OPG Power – Powering India

FY24 Results Presentation

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OPG - BACKGROUND

- Independent Indian Power Producer founded in 2005
- Principal operations in Tamil Nadu – one of India’s most important manufacturing regions nicknamed the “Detroit of India”
- Listed on AIM in 2008
- Supplies power to industrial and commercial customers and to state utilities
- Flexible configuration of plants provides for efficient and optimal performance
- Low leverage compared to sector peers

A DEVELOPER AND OPERATOR OF POWER PLANTS

As at 01st October 2024:

- Market cap: £40.9 million
- 400.7 million shares issued

ECONOMIC AND SECTOR UPDATE

ECONOMY

- On track to surpass Japan and become the third-largest global economy, with a projected GDP of $7.3 trillion by 2030
- World Bank forecasts India’s GDP growth for FY25 to be 7%.
- To propel India into a US$ 5 trillion economy by FY 25, the Government of India is undertaking numerous initiatives such as:
    - "Make In India~~,~~"
    - "Vocal to Local~~,~~"
    - Rapid and widespread strides in digitization, labour reforms, and ease of doing business initiatives

POWER SECTOR

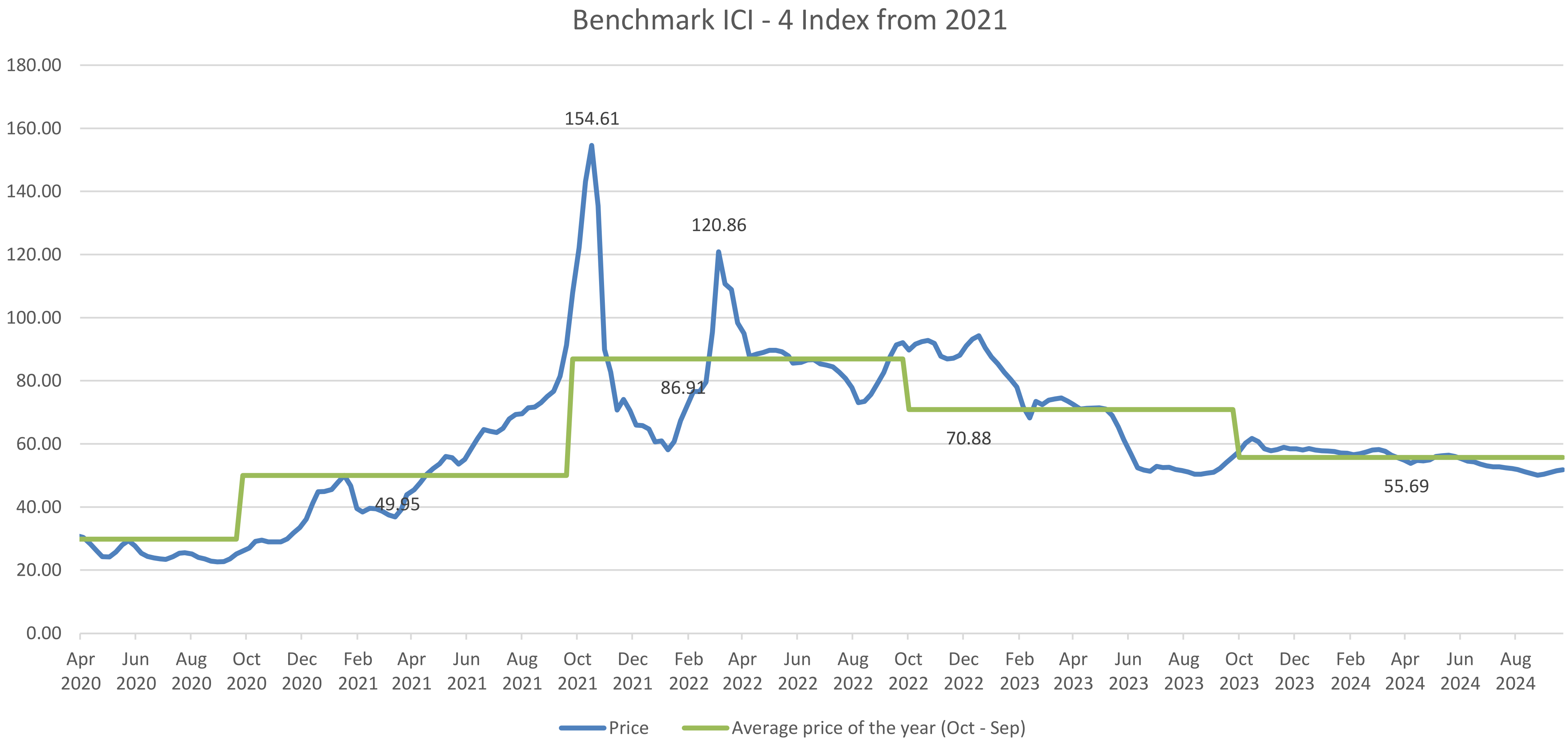
- India is the third-largest power consumer globally, however per capita consumption is only 1/3 of the global average and 20% of the European Union
- Peak demand has reached to 250 GW in May 2024
- In FY24, the total power demand in India surged by 7.8 percent to reach 1,622 billion units (BUs), significantly exceeding the average annual growth rate of 5.3 percent observed during the period of 2015-2019~~.~~
- Electricity demand in India is expected to increase by 3 to 4 fold over the next decade (source: India Energy and Climate Centre (IECC))
- Coal to remain the dominant component of India’s energy mix with current contribution at 75 percent of the total generation~~.~~

