

STEEL AUTHORITY OF INDIA LIMITED



RESULTS PRESENTATION FOR Q1 FY'2022-23



STEEL AUTHORITY OF INDIA LIMITED



Sustainable Operations



LANDMARKS.....

Procurement

Top position in procurements through GeM



Mining

Iron Ore: 8.493 MT

Limestone: 0.27 MT

Dolomite: 0.14 MT



Production

Hot Metal: 4.694 MT

Crude Steel: 4.332 MT

Saleable Steel: 4.080 MT



Sales & Marketing

Pan-India network of more than 4300 distributors and dealers

Domestic Sales: 2.988 MT

Exports: 0.166 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

Settlement of 2017 wage revision in FY22

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

Contribution to ex-chequer: Rs. 6162 crore during Q1FY23

Spent ~Rs. 376 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 CO₂.

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

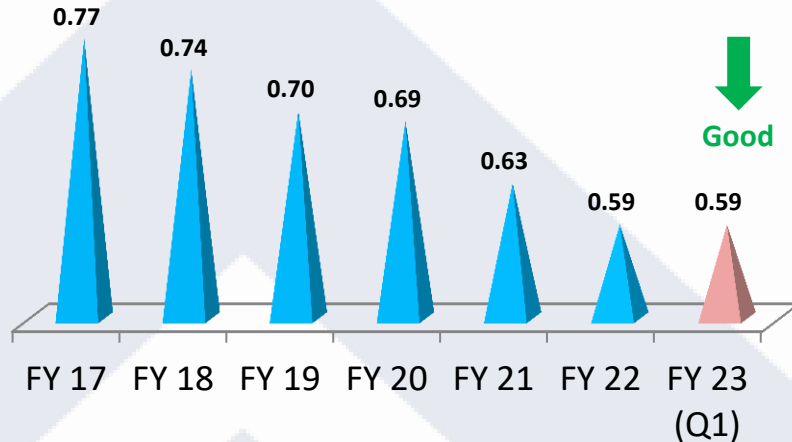


About 21.5 million saplings planted till FY'22.

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.

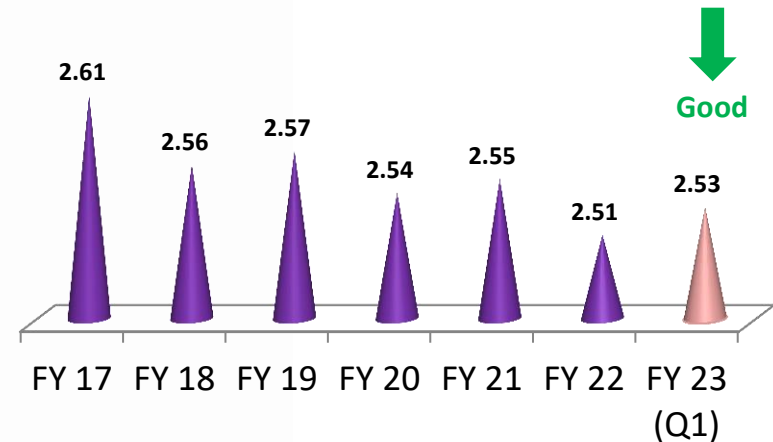
SUSTAINANCE PARAMETERS

PM Emission Load: kg/tcs



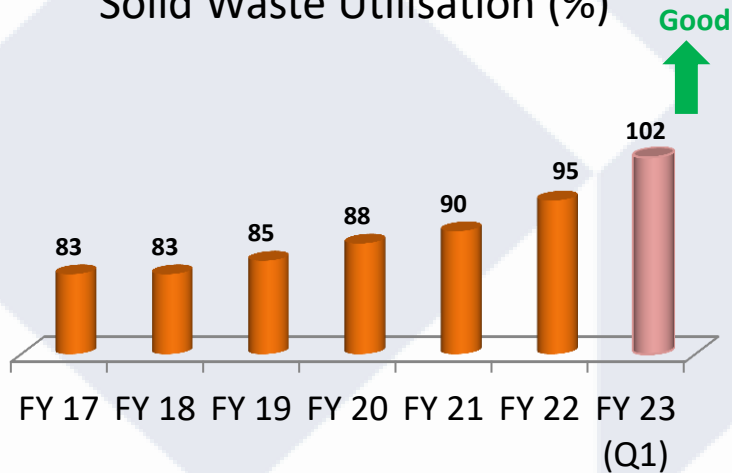
Reduction of 22% over FY17

Specific CO2 Emission: T/tcs



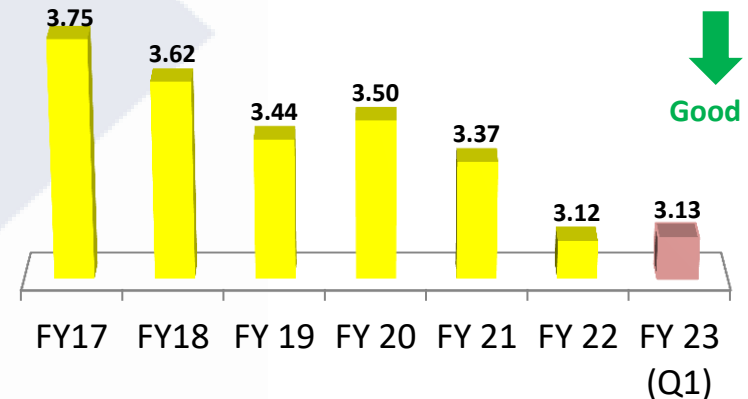
Reduction of 3% over FY17

Solid Waste Utilisation (%)



Increase of 22% over FY17

Specific Water Consumption: m3/tcs



Reduction of 17% 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

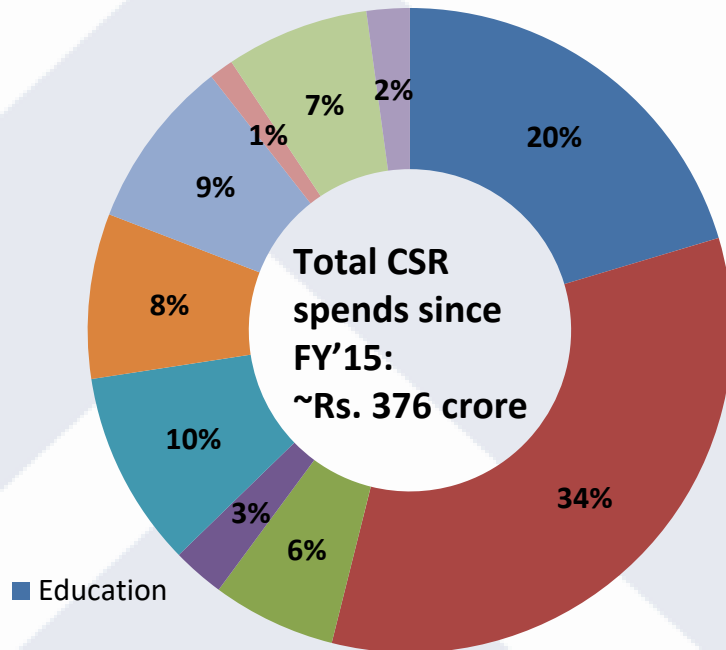


Running Eklavya Archery Academy and other sports academies for Hockey, Football, Athletics, etc. Athletes from SAIL academies have won medals at National and International Level.



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 & ACCOLADES

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 “17th 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

