



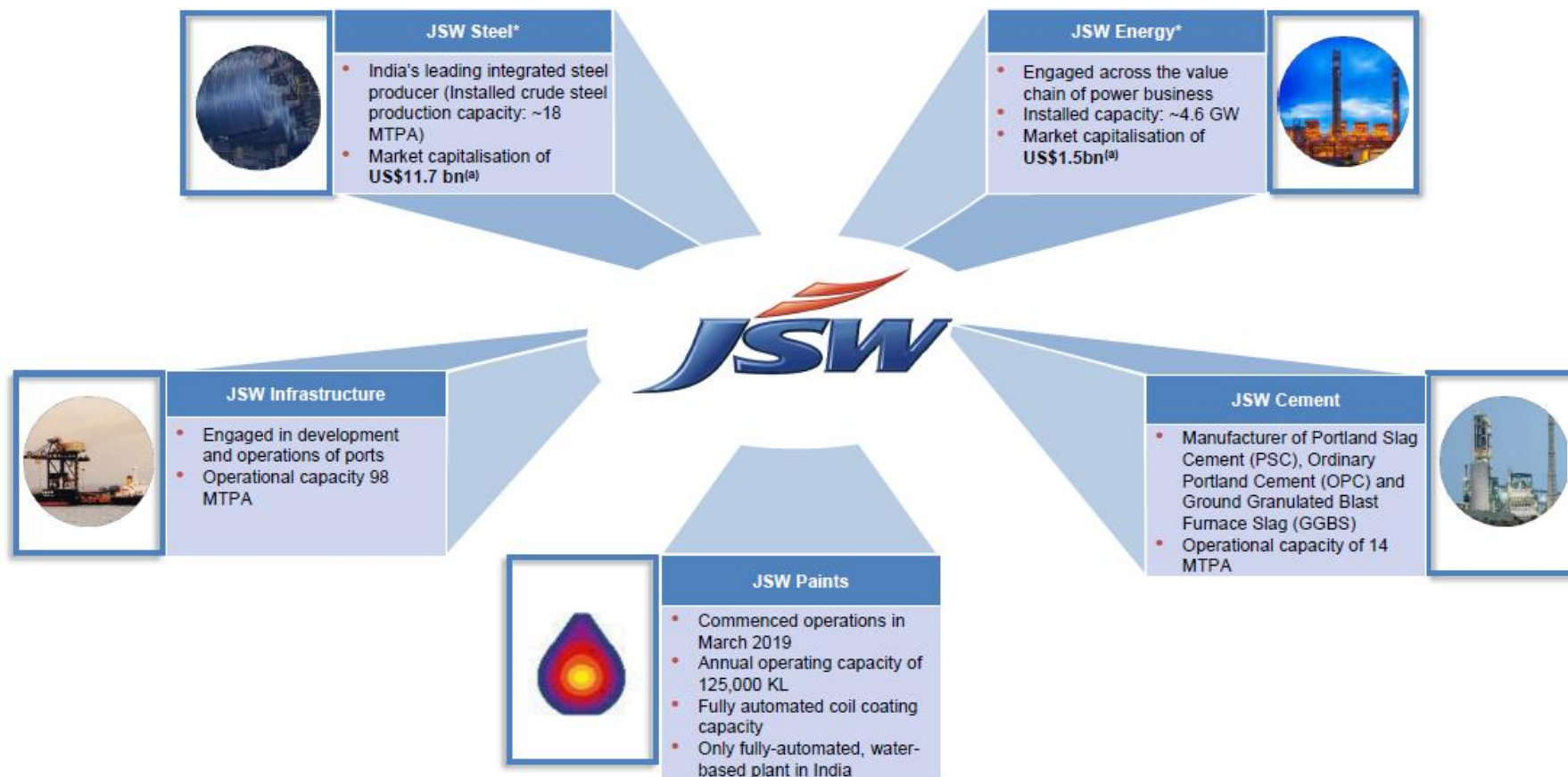
JSW Ispat Special Products Ltd.

Formerly known as Monnet Ispat & Energy Ltd.

Corporate Presentation

May 2021

JSW Group overview



Presence across the core sectors

JSW Ispat Special Products Ltd. (JISPL) was acquired jointly by a consortium of JSW Steel Limited and AION Investments Private Limited (AION)

