



INOX WIND LIMITED
Q2 FY 23 INVESTOR UPDATE

DISCUSSION SUMMARY



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- ❑ OPERATIONAL HIGHLIGHTS
- ❑ STRATEGIC INITIATIVES
- ❑ WIND POWER INDUSTRY
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Actual image of 3.3 MW WTG erected at our Gujarat site



GROUP STRUCTURE & BUSINESS OVERVIEW



PART OF THE STRONG INOX GFL GROUP



Established businesses and market leadership across verticals

The Inox GFL Group with a legacy of more than 90 years is one of the largest business groups in India. The Group is a forerunner in diversified business segments comprising specialty chemicals, fluoropolymers, gases, wind turbines and renewables. The Group has a market capitalization of ~ 5.47 bn USD and an asset base of close to 2 bn USD.



Chemical Business



- Gujarat Fluorochemicals Ltd, leading Indian Chemicals Company.
- Business verticals : Fluoropolymers, Fluorospecialities & Chemicals.
- The only PTFE / fluoropolymer manufacturer in India.
- Developing products / grades catering to new age businesses viz. EV- Batteries, Solar Panels & Hydrogen Fuel Cells.

Renewable Energy Business



- Inox Wind Ltd is a fully integrated player in the wind energy market and provides end-to-end turnkey solutions.



- INOX Green Energy Services Limited is India's leading wind O&M services player with more than 10 years of operating history.

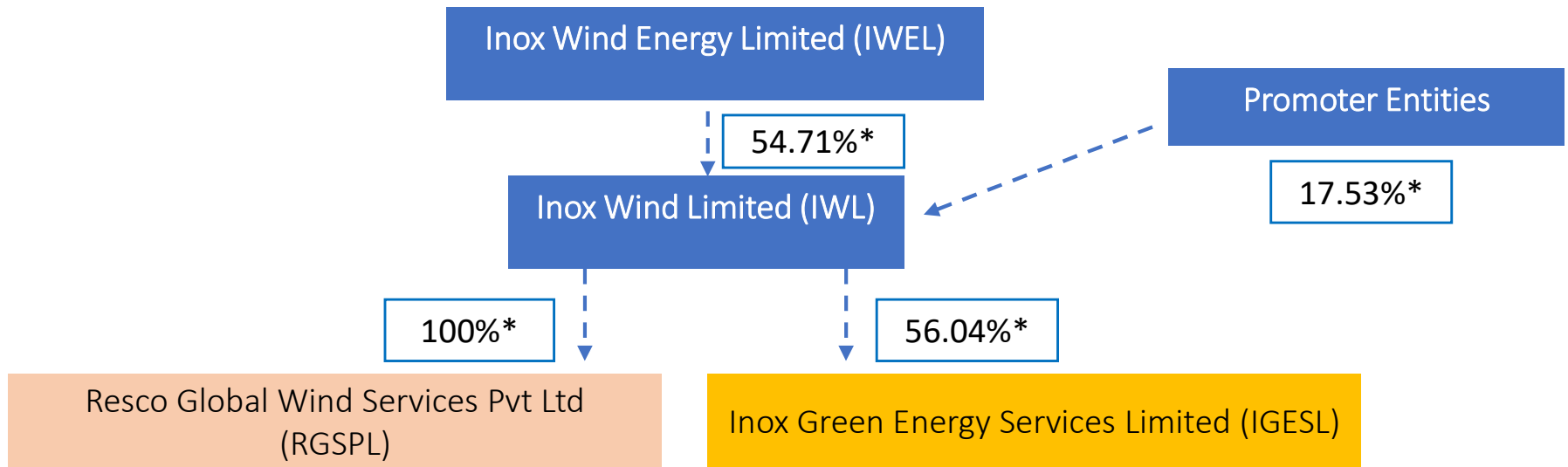
Inox Wind Energy Ltd.

- Inox Wind Energy Ltd is the holding company of wind business.

