



JSW Steel Limited Investor presentation

October, 2018

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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.



**JSW Group and
company
overview**

Key highlights

Appendix

JSW Group – overview



JSW Steel*

- Among India's leading integrated steel producers (Steel making capacity: 18 MTPA)
- Market capitalisation of **US\$11.7bn^(a)**

JSW Energy*

- Engaged across the value chain of power business
- Operational capacity: 4,531 MW
- Market capitalisation of **US\$1.4bn^(a)**



JSW Infrastructure

- Engaged in development and operations of ports
- Operational capacity 70MTPA



JSW Cement

- Manufacturer of Portland Slag Cement (PSC), Ordinary Portland Cement (OPC) and Ground Granulated Blast Furnace Slag (GGBS)
- Operational capacity 11.6MTPA



Presence across the core sectors

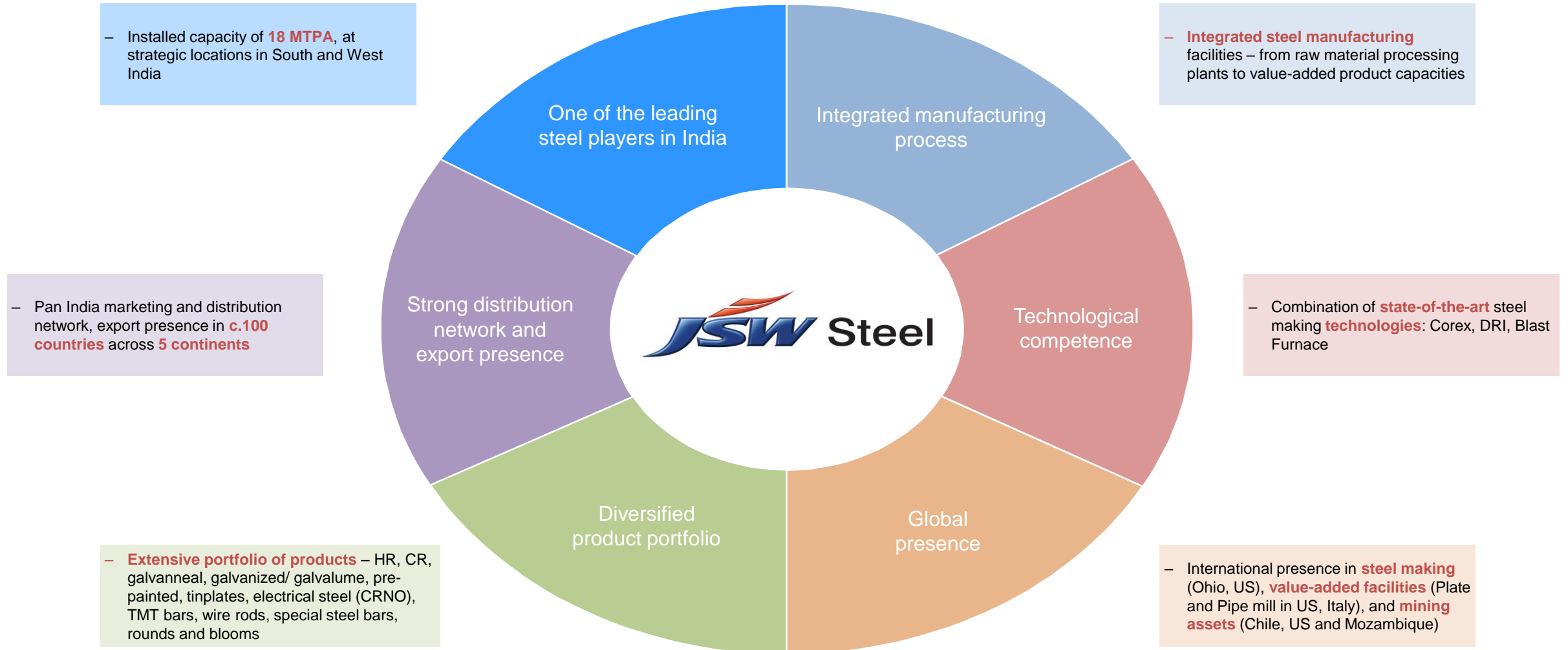
* Listed company

(a) As of 25-Oct-2018

Note: Translated at 1 USD = 73.15 INR, the rate as of 25th Oct 18

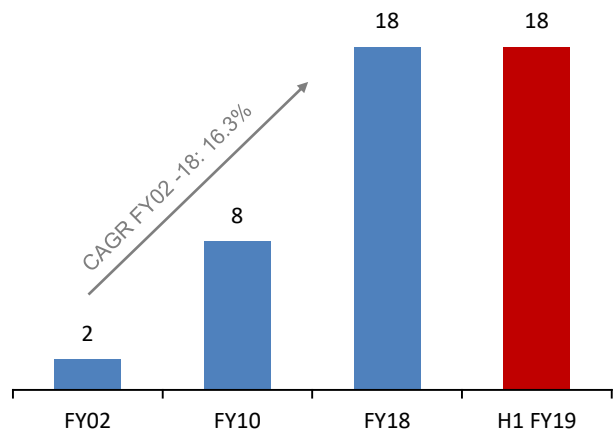
Source: Bloomberg, Company data

JSW Steel – among India’s leading steel manufacturers

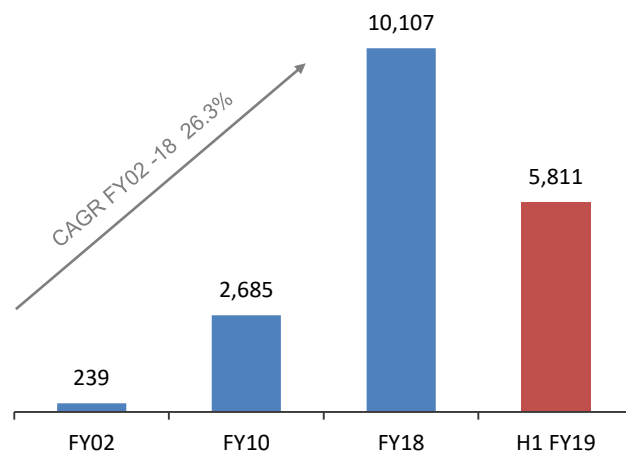


Transformational journey to market leadership

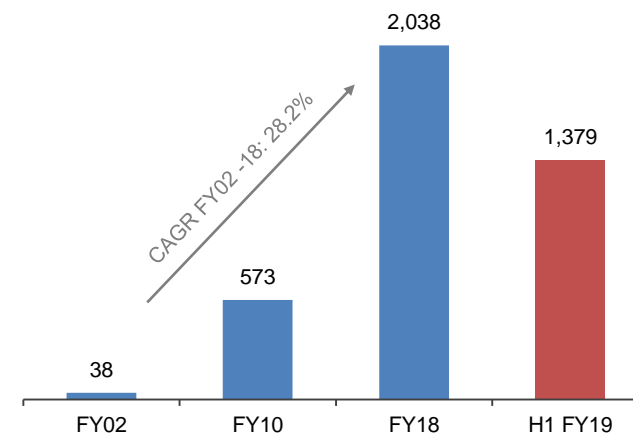
Capacity (MTPA)



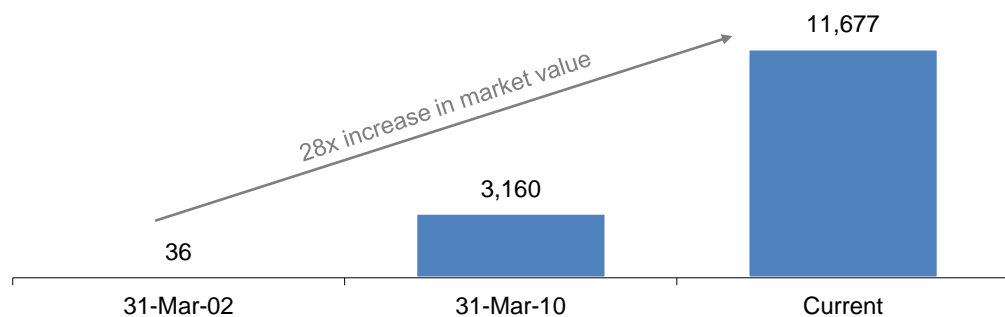
Total revenue (US\$m)^{(a) (b)}



EBITDA (US\$m)^(a)



Market cap (U\$m)^(c)



	FY02	FY10	FY18	
Technology	Corex	Corex, BF	Corex, BF, DRI	• 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	• Continuously expanding product canvas with focus on high-end value-added products

Unrelenting value accretive growth through the economic cycles

Note: Translated at 1 USD = 72.5975 INR, RBI Reference Rate as of 28th Sep 18

(a) Includes other income

(b) Restated Revenue

(c) INR market cap numbers at all three points translated at 1 USD = 73.15 INR, the rate as of 25th Oct 18

