

# OPG Power Ventures Plc

## H1 FY24 Results Presentation



**Positioned for the Next Stage**

**15<sup>th</sup> December 2023**

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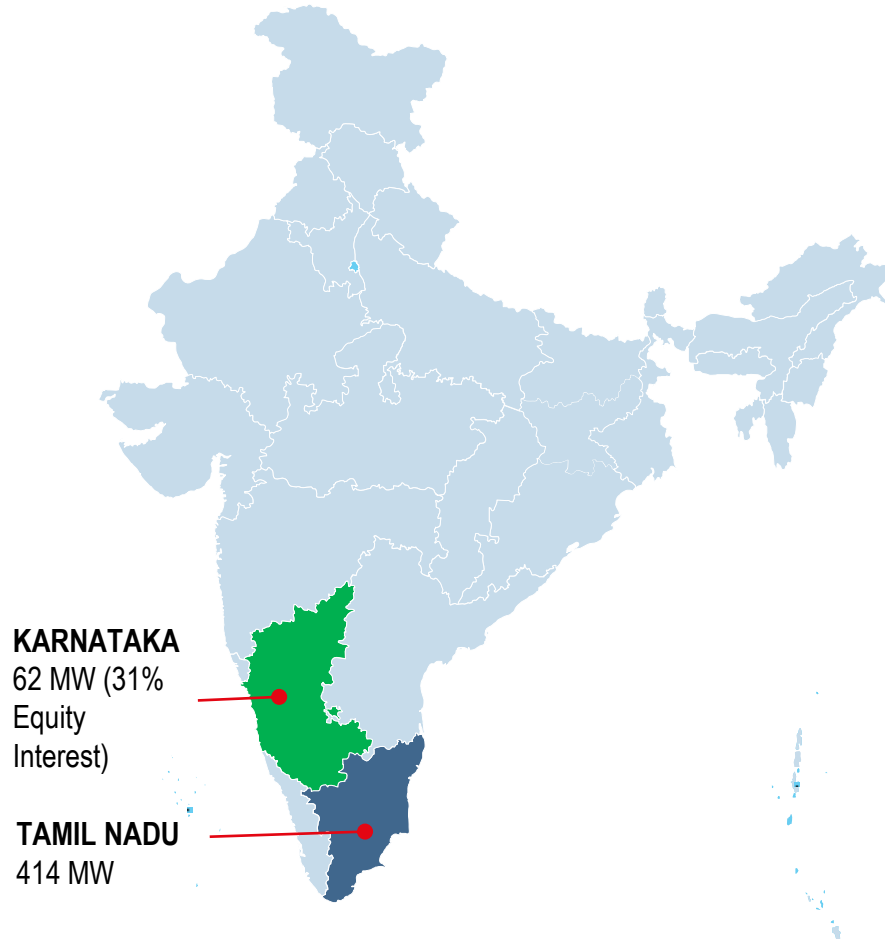
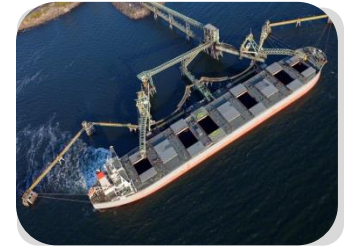
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A satellite night view of the Indian subcontinent, showing the glowing lights of cities and urban areas against the dark landscape. The text is overlaid on the left side of the image.

# STRONG FUNDAMENTALS FOR INDIAN ECONOMY & POWER SECTOR

# INDIA – AN INTRODUCTION



- India – population 1.4 billion
- Fifth largest global economy - USD 3.7 trillion
- The Indian economy grew at 7.7% in H1 FY24
- IMF projects 6.3% growth rate in FY24
- Fastest growing economy in the world (as per IMF estimates)
- Electricity demand has increased by around 10% in FY23 and 7M FY24

# INDIAN ECONOMY AND POWER SECTOR



## ECONOMY

- On track to surpass Japan and become the third-largest global economy, with a projected GDP of \$7.3 trillion by 2030. (source – S&P)
- IMF forecasts India's GDP growth for FY24 to be at 6.3%.
- To propel India into a US\$ 5 trillion economy by FY25, the Government of India is undertaking numerous initiatives such as
  - "Make In India"
  - "Rapid and widespread strides in digitization, labour reforms, and ease of doing business initiatives"

