



August 11, 2023

BSE Limited
Corporate Relation Department
1st Floor, New Trading Ring
Rotunga Building Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001
Stock code: 500378

National Stock Exchange of India Limited,
Listing Department,
Exchange Plaza,
Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051
Stock code: JINDALSAW

Sub. : Financial / Operational Highlights – 1st Quarterly Results – Regulation 30 SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

The Board of Directors of Jindal Saw Limited has approved the Unaudited (Standalone and Consolidated) Financial Results for the 1st quarter ended 30th June, 2023. 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.

Please take this on record.

Thanking you,

Yours faithfully,
for JINDAL SAW LTD.,

SUNIL K. JAIN
COMPANY SECRETARY
FCS : 3056

Encl. : As above

New Delhi, 11th August 2023:

Jindal Saw Limited, a leading global manufacturer and supplier of Iron & steel pipe, pipe- accessories and pellets, with manufacturing facilities in India, Abu Dhabi (United Arab Emirates) and USA, today announced its financial results for the Q1 FY24.

THE FINANCIAL HIGHLIGHTS (STANDALONE) ARE AS FOLLOWS:

Particulars (Standalone financials)	Q1 FY24 (Rs in Million)	Q1 FY23 (Rs in Million)	Change ~(%)	FY23 (Rs in Million)
	Unaudited	Unaudited	Y-o-Y	Audited
Total Income (#)	38,312	30,190	26.9% ↑	1,57,031*
Total Expenditure:				
Total Raw Material Cost (@)	21,528	18,592		98,213
Staff Cost	2,710	1,957		8,771
Other Expenses (#)	7,926	7,093		31,774
EBITDA	6,148	2,548	141.3% ↑	18,273
Financial Costs (#)	1,323	1,305		5,291
Depreciation	1,083	876		3,737
Profit before Tax (PBT with exceptional items)	3,742	367		9,245
Exceptional Items	-	-		-
Profit before Tax (PBT after exceptional items)	3,742	367		9,245
Provision for Tax	974	86		2,152
PAT	2,768	281	885.4% ↑	7,093
RATIOS				
EBITDA to total income	16.05%	8.44%		11.64%
PBT to total income	9.77%	1.22%		5.89%
PAT to total income	7.22%	0.93%		4.52%

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 of foreign exchange exposures.

(@) Total Raw Material Cost includes goods traded in for Q1 FY 24 of Rs 182.6 Mio and Nil for Q1 FY 23.

(*) The Company had previously invested Rs. 2,010 Mio in redeemable preference shares of Jindal ITF Limited (its subsidiary). On due date, the terms of the preference shares have been modified resulting into recognition of Rs 1,978 Mio as other income for FY 2023.

JINDAL SAW: CONSOLIDATED FINANCIALS

Particulars (Consolidated financials)	Q1 FY24 (Rs in Million)	Q1 FY23 (Rs in Million)	Change ~(%)	FY23 (Rs in Million)
	Unaudited	Unaudited	Y-o-Y	Audited
Total Income	44,480	35,105	26.7% ↑	1,80,464
EBITDA	6,459	2,706	138.6% ↑	18,439
Financial Costs	1,595	1,600		6,376
Depreciation	1,332	1,097		4,708
Profit before Tax (PBT)	3,532	9		7,355
Exceptional Items	1	(2)		(255)
Profit before Tax (PBT) after Exceptional items	3,533	7		7,100
Provision for Tax	1,098	164		2,672
PAT	2,435	(157)	-	4,428

OPERATIONAL & FINANCIAL HIGHLIGHTS

In Q1 FY24, the Company has witnessed growth in volumes as well as favorable business mix resulting into improved turnover and margins on YoY basis. Raw material prices have stabilized, and execution levels have improved. Consistent order book position over and above US\$ 1.4 billion, indicating improved conversion rate of enquiries into confirmed orders.

The Company's product mix comprising Iron & Steel Pipes & Pellets, provides natural diversification to cash flows and hedges against such volatile market circumstances, balancing out downsides to any single product.

