



JSWSL: SECT: MUM: SE: 2019-20
January 24, 2020

1. National Stock Exchange of India Ltd. Exchange Plaza Plot No. C/1, G Block Bandra - Kurla Complex Bandra (E), Mumbai - 400 051 NSE Symbol: JSWSTEEL Kind Attn.: Mr. Hari K, President (Listing)	2. BSE Limited Corporate Relationship Dept. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001. Scrip Code No.500228 Kind Attn: The General Manager (CRD).
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Sub: Investor/Analyst Presentation - Regulation 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations 2015")

Dear Sir,

Pursuant to Regulation 30 of the Listing Regulations, 2015, we enclose herewith for your information a copy of the presentation to Analysts for the Q3 FY 2019-20 ended on 31.12.2019.

This is for the information of your members and all concerned.

Thanking you,

Yours faithfully,
For **JSW STEEL LIMITED**

Lancy Varghese
Company Secretary



A Vision to Execute **Better.**

Everyday.

JSW Steel Limited
Q3 FY 2019-20 Results Presentation
Jan 24, 2020

Key highlights – Q3 FY20



Consolidated performance

- ✓ Revenue from operations : ₹ 18,055 crore
- ✓ Operating EBITDA : ₹ 2,451 crore
- ✓ Net Profit : ₹ 187 crore
- ✓ Net Debt to Equity : 1.35x and Net Debt to EBITDA : 3.71x
- ✓ Diluted Earnings Per Share : ₹ 0.87 per share

Operational performance

- ✓ Production from captive Iron ore mines at 1.22mt in 3Q and 3.26mt in 9M FY20

Other highlights

- ✓ Consummated acquisition of Vardhman Industries Limited (VIL)
- ✓ 5th Captive mine in the state of Karnataka (Rama Mine) commenced operations in January 2020, 6th Mine (Ubbalagundi Mine) expected to commence shortly



Agenda



Business
Environment

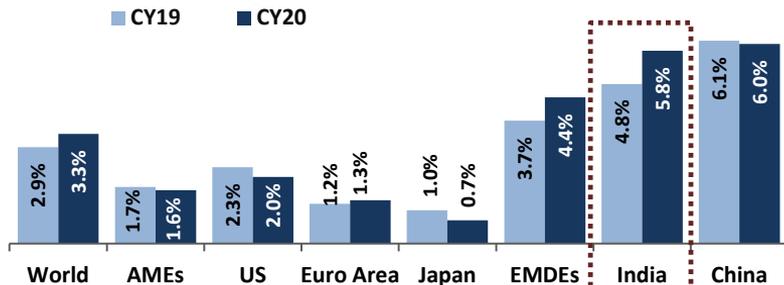
Operational
Performance

Financial
Performance

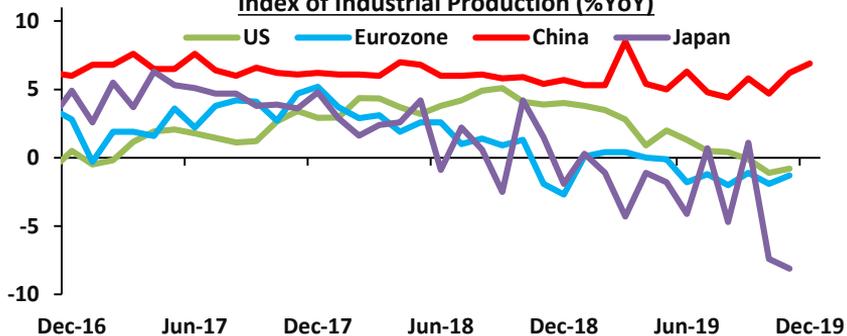
Projects Update

Global economy

GDP growth forecast (%YoY)



Index of Industrial Production (%YoY)

