

Jindal Steel & Power Limited

3QFY23 Earnings Presentation
February 5, 2023



Safe Harbour Statement

This presentation may contain certain forward looking statements concerning steel sector, economy and JSP's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ 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, our ability to manage growth, competition (both domestic and international), economic growth in India and the target countries for exports, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions with respect to investments, fiscal deficits, regulations, etc., interest and other fiscal costs generally prevailing in the economy. Past performance may not be indicative of future performance. We do not undertake to update our forward-looking statements. This presentation is not intended, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities in JSP or any of its subsidiary undertakings or any other invitation or inducement to engage in investment activities, neither shall this presentation nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. Few numbers in this presentation are purely indicative & provisional and could change later. Estimates regarding economy, steel & power sector, company and related areas are purely indicative and could change with market conditions and host of other factors.

Building a nation of our dreams

OVER 3 DECADES OF EXCELLENCE

JSP is focused towards building world-class capabilities to make India self-reliant and a global economic powerhouse



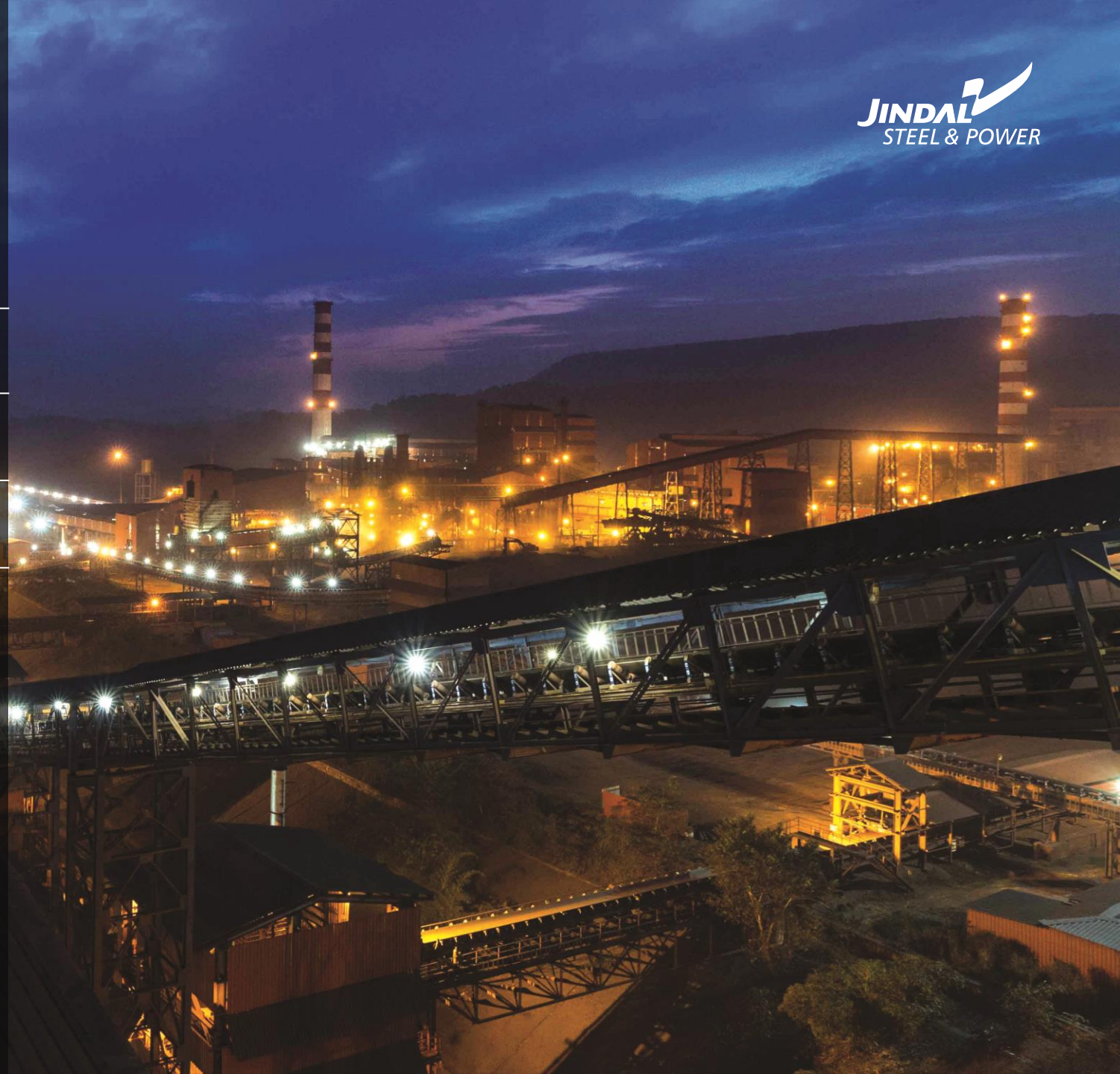
Company Snapshot

Macro and Sectoral Update

Business Update

Social Initiatives

3QFY23 Results



MISSION

Building Nations,
Empowering Communities.

VISION

An ever-flourishing company
focused on nation building,
value creation and sustainable
development.

