



JSW Energy Limited

Q3 FY 2018 Results Presentation

February 6, 2018

Key highlights for Q3FY18



- Long term PPA (LTPPA) tie-up proportion at 69.3% in Q3FY18, up from 64.6% in Q2FY18 - driven mainly by signing of 176MW LTPPA with Haryana discom
- Net debt reduced by ~ ₹ 2,490 crore in 9MFY18 after adjusting for JPVL liability; cost of debt dips by 113bps from Q4FY17 level
- Long term credit rating upgrade of HBPCCL from A+ to AA- and RWPL from A to A+ reflecting improved business fundamentals
- Secured approvals to blend domestic coal at Ratnagiri plant
- Formation of Solar SPV; added ~10MW of solar projects thereby enhancing presence in RE segment
- Proactive working capital management: Consolidated debtors and debtor days reduce by ~ ₹ 780 crore and 26 days respectively over Q4FY17 levels
- Efficiency measures drove O&M cost savings in 9MFY18 – working to sustain these levels
- Termination of Bina transaction

Business Environment

Operational and Financial Performance

Demand growth rate picks up to 6.6% in Q3FY18



Region	Q1FY18	YoY	Q2FY18	YoY	Q3FY18	YoY	9MFY18	YoY	Remarks
	(MUs)	change %	(MUs)	change %	(MUs)	change %	(MUs)	change %	
North	95,880	4.2%	1,07,414	9.1%	85,539	6.5%	2,88,833	6.2%	Driven by UP (Q3: 9%, 9M: 14% YoY growth)
West	94,762	5.2%	85,051	3.5%	97,008	12.8%	2,76,821	7.2%	Q3 - MP: 24%, Mah: 4%; Guj: 18% 9M - MP: 9%, Mah: 7%; Guj: 6%
South	79,531	5.0%	77,582	3.4%	76,274	0.6%	2,33,387	3.0%	Telangana (Q3: 8%, 9M: 12%)
East	35,866	7.1%	36,219	6.1%	31,304	4.1%	1,03,389	5.5%	DVC (Q3: 18%, 9M: 16%)
North-East	4,048	12.2%	4,617	11.5%	4,029	7.3%	12,694	10.4%	Tripura (Q3: 43%, 9M: 88%)
All-India	3,10,087	5.1%	3,10,883	5.8%	2,94,154	6.6%	9,15,124	5.8%	

Trend in Growth Rates

Region	FY17				FY18		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
North	8.9%	0.4%	0.2%	0.8%	4.2%	9.1%	6.5%
West	8.7%	-1.0%	-6.5%	-1.8%	5.2%	3.5%	12.8%
South	7.3%	2.0%	12.4%	3.4%	5.0%	3.4%	0.6%
East	6.9%	4.2%	0.4%	-1.7%	7.1%	6.1%	4.1%
NE	2.9%	6.6%	3.8%	4.5%	12.2%	11.5%	7.3%
All-India	8.1%	0.9%	1.0%	0.5%	5.1%	5.8%	6.6%

