

JSHL/BM-4/2018-19

January 30, 2019

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

Dear Sir(s),

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 (Hisar) Limited ("the Company"), relating to the quarter / period ended December 31, 2018. The same is also being uploaded on the website of the Company – www.jshlstainless.com.

Please take the above information on record.

Thanking You.

Yours Faithfully,  
For **Jindal Stainless (Hisar) Limited**

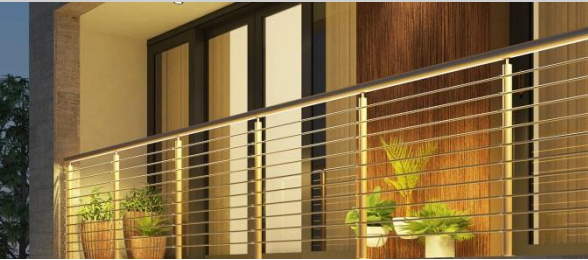
  
(Bhartendu Harit)  
Company Secretary



Encl: A/a

# JINDAL STAINLESS HISAR LIMITED (JSHL)

Q3 & 9M FY19 Earnings Presentation – January 30, 2019



# Disclaimer

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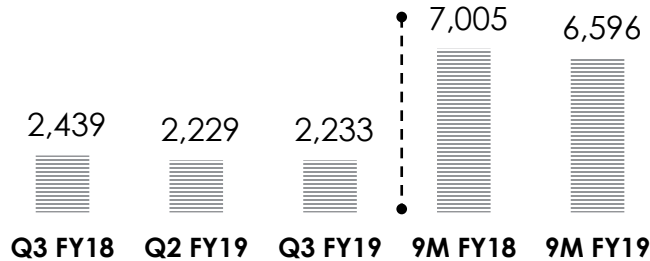
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# Q3 & 9M FY19 Results Overview



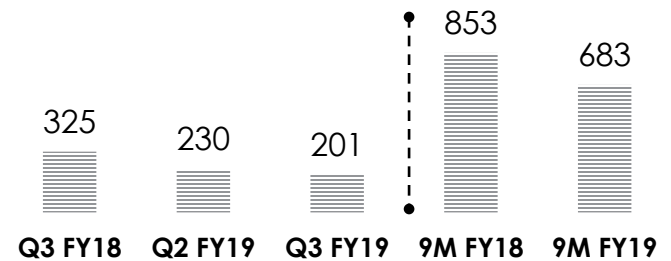
# Key Financials Highlights – Q3 & 9MFY19

## Net Revenue from operations



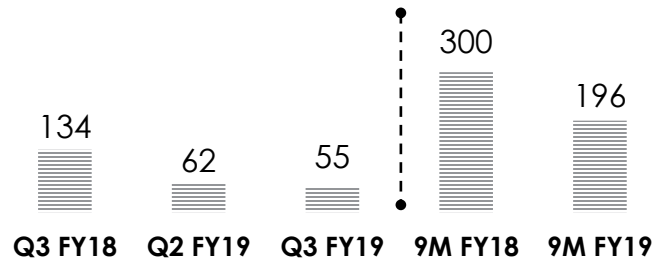
Shift (%)    QoQ: 0%    YoY: (8%)    (6%)

## EBITDA



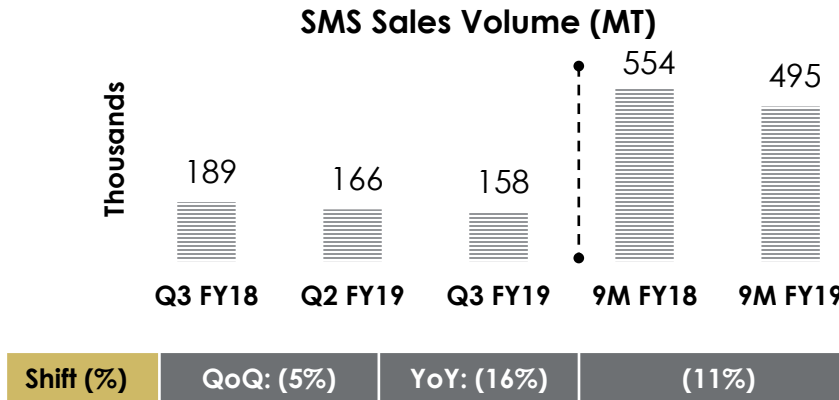
Shift (%)    QoQ: (12%)    YoY: (38%)    (20%)

