Q1 FY'18

Industry Update & Key Performance Highlights

JINDAL STEEL & POWER

8th August, 2017

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PRESENTATION OUTLINE

Q1 FY'18

OUTLOOK

INDUSTRY DEVELOPMENTS

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Global Steel Market Trend

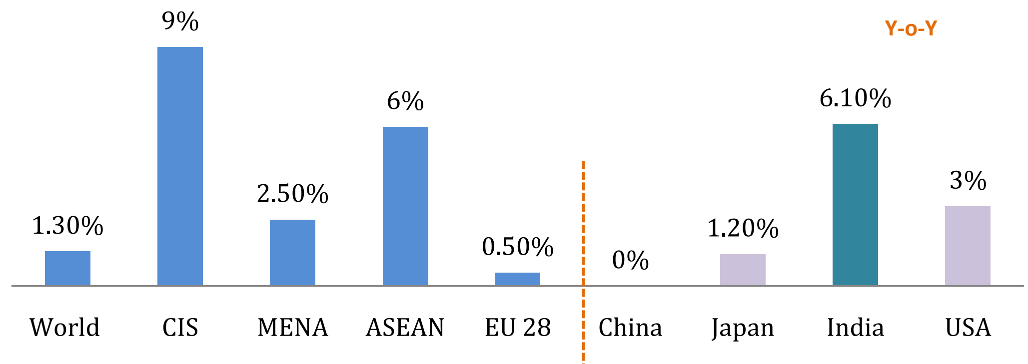
> Global Steel Prices stabilized due to **Upward demand and Firming Raw material prices**

> **Chinese Exports down by 38%**

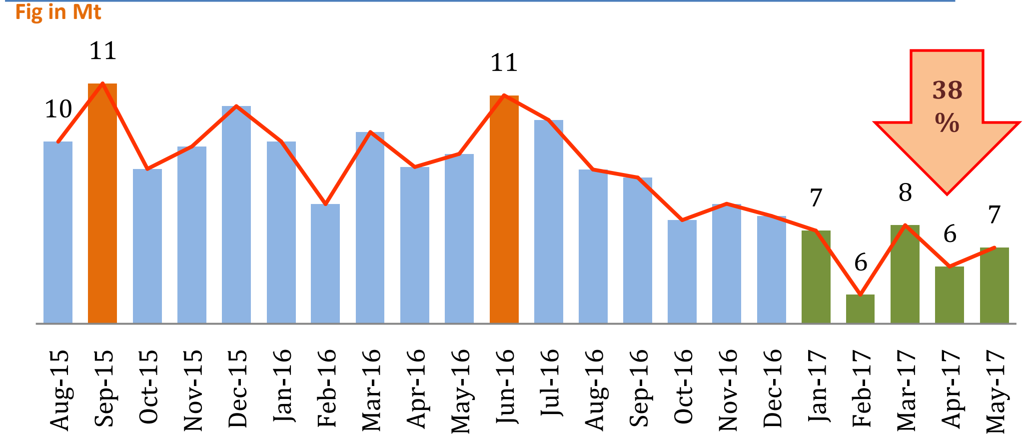
> **Chinese Capacity cut** led to lower pressure on Chinese Export
-Total 90.63 Mt steel capacity closed during CY ‘16

