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Corporate Office: INOXGFL Towers, Plot No.17, Sector-16A, Noida-201301, Uttar Pradesh, India. Tel: +91-120-6149600 | contact@inoxgreen.com
Fax: +91-120-6149610 | https://inoxgreen.com

IGESL: NOI: 2022

2nd December, 2022

The Secretary BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001	The Secretary National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (E) Mumbai 400 051
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Scrip code: 543667

Scrip code: INOXGREEN

Sub: Disclosure of Material Event/ Information under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Investor’s Presentation

Dear Sir/ Madam,

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of the Investor’s Presentation on the Standalone and Consolidated Un-audited Financial Results of the Company for the quarter and half year ended 30th September, 2022.

You are requested to take the above on record.

Thanking You

Yours faithfully,
For **Inox Green Energy Services Limited**



Pooja Paul
Company Secretary

Enclosures: A/a



An **INOXGFL** Group Company
BEYOND INFINITY

Registered Office : Survey No. 1837 & 1834, At Moje Jetalpur, ABS Tower, 2nd Floor, Old Padra Road, Vadodara-390 007, Gujarat, INDIA
Tel : +91-265-6198111 / 2330057, Fax : +91-265-2310312

Vadodara Office: ABS Towers, 2nd Floor, Old Padra Road, Vadodara-390007, Gujarat, India | Tel : 91-265-6198111/2330057 | Fax: +91-265-2310312

A photograph showing a worker in safety gear standing on the top of a wind turbine nacelle. The worker is wearing a white hard hat, a dark jacket, and a safety harness. The background features a vast landscape with several other wind turbines under a clear blue sky with light clouds. The sun is visible on the left side, creating a lens flare effect.

INOXGreen

ENERGY SERVICES LIMITED

INOX GREEN ENERGY SERVICES LIMITED
Q2 FY23 INVESTOR UPDATE

DISCUSSION SUMMARY

- ❑ ABOUT THE GROUP AND SECTOR

- ❑ INOX GREEN ONE OF THE LEADING O&M SERVICE PROVIDERS

- ❑ TRANSITION TO ASSET LIGHT MODEL

- ❑ GROWTH POTENTIAL – ORGANIC & INORGANIC

- ❑ OPERATIONAL AND FINANCIAL HIGHLIGHTS



PART OF THE STRONG INOX GFL GROUP

Established businesses and market leadership across verticals

The Inox GFL Group with a legacy of more than 90 years is one of the largest business groups in India. The Group is a forerunner in diversified business segments comprising specialty chemicals, fluoropolymers, gases, wind turbines and renewables. The Group has a market capitalization of ~ 5.47 bn USD and an asset base of close to 2 bn USD.



Chemical Business



- Gujarat Fluorochemicals Ltd, leading Indian Chemicals Company.
- Business verticals : Fluoropolymers, Fluorospecialities & Chemicals.
- The only PTFE / fluoropolymer manufacturer in India.
 - Developing products / grades catering to new age businesses viz. EV- Batteries, Solar Panels & Hydrogen Fuel Cells.

Renewable Energy Business



• Inox Wind Ltd is a fully integrated player in the wind energy market and provides end-to-end turnkey solutions.



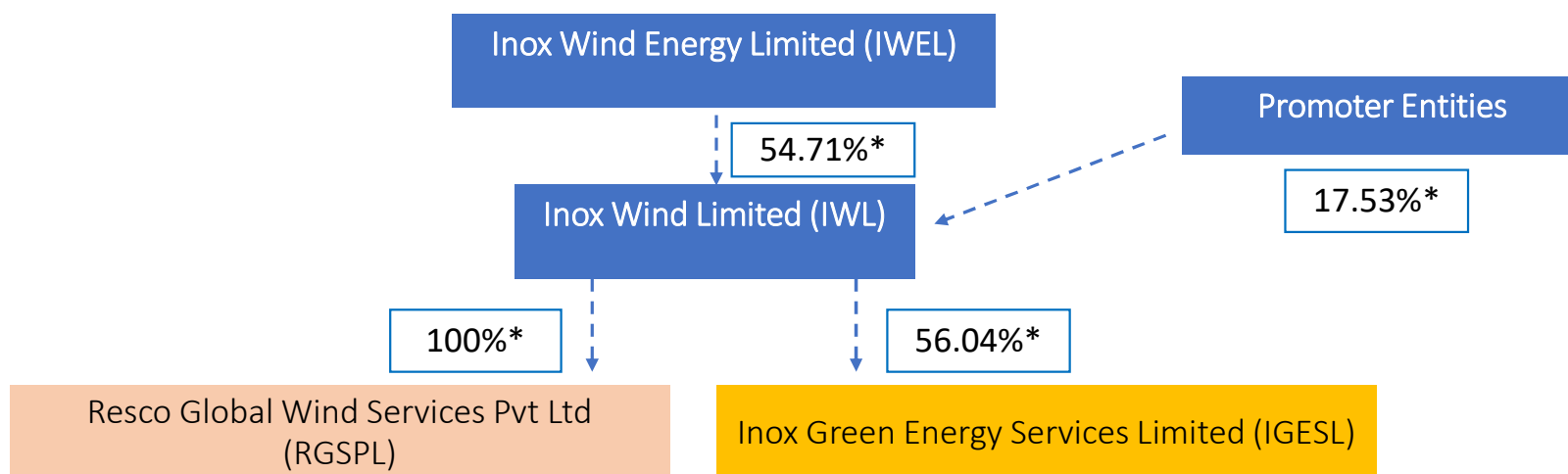
INOX Green Energy Services Limited is India's leading wind O&M services player with more than 10 years of operating history.

