

ORIENT GREEN POWER

9MFY17 Earnings Presentation



Leading Diversified Renewable Energy Generation Company

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Key Developments

Key Developments

OGPL & IL&FS to evaluate merging of Wind Businesses – Joint capacity of 1.2Gw :

- On Jan 19th OGPL's Board approved entering into an exclusive discussion with IL&FS Wind to evaluate a potential merger of the Wind energy generation businesses of both entities; both companies have entered into an exclusivity period of 90 days

REC Trading in Jan 2017 at all time high :

- REC trading hit an all time high in Jan 2017 with traded volumes jumping 245% M-o-M from the volumes traded in Dec, 2016. We traded around Rs.11 Crores in Jan'2017 and we expect the same levels of trading in the balance two months. With that our rec stocks at the year end will be far lower than that of April'2016.

Continued Momentum in Performance :

- Substantial improvement in Company's financial performance during 9M FY17; Revenue grew 18%, while operating profit expands 47%

Sale of Biomass Unit :

- We are progressing well with respect to the take of our business unit at Kolhapur
- - Bank approval for shifting entity from OGPL to OGP(M)L
- - PPA signed between OGP(M)L and MSEDCL
- - Expect to be completed by end Mar'2017.
- Company has executed MoU, signed in Nov 2015, with Sindicatum Captive Energy Singapore Pte Limited (Sindicatum) to divest the entire stake held in its 20 MW co-generation power project in Kolhapur, Maharashtra
- Total consideration of Rs. 81 crore which will be partly used to reduce debt and the remainder will be deployed towards funding the working capital requirement of profit accretive units



Financial Highlights

Improved Financial Performance

In Rs. Mn

	Wind			Biomass			TOTAL		
	Q3FY17	Q3FY16	%	Q3FY17	Q3FY16	%	Q3FY17	Q3FY16	%
REVENUES	577.5	295.6	95%	208.4	241.2	(14)%	785.9	536.8	46%
EBITDA	370.3	61.2	505%	34.9	(21.5)	(262)%	405.2	39.7	921%
<i>EBITDA%</i>	64%	21%		17%	(9)%		51%	7%	
EBIT	44.4	(287.1)	(115)%	(44.0)	(119.3)	(63)%	0.4	(406.4)	(100)%
<i>EBIT%</i>	8%	(97)%		(21)%	(49)%		0.05%	76%	
PBT*	(451.2)	(807.1)	(44)%	(229.7)	(288.4)	(20)%	(680.9)	(1095.5)	(38)%
<i>PBT%</i>	(78)%	(273)%		(110)%	(120)%		87%	(204)%	

*PBT before exceptional items



Improved Financial Performance

In Rs. Mn

	Wind			Biomass			TOTAL		
	9MFY17	9MFY16	%	9MFY17	9MFY16	%	9MFY17	9MFY16	%
REVENUES	3269.4	2591.5	26%	586.4	682.9	(14)%	3855.8	3274.4	18%
EBITDA	2643.2	1931.8	37%	70.9	(69.0)	(203)%	2714.1	1862.8	46%
<i>EBITDA%</i>	81%	75%		12%	(10)%		70%	57%	
EBIT	1642.9	903.4	82%	(173.6)	(361.2)	(52)%	1469.3	542.2	171%
<i>EBIT%</i>	50%	35%		(30)%	(53)%		38.11%	17%	
PBT*	49.2	(732.9)	(107)%	(571.5)	(843.1)	(32)%	(522.3)	(1576.0)	(67)%
<i>PBT%</i>	2%	(28)%		(97)%	(123)%		(14)%	(48)%	

*PBT before exceptional items

Key Financial Highlights – 9M FY17

Wind Business:

- Revenue for 9M FY17 grew by 26.1 % to Rs. 3269.4 mn compared to Rs. 2591.6 mn; EBITDA improved to Rs.2643.2 mn from Rs.1931.8 mn during the corresponding period last year.
- Strong performance by Wind business was due to:
 - Best grid availability in TN over the last 3 years, resulting in greater evacuation of power
 - Good and timely onset of wind season
- Impact of cyclone Vardah – Neutral: No meaningful increase in wind availability; plant sites remained intact

Biomass:

- Biomass business revenue declined since few plants were non-operating. However, due to improved operating profile of active plants, the EBITDA increased to Rs.70.9 mn compared to Rs.(69.0) mn.

Consolidated:

- Consolidated revenues was higher by 17.7 % from Rs. 3855.8 million in 9MFY16 to Rs.3274.4 million in 9MFY17
- Consolidated EBITDA for 9M improved 45.7% from Rs. 2714.1 million to Rs.1862.8 million on the back of higher capacities, better wind availability and improved grid connectivity
- Tariffs remained fairly stable across our key markets



Operational Highlights

Wind Operations

Particulars	Unit of Measurement	Q3FY17	Q3FY16	9M FY17	9M FY16
Capacity (incl. overseas capacity)	Mw	414	417	414	417
Units Generated (Gross)	Mn	93	55	614	464
Annualized PLF	%	10	6	23	17
Average Gross Realisation (before charges and without REC)	Rs./ Unit	5.54	5.79	4.95	5.48

State	Capacity (MW)
Tamil Nadu	308.3
Andhra Pradesh	75.40
Gujarat	29.2
Karnataka	1.25
Europe	10.5
Total	424.65

Grid Availability Data

State	Q3FY17				Q3FY16			
	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)
Tamil Nadu	308	71	10	94	312	30	4	68
Andhra Pradesh	75	13	8	99	75	13	8	100
Gujarat	29	7	12	98	29	12	18	97
Total	413	92	10	95	417	55	6	76