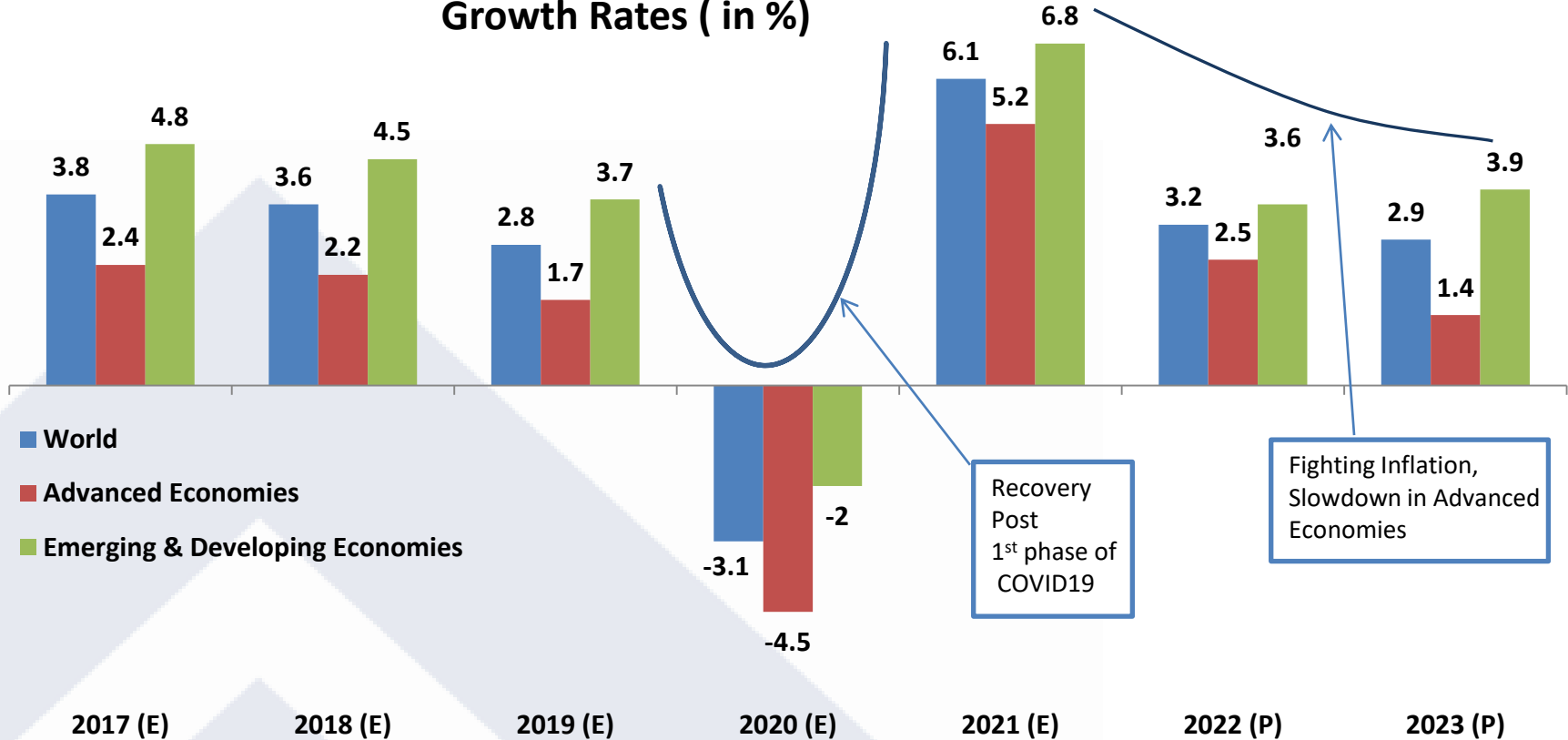


Global Economic & Steel Scenario



WORLD ECONOMIC SCENARIO

Growth Rates (in %)



IMF is projecting the growth for 2022 at 3.2% for the years 2022 and further down to 2.9% in 2023 in its World Economic Outlook during July'22. This is down from the earlier projection of 3.6% for both 2022 and 2023 during April'22. The major reasons for the downward revision include inflationary forces and tighter policy regime in US, Russia-Ukraine war, Slowdown in China and continuing impact of COVID related issues. The developing economies are, however, expected to fare better than their advanced counterparts.

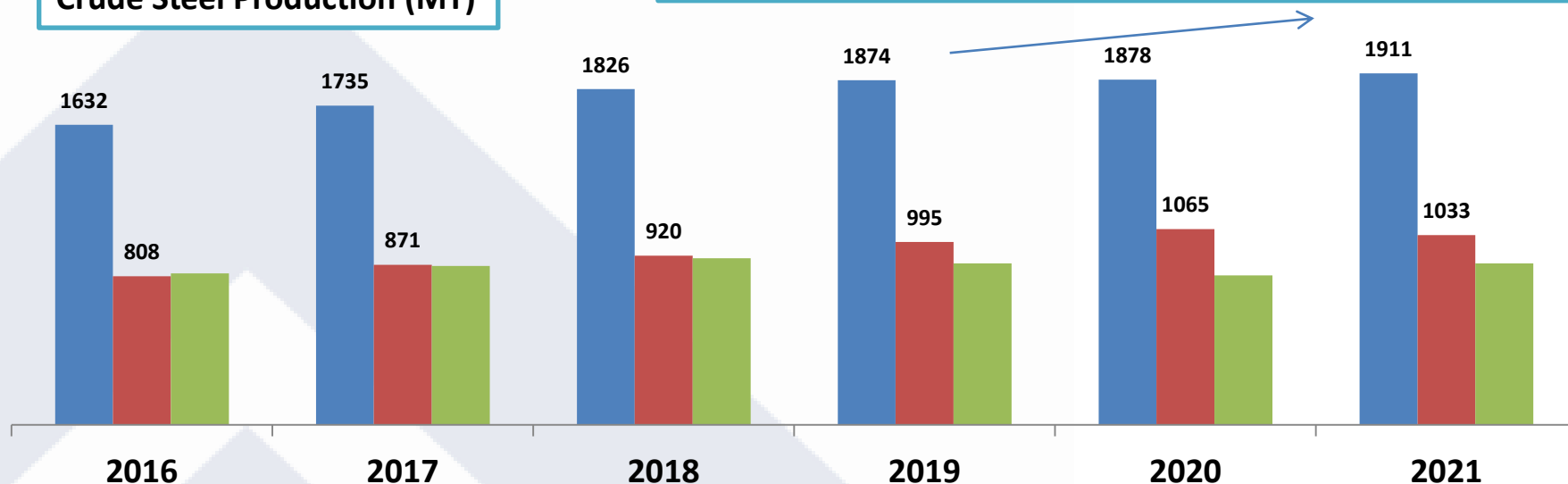
E= Estimates P= Projections

SOURCE: IMF

WORLD STEEL SCENARIO

Crude Steel Production (MT)

Steel continues its march with revival of economic activities and infra spendings

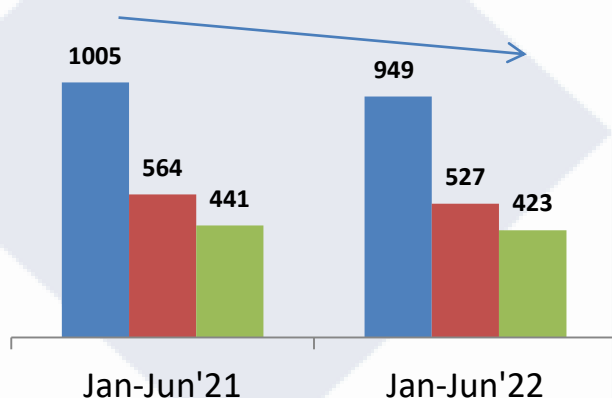


■ World ■ China ■ Rest of World

The crude steel production during the first half of the current year has declined by 5.5% over CPLY triggered majorly from negative growth of 8.8% in the world biggest steel producer, China, during this period.

Other major producers viz. Japan, US, South Korea and Russia have also recorded negative growth during the period.

Among the major producers, only India has seen a positive growth of 8.8% in production during the period.



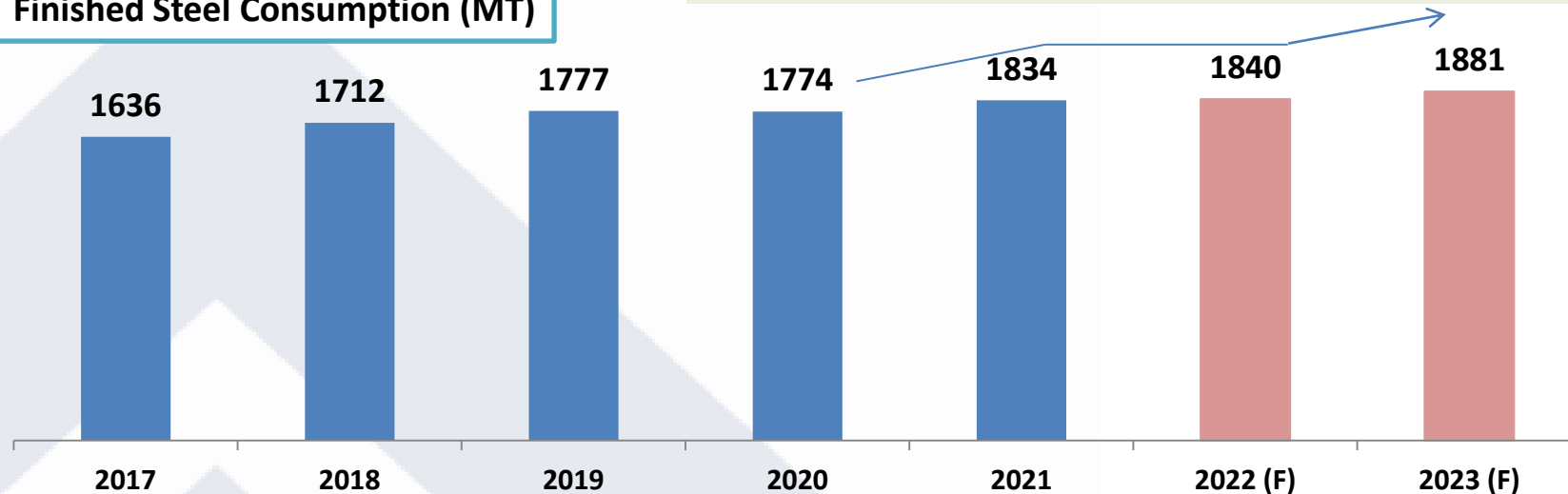
Negative growth in China and major economies having negative impact in current year

SOURCE: World Steel Association (WSA)

WORLD STEEL SCENARIO

Finished Steel Consumption (MT)

