METALS & MINERALS

Margins contract for steel players as lower steel prices come in….

Companies	Rating	Target
JSWSTEEL	BUY	315
HINDALCO	BUY	220
VEDL	NEUTRAL	150
HINDZINC	NEUTRAL	248
COALINDIA	HOLD	274
NMDC	NEUTRAL	93
ASTRAL	HOLD	1270
FINPIPE	NEUTRAL	487
RATNAMANI	BUY	1050
TATAMETALIK	NEUTRAL	670

Metals & Mining

In 4QFY19 steel players margin saw contraction on YoY as well as QoQ basis primarily on account of fall in steel prices whereas cost of input such as iron ore and coking coal prices remained on higher side. However, volume increased primarily on account of inventory liquidation in JSW Steel's case and ramp up of Angul plant in JSPL's case. In non ferrous space prices of commodities remained under pressure on YoY basis , however, on QoQ basis prices of majority commodities (Copper, zinc, lead, silver and nickel) increased with exception of aluminium which was at USD1891/t (down 11% YoY and 1.4% QoQ). Trade war between US-China and slowdown in Chinese consumption continue to put pressure on commodity prices. Hindalco's aluminium volume at standalone operation was stable at 325kt, however, margins declined due to falling LME aluminium, copper business remain impacted by maintenance shutdown and related issues but Novelis delivered strong volume growth led by recovery in global Can demand. Nationalum's EBITDA and EBITDA margin witnessed fall on QoQ basis primarily on account of fall in alumina prices. Hindzinc's volume in 4QFY19 got impacted by geo-technical issues and margin were down YoY due to lower LME zinc and QoQ fall was on account of lower zinc volume. VEDL YoY performance got impacted by lower zinc prices and lower zinc India volume, lower aluminium prices and shutdown at Titucorin copper plant, however, higher volume at zinc international, higher volume in iron ore business and healthy growth in steel business led to QoQ improvement in EBITDA. Coal India delivered good set of numbers on the back of higher FSA realization and NMDC delivered better than expected margin due to lower royalty and employee cost.

Pipes & Tubes

In metal pipes Ratnamani continued delivering strong performance in CS division, lower employee cost and lower other expenses helped to sustain EBITDA margin trend broadly. Tatametali's DI pipe delivered good performance; however, pig iron business remained impacted by shutdown and unstable operation of blast furnace. Astral posted healthy revenue and pipe volume growth in 4QFY19, however, consolidated EBTIDA margin was down YoY on account of falling PVC prices, higher branding cost in adhesive business and inclusion of low margin Rex business. Finpipe's margin in 4QFY19 got impacted by lower PVC/EDC delta and delayed demand pickup.

Management guidance for FY20

JSW Steel - production and sales volume is expected at 16.95mt (up 1.5% YoY) and 16mt (up 1.5% YoY) respectively. **JSPL** - standalone steel volume expected at 6.5mt.**Hindalco** - In 1QFY20 CoP is expected to be 3% down, 15% of commodity is hedged at USD2225/t for FY20, out of which 11% is rupee LME hedged at Rs.152400/t and 4% only commodity at USD2421/t. And, 30% of the currency is hedged at Rs.75.25 for FY20. **Hindzinc** - Both mined metal and finished metal production is expected to be higher than FY19 and is expected to be above 1mt (12% growth), silver production at 750MT-800MT. **VEDL** - Skorpion and BBM around 170kt and Gamsberg around 180-200kt, Oil & Gas gross volume at 200-220kboepd, Aluminium at 1.9-1.95mtpa, ESL-1.5mt of hot metal and TSPL plant availability at over 80%. **NMDC** - volume ex-Donimalai is expected at 32mt. **APLAPOLLO** – over 20% volume growth and EBITDA to grow by 25%. **Finpipe** - 12%-15% volume growth. **Ratnamani** - Revenue and profit is expected to grow by 10%-12%. **Tatametali** - Pig iron expected over 300kt and DI volume around FY19 level (236kt), EBITDA margin in DI business is expected to be around 20-21% and in PI around 8-10%.

