

Q2 FY'19

Industry Update & Key Performance Highlights



JINDAL
STEEL & POWER

13th November, 2018

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Q2 FY'19

INDUSTRY
UPDATE

BRIEF BACKGROUND

OPERATIONAL
PERFORMANCE

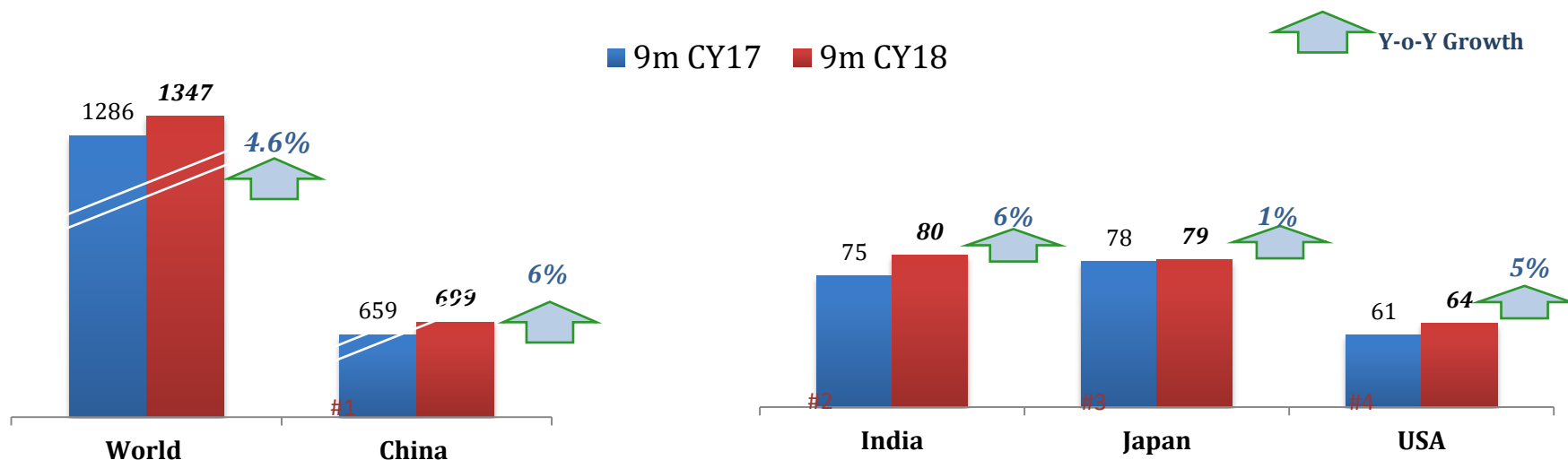


INDUSTRY DEVELOPMENTS



Global Steel Production Increased Significantly

India remains the second biggest producer of steel in the world



> Finished Steel Demand likely to remain robust

	CY18	%age	CY19	%age
World	1659	3.9%	1681	1.4%
China	781	6%*	781	00%
India	95.4	7.5%	102.3	7.3%
Middle East	54.5	2.1%	55.1	1.2%
ASEAN	73.7	3.8%	78.3	6.2%

*disparity comes from an underestimation of 2017 steel use that had been supplied by the illegal induction furnaces

Global Steel Capacity Utilization improved

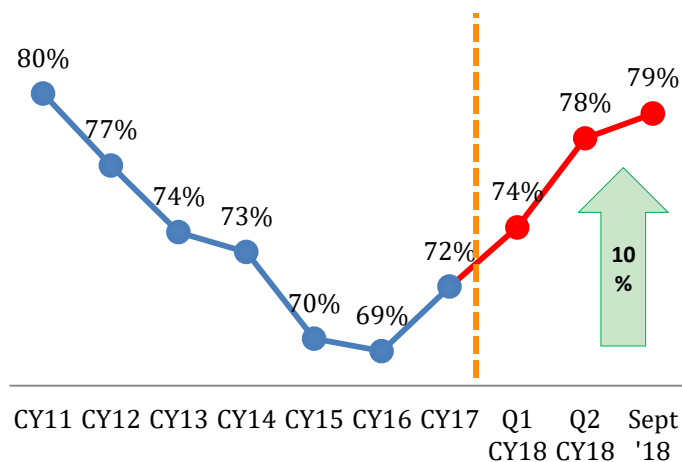
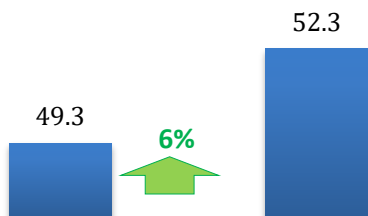
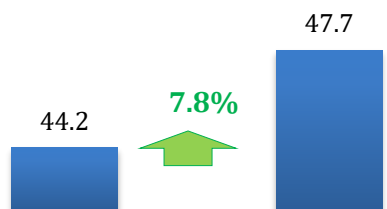


Fig in Mt



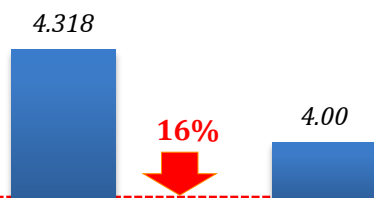
Crude Production

- ✓ The Crude steel production grew by 6% during H1 FY'19 (y-o-y)
- ✓ The Primary producers grew by 10%



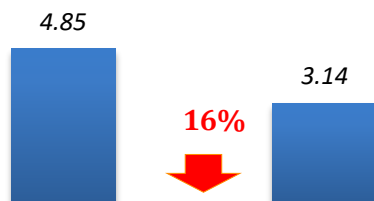
Finished Steel Consumption

- ✓ Finished Steel Consumption Grew up by 8% during H1 FY'19
- ✓ Carbon Steel Consumption grew by 6.3%
- ✓ While Alloy Steel Consumption grew by 22.6%



Imports

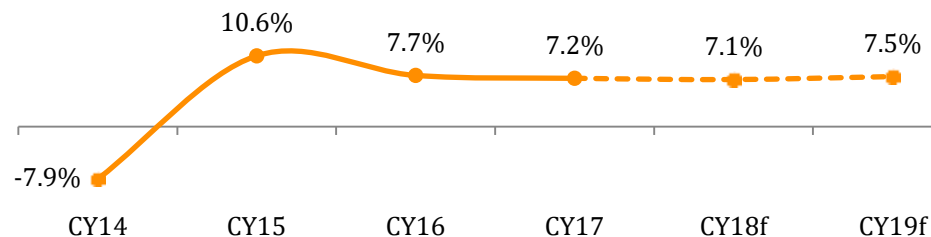
- ✓ Imports grew by 16% during H1 FY'19 (y-o-y)
- ✓ Korea (33%), China (18%) & Japan (16%) remain the biggest exporters to India
- ✓ Imports were hindered by Rupee depreciation



