



**JSW Energy Limited**

**Q2FY21 Results Presentation**

November 3, 2020

BETTER EVERYDAY

# Key Highlights for Q2FY21

(1/2)

## Operational

- The Company's overall Long Term (LT) Net Generation increased by 10% YoY; LT Net Thermal Generation increased by 20% YoY
- Overall Thermal PLF for capacity under LT PPA increased to 78% from 65% YoY; PLFs for capacity under LT PPA improved across all thermal plants

## Financial

- Consolidated EBITDA at ₹985 Crore
- Consolidated PAT at ₹352 Crore
- Net Debt<sup>1</sup> reduced by ₹822 Crore in Q2FY21 and by ₹1,274 Crore in H1FY21
  - Net Debt<sup>1</sup> to Equity at 0.59x
  - Net Debt<sup>1</sup> to EBITDA (TTM) at 2.44x
- Receivables declined YoY amidst challenging business environment and Covid-19 situation

## Update on Growth Projects

- JSW Solar Ltd (100% subsidiary) received Letter of Awards for setting up total Blended Wind capacity of 810 MW from Solar Energy Corporation of India (SECI)
- Haryana Electricity Regulatory Commission approved the power procurement offer of JSW Energy (Kutehr) Ltd for supply of 240 MW hydro power; PPA under finalization
- The resolution plan submitted by the Company for Ind-Barath Energy (Utkal) Ltd is pending approval by the National Company Law Tribunal

# Key Highlights for Q2FY21

(2/2)

## ESG

- The Company committed to a long-term target to reach net-zero emissions by not later than 2050, backed by science-based targets, under SBTi<sup>1</sup>
- A Sustainability Committee of the Board of Directors has been constituted to review progress of the Company's business responsibility and sustainability initiatives
- DuPont Sustainable Solutions published a case study on 'Visible Felt Leadership in Safety Excellence at JSW Energy (Barmer) Ltd'

## Awards and Recognition

- JSW Group's Unit CPP 4 - 300 MW at Vijayanagar, whose Operation and Maintenance (O&M) is undertaken by the Company, set a national record by running continuously for 711 days
- The Company's Ratnagiri and Vijayanagar plants were recognized as 'Energy Efficiency Unit' at the CII National Award for Excellence in Energy Management
- The Company won 33 Gold and 2 Silver awards in Chapter Convention of Quality Circles (CCCQ) 2020 organized by Quality Circle Forum of India



# Agenda

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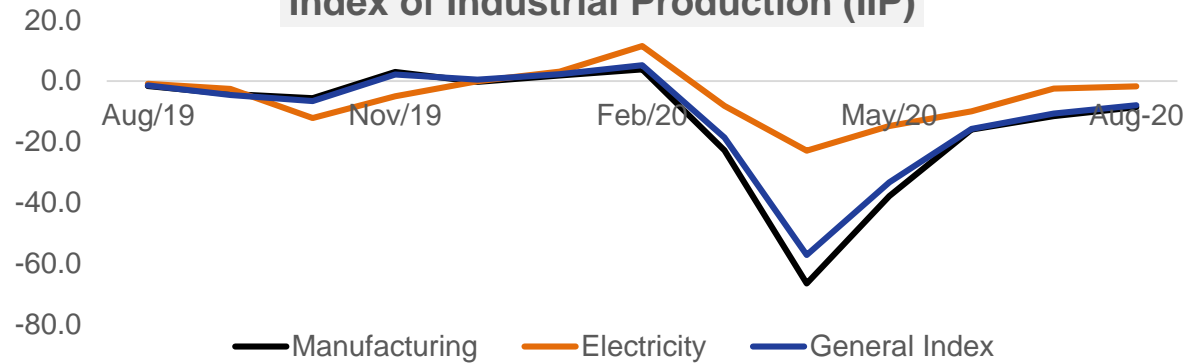
Business Environment

Operational and Financial  
Performance

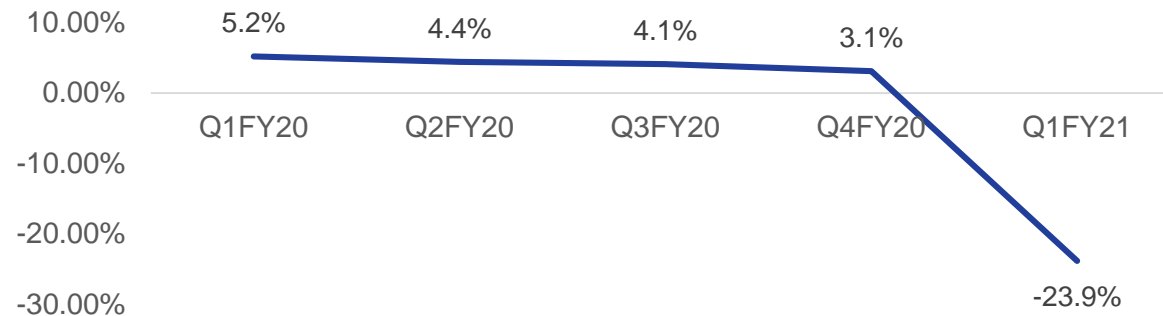
ESG Focus

# Indian Economy

Index of Industrial Production (IIP)