*Listed Company

(a) USDINR = 73.68 as of 11th December 2020

Source: Company reports

Apollo overview

Firm Profile

Founded: 1990

AUM: ~\$461 bn¹

Employees: 1,700+

Offices Worldwide: 15

Private Equity

159 Investment Professionals

\$90 bn in AUM¹

Credit

260+ Investment Professionals

\$323 bn in AUM¹

Real Assets

107 Investment Professionals

\$48 bn in AUM¹

Key Attributes

Value-oriented, contrarian approach

Opportunistic across market cycles

Integrated platform across asset classes and geographies

Deep industry knowledge

Global Footprint

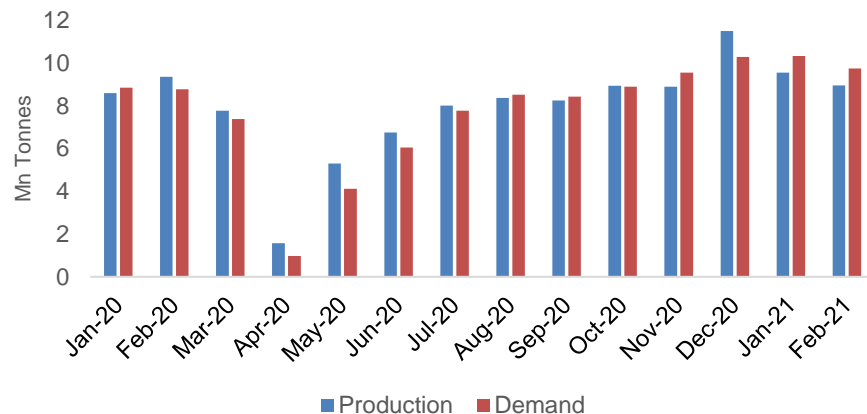


AION is an affiliate entity of Apollo

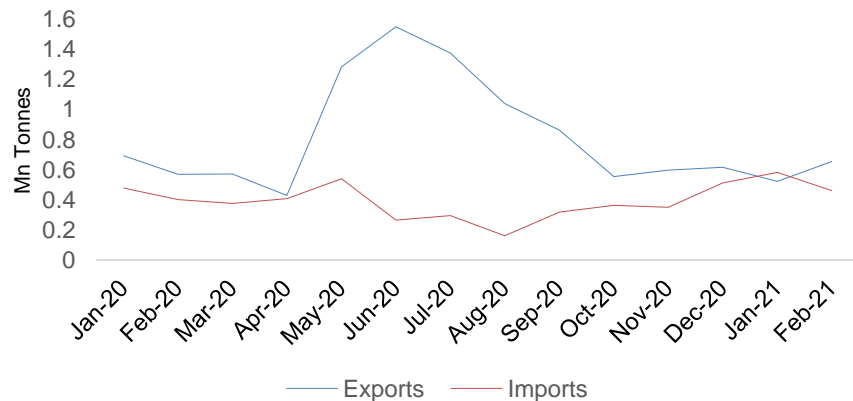
(1) As of Q1 2021

India steel sector well positioned to ride the upcycle

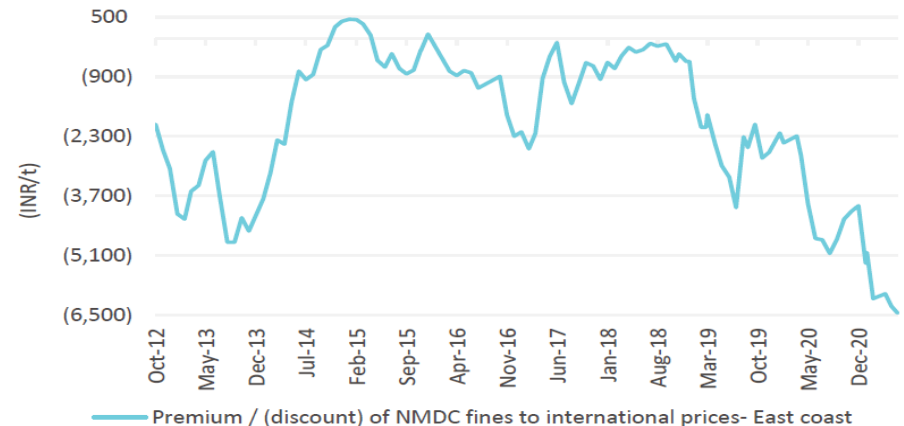
Finished steel demand has picked up in line with production



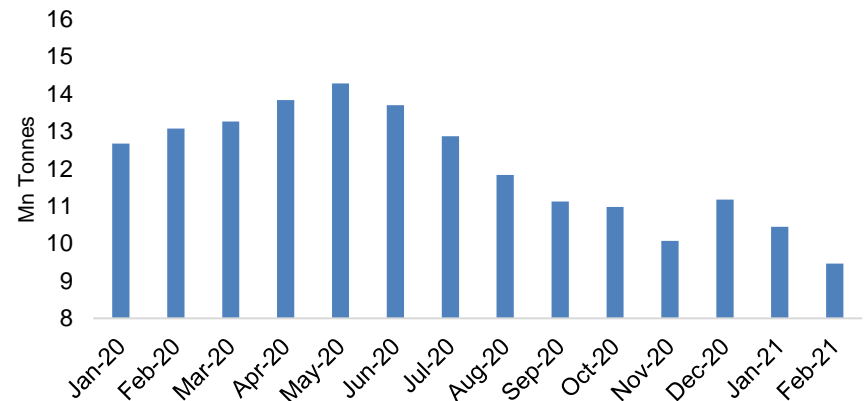
India continues to be net exporter of finished steel given cost advantage (iron ore at 48% discount to global prices)



