



“Jindal Stainless Limited Q2 FY26 Earnings Conference Call”

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MODERATORS: **MR. VIKAS SINGH – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day and welcome to Jindal Stainless Q2 FY26 earnings conference call hosted by ICICI Securities.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vikas Singh from ICICI Securities. Thank you and over to you, sir.

Vikas Singh: Thank you so much. Good afternoon, everyone. First of all, on behalf of ICICI Securities, I would like to thank the Management for giving us the opportunity to host them.

From the Management side, we have with us Mr. Abhyuday Jindal – Managing Director, Mr. Tarun Kumar Khulbe – CEO, CFO, and Whole Time Director, and Ms. Shreya Sharma – Head Investor Relationships.

Without taking any more time, I will hand it over to the Management for their opening remarks.

Shreya Sharma: Thank you, Vikas. Good day, everyone and thank you for joining us for the company's Q2 FY26 earnings call. I hope you have all had a chance to review the results and the company's earnings presentation uploaded on the exchanges and on our website earlier. Our discussion on this call will follow that presentation. Before we begin, I would like to remind you that some of the statements made today may be forward-looking in nature and are covered by the disclaimer on Slide 2 of the earnings presentation. Joining me on the call today is our senior leadership team who will take you through the key business developments and the performance for the quarter. After their remarks, we will open the floor for the questions.

With that, let me hand it over to our Managing Director – Mr. Abhyuday Jindal, to take you through the highlights. Over to you, sir.

Abhyuday Jindal: Thank you, Shreya, and good evening to everyone. I would like to welcome you all to the Q2 FY26 Earnings Call.

I will begin by outlining the key business highlights for the quarter ended September 2025 and the progress we continue to make across our priority sectors. Following that, Mr. Khulbe will take you through our operational and financial performance.

Backed by the continued improvement in domestic demand across sectors, we sustained strong growth in our deliveries, increasing by around 15% year-on-year and 3% sequentially. Our strategic focus on expanding our presence across diverse sectors, along with healthy growth opportunities in the market, supported this momentum. As we continue to focus on increasing

the share of our value-added products, the special product division delivered further growth during the quarter. Strong demand from sectors such as pipe and tubes, lift and elevator, along with improved traction in passenger coach driven by roll-out of Vande Bharat sleeper class orders, contributed meaningfully to this performance. Higher activity in metro projects across the country also supported the strong delivery momentum. This segment is expected to remain a significant contributor, with the National Metro Network targeting an expansion of nearly 1,000 km, positioning India to become the second-largest metro network globally.

Driven by festive demand and our continued efforts to onboard new customers, the white goods segment delivered strong growth during the quarter. Sequentially, the auto segment also maintained its volume growth, supported by an increase in demand for special products. With the recent GST cuts, this segment is expected to remain strong in Q3 as well. Additionally, stainless steel adoption in the infra segment continues to rise, supported by the shift towards longer-lasting and corrosion-resistant materials in public projects. This trend is widening the demand base and creating meaningful opportunities for our growth. We are well positioned to benefit from this trend.

I am pleased to share that we have opened our first stainless steel fabrication unit under our subsidiary, Jindal Stainless Steelway Ltd. in Patalganga in Mumbai, Maharashtra. The facility sets a new benchmark in integrated infrastructure excellence and is designed to meet the growing demand for sustainable, high-quality bridge infrastructure, offering end-to-end fabrication solutions for India's expanding infra sector.

On the exports front, the global environment continues to remain dynamic, with ongoing trade disruptions continuing to impact overall trade flows. Coupled with soft demand in the US and EU, the transition phase of CBAM implementation, buying activity has slowed for both domestic and imported materials as buyers keep inventory lean. Despite these challenges, we were able to maintain our volume base through a sustained focus on expanding our customer portfolio and entering new geographies.

