

# STEEL AUTHORITY OF INDIA LIMITED



## RESULTS PRESENTATION FOR Q3 and 9M FY'2022- 23



# STEEL AUTHORITY OF INDIA LIMITED



## Sustainable Operations



# LANDMARKS.....

## Mining

Iron Ore: 24.776 MT

Limestone: 0.951 MT

Dolomite: 0.306 MT



## Production

Hot Metal: 14.160 MT

Crude Steel: 13.337 MT

Saleable Steel: 12.547 MT



## Sales & Marketing

Pan-India network of almost 4500 distributors and dealers

Domestic Sales: 11.213 MT

Exports: 0.303 MT



## Research & Development

R&D expenses highest amongst major Indian steel producers

More than 100 new products developed in recent years

Focus on reducing carbon footprint, energy conservation, quality improvement, etc.



## Stakeholders Management

Top position in procurements through GeM

Highest ever dividend (87.5%) in a financial year during FY22

Contribution to ex-chequer: Rs. 17339 crore during 9M FY'23

Spent ~Rs. 414 crore since FY'15 on CSR activities\*

\* Details in following slides

## Waste Management

Application of 4Rs (Reduce, Reuse, Recycle, Recover)



R&D Project for development of steel slag based cost effective eco-friendly fertilizers for sustainable agriculture and inclusive growth through ICAR-Indian Agricultural Research Institute.

Solid Liquid Resource Management (SLRM) Centre set up at BSP with a daily capacity of 50T for segregation of wastes, converting green waste into manure and turning plastic waste into useful by-products.

## Eco-Restoration Projects



Restored 250 acres of old barren overburden dumps and water void in 200 acres of limestone mined out area in Purnapani for generation of ecosystem services and goods as well as sequester CO<sub>2</sub>.

MOU with Institute of Forest Productivity, Ranchi for eco-restoration of mined out area and waste dumps for Kiriburu and Megahahatuburu Iron Ore Mines.



Bio-diversity park named '**Vasundhara**' created at Durgapur on 400 acres of land with development of flora and fauna of local species and water body.

## Water Conservation



Committed to achievement of long term goal of “Zero Liquid Discharge”.

Actions being taken for treatment and recycling of effluent being discharged through the outfalls at the Plant boundary.

## Energy Conservation



Set up 3.5 MW Solar Power Plants/Units at different locations. Another 6.195 MW roof top Solar Units under implementation at various Plants/Units locations.

10 MW Hydel Power Plant under implementation at Mandira Dam, RSP, under a Joint Venture initiative with Green Energy Development Corporation of Odisha Limited (GEDCOL)

## Others

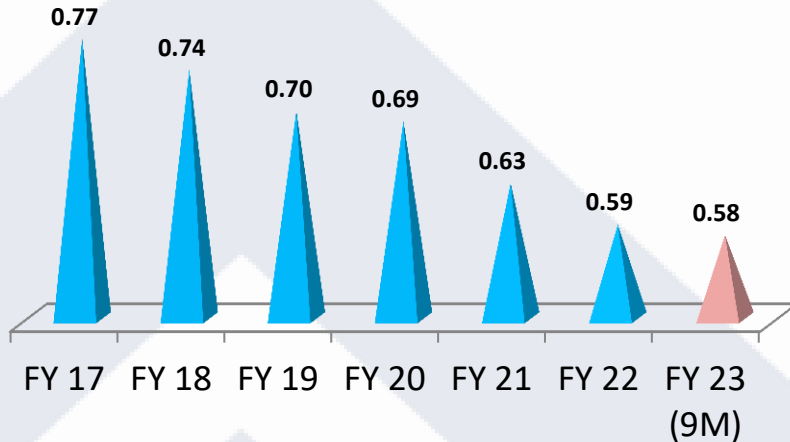


About 21.5 saplings planted till FY'22.

BSP has taken up project for disposal of Poly Chlorinated Bi-Phenyls (PCBs) in an environment friendly manner in partnership with the MoEF&CC and UNIDO.

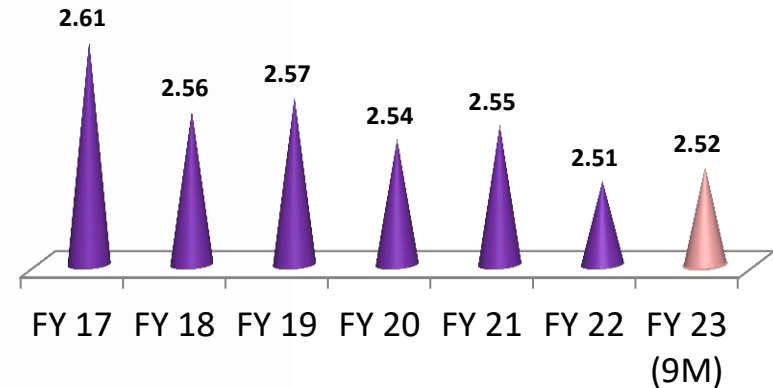
# SUSTAINANCE PARAMETERS

PM Emission Load: kg/tcs



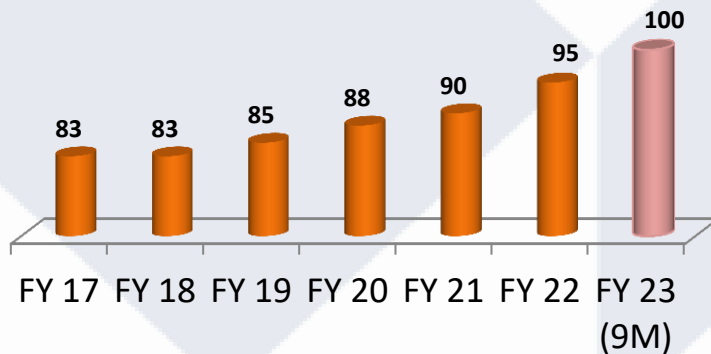
Reduction of 23% over FY17

Specific CO2 Emission: T/tcs



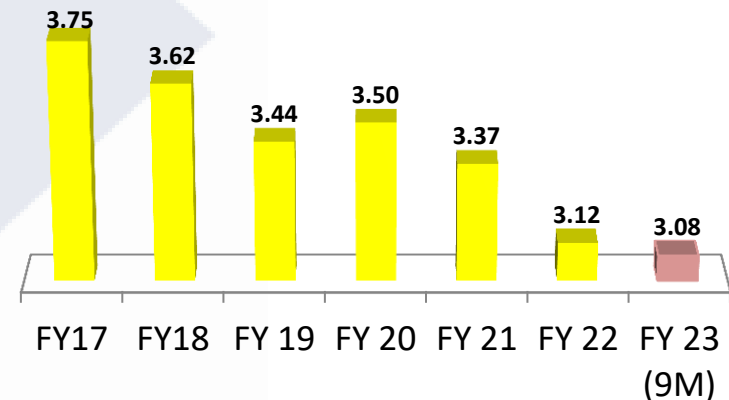
Reduction of 3% over FY17

Solid Waste Utilisation (%)



Increase of 20% over FY17

Specific Water Consumption: m3/tcs



Reduction of 18% over FY17

# TOUCHING LIVES....

## Key Activities

Basic and specialised healthcare to more than a million lives annually.



Drinking Water facility to more than 50 lakh people.



More than 80 lakh people connected to mainstream by construction of roads



Quality education to almost 50000 students across more than 96 schools.



Special Schools providing support to needy students.

Mid-day meals to more than 60000 students through Akshay Patra Foundation.

Providing equipment like tricycle, motorized vehicles, callipers, hearing aids, artificial limbs, etc. to Divyangs



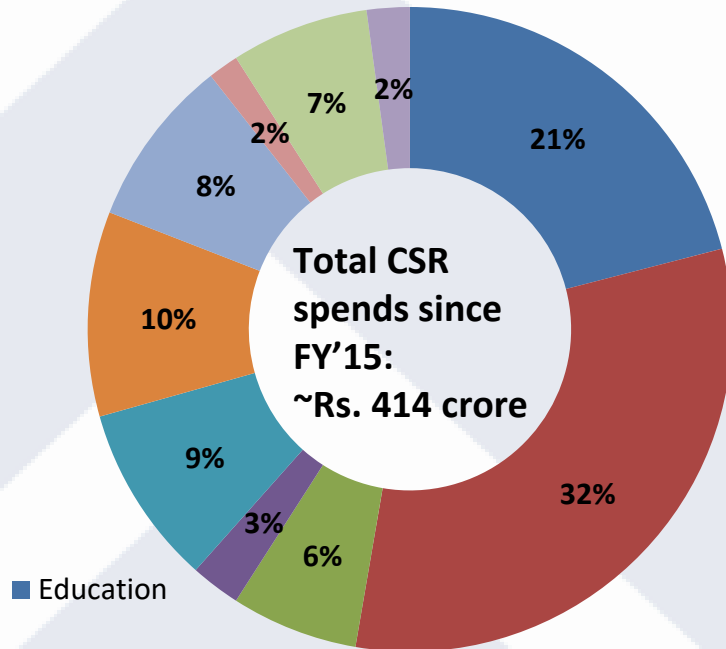
Running Eklavya Archery Academy and other sports academies for Hockey, Football, Athletics, etc. Athletes from SAIL academies have won medals at National and International Level.



Integrated Development Centre (IDC) at Digha Village in Saranda Forest with facilities like Bank, Telecom Office, Panchayat Office, Ration Shop, etc.



Development of 79 'Model Steel Villages'.



Education

Health care

Livelihood Generation

Women Empowerment

Drinking Water & Sanitation

Sports, Art & Culture

Rural Development



# COUNTERING COVID19 PANDEMIC



Activated a scaled response to ensure the health and safety of its employees and other persons in and around the Plant/Unit locations.



SAIL Hospitals earmarked 1000 dedicated Covid-19 beds with oxygen support and 129 ICU beds with ventilator support.



Developed Covid-19 testing facilities like RAT, RTPCR, TRU-NAT in coordination with the Government.



Supplied more than 130000 T of Liquid Medical Oxygen (LMO) to different parts of the Country in its endeavour towards combatting Covid-19.



Creation of ~1500 bedded Jumbo COVID Care facilities equipped with provision for supply of oxygen



Contribution of Rs. 75 crore to PM Cares



# AWARDS & RECOGNITIONS

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SAIL's cost management practices recognised by the Institute of Cost Accountants of India. Award conferred upon the company in the category of Manufacturing – Public – Mega at the “17<sup>th</sup> National Awards for Excellence in Cost Management – 2019”.