Domestic iron ore prices are at 48% discount to global iron ore prices

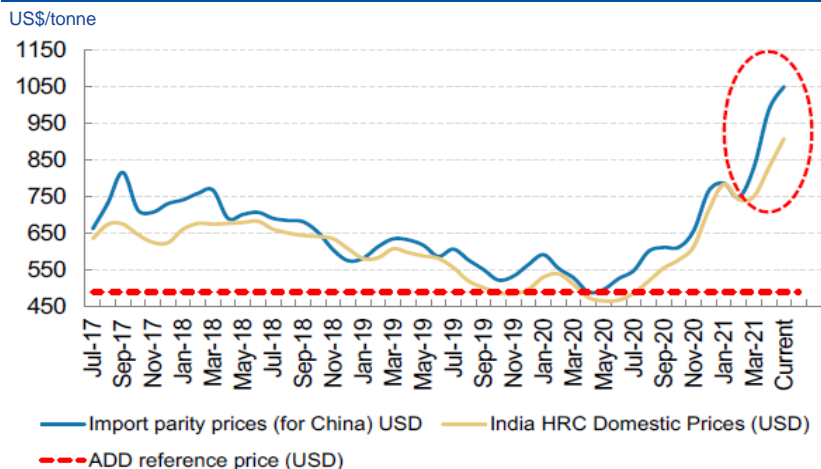


As a result, India's finished steel inventory is depleting and is likely to come down further

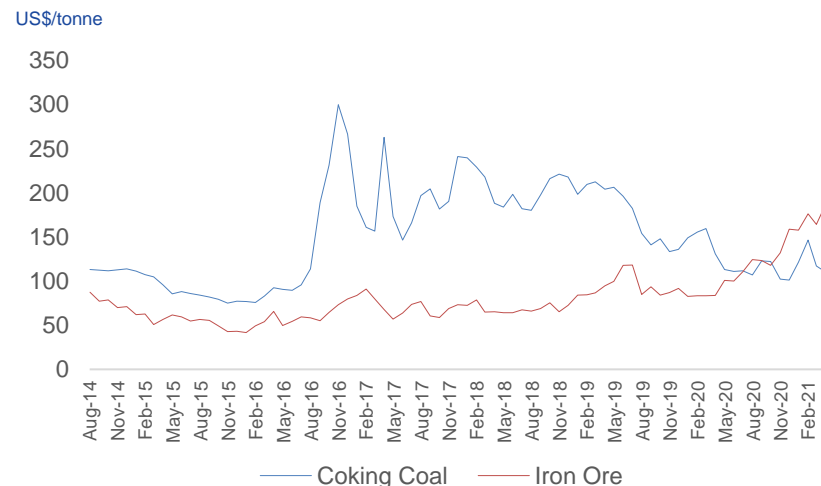


While global steel prices and spreads have rallied, India steel prices still at a significant discount to global prices

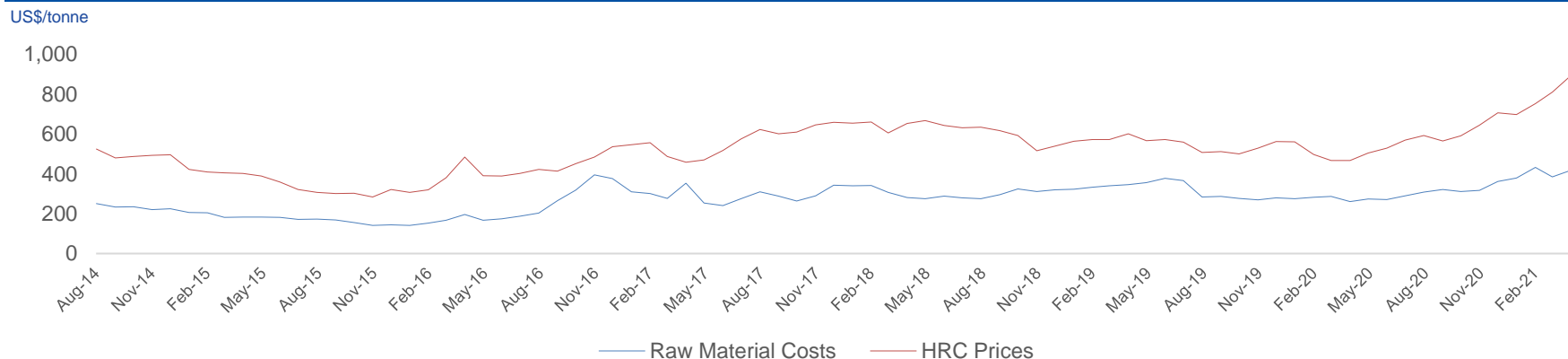
India's HRC prices have rallied due to production cuts & reduction of export rebates by China but are still at 14% discount to China HRC landed price



While international iron ore^(a) prices remain elevated, seaborne hard coking coal^(b) prices remain stable and support margins for Indian players



....leading to enhanced spreads ^(c)



- (a) Iron Ore 62% CFR China Index
 (b) FOB Australia Hard Coking Coal
 (c) Raw material costs calculated as 1.7 times the Iron ore prices plus 0.9 times coking coal price

The current upcycle is likely to sustain on the back of structural changes

Change in China's policy stance

- ✓ Announcement and implementation of production curtailments in Tangshan and Handan in Hebei province in China
- ✓ Removal of 13% export tax rebate by China which has led to India HRC domestic prices trading at a 14% discount^(a) to import parity prices for China despite Indian steel producers having taken four steel price hikes since April 2020
- ✓ As a result, India's steel products continue to have headroom for price increases