2022 is set to see a near static growth before demand sails again

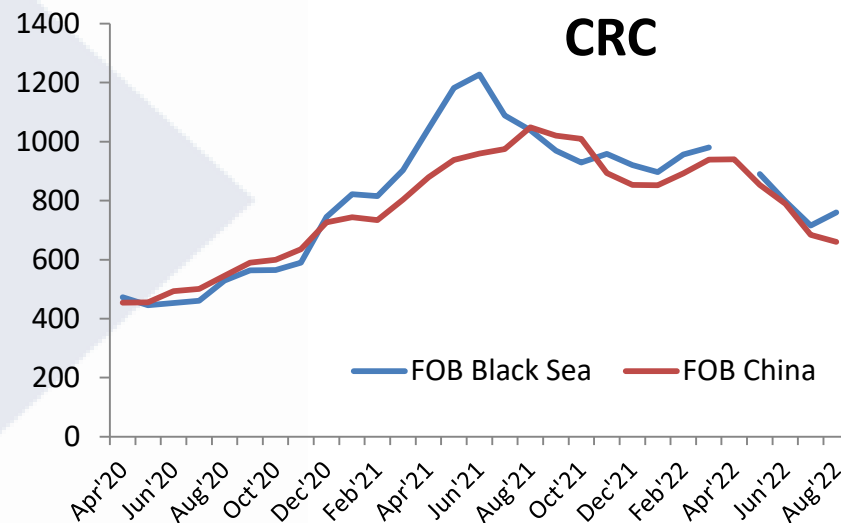
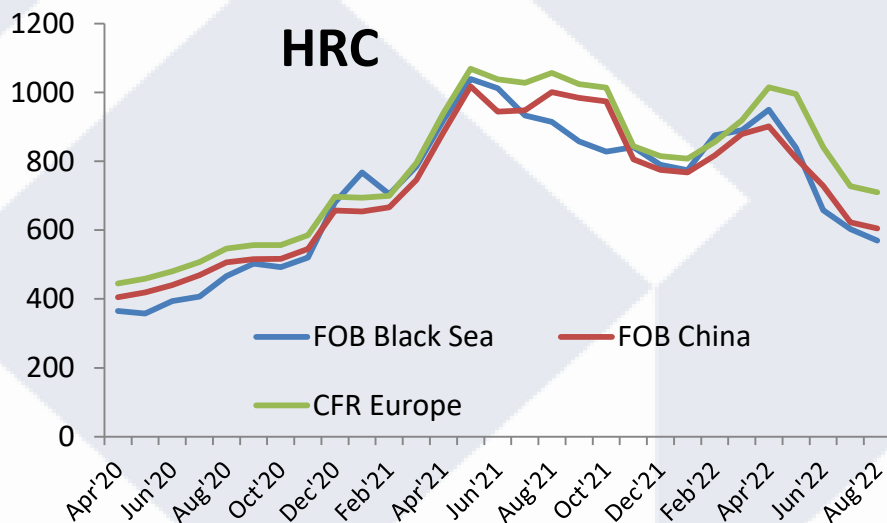
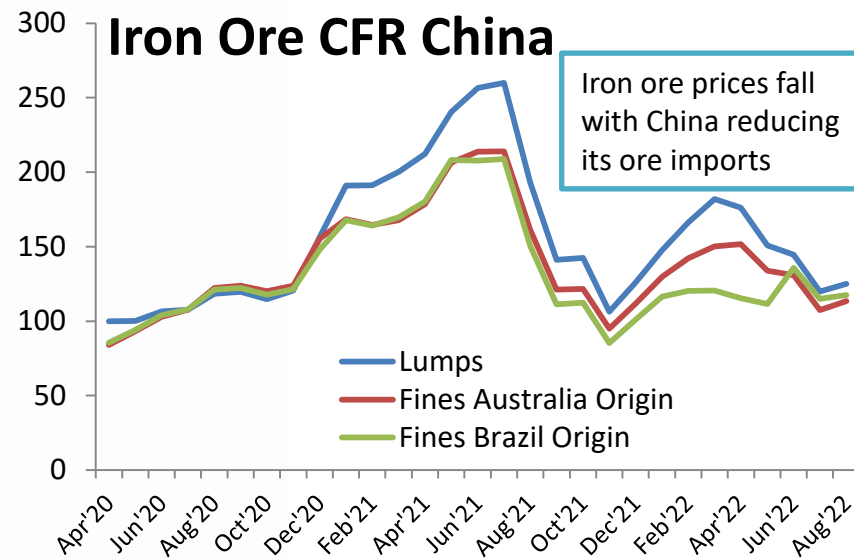
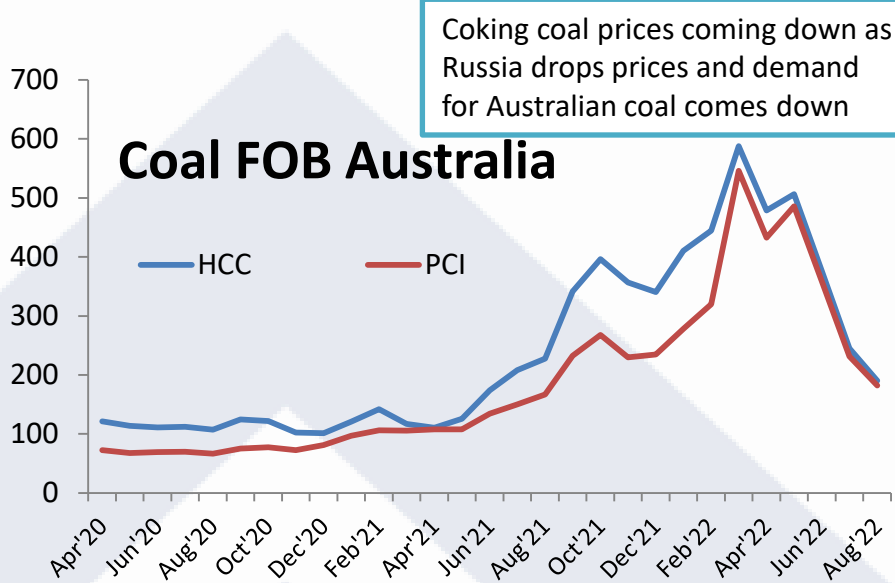


Short Range Outlook, April'22:

- Global steel demand is expected to grow by 0.4% in 2022. This is significantly lower than 2.2% projected in its Oct'21 SRO. The growth rate is, however, expected to increase to 2.2% in 2023.
- China is set to see stagnant demand in 2022 with 1% growth in 2023.
- Global demand excluding China is expected to grow by 0.7% in 2022, a sharp decline from 4.7% projected during Oct'21 SRO. This is expected to increase to 3.6% in 2023.

SOURCE: World Steel Association (WSA)

INTERNATIONAL PRICE TRENDS



Prices declining in HRC and CRC due to demand reduction and fears of recession, further aided by fall in input prices.