Source: Company data, BSE



Key highlights

**JSW Group and
company
overview**

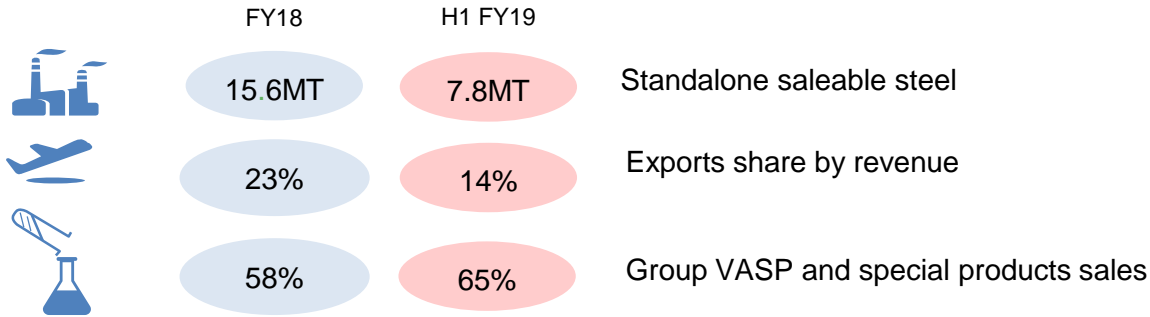
Appendix

Key highlights

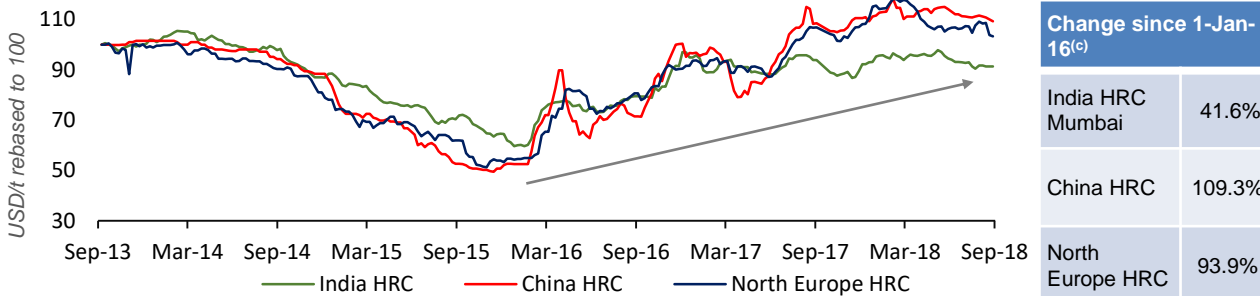


1 Market leader and well placed to benefit from upcycle

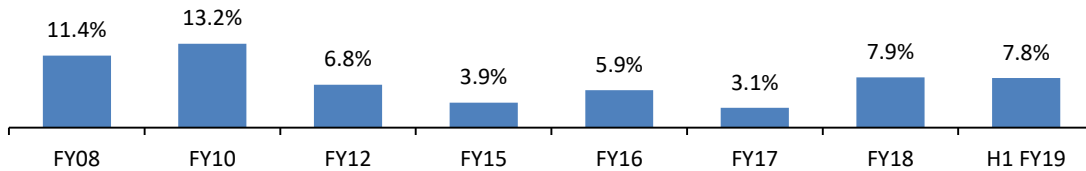
JSW Steel is a leading player in India



Steel prices have trended upward since Q4 CY15






India apparent steel consumption expected to grow significantly



(a) CY17 data as per World Steel Association (WSA)
 (b) Steel consumption as per WSA for calendar years 2018 and 2019
 (c) Change from 1st Jan 2016 to 28th September 2018

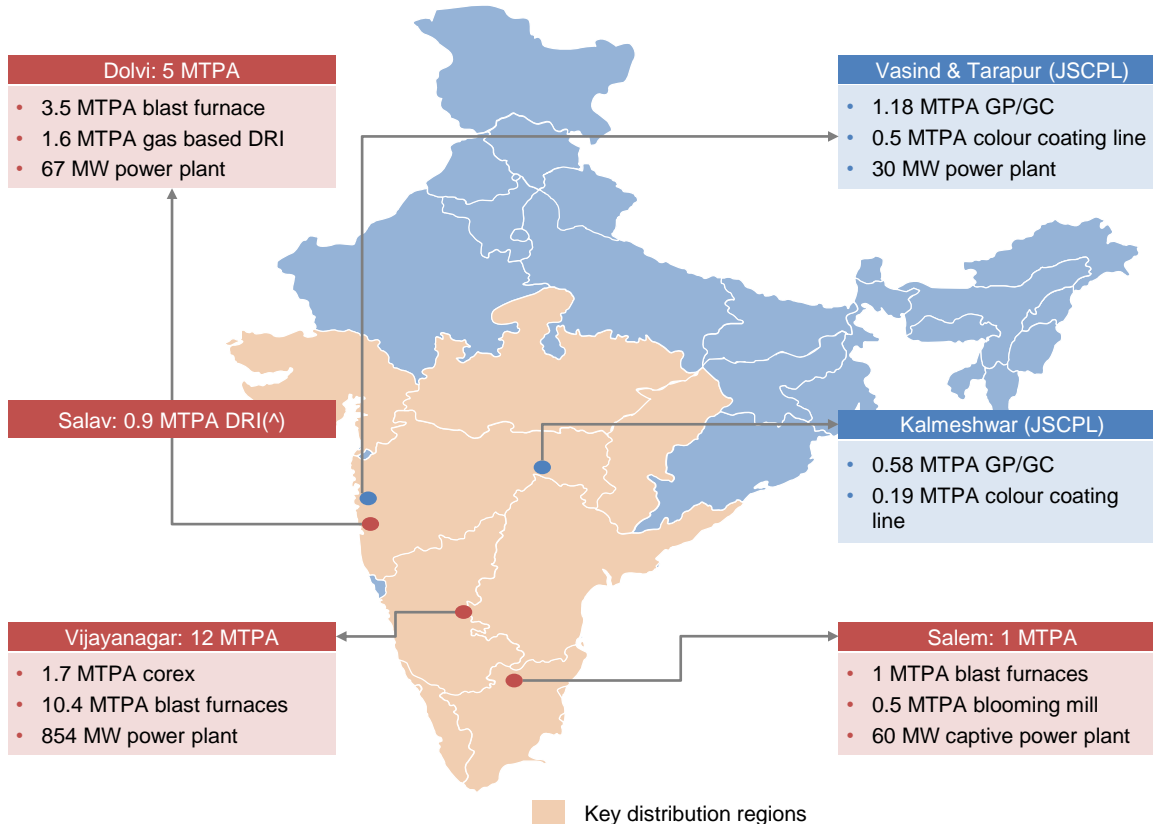
Buoyant steel market conditions

Indian market	<ul style="list-style-type: none"> • Government focus on infrastructure development • INR 5.97tn planned to be spent on infrastructure in FY19 • National steel policy to achieve 300MT by 2030-31 • Current low per capita steel consumption (<65 kg per annum^(a)) • Steel consumption is expected to grow at 5.5-6.0% over 2018 and 2019^(b)
Global market	<p>China</p> <ul style="list-style-type: none"> • Accounts for c.50% of global steel production • Decreasing exports from China due to: <ul style="list-style-type: none"> ✓ continuing closure of inefficient production facilities ✓ pollution-induced production curtailments ✓ strong domestic demand • Utilization to remain high resulting in higher steel spreads <p>Europe</p> <ul style="list-style-type: none"> • Supportive business conditions to result in robust steel demand growth • Continued elevated steel spreads and stable profitability expectations <p>US</p> <ul style="list-style-type: none"> • US spreads have widened, driven by robust demand and trade measures

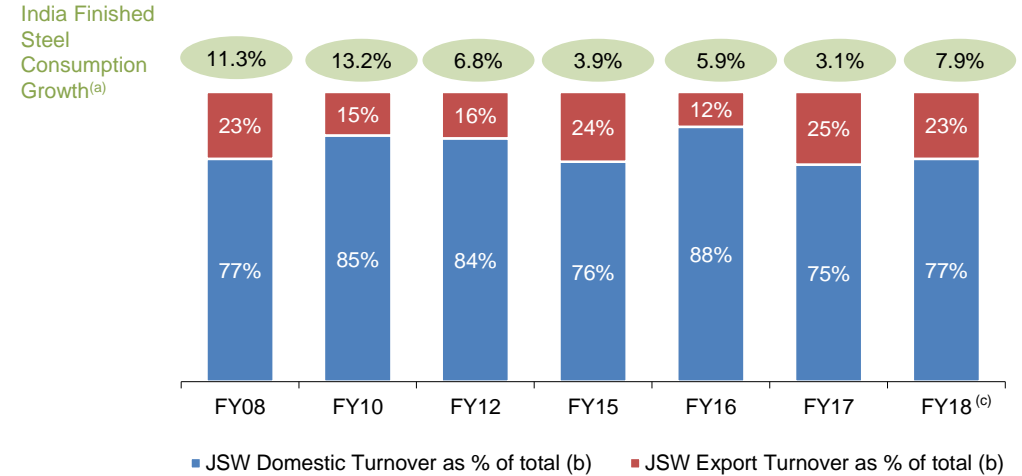
-  Well placed to benefit from weaker global raw material prices
-  Lower cost from commencement of captive iron ore mines and improved availability
-  Stable margins through the cycle

