



JBF Industries Ltd

EARNINGS PRESENTATION
Q3/9M-FY17 STANDALONE

Overview

- 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 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 17,058 mln(as on December 30, 2016)

Products & Business Mix

- Product Mix can be divided into three broad categories:-
 - 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
 - iv. FY 16 Sales Mix (By Value) :-Chips – 66%, Polyester Yarn – 19%, BOPET Films – 15%

Markets

- JBF continues to be a leading player in the global polyester value chain and over time, has gained significant market share in areas where it has had its presence – India, UAE (Ras-Al-Khaimah), Bahrain, Belgium.
- JBF is setting up a 1.25 MMT Purified Terephthalic Acid (PTA) plant at Mangalore SEZ thereby will become an integrated petrochemical company.
- JBF also enjoys a preferred supplier status in the regions across the world where it has got its presence.
- Each facility enjoys strategic advantages such as location, close proximity to suppliers and customers.

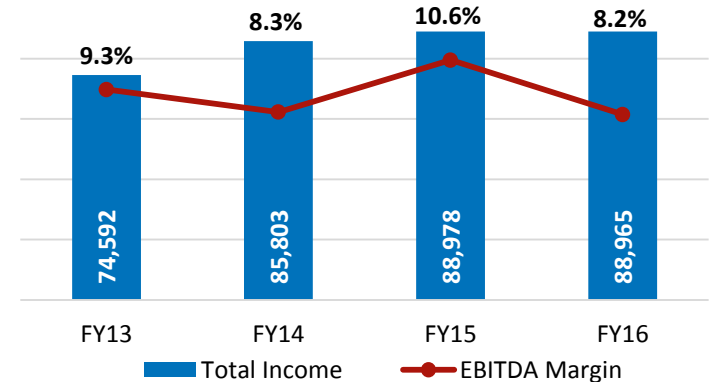
Marquee Clients

- Some of JBF's marquee clients include:
 - i. Textile-grade chips & Yarn: Welspun, Jiwarajka, Deepak Polyester
 - ii. Bottle-grade chips: Coca Cola, Pepsi, Nestle, Masafi
 - iii. BoPET films: Amcor, Isovolta, Coveme

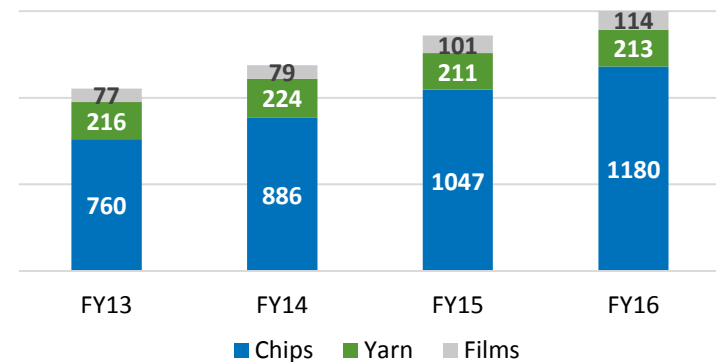
Company Overview

- Established in 1982, JBF Industries was founded by Mr. Bhagirath Arya as a Yarn Texturizing company, the company has since backward integrated into the polyester value chain.
- 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 Metallized grade.
- Commenced its international operations in FY08 by foraying into the PET chips and BOPET Film business by setting up a plant at Ras-Al-Khaimah(RAK). In FY14, it set up a greenfield capacity for BOPET films in Bahrain, and in FY15, it set up a greenfield capacity for PET chips in Belgium.
- JBF is setting up a 1.25 MT/year PTA plant in the Mangalore Special Economic Zone. The plant is at an advanced stage of completion and would be operational by the end of the financial year. When commissioned, it will lead to self-sufficiency in meeting the company's requirement for major raw-material. i.e. PTA both in India as well as for its plant in UAE. The plant will also have the advantage of taxation benefits as a result of being placed in the SEZ.

Financial Highlights – Consolidated (INR Mn)



Production Highlights ('000 tons)



Key Financial Highlights

❑ Q3-FY17 (Standalone) performance:

- Total Income*: INR 10,630 mn
- EBITDA: INR 690 mn
- EBITDA Margin: 6.49%
- PAT: INR 35 mn
- PAT Margin: 0.33%

❑ 9M-FY17 (Standalone) performance:

- Total Income*: INR 31,345 mn
- EBITDA: INR 2,259 mn
- EBITDA Margin: 7.21%
- PAT: INR 245 mn
- PAT Margin: 0.78%

**Total Income includes other income component*

- The Company adopted the Indian Accounting Standard ("Ind AS") and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 - "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013. These financial results have been prepared in accordance with the Companies (Indian Accounting Standard) Rules 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013. The date of transition to Ind AS is 1st April, 2015. The Figures for the quarter and nine month ended 31st December 2016 are also Ind AS Compliant. They have not been subject to limited Review or audit. However, the management has exercised the necessary due diligence to ensure that the financial results provide a true and fair view of the Company's affairs. The Company will provide a reconciliation of its equity for the previous year ended 31st March, 2016 at the time of submitting the audited financial statements for the year ended 31st March, 2017. These results have been prepared in accordance with regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) regulation, 2015 read with SEBI circular dated 5th July, 2016.

