

PRESS RELEASE

FINANCIAL RESULTS FOR FIRST QUARTER FY 2021-22

JSPL posts strong growth YoY in 1QFY22

- JSPL Consolidated EBITDA INR 4,539 Cr
- JSPL Standalone EBITDA INR 4,524 Cr
- Consolidated Net debt reduced to INR 15,227 Cr in 1QFY22 (Ex-JPL).
- Jindal Power Limited (JPL) divestment contours simplified
- JPL now accounted as Asset held for sale

JSPL Standalone 1QFY22 Performance

- Gross Revenue# INR 11,473 Cr;
- Net Revenue INR 10,385 Cr;
- EBITDA: INR 4,524 Cr;
- Profit after tax: INR 2,661 Cr;
- Steel* production : 2.01 million tonnes
- Steel* sales : 1.61 million tonnes

JSPL Consolidated 1QFY22 Performance:

- Gross Revenue# INR 11,698 Cr;
- Net Revenue INR 10,610 Cr;
- EBITDA: INR 4,539 Cr;
- Profit after tax\$: INR 2,516 Cr;

*including pig iron; #Incl. GST; \$ from continuing operations

Despite adverse market conditions due to second wave of COVID-19 and ensuing lockdowns, JSPL has been able to post resilient set of numbers in 1QFY22. The company reported a record first quarter steel production of 2.01 million tonnes.



While domestic demand was subdued during the quarter, buoyant export markets continued to provide support with exports accounting for 34% in 1QFY22. Share of exports would have been higher in the absence of logistical challenges posed by unfavorable weather leading to congestion at ports.

Volume growth coupled with upward momentum in steel prices in 1QFY22 resulted in standalone net revenues rising by 65% YoY to INR 10,385 Cr. However, during the quarter long steel prices were relatively subdued compared to flat steel prices, which were also boosted by buoyant export markets. The quarter also witnessed sharp rise in input costs, impact of which was compounded by exhaustion of low cost iron ore inventory. Although standalone EBITDA of INR 4,524 Cr was up YoY, it declined 7% QoQ, due to drop in sales volume and lower benefit accruing from iron ore compared to prior quarter.

Continued cash generation, declining finance cost, lower capex and debt associated with JPL moving out of JSPL's consolidated books have all contributed to continued deleveraging in 1QFY22. Consolidated net debt has declined further to INR 15,227 Cr in 1QFY22 (from INR 22,146 Cr in March 2021). Conclusion of JPL divestment (now accounted as asset held for sale) will result in Net Debt declining further, taking JSPL a step closer to its vision of becoming a Net Debt free company- a rare feat in the Steel sector. Additionally the divestment would meaningfully enhance JSPL on ESG metrics, by reducing its carbon footprint by more than half (at full utilization).

1. JSPL Standalone Performance

During 1QFY22, JSPL Standalone reported steel production (incl. pig iron) of 2.01 million tonnes (Up 20% YoY), a record first quarter production. While the domestic demand was severely impacted by the second wave of COVID-19, lucrative export markets aided company's effort in improving sales compared to previous year (1.61mt, +3% YoY). Share of exports increased to 34% in 1QFY22 compared to 27% in the prior quarter.

Higher sales volumes and uptick in the steel prices resulted in revenues rising by 65% YoY to INR 10,385 Cr. EBITDA also surged to INR 4,524 Cr, partially offset by higher costs. Strong operating profit and declining finance costs have resulted in JSPL standalone posting a quarterly profit of INR 2,661 Cr.

Pellet production in 1QFY22 increased to 2.16 million tonne (up 6 % QoQ). External sales of pellets also increased to 0.40 million tonnes (up 39% QoQ) due to higher production of pellets as steel production was broadly stable QoQ.



2. Global Ventures

- a) **Mozambique:** Chirodzi mine produced 938 KT ROM (up 42% YoY) in 1QFY22. The Mozambique operations continued to ramp up production. Mozambique operations reported EBITDA at US\$ 3.3mn for 1QFY22.
- b) **South Africa:** During 1QFY22, Kiepersol mine in South Africa produced 148 KT ROM (up 10% QoQ). The mine reported EBITDA of US\$ 0.3mn for the quarter.
- c) **Australia:** Russell Vale mine is now ready to start production and awaiting final go ahead from the regulatory authorities. Wongawilli colliery continues to remain under care & maintenance.

3. JSPL Consolidated Performance

The quarter marked exemplary performance by all businesses including Steel and Overseas mines and minerals businesses, which resulted in JSPL reporting consolidated net revenues of INR 10,610 Cr (up 63% YoY) and EBITDA of INR 4,539 Cr. Aided by the strong operating performance amidst challenging market conditions, JSPL reported a consolidated PAT (continuing operations) of INR 2,516 Cr. Company's singular focus on deleveraging has resulted in consolidated Net Debt reducing to INR 15,227 Cr [Ex-JPL]. The balance sheet continues to strengthen further with Net Debt to EBITDA improving to 0.96 (from 1.53x in the previous quarter). Acknowledging superior balance sheet and bright outlook for the steel sector CARE has upgraded JSPL's long term borrowing rating to CARE A(+) with Stable outlook from CARE A(-) with Stable outlook. JPL divestment should significantly boost JSPL's balance sheet strength and improve the return ratios further.

PRODUCTION

PRODUCT (Million Tonnes)	Q1 FY 22	Q4 FY 21	Q1 FY 21
Steel*	2.01	2.07	1.67
Pellets	2.16	2.03	1.87

SALES

PRODUCT (Million Tonnes)	Q1 FY 22	Q4 FY 21	Q1 FY 21
Steel*	1.61	1.91	1.56
Pellets (External Sales)	0.40	0.29	0.83

*including Pig iron



CONSOLIDATED FINANCIAL RESULTS

PARAMETER	Q1 FY 22	Q4 FY 21	Q1 FY 21
Gross Revenue*	11,698	11,901	6,978
Net Revenue	10,610	10,594	6,518
EBITDA	4,539	4,964	1,810
Depreciation + Amortization	602	588	606
Interest	561	576	834
PBT	3,410	3,789	371
PAT (Continuing Operations)	2,516	2,869	236

*Incl. GST

STANDALONE FINANCIAL RESULTS

PARAMETER	Q1 FY 22	Q4 FY 21	Q1 FY 21
Gross Revenue*	11,473	11,737	6,741
Net Revenue	10,385	10,430	6,281
EBITDA	4,524	4,884	1,828
Depreciation + Amortization	556	548	562
Interest	444	500	604
PBT	3,554	4,489	663
PAT	2,661	3,426	505

*Incl. GST

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Forward looking and Cautionary Statements: -

Certain statements in this release concerning the future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to , risks and uncertainties regarding fluctuations in earnings, ability to manage growth, intense competition within steel industry including those factors which may affect company's cost advantage , time and cost overruns on fixed – price, company's ability to manage operations, reduced demand for steel , power etc., The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Company. The numbers & statements in this release (including but not limited to balance sheet related items) are provisional in nature and could materially change in future, based on any restatements or regrouping of items etc.