

PRESS RELEASE

FINANCIAL RESULTS FOR FOURTH QUARTER & FULL YEAR FY 2019-20

JSPL Reports reports Profit of Rs. 306 Cr

- 4QFY20 JSPL Consolidated EBITDA Rs. 2,220 Cr
- 4QFY20 JSPL Standalone EBITDA Rs. 1,562 Cr
- 4QFY20 JPL continues to generate cash profit Rs. 265 Cr
- 4QFY20 JSPL Consolidated PAT Rs. 306 Cr
- Net debt reduced by Rs. 4,379 Cr in FY20 (on constant currency basis)

JSPL Standalone 4QFY20 Performance:

- Gross Revenue: Rs. 6,767Cr;
- Net RevenueRs. 5,930 Cr;
- EBITDA: Rs. 1,562 Cr;
- EBITDA Margin: 26 %
- Steel (incl. pig iron) production : 1.54 million tonnes
- Steel (incl. pig iron) sales : 1.40 million tonnes

JSPL Consolidated 4QFY20 Performance:

- Gross Revenue: Rs. 9,674 Cr;
- Net Revenue: Rs. 8,835 Cr;
- EBITDA : Rs. 2,220 Cr;
- EBITDA Margin: 25%
- EBITDA – Oman : US\$ 63.8 mn
- Steel (incl. pig iron)Production: 2.11 million tonnes;
- Steel (incl. pig iron)Sales: 1.93 million tonnes

JPL4QFY20 Performance (YoY):

- Turnover : Rs.913 Cr
- EBITDA : Rs. 333 Cr
- EBITDA Margin: 33%
- Power Generation: 2,430 MU

JSPL continued its march in ramping up production & sales in the financial year ending March'20, reporting the ever highest steel production and sales volumes. The year gone by saw the Company

better not only on the volume front but also on the product mix which made it more resilient and nimble for the uncertainty and difficult times which wrapped the world during the latter part of the reported quarter.

1. JSPL Standalone Performance

1.1. Fourth Quarter FY20 Performance

During 4QFY20, JSPL Standalone reported Steel (incl. pig iron) production of 1.54 million tonnes (vs. 1.57 million tonnes in 4QFY19) and sales of 1.40 million tonnes (1.52 million tonnes in 4QFY19).

PRODUCTION			
Product (Million Tonnes)	Quarter 4		Change (%)
	2019-20	2018-19	
Steel (incl. pig iron)	1.54	1.57	-2%

SALES			
Product (Million Tonnes)	Quarter 4		Change (%)
	2019-20	2018-19	
Steel (incl. pig iron)	1.40	1.52	-8%

In a quarter which was marked initially by improving realization and where the latter part saw steel demand going down globally, the Gross Revenue for JSPL Standalone came in at Rs. 6,767 Cr. With the spread of Covid-19 in the months of Jan-Feb outside of China, the Company decided to build its raw material inventory which helped it to continue production through a period of lockdown announced in the last week of March by the Government of India. On the back of increased realizations, supported slightly by falling costs, JSPL Standalone reported EBITDA at Rs. 1,562 Cr (a rise of 8% QoQ).

During 4QFY20, production of pellets was 1.90 million tonnes (rise of 6% YoY). The company sold 0.46 MT during 4QFY20.

1.2. Full Year FY20 Performance

On a full year basis, the JSPL Standalone steel (incl. pig iron) production rose 13% in the reported year to 6.30 million tonnes (vs 5.59 million tonnes in FY19) while Standalone Steel (incl. pig iron) sales increased to 6.06 million tonnes (up 12% YoY).

PRODUCTION			
Product (Million Tonnes)	2019-20	2018-19	Change (%)
Steel (incl. pig iron)	6.30	5.59	+13%

SALES			
Product (Million Tonnes)	2019-20	2018-19	Change (%)
Steel (incl. pig iron)	6.06	5.41	+12%

While the steel prices in India saw tremendous volatility through the year, JSPL Standalone Gross revenue in FY20 came at Rs.30,021 Cr (down 6% YoY). JSPL Standalone reported EBITDA at Rs. 5,777 Cr for FY20. (down 4% YoY in FY19).

