

Financial Results for the Quarter ended December 31, 2022

Mumbai, India: JSW Energy Limited (“JSW Energy” or the “Company”) today reported its results for the quarter (“Q3 FY23” or the “Quarter”) ended December 31, 2022.

Key Highlights of Q3 FY23 (Consolidated):

Operational:

- Net Renewable Generation: Up 3% YoY driven by contribution from Vijayanagar Solar Power Plant and SECI X Wind Power Plant
- Net Long Term Generation: 4.2 Billion Units (BUs) flat on a YoY basis
- Overall Net Generation: 4.3 BUs lower by 5% YoY due to lower merchant market sales in the quarter
- However, for 9MFY23 overall Net Generation was up 2% YoY on the back of higher merchant sales and steady LT generation

Consolidated Financials:

- Q3 FY23 EBITDA of ₹727 crore down by 18% YoY due to lower short term sales; 9M FY23 EBITDA at ₹2,936 crore up by 5% YoY
- Q3 FY23 Reported Profit After Tax: ₹180 crore down 45% YoY; 9M FY23 PAT at ₹1,206 crore up by 40% YoY
- Cash PAT of ₹489 crore, down 22% YoY during the quarter
- Robust Cash Returns of 20% on adjusted Net Worth in the quarter
- Receivables days decline by 8% YoY to 69 days; healthy collection trend sustained
- Best in class Balance Sheet, well-positioned to pursue growth
 - Net Debt to Equity at 0.54x
 - Net Debt to EBITDA (TTM) at 2.30x
 - Strong Liquidity: Cash & Cash Equivalents¹ at ₹3,029 crore

¹ Includes unencumbered bank balances, FDs, and liquid mutual funds

Under construction -Utility Scale Projects:

- 1.26 GW SECI IX & X Wind projects: Progressive commissioning of **SECI X** project started with part-CoD received for first phase of 27 MW. WTG foundation and balance of plant work in-progress for **SECI IX**.
- 240 MW Kutehr HEP: Project well ahead of timelines with ~90% tunneling completed (up from 84% in Q2 FY23)

Storage Projects:

- Battery Energy Storage System: LoA received in Jan-23 for 500MW/1000 MWh SECI project
- Hydro Pumped Storage: Approvals and preparatory works in progress for ~7.6GW (~ 50GWh); MoUs/Lol signed
 - First project will be a captive PSP at Vijayanagar (Karnataka), construction expected to commence in CY23

Update on Acquisition:

- Mytrah RE assets 1,753 MW: Transaction is in advance stages with closure expected in Q4 FY23
- Ind-Barath 700 MW: Completed acquisition pursuant to NCLT order under IBC. Project revival plan is in progress, expected commissioning of 700MW in 24 months

Awards and Recognitions:

- FICCI Quality Systems Excellence Award: Barmer Plant was conferred with the Prestigious FICCI Quality Systems Excellence Award for its robust quality systems at workplace
- League of American Communication Professional (LACP): Integrated Annual Report 2022 received a 'Gold Award' in the spotlight competition organised by the LACP
- Council of Enviro Efficiency: Vijayanagar and Barmer Plants won the Award for the 'Best Energy Efficient Units'
- GMF Green Crest Award: Vijayanagar Plant has won the prestigious GMF Green Crest Diamond Award in the Energy Conservation Category



Consolidated Operational Performance

The net generation at various locations/plants is as follows: (Figures in Million Units)

Location/ Plant	Q3 FY23	Q3 FY22
Vijayanagar	716	800
Ratnagiri	1,133	1,235
Barmer	1,609	1,638
Nandyal	1	26
Himachal Pradesh (Hydro)	721	793
Solar	89	3
Wind – SECI X	6	
Total*	4,274	4,496

*Figures rounded off to the nearest unit digit

Long Term sales¹ during the quarter stands at 4,179 MUs, flat YoY as incremental generation from Vijayanagar Solar (225 MW) and SECI X (27MW) was offset by lower Hydro generation (due to weaker hydrology YoY). Short term sales during the quarter came at 95 MUs versus 323 MUs in Q3 FY22 due to lower merchant market sales.

PLFs achieved during Q3 FY23 at various locations/plants are as follows:

- **Vijayanagar:** The plant operated at an average PLF of 41% (41%²) vis-a-vis 46% (46%²) in Q3 FY22. The increased LT generation was offset by lower ST sales in the quarter
- **Ratnagiri:** The plant operated at an average PLF of 47% (47%²) vis-a-vis 51% (51%²) in Q3 FY22.
- **Barmer:** The plant operated at an average PLF of 75% (75%²) vis-a-vis 75% (75%²) in Q3 FY22.

¹ Including free power at hydro plants

² Deemed PLF



- **Himachal Pradesh (Hydro):** The plants operated at an average long term PLF of 24% for the quarter vis-a-vis 27% in Q3 FY22 due to lower water flow.
- **Solar:** The solar plants achieved an average CUF of 18% vis-a-vis 17% in Q3 FY22.

Consolidated Financial Performance Review and Analysis:

During the quarter, Total Revenue increased by 18% YoY to ₹2,350 crore from ₹1,984 crore YoY, due to higher realisation (as higher fuel costs are pass through in nature for LT PPAs). EBITDA for the quarter was lower by 18% YoY at ₹727 crore vis-à-vis ₹882 crore in the corresponding period of previous year. The decrease is primarily due to lower short term sales YoY, partly offset by contribution from Vijayanagar Solar and higher other income in the quarter.

