



Investor Update

May 29, 2018

PRISM JOHNSON LIMITED today announced audited standalone financial results for the quarter and year ended March 31, 2018

PRISM JOHNSON Limited ended the year on a high. The Company reported improved performance during the quarter ended March 2018 – Cement EBITDA up QoQ despite increase in fuel price, turnaround in HRJ Division with positive EBIT on standalone basis & ~9% EBITDA margins on consolidated basis and RMC Division clocking ~20% revenue growth. Key highlights during Q4FY18:-

- The Cement Division reported ~8% volume growth as compared to quarter ended March 2017.
- The Cement Division's EBITDA per ton improved to `819 as against `580 reported during the quarter ended December 2017 despite fuel prices moving up. The improvement was aided by better realizations.
- Volume growth in the Tiles business continued. Focus on working capital management continues.
- The standalone HRJ Division reported EBIT of `10 Crores, a positive swing of `36 Crores as compared to quarter ended March 2017. On a consolidated basis the Division showed remarkable improvement with EBITDA margins at 8.9%.
- The Concrete business for the quarter reported ~20% YoY revenue growth on the back of pick up in both real estate and infrastructure sector.
- Standalone Debt stands reduced to ~`1485 Crores as on March 2018.

With effect from April 18th 2018, the Company has been renamed as **PRISM JOHNSON LIMITED**, formerly Prism Cement Limited. With the change in name to **PRISM JOHNSON LIMITED**, there is a renewed optimism and vigour in the Company. The new name represents all three Divisions of the Company.

Financial Overview (audited for the quarter ended March 31, 2018)

(Figures in ` Crores unless mentioned otherwise)

Particulars	Q4 '17-18	Q3 '17-18	Q4 '16-17
Net Sales	1,608	1,296	1,419
Profit / (Loss) before Other income, finance cost, tax, depreciation, and exceptional items	169	91	121
Profit / (Loss) before tax	90	15	74
Net Profit / (Loss) after tax	63	15	70
EPS (`)	1.25	0.29	1.39

Note: For comparison purpose revenue shown above is excluding excise.

Segmental Results

(Figures in ` Crores)

Particulars	Q4 '17-18			Q3 '17-18			Q4 '16-17		
	Cement	HRJ	RMC	Cement	HRJ	RMC	Cement	HRJ	RMC
Segment Revenue	756	477	386	571	390	348	703	527	322
Segment EBITDA	137	16	16	80	1	10	125	(18)	14
Segment Results	104	10	11	61	(4)	5	119	(26)	8
Capital Employed	1,537	675	180	1,550	717	186	1,611	624	173

Note: In accordance with the requirements of Ind AS 18, Revenue from Operations for the quarter ended March 31, 2018 is shown net of Goods and Services Tax (GST). However, Net Sales for the corresponding quarter is shown inclusive of excise duty.

Financial Overview (Audited for the Year ended March 31, 2018)

(Figures in ` Crores unless mentioned otherwise)

Particulars	Stand-alone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Net Sales (excluding excise)	5,389	5,000	5,457	4,961
Profit / (Loss) before Other income, finance cost, tax, depreciation, and exceptional items	379	282	442	357
Profit / (Loss) before tax	105	28	101	42
Net Profit / (Loss) after tax	70	18	55	14
Share of minority interest	-	-	12	16
Net Profit / (Loss) after tax, minority interest, and share of profit / (loss) of associates	70	18	43	(2)
EPS (`)	1.40	0.35	0.84	-0.04

Segmental Results

(Figures in ` Crores unless mentioned otherwise)

Particulars	Stand-alone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Segment Revenue				
a) Cement	2,453	2,347	2,453	2,347
b) HRJ	1,709	1,864	1,726	1,882
c) RMC	1,376	1,274	1,376	1,274
d) Insurance	-	-	105	79
Segment Results EBITDA				
a) Cement	349	306	349	306
b) HRJ	2	(62)	63	8
c) RMC	28	38	28	38
d) Insurance	-	-	-	-
Segment Results EBIT				
a) Cement	279	262	279	262
b) HRJ	(22)	(90)	4	(62)
c) RMC	6	16	6	16
d) Insurance	-	-	1	3
Capital employed				
a) Cement	1,537	1,611	1,537	1,611
b) HRJ	675	624	1,166	1,008
c) RMC	180	173	180	173
d) Insurance	-	-	117	119
3) Unallocated	(1,365)	(1,452)	(1,961)	(1,916)
TOTAL	1,026	956	1,038	995

Performance Review and key developments during the quarter ended March 2018

During the quarter under review, Cement Division's EBITDA stood at ₹819/ton, up ₹12/ton YoY basis and ₹239/ton QoQ basis. The Cement Division sold 16.69 lac tons of cement and clinker as against 15.48 lac tons for the quarter ended March 31st, 2017. Overall volumes grew by ~8%. All the numbers mentioned herein exclude clinker sales for third party processing, if any.

