



Q2 FY'20

Industry Update &
Key Performance Highlights

5th November, 2019

SAMPLE TIP

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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.

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PRESENTATION OUTLINE

Q2 FY'20

HIGHLIGHTS

INDUSTRY UPDATE

COMPANY UPDATE

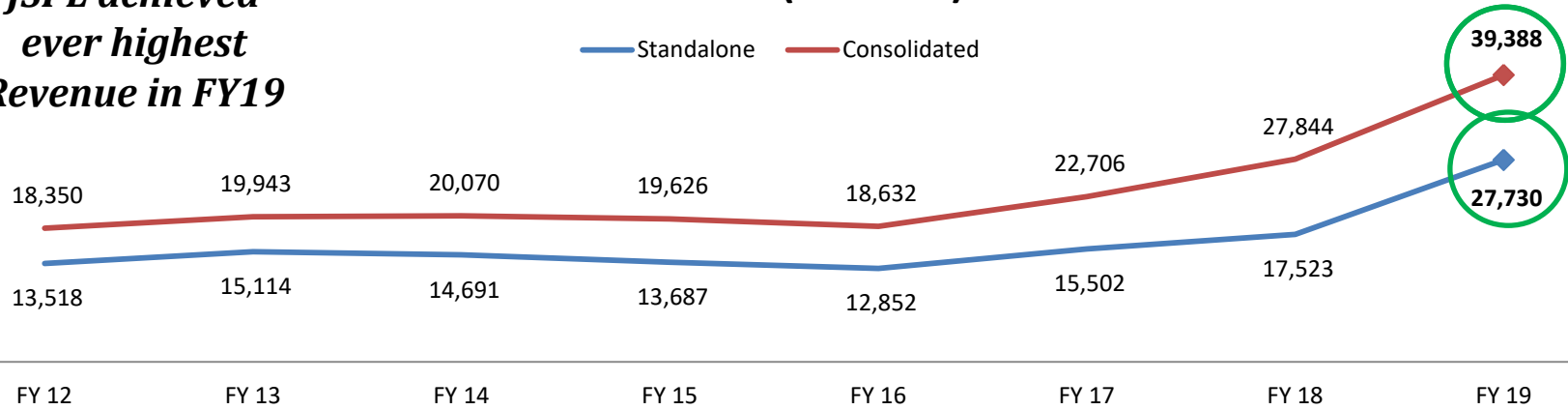


HIGHLIGHTS

JSPL achieved ever highest Revenue in FY19

REVENUE (Rs. In Cr)

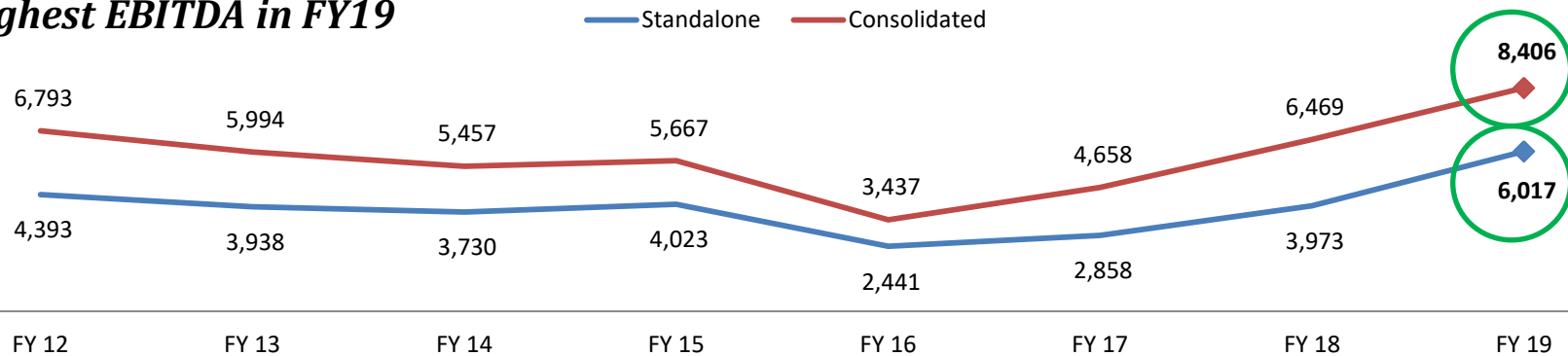
(Figures in Rs. Crores)



