IWL: NOI: 06: 2016

08th February, 2016

| | |
|---|---|
| The Secretary<br>BSE Limited<br>Phiroze Jeejeebhoy Towers Limited<br>Dalal Street , Mumbai 400 001 | The Secretary<br>National Stock Exchange Limited<br>Exchange Plaza<br>Bandra Kurla Complex<br>Bandra (E)<br>Mumbai 400 051 |
| Scrip code: 539083 | Scrip code: INOXWIND |
| Fax No 022-22723121/2037/39/41/61 | Fax No 022-2659 8237/38 |

Dear Sir,

**Sub: Investor presentation for Third Quarter**

Please find attached the Investor's presentation Q3 for FY 2015-2016.

We request you to please take the above on record.

Yours faithfully,

**For Inox Wind Limited**

**Shubha Singh**
**Company Secretary**

**Encl: As Above**

INOX WIND LIMITED

**INOX WIND LIMITED,** Plot No. 17, Sector 16 A, Noida-201 301, (U.P.), INDIA. Phone: +91-120-6149 600, Fax: +91-120-6149 610
**Registered Office :** Plot No.1, Khasra No.264 to 267, Industrial Area, Village-Basal, Distt. Una-174 303, (H.P.) INDIA. Tel: +91-1975-272001
CIN : L31901HP2009PLC031083, E-mail: contact@inoxwind.com, Web: www.inoxwind.com

# *INOX WIND LIMITED*
# *QUARTERLY INVESTOR UPDATE*
# *Q3 & 9MFY16*

# 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.*

*These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond IWL's control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements.*

*Such statements are not, and should not be construed, as a representation as to future performance or achievements of IWL. In particular, such statements should not be regarded as a projection of future performance of IWL. It should be noted that the actual performance or achievements of IWL may vary significantly from such statements.*

# DISCUSSION SUMMARY

- KEY BUSINESS DEVELOPMENTS
- Q3 & 9M FY16 RESULT ANALYSIS
- ORDER BOOK UPDATE
- PIPELINE OF PROJECTS
- MANUFACTURING CAPACITY
- LAUNCH OF 113 M TURBINE
- SHAREHOLDING STRUCTURE
- CONSOLIDATED FINANCIALS
- ANNEXURE

# KEY BUSINESS DEVELOPMENTS

## *TWO STRATEGIC LONG-TERM TECHNOLOGY AGREEMENTS SIGNED WITH AMSC*

- Securing exclusive and perpetual license and know-how for manufacturing of 2MW ECS in India
  - Reduces dependence on AMSC – long term security
  - Improved supply chain control and cost savings due to indigenisation
  - Reduced foreign exchange exposure

- Collaboration for development of 3MW WTG for India
  - IWL will remain at the cutting edge of WTG technology
  - Improved efficiencies, lower cost of generation

# KEY BUSINESS DEVELOPMENTS

## *COMMON INFRASTRUCTURE COMMISSIONED FOR 600 MW OF POWER EVACUATION*

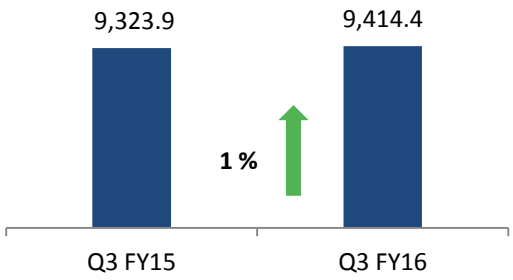
- Significant pick-up in project execution
- 220 KVA sub-station and transmission line commissioned at Rojmal, Gujarat
  - Capable of supporting power evacuation of 400 MW
  - Projects for customers such as Sembcorp Green Infra, Tata Power, GACL, GMDC
- 220 KVA sub-station and transmission line commissioned at Nipaniya, Madhya Pradesh in Jan-16
  - Capable of supporting power evacuation of 200 MW plus
  - Projects for customers such as Renew Power, Mytrah, CESC, Baidyanath
- Commissioning of common power evacuation infrastructure (200 MW+) at Lahori, Madhya Pradesh ready.

