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JSWSL: SECT: MUM: SE: 2020-21  
October 23, 2020

<b>1. National Stock Exchange of India Ltd.</b> Exchange Plaza Plot No. C/1, G Block Bandra - Kurla Complex Bandra (E), Mumbai - 400 051 <b>NSE Symbol: JSWSTEEL</b>  <b>Kind Attn.: Mr. Hari K, President (Listing)</b>	<b>2. BSE Limited</b> Corporate Relationship Dept. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001, <b>Scrip Code No.500228</b>  <b>Kind Attn: The General Manager (CRD).</b>
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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 Q2 FY 2020-21 ended on 30.09.2020.

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**

**Q2 FY 2020-21 Results**

**Presentation**

October 23, 2020

BETTER EVERYDAY

# Key highlights – Q2 FY21



Consolidated performance	<ul style="list-style-type: none"><li>✓ Revenue from operations : ₹ 19,264 crore</li><li>✓ Operating EBITDA : ₹ 4,414 crore</li><li>✓ Net Profit/(Loss) : ₹ 1,595 crore</li><li>✓ Net Debt to Equity : 1.43x and Net Debt to EBITDA : 4.73x</li></ul>
Operational performance	<ul style="list-style-type: none"><li>✓ Operated at 86% average utilization vs 66% in Q1 FY21</li><li>✓ Fully operationalized four captive mines in Odisha &amp; two mines in Karnataka</li><li>✓ Overall dispatches from captive mines constituted 27% of iron ore requirements</li><li>✓ 1.2 MTPA Wire Rod Mill at Vijayanagar commissioned, trial production underway</li></ul>
Other highlights	<ul style="list-style-type: none"><li>✓ Winner of the prestigious Steelie Awards 2020 by World Steel Association in the category of “Excellence in communications programmes”</li></ul>



