



INOX WIND LIMITED
FY19 INVESTOR UPDATE

This presentation and the following discussion may contain “forward looking statements” by Inox Wind Limited (“IWL” or “the Company”) that are not historical in nature. These forward looking statements, which may include statements relating to future state of affairs, results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of IWL about the business, industry and markets in which IWL operates.

These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond IWL’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements.

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- ☐ ANNUAL HIGHLIGHTS
- ☐ COMPETITIVE INTENSITY TAPERING OFF
- ☐ TECHNOLOGY
- ☐ ORDER BOOK
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- ☐ Q4 RESULT ANALYSIS
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Financials

- ✓ Significant YoY turn around in topline and EBITDA margins on the back of SECI execution despite over 15 months delay in central grid evacuation readiness (which was finally commissioned on 14th April 2019):
 - Revenue of Rs. 1437 crs in FY19 up by 200% against revenue of Rs.480 crs in FY18
 - EBITDA profit of Rs. 156 crs in FY19 against EBITDA loss of Rs.81 crs in FY18
 - Cash Profit of Rs. 27 crs in FY19 against cash loss of Rs.133 crs in FY18

Operations

- ✓ Common Infra in Dayapar, Gujarat in final stages of commissioning - Will enable commissioning of over 600 MW which can now be implemented on a plug and play basis.
- ✓ With a significant part of the fleet beyond the warranty/free O&M period, revenue stream from O&M picking up significantly in the new financial year.
- ✓ Post a virtual shutdown in FY18, supplies done towards SECI-1 over the full year. Large scale supplies muted due to delay in central grid infra readiness.

Technology

- ✓ Over the year, entered into a technology agreement to launch 3.3 MW wind turbine.
- ✓ The 3.3 MW turbine is a globally operating and proven platform which will significantly improve energy yields and further reduce levelised cost of electricity. With this Inox Wind has the technology platform in place for the future, well ahead of competition.

Order Book

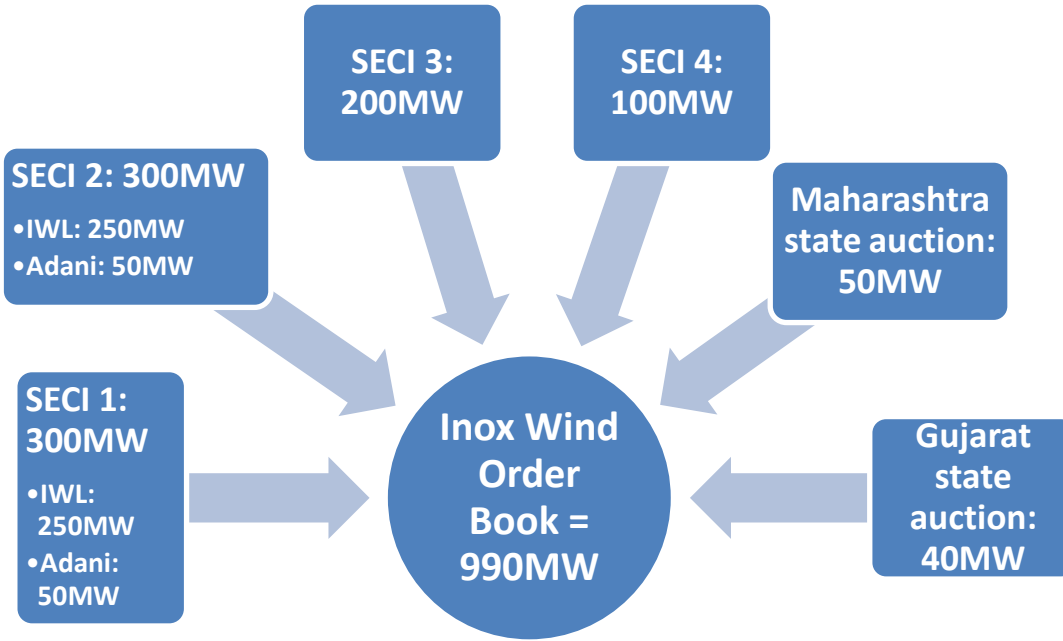
- ✓ Inox Wind has recently won 40 MW under the Gujarat state auction at Rs 2.95 per unit.
- ✓ Over the year, building on our strong relationship with Adani Green Energy, we have received an LOI for equipment supply for 501.6 MW (152 WTGs) of 3.3 MW WTGs.
- ✓ Signed an agreement with a leading MNC IPP (our existing customer) for an initial supply of 23.1 MW on the 3.3 MW wind turbine platform.
- ✓ Order Book stands at 1250.7 MW having a value of ~Rs. 7000 crs.