Exports

- ✓ Exports decreased by 16% during H1FY 19
- ✓ India Became the Net Importer of Steel during H1 FY '19

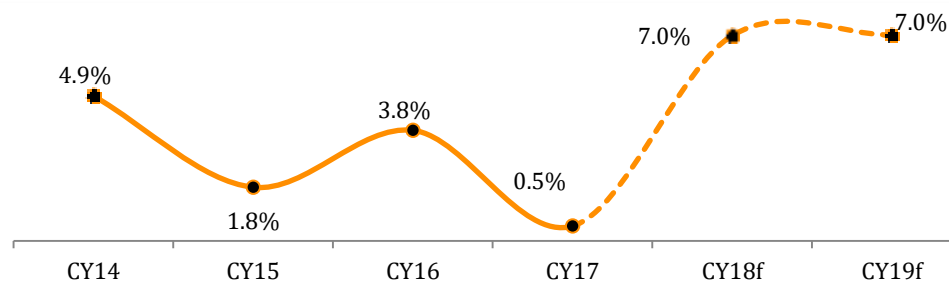
> Railways Growth



> On-going freight corridor and metro rail projects will continue to support the demand in railway sector

> In addition, development of last-mile rail connectivity of ports with the investments of over Rs. 150 Bn are currently in various stages of implementation

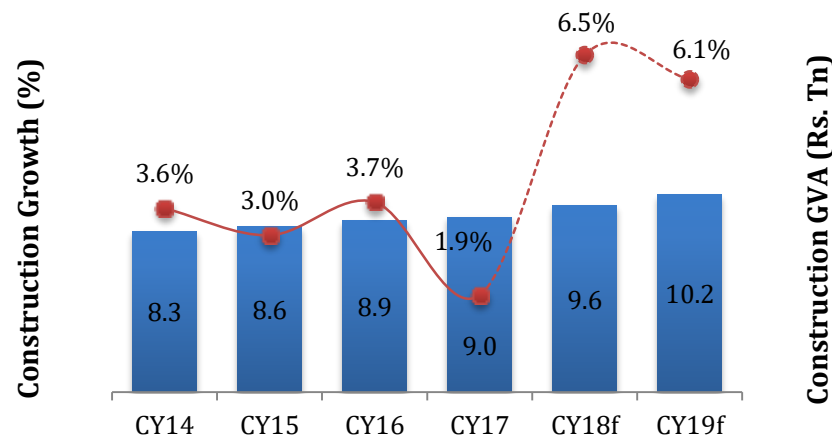
> Capital Goods Growth



> Infrastructure push and rising manufacturing capacity utilization to boost construction equipment segments

> Plans to allocate a defence budget of \$620 billion to promote defence manufacturing.

> Construction Growth



> Construction sector likely to maintain current momentum with gradual revival in private investments

> Government driven infrastructure programs are driving most of the growth

> Rise in new launches and sales indicate revival in real estate segment

> Most of the builders are now focusing on affordable housing segment due to healthy demand in the segment

Domestic Carbon Steel Market Size Continue to Expand

Fig in Mt	Category	Consumption (FY'18)	Growth (y-o-y)	Consumption (H1 FY'19)	Growth (y-o-y)
Long Carbon Steel	Bars & Rods	34.4	2.2%	18	11%
	Structurals	8.0	2.2%	4.0	6.8%
	Rly. Materials	1.23	17.3%	0.62	(5.4)%
Flat Carbon Steel	Plate	5.13	(0.4)%	2.7	(0.3)%
	HRC/Skelp	16.4	20%	7.3	5.1
	CR Sheets/Coils	3.3	(25)%	2.6	(8)%
	GP/GC	7.6	14%	3.6	14%
	Finished Carbon Steel	81.8	6.3%	42.5	5.3%

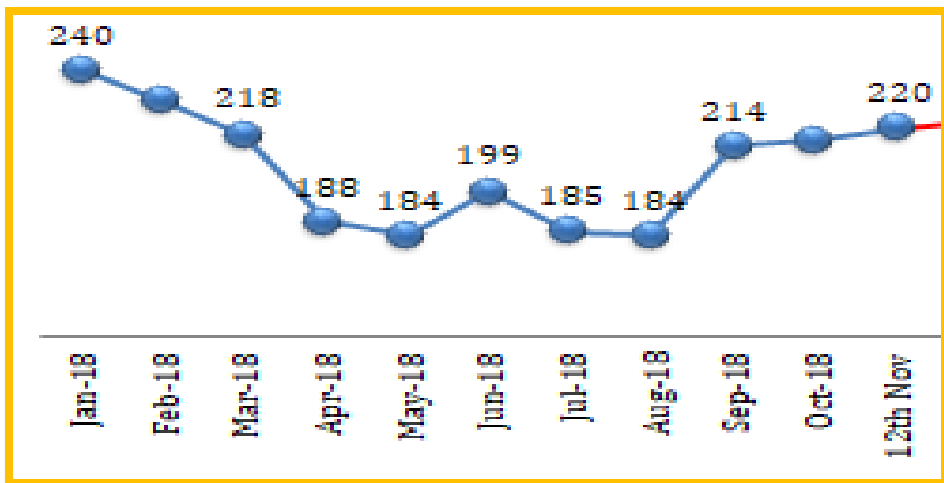
Indian Steel Demand Outlook:

India's Finished Steel demand could Grow by 7.5% & 7.3% in CY2018 & CY2019 respectively