View and Outlook

Recent increase in international iron ore price, hard coking coal price at over USD200/t and strength in steel scrap prices all give support to steel prices ,however, ongoing trade war between US and China and slow down in Chinese consumption will continue to put pressure on prices be it ferrous or non-ferrous. Steel player's margin may decline in FY20 vs. FY19 considering steel prices might have peaked in FY19. At Coal India E-Auction premium is expected to come off from the high of FY19 as inventory level at power plants improve and international coal prices have also declined. At NMDC Donimalai not being in operation is the main concern. **We continue to like JSWSTEEL from ferrous and HINDALCO from non-ferrous and RATNAMANI from pipes & tubes.**

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	Sales			EBITDA				PAT		
Companies	4QFY19	YoY	QoQ	4QFY19	YoY	QoQ	Margin	PAT	YoY	QoQ
JSWSTEEL	22368	7.5%	10.1%	4440	-16.1%	-1.4%	19.8%	1523	-49.2%	-5.0%
JINDALSTEL	10159	18.1%	6.2%	1845	-13.7%	-11.2%	18.2%	-2146	0.0%	0.0%
HINDALCO	12373	5.9%	3.6%	902	-28.2%	-2.8%	7.3%	236	-37.4%	-4.7%
NATIONALUM	2766	-3.4%	1.7%	518	5.7%	0.9%	18.7%	325	-9.1%	-22.6%
VEDL	23468	-15.1%	-0.8%	6135	-21.7%	8.7%	26.1%	2615	35.3%	66.1%
HINDZINC	5491	-12.5%	-0.9%	2789	-23.0%	-1.7%	50.8%	2012	-19.7%	-9.0%
COALINDIA	28546	6.1%	14.0%	8212	8.3%	21.0%	28.8%	6024	11.0%	31.9%
NMDC	3643	-6.2%	-0.2%	2092	10.1%	-2.9%	57.4%	1454	31.4%	-7.8%
ASTRAL	775	19.1%	22.3%	119	0.5%	27.0%	15.4%	62	-4.4%	17.7%
FINPIPE	964	19.2%	27.4%	146	-22.0%	17.2%	15.2%	91	-24.4%	16.1%
RATNAMANI	687	10.9%	-5.7%	99	6.8%	-1.7%	14.4%	63	12.4%	0.7%
TATAMETALIK	594	8.7%	8.7%	81	-8.0%	8.3%	13.6%	64	17.8%	62.4%
APLAPOLLO	2094	37.8%	23.8%	138	34.8%	133.6%	6.6%	61	37.8%	376.5%

	ROCE			ROE			EV/EBITDA		
Companies	FY18	FY19	FY20E	FY18	FY19	FY20E	FY18	FY19	FY20E
JSWSTEEL	19.1%	23.1%	14.9%	22.2%	22.0%	13.3%	6.8	5.0	6.3
JINDALSTEL	4.1%	4.7%	7.0%	-4.6%	-5.1%	1.1%	8.3	5.6	4.8
HINDALCO	5.9%	5.2%	4.7%	7.9%	9.6%	8.5%	6.3	5.9	6.2
NATIONALUM	8.7%	23.0%	10.0%	8.3%	16.5%	8.6%	7.3	2.4	5.0
VEDL	17.8%	13.3%	14.6%	12.6%	10.8%	11.0%	5.0	4.1	3.5
HINDZINC	30.0%	26.1%	24.7%	30.0%	26.1%	24.7%	8.6	9.1	7.6
COALINDIA	30.9%	76.0%	62.1%	35.0%	65.0%	53.5%	15.1	4.7	5.6
NMDC	22.8%	25.6%	15.8%	15.6%	17.9%	11.3%	5.5	3.9	6.2
ASTRAL	22.9%	21.1%	23.2%	17.5%	15.3%	17.1%	32.0	36.2	33.7
FINPIPE	15.3%	21.1%	17.2%	10.8%	13.8%	12.5%	17.0	10.2	11.1
RATNAMANI	15.7%	22.6%	20.1%	11.6%	16.3%	15.0%	15.0	9.9	9.9
TATAMETALIK	40.9%	31.0%	26.7%	44.4%	23.7%	18.4%	7.4	6.0	5.4
APLAPOLLO	34.7%	28.9%	27.0%	19.1%	15.4%	14.5%	12.9	9.1	9.2

