



JBF INDUSTRIES LTD

Q4/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 14,962 mn (as on March 31, 2016)
<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 16 Sales Mix (By Value) :- Chips – 66%, Polyester Yarn – 19%, BOPET Films – 15%
<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 64,836 mn in FY 11 to 88,965 mn in FY 16 – 5 year CAGR of 6.5% ▪ FY 16 Performance: Income – INR 88,965 mn, EBITDA – INR 7,298 mn, Net Profit – INR (1,815) mn ▪ JBF announced Dividend of INR 1/share in FY16
<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



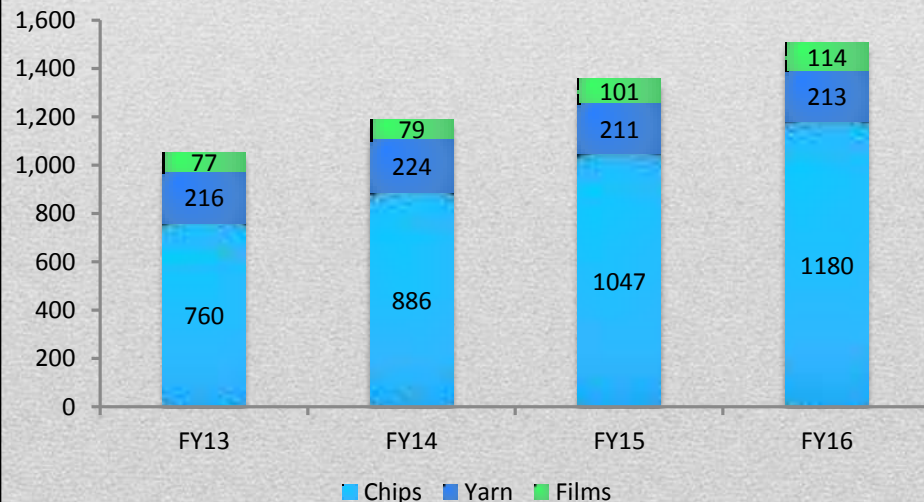
Company Overview

- 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 declared a **Dividend of INR 1/share** for FY16.

Financial Highlights

INR Mn	FY13	FY14	FY15	FY16
Total Income	74,592	85,803	88,978	88,965
EBIDTA	6,903	7,245	9,408	7,298
<i>EBIDTA Margin</i>	9.30%	8.30%	10.60%	8.20%
Net Profit	1,135	57	311	(1,815)
<i>Net Profit Margin</i>	1.52%	0.07%	0.35%	NA
<i>Diluted EPS (INR)</i>	15.24	0.35	4.22	(26.52)

Production Highlights ('000 tons)



Key Highlights



❑ Q4-FY16 (Standalone) performance:

- a. Total Income*: INR 10,004 mn
- b. EBITDA: INR 923 mn
- c. EBITDA Margin: 9.2 %
- d. PAT: INR 226 mn
- e. Diluted EPS: INR 2.65 / equity share

❑ Q4-FY16 (Consolidated) performance:

- a. Total Income*: INR 24,793 mn
- b. EBITDA: INR 836 mn
- c. EBITDA Margin: 3.4 %
- d. PAT: INR (1,591) mn

❑ FY16 (Standalone) performance:

- a. Total Income*: INR 36,501 mn
- b. EBITDA: INR 3,971 mn
- c. EBITDA Margin: 10.8 %
- d. PAT: INR 655 mn
- e. Diluted EPS: INR 8.90 / equity share

❑ FY16 (Consolidated) performance:

- a. Total Income*: INR 88,965 mn
- b. EBITDA: INR 7,298 mn
- c. EBITDA Margin: 8.2 %
- d. PAT: INR (1,815) mn

* Total Income includes other income component

- ❑ Margins have been impacted due to pressure on the polyester value chain in international business because of lower realization and inventory valuation losses.
- ❑ The Board of Directors has recommended dividend @ Rs 1/- Per share on Equity shares of Rs.10/- each for the financial year 2015-16. The payment is subject to the approval of the shareholders in its Annual General Meeting.
- ❑ Implementation of the 1.25 Million Tonnes per annum green field PTA project at Mangalore, being executed through Step down subsidiary JBF Petrochemicals Ltd is proceeding satisfactorily. The project is now expected to be completed by the end of current financial year.
- ❑ The management is confident of recovering dues mentioned in the auditors' qualifications with regard to Trade Receivables and Short Term Loans and Advances. The management's views have been expressly stated in the financial results.
- ❑ In respect of non-compliance of certain covenants, the management has already initiated steps to comply with the covenants and get waiver from lenders. Meantime, holding company, JBF Global Pte Ltd, has already inducted equity advance of USD 25 Mn to avail pre-approved equity cure provided by the lender under loan arrangements. On considerations of equity cure provision, there would not be any breach of covenants.

