Q3 FY'19

Industry Update & Key Performance Highlights

JINDAL STEEL & POWER

2nd February, 2019

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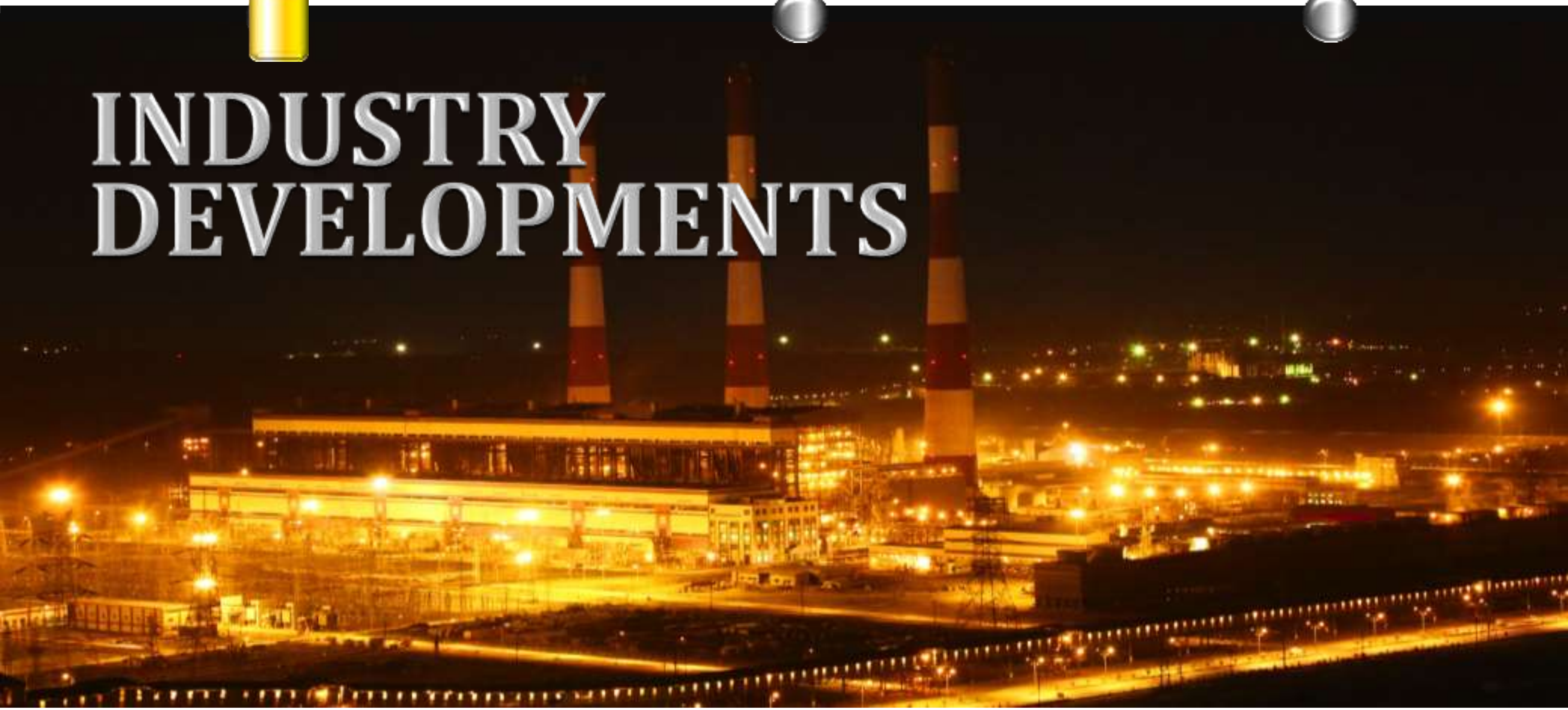
PRESENTATION OUTLINE

Q3 FY'19

INDUSTRY UPDATE

BRIEF BACKGROUND

OPERATIONAL PERFORMANCE



INDUSTRY DEVELOPMENTS

Global Economic Environment

Strong Global Economy:

>Global growth momentum strengthens and is on a broader footing.

> **US growth** momentum remains healthy driven by **Fiscal stimulus and high consumer demand.**

>Stronger **recovery in Africa & other Emerging Markets**

>**Growth in India and ASEAN** remains **on a solid ground**

>**China Growth Rate** is likely to **soften Debt concerns looming**

> **Middle East & Oman Economy** likely to be strong due to investment in infrastructure development and non-Oil based industry

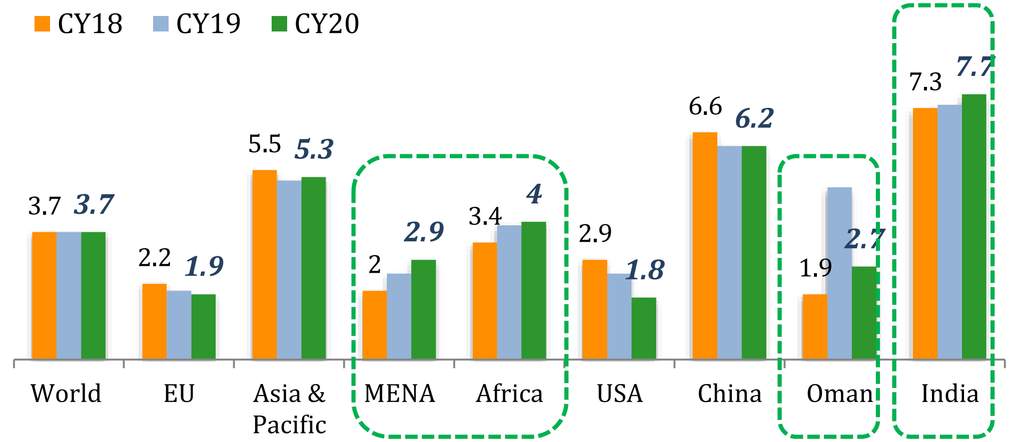
Oil Prices softened:

