



JSW Steel Limited

Regd. Office : JSW Centre,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
CIN. : L27102MH1994PLC152925
Phone : +91 22 4286 1000
Fax : +91 22 4286 3000
Website : www.jsw.in

JSWSL: SECT: MUM: SE: 2020-21
July 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). |
|---|--|

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 Q1 FY 2020-21 ended on 30.06.2020.

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
Q1 FY 2020-21 Results
Presentation
July 24, 2020

BETTER EVERYDAY

Key highlights – Q1 FY21



Consolidated performance

- ✓ Revenue from operations : ₹ 11,782 crore
- ✓ Operating EBITDA : ₹ 1,341 crore
- ✓ Net Profit/(Loss) : (₹ 582) crore
- ✓ Net Debt to Equity : 1.54x and Net Debt to EBITDA : 5.74x

Operational performance

- ✓ Despite disruptions in logistics and supply chain, the company operated at 66% average utilization vs 46% for domestic steel industry
- ✓ Production from Karnataka captive iron ore mines at 1.05 mnt during the quarter
- ✓ Commenced mining operations and dispatches at Odisha mines

Other highlights

- ✓ Recognized as “Sustainability Champion (2019)” by World Steel Association, 2nd Year in a row
- ✓ Karnataka Mining Lease for 3 new mines to be signed soon



Agenda



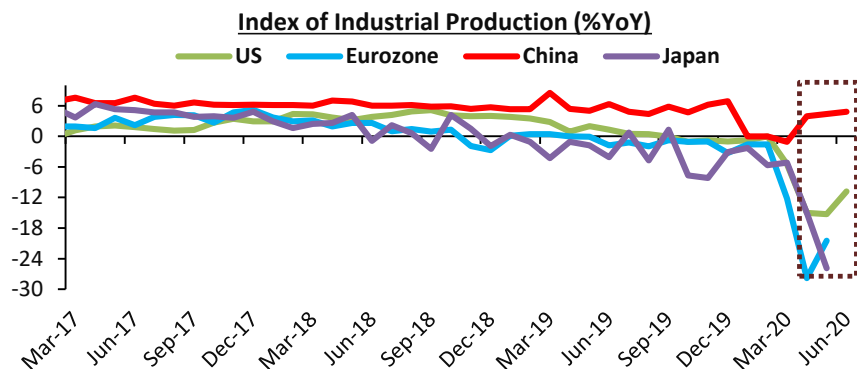
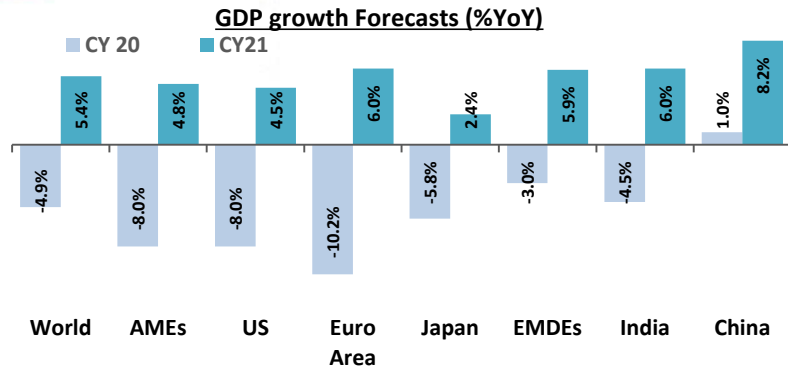
Business
Environment

Operational
Performance

Financial
Performance

Forward Guidance &
Projects Update

Global economy

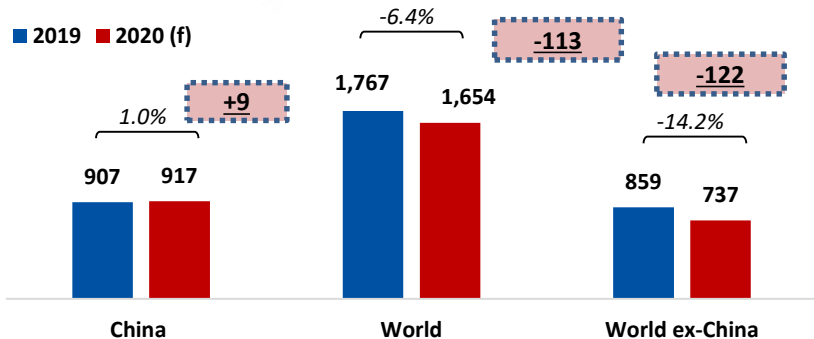


- IMF revises CY20 Global GDP to contract by 4.9%, with downside risks, amidst higher-than-usual degree of uncertainty
- Global growth expected to rebound and increase by 5.4% in CY21 on the back of swift policy measures
- Recent PMI and IP prints of the US, EU and Japan reflect improving business and consumer sentiments from the recent slump, which bodes well for a gradual economic recovery
- In China, Q2 GDP of 3.2% reflects economic growth is gaining momentum. Recovery in investment and services during recent months has been stronger than anticipated
- Synchronised monetary and fiscal policy measures have limited the impact of economic fall out in the near term, accommodative monetary stance likely to aid economic recovery
- Possible re-emergence of infections inducing localised lockdowns pose risks to the outlook