- The past two years had seen huge pressure across all manufacturers to liquidate stock/ inventory which got stuck due to the transition from the FIT regime to the Auction regime. This inventory has since been virtually tied up across the players and going forward WTGs are being produced only if there is a positive contribution.
- Over the past two years many players have closed/virtually closed operations and some are facing a severe financial crisis.
- Inox Wind is probably the only successful Indian Company to have survived during this huge downturn and turbulent period faced by the wind sector.
- Due to the lower intensity of competition, going forward, we expect to get back to normalised profit levels.
- Inox has been the lowest cost producer of wind turbines in India and is well placed to thrive under the auction regime.

- ✓ Inox Wind extends its existing 2MW product offering with the launch of the 3.3 MW wind turbines which are ideally suited for low wind regimes in India.
- ✓ The newly launched 3.3 MW turbine is a globally operating proven platform which will further improve energy yields and reduce levelised cost of electricity.
- ✓ The 3.3 MW wind turbine will have a 146 meter rotor dia which will probably be the largest rotor dia in India and will be available in a host of hub heights which can be selected as per site conditions.

Technical Specification

- ✓ Rated power: 3300 KW
- ✓ Drive Train : DF, 6 Pole Generator
- ✓ Turbine Design : AMSC, Austria
- ✓ Rotor diameter : 146m
- ✓ Tower construction type : Tubular Steel
- ✓ Cut-in wind speed (10 min mean) V_{in} : 2.9 m/s
- ✓ Rated wind speed (steady wind) V_r : 9.5 m/s
- ✓ Cut-out wind speed (10 min mean) V_{out} : 20 m/s



Particulars	Capacity
Auction based order book	990 MW
Supplied	264 MW
Net order book	726 MW



