



JSWSL: SECT: MUM: SE: 2019-20
May 24, 2019

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| 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). |
|---|--|

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 made to Analysts for the Q4 FY 2018-19 ended on 31.03.2019.

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

Thanking you,

Yours faithfully,
For **JSW STEEL LIMITED**

Lancy Varghese
Company Secretary



JSW Steel Limited

Q4 FY 2018-19 Results Presentation

May 24, 2019

Better Everyday



FY 2018–19 : A Record year

Highest ever Annual performance

- ✓ Crude Steel production: 16.69 million tonnes, up by 3% YoY
- ✓ Saleable Steel Sales: 15.60 million tonnes, up by 1% YoY
- ✓ Operating EBITDA : ₹ 18,952 crore, up by 28% YoY
- ✓ PAT : ₹ 7,524 crore, up by 23% YoY

Project Highlights

- ✓ Commissioned pipe conveyor for iron ore at Vijayanagar to reduce logistics cost
- ✓ Commissioned 0.25 MTPA Tin Plate facility at Tarapur

Key highlights

- ✓ Board has recommended dividend at ₹ 4.10 per share
- ✓ Strong Balance with Net Debt to Equity at 1.34x and Net Debt to EBITDA at 2.43x
- ✓ Acquired overseas assets in US and Italy
- ✓ Completed acquisition of Monnet Ispat & Energy Limited in consortium with AION Capital Partners Limited
- ✓ Vijayanagar works received the prestigious Deming Prize for excellence in Total Quality Management
- ✓ JSW Steel included in the NIFTY50 Index, India's premier index of the National Stock Exchange
- ✓ Recognized as one of "Steel Sustainability Champions" (2018) by World Steel Association

Key highlights – Q4 FY19

Standalone performance

- ✓ Crude Steel production: 4.17 million tonnes, lower by 3% YoY
- ✓ Saleable Steel Sales: 4.29 million tonnes, higher by 2% YoY
- ✓ Operating EBITDA: ₹ 4,341 crores, down 14% YoY
- ✓ PAT: ₹ 1,745 crores, lower by 22% YoY

Consolidated performance

- ✓ Saleable Steel Sales: 4.31 million tonnes, up by 3% YoY
- ✓ Operating EBITDA : ₹ 4,440 crores, lower by 16% YoY
- ✓ PAT : ₹ 1,495 crores, lower by 48% YoY
- ✓ Net Debt to Equity: 1.34x and Net Debt to EBITDA: 2.43x

Key Updates

- ✓ Commissioned 0.25 MTPA Tin Plate facility at Tarapur
- ✓ Commissioned pipe conveyor facility at Vijayanagar to reduce logistics cost



Agenda



Business
Environment

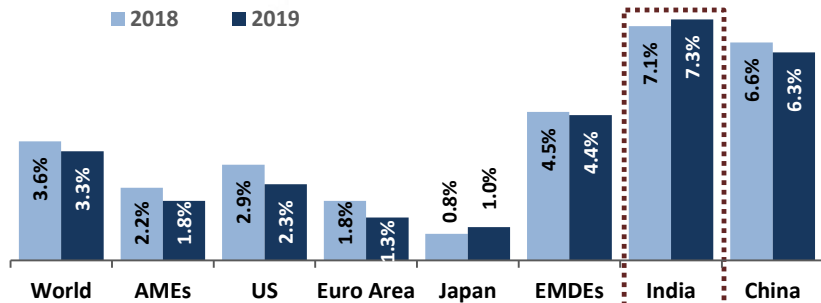
Operational
Performance

Financial
Performance

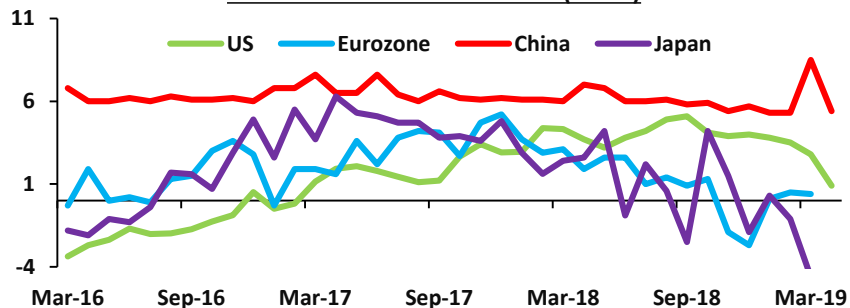
Guidance
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Appendix

Global economy

GDP growth - 2018 and projections for 2019 (%YoY)



Index of Industrial Production (%YoY)



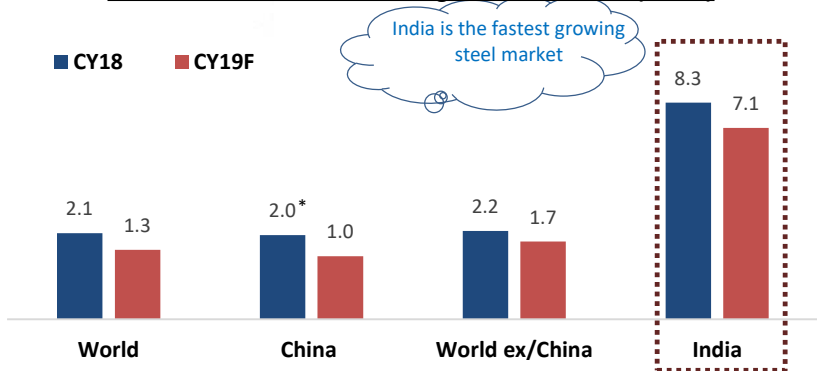
- IMF revises global GDP forecast for 2019 yet again to 3.3% (from 3.5% in Jan 2019)
- US growth momentum sustains, though outlook has softened as fiscal impulse fades away. Fed's decision to hold interest rates for 2019 bodes well for a sustained recovery
- Euro area growth underpinned by weak industrial growth, subdued private consumption and trade / political uncertainties
- Japan faces tailwinds from domestic spend and healthy private consumption, notwithstanding external trade weakness
- Chinese growth picked up in Q1 CY2019, aided by policy support. Further fiscal and monetary policy measures likely to stabilise growth
- Escalation of trade tensions pose risks to growth outlook