Market leader in diverse set of industries: Significantly ahead of nearest competitors



INOX WIND, IT'S HOLDING COMPANY & SUBSIDIARIES



Manufacturing

- ✓ Amongst the largest WTG manufacturers in India
- ✓ Exclusive licenses and agreements in place to leverage AMSC technology
- ✓ 4 plants to manufacture nacelles & hubs, blades and towers
- ✓ Sufficient land bank to install ~5000 MW capacity

Infrastructure (EPC)

- ✓ End-to-end services leading up to installation of turbines
- ✓ Construct sub-stations for power evacuation, high grid availability and minimum power losses

O&M

- ✓ Retains O&M contracts for almost all project sites.
- ✓ Contracts with third-party suppliers for spares;
- ✓ In-house manufactured inventory maintained at sites/ warehouses
- ✓ Skilled O&M team with regular trainings

* as on date

OPERATIONAL HIGHLIGHTS



OPERATIONAL HIGHLIGHTS

Key Highlights:

- ✓ Successfully completed IPO of Inox Green (O&M subsidiary) and raised Rs. 740 crs.
- ✓ The prototype of newly launched 3.3 MW WTG is performing well and post the testing and certification, serial supplies will commence given the supply chain is already in place.
- ✓ We believe the 3.3 MW WTG will be a game changer for the Indian markets given it's size and competitiveness.
- ✓ Execution of NTPC project (150 MW) is progressing well.
- ✓ We have recently been awarded with another order of 200 MW by NTPC. This order value is upwards of Rs. 1250 Crs. This order is in addition to the order of 150 MW won by us in FY 22.
- ✓ Completed the down sale of one SPV of 50 MW (SECI 1) to Torrent Power and three SPVs of 50 MW each (SECI 1) to Adani.
- ✓ The supplies towards the Continuum and Nani Virani (SECI II SPV) projects stand completed.
- ✓ Various retail orders are progressing well and commissioning of turbines is taking place progressively.
- ✓ During the quarter, the manufacturing operations were muted due to the seasonal monsoon impact. This year Gujarat witnessed unusually heavy rains.

STRATEGIC INITIATIVES



STRATEGIC INITIATIVES - A. MONETIZATION OF ASSETS AND MAKING WIND BUSINESS NET DEBT FREE



✓ Monetization of Assets

- ❖ The O&M business has been successfully monetized by way of an IPO amounting to Rs. 740 crs and with this the subsidiary **Inox Green Energy Services Limited (IGESL)** is now a listed entity.

✓ Deleveraging entire Wind Business:

- ❖ With an ultimate objective of making the Wind Business **net debt free** following actions are planned/taken:

A. Reduction in External Debt

- A reduction in external debt of wind business has been done as under:
 - Out of the total IPO proceeds, the debt reduction so far has taken place for an amount of Rs. 411 crs:
 - IGESL Rs. 250 crs
 - IWL Rs. 161 crs
 - A further reduction in the debt will happen in due course.
 - The proceeds from the following will also be used for further reduction of debt:
 - Conversion of warrants – ~ Rs. 200 crs to take place in Q4 FY23
 - Down selling of SECI 2 SPV (Nani Virani) - Rs. 100 crs likely to take place in the near future.

B. Internal Group Debt

The Company has already obtained approval of the shareholders for issuance of 0.01% Non Convertible Non Cumulative Participating Redeemable Preference Shares aggregating up to Rs. 800 crs to the promoters/group entities and the same will be utilized for repayment of internal debt taken from one of the Group Companies.



STRATEGIC INITIATIVES - B. PRODUCT MIX AND PRODUCT LAUNCH

Product Mix and EPC

- ✓ Aiming to mitigate the EPC related risks by preferring for equipment supply contracts over turn key contracts.
- ✓ More options to the customers: 2 MW & 3.3 MW turbines.

Product Launch

- ✓ First 3.3 WTG has been erected and is operating smoothly.
- ✓ Post the certification, serial supplies will commence given the supply chain is already in place.

