# **Investor Communication 4Q-FY14 & Year - FY14**

Jain Irrigation Systems Ltd.

# **Standalone Performance Overview: 4QFY14**

- Overall revenue growth 8.9 %. MIS has grown by 21.1 %%, Strong growth in PVC Sheet at 116.8 %, Fruit 37.5%, PE pipe at 22.8%. Other business PVC pipes, Solar, Tissue Culture, and Onion Dehydration has declined by 8.4%, 53.8%, 6.9%, 0.5% respectively.
- Domestic MIS has grown by 18.4 % and MIS Exports has grown by 50.6 %.
- Exports from India grown by 36.6 % in current quarter, again as a part of strategy to grow exports aggressively.
- Standalone EBITDA at Rs. 2.4 bn for current quarter.
- Adjusted PAT (before forex) showing improvement on YoY basis.
- MIS receivables (gross) are at Rs. 10.89 bn by Mar-14 which is an improvement by 8 days(DSO) from Dec-13.
- Government subsidy in MIS on net basis has been reduced by Rs. 719 mn from Dec-13 to reach at Rs. 3,923 mn.
- Total Inventory has come down by Rs 2,165 mn, reduced by 22 days(DSO) from QoQ Dec-13.
- Significant debt reduction since December quarter.

## Standalone Performance Overview: Year -FY14

- Overall revenue growth at 18.5 %. Micro Irrigation grew by 21.8%, PVC Pipe grew by 7.9%, and PE pipe grew by 64.3%. Fruit grew 25.5%, Onion dehydration grew by 8.7%, Tissue Culture grew by 25% and PVC sheet by 40%. Solar declined by 29.6% because of management's focus on controlling subsidy receivables.
- Exports from India grown by 46.0 % in current year FY 13-14, MIS Exports grown by 129.4 %.
- Healthy order book position at Rs. 9.3 bn by end of the year on 31st March, 2014.
- Standalone EBITDA at Rs. 7.0 bn for current Year FY 13-14 is 2.2 % higher than YOY previous year FY13.
- **Exceptional item including unrealized forex losses of Rs. 2.0 bn due to MTM has impacted reported PAT.**
- Net working capital reduced by 21 days by better working capital management.
- Adjusted PAT (before exception items including forex )showing improvement on YoY basis.
- Total Inventory has come down by Rs 255 mn, reduced by 27 days(DSO) from YoY Mar-13.

## **Consolidated Performance Overview: 4QFY14**

- Overall revenue growth at 8.8 %.
- Strong growth in Micro Irrigation 18.7 %, Fruit processing 37.1% & Onion Dehydration 16.1 %, PVC sheets 37.2%, Pipes is stagnant and grew at 0.2%. There is decline in Solar 53.8 %.
- Contribution of overseas operations in consolidated revenue is at 24.0 %.
- Consolidated EBITDA at 15.0 % for current quarter as against 16.5 % for YoY quarter.
- Overseas operation EBITDA at 9.9 % for current quarter as against 9.2 % for corresponding quarter last year.
- Adjusted PAT (before forex) showing improvement on YoY basis.
- Net Debt has reduced by 7% from Dec-13.

### **Consolidated Performance Overview: Year-FY14**

- Overall revenue growth at 16.6 %.
- Strong growth in Micro Irrigation by 18.7 %, Fruit processing 25.2 %, Pipe 24.8 %, Onion Dehydration 12.7%. PVC Sheet 12.2 % and other at 17.4%. Solar declined by 30.2%.
- Contribution of overseas operations in consolidated revenue is at 28.0 %.
- Consolidated EBITDA is at 14.2 % for the year FY14 as against 15.7 % for YoY previous year FY13.
- Overseas operation EBITDA at 8.6% for the year FY14 as against 7.8 % for previous year FY 12-13.
- Forex losses (shown as exceptional item) of Rs. 1.9 bn due to MTM has impacted reported PAT.
- Adjusted PAT (before forex) showing improvement on YoY basis.

