

**Financial Results for the Quarter and Year ended March 31, 2023**

**Mumbai, India:** JSW Energy Limited ("JSW Energy" or the "Company") today reported its results for the quarter ("Q4 FY23" or the "Quarter") and the financial year ("FY23" or the "Year") ended March 31, 2023.

**FY2023 – A year of Delivering Promises**

JSW Energy has showcased a stellar performance in delivering on its articulated capacity growth targets of being a 10 GW generating company by FY25. The company will reach 9.8 GW by CY 24, well before its stated goal.

Following are some of the key achievements during the year:

- ✓ **Operating Capacity:** Increased its operating capacity by 44% from 4,559 MW in FY22 to 6,564 MW in FY23, adding ~2 GW during the year through a mix of organic and inorganic capacity additions.
- ✓ **Profitability:** 2<sup>nd</sup> highest ever adjusted operating EBITDA at ₹3,817 Crore up 8% YoY and 2<sup>nd</sup> highest adjusted PAT at ₹1,358 Crore up 15% YoY.
- ✓ **Energy Storage Projects:** The company has won bids for 3.4GWh of storage projects comprising of (i) Battery energy storage bid from Solar Energy Corporation of India (1GWh/500MW) and (ii) Hydro Pump Storage project from Power Company of Karnataka Limited for procurement of 2.4GWh for a period of 40 years.
- ✓ **India's largest commercial scale green H<sub>2</sub>:** Contracted for India's first plant to produce green hydrogen for production of green steel and also the largest commercial scale green hydrogen plant to commence construction. The plant capacity to be 3.8KTPA with an offtake agreement of 7 years.
- ✓ **Solar PV Module Manufacturing:** The company has been allocated production linked incentive (PLI) for 1GW (Wafer + Cell + Module) capacity under the PLI scheme. The company is eligible for PLI benefits amounting to ₹320 Crores.

The strategic intent is to utilise the solar modules for captive usage and thus de-risking the supply chain. The plant will be commissioned by April 2025.

### **Unveiling Strategy 2.0 (2023-2030)**

In 2021, the company had unveiled a strategy to increase generation capacity to 20 GW by 2030. Unveiling its strategy 2.0, the company is now pivoting towards a Energy Products and Services company. In addition to reaching 20 GW generation capacity, by 2030, the company targets :

- **Energy Storage:** 40GWh/5GW of Energy Storage capacity
- **Solar PV Module Manufacturing:** 1 GW solar module manufacturing capacity and,
- **Green Hydrogen:** 3.8KTPA of Green Hydrogen capacity.

The Company's revised growth trajectory with a focus on enhancing cash returns will drive a significant increase in EBITDA and PAT till 2030 amounting to:

- 3.5x-4.0x increase in 2030 EBITDA from current normalized EBITDA
- 3.25-3.75x increase in 2030 PAT from current normalized PAT

The revised EBITDA and PAT in targeted in 2030 is higher by 25% from the earlier communicated targets of 2021.

In addition, the normalized Net/Debt to EBITDA over this period is expected to be in the range of 3.5x-4.0x.



### Key Achievements of FY23:

<b><u>Sustainability</u></b>	<ul style="list-style-type: none"><li>• Leadership Band (A-) in climate change rating - Highest rating in the power sector in India for 2<sup>nd</sup> consecutive year.</li><li>• Sword of Honour received from the British Safety Council for excellence in Operational Health and Safety at Ratnagiri Plant</li></ul>
<b><u>Performance</u></b>	<ul style="list-style-type: none"><li>• Increased operating generation capacity by 44% to 6,564 MW driven by Mytrah acquisition (1,753 MW) and organic additions (252 MW)</li><li>• Net Generation at 21.9 Bus, higher by 5% YoY driven by higher thermal PLFs and RE capacity addition</li><li>• Second highest ever Adjusted EBITDA at ₹3,817 Crore (up 8% YoY) and adj. PAT at ₹1,358 Crore (up 15% YoY).</li><li>• Cash PAT of ₹2,570 Crore up 7% YoY in-line with EBITDA growth</li><li>• Dividend of ₹2/share recommended by the Board</li></ul>
<b><u>Acquisitions</u></b>	<ul style="list-style-type: none"><li>• Completed acquisition of Mytrah Energy renewable assets with 1,753 MW installed capacity at an enterprise value of ₹10,150 Crore, after adjusting for net current assets and other adjustments under the SPAs.  The transaction is value accretive from day one and is the largest acquisition made by the company since inception</li><li>• Completed acquisition of Ind-Barath 700 MW, under construction thermal power plant at ₹1,048 Crore, expected commissioning by FY24</li></ul>



