

February 2, 2019

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Dear Sir/ Madam,

**Subject: Intimation under Regulation 30(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- Investor Presentation**

Please find enclosed herewith presentation on Industry Updates and Key performance highlights for 3<sup>rd</sup> quarter ended on December 31, 2018 of Financial Year 2018-19.

We have also uploaded the same on the website of the Company at [www.jindalsteelpower.com](http://www.jindalsteelpower.com)

This is for your information and record purposes.

Thanking you.

Yours faithfully,  
For Jindal Steel & Power Limited

  
**Jagadish Patra**  
Vice President & Company Secretary



**Jindal Steel & Power Limited**

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**Registered Office:** O. P. Jindal Marg, Hisar, 125 005, Haryana

Q3 FY'19

# Industry Update & Key Performance Highlights



JINDAL  
STEEL & POWER

2<sup>nd</sup> February, 2019

This presentation may contain certain forward looking statements concerning JSPL's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements.

The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and the target countries for exports, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions with respect to investments, fiscal deficits, regulations, etc., interest and other fiscal costs generally prevailing in the economy. Past performance may not be indicative of future performance. We do not undertake to update our forward-looking statements.

This presentation is not intended, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities in JSPL or any of its subsidiary undertakings or any other invitation or inducement to engage in investment activities, neither shall this presentation nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. Few numbers in this presentation are purely indicative & provisional and could change later.



Q3 FY'19

INDUSTRY  
UPDATE

BRIEF BACKGROUND

OPERATIONAL  
PERFORMANCE



# INDUSTRY DEVELOPMENTS

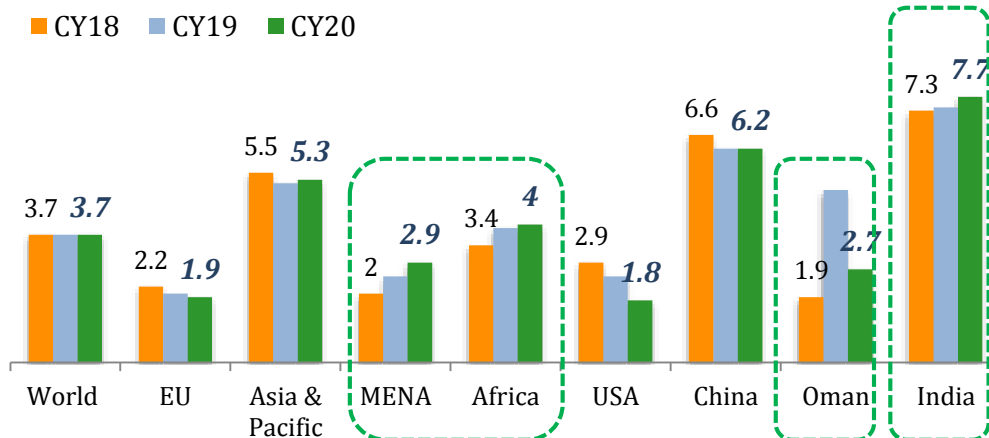


# Global Economic Environment

## > Strong GDP Projection

### Strong Global Economy:

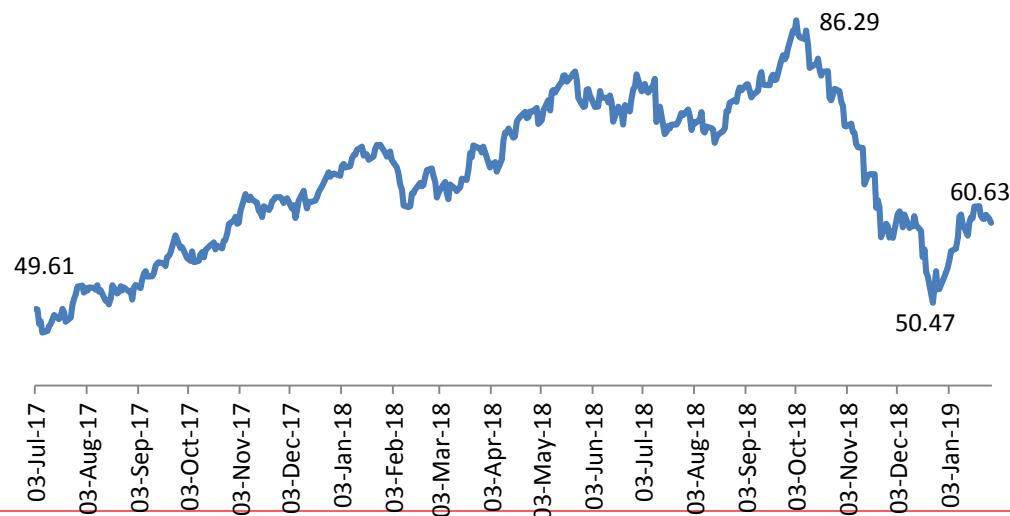
- > Global growth momentum strengthens and is on a broader footing.
- > **US growth** momentum remains healthy driven by **Fiscal stimulus** and high consumer demand.
- > Stronger recovery in **Africa & other Emerging Markets**
- > **Growth in India and ASEAN** remains on a solid ground
- > **China Growth Rate** is likely to **soften** Debt concerns looming
- > **Middle East & Oman Economy** likely to be strong due to investment in infrastructure development and non-Oil based industry



## > Oil prices softened, major respite to Emerging Economy

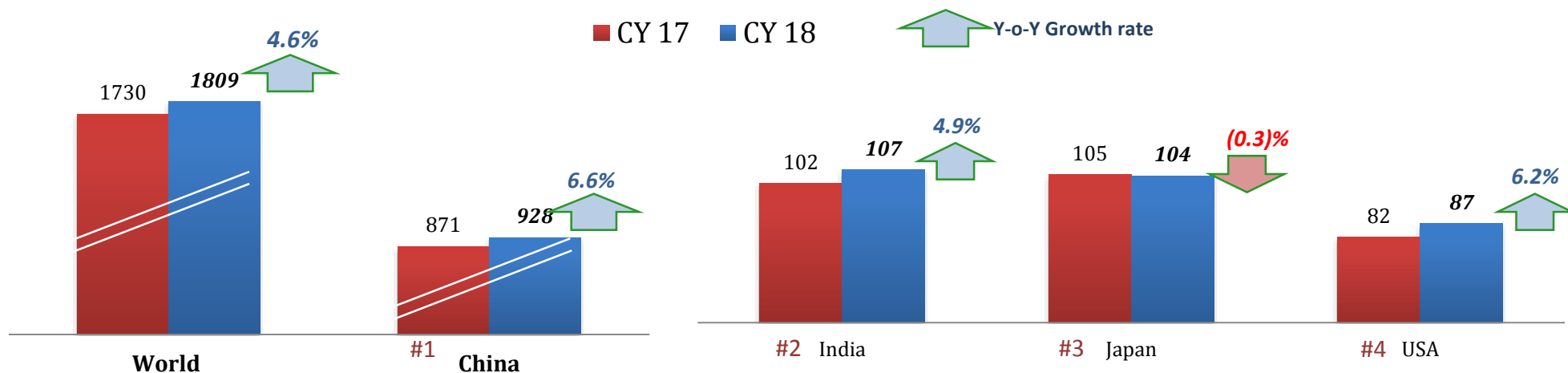
### Oil Prices softened:

