JSHL/BM-2/2021-22 July 29, 2021

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Subject: Press Release

Dear Sirs,

We are enclosing herewith copy of Press Release in respect of unaudited financial results of Jindal Stainless (Hisar) Limited for the quarter ended June 30, 2021.

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, 2021

Q1FY22 Highlights

Standalone performance:

- **Sales volume at 151,121 tonnes, up by 219 % YoY**
- **Revenue at INR 2,512 crore, up by 238% YoY**
- **EBITDA at INR 382 crore; up by 862% YoY**
- **PAT recorded at INR 240 crore versus loss of INR 50 crore YoY**
- **Net debt stood at INR 1,292 crore, reduced by 35% since March'20**
- **Interest cost declined by 56% YoY**

Consolidated performance:

- **Revenue stood at INR 2,776 crore, up by 226% YoY**
- **EBITDA at INR 412 crore; EBITDA margin at 14.9%**
- **PAT at INR 359 crore versus loss of INR 94 crore YoY**

New Delhi, July 29, 2021: The financial results of Jindal Stainless (Hisar) Limited (JSHL) for Q1FY22 were taken on record by its Board of Directors here today. JSHL's sales volume stood at 151,121 tonnes, registering an increase of 219% over corresponding period last year (CPLY). EBITDA and profit after tax (PAT) of the company stood at INR 382 crore and INR 240 crore respectively. Focus on deleveraging continued and JSHL successfully reduced net debt by INR 708 crore since March'20, which stood at INR 1,292 crore as of June 30, 2021. Interest cost fell by 56% over CPLY to INR 30 crore.

Overall demand was impacted during Q1FY22 with intermittent disruptions caused due to second wave of COVID but domestic demand in segments like Railways, Process Industry and Elevators remained stable. Demand from consumer facing segments like Auto, pipe & tube recovered by the end the quarter. JSHL's leadership in the value-added segment, government's focus on developing sustainable infrastructure with low life-cycle cost material, and improving economic outlook are likely to further boost stainless steel demand in the coming quarters.

The domestic-export share of sales volumes during the quarter, on a YoY basis, remained unchanged compared to CPLY:

Geographical Segment	Q1FY22	Q1FY21
Domestic	87%	87%
Export	13%	13%

Other key developments:

1. The Board of Directors approved a brownfield expansion plan for JSHL to leverage its leadership position in specialty products, thereby enhancing its product mix and augmenting market reach. The expansion of Specialty Products Division (SPD), with an estimated CapEx of INR 450 crore, is planned to be rolled out in two phases:

a. **3x expansion of Precision Strip capacity:** This is planned to go from the current capacity of 22,000 tonnes per annum (TPA) to 60,000 TPA in two phases. It would strengthen the Company's presence in segments such as Auto, Process Industry, and Oil & Petrochemicals, and also cater to niche segments like Aerospace and Electric Vehicles. The estimated CapEx for this project is ~INR 250 crore and includes the earlier announced CapEx of INR 190 crore. After the first phase of expansion by Q2 FY22, the total capacity would stand at 48,000 TPA.

b. **1.7x expansion of Blade Steel capacity:** This will go from the current capacity of 14,000 TPA to 24,000 TPA in two phases. After the first phase of expansion by Q2 FY23, the total capacity would stand at 20,000 TPA. JSHL is among world's leading razor blade steel producers with a majority market share, globally. The expansion will help further consolidate its position. Estimated CapEx for this project is ~INR 200 crore.

2. Merger process: After obtaining necessary approvals from the stock exchanges and SEBI, the Company has filed the first motion application before the NCLT. The petition is expected to come up for a hearing soon.

3. Based on strong proposed post-merger synergies and debt reduction plan, CARE Ratings has upgraded the long-term bank facilities of JSHL to '**CARE A+**'. The rating for short-term bank facilities of the Company has also been upgraded to 'CARE A1+'. Additionally, India Ratings and Research (Ind-Ra) has upgraded JSHL's long-term bank facilities to **'IND A+'**, from 'IND A'. The short-term credit rating of the company has also been upgraded to 'IND A1+'.

4. Since the onset of the pandemic in 2020, JSHL has consistently supplied ~9.5 MT LMO (Liquid Medical Oxygen) per day to all medical facilities in and around Hisar. The Company supported the Haryana government by converting the OP Jindal Modern School in Hisar into an emergency COVID hospital. The 500-bed hospital is equipped with oxygen, supplied by JSHL's oxygen plant.

Financial performance summary:

Figures in INR crore(s)

Particulars	Standalone					Consolidated				
	Q1FY22	Q1FY21	Change	Q4FY 21	Change	Q1FY22	Q1FY21	Change	Q4FY21	Change
Net Revenue	2,512	743	238%	2,758	(9)%	2,776	852	226%	3,103	(11)%
EBITDA	382	40	862%	364	5%	412	43	864%	406	2%
PBT	321	(66)		298	8%	448	(112)		432	4%
PAT	240	(50)		226	6%	359	(94)		351	2%

On a quarterly consolidated basis, JSHL registered a PAT of INR 359 crore, EBITDA of INR 412 crore, and net revenue of INR 2,776 crore. Focussed growth strategy in the value-added

segment, streamlined supply chain, and process automation enhanced the operating performance of JSHL which helped the Company tide over the second wave of pandemic efficiently.

Management's Comments:

Commenting on the performance of the Company, **Managing Director, JSHL, Mr Abhyuday Jindal**, said, ***"The expansion of SPD will further consolidate JSHL's dominance in the specialty stainless steel segment. The expansion will enable us to foray into new and upcoming high-end segments like EVs and Aerospace. This transformation, along with an intensified approach towards digital manufacturing, would accelerate JSHL's growth. "***

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