



JSW Steel Limited Investor presentation

June, 2020



**JSW Group and
company
overview**

Key highlights

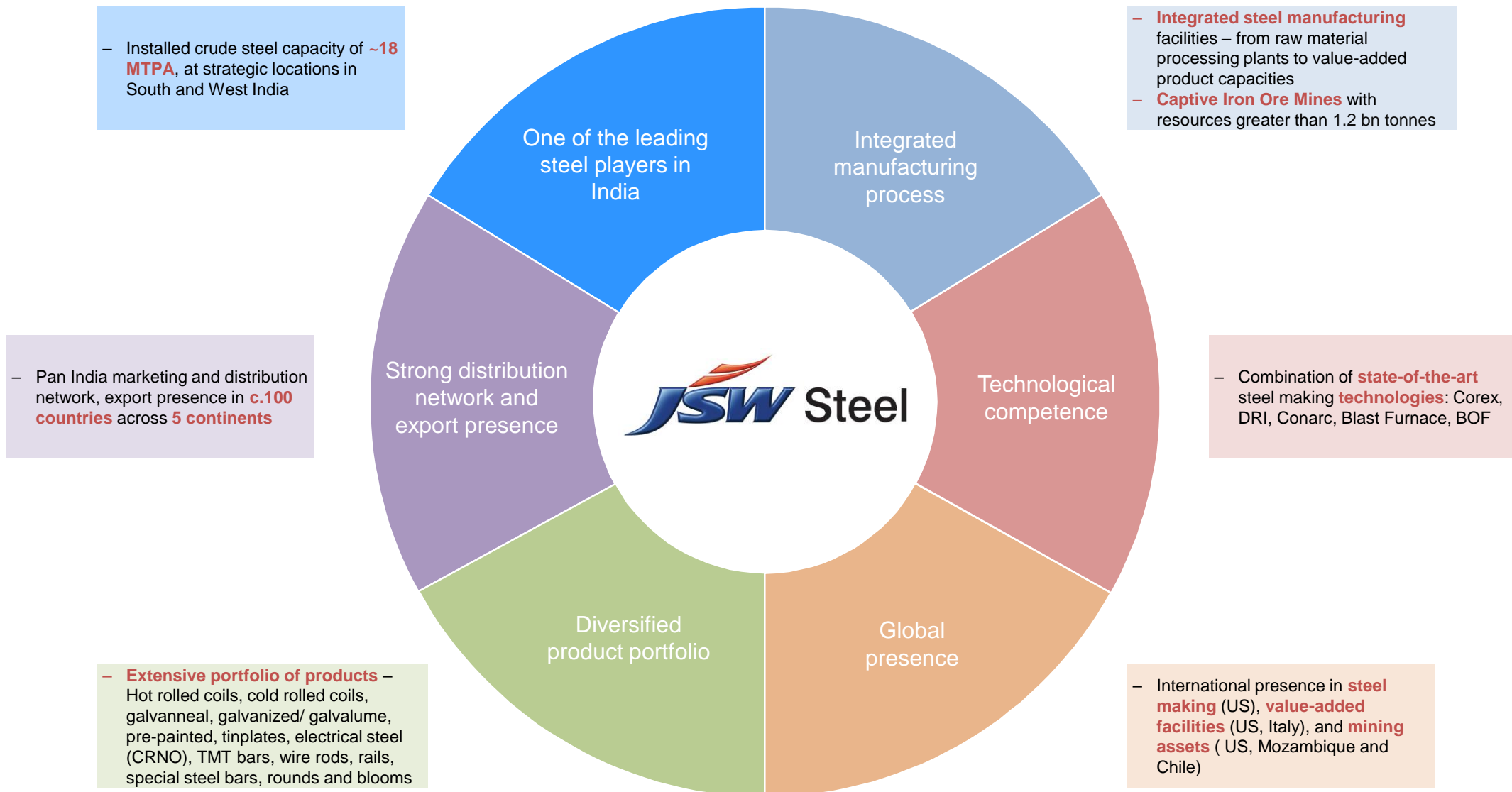
Appendix

JSW Group – overview



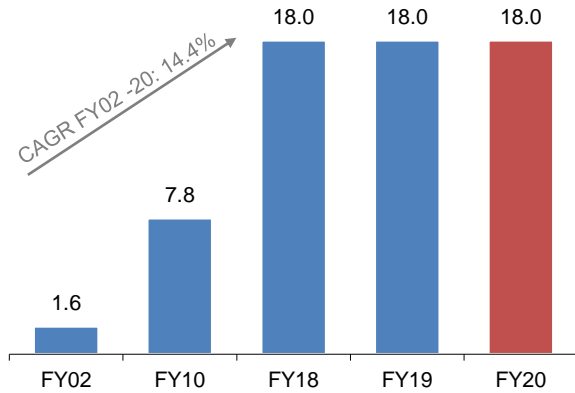
Presence across the core sectors

JSW Steel – among India’s leading steel manufacturers

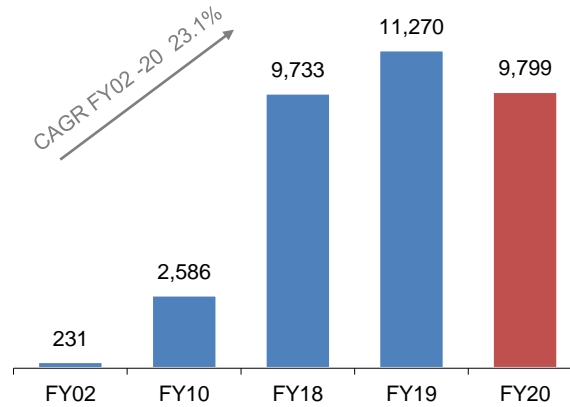


Transformational journey to market leadership

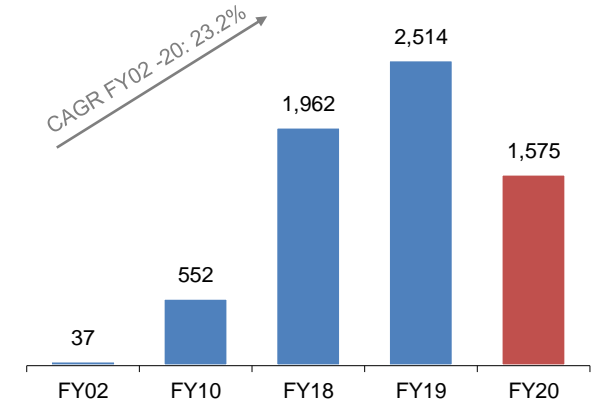
Capacity (MTPA)



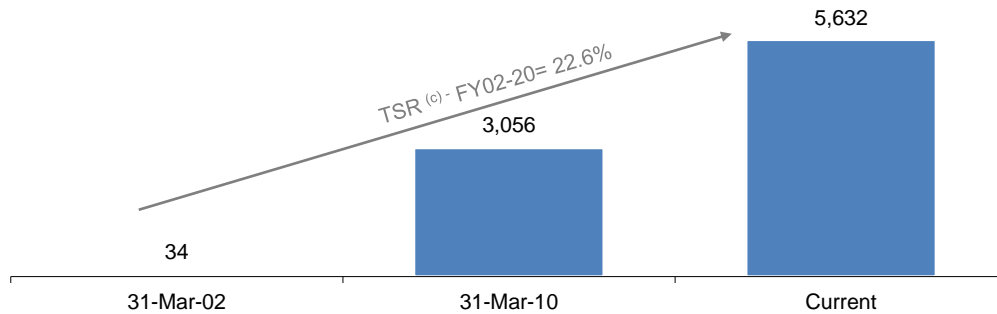
Total revenue (US\$m)^(a)



EBITDA (US\$m)



Market cap (US\$m)^(b)



	FY02	FY10	FY20	
Technology	Corex	Corex, BF	Corex, BF, Conarc	• Adopting industry leading technologies
Product mix	Flats	Flats, long, special steel and value added	Flat, long, special steel, value added, AHSS for automotive, electrical steel, colour coated steel, Tin plate	• Continuously expanding product canvas with focus on high-end value-added products

Value accretive growth through the economic cycles

Note: Translated at 1 USD = 75.39 INR, the RBI reference rate as of 31st March 2020
 (a) Includes other income
 (b) Market Cap as of 26th May 2020, Translated at 1 USD = 75.64 INR, the RBI reference rate as of 26th May 2020
 (c) Market Cap and Total Shareholder Returns (TSR) as per Bloomberg



Key highlights

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Appendix

Key highlights



1

One of the leading domestic steel players and well placed to benefit through the cycle

