.7
52-Week Range (INR)	1060 / 700
1, 6, 12 Rel. Per (%)	-1/2/19
12M Avg Val (INR M)	738

Financial Snapshot (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	85.0	95.9	104.9
EBITDA	12.3	18.0	21.2
Adj. PAT	0.9	4.9	7.0
EBITDA Margin (%)	14.5	18.8	20.2
Adj. EPS (INR)	3.9	20.9	29.6
EPS Gr. (%)	-76.6	433.4	41.5
BV/Sh. (INR)	317	334	359

Ratios

Net D:E	0.6	0.5	0.4
RoE (%)	1.3	6.4	8.5
RoCE (%)	4.3	6.6	8.1
Payout (%)	11.3	19.1	0.0

Valuations

P/E (x)	252.3	47.3	33.4
P/BV (x)	3.1	3.0	2.8
EV/EBITDA(x)	21.4	14.6	12.6
EV/ton (USD)	130	123	106
Div. Yield (%)	0.2	0.4	0.0
FCF Yield (%)	1.6	4.2	3.1

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	42.6	42.8	42.3
DII	33.5	34.3	35.6
FII	7.3	6.9	7.4
Others	16.6	16.1	14.7

FII Includes depository receipts

CMP: INR988 TP: INR1,030 (+4%) Neutral

Earnings miss led by lower volume and higher opex/ton

Net debt reduces by INR1.4b QoQ to INR44.8b as of Mar'25

- TRCL's 4QFY25 EBITDA was below estimates due to volume miss and higher-than-estimated opex/t. EBITDA declined ~23% YoY to INR3.2b (~31% miss) and EBITDA/t declined ~20% YoY to INR607 (est. INR782). PAT (adj. for profit on sale of non-core assets) declined ~77% YoY to INR282m (est. 1.3b)
- The company's net debt declined by INR1.4b QoQ to INR44.8b as of Mar'25, aided by proceeds from the disposal of non-core assets (monetized INR4.6b in FY25 vs. its target of INR10.0b). The remaining balance is expected to be monetized by Jul'25, in line with the earlier commitment. It is expanding its clinker/grinding capacity by 3.2mtpa/1.5mtpa at Kolimigundla, AP (line II). The company has further plans of debottlenecking/adding GUs at existing facilities with minimal capex to reach its capacity target of 30mtpa by Mar'26 vs. 24mtpa currently.
- We maintained our earnings estimates for FY26/FY27. The stock is currently trading at 15x/13x FY26E/FY27E EV/EBITDA. We value the stock at 13x FY27E EV/EBITDA to arrive at our TP of INR1,030. Reiterate Neutral.

Volume declined ~4% YoY; realization/t down 7% YoY

- Revenue/EBITDA/adj. PAT stood at INR23.9b/INR3.2b/INR282m (down 11%/23%/77% YoY and down 11%/31%/78% vs. our estimates) in 4QFY25. Sales volume declined ~4% YoY to 5.29mt (~11% below our estimates). Realization declined 7% YoY to INR4,522/t (flat QoQ; in line).
- Opex/t declined ~5% YoY, led by a 8%/1% YoY reduction in variable/freight cost/t. Other expense/employee cost per ton increased ~1%/3% YoY. OPM contracted 2.2pp YoY to ~13% and EBITDA/t declined 20% YoY to INR607. Depreciation/ interest costs grew ~10%/9% YoY, and other income decreased ~8% YoY.
- In FY25 Revenue/EBITDA/Adj PAT stood at INR84.9b/12.3b/925m, which was down ~9%/7%/77% YoY. Sales volume increased marginally by ~1%, while realization/t stood at INR4,590. OCF stood at INR14.02b v/s INR18.87b in FY24. Capex stood at INR10.4b v/s INR19.22b. Net cash inflow stood at INR378m v/s net cash outflow at INR35m in FY24.

Highlights from the management commentary

- Cement capacity utilization stood at ~85% vs. ~96%/~75% in 4QFY24/3QFY25. Cement volume declined ~4% YoY to 5.3mt in 4QFY25 and increased marginally ~1% to 18.5mt in FY25.
- Improvement in the C:C ratio to 1.4x vs. 1.3x in FY24 and reduction in fuel consumption cost at INR1.53/Kcal vs. INR1.75/kcal in FY24 enabled the company to reduce the variable cost/t ~7% YoY.
- Capex of INR2.24b was incurred in 4QFY25 and INR10.24b in FY25. Capex for FY26 is estimated at INR12.0b. For Karnataka greenfield projects, the company has acquired 54% of mining land and 13% of factory land so far.