Financial Highlights – Standalone



Income Statement	Q4-FY16	Q3-FY16	QoQ%	Q4-FY15	YoY %
Income from operations	9,927	8,973	10.6%	8,117	22.3%
Other Income	77	77	0.0%	74	4.1%
Total Income	10,004	9,050	10.5%	8,191	22.1%
Total Expenses	9,081	8,076	12.4%	7,144	27.1%
EBITDA	923	974	(5.2)%	1,047	(11.8)%
EBITDA Margin (%)	9.23%	10.76%	(153) Bps	12.78%	(355) Bps
Exchange Difference & Derivative (Gain)/ Loss	(29)	6	NA	(93)	(68.8)%
Depreciation	252	251	(0.4)%	252	0.0%
Interest	341	454	(24.9)%	439	(22.3)%
PBT	359	263	36.5%	449	(20.0)%
Tax	133	90	47.8%	166	(19.9)%
Profit After Tax	226	173	30.6%	283	(20.1)%
PAT Margin (%)	2.26%	1.91%	35 bps	3.46%	(120) Bps
Diluted EPS	2.65	2.49	6.4%	4.18	(36.6)%

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

Financial Highlights – Standalone



Income Statement	FY16	FY15	YoY %
Income from operations	36,206	41,269	(12.3)%
Other Income	295	276	6.9%
Total Income	36,501	41,545	(12.1)%
Total Expenses	32,530	36,995	(12.1)%
EBITDA	3,971	4,550	(12.7)%
EBITDA Margin	10.88%	10.95%	(7) Bps
Exchange Difference & Derivative (Gain)/ Loss	216	125	72.8%
Depreciation	1,005	968	3.8%
Interest	1,730	1,452	19.1%
PBT	1,020	2,005	(49.1)%
Tax	365	611	(40.3)%
Profit After Tax	655	1,394	(53.0)%
PAT Margin	1.79%	3.36%	(157) bps
Diluted EPS	8.90	20.78	(57.2)%

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

Standalone Results – Balance Sheet



	Particulars	FY14	FY15	FY16
A	EQUITIES & LIABILITIES			
Part -1	Shareholder Funds			
	(A) Share Capital	802	804	968
	(B) Reserves& Surplus	9,153	10,218	15,315
	Total -Shareholder Funds	9,955	11,022	16,283
Part 2	Non Current Liabilities			
	(A) Long Term Borrowings	6,696	8,250	5,940
	(B) Deferred Tax Liabilities (Net)	1,705	2,242	2,279
	(C) Long Term provisions	236	125	98
	Total - Non – Current Liabilities	8,637	10,617	8,317
Part 3	Current Liabilities			
	(A) Short term Borrowings	5,341	7,047	7,632
	(B) Trade Payables	6,149	3,088	4,801
	(C) Other Current Liabilities	3,226	3,033	3,940
	(D) Short-term provisions	511	609	391
	Total – Current Liabilities	15,227	13,777	16,764
A	GRAND TOTAL - EQUITIES & LIABILITIES	33,819	35,416	41,364

	Particulars	FY14	FY15	FY16
B	ASSETS			
Part -1	Non Current Assets			
	(A) Fixed Assets	15,470	16,264	15,515
	(B) Non-Current Investments	4,238	4,235	3,983
	(C) Long Term Loans & Advances	1,046	1,132	1,062
	(D) Other Non - Current Assets	-	463	711
	Total - Non – Current Assets	20,754	22,094	21,271
Part 2	Current Assets			
	(A) Current Investments	7	2	2
	(B) Inventories	4,405	3,353	3,633
	(C) Trade Receivables	6,123	5,647	7,680
	(D) Cash and Bank Balances	425	2,147	3,270
	(E) Short-term loans and advances	1,591	2,061	5,389
	(F) Other current assets	514	112	119
	Total – Current Assets	13,065	13,322	20,093
B	GRAND TOTAL – ASSETS	33,819	35,416	41,364

