



JSW Ispat Special Products Ltd.

Formerly known as Monnet Ispat & Energy Ltd.

Corporate Presentation

October 2021

JSW Group overview



- One of India's leading integrated steel producers
- Installed crude steel capacity of **18 mtpa** (as on 30th Sep'21), expected to grow to **30.5 mtpa** in the next few years
- Market capitalisation of **c.US\$21.8bn** ^(a)
- Long standing track record in debt capital markets – **raised US\$3.65bn through 7 issuances**



- Power producer with installed capacity of 4.6 GW (Hydro, Renewable and Thermal)
- Growing to 10 GW by FY25; and 20GW by FY30 with **84% renewable portfolio**
- Market capitalisation of **c.US\$8.6bn** ^(a)
- Debut USD bond offering in 2021 – **raised US\$707m** (Fitch Rating – BB+)



- Manufacturer of Portland Slag Cement (PSC), Ordinary Portland Cement (OPC) and Ground Granulated Blast Furnace Slag (GGBS)
- Operational capacity of 14 mtpa, growing to **25 mtpa**



- Commenced operations in March 2019
- Annual operating capacity of **130,000 KL**
- Fully automated coil coating capacity
- Fully automated water based plant



- Engaged in development and operations of ports
- Operational capacity **110 mtpa**
- Operations across East, West & Southern coasts of India

**Presence across
the core sectors of
India**

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

Apollo overview

Firm Profile

Founded: 1990

AUM: ~\$472 bn¹

Employees: 2,000+

Offices Worldwide: 15

Equity and Hybrid

280+ Investment
Professionals

\$133 bn in AUM¹

Yield Assets

290+ Investment
Professionals

\$339 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

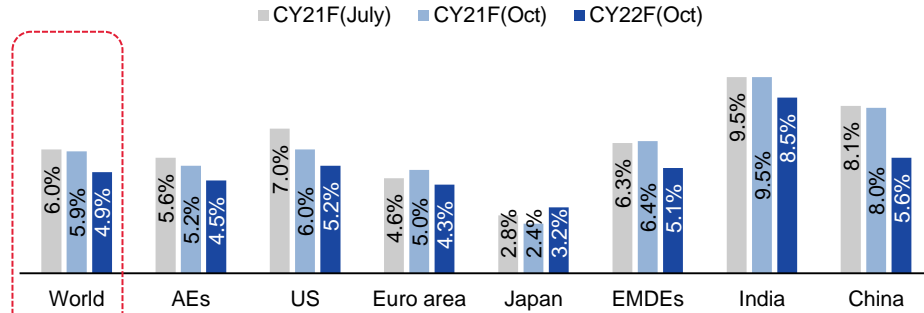


AION is an affiliate entity of Apollo

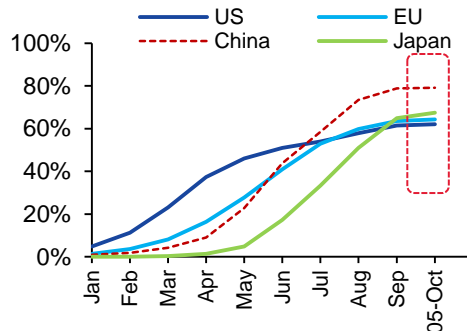
(1) As of June 2021

Global Economy

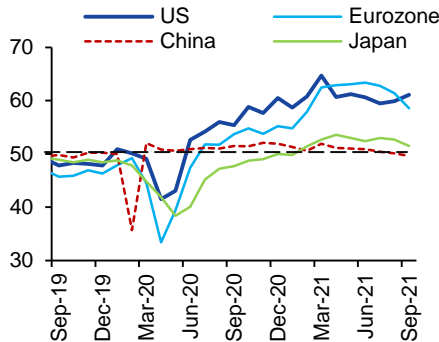
GDP growth Forecasts (%YoY)



% of Population vaccinated (CY21)