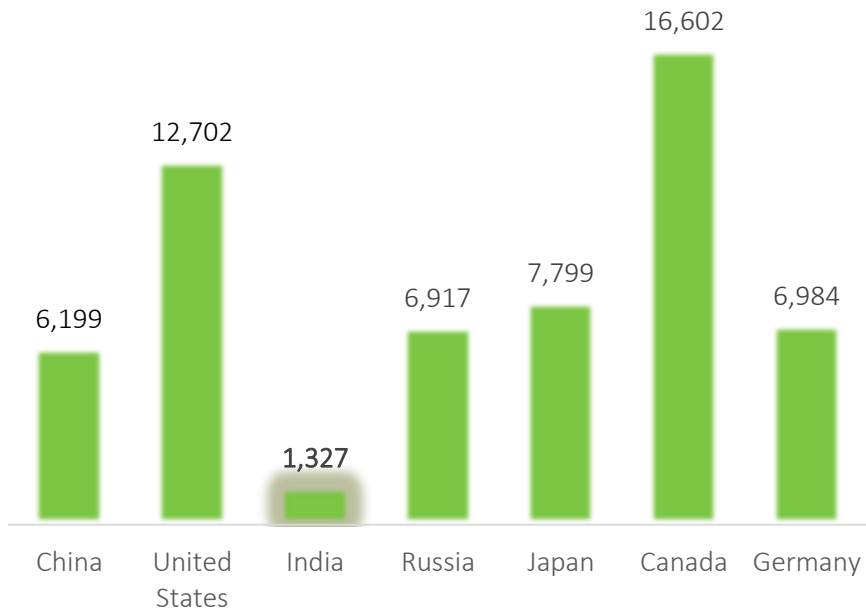
## POWER SECTOR

- India is the third-largest power consumer globally, however per capita consumption (1,327 kWh) is low being only 1/3 of the global average. (source – CEA)
- Total power demand in India during first 7 months of FY24 surged by 9.4% to reach 984.39 billion units (Bus) (source – Business Line)
- Peak power demand in India has reached a historic high of 240 GW as on September 1, 2023.
- Electricity demand in India is expected to increase by 70% over the next decade (source: Fitch Report)
- Coal to remain an important component of India's energy mix with current contribution at 73% of the total generation.

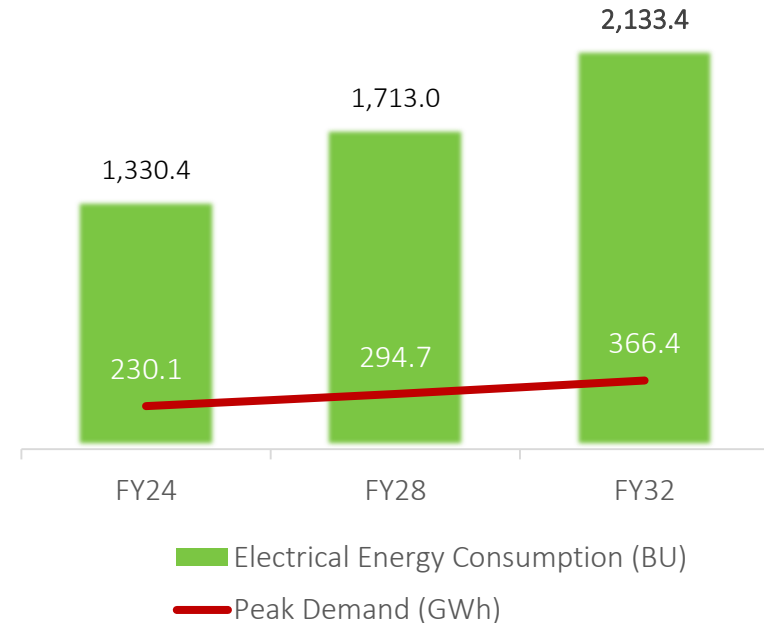
# INDIAN POWER SECTOR



Low per capita consumption of power,  
one-third of global average (2022)



Power demand to increase by min. 6%  
p.a. over the next 10 years



Demand outpaced GDP growth in FY23 and H1 FY24 which historically has been in line with GDP growth