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



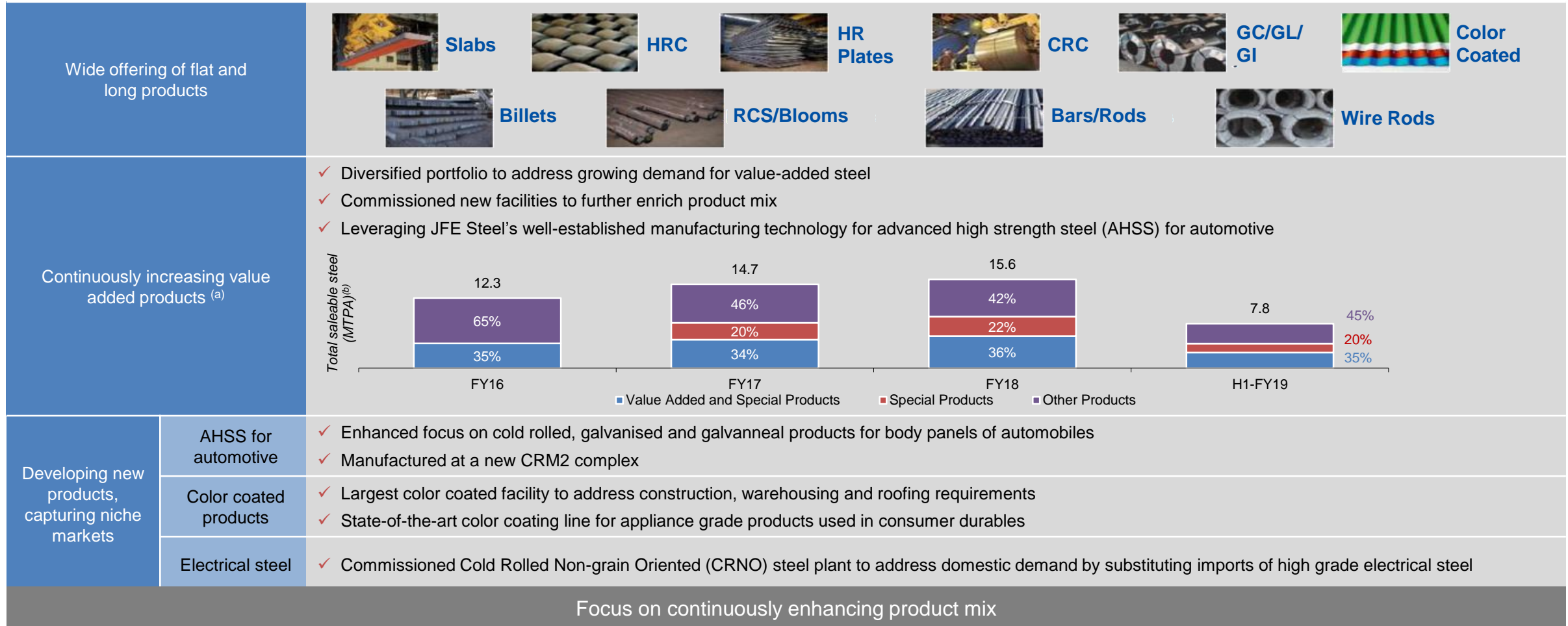
Flexibility to judiciously shift between domestic and international markets based on market conditions



- ✓ 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
- strategically reduced share of exports to 12% of total sales in FY16, as global steel consumption declined 3% YoY^(d) in CY15
- increased exports in FY17 and FY18 to leverage upon robust demand and pricing environment in international markets

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

(a) As per India Brand Equity Foundation, Joint Plant Committee
 (b) Revenue from operations as per Ind-AS from FY16 onwards
 (c) FY18 based on restated financials
 (d) As per WSA for calendar year 2015 as compared to 2014



(a) Special Products data available from FY17

(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 and Special Bars and Rounds. Special products include HR special, TMT Special and WR Special

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

Ongoing cost benefit initiatives

Project	Description
Vijayanagar Works	
Blast Furnace upgradation	<ul style="list-style-type: none"> Revamp and upgrade of Blast Furnace-3 at Vijayanagar from 3 MTPA to 4.5 MTPA, along with associated auxiliary units
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 Environmental friendly solution and reduction of transportation costs
Coke drying unit	<ul style="list-style-type: none"> Establish coke drying unit for Blast Furnace-1 to utilize the waste heat of Sinter Plant-1 to reduce moisture in coke
Salem Works	
Pre- and Post-pickling treatment	<ul style="list-style-type: none"> Addition of pre- and post-pickling treatment with a capacity of 84000 TPA for BRM products
Stove upgradation	<ul style="list-style-type: none"> Upgradation of stove in BF 1 to improve hot blast temperature
Dolvi Works	
Capacity expansion	<ul style="list-style-type: none"> 5.75 mtpa sinter plant, 4 mtpa pellet plant and 4 kilns of 600 TPD LCPs
Vasind Works, Tarapur Works and Kalmeshwar Works	
Capacity modernization	<ul style="list-style-type: none"> Modernization and enhancement of capacity by 1.5 MTPA by setting up PLTCM PLTCM planed as an alternative to earlier planned 0.96 MTPA BCTM

Note: 1 USD = 72.5975 INR, RBI Reference Rate as of 28th Sep 18

(a) Calculated as a sum total of employee benefit expenses and other expenses less exchange difference, commission on sales, donations, CSR expenses, allowance for doubtful advances, loss on sale of PPE and carriage and freight costs, divided by standalone annual crude steel volume

(b) All quoted numbers are scores assigned out of 10 on World Steel Dynamics' World-Class Steelmaker Rankings as of June 2018

(c) On the basis of weighted average score out of 10 across 23 different parameters from World Steel Dynamics' World-Class Steelmaker Rankings as of June 2018

Parameter^(b)

	JSW Steel	TATA STEEL	POSCO	NUCOR	voestalpine	Severstal	NIPPON STEEL & SUMITOMO METAL
Expanding Capacity	10 / 10	9	8	9	7	6	6
Location in high growth markets	10 / 10	9	6	6	5	7	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	10	6	10	8	8
Aggregate rank	8	15	1	2	3	4	5