PMI – Manufacturing



- IMF reduced 2021 growth marginally (-10 bps) to 5.9%, due to Delta variant outbreaks in turn leading to global supply chain disruptions, longer-than-expected lead times, and high inflation in many countries. Chip shortages affecting global auto industry.
- US: Slight moderation in an otherwise strong economy, due to ongoing supply chain disruptions and rising commodity and energy prices. Housing and labour markets continue to be robust.
- Europe: Despite headwinds pertaining to supply shortages and elevated inflation, economic growth underpinned by high vaccination rates and strong investment-driven recovery.
- Japan: Economic activities moderated in July to September as infections soared. Strong catch-up in vaccinations which were lagging vs. other Advanced Economies.
- China: Chinese economy slowing down due to reduced real estate investment and energy shortages, while exports have remained robust driven by demand from Advanced Economies. Government and central bank expected to provide policy support to aid growth.

Energy shortages and elevated inflation could impact an otherwise robust global economic recovery

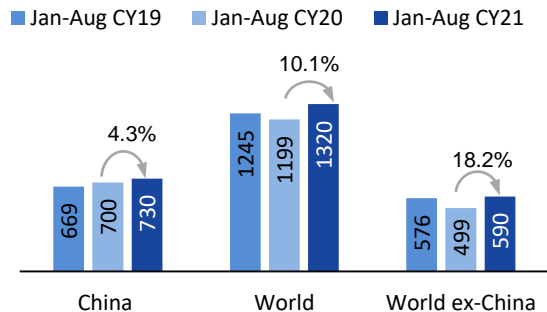
Source: IMF: World Economic Outlook Oct 2021, Bloomberg's COVID-19 Tracker.

Note: * GDP forecast for India pertains to fiscal year, EMDEs: Emerging Market and Developing Economies, AEs: Advanced Economies

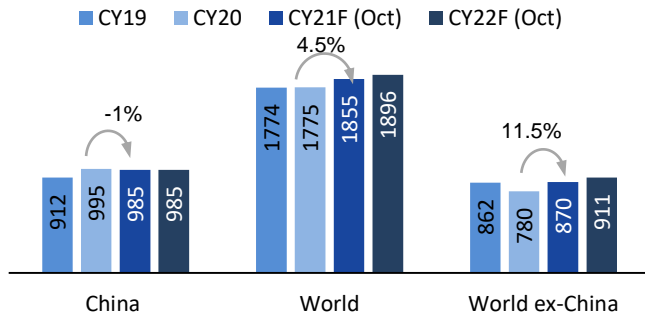
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Global Steel

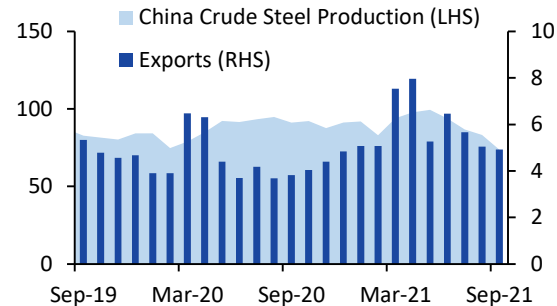
Crude Steel Production – Jan-Aug (mt)



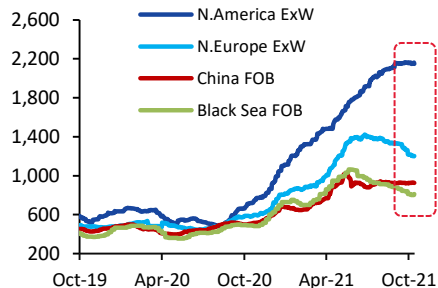
Steel Demand (mt)



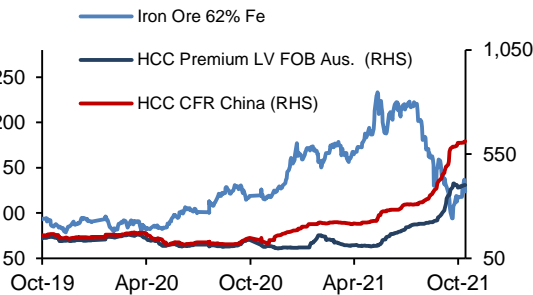
China Steel Production and Export (mt)



