

# JBF INDUSTRIES LTD

Q3 - FY14 Earnings Presentation

***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 Financial Highlights



## ❑ Consolidated Q3-FY14 performance:

- Total Income: INR 21,370 mn
- EBITDA: INR 1,531 mn
- EBITDA Margin 7.16%
- Net Profit: INR 35 mn
- Diluted EPS: INR 0.40 / equity share

## ❑ Consolidated 9M-FY14 performance:

- Total Income: INR 64,897 mn
- EBITDA: INR 5,309 mn
- EBITDA Margin 8.18 %
- Net Loss: INR 415 mn
- Diluted EPS: INR (6.28) / equity share

### Exceptional Item:

- In earlier years the Company had provided loans to the JBF Employees Welfare Trust to purchase its Equity Shares from the open market. To be compliant with the Amendments to SEBI Guidelines, the Trust disposed off all the securities held by it and remitted the proceeds to the Company towards settlement of outstanding loans. The balance amount of INR 367 mn recoverable from the Trust has been written off during the quarter and disclosed as Exceptional Item.

### Projects

- **Polyester Film Plant Project At Bahrain** - the first line of Polyester Film project has commenced production. The remaining two lines are likely to be commissioned by June 2014.
- **PET Plant project in Belgium** - the 390,000 Tonnes per annum PET project executed is continuing on schedule. The plant is expected to be commissioned by May 2014.
- **PTA Plant Project at Mangalore** – the 1.25 Million Tonnes per annum PTA project is continuing in full swing. The project is expected to be completed by mid 2015.

# Quarterly Financial Highlights - Consolidated



Income Statement	Q3-FY14	Q3-FY13	9M-FY 14	9M-FY13
<b>Income *</b>	<b>21,370</b>	<b>17,429</b>	<b>64,897</b>	<b>53,537</b>
Total Expenses	19,839	15,650	59,588	48,126
<b>EBITDA</b>	<b>1,531</b>	<b>1,779</b>	<b>5,309</b>	<b>5,411</b>
<i>EBITDA Margin</i>	<i>7.16%</i>	<i>10.21%</i>	<i>8.18%</i>	<i>10.11%</i>
Exchange Difference & Derivative (Gain)/ Loss	(285)	359	1,383	1,070
Depreciation	645	508	1,772	1,477
Interest	739	575	2,241	1,542
Exceptional Items	367	-	367	-
<b>PBT</b>	<b>65</b>	<b>337</b>	<b>(454)</b>	<b>1322</b>
Tax	30	39	(39)	192
<b>Profit After Tax</b>	<b>35</b>	<b>298</b>	<b>(415)</b>	<b>1,130</b>
<i>PAT Margin</i>	<i>0.16%</i>	<i>1.71%</i>	<i>-</i>	<i>2.11%</i>
<b>Diluted EPS</b>	<b>0.40</b>	<b>4.02</b>	<b>(6.28)</b>	<b>15.32</b>

