

T H E W I L L

T O W I N



JSW Steel Limited

1QFY18 Results Presentation

August 01, 2017

Key highlights – 1QFY18

Standalone performance	<ul style="list-style-type: none">✓ Crude Steel production: 3.91 million tonnes✓ Steel sales: 3.51 million tonnes✓ Quarterly EBITDA : ₹ 2,198 crores✓ Net Debt to Equity: 1.71x and Net Debt to EBITDA: 3.81x
JSW Steel Coated Products	<ul style="list-style-type: none">✓ Highest ever quarterly Steel sales: 0.48 million tonnes✓ Highest ever quarterly EBITDA: ₹ 205 crores
Consolidated performance	<ul style="list-style-type: none">✓ Quarterly Operating EBITDA : ₹ 2,617 crores✓ Net Debt to Equity: 1.97x and Net Debt to EBITDA: 3.76x
Key update	<ul style="list-style-type: none">✓ 2nd prize to Tarapur works and 3rd prize to Kalmeshwar Works for excellence in energy conservation and management in 'Metal & Steel' category at 11th State level energy conservation award by Maharashtra Energy development Agency (MEDA)

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Agenda

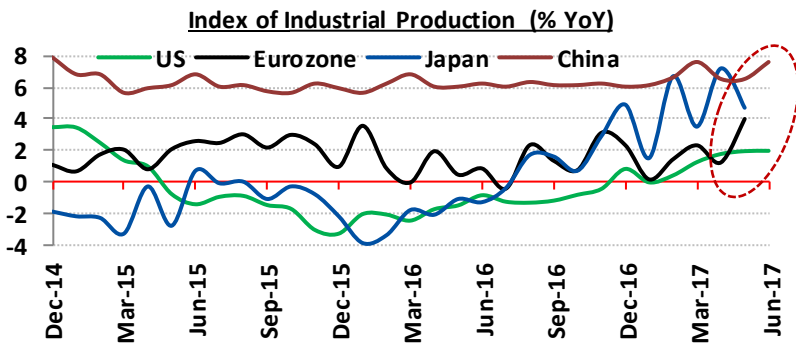
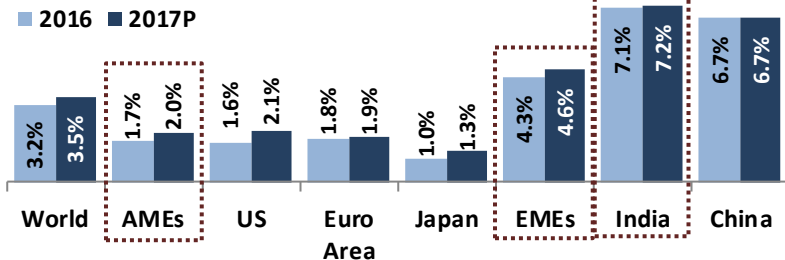
Business Environment

Operational Performance

Financial Performance

Global economy

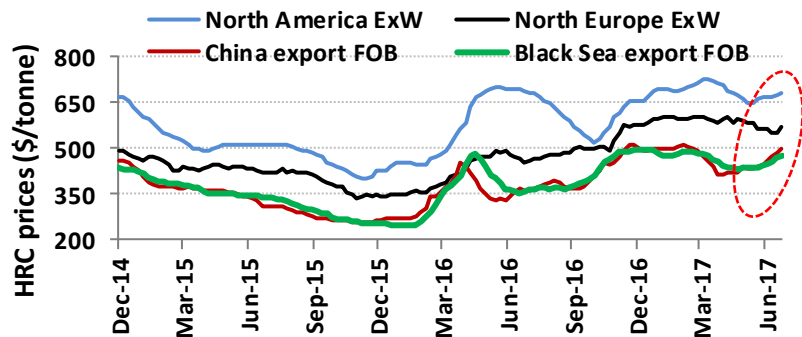
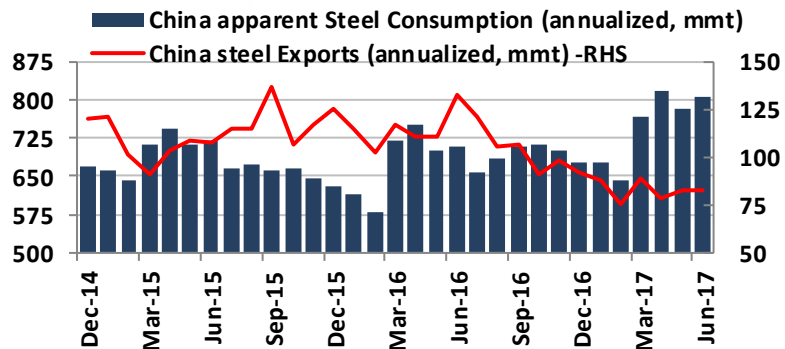
GDP growth - IMF projections for 2016 and 2017 (%YoY)