Favorable demand supply scenario

- ✓ There have been muted capacity additions over the last few years with no major expansion plans worldwide which can replace Chinese exports leading to continued supply side constraints
- ✓ Global steel demand is expected to grow at 5.8% YoY^(b) in CY21E and exceed the pre-COVID demand. The growth is expected to be largely driven by resurgence in construction, automotive and machinery sectors. US has planned an infrastructure push of \$3 trillion which is likely to further boost steel demand
- ✓ Manufactured goods inventory is at the lowest level in US over the last 25 years^(c) which has increased the lead time for steel products to record highs

Domestic raw material prices at a discount to global prices

- ✓ Domestic iron ore prices at an c. 48% discount^(d) to the landed price of imported iron ore results in higher margins for domestic steel producers and greater competitiveness in the global export market
- ✓ Global iron ore supply ramp-up has been slower than expected. In Q2CY21, the global iron ore supply is expected to decline by 2% YoY^(e) resulting in high iron ore prices sustaining

(a) Source: Bloomberg, Morgan Stanley Research
(b) Source: World Steel Association (WSA)
(c) Source: Bloomberg, Edelweiss Research
(d) Source: Bloomberg, Edelweiss Research
(e) Source: Bernstein's iron ore shipment estimates

JISPL overview

Business Overview

Among the top 10 integrated steel plants in India located in Chhattisgarh with:

- a) **0.95 MTPA** integrated operational steel plant at **Raigarh**
- b) Direct Reduced Iron (“DRI”) process-based sponge iron plant with capacity of **0.3 MTPA**, a **steel melting capacity of 0.25 MTPA** and **0.044 MTPA ferro alloy** at its facility at **Raipur**

➤ Salient features of Raigarh facility

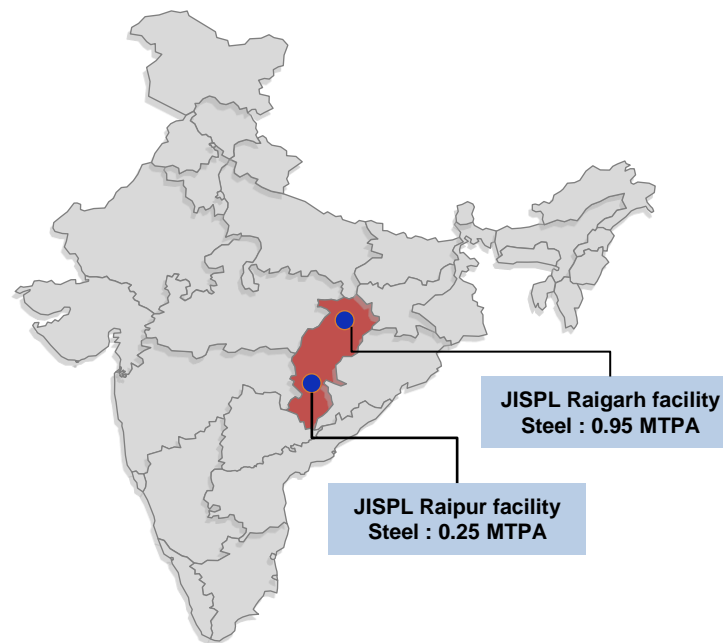
- Company’s proximity to mineral rich belt gives it an advantage to source iron ore and coal. The company now also has continuous, reliable & easy access to JSW Mines for Ore
- JISPL is flexible to **import coke or coking coal and get it converted at local cookeries** with favorable long-term arrangements
- **Balanced route of production** with c.50% of steel production possible through the blast furnace route (using coking coal) with the balance using the direct reduced iron route (using thermal coal)
- Product targeted towards **specialized applications (alloy steel)** having higher realizations & margin

- **Raipur facility:** Steel plant with capacity of 0.25 MTPA catering into various industrial constructions