- > A major respite to the oil consuming major economy.
- > Higher Oil prices means Emerging economies' growth could suffer
- > International Energy Agency, expected the price range of \$70 to \$80 for this year as against forecasted \$100



# India Becomes 2nd Largest steel producer in world ....

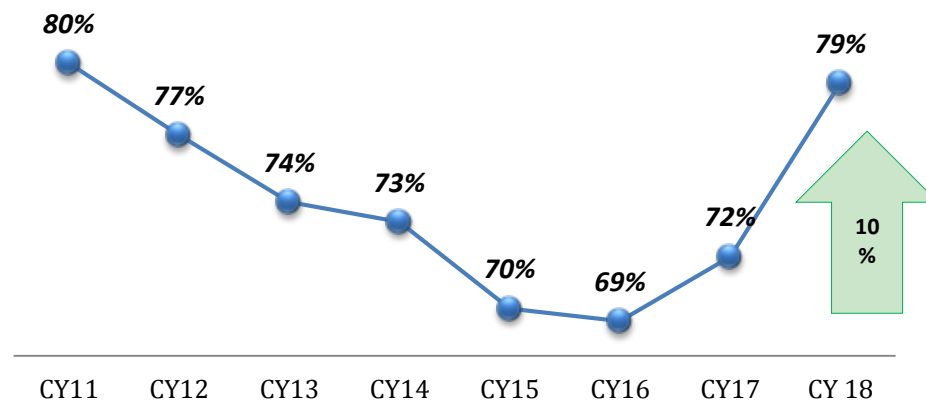
## Global Production improved significantly



### > Global Steel Demand likely to be healthy

	CY 18	%age	CY 19	%age
World	1659	3.9%	1681	1.4%
China	781	6%*	781	00%
India	95.4	7.5%	102.3	7.3%
Middle East	54.5	2.1%	55.1	1.2%
ASEAN	73.7	3.8%	78.3	6.2%

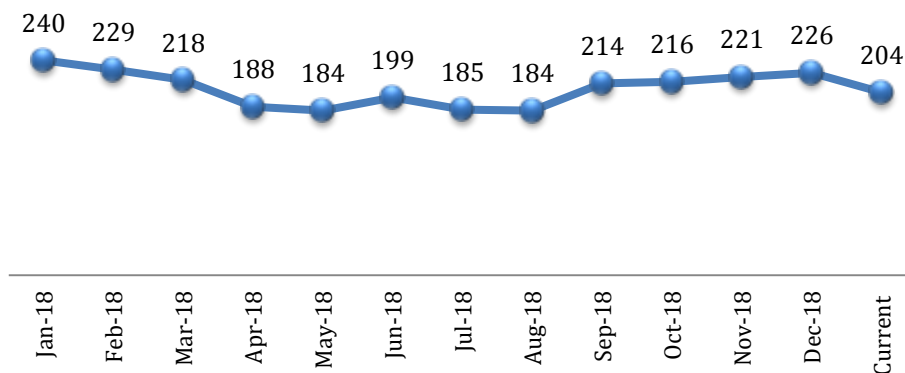
### > Global Steel Capacity Utilization improved



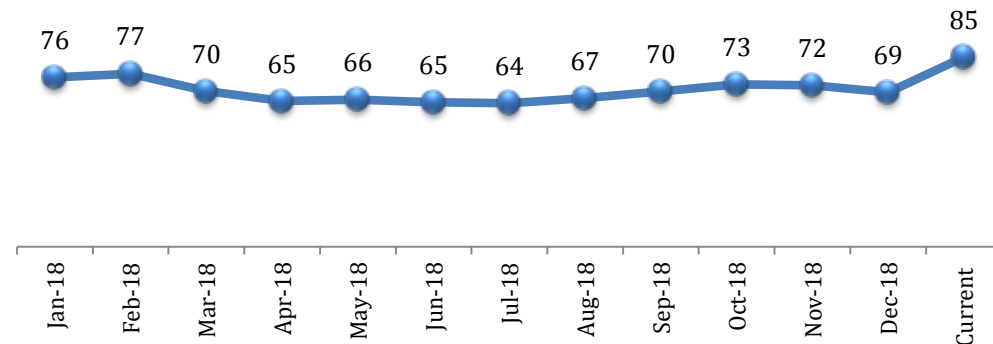
\*disparity comes from an underestimation of 2017 steel use that had been supplied by the unaccounted induction furnaces

## Falling Finished Steel Prices vs Fairly Stable RM Prices led to Profit Erosion

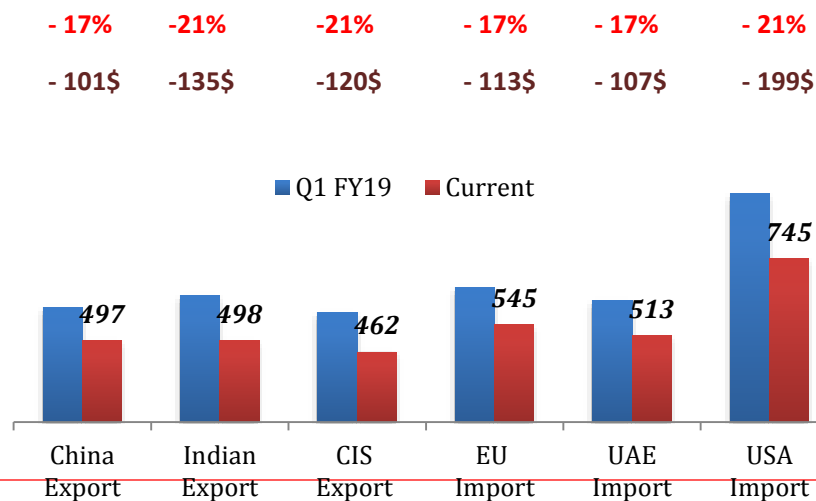
### > PLV Price Trend - FOB Australia (\$/MT)