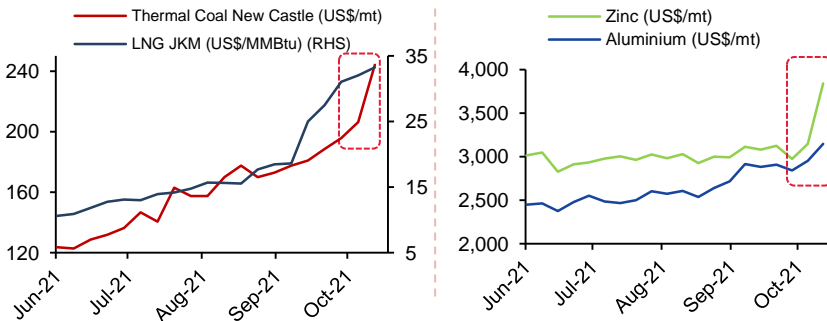
HRC prices US\$/t



Raw Material Price Trend (US\$/t)



Surge in Energy & Key Metal Prices



Steel prices supported by elevated input prices, moderating China production, and healthy demand outlook from World ex-China

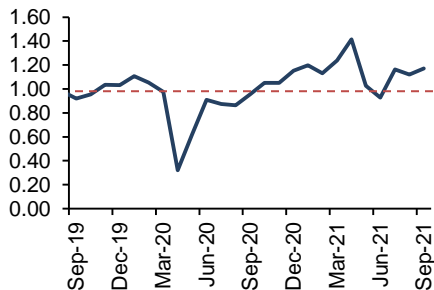
Source: Crude Steel production from World Steel Association (WSA), Bloomberg, Platts and NBS China.

Note: China published combined Export figures for Jan and Feb '20 and '21. The numbers have been equally distributed over Jan and Feb in the chart.

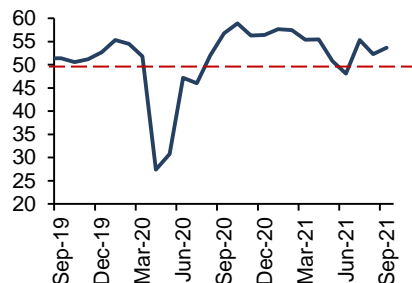
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Indian Economy

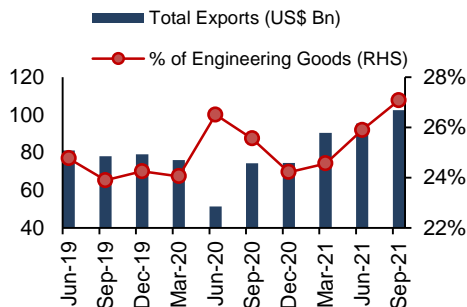
GST Collection (₹ Lakh Cr)



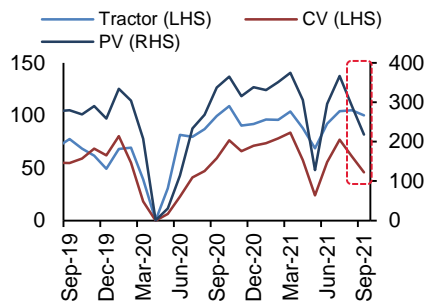
PMI – Manufacturing



India Merchandise Exports (US\$ Bn)



Monthly Vehicle Production ('000s)



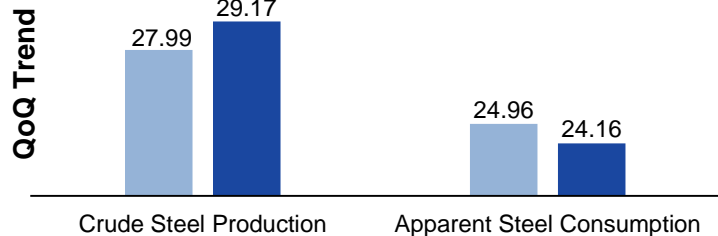
- Easing COVID restrictions and steady vaccination ramp-up have led to strong bounce back in economic activity
- Auto production, mainly PV's, affected by global chip shortages, albeit expected to revive once chip supply eases
- Construction and Infra activities expected to gain momentum in H2
- Strong direct and indirect tax revenues reflect economic revival and bode well for additional capital spending
- Govt. initiatives and benign longer-term trends supporting revival of investment growth
 - Announced National Monetization Pipeline of Rs.6tn of assets over FY2022-25
 - "Gati Shakti" launched with coordination across 16 ministries, to deliver integrated multi-modal connectivity, reduce high logistics costs in India and increase competitiveness
 - Ongoing National Infrastructure Pipeline of Rs.110tn
 - Improving housing cycle supported by low interest rates
 - Stronger balance sheets of banks and corporates
- RBI stance is accommodative, while inflation and potential third wave of COVID are risk