Real GDP Growth

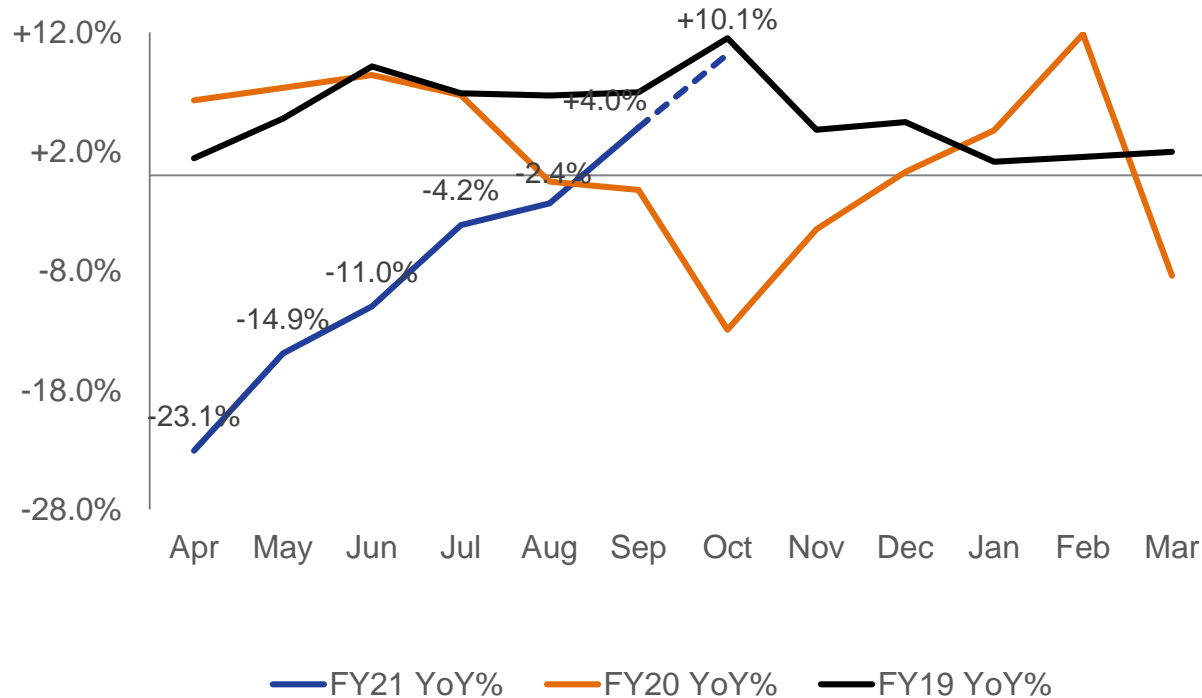


- With unlocking of restrictions across India, economy has been recovering, from the sharp contraction witnessed in real GDP in first quarter, as high-frequency indicators show improvement
- Contraction in IIP moderated during Q2FY21, Manufacturing PMI touched an eight-year high in Sep'20 at 56.2 and GST collections improved with a 4% and 10% YoY increase in Sep'20 and Oct'20 respectively
- Although CPI stood elevated at 7.34% in Sep'20, easing of Covid-19 led restrictions is expected to moderate food inflation in the near term. Monetary Policy Committee maintained its policy stance at 'Accommodative' at its Oct'20 meeting
- Continued resilience in agriculture supported by healthy south-west monsoon, resurgence of rural demand, and improvement in power consumption, e-way bills, railway freight, auto sales etc augurs well for revival of economy
- However, momentum of economic recovery continues to remain vulnerable to risks of a second wave of Covid-19 infections and resulting localized lockdowns

Economic recovery underway as India unlocks

# Power Demand

Power Demand Growth YoY

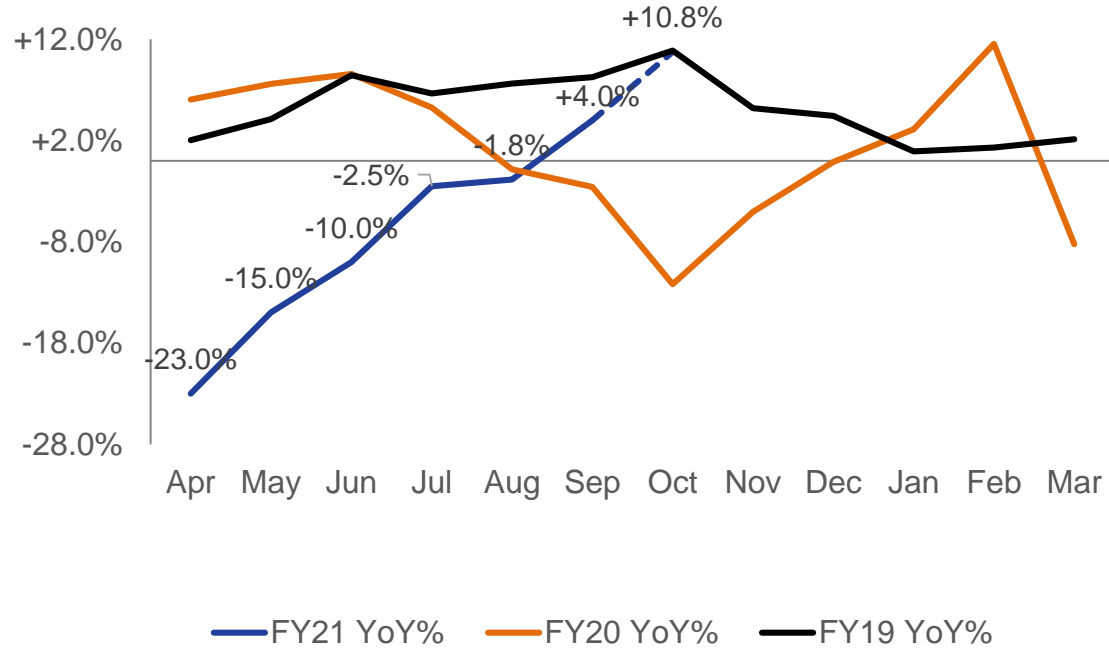


- Post witnessing double digit YoY de-growth in April'20, May'20 and June'20, demand decline moderated in July'20 and August'20 to -4.2% and -2.4% YoY respectively
- In the month of September'20, demand grew by 4% YoY indicating a gradual recovery with easing of lockdowns and restrictions
- As a result, demand declined by only 0.9% YoY in Q2FY21 vis-à-vis a 16.2% YoY decline witnessed in Q1FY21
- Demand recovery continued in Oct'20<sup>1</sup> with a double digit growth at ~10%, although with a low base effect