- Global growth outlook on track, economic activity in both advanced and emerging / developing economies expected to accelerate
- US growth expectation marked down amidst less expansionary policy stance
- Euro area activity continues to improve helped by expansionary monetary policy and reduced political uncertainty as well as better domestic demand
- Japan growth outlook turns marginally better than earlier supported by private consumption and export growth
- Chinese economic growth positively surprise on the back of fiscal policy supported front-loaded infrastructure investment

Global growth outlook remains firm

Global steel scenario

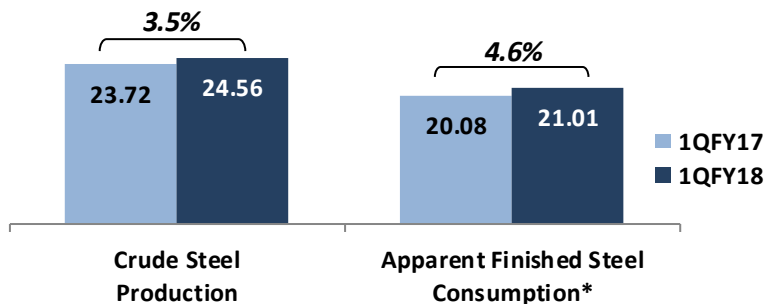
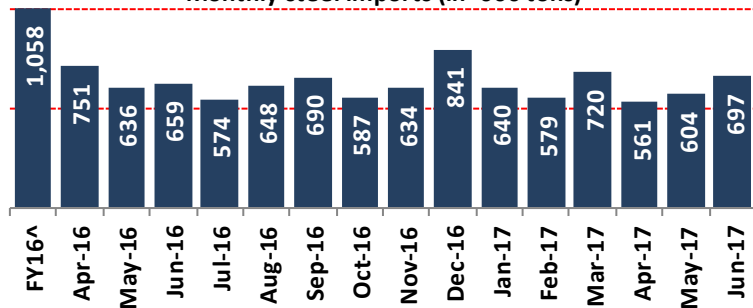


- Global steel production grew by ~36mmt in 1HCY17 as against WSA’s CY17 estimate for demand growth of ~20mmt
- However, China has positively surprised with a ~35mmt apparent steel demand growth in 1HCY17 against a flattish demand estimate by WSA’s for CY17. This growth was primarily driven by government stimulus
- Overall Chinese steel exports have come down by ~28% in 1HCY17
- Exports from Japan and Korea continue to remain at elevated levels with pricing at a discount to their domestic market prices
- Steel prices are improving with upward pressure on iron ore and coking coal amidst improved demand environment in China

Global steel demand growth appears to be better than earlier expectations

Indian economy and steel industry

Monthly steel imports (in '000 tons)



- Steel imports, after correcting in April, have again risen to ~8mmt on annualized basis
- Crude steel production increased by 3.5%YoY in 1QFY18 whereas apparent finished steel consumption grew by 4.6%YoY
- Steel demand is improving with increasing public sector spending; reflected in increased activity in sectors like roads, power T&D, solar energy, earthmoving equipments, pre-engineered buildings, and water & gas pipelines,
- Sluggish private capex remains a concern

