OPG Power Ventures Plc

H1 FY24 Results Presentation

15th December 2023

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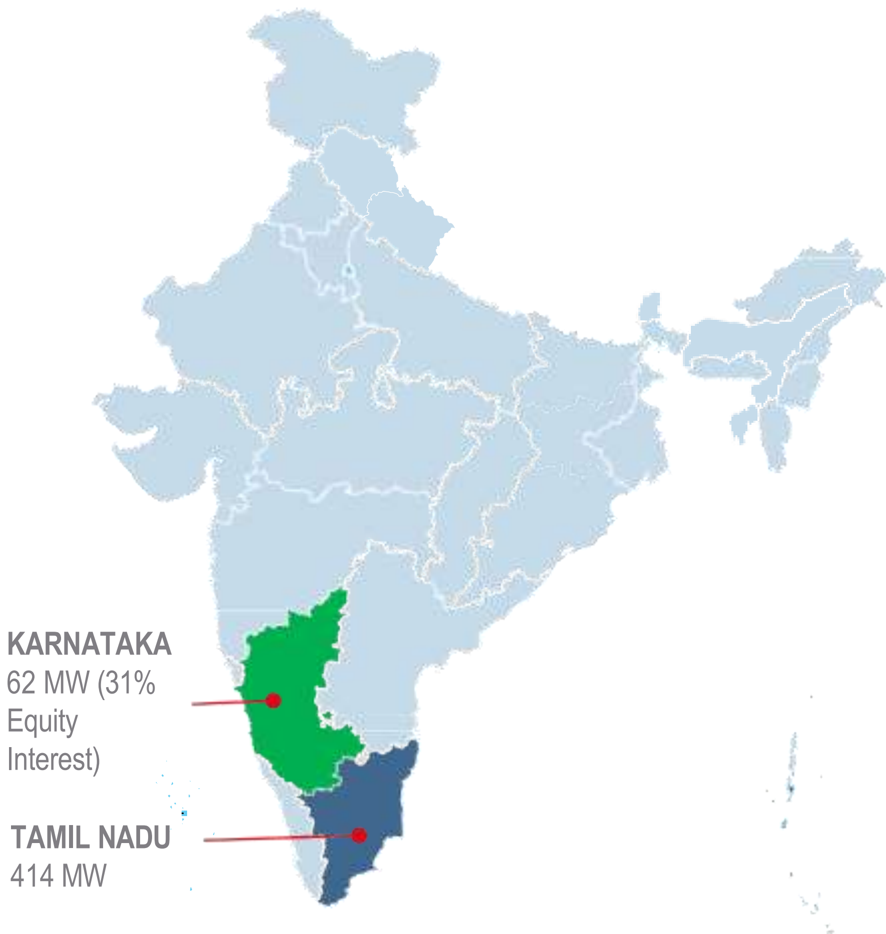
STRONG FUNDAMENTALS FOR INDIAN ECONOMY & POWER SECTOR

INDIA – AN INTRODUCTION



- India – Home to 1.4 billion people.
- Literacy rate of 77.7%
- Fifth largest economy (usd 3.7 trillion);
- The Indian economy grew 7.6 per cent during the Q2 FY24 and 7.7 per cent in H1 FY24
- Projected 6.8% growth rate in FY24.
- Fastest growing economy in the world (as per imf estimates).
- India is expected to become the third-largest economy by 2030 (S&P) surpassing Japan & Germany
- Electricity demand has increased by around 10% in FY 23 and FY24 (up to Nov 2023)

ECONOMIC AND SECTOR UPDATE

ECONOMY

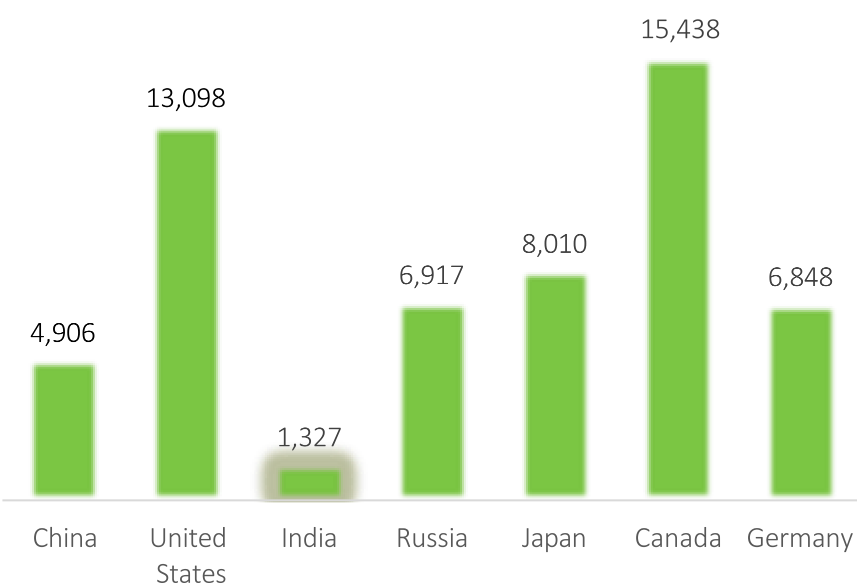
- On track to surpass Japan and become the third-largest global economy, with a projected GDP of $7.3 trillion by 2030
- World Bank forecasts India’s GDP growth for FY23/24 to be at 6.3%.
- To propel India into a US$ 5 trillion economy by FY 25, the Government of India is undertaking numerous initiatives such as
  - "Make In India,"
  - "Vocal to Local,"
  - Rapid and widespread strides in digitization, labour reforms, and ease of doing business initiatives
- India's direct tax collection rises 11.2% to ~£39 Billion in H1FY24.
- The government’s capital spending is increasing while the revenue expenditure is on a decreasing trend.