Power demand improves to pre-Covid levels in Sep'20

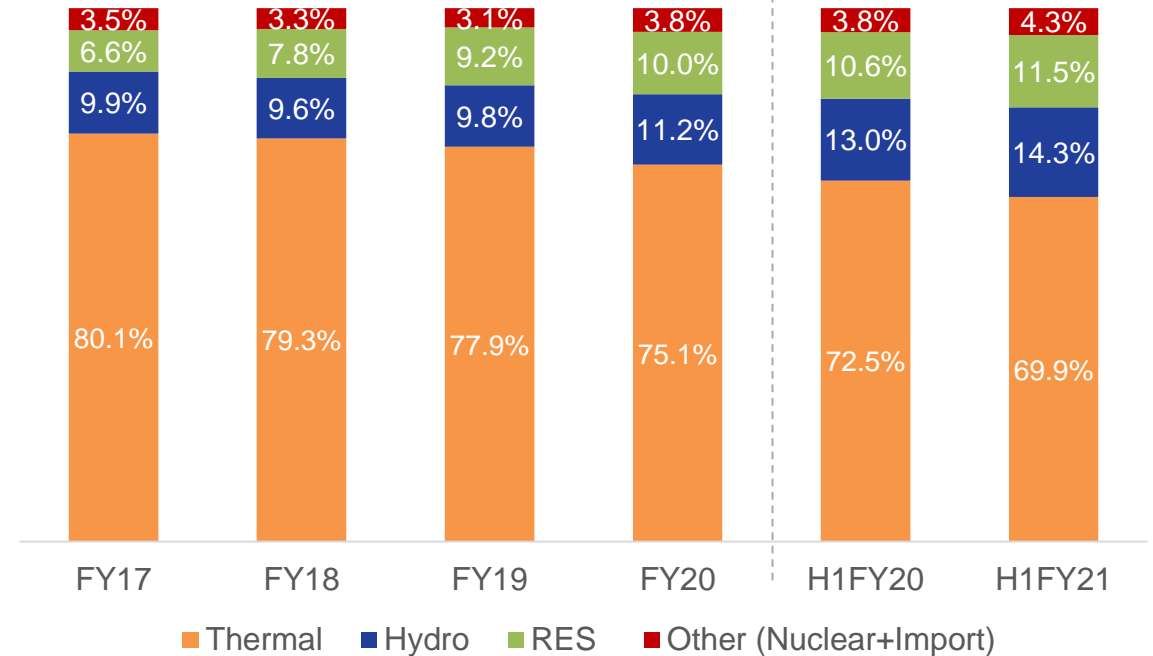
# Power Generation

Power Generation Growth YoY



In line with demand, generation growth picks up gradually and turns positive from Sep'20

Segment-wise Share in Generation

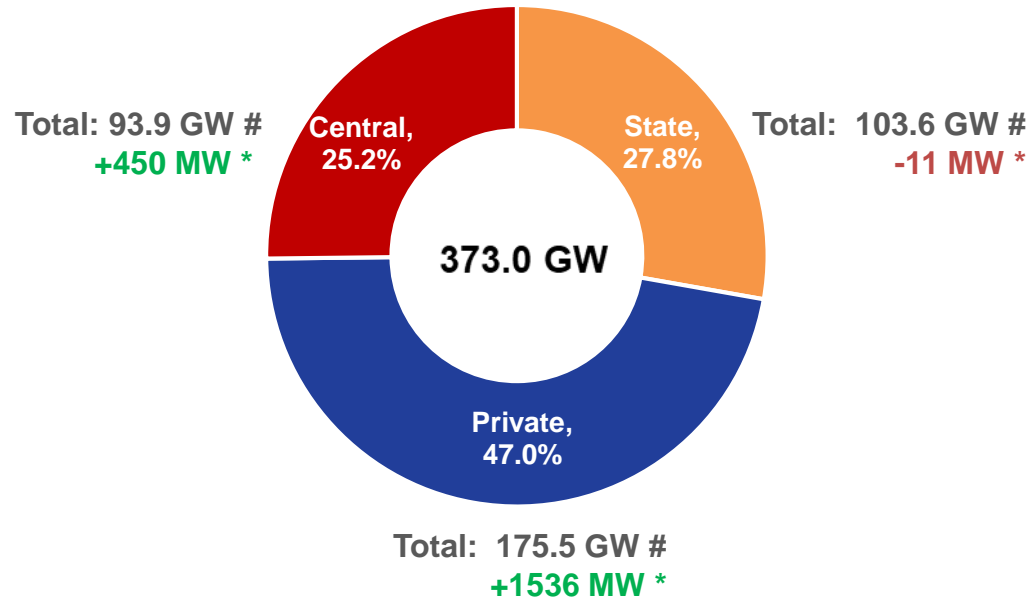


Share of Renewable energy in overall generation increases YoY

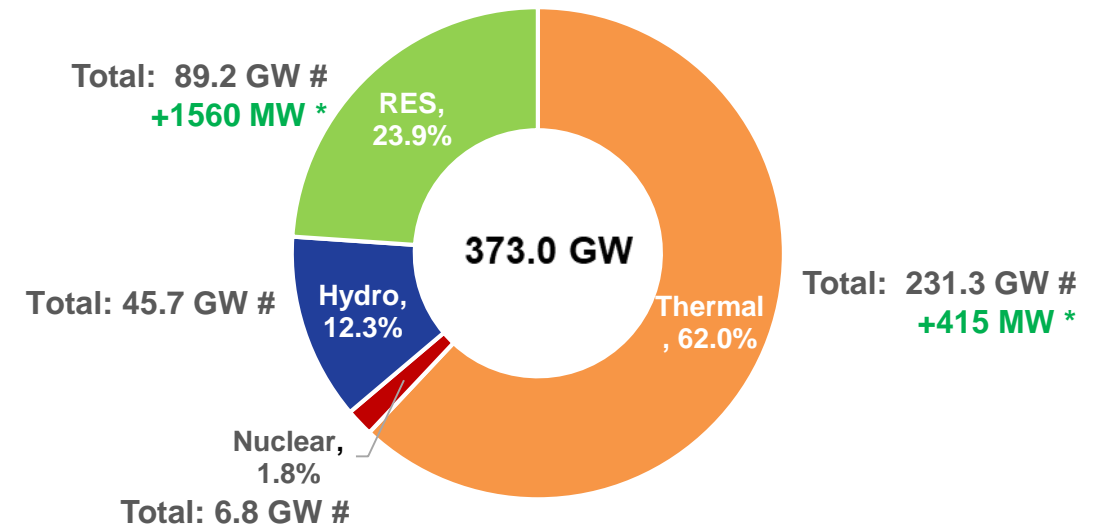
# Installed Capacity Overview

(1/2)