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 by the end of current financial year.

Financial Highlights – Standalone

Income Statement	Q3-FY17 ("Ind AS")	Q3-FY16 ("Ind AS")	YoY%	Q2-FY17 ("Ind AS")	QoQ%
Income from operations	10,517	9,739	7.99%	10,326	1.85%
Other Income	113	78	44.87%	93	21.51%
Total Income	10,630	9,817	8.28%	10,419	2.03%
Total Expenses	9,940	8,840	12.44%	9,618	3.35%
EBITDA	690	977	(29.38)%	801	(13.86)%
EBITDA Margin (%)	6.49%	9.95%	(346)bps	7.69%	(120)bps
Exchange Difference & Derivative (Gain)/ Loss	21	(12)	NA	(29)	NA
Depreciation	242	251	(3.59)%	244	(0.82)%
Interest	366	480	(23.75)%	355	3.10%
PBT	61	258	(76.36)%	231	(73.59)%
Tax	26	60	(56.67)%	120	(78.33)%
Profit After Tax	35	198	(82.32)%	111	(68.47)%
PAT Margin (%)	0.33%	2.02%	(169)bps	1.07%	(74)bps
Other Comprehensive Income	(3)	(2)	NA	(3)	0.00%
Total Comprehensive Income (After Tax)	32	196	(83.67)%	108	(70.37)%
Diluted EPS (Before Other Comprehensive Income)	0.43	3.00	(85.67)%	1.36	(68.38)%

All numbers in INR Mn other than EPS

Financial Highlights – Standalone

Income Statement	9M-FY17 ("Ind AS")	9M-FY16 ("Ind AS")	YoY%
Income from operations	31,044	28,624	8.45%
Other Income	301	234	28.63%
Total Income	31,345	28,858	8.62%
Total Expenses	29,086	25,788	12.79%
EBITDA	2,259	3,070	(26.42)%
EBITDA Margin (%)	7.21%	10.64%	(343)bps
Exchange Difference & Derivative (Gain)/ Loss	23	245	(90.61)%
Depreciation	732	754	(2.92)%
Interest	1,129	1,465	(22.94)%
PBT	375	606	(38.12)%
Tax	130	181	(28.18)%
Profit After Tax	245	425	(42.35)%
PAT Margin (%)	0.78%	1.47%	(69)bps
Other Comprehensive Income	(9)	(5)	NA
Total Comprehensive Income (After Tax)	236	420	(43.81)%
Diluted EPS (Before Other Comprehensive Income)	2.99	6.47	(53.79)%

All numbers in INR Mn other than EPS

Standalone Income Statement

Income Statement	FY12	FY13	FY14	FY15	FY16
Income	43,833	45,041	47,847	41,269	36,206
Other Income	833	223	316	276	295
Total Income	44,666	45,264	48,163	41,545	36,501
Total Expenses	39,817	40,940	44,187	36,995	32,530
EBITDA	4,849	4,324	3,976	4,550	3,971
EBITDA Margin	10.86%	9.55%	8.26%	10.95%	10.88%
Exchange Difference & Derivative Loss	2,951	1,386	1,185	126	216
Depreciation	839	1,007	1,122	967	1,005
Interest	776	1,060	1,376	1,452	1,730
PBT	283	871	293	2,005	1,020
Tax	(205)	356	143	611	365
Profit After Tax	488	515	150	1,394	655
PAT Margin	1.09%	1.14%	0.31%	3.36%	1.79%
EPS	6.61	6.72	1.70	20.78	8.90

