



JSW Energy Limited

Q4 and FY 2018 Results Presentation

May 3, 2018

Key highlights for Q4FY18



- Long term PPA (LTPPA) proportion at 75.0% in Q4FY18, up from 69.3% in Q3FY18, after securing 200MW LTPPA with Punjab discom and 50MW group captive contract
- Net debt reduced by ~ ₹ 3,106 crore in FY18 after adjusting for JPVL liability; cost of debt dipped by 114bps from Q4FY17 level
- EV business – (i) Appointed auto industry expert, Mr. Sergei Rocha as COO of EV – Passenger Vehicles and (ii) Capex increased to ~ ₹ 6,500 crore led by enhanced scope and product strategy
- RE business – FY19 plans entail total capex of ~ ₹ 1,200 crore involving (i) installation of 200MW of solar power systems and (ii) setting up facility for 1,000 MW solar PV module manufacturing capacity; exploring opportunities in PV cell/ wafer manufacturing
- Proactive working capital management: Consolidated debtors and debtor days reduce by ~ ₹ 1,032 crore and 35 days respectively over Q4FY17 levels
- Adjusted carrying value of investments/advances related to Toshiba JSW, South African operations and JPVL by making gross provisions aggregating ~ ₹ 815 cr. Along with RWPL related provisions made throughout FY18, all major financial risks are adequately provided.

Business Environment

Operational and Financial Performance

Demand growth rate further picks up to 7.1% in Q4FY18



Region	Q1FY18 (MUs)	YoY %	Q2FY18 (MUs)	YoY %	Q3FY18 (MUs)	YoY %	Q4FY18 (MUs)	YoY %	FY18 (MUs)	YoY %	Remarks
North	95,880	4.2%	1,07,414	9.1%	85,460	6.4%	83,107	6.1%	3,71,861	6.5%	Driven by UP (Q4: 5%, FY18: 12% YoY growth), J&K (Q4: 10.2%, FY18: 8.1%)
West	94,762	5.2%	85,051	3.5%	95,745	11.3%	92,191	6.0%	3,67,749	6.5%	Q4 - Mah: 9%, Guj: 6% FY - Mah: 8%, Chs: 8%, Guj: 6%, MP: 6%
South	79,531	5.0%	77,582	3.4%	76,596	1.0%	86,175	9.1%	3,19,884	4.7%	Telangana (Q4: 17%, FY: 14%)
East	35,866	7.1%	36,219	6.1%	31,599	5.0%	32,561	8.1%	1,36,245	6.6%	Q4 - Bihar: 12%, WB: 10% FY - DVC: 14%
North-East	4,048	12.2%	4,617	11.5%	4,061	8.2%	3,669	0.8%	16,395	8.3%	Manipur (Q4: 21%) Tripura(FY: 59%)
All-India	3,10,087	5.1%	3,10,883	5.8%	2,93,461	6.3%	2,97,703	7.1%	12,12,134	6.1%	

Trend in Growth Rates

Region	FY17				FY18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
North	8.9%	0.4%	0.2%	0.8%	4.2%	9.1%	6.4%	6.1%
West	8.7%	-1.0%	-6.5%	-1.8%	5.2%	3.5%	11.3%	6.0%
South	7.3%	2.0%	12.4%	3.4%	5.0%	3.4%	1.0%	9.1%
East	6.9%	4.2%	0.4%	-1.7%	7.1%	6.1%	5.0%	8.1%
NE	2.9%	6.6%	3.8%	4.5%	12.2%	11.5%	8.2%	0.8%
All-India	8.1%	0.9%	1.0%	0.5%	5.1%	5.8%	6.3%	7.1%

