



JSW Steel Limited

3QFY17 Results Presentation

January 31, 2017

Key highlights – 3QFY17

Standalone performance

- ✓ Crude Steel production: 3.86 million tonnes
- ✓ Saleable Steel sales: 3.64 million tonnes
- ✓ Highest ever Total Income from Operation : ₹14,583 crore
- ✓ Quarterly EBITDA : ₹2,809 crores
- ✓ Net Debt to Equity: 1.72x and Net Debt to EBITDA: 3.72x

Consolidated performance

- ✓ Highest ever Total Income from Operation : ₹15,312 crore
- ✓ Quarterly Operating EBITDA : ₹2,867 crore
- ✓ Net Debt to Equity: 2.11x and Net Debt to EBITDA: 4.02x

Key update

- ✓ The National Award for Supply Chain and Logistics Excellence by Confederation of Indian Industry (CII) under steel industry Category in its 3rd edition of the Supply Chain and Logistics Excellence (Scale) Awards
- ✓ Accreditation with level 5 by TCM division of CII for Total Cost Management (TCM) Maturity Model Assessment – an exemplary rating (Highest in the category)
- ✓ The National Energy Conservation Award 2016 by ‘Bureau of Energy Efficiency’ of India:
 - Vijayanagar Works as 2nd Prize winner in the category of “Integrated Steel Sector”, and
 - Kalmeshwar Works as 2nd Prize winner in the category of “Steel Re-Rolling Mills Sector”

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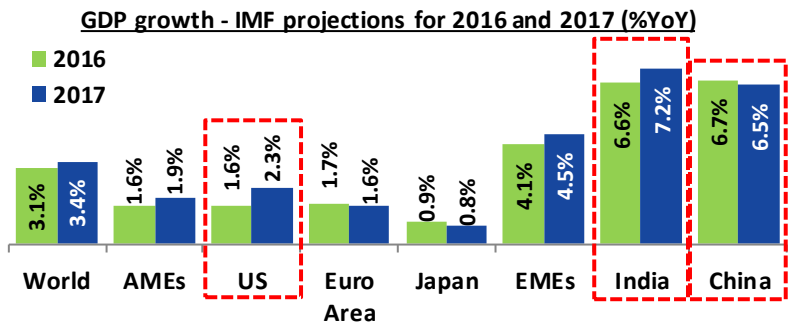
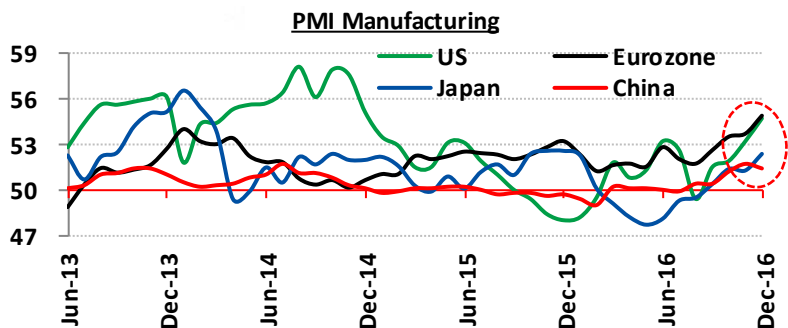
Agenda

Business Environment

Operational Performance

Financial Performance

Global economy

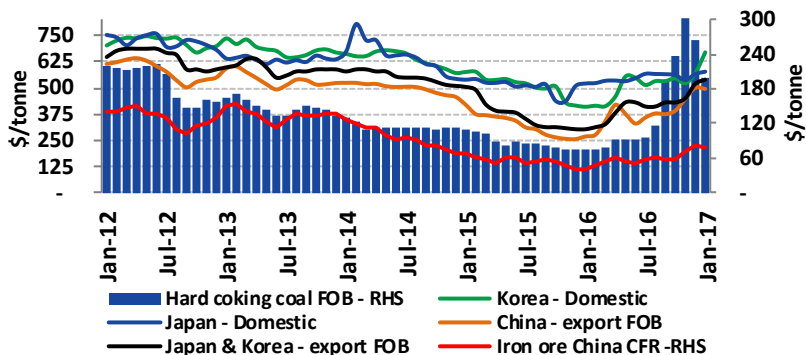
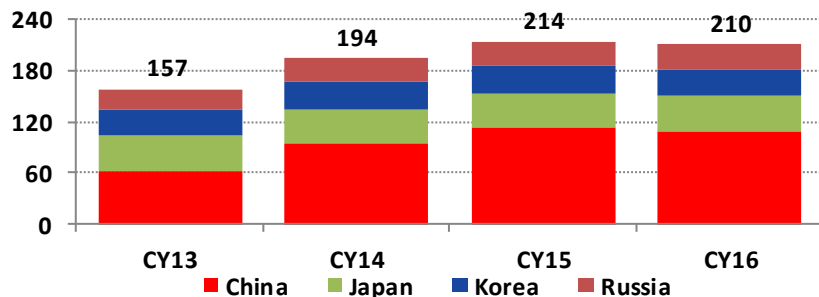