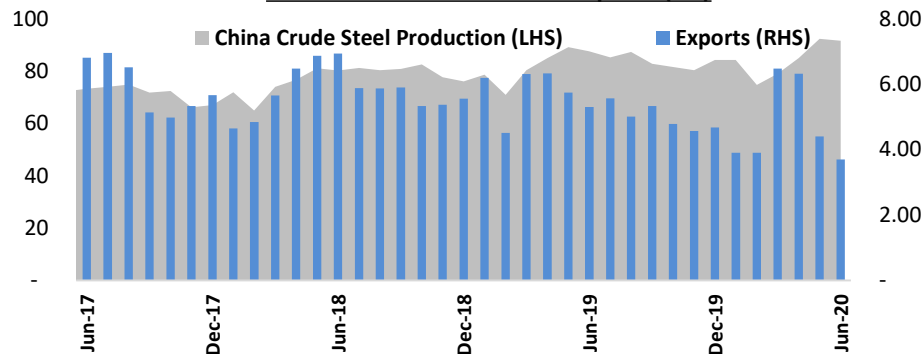
Targeted and synchronised policy measures to aid gradual global recovery

Global steel

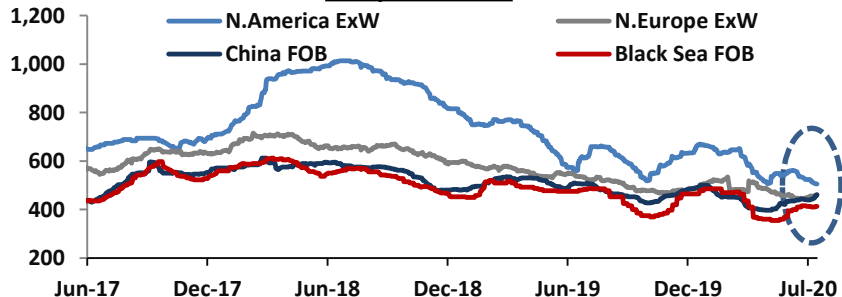
Steel Demand (mt)



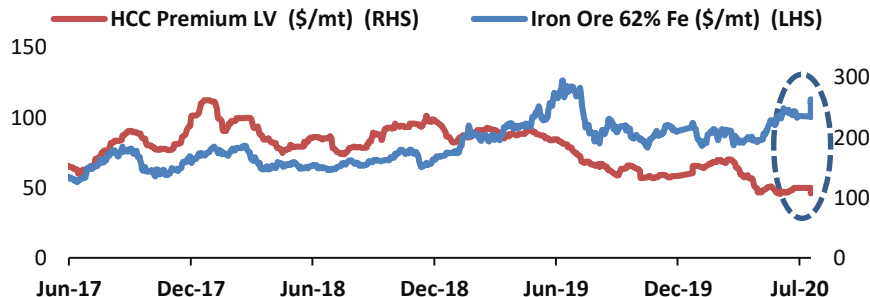
China Steel Production and Export* (mt)



HRC prices US\$/t

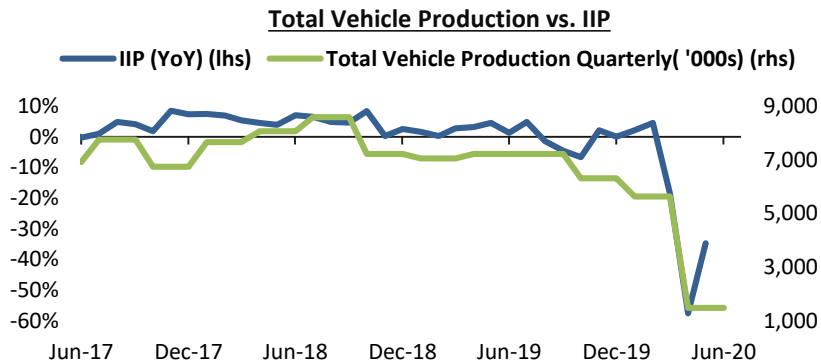
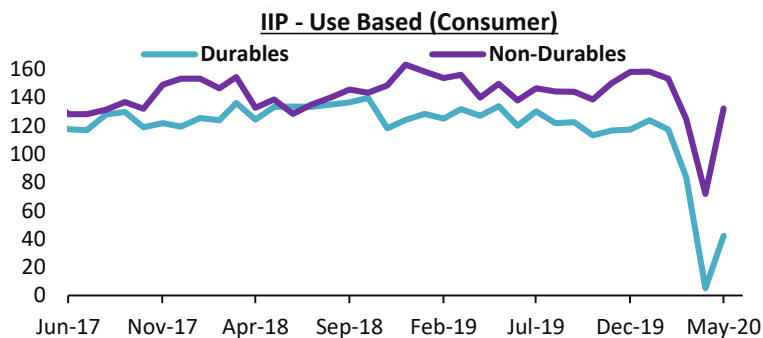