# **Financial Performance: 4QFY14**

| Standalone<br>Rs. mn | 4QFY14 | 4QFY13 |
|----------------------|--------|--------|
| Revenue^             | 14,281 | 13,118 |
| EBITDA               | 2,357  | 2,468  |
| Reported PAT         | 816    | 419    |
| Adjusted PAT*        | 827    | 272    |

<sup>^</sup> including other operating income and excise duty

<sup>\*</sup>before exceptional item

| Consolidated<br>Rs. mn | 4QFY14 | 4QFY13 |  |  |
|------------------------|--------|--------|--|--|
| Revenue^               | 18,798 | 17,281 |  |  |
| EBITDA                 | 2,815  | 2,851  |  |  |
| Reported PAT           | 753    | 540    |  |  |
| Adjusted PAT*          | 852    | 413    |  |  |

<sup>^</sup> including other operating income and excise duty

#### **Highlights**

- Revenue increased by 8.9 % .
- EBITDA for 4QFY14 is at 16.5 % as against 18.8 % in 4QFY13 EBITDA has impacted by 230 basis points due to higher input costs , changes in product mix and change in business model.
- Adjusted PAT before forex showing very good improvement

#### **Highlights**

- Revenue increased by 8.8 %.
- EBITDA for 4QFY14 is at 15.0 % as against 16.5 % in 4QFY13. EBITDA has impacted by 150 basis points due to higher input costs ,changes in product mix and change in business model .
- Adjusted PAT before forex showing good improvement .

<sup>\*</sup>before exceptional item

## Financial Performance: Year-FY14

| Standalone<br>Rs. mn | FY14   | FY13   |
|----------------------|--------|--------|
| Revenue^             | 42,972 | 36,277 |
| EBITDA               | 7,042  | 6,893  |
| Reported PAT         | 39     | 301    |
| Adjusted PAT*        | 2,014  | 1,235  |

<sup>^</sup> including other operating income and excise duty

<sup>\*</sup>before exceptional item

| Consolidated<br>Rs. mn | FY14   | FY13   |
|------------------------|--------|--------|
| Revenue^               | 59,922 | 51,384 |
| EBITDA                 | 8,498  | 8,077  |
| Reported PAT           | (398)  | 31     |
| Adjusted PAT*          | 2,013  | 1,276  |

<sup>^</sup> including other operating income and excise duty

#### **Highlights**

- Revenue increased by 18.5 %
- EBITDA for year FY14 is at 16.4 % as against 19.0 % in year FY13 EBITDA has impacted by 260 basis points due to higher input costs , changes in product .
- Adjusted PAT before forex showing improvement

#### Highlights

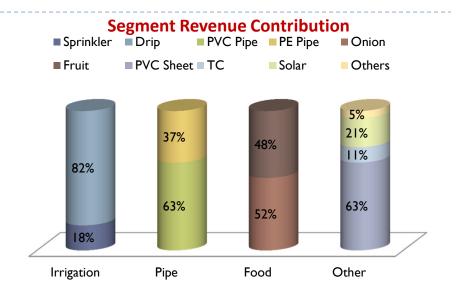
- Revenue increased by 16.6 %
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- Adjusted PAT before forex showing improvement

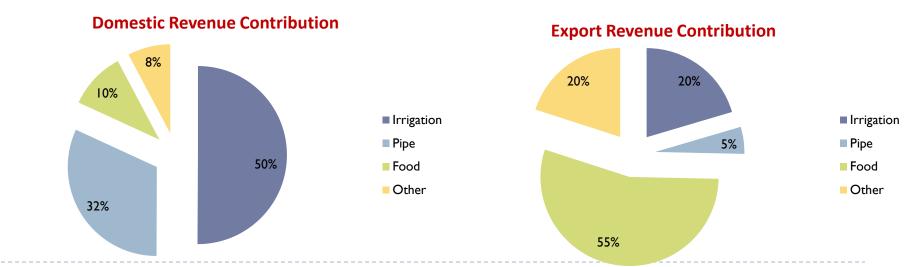
<sup>\*</sup>before exceptional item

# **Business Overview - Standalone: 4QFY14**

|          | Contribution % | YoYG |
|----------|----------------|------|
| Domestic | 78%            | 3%   |
| Export   | 22%            | 37%  |
| Total    | 100%           | 9%   |

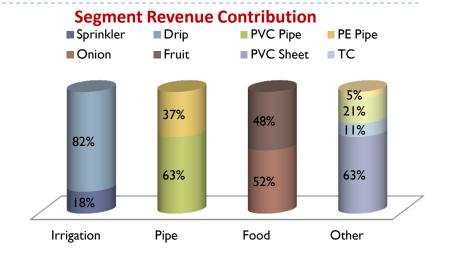
<sup>^</sup> Including other operating income & excise duty





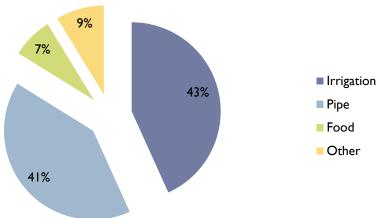
## **Business Overview - Standalone: Year -FY14**

|          | Contribution % | YoYG |
|----------|----------------|------|
| Domestic | 77%            | 12%  |
| Export   | 23%            | 46%  |
| Total    | 100%           | 18%  |