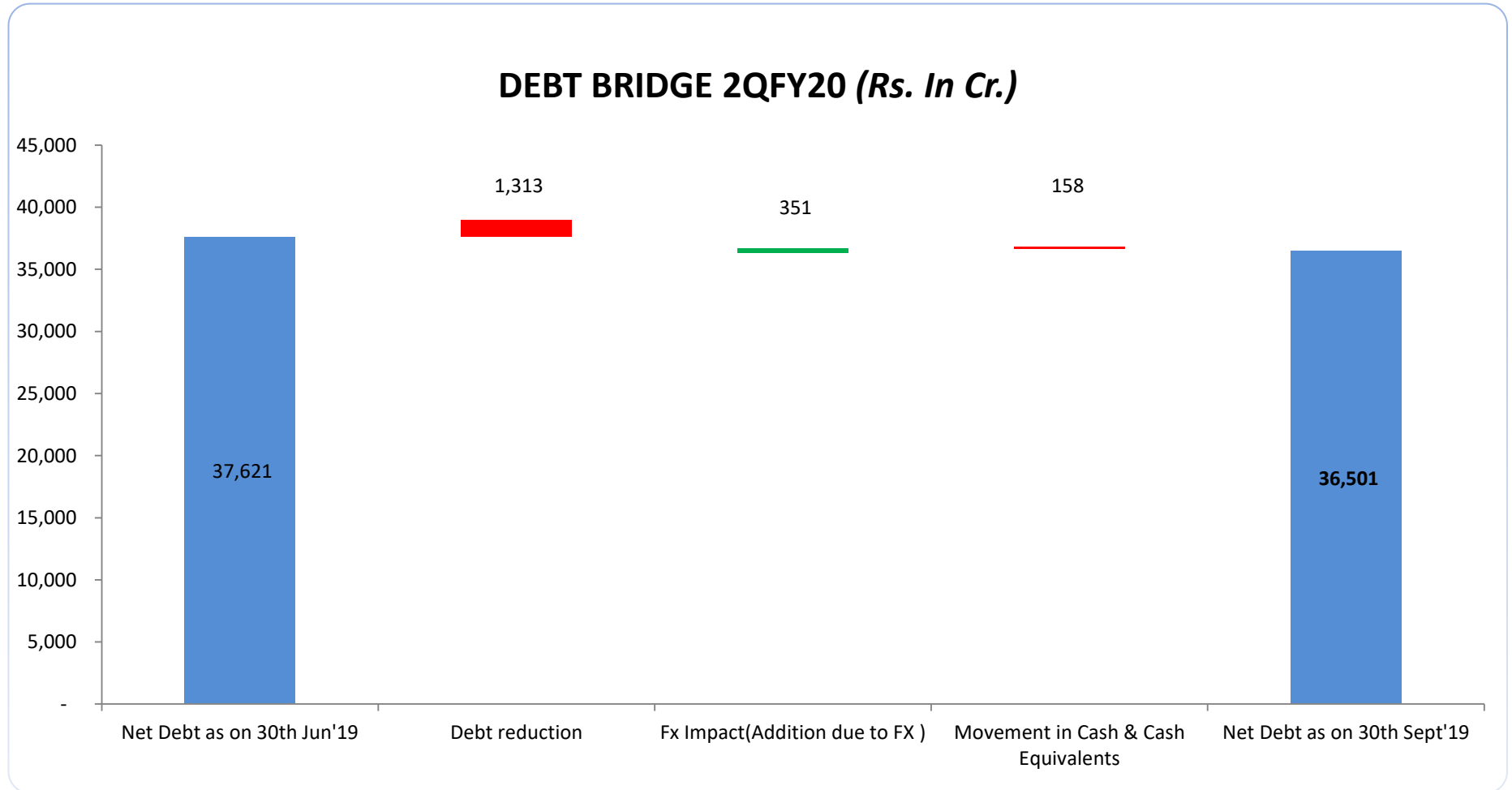
JSPL achieved ever highest EBITDA in FY19

EBIDTA (Rs. In Cr)

(Figures in Rs. Crores)



JSPL CONSOLIDATED DEBT BRIDGE QoQ



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INDUSTRY UPDATE

Challenging Market Condition

- **Weak Steel Demand** amid softer Macro Economic condition
- **Liquidity issues** in domestic market.

Disciplined Response

- **Every Penny Counts**, Almost Nil Capex
- **Cost Saving** initiative continue to be thrust area
- Focus on **Value added Sales & EBITDA maximization**

Customer & Market Focus

- **“Customer Delight” Key Theme**
- **On Time Delivery and On Time In Full (OTIF) focus**
- **Higher Sales of Branded Product**

Capacity Utilization

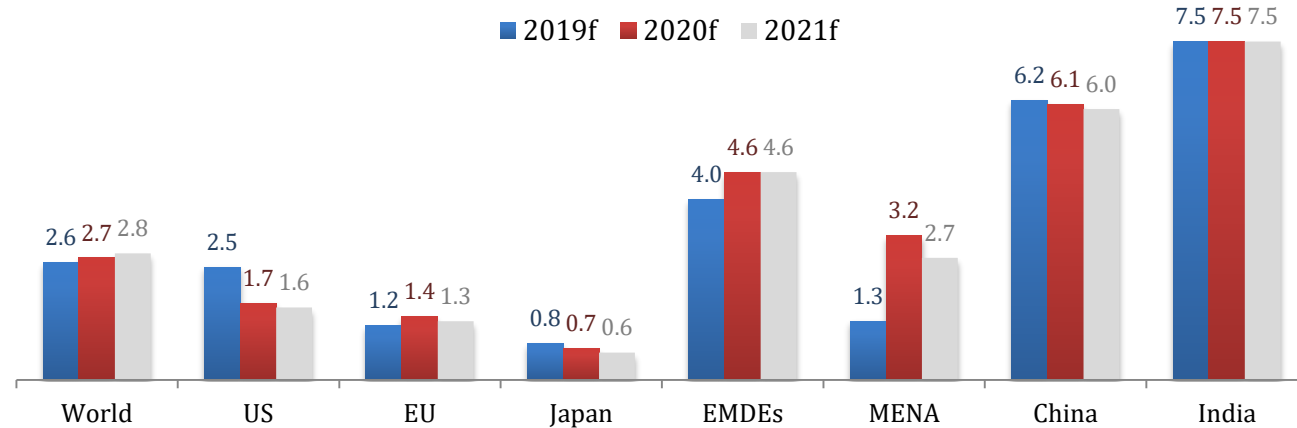
- **“Produce Against Order” & “Sell Whatever Produced”**
- **Continuous Thrust on Capacity Utilization**, despite of Challenging market.