- Recent data indicate US growth recovery is robust enough for Fed to carry out another rate increase
- Euro area growth remains resilient in the face of Brexit shock; political risk in the coming year to be watched out for
- Japan growth improved in 3QCY16, manufacturing PMI remained above 50 for 4th consecutive month
- China growth rate in 4QCY16 at 6.8%YoY was a bit stronger than expected, supported by continued policy stimulus
- However, overall Global growth expectations remain unchanged amidst uncertainty around the US policies and their implications for the global economy

Global economy is projected to grow by 3.4% in CY17

Global steel scenario

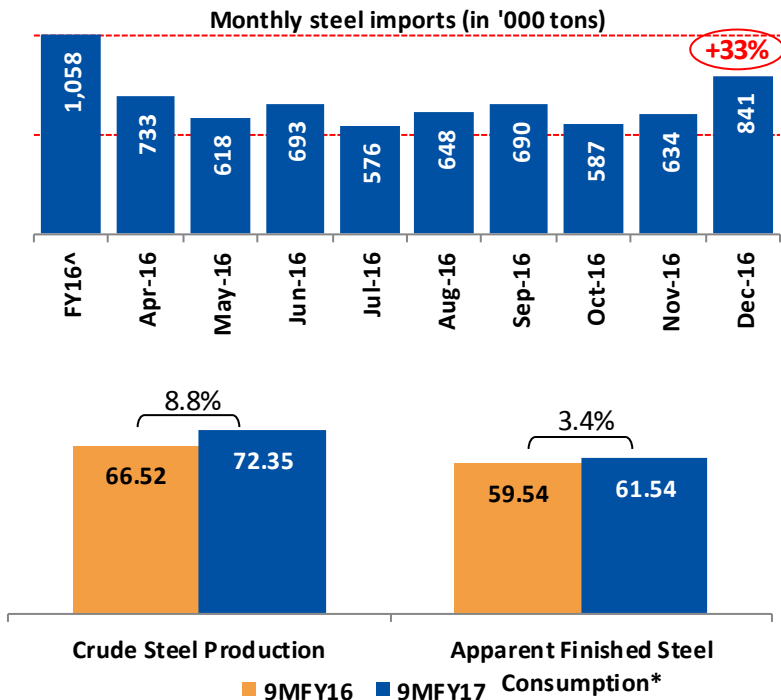
Steel exports (mn tonnes)



- Exports from China, Japan, Korea and Russia continue to remain at elevated levels
- Japanese and Korean exports continue to be at a discount to their domestic market prices
- Coking coal contract price for 1QCY17 has been settled at \$285/t and Iron ore price remains at elevated level. This will keep steel prices range-bound

Continued trade restrictions to influence global steel trade

Indian economy and steel industry



- Imports surged to 10MTPA on annualized basis in Dec'16 – back to pre MIP Level; relook at trade remedial measures is necessary
- Crude steel production increased by 8.8%YoY whereas apparent finished steel consumption grew by 3.4%YoY in 9MFY17
- Tepid steel demand reflects weak investment cycle, expect digital push and re-monetization to restore normalcy in demand
- The upcoming budget will be key with regard to government's policies to stimulate infrastructure investment and consumption growth via higher public spending and lower tax rates