# Agenda

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Business  
Environment

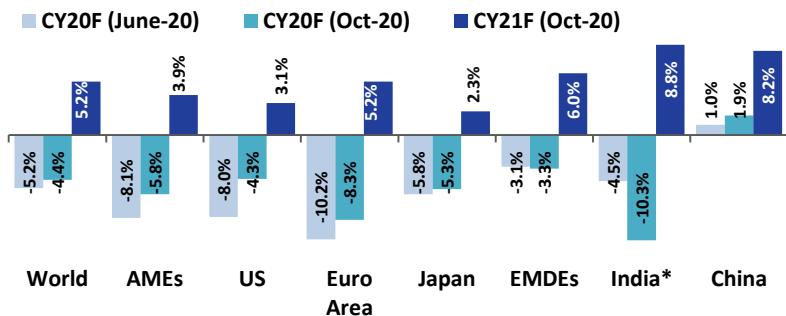
Operational  
Performance

Financial  
Performance

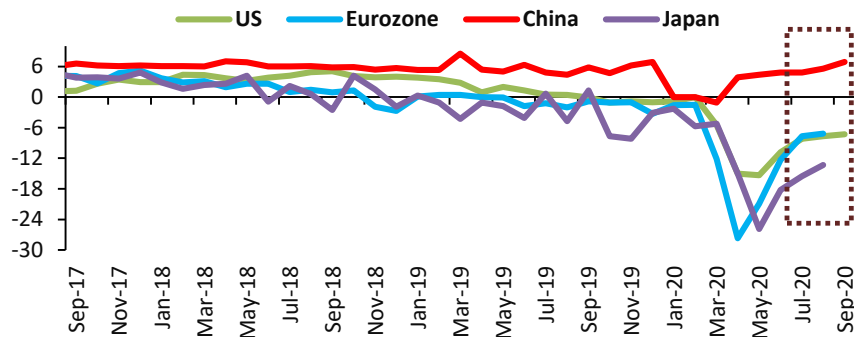
Forward Guidance &  
Projects Update

# Global economy

**GDP growth Forecasts (%YoY)**



**Index of Industrial Production (%YoY)**

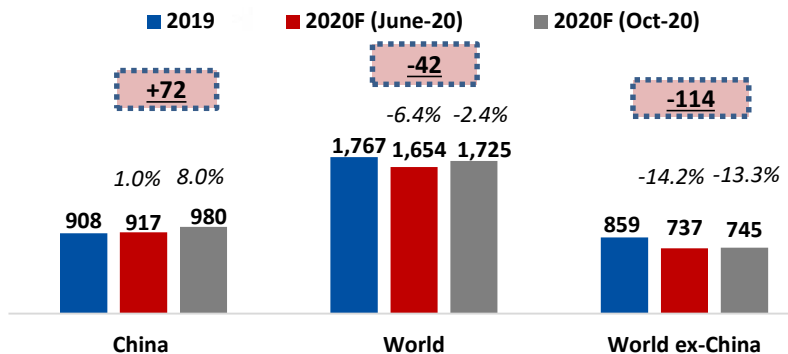


- IMF revised CY20 Global GDP to contract by 4.4% (5.2% earlier). Global growth expected to rebound and increase by 5.2% in CY21 on the back of swift policy measures
- Recent PMI and IP prints of the US indicate a faster than expected recovery. Fed's accommodative stance and likely fiscal stimulus supportive for economic growth
- Business sentiments in EU and Japan are improving which bodes well for a gradual economic recovery
- China's Q3CY20 GDP growth of 4.9% reflects strong economic progress. Faster than anticipated recovery in investment, manufacturing and services
- Synchronised monetary and fiscal policy measures have limited the impact of economic fall out in the near term, accommodative monetary stance likely to aid momentum
- Re-emergence of infections inducing localised and targeted lockdowns pose risks to the outlook

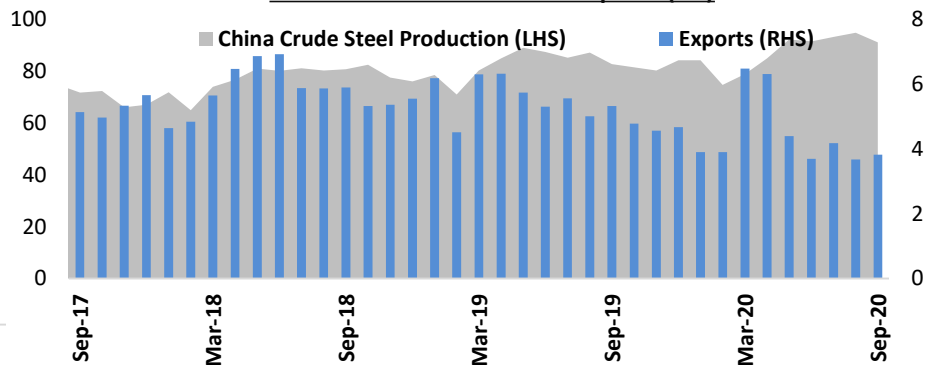
**Unwavering resolve on policies to aid growth, waves of re-infections pose risks to the outlook**

# Global steel

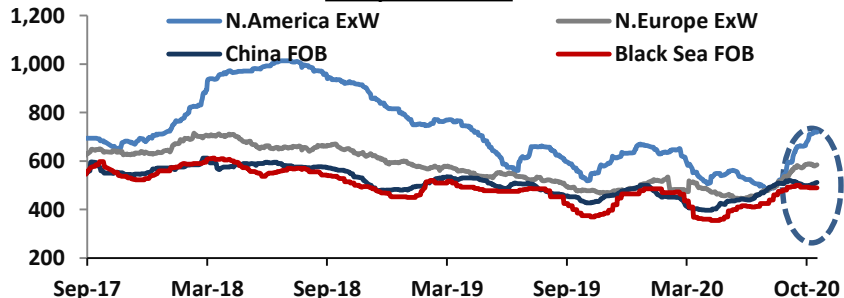
**Steel Demand (mt)**



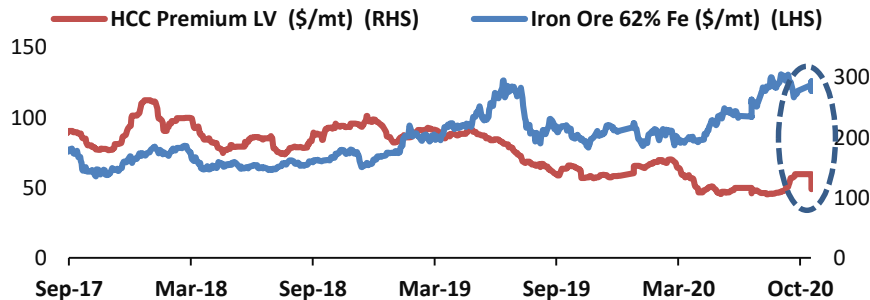
**China Steel Production and Export\* (mt)**



