



IWL: NOI: 46: 2019

8th November, 2019

The Secretary BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001 Fax No. 022-22723121/2037/39/41/61	The Secretary National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai 400 051 Fax No. 022-2659 8237/38
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Scrip code: 539083

Scrip code: INOXWIND

Sub: Disclosure of Material Event/ Information under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Earnings Presentation

Dear Sir/ Madam,

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of the Earnings Presentation on the Standalone and Consolidated Unaudited Financial Results of the Company for the quarter and half year ended 30th September, 2019 that we propose to make during the Conference Call for analyst and investors scheduled to be held on Friday, 8th November, 2019 at 4:00 P.M. The said Earnings Presentation is also being uploaded on the Company's website, www.inoxwind.com.

We request you to please take the above on record.

Thanking You

Yours faithfully,
For **Inox Wind Limited**


Deepak Banga
Company Secretary



Encl: As above



INOX WIND LIMITED
Q2FY20 INVESTOR UPDATE

DISCLAIMER

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.

Such statements are not, and should not be construed, as a representation as to future performance or achievements of IWL. In particular, such statements should not be regarded as a projection of future performance of IWL. It should be noted that the actual performance or achievements of IWL may vary significantly from such statements.

DISCUSSION SUMMARY

- ❑ OPERATIONAL HIGHLIGHTS
- ❑ FINANCIAL HIGHLIGHTS
- ❑ SIGNIFICANT MARKET OPPORTUNITY
- ❑ ORDER BOOK
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OPERATIONAL HIGHLIGHTS

Operations

- ✓ Successfully Commissioned 50 MW of SECI 1 at Dayapar, Gujarat in July 2019, (150 MW was commissioned in Q1FY20)
- ✓ Execution in progress for 100 MW in Dayapar under Adani connectivity amongst various other projects.
- ✓ Consolidated order book :
 - Closed a deal for 50 MW at Dayapar with Adani
 - Bagged fresh order of 19 WTGs (38MW) from ReNew Power
- ✓ Due to huge delay in central grid connectivity, time extension request for 50 MW (SECI 1) is under active consideration
- ✓ All future project executions to be on plug and play on the common infrastructure which is in place at Dayapar, Gujarat including:-
 - 220 KV Pooling Substation at Meghpar
 - 220 KV Transmission Line for 72 km, longest built till now by Inox
 - 220 KV Bay at PGCIL Nirona End

FINANCIAL HIGHLIGHTS

Financials

- ✓ Given the seasonal impact on Q2FY20 due to heavy monsoon in Gujarat (and pan India) execution was muted.
- ✓ We have utilised the period for optimising working capital. Execution is now in full swing.
- ✓ Lower Revenue and EBITDA due to muted supplies on account of heavy pan India monsoon
 - Revenue of Rs. 139 crs in Q2FY20 against revenue of Rs. 260 crs in Q1FY20
 - EBITDA of Rs. 4 crs in Q2FY20 against EBITDA of Rs. 43 crs in Q1FY20
- ✓ Improved working capital cycle. Net Receivables reduced to 723 crs in Q2FY20 as compared to 1058 crs in Q1FY20
- ✓ Constant reduction in net debt quarter on quarter. Net Debt to Equity ratio stands at 0.42x (vs. 0.44x in Q1FY20).

