

FOCUSING
ON ASSET
MAXIMISATION



PREPARING FOR
THE FUTURE &
DELEVERAGING

INVESTOR PRESENTATION

SHARES  GENKOS

Growth and
Innovation

F O R U M

29 January 2019

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STRONG FUNDAMENTALS FOR THE INDIAN ECONOMY & POWER SECTOR

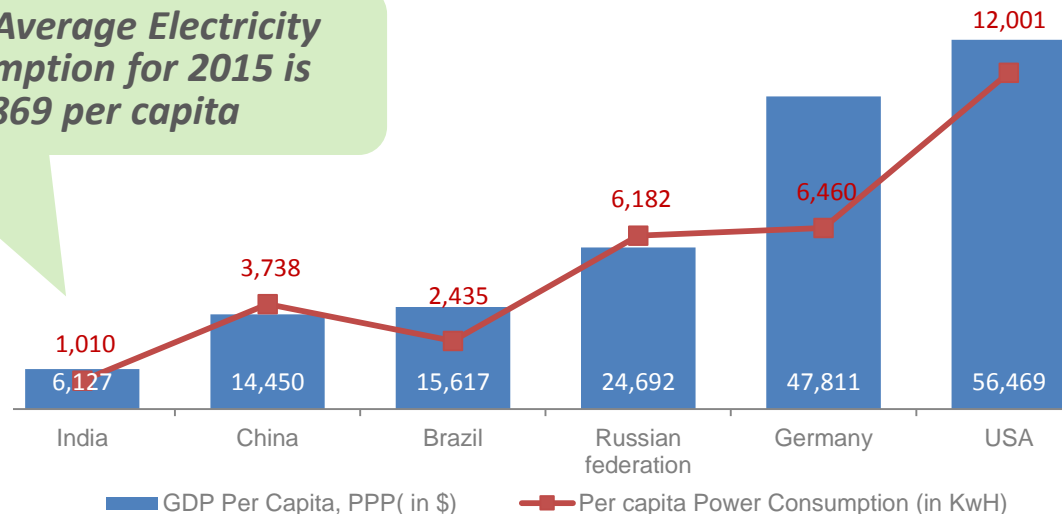
OVERVIEW OF THE INDIAN POWER SECTOR



INDIA'S PER-CAPITA POWER CONSUMPTION WAS ALMOST HALF OF THE WORLD'S AVERAGE IN 2015:

- Primary energy consumption in India in 2015 was the third highest in the world after China and the USA.
 - India accounting for 5.3% of the global consumption.
 - India was also the third largest producer of electricity in 2015, after China and the United States, with over 5% share in global electricity generation.
- Despite being among the top three power consumers in the world
 - Per-capita electricity consumption in India was only 1,075 kWh in 2016. Significantly lower than the world average and the lowest among the BRICS nations.
 - This indicates the strong growth potential of the Indian power sector.

