

Jindal Steel & Power

Q1FY24 Earnings Presentation
11th Aug 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



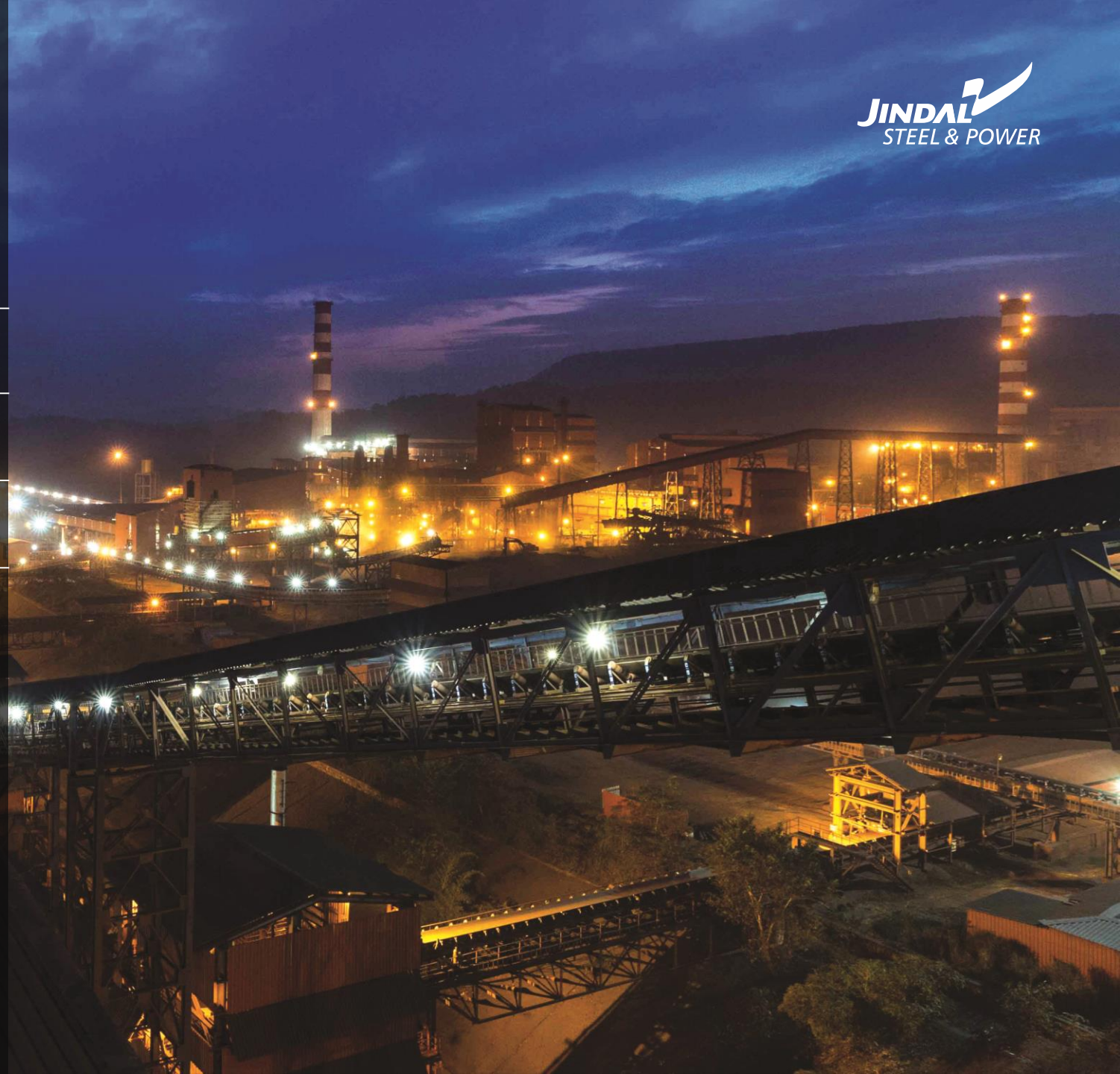
Company Snapshot

Macro and Sectoral Update

Business Update

Social Initiatives

Q1FY24 Results



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 0.75x

Expansion program 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



World-class Assets

Mining	Iron Making	Liquid Steel	Finished Steel
	10.42 MTPA → 16.67 MTPA	9.6 MTPA → 15.9 MTPA	6.7 MTPA → 12.2 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 → 5.12 MTPA Blast Furnace (BF) 7.30 MTPA → 11.55 MTPA	Steel Melting Shop (SMS) 9.60 MTPA → 15.9 MTPA
Plate Mill 2.20 MTPA Bar Rod Mill (BRM) 2.40 MTPA Beam & Structure Mill (BSM) 0.75 MTPA Wire Rod Mill (WRM) 0.60 MTPA Rail Mill 0.75 MTPA Hot Strip Mill 5.5 MTPA			
Raigarh (Chhattisgarh)	Angul (Odisha)	Barbil (Odisha)	Patratu (Jharkhand)
BF 3.05 MTPA DRI 1.32 MTPA SMS 3.6 MTPA 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 → 8.5 MTPA DRI 1.8 MTPA → 3.8 MTPA SMS 6 MTPA → 12.3 MTPA BRM 1.4 MTPA Plate Mill 1.2 MTPA CPP 810 MW CPP 1050 MW# HSM 5.5 MTPA	Pellet Plant 9 MTPA	WRM 0.60 MTPA BRM 1.0 MTPA