> **A major respite to the oil consuming major economy.**

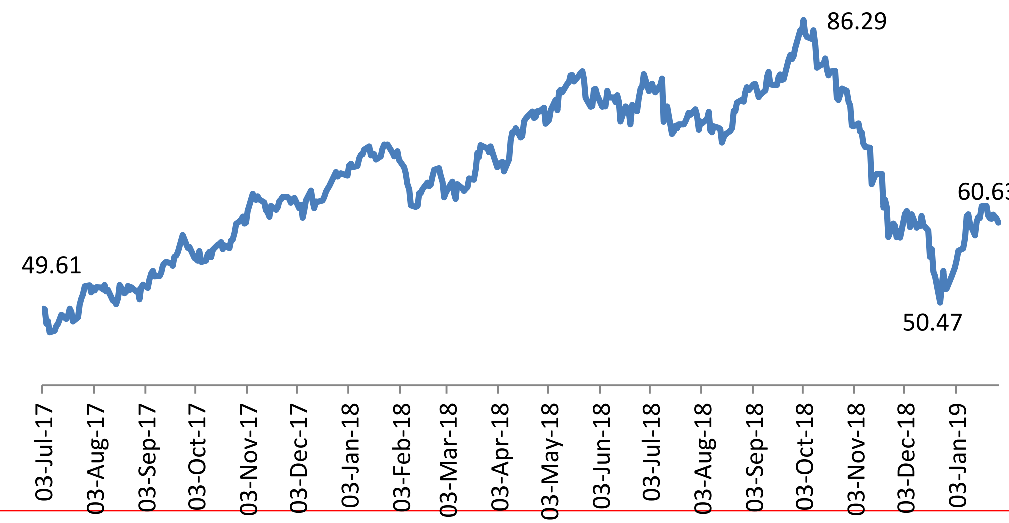
> Higher Oil prices means Emerging economies' growth could suffer

> **International Energy Agency, expected the price range of $70 to $80 for this year as against forecasted $100**

> Strong GDP Projection

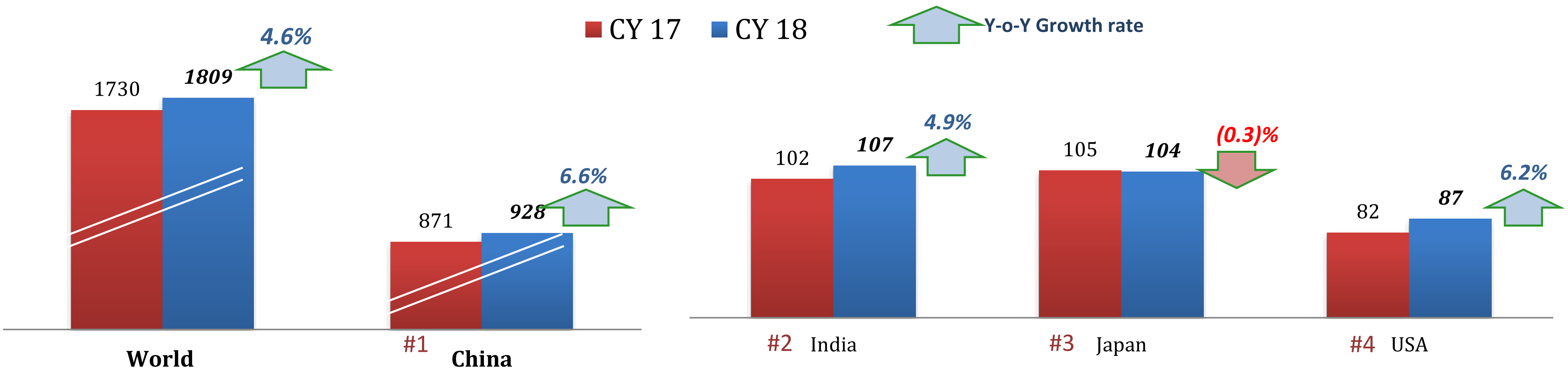


> Oil prices softened, major respite to Emerging Economy



Source: IMF/investing.com/JSPL Estimates

India Becomes 2nd Largest steel producer in world ….
Global Production improved significantly

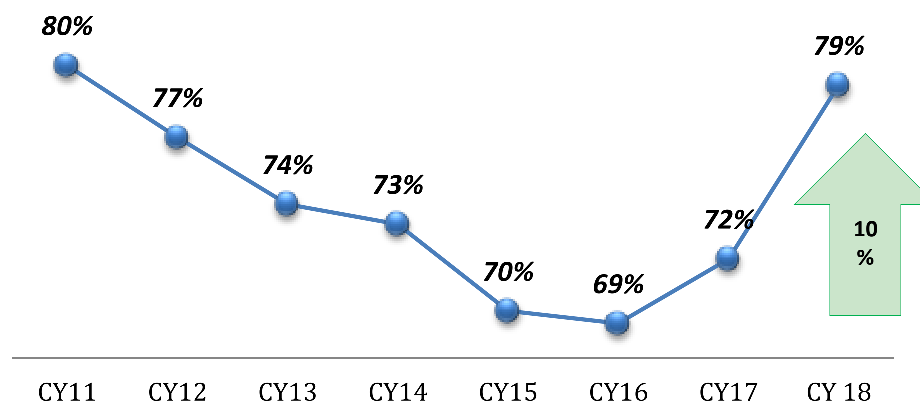


> Global Steel Demand likely to be healthy

	CY 18	%age	CY 19	%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%

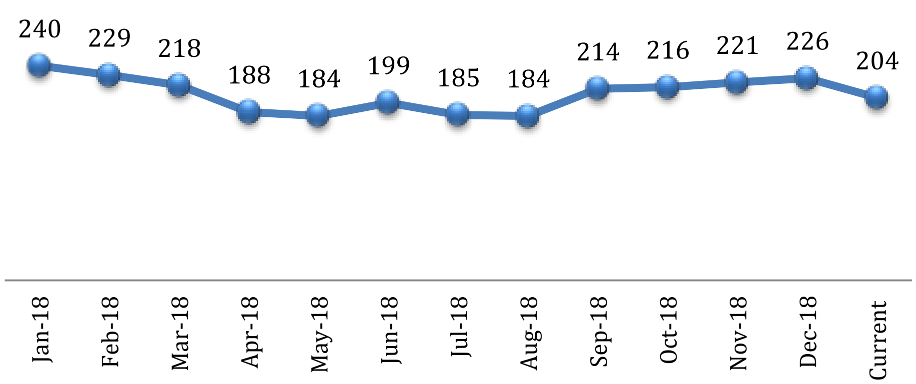
*disparity comes from an underestimation of 2017 steel use that had been supplied by the unaccounted induction furnaces