Demand remains weak, rising imports is a cause of concern

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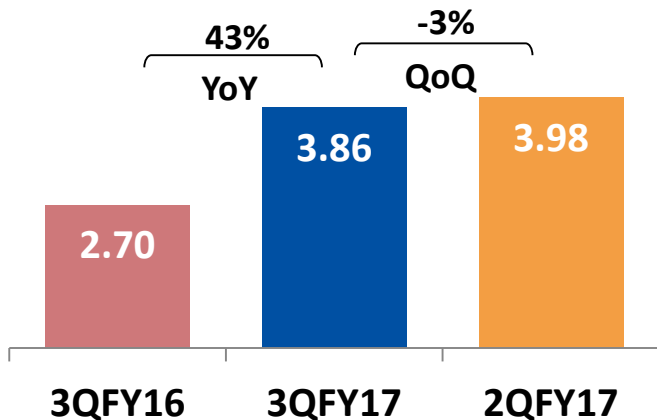
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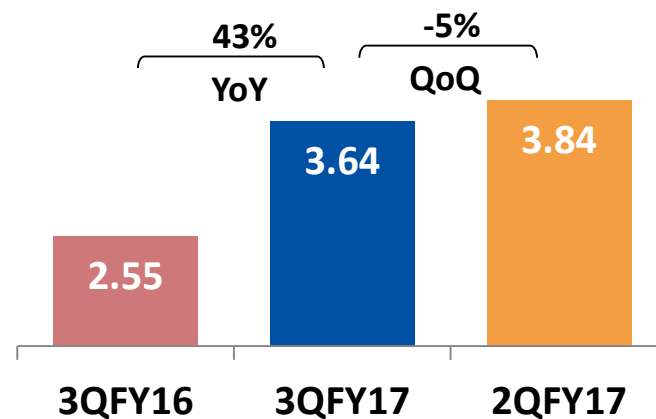
Quarterly volumes – standalone

Crude Steel Production



	3QFY16	3QFY17	2QFY17
Flat	1.87	2.83	2.86
Long	0.63	0.74	0.79

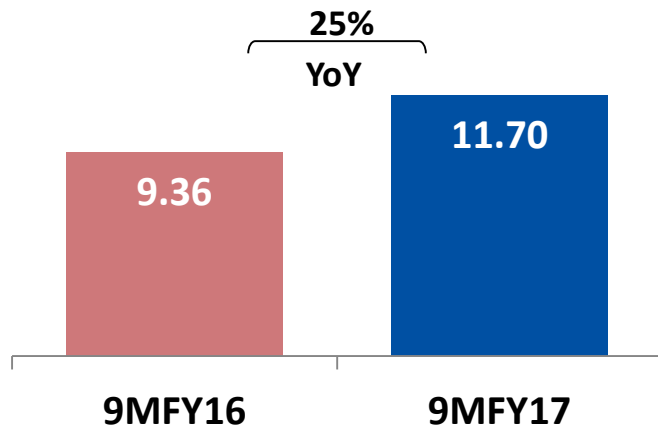
Saleable Steel Sales



	3QFY16	3QFY17	2QFY17
Flat	1.86	2.79	2.80
Long	0.66	0.73	0.81
Semis	0.03	0.12	0.23

