Power Ventures Plc

FY 19 ANNUAL RESULTS
INVESTOR PRESENTATION

1 August 2019

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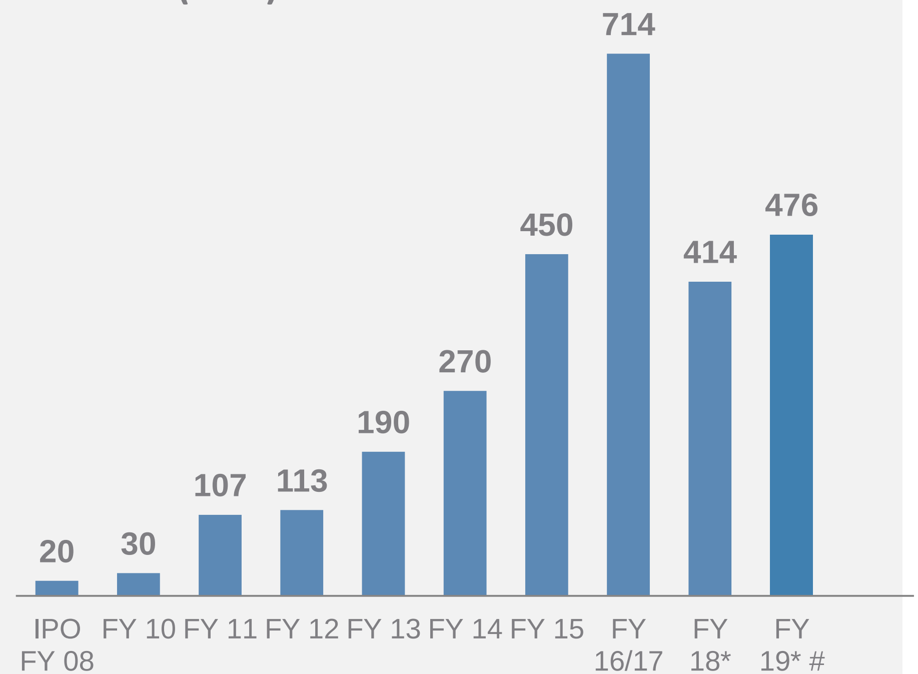
A DEVELOPER AND OPERATOR OF POWER PLANTS

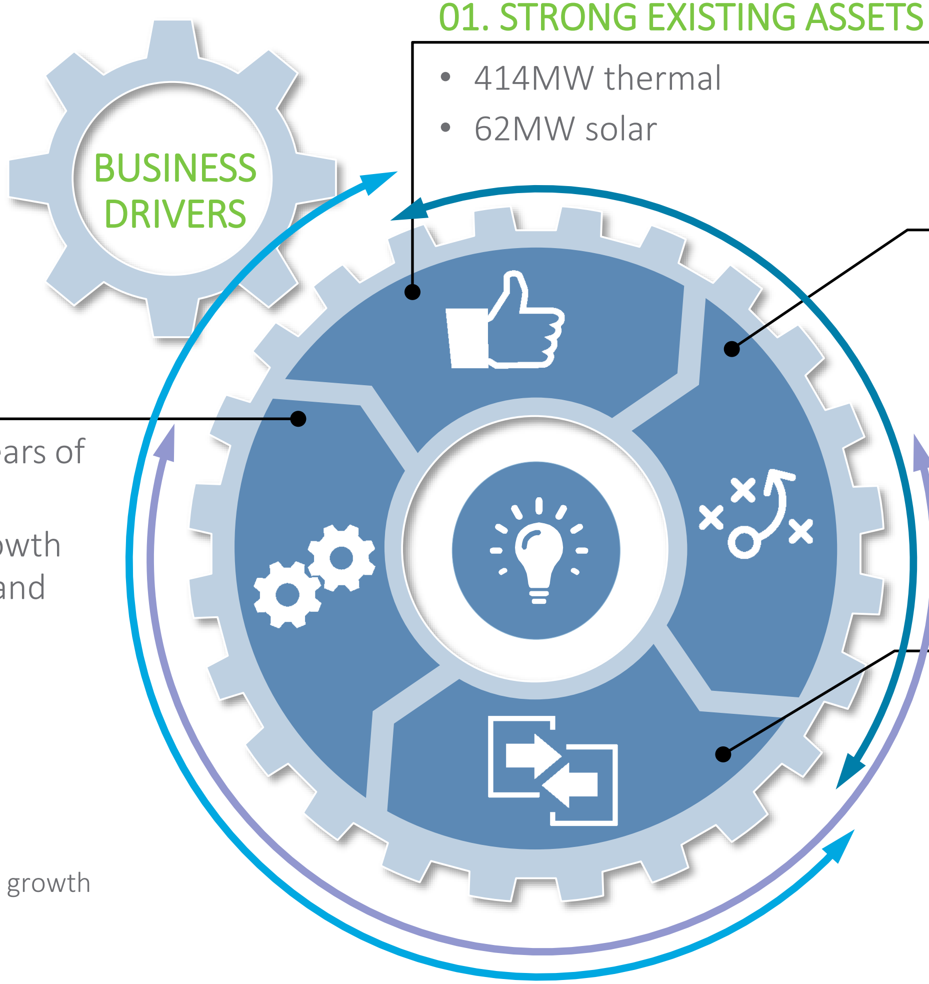
CAPACITY (MW)



