



JSW Energy Limited

Q2 FY2019 Results Presentation

November 2, 2018

Key Highlights for Q2FY19 (1/2)



- Long Term PPA proportion for the Company improved to 80.4% in Q2FY19 from ~75% in Q1FY19, after securing additional 230MW and 6.5MW PPAs within the JSW Group at Vijayanagar and Ratnagiri plants respectively
- The Company achieved higher PLFs in Q2FY19 across all locations on a YoY basis, accompanied by better merchant realizations
- In IEX, average merchant prices during the quarter increased by 18.4% on a Y-o-Y basis to ₹3.83/unit. The peak spot prices hit an all-time high of ₹19.99/unit in October
- Focus on Balance Sheet strength continues; Company's Net Debt to Equity declined to 0.90x as the Company reduced its Net Debt by ₹400 crore, through prepayment/scheduled repayments. Further, Buyer's Credit reduced by ~₹366 crore through internal accruals
- CARE Ratings Ltd (CARE) revised the Company's Long Term Rating to 'CARE AA-/Stable' from 'CARE AA-/Negative'. Further, CARE has upgraded the Long Term Rating for Raj WestPower Ltd (100% subsidiary of the company) to 'CARE AA-/Stable' from 'CARE A+/Stable'

Key Highlights for Q2FY19 (2/2)



- The Company was conferred with “Golden Peacock Award for Sustainability” by Institute of Directors
- The Company’s Vijayanagar plant was conferred with “Safety Systems Excellence Award” by FICCI
- The Company’s Ratnagiri plant was recognized as “Energy Efficient Unit” in the 19th National Award for Excellence in Energy Management organized by CII
- The Company was awarded “National Award for HR Best Practices -2018” by NIPM (National Institute of Personnel Management)
- Electric Vehicle (EV) Business: (i) Appointed Auto Industry expert Mr. Rakesh Srivastava as Director- Sales and Marketing, and (ii) Discussions ongoing with leading global OEMs and Engineering Service Providers on Product and Technology partnerships

Business Environment

Operational and Financial Performance

Demand Growth improves to 6.9% in Q2FY19



Region	H1 FY19	YoY %	Q2 FY19*	YoY %	Q1 FY19	YoY %	Remarks
	(MUs)		(MUs)		(MUs)		
North	2,11,676	4.1%	1,10,255	2.6%	1,01,421	5.8%	Driven by Rajasthan (Q2: 12%, H1: 13% YoY growth)
West	1,92,292	6.9%	92,674	9.0%	99,617	5.1%	Gujarat (Q2: 15%, H1: 10%)
South	1,67,169	6.4%	84,311	8.7%	82,858	4.2%	Andhra Pradesh (Q2: 14%, H1: 12%)
East	78,175	8.4%	40,165	10.9%	38,010	6.0%	Bihar and Orissa (Q2: 18%, H1: 16%)
North-East	8,687	0.3%	4,790	3.7%	3,897	-3.7%	Meghalaya (Q2: 42%, H1: 25%)
All-India	6,57,999	6.0%	3,32,195	6.9%	3,25,803	5.1%	

* Basis Provisional CEA Data for Sept-18

Trend in Growth Rates

Region	FY19		FY18			
	Q2	Q1	Q4	Q3	Q2	Q1
North	2.6%	5.8%	6.2%	6.4%	9.1%	4.2%
West	9.0%	5.1%	6.8%	11.3%	3.5%	5.2%
South	8.7%	4.2%	9.5%	1.0%	3.4%	5.0%
East	10.9%	6.0%	9.1%	5.0%	6.1%	7.1%
NE	3.7%	-3.7%	-4.1%	8.2%	11.5%	12.2%
All-India	6.9%	5.1%	7.5%	6.3%	5.8%	5.1%