VALUES

- Extreme Ownership
- Better Than Before
- Respect For People
- Sustainability

JSP at a Glance

Growth Focussed

Scaling up world-class,
integrated steel production
capacity

Innovative, value-added products
to support India's infrastructure
creation

High performance,
customer-centric culture

Strong Balance Sheet

Net Debt/EBITDA at 0.66x

Expansion programme to
boost FCF

Targeting Net Debt / EBITDA
< 1.50x across commodity
cycle

Sustainability Driven

World's first and largest coal
gasification plant for steel-
making

200 km eco-friendly
slurry pipeline

Positively impacting
2.5 million lives



Company Snapshot

Macro and Sectoral Update

Business Update

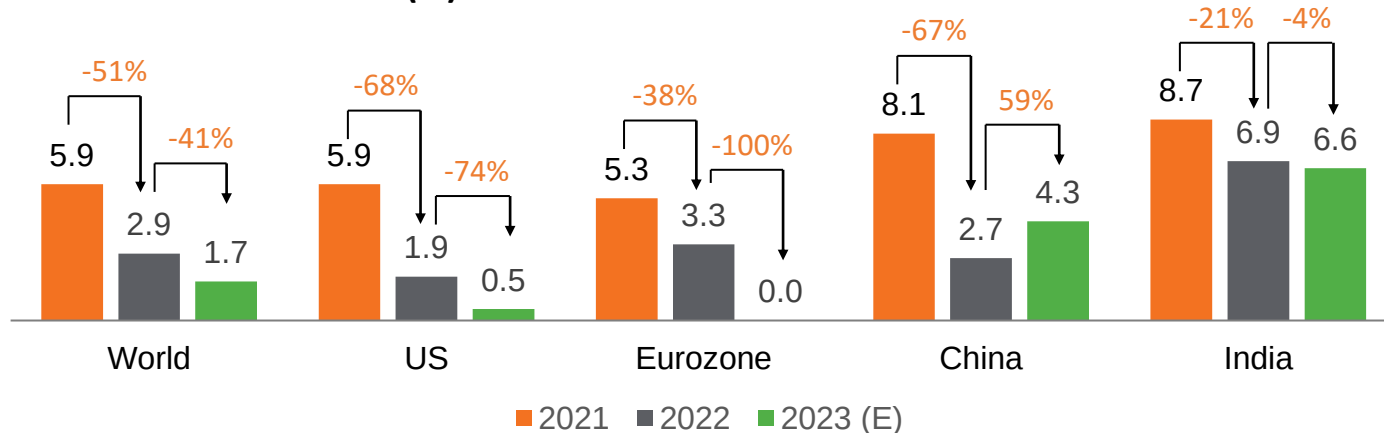
Social Initiatives

3QFY23 Results



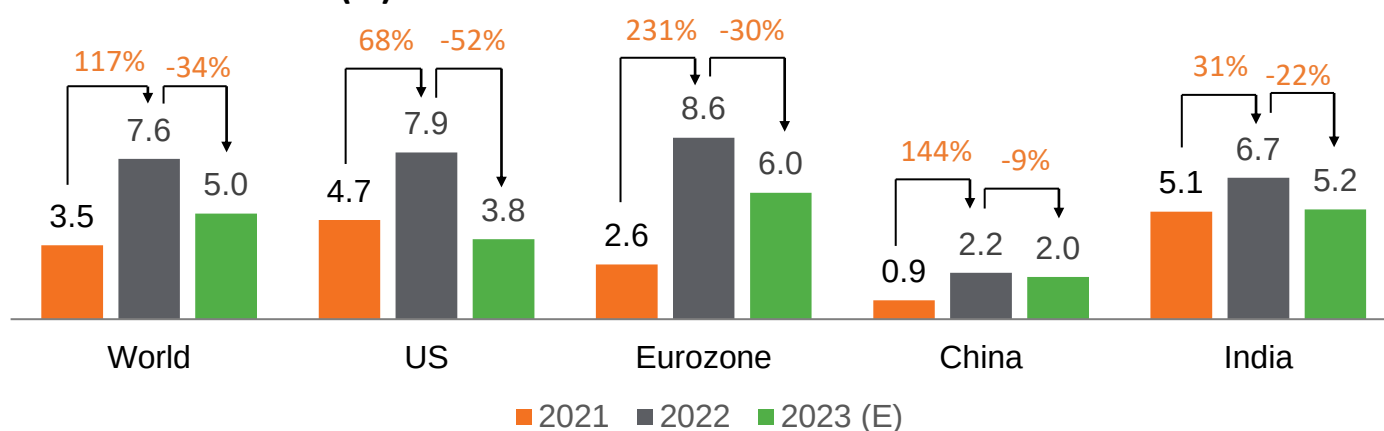
World Economic Outlook

Global GDP Growth Rate (%)



Source: World Bank

Global Inflation Rate (%)



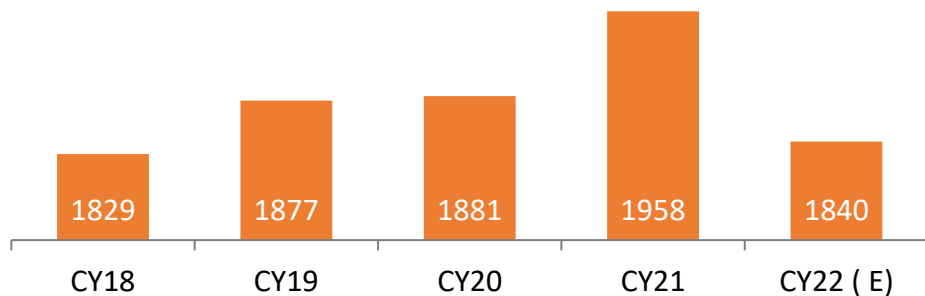
Source: IMF

- Global central banks have increased policy rates to fight inflation
- Ongoing Russia – Ukraine conflict continues to pressurize global demand supply balance
- Concerns remain over recession in the EU and the US
- Global GDP growth forecast for CY23E revised down to 1.7% from 3%
- Correction in India's GDP growth forecast for CY23E is lowest among the large economies
- China's Covid situation likely to peak out in next 2-3 months
- Opening of Chinese economy is positive for commodities

Global Steel Scenario

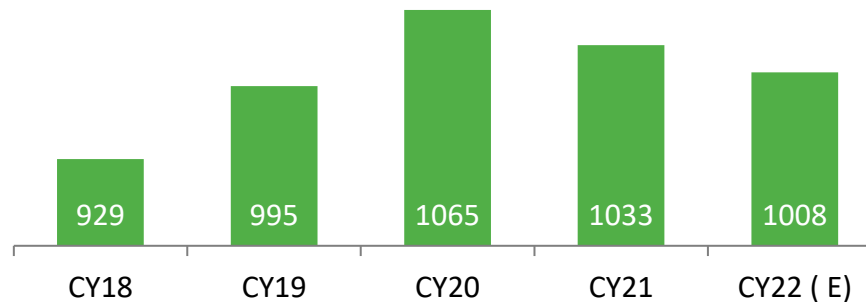
World Steel Production

Fig in Million Tonnes



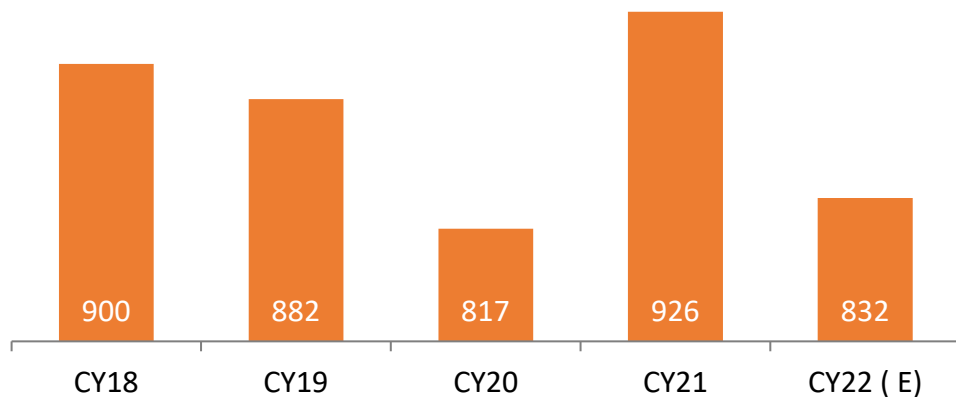
China Steel Production

Fig in Million Tonnes



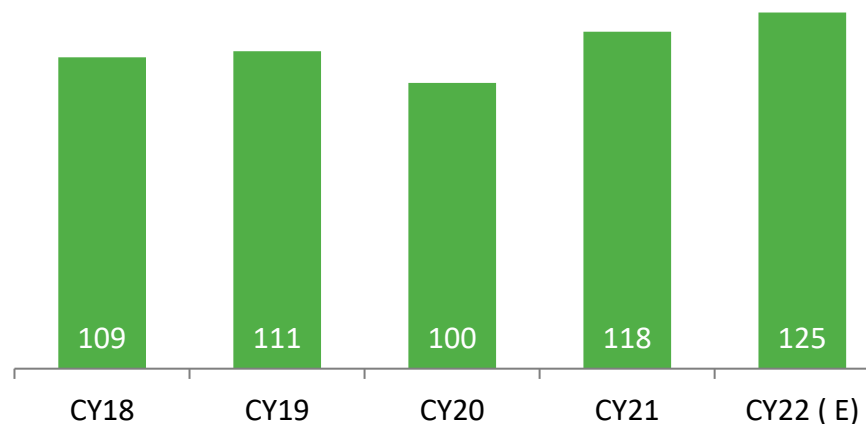
World Ex-China Steel Production

Fig in Million Tonnes



India Steel Production

Fig in Million Tonnes



- Global crude steel production is expected to decline 6% YoY in CY22 driven by a 10% decline in World ex-China production mainly in CIS & EU.
- We expect steel production in China to decline 2.4% YoY in C22.
- While global and Chinese steel production have been declining, Indian steel production has been steadily rising driven by strong domestic consumption

