

PRESS RELEASE

**FINANCIAL RESULTS FOR FOURTH QUARTER & FULL YEAR FY 2017-18**

**JSPL back in Profits ; The Journey has just begun**

- FY18 Revenue Highest Ever
- 4QFY18 Consolidated Revenues up 27% YoY
- 4QFY18 Consolidated EBITDA up 38% YoY
- 4QFY18 Standalone EBITDA up 66% YoY
- 4QFY18 Oman reports highest ever EBITDA

**JSPL Standalone 4QFY18 Performance (YoY):**

- Turnover : Rs. 5,752 Cr; increased by 27%
- EBITDA: Rs. 1,519 Cr; increased by 66%
- EBITDA Margin: 26%
- Crude Steel Production: 1.26 million tonnes
- Steel Sales: 1.18 million tonnes

**JSPL Consolidated 4QFY18 Performance (YoY):**

- Turnover : Rs. 8,599 Cr; increased by 27%
- EBITDA : Rs. 2,136 Cr; increased by 38%
- EBITDA Margin: 25%
- EBITDA – Oman : US\$ 71 mn
- Crude Steel Production: 1.72 million tonnes
- Steel Sales: 1.66 million tonnes

**JPL 4QFY18 Performance (YoY):**

- Turnover : Rs. 952 Cr
- EBITDA : Rs. 265 Cr
- EBITDA Margin: 28%

**1. JSPL Standalone Performance**

**1.1. Fourth Quarter FY18 Performance**

Highlight of the Fourth Quarter ending March'18 was the highest ever steel production across all the locations including Raigarh, Angul and Oman for JSPL.

JSPL Standalone Steel production rose 38% in the reported quarter to 1.26 million tonnes (0.91 million tonnes in 4QFY17) while Standalone Steel sales during 4QFY18 increased to 1.18 million tonnes (up 29% YoY).

The rise in sales realizations was partly offset by the corresponding increase in raw material prices with EBITDA in 4QFY18 increasing by 66% YoY to Rs. 1,519 Cr. The Company reported an expansion in the EBITDA margins, at 26% as compared to the last quarter (22%).

The quarter marked JSPL's turnaround back to profits after 13 successive quarters, reporting a Profit After Tax at Rs. 145 Cr as compared to a Loss of Rs. 74 Cr last quarter and a loss of Rs. 116 Cr last year.

During 4QFY18, production of pellets increased by 15% YoY to 1.84 million tonnes and the company achieved external sales of pellets of 0.74 MT during 4QFY18.

The quarter also saw JSPL coming out with its first ever equity raise in the markets, garnering Rs. 1,200 Cr through Qualified Institutional Placement. The issuance was well over-subscribed by marquee investors, both foreign & domestic.

## **1.2. Full Year FY18 Performance**

On a full year basis, JSPL standalone Sales turnover in FY18 rose by 13% while EBITDA at Rs. 3,973 Cr increased by 37% compared to the previous year. The EBITDA margins came at 23% as compared to 19% in the previous year, primarily supported by better than expected steel sales realizations.

## **2. JSPL Consolidated Performance**

### **2.1. Fourth Quarter FY18 Performance**

JSPL produced 1.72 million tonnes on the Consolidated level (up 32% from 1.30 million tonnes in 4QFY17) and sold 1.66 million tonnes (up 27% from 1.31 million tonnes in 4QFY17).

JSPL reported Consolidated Revenues of Rs. 8,599 Cr (up 27% YoY) while Consolidated EBITDA increased to Rs. 2,136 Cr from Rs. 1,552 Cr (in 4QFY17), up 38% YoY.

## **2.2. Full Year FY18 Performance**

The Company achieved a Consolidated Steel Sales of 5.44 million tonnes in FY18, up by 17% Y-o-Y and production of 5.70 million tonnes (Vs. 4.80 million tonnes in FY17).

JSPL achieved its highest ever-annual revenue of Rs. 27,841 Cr, which is 23% higher than previous year. The aggregate EBITDA rose by 37% compared to previous year FY17. The overall EBITDA for FY18 stood at 23% vs. 21% for FY17, supported by better operating profits across all its Steel & Power business globally.

As of year ended 31<sup>st</sup> March'2018, JSPL consolidated net debt was at Rs. 42,000 Cr levels.

