



**JSL**   
JINDAL STAINLESS

**Q1 FY19 Earnings Presentation – July 17, 2018**

**JINDAL STAINLESS LIMITED**

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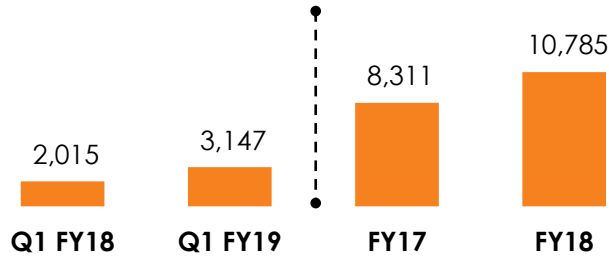
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# Q1 FY2019 Results Overview



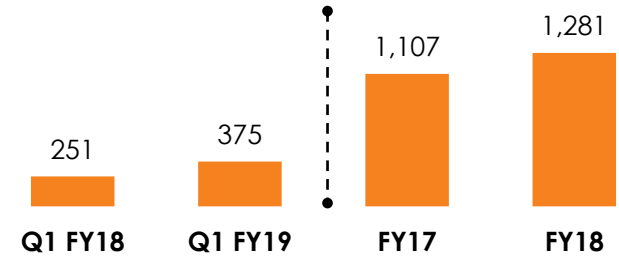
# Key Financials Highlights – Q1 FY2019

Revenue



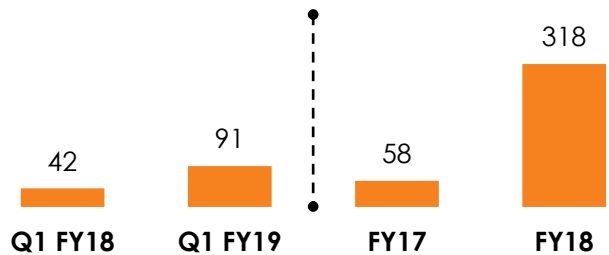
Shift 56% 30%

EBITDA



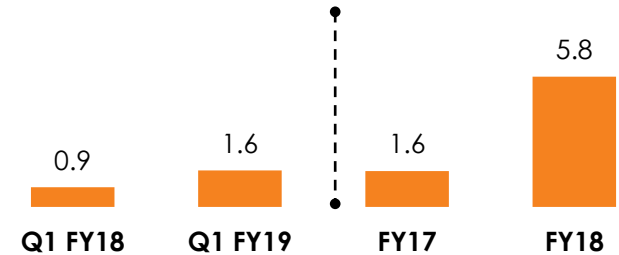
Shift 50% 16%

PAT



Shift 120% 446%

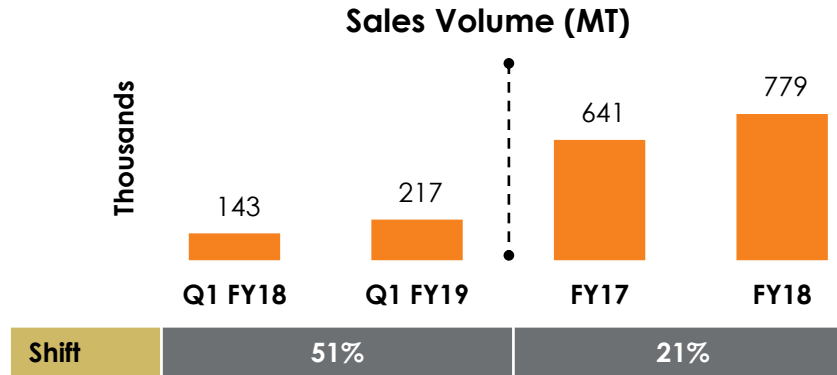
EPS (Rs.)



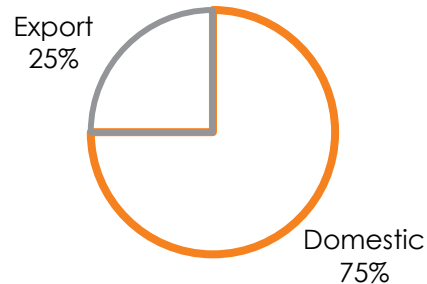
Shift 85% 263%

Note: Standalone financials; All figures in Rs. crore unless stated otherwise

# Key Operational Update – Q1FY2019



## Sales Composition - Q1 FY19



# Q1FY19 Financial and Operational Discussions

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- **Total Income grows to Rs. 3,147 crore, up 56% Y-o-Y**
  - Reported a strong increase in sales volume to 216,887 MT, up 51% Y-o-Y
  - Debottlenecking initiatives and process improvements contributed in improving production volumes
  - Growth in stainless steel demand, higher realizations and better product-mix assisted the Company to register healthy revenue growth during the quarter
  
- **EBITDA at Rs. 375 crore, up by 50% Y-o-Y**
  - The Company's focus on improving operational efficiencies, cost rationalization and optimal capacity utilization remains on track
  - On a Q-o-Q basis, EBITDA was marginally lower by 3% due to the increase in raw material prices and consumables such as nickel and electrodes

