



Regd. Office : JSW Centre,  
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Ref: JSWSL: SECT: MUM: SE: 2017-18  
August 01, 2017

|   |  |
|---|--|
| <b>1. National Stock Exchange of India Ltd.</b><br>Exchange Plaza<br>Plot No. C/1, G Block<br>Bandra - Kurla Complex<br>Bandra (E), Mumbai - 400 051<br><b>NSE Symbol: JSWSTEEL</b><br><br><i>Kind Attn.: Mr. Hari K, President<br/>(Listing)</i> | <b>2. BSE Limited</b><br>Corporate Relationship Dept.<br>Phiroze Jeejeebhoy Towers<br>Dalal Street, Mumbai - 400 001.<br><b>Scrip Code No.500228</b><br><br><i>Kind Attn: The General Manager<br/>(CRD).</i> |
|---|--|

**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 1<sup>st</sup> Quarter ended on 30.06.2017.

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

Thanking you,

Yours faithfully,  
For **JSW STEEL LIMITED**

**Lancy Varghese**  
Company Secretary

T H E W I L L

T O W I N



**JSW Steel Limited**

**1QFY18 Results Presentation**

August 01, 2017

## Key highlights – 1QFY18

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

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# Agenda

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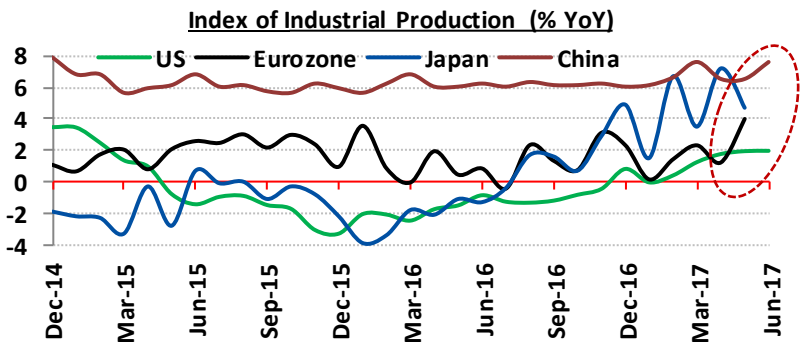
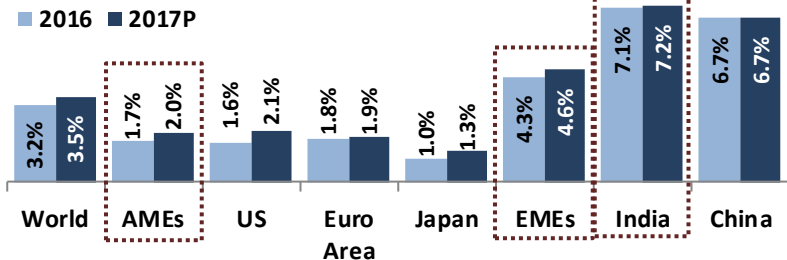
Business Environment

Operational Performance

Financial Performance

# Global economy

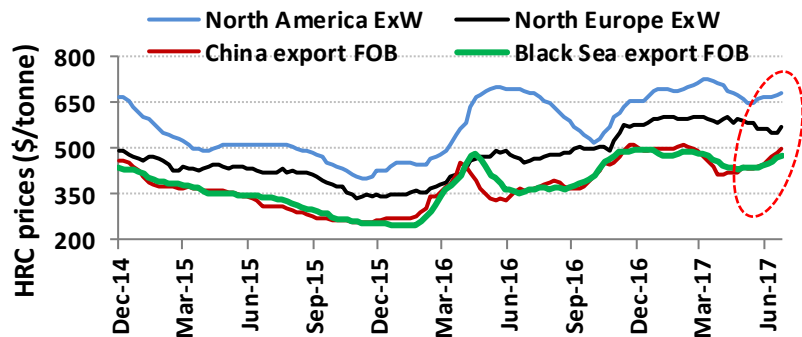
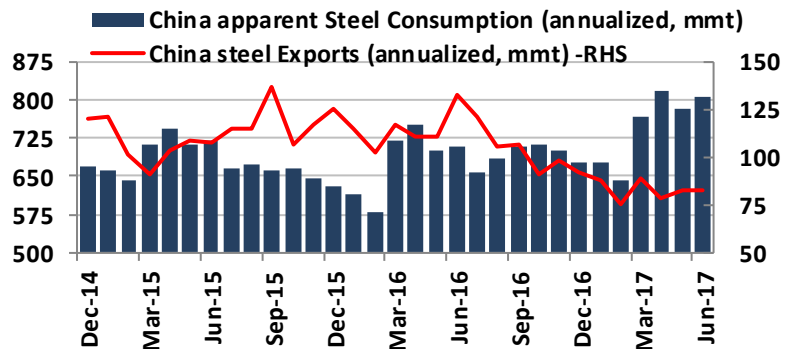
GDP growth - IMF projections for 2016 and 2017 (%YoY)



