



INOX WIND LIMITED
Q3 - FY22 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.

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DISCUSSION SUMMARY

- ❑ OPERATIONAL HIGHLIGHTS
- ❑ STRATEGIC INITIATIVES
- ❑ GROUP STRUCTURE & BUSINESS OVERVIEW
- ❑ WIND POWER INDUSTRY
- ❑ ORDER BOOK & MANUFACTURING CAPACITY
- ❑ WIND O&M BUSINESS
- ❑ FINANCIAL HIGHLIGHTS



OPERATIONAL HIGHLIGHTS

OPERATIONAL HIGHLIGHTS – Q3 FY22

Key Highlights:

- ✓ As a part of strategic initiatives for monetisation of O & M business:
 - the EPC business has been hived off by way of slump sale from IWL's subsidiary Inox Green Energy Services Limited – IGESL (formerly Inox Wind Infrastructure Services Limited – IWISL) to another subsidiary RESCO Global Wind Services Pvt. Ltd – RGSPL, effective 31st December, 2021.
 - Post the hive off, IGESL remains a pure O & M Company
 - IGESL has filed a DRHP for an IPO, consisting of a primary and secondary component, totaling to Rs. 740 Crs (for further details in respect of IPO, kindly refer to the DRHP which has been filed with SEBI)
https://www.sebi.gov.in/filings/public-issues/feb-2022/inox-green-energy-services-limited_55952.html
- ✓ All the key components of 3.3 MW (including blades) have arrived, except one component which is likely to be received in the next few days. The turbine will be launched in Q4 FY 22 and commercial production will start in FY 23.
- ✓ Execution of the Continuum project, Nani Virani (SECI II SPV) and various retail orders is progressing well and commissioning of turbines is taking place progressively.
- ✓ Our consolidated order book stands at 1298.7 MW.

STRATEGIC INITIATIVES - FY22 & ONWARDS

Monetization of O&M Business

- ✓ Initiated process for monetization of O&M business:
 - ✓ Hived off EPC business from IGESL to another subsidiary of IWL
 - ✓ IGESL to remain a pure O & M company
 - ✓ IGESL has filed DRHP* for an IPO
 - ✓ *https://www.sebi.gov.in/filings/public-issues/feb-2022/inox-green-energy-services-limited_55952.html

Balance Sheet Actions

- ✓ IPO proceeds in IGESL will be used to deleverage the Company and for general corporate purposes*
 - ✓ OFS proceeds in IWL will be used *inter alia* to deleverage the Company
 - ✓ This will lead to:
 - ✓ significant reduction in the financial costs in both the companies and
 - ✓ facilitate the long term working capital requirement of IWL
- *https://www.sebi.gov.in/filings/public-issues/feb-2022/inox-green-energy-services-limited_55952.html

STRATEGIC INITIATIVES - FY22 & ONWARDS

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

- ✓ All the key components of 3.3 MW (including blades) have arrived, except one component which is likely to be received in the next few days.
- ✓ The turbine will be launched in Q4 FY 22 and commercial production will start in FY 23.

GROUP STRUCTURE & BUSINESS OVERVIEW

PART OF THE STRONG INOX GFL GROUP



Established businesses and market leadership across verticals

The Inox GFL Group, established more than 90 years ago, is a well regarded multi Billion USD group with diversified presence across multiple **business verticals**. It includes 4 listed companies with a combined market cap of **~USD 4.7 Bn.**

Inox GFL Group

Listed Companies



- Gujarat Fluorochemicals Ltd, leading Indian Chemicals Company
- Business verticals : Fluoropolymers, Fluorospecialities & Chemicals. The largest PTFE player in India



- Inox Wind Energy Ltd is the holding company of wind business & demerged from GFL Ltd in FY 21



