



JINDAL SAW ANNOUNCES Q4 & FY21 RESULTS

Delivers sustained performance. Shares healthy outlook, well-balanced across segments

New Delhi, 27th May, 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 quarter and full year ended March 31, 2021.

THE FINANCIAL HIGHLIGHTS (STANDALONE) ARE AS FOLLOWS:

Particulars (Standalone financials)	Q4 FY21 (Rs in Million)	Q4 FY20 (Rs in Million)	Growth ~(%)	FY21 (Rs in Million)	FY20 (Rs in Million)	Growth ~(%)
	Unaudited	Unaudited	Q-o-Q	Audited	Audited	Y-o-Y
Total Income (#)	32,430	25,511	27.12%	89,098	103,274	(13.73%)
Total Expenditure:						
Total Raw Material Cost (@)	19,437	15,267		51,096	62,766	
Staff Cost	1,740	1,788		6,854	6,826	
Other Expenses (#)	6,659	4,715		18,577	18,158	
EBITDA	4,594	3,741	22.80%	12,571	15,524	(19.02%)
Financial Costs (#)	902	1,382		4,043	5,156	
Depreciation	951	957		3,460	3,104	
Profit before extra-ord. items, discontinued ops. and Tax	2,741	1,402		5,068	7,264	
Exceptional Items – (Exp.)/income	-	468		-	1,348	
Discontinued ops-profit/(loss)-Net of Tax	-	-		-	-	
Profit before Tax (PBT)	2,741	934		5,068	5,916	
Provision for Tax	977	676		1,777	(29)	
PAT	1,764	258	583.72%	3,291	5,945	(44.64%)
RATIOS						
EBITDA to total income	14.17%	14.66%		14.11%	15.03%	
PBT to total income	8.45%	3.66%		5.69%	5.73%	
PAT to total income	5.44%	1.01%		3.69%	5.76%	

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 Q4 2021 is Rs 137 Mio. and Rs. 236 Mio for Q4 2020.

Jindal Saw Consolidated Financials

Particulars	Q4 FY21 (Rs in Million)	Q4 FY20 (Rs in Million)	Growth ~(%)	FY21 (Rs in Million)	FY20 (Rs in Million)	Growth ~(%)
	Unaudited	Unaudited		Audited	Audited	
Total Income	38,311	29,337	30.59%	1,08,720	1,17,362	(7.36%)
EBITDA	5,222	4,274	22.18%	14,510	16,202	(10.44%)
Financial Costs	1,112	1,655		4,928	6,198	
Depreciation	1,245	1,186		4,589	4,217	
Profit before extra-ord. items and Tax	2,865	1,433		4,993	5,787	
Exceptional Items – (Exp.)/income	-	(487)			(1,121)	
Profit before Tax (PBT)	2,865	946		4,993	4,666	
Provision for Tax	998	650		1,716	53	
PAT from continuing Ops.	1,867	296	530.74%	3,277	4,613	(28.96%)

OPERATIONAL & FINANCIAL HIGHLIGHTS

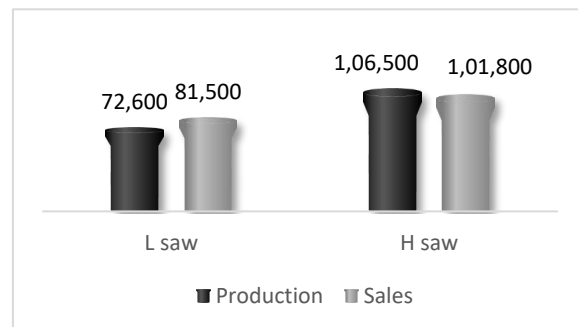
Financial Year 2021 remained an exceptional year for business due to negative impact of COVID 19 pandemic. A performance lag was witnessed in H1, which subsequently eased post December 2020. Re-opening of the economies in the UK, Europe and positive gains from the US and China supported by cutbacks from OPEC are underscoring higher oil prices despite continued softness from India and other major pandemic hotspots.

