



IWL: NOI: 32: 2019

9th August, 2019

The Secretary BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001 Fax No. 022-22723121/2037/39/41/61	The Secretary National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai 400 051 Fax No. 022-2659 8237/38
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Scrip code: 539083

Scrip code: INOXWIND

Sub: Disclosure of Material Event/ Information under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Earnings Presentation

Dear Sir/ Madam,

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of the Earnings Presentation on the Standalone and Consolidated Unaudited Financial Results of the Company for the quarter ended 30th June, 2019 that we propose to make during the Conference Call for analyst and investors scheduled to be held on Friday, 9th August, 2019 at 5:00 P.M. The said Earnings Presentation is also being uploaded on the Company's website, www.inoxwind.com.

We request you to please take the above on record.

Thanking You

Yours faithfully,
For **Inox Wind Limited**


Deepak Banga
Company Secretary



Encl: As above



INOX WIND LIMITED
Q1FY20 INVESTOR UPDATE

This presentation and the following discussion may contain “forward looking statements” by Inox Wind Limited (“IWL” or “the Company”) that are not historical in nature. These forward looking statements, which may include statements relating to future state of affairs, results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of IWL about the business, industry and markets in which IWL operates.

These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond IWL’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements.

Such statements are not, and should not be construed, as a representation as to future performance or achievements of IWL. In particular, such statements should not be regarded as a projection of future performance of IWL. It should be noted that the actual performance or achievements of IWL may vary significantly from such statements.

- ❑ QUARTERLY HIGHLIGHTS
- ❑ SIGNIFICANT MARKET OPPORTUNITY
- ❑ ORDER BOOK
- ❑ TECHNOLOGY
- ❑ RESULT ANALYSIS
- ❑ WORKING CAPITAL ANALYSIS
- ❑ CASH FLOW AND DEBT ANALYSIS
- ❑ O&M – ANNUITY BUSINESS
- ❑ WIND AUCTIONS
- ❑ WIND SECTOR: GAINING STRENGTH
- ❑ MANUFACTURING CAPACITY
- ❑ SHAREHOLDING STRUCTURE
- ❑ DETAILED FINANCIALS



Operations

- ✓ Successfully Commissioned 200 MW of SECI 1 at Dayapar, Gujarat – 150 MW in Q1FY20 and 50 MW in July 2019
- ✓ Due to huge delay in central grid connectivity, extension request for 50 MW is under process
- ✓ Common Infrastructure for SECI projects at Dayapar, Gujarat in place for ~600 MW which includes state of art technology covering:-
 - 220 KV Pooling Substation at Meghpar
 - 220 KV Transmission Line for 72 km, longest till now by Inox
 - 220 KV Bay at PGCIL Nirona End
- ✓ Common infra of ~600 MW will enable us further commissioning on plug & play basis
- ✓ With a significant part of the fleet beyond the warranty/free O&M period, revenue stream from O&M picking up significantly in the current financial year.