Inox Wind Energy Ltd.

Inox Wind Energy Ltd is the holding company of wind business.

Market leader in diverse set of industries: Significantly ahead of nearest competitors

RENEWABLE ENERGY BUSINESS



Manufacturing

- ✓ Amongst the largest WTG manufacturers in India
- ✓ Exclusive licenses and agreements in place to leverage AMSC technology
- ✓ 4 plants to manufacture nacelles & hubs, blades and towers
- ✓ Sufficient land bank to install ~5000 MW capacity

Infrastructure (EPC)

- ✓ End-to-end services leading up to installation of turbines
- ✓ Construct sub-stations for power evacuation, high grid availability and minimum power losses

O&M

- ✓ Retains O&M contracts for almost all project sites.
- ✓ Contracts with third-party suppliers for spares;
- ✓ In-house manufactured inventory maintained at sites/ warehouses
- ✓ Skilled O&M team with regular trainings

* as on date

STRONG REVIVAL OF WIND SECTOR RESULTS IN SIGNIFICANT MARKET OPPORTUNITIES

- ✕ There is a major thrust on renewables across the globe. A key takeaway from the Russia-Ukraine war, is that countries across the globe are working on energy security (uninterrupted availability of energy sources at an affordable price) and see renewable energy as only the solution.
- ✕ India has announced a renewable energy target of 175 GW by 2022 and a target of 450 GW by 2030.
- ✕ Leading Indian companies, like Adani, JSW, Reliance, Renew and Sembcorp amongst others, have announced ambitious plans for setting up RE capacity over the next few years. They have cumulatively announced setting up RE capacity in excess of 200 GW.
- ✕ PSUs like NTPC, SJVNL, NHPC etc. are working on mega investments in renewable energy sector and actively participating in tenders and issuing tenders.
- ✕ The retail segment has also revived and become attractive given various states have now announced captive policies and renewables like themselves have been the cheapest source of power in most cases.
- ✕ There is significant demand which is visible from Group Captive and C & I segment of customers due to i. ensuring long term hedging of energy cost, ii. ESG compliance and iii. energy security.

All of the above will lead to significant growth opportunities for Inox Green

INOX GREEN – KEY INVESTMENT THESIS

Dependable Sponsor

Subsidiary of Inox Wind Limited (IWL), and part of the Inox GFL group of companies; enjoy synergistic benefits

Favorable Government push

Favorable national policy support

Established Execution Track Record

Established track record in the wind energy O&M industry of more than ten years

Reliable & Stable Cash Flows

Engaged in the business of providing long-term O&M services for wind farm projects

Comprehensive Solution Provider

Offers both comprehensive O&M contracts and common infrastructure O&M contracts

Technology Driven

Technology driven company - focus on predictive maintenance over reactive maintenance