Generation and PLF trends

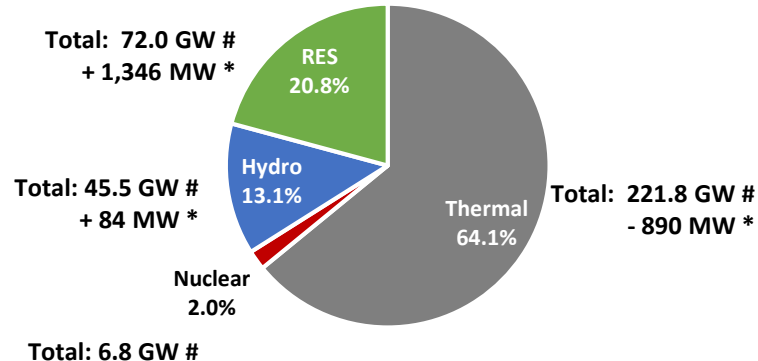
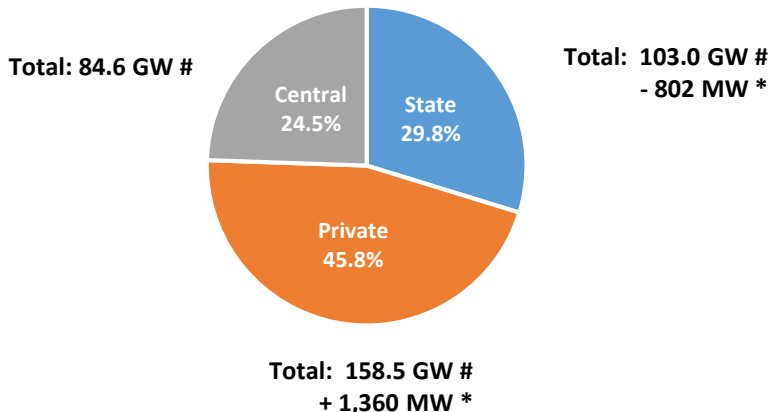
Gross Generation	H1 FY19	YoY %	Q2 FY19	YoY %	Q1 FY19	YoY %	Remarks
	(MUs)		(MUs)		(MUs)		
Thermal	5,29,431	4.0%	2,52,869	2.2%	2,76,562	5.7%	<ul style="list-style-type: none"> Strong generation growth of 7.4% in Q2FY19, primarily led by RE segment (+36.7% YoY) Thermal generation growth was tepid at 2.2% YoY
Hydro	83,377	2.4%	51,802	14.8%	31,575	-12.9%	
RE	73,327	29.3%	42,800	36.7%	30,527	20.2%	
Others	22,717	8.9%	11,869	9.7%	10,847	8.0%	
Total	7,08,852	6.1%	3,59,340	7.4%	3,49,512	4.8%	

Thermal PLF (%)	H1 FY19	H1 FY18	Q2 FY19	Q2 FY18	Q1 FY19	Q1 FY18	Remarks
All- India PLF	60.7%	59.4%	57.7%	56.7%	63.4%	61.6%	<ul style="list-style-type: none"> Overall thermal PLF shows marginal improvement YoY led by state sector
Central	71.6%	71.1%	68.4%	69.0%	74.6%	72.5%	
State	56.9%	53.5%	51.6%	48.3%	62.2%	57.5%	
Private	55.2%	56.0%	54.2%	55.1%	55.3%	56.8%	

Installed Capacity

Sector-wise Installed Capacity – 346.1 GW
(As on September 30, 2018)

Segment-wise Installed Capacity – 346.1 GW
(As on September 30, 2018)

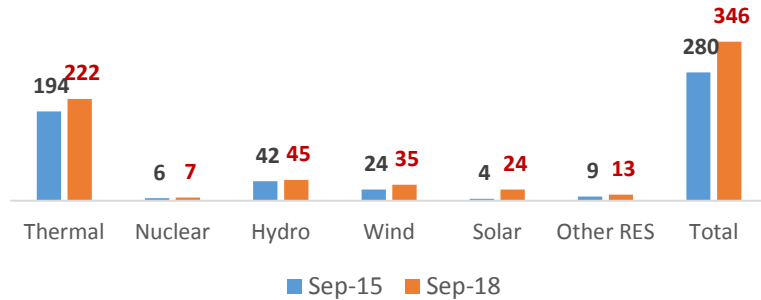


- QoQ net capacity increased by 0.6 GW. While thermal segment witnessed retirement of 0.89 GW capacity, RES and Hydro segment capacity increased by 1.36 GW and 0.08 GW respectively
- However, RES Capacity addition pace significantly slower for FY19 (3GW achievement in H1-FY19 Vs 21.8GW target for FY19)