Pellet continues to be a steady business vertical for JSPL. The Pellet operations at Barbil reported production of 7.28 million tonnes (vs. 7.08 in FY 19).

2. **Jindal Power Ltd (JPL)**

2.1. Fourth Quarter FY20 Performance

With improving availability of coal in the quarter ending March'20 against the previous quarter, the Company generated 2,430 Million units in 4QFY20, a rise of 28% from 1,900 Million units reported in 3QFY20.

Improving availability also led to a decrease in the overall coal costs and bringing further efficiency in the coal procurement process. JPL reported EBITDA of Rs. 333 Cr (rise of 29% as compared to Rs. 257 Cr in 3QFY20). JPL generated cash profits of Rs. 265 Cr in the reported quarter.

2.2. Full Year FY20 Performance

On an annual basis, JPL generated revenues Of Rs 3,758 Cr and EBITDA of Rs.1,249 cr (up XX% YoY). The EBITDA margin for FY20 stood at 33 % compared to 30% for FY19 primarily due to lower coal costs, partially offset by falling realizations.

3. Global Ventures

- a. **Oman:** During 4QFY20, Jindal Shadeed recorded production of 0.57 million tonnes of steel (as against 0.45 million tonnes in 4QFY19). Oman business reported revenues at US\$268 mn and EBITDA at US\$63.8 mn. For the financial year ending March'20, Jindal Shadeed reported production at 1.87 million tonnes and sales at 1.88 million tonnes. The Revenues and EBITDA for FY20 came at US\$910 mn (vs. US\$1019 mn in FY19) and US\$ 138 mn (Vs US\$ 181 mn in FY19) respectively.
- b. **Mozambique:** During this quarter, the mine at Chirodzi produced 591KT ROM (up 14% YoY). The Mozambique operations continued to ramp up production this year and ended FY20 at 2.5 million tonnes (rise of 47% compared to 1.71 million tonnes in FY19). Mozambique operations reported EBITDA at US\$2mn for 4QFY20 and US\$10.4mn for FY20.
- c. **Australia:** During 4QFY20, both Wongawilli & Russell Vale mines remained under care & maintenance. In the reported quarter, JSPAL and WCL pursued their restructuring proposal with the NSW Supreme Court to restructure the debt and make it more sustainable. WCL continues to work towards securing the approval for its Russell Vale mines.

4. JSPL Consolidated Performance

4.1. Fourth Quarter FY20 Performance

JSPL produced 2.11 million tonnes of Steel (incl. pig iron) on the consolidated level (up 5% from 2.01 million tonnes in 4QFY19) and sold 1.93 million tonnes in the reported quarter. (1.98 million tonnes in 4QFY19).

In 4QFY20, JSPL reported Consolidated Gross Revenue of Rs. 9,674 Cr (down 14 % YoY) while Consolidated EBITDA increased to Rs. 2,220 Cr from Rs.1845 Cr (up 20% YoY).

4.2. Full Year FY20 Performance

On the Consolidated basis, the Group achieved its ever highest Consolidated Steel (incl. pig iron) Sales of 7.94 million tonnes in FY20, up 10% Y-o-Y and ever highest steel (incl. pig iron) Production of 8.17 million tonnes (up 12% from 7.30 million tonnes in FY19).

JSPL Consolidated recorded its annual Gross Revenue of Rs. 40,744 Cr, 6% lower than previous year (Rs. 43,471 crs in FY19). JSPL Consolidated EBITDA stood at 7,854 Cr. (vs. Rs.8,406 Cr in FY19).