Raw Material Price Trend



Supply side cuts (ex-China) and improving steel prices bode well for global steel spreads

Indian economy

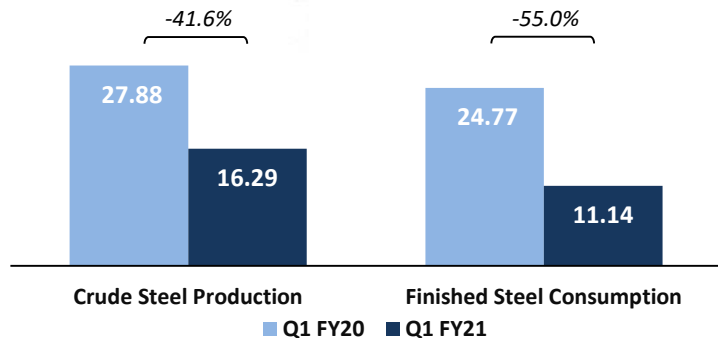


- Economic activities picking up across the board, reflecting improved business sentiment on the back of easing of lockdown restrictions
- Large pockets of activity/industries are heading towards gradual stabilization, albeit the localized lockdown driven by the resurgence of COVID-19 cases remains a key risk
- Rural economy holding up well, aided by limited pandemic impact (vs urban areas), good monsoon, and stimulus measures focused on increasing rural income and consumption
- Lower crude oil price, favorable trade balance, normal monsoon and accommodative stance of RBI are key positives for the economy.
- India well placed to reap benefits from global supply chain realignments currently underway
- Workforce remobilization will be a key challenge for the core sectors of the economy, whilst there are signs of returning labor force driven by the aspirations of higher income
- Gradual recovery expected in second half of FY21

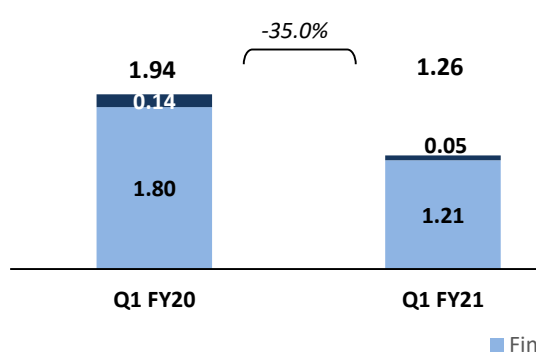
Targeted access to credit, policies and global supply chain realignments to aid economic recovery

Indian steel

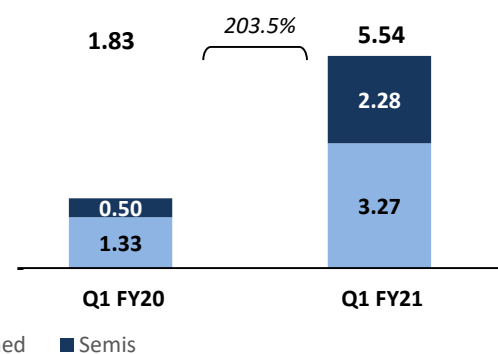
Production and Consumption (mt)



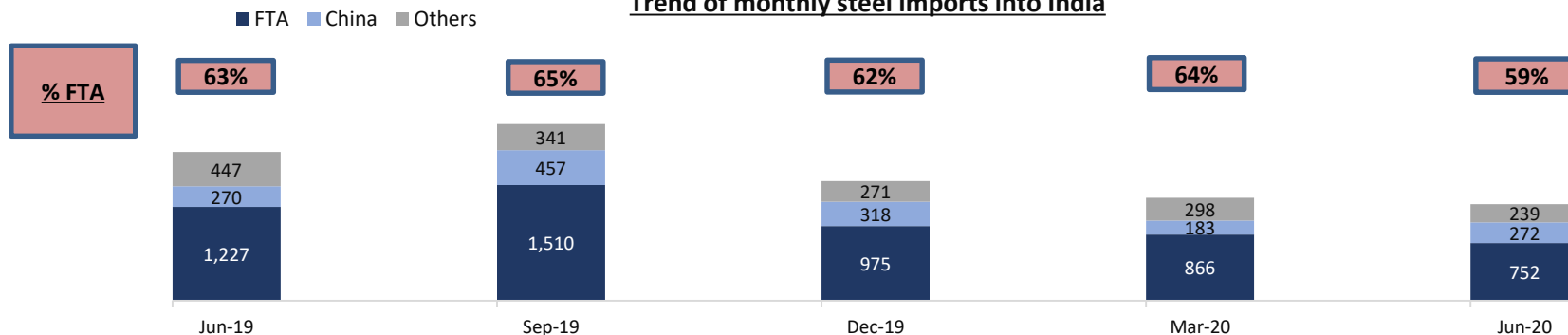
Steel Imports (mt)



