

Financial Results for the Quarter ended June 30, 2021

Mumbai, India: JSW Energy Limited (“JSW Energy” or the “Company”) today reported its results for the first quarter (“Q1 FY22” or the “Quarter”) ended June 30, 2021.

Key Highlights of Q1 FY22 (Consolidated):

Operational:

- Long Term (LT) Net Generation: Higher by 4% YoY
- LT Net Thermal Generation: Higher by 13% YoY
- Commenced operations from 45 MW uprated capacity at Karcham Wangtoo HEP in July '21. Operational capacity of the plant increased from 1000 MW to 1045 MW

Consolidated Financial:

- EBITDA: ₹830 Crore
- Adjusted Profit After Tax¹ at ₹261 Crore
- Receivables declined 30% YoY
- Healthy Balance Sheet, well-positioned to pursue growth
 - Net Debt to Equity at 0.41x
 - Net Debt to EBITDA (TTM) at 2.09x
 - Strong Liquidity: Cash & Cash Equivalents² at ₹1,648 Crore
- India Ratings and Research assigned the following credit ratings:
 - JSW Energy (Barmer) Ltd: IND AA- (Stable)
 - Jaigad PowerTransco Ltd: IND AA (Stable)
- With the view to further strengthen its capital base, the Board of Directors of JSW Energy (Barmer) Limited (JSWEBL), a wholly owned subsidiary of the Company, has approved ₹ 1,265.77 crore Bonus issue, subject to the approval of Shareholders of JSWEBL.

¹ Adjusted for one-time prepayment & borrowing cost amortization impact of repayment of hydro project related rupee-term borrowings

² Includes unencumbered bank balances, FDs, and liquid mutual funds

Update on Growth Strategy:

- Renewable-led growth to reach 10 GW capacity by FY25 and 20 GW by FY30
- 2.5 GW under-construction in full-swing:
 - 810 MW - SECI IX: 100% capacity under LT PPA (Signed PPA for 270 MW in July, and 540 MW earlier in May)
 - 450 MW - SECI X: PPA to be signed in Q2 FY22
 - 958 MW Group Captive with JSW Steel: LT PPA signed for entire capacity
 - 240 MW Kutehr HEP: PPA under finalization with Haryana discom
- Green Hydrogen: Signed framework agreement with Fortescue Future Industries Pty Ltd to collaborate and conduct scoping work on potential projects for production of green hydrogen in India
- Board's in-principle approval received for evaluating options for reorganising the Company's Green (Renewable) and Grey (Thermal) businesses

Awards and Recognitions:

- Vijayanagar: Golden Peacock National Quality Award - 2021
- Ratnagiri: Winner (Gold Category), at SEEM National Awards for Energy Conservation and Management
- Hydro: Silver (Runner-up) Award at 9th FICCI Safety system Excellence awards

Consolidated Operational Performance:

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

(Figures in Million Units)

Location/ Plant	Q1 FY22	Q1 FY21
Vijayanagar	733	405
Ratnagiri	1,410	1,385
Barmer	1,573	1,492
Nandyal	27	13
Himachal Pradesh (Hydro)	1,394	1,632
Solar	4	3
Total	5,141	4,930



Long Term sales³ during the quarter stood higher by 4% YoY at 4,994 million units (versus 4,807 million units YoY) primarily due to higher sales at all thermal plants. Demand in Q1 of last fiscal was impacted by Covid-19 pandemic outbreak. Short term sales during the quarter stood higher by 20% YoY at 147 million units (versus 123 million units YoY) primarily due to higher short term sales at Vijayanagar.