## *…LEADING TO ENHANCED SYNCHRONISATION BETWEEN SUPPLY & COMMISSIONING*

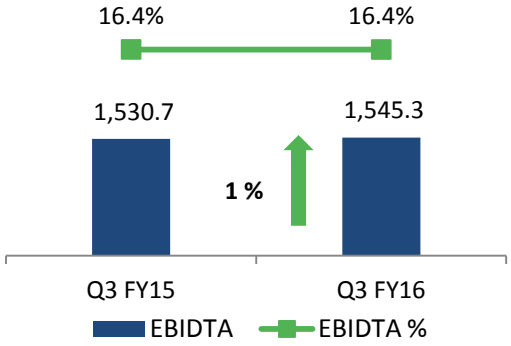
# Q3 & 9M FY16 RESULT ANALYSIS

## Q3 FY16 YoY ANALYSIS

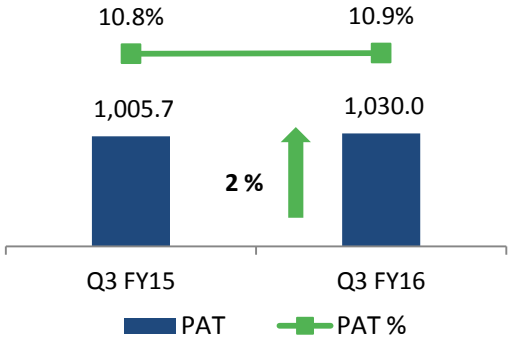
### REVENUES*




### EBITDA** AND EBITDA MARGIN

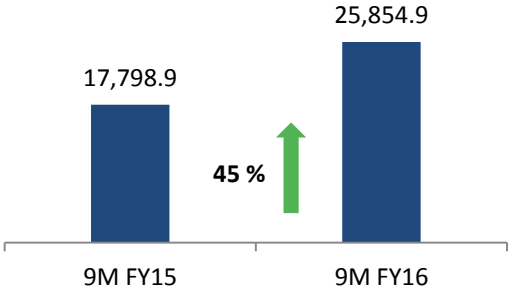



### PAT AND PAT MARGIN

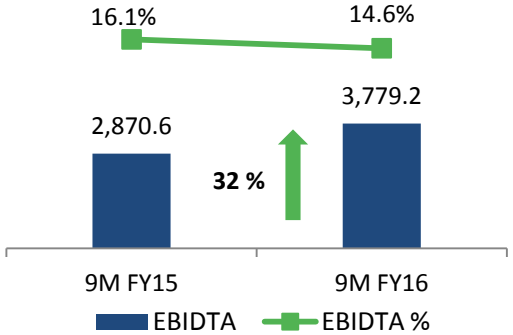



## 9M FY16 YoY ANALYSIS

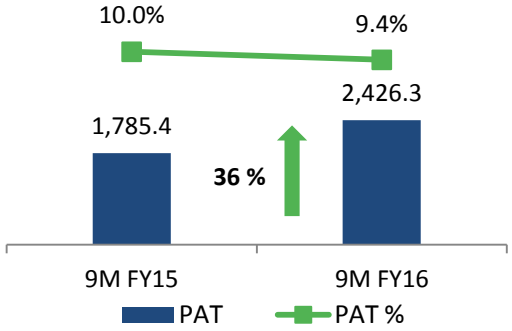
### REVENUES*




### EBITDA** AND EBITDA MARGIN




### PAT AND PAT MARGIN

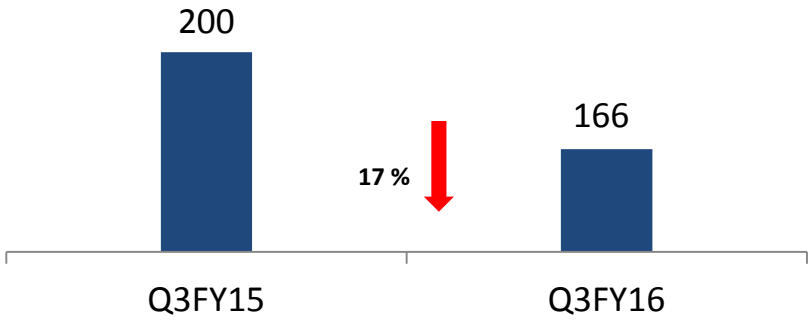


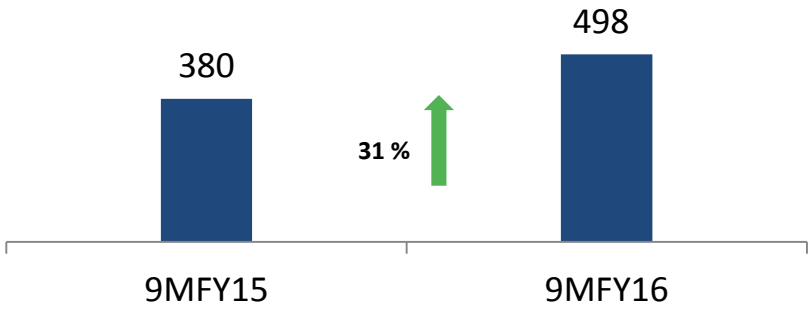

Note: * Revenue from Operations, ** EBIDTA excluding Other Income

**In Rs. Mn**

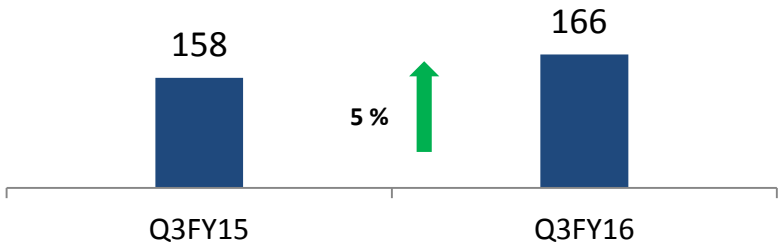
# Q3 & 9M FY16 SALES & COMMISSIONING ANALYSIS