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

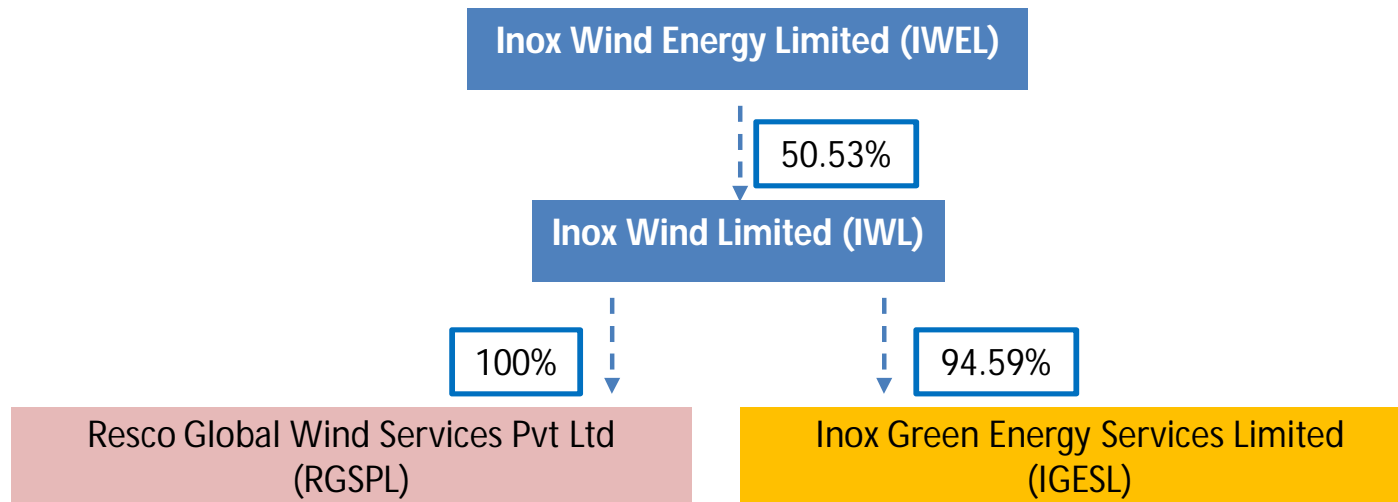


- GFL Ltd is the holding company of Inox Leisure Ltd

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

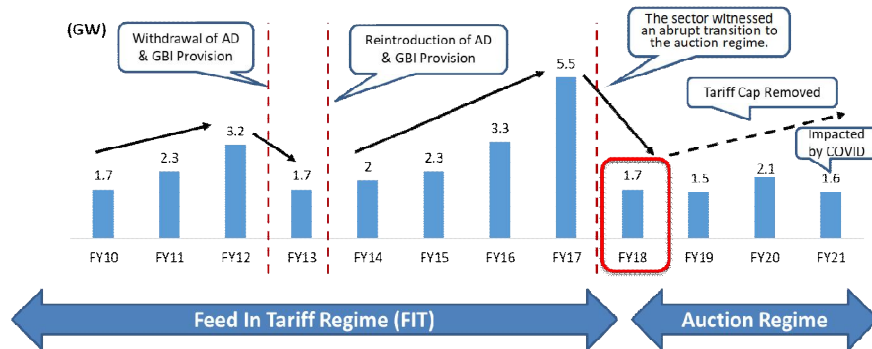
O&M

- ✓ 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

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, FY19 and FY 20. Impact of COVID can be seen in FY 21. Going forward we expect 3-5 GW of wind installations will take place every year.

Wind Power - Auctions

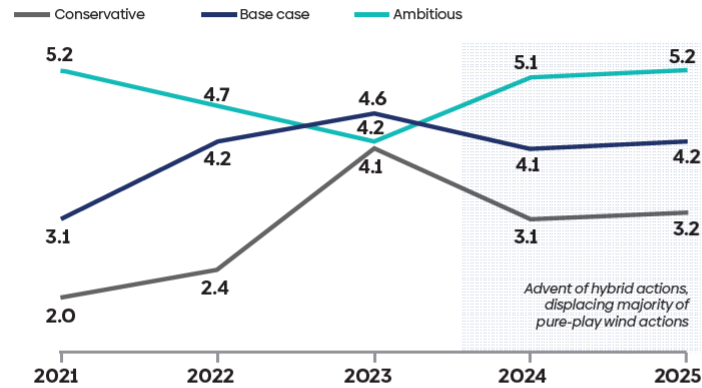
Auction	Period	Volume (MW)	Yearly Volumes (MW)
SECI 1 – SECI 3	Feb'17 – Mar'18	4050MW	
State Auctions	Feb'17 – Mar'18	1500MW	FY18: 5550MW
SECI 4	Apr-18	2000MW	
NTPC	Aug-18	1200MW	
SECI 5	Sep-18	1200MW	
Hybrid 1	Dec-18	840MW	
SECI 6	Feb-19	1200MW	FY19: 6440MW
Gujarat	May-19	745MW	
Hybrid 2	May-19	720MW	
SECI 7	Jun-19	480MW	
SECI 8	Aug-19	440MW	
Hybrid 3	Mar-20	1200MW	FY20: 3585MW
RTC 1	May-20	400MW	
SECI 9	Aug-20	970MW	
SECI 10	Mar-21	1200MW	FY21: 2570MW
RTC 2	Oct-21	2500MW [®]	
Hybrid 4	Aug-21	1200MW	
SECI 11	Sep-21	1200MW	
SECI 12 & SECI 13	Auction Pending	2400MW	YTD FY22: 7300MW
Total		25445MW	