Biomass Operations

Particulars	Unit of Measurement	Q3 FY17	Q3 FY16	9M FY17	9M FY16
Capacity (operational during the year)	Mw	48	68	55	91
Units Exported	Mn	22.9	32.9	67.4	947.7
PLF	%	13.25	11.2	11.8	15.3
Average Realisation	Rs./ Unit	6.09	6.31	6.21	6.39
Specific Fuel Consumption per unit	Kg/ Unit	2.30	2.73	1.81	2.02
Fuel Cost	Rs./ Unit	1.93	3.51	3.30	3.93
O&M and other Costs	Rs./ Unit	2.69	3.22	2.98	3.15

State	Capacity (MW)	Revenue Model
Tamil Nadu	32.5	Group Captive, Merchant
Andhra Pradesh /Telangana	7.5	Merchant
Rajasthan	34.0	PPA
Maharashtra	22.0	Merchant, PPA
Madhya Pradesh	10.0	PPA
Total	106.0	





Outlook & Regulatory Overview

Outlook - Wind

- The improved grid availability has transformed the operating profile of the wind business, as anticipated.
- Forecasting of wind and reinforcing of grid capacity have greatly reduced losses due to grid evacuation issues.
- The Company can now look forward to consistent generation of power from its installed capacity.
- The addition of capacity through the 43.5 MW expansion in Andhra Pradesh provides scope for growth and operating leverage benefits.
- The Company has completed flexible loan structuring (5:25) scheme to the tune of Rs.765 Crores and the tenure of the loan is getting extended by 17 years.
- Also working towards refinancing part of the debt drawn for old Wind assets – longer tenor and reduction in interest rate. The combination of these initiatives will greatly improve the liquidity position and cash flow profile.
- The improved trend in REC trading also contributes to better operating metrics as it enhances returns and liquidity. The combination of improved efficiency of existing assets, strengthened REC regime, addition of capacity and improved financial position will enable OGPL to deliver consistent growth going forward.
- The outlook remains buoyant on the back of structural changes in grid infrastructure, supportive policy measures, improved availability of capital at reduced cost and elevated approach towards wind energy as a constituent of overall energy basket.

Outlook - Biomass

- Focused on monetizing stake in Strategy on exiting economically strained units and utilizing the proceeds from such exits towards enhancing profit making ones. Have already entered into contracts for monetizing two of our units
 - Executed Securities Purchase Agreement (SPA) with Sindicatum Captive Energy Singapore Pte Limited for a total consideration of Rs. 81 Crore
- In parleys with interested parties for monetizing stake in three additional units.
- Bulk of the proceeds from monetization to be deployed towards meeting the working capital requirements of profit accretive units.
- Improved liquidity to assist in running the plants at higher utilization level.
- Expect the business to deliver significantly improved performance following completion of demerger, exit of unviable units, use of sale proceeds of unviable units towards better liquidity and working capital position for retained units.

Renewable Energy Certificates

- Overall trading volume in 9MFY17 was 9.55% higher than that 9MFY16 for non solar, primarily on the back of stricter implementation of RPO by various states
- OGPL sold 37,910 RECs sold during the quarter resulting in realization of Rs. 56.9 million
- OGPL's share in trading on the exchange represented 4.04 % of trading volumes during Q3FY17
- OGPL had an unsold inventory of 479,978 RECs as of January 31, 2016 which are valued at approx. Rs 720 million at the floor price. Given the expected validity of RECs these are expected to be fully encashed over the remaining trading periods
- REC trading in Jan, 2017 has witnessed a sharp increase in trading volumes – 15.2 lac certificates of non-solar RECs were traded in Jan, 2017 – an all time high
- REC trading (non-solar) in Jan, 2017 is 36% higher than the trading in the month of March, 2016 which was the previous all time high – FY2017 is set to end very strongly with heightened buying by discoms and Open Access Consumers



Update on Demerger of Biomass business

Demerger Update

- Demerger process remains on track
- Duplication of work following replacement of Company Law Board by National company Law Tribunal leading to more than anticipated time for completion

Activity	Timelines	Status
Announcement of Demerger	June 10, 2015	✓
Filing with Stock Exchanges / SEBI		✓
Receipt of NOC from Stock Exchanges	January 15, 2016	✓
Court convened Meeting	June 6, 2016	✓
NOC from Bankers		Awaited
NCLT's approval to the Scheme		Awaited
Filing with ROC		
Board meeting for deciding the book closure date		
Listing of the Equity share		



Appendix: Financial Statements

Financial Performance – 9MFY17 (Consolidated – IND-AS)

Rs. Million

	9M FY17	9M FY16	Y-o-Y
Sale of Power	3345.43	2818.78	18.6%
Other Operating Income	387.03	356.18	8.6%
Total Income	3732.46	3174.96	17.5%
Expenditure			
Cost of biomass fuel	273.02	407.24	(32.9)%
O&M and other costs	868.75	1004.35	(13.5)%
Total Expenditure	1141.77	1411.59	(19.1)%
Operational EBITDA	2590.74	1763.37	46.9%
EBITDA (%)	69.41%	55.54%	
Other Income	123.42	99.46	24.1%
Total EBITDA	2714.16	1862.83	45.7%
Depreciation	1244.85	1320.59	(5.7)%
EBIT	1469.31	542.24	170.9%
Finance charges	1991.61	2118.22	(5.9)%
Profit /(loss) after Int before exp. Item	(98.98)	(1829.96)	(94.5)%
Tax Expense	0.12	(12.40)	-
Minority Interest / Share of Associate	(5.71)	(42.14)	-
Profit / (Loss) after Minority Interest	(93.39)	(1775.42)	-

Thank You

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