

PRISM[®]
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Complete Concrete Solutions

 **JOHNSON**[®]
Not just tiles, Lifestyles.[®]

AMONGST INDIA'S LEADING INTEGRATED BUILDING MATERIALS COMPANY

PRISM JOHNSON LIMITED

(Formerly Prism Cement Limited)

Investor Presentation

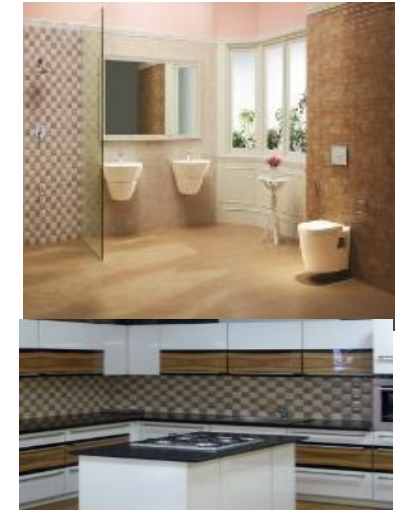
May'18

Our Brands

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Integrated Building Materials Company

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Prism Cement

- ✓ PPC (Portland Pozzalana Cement)
 - ✓ Champion
 - ✓ Champion Plus
 - ✓ Duratech
- ✓ OPC (Ordinary Portland Cement)

RMC Readymix

- ✓ Ready-mixed concrete
- ✓ Aggregates
- ✓ Manufactured Sand

H & R Johnson (India)

- ✓ Tiles (Ceramic, Vitrified, Industrial)
- ✓ Sanitaryware & Faucets (Bath Fittings)
- ✓ Construction Chemicals
- ✓ Engineering Marbles & Quartz

Markets Covered

Cement Division



Regional presence (Central India) catering mainly to Rural regions

RMC Division



Pan India presence catering mainly Urban Real Estate and Infrastructure

HRJ Division



Pan India presence catering Aspirational Consumption

Year ended March 2018 – Executive Summary



Particulars	Cement Division		HRJ Division		RMC Division		Total	
	FY18	FY17	FY18	FY17	FY18	FY17	FY18	FY17
Consolidated Data								
Total Capacity	7mt	7mt	68msm	61msm	9.7cum	8.7cum	NA	NA
Capacity Utilization (%)	81	77	58	64	35	35	NA	NA
Revenues (Rsmn)	23723	20090	16845	17150	13640	12287	54209	49527
% of total revenues	44	41	31	35	25	25	100	100
EBITDA (Rsmn)	3492	3064	628	82	280	380	4400.1	3525.4
EBITDA (%)	14.7	15.3	3.7	0.5	2.0	3.1	8.1	7.1
% of total EBITDA	79	87	14	2	6	11		
EBIT (Rsmn)	2793	2621	36	-619	63	159	2892	2161
Capital Employed (Rsmn)	15366	16106	11657	10082	1795	1729	28818	27918
ROCE (%)	18.2	16.3	0.3	-6.1	3.5	9.2	10.0	7.7

Quarter ended March 2018 – Executive Summary



Cement Division

- ~8% volume growth as compared to Q4FY17
- EBITDA / ton – ₹ 819. Higher net realizations
- Q4FY18 annualised RoCE at ~27%