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

Standalone Results – Balance Sheet H1FY17

	Particulars	H1FY17*
A	EQUITIES & LIABILITIES	
Part -1	Shareholder Funds	
	(A) Share Capital	819
	(B) Reserves & Surplus	14,856
	Total -Shareholder Funds	15,675
Part 2	Non Current Liabilities	
	(A) Long Term Borrowings	5,560
	(B) Deferred Tax Liabilities (Net)	2,262
	(C) Long Term provisions	90
	(D) Other Financial Liabilities	961
	Total - Non – Current Liabilities	8,873
Part 3	Current Liabilities	
	(A) Short term Borrowings	7,145
	(B) Trade Payables	6,354
	(C) Other Current Liabilities	995
	(D) Short-term provisions	269
	(E) Current Tax Liabilities (net)	36
	(F) Other Financial Liabilities	3,054
	Total – Current Liabilities	17,853
A	GRAND TOTAL - EQUITIES & LIABILITIES	42,401

	Particulars	H1FY17*
B	ASSETS	
Part -1	Non Current Assets	
	(A) Property, Plant & Equipment	15,084
	(B) Non-Current Investments	4,166
	(C) Other Non - Current Assets	672
	(D) Investment Property	2
	(E) Capital work in progress	393
	(F) Other Intangible Assets	19
	(G) Financial Assets – Others	769
	Total - Non – Current Assets	21,105
Part 2	Current Assets	
	(A) Current Investments	2
	(B) Inventories	3,692
	(C) Trade Receivables	7,591
	(D) Cash and Bank Balances	3,304
	(E) Short-term loans and advances	5,151
	(F) Other current assets	400
	(G) Other Financial Assets	789
	(H) Current Tax Assets	367
	Total – Current Assets	21,296
B	GRAND TOTAL – ASSETS	42,401

*The H1FY17 balance sheet is prepared in accordance with the Indian Accounting Standards (IndAS)
All numbers in INR Mn

Consolidated Results – Income Statement

Income Statement	FY12	FY13	FY14	FY15	FY16
Income	71,793	74,558	85,677	88,795	88,816
Other Income	824	34	126	183	149
Total Income	72,617	74,592	85,803	88,978	88,965
Total Expenses	64,666	67,656	78,558	79,570	81,667
EBITDA	7,951	6,936	7,245	9,408	7,298
EBITDA Margin	10.95%	9.30%	8.44%	10.57%	8.20%
Exchange Difference & Derivative Loss	2,939	1,329	1,254	1,209	110
Depreciation	1,525	2,002	2,450	3,068	3,572
Interest	1,462	2,100	3,162	4,237	5,253
Exceptional Item	-	-	367	-	-
PBT	2,025	1,505	12	894	(1,637)
Tax	(205)	371	143	583	546
Profit After Tax	2,230	1,134	(131)	311	(2,183)
Extraordinary Item	-	-	188	-	-
Profit After Tax and Extraordinary Items	2,230	1,134	57	311	(2,183)
Minority Interest	-	-	-	-	368
Net Profit	2,230	1,134	57	311	(1,815)
PAT Margin	3.10%	1.52%	0.07%	0.35%	NA
Diluted EPS	30.7	15.24	0.35	4.22	(26.52)