- 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

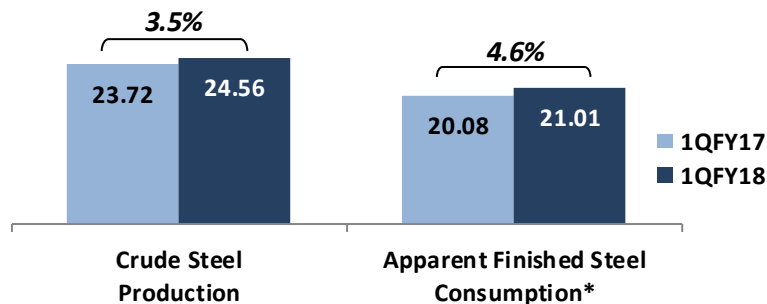
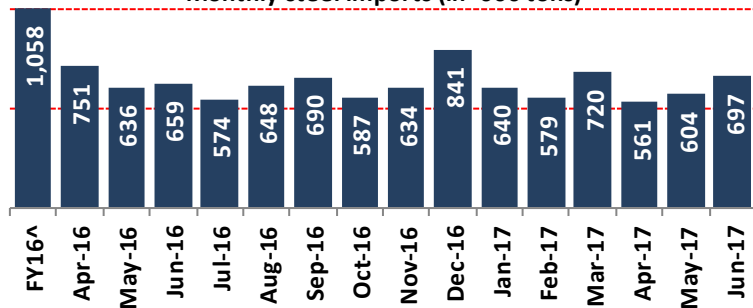


- Global steel production grew by ~36mmt in 1HCY17 as against WSA’s CY17 estimate for demand growth of ~20mmt
- However, China has positively surprised with a ~35mmt apparent steel demand growth in 1HCY17 against a flattish demand estimate by WSA’s for CY17. This growth was primarily driven by government 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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# Agenda