POWER SECTOR

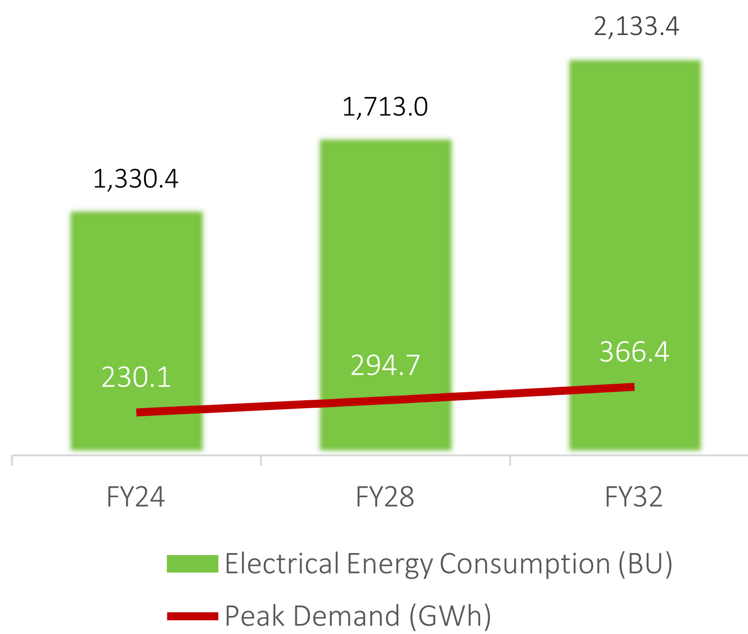
- India is the third-largest power consumer globally, however per capita consumption is low being only 1/3 of the global average.
- In H1 FY24, the total power demand in India surged by 9.6 percent to reach 1,512 billion units (BUs), significantly exceeding the average annual growth rate of 5.3 percent observed during the period of 2015-2019.
- 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 percent over the next decade (Source: Fitch Report)
- Coal to remain an important component of India’s energy mix with current contribution at 73 percent of the total generation.