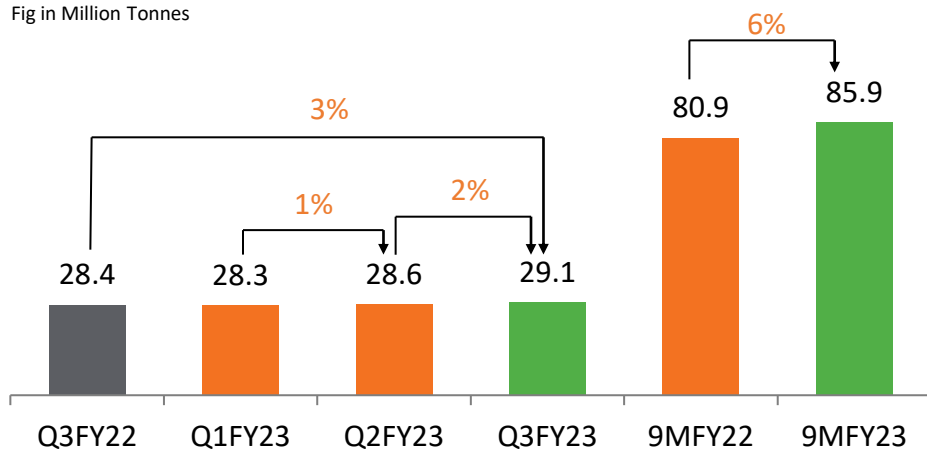
Source: WSA & Internal research

Jindal Steel & Power

India Steel Scenario

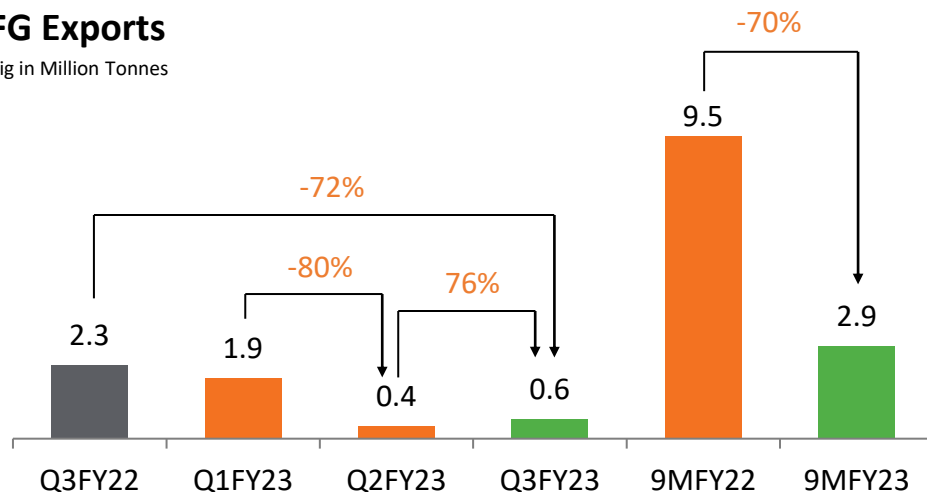
Indian Steel Production

Fig in Million Tonnes



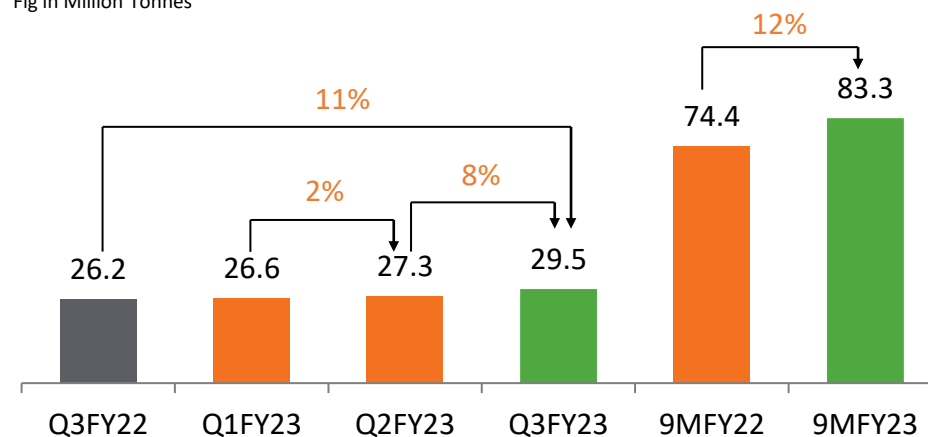
FG Exports

Fig in Million Tonnes



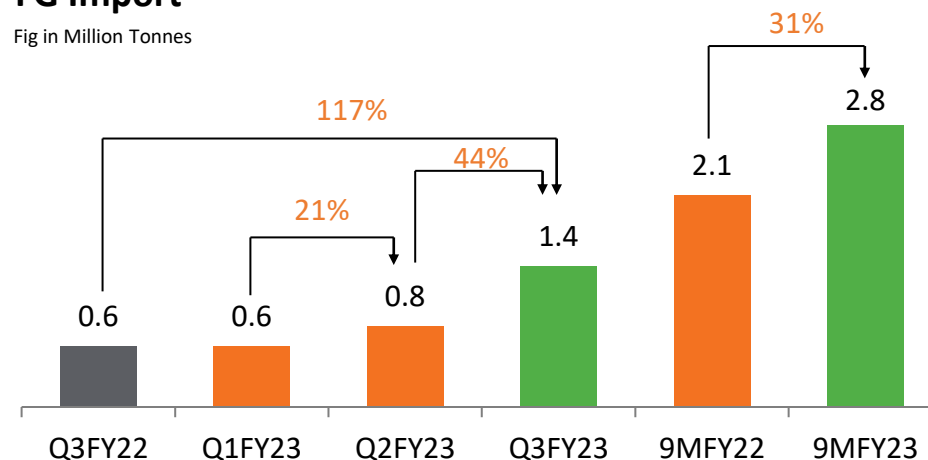
Indian Steel Consumption

Fig in Million Tonnes



FG Import

Fig in Million Tonnes



*Numbers are excluding stainless steel

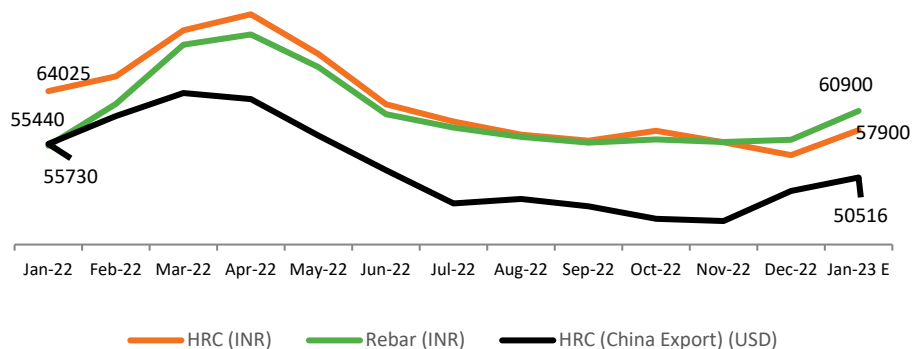
Source: JPC

- Indian steel production grew 3% YoY and 2% QoQ during 3QFY23
- Consumption during the quarter grew at a robust pace of 11% YoY and 8% QoQ
- For 9MFY23, India was a marginal net exporter by 0.1mt due to imposition of export duty compared to 7.4mt net exports in 9MFY22