# KEY DRIVERS FOR POWER DEMAND



## KEY DRIVERS OF DEMAND

*24x7 Power for All initiative*

*Digitisation penetration*

*'Housing for All' scheme*

*Industrial push through 'Make in India'*

*Increasing urbanization and lifestyle changes*

*Infrastructure requirements*

*Government push on electric mobility, and overall strong economic growth*

# H1 FY24 HIGHLIGHTS



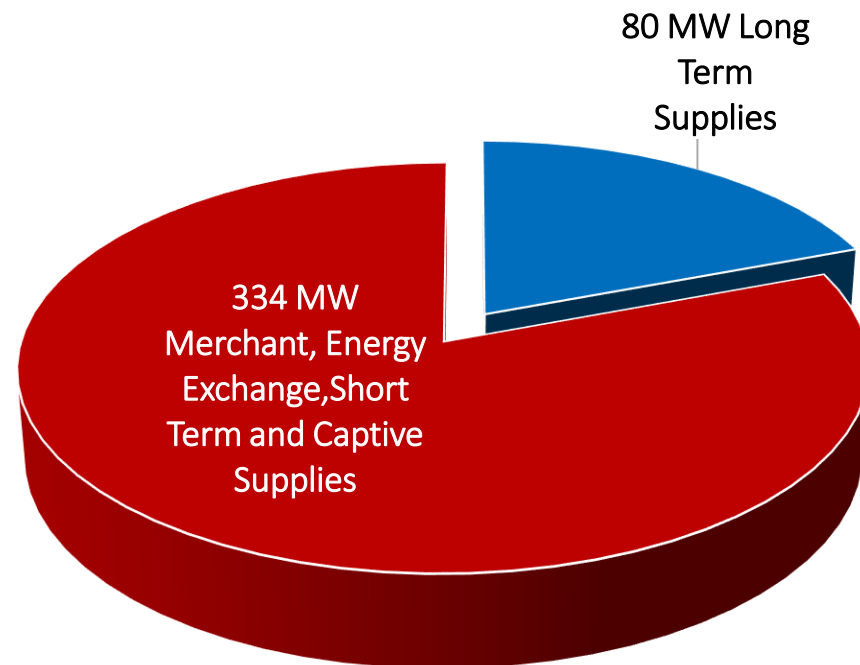


## OPG - A ROBUST BUSINESS MODEL

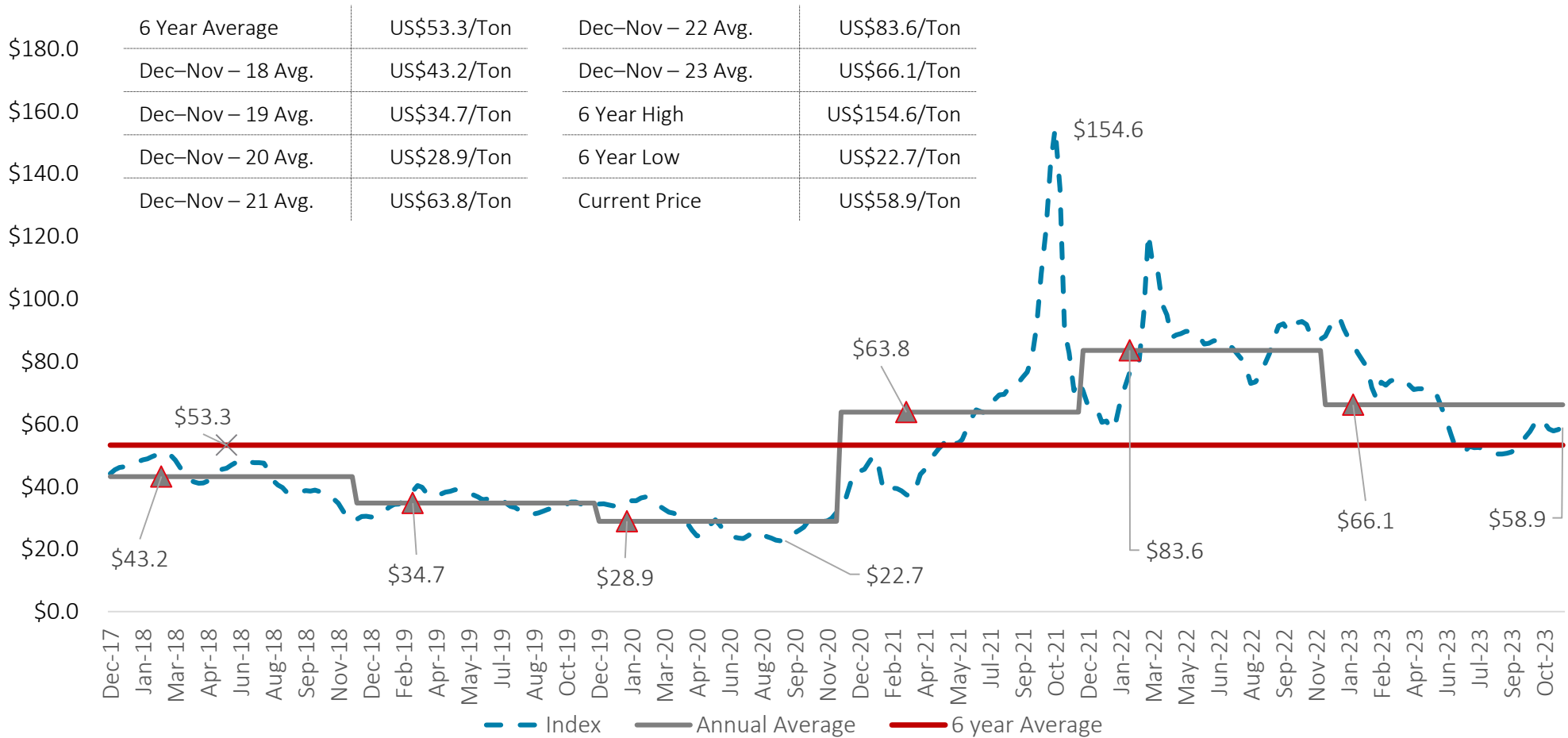


- Nearly 20% capacity tied up in Long Term supplies
- Balance 80% dedicated to Merchant, Energy Exchange, Short Term or Group Captive customers.
- Strong in-house O&M capabilities to manage flexible operations.
- Ability to fire different grades and origins of coal
- Coal Trading contributes additional margins