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*

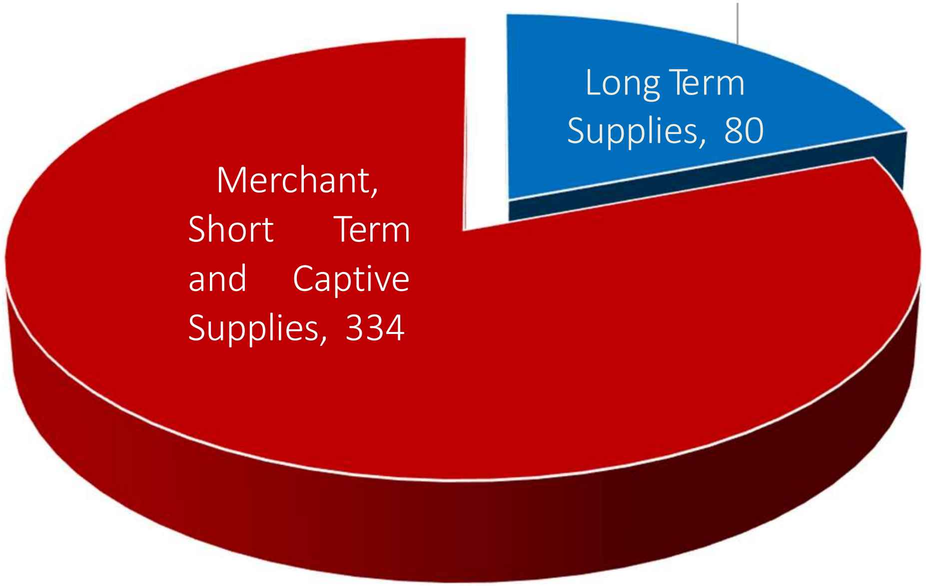
COAL PRICES ARE STABILIZING



A ROBUST BUSINESS MODEL

- Nearly 20% of the capacity is under long term contracts
- Balance of 80% focussed on merchant or 'group captive' customers
- Strong in-house O&M expertise to manage flexible operations.
- Ability to utilise different grades and types of coal of different origins

Capacity Breakup (in MW)