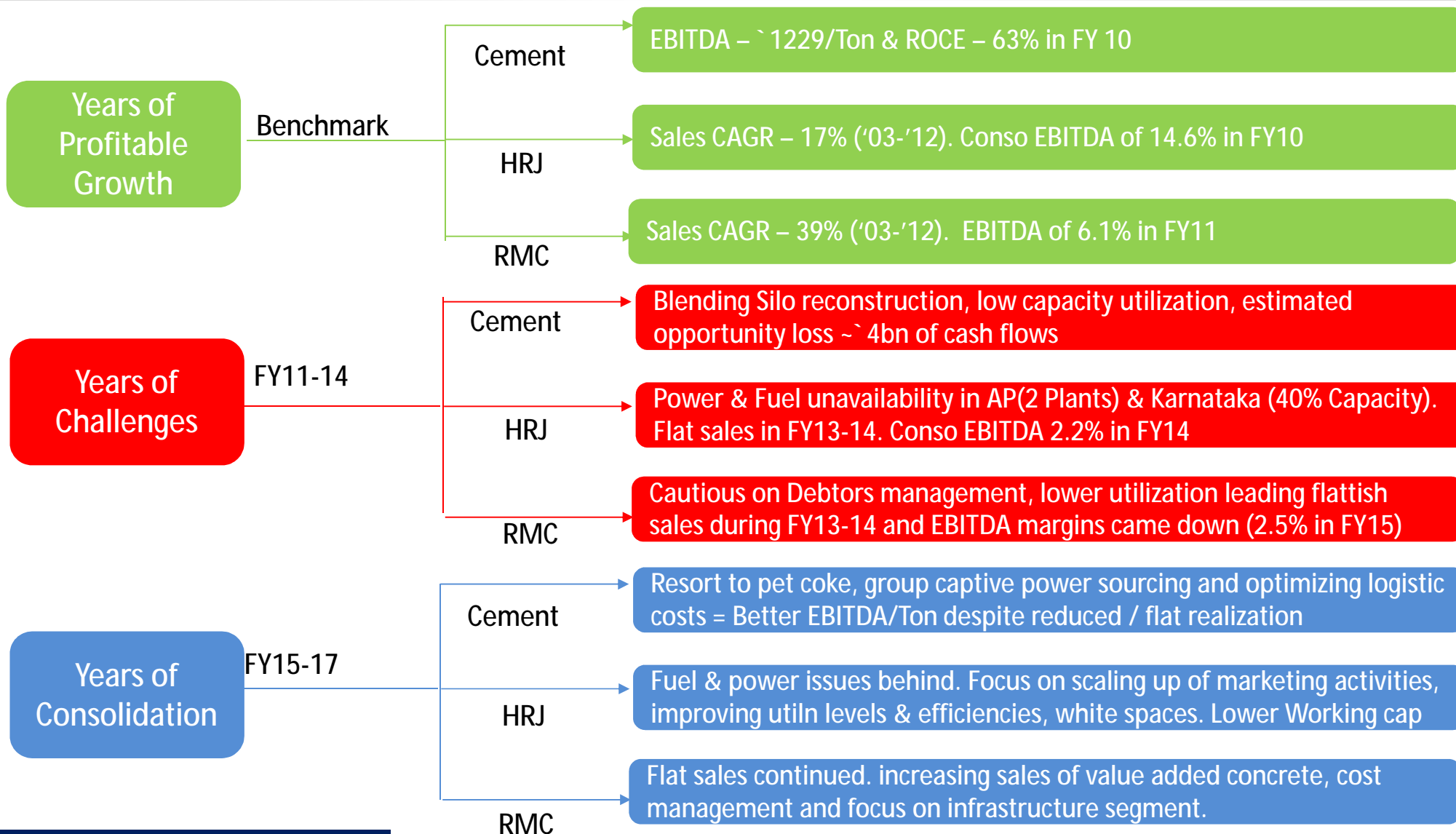
RMC Division

- Q4FY18 revenue growth at ~20%. Second consecutive quarter of double digit growth
- Q4FY18 EBITDA margins at 4.3%. Q4FY18 annualised RoCE at ~24%
- Strong order book in Mega vertical, catering infrastructure sector

HRJ Division

- Volume growth continued. Strong operational turnaround
- Standalone EBITDA margins at 3.4%. Positive EBIT, swing of ₹ 36 cr YoY
- Consolidated EBITDA margins at 8.9%. Q4FY18 annualised RoCE at ~12%

PRISM JOHNSON - Efforts towards re-creating history



Business Environment – expect better demand environment

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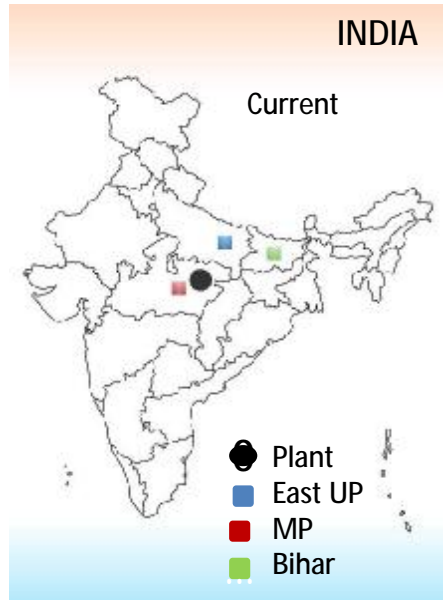
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- Government's focus on Infrastructure continues – road construction (good ordering), railways including dedicated freight corridors, metros, ports, airports and power transmission
- Focus on Housing for all Program. Ramp up in Pradhan Mantri Awas Yojna - Gramin (PMAY-G)
- Impetus on improving agriculture production and better pricing for farmers
- Implementation of Real Estate Regulation Act (RERA) resulted in short-term demand disruptions. Such structural reforms would bring in transparency and better execution leading to demand in the medium to long term. Few pockets showing demand revival
- Continued thrust on core schemes such as Smart Cities, Swachh Bharat Abhiyan amongst others.
- States re-aligning with Central Government thrust on development. Increasing spend on infra and housing in State Budgets. Focus on execution / delivery
- Implementation of GST likely to benefit economy, especially sectors with significant unorganized presence. Ready mixed concrete already witnessing shift. Tiles business, yet to see the shift
- Key concerns: Commodity prices, bottoming out of interest rates atleast in the short term, Geo-Political scenario and Execution delays at customer end both for real estate and infra sector

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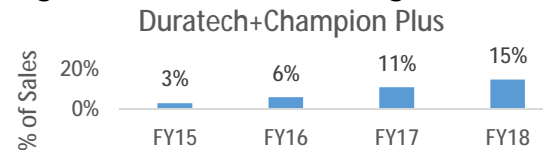
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Cement Overview

