





## **JBF INDUSTRIES LTD**

Q1 - FY14 Earnings Presentation
August 2013

#### Disclaimer



Statements in this Presentation describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes economic developments within India, UAE, Oman and the countries in which the Company conducts business and other incidental factors.

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The information in this overview reflects prevailing conditions and our views as of this date, all of which are accordingly subject to change.

#### **Key Highlights**



#### ♦ Un-audited Q1-FY14 (consolidated) performance:

a. Total Income: INR 20,950 mn

b. EBITDA: INR 1,590 mn; EBITDA Margin 7.6%

c. Net loss: INR 411 mn.

d. Diluted EPS: INR (5.76) / equity share

#### **♦ Un-audited Q1-FY14 (standalone) performance:**

a. Total Income: INR 11,825 mn

b. EBITDA: INR 921 mn; EBITDA Margin 7.8%

c. Net loss: INR 411 mn.

d. Diluted EPS: INR (5.77) / equity share

♦ The Board of Directors has recommended to revise the proposed dividend on equity shares from Rs.6 per share to Re.1 per share for the financial year ended 31st March, 2013. A meeting of the Board of Directors of the Company will be held on August 21, 2013 to consider the revised Profit & Loss Account of the Company for the year ended March 31, 2013 and the Balance Sheet as on that date to give effect of reduction of dividend. The Directors will also consider the buy-back of equity shares of the Company.

## **Quarterly Financial Highlights – Consolidated**



Income Statement	Q1-FY14	Q1-FY13
Income	20,950	17,981
Total Expenses	19,361	16,088
EBITDA	1,590	1,893
EBITDA Margin	7.6%	10.5%
Other Income	47	8
Exchange Difference & Derivative Loss	953	591
Depreciation	540	471
Interest	643	453
Profit/(Loss) Before Tax	(499)	386
Tax	(89)	49
Net Profit/(Loss) After Tax	(411)	337
PAT Margin	n/a	1.87%
Diluted EPS	(5.76)	4.57

All numbers in INR Mn other than EPS

## **Quarterly Financial Highlights – Standalone**



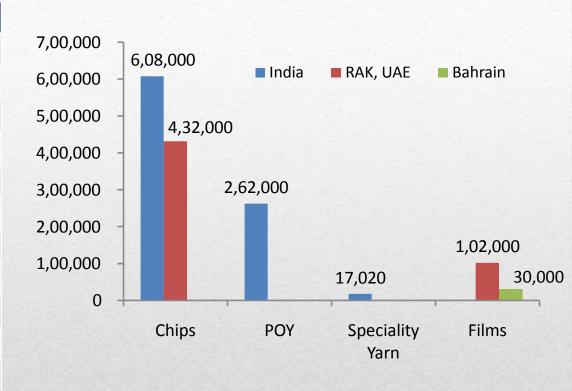
Income Statement	Q1-FY14	Q1-FY13
Income	11,825	12,083
Total Expenses	10,904	10,962
EBITDA	921	1,121
EBITDA Margin	7.8%	9.3%
Other Income	108	8
Exchange Difference & Derivative Loss	947	572
Depreciation	270	228
Interest	327	241
Profit/(Loss) Before Tax	(515)	89
Tax	(104)	49
Net Profit/(Loss) After Tax	(411)	40
PAT Margin	n/a	0.33%
Diluted EPS	(5.77)	0.47

All numbers in INR Mn other than EPS

#### **Production Capacities**



Capacities* (MT)	
INDIA	
CHIPS	608,000
POY & Specialty Yarn	279,020
Total	959,020
RAK, UAE	
CHIPS	432,000
FILMS	102,000
Total	534,000
Bahrain	
Films	30,000



Total polymerization capacity stands at 1,040,000 MT while downstream capacity Stands at 411,020 MT

CHIPS - 1,040,000 MT

POY & Specialty yarn – 279,020 MT

Films - 132,000 MT

<sup>\*</sup> Capacity information is as on 13th August, 2013

## **Operating Performance**



India Sales (MT)	Q1-FY14	Q1-FY13	% Increase	FY13	FY12	% Increase
Total Chips	66,123	79,844	(17.18)%	274,095	273,233	0.32%
POY & Specialty Yarn	62,013	54,162	14.50%	216,911	227,169	(4.52)%
Total	128,136	134,006	(4.38)%	491,006	500,402	(1.88)%