Thermal PLF increases to 59.9% in 9MFY18

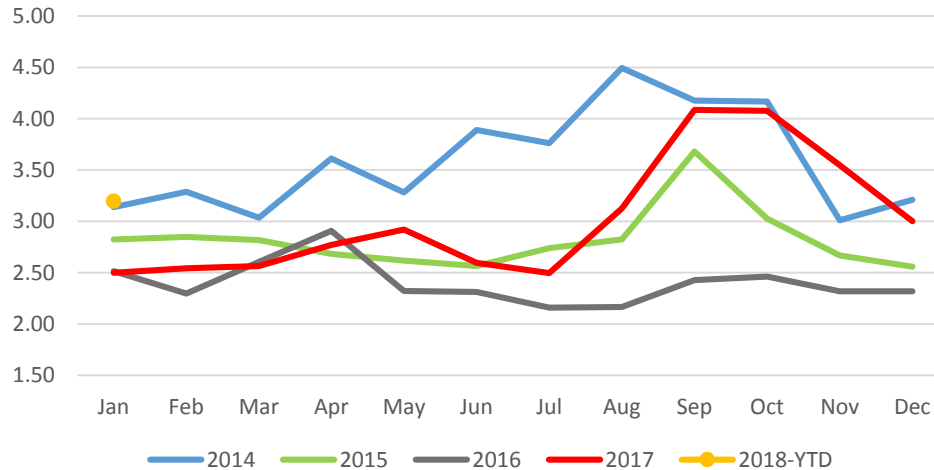


Gross Generation	Q1FY18 (MUs)	YoY change %	Q2FY18 (MUs)	YoY change %	Q3FY18 (MUs)	YoY change %	9MFY18 (MUs)	YoY change %	Remarks
Thermal	2,61,664	2.3%	2,47,340	8.4%	2,58,355	1.6%	7,67,359	4.0%	<ul style="list-style-type: none"> Robust generation growth of 5.1%YoY in 9MFY18 primarily led by RE (22.2% growth) and hydro (5.5%) segments Q3FY18 thermal generation growth slow at 1.6% YoY
Hydro	36,270	17.6%	45,115	-3.7%	25,445	7.8%	1,06,830	5.5%	
RE	25,391	27.1%	31,306	14.7%	21,559	28.6%	78,257	22.2%	
Others	10,045	-0.2%	10,821	-16.1%	11,583	8.3%	32,449	-3.6%	
Total	3,33,370	5.3%	3,34,582	6.1%	3,16,943	3.8%	9,84,895	5.1%	

PLF (%)	Q1FY17	Q1FY18	Q2FY17	Q2FY18	Q3FY17	Q3FY18	9MFY17	9MFY18	Remarks
Thermal	63.2%	62.5%	54.4%	57.6%	60.1%	59.5%	59.3%	59.9%	<ul style="list-style-type: none"> Private sector thermal PLF moves up to 55.7% for 9MFY18 Q3FY18 PLF dropped to 59.5% from 60.1% in Q3FY17 due to weak state and private segments
<i>Central</i>	73.9%	73.7%	67.9%	69.7%	70.3%	71.2%	70.7%	71.5%	
<i>State</i>	59.3%	59.1%	44.9%	49.7%	57.6%	54.7%	54.0%	54.5%	
<i>Private</i>	58.0%	56.9%	52.1%	55.2%	55.1%	54.8%	55.1%	55.7%	

Merchant tariff generally higher in CY17 on YoY basis

IEX Average Market Clearing Price - INR/kWh

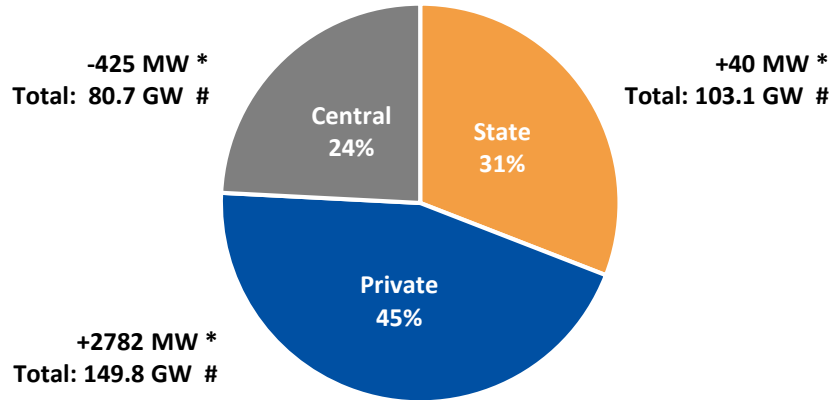


	Q1FY18	Q2FY18	Q3FY18	9MFY18
Merchant Volume IEX+PXIL (MUs)	11,877	12,214	11,028	35,120
Merchant Volume growth YoY	16.6%	11.2%	4.3%	10.6%
Merchant Volume as % of Total Generation	3.6%	3.7%	3.5%	3.6%