Strategic Plant Location

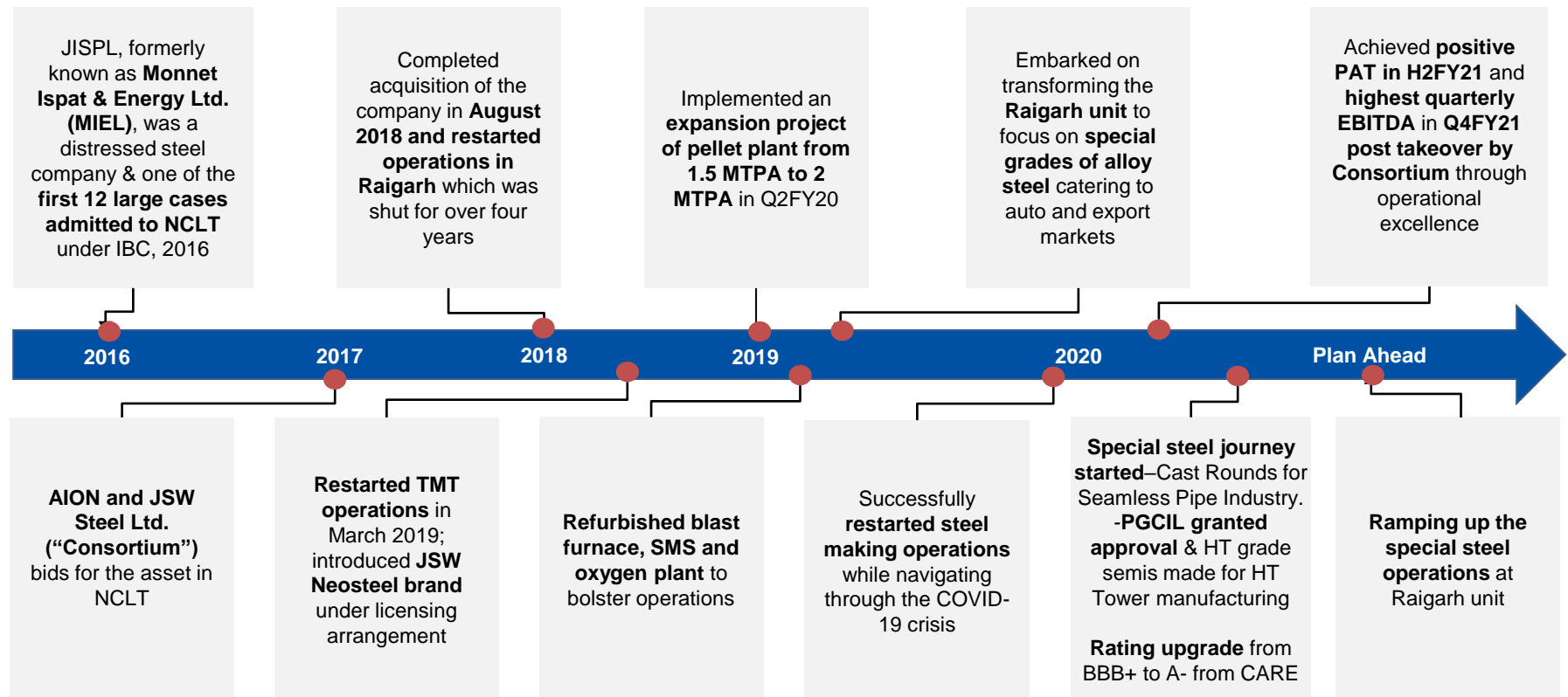
Best Positioned to service the deficit in North India market

Freight cost advantage supplying to Central & North India (India’s largest Steel market with limited capacity) vs steel producers in other regions



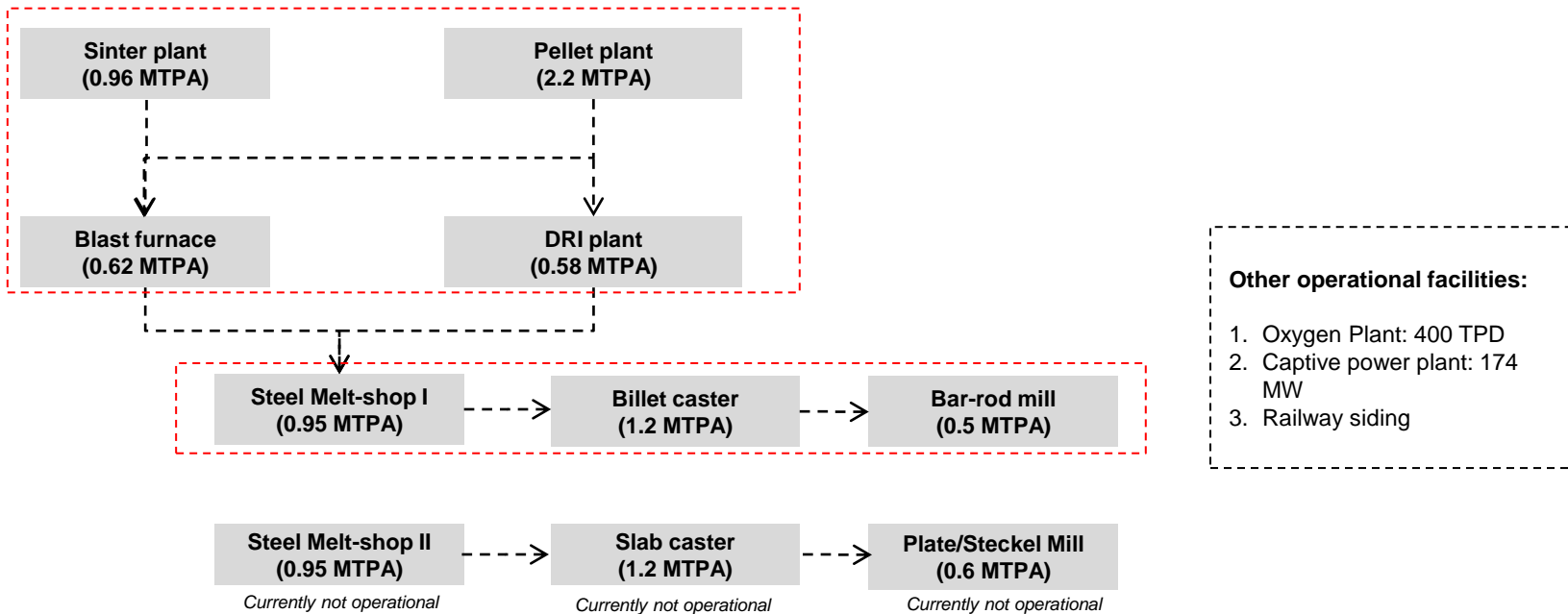
JISPL’s plant in Raigarh enjoys significant locational advantage in terms of logistics cost & accessibility for procuring key raw materials.