Investing with Focus & Discipline

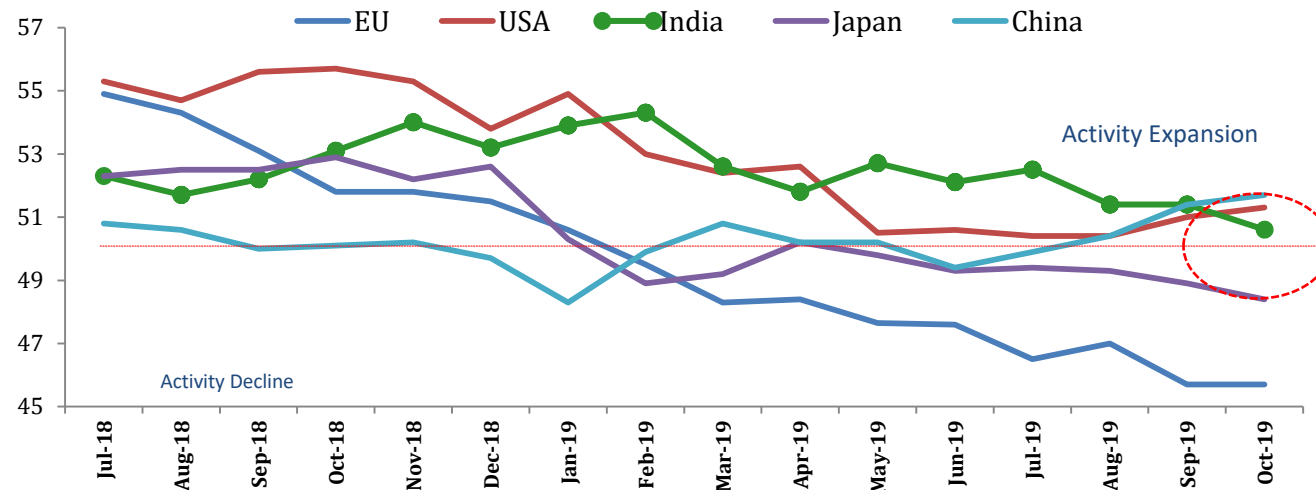
- **“Earn & Invest”**
- **Renewed Focus in overseas assets** to make it sustainable
- **Maintaining Investment Grade Balance Sheet** is top priority
- **Deleveraging to Continue**

- ✓ **Global GDP revised downward** to 2.6% for 2019
- ✓ Trade and manufacturing showing signs of marked weakness
- ✓ **Deceleration in global investment**
- ✓ **Fed's accommodative policies** are supportive, leading to an easing in global financing conditions and a **recovery of capital flows to Emerging Market & Developing Economies(EMDEs)**.
- ✓ Growth in EMDEs has been weaker than previously expected
- ✓ **Euro area** growth remains fragile on the back of trade and political uncertainties
- ✓ **Chinese growth** slowing down on expected lines. Policymakers likely to facilitate proactive fiscal and monetary measures to mitigate the downward pressure on economy
- ✓ **Indian Policymakers** took various measure to revive the economy
- ✓ **Manufacturing PMI** in the Key Regions has softened in Q2
 - India, China & USA PMI Remains 50 +
- ✓ **However Growth in India and ASEAN** remains on a solid ground

> GDP Growth & Projections Projection



> Manufacturing PMI on decline

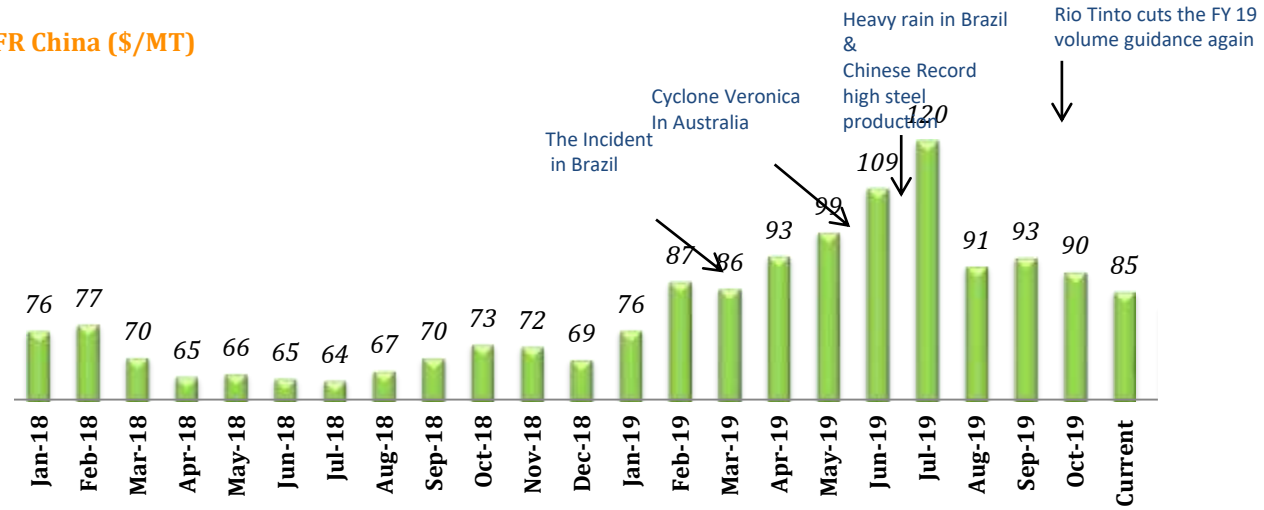


RAW MATERIAL PRICES REMAIN FIRM, WHICH SUPPORTED THE STEEL PRICES.

> Iron Ore :

- Seaborne Iron ore prices remain strong due to **disrupted supply** or **concern for supply disruption**.