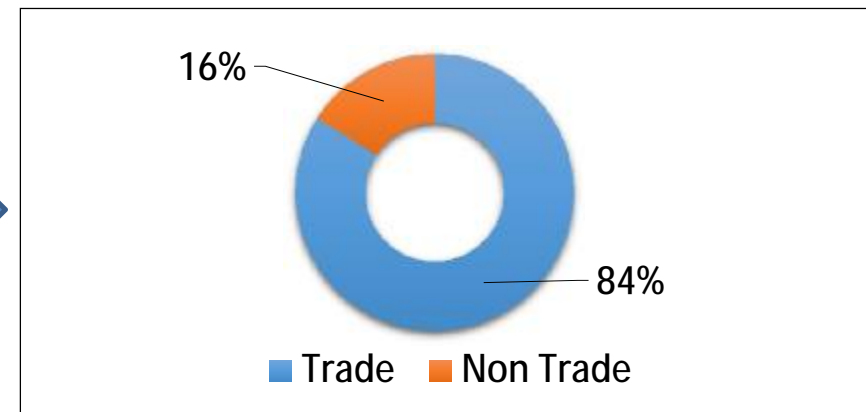
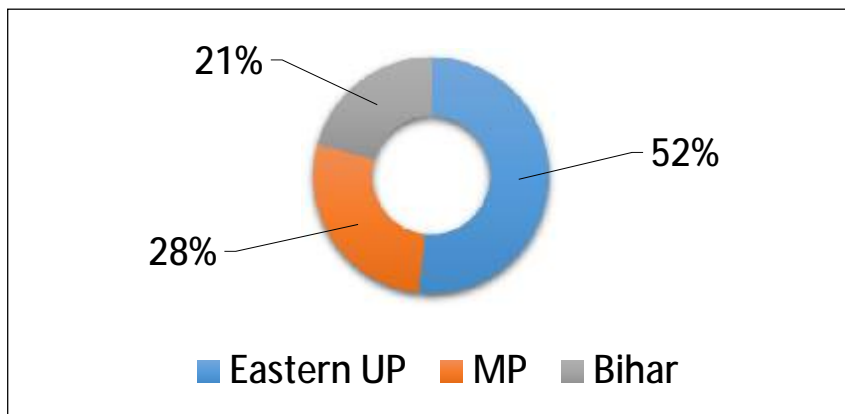


- 2 Modern Plants in Satna, MP(Central India) with effective capacity of 7mn ton
- Superior Capital Employed < ~US\$ 34/ton
- Consolidation happened in the cluster. Not major capacities planned in the cluster
- Wide network of ~4000 dealers and ~180 stocking points
- Better realizations and higher volumes during FY18 mitigated overall cost escalation

Superior Product Mix –



- Growth plans – Greenfield expansion in Kurnool District, AP. ~3000 acres of land in possession, limestone reserves secured and environment clearance in place

