

JBF INDUSTRIES LTD

Q3/9M-FY16 Earnings Presentation

<p>Overview</p>	<ul style="list-style-type: none"> ▪ JBF Industries is a global company engaged in the production of polyester value chain ▪ Current polymerisation capacity of 1.43 MMT p.a. and downstream capacity of 544 KMT p.a. ▪ Operates out of 3 domestic facilities, 1 in Gujarat and 2 in Silvassa, and 3 overseas facility in Ras Al-Khaimah, UAE, Belgium and Bahrain. ▪ Promoted by Mr. Bhagirath C. Arya, a technocrat entrepreneur ▪ Listed on the BSE and NSE with a market cap of INR 19,322 mn (as on December 31, 2015)
<p>Products & Business Mix</p>	<ul style="list-style-type: none"> ▪ Product Mix can be divided into three broad categories:- <ol style="list-style-type: none"> I. Polyethylene Terephthalate (PET) Chips: Textile Grade and Bottle Grade II. Polyester Yarn: Partially Oriented Yarn, Full Drawn Yarn etc. III. Biaxially-Oriented Polyethylene Terephthalate (BOPET) Films: Thin, Thick, Metallized FY 15 Sales Mix (By Value) :- Chips – 63%, Polyester Yarn – 23%, BOPET Films – 14%
<p>Markets</p>	<ul style="list-style-type: none"> ▪ Indian facilities cater to the Indian and exports markets: <ul style="list-style-type: none"> ➢ 2nd largest domestic supplier of textile grade chips with a capacity share of ~20% ➢ 3rd largest domestic supplier of bottle grade chips with a capacity share of ~20% ➢ 3rd largest domestic supplier of Polyester Yarn with a capacity share of ~15% ▪ RAK facility (Bottle grade chips and Films) caters to European, MEAF and North American markets <ul style="list-style-type: none"> ➢ Market share of 70 % in the UAE and 45% in GCC region in the Bottle grade chips segment
<p>Financial Performance Highlights</p>	<ul style="list-style-type: none"> ▪ Income has grown from INR 49,444 mn in FY 10 to 88,978 mn in FY 15 – 5 year CAGR of 12.5% ▪ FY 15 Performance: Income – INR 88,978 mn, EBITDA – INR 9,408 mn, Net Profit – INR 311 mn ▪ JBF announced Dividend of INR 2/share in FY15
<p>Integrated Polyester Player of Global scale</p>	<ul style="list-style-type: none"> ▪ JBF is amongst the Top 5 producers of PET chips and of BOPET Films globally ▪ JBF is setting up a 1.25 MMT Purified Terephthalic Acid (PTA) plant at Mangalore SEZ thereby will become an integrated petrochemical company. ▪ JBF has also set up a 390 KT p.a. PET plant in Belgium and a 90KT p.a. BoPET Film plant in Bahrain.

