

JSHL/BM-3/2018-19

October 30, 2018

BSE Limited

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National Stock Exchange of India Ltd.

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Security Code No.: 539597

Security Code No.: JSLHISAR

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 (Hisar) 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.jshlstainless.com.

Please take the above information on record.

Thanking you,

Yours Faithfully,

For **Jindal Stainless (Hisar) Limited**

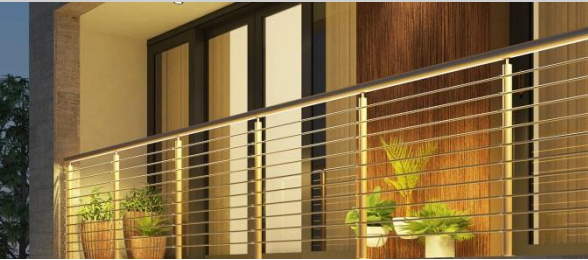

Bhartendu Harit
Company Secretary



Encl: a.a.

JINDAL STAINLESS HISAR LIMITED (JSHL)

Q2 & H1 FY19 Earnings Presentation – October 30, 2018



Disclaimer

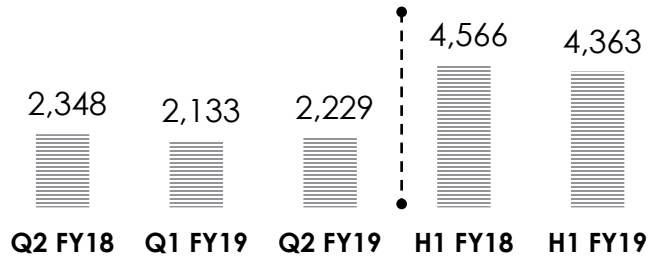
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Q2 & H1 FY19 Results Overview



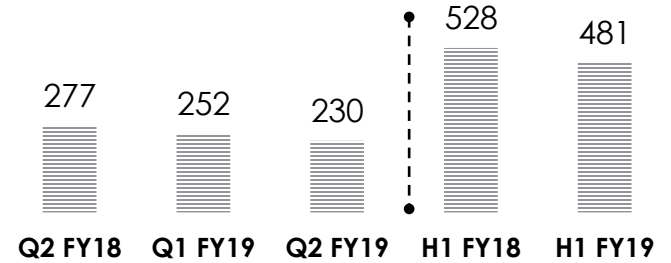
Key Financials Highlights – Q2 & H1FY19

Net Revenue from operations



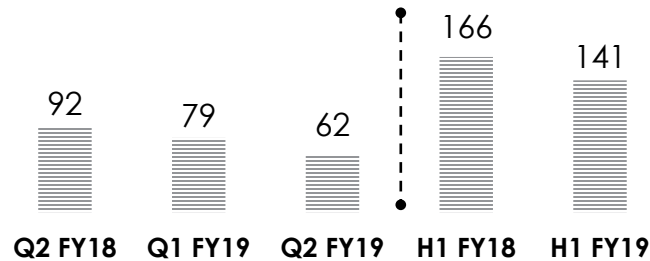
Shift (%)	QoQ: 5%	YoY: (5%)	(4%)
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EBITDA



Shift (%)	QoQ: (9%)	YoY: (17%)	(9%)
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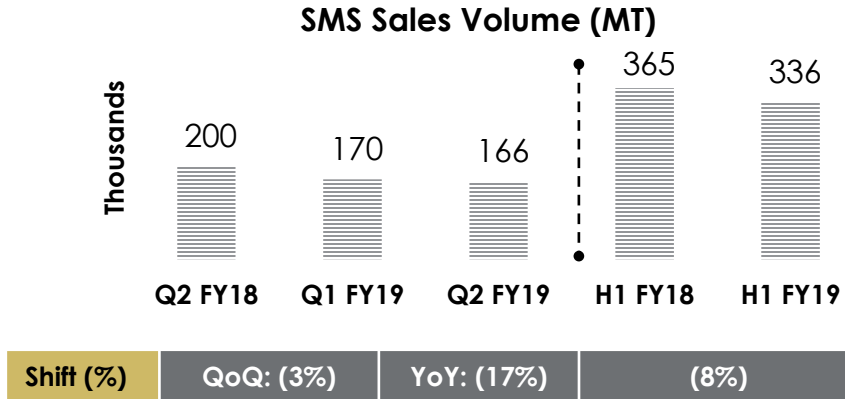
PAT