The Division's operating performance was better during the quarter as compared to corresponding quarter last year. Higher realizations and better volumes helped mitigate higher total cost. The Division saw higher raw material, freight & forwarding and power & fuel expenses.

H & R Johnson (India) (HRJ) Division operates in the Tiles and Bathroom Segment. The Division's total revenues during the quarter were ₹477 Crores up ~22% QoQ. However the same declined by ~10% yoy despite positive volume growth due to excise duty included in March 2017 revenues apart from other reasons. The Division continued to scale-up its marketing activities through various initiatives like strengthening of distribution network, merchandising and has also taken various initiatives to optimize the costs.

The RMC Readymix (India) (RMC) Division's total revenues were at ₹386 Crores as compared to ₹322 Crores in the corresponding quarter last year, up by ~20%. The growth would be higher but for excise duty included in March 2017 revenues. This is the second consecutive quarter of double digit revenue growth. The Division's performance improved due to better volume. The Division's mega vertical continues to do well on the back of increasing order book.

Performance Review for the year ended March 2018

For the year as a whole, the cement & clinker sales volumes were 56.41 lac tons as against 54.09 lac tons, up ~4% despite overloading ban in UP and sand mining ban in UP and Bihar during first half of the year. This was the highest ever volume recorded by the Company. Cement EBITDA stood at ₹620/ton as against ₹567/ton for FY17.

During the year the Company has signed a Memorandum of Understanding with the Uttar Pradesh State Government for setting up a cement Grinding Unit with a proposed investment of approximately ₹250 Crores. Upon setting up the Grinding Unit, the Company is expected to optimize its logistic costs as well as improve local availability in its strategic markets of Uttar Pradesh.

The existing Supply Agreement with ECO Cements Limited ('ECL') for manufacture and supply of cement to the Company from its grinding plant at Bhabhua District, Bihar shall be discontinued during the second quarter of current financial year. The Company shall cater to the markets of Bihar from its plant at Satna, Madhya Pradesh as was being done prior to the arrangement with ECL. ECL constituted ~6% of FY18 overall sales volume.

During FY18, the HRJ Division completed 60 years of its presence. The Division recorded marginal tiles volume growth as against double digit decline in FY17. HRJ Division showed remarkable improvement at operating level both on a standalone and consolidated basis. On a standalone basis the Division reported EBITDA of ₹2 Crores as against loss of ₹62 Crores in FY17. Similarly on a consolidated basis, EBITDA stood at ₹63 Crores as against ₹8 Crores in FY17. During the year the Division continued its focus on working capital management.

The RMC Division reported ~8% revenue growth to ₹1376 Crores. The Division saw improvement in both the commercial concrete vertical and mega vertical during the second half of the year. The Division has witnessed growth after nearly 5 years of flattish trend.

Industry Scenario / Future Outlook

The Government's emphasis on pushing infrastructure development continues by ensuring increased funds for roads & highway construction, railways and irrigation segment. The road and power transmission segment has seen higher ordering during second half of FY18. Government's continued thrust on core schemes such as 'Make in India', 'Smart Cities', 'Housing for All by 2022', 'Dedicated Freight Corridors', 'Swachh Bharat Abhiyan', 'Atal Mission for Rejuvenation and Urban Transformation' (AMRUT) will bolster the construction industry leading to increased demand for cement, tiles and ready mix concrete.

The urban real estate segment has witnessed lower demand, however there are few pockets, which showed early recovery signs.

The prediction of better monsoon for the second consecutive year also augurs well for all the three Divisions.

The Company sells its cement in three States – Uttar Pradesh, Madhya Pradesh and Bihar. These States have also re-aligned with Government's thrust on development as core agenda with increasing spend on infrastructure and housing in State Budgets. The Government's emphasis on improving the agricultural productivity, farm income and rural infrastructure augurs well for cement demand in the above regions in the medium to long term.

