

JSHL/BM-4/2021-22

October 28, 2021

BSE Limited

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Subject: Press Release

Dear Sirs,

We are enclosing herewith copy of Press Release in respect of unaudited financial results of Jindal Stainless (Hisar) Limited for the quarter and half year ended September 30, 2021.

Kindly host the same on your website and acknowledge receipt of the same.

Thanking you,

Yours Faithfully,

For **Jindal Stainless (Hisar) Limited**


Bhartendu Harit
Company Secretary



Encl. As above

Jindal Stainless (Hisar) Limited

Financial Results for the Quarter and Half-year ended September 30, 2021

Q2FY22 Highlights

Standalone performance:

- Sales volume registered at 188,178 tonnes, up by 25% over Q1FY22
- Revenue at INR 3,415 crore, up by 36% over Q1FY22
- EBITDA at INR 501 crore, up by 31% over Q1FY22
- PAT recorded at INR 338 crore vs INR 240 crore in Q1FY22, up by 41%
- Net Lenders' debt stood at INR 1,359 crore
- Interest cost reduced by 69% YoY

Consolidated performance:

- Revenue stood at INR 3,743 crore, up by 35% over Q1FY22
- EBITDA at INR 567 crore; up by 37% over Q1FY22
- PAT at INR 499 crore; up by 39% over Q1FY22

New Delhi, October 28, 2021: The financial results of Jindal Stainless (Hisar) Limited (JSHL) for Q2FY22 were taken on record by its Board of Directors today. Accelerated pace of the vaccination drive and consistent decline in the pandemic's impact have led to a quick economic recovery after the second wave of COVID in Q1FY22. Normalisation of demand from all consumer-facing segments has led to a rebound in sales volume. JSHL's sales volume grew by 25% to 188,178 tonnes in Q2FY22 over Q1FY22. Primarily driven by higher volumes in both domestic and export markets along with an increase in the share of Specialty Product Division (SPD) volumes, EBITDA grew by 31% in Q2FY22 over the sequential quarter. On a standalone basis, JSHL's EBITDA and profit after tax (PAT) stood at INR 501 crore and INR 338 crore respectively. Prices of input materials rose consistently throughout the second quarter. The average LME prices of Nickel increased by 10% and Ferro-chrome by 21 % in Q2FY22 over Q1FY22.

On a standalone basis, for the half-year ending September 30, 2021, revenue stood at INR 5,927 crore. EBITDA and PAT stood at INR 883 crore and INR 577 crore respectively. Net Lenders' debt as on September 30, 2021 stood at INR 1,359 crore. The interest cost during H1 FY22 was reduced by 62% to INR 50 crore over H1 FY21.

All end-use segments like Pipe & Tube, Hollowware, white goods along with Railways & Wagons, and Metro Rail grew during the quarter. Sales in the auto segment were weak as the semiconductors' shortage led to a decline in the production of passenger vehicles. JSHL's Specialty Product Division's sales grew by 31% in Q2FY22 over the corresponding period last year, led by higher sales in the Blade Steel and Precision Strips segments. Higher

sales volume in SPD was also on account of additional capacity due to recent commissioning of the brownfield expansion project. Current supply chain challenges due to container scarcity did not have any significant impact as domestic sourcing of raw materials has fairly increased.

Along with the rise in overall sales volume and changing market dynamics, exports percentage also rose to 14% in Q2FY22 from 7% in Q2FY21. The domestic-export share of sales volumes during the quarter, on a sequential and YoY basis, was:

Geographical Segment	Q2FY22	Q1FY22	Q2FY21
Domestic	86%	87%	93%
Export	14%	13%	7%

Other key developments:

1. The government has extended the suspension period of Countervailing Duty (CVD) on imports from China by another five months beyond September 30, 2021 and this may prove to be injurious for the domestic industry. The final findings on import of stainless steel flat products from Indonesia issued by Directorate General of Trade Remedies, Ministry of Commerce and Industry are yet to be notified by the Ministry of Finance. Both these decisions have proved to be unfavourable for the domestic industry as an import volume surge of 115% was witnessed during the April'21-September'21 period (YoY). The share of imports in the domestic market in Q2FY22 was at 40% as compared to 35% in Q1FY22. The surge in imports is expected to impair the Indian stainless steel industry in the long term. Additionally, the decision has severely hurt stainless steel manufacturers in the MSME sector. The domestic industry has urged the government to take its plea into consideration.
2. For the first time, CRISIL Ratings has rated the long-term bank facilities of JSHL and assigned rating of 'CRISIL A+/Stable'. The key rating driver reasons for this rating include superior market position, improvement in operational efficiencies coupled with significant improvement in financial risk profile, supported by consistent debt reduction, etc.
3. Merger update: The Company's petition for merger with Jindal Stainless Limited is pending before Hon'ble NCLT, Chandigarh for approval.
4. Projects update: All brownfield expansion projects announced in Q1FY22 are on track. JSHL has commissioned the 26,000 tonnes per annum capacity Precision Strip Mill as part of the brownfield expansion under SPD. This takes the total precision strip production capacity to 48,000 tonnes per annum.

Financial Performance Summary (Figures in INR crore):

Particulars	Standalone					Consolidated				
	Q-o-Q Comparison			Y-o-Y Comparison		Q-o-Q Comparison			Y-o-Y Comparison	
	Q2FY22	Q1FY22	Change	Q2FY21	Change	Q2FY22	Q1FY22	Change	Q2FY21	Change
SS Sales Volume (MT)	188,178	1,51,121	25%	155,470	21%	188,178	151,121	25%	155,470	21%
Total Revenue (net)	3,415	2,512	36%	2,076	64%	3,743	2,776	35%	2,298	63%
EBITDA	501	382	31%	248	102%	567	412	37%	291	95%
PAT	338	240	41%	111	203%	499	359	39%	169	196%

On a consolidated basis, Q2FY22 PAT stood at INR 499 crore, while EBITDA was INR 567 crore and net revenue of the Company was INR 3,743 crore. JSHL continued its digitization initiatives. SAP Hybris, the customer-centric platform continued to see increased usage from all customer segments, enhancing the overall efficacy of the sales function. JSHL also initiated a SAP-enabled digital transport management system which is expected to bring about significant efficiency improvement in the overall supply chain through real-time exchange of information across the entire gamut of stakeholders and consequent reduction in turn-around time.

Management Comments:

Commenting on the performance of the Company, **Managing Director, JSHL, Mr Abhyuday Jindal**, said, *“Strong macro-economic fundamentals of the economy led to a quick recovery during the second quarter and strengthened market demand. Continuous rise in global commodity and energy prices is likely to maintain some uncertainty in the business environment. However, an overall increase in government spending along with further improvement in economic activity will support demand recovery. The capacity addition at SPD has boosted our volumes in the value-added segment for both domestic and export markets. Upsurge in subsidized imports from China and Indonesia is a cause of worry for the domestic stainless steel industry and we are seeking government intervention in this issue.”*

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