Thermal PLF increases to 63.6% in Q4FY18

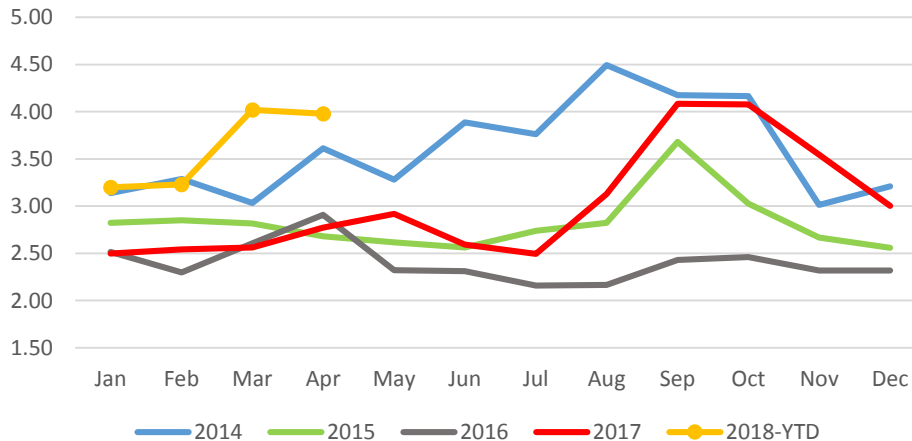


Gross Generation	Q1FY18 (MUs)	YoY %	Q2FY18 (MUs)	YoY %	Q3FY18 (MUs)	YoY %	Q4FY18 (MUs)	YoY %	FY18 (MUs)	YoY %	Remarks
Thermal	2,61,664	2.3%	2,47,340	8.4%	2,58,355	1.6%	2,69,325	5.2%	10,36,684	4.3%	<ul style="list-style-type: none"> Robust generation growth of 5.3%YoY in FY18 primarily led by RE (24.9% growth) and thermal (4.3% growth) segments Thermal generation growth picks up in Q4FY18 to 5.2% YoY
Hydro	36,270	17.6%	45,115	-3.7%	25,445	7.8%	19,304	-8.5%	1,26,134	3.1%	
RE	25,391	27.1%	31,306	14.7%	21,586	28.7%	23,617	34.9%	1,01,839	24.9%	
Others	10,045	-0.2%	10,821	-16.0%	11,583	8.3%	10,654	7.8%	43,103	-1.0%	
Total	3,33,370	5.3%	3,34,582	6.2%	3,16,970	3.8%	3,22,900	6.0%	13,07,760	5.3%	

PLF (%)	Q1FY17	Q1FY18	Q2FY17	Q2FY18	Q3FY17	Q3FY18	Q4FY17	Q4FY18	FY17	FY18	Remarks
Thermal	63.2%	62.5%	54.4%	57.6%	60.1%	59.5%	61.6%	63.6%	59.8%	60.8%	<ul style="list-style-type: none"> Q4FY18 PLF increased to 63.6% from 61.6% in Q4FY17 due to strong central and state segments Private sector thermal PLF slightly down to 55.1% in FY18
<i>Central</i>	73.9%	73.7%	67.9%	69.7%	70.3%	71.2%	74.0%	76.8%	71.5%	72.8%	
<i>State</i>	59.3%	59.1%	44.9%	49.7%	57.6%	54.7%	55.5%	64.1%	54.3%	56.9%	
<i>Private</i>	58.0%	56.9%	52.1%	55.2%	55.1%	54.8%	58.1%	53.5%	55.8%	55.1%	

Merchant tariff higher in CY18 on YoY basis

Merchant Tariff Trend



	Q1FY18	Q2FY18	Q3FY18	Q4FY18	FY18
Merchant Volume IEX+PXIL (MUs)	11,877	12,214	11,028	10,711	45,830
Merchant Volume growth YoY	16.6%	11.2%	4.3%	8.7%	10.2%
Merchant Volume as % of Total Generation	3.6%	3.7%	3.5%	3.4%	3.5%

	CY14	CY15	CY16	CY17	YTD CY18
Average merchant tariff (INR/unit)	3.59	2.82	2.40	3.02	3.61

