



November 11, 2022

BSE Ltd.
P. J. Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code : 500378

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051
Scrip Code : JINDALSAW

Sub. : Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Financial / Operational Highlights on results for the quarter/half year ended 30th September, 2022

Dear Sirs,

The Board of Directors of Jindal Saw Limited has approved the Unaudited (Standalone and Consolidated) Financial Results for the quarter/half year ended 30th September, 2022. A copy of the highlights of financial and operational performance which will be circulated to the investors' community and other stakeholders is being sent to you for your reference and record.

Thanking you,

Yours faithfully,
for JINDAL SAW LTD.,

SUNIL K JAIN
COMPANY SECRETARY
FCS : 3056

Encl. : As above.

New Delhi, 11th November 2022:

Jindal Saw Limited, a leading global manufacturer and supplier of Iron & steel pipe products, pipe-accessories and pellets, with manufacturing facilities in India, USA and Abu Dhabi (United Arab Emirates), today announced its financial results for the quarter ended September 30, 2022.

THE FINANCIAL HIGHLIGHTS (STANDALONE) ARE AS FOLLOWS:

Particulars (Standalone financials)	Q2 FY23	Q2 FY22	H1 FY23	H1 FY22	FY22
	(Rs in Million)	(Rs in Million)	(Rs in Million)	(Rs in Million)	(Rs in Million)
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total Income (#)	33,670	25,706	63,860	50,480	1,12,434
Total Expenditure:					
Total Raw Material Cost (@)	21,151	14,251	39,743	27,163	66,004
Staff Cost	2,026	1,949	3,983	3,826	7,703
Other Expenses (#)	7,487	5,705	14,580	11,575	24,876
EBITDA	3,006	3,801	5,554	7,916	13,851
Financial Costs (#)	1,263	889	2,568	1,859	3,692
Depreciation	934	954	1,810	1,831	3,718
Profit before Tax (PBT with exceptional items)	809	1,958	1,176	4,226	6,441
Exceptional Items	-	-	-	-	70
Profit before Tax (PBT after exceptional items)	809	1,958	1,176	4,226	6,371
Provision for Tax	198	684	284	1,468	2,316
PAT	611	1,274	892	2,758	4,055
RATIOS					
EBITDA to total income	8.93%	14.79%	8.70%	15.68%	12.32%
PBT to total income	2.40%	7.62%	1.84%	8.37%	5.67%
PAT to total income	1.81%	4.96%	1.40%	5.46%	3.61%

Notes:

(#) Total Income, Other Expenses and Finance Costs are net of the impact of foreign exchange fluctuations. The Company follows a policy and strategy of natural hedging with respect to its foreign exchange exposures.

(@) Total Raw Material Cost includes goods traded in for Q2 FY 23 and Q2 FY 22 is nil.

JINDAL SAW: CONSOLIDATED FINANCIALS

Particulars (Consolidated financials)	Q2 FY23 (Rs in Million)	Q2 FY22 (Rs in Million)	H1 FY23 (Rs in Million)	H1 FY22 (Rs in Million)	FY22 (Rs in Million)
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total Income	40,669	30,050	75,773	59,305	1,34,510
EBITDA	3,547	4,102	6,253	8,698	15,546
Financial Costs	1,479	1,115	3,079	2,328	4,601
Depreciation	1,173	1,201	2,270	2,323	4,730
Profit before Tax (PBT with exceptional items)	895	1,786	904	4,047	6,215
Exceptional Items	-251	-	-253	-	-
Profit before Tax (PBT with exceptional items)	644	1,786	651	4,047	6,215
Provision for Tax	434	710	598	1,513	2,456
PAT	210	1,076	53	2,534	3,759
Other Comprehensive Income	230	21	524	127	324
Total Comprehensive Income	440	1,097	578	2,660	4,083

OPERATIONAL & FINANCIAL HIGHLIGHTS (STANDALONE)

During the current quarter ended Sep 2022, the profitability of the Company has improved marginally as compared to the previous quarter ended June 2022, however the inflationary trend in key utilities like coking coal has impacted the profitability for Q2 ended Sep 2022. Further, the extreme volatility in foreign exchange rates (INR to US Dollar) has affected the net profit of the Company for Q2 as well as H1 of the current financial year. The same also includes the reinstatement of assets and liabilities of the Company as at the reporting date.

In last one year, the industry witnessed significant volatility in the prices of key raw materials including coking coal, iron ore and steel, however in the last few months the prices are range bound and that is encouraging customers to commence project implementations. We have experienced good momentum in the business across all pipes segments and end user industries including oil, gas, water and industrials.

