

PRESS RELEASE

FINANCIAL RESULTS FOR FIRST QUARTER FY 2019-20

JSPL: Increasing Volumes and Expanding Margins in both Steel & Power

- JSPL Standalone Profit Rs.224 Cr
- 1QFY20 Consolidated EBITDA Rs. 2,173Cr
- 1QFY20 Standalone EBITDA Rs.1,608 Cr
- 1QFY20 Steel and steel related product sales up 16% YoY
- JPL Generation – 2,982 MU; up by 14% QoQ
- Mozambique ever highest ROM production 614MT; up by 126% YoY

JSPL Standalone 1QFY20 Performance (YoY):

- Turnover : Rs. 7,085 Cr;
- EBITDA: Rs. 1,608 Cr;
- EBITDA Margin: 23%
- Steel and related products production : 1.57 million tonnes up 17% YoY
- Steel and related products sales : 1.51 million tonnes up 16% YoY
- Crude Steel production: 1.46 million tonnes up 19% YoY
- Crude Steel sales:1.43 million tonnes up 20% YoY

JSPL Consolidated 1QFY20 Performance (YoY):

- Turnover : Rs. 9,946 Cr;
- EBITDA : Rs. 2,173 Cr;
- EBITDA Margin: 22%
- EBITDA – Oman : US\$ 25.7 mn
- Crude Steel Production: 1.85 million tonnes; up 12% YoY
- Crude Steel Sales: 1.84 million tonnes up; 14% YoY

JPL 1QFY20 Performance (YoY):

- Turnover : Rs. 1,114 Cr
- EBITDA : Rs. 360 Cr
- EBITDA Margin: 32%
- Power Generation – 2,982 MU up by 8%

During quarter ended June'2019, JSPL continued its growth momentum with increasing volumes and expanding margins in both Steel & Power businesses. Globally, the quarter ended June'2019 saw a contrasting phenomenon in steel, marked by gradual decline in steel prices against rising iron ore

prices. Even in India, the downtrend in steel prices continued across various products for most steel manufacturers, both in long and flat categories. The reducing liquidity in the markets further exacerbated the steel demand during the quarter.

1. JSPL Standalone Performance

Despite of such challenging environment, JSPL Standalone reported a rise of 17% for Steel & related products, to 1.57 million tonnes (1.35 million tonnes in 1QFY19) while sales during 1QFY19 increased to 1.51 million tonnes (up 16% YoY). Crude Steel production in Standalone rose 1.46 million tonnes (up 19% YoY) while sales came at 1.43 million tonnes (20% up YoY).

| PRODUCTION | | | |
|---|------------------|----------------|-------------------|
| Product (Million Tonnes) | Quarter 1 | | Change (%) |
| | 2019-20 | 2018-19 | |
| Crude Steel | 1.46 | 1.22 | +20% |
| Related Products** | 0.11 | 0.12 | -8% |
| Total (Steel & Related Products) | 1.57 | 1.35 | +17% |

| SALES | | | |
|---|------------------|----------------|-------------------|
| Product (Million Tonnes) | Quarter 1 | | Change (%) |
| | 2019-20 | 2018-19 | |
| Crude Steel | 1.43 | 1.19 | +20% |
| Related Products** | 0.08 | 0.11 | -27% |
| Total (Steel & Related Products) | 1.51 | 1.30 | +16% |

The revenues for JSPL Standalone came in at Rs. 7,085 Cr (up 5% YoY). On the back of sustained efforts to market & sell Value-added & differentiated products, further supported by cost saving initiatives, the company reported an increase in margins to 23 % from 19 % in 4QFY19. JSPL Standalone reported EBITDA at 1,608 Cr in the reported quarter. In 1QFY20, Rails sold were more than double as compared to same period last year. Similarly, efficiency improvements projects helped the Company bring costs down across both Raigarh & Angul plants.

During 1QFY20, production of pellets was maintained at 1.76 million tones, similar to same period last year. The company achieved external sales of pellets of 0.52 MT during 1QFY20.

2. Jindal Power Ltd (JPL)

On back of cost savings on coal, through optimum mix of high-grade & low-grade coals and increasing generation volumes, JPL reported better operating profits this quarter. JPL generated 2,982 units in the reported June quarter as compared to 2,609 units in 4QFY19 (14%% QoQ increase).