**HRC prices US\$/t**

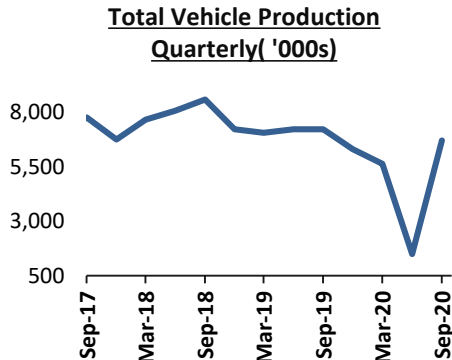
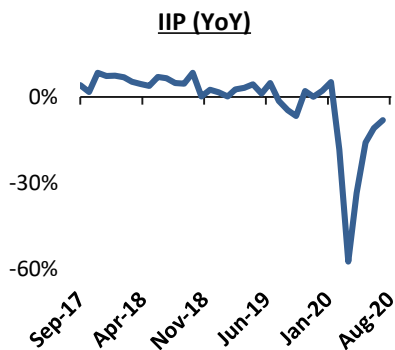
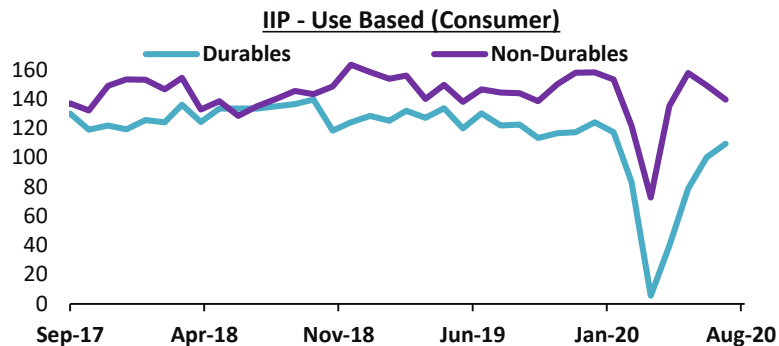


**Raw Material Price Trend**



**Economic recovery and supply side cuts (ex-China) augurs well for global steel demand**

# Indian economy

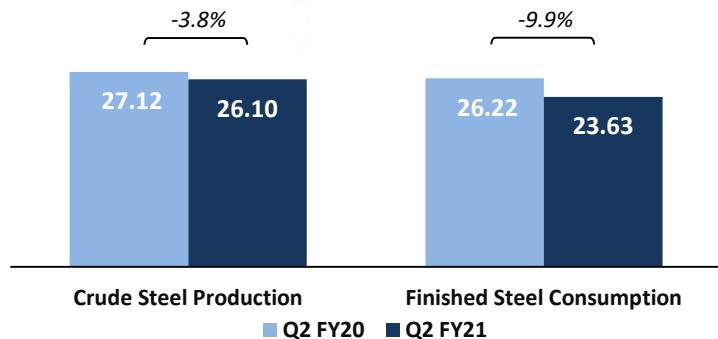


- Broad based economic recovery is underway- Business sentiments improved substantially over the recent months. Manufacturing PMI prints activities reflects strong rebound, while service sector is gradually stabilizing
- Recovery in Automotive sector, notably in two wheelers and passenger vehicle is better than anticipated
- Rural economy is resilient, aided by good monsoon, stimulus measures focused on increasing rural income and consumption. Further structural reforms like farm bill augurs well for the rural sector
- Lower crude oil price, normal monsoon and accommodative stance of RBI are key positives for the economy, while elevated level of inflation is a matter of concern
- Supportive government policies and measures to aid economic recovery during the remainder of FY21
- India well placed to reap benefits from global supply chain realignments currently underway

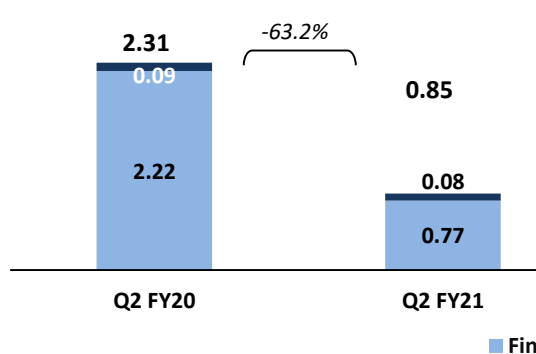
**Supportive fiscal and monetary measures to expedite recovery**