Financial Highlights – Consolidated



Income Statement	Q4-FY16	Q3-FY16	QoQ%	Q4-FY15	YoY%
Income from operations	24,694	20,058	23.1%	21,417	15.3%
Other Income	99	20	395.0%	28	253.6%
Total Income	24,793	20,078	23.5%	21,445	15.6%
Total Expenses	23,957	18,352	30.5%	19,113	25.3%
EBITDA	836	1,726	(51.6)%	2,332	(64.2)%
EBITDA Margin	3.37%	8.60%	(523) Bps	10.87%	
Exchange Difference & Derivative (Gain)/ Loss	(57)	(46)	23.9%	652	NA
Depreciation	915	904	1.2%	796	14.9%
Interest	1,546	1,298	19.1%	1,261	22.6%
PBT	(1,568)	(430)	264.7%	(377)	315.9%
Tax	321	89	260.7%	164	95.7%
Profit After Tax & before Minority Interest	(1,889)	(519)	264.0%	(541)	249.2%
Minority Interest	298	88	238.6%	0	NA
Net Profit	(1,591)	(431)	269.1%	(541)	194.1%
PAT Margin	NA	NA	NA	NA	NA
Diluted EPS	(19.54)	(6.64)	194.3%	(8.39)	132.9%

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

Financial Highlights – Consolidated



Income Statement	FY16	FY15	YoY %
Income	88,816	88,795	0.0%
Other Income	149	183	(18.6)%
Total Income	88,965	88,978	0.0%
Total Expenses	81,667	79,570	2.6%
EBITDA	7,298	9,408	(22.4)%
EBITDA Margin	8.20%	10.57%	237 bps
Exchange Difference & Derivative Loss	110	1,209	(90.9)%
Depreciation	3,572	3,068	16.4%
Interest	5,253	4,237	24.0%
PBT	(1,637)	894	NA
Tax	546	583	(6.3)%
Profit After Tax	(2,183)	311	NA
Minority Interest	368	-	NA
Net Profit	(1,815)	311	NA
PAT Margin	NA	0.35%	NA
Diluted EPS	(26.52)	4.22	NA

