



JSW Energy Limited

Q2 FY 2018 Results Presentation

November 1, 2017

- **Long term PPA (LTPPA) tie-up**
 - LTPPA proportion at ~65% in Q2FY18 - secured group captive contract of 4MW at Ratnagiri
- **Net debt reduced by ₹ 1,705 crore in H1FY18 after adjusting for JPVL liability; cost of debt dips by 84bps from Q4FY17 level**
 - Optimisation of debt profile through proactive prepayments, refinancing and scheduled repayments
- **Proactive working capital management:** Reduction in consolidated debtors by ~ ₹ 570 crore over Q4FY17 levels
- **Operational efficiency measures drive savings in O&M costs**

Business Environment

Operational and Financial Performance

Demand growth steady at ~5% in H1FY18



Region	Q1FY18	YoY	Q2FY18	YoY	H1FY18	YoY	Remarks
	(MUs)	change %	(MUs)	change %	(MUs)	change %	
North	96,515	4.9%	1,06,758	8.4%	2,03,273	6.7%	Driven by UP (Q2: 18%, H1: 15% YoY growth)
West	94,762	5.2%	85,117	3.1%	1,79,879	4.2%	Maharashtra (Q2: 8%, H1: 9%)
South	79,530	5.0%	77,651	3.5%	1,57,181	4.3%	Telangana (Q2: 19%, H1: 15%)
East	35,866	7.4%	35,009	2.6%	70,875	4.9%	DVC (Q2: 11%, H1: 15%)
North-East	4,048	12.4%	4,498	8.6%	8,546	10.3%	Manipur and Nagaland: (Q2: 9% and 7% respectively), (H1: 9% and 12% respectively)
All-India	3,10,086	5.1%	3,09,667	5.2%	6,19,753	5.2%	

Trend in Growth Rates

Region	FY17				FY18	
	Q1	Q2	Q3	Q4	Q1	Q2
North	8.9%	0.4%	0.2%	0.8%	4.9%	8.4%
West	8.7%	-1.0%	-6.5%	-1.8%	5.2%	3.1%
South	7.3%	2.0%	12.4%	3.4%	5.0%	3.5%
East	6.9%	4.2%	0.4%	-1.7%	7.4%	2.6%
NE	2.9%	6.6%	3.8%	4.5%	12.4%	8.6%
All-India	8.1%	0.9%	1.0%	0.5%	5.1%	5.2%

Thermal PLF picks up in H1FY18 compared to last year

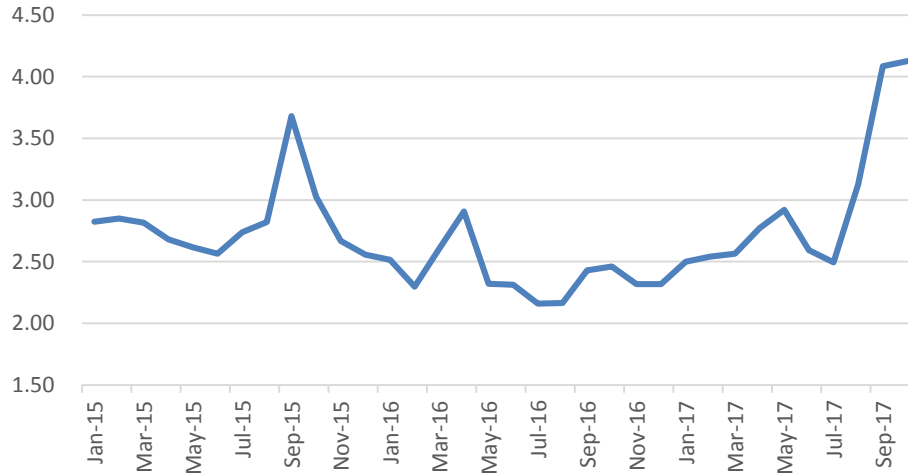


Gross Generation	Q1FY18 (MUs)	YoY change %	Q2FY18 (MUs)	YoY change %	H1FY18 (MUs)	YoY change %	Remarks
Thermal	2,61,299	2.2%	2,47,668	8.5%	5,08,967	5.2%	Growth picks YoY but sequential decline
Hydro	36,243	17.6%	45,105	-3.7%	81,348	4.7%	Weak Q2 growth despite sequential pick-up
RE	25,826	29.0%	23,785	24.4%	49,611	26.7%	Q2FY18 data available only for Jul-Aug
Others	10,119	0.5%	10,841	-15.9%	20,960	-8.6%	Subdued due to weak nuclear generation
Total	3,33,487	5.3%	3,27,399	6.6%	6,60,886	6.0%	