> Global Steel Capacity Utilization improved

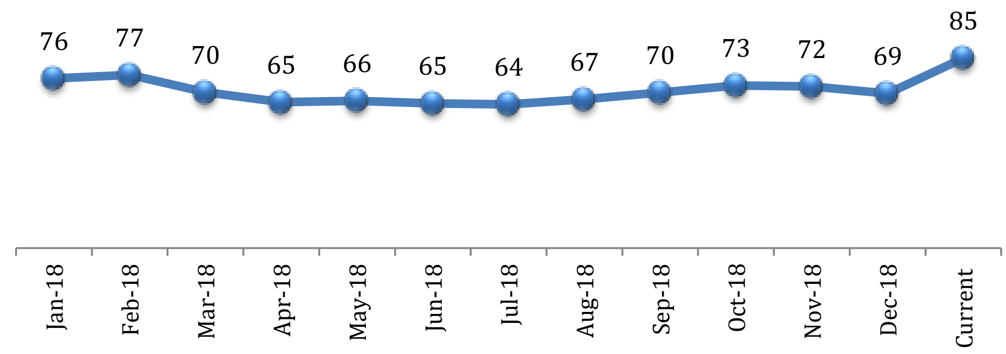


Falling Finished Steel Prices vs Fairly Stable RM Prices led to Profit Erosion

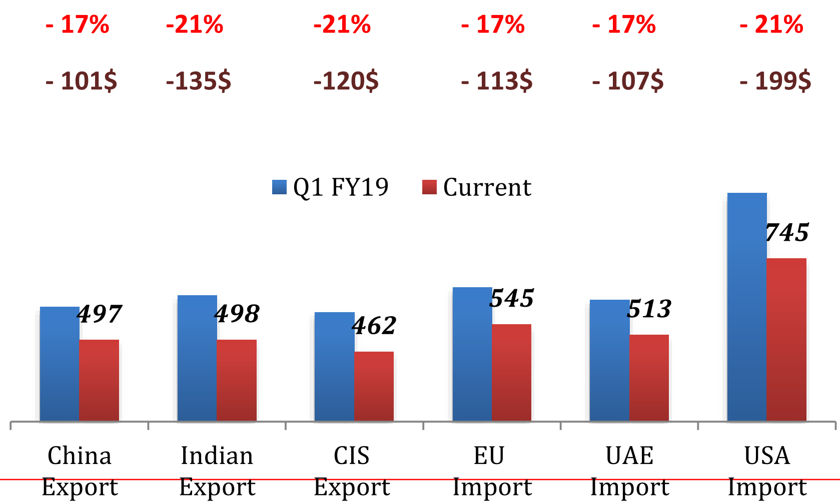
> PLV Price Trend - FOB Australia ($/MT)