## **3. Jindal Power Ltd (JPL)**

### **3.1. Fourth Quarter FY18 Performance**

The low availability of Coal continued during this quarter, significantly impacting the generation. There has been a severe shortage of coal amplified by high coal prices, making it uneconomical for the power sector. JPL generated 2,310 units in the reported March quarter as compared to 2,336 units in 4QFY17. Accordingly, the PLF also remained at 31% compared to 32% in 4QFY17.

The revenue for 4QFY18 increased by 10% compared to the same quarter in FY17. On back of higher coal costs, which have increased over 40% YoY, EBITDA margin for the quarter ending March'18 dropped to 28% as compared to 44% last year. EBITDA in 4QFY18 came in at Rs. 265 Cr (as compared to Rs. 381 Cr in 4QFY17). JPL continues to generate cash profits, which stood at Rs. 98 Cr in the reported quarter.

### **3.2. Full Year FY18 Performance**

On an annual basis, JPL revenues increased by 31% and EBITDA rose by 37% for the year FY18. The EBITDA margin for FY18 stood at 35% compared to 34% for FY17. JPL also achieved a net cash profit of Rs. 778 Cr.

#### **4. Global Ventures**

**4.1. Oman:** During the quarter ended 31<sup>st</sup> March'2018, Jindal Shadeed recorded its ever highest production of 0.46 million tonnes of crude steel (as against 0.39 million tonnes in 4QFY17). It also reported its highest ever EBITDA of US\$ 71 mn for 4QFY18 (vs. US\$63 mn in 3QFY18). The rebar mill at Oman achieved production of 0.29 million tonnes this quarter.

**4.2. Mozambique:** Mines at Mozambique produced 0.33 million tonnes ROM in 4QFY18. The mines continue to ramp up gradually.

**4.3. Australia:** During 4QFY18, Wongawilli mines continued their ramp up and produced 0.1 million tonnes. Russell Vale mines continue to be in care & maintenance.

#### **5. Overview and Outlook:**

##### **Steel:**

The outlook for Steel remains positive as both the demand & prices remain robust, internationally & domestically. As global economic situation strengthens, investment levels are set to rise across geographies. Further supported by the shutdowns & curtailments in China on back of environmental norms, these should provide support to the Steel demand in the long run. Trade related barriers could lead to some weakening of the overall sentiment though lack of enough capacity as compared to existing demand in developed economies could make it largely unsustainable and uneconomical in the long run.

With the steel intensity increasing within the country, coupled with government's push towards more steel structures, buildings and infrastructure, the demand in the country is all set to rise further, albeit gradually.

##### **Power:**

Power Demand and exchange rates are observed to be touching fresh highs in the current Financial Year. With the Govt. of India stated policy of providing 'Power for All on a 24x7 basis', the demand is expected to increase substantially. This is likely to result in a fresh upsurge in long Term PPAs by Utilities who will be obliged to fulfil this commitment of the Government on a sustained basis. In the near term too, demand for power is expected to get a boost on account of forthcoming State and

Central elections over the coming two years.

However, coal continues to remain a major challenge, both in terms of availability and the consequential impact on prices, which are observed to be rising over the past 6 months. We expect this key challenge to be mitigated significantly with the introduction of Commercial Mining as proposed by Govt. of India, wherein coal mining shall once again be opened up for the private sector.

The Company is steadfast in its objective to generate higher volumes and profits each subsequent quarter, with increasing contribution from all its businesses.

## STANDALONE FINANCIAL RESULTS

### Year on Year (Quarter)

Parameter(in Crores of INR)	Quarter 4		Change (%)
	2017-18	2016-17	
Turnover	5,752	4,545	+27%
EBITDA	1,519	914	+66%
EBITDA %	26%	20%	
Depreciation + Amortization	468	489	-4%
Interest	686	515	+33%
PBT (Before Exceptional)	364	(81)	
Exceptional	194	-	
PBT	170	(81)	
PAT	145	(116)	

### Quarter on Quarter

Parameter(in Crores of INR)	2017-18		Change (%)
	Q4	Q3	
Turnover	5,752	4,272	+35%
EBITDA	1,519	921	+65%
EBITDA %	26%	22%	
Depreciation + Amortization	468	465	+1%
Interest	686	594	+16%
PBT (Before Exceptional)	364	(138)	
Exceptional	194	-	
PBT	170	(138)	
PAT	145	(74)	