Steel demand growth is on track to grow by ~5% in FY18

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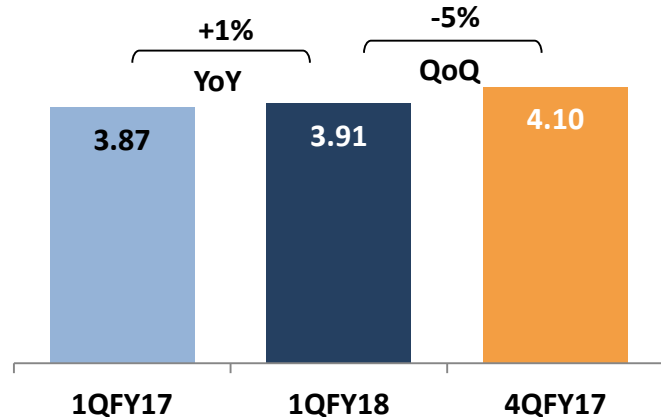
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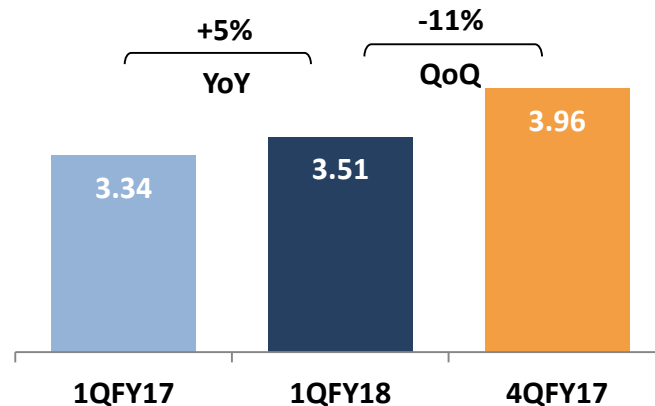
Quarterly volumes – standalone

Crude Steel Production



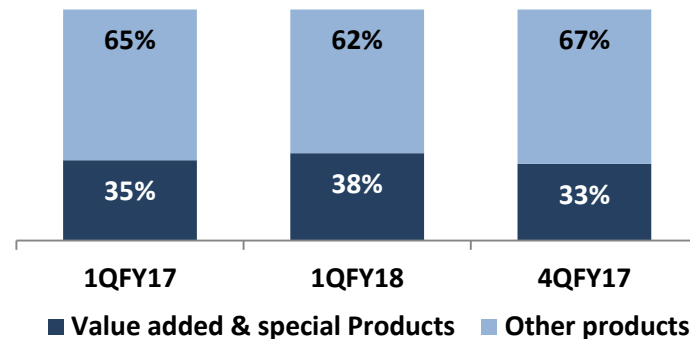
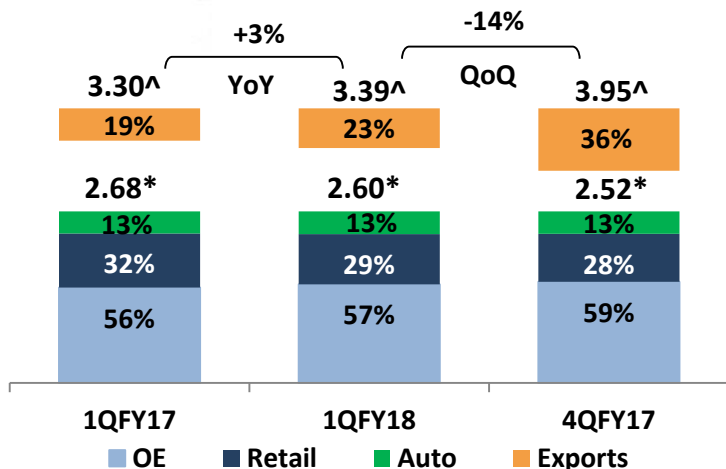
	1QFY17	1QFY18	4QFY17
Flat	2.74	2.76	2.98
Long	0.85	0.83	0.82

Steel Sales



	1QFY17	1QFY18	4QFY17
Flat	2.48	2.57	2.90
Long	0.74	0.75	0.78
Semis	0.12	0.18	0.27