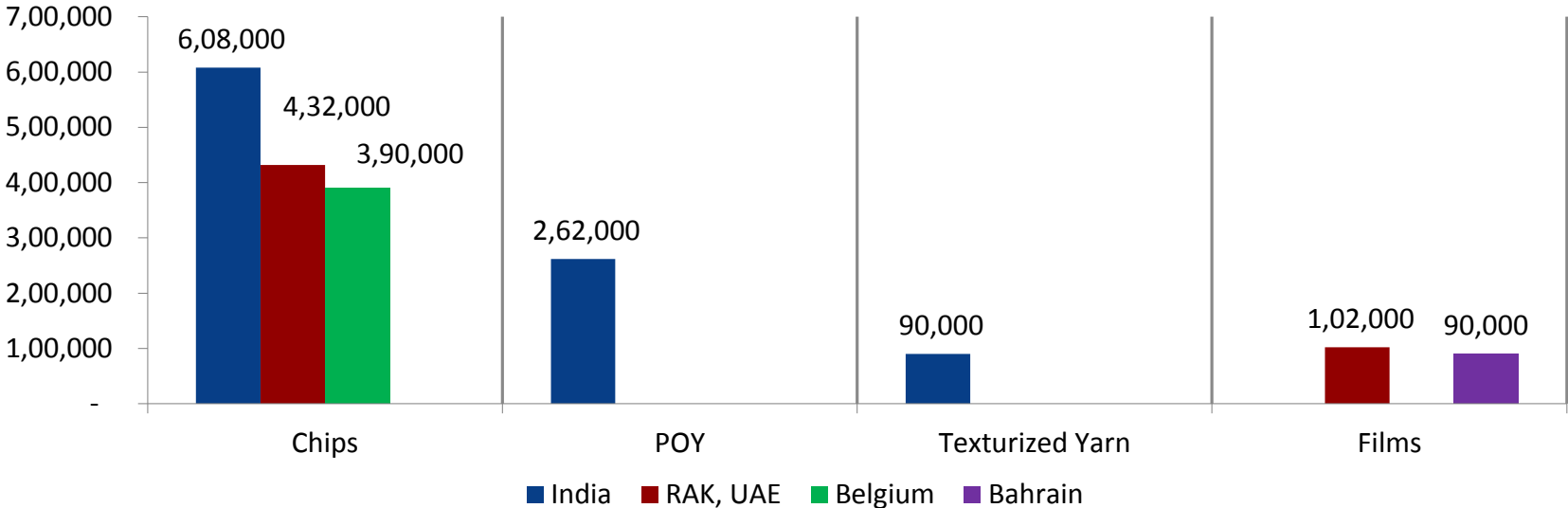
All numbers in INR Mn other than EPS

Consolidated Results - Balance Sheet

	Particulars	FY14	FY15	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

All numbers in INR Mn



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

Indian Operation Sales (MT)	Q3-FY17	Q3-FY16	% Increase	9MFY17	9MFY16	% Increase
CHIPS (Textile + Bottle grade)	85,533	78,436	9.04%	2,41,509	2,00,688	20.34%
POY & Specialty Yarn	51,751	53,712	(3.65)%	1,61,295	1,53,446	5.11%
Total	1,37,284	1,32,148	3.88%	4,02,804	3,54,134	13.74%

Price Trends*

Category	Q3-FY17	Q3-FY16	% Change	9MFY17	9MFY16	% Change
CHIPS – India (INR/Kg)	63	61	3.28%	63	66	(4.55)%
POY & Specialty Yarn- India (INR/Kg)	81	79	2.53%	82	86	(4.65)%

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

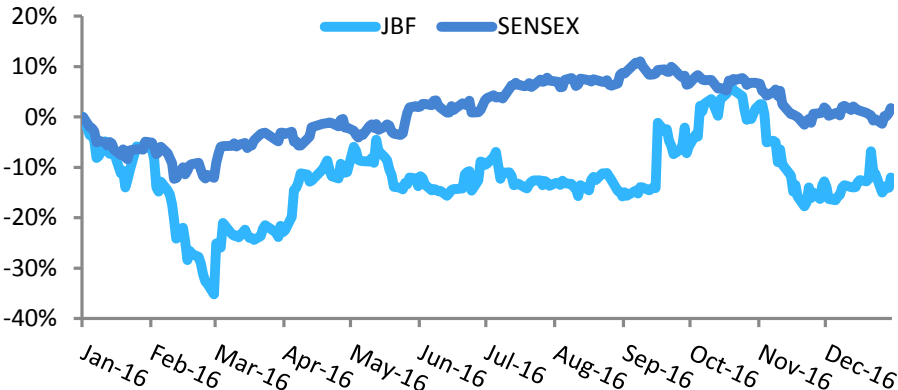
Revenue Mix

Category	Q3-FY17	Q3-FY16	% Change	9MFY17	9MFY16	% Change
CHIPS -India	56	53	5.66%	53	50	6.00%
POY & Specialty Yarn - India	44	47	(6.38)%	47	50	(6.00)%

Price Data (as on December 30th, 2016)

Face Value (INR)	10
Market Price (INR)	208.35
52 week H/L (INR)	260.1/150.1
Market Cap (INR Mn)	17,058
Equity Shares Outstanding (Mn)	81.9
Free Float (Mn)	9,777
1 Year Avg. Trading Volume ('000)	161.3

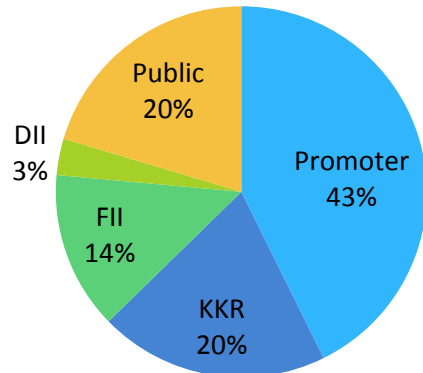
Share Price Performance



Marquee Investors % Holding

KKR	20.00%
New Horizon Opportunities Master Fund	3.94%
Life Insurance Corporation of India	2.59%
Jupiter India Fund	2.40%
Cresta Fund Ltd	2.07%
Eriska Investment Fund	1.55%
TOTAL	32.55%

Shareholding Pattern (as on December 30th, 2016)



•Source – Bloomberg, Capitaline, BSE India

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