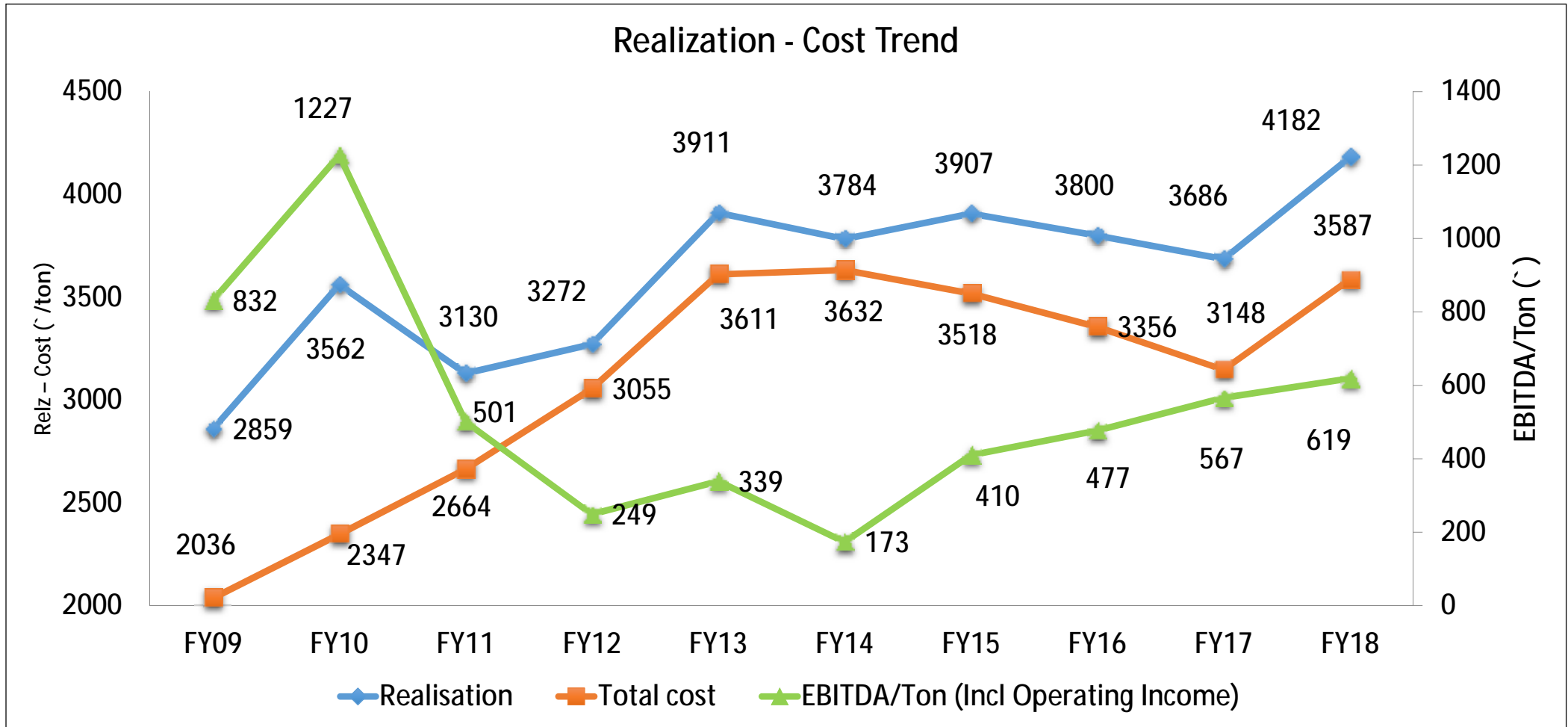


Cement – Financial & Operational Highlights



Particulars	Unit	FY18	FY17	FY10
Cement & Clinker Sales Volume *	Mn Ton	5.64	5.41	2.86
Net Sales	Rs in bn	23.7	20.0	10.2
Net realization incl clinker	Rs/Ton	4182	3686	3562
Total cost	Rs in bn	20.2	17.0	6.7
Total cost	Rs/Ton	3587	3148	2347
EBITDA incl operating income	Rs/Ton	619	567	1229
Freight & forwarding	Unit	FY18	FY17	FY10
Lead Distance	Kms	391	406	377
Mode Mix				
Railway	%	60	63	73
Road	%	40	37	27
Power and fuel	Unit	FY18	FY17	FY10
Power consumption per ton of cement	Kwh	73	73	72
Fuel Mix (on Calorific Value)				
Pet-Coke	%	55	65	0
Coal	%	45	35	100
Note: * Excluding Clinker sales for third party processing				
FY10 figures as per IGAAP				

Cement – Realization and Cost Trend

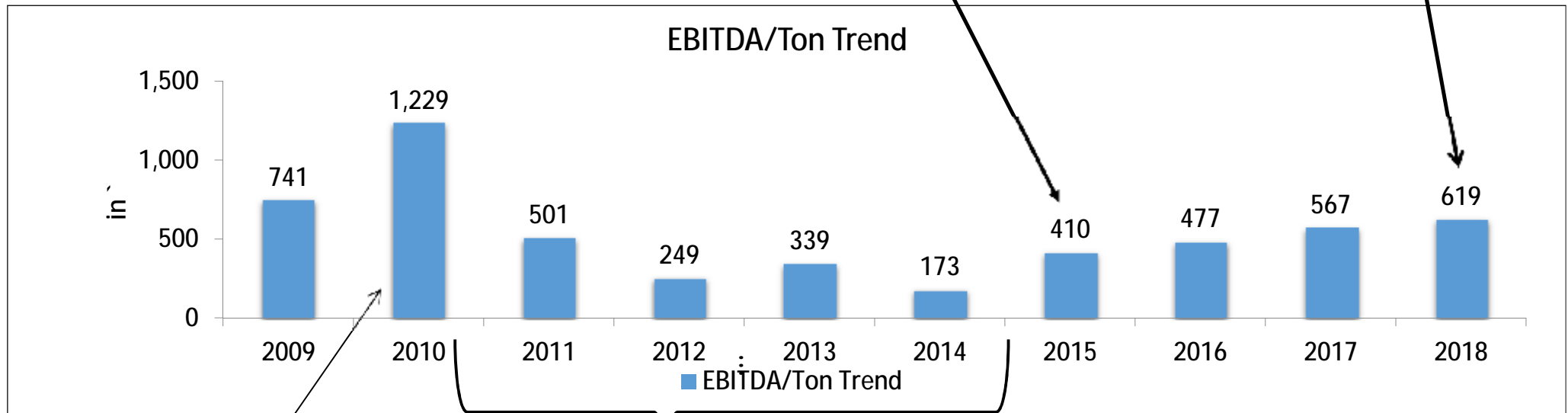


FY17 and FY18 As per IND AS

Cement EBITDA/Ton



✓ New Blending Silo
 ✓ Pet Coke
 ✓ Q4 FY18 ROCE: 27% Annualized
 ✓ Q4FY18 EBITDA / ton at ₹ 819



ROCE: 63%

- ✓ Subdued Markets
- ✓ Blending Silo Re-construction
- ✓ Low Capacity Utilization (Capacity increased from 3 MTPA to 7 MTPA)



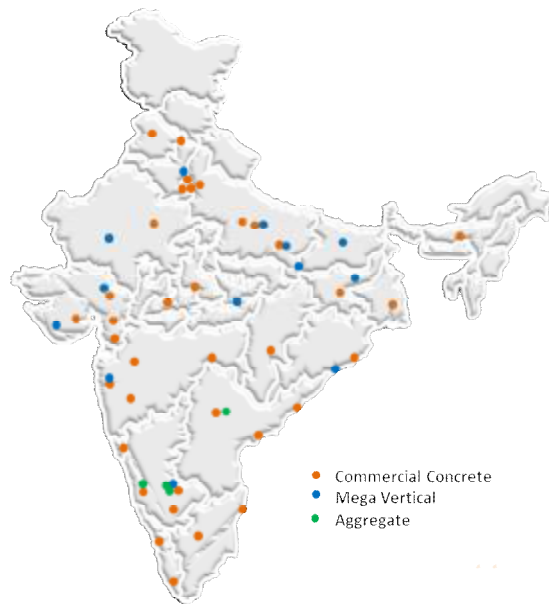
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RMC Overview

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- Ready mixed concrete is concrete in ready to use form. It is one of the most versatile building material used in construction. Benefits such as consistent quality, saving of site space, optimize labour, safety, reduced pollution amongst others