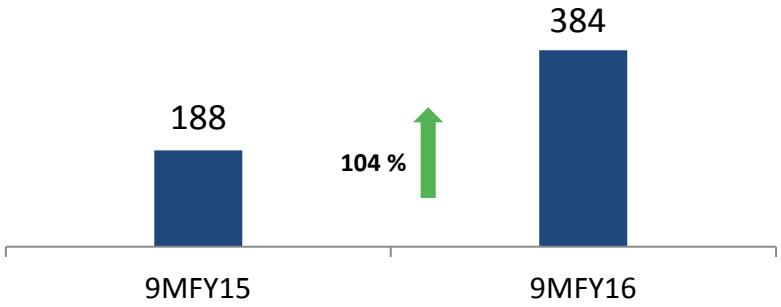
## VOLUME BREAKUP - SALES (MW)



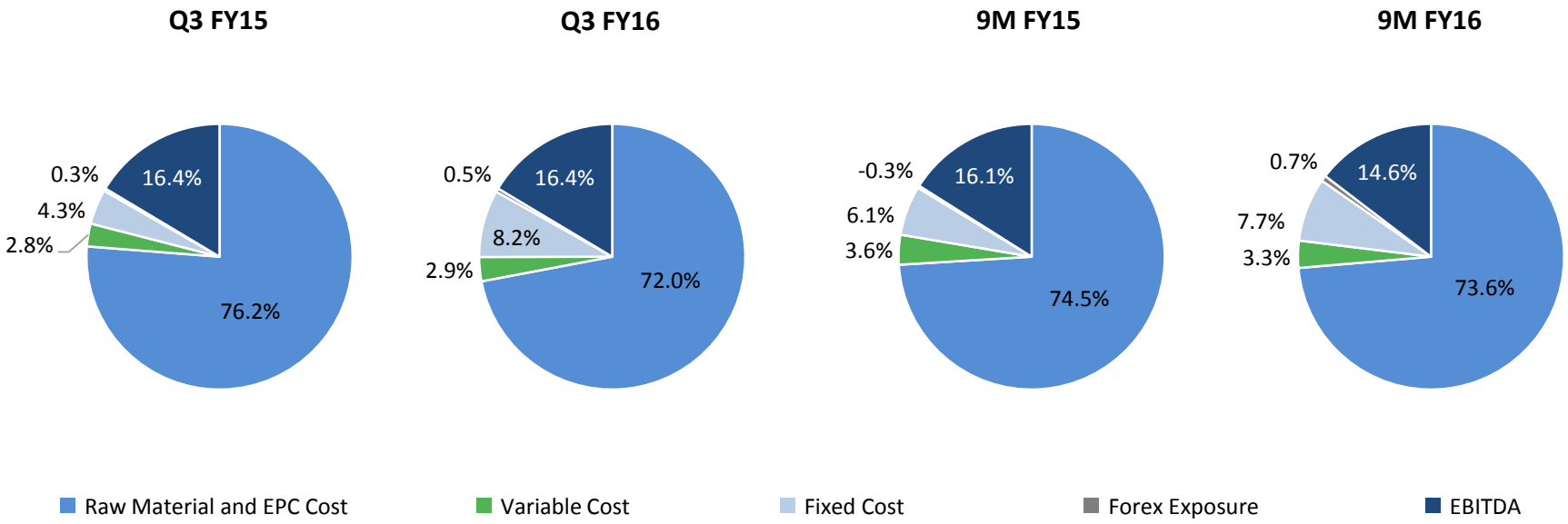

## COMMISSIONING (MW)



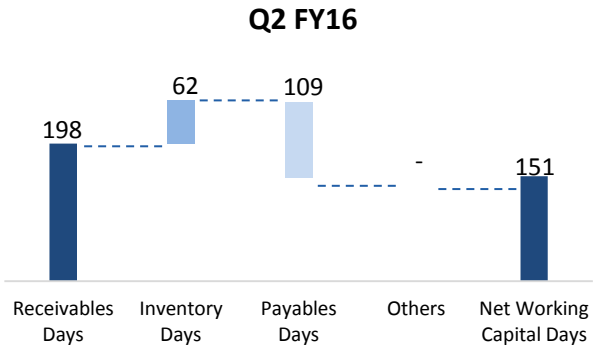

***SIGNIFICANT PICK-UP IN COMMISSIONING***

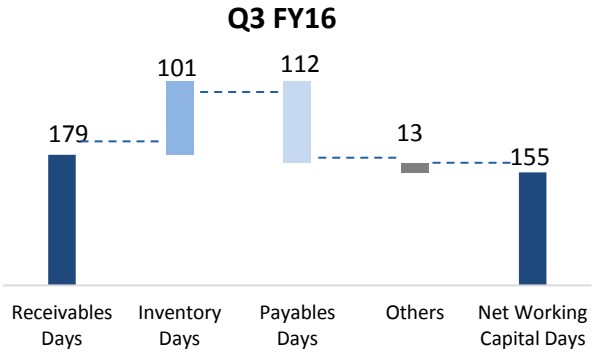
# Q3 & 9M FY16 COST ANALYSIS



# Q3 & 9M FY16 WORKING CAPITAL ANALYSIS

## WORKING CAPITAL ANALYSIS




| Particulars (Rs Mn) | Sep-2015 | Dec-2015 |
|---|---|---|
| Inventory | 4949 | 7,057 |
| Receivables | 18024 | 189,95 |
| Payables | 8049 | 9,508 |
| Others | 725 | 277 |
| Gross Working Capital | 14199 | 16266 |