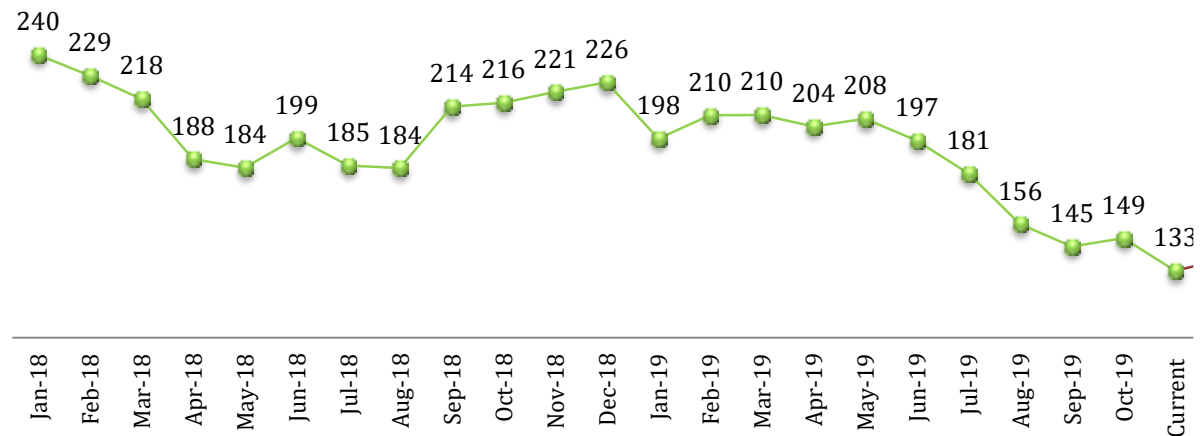
CFR China (\$/MT)



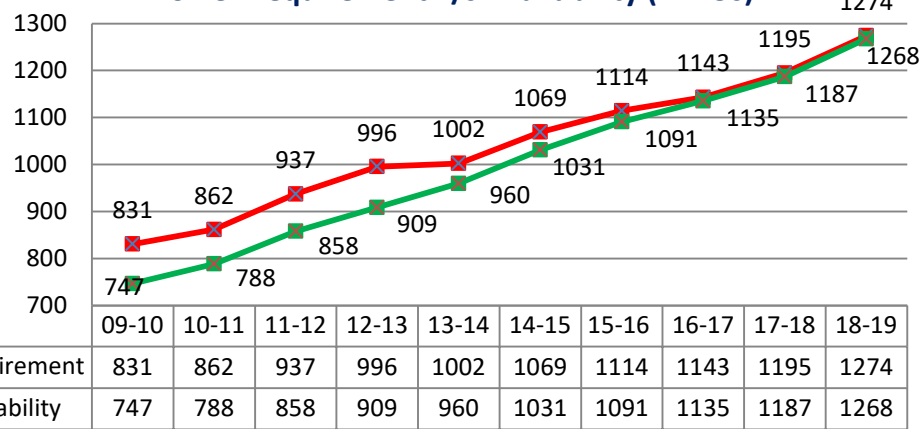
> Met Coal

- Prices remains firm Mark due to healthy demand from China & India.

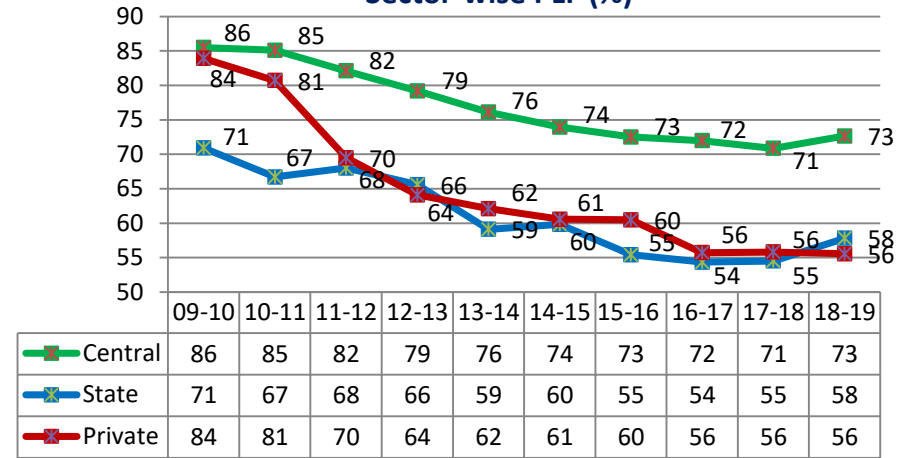
PLV: FOB Australia (\$/MT)



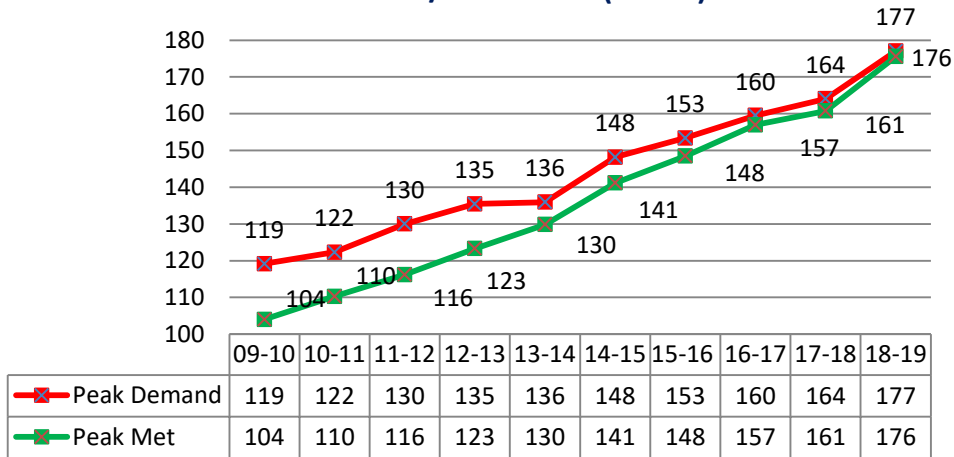
Power Requirement v/s Availability (in BUs)



Sector-wise PLF (%)



Peak Demand v/s Peak Met (in GW)