Global growth softening, modest recovery expected in the medium term

Source: IMF (April 2019),Eurostat, METI Japan, Federal Reserve, NBS China

Global steel

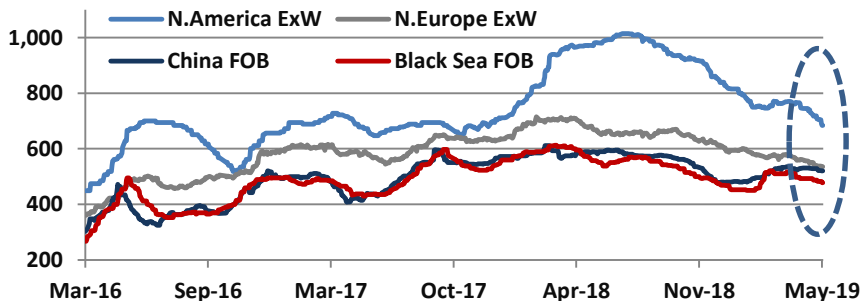
Global finished steel demand growth estimates (%YoY)



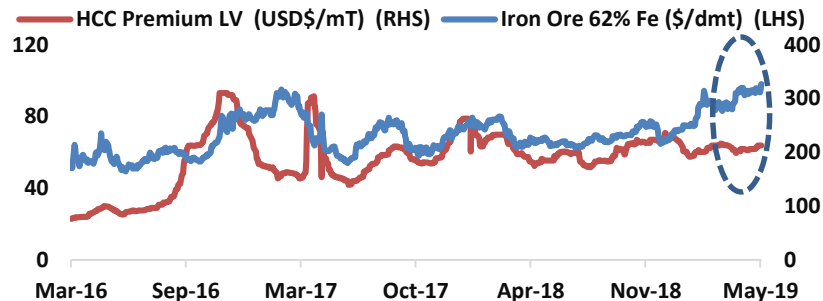
China Steel Production and Export



HRC prices US\$/t



Raw Material Price Trend



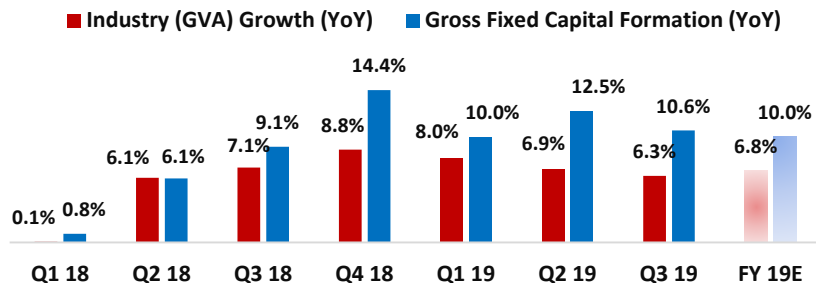
Strong Chinese output amidst moderating global demand is a source of risk

Source: WSA, Bloomberg, Platts

Note: * China continued to close most of its outdated induction furnaces in 2017, a category which was not captured in official statistics. While nominal steel demand growth in 2018 stood at 7.9%, the dynamics of steel using sectors suggest growth of 2.0% in real terms. Accordingly, real global growth in 2018 is 2.1%.

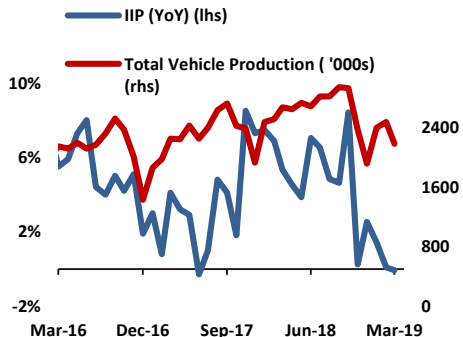
Indian economy

Industry (GVA) Growth and Gross Fixed Capital Formation (YoY)

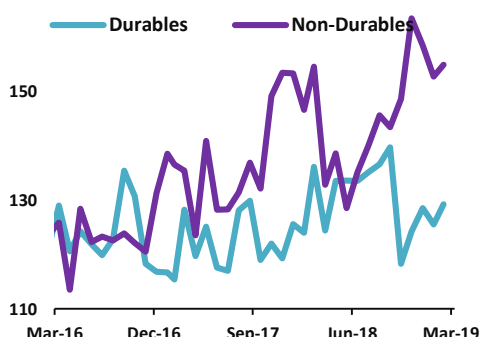


- Gross fixed capital (GFC) formation continues to grow with a rise in government spending on infrastructure – likely to get an impetus with a stable government formation
- IIP growth and manufacturing PMI has weakened recently, expected to pick up in second half post-monsoon
- Automotive and consumer durable volumes have corrected sharply, recovery expected from H2 FY2020

Total Vehicle Production vs. IIP



IIP - Use Based (Consumer Index)



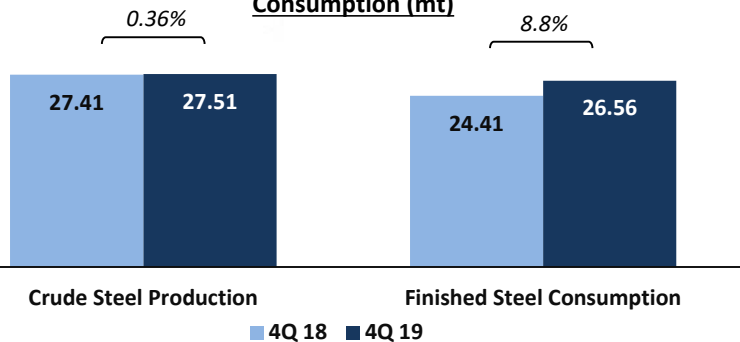
- With a stable government, announced outlays of INR ~1 trillion in the Interim Budget expected to spur rural spending and aid overall consumer demand.
- Expectations of a normal monsoon is positive for rural demand
- Volatility in crude oil prices poses a risk to inflation
- Tight liquidity and lack of credit availability remains a source of risk

Stable government formation likely to spur investment and end user demand

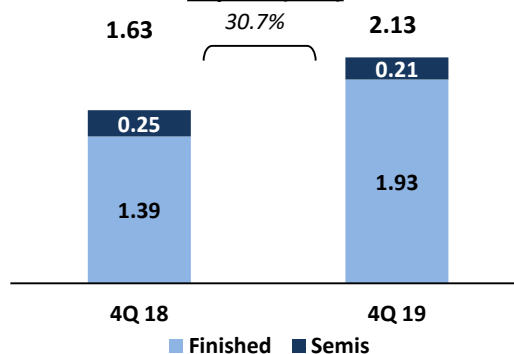
Source: CSO India, SIAM

Indian steel - Q4 FY2019

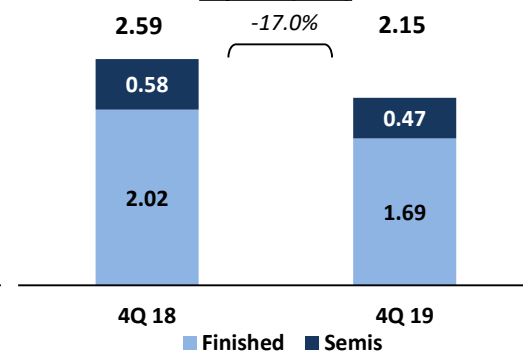
Production and Consumption (mt)