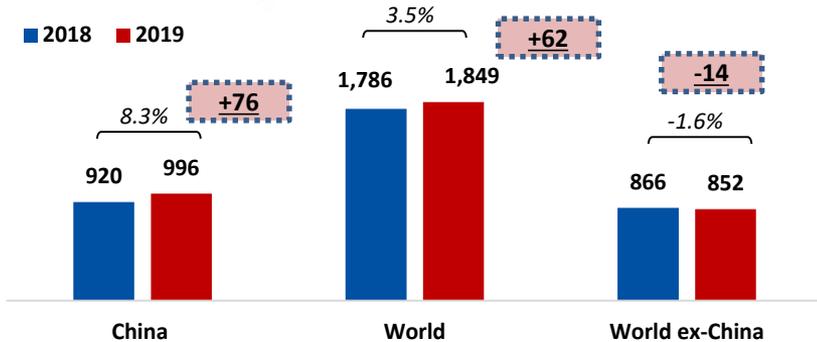


- IMF expects global GDP growth for CY 2020 at 3.3%, up from 2.9% of 2019
- US continues to witness strong consumer spending and buoyant housing market. Fading away of trade tensions likely to improve business sentiment and support moderate expansion in manufacturing
- Easing of trade conflicts, political stability and policy stance to anchor Euro area's growth trajectory
- Japan growth outlook improves on the back of fresh round of fiscal measures
- Stable growth outlook in China as policy makers respond with appropriate fiscal and monetary measures
- Synchronised monetary easing and fiscal measures to aid global growth, heightened geopolitical tension poses risk

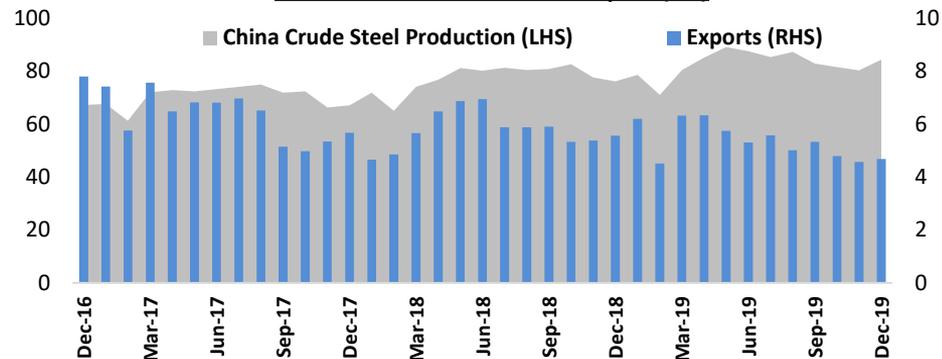
Global economy expected to stabilize as trade frictions ease

Global steel

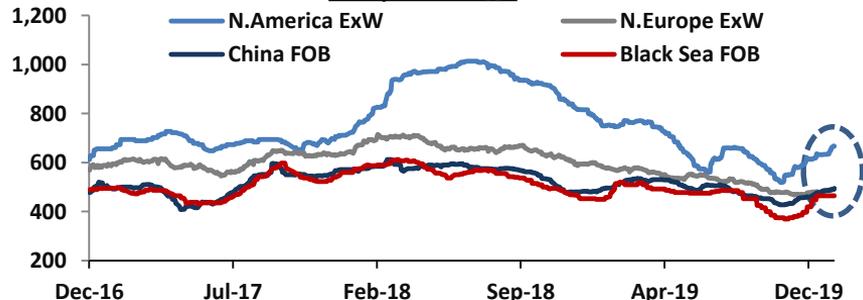
Global Crude Steel production (mnt)



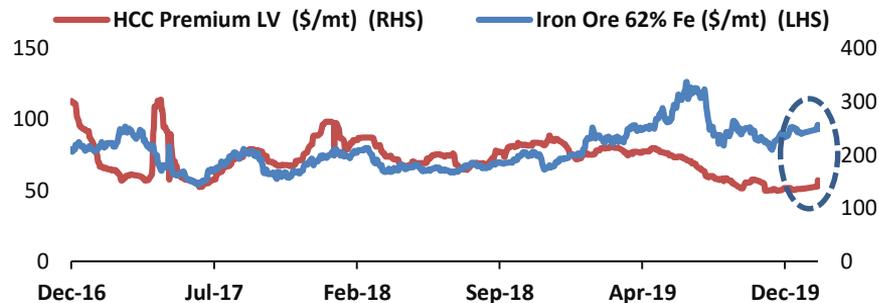
China Steel Production and Export (mt)



