

adani

Adani Power Limited

Analyst Presentation

Q3 / 9M FY 2019-20



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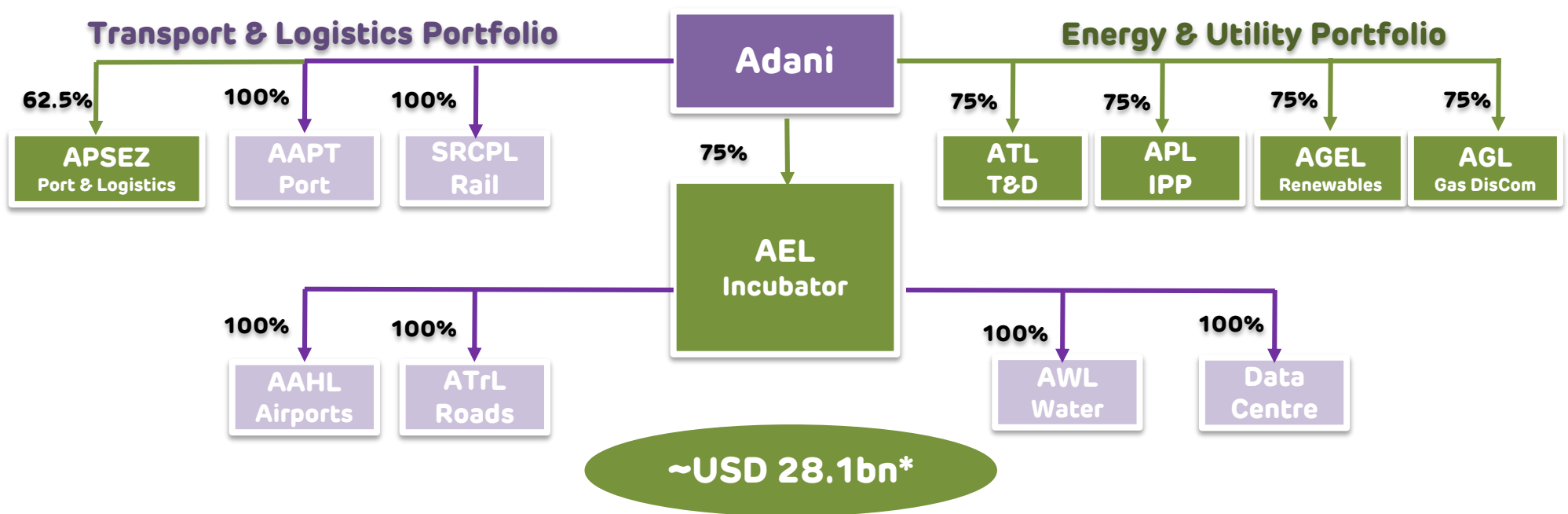
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-



Adani Group





# ADANI: world class infrastructure & utility portfolio



**Adani**

- **No 1 in Ports, T&D and IPP (Thermal and renewables) in India**
- Independent verticals with independent boards - **Integrating ESG into value creation**
- Addressable utility market- **3.2 million customers in ATL & ~ 10 million in AGL**
- Addressable market in **Airports ~125 million customers**

# ADANI: repeatable, robust & proven model to deliver RoE

| Phase       | Development  |   |  | Operations  | Post Operations  |
|-------------|--|---|--|---|--|
|             | Origination  | Site Development  | Construction   | Operation   | Capital Mgmt   |
| Activity    | <ul style="list-style-type: none"> <li>Analysis &amp; market intelligence</li> <li>Viability analysis</li> <li><b>Strategic value</b></li> </ul>                                 | <ul style="list-style-type: none"> <li>Site acquisition</li> <li>Concessions and regulatory agreements</li> <li><b>Investment case development</b></li> </ul>                             | <ul style="list-style-type: none"> <li>Engineering &amp; design</li> <li>Sourcing &amp; quality levels</li> <li><b>Equity &amp; debt funding at project</b></li> </ul>                 | <ul style="list-style-type: none"> <li><b>Life cycle O&amp;M planning</b></li> <li>Asset Management plan</li> </ul>   |  |
| Performance | <ul style="list-style-type: none"> <li>Redefining the space -eg <b>Mundra Port</b></li> </ul>  | <ul style="list-style-type: none"> <li>Envisaging evolution of sector eg Adani Transmission</li> </ul>  | <ul style="list-style-type: none"> <li>complex developments on time &amp; budget eg APL</li> </ul>  | <ul style="list-style-type: none"> <li><b>O&amp;M optimisations eg Solar plants</b></li> </ul>  | <ul style="list-style-type: none"> <li><b>Ops phase funding consistent with asset life</b></li> </ul> <p><b>APSEZ, ATL, AGEL &amp; AEML - only Private sector Infrastructure IG issuers in India</b></p> |

**Low capital cost, time bound & quality completion providing long term stable cashflow & enhanced RoE**

# ADANI: repeatable, robust business model applied consistently to drive value

## Key Business Model Attributes

## Successfully applied across Infrastructure & utility platform

✓ Development at scale & within time and budget



India's Largest Commercial Port



Longest Private HVDC Line in Asia



648 MW Ultra Mega Solar Power Plant



Largest Single Location Private Thermal IPP

✓ Excellence in O&M – benchmarked to global standards

### APSEZ

Highest Margin among Peers in the World

EBITDA margin: 65%<sup>1,2</sup>

### ATL

Highest availability among Peers

EBITDA margin: 91%<sup>1,3</sup>

### AGEL

Constructed and Commissioned 9 months

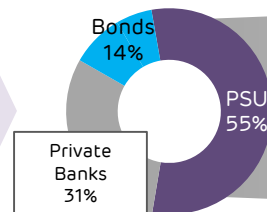
EBITDA margin: 90%<sup>1,4</sup>

### APL

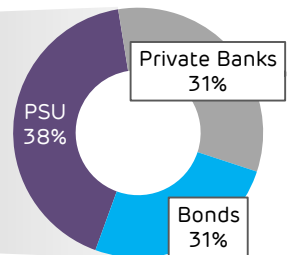
Lowest capex / MW among Peers

✓ Diverse financing sources – only Indian infrastructure portfolio with four (4) Investment Grade (IG) issuers