The Company has also received few large value orders including a prestigious order aggregating to app. USD 335 million for export of Saw Pipes to GCC region. With this, the order book of the Company, as at 30th Sep 2022, has increased to USD 1.364 billion.

The quantitative Sales break-up for the Q2 of FY2023 is given below:

Products	Q2 FY23 (~) MT	Q2 FY22 (~) MT
Pipes		
- Large Diameter Saw Pipes		
- L Saw	30,400	35,600
- H Saw	66,200	43,500
- Ductile Iron Pipes	1,04,700	1,10,600
- Pig Iron	2,900	4,600
- Seamless & Stainless Tubes	59,600	51,700
Total – Pipes & Pig Iron	2,63,800	2,46,000
Pellets	3,94,000	3,70,000

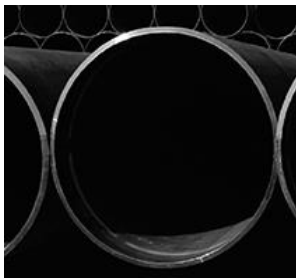
Given below is the update on Strategic Business Units of the Company:

- **During Q2 of FY2023.**
 - **The Company produced:**
 - ~ 2,79,200 MT of pipes and pig Iron
 - ~ 2,64,000 MT of pellets

A DETAILED SEGMENT-WISE REVIEW IS PRESENTED BELOW.

IRON & STEEL PIPE SEGMENT PERFORMANCE – Q2 FY23:

Saw Pipe Strategic Business Unit:



During Q2 FY23, the Company produced ~1.03 lac MT of SAW pipes which was higher as compared to ~0.69 lac MT of SAW Pipes in Q2 FY22. The production was in line with the planned delivery schedules. During Q2, the Company has received some major export orders including a large value export order from GCC region for supply of HSAW Pipes valued at app. USD 335 million. Further, looking to the pent up and new demand, the Company expects to receive additional orders in future from oil & gas and water sectors.

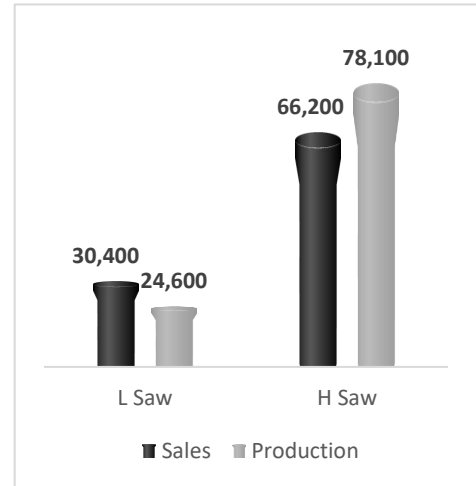
Also, the Govt.’s focus to create strong infrastructure for Oil, Gas and Water sectors is expected to drive the order book of the Company in next few quarters.

- Market leader with total capacity of ~1.50 million metric tons per annum between LSAW and HSAW pipes
- 6 Pipe Mills in India

Customer Segment
Oil & Gas Transportation, Slurry and Water

Focus on growth:

The softening of the raw material prices and increased demand from domestic and export market has helped further build-up in the order book position. The Current order book has increased to ~5.99 lac MT in this quarter compared to ~2.88 lac MT as on 30th Jun, 2022. Order book comprises of mix of orders – ~5.02 lac MT of H Saw and ~0.97 lac MT L Saw.



DI Pipes and Pig iron Strategic Business Unit:

During Q2 of FY23, the Company has produced ~1.18 lac MT DI Pipe and pig iron as compared to ~1.10 lac MT in Q2 of FY22.

Lag impact of high raw material prices was seen on the profitability of this segment in this quarter as well. However, due to stability in the commodity prices including coking coal and iron ore, the Company expects improvement in margins in the coming quarters. The Company has cautiously increased

Focus on growth:

Focus of Govt. on drinking water sector (‘Nal Se Jal’ by 2024) to help maintain growth momentum in DI segment. There is a huge potential and strong business visibility in water sector from the various states Govt’s.

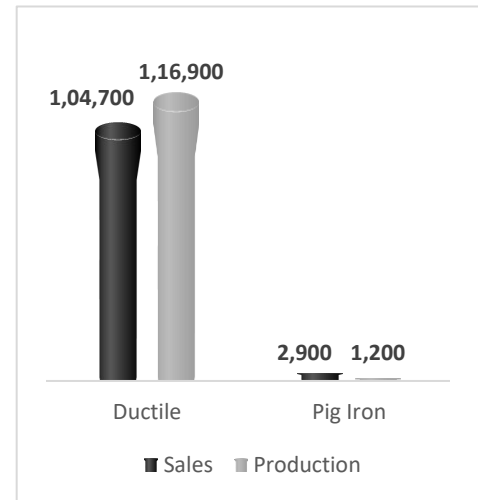
The current order book has increased

the order book in this segment with risk mitigation strategy in place, e.g., through increased selling prices and price variation clauses in new contracts.