HRC prices US\$/t



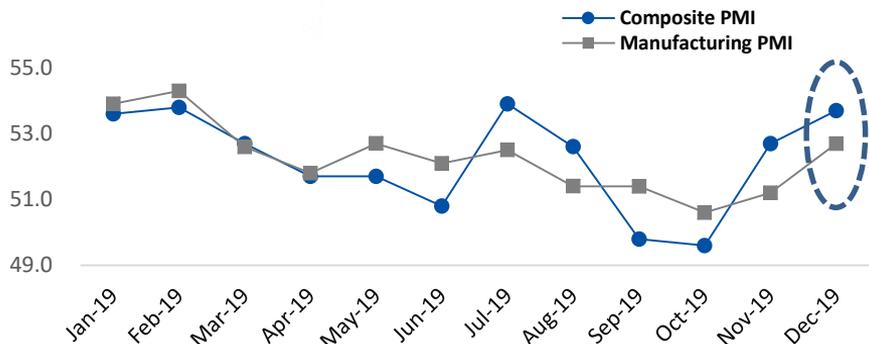
Raw Material Price Trend



Restocking and modest uptick in demand to support steel spreads

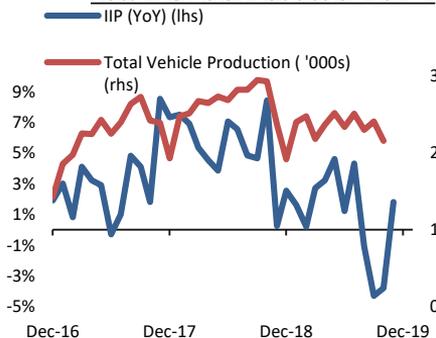
Indian economy

PMI

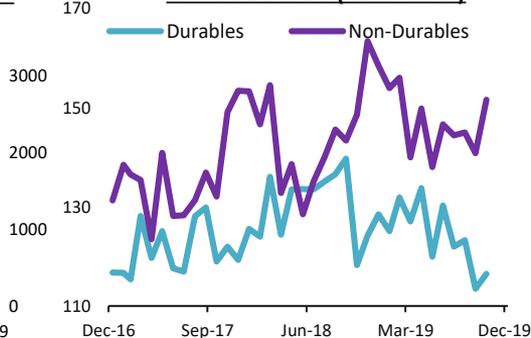


- IIP and Manufacturing PMI prints have improved from recent lows, signaling an improvement in business confidence
- Consumer sentiment remains uncertain with weaker growth in automotive and consumer durable volumes
- GFCF growth till 2QFY20 is weak driven mainly by lower Government capex.
- Recently announced INR 102 trillion spend plan on National Infrastructure Pipeline (NIP) over the next 5 years is likely to support recovery in GFCF cycle. 80% of this planned spend is attributed towards roads, urban housing, railways and power
- Monetary policy stance is supportive for economic expansion
- Volatile crude oil prices, elevated inflation and lack of improvement in credit availability pose risks to growth outlook

Total Vehicle Production vs. IIP



IIP - Use Based (Consumer)

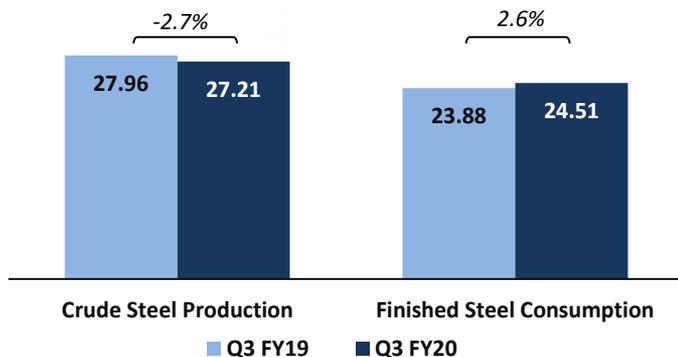


Supportive fiscal and monetary policies to revive business and consumer sentiment

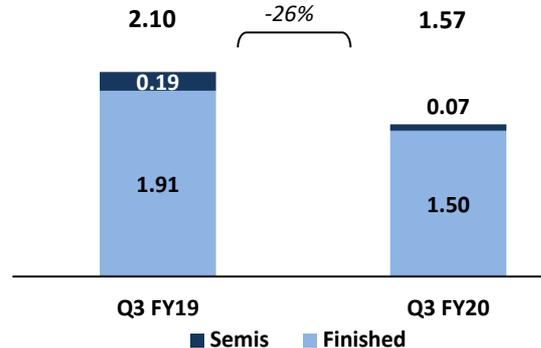
Source: CSO India, SIAM, Bloomberg

Indian steel – Q3 FY20

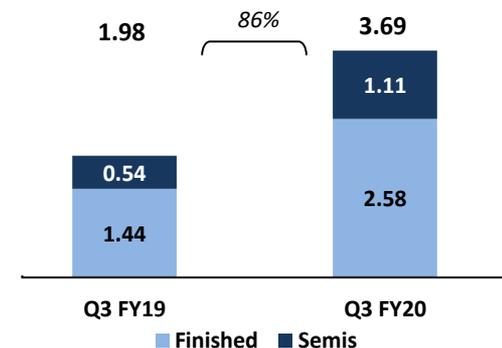
Production and Consumption (mt)