PLFs achieved during Q1 FY22 at various locations/plants are as follows:

- **Vijayanagar:** The plant operated at an average PLF of 43% (43%⁴) vis-a-vis 23% (31%⁴) in Q1 FY21 due to higher long term as well as short term sales YoY.
- **Ratnagiri:** The plant operated at an average PLF of 59% (74%⁴) vis-a-vis 58% (73%⁴) in Q1 FY21 due to higher long term sales.
- **Barmer:** The plant operated at an average PLF of 73% (79%⁴) vis-a-vis 70% (84%⁴) in Q1 FY21 due to higher long term sales.
- **Nandyal:** The plant operated at an average PLF of 75% (97%⁴) during the quarter vis-a-vis 37% (97%⁴) in Q1 FY21 due to higher long term sales.
- **Himachal Pradesh (Hydro):** The plants operated at an average PLF of 49% for the quarter vis-a-vis 58% in Q1 FY21 due to lower water flow.
- **Solar:** The solar plants achieved average CUF of 22% vis-a-vis 14% in Q1 FY21.

Consolidated Financial Performance Review and Analysis:

During the quarter, total revenue stood at ₹1,860 Crore vis-à-vis ₹1,887 Crore in Q1 FY21, primarily due to reduction attributable to the impact of job work at the standalone entity, partly offset by increase in long term sales and other income.

³ Including free power at hydro plants

⁴ Deemed PLF



The fuel cost for the quarter decreased by 11% YoY to ₹812 Crore, primarily attributable to impact of job work at standalone entity, partly offset by increase in long term sales at standalone entity as well higher coal prices.

EBITDA for the quarter was marginally up YoY at ₹830 Crore.

Reported Finance cost during the quarter increased 21% YoY to ₹290 Crore from ₹240 Crore in the corresponding quarter of previous year. This is primarily due to one-time expenses of ₹92 Crore during Q1 FY22 towards prepayment charges and write-off of unamortised other borrowing cost relating to repayment of rupee denominated loans of JSW Hydro Energy Limited. The loans have been replaced with a USD denominated green bond issued in Q1 FY22.

On a comparable basis, adjusting for one-time finance charges, Profit after Tax (PAT) stood at ₹261 Crore compared to reported PAT of ₹213 Crore, in corresponding quarter of previous year. Reported PAT for the quarter stood at ₹201 Crore.

Total Comprehensive Income of the Company for the quarter stood at ₹1,427 Crore vis-a-vis ₹556 Crore in the corresponding period of previous year.

The Consolidated Net Worth and Consolidated Net Debt as on June 30, 2021 were ₹15,939 Crore and ₹6,565 Crore respectively, resulting in a Net Debt to Equity ratio of 0.41x and Net Debt/TTM EBITDA of 2.09x. Cash balances⁵ stood at a healthy ₹1,648 Crore.

Growth Strategy:

JSW Energy is pursuing a growth strategy to expand from the current capacity of 4.6 GW to 10 GW by FY25, and 20 GW by FY30, with the entire capacity addition

⁵ Includes unencumbered bank balances, FDs, and liquid mutual funds



being via renewables. 2.5 GW of renewable energy capacity is currently under construction in full swing:

- SECI IX - 810 MW: 270 MW PPA signed in July; 540 MW was signed earlier in May
- SECI X - 450 MW Wind Project: PPA to be signed in Q2FY22
- Solar/ Wind Group Captive with JSW Steel: PPA signed in July
- 240 MW Kutehr Hydro Project: PPA under finalization with Haryana discom
- Acquired/Locked-in resources for all 2.5 GW under-construction projects
- Received CTU transmission connectivity approvals for the SECI-IX and SECI-X projects
- Orders placed for Solar Modules and Term sheets signed for Wind Turbines with leading equipment manufacturers

JSW Energy's current portfolio comprises 30% renewable energy capacity. This is expected to pivot to ~70% renewable energy by FY25 and ~85% renewable energy by FY30. JSW Energy has one of the strongest balance sheets in the sector (Net Debt to EBITDA at 2.09x) and a profitable and cash generative operating portfolio, which will be used to fund this expansion program, and no equity dilution is envisaged for this growth.

Green Hydrogen: JSW Future Energy Limited, a 100% subsidiary of JSW Energy Limited has entered into a framework agreement with Australian Fortescue Future Industries Pty Ltd, a 100% subsidiary of Fortescue Future Industries Pty Ltd (FFI) to collaborate and conduct scoping work on potential projects relating to the production of green hydrogen and utilizing it for green steel making, hydrogen mobility, green ammonia and other mutually agreed industrial applications in India. The collaboration will enable both parties to explore opportunities to tap into the



significant clean energy market opportunity in India and be a front-runner in a future hydrogen economy.