■ Power
■ Hot Metal
■ Liquid Steel
■ Finished Steel
■ Expansion

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

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

Company Snapshot

Macro and Sectoral Update

Business Update

Social Initiatives

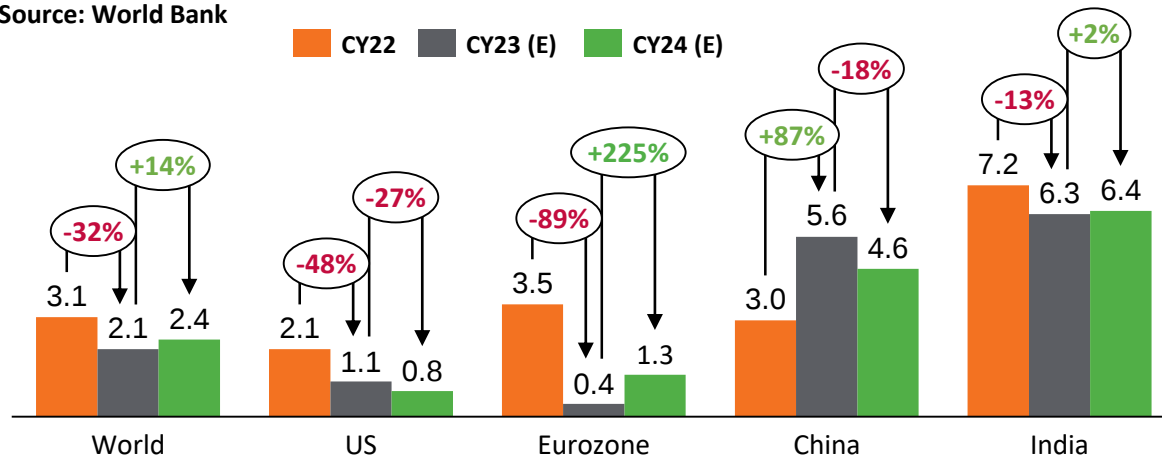
Q1FY24 Results



World Economic Outlook

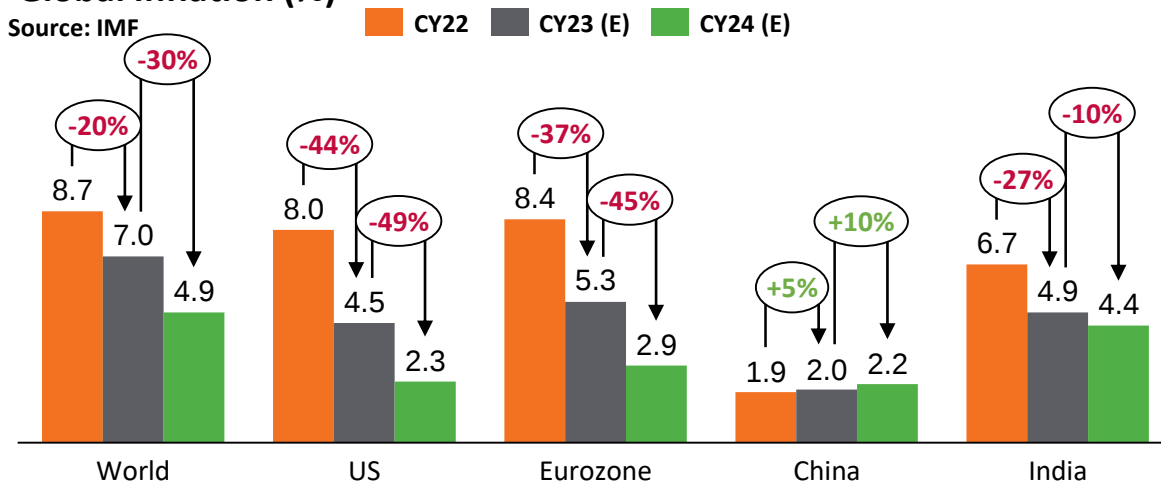
Global GDP Growth Rate (%)

Source: World Bank

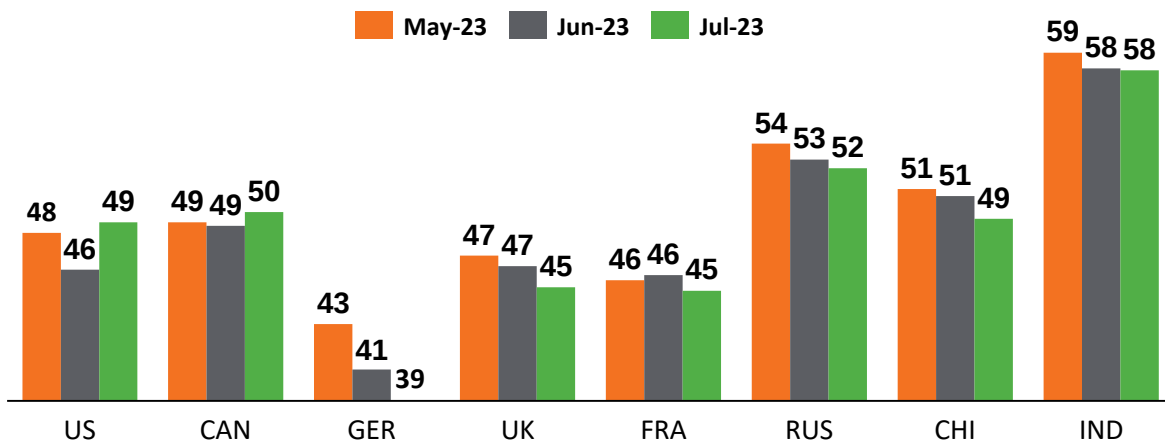


Global Inflation (%)