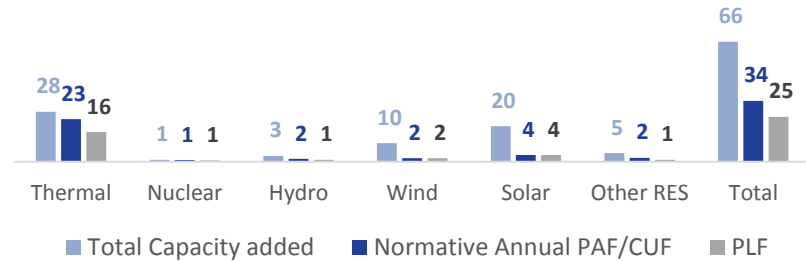
Installed Capacity grew by 0.2% QoQ and 4.5% YoY to 346.1 GW led by RES additions

Effective Capacity addition lags Demand Growth

Mode-wise Installed Capacity (GW)



Addition vs Effective Addition* (GW) between Sep-15 and Sep-18



Particulars	H1 FY16	H1 FY19	% change
Demand (BUs)	564	658	16.6%
Base Demand (GW)	129	150	16.6%
Peak Demand (GW)	151	177	17.1%

Over the last 3 years:

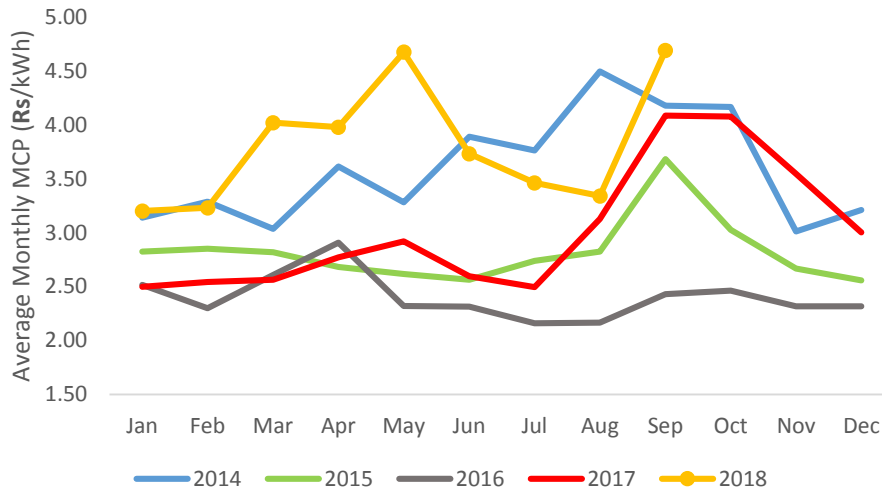
- Base Demand has grown by 16.6%
- The total capacity has increased by 22.4% (66 GW), however the effective capacity increase was only 12% (34 GW) on the basis of Normative Annual PAF/CUF
- Further, on basis of average PLF the effective capacity increase was 8.9% (25 GW)

Source: CEA

* Basis company analysis ; Computed as Capacity Added x Average industry PLF/Normative Annual PAF/CUF for the respective segment

Average Merchant Tariff peaks in September'18

Merchant Tariff Trend



Particulars	Q2 FY19	Q1 FY19	Q2 FY18	YoY %	QoQ %
Merchant Volume [IEX+PXIL, (MUs)]	13,849	13,959	12,128	14.2%	-0.8%

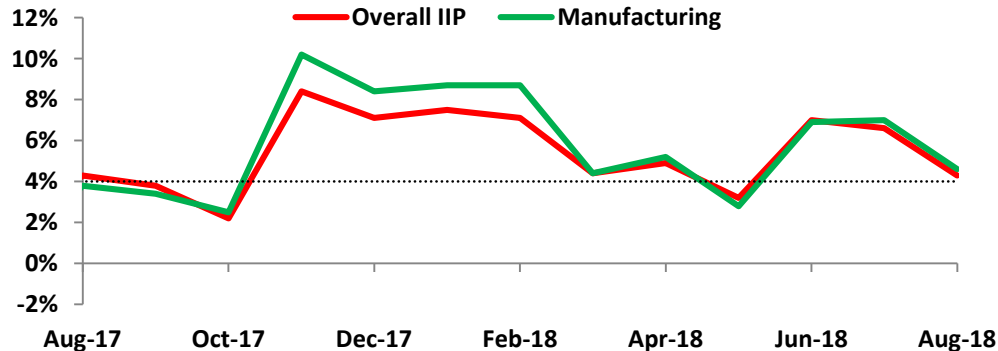
Particular	H1 FY19	FY18	FY17	FY16	FY15
Average merchant tariff (₹/unit)	3.98	3.26	2.42	2.73	3.51