- ✓ The ~25 GW of auctions conducted in the past 36 months should reflect in capacity additions over FY22 to FY25.
- ✓ 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.

FY22 marks a strong revival for Wind Auctions

WIND POWER SECTOR – POSITIVE OUTLOOK

FIGURE 12 | Y-O-Y NEW WIND INSTALLATIONS IN INDIA 2020-25



Installations 2021-25

24.4 GW

20.2 GW

14.8 GW

Advent of hybrid actions, displacing majority of pure-play wind actions

Majority of active pipeline is commissioned until 2022; except in conservative case due to continued land, fin. issues

Peak in installations in 2023 with expiry of ISTS waive-offs in June 2023

Installations stabilize with annual hybrid auctions, where wind plays critical role; trajectory visible from 2023 in ambitious case

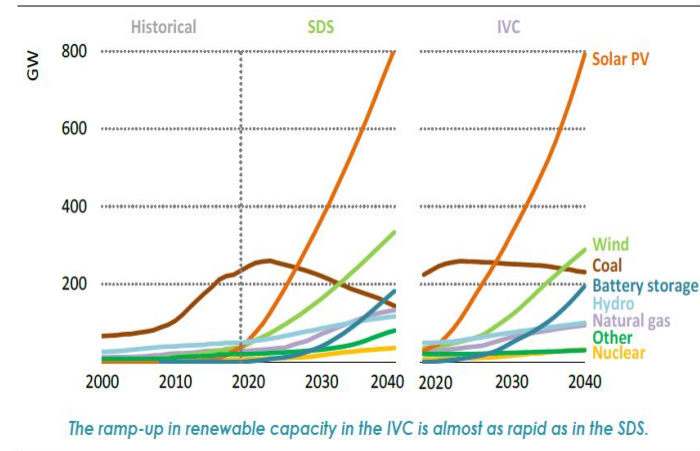
Note: As per calendar years; forecasts are inclusive of hybrid projects

Source: State ARRs; RPO documents; PGCIL; NTC and RTC Meeting minutes; credit rating report; CEA; SECI; MEC+ analysis

#Wind Power Installations in India 2020-2025

Source – India Wind Energy Market Outlook 2025, GWEC India, mec+

* Source – India Energy Outlook 2021, by International Energy Agency



*Power Capacity Ramp up – 2000-2040

The **India Vision Case (IVC)** is based on a rapid resolution of today's public health crisis and a more complete realisation of India's stated energy policy objectives, accompanied by a faster pace of economic growth than in the STEPS.