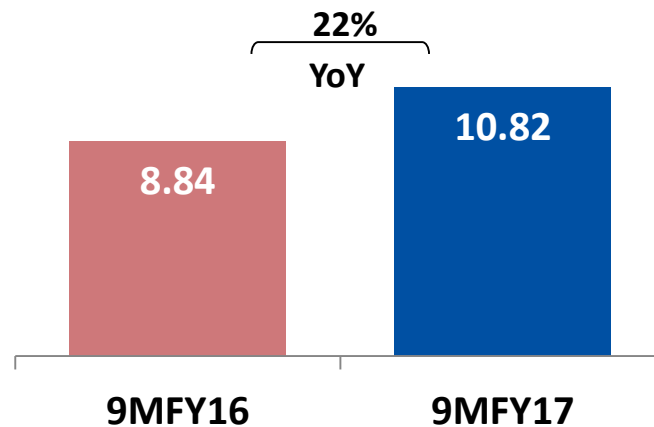
9M volumes – standalone

Crude Steel Production



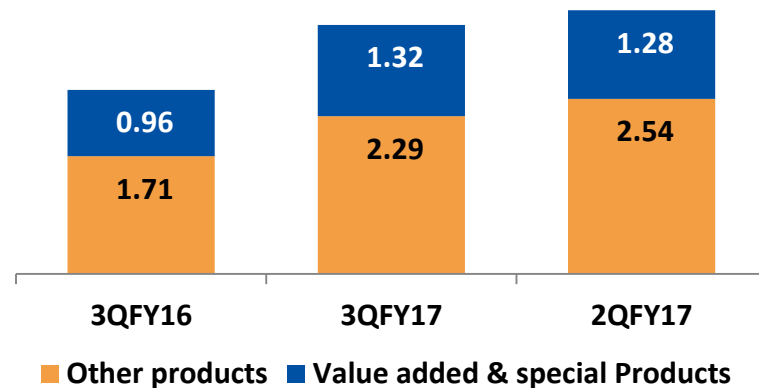
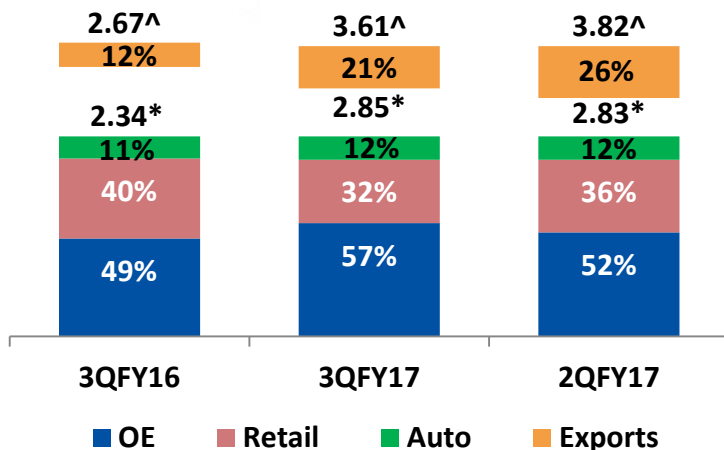
	9MFY16	9MFY17
Flat	7.60	8.43
Long	1.58	2.39

Saleable Steel Sales



	9MFY16	9MFY17
Flat	6.77	8.07
Long	1.93	2.28
Semis	0.15	0.47

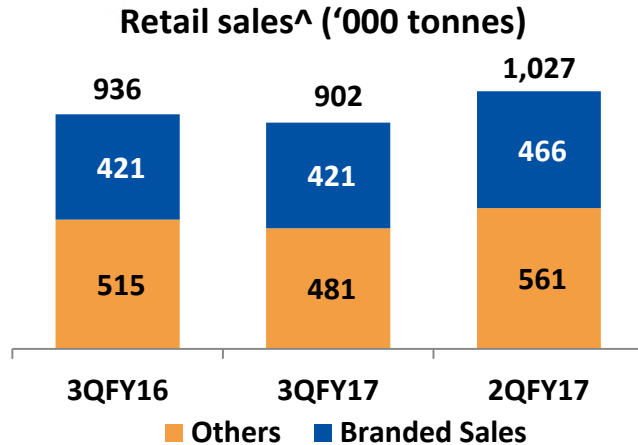
Quarterly sales highlights – consolidated



- ✓ Domestic sales grew 22%YoY and Exports sales grew 133%YoY
- ✓ Automotive sales grew 29%YoY
- ✓ Overall value added & special products (VASP) sales grew 38%YoY – CRCA ~43% , Special Longs ~23%, Coated ~23%; overall VASP improved to 37% of total sales

Focused efforts towards value added & special products sales

Quarterly retail sales highlights – consolidated



Network expansion and Influencer programme



- ✓ Added 126 new Retailers to the network
- ✓ Engaged with 2,400+ influencer/ retailers through 181 influencer meets
- ✓ 200 engineers visited Vijayanagar works through 5 plant visits

- ✓ Overall retail sales was impacted by liquidity issues post demonatization
- ✓ HRPO sales grew 34%YoY and HRCTL sales grew 8%YoY

Automotive, Appliance and General Eng. grade approvals

Applications	Components	Grades Approved							
Automotive	Hood	270F	340P	270F	340P	JSC340HN			
	Roof	270F	590R						
	Doors	270F	JSC270DU	270F	JAC270DU	SGARC40			
	Body side outer	270F	270F	JAC340P					
	BIW (Inner)	980Y	590R	440W					
	Floor	270F	HX220YD	SAGA270C					
	Structural	980Y	590Y	590R	BSK46	SAPH 370			
	Reinf. Pillar	980Y	HX180YD	SGARC440					
	Fuel Tank	DX57							
	Wheels	SPFH440	SPFH590	SAPH 590	HR 750				
	Engine	SCM435	S36CV	86B45	SAE1070	SAE4140	SAE1018	EN1APB	16MnCr5LSi
	Transmission	16MnCr5	SAE4124	SAE8822	SAE5160	SAE4145	20MnCr5Ni		
	Axels	150M36							
	Tractor	815M17							
	Suspension	51CrMoVn							
Bearings	100CrMnSi6-4	SAF5019							
Appliance	Front Panel	EDD	IF						
	Side Panel	D	DD						
	Cylinder Cell	IS15194 HS345							
General Eng.	Structural	SS540	MSLI Gr6	ASTM A 792					
	Weather Resistant	IRSM 41							

CR

HR

Coated

Alloy Steel Longs

HRPO

 Indicates new grade approval in 3QFY17

Above mentioned approved grades are the highest among the specific product/grade-group; the lower grades upto the highest grades are also approved.