Company received CSR Times Awards, 2019 for outstanding achievement in the field of Education.

SAIL's CSR endeavours recognised by DPE in its compendium on CSR initiatives by CPSEs.

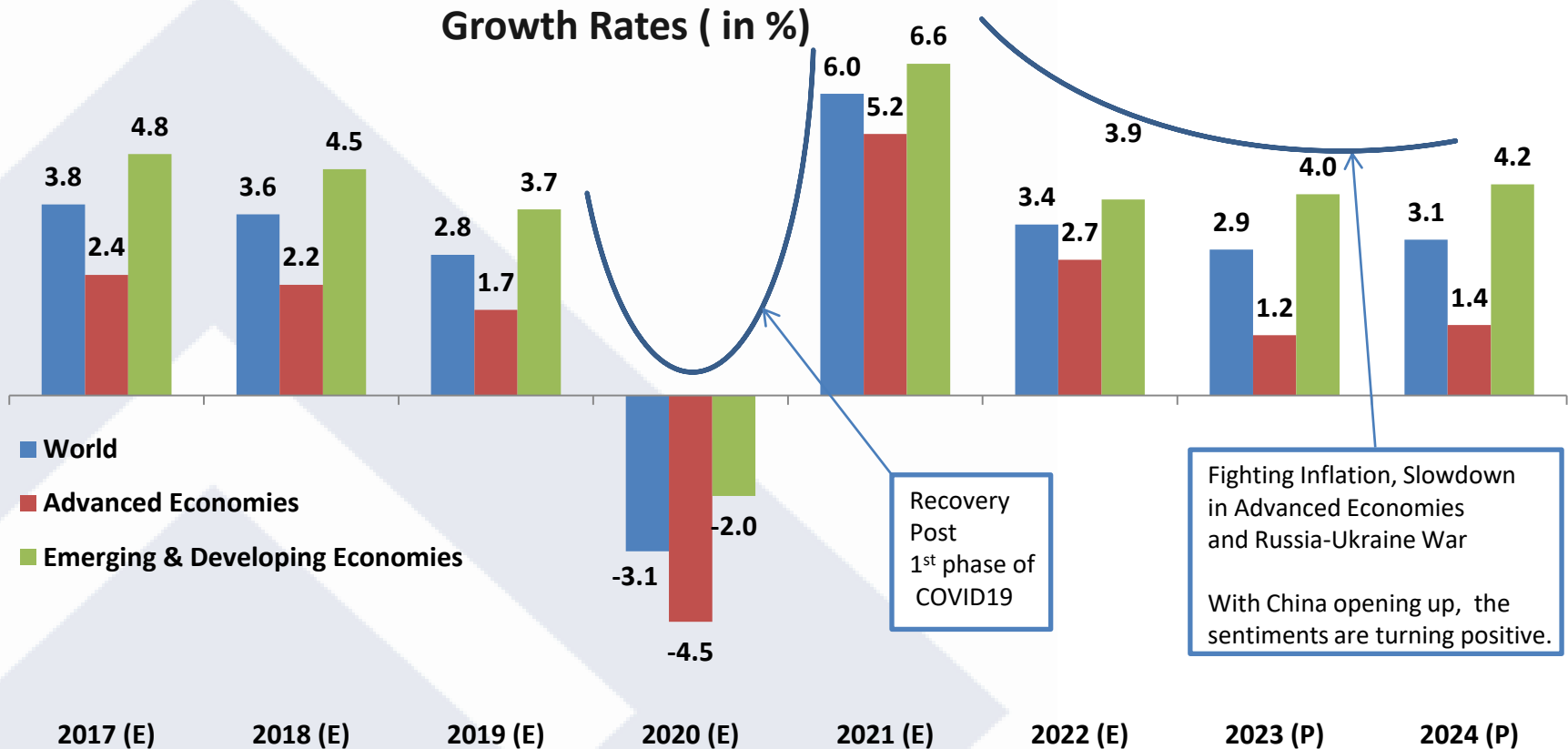
# STEEL AUTHORITY OF INDIA LIMITED



## Global Economic & Steel Scenario



# WORLD ECONOMIC SCENARIO



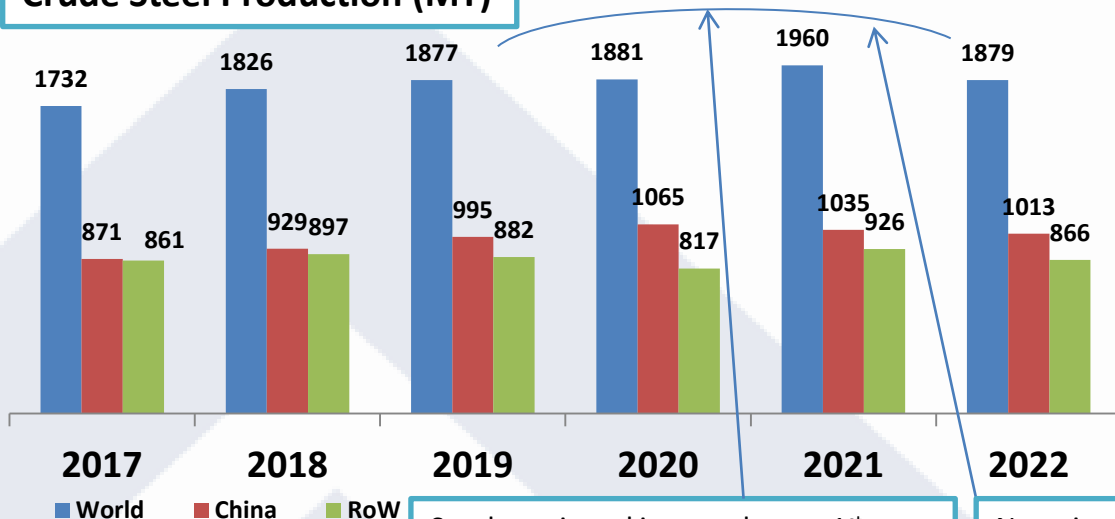
*In the World Economic Outlook released by IMF during is estimating the growth for 2022 at 3.4% as against the earlier projections of 3.2% while also revising the projections for the year 2023 upwards to 2.9% as against earlier projection of 2.7% during Oct'22. The projection for 2024 released for the first time is pegged at 3.1% majorly on the back of China opening up, gradual recovery from the Russia Ukraine war, subsiding inflation. The developing economies are, expected to fare much better than their advanced counterparts.*

E= Estimates P= Projections

SOURCE: IMF

# WORLD STEEL SCENARIO

## Crude Steel Production (MT)



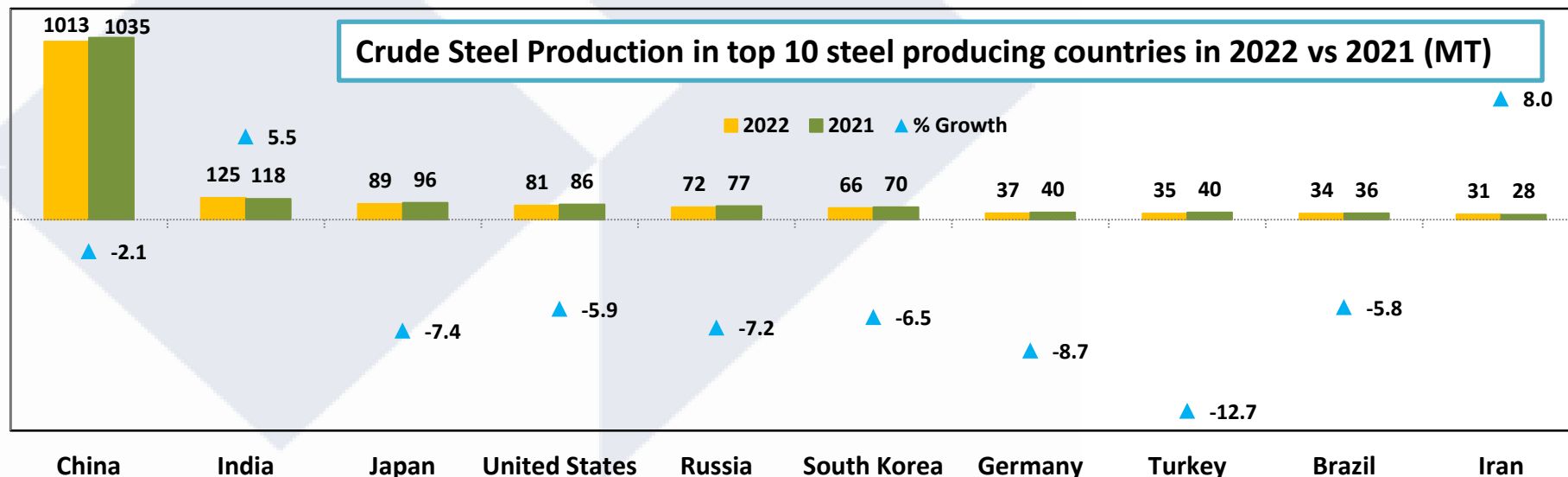
Steel continued its march post 1<sup>st</sup> wave of covid with revival of economic activities and infra spendings globally.

Negative growth in 2022 due to decline in all major economies except India and Iran

## SOURCE: World Steel Association (WSA)

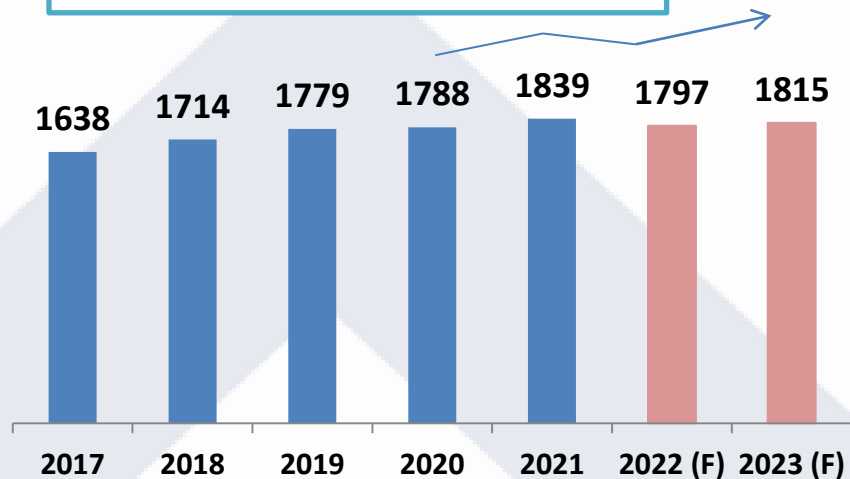
- China continues to dominate the world crude steel production contributing almost 54% of overall global production.
- Reduction in production in all major producers including China leads to world steel production by almost 4.1%.
- Among the major producers, only India (5.5%) and Iran (8.0%) have seen a positive growth in production in 2022.