World Average Electricity Consumption for 2015 is 2,869 per capita

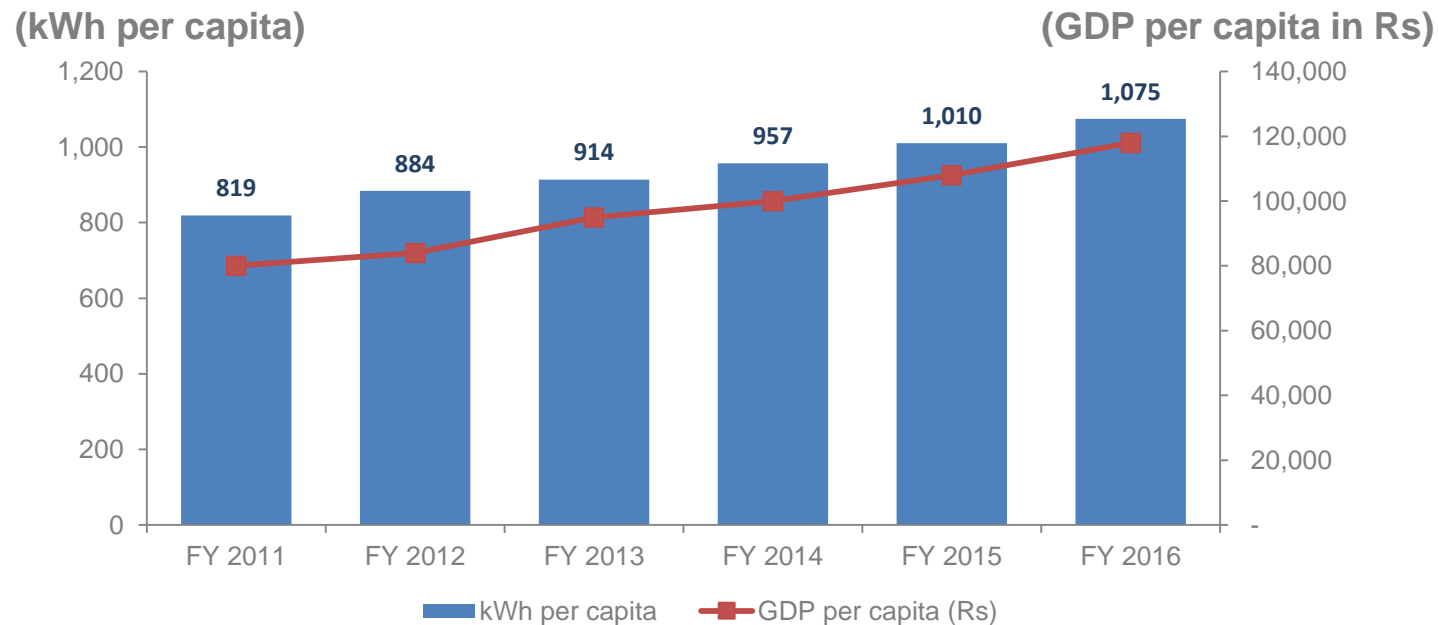


- Demand for energy grew at a CAGR of approximately 4.0% over the period from 2013 to 2018,
- while energy supply grew even faster at a CAGR of 5.8% over the same period.
- India continues to remain a power deficit country, the deficit is reducing and in fiscal 2018, the energy deficit declined to 0.7%.

DEMAND FOR POWER IS DIRECTLY PROPORTIONAL TO GDP GROWTH



INDIA'S PER-CAPITA POWER CONSUMPTION WAS ALMOST HALF OF THE WORLD'S AVERAGE IN 2015:



Historically, power demand growth has largely followed GDP growth. CRISIL expects the co-relation between GDP and power demand growth to remain high and power demand to grow at 6.7% CAGR during the period between 2017 and 2022

KEY DRIVERS FOR POWER DEMAND



KEY DRIVERS OF DEMAND

24x7 Power for All

Development of 'smart cities'

'Housing for All' scheme

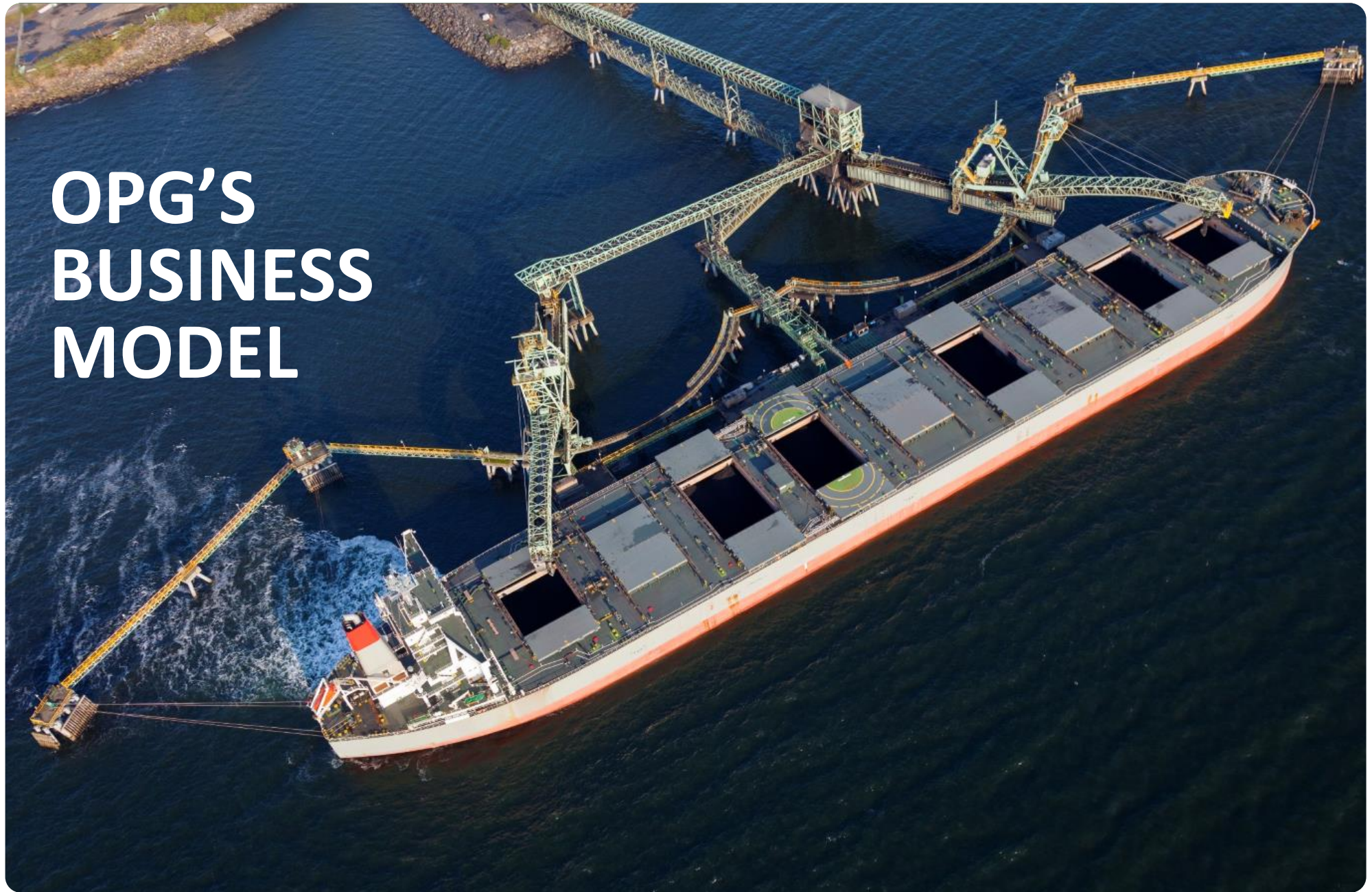
Industrial push through 'Make in India'