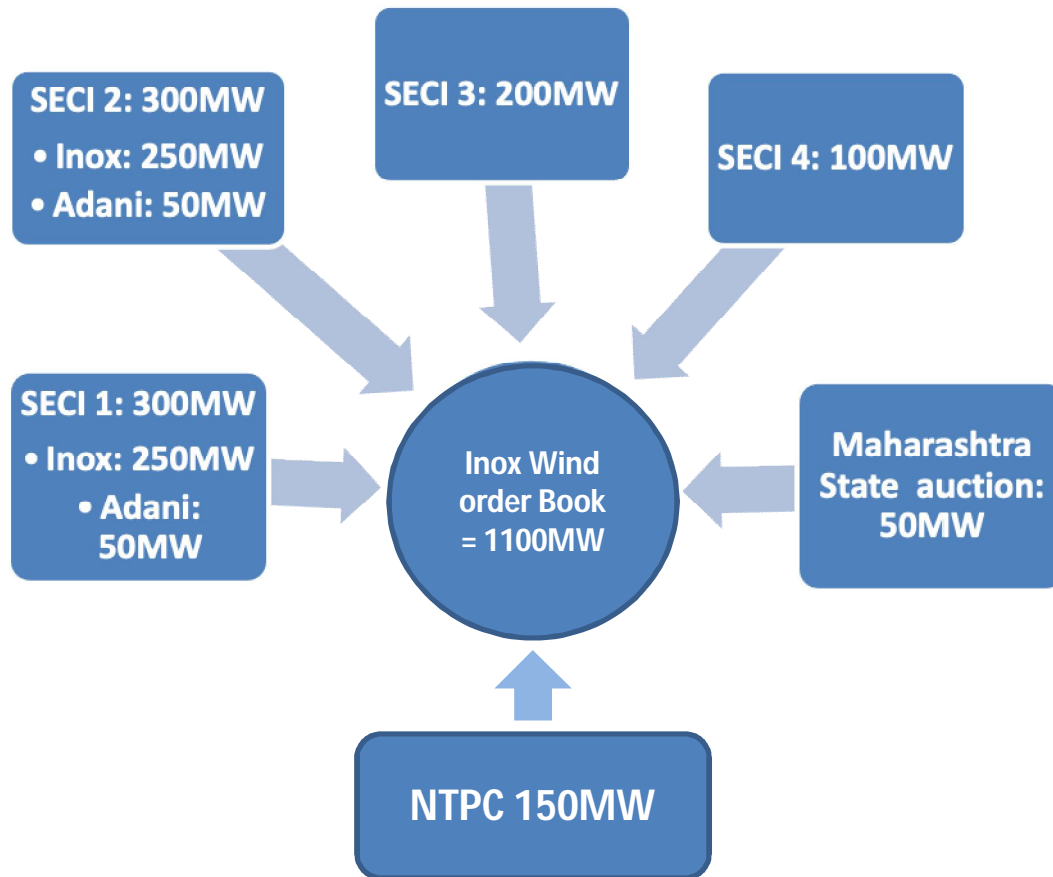
The **Sustainable Development Scenario (SDS)** explores how India could mobilise an additional surge in clean energy investment to produce an early peak and rapid subsequent decline in emissions, consistent with a longer-term drive to net zero, while accelerating progress towards a range of other sustainable development goals.

SIGNIFICANT MARKET OPPORTUNITIES OPENING FOR IWL

- ✓ Major thrust in renewable sector:
 - ✓ India has announced a renewable energy target of 175 GW by 2022 and a target of 450 GW by 2030.
 - ✓ Leading Indian companies, the likes of Reliance Industries, NTPC, Adani, JSW 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.
- ✓ Hybrid Tenders are increasingly gaining traction wherein the minimum wind capacity will be 33% of the contracted capacity – bids for 3960 MW of hybrid auctions have been awarded by SECI in the past 3 years.
- ✓ SECI has recently awarded two tenders, SECI 11 (1,200 MW) and Hybrid 4 (1,200 MW).
- ✓ SECI has further invited bids for wind power:
 - ✓ in Oct., 2021 for 1200 MW under SECI 12
 - ✓ In Jan., 2022 for 1200 MW under SECI 13
- ✓ RTC II Tender of 2500 MW* has been awarded in Oct., 2021 – *RE 51%, with coal based thermal power
- ✓ The sector is witnessing active participation by multiple existing players as well as seeing entry of players like JSW, O2, Ayana and creation of new renewable energy platform of investors backed by private equity and pension funds like KKR, Edelweiss, Sekura, CPPIB etc.