## Crude Steel Production in top 10 steel producing countries in 2022 vs 2021 (MT)



# WORLD STEEL SCENARIO

## Apparent Steel Consumption (MT)



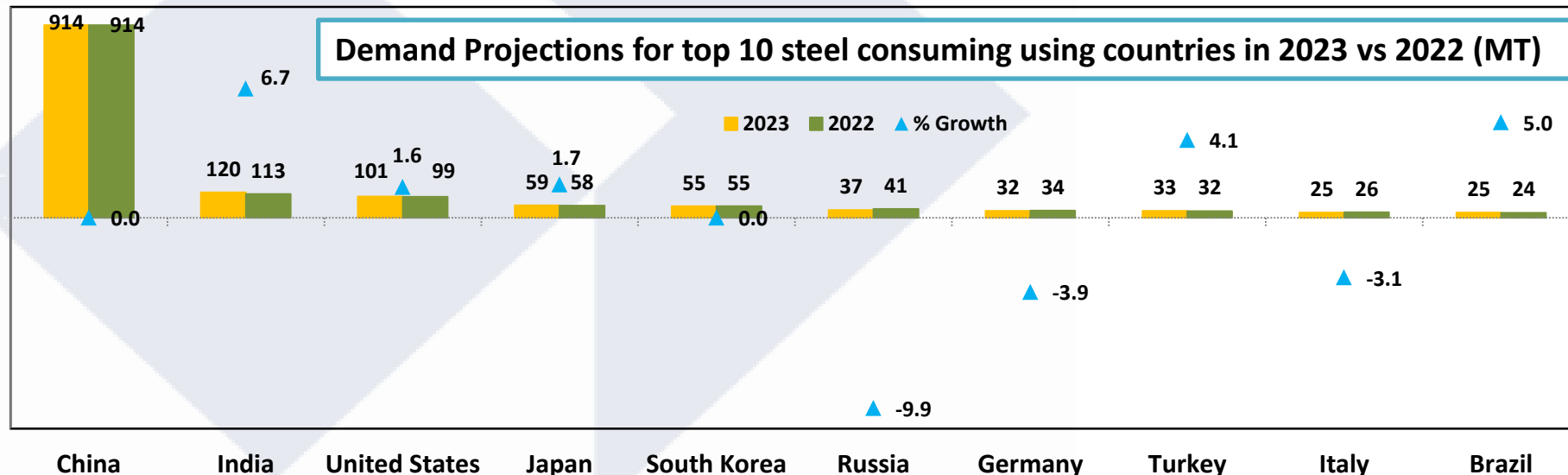
2022 is set to see a decline in growth before demand sails again

SOURCE: World Steel Association (WSA)

## Short Range Outlook, October'22:

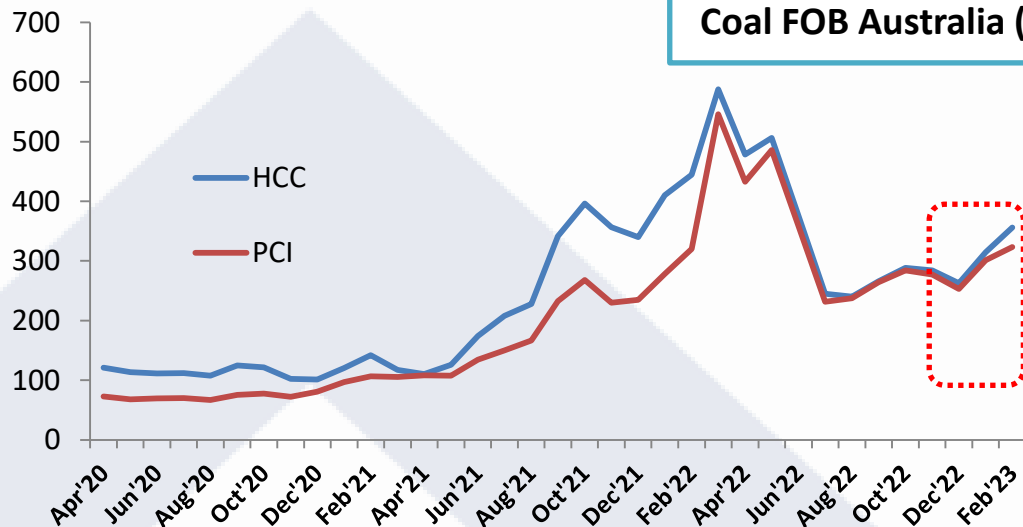
- Last Short Range Outlook was released in October'22.
- Global steel demand is expected to increase by 1% in 2023.
- China is set to see stagnant growth in 2023.
- Global demand excluding China is expected to be 2% in 2023.
- Demand growth in India (6.7%) is projected to be the highest amongst top 10 steel consuming nations in 2023

## Demand Projections for top 10 steel consuming countries in 2023 vs 2022 (MT)



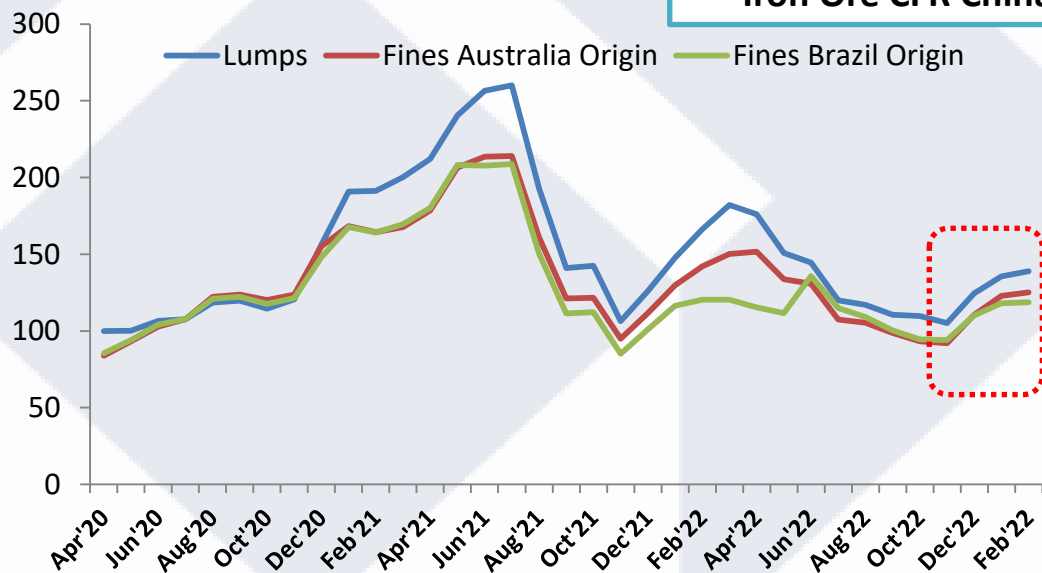
# INTERNATIONAL PRICE TRENDS

## Coal FOB Australia (USD/t)



- Coal prices have been going up sensing improved demand from China.
- Meanwhile heavy rainfall in the Queensland region led to supply constraints.
- China has also resumed coal imports from Australia after a gap of three years which will put further upward pressure on prices.

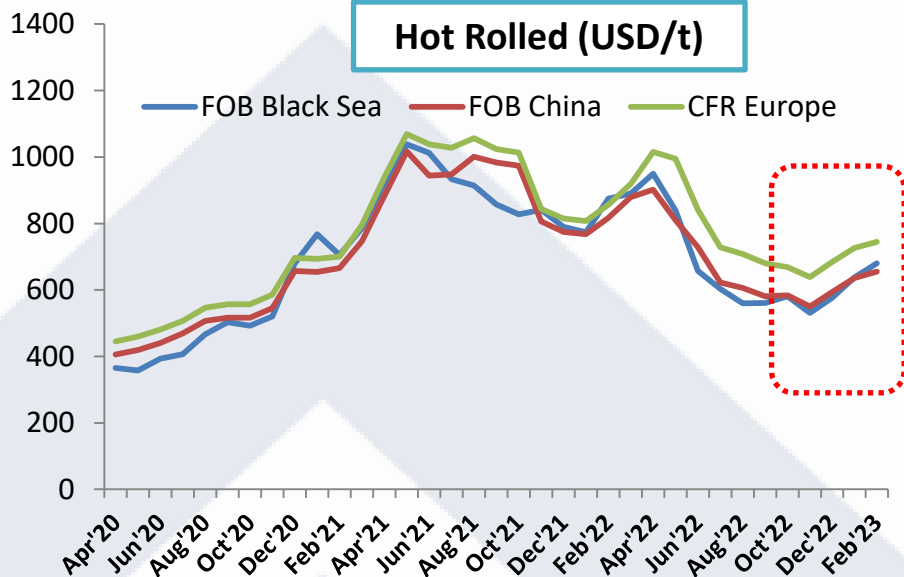
## Iron Ore CFR China (USD/t)



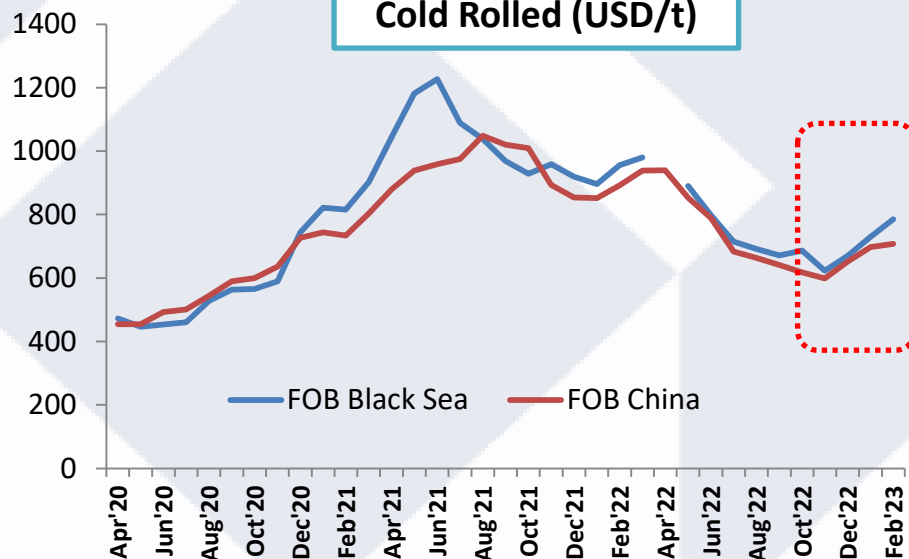
- Iron ore prices climbed on continued optimism about demand prospects in top steel producer China.
- There are hopes that infrastructure and construction activity will rebound this year as China's economy expands faster in the second half.
- Concerns over supplies further added support to prices as Brazilian miner Vale's shipments dropped significantly due to the impact of the rainy season.