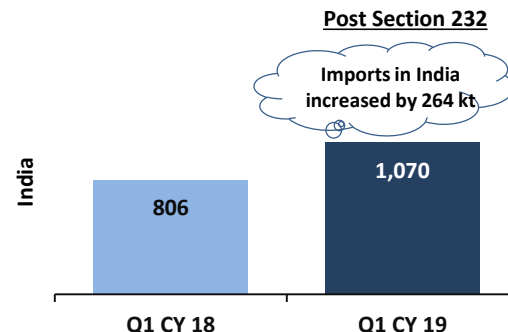
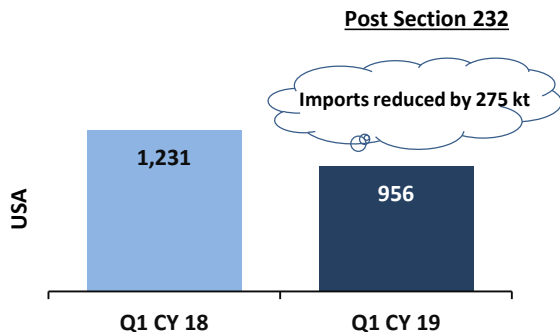
Imports (Mnt)



Exports (Mnt)



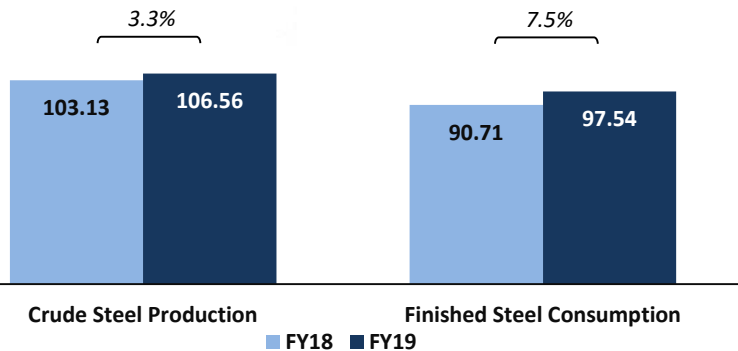
Exports (kt) from Japan and South Korea



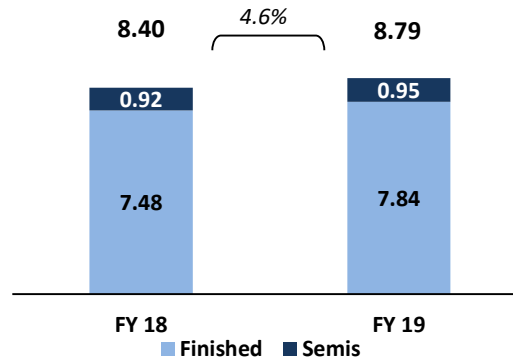
Diversion of steel imports from surplus countries to India needs active monitoring

Indian steel – FY2019

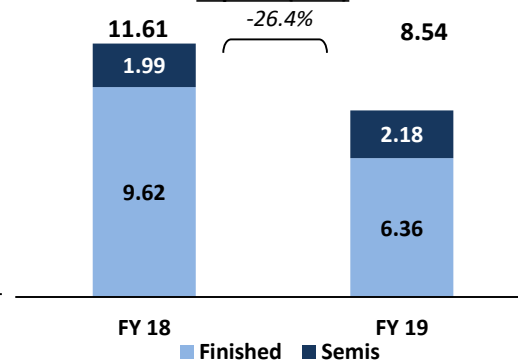
Production and Consumption (mt)



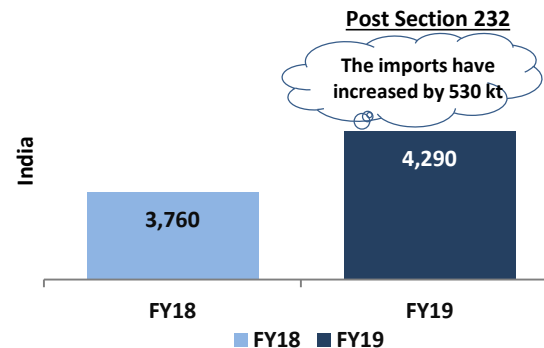
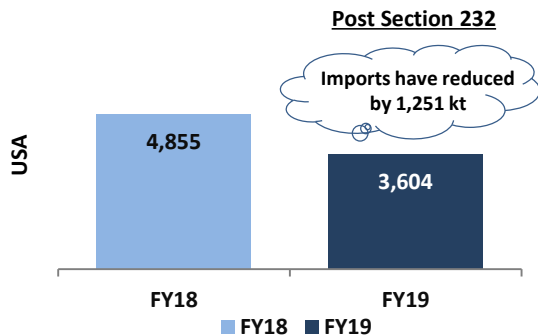
Imports (Mnt)



Exports (Mnt)



Exports (kt) from Japan and South Korea



Domestic steel demand likely to grow by 6.5% – 7% in FY2020



Agenda



Business
Environment

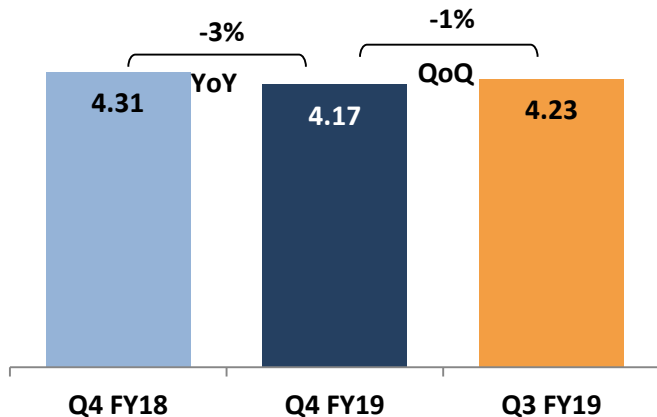
Operational
Performance

Financial
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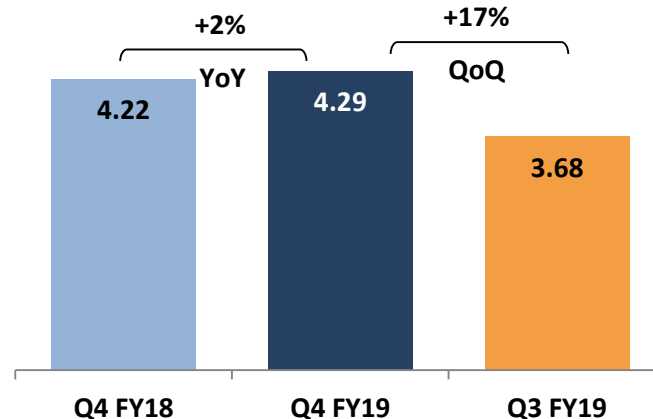
Guidance
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Quarterly volumes- standalone