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

The quantitative Production & Sales break-up for the Q1 FY24 is given below:

Products	Production		Sales		
	Q1-FY24	Q1-FY23	Q1-FY24	Q1-FY23	% change Y-o-Y
	(~) MT	(~) MT	(~) MT	(~) MT	
Iron & Steel Pipes	391,000	2,32,000	3,69,000	2,33,000	58.4%
Pellets	370,000	4,26,000	3,93,000	2,95,000	33.2%

ORDER BOOK POSITION

- The current order book for Iron & Steel pipes and pellets is ~US\$ 1.40 billion, the break-up is as under:
 - *Iron & Steel Pipes: US\$ 1,391 million*
 - *Pellet: US\$ 7 million*

The order book includes ~34% orders from global markets, which reflects improvement in market conditions across the globe primarily in Gulf region where infrastructure spendings for smart cities is in focus. We expect the business conditions to remain supportive in the near term. These shall be executed over a period of 12-18 months. The order book includes orders of JSAW's South division also (erstwhile Sathavahana Ispat Ltd.).

The above order book does not include the order book of Jindal Saw UAE Subsidiary.

FINANCING AND LIQUIDITY - UPDATE ON DEBT POSITION

As of 30th June 2023, net institutional debt of the Company (at standalone level) was ~Rs. 43,963 million (~Rs. 30,590 million on 31st March 2023) including long term loans and fund based working capital borrowings. This includes Net working capital borrowings (short term) of ~Rs. 23,988 million on 30th June 2023 (~Rs. 20,246 million on 31st March 2023) and Long-term Rupee Loans / Rupee NCDs of ~Rs. 19,975 million on 30th June 2023 (~Rs. 10,344 million on 31st March 2023).

The long-term Debt has increased due to loan taken for acquisition of Sathavahana Ispat Ltd. The working capital borrowings have increased due to increase in order book and the execution cycle of the orders.

Company has sufficient liquidity and bank financing to execute the orders in hand.

Particulars (Rs. in Million)	As on June 30, 2023	As on March 31, 2023
Standalone Debt	43,963	30,590
- Long Term Debt	19,975	10,344
- Net Short Term/ Working Capital Debt	23,988	20,246
Consolidated Debt	52,099	37,835
- Long Term Debt	24,207	15,095
- Net Short Term/ Working Capital Debt	27,892	22,740

OTHER HIGHLIGHTS:

Jindal Hunting Energy Services Limited (Joint Venture):

To establish India's first "state-of-the-art" premium Oil Country Tubular Goods (OCTG) threading facility, Jindal SAW entered into a Joint Venture with Hunting Energy Services Pte Limited Singapore (where JSAW holds 51% shareholding and balance 49% is held by Hunting). With the help of this JV, Hunting will offer its patented premium connection technology, which will be used to thread premium connections on seamless casing and tubing primarily used for deep drilling operations in the oil and gas industry. It will also become the first company to have such a manufacturing facility in India which shall offer premium connections for OCTG from India to different regions of the world. It would also serve as a substitute for imports thereby enabling India to become self-reliant in this market. The JV is in line with the goal of the nation to become 'AatmaNirbhar Bharat'.

The trial runs have commenced, and commercial production is slated to commence in Q3FY24.

UAE operations:

Jindal Saw' UAE subsidiary in Abu Dhabi (UAE) has witnessed some softness in operations and profitability in FY23, however Q1-FY24 has shown improvement in the overall market demand. The Company sold ~ 43,000 MT of Ductile Iron pipes in Q1-FY24 (~ 40,000 MT in Q4-FY23 and ~1,50,000 MT in FY 2023) and has an order book of ~ 150,000 MT. The business is expected to benefit further with stabilization in raw material prices and the geopolitical situation.

Merger of Sathavahana Ispat Limited:

Sathavahana Ispat Limited (SIL) was acquired by JSAW through NCLT process. The conditions precedents as per the Resolution Plan were achieved on April 26, 2023, thereby Sathavahana Ispat Limited stands merged with the Company on the said date. The manufacturing facilities are operational as on date.