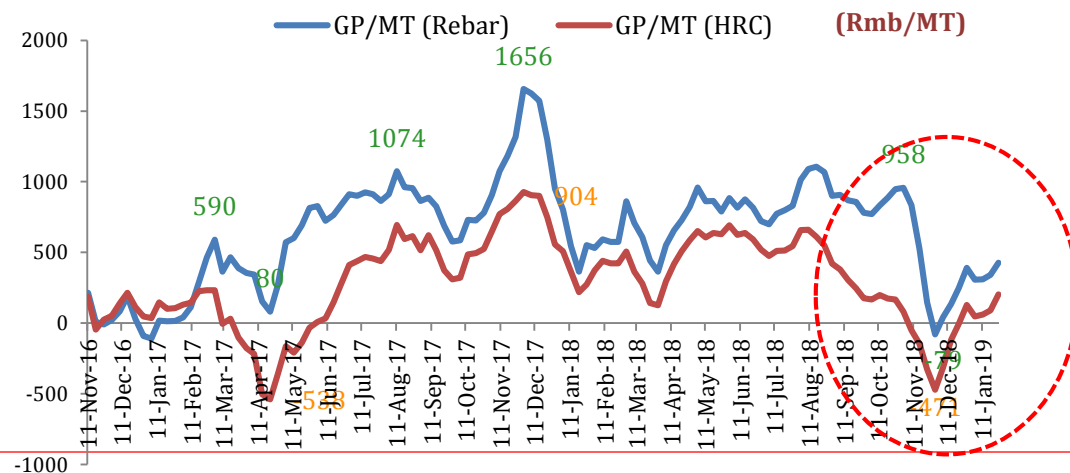
### > IO Fines 62% (\$/MT) CFR China



### > HRC Price for different regions



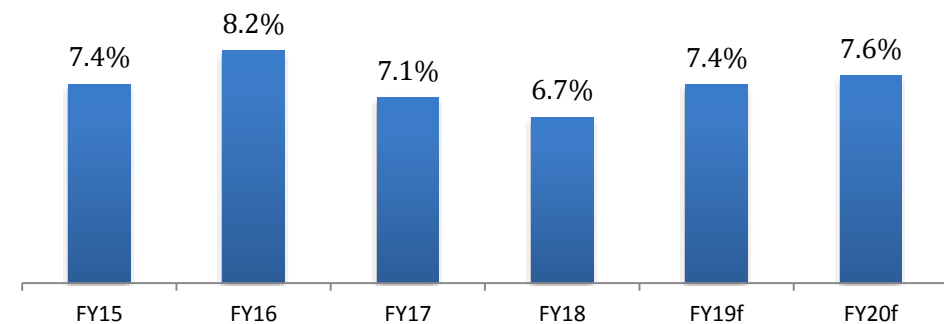
### > Chinese Mills Av Gross Profit remains NEGATIVE in Dec '18





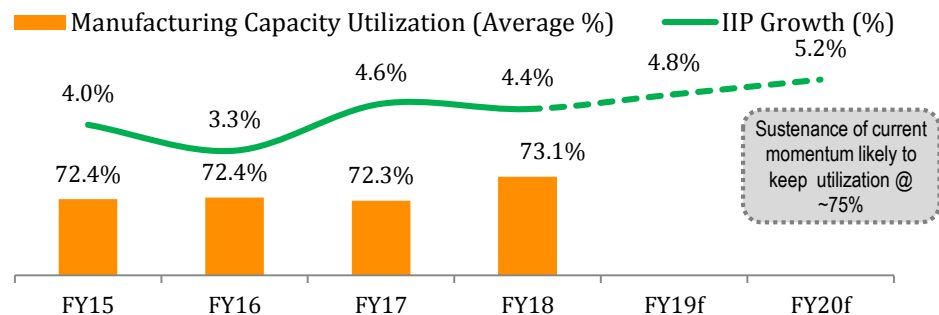
## Gross Domestic Product

- India likely to grow fastest among major economies in **next 2 years** with **average growth of about 7.5%**,



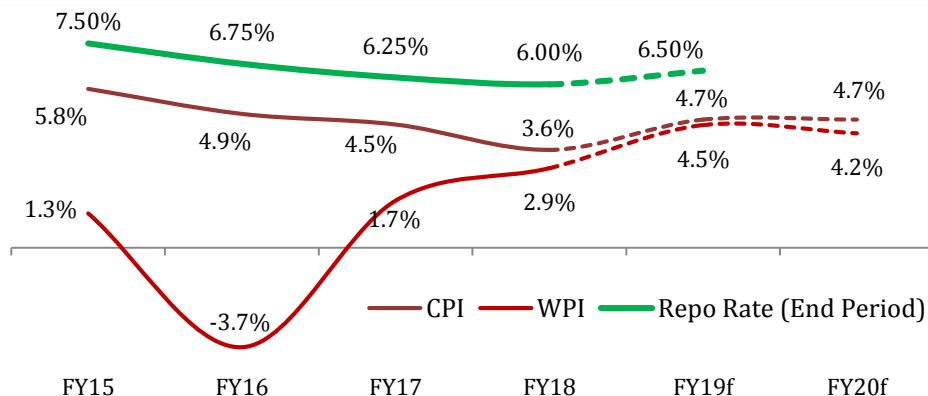
## IIP (% growth)

- India IIP is likely to grow at 5% + during FY20
- This means overall industrial utilization of 75%+



## Inflation, Repo Rate (%)

- FY 18 WPI was 2.9% which is projected to go up to 4.5%
- Repo rate is likely to maintain 6.5% during FY 19





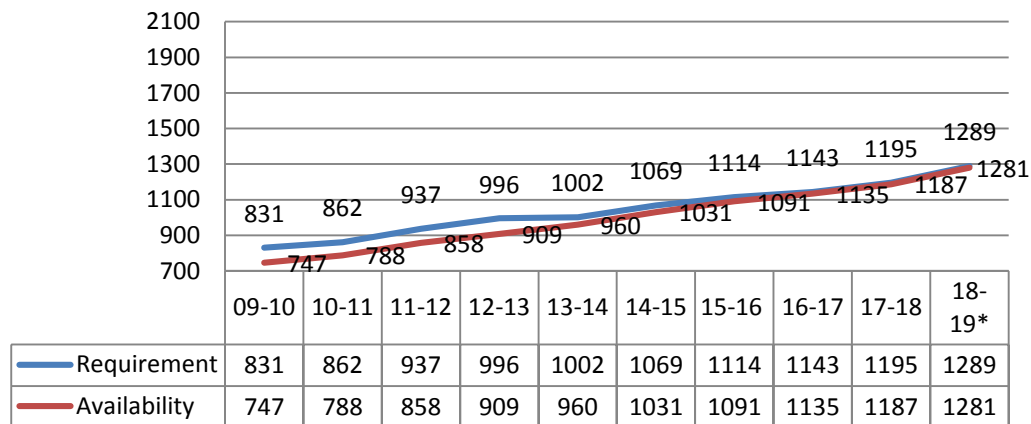
## Indian Domestic Carbon Steel Demand Scenario : Domestic Carbon Steel Market Size Continue to Expand