Company Background



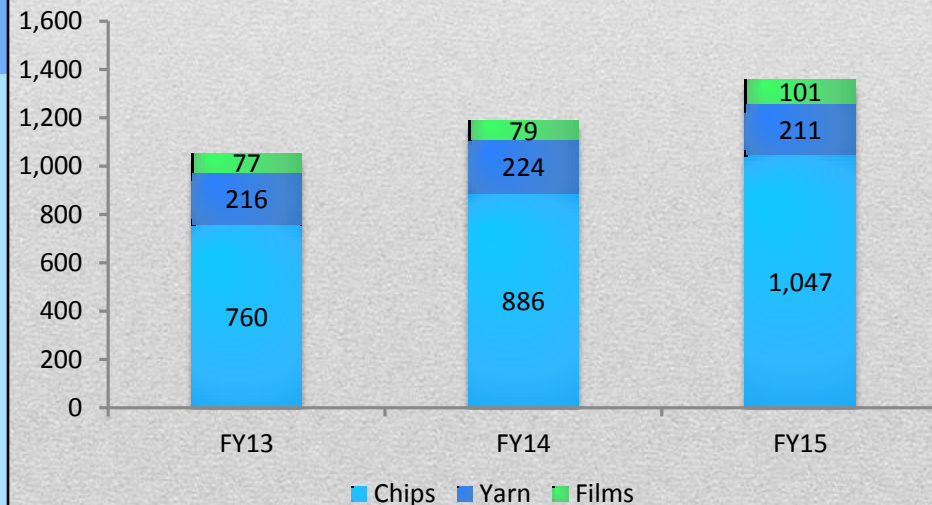
Company Overview

- Established in **1982**, JBF Industries was founded by **Mr. Bhagirath Arya** as a Yarn Texturising company, the company has since backward integrated into the polyester value chain
- Company is currently engaged in the production of products in the Polyester value chain such as: **Polyethylene Terephthalate (PET) chips** which are of Bottle grade, Textile grade and Film grade; **Polyester Yarn**, such as Partially Oriented Yarn (POY), Polyester Filament Yarn (PFY), Full Drawn Yarn (FDY) and Other Specialized Yarn; and **PET Films**, which are of Thin grade, Thick grade and Metallised grade
- It commenced its international operations in 2006 by foraying into the PET chips and PET Film business by setting up plant at Ras-Al-Khaimah (RAK) UAE. Currently, JBF has 3 plants internationally in RAK, Bahrain and Belgium.
- JBF achieved **~USD 1.4bn revenues** (> 56% overseas) and company paid out a **Dividend of INR 2/share** for FY15.

Financial Highlights

INR Mn	FY13	FY14	FY15	9M FY16
Total Income	74,592	85,803	88,978	64,172
EBIDTA	6,903	7,245	9,408	6,462
<i>EBIDTA Margin</i>	9.30%	8.30%	10.60%	10.1%
Net Profit	1,135	57	311	(224)
<i>Net Profit Margin</i>	1.52%	0.07%	0.35%	(0.3)%
<i>Diluted EPS (INR)</i>	15.24	0.35	4.22	NA

Production Highlights ('000 tons)



Key Financial Highlights



☐ Q3-FY16 (Standalone) performance:

- a. Total Income*: INR 9,050 mn
- b. EBITDA: INR 974 mn
- c. EBITDA Margin: 10.8 %
- d. PAT: INR 173 mn
- e. Diluted EPS: INR 2.49 / equity share

☐ Q3-FY16 (Consolidated) performance:

- a. Total Income*: INR 20,078 mn
- b. EBITDA: INR 1,725 mn
- c. EBITDA Margin: 8.6 %
- d. PAT: INR (431) mn

☐ 9M-FY16 (Standalone) performance:

- a. Total Income*: INR 26,497 mn
- b. EBITDA: INR 3,048 mn
- c. EBITDA Margin: 11.5 %
- d. PAT: INR 429 mn
- e. Diluted EPS: INR 6.13 / equity share

☐ 9M FY16 (Consolidated) performance:

- a. Total Income*: INR 64,172 mn
- b. EBITDA: INR 6,462 mn
- c. EBITDA Margin: 10.1 %
- d. PAT: INR (224) mn

* Total Income includes other income component

- The Board of Directors at their meeting held on 28th December, 2015 has passed resolutions To issue and allot 1,63,74,370 fully paid up equity shares of Rs. 10/- each on preferential basis to KKR Jupiter Investors Pte Ltd., Singapore, at Rs. 300/- per equity share (at a premium of Rs. 290/- per equity share).

Projects:

- Implementation of the 1.25 MTPA greenfield PTA project at Mangalore, being executed through step down subsidiary JBF Petrochemicals Ltd, is proceeding satisfactorily. The project is expected to be completed within the next six months.
- There was a planned shutdown for maintenance at the Belgium facility for a month.
- There was an emergency shutdown at RAK facility for 10 days.
- Company has faced inventory valuation losses during quarter under review due to falling commodity prices.
- Margins have been impacted due to pressure on the polyester value chain because of commodity prices.