LOI for 3.3 MW from Adani	501.6
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Agreement signed with leading MNC IPP for 3.3 MW	23.1
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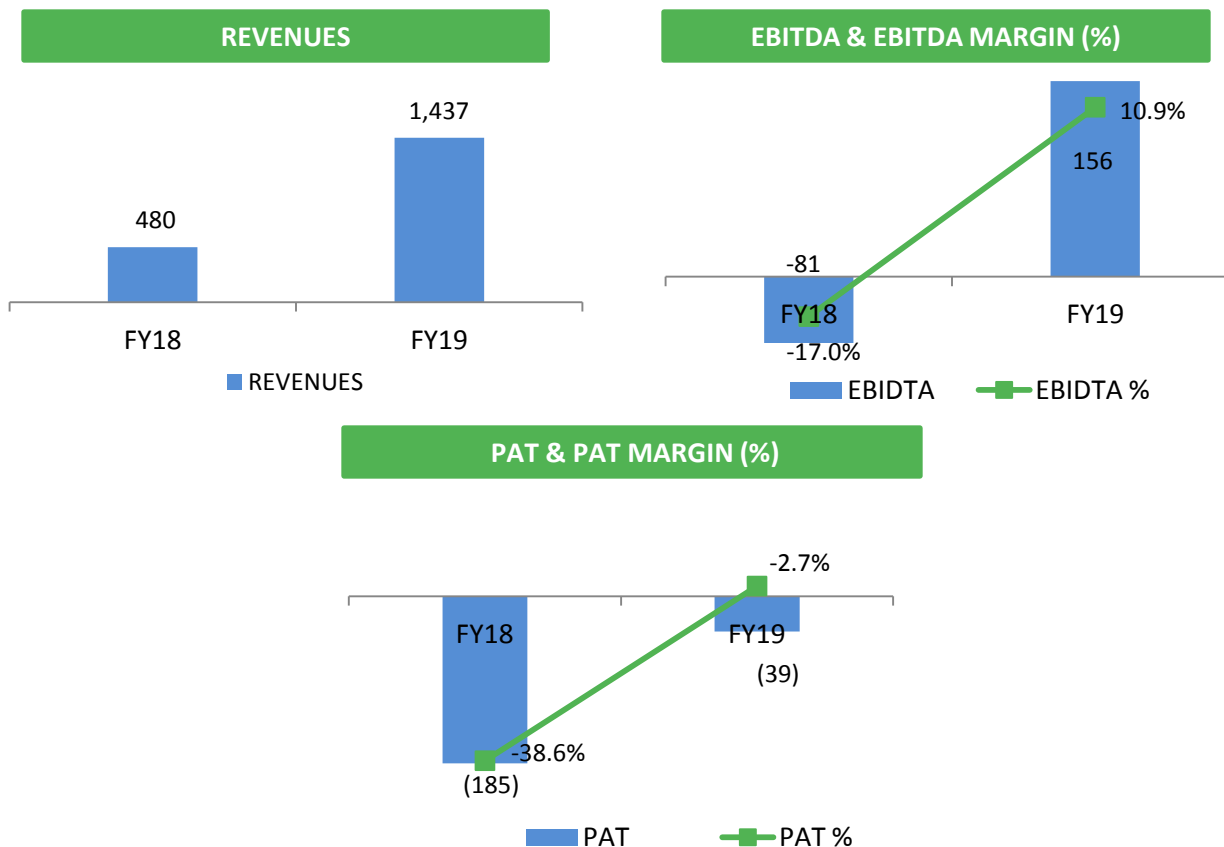


Total	1250.7
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•Above order book will translate into revenues of ~Rs.7000 crores over the next ~ 18 months.

YEARLY RESULT ANALYSIS

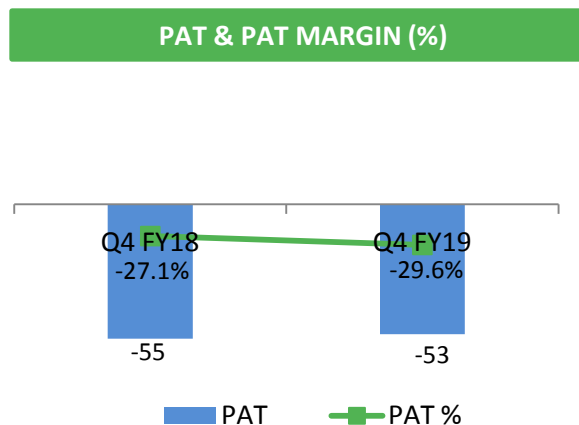
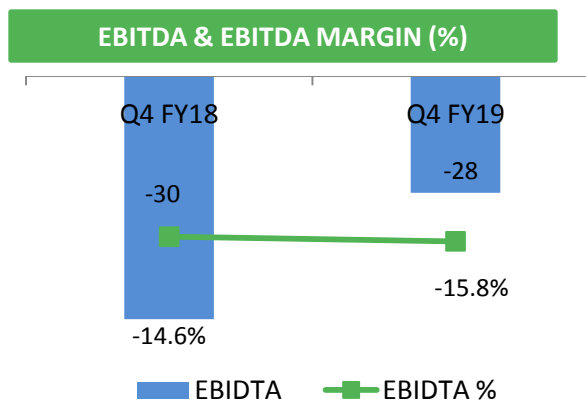
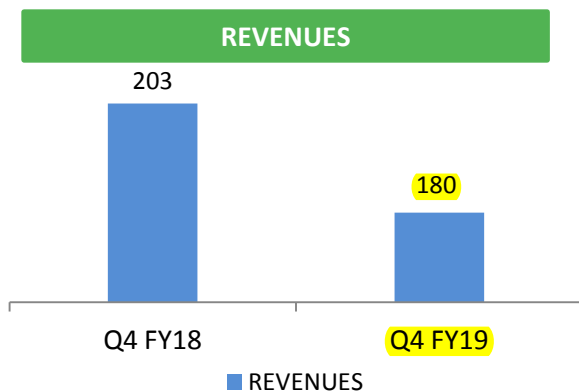
In Rs. Cr.