SECTOR UPDATE

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



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



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

KEY DRIVERS FOR POWER DEMAND

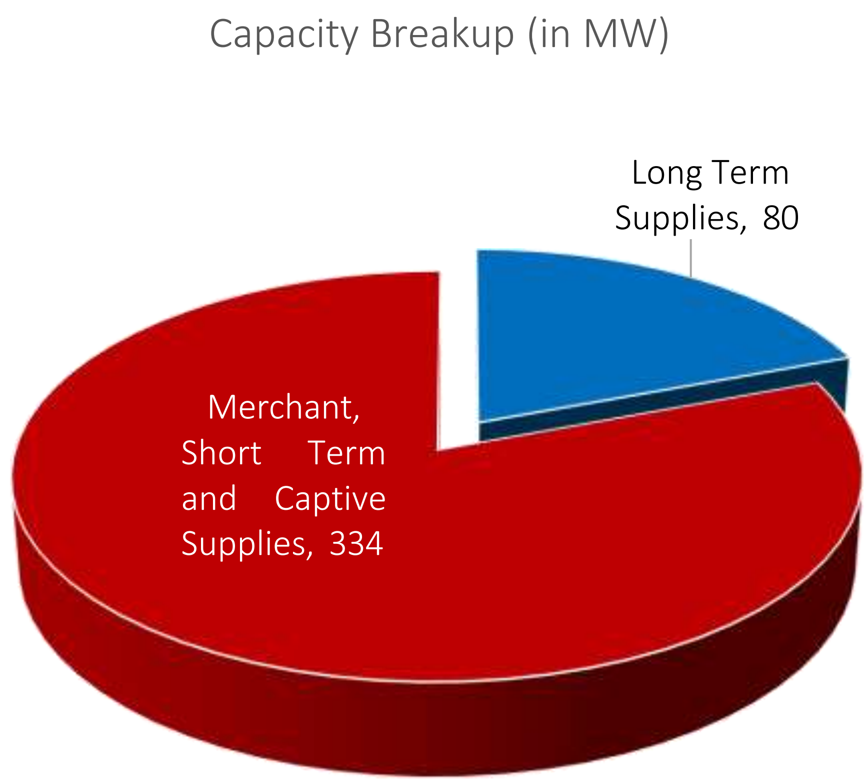
KEY DRIVERS OF DEMAND

- *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*

FY24 H1 HIGHLIGHTS

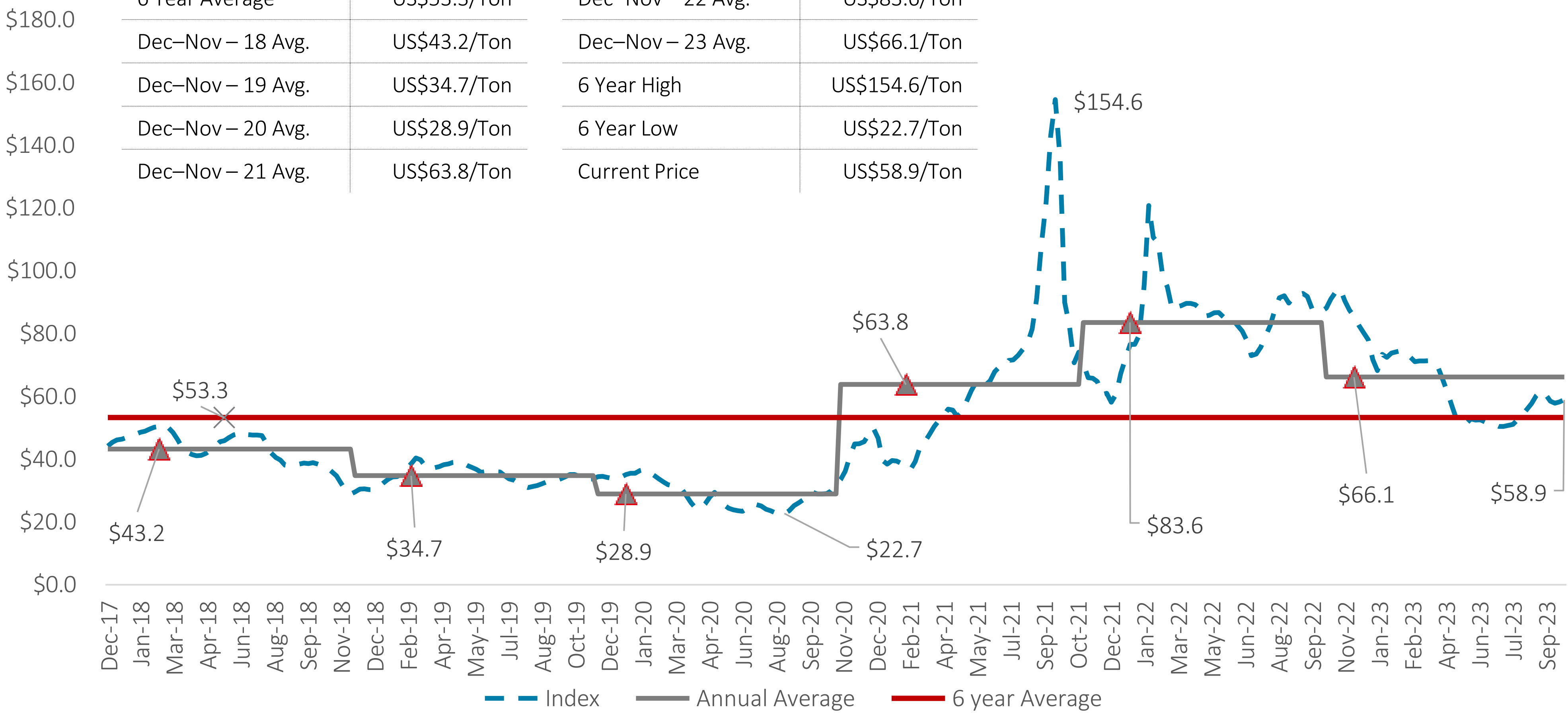
A ROBUST BUSINESS MODEL

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



COAL PRICES STABILIZING AFTER A LONG TIME MARKING A RETURN TO NORMALCY

6 Year Average	US$53.3/Ton	Dec–Nov – 22 Avg.	US$83.6/Ton
Dec–Nov – 18 Avg.	US$43.2/Ton	Dec–Nov – 23 Avg.	US$66.1/Ton
Dec–Nov – 19 Avg.	US$34.7/Ton	6 Year High	US$154.6/Ton
Dec–Nov – 20 Avg.	US$28.9/Ton	6 Year Low	US$22.7/Ton
Dec–Nov – 21 Avg.	US$63.8/Ton	Current Price	US$58.9/Ton