# Indian steel- Quarterly

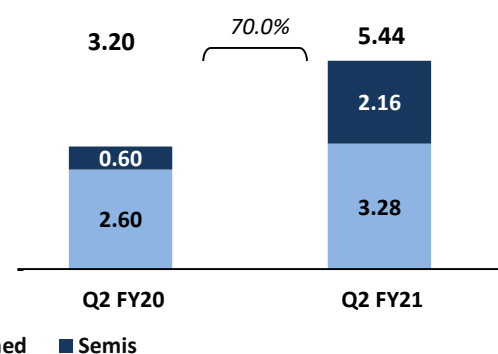
**Production and Consumption (mt)**



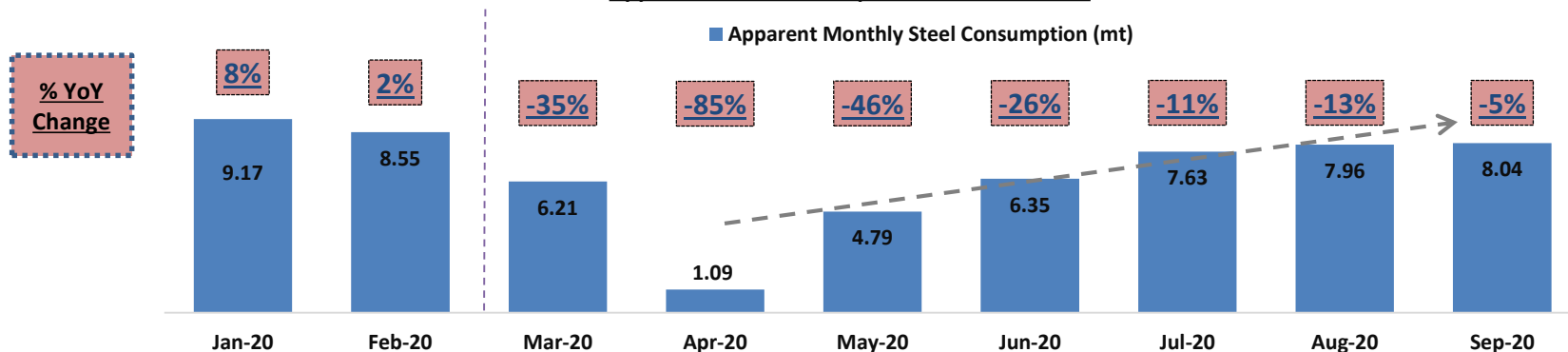
**Steel Imports (mt)**



**Steel Exports (mt)**



**Apparent Steel Consumption and YoY Growth**



**Sharp rebound in steel demand from recent lows**





# Agenda

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Business  
Environment

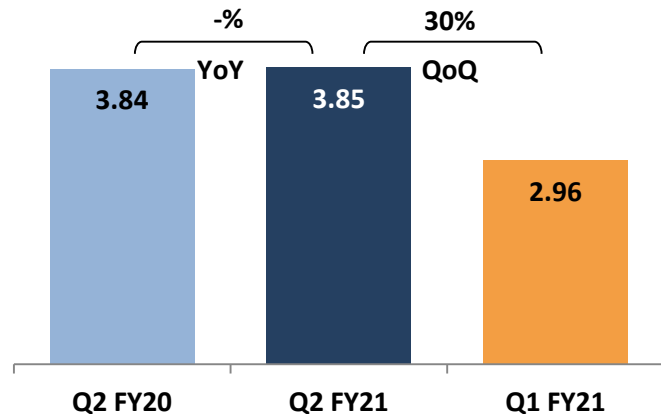
Operational  
Performance

Financial  
Performance

Forward Guidance &  
Projects Update

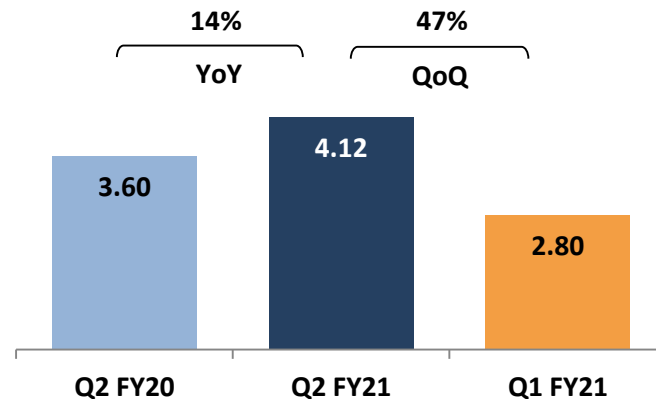
# Quarterly volumes- standalone

### Crude Steel Production



	Q2 FY20	Q2 FY21	Q1 FY21
Flat	2.71	2.84	2.05
Long	0.82	0.77	0.45

### Steel Sales

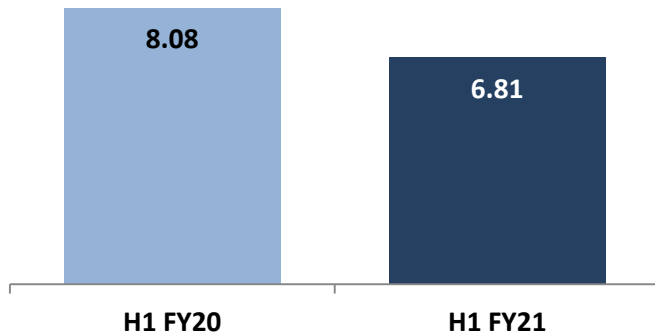


	Q2 FY20	Q2 FY21	Q1 FY21
Flat	2.58	3.12	1.99
Long	0.85	0.77	0.46
Semis	0.17	0.22	0.35