Financial Highlights – Standalone



Income Statement	Q3-FY16	Q2-FY16	QoQ%	Q3-FY15	YoY %
Income from operations	8,973	8,315	7.9%	10,016	-10.4%
Other Income	77	74	4.1%	72	6.9%
Total Income	9,050	8,389	7.9%	10,088	(10.3)%
Total Expenses	8,076	7,379	9.4%	8,979	(10.1)%
EBITDA	974	1,010	(3.6)%	1,109	(12.2)%
EBITDA Margin	10.8%	12.0%	(124) bps	11.0%	(24) bps
Exchange Difference & Derivative (Gain)/ Loss	6	171	(96.5)%	109	(94.5)%
Depreciation	251	251	NA	248	1.2%
Interest	454	502	(9.6)%	375	21.1%
PBT	263	86	205.8%	377	(30.2)%
Tax	90	32	181.3%	92	(2.2)%
Profit After Tax	173	54	220.4%	285	(39.3)%
PAT Margin	2.1%	0.6%	140 bps	2.8%	(80) bps
Diluted EPS	2.49	0.70	255.7%	4.22	(41.0)%

* Income includes other income component
All numbers in INR Mn other than EPS

Financial Highlights – Standalone



Income Statement	9M-FY16	9M-FY15	YoY %
Income from operations	26,279	33,151	(20.7)%
Other Income	218	203	7.4%
Total Income	26,497	33,354	(20.6)%
Total Expenses	23,449	29,852	(21.4)%
EBITDA	3,048	3,502	(13.0)%
EBITDA Margin	11.5%	10.5%	100 bps
Exchange Difference & Derivative (Gain)/ Loss	245	217	12.9%
Depreciation	754	715	5.5%
Interest	1,389	1,013	37.1%
PBT	660	1,557	(57.6)%
Tax	231	445	(48.1)%
Profit After Tax	429	1,112	(61.4)%
PAT Margin	1.6%	3.3%	(170) bps
Diluted EPS	6.13	16.59	(63.1)%

* Income includes other income component
All numbers in INR Mn other than EPS

Standalone Results – Balance Sheet



	Particulars	FY14	FY15	H1FY16
A	EQUITIES & LIABILITIES			
Part -1	Shareholder Funds			
	(A) Share Capital	802	804	804
	(B) Reserves& Surplus	9,153	10,219	10,370
	Total -Shareholder Funds	9,955	11,023	11,174
Part 2	Non Current Liabilities			
	(A) Long Term Borrowings	6,696	8,250	9,177
	(B) Deferred Tax Liabilities (Net)	1,705	2,242	2,278
	(C) Long Term provisions	236	124	117
	Total - Non – Current Liabilities	8,637	10,616	11,572
Part 3	Current Liabilities			
	(A) Short term Borrowings	5,341	7,047	9,952
	(B) Trade Payables	6,149	3,088	1,140
	(C) Other Current Liabilities	3,223	3,034	4,985
	(D) Short-term provisions	511	608	500
	Total – Current Liabilities	15,224	13,777	16,577
A	GRAND TOTAL - EQUITIES & LIABILITES	33,816	35,416	39,323

	Particulars	FY 14	FY15	H1FY16
B	ASSETS			
Part -1	Non Current Assets			
	(A) Fixed Assets	15,470	16,264	15,934
	(B) Non-Current Investments	4,237	4,235	4,235
	(C) Long Term Loans & Advances	1,046	1,132	1,204
	Total - Non – Current Assets	20,753	21,631	21,373
Part 2	Current Assets			
	(A) Current Investments	7	2	4
	(B) Inventories	4,405	3,353	4,008
	(C) Trade Receivables	6,120	5,647	7,249
	(D) Cash and Bank Balances	425	2,147	366
	(E) Short-term loans and advances	1,591	2,061	5,653
	(F) Other current assets	515	575	670
	Total – Current Assets	13,063	13,785	17,950
B	GRAND TOTAL – ASSETS	33,816	35,416	39,323

