



INVESTOR COMMUNICATION



2QFY18 & 1HFY18



Jain Irrigation Systems Ltd.

Small Ideas. Big Revolutions.®



DRIP IRRIGATION



SPRINKLER IRRIGATION



PROTECTED CULTIVATION



PLUMBING SYSTEMS



TISSUE CULTURE



PLASTIC PRODUCTS



PVC PIPES & FITTINGS



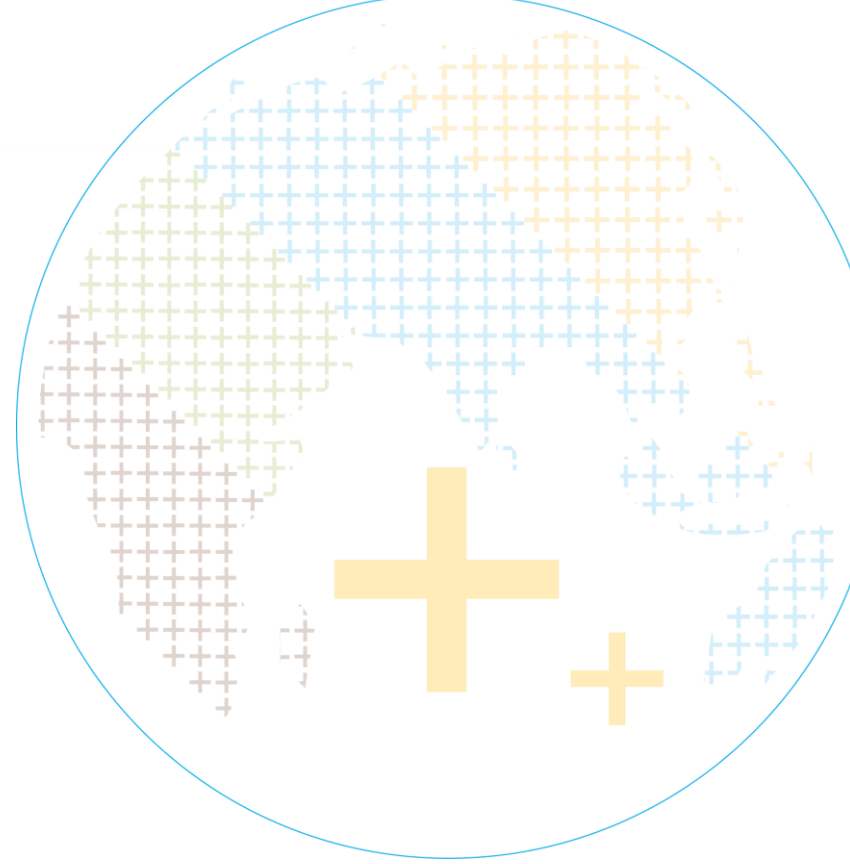
FOOD PROCESSING



RENEWABLE ENERGY



SERVICES



FINANCIAL DISCUSSION – 2Q&1HFY18



● Management Comments

Vice Chairman and Managing Director of the Company, Mr. Anil Jain said:

“We are pleased to share with you the results of Sept Quarter.

We have managed revenue growth despite GST disruptions and sluggish rural demand. Revenue and EBIDTA numbers are in line with our expectations. We are looking forward to significant growth in second half based on good monsoon and strong order book. We maintain our original guidance for the year”

Consolidated Performance Overview : 2QFY18

- Revenue increased by 9.9 % on Y-o-Y basis by registering positive growth in all major business divisions
- Revenue of Hi-tech Agri Input Products Division registered double digit growth of 17.9% on account of additional revenue from US acquisitions, growth in overseas markets & exports from India to Africa
- Plastic Division registered growth of 7.6% on account of strong growth from PE pipes & PVC Sheet business
- Agro Processing Division registered growth of 2.3% on account of higher sales from domestic market
- EBITDA margin for 2QFY18 at ~13.6% increased by 60 basis point on YoY basis
- Profit Before Tax has increased by 55.9% on YoY basis
- Lower PAT due to higher depreciation and tax provisions