March 2016



September 2019



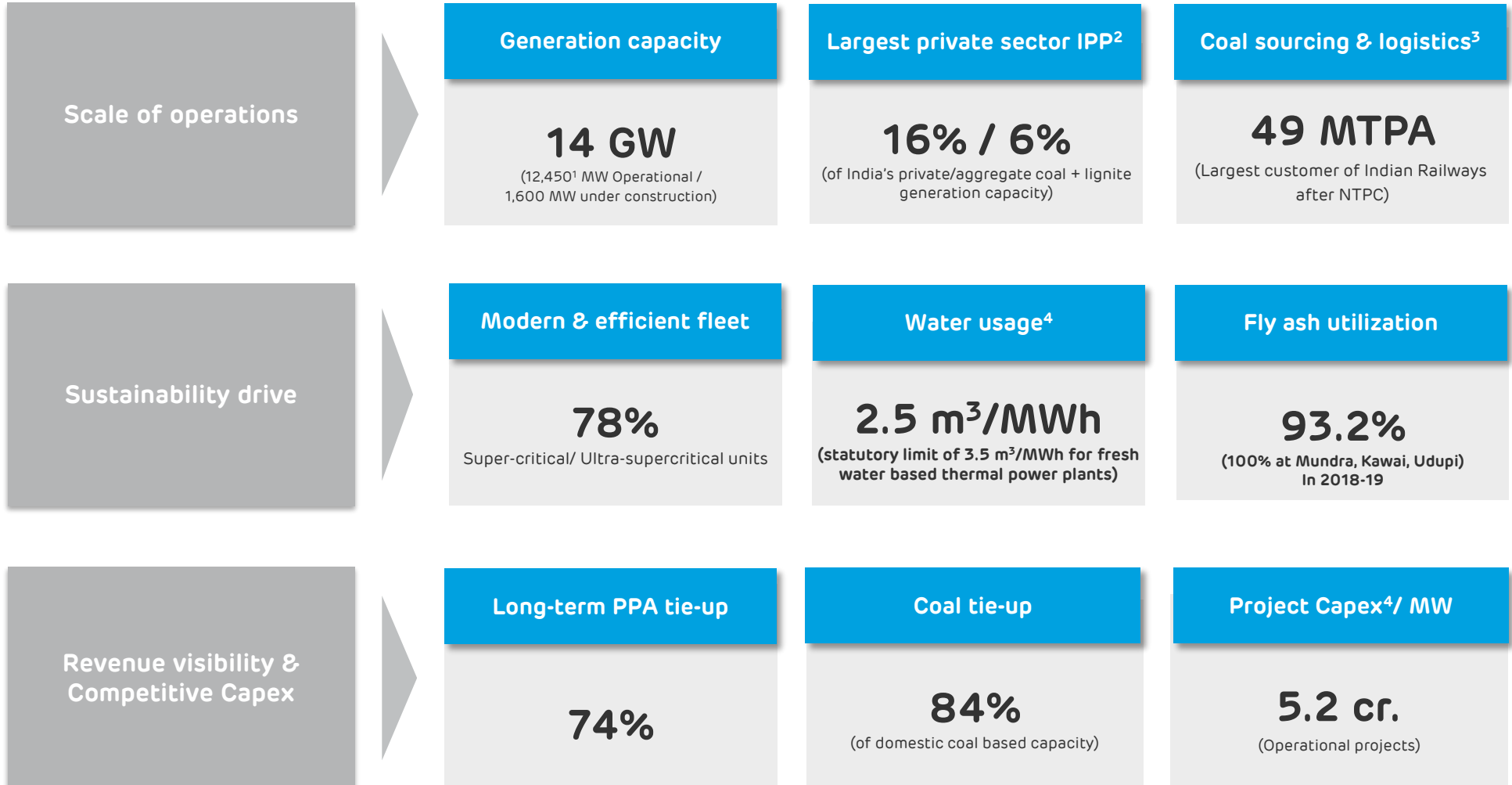
Note: <sup>1</sup> Data for FY19; <sup>2</sup> Excludes forex gains/losses; <sup>3</sup> EBITDA = PBT + Depreciation + Net Finance Costs – Other Income; <sup>4</sup> EBITDA Margin represents EBITDA earned from power sales and exclude other items