JSWSTEEL	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	YoY%
Sales (Consol)	3.95	3.39	3.96	4.03	4.18	3.76	3.91	3.62	4.31	3.1%
Sales (Stndl)	3.96	3.51	3.92	3.97	4.22	3.83	3.96	3.68	4.29	1.7%
Revenue	16656	14699	16818	18264	20817	20519	21552	20318	22368	7.5%
EBITDA	3165	2617	3036	3851	5290	5105	4906	4501	4440	-16.1%
PAT	1015	626	839	1753	2996	2366	2126	1624	1523	-49.2%
Adj. PAT	1015	626	839	1447	2996	2366	2126	1624	1523	-49.2%

*sales volume in mt

JSW Steel's 4QFY19 steel sale volume at standalone level was 4.29mt (up 1.7% YoY and 16.6% QoQ), QoQ growth was driven by liquidation of inventory that got build up in 3QFY19 due to sudden fall in steel prices which led to customers holding back on building stock. . Consolidated and standalone realization fell by 8% and 7% QoQ respectively due to fall in steel prices. EBITDA margin at consolidated level contracted to 19.8% (vs.25.4% in 4QFY19 and 22.2% in 3QFY19) due lower realization and higher coking coal cost. JSW coated products volume was at 0.49mt (up 4.3% YoY and 16.7% QoQ), revenue and EBITDA was at Rs.3184cr (up 4.6% YoY and 7.4% QoQ) and Rs.86cr (down 57.4% YoY and 11.3% QoQ) respectively for 4QFY19. US plate and pipe mill revenue and EBITDA for the quarter came in at USD 114.78mn (up 92% YoY and 10% QoQ) and USD 5.83mn (up 79% YoY and 44% QoQ) respectively, pipe mill capacity utilization improved to 17% (vs.9% in 4QFY18), 17% utilization is the highest in last 25 quarters.JSW Steel USA did EBITDA loss of USD5.83mn (vs. loss of USD10.5mn in 3QFY19) and JSW Italy did EBITDA loss of 2.9mn Euros (vs. loss of 7.3mn Euros in 3QFY19). Higher capacity utilization will lead to better performance at Ohio and Italy is expected to be EBITDA positive in 2HFY20. FY20 production and sales volume is expected at 16.95mt (up 1.5% YoY) and 16mt (up 1.5% YoY) respectively. FY20 capex is expected to be at Rs.15700cr.

JINDALSTEL	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	YoY%
Sales (mt)	1.31	1.15	1.27	1.36	1.66	1.61	1.75	1.65	1.91	15%
Revenue	6290	5669	6123	6993	8599	9665	9982	9566	10159	18%
EBITDA	1552	1353	1373	1607	2137	2277	2207	2077	1845	-14%
PAT	-51	-389	-448	-266	-308	181	344	-23	-2146	596%
Adj. PAT	-304	-389	-298	-266	130	181	88	-23	-412	-418%

JSPL's consolidated revenue for 4QFY19 came in at Rs.10159cr (up 18% YoY and 6% QoQ)and EBITDA was at Rs.1845cr (down 13.7% YoY and 11.2% QoQ), revenue increased on the back of strong volume growth in standalone business at 1.45mt (up 23% YoY and 21% QoQ). Blended realization at standalone level was at Rs.43694/t (up 5.4% YoY and down 9.7% QoQ) and standlaone EBITDA was at Rs.1440cr (down 5.2% YoY and 2.7% QoQ), fall in EBITDA was primarily on account of higher iron ore cost and fall in realization. Oman business did volume of 0.46mt (down 4% YoY and 2% QoQ) and EBITDA was at USD 181mn (down 51% YoY and 26% QoQ), Oman business remains impacted by falling steel prices in Middle East particularly long product. Power generation at JPL in 4QFY19 was at 2609mn unit (up 13% YoY, flat QoQ), revenue for the quarter came in at Rs.267cr (up 1% YoY, down 2% QoQ) and EBITDA stood at Rs.267cr (up 1% YoY, down 2.2% QoQ) and for FY19 stood at Rs.1156cr (down 19% YoY). In the quarter company reported exceptional item of Rs.1735cr on account of write off of Rs.1356cr of royalty paid in coal case and Rs.380cr on account of discard of PGP plant (Rs.80cr) and disputed electricity liability of a captive unit (Rs.306cr). Furthermore, consolidated depreciation of Rs.2373cr in the quarter included Rs.1287cr of impairment loss in two overseas subsidiaries. FY20 standalone steel volume is expected to be around 6.5mt.