Average monthly merchant tariff peaked to an 8-year high in September'18

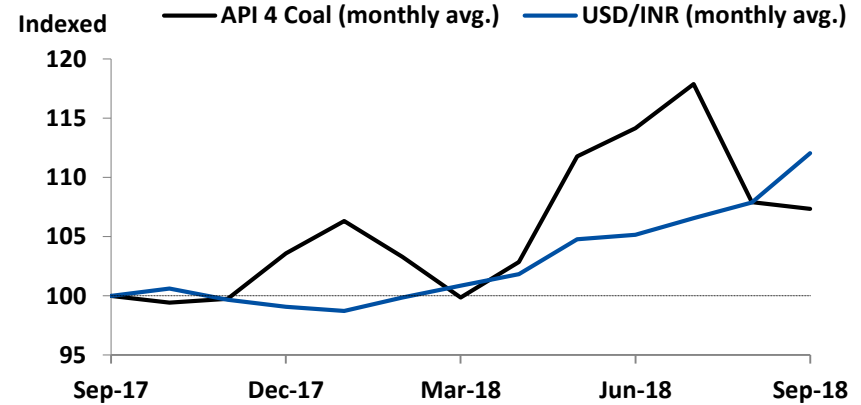
Spot prices hit an all-time high of ₹19.99/unit in October'18

- Industrial production (IIP) growth for Aug-18 stood at 4.3%YoY led by manufacturing and electricity sectors.
- Continuing global trade war concerns, surge in crude oil prices, and increasing US Bond Yields has resulted in a downward pressure on rupee.

Industrial Production Growth (YoY %)



Thermal coal prices remain elevated, while INR depreciates by 9% in Q2FY19 (YoY)



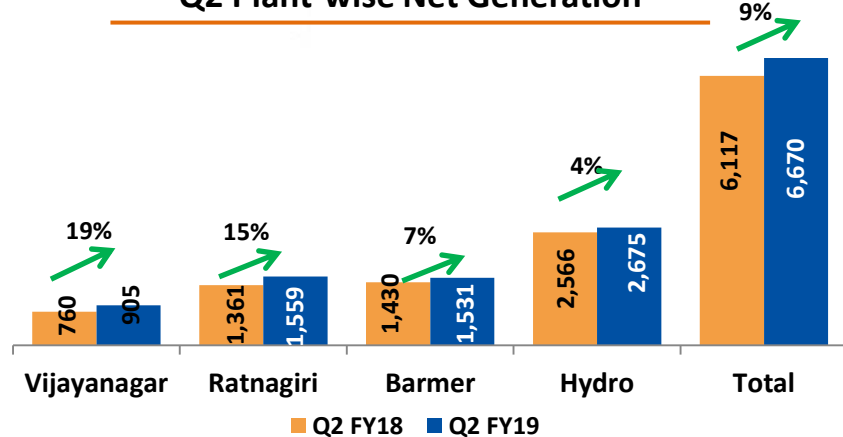
Indexed to Jun-2018 Levels

Month	API 4 Coal	USD/INR
Jun-18	100	100
Jul-18	103	101
Aug-18	95	103
Sep-18	94	107