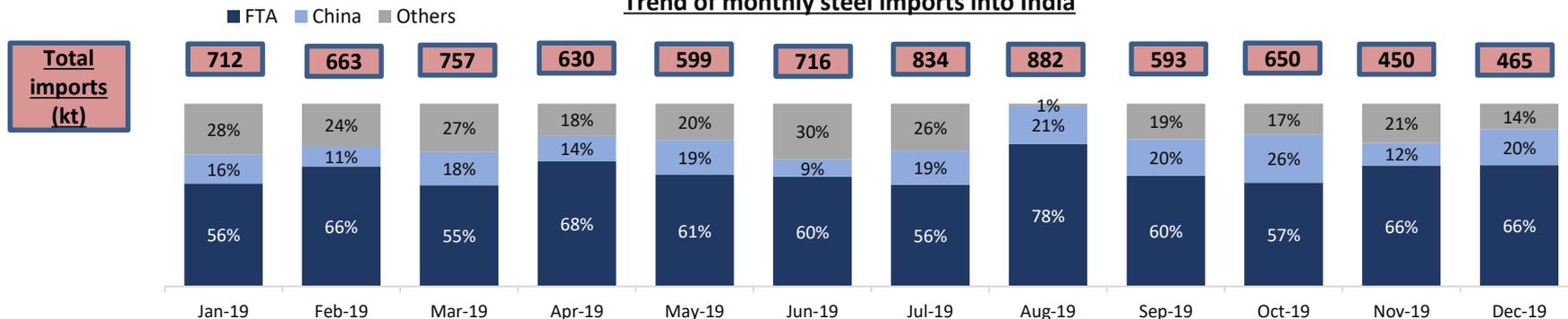
Steel Imports (mt)



Steel Exports (mt)



Trend of monthly steel imports into India



Government measures and supportive policies augur well for steel demand outlook



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Environment

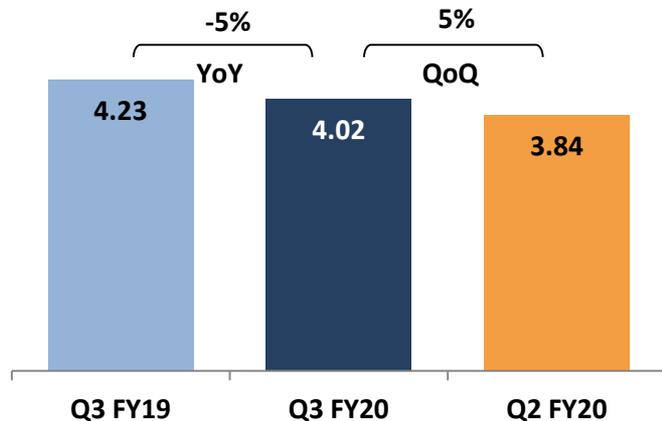
Operational
Performance

Financial
Performance

Projects
Update

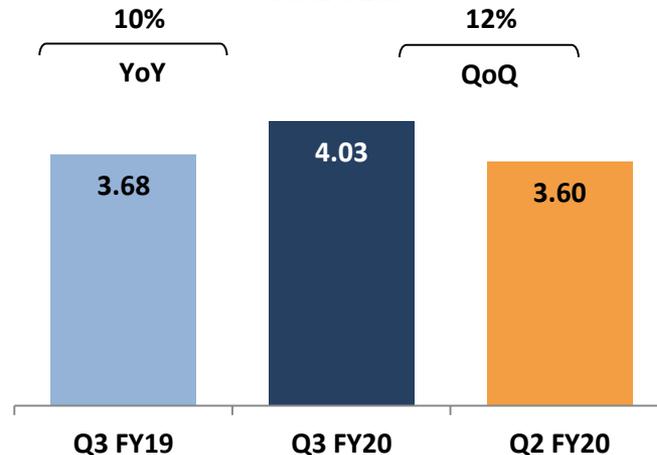
Quarterly volumes- standalone

Crude Steel Production



	Q3 FY19	Q3 FY20	Q2 FY20
Flat	2.90	2.86	2.71
Long	1.04	0.89	0.82

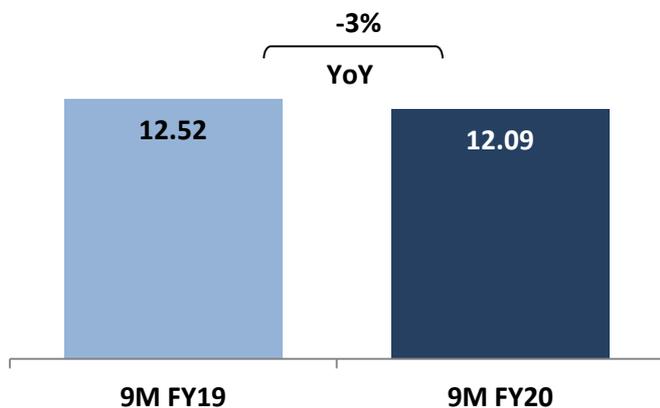
Steel Sales



	Q3 FY19	Q3 FY20	Q2 FY20
Flat	2.61	2.98	2.58
Long	0.89	0.88	0.85
Semis	0.17	0.18	0.18