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

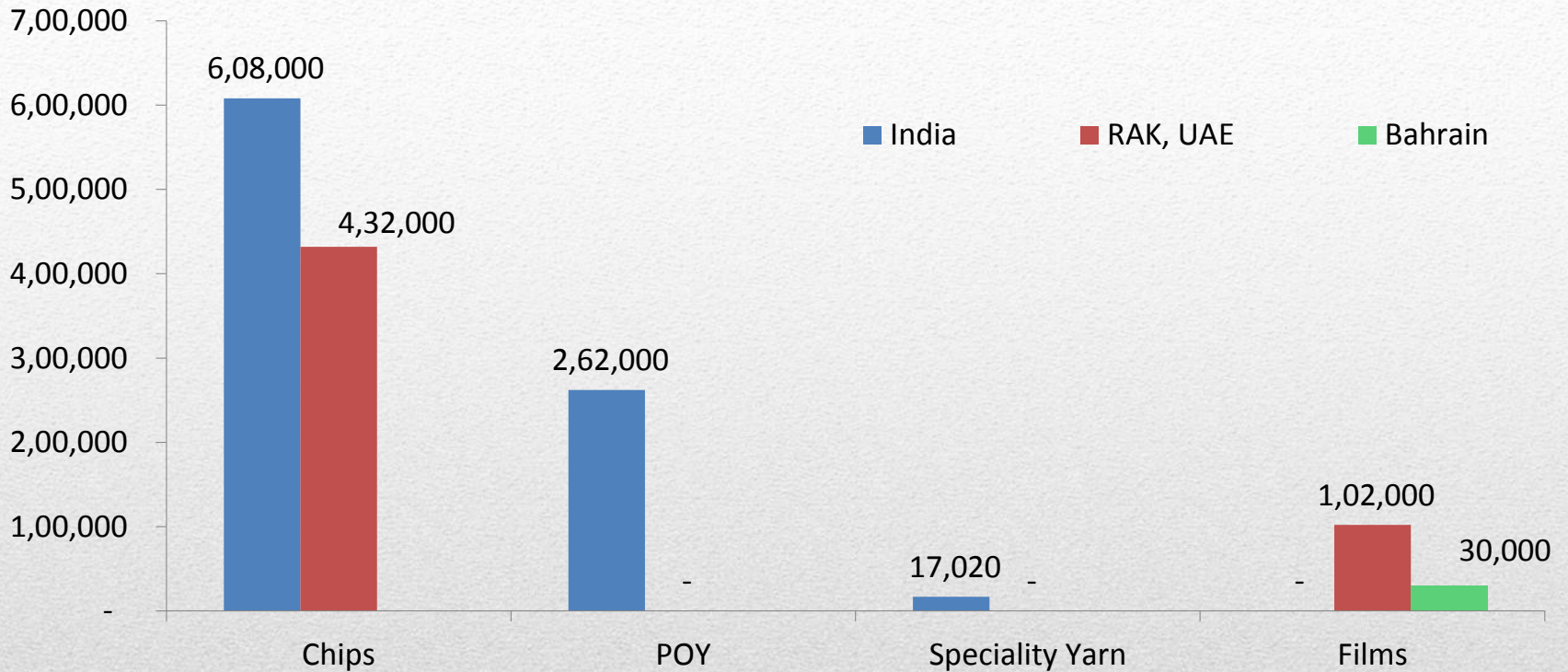
# Quarterly Financial Highlights – Standalone



Income Statement	Q3-FY14	Q3-FY13	9M-FY 14	9M-FY13
Income *	11,367	10,196	35,957	32,935
Total Expenses	10,524	9,177	32,642	29,714
<b>EBITDA</b>	<b>843</b>	<b>1,019</b>	<b>3,315</b>	<b>3,221</b>
<i>EBITDA Margin</i>	7.42%	9.99%	9.22%	9.78%
Exchange Difference & Derivative (Gain)/ Loss	(241)	364	1,350	1,114
Depreciation	286	262	833	736
Interest	265	296	1,032	802
Exceptional Items	367	-	367	-
<b>PBT</b>	<b>166</b>	<b>97</b>	<b>(267)</b>	<b>569</b>
Tax	28	39	(48)	192
<b>Profit After Tax</b>	<b>137</b>	<b>58</b>	<b>(219)</b>	<b>377</b>
<i>PAT Margin</i>	1.21%	0.57%	-	1.14%
<b>Diluted EPS</b>	<b>1.97</b>	<b>0.72</b>	<b>(3.48)</b>	<b>4.96</b>

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

# Production Capacities



*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*

*\* Capacity information is as on 31<sup>st</sup> December, 2013*

# Operating Performance



India Sales (MT)	Q3-FY14	Q3-FY13	% Increase	9MFY14	9MFY13	% Increase
CHIPS (Textile + Bottle grade)	61,458	55,296	11.1%	1,97,431	1,99,602	(1.1)%
POY & Specialty Yarn	52,355	56,647	(7.6)%	1,66,558	1,64,622	1.2%
<b>Total</b>	<b>1,13,813</b>	<b>1,11,943</b>	<b>1.7%</b>	<b>3,63,989</b>	<b>3,64,224</b>	<b>(0.1)%</b>

RAK, UAE Sales (MT)	Q3-FY14	Q3-FY13	% Increase	9MFY14	9MFY13	% Increase
CHIPS (Bottle grade)	87,420	65,093	34.3%	2,54,619	1,74,857	45.6%
Films	18,491	18,943	(2.4)%	52,819	57,367	(7.9)%
<b>Total</b>	<b>1,05,911</b>	<b>84,036</b>	<b>26.0%</b>	<b>3,07,438</b>	<b>2,32,224</b>	<b>32.4%</b>

