JINDAL STAINLESS

04th February, 2021

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Security Code No. : JSL

Sub.: Press Release

Dear Sir(s),

We are enclosing herewith copy of Press Release in respect of unaudited financial results of the Company for the quarter and nine months ended 31st December, 2020.

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

Thanking You.

Yours Faithfully,
For **Jindal Stainless Limited**

Navneet Raghuvanshi
Company Secretary

Encl: A/a

Jindal Stainless Limited
Financial Results for the Quarter ended December 31, 2020

Q3FY21 Highlights

Standalone performance:

- **Sales volume registered at 250,562 tonnes, up by 5% YoY**
- **Revenue at INR 3,452 crores, up by 9% YoY**
- **EBITDA at INR 445 crores; EBITDA margin at 12.9%**
- **PAT at INR 152 crores; PAT margin at 4.4%**
- **Total debt stood at INR 2,765 crores**

Consolidated performance:

- **Revenue stood at INR 3,585 crores, up by 9% YoY**
- **EBITDA at INR 473 crores; EBITDA margin at 13.2%**
- **PAT at INR 170 crores; PAT margin at 4.7%**

New Delhi, February 4, 2020: The Board of Directors of Jindal Stainless Limited (JSL) today approved the financial results of the Company for Q3FY21. A V-shaped recovery in stainless steel demand in the domestic markets bolstered JSL's sales volume to 250,562 tonnes in Q3FY21. The Company's profit after tax (PAT) and EBITDA stood at INR 152 crores and INR 445 crores respectively. Continuous and accelerated deleveraging, along with interest rate rationalisation, helped bring down the interest cost by 16% over corresponding period last year (CPLY) to INR 117 crores during Q3FY21.

The Indian economy gained momentum and registered a faster than expected recovery after the peak COVID-19 period in 2020. The third quarter witnessed healthy revival in end-user segments like automotive, pipes & tubes, and industrial fabrication. Backed by R&D efforts to indigenize various grades in the automotive sector, JSL was able to capitalize on the demand growth in the two-wheeler and passenger vehicle segments. Aided by the second wave of its nationwide co-branding initiative *'Jindal Saathi',* the Company registered nearly 40% growth in the ornamental pipe & tube segment during the quarter. Sales in the Hollowware segment grew by ~40% in Q3FY21 as compared to previous quarter. JSL's sales in the railway wagon and metro rail segments also remained strong during the quarter.

The global stainless steel market saw escalation of raw material prices throughout the quarter. Over the six-month period of July-December 2020, Nickel prices jumped by ~40%, while prices of Molybdenum, Copper and Ferrous Scrap grew by nearly 27%, 24%, and 45% respectively. Additionally, the shipping cost for imported raw materials went up by 30-35% in comparison to the pre-COVID period, resulting in higher landed cost of raw-materials. Steadily increasing input costs had a direct bearing on the prices of stainless steel. With imports constituting nearly 27% of domestic stainless steel consumption, and input materials imported from global sources, the domestic prices of finished goods remained inevitably linked with the prevailing international prices.

The domestic-export share of sales volumes during the quarter, on a YoY basis, was as follows:

Geographical Segment	Q3FY21	Q3FY20	% Change
Domestic	85%	79%	13
Export	15%	21%	(27)

Other key developments:

1. JSL was accorded a rating upgrade to 'IND BBB+' by India Ratings and Research (Ind-Ra) for its credit facilities. The agency took note of JSL's faster-than-expected balance sheet deleveraging, supported by better-than-expected capacity utilisation, higher-than-expected improvement in EBITDA/ton, well managed working capital cycle, and only modest capex outflows. It placed JSL on Rating Watch Positive (RWP), which reflects its optimistic expectation on the proposed JSL-JSHL merger.
   CARE Ratings upgraded JSL's rating to 'CARE BBB+' with a stable outlook, based on its bank facilities/debt instrument. The agency pointed to a better-than-expected recovery in the Company's operational performance and has found JSL's consistent debt reduction as one of the major reasons for this rating upgrade.

2. By focusing on deleveraging, JSL achieved a significant net reduction of INR 890 crores in debt during the 9-month period. Company's total debt reduced to INR 2,765 crores as on December 31, 2020, from INR 3,655 crores as on March 31, 2020.

3. The recent announcement of a temporary suspension of Countervailing Duty (CVD) in the Union Budget is expected to have a significant adverse impact on the domestic industry. Suspension of the CVD will open the floodgates for imports of subsidized and cheap stainless steel finished products from China and Indonesia in the Indian market. This will also lead to foreign stainless-steel producers benefitting from the government's enhanced spending on infrastructure, further damaging the interests of domestic players. This move will not only turn many MSME manufacturers into traders, but will also hamper further investments and employment generation.

Financial performance summary:

Figures in INR crore(s)

Particulars	Standalone						Consolidated					
	Q3FY21	Q3FY20	Change	9MFY21	9MFY20	Change	Q3FY21	Q3FY20	Change	9MFY21	9MFY20	Change
Net Revenue	3,452	3,179	9%	7,870	9,416	(16)%	3,585	3,302	9%	8,275	9,857	(16)%
EBITDA	445	302	47%	874	933	(6)%	473	300	58%	882	918	(4)%
PBT	251	91	175%	295	283	4%	274	79	247%	256	238	8%
PAT	152	56	170%	163	175	(7)%	170	52	229%	127	139	(9)%

On a 9-month basis, 9MFY21 PAT stood at INR 127 crores, while EBITDA was INR 882 crores. Sales volume was recorded at 569,726 tonnes and net revenue of the Company was INR 8,275 crores.

Management Comments:

Commenting on the performance of the Company, **Managing Director, JSL, Mr Abhyuday Jindal**, said, ***"Buoyed by increasing demand in auto, P&T and hollowware sectors, the outlook for the domestic stainless steel market remains strong. However, the recent budget announcement for suspension of trade remedial measures will allow free flow of subsidized stainless steel products in the Indian market, which is a big setback for the domestic industry, which is already operating at 60% of its capacity. It is even more hurtful for the MSME sector, which caters to over 35% of the domestic stainless steel market. We are hopeful that the government will review its decision to help Indian manufacturers compete on a level-playing field, and give real impetus to the 'Atmanirbhar Bharat' mission."***

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