Crude Steel Production



Steel Sales

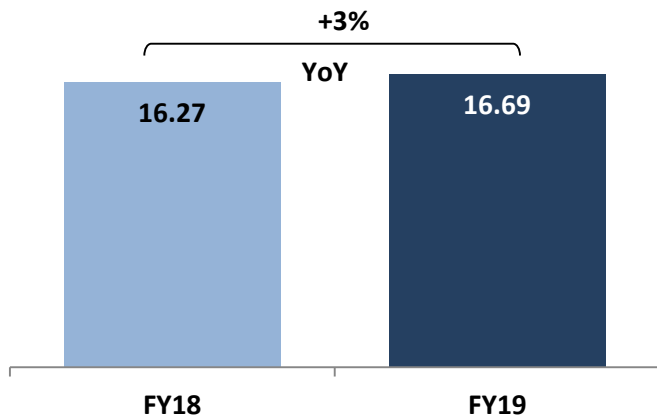


| | Q4 FY18 | Q4 FY19 | Q3 FY19 |
|------|---------|---------|---------|
| Flat | 2.98 | 3.01 | 2.90 |
| Long | 1.07 | 0.99 | 1.04 |

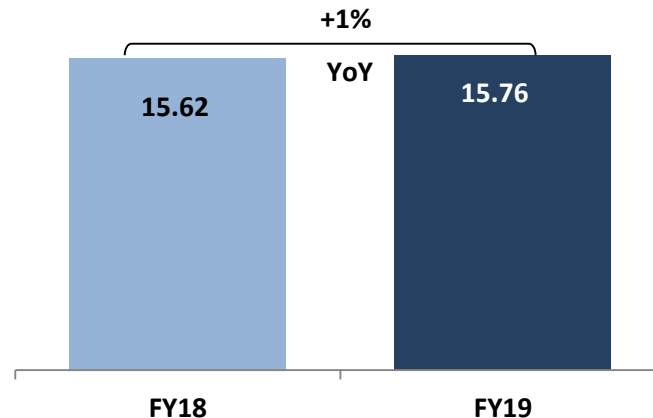
| | Q4 FY18 | Q4 FY19 | Q3 FY19 |
|-------|---------|---------|---------|
| Flat | 2.97 | 3.08 | 2.61 |
| Long | 1.04 | 1.04 | 0.89 |
| Semis | 0.21 | 0.18 | 0.17 |

FY2019 volumes-standalone

Crude Steel Production



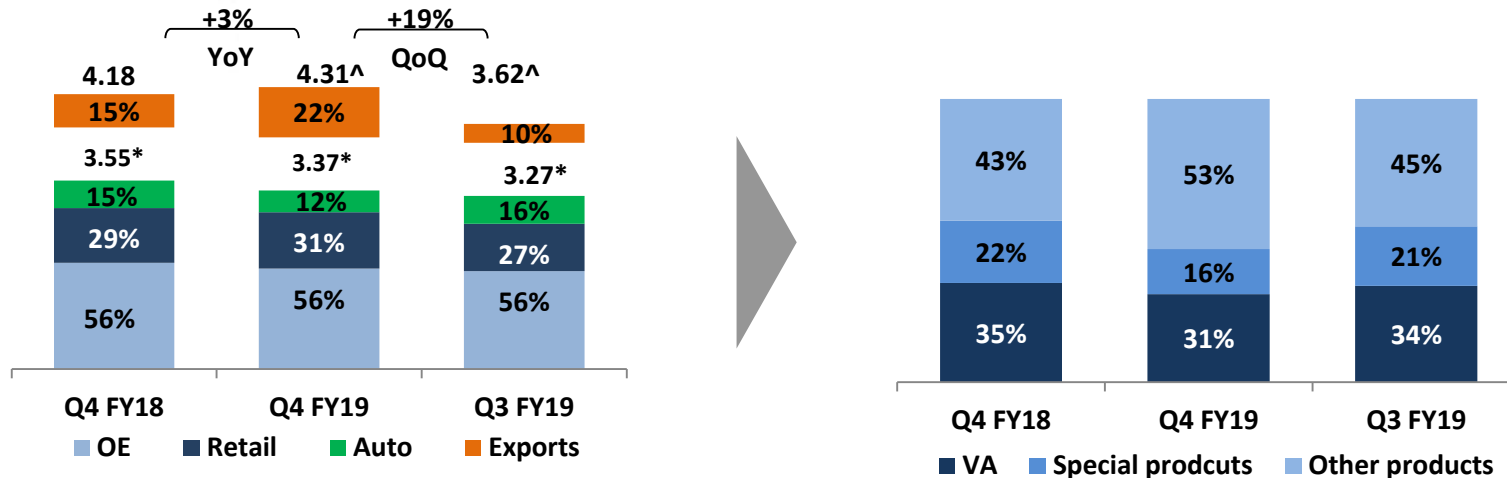
Steel Sales



| | FY18 | FY19 |
|------|-------|-------|
| Flat | 11.44 | 11.74 |
| Long | 3.56 | 3.87 |