All numbers in INR Mn other than EPS

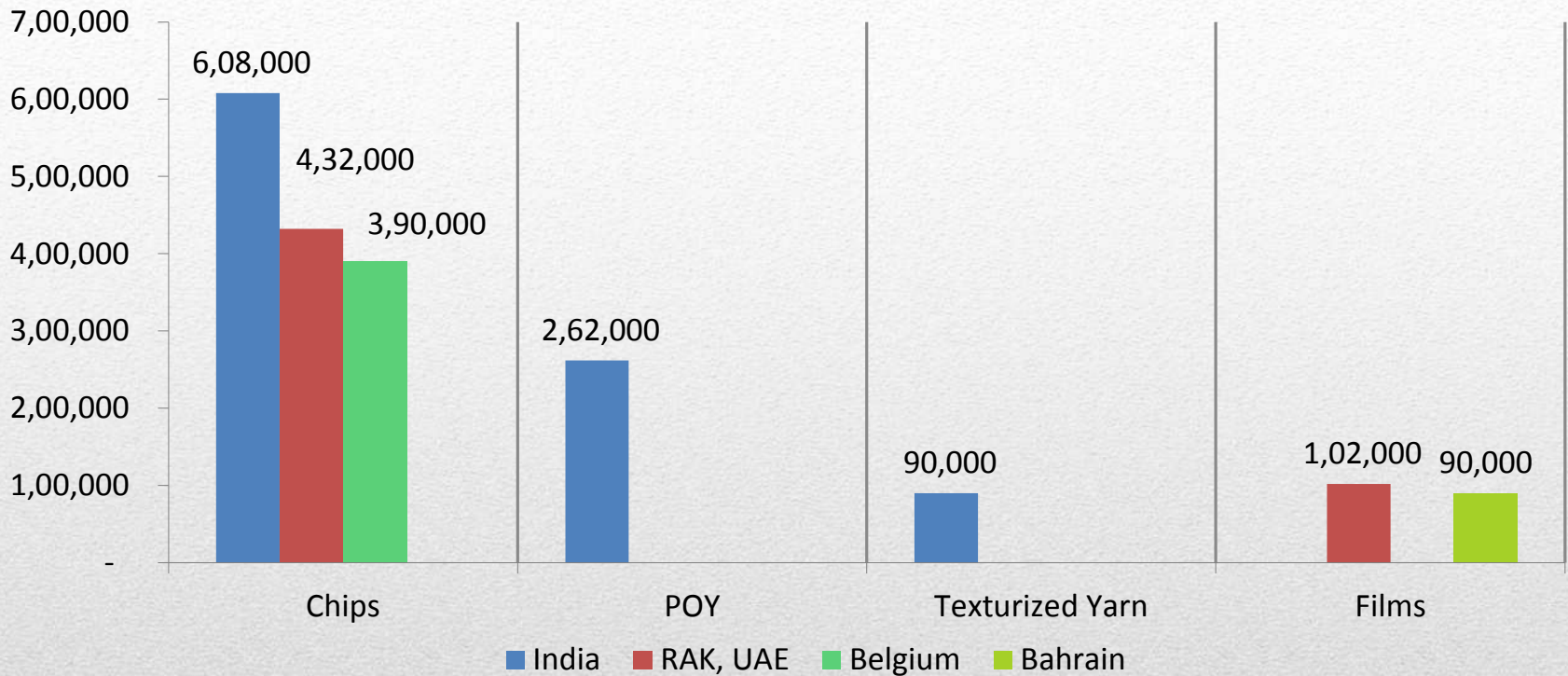
Consolidated Results – Balance Sheet



	Particulars	FY14	FY 15	FY16
A	EQUITIES & LIABILITIES			
Part -1	Shareholder Funds			
	(A) Share Capital	802	804	968
	(B) Reserves& Surplus	18,045	17,551	23,992
	Total -Shareholder Funds	18,847	18,355	24,960
	Minority Interest	-	-	2,217
Part 2	Non Current Liabilities			
	(A) Long Term Borrowings	45,587	61,672	71,844
	(B) Deferred Tax Liabilities (Net)	1,705	2,242	2,279
	(C) Other Long Term liabilities	352	255	252
	(D) Long Term provisions	403	342	385
	Total - Non – Current Liabilities	48,047	64,511	74,760
Part 3	Current Liabilities			
	(A) Short term Borrowings	13,923	20,645	29,560
	(B) Deferred Tax Liabilities	68	36	28
	(C) Trade Payables	11,841	18,233	17,672
	(D) Other Current Liabilities	8,372	8,643	11,718
	(E) Short-term provisions	727	997	991
	Total – Current Liabilities	34,931	48,554	59,969
A	GRAND TOTAL - EQUITIES & LIABILITIES	1,01,825	1,31,420	1,61,906

	Particulars	FY14	FY15	FY16
B	ASSETS			
Part -1	Non Current Assets			
	(A) Fixed Assets	62,372	84,651	1,02,822
	(B) Goodwill on Consolidation	1,048	1,092	1,180
	(C) Non-Current Investments	26	24	21
	(D) Long Term Loans & Advances	6,624	2,236	1,191
	(E) Other Non-Current Assets	6	6	7
	Total - Non – Current Assets	70,076	88,009	1,05,221
Part 2	Current Assets			
	(A) Current Investments	7	2	2
	(B) Inventories	10,440	10,550	10,894
	(C) Trade Receivables	11,504	14,508	17,908
	(D) Cash and Bank Balances	4,870	4,735	12,212
	(E) Short-term loans and advances	4,768	13,503	15,548
	(F) Other current assets	160	113	119
	(G) Deferred Tax Assets	-	-	2
	Total – Current Assets	31,749	43,411	56,685
B	GRAND TOTAL – ASSETS	1,01,825	1,31,420	1,61,906

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, 2016

Operating Performance



Indian Operation Sales (MT)	Q4-FY16	Q4-FY15	% Increase	FY16	FY15	% Increase
CHIPS (Textile + Bottle grade)	90,371	51,462	75.6%	2,91,059	2,55,631	13.9%
POY & Specialty Yarn	59,041	55,736	5.9%	2,12,487	2,07,835	2.2%
Total	1,49,412	1,07,198	39.4%	5,03,546	4,63,466	8.6%

Overseas Operation Sales (MT)	Q4-FY16	Q4-FY15	% Increase	FY16	FY15	% Increase
CHIPS (Bottle grade)	1,98,383	1,71,238	15.9%	6,62,043	5,24,339	26.3%
Films	29,665	28,810	3.0%	1,08,065	1,04,023	3.9%
Total	2,28,048	2,00,048	14.0%	7,70,108	6,28,362	22.6%