SOURCE: Steel Mint

STEEL AUTHORITY OF INDIA LIMITED

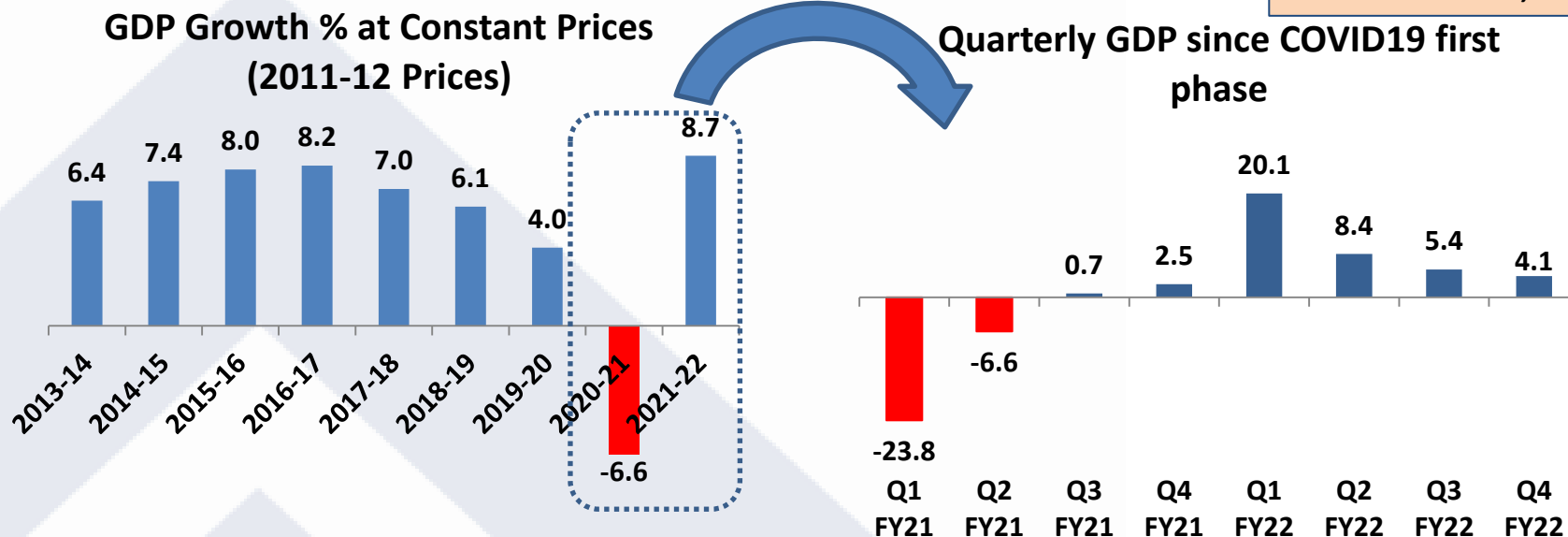


Domestic Economic & Steel Scenario



INDIAN ECONOMIC SCENARIO

SOURCE: MOSPI, GOI

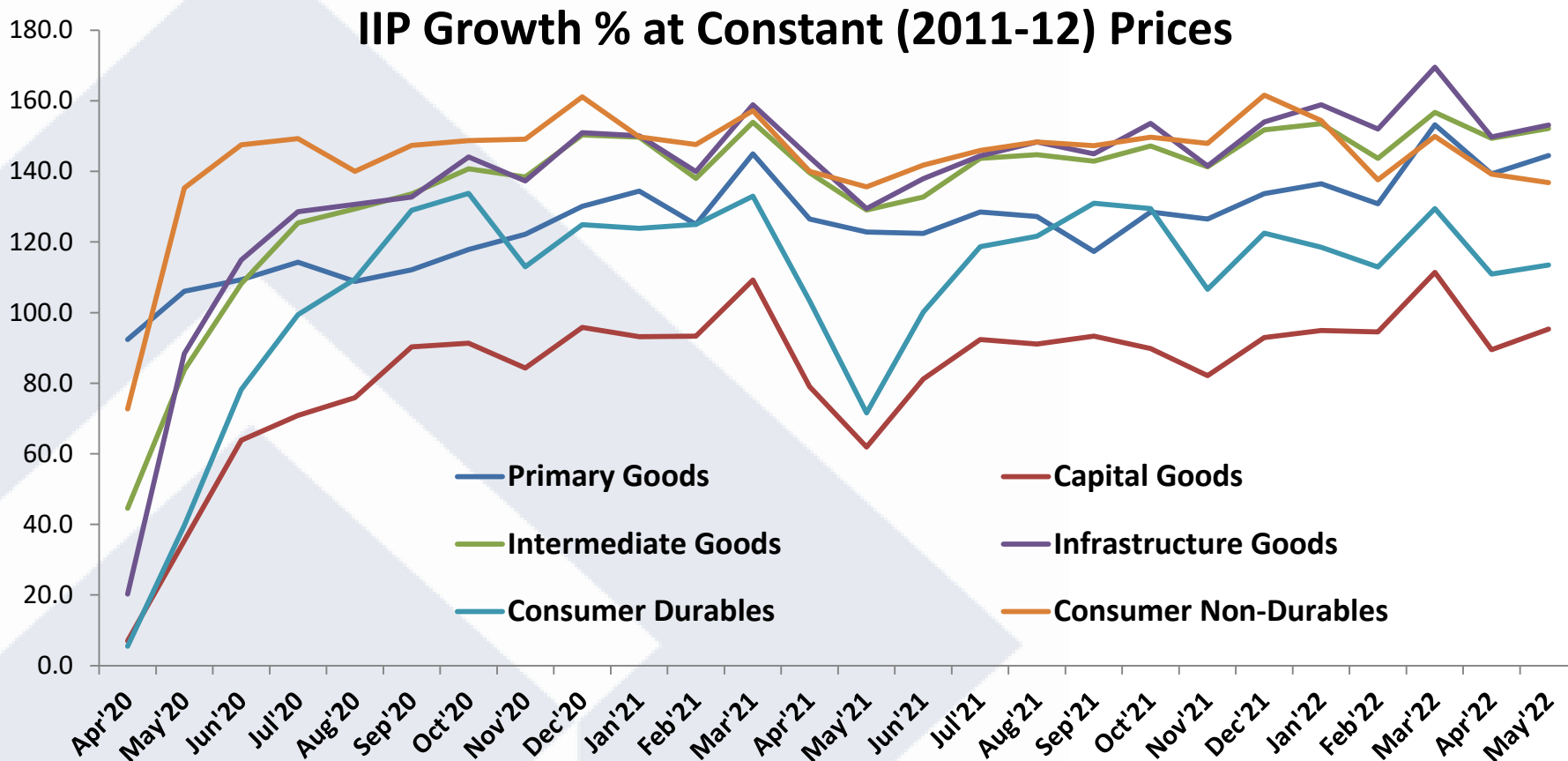


The onslaught of COVID19 Pandemic saw the GDP of Indian economy slide into negative during FY'21 at -6.6%. However, the economy gained ground thereafter and reached 20.1% during Q1 FY22. Since then, factors like inflation have been weighing on the growth rates. The estimates for the entire year FY'22 stand at 8.7%. 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	7.5% (FY23)	Rate has been lowered from earlier 8.0% in line with global forecast being reduced to 2.9% from 4.1% for CY'22.
IMF	7.4% (CY22) & 6.1% (CY23)	Rate has been from 8.2% and 6.9% respectively in line with global projections
RBI	7.2% (FY23)	RBI retains its previous projections on GDP

INDIAN ECONOMIC SCENARIO

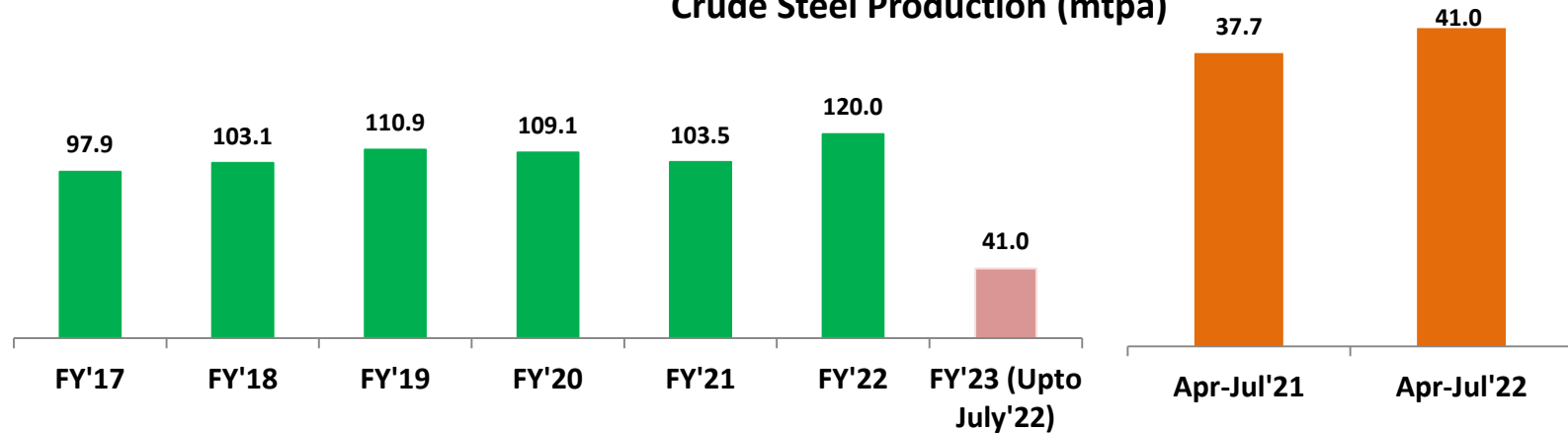
SOURCE: MOSPI, GOI



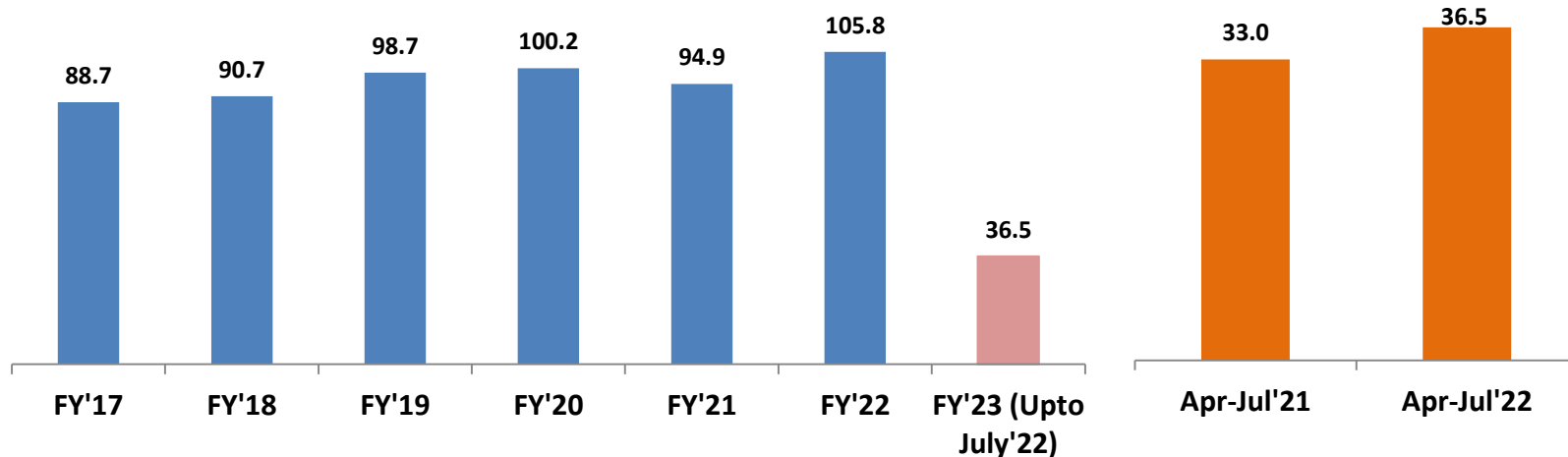
The manufacturing activities had fell to historic lows during lockdown due to COVID19 during Q1 FY'21. However, as economy recovered sharply on the back of financial stimulus by the government and demand rising sharply across sectors post lockdown, the IIP also saw a steep climb. Thereafter, during Q1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

INDIAN STEEL SCENARIO

Crude Steel Production (mtpa)