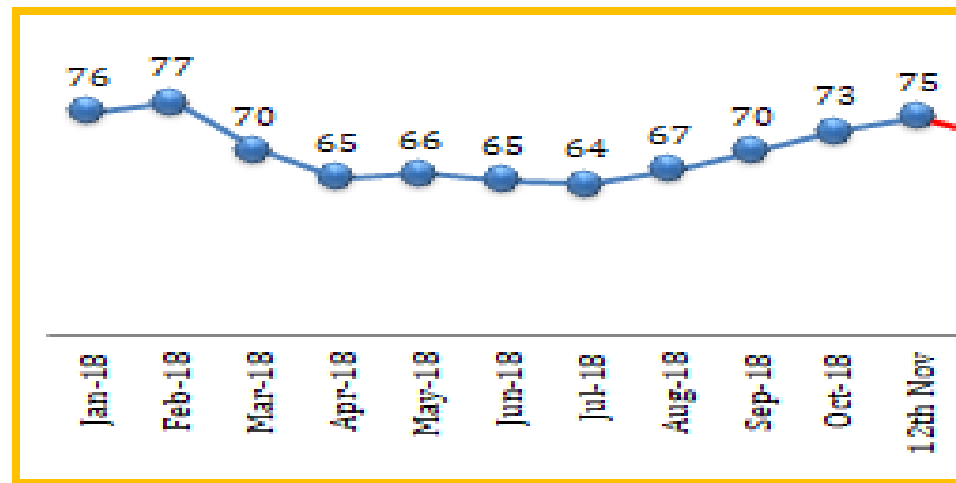
INDUSTRY UPDATE STEEL SECTOR

Raw Material Price Trend

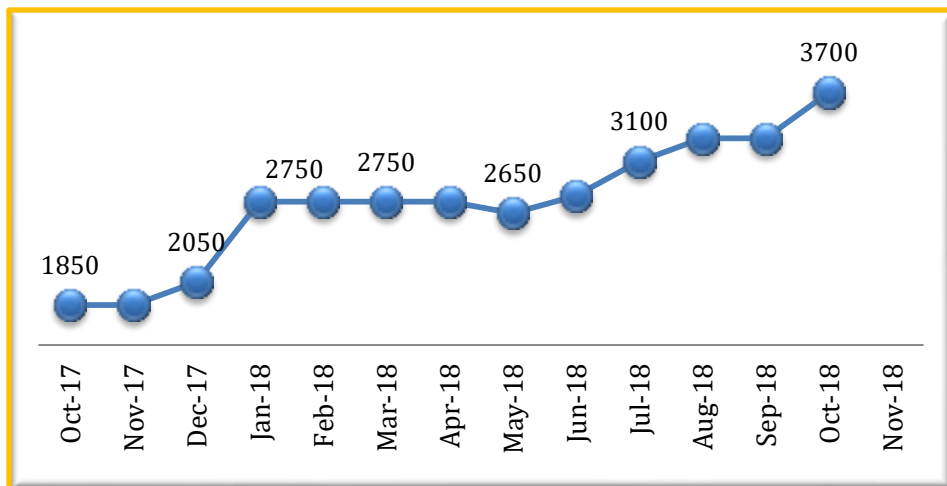
Prime Low Vol Hard Coking Coal (\$/MT FOB Australia)



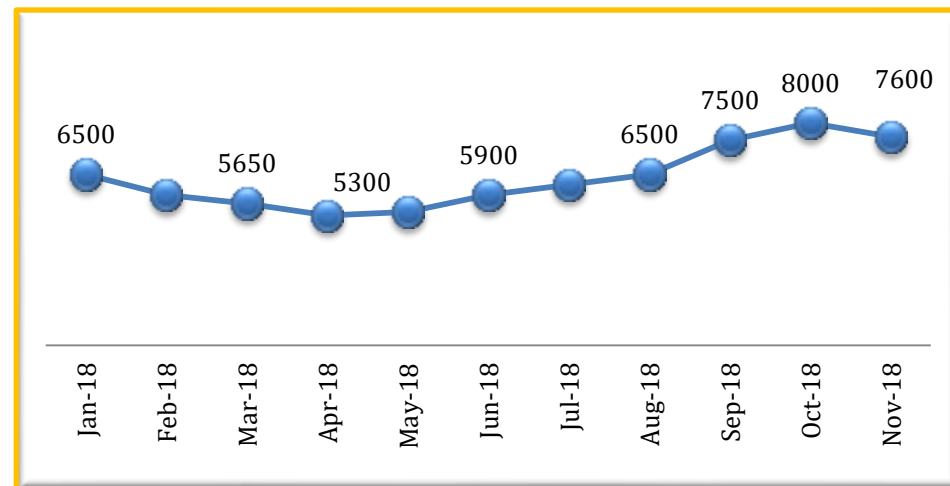
IO Fines (\$/MT) CFR China



Odisha: IO Fines (63%) (INR/t)



Pellet Prices (INR/t)



International Price Trend

Long product

Long product price trend continue to soften in Middle East and African Markets

Rebar : (\$/MT FOB Turkey)

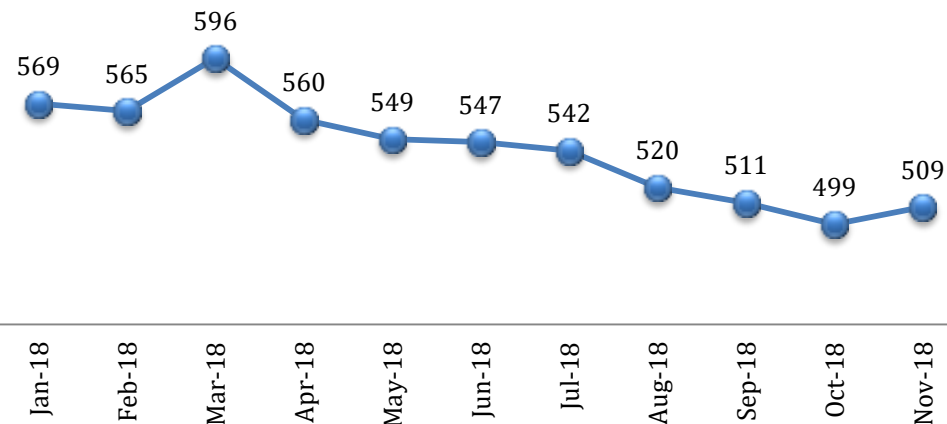
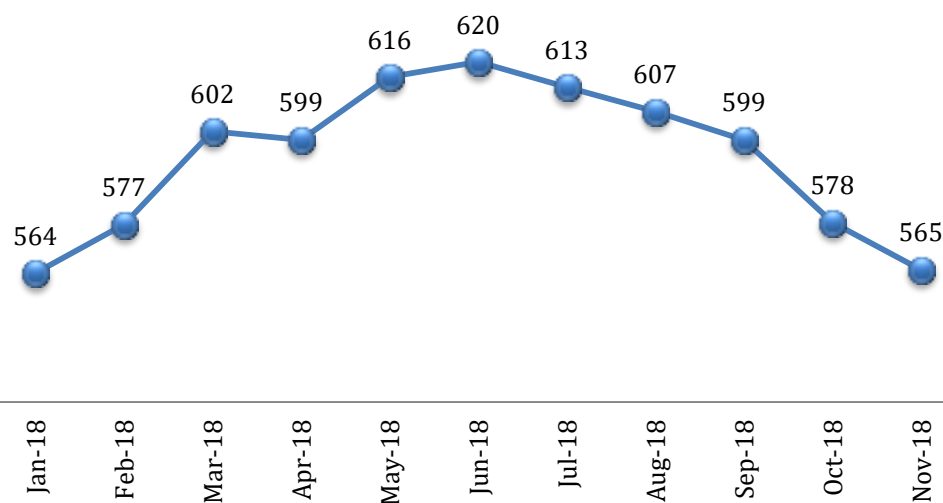
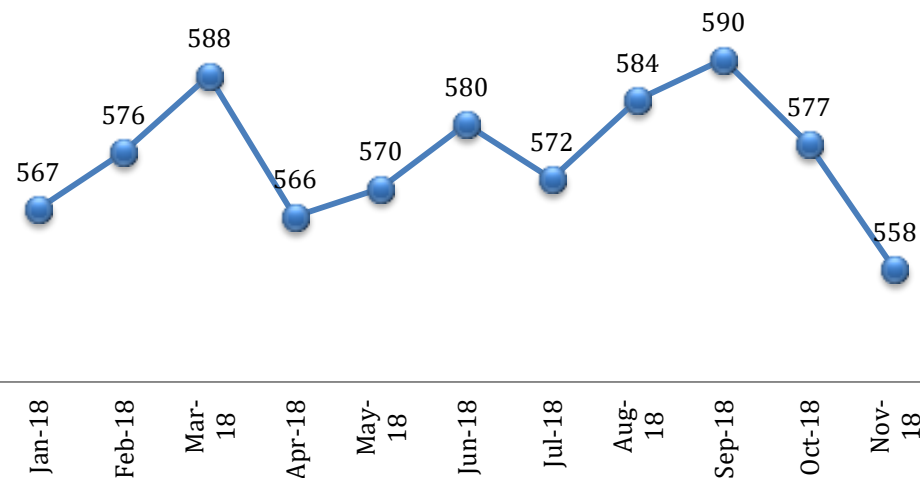