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View and valuation

- TRCL's earnings were below our estimates due to lower sales volume and higher opex/t. Higher, competitive intensity in the company's core market in the South has kept cement prices under pressure. We believe that recent price hikes and ongoing balance sheet deleveraging are key near-term catalysts that could support the stocks' performance. However, we remain watchful on the longer-term turnaround story, where sustained profitability, disciplined capital allocation, and meaningful market share gains will be critical structural drivers for a more durable re-rating.
- The stock is currently trading at 15x/13x FY26E/FY27E EV/EBITDA (vs. its longterm average of 15x) and USD123/USD106 EV/t (vs. long-term average of USD130). We value the stock at 13x FY27E EV/EBITDA to arrive at our TP of INR1,030. Reiterate Neutral.

Quarterly Performance

Y/E March	FY24				FY25				FY24	FY25	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Sales volume (m ton)	4.30	4.61	4.00	5.49	4.36	4.49	4.37	5.29	18.40	18.50	5.92	(11)
YoY Change (%)	29.9	37.7	9.9	16.8	1.3	(2.6)	9.3	(3.6)	22.5	0.5	7.8	
Realization (INR/ton)	5,212	5,053	5,265	4,869	4,792	4,539	4,523	4,522	5,081	4,592	4,534	(0)
YoY Change (%)	(1.6)	(3.8)	(4.5)	(10.9)	(8.1)	(10.2)	(14.1)	(7.1)	(5.6)	(9.6)	(6.9)	
QoQ Change (%)	(4.6)	(3.1)	4.2	(7.5)	(1.6)	(5.3)	(0.4)	(0.0)			0.2	
Net Sales	22.4	23.3	21.1	26.7	20.9	20.4	19.8	23.9	93.5	85.0	26.8	(11)
YoY Change (%)	26.4	30.5	4.8	4.0	(6.8)	(12.5)	(6.2)	(10.5)	14.9	(9.1)	0.4	
Total Expenditure	19.0	19.3	17.1	22.6	17.7	17.3	17.0	20.7	78.0	72.6	22.2	(7)
EBITDA	3.4	4.0	4.0	4.2	3.2	3.1	2.8	3.2	15.5	12.3	4.6	(31)
YoY Change (%)	13.6	116.9	38.9	1.0	(6.5)	(21.7)	(29.3)	(23.1)	31.4	(20.7)	11.0	
Margins (%)	15.2	17.1	18.8	15.6	15.3	15.3	14.1	13.4	16.6	14.5	17.3	
Depreciation	1.5	1.6	1.7	1.7	1.7	1.7	1.7	1.8	6.4	6.9	1.8	(0)
Interest	0.9	1.2	1.0	1.0	1.1	1.2	1.1	1.1	4.2	4.6	1.1	1
Other Income	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.4	0.1	8
PBT before EO expense	1.1	1.4	1.3	1.6	0.5	0.3	0.0	0.4	5.4	1.3	1.8	(79)
Extra-Ord expense/(Income)	-	-	-	-	-	-	(3.3)	(0.1)	-	(3.4)	-	
PBT	1.1	1.4	1.3	1.6	0.5	0.3	3.3	0.5	5.4	4.7	1.8	(73)
Tax	0.3	0.4	0.4	0.4	0.1	0.1	0.1	0.2	1.5	0.5	0.5	
Prior year tax	-	-	-	-	-	-	-	-	-	-	-	
Rate (%)	27.0	26.7	30.8	25.2	26.3	26.9	2.4	37.1	27.3	10.4	27.9	
Reported PAT	0.8	1.0	0.9	1.2	0.4	0.3	3.3	0.3	3.9	4.2	1.3	(76)
Adj PAT	0.8	1.0	0.9	1.2	0.4	0.3	0.0	0.3	3.9	0.9	1.3	(78)
YoY Change (%)	(29.7)	783.2	38.6	(20.4)	(55.0)	(74.7)	(96.6)	(76.7)	15.0	(76.6)	7.1	
Margins (%)	3.5	4.3	4.4	4.5	1.7	1.3	0.2	1.2	4.2	1.1	4.8	

Per ton analysis (incl. Dry mortar)