Steel Exports (mt)



Trend of monthly steel imports into India



India emerges as a major steel exporter, amidst subdued domestic demand



Agenda



Business
Environment

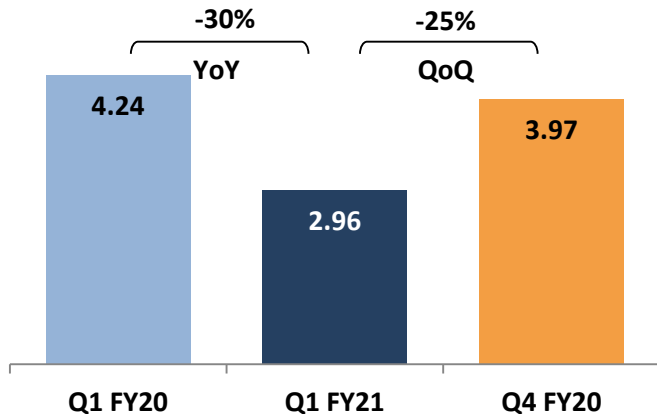
Operational
Performance

Financial
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Forward Guidance &
Projects Update

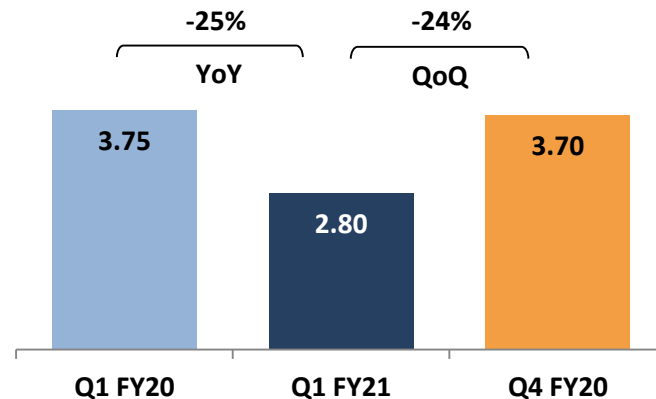
Quarterly volumes- standalone

Crude Steel Production



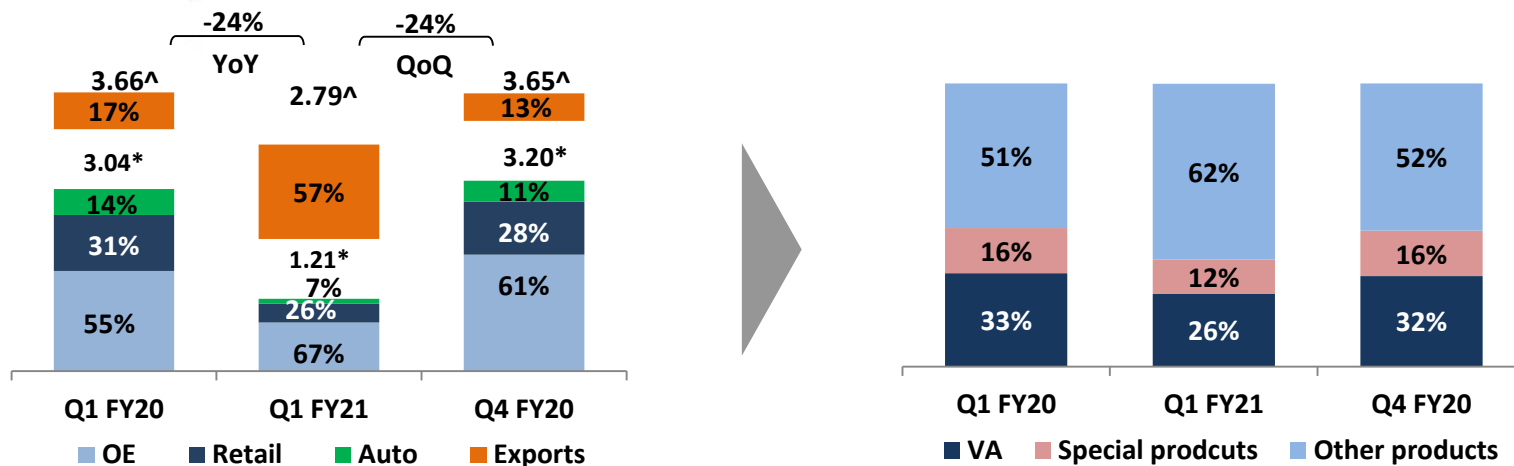
| | Q1 FY20 | Q1 FY21 | Q4 FY20 |
|------|---------|---------|---------|
| Flat | 2.91 | 2.05 | 2.87 |
| Long | 1.05 | 0.45 | 0.95 |

Steel Sales



| | Q1 FY20 | Q1 FY21 | Q4 FY20 |
|-------|---------|---------|---------|
| Flat | 2.67 | 1.99 | 2.70 |
| Long | 0.93 | 0.46 | 0.86 |
| Semis | 0.15 | 0.35 | 0.13 |