Plate Price Trend (\$/MT FOB China)



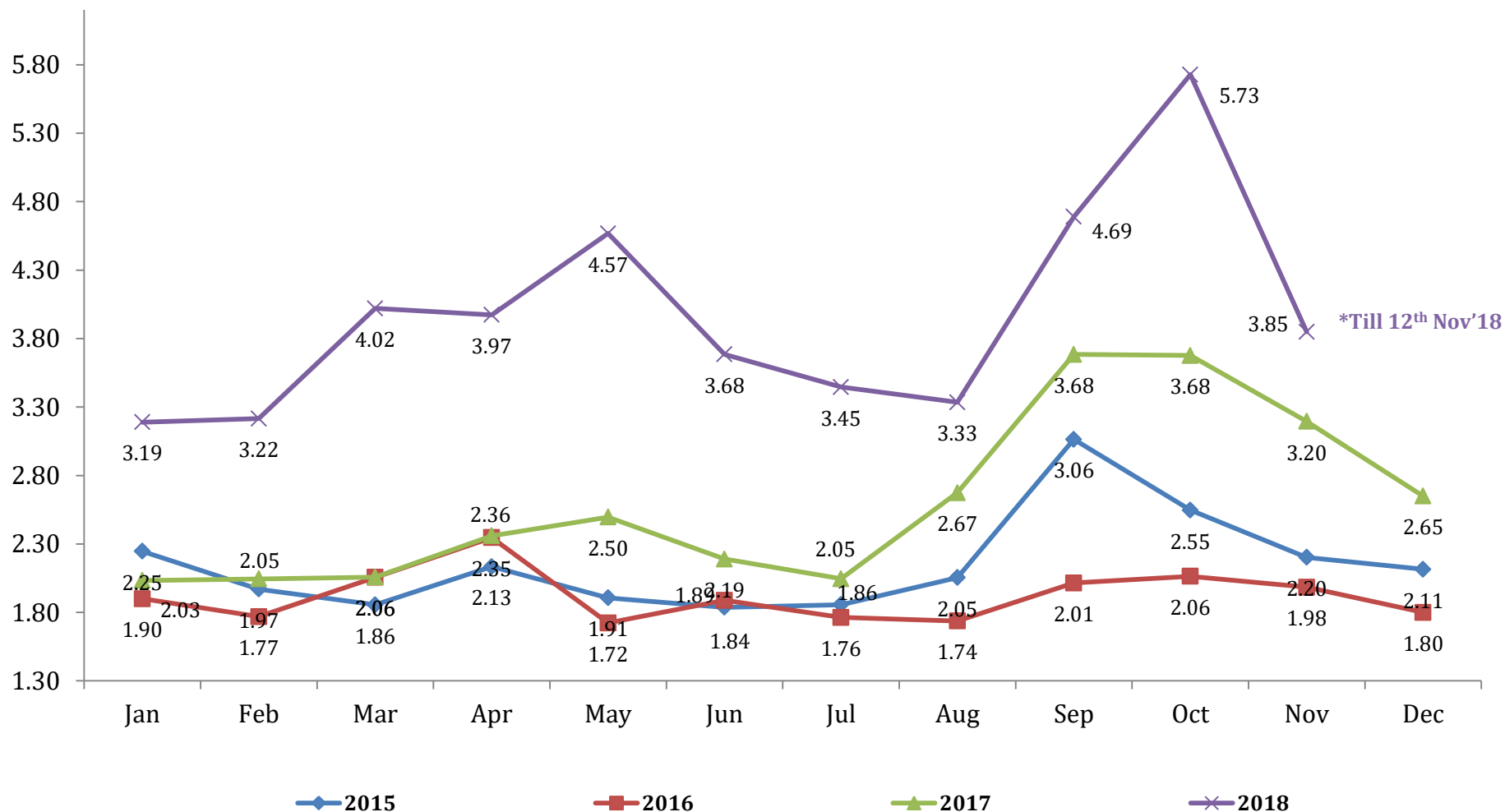
Wire Rod: (\$/MT FOB China)