***WORKING CAPITAL IS EXPECTED TO IMPROVE OVER COMING QUARTERS***

Enhanced manufacturing capacity

**Better synchronisation of component supply**

Common infrastructure for power evacuation in place

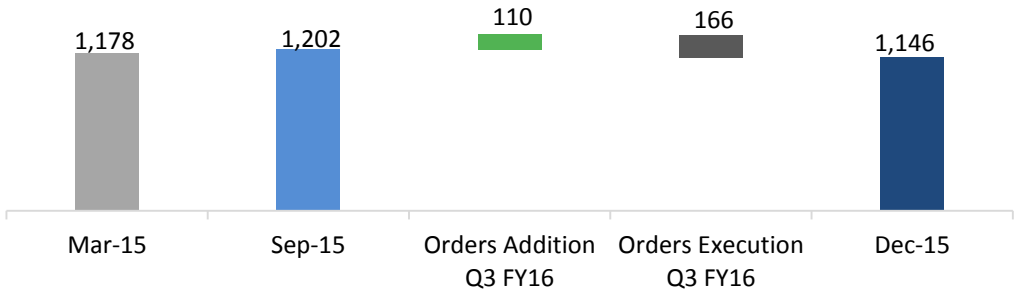
**Reduced lag between supply and commissioning**

**Leading to lower working capital days**

# ORDER BOOK UPDATE

| Order Book Update | 31st December 2015 |
|---|---|
| Total Order Book (MW) | 1,146 |
| Estimated Execution Period | 12 - 15 Months |
| Order Addition – Q3 FY16 (MW) | 110 |

**MOVEMENT IN ORDER BOOK (MW)**




**Robust order inflow visibility - ~1,200 MW of orders in advanced stage of discussion**

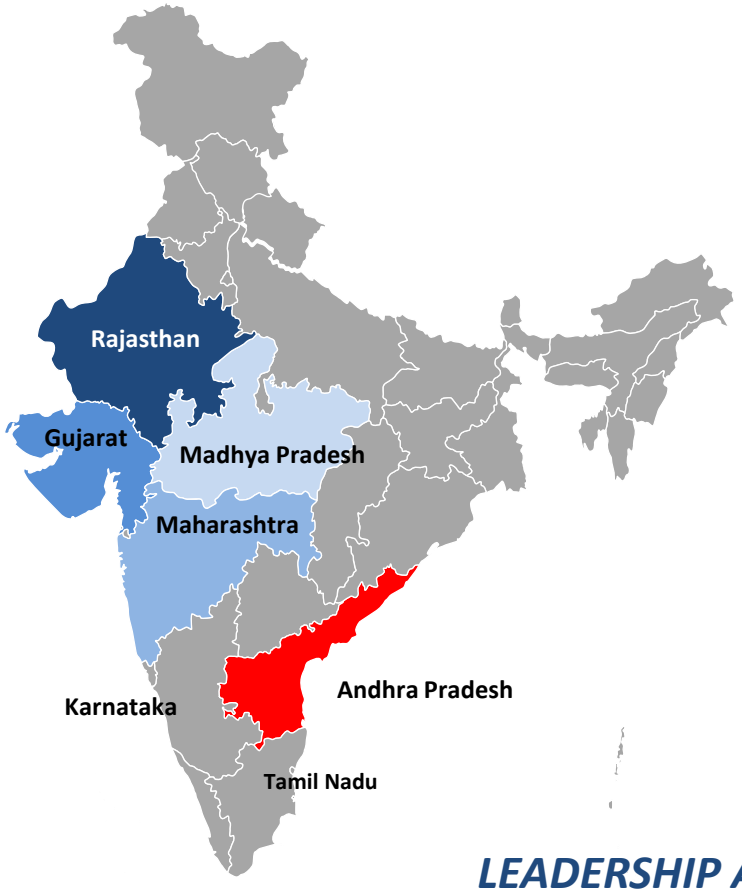
**Key Highlights:**

- Continue to strengthen position and increase market share across IPPs, PSUs, utilities, corporates and retail customers
- Increased traction across accelerated depreciation driven customers
- Maintaining momentum in tender market- Orders bagged from PTC India & GIPCL

**Diversified & Reputed Clientele**

**Sembcorp Green Infra, Continuum Wind, Mytrah Energy, Tata Power, Bhilwara Energy, CESC, Renew Wind Energy, Ostro Energy and PSUs like NHPC, RITES, GACL, GMDC amongst others.**

# CURRENT PIPELINE OF PROJECT SITES




Amongst the largest land bank owners in

1. Gujarat
2. Rajasthan
3. Madhya Pradesh

- Focused on increasing land bank further in South India. Multiple sites acquired at very competitive acquisition cost in Andhra Pradesh
- Sufficient Land Bank as of December 2015 for installation of an aggregate capacity of more than 4,500 MW