Quarterly sales highlights – consolidated



- Sales volumes adversely impacted by nationwide lockdown in April
 - Emerged as a large exporter of steel with highest ever quarterly shipments of 1.58mt
 - Domestic sales gaining momentum month-on-month, with improvement visible in construction, infrastructure packaging and appliance sector
 - Decline in Automotive Steel sales was in line with overall decline in Passenger and Commercial Vehicle which resulted in lower proportion of value added shipments in the overall sales mix

Digital Impact –Q1 FY21



Social Media Performance



Followers – 232K+
Impressions- 1.6 million



Followers – 93K +
(growth by 19119 in Q1)
Impression- 437.5K



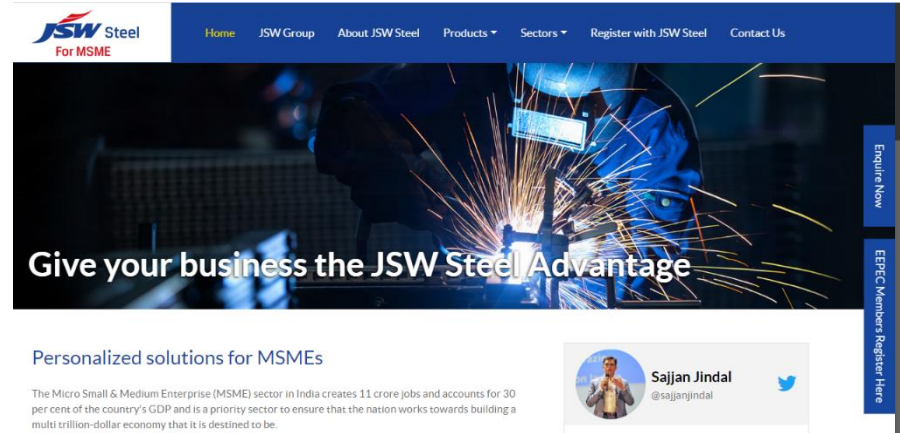
Followers – 24K+
(growth by 1232 in Q1)
Impressions- 259.2K



Followers – 2.4K+
(growth by 741 in Q1)
Impressions-882.7



MSME Focus



Launched a new website dedicated to MSMEs



1800
Toll Free
Number

Launched MSME Toll Free number
1800-225-228

#SAYNOTOPLASTIC



Removed PLASTIC

GUARDFILM on JSW

COLOURON+ colour coated
roofing sheets

Reached **2.1M** Audience
Digitally

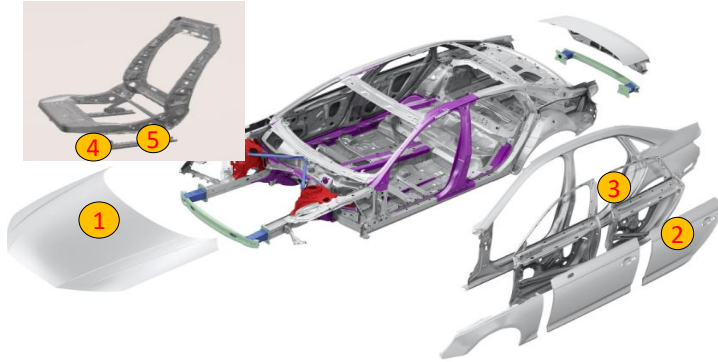
#NERVESOFSTEEL



#NERVESOFSTEEL Campaign
to Salute Covid Heroes
leveraging Rishabh Pants
association

Reached **3.5lac+** Audience
Digitally

Product approval status in Q1 FY21

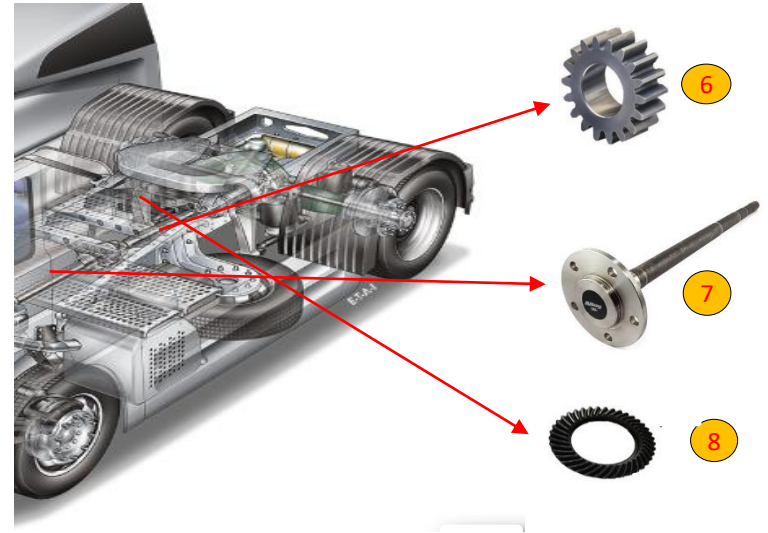


Galvannealed (GA) with nano surface coating for enhanced formability.