On the import front, subsidized and substandard materials continue to flow into India. The temporary suspension of QCO is both concerning and discouraging for the entire domestic industry. Given the prevailing geopolitical complexities, we anticipate a further rise in low-quality, cheap imports entering the country. We remain hopeful that the government will strengthen and enforce frameworks that uphold quality standards and ensure a level playing field for the industry. In this environment, our commitment to delivering high-quality products without any compromise on standards remains unwavering and continues to be a key differentiator for us. We are also actively promoting our co-branding scheme, which is gaining a positive response in the utensils and kitchen segments alongside the P&T sector.

On sustainability front, we continue to make strong progress towards decarbonization. We have partnered with Greenzo Energy India Limited to commission a green hydrogen plant at our Jajpur facility with a planned capacity of 600 NMQ per hour, targeted for completion by middle

of next year. In parallel, our renewable power utilization at Jajpur and Hisar facilities has increased to 42% Q2 FY26, up from 26% in FY25, marking a significant step towards cleaner and more sustainable operations.

With this, I would like to hand over to Mr. Khulbe to discuss our operational and financial performance. Thank you.

Tarun Kumar Khulbe:

Thank you, Abhyuday. Good evening, everyone. Welcome to the call. I would like to begin by providing a detailed overview of our operational and financial performance.

Our Q2 deliveries are at 648,050 metric tons, with an increase of around 15% on year-on-year and around 3% on quarter-on-quarter basis. Our Q2 consolidated EBITDA increased by around 17% year-on-year and around 6% on quarter-on-quarter to INR 1,388 crores, while our consolidated PAT stood at INR 808 crores, an increase of around 33% on year-on-year and around 13% on quarter-on-quarter basis. For H1 FY26, our deliveries stood at 12,74,302 metric tons, with an increase of around 12% year-on-year. Consolidated EBITDA increased by around 12% year-on-year to INR 2,698 crores, and consolidated PAT stood at INR 1,523 crores, with an increase of around 21% year-on-year basis.

We are pleased to report continued improvement in our balance sheet. As of September 30th, 2025, our consolidated net debt has further reduced to INR 3,646 crores, with a net-to-debt EBITDA ratio at 0.73x, comfortably below 1, and net debt-to-equity ratio of 0.2x, reflecting our disciplined approach to financial management. This robust financial management continues to place us in a better position to navigate ongoing macroeconomic challenges.

Turning to subsidiary front: All subsidiaries have shown improvement and contributed positively to the group's overall EBITDA. Operationally, we are encouraged by our ramp-up at Chromeni and NPI, with Chromeni achieving peak utilization around 70% and NPI operating around 90% during the quarter. Our SMS project in Indonesia and aligned downstream capacity expansions in India are progressing well and remain on track as per the timeline.

As highlighted by Mr. Jindal, we are unlocking new growth avenues in the infrastructure sector with the launch of a cutting-edge fabrication facility at Jindal Stainless Steelway Limited. With this unit, we aim to bridge the gap by bringing together material excellence, skilled fabrication, and streamlined processes to deliver timely and superior infrastructure solutions.

To strengthen the stainless-steel ecosystem and capability, we have launched a series of specialized programs, including fabricator training, qualification track training, and sector-specific modules. These initiatives led to the training of 6,700 fabricators in Q2, bringing the cumulative total to 60,400 till date. These efforts aim to promote awareness and practical applications of stainless steel while reinforcing workforce competency across the value chain. Stainless steel demand in India is rising, driven by economic growth and infrastructure expansion. We are proud to support this shift towards sustainable materials.

With that, I conclude my remarks and invite the moderator to begin the Q&A session. Thank you.

Moderator: We will now begin the question-and-answer session. The first question is from the line of Amit Dixit from Goldman Sachs.

Amit Dixit: The first one is essentially on a recently announced PLI scheme by Delhi Government in which the stainless steel both flats and longs have been brought in the ambit. Wanted to understand what kind of benefit will it have for us and whether we have done some kind of analysis on this that on what products it would be applicable and how much we can quantify?