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Business Environment

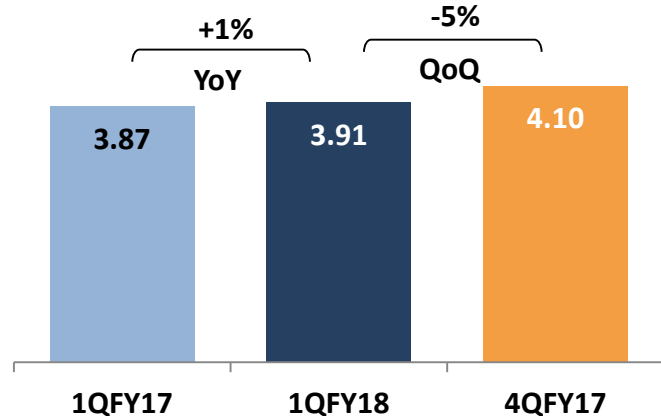
Operational Performance

Financial Performance



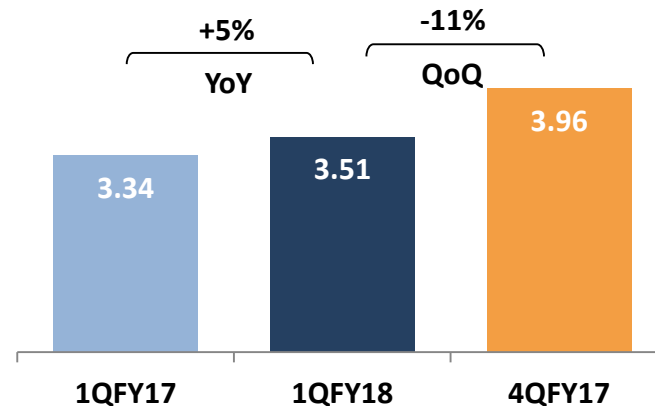
## Quarterly volumes – standalone

Crude Steel Production



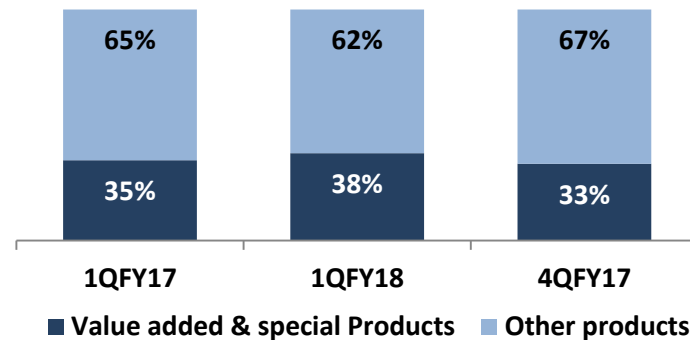
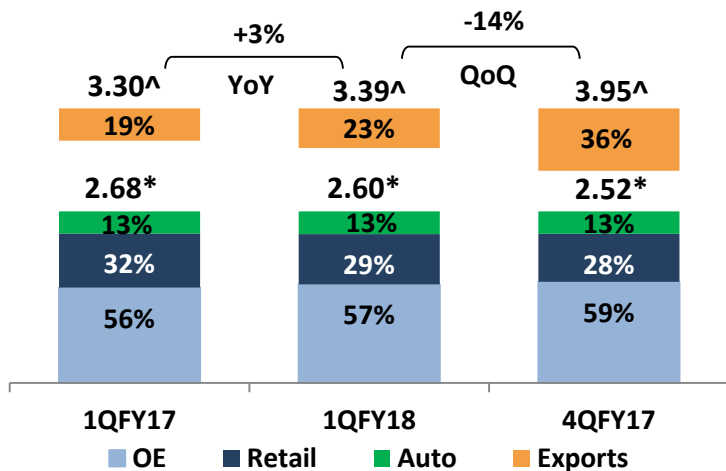
|      | 1QFY17 | 1QFY18 | 4QFY17 |
|------|--------|--------|--------|
| Flat | 2.74   | 2.76   | 2.98   |
| Long | 0.85   | 0.83   | 0.82   |

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   |

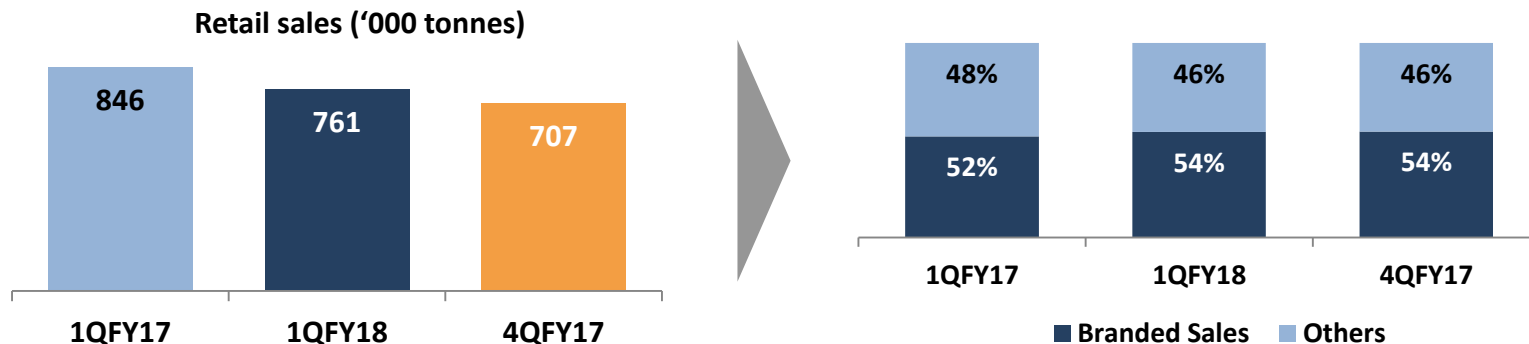
## Quarterly sales highlights – consolidated



- ✓ 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 | 16MnCr5LSi |
|                     | 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          | 65C530   |           |        |            |
|                     | 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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# Agenda

