

JSHL/BM-2/2022-23
July 27, 2022

BSE Limited

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Subject: Press Release

Dear Sirs,

We are enclosing herewith copy of Press Release being issued by the Company today.

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

Thanking you,

Yours Faithfully,
For **Jindal Stainless (Hisar) Limited**


Bhartendu Harit
Company Secretary



Encl. As above

Jindal Stainless (Hisar) Limited

Financial Results for the Quarter ended June 30, 2022

Q1FY23 Highlights

Consolidated performance:

- Revenue stood at INR 3,454 crore, up by 24% YoY
- EBITDA at INR 337 crore; down by 18% YoY
- PAT at INR 308 crore; down by 14% YoY

Standalone performance

- Revenue at INR 3,071 crore, up by 22% YoY
- EBITDA at INR 316 crore, down by 17% YoY
- PAT at INR 195 crore, down by 19% YoY
- Sales volume registered at 132,172 metric tonnes
- Net lenders debt stood at INR 1,373 crore
- Debt-to-equity ratio reduced to ~0.4

Gurugram, July 27, 2022: Jindal Stainless (Hisar) Limited's (JSHL) Board of Directors took on record the Q1FY23 financial results today. Company's standalone revenue, EBITDA and PAT stood at INR 3,071 crore, INR 316 crore, and INR 195 crore respectively during Q1FY23. On a consolidated basis, JSHL's Q1FY23 revenue, EBITDA and PAT were recorded at INR 3,454 crore, INR 337 crore, and INR 308 crore respectively. Net external debt stood at INR 1,373 crore as on June 30, 2022, with debt-to-equity ratio reduced to ~0.4.

Jindal Stainless Steelway Limited (JSSL), the service centre arm of JSHL, recorded a net revenue of INR 534 crores and EBITDA of INR 20 crore during Q1FY23. JSHL's lifestyle subsidiary, JSL Lifestyle Limited's net revenue, EBITDA and PAT were recorded at INR 125 crore, INR 6 crore, and INR 2 crore respectively.

The Company continued to serve the domestic and international markets by focusing on widening its value-added stainless steel product portfolio. JSHL catered to a robust stainless steel demand from key domestic sectors like automobiles, metro, railway coaches, and railway wagons. As part of new product development, JSHL's in-house R&D wing evolved improved stainless steel grades and finishes for the lift and elevator and automobile segments. Additionally, the Company further enhanced its digitization initiatives in Q1FY23 like Product & MTC authentication for existing and end customers, online order booking, and online payment portals.

A continuous free-flow of unwarranted stainless steel from China and Indonesia resulted in the share of imports rising to nearly 50% in Q1FY23. Moreover, the Indian government's decision to impose a 15% duty on steel and stainless steel exports in Q1FY23 impacted the Company's export sales. However, JSHL's high-end Specialty Products Division (SPD) maintained its focus on exports during Q1FY23 and registered a 37% sales growth on YoY

basis. In On the global front, raw material price were erratic owing to the ongoing Ukraine-Russia conflict. After initial buoyancy, the prices went down on account of loosening of worldwide speculations intimidating investors, increased control on supply chains by governments across the world to fight inflation, decelerating Chinese economy due to renewed COVID lockdowns, and softening of logistical imbalances.

Domestic-export share of sales volumes during Q1FY23 was as follows:

Geographical Segment	Q1FY23	Q4FY22	Q1FY22
Domestic	83%	82%	87%
Export	17%	18%	13%

Other key developments:

1. **Renewable Energy and ESG update:** JSHL is set to install a Green Hydrogen Plant on Build-Own-Operate (BOO) basis for its manufacturing processes. Through this venture, the Company will be able to conserve power and reduce its carbon emissions considerably. Additionally, the Company has successfully installed automated lime handling system, energy efficient motors (IE3), and has commissioned oxy-fuel burners at its manufacturing facility. Further, the Company aims to install rooftop solar power generation and waste management systems in Q2FY23.
2. **Merger update:** Post approval of the shareholders and creditors of JSHL and JSL on April 23, 2022, both the companies had filed the second motion petition with Hon'ble NCLT. NCLT, while hearing the second motion application on July 13, 2022, has directed to issue notice(s) to the sectoral regulator(s). The next date of hearing is 18th October, 2022. The Company expects the process to be completed in due time in the next 4-5 months.
3. **Projects update:** All brownfield expansion projects announced in Q1FY22 are on track.

Financial Performance Summary (Figures in INR crore):

Particulars	Consolidated		
	Q1FY23	Q1FY22	Change
SS Sales Volume (MT)	132,172	151,121	(13)%
Total Revenue (net)	3,454	2,776	24%
EBITDA	337	412	(18)%
PAT	308	359	(14)%
Particulars	Standalone		
	Q1FY23	Q1FY22	Change

SS Sales Volume (MT)	132,172	151,121	(13)%
Total Revenue (net)	3,071	2,512	22%
EBITDA	316	382	(17)%
PAT	195	240	(19)%

Management Comments:

Commenting on the performance of the Company, **Managing Director, JSHL, Mr Abhyuday Jindal** said, *“Q1FY23 posed various unforeseen macro-economic challenges that impacted the overall sales volumes for the Indian stainless steel industry. The imposition of a 15% export duty by the Indian government further aggravated the domestic market which is marred by unwarranted imports. Despite the challenges, JSHL catered to the demand from key sectors in the country. Simultaneously, JSHL is developing new stainless steel specialty grades and finishes to serve a wide array of critical applications. Going forward, we will implement various green energy projects including the installation of a Green Hydrogen plant at our manufacturing facility.”*

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