



**PRISM**  
CEMENT  
दूर की सोच

**JOHNSON**  
Not just tiles, Lifestyles.

**PRISM  
RMC**  
Complete Concrete Solutions

# Amongst India's Leading **Integrated** Building Materials Companies

**PRISM JOHNSON LIMITED**

**INVESTOR UPDATE**

**August 2, 2023**

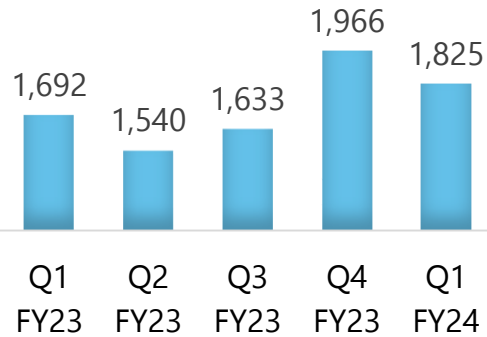
# Executive Summary

Consolidated (Ex. RQBE) Q1 FY24 Financial Performance Snapshot (1/2)

PRISM JOHNSON LIMITED

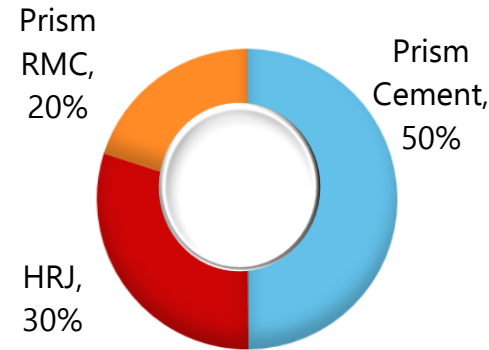
www.prismjohnson.in

## Revenue (₹ Crores)



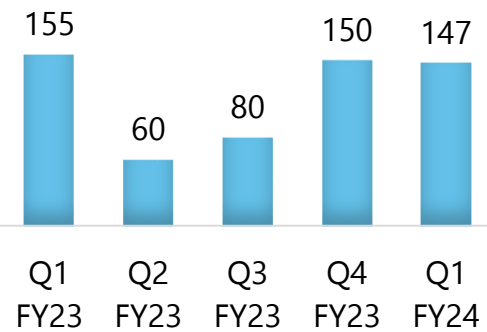
Q1 FY24 revenue grew by 7.9% YoY led by strong revenue growth in Prism Cement (+22.4% YoY) due to robust demand; HRJ revenues grew declined by 7.6% YoY while Prism RMC revenues grew 3.2% YoY in Q1 FY24

## Revenue Mix



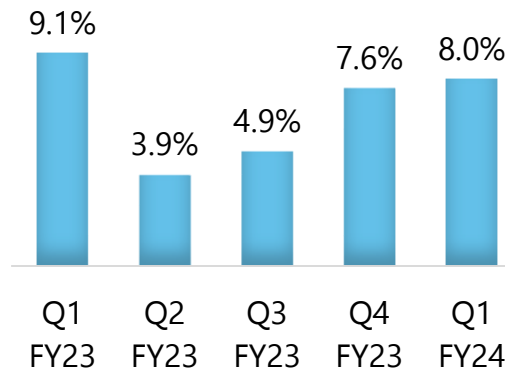
Prism Cement constituted 50% of Q1 FY24 revenues; HRJ constituted 30% and Prism RMC constituted 20%

## EBITDA (₹ Crores)



Q1 FY24 EBITDA declined by 5.1% YoY; Prism Cement EBITDA / ton declined from ₹ 750 in Q1 FY23 to ₹ 673 mainly due to higher freight and forwarding costs; HRJ EBITDA declined from ₹ 46 Crores in Q1 FY23 to ₹ 28 Crores

## EBITDA Margin (%)



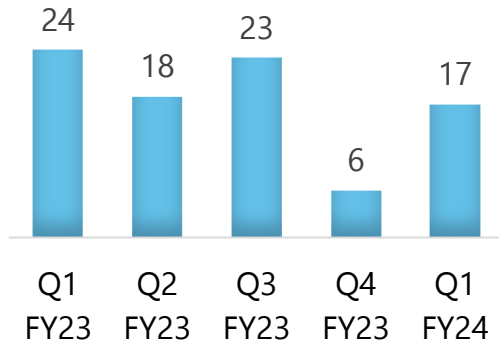
110 bps YoY decline in EBITDA margin due to cost pressures; HRJ's EBITDA margin declined by 270 bps YoY to 5.0%; Prism RMC EBITDA margin improved by 20 bps YoY to 0.5%



# Executive Summary

Consolidated (Ex. RQBE) Q1 FY24 Financial Performance Snapshot (2/2)

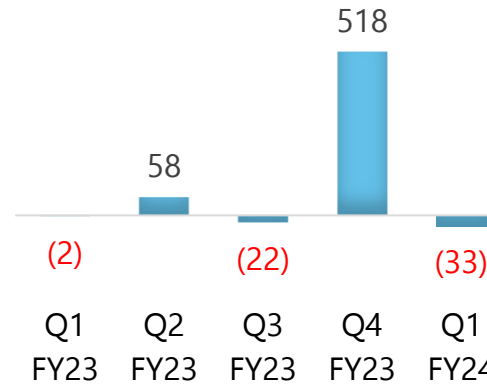
## Working Capital (Days)



## Cash Conversion Cycle\*

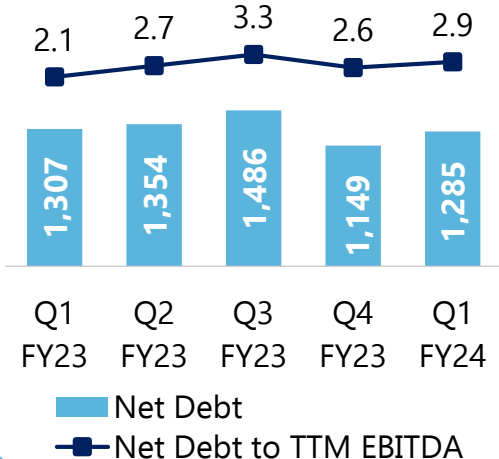
Efficient management of Working Capital; Reduction in inventory days led to a decline in Working Capital Days from 24 days in Q1 FY23 to 17 days in Q1 FY24

## Operating Free Cash Flows (₹ Crores)



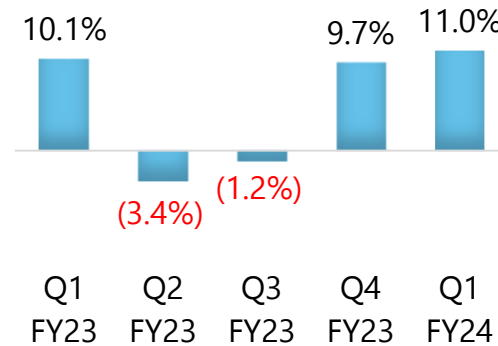
Operating Free Cash Flow (FCF) (pre-capex and investments) was ₹ (33) Crores in Q1 FY24

## Net Debt (₹ Crores)



Net Debt to TTM EBITDA at 2.9x as of June 30, 2023; Net Debt / Equity stood at 0.9x as of June 30, 2023; Out of the total debt repayment obligation of ₹ 383 Crores for FY24, ₹ 72 Crores has been paid till June 30, 2023

## Annualised ROCE (%)






Annualised ROCE increased by 90 bps YoY to 11.0% in Q1 FY24; Capital Employed decreased by 5.8% YoY to ₹ 2,522 Crores in Q1 FY24

