

October 29, 2021

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 – 2nd Quarter/half year Results

Dear Sirs,

The Board of Directors of Jindal Saw Limited has approved the Unaudited Standalone and Consolidated Financial Results for the 2nd quarter/half year ended 30th September, 2021. 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, 29th October 2021:

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 UAE (MENA), today announced its financial results for the second quarter ended September 30, 2021.

THE FINANCIAL HIGHLIGHTS (STANDALONE) ARE AS FOLLOWS:

Particulars (Standalone financials)	Q2 FY22 (Rs in Million)	Q2 FY21 (Rs in Million)	HY 22 (Rs in Million)	HY 21 (Rs in Million)	FY21 (Rs in Million)
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total Income (#)	25,706	20,217	50,480	34,346	89,110
Total Expenditure:					
Total Raw Material Cost (@)	14,241	10,789	27,143	18,558	51,096
Staff Cost	1,949	1,717	3,826	3,363	6,854
Other Expenses (#)	5,715	4,760	11,595	7,367	18,590
EBITDA	3,801	2,951	7,916	5,058	12,570
Financial Costs (#)	889	1,003	1,859	2,137	4,043
Depreciation	954	827	1,831	1,648	3,460
Profit before Tax (PBT)	1,958	1,121	4,226	1,273	5,067
Provision for Tax	684	377	1,468	428	1,777
PAT	1,274	744	2,758	845	3,290
RATIOS					
EBITDA to total income	14.79%	14.60%	15.68%	14.73%	14.11%
PBT to total income	7.62%	5.54%	8.37%	3.71%	5.69%
PAT to total income	4.96%	3.68%	5.46%	2.46%	3.69%

Notes:

(#) Total Income, Other Expenses and Finance Costs includes 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 Q2 FY22 is Rs 45 Mio. and Rs. 81 Mio for Q2 FY21.

Jindal Saw Consolidated Financials

Particulars	Q2 FY22 (Rs in Million)	Q2 FY21 (Rs in Million)	FY21 (Rs in Million)
	Unaudited	Unaudited	Audited
Total Income	30,056	24,468	1,08,732
EBITDA	4,109	3,488	14,509
Financial Costs	1,115	1,211	4,928
Depreciation	1,201	1,135	4,589
Profit before Tax (PBT)	1,793	1,142	4,992
Provision for Tax	710	347	1,715
PAT	1,083	795	3,277

OPERATIONAL & FINANCIAL HIGHLIGHTS

The quantitative Sales break up for the second quarter ended 30th September 2021 are given here:

	Q2 FY22 (~) MT	Q2 FY21 (~) MT
Pipes		
- Large Diameter Saw Pipes		
- L Saw	35,600	30,000
- H Saw	43,500	84,000
- Ductile Iron Pipes	1,10,600	95,500
- Pig Iron	4,600	5,300
- Seamless & Stainless Tubes	51,700	34,000
Total – Pipes & Pig Iron	2,46,000	2,48,800
Pellets	3,70,000	3,72,000

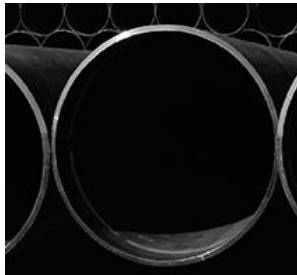
OPERATIONAL PERFORMANCE: OVERALL PRODUCTIVITY

- **During the second quarter ended 30th September 2021:**
 - **The Company produced:**
 - ~ 2,32,000 MT of pipes & pig iron
 - ~ 3,60,000 MT pellets
 - **Due to continuing sharp volatility in raw material prices, Company is cautious in booking new orders.**
 - **New orders to the tune of ~Rs. 21000 million have been received primarily from the water and industrial sector.**

A detailed segment-wise review is presented below.

IRON & STEEL PIPE SEGMENT PERFORMANCE – Q2 FY22:

Saw Pipe Strategic Business Unit:



In Q2 FY2022, the Company produced ~0.69 lac MT SAW pipes based on the delivery schedule of the current orders as compared to ~1.19 Lac MT of SAW Pipes in Q2 FY2021.

Firmness in input prices on account of one-sided movement impacted business, profitability, and impeded booking of additional orders in the second quarter of FY2022. Moving forward, Company expects that the prices may remain in a band and the overall business scenario may improve.