1. Panel Hood Outer (Ultra Low carbon)
2. RR Door OTR (Ultra Low carbon)

High Strength Steel (HSS) grade for automotive Load bearing, safety & crash parts

3. Door Impact Beam(Cold rolled steel with improved formability)
4. Seat Recliner part (HRPO -Low Alloy Steel)
5. Seat frame (HRPO -Low Alloy Steel)



Special forging alloy steel grade for auto OEMs, with better hardening characteristics

6. Gear (Cr-Mn)
7. Rear Axle shaft (Cr-Mo)
8. Gear Forging (Cr-Mo)

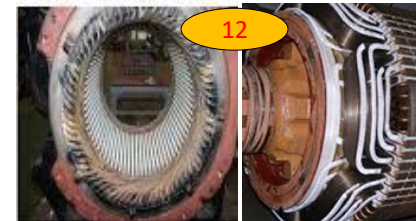
Product approval status in Q1 FY21 (continued)



Galvalume – GL - High Strength structural steel with excellent corrosion resistance for Solar Panel structure



Electrical steel with high permeability used in Compressors for improving efficiency



Special Grade & Insulation Electrical steel for Traction motor used in diesel locomotive



Substitution of PPGI with PPGL for Washing machine front panel application, resulting an increase in corrosion free useful life



Forayed into the niche segment of tin products for various user segments covering packaging of Food can & Oil can



23 Grades were approved in Q1FY21



Agenda



Business
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Financial
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Forward Guidance &
Projects Update

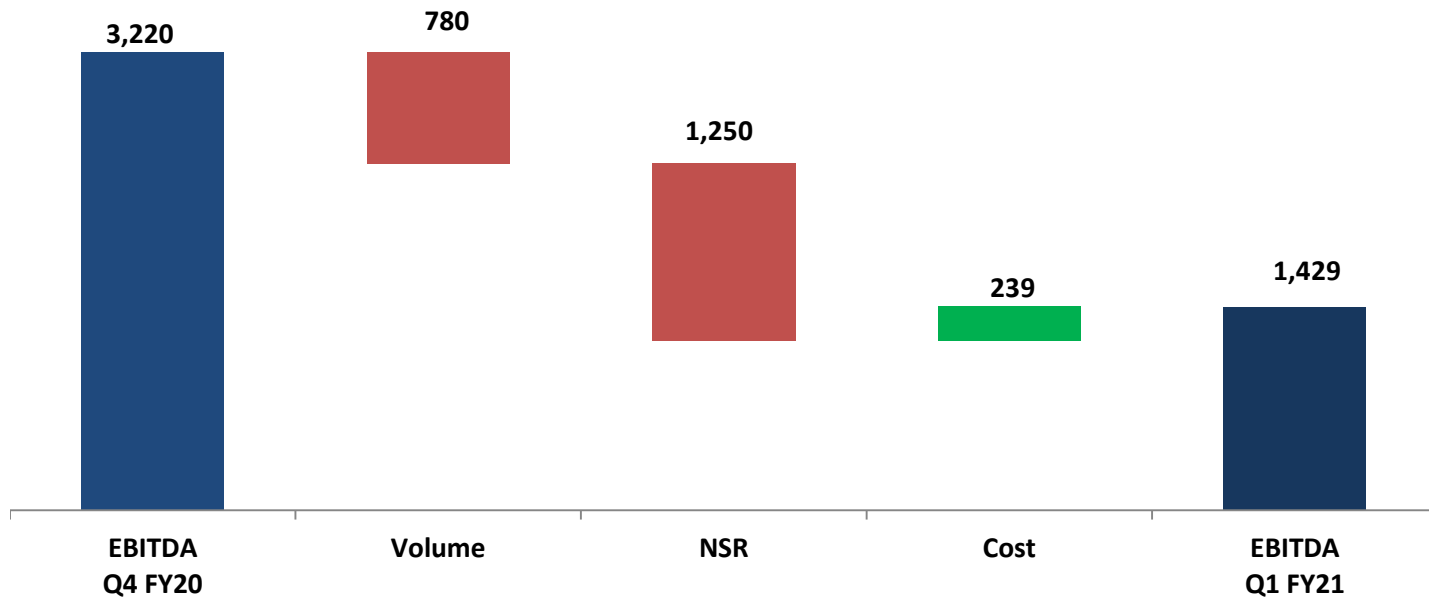
Financials – standalone

₹ crore

| Particulars | Q1 FY21 | Q1 FY20 | Q4 FY20 |
|-------------------------|---------------|---------|---------|
| Revenue from operations | 10,293 | 17,698 | 15,277 |
| Operating EBITDA | 1,429 | 3,832 | 3,220 |
| Other Income | 154 | 159 | 146 |
| Finance Cost | 933 | 1,005 | 954 |
| Depreciation | 867 | 826 | 929 |
| Exceptional Items | - | - | 1,309 |
| Profit before Tax | (217) | 2,160 | 174 |
| Tax Expenses / (Credit) | (71) | 721 | (68) |
| Profit after Tax | (146) | 1,439 | 242 |
| Diluted EPS* | (0.61) | 5.95 | 1.00 |