Supportive policy environment to aid strong recovery from H2 FY2022

Indian Steel

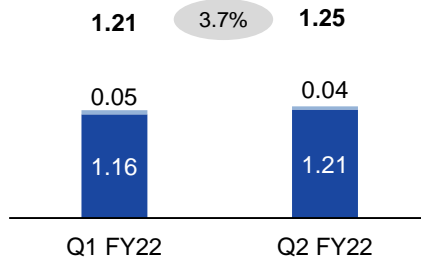
Production and Consumption (mt)

■ Q1 FY22 ■ Q2 FY22



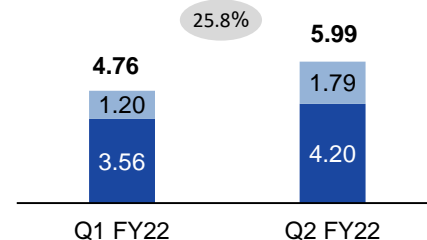
Steel Imports (mt)

■ Finished ■ Semis

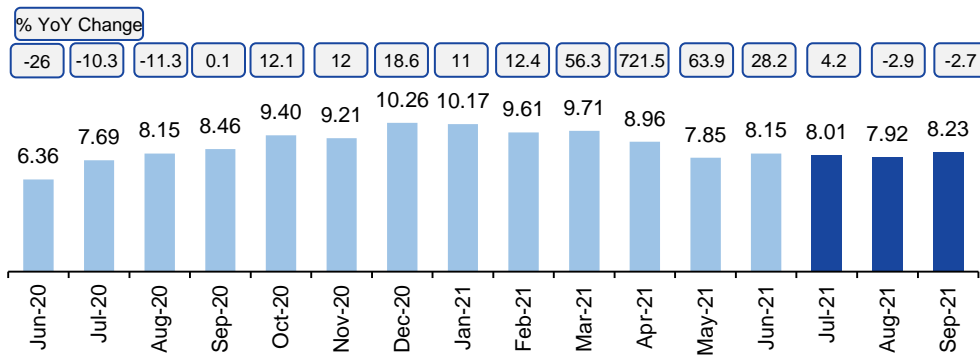


Steel Exports (mt)

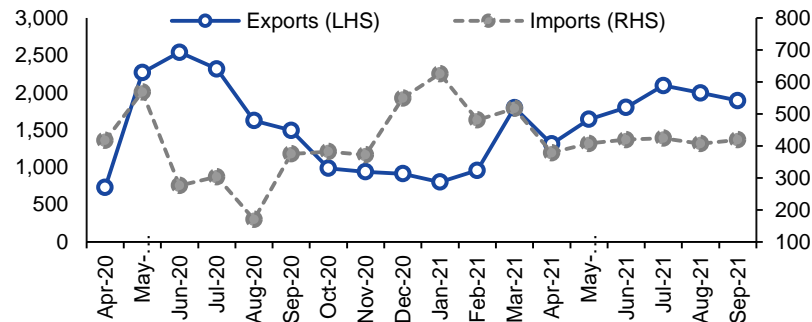
■ Finished ■ Semis



Apparent Steel Consumption (mt) and YoY Growth



Monthly Steel Imports (kt) and Exports (kt)



Production recovery in Q2 post second wave of COVID; strong demand expected in H2 FY22