Standalone Performance Overview : 2QFY18

- Standalone Revenue of the Company for 2QFY18 is not comparable as Revenue for 2QFY17 is inclusive of excise duty. For the purpose of better comprehension, we have taken 2QFY17 numbers net of excise duty
- Overall total revenue expanded by 6.7% lead by strong 69.1% growth in the Exports, however, Domestic revenue was same as previous year because of GST disruption
- Hi-tech Agri Input Products registered 5.0% YoY growth which was led by 99% growth in MIS exports. Company saw good retail sales pick up in Andhra Pradesh, Madhya Pradesh Rajasthan etc. but sluggish demand in Maharashtra, Tamil Nadu, Gujarat & Karnataka. Micro irrigation 'project' business registered strong growth by 129%
- Plastic Division grew by 10.6% (lead by 17.4% in PE pipes) due to strong sales in Duct & Gas application. Plastic sheet division registered strong growth of 35.5%
- PAT significantly improved at INR 160 Mn as against INR 47 Mn in 2QFY17

Consolidated Performance Overview : 1HFY18

- Overall revenue increased by 5.3% YoY
- Revenue of Hi-tech Agri Input Products Division registered double digit growth of 15%
- Agro Processing Division registered de-growth of ~5%, on account of lower first quarter sales and stronger rupee
- Overall Plastic Division had flattish growth of 0.3% mainly on account of on account lower PVC Pipe Sale
- EBIDTA margin for 1HFY18 at ~14.3% almost at same level compared to corresponding period
- Global order book is strong at INR 39,190 Mn which includes orders of INR 19,383 Mn for Hi-tech Agri Input Products division, INR 7,794 Mn for Plastic Division, INR 10,619 Mn for Agro Processed Division and INR 1,394 for Other Division

Standalone Performance Overview : 1HFY18

- Standalone Revenue of the Company for 1HFY18 is not comparable as Revenue for 1HFY17 is inclusive of excise duty. For the purpose of comprehension, we have taken 1HFY17 numbers net of excise duty
- Overall total revenue expanded by 2.3%.
- Hi-tech Agri Input Products Division registered 4.9% YoY growth. Tissue Culture division registered 11.7% growth & exports grew by 101% primarily due to shipments to African continent. Domestic retail business growth was uneven across states due to GST disruption. Micro irrigation 'project' business has grown by 40%
- Performance of Plastic division was almost at same levels as earlier period. Plastic sheet division registered strong growth of 46.3%
- 1HFY18, PAT stood at INR 569 Mn as against INR 400 Mn in 1HFY17
- Current India order book stands at INR 22,163 Mn which includes orders of INR 14,210 Mn for Hi-tech Agri Input Products Division, INR 7,648 Mn for Plastic Division and INR 305 for Other Division

Consolidated Financial Performance

Rs. Mn	1HFY18	1HFY17
Revenue^	32,794	31,142
EBIDTA	4,683	4,419
PAT	550	866
Cash PAT*	2,225	2,291

*PAT + Depreciation

^Net of Excise duty

Highlights

- Revenue from operations is up by 5.3% on Y-o-Y basis
- EBIDTA Margin for 1HFY18 is at 14.3%
- PAT decreased primarily on account of higher depreciation & tax provisions

Rs. Mn	2QFY18	2QFY17
Revenue^	15,982	14,541
EBIDTA	2,190	1,905
PAT	106	281
Cash PAT*	930	1,018

*PAT + Depreciation

^Net of Excise duty

Highlights

- Revenue from operations increased by 9.9% on Y-o-Y basis
- EBIDTA Margin for 2QFY18 is at 13.6%

Standalone Financial Performance

Rs. Mn	1HQFY18	1HQFY17
Revenue^	16,932	16,549
EBIDTA	2,770	2,898
PAT	569	400
Cash PAT*	1,511	1,200

*PAT + Depreciation

^Net of Excise duty

Highlights

- Revenue from operations is up by 2.3% on Y-o-Y basis
- EBIDTA for 1HFY18 is at 16.4%
- PAT increased by 42.3% primarily on account of lower finance cost

Rs. Mn	2QFY18	2QFY17
Revenue^	7,683	7,202
EBIDTA	1,264	1,200
PAT	160	47
Cash PAT*	633	446