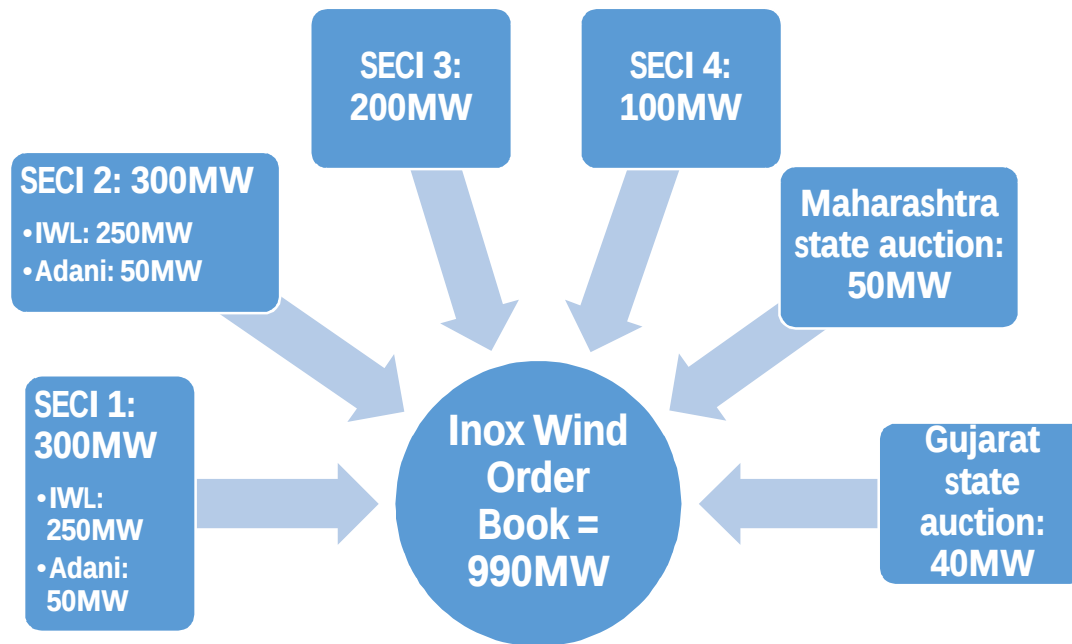
Order Book

- ✓ Order Book as on date stands at 1268.7 MW having a value of ~Rs. 7200 crs.

SIGNIFICANT MARKET OPPORTUNITY

- We believe the painful transition from FIT regime to the auction regime is virtually over except a hiccups like delayed power evacuation which is now catching pace and certain project time extension approvals which too are now being acted upon by concerned authorities.
- However as a result of the painful transition over the past 2 years multiple wind turbine manufacturers have either closed down or are facing severe financial issues. This has resulted in shortage of supplies of WTGs in the market.
- Inox sees a significant opportunity to further leverage from these manufacturers' closure/ financial problems to increase market share; moreover virtually being the lowest cost producer of wind turbines in India, is well placed to thrive under the auction regime.
- The tariff is also inching up and has stabilised in the range of Rs. 2.85 – 2.95/Kwh.
- Inox is gaining traction in the market post the transition period pain and has recently concluded new deals with Adani and ReNew Power.
- Due to the lower intensity of competition and with our new 3.3 MW world class WTGs, going forward, we expect to get back to normalised profit levels.

ORDER BOOK



Particulars	Capacity MW
Auction based order book	990
Supplied	284
Net order book	706

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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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Order from ReNew	38
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Total	1268.7
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•Above order book will translate into revenues of ~Rs.7200 crores over the next ~ 18 months.

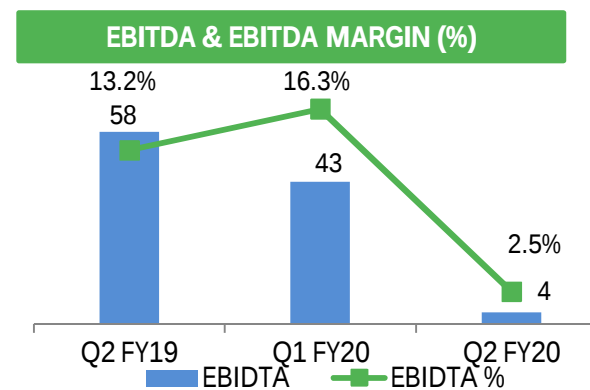
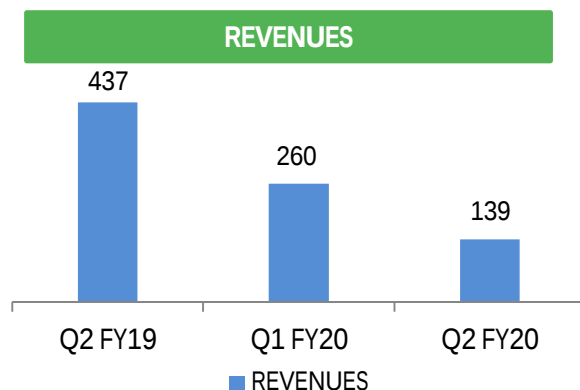
TECHNOLOGY

- ✓ 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.