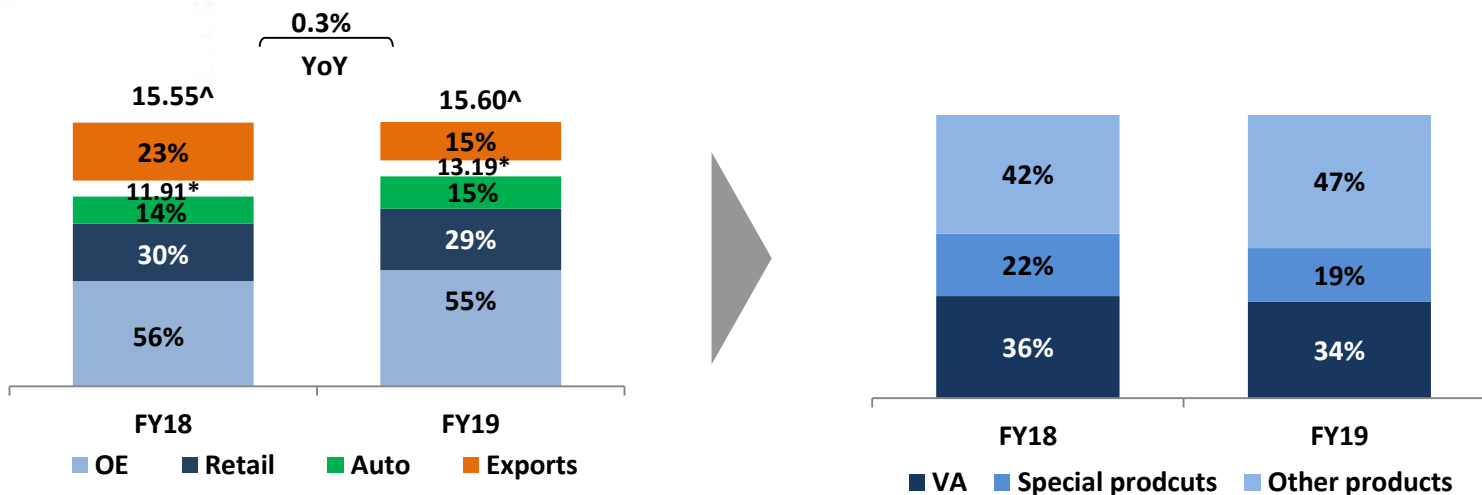
| | FY18 | FY19 |
|-------|-------|-------|
| Flat | 11.17 | 11.29 |
| Long | 3.55 | 3.69 |
| Semis | 0.90 | 0.78 |

Quarterly sales highlights – consolidated



- ✓ Sales grew by 3% YoY, 19% QoQ.
- ✓ Despite sales to Auto segment declining by 22% QoQ due to sluggish demand and elevated dealer inventories, VA & Specials sales increased by 16kT QoQ

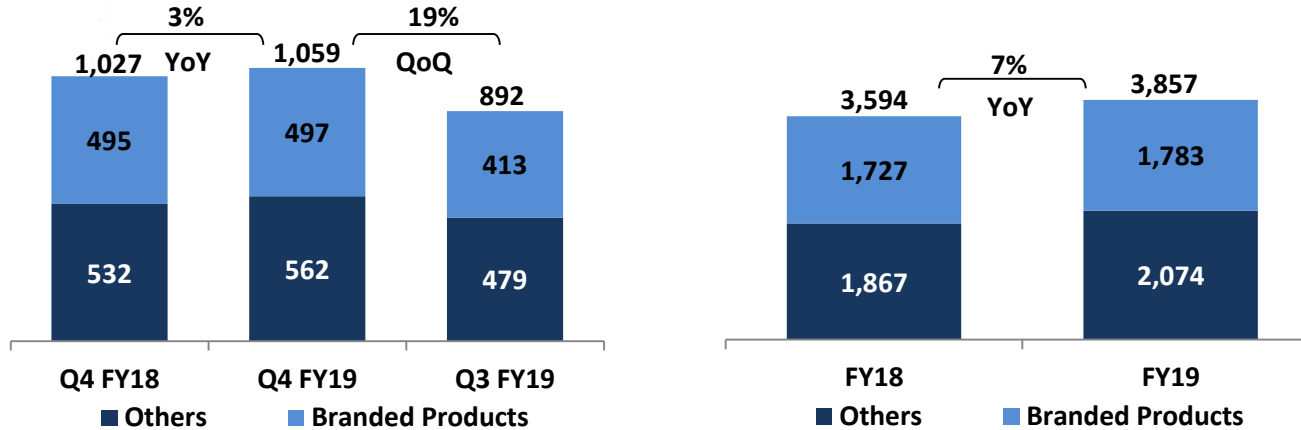
Annual sales highlights – consolidated



- ✓ Domestic Sales grew by 11% YoY.
- ✓ Company's domestic market share increased by 50 bps YoY to 13.6% in FY19
- ✓ VA & Specials have share of 53% in overall sales
- ✓ Auto Sales has grown by 20% YoY, against automotive production growth of 6% YoY

Strategically focused on increasing domestic sales (11% YoY growth)

Retail segment highlights



- ✓ Q4 FY2019: Overall retail sales grew by 3% YoY
- ✓ FY2019: Overall retail sales grew by 7% and Branded sales volume increased by 3% YoY
- ✓ Company has footprint across 575 districts with over 9,500 exclusive and non-exclusive retail outlets
- ✓ 62,00 Engineer's contacted in FY2019 via 24 Mega Engineer's Conference to promote various brand

FY2019 retails sales volume grew by 7%

Product/ Grade approved in Q4 FY19

EN 10149 S 550MC(HRPO)



Seat Recliner plate

(PPGI)



Refrigerator

S550MC/S700MC(HRPO)



Inner & Outer boom

26MnB5(CRCA)



Door Impact beam

50C350(Electrical Steel)



MOTOR

IS 5986 2017 ISH390LA(HRC)



