

Financial Results for the Quarter ended December 31, 2020

Mumbai, India: JSW Energy Limited (“JSW Energy” or the “Company”) today reported its results for the third quarter (“Q3FY21” or the “Quarter”) ended December 31, 2020.

Key Highlights of Q3FY21 (Consolidated):

Operational:

- Long Term (LT) Net Generation increased by 6% YoY; LT Net Thermal Generation increased by 9% YoY
- Overall Thermal PLF for capacity under LT PPA increased to 77% from 71% YoY
- LT PPA increased by 52 MW at Ratnagiri plant, further de-risking the portfolio; 82.4% of our portfolio is under LT PPA currently
- The Company’s Board approves additional LT power tie-up with Captive consumers of Ratnagiri plant. PPA to be executed and operationalized in phases during FY2022, pursuant to which overall LT tie up proportion will increase to 87%

Consolidated Financial:

- EBITDA at ₹655 Crore, lower by 7% YoY
- Profit Before Tax (pre-exceptionals) at ₹172 Crore, up by 14% YoY
- Profit After Tax at ₹124 Crore, up by 12% YoY after adjusting for all one-offs
- Receivables declined 22% YoY, contrary to broader sector trends
- Net Debt¹ reduced by ~₹952 Crore in Q3FY21 (~₹2,226 Crore in 9MFY21)

¹ excluding short term working capital debt/ acceptances



- Net Debt¹ to Equity at a very robust 0.48x
- Cash and cash equivalents at quarter end stood at ~₹1,595 Crore

Update on Growth Projects:

- 810 MW Blended Wind Project - SECI: PPA signing with discoms awaited
- 240 MW Kutehr HEP: PPA under finalization with Haryana discoms
- Ind-Barath Energy (Utkal) Ltd: Resolution plan pending approval by NCLT
- Board has approved the sale of 18 MW thermal power plant at Salboni to JSW Cement Limited or its SPV on a going concern basis, subject to necessary approvals

ESG:

- Carbon Disclosure Project (CDP) upgraded the Company's rating to B; highest rating achieved by any power producer in India
- MSCI upgraded the Company's ESG Rating to 'BB'; amongst the highest rated power producers with thermal portfolio in India
- The Company was ranked amongst India's Most Sustainable Companies by Sustain Labs Paris (SLP) in association with BW Businessworld

Awards and Recognitions:

- Ratnagiri plant awarded the State Award for Excellence in Energy Conservation & Management, organized by Maharashtra Energy Development Agency
- JSW Hydro Energy Ltd won Gold medals at Grow Care India Safety Awards 2020 and Grow Care India Environment Awards 2020
- JSW Energy (Barmer) Ltd was awarded at:
 - National Energy Conservation Award-2020 by Ministry of Power
 - Rajasthan Energy Conservation Award-2020



Consolidated Operational Performance:

PLFs achieved during Q3FY21 at various locations/plants are as follows:

- **Vijayanagar:** The plant operated at an average PLF of 31.9% (35.2%²) vis-a-vis 45.9% (45.9%²) in Q3FY20 due to lower sales.
- **Ratnagiri:** The plant operated at an average PLF of 69.4% (77.6%²) vis-a-vis 72.3% (80.8%²) in Q3FY20 due to lower short term sales.
- **Barmer:** The plant operated at an average PLF of 75.5% (81.4%²) vis-a-vis 59.3% (82.3%²) in Q3FY20 due to higher long term sales.
- **Himachal Pradesh:** The plants operated at an average PLF of 24.7% for the quarter vis-à-vis 25.6% in Q3FY20.
- **Nandyal:** The plant operated at an average PLF of 85.4% (97.1%²) during the quarter vis-a-vis 57.7% (98.5%²) in Q3FY20 due to higher long term sales.
- **Solar:** The solar plants achieved average CUF of 14.8% vis-à-vis 16.5% in Q3FY20.

The net generation at various locations/plants is as follows:

(Figures in Million Units)

Location/ Plant	Q3FY21	Q3FY20
Vijayanagar	557	802
Ratnagiri	1,686	1,753
Barmer	1,632	1,271
Himachal Pradesh	704	730
Nandyal	31	21
Solar	3	3
Total	4,612	4,580

² average deemed PLF



Short term sales during the quarter stood at 312 million units (versus 541 million units in Q3FY20) primarily due to lower short term sales at Ratnagiri.

Consolidated Financial Performance Review and Analysis:

During the quarter, total revenue decreased by ~18% on a YoY basis to ₹1,659 Crore from ₹2,016 Crore in the corresponding quarter of the previous year, primarily due to lower short term sales and the reduction attributable to the impact of job work at standalone entity.

The fuel cost for the quarter decreased by ~26% YoY to ₹823 Crore, primarily attributable to impact of job work at standalone entity, as well as reduction in international coal prices.

EBITDA for the quarter decreased ~7% YoY to ₹655 Crore from ₹706 Crore in the corresponding quarter of previous year.

Finance costs declined by 27% YoY to ₹191 Crore from ₹261 Crore in the corresponding quarter of previous year, primarily attributable to proactive debt repayments.