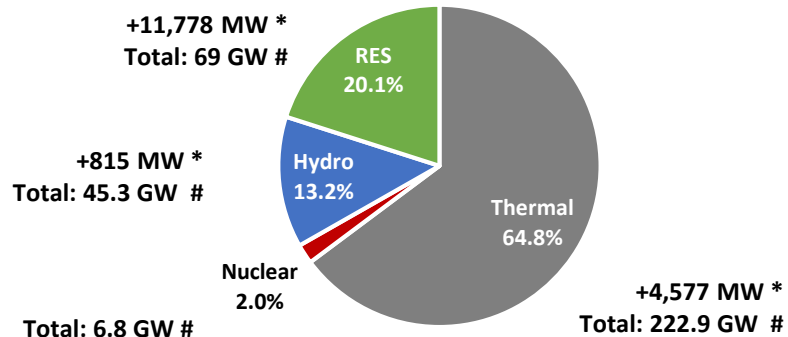
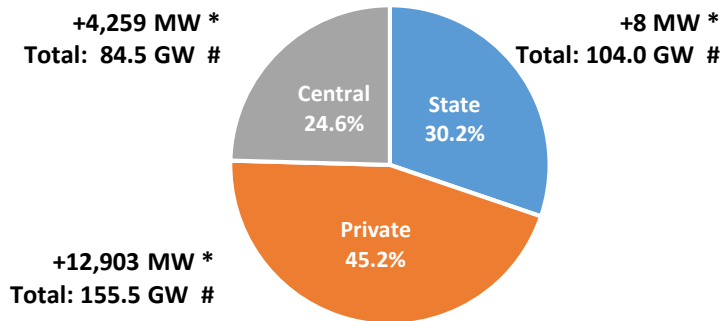
Merchant tariff staged a recovery in CY17 and continue to rise in CY18 on YoY basis

RE Capacity addition falls short of target



Sector-wise Installed Capacity : 344.0 GW
(as on Mar 31, 2018)

Mode-wise Installed Capacity
(as on Mar 31, 2018)

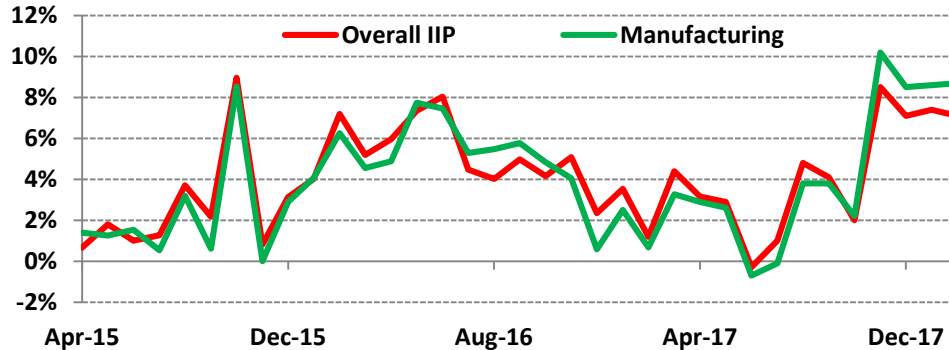


QoQ increase in total capacity of 10.45 GW in Q4FY18 led by RE (6.2 GW) and thermal (3.9 GW) segments
 FY18 saw net capacity addition of ~17.2 GW led by private sector (12.9 GW); 2.5GW capacity was retired

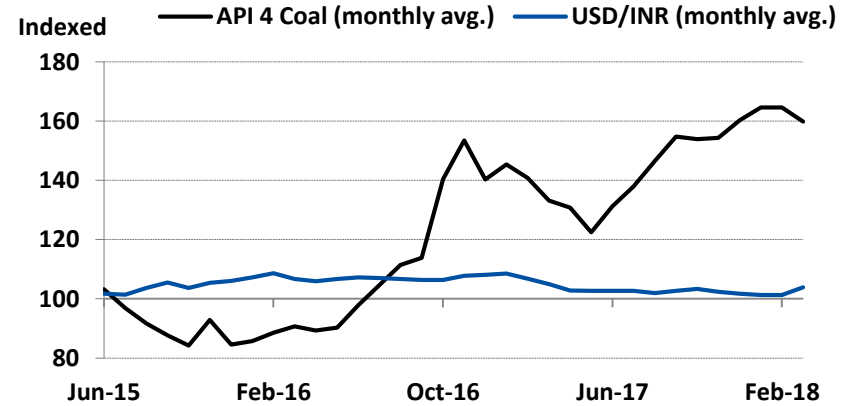
RE capacity addition of ~11.8 GW in FY18 falls short of target of 20.2 GW

- Maintaining healthy growth, Industrial Production grew at 7.1%YoY in February 2018
- Growth recovery signs are also seen with GVA growth picking up from 5.6%YoY in Q1FY18 to 6.7%YoY in Q3FY18
- Going forward, growth is expected to pick up led by govt infrastructure focus and receding head-winds of GST & demonetisation with risks of rising crude and interest rates