Favourable Central and State initiatives signify sustained demand for piping. Supply of water at ~4,300 urban bodies with ~28.6 mn household tap connections under Jal Jeevan Mission (Urban), management of liquid waste at ~500 AMRUT cities and Urban Swachh Bharat Mission 2.0, will be key.

Higher outlays by oil PSUs, interconnectivity and common carrier principles for domestic gas and additional opportunities in city gas distribution, are all, positives for piping.

Production and Sales Tonnage (MT) break up for the quarter ended 31st March, 2021.

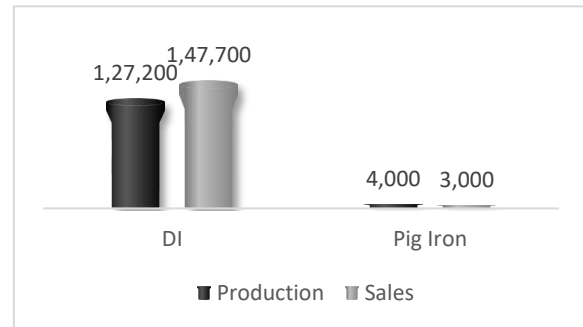
Large Diameter SAW Pipes



The Company performed well in Q4 of FY21 as compared to the previous three quarters, on account of pent-up demand and pick up in the construction activities in oil & gas and water segments.

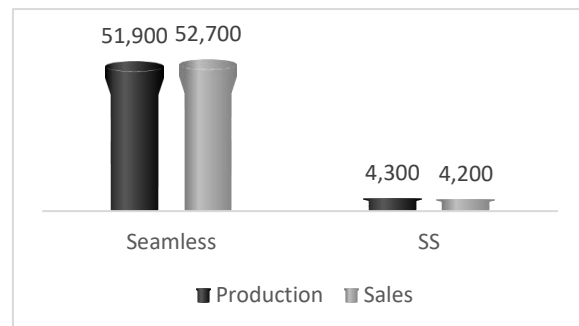
Ductile Iron Pipes and Pig Iron

While the provision of clean water and sanitation has improved over the years, India has outlined plans to step-up investments to develop water resources and thus the demand of water pipes including Ductile Pipe is expected to keep increasing. JSAW has performed better in Q4 of FY21 as compared to previous quarter.



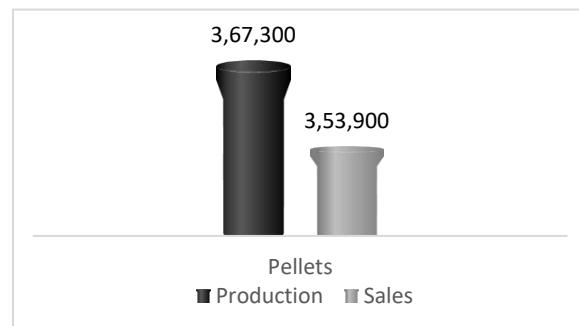
Seamless Tubes & Pipes

The performance in seamless has improved in Q4 of FY21 backed by improved order book and visibility in the sector.



Pellets

Pellet segment has outperformed in Q4 FY21 and the year FY21 due to steep increase in the steel and base metal prices.



Despite the difficult conditions in current Financial Year, the Company has shown improvement in Sales and Order Book in fourth quarter ended on 31st March, 2021 as compared to the 4th quarter of FY2020. This quarter has also seen significant increase in prices of Iron ore and Steel. Steep increase in steel prices has disrupted supply of regular supply of steel, primarily from the domestic steel suppliers which impacted the company's operations in Q3 and Q4.