*PAT + Depreciation

^Net of Excise duty

Highlights

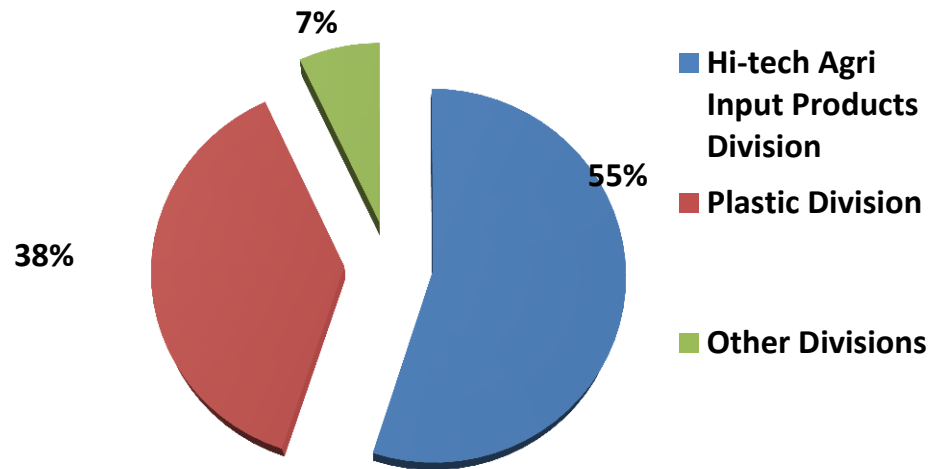
- Revenue from operations increased by 6.7% on Y-o-Y basis
- EBIDTA for 2QFY18 is at 16.4%
- PAT increased by 242% primarily on account of lower finance cost

Overview - Consolidated Revenue: 2QFY18

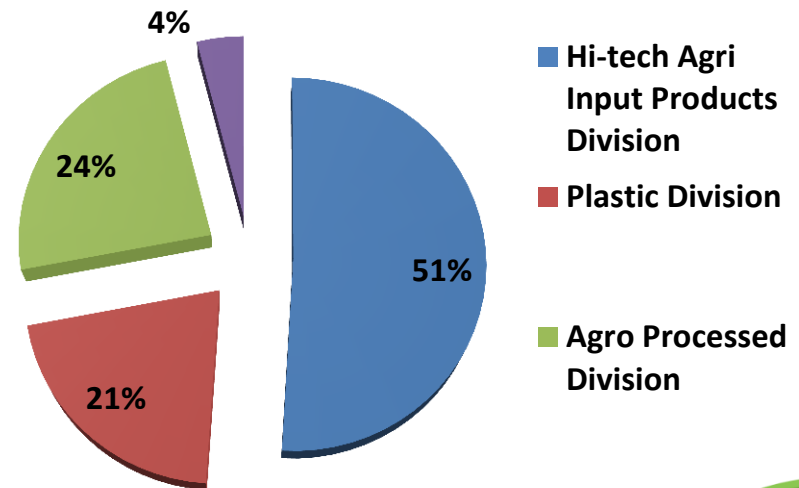
Geography	2QFY18 Mix %	2QFY17 Mix %	YoYG
India	47%	48%	5.8%
Rest of World [#]	53%	52%	13.8%
Total	100%	100%	9.9%