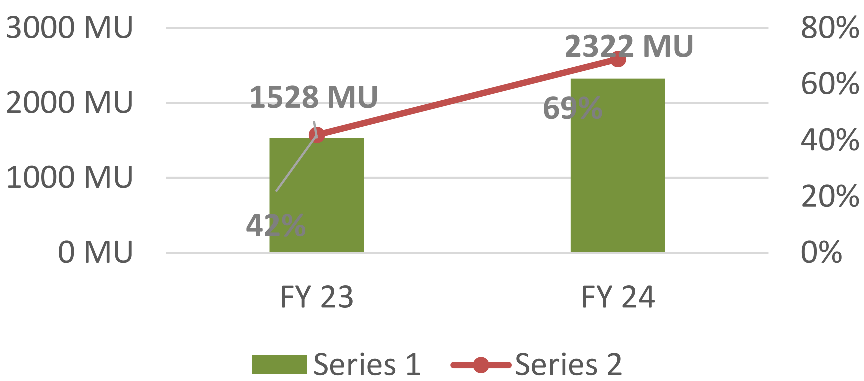
FY24 HIGHLIGHTS

OPERATIONAL HIGHLIGHTS

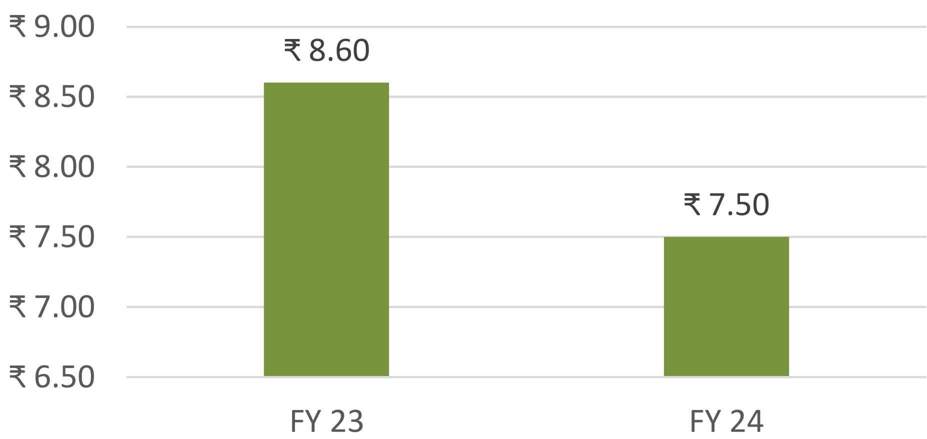
FY24 generation improved due to:

- International coal prices stabilized after the disruption due to the COVID induced supply chain issues and Russia-Ukraine war, marking a return to normalcy.
- Increase in electricity demand in India with minimal capacity addition resulting in widening of demand supply gap

Generation (including Deemed (in Million Units)) & PLF (in %)

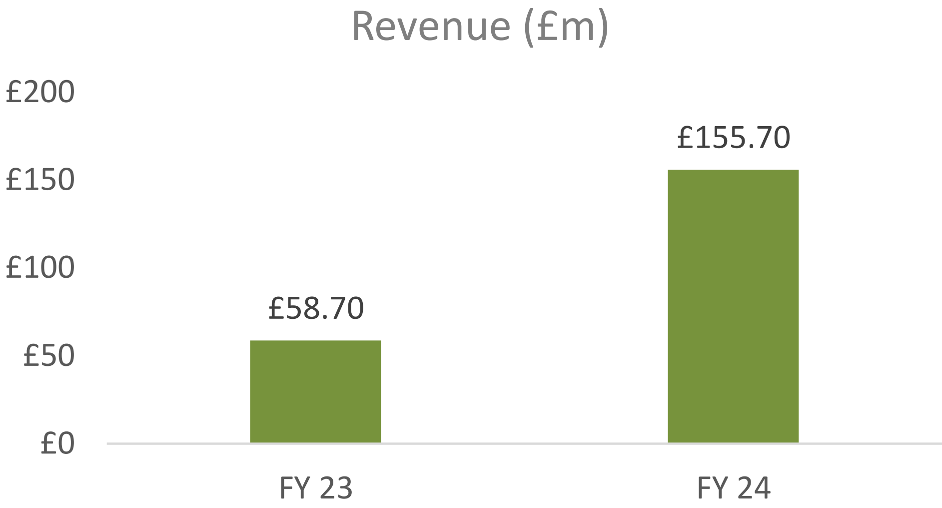


Average Tariff during the year



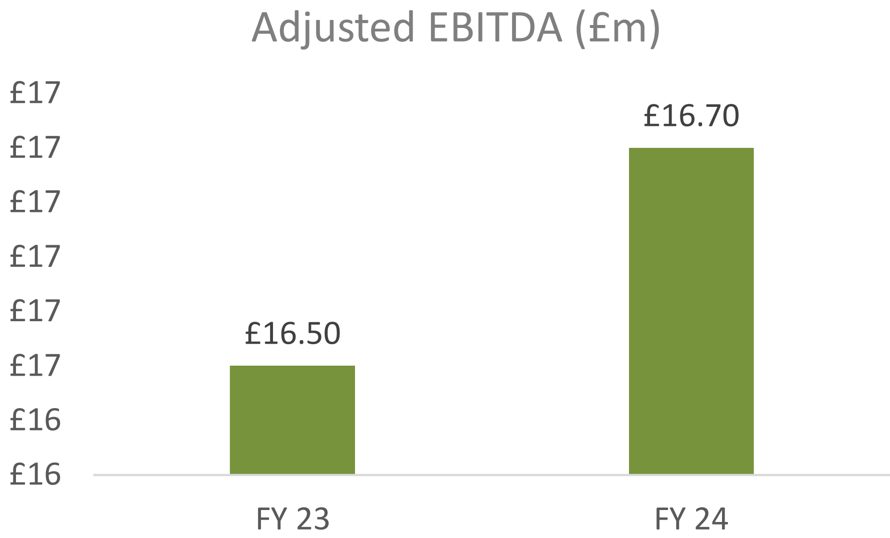
- Average Tariff higher in FY 23 due to pass through of higher fuel costs and focus on profitable contracts