Financial Highlights – Consolidated



Income Statement	Q3-FY16	Q2-FY16	QoQ%	Q3-FY15	YoY %
Income from operations	20,058	21,340	(6.0)%	24,024	(16.5)%
Other Income	20	12	66.7%	55	(63.6)%
Total Income	20,078	21,352	(6.0)%	24,079	(16.6)%
Total Expenses	18,353	19,034	(3.6)%	21,346	(14.0)%
EBITDA	1,725	2,318	(25.6)%	2,733	(36.9)%
EBITDA Margin	8.6%	10.9%	(230) bps	11.4%	(280) bps
Exchange Difference & Derivative (Gain)/ Loss	(47)	222	NA	408	NA
Depreciation	904	881	2.6%	878	3.0%
Interest	1,298	1,191	9.0%	1,140	13.9%
PBT	(430)	24	NA	307	NA
Tax	89	29	206.9%	90	(1.1)%
Profit After Tax & before Minority Interest	(519)	(5)	NA	217	NA
Minority Interest	88	0	NA	0	NA
Net Profit	(431)	(5)	NA	217	NA
PAT Margin	(2.1)%	(0.02)%	NA	0.9%	NA
Diluted EPS	(6.64)	(0.22)	NA	3.19	NA

* Income includes other income component

All numbers in INR Mn other than EPS

Financial Highlights – Consolidated



Income Statement	9M-FY16	9M-FY15	YoY %
Income from operations	64,122	67,378	(4.8)%
Other Income	50	155	(67.7)%
Total Income	64,172	67,533	(5.0)%
Total Expenses	57,710	60,457	(4.5)%
EBITDA	6,462	7,076	(8.7)%
EBITDA Margin	10.1%	10.5%	(40) Bps
Exchange Difference & Derivative (Gain)/ Loss	167	557	(70.0)%
Depreciation	2,657	2,272	16.9%
Interest	3,707	2,976	24.6%
PBT	(69)	1,271	NA
Tax	225	420	(46.4)%
Profit After Tax & before Minority Interest	(294)	851	NA
Minority Interest	70	0	NA
Net Profit	(224)	851	NA
PAT Margin	(0.3)%	1.3%	NA
Diluted EPS	(3.8)	12.61	NA