Fig in Mt	Category	Consumption (FY'18)	Growth (y-o-y)		Consumption April – Dec' 18	Growth (y-o-y)
<b>Long Carbon Steel</b>	Bars & Rods	34.4	2.2%		27	7.8%
	Structurals	8.0	2.2%		6	4.5%
	Rly. Materials	1.23	17.3%		0.962	0%
<b>Flat Carbon Steel</b>	Plate	5.13	(0.4)%		4.2	5%
	HRC/Skelp	16.4	20%		10.6	(0.2)%
	CR Sheets/Coils	3.3	(25)%		4.3	5.5%
	GP/GC	7.6	14%		5.4	25%
	<b>Finished Carbon Steel</b>	<b>81.8</b>	<b>6.3%</b>		<b>63.87</b>	<b>6.5%</b>

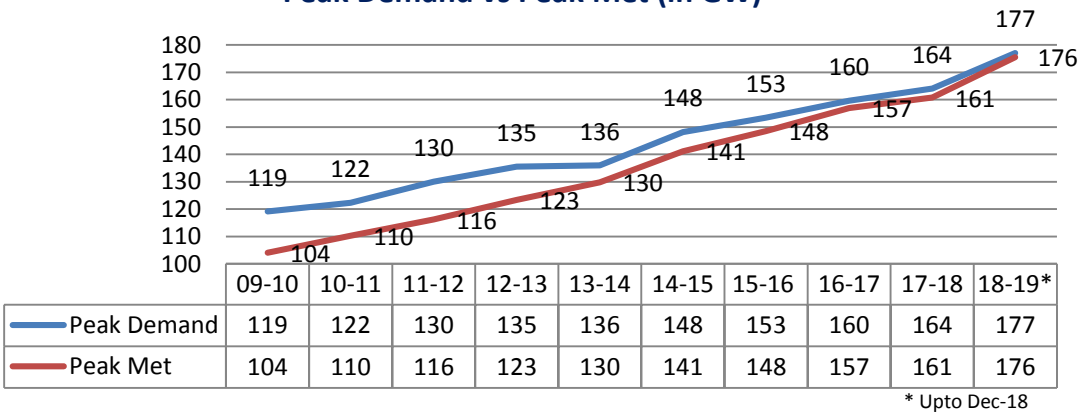
### Indian Steel Demand Outlook:

India's Finished Steel demand will likely to Grow by 7.5% & 7.3% in 2018 & 2019 respectively

## Energy Requirement vs Availability (in BUs)



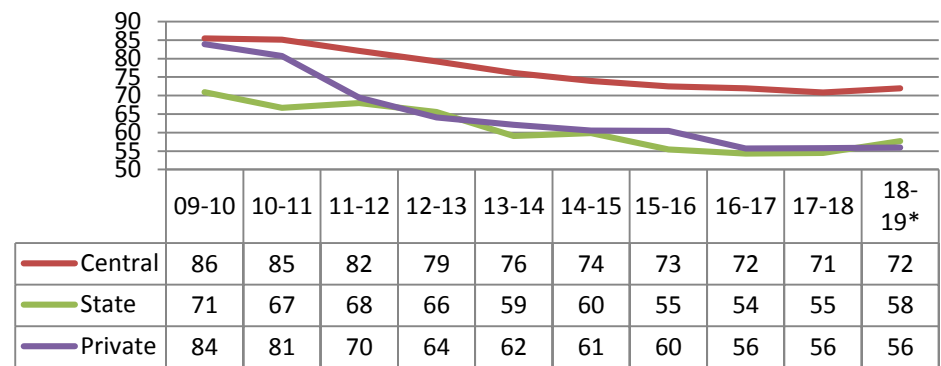
## Peak Demand vs Peak Met (in GW)



\* Provisional Estimated Data

\* Upto Dec-18

## Sector-wise PLF (%)



\* Upto Dec-18

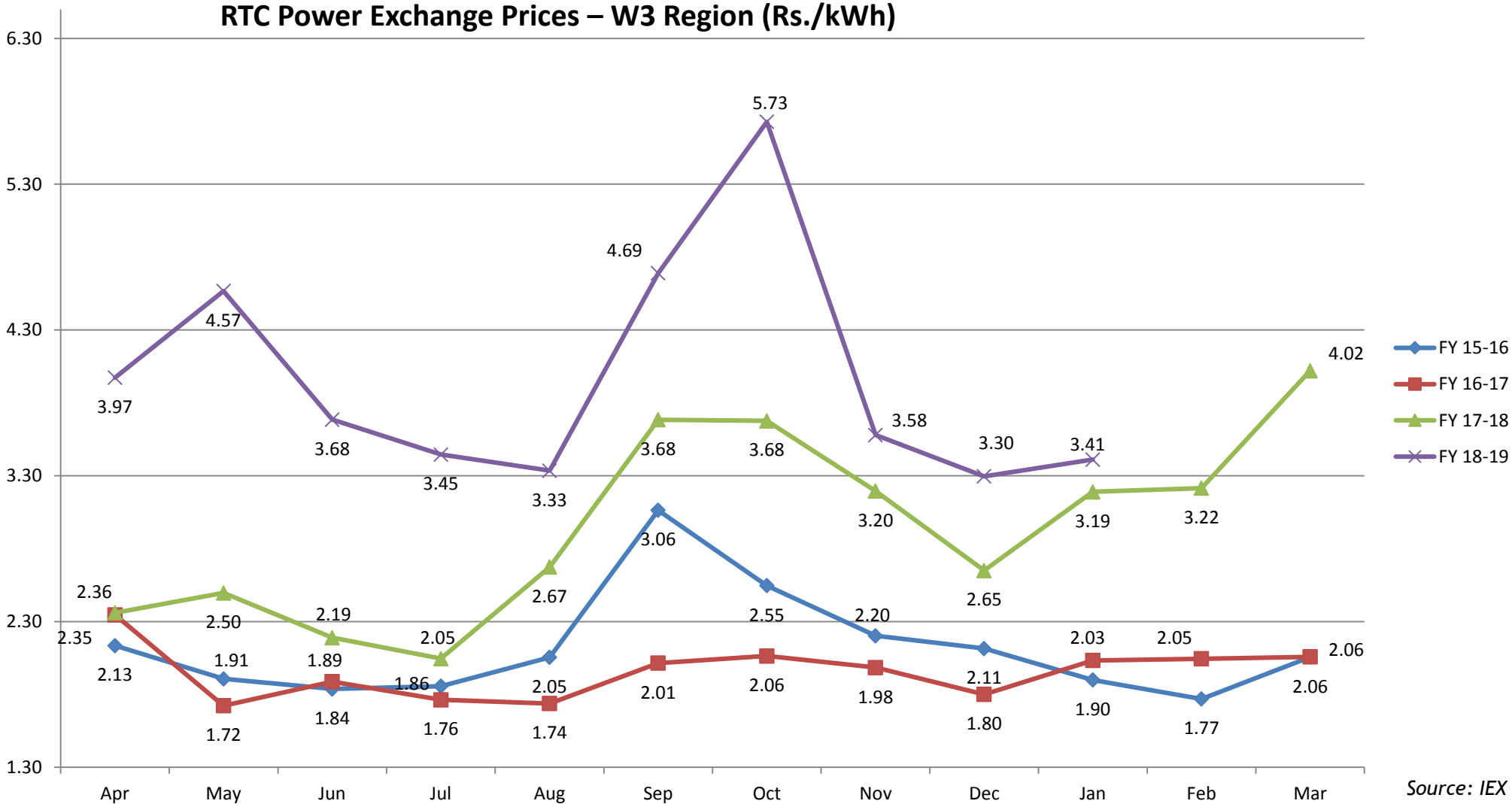
- PLF for Private Sector decreased by 28% during last decade
- While Demand is increasing by ~4.5%, the fall in PLF of IPPs is due to coal shortage and rapid addition of conventional & renewable capacities.
- Gap between Energy Requirement and Availability reduced to 0.7% in FY 17-18.
- Gap between Peak Demand and Availability reduced to 2% in FY 17-18.