> **2017 & 2018** World Finished **Steel Demand Revised Upward**

> CY 2017 steel demand outlook revised upward

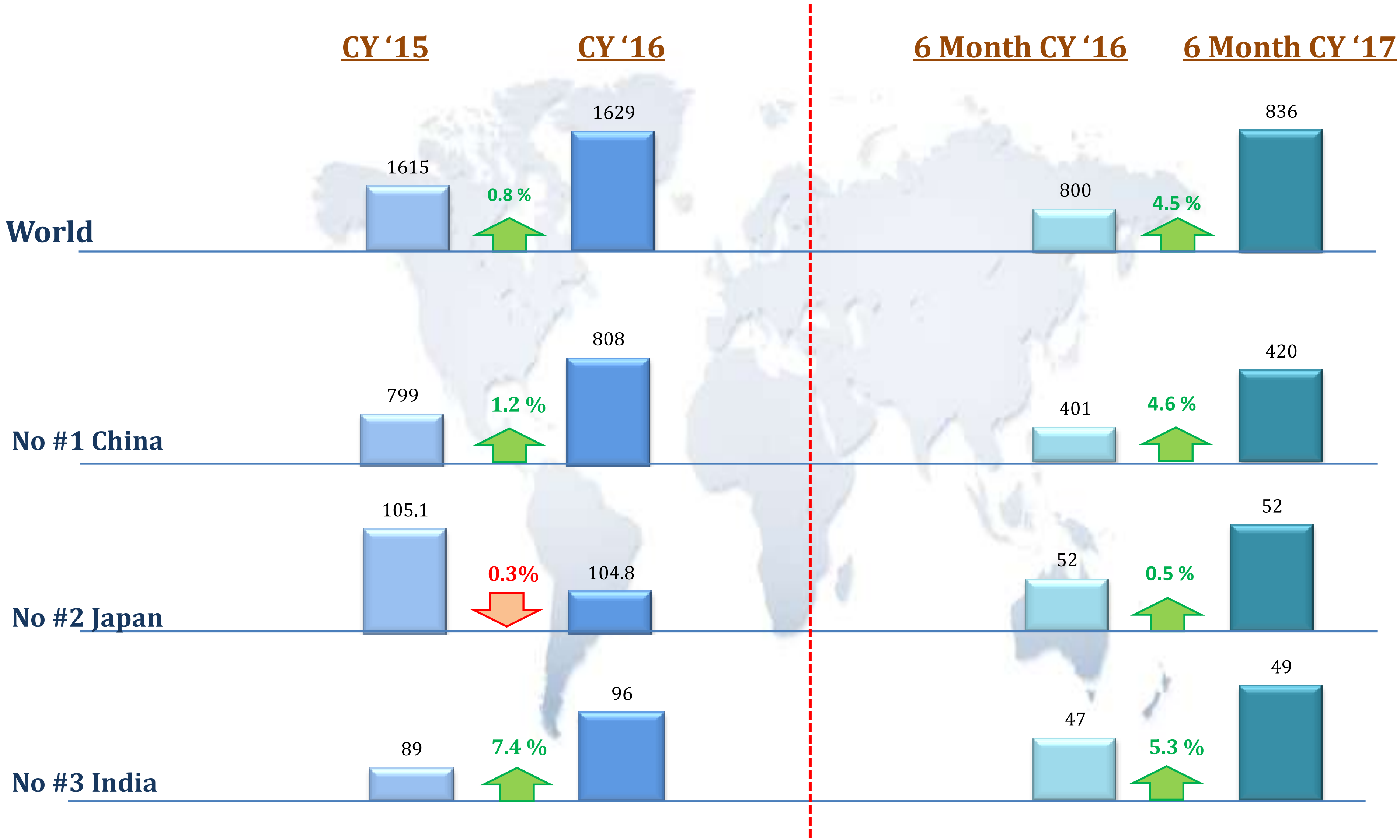


> Chinese Export down by 38% from peak level



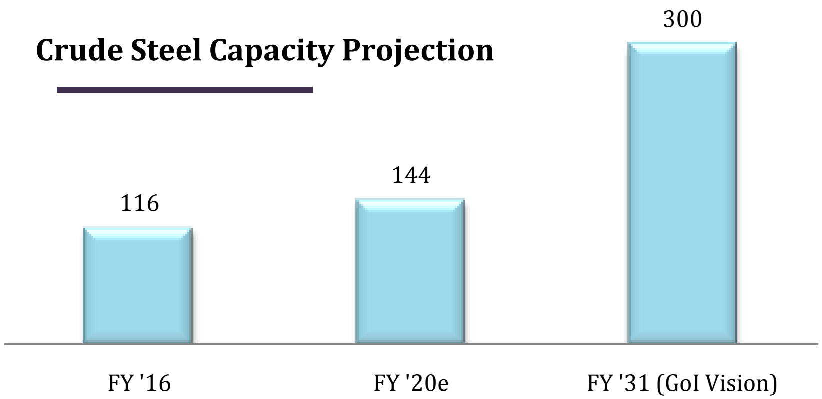
Source: WSA/Morgan Stanley

World Crude Steel Production firmed up led by higher output from major producers

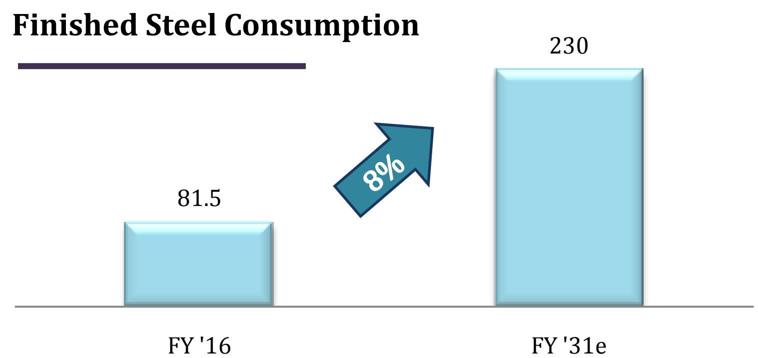


Source: WSA

Domestic Steel Industry continues to grow and play major role in Nation Building



In Million MT (Mt)



- India's per capita steel consumption is expected to increase to 158 Kg in 2031 from current 61 Kg
- Indian steel industry continues to capitalize on its competencies to invest further.

Steel industry's contribution to National GDP	Steel Industry's contribution to Index of Industrial Production (IIP)	Employment by the steel industry	Current Market value of the Indian Steel Industry	Total Investment expected till 2025-2030
Nearly 2%	6.68%	Over 7lakh direct	$75 bn	$187 Bn

Source: WSA

Indian Steel Scenario : Q1 FY '18 Major Highlights

(Qty : Mt)	FY '17		Q1 FY '18	
Domestic Steel Industry	Qty	change (y-o-y)	Qty	change (y-o-y)
Crude Steel Production	97.4	8.50%	24.56	3.5%
Finished Steel (Non Alloy+Alloy)				
Import	7.23	-38%	1.71	-7%
Export	8.25	102%	2.04	66%
Real Consumption (Demand)	83.65	2.60%	21.0	4.6%

Q1 FY '18 : Other Highlights

> **Crude Production** of **Primary Producers** grew by 6.4%, while the crude production of **Other Producers** grew by 0.1% only.

> **Finished Steel Demand :**
- Over all Steel consumption of finished steel grew by 4.6%
- Finished **Carbon Steel** Consumption grew by 5.7%, While Finished **Alloy Steel** Consumption **Decreased** by 5.7%