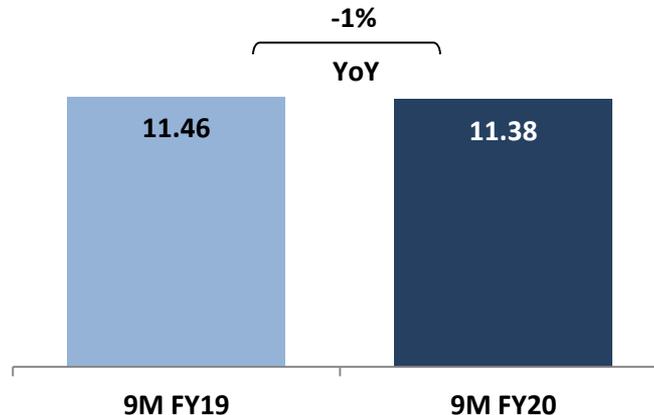
9M FY20 volumes- standalone

Crude Steel Production



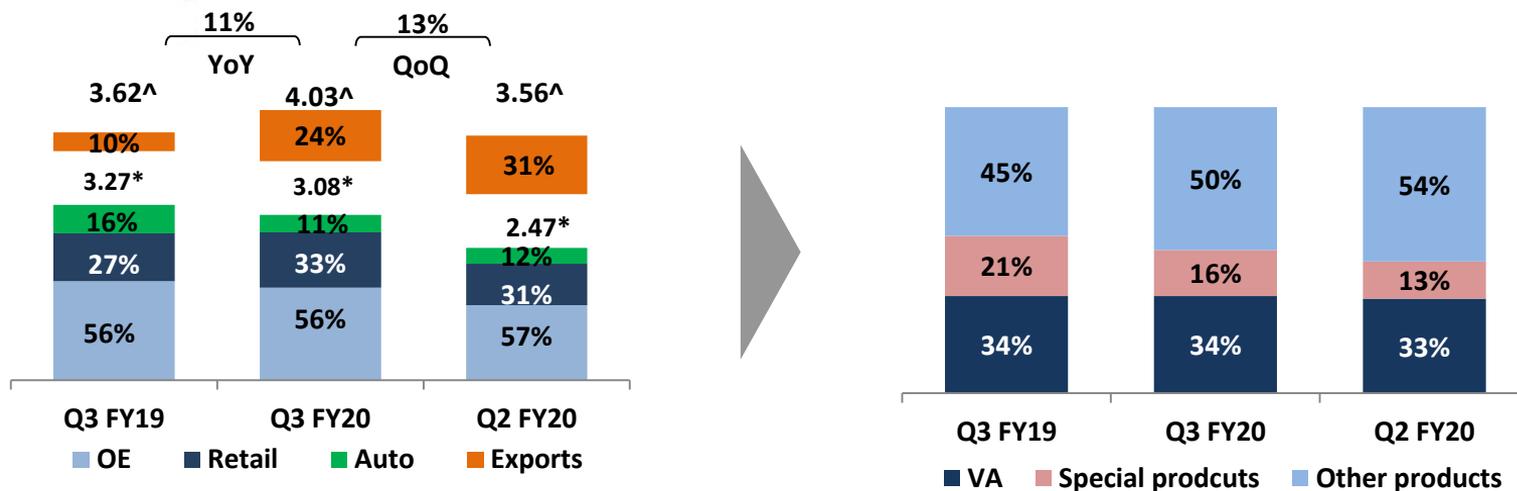
	9M FY19	9M FY20
Flat	8.73	8.48
Long	2.88	2.76