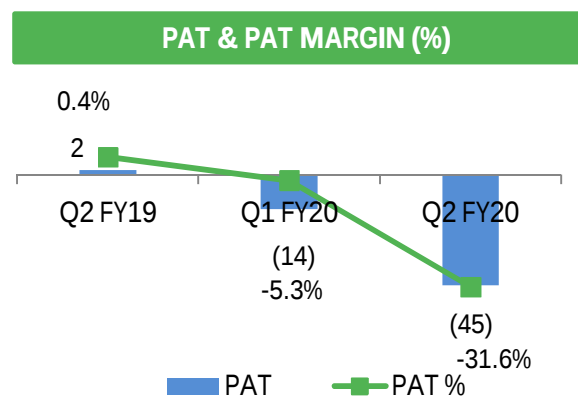
Technical Specification

- ✓ 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

RESULT ANALYSIS

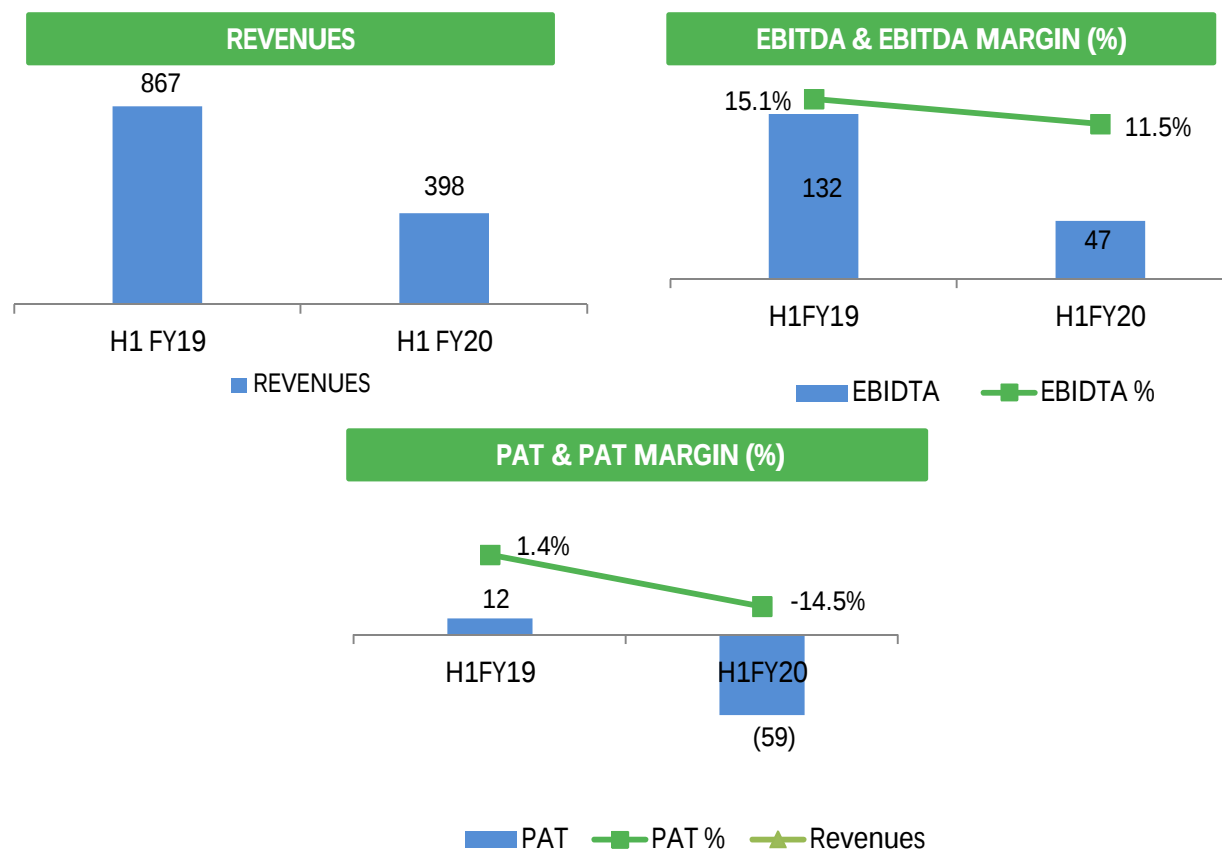


In Rs. Cr.



Execution in Q2FY20 was muted given the seasonal impact due to heavy monsoon in Gujarat (and pan India).

H1 RESULT ANALYSIS



In Rs. Cr.

Post Common Infra readiness, focus is on execution and reducing working capital.



WORKING CAPITAL ANALYSIS – POSITIVE MOMENTUM CONTINUES



In Rs. Cr.