Key Steel and RM Prices Trend

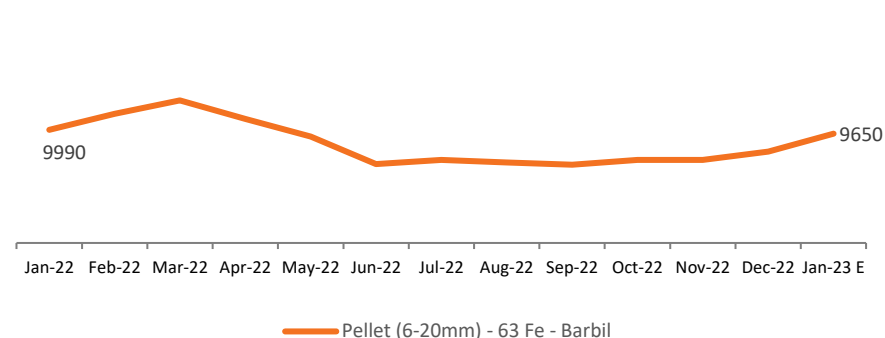
India HRC vs Rebar

Fig in ₹/tonnes



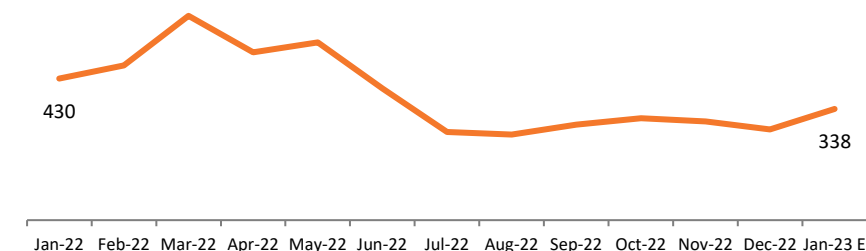
Domestic Pellet prices - up 7% qoq

Fig in ₹/tonnes



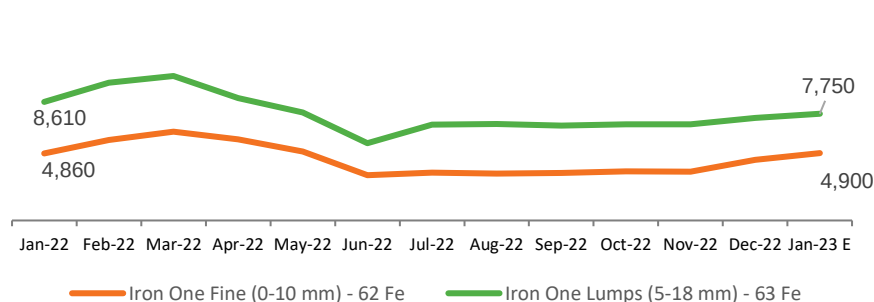
Coking Coal: Premium HCC CFR India up 8% qoq

Fig in USD/tonnes



Iron Ore fines up 11% and lumps up 3% qoq

Fig in ₹/tonnes



- Rising COVID cases in China led to weakness in steel prices in the beginning of 3QFY23
- However, China reopening resulted in uptick in steel demand and consequently prices
- Rebar prices did not correct in line with HRC and bounced sharply and is now trading at a premium to HRC
- JSP being more focused on long steel products benefited from this trend

Source: :Steelmint

Company Snapshot

Macro and Sectoral Update

Business Update

Social Initiatives

3QFY23 Results

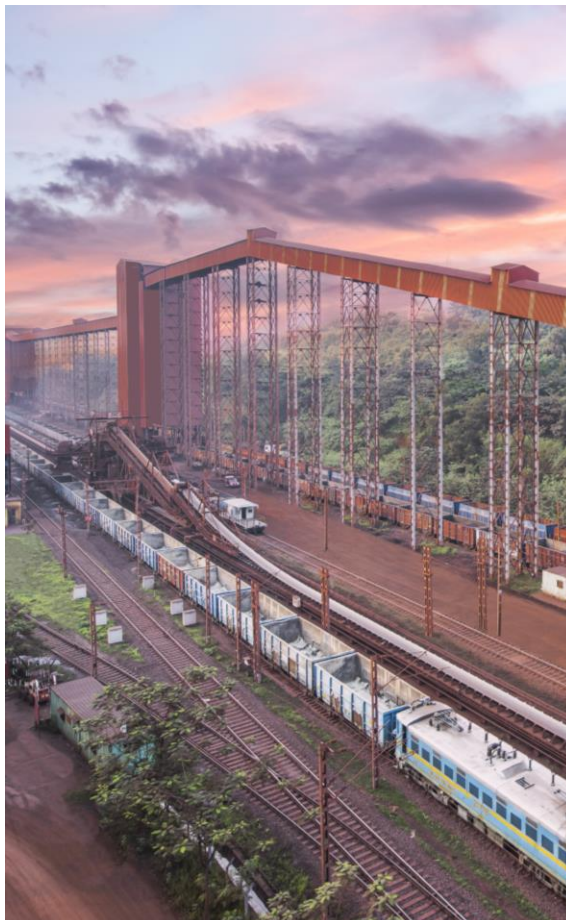


Growth Drivers

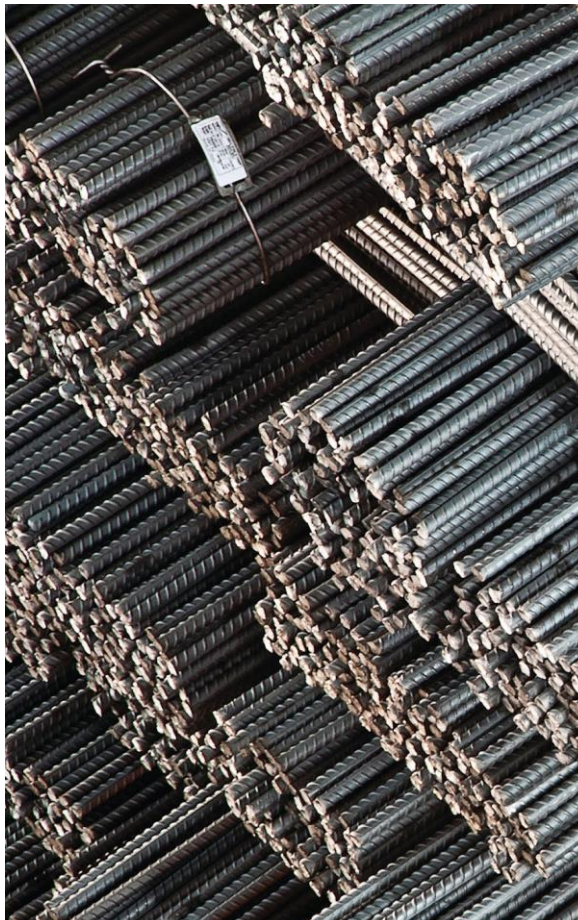
Business Update



Integrated Value Chain



Focused Capacity Expansion



Diversified Products & Customer Partnerships



Strong Balance Sheet

World-class Assets

Mining		Iron Making (10.42 MTPA)	Liquid Steel (9.60 MTPA)	Finished Steel (6.65 MTPA)
Iron-ore: Tensa 3.11 MTPA Kasia 7.5 MTPA	Coal: Utkal-C 3.37 MTPA Utkal-B1 & B2 8 MTPA Gare Palma IV/6 4 MTPA Mozambique 5 MTPA South Africa 1.2 MTPA Australia 1.2 MTPA	Direct Reduce Iron (DRI) 3.12 MTPA	Steel Melting Shop (SMS) 9.60 MTPA	Wire Rod Mill (WRM) 0.60 MTPA
		Blast Furnace (BF) 7.30 MTPA		Rail Mill 0.75 MTPA
				Beam & Structure Mill (BSM) 0.70 MTPA
				Plate Mill 2.20 MTPA
				Bar Rod Mill (BRM) 2.40 MTPA
Raigarh (Chhattisgarh)		Angul (Odisha)	Barbil (Odisha)	Patratu (Jharkhand)
BF 3.05 MTPA DRI 1.32 MTPA SMS 3.6MTPA Plate Mill 1.00 MTPA Rail Mill 0.75 MTPA BSM 0.70 MTPA CPP 824 MW		CGP 225,000 Nm3/Hr BF 4.25 MTPA DRI 1.8 MTPA SMS 6 MTPA BRM 1.4 MTPA Plate Mill 1.2 MTPA CPP 810 MW CPP- 1050 MW#	Pellet Plant 9 MTPA	WRM 0.60 MTPA BRM 1.0 MTPA