* Excluding 300MW Gujarat plant which was deconsolidated in FY18

62 MW Solar power plant became fully operational

CONSISTENT DELIVERY ON POTENTIAL



01. STRONG EXISTING ASSETS BASE

- 414MW thermal
- 62MW solar

02. WELL POSISTIONED

- Strong electricity demand in India
- Per capita consumption is low
- YoY increase in demand is proportional to GDP growth (which is c. 7%)
- OPG thermal assets are performing at high Plant Load Factor.

03. DECREASING DEBT PROFILE

- Decreasing gross debt
- £80.4m FY19 from £93.5m FY18 and £127.3m FY17
- Unit 1 of Chennai became debt free during FY 19.
- Chennai plant debt free by CY23.
- One of the lowest gearing ration in the industry

04. POTENTIAL

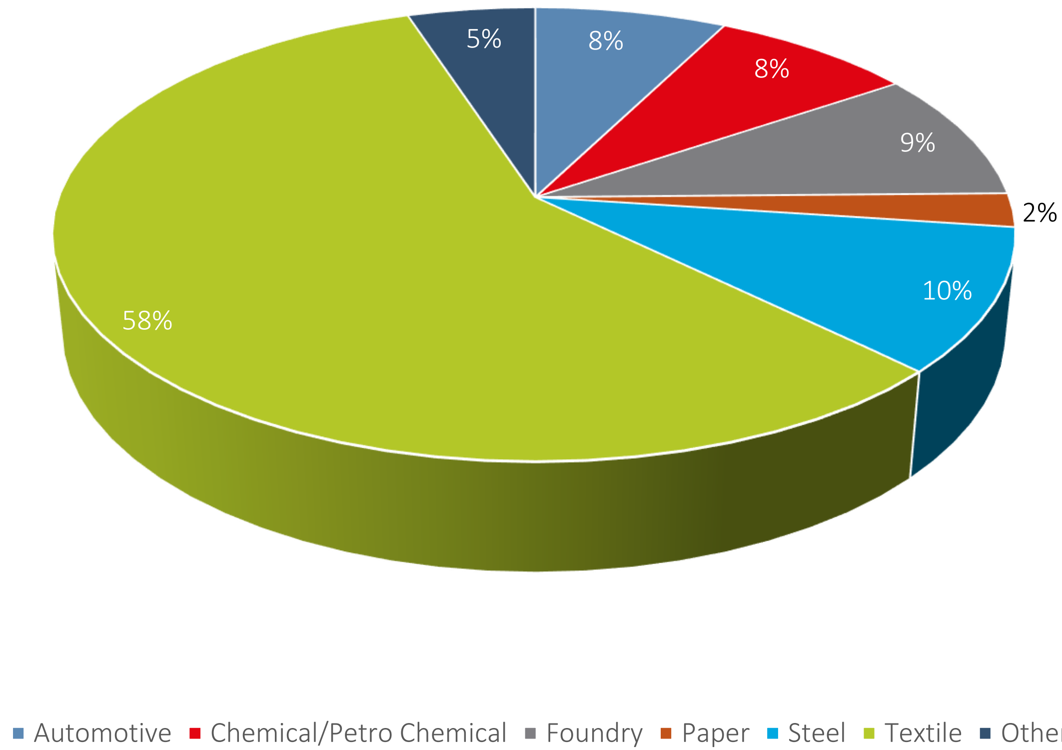
- Track record of three years of dividends
- Potential for further growth due to increase in demand
- Increased EBITDA and profitability

Starting position
Delivery and stable growth
Moving forward

A DIVERSE INDUSTRIAL CUSTOMER BASE & MULTI-YEAR CONTRACTS

Pioneer in Group captive model

- Attractive tariffs
- Multi-year sales contracts
- Improved cash cycle
- Largest group captive player in Tamil Nadu



FY19 FULL YEAR HIGHLIGHTS

FY19 HIGHLIGHTS

FY19 GENERATION:

2.71 TwH*

(FY18: 2.77 TwH)

* Including 0.2 Bn of Deemed Generation

REVENUES:

£140.6 million

(FY18: £140.1 million)

Increase of 0.4%

EBITDA

£35.3 million

(FY18: £24.7 million)

EBITDA margin 25.1% & increase of 42.7%

PROFIT AFTER TAX

£14 million

(FY18: loss of £100.9* million)

* Due to impairment provision and loss from discontinued operation.