IWL – ORDER BOOK & MANUFACTURING CAPACITY

STRONG ORDER BOOK FOR IWL



Particulars	Capacity MW
Auction based order book	1100
Others	118
Supplied	(464)
Net order book (A)	754
LOI for 3.3 MW from Adani (B)	501.6
Agreement signed with leading MNC IPP for 3.3 MW (C)	23.1
Order from Continuum	126
Supplied	(106)
Net order book (D)	20
Total (A+B+C+D)	1298.7

Above order book will translate into revenues of ~Rs.7000 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* – CONSISTENT GROWTH

- ✓ Established business with multiple years of operating history.
- ✓ Long term agreements in place with revenue visibility with inbuilt fixed escalation in contracts.
- ✓ O&M revenues are noncyclical in nature and have steady cash flow generation.
- ✓ Order book of IWL providing visibility for top line for O&M business.
- ✓ Sizable O&M team with average experience of more than 10 years in O&M business.

* For further details please refer DRHP https://www.sebi.gov.in/filings/public-issues/feb-2022/inox-green-energy-services-limited_55952.html

IWL – CONSOLIDATED FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

Financials

- ✓ Revenue and EBITDA compared to preceding **quarter** :
 - Total revenue of Rs. 186 Crs in Q3 FY22 against revenue of Rs. 168 Crs in Q2 FY22
 - EBITDA of Rs. 1.88 Crs in Q3 FY22 against EBITDA of Rs. 4.87 Crs in Q2 FY22.

- ✓ Revenue and EBITDA compared to corresponding **9 months**:
 - Total revenue of Rs. 524 Crs in FY22 against revenue of Rs. 488 Crs in FY21
 - EBITDA of Rs. 9.45 Crs in FY22 against EBITDA loss of Rs.(51.67) Crs in FY21

FINANCIALS – CONSOLIDATED P&L STATEMENT

Particulars	Q3FY22 (In Rs Lakhs)	Q3FY21 (In Rs Lakhs)	Q2FY22 (In Rs Lakhs)	9Months FY22 (In Rs Lakhs)	9Months FY21 (In Rs Lakhs)	FY21 (In Rs Lakhs)
Income						
a) Revenue from operation (net of taxes)	15,202	20,380	16,584	48,723	47,155	71,073
b) Other Income	3,388	564	167	3,700	1,640	7,269
Total Income from operations (net)	18,590	20,944	16,751	52,423	48,795	78,342
Expenses						
a) Cost of materials consumed	9,823	13,333	12,566	30,746	19,353	28,185
b) Purchases of stock-in-trade	-	267	443	3,195	12,528	14,042
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,239)	330	702	(1,583)	(1,472)	3,439
d) Employee benefits expense	2,022	2,509	1,992	6,545	7,271	9,259
e) Finance costs	6,872	7,045	6,865	20,008	19,454	25,548
f) Erection, Procurement & Commissioning Cost	3,604	1,172	2,254	7,113	7,822	12,575
g) Foreign Exchange Fluctuation (Gain)/Loss (net)	196	(334)	(263)	82	(149)	(356)
h) Depreciation and amortization expense	2,585	2,288	2,209	6,842	6,516	8,802
i) Other expenses	5,502	2,862	2,230	9,545	8,609	21,200
Net Expenditure	27,861	29,472	25,338	78,329	79,932	121,608
Profit/(Loss) from ordinary activities before tax	(9,271)	(8,528)	(8,587)	(25,906)	(31,137)	(45,909)
Total Provision for Taxation	(2,873)	(3,331)	(2,835)	(8,504)	(11,012)	(15,197)
Profit/(Loss) for the period	(6,398)	(5,197)	(5,752)	(17,403)	(20,125)	(30,712)
Other Comprehensive Income (after tax)	(11)	39	16	19	25	26
Total Comprehensive Income for the period comprising Net Profit/(Loss) for the period & Other Comprehensive Income	(6,409)	(5,158)	(5,736)	(17,384)	(20,100)	(30,686)
Earning Before Interest, Tax, Depreciation & Amortization (EBITDA) Incl Other Income	188	805	487	945	(5,167)	(11,559)
Paid-up Equity Share Capital (Face value of Re 10 each)	22,192	22,192	22,192	22,192	22,192	22,192
Basic & Diluted Earnings per share (Rs) (Face value of Re 10 each) - Not annualized	(3)	(2)	(3)	(8)	(9)	(14)

THANK YOU



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