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Business Environment

Operational Performance

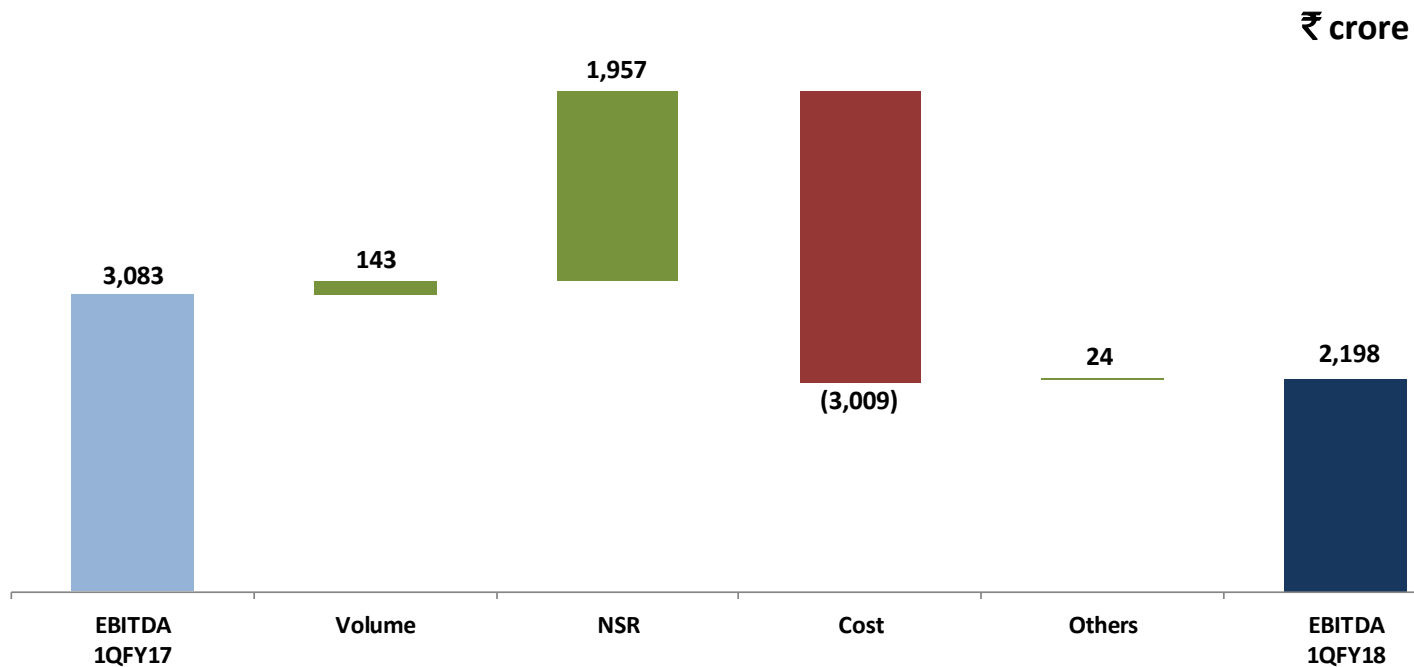
Financial Performance

## 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



## 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

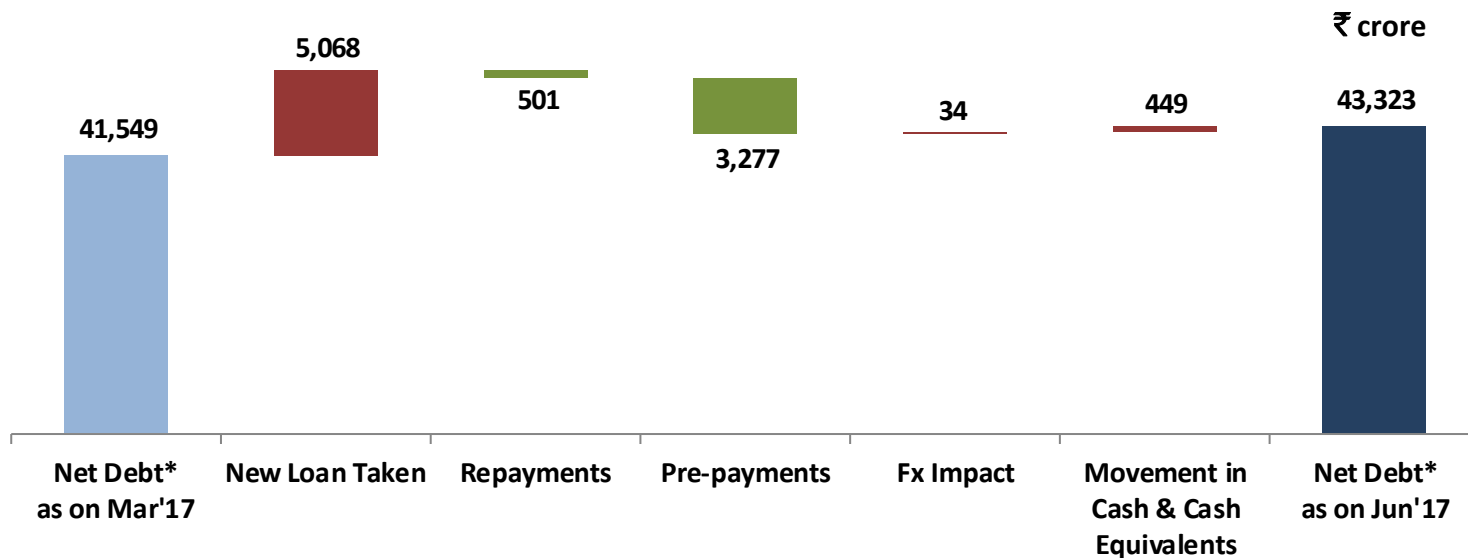
| Key P&L data            | 1QFY18 | 1QFY17 |
|-------------------------|--------|--------|
| Revenue from Operations | 58.67  | 25.26  |
| EBITDA                  | 5.10   | (5.45) |

## 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

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*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**