

PRESS RELEASE

FINANCIAL RESULTS FOR FIRST QUARTER FY 2018-19

JSPL : Doubles Revenues & More than Doubles Operating Profits

- 1QFY19 Consolidated PAT Rs. 110 Cr
- 1QFY19 Standalone PAT Rs. 332 Cr
- 1QFY19 Consolidated EBITDA up 68% YoY
- 1QFY19 Standalone EBITDA up 119% YoY

JSPL Standalone 1QFY19 Performance (YoY):

- Turnover : Rs. 6,734 Cr; increased by 100%
- EBITDA: Rs. 1,645 Cr; increased by 119%
- EBITDA Margin: 24%
- Crude Steel Production: 1.22 million tonnes
- Steel Sales: 1.19 million tonnes

JSPL Consolidated 1QFY19 Performance (YoY):

- Turnover : Rs. 9,665 Cr; increased by 71%
- EBITDA : Rs. 2,277 Cr; increased by 68%
- EBITDA Margin: 24%
- EBITDA – Oman : US\$ 68 mn
- Crude Steel Production: 1.65 million tonnes
- Steel Sales: 1.61 million tonnes

JPL 1QFY19 Performance (YoY):

- Turnover : Rs. 968 Cr
- EBITDA : Rs. 314 Cr
- EBITDA Margin: 32%

1. JSPL Standalone Performance

JSPL Standalone Steel production rose 36% in the reported quarter to 1.22 million tonnes (0.90 million tonnes in 1QFY18) while Standalone Steel sales during 1QFY19 increased to 1.19 million tonnes (up 46% YoY). The Company's Angul plant continues to ramp up steadily and is being stabilized at different levels of production. Production at Angul this quarter was approx. 2.5x of volumes produced in 1QFY18. The Company believes this gradual and steady growth shall help the

Angul facility reach its optimum utilization with better efficiencies.

The revenues for JSPL Standalone came in at Rs. 6,734 Cr (up 100% YoY, adjusted for Excise Duty/GST changes). The rise in sales realization has led to an increase in EBITDA in 1QFY19 by 119% YoY to Rs. 1,645 Cr despite of rising raw materials' costs. The Company reported an expansion in the EBITDA margins for 1QFY19, which came at 24% as compared to 1QFY18 (22%). JSPL Standalone reported Profit After Tax of Rs. 332 Cr as compared to a loss of Rs. 178 Cr in 1QFY18.

During 1QFY19, production of pellets increased by 4% YoY to 1.76 million tonnes and the company achieved external sales of pellets of 0.83 MT during 1QFY19.

2. JSPL Consolidated Performance

JSPL produced 1.65 million tonnes on the Consolidated level (up 31% from 1.27 million tonnes in 1QFY18) and sold 1.61 million tonnes (up 40% from 1.15 million tonnes in 1QFY18).

JSPL reported Consolidated Revenues of Rs. 9,665 Cr (up 71% YoY, adjusted for Excise Duty/GST changes) while Consolidated EBITDA increased to Rs. 2,277 Cr from Rs. 1,353 Cr (in 1QFY18), up 68% YoY. JSPL Consolidated Profits After Tax jumped from a loss of Rs. 421 Cr in 1QFY18 to a profit of Rs. 110 Cr in 1QFY19.

Net Debt to EBITDA (rolling basis) at the end of 1QFY19 stood at 4.68x as compared to 8.2x in 1QFY18. The Consolidated net debt came down this quarter, excluding the impact of foreign currency.

3. Jindal Power Ltd (JPL)

With better coal availability, coal costs reduced in 1QFY19 as compared to 4QFY18. JPL generated 2,751 units in the reported June quarter as compared to 2,310 units in 4QFY18 (19% QoQ increase).

The revenue for 1QFY19 decreased by 10% compared to the same quarter in FY18. EBITDA margin for the quarter ending June'18 increased to 32% as compared to 28% in the previous quarter. EBITDA in 1QFY19 came in at Rs. 314 Cr (as compared to Rs. 265 Cr in 4QFY18). JPL continues to generate cash profits, which stood at Rs. 167 Cr in the reported quarter.

4. Global Ventures

4.1. Oman: During the quarter ended 30th June'2018, Jindal Shadeed recorded production of 0.43 million tonnes of crude steel (as against 0.36 million tonnes in 1QFY18). It reported EBITDA of US\$ 68 mn for 1QFY19 (vs. US\$32 mn in 1QFY18). The rebar mill at Oman achieved production of 0.31 million tonnes this quarter.

4.2. Mozambique: Mines at Mozambique produced 271 KT ROM in 1QFY19 and continues to ramp up.

4.3. Australia: During 1QFY19, Wongawilli mines continued to ramp up and produced approx. 100KT with record production of 48KT in June'18. Russell Vale mines continues to be in care & maintenance.

5. Overview and Outlook:

Steel:

IMF has projected a global growth of 3.9% for CY19. The recent upsurge in production and expected winter cuts in China need to be watched closely. Global growth outlook remains robust though rhetoric on the US-China trade wars poses some risk to it. WSA maintains CY19 growth numbers for global steel demand at 0.7%, on back of growth in India (6%) and Middle East (3.7%).