GEARING

34% (FY18: 40%)

Principal debt repayment of £20.6m during FY19 (5.3 pence per share)

DIVIDEND

0.6p per share Scrip Dividend

(FY18: scrip dividend of 1p per share)

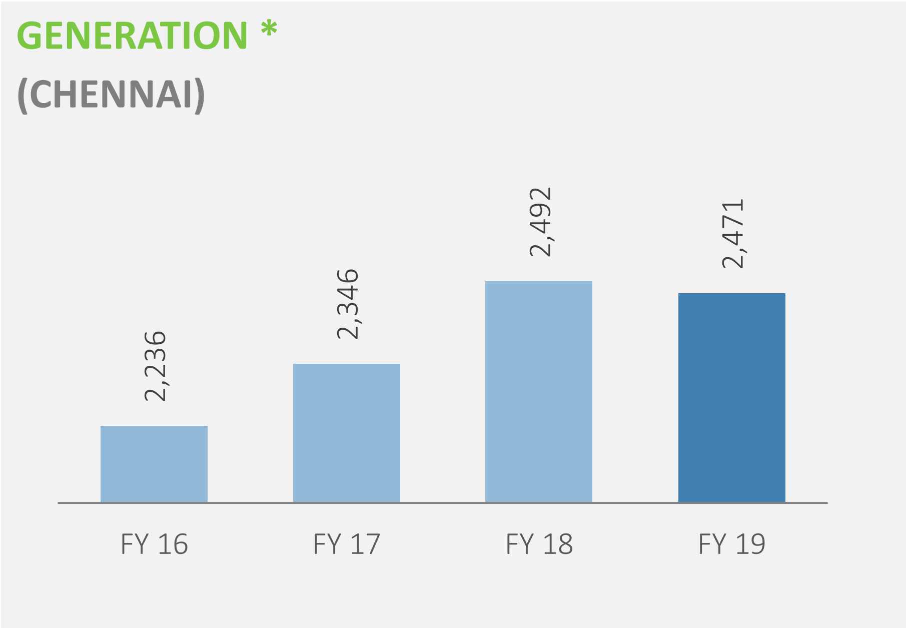
TARIFF FOR INDUSTRIAL & COMMERCIAL CUSTOMERS

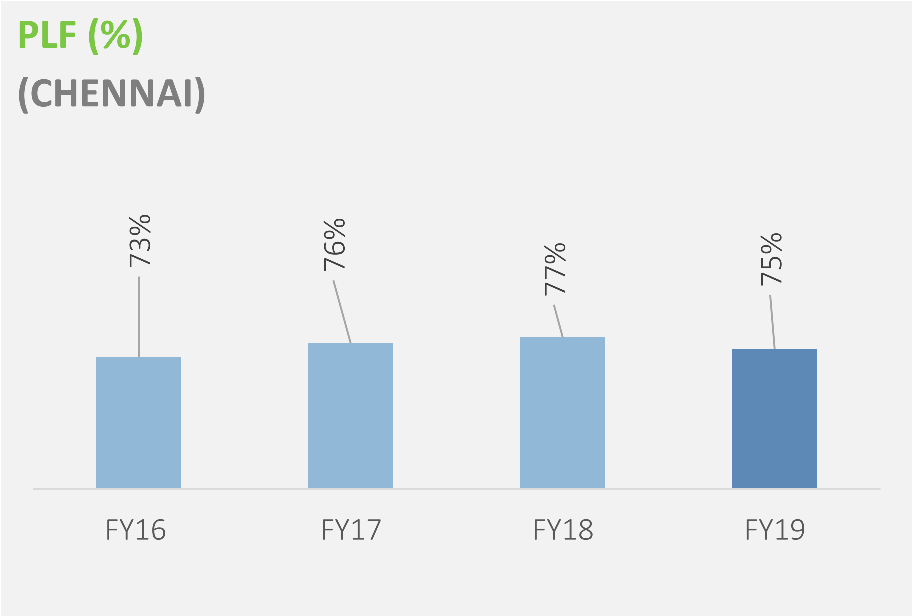
Rs 5.41 per kWh

(FY18: Rs 4.92 per kWh)

Increase of 10%

MAXIMISING EXISTING ASSETS – CHENNAI OPERATIONAL PERFORMANCE





*Excluding deemed generation.