# Pricing Trends & Revenue Mix



## Price trends\*

Category	Q3-FY14	Q3-FY13	% Change	9MFY14	9MFY13	% Change
CHIPS (INDIA)(INR/Kg)	91	83	9.7%	89	82	8.5%
POY & Specialty Yarn (INR/Kg)	102	92	10.2%	101	92	8.7%
CHIPS (RAK) (USD/MT)	1,600	1,500	6.7%	1,500	1,450	3.4%
FILMS (USD/MT)	2,250	2,200	2.3%	2,300	2,300	-

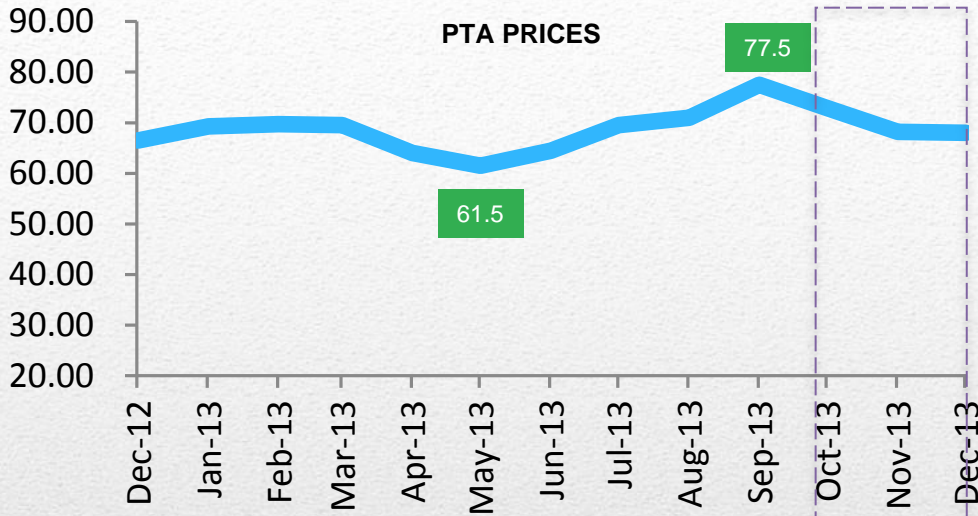
\*Prices mentioned above are the average prices for standard products in the industry, It could differ from the sale price achieved by the company

## Revenue Mix

Category	Q3-FY14	Q3-FY13	% Change	9MFY14	9MFY13	% Change
CHIPS (INDIA)	26%	26%	-	28%	30%	(200) Bps
POY & Specialty Yarn	26%	32%	(600) bps	27%	31%	(400) Bps
CHIPS (RAK)	36%	29%	700 bps	34%	26%	800 bps
FILMS	12%	13%	(100) bps	11%	13%	(200) bps