Source: IMF



S&P Global Manufacturing PMI

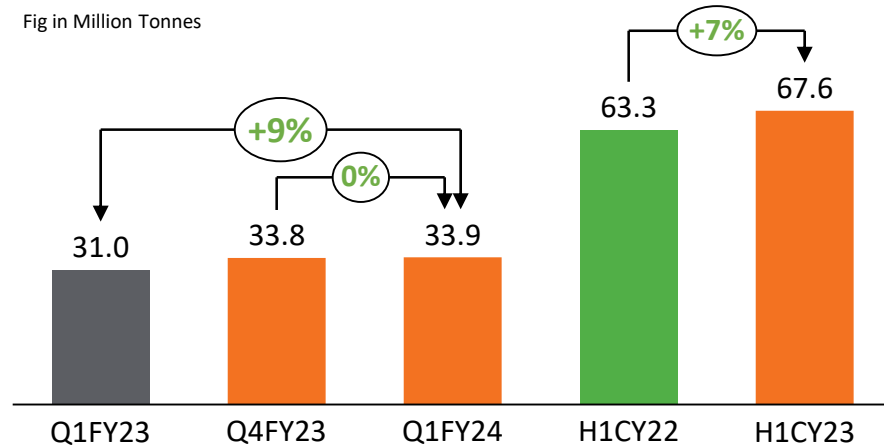


- Recent estimate from World Bank peg India's Real GDP growth rate for CY23 at 6.3%. The projections for CY23 is reduced by 0.3% and that for CY24 is increased by 0.3% vs Jan'23 projections.
- India continues to be the fastest growing economy amongst the large ones
- Inflation has peaked and decelerating globally while policy interest rates remain high as the current inflation rate is still higher than the comfort zone of the Central banks
- The S&P Global India Manufacturing PMI stood at 57.7 for Jul'23 illustrating the 25th straight month of growth in factory activities.
- China PMI has breached the 50 mark indicating slowdown in manufacturing activities.

India Steel Scenario

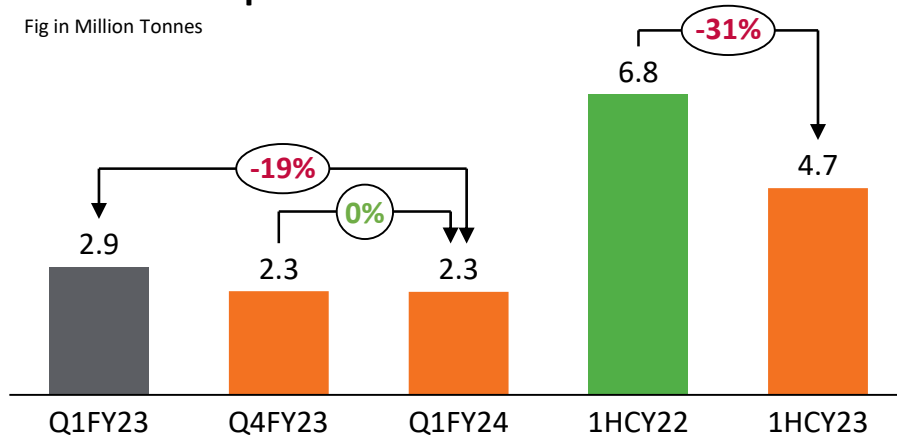
Indian Crude Steel Production

Fig in Million Tonnes



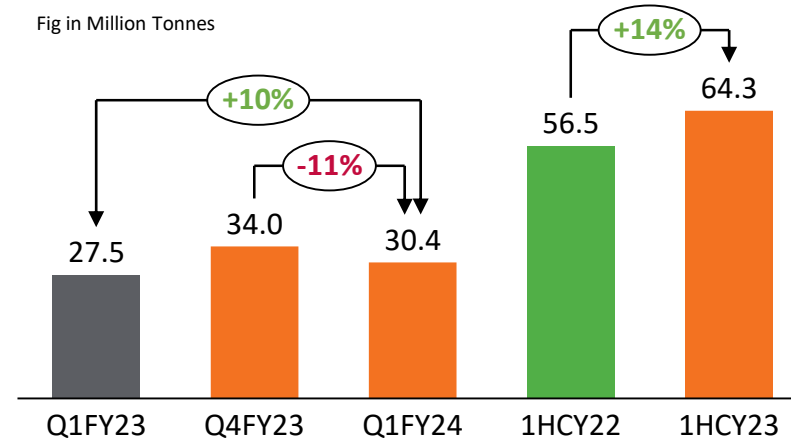
India Steel Exports

Fig in Million Tonnes



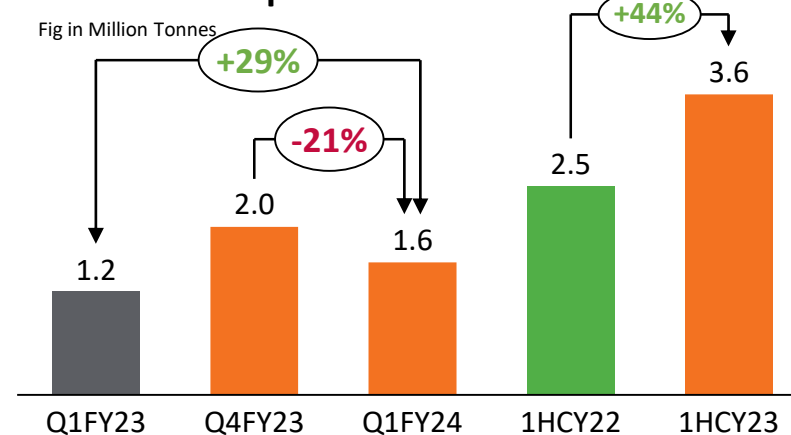
Indian Finished Steel Consumption

Fig in Million Tonnes



India Steel Imports

Fig in Million Tonnes



- Crude Steel production grew 8% YoY in Q1FY24 and 7% in H1CY23 driven by robust domestic demand
- Finished steel consumption grew 9% YoY in Q1FY24 and 14% in H1CY23, but experienced a decline of 11% QoQ which is seasonal
- During H1CY23, exports declined 31% YoY. However, exports remained flattish on a sequential basis during Q1FY24 reflecting weak steel prices globally
- YoY reduction in exports during Q1FY24 was ~0.56mt due to decline of ~0.4mt in semis and ~0.3mt in HRC. This decline was partly offset by ~0.18mt increase in exports of GP/GC. Share of exports to Italy increased from 18% in Q1FY23 to 24% in Q1FY24
- Imports grew 44% YoY during H1CY23. However, imports declined by 21% on a sequential basis in Q1FY24
- Share of imports from China increased from 20% in Q4FY23 to 29% during Q1FY24 reflecting slowdown in demand in China and robust demand scenario in India