Steel Sales



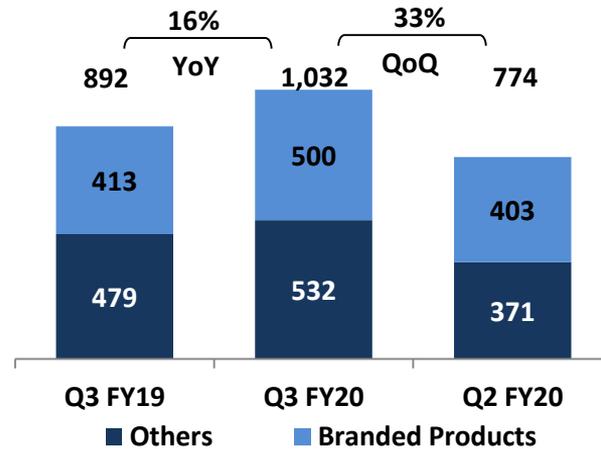
	9M FY19	9M FY20
Flat	8.21	8.22
Long	2.65	2.66
Semis	0.60	0.50

Quarterly sales highlights – consolidated



- ✓ Sales volumes increased by 11% YoY and 13% QoQ; domestic sales volumes up 25% QoQ
- ✓ Automotive Steel Sales grew by 10% QoQ, despite an overall decline in Passenger and Commercial Vehicle by 13%
- ✓ Share of value added and special product increased to 50% from 46% in Q2

Retail segment highlights– consolidated



All figures in charts are in kt

- ✓ Overall retail sales increased by 16% YoY and 33% QoQ, driven by strong restocking demand
- ✓ Share of Branded products increased to 49% vs 46% in Q3 FY2019
- ✓ Engaged with over 7,500 influencers and contacted 2,000 end customers

Product/ Grade approved in Q3 FY20

IS10748 GR1 (HRPO)



Seat Frames

IS10748GR4 (HRPO)



Cross Cowl Bar

S550MC (CRCA)



Seat Rail

50C530 (ES)



Motors



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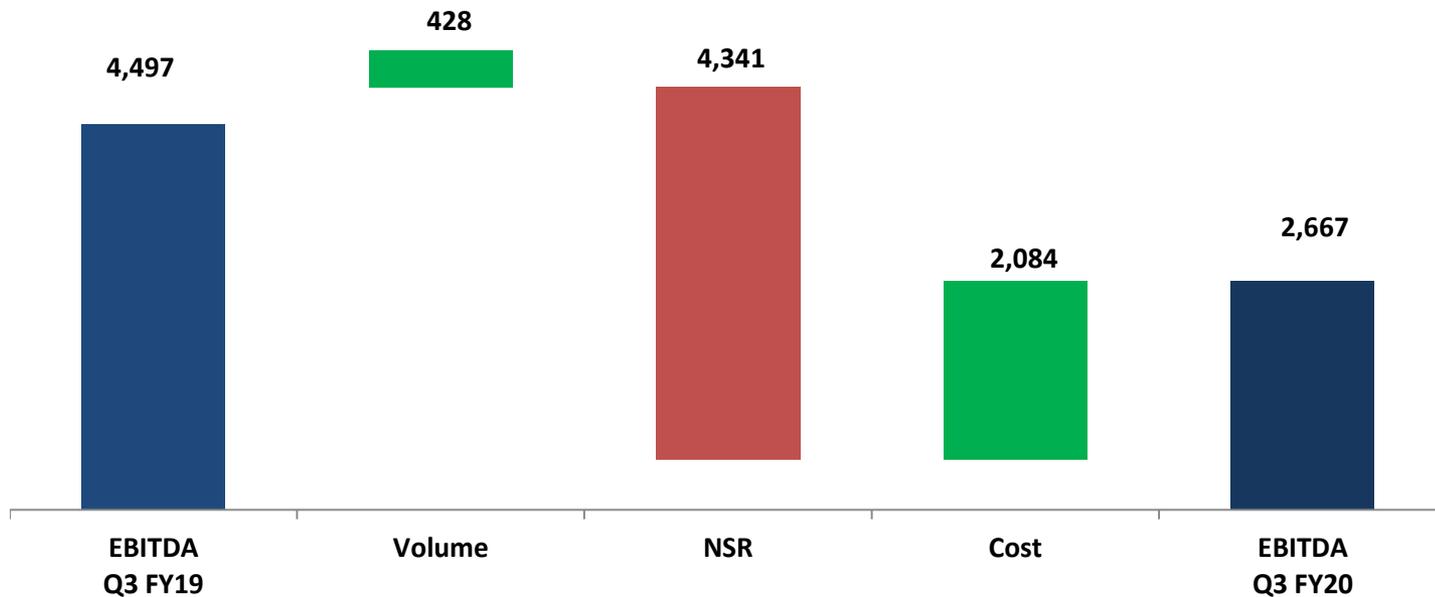
Financials – standalone

