JSW Energy

Press Release **October 20, 2023**

Financial Results for the Quarter ended September 30, 2023

Mumbai, India: JSW Energy Limited ("JSW Energy" or the "Company") today reported its results for the quarter ("Q2 FY24" or the "Quarter") ended September 30, 2023.

Key Highlights of Q2 FY24

Operational:

- Overall Net Generation: Up by 29% YoY at 8.6 BUs driven by strong merchant sales, organic RE capacity additions and contribution from acquired[1] RE portfolio
- Net renewable generation is up by 47% YoY at 4.4 BUs and total thermal generation is up 15% YoY at 4.3 BUs
- Net Long Term Generation: Up by 22% YoY driven by higher generation at Ratnagiri (Unit-1) and RE capacity additions

Consolidated Financials:

Company reported highest ever quarterly EBITDA

- EBITDA at ₹2,008 Crore and reported PAT of ₹850 Crore, both increased 83% YoY; Cash PAT stood at ₹1,180 Crore
- On a sequential basis, EBITDA increased 54% while PAT increased 2 folds
- Receivables improved 10% YoY while DSO (excl. acquired RE portfolio and hydro true-up impact) stood at 56 days; healthy collection trend sustained
- Best in class Balance Sheet: Net Debt to Equity at 1.2x, Net Debt to (Proforma TTM) EBITDA at 4.6x
- Cash & Cash Equivalents[2] at ₹3,291 Crore

Signed MoUs with JSW Steel for providing RE solutions progressively by 2030

- For RE generation capacity of ~6.2 GW and Energy Storage projects of ~2.7 GWh
- For supply of 85,000-90,000 TPA of Green H_2 and 7,20,000 TPA of Green O_2, with associated RE power solutions

[1] Acquired RE portfolio represents 1,753 MW renewable capacity acquired from Mytrah Energy

[2] Includes unencumbered bank balances, FDs, and liquid mutual funds

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Under construction - Utility Scale Generation Projects:

- 2.1 GW Wind projects:
  (i) SECI X project under progress with part CoD received for 216 MW as of Sept'23 (ii) WTG erection & BoP works in-progress for SECI IX and Group Captive plant
  (iii) SECI XII WTG supplier finalised and BoP works under tendering
- 240 MW Kutehr HEP:
  (i) ~99% tunneling completed (~96% in Q1 FY24)
  (ii) Power house and control room concreting 55% complete.

Acquired Assets:

- Ind-Barath TPP: Unit 1 Boiler light up and critical piping steam blowing activity completed, expected commissioning in the current quarter. Unit 2 revival activity in progress, expected commissioning in Q4 FY24
- Acquired RE Portfolio: Generation increased 27% YoY resulting in EBITDA of ₹557 Cr

Consolidated Operational Performance

The net generation including LT sales and merchant volumes at various locations/plants is as follows: (Figures in Million Units)

Location/ Plant	Q2 FY24	Q2 FY23
Thermal		
Vijayanagar	900	736
Ratnagiri	1,752	1,311
Barmer	1,593	1,651
Nandyal	25	-
Renewable		
Hydro	2,766	2,900
Acquired RE Portfolio	1,306	NA
Solar	123	76
Wind	173	NA
Total	**8,638**	**6,675**

**Figures rounded off to the nearest unit digit*

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Net generation during the quarter stands at 8,638 MUs, up 29% YoY driven by generation at acquired RE portfolio and higher thermal generation partly offset by lower generation at Hydro assets. Total Long Term sales[1] in the quarter increased by 22% YoY driven by higher generation at Ratnagiri (Unit-1) and RE capacity additions while Short Term sales surged to 735 MUs.

PLFs achieved during Q2 FY24 at various locations/plants are as follows:

- **Vijayanagar:** The plant operated at an average PLF of 51% (53%[2]) in the quarter vis-a-vis 42% (42%[2]) in Q2 FY23 driven by strong ST volumes.
- **Ratnagiri:** The plant operated at an average PLF of 72% (91%[2]) in the quarter vis-a-vis 54% (73%[2]) in Q2 FY23 as both ST and LT volumes grew.
- **Barmer**: The plant operated at an average PLF of 75% (78%[2]) in the quarter vis-a-vis 77% (81%[2]) in Q2 FY23 due to scheduled maintenance.
- **Himachal Pradesh (Hydro)**: The plants operated at an average long term PLF of 95% for the quarter vis-a-vis 99% YoY due to unusual monsoon and high silt conditions in the river.
- **Acquired RE Portfolio:** Solar (422 MW) achieved CUF of 18% while Wind (1,331 MW) achieved CUF of 40% in the quarter.
- **Solar (Organic)**: The solar plants achieved an average CUF of 22% in Q2 FY24 vis-a-vis 16% in Q2 FY23.