	(INR/t)											
Net realization	5,212	5,053	5,265	4,869	4,792	4,539	4,523	4,522	5,081	4,592	4,534	(0)
RM Cost	760	959	820	1,132	835	894	933	1,038	934	931	887	17
Employee Expenses	294	300	342	227	314	303	301	234	286	285	252	(7)
Power, Oil & Fuel	1,758	1,358	1,384	1,128	1,300	1,121	1,060	1,030	1,389	1,123	1,046	(2)
Freight cost	1,064	1,025	1,073	1,082	1,064	1,018	1,066	1,068	1,062	1,055	1,072	(0)
Other Expenses	541	546	658	541	546	509	523	546	567	532	495	10
Total Expenses	4,418	4,188	4,277	4,110	4,059	3,844	3,884	3,915	4,238	3,926	3,752	4
EBITDA	794	865	988	760	733	695	639	607	844	666	782	(22)

Source: Company, MOFSL Estimates



Highlights from the management commentary

Capex and project update

- The company is set to reach a cement production capacity of 30mtpa by Mar'26 through the commissioning of line II at Kolimigundla. This target will be further supported by de-bottlenecking and expanding grinding capacities at existing facilities with minimal capital investment.
- The company has monetized INR4.6b out of its targeted INR10b from non-core assets and remains on track to achieve its stated goal. The remaining balance is expected to be monetized by 1QFY26, in line with the earlier commitment.
- An additional 10MW WHRS at R Nagar is planned for commissioning by 1QFY26. An additional 15 MW of WHRS at Kolimigundla, AP is expected to be commissioned in tandem with Kiln line II.
- At Kolimigundla, AP, construction of the railway siding has been completed, and commissioning is currently underway. It is expected to be operational by 1QFY26.
- The commissioning of the Construction chemicals capacity expansion in Odisha, initially planned for 4QFY25, has been deferred and is now expected to be completed by 1QFY26. The company has acquired ~54% of the mining land and ~13% of factory land for a Greenfield project in Karnataka.
- The total capex incurred was INR2.24b in 4QFY25 and INR10.24b in FY25.

Capacity utilization and volume

- Cement capacity utilization stood at ~85% vs. ~96%/~75% in 4QFY24/3QFY25. Cement volume declined ~4% YoY to 5.3mt in 4QFY25 and increased marginally ~1% to 18.5mt in FY25.
- Volume share from South/East was ~75%/~25% in 4QFY25 vs. ~76%/~24% in 4QFY24.

Operational highlights

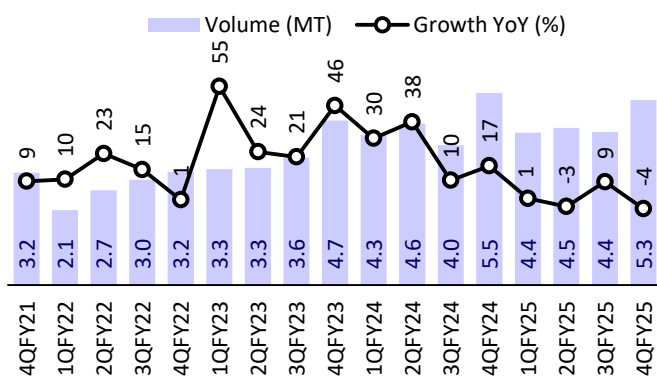
- The share of premium products was ~27% in 4QFY25 vs. ~29% in 4QFY24 in the South region. In the East region, the share of premium products was ~23% in 4QFY25 vs. ~20% in 4QFY24. The OPC share was ~32% of total volumes in 4QFY25 vs. 32%/30% in 4QFY24/3QFY25. OPC share in FY25 stood at ~31% vs 32% in FY24
- Blended coal consumption cost was USD121/t (INR1.50/kcal) vs. USD141/USD122 (INR1.65/INR1.45 per kcal) in 4QFY24/3QFY25.
- TRCL used 66% petcoke vs. 51%/69% in 4QFY24/3QFY25. It used ~63% petcoke in FY25 vs ~52% in FY24.
- Green energy contributed 31% of power requirements vs. ~36%/39% in 4QFY24/3QFY25. Green energy contributed ~36% in FY25 vs ~34% in FY24.
- Avg. lead distance was 278kms in 4QFY25 vs 294kms in 4QFY24 and 259kms in 3QFY25. Avg. lead distance was 260kms in FY25 vs 280kms in FY24.

Debt and other highlights

- Net debt (including working capital borrowings) stood at INR44.8b vs. INR48.2b/INR46.2b as of Mar'24/Dec'24.
- The cost of debt for 4QFY25 is 7.84% as against 7.76% in 4QFY24.

