



JINDAL STAINLESS LIMITED

Q2 & H1 FY20
Earnings Presentation

November 11, 2019



Disclaimer

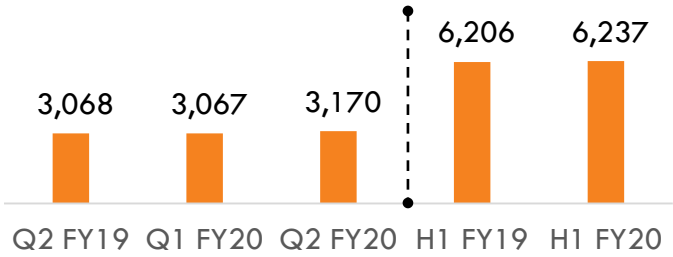
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Q2 & H1 FY20 Results Overview

Key Financials Highlights – Q2 & H1 FY20

Net Revenue from operations



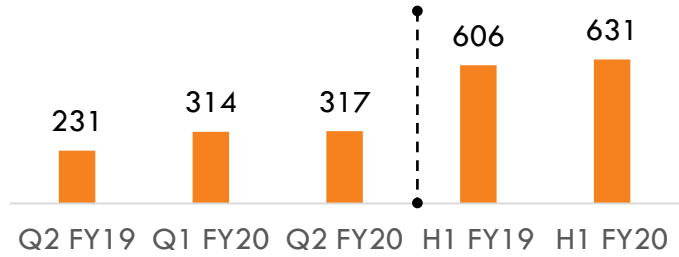
Shift (%)

QoQ: 3%

YoY: 3%

1%

EBITDA



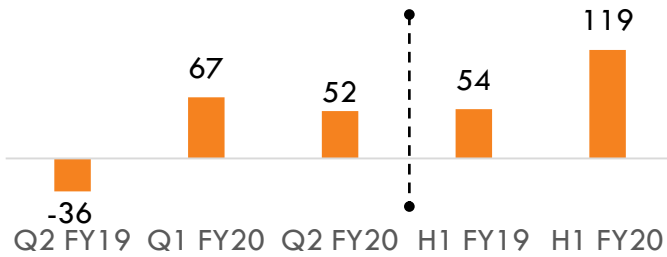
Shift (%)

QoQ: 1%

YoY: 37%

4%

PAT



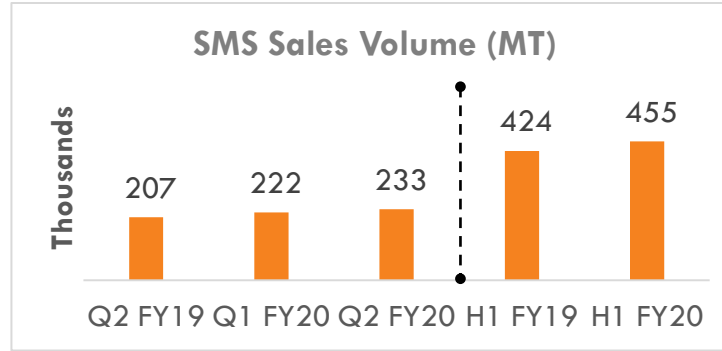
Shift (%)

QoQ: (22%)