INOX WIND



Actual image of 3.3 MW WTG erected at our Gujarat site

INOXGFL
GROUP
BEYOND INFINITY

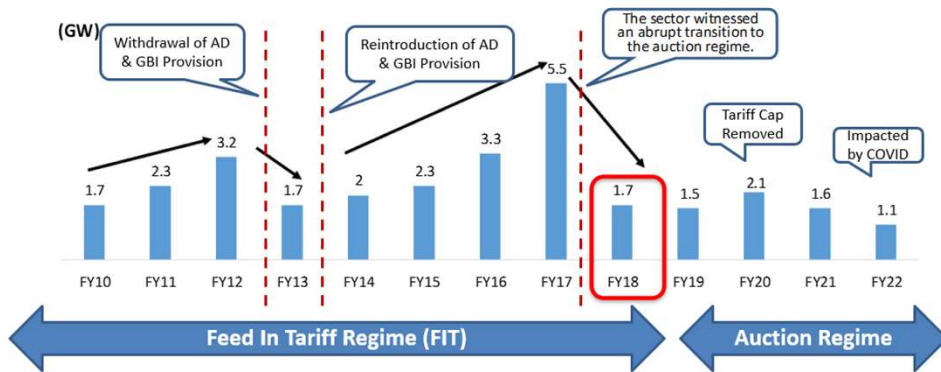
WIND POWER INDUSTRY – WITNESSING STRONG REVIVAL



WIND SECTOR : GAINING STRENGTH



Wind Power - Installations



Impact of the abrupt transition to Auction Regime from FIT Regime seen in wind installations in FY18 to FY 22. Impact of COVID can also be seen in FY 21 & 22. Going forward we expect 3~5 GW of wind installations will take place every year.

Wind Power - Auctions

Auction	Period	Volume (M W)	Yearly Volumes (M W)
SECI 1- SECI 3	Feb' 17 - Mar' 18	4050M W	
State Auctions	Feb' 17 - Mar' 18	1500M W	FY18: 5550M W
SECI 4	Apr-18	2000M W	
NTPC	Aug-18	1200M W	
SECI 5	Sep-18	1200M W	
Hybrid 1	Dec-18	840M W	
SECI 6	Feb-19	1200M W	FY19: 6440M W
Gujarat	May-19	745M W	
Hybrid 2	May-19	720M W	
SECI 7	Jun-19	480M W	
SECI 8	Aug-19	440M W	
Hybrid 3	Mar-20	1200M W	FY20: 3585M W
RTC 1	May-20	400M W	
SECI 9	Aug-20	970M W	
SECI 10	Mar-21	1200M W	FY21: 2570M W
RTC 2	Oct-21	2500M W@	
Hybrid 4	Aug-21	1200M W	
SECI 11	Sep-21	1200M W	YTD FY22: 4900M W
SECI 12	Jul-22	1200M W	
SECI 13	Auction Pending	1200M W	YTD FY23: 2400M W
Total		25445M W	

- ✓ The ~25 GW of auctions conducted in the past 36 months should reflect in capacity additions over FY23 to FY26.
- ✓ Government has also announced wind auctions of 10GW p.a. till 2028, which provides a huge potential runway for the sector.
- ✓ The RPO target has been increased to 21% for FY22 for state discoms, up from 17% in FY19.

FY23 marks a strong revival for Wind Auctions

- ✓ There is a major thrust on renewables across the globe. A key takeaway from the Russia-Ukraine war, is that countries across the globe are working on energy security (uninterrupted availability of energy sources at an affordable price) and see renewable energy as only the solution.
- ✓ India has announced a renewable energy target of 175 GW by 2022 and a target of 450 GW by 2030.
- ✓ In a significant move, MNRE has in-principle agreed to stop electronic reverse auctions of wind power projects. This will eliminate cut throat competition amongst the IPP bidders and help the tariff stabilization at a reasonable level where in the IPPs, DISCOMs and OEMs will enjoy reasonable and sustainable profit margins.
- ✓ One of the major initiatives taken by MNRE in respect of off shore development of wind energy, is to invite bids equivalent to a project capacity of 4 GW per year for the period of 3 years starting from FY 22-23, off the coasts of Tamil Nadu and Gujarat for sale of power through open access/captive/bilateral third party sale/merchant sale.