2

Strong business profile diversified by region, markets and products

3

Strong focus on operational efficiency with best-in-class conversion costs

4

Robust financial profile and stable cash flows

5

Prudent leverage management

6

Proven track record of growth through organic and inorganic expansions




7

Experienced management with strong parentage

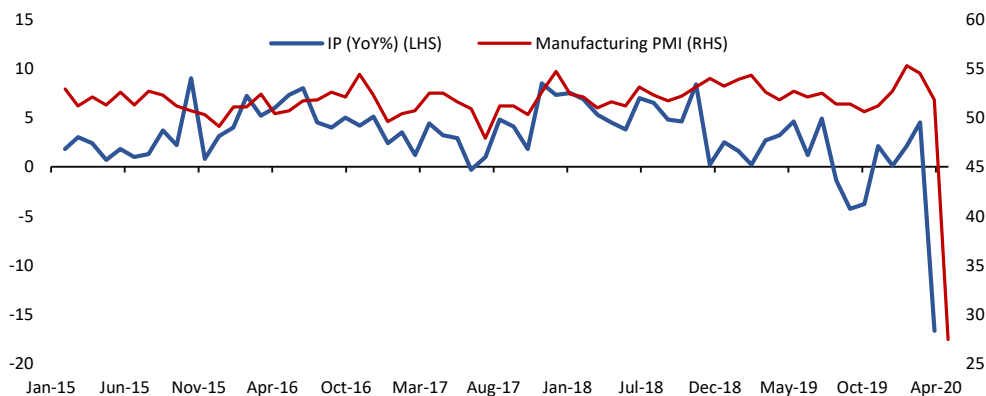
1

One of the leading domestic steel players and well placed to benefit through the cycle

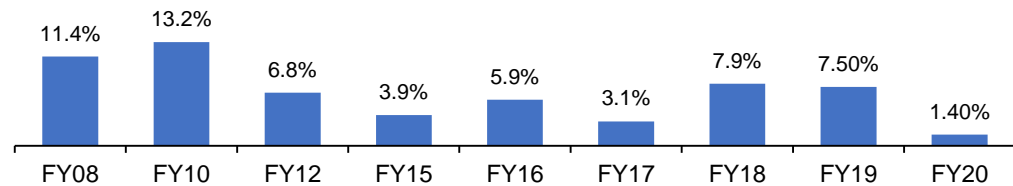
JSW Steel is a leading player in India

	FY19	FY20	
	15.8MT	15.1 MT	Standalone saleable steel
	14%	16%	Revenue from Exports
	53%	48%	Group VASP and special products sales

India's IIP and PMI trend



India's apparent steel consumption likely to bounce back over medium term



Source: IBEF, Joint Plant Committee

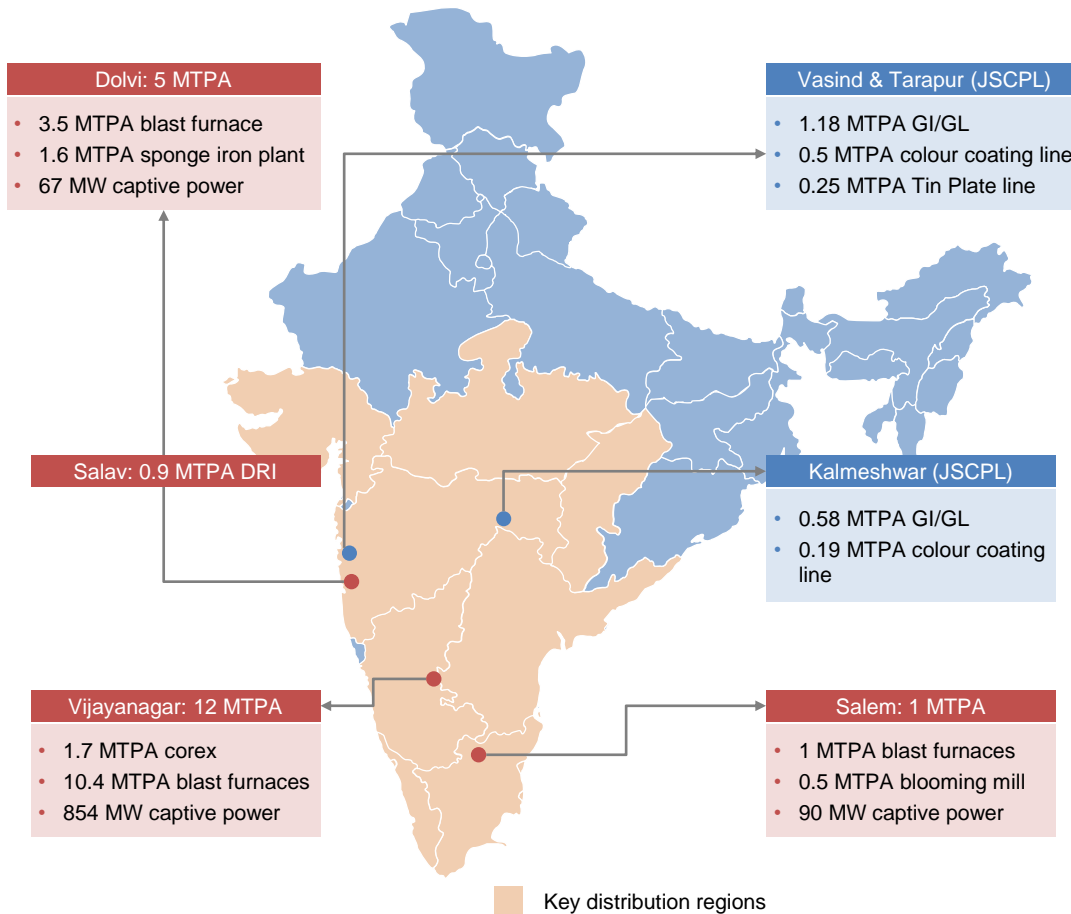
Global and India economy

- | Region | Key Economic Indicators and Outlook |
|--------|---|
| Global | <ul style="list-style-type: none"> The IMF expects global GDP to contract by 3% in 2020, with further downside risks, amidst extreme uncertainty around the pandemic and an abrupt halt of global economic activities Recent PMI and IP prints unsurprisingly reflect plummeting economic activity across US, EU and Japan In China, economic activities are picking up from April onwards, timely fiscal and monetary measures bode well for remainder of 2020 outlook Synchronized policy measures across the globe, with about US\$ 19 trillion (G-20 countries) of announcements (both monetary and fiscal), to aid economic recovery |
| India | <ul style="list-style-type: none"> India unleashed policy stimulus equivalent to 10% of GDP or INR 20 trillion Monetary measures of rate cuts, liquidity support through OMOs, LTROs and TLTROs. Substantial liquidity injection and favorable business environment for the MSMEs Structural reforms in the agriculture, mining and manufacturing sectors US\$1.4tn spend plan on National Infrastructure Pipeline (NIP) over the next 5 years is likely to revive Gross Fixed Capital Formation (GFCF) cycle |

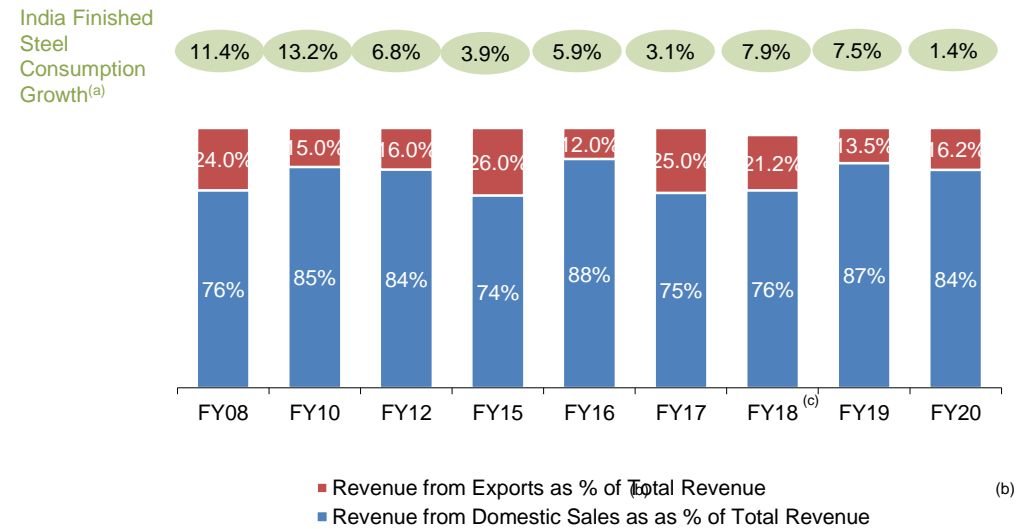
- Well placed to benefit from the gradual domestic economic recovery
- Lower cost of key raw materials and commencement of captive iron ore mines
- Stable margins through the cycle

2 Strong business profile diversified by region, markets and products

Geographically diversified with manufacturing facilities in South and West India along with strategic overseas presence



Flexibility to judiciously shift between domestic markets and exports based on market conditions