***LEADERSHIP ACROSS WIND RICH STATES***

# MANUFACTURING CAPACITY- *1,600 MW by FY16*

| CURRENT CAPACITY | | | | |
|---|---|---|---|---|
| Plant Location | Una, Himachal Pradesh | Rohika, Gujarat | Barwani, Madhya Pradesh | Total |
| Nacelles & Hubs | 550 | - | - | **550** |
| Blades | - | 400 | - | **400** |
| Towers | - | 150 | - | **150** |

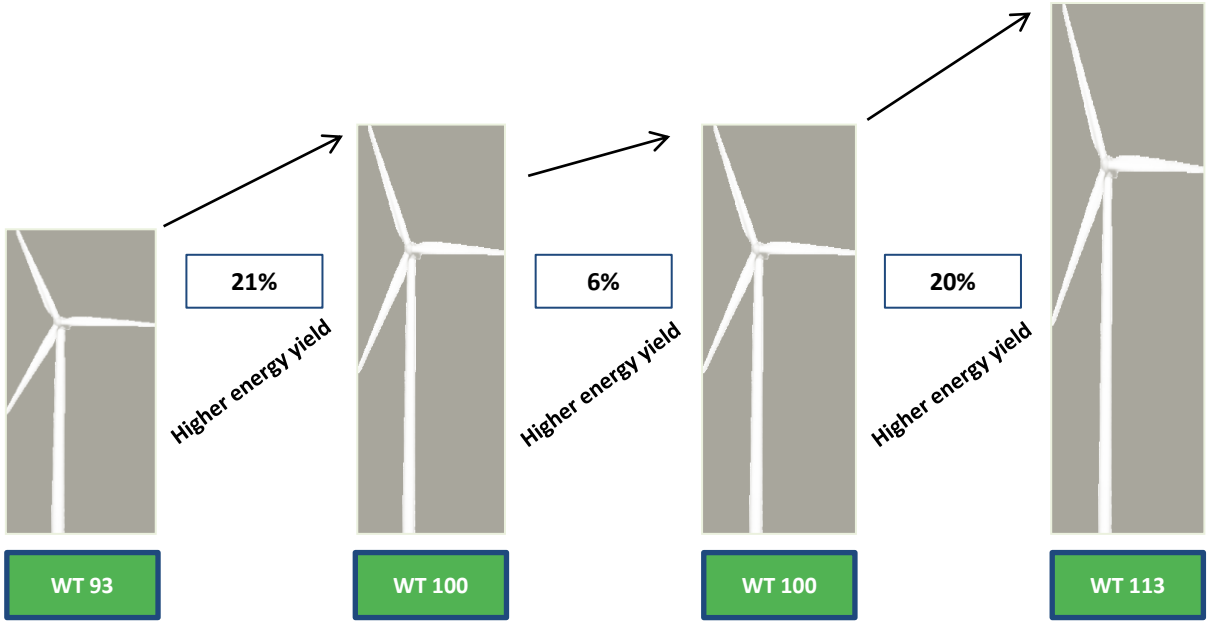
| PROPOSED CAPACITY POST EXPANSION | | | | |
|---|---|---|---|---|
| Plant Location | Una, Himachal Pradesh | Rohika, Gujarat | Barwani, Madhya Pradesh | Total |
| Nacelles & Hubs | 550 | - | 400 | **950** |
| Blades | - | 400 | 400 | **800** |
| Towers | - | 300 | 300 | **600** |

- Blade plant at integrated Madhya Pradesh facility has commenced production
- Total 8 Mould Facility with 5 Moulds operating at 100% capacity
- Facility to manufacture 100m rotor diameter and 113m rotor diameter variants
- Commenced trial production for tower plant.
- One of the largest manufacturing facilities in Asia

# SET TO *LAUNCH 113 m TURBINES & 120 m HYBRID TOWERS*

**Will be launching 113 Meter Turbines with Hub Height of 120 m in this fiscal year**

**Higher Energy Yield** → **Lower Energy Cost** → **Higher Returns**



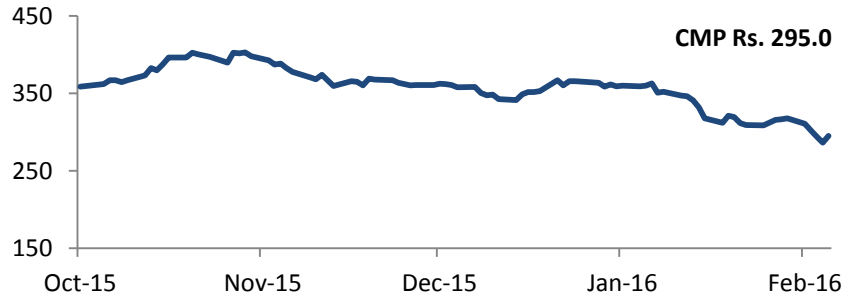

**IWL's Technology Edge:**

- More efficient power curves
- Higher uptime
- Lower O&M
- Increased margins
- Higher market share
- Higher IRR for investors
- Expands market – Ideal for low wind pockets