# INTERNATIONAL PRICE TRENDS

## Hot Rolled (USD/t)



## Cold Rolled (USD/t)



- Global prices may sustain the uptrend in the short to medium term with weakening winter in many parts of the world expected to support resumption in construction activities.
- Also, the threat of Covid has perceptibly lessened globally, which is further helping to normalize steel demand patterns.
- Prices in Europe have moved up on restocking activity, market revival in Asia, effects from production cuts across Europe leading to limited availability of local production, high energy costs, lack of competitive import offers and some demand revival. The return of the idled capacities to the market can, however, threaten the bullish price trend.
- US domestic prices (Midwest) of HRC went up from a level of US\$ 683/s.T. at the end of December'22 to a level of US\$ 781/s.T. at the end of January'23, on rising scrap prices and robust domestic demand. There are, however, concerns that prices are rising due to cost push rather than increasing demand.



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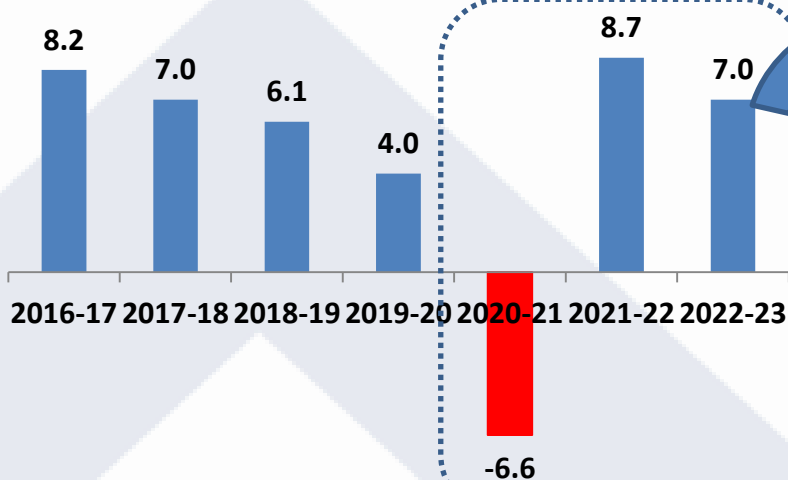


## Domestic Economic & Steel Scenario

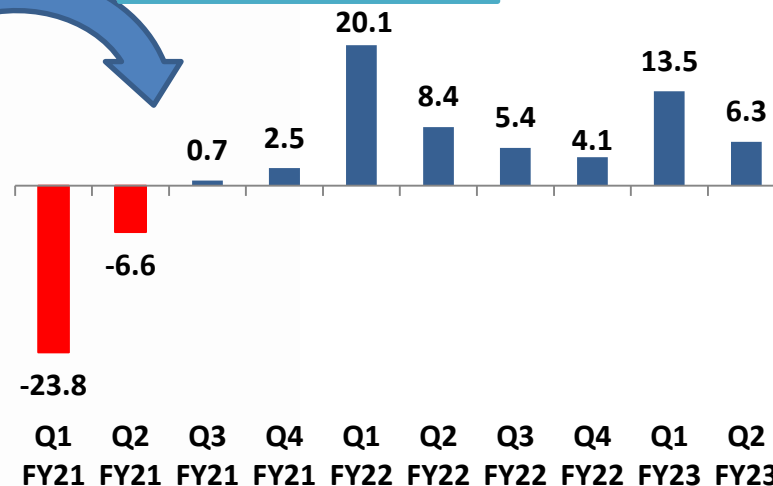


# INDIAN ECONOMIC SCENARIO

**GDP Growth % at Constant (2011-12) Prices**



**Quarterly GDP since COVID19 first wave**



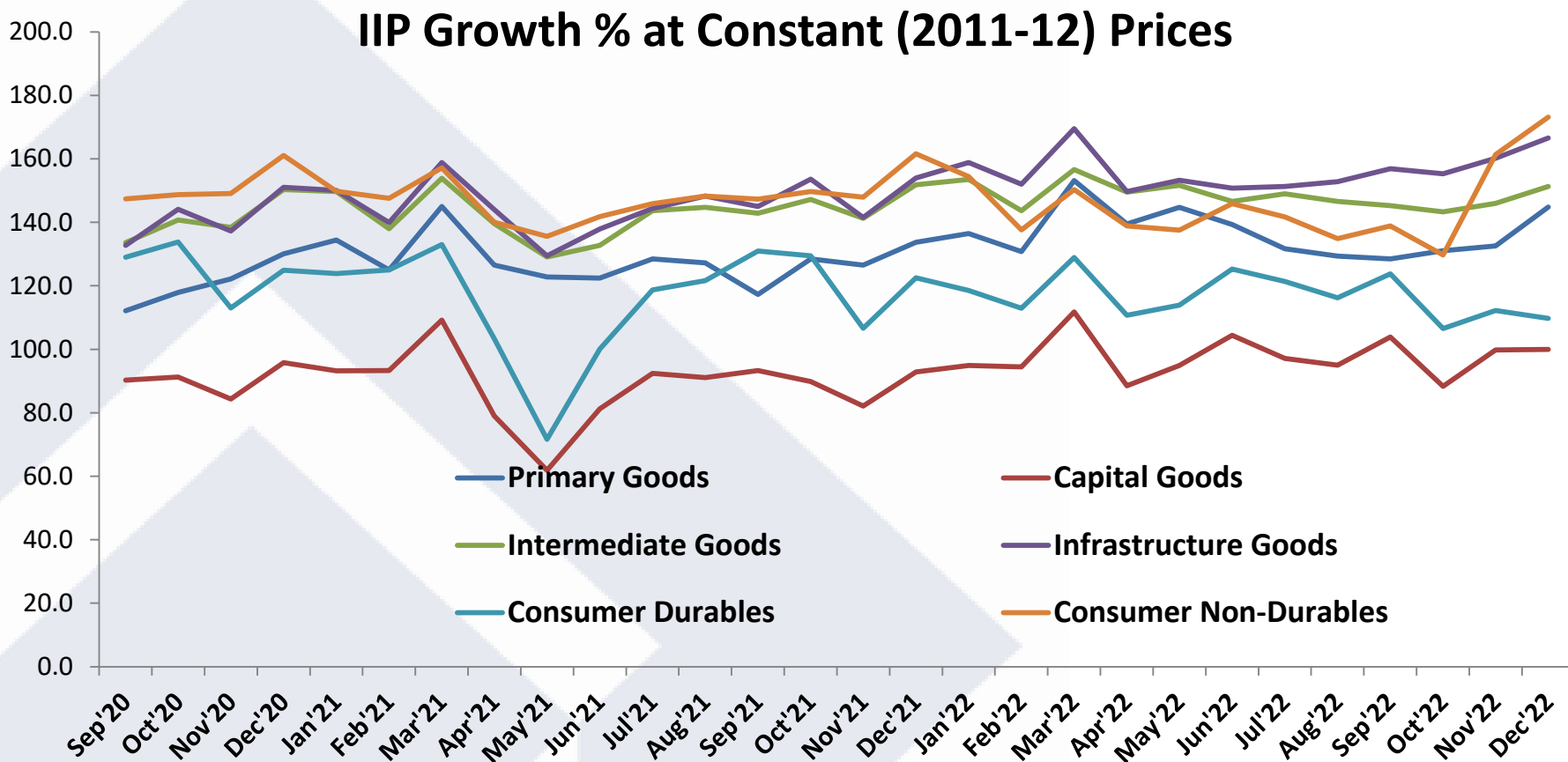
**SOURCE: MOSPI, GOI**

The onslaught of COVID19 Pandemic saw the GDP of Indian economy slide into negative during FY'21 at -6.6%. However, the economy gained ground thereafter and reached 20.1% during Q1 FY22. Since then, factors like inflation have been weighing on the growth rates. The estimates for the FY'22 and FY'23 stand at 8.7% and 7.0% respectively. Despite the projections for future years coming down, India likely to remain amongst the fastest growing major economies. The projections from major financial agencies are as follows:

Source	Growth Projection	Remarks
WORLD BANK	6.6% (FY24)	Projection is lower than the FY'23 estimates of 6.9%.
IMF	6.1% (CY23) & 6.8% (CY24)	Rate for CY23 is lower than estimates of 6.8% in CY22. Growth Rate in CY24 is expected to go back to 6.8%.
RBI	6.4% (FY24)	RBI projections for FY24 lower than FY23 estimates of 6.8% with quarterly projections at 7.8%, 6.2%, 6.0% and 5.8% for Q1, Q2, Q3 and Q4 respectively.