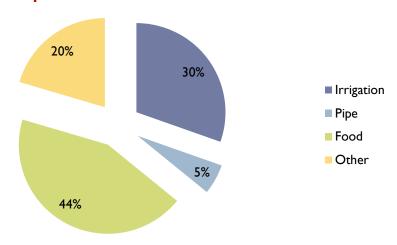


<sup>^</sup> Including other operating income & excise duty





#### **Export Revenue Contribution**



# **Business Overview - Consolidated: 4QFY14**

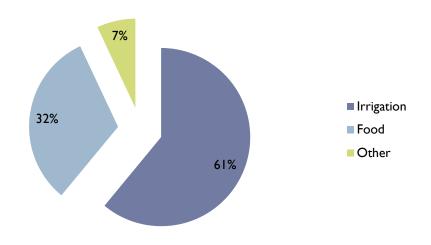
|                     | Contribution % | YoYG |
|---------------------|----------------|------|
| India operations    | 76%            | 8.8% |
| Overseas operations | 24%            | 8.5% |
| Total               | 100%           | 8.8% |

<sup>^</sup> Including other operating income & excise duty

#### **India Revenue Contribution**

# 11% 40% Irrigation Pipe Food Other

#### **Overseas Revenue Contribution**



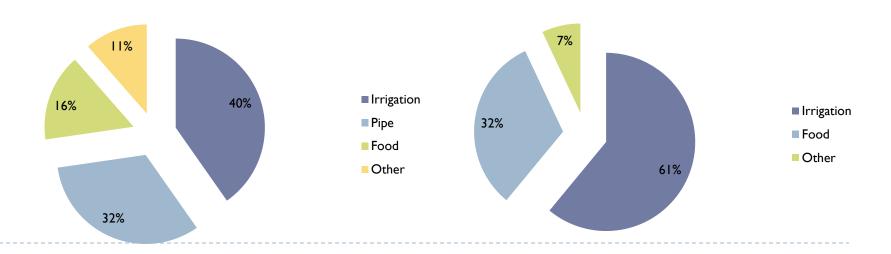
## **Business Overview - Consolidated: Year -FY14**

|                     | Contribution % | YoYG |
|---------------------|----------------|------|
| India operations    | 72%            | 18%  |
| Overseas operations | 28%            | 12%  |
| Total               | 100%           | 17%  |

<sup>^</sup> Including other operating income & excise duty

#### **India Revenue Contribution**

#### **Overseas Revenue Contribution**



# **Working Capital Analysis: 4QFY14**

#### **Standalone:**

| Days       | D         | SO^_31.03.1 | _31.03.14 DSO^_30.12.13 31.3.13^ |           |            | DSO^_30.12.13 |           |            |      |
|------------|-----------|-------------|----------------------------------|-----------|------------|---------------|-----------|------------|------|
|            | Inventory | AR (gross)  | Net*                             | Inventory | AR (gross) | Net*          | Inventory | AR (gross) | Net* |
| Irrigation | 98        | 257         | 255                              | 113       | 265        | 306           | 125       | 329        | 296  |
| Pipe       | 35        | 51          | (8)                              | 54        | 39         | (7)           | 39        | 99         | 21   |
| Food       | 190       | 88          | 78                               | 286       | 48         | 135           | 219       | 82         | 51   |
| Other      | 149       | 179         | 214                              | 132       | 171        | 166           | 121       | 187        | 246  |
| Total      | 98        | 154         | 135                              | 120       | 144        | 156           | 111       | 200        | 165  |

#### **Consolidated:**

| Days  | DSO^_31.03.14 |            |      | DSO^_31.12.13             |     |           | DSO^_31.3.13 |      |     |
|-------|---------------|------------|------|---------------------------|-----|-----------|--------------|------|-----|
|       | Inventory     | AR (gross) | Net* | Inventory AR (gross) Net* |     | Inventory | AR (gross)   | Net* |     |
| Total | 104           | 129        | 142  | 126                       | 123 | 161       | 119          | 166  | 170 |

<sup>^</sup> Based on last 4 quarter revenue

<sup>\*</sup> Net working capital = Inventory + accounts receivable - accounts payable - bills discounted