HINDALCO	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	YoY%
Al Sales*	328	299	329	325	321	300	326	323	325	1%
Revenue	11747	10407	10308	11023	11681	10593	10833	11938	12373	6%
EBITDA	1347	1148	1390	1312	1258	1325	1091	928	902	-28%
PAT	503	290	393	377	377	414	309	247	236	-37%
Novelis Volume and Financials										
Volume*	790	785	802	796	806	797	807	800	870	8%
Revenue	2621	2669	2794	3085	3066	3097	3136	3009	3084	1%
Adj. EBITDA	292	289	302	305	319	332	355	322	357	12%
PAT	47	101	307	105	109	137	116	78	102	-6%

**Volume in KT, **Novelis financials in USDmn*

Standalone revenue for 4QFY19 was at Rs.12373cr (up 6% YoY and 4% QoQ) EBITDA for the quarter came in at Rs.902cr (down 28% and 35 QoQ). EBITDA margins were at 7.3% (vs.10.8% in 4QFY18 and 7.8% in 3QFY19). Aluminium volume continues to remain stable at 325kt as operations run at optimal level. Copper sales volume for 4QFY19 was at 100kt (down 8% YoY, up 4% QoQ). Copper volume in FY19 got impacted by maintenance shutdown and related issues that extended longer than expected, one more shutdown of 18 days is to be taken in 1QFY20. Aluminium CoP from 3QFY19 to 4QFY19 was flat, from Mar'19 CP coke pitch, furnace oil prices have started to come down, in 1QFY20 management expects CoP to be 3% down QoQ on per ton basis. Novelis 4QFY19 shipment was at 870kt (up 7.8% YoY and 8.8% QoQ), revenue was USD3.1bn (up 0.6% YoY and 2.5% QoQ) and adj EBITDA was USD357mn (up 12% YoY and 11% QoQ). Strong recovery in Can demand led to volume growth, however, slow down in auto demand from China persists. Demand from US continues to remain stable. In 1QFY20 management expects CoP to be 3% down QoQ on per ton basis, 15% of commodity is hedged at USD2225/t for FY20, out of which 11% is rupee LME hedged at Rs.152400/t and 4% only commodity at USD2421/t. And, 30% of the currency is hedged at Rs.75.25 for FY20.

NATIONALUM	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	YoY%
Revenue	2423	1803	2455	2389	2863	2973	3041	2719	2766	-3.4%
EBITDA	427	228	335	344	490	1011	851	513	518	5.7%
Adj EBITDA	427	228	335	344	490	1011	851	576	518	5.7%
PAT	268	129	235	722	257	687	510	302	234	-9.1%
Adj PAT	271	129	218	276	251	596	510	302	325	29.5%

Revenue in the quarter was Rs.2766cr (down 3.4% YoY, up 1.7% QoQ), EBITDA was Rs.518cr (up 5.7% YoY, down 10.2% QoQ on adj. basis) and margin was 18.7% (vs.17.1% in 4QFY18 and 21.2% in 3QFY19 on adj. basis). Alumina price in the quarter was around USD386/t (vs. USD397/t in 4QFY18 and USD449/t in 3QFY19). QoQ fall in EBITDA and margin was due to around 14% QoQ fall in alumina price. Power and fuel cost in the quarter was 22.2% sales (vs.25% in 4QFY18 and 29% in 3QFY19), power cost at 22.2% was at the lowest in last 8 years and employee cost was at 22.3% of sales (vs.22.4% in 4QFY18 and 17.9% in 3QFY19).