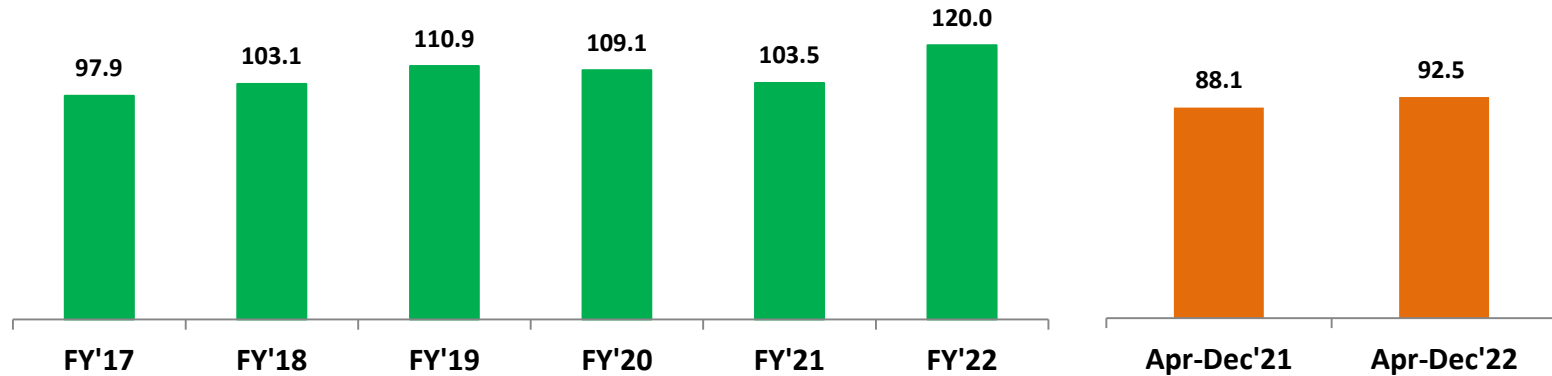
# INDIAN ECONOMIC SCENARIO

SOURCE: MOSPI, GOI

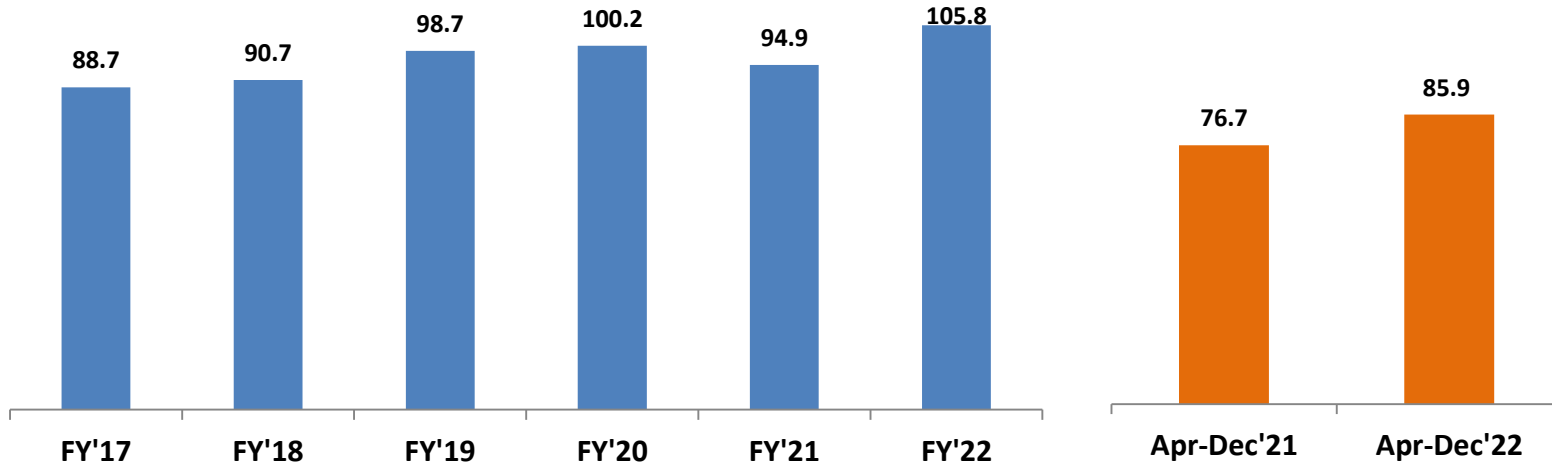


The manufacturing activities had fell to historic lows during lockdown due to COVID19 during Q1 FY'21. However, as economy recovered sharply on the back of financial stimulus by the government and demand rising sharply across sectors post lockdown, the IIP also saw a steep climb. Thereafter, during Q1 FY'22 owing to second wave of COVID19, there was a marginal dip before the index started to rise again. The index has been tending to decline of late.

## Crude Steel Production (mtpa)



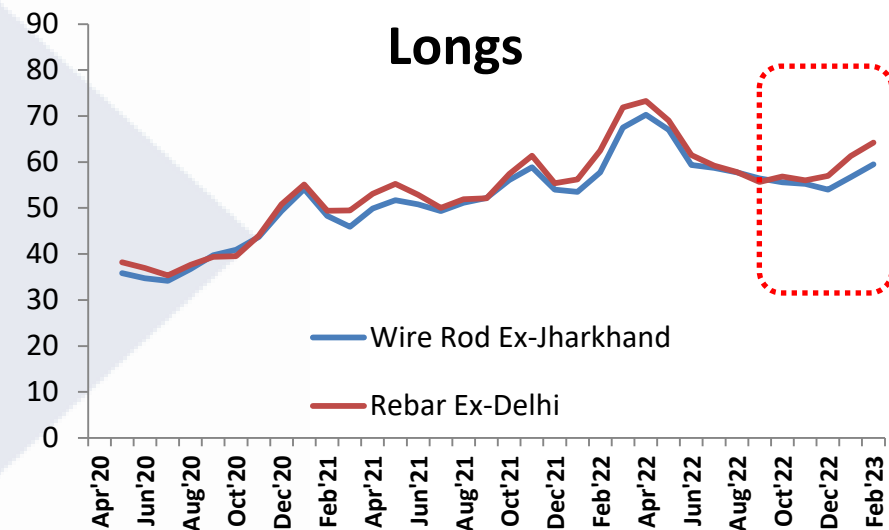
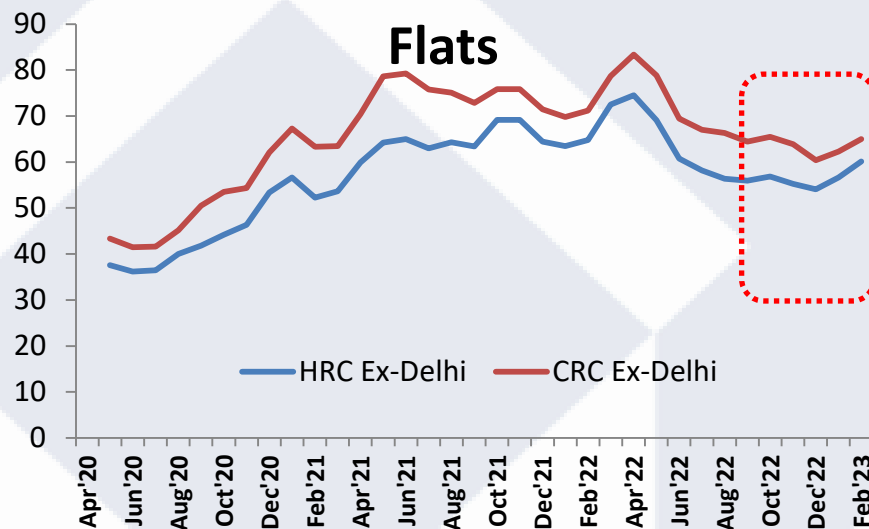
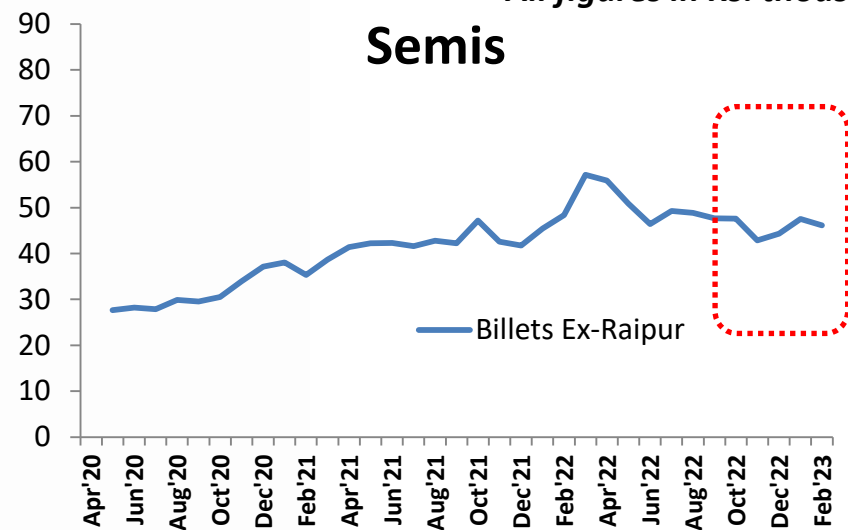
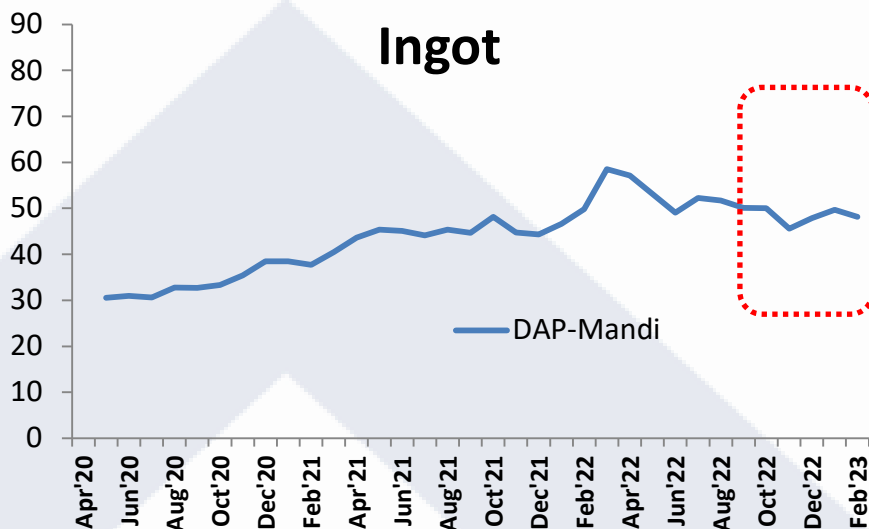
## Finished Steel Consumption (mtpa)



The Short Range Outlook published by WorldSteel Association during October'22, projected the steel demand in India to increase by 6.1% in CY2022 and 6.7% in CY2023.

# DOMESTIC PRICE TREND

All figures in Rs. thousand



The domestic prices for flat and long products have been rising of late due to rising input costs, rising international steel prices and improved domestic demand especially in projects and housing sectors.

