

Financial Results for the Quarter ended March 31, 2021

Mumbai, India: JSW Energy Limited (“JSW Energy” or the “Company”) today reported its results for the fourth quarter (“Q4FY21” or the “Quarter”) and the financial year (“FY21” or the “Year”) ended March 31, 2021.

Key Highlights of Q4FY21 (Consolidated):

Operational:

- Long Term (LT) Net Generation: Higher by 3% in both Q4 and FY21
- LT Net Thermal Generation: Higher by 5% in Q4 and 8% in FY21
- LT PPA at Ratnagiri plant increased by 179 MW in May’21, further de-risking the portfolio; Ratnagiri LT PPA tie-up now at 96%
- 86% of overall portfolio under LT PPA as on date vs 81% at FY20-end
- Central Electricity Authority approved uprating of Karcham Wangtoo capacity by 91 MW to 1091 MW, in a phased manner

Consolidated Financial:

- EBITDA: ₹677 Crore in Q4; ₹3,144 Crore in FY21
- Profit Before Tax: ₹126 Crore in Q4; ₹1,081 Crore in FY21
- Profit After Tax at ₹107 Crore in Q4; ₹795 Crore in FY21
- Receivables declined 23% QoQ and 38% YoY - Lowest outstanding in last 3 years
- Net Debt reduced by ₹513 Crore in Q4 and by ₹2,739 Crore in FY21 – one of the strongest balance sheets in the power sector in India
 - Net Debt to Equity at 0.43x
 - Net Debt to EBITDA (TTM) at 1.97x
 - Strong Liquidity: Cash & Cash Equivalents¹ at ₹2,137 Crore

¹ Includes unencumbered bank balances, FDs, liquid mutual funds and short-term advances (< 3 month maturity)

- JSW Hydro Energy Ltd issued USD 707 million, 10 year green bonds for refinancing of term loans
- The Board has recommended a dividend of ₹2/ equity share subject to approval of the Shareholders

Update on Growth Strategy:

- JSW Energy is pursuing a growth strategy to expand from 4.6 GW to 10 GW by FY25, and 20 GW by FY30, with entire capacity addition being via Renewables
- 2.5 GW is currently under construction:
 - SECI IX - 810 MW: PPA signed for 540 MW with SECI; Balance 270 MW PPA to be signed in Q2FY22
 - SECI X - 450 MW Wind Project: PPA to be signed in Q2FY22
 - Solar/Wind Group Captive with JSW Steel: 958 MW approved by the board, PPA to be signed in Q2FY22
 - 240 MW Kutehr HEP: PPA under finalization with Haryana discom

ESG:

- Amongst the first companies globally to endorse Global Framework Principles for Decarbonizing Heavy Industry
- Specific GHG emissions declined 11% YoY in FY21
- 100% Utilisation of Fly Ash and Zero Liquid Discharge maintained in FY21

Awards and Recognitions:

- JSW Energy (Barmer) Limited:
 - Achieved Five-star grading in the British Safety Council's Occupational Health and Safety Audit
 - Awarded 'National Efficiency Awards 2021' for Best Energy Efficient Plant-Lignite by Mission Energy Foundation
- Ratnagiri plant awarded 'The Best Operating Thermal Power Generator' by Independent Power Producers Association of India (IPPAI)



Consolidated Operational Performance:

PLFs achieved during Q4FY21 at various locations/plants are as follows:

- **Vijayanagar:** The plant operated at an average PLF of 39.8% (44.2%²) vis-a-vis 34.3% (37.6%²) in Q4FY20 due to higher short term sales while long term sales were flat YoY.
- **Ratnagiri:** The plant operated at an average PLF of 49.7% (55.4%²) vis-a-vis 71.0% (79.5%²) in Q4FY20 due to lower short term sales.
- **Barmer:** The plant operated at an average PLF of 71.9% (77.6%²) vis-a-vis 63.2% (82.9%²) in Q4FY20 due to higher long term sales.
- **Himachal Pradesh:** The plants operated at an average PLF of 13.7% for the quarter vis-a-vis 15.2% in Q4FY20 due to weaker hydrology.
- **Nandyal:** The plant operated at an average PLF of 94.5% (99.7%²) during the quarter vis-a-vis 80.9% (99.1%²) in Q4FY20 due to higher long term sales.
- **Solar:** The solar plants achieved average CUF of 18.3% vis-a-vis 19.8% in Q4FY20.

