



October 26, 2018

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Security Code No. : JSL

Sub.: Intimation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Earnings presentation.

Dear Sir,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Earnings presentation of Jindal Stainless Limited (“the Company”), relating to the quarter and half year ended 30th September, 2018. The same is also being uploaded on the website of the Company – www.jslstainless.com.

Please take the above information on record.

Thanking you,

Yours Faithfully,
For **Jindal Stainless Limited**

Navneet Raghuvanshi
Company Secretary



Encl: a.a.

Jindal Stainless Ltd.

CIN: L26922HR1980PLC010901

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Q2 & H1 FY19 Earnings Presentation – October 26, 2018

JINDAL STAINLESS LIMITED

Disclaimer

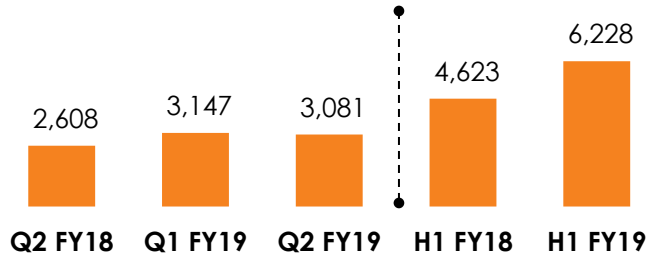
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Q2 & H1 FY19 Results Overview



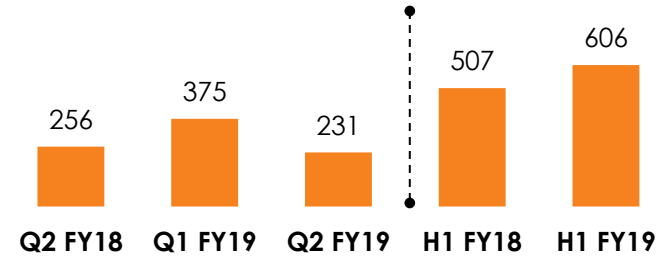
Key Financials Highlights – Q2 & H1FY19

Net Revenue from operations



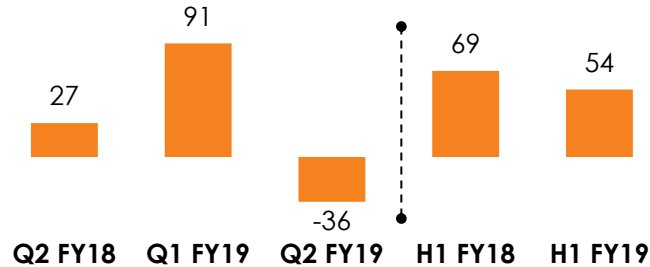
Shift (%) QoQ: (2%) YoY: 18% 35%

EBITDA



Shift (%) QoQ: (38%) YoY: (10%) 20%

PAT

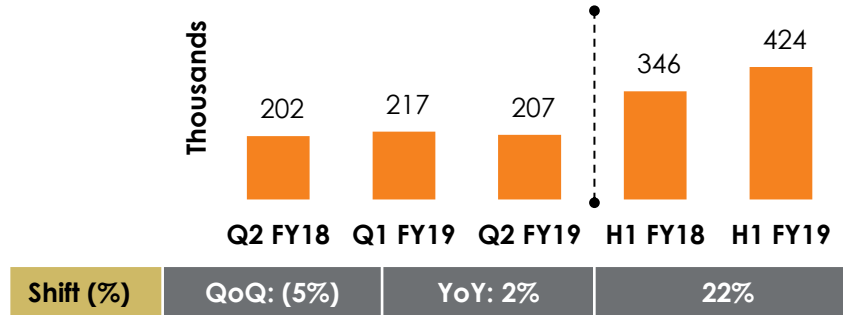


Shift (%) QoQ: NA YoY: NA (21%)