Increasing urbanization

Infrastructure requirements

Electric mobility, and overall strong economic growth

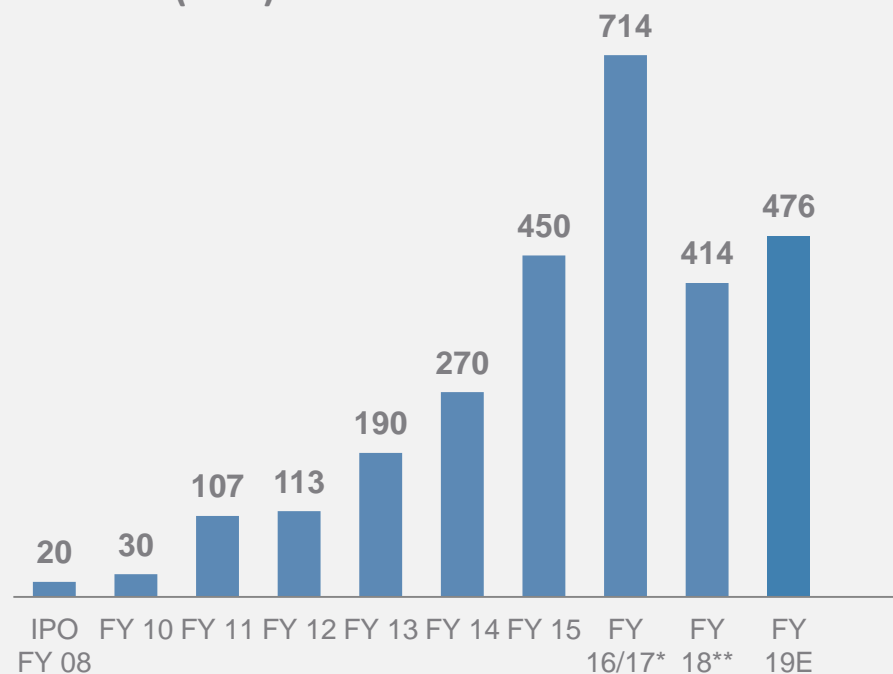
OPG'S BUSINESS MODEL



A DEVELOPER AND OPERATOR OF POWER PLANTS



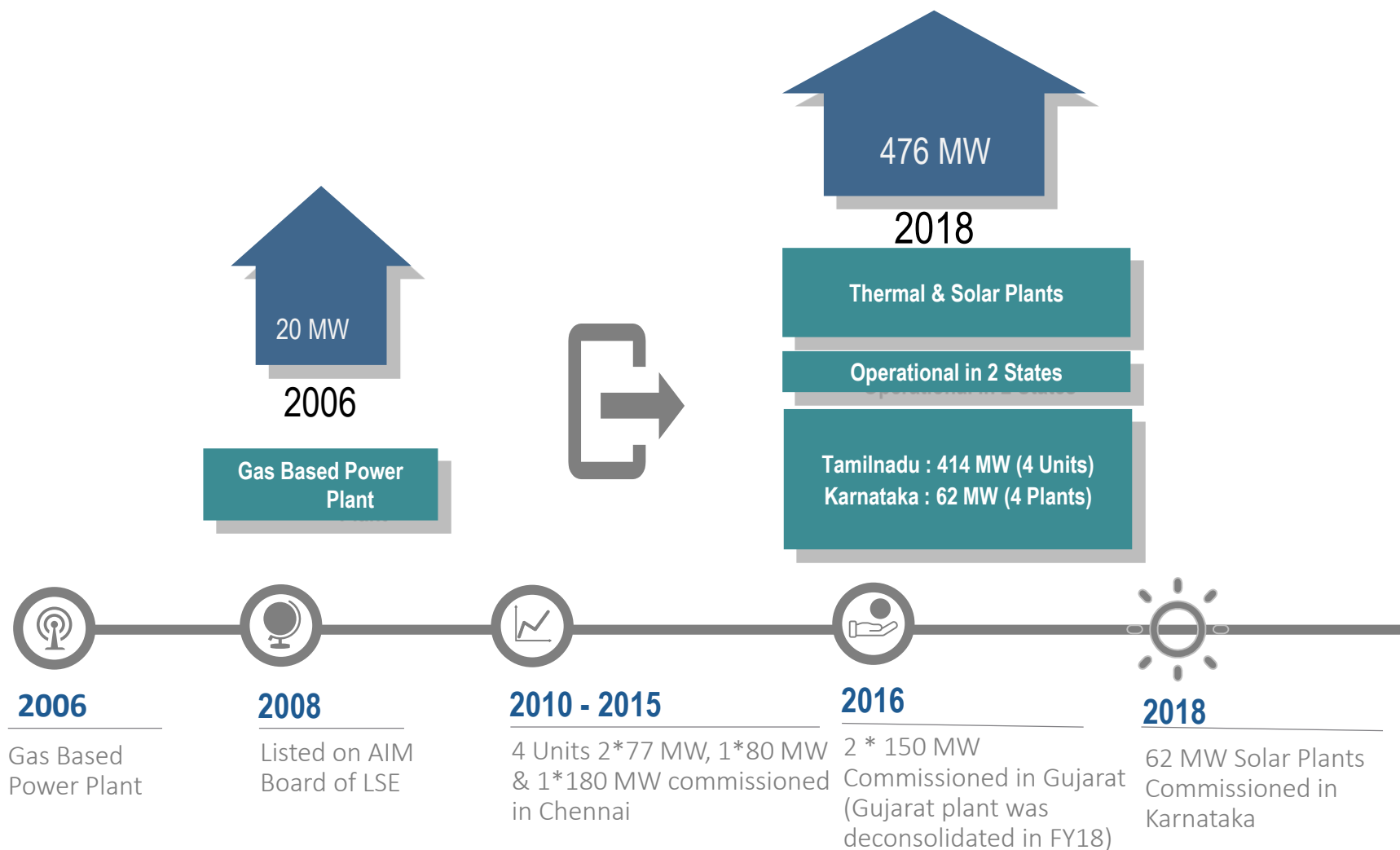
CAPACITY (MW)



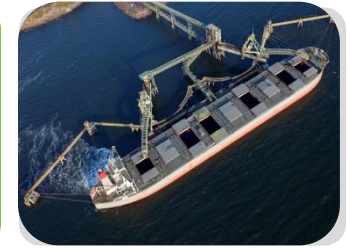
* Excluding legacy assets of 36MW from FY17 onwards