Operating EBITDA movement – standalone

₹ crore



Operational performance – JSW Steel Coated Products



Million tonnes

| Volumes | Q1 FY21 | Q1 FY20 | Q4 FY20 |
|------------|---------|---------|---------|
| Production | 0.30 | 0.44 | 0.44 |
| Sales | 0.33 | 0.45 | 0.47 |

₹ crore

| Key P&L data | Q1 FY21 | Q1 FY20 | Q4 FY20 |
|-------------------------|---------|---------|---------|
| Revenue from Operations | 2,049 | 2,990 | 2,915 |
| Operating EBITDA | 28 | 172 | 91 |
| Profit after Tax | (31) | 70 | 19 |

Operational performance – US Plate & Pipe Mill

| Production (net tonnes) | Q1 FY21 | Q1 FY20 | Q4 FY20 |
|-------------------------|------------|---------|---------|
| Plate Mill | 57,035 | 83,516 | 63,528 |
| <i>Utilization (%)</i> | 23% | 36% | 27% |
| Pipe Mill | 4,175 | 23,093 | 15,193 |
| <i>Utilization (%)</i> | 3% | 17% | 11% |

| Sales (net tonnes) | Q1 FY21 | Q1 FY20 | Q4 FY20 |
|--------------------|---------|---------|---------|
| Plate Mill | 53,210 | 57,032 | 55,274 |
| Pipe Mill | 4,611 | 23,195 | 27,534 |

USD mn

| Key P&L data | Q1 FY21 | Q1 FY20 | Q4 FY20 |
|-------------------------|---------|---------|---------|
| Revenue from Operations | 46.35 | 98.61 | 89.64 |
| EBITDA | (11.40) | 2.00 | (9.90) |

Operational performance – Ohio, USA

| Operational (net tonnes) | Q1 FY21 | Q1 FY20 | Q4 FY20 |
|--------------------------|---------|---------|---------|
| HRC Production | 26,954 | 80,037 | 73,138 |
| HRC Sales | 48,865 | 71,362 | 72,888 |

USD mn

| Key P&L data | Q1 FY21 | Q1 FY20 | Q4 FY20 |
|-------------------------|---------|---------|---------|
| Revenue from Operations | 29.39 | 42.47 | 56.54 |
| Operating EBITDA | (12.54) | (36.12) | (20.19) |

Operational performance – Piombino, Italy

| Production (tonnes) | Q1 FY21 | Q1 FY20 | Q4 FY20 |
|--|---------------|---------|---------|
| Rolled Products (Bars, Wire Rod & Rails) | 72,406 | 140,047 | 99,060 |
| Grinding Ball | 12,725 | 14,439 | 14,184 |

| Sales (tonnes) | Q1 FY21 | Q1 FY20 | Q4 FY20 |
|--|---------------|---------|---------|
| Rolled Products (Bars, Wire Rod & Rails) | 73,801 | 140,707 | 113,201 |
| Grinding Ball | 17,911 | 14,057 | 14,760 |

Euro mn

| Key P&L data | Q1 FY21 | Q1 FY20 | Q4 FY20 |
|-------------------------|---------------|---------|---------|
| Revenue from Operations | 62.42 | 100.87 | 93.57 |
| Operating EBITDA | (7.01) | (4.16) | (10.91) |

Monnet Ispat and Energy (JV of AION Capital and JSW Steel)



₹ crore

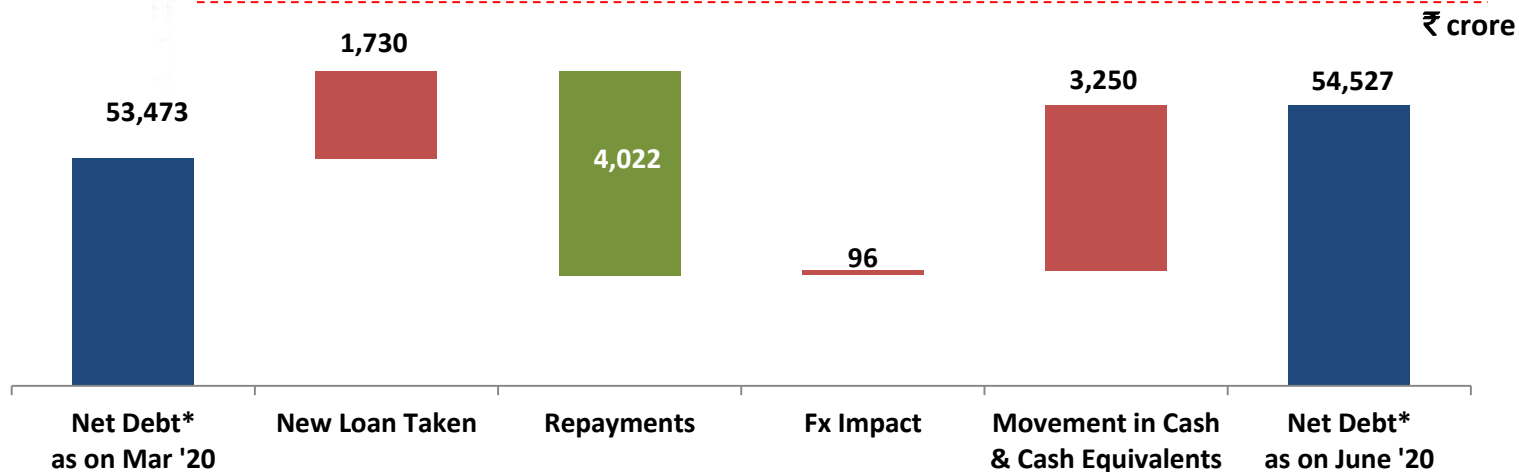
| Key P&L data | Q1 FY21 | Q1 FY20 | Q4 FY20 |
|-------------------------|---------|---------|---------|
| Revenue from Operations | 595 | 777 | 617 |
| Operating EBITDA | (35) | (26) | 5 |
| Net Profit After Tax | (154) | (136) | (104) |

