PRESS RELEASE

FINANCIAL RESULTS FOR THIRD QUARTER FY 2021-22

JSP remains on track to become Net Debt free in FY23

- JSP reports Standalone PAT of INR 1,714 Cr; Consolidated PAT of INR 1,622 Cr
- Consolidated Net Debt reduced to INR 10,981 Cr in 3QFY22 (down from INR 11,164 Cr in 2Q)
- On track to become Net Debt free by FY23
- Vision 50:15:15 delivered: Highest ever Gross Revenues of INR 52,652 Cr, EBITDA of INR 17,407 Cr in a calendar year (CY2021)
- Kasia mine starts operations

JSP Standalone Performance

3QFY22 Highlights	9MFY22 Highlights
▪ Gross Revenue# INR 13,581 Cr; ▪ Net Revenue INR 11,955 Cr; ▪ EBITDA: INR 3,168 Cr; ▪ Profit after tax: INR 1,714 Cr; ▪ Steel* production : 1.96 million tonnes ▪ Steel* sales : 1.82 million tonnes	▪ Gross Revenue# INR 39,605 Cr; ▪ Net Revenue INR 35,601 Cr; ▪ EBITDA: INR 12,210 Cr; ▪ Profit after tax: INR 7,086 Cr; ▪ Steel* production : 5.90 million tonnes ▪ Steel* sales : 5.56 million tonnes

JSP Consolidated Performance:

3QFY22 Highlights	9MFY22 Highlights
▪ Gross Revenue# INR 14,152 Cr; ▪ Net Revenue INR 12,525 Cr; ▪ EBITDA: INR 3,310 Cr; ▪ Profit after tax$: INR 1,622 Cr;	▪ Gross Revenue# INR 40,752 Cr; ▪ Net Revenue INR 36,746 Cr; ▪ EBITDA: INR 12,443 Cr; ▪ Profit after tax$: INR 6,721 Cr;

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

Industry Update:

While Q3FY22 witnessed a sharp improvement in domestic demand on a sequential basis, the quarter continued to be marred by unseasonal rains, lack of railway rakes and muted demand amidst rising COVID-19 cases. Steel demand in India registered a 7% Y-o-Y fall in 3QFY22. JSP sold more domestically this quarter, reflecting the industry trend (domestic sales up 19% sequentially, -6% Y-o-Y). Government's infrastructure push in the recent budget, increased rake availability and rising private capex should further boost domestic steel demand. This bodes well for JSP with two thirds of its product portfolio catering largely to India's Construction & Infrastructure sector.

Kasia mine operational:

JSP's long term iron ore security was enhanced recently as the company was declared the preferred bidder for Kasia Iron Ore Mine in Odisha in the prior quarter. Kasia Mine has a large geological resource of 278 million tonnes of iron ore and it consists of an average Fe grade of ~62.5%. Production from Kasia mine has started earnestly with plans to ramp-up production to 5 million tonnes in FY23. Kasia will further aid JSP's growth plans as the Company progresses steadily towards ~16MTPA capacity target in FY25 (from 9.6MTPA now).

1. **JSP Standalone Performance**

   During 3QFY22, JSP reported steel Sales (incl. pig iron) of 1.82 million tonnes, which were lower than production of 1.96 million tonnes due to logistical challenges encountered earlier and subdued domestic demand. Export share for JSP declined to 23% during the quarter (vs. more than 40% share in the prior quarter). Higher internal consumption resulted in negligible external sales of pellets (8kt in 3QFY22). For 9MFY22, JSP reported steel shipments of 5.56 million tonnes and production of 5.90 million tonnes.

   Higher realisations resulted in JSP reporting Gross revenues of INR 13,581 Cr (+37% Y-o-Y). 3QFY22 EBITDA of INR 3,168 Cr fell 19% Y-o-Y as impact of higher realisations was more than offset by sharp rise in raw material cost, lower steel and pellet sales. Profit after tax (PAT) declined 23% Y-o-Y due to lower operating profit and higher tax expense partially offset by lower finance costs. For 9MFY22, JSP reported EBITDA of INR 12,210 Cr and PAT of INR 7,086 Cr.

2. **Global Ventures**

   a) **Mozambique:** Chirodzi mine produced 1.1 MT ROM in 3QFY22. Mozambique operations reported 3QFY22 EBITDA of c.US$ 22mn .

   b) **South Africa:** Kiepersol mine in South Africa produced 157 KT ROM. The mine reported an EBITDA of c.US$ 3mn for the quarter.

   c) **Australia:** Resumption of operations at Russell Vale mine post receiving the final go ahead from the regulatory authorities coupled with buoyant coking coal prices has resulted in WCL (Wollongong Coal Limited) reporting an EBITDA of c.US$ 9mn compared to losses reported in the past 16 quarters. WCL has reported sales of 95 KT during the quarter. Wongawilli colliery however continues to remain under care & maintenance.