VEDL	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	YoY%
Zinc India (KT)	290	224	232	245	260	212	209	241	229	-12%
Zinc Intnl(KT)	28	45	43	47	37	24	29	33	57	54%
Al (KT)	371	338	380	441	487	465	489	494	467	-4%
O&G (boepd)	184584	187203	180956	184133	190171	194986	185926	187191	187062	-2%
Revenue	22511	18285	21590	24361	27630	22206	22705	23669	23468	-15%
EBITDA	7350	4874	5669	6763	7837	6284	5208	5645	6135	-22%
PAT (ex mino.)	1527	1525	1905	2211	1933	1533	1023	1574	2615	35%

4QFY19 EBITDA was at Rs.6135cr (down 21.7% YoY, up 9% QoQ), YoY fall was on account of lower zinc prices and lower volume at zinc India, lower aluminium prices and shut down at Titucorin plant, whereas, QoQ improvement was driven by higher volume at Zinc Int. , higher iron ore volume and healthy growth in steel business. Zinc India EBITDA came in at Rs.5354cr (down 13% YoY and 2% QoQ), zinc sales volume was at 177kt (down 16% YoY, 5% QoQ), lead volume was at 52kt (up 4% YoY, down 4% QoQ), however, silver volume at 196 tonnes was up 16% YoY and 10% QoQ. Aluminium sales volume for the quarter was at 467kt (down 4% YoY, 5% QoQ). Aluminium EBITDA was at Rs.397cr (down 70% YoY, up 52% QoQ). Oil & Gas gross volume was at 187 kboepd (down 2%YoY, flat QoQ), 4QFY19 EBITDA for the segment stood at Rs.1805cr (up 20%YoY, down 9%QoQ). FY20 average production is expected to be in range of 200-220 kboepd (vs.189 kboepd in FY19). Iron ore operation at Goa and Copper India operation at Titucorin plant remain shut. Steel EBITDA for the quarter came in at Rs.337cr (up 35% QoQ) and sales volume was at 0.35mt (up 7% QoQ). Total amount of investment in Anglo American Plc. is around USD500mn, out of which USD270mn has been invested as of 31st Mar'19 and rest is to be paid over the next 4-5 quarters. Company have recorded MTM gain of around USD 130mn (Rs.900cr) net of forex on investment in 4QFY19.FY20 guidance- Zinc international, Skorpion and BBM around 170kt and Gamsberg around 180-200kt, Oil & Gas gross volume at 200-220kboepd, Aluminium at 1.9-1.95mtpa, ESL- 1.5mt of hot metal and TSPL plant availability at over 80%.

HINDZINC	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	YoY%
Zinc (KT)	215	194	192	200	206	172	162	188	175	-15%
Lead (KT)	45	35	38	46	50	42	49	54	53	6%
Silver (tonnes)	139	115	140	132	170	138	172	178	191	12%
Revenue	6756	4576	5309	5922	6277	5310	4777	5540	5491	-13%
EBITDA	3748	2384	3024	3244	3620	2713	2334	2838	2789	-23%
PAT	3057	1876	2254	2230	2505	1918	1815	2211	2012	-20%

4QFY19 revenue came in at Rs.5491cr (down 12.5% YoY and 15 QoQ), EBITDA was at Rs.2789cr (down 23% YoY and 1.7% QoQ) and margin was at 50.8% (vs.57.7% in 4QFY18), lower zinc volume at 175kt (down 15% YoY and 6.9% QoQ) and lower realization impacted performance. Geotechnical issue at the start of 4QFY19 led to lower mined metal in Jan'19 - Feb'19. Zinc Cost of production for the quarter was at USD987/t(Rs.69545/t) vs. USD997/t (Rs.71855/t) in 3QFY19 on account of lower imported coal and diesel cost and higher linkage coal volume, offset by higher mine development expense and lower volume. During the quarter company commissioned crusher at Sindesar Khurd mine for hauling waste and commissioned 2mt mill at Zawar. Production shaft, crusher and conveyor system at Rampura Agucha mine are expected to commission in Sep'19, paste fill plant at Zawar is expected to get commission by mid-FY20, fumer at Chanderia is expected to get commissioned shortly. Both mined metal and finished metal production in FY20 is expected to be higher than FY19 and is expected to be above 1mt (12% growth), silver production is expected to be around 750MT-800MT in FY20.