Particulars	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19
Inventory	929	779	764	756	944	933	1,086
Net Receivables	1,060	1,175	1,305	1,446	1,261	1,058	723
Payables	536	635	838	956	889	1,083	1,103
Others	214	137	52	19	103	(103)	(122)
Net Working Capital	1,239	1,181	1,179	1,227	1,213	1,011	828

• **Inventory:** Consolidated Inventory levels increased mainly on account of ongoing project execution also the current inventory includes the project work in progress of Dayapar, Gujarat sites which will be commissioned over coming quarter(s). 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 new orders bagged by the Company.

• **Net Receivables:** Continuous reduction in net receivables quarter on quarter. In Current quarter Net receivable reduced by Rs.335 cr which is also due to continued collection from past receivables.

• **Net Working Capital:** Despite the huge delay in the central grid readiness, working capital cycle is improving significantly and with the grid now finally in place, further efficiencies will kick-in and lead to further reduction in working capital.

CASH FLOW AND DEBT ANALYSIS



In Rs. Cr.

Particulars	Q2FY20	Q1FY20	FY19	FY18	FY17
Opening Net Debt	(849)	(916)	(705)	(779)	(641)
Cash Profit	(26)	3	27	(133)	347
Net Working Capital	183	202	26	565	(163)
Capex	(95)	(77)	(113)	(177)	(303)
Others	(3)	(61)	(151)	(180)	(19)
Closing Net Debt	(791)	(849)	(916)	(705)	(779)

Particulars	Q2FY20	Q1FY20	FY19	FY18	FY17
Net Debt	791	849	916	705	779
Equity	1,905	1,950	1,964	2,004	2,190
Net Debt: Equity (x)	0.42	0.44	0.47	0.35	0.36

Healthy Net Debt to Equity ratio of 0.42x

- ✓ 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.

WIND AUCTIONS



Auction	Period	Volume (MW)
SECI 1 – SECI 3	Feb'17 – Mar'18	4050 MW
State Auctions	Feb'17 – Mar'18	1500 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
Hybrid 2	May 2019	720 MW
SECI 7	June 2019	480 MW
SECI 8	August 2019	440 MW
Total		14375 MW

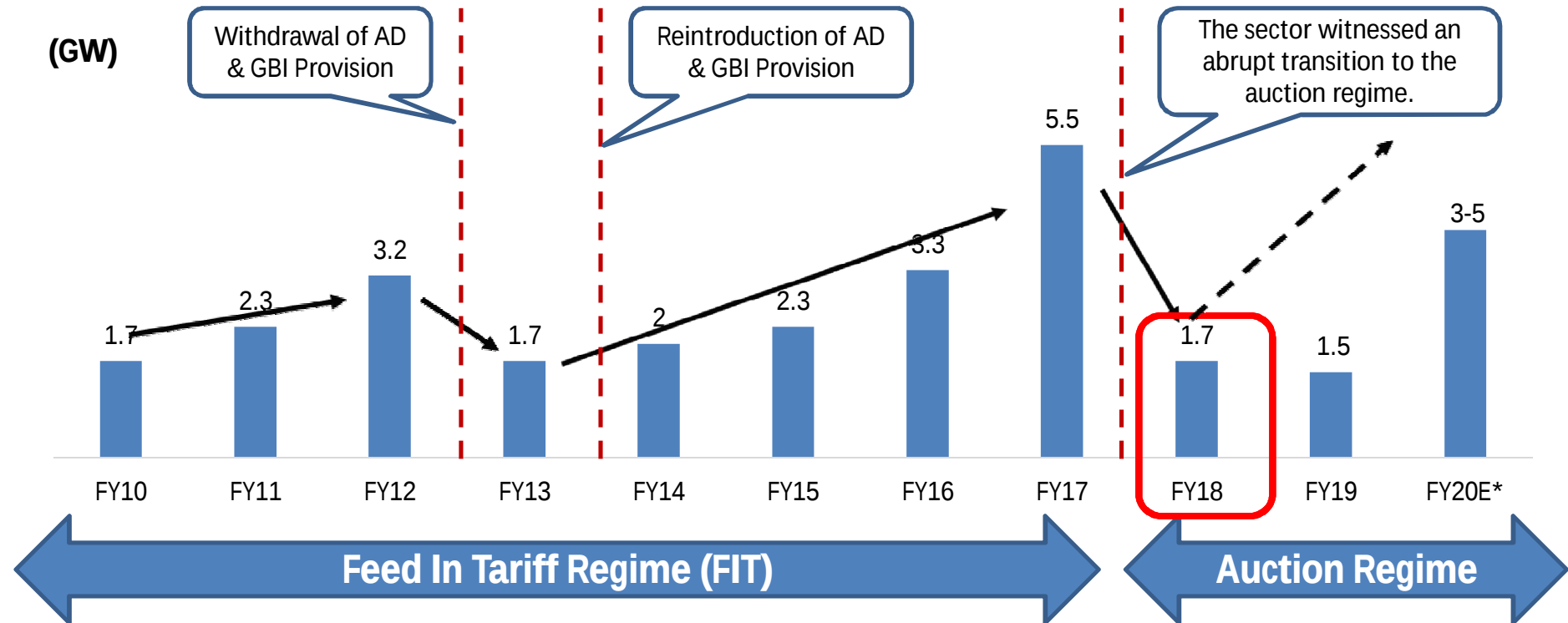
- The ~14 GW auctions conducted in the past 24 months should reflect in capacity addition over FY20 and FY21.
- In addition, the government has announced wind auctions of 10GW per annum till 2028* which provides huge potential runway for the sector.
- RPO target increased to 21% for FY22 for state discoms 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>