# Half Yearly volumes- standalone

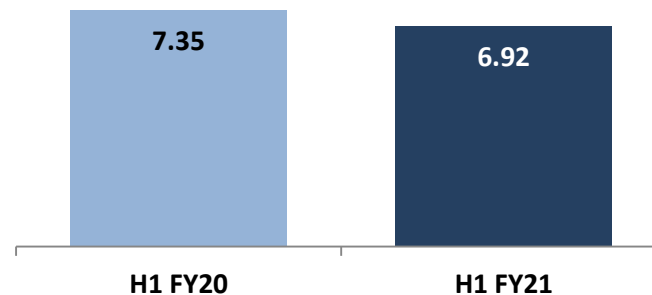
Crude Steel Production

-16%  
YoY



Steel Sales

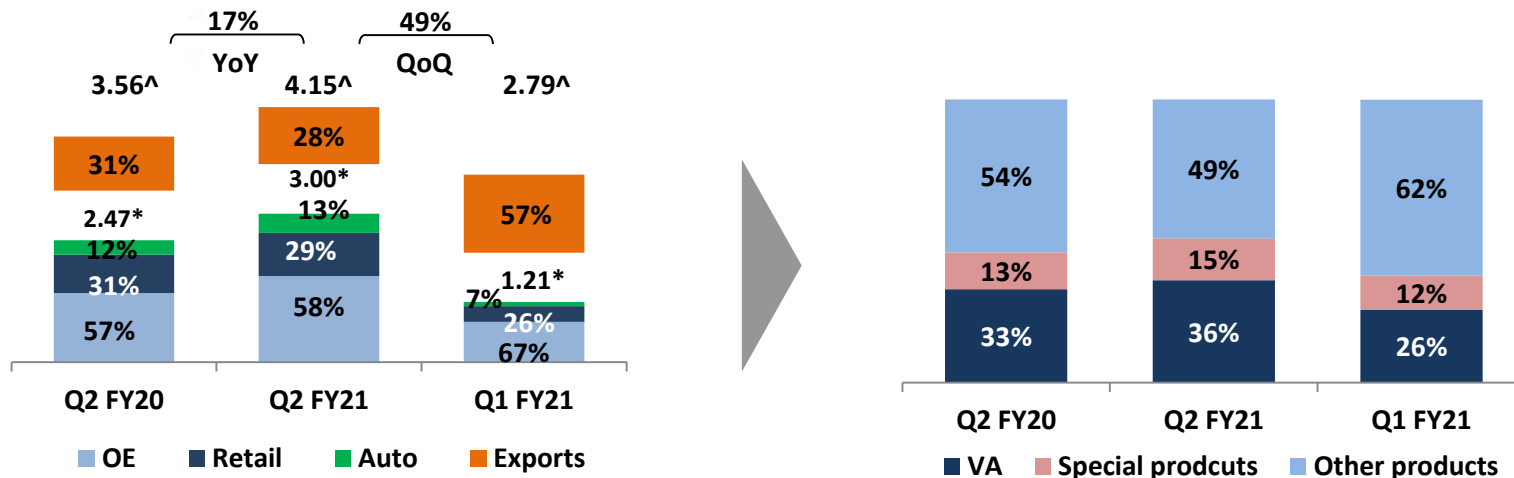
-6%  
YoY



	H1 FY20	H1 FY21
Flat	5.62	4.89
Long	1.87	1.22

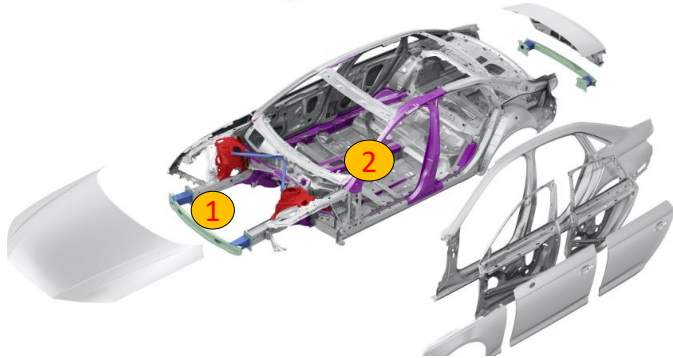
	H1 FY20	H1 FY21
Flat	5.25	5.11
Long	1.78	1.23
Semis	0.33	0.58

# Quarterly sales highlights – consolidated



- Overall sales volumes increased by 17% YoY and 49% QoQ
- Domestic sales grew by 22% YoY and about 2.5 times QoQ, on the back of strong recovery in domestic demand
- Automotive Steel sales increased by 33% yoy, despite an overall decline in domestic automotive production by 7%
- Overall Value added & Special products sales grew by 29% YoY (51% of overall sales) mainly driven by strong automotive sales and increased offtake from consumer packaging, appliances and solar segment

# Product approval status in Q2 FY21



**High Strength Steel (HSS) & Advance High Strength Steel (HSS) grade for automotive - Load bearing, Safety parts & Crash parts.**