Capacity Breakup (in MW)



# INTERNATIONAL COAL PRICES STABILIZING



Source - Argus

# OPERATIONAL HIGHLIGHTS – H1 FY24



Generation

**1.16 BU**

(H1 FY23: 0.49 BU)

↑ 139%

Tariff

**7.20p**

(H1 FY23: 9.56p)

↓ 25%

Revenues

**£69.9 m**

(H1 FY23: £27 m)

↑ 158%

EBITDA

**£7.8 m**

(H1 FY23: £6.9 m)

↑ 13%

Profit before Tax

**£4.1 m**

(H1 FY23: £0.7 m)

↑ 460%

Earnings per Share

**0.59p**

(H1 FY23: (0.31)p)

↑ 290%

Flexible Sales Mix allowed for increase in volumes resulting in increase in revenues and profitability

# OPERATIONAL UPDATE

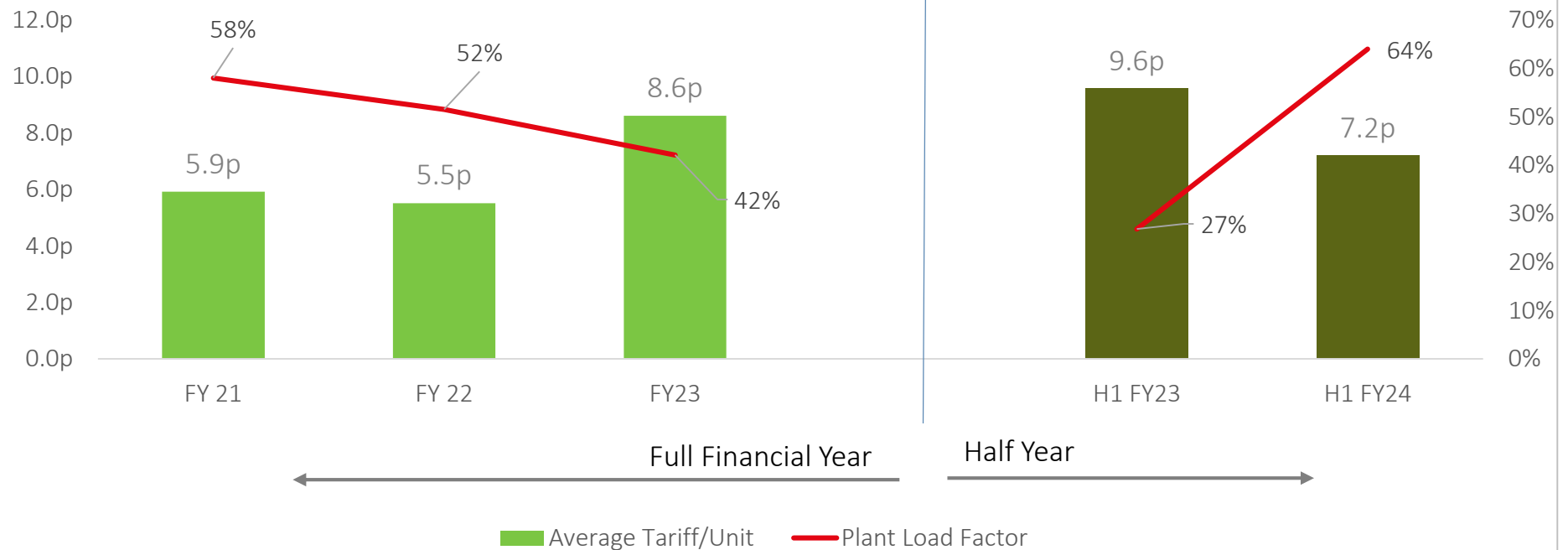


- India's power consumption grew 9.4% to around 984.39 billion units in the April 23 to October 23 period compared to a year ago mainly due to improvement in economic activities and weather conditions.
- Short Term Contract with a state utility for five months in H2FY24.
- Repayment of 19.6 million (INR 2 billion) Non Convertible Debentures (NCDs) in H1 FY24.
- Last published ICI 4 Index (08 Dec 2023) was US\$58.40 compared to US\$73.5 as at 31 Mar 2023
- Company continues to explore short term and medium-term contracts with various state utilities and large customers.