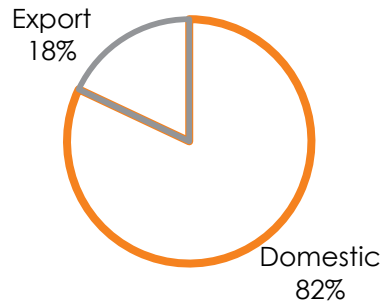
Note: Standalone financials; All figures in Rs. crore unless stated otherwise

Key Operational Update – Q2 & H1FY19

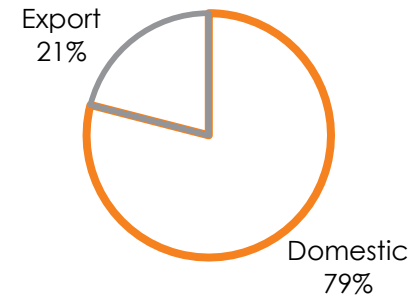
SMS Sales Volume (MT)



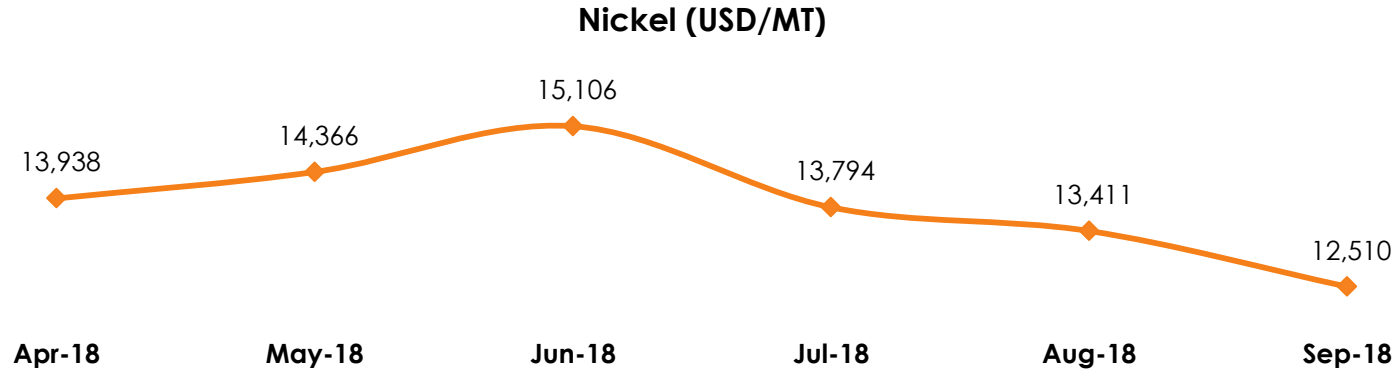
Sales Composition – Q2 FY19



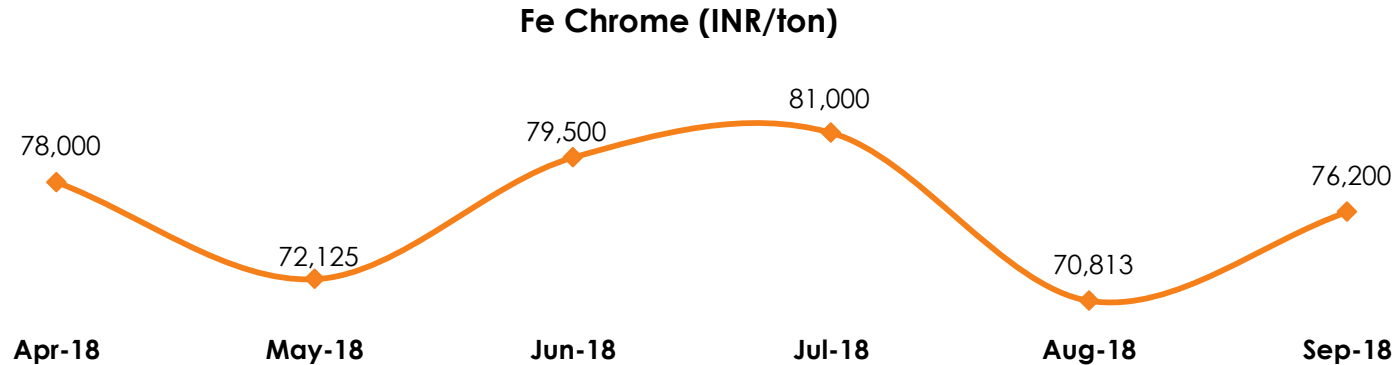
Sales Composition – H1 FY19



Key Raw Materials – Price Trend



Note: Average monthly prices; Source: Bloomberg



Note: Average monthly prices; Source: Steel Mint

Q2 FY19 Financial and Operational Discussions

- **Net Revenue grows to Rs. 3,081 crore, up 18% Y-o-Y**
 - Sales volume increases by 2% to 206,644 MT
 - Despite lower production due to a planned maintenance shut down during Q2 FY19, the Company sustained its sales volume growth
 - Higher realizations assisted revenue growth during the quarter

- **EBITDA at Rs. 231 crore, down by 10% Y-o-Y**
 - EBITDA was lower due to higher raw material cost and consumables including nickel and electrodes
 - On a Y-o-Y basis, Nickel LME increased by 37% and graphite electrodes increased 5X. However, the Company was able to absorb the adverse impact of cost increases on profitability, to a large extent, owing to the continuous efforts to improve operational efficiencies
 - The Company had built up inventory in Q1 to support a planned maintenance shutdown in Q2. This, along with a steep hike in nickel prices during Q1 led to inventory losses

- **Adverse foreign currency fluctuation resulted in net loss of Rs. 36 crore**
 - Sharp depreciation in USD/INR resulted in an exceptional loss of Rs. 53 crore majorly on account of MTM

H1 FY19 Financial and Operational Discussions

- **Net Revenue grows to Rs. 6,228 crore, up 35% Y-o-Y**
 - Sales volume increases by 22% to 423,531MT
 - Despite lower production due to maintenance shut down in Q2 FY19, the Company could maintain healthy sales volume growth
 - Higher sales volume along with better realizations contributed towards revenue growth in H1 FY19