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Adani Power Limited

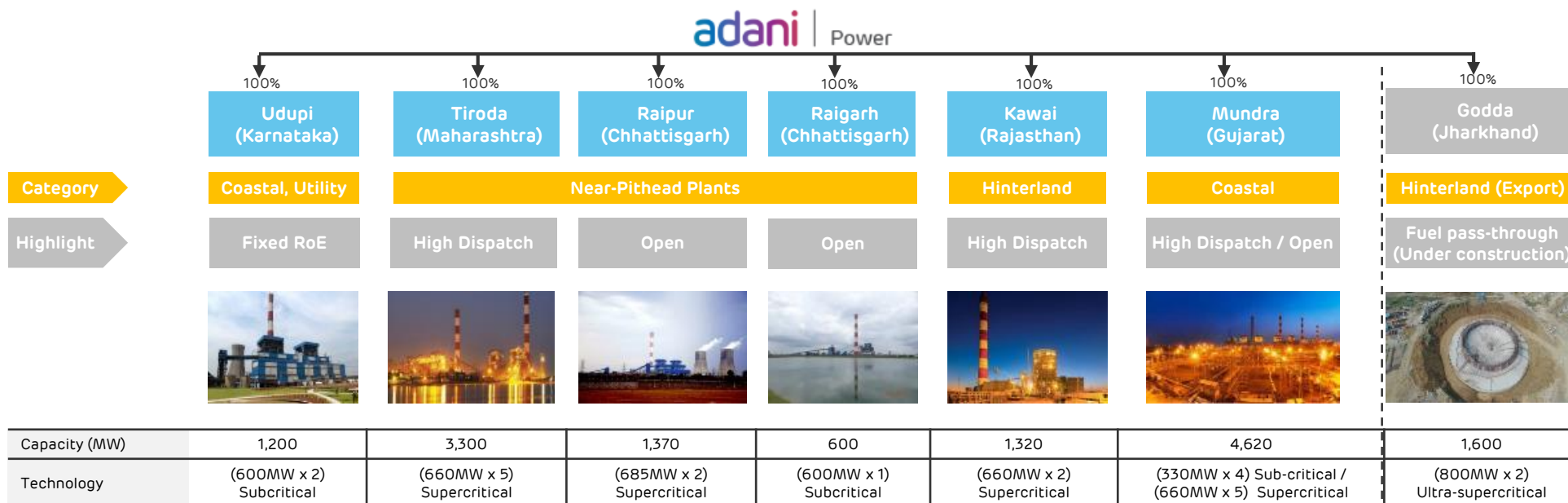


# APL at a glance



1. Includes 40 MW solar power plant at Bitta
2. Source: CEA, Sep 2019
3. At 80% PLF
4. As on Dec 19

# Strategically located, diversified operating fleet



| Category                          | Coastal     | Near-pithead | Hinterland  |
|-----------------------------------|-------------|--------------|-------------|
| Capacity MW                       | 5,820 (41%) | 5,270 (38%)  | 2920 (21%)  |
| Supercritical/Ultra-supercritical | <b>57%</b>  | <b>89%</b>   | <b>100%</b> |

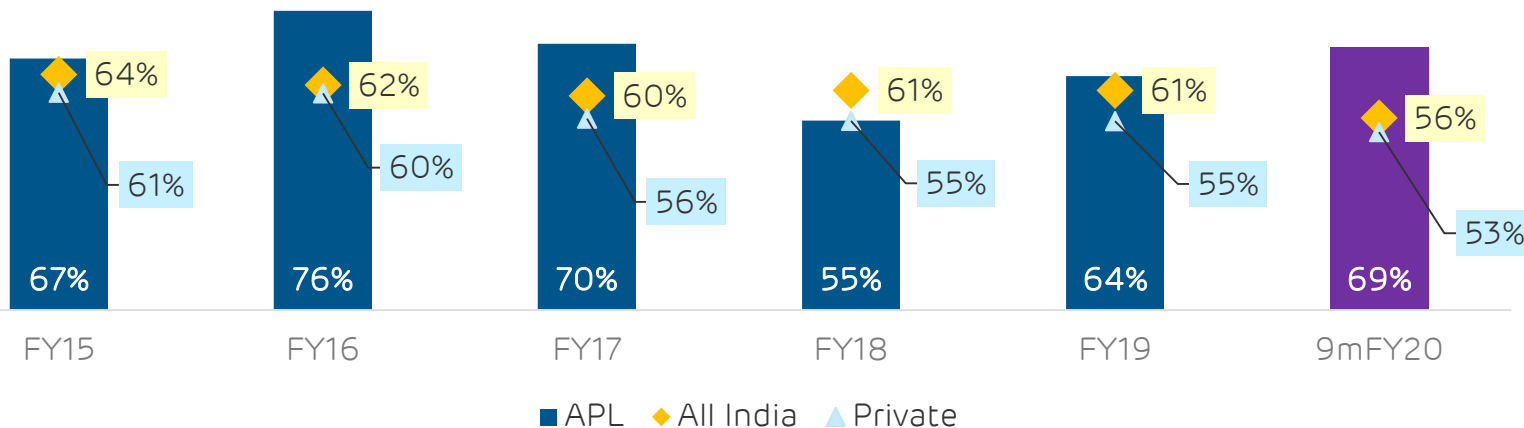
**14 GW of modern and efficient thermal power capacity of which six operating plants comprise 12 GW**

Further, Adani Power Ltd. also has a 40 MW solar power plant at Bitta.  
 IPP – Independent Power Producer, MW – Mega Watt

# Superior operating performance

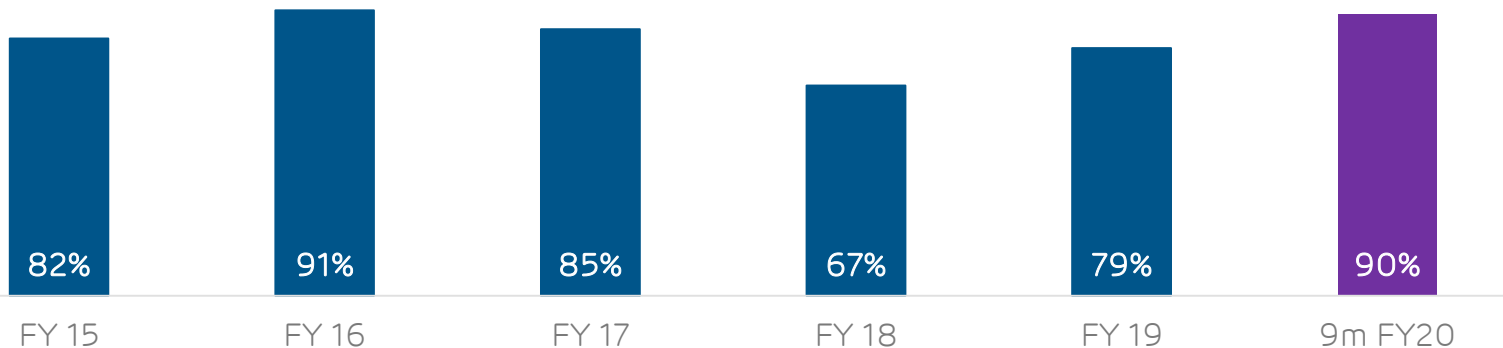
Consistently high PLF in comparison to all India average (FY18 lower due to coal shortage)