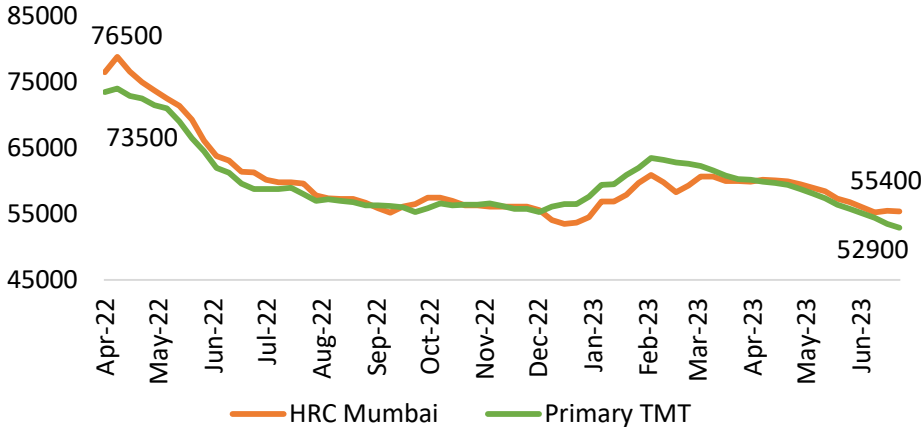
Exports/import data includes semis

Source: JPC

Key Steel and RM Prices Trend

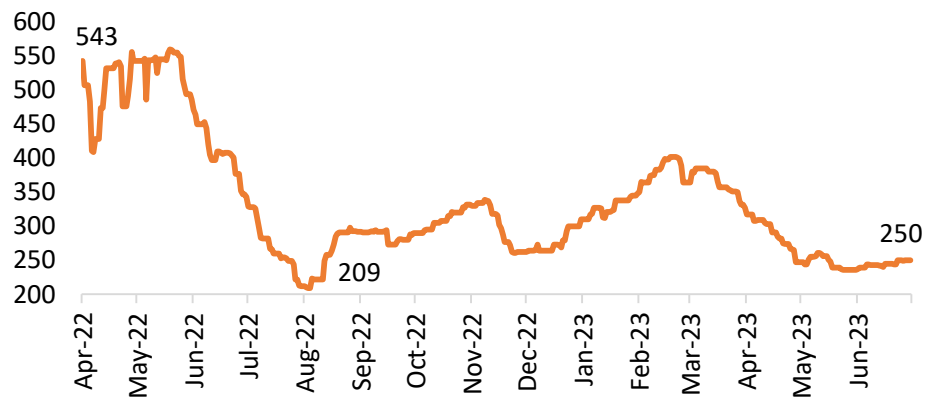
India HRC vs Rebar

Fig in ₹/tonnes



Coking Coal: Premium HCC (Australia origin)

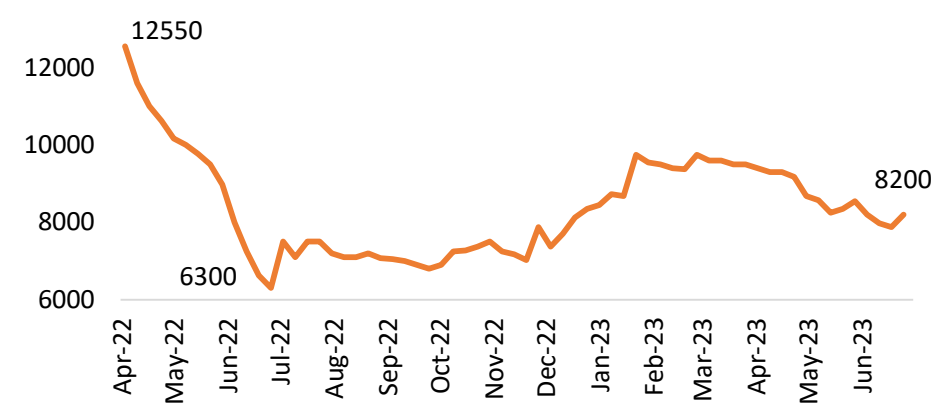
Fig in USD/tonnes



Source: Steelmint

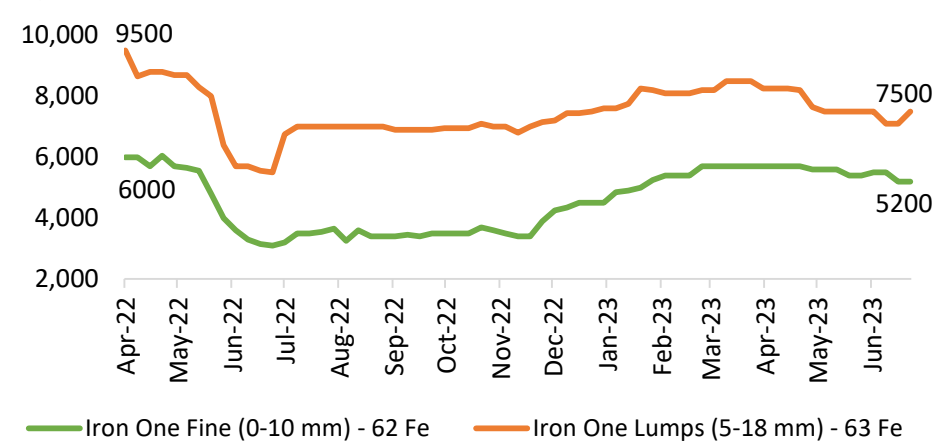
Domestic Pellet prices (Barbil)

Fig in ₹/tonnes



Iron Ore fines and Lumps (Odisha Index)

Fig in ₹/tonnes



- HRC is now trading at a premium to TMT again after trading at discount for around four months from Dec'22 to Mar'23.
- The premium has been widening over the last 3 months and is expected to narrow post monsoon
- Odisha iron ore fines prices have corrected in the recent times are but still at premium to NMDC prices adjusted for grade

Company Snapshot

Macro and Sectoral Update

Business Update

Social Initiatives

Q1FY24 Results



Highlights

Great Place To Work® Certification™

- Recognition to JSP's unwavering commitment to fostering an exceptional workplace environment.
- Reflects the culture of the organization where every employee can thrive, contribute meaningfully, and feel nurtured and inspired.
- Applicable Period: Jul'23 to Jul'24.