FY19 results reflect the beginning of sales under the auction regime post FY18 wherein there was a virtual shutdown of operations due to the transition from FIT to auctions.

Q4 RESULT ANALYSIS

In Rs. Cr.



Supplies in Q4 were cut back since the central grid was further delayed beyond Q4. (which was finally made ready on 14th April 2019)

Particulars	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
Inventory	955	941	929	779	764	756	944
Net Receivables	1,657	1,360	1,060	1,175	1,305	1,446	1,261
Payables	506	452	536	635	838	956	889
Others	179	140	214	138	52	19	103
Net Working Capital	1,927	1,710	1,239	1,181	1,179	1,227	1,213

• **Inventory:** Consolidated Inventory levels increased mainly on account of ramp-up of SECI 1 project execution since the current inventory includes the project work in progress of Dayapar, Gujarat site which will be commissioned over the coming quarters given the central grid is now ready. Going ahead we expect inventory levels to come down as the execution picks up pace in the coming quarters. Inventories will also be consumed towards SECI 2 now that common infra in place.

• **Net Receivables:** Reduction in receivables by Rs.185 cr in the quarter due to continued collection from past receivables. The closing receivable includes significant part of sales made during the current financial year, wherein collections are delayed due to the substantial delay in readiness of the central grid (over 15 months). The grid was finally made ready on 14th April 2019. Commissioning activities for SECI 1 projects are in full swing and we can expect increased realization from receivables post commissioning.

• **Net Working Capital:** Despite the huge delay in the central grid readiness, working capital cycle have been maintained at same levels. With the grid now finally in place, further efficiencies will kick-in.

In Rs. Cr.

Particulars	Q4FY18	Q4FY19	FY19	FY18
Opening Net Debt	(901)	(836)	(705)	(779)
Cash Profit	(43)	(36)	27	(133)
Net Working Capital	470	14	26	565
Capex	(141)	(56)	(113)	(177)
Others	(90)	(3)	(151)	(180)
Closing Net Debt	(705)	(916)	(916)	(705)
Particulars	Q4FY18	Q4FY19	FY19	FY18
Net Debt	705	916	916	705
Equity	2,004	1,964	1,964	2,004
Net Debt: Equity (x)	0.35	0.47	0.47	0.35