COALINDIA	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	YoY%
Off take (mt)	150	138	131	152	160	153	138	154	163	2%
Revenue	23172	19161	18148	21707	26909	24261	21884	25046	28546	6%
EBITDA	3388	3522	818	4378	196	4680	4317	6788	8212	4085%
PAT	2716	2351	370	3042	1296	3786	3085	4567	6024	365%

Revenue in 4QFY19 was Rs.28546cr (up 6.1% YoY and 14.0% QoQ), production and off take volume in 4QFY19 was 193.8mt (up 5.6% YoY and 24.2% QoQ) and 163.4mt (up 2.9% YoY and 6.3% QoQ) respectively. Blended realization for 4QFY19 was at Rs.1634/t (up 3.9% YoY and 7.7% QoQ). FSA volume in the quarter was at 142.4mt (up 12.7% YoY) and realization at Rs.1460/t (up 4.1% YoY and 9.4% QoQ). E-auction volume was at 16.7mt (down 43% YoY and up 14.1% QoQ) and realization was at Rs.2754/t (up 30.4% YoY, down 3.3% QoQ). 4QFY19 EBITDA was Rs.8212cr (vs. Rs.196cr in 4QFY18 which included Rs.7384cr of one time provision for increase in gratuity ceiling),YoY growth after adjusting 4QFY19 EBITDA for the provision was 8.3% and 21% QoQ. E-Auction share in total volume was 10.22% (vs.18.2% in 4QFY18 and 9.5% in 4QFY19) and FSA share was at 87.1% (vs.79.2% in 4QFY18 and 88.1% in 3QFY19). Coal dispatch to power sector in 4QFY19 stood at 127.8mt (up 5.4% YoY and 1.1% Qo). Coal inventory in 4QFY19 on average was at 15 days vs. 10 days in 4QFY18.

NMDC	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	YoY%
Sales (mt)	9.78	9.18	8.30	8.06	10.54	6.78	6.71	8.70	10.17	-3%
Revenue	2872	2842	2421	2469	3883	2422	2438	3649	3643	-6%
EBITDA	932	1495	1203	1210	1901	1424	1259	2154	2092	10%
PAT	512	969	844	887	1106	975	636	1577	1454	31%

NMDC's 4QFY19 revenue was at Rs.3643cr (down 6.2% YoY and 0.2% QoQ), iron ore sales volume was at 10.17mt (down 3.5% YoY, up 16.9% QoQ). Chhattisgarh sales volume for the quarter was at 7.37mt (up 3% YoY) Karnataka volume for the quarter was at 2.80mt (down 17.2% YoY), Karnataka volume was down YoY due to Donimalai being on hold. EBITDA and EBITDA margin for the quarter came in at Rs.2092cr (up 10.1% YoY, down 2.9% QoQ) and 57.4% (vs. 49% in 4QFY19). EBITDA margin in 4QFY19 improved YoY primarily on account of lower royalty and lower employee cost and higher realization. Royalty cost was lower on account of excess provision of Rs.165cr written back and lower production also led to lower royalty cost in the quarter. EBITDA/t in the quarter was at Rs.2057/t (up 14% YoY) and cost/t was at Rs.1525/t (down 18.9% YoY). Donimalai is still not operational and outcome of Karnataka high court in case of Donimalai is still awaited. FY20 volume ex-Donimalai is expected at 32mt and capex is expected to be around Rs.3000cr (Rs.2200cr for steel plant).