The quantitative Sales break up for the year ended 31st March, 2021 are given here:

Products	FY21 (~) MT	FY20 (~) MT
Pipes		
- Large Diameter Saw Pipes		
- L Saw	1,57,500	263,000
- H Saw	3,48,300	369,000
- Ductile Iron Pipes	4,33,400	473,000
- Pig Iron	14,400	2,000
- Seamless & Stainless Tubes	1,58,300	145,000
Total – Pipes & Pig Iron	11,11,900	12,52,000
Pellets	12,64,500	13,32,000

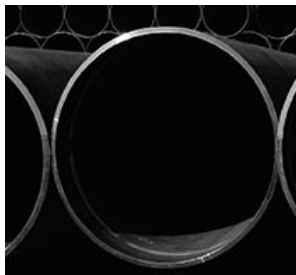
OPERATIONAL PERFORMANCE: OVERALL PRODUCTIVITY

- During the quarter ended 31st March, 2021;
 - The Company produced:
 - ~ 3,66,500 MT of pipes & pig iron
 - ~ 3,67,300 MT pellets
 - In line with its operational prowess and deep business lineage, the Company experienced order booking, primarily from the water and industrial sector, to the tune of ~Rs. 800 crore.

A detailed segment-wise review is presented below.

IRON & STEEL PIPE SEGMENT PERFORMANCE – Q4 & FY21:

Saw Pipe Strategic Business Unit:



During Q4 FY2021, the Company produced ~1.79 lac MT pipes as compared to ~1.57 Lac MT of Pipes in Q4 FY2020. Execution has experienced delays due to erratic supply of raw material. However, orders remain fully protected from sharp increase in steel prices

Higher oil prices globally to act as tailwind for LSAW pipe segment

Government focus on infra spending will help in boosting the domestic demand in oil, gas and water segment.

- Market leader with total capacity of more than 1.50 million metric tons per annum between LSaw and Hsaw pipes in India
- 6 Pipe Mills in India

Customer Segment
Oil & Gas Transportation, Slurry and Water

Focus on growth:

The Company has managed to elicit new business opportunities during the 4th quarter. Current order book stands at ~2.50 lac MT. Order book comprises of mix of orders ~1.05 lac MT of H Saw and ~1.45 lac MT LSAW (H Saw orders are largely from the domestic water sector). Company executed orders of ~1.83 lac MT which has also resulted in bit lower order book as at 31st Mar, 2021.

Orders, as at 31st March 2021, in this segment also remained bit lower due to sharp increase in steel prices, geopolitical situation and start of second wave of COVID-19 which have created some imbalances and uncertainties. However, based on the ongoing enquires in domestic and export markets for oil & gas sector and further increased focus of the Government on water sector, the Company expects to receive additional orders in the next few quarters.

DI Pipes and Pig iron Strategic Business Unit:



During 4th quarter of FY2021, operations were in line with the planned production in this quarter, where Company has produced ~1.31 lac MT DI Pipe as compared to ~1.20 lac MT in Q4 of FY2020. The production is gradually

improving quarter on quarter due to efficient execution of orders and better preparedness post COVID-19 unlock process and in near future, the trends will continue to improve towards higher production and sales.

- Market leader in India with total capacity ~1.0 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

Focus on growth:

During Q4 of FY21 and also throughout FY21, the order position has held steady affording good visibility for this segment. Current order book stands at ~5.90 lac MT of DI pipes which gives visibility for more than one year.

Company has booked various orders in water segment during this quarter. Further, the increased focus of the Central and State Governments on the water and irrigation sector will create new possibilities of business in coming quarters.

Seamless Pipes Strategic Business Unit:



On account of upward trend in demand from oil & gas sector, the seamless pipes have seen increase in demand and the performance of Seamless pipes segment has improved with the Company producing ~56,200 MT pipes in Q4 FY2021 as compared to ~36,000

MT pipes in Q4 FY2020.

- Leading manufacturer of Seamless Tubes and Pipes with installed capacity of more than 3.50 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 SMS MEER, Germany

Customer Segment

Petroleum, Exploration, General Engineering, Power and Automotive

Focus on growth:

The demand in this segment remains stable from Oil & Gas sectors and revival of activity in respective end user industries like automobile and power sector. The current order book in this segment is ~66,800 MT. We expect the order book to improve in next few quarters.