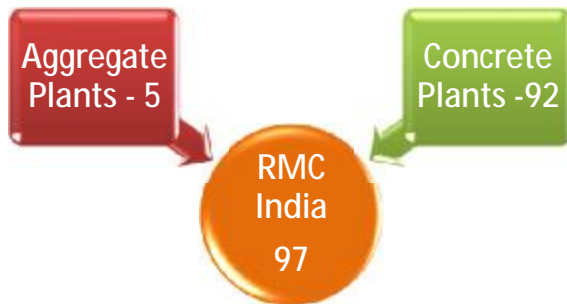
- Started in mid-90s : ~10-12% of total cement used for concrete in India is through RMC route (Metros / Tier1 ~35% & Tier2 ~20%) v/s 50-70% in developed economies

Industry Structure

- Barriers to entry : Location and permission in cities

- ~50% unorganized. GST and RERA implementation would shift market towards organized players

- Evolution in construction technology should also aid in growth momentum



RMC (India) Division

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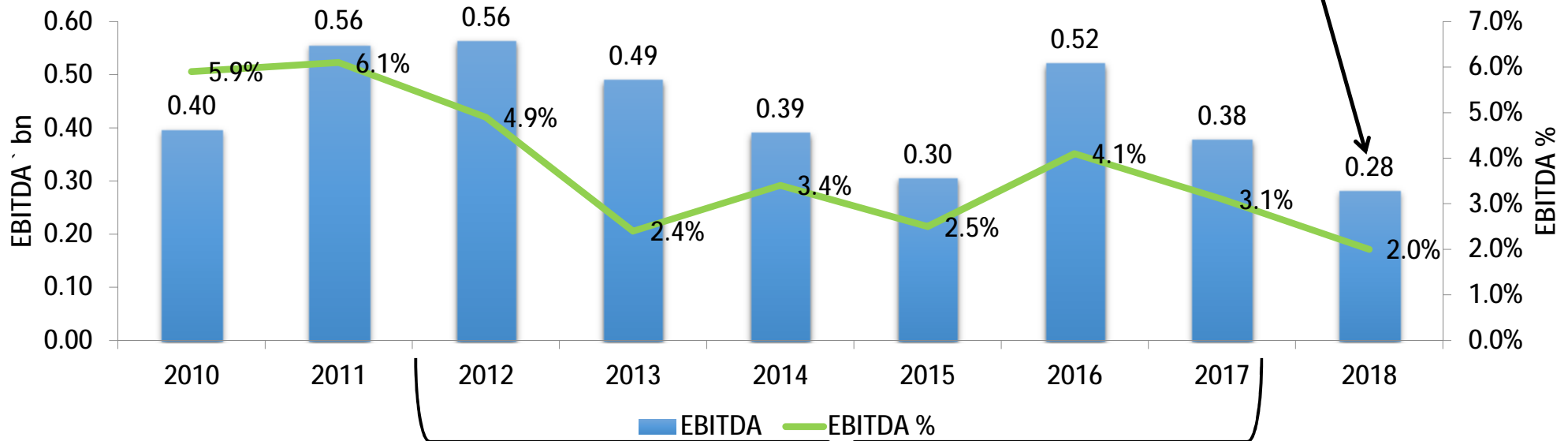
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- ✓ 2nd largest player : pan India presence with 92 Operational Plants in 44 Cities/towns
- ✓ Backward integration: 5 plants of aggregates & manufactured sand
- ✓ NABL Accredited Labs
- ✓ Growth has picked up in H2FY18 after ~5 years of flattish growth. FY03-12 sales CAGR of 39%
 - ✓ Demand drivers – Urbanization & Infrastructure. Affordable housing offers growth opportunity. Infra order book at historical highs. Expansion in Prism catchment areas.
- ✓ EBITDA margins bottomed out (2.0% in FY18). Levers for margin improvement
 - ✓ Promote sales of value-added products and increase sales in Individual House Building (IHB) segment
 - ✓ Focus on road, metros and captive plants
 - ✓ Focus on O&M segment and cost management program in place
- ✓ ROCE to improve (~4% in FY18)
 - ✓ EBITDA margin: 3-6%
 - ✓ Asset turnover: >7x (Capital Employed – ~Rs1.8bn and Sales ~Rs13.7bn)

RMC EBITDA – Performance



Q4FY18 Revenue growth – 20%
 Q4FY18 EBITDA margin – 4.3%
 Q4FY18 annualized ROCE - ~24%



- Subdued Economy
- Extra Cautious on Debtors Management
- Low Capacity Utilization

FY16 to FY18 as per IND AS



Dycrete® comprises an eye catching array of concrete that are suitable for a wide variety of architectural and decorative applications. They combine the aesthetic appeal with the long lasting durability of concrete.



Elitecrete™ is a light weight concrete with densities varying from 800 to 1800 kg/m³. It is a composite material consisting of Portland cement and its varieties, light weight aggregate, porous fillers and modifying agents.



FRCcrete® is fibre reinforced concrete. Fibres which increases its structural integrity, include steel, glass or synthetic fibres. It is used in heavy traffic wearing surfaces like warehouses, container yards, railway platforms, industrial floors, airport taxiways etc.



Perviouscrete™ is "Rain water harvesting" concrete. It is a special category of modified concrete that permit rain and storm water run offs to percolate through it, rather than flood surrounding areas or storm water drains.