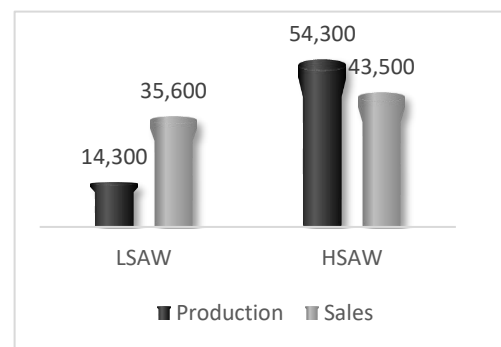
Firmness in international oil prices continues to support SAW pipe business outlook. In domestic market, the outlined plans to augment infrastructure is expected to support requirement across oil, gas and water segments which is expected to support the demand of SAW pipes also.

- 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:

Raw materials along with other key input prices have emerged as chief determinants influencing the business, profitability and the industry growth. Current order book stood at ~2.14 lac MT. This comprised ~1.39 lac MT of H Saw and ~0.75 lac MT of LSAW pipes. Majority of H Saw orders cater to domestic water sector demand.



DI Pipes and Pig iron Strategic Business Unit:



In 2nd quarter of FY2022, the Company produced ~1.10 lac MT DI Pipe as compared to ~1.13 lac MT in Q2 of FY2021. The trend in production has shown stability in second quarter. However increased raw material prices of Iron

Ore and Coking Coal may impact the overall business and profitability in coming quarters.

Focus on growth:

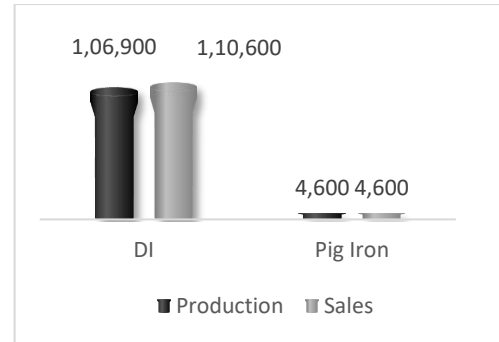
Business visibility in water segment remained vibrant. The Company, however, remained cautious in booking new orders due to high volatility and one-sided movement in the raw material prices. Present order book stood at ~4.51 lac MT of DI pipes, giving visibility for next 12 months.

Company expects to book incremental new orders in the water segment in coming quarters. Sharper focus from Government on clean water mission for every household by 2024 will drive future demand in this segment

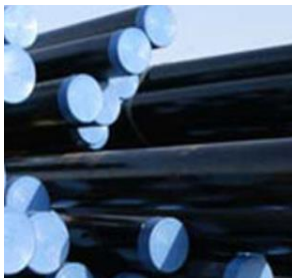
- One of the largest Ductile Iron Pipe producers in India with presence in UAE and Europe. Total capacity (Global) of ~ 0.8 million metric tons per annum
- Integrated Greenfield plant with largest capacity of DI pipes manufactured at a single location
- Largest Ductile Iron Fittings plant with size range of DN 80 mm to DN 2200 mm and annual production capacity of 180,00 MT per annum

Customer Segment

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



Seamless Pipes Strategic Business Unit:



With the firmness in oil & gas prices, increase in the rig counts and upward sentiments in auto and industrial sector, the demand in seamless pipes has increased. The Company produced ~51,400 MT pipes in Q2 FY2022 which is higher by ~66% as compared to ~31,000 MT pipes in Q2 FY2021.

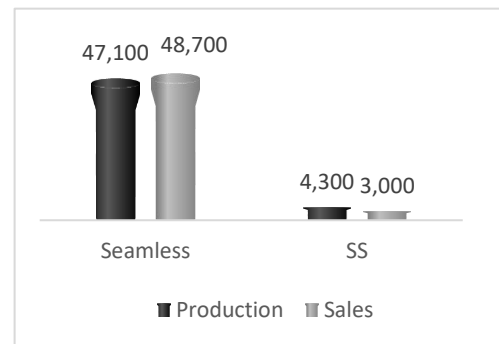
- One of the leading manufacturers of Seamless Tubes and Pipes with installed capacity of ~3.5 Lakh MT per annum of carbon & alloy steel pipes and stainless steel
- Plant equipped with modern manufacturing machinery and boasts a state-of-the-art PQF Mill from

Customer Segment

Petroleum, Exploration, General Engineering, Power and Automotive

Focus on growth:

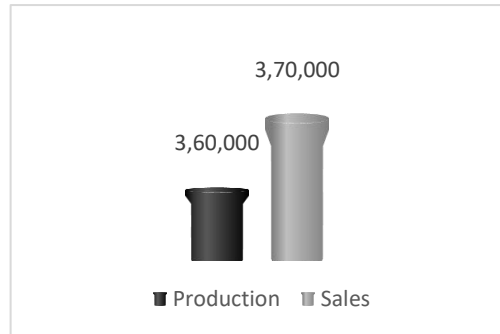
Buoyed by rising trend in oil prices globally and focus on transportation of oil and gas, as a part of infrastructure creation by Central Govt; PSUs and private oil companies are looking for investments in Gas Grid and Oil pipeline infrastructure. These factors are expected to drive market growth in the coming quarters. The present order book stands at ~65,400 MT. This is expected to enhance in the coming quarters.



Iron Ore Mines and Pellet Strategic Business Unit:



Company has produced ~3,60,000 MT in Q2 FY22 as compared to ~3,37,000 MT in Q2 FY21. During Q2 FY22, sale of pellets stood at ~ 3,70,000 MT, as compared to ~ 3,72,000 MT in Q2 of FY 21. The order book stood ~1.72 lac MT.



Supported by higher pricing for iron ore and metals, the Company has continued to benefit in the pellets segment. The profitability in this segment will be driven by the prices of Iron Ore as well as the general demand of the product in domestic and global markets.

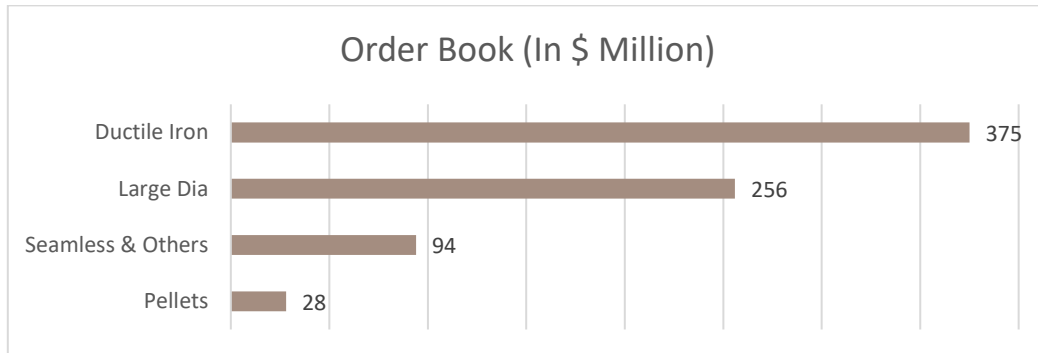
- North India Based Pellet Plant with capacity of 1.5 million metric tons per annum

Customer Segment

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

ORDER BOOK POSITION

- The current order book for pipes and pellets is app. US\$ 753 million, the break-up is as under:



Company booked fresh orders of USD~280 million which are primarily related to water segment.

- With volume of ~0.90 million MT (Pipes & Pellets), the order book gives comfort for the coming quarters of FY22. Orders for Large Diameter Pipes will see execution in next 6 months and whereas those for Ductile Iron Pipes, over the forthcoming 12-15 months. Current order book includes export of ~14%.
- The Company continues to benefit from enhanced exposure to private sector players/ EPC contractors in the industry. The end-user industry spread comfortably covers variety of industries across key domestic and export markets. Thus, as the business scales up, the volatility inherent to the piping sector will stand substantially reduced.

FINANCING AND LIQUIDITY - UPDATE ON DEBT POSITION

As of 30th September 2021, net institutional debt of the Company (at standalone level) was app. Rs. 32,435 million (~Rs. 28,103 million as of 30th June 2021) including long term loans and fund based working capital. This includes Net working capital borrowings (short term) of Rs. 17,220 million as of 30th September 2021 (~Rs. 11,990 million as of 30th June 2021) and Long-term Rupee Loans / Rupee NCDs of Rs. 15,215 million as of 30th September 2021 (~Rs. 16,113 million as of 30th June 2021). Company maintains sufficient working capital and liquidity to manage its scale of operations efficiently.