**Set to launch 120 m Hybrid Tower**

# SHAREHOLDING STRUCTURE

## Share Price Performance

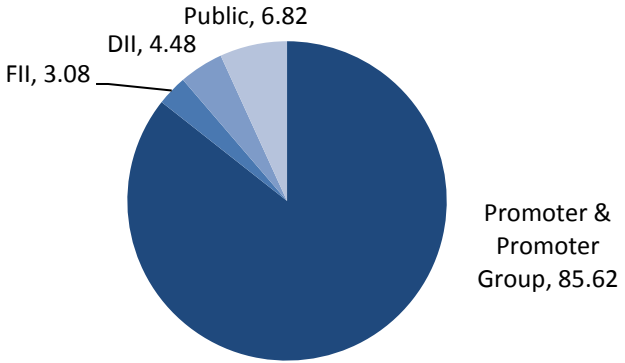



Source - BSE

| Market Data | As on 05.02.16 (BSE) |
|---|---|
| Market capitalization (Rs. Mn) | 65,465.9 |
| Price (Rs.) | 295.0 |
| No. of shares outstanding (Mn) | 222 |
| Face Value (Rs.) | 10.0 |
| 52 week High-Low (Rs.) | 411.5 – 282.4 |

Source - BSE

## % Shareholding – December 2015




Source - BSE

| Key Institutional Investors at December 2015 | % Holding |
|---|---|
| Reliance Capital | 1.64% |
| Sundaram Asset Management | 1.13% |
| IDFC Mutual Fund | 0.67% |
| Goldman Sachs Asset Management | 0.64% |
| Birla Sun Life Asset Management | 0.44% |
| Birla Sun Life Insurance | 0.41% |
| Fidelity Investments | 0.36% |
| Blackrock Group | 0.32% |

Source - Bloomberg

# DETAILED FINANCIALS

## CONSOLIDATED P&L STATEMENT

| Particulars (Rs Mn) | Q3 FY16 | Q3 FY15 | YoY % | Q2 FY16 | QoQ% | 9M FY16 | 9M FY15 | YoY % | FY15 |
|---|---|---|---|---|---|---|---|---|---|
| **Revenue from Operations** | **9,414.4** | **9,323.9** | **1.0%** | **10,082.2** | **-6.6%** | **25,854.9** | **17,798.9** | **45.3%** | **27,099.3** |
| Cost of Material Consumed | 5,495.6 | 5,798.8 | -5.2% | 6,799.7 | -19.2% | 16,378.1 | 11,652.8 | 40.6% | 18,152.4 |
| Changes in inventories of finished goods & work-in-progress | -178.9 | 266.5 | -167.1% | 31.7 | -664.3% | -314.4 | -97.5 | 222.4% | -1,441.3 |
| EPC, O&M, Common Infrastructure Facility and Site Development expenses | 1,464.2 | 1,043.3 | 40.3% | 780.6 | 87.6% | 2,977.9 | 1,696.8 | 75.5% | 3,635.5 |
| Employee Expenses | 252.7 | 145.9 | 73.2% | 199.9 | 26.4% | 640.7 | 391.1 | 63.8% | 549.1 |
| Other Expenses | 792.9 | 509.9 | 55.5% | 844.6 | -6.1% | 2,213.6 | 1,335.4 | 65.8% | 1,944.8 |
| Foreign Exchange Fluctuation (Gain)/Loss (net) | 42.4 | 28.8 | 47.3% | 55.5 | -23.6% | 179.8 | -50.3 | 457.5% | -315.6 |
| **EBITDA** | **1,545.3** | **1,530.7** | **1.0%** | **1,370.2** | **12.8%** | **3,779.2** | **2,870.6** | **31.7%** | **4,574.4** |
| ***EBITDA Margin %*** | ***16.4%*** | ***16.4%*** | **0bps** | ***13.6%*** | **282bps** | ***14.6%*** | ***16.1%*** | **-151bps** | ***16.9%*** |
| **EBITDA Excluding Forex Impacts** | **1,587.7** | **1,559.5** | **1.8%** | **1,425.7** | **11.4%** | **3,959.0** | **2,820.3** | **40.4%** | **4,258.8** |
| ***EBITDA Margin % Excluding Forex Impacts*** | ***16.9%*** | ***16.7%*** | **14bps** | ***14.1%*** | **272bps** | ***15.3%*** | ***15.8%*** | **-53bps** | ***15.7%*** |
| Depreciation | 86.0 | 55.5 | 55.0% | 78.8 | 9.1% | 227.6 | 147.3 | 54.5% | 203.6 |
| Other Income | 149.9 | 27.6 | 443.0% | 206.1 | -27.3% | 463.5 | 104.5 | 343.5% | 143.0 |
| Finance Cost | 200.7 | 161.8 | 24.0% | 283.5 | -29.2% | 705.4 | 464.1 | 52.0% | 622.5 |
| **PBT** | **1,408.5** | **1,341.0** | **5.0%** | **1,214.0** | **16.0%** | **3,309.7** | **2,363.7** | **40.0%** | **3,891.3** |
| Tax Expense | 378.4 | 335.3 | 12.9% | 322.7 | 17.3% | 883.4 | 578.3 | 52.8% | 927.1 |
| **PAT** | **1,030.0** | **1,005.7** | **2.4%** | **891.3** | **15.6%** | **2,426.3** | **1,785.4** | **35.9%** | **2,964.2** |
| ***PAT Margin %*** | ***10.9%*** | ***10.8%*** | **15bps** | ***8.8%*** | **210bps** | ***9.4%*** | ***10.0%*** | **-65bps** | ***10.9%*** |
| **Earnings Per Share (EPS)** | **4.64** | **5.03** | **-7.8%** | **4.02** | **15.4%** | **10.93** | **8.93** | **22.4%** | **14.81** |