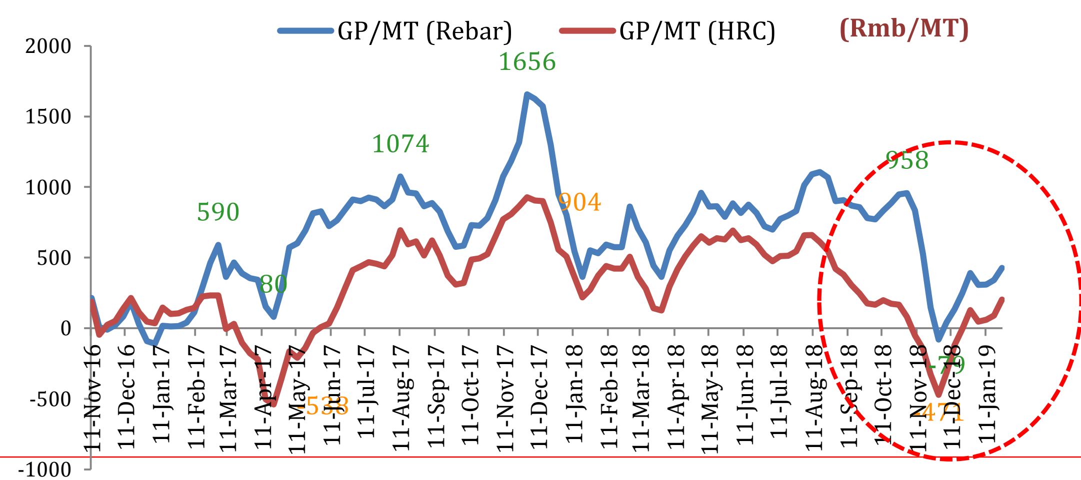
> IO Fines 62% ($/MT) CFR China



> HRC Price for different regions



> Chinese Mills Av Gross Profit remains NEGATIVE in Dec '18

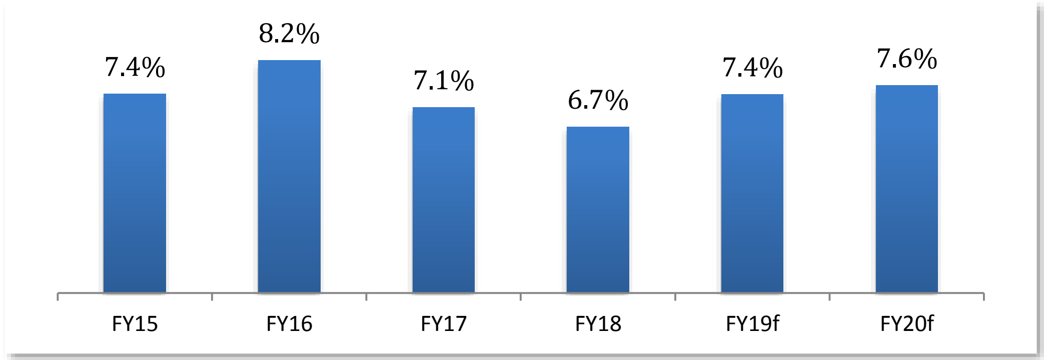


Source: MB/Platts/Morgan Stanley/JSPL Estimates

Healthy Domestic Economy

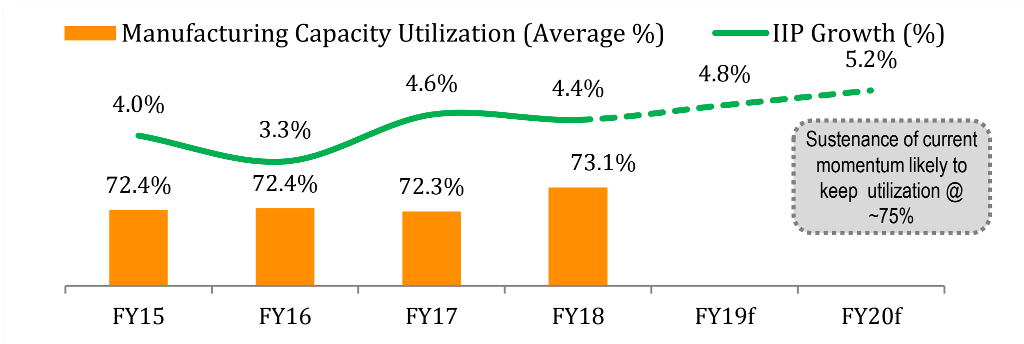
Gross Domestic Product

- India likely to grow fastest among major economies in next 2 years with **average growth of about 7.5%**,



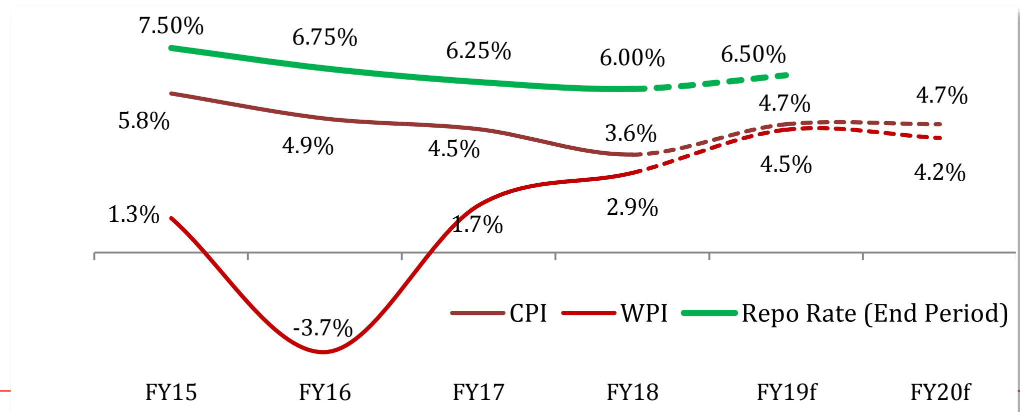
IIP (% growth)

- India IIP is likely to grow at 5% + during FY20
- This means overall industrial utilization of 75%+



Inflation, Repo Rate (%)

- FY 18 WPI was 2.9% which is projected to go up to 4.5%
- Repo rate is likely to maintain 6.5% during FY 19



Source: RBI, CMIE, CRISIL, Credit Suisse, JSPL Estimates

Indian Domestic Carbon Steel Demand Scenario :
Domestic Carbon Steel Market Size Continue to Expand

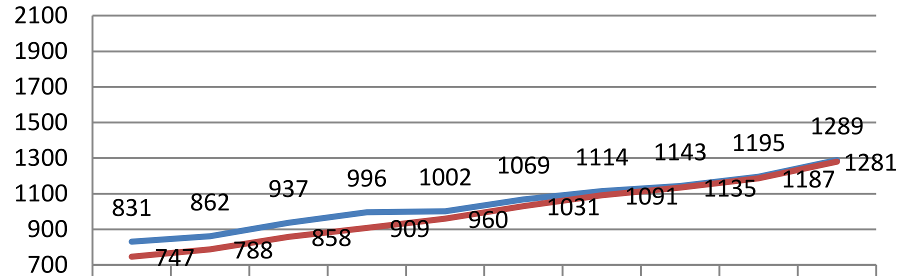
Fig in Mt	Category	Consumption (FY'18)	Growth (y-o-y)		Consumption April – Dec' 18	Growth (y-o-y)
Long Carbon Steel	Bars & Rods	34.4	2.2%		27	7.8%
	Structurals	8.0	2.2%		6	4.5%
	Rly. Materials	1.23	17.3%		0.962	0%
Flat Carbon Steel	Plate	5.13	(0.4)%		4.2	5%
	HRC/Skelp	16.4	20%		10.6	(0.2)%
	CR Sheets/Coils	3.3	(25)%		4.3	5.5%
	GP/GC	7.6	14%		5.4	25%
	Finished Carbon Steel	**81.8**	**6.3%**		63.87	**6.5%**

Indian Steel Demand Outlook:
India's Finished Steel demand will likely to Grow by 7.5% & 7.3% in 2018 & 2019 respectively

Source: JPC , WSA

Power Business

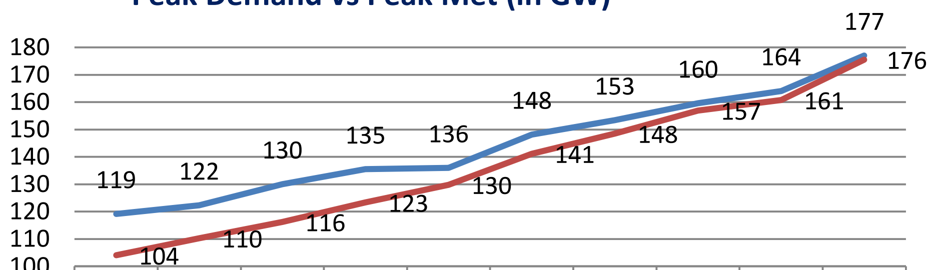
Energy Requirement vs Availability (in BUs)



	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19*
Requirement	831	862	937	996	1002	1069	1114	1143	1195	1289
Availability	747	788	858	909	960	1031	1091	1135	1187	1281

* Provisional Estimated Data

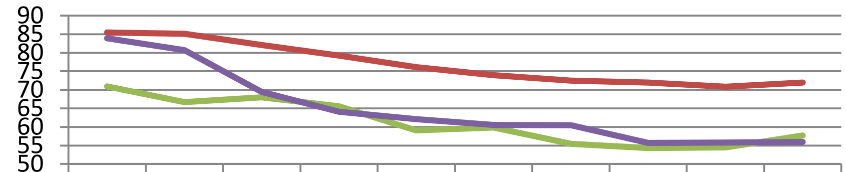
Peak Demand vs Peak Met (in GW)