\* Cash Conversion Cycle = Inventory Days + Debtor Days – Creditor Days

# EBIT includes Other Income and is annualised for ROCE calculation

# Executive Summary: Segment Wise Q1 FY24 Update

	SALES VOLUME	REVENUE	EBITDA & EBITDA MARGIN
 <p><b>PRISM CEMENT</b> दूर की सोच</p>	<p>Cement &amp; clinker sales volume grew by 20.8% YoY to 1.74 million tons in Q1 FY24; Share of premium cement increased from 29% in Q1 FY23 to 34%</p>	<p>Prism Cement's Q1 FY24 revenues grew by 22.4% YoY from ₹ 744 Crores in Q1 FY23 to ₹ 911 Crores in Q1 FY24</p>	<p>EBITDA per ton declined by 10.3% YoY, but improved by 43.2% sequentially to ₹ 673 per ton</p>
 <p><b>JOHNSON</b> Not just tiles, Lifestyles.</p>	<p>Tiles sales volume (consolidated) grew by 0.9% YoY in Q1 FY24 to 13.3 million m<sup>2</sup>; Domestic tiles sales volume grew 1.2% YoY</p>	<p>HRJ's consolidated revenues declined by 7.6% YoY from ₹ 593 Crores in Q1 FY23 to ₹ 548 Crores in Q1 FY24</p>	<p>Q1 FY24 consolidated EBITDA margin declined by 270 bps YoY to 5.0% primarily due to lower realisations and increase in input costs</p>
 <p><b>PRISM RMC</b> Complete Concrete Solutions</p>	<p>Ready-mixed concrete sales volume grew 4.8% YoY during Q1 FY24</p>	<p>Prism RMC revenues grew 3.2% YoY from ₹ 355 Crores in Q1 FY23 to ₹ 366 Crores in Q1 FY24</p>	<p>EBITDA margin improved by 20 bps YoY to 0.5% in Q1 FY24, mainly due to operational efficiencies</p>

## Capacity

Prominent cement company in the Satna cluster with an installed cement capacity of 5.6 MTPA; Supply agreements with three grinding units, situated in Uttar Pradesh & Bihar, for an aggregate capacity of 0.82 MTPA

## Product Mix

Superior product mix; Share of premium products (Champion Plus, Duratech and Champion All Weather) in total cement volume increased from 15% in FY18 to 34% in Q1 FY24

## Stable Demand Outlook

Strong medium-term outlook for cement demand in India led by demand from housing and infrastructure sectors; Recent / upcoming capacity additions in Central India by other cement companies to intensify competition subject to healthy demand growth

## Distribution Network

Wide distribution network of around 3,300 dealers and over 5,400 retailers as of June 30, 2023 (vs. around 3,100 dealers and over 4,900 retailers as of June 30, 2022)

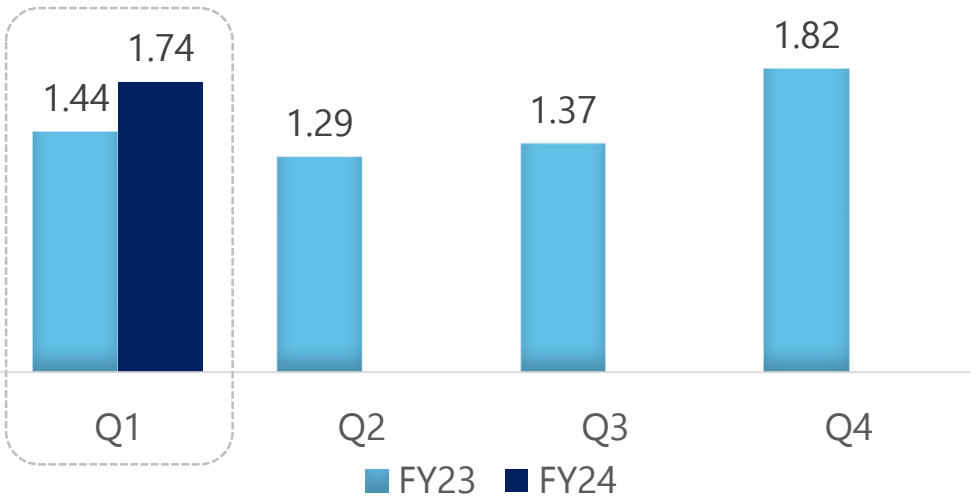
## Capital Employed & ROCE

Capital Employed at around US\$ 29 per ton of cement as of June 30, 2023; Q1 FY24 annualised ROCE at 21.0% as compared to 14.5% in Q1 FY23

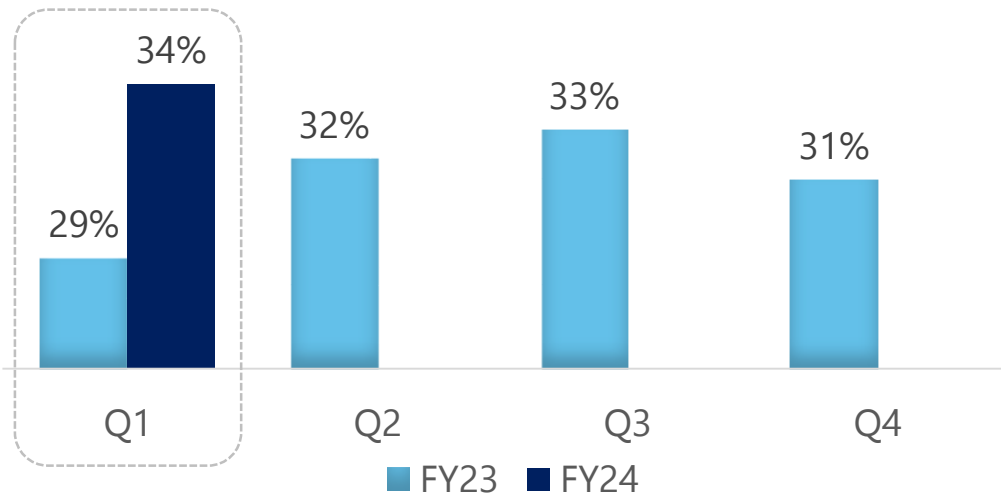
## Sustainability Focus

WHRS Capacity of 22.4 MW and Solar Capacity of 22.5 MW at Satna; Investment being done in 24 MW of captive wind power; GHG Emissions intensity at 628 kg CO<sub>2</sub> per ton of cementitious material in Q1 FY24

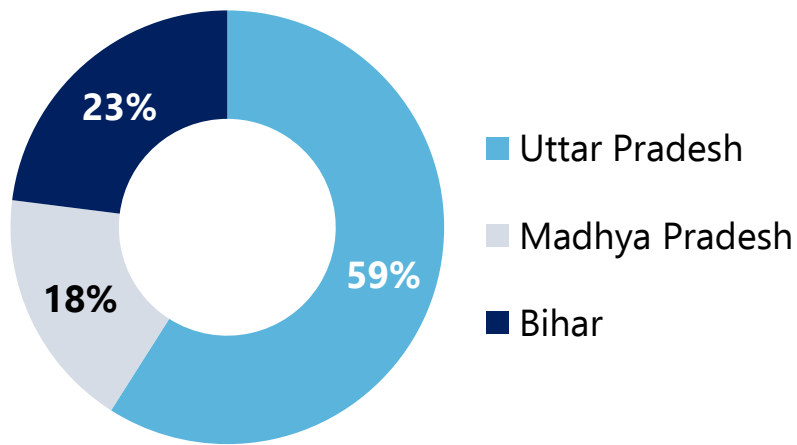
Cement & Clinker Sales Volume (mn tons)