Net Debt to EBITDA (Trailing) at the end of FY 20 stood at 4.57x (vs 4.66x as of March'2019). As of March-end FY2020, JSPL reported Consolidated Net Debt of Rs. 35,919 Cr. On a constant currency basis, based on 31st Mar'19 exchange rates, the Net Debt reported would be Rs. 34,758 Cr (vs. Rs.39,137 Cr as on 31st March 19)

5. Impact of Covid-19

JSPL has been nimble and agile in these uncertain times, changing its business model to market & sell its steel products in overseas markets more than domestic markets. The Company focussed its efforts towards securing full export order book to ensure continuous operation of its plant, even during the lockdown periods announced by the Government of India.

On the raw material side, the Company envisioned supply chain disruptions well before the actual lockdown was announced, thereby accumulating raw materials like coking coal and iron ore to tide over any anticipated disruptions.

At the plant sites, all precautions were taken to strictly adhere to the MHA guidelines and shop floor operations were resorted through staggered working to ensure proper physical distancing. With the continuous support of Indian Railways and various ports in the eastern part of the country (viz Gangavaram, Vizag, Paradip, etc), the Company was continuously able to capitalize on export opportunities. JSPL is exporting steel to China, Malaysia, Germany, Spain, Italy, Denmark, France and Middle East.

As the pandemic spreads in the Middle East, construction activity has been adversely impacted and countries like UAE, Kuwait, Qatar and Oman are currently under lockdown. The non-availability of migrant labour has also further amplified the decline in the construction activity in the region, which was already seeing downturn in economic activity due to low oil prices.

JPL has not had any adverse impact as JPL's PPAs are with Tamil Nadu and Kerala and being in summer season, they have not curtailed any power off-take from JPL and full power is being scheduled to these states under the PPAs.

6. Overview and Outlook

Steel:

With the advent of Covid-19 around the world by latter half of 4QFY20, the view on the global economies became grim and rapidly saw a decline in the growth estimates world over. The mid-year World Economic Situation and Prospects (WESP) report, made by the UN Department of Economic and Social Affairs, estimates Global GDP to shrink by 3.2 per cent in CY2020. While the developed economies expected to see a contraction of 5% in growth, developing economies are estimated to contract by 0.7%. These estimates are also based on a view that the pandemic starts dwindling down and economies start opening up in the quarter ending September this year. Any new wave of infection or prolonged lockdowns could ensue further negative surprises.

WESP expects India to grow by 1.2% for CY2020 and 5.5% in CY2021. The Government of India announced a nationwide lockdown on 25th March 2020 to prevent the spread of the disease. While the lockdowns helped to prevent the contagion, the economic activity came to a grinding halt. Recent announcements and economic relief packages by the Government, along with the calibrated easing of the lockdowns across the country, should help to restart the growth engine in the country, albeit slowly. The recovery is expected to be prolonged and could require further sustained expenditure from the Government over the course of the first half of FY21.

The return to normalcy seems far right now - largely depending on how the contagion is further contained while at the same time ensuring economic growth & employment for people so that they start spending again.

In terms of overall Steel demand within the country, while some demand destruction is estimated due to stoppage/delayed restart of construction sites (on the back of less availability of migrant work force), fall in overall demand for automobiles, white goods etc. and further decline in private expenditure (which was already lacking over the past year), this might be partially offset by the elevated levels of export for the Domestic Steel players and certain curtailments/shutdowns on the supply side. With the lockdown now opening up in a phased manner and Government spending expected to rise, domestic demand for long products can be expected to come back faster than flat products.