Industrial production growth (% YoY)



Thermal coal prices remain at elevated levels, while INR depreciated marginally in Q4 FY18



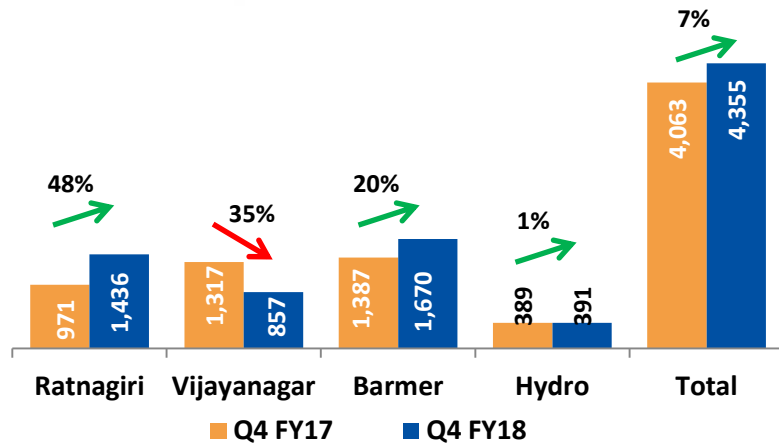
Indexed to Dec-2017 levels

Month	API 4 Coal	USD/INR
Dec-17	100	100
Jan-18	103	100
Feb-18	100	102
Mar-18	96	102