Source: JPC

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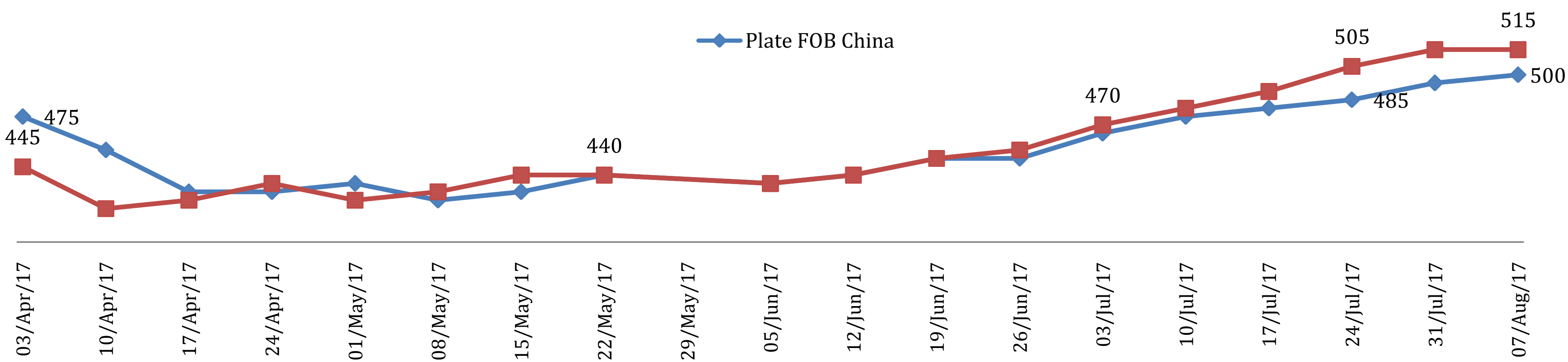
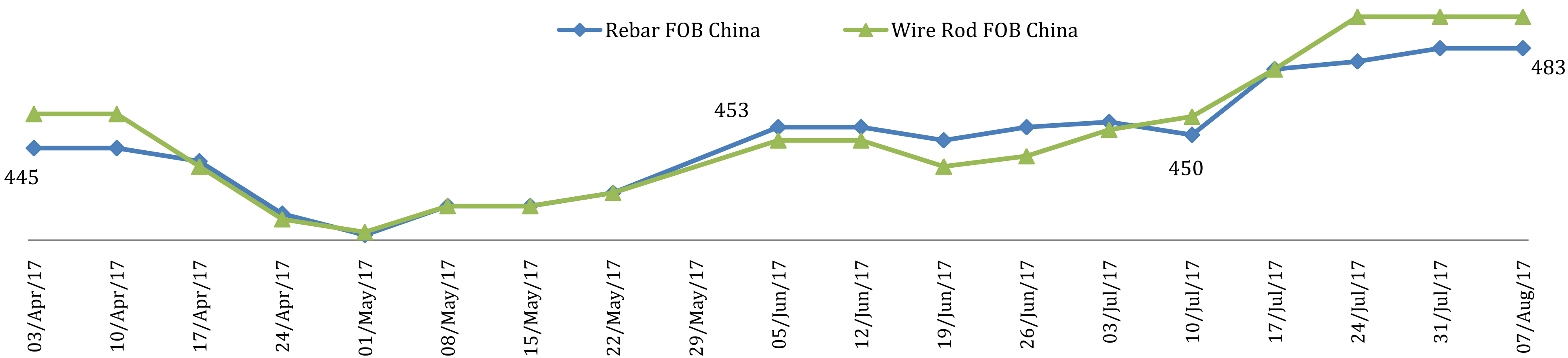
INDUSTRY UPDATE
STEEL SECTOR

Finished steel price trend

International Flat Steel Prices ($/MT- FOB China)

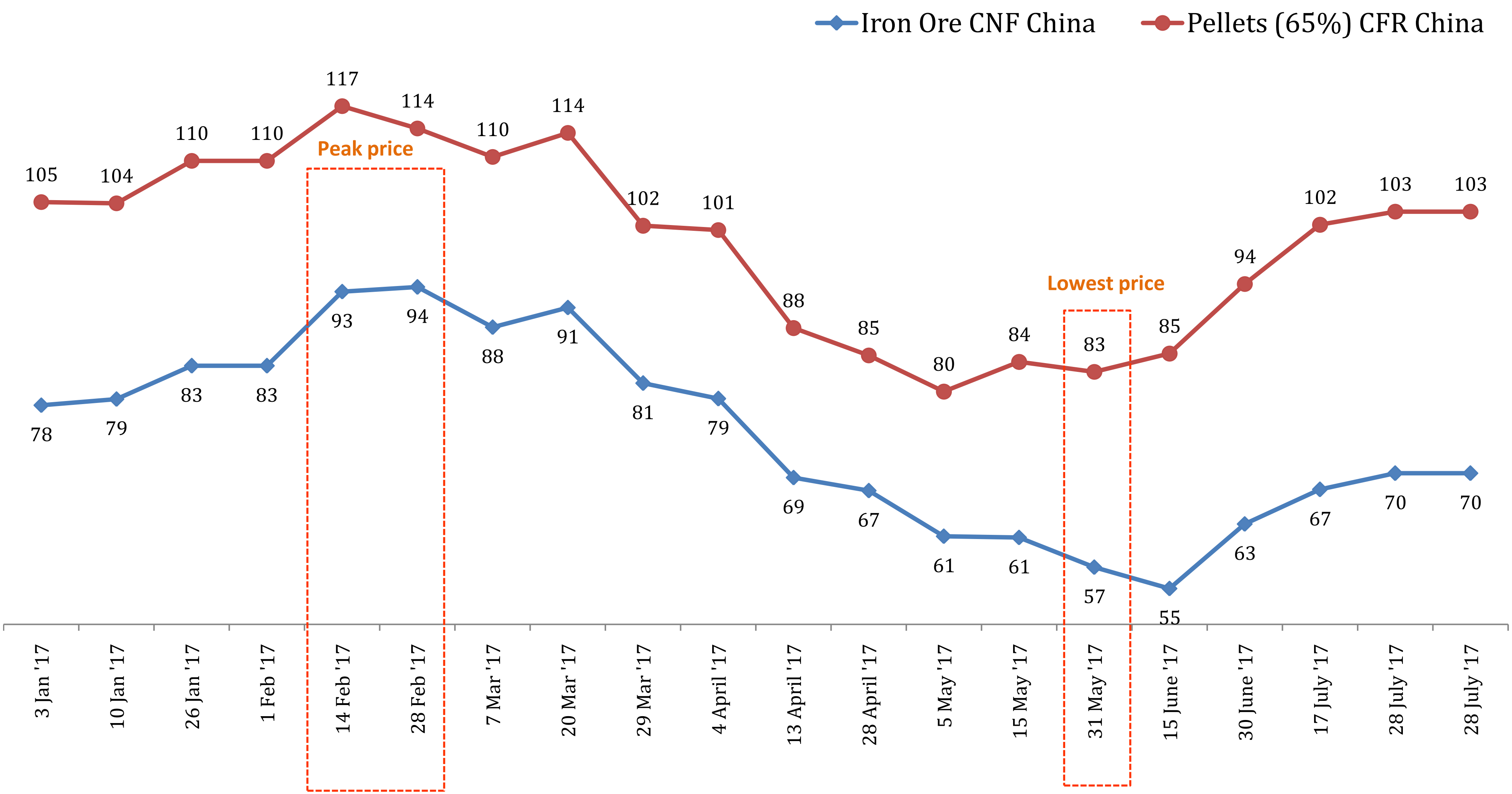


International Long Steel Prices ($/MT- FOB China)