## PAT

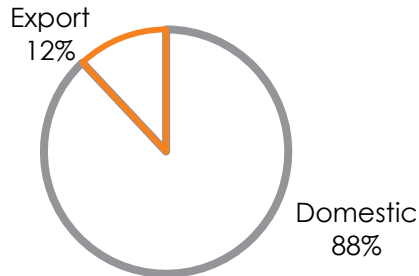


Shift (%)    QoQ: (11%)    YoY: (59%)    (35%)

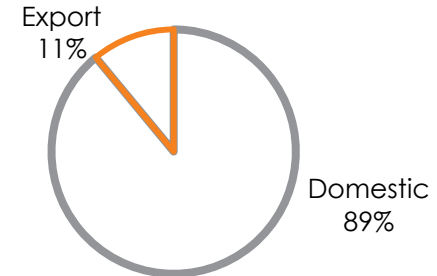
# Key Operational Update – Q3 & 9MFY19



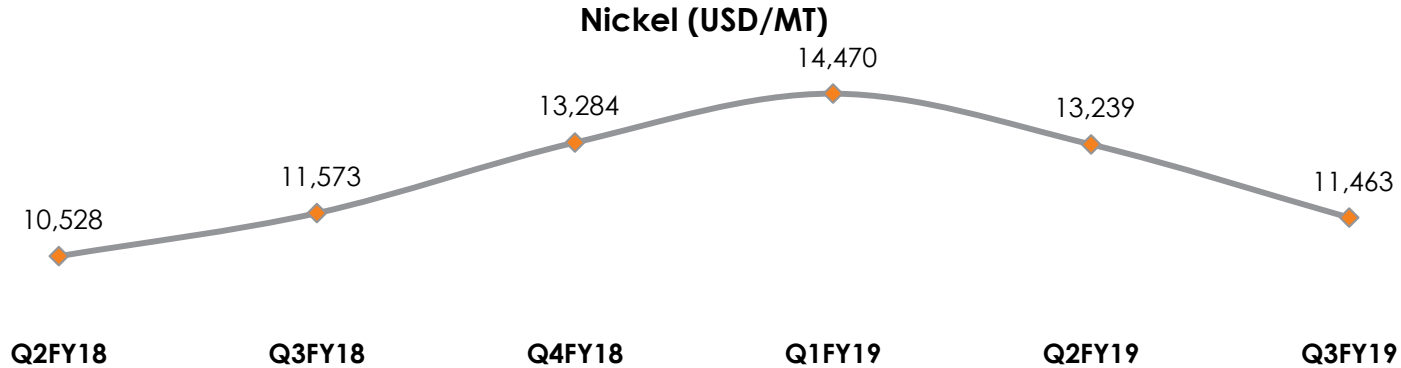
### Sales Composition – Q3 FY19



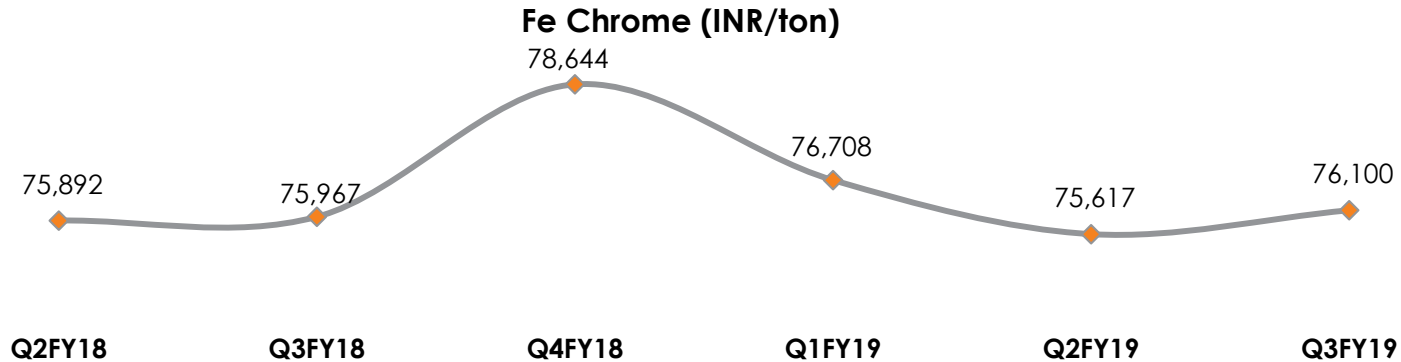
### Sales Composition – 9M FY19



# Key Raw Materials – Price Trend



Note: Average quarterly prices; Source: Bloomberg



Note: Average quarterly prices; Source: Steel Mint

# Q3 FY19 Financial and Operational Discussions

## ➔ **Net Revenue stood at Rs. 2,233 crore, down 8% Y-o-Y**

- Sales volume was lower by 16% to 158,326 MT as end-users opted to de-stock inventory in a scenario of falling nickel prices
- Additionally, demand from certain industries like automobiles and consumer goods was lower than expected this festive season
- A healthy product mix coupled with a 19% sales volume growth in the Specialty Products Division led to a 9% increase in average realizations

## ➔ **EBITDA at Rs. 201 crore, down by 38% Y-o-Y**

- EBITDA was lower on account of reduced sales volume, inventory losses and higher consumable costs
- Q-o-Q fall in nickel prices led to inventory losses in Q3. With a stable outlook for prices, the EBITDA performance is expected to stabilize in the coming quarters
- The Company follows a consistent inventory policy and hence expects the current adverse impact of falling nickel prices to be neutralized over a period of time

## ➔ **Net profit at Rs. 55 crore, down by 59% Y-o-Y**



# 9M FY19 Financial and Operational Discussions

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- ➔ **Net Revenue stood at Rs. 6,596 crore, down 6% Y-o-Y**