** Excluding 300MW Gujarat plant which was deconsolidated in FY18

A 12 YEAR TRACK RECORD

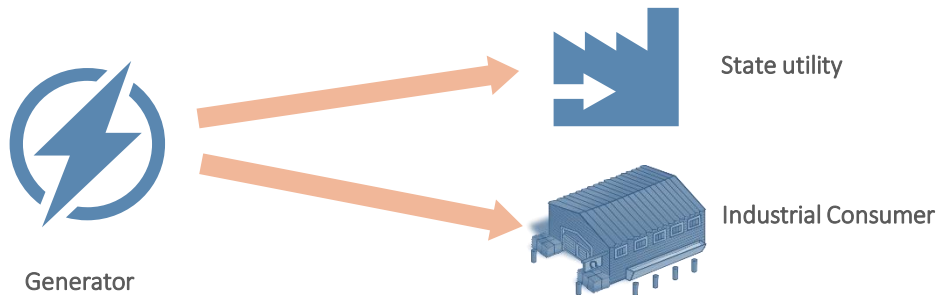


THE REVENUE MODEL – GROUP CAPTIVE

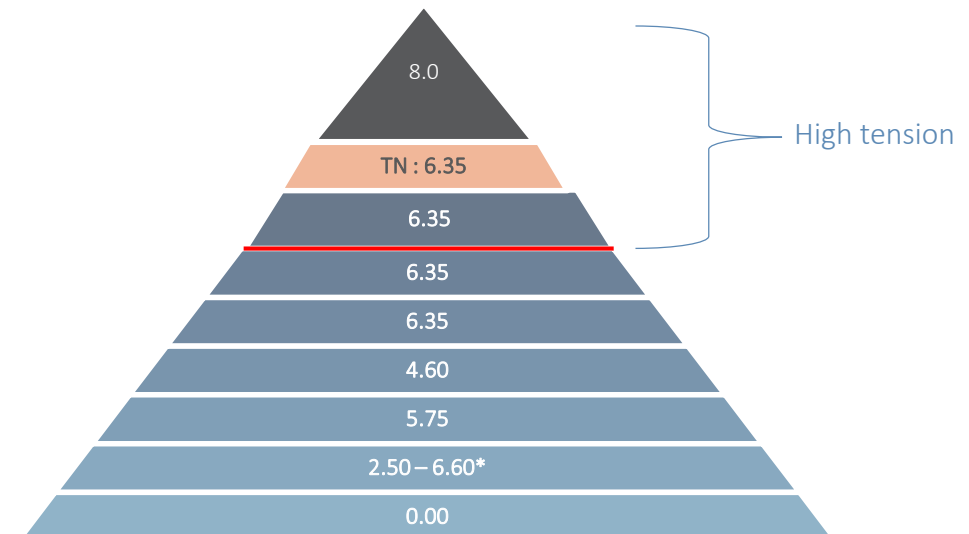


FLEXIBLE - GROUP CAPTIVE

- Uncapped ROE
- Variable term and market pricing
- Flexibility as to customers
- Meeting demands of high tension, industrial consumer
- Reliability of provision of power