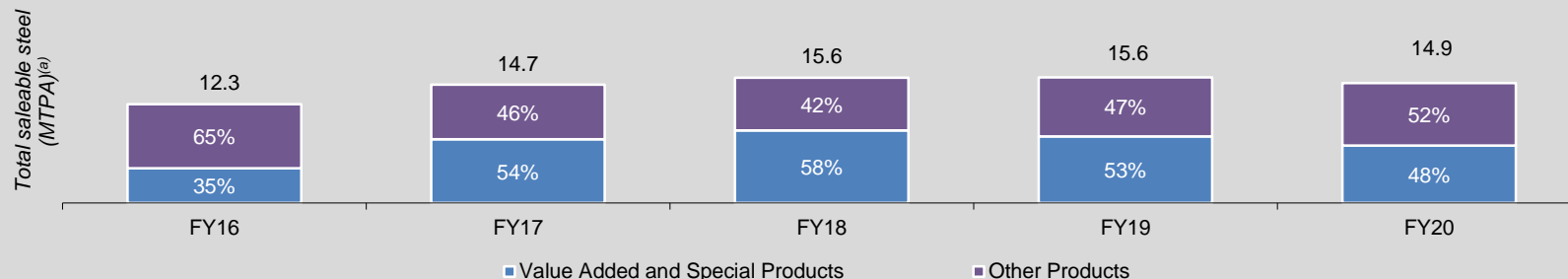
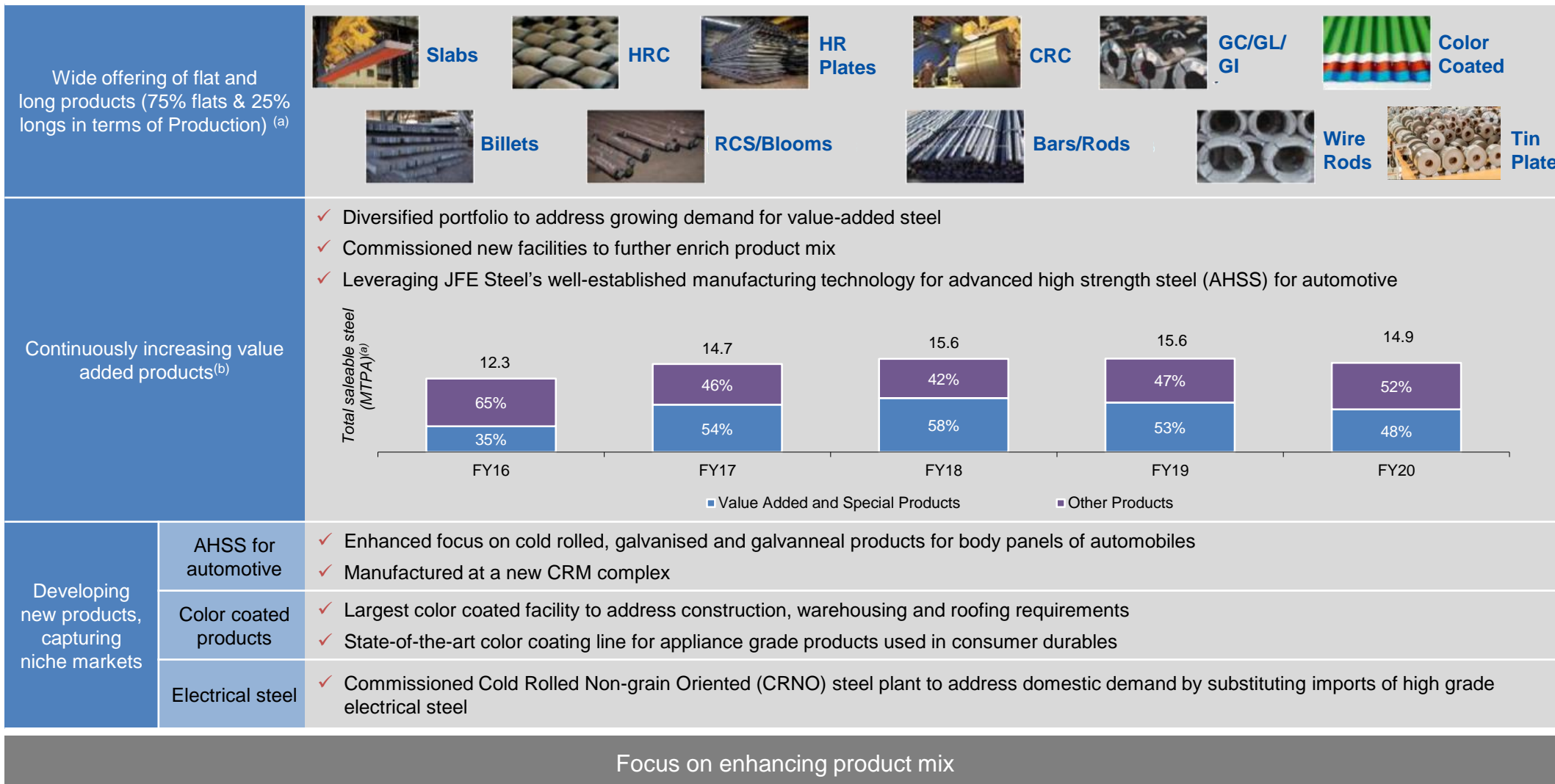


✓ One of the largest exporter of steel products from India with export presence in over 100 countries

✓ Ability to re-align sales effort as per market conditions

Extensive geographical presence in India with nimble sales setup to shift sales judiciously between domestic market and exports

2 Strong business profile diversified by region, markets and products (continued)



(a) In FY20 11.35 Mnt of Flats and and 3.72 Mnt of Longs was produced







(b) Total sales (JSW Standalone + JSW Steel Coated Products after netting-off inter-company sales). Value added and Special products (VASP) include HRPO, CRFH, CRCA, ES, Galvanised, Colour Coated, Tin Plate, Special Bars and Rounds. Special products include HR special, TMT Special and WR Special

3 Strong focus on operational efficiency with best-in-class conversion costs

Ongoing initiatives

Project	Description
Vijayanagar Works	
Pipe Conveyor system	<ul style="list-style-type: none"> To transport Iron ore from the mines to the Vijayanagar plant with a capacity of 20 MTPA (Phase 1 completed) Environmental friendly solution and reduction of transportation costs
Upstream/ Downstream	<ul style="list-style-type: none"> Setup 8 mtpa pellet plant and 1.5 mtpa coke oven CRM1 complex capacity to be increased from 0.85 MTPA to 1.80 MTPA along with 2 Continuous Galvanizing Line of 0.45 MTPA each, a new 1.2 MTPA Continuous Pickling Line for HRPO products
Dolvi Works	
Capacity expansion	<ul style="list-style-type: none"> 4.5mtpa BF with 5MTPA Steel Melt Shop and 5MTPA Hot Strip Mill Coke Oven Phase 2: Second line of 1.5 MTPA coke oven battery along with CDQ
Downstream - Vasind Works, Tarapur Works and Kalmeshwar Works	
Capacity enhancement and modernization	<ul style="list-style-type: none"> Modernization and enhancement of capacity by 1.5 MTPA by setting up PLTCM Modernization cum Capacity enhancement which includes increase in GI/GL capacity by 1.08 MTPA and Color coating line by 0.28 MTP Setup additional 0.25 MTPA Tinplate line at Tarapur Enhancing capacity of pre-painted Galvalume Line (PPGL) at Kalmeshwar by 0.22 MTPA

Parameter^(a)       

Expanding Capacity	10 / 10	9	8	9	7	6	6
Location in high growth markets	10 / 10	8	7	6	5	6	4
Conversion costs; yields	10 / 10	8	10	10	10	8	10
Labor costs	10 / 10	7	7	8	5	9	6
Cost cutting efforts	9 / 10	7	9	7	10	8	8
Aggregate rank		17					



#1 ranked Indian player^(b)



#3 ranked Asian player^(b)



#7 ranked Global player^(b)

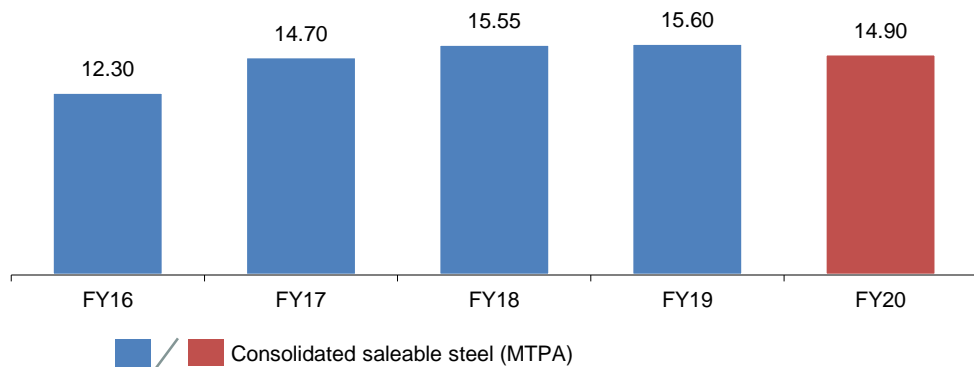
Source: World Steel Dynamics (World-Class Steelmaker Rankings as of June 2019)

(a) All quoted numbers are scores assigned out of 10 on World Steel Dynamics' World-Class Steelmaker Rankings as of Jun 19

(b) On the basis of weighted average score out of 10 across 23 different parameters from World Steel Dynamics' World-Class Steelmaker Rankings as of Jun 19