PLF for Private Sector decreased by 28% during last decade

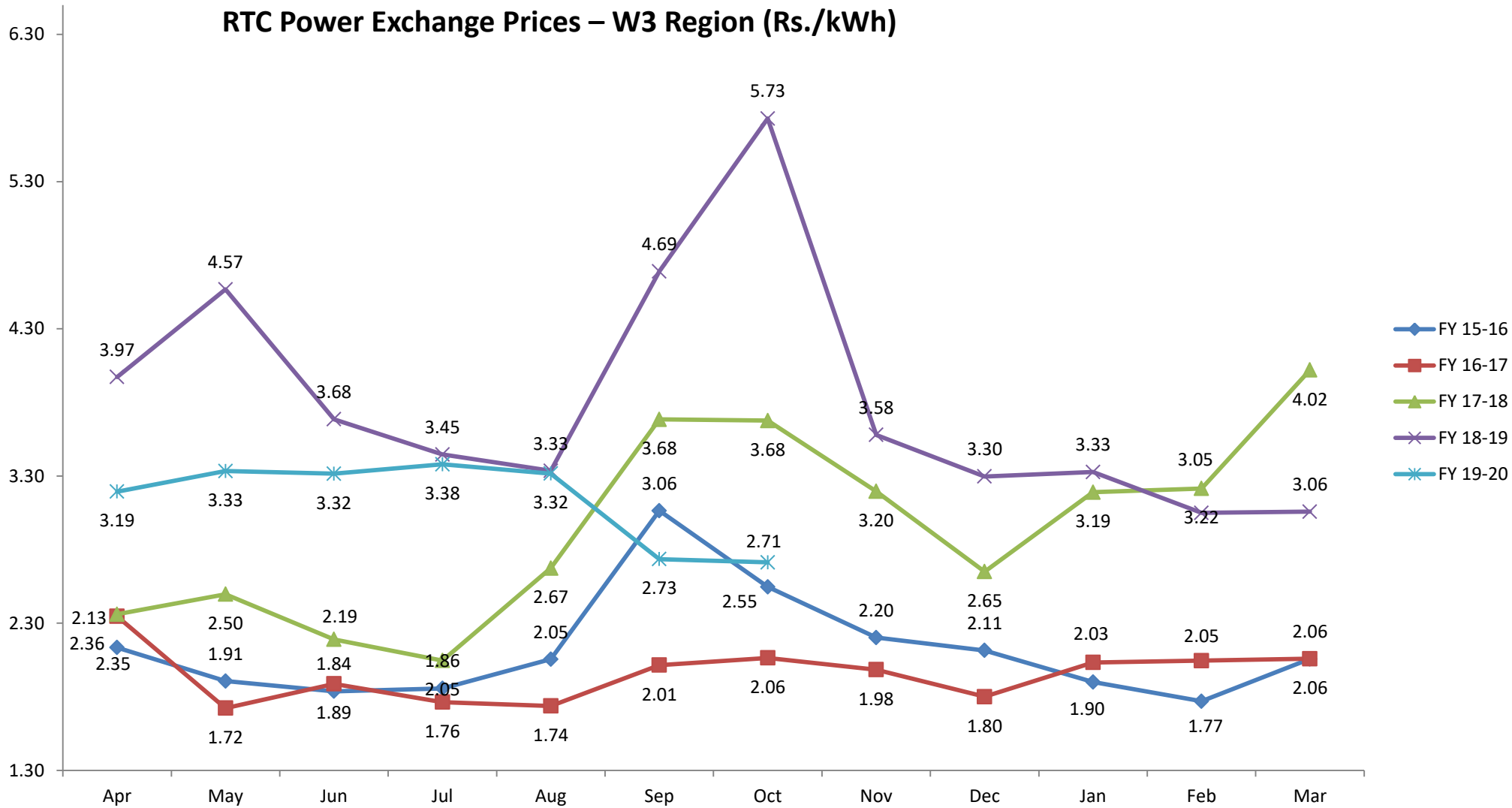
While Demand is increasing by ~6.6%, the fall in PLF of IPPs is due to coal shortage and rapid addition of conventional & renewable capacities.

Gap between Energy Requirement and Availability reduced to 0.5% in FY 18-19 as compared to 0.7% in FY 17-18.