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

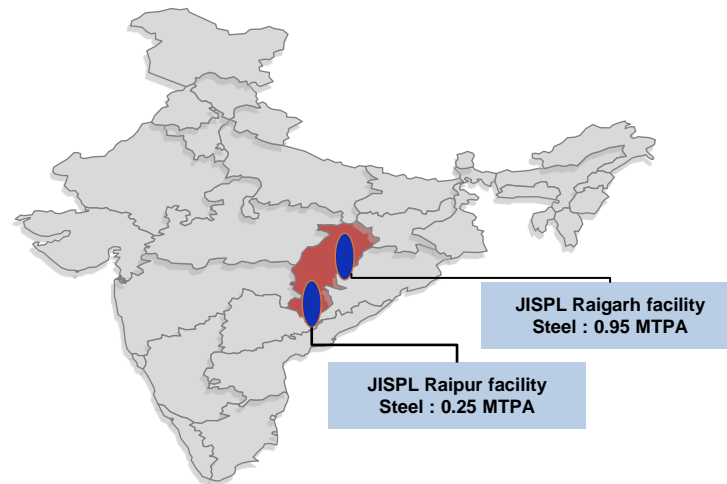
- Company's proximity to mineral rich belt gives it an advantage to source iron ore and coal. Continuous, reliable & easy access to JSW Mines for Ore.
- JISPL is flexible to **import coke or coking coal and get it converted at local cookerries** with favorable long-term arrangements
- **Balanced route 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

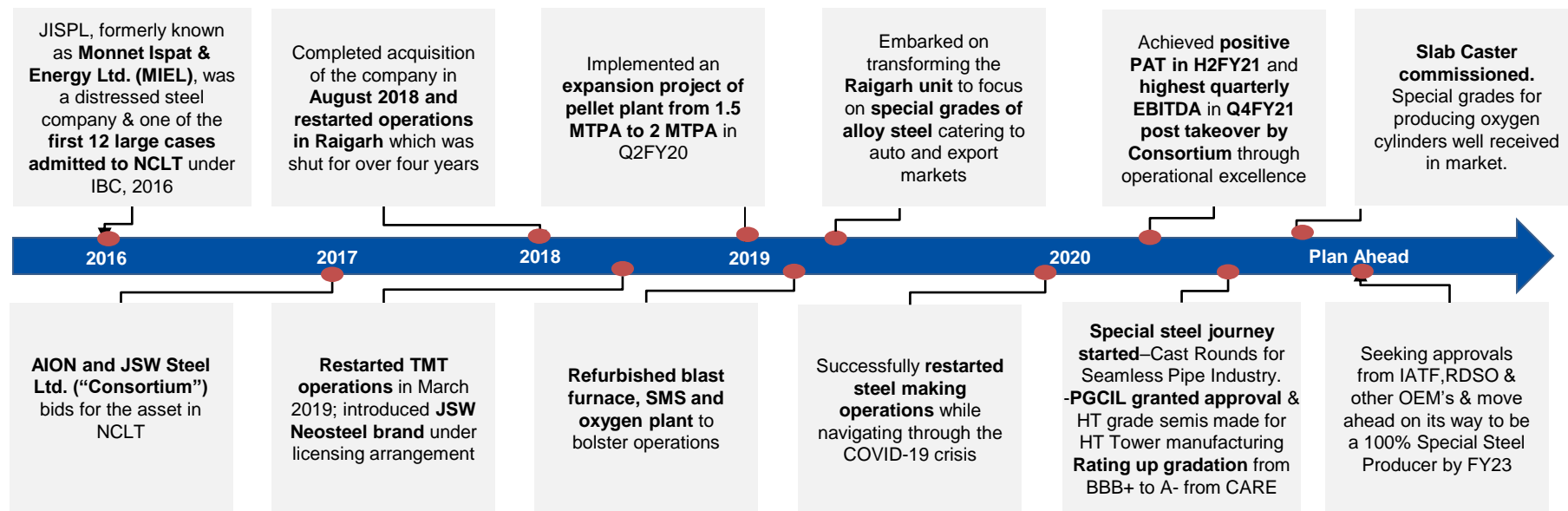
Best Positioned to service the deficit in North India market