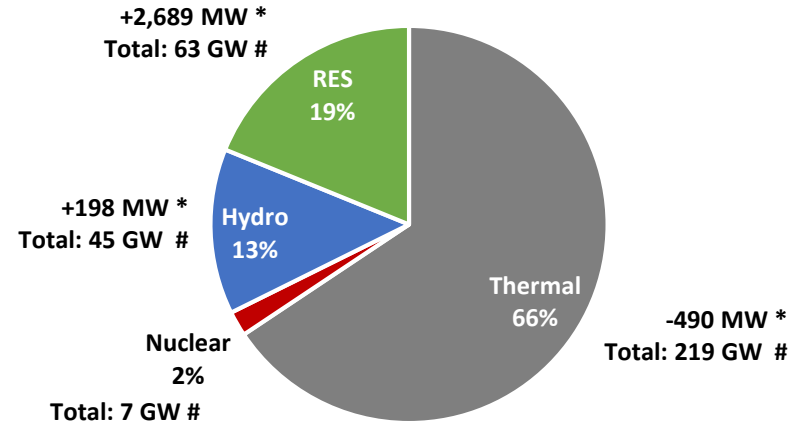
Merchant tariff declined in both CY15 and CY16 but staged a recovery in CY17

Thermal capacity declines by ~0.5GW QoQ

Sector-wise Installed Capacity – 333.6 GW
(as on Dec 31, 2017)



Mode-wise Installed Capacity
(as on Dec 31, 2017)

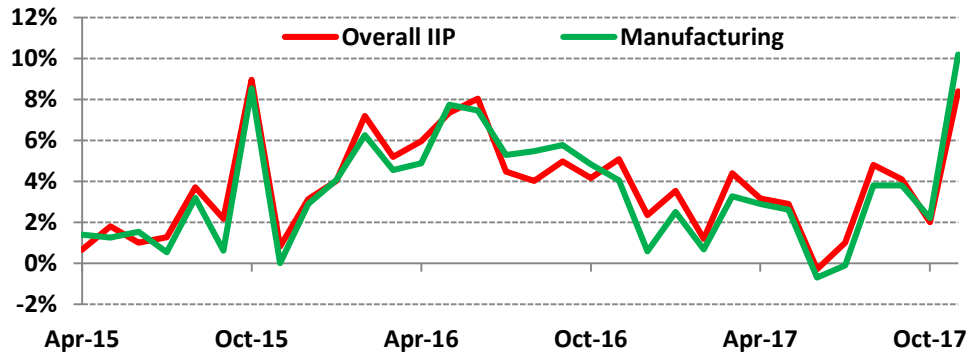


QoQ increase in total capacity by 2,397 MW in Q3FY18 led by RE segment. While thermal capacity declined by 490 MW QoQ, new capacities of 2,689 MW and 198 MW were added in the RES and hydro segments respectively.

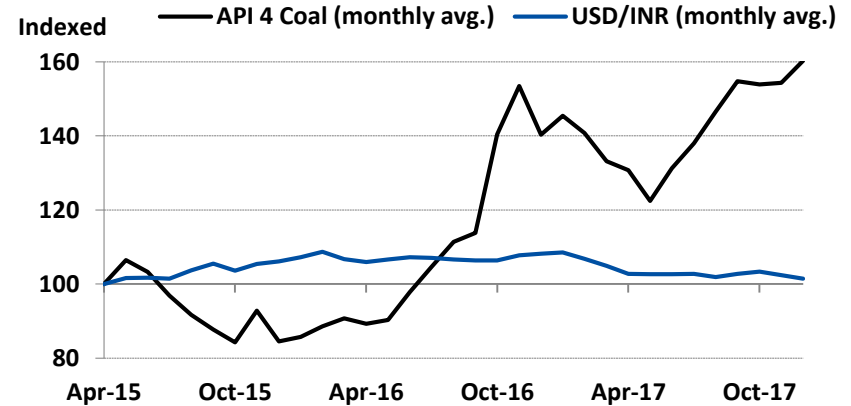
9MFY18 RE capacity increase is ~5.6GW
FY18 addition likely to significantly fall short of target of 20.2GW