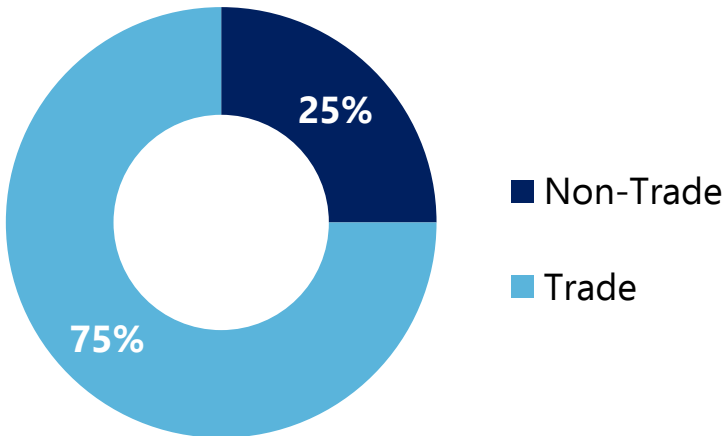
Premium Products %



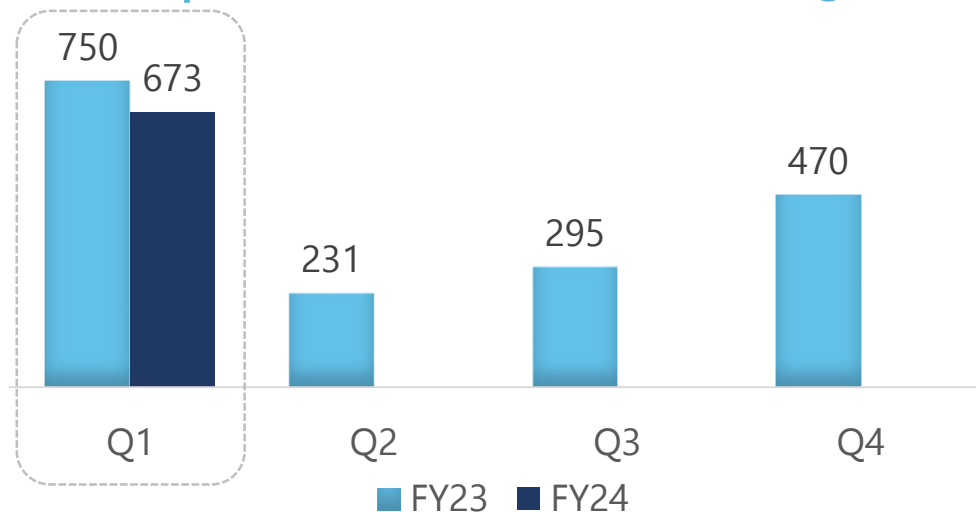
Q1 FY24 Regional Sales Breakup



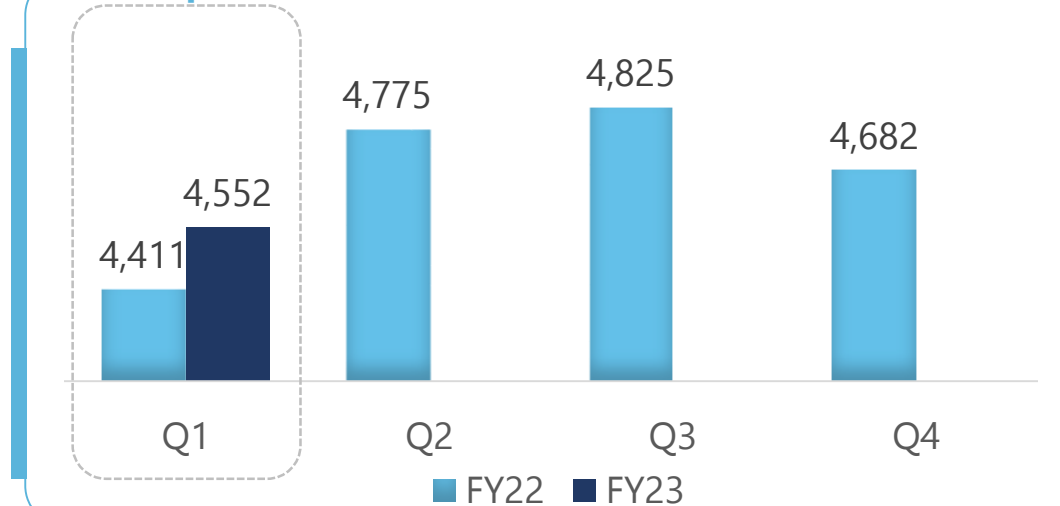
Q1 FY24 Sales: Trade vs. Non Trade



## EBITDA per ton (₹)



## Cost per ton (₹)



## Cost per ton (₹)

	Q1 FY23	Q4 FY23	Q1 FY24	% QoQ	% YoY
Power & Fuel	2,113	1,516	1,776	17.1%	(16.0%)
Freight & Forwarding	960	1,066	1,114	4.5%	16.0%
Raw Material	684	607	608	0.2%	(11.1%)
Employee Cost	330	263	318	20.7%	(3.8%)
Other Costs	767	676	663	(1.9%)	(13.5%)
Change in Inventory & Stock in Trade	(443)	553	74	(86.7%)	N/M
<b>Total Cost</b>	<b>4,411</b>	<b>4,682</b>	<b>4,552</b>	<b>(2.8%)</b>	<b>3.2%</b>

- Cement revenue grew by 22.4% YoY to ₹ 911 Crores in Q1 FY24 led by cement & clinker sales volume growth of 20.8% YoY to 1.74 million tons
- Share of premium cement increased from 29.0% in Q1 FY23 to 34% in Q1 FY24
- EBITDA per ton declined by 10.3% YoY to ₹ 673 in Q1 FY24 on account of higher raw material and freight & forwarding costs; Power and fuel costs declined from ₹ 2,113 per ton in Q1 FY23 to ₹ 1,776 per ton; EBITDA per ton increased by 43.2% QoQ.

## Strong Brand & Wide Product Range

Strong brand with a long standing history of tile manufacturing in India, operating since 1958; Wide product range: Tiles, Sanitary-ware & Bath-fittings, Quartz & Engineered Marbles

## Distribution Network

Wide Distribution Network with around 1,300 dealers and over 8,000 retail outlets; 21 large format Experience Centres displaying HRJ's product range; HRJ opened a new Experience Centre in Hyderabad in July 2023

## Manufacturing Capacity

10 tile manufacturing plants (including joint ventures) with total capacity of around 61 million m<sup>2</sup> p.a. and 2 faucet manufacturing plants with total capacity of 3.6 million pieces p.a.

## Sustainability Focus

Solar Capacity of 4.5 MW across HRJ plants; Plan to increase share of rain water harvesting to 20% of total water consumption by FY25; Target to improve energy efficiency by 10% in FY25, from the baseline year FY22

## Expansion Plans

Greenfield tile capacity addition of 5.5 million m<sup>2</sup> planned at Panagarh, West Bengal expected to start operations in H1 2023-24.

## Capital Employed & ROCE

Sharp increase in gas prices impacted profitability & led to a decline in ROCE (consolidated) from 17.2% in FY22 to 6.4% in FY23 and 0.1% annualised in Q1 FY24; Capital Employed (consolidated) stood at ₹ 1,001 Crores, as of June 30, 2023.



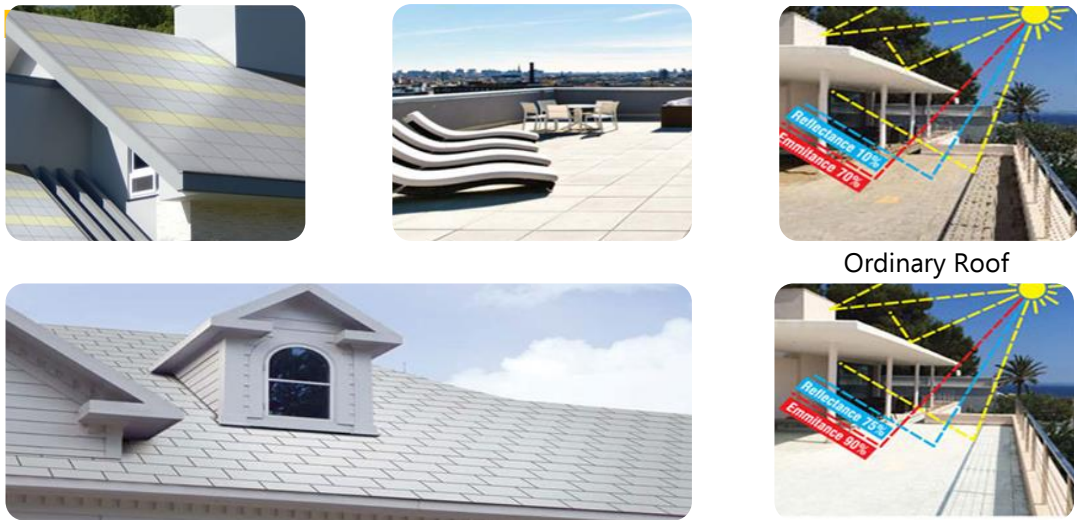
Innovations That Differentiate HRJ



Several Strong Brands



Cool Roof SRI (Solar)