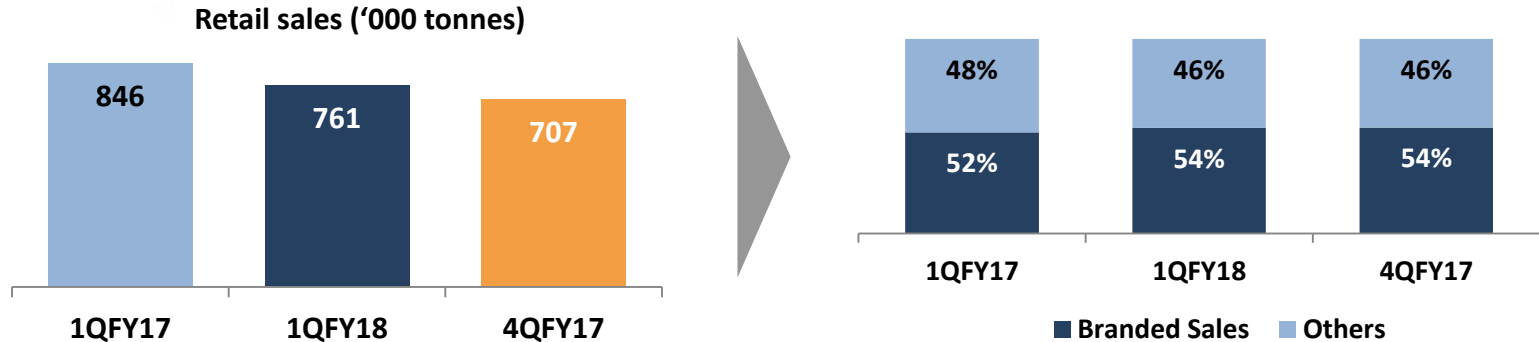
Quarterly sales highlights – consolidated



- ✓ Overall sales grew 3%YoY
- ✓ Overall value added & special products (VASP) sales grew by 12%YoY –
 - CRCA sales grew 17%, Galvanised sales grew 8%, Colour Coated sales grew 27% and Electrical steel sales grew 53%

Focused efforts towards value added & special products sales

Retail segment highlights for 1QFY18



- ✓ Branded Sales ratio to overall retail sales grew to 54%
- ✓ Added 263 new Retailers to the network; JSW now has footprints across 575 districts with over 8,100 exclusive and non-exclusive retail outlets
- ✓ Engaged with 900+ influencer/ retailers through 90+ meets

Product/Grade approvals

Applications	Components	Grades Approved							
Automotive	Hood	270F	340P	270F	340P	JSC340HN	CR240B2		
	Roof	270F	590R	CR210B2					
	Doors	270F	JSC270DU	270F	JAC270DU	SGARC40			
	Body side outer	270F	270F	JAC340P	SCGA 270D + JAZ				
	BIW (Inner)	980Y	590R	440W					
	Floor	270F	HX220YD	SAGA270C					
	Structural	980Y	590Y	590R	BSK46	SAPH 370	S550MC		
	Reinf. Pillar	980Y	HX180YD	SGARC440					
	Fuel Tank	DX57							
	Wheels	SPFH440	SPFH590	SAPH 590	HR 750				
	Engine	SCM435	S36CV	86B45	SAE1070	SAE4140	SAE1018	EN1APB	
	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						
	Outer shell	BTC330R/BTC245R							
	LPG Cylinder shell	IS 15194 HS345	JIS G3131SPHD						
General Engineering	Structural	SS540	MSL I Gr6	ASTM A 792	5700MC				
	Weather Resistant	IRSM 41							
	Heat Exchanger	SPCCT							
Electrical Steel	Alternator	50C1000	50C700	65C1000	65SP1000	50SP1050			
	Auto Electricals	50C1000	50C800	50C600	50C470				
	Fan	50C1000	50SP1000	35C360	35C360				
	FHP Motors	50C1000	50C800	50C700	50C600	50SP1050	50SP890		
	Generators	50C530	50C470	50C470 S	50C400	50C310	65C700		
	Compressors	50C1000	50C800 (P)	50C600	50C530	50C470	50C470 P		
	Ind. Motors	50C800	50C600	65C600	50C530	50C530			
	Pump Motors	50C1000	50C800	50C700	50SP1050	50SP890			
	Trans Lam	50C1000	50C800	50C700	50C600	50C530	50C470	35C360	35C300