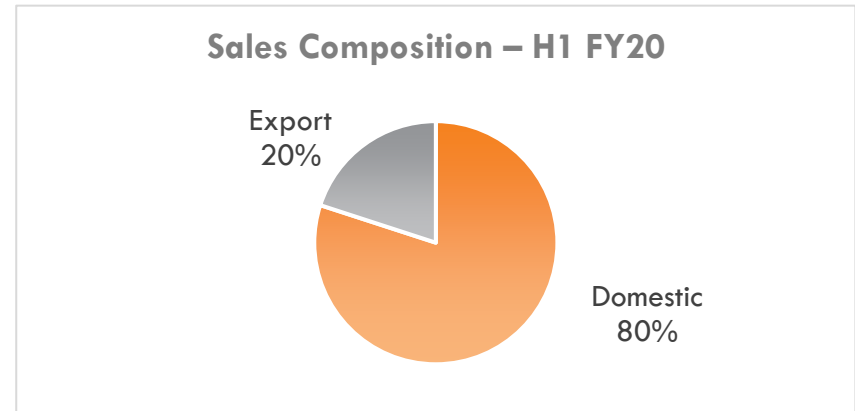
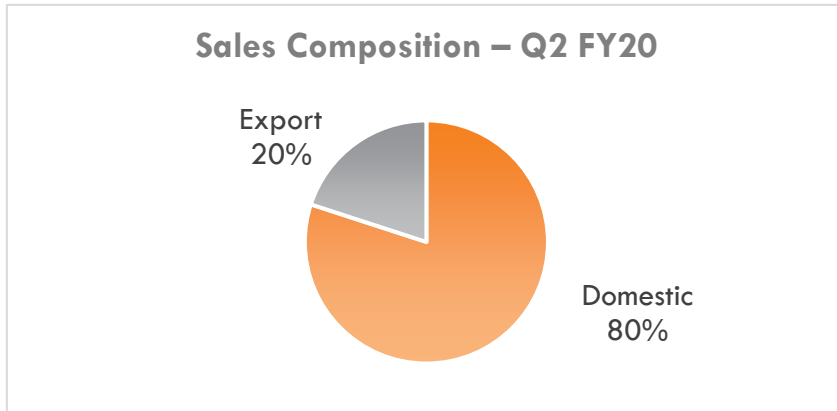
YoY: NA