■ Power
■ Hot Metal
■ Liquid Steel
■ Finished Steel

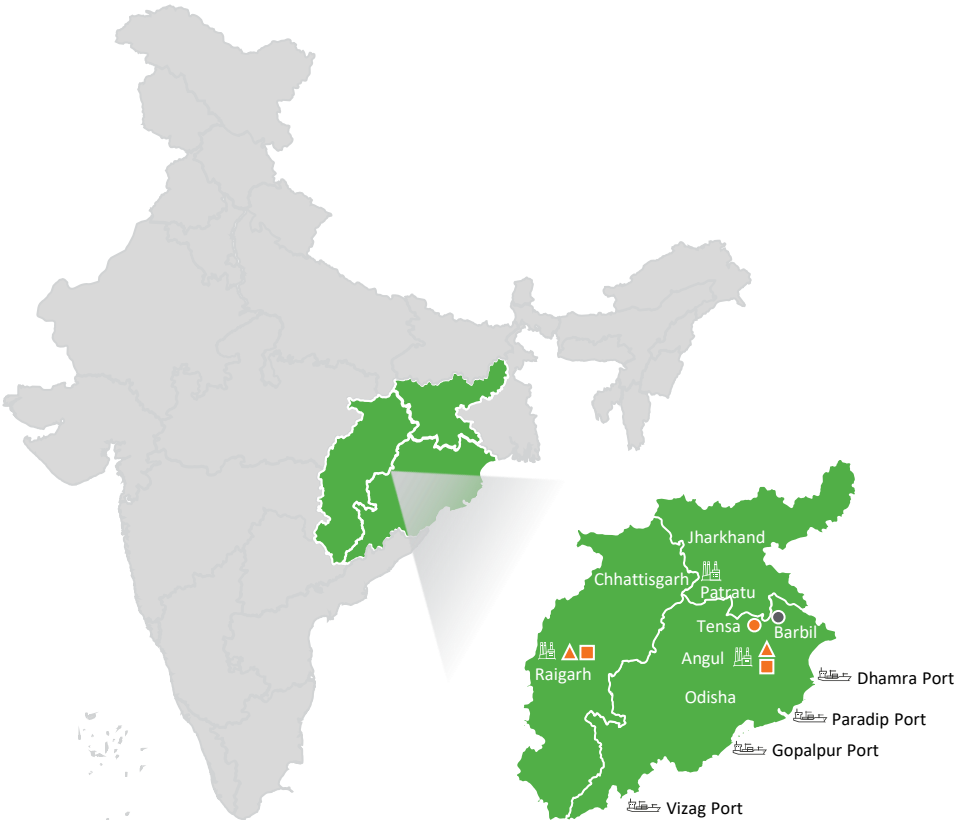
• CMDPA for all three Coal Mines was signed on August 17, 2022

• (#) Acquired 1050MW thermal power plant under construction in slump sale under IBC

Strategically Located Operations

Business Update

Indian Operations



International Operations



GLOBAL IRON ORE ASSETS
Locations
Namibia
South Africa



GLOBAL COAL ASSETS
Locations
Mozambique
Botswana
South Africa
Australia

Global Capacity

10.6 MTPA

Iron Ore

20.4 MTPA

Non- Coking Coal

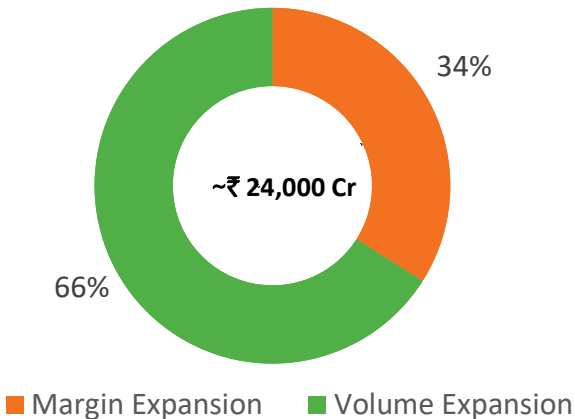
2.4 MTPA

Coking Coal

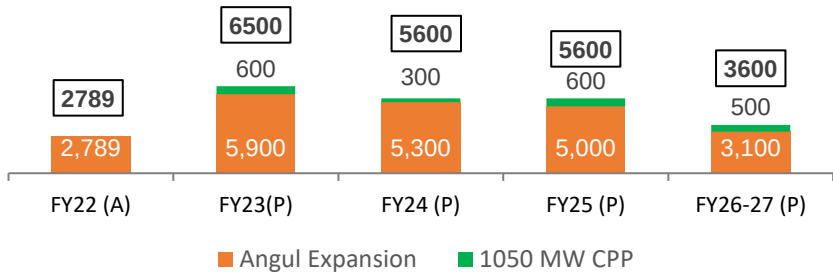
● Pellet plant ● Iron ore mine ■ Thermal Coal Mine ▲ CPP ⚓ Port 🏭 Steel plant

Scaling-up for Market Leadership

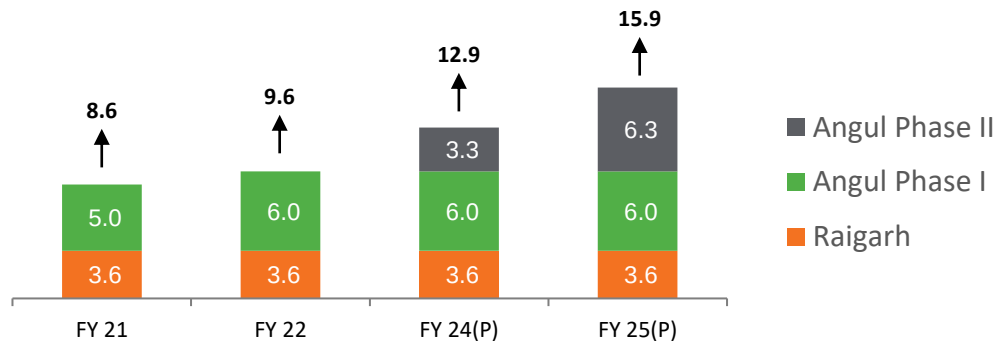
Capex Spend breakup
(₹ in Crs)



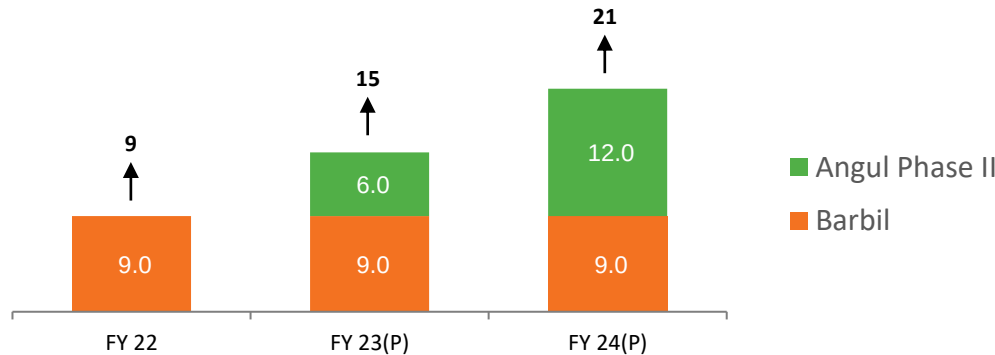
Growth capex - total outlay of ~₹ 24,000 crore through FY 2026-27 (₹ in Crs)



Crude Steel Capacity
(in MTPA)



Pellet Capacity
(in MTPA)