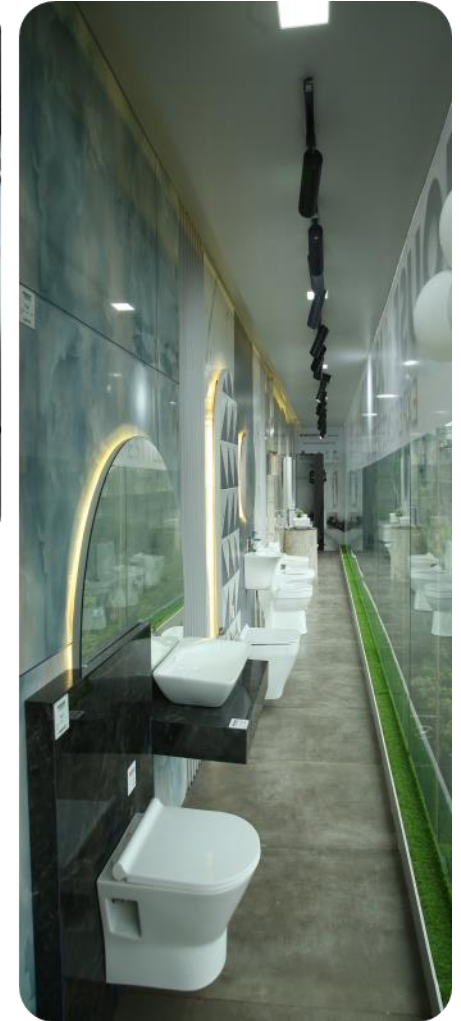


Roof having Endura Cool Roof SRI

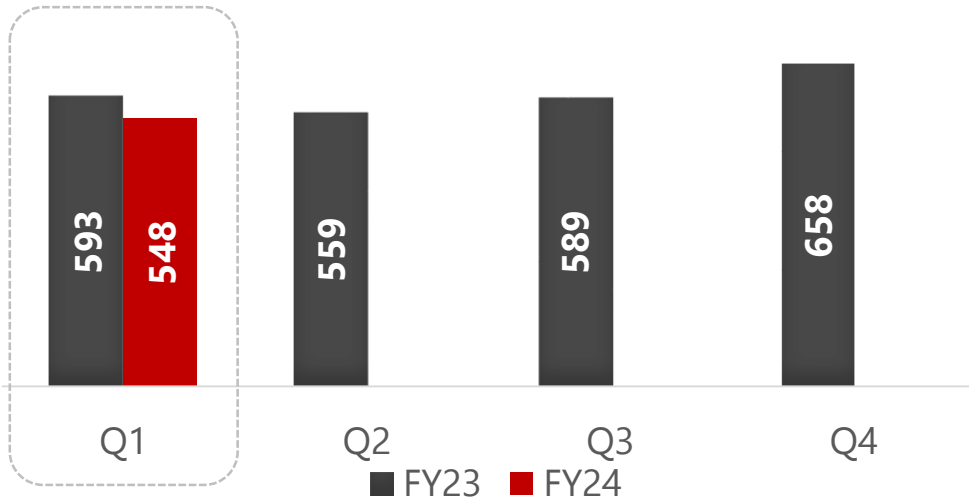
Tac Tiles



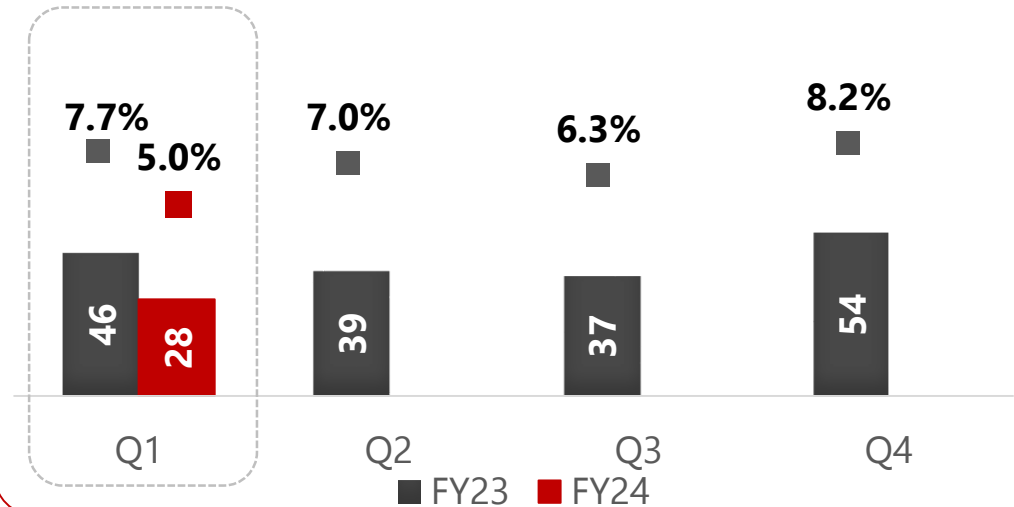
## Opened a new Experience Centre at Hyderabad



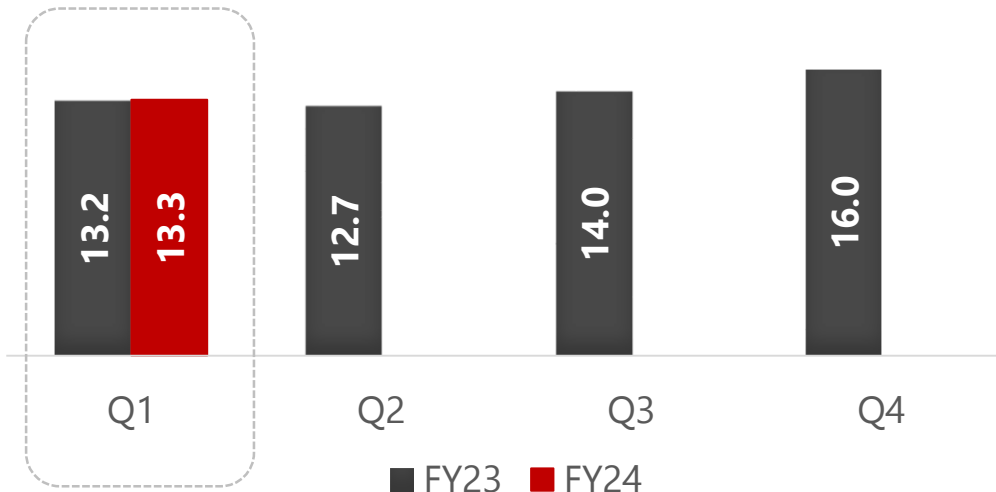
## Revenue (₹ Crores)



## EBITDA (₹ Crores) & EBITDA Margin (%)



## Tile Sales Volume (million m<sup>2</sup>)



- Q1 FY24 consolidated revenue declined by 7.6% YoY, primarily due to decline in non tiles business revenue (mainly quartz exports) and lower tiles realisation.
- Domestic tiles sales volume grew by 1.2% YoY while exports sales volume declined by 2.8% YoY during Q1 FY24; Capacity utilisation stood at 67.1% in Q1 FY24.
- Q1 FY24 consolidated EBITDA margin declined by 270 bps YoY to 5.0% due to cost pressures.



## Pan India Presence

Amongst top three players in the RMC sector with pan India presence: Operates 93 plants\* at 44 cities / towns; Three technical labs that are certified by National Accreditation Board for Testing and Calibration Laboratories to ensure adherence to quality

## Key Focus Areas

- ❖ Increase plant utilisation levels and optimise fleet and pump efficiency
- ❖ Increase share of environment-friendly and value added products
- ❖ Focus on individual home builder segment

## Strong Growth Potential

Beneficiary of demand recovery from real estate and infrastructure segments; Good traction in Mega business driven by several infrastructure projects; Strong ROCE potential for existing business with improvement in plant capacity utilisation levels

## Commercial Concrete



Core business catering to the concrete requirements of metro cities and semi-urban areas; serves as a steadfast contributor to the prolific development of urban India

