



JINDAL STAINLESS LIMITED

Q1 FY20
Earnings Presentation

August 5, 2019



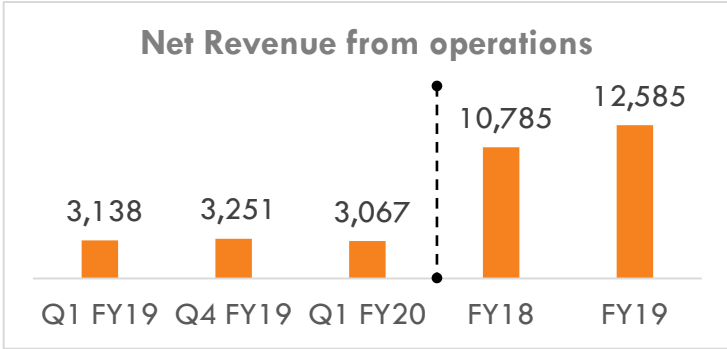
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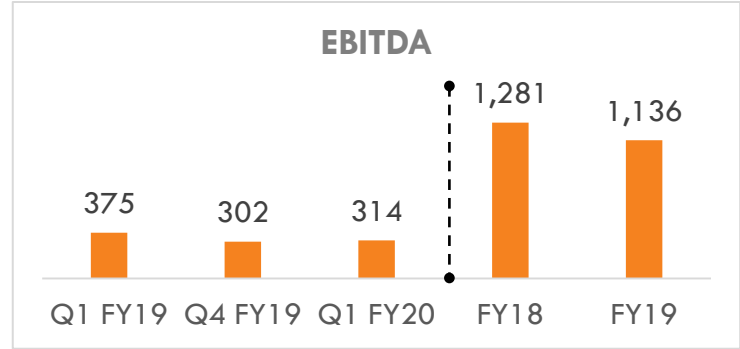


Q1FY20 Results Overview

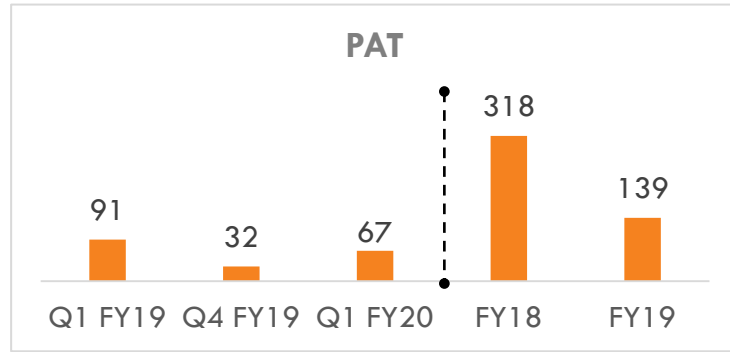
Key Financials Highlights – Q1 FY20



Shift (%)	QoQ: (6%)	YoY: (2%)	17%
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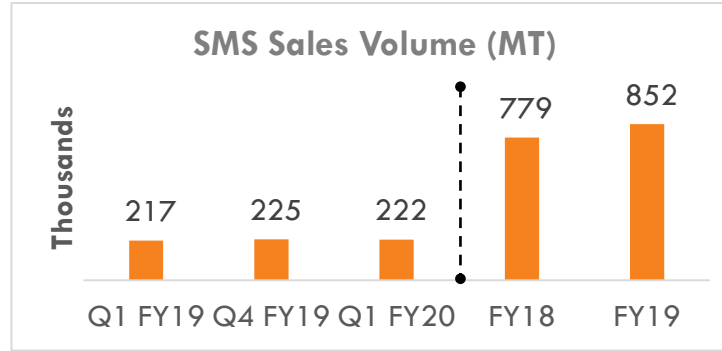