Doubling Capacity at Angul by FY25

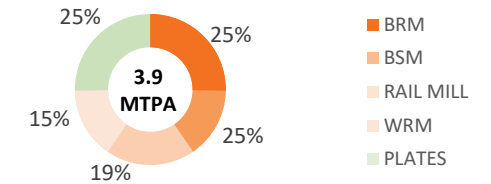
EXPANSION PLANS TO BOOST VOLUMES & EARNINGS

Angul Phase-II : Timeline

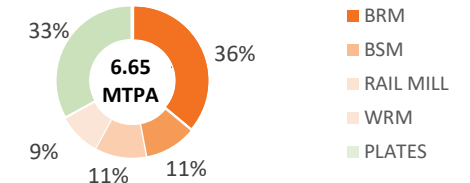
	FY22	FY23	FY24	FY25	Expected COD
Margin Expansion: ₹ 8,100Cr.	Angul Pellet Plant #1: 6MTPA				4QFY23
	HSM Phase #1: 3MTPA				2QFY24
	Angul Pellet Plant #2: 6MTPA				2QFY24
	Slurry Pipeline				2QFY24
Capacity Expansion: ₹ 15,900Cr.	Oxygen plant, Coke oven , RMHS				2QFY24
	HSM Phase #2 Expand to 5.5 MTPA				2QFY24
	Blast Furnace #2: 4.25 MTPA				3QFY24
	Angul BOF #2 : 3.3 MTPA				3QFY24
	CPP:1050 MW *				2QFY25
	Angul EAF #2 : 3 MTPA				4QFY25
	TSCR : 3 MTPA				4QFY25
	DRI #2: 2.7 MTPA				4QFY25

FINISHED STEEL CAPACITY

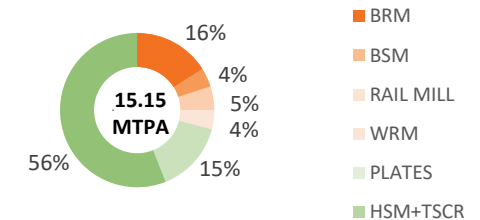
Past (FY11)



Present



Future (FY25)



| DRI- Direct Reduced Iron | BF- Blast Furnace | WRM- Wire rod mill |
 BSM- Beam & structure mill | BRM- Bar rod mill (rebar) | HSM- Hot Strip Mill |
 TSCR – Thin Slab Caster & Rolling |

* Acquired 1050MW thermal power plant under construction in slump sale under IBC.

Innovating to Meet ‘Significant Unmet Needs’ of Customers

Business Update



Initiatives

Smart and innovative construction solution including speed floor, cut & bend rebars, weldmesh, fabricated building and light gauge structures



Special profiles such as triple grouser track shoe



High strength and ultra-high strength plates and rolled structures

Customer group

Construction industry

Excavator and mining equipment

Steel based building and infrastructure project

Result

Faster construction with zero wastage

Import substitution
Sole producer in India

Cost savings of >15%
Steel usage saving of > 20%
30% reduction in carbon footprint

Innovating to Meet ‘Significant Unmet Needs’ of Customers

Business Update



Initiatives

Largest domestic supplier of quenched & tempered plates for applications that withstand severe impact and abrasion



60E1 1175 HT rails suitable for high-speed and high axle load applications



Head hardened grade 1080 HH rails for critical railway application



Rail profile ZU-1-60 as per IRS-T-12 and 60E1A1 as per EN-13674 for asymmetric rails

Customer group

Yellow goods and Construction equipment

High-speed corridors, bullet trains and heavy haul routes of Indian Railways

Baramulla-Udhampur and Sivok-Rangpo rail project

Indian Railways

Result

Import substitution
Value added exports under Make in India

Import substitution
Critical for infrastructure development in India

Import substitution
Critical for infrastructure development in India

Import substitution
Critical for infrastructure development in India

Delighting Customer through Seamless Experience



Retail transformation initiatives undertaken with a focus on end consumers and influencers

‘Mill to Market’ Digital push for improved service delivery and enhanced value creation

Recognition by key customers such as BHEL

41 distributors nationwide with more than 5,000 dealers

Contributing to 'Building the Nation'

Product development for critical and prestigious projects



AIIMS Avantipura
Pulwama, Kashmir
High strength
fabricated structures



AIIMS Bilaspur, HP
High strength fabricated
structures



Chenab Bridge
E410C high strength
steel plates and HH
1080 rail



Kolkata Metro
Head hardened rails for
Joka-Taratola stretch of
Kolkata Metro

Enhancing Brand Equity and Consumer Connect



TVC campaign “Hamesha ke liye” showcases our high product quality

Reach

- **1.6 million** views on **YouTube**
- Significant traction on social media #HameshaKeLiye campaign



Platinum sponsorship of Indian Super League's **Odisha FC**

Reach

130 million viewers



PRO KABADDI

Sponsors of Pro Kabaddi League

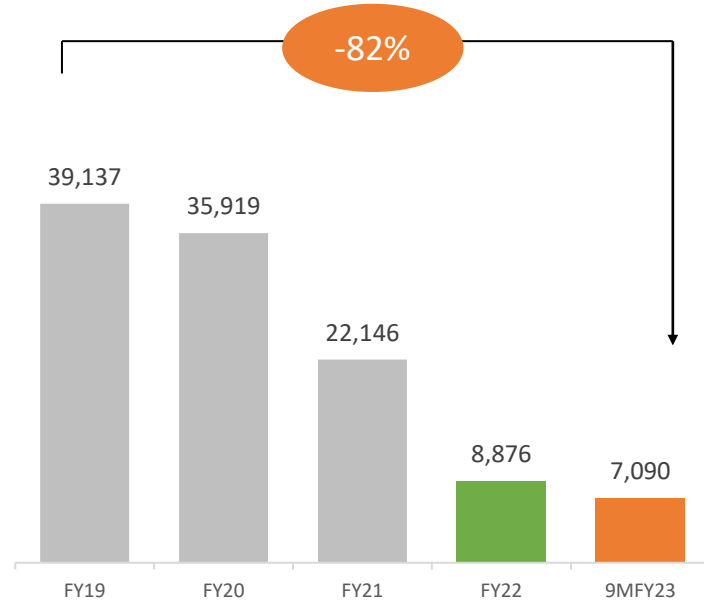
Reach

222 million viewers

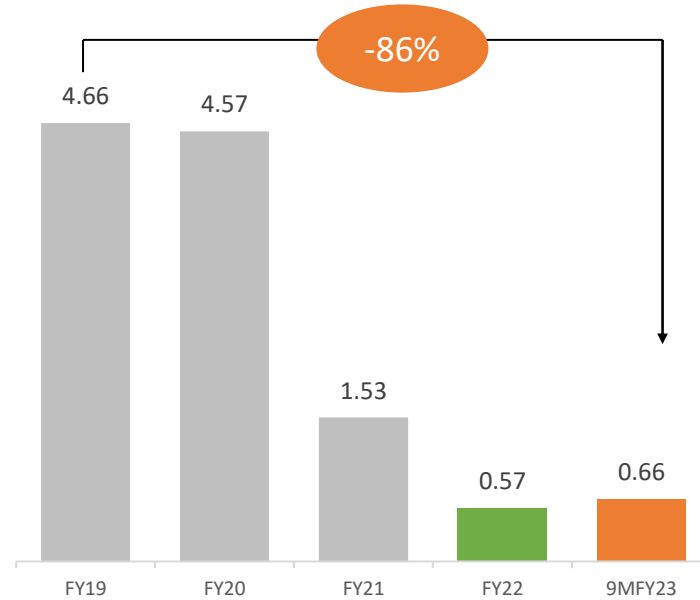
Strengthening Fundamentals to Drive Sustainable Growth