# DETAILED FINANCIALS

## CONSOLIDATED BALANCE SHEET

| Particulars (Rs Mn) | FY15 | H1 FY16 |
|---|---|---|
| **Share Holders' Funds:** | | |
| Equity share capital | 2,219.2 | 2,219.2 |
| Reserves and Surplus | 11,700.0 | 13,096.2 |
| **Total of Shareholder funds** | **13,919.1** | **15,315.4** |
| **Non-current liabilities:** | | |
| Long term Borrowings | 779.2 | 566.7 |
| Deferred tax liabilities (Net) | 209.4 | 265.6 |
| Other Long Term Liabilities | 24.0 | 24.0 |
| Long Term Provisions | 24.8 | 35.8 |
| **Total of Non-current liabilities** | **1,037.4** | **892.1** |
| **Current liabilities:** | | |
| Short-term borrowings | 7,670.6 | 10,309.7 |
| Trade payables | 7,207.8 | 8,053.9 |
| Other current liabilities | 1,813.9 | 1,431.7 |
| Short-term provisions | 523.4 | 622.4 |
| **Total of Current liabilities** | **17,215.7** | **20,417.7** |
| **Total Equity & Liabilities** | **32,172.2** | **36,625.3** |

| Particulars (Rs Mn) | FY15 | H1 FY16 |
|---|---|---|
| **Non-current assets:** | | |
| Goodwill on Consolidation | 16.5 | 16.5 |
| Fixed Assets | 2,502.6 | 4,580.9 |
| Non-current investments | 0.0 | 0.0 |
| Deferred Tax Assets (Net) | 223.9 | 410.4 |
| Long-term loans and advances | 1,081.0 | 828.4 |
| Other non-current assets | 46.5 | 53.9 |
| **Total non-current assets** | **3,870.5** | **5,890.1** |
| **Current assets:** | | |
| Current Investments | 0.0 | 0.0 |
| Inventories | 4,238.2 | 4,948.9 |
| Trade receivables | 14,321.8 | 18,025.3 |
| Cash and bank balances | 7,096.1 | 4,678.8 |
| Short-term loans and advances | 2,355.3 | 2,697.3 |
| Other Current Assets | 290.3 | 384.8 |
| **Total Current Assets** | **28,301.7** | **30,735.2** |
| **Total Assets** | **32,172.2** | **36,625.3** |

# BALANCE SHEET PERSPECTIVE

| Particulars | 9M FY15 | 9M FY16 |
|---|---|---|
| **Total of Shareholder funds** | **6,062.6** | **16,345.4** |
| Share Capital | 2,000.0 | 2,219.2 |
| Reserves & Surplus | 4,062.6 | 14,126.2 |
| **Total Debt** | **7,525.0** | **13,836.0** |
| Long Term Debt | 825.0 | 581.4 |
| Current Portion of Long Term Debt | 250.0 | 143.0 |
| Short Term Debt | 6,690.3 | 13,111.6 |
| Other Non-Current Liabilities | 234.3 | 361.0 |
| **Total Sources of Funds** | **13,281.9** | **30,542.4** |

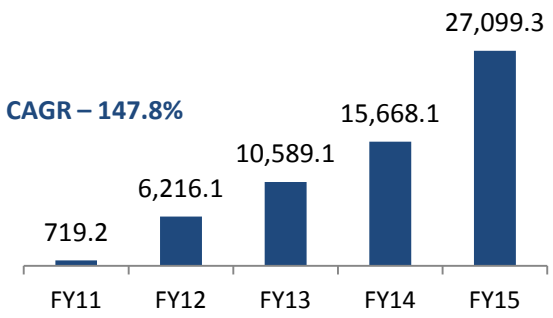
| Particulars | 9M FY15 | 9M FY16 |
|---|---|---|
| Goodwill on Consolidation | 16.5 | 47.2 |
| **Fixed Assets** | **2,112.1** | **4,852.7** |
| Other Non-Current Assets | 1,177.3 | 1950.4 |
| Current Assets | 19,150.1 | 34,400.1 |
| Less: Current Liabilities | 8,634.1 | 10,708.0 |
| **Net Current Assets** | **10,266.0** | **23,692.1** |
| **Total Assets** | **13,281.9** | **30,542.4** |

| Key Balance sheet Ratios | 9M FY15 | 9M FY16 |
|---|---|---|
| **Debt : Equity** | **1.2** | **0.8** |
| **Net Debt : Equity** | **1.2** | **0.5** |