Shift (%)	QoQ: 4%	YoY: (16%)	(11%)
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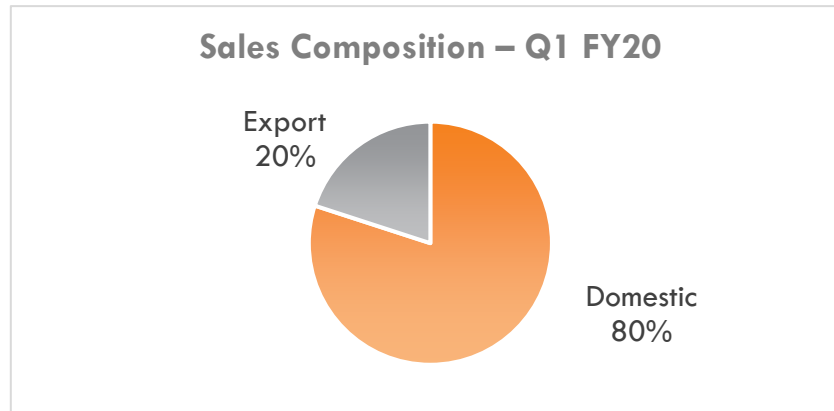


Shift (%)	QoQ: 107%	YoY: (26%)	(56%)
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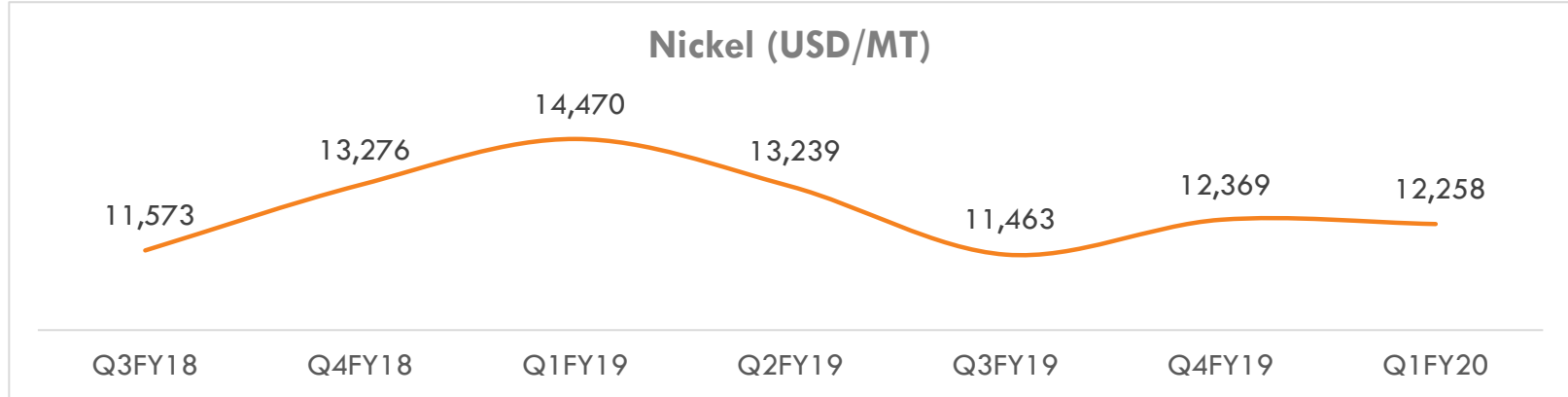
Key Operational Update – Q1 FY20