Tarun Kumar Khulbe: This PLI team just which has come out, and we are also studying it, definitely we see the possibilities because the certain provisions which are given there, we as a company will also be benefited and I'm sure for the industry also benefit would be there, the way the scheme has been designed. But to get you more specific on that, to be honest, it has just come, and we are also now working on it and evaluating it.

Abhyuday Jindal: We're trying to evaluate how much we can actually extract or benefit. Amit, in a couple of weeks if you can check back with us, we'll have it ready. There is positivity because these products have been included in this PLI.

Amit Dixit: The second question I have is again on exports. While I understand that due to the very subdued external operating environment, exports have not picked up. But given the fact that in Europe, in particular, they are talking about a lot of infrastructure development pursuant to the Rearm Europe plan and all. Do you see some feelers from there that the exports can pick up to Europe, our quality of product can be absorbed over there. Is there something that you are seeing happening which will push exports or do you expect that export would remain in the same trajectory?

Abhyuday Jindal: I think currently short-term export would remain in the same trajectory because I think everybody in terms of customers, also producers, everyone is looking what will be the impact of CBAM. And every time EU as we are all tracking, they are always delaying it and not coming up with some clarity. So, I believe now in December sometime some further clarification should come. We still feel some pressure in the short-term. But as per our quality and as per our approvals, we are able to supply and sell to any industry globally. We are ready with that. It's just that CBAM clarity is required and as we have announced, every time we are increasing our renewable exposure in terms of renewable energy exposure, we are increasing green hydrogen we are picking up with anyway a scrap-based player, so we are keeping ourselves ready with any kind of CBAM duty that comes. But from really to see that push in exports again, some CBAM clarity force would be required before anyone can claim. Even European players themselves are having a tough time within Europe at the moment.

Moderator: The next question is on the line of Satyadeep Jain from Ambit Capital.

- Satyadeep Jain:** Just wanted to take on the QCO order first and then on the capacity expansions. On the QCO order, that would be a near-term headwind. Just clarity on what exactly is the timeline. Initial notifications seem to suggest any goods exported till October 30th would be exempted which will give some lag time on arrival. So, what is the current situation? Is this going to end near-term or is there a possibility this could be extended beyond the next few months and what is the impact in the near-term that you are seeing in the last few days of this? You've already had 3-4 weeks of this quarter. What kind of impact on volumes and imports have you seen so far this quarter?
- Abhyuday Jindal:** If I can answer, this has been suspended till December. The QCO order has been suspended till December, and we are working with the government to ensure that the suspension removes and QCO comes back. QCO as a concept is very important for the country. It is not only for the steel industry or stainless steel, but it covers a wide range of industries and is protecting our citizens from sub-standard products. As a concept, we are totally pro-QCO. It is as of now suspended till December and whenever there is certain uncertainty whether it will stay or not stay, there are certain downward pressures. But as a company, in terms of our volumes, we have met our targets in October, and we will meet our targets in Q3 and H2. There could be a little downward pressure on prices, but we are still sticking to our guidance that we have given at the beginning of the year.
- Satyadeep Jain:** Next, on the capacities that you have lined up in FY27 and also the promoter BF, maybe could you provide some updates where things stand as it pertains to the SMS, NPI, the HRAP and that promoter blast furnace?
- Abhyuday Jindal:** All our expansion projects are on track. Our NPI operations have been started at the beginning of the year already and our melt shop in Indonesia should start early next year. And apart from that, like we announced earlier, we are increasing our cold rolling capacities. So, that is also on track to be starting end of FY27.
- Satyadeep Jain:** The HRAP would also be later half of FY27?
- Abhyuday Jindal:** Yes, absolutely.
- Moderator:** The next question is from the line of Tushar Chaudhari from Prabhudas Lilladher Pvt. Ltd.
- Tushar Chaudhari:** Any issues on Chromeni are we facing? Our Q1 utilization was 65, but we were targeting around 80-85 by first half end. And now you are saying it is at around 70% odd. And would like to know approximate EBITDA contribution from Chromeni if it is possible.
- Tarun Kumar Khulbe:** What we have stated, this is true that we have hit the numbers of 70% capacity utilization. And in the second half, we believe that we will be hitting that 80% what we have told you before of capacity utilization. So, it is on track.