Business Environment⁶:

India's power demand increased by 16.4% YoY in Q1 FY22, due to an uptick in economic activity and a low base effect. Demand growth was strong across all regions in the country on a YoY basis. For the first 25 days in July'21, power demand has seen a growth of 13.1% YoY (vs a -4.8% YoY declined in July'20). Further, all-India peak power demand touched a record high of ~201 GW on July 7th 2021, indicating a spurt in economic activity. Peak power demand had hit all-time highs earlier in Jun'21 (~197 GW), Jan'21 (~186 GW) and in Dec'20 (~183 GW) as well.

In line with demand, overall power generation increased by 16.4% YoY in Q1 FY22. Thermal and Renewable generation grew by 24.2% and 9.9% YoY respectively, while Hydro generation declined by 12.5%, on a YoY basis. Amongst renewables, Wind generation grew by 13.3% YoY while Solar generation grew 11.5% YoY.

On the supply side, installed capacity stood at 384.1 GW as on June 30, 2021. In Q1 FY22, installed capacity increased by 2.0 GW, on a net basis, due to addition in Renewable (+2.5 GW) and Hydro (+0.1 GW) segments. Thermal segment saw a retirement of 0.7 GW capacity. Within Renewables, the solar segment added 2.25 GW, while wind added 0.24 GW.

Outlook:

- As per the IMF⁷, global economies (advanced vs developing/emerging) are diverging further, influenced by differences in the pace of vaccine rollout and policy support. Close to 40% of the population in advanced economies has been fully vaccinated, compared with less than 10% in emerging market economies

⁶ Source: Central Electricity Authority and POSOCO

⁷ International Monetary Fund (IMF): World Economic Outlook July 2021



and less than 5% in low-income countries. IMF expects the global economy to grow 6.0% in CY21 and 4.9% in CY22. IMF estimates India's GDP to grow by 9.5% YoY in CY21 and 8.5% in CY22.

- On the domestic front, as per Reserve Bank of India (RBI), India's GDP saw a contraction of 7.3% YoY in FY21, however economic activity picked up in H2 FY21 as Covid infections declined. India saw a sharp second wave in April and May, however, following lockdowns and restrictions, along with a steady pace of the vaccination drive, daily reported cases have reduced since. RBI has estimated a 22.1% YoY growth in real GDP in Q1 FY22 and a 9.5% YoY growth in FY22.
- Aggregate demand conditions are recovering, spurred by unlock measures and the pace of vaccination: E-way bills, toll collections, railway freight, auto sales, fuel consumption have shown improving trends in June'21. On the supply side, agricultural conditions are turning buoyant with the revival in the monsoon. In June'21, the Govt. of India announced a fiscal stimulus package, amounting to a ₹6.3Lakh Cr, focused on loan guarantees, concessional credit for pandemic-hit sectors, and healthcare infrastructure, which bodes well for the economy. However, a possible third-wave of Covid pandemic, new and more virulent strains, and inflationary pressures continue to remain key risks.
- Over the medium term, power sector outlook is healthy, as rapid urbanization and stabilization of various Govt. schemes are expected to boost overall power demand. As a signatory to the Paris Accord, India plans to achieve a low-carbon future, and has set a 450 GW Renewable capacity target by 2030. Hence, the renewable energy addition is expected to meet the incremental power demand. Going forward, the financial health of discoms is key to a healthy power market.



ABOUT JSW ENERGY: JSW Energy Ltd is one of the leading Private sector power producers in India and part of the USD 13 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, and transmission. 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. The Company through its wholly owned subsidiaries i.e. JSW Future Energy Limited and JSW Hydro Energy Limited is presently constructing various renewable power projects to the tune of 2.5 GW, with a vision to achieve a total power generation capacity of 20 GW by the year 2030, when the share of renewables in the total capacity will increase to ~ 85%.

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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A handwritten signature in black ink, appearing to read "Mithun", is written over the printed name and contact information of Mithun Roy.