Transformational journey to Special Steel Producer

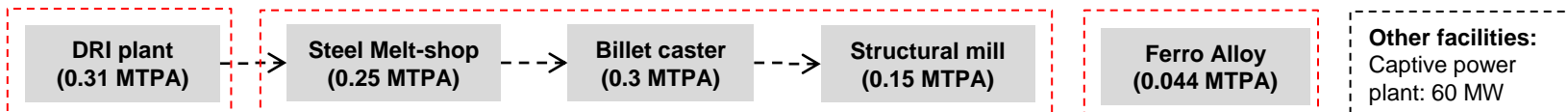


Overview of manufacturing facilities

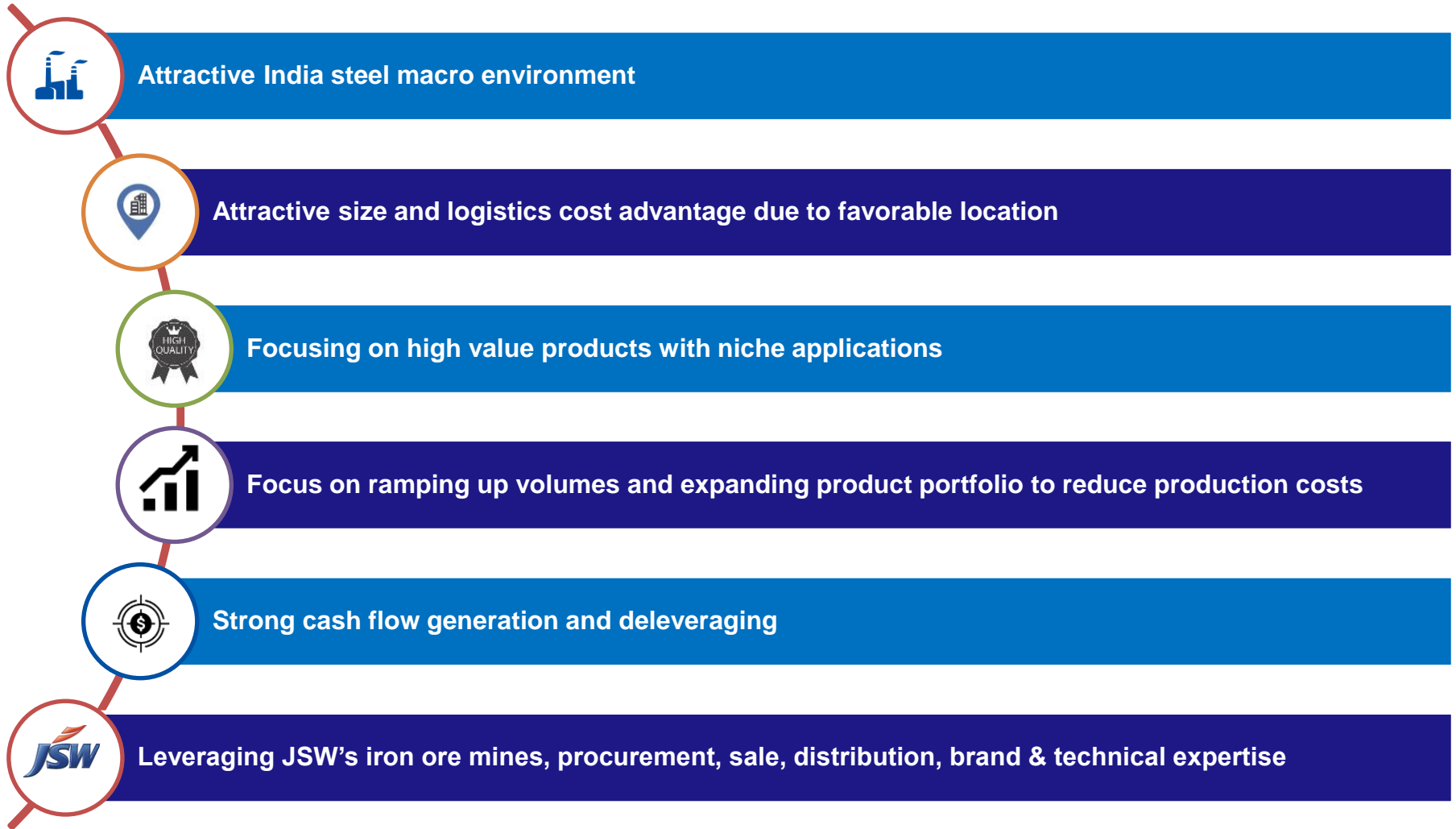
Raigarh Manufacturing Facility Overview



Raipur Manufacturing Facility Overview




Key highlights




Q4FY21 performance at a glance – standalone

Total production

	Intermediates	Billets	Rolled Products [#]
	711 KT	152 KT	96 KT

Total sales

	Intermediates	Billets	Rolled Products [#]
	450 KT	40 KT	95 KT