1. Front Frame & Axle (SAPH440, JSH490R, JSH540 – HRPO)
2. A Pillar, Rocker, Reinforcement (SPC980DUB - CRCA)



**High permeability Electrical steel for improving Efficiency & meeting compressor key requirements**

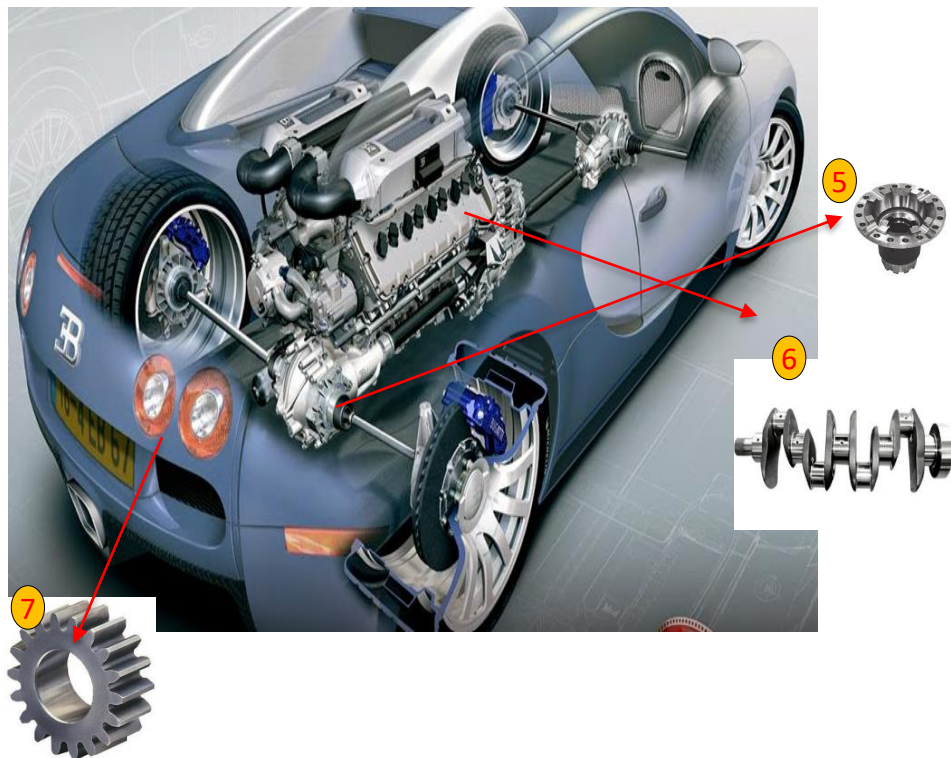
Motor Compressor segment(50C600 P)  
AC Motor(50C1000 & 50C700P)



**A special product @ Hybrid grade (characteristic mix of Full process /Semi process) for fan & mixer core**

Fan Motors(50SP660DHybrid)  
Motor for Appliances(50SP660DHybrid)

# Product approval status in Q2 FY21 (continued)



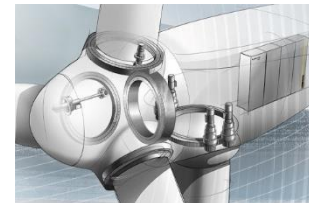
Special forging alloy steel grade for auto OEMs, with better hardening characteristics

- 5. Differential Case (SAE1141M)
- 6. Crankshaft (Cr38+N2)
- 7. Gears(18CrNiMo7-6)

Bearing grade auto Wind Mill, with better specific steel purity characteristics

- 8. Bearing (100CrMo7)

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15 Grades under approval in Q2 FY21