Slight decrease in generation in FY19 was primarily due to Unit IV (180 MW) being shut down from early December 2018 to early March 2019 whilst turbine repairs were undertaken.

SAFETY & ENVIRONMENT PERFORMANCE

ENVIRONMENTAL STRATEGY & FOCUS

Strategy

- Improved efficiency and emission reduction
- Operational excellence
- Internal standards exceed Ministry of Environment and Forestry (MoEF) standards

Focus areas

- Zero Liquid Discharge (ZLD)
- Training and education
- Zero Accident
- Reduced Water Consumption & load water bodies.

RESULTS

Environment

- No depletion of ground water table with the base line data of 2015.
- No exceedances report of emissions from statutory departments.
- All statuary approval are up to date.

Safety

- Safety culture among the OPG family
- "Near Zero" TRIR* in Chennai,
  FY19: 0, FY 18: 0.87

*Total Recordable Incident Report


FINANCIALS

RESULTS
KEY PERFORMANCE HIGHLIGHTS

Year ended 31st March (£m)	FY19	FY18	Change %
Operational			
Units produced* (in MU)	2,705	2,803	
Average PLF (%)	75%	77%	
Financial			
Revenue	140.6	140.1	0.4 %
EBITDA **	35.3	24.7	42.7%
Net finance costs	(12.4)	(12.0)	3.2%
Profit before tax and impairments	**16.8**	**6.2**	
Tax expense	(1.8)	(3.1)	
Profit after tax (before impairments)	**15.0**	**3.1**	
Impairment provisions	-	(4.0)	
Profit / (Loss) from continued operations	**15.0**	**(0.9)**	
Loss from discontinued Operations	(1.0)	(100.0)	
Profit / (Loss) for the year	**14.0**	**(100.9)**	
Key metrics			
Cash flow from continuing operations	28.1	57.0	-50%
Gross Debt	80.4	93.5	-14%
Debt/EBITDA	2.2	3.8	

Increase in PBT primarily due to increase in tariff during FY19 in comparison with FY18

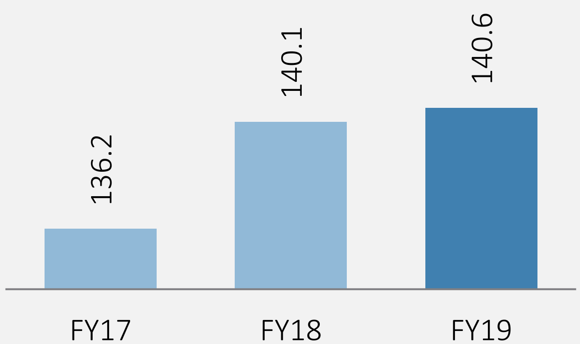
Decrease in borrowings on account of repayment of debt as per schedule

* Including deemed generation

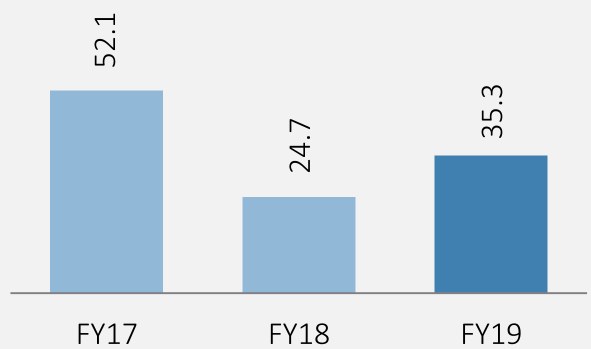
** Excluding one -off impairment provision of £4.0m in FY18

EARNINGS FROM CONTINUING OPERATIONS

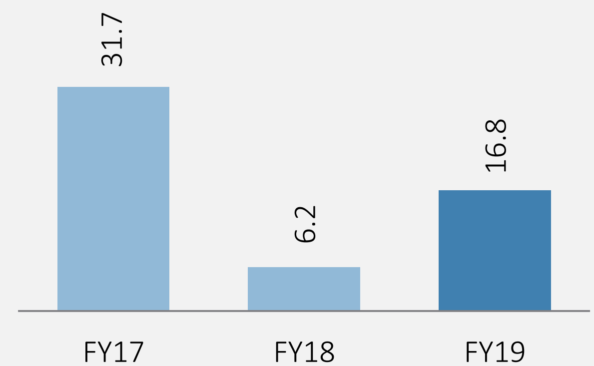
REVENUES (£M)



EBITDA (£M)*



PROFIT BEFORE TAX AND IMPAIRMENTS (£M)



Increase in EBITDA is due to higher tariff rate.