The revenue for 1QFY20 increased by 15% compared to the same quarter in FY19. JPL reported EBITDA of Rs. 360 Cr (up 35% YoY). The power business continues to generate cash with cash profits at Rs. 286 Cr for the reported quarter.

3. Global Ventures

- a. **Oman:** During the quarter ended 30th June'2019, Jindal Shadeed reported production of 0.39 million tonnes of crude steel (as against 0.43 million tonnes in 1QFY19 down by 9%). Given a reduction in steel demand and compression in steel margins across the world, further accentuated by regional uncertainties, Shadeed reported EBITDA of US\$26mn for 1QFY20. The rebar mill at Oman achieved production of 0.24 million tonnes this quarter.
- b. **Mozambique:** The ramp up of mines in Mozambique steadily continued this quarter. In 1QFY20, the mine at Chirodzi produced 614 KT ROM (up 126% YoY) and reported EBITDA of US\$ 5.9 Mn (as compared to US\$ 0.2 Mn in 1QFY19).
- c. **Australia:** During 1QFY20, both the Wongawilli & Russell Vale mines remained under care & maintenance.

4. JSPL Consolidated Performance

JSPL, on a consolidated level, produced 1.96 million tonnes of steel & related products on the consolidated level (up 10% from 1.78 million tonnes in 1QFY19) and sold 1.92 million tonnes of steel & related products (up 12% from 1.72 million tonnes in 1QFY19).

In terms of crude steel, for the consolidated entity, the company produced 1.85 million tonnes of crude steel on the consolidated level (up 12% from 1.65 million tonnes in 1QFY19) and sold 1.84 million tonnes of crude steel (up 14% from 1.61 million tonnes in 1QFY19).

JSPL reported Consolidated Revenues of Rs. 9,946 Cr (up 3% YoY) while Consolidated EBITDA increased to Rs.2,173 Cr from Rs. 1,845 Cr (in 4QFY19).

Net Debt to EBITDA (trailing basis) at the end of 1QFY20 stood at 4.5 x as compared to 4.7x in 1QFY19. Net Debt for the quarter ending June'2019 was reported at Rs.37,621Cr (Net deduction by repayment Rs. 1,440 Cr from the previous quarter).

4. Overview and Outlook:

Steel:

Amidst US-China trade tensions, falling steel prices, increasing iron ore prices, steady coking coal prices and increasing steel production in China, steel companies across the world have remained under pressure for most of 2019. The recent fall in iron ore and coking coal prices could bring some respite to the sector. Any breakthrough in US-China trade talks could also lead to improvement in overall global economy and should bode well for the sector.

Steel demand in India remains robust in the long term supported by government spending on infrastructure, housing, rails and water projects as well as increased outlays to back consumption-based growth. Though the recent months have been slightly marred due to ebbing in government expenditure during general elections as well as liquidity crunch in the retail finance segment, mostly impacting sectors like autos and white goods, the overall steel demand growth remains sanguine. Recent initiatives by the government towards increasing liquidity in the market as well as any steps taken to safeguard against imports at predatory prices, especially from FTA countries, could propel steel demand for domestic manufacturers.

JSPL, being primarily in Specialty Plates, Rails & long product segment, has been able to partly offset the market dynamics. Post monsoon season, as construction activity returns to normal, demand for long products can be expected to grow at a faster pace. The Company is also looking to further intensify its sales towards differentiated and value added products like Rails, 550D TMT, Structures and Value-added plates (*for defence, shipyards, pressure vessels & oil companies*) which could significantly expand margins and profitability.

Power:

The power sector scenario is undergoing a turnaround for the stressed power plants due to some very progressive steps initiated by Ministry of Power, Government of India. The approvals by Cabinet Committee on Economic Affairs on various recommendations of High Level Empowered Committee will go a long way to mitigate the stress in thermal power sector. The recent approval by Ministry of Power to make it mandatory for discoms to open and maintain adequate Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreements will bring discipline and make the power sector viable. The power purchase initiatives under aggregation scheme taken up by Ministry of Power have paved the way for tying up of idle capacities in the thermal power sector. Jindal Power has emerged as one of the lowest bidders for supply of 515 MW power for a period of three years under 2500 MW aggregation scheme of NHPC. In addition, another pooling scheme is envisaged by Ministry of Power for aggregation of another 2500 MW. The Company will aim to tie up most of its remaining capacity through such schemes as well as through upcoming PPAs being floated by states.