Commissioning of Angul Pellet Plant

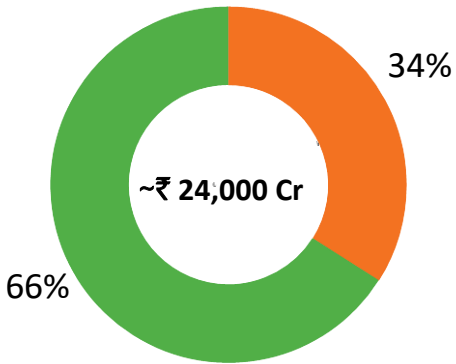
- Jindal Steel Odisha (JSO), a wholly owned subsidiary of JSP, successfully commissioned its state-of-the-art pellet plant at Angul.
- First in a series of units that will be commissioned over the next two years as JSP moves forward to double the steel production capacity at Angul.

Signing of mining lease for Gare Palma IV/6 and Utkal C

- Gare Palma IV/6 has total reserves of 167mt
- Utkal C has total reserves of 127mt
- These are fully explored mines with a total EC of 7.37mt
- Mining to commence in a short span of time

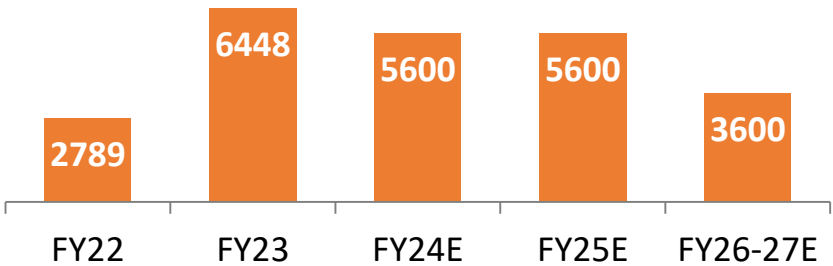
Scaling-up for Market Leadership

Capex Spend breakup
(₹ in Crs)

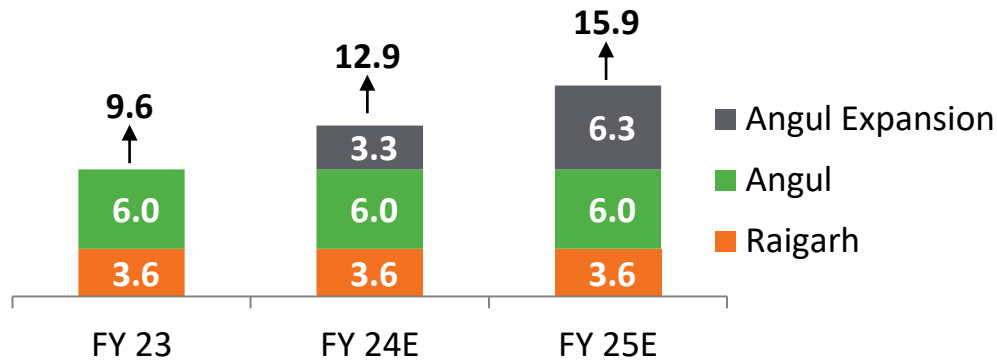


Margin Expansion Volume Expansion

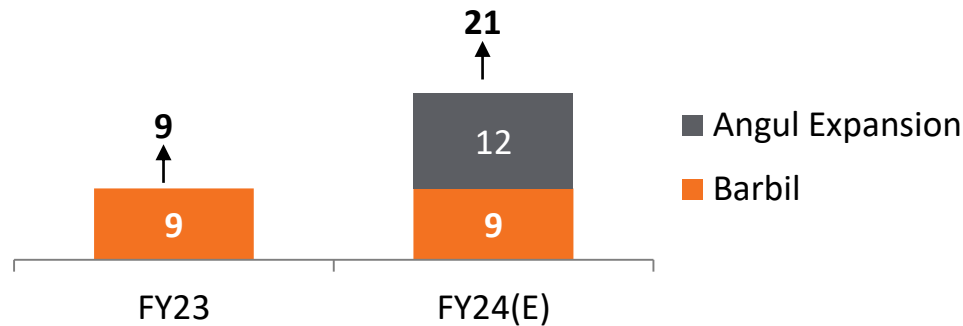
Growth capex - total outlay of ~₹ 24,000 crore through FY 2026-27 (₹ in Crs)



Crude Steel Capacity
(in MTPA)



Pellet Capacity
(in MTPA)



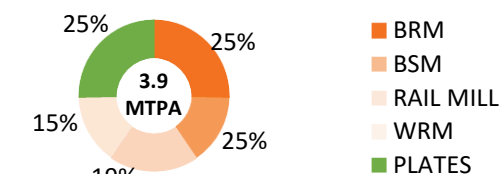
Doubling Capacity at Angul by FY25

Business Update

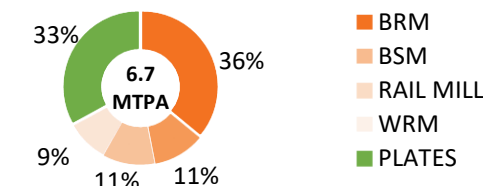
	Projects	Capacity	FY24	FY25	Indicative Timeline
Margin Expansion: ₹ 8,100Cr.	Pellet Plant – I	Commissioned			
	HSM	5.5 MTPA	→		Q3FY24
	Slurry Pipeline	18 MTPA	→		Q1FY25
	Pellet plant – II	6 MTPA	→		Q4FY25
Capacity Expansion: ₹ 15,900Cr.	BOF – II	3.3 MTPA	→		Q2FY25
	ASU, Coke oven, RMHS	-	→		Q2FY25
	BF – II	4.25 MTPA	→		Q2FY25
	ACPP – II	1050 MW	→		Q2FY25
	BOF – III	3 MTPA	→		Q4FY25
	DRI – II	2 MTPA	→		Q4FY25