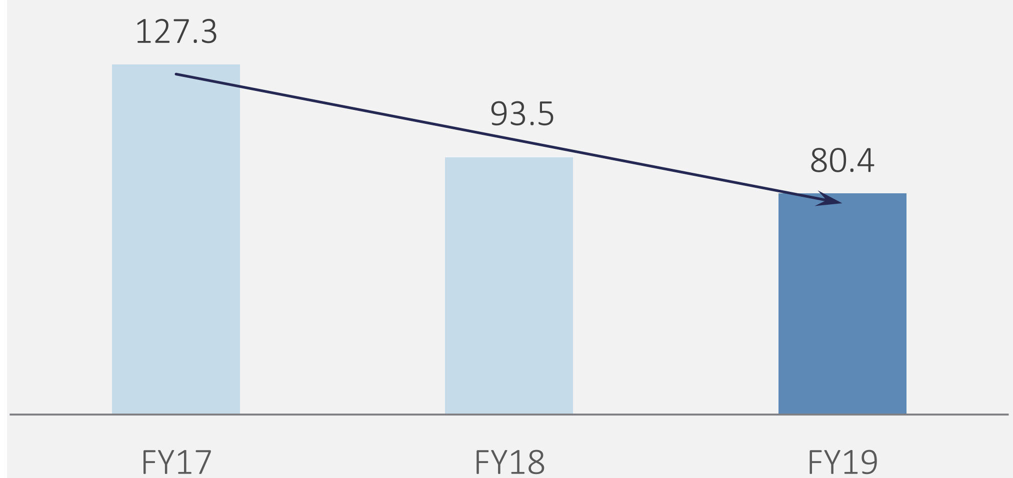
* Excluding one off impairment provision of £4.03m in FY18

OUTLOOK

GROSS DEBT: CHENNAI

- Term loans principal repayment in FY19 is £20.6m (5.3 pence per share).
- Chennai Unit 1 became debt free from Dec 18.
- Chennai plant is scheduled to be debt free by CY23