	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19*
Peak Demand	119	122	130	135	136	148	153	160	164	177
Peak Met	104	110	116	123	130	141	148	157	161	176

* Upto Dec-18

Sector-wise PLF (%)



	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19*
Central	86	85	82	79	76	74	73	72	71	72
State	71	67	68	66	59	60	55	54	55	58
Private	84	81	70	64	62	61	60	56	56	56

* Upto Dec-18

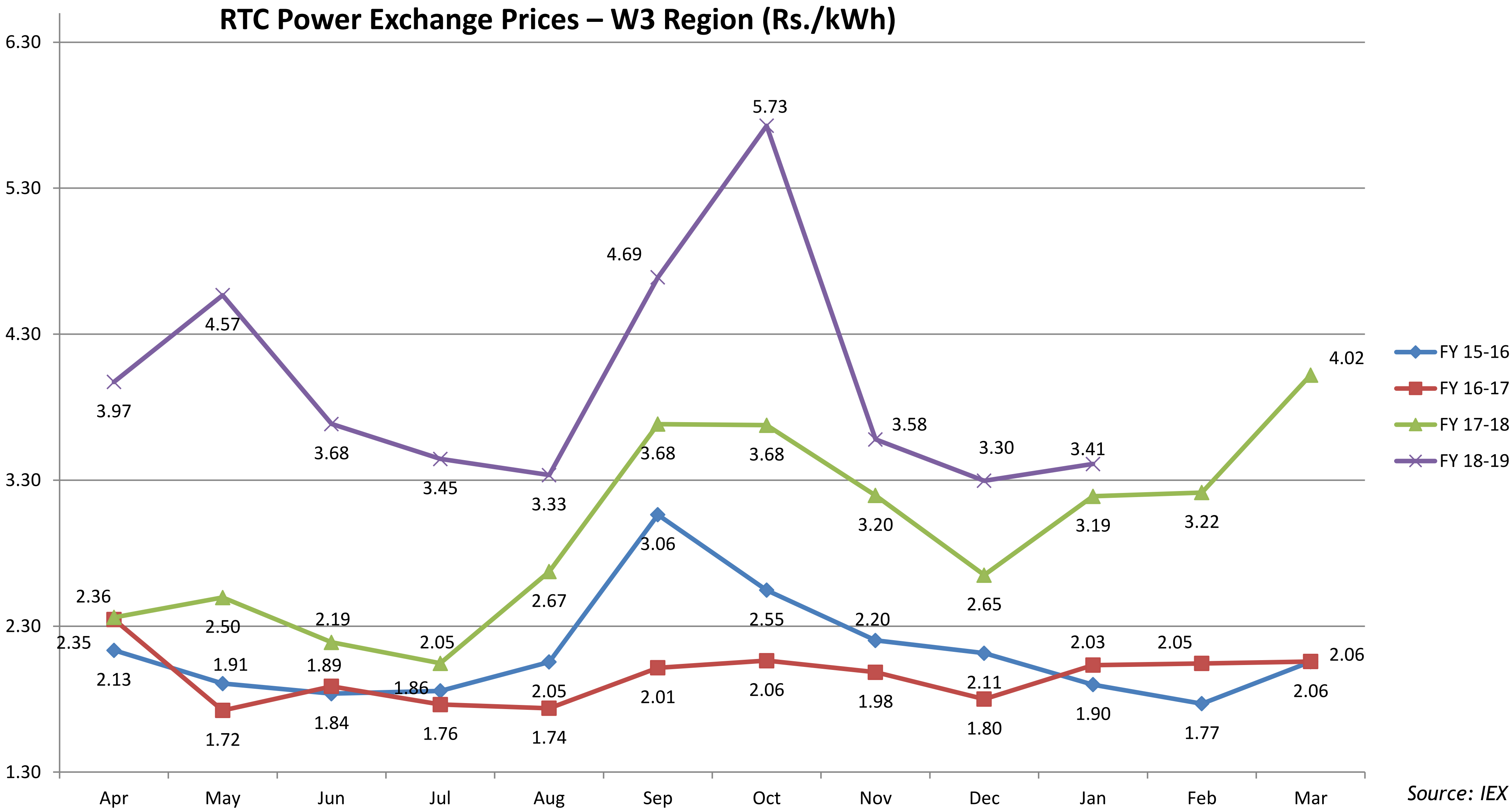
- PLF for Private Sector decreased by 28% during last decade
- While Demand is increasing by ~4.5%, the fall in PLF of IPPs is due to coal shortage and rapid addition of conventional & renewable capacities.
- Gap between Energy Requirement and Availability reduced to 0.7% in FY 17-18.
- Gap between Peak Demand and Availability reduced to 2% in FY 17-18.

✓ ***Government's program of "24x7 Power for All", coupled with expected boom in Electric Vehicles is likely to augment demand in the long term***

✓ ***Upcoming central election are also likely to result in a spurt in demand in the short term***

Source: CEA

IEX Clearing Price Trend



Source: IEX

PRESENTATION OUTLINE

Q2 FY'19

INDUSTRY UPDATE

BRIEF BACKGROUND

OPERATIONAL PERFORMANCE

Business Segments

Steel	Power	Global Ventures

Current Capacities – Domestic & Global

Steel	Power	Global Ventures
8.6 MTPA Steel* 3.11 MTPA* Iron ore 9 MTPA* Pellet Plant	IPP – 3400MW** CPP – 1634 MW	2.4 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

(11.00 MTPA)

SMS 11.00 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

Raigarh *(Chhattisgarh)*
- BF 2.125 MTPA
- DRI 1.32 MTPA
- SMS 3.6MTPA
- Plate Mill 1.00 MTPA
- RUBM 0.75 MTPA
- MLSM 0.60 MTPA
- CPP 824 MW

Angul *(Odisha)*
- CGP 225,000 Nm3/Hr
- BF 3.2 MTPA
- DRI 1.8 MTPA
- SMS 2.5 MTPA
- SMS 2.5 MTPA
- BRM 1.4 MTPA
- Plate Mill 1.2 MTPA
- CPP 810 MW