# TARIFFS AND PLF



Average Tariff and the Plant Load Factor for the period

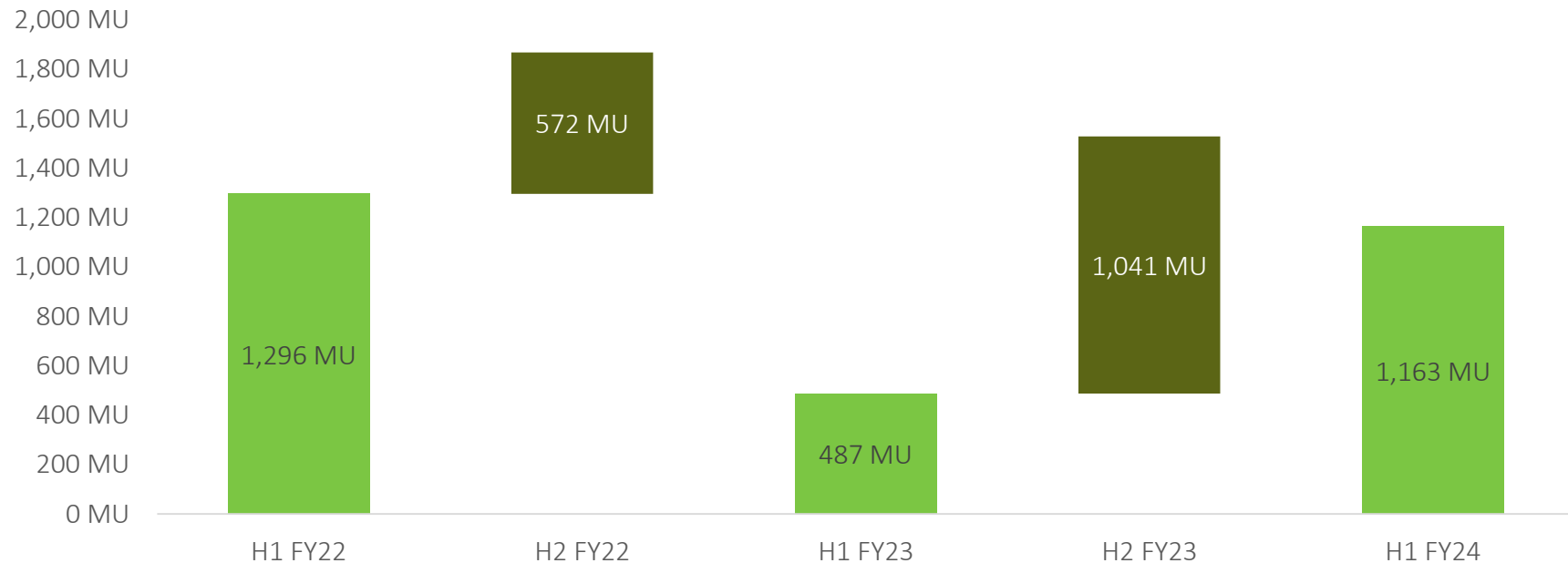


Average Tariff in H1FY24 decreased due to softening of international coal prices

# GENERATION



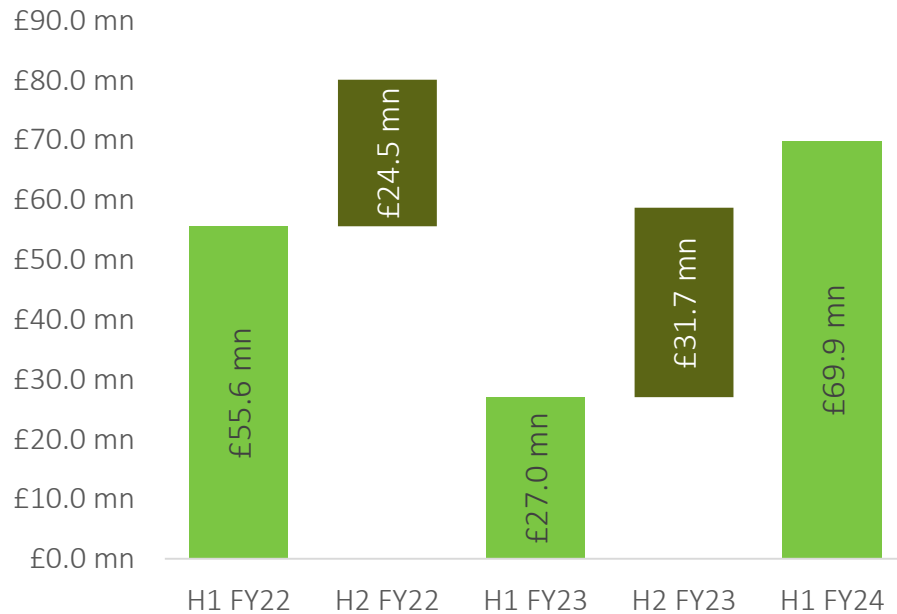
- Company was able to achieve higher volumes on account of benign coal prices
  - Generation increased by 138% from H1 FY23 to H1 FY24
  - Generation increased by 11% from H2 FY23 to H1 FY24
  - H1 FY24 Generation was 76% of FY23 Generation