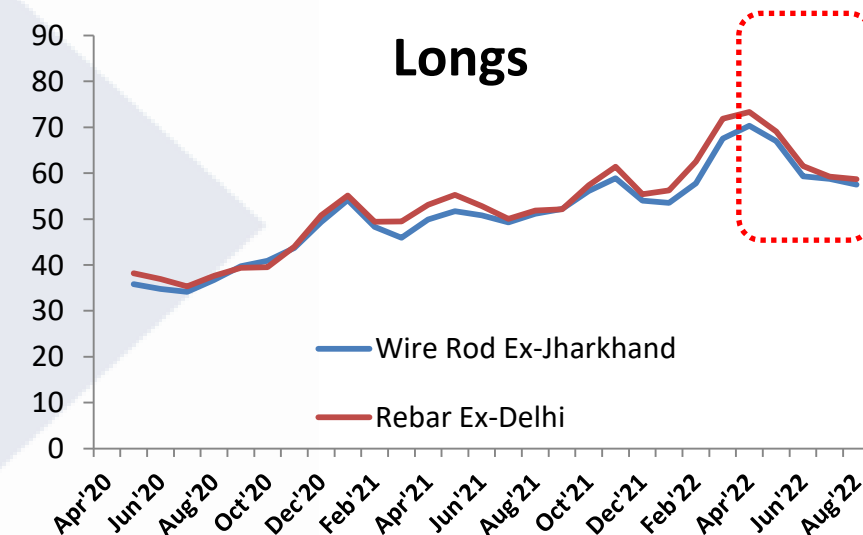
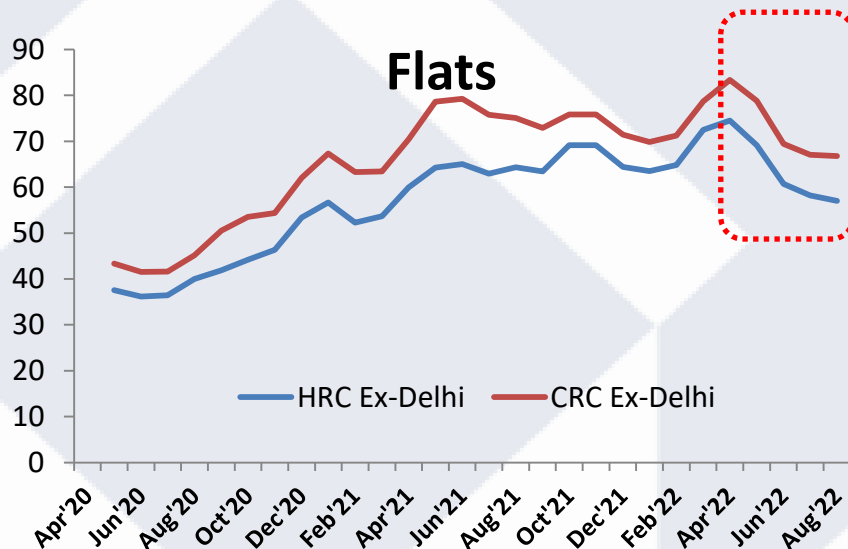
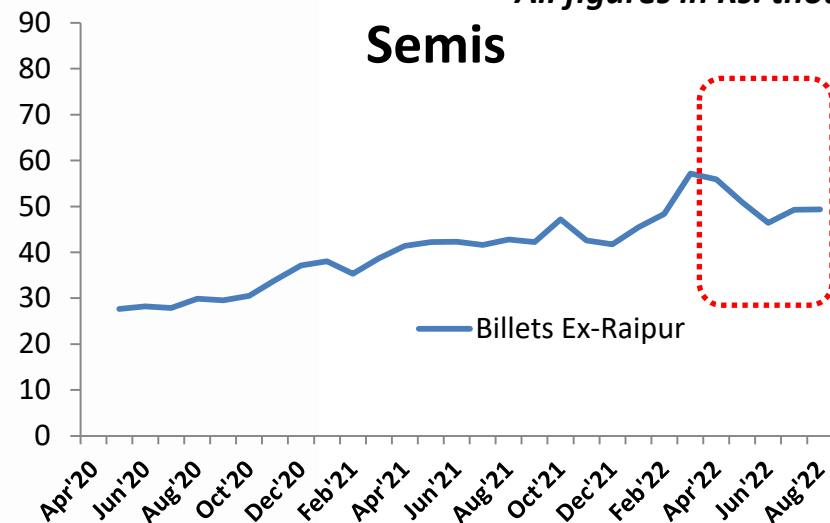
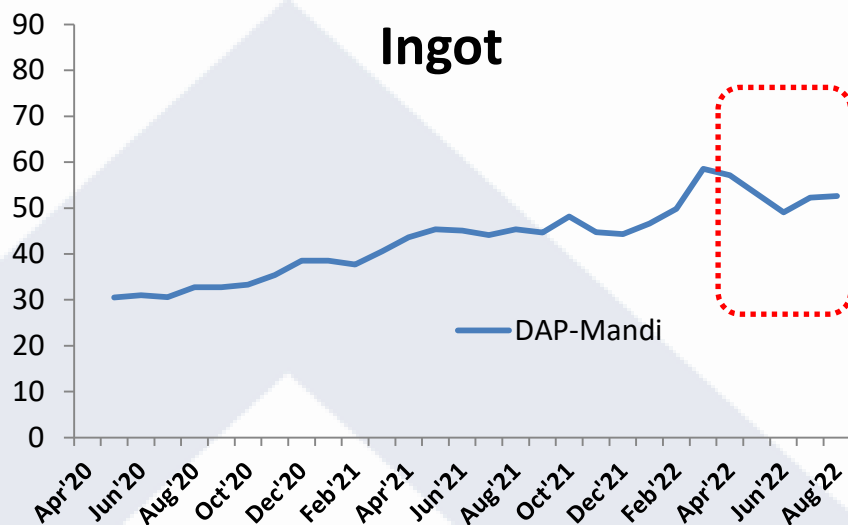
Finished Steel Consumption (mtpa)



The Short Range Outlook published by WorldSteel Association during April'22, has projected the steel demand in India to increase by 7.5% in CY2022 and 6.0% in CY2023.

DOMESTIC PRICE TREND

All figures in Rs. thousand



The prices saw a continuous increase post easing of lockdown barring minor aberrations. Of late, the prices have corrected considerably on global cues. However, the price correction delta for Long Products has been lower as the thermal coal prices have not relented much leading to sponge prices remaining more or less remaining unaffected.

SOURCE: Steel Mint

STEEL AUTHORITY OF INDIA LIMITED



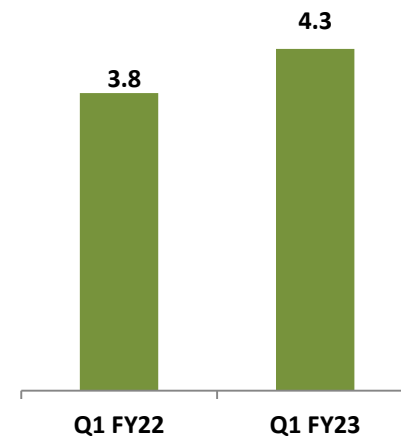
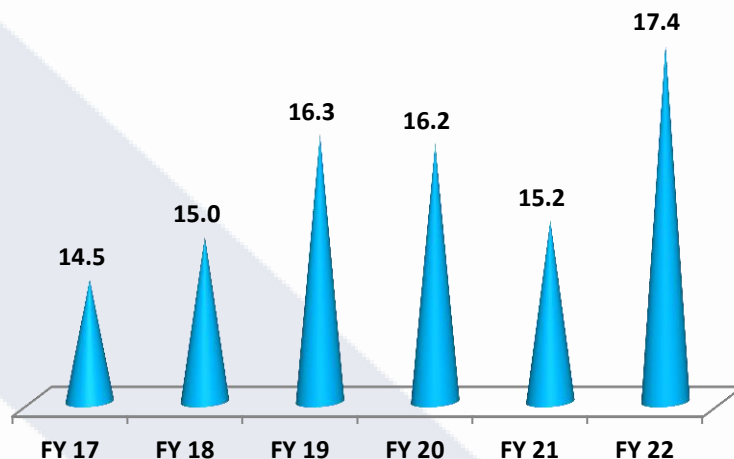
Operational Performance



PRODUCTION PERFORMANCE

All figures In Million Tonne

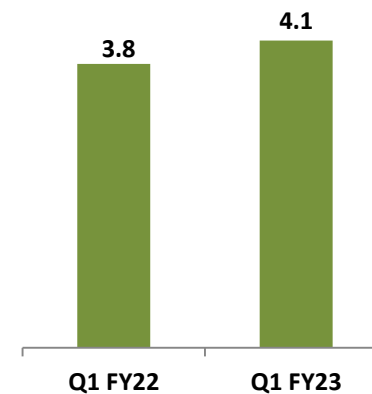
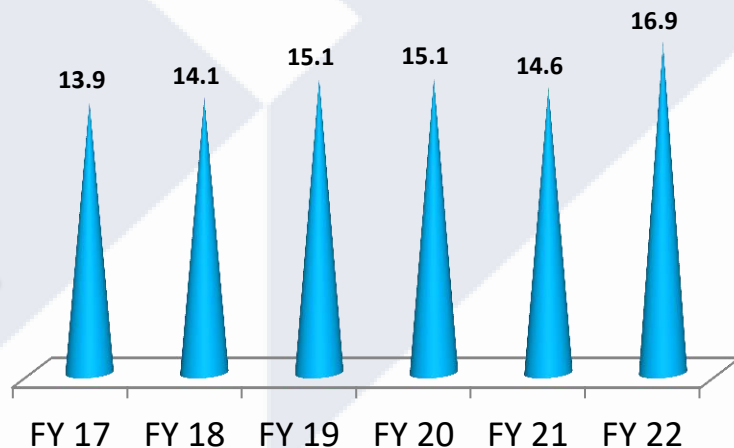
CRUDE STEEL PRODUCTION