Revenue



INR 1,477 Cr

Reported EBITDA



INR 205 Cr

PAT



INR 81 Cr

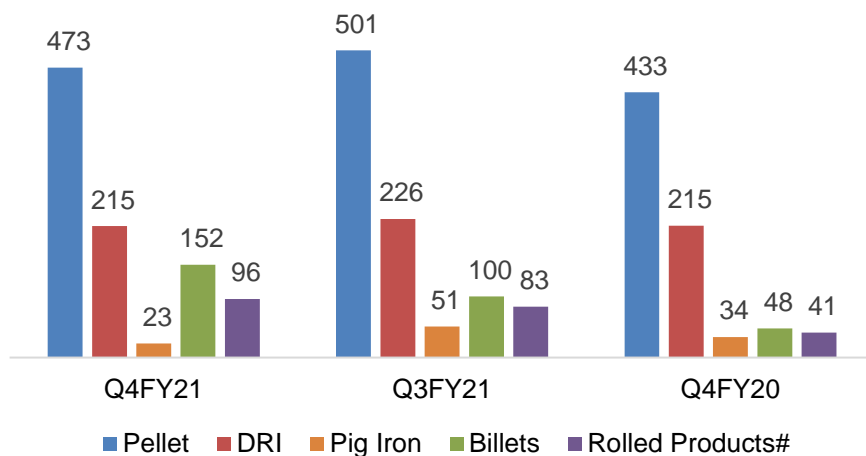
Cash PAT



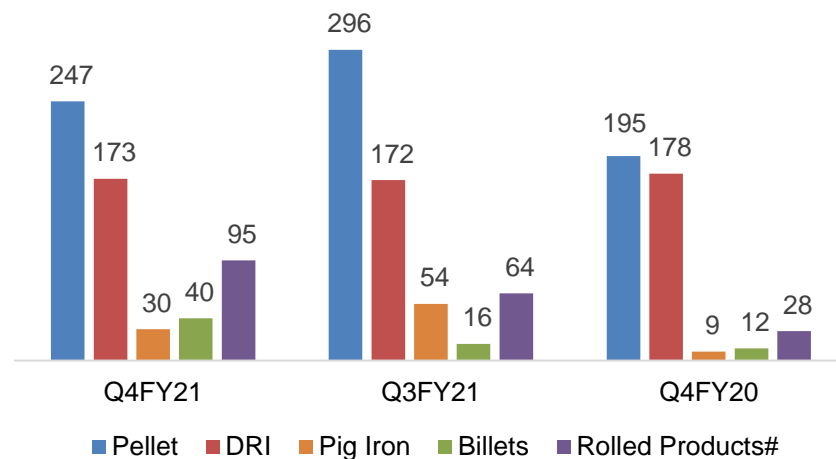
INR 138 Cr

Standalone quarterly operational & financial performance snapshot

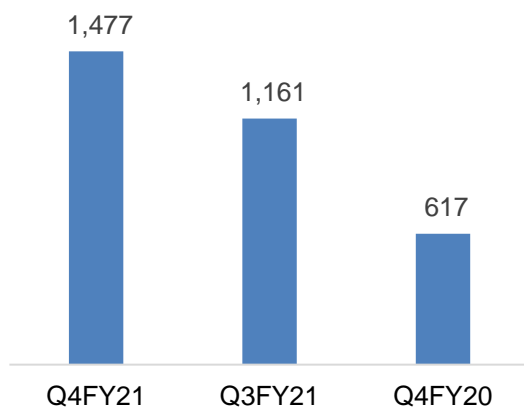
Total production (KT)



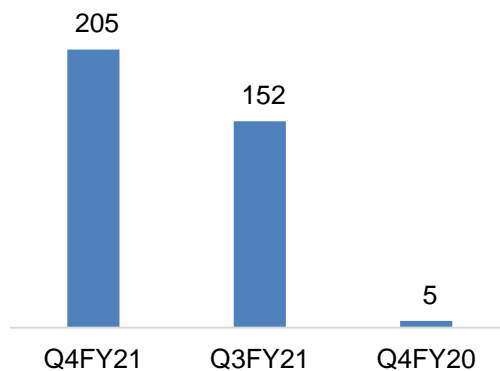
Total sales (KT)*



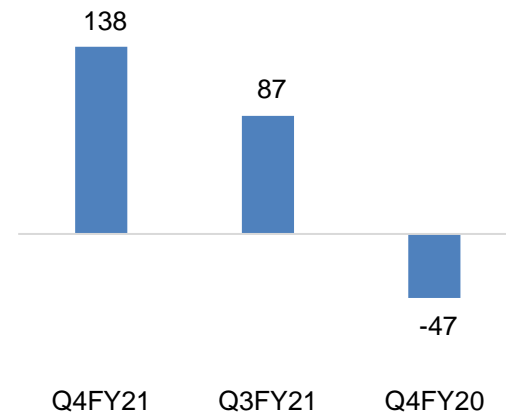
Revenue (INR Cr)



Reported EBITDA (INR Cr)



Cash PAT (INR Cr)