Energy charge - Tiered Pricing: Industry paying highest, rural & agriculture rates are subsidised (INR/kWh)



HT III – Commercial Establishments

HT IA – Industrial Establishments:

HT IB – Railway Traction, Educational institutions

LT IIA – Public services:

L TIIB(1) – Govt Educational Institutions, Hospitals

LT IC – Govt PSU domestic housing:

L TIIC – Places of Worship

LT IA – Domestic, Charitable & Handlooms

LT IB – Villages & agriculture

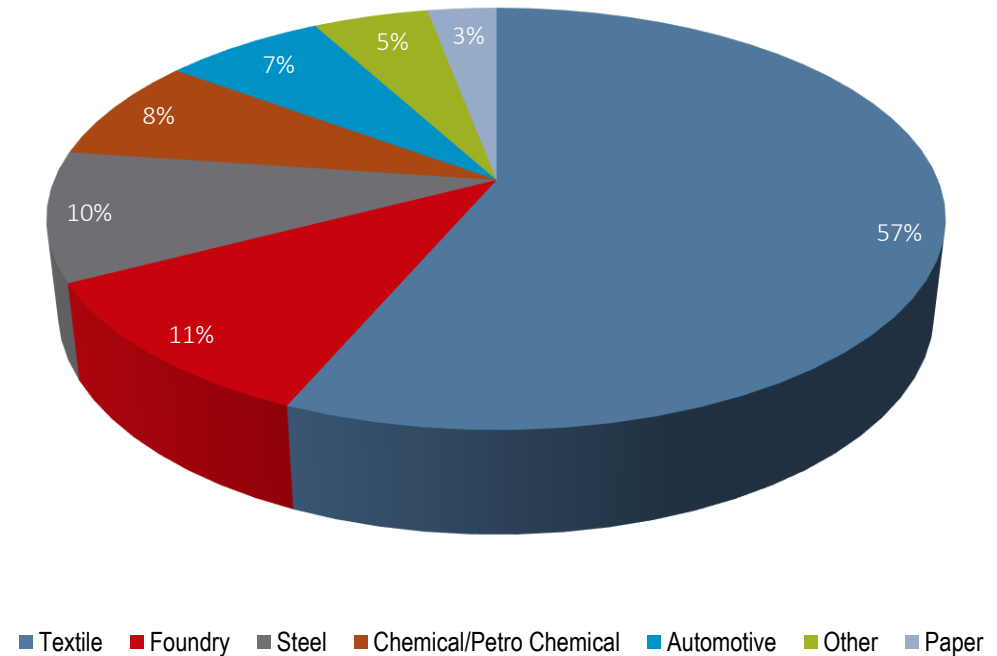
*Units Consumed Slab
Source: TNERC Aug '17

OPG'S DIVERSE INDUSTRIAL CUSTOMER BASE



Pioneer of group captive model

- Attractive tariffs
- Multi-year sales contracts
- Improved cash cycle



FY2019 FIRST HALF HIGHLIGHTS



HIGHLIGHTS H1 FY19 : 6 MONTHS ENDED 30TH SEPTEMBER 2018



CHENNAI PLANT GENERATION:

1.4 TWH*

(H1 FY18 1.1 TWH)

GENERATION UP 26%

*Not Including 0.1 Bn of Deemed Generation

H1 19 TARIFF

**Chennai tariff Rs
5.20 in H1 FY19**

(H1 FY18 RS 4.98)

**Tariff increased by 7.5%
from October 2018**

REVENUES:

£77.9 million

(H1 FY18 £ 66.5 M)