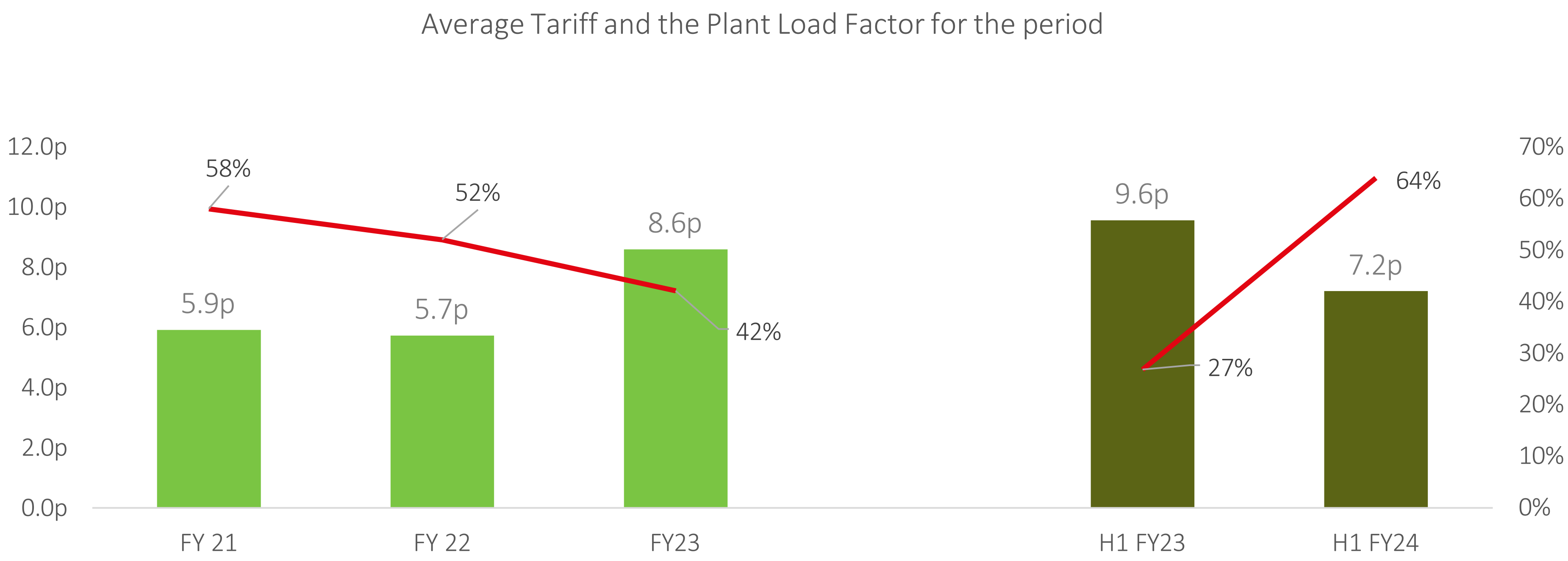


OPERATIONAL HIGHLIGHTS

Generation in H1 FY24	Tariff in H1 FY24	Revenues in H1 FY24
1.16 BU	7.20p	£69.9 m
(H1 FY23: 0.49 BU)	(H1 FY23: 9.56p)	(H1 FY23: £27 m)
139 per cent	25 per cent	158 per cent
Adjusted EBITDA	**Profit before Tax**	**Earnings per Share**
£7.8 m	£4.1 m	0.59p
(H1 FY23: £6.9 m)	(H1 FY23: £0.7 m)	(H1 FY23: (0.31)p
13 per cent	460 per cent	290 per cent

Intentional reduction in tariff led to increase in volumes and increase in profitability in absolute terms