**Sector-wise Installed Capacity**  
(As on September 30, 2020)



**Segment-wise Installed Capacity**  
(As on September 30, 2020)



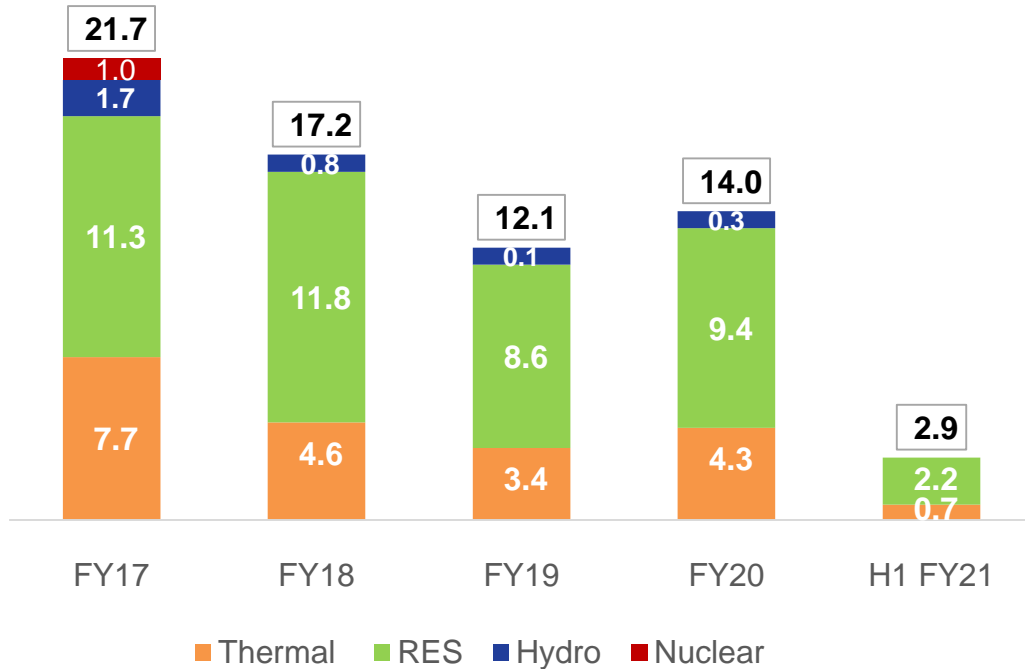
In Q2FY21, Installed Capacity increased by ~2.0 GW, led by RES (+1.6 GW) and Thermal (+0.4 GW net) segments



# Installed Capacity Overview

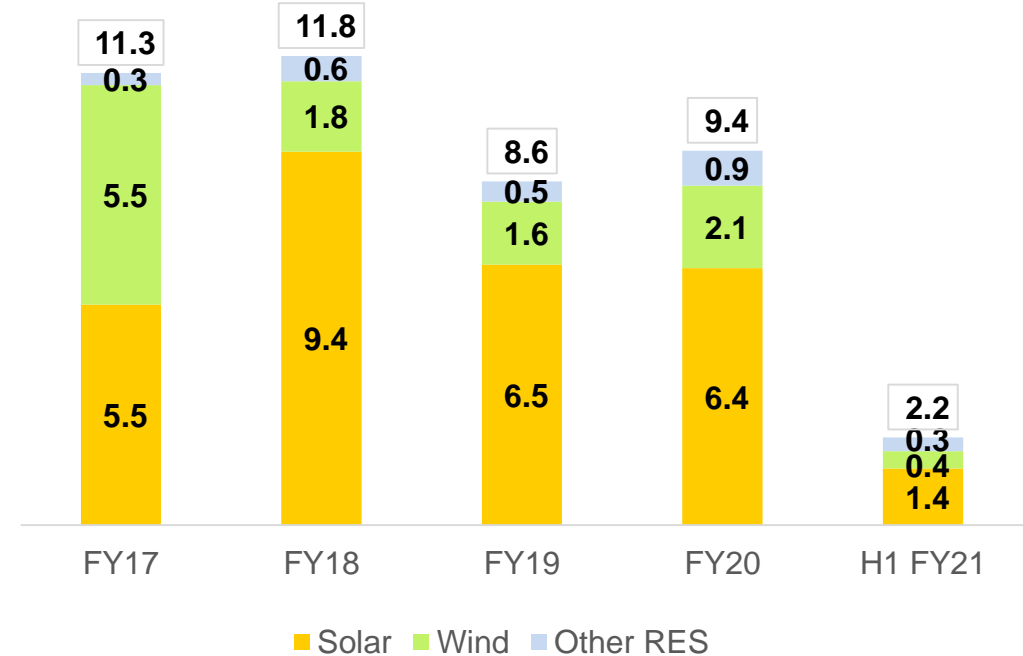
(2/2)

Overall Segment-wise Net Capacity Addition (GW)



Renewable energy driving capacity addition in the country

RES Segment-wise Net Capacity Addition (GW)



~2.2 GW RES capacity added in H1 FY21 led by solar segment

# Other Power Sector Highlights

- **Measures taken by Govt. of India to provide liquidity to Distribution Companies (Discoms) to mitigate financial stress caused by Covid-19 pandemic:**
  - Liquidity Infusion Scheme under 'Aatmanirbhar Bharat Abhiyaan' for Discoms
    - Liquidity package increased to ₹1.2 lakh Crore from ₹0.9 lakh Crore
    - PFC and REC have sanctioned ~₹1.08 lakh Crore and disbursed ~₹30,000 Crore to Discoms under this scheme till date<sup>1</sup>
  - One-time relaxation provided to Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) for extending loans to Discoms above limits of working capital cap of 25% of last year's revenues under UDAY
- **Green Term Ahead Market (GTAM) launched in India in Aug'20 – first exclusive product for renewable energy sector in the world**
  - Buyers at GTAM to benefit from competitive prices and transparent and flexible procurement
  - Sellers to benefit by getting access to Pan India Market
  - Energy scheduled through GTAM contract considered as deemed RPO compliance of the buyer
  - ~270 MUs sold in GTAM on Indian Energy Exchange since launch<sup>2</sup>