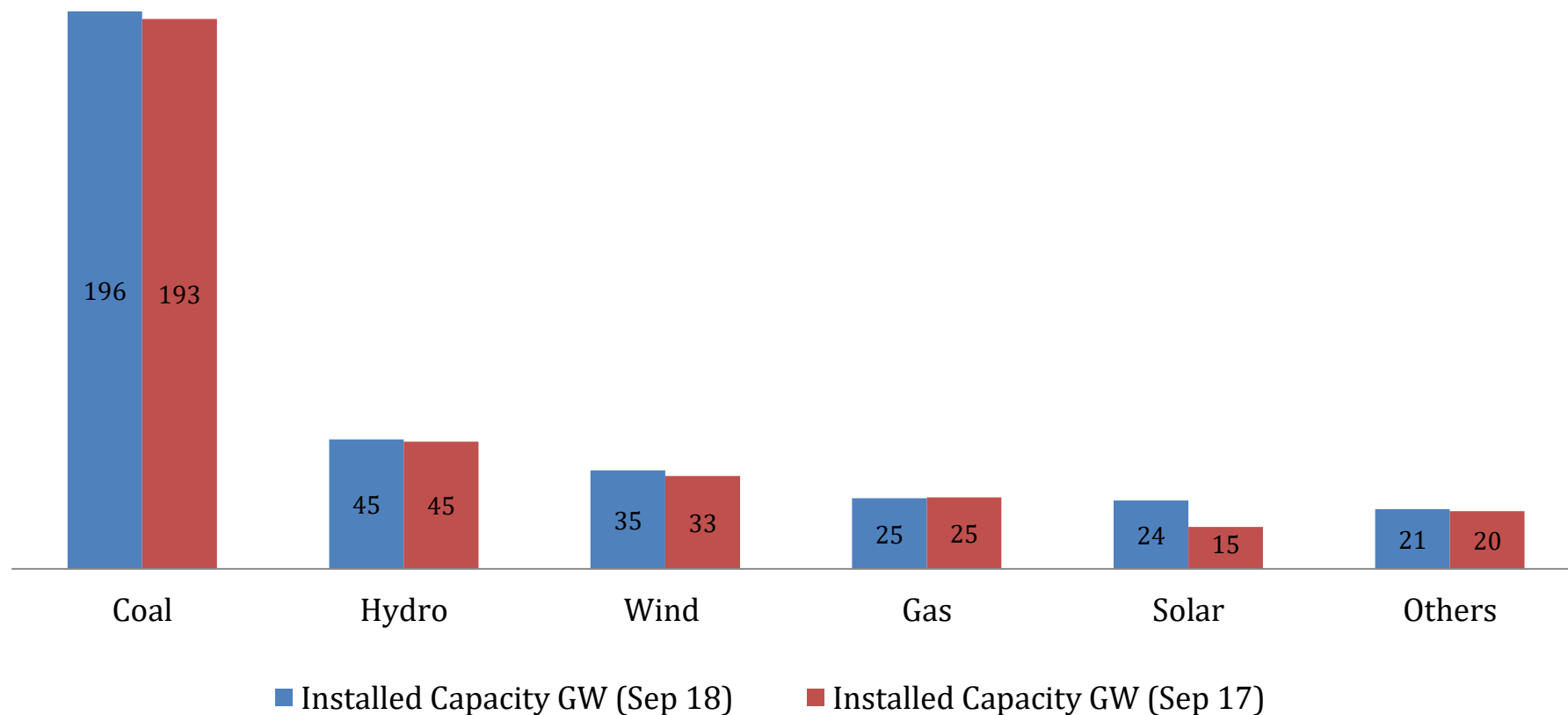
INDUSTRY UPDATE POWER SECTOR

Power Exchange Prices

RTC Power Exchange Prices – W3 Area (Rs./kWh)