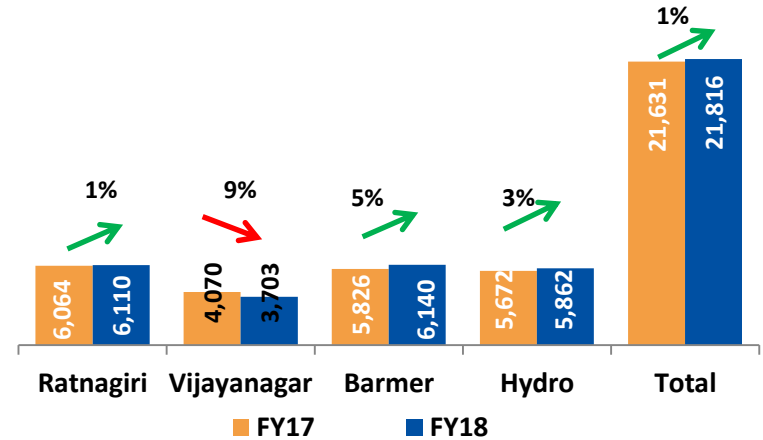
Business Environment

Operational and Financial Performance

Q4 plant-wise net generation

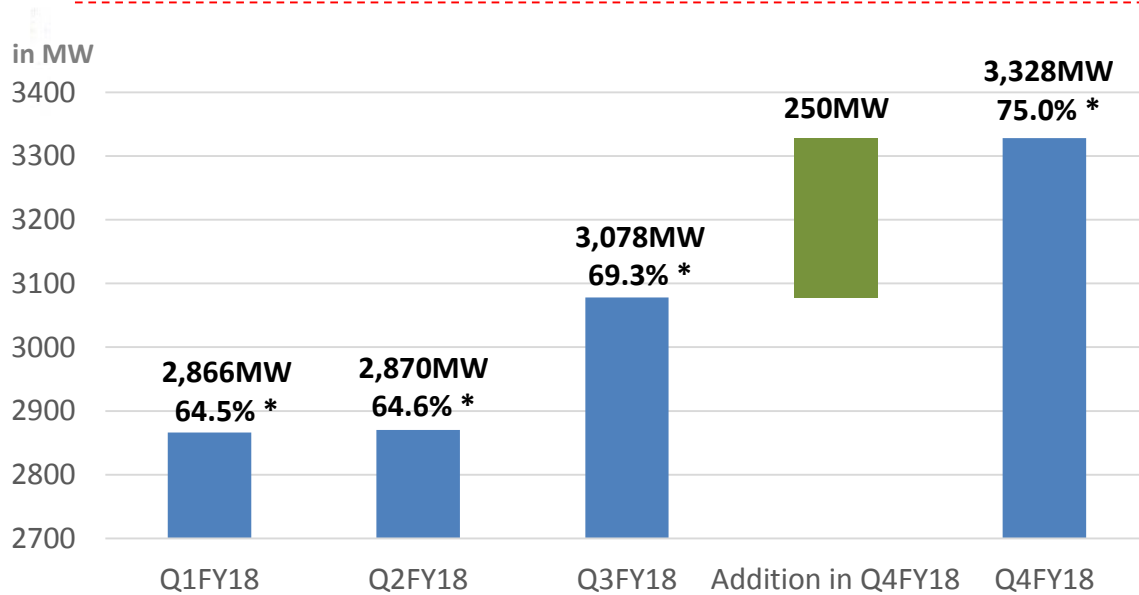


Annual plant-wise net generation



	Q4 FY17	Q4 FY18	FY17	FY18
PLF – Ratnagiri	41% (*47%)	61% (*64%)	64% (*70%)	64% (*69%)
PLF – Vijayanagar	77%	50%	59%	53%
PLF – Barmer *	82%	85%	84%	84%
PLF – Hydro	14%	14%	50%	52%
Short term sales (MUs)	1,312	848	5,729	5,019

Long term PPAs



Availability under long term PPA remained above normative in Q4FY18

- Secured 200 MW LT PPA with Punjab discom for Karcham Wangtoo HEP in Q4 FY18 enabling the offtake of this plant to be 100% tied-up in terms of LTPPA
- Added 50MW contract to group captive portfolio at Ratnagiri plant

Consolidated financial results



₹ Crore

Q4 FY17	Q4 FY18	Particulars	FY17	FY18
1,935	1,879	Turnover	8,480	8,514
660	525	EBITDA	3,541	3,228
34%	28%	EBITDA Margin(%)	42%	38%
397	323	Interest	1,685	1,456
238	238	Depreciation	969	966
25	(36)	Profit before Tax (before exceptional items)	887	806
24	(65)	Profit after Tax (before exceptional items)	629	496
-	(418)	Exceptional items	-	(418)
24	(483)	Profit after Tax (after exceptional items)	629	78
0.15	(2.95)	Diluted EPS (₹) *	3.86	0.48

- **Provisioning of ₹ 241 crore related to investments in Toshiba JSW JV and South African operations**
 - Commissioned valuation of both the businesses
 - Adopting a conservative approach, total provisioning hit of ₹ 241 crore taken in Q4FY18
 - No impact on consolidated financials as accumulated losses equal to the impairment amounts have already been provided for in earlier periods
- **Gross Provisioning of ₹ 574 crore in outstanding advance to Jaiprakash Power Ventures Ltd (JPVL)**
 - Post recovery of ~ ₹ 248 crore, outstanding JPVL advance had reduced to ~ ₹ 752 crore
 - Net impact in consolidated P&L of ₹ 418 crore in Q4FY18 against outstanding JPVL advance
 - Provisioning taken considering JPVL's continued financial challenges
- **JSWEL evaluating all options, including legal recourse under IBC, to recover its dues from JPVL**

Above one-time provisions, along with those related to RWPL of ~ ₹ 248 crore in FY18, imply that all major financial risks are adequately provided

Consolidated financial highlights



Particulars	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018
Net Worth (₹ Crore)	10,696	11,259	11,469	11,110
Net Debt (₹ Crore)	13,686	12,679	11,896	11,278
Net Debt to Equity Ratio (x)	1.28	1.13	1.04	1.02
Weighted average cost of debt	10.05%	9.33%	9.04%	9.03%