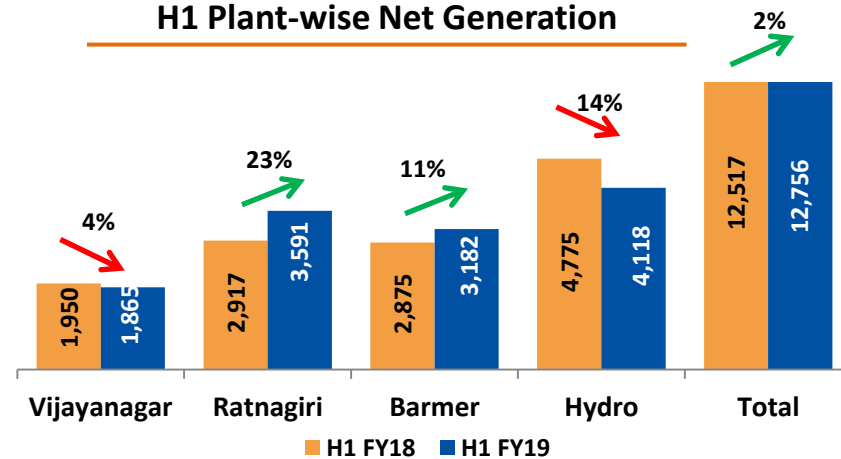
Business Environment

Operational and Financial Performance

Q2 Plant-wise Net Generation

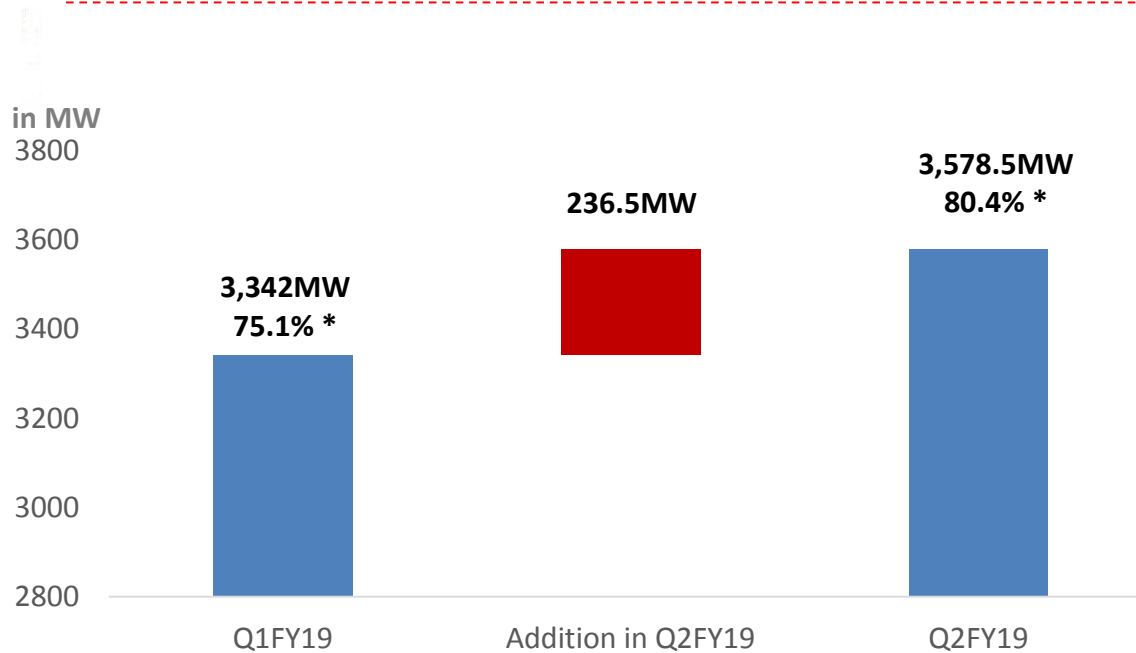


H1 Plant-wise Net Generation



Particulars	Q2 FY19	Q2 FY18	H1 FY19	H1 FY18	Remarks (Q2 FY19)
PLF – Vijayanagar	52%	44%	54%	56%	Supported by healthy offtake from LT PPA customers
PLF – Ratnagiri	64% (*68%)	57% (*61%)	74% (*77%)	61% (*66%)	Increase in LT PPA proportion
PLF – Barmer *	85%	83%	86%	85%	Consistent deemed PLF
PLF – Hydro	94%	90%	73%	84%	Increase due to higher water flow in Sutlej Basin
Short term sales (MUs)	315	1,182	1,462	3,016	Decline due to 100% tie-up of Karcham Wangtoo plant under LT PPA

Healthy improvement in the LT PPA mix



230MW and 6.5MW PPAs tied within the JSW Group at Vijayanagar and Ratnagiri plants in Q2FY19 respectively