- ✓ **Government's program of "24x7 Power for All", coupled with expected boom in Electric Vehicles is likely to augment demand in the long term**
- ✓ **Upcoming central election are also likely to result in a spurt in demand in the short term**

Source: CEA

## IEX Clearing Price Trend

RTC Power Exchange Prices – W3 Region (Rs./kWh)



Source: IEX

Q2 FY'19

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## Steel



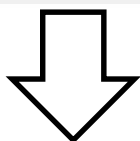
## Power



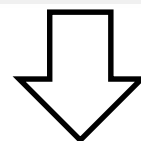
## Global Ventures



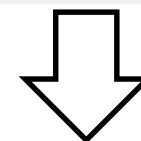
### Current Capacities – Domestic & Global



8.6 MTPA Steel\*  
3.11 MTPA\* Iron ore  
9 MTPA\* Pellet Plant



IPP – 3400MW\*\*  
CPP – 1634 MW



2.4 MTPA Steel  
Coal & Iron Ore  
Mines

\*Domestic

\*\*1000 MW Divestment announced

# Steel Capacities across Life Cycle

## **Iron Making** **(9.95 MTPA)**

**DRI 3.12 MTPA**

**BF 5.33 MTPA**

**HBI 1.50 MTPA**

## **Liquid Steel** **(11.00 MTPA)**

**SMS 11.00 MTPA**

## **Finished Steel** **(7.95 MTPA)**

**WRM 0.60 MTPA**

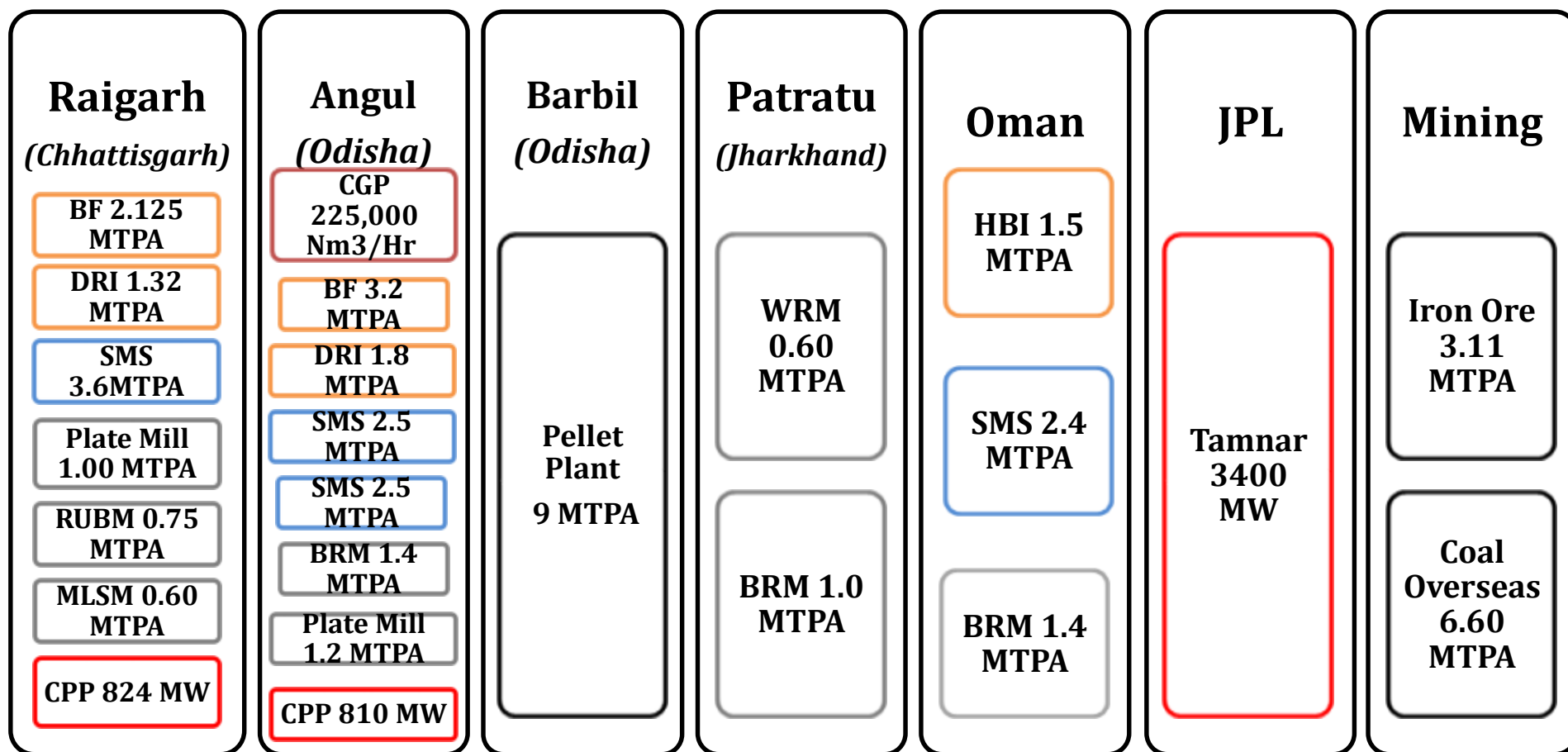
**RUBM 0.75 MTPA**

**MLSM 0.60 MTPA**

**Plate Mill 2.20 MTPA**

**BRM 3.80 MTPA**

# Detailed plant wise capacities



Power
  Hot Metal
  Liquid Steel
  Finished Steel

*\*Plant capacities shown above are completed but not all are commissioned*

# Manifold Growth in the Last 5 Years

FY '14

FY '18-19

**Steel - India**

**3 MTPA**

**8.6 MTPA**

**~2.86x**

**Power**

**1,000 MW**

**3400 MW**

**3.4x**

**Oman**

**0 MTPA**

**2.4 MTPA**

**Add**

**Pellet**

**4.5 MTPA**

**9 MTPA**

**~2x**

**All major capex completed – scale of growth is approx. Three Times**



## ..... potential for BIG LEAP

	FY18 Capacity	Production in FY18	Upside Potential
Steel – India Capacity	8.6 MTPA	4.02 MTPA	114%
Steel – Oman Capacity	2.0 MTPA <sup>(1)</sup>	1.67 MTPA	20%
Independent Power Capacity	3,400 MW	1237 MW	174%