However, coal continues to remain a major challenge, both in terms of availability and the consequential impact on prices. The company is focused on mitigating the challenges in coal sourcing by procuring coal from international traders at competitive prices and also by importing high GCV coal in addition to allocation of coal through Special Forward and Spot e-auctions of CIL subsidiary companies. The coal allocation to IPPs through Special Forward auction is expected to rise substantially in near future as mandated in CCEA approvals. In the long term, the company has planned to rope in coal tolling tie-up with State Governments and coal swapping arrangements with other generators. Introduction of commercial mining for the private sector as initiated by Govt. of India is also expected to reduce coal woes for thermal power generators in the long run.

With the overall power demand increasing at 6-7% per annum, capacity addition in thermal power being stagnant and despite rapid growth of renewable energy, coal based generation is expected to continue to meet base load requirements.

STANDALONE FINANCIAL RESULTS

Year on Year (Quarter)

| Parameter(in Crores of INR) | Quarter 1 | | Change (%) |
|-----------------------------|-----------|---------|------------|
| | 2019-20 | 2018-19 | |
| Turnover | 7,085 | 6,734 | +5% |
| EBITDA | 1,608 | 1,645 | -2% |
| EBITDA % | 23% | 24% | |
| Depreciation + Amortization | 567 | 577 | -2% |
| Interest | 697 | 605 | +15% |
| PBT (Before Exceptional) | 344 | 463 | -26% |
| Exceptional | - | - | |
| PBT | 344 | 463 | -26% |
| PAT | 224 | 332 | -33% |

Quarter on Quarter

| Parameter | Q1 FY 19-20 | Q4 FY 18-19 | Change (%) |
|-----------------------------|-------------|-------------|------------|
| Turnover | 7,085 | 7,402 | -4% |
| EBITDA | 1,608 | 1,440 | +12% |
| EBITDA % | 23% | 19% | |
| Depreciation + Amortization | 567 | 576 | -2% |
| Interest | 697 | 979 | -29% |
| PBT (Before Exceptional) | 344 | (115) | |
| Exceptional | - | (1,654) | |
| PBT | 344 | (1,769) | |
| PAT | 224 | (1,154) | |

CONSOLIDATED FINANCIAL RESULTS

Year on Year (Quarter)

| Parameter | Quarter 1 | | Change (%) |
|-----------------------------|-----------|---------|------------|
| | 2019-20 | 2018-19 | |
| Turnover | 9,946 | 9,665 | +3% |
| EBITDA | 2,173 | 2,277 | -5% |
| EBITDA % | 22% | 24% | |
| Depreciation + Amortization | 1,054 | 1040 | +1% |
| Interest | 1,109 | 973 | +14% |
| PBT Before Exceptional | 11 | 264 | |
| Exceptional Item | - | - | |
| PBT | 11 | 264 | |
| PAT | (87) | 110 | |

Quarter on Quarter

| Parameter | Q1 FY 19-20 | Q4 FY 18-19 | Change (%) |
|-----------------------------|-------------|-------------|------------|
| Turnover | 9,946 | 10,159 | -2% |
| EBITDA | 2,173 | 1,845 | +18% |
| EBITDA % | 22% | 18% | |
| Depreciation + Amortization | 1,054 | 2,373 | -56% |
| Interest | 1,109 | 1,163 | -5% |
| PBT (Before Exceptional) | 11 | (1,692) | |
| Exceptional | - | (1,734) | |
| PBT | 11 | (3,426) | |
| PAT | (87) | (2,713) | |

PRODUCTION

Year on Year (Standalone)

| Product (Million Tonnes) | Quarter 1 | | Change (%) |
|--------------------------|-------------|-------------|-------------|
| | 2019-20 | 2018-19 | |
| Steel* | 1.46 | 1.22 | +19% |
| Related Products** | 0.11 | 0.12 | -8% |
| Total | 1.57 | 1.35 | +17% |
| Pellets | 1.76 | 1.76 | - |