## **Key Highlights of Q4 FY23 (Consolidated):**

### **Operational:**

- Overall Net Generation: Up by 16% YoY at 5.1 BUs driven by strong long term and merchant volumes and RE capacity addition.
- Net Long Term Generation: Up by 7% YoY at 4.4 BUs driven by higher generation at Ratnagiri (Unit-1) and RE capacity addition
- Net Renewable Generation: Up by 32% YoY aided by commissioning of 225 MW Vijayanagar solar power plant

### **Consolidated Financials:**

- Q4 FY23 adjusted EBITDA<sup>2</sup> of ₹881 Crore up 7% YoY driven by contribution from RE capacity additions and improved operational performance, resulting in a reported PAT of ₹272 Crore
- Cash PAT during the quarter stood strong at ₹587 Crore; delivering a consistent >18% cash return on adjusted net worth
- Receivables days improved YoY to 60 days; healthy collection trend sustained
- Best in class Balance Sheet, well-positioned to pursue growth
  - Proforma Net Debt to Equity at 1.2x
  - Proforma Net Debt to EBITDA (TTM) at 4.4x (3.4x on normalized basis)
  - Strong Liquidity: Cash & Cash Equivalents<sup>1</sup> at ₹4,627 crore

### **Under construction -Utility Scale Generation Projects:**

- 1.26 GW SECI IX & X Wind projects: Progressive commissioning of **SECI X** project started with part-CoD received for first phase of 27 MW (Apr'23 - 78 MW). WTG foundation and balance of plant work in-progress for **SECI IX**.
- 240 MW Kutehr HEP: Project well ahead of timelines with ~92% tunneling completed (up from ~90% in Q3 FY23)

### **Awards and Recognitions:**

- Barmer Plant won the 'Best Power Generator Award 2023' organised by Council of Enviro Efficiency.

<sup>1</sup> Includes unencumbered bank balances, FDs, and liquid mutual funds <sup>2</sup> adjusted for true-up order in FY22



## Consolidated Operational Performance

The net generation on the back of LT and merchant volumes at various locations/plants is as follows: (Figures in Million Units)

Location/ Plant	Q4 FY23	Q4 FY22
Vijayanagar	998	932
Ratnagiri	1,752	1,355
Barmer	1,730	1,608
Nandyal	2	26
Himachal Pradesh (Hydro)	403	439
Solar	149	5
Wind	34	-
<b>Total*</b>	<b>5,067</b>	<b>4,363</b>

*\*Figures rounded off to the nearest unit digit*

Net generation during the quarter stands at 5,067 MUs, up 16% YoY on back of strong merchant volumes, incremental generation from Vijayanagar Solar (225 MW) and SECI X (27MW). Short term sales increased 3 times to 629 MUs versus 226 MUs in the quarter while Long Term sales<sup>1</sup> in the quarter increased 7% YoY due to higher LT generation at Ratnagiri.