SOURCE: Steel Mint

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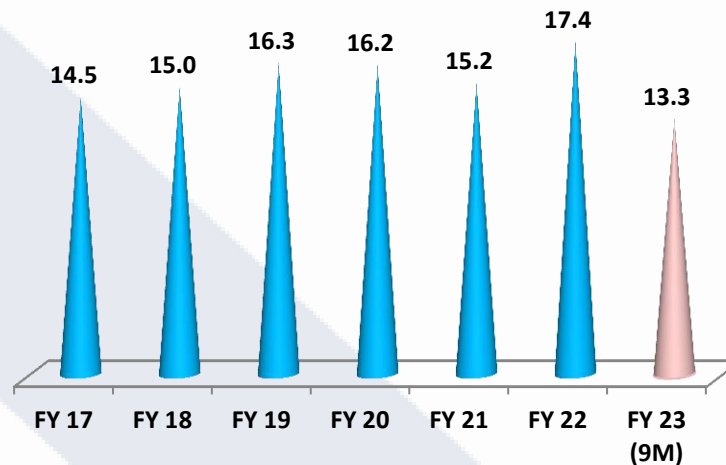
## Operational Performance



# PRODUCTION PERFORMANCE

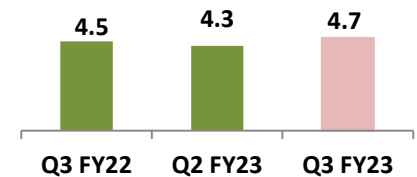
All figures In Million Tonne

## CRUDE STEEL PRODUCTION



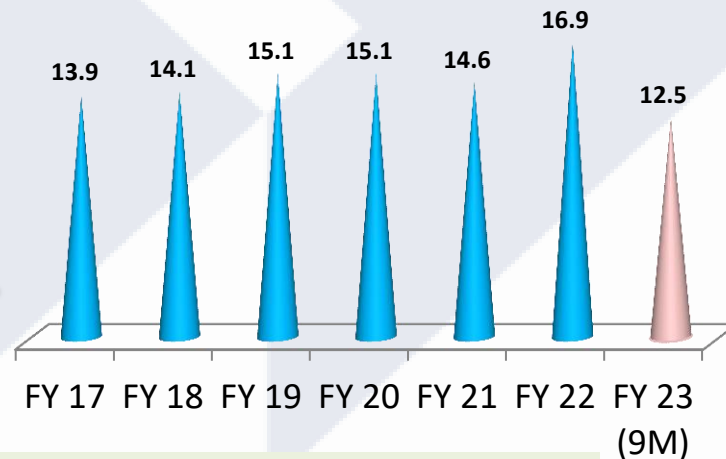
Highest ever Crude Steel production for the April –December period.

Annual

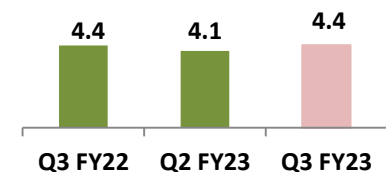


Quarterly

## SALEABLE STEEL PRODUCTION



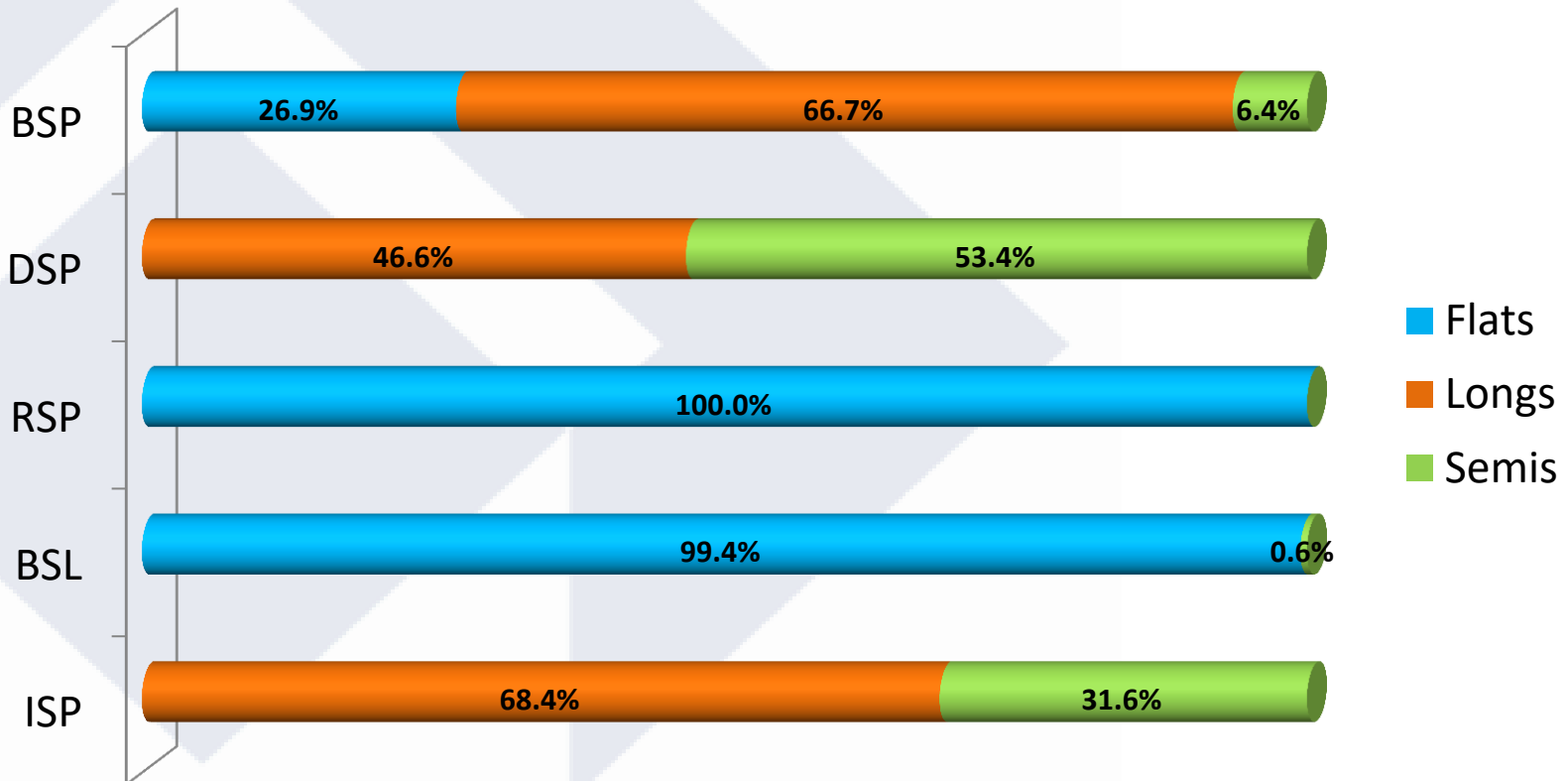
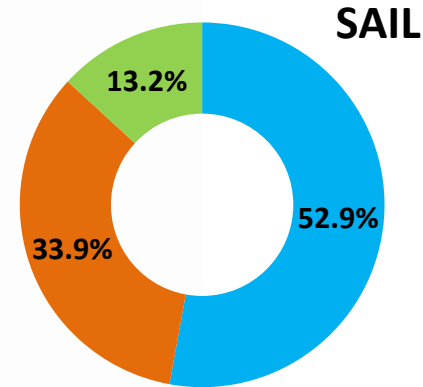
Highest ever Saleable Steel production for the April –December period.





# PRODUCTION PERFORMANCE : FY'23

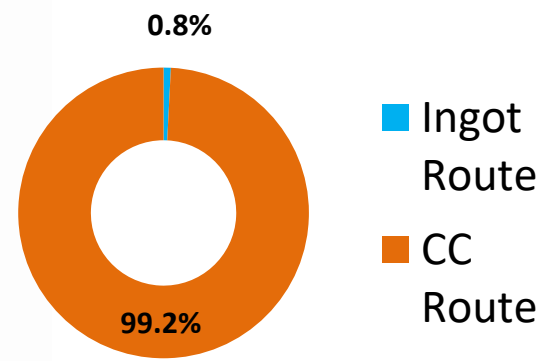
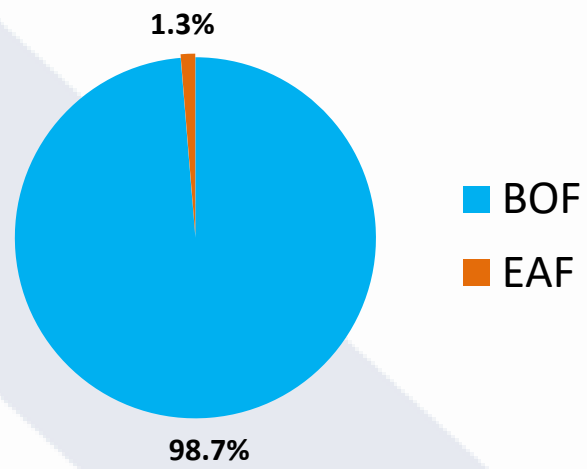
## PRODUCT MIX : 5 ISPs