4 Robust financial profile and stable cash flows

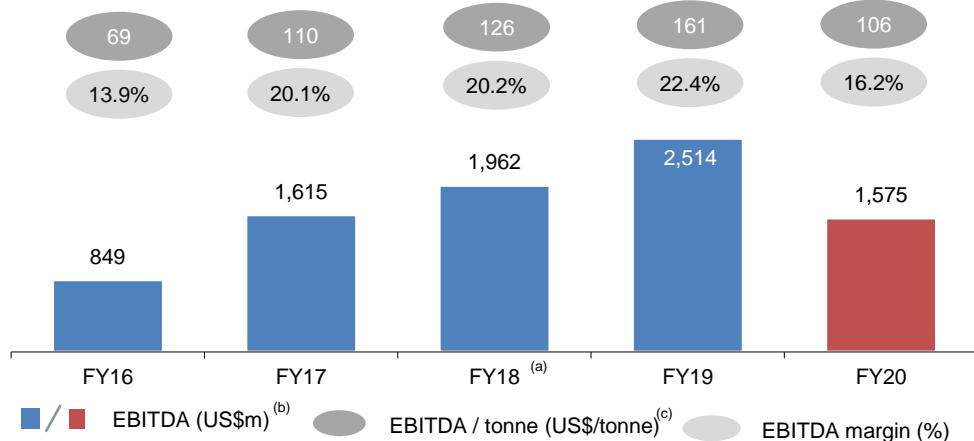
Strong track record of volume growth



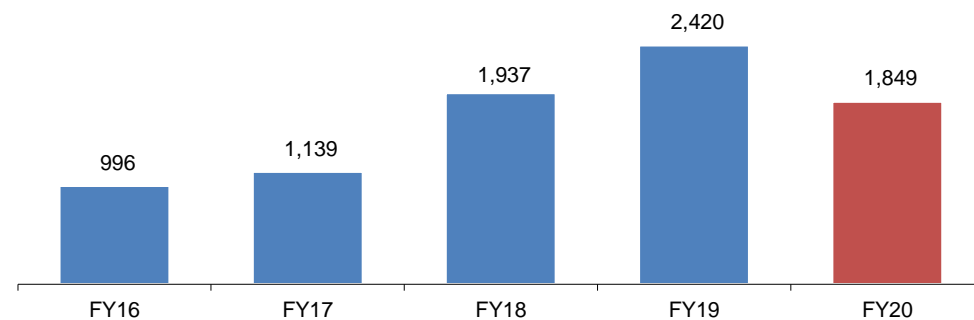
Track record of operating revenues



Robust EBITDA margin through the cycle



Cashflow from operations (US\$m)



Note: Translated at 1 USD = 75.39 INR, the RBI reference rate as of 31st March 2020

(a) FY18 numbers based on restated financials

(b) EBITDA calculated as total profit/(loss) for the year period +(-) share of profit/ loss from associate + (-) share of profit/ loss from joint ventures (net) +(-) taxes/(benefit) + exceptional items + depreciation and amortization expense + finance costs - other income

(c) Based on consolidated saleable steel volume

5 Prudent leverage management

Publicly stated financial policies



Focused leverage management

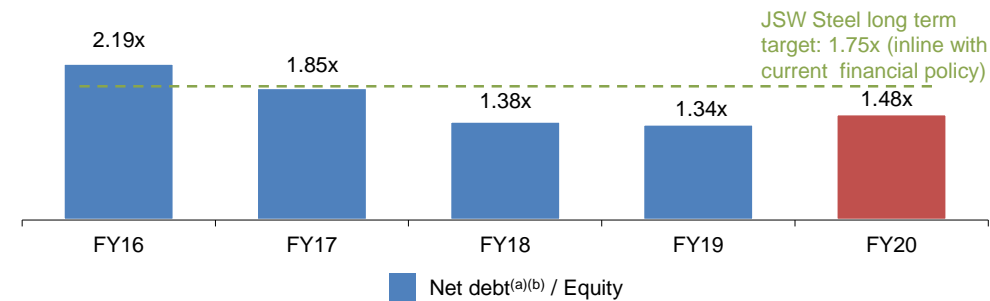
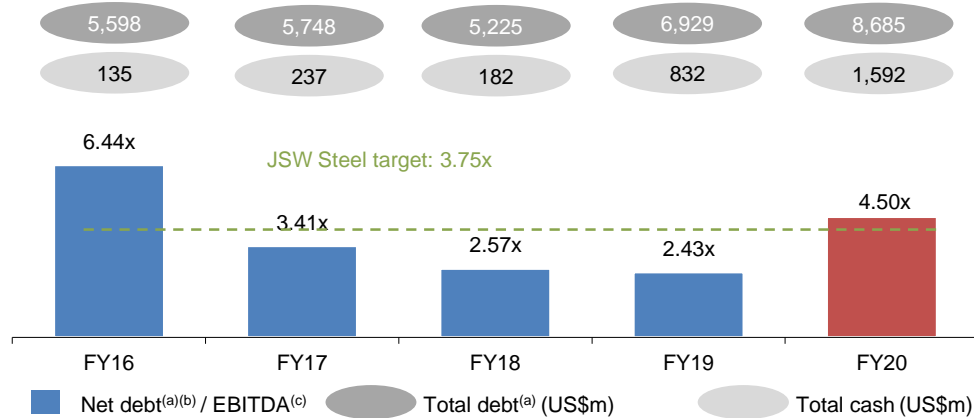


Diversify funding sources



Improve debt maturity profile

Robust Balance Sheet and Strong Liquidity in the current environment



Note: Translated at 1 USD = 75.39 INR, the RBI reference rate as of 31st March 2020

(a) Debt excludes acceptances

(b) Net debt calculated as Non-current Borrowings + current borrowings + current maturities of long-term borrowings + current maturities of finance lease obligations - cash and cash equivalents - bank balances other than cash and cash equivalents - current investments

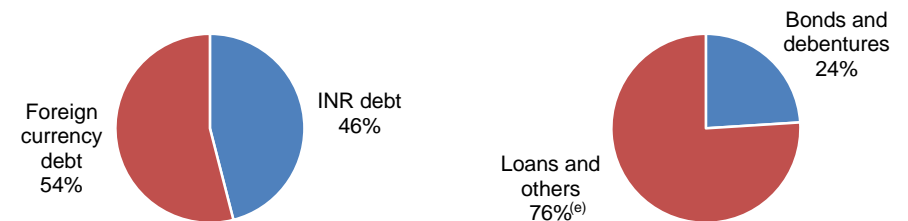
(c) EBITDA calculated as total profit/(loss) for the year/period +/- share of profit/ loss from associate + (-) share of profit / loss from joint ventures (net) +/- taxes/(benefit) + exceptional items + depreciation and amortization expense + finance costs - other income

(d) As of 31st Mar 2020

(e) Excluding preference share capital and unamortized upfront fees

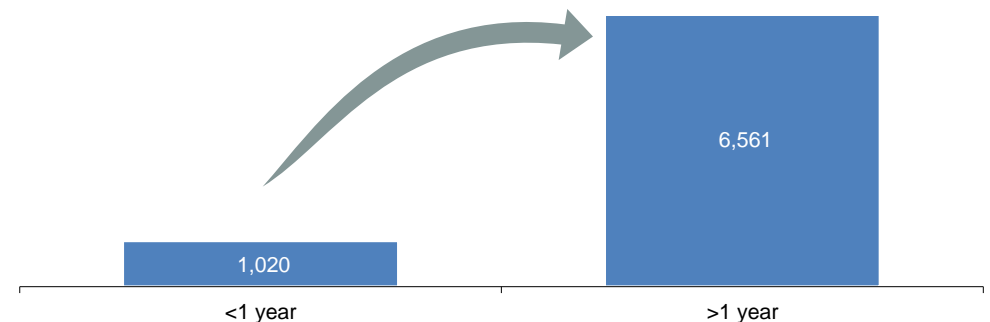
(f) Comprises term loans, finance lease and export advance from customers, as of 31st Mar 2020

Diverse sources of funding^(d) ^(e)



- ✓ Financial flexibility to raise capital
- ✓ Strong relationships with over 50 banks / financial institutions with access to low cost credit
- ✓ Healthy mix with 54% of debt being foreign currency

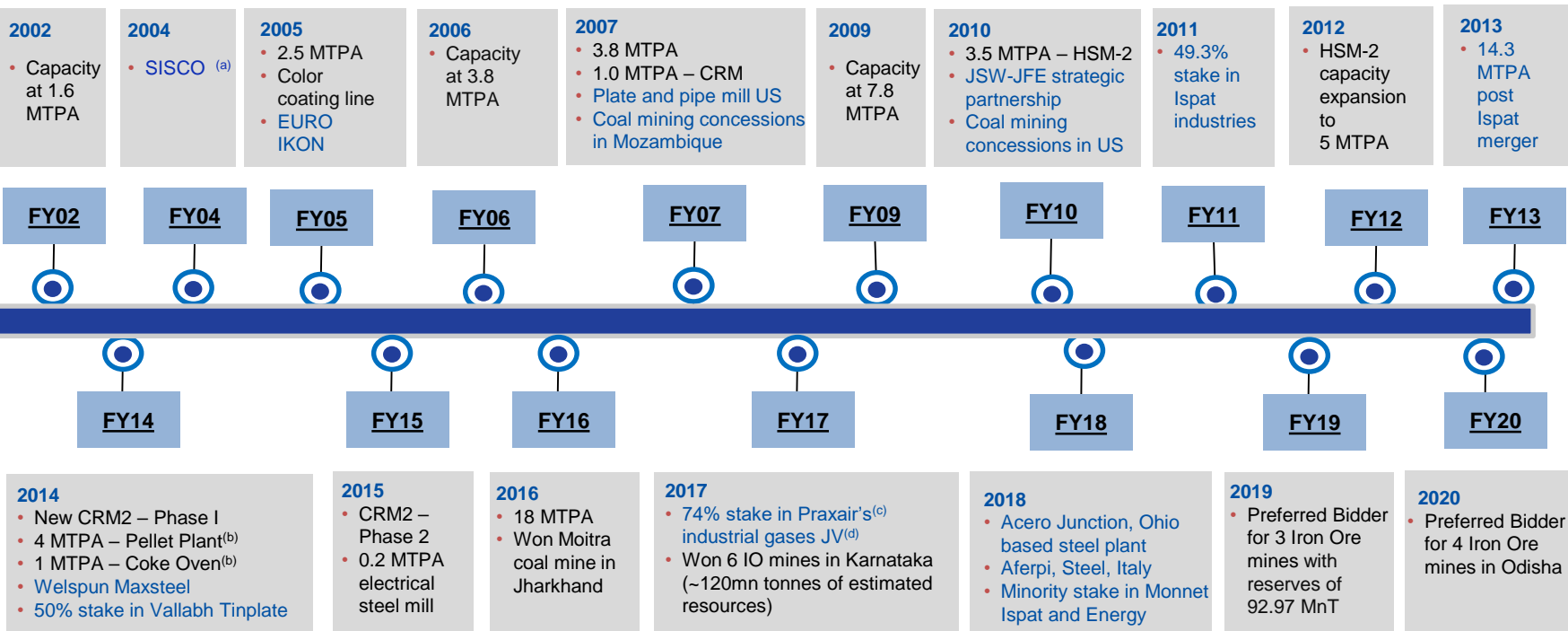
Maturity profile of long term borrowings^(e) ^(f) (US\$)