ASTRAL	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	YoY%
Pipe Vol (MT)	28720	19539	26070	26764	31618	22476	27250	27882	38877	23%
Revenue	582	407	520	512	651	477	629	634	775	19%
EBITDA	89	48	76	74	118	78	94	94	119	1%
PAT	56	25	39	46	65	38	46	53	62	-5%

Consolidated revenue including Rex for 4QFY19 came in at Rs.775cr (up 19.1% YoY and 22.3% QoQ), Pipe business revenue came in at Rs.606cr (incl. Rex) (up 20.1% YoY and 36.5% QoQ) and adhesive revenue was at Rs.184cr (up 17.6% YoY and 20.9% QoQ).Pipe sales in 4QFY19 was 38877MT (up 23% YoY and 39.4% QoQ), sharp jump in volume growth is on account of inclusion of Rex's volume. Consolidated EBITDA was Rs.119cr (up 0.5% YoY and 27% QoQ), pipe and adhesive EBITDA was at Rs.98cr (up 9.7% YoY and 23.5% QoQ) and Rs.25cr (down 21.9% YoY, up 52.4% QoQ). Pipe EBITDA margin was 16.1% (vs.17.7% in 4QFY18) and adhesive margin was 13.6% (vs.20.5% in 4QFY18). Pipe margin got impacted by falling PVC price and inclusion of low margin Rex business, whereas, adhesive business remain impacted by higher branding and promotional activities throughout FY19.

APLAPOLLO	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	YoY%
Pipe Vol (MT)	234	265	283	281	301	302	304	315	418	39%
Revenue	1316	1156	1345	1314	1519	1677	1690	1691	2094	38%
EBITDA	75	79	101	88	103	109	86	59	138	35%
PAT	41	39	41	36	45	47	27	13	61	38%

4QFY19 revenue came in at Rs.2094cr (up 38% YoY and 24% QoQ), robust performance was on the back of strong growth in volume. 4QFY19 volume (ex-trading and scrap) was at 418kt (up 39% YoY and 33% QoQ), strong demand recovery and increasing contribution from hollow section pipes, DFT and Galvanized tubes have led to robust growth. EBITDA for the quarter came in at Rs.138cr (up 35% YoY and 134% QoQ) and EBITDA margin was 6.6% (vs. 6.7% in 4QFY18 and 3.5% in 3QFY19). Company is acquiring 200kt plant of Shankara Building products for Rs.70cr. Company's capacity stand increased to 2100kt at the end of FY19 and will increase to 2300kt after acquiring one of shankara's plant. Company also allotted 400000 equity shares on preferential basis at Rs.1800/share and 500000 equity convertible warrants at Rs.2000/share to APL infra (promoter group company) leading to infusion of Rs.97cr. FY20 volume growth expected to be over 20% and EBITDA to grow by 25%.

FINPIPE	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	YoY%
Pipe Vol (mt)	63982	71518	47246	61514	71758	77636	45273	59178	80771	13%
PVC Vol (MT)	76541	74998	40539	71107	72123	68454	43461	66838	76549	6%
Revenue	1016	731	475	723	809	828	543	757	964	19%
EBITDA	179	131	50	113	188	194	125	125	146	-22%
PAT	123	80	28	70	121	131	76	79	91	-24%

Revenue for the quarter came in at Rs.964cr (up 19.2% YoY and 27.4% QoQ), PVC realization in the quarter was at Rs.97946/MT (up 3% YoY and down 1.9% QoQ), PVC resin realization in the quarter was at Rs.73076/MT (up 2.2% YoY and 1% QoQ). PVC pipe sales stood at 75043MT (up 12.4% YoY and 38.2% QoQ) and PVC Fitting sale was at 5728MT (up 14.4% YoY and 17.6% QoQ). Sales after being sluggish in Jan'19-Feb'19 picked up in Mar'19. PVC resin external sale in the quarter was at 22640MT (up 32% YoY and 2% QoQ). EBITDA came in at Rs.146cr (down 22%YoY, up 17.2%QoQ) and EBITDA margin was at 15.2% (vs.23.2% in 4QFY18 and 16.5% in 3QFY19) PVC EBIT margin was at 14.5% (vs.24.5% in 4QFY19) and Pipes & Fittings EBIT margin was at 7.7% (vs.9.0% in 4QFY18). PVC margin was down due to lower PVC/EDC delta. Delayed demand pick up and volatile PVC prices led to lower margin in pipe & fittings, furthermore, company also had to give discounts in Jan'19-Feb'19 to liquidate inventory that got build up due to slow down in demand in 3QFY19 and Jan'19-Feb'19. PVC/EDC delta in 4QFY19 was at USD523/MT (vs. USD785/MT in 4QFY18). Company's capacity stand increased to 370000MT in FY19 from 330000MT in FY18. Company declared a dividend of Rs.10/share. Management expects 12%-15% volume growth in FY20 and capex is expected to be at around Rs.100cr.

