

PRESS RELEASE

**FINANCIAL RESULTS FOR THIRD QUARTER FY 2019-20**

**JSPL Standalone reports PAT Rs. 97 Cr**  
***Increasing Volumes, Lowering Debt***

- JSPL reported highest ever sales volumes
- 3QFY20 Standalone Steel and steel related product sales up 31% YoY
- 3QFY20 JSPL Consolidated EBITDA Rs. 1,820 Cr
- 3QFY20 JSPL Standalone EBITDA Rs. 1,352 Cr
- JPL continues to generate cash profit Rs. 181 Cr
- Oman reported ever highest sales volume in this quarter up 27% YoY

**JSPL Standalone 3QFY20 Performance (YoY):**

- Turnover : Rs. 6,640 Cr;
- EBITDA: Rs. 1,352 Cr;
- EBITDA Margin: 20 %
- Steel and related products production : 1.61 million tonnes up 22% YoY
- Steel and related products sales : 1.67 million tonnes up 31% YoY
- Crude Steel production: 1.53 million tonnes up 25% YoY
- Crude Steel sales: 1.61 million tonnes up 34% YoY

**JSPL Consolidated 3QFY20 Performance (YoY):**

- Turnover : Rs. 9,300 Cr;
- EBITDA : Rs. 1,820 Cr;
- EBITDA Margin: 20 %
- EBITDA – Oman : US\$ 33 mn
- Crude Steel Production: 2.03 million tonnes; up 21% YoY
- Crude Steel Sales: 2.18 million tonnes; down 32% YoY

**JPL 3QFY20 Performance (YoY):**

- Turnover : Rs.784 Cr
- EBITDA : Rs. 257 Cr
- EBITDA Margin: 33 %
- Power Generation: 1,900 MU

The Quarter ended December'19 marked new highs in Steel production & sales for JSPL. In a quarter where pricing was steeply down in October followed by demand-led recovery towards the latter part of the quarter, the Company was able to market & sell unprecedented volumes.

## 1. JSPL Standalone Performance

JSPL Standalone reported a rise in production of 22% YoY for Steel & related products to 1.61 million tonnes (1.32 million tonnes in 3QFY19) and sales during 3QFY19 of 1.67 million tonnes (up 31% YoY). Crude Steel production in Standalone rose to 1.53 million tonnes (up 25% YoY) while sales were at 1.61 million tonnes (up 34% YoY).

PRODUCTION			
Product (Million Tonnes)	Quarter3		Change (%)
	2019-20	2018-19	
Crude Steel	1.53	1.22	+25%
Related Products**	0.08	0.10	-16%
<b>Total (Steel &amp; Related Products)</b>	<b>1.61</b>	<b>1.32</b>	<b>+22%</b>

SALES			
Product (Million Tonnes)	Quarter 3		Change (%)
	2019-20	2018-19	
Crude Steel	1.61	1.20	+34%
Related Products**	0.06	0.07	-11%
<b>Total (Steel &amp; Related Products)</b>	<b>1.67</b>	<b>1.27</b>	<b>+31%</b>

In market where steel prices remained muted for a substantial part of the quarter, the revenues for JSPL Standalone came in at Rs. 6,640Cr. Despite a steep fall in prices beginning of the quarter, the Company was able to offset it partially through raw material cost savings and improving efficiencies, on back of higher production. JSPL Standalone reported EBITDA at Rs. 1,352 Cr.

During 3QFY20, production of pellets was 1.79 million tonnes. The company achieved a rise of 13% YoY in external sales of pellets and sold 0.65 MT during 3QFY20.

## 2. Jindal Power Ltd (JPL)

The slowdown in the economic activities along with the extended monsoon resulted in lower power demand during the quarter. JPL generated 1,900 million units in the reported December quarter as compared to 2,271 million units in 2QFY20.

Despite been a low generation quarter, the cash profit for 3QFY20 saw a rise of 38% compared to the same quarter in FY19. JPL reported EBITDA of Rs. 257 Cr.