  - Sales volume declined by 11% to 494,780 MT
  - Realizations improved by 5%, which contributed towards revenue performance
- ➔ **EBITDA at Rs. 683 crore, down by 20% Y-o-Y**
  - EBITDA declined due to lower sales volume, inventory losses and higher cost of consumables witnessed during the period under review
- ➔ **PAT stood at Rs. 196 crore, down by 35% Y-o-Y**
- ➔ **Received a prestigious order of special steel sheets from ISRO for Rocket Motor Booster Application (Satellite Launch Vehicle)**
  - First instance in India where ISRO has procured from an indigenous source
- ➔ **The Company further strengthened its foray into Defense & Aerospace segment and is continuously working to develop and supply special alloys for various strategic applications viz. Submarine Rocket Launchers, Armored Vehicles, Mine Trawls, etc.**

# Management Comment

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



*“Though the overall demand for stainless steel remained intact, off-take in certain segments, such as automobiles, temporarily slowed down. Combined with falling Nickel prices, there was continued destocking in the third quarter. However, we were able to maintain our revenues by focusing on Special Products Division.*

*In the subsequent quarters, we expect a market rebound, given the stable outlook for Nickel prices and bottoming out of inventory stocks. By and large, the stainless steel industry is under stress of subsidized imports; several MSMEs are therefore turning unviable. I’m hopeful that the government will review its policies to provide a fair playing field to domestic players.”*