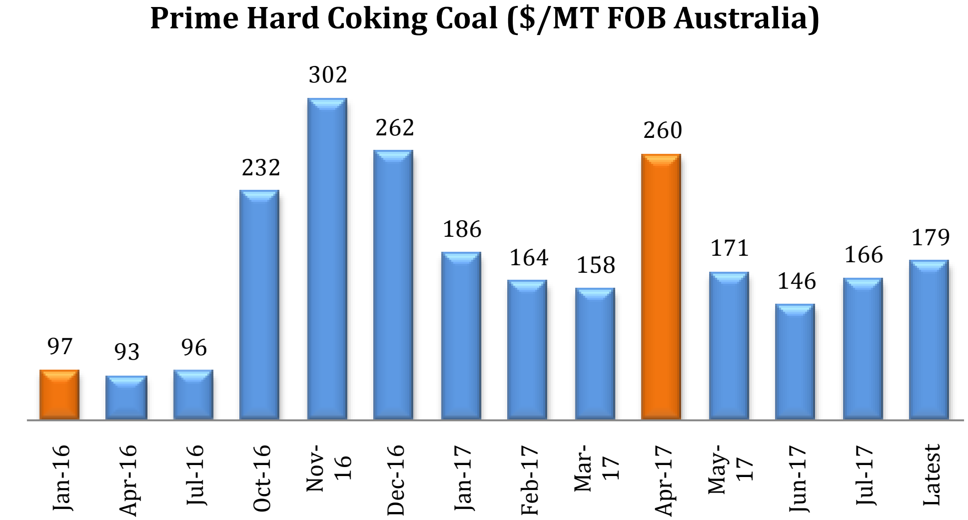
Source: Steel Mint

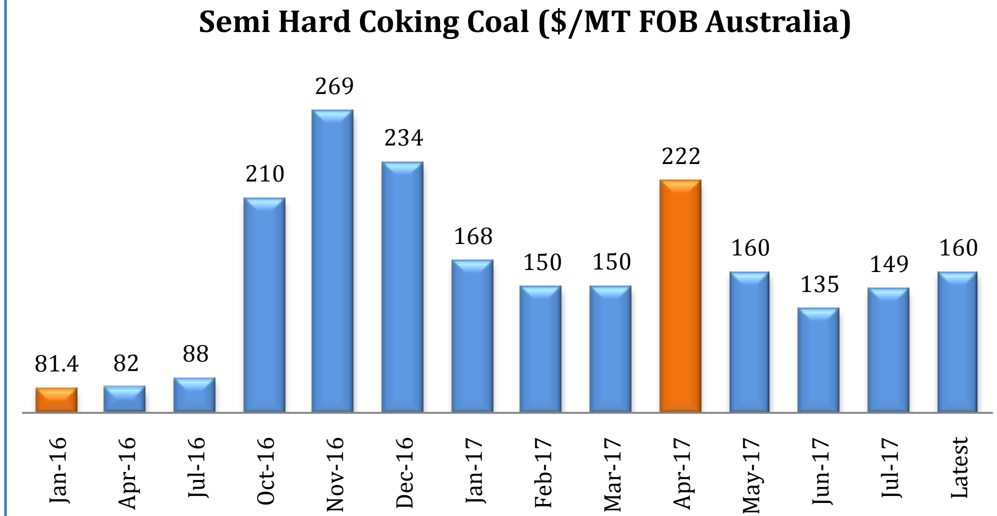
International Iron Ore & Pellet Prices remains volatile (CFR China - $/MT)

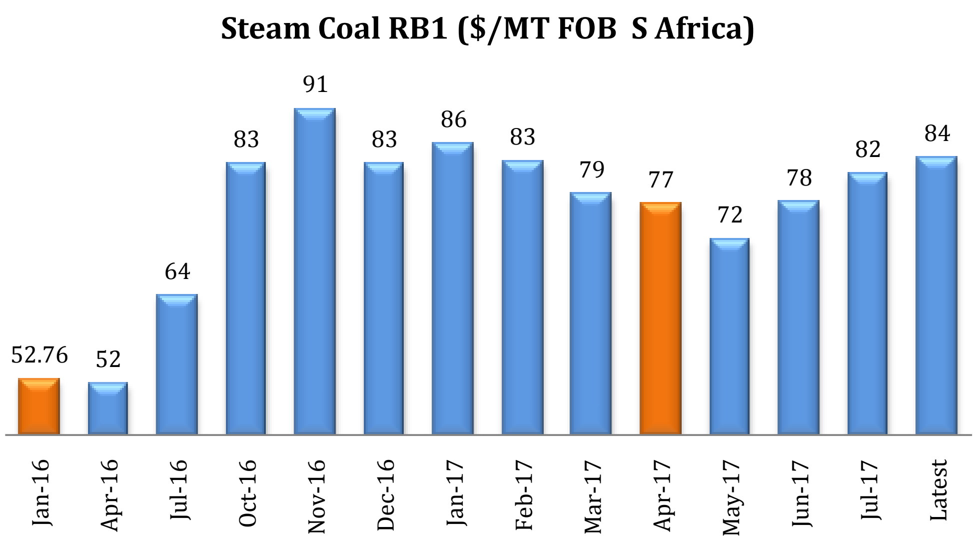


Source: Platts

International Coal : Price Trend







International Coal Prices trend

(From April '17 till 7th August'17:)

> Prime Hard Coking Coal: down by $81/MT (FOB Australia)

> Semi Hard Coking Coal : down by $62/MT (FOB Australia)

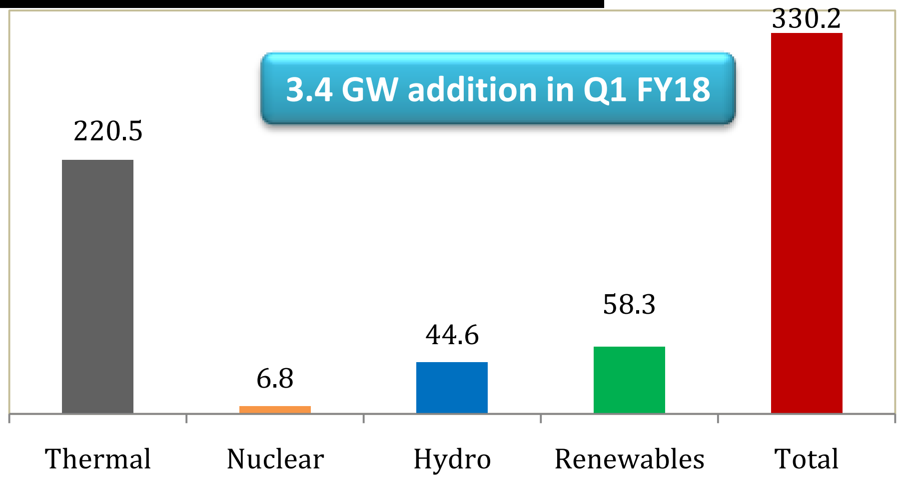
> Steam Coal RB1 Coal : down by $7/MT (FOB S. Africa)