# FINANCIAL HIGHLIGHTS



### Revenues



### EBITDA



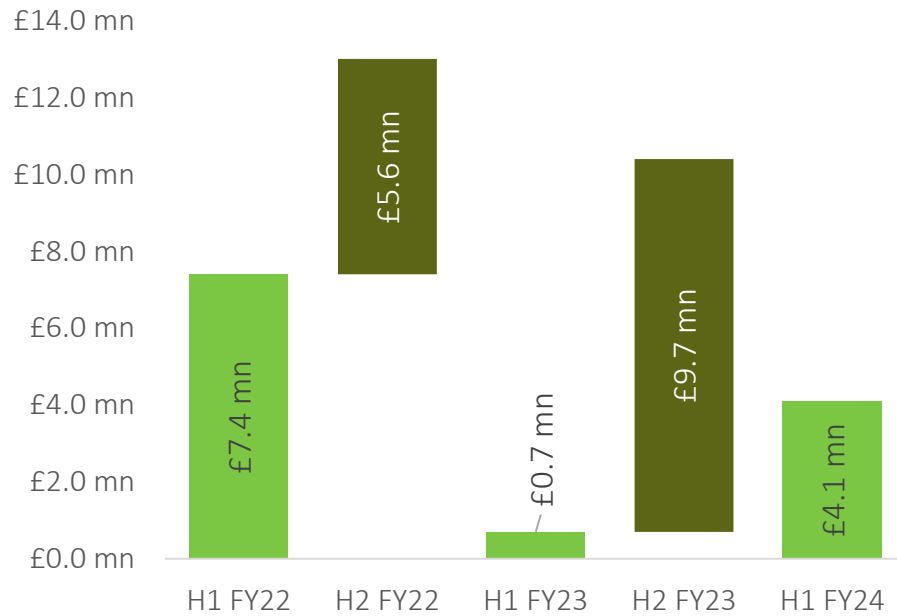
H1 FY24 Revenues are higher than the full year revenues of FY23