Iron Ore Mines and Pellet Strategic Business Unit:



The Company has produced ~367,300 MT in Q4 FY21 as against ~238,000 MT in Q4 FY20. In Q4 FY21, the sale of pellets was ~353,900 MT, from ~262,000 MT previously. The order book in this segment is ~77,900 MT. Backed by the increase in the iron ore and metal pricing, the Company has experienced improved profitability in the pellet segment. As the construction and infrastructure industries revive, the enhanced steel demand will support margin momentum.

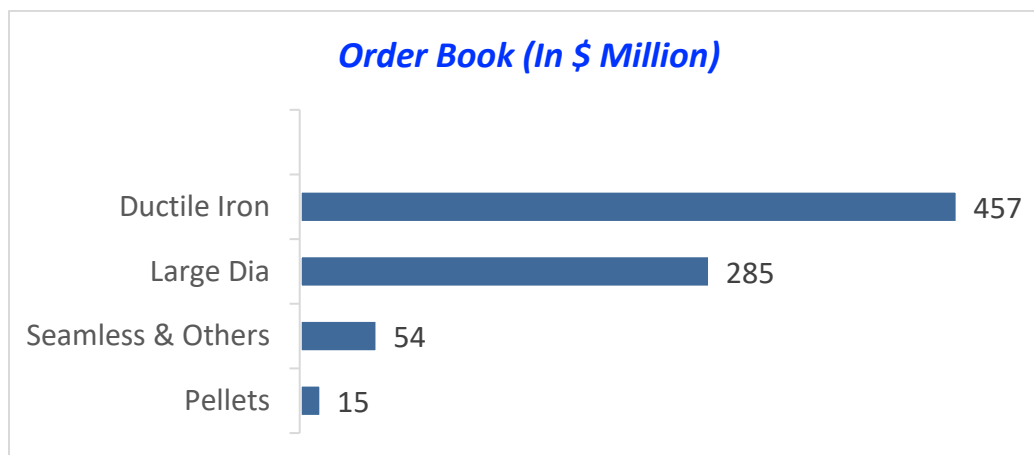
- Capacity of 1.5 mn MTPA with beneficiation of iron ore; forward integration into billets, and backward integration for seamless pipes business
- First Pellet Plant of North India based on a captive iron ore mines and only operating plant in India based on magnetite iron ore concentrate

Customer Segment

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

ORDER BOOK POSITION

- The current order book for pipes and pellets is app. US\$ 811 million, the break-up is as under:



In spite of the COVID 19 uncertainties, during the Quarter ended 31st March, 2021, as against Sale of ~Rs. 3,175 Crore, the Company could book new orders worth ~Rs. 1,400 Crore. Majority of these orders pertain to the water segment.

- With volume of ~1 Million MT (Pipes & Pellets), Order Book lends visibility of next 9-12 months to the operations. The orders for Large Diameter Pipes are expected to be executed in next 9-12 months and in case of Ductile Iron Pipes, the same are slated to be executed over next 12-15 months. The Company is working on new business opportunities and is expected to get additional orders, in phases. Current order book includes export of ~22%.
- Jindal SAW continues to benefit from a higher share of orders from private players and EPC

contractors in its orders mix. Moreover, the end user industries spread is also well-balanced across core industries with distinct drivers in the domestic and export markets, thereby remaining assured of sustained flow of business.

FINANCING AND LIQUIDITY - UPDATE ON DEBT POSITION

As at 31st March, 2021, net institutional debt of the Company (at standalone level) was app. Rs. 29,760 Million (~Rs 33,067 Million at 31st December, 2020) including long term loans and fund based working capital. This includes Net working capital borrowings (short term) of Rs. 10,050 Million at 31st March, 2021 (~Rs. 17,388 Million at 31st December, 2020) and Long-term Rupee Loans / Rupee NCDs of Rs. 19,710 Million at 31st March, 2021 (~Rs. 15,679 Million at 31st December, 2020). Company has sufficient working capital facilities to manage its operations efficiently.