PLF (%)	Q1FY17	Q1FY18	Q2FY17	Q2FY18	H1FY17	H1FY18	Remarks
Thermal	63.2%	62.5%	54.4%	57.6%	58.8%	60.1%	Q2FY18 PLF improves across Central, State and Private segments as compared to last year
<i>Central</i>	73.9%	73.7%	67.9%	69.7%	70.9%	71.7%	
<i>State</i>	59.3%	59.1%	44.9%	49.7%	52.1%	54.4%	
<i>Private</i>	58.0%	56.9%	52.1%	55.2%	55.0%	56.1%	

Merchant tariff spikes up in Q2FY18

IEX Average Market Clearing Price - Rs/kWh

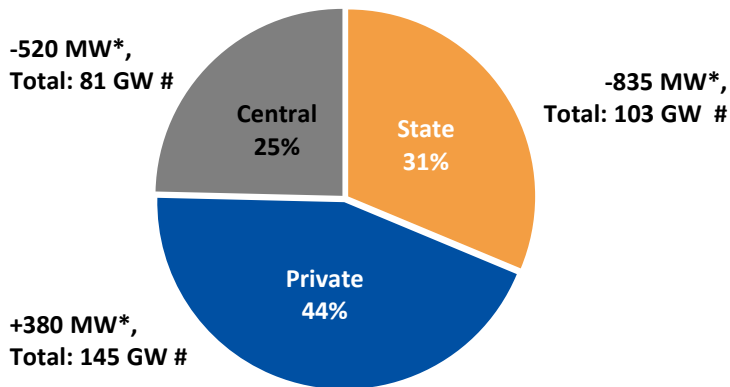


	Q1FY18	Q2FY18	H1FY18
Merchant Volume IEX+PXIL (MUs)	12,018	13,169	25,188
Merchant Volume growth YoY	15.8%	18.2%	17.1%
Merchant Volume as % of Total Generation	3.6%	4.0%	3.8%

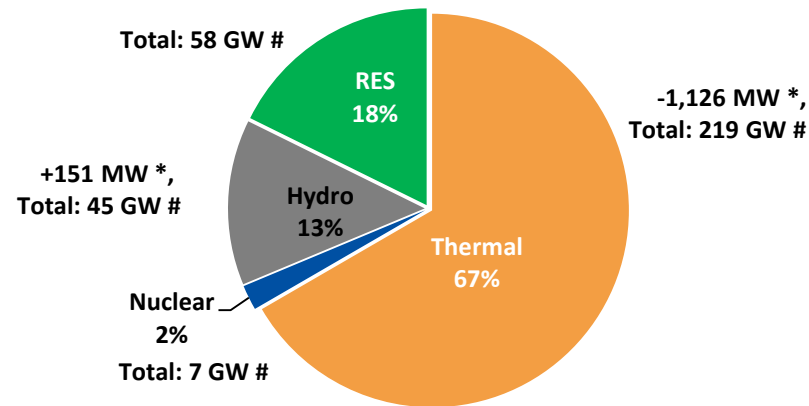
Robust exchange traded volume growth in Q2FY18

Reversal in trend as capacity declines 975MW QoQ

Sector-wise Installed Capacity – 329 GW
(as on Sep 30, 2017)



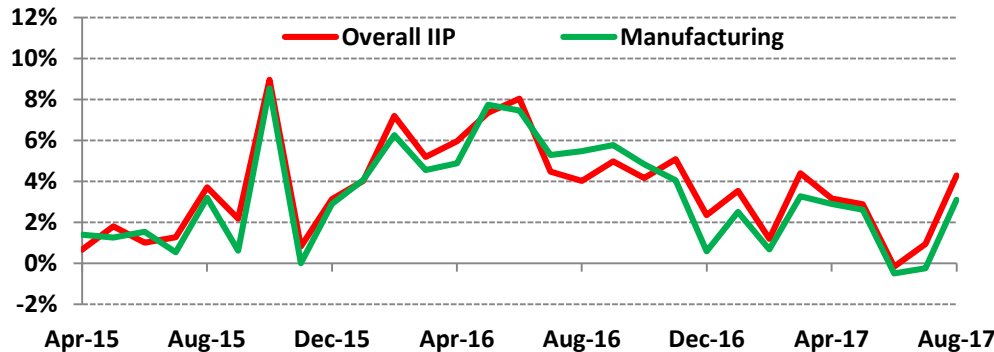
Mode-wise Installed Capacity
(as on Sep 30, 2017)