Annual

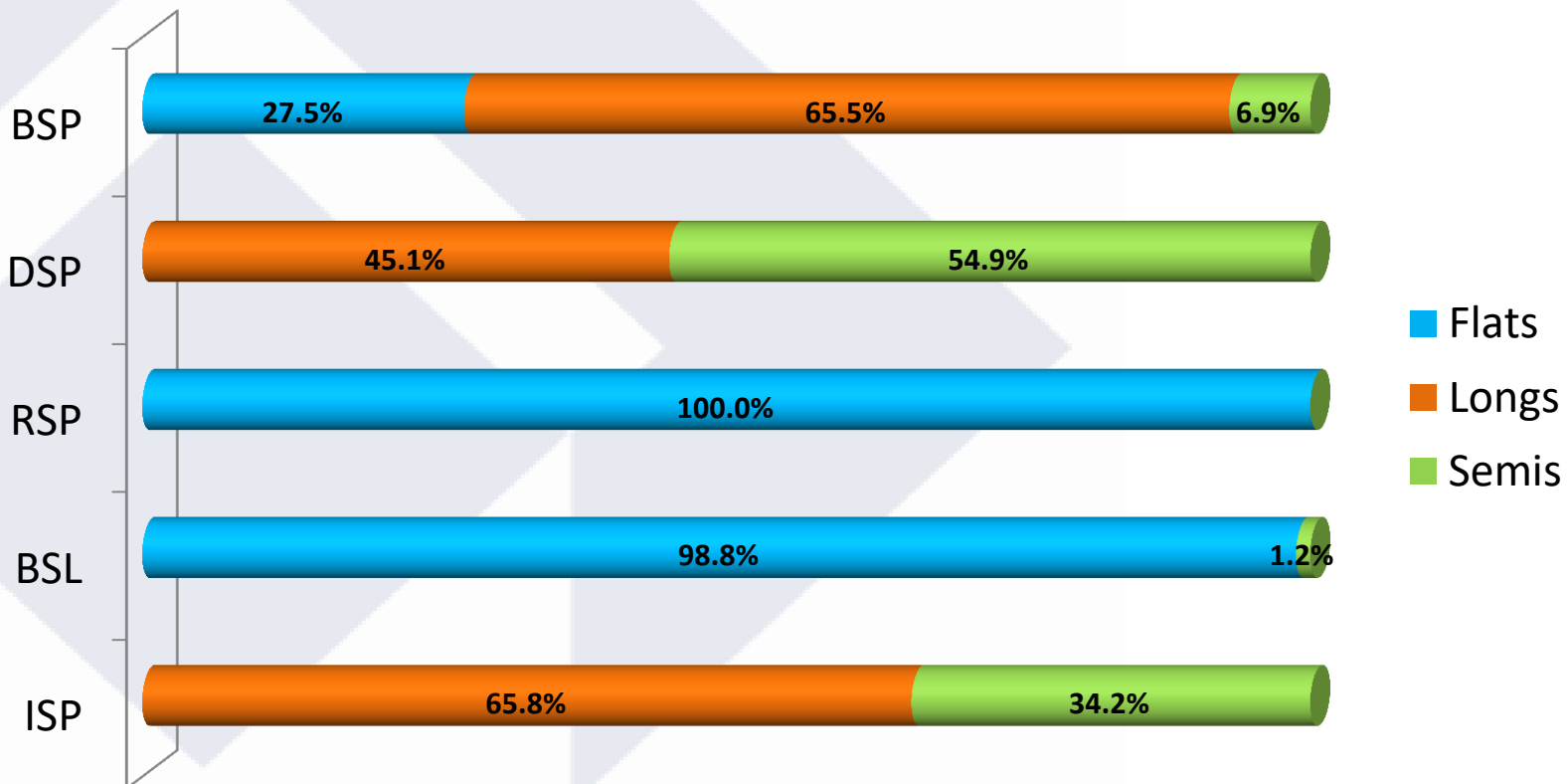
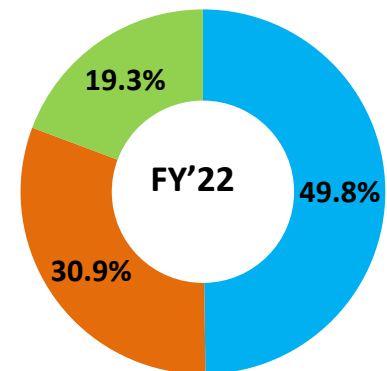
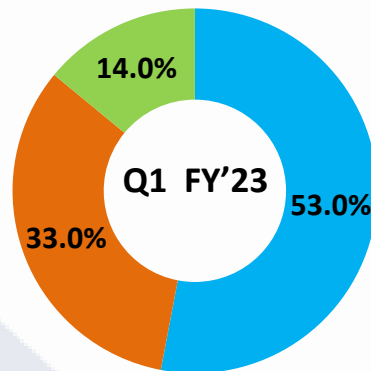
Quarterly

SALEABLE STEEL PRODUCTION



PRODUCTION PERFORMANCE

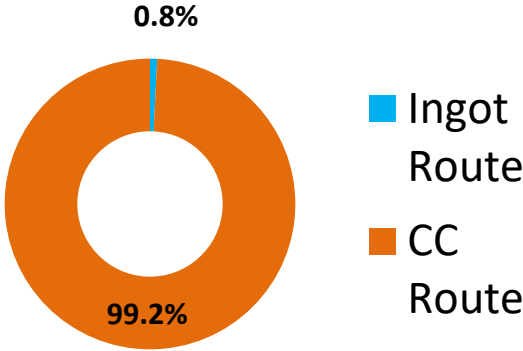
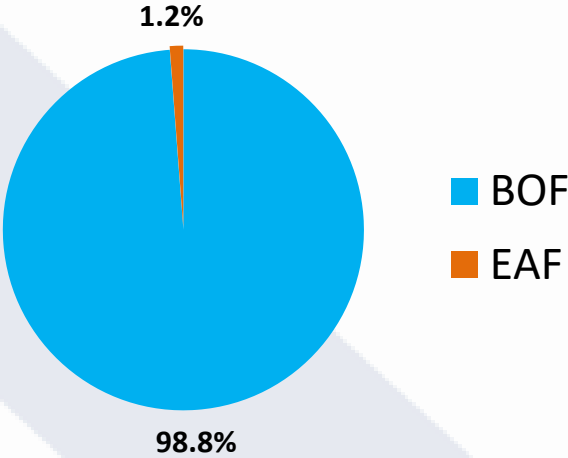
PRODUCT MIX : 5 ISPs