3. JSP Consolidated Performance

The continued resilient performance by all businesses including overseas mines, contributed in JSP reporting consolidated Gross revenues of INR 14,152 Cr and Consolidated EBITDA of INR 3,310 Cr in 3QFY22. Consolidated PAT of INR 1,622 Cr fell by 34% Y-o-Y due to lower operating profit and higher tax expense. In 9MFY22, JSP reported consolidated EBITDA of INR 12,443 Cr and PAT of INR 6,721 Cr.

Strong operational cash flows, declining finance cost, and lower capex have all contributed towards continuous deleveraging in 3QFY22. Consolidated net debt has declined further to INR 10,981 Cr in 3QFY22 (from INR 11,164 Cr in Sep'2021). Net Debt to EBITDA (Trailing) for continuing operations at the end of quarter ending December'21 stood at 0.63x (vs. 2.35x as of December'20). JSP's unflinching focus on strengthening its balance sheet over the past several years has resulted in its Net debt declining by c.INR 35,500 Cr from a peak of c.INR 46,500 Cr in FY16. Conclusion of Jindal Power Limited (JPL) divestment (accounted as asset held for sale) will result in Net Debt declining further, taking JSP a step closer to its vision of becoming a Net Debt free company by FY23- a rare feat in the Steel sector. The company is currently in the process of getting relevant approvals from the lenders and aims to conclude the divestment by the end of this financial year.

Outlook:

During FY21, JSP took a steely resolve by envisioning 50:15:15, (ie, INR 50,000Cr revenues, more then INR 15,000Cr EBITDA and less than INR 15,000Cr Net debt). Notwithstanding COVID induced adverse business conditions, JSP's resilient operations and strong determination has led to achieving 50:15:15 vision in Calendar year 2021. The Company is on track to achieve INR 50,000Cr Revenues and INR 15,000Cr EBITDA for FY 22 as well.

In an achievement of unprecedented scale, India has crossed the 170-Crore vaccination milestone with more than 95% of the eligible population having taken the first dose and 75% of the adult population with two doses within one year of rollout. Over two-thirds of adolescents in the 15-17 age group have also received the first dose. While the country faced threat of rising COVID-19 cases since last quarter, the cases have been sharply declining in the past two weeks, signalling the peak in the current wave of COVID infections could be behind. Steady vaccination ramp-up and easing of COVID related restrictions are likely to further help in broadening the economic recovery. After remaining subdued in 9MFY22, construction and infrastructure activities are expected to recover strongly in

4QFY22 due to the combination of pent-up demand and government's push towards more infrastructure expenditure as we approach the end of the financial year.

The domestic steel industry however continues to grapple with the sharp rise in the coking coal prices. Premium Hard Coking coal has risen more than 3x so far in FY22. Rising seaborne iron ore price has also triggered increase in domestic iron ore prices in the recent weeks-. However, supply of coking coal from captive mines in Mozambique and Australia coupled with iron ore from Kasia and Tensa mine should provide JSP some relief from rising cost headwinds and ensure continued availability.

PRODUCTION

PRODUCT(Million Tonnes)	Q3 FY 22	Q2 FY 22	Q3 FY 21	9M FY 22	9M FY 21
Steel*	1.96	1.93	1.93	5.90	5.43
Pellets	1.82	1.80	1.85	5.78	5.72

SALES

PRODUCT (Million Tonnes)	Q3 FY 22	Q2 FY 22	Q3 FY 21	9M FY 22	9M FY 21
Steel*	1.82	2.13	1.87	5.56	5.36
Pellets	0.01	0.20	0.40	0.61	1.96

**including Pig iron*

CONSOLIDATED FINANCIAL RESULTS

PARAMETER	Q3 FY 22	Q2 FY 22	Q3 FY 21	9M FY 22	9M FY 21
Gross Revenue*	14,152	14,902	10,449	40,752	26,383
Net Revenue	12,525	13,612	9,281	36,746	23,947
EBITDA	3,310	4,594	3,923	12,443	8,128
Depreciation + Amortization	613	610	608	1,825	1,826
Interest	472	482	643	1,514	2,178
PBT (Before Exceptional)	2,236	3,507	3,035	9,152	4,635
PAT (Continuing Operations)	1,622	2,584	2,440	6,721	3,573

**Incl. GST*

STANDALONE FINANCIAL RESULTS

PARAMETER	Q3 FY 22	Q2 FY 22	Q3 FY 21	9M FY 22	9M FY 21
Gross Revenue*	13,581	14,550	9,906	39,605	25,314
Net Revenue	11,955	13,261	8,738	35,601	22,878
EBITDA	3,168	4,519	3,908	12,210	8,171
Depreciation + Amortization	563	562	566	1,682	1,696
Interest	325	350	529	1,120	1,686
PBT (Before Exceptional)	2,303	3,626	2,815	9,482	4,802
PAT (Continuing Operations)	1,714	2,711	2,226	7,086	3,728

**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.