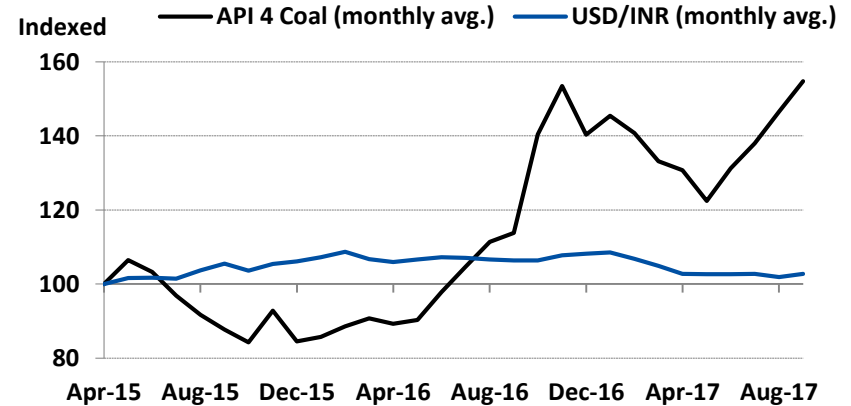
QoQ decrease in total capacity by 975 MW in Q2FY18 led by central and state govt segments. Although there was a net decline in thermal capacity, new capacities were added in the hydro space.

- Industrial Production growth has remained range-bound for last 1 year
- Govt's package of ₹ 2.11 trillion to recapitalise PSU banks and proposed banking reforms likely to boost lending and aid economic growth
- Simultaneously, govt approved the biggest highway construction plan so far of ₹ 6.9 trillion providing further impetus to growth prospects

Industrial production growth (% YoY)



Thermal coal prices firming up again, while INR appreciated slightly during Q2 FY18



Indexed to Jun 2017 levels

Month	API 4 Coal	USD/INR
Jun-17	100	100
Jul-17	105	100
Aug-17	112	99
Sep-17	118	100