- **EBITDA at Rs. 606 crore, up by 20% Y-o-Y**
 - H1 FY19 EBITDA was high compared to the corresponding period last year despite adverse impact of raw material price movement on Q2 performance, which got averaged out during the first half.
 - The Company has been focusing on improving operational efficiencies and cost rationalization through optimal capacity utilization

- **PAT stood at Rs. 54 crore, down by 21% Y-o-Y**
 - Exceptional loss of Rs. 68 crore during H1 FY19

Management Comment

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



“Our Q2 results are a reflection of the cyclical nature of core sector, including its determinants such as input prices and forex volatility. Our focus is to increase annual production by 15% in the next two years to cater to the growing needs of domestic markets.”

Our product mix is well distributed among different segments, and all of them are showing a healthy growth rate. Besides, we are increasingly moving towards more value added products in railways, automobiles, and other sectors. We are also increasing our presence in the ferretic segment, which will balance the impact of raw material price volatility. This portfolio enhancement, clubbed with gradually growing demand, will help in improved operating performance going forward.”

Abridged P&L Statement

Particular (Rs. crore)	Q2 FY19	Q2 FY18	YoY Change (%)	H1 FY19	H1 FY18	YoY Change (%)
Net Revenue from operations	3,081	2,608	18%	6,228	4,623	35%
Total Expenditure	3,087	2,588	19%	6,085	4,531	34%
EBITDA	231	256	-10%	606	507	20%
EBITDA / ton	11,188	12,669	-12%	14,311	14,659	-2%
EBITDA margin (%)	7.5%	9.8%	(230 bps)	9.7%	11.0%	(130 bps)
Other Income	7	14	-50%	13	24	-46%
Finance Cost	157	161	-3%	306	263	17%
Depreciation	80	76	6%	156	152	3%
Exceptional gain/loss*	(53)	15	-	(68)	(4)	-
PBT	(52)	48	-	88	112	-21%
Tax	(15)	21	-	34	43	-22%
PAT	(36)	27	-	54	69	-21%
PAT margin (%)	-	1.0%	-	0.9%	1.5%	(60 bps)
EPS (Diluted) in INR	(0.8)	0.6	-	1.1	1.5	-22%