- Tushar Chaudhari:** EBITDA? It is already in EBITDA positive, right?
- Abhyuday Jindal:** EBITDA is all included, we gave a consolidated number, the guidance remains the same.
- Tushar Chaudhari:** In terms of CAPEX, we have given 2700 crores of CAPEX for full year. How much we did in Q2? Basically, first half 665 was shown.
- Tarun Kumar Khulbe:** In the H1, we have already done around 1260 crores as a CAPEX. So, again, whatever 2700 guidance we have provided, we are on course to that.
- Tushar Chaudhari:** Now we can easily touch 2.65 million tons. So, are we increasing volume guidance to let us say 12%?
- Tarun Kumar Khulbe:** Volume guidance we had given 9% to 10% for this year and that we are maintaining.
- Abhyuday Jindal:** We will ensure that.
- Tushar Chaudhari:** That means second half, we will be at little bit lower than 9% odd, because first half already we have done 11% odd growth on volumes.
- Abhyuday Jindal:** It is only because of the load of like we mentioned earlier because uncertainty with CBAM coming in and this QCO, we will definitely try to achieve higher numbers than we can. But what we have committed that much we will definitely achieve. And we always as a company will try to achieve even higher numbers.
- Moderator:** The next question is from the line of Ritesh Shah from Investec.
- Ritesh Shah:** A couple of questions. First is anything incremental on structure simplification? We have Chromeni, we have RVPL, we have RT. I presume there will be accumulated losses over there. Then why is it that we are not merging it also making good of the losses?
- Abhyuday Jindal:** All in terms of consolidation is in the pipeline and it is in our plans. It is just for certain factors why we are not taking that step right now. But next couple of years, you will see most of the assets being consolidated.
- Ritesh Shah:** Any timelines to that? Say a year or two?
- Abhyuday Jindal:** Different, different timelines for different organizations. If you would like some clarity, then I will ask Shreya to share more details with you on that. But most of our assets are going to be consolidated.
- Ritesh Shah:** The second question on Maharashtra expansion, we have indicated four phases of a million tonne each looking to procure land. Just trying to get some clarity on this variable and how should we look at FY28 CAPEX?

- Tarun Kumar Khulbe:** Maharashtra, the land part is going on. Like in India, the land always takes time when you work on it. And for our kind of plant and our kind of scale, what we are talking about, the requirement is also quite fairly large. But we are working on it, and it is progressing. This is what I can say and very soon we will come out with our plans on Maharashtra.
- Abhyuday Jindal:** For everybody, for Maharashtra, we do plan to have like a full day kind of session on it to take our investors through what our plans are, what are the metrics, the numbers. So, absolutely, we will come out with that.
- Ritesh Shah:** I think in the initial remarks, you indicated NPI at 90% utilization. Is it possible to highlight the underlying economics and the contribution over here and how it's helping the business?
- Tarun Kumar Khulbe:** NPI, earlier also we had indicated that at EBITDA level, \$500 to \$1,500 range is what we had indicated. Because in NPI, we all know volatility is there. But with the utilization, what Mr. Jindal has informed with that, the EBITDA is coming into that range, and we are EBITDA positive on that.
- Ritesh Shah:** It's a very wide range. If you could highlight some numbers on EBITDA contribution or per ton and how it's helping the business from operational standpoint, that would be great.
- Tarun Kumar Khulbe:** It is in between only, Ritesh. I mean, like, this number, then we will ask Shreya to then share with you discuss with you separately.
- Ritesh Shah:** Lastly, how should we look at ramp-up of Rathi and RVPL, both from product mix as well as from a utilization level standpoint?
- Tarun Kumar Khulbe:** Rathi. So, almost 70%-75%. And in that, the good thing is that this stainless rebar is gradually picking up. On an average, now, I can say in the range of 2000-2500, those kind of numbers started...
- Abhyuday Jindal:** Even from the private sector, we're getting stainless steel rebar orders. So, like Mr. Khulbe is saying, now every month we see rebar sales picking up and wire rod sales moderating, which is a good sign and that is the main reason why we entered Rathi Steel.
- Ritesh Shah:** And RVPL also?
- Tarun Kumar Khulbe:** RVPL, so far, whatever we had indicated before, that the polishing lines and all that business is going on. And we are working on a plan now, seriously, which we will come back very quickly on the RVPL, the code ruling facilities and all that. We are working on it.
- Ritesh Shah:** Is it contributing positively to EBITDA or is it a negative contribution right now?
- Tarun Kumar Khulbe:** It is contributing positive.