Installed Capacity in India as on Sep'18



PRESENTATION OUTLINE

Q2 FY'19

INDUSTRY
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PERFORMANCE



BRIEF
BACKGROUND

Steel



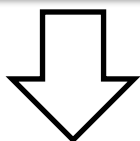
Power



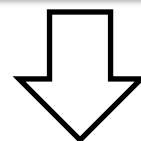
Global Ventures



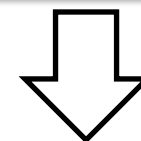
Current Capacities – Domestic & Global



8.6 MTPA Steel*
3.11 MTPA* Iron ore
9 MTPA* Pellet Plant



IPP – 3400MW**
CPP – 1634 MW



2 MTPA Steel
Coal & Iron
Ore Mines

*Domestic

**1000 MW Divestment announced

Steel Capacities across Life Cycle

Iron Making **(9.95 MTPA)**

DRI 3.12 MTPA

BF 5.33 MTPA

HBI 1.50 MTPA

Liquid Steel **(10.60 MTPA)**

SMS 10.60 MTPA

Finished Steel **(7.95 MTPA)**

WRM 0.60 MTPA

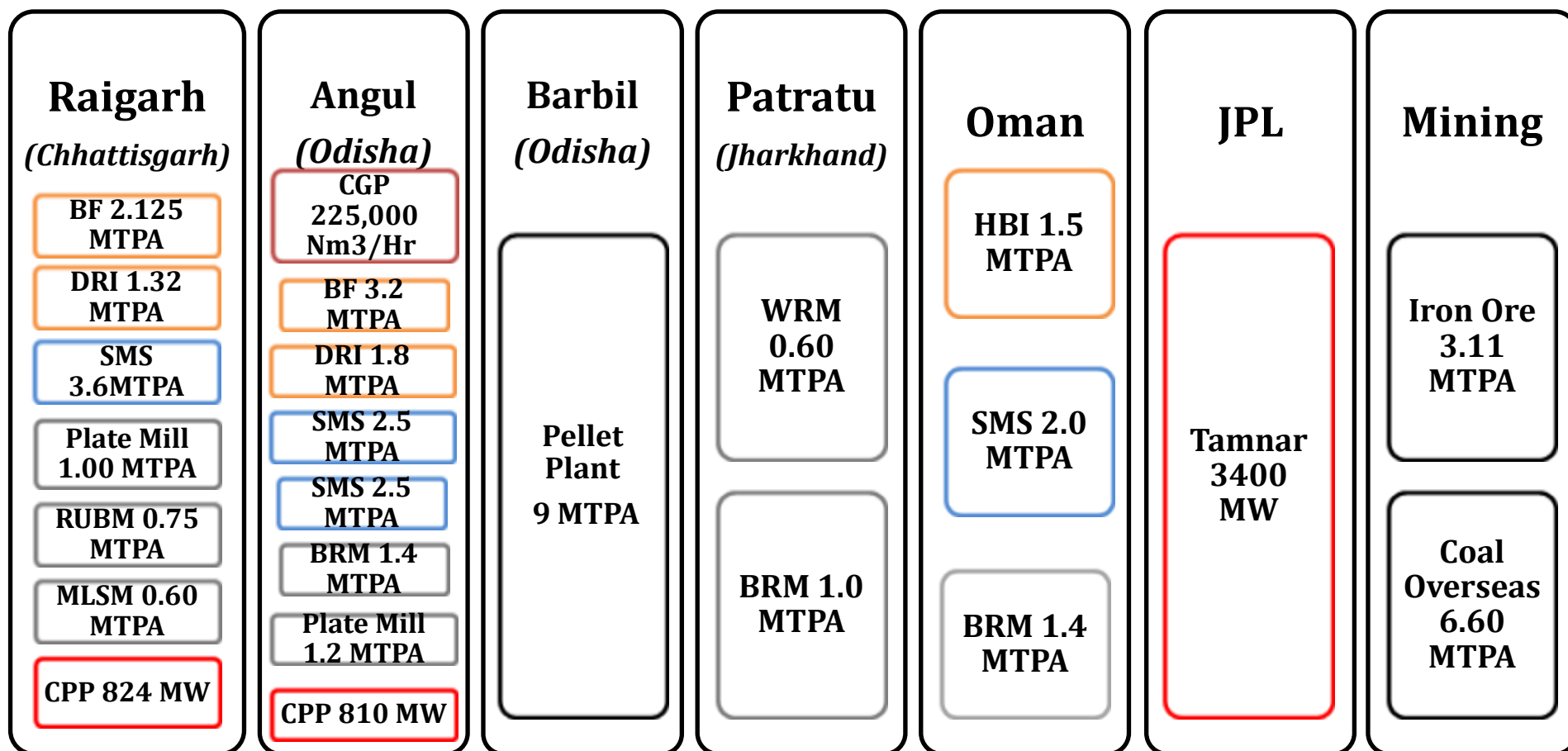
RUBM 0.75 MTPA

MLSM 0.60 MTPA

Plate Mill 2.20 MTPA

BRM 3.80 MTPA

Detailed plant wise capacities



Power
 Hot Metal
 Liquid Steel
 Finished Steel

*Plant capacities shown above are completed but not all are commissioned

Manifold Growth in the Last 5 Years

FY '14

FY '18

Steel - India

3 MTPA

8.6 MTPA

~2.86x

Power

1,000 MW

3400 MW

3.4x

Oman

0 MTPA

2 MTPA

Add

Pellet

4.5 MTPA

9 MTPA

~2x

All major capex completed – scale of growth is approx. Three Times

..... potential for BIG LEAP

	FY18 Capacity ⁽¹⁾	Production in FY18	Upside Potential
Steel – India Capacity	8.6 MTPA	4.02 MTPA	114%
Steel – Oman Capacity	2.0 MTPA	1.67 MTPA	20%
Independent Power Capacity	3,400 MW	1237 MW	174%
Pellet Capacity	9.0 MTPA	6.86 MTPA	31%

Upside potential remains to be exploited

(Figures in Rs. Crores)

Parameter(in Crores of INR)	Q2 FY 2018-19	Q1 FY 2018-19	Q2 FY 2017-18	%QoQ	%YoY
Turnover	6,849	6,734	3,668	+2%	+87%
EBITDA	1,452	1,645	784	-12%	+85%
EBITDA %	21%	24%	21%		
Depreciation + Amortization	583	577	496	+1%	+18%
Interest	676	605	578	+12%	+17%
PBT (Before Exceptional)	194	463	(290)	-58%	--
Exceptional	(255)	--	150	--	--
PBT	449	463	(440)	-3%	--
PAT	383	332	(255)	+15%	--

(Figures in Rs. Crores)

Parameter(in Crores of INR)	H1 FY 2018-19	H1 FY 2017-18	%YoY
Turnover	13,583	7,041*	+93%
EBITDA	3,097	1,533	+102%
EBITDA %	23%	22%	
Depreciation + Amortization	1,159	976	+19%
Interest	1,281	1,111	+15%
PBT (Before Exceptional)	657	(554)	--
Exceptional	(255)	150	--
PBT	912	(703)	--
PAT	715	(433)	--

JSPL - Power Capacities



Independent Power Projects (IPP)

Project	Capacity (MW)	Fuel	Configuration	Status
Tamnar 1*	1,000	Coal	4x250 MW	Operational
Tamnar 2	2,400	Coal	4x600 MW	Operational

Captive power projects (within JSPL)

Project	Capacity (MW)	Fuel	Configuration	Status
DCPP, Raigarh	540	Coal	4x135 MW	Operational
JSPL, Raigarh	284	Coal & waste heat	1x24 MW (Waste heat) 2x55 MW 6x25 MW	Operational
Angul, Odisha	810	Coal	6 x135 MW	Operational

One of the largest thermal portfolios in India

96.43% subsidiary of JSPL



EUP -I

1000MW (4 X 250)

EUP -II

1200MW (2 X 600)

EUP -III

1200MW (2 X 600)

PPA Arrangements

Project	Buyer	Type	Period		Quantum (MW)
			From	To	
Tamnar II (Phase 1)	Tamil Nadu	Long Term	Feb-14	Sep-28	400
Tamnar I		Medium Term	Sep-17	Aug-19	200
Tamnar II (Phase 1)	KSEB	Long Term	Jun-16	May-41	200
Tamnar II (Phase 1)		Long Term	Oct-17	Sep-42	150
Tamnar II (Phase 1)	Chhattisgarh	Long Term	After commercial operation of Unit and for complete life of plant		60
Tamnar II (Phase 2)		Long Term			60

Over 30% of total capacity tied up *

Key Contractual Arrangements for JPL

		Tamnar-I, 1,000 MW (EUP I)	Tamnar-II - 1,200 MW (EUP II)	Tamnar-II - 1,200 MW (EUP III)
FSA		Coal sourced through – market purchase and e-auction	Long term linkage from Mahanadi Coal Limited (MCL) and South Eastern Coalfields Limited (SECL)	Coal sourced through – market purchase and e-auction
PPA		- Bilateral/short term/ exchange - TNEB – 200 MW	- TNEB – 400MW - CSEB – 60MW - KSEB – 200MW - KSEB – 150MW	CSEB – 60MW
Evacuation		Open access available	Open access available	Open access available