Financials – consolidated

₹ crore

| Particulars | Q1 FY21 | Q1 FY20 | Q4 FY20 |
|---|---------------|---------|---------|
| Revenue from operations | 11,782 | 19,812 | 17,887 |
| Operating EBITDA | 1,341 | 3,716 | 2,975 |
| Other Income | 132 | 141 | 122 |
| Finance Cost | 1,016 | 1,042 | 1,036 |
| Depreciation | 1,047 | 1,026 | 1,108 |
| Share of Profit/ (Loss) of Joint Ventures | (53) | (19) | (29) |
| Exceptional Items | - | - | 805 |
| Profit Before Tax | (643) | 1,770 | 119 |
| Tax Expenses / (Credits) | (61) | 762 | (69) |
| Profit after Tax | (582) | 1,008 | 188 |
| Diluted EPS * | (2.34) | 4.25 | 0.95 |

Net debt movement – consolidated



| Particulars | 30.06.2020 | 31.03.2020 | 30.06.2019 |
|--------------------------------|------------|------------|------------|
| Net Debt (crore) | 54,527 | 53,473 | 47,767 |
| Cash & cash equivalent (crore) | 8,754 | 12,004 | 10,011 |
| Net Debt/Equity (x) | 1.54 | 1.48 | 1.35 |
| Net Debt/EBITDA (x) | 5.74 | 4.50 | 2.72 |

Q1 FY21 Results – Drivers of Performance



| | |
|-----------------|--|
| Volumes | <ul style="list-style-type: none">Operated at 66% capacity utilization vs industry average of 46%Sales volumes decreased by 24% QoQ; given lower productionEnhanced exports amidst subdued domestic demand |
| Realisation | <ul style="list-style-type: none">Net sales realization decreased by 12% QoQ, driven by lower steel prices, higher proportion of semis and exports |
| Operating Costs | <ul style="list-style-type: none">Negative operative leverage given lower utilizationImpact of lower iron ore and natural gas price partially offset by higher coking coal and power cost |
| Depreciation | <ul style="list-style-type: none">Depreciation was lower given certain one offs in Q4FY20 |
| Finance Cost | <ul style="list-style-type: none">Reduction in Finance Cost QoQ due to 16bps reduction in WAIR |



Agenda



Business
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Operational
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Financial
Performance

Projects
Update

Key Project updates-Dolvi

5 to 10 mtpa expansion

- Doubling steel making capacity from 5 mtpa to 10 mtpa- To enhance capacity of flat products portfolio
- Captive Power-175 MW WHRB and 60 MW CPP to harness flue gases and steam from CDQ
- Coke oven Phase 2-Second line of 1.5 mtpa coke oven battery along with CDQ
- **Commissioning during H2 FY21**



Key Project updates- Vijayanagar



CRM1 complex capacity expansion (0.85 mtpa to 1.80 mtpa)

- Two CGL lines of 0.45 mtpa each
- New 1.2mtpa Continuous Pickling line
- Commissioning in phases during H2 FY21

Color Coating line (0.3 mtpa)

- Commissioning by March 2021

Coke Oven plant

- 1.5 mtpa Coke Oven battery
- Part of cost savings project, commissioning in H2 FY22

Pellet plant

- 8 mtpa Pellet plant
- Part of cost savings project, commissioning by Q2 FY21



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 H2 FY21

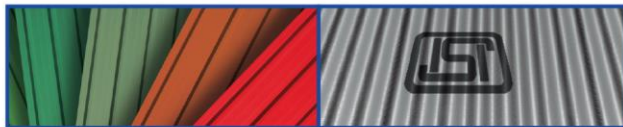


Kalmeshwar- Capacity enhancement of PPGL by 0.22 mtpa

- Commissioning by March 2021



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 PEHAL

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