CR
Alloy Steel Longs

Coated
Fully Processed

HRPO
Semi Processed

HR



Indicates new grade approval in 1QFY18

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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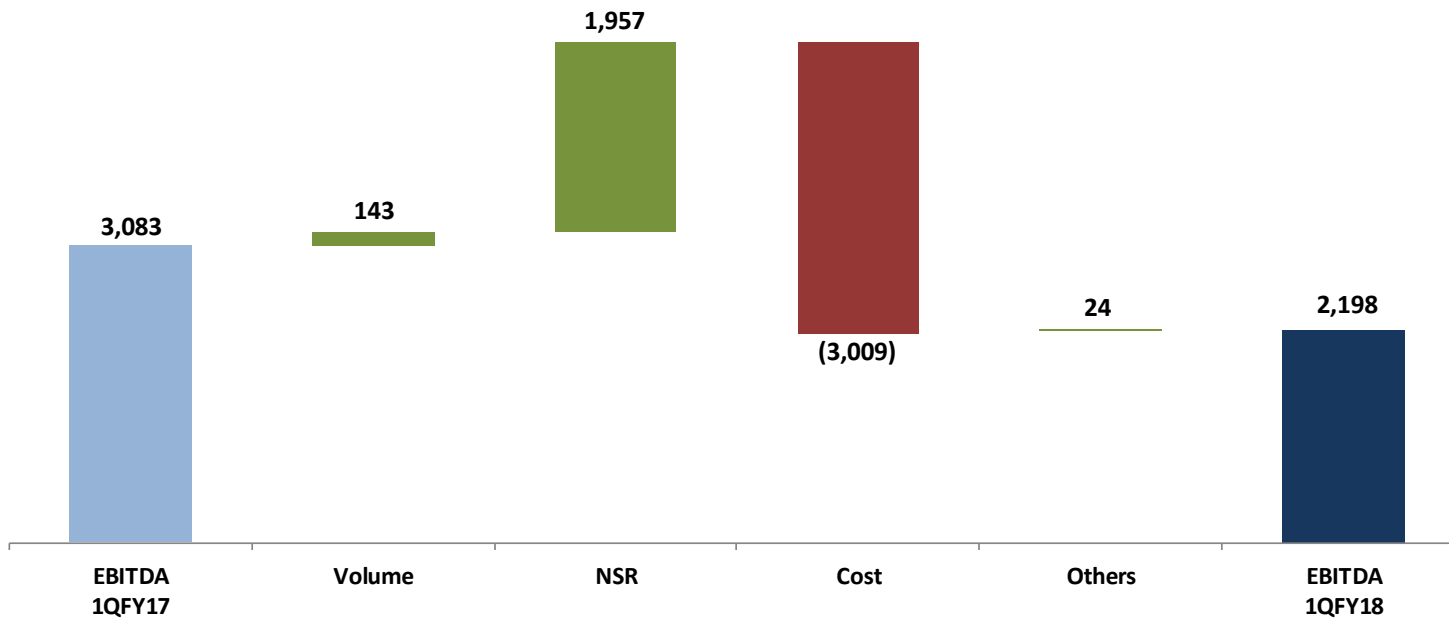
Financials – standalone

₹ crore

Particulars	1QFY18	1QFY17
Revenue from operations	15,096	12,021
Operating EBITDA	2,198	3,083
Other Income	48	44
Finance Cost	907	863
Depreciation	732	729
Profit Before Tax	607	1,535
Tax	188	453
Profit after Tax	419	1,082
Diluted EPS (₹)*	1.73	4.48

Operating EBITDA movement – standalone

₹ crore



Operational performance – JSW Steel Coated Products

Million tonnes

Volumes	1QFY18	1QFY17
Production	0.44	0.41
Sales	0.48	0.40

₹ crore

Key P&L data	1QFY18	1QFY17
Revenue from Operations	3,060	2,194
Operating EBITDA	205	159
Profit after Tax	117	74