Pellet Capacity	9.0 MTPA	6.86 MTPA	31%

**Upside potential remains to be exploited**

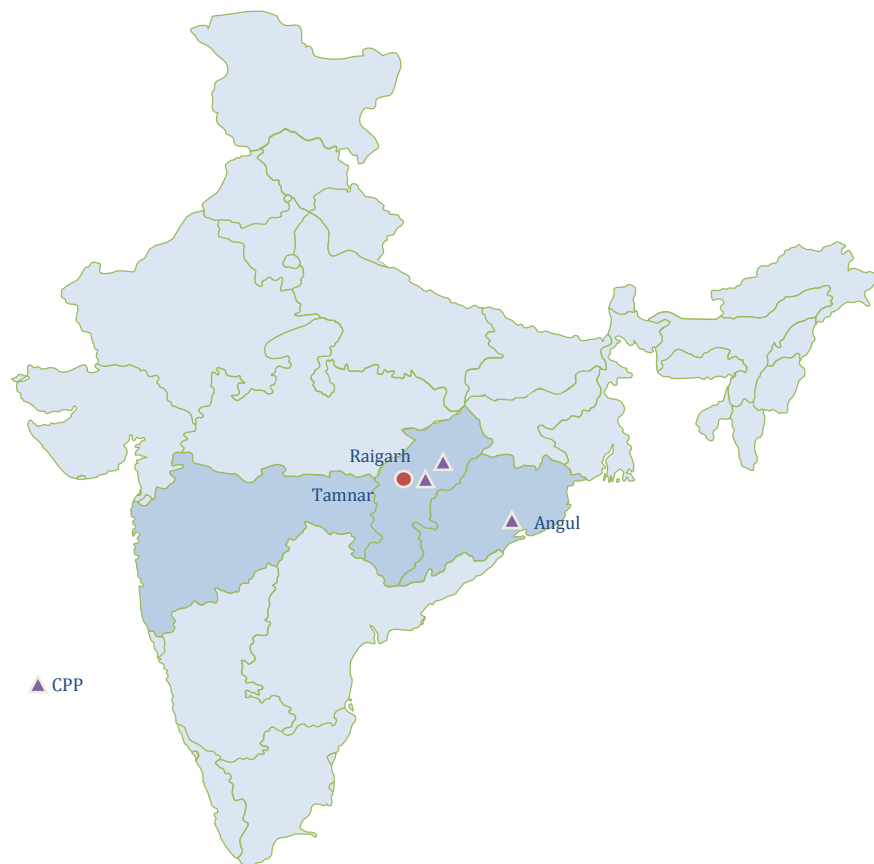
(Figures in Rs. Crores)

Parameter(in Crores of INR)	Q3 FY 2018-19	Q2 FY 2018-19	Q3 FY 2017-18	%QoQ	%YoY
Turnover	6,745	6,849	4,272	-2%	58%
EBITDA	1,480	1,452	921	3%	61%
EBITDA %	22%	21%	22%		
Depreciation + Amortization	572	583	465	-2%	23%
Interest	635	676	594	-6%	7%
PBT (Before Exceptional)	287	194	(138)	48%	
Exceptional	-	(255)	-		
PBT	287	449	(138)	-36%	
PAT	177	383	(74)	-54%	

(Figures in Rs. Crores)

Parameter(in Crores of INR)	9 months FY 2018-19	9 months FY 2017-18	%YoY
Turnover	20,328	11,771	73%
EBITDA	4,577	2,454	87%
EBITDA %	23%	21%	
Depreciation + Amortization	1,731	1,441	20%
Interest	1,916	1,705	12%
PBT (Before Exceptional)	944	(692)	
Exceptional	(255)	150	
PBT	1,199	(842)	
PAT	891	(507)	

# JSPL - Power Capacities



## Independent Power Projects (IPP)

Project	Capacity (MW)	Fuel	Configuration	Status
Tamnar 1*	1,000	Coal	4x250 MW	Operational
Tamnar 2	2,400	Coal	4x600 MW	Operational

## Captive power projects (within JSPL)

Project	Capacity (MW)	Fuel	Configuration	Status
DCPP, Raigarh	540	Coal	4x135 MW	Operational
JSPL, Raigarh	284	Coal & waste heat	1x24 MW (Waste heat) 2x55 MW 6x25 MW	Operational
Angul, Odisha	810	Coal	6 x135 MW	Operational

One of the largest thermal portfolios in India

*96.43% subsidiary of JSPL*



**EUP -I**

**1000MW (4 X 250)**

**EUP -II**

**1200MW (2 X 600)**

**EUP -III**

**1200MW (2 X 600)**



# PPA Arrangements

Project	Buyer	Type	Period		Quantum (MW)
			From	To	
Tamnar II (Phase 1)	Tamil Nadu	Long Term	Feb-14	Sep-28	400
Tamnar I		Medium Term	Sep-17	Aug-19	200
Tamnar II (Phase 1)	KSEB	Long Term	Jun-16	May-41	200
Tamnar II (Phase 1)		Long Term	Oct-17	Sep-42	150
Tamnar II (Phase 1)	Chhattisgarh	Long Term	After commercial operation of Unit and for complete life of plant		60
Tamnar II (Phase 2)		Long Term			60