Pricing Trends & Revenue Mix



Price Trends*						
Category	Q4-FY16	Q4-FY15	% Change	FY16	FY15	% Change
CHIPS – India (INR/Kg)	61	65	(6)%	66	78	(15)%
POY & Specialty Yarn-India (INR/Kg)	78	76	3%	79	90	(12)%
CHIPS - International (USD/MT)	891	995	(10)%	984	1,179	(17)%
FILMS - International (USD/MT)	1,751	1,904	(8)%	1,909	2,108	(9)%

*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	Q4-FY16	Q4-FY15	% Change	FY16	FY15	% Change
CHIPS -India	21%	16%	500 bps	20%	22%	(200) Bps
POY & Specialty Yarn - India	18%	21%	(300) Bps	19%	22%	(300) Bps
CHIPS - International	47%*	48%*	(100) Bps	46%*	41%*	500 bps
FILMS – International	14%*	15%*	(100) bps	15%*	14%*	100 bps

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



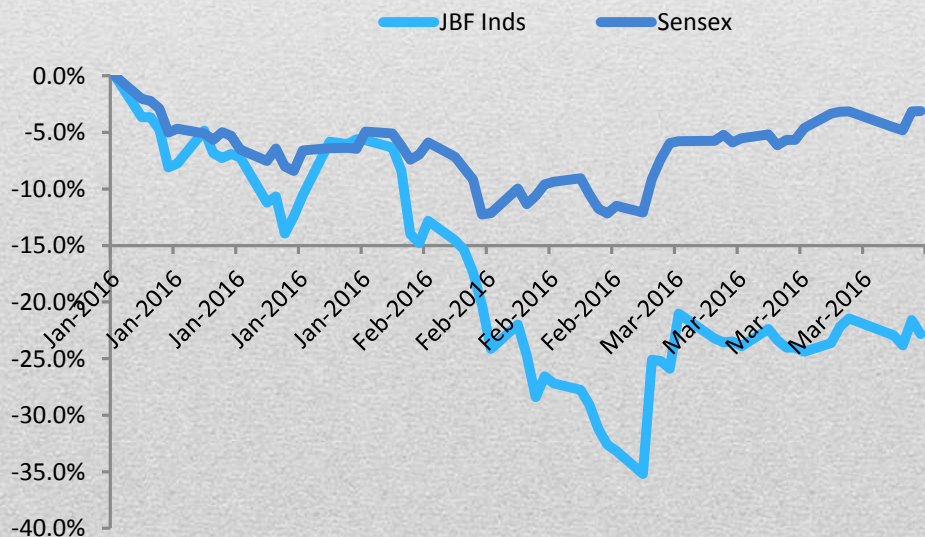
Price Data (As on March 31st, 2016)

Face Value (INR)	10
Market Price (INR)	182.7
52 week H/L (INR)	318.4/150.1
Market Cap (INR Mn)	14,962.1
Equity Shares Outstanding (Mn)	81.8
Free Float (Mn)	8,505.9
1 Year Avg. Trading Volume ('000)	342.9

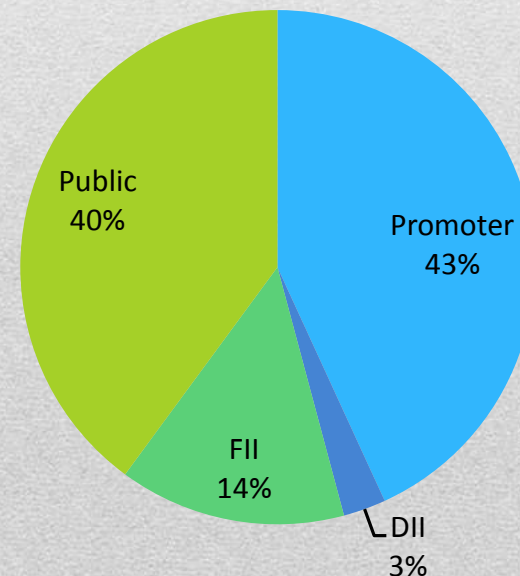
Marquee Investors

Marquee Investors	% Holding
KKR	20.00%
Copthall Mauritius Investment Ltd	3.95%
Life Insurance Corporation of India	2.59%
Cresta Fund Ltd	2.18%
Eriska Investment Fund	1.55%
TOTAL	30.27%

Share Price Movement for quarter under review



Shareholding Pattern (As on March 31st, 2016)



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.

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