- One of the largest producers of Ductile Iron Pipes having plants in India and in Abu Dhabi (UAE). Total capacity (Global) of ~ 0.8 million MTPA making the company the 3rd largest producers of DI Pipes globally
- Largest Ductile Iron Fittings plant with size range of DN 80 mm to DN 2200 mm and annual production capacity of 18,000 MT per annum

Customer Segment
Systems transporting potable water, Industrial water, Irrigation water and Pressure sewage

to ~4.05 lac MT from previous quarter of ~2.15 lac MT.



Seamless Pipes Strategic Business Unit:



During Q2 FY23, the Company produced ~0.58 lac MT pipes as compared to ~0.51 lac MT pipes in Q2 FY22. Sales and production improved mainly on account of higher execution and steady demand from oil & gas and industrial sector. Demand in this segment is led by exports and domestic oil and gas sector.

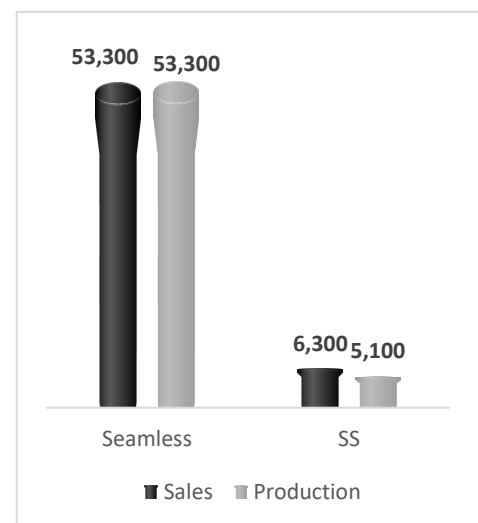
Demand in this segment is led by exports and domestic oil and gas sector.

- One of the leading manufacturers of Seamless Tubes and Pipes with capability to produce carbon & alloy steel pipes and stainless steel (including stainless seamless pipes & Tubes and stainless welded pipes & tubes)
- The Company is focusing on high value-added product range in this segment and with the same vision, the Company has entered in a JV with Hunting Energy Pte. Ltd, Singapore to set up precision machine shop for premium connections
- The JV is expected to start production during FY2023

Focus on growth:

Overall growth in seamless segment is driven by demand from upstream, downstream & power sector, auto & bearing sectors.

The current order book in this segment is ~0.97 lac MT.



Iron Ore Mines and Pellet Strategic Business Unit:



The Company has produced ~2.64 lac MT in Q2 FY23 as compared to ~3.60 lac MT in Q2 FY22. Production was lower in Q2 FY23 on account of scheduled shutdown for almost one month. Corresponding sale of pellets was ~3.94 lac MT in Q2 FY2023, vis. a vis. ~3.70 lac MT in Q2 FY2022.

Pellets sales remained stable with reasonable margins during the current quarter.

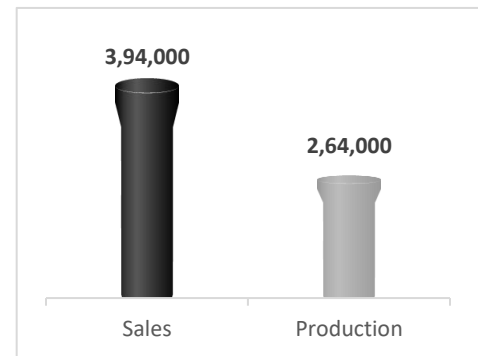
- North India Based Pellet Plant with capacity of 1.5 million metric tons per annum

Customer Segment

Mainly used in Iron making processes like Modern blast furnace process, COREX, sponge iron and DRI making among