Raw materials, transmission & PPAs in place for achieving higher PLF

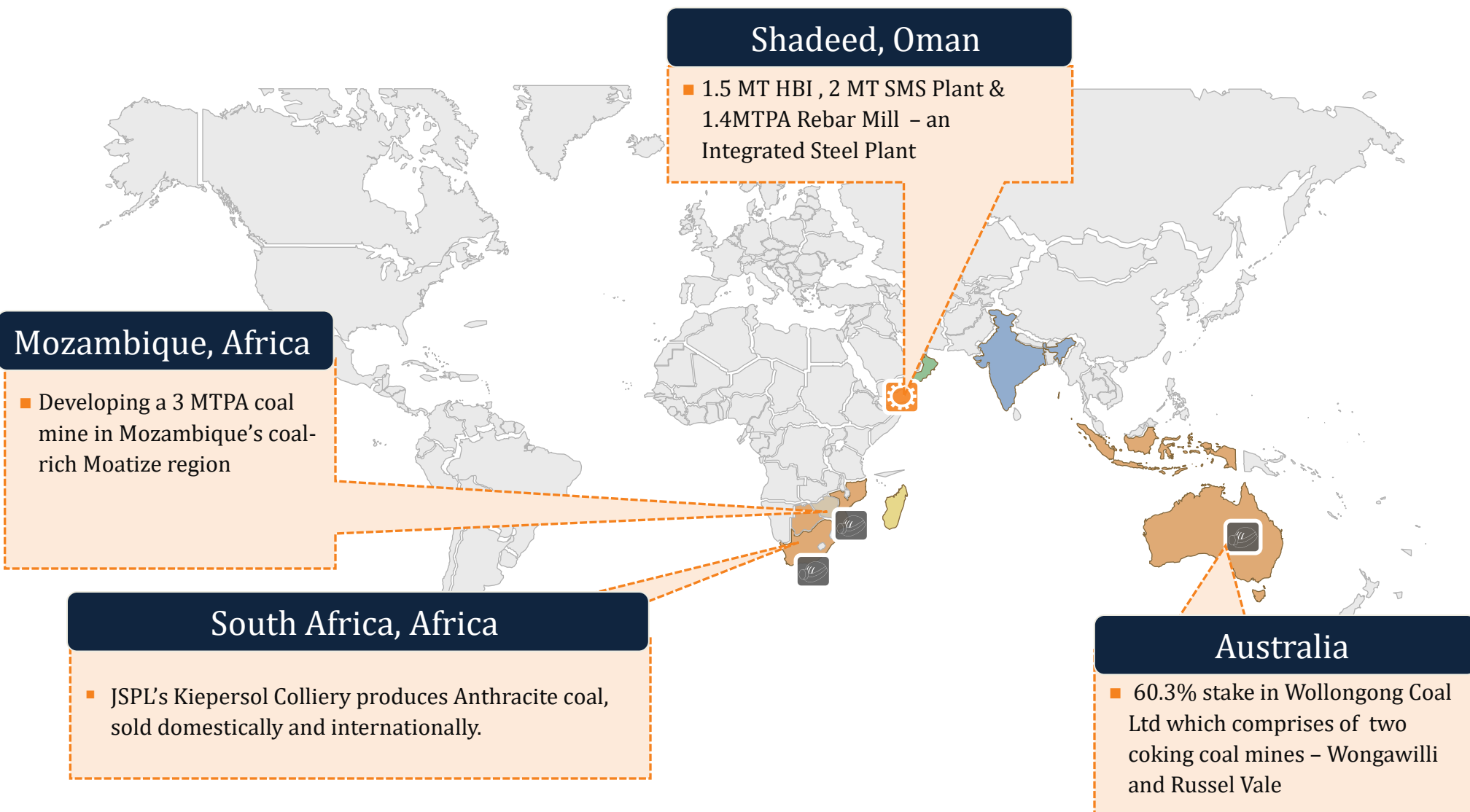
JPL Key Financials

(Figures in Rs. Crores)

Parameter(in Crores of INR)	Q2 FY 2018-19	Q1 FY 2018-19	Q2 FY 2017-18	%QoQ	%YoY
Turnover	911	968	878	-6%	+4%
EBITDA	302	314	345	-4%	-12%
EBITDA %	33%	32%	39%		
Depreciation + Amortization	333	329	377	+1%	-12%
Interest	222	216	227	+3%	-2%
PBT	(183)	(163)	(190)	--	--
PAT	(153)	(134)	(176)	--	--
Cash Profit	150	167	187	-10%	-20%
Generation (million units)	2,427	2,751	2,427	-12%	--

(Figures in Rs. Crores)

Parameter(in Crores of INR)	H1 FY 2018-19	H1 FY 2017-18	%YoY
Turnover	1,879	1,958	-4%
EBITDA	616	813	-24%
EBITDA %	33%	42%	
Depreciation + Amortization	663	750	-12%
Interest	438	454	-4%
PBT	(346)	(252)	--
PAT	(287)	(208)	--
Cash Profit	317	497	-36%
Generation (million units)	5,178	5,613	-8%



Holding structure for global operations

Jindal Steel & Power Ltd

Listed Operating Entity in India

Jindal Steel & Power (Mauritius) Ltd

Holding company for overseas business

Oman

2 MTPA Steel plant

Australia

Coking Coal

South Africa

Anthracite Coal

Mozambique

Thermal/ Coking Coal

JSPL Consolidated Key Financials

(Figures in Rs. Crores)

Parameter(in Crores of INR)	Q2 FY 2018-19	Q1 FY 2018-19	Q2 FY 2017-18	%QoQ	%YoY
Turnover	9,982	9,665	6,123	+3%	+63%
EBITDA	2,207	2,277	1,373	-3%	+61%
EBITDA %	22%	24%	22%		
Depreciation + Amortization	1,031	1,040	998	-1%	+3%
Interest	1,086	973	927	+12%	+17%
PBT (Before Exceptional)	91	264	(550)	-65%	--
Exceptional	(255)	--	150	--	--
PBT	347	264	(699)	+31%	--
PAT	279	110	(499)	+154%	--

(Figures in Rs. Crores)

Parameter(in Crores of INR)	H1 FY 2018-19	H1 FY 2017-18	%YoY
Turnover	19,648	11,792*	+67%
EBITDA	4,484	2,726	+64%
EBITDA %	23%	23%	
Depreciation + Amortization	2,071	1,960	+6%
Interest	2,059	1,827	+13%
PBT (Before Exceptional)	355	(1,060)	--
Exceptional	(255)	150	--
PBT	610	(1,209)	--
PAT	389	(921)	--