6 Proven track record of growth through organic and inorganic expansions

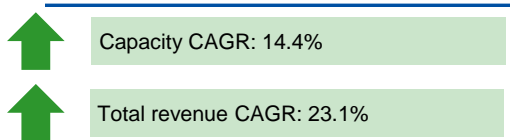
Combination of organic and inorganic growth

Key Priorities –FY21



- 5 to 10mtpa capacity expansion at Dolvi
- Wire Rod Mill and Pellet Plant at Vijayanagar
- Selective downstream projects (like CRM1 upgradation at Vijayanagar)
- Commence and ramp up Iron Ore mining from new mines in Odisha and Karnataka

CAGR FY2002 – FY2020



Continuously evaluating opportunities to deliver value enhancing growth

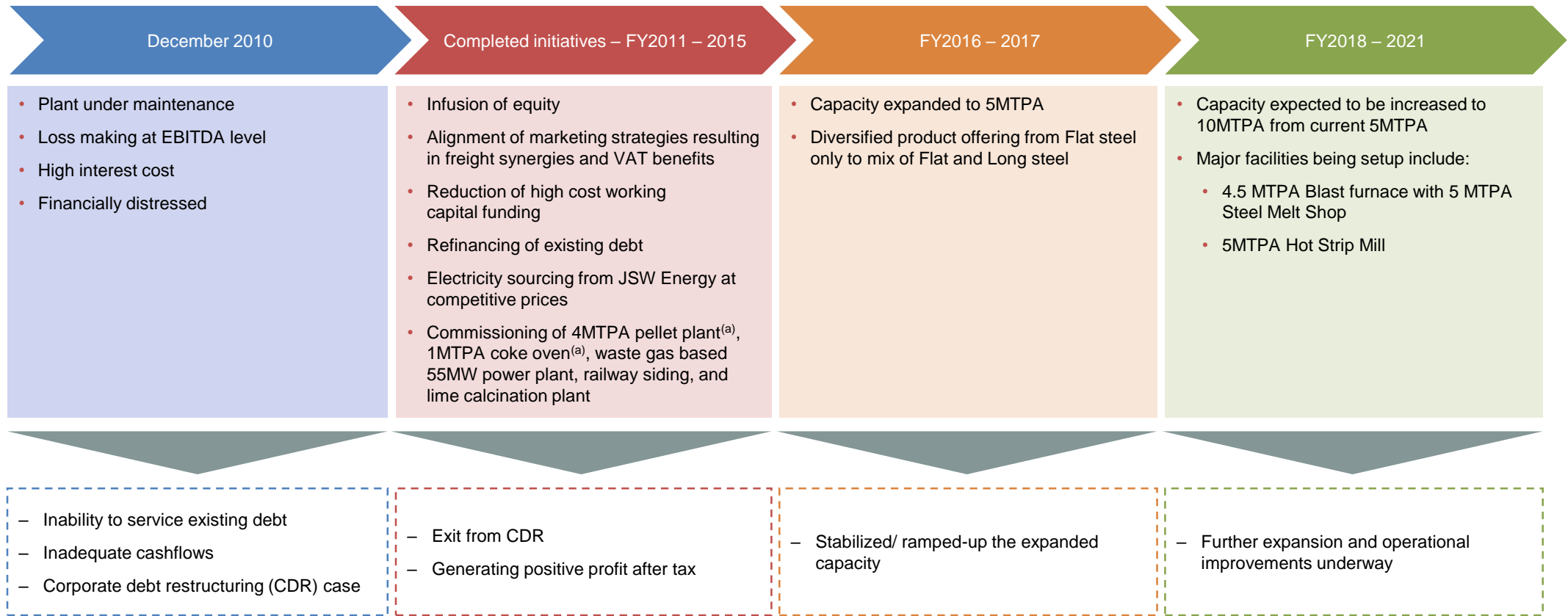
Note: Highlighted portions indicate acquisitions

- (a) Southern Iron and Steel Company
- (b) Amba River Coke Limited
- (c) Praxair India Private Limited
- (d) JSW Praxair Oxygen Private Limited

6 Proven track record of growth through organic and inorganic expansions (continued)

Case study: Turnaround strategy at JSW Ispat's Dolvi plant

JSW Steel has a proven track record of identifying, acquiring and integrating assets creating synergies and optimizing costs

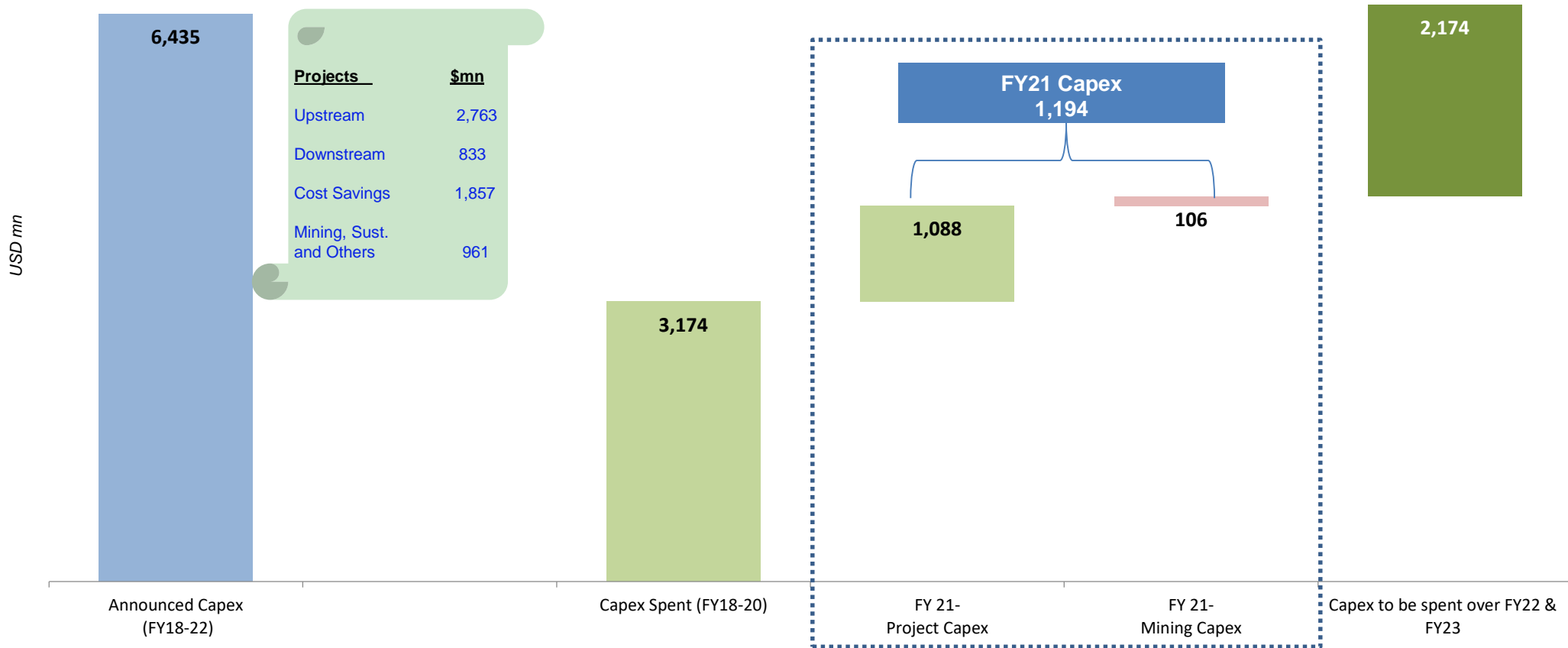


Able to leverage an acquisition to maximum value accretion through application of knowledge and experience

(a) Implemented in a wholly owned subsidiary Amba River Coke Limited

6 Proven track record of growth through organic and inorganic expansions (continued)

Detailed capex plan...