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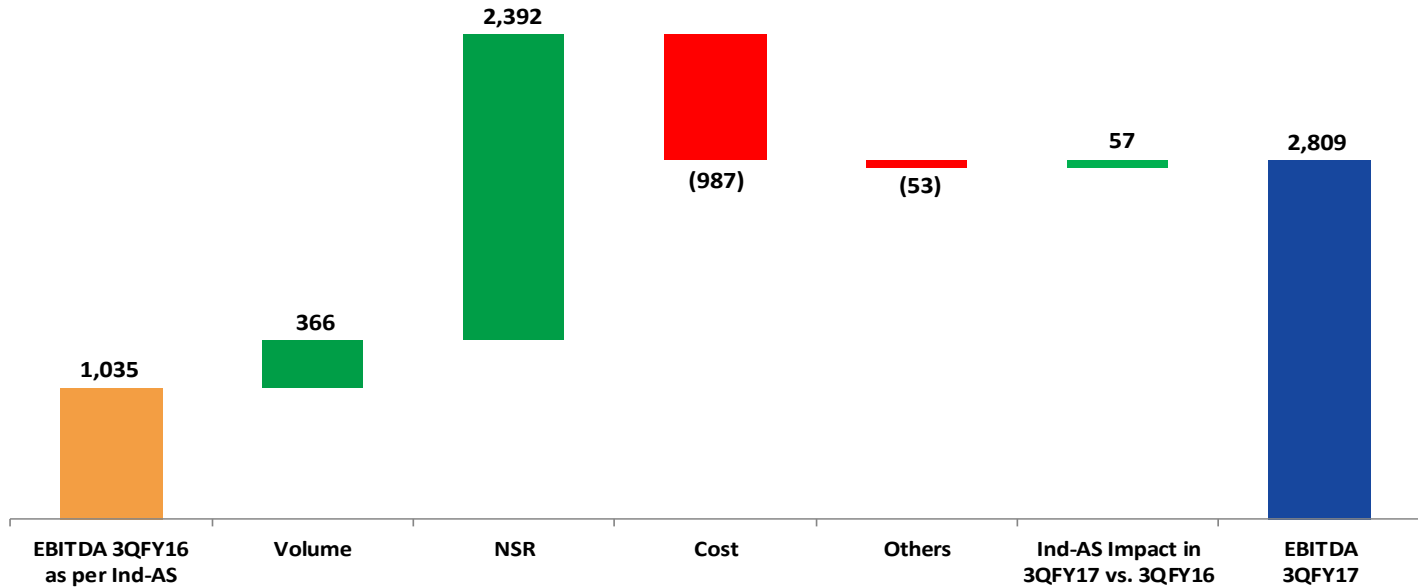
Financials – standalone

₹ crore

Particulars	3QFY17	3QFY16	9MFY17	9MFY16
Total Income from Operations	14,583	8,138	39,962	30,244
Operating EBITDA	2,809	1,035	8,625	4,434
Other Income	78	96	174	295
Finance Cost	901	796	2,680	2,390
Depreciation	794	716	2,325	2,126
Exceptional Items	-	5,597	-	5,859
Profit Before Tax	1,192	(5,978)	3,793	(5,645)
Tax	373	(1,823)	1,220	(1,748)
Profit after Tax	819	(4,154)	2,573	(3,897)
Diluted EPS (₹)*	3.39	(17.36)	10.65	(16.29)

Operating EBITDA movement – standalone

₹ crore



Operational performance – JSW Steel Coated Products

Million tonnes

Volumes	3QFY17	3QFY16	9MFY17	9MFY16
Production	0.43	0.33	1.29	1.11
Sales	0.43	0.34	1.27	1.14

₹ crore

Key P&L data	3QFY17	3QFY16	9MFY17	9MFY16
Total Income from Operations	2,437	1,630	7,020	5,694
Operating EBITDA	142	38	468	251
Profit after Tax	55	(16)	208	45