Barbil *(Odisha)*
- Pellet Plant 9 MTPA

Patratu *(Jharkhand)*
- WRM 0.60 MTPA
- BRM 1.0 MTPA

Oman
- HBI 1.5 MTPA
- SMS 2.4 MTPA
- BRM 1.4 MTPA

JPL
- Tamnar 3400 MW

Mining
- Iron Ore 3.11 MTPA
- Coal Overseas 6.60 MTPA

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 '18-19	
Steel - India	3 MTPA	8.6 MTPA	~2.86x
Power	1,000 MW	3400 MW	3.4x
Oman	0 MTPA	2.4 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	Production in FY18	Upside Potential
Steel – India Capacity	8.6 MTPA	4.02 MTPA	**114%**
Steel – Oman Capacity	2.0 MTPA(1)	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

(1) Increased by 20% in FY19

JSPL Standalone Key Financials

(Figures in Rs. Crores)

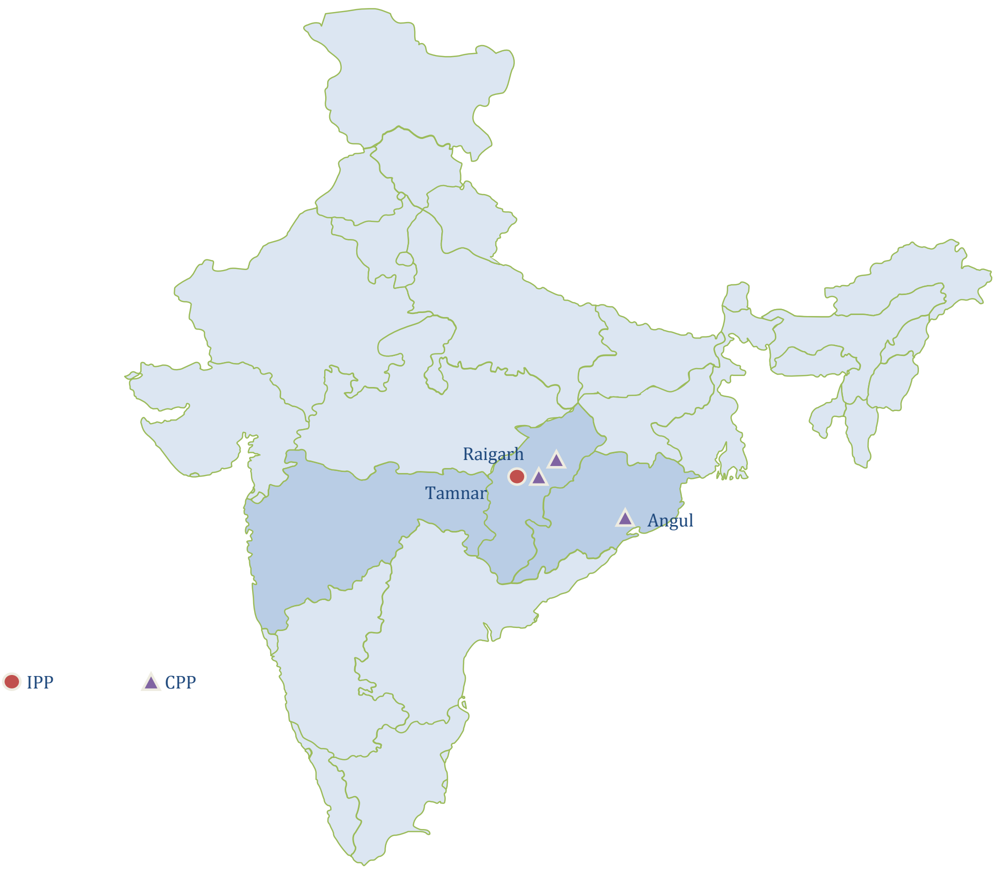
Parameter(in Crores of INR)	Q3 FY 2018-19	Q2 FY 2018-19	Q3 FY 2017-18	%QoQ	%YoY
Turnover	6,745	6,849	4,272	*-2%*	*58%*
EBITDA	1,480	1,452	921	*3%*	*61%*
EBITDA %	22%	*21%*	22%		
Depreciation + Amortization	572	583	465	*-2%*	*23%*
Interest	635	676	594	*-6%*	*7%*
PBT (Before Exceptional)	287	194	(138)	*48%*	
Exceptional	-	(255)	-		
PBT	287	449	(138)	*-36%*	
PAT	177	383	(74)	*-54%*	

(Figures in Rs. Crores)

Parameter(in Crores of INR)	9 months FY 2018-19	9 months FY 2017-18	%YoY
Turnover	20,328	11,771	*73%*
EBITDA	4,577	2,454	*87%*
EBITDA %	23%	21%	
Depreciation + Amortization	1,731	1,441	*20%*
Interest	1,916	1,705	*12%*
PBT (Before Exceptional)	944	(692)	
Exceptional	(255)	150	
PBT	1,199	(842)	
PAT	891	(507)	