Consolidated Financial Results



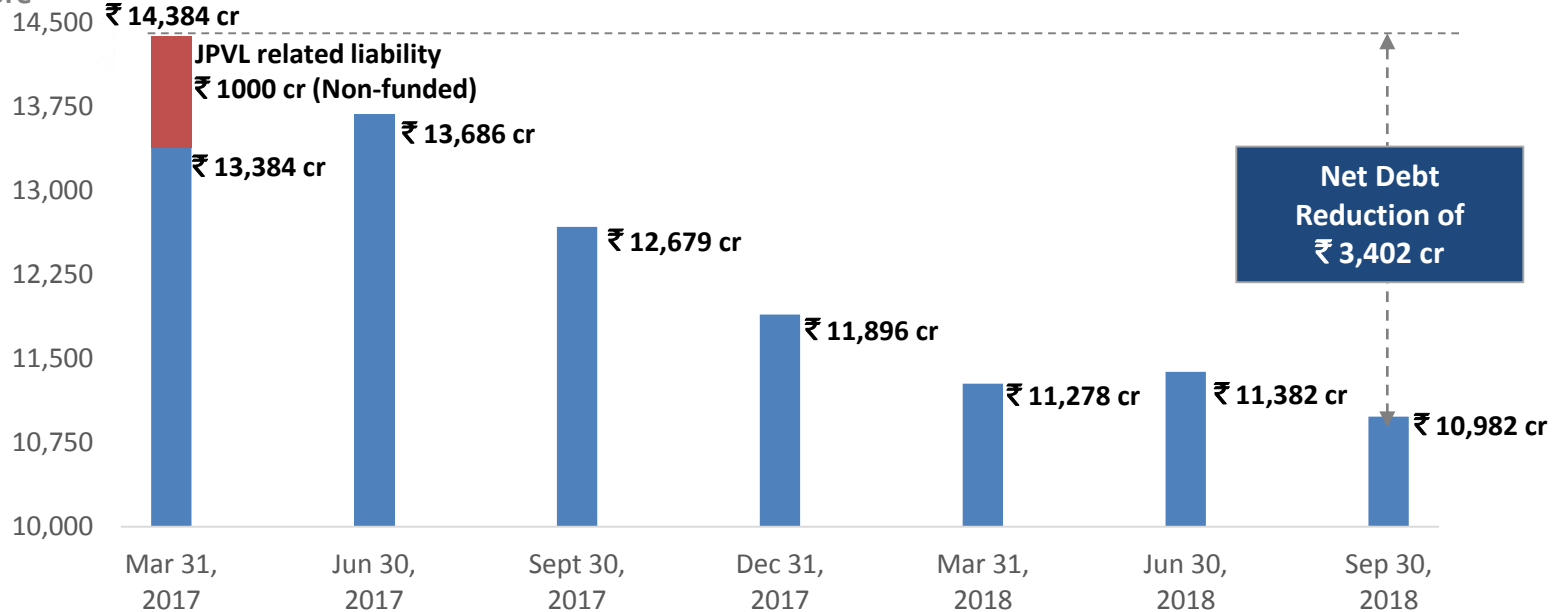
₹ Crore

Q2 FY19	Q2 FY18	Particulars	H1 FY19	H1 FY18
2,568	2,220	Turnover	4,996	4,554
998	1,053	EBITDA	1,842	2,029
39%	47%	EBITDA Margin(%)	37%	45%
308	391	Interest	621	792
293	245	Depreciation	583	488
397	417	Profit Before Tax	637	749
316	297	Profit After Tax	545	514
623	574	Gross Cash Accruals *	1,123	1,071
1.93	1.81	Diluted EPS (₹) #	3.32	3.14

Net Debt reduction of ₹3,402 crore over last 6 quarters



in ₹ crore



Optimization of debt profile through proactive prepayments, refinancing and scheduled repayments