#1 ranked Indian player



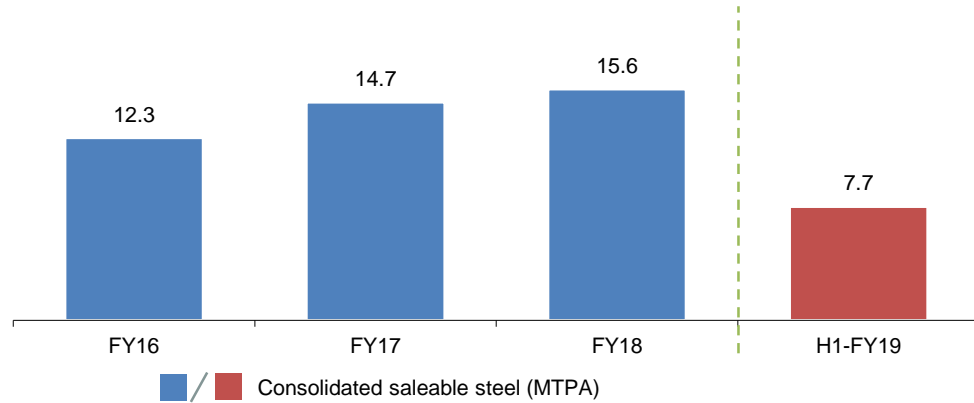
#3 ranked Asian player



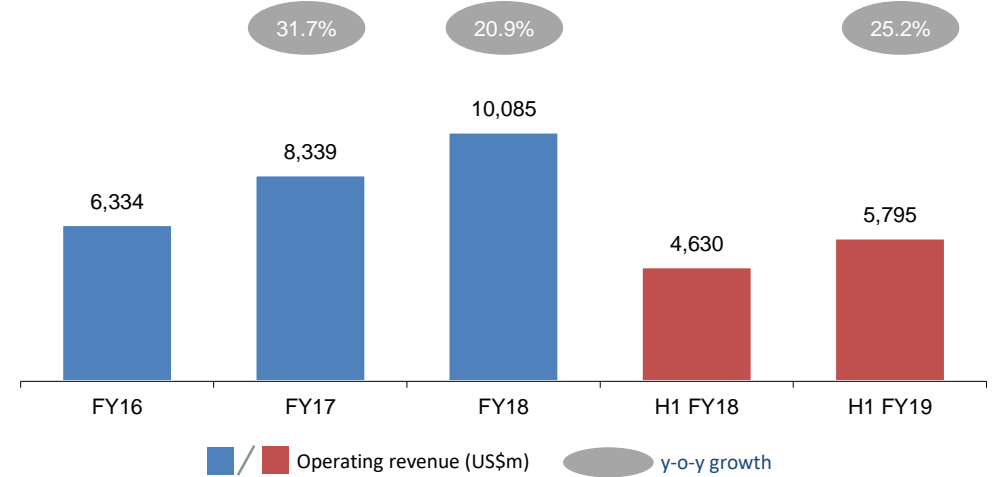
#8 ranked Global player

4 Robust financial profile and stable cash flows

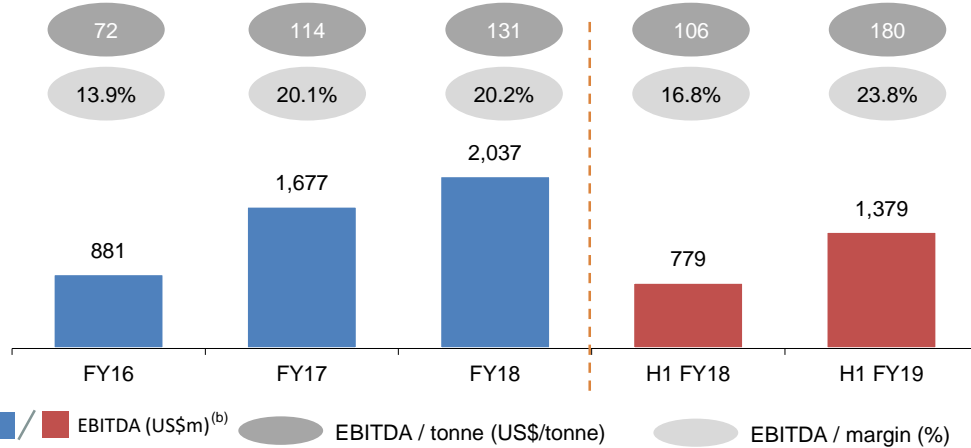
Strong track record of volume growth



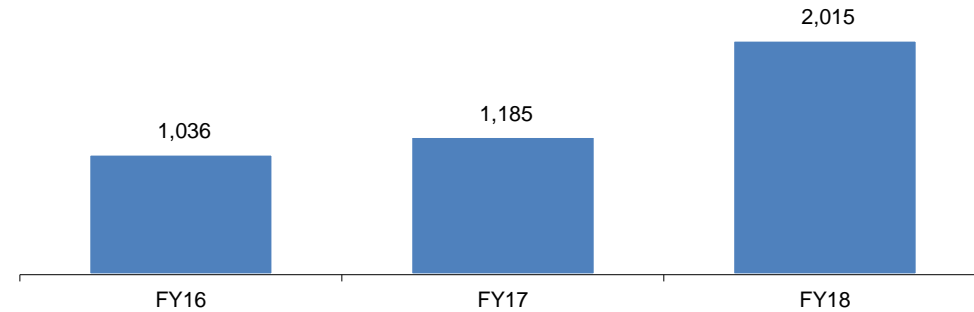
Continued positive momentum in operating revenues



EBITDA margin improvement of 990 bps from FY15 to Q1 FY19



Cashflow from operations (US\$m) ^(d)



Note: 1 USD = 72.5975 INR, RBI Reference Rate as of 28th Sep 18, consolidated financials

(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

(d) Excluding income taxes paid

Source: Company data

5 Prudent leverage management

Publicly stated financial policies



Focused leverage management

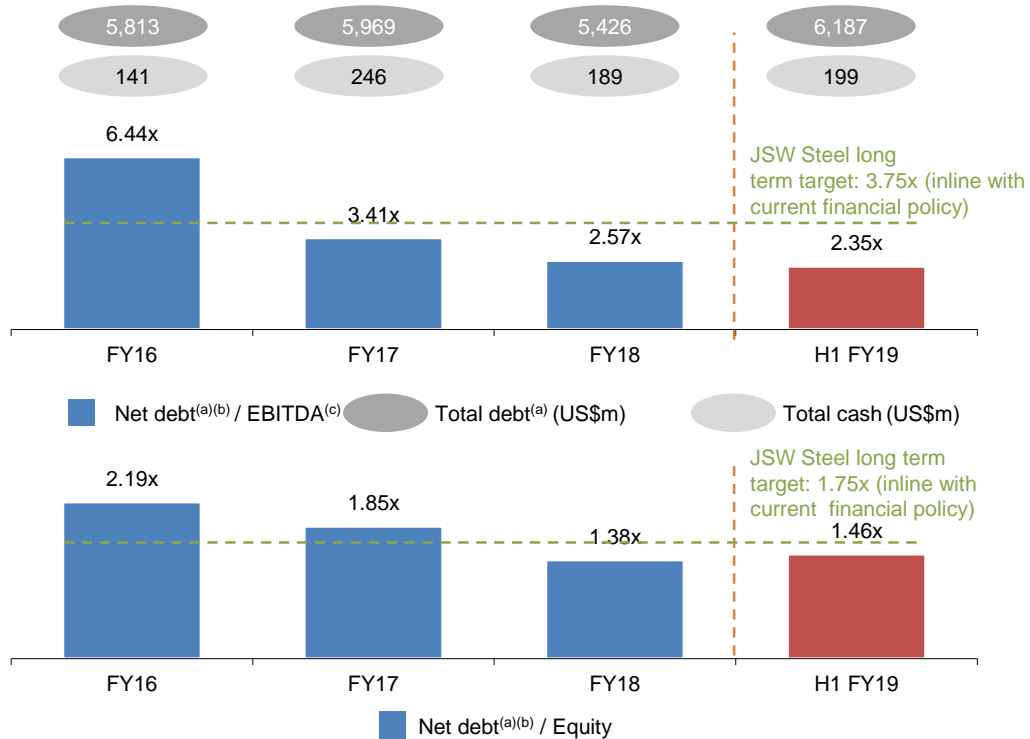


Diversify funding sources

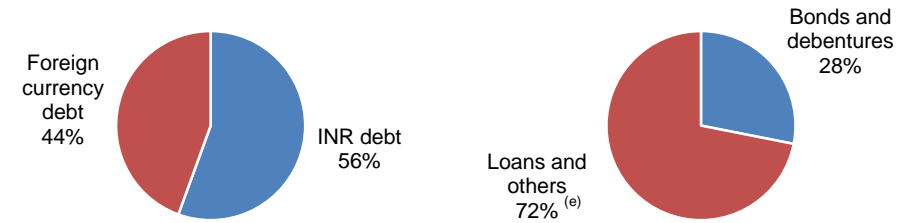


Improve debt maturity profile

Strong y-o-y profitability improvement -> reduction in net leverage

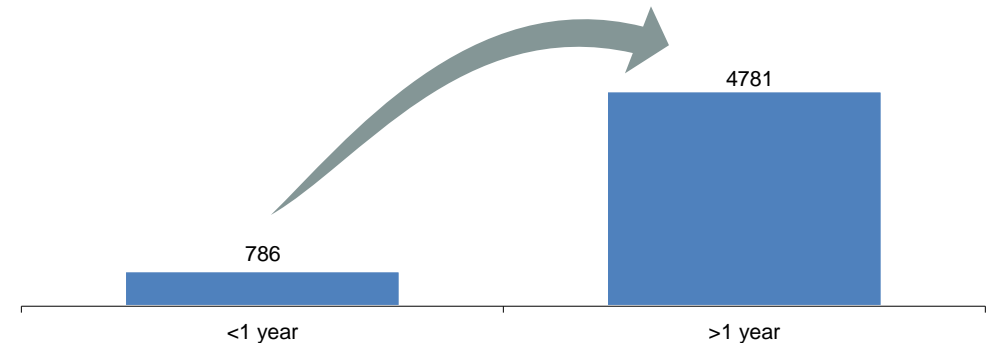


Diverse sources of funding ^(d)



- ✓ Financial flexibility to raise capital
- ✓ Strong relationships with over 50 banks / financial institutions with access to low cost credit
- ✓ Healthy mix with 44% of debt being foreign currency

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



Note: 1 USD = 72.5975 INR, RBI Reference Rate as of 28th Sep 18, consolidated financials