[#] Including exports from India

India Standalone Revenue Contribution



Consolidated Revenue Contribution

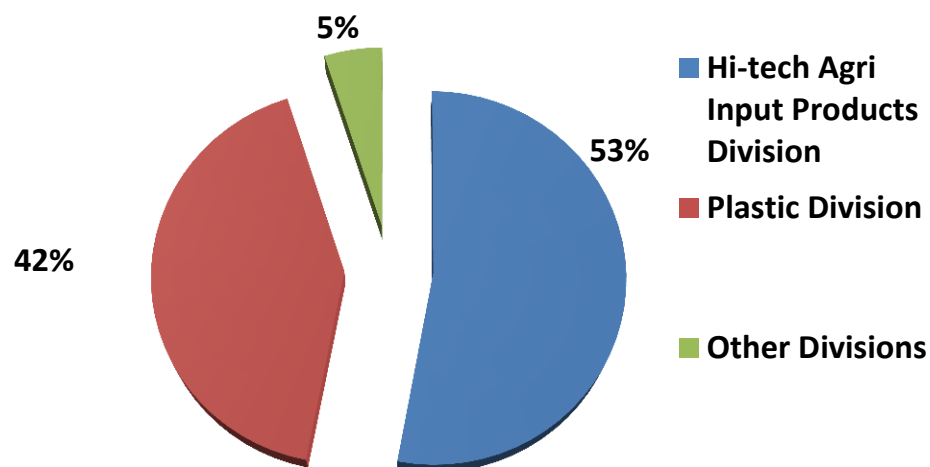


Overview - Consolidated Revenue: 1HFY18

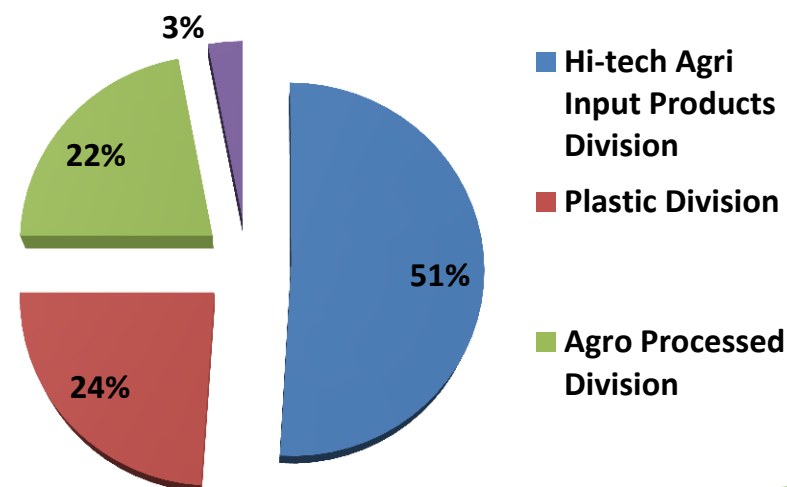
Geography	1HFY18 Mix %	1HFY17 Mix %	YoYG
India	50%	54%	-1.5%
Rest of World [#]	50%	46%	13.2%
Total	100%	100%	5.3%

[#] Including exports from India

India Standalone Revenue Contribution



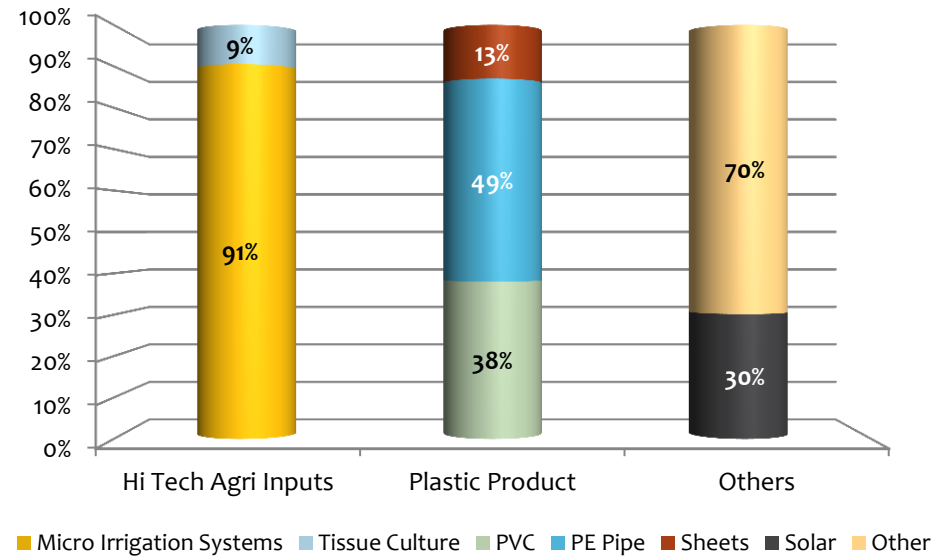
Consolidated Revenue Contribution



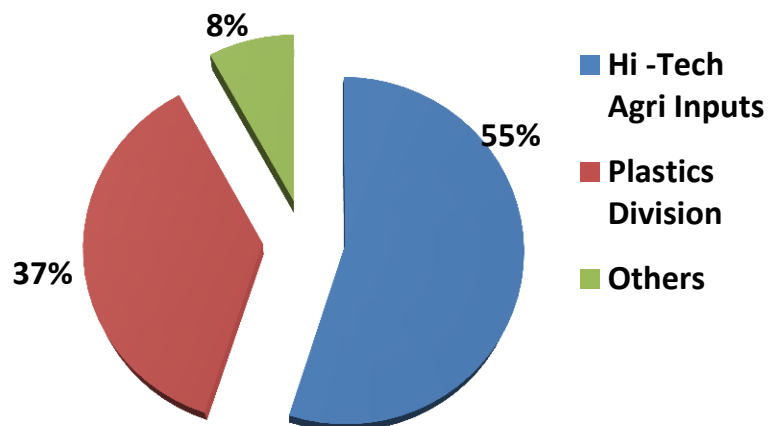
Overview - Standalone Revenue: 2QFY18

Geography	2QFY18 Mix %	2QFY17 Mix %	YoYG
Domestic	84%	90%	-0.1%
Export	16%	10%	69.1%
Total	100%	100%	6.7%