Healthy Net Debt to Equity ratio of 0.47x

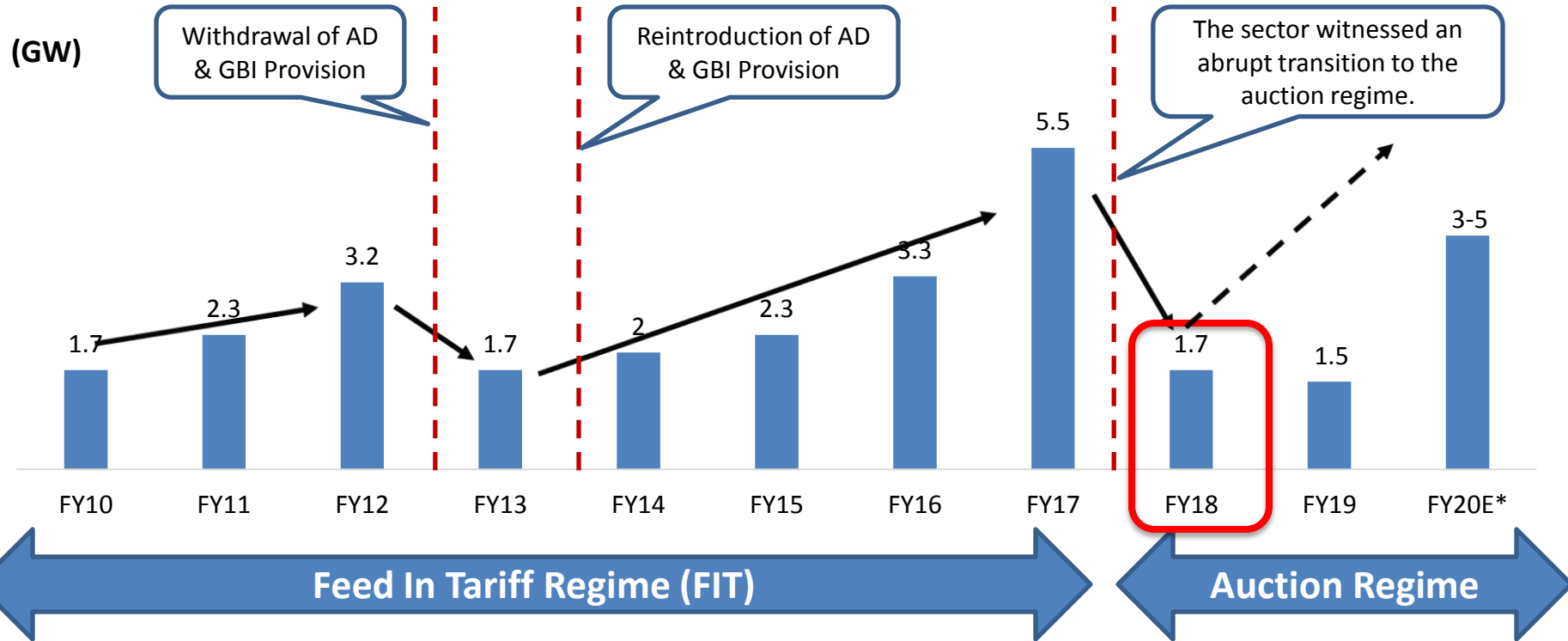
- ✓ Inox Wind has multi year O&M agreements for its fleet across customers and from the upcoming new financial year, a significant part of the WTGs will be beyond the free O&M/warranty period.
- ✓ Moreover, with the increase in the fleet size on the back of strong auction order inflow, we expect this revenue stream to pick up strongly in the coming years.
- ✓ O&M revenues are noncyclical in nature, have steady cash flow generation and higher margins.

Auction	Month	Volume (MW)
SECI 1	February 2017	1050 MW
Tamil Nadu	August 2017	500 MW
SECI 2	October 2017	1000 MW
Gujarat	December 2017	500 MW
SECI 3	February 2018	2000 MW
Maharashtra	March 2018	500 MW
SECI 4	April 2018	2000 MW
NTPC	August 2018	1200 MW
SECI 5	September 2018	1200 MW
Hybrid 1	December 2018	840 MW
SECI 6	February 2019	1200 MW
Gujarat	May 2019	745 MW
Total		12735 MW

- The ~10 GW auctions conducted in the past 18 months should reflect in capacity addition over FY20 and FY21.
- In addition, the government has announced wind auctions of 10GW per annum till 2028* which provides huge potential runway for the sector.
- RPO target increased to 21% for FY22 for state discoms from 17% in FY19**.
- Strong volume of upcoming auctions from SECI, States and Wind solar hybrid etc in the next 6-12 months.

* <https://www.financialexpress.com/economy/india-to-auction-40-gw-renewables-every-year-till-2028/1226479/>