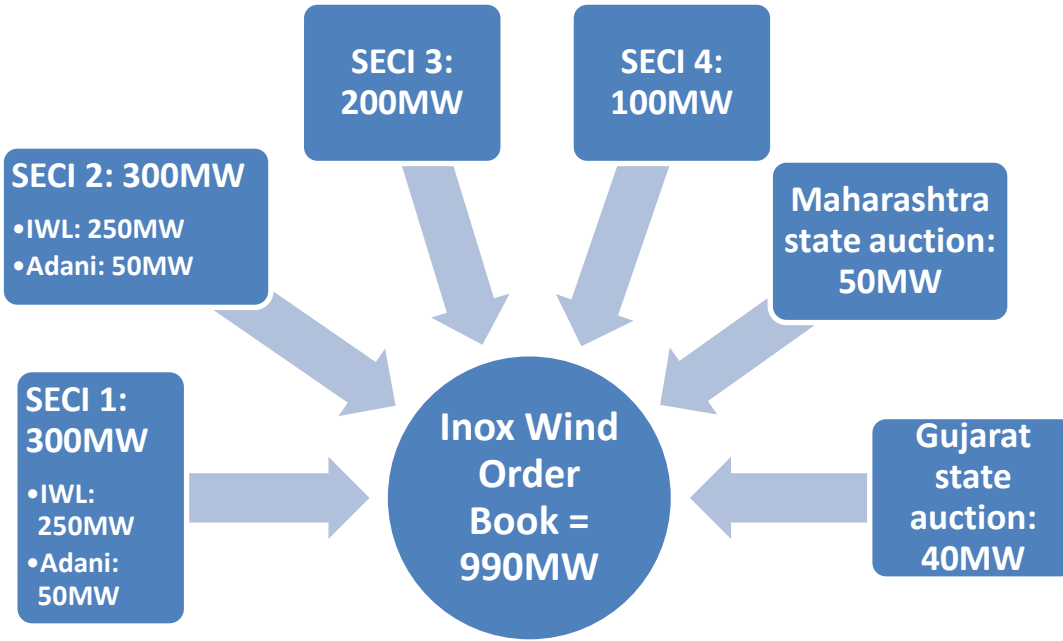
Financials

- ✓ Inox Wind continues to maintain EBITDA margins and Cash Profit after tax on the back of commissioning of SECI 1 despite over 15 months delay in central grid evacuation readiness (which was finally commissioned on 14th April 2019)
- ✓ Significant QoQ turn around in topline and EBITDA margins on the back of commissioning of SECI 1 :
 - Revenue of Rs. 260 crs in Q1FY20 up by 44% against revenue of Rs.180 crs in Q4FY19
 - EBITDA profit of Rs. 38 crs in Q1FY20 against EBITDA loss of Rs.28 crs in Q4FY19
 - Cash Profit after tax of Rs. 3 crs in Q1FY20 against cash loss of Rs.36 crs in Q4FY19
- ✓ Improved working capital cycle. Net receivable reduced by Rs.203 crs in Q1FY20 as compared to Q4FY19
- ✓ Reduction in net debt during the quarter. Net Debt to Equity ratio stands at 0.44x (vs. 0.47x in Q4FY19).

Order Book

- ✓ Order Book stands at 1230.7 MW having a value of ~Rs. 7000 crs.

- As a result of the painful transition from FiT regime to auction regime, over the past 2 years multiple wind turbine manufacturers have either closed down or are facing severe financial issues. This has resulted in shortage of supplies of WTGs in the market.
- Inox sees a significant opportunity to further leverage from these manufacturers' closure/ financial problems to increase market share; moreover virtually being the lowest cost producer of wind turbines in India, is well placed to thrive under the auction regime.
- Given that there are virtually 2-3 significant foreign suppliers only & their cost structures are way above Inox and their pricing is un-competitive compared to Inox, there is a significant opportunity for us to gain incremental volumes in the market.
- Due to the lower intensity of competition and with our new 3.3 MW world class WTGs, going forward, we expect to get back to normalised profit levels.



Particulars	Capacity
Auction based order book	990 MW
Supplied	284 MW
Net order book	706 MW



LOI for 3.3 MW from Adani	501.6
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Agreement signed with leading MNC IPP for 3.3 MW	23.1
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Total	1230.7
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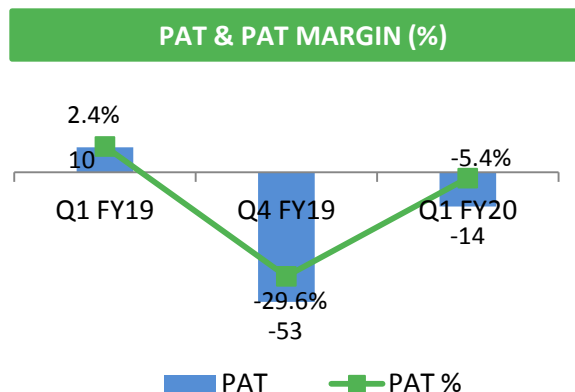
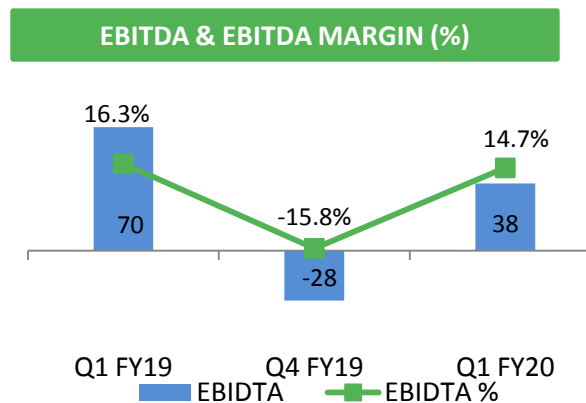
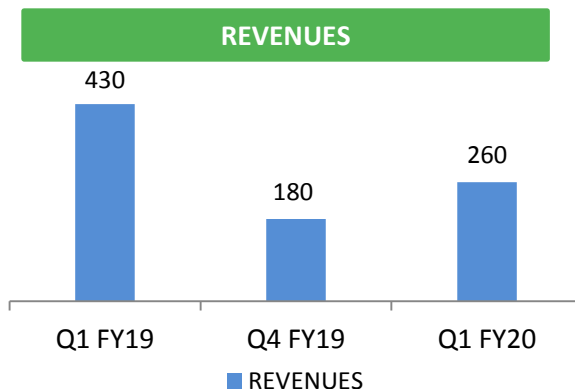
•Above order book will translate into revenues of ~Rs.7000 crores over the next ~ 18 months.