In India, demand for steel has been strong in the past couple of quarters and the buoyancy still continues, albeit seasonal price pullback due to monsoons in 2QFY19. The growth in steel demand has been recorded at 9% Y-o-Y for the last quarter and has been spread across all product segments. With Capacity utilization rates running high for most Steel producers in the country and with expectations of a muted credit growth, capacity addition seems difficult in the near term which in turn could keep these utilizations to remain high in future.

Power:

Power Demand and exchange rates showed an upward trend in the last financial year and the same trend is expected to continue in the current financial year also. With the Govt. of India stated policy

of providing 'Power for All on a 24x7 basis', the demand is expected to increase substantially. In case this is implemented in the right earnest, this is likely to result in fresh long Term PPAs by Utilities who will be obliged to fulfill 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 few months. We expect this key challenge to be mitigated significantly in the short term by expeditious implementation of coal tolling arrangement of upcoming tenders of State Governments with generators and in the long term by introduction of Commercial Mining as proposed by Govt. of India, wherein coal mining shall once again be opened up for the private sector.

STANDALONE FINANCIAL RESULTS

Year on Year (Quarter)

Parameter(in Crores of INR)	Quarter 1		Change (%)
	2018-19	2017-18	
Turnover	6,734	3,374*	+100%
EBITDA	1,645	750	+119%
EBITDA %	24%	22%	
Depreciation + Amortization	577	481	+20%
Interest	605	532	+14%
PBT (Before Exceptional)	463	(263)	
Exceptional	--	--	
PBT	463	(263)	
PAT	332	(178)	

Quarter on Quarter

Parameter	Q1 FY 18-19	Q4 FY 17-18	Change (%)
Turnover	6,734	5,752	+17%
EBITDA	1,645	1,519	+8%
EBITDA %	24%	26%	
Depreciation + Amortization	577	468	+23%
Interest	605	686	-12%
PBT (Before Exceptional)	463	364	+27%
Exceptional	--	194	
PBT	463	170	+173%
PAT	332	145	+129%

*adjusted for Excise Duty/GST changes

CONSOLIDATED FINANCIAL RESULTS

Year on Year (Quarter)

Parameter	Quarter 1		Change (%)
	2018-19	2017-18	
Turnover	9,665	5,669*	+71%
EBITDA	2,277	1,353	+68%
EBITDA %	24%	24%	
Depreciation + Amortization	1,040	962	+8%
Interest	973	901	+8%
PBT Before Exceptional	264	(510)	
Exceptional Item	--	--	
PBT	264	(510)	
PAT	110	(421)	

Quarter on Quarter

Parameter	Q1 FY 18-19	Q4 FY 17-18	Change (%)
Turnover	9,665	8,599	+12%
EBITDA	2,277	2,137	+7%
EBITDA %	24%	25%	
Depreciation + Amortization	1,040	960	+8%
Interest	973	1,071	-9%
PBT (Before Exceptional)	264	106	+149%
Exceptional	--	438	
PBT	264	(332)	
PAT	110	(426)	

*adjusted for Excise Duty/GST changes

PRODUCTION (Consolidated)

Year on Year

Product (Million Tonnes)	Quarter 1		Change (%)
	2018-19	2017-18	
Steel*	1.65	1.27	+31%
Pellets	1.76	1.69	+4%

Quarter on Quarter

Product (Million Tonnes)	Q1 FY 18-19	Q4 FY 17-18	Change (%)
Steel*	1.65	1.72	-4%
Pellets	1.76	1.84	-4%

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

SALES (Consolidated)

Year on Year

Product (Million Tonnes)	Quarter 1		Change (%)
	2018-19	2017-18	
Steel Products*	1.61	1.15	+40%
Pellets (External sales)	0.83	0.61	+37%

Quarter on Quarter

Product (Million Tonnes)	Q1 FY 18-19	Q4 FY 17-18	Change (%)
Steel Products*	1.61	1.66	-3%
Pellets (External sales)	0.83	0.74	+12%

*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 1		Change (%)
	2018-19	2017-18	
Turnover	968	1,079	-10%
EBITDA	314	468	-33%
EBITDA%	32%	43%	
Depreciation + Amortization	329	373	-12%
Interest	216	227	-5%
PBT	(163)	(62)	
PAT	(134)	(32)	
Cash Profit	167	310	-46%
Generation (million units)	2,751	3,186	-14%

Quarter on Quarter

Particulars(in Crores of INR)	Q1 FY 18-19	Q4 FY 17-18	Change (%)
Turnover	968	952	+2%
EBITDA	314	265	+18%
EBITDA%	32%	28%	
Depreciation + Amortization	329	377	-13%
Interest	216	237	-9%
PBT	(163)	(282)	
PAT	(134)	(272)	
Cash Profit	167	98	+71%
Generation (million units)	2,751	2,310	+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.