



JSW Steel Limited

3QFY15 Results Presentation

January 30, 2015

Key highlights – 3QFY15

Standalone performance

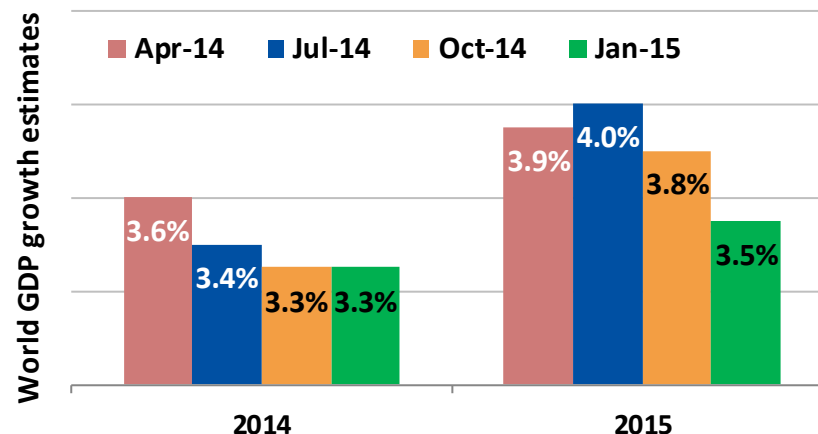
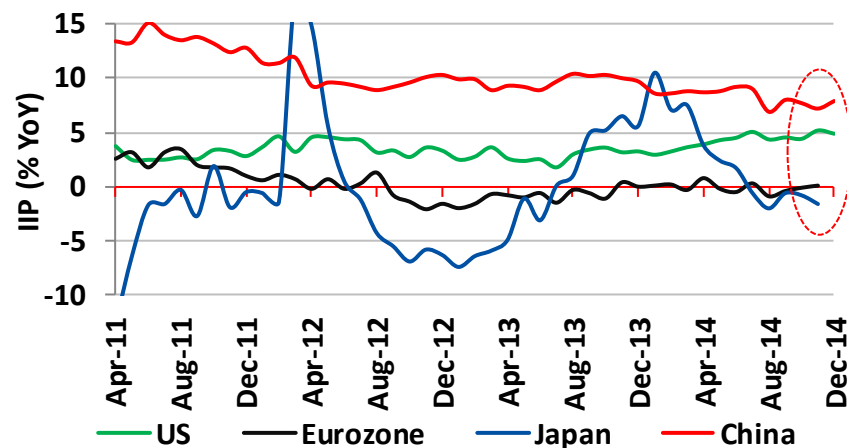
- ✓ Gross Turnover: ₹12,368 crore
- ✓ Net Sales: ₹11,310 crore
- ✓ Operating EBITDA: ₹2,117 crore
- ✓ Crude Steel production: 3.17 million tonnes
- ✓ Saleable Steel sales: 3.03 million tonnes
- ✓ Net debt to equity: 1.21x and Net debt to EBITDA: 3.22x

Consolidated performance

- ✓ Gross Turnover: ₹14,026 crore
- ✓ Net Sales: ₹12,927 crore
- ✓ Operating EBITDA: ₹2,296 crore
- ✓ Net debt to equity: 1.70x and Net debt to EBITDA: 3.86x

Global economy

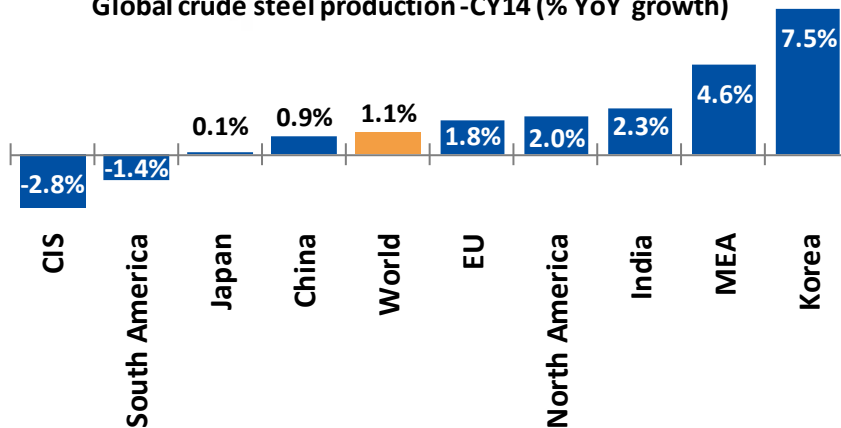
- IMF revises 2015 global GDP growth projection to 3.5% - still better than 3.3% of 2014
- US continues to improve - labour markets, consumer sentiment and housing market data remain encouraging
- Europe likely to benefit from the recent stimulus measures and lower energy prices
- Japanese recovery to be hinged upon lower commodity prices and favourable currency movements
- Chinese economic growth continues to slow down – adjusting to the “new normal”; likely to drive commodity price deflation over the medium term
- Risk spreads in emerging markets have risen – potential slowdown in global investment cycle and market volatility pose downside risks