	As on Sept. 30, 2021	As on June 30, 2021
Standalone Debt	32,435	28,103
- Long Term Debt	15,215	16,113
- Net Short Term/ Working Capital Debt	17,220	11,990
Consolidated Debt	41,049	36,870
- Long Term Debt	19,693	21,004
- Net Short Term/ Working Capital Debt	21,356	15,866

OTHER HIGHLIGHTS:

(A) Credit Ratings:

i) In September 2021, CARE Ratings has reaffirmed CARE A1+ (A OnePlus) for short term debt facilities including commercial papers and CARE AA (Outlook-Negative) for long term debt facilities and Non-Convertible Debentures.

ii) Brickwork Ratings has reaffirmed BWR AA(Stable) for NCDs of Rs. 500 Cr. in September, 2021.

(B) **UAE operations:** In Abu Dhabi (UAE), the company sold app. 92,700 MT of DI pipes in H1 of FY22 as against ~ 72,600 MT in H1 of FY 21. The operations are expected to increase in H2. The current order book is ~ 1,10,000 MT. One sided upward movement and significant volatility in raw material prices is likely to impact the business of Jindal Saw Abu Dhabi also. Company is exploring all possible options and have also initiated certain measures to protect the margins.

(C) Jindal ITF Ltd. v/s NTPC case proceedings is being heard by Hon'ble High Court of Delhi. Due to second wave of Covid-19 situation and virtual hearings in the Delhi High Court, the regular hearing of the matter has yet not started. The Hon'ble High court is likely to hear the matter in November 2021 end.

OUTLOOK:

The iron and steel pipe industry are one of the key sectors in the infrastructure development of India. The major growth drivers for the industry include demand emanating from domestic water infrastructure, oil exploration and transportation, construction, irrigation, infrastructure, and expansion of gas pipelines such as national gas grid and city gas distribution.

The world has faced an unprecedented blow by the pandemic and the human toll is continuing to grow as the infections continue to spiral across the globe. Due to the first wave of pandemic during 2020, the global steel pipes industry recorded a slump of 10.60% implying destruction of 7.3 million metric tons in consumption. (*Source- CARE Ratings*)

Steel consumption and demand for steel tubes and pipes are expected to improve in FY22 with higher levels of economic activities amid optimism that the vaccination program would facilitate normalization and stimulate economic recovery. There is a diverse requirement for steel pipes and tubes across several industries including, but not limited to, oil and gas, petrochemicals, power and energy, construction, water supply, and sanitation, etc. The government's focus to improve infrastructure is expected boost the demand of the pipe products also. India is expected to become a preferred location for global manufacturing in the medium and long term led by initiatives such as Make in India, vocal for local, performance-linked incentives schemes and China plus one strategy being adopted by consumption-driven economies across the globe.

Last few quarters have seen significant movement in the prices of iron ore, coking coal and other inputs. The shipment costs have also increased significantly. The unprecedented one-sided movement has impacted the business and profitability of the company as well. However, the Company has an operating model designed to counter volatility and inclement sector dynamics through spread of business across location, markets, products, and industry usage. This inherently hedges various risks and allows us to perform in most difficult economic and geopolitical scenarios. The Company's business operations are highly structured offering very-focused and specialised solutions across SAW Pipes, DI Pipes & Fittings, Seamless and Stainless-Steel Pipes and Tubes and Mining & Pellets. This strategic approach has protected the business, profitability, and the credit rating of the Company even in the most testing period.

ENDS-

ABOUT JINDAL SAW LTD.

Jindal Saw (NSE – JINDALSAW, BSE - 500378) benefits from strong lineage and credentials in the metal piping space. With multi-locational facilities India, USA and UAE (MENA) it is established as an eminent partner to global industry for Iron & Steel piping solutions. The business counts the foremost international companies in Oil & Gas, Water resources and Engineering as clients with experience in oil and gas gathering, transportation, power generation and other industrial applications. Achievements on quality, customer responsiveness and continuous product innovation distinguish its offerings.

The business is organized along focused SBUs mapped to distinct requirements, covering dedicated operations for SAW Pipes, DI Pipes & Fittings, Seamless and Stainless-Steel Pipes and Tubes and Mining & Pellets. The Company's strategic approach is underlined by risk diversification and value-addition opportunities in business. A disciplined and process-driven approach aligned to industry best-practices has given the model added flexibility to respond and adapt to continuous changes in sector dynamics. The Company also enjoys distinction as one of India's largest exporters of Steel piping.

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.