The net generation at various locations/plants is as follows:

(Figures in Million Units)

Location/ Plant	Q4FY21	Q4FY20
Vijayanagar	680	593
Ratnagiri	1,172	1,705
Barmer	1,526	1,346
Himachal Pradesh	380	429
Nandyal	33	29
Solar	3	4
Total	3,796	4,105

² average deemed PLF



Long Term sales³ during the quarter stood at 3,463 million units (versus 3,369 million units YoY) with an increase of 3% YoY primarily due to higher sales at Barmer.

Short term sales during the quarter stood at 332 million units (versus 736 million units YoY) primarily due to lower short term sales at Ratnagiri.

Consolidated Financial Performance Review and Analysis:

During the quarter, total revenue stood at ₹1,614 Crore vis-à-vis ₹1,848 Crore in the corresponding quarter of the previous year, primarily due to reduction attributable to the impact of job work at the standalone entity.

The fuel cost for the quarter decreased by ~30% YoY to ₹701 Crore, primarily attributable to impact of job work at standalone entity.

EBITDA for the quarter rose ~8% YoY to ₹677 Crore from ₹629 Crore in the corresponding quarter of previous year.

The Company's Profit before Tax (before exceptional items) increased by 38% YoY to ₹126 Crore from ₹92 Crore in the corresponding quarter of the previous year.

Net Profit stood at ₹107 Crore compared to reported net profit of ₹108 Crore in the corresponding quarter of the previous year.

Total Comprehensive Income of the Company for the quarter stood at ₹609 Crore vis-a-vis a loss of ₹835 Crore in the corresponding period of previous year.

³ Including free power



The Consolidated Net Worth and Consolidated Net Debt as on March 31, 2021 were ₹14,507 Crore and ₹6,206 Crore respectively, resulting in a Net Debt to Equity ratio of 0.43x. Cash balances⁴ stood at a healthy ₹2,137 Crore.

Growth Strategy:

JSW Energy is pursuing a growth strategy to expand from the current capacity of 4.6 GW to 10 GW by FY25, and 20 GW by FY30, with the entire capacity addition being via renewables. 2.5 GW of renewable energy capacity is currently under construction in full swing:

- SECI IX - 810 MW: PPA signed for 540 MW with SECI; Balance 270 MW PPA to be signed in Q2FY22
- SECI X - 450 MW Wind Project: PPA to be signed in Q2FY22
- Solar/ Wind Group Captive with JSW Steel: 958 MW approved by the board, PPA to be signed in Q2FY22
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JSW Energy's current portfolio comprises 30% renewable energy capacity. This is expected to pivot to ~70% renewable energy by FY25 and ~85% renewable energy by FY30. JSW Energy has one of the strongest balance sheets in the sector (Net Debt to EBITDA at 1.97x) and a profitable and cash generative operating portfolio, which will be used to fund this expansion program, and no equity dilution is envisaged for this growth.

Business Environment:

India's power demand increased by 8.4% YoY in Q4FY21, due to an uptick in economic activity and a low base effect: in Mar'20 demand had declined by 8.4%

⁴ Includes unencumbered bank balances, FDs, liquid mutual funds and short-term advances (< 3 month maturity)



YoY when Covid-19 led restrictions/lockdowns were first imposed in the country. Demand growth was strong across North, West, and East regions on a YoY basis. The recovery in power demand is continuing in Q1FY22, with a growth of ~21% YoY during Apr-May'21 period (aided by a low base effect). Despite a challenging economic scenario in FY21, overall power demand saw only a 1% decline YoY and the all-India peak power demand touched a record high of 190 GW, indicating a spurt in economic activity.

In line with demand, overall power generation increased by 9.1% YoY in Q4FY21. Thermal and Renewable generation grew by 12.4% and 6.2% respectively, while Hydro generation declined by 10.3%, on a YoY basis. Average PLF for Thermal segment improved to 63.7% from 59.4% YoY. PLFs improved across State, Private and Central sectors on a YoY basis. During FY21, overall generation decline was only 0.5% YoY. Share of renewable energy in overall generation increased to 11% from 10% in previous fiscal.