# Q1FY19 Financial and Operational Discussions

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- **Interest cost increased by 47% to Rs. 150 crore Y-o-Y**
  - In the corresponding quarter last year, finance cost was extraordinarily lower on account of interest refund
  - On a sequential basis, interest cost increased on account of an exceptional interest credit of Rs. 17 crore in Q4FY18 and short term increase in working capital utilisation
- **PAT higher by 120% to Rs. 91 crore Y-o-Y due to considerable improvement in volumes, product mix and operational efficiencies**
- **EPS (Diluted - not annualized) stood at Rs. 1.6 per share compared to Rs. 0.9 per share Y-o-Y**

# Management Comment

Commenting on the performance, Mr. Abhyuday Jindal, Managing Director, Jindal Stainless Ltd. said:



*“Our plant at Jajpur, Odisha, is one of the most modern stainless steel plants in the world with state-of-the-art facilities. The market outlook is conducive to propel volume growth. We have huge operating leverage and target to increase our capacity from 0.8 MTPA to 1.1 MTPA in near future through debottlenecking and process balancing with a minimum cash outlay.*”

*The Company has become eligible for exit from Corporate Debt Restructuring Scheme (CDR), basis the superior financial performance for the last two financial years. The consortium of lenders have already recommended for the CDR exit for Company and the matter is pending for voting in CDR forum.”*



# Abridged P&L Statement

Particular (Rs. crore)	Q1 FY19	Q1 FY18	YoY Change (%)	FY18	FY17	YoY Change (%)
Revenue from operations	3,147	2,015	56%	10,785	8,311	30%
Total Expenditure	2,998	2,122	41%	10,527	8,920	18%
EBITDA	375	251	50%	1,281	1,107	16%
EBITDA margin (%)	11.9%	12.4%	-50 bps	11.9%	13.3%	-140 bps
Other Income	6	10	-40%	45	26	77%
Finance Cost	150	102	47%	541	762	-29%
Depreciation	76	76	0%	304	308	-1%
PBT	140	63	122%	483	89	445%
Tax	49	22	123%	165	30	443%
PAT	91	42	119%	318	58	446%
PAT margin (%)	2.9%	2.1%	80 bps	3.0%	0.7%	230 bps
EPS (Diluted) in INR	1.6	0.9	85%	5.8	1.6	263%

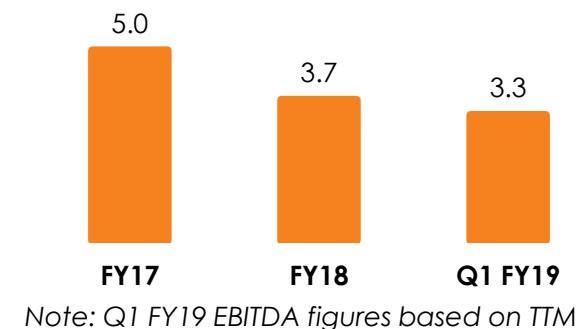
Note: Standalone financials

# Comfortable Debt Position

Description – Borrowings (Rs. crore)	As on March 31, 2017	As on March 31, 2018	As on June 30, 2018
Long term debt	3,405	2,457	2,435
Inter corporate deposit from related party	485	900	900
OCRPS*	-	607	623
<b>Total Long Term Debt</b>	<b>3,890</b>	<b>3,963</b>	<b>3,958</b>
Short term borrowing (less than 12 months)	1,738	766	632
<b>Total Debt</b>	<b>5,628</b>	<b>4,729</b>	<b>4,590</b>
Cash & Investments	42	37	22
<b>Net Debt</b>	<b>5,586</b>	<b>4,691</b>	<b>4,568</b>
<b>Long Term Debt Breakup**:</b>			
-INR Debt	2,902	2,642	2,584
-Foreign Currency Debt	988	715	751

Note : \*Optionally Convertible Redeemable Preference Shares, \*\* other than OCRPS

## Net Debt/EBITDA



- Healthy Cash generation to comfortably support debt repayment
- Focus on further improving debt position going forward

# Key Financial Ratios

Description - Borrowings	FY17	FY18	Q1 FY19
EBITDA margin (%)	13.3%	11.9%	11.9%
PAT Margin (%)	0.7%	3.0%	2.9%
Debt to Equity	3.2	2.0	1.9
Term Debt to EBITDA	3.5	3.1	2.8
Return on Equity (%)	3.5%	15.5%	16.5%

Note:

- 1) Debt includes short-term & long term debt
- 2) ROE(%) is calculated as PAT/Avg. Networth
- 3) Q1FY19 EBITDA figures based on TTM

# Annexure



# About Us

Jindal Stainless Ltd. (JSL) is amongst the leading stainless steel manufacturing companies in the world and India's largest stainless steel manufacturer. The Company operates an integrated stainless steel plant at Jajpur, Odisha. The complex has a total stainless steel capacity of 0.8 million tonnes per annum.

JSL has the 'State-of-the-Art' machinery and engineering from the best of European suppliers, capable of producing globally competitive stainless steel products. The Company has a well-established distribution network with service centers in both domestic and an overseas market to serve its customers.

A leader and a name synonymous with 'Enterprise', 'Excellence' and 'Success', Company's ethos mirrors most characteristics similar to the metal it produces; akin to stainless steel JSL is innovative and versatile in its thought process; strong and unrelenting in its operations. JSL's growth over the last 4 decades has been backed by the excellence of its people, value driven business operations, customer centricity, adoption of one of the best safety practices in the stainless steel industry and a commitment for social responsibility.

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# Thank You