WIND SECTOR: GAINING STRENGTH



Impact of the abrupt transition to auction Regime from FIT regime seen in wind installations in FY18 and FY19. The impact of 14 GW auctions conducted during last two years would be visible in installations in the next couple of years.

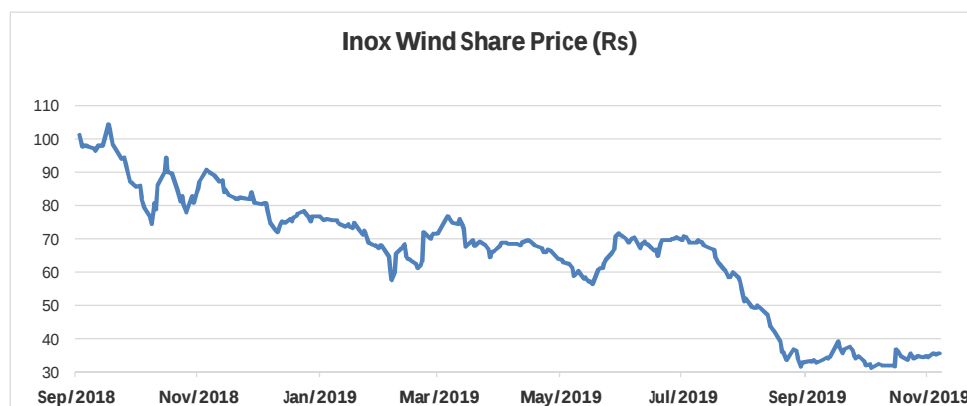
MANUFACTURING CAPACITY



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

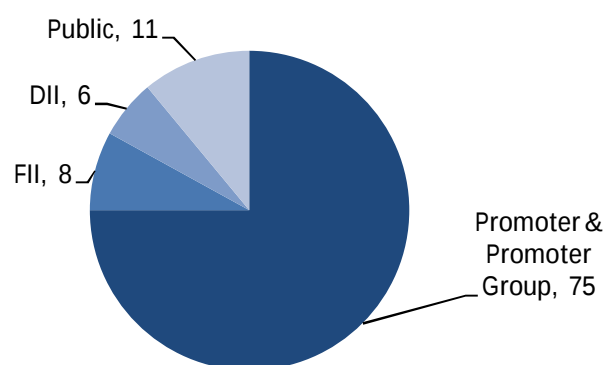
- Well positioned to take advantage of the growing market.
- Potential to debottleneck our nacelle and tower capacity with minor capex.
- Tower capacity can also be outsourced depending on project location.

SHAREHOLDING STRUCTURE



Source - BSE

% Shareholding – As of 30th Sep 2019



Source - Company

Market Data

As on 07.11.19 (BSE)

Market capitalization (Rs. Cr)	787
Price (Rs.)	35.45
No. of shares outstanding (Cr)	22
Face Value (Rs.)	10.0

Source - BSE

Key Investors as of 30th Sep 2019

% Holding

Nomura Singapore Limited	4.6%
Aadi Financial Advisors	1.4%
Elaara India Opportunity Fund	1.0%
Mangal Bhanshali	1.0%
Securities Holdings India Private Limited	0.7%