Source: Platts, Argus

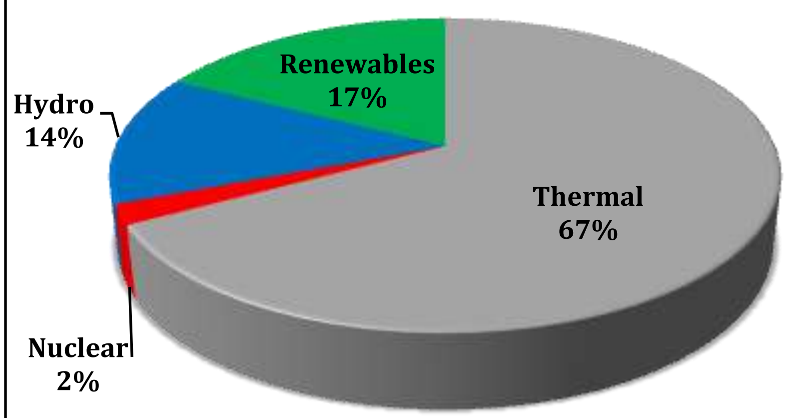
INDUSTRY UPDATE
POWER SECTOR

Installed Capacity in India *(June 2017)*

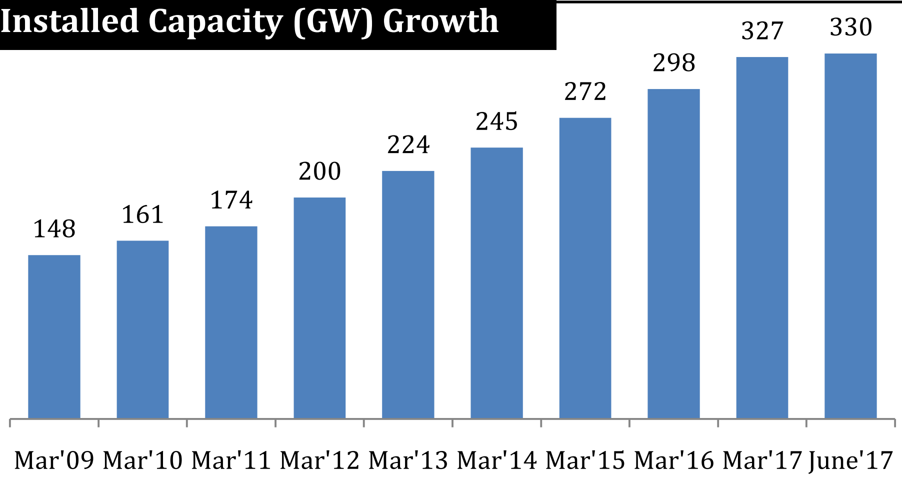
Installed Capacity (GW) in India



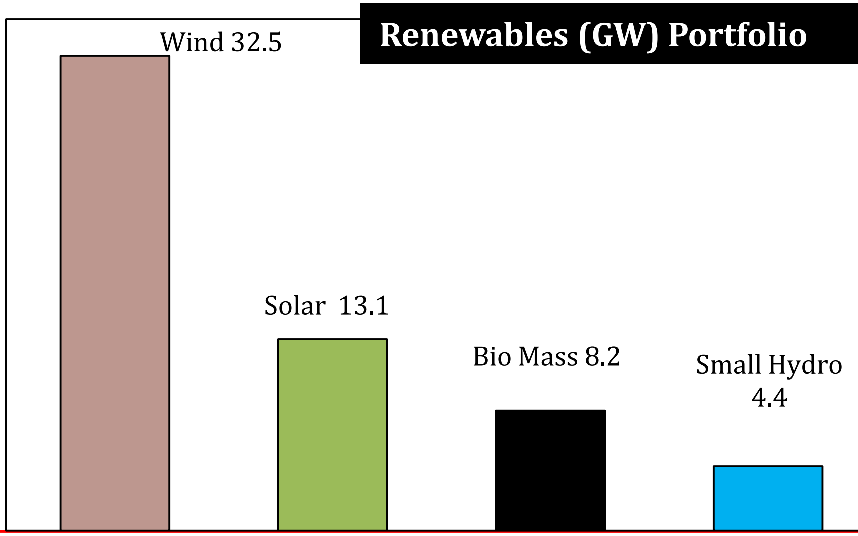
Installed Capacity Portfolio



Installed Capacity (GW) Growth



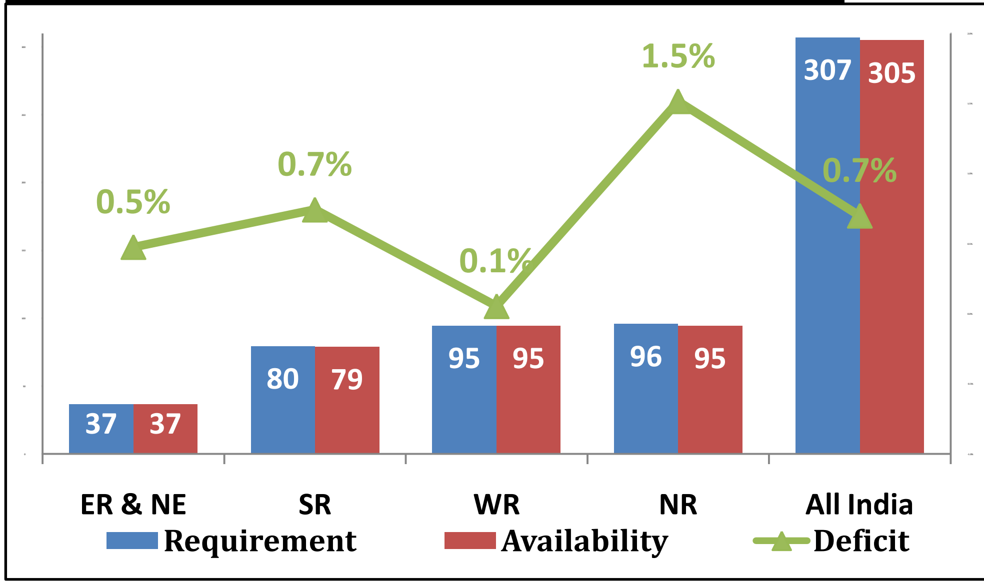
Renewables (GW) Portfolio



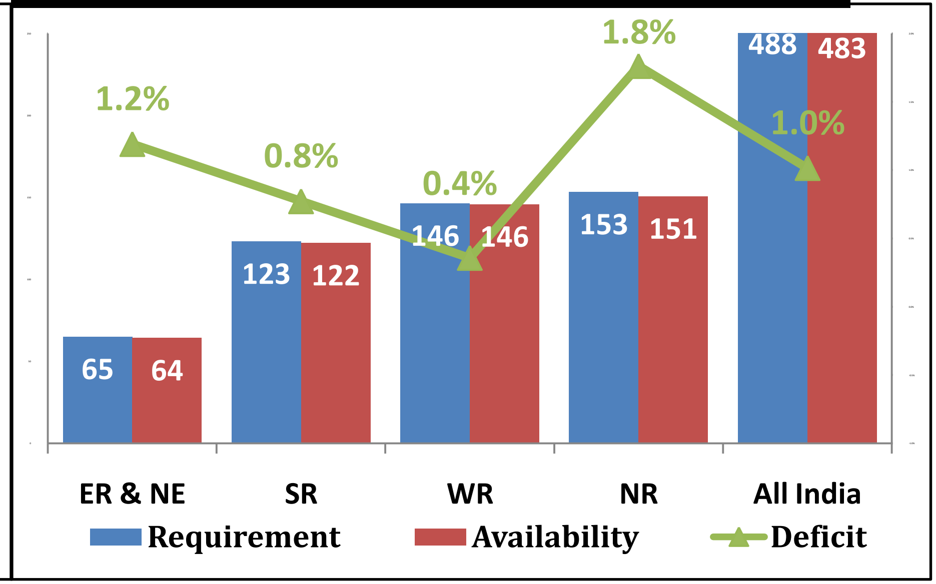
Source: CEA

Demand-Supply Scenario

Power Demand-Supply Position Q1 FY18 (BUs)



Peak Demand & Peak Met in Q1 FY18 (GW)



All India power demand increased by 4.2% Y-o-Y in Q1 FY18 while supply improved by 4.3% Y-o-Y in Q1 FY18

All India demand-supply gap was 2.25 billion Units in Q1 FY18 and peak deficit during Q1 FY18 was 5 GW.

Source: CEA

PRESENTATION OUTLINE

Q1'FY18

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Business Segments

Steel	Power	Mines & Minerals	Global Ventures	Construction Material & Solution





Current Capacities – Domestic & Global

Steel	Power	Mines & Minerals	Global Ventures	Construction Material & Solution
6.1 MTPA Steel*	IPP – 3400MW** CPP – 1634 MW	3.11 MTPA* Iron ore	2 MTPA Steel Coal Mines	Cement Road solutions LGS

***Domestic**
*****1000 MW Divestment announced***

Steel Capacities across Life Cycle