- ✓ Inox Wind extends its existing 2MW product offering with the launch of the 3.3 MW wind turbines which are ideally suited for low wind regimes in India.
- ✓ The newly launched 3.3 MW turbine is a globally operating proven platform which will further improve energy yields and reduce levelised cost of electricity.
- ✓ The 3.3 MW wind turbine will have a 146 meter rotor dia which will probably be the largest rotor dia in India and will be available in a host of hub heights which can be selected as per site conditions.

Technical Specification

- ✓ Rated power: 3300 KW
- ✓ Drive Train : DF, 6 Pole Generator
- ✓ Turbine Design : AMSC, Austria
- ✓ Rotor diameter : 146m
- ✓ Tower construction type : Tubular Steel
- ✓ Cut-in wind speed (10 min mean) V_{in} : 2.9 m/s
- ✓ Rated wind speed (steady wind) V_r : 9.5 m/s
- ✓ Cut-out wind speed (10 min mean) V_{out} : 20 m/s

In Rs. Cr.



Supplies in Q1FY20 were muted since the central grid was made available only in Q1 and thereafter the company's focus was to complete & commission SECI 1

In Rs. Cr.

Particulars	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
Inventory	955	941	929	779	764	756	944	933
Net Receivables	1,657	1,360	1,060	1,175	1,305	1,446	1,261	1,058
Payables	506	452	536	635	838	956	889	1,083
Others	179	140	214	138	52	19	103	(103)
Net Working Capital	1,927	1,710	1,239	1,181	1,179	1,227	1,213	1,011

• **Inventory:** Consolidated inventory levels maintained at same level mainly on account of ramp-up of SECI projects execution since the current inventory includes the project work in progress of Dayapar, Gujarat site and supplies towards SECI projects which will be commissioned over the coming quarters. Going ahead we expect inventory levels to come down as the execution picks up pace in the coming quarters. Inventories will also be consumed towards future projects now that common infra in place.

• **Net Receivables:** Reduction in net receivables by Rs.203 cr in the quarter due to continued collection from past receivables.

• **Net Working Capital:** Despite the huge delay in the central grid readiness, working capital cycle has improved and with the grid now finally in place, further efficiencies will kick-in and lead to further reduction in working capital.

In Rs. Cr.

Particulars	Q1FY20	Q4FY19	FY19	FY18	FY17
Opening Net Debt	(916)	(836)	(705)	(779)	(641)
Cash Profit	3	(36)	27	(133)	347
Net Working Capital	202	14	26	565	(163)
Capex	(77)	(56)	(113)	(177)	(303)
Others	(61)	(3)	(151)	(180)	(19)
Closing Net Debt	(849)	(916)	(916)	(705)	(779)
Particulars	Q1FY20	Q4FY19	FY19	FY18	FY17
Net Debt	849	916	916	705	779
Equity	1,950	1,964	1,964	2,004	2,190
Net Debt: Equity (x)	0.44	0.47	0.47	0.35	0.36