# Agenda

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Business  
Environment

Operational  
Performance

Financial  
Performance

Forward Guidance &  
Projects Update

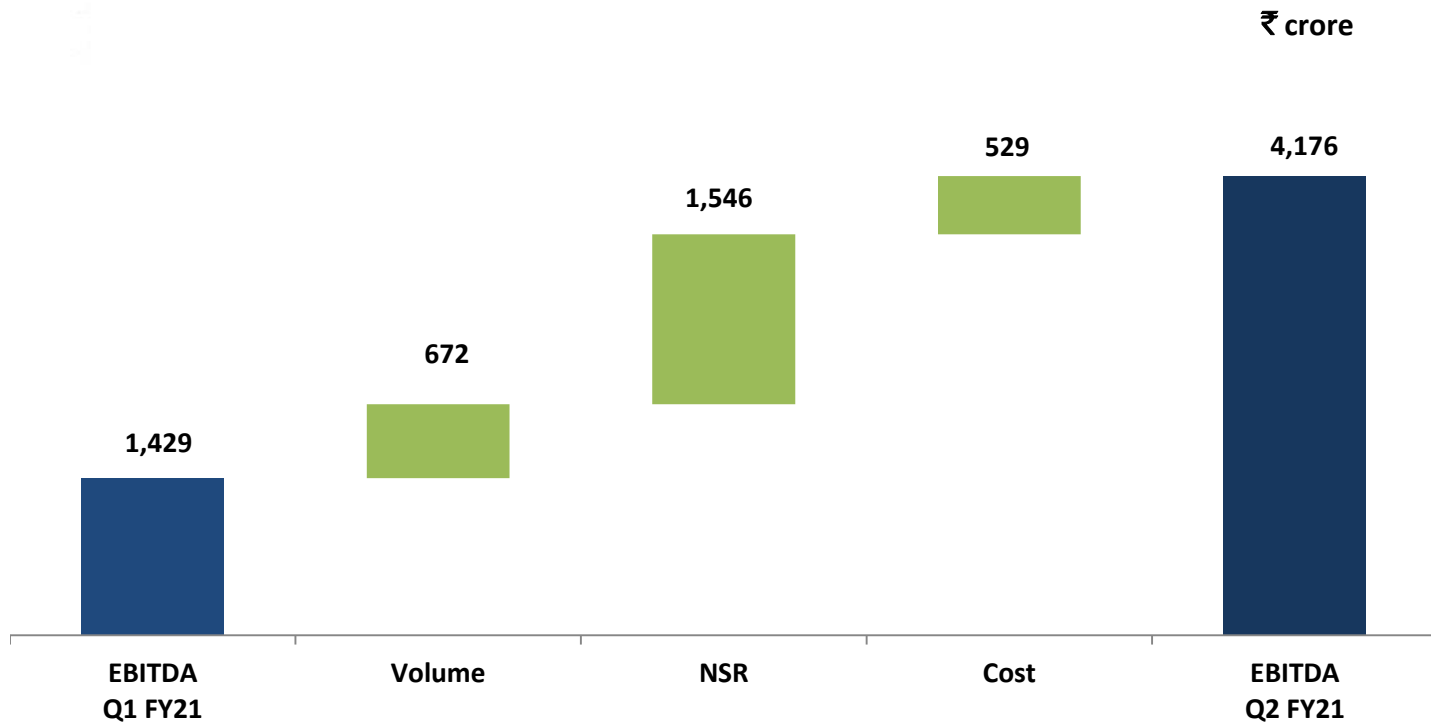
## Financials – standalone

₹ crore

Particulars	Q2 FY21	Q2 FY20	Q1 FY21
Revenue from operations	<b>16,797</b>	15,520	10,293
Operating EBITDA	<b>4,176</b>	2,796	1,429
Other Income	<b>151</b>	188	154
Finance Cost	<b>885</b>	1,075	933
Depreciation	<b>924</b>	874	867
Profit before Tax	<b>2,518</b>	1,035	(217)
Tax Expenses / (Credit)	<b>826</b>	(1,882)	(71)
Profit after Tax	<b>1,692</b>	2,917	(146)
Diluted EPS*	<b>7.00</b>	12.07	(0.61)



# Operating EBITDA movement – standalone



# Operational performance – JSW Steel Coated Products



Million tonnes

Volumes	Q2 FY21	Q2 FY20	Q1 FY21
Production	0.51	0.42	0.30
Sales	0.61	0.43	0.33

₹ crore

Key P&L data	Q2 FY21	Q2 FY20	Q1 FY21
Revenue from Operations	3,782	2,788	2,049
Operating EBITDA	288	153	28
Profit after Tax	172	157	(31)

## Operational performance – US Plate & Pipe Mill

Production (net tonnes)	Q2 FY21	Q2 FY20	Q1 FY21
Plate Mill	<b>54,137</b>	58,106	57,035
<i>Utilization (%)</i>	<b>22%</b>	25%	23%
Pipe Mill	-	15,746	4,175
<i>Utilization (%)</i>	-	11%	3%

Sales (net tonnes)	Q2 FY21	Q2 FY20	Q1 FY21
Plate Mill	<b>51,719</b>	53,333	53,210
Pipe Mill	<b>447</b>	7,020	4,611

USD mn

Key P&L data	Q2 FY21	Q2 FY20	Q1 FY21
Revenue from Operations	<b>35.85</b>	59.12	46.35
EBITDA	<b>17.24</b>	(11.21)	(11.40)

## Operational performance – Ohio, USA

Operational (net tonnes)	Q2 FY21	Q2 FY20	Q1 FY21
HRC Production	<b>4,501</b>	87,337	26,954
<i>HRC Sales</i>	<b>20,837</b>	98,063	48,865

USD mn

Key P&L data	Q2 FY21	Q2 FY20	Q1 FY21
Revenue from Operations	<b>18.43</b>	49.58	29.39
Operating EBITDA	<b>(10.52)</b>	(31.56)	(12.54)

## Operational performance – Piombino, Italy

Production (tonnes)	Q2 FY21	Q2 FY20	Q1 FY21
Rolled Products (Bars, Wire Rod & Rails)	<b>61,919</b>	116,547	72,406
Grinding Ball	<b>10,713</b>	14,350	12,725

Sales (tonnes)	Q2 FY21	Q2 FY20	Q1 FY21
Rolled Products (Bars, Wire Rod & Rails)	<b>50,622</b>	117,875	73,801
Grinding Ball	<b>7,514</b>	13,835	17,911

