

Financial Results for the Quarter ended December 31, 2021

Mumbai, India: JSW Energy Limited (“JSW Energy” or the “Company”) today reported its results for the quarter (“Q3 FY22” or the “Quarter”) ended December 31, 2021.

Key Highlights of Q3 FY22 (Consolidated):

Operational:

- Total Hydro Generation: higher by 13% YoY
- Short-term Generation: increased by 3% YoY
- Overall Generation: lower by 3% YoY due to lower thermal generation on account of maintenance activities at Ratnagiri

Consolidated Financial:

- EBITDA at ₹882 Crore, *highest third quarter EBITDA in the last 5 years*
- Profit After Tax at ₹324 Crore
- Receivables declined 20% YoY, amidst an increasing receivables scenario in the power sector
- Best in class Balance Sheet, well-positioned to pursue growth
 - Net Debt to Equity at 0.37x
 - Net Debt to EBITDA (TTM) at 1.74x
 - Strong Liquidity: Cash & Cash Equivalents¹ at ₹2,195 Crore

Corporate reorganisation:

- Board approval for corporate reorganisation received in November 2021 - the renewable energy businesses (Green) to be housed under ‘JSW Neo Energy Limited’, a wholly owned subsidiary of the JSW Energy, while the thermal businesses (Grey) to remain under JSW Energy and other existing subsidiaries.
 - Scheme of Amalgamation for merger of JSW Future Energy Limited with JSW Neo Energy Limited filed with NCLT for approval.

¹ 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: expect commissioning from Q4 FY22
 - SECI IX & SECI X 1.26 GW Wind projects: LT PPAs signed; phase-wise commissioning from Q1 FY23
 - Group Captive 958 MW: LT PPAs signed; 225 MW solar plant-commissioning from Q4 FY22
 - 240 MW Kutehr HEP: Project is well ahead of timelines, with ~60% tunnelling (~50% in Q2) completed
- Signed MoUs with Govt. of Rajasthan for 10 GW Renewable energy resources

New Growth Platforms:

- Green Hydrogen: Scoping work nearing completion for pilot project
- Signed Letter of Intent with Govt. of Rajasthan for 1GW Hydro Pumped storage

Awards and Recognitions:

- Achieved a Leadership band with 'A-' score in the 2021 CDP Climate Change assessment, the only Indian power generation company to attain 'A'- score
- Certified as 'Great Place to Work' Organisation
- Won Golden Peacock Award for Occupational Health & Safety-2021
- Barmer Plant: 2021 Sword of Honour by the British Safety Council for excellence in Occupational Health and Safety



Consolidated Operational Performance:

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

(Figures in Million Units)

Location/ Plant	Q3 FY22	Q3 FY21
Vijayanagar	800	557
Ratnagiri	1,235	1,686
Barmer	1,638	1,632
Nandyal	26	31
Himachal Pradesh (Hydro)	793	704
Solar	3	3
Total	4,496	4,612

Long Term sales² during the quarter slightly decreased YoY to 4,173 million units (versus 4,300 million units in Q3 FY21) primarily due to lower sales at Ratnagiri, (impacted by maintenance activities), partially offset by higher sales at Vijayanagar plants and Hydro Plants. Short term sales during the quarter stood higher by 3% YoY at 323 million units (versus 312 million units in Q3 FY21) primarily due to higher short term sales at Vijayanagar.

The company's diversified portfolio and favourable placement in Merit Order Despatch underpins generation and offtake. PLFs achieved during Q3 FY22 at various locations/plants are as follows:

- **Vijayanagar:** The plant operated at an average PLF of 46% (46%³) vis-a-vis 32% (35%³) in Q3 FY21 due to higher long term as well as short term sales YoY.



² Including free power at hydro plants

³ Deemed PLF

- **Ratnagiri:** The plant operated at an average PLF of 51% (67%³) vis-a-vis 69% (78%³) in Q3 FY21 given maintenance activities, although partly offset by higher PPA tie-up
- **Barmer:** The plant operated at an average PLF of 75% (81%³) vis-a-vis 76% (81%³) in Q3 FY21, mainly on account of flat long term sales
- **Nandyal:** The plant operated at an average PLF of 74% (100%³) during the quarter vis-a-vis 85% (97%³) in Q3 FY21 due to lower long term sales.
- **Himachal Pradesh (Hydro):** The plants operated at an average PLF of 27% for the quarter vis-a-vis 25% in Q3 FY21 due to higher water flow.
- **Solar:** The solar plants achieved average CUF of 17% vis-a-vis 15% in Q3 FY21.

Consolidated Financial Performance Review and Analysis:

During the quarter, total revenue increased by 20% YoY to ₹1,984 Crore from ₹1,659 Crore in Q3 FY21, primarily due to increase in short term sales and realisation.

As a result, EBITDA for the quarter was higher by 35% YoY at ₹882 Crore vis-a-vis ₹655 Crore in the corresponding period of previous year. The company continues to deliver strong EBITDA on the back of stable Cashflow from Long-term portfolio, superior O&M practices, with opportunistic gains from buoyancy in the short-term markets.