### Year on Year (Full Year)

Parameter	FY18	FY17	Change (%)
Turnover	17,523	15,494	+13%
EBITDA	3,973	2,902	+37%
EBITDA %	23%	19%	
Depreciation + Amortization	1,910	2,044	-7%
Interest	2,391	2,324	+3%
PBT (Before Exceptional)	(328)	(1,457)	
Exceptional	344	-	
PBT	(672)	(1,457)	
PAT	(362)	(986)	

## CONSOLIDATED FINANCIAL RESULTS

### Year on Year (Quarter)

Parameter	Quarter 4		Change (%)
	2017-18	2016-17	
Turnover	8,599	6,756	+27%
EBITDA	2,136	1,552	+38%
EBITDA %	25%	23%	
Depreciation + Amortization	960	1006	-5%
Interest	1,071	864	+24%
PBT Before Exceptional	106	(309)	
Exceptional Item	438	(253)	
PBT	(332)	(56)	
PAT	(426)	(98)	

### Quarter on Quarter

Parameter	2017-18		Change (%)
	Q4	Q3	
Turnover	8,599	6,993	+23%
EBITDA	2,136	1,607	+33%
EBITDA %	25%	23%	
Depreciation + Amortization	960	963	
Interest	1,071	967	+11%
PBT (Before Exceptional)	106	(323)	
Exceptional	438	--	
PBT	(332)	(323)	
PAT	(426)	(277)	

### Year on Year (Full Year)

Parameter	FY18	FY17	Change (%)
Turnover	27,841	22,696	+23%
EBITDA	6,469	4,709	+37%
EBITDA %	23%	21%	
Depreciation + Amortization	3,883	3,949	-2%
Interest	3,866	3,441	+12%
PBT (Before Exceptional)	(1,277)	(2,671)	
Exceptional	587	372	
PBT	(1,864)	(3,043)	
PAT	(1,624)	(2,540)	

## PRODUCTION (Consolidated)

### Year on Year

Product (Million Tonnes)	Quarter 4		Change (%)
	2017-18	2016-17	
Steel*	1.72	1.30	+32%
Pellets	1.84	1.59	+15%

### Full Year

Product (Million Tonnes)	FY18	FY17	Change (%)
Steel*	5.70	4.80	+19%
Pellets	6.86	6.45	+6%

\*only Slab/Round/Bloom/Beam Blank (includes Oman)

## SALES (Consolidated)

### Year on Year

Product (Million Tonnes)	Quarter 4		Change (%)
	2017-18	2016-17	
Steel Products*	1.66	1.31	+27%
Pellets (External sales)	0.74	0.77	-4%

### Full Year

Product (Million Tonnes)	FY18	FY17	Change (%)
Steel Products*	5.44	4.65	+17%
Pellets (External sales)	3.09	3.28	-6%

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



## JINDAL POWER LIMITED (JPL)

(A SUBSIDIARY OF JSPL)

### Year on Year (Quarter)

Particulars(in Crores of INR)	Quarter 4		Change (%)
	2017-18	2016-17	
Turnover	952	863	+10%
EBITDA	265	381	-31%
EBITDA%	28%	44%	
Depreciation + Amortization	377	376	
Interest	237	235	+1%
PBT	(282)	(135)	
PAT	(272)	(84)	
Cash Profit	98	241	-60%
Generation (million units)	2,310	2,336	-1%

### Quarter on Quarter

Particulars(in Crores of INR)	Q4 FY 17-18	Q3 FY 17-18	Change (%)
Turnover	952	1,172	-19%
EBITDA	265	356	-26%
EBITDA%	28%	30%	
Depreciation + Amortization	377	381	-1%
Interest	237	244	-3%
PBT	(282)	(198)	
PAT	(272)	(173)	
Cash Profit	98	186	-48%
Generation (million units)	2,310	2,982	-23%

### Year on Year (Full Year)

Particulars(in Crores of INR)	FY18	FY17	Change (%)
Turnover	4,081	3,119	+31%
EBITDA	1,434	1,048	+37%
EBITDA%	35%	34%	
Depreciation + Amortization	1,508	1436	+5%
Interest	936	789	+19%
PBT	(733)	(780)	
PAT	(673)	(668)	
Cash Profit	778	656	+19%
Generation (million units)	10,905	9,176	+19%

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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 are provisional in nature and could materially change in future, based on any restatements or regrouping of items etc.