FINANCIAL HIGHLIGHTS



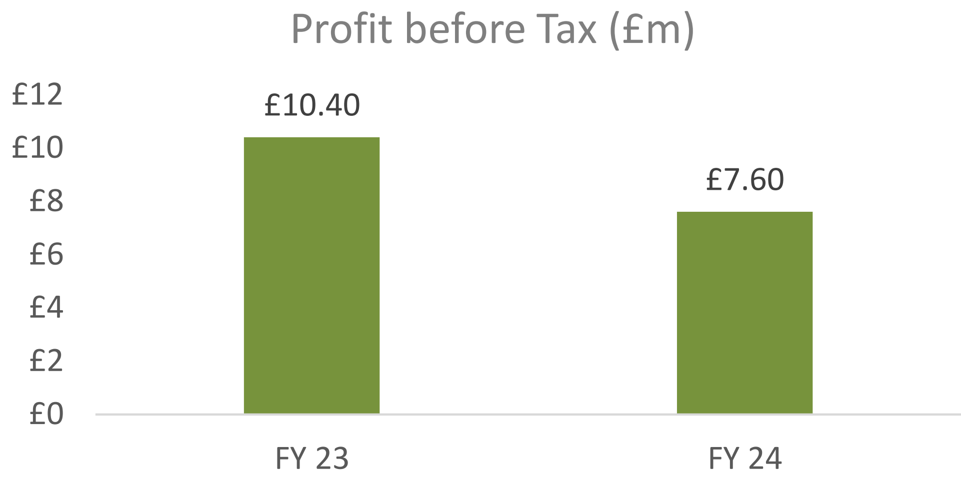
- Continuing focus on profitable generation
- Testimony to cost control measures adopted by the company

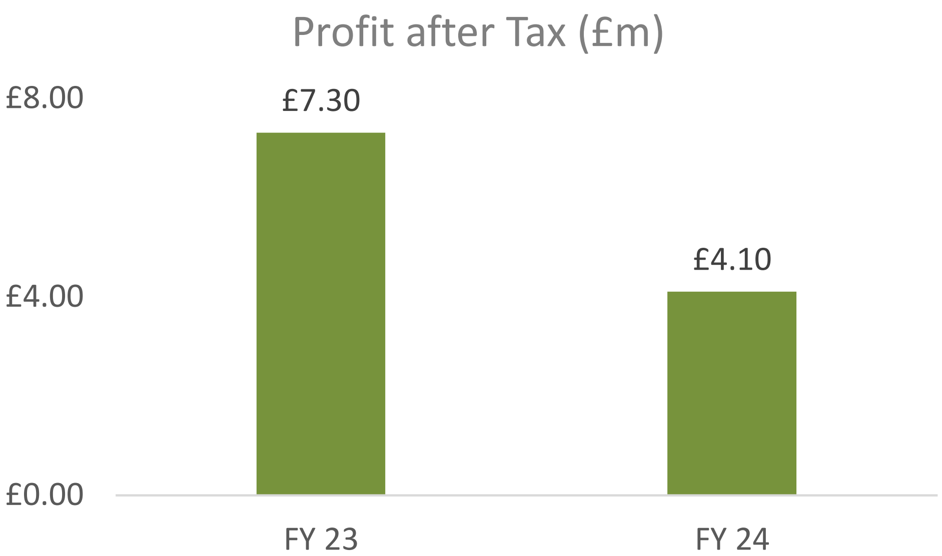
- Revenue increased by 2.65 times due to increased generation
- Adjusted EBITDA was 10.7% of revenue and increased in absolute terms over FY23
- Adjusting for one offs in 2023, Adjusted EBITDA increased by 57%