Iron Making (9.95 MTPA)	Liquid Steel (8.10 MTPA)	Finished Steel (6.55 MTPA)
DRI 3.12 MTPA	SMS 8.10 MTPA	WRM 0.60 MTPA
BF 5.33 MTPA		RUBM 0.75 MTPA
HBI 1.50 MTPA		MLSM 0.60 MTPA
		Plate Mill 2.20 MTPA
		BRM 2.4 MTPA

**BoF in Angul 2.5 MTPA - To be commissioned*
**BRM in Angul 1.4 MTPA - To be commissioned*

Detailed plant wise capacities

Raigarh (Chhattisgarh)	Angul (Odisha)	Barbil (Odisha)	Patratu (Jharkhand)	Oman	JPL	Mining
BF 2.125 MTPA	CGP 225,000 Nm3/Hr	Pellet Plant 9 MTPA	WRM 0.60 MTPA	HBI 1.5 MTPA	Tamnar 3400 MW	Iron Ore 3.11 MTPA
DRI 1.32 MTPA	BF 3.2 MTPA		BRM 1.0 MTPA	SMS 2.0 MTPA		Coal Overseas 6.60 MTPA
SMS 3.6MTPA	DRI 1.8 MTPA			BRM 1.4 MTPA		
Plate Mill 1.00 MTPA	SMS 2.5 MTPA					
RUBM 0.75 MTPA	*SMS 2.5 MTPA					
MLSM 0.60 MTPA	*BRM 1.4 MTPA					
CPP 824 MW	Plate Mill 1.2 MTPA					
	CPP 810 MW					

Power Hot Metal Liquid Steel Finished Steel

***To be commissioned**

Standalone Q1 FY 18 –Snapshot of Key Financials

(Figures in Rs. Crores)

Particulars	Q1FY18	Q1FY17	Q4FY17	%YoY	%QoQ
Total Revenue	3,832	3,562	4,554	+8%	-16%
EBITDA	750	659	928	+14%	-19%
EBITDA %	20%	19%	20%		
Depreciation	481	489	489	-2%	-2%
Finance Cost	532	601	529	-11%	+1%
Profit/(Loss) Before Tax	(263)	(431)	(81)	+39%	-224%
Profit/(Loss) After Tax	(178)	(277)	(116)	+36%	-53%
Cash Profit	218	58	408	+276%	-47%