STRONG REVIVAL OF WIND SECTOR AND SIGNIFICANT MARKET OPPORTUNITIES



- ✓ Leading Indian companies, like Adani, JSW, Reliance, Renew and Sembcorp amongst others, have announced ambitious plans for setting up RE capacity over the next few years. They have cumulatively announced setting up RE capacity in excess of 200 GW.
- ✓ PSUs like NTPC, SJVNL, NHPC etc. are working on mega investments in renewable energy sector and actively participating in tenders and issuing tenders.
- ✓ There has been a significant increase in the participation of PSUs in auctions and floating of tenders, post the revival of wind sector.
- ✓ In the recently concluded reverse auction conducted by GUVNL in July 2022, the tariff discovered was in the range of Rs. 2.84 ~ 3.26. We believe that in the near future the tariffs may go up further and shall stabilize in the range of Rs. 3.00 to Rs. 3.50.
- ✓ The retail segment has also revived and become attractive given various states have now announced captive policies and renewables like themselves have been the cheapest source of power in most cases.
- ✓ There is significant demand which is visible from Group Captive and C & I segment of customers due to i. ensuring long term hedging of energy cost, ii. ESG compliance and iii. energy security.

IWL – ORDER BOOK & MANUFACTURING CAPACITY



ORDER BOOK



Particulars	Order Capacity (MW)
SECI Orders	550.0
NTPC Orders	350.0
LOI for 3.3 MW WTG from Adani	501.6
Agreement signed with leading MNC for 3.3 MW	23.1
Total*	1424.7
* Gross order book	

Above order book is expected to translate into revenues of ~Rs. 7500 crores over the next ~ 24 months.

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.
- ✓ Manufacturing operations have been fully established at the newly set up plant at Bhuj, Gujarat and are in full swing.

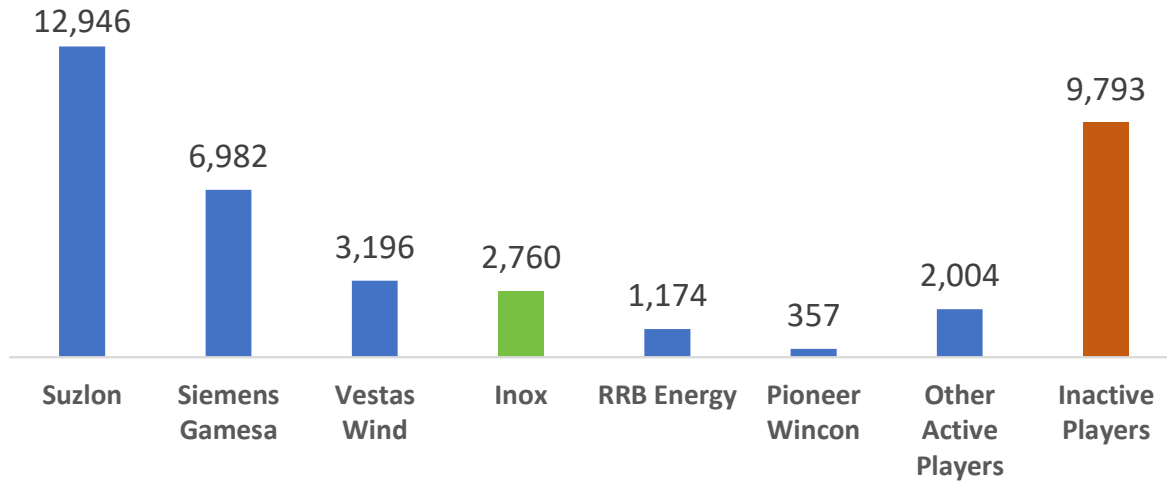
WIND O&M BUSINESS – EMERGING INTO A GROWTH DRIVER



O&M BUSINESS – MONITIZED AND NOW POISED FOR INORGANIC GROWTH



Inorganic Growth



- ✕ The O&M business of inactive players provide a significant opportunity for the Company for Inorganic Growth;
- ✕ Leverage on both our and our group’s existing customer base & relationship;

Inactive players include turbines supplied by players which do not offer equipment or services as of fiscal 2021
 Source: Industry Report

Organic Growth

- ✕ Growing portfolio through the entry of new long-term O&M contracts with customers who purchase IWL’s WTGs;
- ✕ Revision/Reset of Shared Services O&M contracts;
- ✕ Value added services;





O&M BUSINESS – MONITIZED AND NOW POISED FOR ORGANIC AND INORGANIC GROWTH

✓ A. Organic Growth:

- ❖ The execution of orders by Inox Wind shall lead to a firm addition to the existing fleet of ~ 3GW.
- ❖ **Pricing Reset:** Pricing of O & M contracts be it shared services or comprehensive are reset at the time of renewal of O & M contracts to increase profitability further.