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



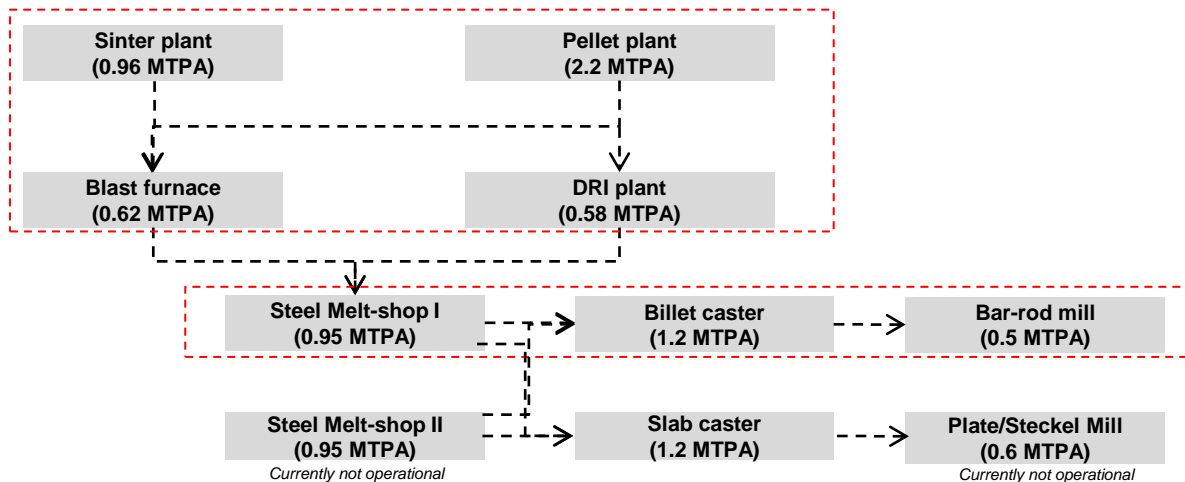
JISPL's plant in Raigarh enjoys significant locational advantage in terms of logistics cost & accessibility for procuring key raw materials.

Transformational journey to Special Steel Producer



Overview of manufacturing facilities

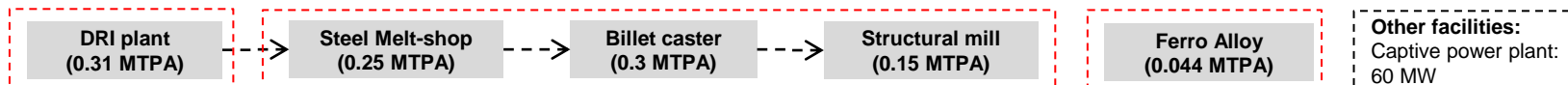
Raigarh Manufacturing Facility Overview



Other operational facilities:

1. Oxygen Plant: 400 TPD
2. Captive power plant + TRT: 174 MW
3. Railway siding

Raipur Manufacturing Facility Overview




Key highlights


-  Attractive India steel macro environment
-  Attractive size and logistics cost advantage due to favorable location
-  Focusing on high value products with niche applications
-  Focus on ramping up volumes and expand product portfolio
-  Focus on cash flow generation and deleveraging
-  Leveraging JSW's procurement, sale, distribution, brand & technical expertise

