



Investor Update

November 07, 2017

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

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

(Figures in ` Crores unless mentioned otherwise)

Particulars	Q2 '17-18	Q1 '17-18	Q2 '16-17
Net Sales	1,162	1,322	1,160
Profit / (Loss) before Other income, finance cost, tax, depreciation, and exceptional items (As per IND AS)	40	78	32
Profit / (Loss) before tax	(24)	24	(21)
Net Profit / (Loss) after tax	(24)	17	(21)
EPS (`)	-0.47	0.33	-0.42

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

Segmental Results

(Figures in ` Crores)

Particulars	Q2 '17-18			Q1 '17-18			Q2 '16-17		
	Cement	TBK	RMC	Cement	TBK	RMC	Cement	TBK	RMC
Segment Revenue	442	415	312	684	426	330	512	455	304
Segment Results	27	(5)	(3)	88	(22)	(7)	27	(18)	(3)
Capital Employed	1,579	675	187	1,536	659	175	1,557	681	179

Note: In accordance with the requirements of Ind AS 18, Revenue from Operations for the quarter ended September 30, 2017 is shown net of Goods and Services Tax (GST). However, Net Sales for the immediate preceding quarter, corresponding quarter, previous half year and previous financial year is shown inclusive of excise duty.

Performance Review and key developments

The overall performance for the quarter ended September 2017 should be viewed considering the following events. The Cement volumes got impacted due to near complete sand mining ban in Uttar Pradesh and Bihar, which together constitutes ~70% of volume. This apart there was partial sand mining ban in Madhya Pradesh. Slowdown in real estate execution and new project launches on account of RERA registration of existing projects impacted volumes of Tiles and Ready Mixed Concrete. Amidst this, the key highlight during the quarter was volume growth in the Tiles business as compared to past few quarters and near break-even level at standalone EBITDA level as against losses in the past quarters.

During the quarter under review as per mandated Indian Accounting Standards (IND-AS), Cement EBITDA stood at ₹331/ton, down ₹20/ton YoY basis. For the Quarter ended September 30th, 2017, the Company sold 11.22 lac tons of cement and clinker as against 11.61 lac tons for the quarter ended September 30th, 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's operating performance was marginally lower during the quarter. While realizations were higher total cost has gone up as compared to corresponding quarter last year due to higher power & fuel expenses. Other operating income was lower also during the quarter.

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's total revenues during the quarter were ₹416 Crores as compared to ₹455 Crores in the corresponding quarter last year, declining by ~9% yoy. The revenues were lower despite volume increase due to excise duty included in September 2016 revenues. 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 ₹312 Crores as compared to ₹304 Crores in the corresponding quarter last year, up by ~6%. However the numbers are not comparable as excise duty is included in September 2016 revenues. The Division's performance improved marginally due to better volume. The Division's mega vertical continues to do well.

Industry Scenario / Future Outlook

The Government's recent highway development plan under Bharatmala program, renewed focus on railways and irrigation capex augurs well for the industry. The 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.

At the same time the urban real estate segment has witnessed lower demand, which might continue for some time. While RERA (Real Estate Regulation & Development Act) would be beneficial over the medium to long term, new project launches were few as builders rushed for registration in case of on-going projects.

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 except few pockets.

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. While the sand mining ban has hurt the volumes in the short term, the resolution of this issue by regularizing the industry should be viewed positively by the construction industry. 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 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, 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 406 kms for cement from its plant at Satna, MP. It has a wide marketing network with about 4,180 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 91 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.

For additional information, please contact:

Mr. Munzal Shah

Prism Cement Limited

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

Email: investorrelations@prismcement.com

Website: www.prismcement.com

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.