- Moderator:** The next question is from the line of Parthiv Jhonsa from Anand Rathi Shares and Stock Brokers Ltd.
- Parthiv Jhonsa:** To start off with, can you just give me the breakup of 200, 300 and 400 series for the quarter?
- Shreya Sharma:** I read it in a flow of 200, 300 and 400 series. For this quarter, it was 34%, 49% and 17%.
- Parthiv Jhonsa:** My second question is pertaining to your EBITDA where you have answered somewhere in the comments but just wanted to get a better clarity on it. Now, this particular quarter, we did reasonably a good number. And though you have kept your volume guidance intact, would you like to rework or go back to the drawing board and say that, okay, whatever original guidance of EBITDA per tonne, you have done considering nickel being relatively stable, we'll visit and do better for the year. And considering your downstream also picking up, would you like to revisit that number of an EBITDA per ton for say FY26 and FY27?
- Abhyuday Jindal:** Not at this moment, because like we've been saying that with certain challenges that are coming globally and domestically, we don't want to change the guidance until we see better clarity from the market side. But we are not changing anything, we're sticking to our numbers of what we committed at the beginning of the year, and we will achieve that. But at this point, we don't want to revise anything. Because like I said, CBAM is going to come up anytime this whole QCO thing is going on domestically. So, a little more clarity would be required. And I'm sure in the next couple of months that should come.
- Parthiv Jhonsa:** My next question is pertaining that now when you're moving from say wire rod to say rebar, what are the ideal spreads one should consider in the model? What can be the best case and the worst-case scenario, the spread between a wire rod and a rebar.
- Tarun Kumar Khulbe:** If you ask me that what as a company we would like to be targeting, we would like to go even up to maximum on the rebar side as well. But as an ideal case, because now since we are catering both the markets, maybe 6000-7000 tons of rebar and 3000-4000 tons of wire rod, maybe that kind of a balancing might be more practical. But if the opportunity comes, and if we see the positivity and all, given the possibility, we believe that we would like to increase rebar to the maximum in future.
- Parthiv Jhonsa:** If I may just squeeze in a quick one, I wanted to get some better clarity on your backward integration particularly for the ferrochrome. Wanted to get what is your own mind, what quality of ore we have, or do we procure from merchant as well, the ore as well as the ferro?
- Abhyuday Jindal:** For chrome, if you are saying our main source is OMC, which is Odisha Mining Corporation. We have a long-term linkage with them. Apart from that, our own mine operation should start sometime next year actually.
- Parthiv Jhonsa:** What percentage are you targeting from your own mine?