Operational performance – US Plate & Pipe Mill

Production (net tonnes)	3QFY17	3QFY16	9MFY17	9MFY16
Plate Mill	42,291	48,547	1,28,937	1,64,978
<i>Utilization (%)</i>	18%	20%	18%	23%
Pipe Mill	11,585	13,217	28,432	42,800
<i>Utilization (%)</i>	8%	10%	7%	10%

Sales (net tonnes)	3QFY17	3QFY16	9MFY17	9MFY16
Plate Mill	31,009	36,192	89,477	1,26,215
Pipe Mill	11,544	12,421	29,726	47,175

USD mn

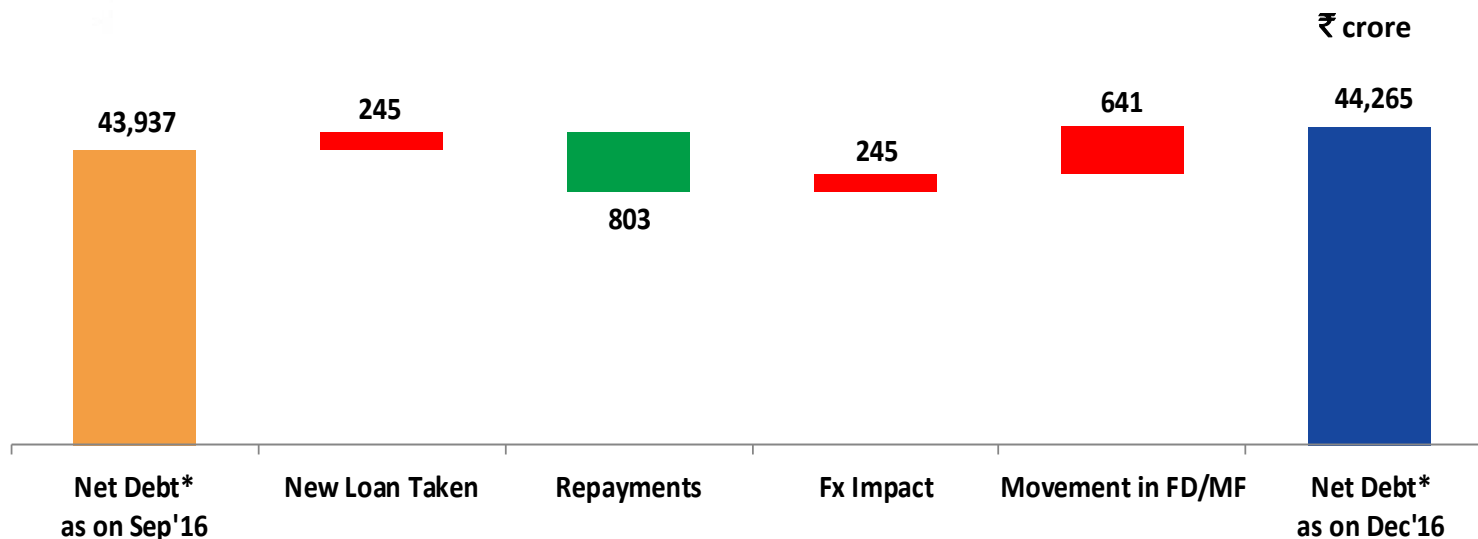
Key P&L data	3QFY17	3QFY16	9MFY17	9MFY16
Revenue from Operations	32.37	39.58	94.94	145.45
EBITDA + Other Income	(4.36)	(4.89)	(9.58)	(17.38)

Financials – consolidated

₹ crore

Particulars	3QFY17	3QFY16	9MFY17	9MFY16
Total Income from Operations	15,312	9,589	42,619	34,230
Operating EBITDA	2,867	977	9,095	4,477
Other Income	33	27	96	112
Finance Cost	920	891	2,821	2,745
Depreciation	915	830	2,638	2,495
Exceptional Items	-	2,122	-	2,124
Profit Before Tax	1,066	(2,839)	3,733	(2,775)
Tax	351	(2,025)	1,275	(1,975)
Share of Associates, JV and non-controlling Interest	16	105	108	169
Profit after Tax	730	(709)	2,566	(632)
Diluted EPS (₹)*	3.02	(2.96)	10.61	(2.64)

Net debt movement – consolidated



Particulars	31.12.2016	30.09.2016
Cash & cash equivalent (₹ crore)	1,322	1,963
Net Debt/Equity (x)	2.11	2.15
Net Debt/EBITDA (x)	4.02	4.82

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