Note: Translated at 1 USD = 75.39 INR, the RBI reference rate as of 31st March 2020

7 Experienced management with strong parentage

Chairperson — Emeritus



Savitri Devi Jindal

Promoter Director



Sajjan Jindal
Chairman and
Managing Director

Executive Directors



Seshagiri Rao M.V.S
Joint Managing
Director
and Group CFO



Dr. Vinod Nowal
Dy. Managing Director



Jayant Acharya
Director
(Commercial and
Marketing)

Independent Directors



Malay Mukherjee
40yrs of rich experience
in mining and steel
industry



Harsh Charandas
Mariwala
Chairman of Marico,
Chairman and MD of
Kaya



Nirupama Rao
40yrs of experience as
a diplomat, Ex-Foreign
Secretary of India



Dr. Punita Kumar Sinha
Former CIO at The Asia
Tigers Fund



Haigreve Khaitan
Senior Partner at
M/s. Khaitan & Co



Seturaman Mahalingam
CA, Ex-CFO of TCS, Ex
member of the
Tax Administration
Reform Commission

Nominee Directors



Ganga Ram Baderiya,
IAS, Nominee Director
of KSIIDC



Hiroyuki Ogawa
Nominee Director of
JFE Steel Corporation



JSW-JFE partnership

Partnership overview

- 14.99% minority stake bought by JFE in 2010
- Access to cutting edge technologies
- Operational excellence for cost reduction
- Balance Sheet deleveraging to support growth

Technology agreements benefits:

- ✓ Access to fast growing auto steel market
- ✓ Technical know-how for electrical steel manufacturing
- ✓ Short learning curve
- ✓ Application engineering
- ✓ New product development
- ✓ Benchmarking and personnel training

Other benefits:

- ✓ Improvement in quality, productivity, yield, energy efficiency
- ✓ Sharing best maintenance, environment and safety practices
- ✓ Benchmarking, training and talent sharing
- ✓ Standardization of processes

Conclusion



Market leadership

- One of the leading steel manufacturers in India
- One of the largest steel exporters in India
- 48% (FY20) share of VASP and special products



Strong asset portfolio

- Geographically diversified with manufacturing facilities in South and West India
- Focus on flat steel products (approximately 75% of capacity) with higher entry barriers, differentiated end-product and sticky customer base
- Wide product range and new product development targeted at capturing niche markets eg. AHSS for auto, electrical steel for electrical motors, generators, power plants
- Flexibility to shift sales between domestic and international markets based on market conditions



Well placed to capitalize on improving macro environment

- Well placed to benefit from flexible raw material blends
- 6 iron ore mines obtained in the first auction in Vijayanagar have become operational
- Preferred Bidder for 4 mines in Odisha and 3 mines in Karnataka
- Planned capex and brownfield expansions to further catalyze growth



Strong growth with improving leverage and robust financial profile

- 5.0% saleable steel CAGR and 12.5% revenue CAGR FY16-20
- 227 bps EBITDA margin expansion from FY16 through FY20
- Robust balance sheet and strong liquidity

Note 1: Net debt calculated as Non-current Borrowings + current borrowings + current maturities of long-term borrowings - cash and cash equivalents - bank balances other than cash and cash equivalents - current investments

Note 2: EBITDA calculated as total profit/(loss) for the year/period +/- share of profit/ loss from associate + (-) share of profit/ loss from joint ventures (net) +/- taxes/(benefit) + exceptional items + depreciation and amortization expense + finance costs - other income

(a) Net debt as of March 2020 upon LTM EBITDA as of March 2020



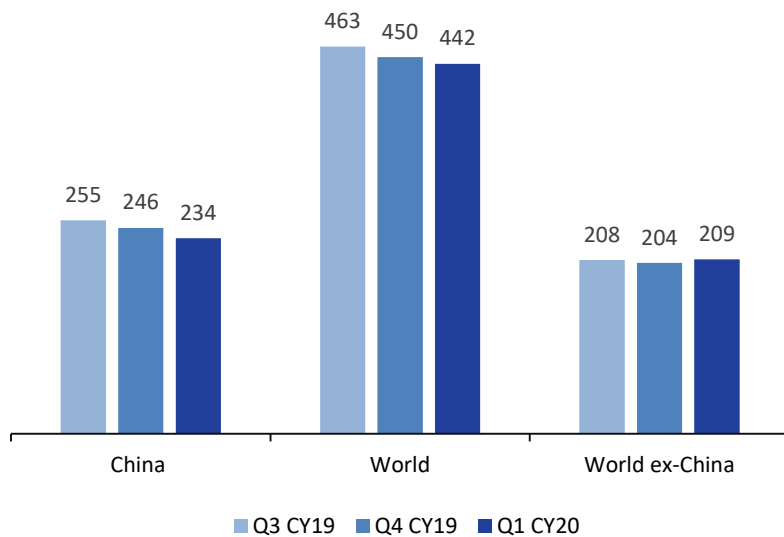
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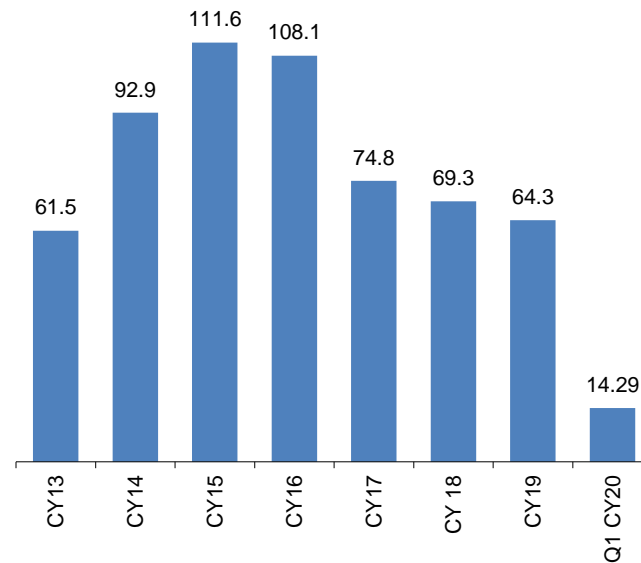
Appendix

Reducing Chinese steel exports supplemented with gradual domestic recovery bodes well for the domestic steel sector

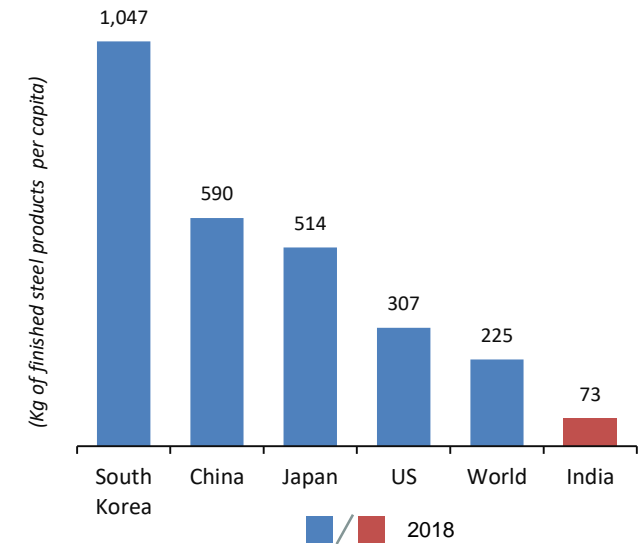
Global Crude Steel Production (MTPA) trend



China steel exports (MTPA)



Significant room for improvement in per-capita consumption in India



- ✓ Chinese steel production is stable, however, steel exports out of China are declining
- ✓ Global Steel supply side adjustments underway in step with weaker demand outlook

Source: WSA

- ✓ China has closed most of its outdated and inefficient induction furnaces
- ✓ Stable domestic demand in China on the back of proactive fiscal and monetary policies

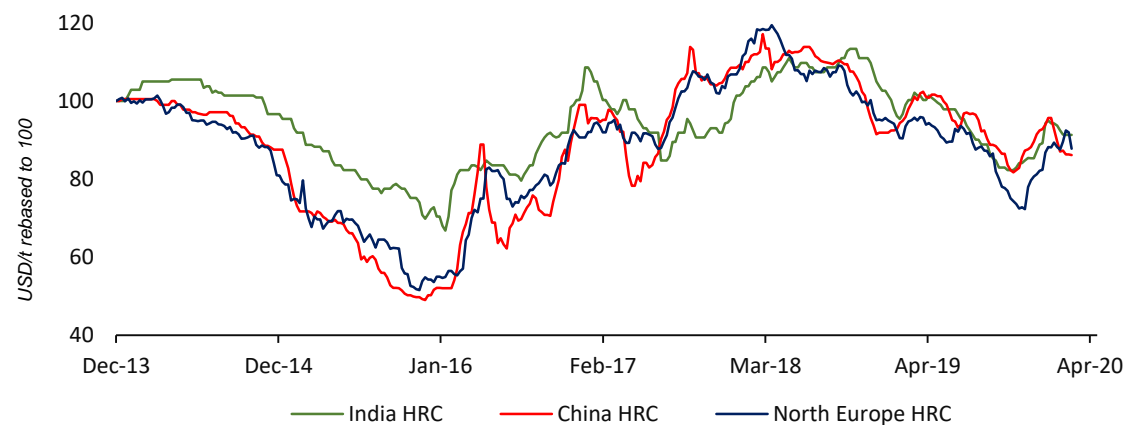
Source: WSA

- ✓ Lower per capita consumption compared to international average
- ✓ Govt driven Infrastructure, construction spend to drive the growth in the domestic steel demand