** <https://www.livemint.com/Money/enQ7h8JaD6rKXGXIMTsORM/Govtsrenewableenergyusagetargets-ambitious-scaling-up.html>

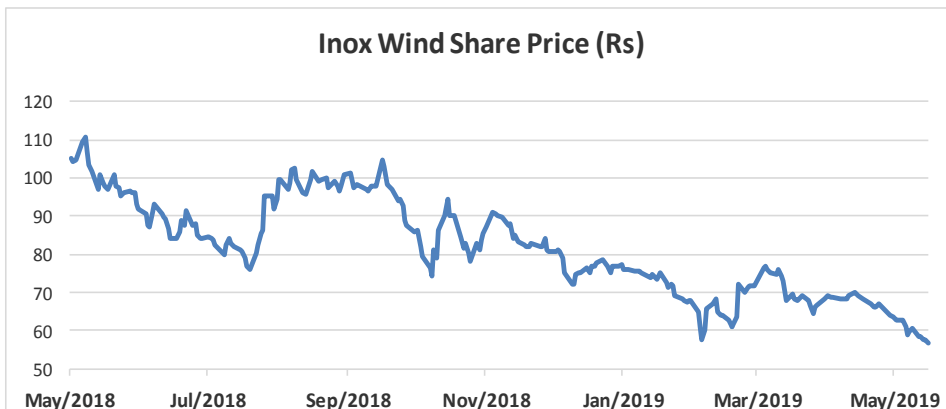


Impact of the abrupt transition to auction Regime from FIT regime seen in wind installations in FY18 and FY19. The impact of 12.7 GW auctions conducted during last two years would be visible in installations in the next couple of years.

CURRENT CAPACITY (MW)				
Plant Location	Una, Himachal Pradesh	Rohika, Gujarat	Barwani, Madhya Pradesh	Total
Nacelles & Hubs	1,100	-	-	1,100
Blades	-	800	800	1,600
Towers	-	300	300	600

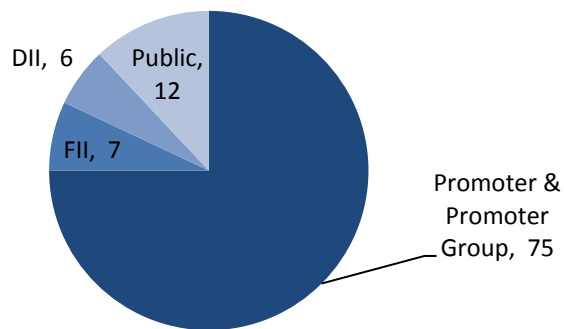
- Well positioned to take advantage of the growing market.
- Potential to debottleneck our nacelle and tower capacity with minor capex.
- Tower capacity can also be outsourced depending on project location.

Inox Wind Share Price (Rs)



Source - BSE

% Shareholding – As of 31st March 2019



Source - Company

Market Data

As on 17.05.19 (BSE)

Market capitalization (Rs. Cr)	1262
Price (Rs.)	56.85
No. of shares outstanding (Cr)	22
Face Value (Rs.)	10.0

Source - BSE

Key Institutional Investors as of 31st Mar 2019

% Holding

Nomura Singapore Limited	4.8%
Aadi Financial Advisors	1.4%
Elaara India Opportunity Fund	1.0%
Securities Holdings India Private Limited	0.7%
Payal Bhanshali	0.7%
India Opportunities Growth Fund	0.5%