On the supply side, installed capacity stood at 382.2 GW as on March 31, 2021. In Q4FY21, installed capacity increased by 6.8 GW, led by Renewable (+3.3 GW), and Thermal (+3.1 GW net) segments. Within Renewables, solar segment added 2.6 GW and wind added 0.6 GW. In FY21, installed capacity increased by 12.0 GW, led by Renewable (+7.4 GW), and Thermal (+4.1 GW net) segments. Within Renewables, solar segment added 5.5 GW and wind added 1.6 GW. During the year, overall solar capacity (40.0 GW) installed in the country overtook wind capacity (39.2 GW) for the first time.



Outlook:

As per the International Monetary Fund⁵, the global economy contracted 3.3% in CY2020. However, with various fiscal stimulus and policy support from sovereign governments, there was a strong rebound in growth. As vaccines have been developed and approved, leading to mass immunization drives, the global economy is estimated to recover and grow at 6% in CY2021. On domestic front, IMF estimates India's GDP to contract by 8% YoY in FY21, with an expected rebound growth of 11.5% in FY22. Overall, global economic activity is now contingent upon the pace of vaccination to curb covid-19 cases.

As per Reserve Bank of India (RBI), India's GDP saw a contraction of 7.3% YoY in FY21, however in the last two quarters of the fiscal, economic activity picked up as Covid infections declined. Though demand was once again impacted in Q1 FY2022 due to the drastic second wave of Covid infections in India, with the trajectory of cases becoming near-vertical in early May'21. Following nation-wide lockdowns and restrictions, along with a hastened pace of the vaccination drive have helped reduce the daily reported cases in June 2021, with states now relaxing norms again. For FY2022, RBI has projected a real GDP growth of 9.5%, with policy support needed from all sides – fiscal, monetary and sectoral – to nurture recovery and expedite return to normalcy.

GST collections recorded all-time high in April'21 at ₹1.41 trillion. High-frequency indicators (such as e-way bills, railway freight traffic, port cargo, steel consumption, cement production) saw moderation in Apr-May'21 due to imposition of localised lockdowns/restriction to contain the second wave of covid-19 pandemic. CPI rose to 6.3% in May'21, driven by higher fuel & food inflation. In June'21, the Monetary

⁵ IMF's World Economic Outlook April 2021



Policy Committee maintained the policy repo rate at 4.0% and continued the monetary policy stance at 'Accommodative'.

Over the medium term, power sector outlook is sanguine, as rapid urbanization and stabilization of various schemes undertaken by the Government such as "Power for All" and "24 x 7 Power" is expected to spur the power demand. With universal household electrification nearly complete in the country, latent power demand from rural India should boost demand. As a signatory to the Paris Accord, India plans to achieve a low-carbon future, and has set a 450 GW Renewable capacity target by 2030. Hence, the incremental power demand is expected to be largely met by addition of renewable energy capacity in the country.

Further, the Government measure of liquidity infusion package for Discoms via PFC/REC, helped the Discoms in reducing their outstanding dues during the last few months of the fiscal. Going forward, financial health of discoms is key to a healthy power market in India.

ABOUT JSW ENERGY: JSW Energy Ltd is one of the leading Private sector power producers in India and part of the USD 12 billion JSW Group which has significant presence in sectors such as steel, energy, infrastructure, cement, sports among others. JSW Energy Ltd has established its presence across the value chains of power sector with diversified assets in power generation, and transmission. With strong operations, robust corporate governance and prudent capital allocation strategies, JSW Energy continues to deliver sustainable growth, and create value for all stakeholders. JSW Energy began commercial operations in 2000, with the commissioning of its first 2x130 MW thermal power plants at Vijayanagar, Karnataka. Since then, the company has steadily enhanced its power generation capacity from 260 MW to 4,559 MW having a portfolio of Thermal 3,158 MW, Hydel 1,391 MW & Solar 10 MW, ensuring diversity in geographic presence, fuel sources and power off-take arrangements. JSW Energy is committed to pursue growth opportunities in the power sector and contribute in powering our nation's economy.

Forward Looking and Cautionary Statements:

Certain statements in this release concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these



statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition within Power Industry including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our internal operations, reduced demand for Power, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which JSW Energy has made strategic investments, withdrawal of fiscal governmental incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. The company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the company.

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