TARIFFS AND PLF

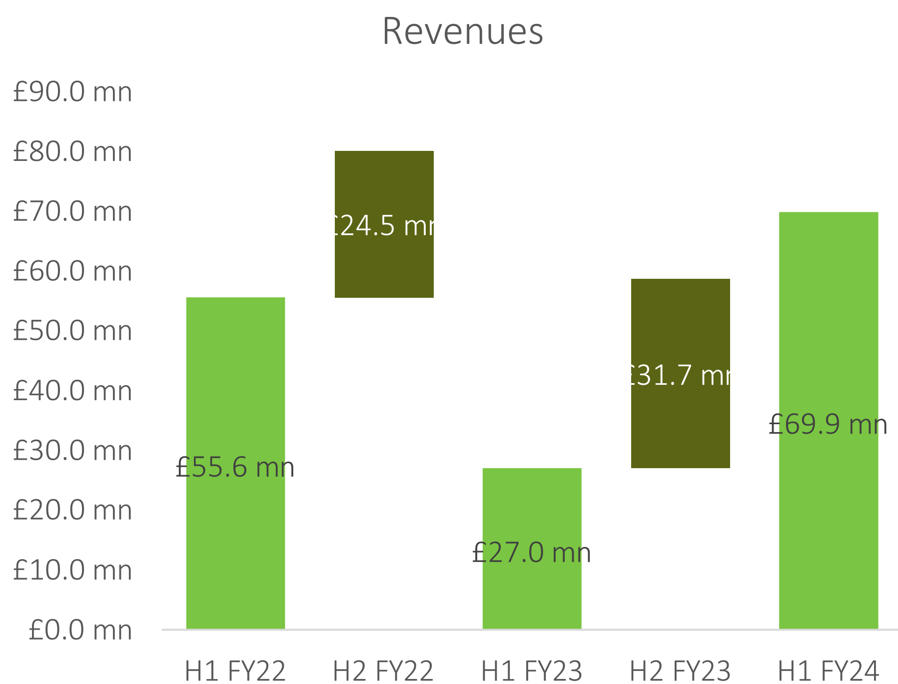


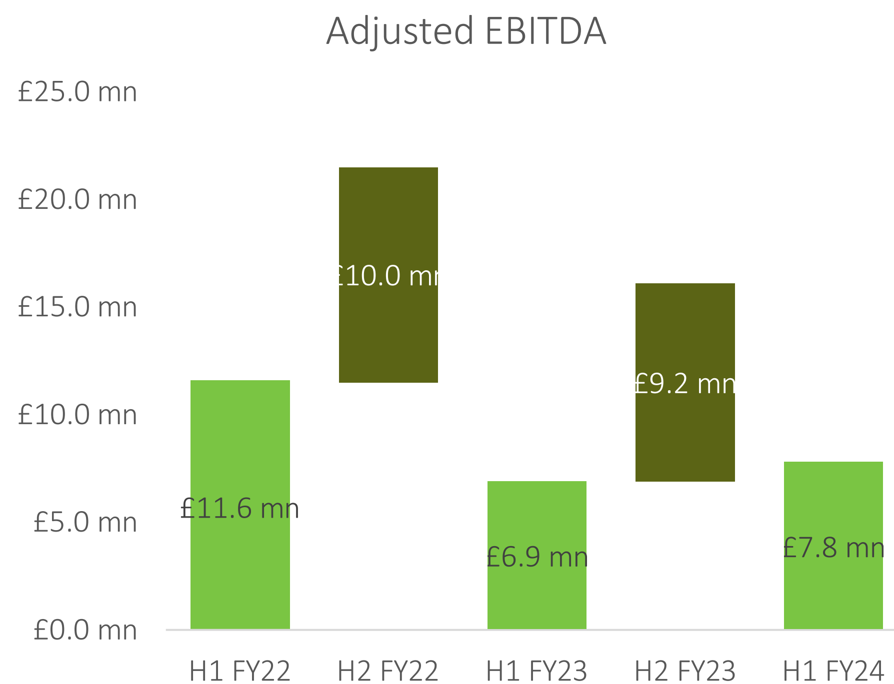
Average Tariff in H1FY24 decreased as the company passed through the benefit of the benign fuel prices to the customers.

GENERATION

- Company was able to target higher volumes on account of benign coal prices on account of which
  - Generation increase by 138 per cent from H1 FY23 to H1 FY24
  - Generation increased by 11 percent from H2 FY23 to H1 FY24
  - H1 FY24 Generation was 76 percent of FY23 Generation