(a) Debt excludes acceptances

(b) 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

(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

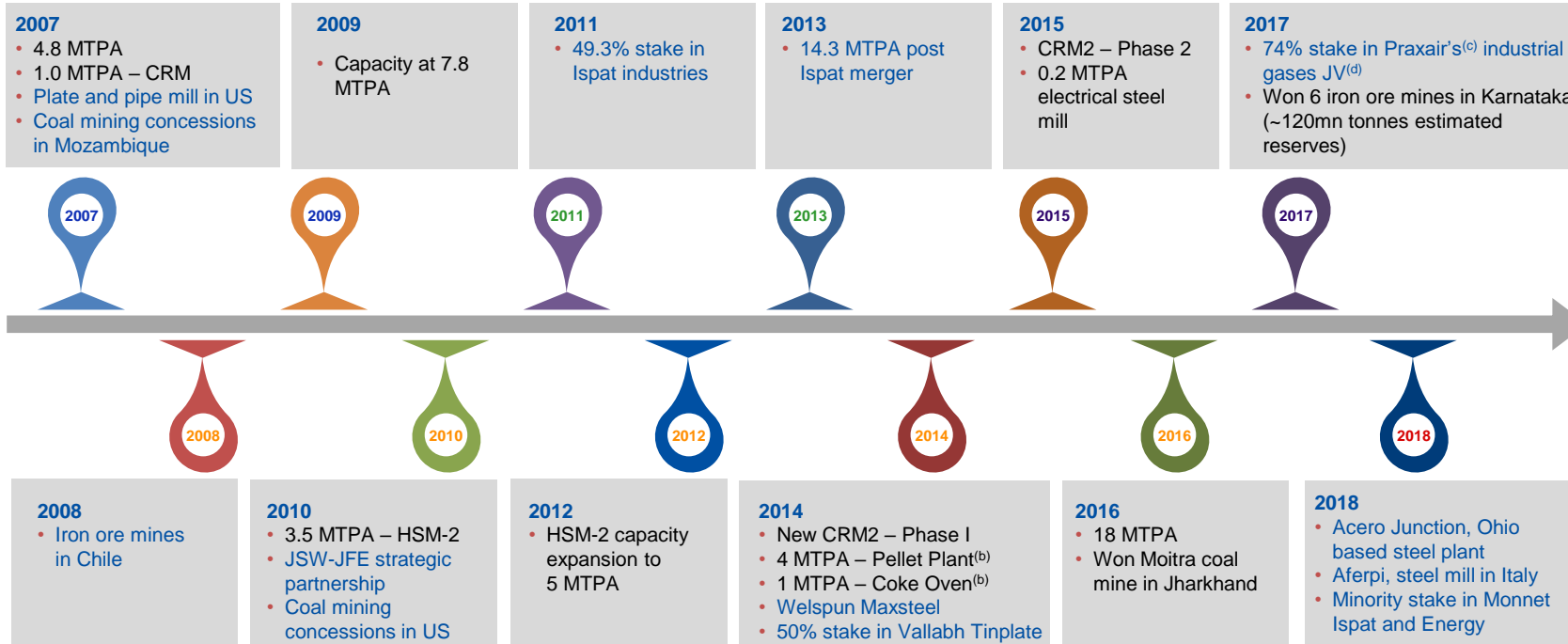
(d) As of 30-Sep-2018

(e) Excluding preference share capital and unamortized upfront fees

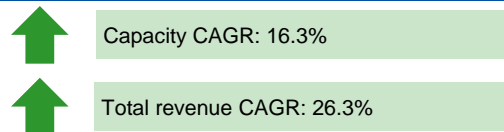
(f) Comprises only term loans, as of 30-Sep-2018

6 Proven track record of growth through organic and inorganic expansions

Combination of organic and inorganic growth



CAGR FY2002 – FY2018



Continuously evaluating opportunities to deliver value enhancing growth

Key new projects

India

- Dolvi: Ongoing capacity expansion from 5 MTPA to 10.66 MTPA
- Vijayanagar: Augmentation to 13 MTPA, BF-3 revamp and upgradation, CRM-1 complex capacity expansion
- Salem: Capacity expansion to 1.2 MTPA
- Vasind and Tarapur: Modernization-cum-capacity enhancement

International

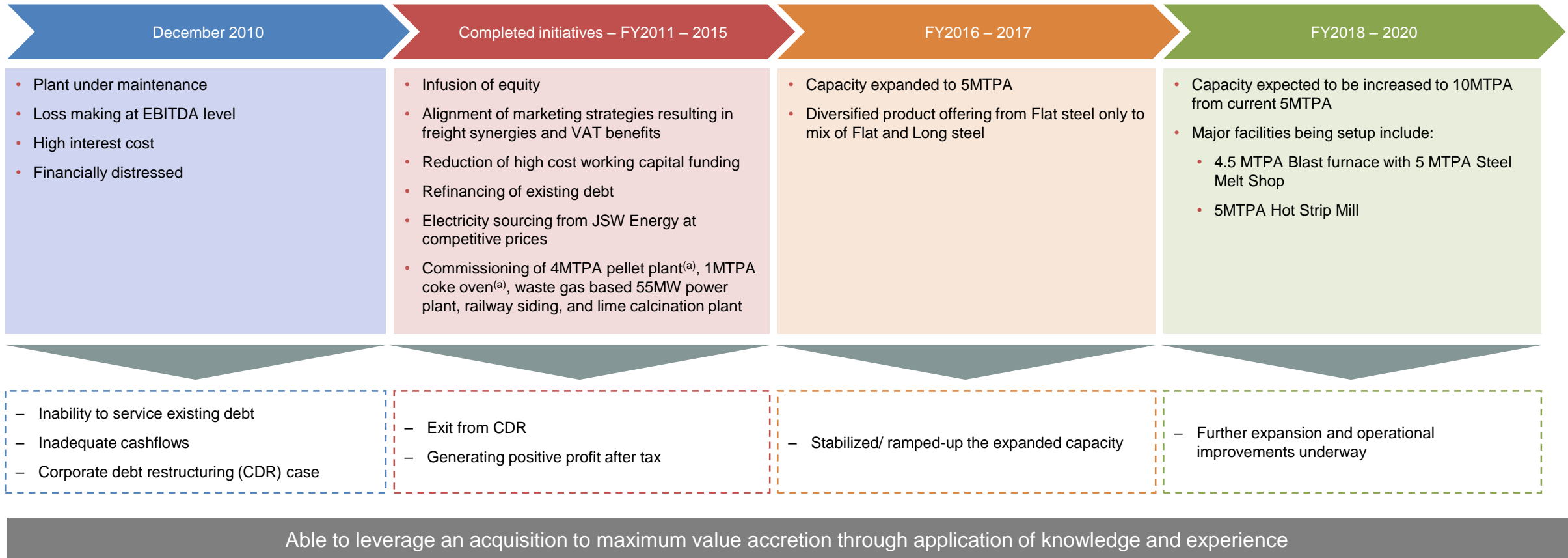
- Investment of USD 500mn, in phases, to develop steel manufacturing infrastructure in Baytown, Texas
 - USD 150mn brownfield investment to augment existing unit capabilities
 - Up to USD 350mn to setup a new hot end facility
- Integration of acquired Aferpi to build a strong foothold in the Italian and European markets
- Investment of upto US\$500m, in phases, to acquire and upgrade Acero Junction Inc, steel manufacturing unit at Ohio

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

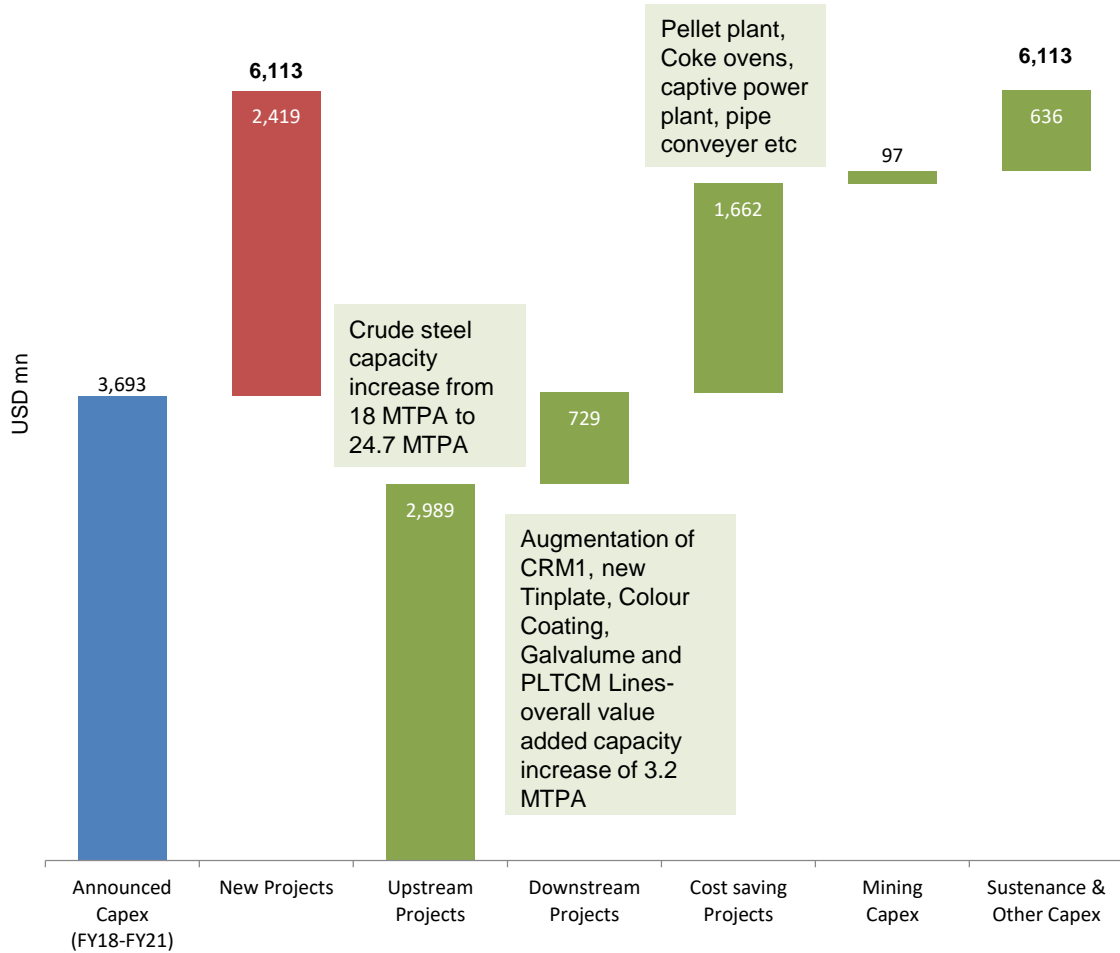
JSW Steel has a proven track record of identifying, acquiring and integrating assets creating synergies and optimizing costs