Power:

Nationwide lockdown to contain Covid-19 pandemic has wreaked havoc on already stressed power sector in the country. The electricity demand has declined by about 25%. The price of electricity discovered at energy exchange has averaged around Rs. 2.50 with supply bids far outstripping the demand. The electricity demand continues to be sluggish till normalcy is restored in commercial and industrial activities. Due to drop in collections from the consumers, the cash-strapped distribution companies (Discoms) could not pay even regular monthly energy bills further worsening the cash flow position of Generation companies (Gencos). Paucity of fund has forced Gencos to curb coal lifting from Coal India subsidiaries. However, on the other hand, moratorium on loan repayment for six months granted by RBI and time extensions by Coal India Ltd for lifting of coal and making payments, implementation of usance LC have helped Gencos to alleviate some of the woes during lockdown period. The economic package of Rs. 90,000 crore for liquidity injection to Discoms announced by Hon'ble Finance Minister, Govt. of India for exclusive purpose of discharging liabilities of Discoms to Gencos is expected to bring relief to Gencos. Slew of other measures proposed by Hon'ble FM which include imposition of penalty to Discoms for load-shedding, progressive reduction in cross subsidies, time bound grant of open access, timely payment to Gencos, DBT (direct benefit transfer) of subsidy, smart pre-paid meters, privatization of Discoms in Union Territories would foster turnaround of the stressed power sector in the long run.

Additionally, policy reforms in the coal sector proposing introduction of commercial mining through revenue sharing mechanism instead of regime of fixed rupees/tonne and exploration cum production regime for partially coal block too in addition to fully explored blocks allowing private sector participation would benefit Gencos by way of enabling them to secure block through competitive and transparent bidding process as well as by enhancing availability of coal supply in open market in long term.

Given that the Company's power business were set up at one of the lowest capital costs and have the advantage of lower coal costs being pit head plants, Jindal Power Limited is all set to benefit from the recent government initiatives. With about 50 mines set to be auctioned in the next few weeks, the company can look to win coal mines to secure raw material supply for the entire JPL power capacity. Also, with the recent package of the Government of India for Discoms, JPL would look to substantially realize its pending receivables from TANGEDCO.

STANDALONE FINANCIAL RESULTS

Year on Year (Quarter)

Parameter	Quarter 4		Change (%)
	2019-20	2018-19	
Gross Revenue*	6,767	8,544	-21%
Net Revenue	5,930	7,402	-20%
EBITDA	1,562	1,440	8%
EBITDA %	26%	19%	
Depreciation + Amortization	568	576	-1%
Interest	623	980	-36%
PBT (Before Exceptional)	372	(115)	
Exceptional	-	1,654	
PBT	372	(1,769)	
PAT	282	(1,154)	

Quarter on Quarter

Parameter	Q4 FY 19-20	Q3 FY 19-20	Change (%)
Gross Revenue*	6,767	7,542	-10%
Net Revenue	5,930	6,640	-11%
EBITDA	1,562	1,352	16%
EBITDA %	26%	20%	
Depreciation + Amortization	568	570	0%
Interest	623	634	-2%
PBT	372	148	152%
PAT	282	97	191%

Full Year

Parameter	FY20	FY19	Change (%)
Gross revenue*	30,021	31,806	-6%
Net Revenue	26,228	27,730	-5%
EBITDA	5,777	6,017	-4%
EBITDA %	22%	22%	
Depreciation + Amortization	2,287	2,307	-1%
Interest	2,611	2,896	-10%
PBT (Before Exceptional)	880	829	6%
Exceptional	-	1,398	
PBT	880	(570)	
PAT	618	(263)	

*Incl. GST

CONSOLIDATED FINANCIAL RESULTS

Year on Year (Quarter)

Parameter	Quarter 4		Change (%)
	2019-20	2018-19	
Gross Revenue*	9,674	11,304	-14%
Net Revenue	8,835	10,159	-13%
EBITDA	2,220	1,845	20%
EBITDA %	25%	18%	
Depreciation + Amortization*	757	2,373	-68%
Interest	1,008	1,163	-13%
PBT Before Exceptional	480	(1,692)	
Exceptional Item	109	1,734	
PBT	370	(3,426)	
PAT	306	(2,713)	