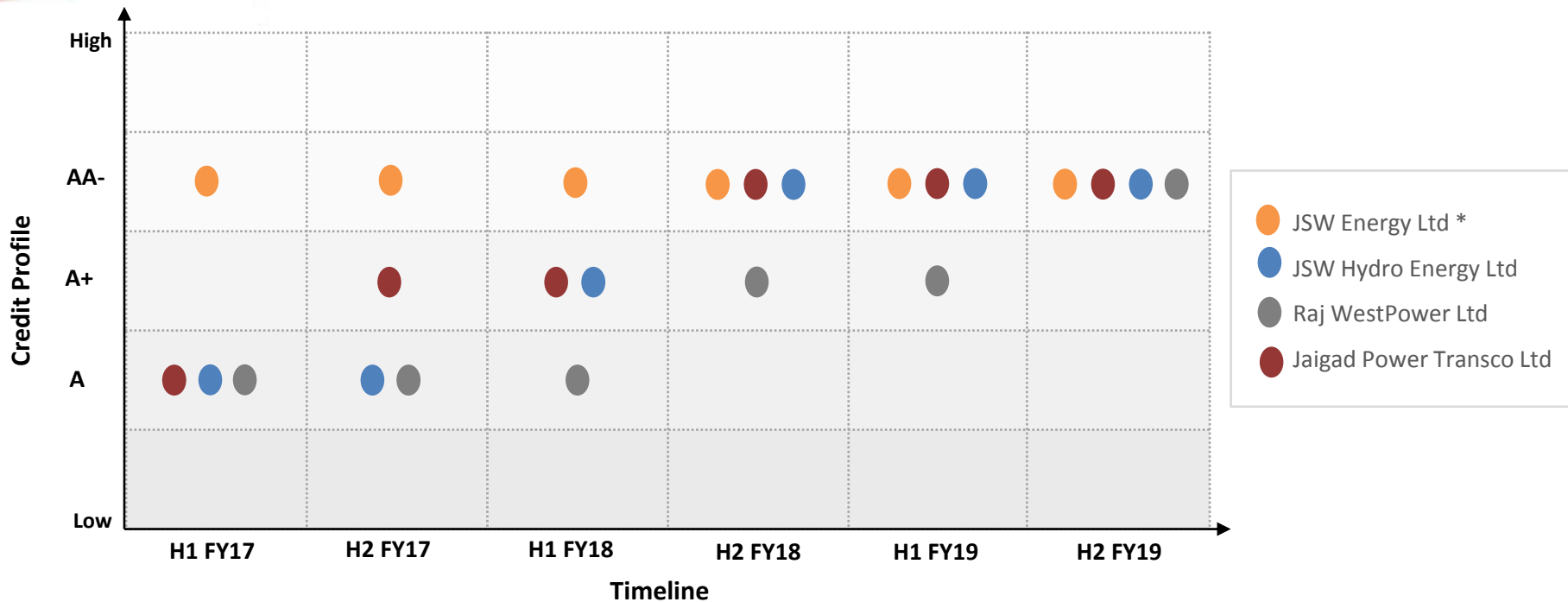
Amongst the Strongest Balance Sheet in the Power Sector



Particulars, as at	Sept 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017
Net Worth (₹ Crore)	12,231	11,581	11,110	11,469	11,259	10,696	10,368
Net Debt (₹ Crore)	10,982	11,382	11,278	11,896	12,679	13,686	13,384
Net Debt to Equity Ratio (x)	0.90	0.98	1.02	1.04	1.13	1.28	1.29
Weighted Average Cost of Debt	9.00%	8.97%	9.03%	9.04%	9.33%	10.05%	10.17%

Net Debt and Short-term Buyer's Credit reduced by ₹ 766 crore in Q2FY19 and by ~₹ 3,900 crore over the last 6 quarters

Continuous improvement in Credit Profile



Continuous improvement in Credit Profile of the Company and its key Subsidiaries as reflected by sequential rating upgrades

* Negative outlook from H2FY17 to H1FY19; All other Ratings at Stable outlook

Entity-wise Summary Financial Performance



₹ Crore

Q2 FY19	Q2 FY18	Income from Operations	H1 FY19	H1 FY18
1,199	939	Standalone	2,510	2,061
640	532	RWPL	1,278	1,069
542	518	Hydro	908	1,031
16	22	JPTL	38	45
2,431	2,049	Consolidated *	4,791	4,281

Entity-wise Summary Financial Performance



₹ Crore

Q2 FY19	Q2 FY18	EBITDA	H1 FY19	H1 FY18
309	349	Standalone	568	656
224	223	RWPL	489	449
498	502	Hydro	835	1,001
16	22	JPTL	37	44
998	1,053	Consolidated *	1,842	2,029

Forward Looking and Cautionary Statement



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