Enamel Coated tank



Agenda



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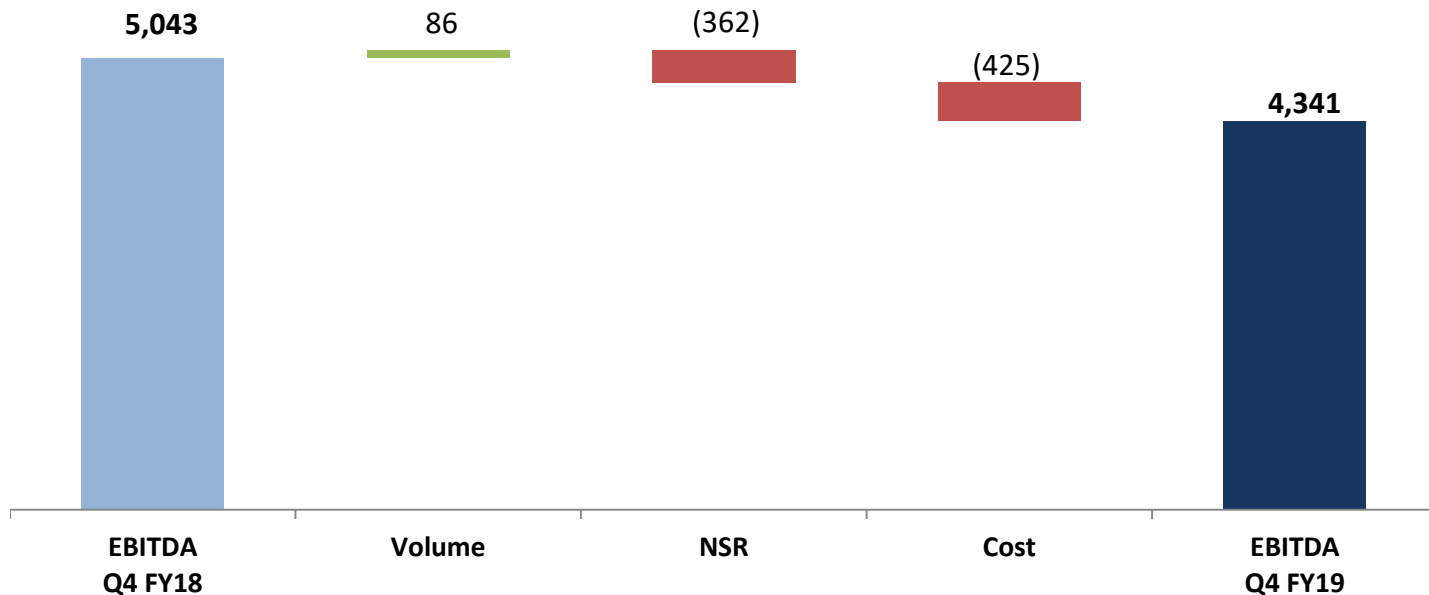
Financials – standalone

₹ crore

| Particulars | Q4 FY19 | Q4 FY18 | FY19 | FY18 |
|-------------------------|---------------|---------|---------------|--------|
| Revenue from operations | 19,701 | 20,159 | 76,727 | 67,723 |
| Operating EBITDA | 4,341 | 5,043 | 18,403 | 13,741 |
| Other Income | 83 | 73 | 519 | 213 |
| Finance Cost | 956 | 873 | 3,708 | 3,591 |
| Depreciation | 865 | 781 | 3,397 | 3,054 |
| Profit Before Tax | 2,603 | 3,462 | 11,817 | 7,309 |
| Exceptional Loss | - | - | - | 234 |
| Tax | 858 | 1,227 | 3,558 | 2,450 |
| Profit after Tax | 1,745 | 2,235 | 8,259 | 4,625 |
| Diluted EPS* | 7.22 | 9.25 | 34.17 | 19.14 |

Operating EBITDA movement – standalone

₹ crore



Operational performance – JSW Steel Coated Products



Million tonnes

| Volumes | Q4 FY19 | Q4 FY18 | FY19 | FY18 |
|------------|---------|---------|------|------|
| Production | 0.43 | 0.48 | 1.74 | 1.70 |
| Sales | 0.49 | 0.47 | 1.79 | 2.06 |

₹ crore

| Key P&L data | Q4 FY19 | Q4 FY18 | FY19 | FY18 |
|-------------------------|---------|---------|--------|--------|
| Revenue from Operations | 3,184 | 3,114 | 12,324 | 12,805 |
| Operating EBITDA | 86 | 202 | 393 | 638 |
| Profit after Tax | 7 | 87 | 80 | 275 |

Operational performance – US Plate & Pipe Mill

| Production (net tonnes) | Q4 FY19 | Q4 FY18 | FY19 | FY18 |
|-------------------------|---------|---------|---------|---------|
| Plate Mill | 81,290 | 71,015 | 333,491 | 248,444 |
| <i>Utilization (%)</i> | 34% | 30% | 35% | 26% |
| Pipe Mill | 22,996 | 12,142 | 73,260 | 50,301 |
| <i>Utilization (%)</i> | 17% | 9% | 13% | 9% |

| Sales (net tonnes) | Q4 FY19 | Q4 FY18 | FY19 | FY18 |
|--------------------|---------|---------|---------|---------|
| Plate Mill | 63,890 | 52,835 | 274,513 | 195,956 |
| Pipe Mill | 23,785 | 12,222 | 74,980 | 52,082 |

USD mn

| Key P&L data | Q4 FY19 | Q4 FY18 | FY19 | FY18 |
|-------------------------|---------|---------|--------|--------|
| Revenue from Operations | 114.78 | 61.44 | 418.87 | 234.63 |
| EBITDA | 5.83 | 3.25 | 26.09 | 13.22 |

Update on new assets

| | |
|--|---|
| <p>JSW Steel USA Ohio</p> | <ul style="list-style-type: none"> ▪ Facilities include a 1.5 MTPA Electric Arc Furnace (EAF), 2.80 MTPA continuous Slab caster and a 3.0 MTPA Hot Strip Mill (HSM) ▪ Production of 55,264 net tonnes and sales volume of 59,660 net tonnes ▪ EBITDA (loss) of US\$27.81 million for the quarter |
| <p>JSW Steel Italy (Aferpi)</p> | <ul style="list-style-type: none"> ▪ Facilities comprise of a Rail Mill (0.32mtpa), Bar Mill (0.4 mtpa) and Wire Rod Mill (0.6 mtpa) ▪ Production of 127,399 tonnes and sales volume of 104,688 tonnes ▪ EBITDA (loss) of Euro 2.97 million for the quarter |
| <p>Monnet Ispat and Energy Limited (JV of AION Capital and JSW Steel Ltd)</p> | <ul style="list-style-type: none"> ▪ Steel making operations commenced in Q4 with production ramping up from BF, SMS and Bar Mill ▪ Commenced sales of TMT bars ▪ Pellet production of 372kt and DRI production of 136kt |