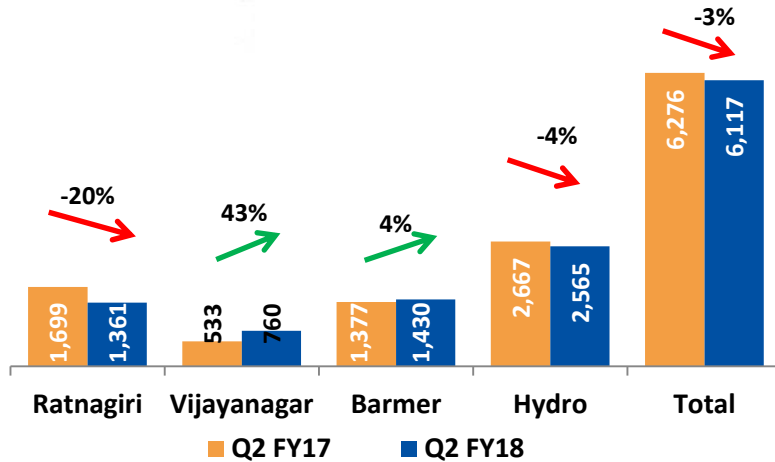
Business Environment

Operational and Financial Performance

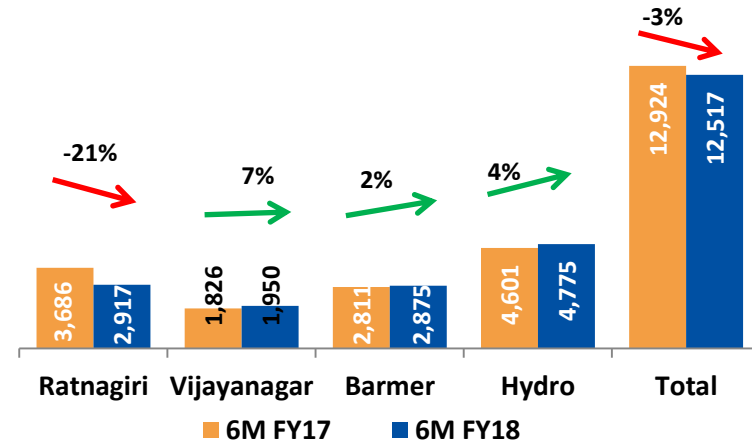
Power generation



Q2 plant-wise net generation



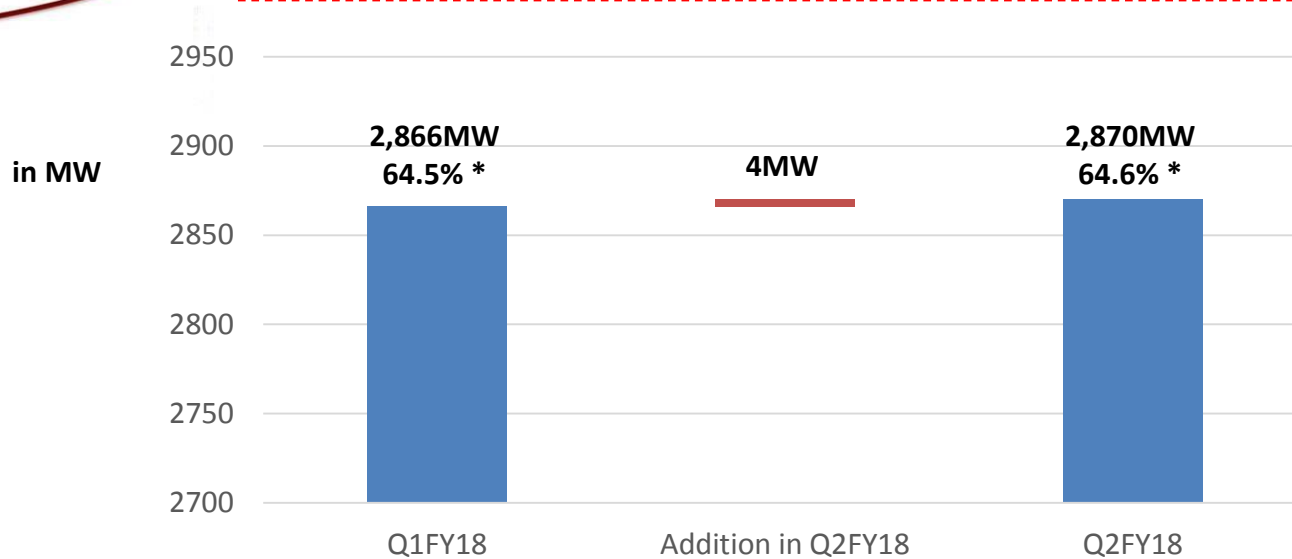
6M plant-wise net generation



	Q2 FY17	Q2 FY18	6M FY17	6M FY18
PLF – Ratnagiri	71% (*82%)	57% (*61%)	77% (*84%)	61% (*66%)
PLF – Vijayanagar	31%	43%	52%	56%
PLF – Barmer *	86%	83%	85%	85%
PLF – Hydro	94%	90%	81%	84%
Short term sales (MUs)	1,321	1,182	3,718	3,016

Healthy merchant demand boosts Q2FY18 Vijayanagar generation. Ratnagiri affected by shutdown

Long term PPAs



Availability under long term PPA remained above normative in Q2FY18

- 4MW tied under “Group Captive” scheme at Ratnagiri plant in Q2FY18
- In HBPCL: Long term PPAs for both Haryana (176MW) and Punjab (200MW) recommended to respective state regulators for approval; regulatory approval under process

Consolidated financial results



₹ Crore

Q2 FY17	Q2 FY18	Particulars	6M FY17	6M FY18
2,099	2,220	Turnover	4,590	4,554
1,014	1,053	EBITDA	2,173	2,029
48%	47%	EBITDA Margin(%)	47%	45%
436	391	Interest	865	792
247	245	Depreciation	487	488
332	417	Profit Before Tax	821	749
217	297	Profit after Tax	584	514
1.34	1.81	Diluted EPS (₹) *	3.59	3.14

EBITDA at healthy levels supported by operational efficiency and O&M cost reduction
Significant debt reduction and lower cost of debt boost PBT