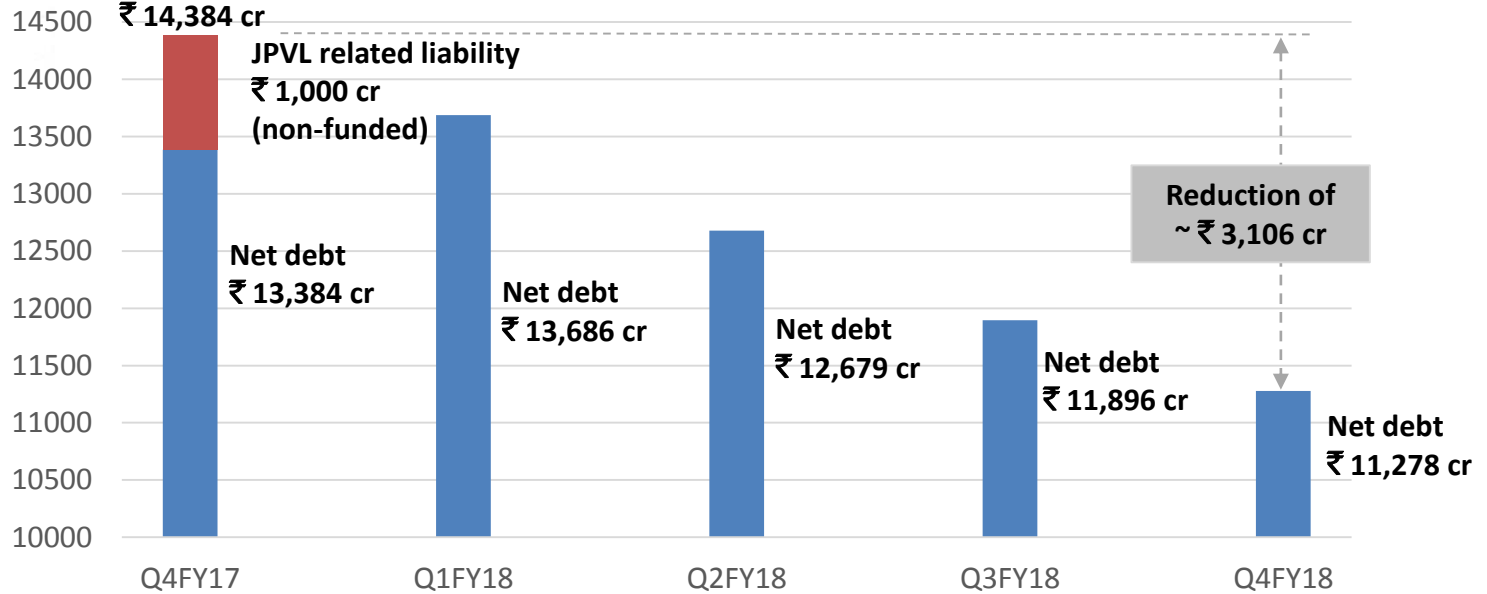
Debt gearing declines to ~ 1x

Reduction in cost of debt to 9.03% by end of Q4FY18

Sustained reduction in net debt



in ₹ crore



Entity wise summary financial performance



₹ Crore

Q4 FY17	Q4 FY18	Income from Operations	FY17	FY18
1,013	1,017	Standalone	4,041	4,212
604	569	RWPL	2,499	2,211
202	146	HBPCL	1,452	1,401
23	22	JPTL	90	89
1,862	1,775	Consolidated *	8,263	8,049

Q4 FY17	Q4 FY18	EBITDA	FY17	FY18
229	265	Standalone	1,234	1,201
293	212	RWPL	1,164	888
168	112	HBPCL	1,306	1,285
22	21	JPTL	94	86
660	525	Consolidated *	3,541	3,228

- **EV & associated business: Business development phase gathering pace**
 - Appointed Mr. Sergio Rocha, an auto industry expert, as COO – EV, Passenger Vehicles. Dedicated team continues to be built.
 - Scope widened to include select electric CV models including electric bus & light pick-up trucks
 - Discussions progressing for partnerships wrt EV platform and storage battery technology
 - Capex increased to ~ ₹ 6,500 crore over period of next 3-4 years considering enhanced scope and product strategy, of which ~ ₹ 1,000 crore expected to be incurred in FY19
- **RE/Solar business: Enhancing our presence**
 - 17MW solar power capacity under implementation on track for Sep 2018 completion
 - FY19 plans entail total capex of ~ ₹ 1,200 crore involving (i) installation of 200MW of solar power systems and (ii) setting up facility for 1,000 MW solar PV module manufacturing capacity; exploring opportunities in PV cell/ wafer manufacturing
 - Commissioned 2 captive solar power systems already. New contract won from Delhi Golf Club.
- **JSW PTC demerger process stands completed**

Forward looking and cautionary statement



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