The Company's Profit before Tax (before exceptional items) increased by 14% YoY to ₹172 Crore from ₹151 Crore in the corresponding quarter of the previous year. The drag from lower EBITDA was more than offset by lower interest costs due to continued deleveraging.

Net Profit stood at ₹124 Crore compared to reported net profit of ₹394 Crore in the corresponding quarter of the previous year. However, last year's net profit



included certain tax reversals and one-off gains. Adjusting for all such exceptional items and one-off gains, Net Profit of ₹124 Crore is up by 12% YoY.

Total Comprehensive Income of the Company for the quarter stood at ₹861 Crore vis-a-vis ₹712 Crore in the corresponding period of previous year.

The Consolidated Net Worth and Consolidated Net Debt³ as on December 31, 2020 were ₹13,900 Crore and ₹6,719 Crore respectively, resulting in a Net Debt³ to Equity ratio of 0.48x.

Business Environment:

India's power demand increased by 6.4% YoY in Q3FY21 vis-a-vis 6% de-growth in Q3FY20, due to an uptick in economic activity and a low base effect. Demand improved across North, West, East and North-East regions on a YoY basis. The recovery in power demand is continuing in January, 2021, with a growth of ~4% YoY⁴. All-India peak power demand touched a record high of 185.8 GW on January 20, 2021 indicating a spurt in economic activity. This crossed the earlier record of 182.9 GW achieved in December, 2020.

In line with demand, overall power generation increased by 6.3% YoY in Q3FY21. Thermal and Renewable generation grew by 7.6% and 19.3% respectively, while Hydro generation declined by 11.4%, on a YoY basis. Average PLF for Thermal segment improved to 55.2% from 51.9% YoY. PLFs improved across State, Private and Central sectors on a YoY basis.

³ excluding short term working capital debt/ acceptances

⁴ basis POSOCO Data (for first 25 days)



On the supply side, installed capacity stood at 375.3GW as on December 31, 2020. In Q3FY21, installed capacity increased by 2.3GW, led by Renewable (+1.9GW), Thermal (+0.3GW net), and Hydro (+0.1GW) segments.

Outlook:

As per the International Monetary Fund, India will reclaim the status of the world's fastest-growing major economy and projected 2021 GDP growth of 11.5%. Global financial markets remain buoyant, supported by highly accommodative monetary policies and positive news on the vaccine. Overall, global economic activity is now contingent upon the pace of recovery from the pandemic.

On the domestic front, economic activity has improved with broad-based recovery signs visible across most sectors. In Q2FY21, the contraction in real Gross Domestic Product (GDP) moderated to 7.5% vis-à-vis 23.9% in Q1FY21, primarily due to resumption of activities across all major sectors. This was better than the RBI estimate of 9.8% contraction.

Going forward, GDP is expected to gradually recover with strengthening of economic activity and due to various policy measures undertaken by the Government. RBI expects GDP to grow by 0.1% in Q3FY21, 0.7% in Q4FY21, and 6.5-21.9% in H1FY22.

Manufacturing PMI remained robust in December'20 at 56.4, with manufacturers stepping up production and input buying amid efforts to rebuild their inventories following business closures earlier in the year. GST collections recorded all-time high in December'2020 at ₹1.15 trillion (+12% YoY and +9.5% MoM). Riding on the favourable monsoon, the outlook for agriculture remains bright. Further, high



frequency indicators such as passenger vehicles and motorcycles sales, railway freight, and power consumption are showing signs of recovery.

CPI inflation moderated to a 15-month low in December'20 at 4.59%, driven by low food inflation. In December'20, the Monetary Policy Committee maintained the policy repo rate at 4.0% and continued the monetary policy stance at 'Accommodative'.

Uptick in economic activity with easing of lockdowns and restrictions is helping in power demand revival as evidenced by trends on month-on-month basis. Over the medium term, power sector outlook is sanguine, as rapid urbanization and stabilization of various schemes undertaken by the Government such as "Power for All" and "24 x 7 Power" is expected to spur the power demand. With universal household electrification nearly complete in the country, latent power demand from rural India should boost demand.

On the supply side, incremental capacity additions have been largely driven by the Renewable Energy segment over the last few years. Henceforth, power capacity growth in India is expected to be primarily led by the Renewable Energy segment with capital costs getting progressively more competitive, and with increased focus on climate change.

Further, the recent Government measure of liquidity infusion package for Discoms via PFC/REC, disbursements under which are already progressing, is a key positive for the sector. The sector is also likely to benefit from various positive measures proposed in the draft Electricity Act (Amendment) Bill, 2020.



ABOUT JSW ENERGY: JSW Energy Ltd is one of the leading Private sector power producers in India and part of the USD 12 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, transmission and mining. 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 4,559 MW having a portfolio of Thermal 3,158 MW, Hydel 1,391 MW & Solar 10 MW, ensuring diversity in geographic presence, fuel sources and power off-take arrangements. JSW Energy is committed to pursue growth opportunities in the power sector and contribute in powering our nation's economy.

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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