RAK, UAE Sales (MT)	Q1-FY14	Q1-FY13	% Increase	FY13	FY12	% Increase
Total Chips	84,245	43,455	93.87%	248,625	256,279	(2.99)%
Films	17,209	20,251	(15.02)%	77,010	65,769	17.09%
Total	101,454	63,706	59.25%	325,635	322,048	1.11%

## **Pricing Trends & Revenue Mix**



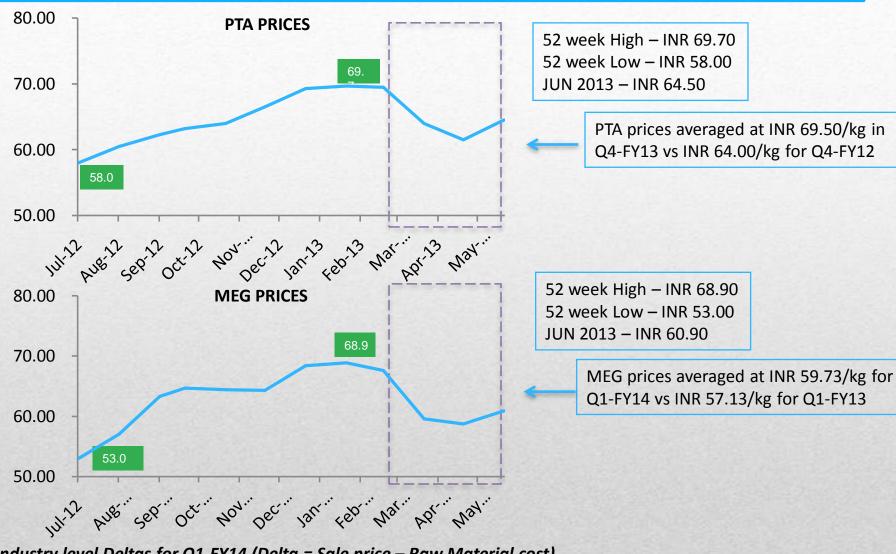
Price trends*								
Category	Q1-FY14	Q1-FY13	% Change	FY13	FY12	% Change		
CHIPS (INDIA)(INR/Kg)	85	83	2.41%	84	81	3.70%		
POY & Specialty Yarn (INR/Kg)	103	111	(7.21)%	106	110	(3.64)%		
CHIPS (RAK) (USD/MT)	1,500	1,490	0.67%	1,500	1,650	(9.09)%		
FILMS (USD/MT)	2,300	2,400	(4.17)%	2,300	2,550	(9.80)%		

<sup>\*</sup>Prices mentioned above are the average prices for standard products in the industry, It could differ from the sale price achieved by the company

Revenue Mix								
Category	Q1-FY14	Q1-FY13	Change	FY13	FY12	% Change		
CHIPS (INDIA)	27%	36%	(900) bps	31%	31%	-		
POY & Specialty Yarn	29%	30%	(100) bps	29%	30%	(100) bps		
CHIPS (RAK)	33%	19%	1400 bps	27%	28%	(100) bps		
FILMS	11%	15%	(400) bps	13%	11%	200 bps		

#### **Raw Materials & Deltas**





Industry level Deltas for Q1-FY14 (Delta = Sale price – Raw Material cost)

a.Chips - INR 5.70/kg

b.POY - INR 17.70/kg

c.Films (blended thick & thin) - USD 900/Ton

#### **Discussion & Analysis**



#### **Projects**

- **PTA Plant Project at Mangalore** the 1.25 Million Tonnes per annum PTA project executed through JBF Petrochemicals Ltd is progressing satisfactorily. Major engineering activities have been completed and construction activities should commence by next quarter. The project is expected to be completed by first half of 2015.
- **PET Plant project in Belgium** , the 390,000 Tonnes per annum PET project executed through JBF Global Europe BVBA is on schedule. Construction at site is in full swing and plant is expected to be commissioned by March 2014.
- **Polyester Film Plant Project At Bahrain** the first line of the 90,000 Tonne per annum Polyester Film project executed through JBF Bahrain SPC is undergoing trial production, and all lines are likely to be commissioned by June 2014.
- **Bio-Glycol Plant Project at Araraquara, Sao Paulo, Brazil** Brazil the 500,000 Tonnes per annum project executed through JBF Bio Glicols Industria Quimica Ltda for producing Bio-Glycol has been put on hold.

