

Concrete steps

TOWARDS THE FUTURE



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INVESTOR INFORMATION

Market Capitalisation

as at March 31, 2022 : ₹ 5,799 Crores

CIN : L26942TG1992PLC014033

BSE Code : 500338

NSE Symbol : PRSMJOHNSN

Bloomberg Code : PRSC:IN

AGM Date : June 29, 2022

AGM Venue/Mode : Video Conferencing ('VC') /
Other Audio-Visual Means ('OAVM')

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[https://www.prismjohnson.in/
investors/annual-reports](https://www.prismjohnson.in/investors/annual-reports)



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Disclaimer

This document contains statements about expected future events and financials of Prism Johnson Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause the underlying assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Concrete Steps

TOWARDS THE FUTURE

The volatile business environment has created a need for businesses to adopt a definite and flexible approach to pursue consistent progress. The preceding two years posed unforeseen and extensive challenges to the world's economies, impacting businesses and human life across the globe. At Prism Johnson, when we found ourselves in the middle of this crisis, we didn't just react, but rather endured the phase with high resilience and agility.

Our robust fundamentals, along with our cost focus, helped us remain cautiously optimistic and march ahead, as reflected in our performance for the year 2021-22:

- HRJ division witnessed strong growth in the sales of domestic Tiles, Sanitary Ware and Bath Fittings
- Prism RMC reported strong revenue growth of 31.9% and achieved EBITDA breakeven
- Remained motivated despite witnessing lower demand and cost pressures in the Cement Business

Backed by our integrated capabilities and competencies, our journey stands to testify how we

have been persistently taking **'Concrete Steps Towards the Future'**.

The easing of restrictions post a nationwide lockdown, faster vaccination drives, Government's various fiscal stimulus packages led to overall improved consumer sentiment. Together these helped overall demand scenario, presenting potential opportunities for us to pursue growth and expansion. To cater to the evolving industry trends, our future plan of action involves taking concrete steps by enhancing our manufacturing capabilities, expanding capacity, engaging in higher efficiencies, and upgrading ourselves constantly through technology. Therefore, helping us inch closer to our goals as an organisation as we tread along the path to the future.

Numbers THAT DEFINE US



₹ 5,827 Crores
▲9.4% Revenue from Operations



₹ 285 Crores ▲ Working Capital
and 18 Days Working Capital**



Revenue Contribution
Prism Cement 41.3% ▼
H & R Johnson (India) 38.1% ▲
Prism RMC 20.6% ▲



0.9x
Net Debt to Equity



₹ 614 Crores ▼
▼10.5% EBITDA* & EBITDA Margin



₹ 1,447 Crores ▲
Net Worth



8.6% ▼
ROE



₹ 2.79 ▼
Earnings Per Share



₹ 870 Crores ▼
Contribution to Ex-Chequer



5.6 MTPA
Prism Cement's Manufacturing
Capacity at Satna



~64 mn m² ▲
HRJ Tile Manufacturing Capacity across
11 Plants (Own Plants + Joint Ventures)



~2,900 Active Cement
Dealers and **~4,700** Active Cement
Retailers



~1,200 HRJ Dealers



100 Prism RMC Plants
and Quarries



18
HRJ Experience Centres***

All figures as on March 31, 2022

All financial data is Consolidated, Ex Raheja QBE General Insurance Company Limited ('RQBE')

*Earnings Before Interest, Taxes, Depreciation, and Amortisation

**Calculated as Inventory Days + Debtor Days – Creditor Days

*** Includes one office-cum showroom

From the **MD'S DESK**



“

At Prism Johnson, we strive to create sustainable value by meeting the construction and lifestyle needs of our customers through innovative building materials and services. Our collective purpose is to foster growth and nurture strong infrastructural developments in the country, create a healthy and safe working environment for our people, provide quality product and service offering to our customers and create shareholder value.”

Dear Shareholders,

2021-22 was a year of recovery from the lows of 2020-21 as the Indian economy came out of the strict nationwide lockdowns and curbs, supported by a faster vaccination drive and easing of mobility restrictions. However, the year 2021-22 also posed several challenges that affected business operations, such as the second wave of Covid-19 that claimed many lives and disrupted operations for most businesses, especially in the first quarter, supply chain issues that impacted export business opportunities, coal and energy crisis that impacted profitability in the second half. Further, rising geopolitical tensions between Russia and Ukraine increased the already soaring fuel prices, resulting in a cascading effect on other input costs.

2021-22 Performance Review: Consolidated Financials (including RQBE)

During the year, Prism Johnson's consolidated revenue grew by 12.9% to ₹ 6,306 Crores mainly led by growth in revenue of

H & R Johnson (India) (HRJ) and Prism RMC divisions. However, consolidated EBITDA margin declined by 280 basis points to 8.3%. This was mainly due to decline in Prism Cement's EBITDA led by steep rise in power and fuel costs, while HRJ's EBITDA margin expanded 190 basis points to 10.6%. Consolidated EBITDA for 2021-22 stood at ₹ 523 Crores, a decline of 15.9% over the previous year. As a result, Net Profit after Tax and non-controlling interest declined by 46.4% to ₹ 92 Crores in 2021-22.

During 2021-22, Prism Johnson further improved its working capital levels (cash conversion cycle) to 16 days and generated free cash flows (pre capex and investments) of ₹ 462 Crores. Capex requirements were largely met through internal accruals and Consolidated Net Debt increased marginally from ₹ 1,183 Crores in 2020-21 to ₹ 1,186 Crores. Net Debt to EBITDA stood at 2.3x during 2021-22. Return On Capital Employed was clocked in at 9.7%.