GROSS DEBT £ MILLION

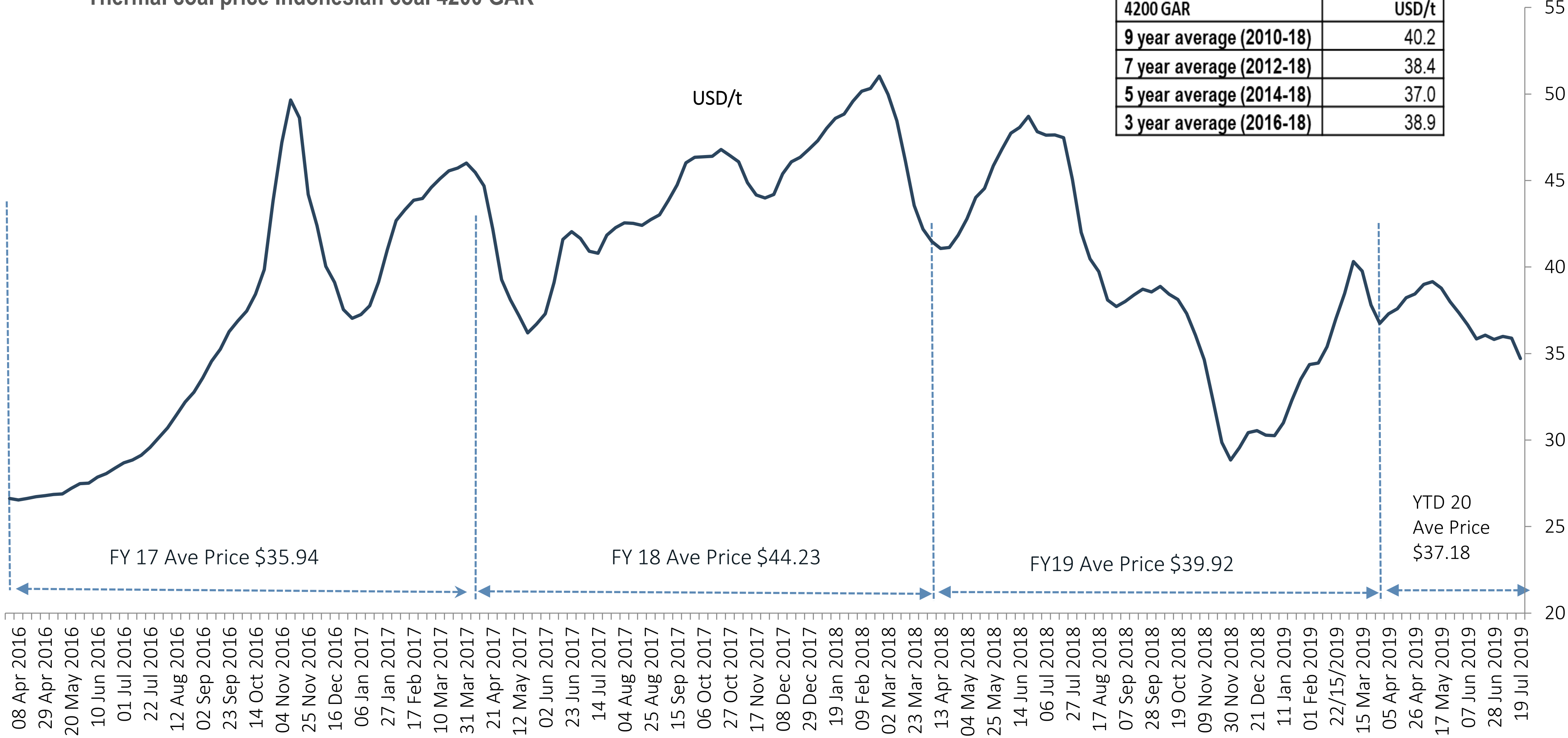


Gross debt of £80.4 million is comprised of term loans of £69.9 million and working capital loans of £10.5 million.

INTERNATIONAL COAL PRICE TREND

Thermal coal price Indonesian coal 4200 GAR

4200 GAR	USD/t
9 year average (2010-18)	40.2
7 year average (2012-18)	38.4
5 year average (2014-18)	37.0
3 year average (2016-18)	38.9