Jindal ITF Ltd. v/s NTPC:

Jindal ITF Limited (JITF), a 51 per cent subsidiary of Jindal SAW Limited, is in the business of trans-shipment and waterborne transportation. In the matter of the dispute on contractual terms with NTPC Limited, on 27th January 2019, the final arbitration award was pronounced by the Hon'ble Arbitral Tribunal in favour of JITF, allowing various claims to the tune of Rs. 1,891 crores plus interest and applicable taxes. At present, NTPC and Jindal ITF have filed petitions which are being heard by the Hon'ble High Court of Delhi. The case proceedings are being heard by Hon'ble High Court of Delhi and the hearings have been deferred on a number of occasions. The next hearing is scheduled for the end of August 2023.

Update on Merger of Subsidiaries and Affiliates:

JSAW has filed the Scheme of amalgamation of Jindal Quality Tubular Limited ("JQTL"), Jindal Tubular (India) Limited ("JTIL") and Jindal Fittings Limited ("JFL") with NCLT, Allahabad bench for their approval. Shareholders and creditors of Jindal Saw Limited and all the merging entities have already approved the Scheme. The same is subject to the approval of Hon'ble NCLT Allahabad Bench. Next hearing is scheduled for 6th September 2023.

Credit Ratings:

- I. 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")" in September 2022.
- II. Brickwork Ratings has reaffirmed "BWR AA with Stable Outlook" for Non-Convertible Debentures of Rs. 5 billion in September 2022.

OUTLOOK:

The outlook for the piping industry is healthy given the broad range of supporting trends across segments domestically and in international space. As one of the only large economies projected to grow strongly and consistently, India is taking in large investment in infrastructure creation across sectors. The investment cycle in oil & gas globally is moderate and requirement is being channelled into maintenance rather than incremental capacities, barring some opportunities of growth. Middle Eastern countries are seeking to transform their economics through investments that raise the standard of living for citizens. The growth in demand for domestic pipe industry is robust and is expected to benefit from these trends:

- With visionary planning and rigorous monitoring, India's Jal Jeevan Mission has provided tap water connections to 90.4 mm rural households till June 2023. With continuing strong budgetary support of Rs. 697 bn in FY24, the space is likely to drive demand robustly.
- Given the intention to enhance the contribution of natural gas in the energy mix of India to 15% by year 2030 from 6% at present, the investments in the space are being stepped up. Expansion of the national gas grid pipeline and extension of the City Gas Distribution networks will play a key role here. A large private conglomerate alone is expected to invest Rs. 18-20k over next 8-10 year to strengthen its infrastructure to retail CNG to automotive and PNG to households and industries.
- GOI's capex spend together with State budgets is estimated at Rs. 17 tn in FY24. There is clear capex recovery in the industrials space with steel and cement leading charge. Major steel companies are said to have planned spends of Rs. 1.5 tn in the coming 2-3 years. Separately, the upcoming elections at State and National level have warranted a push on completing pending projects. Estimates suggest that combined expenditure on infrastructure shall grow at CAGR of ~10% over FY22-26.

Given that the post-pandemic demand thrust and the rush to shore up energy security given adverse geopolitics, have both abated, the requirement to maintain investments in creating new supplies is lower. Oil producing groups are also under immense scrutiny to demonstrate their transition to a more balanced energy future. The demand for piping products in the long term therefore is also expected to transition accordingly from incremental supplies of large dia. pipes to industry/ infra creation end use. Saltwater from oil wells and water used in fracking process is said to be 3x larger than crude output by 2023.

-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 is 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 profile includes manufacturing of iron & steel pipes and pellets.

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

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. Company's exposure to Oil & Gas sector accounts for

only one third of the total revenue. JSAW has government as well as private sector clients in sectors and have strong domestic and international presence across brands.

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

Rajeev Goyal / Vinay Gupta

Jindal Saw Limited

Tel: +91 11 41462330 / +91 11 41462200

Email: Rajeev.goyal@jindalsaw.com

Vinay.gupta@jindalsaw.com

Siddharth Rangnekar / Nishid Solanki

CDR India

Tel: +91 22 6645 1209 / 1221

Email: siddharth@cdr-india.com

nishid@cdr-india.com

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.