

Demand slump in Europe and US, Red Sea crisis force Jindal Stainless to trim export guidance in Q4

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Jindal Stainless Ltd, India's largest stainless steel player, has cut down export guidance following the Red Sea crisis, and prevailing demand slump in Europe and the US.

However, the full-year guidance has not been revised and the company is looking at a volume growth of 20 per cent in FY24, with EBITDA per tonne being in the range of ₹19,000-20,000, Abhyuday Jindal, Managing Director, told *businessline*.

"There is an inching-up of freight rates and demand continues to be slower than expected, especially in Europe. The market has not picked up on

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ABHYUDAY JINDAL
MD, Jindal Stainless

expected lines. So, there will be some impact on exports and instead of the previously-anticipated 15-odd per cent, numbers would be around 12-13 per cent or so," he said.

SHIPPING TO EUROPE

The crisis in the Red Sea has impacted shipping to Europe



with delays of around 15-20 days. Circuitous routes are being taken to overcome these geo-political issues. Jindal said while "there will be some impact on exports in Q4", it was too early to comment on whether the same would stretch out to Q1FY25 numbers.

"So, we cannot really give a time frame as of now. But if issues in the Red Sea gets resolved in the next couple of months, it may not have an impact in the coming fiscal. Right now, we are sticking to our annual guidance of 20 per cent volume growth, and demand in India continuing to be good, it is achievable," he added.

The company is expecting to complete the acquisition of 35 per cent stake in its Spanish subsidiary, Iberjindal SL, over the next couple of months.

According to Jindal, stainless steel demand in India continues to be on the rise, with growth being reported across key user-sectors such as auto, decorative pipes and tubes. The company began production at its newly-acquired fa-

cility in Ghaziabad, looking to widen product offerings across segments like wire rods and re-bars (long products).

Q3 NUMBERS

On a standalone basis, the company reported a profit after tax of ₹779 crore for the quarter ending December 31, 2023, up 41 per cent year on year compared with ₹552 crore in the year-ago-period. Revenues for the period under review stood at ₹9,088 crore, up 1 per cent y-o-y. EBITDA improved 8 per cent on a y-o-y basis to ₹1,021 crore.

Sales volumes improved 9 per cent y-o-y to 512,015 tonnes, while declining 6 per cent sequentially on account of planned maintenance in the plants.