₹ crore

Particulars	Q3 FY20	Q3 FY19 [#]	Q2 FY20
Revenue from operations	15,767	18,539	15,520
Operating EBITDA	2,667	4,497	2,796
Other Income	135	62	188
Finance Cost	988	982	1,075
Depreciation	893	864	874
Profit Before Tax	921	2,713	1,035
Tax	230	791	(1,882)
Profit after Tax	691	1,922	2,917
Diluted EPS*	2.86	7.95	12.07

Operating EBITDA movement – standalone

₹ crore



JSW Steel Coated Products



Million tonnes

Volumes	Q3 FY20	Q3 FY19	Q2 FY20
Production*	0.47	0.42	0.42
Sales	0.52	0.42	0.43

₹ crore

Key P&L data	Q3 FY20	Q3 FY19	Q2 FY20
Revenue from Operations	2,982	2,964	2,788
Operating EBITDA	134	97	153
Profit after Tax	50	18	157

US Plate & Pipe Mill

Production (net tonnes)	Q3 FY20	Q3 FY19	Q2 FY20
Plate Mill	70,479	91,183	58,106
Utilization (%)	29%	38%	25%
Pipe Mill	14,669	16,367	15,746
Utilization (%)	11%	12%	11%

Sales (net tonnes)	Q3 FY20	Q3 FY19	Q2 FY20
Plate Mill	52,749	69,634	53,333
Pipe Mill	11,328	16,737	7,020

USD mn

Key P&L data	Q3 FY20	Q3 FY19	Q2 FY20
Revenue from Operations	63.98	104.70	59.12
EBITDA	(12.58)	4.06	(11.21)

Update on Key Subsidiaries / JV



JSW Steel USA Ohio	<ul style="list-style-type: none">▪ Production of 74,272 net tonnes and sales volume of 58,611 net tonnes▪ EBITDA (loss) of US\$25.2 million, including inventory write down of \$2.0million
JSW Steel Italy (Aferpi)	<ul style="list-style-type: none">▪ Production of 174,523 tonnes and sales volume of 156,677 tonnes▪ EBITDA (loss) of Euro 9.95 million
Monnet Ispat and Energy Limited (JV of AION Capital and JSW Steel Ltd)	<ul style="list-style-type: none">▪ Repair works and modifications were carried out in BF,SMS and Mills to improve reliability of operations and reduce the cost▪ Strucural modifications to benefit in production of speciality steel▪ Production from Blast Furnance is expected to restart in Q4 FY20▪ Pellet production of 388kt and DRI production of 217kt in Q3 FY20

Financials – consolidated



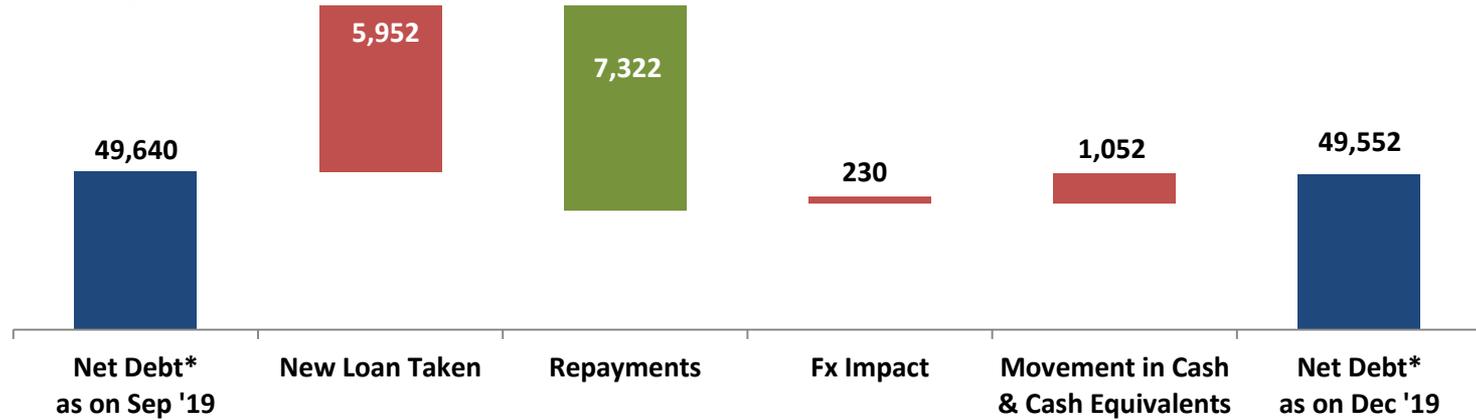
₹ crore

Particulars	Q3 FY20	Q3 FY19	Q2 FY20
Revenue from operations	18,055	20,318	17,572
Operating EBITDA	2,451	4,501	2,731
Other Income	127	37	156
Finance Cost	1,060	1,021	1,127
Depreciation	1,055	1,078	1,057
Share of Joint Ventures	(27)	(16)	(15)
Profit Before Tax	436	2,423	688
Tax	249	820	(1,848)
Profit after Tax	187	1,603	2,536
Diluted EPS *	0.87	6.72	10.59