**Adjusted for Excise Duty/GST Changes*

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

***Divestment announced**

JINDAL POWER LIMITED

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

Over 30% of total capacity tied up *

*** Out of 3400 MW (IPP)**

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

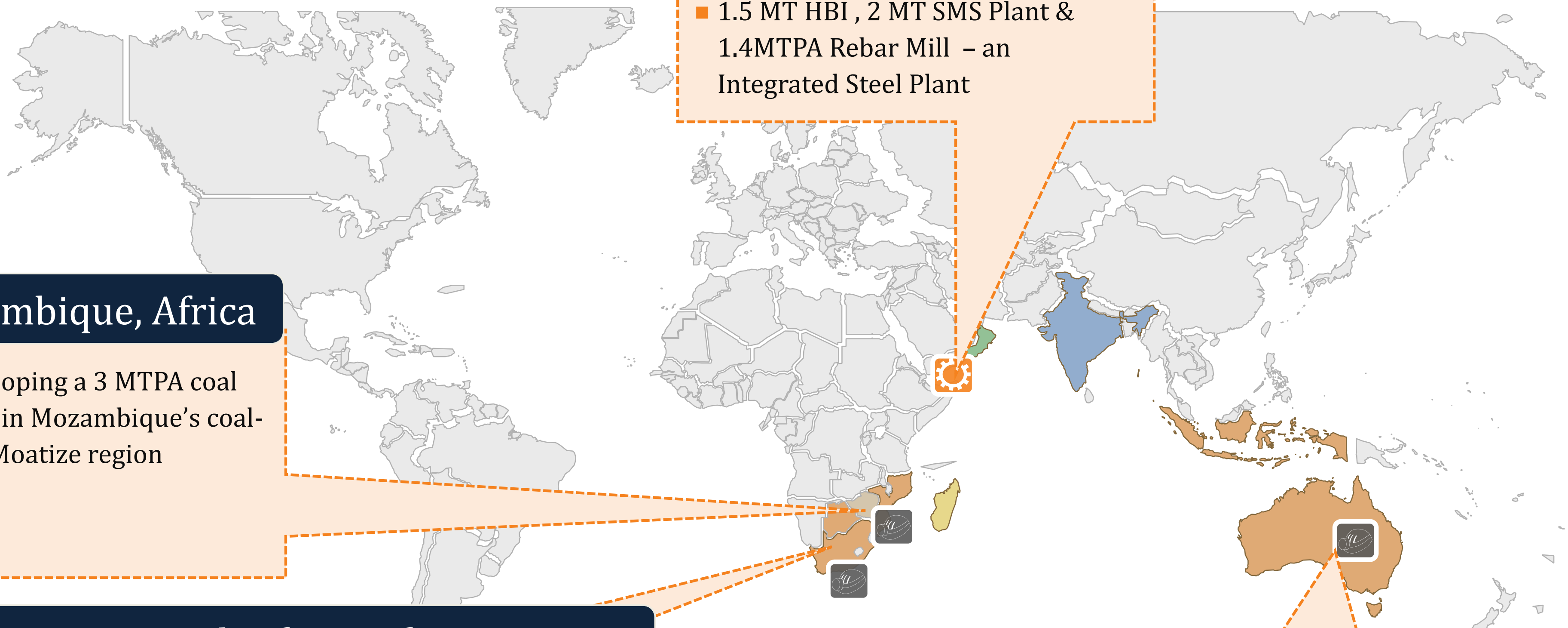
(Figures in Rs. Crores)

Parameter(in Crores of INR)	Q3 FY 2018-19	Q2 FY 2018-19	Q3 FY 2017-18	%QoQ	%YoY
Turnover	1,004	911	1,172	10%	-14%
EBITDA	273	302	356	-10%	-23%
EBITDA %	27%	33%	30%		
Depreciation + Amortization	334	333	381	0%	-12%
Interest	219	222	244	-1%	-10%
PBT	(202)	(183)	(198)	-11%	-2%
PAT	(160)	(153)	(173)	-5%	7%
Cash Profit	131	150	186	-12%	-29%
Generation (million units)	2,609	2,427	2,982	8%	-12%

(Figures in Rs. Crores)

Parameter(in Crores of INR)	9 month FY 2018-19	9 month FY 2017-18	%YoY
Turnover	2,883	3,130	-8%
EBITDA	888	1,169	-24%
EBITDA %	31%	37%	
Depreciation + Amortization	996	1,131	-12%
Interest	657	698	-6%
PBT (Before Exceptional)	(548)	(450)	-22%
Exceptional	(447)	(381)	-17%
PBT	448	683	-34%
PAT	7,787	8,595	-9%

Summary of International Operations



Shadeed, Oman

- 1.5 MT HBI , 2 MT SMS Plant & 1.4MTPA Rebar Mill – an Integrated Steel Plant

Mozambique, Africa

- Developing a 3 MTPA coal mine in Mozambique's coal-rich Moatize region

South Africa, Africa

- JSPL's Kiepersol Colliery produces Anthracite coal, sold domestically and internationally.

Australia

- 60.3% stake in Wollongong Coal Ltd which comprises of two coking coal mines – Wongawilli and Russel Vale

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)	Q3 FY 2018-19	Q2 FY 2018-19	Q3 FY 2017-18	%QoQ	%YoY
Turnover	9,580	9,982	6,994	-4%	37%
EBITDA	2,077	2,207	1,607	-6%	29%
EBITDA %	*22%*	22%	*23%*		
Depreciation + Amortization	1,036	1,031	963	-	8%
Interest	1,042	1,086	967	-4%	8%
PBT (Before Exceptional)	14	91	(323)	-85%	
Exceptional	-	-255	-	-	
PBT	14	347	(323)	-96%	
PAT	(87)	279	(277)	-131%	

(Figures in Rs. Crores)

Parameter(in Crores of INR)	9 months FY 2018-19	9 months FY 2017-18	%YoY
Turnover	29,228	19,245	52%
EBITDA	6,561	4,333	51%
EBITDA %	*22%*	*23%*	
Depreciation + Amortization	3,107	2,923	6%
Interest	3,101	2,794	11%
PBT (Before Exceptional)	368	(1,382)	-
Exceptional	(255)	150	-
PBT	624	(1,532)	-
PAT	302	(1,198)	-