Finance costs during the quarter increased by 9% YoY to ₹214 crore due to additional borrowings (for ongoing growth capex) and increase in weighted average cost of debt to 8.29% with the rising rates cycle.

Profit After Tax (PAT) stood at ₹180 crore, which is lower YoY compared to a PAT of ₹324 crore in the corresponding period of previous year. Cash PAT at ₹489 crore was lower by 22% YoY.

The Consolidated Net Worth and Consolidated Net Debt as on Dec 31, 2022 were ₹18,392 crore and ₹9,840 crore respectively, resulting in a Net Debt to Equity ratio of 0.54x and Net Debt/TTM EBITDA of 2.30x. Receivables days' declined to 69 days on Dec 31, 2022 from 75 days YoY.



Liquidity continues to be strong with Cash balances³ at ₹3,029 crore as of Dec 31, 2022. The Company has one of the strongest balance sheets among its peers with a large headroom to pursue value accretive growth opportunities.

Growth Strategy:

JSW Energy is pursuing a growth strategy to expand its installed capacity to 10 GW by FY25 and 20 GW by FY30, along with foraying into Energy Products and Services. With current locked-in capacity of 9.9 GW the company is expected to achieve its FY25 capacity target well ahead of the articulated timelines.

Currently 2.2 GW of greenfield renewable energy capacity is under construction in full swing:

- SECI IX - 810 MW & SECI X - 450 MW: Phase-wise commissioning of SECI X (First phase: 27 MW) started in Q3 FY23.
- 733 MW Wind Group Captive with JSW Steel: PPA signed for entire capacity. Wind projects are progressing well and scheduled to be progressively commissioned from Q1 FY24.
- 240 MW Kutehr Hydro Project: PPA signed with Haryana discom. 90% of tunnelling work (~19 km) is completed vis-à-vis 84% in Q2 FY23, ahead of the target timelines of commissioning by September 2024.
- JSW Energy's current locked-in portfolio of 9.9 GW (2.2 GW under-construction; LoA/Lol received for 0.4GW) comprises 61% renewable capacity. This is expected to pivot to ~81% renewable energy by FY30. With one of the strongest balance sheets (Net Debt to Equity at 0.54x and Net Debt to EBITDA (TTM) at 2.30x) in the sector and a profitable and cash

³ Includes unencumbered bank balances, FDs, and liquid mutual funds



generative operating portfolio (₹3,029 crore of cash and cash equivalent), the Company is well positioned to pursue its growth aspirations.

Business Environment⁴:

- India's power demand increased by 6.4% YoY in Q3 FY23, on the back of broad based demand increase across the country.
- Further, the all India peak power demand touched a high of 206 GW for the last quarter.
- In line with demand, overall power generation increased by 7.1% YoY in Q3 FY23, led by solar generation up 42% YoY and thermal generation up 7% YoY
- On the supply side, installed capacity stood at 410 GW as on December 31, 2022. In Q3 FY23, net installed capacity increased by 2.5 GW, due to addition in renewable (~2.8 GW) and retiral of ~0.3 MW thermal capacity.

Outlook:

- As per the World Bank's latest publication titled "Global Economic Prospects" (January 2023), global growth rate is revised down to 1.7% for 2023. The outlook reflects synchronous policy tightening to contain high inflation, worsening financial condition and disruption from the ongoing Ukraine conflict. For India, the World Bank estimates GDP growth of 6.6% in 2023 and 6.1% in 2024.
- As per the Reserve Bank of India⁵ (RBI), India's GDP saw a growth of 6.3% YoY in Q2 FY23 led by private consumption demand and investment demand. RBI has estimated a 6.8% growth in real GDP in FY23, lower from its earlier forecast of 7.0%. The RBI also in its recent MPC meet has announced a further rate hike of 35 bps to 6.25%.

⁴ Source: Central Electricity Authority and NPP

⁵ Monetary Policy Committee Report December 2022 and MoSPI



- India's latest macro-economic data reflect a resilient economy in the midst of a slowing global economic landscape. Both manufacturing and services PMI increased in the quarter. Strong GST collections trend continues with more than ₹ 1.4 lakh crore/month for 10 months in a row.
- December CPI inflation eased to 5.7% YoY and came at 12 months' low. This is second month in a row that inflation is within RBI target range of 6%.
- Over the medium term, the power sector outlook is healthy, as rapid urbanization and stabilization of various Govt. schemes are expected to boost overall power demand. The country's transition towards green energy will further be supported by Performance Linked Incentive for High Efficiency Solar PV Modules manufacturing and Green Hydrogen Mission.



ABOUT JSW ENERGY: JSW Energy Ltd is one of the leading Private sector power producers in India and part of the USD 22 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 4,811 MW having a portfolio of Thermal 3,158 MW, Hydel 1,391 MW, Solar 235 MW and Wind 27 MW, ensuring diversity in geographic presence, fuel sources and power off-take arrangements. The Company is presently constructing various renewable power projects to the tune of 2.2 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 ~ 81%.

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 blue ink, appearing to read "Mithun", is written over the right side of the JSW Energy Limited logo.