

May 26, 2020



Current Price: ₹ 166.30

STOCK DATA

BSE Code	500228
NSE Symbol	JSWSTEEL
Reuters	JSTL.BO
Bloomberg	JSTL IN

VALUE PARAMETERS

Price (52 W H/L(Rs))	297.30/132.50
Mkt. Cap.(Rs Cr)	40198.38
Latest Equity(Subscribed)	241.72
Latest Reserve (cons.)	36632
Latest EPS (cons.) -Unit Curr.	21.92
Latest P/E Ratio -cons	7.59
Latest Bookvalue (cons.) -Unit Curr.	152.55
Latest P/BV - cons	1.09
Dividend Yield -%	1.19
Face Value	1.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/03/2020
Foreign	33.41
Institutions	4.39
Govt Holding	0.51
Non Promoter Corp. Hold.	8.44
Promoters	42.71
Public & Others	10.55

Financial Results

	Qtr Ending Mar. 20	Qtr Ending Mar. 19	In Cr. VAR %
Net Sales	17887.00	22368.00	-20
OPM(%)	16.60	19.80	
OP	2975.00	4440.00	-33
OI	122.00	53.00	130
PBIDT	3097.00	4493.00	-31
Interest	1036.00	1046.00	-1
PBDT	2061.00	3447.00	-40
Depreciation	1108.00	1084.00	2
PBT before EO	953.00	2363.00	-60
EO	805.00	0.00	
PBT after EO	148.00	2363.00	-94
Tax	-69.00	835.00	LP
PAT	217.00	1528.00	-86
Minority Interest	-43.00	-28.00	
Share of Profit/Loss of Associates excluding EO	-29.00	-33.00	
Net profit	231.00	1523.00	-85
EPS(Rs)	0.96	6.35	

JSW Steel Q4 results, Net profit plummets 85% to Rs 231 crore; misses Street estimates.

JSW steel consolidated net sales decreased by 20% to Rs 17887 crore for the quarter ended Mar20 compared to corresponding previous year period. Consolidated saleable Steel sales for the quarter decreased 15% YoY and 9% QoQ to 3.65 million tonne given the impact of COVID-19 related lock down in the latter half of March 2020. Domestic sales volumes grew by 3% QoQ. The share of value added and special products in the overall shipment stood at 48% during the quarter (47% in Q4FY19 and 50% in Q3FY20). Export sales was lower by 51% YoY and QoQ both at 0.46 million tonne

The OPM decreased 320 bps to 16.6%. Thus the operating profit fell by 33% to Rs 2975 crore. Cost of material consumed as a percentage of adjusted net sales fell 60 bps to 49.3%. Employee benefit expenses rose 60 bps to 7%. Power and fuel expenses increased 60 bps to 8.5%. Other expenses were up 410 bps at 21%.

Other income rose 130% to Rs 122 crore in Q4FY'20 compared to Rs 53 crore in Q4FY'19 while interest cost was down 1% to Rs 1036 crore. Depreciation decreased 2% to Rs 1108 crore. PBT before EO was down 60% to Rs 953 crore. The company had EO expense of Rs 805 crore in Q4FY20 (Rs 725 crore impairment provision for the iron ore mining operations at Chile and Rs 80 crore towards retirement of certain fixed assets in India) compared to nil in Q4FY19. PBT after EO fell 94% to Rs 148 crore.

Net tax provision was credit of Rs 69 crore compared to tax provision of Rs 835 crore. PAT reported was down 86% to 217 crore. Considering minority shares and profit of associates and JVs Net profit was down 85% to Rs 231 crore.

The fourth quarter performance of the company was marked by the emergence of Covid-19 pandemic and measures to curb its rapid spread. With a significant supply chain disruption and with a view to ensure safety of workforce across all areas of operations the company scaled down production from all facilities around this time period. The company has commenced operations at all facilities since the last week of April by taking requisite approvals.

Consolidated year ended performance

The consolidated net sales decreased by 13% to Rs 73326 crore for year ended Mar20 compared to corresponding previous year period. The OPM decreased 620 bps to 16.2%. Thus the operating profit fell by 37% to Rs 11873 crore. Consolidated saleable Steel sales for the year decreased 4% to 14.9 million tonne driven by a weaker domestic demand. The share of value added and special products in the overall shipment stood at 48% during the year (53% in FY19).

Cost of material consumed as a percentage of adjusted net sales rose 190 bps to 52.8%. Employee benefit expenses increased 90 bps to 3.9%. Power and fuel expenses rose 30 bps to 8.5%. Other expenses rose 320 bps to 18.5%.

Other income rose 168% to Rs 546 crore in FY'20 compared to Rs 204 crore in FY'19 while interest cost was up 9% to Rs 4265 crore. Depreciation increased 5% to Rs 4246 crore. PBT before EO was down 65% to Rs 3908 crore. The company had EO expense of Rs 805 crore in FY20 compared to nil in FY19. PBT after EO fell 72% to Rs 3103 crore.

Net tax provisions stood a credit of Rs 906 crore compared tax expense of Rs 3644 crore in the corresponding previous year period. PAT reported was down 47% to 4009 crore. Considering minority shares and profit of associates and JVs Net profit was down 47% to Rs 4030 crore.

Subsidiaries performance:

JSW Steel Coated Products: During the quarter, JSW Steel Coated Products registered a production volume of 0.44 million tons and sales volume of 0.47 million tonne. Revenue from operations and operating EBITDA for the quarter stood at Rs 2915 crore and Rs 91 crore respectively. Net Profit after Tax stood at Rs 19 crore for the quarter.

US Plate and Pipe Mill: The US based Plate and Pipe Mill facility produced 63528 net tonne of Plates and 15193 net tonnes of Pipes, operating at a capacity utilization of 27% and 11%, respectively, during the quarter. Sales volumes stood at 55274 net tonne of Plates and 27534 net tonne of Pipes. It reported EBITDA loss of \$9.9 million for the quarter.

JSW Steel USA Ohio Inc (Acero): The US based HR coil manufacturing facility produced 73128 net tonne of HRC during the quarter. Sales volumes for the quarter stood at 72888 net tonne. It reported EBITDA loss of \$20.19 million for the quarter.

JSW Steel Italy (Aferpi): The Italy based Rolled long products manufacturing facility produced 113244 tonne and sold 127961 tonne during the quarter. It reported EBITDA loss of 20.19 million Euros for the quarter.

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