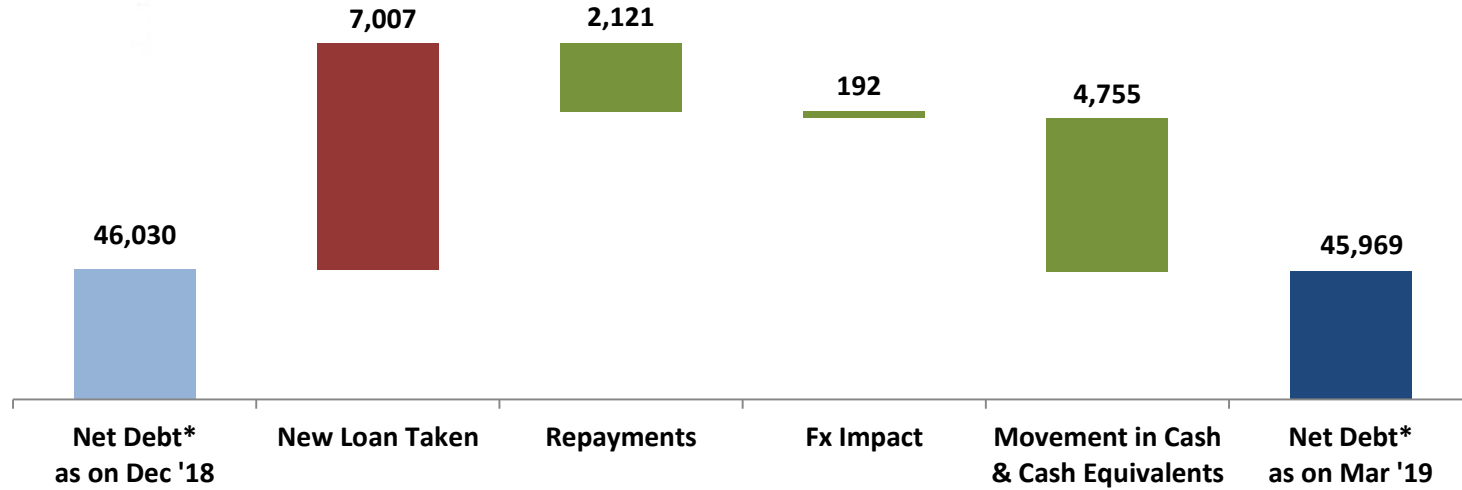
Financials – consolidated

₹ crore

| Particulars | Q4 FY19 | Q4 FY18 | FY19 | FY18 |
|-------------------------|---------------|---------|---------------|--------|
| Revenue from operations | 22,368 | 21,336 | 84,757 | 73,211 |
| Operating EBITDA | 4,440 | 5,290 | 18,952 | 14,794 |
| Other Income | 53 | 45 | 204 | 167 |
| Finance Cost | 1,046 | 883 | 3,917 | 3,701 |
| Depreciation | 1,084 | 865 | 4,041 | 3,387 |
| Profit Before Tax | 2,363 | 3,587 | 11,198 | 7,873 |
| Share of Joint Ventures | (33) | 7 | (30) | 42 |
| Exceptional Loss | | - | - | 264 |
| Tax | 835 | 715 | 3,644 | 1,538 |
| Profit after Tax | 1,495 | 2,879 | 7,524 | 6,113 |
| Diluted EPS * | 6.31 | 12.40 | 31.60 | 25.71 |

Net debt movement – consolidated

₹ crore



| Particulars | 31.03.2019 | 31.12.2018 | 31.03.2018 |
|--------------------------------|------------|------------|------------|
| Net Debt (crore) | 45,969 | 46,030 | 38,019 |
| Cash & cash equivalent (crore) | 6,269 | 1,513 | 1,374 |
| Net Debt/Equity (x) | 1.34 | 1.40 | 1.38 |
| Net Debt/EBITDA (x) | 2.43 | 2.32 | 2.57 |

Q4 FY19 Results – Drivers of Performance



| | |
|------------------------|---|
| Volumes | <ul style="list-style-type: none">▪ Production volume decreased by 3% YoY on back of planned shutdown at Dolvi works▪ Overall sales volume increased by 3% YoY primarily driven by liquidation of accumulated inventory in international markets. Exports accounted for 22% of total volumes (15% last year) |
| Realisation | <ul style="list-style-type: none">▪ Average sales realization was lower YoY, driven by higher share of exports and lower domestic steel prices |
| Operating Costs | <ul style="list-style-type: none">▪ Lower cost of key raw materials like iron ore and coal▪ Power, fuel costs and consumables increased with rising energy prices and weaker currency▪ Refractory and electrode costs are also higher |
| Subsidiaries | <ul style="list-style-type: none">▪ Newly acquired assets Acero and Aferpi are ramping up their operations |

FY 2020 - Outlook



- ❖ Domestic steel demand likely to grow by **6.5% – 7% in FY2020**, on the back of strong momentum in government spending on infrastructure
- ❖ After a strong growth in H1 FY2019, growth in vehicle production and consumer durable volumes have corrected sharply, recovery expected from H2 FY2020.
- ❖ Volatile crude oil prices and tight liquidity are source of risk to domestic demand
- ❖ Chinese steel production has been increasing in recent months, though exports are under 70mt annualised rate. Strong Chinese output amidst moderating global demand is a source of risk
- ❖ International raw material prices have risen sharply, though it is expected to return to normalcy by second half of FY 2020
- ❖ Rising protectionism and heightened geo-political concerns pose a risk to global growth outlook