### Plant Load Factor (%)

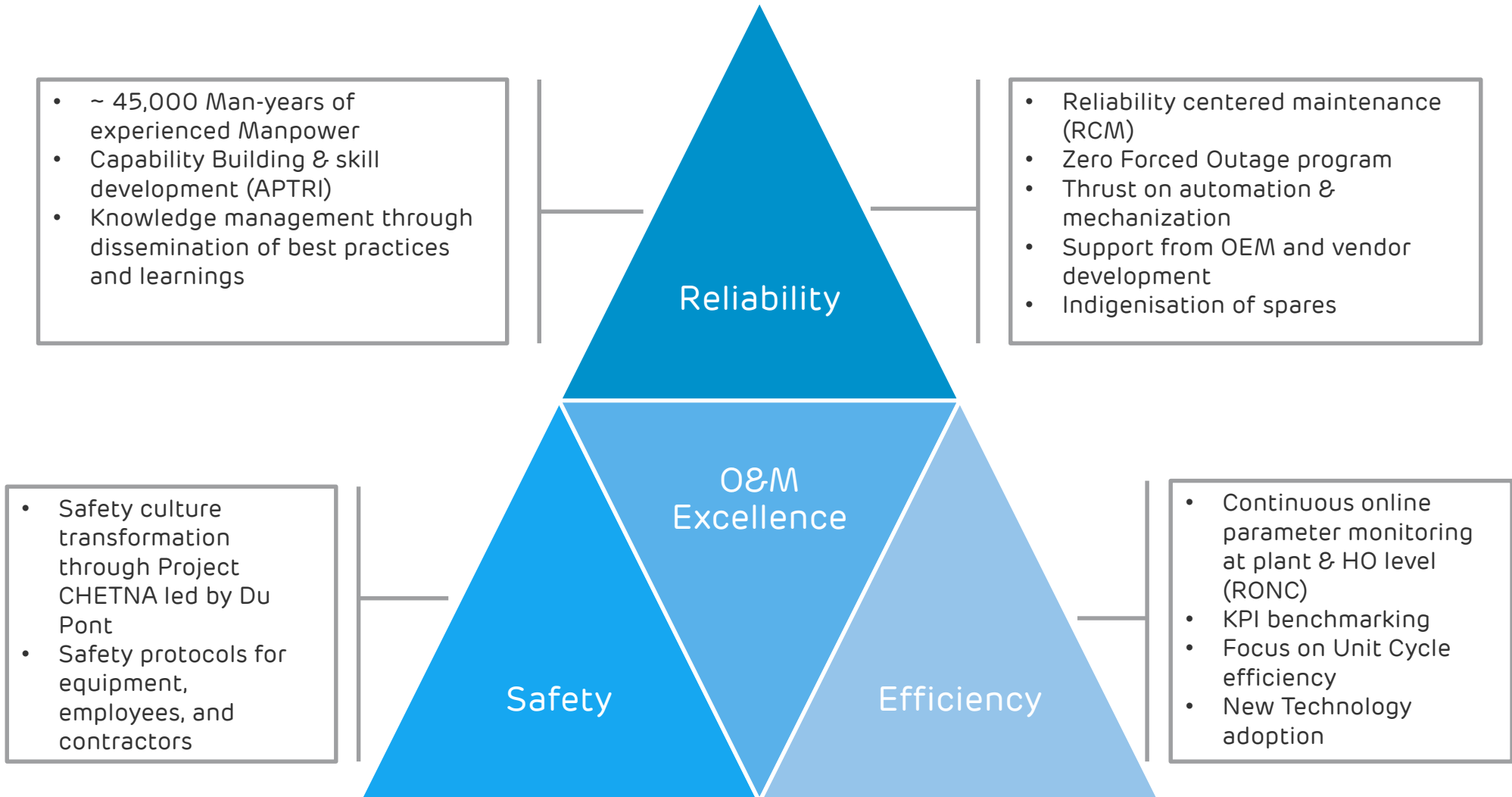


Attainment of normative availability ensures full recovery of capacity charge (FY18 lower due to coal shortage)