While Prism Cement's sales volume and profitability came under pressure for various

reasons, HRJ delivered strong revenue growth led by increasing volume offtake coupled with higher realisations. Prism RMC benefitted from strong order wins from the infrastructure sector. Let us consider some of the highlights of our financial performance in 2021-22:

Prism Cement: Prism Cement revenues declined by 6.9% to ₹ 2,408 Crores due to a 10.3% decline in cement and clinker sales volume to 5.22 mn tons. Premium products constituted 29.0% of the total cement sales volume as compared to 27.7% during 2020-21. EBITDA per ton declined from ₹ 962 in 2020-21 to ₹ 709.

HRJ: HRJ revenues grew by 21.2% to ₹ 2,221 Crores with EBITDA margin expanding 190 basis points to 10.6% in 2021-22. HRJ reported highest ever EBITDA of ₹ 235 Crores in 2021-22. Tiles sales volumes grew by 9.3% in 2021-22 to 53.1 mn m², despite 14.3% decline in exports volume. Tile capacity utilisation increased from 59% in 2020-21 to 69% in 2021-22.





The Company continues to invest in innovation to cater to modern infrastructure and lifestyle needs of our customers. We are prepared to leverage technology and build capability across all levels of the organisation so that we can add value to our customers. The Company will also continue to take initiatives to achieve cost-competitiveness and report healthy profit margins in the medium term.”

Prism RMC: Prism RMC revenues grew by 31.9% to ₹ 1,198 Crores with an EBITDA ₹ 9 Crores.

RQBE: Gross written premium grew by 33% to ₹ 393 Crores. RQBE reported a Net Loss after Tax of ₹ 95 Crores. RQBE remains well capitalised with a solvency ratio of 2.2x, as against the regulatory requirement of at least 1.5x. AUM stood at ₹ 815 Crores as on March 31, 2022.

Strong Sustainability Focus

Being a building materials company, we have a mark on the environment and on our communities. At Prism Johnson, we strive to create sustainable value by meeting the construction and lifestyle needs of our customers through innovative building

materials and services. Our collective purpose is to foster growth and nurture strong infrastructural developments in the country, create a healthy and safe working environment for our people, provide quality product and service offering to our customers and create shareholder value.

Our Company aims to minimise the impact of our operations and continues to take several concrete steps in the right direction for a sustainable future. Here are some of the key highlights of our ESG initiatives:

- 36.6% of Prism Cement's total power requirement was met through renewable sources, namely WHRS and solar power during 2021-22
- Prism Cement reported a

13% reduction in energy intensity to 13,139 TJ; emissions' intensity stood at 613 kg CO2 per ton of cementitious material in 2021-22

- Prism Cement consumed 136 litres of water per ton of cement produced, a 20% reduction in water intensity in 2021-22
- Over 1,35,000 saplings were planted by Prism Cement in 2021-22
- Prism Cement's Lost Time Injury Rate (LTIR) stood at 0.23

Concrete Steps Towards the Future

We believe several measures taken by the Government of India along with increase in



infrastructure demand, pick up in housing and commercial activities will boost the demand for building materials in the medium term.

To cater to the strong medium term demand potential, emanating from the growing demand from the infrastructure and housing sectors, we crystallised capacity expansion plans during 2021-22. We announced our plan to set up a 2 MTPA greenfield cement grinding capacity in Eastern Uttar Pradesh by December 2024 for a capex of approximately ₹ 500 Crores. During 2021-22, our joint venture entities increased tile manufacturing capacity by ~4 mn m², taking HRJ's total tile manufacturing capacity to ~64 mn m². HRJ has further announced its plan for a greenfield tile capacity expansion of 5.5 mn m² at Panagarh, West Bengal, by

June 2023 for the capex of around ₹ 90 Crores (excluding land).

Going forward, Prism Johnson will continue to work on aligning its product mix in line with the actual demand (for example, increase share of glazed vitrified tiles in the tiles sales mix) and expand distribution network to achieve strong revenue growth in future. The Company continues to invest in innovation to cater to modern infrastructure and lifestyle needs of our customers. We are prepared to leverage technology and build capability across all levels of the organisation so that we can add value to our customers. The Company will also continue to take initiatives to achieve cost-competitiveness and report healthy profit margins in the medium term.

With this, we thank our shareholders for their continued trust and confidence in our Company. We are grateful to our employees, distributors and other stakeholders for their constant and untiring support. We credit our growth to our employees' hard work, commitment, and dedication, which will continue to help us scale newer heights as they stand with us through every high and low.

Warm Regards,

Vijay Aggarwal

Prism Johnson at a Glance

INTEGRATED BUILDING MATERIALS COMPANY

Prism Johnson Limited is among India's largest integrated building materials companies, offering a wide range of products from cement and ready-mix concrete to tiles and bath products.


Established in 1992, Prism Johnson Limited (referred to as 'Prism Johnson', or 'the Company' hereinafter) is among India's leading integrated building materials companies. The Company provides various products and services through its three divisions, namely Cement ('Prism Cement'), H & R Johnson (India) ('HRJ'), and RMC (India) ('Prism RMC').

Prism Johnson strives to provide high-quality and innovative building materials products and services, while meeting society's needs in a sustainable manner. The Company believes that a superior customer experience makes the foundation for long-lasting partnerships. To this end, the Company continuously customises products and solutions to meet customers' requirements and ensures higher satisfaction.








VISION

Creating sustainable value by meeting the construction and lifestyle needs of our customers through innovative building materials and services



VALUES:

1 TASC		1 TEAM
		T: Transparency
		A: Accountability
		S: Speed
		C: Changing with Time