The HRJ Division continues to possess robust distribution network, strong brand equity, wide-spread manufacturing locations, and a comprehensive product portfolio in the tiles and bathroom segment. The focus is on increasing the utilization levels and better working capital management. The Division has undertaken several demand generation initiatives over the past few quarters. Key amongst them are influencer engagement and opening of five large formats display centers in Guwahati, Chennai, Kolkata, Coimbatore and Kochi. Implementation of GST would result in benefit for organized sector including the company in the medium term. The industry has yet to realize the shift from unorganized players. Efforts are also on to increase the presence in unrepresented markets.

The markets in many of the metros are expected to see a turnaround in the medium term as economy picks up and construction activities resume. With the Mega Projects Vertical, RMC Division is focusing to cater the infrastructure segment, which has witnessed significant increase in order book. The Company has taken measures, which going forward would help to improve operational efficiency and productivity. The markets in tier 2 & tier 3 cities have also been showing maturity which will help industry's growth.

Overall **PRISM JOHNSON** as a company is well placed with cost initiatives, product basket and operating efficiencies to leverage the growing opportunities.

About PRISM JOHNSON LIMITED

PRISM JOHNSON LIMITED is one of India's leading integrated Building Materials' Company, with a wide range of products from cement, ready-mixed concrete, tiles and bathroom products. The Company has three Divisions, viz. Prism Cement, H & R Johnson (India), and RMC Readymix (India). **PRISM JOHNSON LIMITED** also has a 51% stake in Raheja QBE General Insurance Company Limited, a JV with QBE Group of Australia. The Division also owns 50% stake in Ardex Endura (I) Private Limited, a JV with Ardex, Germany.

The equity shares of the Company are listed on the Bombay and National Stock Exchanges.

Prism Cement

Prism Cement commenced production at its Unit I in August, 1997 and scaled up capacity with Unit II in December, 2010. It manufactures Portland Pozzolana Cement (PPC) with the brand name 'Champion' and premium quality grade of cement under 'Champion Plus' and 'DURATECH' brand. Prism Cement has the highest quality standards due to efficient plant operations with modern state of the art automated controls. It caters mainly to markets of Eastern UP, MP and Bihar, with an average lead distance of 391 kms for cement from its plant at Satna, MP. It has a wide marketing network with about 4,000 dealers serviced from ~180 stock points.

H & R Johnson (India)

Established in 1958, H & R Johnson (India) is the pioneer of ceramic tiles in India. For over five decades, HRJ has added various product categories to offer complete solutions to its customers. Today, HRJ enjoys the reputation of being the only entity in India to offer end-to-end solutions of Tiles, Sanitaryware, Bath Fittings and Engineered Marble & Quartz. All the products are sold under 4 strong brands, viz. Johnson, Johnson Marbonite, Johnson Porselano and Johnson Endura. In ceramic / vitrified tiles, HRJ along with its Joint Ventures and subsidiaries has a capacity of over 68 million m² per annum spread across 13 manufacturing plants across the country which is one of the largest in India.

RMC Readymix (India)

RMC Readymix (India) is one of India's leading ready-mixed concrete manufacturers, set-up in 1996. RMC currently operates 92 ready-mixed concrete plants in 44 cities/towns across the Country. RMC has ventured into the Aggregates business and operates large Quarries and Crushers. At present, RMC has 5 Quarries across the country. RMC has been at the forefront in setting high standards for plant and machinery, production, safety standards, quality systems and product services in the ready-mixed concrete industry.

Investor Relations

PRISM JOHNSON LIMITED is committed to creating long-term sustainable shareholder value through successful implementation of its growth plans. The company's investor relations mission is to maintain an ongoing awareness of its performance among shareholders and financial community.

For additional information, please contact:

Munzal Shah

PRISM JOHNSON LIMITED

Tel: (D) +91-22-6104 2229 / (B) 91-22-6675 4142-46

Email: investorrelations@prismjohnson.in

Website: www.prismjohnson.in

Address:

"Rahejas", Main Avenue, V. P. Road,
Santacruz (W), Mumbai—400 054

Safe Harbor

Certain statements in this release concerning our future growth prospects are forward-looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.