### Billed Availability for Long Term PPAs (%)



Source: Ministry of Power



# Sector-leading logistics capability as key competitive advantage

Fuel management is key to revenue stability

Plant and Mine Locations

Only IPP in India with in-house, mine-to-plant logistics capability

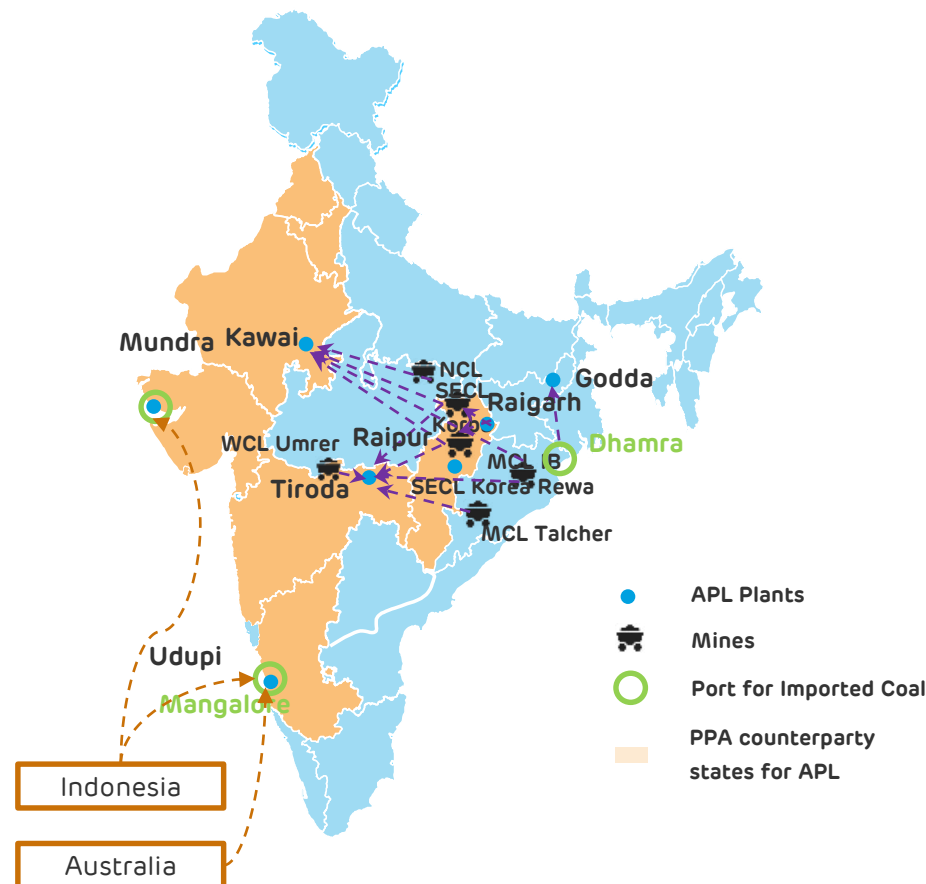
Handling 49 MMTPA coal, 6 MMTPA Fly Ash

Multiple agencies and touch points need constant attention

More than 12,000 Rake Equivalents of fuel handled annually

Daily management of loading of 25 rakes, with 36-40 rakes in circulation

Investment in material handling infrastructure for quick turnaround



APL handles volumes of 49 MMTPA, equivalent to nearly 20% of APSEZ's volumes

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APL Quarterly Performance Highlights

# Key Highlights for Q3 FY 2019-20

## Operations\*

- Billed Availability: 83%
- PLF: 68%
- Generation: 17.75 Bn Units [+ 4.8% vs Q3 FY19]
- Sales volumes: 16.44 Bn Units [+ 3.8% vs Q3 FY19]

## Financial

- Revenues: Rs. 6,685 Cr [+ 0.3% vs Q3 FY19]
- EBITDA: Rs. 1,557 Cr [+ 13.5% vs Q3 FY19]
- APL rating upgraded from BB+ to **BBB-** by CARE on 22<sup>nd</sup> Jan 2020

## Regulatory

- CERC approved tariff under Sec. 62 of The Electricity Act, 2003 for UPCL for the **Multi Year Tariff period 2014-19** on 22<sup>nd</sup> Jan 2020
- It also approved part additional capitalisation

## Acquisitions and Projects

- 600 MW Korba power plant of REGL **restarted commercial operations** on 21<sup>st</sup> Dec 2019
- Financial closure for 1,600 MW Godda project of APJL achieved
- Drawdown of disbursements from PFC and REC in Q3 FY20

## ESG

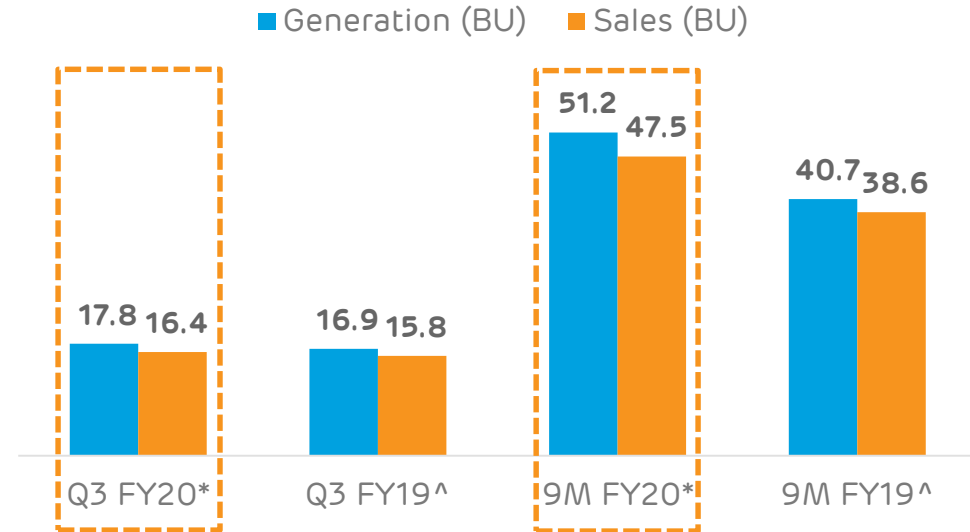
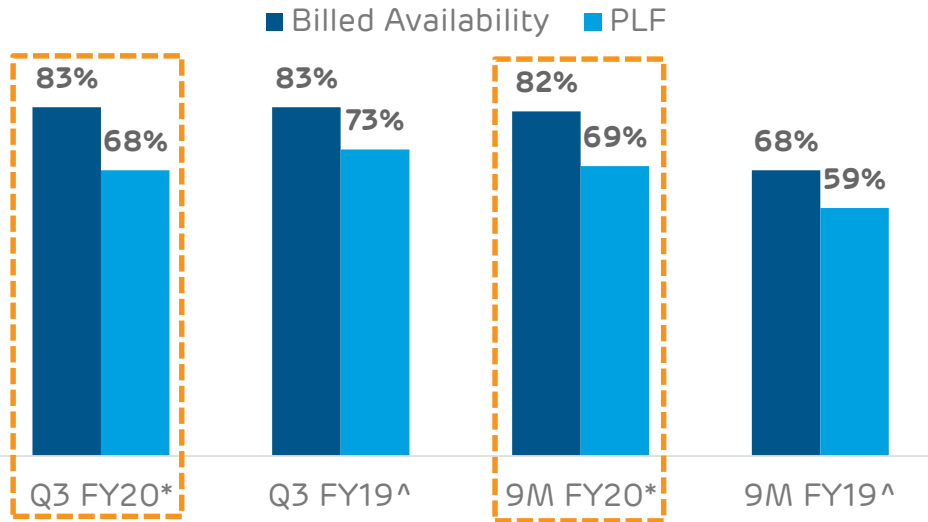
- Maharashtra Pollution Control Board **5 Star certificate** to Tiroda for stack emissions for **3<sup>rd</sup> consecutive year**
- Production of **M-sand** from pond ash started at UPCL, 806 MT sold to end users

## Awards & Certifications

- **Sword of Honour** awarded to APRL by British Safety Council
- **Excellence** award during 5S Conclave at Varanasi to **two** teams of APRL
- UPCL won **Platinum prize** at FICCI Safety Systems Excellence Awards
- APMuL certified for ISO 45000:2018 (OHSAS) and ISO 50001:2018 (EMS) in Dec '19