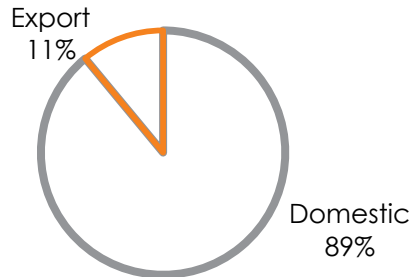
Shift (%)	QoQ: (22%)	YoY: (33%)	(15%)
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Note: Standalone financials; All figures in Rs. crore unless stated otherwise

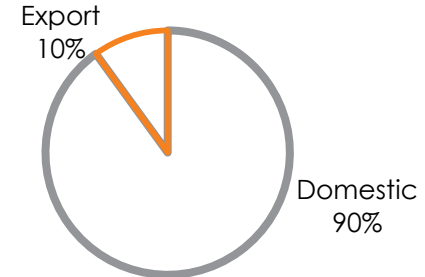
Key Operational Update – Q2 & H1FY19



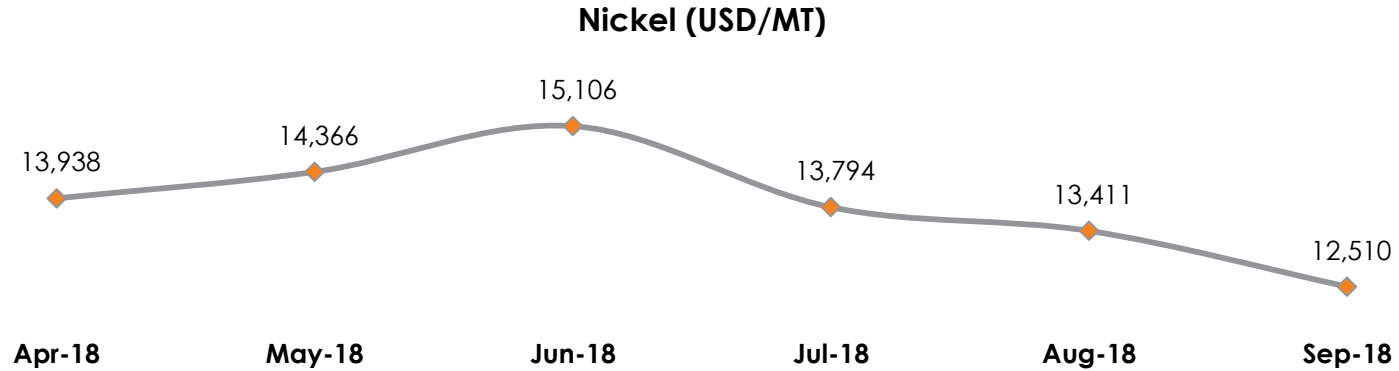
Sales Composition – Q2 FY19



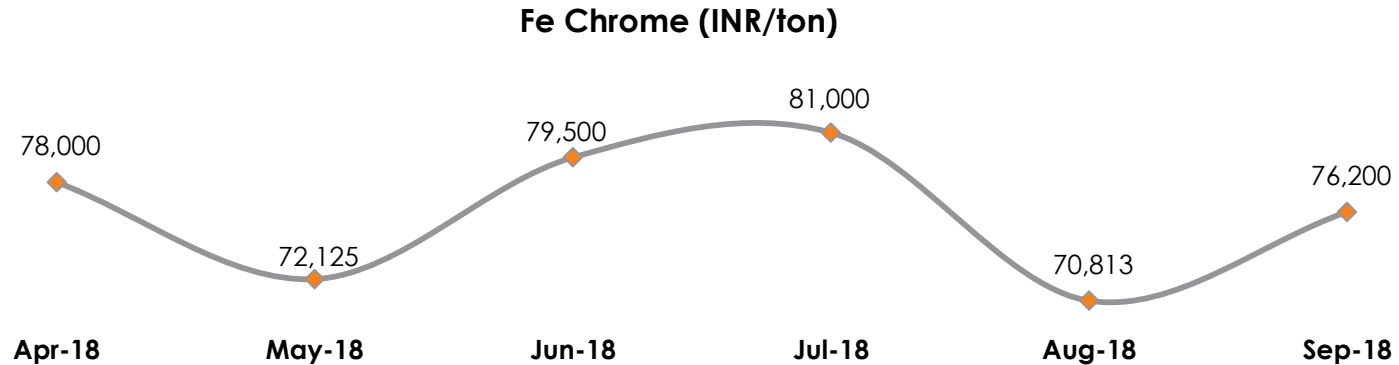
Sales Composition – H1 FY19



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 stood at Rs. 2,229 crore, down 5% Y-o-Y**
 - Production volume stable at 169,514 MT
 - Sales volume declined by 17% to 166,033 MT as the Company shifted focus towards value added products – reporting a healthy 10% growth in the Specialty Products Division
 - Witnessed a 14% increase in average realizations which supported revenue performance during the quarter

- ➔ **EBITDA at Rs. 230 crore, down by 17% Y-o-Y**
 - EBITDA was lower on account of lower sales volume and higher costs
 - Raw material costs rose on account of higher Nickel prices. On Y-o-Y basis, Nickel LME surged by 37%. Graphite electrodes prices also jumped 5X. Higher power and fuel costs also weighed on absolute EBITDA. However, on a per tonne basis the EBITDA performance remained steady

- ➔ **Net profit at Rs. 62 crore, down by 33% Y-o-Y**
 - While lower interest costs assisted performance, the Company reported an exceptional loss of Rs. 6 crore pertaining to forex loss on a MTM basis

H1 FY19 Financial and Operational Discussions

- **Net Revenue stood at Rs. 4,363 crore, down 4% Y-o-Y**
 - Sales volume declined by 8% to 336,455 MT
 - Realizations improved by 4%, which contributed towards revenue performance
- **EBITDA at Rs. 481 crore, down by 9% Y-o-Y**
 - EBITDA declined due to lower sales volume and higher costs of raw materials and consumables
 - EBITDA/ tonne maintained despite lower sales volumes on account of better product portfolio
- **PAT stood at Rs.141 crore, down by 15% Y-oY**
 - Lower outstanding debt due to repayment led to a decline in interest costs by 17%. This assisted performance to a certain extent

Management Comment

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



“Our sustained focus on downstream value addition has enabled us to report a 10% growth in the production output of the Specialty Products Division. This helped offset the impact of fluctuations in raw material prices.

Along with catering to the specialised needs of railways, automobiles and other sectors, we are focusing on expanding the use of stainless steel in long products, and other applications such as roofing and solar power generation equipment. This, along with our consistent operational performance, has helped us register a PAT of Rs. 62 crores in Q2FY19. This is despite the unfavourable macro-economic situation faced by the stainless steel industry in India.”