Year on Year (Consolidated)

| Product (Million Tonnes) | Quarter 1 | | Change (%) |
|--------------------------|-------------|-------------|-------------|
| | 2019-20 | 2018-19 | |
| Steel(including Oman)* | 1.85 | 1.65 | +12% |
| Related Products** | 0.11 | 0.12 | -8% |
| Total | 1.96 | 1.78 | +10% |

SALES

Year on Year (Standalone)

| Product (Million Tonnes) | Quarter 1 | | Change (%) |
|--------------------------|-------------|-------------|-------------|
| | 2019-20 | 2018-19 | |
| Steel* | 1.43 | 1.19 | +20% |
| Related Products** | 0.08 | 0.11 | -27% |
| Total | 1.51 | 1.30 | +16% |
| Pellets | 1.84 | 1.61 | +14% |

Year on Year (Consolidated)

| Product (Million Tonnes) | Quarter 1 | | Change (%) |
|--------------------------|-------------|-------------|-------------|
| | 2019-20 | 2018-19 | |
| Steel(including Oman)* | 1.84 | 1.61 | +14% |
| Related Products** | 0.08 | 0.11 | -27% |
| Total | 1.92 | 1.72 | +12% |

*Slabs/Bloom/Billets/Structurals& Rails/Universal Plate/Coil/Converted Angle/Channel/ Wire Rod /TMT/Fabricated Beams/Plates (Includes Oman)

**Pigiron & Granshot

JINDAL POWER LIMITED (JPL)

(A SUBSIDIARY OF JSPL)

Year on Year (Quarter)

| Particulars(in Crores of INR) | Quarter 1 | | Change (%) |
|--------------------------------|-----------|---------|------------|
| | 2019-20 | 2018-19 | |
| Turnover | 1,114 | 968 | +15% |
| EBITDA | 360 | 314 | +15% |
| EBITDA% | 32% | 33% | |
| Depreciation + Amortization | 289 | 329 | -12% |
| Interest | 217 | 216 | - |
| PBT (before Exceptional) | (3) | (163) | +98% |
| Exceptional Expenses/(Income) | - | - | |
| PBT (After Exceptional) | (3) | (163) | +98% |
| PAT | 23 | (134) | |
| Cash Profit | 286 | 166 | +72% |
| Generation (million units) | 2,982 | 2,751 | +8% |

Quarter on Quarter

| Particulars(in Crores of INR) | Q1 FY 19-20 | Q4 FY 18-19 | Change (%) |
|--------------------------------|-------------|-------------|------------|
| Turnover | 1,114 | 999 | +12% |
| EBITDA | 360 | 267 | +35% |
| EBITDA% | 32% | 27% | |
| Depreciation + Amortization | 289 | 324 | -11% |
| Interest | 217 | 236 | -8% |
| PBT (before Exceptional) | (3) | 44 | |
| Exceptional Expenses/(Income) | - | 81 | |
| PBT (After Exceptional) | (3) | (37) | +91% |
| PAT | 23 | 13 | +77% |
| Cash Profit | 286 | 368 | -22% |
| Generation (million units) | 2,982 | 2,609 | +14% |

FOR FURTHER INFORMATION PLEASE CONTACT:

| For Media Interaction: | For Investor Queries: |
|---|---|
| <p>1. Mr. Kalyan Kumar (Corporate Communication)</p> <p>Tel: +91-11-41462198 Mobile: +91-70420 27890 Email: kalyan.kumar@jindalsteel.com</p> | <p>1. Mr. Nishant Baranwal Head (Investor Relations)</p> <p>Tel: +91-11-41462198 Mobile: +91 8800690255 Email: nishant.baranwal@jindalsteel.com</p> <p>2. Mr. Gourav Sancheti AM (Investor Relations)</p> <p>Tel: +91-124-6612317 Mobile: +91 90382 40683 Email: gourav.sancheti@jindalsteel.com</p> |

Forward looking and Cautionary Statements: -

Certain statements in this release concerning our 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, our ability to manage growth, intense competition within steel industry including those factors which may affect our cost advantage , time and cost overruns on fixed – price, our ability to manage our 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.