# Robust Operating Performance

BU : Billion Units



| Particulars                                     | Q3 FY20* | Q3 FY19^ | 9M FY20* | 9M FY19^ |
|---|----------|----------|----------|----------|
| Coal Consumed (MMT)                             | 10.4     | 9.5      | 29.7     | 23.5     |
| Domestic : Imported (%)                         | 54 : 46  | 48 : 52  | 53 : 47  | 52 : 48  |
| Materialisation of domestic coal under FSAs (%) | 92%      | 92%      | 83%      | 80%      |

- Q3 FY20 PLFs constrained by lower grid demand

\*exclude REGL

^exclude REL and REGL



# ...and steady Financial Performance

INR Crores

| Summary Income Statement      | Q3 FY20        | Q3 FY19          | + / -        | 9M FY20         | 9M FY19          | + / -         |
|-------------------------------|----------------|------------------|--------------|-----------------|------------------|---------------|
| Operating Revenue             | 6,574.8        | 6,305.0          | 4.3%         | 20,295.3        | 17,162.5         | 18.3%         |
| Other Income                  | 109.7          | 362.1            | (69.7%)      | 1,218.9         | 1,121.3          | 8.7%          |
| <b>Total Revenue</b>          | <b>6,684.5</b> | <b>6,667.1</b>   | <b>0.3%</b>  | <b>21,514.2</b> | <b>18,283.7</b>  | <b>17.7%</b>  |
| Fuel cost                     | 4,458.3        | 4,864.6          | (8.4%)       | 13,092.2        | 10,965.8         | 19.4%         |
| Other Opex                    | 668.8          | 430.1            | 55.5%        | 1,722.3         | 1,851.0          | (7.0%)        |
| <b>EBITDA</b>                 | <b>1,557.4</b> | <b>1,372.5</b>   | <b>13.5%</b> | <b>6,699.7</b>  | <b>5,467.0</b>   | <b>22.5%</b>  |
| Finance cost                  | 1,422.8        | 1,530.8          | (7.1%)       | 4,070.9         | 4,299.8          | (5.3%)        |
| <b>PBT before Exceptional</b> | <b>(648.6)</b> | <b>(840.5)</b>   | <b>22.8%</b> | <b>390.7</b>    | <b>(891.7)</b>   | <b>143.8%</b> |
| Exceptional                   | --             | --               | --           | 1,003.0         | --               | --            |
| <b>PBT</b>                    | <b>(648.6)</b> | <b>(840.5)</b>   | <b>22.8%</b> | <b>(612.3)</b>  | <b>(891.7)</b>   | <b>31.3%</b>  |
| <b>PAT</b>                    | <b>(702.4)</b> | <b>(1,180.8)</b> | <b>40.5%</b> | <b>(961.9)</b>  | <b>(1,619.0)</b> | <b>40.6%</b>  |

| Average Per unit (Rs / kWh)  | Q3 FY20* | Q3 FY19* | 9M FY20* | 9M FY19* |
|------------------------------|----------|----------|----------|----------|
| Average Recurring PPA Tariff | 4.14     | 3.94     | 4.16     | 3.92     |
| Fuel cost                    | 2.81     | 3.09     | 2.81     | 2.92     |

- EBITDA improvement due to better fuel cost recovery and full recovery of capacity charges
- Revenue recognition pertaining to earlier periods lower in Q3 FY20 (Rs. 20 Cr. vs Rs. 205 Cr.) and 9M FY20 (Rs. 1,798 Cr. vs Rs. 2,585 Cr.)

# ...with improved regulatory outlook

## Claims under announced regulatory orders

INR Crores

| Asset Name   | Nature of Claim  | Status            | Claims raised till 31 <sup>st</sup> Dec 2019 |              |               | Receipts till 31 <sup>st</sup> Dec 2019 |            |              |
|--------------|--|-------------------|--|--------------|---------------|---|------------|--------------|
|              |  |                   | CT   | CC           | Total         | CT                                      | CC         | Total        |
| APMuL        | Domestic Coal Shortfall (Up to 31 <sup>st</sup> March 2017)        | Approved by CERC  | 833  | 352          | 1,185         | 639                                     | --         | 639          |
|              | Domestic Coal Shortfall (1 <sup>st</sup> April 2017 onwards)       | Approved by CERC  | 581  | 22           | 602           | --                                      | --         | --           |
| APML         | Domestic Coal Shortfall (Up to 31 <sup>st</sup> March 2017)        | Approved by MERC  | 2,821  | 1,316        | 4,137         | 1,400                                   | 379        | 1,779        |
|              | Domestic Coal Shortfall (1 <sup>st</sup> April 2017 onwards)       | Approved by MERC  | 3,076  | 242          | 3,318         | 680                                     | --         | 680          |
|              | Coal Shortfall due to de-allocation of Captive Coal Block (Lohara) | Approved by MERC  | 3,325  | 2,407        | 5,732         | --                                      | --         | --           |
| APRL         | Domestic Coal Shortfall (Up to 31 <sup>st</sup> Jan 2018)          | Approved by APTEL | 4,833  | 3,506        | 8,339         | 2,427                                   | --         | 2,427        |
|              | Domestic Coal Shortfall (1 <sup>st</sup> Feb 2018 onwards)         | Approved by APTEL | 341  | 47           | 388           | --                                      | --         | --           |
| <b>Total</b> |  |                   | <b>15,810</b>                                | <b>7,892</b> | <b>23,702</b> | <b>5,146</b>                            | <b>379</b> | <b>5,525</b> |

### APMuL: Compensation for power supplied under GUVNL Bid-2 PPA since inception – petition filed with CERC

Revenue on account of compensation has not been recognized pending CERC Order for estimation of claim amount

Accounting for claims in books of account is done on a conservative basis, as a matter of prudence