**Over 30% of total capacity tied up \***

# Key Contractual Arrangements for JPL

		Tamnar-I, 1,000 MW (EUP I)	Tamnar-II - 1,200 MW (EUP II)	Tamnar-II - 1,200 MW (EUP III)
FSA		<ul style="list-style-type: none"> <li>Coal sourced through – market purchase and e-auction</li> </ul>	<ul style="list-style-type: none"> <li>Long term linkage from Mahanadi Coal Limited (MCL) and South Eastern Coalfields Limited (SECL)</li> </ul>	<ul style="list-style-type: none"> <li>Coal sourced through – market purchase and e-auction</li> </ul>
PPA		<ul style="list-style-type: none"> <li>Bilateral/short term/ exchange</li> <li>TNEB – 200 MW</li> </ul>	<ul style="list-style-type: none"> <li>TNEB – 400MW</li> <li>CSEB – 60MW</li> <li>KSEB – 200MW</li> <li>KSEB – 150MW</li> </ul>	<ul style="list-style-type: none"> <li>CSEB – 60MW</li> </ul>
Evacuation		<ul style="list-style-type: none"> <li>Open access available</li> </ul>	<ul style="list-style-type: none"> <li>Open access available</li> </ul>	<ul style="list-style-type: none"> <li>Open access available</li> </ul>

Raw materials, transmission & PPAs in place for achieving higher PLF

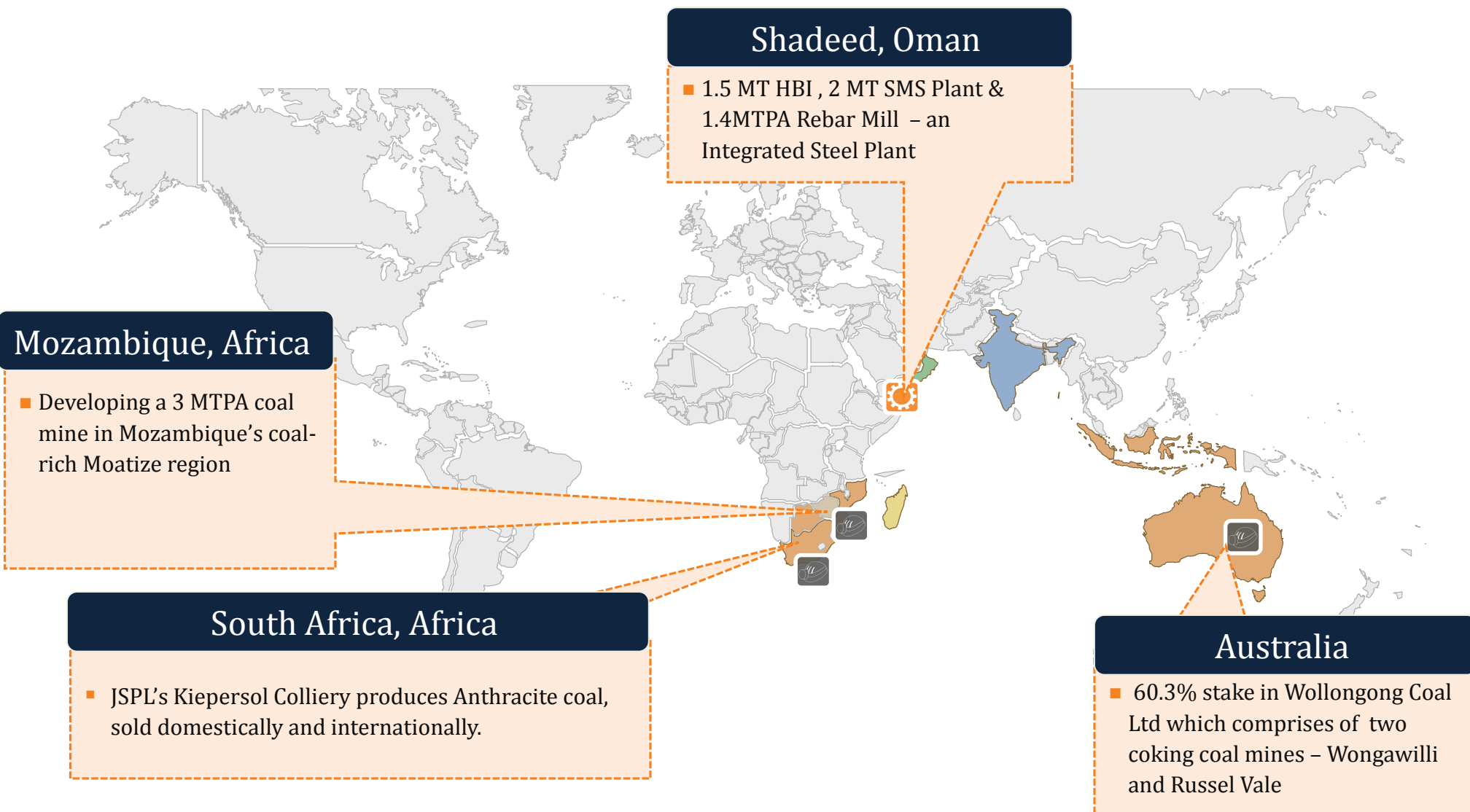
# JPL Key Financials

(Figures in Rs. Crores)

Parameter(in Crores of INR)	Q3 FY 2018-19	Q2 FY 2018-19	Q3 FY 2017-18	%QoQ	%YoY
Turnover	1,004	911	1,172	10%	-14%
EBITDA	273	302	356	-10%	-23%
EBITDA %	27%	33%	30%		
Depreciation + Amortization	334	333	381	0%	-12%
Interest	219	222	244	-1%	-10%
PBT	(202)	(183)	(198)	-11%	-2%
PAT	(160)	(153)	(173)	-5%	7%
Cash Profit	131	150	186	-12%	-29%
Generation (million units)	2,609	2,427	2,982	8%	-12%

(Figures in Rs. Crores)

Parameter(in Crores of INR)	9 month FY 2018-19	9 month FY 2017-18	%YoY
Turnover	2,883	3,130	-8%
EBITDA	888	1,169	-24%
EBITDA %	31%	37%	
Depreciation + Amortization	996	1,131	-12%
Interest	657	698	-6%
PBT (Before Exceptional)	(548)	(450)	-22%
Exceptional	(447)	(381)	-17%
PBT	448	683	-34%
PAT	7,787	8,595	-9%





# Holding structure for global operations

**Jindal Steel & Power Ltd**

Listed Operating Entity in India

**Jindal Steel & Power (Mauritius) Ltd**

Holding company for overseas business

Oman

2 MTPA Steel plant

Australia

Coking Coal

South Africa

Anthracite Coal

Mozambique

Thermal/ Coking Coal

(Figures in Rs. Crores)

Parameter(in Crores of INR)	Q3 FY 2018-19	Q2 FY 2018-19	Q3 FY 2017-18	%QoQ	%YoY
Turnover	9,580	9,982	6,994	-4%	37%
EBITDA	2,077	2,207	1,607	-6%	29%
EBITDA %	22%	22%	23%		
Depreciation + Amortization	1,036	1,031	963	-	8%
Interest	1,042	1,086	967	-4%	8%
PBT (Before Exceptional)	14	91	(323)	-85%	
Exceptional	-	-255	-	-	
PBT	14	347	(323)	-96%	
PAT	(87)	279	(277)	-131%	