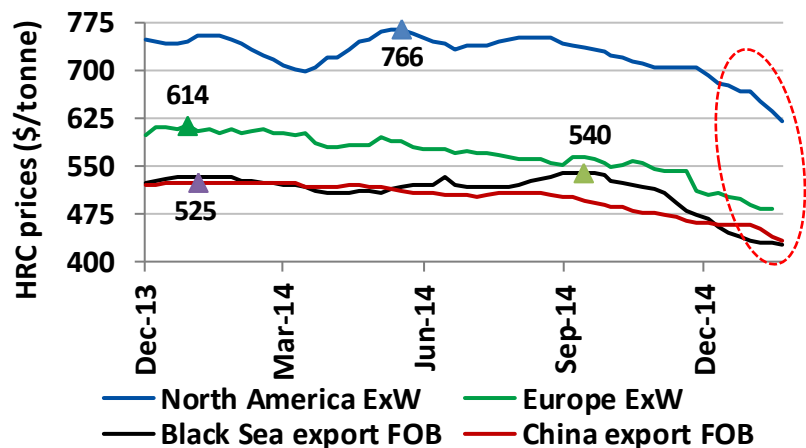
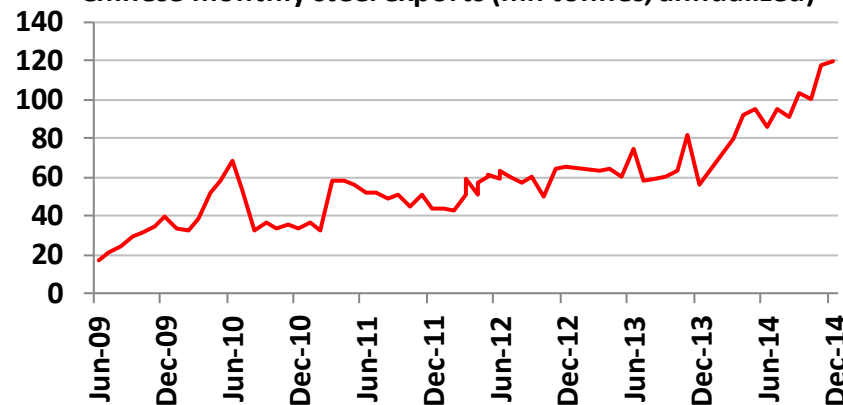
Oil importing economies to benefit from lower energy prices but many downside risks loom heavy

Global steel scenario

Global crude steel production - CY14 (% YoY growth)



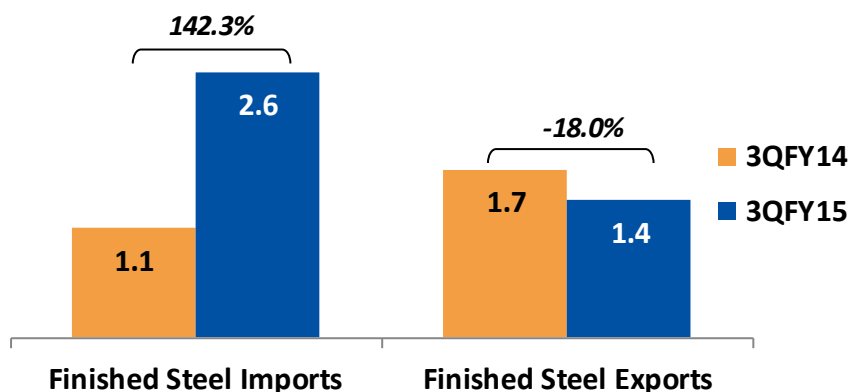
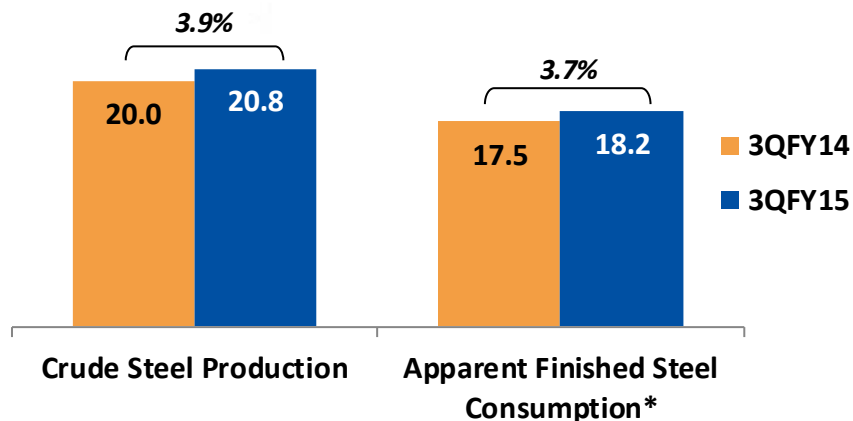
Chinese monthly steel exports (mn tonnes, annualized)