EBITDA increased by 13% from H1 FY23

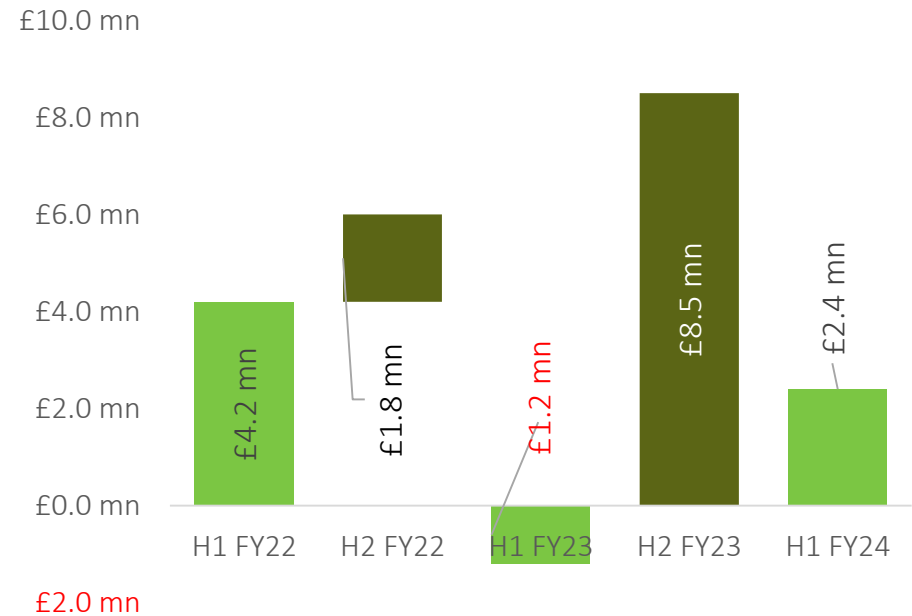
# FINANCIAL HIGHLIGHTS



Profit before Tax



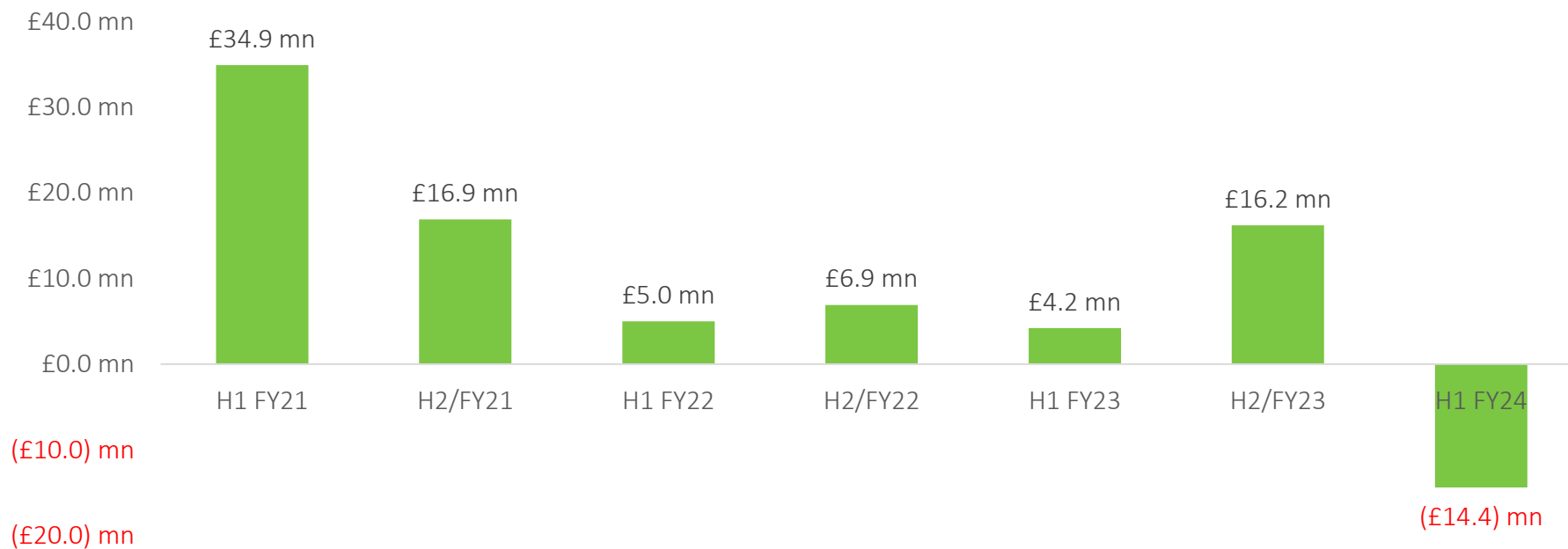
Profit after Tax



Turnaround from the loss in H1FY23 to profit in H1 FY24

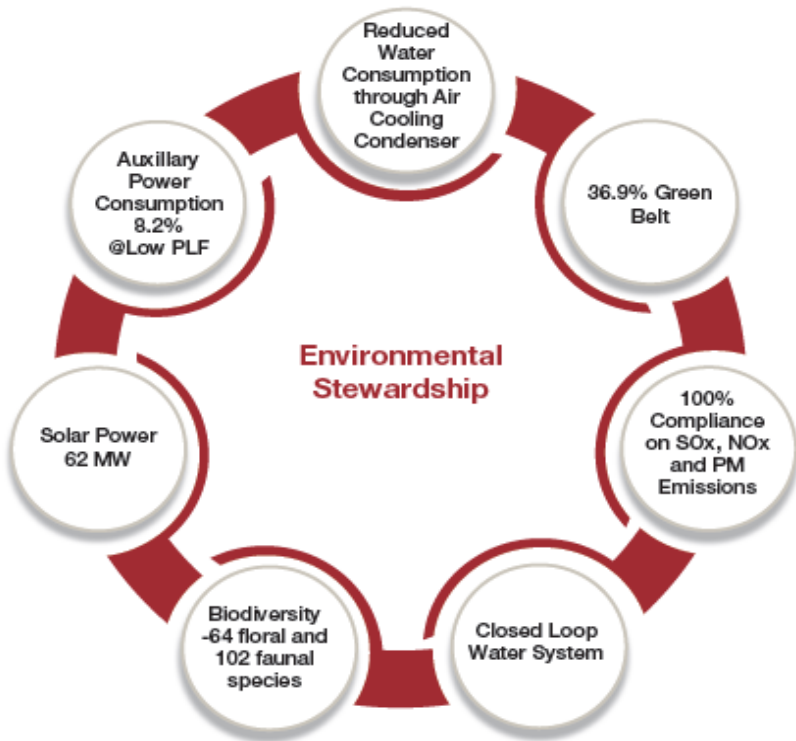


# NET DEBT / (NET CASH)



- Net Debt position changes in H2 FY24 on account of coal liabilities and change in contracted receivable cycle
- Deleveraging steadily – in line with the Company’s strategy