Euro mn

Key P&L data	Q2 FY21	Q2 FY20	Q1 FY21
Revenue from Operations	<b>43.35</b>	92.12	62.42
Operating EBITDA	<b>(12.59)</b>	(6.89)	(7.01)

## JSW Ispat Special Products Ltd (JV of AION Capital and JSW Steel)



₹ crore

Key P&L data	Q2 FY21	Q2 FY20	Q1 FY21
Revenue from Operations	955	660	595
Operating EBITDA	62	(1)	(35)
Net Profit After Tax	241	(114)	(154)

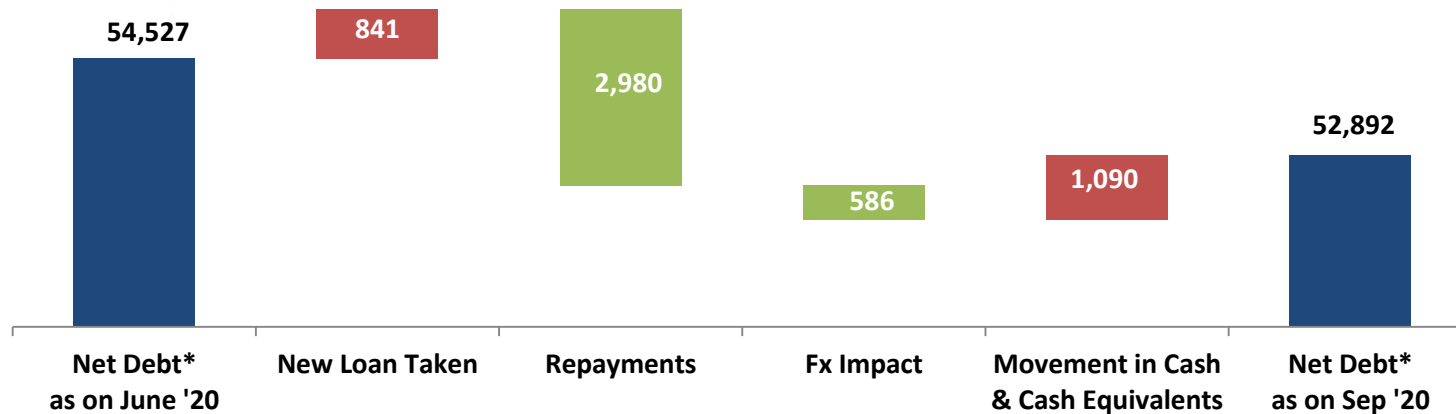
## Financials – consolidated

₹ crore

Particulars	Q2 FY21	Q2 FY20	Q1 FY21
Revenue from operations	19,264	17,572	11,782
Operating EBITDA	4,414	2,731	1,341
Other Income	152	156	132
Finance Cost	959	1,127	1,016
Depreciation	1,149	1,057	1,047
Share of Profit/ (Loss) of Joint Ventures	47	(15)	(53)
Profit Before Tax	2,505	688	(643)
Tax Expenses / (Credits)	910	(1,848)	(61)
Profit after Tax	1,595	2,536	(582)
Diluted EPS *	6.59	10.59	(2.34)

# Net debt movement – consolidated

₹ crore



Particulars	30.09.2020	30.06.2020	30.09.2019
Net Debt (crore)	52,892	54,527	49,640
Cash & cash equivalent (crore)	7,664	8,754	10,322
Net Debt/Equity (x)	1.43	1.54	1.36
Net Debt/EBITDA (x)	4.73	5.74	3.23



## Q2 FY21 Results – Drivers of Performance



Volumes	<ul style="list-style-type: none"><li>Operated at 86% capacity utilization vs 66% in Q1</li><li>Sales volumes higher by 49% QoQ; on the back of strong recovery in domestic demand</li></ul>
Realisation	<ul style="list-style-type: none"><li>Net sales realization increased by 11% QoQ, driven by higher steel prices, higher proportion of domestic sales and favorable product mix</li></ul>
Operating Costs	<ul style="list-style-type: none"><li>Impact of lower coking coal price partially offset by higher iron ore cost</li><li>Favorable operative leverage given higher utilization</li></ul>
Depreciation	<ul style="list-style-type: none"><li>Depreciation was higher given ramp-up of mining operations</li></ul>
Finance Cost	<ul style="list-style-type: none"><li>Reduction in Finance Cost QoQ due to 27 bps reduction in WAIR</li></ul>



# Agenda

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Business  
Environment

Operational  
Performance

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 Q4 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 during H2 FY22

## Pellet plant

- 8 mtpa Pellet plant
- Part of cost savings project, commissioning during Q3 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 PEH·AL**

Steel Toilet

Quality sanitation is everyone's right

## 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.*