FINISHED STEEL CAPACITY

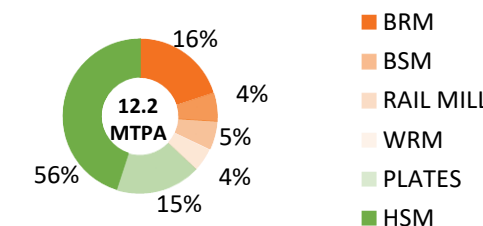
Past (FY11)



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 |

Building the Nation: Product Mix Suited for Growing Infrastructure Demand

Value Added Plates



- Producer of High Strength Plates best suited for bridges and critical infrastructure projects.
- Largest Producer of specialty Q&T Plates for Mining, Earth moving & Hydro applications

Value Added Rails



- JSP is the only Indian Producer of 60E1 1175 HT & Head Hardened 1080 HH rails suitable for high-speed & high axle load application.

Value Added Structure



- Widest range of rolled Structural steel sections
- Largest single location capacity to manufacture of complex Fabricated Steel Structures

Rebars



- JSP is the first producer of superior Fe 550 D grade Rebars in the Country.
- Cut & bend Solutions



Retail Transformation: Leveraging Retail to Decouple from Market Volatilities

Retail Distribution Network

Pilot Influencer Loyalty programme “Nirmaan”
Launched to create Pull based Retail

Influencers Enrolled 2460 +

Panther Rebar is the preferred Brand for Quality Construction

Celebrating 10 Years of Panther

Extensive PAN India network of Dealers & Distributors

48+ Distributors
3600+ Active Dealer

Extensive PAN India network of Dealers & Distributors

48+ Distributors
3600+ Active Dealer



Proud Supplier to Iconic Projects



Central Vista Project



Bogibeel Bridge , Assam



Pradhan Matri Sanghralaya, New Delhi

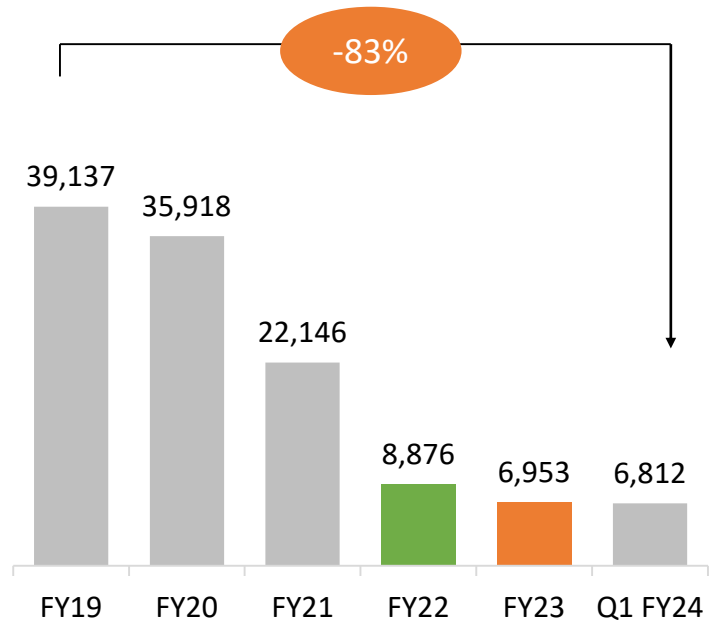


Pragati Maidan Convention Centre

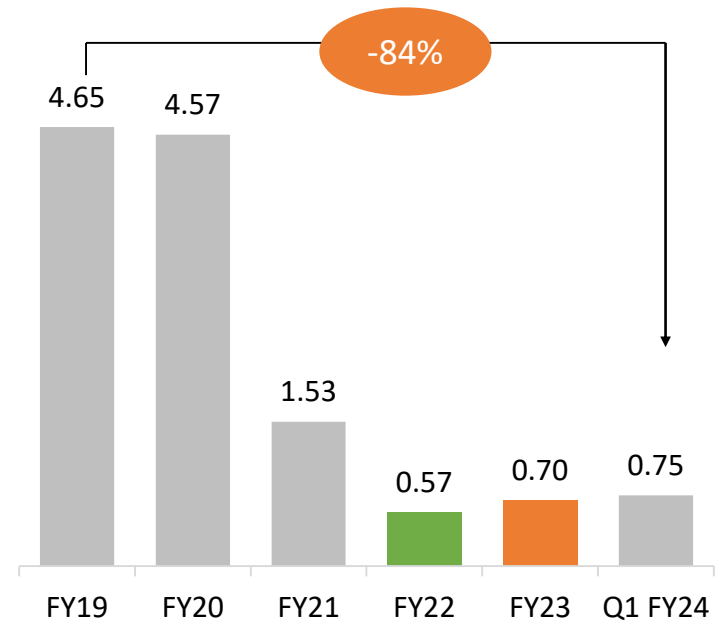
Strengthening Fundamentals to Drive Sustainable Growth