Q2FY22 performance at a glance – standalone

Total production

	Intermediates	Cast Products	Rolled Products [#]
	480 KT	125 KT	33 KT

Total sales*

	Intermediates	Cast Products	Rolled Products [#]
	293 KT	103 KT	41 KT

Revenue



INR 1,437 Cr

EBITDA



INR 82 Cr

PAT



INR (37) Cr

Cash PAT



INR 19 Cr

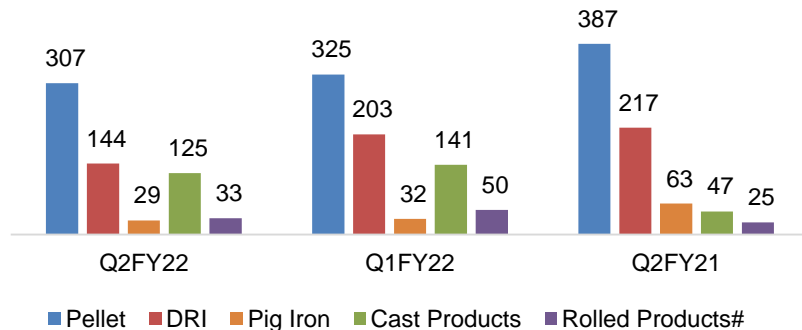
The production for Q2'22 was lower mainly due to shutdown of power plant for maintenance and consequent impact on production at Raipur and shutdown of blast furnace for maintenance & stabilization of slab caster at Raigarh.

*Sales are net of internal consumption

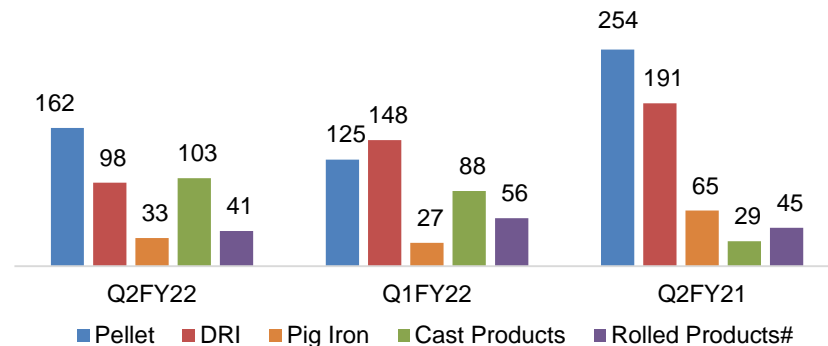
[#]Rolled products include TMT, Special Rolled, Structural Steel & Ferro Alloys

Standalone quarterly operational & financial performance snapshot

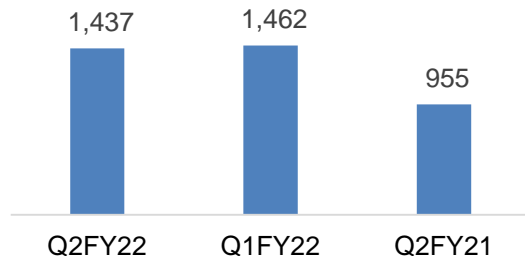
Total production (KT)



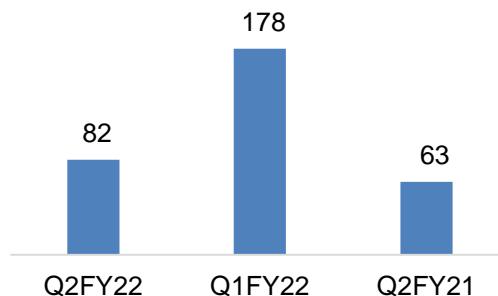
Total sales (KT)*



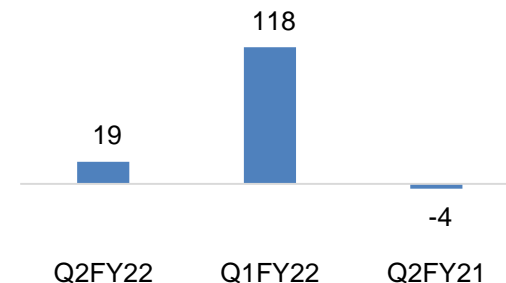
Revenue (INR Cr)



EBITDA (INR Cr)



Cash PAT (INR Cr)



*Sales are net of internal consumption

#Rolled products include TMT, Special rolled, Structural Steel & Ferro Alloys

Financial summary – standalone

Particulars (INR Cr)	Q2FY22	Q2FY21	H1FY22	H1FY21
Revenue from operations	1,437	955	2,900	1,550
EBITDA	82	63	262	28
Other Income	5	2	12	5
Finance Cost	68	69	135	135
Depreciation	56	58	112	114
Profit Before Tax	(37)	(62)	27	(216)
Tax Expense/(Credit)	-	-	-	-
Profit After Tax	(37)	(62)	27	(216)
Cash PAT	19	(4)	139	(102)

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