* Not Annualized

Net debt movement – consolidated

₹ crore



Particulars	31.12.2019	30.09.2019	31.12.2018
Net Debt (crore)	49,552	49,640	46,030
Cash & cash equivalent (crore)	9,270	10,322	1,513
Net Debt/Equity (x)	1.35	1.36	1.40
Net Debt/EBITDA (x)	3.71	3.23	2.32

Q3 FY20 Results – Drivers of Performance



Volumes	<ul style="list-style-type: none">Production volume increased by 5% QoQ (2Q production was impacted by prolonged monsoon, planned shutdown and weak automotive demand)Overall sales volume increased by 13% QoQ primarily driven by a 25% QoQ increase in domestic salesRetail sales surged by 33% QoQ with better demand across all product segmentsValue added and special product sales accounted for 50% of total shipments (46% in 2Q)
Realisation	<ul style="list-style-type: none">Net sales realization declined by 7% QoQ, due to full impact of price reductions undertaken in 2Q and re-set of contractual pricing
Other operating income	<ul style="list-style-type: none">₹ 250 crores consideration received for assignment of a procurement contract at Vijayanagar
Operating Costs	<ul style="list-style-type: none">Lower cost of key raw materials like iron ore and coal QoQGains from operating efficiencies largely offset by inventory losses
Finance Cost	<ul style="list-style-type: none">Reduction in Finance Cost QoQ due to 30bps reduction in WAIR



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Projects
Update

Key Project updates-Dolvi

5 to 10mtpa expansion

- Doubling steel making capacity from 5mtpa to 10mtpa
- To enhance capacity of flat products portfolio
- Commissioning during H1 FY21

Captive Power

- Installing 175 MW WHRB and 60 MW CPP to harness flue gases and steam from CDQ
- Commissioning by Q1 FY21

Coke oven Phase 2

- Installing Second line of 1.5 MTPA coke oven battery along with CDQ
- Commissioning by H1 FY21



Key Project updates- Vijayanagar

CRM1 complex capacity expansion (0.85mtpa to 1.80 mtpa)

- Two CGL lines of 0.45mtpa each
- New 1.2mtpa Continuous Pickling line
- Commissioning in phases during H1 FY21

Color Coating line (0.3mtpa)

- Commissioning by March 2021

Coke Oven plant

- 1.5 MTPA Coke Oven battery
- Part of cost savings project, commissioning in FY21

Pellet plant

- 8 MTPA Pellet plant
- Part of cost savings project, commissioning by Q1 FY21



Key Project updates- others

Vasind and Tarapur: Downstream projects

- **Modernisation-cum-capacity enhancement projects**
 - increase in GI/GL capacity by 1.08 MTPA
 - increase in colour coating capacity by 0.28 MTPA
 - Commissioning in phases during H1 FY21
- **Additional Tinplate Line at Tarapur (0.25mtpa)**
 - Commissioning by March 2022
- **0.5mtpa Continuous Annealing Line at Vasind**
 - Commissioning by March 2022



Kalmeshwar- Capacity enhancement of PPGL by 0.22 mtpa

- Commissioning by March 2021

Rajpura, Punjab -0.25mtpa Color Coated Line

- Commissioning by March 2022



JSW Steel Branded Portfolio



JSW Everglow

Advanced Roofing Technology

Beautiful Inside, Beautiful Outside

JSW Colouron+

Premium Al-Zn Colour Coated Sheets

Roofs that add beauty to your home

JSW Galvos

Premium GALVALUME
Coil & Sheets

Cost-effective Galvalume sheets
that stand the test of time

JSW Galveco

Lead Free Galvanised Sheets

100% eco-friendly galvalume sheets

JSW Colouron

Premium Al-Zn Colour Coated Sheets

Excellent and innovative
mix of colour and durability

JSW Pragati

Colour Coated Sheets

Cost-effective coloured roofing solutions



JSW Trusteel

Premium Hot Rolled Sheets

JSW Neosteel

Pure TMT Bars

Foundation to every strong structure

JSW Vishwas

Premium GC Sheets

Finest quality steel roofs

JSW Vishwas+

Premium AL-Zn Sheets

Anti-corrosive sheets
that stand the test of time



JSW PEH+AL

Steel Toilet

Quality sanitation is everyone's right

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