# Agenda

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Business Environment

Operational and Financial  
Performance

ESG Focus

# Operational Performance – Net Generation

Net Generation								
Location		Capacity	Q2FY21	Q2FY20	Change YoY	H1FY21	H1FY20	Change YoY
		%	MUs	MUs	%	MUs	MUs	%
Vijayanagar (860 MW)	LT	34%	497	484	+3%	862	961	-10%
	Total	100%	559	701	-20%	964	1,362	-29%
Ratnagiri (1,200 MW)	LT	77%	1,387	1,241	+12%	2,689	2,660	+1%
	Total	100%	1,434	1,781	-19%	2,819	3,735	-25%
Barmer (1,080 MW)	LT	100%	1,719	1,281	+34%	3,211	2,661	+21%
Nandyal (18 MW)	LT	100%	25	9		38	9	
Total Thermal (3,158 MW)	LT	73%	3,628	3,014	+20%	6,800	6,290	+8%
	Total	100%	3,737	3,772	-1%	7,033	7,766	-9%
Hydro (1,300 MW)*	LT	100%	2,913	2,926	0%	4,544	4,794	-5%
Solar (9 MW)	LT	100%	3	3	+1%	5	7	-19%
TOTAL	LT	81%	6,543	5,941	+10%	11,350	11,086	+2%
	Total	100%	6,653	6,700	-1%	11,582	12,567	-8%

Overall Long Term Net Generation up 10% YoY in Q2 FY21

# Operational Performance – PLF

PLF							
Location		Capacity	Q2FY21	Q2FY20	H1FY21	H1FY20	Remarks – Q2 FY21
		%	%	%	%	%	
Vijayanagar (860 MW)	LT	34%	<b>84 (*84)</b>	81 (*81)	<b>73 (*73)</b>	81 (*81)	Higher offtake by long term customers
	Total	100%	<b>32 (*32)</b>	40 (*40)	<b>28 (*28)</b>	39 (*39)	Lower short term sales
Ratnagiri (1,200 MW)	LT	77%	<b>74 (*101)</b>	67 (*100)	<b>73 (*102)</b>	73 (*99)	Higher offtake by long term customers
	Total	100%	<b>59 (*71)</b>	74 (*76)	<b>58 (*72)</b>	78 (*80)	Lower short term sales
Barmer (1,080 MW)	LT	100%	<b>80 (*86)</b>	60 (*83)	<b>75 (*85)</b>	63 (*82)	Higher offtake by long term customers
Nandyal (18 MW)	LT	100%	<b>69 (*81)</b>	33 (*68)	<b>53 (*89)</b>	33 (*68)	Higher offtake by long term customers
Total Thermal (3,158 MW)	LT	73%	<b>78 (*92)</b>	65 (*89)	<b>74 (*90)</b>	69 (*89)	Higher offtake by long term customers
	Total	100%	<b>59 (*66)</b>	60 (*69)	<b>56 (*64)</b>	62 (*66)	
Hydro (1,300 MW)	LT	100%	<b>102</b>	103	<b>80</b>	85	Healthy generation from hydro plants
Solar – Nandyal (5.5 MW)	LT	100%	<b>12</b>	14	<b>11</b>	18	
Solar – Salboni (3.5 MW)	LT	100%	<b>18</b>	14	<b>18</b>	16	

Thermal PLF for capacity under Long Term PPA increases YoY across all plants in Q2FY21

# Consolidated Financial Results

Q2 FY21	Q2 FY20	Particulars in ₹ Crore	H1 FY21	H1 FY20
<b>2,000<sup>1</sup></b>	2,232	Total Revenue	<b>3,886<sup>1</sup></b>	4,696
<b>985</b>	1,048	EBITDA	<b>1,812</b>	1,909
<b>49%</b>	47%	EBITDA Margin(%)	<b>47%</b>	41%
<b>207</b>	272	Interest	<b>448</b>	542
<b>292</b>	294	Depreciation	<b>581</b>	586
<b>486</b>	482	Profit Before Tax	<b>783</b>	782
<b>352</b>	353	Profit After Tax	<b>565</b>	597
<b>666</b>	671	Gross Cash Accruals <sup>2</sup>	<b>1,183</b>	1,222
<b>2.14</b>	2.15	Diluted EPS (₹) <sup>3</sup>	<b>3.44</b>	3.64

# Entity-wise Financial Results

Entity-wise Revenue from Operations				
Particulars in ₹ Crore	Q2 FY21	Q2 FY20	H1 FY21	H1 FY20
Standalone	672 <sup>1</sup>	1,064	1,476 <sup>1</sup>	2,206
JSW Energy (Barmer)	709	523	1,358	1,371
JSW Hydro Energy	539	516	873	904
JPTL	18	19	35	39
<b>Consolidated*</b>	<b>1,939</b>	<b>2,119</b>	<b>3,744</b>	<b>4,531</b>

Entity-wise EBITDA				
Particulars in ₹ Crore	Q2 FY21	Q2 FY20	H1 FY21	H1 FY20
Standalone	209	284	413	579
JSW Energy (Barmer)	250	274	526	526
JSW Hydro Energy	506	485	832	819
JPTL	17	18	34	38
<b>Consolidated*</b>	<b>985</b>	<b>1,048</b>	<b>1,812</b>	<b>1,909</b>

\* After inter-company adjustments and eliminations  
 1- Including Job work impact