CT=Compensatory Tariffs; CC=Carrying cost

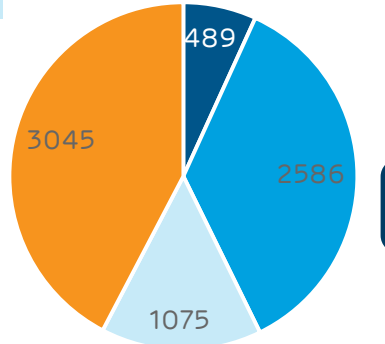
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Detailed update on quarterly and YTD  
performance

# Q3 FY 2019-20: Revenue Mix

INR Crores

Q3 FY20

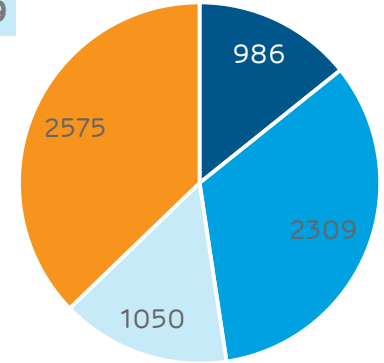


- Regulated Utility
- Near-Pithead
- Hinterland
- Coastal

**Consolidated Revenues\***

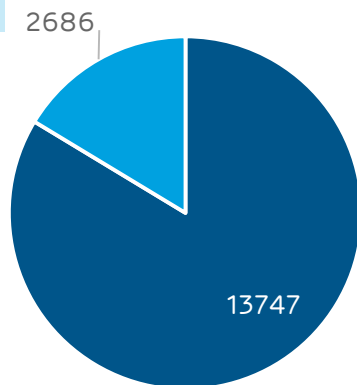


Q3 FY19



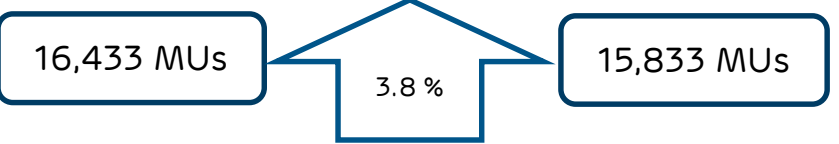
- Regulated Utility
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Q3 FY20

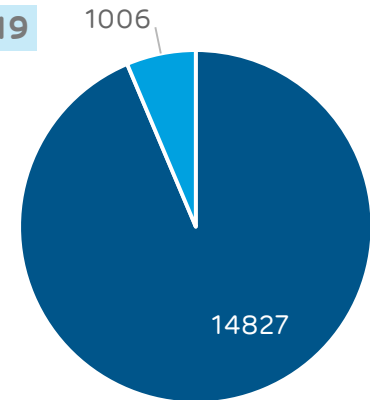


- PPA
- Merchant/Medium term

**Power Sales (Mn units)**



Q3 FY19



- PPA
- Merchant/Medium term

|                                  |                |
|----------------------------------|----------------|
| Avg. PPA tariff                  | Rs. 4.14 / kWh |
| Avg. Merchant/Medium term tariff | Rs. 3.49 / kWh |

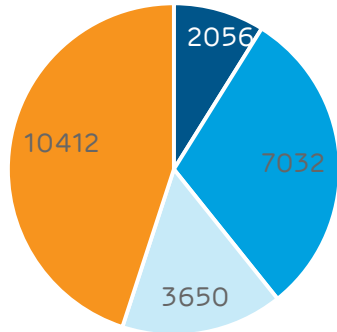
**\*Consolidated revenue after Eliminations**

|                                  |                |
|----------------------------------|----------------|
| Avg. PPA tariff                  | Rs. 3.94 / kWh |
| Avg. Merchant/Medium term tariff | Rs. 5.04 / kWh |

# 9M FY 2019-20: Revenue Mix

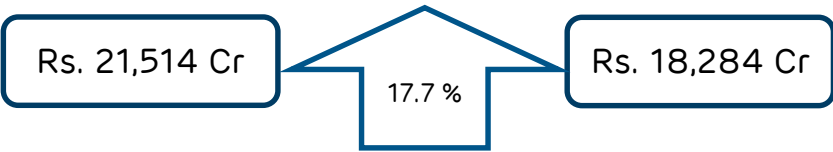
INR Crores

9M FY20

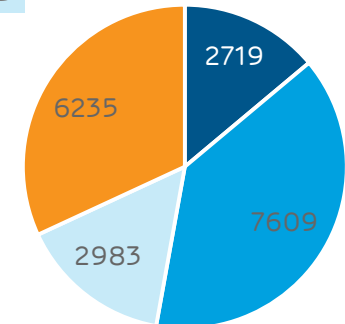


- Regulated Utility
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## Consolidated Revenues\*

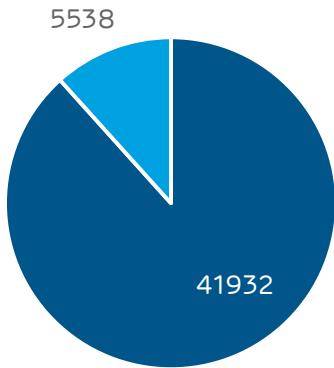


9M FY19



- Regulated Utility
- Near-Pithead
- Hinterland
- Coastal

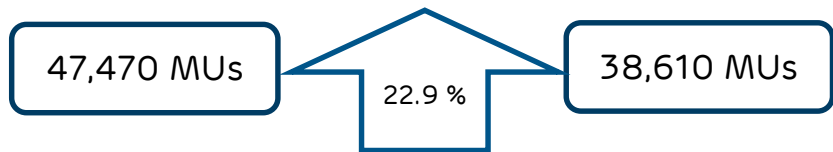
9M FY20



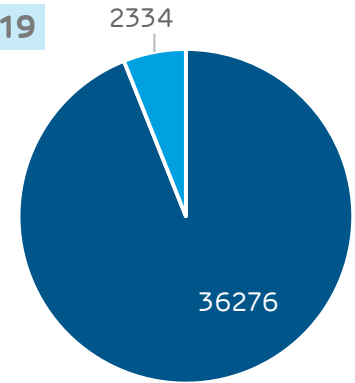
- PPA
- Merchant/Medium term

|                                  |                |
|----------------------------------|----------------|
| Avg. PPA tariff                  | Rs. 3.92 / kWh |
| Avg. Merchant/Medium term tariff | Rs. 3.83 / kWh |