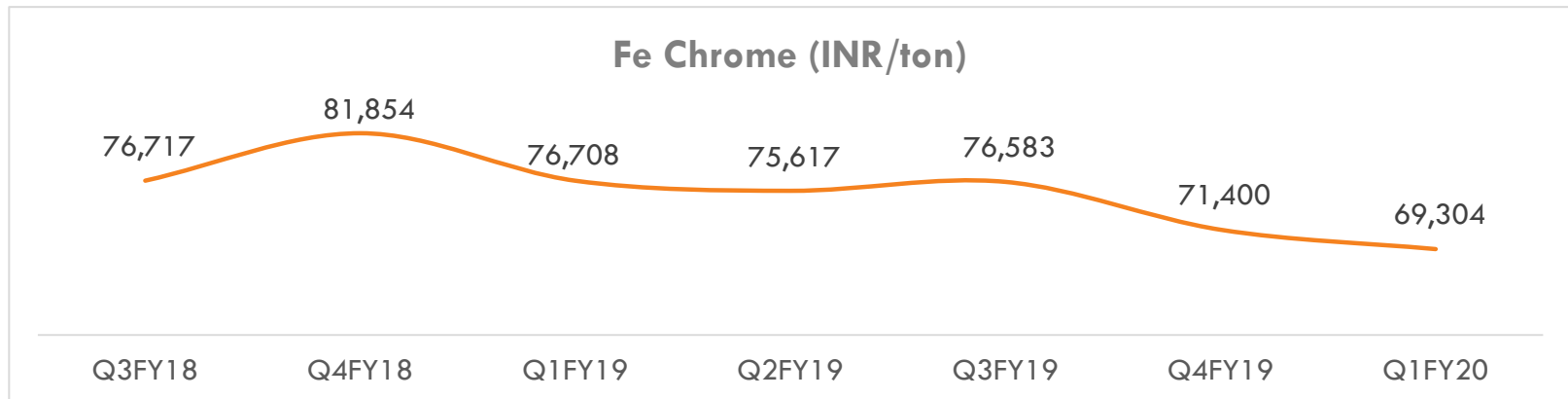
Shift (%)	QoQ: (1%)	YoY: 2%	9%
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Key Raw Materials – Price Trend



Note: Average quarterly prices; Source: LME



Note: Average quarterly prices; Source: Steel Mint

Q1 FY20 Financial and Operational Discussions (Standalone)

- **Net Revenue stood at Rs. 3,067 crore down 2% Y-o-Y**

- Despite a challenging external trade environment, the sales volume grew by 2% Y-o-Y to 222,119 MT
- Average blended realization for the period fell 5% Y-o-Y at Rs 138,067/ tonne primarily due to product mix

- **EBITDA at Rs. 314 crore, down 16% Y-o-Y**

- EBITDA was lower on a Y-o-Y basis due to negative inventory valuation and overall challenging macro environment
- EBITDA performance on a Q-o-Q basis was steady with margins improving by 90 bps. EBITDA per ton improved to Rs. 14,127
 - Improvement in overall product mix coupled with certain cost optimization efforts led to an increase in Q-o-Q performance

- **Net profit stood at Rs. 67 crore, vs. Rs. 91 crore in Q1FY19**

- On Q-o-Q basis, net profit registered a 107% increase. The Company recorded an exceptional gain of Rs. 24 crore during the quarter

Management Comment



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

“Our performance in the first quarter indicates our strong financial position. The outlook for the business remains positive with the outlay of significant investments by the government in the union budget for Railways and infrastructure.

However, we continue to face a challenge from high levels of imports, particularly from FTA countries like Indonesia and Vietnam. In the wake of these emerging business challenges, we have carried out an internal restructuring to sharpen our key focus areas. We have created a centralised team to serve as a knowledge bank, carve out new stainless steel applications through conversion from other materials, and develop new markets”.

Abridged P&L Statement (Standalone)

Particular (Rs. crore)	Q1 FY20	Q1 FY19	YoY Change (%)	Q4 FY19
Net Revenue from operations	3,067	3,138	(2%)	3,251
Total Expenditure	2,753	2,763	0%	2,949
EBITDA	314	375	(16%)	302
EBITDA margin (%)	10.2%	11.9%	(170 bps)	9.3%
Other Income	10	6	68%	9
Finance Cost	142	150	(5%)	161
Depreciation	101	76	32%	92
Exceptional gain/(loss)*	24	(15)	NA	(1)
PBT	105	140	(25%)	57
Tax	38	49	(22%)	24
PAT	67	91	(26%)	32
PAT margin (%)	2.2%	2.9%	(70 bps)	1.0%
EPS (Diluted) in INR	1.3	1.6	(20%)	0.7