Source – Company



DETAILED FINANCIALS CONSOLIDATED P&L STATEMENT



(In Rs Lakhs)	Q2FY20	Q2FY19	YoY	Q1FY20	QoQ	H1FY20	H1FY19	YoY
Income								
a) Revenue from operation (net of taxes)	13,861	43,666		25,959		39,820	86,711	
Other Income	473	500		494		967	829	
Total Income from operations (net)	14,334	44,166	-68%	26,453	-46%	40,787	87,540	-53%
Expenses								
a) Cost of materials consumed	6,434	26,524	-76%	6,957	-8%	13,391	51,584	-74%
b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,253)	(415)	na	4,616	na	1,363	(222)	na
c) Employee benefits expense	2,366	2,382	-1%	2,192	8%	4,558	4,614	-1%
d) Finance costs	5,470	3,934	39%	4,848	13%	10,318	7,848	31%
e) Erection, Procurement & Commissioning Cost	7,049	2,744	157%	7,344	-4%	14,393	6,517	121%
d) Foreign Exchange Fluctuation (Gain)/Loss (net)	15	510	-97%	(380)	104%	(365)	270	-235%
e) Depreciation and amortization expense (refer note 4)	1,899	1,649	15%	1,691	12%	3,590	3,285	9%
f) Other expenses	1,354	6,623	-80%	1,398	-3%	2,752	11,610	-76%
Net Expenditure	21,349	43,922	-51%	28,673	-26%	50,022	85,484	-41%
Profit/(Loss) from ordinary activities before tax	(7,015)	244	-2975%	(2,220)	216%	(9,235)	2,056	-549%
Total Provision for Taxation	(2,455)	92	na	(804)	na	(3,259)	867	na
Profit/(Loss) for the period	(4,560)	152	-3100%	(1,416)	-222%	(5,976)	1,189	-603%
Other Comprehensive Income (after tax)	34	27	26%	10	240%	44	14	213%
Total Comprehensive Income for the period comprising Net Profit/(Loss) for the period & Other Comprehensive Income	(4,526)	179	-2629%	(1,406)	-222%	(5,932)	1,203	-593%
Earning Before Interest, Tax, Depreciation & Amortization (EBITDA) Incl Other Income	354	5,827	-94%	4,319	-92%	4,673	13,189	-65%
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)	(2.06)	0.07	-3110%	(0.64)	-223%	(2.69)	0.54	-603%
(Face value of Re 10 each) - Not annualized								

DETAILED FINANCIALS CONSOLIDATED BALANCE SHEET STATEMENT



Particulars (Rs. in Lakhs)	As of 30-Sep-19	As of 31-Mar-19
Assets		
(1) Non-current assets		
(a) Property, Plant and Equipment	108,184	94,272
(b) Capital work-in-progress	5,768	6,585
(c) Intangible assets	2,714	3,030
(d) Financial Assets		
(i) Investments	8,999	6,931
(ii) Loans	1,342	1,343
(iii) Other financial assets	33,644	31,001
(e) Deferred tax assets (Net)	14,302	10,863
(f) Income tax assets (Net)	1,977	1,600
(g) Other non-current assets	7,450	10,957
Total Non - Current Assets	184,380	166,582
(2) Current assets		
(a) Inventories	108,601	94,375
(b) Financial Assets		
(i) Investments	2,371	2,155
(ii) Trade receivables	162,726	162,985
(iii) Cash and cash equivalents	1,717	526
(iv) Bank Balances other than (iii) above	14,082	13,014
(v) Loans	78	52
(vi) Other financial assets	7,613	7,124
(c) Other current assets	47,118	27,292
Total Current Assets	344,306	307,523
Total Assets (1+2)	528,686	474,105

Particulars (Rs. in Lakhs)	As of 30-Sep-19	As of 31-Mar-19
EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity Share capital	22,192	22,192
(b) Other Equity	168,320	174,295
(c) Non Controlling Interest	(4)	(39)
Total equity	190,508	196,448
Liabilities		
(2) Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	23,873	33,161
(ii) Other financial liabilities	183	183
(b) Provisions	901	755
(c) Other non-current liabilities	2,018	5,920
Total Non - Current Liabilities	26,975	40,019
(3) Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	76,111	76,039
(ii) Trade payables	110,326	88,875
(iii) Other financial liabilities	31,103	32,019
(b) Provisions	306	284
(c) Current Tax Liabilities (Net)	12	0
(d) Other current liabilities	93,345	40,421
Total Current Liabilities	311,203	237,638
Total Equity and Liabilities (1+2+3)	528,686	474,105