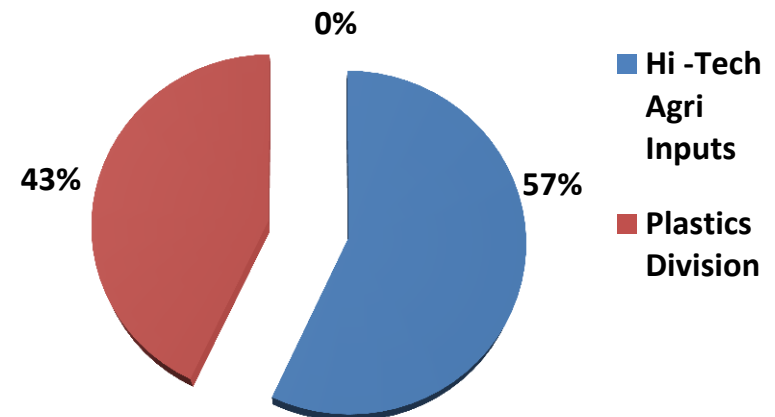
Segment Revenue Contribution



Domestic Revenue Contribution



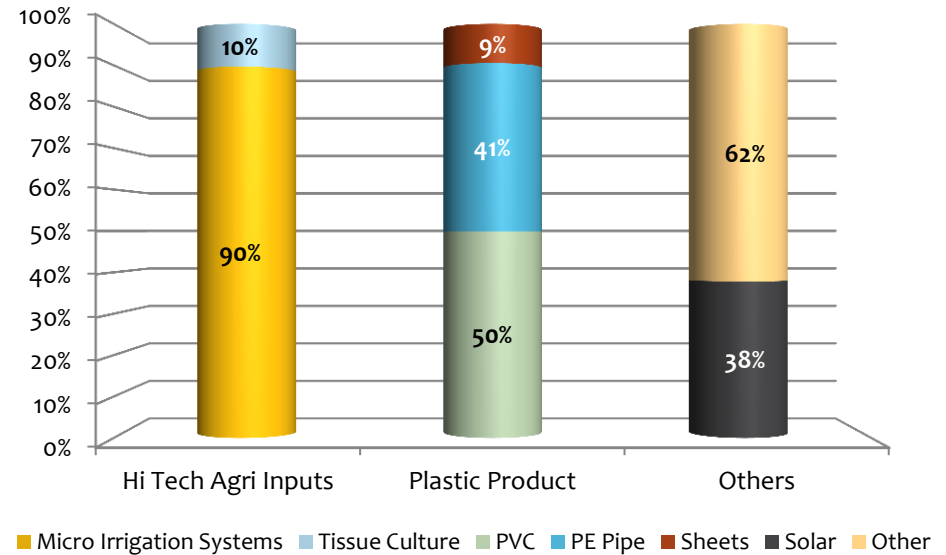
Export Revenue Contribution



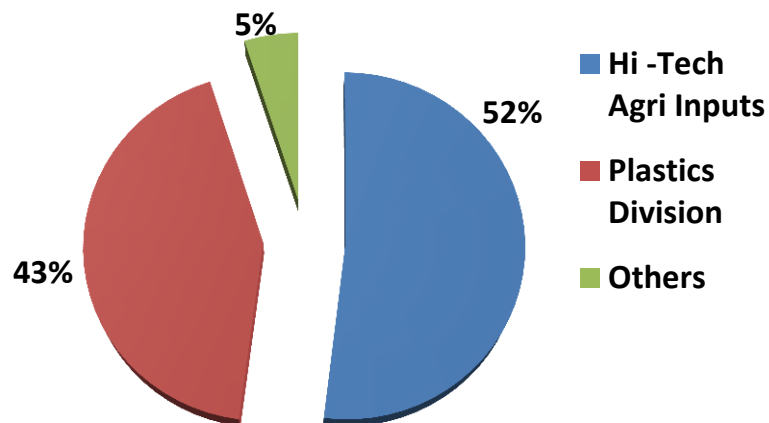
Overview - Standalone Revenue: 1HFY18

Geography	1HFY18 Mix %	1HFY17 Mix %	YoYG
Domestic	87%	92%	-4.1%
Export	13%	8%	80.3%
Total	100%	100%	2.3%