## Power Sales (Mn units)



9M FY19



- PPA
- Merchant/Medium term

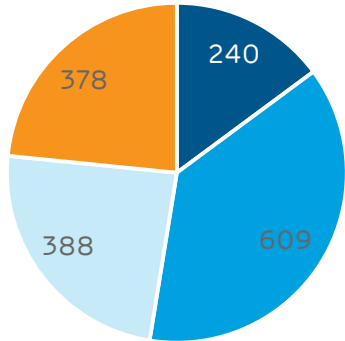
|                                  |                |
|----------------------------------|----------------|
| Avg. PPA tariff                  | Rs. 4.16 / kWh |
| Avg. Merchant/Medium term tariff | Rs. 4.60 / kWh |

**\*Consolidated revenue after Eliminations**

# Q3/9M FY 2019-20: EBITDA Mix

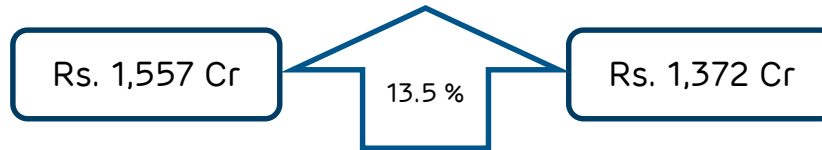
INR Crores

Q3 FY20

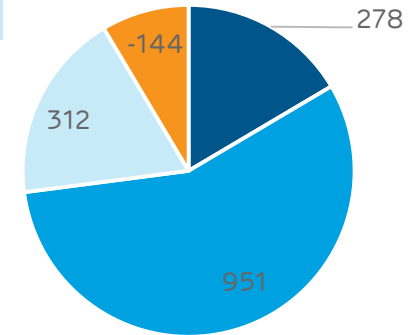


- Regulated Utility
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- Coastal

## Consolidated EBITDA\*

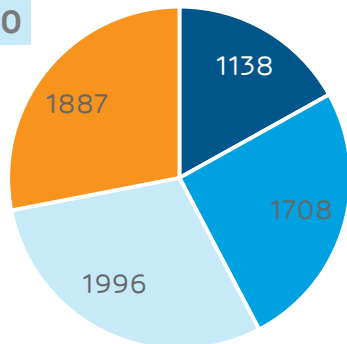


Q3 FY19



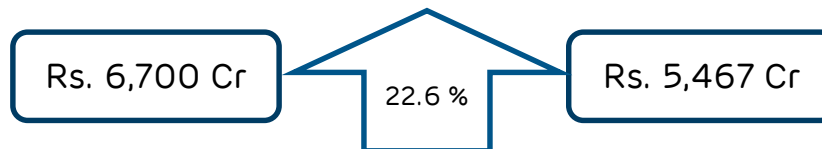
- Regulated Utility
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- Hinterland
- Coastal

9M FY20

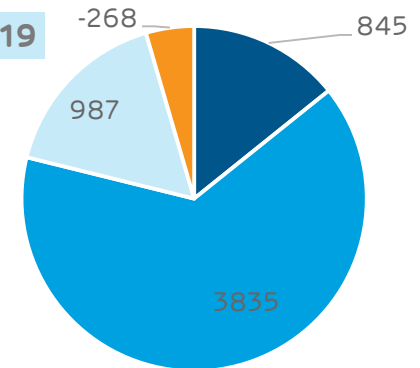


- Regulated Utility
- Near-Pithead
- Hinterland
- Coastal

## Consolidated EBITDA\*



9M FY19

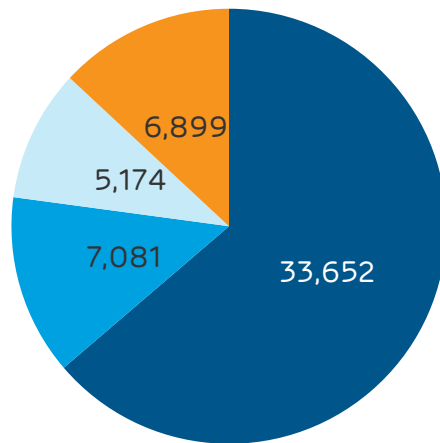


- Regulated Utility
- Near-Pithead
- Hinterland
- Coastal

*\*Consolidated EBITDA after Eliminations*

# Consolidated Debt Profile

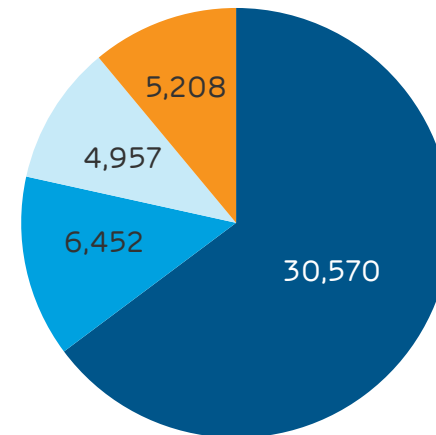
**Gross Debt (31-Dec-19)**



Total Debt: Rs. 52,806 Cr

Senior Secured Debt incl.  
Working capital: Rs. 40,733 Cr

**Gross Debt (31-Mar-19)**



Total Debt: Rs. 47,187 Cr

Senior Secured Debt incl.  
Working capital: Rs. 37,022 Cr

Note:-

- The increase in Gross Debt as on 31<sup>st</sup> Dec 2019 is due to addition of acquired plants' Debt of Rs. 4,245 crores comprising Senior Secured Debt Rs. 3,892 crores, Working capital Rs. 146 crores, CRPS Rs. 74 crores and other unsecured debt Rs. 133 crores
- Rs. 2,019 crore of Senior Secured term loans repaid during 9M FY 20 at Consolidated entity (Excluding recently acquired plants)

Thank You