Source: Argus

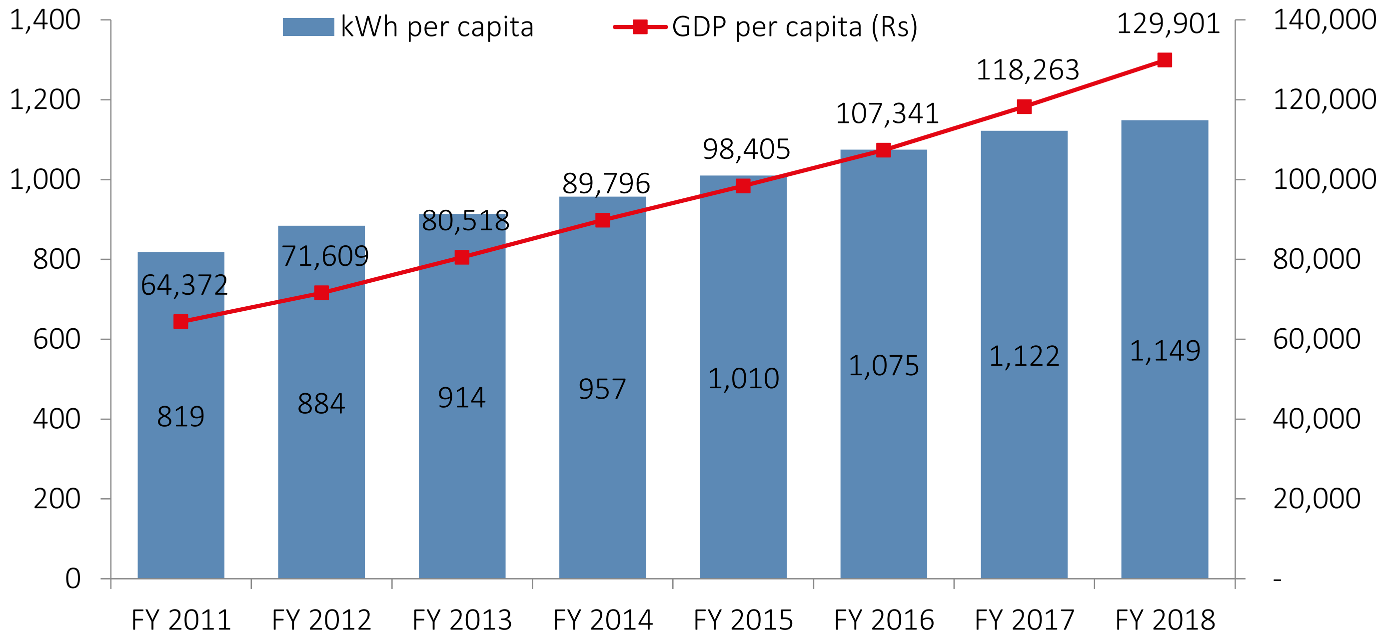
OUR PRIORITIES

Areas	Plan	Actions during the year
Cash flows	• Maximise cashflows from existing assets	• Robust PLF & generation • Increase in Tariff • Coal prices are expected to continue downwards trend. Approx. 60% of FY20 coal requirements are hedged with a fixed price contract
Safety & Environment Performance	• Maintain internal standards - exceeding regulatory norms. • Continued improvement in Total Reported Injury Rate	• Exceeding in most parameters • Near Zero TRIR
Sustainable & Deleveraged	• Consistent repayment of debt • Maintain discipline and position for attractive growth opportunities	• £20.6m term loan principal repaid in FY19 • Debt Free : Unit I in Dec 18, Unit II & III in CY 22 and Unit IV in Q3 CY23 • 0.6p scrip dividend

STRONG FUNDAMENTALS FOR INDIAN ECONOMY & POWER SECTOR

DEMAND FOR POWER IS DIRECTLY PROPORTIONAL TO GDP GROWTH

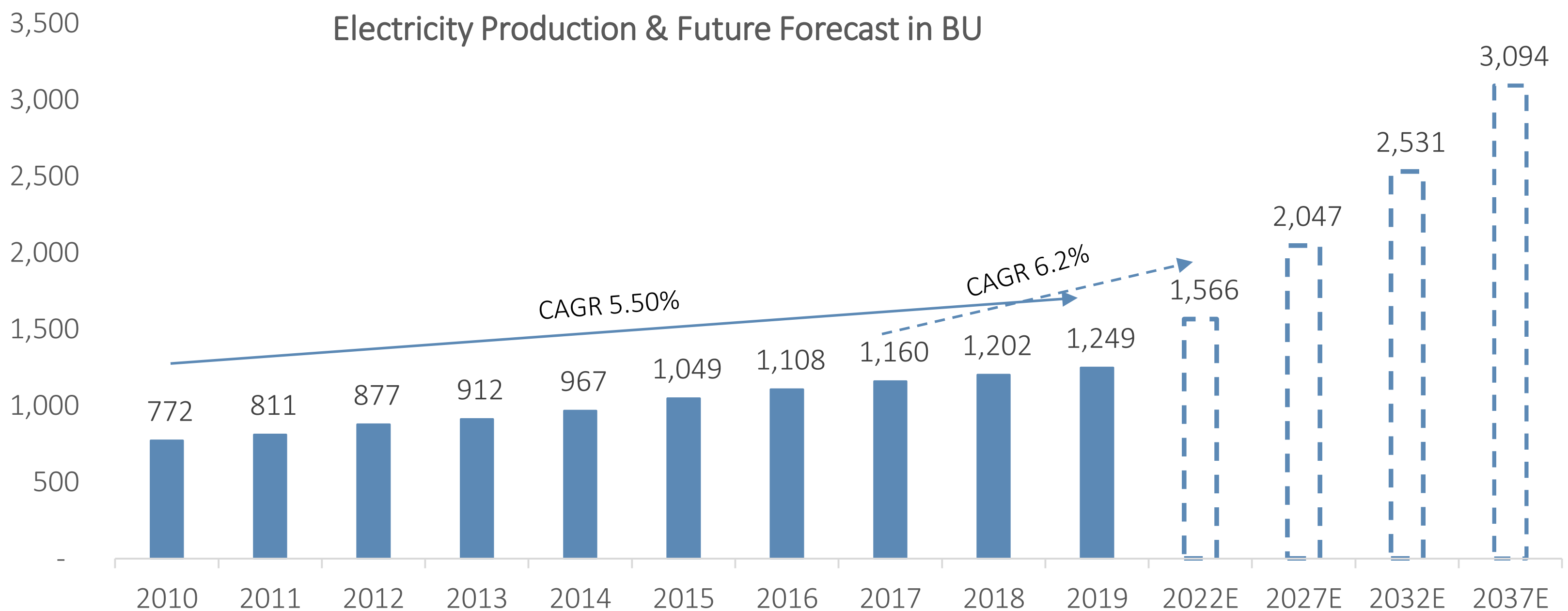
- In India, overall GDP per capita and electricity consumption is related to each other (see the below chart).
- Indian GDP is expected to be among top three economics in the world and YoY growth estimated to be at c. 7%.
- Indian average per capita electricity consumption continue to be less than the half of the world average per capita electricity consumption.



Source: CEA & Ministry of Statistics

INDIAN POWER DEMAND

- From FY10 to FY19, electricity production in India grew at a CAGR of 5.50 %.
- As per Central Electricity Authority report, demand for electricity is expected to increase at a CAGR of 6.2% to 1,566 BU from FY17 to FY22.
- There is a clear gap between future demand and current supply level.
- There must be robust growth to meet the increasing power demand of the country.