- Industrial Production growth hit a 2-year high of 8.4%YoY in November 2017 but its inherent volatility entails a wait-and-watch approach
- 2018 Union Budget outlines ~21%YoY increase in funds for infrastructure in FY19. 4,000 km rail track electrification proposed.
- Indian government's economic survey expects pick-up in GDP growth to 7-7.5% in FY19, up from the FY18 estimate of 6.75%

Industrial production growth (% YoY)



Thermal coal prices firming up again, while INR appreciated slightly during Q3 FY18



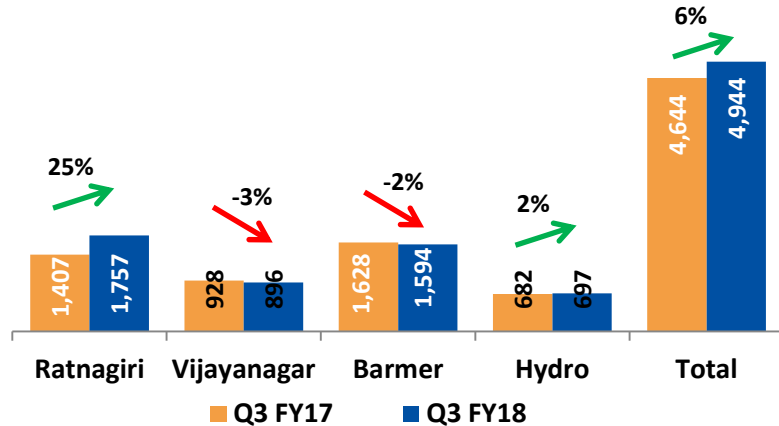
Indexed to Sept-2017 levels

Month	API 4 Coal	USD/INR
Sep-17	100	100
Oct-17	99	101
Nov-17	100	100
Dec-17	104	99