### 3. Global Ventures

- a. **Oman:** During the quarter ended 31<sup>st</sup> December'2019, Jindal Shadeed reported production of 0.50 million tonnes of crude steel (as against 0.46 million tonnes in 3QFY19, up 10%). On the back of cost savings and improved efficiencies, Jindal Shadeed generated EBITDA of US\$33 mn for 3QFY20 (rise of 106% QoQ).
- b. **Mozambique:** During this quarter, the mine at Chirodzi produced 640 KT ROM (up 42% YoY). The fall in the coking coal prices and end of year holiday season in this quarter impacted the revenue & the profitability as compared to the previous quarter. The Mozambique operations are on path to expand production significantly by the end of the coming quarter.
- c. **Australia:** During 3QFY20, both the Wongawilli & Russell Vale mines remained under care & maintenance. In the reported quarter, JSPAL and WCL filed a restructuring proposal with the NSW Supreme Court, pursuant to a restructuring agreement entered into with majority lenders. At a hearing on 20 December 2019, the Court approved the convening of meetings of the secured creditors' of JSPAL and WCL (to vote on whether to implement the proposal) with such secured creditors' meetings to be held on 30th January 2020.

### 4. JSPL Consolidated Performance

JSPL, on a consolidated level, produced 2.11 million tonnes of steel & related products (up 19% from 1.77 million tonnes in 3QFY19) and sold 2.24 million tonnes of steel & related products (up 30% from 1.73 million tonnes in 3QFY19).

In terms of crude steel, for the consolidated entity, the company produced 2.03 million tonnes of crude steel on the consolidated level (up 21% from 1.68 million tonnes in 3QFY19) and sold 2.18 million tonnes of crude steel (Up 32% from 1.65 million tonnes in 3QFY19).

JSPL reported Consolidated Revenues of Rs. 9,300 Cr & Consolidated EBITDA of Rs.1,820 Cr. Net Debt for the quarter ending December'2019 was reported at Rs. 35,457 Cr (reduction of Rs.1,150 Cr QoQ).

#### **4. Overview and Outlook:**

##### **Steel:**

December 2019 quarter marked a turnaround for the steel industry with the concerns plaguing the steel industry over the past few quarters, waning down gradually. US & China signed an agreement, which marked the beginning of the end of trade frictions, which were on past two years. Governments across the globe continued to support their economies including China which gave relaxation in the capital ratio requirement for infrastructure projects. Globally, growth is expected to rebound in CY2020 with IMF predicting 3.4% growth and World Bank estimating growth at 2.7% for CY2020. The World Steel Association has maintained its estimated steel growth for CY2020 at 1.7%.

Economic growth in India is slated to pick up post 3QFY20 with industrial output turning around in November and expected to rise further in the coming months. While job growth and credit growth still remain circumspect, slew of announcements on the infrastructure front and the upcoming budget could bear well for both these parameters.

JSPL has been at the forefront of the infrastructure build up in the country and has been amongst the beneficiaries of the infrastructure expenditure due to its basket of products, primarily being offered in the long segment.

Given India has one of the world's largest thermal coal reserves in the world, the Government has embarked on making thermal coal usage more environment friendly through coal gasification. JSPL is the only company in the world to have the capability to produce steel through the coal gasification route and aligned with the Government's vision, has now restarted its CGP-DRI plant. The company is looking to produce additional volumes through this environment friendly route and scaling it up in the coming quarters.

##### **Power:**

Coal scarcity continued to affect thermal generation during Q3FY20 till Nov end as CIL coal production during Q2FY20 plunged considerably due to heavy monsoon and labour strike. However, coal production ramped up in Q3FY20 and coal supply has gained momentum from Dec which hopefully will be maintained during Q4FY20. More coal e-auctions by Coal India subsidiaries are expected in coming months which would help thermal power plants to scale up the

generation. Some states are likely to come up with short-term power requirement tenders. Though previous 2500 MW Pilot Scheme -II has been cancelled due to poor response from Discoms; but, new bid for same quantum has been invited by PFC Consulting. On the other hand, Coal India Ltd has floated scheme document for auction of coal linkages to Power Producers/IPPs without PPAs detailing the methodology for allocation of coal under SHAKTI B(iii) scheme for medium-term and long-term PPAs. These schemes are likely to bring respite to thermal power generators.

The company is focused on mitigating the challenges in coal sourcing by procuring coal from traders at competitive prices and also by importing high GCV coal in addition to allocation of coal through Special Forward and Spot e-auctions from CIL subsidiary companies. In the long term, the company is planning to rope in coal tolling tie-up with State Governments and coal swapping arrangements with other generators. Introduction of commercial mining for the private sector as initiated by Govt. of India is also expected to reduce coal woes for thermal power generators in the long run. Outstanding payment from Discoms is another major area of concern for power generators. Govt of India's intended step to ask PFC to provide special funds to stressed Discoms in order to enable them to cut the dues of power generators, if implemented, will bring some relief to power generators.