Source – Company

DETAILED FINANCIALS CONSOLIDATED P&L STATEMENT



(In Rs Lakhs)	Q4FY19	Q4FY18	YoY	Q3FY19	QoQ	FY19	FY18	YoY
Income								
a) Revenue from operation (net of taxes)	17,955	20,341		39,078		1,43,744	47,984	
Other Income	459	223		367		1,655	2,436	
Total Income from operations (net)	18,414	20,564	-10%	39,445	-53%	1,45,400	50,420	188%
Expenses								
a) Cost of materials consumed	11,802	1,477	699%	24,972	-53%	88,358	4,704	1778%
b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,899)	5,017	na	(2,448)	na	(4,569)	7,134	na
c) Employee benefits expense	2,517	2,276	11%	2,248	12%	9,379	9,968	-6%
d) Finance costs	4,469	4,369	2%	4,544	-2%	16,861	17,122	-2%
e) Erection, Procurement & Commissioning Cost	7,368	6,926	6%	4,064	81%	17,948	19,993	-10%
d) Foreign Exchange Fluctuation (Gain)/Loss (net)	28	419	-93%	(984)	na	(685)	(129)	431%
e) Depreciation and amortization expense (refer note 4)	1,698	1,225	39%	1,623	5%	6,606	5,227	26%
f) Other expenses	3,683	7,201	-49%	5,110	-28%	20,403	14,447	41%
Total Expenses (a to f)	29,667	28,910		39,127	-24%	1,54,300	78,466	
Less: Expenditure capitalised	2,714	-			na	2,714		
Net Expenditure	26,953	28,910	-7%	39,171	-31%	1,51,587	78,466	93%
Profit/(Loss) from ordinary activities before tax	(8,541)	(8,348)	-2%	274	-3214%	(6,211)	(28,048)	78%
Total Provision for Taxation	(3,185)	(2,782)	na	105	-3130%	(2,213)	(9,287)	na
Profit/(Loss) for the period	(5,356)	(5,566)	4%	169	-3277%	(3,998)	(18,761)	79%
Other Comprehensive Income (after tax)	33	49	-33%	17		64	231	
Total Comprehensive Income for the period comprising Net Profit/(Loss) for the period & Other Comprehensive Income	(5,323)	(5,517)	4%	186	-2961%	(3,934)	(18,530)	79%
Earning Before Interest, Tax, Depreciation & Amortization (EBITDA) Incl Other Income	(2,374)	(2,754)	14%	6,441	-137%	17,256	(5,699)	403%
Paid-up Equity Share Capital (Face value of Re 10 each)	22,192	22,192		22,192		22,192	22,192	
Basic & Diluted Earnings per share (Rs)	(2.41)	(2.51)	4%	0.08	-3277%	(1.80)	(8.45)	79%
(Face value of Re 10 each) - Not annualized								

DETAILED FINANCIALS CONSOLIDATED BALANCE SHEET

Particulars (Rs. in Lakhs)	As of 31-Mar-19	As of 31-Mar-18
Assets		
(1) Non-current assets		
(a) Property, Plant and Equipment	94,272	95,511
(b) Capital work-in-progress	6,585	1,957
(c) Intangible assets	3,030	2,972
(d) Financial Assets		
(i) Investments	6,931	2
(ii) Loans	1,343	1,494
(iii) Other financial assets	31,001	25,218
(e) Deferred tax assets (Net)	10,863	8643
(f) Income tax assets (Net)	1,600	1787
(g) Other non-current assets	10,957	10,040
Total Non - Current Assets	1,66,582	1,47,624
(2) Current assets		
(a) Inventories	94,375	92,936
(b) Financial Assets		
(i) Investments	2,154	5
(ii) Trade receivables	1,62,985	1,33,867
(iii) Cash and cash equivalents	525	4,558
(iv) Bank Balances other than (iii) above	13,014	8,110
(v) Loans	52	3
(vi) Other financial assets	7,124	4,350
(c) Other current assets	27,292	18,349
Total Current Assets	3,07,523	2,62,178
Total Assets (1+2)	4,74,105	4,09,802

Particulars (Rs. in Lakhs)	As of 31-Mar-19	As of 31-Mar-18
EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity Share capital	22,192	22,192
(b) Other Equity	1,74,295	1,78,236
(c) Non Controlling Interest	(39)	
Total equity	1,96,448	2,00,428
Liabilities		
(2) Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	33,161	34,779
(ii) Other financial liabilities	183	183
(b) Provisions	755	737
(c) Other non-current liabilities	5,920	2,403
Total Non - Current Liabilities	40,018	38,102
(3) Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	76,039	48,272
(ii) Trade payables	88,875	53,625
(iii) Other financial liabilities	32,019	34,098
(b) Provisions	284	323
(c) Current Tax Liabilities (Net)	0	154
(d) Other current liabilities	40,421	34,800
Total Current Liabilities	2,37,639	1,71,272
Total Equity and Liabilities (1+2+3)	4,74,105	4,09,802