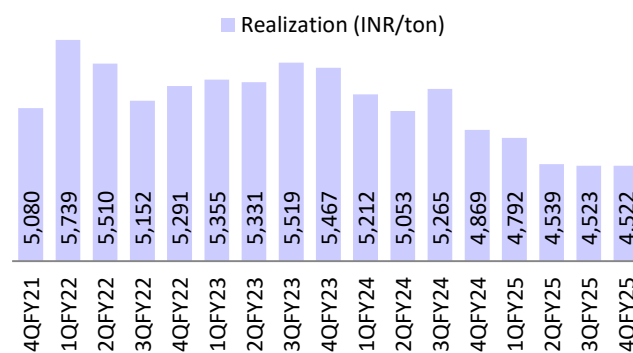
Story in charts

Exhibit 1: Sales volume declined 4% YoY



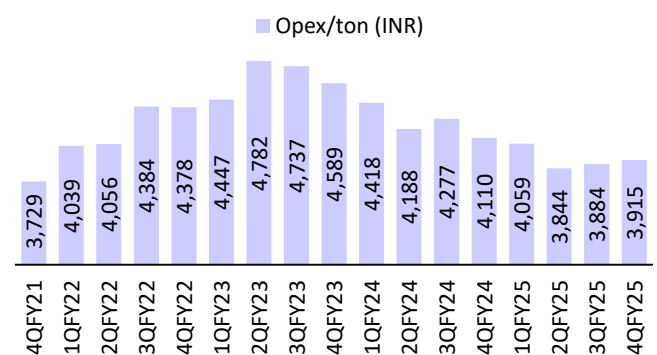
Source: MOFSL, Company

Exhibit 2: Realization down 7% YoY and flat QoQ



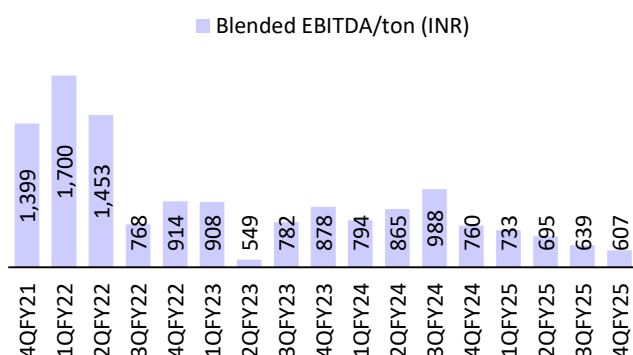
Source: MOFSL, Company

Exhibit 3: Opex/t declined 5% YoY and increased 1% QoQ



Source: MOFSL, Company

Exhibit 4: EBITDA/t declined 20% YoY/5% QoQ



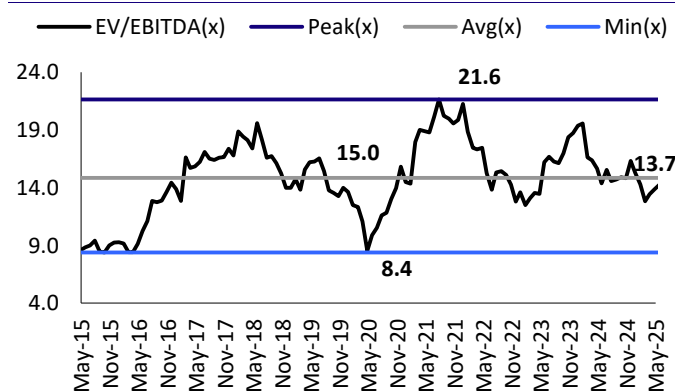
Source: MOFSL, Company

Exhibit 5: Key performance indicators – per ton analysis

INR/t	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)
Net realization	4,522	4,869	(7.1)	4,523	(0.0)
RM Cost	1,038	1,132	(8.3)	933	11.3
Employee Expenses	234	227	3.0	301	(22.5)
Power, Oil & Fuel	1,030	1,128	(8.7)	1,060	(2.9)
Freight and Handling Outward	1,068	1,082	(1.3)	1,066	0.2
Other Expenses	546	541	0.7	523	4.2
Total Expenses	3,915	4,110	(4.7)	3,884	0.8
EBITDA	607	760	(20.2)	639	(5.1)