OPERATIONAL HIGHLIGHTS



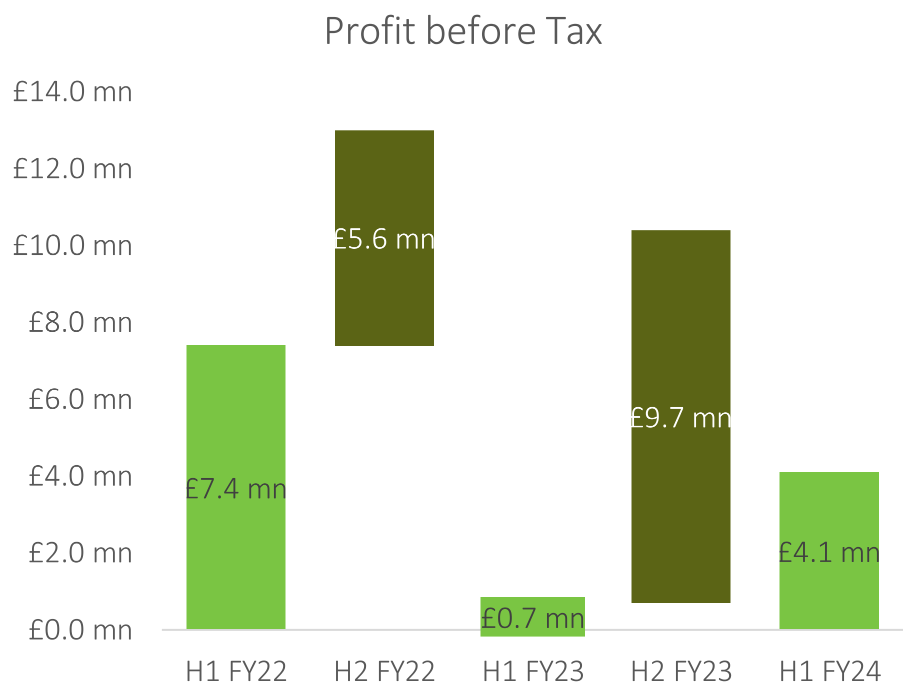


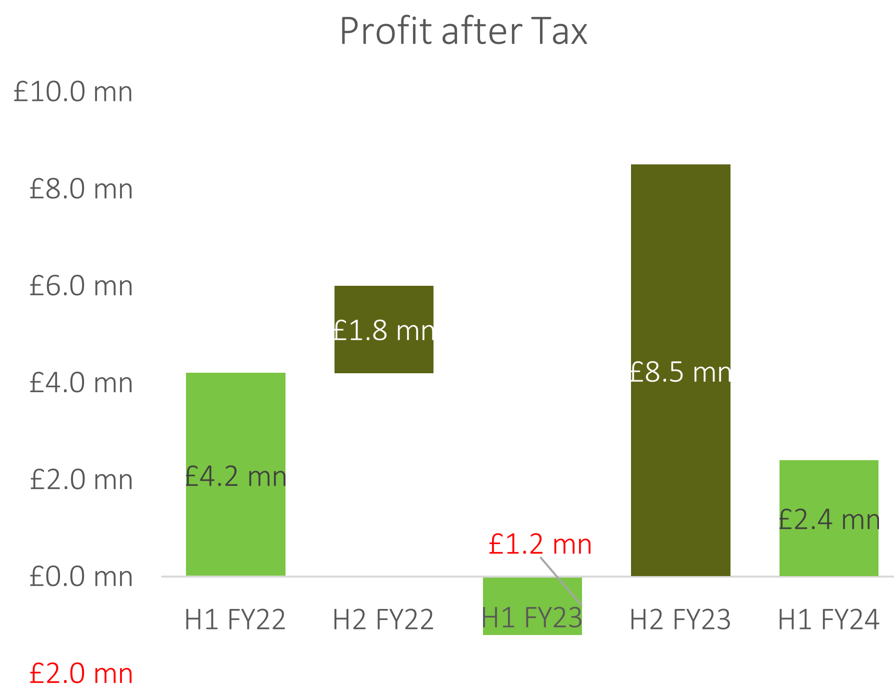
H1 FY24 Revenues are higher than the combined revenues of FY23

Adjusted EBITDA increased by 13 percent from H1 FY23

Only marginal increase as the benefit of coal prices were passed through.