(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



...based on a well thought-out guidelines / strategic rationale



Focus on return metrics instead of pure capacity addition



Well planned spread-out of capex into phases with run-rate value addition at the end of each phase



Funding for capex well thought-out with a significant percentage being funded through internal accruals



Track record of successful project execution on-time and within budget

Note: 1 USD = 72.5975 INR, RBI Reference Rate as of 28th Sep 18

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



Gunjan Krishna, 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 July 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 largest steel manufacturers in India^(a)
- One of the largest steel exporters in India^(a)
- 58% share of VASP and special products^(b)



Strong asset portfolio

- Geographically diversified with manufacturing facilities in South and West India
- Focus on flat steel products (approximately 70% 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
- Lower cost from recently commenced captive iron ore mines with cumulative capacity of 5 MTPA
- Two of the five iron ore mines already operational
- Planned capex and brownfield expansions to further catalyze growth



Strong growth with improving leverage and robust financial profile

- 12.7% saleable steel CAGR and 26.2% revenue CAGR FY16-18
- 990 bps EBITDA margin expansion from FY16 through H1 FY19
- Strong balance sheet position with net leverage reduced from 6.44x in FY16 to 2.35x^(c) in H1 FY19

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



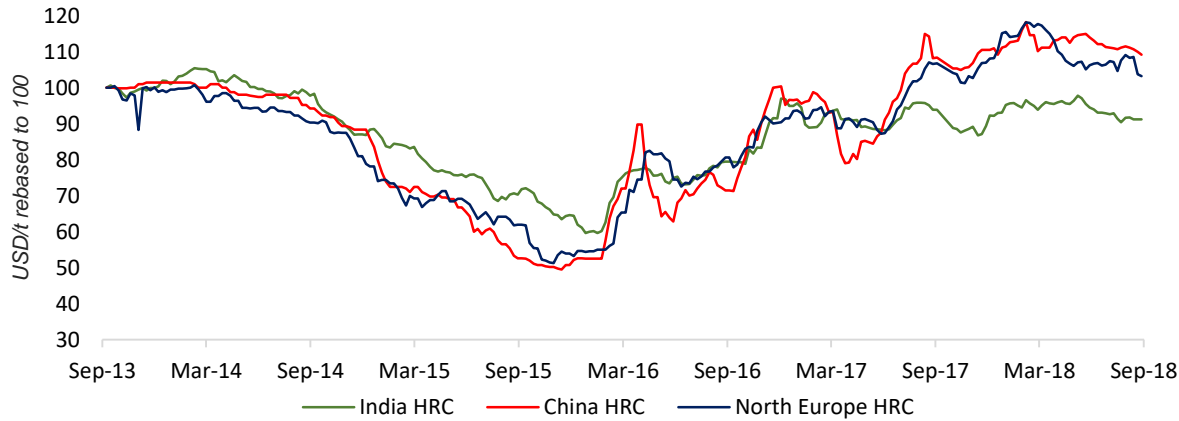
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Key highlights

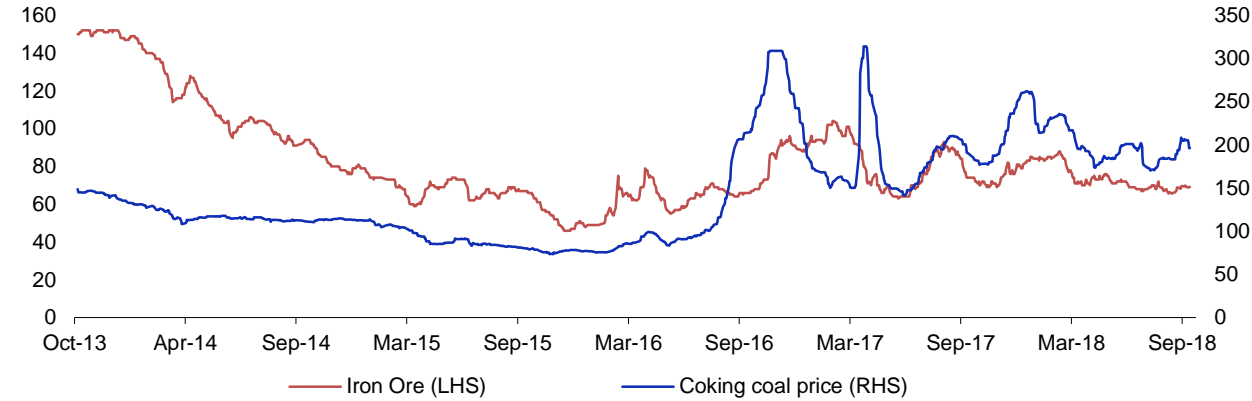
Appendix

Strong momentum in steel prices, with increase faster than raw material cost rise leading to positive spread

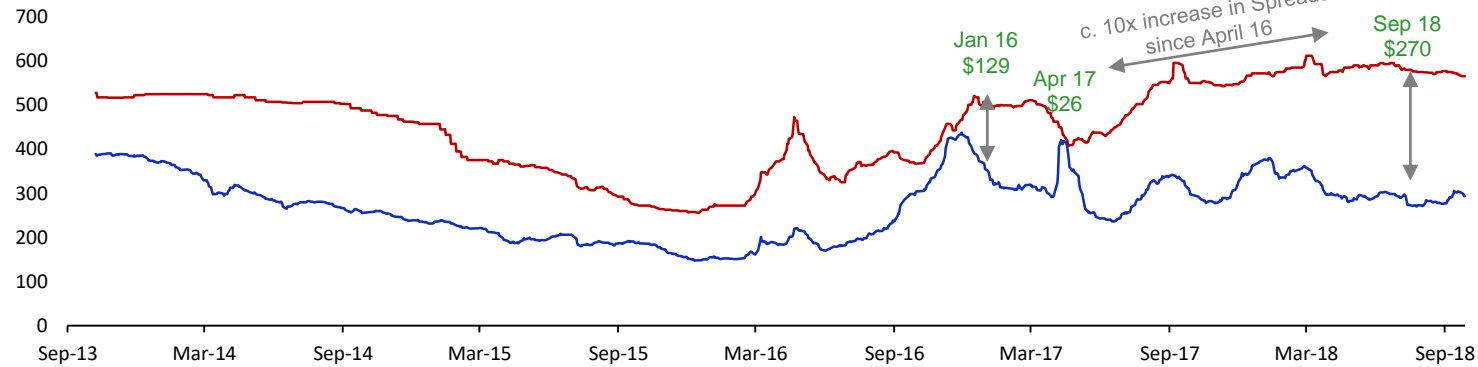
Steel prices have trended upward since Q4 CY15



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



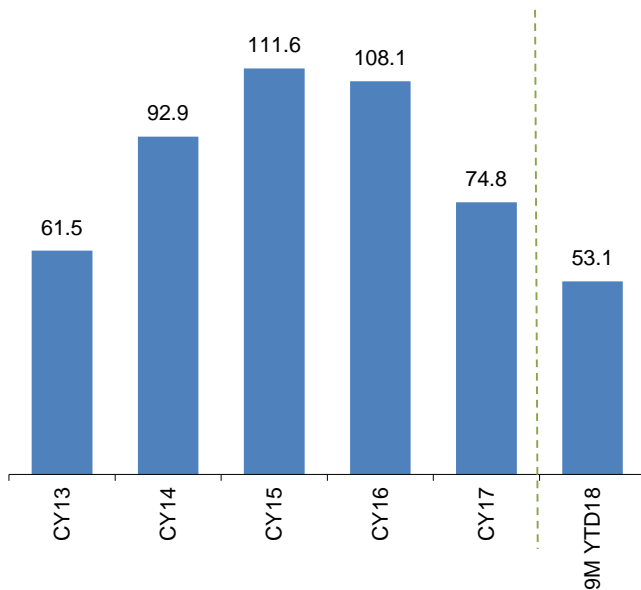
Steel spreads (US\$/tonne) ^(c)



- (a) SBB premium hard coking coal - FOB east coast port
- (b) Iron-Ore delivered to Qindago China - 62% ferrous content
- (c) Raw material costs calculated as 1.7 times the Iron ore prices plus 0.9 times coking coal prices