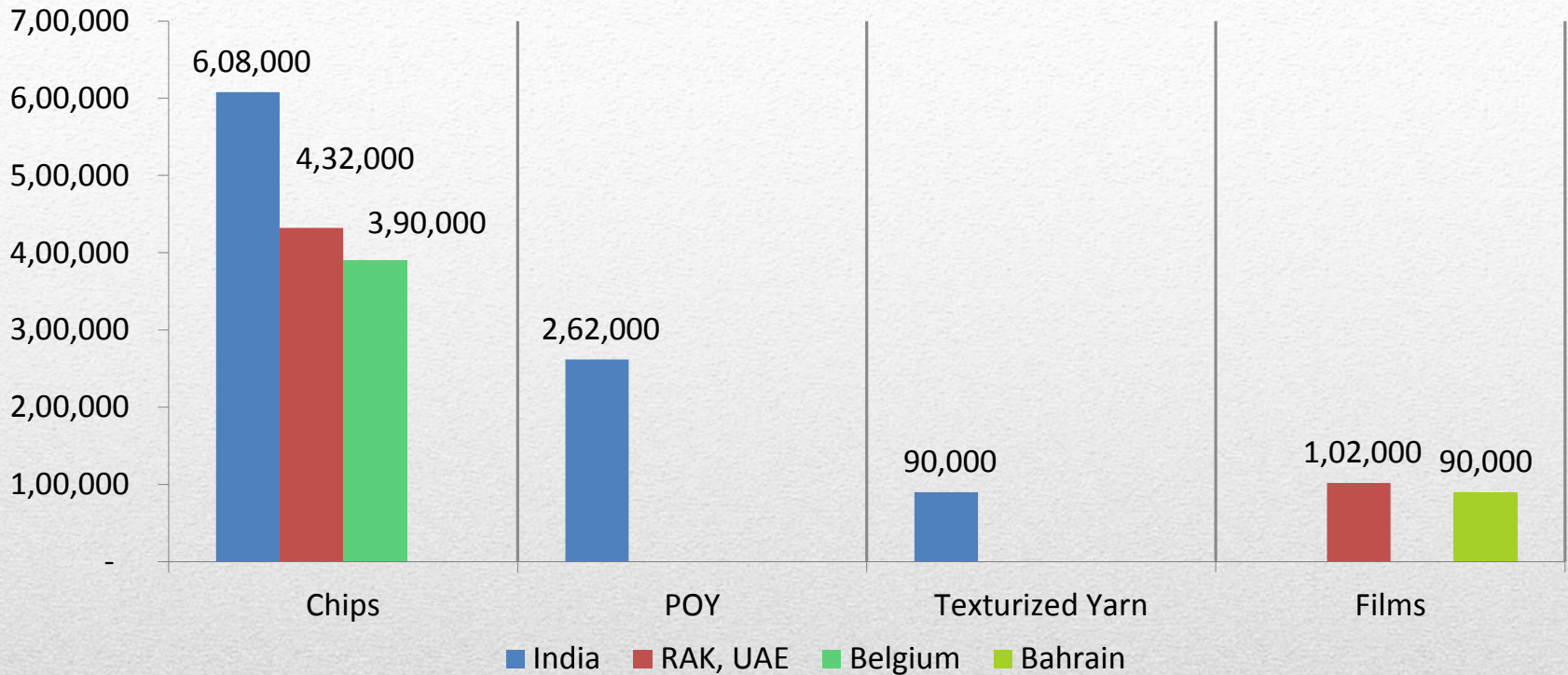
Consolidated Results – Balance Sheet



	Particulars	FY14	FY 15	H1FY16
A	EQUITIES & LIABILITIES			
Part -1	Shareholder Funds			
	(A) Share Capital	802	804	804
	(B) Reserves& Surplus	18,045	17,551	19,010
	Total -Shareholder Funds	18,847	18,355	19,814
Part 2	Non Current Liabilities			
	(A) Long Term Borrowings	45,587	61,672	67,229
	(B) Deferred Tax Liabilities (Net)	1,705	2,242	2,278
	(C) Other Long Term liabilities	352	255	255
	(D) Long Term provisions	403	341	386
	Total - Non – Current Liabilities	48,047	64,510	70,148
Part 3	Current Liabilities			
	(A) Short term Borrowings	13,923	20,645	28,647
	(B) Deferred Tax Liabilities	68	36	33
	(C) Trade Payables	11,841	11,133	9,395
	(D) Other Current Liabilities	8,372	8,644	13,163
	(E) Short-term provisions	727	996	914
	Total – Current Liabilities	34,931	41,454	52,152
A	GRAND TOTAL - EQUITIES & LIABILITES	1,01,825	1,24,319	1,42,114

	Particulars	FY14	FY15	H1FY16
B	ASSETS			
Part -1	Non Current Assets			
	(A) Fixed Assets	62,372	84,651	96,696
	(B) Goodwill on Consolidation	1,048	1092	1172
	(C) Non-Current Investments	26	24	23
	(D) Long Term Loans & Advances	6,624	2,235	2,072
	(E) Other Non-Current Assets	6	6	6
	Total - Non – Current Assets	70,076	88,008	99,969
Part 2	Current Assets			
	(A) Current Investments	7	2	4
	(B) Inventories	10,440	10,550	11,841
	(C) Trade Receivables	11,504	14,508	17,569
	(D) Cash and Bank Balances	4,870	4,735	2,955
	(E) Short-term loans and advances	4,768	6,403	9,705
	(F) Other current assets	160	113	71
	Total – Current Assets	31,749	36,311	42,145
B	GRAND TOTAL – ASSETS	1,01,825	1,24,319	1,42,114

Production Capacities



Total polymerization capacity stands at 1,430,000 MT while downstream capacity stands at 544,000 MT