Agenda



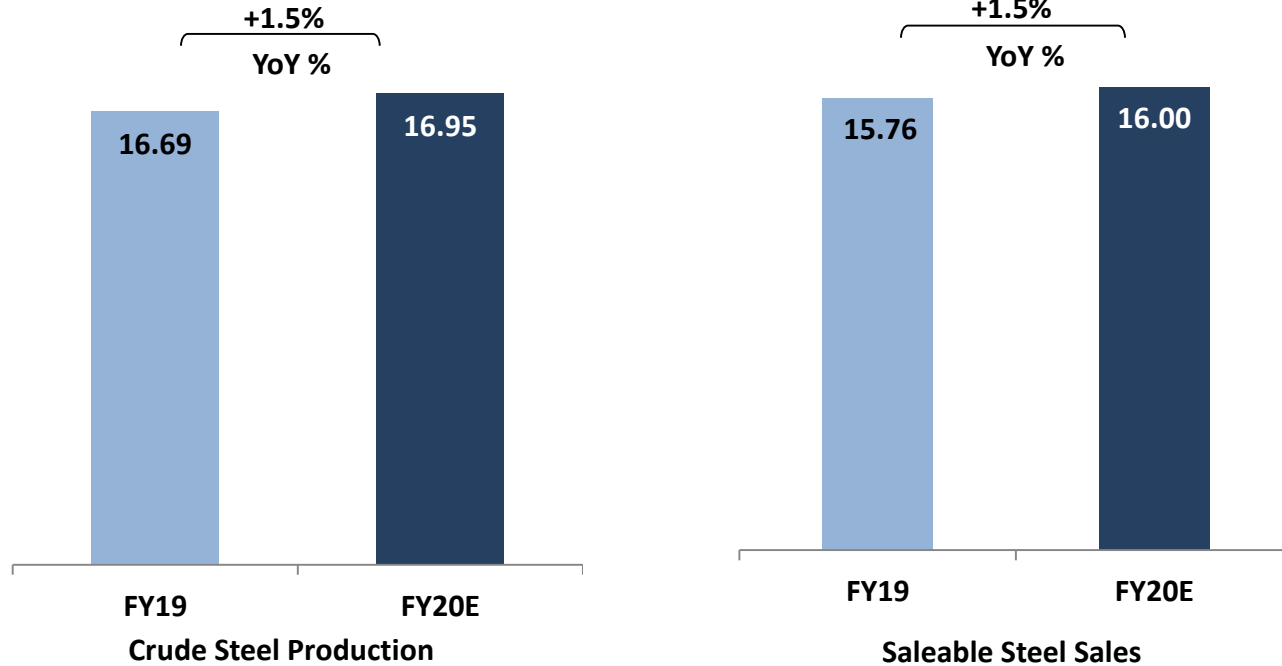
Business
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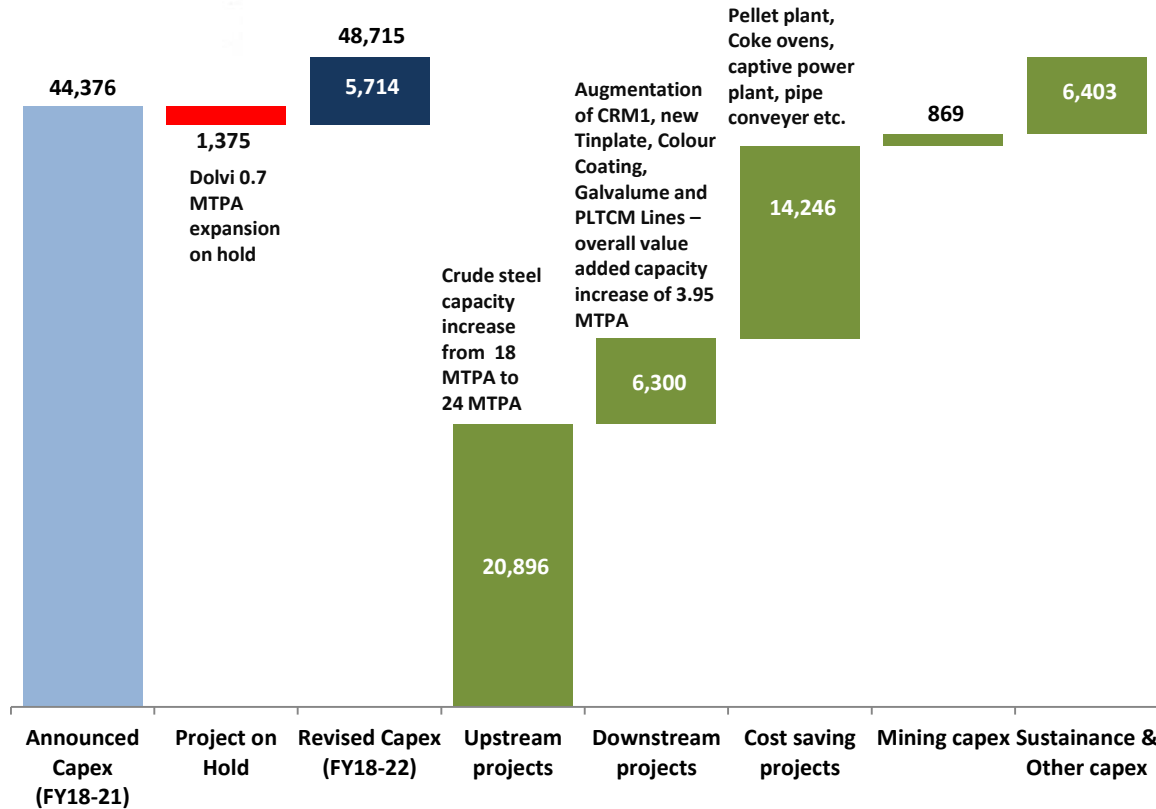
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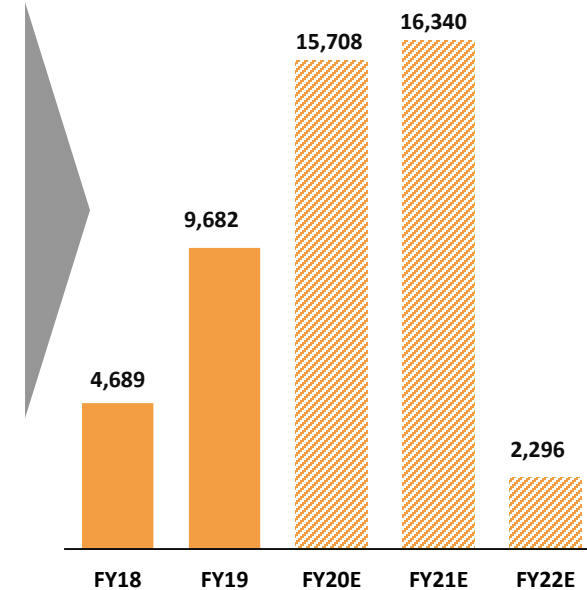
Guidance for FY2020



Rolling Capex Plan: FY18-22



₹ crore
Year-wise Capex



Key new projects

| | |
|--|---|
| 0.5mtpa CAL Vasind | <ul style="list-style-type: none">➤ Total project cost – ₹ 700 crore➤ 0.5mtpa New Continuous Annealing Line at Vasind➤ Commissioning by March 2021 |
| 0.25mtpa Color Coated Line at Rajpura | <ul style="list-style-type: none">➤ Total project cost – ₹ 200 crore➤ 0.25mtpa new Color Coated Line at Rajpura in the state of Punjab➤ Commissioning by March 2021 |
| Mining, sustenance and other special projects | <ul style="list-style-type: none">➤ Total project cost – ₹ 2000 crore➤ To commence mining, normal sustenance capex and other special projects |

Project updates

Dolvi – 5 to 10mtpa expansion

- Doubling steel making capacity from 5mtpa to 10mtpa
- To enhance capacity of flat products portfolio
- Commissioning by March 2020



Vijayanagar CRM expansion

- CRM1 complex capacity expansion from 0.85mtpa to 1.80 mtpa
- Two CGL lines of 0.45mtpa each
- New 1.2mtpa Continuous Pickling line
- Commissioning from September 2019



Project updates

Pipe conveyer at Vijayanagar

- For environment friendly and low cost transportation of iron ore from mines to the plant
- Total length of 24km and capacity of 20 mtpa
- Phase I completed with 10 mtpa of capacity
- Phase II to be commissioned in a phased manner



Tinplate mill at Tarapur

- To cater to the growing market of tinplate for packaging industry
- Capacity of 0.25 mtpa
- Commenced commercial production from March 2019



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