Increase of 17%

EBITDA

£14.4 million

EBITDA margin 18.4%

PROFIT FROM CONTINUING OPERATIONS BEFORE TAX

£7.3 MILLION

Net Profit for H1 FY19:£6.5 m

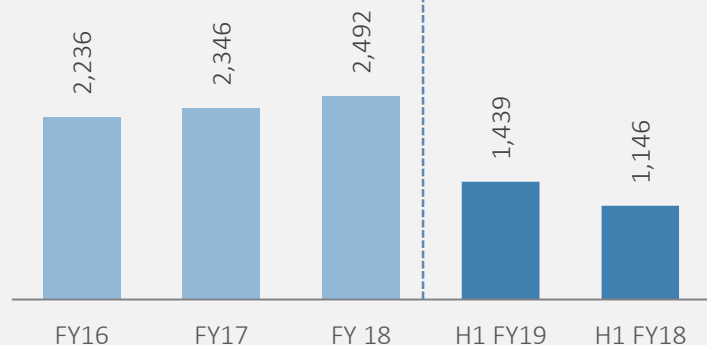
MAXIMISING EXISTING ASSETS – CHENNAI OPERATIONAL PERFORMANCE



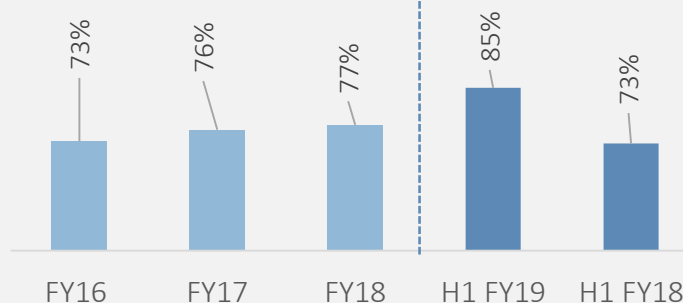
Availability maintained consistently over 90%

- At 1.4* TWh, OPG generated 26% more electricity than the H1 FY18

GENERATION *
(CHENNAI)



PLF (%)
(CHENNAI)



*Not Including 108 Mn of Deemed Generation

SAFETY & ENVIRONMENT PERFORMANCE



ENVIRONMENTAL STRATEGY & FOCUS

Strategy

- Improved efficiency and Co2 reduction
- Reduced Water Consumption
- Operational excellence
- Ministry of Environment and Forestry (MoEF) compliance standards
- Internal standards should exceed MoEF

Focus areas

- Zero Liquid Discharge (ZLD)
- Training and education
- Zero Accident

RESULTS

Environment

- No exceedances reports from statutory departments
- Clean emissions
- Sustainability

Safety

- Safety culture among the OPG family
- “Near Zero” TRIR* in Chennai, FY18: 0.87, FY 17: 0

*Total Recordable Incident Report

FY2019 FIRST HALF FINANCIALS



RESULTS

KEY PERFORMANCE HIGHLIGHTS



6 months ended 30 th September (£m)	H1 FY19	H1 FY18	Change %
Operational			
Units produced* (in MU)	1,545	1,422	
Average PLF (%)	85%	73%	
Financial			
Revenue	77.9	66.5	17%
EBITDA	14.4	13.6	
Interest	(3.7)	(5.9)	
Profit before tax	7.3	4.2	75%
Tax (expense) / income	(0.8)	(2.1)	
Profit after tax from continued operations	6.5	2.1	215%
Loss from discontinued Operations**	0	(9.3)	
Profit / (loss) for the period	6.5	(7.2)	
Key metrics			
Cash flow from continuing operations	10.0	28.7	
Gross Debt	85.9	93.5	-8%
Debt/EBITDA	5.9	7.7	
Profit/(Loss) Per Share /EPS (pence)	1.67 [^]	(0.7)	

PAT from continued operations increased primarily due to increase in generation units and tariff

Decrease in borrowings on account of repayment of debt

* Including deemed generation

** H1 FY18 loss from discontinued operations represent operating losses of deconsolidated Gujarat plant

[^] Includes dilution impact of 31,601,503 shares which were issued in December 2018 under scrip dividend

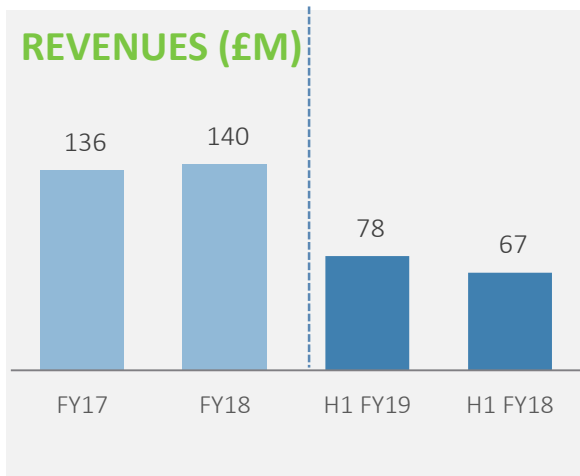
EARNINGS FROM CONTINUING OPERATIONS



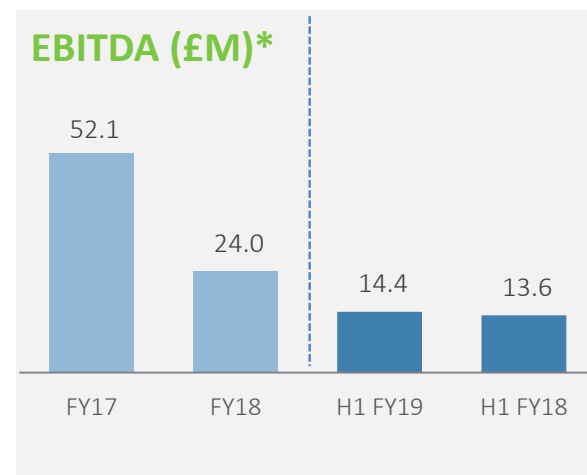
Our reported revenues at Chennai have risen consistently.