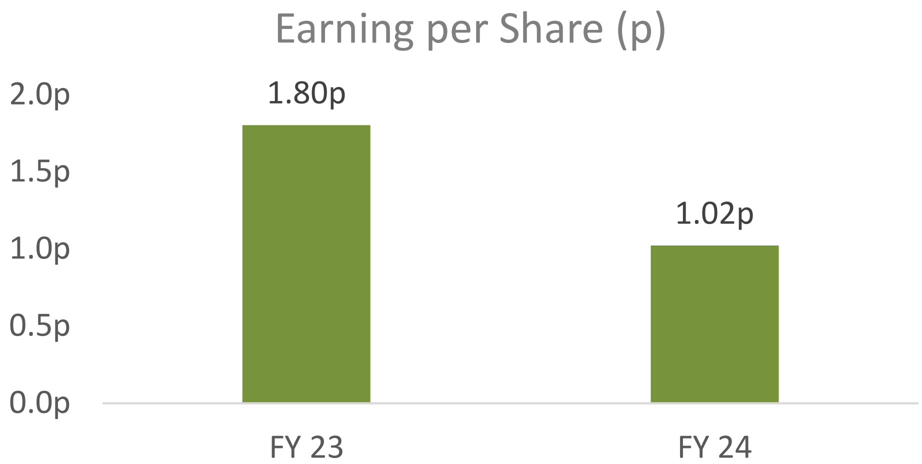


FINANCIAL HIGHLIGHTS

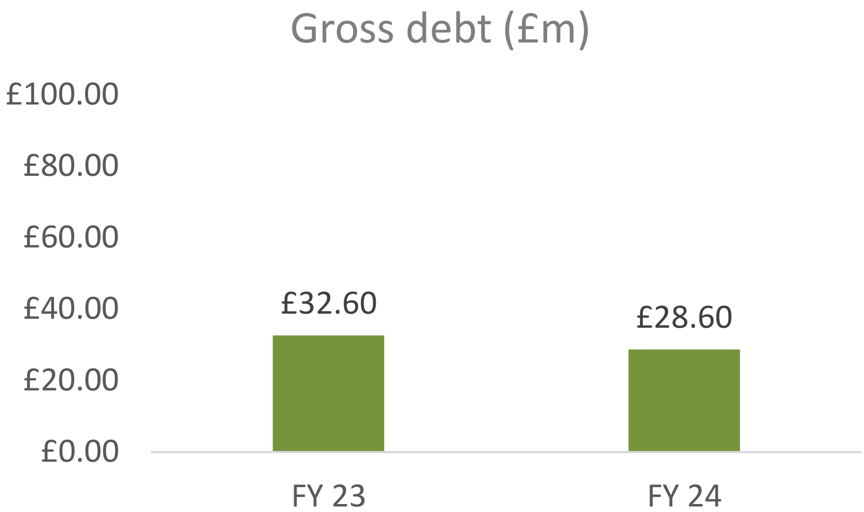
- PAT decreased from £7.3m to £4.1m (one time impact in FY23 of £4.3m , excluding this PAT increased by £1m)



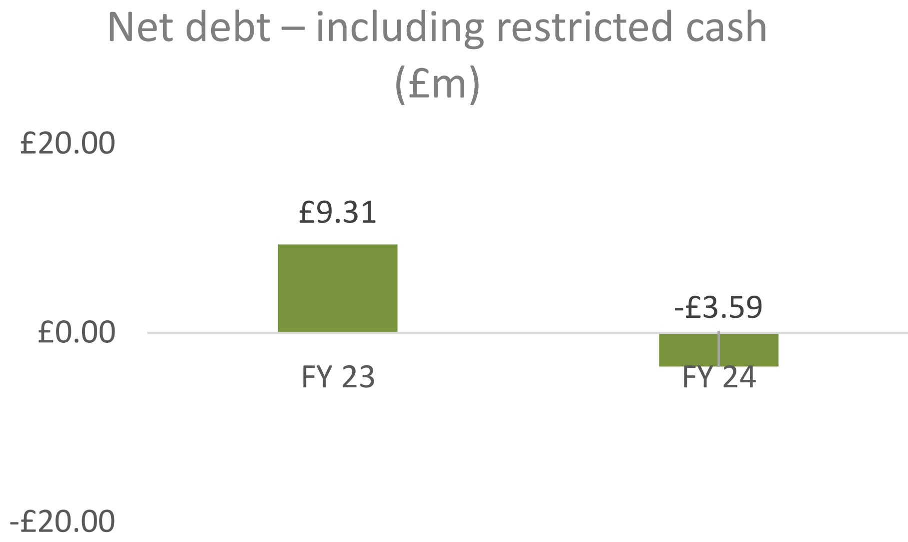




FINANCIAL HIGHLIGHTS



- Deleveraging is a key goal of the company
- Gross debt continued to decrease due to continued debt servicing.