CHIPS – 1,430,000 MT

POY & Texturized yarn – 352,000 MT

Films – 192,000 MT

Capacity information is as on 31st March, 2015

Operating Performance



Indian Operation Sales (MT)	Q3-FY16	Q3-FY15	% Increase	9M-FY16	9M-FY15	% Increase
CHIPS (Textile + Bottle grade)	78,436	65,907	19.0%	2,00,688	2,04,169	(1.7)%
POY & Specialty Yarn	53,712	50,682	6.0%	1,53,446	1,52,099	0.9%
Total	1,32,148	1,16,589	13.3%	3,54,134	3,56,268	(0.6)%

Overseas Operation Sales (MT)	Q3-FY16	Q3-FY15	% Increase	9M-FY16	9M-FY15	% Increase
CHIPS (Bottle grade)	1,41,576	1,54,089	(8.1)%	4,63,660	3,53,101	31.3%
Films	24,068	24,342	(1.1)%	78,400	75,213	4.2%
Total	1,65,644	1,78,431	(7.2)%	5,42,060	4,28,314	26.6%

Pricing Trends & Revenue Mix



Price Trends*						
Category	Q3-FY16	Q3-FY15	% Change	9M-FY16	9M-FY15	% Change
CHIPS – India (INR/Kg)	62	77	(19)%	68	82	(17)%
POY & Specialty Yarn-India (INR/Kg)	80	90	(11)%	80	95	(16)%
CHIPS - International (USD/MT)	932	1,239	(25)%	1,020	1,297	(21)%
FILMS - International (USD/MT)	1,872	2,250	(17)%	1,967	2,191	(10)%

*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	Q3-FY16	Q3-FY15	% Change	9M-FY16	9M-FY15	% Change
CHIPS -India	23%	21%	200 bps	20%	25%	(500) bps
POY & Specialty Yarn - India	20%	19%	100 bps	19%	22%	(300) bps
CHIPS - International	42%*	47%*	(500) bps	46%*	39%*	700 bps
FILMS – International	14%*	13%*	100 bps	15%*	14%*	100 bps

* Calculated based on Average exchange rate USD/INR for the respective period

Delta Prices over the Last 1 year



Average Prices and Deltas for Q3FY16

	PTA (Rs/Kg)	MEG (Rs/Kg)	CHIPS (Rs/Kg)	POY (Rs/Kg)	Chips Delta (Rs./kg)	POY Delta (Rs./kg)
Max	48.50	53.10	62.50	81.00	4.92	22.70
Min	46.80	45.20	61.50	77.50	3.70	20.42
Avg	57.63	49.30	62.00	79.50	4.27	21.77

Films Delta (blended thick & thin)– USD 802/Ton

Historical Consolidated Results – Profit and Loss A/C



Income Statement	FY12	FY13	FY14	FY15
Income	71,793	74,558	85,677	88,795
Other Income	824	34	126	183
Total Income	72,617	74,592	85,803	88,978
Total Expenses	64,666	67,656	78,558	79,570
EBITDA	7,951	6,936	7,245	9,408
EBITDA Margin	10.95%	9.30%	8.44%	10.57%
Exchange Difference & Derivative Loss	2,939	1,329	1,254	1,209
Depreciation	1,525	2,002	2,450	3,068
Interest	1,462	2,100	3,162	4,237
Exceptional Item	-	-	367	-
PBT	2,025	1,505	12	894
Tax	-205	371	143	583
Profit After Tax	2,230	1,134	-131	311
Extraordinary Item	-	-	188	-
Net Profit	2,230	1,134	57	311
PAT Margin	3.10%	1.52%	0.07%	0.35%
Diluted EPS	30.7	15.24	0.35	4.22

All numbers in INR Mn

Historical Consolidated Results – Balance Sheet



Particulars (INR Mn)	FY12	FY13	FY14	FY15
Share Capital	720	1,830	802	804
Cumulative Redeemable Preference Shares (CRPS)	884	-	-	-
Reserves	15,340	16,873	18,045	17,551
Net worth	16,944	18,703	18,847	18,355
Non Current Liabilities	15,105	25,025	48,047	64,510
Current Liabilities	25,323	32,925	34,931	41,454
TOTAL LIABILITIES	57,372	76,653	1,01,825	1,24,319
Net Fixed Assets (Incl Capital WIP)	29,333	38,830	62,372	84,651
Other Non Current Assets	3,841	5,685	7,704	3,357
Net Current Assets (Excluding Cash)	20,211	26,170	26,879	31,576
Cash & Bank	3,987	5,968	4,870	4,735
TOTAL ASSETS	57,372	76,653	1,01,825	1,24,319