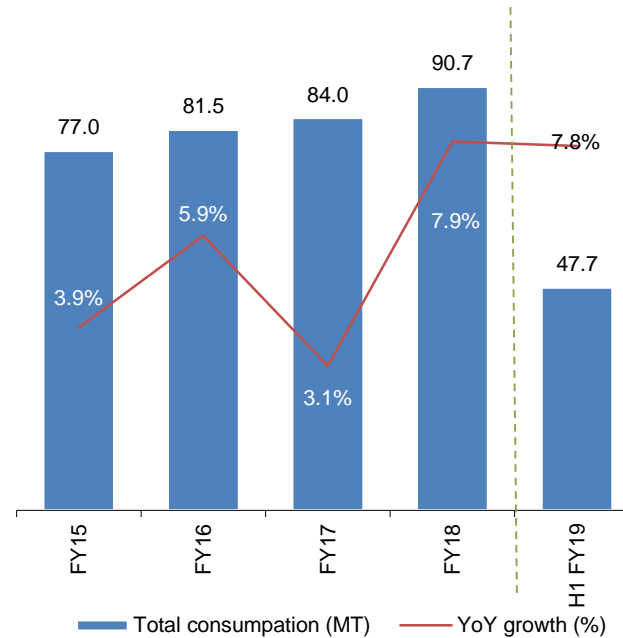
Reducing Chinese steel exports supplemented with strong fundamentals for domestic consumption growth

China steel exports (MTPA)



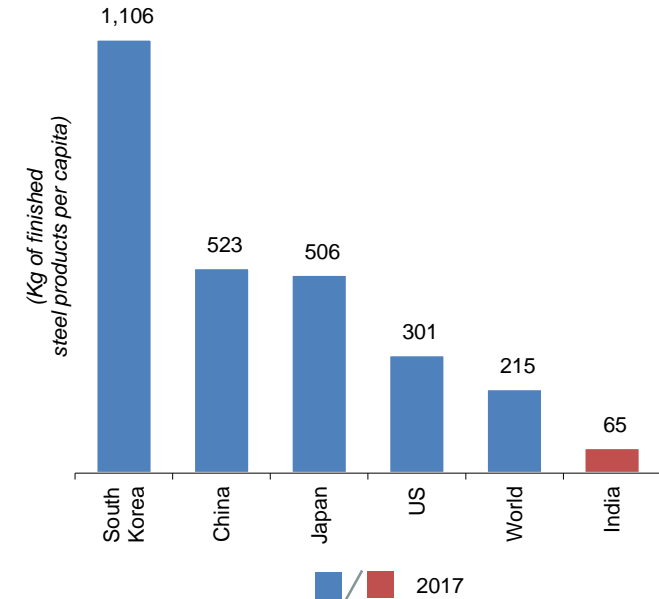
- ✓ China has closed most of its outdated and inefficient induction furnaces
- ✓ The government has introduced pollution-induced production curtailments
- ✓ Strong domestic demand in China

Positive India steel consumption environment



- ✓ Total consumption of steel was 90.7 MT in FY18 as compared to 84.0 MT in FY17
- ✓ Real steel consumption has grown at a CAGR FY08-FY18 of 5.7%
- ✓ Strong growth in steel end-user sector to drive demand

Significant room for improvement in per-capita consumption in India



- ✓ Lower per capita consumption compared to international average
- ✓ Infrastructure, oil and gas and automotives expected to drive the growth of the industry
- ✓ Improving policy support from the central government

Source: WSA, IBEF, Joint Plant Committee, World Steel Association, National Steel Policy 2017

Consolidated Financials



Particulars (US\$m)	FY16	FY17	FY18 ^(a)	H1-FY18 ^(a)	H1-FY19
Operating revenue	6,333	8,339	10,085	4,630	5,795
Operating EBITDA ^(b)	822	1,677	2,038	779	1,379
% margin	13.9%	20.1%	20.2%	16.8%	23.8%
Profit before tax	(340)	706	1,048	299	881
Profit after tax	(66)	478	842	201	610
Shareholder's equity ^(c)	2,586	3,086	3,793	3207	4,238
Net Debt	5,673	5,723	5,237	5890	6,187
Net Debt / Equity	2.19x	1.85x	1.38x	1.87	1.46x
Net Debt / EBITDA	6.44x	3.41x	2.57x	3.67	2.35x

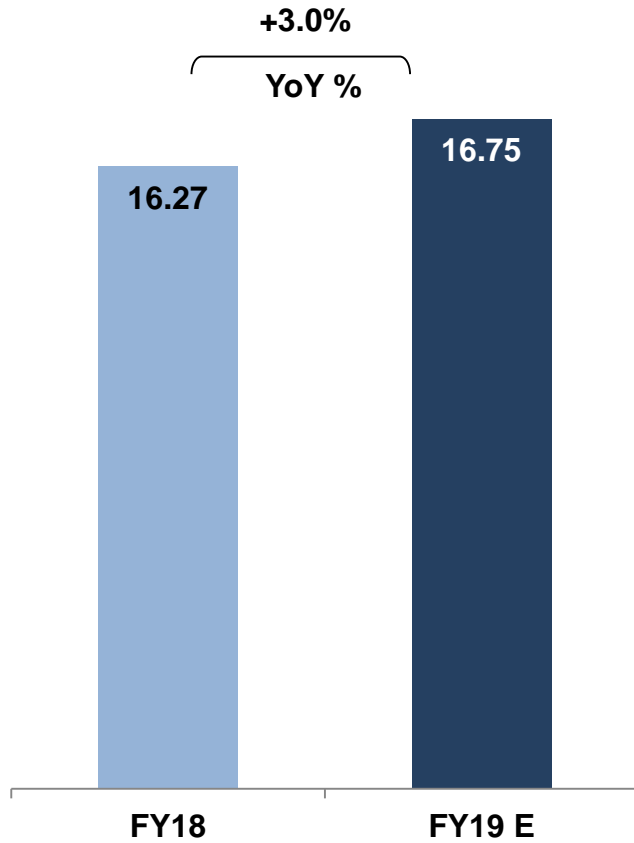
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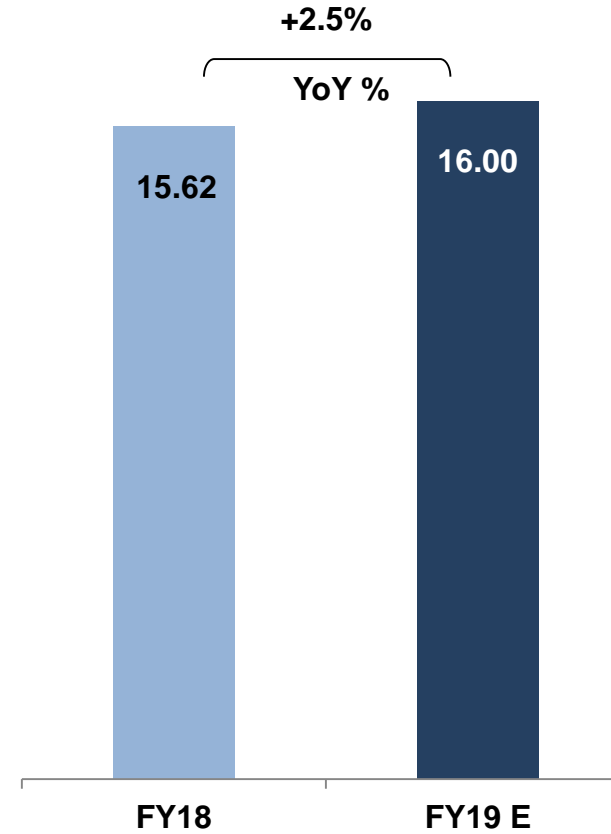
Note 3: EBITDA calculated as total profit/(loss) for the year/period +(-) share of profit/ loss from associate + (-) share of profit / loss from joint ventures (net) +(-) taxes/(benefit) + exceptional items + depreciation and amortization expense + finance costs - other income

- (a) FY18 and H1-FY18 financials restated
- (b) EBITDA based on group definition
- (c) Includes minority interest

Volume guidance for FY19



Crude Steel Production



Saleable Steel Sales

All figures are in million tonnes

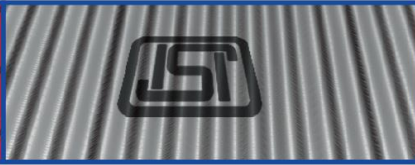
Dolvi: increasing steel making capacity to 10 MTPA	<ul style="list-style-type: none">➤ Total project cost – ₹15,000 crore (USD \$2,066M)➤ Total capacity will be increased from 5 MTPA to 10 MTPA. The major facilities to be set-up under the expansion project are:<ul style="list-style-type: none">▪ 4.5 MTPA Blast furnace with 5 MTPA Steel Melt Shop▪ 5 MTPA Hot Strip Mill➤ Commissioning: by March 2020
Dolvi Augmentation to 10.66 MTPA	<ul style="list-style-type: none">➤ Total project cost – ₹1,375 crore (USD \$189M)➤ Increase DRI Capacity in Salav from 0.9 MTPA to 1.6 MTPA➤ Modify and augment SMS at Dolvi for Hot Charging of DRI➤ Commissioning: by March 2020
Vijayanagar Augmentation to 13 MTPA	<ul style="list-style-type: none">➤ Total project cost – ₹2,300 crore (USD \$317M)➤ Enhance SMS capacity, augment existing HSM and Wire Rod Mills to support enhanced BF-3 capacity➤ Commissioning: by March 2020