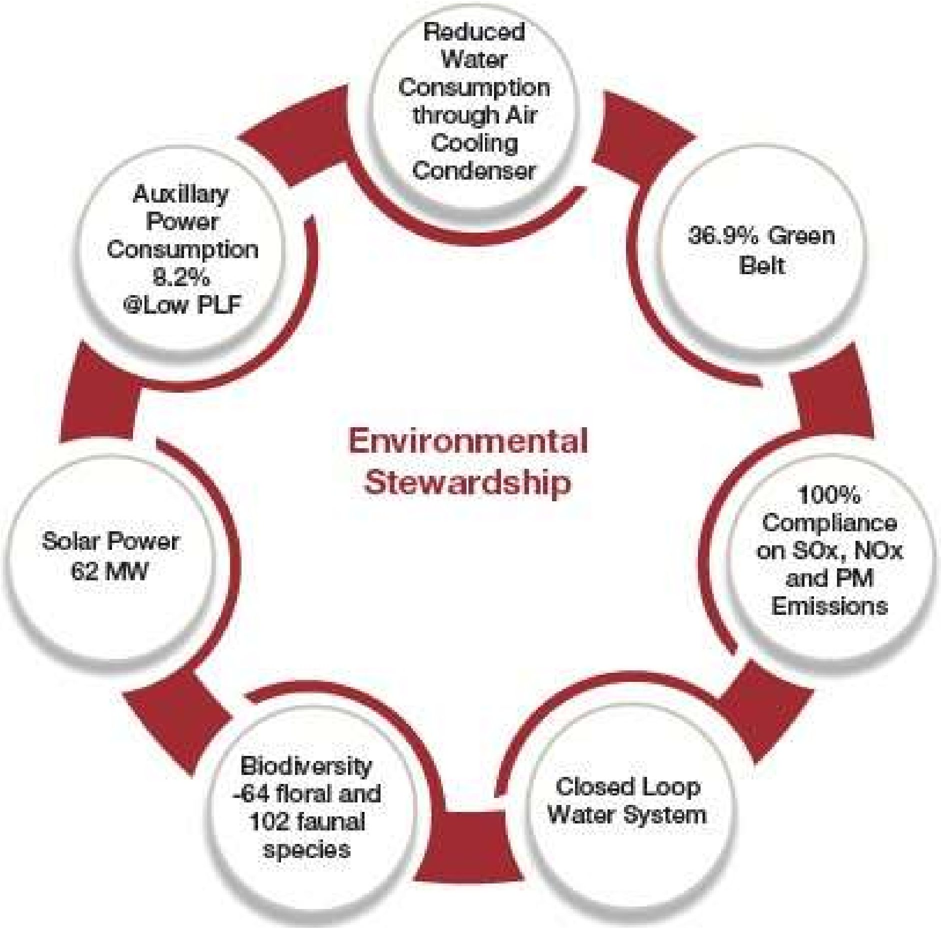
Strong cash generation in the period

- Company continues to conserve cash for sustainable operations

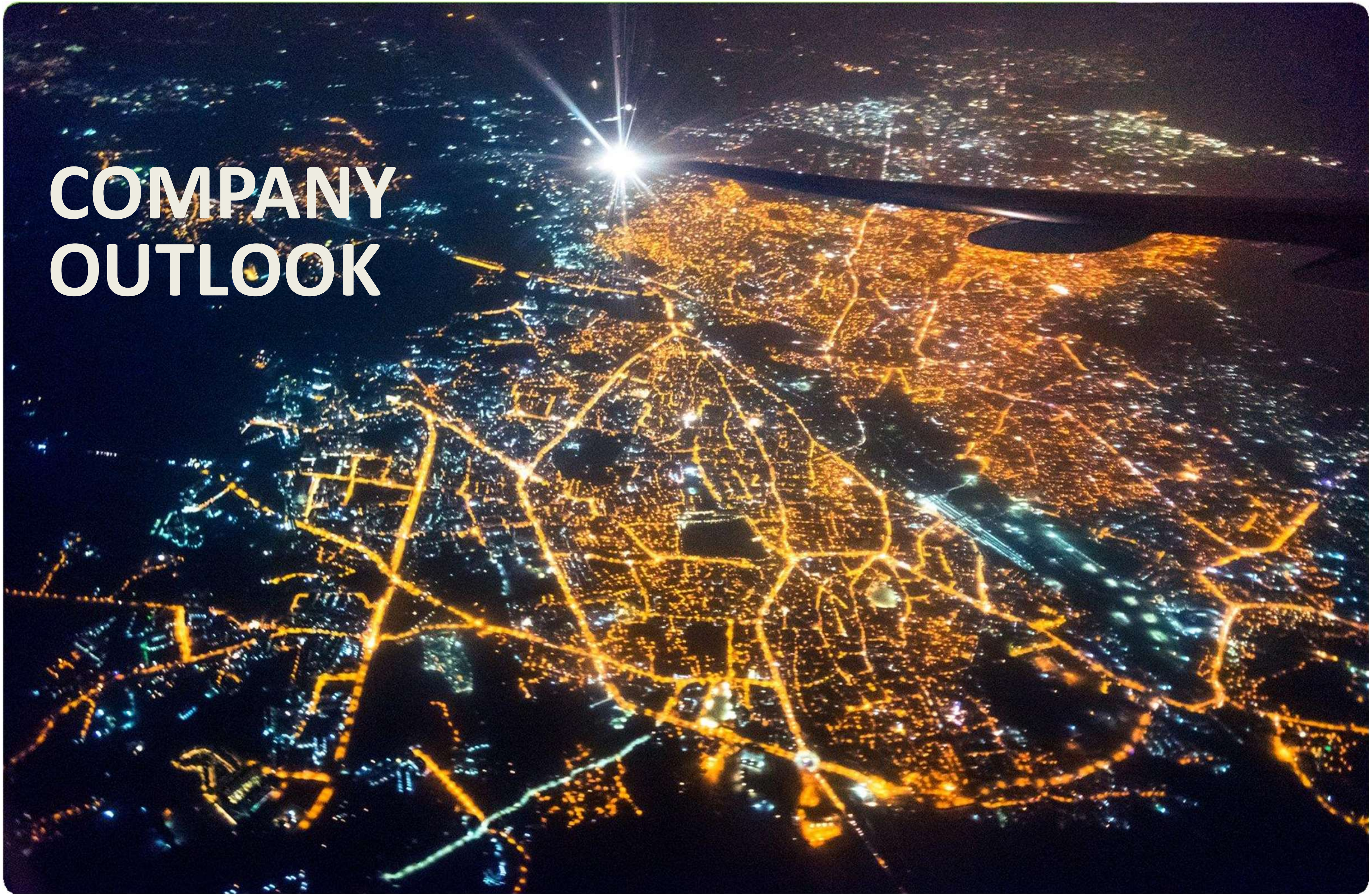
FY24 SUMMARY

- Revenue increased by £97.0 million, representing growth of 2.65 times in FY24 over FY23 revenue of £58.7 million as coal prices stabilized and the company was able to increase power generation.
- The company maintained its focus on profitable generation
- Total generation during FY24 was 2,322 million units (69.2 percent PLF), which represented a substantial increase of 51.96 percent when compared to the previous year's 1,528 million units (42.1 percent PLF).
- The Adjusted normalised EBITDA of £16.7m, a strong increase on the previous year
- Net cash at the period end was £3.6m (including restricted cash of £10.1m)
- NAV of 42.3 representing the carrying value of our core assets