# EBITDA Movement - Consolidated

Particulars in ₹ Crore

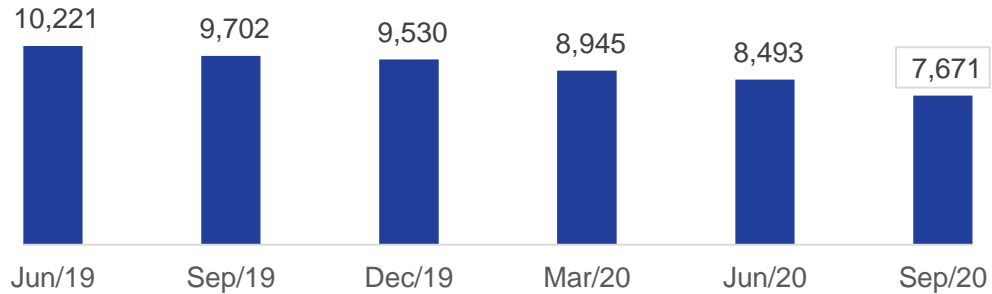


Resilience in profitability amidst challenging business environment

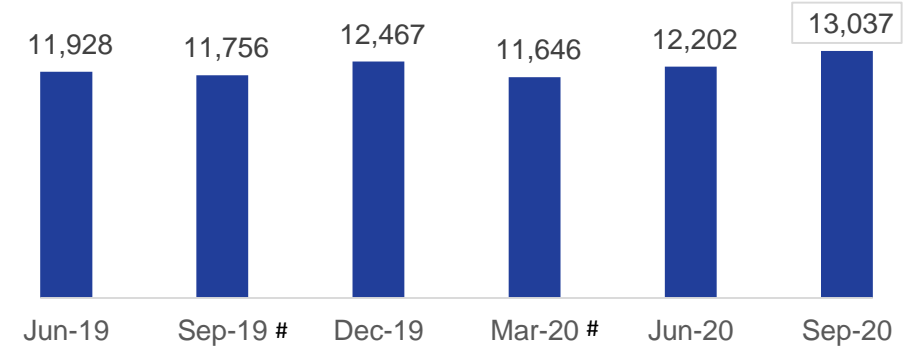


# Robust Balance Sheet

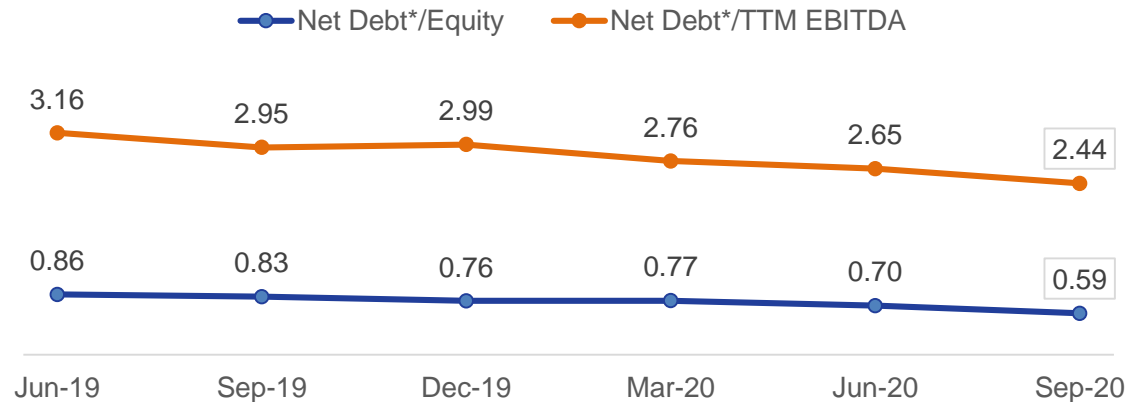
Net Debt\* (₹ Crore)



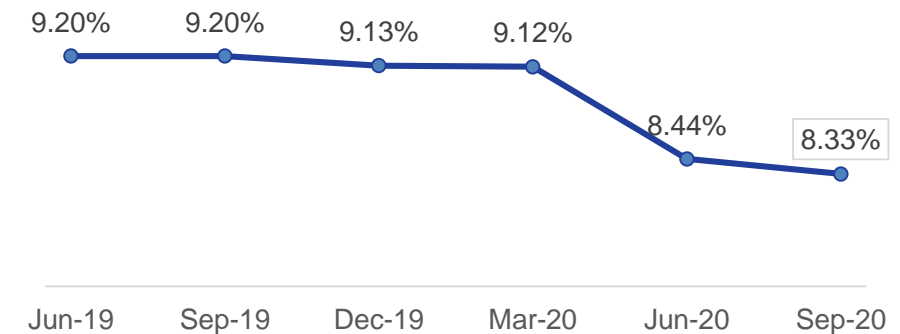
Net Worth (₹ Crore)



Leverage Ratios



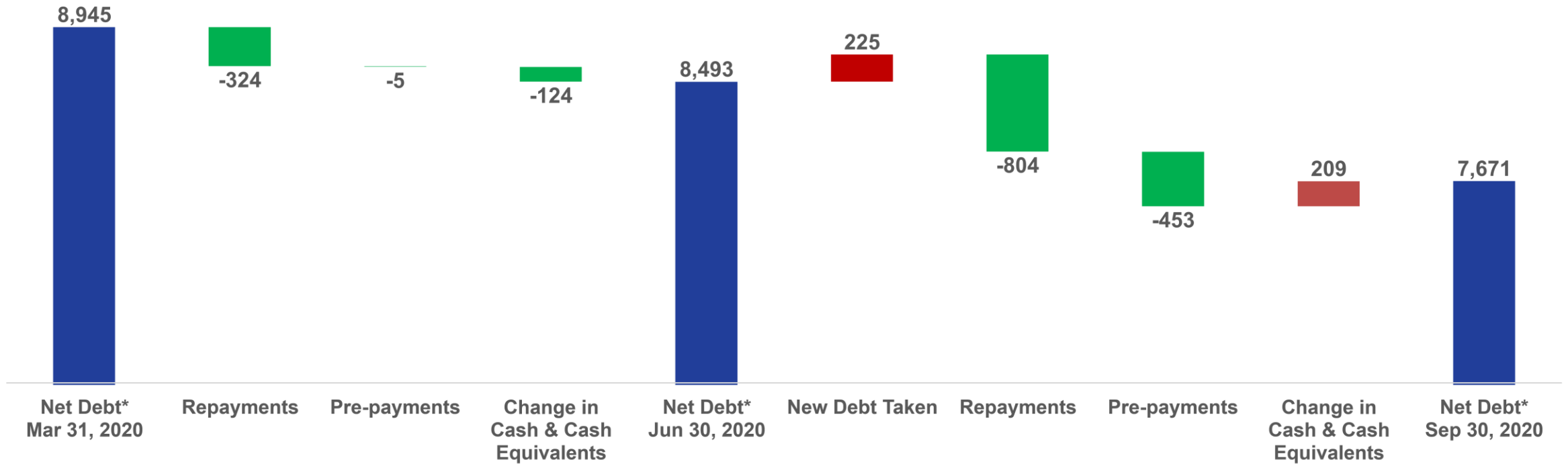
Wt. Average Cost of Debt



Amongst the strongest balance sheets in the sector - Well positioned to pursue growth opportunities