✓ B. Inorganic Growth: Inorganic growth driven by:

- ❖ Acquisition of the O & M business of the turbines supplied by other OEMs:
 - There is as much as ~10 GW of wind generation capacity which is now being maintained by players like distressed OEMs, non OEM aggregators/technocrats who are primarily unorganized and financially weak and majority of this fleet is across retail customers.
 - Customers across the board are looking for a switchover to a strong, credible, renowned and **Indian O & M service provider** and we are sweetly placed to capture this opportunity going forward.

Such acquisition will be done by way of a combination of the following:

- A natural shift over of customers on their own;
- Offering customers free O & M services for a certain period;
- Outright acquiring the business from aggregators



IWL – CONSOLIDATED FINANCIAL HIGHLIGHTS





FINANCIAL HIGHLIGHTS CONSOLIDATED UN-AUDITED INCOME STATEMENT

Inox Wind Limited

Rs. Lakhs

Statement of Consolidated Unaudited Financial Results For Quarter and Half year Ended 30 September 2022

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
Income						
a) Revenue from operation (net of taxes)	10,722	21,062	16,584	31,784	33,520	62,462
b) Other Income	491	238	167	730	312	8,352
Total Income from operations (net)	11,213	21,301	16,751	32,514	33,832	70,814
Expenses						
a) Cost of materials consumed	10,600	15,067	12,566	25,668	20,923	39,099
b) Purchases of stock-in-trade	-	-	443	-	3,195	3,949
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4,350)	3,021	702	(1,329)	656	(4,092)
d) Employee benefits expense	2,111	2,092	1,992	4,202	4,523	8,529
e) Finance costs	9,428	8,243	6,865	17,671	13,136	28,269
f) Erection, Procurement & Commissioning Cost	3,235	2,194	2,254	5,430	3,509	11,798
g) Foreign Exchange Fluctuation (Gain)/Loss (net)	(39)	74	(263)	35	(114)	196
h) Depreciation and amortization expense	2,551	2,562	2,209	5,113	4,257	8,867
i) Other expenses	2,734	3,196	2,230	5,930	4,043	38,512
Total Expenses	26,271	36,449	28,998	62,720	54,128	1,35,126
Less: Expenditure capitalised	1,211	1,770	-	2,981	3,660	4,292
Net Expenditure	25,060	34,680	28,998	59,739	50,468	1,30,835
Share of loss of associates	-	-	3,660	-	-	-
Net Expenditure	25,060	34,680	25,338	59,739	50,468	1,30,835
Profit from ordinary activities before tax	(13,846)	(13,379)	(8,587)	(27,225)	(16,636)	(60,021)
Provision for Taxation	(466)	(400)	(2,835)	(866)	(5,630)	(17,041)
Profit for the period	(13,381)	(12,979)	(5,752)	(26,359)	(11,006)	(42,980)
Other Comprehensive Income	36	(9)	16	27	30	52
Total Comprehensive Income for the period comprising Net Profit/(Loss) for the period & Other Comprehensive Income	(13,344)	(12,988)	(5,736)	(26,332)	(10,976)	(42,927)
Earning Before Interest, Tax, Depreciation & Amortization (EBITDA)	(1,868)	(2,574)	487	(4,441)	757	(22,885)
Paid-up Equity Share Capital (Face value of ₹ 10 each)	27,728	27,728	22,192	27,728	22,192	22,192
Reserves excluding revaluation reserves						1,60,658
Basic & Diluted Earnings per share (₹)	(4.83)	(4.83)	(2.59)	(9.51)	(4.96)	(19.37)
(Face value of ₹ 10 each) - Not annualized						



THANK YOU



Jitendra Mohananey
Group Financial Controller

Contact No: 0120 6149600

Email : Investors.iwl@inoxwind.com