Note: 1 USD = 72.5975 INR, RBI Reference Rate as of 28th Sep 18

Vijayanagar: CRM-1 complex capacity expansion	<ul style="list-style-type: none">➤ Total project cost – ₹2,000 crore (USD \$275M)➤ CRM1 complex capacity will be increased from 0.85 MTPA to 1.80 MTPA alongwith two Continuous Galvanizing Line of 0.45 MTPA each, a new 1.2 MTPA Continuous Pickling Line for HRPO products➤ Commissioning: by September 2019
Vasind and Tarapur: modernisation-cum-capacity enhancement	<ul style="list-style-type: none">➤ Total project cost – ₹1,730 crore (USD \$238M)➤ The modernisation cum capacity enhancement project includes:<ul style="list-style-type: none">▪ increase in GI/GL capacity by 1.08 MTPA▪ increase in colour coating capacity by 0.28 MTPA➤ Commissioning: by September 2019
Downstream: modernisation-cum-capacity enhancement	<ul style="list-style-type: none">➤ Total project cost – ₹940 crore (USD \$129M)➤ The modernisation cum capacity enhancement project includes:<ul style="list-style-type: none">▪ Setting up Color Coating Line at Vijayanagar of 0.3 MTPA▪ Additional Tinsplate Line at Tarapur 0.2 MTPA▪ Capacity enhancement of PPGL at Kalmeshwar by 0.22 MTPA➤ Commissioning: between September 2019 and March 2020

Vijayanagar: Manufacturing Integration	<ul style="list-style-type: none">➤ Total project cost – ₹5,200 crore (USD \$716M)➤ Pellet plant 8 MTPA➤ Coke oven battery 1.5 MTPA➤ Commissioning: by March 2020
Dolvi – Captive Power	<ul style="list-style-type: none">➤ Total project cost – ₹975 crore (USD \$134M)➤ Instal 175 MW WHRB and 60 MW CPP to harness flue gases and steam from CDQ➤ Commissioning: by March 2020
Dolvi Coke Projects Phase 2	<ul style="list-style-type: none">➤ Total project cost – ₹2,050 crore (USD \$282M)➤ Phase 2: Second line of 1.5 MTPA coke oven battery along with CDQ➤ Commissioning: by June 2020

Note: 1 USD = 72.5975 INR, RBI Reference Rate as of 28th Sep 18



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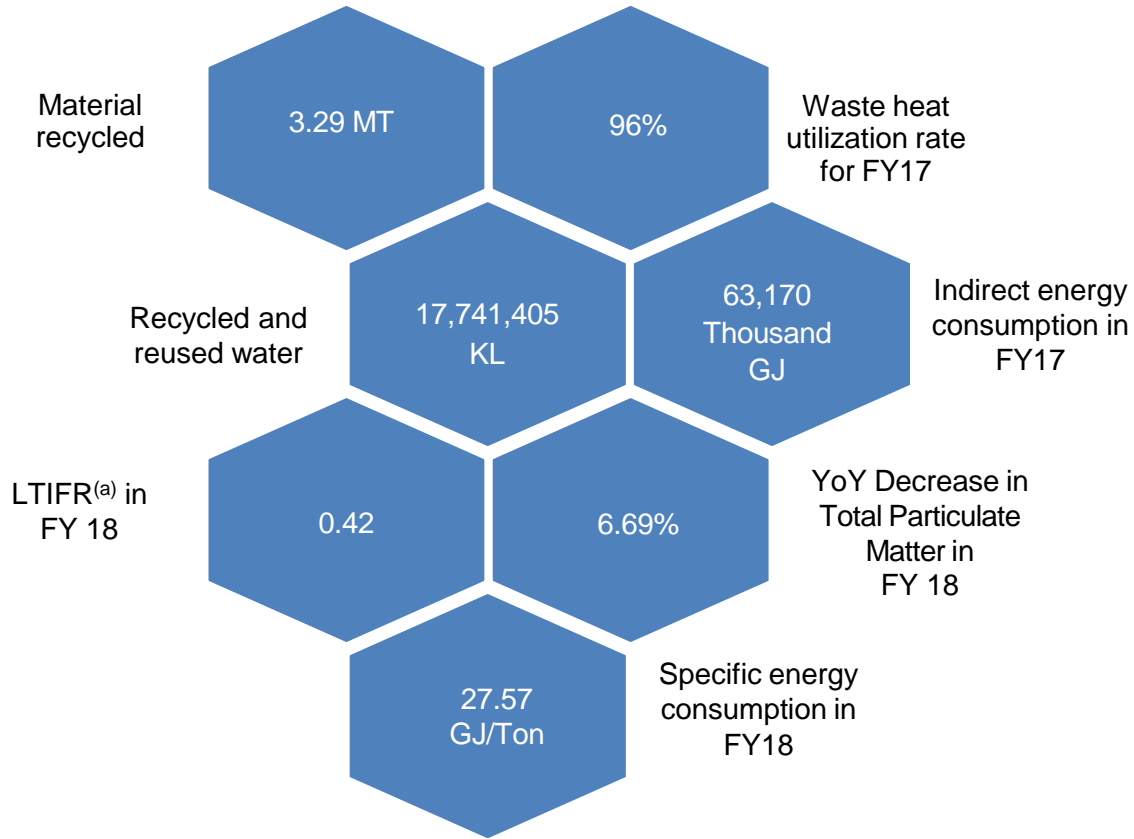
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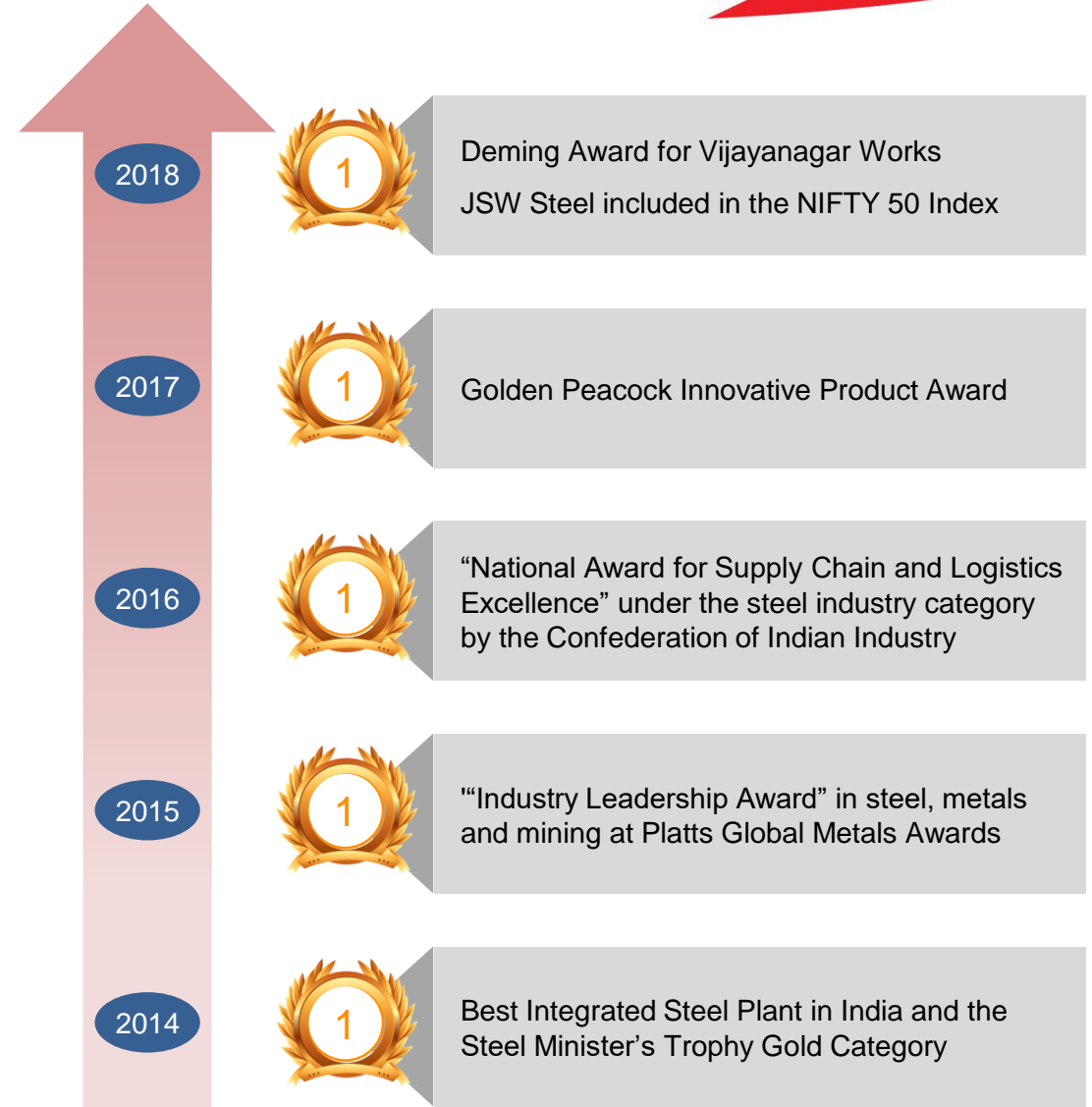


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Performance on sustainability metrics



(a) Lost time injury frequency rate



The background features a dense pattern of blue wire coils in the upper half, transitioning into abstract, flowing curves of red, white, and blue in the lower half. The text "Thank you" is centered in the upper-middle section.

Thank you