# Raw Materials & Deltas



52 week High – INR 77.50  
 52 week Low – INR 61.50  
 DEC 2013 – INR 68.00

PTA prices averaged at INR 69.70/kg in Q3-FY14 vs INR 64.57/kg for Q3-FY13



52 week High – INR 78.30  
 52 week Low – INR 58.70  
 DEC 2013 – INR 70.10

MEG prices averaged at INR 71.43/kg for Q3-FY14 vs INR 64.47/kg for Q3-FY13

## Industry level Deltas for Q3-FY14 (Delta = Sale price – Raw Material cost)

a. Chips – INR 7.02/kg

b. POY – INR 17.45/kg

c. Films (blended thick & thin) – USD 800/Ton

# Historical Consolidated Results – Profit and Loss A/c



Income Statement	FY 09	FY 10	FY 11	FY 12	FY 13
<b>Total Operating Income</b>	<b>43,143</b>	<b>49,444</b>	<b>64,711</b>	<b>71,793</b>	<b>74,558</b>
Total Expenses	37,914	44,740	55,149	64,666	67,656
<b>EBITDA</b>	<b>5,229</b>	<b>4,704</b>	<b>9,563</b>	<b>7,127</b>	<b>6,903</b>
<b>EBITDA Margin</b>	<b>12.1%</b>	<b>9.5%</b>	<b>14.8%</b>	<b>9.9%</b>	<b>9.3%</b>
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
<b>Profit After Tax</b>	<b>2,442</b>	<b>2,128</b>	<b>5,461</b>	<b>2,230</b>	<b>1,135</b>
Minority Interest	553	224	-	-	-
<b>Profit After Minority Interest</b>	<b>1,889</b>	<b>1,904</b>	<b>5,461</b>	<b>2,230</b>	<b>1,135</b>
<b>Diluted EPS</b>	<b>26.2</b>	<b>26.4</b>	<b>75.8</b>	<b>31.0</b>	<b>15.24</b>

^ - Interest amount for FY09 includes amount by way of Forex (Gain)/Loss  
All numbers in INR Mn other than EPS

# Consolidated Results – Balance Sheet



	Particulars	H1FY14	FY 13	FY12		Particulars	H1FY14	FY 13	FY12
<b>A</b>	<b>EQUITIES &amp; LIABILITIES</b>				<b>B</b>	<b>ASSETS</b>			
<b>Part -1</b>	<b>Shareholder Funds</b>				<b>Part -1</b>	<b>Non Current Assets</b>			
	(A) Share Capital	1,793	1,830	1,604		(A) Fixed Assets	52,668	38,830	29,333
	(C) Reserves & Surplus	17,165	16,873	15,340		(B) Goodwill on Consolidation	1,098	951	891
	<b>Total - Shareholder Funds</b>	<b>18,958</b>	<b>18,703</b>	<b>16,944</b>		(C) Non-Current Investments	28	30	37
<b>Part 2</b>	<b>Non Current Liabilities</b>					(D) Long Term Loans & Advances	7,886	4,704	2,913
	(A) Long Term Borrowings	39,188	23,173	13,768		(E) Other Non-Current Assets	6		
	(B) Deferred Tax Liabilities (Net)	1,508	1,581	1,223		<b>Total - Non – Current Assets</b>	<b>61,686</b>	<b>44,515</b>	<b>33,174</b>
	(C) Long Term provisions	464	271	114	<b>Part 2</b>	<b>Current Assets</b>			
	<b>Total - Non – Current Liabilities</b>	<b>41,160</b>	<b>25,026</b>	<b>15,105</b>		(A) Current Investments	380	486	629
<b>Part 3</b>	<b>Current Liabilities</b>					(B) Inventories	12,158	9,231	7,918
	(A) Short term Borrowings	15,906	13,216	11,451		(C) Trade Receivables	11,510	10,348	7,149
	(B) Trade Payables	13,528	11,230	8,322		(D) Cash and Bank Balances	5,672	5,968	3,987
	(C) Other Current Liabilities	7,919	7,940	4,640		(E) Short-term loans and advances	6,666	5,841	4,399
	(D) Short-term provisions	836	538	910		(F) Other current assets	235	264	116
	<b>Total – Current Liabilities</b>	<b>38,189</b>	<b>32,924</b>	<b>25,323</b>		<b>Total – Current Assets</b>	<b>36,621</b>	<b>32,138</b>	<b>24,198</b>
<b>A</b>	<b>GRAND TOTAL - EQUITIES &amp; LIABILITIES</b>	<b>98,307</b>	<b>76,653</b>	<b>57,372</b>	<b>B</b>	<b>GRAND TOTAL – ASSETS</b>	<b>98,307</b>	<b>76,653</b>	<b>57,372</b>

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
<b>Net worth</b>	<b>7,331</b>	<b>8,740</b>	<b>14,538</b>	<b>16,999</b>
Minority Interest	3,997	3,633	-	-
Loan Funds	12,414	13,644	17,836	24,247
<b>TOTAL LIABILITES</b>	<b>23,743</b>	<b>26,016</b>	<b>32,374</b>	<b>41,246</b>
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
<b>TOTAL ASSETS</b>	<b>23,743</b>	<b>26,016</b>	<b>32,374</b>	<b>41,246</b>

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# 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](mailto:anuj@valoremadvisors.com)

**JBF Industries Ltd.**

Express Towers, 8<sup>th</sup> Floor,

Nariman Point,

Mumbai – 400 021.