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OPG Power Ventures plc
21 March 2025

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("OPG", the "Group" or the "Company")

Trading Update

OPG Power Ventures plc (AIM: OPG), provides the following trading update for the year ending 31 March ("FY25"):

General Business Update

During FY25 to date, the Company has achieved PLF of 69.6% compared with 69.7% in FY24 and 69.2% during FY23. Subject to audit, the Company expects to report FY25 EBITDA, in line with market expectations.

Empowering India - Macro Outlook

India is set to dominate the global economic landscape, maintaining its status as the fastest-growing economy for the next decade, with the World Bank projecting a steady 6.7% growth in FY26 and FY27, significantly outpacing global growth, which is expected to remain at 2.7% in FY26.

India's per capital power consumption has been low at approximately 1380kwh compared to approximately 6630kwh in China. During FY17-24, India's overall power requirement reached a 5% CAGR to 1,734 billion units (BU) with peak power demand also seeing a similar growth rate. In the FY21-23 period post Covid-19, power demand in India witnessed approximately 8% CAGR. Key factors driving strong power demand include rising population, urbanisation, low per capita consumption and an increase in economic activities.

The convergence of economic growth, increased electrification and technology as demand drivers are expected to increase power demand in India at 7 - 7.5% CAGR over the next 10 years leading to an investment opportunity of approximately USD 0.5 trillion, with electric vehicles and data centres expected to drive one third of the power demand growth.

The significant investment opportunity in the Indian power sector is based on the country's vision to increase its installed power capacity to 900GW from 442GW in FY24, with a mix of thermal, wind, hydro, nuclear and other sources.

Regulatory Support

The strong turnaround in the financial health and outlook of the power sector would not have been possible without pro-active policymaking from the Government of India (GOI). GOI has undertaken a several steps in the last few years to turn around the operational and financial health of the sector. The implementation of the late payment surcharge (LPS) has helped reduce outstanding dues of utilities from INR 1,397 bn as at June 2022 to INR 500 bn as at January 2024. One of the key priorities of the GOI has been the reduction of India's transmission losses, which decreased from 22% in FY21 to 15% in FY23. The GOI has also provided funding support in areas such as distribution infrastructure, payment support to generating companies and subsidised financing to distribution companies to strengthen the electricity sector.

Coal Market

GOI has focused on increasing the domestic production of coal to reduce import dependency and accordingly the coal production in India has grown approximately 12%, increasing from 893 million tonnes in 2022-23 to approximately 1 billion tonnes in FY24.

The international average coal price index appears to have stabilised compared to post COVID highs. To ensure fuel security, the Group has contracted for supply of coal during FY26 from Indonesia (up to 450,000 MT).

Debt Reduction

In line with the deleveraging strategy of the Group, the Company has repaid the term debt (including debentures) of £17.5m during FY25. Accordingly, gross debt reduced from £28.6m as at 31 March 2024 to £11.1m as at 31 December 2024. Net cash as at 31 December 2024 was £12.6m versus £3.6m as at 31 March 2024.

Directorate Change

A P Singh, has stepped down from his current role as Chief Financial Officer and become a non-executive director of the Group for personal reasons. The Company will commence the process of appointing a new Chief Financial Officer and will make further announcements in due course.

Memorandum of Understanding

To drive sustainable growth, the Group is evaluating and assessing various investment opportunities in the energy sector with various State Governments within India and has signed Memorandum of Understanding with Government of Madhya Pradesh and Government of Karnataka.

Department of Enforcement Investigation

Further to the announcement on 15 November 2024, the Company has continued to co-operate with and provide all the information requested in relation to the investigation into alleged regulatory non-compliance by the Group under the Foreign Exchange Management Act ("FEMA").

For further information, please visit www.opgpower.com or contact:

OPG Power Ventures PLC Via Tavistock below

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