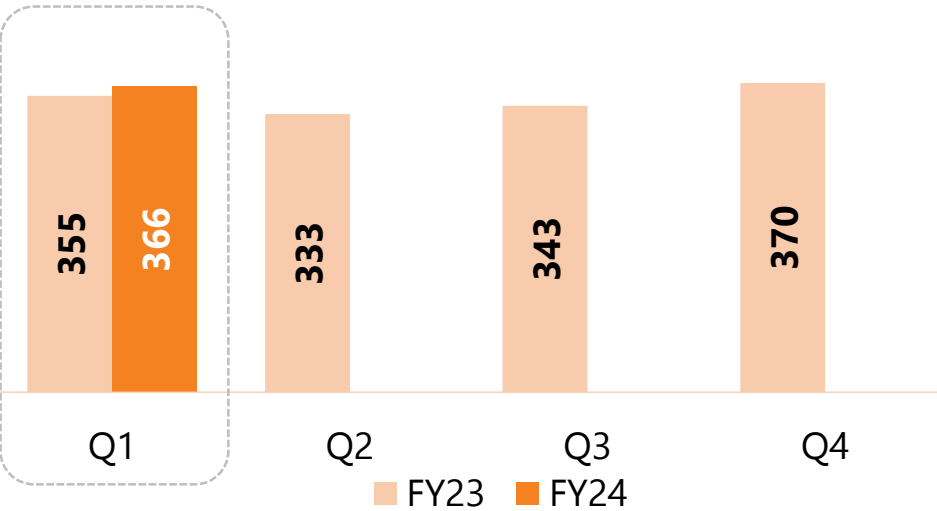
## Mega Projects



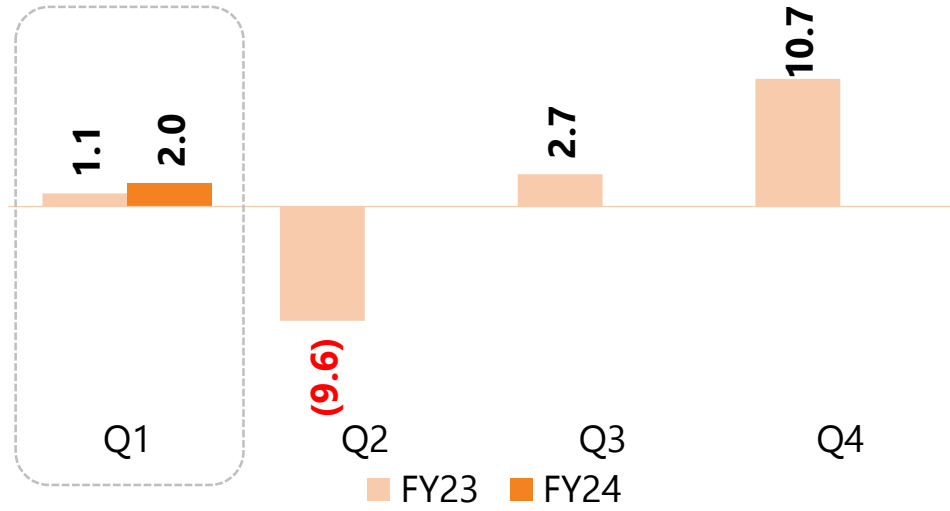
Meets the growing demand of high quality ready-mixed concrete in infrastructure sub-sectors, such as Highways, Bullet Trains, Power Plants, Refineries, Ports and Jetties



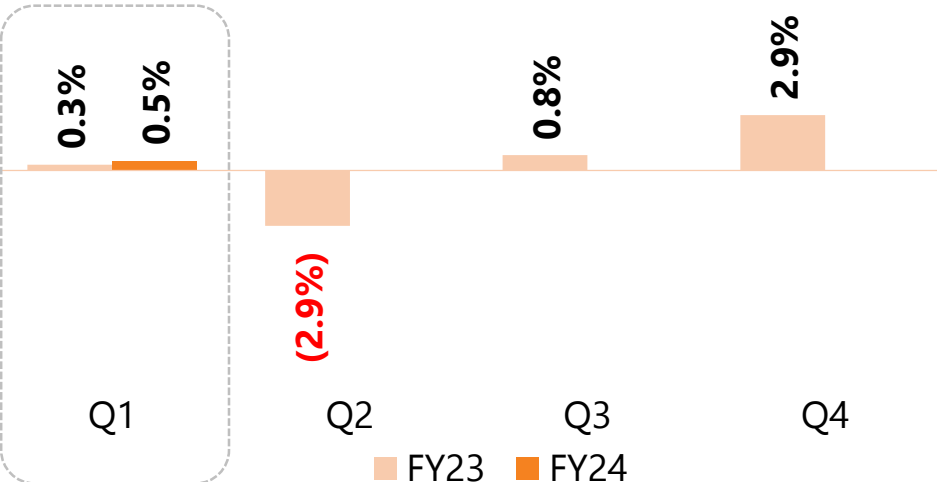
## Revenue (₹ Crores)



## EBITDA (₹ Crores)



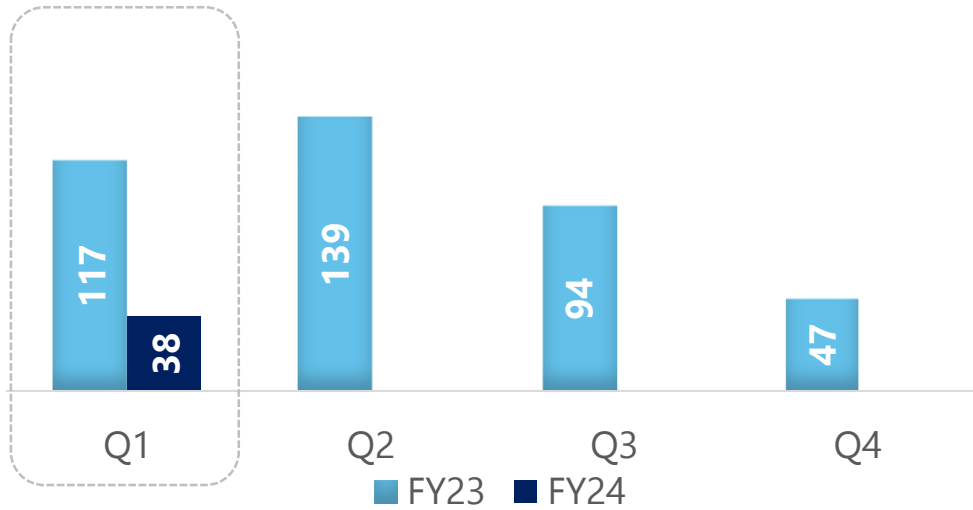
## EBITDA Margin (%)



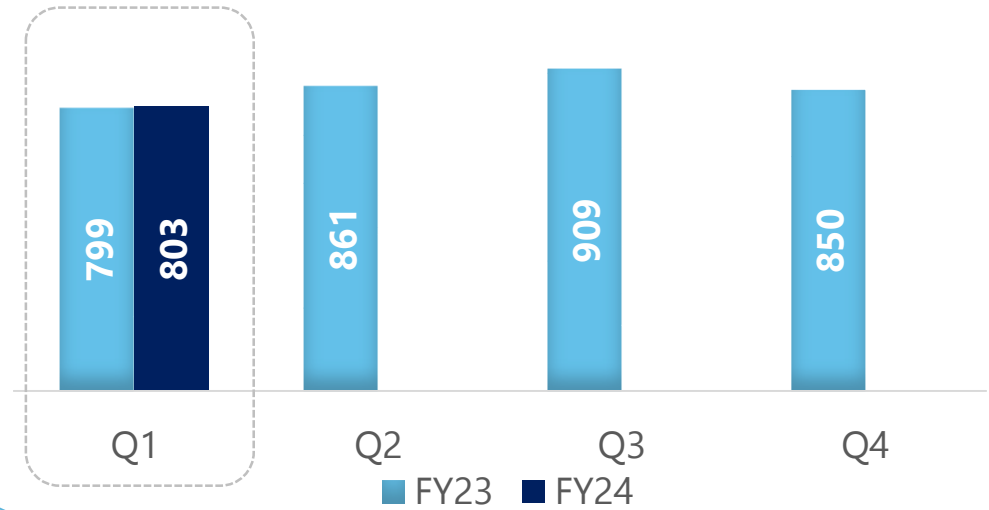
- Revenue grew by 3.2% YoY from ₹ 355 Crores in Q1 FY23 to ₹ 366 Crores in Q1 FY24 primarily due to increase in demand from the infrastructure sector
- EBITDA Margin improved by 20 bps YoY to 0.5% due to several cost saving initiatives taken by the Company to optimise fleet and pump efficiency
- Q1 FY24 annualised ROCE came in at (2.7%) and Capital Employed was ₹ 190 Crores as of June 30, 2023.
- Key Focus Areas: Increase plant utilisation levels, increase share of value added products and focus on individual home builder segment



## Gross Written Premium (₹ Crores)



## AUM (₹ Crores)



RQBE added 37 partners during Q1 FY24 taking the count of total partners to 3,387 including Agents, Brokers, POSP, IMF, MISIP, Web Aggregators and OEM.