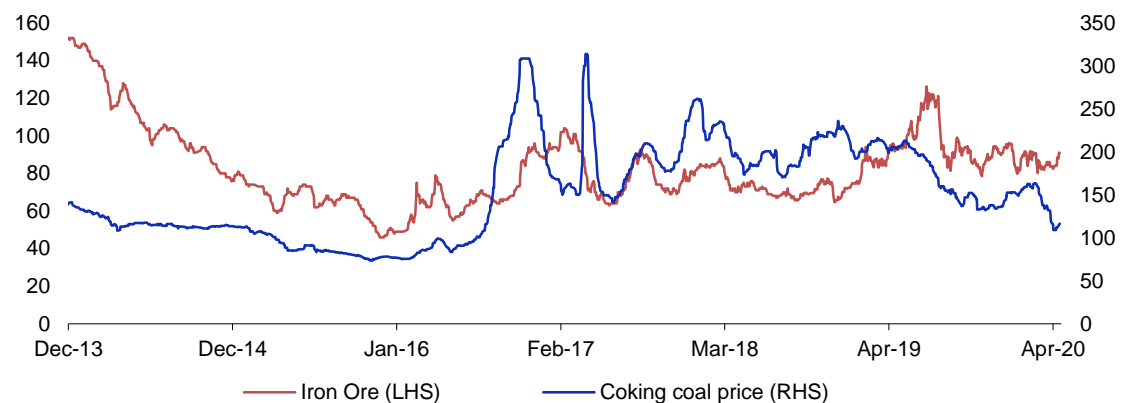
Source: WSA (World Steel in Figures 2019), Joint Planning Committee

Stable steel prices and key raw material price trends

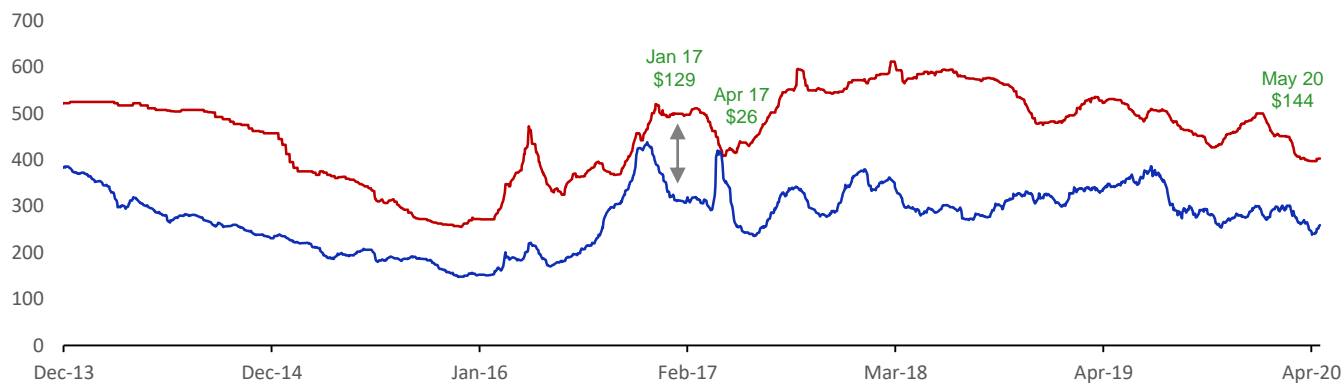
Steel prices trend



Raw material price trends (US\$/tonne)^{(a) (b)}



Steel spreads (US\$/tonne)^(c)



Consolidated financials

Particulars (US\$m)	FY16	FY17	FY18 ^(a)	FY19 ^(b)	FY20
Operating revenue	6,099	8,030	9,711	11,242	9,726
Operating EBITDA ^(c)	849	1,615	1,962	2,514	1,575
<i>% margin</i>	13.9%	20.1%	20.2%	22.4%	16.2%
Profit before tax	(327)	680	1,015	1,481	400
Profit after tax	-64	460	811	998	520
Shareholder's equity ^(d)	2,490	2,971	3,652	4,550	4,792
Net Debt	5,463	5,511	5,043	6,097	7,093
Net Debt / Equity	2.19x	1.85x	1.38x	1.34x	1.48x
Net Debt / EBITDA	6.43x	3.41x	2.57x	2.43x	4.50x

Note 1: Financials as per Ind-AS, translated at 1 USD = 75.39 INR

Note 2: Net debt calculated as Non-current Borrowings + current borrowings + current maturities of long-term borrowings + current maturities of finance lease obligations - cash and cash equivalents - bank balances other than cash and cash equivalents - current investments (net debt excludes acceptances)

Note 3: EBITDA calculated as total profit/(loss) for the year/period +(-) share of profit/ loss from associate + (-) share of profit/ loss from joint ventures (net) +(-) taxes/(benefit) + exceptional items + depreciation and amortization expense + finance costs - other income

- (a) FY18 financials restated
- (b) FY19 and FY20 numbers include 750 million dollars of export advance
- (c) EBITDA based on group definition
- (d) Includes non controlling interest

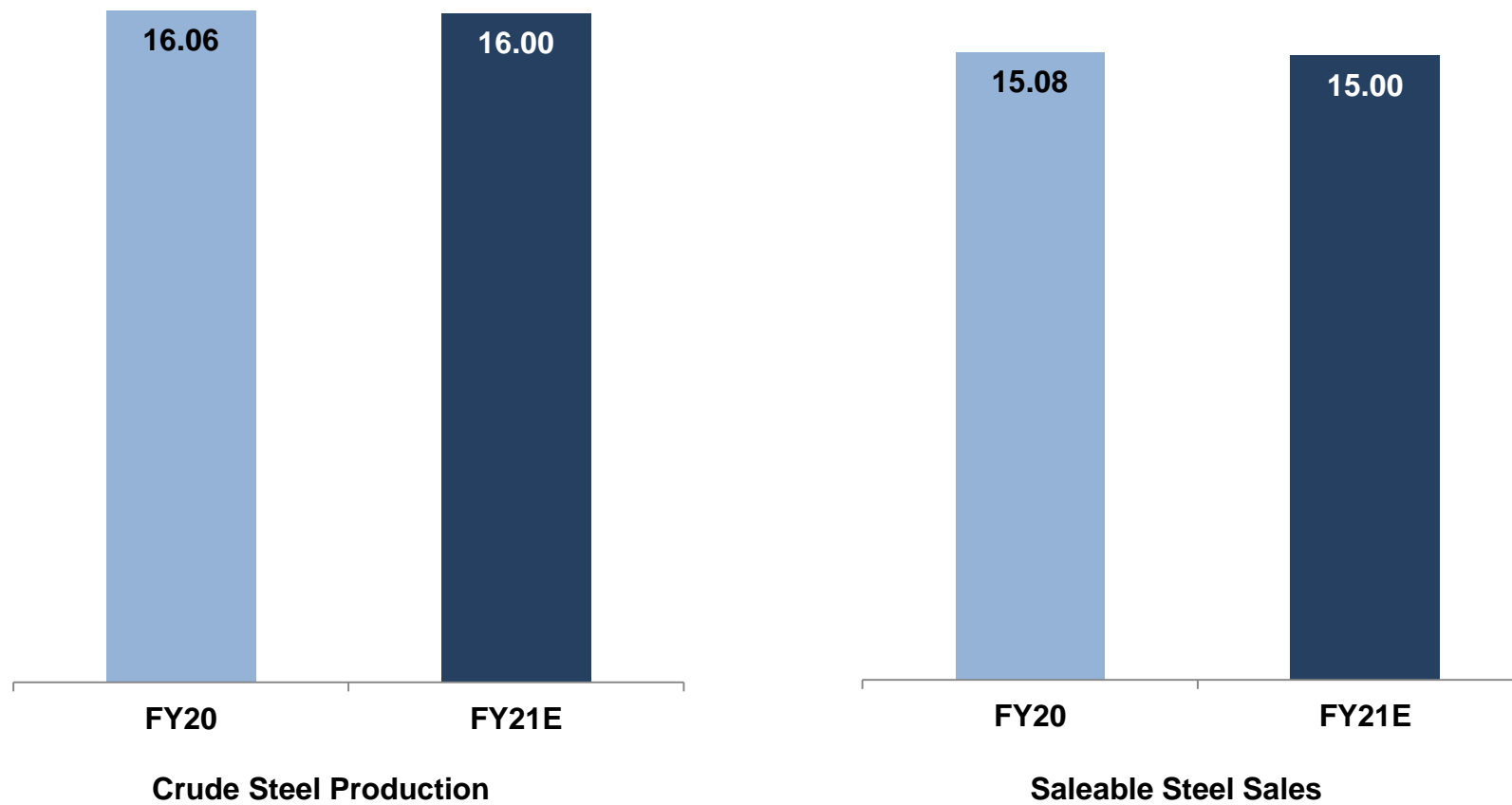
Standalone financials

Particulars (US\$m)	FY16	FY17	FY18 ^(a)	FY19 ^{(a)(b)}	FY20
Crude Steel production	12.56	15.8	16.27	16.69	16.06
Total Saleable steel	12.13	14.77	15.62	15.76	15.08
Operating revenue	5,727	7,977	9,492	10,819	9,007
Operating EBITDA	893	1,618	1,926	2,595	1,754
<i>% margin</i>	15.6%	20.3%	20.3%	24.0%	19.5%
EBITDA/tonne (USD/MT)	74	110	123	165	116