## STANDALONE FINANCIAL RESULTS

### Year on Year (Quarter)

Parameter (in Crores of INR)	Quarter 3	
	2019-20	2018-19
Turnover	6,640	6,731
EBITDA	1,352	1,480
EBITDA %	20%	22%
Depreciation + Amortization	570	572
Interest	634	635
PBT	148	287
PAT	97	177

### Quarter on Quarter

Parameter	Q3 FY 19-20	Q2 FY 19-20
Turnover	6,640	6,573
EBITDA	1,352	1,255
EBITDA %	20%	19%
Depreciation + Amortization	570	582
Interest	634	657
PBT	148	16
PAT	97	15

## CONSOLIDATED FINANCIAL RESULTS

### Year on Year (Quarter)

Parameter	Quarter 3	
	2019-20	2018-19
Turnover	9,300	9,566
EBITDA	1,820	2,077
EBITDA %	20%	22%
Depreciation + Amortization	1,018	1036
Interest	1,002	1042
PBT	(201)	14
PAT	(219)	(87)

### Quarter on Quarter

Parameter	Q3 FY 19-20	Q2 FY 19-20
Turnover	9,300	8,939
EBITDA	1,820	1,642
EBITDA %	20%	18%
Depreciation + Amortization	1,018	1,039
Interest	1,002	1,030
PBT	(201)	(427)
PAT	(219)	(399)

## PRODUCTION

### Year on Year (Standalone)

Product (Million Tonnes)	Quarter 3		Change (%)
	2019-20	2018-19	
Steel*	1.53	1.22	+25%
Related Products**	0.08	0.10	-16%
<b>Total</b>	<b>1.61</b>	<b>1.32</b>	<b>+22%</b>
Pellets	1.79	1.90	-6%

### Year on Year (Consolidated)

Product (Million Tonnes)	Quarter 3		Change (%)
	2019-20	2018-19	
Steel(including Oman)*	2.03	1.68	+21%
Related Products**	0.08	0.10	-16%
<b>Total</b>	<b>2.11</b>	<b>1.77</b>	<b>+19%</b>

## SALES

### Year on Year (Standalone)

Product (Million Tonnes)	Quarter 3		Change (%)
	2019-20	2018-19	
Steel*	1.61	1.20	+34%
Related Products**	0.06	0.07	-11%
<b>Total</b>	<b>1.67</b>	<b>1.27</b>	<b>+31%</b>
Pellets(External Sales)	0.65	0.58	+13%

### Year on Year (Consolidated)

Product (Million Tonnes)	Quarter 3		Change (%)
	2019-20	2018-19	
Steel(including Oman)*	2.18	1.65	+32%
Related Products**	0.06	0.07	-11%
<b>Total</b>	<b>2.24</b>	<b>1.73</b>	<b>+30%</b>

\*Slabs/Bloom/Billets/Structurals& Rails/Universal Plate/Coil/Converted Angle/Channel/ Wire Rod /TMT/Fabricated Beams/Plates (Includes Oman)

\*\*Pigiron & Granshot



## JINDAL POWER LIMITED (JPL)

(A SUBSIDIARY OF JSPL)

### Year on Year (Quarter)

Particulars(in Crores of INR)	Quarter 3	
	2019-20	2018-19
Turnover	784	1,004
EBITDA	257	273
EBITDA%	33%	27%
Depreciation + Amortization	292	334
Interest	219	219
PBT	(111)	(203)
PAT	(83)	(160)
Cash Profit	181	131
Generation (million units)	1,900	2,609

### Quarter on Quarter

Particulars(in Crores of INR)	Q3 FY 19-20	Q2 FY 19-20
Turnover	784	947
EBITDA	257	299
EBITDA%	33%	32%
Depreciation + Amortization	292	292
Interest	219	214
PBT	(111)	(64)
PAT	(83)	(35)
Cash Profit	181	228
Generation (million units)	1,900	2,271

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**Forward looking and Cautionary Statements: -**

Certain statements in this release 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 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, intense competition within steel industry including those factors which may affect our cost advantage , time and cost overruns on fixed – price, our ability to manage our operations, reduced demand for steel , power etc., 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 numbers & statements in this release (including but not limited to balance sheet related items) are provisional in nature and could materially change in future, based on any restatements or regrouping of items etc.