Consolidated Performance

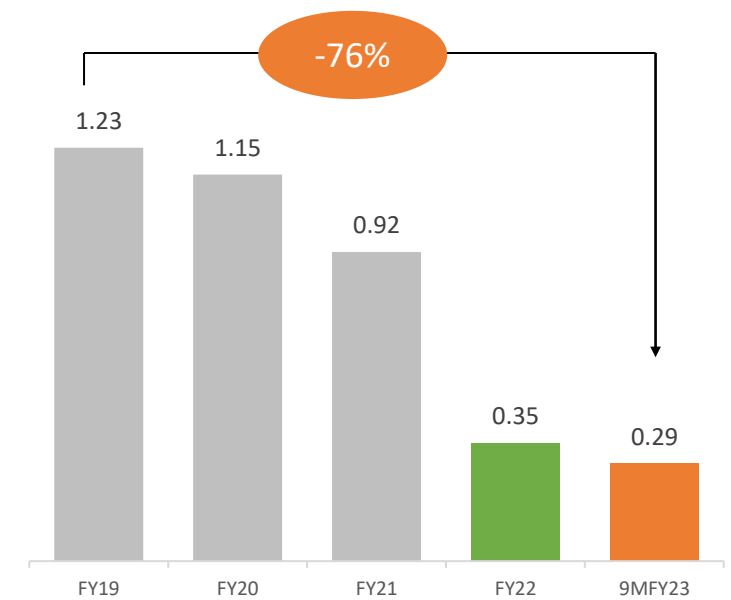
Net Debt (₹ in Crs)



Net Debt/EBITDA (x)



Debt/Equity (x)



Company Snapshot

Macro and Sectoral Update

Business Update

Social Initiatives

3QFY23 Results



Empowering Our Communities



HEALTH & NUTRITION

VATSALYA aims to reduce Infant Mortality Rate and Maternal Mortality Rate

- Benefitted **33,227** women and children in 3QFY23 (5 lakh women & children so far)

KISHORI EXPRESS addresses adolescent anemia among girls

- Benefitted **12,019** adolescent girls in 3QFY23 (2.8 lakh girls so far)



EDUCATION

YASHASVI aims to educate on professional, technical & skill-based courses for women and girls from an underprivileged background

- **5,630** girls and women enrolled in more than 350 educational institutes across 10 states

ASHA: THE HOPE is a program for the rehabilitation and empowerment of children with special needs and differently-abled persons

- Special education for **~5,000+** differently-abled children



SKILL EDUCATION

O.P. JINDAL COMMUNITY COLLEGES are open-access college established at Angul, Punjipathara, and Patratu that impart skills to rural and underprivileged youths in 14 various trades

- Contributed **1.5 lakh+** youths to national skill pool and **2,000+** trainers and assessors

JINDAL LIGHT HOUSE CENTRES empowers and educates young boys and girls in a participative, inclusive, and expressive manner

- **1,000+** youth from rural, semi rural background are imparted customised industry specific skills



RURAL INFRASTRUCTURE

- Construction and renovation of **12+** kms roads in 3QFY23 and **250+** kms road
- Electrification of more than **50** villages so far
- Construction of culverts and major bridges

PROJECT AASHIANA aims to provide financial assistance to homeless people for building houses for their families

- **529** homeless people from 13 Indian states are benefitted



SOCIAL INCLUSION

JINDAL PRAYAS CENTRE OF EXCELLENCE provides state-of-art facility for holistic care and nourishment for

- **200** abandoned and impoverished children

JINDAL SHEOWS ELDERLY CARE AND WELLNESS CENTER center-based nourishment, clothing, physical, spiritual, mental health, and rehabilitation facilities to old age persons

- **450+** senior citizens are provided nourishment care

National Accolades and Recognitions



National CSR Award, by Ministry of Corporate Affairs, GoI (announced in Aug'22)

- CSR in Aspirational Districts/Difficult Terrains in Eastern India
- Contribution in National Priority Areas and support to differently-abled

Best Social Impact Award during COVID-19 by World Sustainability Federation

Best Women Empowerment Initiative by Interview Times

Times Business Award for Sustainable Rural Health Care by Times of India

FICCI CSR Award 2022 for fight against COVID-19

Golden Peacock Award 2022 for Corporate Social Responsibility by Institute of Directors

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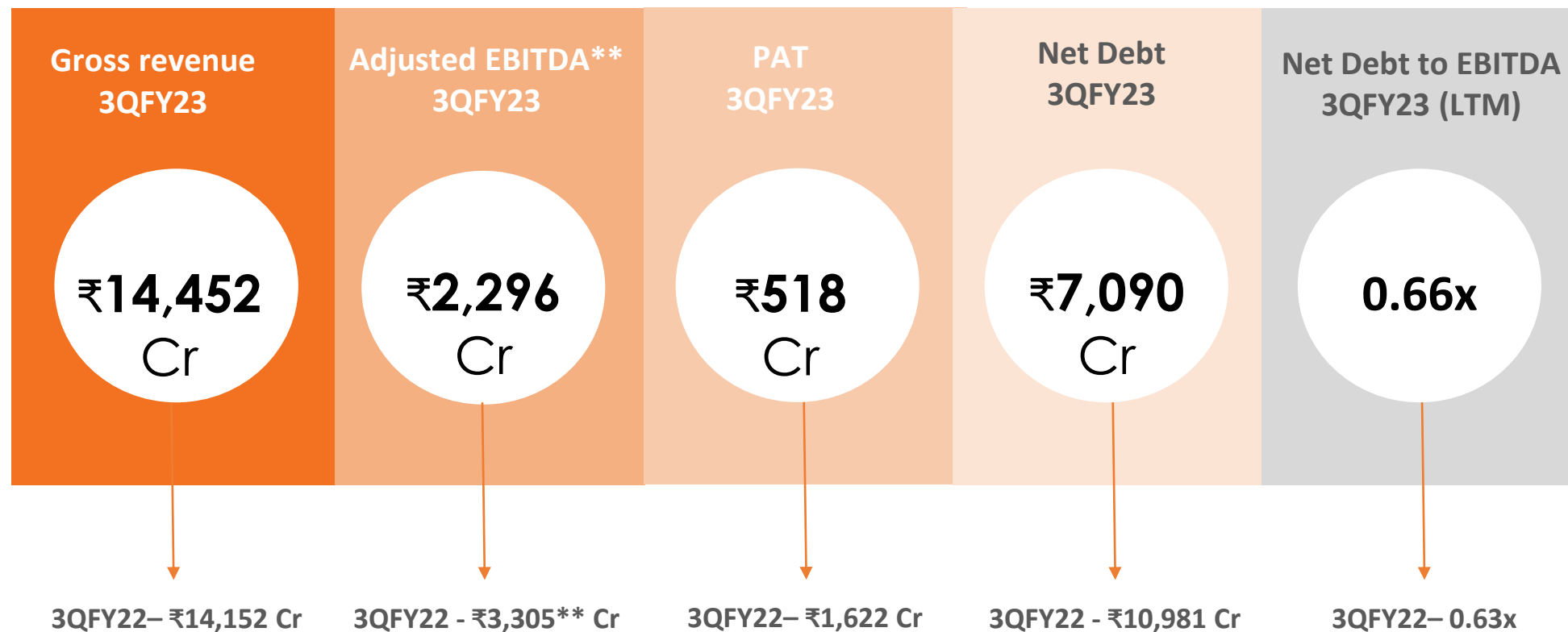
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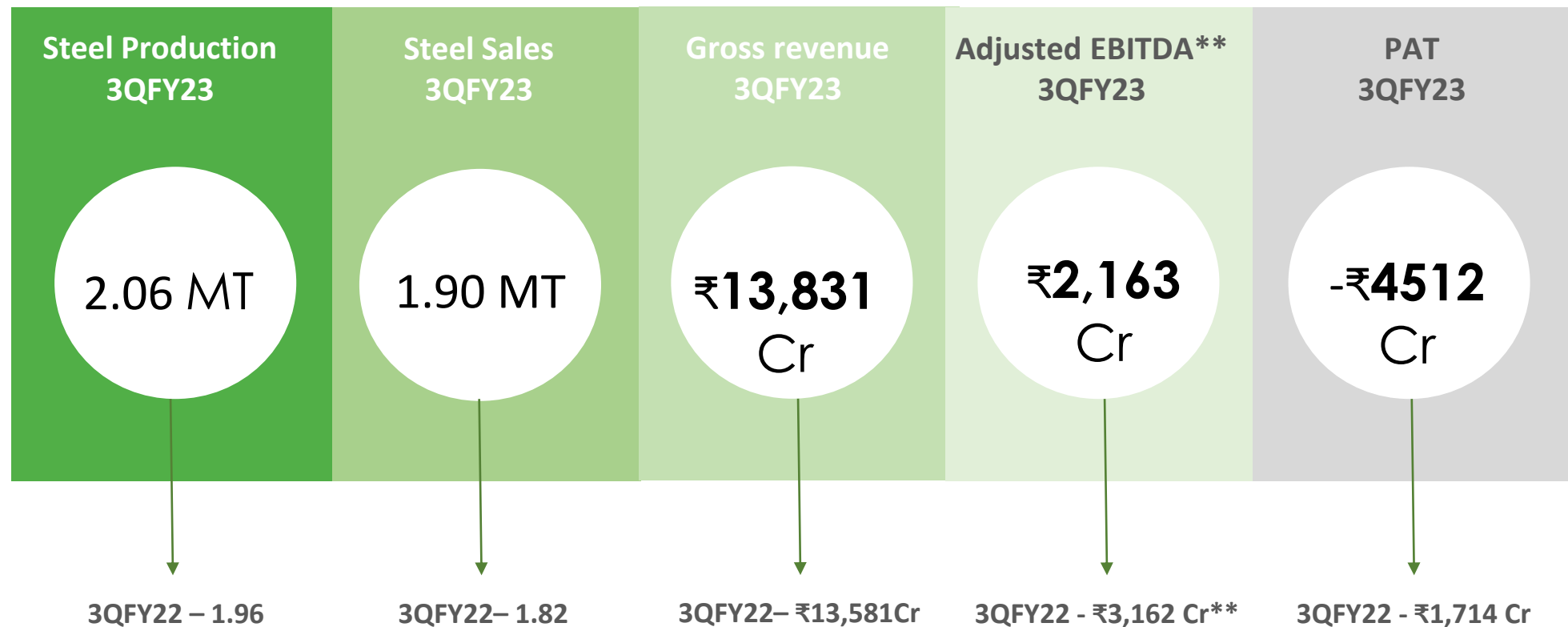