### Q1 FY24 Financial Highlights:

- Gross Written Premium declined by 68% YoY to ₹ 38 Crores due to a change in business model
- Achieved a Profit After Tax of ₹ 4 Crores as compared to a Loss After Tax of ₹ (35) Crores in Q1 FY23
- Well capitalized with Solvency Ratio of 2.01x as against regulatory minimum of 1.50x





## Environment

- Prism Cement's Emissions Intensity at 628 kg CO<sub>2</sub> per ton of cementitious material during Q1 FY24
- ~32% of Prism Cement's total power requirement met through green power and renewable sources (including WHRS) during Q1 FY24
- Announced an investment for setting up 24MW captive wind power by September 2024
- Setting up an automated system for feeding AFR to improve the TSR

## CSR Initiatives

- Installation of hand pumps at Richhahari, Hinauti, Mahurachh, Malgaon and Bairiha
- De-silted ponds with capacity of over 14,000 cubic meters at Mahurachh, Baghai and Ramvan
- Constructed drum based rain water harvesting Structures at Chormari
- Free Medical treatment and medicines distributed to over 4,300 patients through Plant Medical Center at Satna

## Health & Safety

- Provided over 50 on-site safety trainings to over 1,500 participants during the quarter at Prism Cement's Satna plant
- Lost Time Injury Frequency Rate (LTIFR) during Q1 FY24: Nil



# CSR Activities Categorised into 7 Large Focus Areas



Health & Hygiene



Environment & Water Conservation



Empowerment & Skill Development



Social Welfare



Rural Infrastructure Development



Promotion of Education



Providing Potable Drinking Water





**Prism Johnson’s Sustainability Report**

Fourth Sustainability Report prepared in line with Global Reporting Initiative (GRI) standards



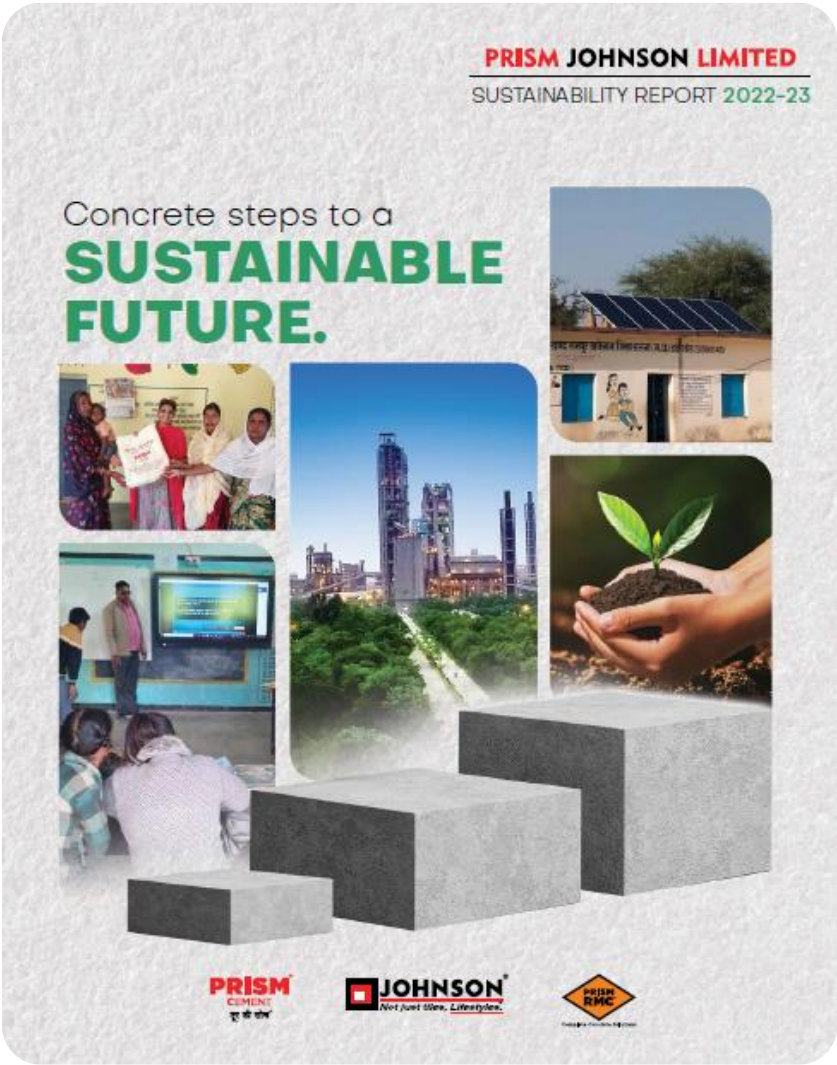
**Assured by Ernst and Young Associates LLP**

The environmental and social data is externally assured by Ernst and Young Associates LLP, in accordance with the International Standard on Assurance Engagements (ISAE) 3000



**Sustainability Strategy and Disclosures**

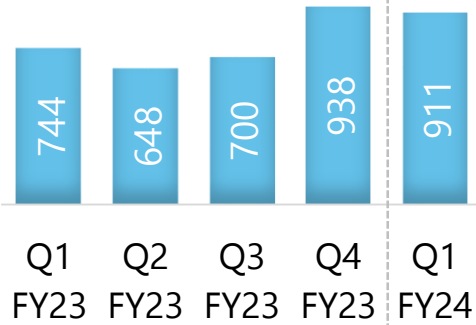
The report gives a comprehensive overview of the Company's sustainability strategy and targets, substantiated by sustainability performance disclosures.



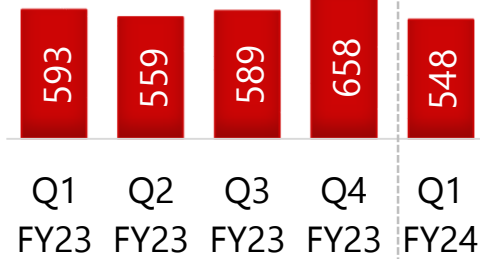
[Link to Sustainability Report for 2022-23](#)

# Prism Johnson: Division Wise Financial Performance

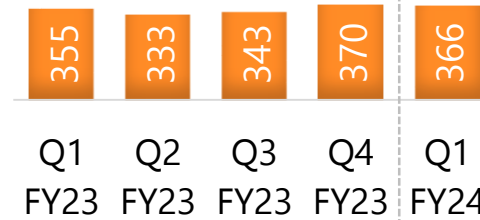
## Revenue (₹ Crores)



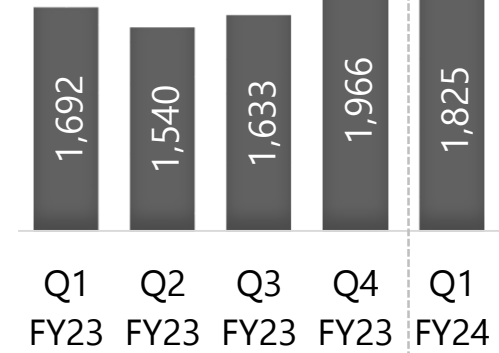
Prism Cement



HRJ

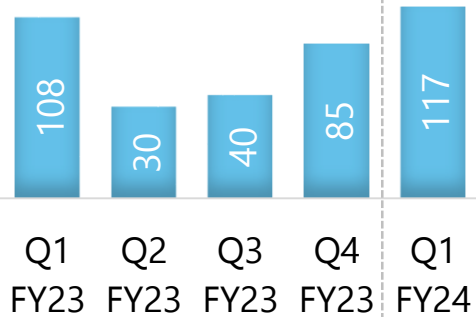


Prism RMC



Consolidated  
(Ex RQBE)

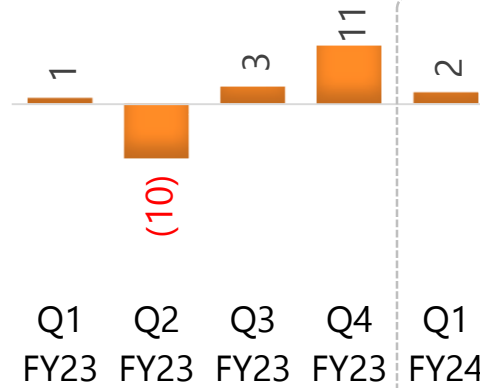
## EBITDA (₹ Crores)