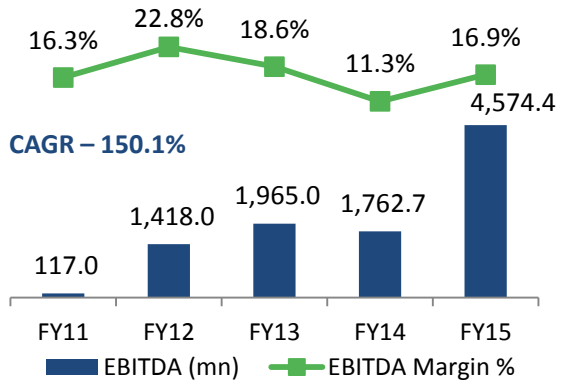
**In Rs. Mn**

# FINANCIAL SUMMARY – LAST 5 YEAR PERFORMANCE

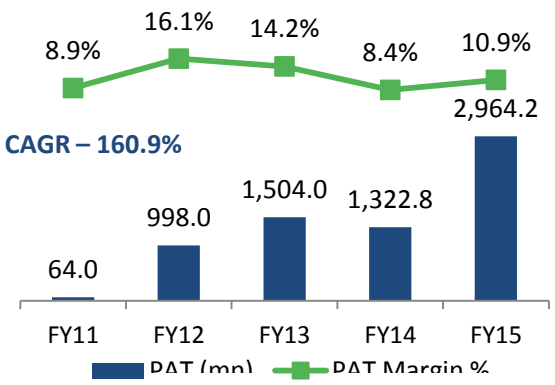
## Revenue from Operations



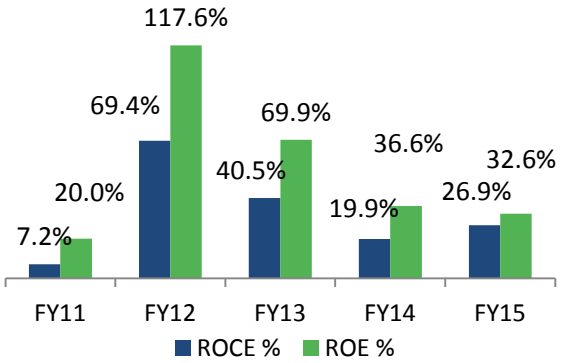

## EBIDTA & EBIDTA Margin %



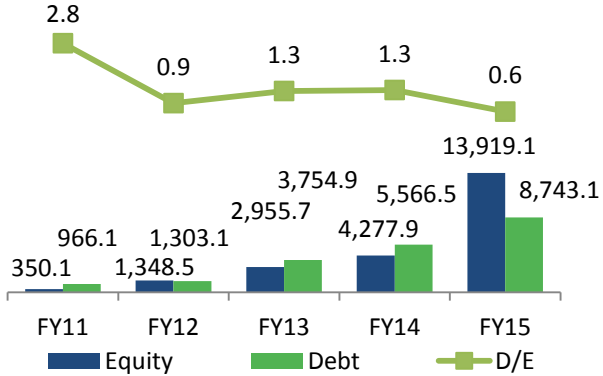

## PAT & PAT Margin %



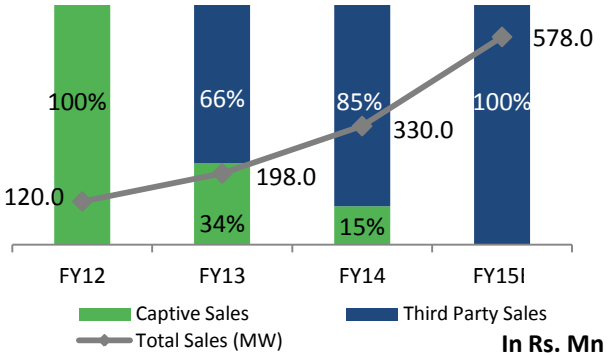

## Return Ratios




## Leverage Analysis




## Sales – Captive vs Third Party




ROE: PAT/Avg. Equity, ROCE: EBIT/Avg. Capital Employed [(Capital Employed = Equity + Total Debt)

**In Rs. Mn**

# FOR FURTHER QUERIES :

# THANK YOU

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# REGULATORY IMPETUS DRIVING GROWTH

| Accelerated Depreciation | Generation Based Incentive | Wind Power projects as CSR | Attractive Preferential Tariffs |
|---|---|---|---|
| • Brings back SME, on balance sheet and captive demand. | • Improved viability and funding of wind power projects. | • Strengthens demand from PSUs and corporate with CSR obligations. | • Significant boost to IPP demand<br>• FIIs increasing their capital investments in India thru IPP model. |

| Green Corridor | Renewable Generator Obligation (RGO) | Amendments in Tariff Policy | Priority Sector Lending |
|---|---|---|---|
| • Fast Tracks Evacuation for green power enabling more renewables to be added to the grid<br>• National Clean Energy cess doubles resulting into access to low cost funds | • RGO introduced in the New Tariff Policy<br>• Mandates all coal-fired plants commissioned after a specific date to generate a certain percentage of their power from renewable energy sources | • Waiving off inter-state transmission charges to promote effective utilisation of renewable sources | • As per Reserve Bank of India's notification released on 23rd April 2015, bank loans up to Rs.150 mn per borrower (AD customer) for installation of wind mills will be classified under Priority Sector Lending. |

**The Government is aiming for 10 GW of Wind Energy addition every year**