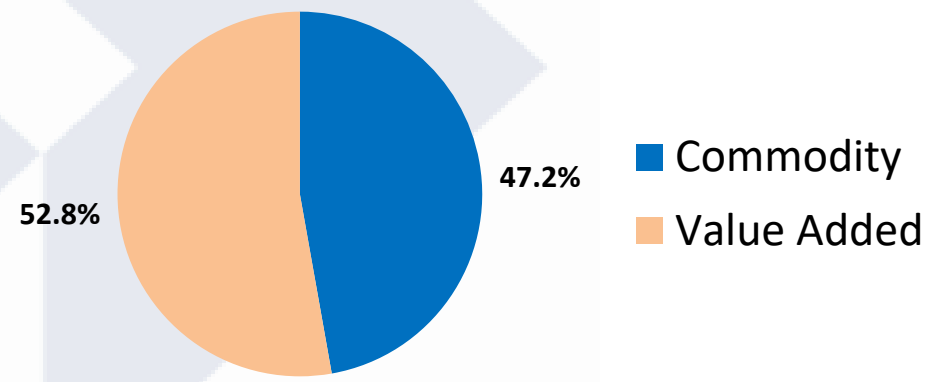
# PRODUCTION PERFORMANCE : FY'23



CRUDE STEEL PRODUCTION BY PROCESS



SALEABLE STEEL PRODUCTION BY PROCESS

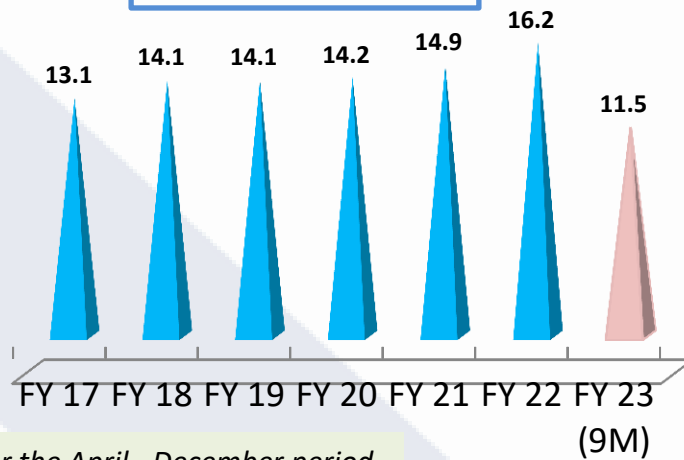


# SALES PERFORMANCE

All figures In Million Tonne

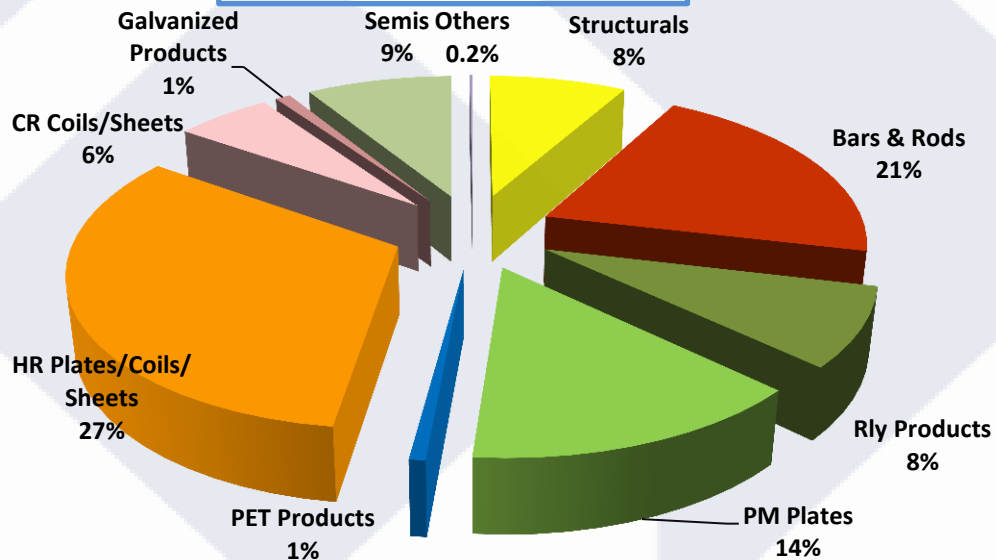
## SALES

### Annual

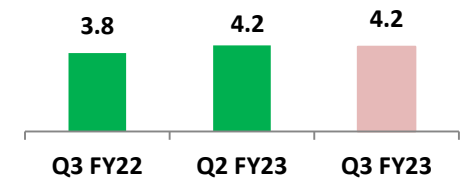


Highest ever Sales Volume for the April –December period.

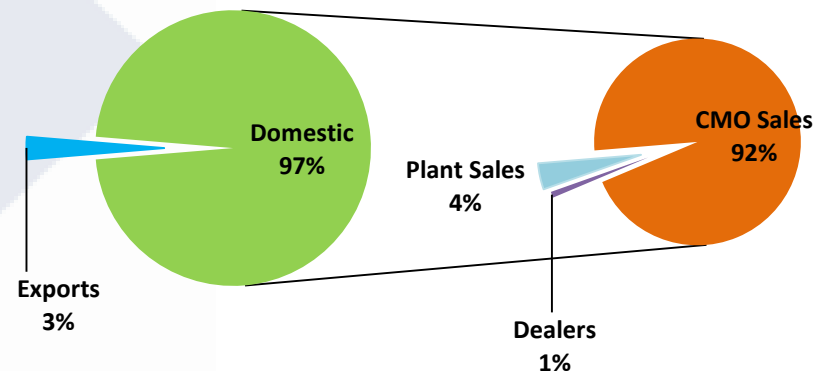
### Product Mix 5 ISPs



### Quarterly



### Sectoral Breakup



# STEEL AUTHORITY OF INDIA LIMITED



## Financial Performance



# FINANCIAL PERFORMANCE

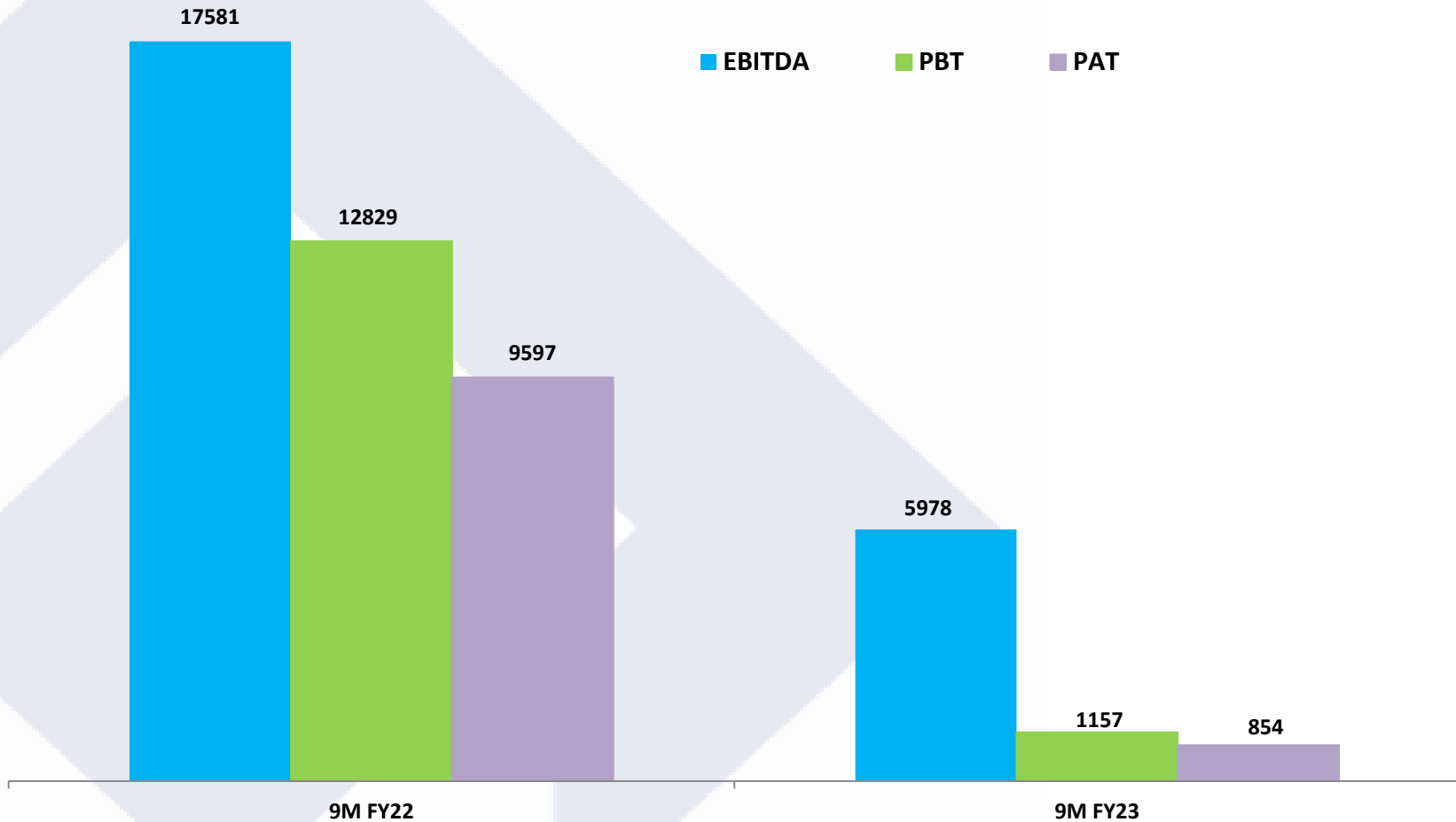
Rs. Crore (INDAS Compliant figures)	9M FY22	9M FY23		Q3 FY 22	Q2 FY 23	Q3 FY 23
Total Income	73305	76184		25495	26688	25163
Sales Turnover	72220	74810		25087	26089	24860
EBITDA	17581	5978		3659	1174	2198
Depreciation	3130	3598		1049	1183	1221
Finance Cost	1258	1520		316	506	640
PBT Before Exceptional Items	13193	859		2295	-516	337
Exceptional Items	364	-298		364	-	-298
PBT After Exceptional Items	12829	1157		1931	-516	635
Tax	3232	303		488	-130	171
Profit After Tax	9597	854		1443	-386	464

***The financial performance has been driven by two major factors:***

- Volumes during 9M are higher than CPLY and have been aided by relatively higher realisations, which were at the peak during April 22 and continued to decline upto December. The prices have been steadily firming up since then.*
- High input costs majorly imported coking coal which was teasing to breach USD 700/tonne mark during March 2022. During the entire year coal prices have remained quite volatile and are currently hovering ~ USD360/tonne mark.*