H & R Johnson (India) – (HRJ) Overview

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- ✓ Completed 60 years of its presence
- ✓ Set up in 1958, offering wide range of tiles, sanitary ware, bath fittings and construction chemical
- ✓ Expanded overall capacity to ~68mn m2 pa from 61 m2 pa. 13 Manufacturing plants (Own & JVs). Asset light business model thru seven manufacturing JVs contributing ~75% of capacity (5 JVs in Gujarat & 2 JVs in AP)
- ✓ Large national trade network of ~1000 dealers
- ✓ 22 “House of Johnson” chain of retail outlets across India contributing ~9% of Division’s total sales
- ✓ Complimentary businesses to leverage Brand and Distributions



Construction Chemicals

- 50% Stake in Ardex Endura—JV with Ardex, Germany
- R&D Driven
- Pioneer in tile fixing adhesives
- Added industrial flooring and waterproofing
- Plants in Bengaluru, Baroda, Durgapur and Alwar; Pan India presence



Bathrooms

- Sanitaryware , Taps / Bath Fittings,
- Healthy industry structure; Brand and after sales service play key role
- 2 Manufacturing plants for Fittings—Baddi, HP & Samba, J&K

Turnaround at operating level.....

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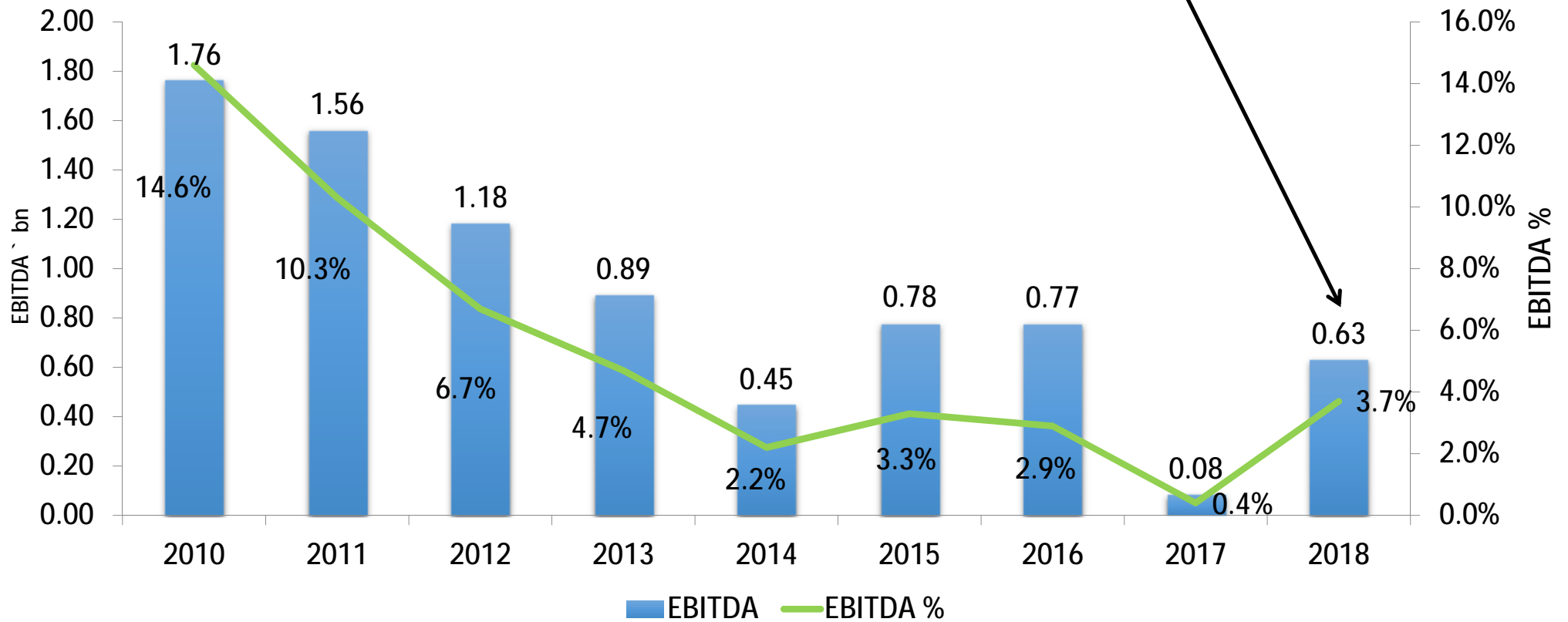
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- ✓ Enjoyed leadership position with '03 -'12 (Sales CAGR 17%)
- ✓ FY10 consolidated EBITDA margins of 14.6%
- ✓ FY11-14, Challenging years as 40% of total capacity in AP and Karnataka suffered on account of power and fuel availability
- ✓ Addressed Power and fuel issues in South by - Installing 3 coal gassifiers in AP plants and winning bids for onshore micro gas wells and Natural gas pipeline connectivity completed for Karnataka plant
- ✓ Significant improvement in operating performance during FY18. Positive EBITDA at standalone level and marked improvement in consolidated EBITDA. Working capital under control. Key highlights during FY18:
 - ✓ Positive volume growth in FY18 after double digit decline in FY17
 - ✓ Sales organisation sub classified into 4 verticals viz Johnson, Marbonite, Endura, Porselano. Expected to bring in greater focus and improved performances overall
 - ✓ Expanding product ranges. More than 200 new SKUs launched across 12 product categories
 - ✓ Demand generation activities undertaken. Key amongst them are influencer engagement and opening of five large formats display centre in Guwahati, Chennai, Kolkata, Coimbatore and Kochi. More display centres are planned going forward
 - ✓ Covering White Spaces and Cost management program
- ✓ Higher Margins / Market share expected going forward – improvement in utilization levels and product mix

HRJ Consolidated EBITDA - Performance



- Q4FY18 EBITDA margin – 8.9%
- Q4FY18 Absolute EBITDA – ~0.4bn
- Q4FY18 annualized ROCE - ~12%



To summarize.....