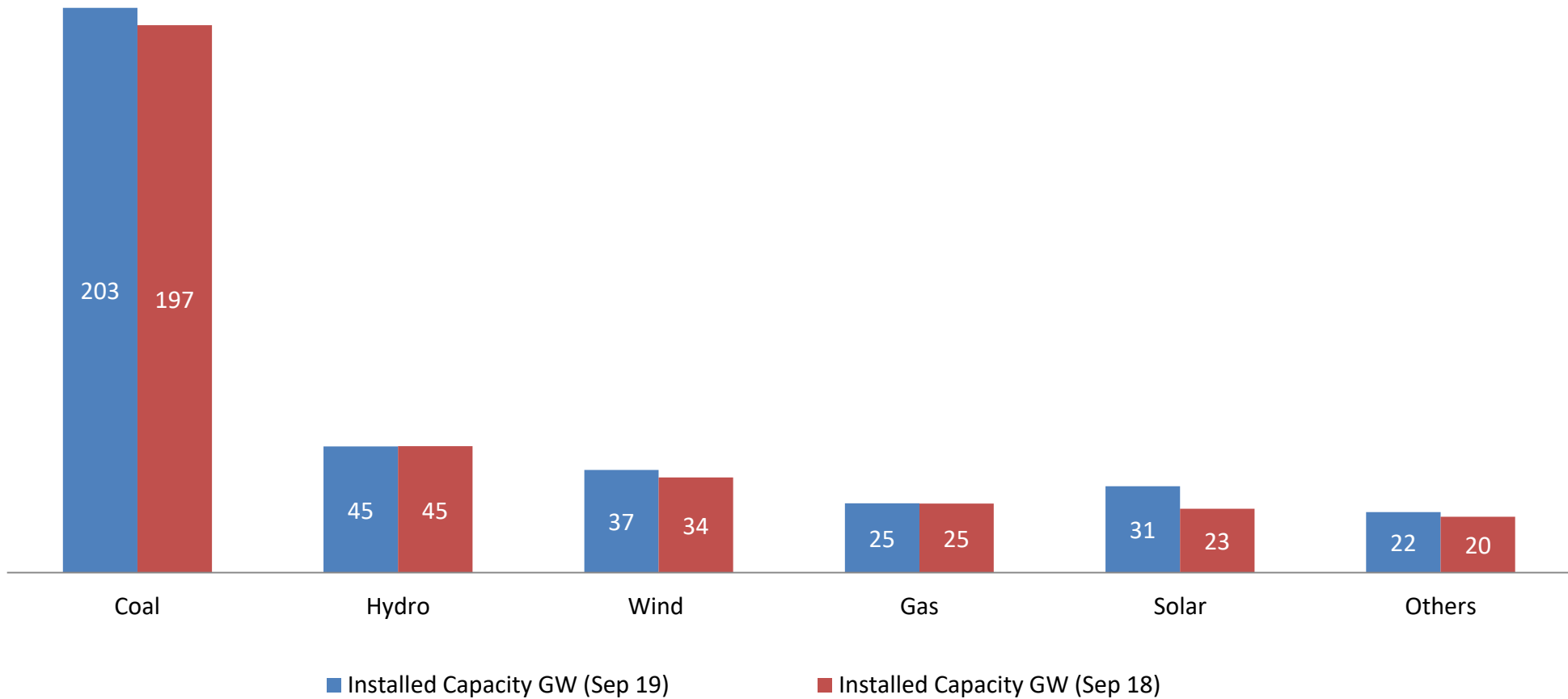
Gap between Peak Demand and Availability reduced to 0.5% in FY 18-19 as compared to 2% in FY 17-18.

IEX CLEARING PRICE TREND

RTC Power Exchange Prices – W3 Region (Rs./kWh)



Installed Capacity in India as on 30th Sep 2019 is 357 GW vis-à-vis 344 GW as on 30th Sep 2018



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BUSINESS SEGMENTS

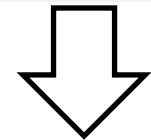
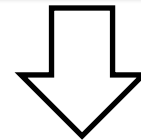
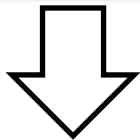
STEEL

POWER

GLOBAL VENTURES



Current Capacities – Domestic & Global



8.6 MTPA Steel*
3.11 MTPA* Iron ore
9 MTPA* Pellet Plant

IPP – 3400MW
CPP – 1634 MW

2.4 MTPA Steel
Coal & Iron Ore
Mines

STEEL CAPACITIES ACROSS LIFE CYCLE

IRON MAKING (10.25 MTPA)

DRI 4.92 MTPA

BF 5.33 MTPA

LIQUID STEEL (11.00 MTPA)

SMS 11.00 MTPA

FINISHED STEEL (7.95 MTPA)