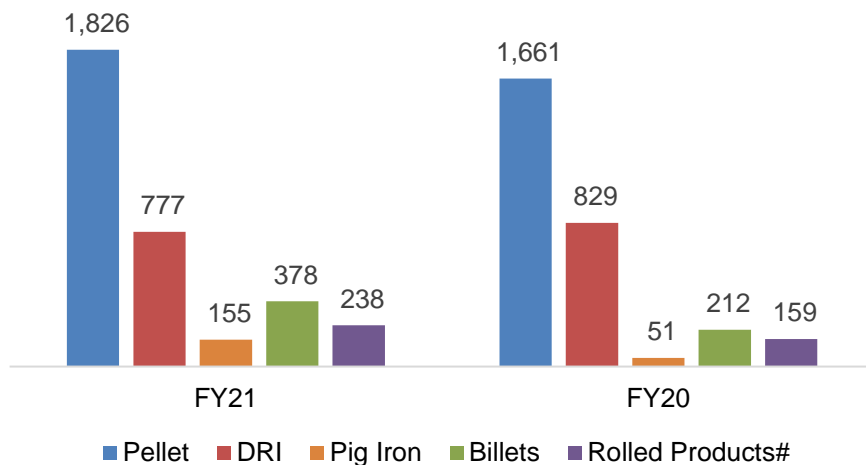


*Sales are net of internal consumption

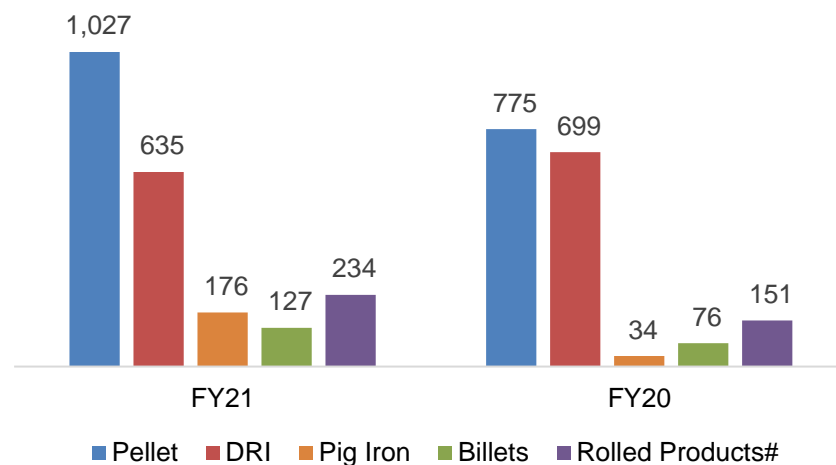
#Rolled products include TMT, Structural Steel & Ferro Alloys

Standalone annual operational & financial performance snapshot

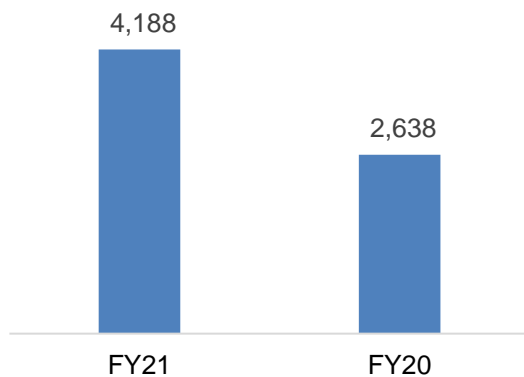
Total production[^] (KT)



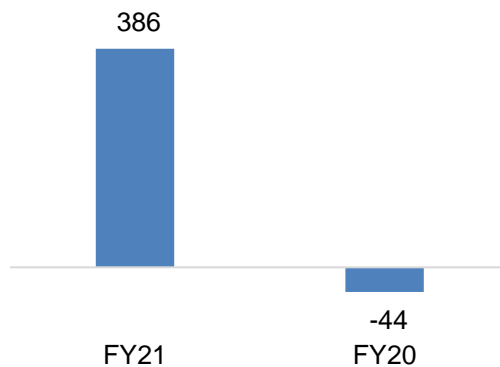
Total sales (KT)*



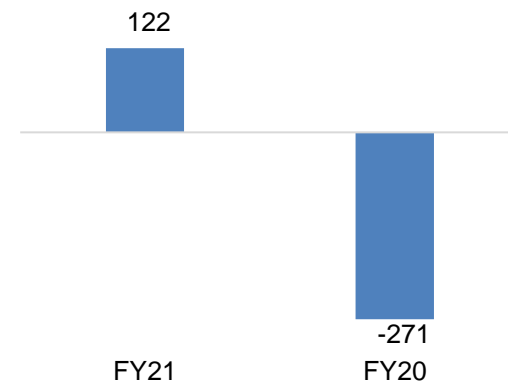
Revenue (INR Cr)



Reported EBITDA (INR Cr)



Cash PAT (INR Cr)



[^]Production in FY21 was adversely impacted by COVID induced shutdown

*Sales are net of internal consumption

#Rolled products include TMT, Structural Steel & Ferro Alloys

Financial summary – standalone

	Quarterly			Annual	
Particulars (INR Cr)	Q4FY21	Q3FY21	Q4FY20	FY21	FY20
Revenue from operations	1,477	1,161	617	4,188	2,638
Reported EBITDA	205	152	5	386	(44)
Other Income	4	3	13	13	26
Finance Cost	72	68	65	276	253
Depreciation	57	57	57	227	217
Profit Before Tax	81	30	(104)	(105)	(488)
Tax Expense/(Credit)	-	-	-	-	-
Profit After Tax	81	30	(104)	(105)	(488)
Cash PAT	138	87	(47)	122	(271)

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.



Thank You