



## Investor Update

August 08, 2017

Prism Cement Limited today announced un-audited standalone financial results for the quarter ended June 30, 2017

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Financial Overview (Un-audited for the quarter ended June 30, 2017)

*(Figures in ` Crores unless mentioned otherwise)*

Particulars	Q1 '17-18	Q4 '16-17	Q1 '16-17
Net Sales	1,434	1,544	1,406
Profit / (Loss) before Other income, finance cost, tax, depreciation, and exceptional items (As per IND AS)	78	120	98
Profit / (Loss) before tax	24	74	22
Net Profit / (Loss) after tax	17	70	16
EPS (`)	0.33	1.39	0.31

## Segmental Results

*(Figures in ` Crores)*

Particulars	Q1 '17-18			Q4 '16-17			Q1 '16-17		
	Cement	TBK	RMC	Cement	TBK	RMC	Cement	TBK	RMC
Segment Revenue	684	426	330	703	527	322	635	446	335
Segment Results	88	(22)	(7)	119	(26)	8	82	(18)	11
Capital Employed	1,536	659	175	1,611	624	173	1,483	690	170

## Performance Review and key developments

The overall performance for the quarter ended June 2017 was satisfactory in the wake of following events. The volume of Cement and Tiles got impacted due to de-stocking before the implementation of GST from July 1<sup>st</sup> 2017. Slowdown in real estate execution on account of RERA implementation impacted volumes of all three Divisions, especially Ready Mixed Concrete. This apart the Cement Division volumes were further impacted due to ban on over-loading and sand mining in Uttar Pradesh for good part of the quarter.

During the quarter under review as per mandated Indian Accounting Standards (IND-AS), Cement EBITDA stood at ₹647/ton, up ₹35/ton YoY basis. For the Quarter ended June 30<sup>th</sup>, 2016, the Company sold 14.81 lac tons of cement and clinker as against 15.27 lac tons for the quarter ended June 30<sup>th</sup>, 2016. Overall volumes were down by ~3% mainly due to reasons mentioned above. All the numbers mentioned herein exclude clinker sales for third party processing, if any.

The Division has seen better operating performance on the back of higher realizations. However total cost has gone up as compared to corresponding quarter due to higher power & fuel expenses and manpower costs.

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's total revenues during the quarter were ₹426 Crores as compared to ₹446 Crores in the corresponding quarter last year, declining by ~4% yoy. 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 declined by ~2% as compared to the corresponding Quarter of last year. The Division's performance got impacted due to decline in volume and increase in input costs.

## Industry Scenario / Future Outlook

With the Government advancing in the right direction with intent and resolve supported by interest rate cuts from RBI augurs well for the industry. The 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) and push for fast track roads and highways will bolster the construction industry leading to increased demand for cement, tiles and ready mix concrete. There would be incremental demand from Government-backed projects. This apart demand scenario for all the three Divisions is expected to be better in second half of FY18 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. Most States have cleared the Real Estate Bill, which would bring in transparency and better execution. All the above initiatives would lead to better cement demand 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 of tiles, baths, and kitchens. The focus is on increasing the utilization levels and better working capital management. The Division intends to further improve the product display of value added products. Implementation of GST would result in benefit for organized sector including your company. 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 near 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, bath products to kitchens. 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 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' & 'Champion Plus' and premium quality grade of cement under 'HI-TECH' 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 429 kms for cement from its plant at Satna, MP. It has a wide marketing network with about 3,950 dealers serviced from ~175 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 m<sup>2</sup> 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 89 ready-mixed concrete plants in 40 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.