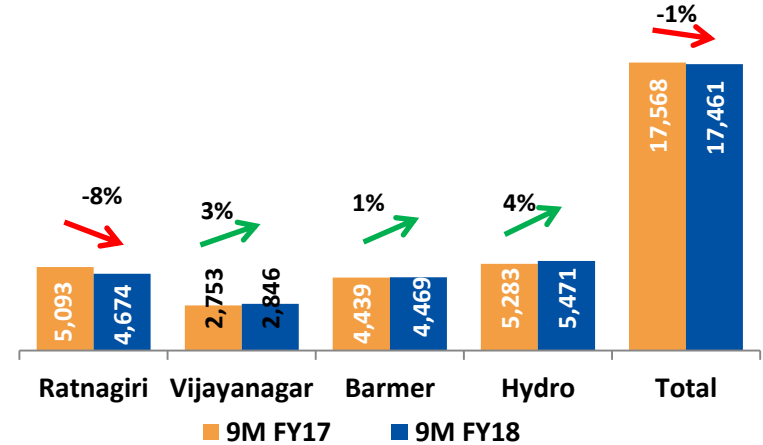
Business Environment

Operational and Financial Performance

Q3 plant-wise net generation

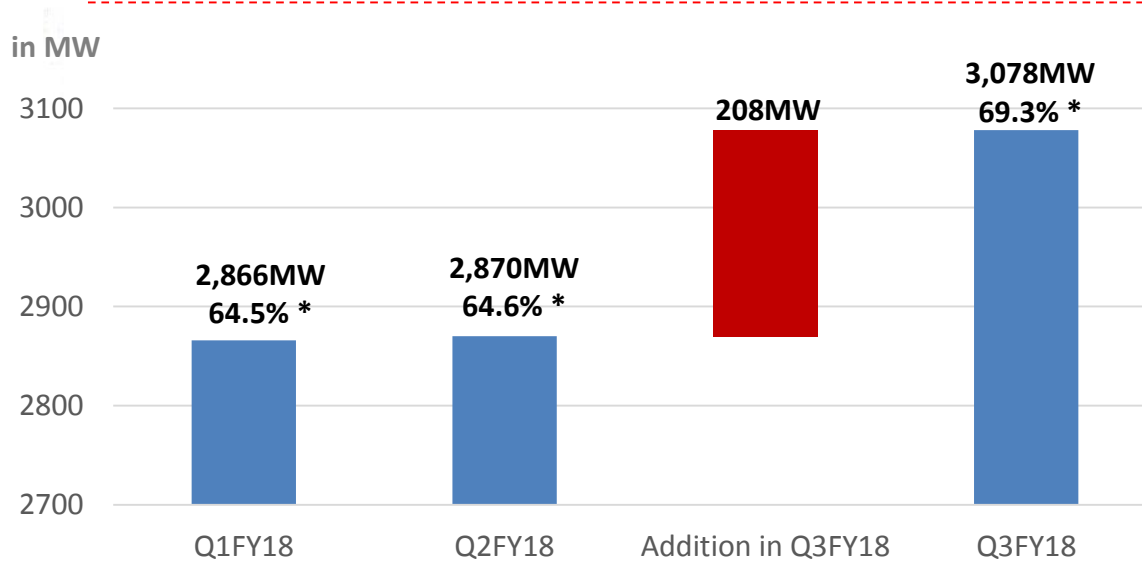


9M plant-wise net generation



	Q3 FY17	Q3 FY18	9M FY17	9M FY18
PLF – Ratnagiri	59% (*65%)	73% (*78%)	71% (*78%)	65% (*70%)
PLF – Vijayanagar	53%	51%	53%	54%
PLF – Barmer *	85%	82%	85%	84%
PLF – Hydro	24%	24%	62%	64%
Short term sales (MUs)	699	1,155	4,417	4,171

Long term PPAs



Availability under long term PPA remained above normative in Q3FY18

- 32MW tied under “Group Captive” scheme at Ratnagiri plant in Q3FY18.
- In HBPCL: Long term PPA for 176 MW with Haryana discom secured in Q3FY18. Regulatory approval for Punjab (200MW) is under process with the state regulator.

Consolidated financial results



₹ Crore

Q3 FY17	Q3 FY18	Particulars	9M FY17	9M FY18
1,955	2,081	Turnover	6,545	6,635
708	673	EBITDA	2,881	2,702
36%	32%	EBITDA Margin(%)	44%	41%
423	341	Interest	1,288	1,132
244	241	Depreciation	731	728
41	92	Profit Before Tax	862	841
21	47	Profit after Tax	605	561
0.13	0.29	Diluted EPS (₹) *	3.72	3.42