(Figures in Rs. Crores)

Parameter(in Crores of INR)	9 months FY 2018-19	9 months FY 2017-18	%YoY
Turnover	29,228	19,245	52%
EBITDA	6,561	4,333	51%
EBITDA %	22%	23%	
Depreciation + Amortization	3,107	2,923	6%
Interest	3,101	2,794	11%
PBT (Before Exceptional)	368	(1,382)	-
Exceptional	(255)	150	-
PBT	624	(1,532)	-
PAT	302	(1,198)	-

Q2 FY'19

INDUSTRY  
UPDATE

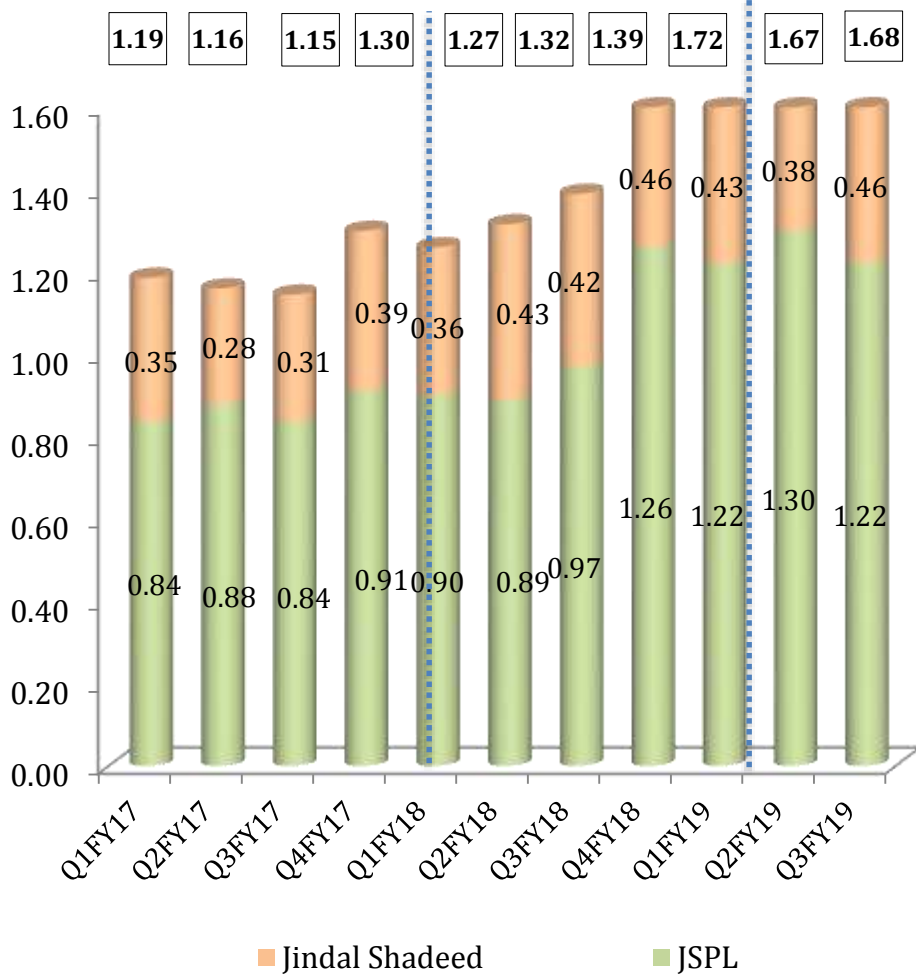
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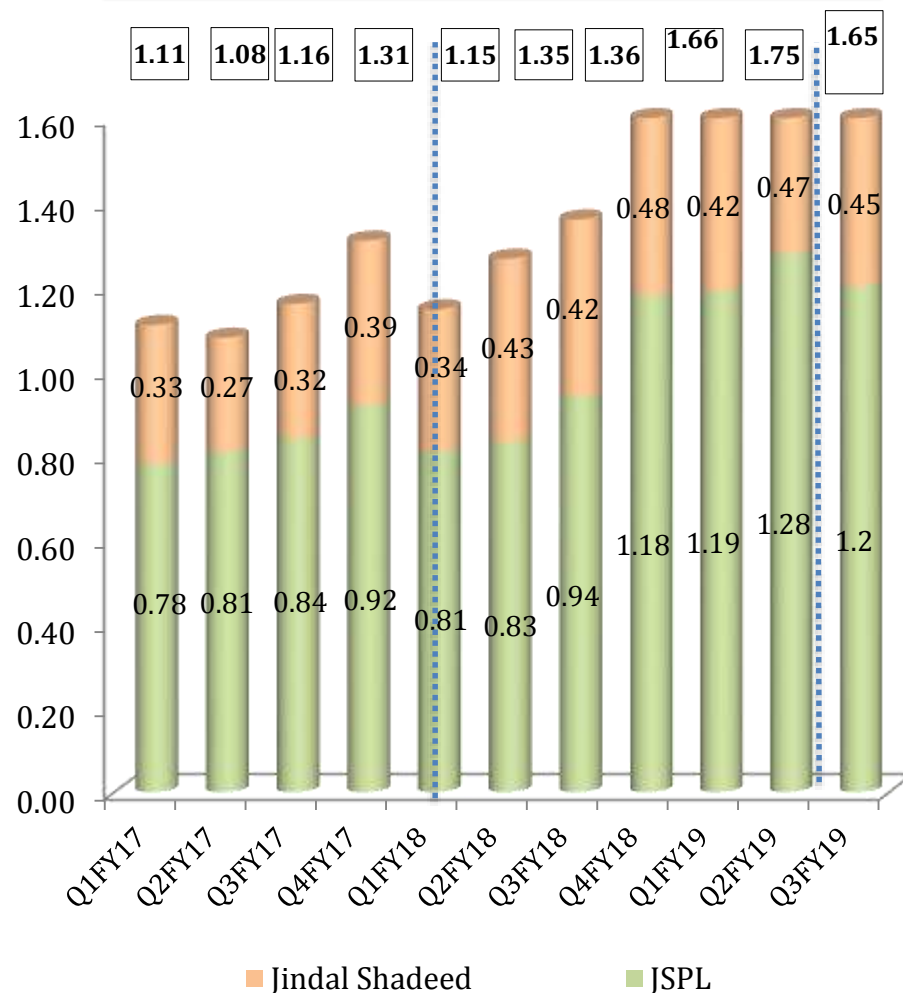


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## Consolidated Steel Production



## Consolidated Steel Sales





# Key Customers & Adding...













**For any information please contact: -**

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# THANK YOU