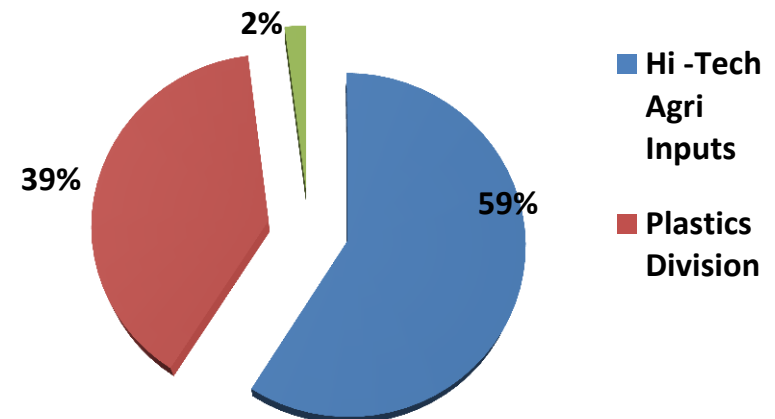
Segment Revenue Contribution



Domestic Revenue Contribution



Export Revenue Contribution



Debt Position

INR Bn.	Sept 30, 2017**	June 30, 2017**	Change QoQ	Mar 31, 2017**
Standalone (Total Net Debt)	16.79	14.59	2.20	14.38
Long Term	8.44	8.33	0.11	10.05
Short Term	9.42	8.62	0.80	6.01
Cash & Cash equivalent	(1.08)	(2.36)	1.29	(1.68)
Consolidated (Total Net Debt)	43.41	40.62	2.78	36.09
Long Term	28.46	27.78	0.68	26.40
Short Term	16.89	15.89	0.99	12.35
Cash, Cash eq. & Bank balances	(1.94)	(3.05)	1.11	(2.66)

** Above is after treating CCDs element of INR 64.66 Mn in standalone and INR 1466.99 Mn in Consolidated as equity

- Forex MTM loss during 2QFY18 : Standalone ~INR 63.0 million and Consolidated ~INR 277.4 million
- 46% of gross debt (standalone) & 76% of gross debt (consolidated) is in a foreign currency as of Sept 30, 2017

Standalone Long Term Foreign Currency Loan (FCL) Repayment Schedule (excluding FCCB of US\$10# million maturing in Apr 2018)

Year	FY 18(6M)	FY 19	FY 20	FY 21-23	Total
Eq. US Dollar Mn.	20.01	16.14	12.71	14.97	63.83

#FCCB of US\$40 Mn has been repaid on 16th Oct-17

NOTE:

- The Company has hedged (US\$ 48.79 Mn) of its long term foreign currency loans
- In addition, the Company has natural hedge for remainder amount by way of net foreign exchange earning from its exports

Working Capital Analysis

Standalone

Days	DSO Sept 30, 2017			DSO June 30, 2017		
	Inventory	AR(gross)	Net*	Inventory	AR(gross)	Net*
Hi Tech	112	171	217	121	171	190
Plastic	54	96	80	61	97	83
Total*	93	144	169	103	146	157

* Including Other Division

- Increase of 12 days in overall net working capital driven by reduction in accounts payable by 27 days
- Improvement in inventory by 10 days due to rapid liquidation
- Improvement in Gross Account Receivable by 2 days due to better collection in Plastic division

Consolidated

Days	DSO Sept 30, 2017			DSO Jun 30, 2017		
	Inventory	AR(gross)	Net	Inventory	AR(gross)	Net
Hi Tech	119	137	193	122	148	184
Plastic	69	92	97	73	101	105
Agro Processing	282	59	208	285	54	221
Total*	145	110	176	149	113	171

* Including Other Division

- Slightly increase in net Working Capital is on account of decrease in accounts payable