Operational performance – US Plate & Pipe Mill

Production (net tonnes)	1QFY18	1QFY17
Plate Mill	65,491	37,859
<i>Utilization (%)</i>	28%	16%
Pipe Mill	11,562	4,598
<i>Utilization (%)</i>	8%	3%

Sales (net tonnes)	1QFY18	1QFY17
Plate Mill	52,410	27,542
Pipe Mill	11,993	5,618

USD mn

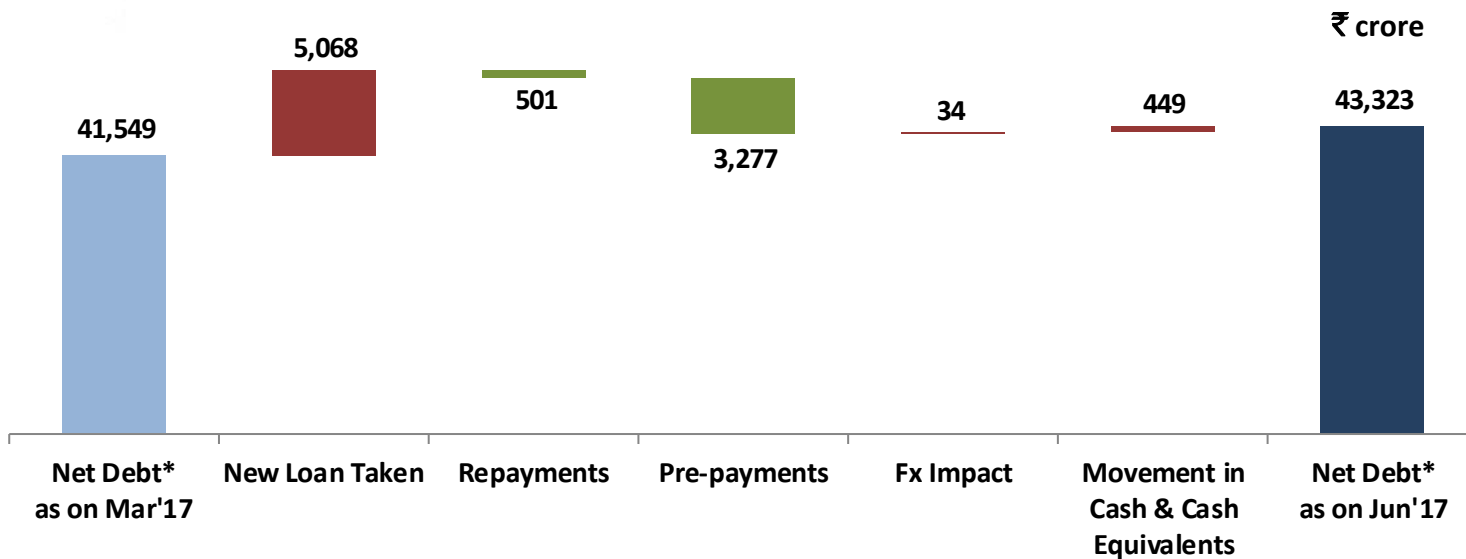
Key P&L data	1QFY18	1QFY17
Revenue from Operations	58.67	25.26
EBITDA	5.10	(5.45)

Financials – consolidated

₹ crore

Particulars	1QFY18	1QFY17
Revenue from operations	15,977	12,886
Operating EBITDA	2,617	3,256
Other Income	41	33
Finance Cost	945	936
Depreciation	819	817
Profit Before Tax	894	1,536
Tax	284	451
Share of Associates and Joint Ventures	14	11
Profit after Tax	624	1,096
Diluted EPS (₹)*	2.59	4.63

Net debt movement – consolidated



Particulars	30.06.2017	31.03.2017
Cash & cash equivalent (₹ crore)	1,336	1,785
Net Debt/Equity (x)	1.97	1.85
Net Debt/EBITDA (x)	3.76	3.41

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