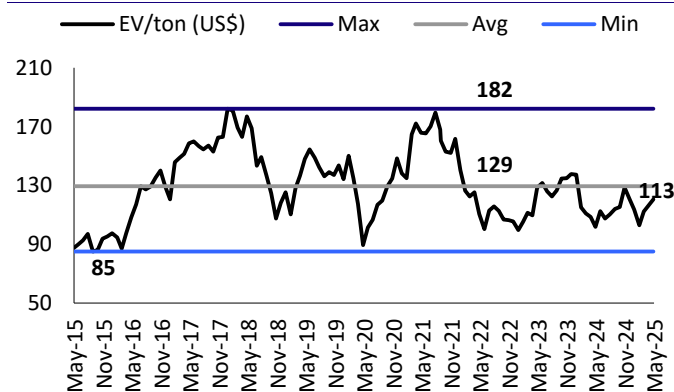
Source: MOFSL, Company

Exhibit 6: One-year forward EV/EBITDA chart



Source: MOFSL, Company, Bloomberg

Exhibit 7: One-year forward EV/ton chart



Source: MOFSL, Company, Bloomberg

Financials and valuations

Income Statement							(INR m)	
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Sales	53,435	52,684	59,800	81,353	93,498	84,951	95,891	1,04,945
Change (%)	4.3	-1.4	13.5	36.0	14.9	-9.1	12.9	9.4
EBITDA	11,117	15,480	12,838	11,820	15,525	12,319	18,026	21,155
Margin (%)	20.8	29.4	21.5	14.5	16.6	14.5	18.8	20.2
Depreciation	3,153	3,553	4,008	5,044	6,359	6,912	7,455	8,025
EBIT	7,964	11,927	8,830	6,775	9,167	5,407	10,570	13,130
Int. and Finance Charges	714	876	1,124	2,405	4,155	4,588	4,182	3,942
Other Income - Rec.	622	346	306	367	423	440	420	445
PBT bef. EO Exp.	7,872	11,397	8,012	4,737	5,435	1,259	6,808	9,633
EO Expense/(Income)	0	0	0	0	0	-3,398	0	0
PBT after EO Exp.	7,872	11,397	8,012	4,737	5,435	4,657	6,808	9,633
Current Tax	1,393	2,440	1,768	257	409	3	1,872	2,649
Deferred Tax	469	1,346	-2,682	1,045	1,076	481	0	0
Tax Rate (%)	23.6	33.2	-11.4	27.5	27.3	10.4	27.5	27.5
Reported PAT	6,011	7,611	8,927	3,435	3,950	4,174	4,936	6,984
PAT Adj for EO items	6,011	7,611	5,899	3,435	3,950	925	4,936	6,984
Change (%)	18.1	26.6	-22.5	-41.8	15.0	-76.6	433.4	41.5
Margin (%)	11.2	14.4	9.9	4.2	4.2	1.1	5.1	6.7

Balance Sheet							(INR m)	
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	236	236	236	236	236	236	236	236
Total Reserves	48,950	56,032	65,012	67,699	71,205	74,701	78,692	84,495
Net Worth	49,186	56,268	65,249	67,935	71,441	74,938	78,928	84,731
Deferred Liabilities	9,172	10,877	8,240	9,285	10,304	10,759	10,759	10,759
Total Loans	30,241	31,017	39,300	44,874	49,168	46,521	41,521	38,521
Capital Employed	88,599	98,162	1,12,789	1,22,095	1,30,914	1,32,218	1,31,209	1,34,011
Gross Block	93,901	1,06,223	1,18,037	1,47,329	1,72,397	1,81,501	1,93,366	2,07,866
Less: Accum. Deprn.	35,757	38,720	42,728	47,772	54,131	61,043	68,498	76,523
Net Fixed Assets	58,144	67,503	75,309	99,557	1,18,266	1,20,458	1,24,868	1,31,343
Capital WIP	18,143	23,255	30,340	19,873	13,784	13,865	9,500	5,000
Total Investments	4,275	4,369	4,220	4,209	4,397	4,272	4,272	4,272
Curr. Assets, Loans&Adv.	19,908	18,331	20,687	21,530	25,235	25,146	27,439	29,070
Inventory	6,453	5,979	8,333	8,823	9,823	10,150	11,458	12,539
Account Receivables	5,269	3,752	3,498	4,650	8,522	7,219	7,881	8,626
Cash and Bank Balance	914	1,419	1,760	1,686	1,352	2,074	1,663	860
Loans and Advances	7,273	7,181	7,095	6,371	5,539	5,703	6,437	7,045
Curr. Liability & Prov.	11,871	15,296	17,767	23,074	30,770	31,523	34,868	35,674
Account Payables	11,341	14,655	16,985	22,141	29,635	30,158	34,042	34,503
Provisions	531	641	782	933	1,135	1,365	826	1,171
Net Current Assets	8,037	3,035	2,920	-1,545	-5,535	-6,377	-7,429	-6,604
Appl. of Funds	88,599	98,162	1,12,789	1,22,095	1,30,914	1,32,218	1,31,209	1,34,011