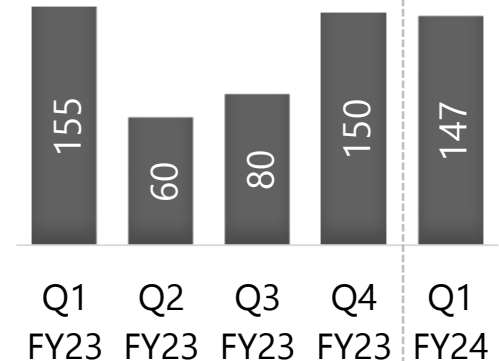
Prism Cement



HRJ



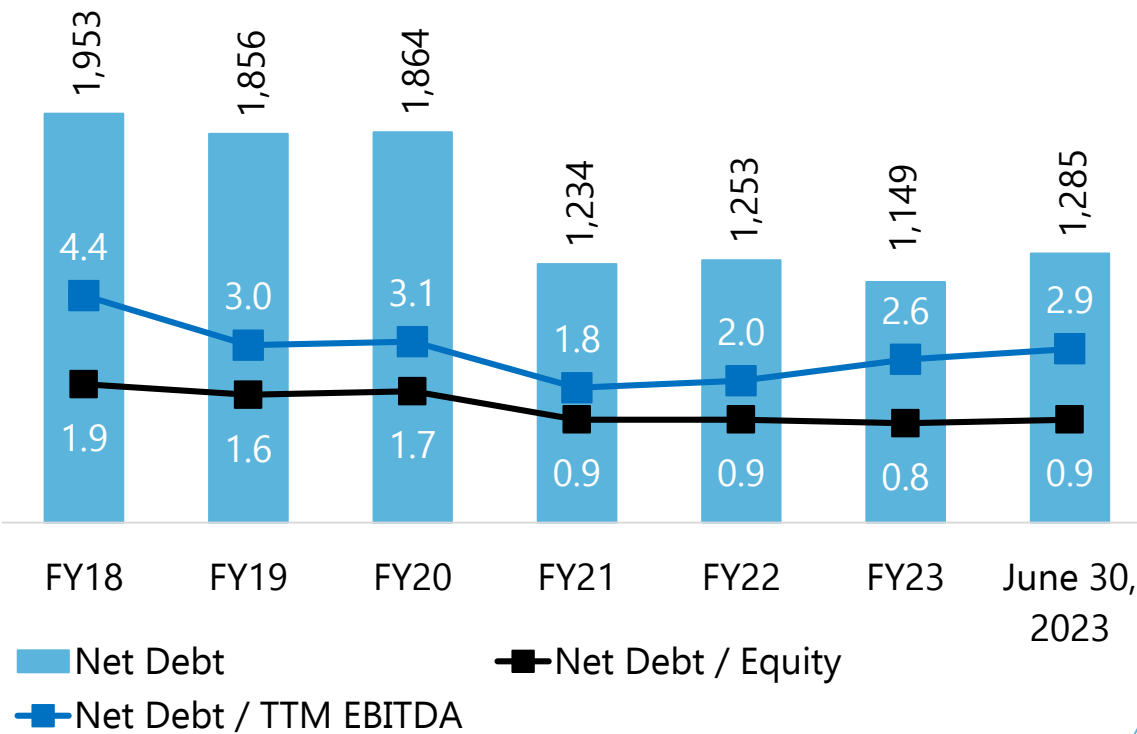
Prism RMC



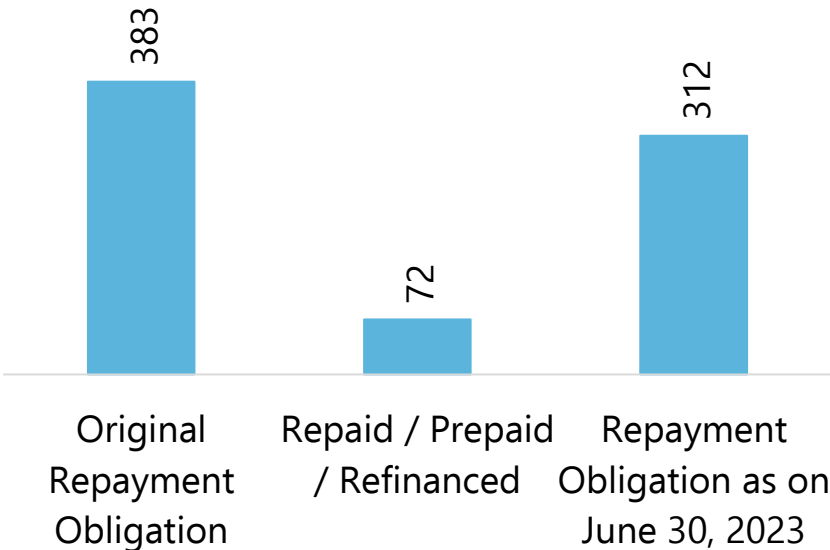
Consolidated  
(Ex RQBE)



Net Debt (₹ Crores)



FY24 Debt Repayment Obligation (₹ Crores)

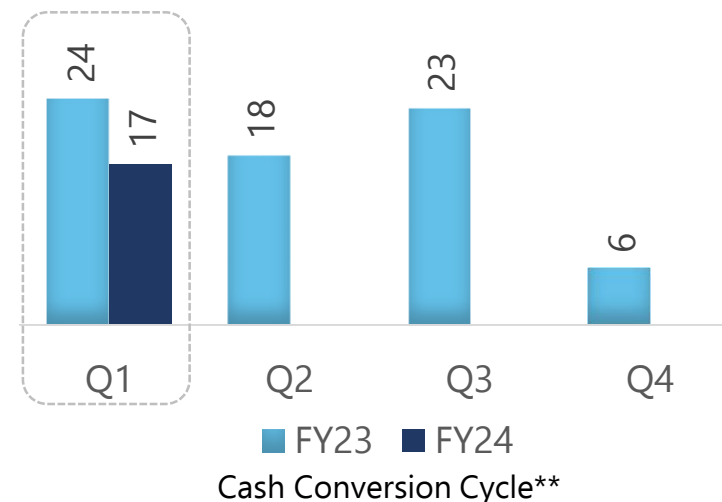


Consolidated (Ex-RQBE) Net Debt / Equity stood at 0.9x as of June 30, 2023  
Consolidated (Ex-RQBE) Net Debt to TTM EBITDA stood at 2.9x as of June 30, 2023

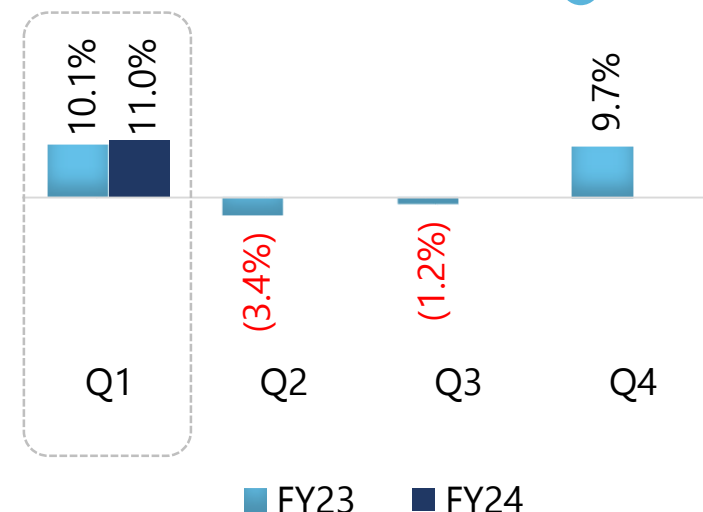
# Consolidated (Ex RQBE) Financials Summary