PLFs achieved during Q4 FY23 at various locations/plants are as follows:

- **Vijayanagar:** The plant operated at an average PLF of 58% (59%<sup>2</sup>) vis-a-vis 54% (55%<sup>2</sup>) in Q4 FY22. PLF improved due to increased ST volumes YoY in the quarter.
- **Ratnagiri:** The plant operated at an average PLF of 74% (98%<sup>2</sup>) vis-a-vis 57% (69%<sup>2</sup>) in Q4 FY22 as both ST and LT volumes increased.
- **Barmer:** The plant operated at an average PLF of 82% (87%<sup>2</sup>) vis-a-vis 76% (81%<sup>2</sup>) in Q4 FY22.

<sup>1</sup> Including free power at hydro plants

<sup>2</sup> Deemed PLF



- **Himachal Pradesh (Hydro):** The plants operated at an average long term PLF of 14% for the quarter vis-a-vis 15% in Q4 FY22 due to lower water flow.
- **Solar:** The solar plants achieved an average CUF of 29% vis-a-vis 24% in Q4 FY22.

### **Consolidated Financial Performance Review and Analysis:**

During the quarter, Total Revenue increased by 6% YoY to ₹2,806 Crore from ₹2,655 Crore YoY, due to higher generation and increase in renewable capacity. Adjusted EBITDA at ₹881 Crore was 7% higher YoY vis-à-vis ₹821 Crore in the corresponding period.

Finance costs during the quarter increased to ₹233 Crore vis-à-vis ₹170 Crore in Q4 FY22 due to additional borrowings (for ongoing growth capex) and increase in weighted average cost of debt (excl. Mytrah) to 8.36% with the rising rates cycle.

Adjusted Profit After Tax (PAT) stood at ₹272 Crore, which is lower YoY compared to a PAT of ₹372 Crore in the corresponding period of previous year. Cash PAT during the quarter stood strong at ₹587 Crore.

During FY23, Total Revenue increased by 24% YoY to ₹10,867 Crore from ₹8,736 Crore YoY, due to higher realisation (as higher fuel costs are pass through in nature for LT PPAs) and increase in renewable capacity. Adjusted EBITDA at ₹3,817 Crore was 8% higher YoY vis-à-vis ₹3,542 Crore in FY22.

Finance costs during the year increased to ₹844 Crore vis-à-vis ₹777 Crore in FY22 due to additional borrowings (for ongoing growth capex) and increase in weighted average cost of debt with the rising rates cycle.





Adjusted Profit After Tax (PAT) stood at ₹1,358 Crore up 15% YoY vis-à-vis ₹1,180 Crore in FY22. Cash PAT at ₹2,570 Crore was up by 7% YoY vis-à-vis ₹2,395 Crore in FY22.

The Board recommended a dividend of ₹2 per share subject to approval of the shareholders.

The Consolidated Net Worth and Proforma Consolidated Net Debt as on Mar 31, 2023 were ₹18,629 Crore and ₹22,180 Crore respectively, resulting in a Net Debt to Equity ratio of 1.2x and Net Debt/Proforma TTM EBITDA of 4.4x (with normalised Mytrah EBITDA, it stood at 3.4x). Receivables days' improved YoY to 60 days on Mar 31, 2023 from 63 days in Q4 FY22.

Liquidity continues to be strong with Cash balances<sup>3</sup> at ₹4,627 crore as of Mar 31, 2023. The Company has one of the strongest balance sheets among its peers with a further headroom to pursue value accretive growth opportunities.

### **Growth Strategy:**

JSW Energy has unveiled its 'Strategy 2.0' where the company has revealed its growth targets and is strengthening its presence in Energy Products and Services. The targets are multi-pronged with continued focus on increasing generation capacity to 20 GW by 2030 and Energy storage of 40 GWh/5GW by 2030. In addition, company is integrating backward in its value chain to solar module manufacturing with capacity of 1GW and forward integrating into producing Green Hydrogen and its derivatives.

The Company has 6.6 GW of operational capacity and 3.2 GW of under construction projects which are expected to be operational by CY24 implying 25% CAGR by CY24.