Healthy Net Debt to Equity ratio of 0.44x

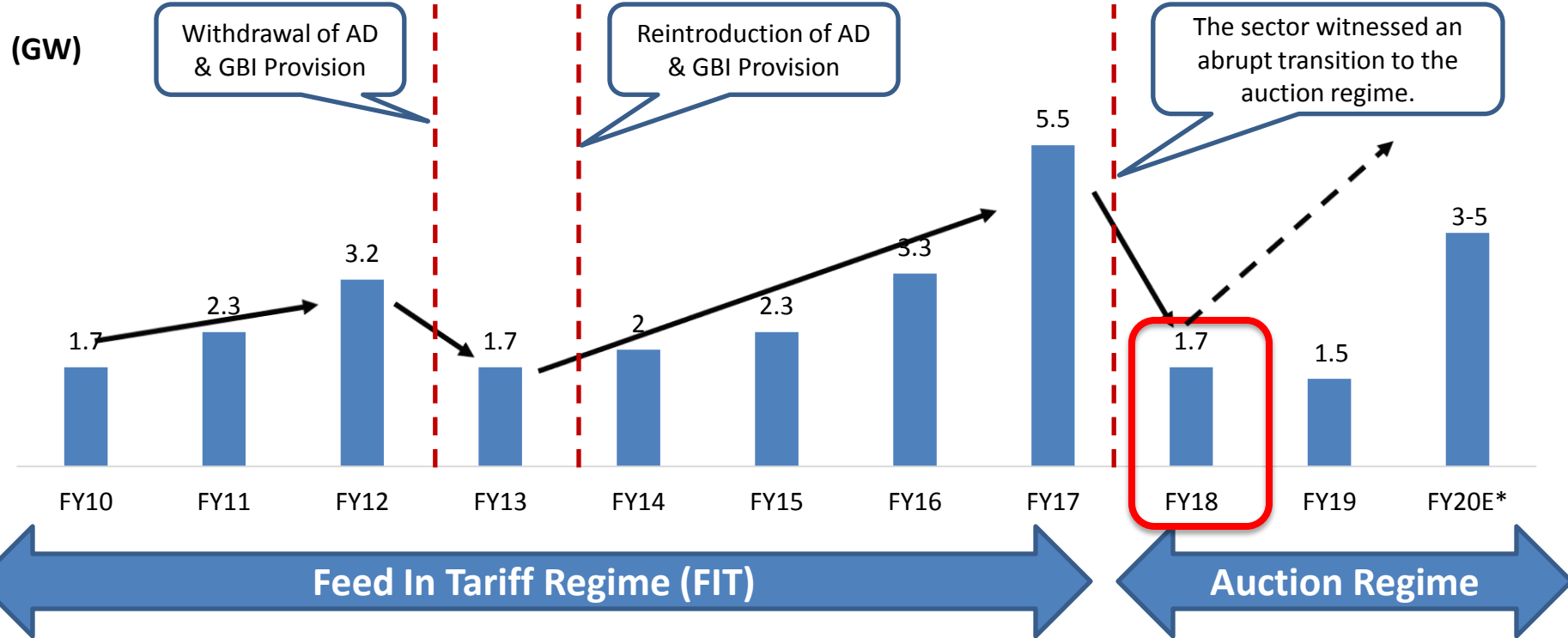
- ✓ Inox Wind has multi year O&M agreements for its fleet across customers and from the upcoming new financial year, a significant part of the WTGs will be beyond the free O&M/warranty period.
- ✓ Moreover, with the increase in the fleet size on the back of strong auction order inflow, we expect this revenue stream to pick up strongly in the coming years.
- ✓ O&M revenues are noncyclical in nature, have steady cash flow generation and higher margins.

Auction	Period	Volume (MW)
SECI 1 – SECI 3	Feb'17 – Mar'18	4050 MW
State Auctions	Feb'17 – Mar'18	1500 MW
SECI 4	April 2018	2000 MW
NTPC	August 2018	1200 MW
SECI 5	September 2018	1200 MW
Hybrid 1	December 2018	840 MW
SECI 6	February 2019	1200 MW
Gujarat	May 2019	745 MW
Hybrid 2	May 2019	720 MW
SECI 7	June 2019	480 MW
Total		13935 MW

- The ~14 GW auctions conducted in the past 24 months should reflect in capacity addition over FY20 and FY21.
- In addition, the government has announced wind auctions of 10GW per annum till 2028* which provides huge potential runway for the sector.
- RPO target increased to 21% for FY22 for state discoms from 17% in FY19**.
- Strong volume of upcoming auctions from SECI, States and Wind solar hybrid etc in the next 6-12 months.