Consolidated financial highlights

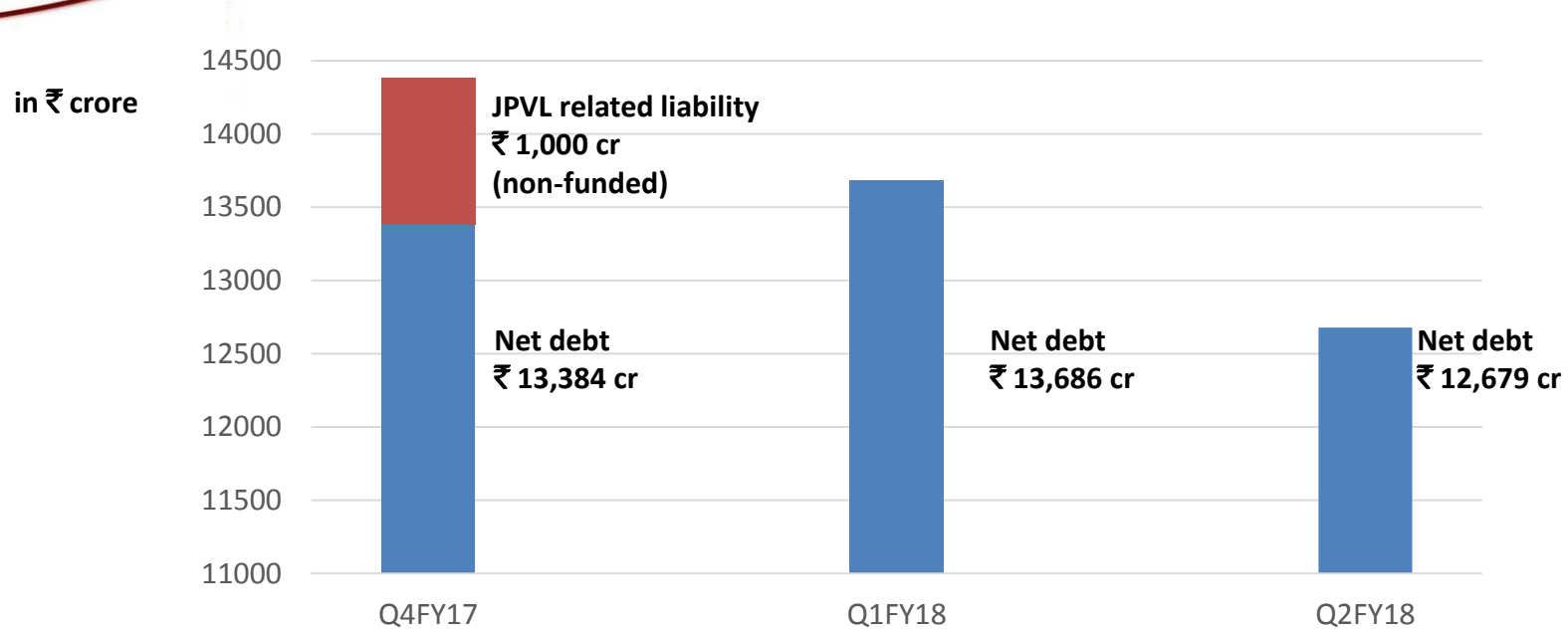


Particulars	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017
Net Worth (₹ Crore)	10,368	10,696	11,259
Net Debt (₹ Crore)	13,384	13,686	12,679
Net Debt to Equity Ratio (x)	1.29	1.28	1.13
Weighted average cost of debt	10.17%	10.05%	9.33%

Debt gearing continues to show declining trend

Reduction in cost of debt to 9.33%

Sustained reduction in net debt



Non-funded liability wrt JPVL of ₹ 1,000 crore in Q4FY17 converted to funded liability in Q1FY18

Recovery of ~ ₹ 154 crore in Q2FY18 wrt JPVL advance of ₹ 1,000 crore

Entity wise summary financial performance



₹ Crore

Q2 FY17	Q2 FY18	Income from Operations	6M FY17	6M FY18
815	939	Standalone	2,114	2,061
645	532	RWPL	1,243	1,069
523	518	HBPCL	968	1,031
305	456	JSW PTC	1,125	713
23	22	JPTL	49	45
2,047	2,049	Consolidated *	4,497	4,281

Entity wise summary financial performance (contd.)



₹ Crore

Q2 FY17	Q2 FY18	EBITDA	6M FY17	6M FY18
240	349	Standalone	799	656
306	223	RWPL	582	449
493	502	HBPCL	887	1,001
6	16	JSW PTC	8	16
24	22	JPTL	53	44
1,014	1,053	Consolidated *	2,173	2,029

- **MoU signed with Gujarat state government to set up manufacturing facilities for electric car and battery**

- **Company is in process of developing:**
 - Product and technology strategies
 - Business partnerships for technology and engineering
 - Organisation structure including hiring right talent for core capabilities

- **Planning to set up project SPV for the business**

- **Regular updates will be provided at the appropriate stage**

- **New thermal generation capacity of 36MW to be set-up with long term PPA tie-up**
 - 2 units of 18MW thermal power capacity each at two locations of JSW Cement viz. in Nandyal and Salboni

- **Building capability in the Renewable Energy space**
 - Setting up 7MW solar power units
 - 6MW for JSW Cement with long term PPA tie-up
 - 1MW for JSW Energy's captive consumption

- **Secured ₹ 600 crore line of credit at attractive interest rate from SBI in partnership with World Bank for funding rooftop solar power projects**

Forward looking and cautionary statement



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