Quarter on Quarter

Parameter	Q4 FY 19-20	Q3 FY 19-20	Change (%)
Gross Revenue*	9,674	10,203	-5%
Net Revenue	8,835	9,300	-5%
EBITDA	2,220	1,820	22%
EBITDA %	25%	20%	28%
Depreciation + Amortization*	757	1,018	-26%
Interest	1,008	1,002	1%
PBT Before Exceptional	480	(201)	
Exceptional Item	109	-	
PBT	370	(201)	
PAT	306	(219)	

Full Year

Parameter	FY20	FY19	Change (%)
Gross Revenue*	40,744	43,471	-6%
Net Revenue	36,944	39,388	-6%
EBITDA	7,854	8,406	-7%
EBITDA %	21%	21%	0%
Depreciation + Amortization *	3,867	5,480	-29%
Interest	4,149	4,264	-3%
PBT (Before Exceptional)	(136)	(1,323)	
Exceptional	109	1,478	
PBT	(246)	(2,802)	
PAT	(400)	(2,412)	

*Incl. GST

PRODUCTION

Year on Year (Standalone)

Product (Million Tonnes)	Quarter 4		Change (%)
	2019-20	2018-19	
Steel*	1.54	1.57	-2%
Pellets	1.90	1.80	+6%

Year on Year (Consolidated)

Product (Million Tonnes)	Quarter 4		Change (%)
	2019-20	2018-19	
Steel(including Oman)*	2.11	2.01	+5%

SALES

Year on Year (Standalone)

Product (Million Tonnes)	Quarter 4		Change (%)
	2019-20	2018-19	
Steel*	1.40	1.52	-8%
Pellets(External Sales)	0.46	0.79	-41%

Year on Year (Consolidated)

Product (Million Tonnes)	Quarter 4		Change (%)
	2019-20	2018-19	
Steel(including Oman)*	1.93	1.98	-2%

*including Pig iron

PRODUCTION

Full Year (Standalone)

Product (Million Tonnes)	FY 20	FY 19	Change (%)
Steel*	6.30	5.59	+13%
Pellets	7.28	7.08	+3%

Full Year (Consolidated)

Product (Million Tonnes)	FY 20	FY 19	Change (%)
Steel(including Oman)*	8.17	7.30	+12%

SALES

Full Year (Standalone)

Product (Million Tonnes)	FY 20	FY 19	Change (%)
Steel*	6.06	5.41	+12%
Pellets	2.37	2.94	-19%

Full Year (Consolidated)

Product (Million Tonnes)	FY 20	FY 19	Change (%)
Steel(including Oman)*	7.94	6.93	+10%

**including Pig iron*

JINDAL POWER LIMITED (JPL)

(A SUBSIDIARY OF JSPL)

Year on Year (Quarter)

Particulars (in Crores of INR)	Quarter 4		Change (%)
	2019-20	2018-19	
Turnover	913	999	-9%
EBITDA	333	267	+25%
EBITDA%	36%	27%	
Depreciation + Amortization	334	324	+3%
Interest	208	236	-12%
PBT	(188)	(37)	
PAT	(134)	11	
Cash Profit	265	368	-28%
Generation (million units)	2.430	2,609	-7%

Quarter on Quarter

Particulars (in Crores of INR)	Q4 FY 19-20	Q3 FY 19-20	Change (%)
Turnover	913	784	+16%
EBITDA	333	257	+29%
EBITDA%	36%	33%	
Depreciation + Amortization	334	292	+14%
Interest	208	219	-5%
PBT	(188)	(111)	
PAT	(134)	(83)	
Cash Profit	265	181	+46%
Generation (million units)	2.430	1,900	+28%

Full Year

Particulars (in Crores of INR)	FY20	FY19	Change (%)
Turnover	3,758	3,858	-3%
EBITDA	1,249	1,155	+8%
EBITDA%	33%	30%	
Depreciation + Amortization	1,207	1,320	-9%
Interest	858	893	-4%
PBT (before exceptional)	(365)	(585)	
PAT	(229)	(436)	
Cash Profit	961	816	+18%
Generation (million units)	9,583	10,396	-8%

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