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- Improved financial performance during FY18 in a challenging environment:
 - Cement Division:- Best ever volumes and better operating performance despite sand mining ban / high commodity prices
 - HRJ Division:- Volume growth resumed. Turnaround at operating level
 - RMC Division:- Double digit revenue growth in H2FY18 after nearly 5 years of flattish trend. Record order book position in Mega vertical
- Cost rationalization measures undertaken in all the 3 divisions.
- Demand generation activities
- Focus on value added products leading to better product mix
- Utilization level expected to improve across all 3 Divisions. Operating leverage to play out over next three years. Focus on financial deleveraging
- Above activities to enable Company to increase market share and improve margin profile going ahead

Awards and Accolades



Allahabad Packing Plant conferred National Safety Award for outstanding performance in Industrial Safety as winner under two categories based on "Accident Free Year" and "Lowest Average Frequency Rate", on 16.09.2017



The Company was one of the four Cement Companies to be conferred with Award for Maximum use of Fly Ash under Green Building Material Category organized by Mission Energy Foundation



Several plants of RMC Division were recognized and awarded by National Safety Council of India.

Various customers also testified efforts & commitment towards Health, Safety & Environment.



Mr. Vijay Aggarwal, Managing Director

- ✓ B. Tech (Elec.) from IIT, Delhi and PGDM from IIM, Ahmedabad
- ✓ Tenure in Company: 24 years
- ✓ Past experience includes SBI Capital Markets
- ✓ On the Board of various companies including Exide Industries, Exide Life Insurance Co, Aptech, Asianet Satellite Communications, Ardex Endura (India), Raheja QBE General Insurance Co

Management Profile

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Mr. Atul Desai, Executive Director & CEO – RMC

- ✓ B.E. (Chemical) from Gujarat University and MBA (Marketing) from South Gujarat University.
- ✓ Tenure in Company: nearly two years
- ✓ Past experience includes Reliance Cement, Ambuja Cement and GSFC



Mr. Joydeep Mukherjee, Executive Director & CEO - HRJ

- ✓ PGDM in Marketing Management, IGNOU, Kolkata and EMIB - International Business and Marketing from IIFT, New Delhi.
- ✓ Tenure in Company: nearly two and half years
- ✓ Past experience includes ACC and Hindalco



Mr. Vivek K. Agnihotri, Executive Director & CEO - Cement

- ✓ M.B.A. from F.M.S., University of Delhi
- ✓ Tenure in Company: nearly three years
- ✓ Past experience includes Ambuja Cements and ACC

Management Profile

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Mrs. Aneeta Kulkarni – Company Secretary

- ✓ Company Secretary, LLB, PGDAM (NMIMS) and FIII (Fellow of Insurance Institute of India)
- ✓ Tenure in Company: 23 years
- ✓ Past experience includes New India Assurance, Thirumalai Chemicals and Vijayshree Chemicals



Mr. Manish Bhatia , CFO

- ✓ Chartered Accountant
- ✓ Tenure in Company: nearly one year
- ✓ Past experience includes Apollo Tyres and Essar Steel