- World Crude Steel production in 2014 grew 1.1%, versus WSA steel demand forecast of 2%
- Chinese steel exports annualizing at ~120 MTPA in Dec'14
- Surging exports from countries like China, Korea and CIS result in supply glut
- Regional HRC prices remain under pressure driven by low demand, sharp correction in iron ore prices and currency fluctuation

Rising steel exports from China and CIS an area of concern

Indian economy and steel industry



- 3QFY15 Crude Steel production increased by 3.9%YoY
- 3QFY15 apparent steel consumption rose by 3.7%YoY, however, consumption of domestically produced steel fell by 6.6%YoY as imports (especially from countries like China, Korea, Japan and CIS) increased by 142.3%YoY
- Domestic steel industry continues to grapple with constrained iron ore availability
- Overall activity levels have remained subdued, the new government has shown good intent and is working on various measures to kick-start the economic recovery – much is now hinged upon actual uptick
- Benign inflation, lower commodity price outlook, and a reversal of monetary tightening cycle should bode well for FY16 economic outlook

Surge in steel imports and subdued underlying demand remain areas of concern



Agenda

Business
Environment

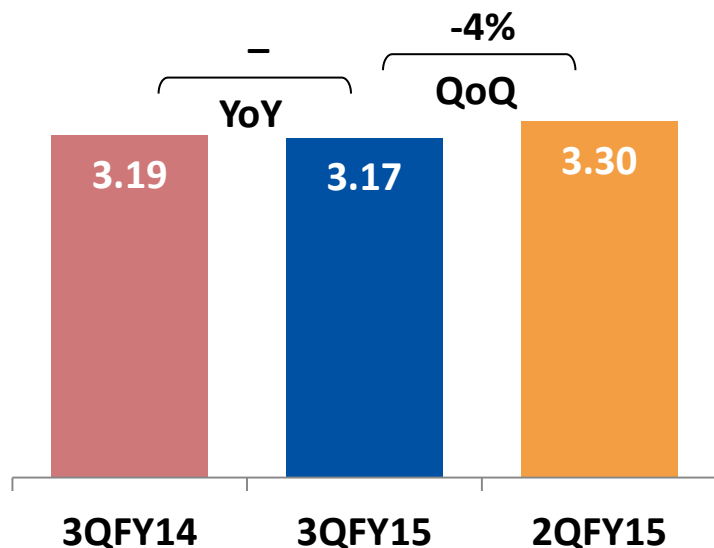
Operational
Performance

Financial
Performance

Projects Update

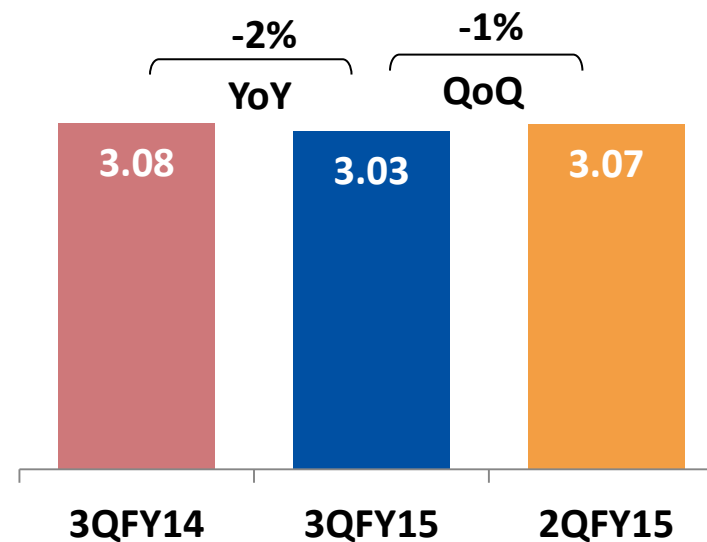
Quarterly volumes – standalone

Crude Steel Production



	3QFY14	3QFY15	2QFY15
Flat	2.57	2.56	2.61
Long	0.44	0.50	0.56

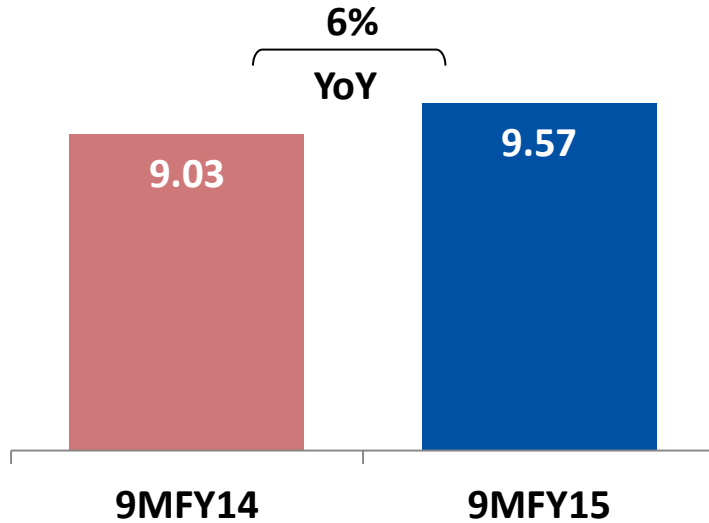
Saleable Steel Sales



	3QFY14	3QFY15	2QFY15
Flat	2.54	2.44	2.47
Long	0.43	0.47	0.48
Semis	0.10	0.12	0.12