118%

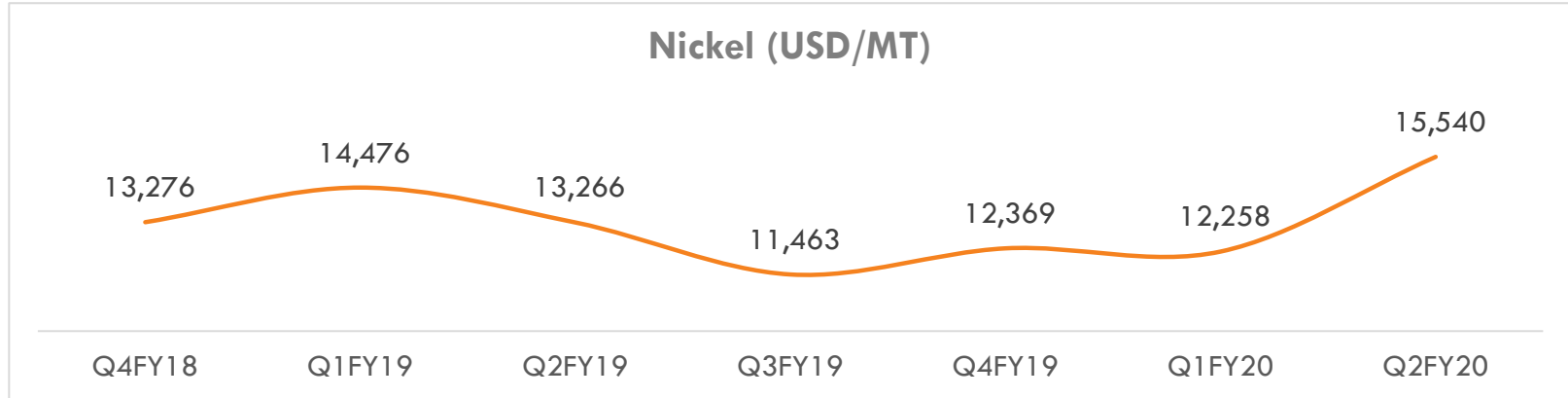
Key Operational Update – Q2 & H1 FY20



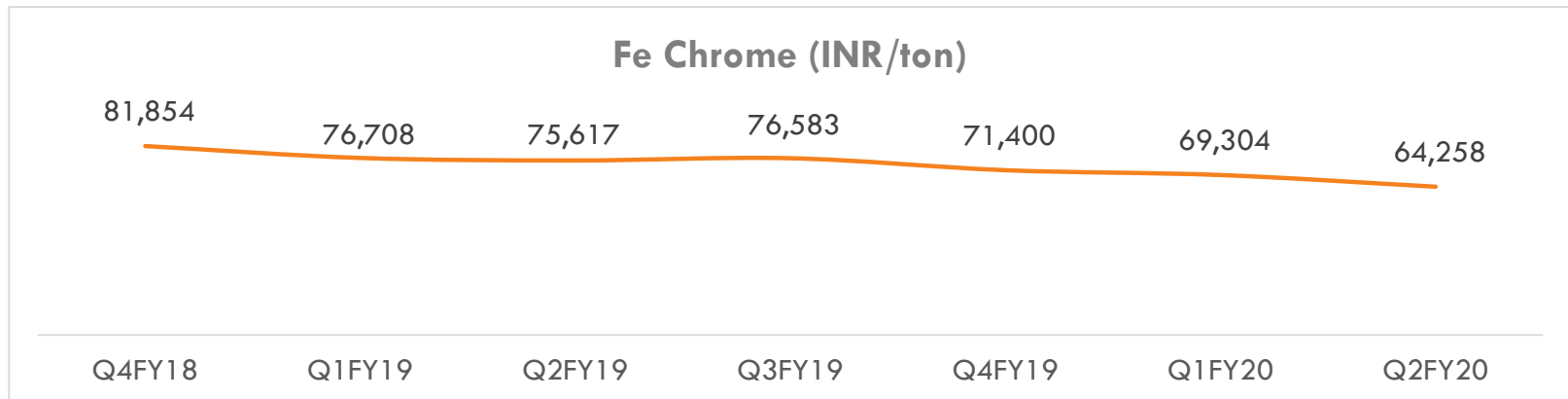
Shift (%)	QoQ: 5%	YoY: 13%	8%
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Key Raw Materials – Price Trend



Note: Average quarterly prices; Source: LME



Note: Average quarterly prices; Source: Steel Mint

Q2 FY20 Financial and Operational Discussions (Standalone)

- **Net Revenue stood at Rs. 3,170 crore, up 3% Y-o-Y**
 - Sales volume rose 13% on Y-o-Y basis to 233,328 tonne, on the back of steady domestic demand
- **EBITDA rose 37% Y-o-Y to Rs. 317 crore**
 - No major impact of fluctuation in alloy prices on inventory valuation as the rise in nickel prices was off set by fall in ferro chrome and mild steel scrap prices
 - EBITDA margin impacted due to swift surge in imports during the quarter ended September 30, 2019
- **Net profit at Rs. 52 crore against net loss of Rs. 36 crore**
 - Reduction in net interest by Rs. 14 crore over the CPLY
 - Exceptional gain of Rs. 7 crore in Q2FY20 against the loss of Rs. 53 crore in Q2FY19
 - Lower exception gain of Rs. 7 crore against the gain of Rs. 24 crore in Q1 FY20 impacted the sequential quarter PAT performance

H1 FY20 Financial and Operational Discussions (Standalone)

- **Net Revenue rose 1% to Rs. 6,237 crore**
 - Sales volume rose 8% on Y-o-Y basis to 455,446 tonne
 - Average sales realizations got impacted due to challenging macro economic situation and higher imports
- **EBITDA at Rs. 631 crore, is up 4% Y-o-Y**
 - Continuous adoption of cost reduction measures and reduction in stores & spares cost led to consistent EBITDA performance despite the global trade uncertainties and volatility in raw material prices
- **Net profit stood at Rs. 119 crore, up 118% Y-o-Y**
 - Net interest expenses fell by Rs. 22 crore during the H1FY20
 - Exceptional gain as against loss in CPLY lead to increase in PAT

Management Comment



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

“Despite moderate business sentiment, JSL was able to maintain a steady performance through consistent improvement in operational parameters and internal cost efficiencies.

A weak global outlook was compounded by soaring imports from Indonesia over the last few months, adding pressure on margins. Even though the Government’s decision to withdraw from RCEP is a welcome move, it is not adequate to keep the domestic industry at the same level as its global peers. We have sensitized the Government about other imminent issues plaguing the industry, and look forward to more such steps in the future.”