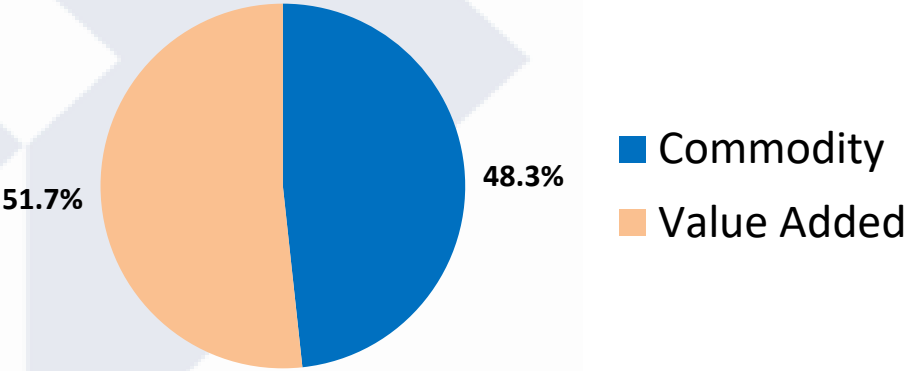
PRODUCTION PERFORMANCE : FY'23



CRUDE STEEL PRODUCTION BY PROCESS

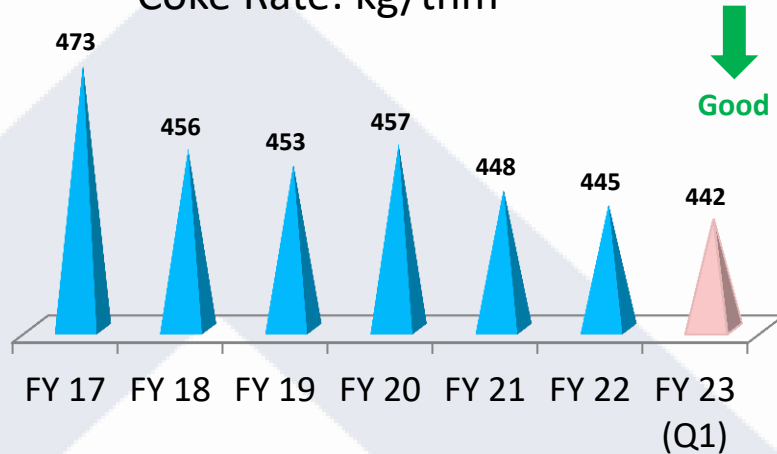


SALEABLE STEEL PRODUCTION BY PROCESS



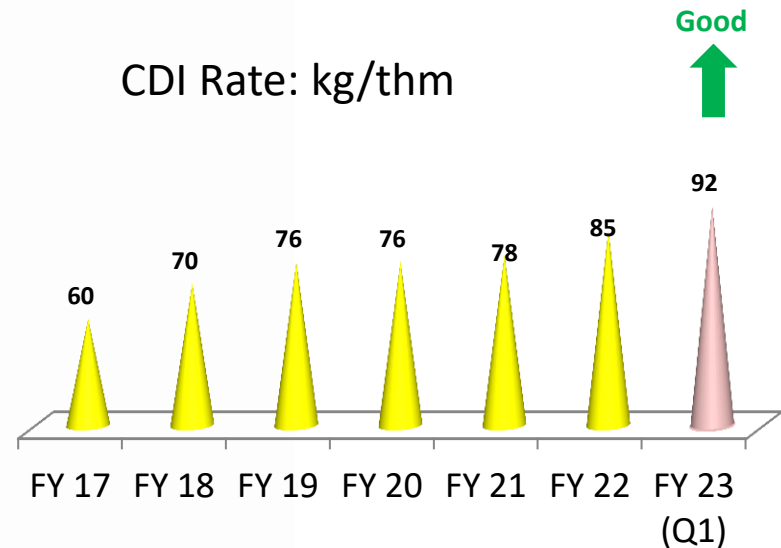
TECHNO-ECONOMIC PARAMETERS

Coke Rate: kg/thm



Reduction of 6% over FY17

CDI Rate: kg/thm



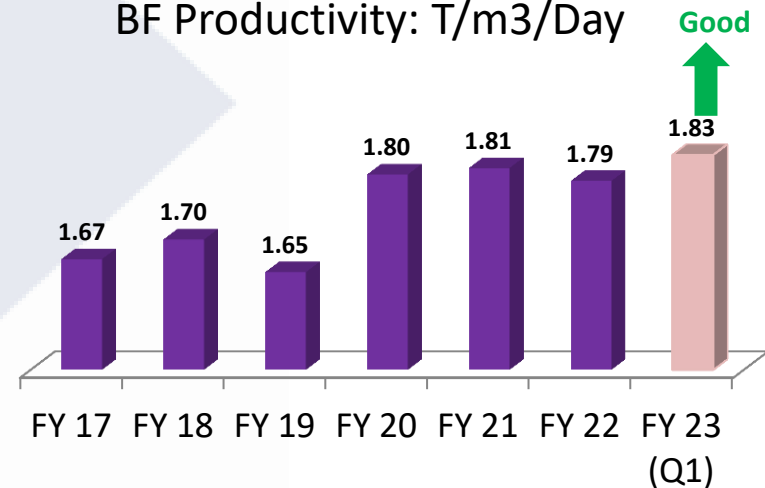
Increase of 80% over FY17

Specific Energy Consumption: GCal/tcs



Reduction of 3% over FY17

BF Productivity: T/m3/Day

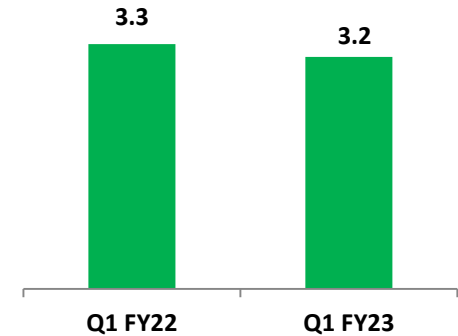
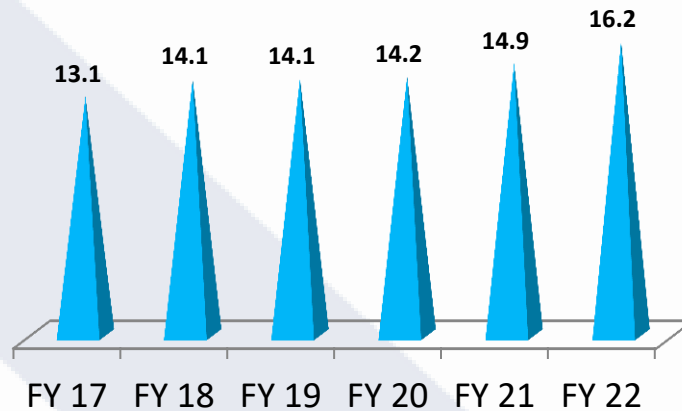


Improvement of 10% over FY17

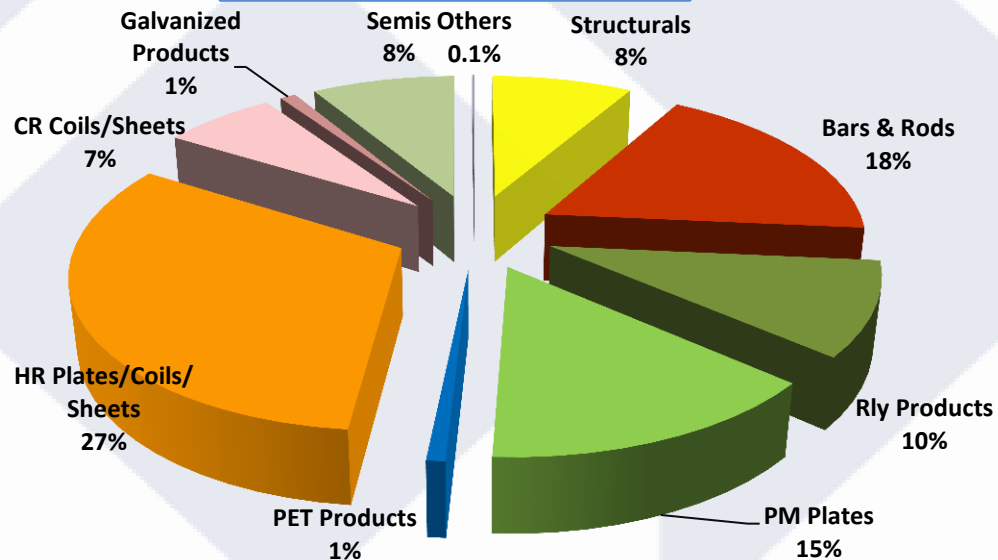
SALES PERFORMANCE

All figures In Million Tonne

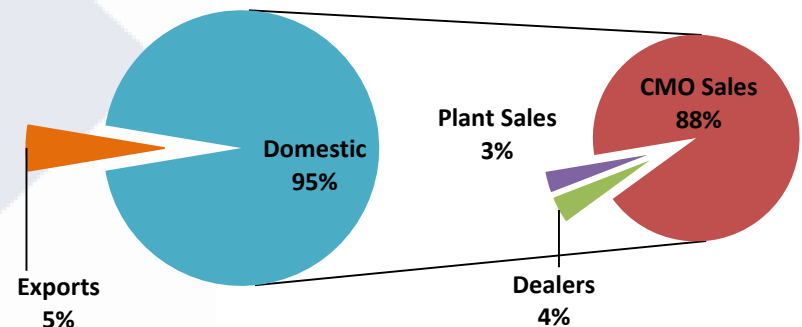
SALES



Product Mix 5 ISPs



Sectoral Breakup



STEEL AUTHORITY OF INDIA LIMITED



Financial Performance



FINANCIAL PERFORMANCE

Rs. Crore (INDAS Compliant figures)	FY 22	Q1 FY 22	Q4 FY 22	Q1 FY 23
Sales	102805	20498	30585	23862
EBITDA	22364	6674	4783	2606
Depreciation	4274	1026	1144	1194
Finance Cost	1698	503	440	374
PBT Before Exceptional Items	16392	5145	3199	1038
Exceptional Items	-353	-	11	-
PBT After Exceptional Items	16039	5145	3210	1038
Tax	4024	1295	792	262
Profit After Tax	12015	3850	2418	776