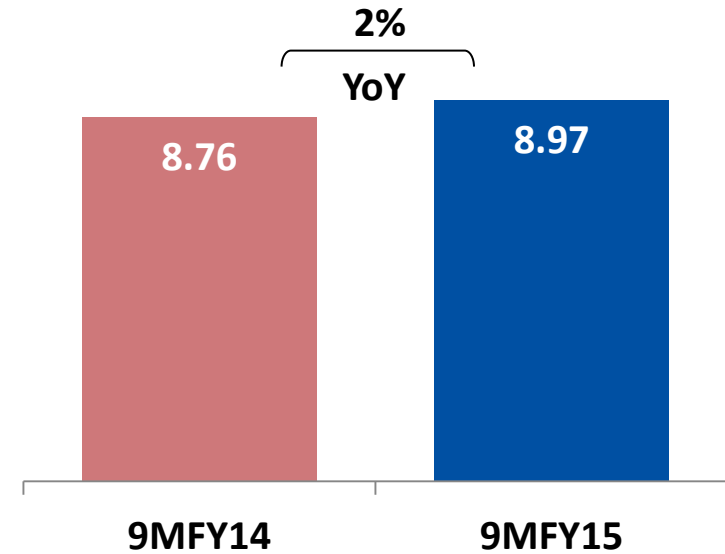
9M volumes – standalone

Crude Steel Production



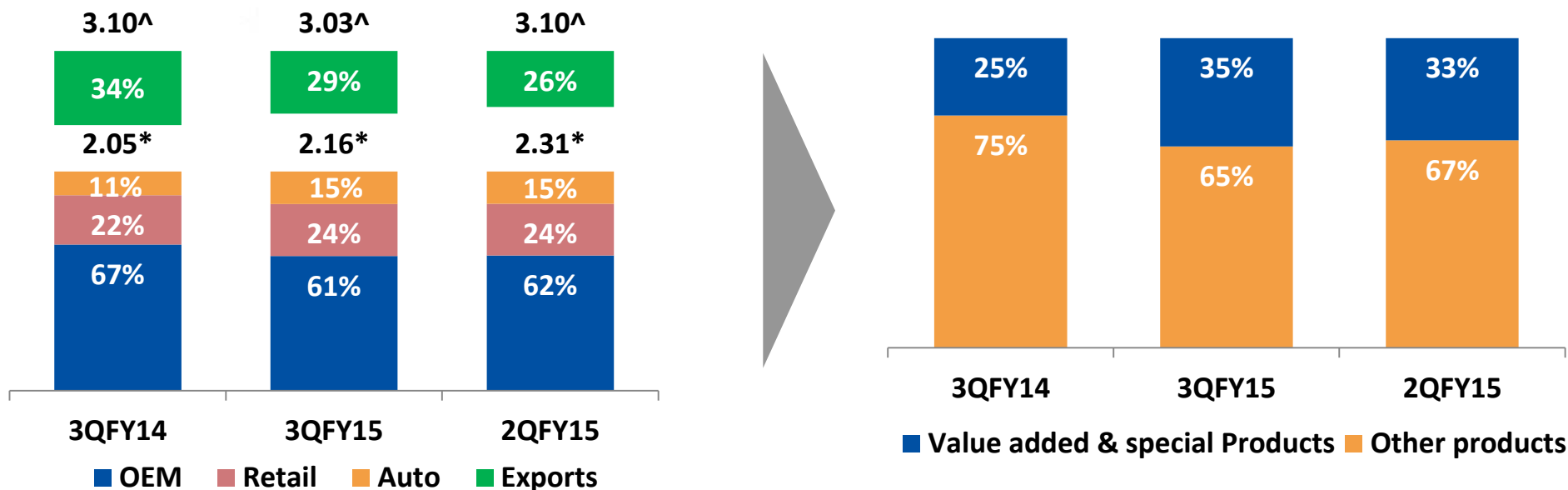
	9MFY14	9MFY15
Flat	7.26	7.60
Long	1.35	1.58

Saleable Steel Sales



	9MFY14	9MFY15
Flat	7.25	7.22
Long	1.31	1.43
Semis	0.21	0.32

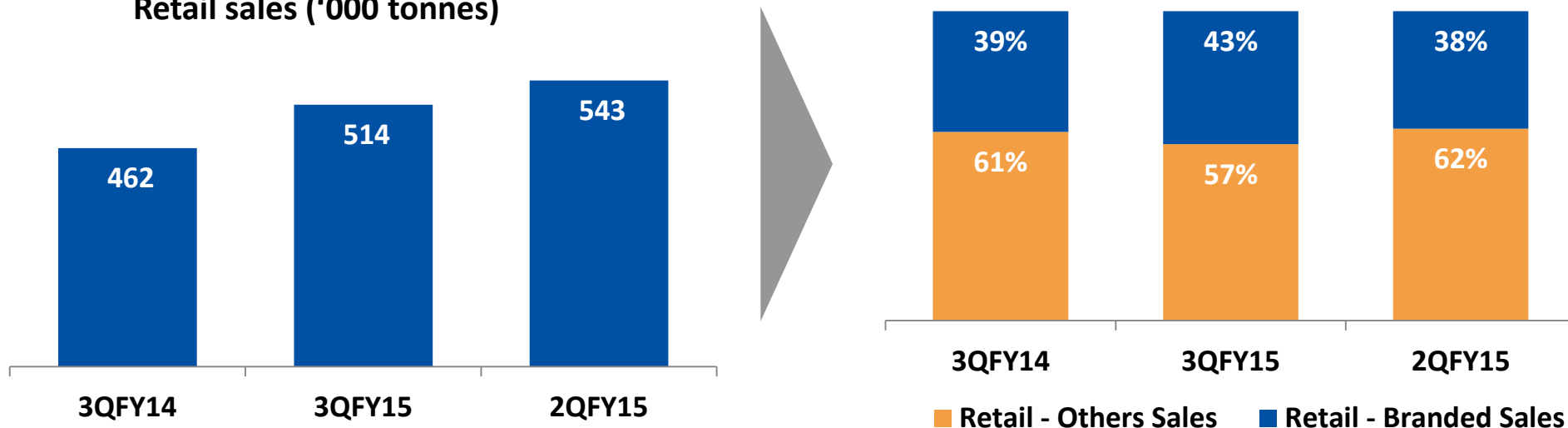
Quarterly sales highlights – consolidated



- ✓ Domestic sales grew 5%YoY vs. all India steel demand growth of 3.7%YoY in 3QFY15
- ✓ Share of Value-added & Special Products sales increased to 35% in 3QFY15 vs. 25% in 3QFY14
- ✓ Sales to Auto sector grew 44%YoY
- ✓ Cold-rolled products sales grew 68%YoY
- ✓ Coated products sales increased by 15%YoY

Retail sales highlights – consolidated

Retail sales ('000 tonnes)