Company has also issued 8.25% Non-Convertible Debentures of Rs. 500 crore which has been subscribed by Life Insurance Corporation for a period of 10 years with repayments in last three years in equal instalments. The funds were received in last week of March 2021 and are included in the long-term debt of Rs. 19,710 million. Part of the debt will be used to prepay long term debt.

Particulars (Rs. In Millions)	As on March 31, 2021	As on March 31, 2020
Standalone Debt	29,760	35,500
- Long Term Debt	19,710	16,284
- Net Short Term/ Working Capital Debt	10,050	19,216
Consolidated Debt	36,581	44,150
- Long Term Debt	24,368	22,592
- Net Short Term/ Working Capital Debt	12,213	21,558

OTHERS HIGHLIGHTS:

- (A) CARE Ratings has assigned and reaffirmed CARE A1+ (A OnePlus) for Short term debt facilities including commercial papers and CARE AA with 'Negative Outlook' for Long term debt facilities.
- (B) UAE operations have reported improved performance and are profitable in FY2021. UAE has sold app. 204,000 MT (98,000 for FY2020) Ductile Iron Pipes for 12 months period ended 31st March, 2021 and the current order book is app. 1,27,000 MT.
- (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 the lockdown in Delhi the hearings have been shifted to July 2021, post vacations.

OUTLOOK:

Global Scenario (Oil & Gas):

- The historic adverse impact on demand for energy due to Covid-19 pandemic is abating. Inventories worldwide are being drawn down
- Longer-term consumption trends are gradually expected to revert to pre-pandemic levels, adjusting for behavioural changes in consumption in key end user industries
- With the US, the UK is demonstrating solid gains in vaccination coverage, receding lockdowns in Europe and resurgent China, the demand pattern is slowly building back. India's requirement is likely to remain subdued owing to the unexpected severity of the second wave
- In the immediate term, the ordering booking in export markets is driving visibility for the Company



Indian Scenario

- India continues to offer multiple levers for growth in both oil & gas and water segments. This is underlined by successive Central and State level policies for creating national scale infrastructure
- As the country transitions towards a gas-based economy, a network of ~31,000 km has been planned nationwide
- Assured supply of piped water across rural and urban India through flagship schemes will drive an annual outlay of Rs. 1.07 trn in FY2022 for the Jal Jeevan Mission/ National Rural Drinking Water Mission and Jal Jeevan Mission (urban)
- Government of India's initiatives like 'Make in India' and Atmanirbhar (Self-reliant) Bharat will help improve the domestic manufacturing and reducing imports, thereby supporting the piping industry



Jindal Saw: Way forward:

A global execution footprint, with strengths in large diameter, DI and seamless segments, places Jindal SAW in a favorable position to benefit from higher investments in infrastructure renewal and creation. The Company is leveraging deep industry relationships to sustain order flow. Given its emphasis on value-added portfolio, the Company is addressing new opportunities. Financial performance will be led by momentum in margins and robust cash flows as the business execution scales up.

-ENDS-

ABOUT JINDAL SAW LTD.

Jindal Saw (NSE – JINDALSAW, BSE - 500378) is one of the largest global manufacturer and supplier of Iron & steel pipe products and accessories with established track record. It has manufacturing facilities in India, USA and UAE (MENA) and key customers include world's leading oil and gas companies, water bodies as well as engineering companies engaged in constructing oil and gas gathering, transportation, power generation and other industrial applications.

The Company has a unique business model which is well-diversified and de-risked to offer complete pipe solutions. It is the only producer in the world offering 'Total Pipe Solutions' including SAW Pipes, Ductile Iron Pipe and Seamless Tubes. Differentiated business model allows hedging of various risks and ensures that the Company operates and performs in the most diverse economic and geopolitical scenarios. It is one of the largest exporters of Steel pipes out of India. Five strategic business divisions include SAW Pipes, DI Pipes & Fittings, Seamless and Stainless-Steel Pipes and Tubes and Mining & Pellets.

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

Rajeev Goyal / Vinay Gupta

Jindal Saw Limited

Tel: +91 11 41462200 / +91 11 41462330

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.