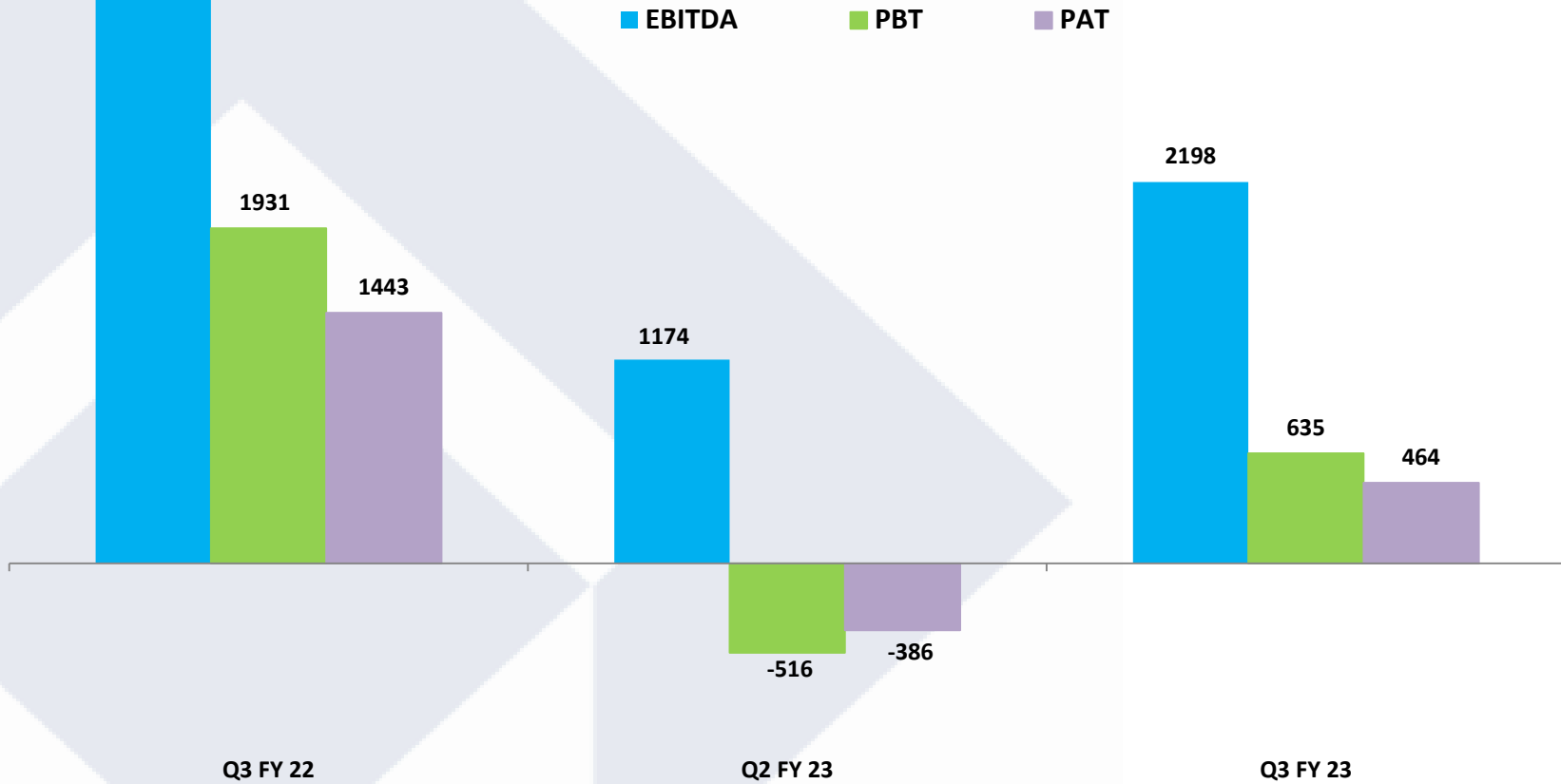
# FINANCIAL PERFORMANCE

Nine Months  
Performance  
(Rs. crore)



# FINANCIAL PERFORMANCE

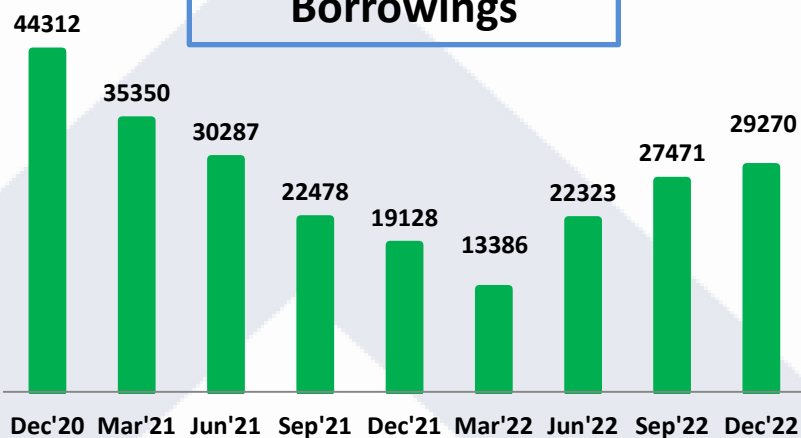
Quarterly  
Performance  
(Rs. crore)



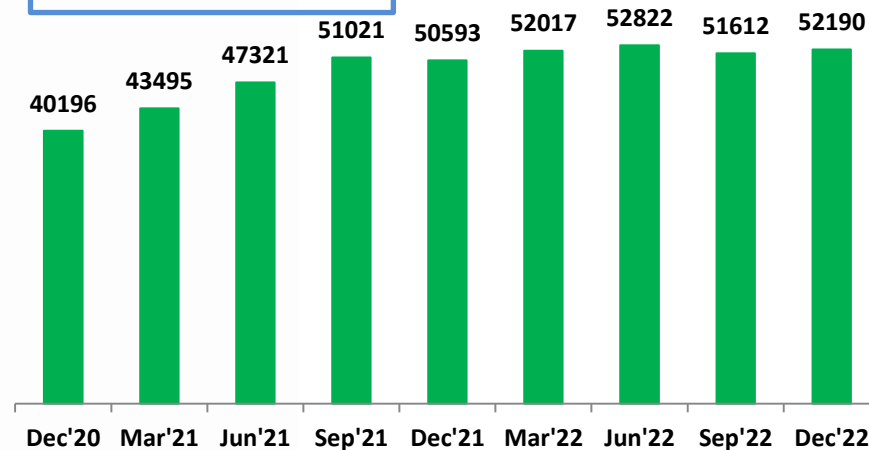


# FINANCIAL PERFORMANCE

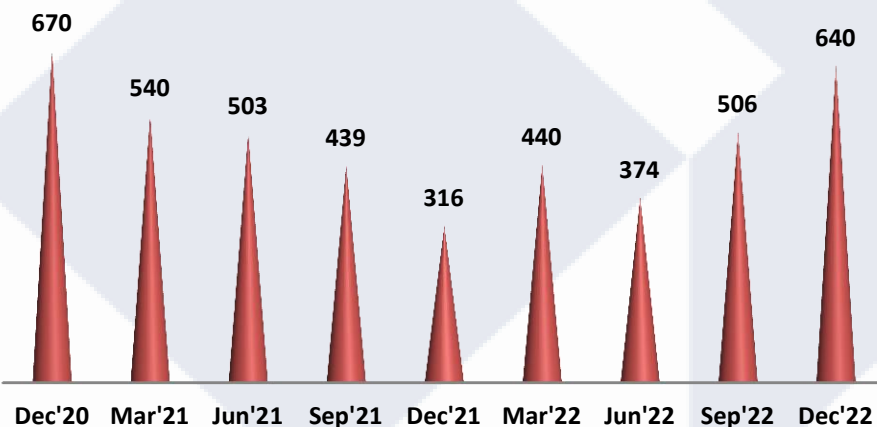
## Borrowings



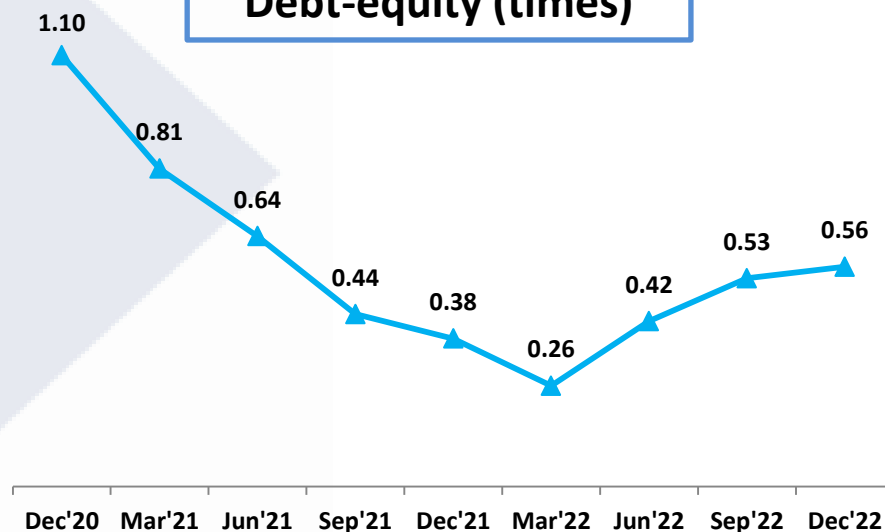
## Net Worth



## Quarterly Interest



## Debt-equity (times)



Borrowings, Interest and Net Worth in Rs. crore

# Abbreviations used

•	BF	Blast Furnace
•	SMS	Steel Melting Shop
•	BOF	Basic Oxygen Furnace
•	THF	Twin Hearth Furnace
•	EAF	Electric Arc Furnace
•	BSPL	Bhilai Steel Plant
•	DSP	Durgapur Steel Plant
•	RSP	Rourkela Steel Plant
•	BSL	Bokaro Steel Limited
•	SSP	Salem Steel Plant
•	VISL	Visvesvaraya Iron & Steel Plant
•	ASP	Alloy Steels Plant
•	CPLY	Corresponding Period Last Year
•	G.Cal/tcs	Giga Calories per tonne of Crude Steel
•	ISP	Integrated Steel Plant
•	HDGL	Hot Dip Galvanizing Line
•	CR	Cold Rolled
•	HR	Hot Rolled

•	FOB	Freight On Board
•	JPC	Joint Plant Committee
•	Kg/thm	Kilo Gram Per Tonne of Hot Metal
•	Tpd	Tonnes Per Day
•	MT	Million Tonne
•	Mtpa	Million Tonne Per Annum
•	EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization.
•	PAT	Profit After Tax
•	PBT	Profit Before Tax
•	RINL	Rashtriya Ispat Nigam Limited
•	CS	Crude Steel
•	CDI	Coal Dust Injection
•	CC	Continuous Casting
•	BOO	Build-Own-Operate
•	GoI	Government of India
•	MOEF	Ministry of Environment & Forests

# Disclaimer

Statements / Data which do not relate to SAIL and are used / made in this presentation are from sources which are considered reliable and Company cannot be held for its authenticity.

Further, statements describing the Company's projections, estimates, expectations are “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed depending on the circumstances / situations.

Major factors that could affect the Company's operations include, among others, economic conditions affecting demand / supply and prices in the domestic and global markets in which the Company operates, changes in Government regulations, tax laws and other statutes, etc.