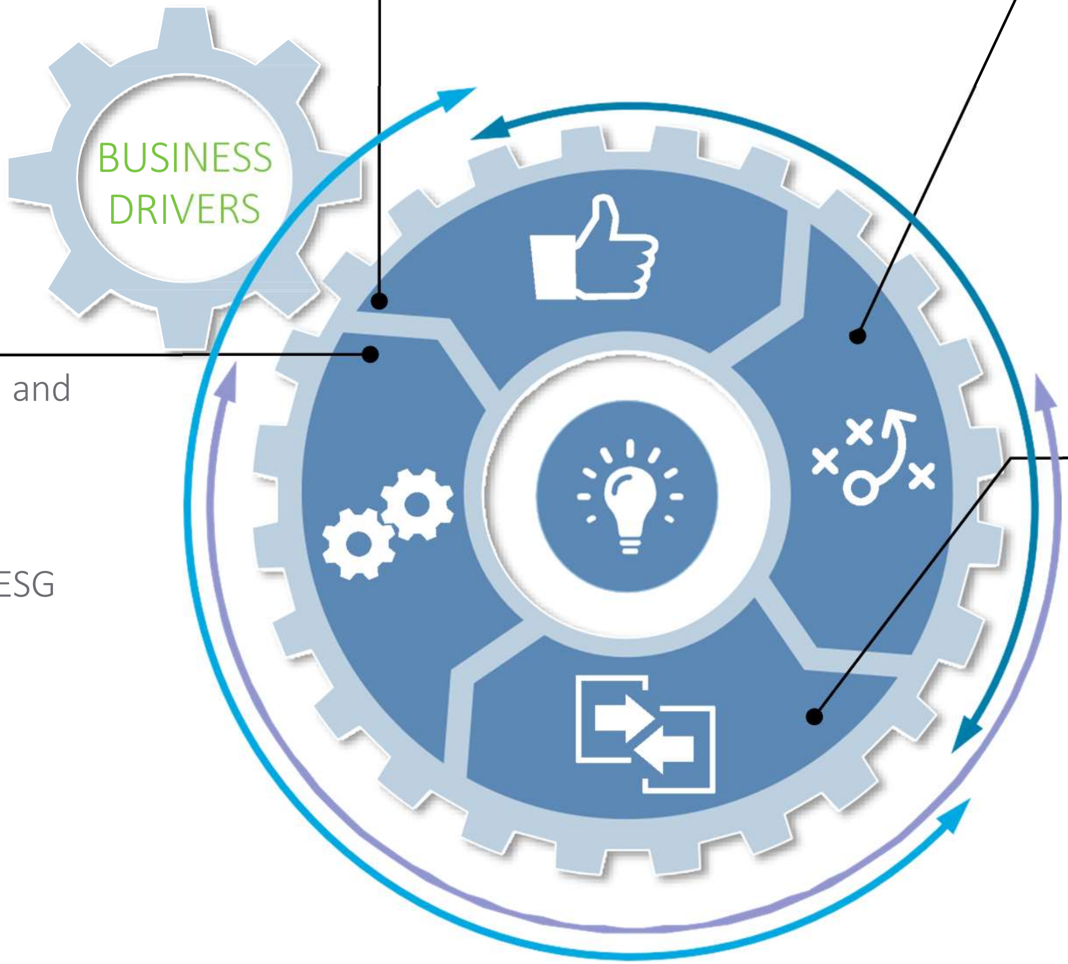
EXTRACT FROM THE ESG REPORT



COMPANY OUTLOOK



WELL POSITIONED



01. STRONG EXISTING ASSETS BASE

- 414MW thermal

02. WELL POSITIONED

- Strong electricity demand in India expected to increase three to four-fold in the coming decade
- Although there is YoY increase in per capita consumption of electricity in India, still only represents 20% of European Union consumption

03. DECREASING DEBT PROFILE

- Decreasing gross debt to £28.6m in FY24 from £32.6m in FY23 with a reduction of 11%.
- Net cash of £3.6m as at 31st March, 2024 demonstrates one of the lowest geared companies in the sector.

04. POTENTIAL

- Increased generation and revenue
- Strong EBITDA and profitability margins
- Potential for further ESG focused growth

CURRENT OPERATIONS

- India's power consumption is expected to grow by 8 per cent in 2024 mainly due to improvement in economic activities and weather conditions.
- Plant load factor for FY 24-25 is expected to remain at approximately 70%
- Company continues to explore short term and medium term contracts with various state utilities and large customers.

OUR PRIORITIES

Areas	Plan	Management's Actions
Cash flows	• Maximise cashflows from existing assets	• PLF, generation and revenue on increasing trend~~.~~ • Increasing participation by state utilities in the short term and medium term market~~.~~ • Coal prices and freight have started stabilizing
Safety & Environment Performance	• Maintain internal standards - exceeding regulatory norms. • Continued improvement in Total Reported Injury Rate	• Exceeding in most parameters • Zero TRIR • ESG focused strategy
Sustainable & Deleveraged	• Consistent repayment of debt • Maintain capital discipline	• Continue deleveraging strategy in line with debt repayment schedule and extension of tenure by refinancing • Conserve cash for repayment of debt and growth on ESG focused projects

CONCLUSION

- Highly cash generative asset
- One of the lowest geared companies in the sector
- International coal prices stabilized
- India outlook improving
- Low per capita electricity consumption in India provides ample opportunity for growth
- India continues to be the focus for the Company
- Attractive valuation compared to listed Indian peers


THANK YOU