3QFY23 Highlights - Consolidated



** Adjusted for one-off FX gain of INR 82Cr in 3QFY23 & INR 5Cr in 3QFY22

3QFY23 Highlights - Standalone



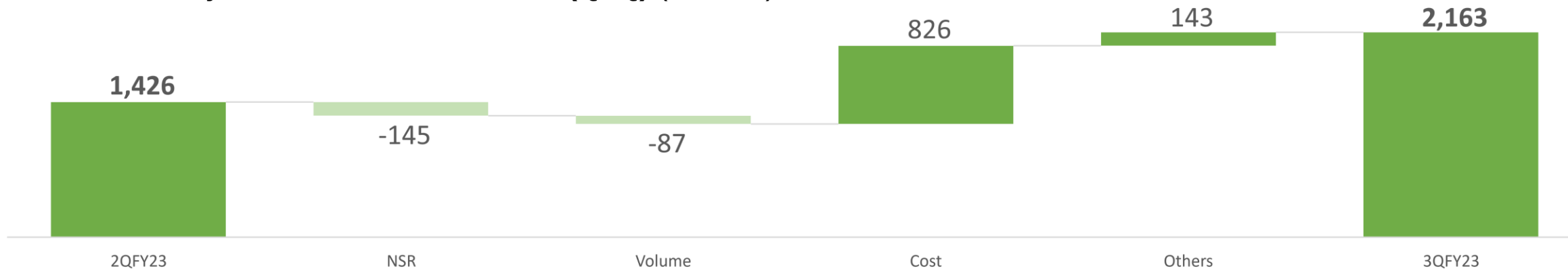
** Adjusted for one-off FX gain of INR 82Cr in 3QFY23 & INR 5Cr in 3QFY22

Net Debt and EBITDA bridge

Consolidated Net Debt Movement (QoQ) (₹ in Crs)



Standalone Adjusted EBITDA Movement (QoQ) (₹ in Crs)



3QFY23 Highlights

Augmenting Captive Power

JSP acquired 1,050 MW under construction thermal power plant under IBC

Asset acquired via slump sale Acquisition cost of ₹ 410 Cr. Additional Capex of ~₹ 1,500 Cr. Reduction in carbon footprint due to lower coal consumption

Improving Productivity

JSP Angul tapped highest ever 54 nos. of heats (13,201 MT) from single BOF in a day on 20th Oct 2022, a world record

JSP broke its own record of 52 heats in a single day

Green Initiative

MoU with Greenko for 1,000 MW carbon-free energy
Potential reduction of approximately 7 million tonnes of CO₂ annually

Capturing ~2,500 TPD carbon at our Angul Plant

Financial Performance - Standalone

3QFY23 Result

Rs Crore	Quarterly performance			YTD performance	
Particulars	3QFY23	2QFY23	3QFY22	9MFY23	9MFY22
Gross Revenue*	13,831	15,118	13,581	43,489	39,605
Net Revenue	11,832	13,107	11,955	37,788	35,601
Adjusted EBITDA**	2,163	1,426	3,162	6,413	12,110
Depreciation + Amortization	544	544	563	1,628	1,682
Finance Cost(net)	343	320	325	921	1,120
PBT (before Exceptional)	1,366	982	2,303	4,882	9,482
Exceptional Gain/(loss)	(7,253)	(1,664)	-	(3,112)	-
PAT (before exceptional)	836	935	1,714	3,843	7,086
Reported PAT /(Loss)	(4,512)	(473)	1,714	1,638	7,086

*Incl. GST (goods and service tax) ** Adjusted for one-off FX gain of INR 82Cr in 3QFY23, INR412Cr in 2QFY23, INR 5Cr in 3QFY22, INR 980 Cr in 9MFY23 & INR 101 Cr in 9MFY22

Financial Performance - Consolidated

3QFY23 Result

Rs Crore	Quarterly performance			YTD performance	
Particulars	3QFY23	2QFY23	3QFY22	9MFY23	9MFY22
Gross Revenue*	14,452	15,534	14,152	44,723	40,752
Net Revenue	12,452	13,521	12,525	39,019	36,746
Adjusted EBITDA**	2,296	1,519	3,305	6,767	12,343
Depreciation + Amortization	608	614	613	1,818	1,825
Finance Cost(net)	346	365	472	1,075	1,514
PBT (before Exceptional)	1,441	953	2,236	4,896	9,152
Exceptional Gain/(loss)	(378)	(898)	-	(1,216)	-
PAT (before exceptional)	897	1,118	1,622	3,717	6,721
Reported PAT /(Loss)	518	219	1,622	2,728	6,721

*Incl. GST (goods and service tax) ** Adjusted for one-off FX gain of INR 82Cr in 3QFY23, INR412Cr in 2QFY23, INR 5Cr in 3QFY22, INR 980 Cr in 9MFY23 & INR 101 Cr in 9MFY22

Well-Positioned to Deliver Value



Stable demand outlook across our diverse product portfolio

Continuously innovating to meet emerging consumer needs with agility

Accelerating our sustainability efforts to achieve carbon neutrality

Strong balance sheet and disciplined capital allocation to deliver growth and value across the commodity cycle

Thank you