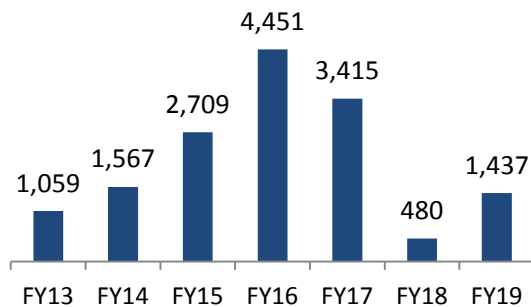
FINANCIAL SUMMARY



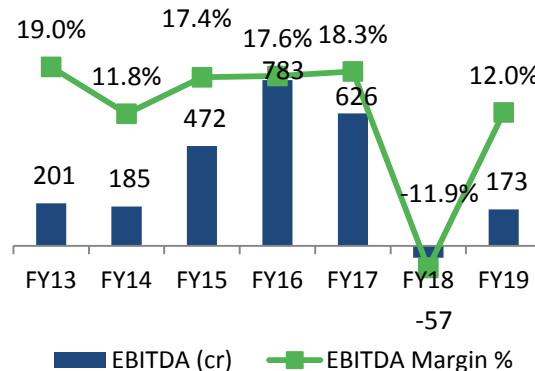
ROE: PAT/Avg. Equity, ROCE: EBIT/Avg. Capital Employed [(Capital Employed = Equity + Total Debt)]

Consolidated financials, FY13-15 as per IGAAP, FY16-19 as per Ind AS

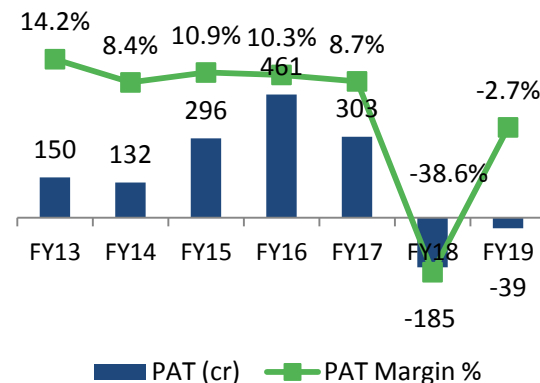
Revenue from Operations



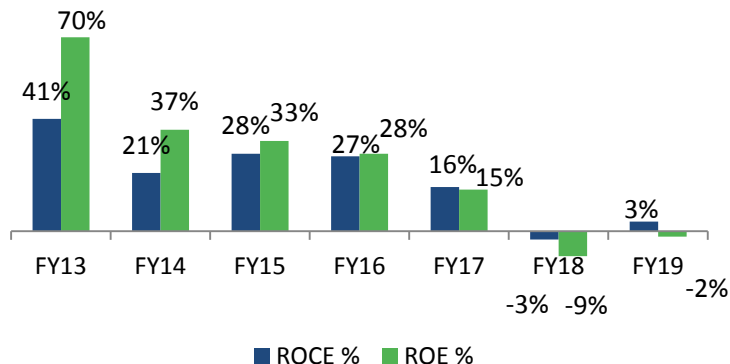
EBIDTA (Inc OI) & EBIDTA Margin %



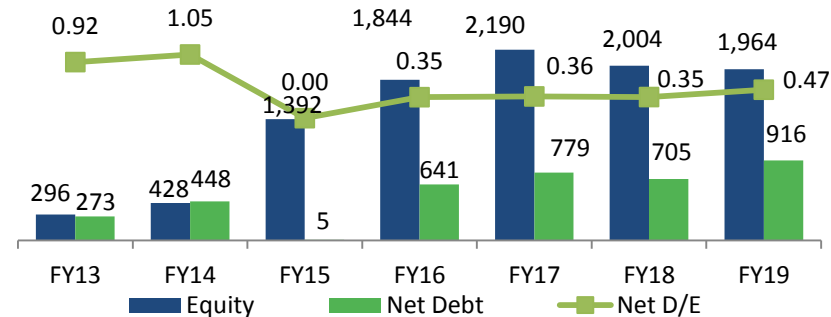
PAT & PAT Margin %



Return Ratios



Net Debt/Equity



In Rs. Cr

THANK YOU



Jitendra Mohananey
Group Financial Controller

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