WRM 0.60 MTPA

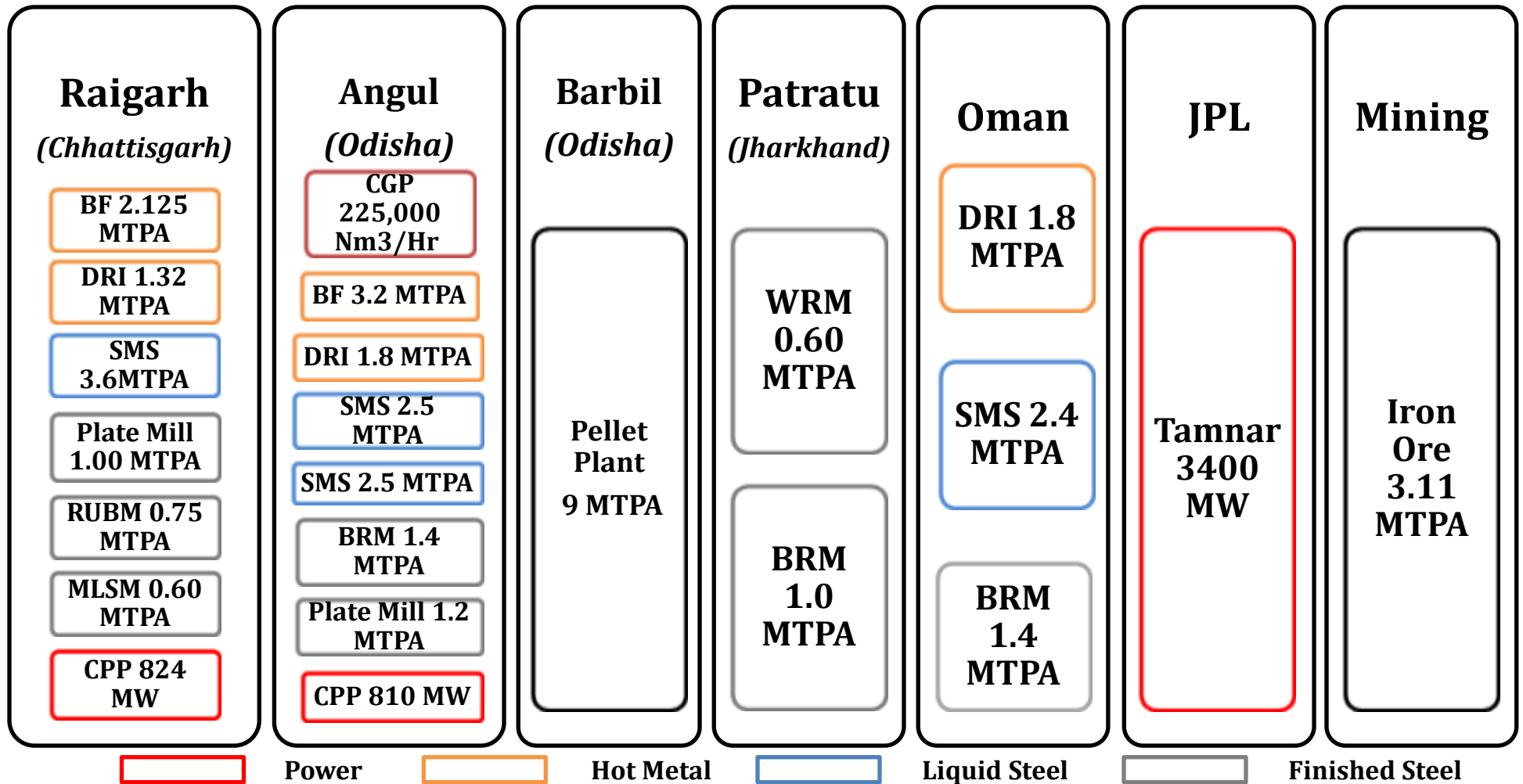
RUBM 0.75 MTPA

MLSM 0.60 MTPA

Plate Mill 2.20 MTPA

BRM 3.80 MTPA

DETAILED PLANT WISE CAPACITIES



Power
 Hot Metal
 Liquid Steel
 Finished Steel

MANIFOLD GROWTH IN THE LAST 5 YEARS

	FY '14		FY '19	
STEEL - INDIA	3 MTPA		8.6 MTPA	~2.86x
POWER	1,000 MW		3400 MW	3.4x
OMAN	0 MTPA		2.4 MTPA	Add
PELLET	4.5 MTPA		9 MTPA	~2x

All major capex completed – scale of growth is approx. Three Times

POTENTIAL FOR BIG LEAP

	FY19 CAPACITY	PRODUCTION IN FY19	UPSIDE POTENTIAL
STEEL - INDIA CAPACITY	8.6 MTPA	5.25 MTPA	64%
STEEL - OMAN CAPACITY	2.4 MTPA	1.71 MTPA	40%
INDEPENDENT POWER CAPACITY	3,400 MW	1187 MW	186%
PELLET CAPACITY	9.0 MTPA	7.08 MTPA	27%

Upside potential remains to be exploited

JSPL STANDALONE KEY FINANCIALS

(Rs. In Crores)

Q1 FY 20	Q2 FY 20	PARAMETER	Q2 FY 20	Q2 FY 19
7,085	6,573	Turnover	6,573	6,849
1,608	1,255	EBITDA	1,255	1,452
23%	19%	EBITDA %	19%	21%
567	582	Depreciation + Amortization	582	583
697	657	Interest	657	676
344	16	PBT (Before Exceptional)	16	194
-		Exceptional		255
344	16	PBT	16	449
224	15	PAT	15	383

PARAMETER	H1 FY 20	H1 FY 19
Turnover	13,658	13,583
EBITDA	2,863	3,097
EBITDA %	21%	23%
Depreciation + Amortization	1,149	1,159
Interest	1,354	1,281
PBT (Before Exceptional)	360	657
Exceptional		(255)
PBT	360	912
PAT	239	715

Note: Red denotes decrease & Green denotes increase

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	1x24 MW (Waste heat) 2x55 MW 6x25 MW	Operational
ANGUL, ODISHA	810	Coal	6 x135 MW	Operational

One of the largest thermal portfolios in India

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		QUANTUM (MW)
			FROM	TO	
TAMNAR II (PHASE 1)	Tamil Nadu	Long Term	Feb-14	Sep-28	400
TAMNAR II (PHASE 1)	KSEB	Long Term	Jun-16	May-41	200
TAMNAR II (PHASE 1)		Long Term	Oct-17	Sep-42	150
TAMNAR II (PHASE 1)		Long Term	After commercial operation of Unit and for complete life of plant		60
TAMNAR II (PHASE 2)	Chhattisgarh	Long Term			60
TAMNAR II	PFC Pilot Scheme-II **	Medium Term	3 Years		315

Over 35% of total capacity tied up *

JPL KEY FINANCIALS




(Rs. In Crores)

Q1 FY 20	Q2 FY 20	PARAMETER	Q2 FY 20	Q2 FY 19
1,114	947	Turnover	947	911
360	299	EBITDA	299	302
32%	32%	EBITDA %	32%	33%
289	292	Depreciation + Amortization	292	333
217	214	Interest	214	222
(3)	(64)	PBT	(64)	(183)
23	(35)	PAT	(35)	(153)
286	228	Cash Profit	228	150
2,982	2,271	Generation (million units)	2,271	2,427

PARAMETER	H1 FY 20	H1 FY 19
Turnover	2,062	1,879
EBITDA	659	616
EBITDA %	32%	33%
Depreciation + Amortization	581	663
Interest	431	438
PBT	(67)	(346)
PAT	(12)	(287)
Cash Profit	514	317
Generation (million units)	5,253	5,178

Note: Red denotes decrease & Green denotes increase

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		<ul style="list-style-type: none"> Coal sourced through - market purchase and e-auction 	<ul style="list-style-type: none"> Long term linkage from Mahanadi Coal Limited (MCL) and South Eastern Coalfields Limited (SECL) 	<ul style="list-style-type: none"> Coal sourced through - market purchase and e-auction
PPA		<ul style="list-style-type: none"> Bilateral/short term/ exchange 	<ul style="list-style-type: none"> TNEB - 400MW CSEB - 60MW KSEB - 200MW KSEB - 150MW PFC_II - 315 MW* 	<ul style="list-style-type: none"> CSEB - 60MW
EVACUATION		<ul style="list-style-type: none"> Open access available 	<ul style="list-style-type: none"> Open access available 	<ul style="list-style-type: none"> Open access available