# ESG & SUSTAINABILITY



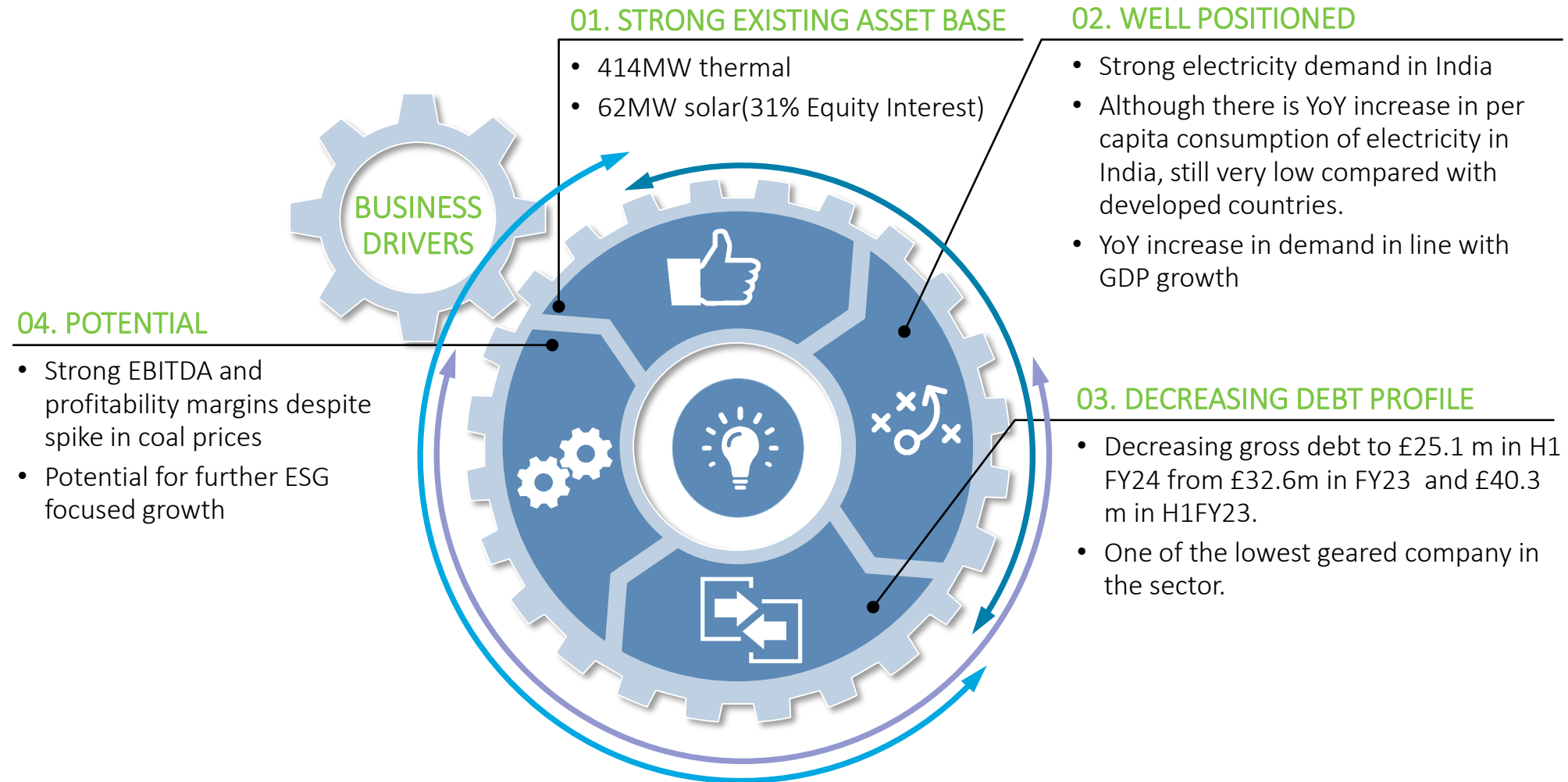
- Restoration of Thangal – Desilting Pond in nearby villages
- Deepening of Lake – Periya Obulapuram
- Kurngkadukal – Microforest development
- SOHR Reduction – Energy savings initiatives implemented in generation and consumption
- Strict monitoring of GHG Scope emissions
- Flood Reliefs and Disaster relief (Cyclone Mandous)
- Vaccination, Food Camps and Canteens
- Human Capital development through education & sports sponsorships



# OUTLOOK

An aerial night photograph of a city, likely London, showing a dense network of streets illuminated with warm yellow and orange lights. A bright, starburst light source is visible in the upper left quadrant, casting a long, dark shadow across the city. The overall scene is dark, with the city lights providing the primary illumination.

# WELL POSITIONED



# OUR PRIORITIES



Areas	Plan	Management's Actions
Cash flows	<ul style="list-style-type: none"> <li>Maximise cashflows from existing assets</li> </ul>	<ul style="list-style-type: none"> <li>PLF &amp; generation are increasing.</li> <li>Increase in margins due to softening of coal costs</li> <li>Diversified Sales Mix – Supply in short term and medium term market to various State Utilities and Industrial Customers</li> <li>Participation in pan India tenders directly and through the exchange</li> <li>Short Term Contract with a state utility has enabled us to tie up significant capacities for FY24</li> </ul>
Safety & Environment Performance	<ul style="list-style-type: none"> <li>Maintain internal standards - exceeding regulatory norms.</li> <li>Continued improvement in Total Reported Injury Rate</li> </ul>	<ul style="list-style-type: none"> <li>Exceeding in most parameters</li> <li>Near Zero TRIR</li> <li>Develop and implement ESG strategy</li> </ul>
Sustainable & Deleveraged	<ul style="list-style-type: none"> <li>Consistent repayment of debt</li> <li>Maintain capital discipline</li> </ul>	<ul style="list-style-type: none"> <li>Continue deleveraging strategy in line with debt repayment schedule and extension of tenure by refinancing</li> <li>Conserve cash for repayment of debt and ESG focused growth projects</li> <li>Optimum utilisation of working capital limits</li> </ul>



THANK YOU