- ✓ Retail Sales grew by 11%YoY
- ✓ Cold-rolled products sales surged 37%YoY
- ✓ TMT sales grew by 6% and WRC sales grew by 30%YoY
- ✓ TruSteel contributed 13% of Branded Retail sales
- ✓ “JSW Coloron Plus” grew 36 %YoY with focused sales through dedicated service centre JSW Explore

New product development/approvals

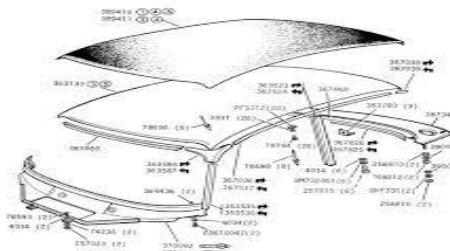
Steel Type: Advanced High Strength 590R/980Y CRC

End use: Inner strength components of Cars



Steel Type: Ultra-low carbon Bake-Hardened BH220 CRC

End use: Passenger Car Roof inner components



Steel Type: High Low Carbon High Strength EDD CRC

End use: Front/ side Panels of Scooter



Steel Type: Micro-Alloyed High Strength 38MnS6

End use: Crank Shaft of Commercial Vehicles



Steel Type: Ultra Low Carbon IFHS Grade GI

End use: Dish Antenna



Steel Type: Hot Forming JHFS55 Grade HRC

End use: Commercial Vehicle Axle Housing



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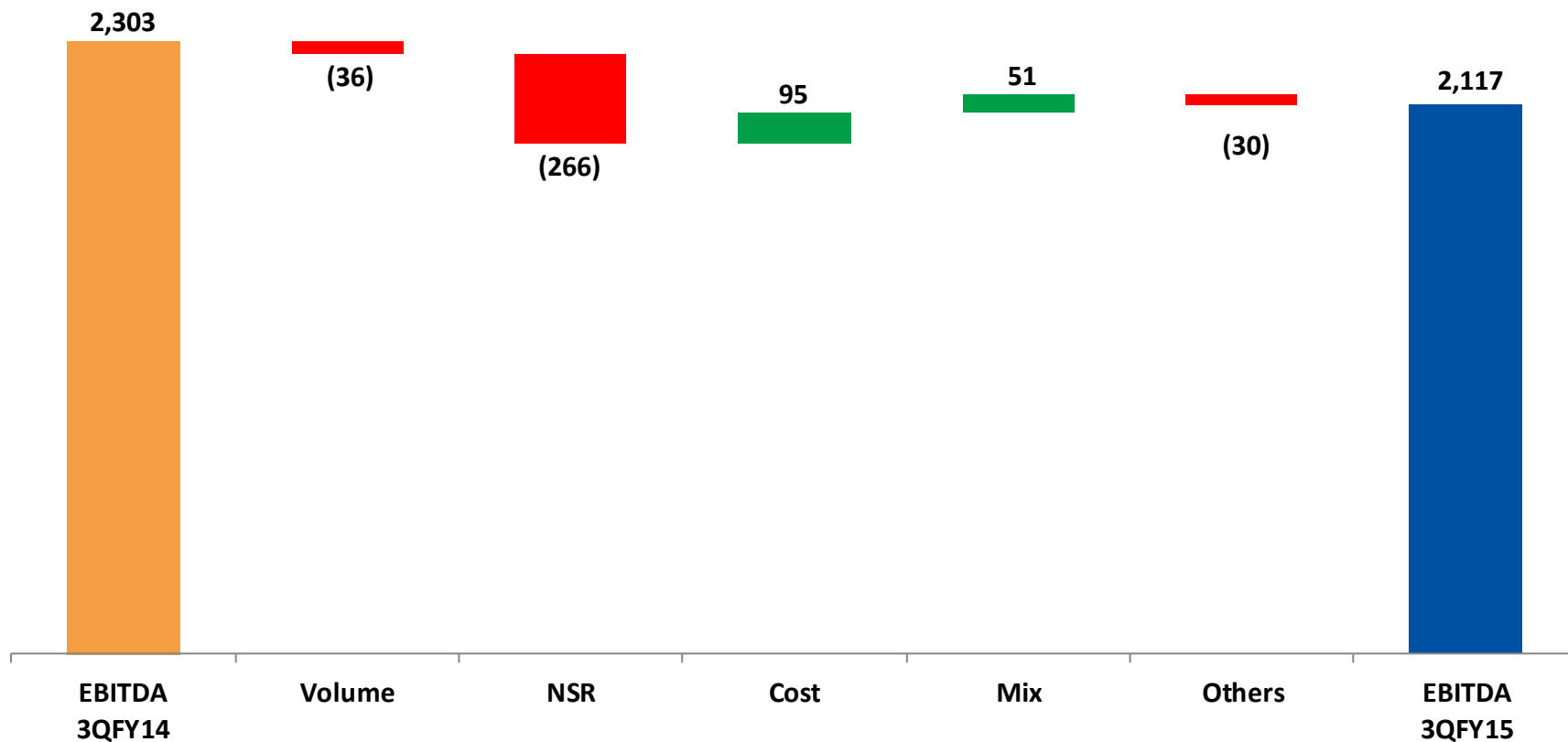
Financials – standalone