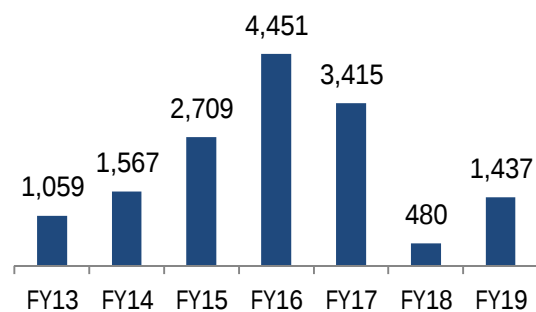
FINANCIAL SUMMARY



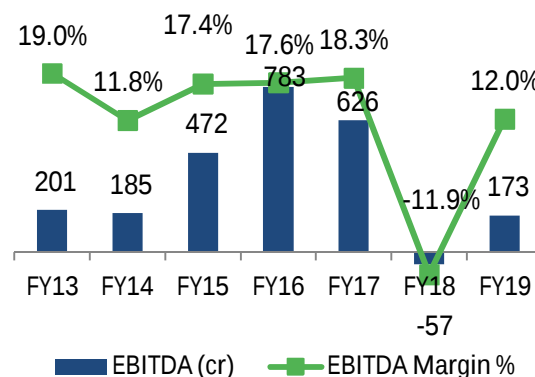
ROE: PAT/Avg. Equity, ROCE: EBIT/Avg. Capital Employed [(Capital Employed = Equity + Total Debt)]

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

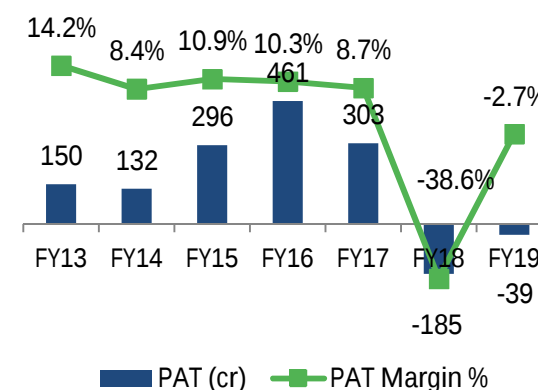
Revenue from Operations



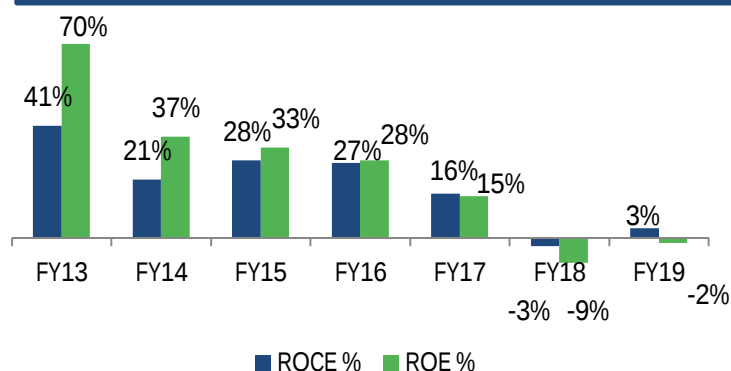
EBIDTA (Inc OI) & EBIDTA Margin %



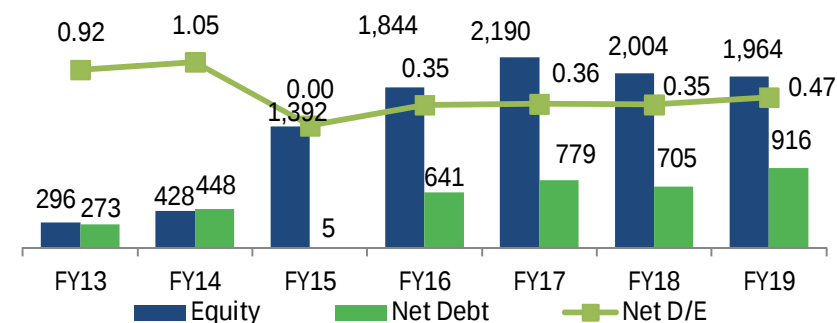
PAT & PAT Margin %



Return Ratios



Net Debt/Equity



In Rs. Cr



THANK YOU



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