Abridged P&L Statement

Particular (Rs. crore)	Q2 FY19	Q2 FY18	YoY Change (%)	H1 FY19	H1 FY18	YoY Change (%)
Net Revenue from operations	2,229	2,348	(5%)	4,363	4,566	(4%)
Total Expenditure	2,152	2,240	(4%)	4,188	4,376	(4%)
EBITDA	230	277	(17%)	481	528	(9%)
EBITDA / ton	13,840	13,877	0%	14,308	14,479	(1%)
EBITDA margin (%)	10.3%	11.8%	(150 bps)	11.0%	11.6%	(60 bps)
Other Income	24	28	(14%)	48	56	(14%)
Finance Cost	85	102	(17%)	171	205	(17%)
Depreciation	68	67	2%	135	132	2%
Exceptional gain/loss	(6)	(1)	-	(6)	1	-
PBT	95	135	(30%)	217	248	(12%)
Tax	33	43	(23%)	76	82	(7%)
PAT	62	92	(33%)	141	166	(15%)
PAT margin (%)	2.8%	3.9%	(110 bps)	3.2%	3.6%	(40bps)
EPS (Diluted) in INR	2.6	3.9	(33%)	6.0	7.0	(15%)

Note: Standalone financials

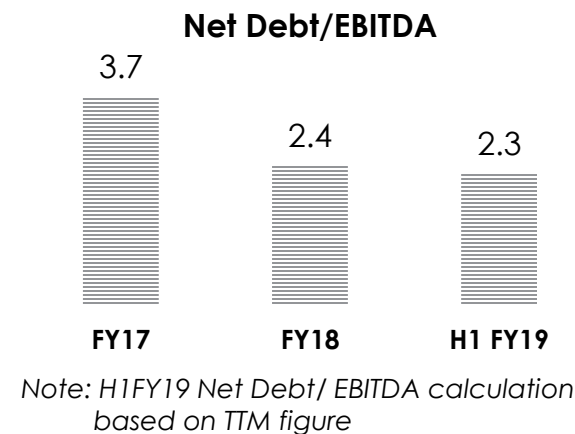
Abridged Balance Sheet

	ASSETS (Rs. crore)	As at 30th Sept. 2018	As at 31st March 2018
	ASSETS		
1)	Non-current assets		
	(a) Property, Plant & Equipment	1,991	2,088
	(b) Capital Work-in-progress	105	63
	(c) Goodwill	10	10
	(d) Other intangible assets	5	3
	(e) Financial assets		
	(i) Investments	417	417
	(ii) Loans	935	935
	(iii) Others (financial assets)	41	26
	(f) Other non-current assets	9	18
2)	Current assets		
	(a) Inventories	1,316	1,470
	(b) Financial Assets		
	(i) Trade receivables	816	863
	(ii) Cash & cash equivalents	30	6
	(iii) Bank balances other than (ii) above	2	1
	(iv) Others (financial assets)	40	36
	c) Other current assets	103	246
	Total Assets	5,820	6,184

	EQUITY AND LIABILITIES (Rs. crore)	As at 30th Sept. 2018	As at 31st March 2018
	EQUITY AND LIABILITIES		
	(a) Equity Share capital	47	47
	(b) Other Equity	1,349	1,209
	LIABILITIES		
1)	Non-current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	2,040	2,206
	(b) Provisions	19	15
	(c) Deferred tax liabilities (net)	75	82
2)	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	314	442
	(ii) Trade Payables	1,243	1,486
	(iii) Other financial liabilities	425	410
	(b) Other current liabilities	243	240
	(c) Provisions	2	2
	(d) Current tax liabilities (net)	61	44
	Total Equity and Liabilities	5,820	6,184

Comfortable Debt Position

Description - Borrowings (Rs. crore)	As on Sept. 2018	As on March 2018	As on March 2017
Long term debt	2,211	2,356	2,548
Short term borrowing (less than 12 months)	314	442	842
Total Debt	2,525	2,799	3,390
Cash & Investments	32	7	8
Net Debt	2,493	2,792	3,382
Long Term Debt Breakup:			
-INR Debt	2,211	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

	H1 FY19	FY18	FY17
EBITDA margin (%)	11.0%	12.3%	13.4%
PAT Margin (%)	3.2%	4.3%	3.2%
Net Debt to Equity	1.8	2.2	3.9
Net Debt to EBITDA	2.3	2.4	3.7
Return on Equity (%)	30.6%	37.4%	28.9%
Return on Capital employed (%)	20.1%	20.8%	19.4%

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*

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