OPERATIONAL HIGHLIGHTS



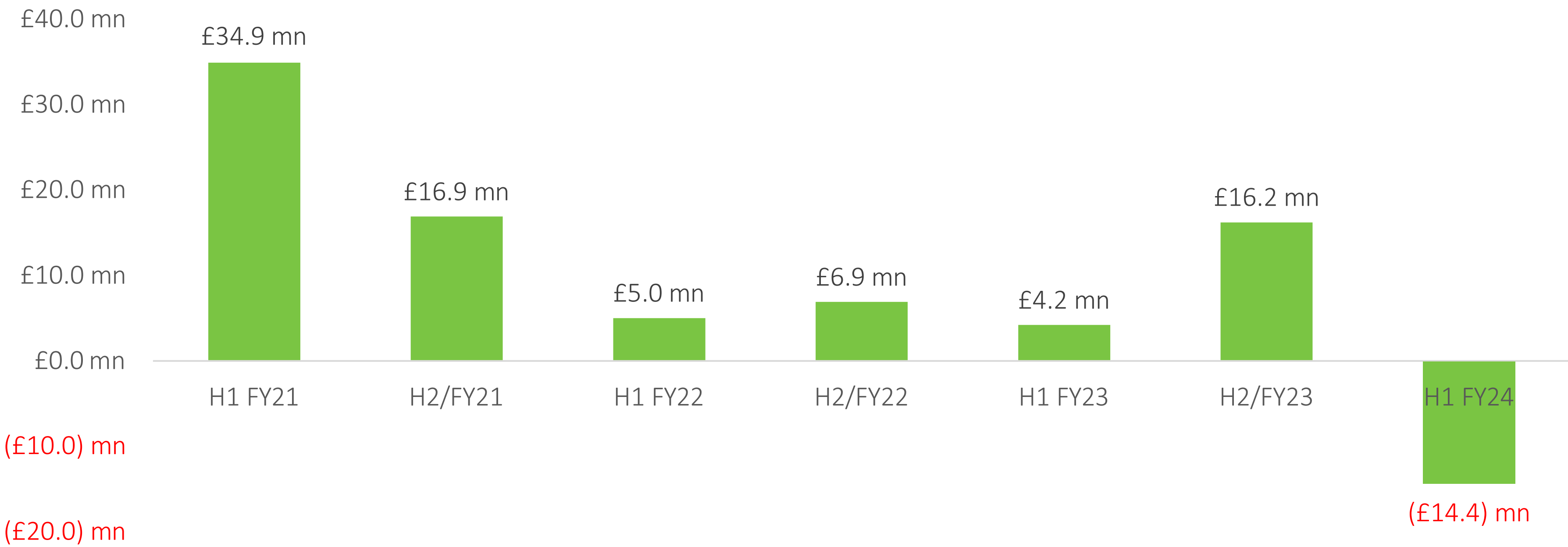


H1 FY24 PBT increased by 486 percent on account lower finance costs

H1 FY24 PAT increased by 300 percent on account of lower finance cost

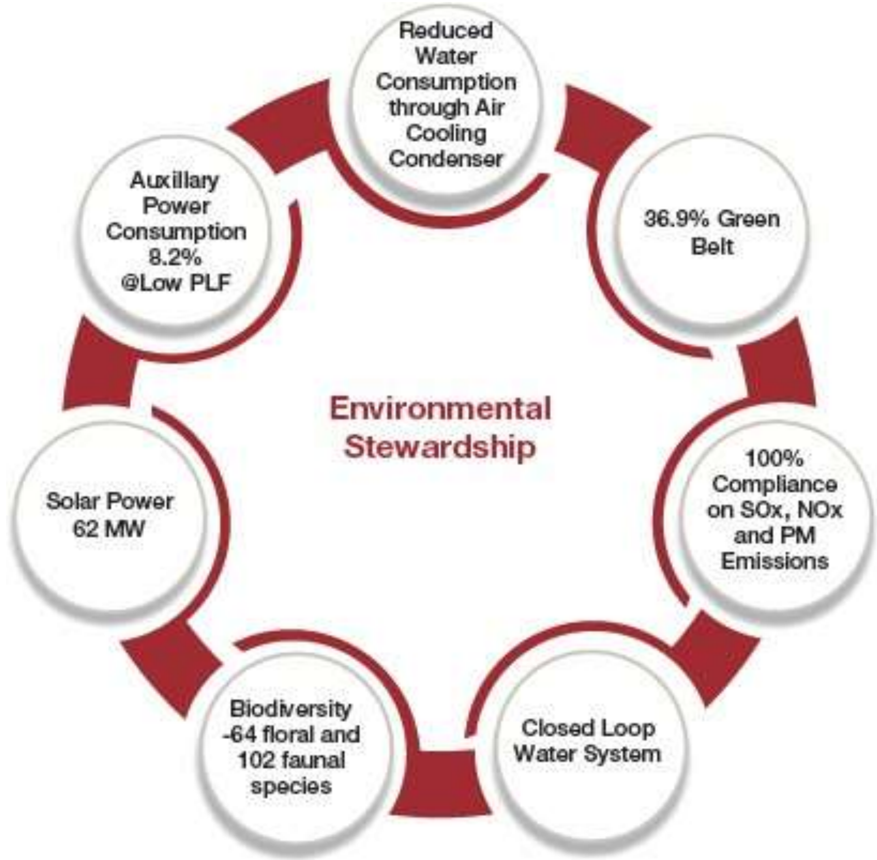
Turnaround from the loss in H1FY23 to profit in H1 FY24