# Net Debt Movement - Consolidated

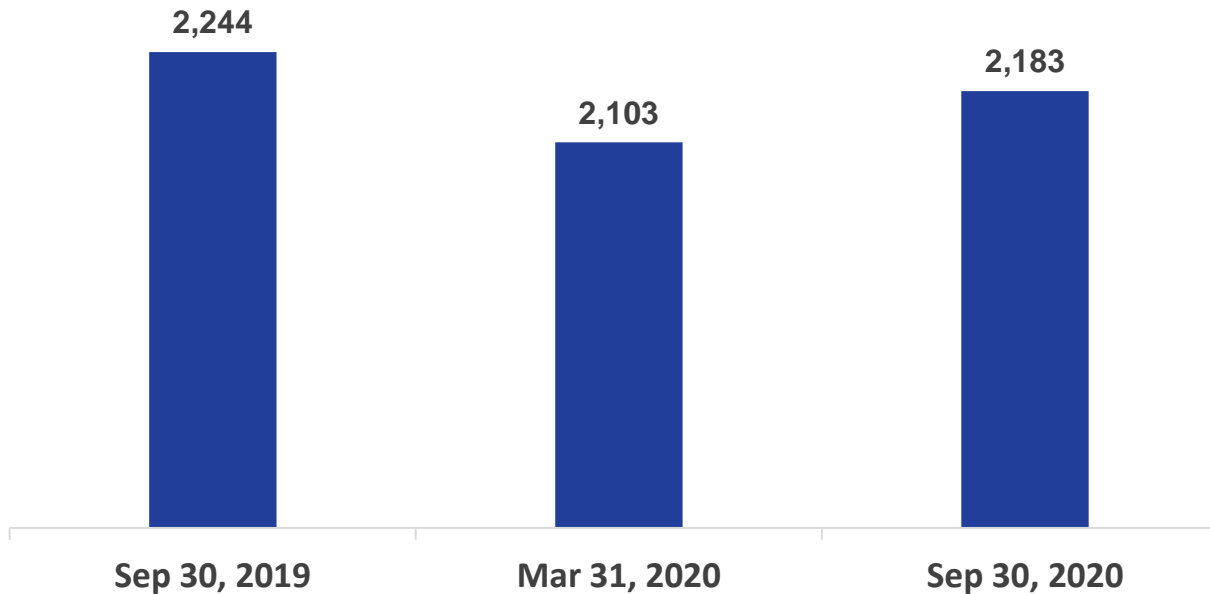
Particulars in ₹ Crore



**Net Debt\* reduced by ~₹1,274 Crore in H1FY21**  
**Large balance sheet headroom available to embark on growth projects**

# Trade Receivables

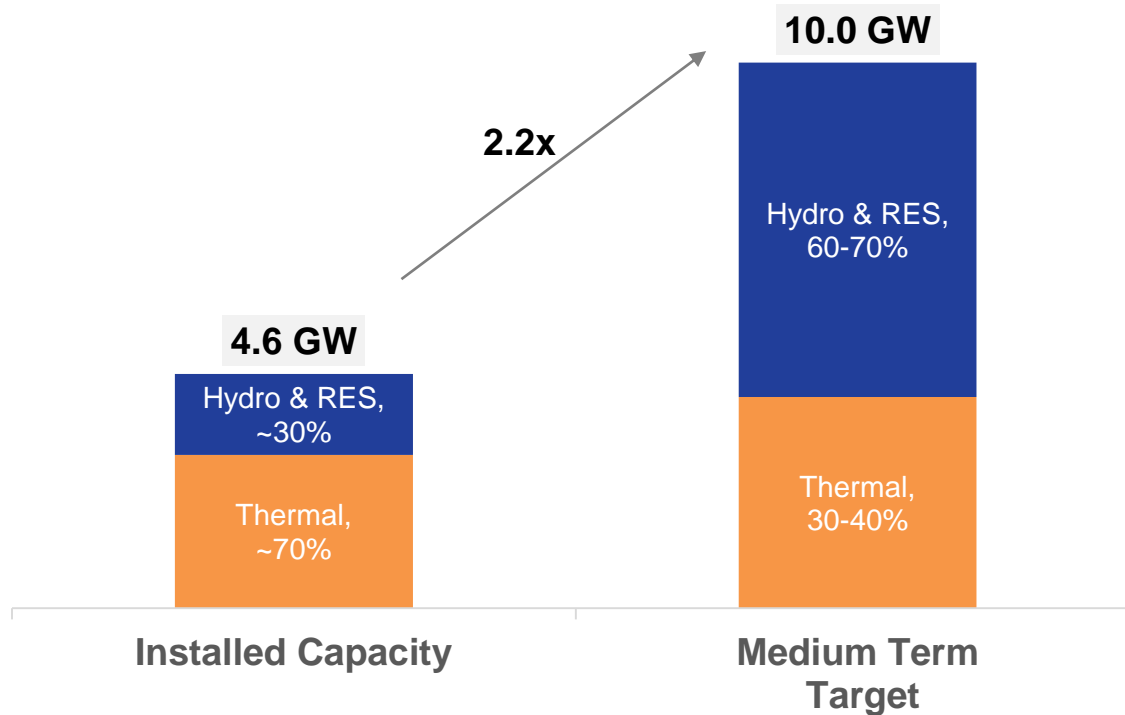
Consolidated Trade Receivables\* (₹ Crore)



- Receivables lower on YoY basis amidst challenging business environment and Covid-19 situation
- No history of any bad debts from routine long term trade receivables
- Payment security mechanism in force for power tied under long term PPA with Discoms
- All plants placed favourably in States' Merit Order Dispatch
  - Further, Hydro plants under 'Must-run status' with no scheduling risk