₹ crore

Particulars	3QFY14	3QFY15	9MFY14	9MFY15
Gross Turnover	12,651	12,368	35,197	37,765
Net Sales	11,731	11,310	32,275	34,566
Operating EBITDA	2,303	2,117	6,286	7,198
Other Income	61	88	254	306
Finance Cost	719	781	2,050	2,224
Depreciation	690	712	2,020	2,075
Exceptional Items	-	(102)	(1,692)	(291)
Profit Before Tax	954	611	778	2,914
Tax	302	196	246	936
Profit after Tax	652	415	533	1,978
Diluted EPS (₹)*	26.64	16.81	21.02	80.78

Operating EBITDA movement – standalone

₹ crore



Operational performance – JSW Steel Coated Products



Million tonnes

Volumes	3QFY14	3QFY15	9MFY14	9MFY15
Production*	0.41	0.36	1.11	1.17
Sales	0.42	0.37	1.14	1.18

₹ crore

Key P&L data	3QFY14	3QFY15	9MFY14	9MFY15
Turnover	2,445	2,270	6,617	7,312
Operating EBITDA	79	65	236	276
Net profit After Tax	12	(18)	16	1

Operational performance – US Plate & Pipe Mill

Production (net tonnes)	3QFY14	3QFY15	9MFY14	9MFY15
Plate Mill	97,290	83,601	2,80,874	2,89,043
Utilization (%)	39%	34%	37%	39%
Pipe Mill	12,031	18,898	28,984	38,780
Utilization (%)	9%	14%	7%	9%

Sales (net tonnes)	3QFY14	3QFY15	9MFY14	9MFY15
Plate Mill	85,774	63,822	2,47,656	2,45,413
Pipe Mill	19,409	18,101	37,469	43,972

USD mn

Key P&L data	3QFY14	3QFY15	9MFY14	9MFY15
Turnover	92.75	79.81	248.27	267.72
EBITDA + Other Income	(1.73)	(0.46)	(3.18)	6.10
Profit After Tax	(15.22)	(16.09)	(45.84)	(39.19)