Consolidated Performance

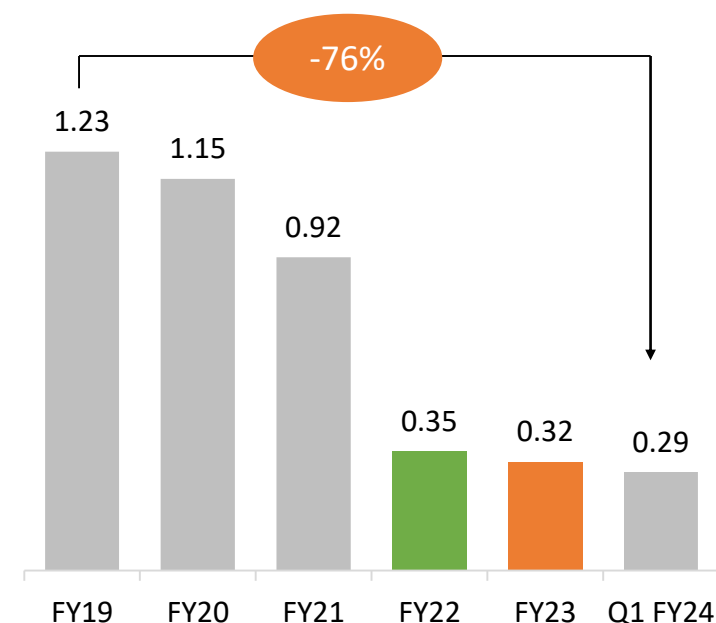
Net Debt (₹ in Crs)



Net Debt/EBITDA (x)



Debt/Equity (x)



Business Update

Company Snapshot

Macro and Sectoral Update

Business Update

Social Initiatives

Q1FY24 Results



Empowering our Communities



HEALTH & NUTRITION

VATSALYA aims to reduce Infant Mortality Rate and Maternal Mortality Rate. Benefitted **15170** women in Q1 of FY 2023-24. 5.15 lakh+ women & children benefitted so far.

KISHORI EXPRESS addresses adolescent anemia among adolescent girls. Benefitted **10375** adolescent girls in Q1 FY 2023-24. (5.3 lakh+ girls benefitted so far).

PM'S TB MUKT BHARAT
Under Ni-Kshay Poshan Yojna of NTEP **2416** TB patients in Q1. **5500+** TB patients are continuously supported with monthly nutrition

Construction of 100 bedded multispecialty hospital in Angul and 19 bedded hospital in Barbil is functioning

Under Jindal Arogyam Seva more than 6000 under privileged people have received super-speciality facility free.



EDUCATION

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

- **5630** girls and women enrolled in more than 350 educational institutes across 10 states. 1730 girls are now placed in jobs.

OP JINDAL UNIVERSITY and Sohar University signed MoU for academic partnership. OPJU featured NIRF innovation ranking by Ministry of Education, Govt. of India. Highest star ranking in IIC by AICTE for the year 2023

ASHA THE HOPE is a program for the rehabilitation and empowerment of children with special needs and differently-abled persons. **100 children** enrolled in Q1 of FY 2023-24

- Special education for **5739** differently-abled children
- Construction of the Jindal Asha Complex started in Raigarh to rehabilitate children with special needs



SKILL EDUCATION

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

- 72% students got placed & 108 TOT created in Q1 of FY 2023-24. Contributed **1.51 lakh+** youths to national skill pool and **2158+** trainers and assessors

LIGHTHOUSE empowers and educates young boys and girls in a participative, inclusive, and expressive manner

- **1000+** youth from rural, semi-rural background are imparted industry, market and employability-specific skills



SPORTS

GRASSROOT HOCKEY

A mega event for the promotion of Grassroots Hockey where 5000 budding tribal hockey players participated and provided with hockey kits in Rourkela, Odisha. Hon'ble CM, Odisha inaugurated the event and profusely thanked JSP and Hon'ble Chairman.

3 Wushu player participated in the International Wushu Championships in Moscow, Brazil and Thailand and bagged Gold & Silver Medal for India.

PROJECT AASHIANA
529 homeless people from 13 Indian states are given financial assistance to build their own homes under project AASHIANA.



SOCIAL INCLUSION

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

- **400+** abandoned and impoverished children in Q1 of 2023-24

JINDAL ELDERLY CARE AND WELLNESS CENTER at Gadamuketswar in U.P.

Centre-based nourishment, clothing, physical, spiritual, mental health, and rehabilitation facilities to old age persons

- **500+** senior citizens are provided nourishment care in Q1 of FY 2023-24

NUTRITION SUPPORT TO DESTITUTE AND ABANDONED CHILDREN, WOMEN AND ELDERLY UNDER MISSION ZERO HUNGER

- **1787341** underprivileged people supported with hot cooked food in Puri Ratha Yatra, Devbhoomi Temple, Angul and other project locations in Q1 of 2023-24.
- In Puri Rath Yatra 10.55 lakh needy people were served with hot cooked meals in 12 days.

Awards & 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

FICCI CSR Award 2022 for the fight against COVID-19

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

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

CSR Journal Excellence Award 2022, for "Education & Skill Development: Special Education Programme, "Asha The Hope".