Abridged P&L Statement (Standalone)

Particular (Rs. crore)	Q2 FY20	Q2 FY19	YoY Change (%)	H1 FY20	H1 FY19	YoY Change (%)
Net Revenue from operations	3,170	3,068	3%	6,237	6,206	1%
Total Expenditure	2,853	2,837	1%	5,606	5,600	0%
EBITDA	317	231	37%	631	606	4%
EBITDA / ton	13,590	11,188	21%	13,852	14,311	(3%)
EBITDA margin (%)	10.0%	7.5%	250 bps	10.1%	9.8%	30 bps
Other Income	7	7	2%	17	13	32%
Finance Cost	143	157	(9%)	284	306	(7%)
Depreciation	104	80	30%	205	156	31%
Exceptional gain/(loss)*	7	(53)	NA	32	(68)	NA
PBT	85	(52)	NA	190	88	116%
Tax	33	(15)	NA	72	34	112%
PAT	52	(36)	NA	119	54	118%
PAT margin (%)	1.6%	NA	NA	1.9%	0.9%	100 bps
EPS (Diluted) in INR	1.1	(0.8)	NA	2.4	1.1	108%

Note: Standalone financials

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

Abridged P&L Statement (Consolidated)

Particular (Rs. crore)	Q2 FY20	Q2 FY19	YoY Change (%)	H1 FY20	H1 FY19	YoY Change (%)
Net Revenue from operations	3,291	3,298	0%	6,554	6,663	(2%)
Total Expenditure	2,973	3,081	(4%)	5,936	6,026	(1%)
EBITDA	318	218	46%	618	637	(3%)
EBITDA / ton	13,650	10,532	30%	13,577	15,050	(10%)
EBITDA margin (%)	9.7%	6.6%	310 bps	9.4%	9.6%	(20 bps)
Other Income	7	7	5%	17	13	29%
Finance Cost	147	163	(10%)	294	319	(8%)
Depreciation	108	84	28%	213	164	30%
Exceptional gain/(loss)*	7	(55)	NA	31	(74)	NA
PBT	75	(74)	NA	159	100	59%
Tax	35	(15)	NA	72	34	113%
PAT	40	(59)	NA	87	66	32%
PAT margin (%)	1.2%	NA	NA	1.3%	1.0%	30 bps
EPS (Diluted) in INR	0.8	(1.2)	NA	1.8	1.3	32%

Note: Consolidated financials

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

Abridged Balance Sheet (Standalone)

ASSETS (Rs. crore)		As at 30 th Sept. 2019	As at 31 st March 2019
ASSETS			
1) Non-current assets			
(a) Property, Plant & Equipment	6,044	6,113	
(b) Capital Work-in-progress	50	20	
(c) Goodwill	-	-	
(d) Intangible assets	34	29	
(e) Intangible assets under development	2	6	
(f) Investment accounted for using the equity method	-	-	
(g) Financial Assets			
(i) Investments	488	486	
(ii) Loans	41	43	
(iii) Others (financial assets)	6	0	
(h) Income tax assets	20	3	
(i) Other non-current assets	49	28	
2) Current assets			
(a) Inventories	2,296	2,044	
(b) Financial Assets			
(i) Investments	0	0	
(ii) Trade receivables	1,029	843	
(iii) Cash & cash equivalents	48	6	
(iv) Bank balances other than (ii) above	12	8	
(v) Loans	10	12	
(vi) Others (financial assets)	163	132	
(c) Current Tax Assets (Net)	6	21	
(d) Other current assets	208	226	
Total Assets	10,507	10,021	

EQUITY AND LIABILITIES (Rs. crore)		As at 30 th Sept. 2019	As at 31 st March 2019
EQUITY AND LIABILITIES			
(a) Equity Share capital	97	96	
(b) Other Equity	2,525	2,379	
(c) Non-controlling Interests	-	-	
LIABILITIES			
1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	3,051	3,153	
(ii) Other financial liabilities	103	26	
(b) Provisions	7	6	
(c) Deferred Tax Liabilities (net)	199	126	
(d) Other non-current liabilities	330	337	
2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	366	473	
(ii) Trade Payables			
(a) Total outstanding dues of micro enterprises and small enterprises	108	77	
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,549	2,243	
(iii) Other financial liabilities	899	904	
(b) Current tax liabilities (net)	-	-	
(c) Other current liabilities	271	201	
(d) Provisions	1	1	
Total Equity and Liabilities	10,507	10,021	

Abridged Balance Sheet (Consolidated)