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	2x25 MW & 40 MW (Waste heat) 2x55 MW 3x25 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-12	Aug-17	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		▪ In the interim, coal sourced through – market purchase and e-auction	▪ Long term linkage from Mahanadi Coal Limited (MCL) and South Eastern Coalfields Limited (SECL)	▪ Market purchase and e-auction
PPA		▪ Bilateral/short term/ merchant ▪ TNEB – 200 MW	▪ TNEB – 400MW ▪ CSEB – 60MW ▪ KSEB – 200MW ▪ KSEB – 150MW	▪ CSEB – 60MW
Evacuation		▪ 258km transmission line from plant to national grid	▪ Open access available	▪ Open access to be finalised against PPAs

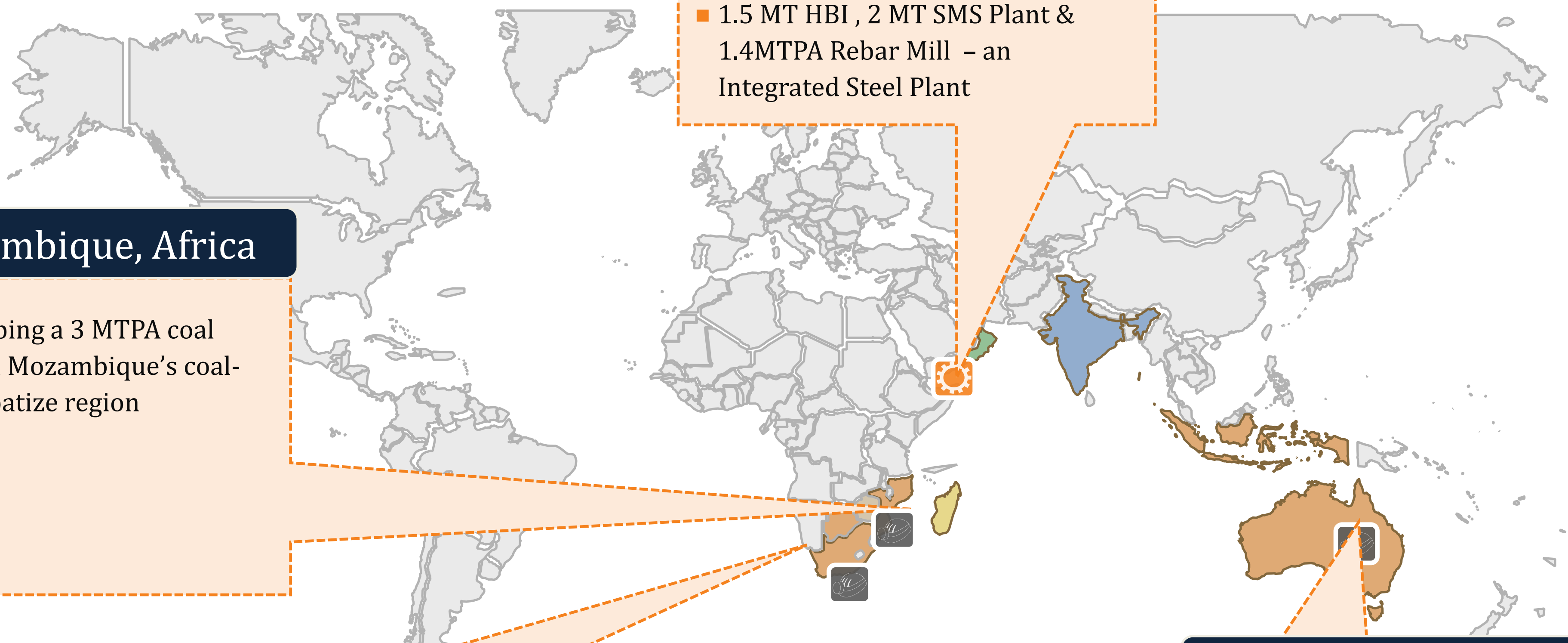
Raw materials, transmission & PPAs in place for achieving higher PLF

JPL Q1 FY18 – Snapshot of Key Financials

(Figures in Rs. Crores)

Particulars	Q1FY18	Q1FY17	Q4FY17	%YoY	%QoQ
Net Sales	1,079	668	863	+62%	+25%
EBITDA	468	182	382	+157%	+23%
EBITDA %	43%	27%	*44%*		
Depreciation + Amortization	373	322	376	+16%	-1%
Interest	227	176	235	+29%	-3%
Profit/(Loss) Before Tax	(62)	(217)	(134)	+71%	+54%
Profit/(Loss) After Tax	(32)	(217)	(84)	+85%	+62%
Cash Profit	310	104	241	+198%	+29%
Generation (MU)	3,186	2,171	2,336	+47%	+36%

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

- Acquired 60.3% stake in Wollongong Coal

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

Consolidated Q1 FY 18 –Snapshot of Key Financials

(Figures in Rs. Crores)

Particulars	Q1FY18	Q1FY17	Q4FY17	%YoY	%QoQ
Total Revenue	6,127	5,125	6,765	+20%	-9%
EBITDA	1,353	1,015	1,569	+33%	-14%
EBITDA %	22%	20%	23%		
Depreciation	962	917	1,006	+5%	-4%
Finance Cost	901	853	881	+6%	+2%
Profit/(Loss) Before Tax	(510)	(1,381)	(56)	+63%	-817%
Profit/(Loss) After Tax	(421)	(1,240)	(98)	+66%	-328%
Cash Profit	453	(463)	950	+198%	-52%