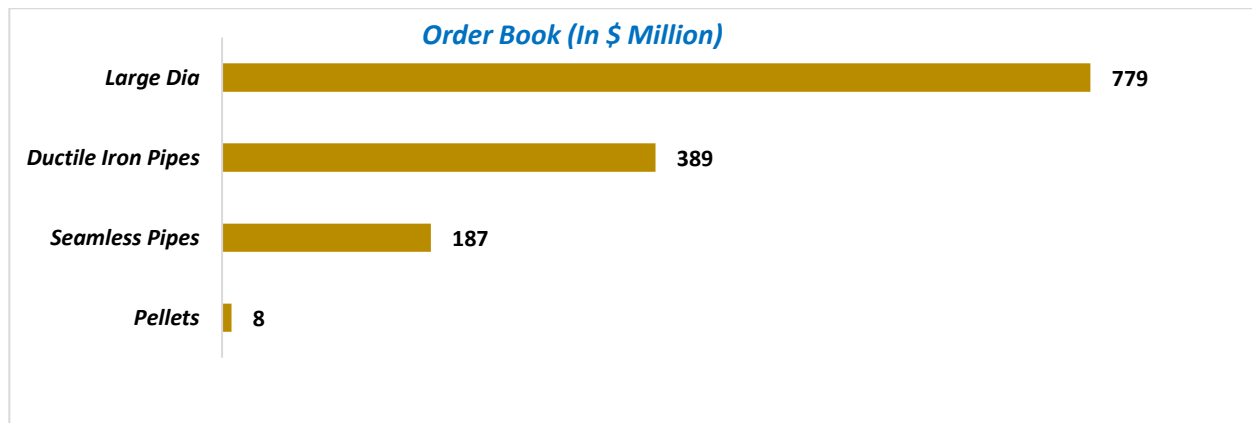
Focus on growth:

The iron ore pellets market is driven by the overall robust demand dynamics for steel. Such steel products are widely used in industries like construction, automotive, transportation, industrial machinery, oil & gas, appliances, and other processing industries. Demand is expected to remain stable in this segment however the profitability will be a function of iron ore prices.



ORDER BOOK POSITION

- The current order book for pipes and pellets is app. US\$ 1.364 Billion (US\$ 733 Million as on Jun 30, 2022), the break-up is as under:



FINANCING AND LIQUIDITY - UPDATE ON DEBT POSITION

As of 30th September 2022, net institutional debt of the Company (at standalone level) was ~Rs. 41,061 million (~Rs 39,647 million on 30th June, 2022) including long term loans and fund based working capital borrowings. This includes Net working capital borrowings (short term) of ~Rs. 29,114 million on 30th September, 2022 (~Rs. 26,538 million on 30th June 2022) and Long-term Rupee Loans / Rupee NCDs of ~Rs. 11,947 million on 30th September, 2022 (~Rs. 13,109 million on 30th June, 2022).

The working capital borrowings are higher on account of higher cost of raw material and booking of raw material for new orders. The Company has sufficient working capital facilities to manage its operations efficiently.

Particulars (Rs. In Millions)	As on Sep. 30, 2022 (Rs. In Million)	As on Jun. 30, 2022 (Rs. In Million)
Standalone Debt	41,061	39,647
- Long Term Debt	11,947	13,109
- Net Short Term/ Working Capital Debt	29,114	26,538
Consolidated Debt	48,369	47,132
- Long Term Debt	16,394	17,768
- Net Short Term/ Working Capital Debt	31,975	29,364

OTHER HIGHLIGHTS:

Jindal SAW & Hunting Energy Services Pte Ltd (Hunting) Joint Venture:

The Company had entered into Joint Venture agreement with Hunting Energy Services Pte. Ltd, Singapore which is a global leader in precision technology for premium connections in Oil Country Tubular Goods (OCTG). A joint venture company (“JV”) has been setup where JSAW holds 51% and the balance 49% is held by Hunting. Both shareholders have infused equity aggregating to Rs. 30 Crore, as per their respective shareholding. The project is being implemented as per schedule and the operations are expected to commence during FY2023.

Credit Ratings:

- I. In September 2022, CARE Ratings has reaffirmed “CARE A1+ (A One Plus)” for Short-term debt facilities including commercial papers and revised the Long-term debt facilities rating from “CARE AA (Outlook “Negative”)” to “CARE AA- (Outlook “Stable”)”.
- II. In September 2022, Brickwork Ratings has reaffirmed “BWR AA with Stable Outlook” for Non-Convertible Debenture of Rs. 5 billion.

Update on UAE operations:

Due to imposition of import duty by Saudi Arabia and also on account of rationalization of the orders in the past, UAE operations have reported softer performance during Q2 FY23. The Company reported sales of ~0.43 lac MT as compared to ~0.30 lac MT during previous quarter ended 30th June 2022. For H1 FY23, it has reported sales of ~0.73 lac MT as against 0.92 lac MT H1 in FY22. The order book as on 30th September, 2022 stands at is ~0.70 lac MT. There is an overall improvement in the business scenario in GCC and MENA region and the company expects to get additional orders in near term. Considering the same the UAE Company expects significant improvement in overall performance in H2 FY2023.