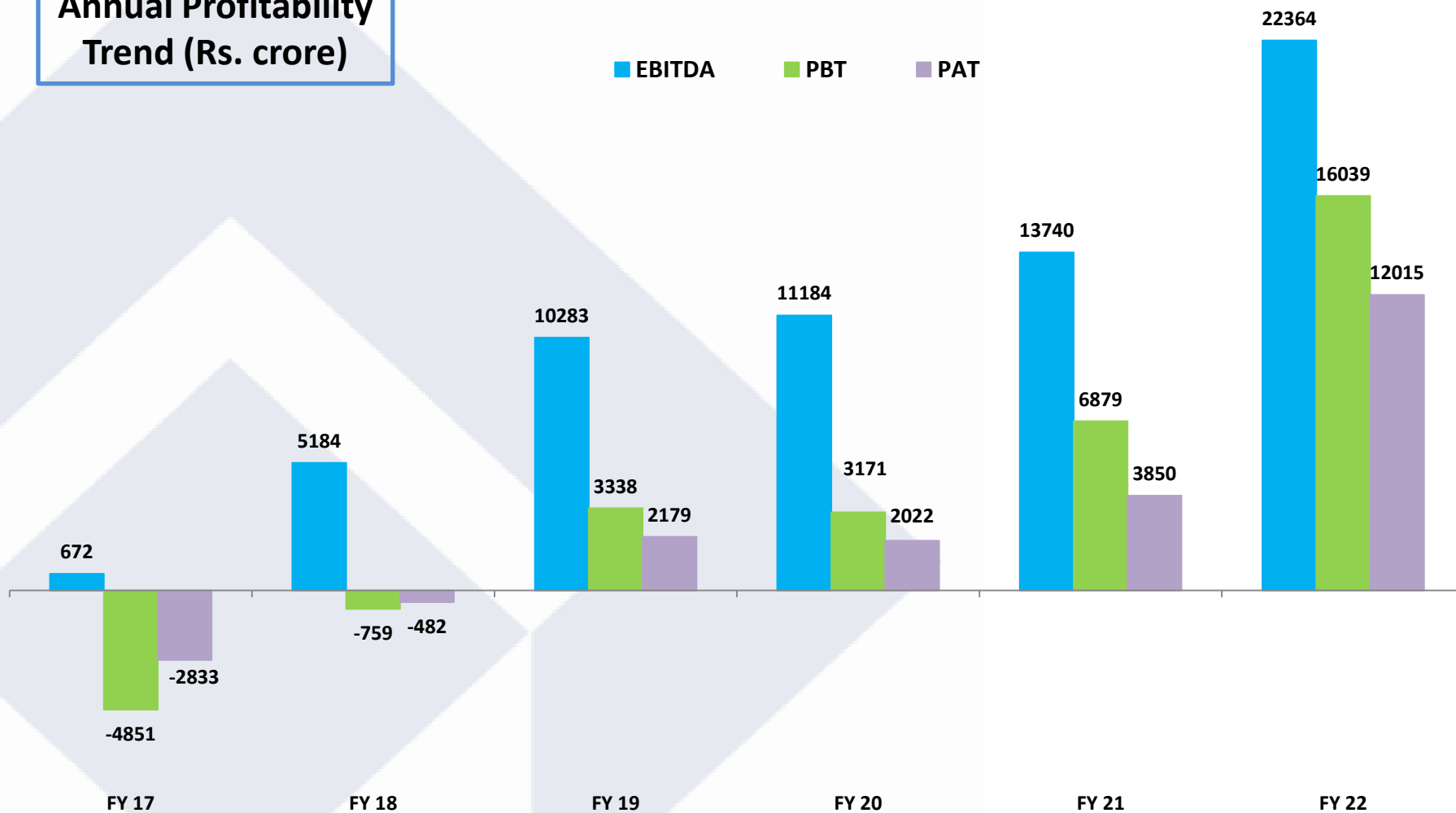
The financial performance has been driven by two major factors:

1. Lower volumes which were partially offset by higher realisations, particularly, during April 22 after which the prices have declined considerably.
2. High input costs majorly imported coking coal which was teasing to breach USD 700/tonne mark during March 2022.

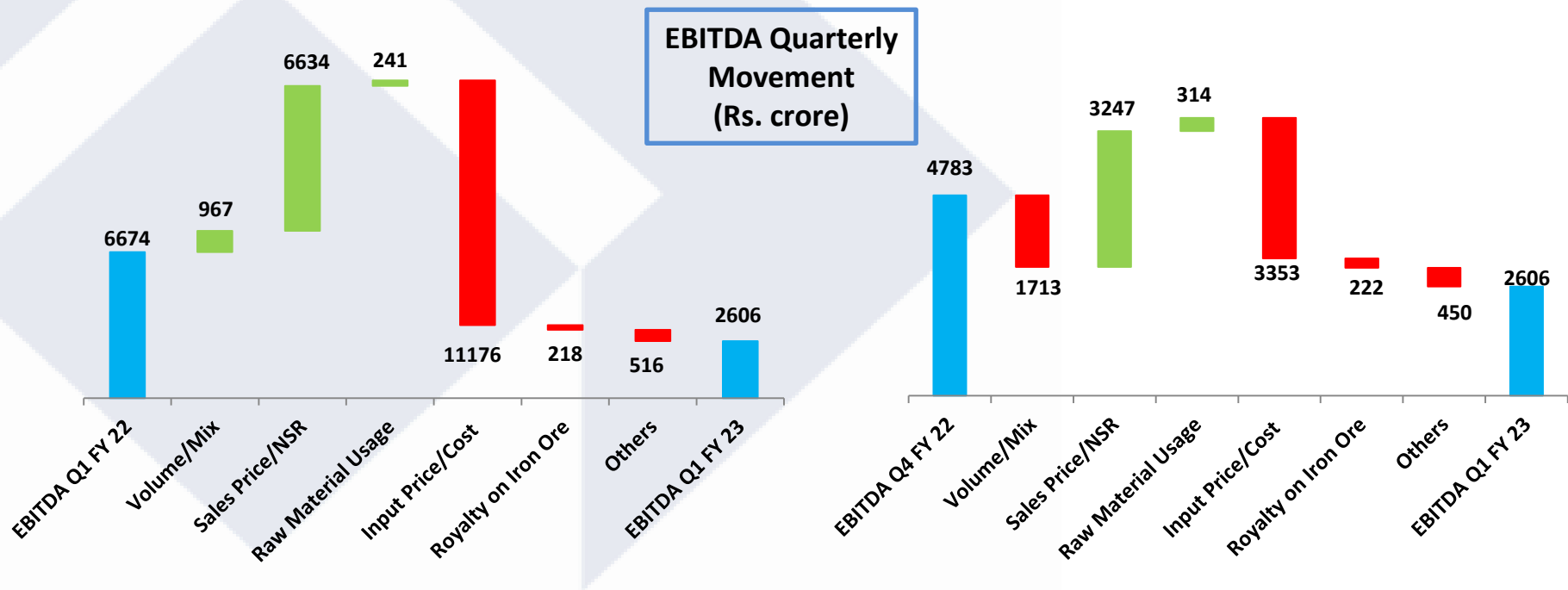
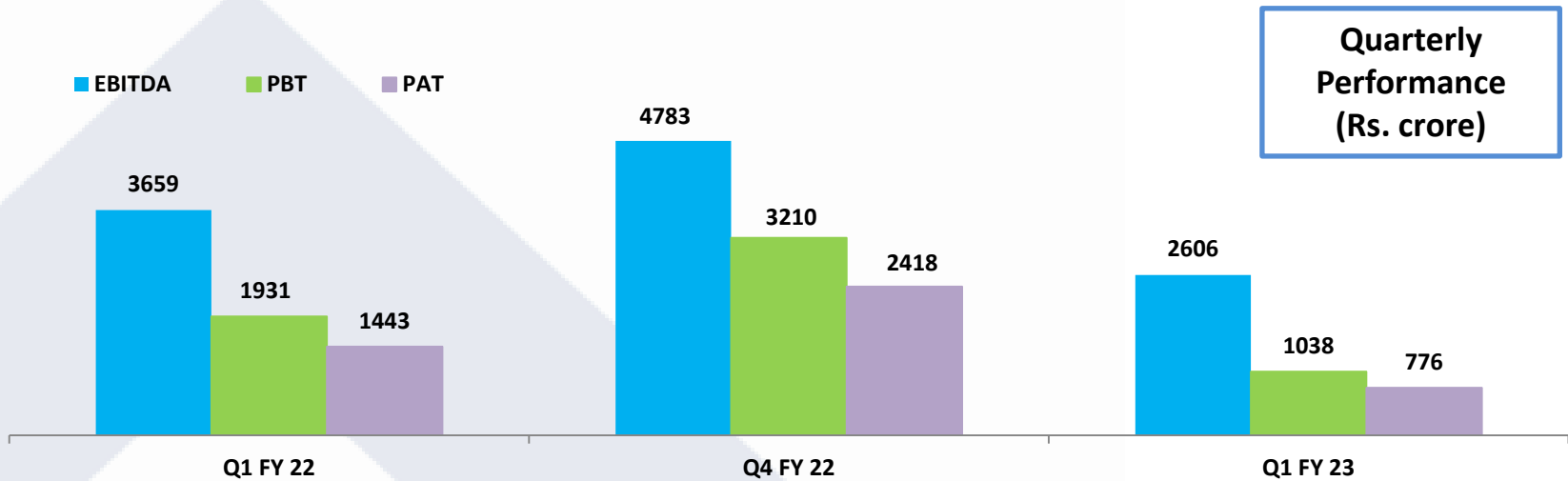
FINANCIAL PERFORMANCE

Annual Profitability Trend (Rs. crore)

EBITDA PBT PAT



FINANCIAL PERFORMANCE



Abbreviations used

• BF	Blast Furnace	• FOB	Freight On Board
• SMS	Steel Melting Shop	• JPC	Joint Plant Committee
• BOF	Basic Oxygen Furnace	• Kg/thm	Kilo Gram Per Tonne of Hot Metal
• THF	Twin Hearth Furnace	• Tpd	Tonnes Per Day
• EAF	Electric Arc Furnace	• MT	Million Tonne
• BSP	Bhilai Steel Plant	• Mtpa	Million Tonne Per Annum
• DSP	Durgapur Steel Plant	• EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization.
• RSP	Rourkela Steel Plant	• PAT	Profit After Tax
• BSL	Bokaro Steel Limited	• PBT	Profit Before Tax
• SSP	Salem Steel Plant	• RINL	Rashtriya Ispat Nigam Limited
• VISL	Visvesvaraya Iron & Steel Plant	• CS	Crude Steel
• ASP	Alloy Steels Plant	• CDI	Coal Dust Injection
• CPL	Corresponding Period Last Year	• CC	Continuous Casting
• G.Cal/tcs	Giga Calories per tonne of Crude Steel	• BOO	Build-Own-Operate
• ISP	Integrated Steel Plant	• GoI	Government of India
• HDGL	Hot Dip Galvanizing Line	• MOEF	Ministry of Environment & Forests
• CR	Cold Rolled		
• HR	Hot Rolled		

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.