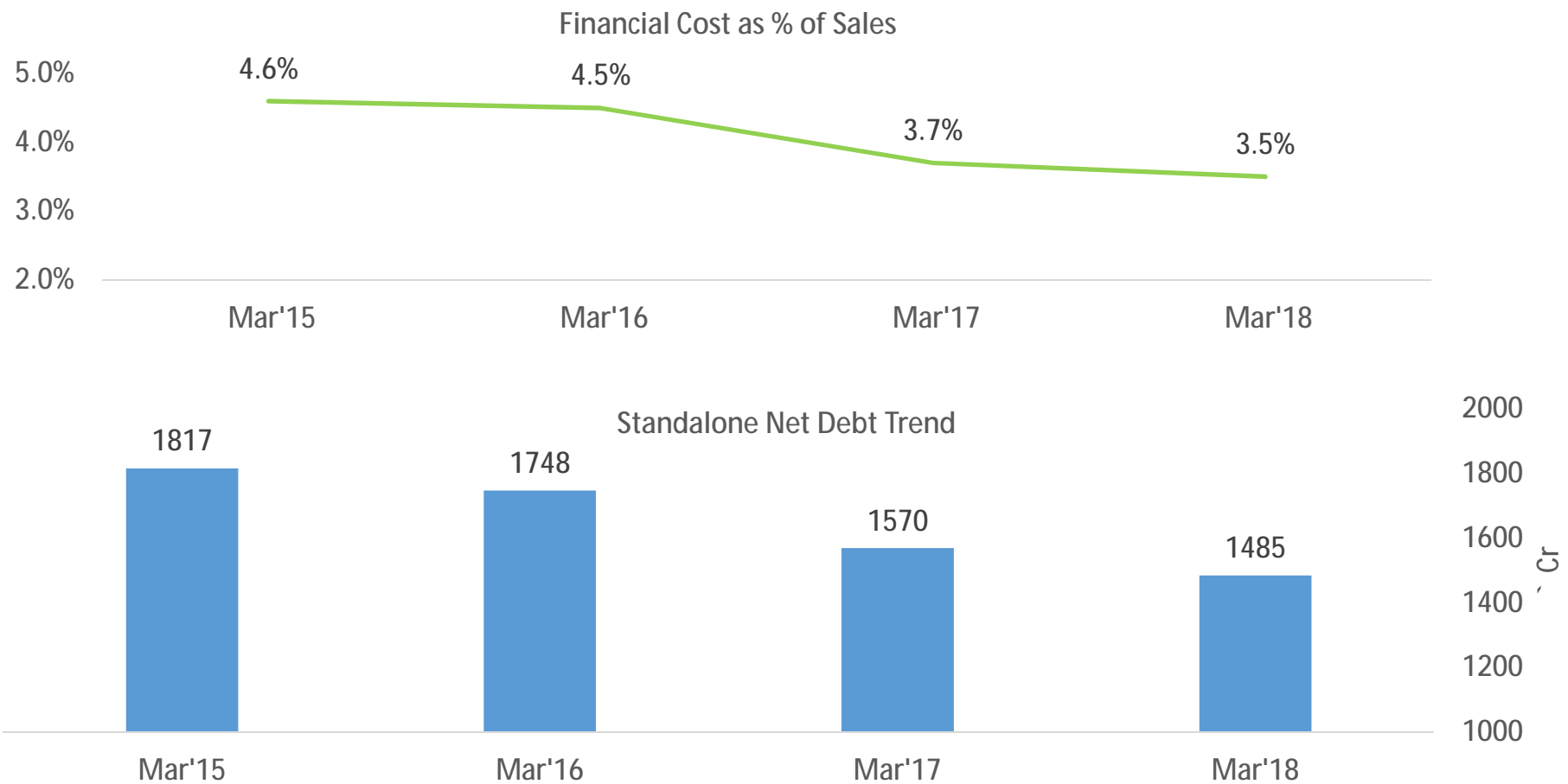
Mr. Rajnish Sacheti, Group President Legal & Indirect Taxes

- ✓ Company Secretary
- ✓ Tenure in Company: 20 years
- ✓ Past experience includes Grasim Industries

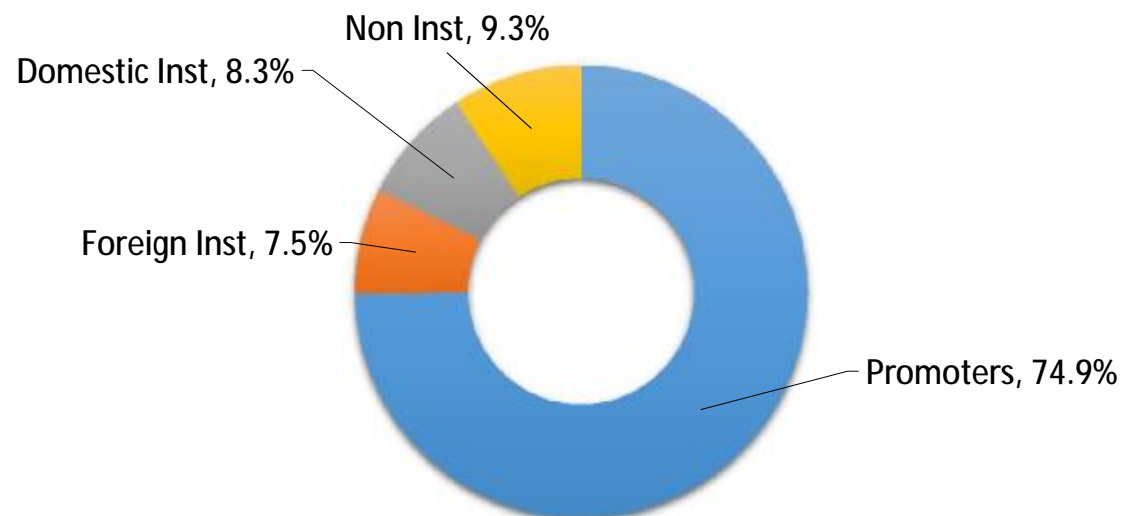
Focus on de-leveraging...to accelerate further



- Borrowings as on 31st March'18
 - Net standalone ` 14.85bn, down by ` 0.85bn



Shareholding Pattern as on 31st Mar '18



Public category holding over 1% of total shares

Shareholder	%
HDFC Trustee Company Ltd	5.3
National Westminster Bank Plc as Trustee of the Jupiter India Fund	2.3
CLSA Global Markets PTE Ltd	1.1
Government Pension Fund Global	1.1

THANK YOU

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Such statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to (1) competitive pressures; (2) legislative and regulatory developments; (3) global, macroeconomic and political trends; (4) fluctuations in currency exchange rates and general financial market conditions; (5) delay or inability in obtaining approvals from authorities; (6) technical developments; (7) litigations; (8) adverse publicity and news coverage, which could cause actual development and results to differ materially from the statements made in this presentation. Prism Cement Limited assumes no obligation to update or alter forward – looking statements whether as a result of new information, future events or otherwise.