Significant debt reduction and lower cost of debt boost PBT

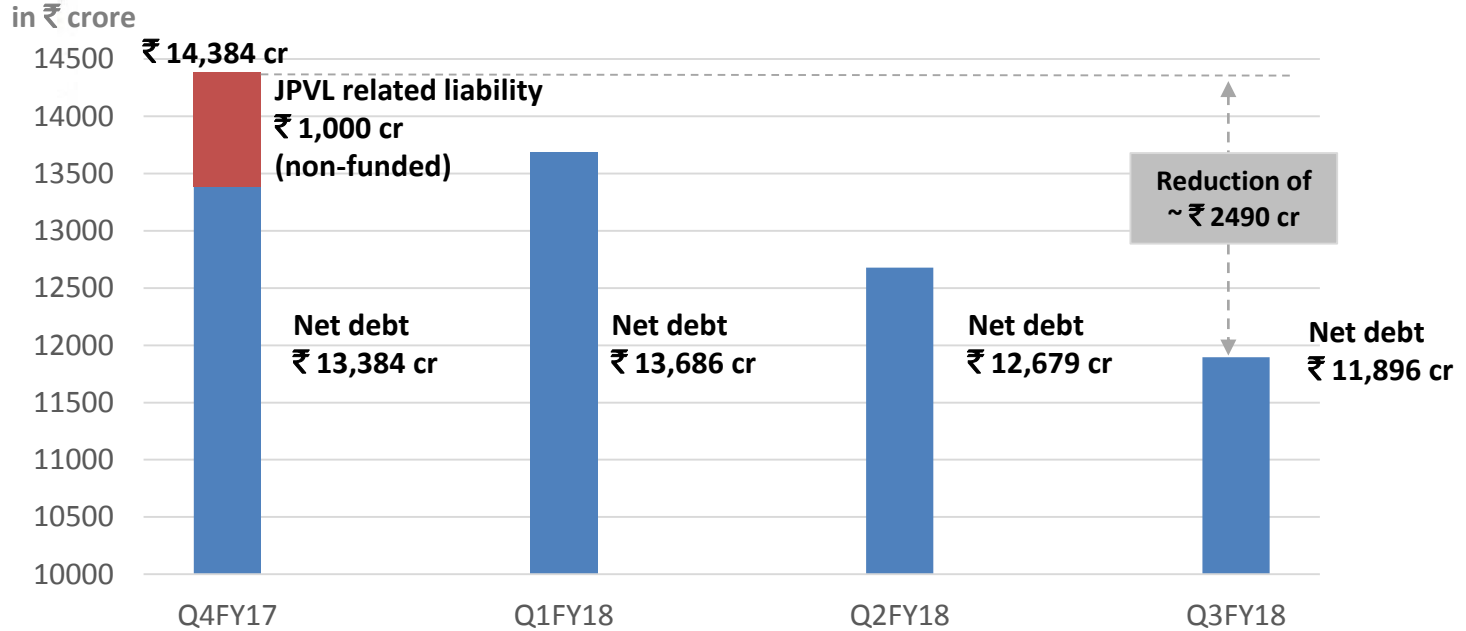
Consolidated financial highlights



Particulars	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017
Net Worth (₹ Crore)	10,368	10,696	11,259	11,469
Net Debt (₹ Crore)	13,384	13,686	12,679	11,896
Net Debt to Equity Ratio (x)	1.29	1.28	1.13	1.04
Weighted average cost of debt	10.17%	10.05%	9.33%	9.04%

Debt gearing continues to show declining trend
Reduction in cost of debt to 9.04% by end of Q3FY18

Sustained reduction in net debt



Total recovery of ~ ₹ 240 crore by end of Q3FY18 wrt JPVL advance of ₹ 1,000 crore

Entity wise summary financial performance



₹ Crore

Q3 FY17	Q3 FY18	Income from Operations	9M FY17	9M FY18
914	1,135	Standalone	3,028	3,196
652	573	RWPL	1,895	1,642
282	224	HBPCL	1,250	1,255
183	428	JSW PTC	1,308	1,141
18	22	JPTL	67	67
1,904	1,993	Consolidated *	6,401	6,274

Entity wise summary financial performance (contd.)



₹ Crore

Q3 FY17	Q3 FY18	EBITDA	9M FY17	9M FY18
206	280	Standalone	1,004	935
289	226	RWPL	870	676
250	172	HBPCL	1,137	1,173
(1)	1	JSW PTC	7	16
18	21	JPTL	72	66
708	673	Consolidated *	2,881	2,702

- **EV: Making steady progress wrt product & technology strategies; business partnerships and organisation structure**

- **Major equipment ordered for the greenfield thermal power plants of 36MW announced in Q2FY18**
 - Competition timeline: end of Sep 2019

- **Added ~10MW of solar projects in Q3FY18 - total solar projects of ~17MW under implementation**
 - Formation of JSW Solar Limited, a wholly owned subsidiary to pursue RE opportunities
 - 17MW break-up: 4MW - floating type, 3MW - rooftop type and 10MW – ground mounted type
 - Entire capacity secured by LTPAA; major equipment ordered
 - Competition timeline: By end of Sep 2018 in phases

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