**Adjusted for Excise Duty/GST Changes*

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Q2 FY'19

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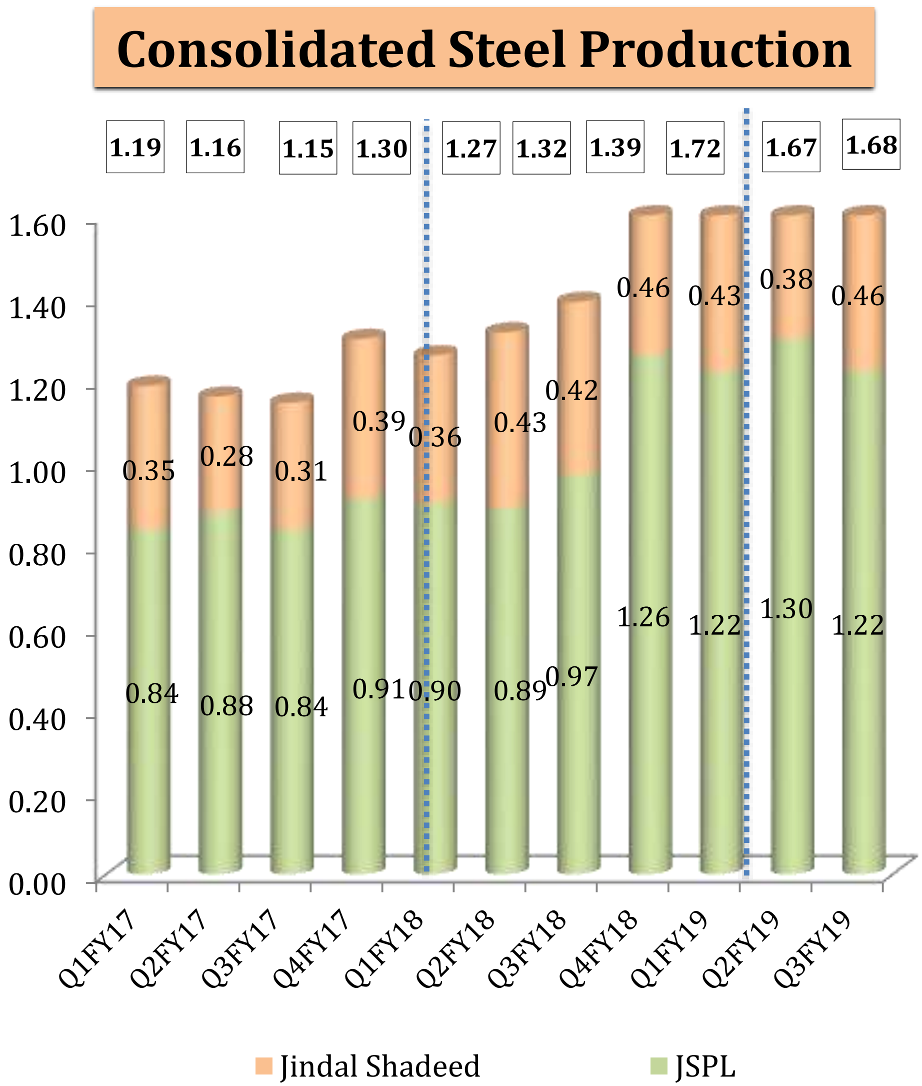
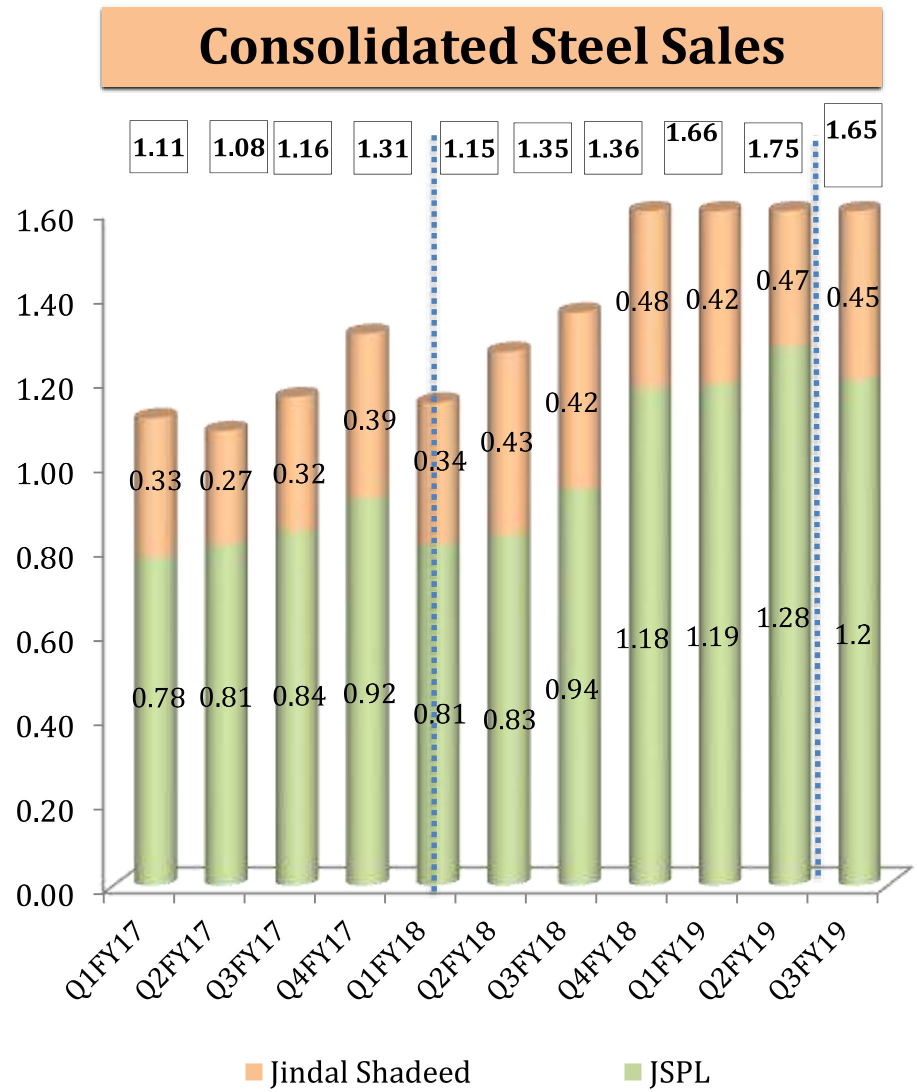
OPERATIONAL PERFORMANCE

Operational Performance





(Figures in Million Tonnes)

Key Customers & Adding…

- CPWD
- NPCIL
- Konkan Railway Corporation Ltd.
- Bureau of Indian Standards
- पावरग्रिड
- Indian Railways
- एनटीपीसी NTPC
- इंडियनऑयल IndianOil
- रेल विकास निगम लिमिटेड Rail Vikas Nigam Limited
- JUSCO A TATA Enterprise
- IRCON
- SIMPLEX INFRASTRUCTURES LTD
- ADITYA BIRLA UltraTech
- Indiabulls Power Limited.
- LARSEN & TOUBRO It's all about Imagineering
- vedanta
- JSW ISPAT STEEL LIMITED
- 山东电力建设第一工程公司 SEPCOI Electric Power Construction Corporation
- JAYPEE GROUP
- नालको NALCO A Navratna Company
- बी एण्ड आर B AND R
- DG MAP In Pursuit of Excellence
- Delhi Metro Rail Corporation Ltd.
- NHAI
- BHEL
- RELIANCE
- IMMA
- LANCO
- GL Group
- viraj projects
- Punj Lloyd
- HP
- FLSmidth
- BANSAL INFRATECH SYNERGIES INDIA LTD
- LODHA Building a Better Life
- ESSAR
- MAHARASHTRA SEAMLESS LIMITED
- ABG
- ENGINEERS INDIA LIMITED
- Indian Boiler Regulations - 1950
- McNally Bharat

ANGUL

RAIGARH

OMAN

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THANK YOU