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<sup>3</sup> Includes unencumbered bank balances, FDs, and liquid mutual funds



The stable cash flow generation is sufficient to drive the current growth plans with no equity raise required to deliver this growth.

With one of the strongest balance sheets and a profitable cash generative operating portfolio, the Company is well positioned to pursue its growth aspirations.

Currently 3.2 GW of Generation capacity is under construction in full swing:

- SECI IX - 810 MW & SECI X - 450 MW: Phase-wise commissioning of SECI X (78 MW in Apr-23) started in Q3 FY23.
- Wind Group Captive with JSW Steel - 733 MW: Entire capacity is tied up on PPA and scheduled to be progressively commissioned from Q1 FY24.
- Kutehr Hydro Project - 240 MW: PPA signed with Haryana discom. 92% of tunnelling work (~20 kms) is completed vis-à-vis 70% in FY22. Project progressing ahead of the target timelines of September 2024.
- Ind- Barath – 700 MW: Construction underway scheduled commissioning by FY24.

#### **Business Environment<sup>4</sup>:**

- India's power demand increased by 6.9% YoY in Q4 FY23, on the back of broad based demand increase across all the regions. In FY23 power demand increased 9.6% YoY amid rise in economic activities.
- Further, the all India peak power demand touched a high of 216.9 GW in month of April 2023, while the peak demand in Q4FY23 stands at 212.6 GW.
- In line with demand, overall power generation increased by 6.4% YoY in Q4 FY23 and 9% in FY23. In FY23 renewable power generation increased 20% YoY driven

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<sup>4</sup> Source: Central Electricity Authority and NPP





by solar generation, up 40% YoY and wind generation up 5% YoY. Thermal generation increased 5% and 8% in the Q4 FY23 and FY23 respectively.

- On the supply side, installed capacity stood at 416 GW as on March 2023. In Q4 FY23, net installed capacity increased by 5.7 GW, due to addition in 4.7 GW of renewable capacity.

### **Outlook:**

- As per the IMF's latest "World Economic Outlook (April 2023), global growth will bottom out at 2.8% in 2023 before rising modestly to 3.0% in 2024. For India, the IMF estimates GDP growth of 5.9% in CY2023 and 6.3% in CY2024.
- As per the Reserve Bank of India<sup>5</sup> (RBI), India's GDP saw a growth of 4.4% YoY in Q3 FY23 reflecting easing of pent up demand and weakness in manufacturing sector. The RBI has estimated a 6.5% growth in real GDP in FY24 and in its recent MPC meet kept repo rate unchanged to 6.50%; the key rate has been raised by 250 bps since May-22.
- India's latest macro-economic data reflect a resilient economy in the midst of a slowing global economic landscape. Both manufacturing and services PMI remain strong. Strong GST collections trend continues with more than ₹ 1.4 lakh crore/month for 14 months in a row.
- CPI inflation in Mar-23 came at a 15-month low of 5.7%. In Q1 FY24 April month inflation came at 4.7%.
- Over the medium term, the power sector outlook is healthy, as rapid urbanization and stabilization of various Govt. schemes are expected to boost overall power demand. The country's transition towards green energy will further be supported by Performance Linked Incentive for High Efficiency Solar PV Modules manufacturing and Green Hydrogen Mission.

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<sup>5</sup> Monetary Policy Committee Report December 2022 and MoSPI



**ABOUT JSW ENERGY:** JSW Energy Ltd is one of the leading Private sector power producers in India and part of the USD 22 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 6,615 MW having a portfolio of Thermal 3,158 MW, Wind 1,409 MW, Hydel 1,391 MW and Solar 657 MW ensuring diversity in geographic presence, fuel sources and power off-take arrangements. The Company is presently constructing various power projects to the tune of 3.2 GW, with a vision to achieve a total power generation capacity of 20 GW by the year 2030, when the share of renewables in the total capacity will increase to ~ 81%.

**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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A handwritten signature in purple ink, appearing to read "Mithun", with a long horizontal stroke extending to the right.