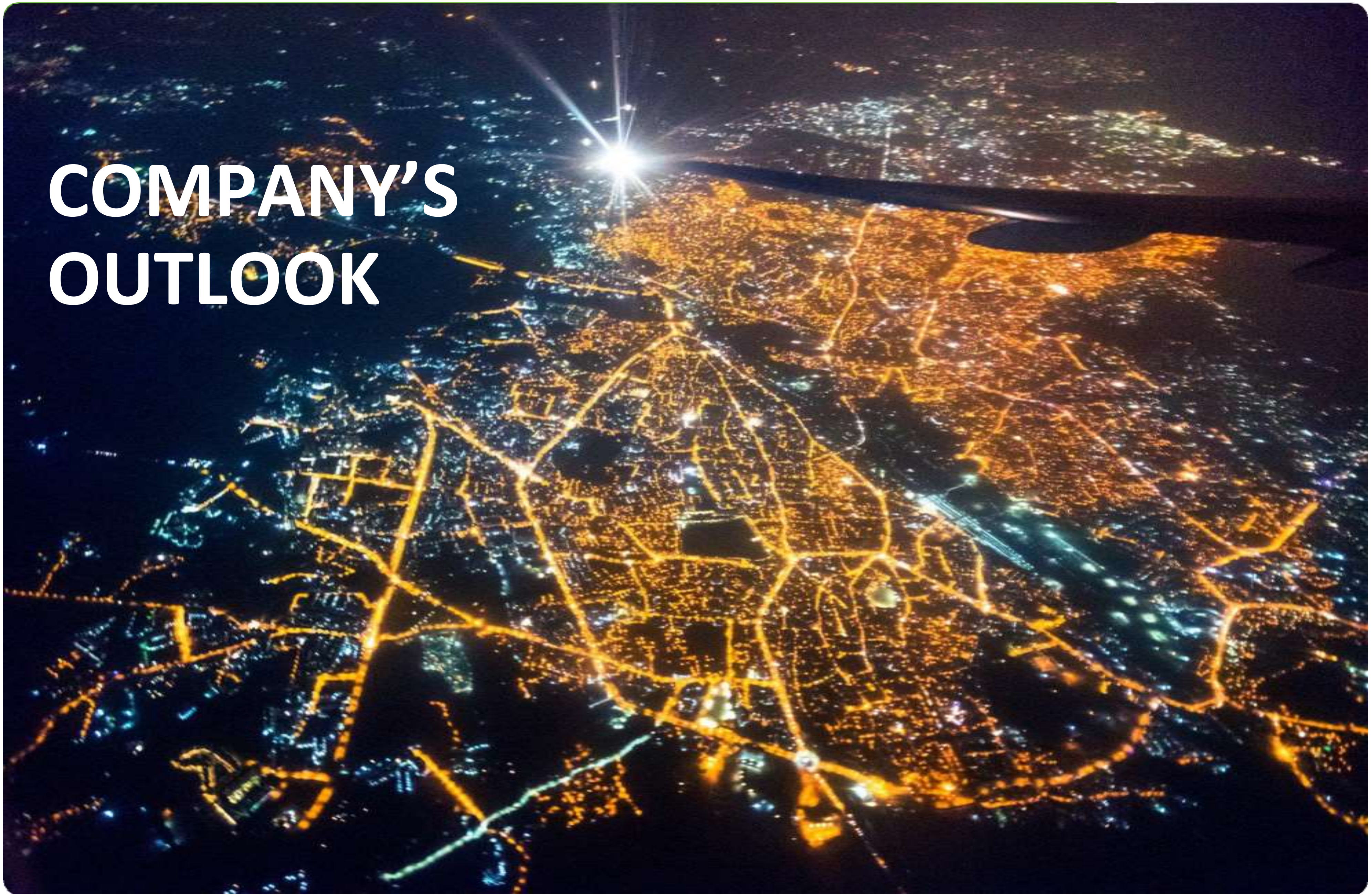
NET DEBT



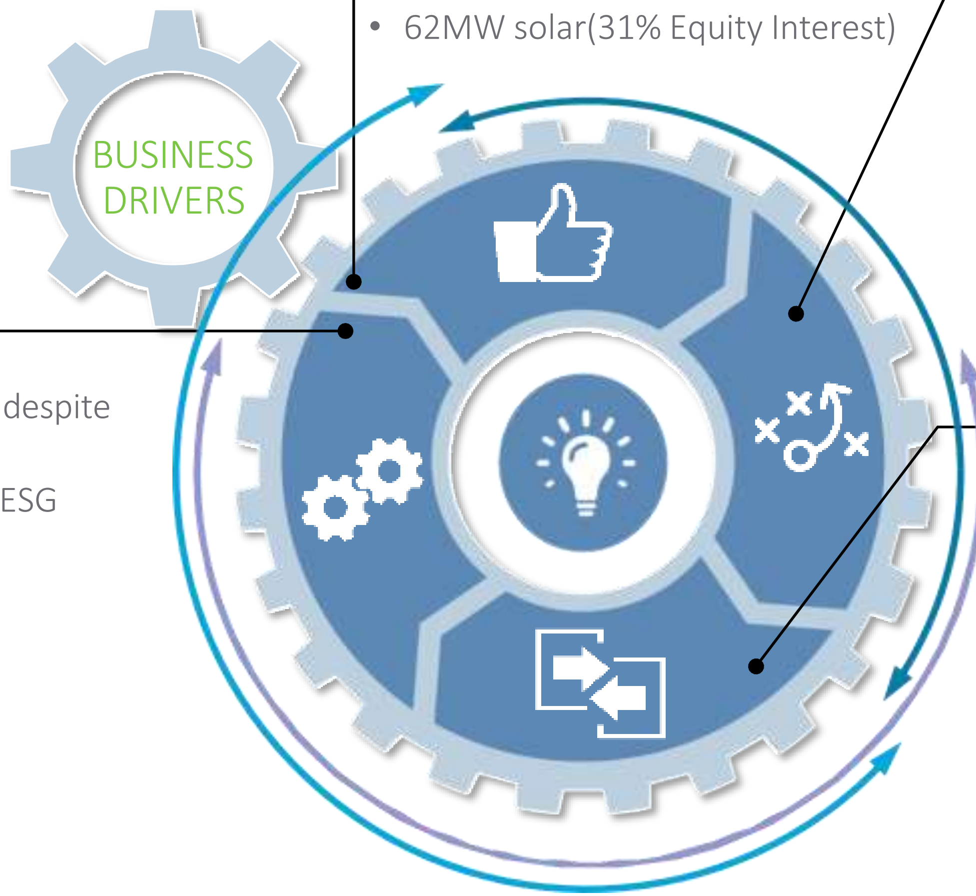
- Net Debt tends to increase in H2 of the financial year on account of LC payments.
- Deleveraging is a continuous exercise – Provides the flexibility to take on debt to buttress cash flows in uncertain times

EXTRACT FROM THE ESG REPORT




COMPANY’S
OUTLOOK

WELL POSITIONED



01. STRONG EXISTING ASSETS BASE

- 414MW thermal
- 62MW solar(31% Equity Interest)

02. WELL POSITIONED

- Strong electricity demand in India
- Although there is YoY increase in per capita consumption of electricity in India, still very low compared with developed countries.
- YoY increase in demand in line with GDP growth

03. DECREASING DEBT PROFILE

- Decreasing gross debt to £32.6m in FY23 from £43.3m in FY22 with a reduction of 25%.
- Gearing ratio at 8.6%, one of the lowest in the industry.

04. POTENTIAL

- Strong EBITDA and profitability margins despite spike in coal prices
- Potential for further ESG focused growth

CURRENT OPERATIONS

- India's power consumption grew 9.4 per cent 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.
- Plant load factors for FY 24 is expected to increase to approximately 58%
- Short Term Contract with a state utility for five months in H2FY24.
- Last published ICI 4 Index (08 Dec 2023) was US$58.40 compared to US$55.82 as on 29 Sep 2023
- 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 are increasing. • Increase in per Unit Tariff due to pass through of coal costs • Increasing participation by state utilities in the short term and medium term market. • Short Term Contract with a state utility has enabled us to tie up significant capacities for FY24 • Coal prices and freight have started softening
Safety & Environment Performance	• Maintain internal standards - exceeding regulatory norms. • Continued improvement in Total Reported Injury Rate	• Exceeding in most parameters • Near 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 ESG focused projects


THANK YOU