Odisha CSR Excellence Award 2022 by Odisha CSR Forum

Company Snapshot

Macro and Sectoral Update

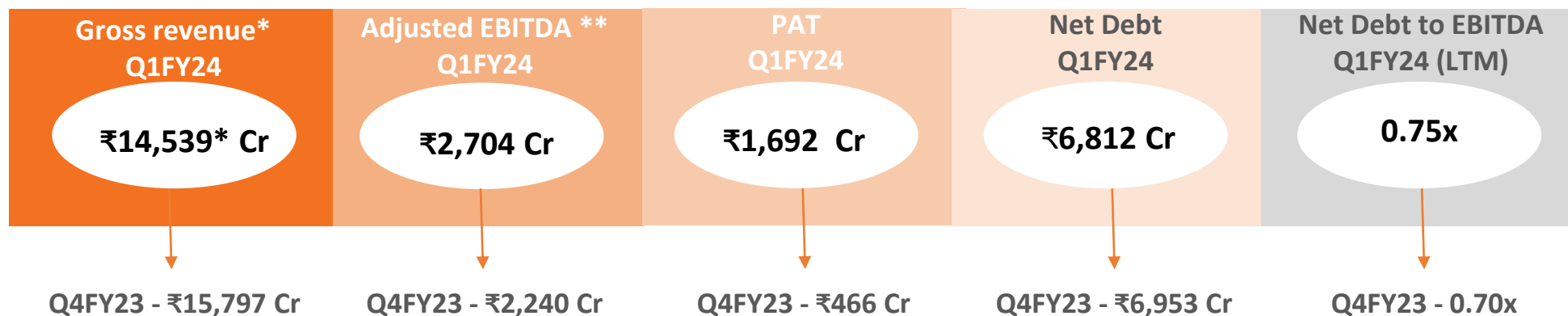
Business Update

Social Initiatives

Q1FY24 Results



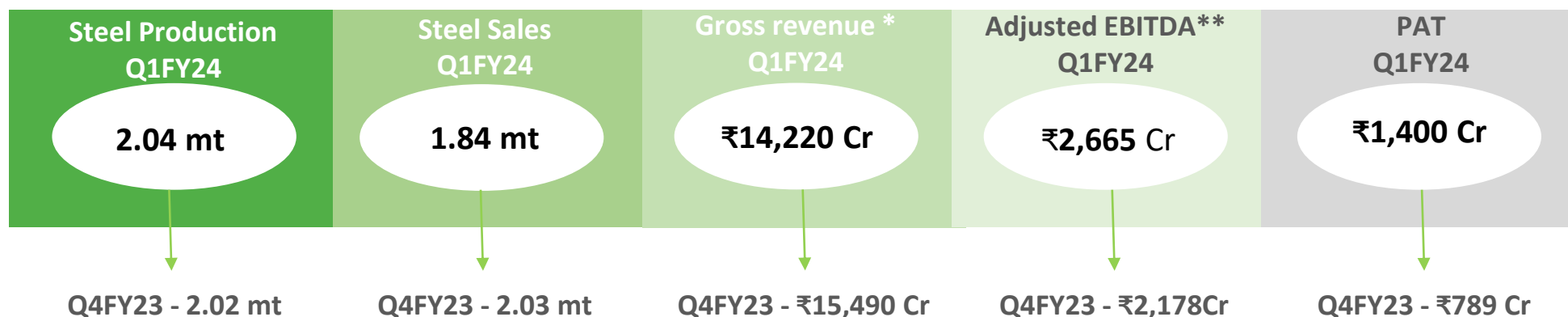
Q1FY24 Highlights - Consolidated



*Incl. GST (goods and service tax) and Other income

** Adjusted for one-off FX loss of INR in 76 Cr in Q1FY24 and INR 53 Cr in Q4FY23

Q1FY24 Highlights - Standalone



* Incl. GST (goods and service tax) and Other income

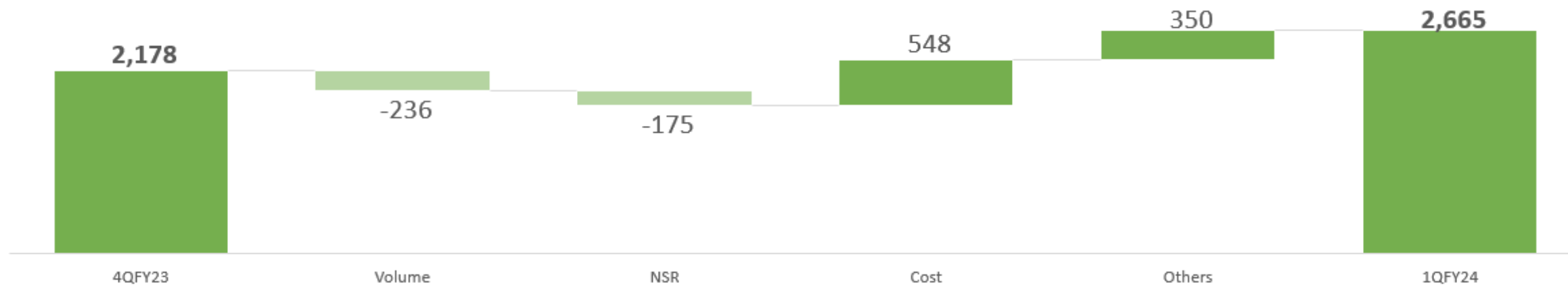
** Adjusted for one-off FX loss of INR in 12 Cr in Q1FY24 and INR 38 Cr in Q4FY23

Net Debt and EBITDA bridge

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



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



Financial Performance - Standalone

Q1FY24 Result

Rs Crore	Quarterly performance		
Particulars	Q1FY24	Q4FY23	Q1FY23
Gross Revenue*	14,220	15,490	14,561
Net Revenue	12,325	13,403	12,869
Adjusted EBITDA**	2,665	2,178	2,796
Depreciation + Amortization	540	538	540
Finance Cost (net)	258	365	258
PBT (before Exceptional)	1,870	1,248	2,534
Exceptional Gain/(loss)	-	(146)	5,805
Reported PAT /(Loss)	1,400	789	6,623

* Incl. GST (goods and service tax) and Other income

** Adjusted for one-off FX loss of INR 12 Cr in Q1FY24; INR 38 Cr in Q4FY23 and FX Gain of INR 516 Cr in Q1FY23

Financial Performance - Consolidated

Q1FY24 Result

Rs Crore	Quarterly performance		
Particulars	Q1FY24	Q4FY23	Q1FY23
Gross Revenue*	14,539	15,797	14,762
Net Revenue	12,644	13,708	13,069
Adjusted EBITDA**	2,704	2,240	3,241
Depreciation + Amortization	588	873	596
Finance Cost (net)	329	371	364
PBT (before Exceptional)	1,767	959	2,502
Exceptional Gain/(loss)	-	(153)	61
Reported PAT /(Loss)	1,692	466	1,990

* Incl. GST (goods and service tax) and Other income

** Adjusted for one-off FX loss of INR in 76 Cr in Q1FY24; INR 53 Cr in Q4FY23 and FX Gain of INR 198 Cr in Q1FY23

Thank you