All numbers in INR Mn



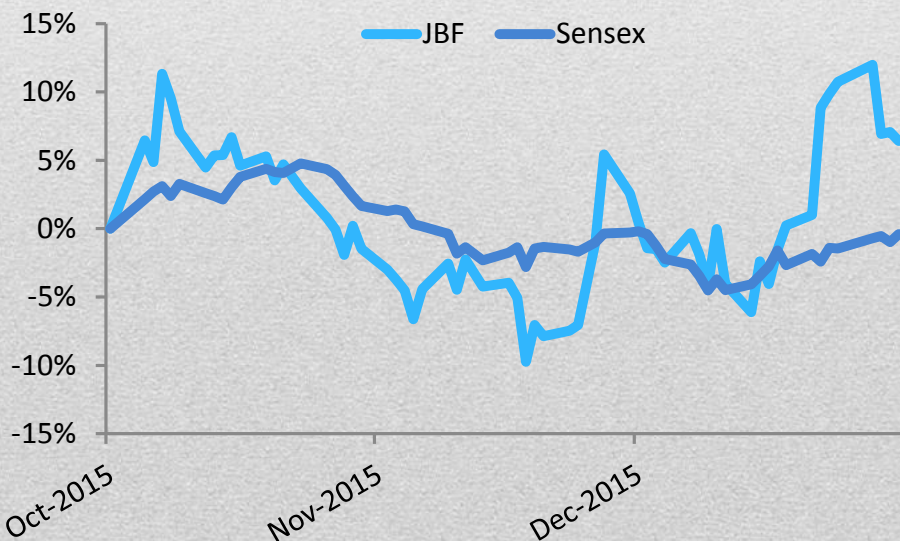
Price Data (As on December 31st, 2015)

Face Value (INR)	10
Market Price (INR)	236
52 week H/L (INR)	318.4/185.1
Market Cap (INR Mn)	19,322
Equity Shares Outstanding (Mn)	81.8
Free Float (Mn)	10,984
1 Year Avg. Trading Volume ('000)	199

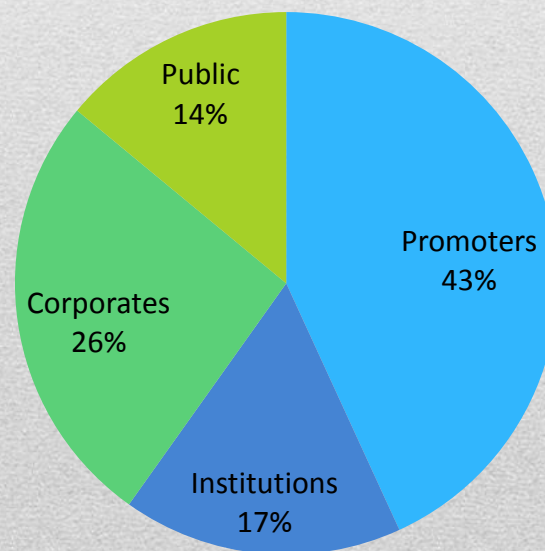
Key Indicators (For FY15)

Diluted EPS (INR)	4.22
Dividend Yield (%)	1.01%
ROE (%)	1.69%
ROCE (%)	6.12%
Net Debt to Equity (x)	4.23
Asset Turnover (x)	1.05

Share Price Movement for quarter under review



Shareholding Pattern (As on December 31st, 2015)



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.

For further details please contact our Investor Relations Representatives :



Anuj Sonpal
Valorem Advisors
Tel: +91-22-3006-7521/22
Email: anuj@valoremadvisors.com



JBF Industries Ltd.
Express Towers, 8th Floor,
Nariman Point,
Mumbai – 400 021