* <https://www.financialexpress.com/economy/india-to-auction-40-gw-renewables-every-year-till-2028/1226479/>

** <https://www.livemint.com/Money/enQ7h8JaD6rKXGXIMTsORM/Govtsrenewableenergyusagetargets-ambitious-scaling-up.html>



Impact of the abrupt transition to auction Regime from FIT regime seen in wind installations in FY18 and FY19. The impact of 14 GW auctions conducted during last two years would be visible in installations in the next couple of years.

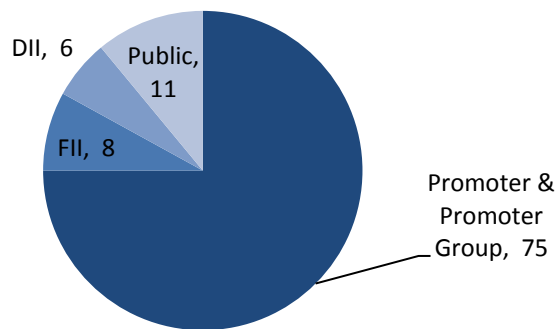
CURRENT CAPACITY (MW)				
Plant Location	Una, Himachal Pradesh	Rohika, Gujarat	Barwani, Madhya Pradesh	Total
Nacelles & Hubs	1,100	-	-	1,100
Blades	-	800	800	1,600
Towers	-	300	300	600

Inox Wind Share Price (Rs)



Source - BSE

% Shareholding – As of 30th June 2019



Source - Company

Market Data

As on 08.08.19 (BSE)

Market capitalization (Rs. Cr)	1098
Price (Rs.)	49.50
No. of shares outstanding (Cr)	22
Face Value (Rs.)	10.0

Source - BSE

Key Institutional Investors as of 30th June 2019

% Holding

Nomura Singapore Limited	5.1%
Aadi Financial Advisors	1.5%
Elaara India Opportunity Fund	1.1%
Securities Holdings India Private Limited	0.7%
Payal Bhanshali	0.7%
India Opportunities Growth Fund	0.6%

Source – Company

DETAILED FINANCIALS CONSOLIDATED P&L STATEMENT



(In Rs Lakhs)	Q1FY20	Q1FY19	YoY	Q4FY19	QoQ
Income					
a) Revenue from operation (net of taxes)	25,959	43,045		17,955	
Other Income	494	329		459	
Total Income from operations (net)	26,453	43,374	-39%	18,414	44%
Expenses					
a) Cost of materials consumed	6,957	25,060	-72%	11,802	-41%
b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	4,616	193	na	(1,899)	na
c) Employee benefits expense	2,192	2,232	-2%	2,517	-13%
d) Finance costs	4,848	3,914	24%	4,469	8%
e) Erection, Procurement & Commissioning Cost	7,344	3,773	95%	7,368	0%
d) Foreign Exchange Fluctuation (Gain)/Loss (net)	(380)	(240)	58%	28	na
e) Depreciation and amortization expense (refer note 4)	1,691	1,636	3%	1,698	0%
f) Other expenses	1,398	4,987	-72%	3,683	-62%
Total Expenses (a to f)	28,664	41,555		29,667	-3%
Less: Expenditure capitalised		-		2,714	na
Net Expenditure	28,664	41,555	-31%	26,953	6%
Profit/(Loss) from ordinary activities before tax	(2,218)	1,812	222%	(8,541)	-74%
Total Provision for Taxation	(804)	775	na	(3,185)	-75%
Profit/(Loss) for the period	(1,414)	1,037	236%	(5,356)	-74%
Other Comprehensive Income (after tax)	11	(13)	-182%	33	
Total Comprehensive Income for the period comprising Net Profit/(Loss) for the period & Other Comprehensive Income	(1,404)	1,024	237%	(5,323)	-74%
Earning Before Interest, Tax, Depreciation & Amortization (EBITDA) Incl Other Income	4,320	7,362	41%	(2,374)	-282%
Paid-up Equity Share Capital (Face value of Re 10 each)	22,192	22,192		22,192	
Basic & Diluted Earnings per share (Rs)	(0.64)	0.47	236%	(2.41)	-74%
(Face value of Re 10 each) - Not annualized					