Particulars (₹ Crores)	Q1 FY23	Q4 FY23	Q1 FY24	% QoQ	% YoY
<b>Revenue from Operations</b>	<b>1,692</b>	<b>1,966</b>	<b>1,825</b>	<b>(7.2%)</b>	<b>7.9%</b>
- Prism Cement	744	938	911	(2.9%)	22.4%
- HRJ	593	658	548	(16.6%)	(7.6%)
- Prism RMC	355	370	366	(1.1%)	3.2%
<b>EBITDA</b>	<b>155</b>	<b>150</b>	<b>147</b>	<b>(2.2%)</b>	<b>(5.1%)</b>
<b>EBITDA Margin %</b>	<b>9.1%</b>	<b>7.6%</b>	<b>8.0%</b>		
Depreciation & Amortisation	93	103	91	(11.3%)	(1.5%)
Other Income	6	10	14	35.8%	139.3%
<b>EBIT (Incl. Other Income)</b>	<b>68</b>	<b>57</b>	<b>69</b>	<b>20.6%</b>	<b>2.0%</b>
Finance Cost	42	49	48	(2.4%)	13.7%
<b>Net Profit*</b>	<b>19</b>	<b>10</b>	<b>17</b>	<b>74.2%</b>	<b>(11.4%)</b>
Net Profit Margin %	1.1%	0.5%	0.9%		
<b>Net Debt</b>	<b>1,307</b>	<b>1,149</b>	<b>1,285</b>	<b>11.8%</b>	<b>(1.7%)</b>
<b>FCF (Pre-Capex &amp; Investments)</b>	<b>(2)</b>	<b>518</b>	<b>(33)</b>	<b>N/M</b>	<b>N/M</b>

## Working Capital (Days)



## Annualised ROCE# (%)



# Standalone Financials Summary

Particulars (₹ Crores)	Q1 FY23	Q4 FY23	Q1 FY24	% QoQ	% YoY
<b>Revenue from Operations</b>	<b>1,640</b>	<b>1,948</b>	<b>1,792</b>	<b>(8.0%)</b>	<b>9.3%</b>
- Prism Cement	744	938	911	(2.9%)	22.4%
- HRJ	543	644	520	(19.2%)	(4.3%)
- Prism RMC	355	370	366	(1.1%)	3.2%
- Inter segment revenue	(2)	(4)	(4)		
<b>EBITDA</b>	<b>150</b>	<b>129</b>	<b>126</b>	<b>(2.4%)</b>	<b>(16.2%)</b>
<b>EBITDA Margin %</b>	<b>9.1%</b>	<b>6.6%</b>	<b>7.0%</b>		
Depreciation & Amortisation	74	93	83	(11.0%)	11.9%
Other Income	6	10	14	38.3%	135.1%
<b>EBIT (Incl. Other Income)</b>	<b>82</b>	<b>46</b>	<b>57</b>	<b>23.7%</b>	<b>(30.9%)</b>
Finance Cost	38	45	43	(5.1%)	12.8%
<b>Profit Before Tax</b>	<b>44</b>	<b>1</b>	<b>14</b>	<b>N/M</b>	<b>(68.8%)</b>
<b>Net Profit</b>	<b>33</b>	<b>5</b>	<b>10</b>	<b>124.3%</b>	<b>(68.8%)</b>
Net Profit Margin %	2.0%	0.2%	0.6%		
<b>Net Debt</b>	<b>1,103</b>	<b>950</b>	<b>1,084</b>	<b>14.1%</b>	<b>(1.7%)</b>

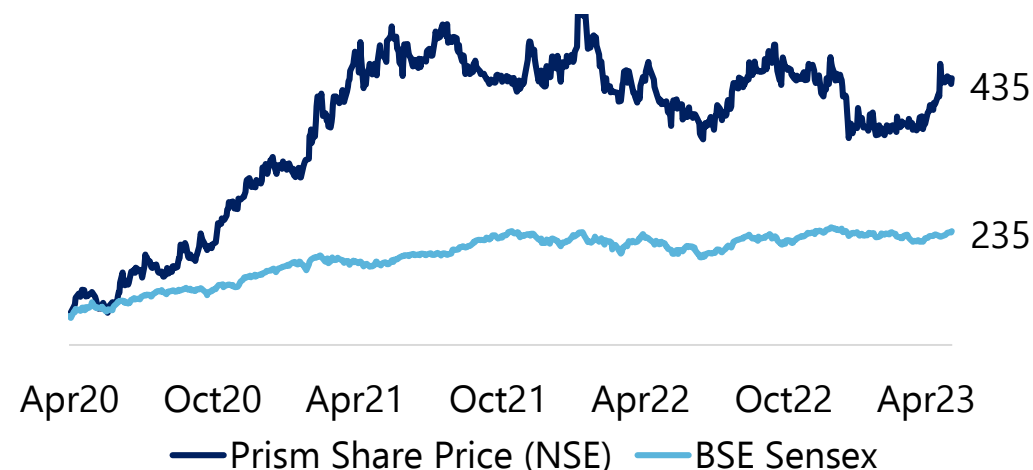


Prism Cement received the 7th outstanding Achievement CSR Award from the Federation of Madhya Pradesh Chamber of Commerce & Industry; the award was presented by the Hon'ble Chief Minister of Madhya Pradesh

## Absolute Share Price Performance



## Share Price Performance vs. BSE Sensex\*

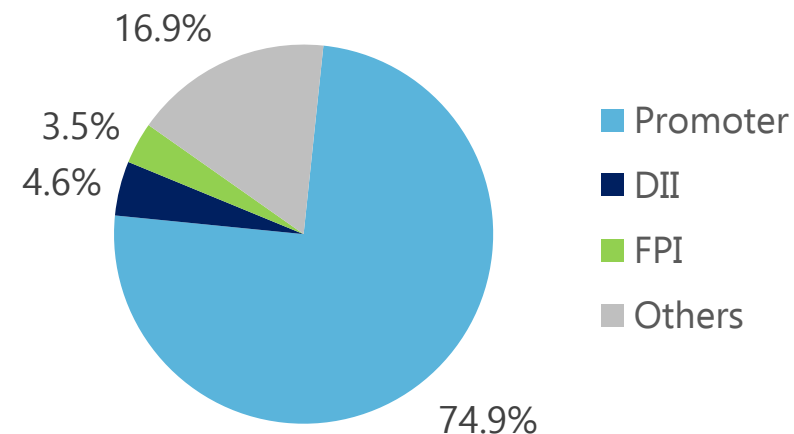


## Particulars

2-Aug-2023

NSE Ticker	PRSMJOHNSN
Share Price (₹)	124.30
52 Week Low – High	98.00 – 143.70
Market Cap (₹ Crore)	6,257
3-Month Avg. Value Traded (₹ Crore)	6.6
Indices Prism Johnson is a member of	NIFTY 500, NIFTY MIDCAP250

## Shareholding Pattern – June 30, 2023



\* 1 April 2020 prices rebased to 100



**PRISM JOHNSON LIMITED** is one of India's leading integrated building materials' companies, with a wide range of products from cement and ready-mixed concrete to tiles and bathroom products.

## **Prism Cement**

Prism Cement manufactures Cement with the brand name 'Champion' and premium quality grade of cement under brand names 'Champion Plus', 'Duratech' and 'Champion All Weather'. It caters mainly to markets of Central and Eastern Uttar Pradesh, Madhya Pradesh and Bihar, with an average lead distance of 386 kilometers in Q1 FY24 from its plant at Satna, Madhya Pradesh. Prism Cement has a wide distribution network of around 3,300 dealers serviced from around 160 stock points.

## **H & R Johnson (India)**

Established in 1958, H & R Johnson (India) is one of the leading ceramic tiles companies in India. H & R Johnson (India) offers end-to-end solutions of tiles, sanitary ware, bath-fittings and engineered marble & quartz. Its products are sold under several strong brands, viz. Johnson Tiles, Johnson Marbonite, Johnson Porselano, Johnson Endura, Johnson International and Johnson Marble & Quartz. H & R Johnson (India) along with its Joint Ventures currently have a tile manufacturing capacity of around 61 million m<sup>2</sup> per annum spread across 10 manufacturing plants across the country.

## **Prism RMC**

Prism RMC is the amongst the top three players in the ready-mixed concrete sector, with a pan-India presence as it operates 93 plants (including franchisees for purchase of ready-mixed concrete) at 44 cities / towns. Further, it has three technical labs that are certified by National Accreditation Board for Testing and Calibration Laboratories and ensures strict adherence to the quality of concrete manufactured at Prism RMC plants.

**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.

## **PRISM JOHNSON LIMITED**

For additional information, please contact:

**Nupur Agarwal | Chief Investor Relations Officer**

Tel: +91-98198-52256 | +91-22-6675 4142-46

Email: [nupur.agarwal@prismjohnson.in](mailto:nupur.agarwal@prismjohnson.in) | Website: [www.prismjohnson.in](http://www.prismjohnson.in)

Address:

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



### **Safe Harbour**

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.