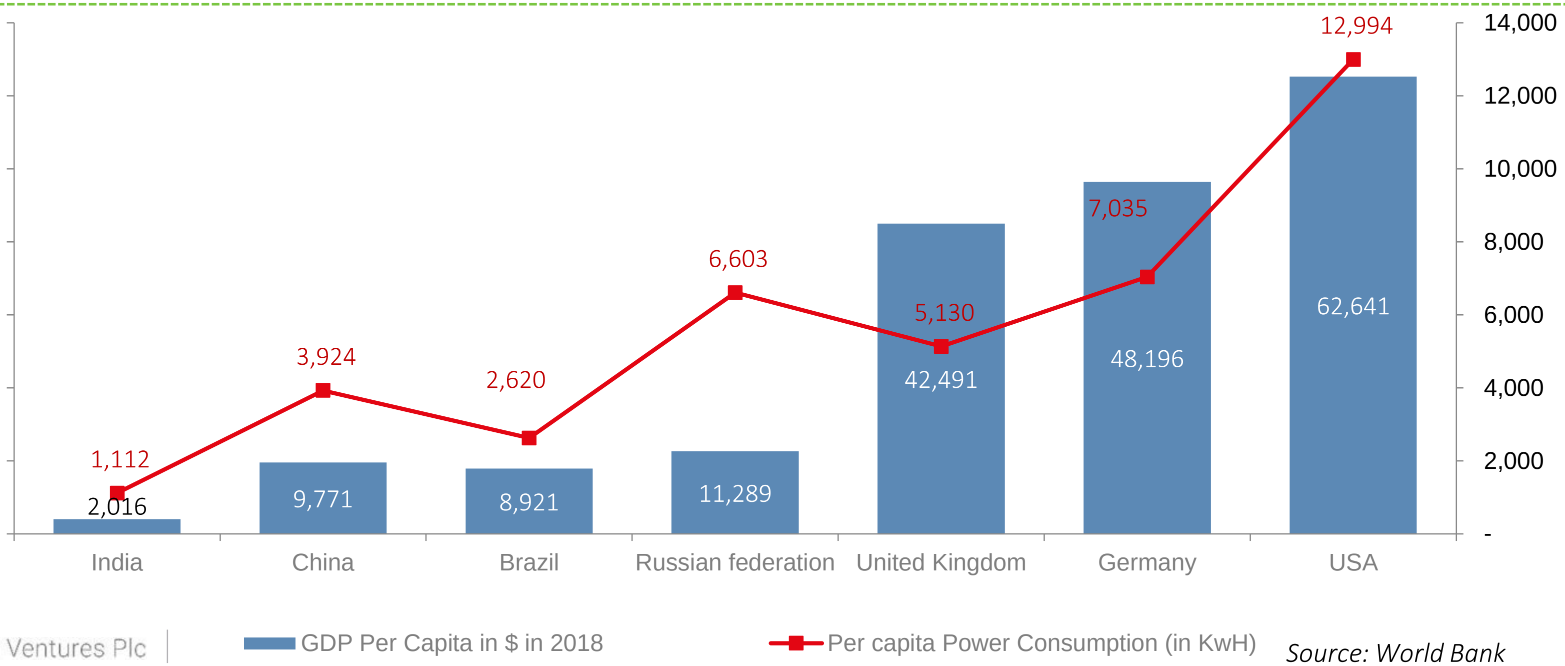


Source: CEA

OVERVIEW OF THE INDIAN POWER SECTOR

INDIA'S PER-CAPITA POWER CONSUMPTION WAS MUCH LOWER THAN HALF OF THE WORLD'S AVERAGE IN 2017

- The strong growth potential of the Indian power sector is due to
  - Despite being among the top three power producers and consumers in the world, Per-capita electricity consumption in India was 1,112 kWh in 2017.
  - In comparisons with world average of 3,126 Per-capita electricity consumption Indian consumption is significantly lower.
  - India continues to remain a power deficit country, during FY 2019, the energy deficit was 0.6% and peak deficit at 0.8%



Source: World Bank

KEY DRIVERS FOR POWER DEMAND

KEY DRIVERS OF DEMAND

- *24x7 Power for All initiative*
- *Development of 'smart cities'*
- *'Housing for All' scheme*
- *Industrial push through 'Make in India'*
- *Increasing urbanization*
- *Infrastructure requirements*
- *Government push on electric mobility, and overall strong economic growth*


THANK YOU