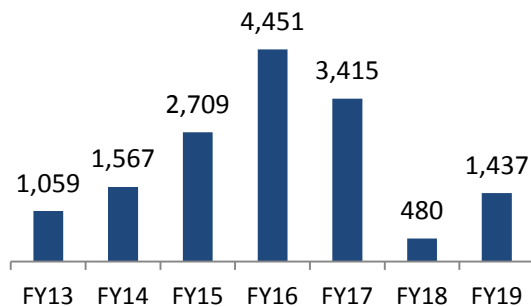
FINANCIAL SUMMARY



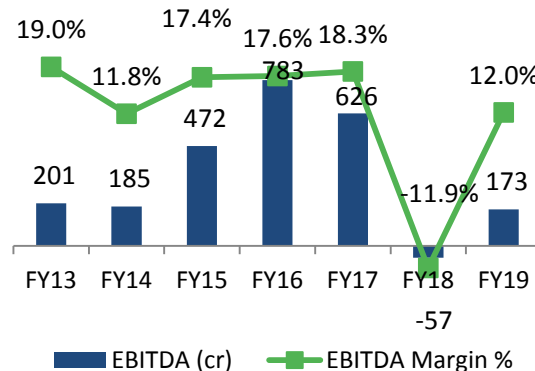
ROE: PAT/Avg. Equity, ROCE: EBIT/Avg. Capital Employed [(Capital Employed = Equity + Total Debt)]

Consolidated financials, FY13-15 as per IGAAP, FY16-19 as per Ind AS

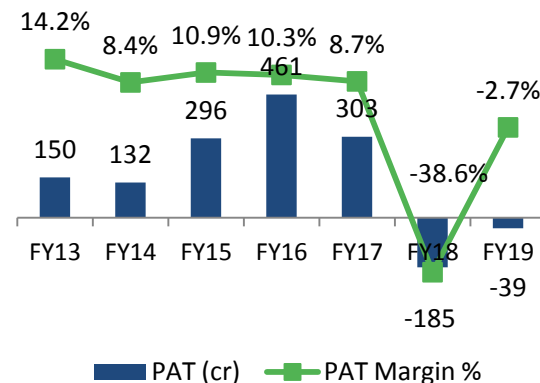
Revenue from Operations



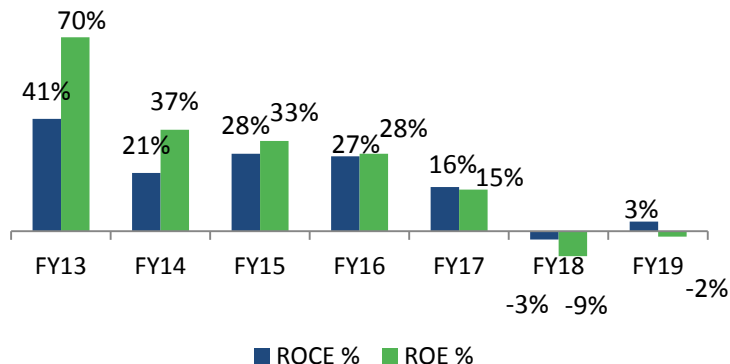
EBITDA (Inc OI) & EBITDA Margin %



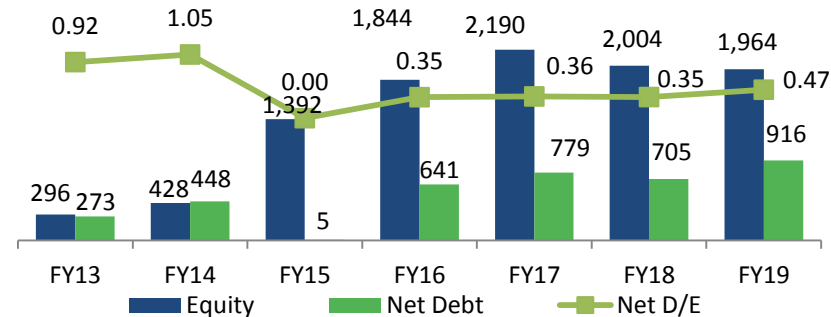
PAT & PAT Margin %



Return Ratios



Net Debt/Equity



In Rs. Cr

THANK YOU



Jitendra Mohananey
Group Financial Controller
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