# MIS - Revenue

| Rs. In Millions | 4QFY14 | 4QFY13 | Change<br>YoY | FY 14  | FY13   | Change<br>YoY |
|-----------------|--------|--------|---------------|--------|--------|---------------|
| Retail          | 3,708  | 4,268  | -13%          | 10,556 | 10,299 | 2%            |
| Project         | 1,879  | 450    | 318%          | 3,250  | 2,418  | 34%           |
| Export          | 638    | 424    | 50%           | 3,034  | 1,323  | 129%          |
| Total           | 6,225  | 5,142  | 21%           | 16,840 | 14,040 | 20%           |

# **MIS** -Receivables

| Rs. in Billions | 31-Mar-2012 | 31-Mar-2013 | 31-Dec-2013 | 31-Mar-2014 | Change<br>QoQ |
|-----------------|-------------|-------------|-------------|-------------|---------------|
| Dealer          | 2.4         | 1.7         | 1.6         | 2.2         | 0.6           |
| Institutional   | 1.8         | 1.1         | 1.2         | 1.3         | 0.1           |
| Project         | 3.1         | 2.4         | 3.2         | 3.4         | 0.2           |
| Govt. Subsidy   | 9.7         | 7.1         | 4.6         | 3.9         | (0.7)         |
| Total           | 17.1        | 12.2        | 10.6        | 10.9        | 0.3           |

# **Net Debt Position**

| Rs. bn.              | Debt_31.03.14 | Debt_31.12.13 | Change (Q-Q) % | Debt_31.3.13 |
|----------------------|---------------|---------------|----------------|--------------|
| Standalone (Total)   | 28.2          | 31.1          | -9%            | 26.9         |
| Long term            | 14.4          | 15.2          | -5%            | 14.4         |
| Short term           | 13.8          | 15.9          | -13%           | 12.5         |
| Consolidated (Total) | 38.9          | 42.0          | -7%            | 35.9         |
| Long term            | 18.7          | 19.7          | -5%            | 18.2         |
| Short term           | 20.2          | 22.3          | -9%            | 17.7         |

<sup>•</sup>Cash in hand has been netted from short term loans.

<sup>• 50%</sup> of total debts as on March-14 is in foreign currency (standalone)

| Standalone long term foreign currency loan (FCL) repayment schedule   |  |  |  |  |  |  |
|---|--|--|--|--|--|--|
| (excluding FCCB of US\$ 50 million issued in Oct-12(USD 40 mn) & Apr-13- (USD 10 mn) maturity 5 year & 1 day) |  |  |  |  |  |  |

| Year             | FY15  | FY16  | FY17  | FY18  | FY19-23 |
|------------------|-------|-------|-------|-------|---------|
| Eq. US Dollar mn | 20.50 | 25.32 | 29.09 | 26.68 | 52.15   |

#### Note:

- Company will have net foreign exchange earning annually to take care of above FC loan repayments.
- The Company has hedged cover USD 30 mn of its long term foreign currency loans.

<sup>•</sup>Forex losses standalone Rs.1.5 bn and consolidated Rs. 1.9 bn impacted debt position .

#### **Recognition by society**

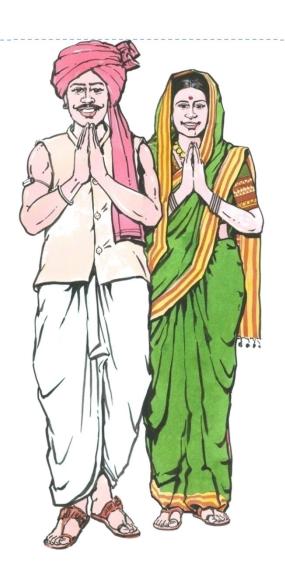
- Awarded "Innovating for a Better Tomorrow" by Network18 & Infosys. (Mar-14)
- "Best Customer Award" by GAIL. (Feb-14)
- Global CSR Excellence and Leadership Award in the category Accounting for Climate Change" by ABP News (Feb-14)
- "2012-13 -Star Performer Award for outstanding export performance" by EEPC India . (Jan -14)
- ICAR Excellence Award to Dr. Bhavarlal Jain, Founder Chairman . (Jan-14)
- "India Corporate Responsibility 2013 Award" by CNBC Asia. (Jan-14)

#### Disclaimer

Some of the statements in this presentation contain forward looking information that involve a number of risks and uncertainties. Such statements are based on a number of assumptions, estimates, projections or plans that are inherently subject to significant risks, as well as uncertainties and contingencies that are subject to change. Actual results can differ materially from those anticipated in the Company's forward-looking statements as a result of a variety of factors, including those set forth from time to time in the Company's analyst calls and discussions. We do not assume any obligation to update the forward-looking statements contained in this presentation.

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# **Thank You**