Q2 FY'19

INDUSTRY
UPDATE

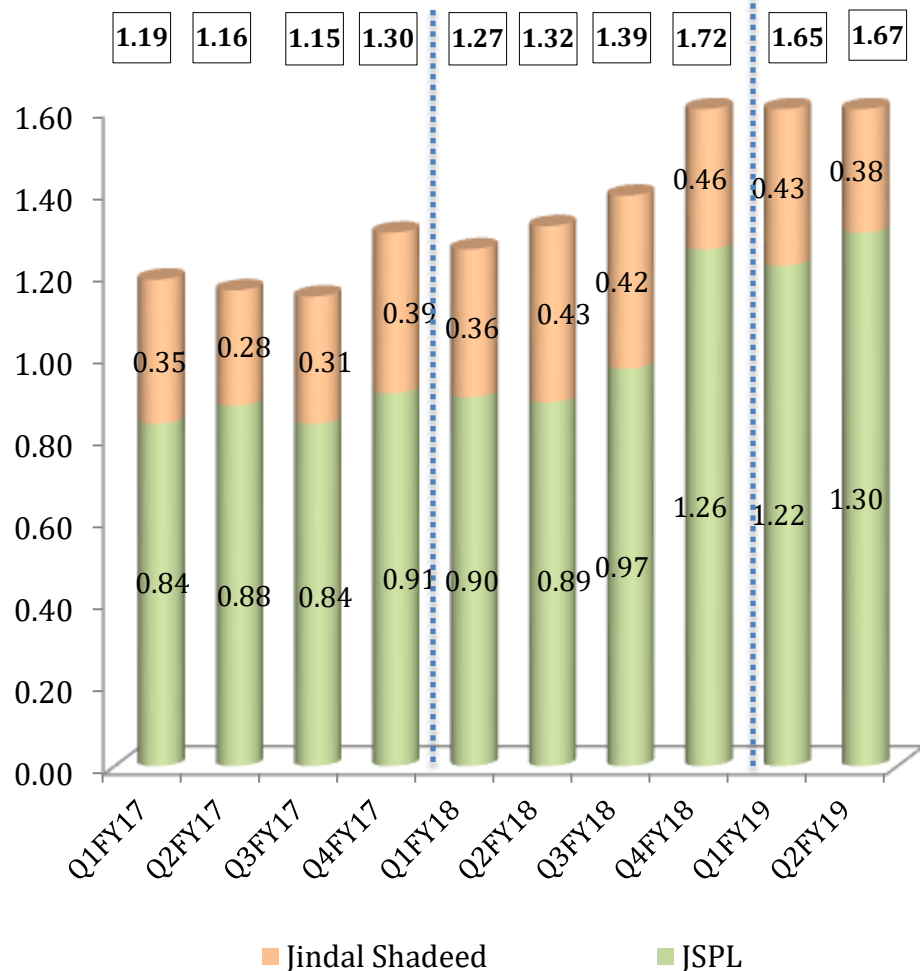
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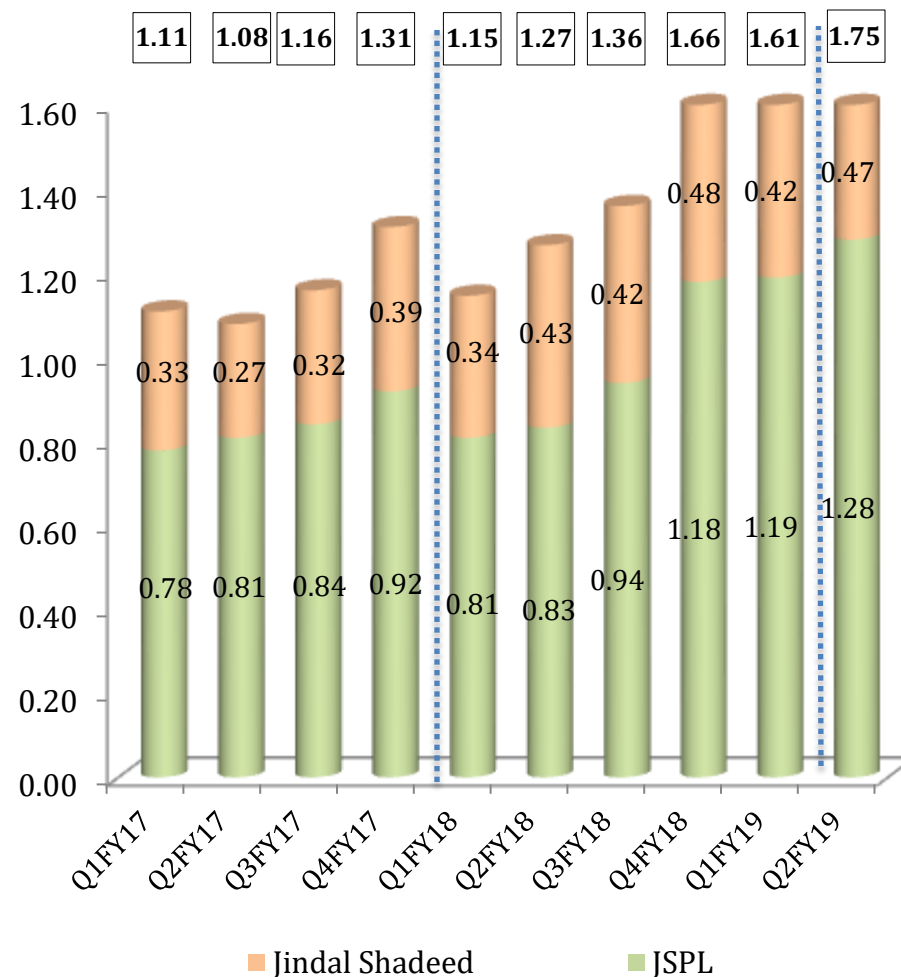


OPERATIONAL PERFORMANCE

Consolidated Steel Production



Consolidated Steel Sales



(Figures in Million Tonnes)

Key Performance Highlights

JSPL's Consolidated PAT increased by 154% Q-o-Q for Q2FY19

JSPL's Consolidated EBITDA increased by 61% Y-o-Y for Q2FY19

JSPL's Standalone PAT increased by 15% Q-o-Q for Q2FY19

JSPL's Standalone EBITDA increased by 85% Y-o-Y for Q2FY19

JPL Turnover increased from Rs. 878 Crs in Q2 FY18 to Rs. 911 Crs in Q2 FY19

JPL generation remained at similar levels of 2,427 units Y-o-Y



Asset Sweating

- ✓ Capacity Utilization:
 - Speedy Angular Ramp Up
 - Focus on Value Added Products across all segment of products
- ✓ Efficient Supply Chain to support Volume Growth
 - Explore New Markets to support volume sales



Employee Perspective

- ✓ Continued Focus on Employee engagement, Satisfaction & Retention
- ✓ Employee Motivation & Job Enrichment

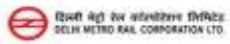


Customer Intimacy

- ✓ Continuous effort on Customer Centricity by establishing JSPL Brand, Trust & Service
- ✓ Completion of Railway Order
- ✓ Continuous identification of Operating Efficiency project and Implementation

Key Customers & Adding...







For any information please contact: -

Mr. Nishant Baranwal – Head, Investor Relations

Tel : +91 11-41462198

Mobile:+91 8800690255

Email: - nishant.baranwal@jindalsteel.com

Ms. Shweta Bagaria – Assistant Manager, Investor Relations

Tel: +91-124-6612073

Mobile: +91 95995 53717

Email: shweta.bagaria@jindalsteel.com

THANK YOU