Consolidated Financial Performance Review and Analysis:

During the quarter, total revenue increased 30% YoY to ₹3,387 Crore from ₹2,596 Crore in Q2 FY23 due to incremental revenue from renewable portfolio and strong thermal performance on the back of a buoyant merchant market. The Company

[1] Including free power at hydro plants
[2] Deemed PLF

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reported its highest ever quarterly EBITDA of ₹2,008 Crore, which was higher by 83% YoY, driven by robust EBITDA contribution from acquired renewable assets, short term thermal sales and a truing-up impact at hydro business.

Reported Finance costs during the quarter increased to ₹514 Crore vis-à-vis ₹486 Crore in Q1 FY24. The finance cost increased QoQ due to higher loan drawals for the ongoing growth capex and certain one-off charges upon completion of the debt refinancing / resizing activity at the acquired RE portfolio. The weighted average cost of debt in the quarter stood at 8.51% (vis-à-vis 8.68% in Q1 FY24) reflecting the full impact of the debt refinancing exercise at the acquired RE portfolio.

Profit After Tax (PAT) for the quarter stood at ₹850 Crore compared to ₹466 Crore in the corresponding period of previous year. Higher profitability was driven by robust contribution from Acquired RE portfolio, merchant sales and hydro truing up impact. Cash PAT generated during the quarter stood at ₹1,180 Crore implying 20% cash returns on adjusted net worth.

The Consolidated Net Worth and Net Debt as on Sept 30, 2023 were ₹19,877 Crore and ₹24,260 Crore respectively, resulting in a Net Debt to Equity ratio of 1.2x, Net Debt/EBITDA (Proforma TTM) of 4.6x and Net Debt to Normalised EBITDA (excl. CWIP) at 3.3x. Receivables improved 10% YoY with DSO of 56 days (excl acquired RE assets and hydro true-up impact).

Liquidity continues to be strong with Cash balances[3] at ₹3,291 crore as of Sept 30, 2023. The Company has one of the strongest balance sheets in the sector which gives the headroom to pursue value accretive growth opportunities.

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[3] Includes unencumbered bank balances, FDs, and liquid mutual funds

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Business Environment[4]:

- India's power demand during Q2 FY24 increased by 13% YoY and 7% YTD to 437 BUs due to a surge in economic activities
- Further, the all India peak power demand touched all time high of 240 GW in the month of September 2023.
- In line with demand, overall power generation increased by 11% YoY to 459 BUs in Q2FY24. Renewable power generation increased by 20% YoY driven by wind generation which was up 30% YoY while hydro generation was down 13% YoY in the quarter. Thermal generation increased 15% YoY in Q2 FY24 to 322 BUs implying thermal PLFs of 68%.
- On the supply side, installed capacity stood at 425 GW as on Sept 2023. In Q2 FY24, net installed capacity increased by 3.5 GW, due to addition in 2.1 GW of renewable capacity and 1.4 GW of thermal capacity.

Outlook:

- As per the International Monetary Fund[5] (IMF), global economic growth is expected to slow from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024 amidst an unprecedented tightening of global monetary conditions to combat decades-high inflation. For India, the IMF estimates GDP growth of 6.3% in 2023 and 2024.
- As per the Reserve Bank of India (RBI), India's GDP saw a growth of 7.8% YoY in Q1 FY24 and estimates a 6.5% growth in real GDP in FY24. In its recent MPC meet the RBI kept the repo rate unchanged to 6.50%; the key rate has been raised by 250 bps since May-22.

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[4] Source: CEA
[5] Source: IMF – World Economic Outlook October 2023

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- India's latest macro-economic data reflect a resilient economy in the midst of a slowing global economic landscape. Both manufacturing (Sept-23: 57.5) and services (Sept-23: 61.0) PMI prints remain strong. Strong GST collections trend continues, GST revenue surpasses the ₹1.60 trillion barrier for the fourth time this year resulting in a 11% YoY increase in collection in H1 FY24.
- In September, CPI inflation of 5.0% came below the RBI's tolerance limit and lower than July-23 and August-23 CPI inflation of 7.4% and 6.8% respectively.
- 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.
- However, with base load capacity increase (including RTC with storage) lagging demand growth and its gestation period, supply is expected to lag demand growth over the medium term.

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ABOUT JSW ENERGY: JSW Energy Ltd is one of the leading Private sector power producers in India and part of the USD 23 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 6,771 MW having a portfolio of Thermal 3,158 MW, Wind 1,547 MW, Hydel 1,391 MW and Solar 675 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 3.0 GW, with a vision to achieve a total power generation capacity of 20 GW by the year 2030.

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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