^ Based on last 4 quarter revenue

* Net Working Capital = Inventory + Accounts Receivable – Accounts Payable

MIS Analysis - India

MIS –Revenues

INR Mn	2Q FY18	2Q FY17	Change YoY%
Retail	2,315	2,894	-20.0%
Project	829	362	129.3%
Domestic Total	3,144	3,256	-3.5%
Export	679	341	98.9%
Total	3,823	3,597	6.3%

MIS -Receivables

INR Mn	30-Jun-16	30-Sept-16	30-Jun-17	30-Sept-17	Change QoQ
Retail	2,124	2,257	1,665	1,804	139
Govt. Subsidy	3,697	3,767	3,998	3,717	(281)
Project	2,997	3,076	2,745	2,835	90
Export	708	502	1,005	1,112	107
Total	9,526	9,601	9,413	9,468	55

Reduction in government subsidy receivable on account of subsidy collection from Gujarat & other states.
Subsidy outstanding for GUJ & AP Rs 3,143 mn.

RECENT UPDATES

- **NaanDaan Jain, Mexico secured US\$ 24 mn worth of orders from projects awarded by Ministry of Agriculture in Honduras**
 - The 2 contracts awarded, envisage a piped conveyance of irrigation water to the fields of the farmers in the command areas of the 2 reservoirs. The Company is expected to design, supply, install and commission these plastic pipe networks during the next 2&1/2 years. This is likely to benefit at least 6,000 farmers
- **Jain Irrigation redeems foreign currency convertible bonds (FCCB) of US\$ 40 mn**
 - The US\$ 40 mn, 5-year FCCBs that were held by International Finance Corporation, have been redeemed by JISL as per terms of agreement. As the conversion option was not exercised by the holder, the FCCBs were redeemed, where JISL also paid a redemption premium amounting to US\$ 5.4 mn
- **Jain Irrigation's pipe division bags orders of Rs. 1,784 mn in Gujarat**
 - The project includes the supply, installation and testing of UGPL system of sub minor for irrigation through kundies in Chak area for Sardar Sarovar Project command. Around 51,051 Ha command area of Sardar Sarovar Project will come under irrigation through underground pipeline network of length 1,400 km in a period of 15 months. Near about 200 villages of 6 talukas will benefit
- **Jain Irrigation's pipe division bags orders of Rs. 845 mn in Bhusawal (Maharashtra)**
 - The water supply project from Bhusawal Municipal Council has been bagged through national competitive bidding. The project has funding under the AMRUT scheme of the Central Government. The project involves work on intake structures, water treatment plant, 220 km pipeline including raw water, pure water main pipelines and distribution system and 11 nos of RCC elevated storage tanks. The scheme is expected to take care of water supply to Bhusawal City for the next 30 years and will be implemented in next 24 months
- **Higher rainfall expected this season** (http://www.business-standard.com/article/current-affairs/monsoon-2017-relax-india-will-get-higher-rainfall-this-season-says-imd-117051000223_1.html)
 - IMD earlier assessed 96 % based on the climatological conditions up to March. However, now, the conditions are becoming favorable for an improvement over earlier estimate
 - Favorable monsoon helps in agri production, output and also bring buoyancy in the rural markets

JISL Value Proposition

Large domestic and global growth opportunities

- Increasing MIS penetration a central and state government priority. Addressing climate change
- Food business growth momentum to continue
- Pipes business strongly correlated with Indian infrastructure spend

Best-in class, fully integrated, global operations

- Cutting edge technology with focus on R&D

Leadership across key businesses

- MIS (#1 in India, #2 Globally), Piping (#1 in India), Mango Processing (#1 Globally), Onion Dehydration (#3 Globally), Banana tissue culture (#1 Globally)
- Partner of choice for leading FMCG Companies, for government and large infrastructure projects

Building multiple growth engines outside MIS and Piping

- Solar Pumps a new market, expected to grow double digits over next decade
- Foray into food retail offers significant scope to leverage back-end supply chain in food

Improving financial matrices

Medium to long term deleveraging plan

Seasoned Management with established track record

- Experienced leadership over decades and across geographies and products

Undisputed brand equity with Farmers; Unrivalled rural knowledge base

- Offering full range of products and solutions addressing entire farming ecosystem

THANK YOU



SMALL IDEAS...BIG REVOLUTIONS

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