## Historical Consolidated Results - Profit and Loss A/c



Income Statement	FY 09	FY 10	FY 11	FY 12	FY 13
Total Operating Income	43,143	49,444	64,711	71,793	74,558
Total Expenses	37,914	44,740	55,149	64,666	67,656
EBITDA	5,229	4,704	9,563	7,127	6,903
EBITDA Margin	12.1%	9.5%	14.8%	9.9%	9.3%
Other Income	116	262	222	1,260	34
Exchange Difference & Derivative Gain/ (Loss)	(690)	(149)	(874)	(2,939)	(1,329)
Depreciation	779	1,173	1,314	1,525	2,002
Interest ^	975	1,275	1,534	1,898	2,100
PBT	2,900	2,668	6,063	2,025	1,505
Tax	459	540	602	(205)	371
Profit After Tax	2,442	2,128	5,461	2,230	1,135
Minority Interest	553	224	-	-	-
Profit After Minority Interest	1,889	1,904	5,461	2,230	1,135
Diluted EPS	26.2	26.4	75.8	31.0	15.24

#### **Consolidated Results – Balance Sheet**



	Particulars	FY 13	FY12
Α	<b>EQUITIES &amp; LIABILITIES</b>		
Part -1	Shareholder Funds		
	(A) Equity Share Capital	1,830	1,604
	(C) Reserves & Surplus	16,448	15,340
	Total - Shareholder Funds	18,278	16,944
Part 2	Non Current Liabilities		
	(A) Long Term Borrowings	23,173	13,768
	(B) Deferred Tax Liabilities (Net)	1,581	1,223
	(C) Long Term provisions	271	114
	Total - Non – Current Liabilities	25,026	15,105
Part 3	<b>Current Liabilities</b>		
	(A) Short term Borrowings	13,216	11,451
	(B) Trade Payables	11,230	8,322
	(C) Other Current Liabilities	7,940	4,640
	(D) Short-term provisions	963	910
	Total – Current Liabilities	33,350	25,323
A	GRAND TOTAL - EQUITIES & LIABILITES	76,653	57,372

	Particulars	FY 13	FY12
В	ASSETS		
Part -1	Non Current Assets		
	(A) Fixed Assets	38,830	29,333
	(B) Goodwill on Consolidation	951	891
	(C) Non-Current Investments	30	37
	(D) Long Term Loans & Advances	4,704	2,913
	Total - Non - Current Assets	44,515	33,174
Part 2	<b>Current Assets</b>		
	(A) Current Investments	486	629
	(B) Inventories	9,231	7,918
	(C) Trade Receivables	10,348	7,149
	(D) Cash and Bank Balances	5,968	3,987
	(E) Short-term loans and advances	5,841	4,399
	(F) Other current assets	264	116
	Total – Current Assets	32,138	24,198
В	GRAND TOTAL – ASSETS	76,653	57,372

All numbers in INR Mn

#### **Historical Consolidated Results – Balance Sheet**



Particulars	FY 09	FY 10	FY 11	FY12
Share Capital	622	622	717	720
Cumulative Redeemable Preference Shares (CRPS)	-	-	266	884
Reserves	6,709	8,117	13,555	15,395
Net worth	7,331	8,740	14,538	16,999
Minority Interest	3,997	3,633	-	-
Loan Funds	12,414	13,644	17,836	24,247
TOTAL LIABITILITES	23,743	26,016	32,374	41,246
Net Fixed Assets (Incl Capital WIP)	20,837	21,165	24,705	33,136
Investments	361	1,310	1,280	629
Net Current Assets (Excluding Cash)	2,873	3,880	5,469	4,720
Cash & Bank	899	999	2,350	3,987
Deferred Tax Liability (Net)	-1,226	-1,337	-1,430	-1,223
TOTAL ASSETS	23,743	26,016	32,374	41,246



# **Thank You**

#### For further details please contact our Investor Relations Representatives:

**Anuj Sonpal** 

Valorem Advisors

Tel: +91-22-6673-0036/37

Email: anuj@valoremadvisors.com

JBF Industries Ltd.

Express Towers, 8<sup>th</sup> Floor, Nariman Point, Mumbai – 400 021.