In H1 FY19 & H1 FY18 have been impacted by record high coal prices

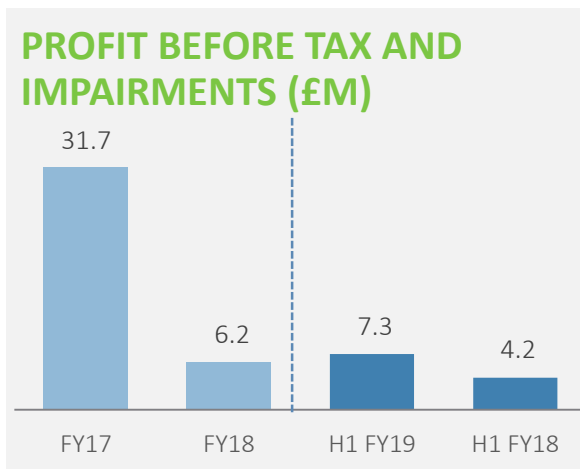
REVENUES (£M)



EBITDA (£M)*



PROFIT BEFORE TAX AND IMPAIRMENTS (£M)

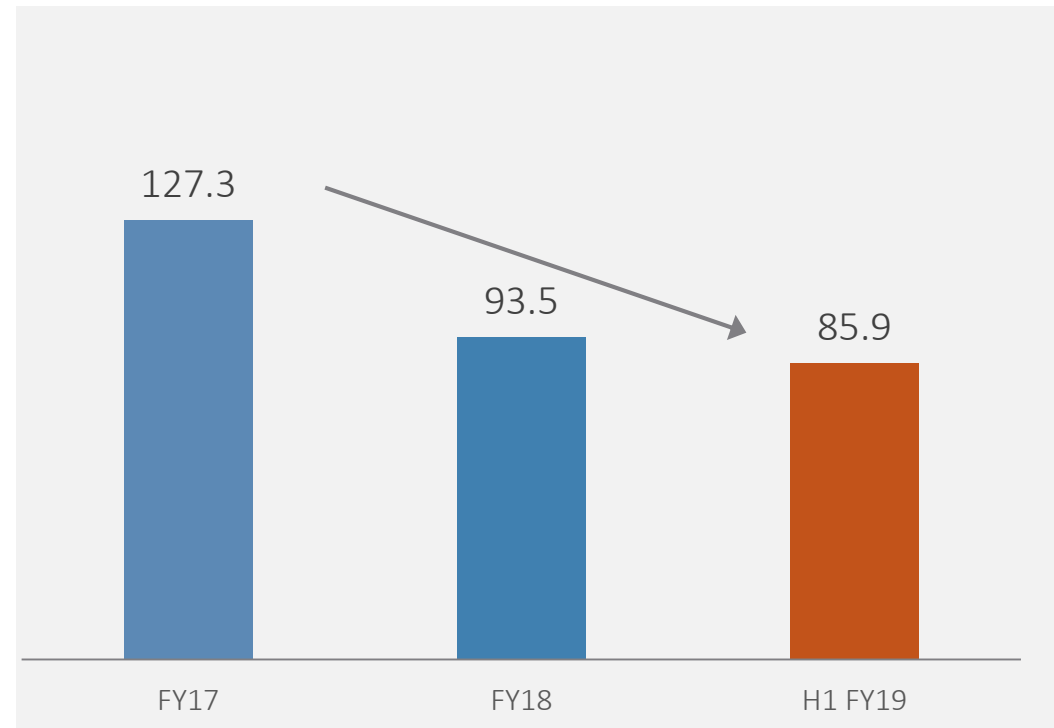


* Excluding one off impairment provision of £7.3m in FY18

GROSS DEBT: CHENNAI



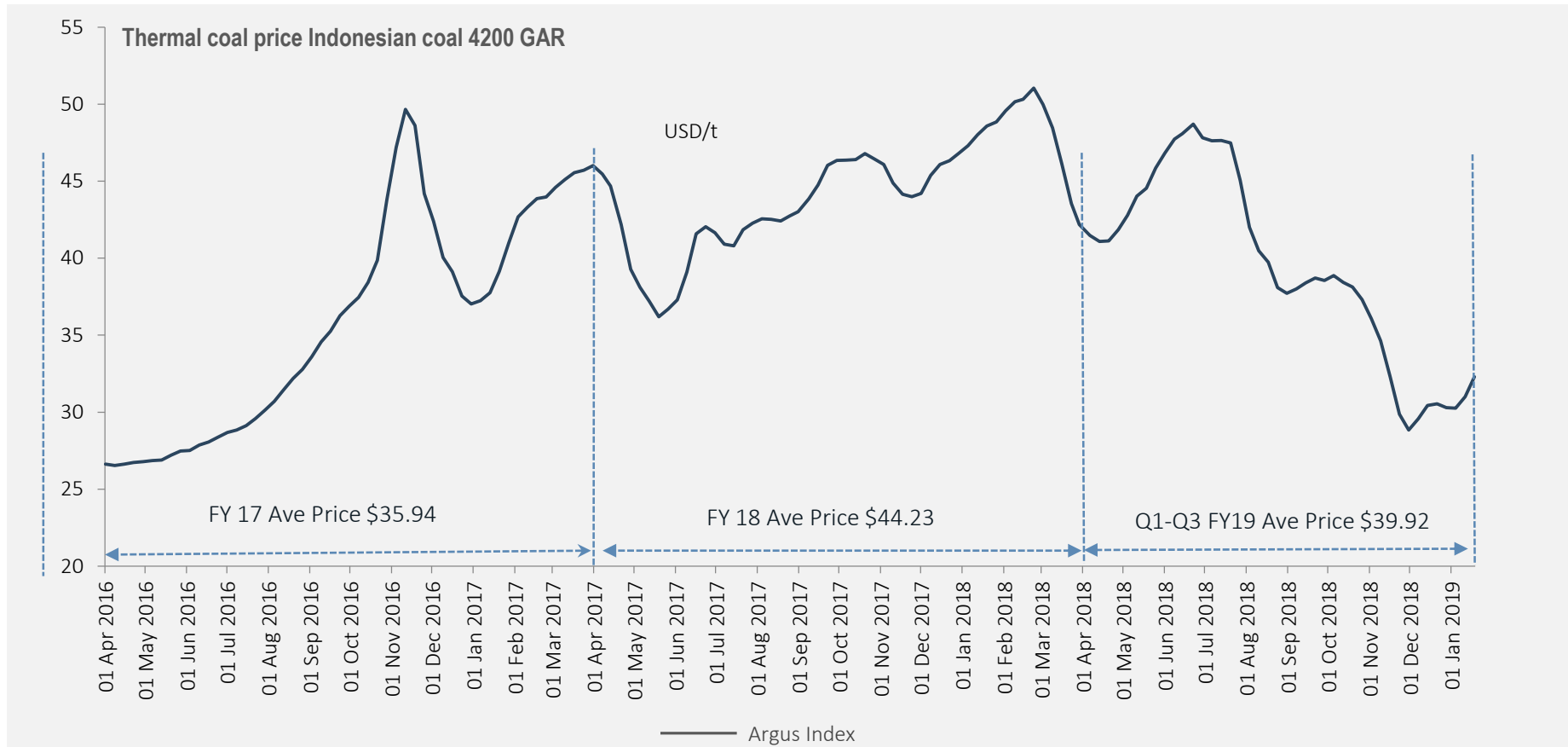
- Gross Debt - £85.9m (FY18 : 93.5m)
- Chennai Unit 1 debt free from Dec 18
- Chennai plant debt free in 5 years.



Gross debt of £85.9 million is comprised of term loans of £76.5 million and working capital loans of £9.4 million. £10.3 million term loan principal repayment in H1 FY19

OUTLOOK

INTERNATIONAL COAL PRICES ARE DOWN



Coal prices have reduced by approx. 16% in the last four months, consensus forecast for Australian steaming coal prices indicates further expected reduction by approximately 15% by March 2020, We are optimistic that the lower coal prices will underpin FY19 and FY20 profitability.

OUR PRIORITIES



Areas	Plan	Actions during the year
Cash generation	<ul style="list-style-type: none"> Maximise cashflows from existing assets 	<ul style="list-style-type: none"> Higher PLF & generation Increase in Tariff Coal prices reduced by 16% in the last 4 months
Safety & Environment Performance	<ul style="list-style-type: none"> Maintain internal standards - exceeding regulator Continued improvement in Total Reported Injury Rate 	<ul style="list-style-type: none"> Exceeding in most parameters Near Zero TRIR : FY18 :Chennai 0.09, (FY17: Chennai 0)
Sustainable & Deleveraged	<ul style="list-style-type: none"> 62 MW of solar projects commissioned Consistent repayment of debt Maintain discipline and position for attractive growth opportunities 	<ul style="list-style-type: none"> Operate 62 MW solar projects in most efficient way £10.3m term loan principal repaid in 1H FY19 Debt Free : Unit I in Dec 18, Unit II & III in CY 22 and Unit IV in Q3 23



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APPENDIX



PREPARING FOR
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DELEVERAGING

SHARES AND SHAREHOLDERS



OPG - 3 year share price and volume



SHARES AND SHAREHOLDERS



Major shareholders*

Directors	51.6%
M&G	13.0%
River & Mercantile Asset Management	4.8%
Premier Asset Management	3.8%
British Steel Pension Fund	3.6%
Shares in issue*	387,910,200

*As at 31 December 2018



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THANK YOU

QUESTIONS?



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Innovation

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