ASSETS (Rs. crore)		As at 30 th Sept. 2019	As at 31 st March 2019
ASSETS			
1) Non-current assets			
(a) Property, Plant & Equipment	6,244	6,315	
(b) Capital Work-in-progress	56	24	
(c) Goodwill	0	0	
(d) Intangible assets	34	29	
(e) Intangible assets under development	2	6	
(f) Investment accounted for using the equity method	310	277	
(g) Financial Assets			
(i) Investments	145	176	
(ii) Loans	37	39	
(iii) Others (financial assets)	15	0	
(h) Income tax assets	49	31	
(i) Other non-current assets	59	36	
2) Current assets			
(a) Inventories	2,658	2,415	
(b) Financial Assets			
(i) Investments	0	0	
(ii) Trade receivables	944	919	
(iii) Cash & cash equivalents	65	36	
(iv) Bank balances other than (ii) above	13	9	
(v) Loans	12	8	
(vi) Others (financial assets)	160	137	
(c) Current Tax Assets (Net)	6	21	
(d) Other current assets	220	235	
Total Assets	11,029	10,715	

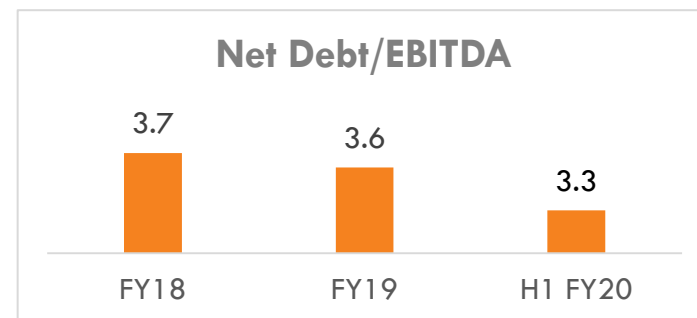
EQUITY AND LIABILITIES (Rs. crore)		As at 30 th Sept. 2019	As at 31 st March 2019
EQUITY AND LIABILITIES			
(a) Equity Share capital	97	96	
(b) Other Equity	2,618	2,495	
(c) Non-controlling Interests	14	12	
LIABILITIES			
1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	3,051	3,153	
(ii) Other financial liabilities	103	26	
(b) Provisions	16	15	
(c) Deferred Tax Liabilities (net)	204	132	
(d) Other non-current liabilities	330	337	
2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	630	743	
(ii) Trade Payables			
(a) Total outstanding dues of micro enterprises and small enterprises	108	77	
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,658	2,411	
(iii) Other financial liabilities	905	953	
(b) Current tax liabilities (net)	1	2	
(c) Other current liabilities	293	263	
(d) Provisions	1	1	
Total Equity and Liabilities	11,029	10,715	

Comfortable Debt Position

Borrowings (Standalone) (Rs. crore)	As on Sept.2019	As on Mar.2019	As on Mar.2018
Long term debt	1,882	2,050	2,457
Inter corporate loan from related party	900	900	900
OCRPS*	739	695	607
Total Long term debt	3,521	3,645	3,963
Short term borrowing (less than 12 months)	366	473	766
Total Debt	3,887	4,118	4,729
Cash & Investments	60	14	37
Net Debt	3,827	4,104	4,692
Long Term Debt Breakup:			
-INR Debt	3,074	3,139	3,248
-Foreign Currency Debt	447	506	715

Note : *Optionally Convertible Redeemable Preference Shares

Borrowings (Subsidiaries) (Rs. crore)	As on Sept.2019	As on Mar.2019	As on Mar.2018
Long-Term Debt	-	-	-
Short-Term Debt	264	270	286
Total	264	270	286



Note: - Net Debt/ EBITDA calculation based on Standalone financials
- H1 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)

	H1 FY20	FY19	FY18
EBITDA margin (%)	10.1%	9.0%	11.9%
PAT Margin (%)	1.9%	1.1%	3.0%
Net Debt to Equity	1.5	1.7	2.0
Net Debt to EBITDA	3.3	3.6	3.7
Return on Equity (%)	8.1%	5.8%	15.5%
Return on Capital employed (%)	11.4%	12.0%	15.6%

Note:

- 1) H1 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