- Abhyuday Jindal:** I think we are still working on it, but a substantial quantity should come from our own mines.
- Parthiv Jhonsa:** And I believe this is at Sukinda mine, right?
- Abhyuday Jindal:** Yes, absolutely. Sukinda is just 20-30 kms from our plant. Perfect.
- Moderator:** Next question is on the line of Mehul Panjuani from 40 Cents Capital
- Mehul Panjuani:** In an earlier question, one of the participants mentioned about Rathii acquisition. Can you please elaborate? I am not aware about it as I am tracking this company recently.
- Abhyuday Jindal:** Mehul, for that I would request you to connect with our team because this we did almost two years. Just quickly, this was our acquisition to enter into stainless steel long products catering to two sectors, wire rod and stainless-steel rebar. And with the big push coming in infrastructure where corrosion is a big problem, bridges collapse and other infrastructure collapse so stainless steel rebar demand is something that we saw picking up. There was a lot of requirement coming from public procurement side, private procurement side, which was the reason why we entered and acquired this asset which was almost two years back. And for further details on this specifically, you can contact our IR team, and we will give you complete information.
- Mehul Panjuani:** Just one clarification. This was a private company, Rathii?
- Abhyuday Jindal:** This was a private company. It was closed, operations were closed, and we acquired it in NCLT.
- Moderator:** The next question is from the line of Vikas Singh from ICICI Securities.
- Vikas Singh:** Though it is still early, but I just wanted to understand, have we got any understanding regarding CBAM? Since we are using some portion of the renewable energy, would we get a weighted average of plant-wise energy calculation or renewable energy using in one, we would make it a green stainless steel? Any understanding or color on that?
- Abhyuday Jindal:** Vikas, I think this is the most confusing topic there is in the world of trade this time. I was in Europe last week and the main reason was to again identify and discover what is happening with CBAM. I met European manufacturer also to further discuss what are their plans and what are they doing. So, what they have said is that they are expecting by middle December before Europe goes on some kind of holiday, some more clarification should come. But till then, even they are absolutely unaware and so are we. And we are in touch with all the highest authorities that are there, but still no clarity is coming on CBAM. What we know is that they will start with default scores and then it will go company or individual factory-wise. But still timelines, further clarification is still what we are all awaiting, which is why I have been saying that we can't commit to any kind of numbers change until that clarity comes.
- Vikas Singh:** The second question in terms of 200, 300 and 400 series, if you could give us the idea of the current profitability level of these series and any potential to tweak this?

- Abhyuday Jindal:** We don't comment on individual series because it becomes proprietary information. But as always, you know, we give a consolidated figure for EBITDA per ton and we'd like to stick to that.
- Vikas Singh:** Lastly, given our major CAPEX for Maharashtra probably would start at FY28 onwards. How should we look at our debt from here onwards?
- Abhyuday Jindal:** Definitely in terms of if you know and you're tracking the company, we already have one of the lowest debt profiles, our debt to EBITDA, debt to equity is one of the lowest globally in the metal sector. So whatever expansion we do, we are quite well placed in terms of keeping our ratios intact. We have committed we will not let our ratios go further higher of a certain number and we're going to stick to that. So, we don't see any kind of challenge with our Maharashtra expansion from a balance sheet perspective.
- Moderator:** As there are no further questions, I would now like to hand the conference over to management for closing comments. Over to you, sir.
- Abhyuday Jindal:** Thank you, everybody. I would like to conclude by saying we delivered a steady and resilient performance despite the dynamic external environment, strong demand across key sectors, rising traction in our value-added portfolio and our continued customer focus, along with diverse sector presence supported our growth during the quarter. Our unwavering commitment to quality and operational discipline continues to set us apart, even as global markets remain soft and import pressure persists. I hope that we've been able to answer all your questions. Should you need any further clarification or would like to know more about the company, please feel free to contact our investor relations team. Thank you once again and hope to see you all soon next time.
- Moderator:** On behalf of ICICI Securities, that concludes this conference. Thank you for joining us and you may now disconnect your lines.