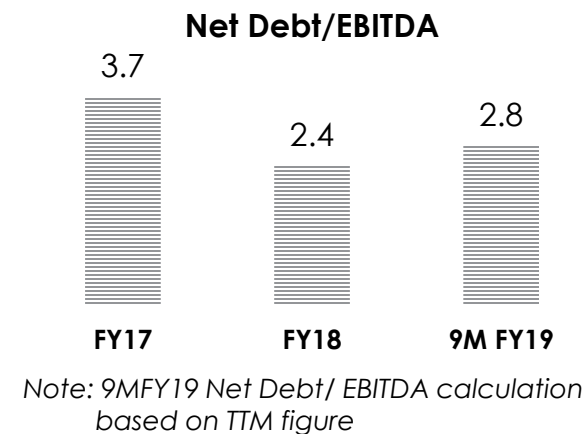
# Abridged P&L Statement

Particular (Rs. crore)	Q3 FY19	Q3 FY18	YoY Change (%)	9M FY19	9M FY18	YoY Change (%)
Net Revenue from operations	2,233	2,439	(8%)	6,596	7,005	(6%)
Total Expenditure	2,191	2,278	(4%)	6,379	6,653	(4%)
EBITDA	201	325	(38%)	683	853	(20%)
EBITDA / ton	12,708	17,200	(26%)	13,797	15,408	(10%)
EBITDA margin (%)	9.0%	13.3%	(432 bps)	10.3%	12.2%	(183bps)
Other Income	23	28	(18%)	71	84	(15%)
Finance Cost	90	97	(7%)	261	302	(13%)
Depreciation	69	68	3%	204	200	2%
Exceptional gain/loss	22	20	11%	16	21	(24%)
PBT	87	208	(58%)	304	456	(33%)
Tax	31	75	(58%)	108	157	(31%)
PAT	55	134	(59%)	196	300	(35%)
PAT margin (%)	2.5%	5.5%	(301bps)	3.0%	4.3%	(130 bps)
EPS (Diluted) in INR	2.3	5.7	(59%)	8.3	12.7	(35%)

Note: Standalone financials

# Comfortable Debt Position

Description - Borrowings (Rs. crore)	As on Dec. 2018	As on March 2018	As on March 2017
Long term debt	2,168	2,356	2,548
Short term borrowing (less than 12 months)	526	442	842
<b>Total Debt</b>	<b>2,694</b>	<b>2,799</b>	<b>3,390</b>
Cash & Investments	5	7	8
<b>Net Debt</b>	<b>2,689</b>	<b>2,792</b>	<b>3,382</b>
<b>Long Term Debt Breakup:</b>			
-INR Debt	2,168	2,356	2,548
-Foreign Currency Debt	-	-	-



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

# Key Financial Ratios

	9M FY19	FY18	FY17
EBITDA margin (%)	10.3%	12.3%	13.4%
PAT Margin (%)	3.0%	4.3%	3.2%
Net Debt to Equity	1.9	2.2	3.9
Net Debt to EBITDA	2.8	2.4	3.7
Return on Equity (%)	22.4%	37.4%	28.9%
Return on Capital employed (%)	18.9%	24.4%	24.8%

*Note:*

- 1) 9MFY19 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*

# Contact Us

## About Us:

Jindal Stainless Hisar Ltd. (JSHL) is the largest specialty stainless steel producer in India with a diversified value added product portfolio. The Company operates an integrated stainless steel plant at Hisar, Haryana with a total melting capacity of 0.8 million tonnes per annum.

JSHL's dedicated R&D division helps it to continuously innovate and develop high-value specialty products. Over the last 4 decades, the Company has been a market leader in domestic Stainless Steel production with a variety of products used in various applications from cookware to industrial and process engineering sectors.

JSHL's growth over the years has been backed by its cutting-edge Research & Development, world class manufacturing infrastructure, efficient distribution network, deep consumer insights and dedicated human resources.

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# Thank You