Operational performance – Chile

USD mn

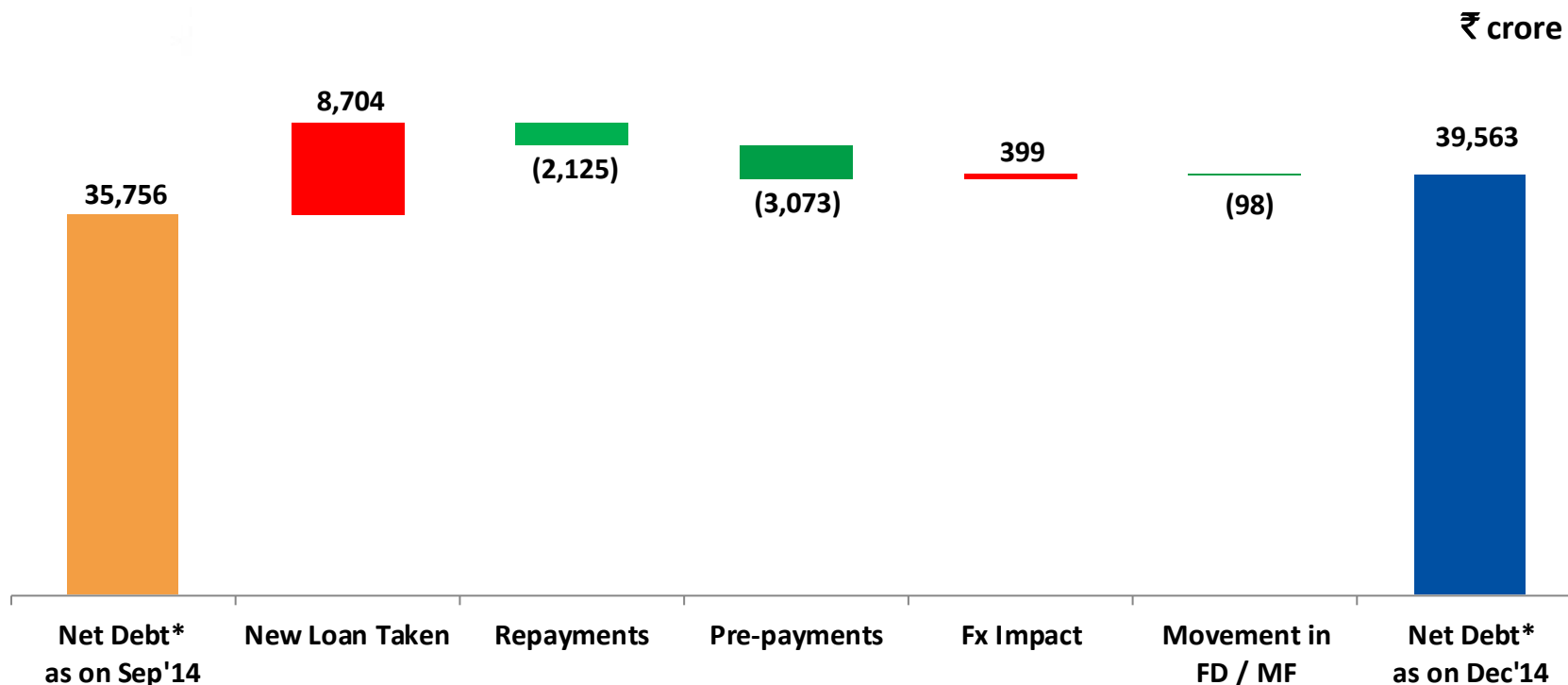
Particulars	3QFY14	3QFY15	9MFY14	9MFY15
Production (Tonnes)	243,171	2,18,515	668,018	6,63,638
Sales (Tonnes)	231,000	2,24,123	604,398	7,70,670
Turnover	27.30	14.20	71.09	64.51
Operating EBITDA	5.23	(6.45)	11.43	(8.56)
Profit after Tax	2.79	(6.38)	4.95	(13.04)

Financials – consolidated

₹ crore

Particulars	3QFY14	3QFY15	9MFY14	9MFY15
Gross Turnover	14,357	14,026	39,378	43,038
Net Sales	13,383	12,927	36,321	39,686
Operating EBITDA	2,409	2,296	6,637	7,720
Other Income	14	13	85	93
Finance Cost	789	937	2,264	2,635
Depreciation	806	890	2,359	2,536
Exceptional Items	-	-	(1,713)	(21)
Profit Before Tax	829	482	386	2,620
Tax	374	175	461	932
Share of Associates and Minority Interest	11	22	43	46
Profit after Tax	466	329	(31)	1,734
Diluted EPS (₹)*	18.96	13.26	(2.29)	70.70

Net debt movement – consolidated



Particulars	30.09.2014	31.12.2014
Cash & cash equivalent (₹ crore)	523	621
Net Debt/Equity (x)	1.56	1.70
Net Debt/EBITDA (x)	3.45	3.86



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Projects Update

Projects' update

DRI Modification (for consumption of COG) at Dolvi : Commissioned in Dec 2014



Electrical Steel Mill at Vijayanagar: expected to be commissioned by end FY15



Projects' update contd..

Cold Rolling Mill -2 at Vijayanagar: Started Phase I (PLTCM in Oct 2013, CGL in Mar 2014 and CAL-1 in Apr 2014), and Phase II (CAL-2) is expected to be commissioned by 1QFY16



Projects' update

Blast Furnance Modification at Dolvi: expected to be commissioned by Sep 2015



New sinter plant (2.5 MTPA) at Dolvi: expected to be commissioned by Sep 2015



Projects' update

New Billet Caster (1.5 MTPA) at Dolvi: expected to be commissioned by Sep 2015



New Bar Mill (1.4 MTPA) at Dolvi: expected to be commissioned by Sep 2015



Forward looking and cautionary statement

Certain statements in this report 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 risk 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, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, our ability to commission mines within contemplated time and costs, our ability to raise the finance within time and cost client concentration, restrictions on immigration, our ability to manage our internal operations, reduced demand for steel, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which the Company has made strategic investments, withdrawal of fiscal/governmental incentives, impact of regulatory measures, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. 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.

Thank you