Note: Standalone financials

* Exceptional items represent net foreign exchange gain/(loss) and mark-to-market gain/(loss) on foreign exchange derivative forward contracts and recompense provision

Abridged P&L Statement (Consolidated)

Particular (Rs. crore)	Q1 FY20	Q1 FY19	YoY Change (%)	Q4 FY19
Net Revenue from operations	3,263	3,365	(3%)	3,547
Total Expenditure	2,963	2,960	0%	3,243
EBITDA	300	405	(26%)	304
EBITDA margin (%)	9.2%	12.0%	(284 bps)	8.6%
Other Income	10	6	54%	11
Finance Cost	147	156	(6%)	167
Depreciation	105	80	31%	97
Exceptional gain/(loss)*	25	(19)	NA	(1)
PBT	84	159	(47%)	54
Tax	36	48	(25%)	17
PAT	48	111	(57%)	34
PAT margin (%)	1.5%	3.3%	(183 bps)	1.0%
EPS (Diluted) in INR	1.0	1.9	(50%)	0.7

Note: Consolidated financials

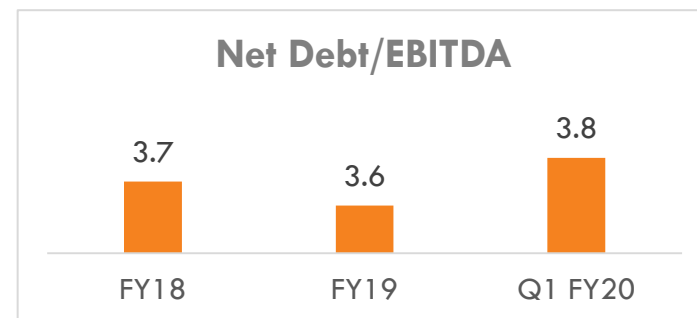
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Comfortable Debt Position

Borrowings (Standalone) (Rs. crore)	As on Jun.2019	As on Mar.2019	As on Mar.2018
Long term debt	2,006	2,050	2,457
Inter corporate loan from related party	900	900	900
OCRPS*	717	695	607
Total Long term debt	3,623	3,645	3,963
Short term borrowing (less than 12 months)	457	473	766
Total Debt	4,080	4,118	4,729
Cash & Investments	19	14	37
Net Debt	4,061	4,104	4,692
Long Term Debt Breakup:			
-INR Debt	3,118	3,139	3,248
-Foreign Currency Debt	505	506	715

Note : *Optionally Convertible Redeemable Preference Shares

Borrowings (Subsidiaries) (Rs. crore)	As on Jun.2019	As on Mar.2019	As on Mar.2018
Long-Term Debt	-	-	-
Short-Term Debt	255	270	286
Total	255	270	286



Note: - Net Debt/ EBITDA calculation based on Standalone financials
- Q1 FY20 Net Debt/ EBITDA calculation based on TTM figure

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

Key Financial Ratios (Standalone)

	Q1 FY20	FY19	FY18
EBITDA margin (%)	10.2%	9.0%	11.9%
PAT Margin (%)	2.2%	1.1%	3.0%
Net Debt to Equity	1.6	1.7	2.0
Net Debt to EBITDA	3.8	3.6	3.7
Return on Equity (%)	4.6%	5.8%	15.5%
Return on Capital employed (%)	10.7%	12.0%	15.6%

Note:

- 1) Q1 FY20 figures, except EBITDA and PAT margin, based on TTM
- 2) Net Debt includes short-term & long term debt less cash & investments
- 3) ROE(%) is calculated as PAT / Avg. Networth
- 4) ROCE(%) is calculated as EBIT / Avg. Capital employed

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