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

SUMMARY OF INTERNATIONAL OPERATIONS

SHADEED, OMAN

- 1.8 MT DRI , 2.4 MT SMS Plant & 1.4MTPA Rebar Mill – an Integrated Steel Plant

MOZAMBIQUE, AFRICA

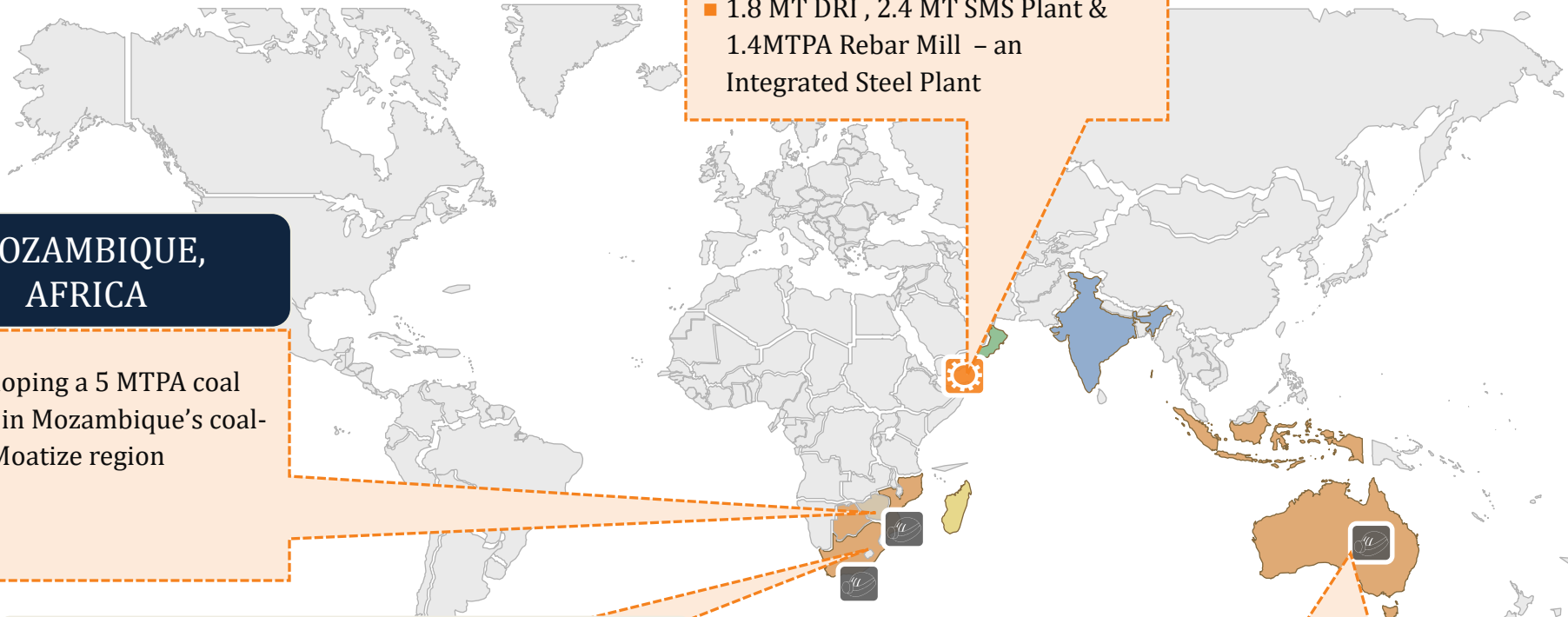
- Developing a 5 MTPA coal mine in Mozambique’s coal-rich Moatize region

SOUTH AFRICA, AFRICA

- JSPL’s Kiepersol Colliery produces Anthracite coal, sold domestically and internationally.

AUSTRALIA

- 60.38% stake in Wollongong Coal Ltd which comprises of two coking coal mines – Wongawilli and Russel Vale



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

2.4 MTPA Steel plant

Australia

Coking Coal

South Africa

Anthracite Coal

Mozambique

Thermal/ Coking Coal

JISPL CONSOLIDATED KEY FINANCIALS

(Rs. In Crores)

Q1 FY 20	Q2 FY 20	PARAMETER	Q2 FY 20	Q2 FY 19
9,946	8,939	Turnover	8,939	9,982
2,173	1,642	EBITDA	1,642	2,207
22%	18%	EBITDA %	18%	22%
1,054	1,039	Depreciation + Amortization	1,039	1,031
1,109	1,030	Interest	1,030	1,086
11	(427)	PBT (Before Exceptional)	(427)	91
		Exceptional		255
11	(427)	PBT	(427)	347
(87)	(399)	PAT	(399)	279

PARAMETER	H1 FY 20	H1 FY 19
Turnover	18,885	19,648
EBITDA	3,815	4,484
EBITDA %	20%	23%
Depreciation + Amortization	2,093	2,071
Interest	2,139	2,059
PBT (Before Exceptional)	(415)	355
Exceptional		(255)
PBT	(415)	610
PAT	(487)	389

Note: Red denotes decrease & Green denotes increase

KEY CUSTOMERS & ADDING...

ODISHA



**INTEGRATED STEEL PLANT ,
ANGUL**

PELLET PLANT, BARBIL



INTEGRATED STEEL PLANT, RAIGARH



STEEL FABRICATION PLANT, PUNJIPATRA



HEAVY MACHINERY DIVISION, RAIPUR



TAMNAR, 3400 MW POWER PLANT



JHARKHAND



WRM & BRM, PATRATU



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THANK YOU