Note 1: Financials as per Ind-AS, translated at 1 USD = 75.39 INR

Note 2: EBITDA calculated as total profit/(loss) for the year/period +/- share of profit/loss from associate +/- share of profit/loss from joint ventures (net) +/- taxes/(benefit) + exceptional items + depreciation and amortization expense + finance costs - other income

Volume guidance for FY21



All figures are in million tonnes

Key Projects- Upstream Projects

Dolvi: increasing steel making capacity to 10 MTPA

- Total project cost – ₹15,000 crore (USD \$1,990M)
- Total capacity will be increased from 5 MTPA to 10 MTPA. The major facilities to be set-up under the expansion project are:
 - 4.5 MTPA Blast furnace with 5 MTPA Steel Melt Shop
 - 5 MTPA Hot Strip Mill
- Commissioning: during H2 FY21

Vijayanagar Augmentation Steel Making capacity to 13 MTPA

- Total project cost – ₹2,300 crore (USD \$305M)
- Enhance SMS capacity, augment existing HSM and Wire Rod Mills to support the upgradation of BF-3

Key Projects- Downstream Projects

Vijayanagar: CRM-1 complex capacity expansion

- Total project cost – ₹2,000 crore (USD \$265M)
- CRM1 complex capacity will be increased from 0.85 MTPA to 1.80 MTPA along with two Continuous Galvanizing Line of 0.45 MTPA each, a new 1.2 MTPA Continuous Pickling Line for HRPO products
- Commissioning in phases during H2 FY21

Vasind and Tarapur: modernisation-cum-capacity enhancement

- Total project cost – ₹1,730 crore (USD \$229M)
- The modernisation cum capacity enhancement project includes:
 - increase in GI/GL capacity by 1.08 MTPA
 - increase in colour coating capacity by 0.28 MTPA
- Commissioning in phases during H2 FY21

Downstream: new capacity, modernisation-cum-capacity enhancement

- Total project cost – ₹940 crore (USD \$125M)
- The modernisation cum capacity enhancement project includes:
 - Setting up Color Coating Line at Vijayanagar of 0.3 MTPA
 - Capacity enhancement of PPGL at Kalmeshwar by 0.22 MTPA
 - Commissioning: by March 2021
- Additional Tinplate Line at Tarapur 0.25 MTPA
- Commissioning by March 2022

- Total project cost – ₹700 crore (USD \$93M)
 - 0.5mtpa New Continuous Annealing Line at Vasind, Commissioning by March 2022
- Total project cost – ₹200 crore (USD \$27M)
 - 0.25mtpa new Color Coated Line at Rajpura in the state of Punjab, Commissioning by March 2022

Key Projects- Manufacturing Integration and Cost Savings projects

Vijayanagar: Manufacturing Integration

- Total project cost – ₹ 5,200 crore (USD \$690M)
 - Pellet plant 8 MTPA , Commissioning: by Q2 FY21
 - Coke oven battery 1.5 MTPA, Commissioning during H2 FY21

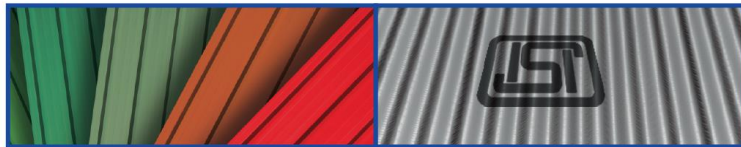
Dolvi – Captive Power

- Total project cost – ₹ 975 crore (USD \$129M)
- Install 175 MW WHRB and 60 MW CPP to harness flue gases and steam from CDQ
- Commissioning: by H2 FY21

Dolvi Coke Projects Phase 2

- Total project cost – ₹ 2,050 crore (USD \$272M)
- Phase 2: Second line of 1.5 MTPA coke oven battery along with CDQ
- Commissioning by H2 FY21

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

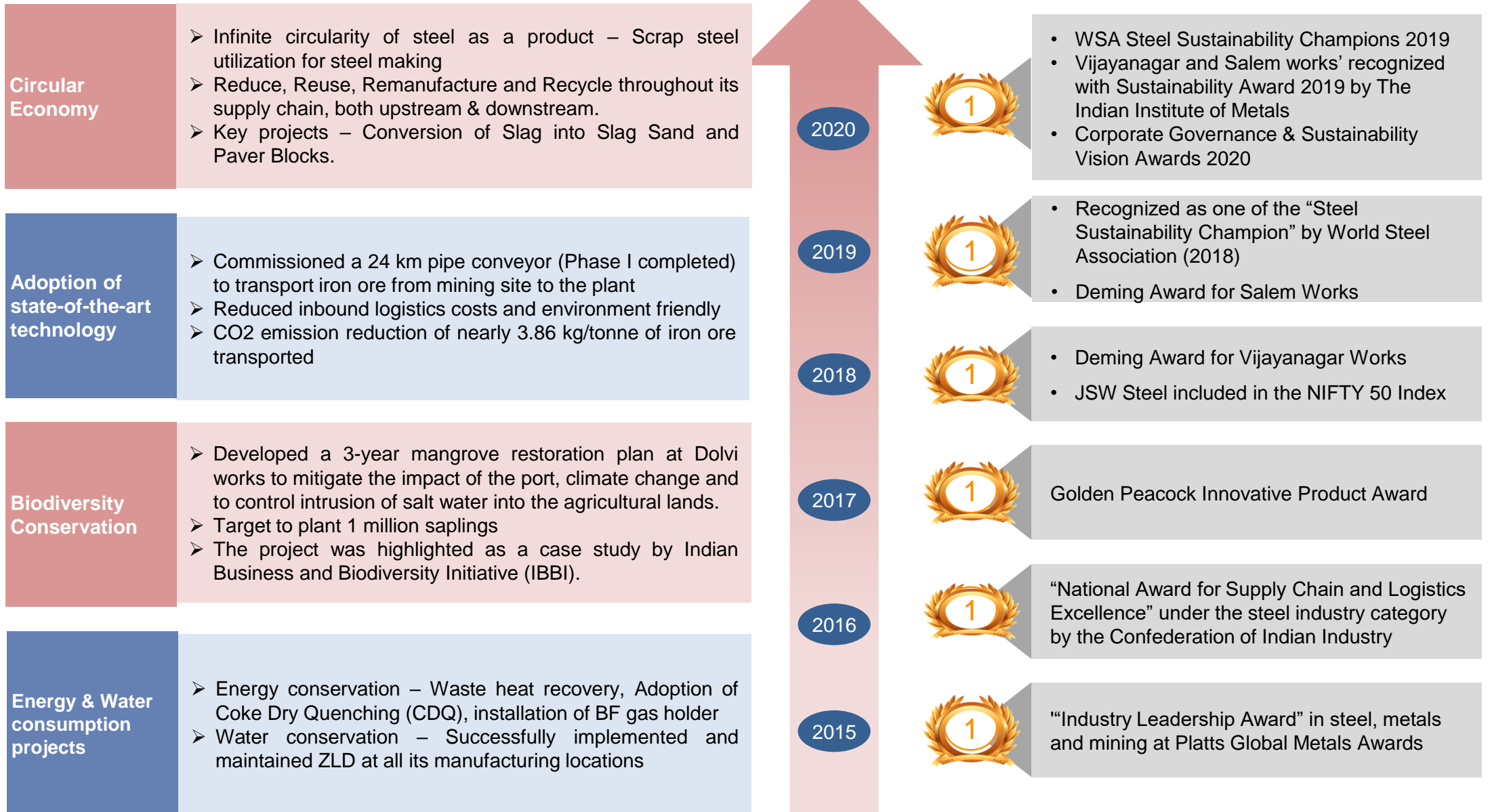
JSW Vishwas
Premium GC Sheets
Finest quality steel roofs

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

Sustainability - Integral to Our Operating Philosophy



Committed ~\$13.3m to the PM-CARES Fund



- Group covered 19 locations has assisted 150 villages with food security and sanitization drives
- Collective response & support - each employee has committed a minimum of a single day's salary to PM-CARES

- Conversion of a number of facilities across JSW Group locations to Isolation Wards, including remote areas like Sholtu- Himachal Pradesh, to limit the stress on community hospitals.
- 250+ people trained in COVID management
- 2,788 habitations sanitized



- Funds have also been earmarked to source and import Ventilators, Testing Kits, PPE kits.
- 1,000 PPEs distributed
- 3,000 gloves supplied to PHC
- 10,000 surgical masks supplied to PHC
- 250,000 face mask distributed
- 5,000 families received soap for handwashing

- Supported with staples and other essential dietary requirements to communities around the Group Facilities.
- 390,000 people received food including the people stranded at Kalmeshwar, the migrant laborers at frontline healthcare workers, and the communities around JSW Group locations.



The group remains committed to serve the nation and dynamically respond to all societal requirements in the future

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.

The background features a dense pattern of blue wire coils, likely representing a manufacturing or industrial setting. A prominent graphic element is a large, sweeping swoosh that curves from the bottom left towards the top right. This swoosh is composed of a red outer layer and a white inner layer, set against a dark blue background. The text "Thank you" is centered in the upper portion of the image, overlaid on the blue wire coils.

Thank you