Underlying Finance cost during the quarter decreased by 10.5% YoY to ₹171 Crore from ₹191 Crore in the corresponding quarter of previous year. However, there was an additional finance cost of ₹25 Crore pertaining to interest on regulatory liabilities during the quarter.

Profit After Tax (PAT) stood at ₹324 Crore compared to reported PAT of ₹124 Crore in the corresponding period of previous year.



The Consolidated Net Worth and Consolidated Net Debt as on Dec 31, 2021 were ₹16,082 Crore and ₹6,021 Crore respectively, resulting in a Net Debt to Equity ratio of 0.37x and Net Debt/TTM EBITDA of 1.74x. The Company's balance sheet is one of the healthiest among its peers with a large headroom to pursue value accretive growth opportunities. The liquidity continues to be strong with Cash balances⁴ at ₹2,195 Crore as of Dec 31, 2021.

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

- SECI IX - 810 MW & SECI X - 450 MW: PPA signed for entire capacity with SECI. Civil work on dedicated transmission lines and sub-station is progressing well. Orders placed for WTG equipment and phase-wise commissioning is expected from Q1 FY23.
- 958 MW Solar and Wind Group Captive with JSW Steel: PPA signed for entire capacity; 225 MW solar plant nearing completion with commissioning scheduled from Q4 FY22 onwards.
- 240 MW Kutehr Hydro Project: PPA under finalization with Haryana discom. 60% of tunnelling work is completed and the project progress is ahead of the target timelines of commissioning by September 2024.

⁴ Includes unencumbered bank balances, FDs, and liquid mutual funds



- JSW Energy's current operational portfolio comprises 30% renewable energy capacity. This is expected to pivot to ~70% renewable energy by FY25 and ~85% renewable energy by FY30. With one of the strongest balance sheets (Net Debt to Equity at 0.37x and Net Debt to EBITDA (TTM) at 1.74x) in the sector and a profitable and cash generative operating portfolio (₹2,195 Crore of cash and cash equivalent), the Company is well positioned to pursue its growth aspiration.

Business Environment⁵:

- India's power demand increased by 3.4% YoY in Q3 FY22, reflecting an uptick in economic activities. All-India peak power demand was at 183.5 GW during the quarter in the month of Dec'21. 9MFY22, power demand registered a robust growth of 9.6% YoY.
- In line with demand, overall power generation increased by 2.6% YoY in Q3 FY22, led by hydro generation at 13.0% YoY growth. Thermal generation grew 1.0% YoY while Renewable grew 3.7% YoY, led by solar segment at 17.0% YoY.
- On the supply side, installed capacity stood at 393.4 GW as on December 31, 2021. In Q3 FY22, installed capacity increased by 4.5 GW, on a net basis, due to addition in Renewable (+3.3 GW) and Thermal (+1.2 GW) segments. Within Renewables, the solar segment added 3.1 GW, while wind added 0.2 GW. In 9M FY22, Renewable segment added 10.4 GW capacity, mainly driven by 9.3 GW additions in Solar, 0.8 GW in Wind and balance by others.



⁵ Source: Central Electricity Authority and POSOCO

Outlook:

- As per the World Bank's latest publication "Global Economic Prospects" (January 2022) the global economy is expected to grow by 4.1% in CY22. The near-term outlook for global growth is somewhat weaker, with notably higher global inflation, higher food and energy prices, and supply disruptions. Progress in vaccination is key to restoring mobility and overcoming supply-chain disruptions. At the start of 2022 the supply of vaccines is increasing appreciably, but new variants and vaccine deployment bottlenecks remain major obstacles. As per the World Bank, India's GDP is estimated to grow at 8.3% in FY22 & 8.7% in FY23, reflecting an improving investment outlook.
- At present, India is witnessing a surge in Covid cases with the Omicron variant spreading rapidly, while the need for hospitalization has been controlled given the milder impact from this variant and relatively higher rate of vaccination among the population, multiple states have imposed fresh curbs to control the spread. Government's timely program to kick start precautionary doses (booster shots) for frontline workers and senior citizens should aid in reducing case load.
- Broad-based reforms by the government focusing on infrastructure development, asset monetization, taxation, telecom sector and banking sector implies strong economic outlook despite near term headwinds.
- Strong direct and indirect tax revenues reflect underlying economic revival and bode well for additional capital spending. RBI stance is accommodative, while elevated inflation continues to be a source of risk.



- 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. At the COP26 summit, India announced its target to reach net zero by 2070, and a target of achieving 500 GW of non-fossil fuel energy capacity by 2030. In Nov'21, the total installed renewable energy capacity in India (including large hydro) crossed the mile-stone of 150 GW.
- Going forward, renewable energy capacity addition is expected to meet the incremental power demand. The financial health of discoms continues to be a key concern.
- JSW Energy Limited has joined the global movement of leading companies that are aligning their business to limit global temperature rise to 1.5°C above preindustrial levels, and reach net-zero value chain emissions by no later than 2050. JSW Energy has set an ambitious target for 50% reduction in carbon footprint by 2030 and achieving Carbon Neutrality by 2050 by transitioning towards renewable energy. The Company has committed to set a science-based target through the Science Based Targets initiative.

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 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 be "Mithun", written over a diagonal line.