Update on Sathavahana Ispat Limited:

Jindal Saw (JSAW) is one of the Resolution Applicant for Sathavahana Ispat Limited (SIL) which is going through a CIRP under IBC. Company has received LOI from Resolution Professional (“RP”) in Oct 2022 as the highest bidder. The RP has recommended the matter to NCLT for final approval.

SIL has a capacity of ~200,000 MTPA for producing DI Pipes, which is strategically located in South India. It will be used to cater to the South Indian water pipe requirements. Once successful, this will add to JSAW’s DI pipe capacity and significantly improve its market position. The entire process may take a few months for closure, subject to final order of NCLT.

Jindal ITF Ltd. v/s NTPC:

Jindal ITF Ltd. v/s NTPC case proceedings are being heard by Hon’ble High Court of Delhi and the hearings which were scheduled in early September 2022 have been deferred by the Hon’ble Court. The hearings will now take place in 4th week of November 2022.

Outlook

Rising industrial applications coupled with high demand from oil & gas, water and construction industries will likely propel the global growth of the steel pipe market. As per Global News Wire, the global steel pipe market is projected to reach a value of US\$ 1,51,905 Mn by 2032, with the market growing at a steady CAGR of 5.4% from 2022 to 2032. In 2022, this market is expected to reach US\$ 90,122 Mn. The surge in oil & gas production to cater to the demands of the transportation industry will aid the growth of the steel pipe market during the forecast period.

The oil and gas sector is one of the major growth drivers of the market as steel pipes and tubes find their major usage in this industry. Steel pipes are utilized to transport gas and liquid in the oil and gas sector which supplements the growth of the market.

Growing demand for high-speed industrial, commercial and residential construction is also anticipated to boost the growth in the global pipes market. Further, the need for water and wastewater management in industrial and municipal sectors is surging. This is resulting in Governments spending hefty amounts on new pipeline installations as well as operation and maintenance of water and wastewater management.

Significant growth in the infrastructure and water & wastewater management industry and introduction of stringent Government regulations are expected to positively impact the growth of the global pipes market over the coming years. To accomplish this, the Governments are outlaying significant investment to manufacture pipe lines connecting urban and rural areas to provide water supply.

Further, GCC countries are gradually shifting their focus towards developing into services driven economies. This shift in focus is expected to promote commercial infrastructure activities in the region and create opportunities for infrastructure -related investments giving opportunity to increase sale of pipes.

-ENDS-

ABOUT JINDAL SAW LTD.

Jindal Saw (NSE – JINDALSAW, BSE - 500378) has a business model that is well diversified in terms of strategic locations, markets, products, industries and customers. The business model designed to create a hedge against simultaneous risks and adverse macros, which allows it to operate and perform in difficult economic and geopolitical circumstances. The Company's domestic and exports markets are well balanced, and its businesses operate through four strategic business divisions including SAW Pipes, DI Pipes & Fittings, Seamless Pipes & Tubes and Mining & Pellets.

JSAW has geographically diversified operations spread across Kosi Kalan (Uttar Pradesh), Mundra (Gujarat), Nashik (Maharashtra), Indore (Madhya Pradesh) and Bellary, (Karnataka). The Company has further increased its presence in Bhilwara (Rajasthan), where, apart from having low grade iron ore mine, it has also implemented an iron ore beneficiation and a pellet plant.

JSAW has a healthy product portfolio with presence across major segments of the pipe industry viz. LSAW pipes, HSAW pipes, DI pipes, seamless pipes & tubes, anti-corrosion coated pipes, hot-pulled induction bends etc. Company's revenue is well balanced across various products with no single product contributing more than 30% to revenue. Most of the products contribute between 10% to ~30% of total revenue, thus providing diversification to cash flows and mitigation against market volatility related to any single product.

JSAW has strong presence in overseas market and most of the exports take place with Latin American countries and MENA region. ~50% of the Company's revenues come from the water supply and sanitation (WSS) which is growing rapidly in India and globally. The Company's exposure to Oil & Gas sector accounts for only one third of the total revenue. Due to its diversified portfolio, the Company has been able to protect itself from the volatility in the Oil & Gas sector. JSAW has Government as well as private sector clients in sectors and have strong domestic and international presence across various segments of pipes.

For more information, please visit <http://www.jindalsaw.com> OR contact:

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Forward Looking Statements

This document contains statements that constitute "forward looking statements" including, without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to our future business developments and economic performance. While these forward-looking statements represent our judgment and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental, and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that we have indicated could adversely affect our business and financial performance. Jindal Saw undertakes no obligation to publicly revise any forward-looking statements to reflect future events or circumstances.