



Investor Update

February 14, 2018

Prism Cement Limited today announced un-audited standalone financial results for the quarter ended December 31, 2017

Financial Overview (Un-audited for the quarter ended December 31, 2017)

(Figures in ` Crores unless mentioned otherwise)

Particulars	Q3 '17-18	Q2 '17-18	Q3 '16-17
Net Sales	1,296	1,162	1,135
Profit / (Loss) before Other income, finance cost, tax, depreciation, and exceptional items (As per IND AS)	91	40	30
Profit / (Loss) before tax	15	(24)	(46)
Net Profit / (Loss) after tax	15	(24)	(47)
EPS (`)	0.29	-0.47	-0.93

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

Segmental Results

(Figures in ` Crores)

Particulars	Q3 '17-18			Q2 '17-18			Q3 '16-17		
	Cement	HRJ	RMC	Cement	HRJ	RMC	Cement	HRJ	RMC
Segment Revenue	571	390	348	442	415	312	496	436	312
Segment Results	61	(4)	5	27	(5)	(3)	35	(29)	(0)
Capital Employed	1,550	717	186	1,579	675	187	1,567	650	173

Note: In accordance with the requirements of Ind AS 18, Revenue from Operations for the quarter ended December 31, 2017 is shown net of Goods and Services Tax (GST). However, Net Sales for the corresponding quarter is shown inclusive of excise duty.

Performance Review and key developments

The overall performance for the quarter ended December 2017 was satisfactory. The Cement volumes grew double digit on the back of relief from sand mining ban in Uttar Pradesh and partial relief in Bihar. The Tiles business again reported positive standalone EBITDA (near break-even level). The concrete business reported double digit revenue growth on the back of pick up in both real estate and infrastructure segment. The growth was further assisted by shift from unorganized players to organized players.

During the quarter under review as per mandated Indian Accounting Standards (IND-AS), Cement EBITDA stood at ₹580/ton, up ₹177/ton YoY basis. For the Quarter ended December 31st, 2017, the Company sold 13.68 lac tons of cement and clinker as against 11.74 lac tons for the quarter ended December 31st, 2016. Overall volumes grew by ~16% for reasons mentioned above. All the numbers mentioned herein exclude clinker sales for third party processing, if any.

The Division's operating performance was better during the quarter. While realizations were higher, total cost has gone up as compared to corresponding quarter last year due to higher raw material, freight & forwarding and power & fuel expenses. Other operating income was higher during the quarter.

H & R Johnson (India) (HRJ) Division operates in the Tiles and Bathroom Segment. The Division's total revenues during the quarter were ₹390 Crores as compared to ₹436 Crores in the corresponding quarter last year, declining by ~11% yoy. The revenues were lower despite volume increase due to excise duty included in December 2016 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 ₹348 Crores as compared to ₹312 Crores in the corresponding quarter last year, up by ~12%. The growth would be higher but for excise duty included in December 2016 revenues. 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.

Industry Scenario / Future Outlook

The recent Union Budget reiterated Government's emphasis on pushing infrastructure development by ensuring increased funds for roads / highway construction, railways and irrigation segment. This apart 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.

There would be incremental demand from Government-backed projects. This apart demand scenario for all the three Divisions is expected to be better going forward on the back of better monsoon.

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 Union Budget emphasized the improvement in farm income and rural infrastructure augers well for cement demand in the above regions in the medium to long term.

The H & R Johnson (India) 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 four large formats display centers in Guwahati, Chennai, Kolkata and Coimbatore. Implementation of GST would result in benefit for organized sector including the company in the medium term. However the industry has yet to realize the shift from unorganized players. Efforts are also on to increase 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 Cement as a company is well placed with cost initiatives and operating efficiencies to leverage the growing opportunities.

About Prism Cement Limited

Prism Cement 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 Cement Limited also has a 51% stake in Raheja QBE General Insurance Company Limited, a JV with QBE Group of Australia.

The present name of the Company does not convey the magnitude of operations of the Company and expresses only part of its activities. Hence the Company has sought Members' approval for change in the name of the Company from "Prism Cement Limited" to "Prism Johnson Limited".

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 395 kms for cement from its plant at Satna, MP. It has a wide marketing network with about 4,250 dealers serviced from ~170 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, Kitchens, 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 65 million m² per annum spread across 11 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 93 ready-mixed concrete plants in 44 cities/towns across the Country. Further, the Division has been able to secure new positions in its existing markets which will help it to grow going forward. RMC has also 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 and quality systems and product services in the ready-mixed concrete industry.

Investor Relations

Prism Cement 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.

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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.