Note: Standalone financials

* Exceptional items represent net foreign exchange gain/(loss) and mark-to-market gain/(loss) on foreign exchange derivative forward contracts (for all periods presented)

Abridged Balance Sheet

	ASSETS (Rs. crore)	As at 30th Sept. 2018	As at 31st March 2018
ASSETS			
1) Non-current assets			
(a) Property, Plant & Equipment		6,205	6,124
(b) Capital Work-in-progress		42	142
(c) Intangible assets		17	19
(d) Intangible assets under development		17	-
(e) Financial Assets			
(i) Investments		485	484
(ii) Loans		43	40
(iii) Others (financial assets)		0	0
(f) Income tax assets		5	5
(g) Other non-current assets		31	57
2) Current assets			
(a) Inventories		2,154	2,012
(b) Financial Assets			
(i) Trade receivables		955	828
(ii) Cash & cash equivalents		8	21
(iii) Bank balances other than (ii) above		10	16
(iv) Loans		15	12
(v) Others (financial assets)		197	62
c) Current Tax Assets (Net)		19	17
d) Other current assets		268	325
Total Assets		10,472	10,164

	EQUITY AND LIABILITIES (Rs. crore)	As at 30th Sept. 2018	As at 31st March 2018
EQUITY AND LIABILITIES			
(a) Equity Share capital		96	96
(b) Other Equity		2,310	2,256
LIABILITIES			
1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings		3,508	3,551
(ii) Other financial liabilities		52	51
(b) Provisions		5	5
(c) Deferred Tax Liabilities (net)		79	46
(d) Other non-current liabilities		343	349
2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		596	766
(ii) Trade Payables		2,487	1,940
(iii) Other financial liabilities		828	878
(b) Other current liabilities		167	227
(c) Provisions		0	0
Total Equity and Liabilities		10,472	10,164

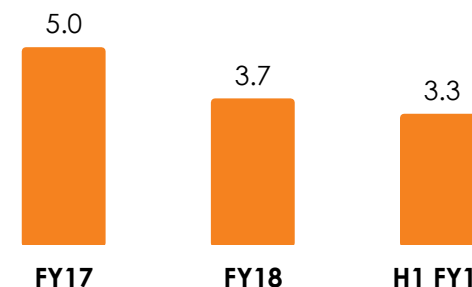
Comfortable Debt Position

Description - Borrowings	As on Sept. 2018	As on March 2018	As on March 2017
Long term debt	2,401	2,457	3,405
Inter corporate loan from related party	900	900	485
OCRPS*	639	607	-
Total Long term debt	3,941	3,963	3,890
Short term borrowing (less than 12 months)	596	766	1,738
Total Debt	4,537	4,729	5,628
Cash & Investments	18	37	42
Net Debt	4,519	4,692	5,586
Long Term Debt Breakup:			
-INR Debt	3,205	3,248	2,902
-Foreign Currency Debt	735	715	988

Note : *Optionally Convertible Redeemable Preference Shares

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

Net Debt/EBITDA



Note: H1FY19 Net Debt/ EBITDA calculation based on TTM figure

Key Financial Ratios

	H1 FY19	FY18	FY17
EBITDA margin (%)	9.7%	11.9%	13.3%
PAT Margin (%)	0.9%	3.0%	0.7%
Net Debt to Equity	1.9	2.0	3.2
Net Debt to EBITDA	3.3	3.7	5.0
Return on Equity (%)	13.6%	15.5%	3.5%
Return on Capital employed (%)	12.2%	11.8%	4.5%

Note:

- 1) H1FY19 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

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.

For further information please contact:

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Thank You