# Growth Vision and Strategy

## JSW Energy aims to become a significant RE player



## Progress Update on RE

- ✓ Identifying and securing sites, Right-Of-Way and connectivity approvals
- ✓ Mapping and identifying potential OEMs to partner on the equipment side
- ✓ Building organizational capabilities by hiring talent from leading RE companies & training existing manpower
- ✓ Ensuring high quality off-takers with strong credit profile
- ✓ Ensuring projects fit in our internal risk-return framework
- ✓ Leveraging our past experience & track record in project execution with respect to both time & cost for upcoming projects

# Update on Growth Projects

## SECI-IX 810 MW

- JSW Solar Ltd (100% subsidiary of the Company) received Letter of Awards for setting up a total Blended wind capacity of 810 MW from Solar Energy Corporation Limited (SECI)
- Total Project Outlay: ~₹4,700-4,800 Crore (~Debt:Equity :: 70:30)
- Construction period: Upto 24 months (from date of signing of PPA)

## Kutehr HEP 240 MW

- Haryana Electricity Regulatory Commission approved the power procurement offer of JSW Energy (Kutehr) Ltd for supply of 240 MW hydro power; PPA under finalization
- Total Project Outlay: ~₹2,750 Crore (~Debt:Equity :: 67:33)
- Project construction commenced ; Tentative COD : FY25

## Ind-Barath 700 MW

- Approval by National Company Law Tribunal continues to remain under process on the resolution plan submitted by the Company for Ind-Barath Energy (Utkal) Ltd



# Agenda

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Business Environment

Operational and Financial  
Performance

ESG Focus

# Sustainability Targets – Our Ten Commitments

## Focus Areas

Climate Change

Water Security

Waste Management

Air Emissions

Biodiversity

**10** Years  
Cleaner  
Power  
Roadmap  
(2020-30)

Make our operations **Carbon Neutral by 2050**

Reduce our **carbon emissions** by more than 50%

Enhance the **renewable power** to 2/3rd of our Total Installed Capacity

Reduce our **energy intensity** and **auxiliary power consumption** by more than 50%

Reduce our **water consumption** per unit of energy produced by 50%

Maintain a '**ZERO LIQUID DISCHARGE**' for all our power plants

Maintain 100% **recycling of fly ash** and wastes generated from our operations

Reduce the **dust emissions**, per unit of energy produced, by 2/3<sup>rd</sup>

Reduce the **emissions of Oxides of Sulphur and Nitrogen**, per unit of energy produced, by 60%

Achieve a '**no net loss**' of **biodiversity** at all our operating sites

Committed to set science based emission reduction targets to keep global warming to 1.5°C under SBTi<sup>1</sup>

# Health & Safety Excellence Journey



**Zero Severe/Major Injuries**  
REPORTED AT OUR SITES



**Zero Lost Time Injuries (LTIs)**  
REPORTED AT OUR SITES



**50,000+ Safety Observations**  
INFLUENCING POSITIVE SAFETY BEHAVIOR OF OUR WORKFORCE



**3,200+ Safety Training Units**  
5 SAFETY E-LEARNING MODULES LAUNCHED COVERING HIGH RISK AREAS

- **10 JSW Critical Safety Rules** introduced across all Sites. These rules cover the most critical safety hazards & were crafted based on learning from past incidents
- **Technology & Digitization for Safety compliance:** New Group **Safety Mobile App** for Safety Observations (SOs) & Incident tracking introduced. Digital tool for **Safety Inspection** to enable tracking of findings & closure rate

## 10 JSW CRITICAL SAFETY RULES



**WORK AUTHORIZATION**  
Work with a valid permit when required.



**WORKING AT HEIGHT**  
Protect yourself against a fall when working at height.



**CONFINED SPACE**  
Obtain a valid authorization before entering a confined space.



**ENERGY ISOLATION**  
Follow the Lock Out, Tag Out (LOTO) isolation procedure when working on equipment.



**HOT WORK**  
Identify and control flammables and ignition sources before starting any hot work.



**SAFETY CONTROLS**  
Obtain a valid authorization before overriding or disabling safety controls/safety critical equipment.



**DRIVING SAFETY**  
Always wear your seat belt. Respect speed limits. Do not use your mobile or operate any device while driving.



**INCIDENT REPORTING**  
Report all workplace injuries & incidents.



**SAFE LIFTING**  
Do not walk or stand under a suspended load.



**NO ALCOHOL, DRUGS, SMOKING**  
Do not work or drive under the influence of alcohol or drugs. Do not smoke in designated no smoking zones.



# Committed to Responsible Stewardship through Sustainability



**3.25x**

NET SOLAR POWER GENERATION



**14.41% rise**

IN NET HYDRO POWER GENERATION



**7.17%**

REDUCTION IN DIRECT EMISSIONS



**26.72%**

REDUCTION IN TOTAL WATER CONSUMED



**100%**

FLY ASH UTILISATION



**Zero Effluent Discharge**

AT ALL OUR SITES



**5.17 training man-days**

OF EXECUTIVE EMPLOYEES



**67,381**

DIRECT BENEFICIARIES IMPACTED  
BY NET-POSITIVE SOCIAL,  
ENVIRONMENTAL & ECONOMIC  
CONTRIBUTION



**3,50,000**

MANGROVE SAPLINGS PLANTED OVER AN  
AREA OF 70 HECTARES.  
TOTAL 1,050,000 SAPLINGS PLANTED TILL  
DATE

# Key ESG Updates

## Governance

- Aspiring to become a leading Renewable Energy Company : Adopted Carbon Neutrality and Sustainability Targets & Policies
- A Sustainability Committee of the Board of Directors has been constituted to review progress of the Company's business responsibility and sustainability initiatives ; Committee is comprised of Two Independent Directors and one Executive Director
- The Company is a member of FTSE4Good Index Series by FTSE Russell

## Safety

- DuPont Sustainable Solutions released a case study on 'Visible Felt Leadership in Safety Excellence at JSW Energy (Barmer) Ltd'
- Safety Excellence continues with the achievement of following 'Accident Free Operations':

Accident Free Operations (Man-Days)				
Ratnagiri	Vijayanagar	Barmer	Karcham Wangtoo	Baspa
1,136	811	1,340	859	5,809

## Environment

- The Company committed to a long-term target to reach net-zero emissions by not later than 2050, backed up by interim science-based targets, under SBTi<sup>1</sup>

# Forward Looking and Cautionary Statement

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