RATNAMANI	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	YoY%
SS Volume (MT)	5655	4493	5800	5427	5334	3983	5651	5405	5406	1%
CS Volume (MT)	43524	31641	24548	70034	74804	71128	76653	73680	72153	-4%
Revenue	388	295	318	536	619	609	730	728	687	11%
EBITDA	68	47	51	84	93	90	116	101	99	7%
PAT	40	23	27	46	56	58	69	63	63	12%

Revenue in 4QFY19 was Rs.687cr (up 10.9% YoY, down 5.7% QoQ). Stainless Steel (SS) volume in 4QFY19 was at 5406MT (up 1.3% YoY) and Carbon Steel (CS) volume in 4QFY19 was at 72153MT (down 3.5% YoY), SS realization was at Rs.392796/t (up 23.8% YoY and 9.2% QoQ) in 4QFY19 and CS realization for quarter was at Rs.68737/t (up 30% YoY, down 1.8% QoQ). EBITDA for the quarter was Rs.99cr (up 6.8% YoY, down 1.7% QoQ) and margin was at 14.4% (vs. 15% in 4QFY18 and 13.9% in 3QFY19). Lower employee and other expense at Rs.26cr (down 18.7% YoY and 22.3% QoQ) and Rs.61cr (down 33.4% YoY and 30.9% QoQ) respectively in 4QFY19 helped to offset the impact of higher cost of material consumed in 4QFY19. Employee cost was lower due to lower commission to directors (Against 9% of total remuneration to directors earlier it is now at 7.5%).At the end of May'19 order book stood at Rs.1500cr, SS order currently is around Rs.500cr. Both CS and SS division capex of 120000MT and 20000MT respectively are expected to get completed in next 5-6months, remaining capex out of total capex of Rs.550cr-600cr for CS and SS project combine is around Rs.180cr which will be spent by Dec'19. Company declared dividend of Rs.9/share for FY19. Revenue and profit is expected to grow by 10%-12% in FY20.

TATAMETALIK	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	YoY%
Pig iron (MT)	96451	102000	127526	137581	135857	115436	134718	128039	139807	2.9%
DI pipe (MT)	65640	49000	45630	52535	64628	47043	50734	66536	71687	10.9%
Revenue	401	387	450	490	546	468	547	546	594	8.7%
EBITDA	75	50	67	73	88	66	86	75	81	-8.0%
PAT	40	31	34	40	55	30	48	40	64	17.8%

4QFY19 revenue at Rs.594cr (up 9% YoY and QoQ), pig iron external sales was 68120MT in 4QFY19 (down 4% YoY, up 11% QoQ) and DI pipe sales volume was 71687MT (up 11% YoY and 7.7% QoQ). Lower volume YoY in pig iron was due to unscheduled shutdown of blast furnace in 3QFY19 and unstable operations in 4QFY19. Gross and EBITDA margin for 4QFY19 were at 36% (vs.42% in 4QFY18 and 38% in 3QFY19) and at 13.6% (vs.16% in 4QFY18 and 13.7% in 3QFY19) respectively. Margins remain under pressure due to higher iron ore and coking coal prices, further, unstable performance of blast furnace throughout the year also impacted margins. Management stated that annual maintenance shutdown is schedule in May'19 for 3-5 days which will help to solve the operational and technical issues with blast furnace and would lead to higher volume in FY20 as compare to FY19. Iron ore sourcing from Tata Steel is currently around 70% and 30% is from market. Going ahead management is focusing on reducing share from Tata Steel to 50% due to rake availability issues. Management expects to exceed 300KT in Pig iron in FY20 and DI volume is expected to be around FY19 level (236KT). EBITDA margin in DI business is expected to be around 20-21% and in PI around 8-10%.

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Disclosure of Interest Statement-

Analyst's ownership of the stocks mentioned in the Report	NIL

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