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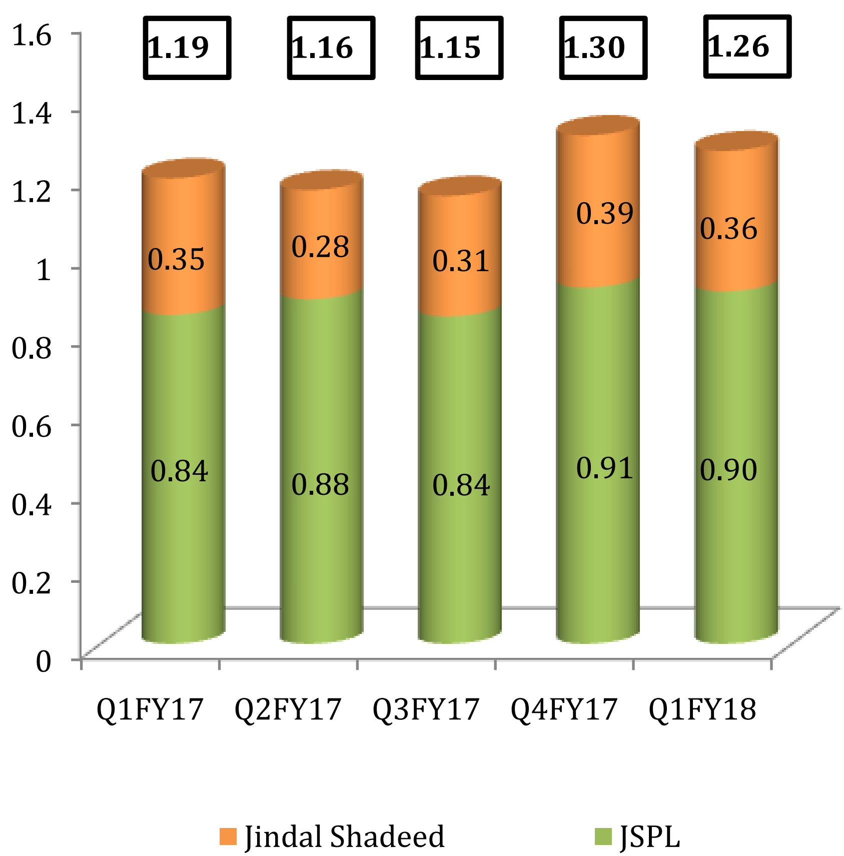
Performance highlights

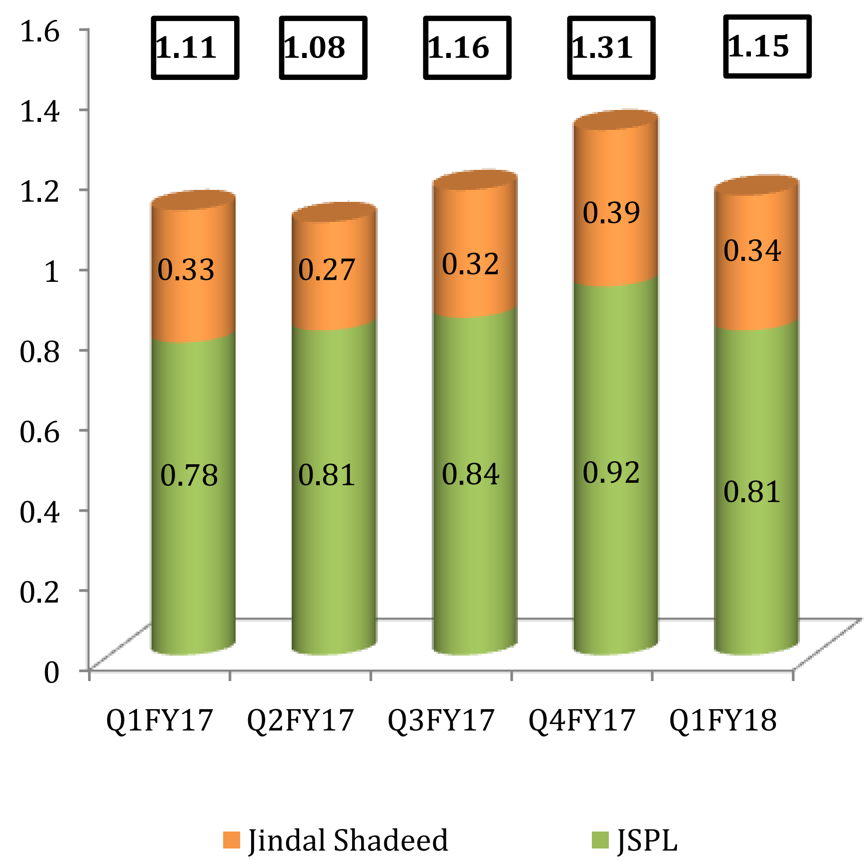
- *India's largest Blast Furnace commissioned at Angul.*
- *JSPL's Standalone EBITDA increased by 14% Y-o-Y for Q1FY18*
- *JSPL's Consolidated Steel Production for Q1FY18 was 1.26 Million Tonne up 6% YoY (1.19 Million Tonne in Q1FY17)*
- *JSPL's Consolidated EBITDA increased by 33% Y-o-Y for Q1FY18*
- *Oman records highest ever quarterly rebar production and sales in 1QFY18*
- *JPL increased its EBITDA by 157% Y-o-Y and 23% Q-o-Q in Q1FY18*

Consolidated Steel Production

Consolidated Steel Sales

(Figures in Million Tonnes)





JINDAL PANTHER

Key Customers & Adding…

JINDAL

CPWD	NPCIL	कोंकण रेलवे कॉर्पोरेशन लिमिटेड KONKAN RAILWAY CORPORATION LTD.
भारतीय मानक ब्यूरो Bureau of Indian Standards	पावरग्रिड	भारतीय रेल INDIAN RAILWAYS
एनटीपीसी NTPC	इंडियनऑयल IndianOil	रेल विकास निगम लिमिटेड Rail Vikas Nigam Limited (A Government of India Enterprise)
JUSCO A TATA Enterprise		IRCON
SIMPLEX INFRASTRUCTURES LTD	ADITYA BIRLA UltraTech	Indiabulls 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 SEPCO1 Electric Power Construction Corporation	JAYPEE GROUP
नालको NALCO A Navratna Company	बी एण्ड आर B AND R	DG MAP In Pursuit of Excellence

दिल्ली मेट्रो रेल कॉर्पोरेशन लिमिटेड DELHI METRO RAIL CORPORATION LTD.		भा रा रा प्रा NHAI
बी एच ई एल BHEL	RELIANCE	IMMA
	LANCO	GL GL Group
viraj projects	Punj Lloyd	HP
FLSmidth	BANSAL INFRATECH SYNERGIES INDIA LTD FORMERLY BANSAL CONTRACTORS INDIA LTD (Powered by Professionals)	LODHA BUILDING A BETTER LIFE
ESSAR	MAHARASHTRA SEAMLESS LIMITED	ABG
इंजीनियर्स इंडिया लिमिटेड ENGINEERS INDIA LIMITED Delivering Excellence through People	Indian Boiler Regulations - 1950	mbe McNally Bharat

India's largest Blast Furnace

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THANK YOU