Source: Company, MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)								
EPS	25.5	32.3	25.0	14.5	16.7	3.9	20.9	29.6
Cash EPS	38.9	47.3	41.9	35.9	43.6	33.2	52.4	63.5
BV/Share	208.8	238.5	276.1	287.5	302.3	317.1	334.0	358.6
DPS	2.5	3.0	3.0	2.0	2.5	2.0	4.0	0.0
Payout (%)	11.8	9.3	7.9	13.8	15.0	11.3	19.1	0.0
Valuation (x)								
P/E	38.7	30.6	39.6	68.0	59.1	252.3	47.3	33.4
Cash P/E	25.4	20.9	23.6	27.5	22.7	29.8	18.8	15.6
P/BV	4.7	4.1	3.6	3.4	3.3	3.1	3.0	2.8
EV/Sales	4.6	4.5	4.0	3.2	2.9	3.1	2.7	2.5
EV/EBITDA	22.0	15.5	18.7	21.7	17.2	21.4	14.6	12.6
EV/Ton (USD)	154	147	147	138	138	130	123	106
Dividend Yield (%)	0.3	0.3	0.3	0.2	0.3	0.2	0.4	0.0
Return Ratios (%)								
RoIC	10.0	11.9	13.5	5.7	6.4	4.3	6.7	7.9
RoE	12.8	14.4	9.7	5.2	5.7	1.3	6.4	8.5
RoCE	9.4	9.8	10.6	4.8	6.0	4.3	6.6	8.1
Working Capital Ratios								
Asset Turnover (x)	0.6	0.5	0.5	0.7	0.7	0.6	0.7	0.8
Inventory (Days)	44.1	41.4	50.9	39.6	38.3	43.6	43.6	43.6
Debtor (Days)	36.0	26.0	21.3	20.9	33.3	31.0	30.0	30.0
Creditor (Days)	77.5	101.5	103.7	99.3	115.7	129.6	129.6	120.0
Leverage Ratio (x)								
Current Ratio	1.7	1.2	1.2	0.9	0.8	0.8	0.8	0.8
Debt/Equity	0.6	0.6	0.6	0.7	0.7	0.6	0.5	0.5

Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	7,872	11,397	8,012	4,737	5,435	4,657	6,808	9,633
Depreciation	3,153	3,553	4,008	5,044	6,359	6,912	7,455	8,025
Interest & Finance Charges	714	876	1,124	2,405	4,155	4,588	4,182	3,942
Direct Taxes Paid	-1,861	-3,786	915	-1,302	-419	-202	-1,872	-2,649
(Inc)/Dec in WC	-2,590	5,507	457	4,390	3,587	1,662	643	-1,630
CF from Operations	7,287	17,547	14,516	15,275	19,117	17,617	17,216	17,321
Others	100	143	30	-166	-245	-3,595	0	0
CF from Operating incl EO	7,387	17,690	14,546	15,109	18,872	14,022	17,216	17,321
(Inc)/Dec in FA	-18,791	-17,434	-18,900	-18,826	-19,224	-10,240	-7,500	-10,000
Free Cash Flow	-11,404	256	-4,354	-3,717	-352	3,782	9,716	7,321
(Pur)/Sale of Investments	19	-94	150	11	28	3,758	0	0
Others	-1,257	1,150	-1,904	935	197	1,031	0	0
CF from Investments	-20,029	-16,378	-20,654	-17,880	-18,999	-5,452	-7,500	-10,000
Issue of Shares	0	0	0	0	0	0	0	0
Inc/(Dec) in Debt	14,054	776	8,282	5,575	4,258	-2,708	-5,000	-3,000
Interest Paid	-714	-876	-1,124	-2,405	-4,063	-4,517	-4,182	-3,942
Dividend Paid	-711	-708	-709	-473	-473	-591	-945	-1,182
Others	0	0	0	0	-2	-3	0	0
CF from Fin. Activity	12,630	-808	6,450	2,697	-280	-7,819	-10,127	-8,124
Inc/Dec of Cash	-13	504	342	-74	-407	751	-411	-803
Opening Balance	927	915	1,419	1,761	1,759	1,322	2,074	1,663
Closing Balance	915	1,419	1,761	1,686	1,351	2,074	1,663	860

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