Key Metrics

01

2,800 MW
Portfolio

02

8 states
Presence in wind-resource rich states

03

1,424.7 MW
Order Book of IWL

04

5-20 years
Tenor of O&M contracts

05

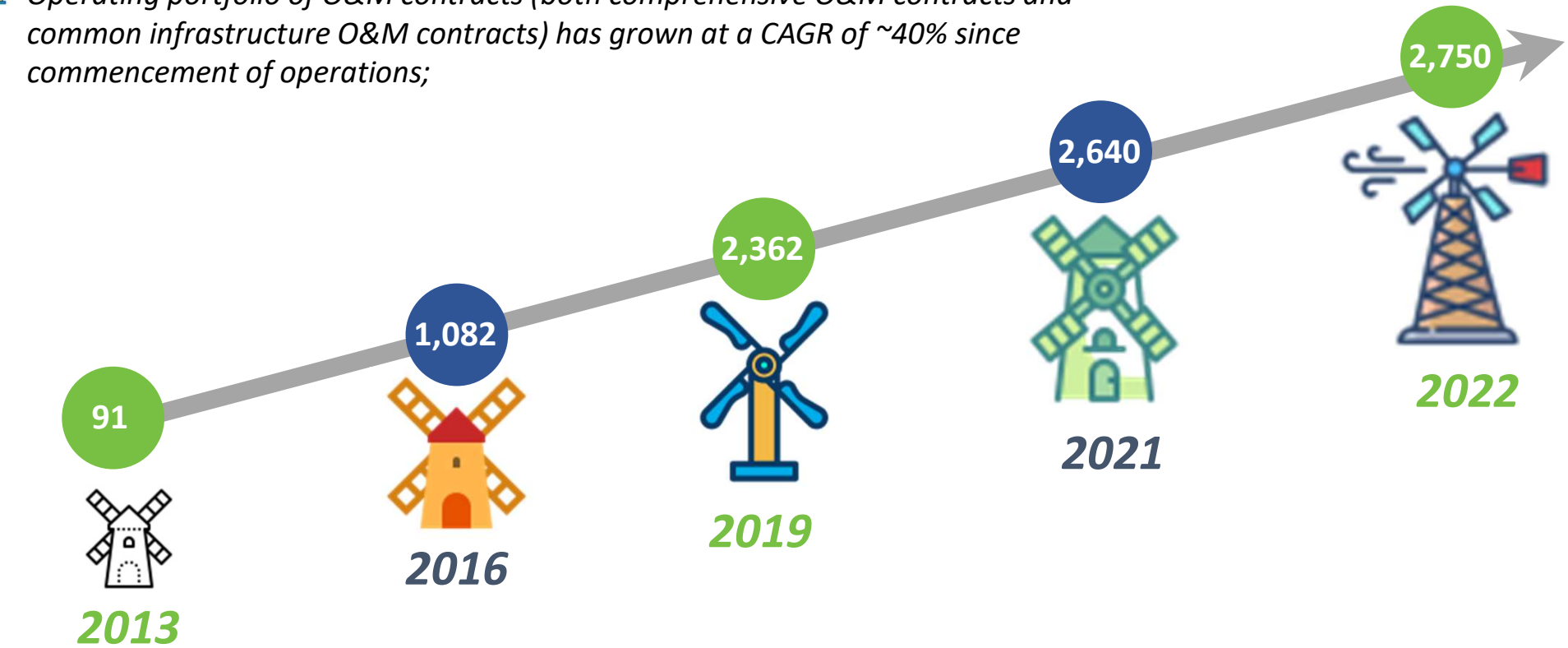
>6 years*
Residual Duration of the O&M Contract[^]

06

INR 1236.94 Mn
for H1 FY23
Revenue from Operation

IGSEL O&M PORTFOLIO GROWTH

✂ Operating portfolio of O&M contracts (both comprehensive O&M contracts and common infrastructure O&M contracts) has grown at a CAGR of ~40% since commencement of operations;



Figures in MW



KEY STRENGTHS

01

Promising growth for the Industry

*Favorable national policy support;
Diversifying into Hybrid / Solar;
Value added services;*

02

Inox GFL Group of Companies

*Promoted by Inox Wind Ltd;
IWL is India's notable WTGs manufacturer which provides wind energy turnkey solutions across India*

03

Strong & diverse portfolio – stable cash flows

Long-term O&M contracts with high credit quality counterparties

04

Established supply chain & Strong team

Established relationship with suppliers

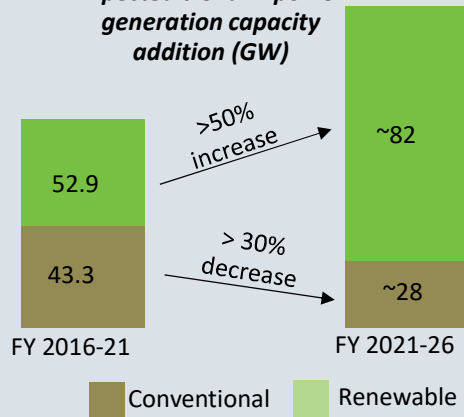
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Pan-India Presence

Presence in eight wind-resource rich states in India

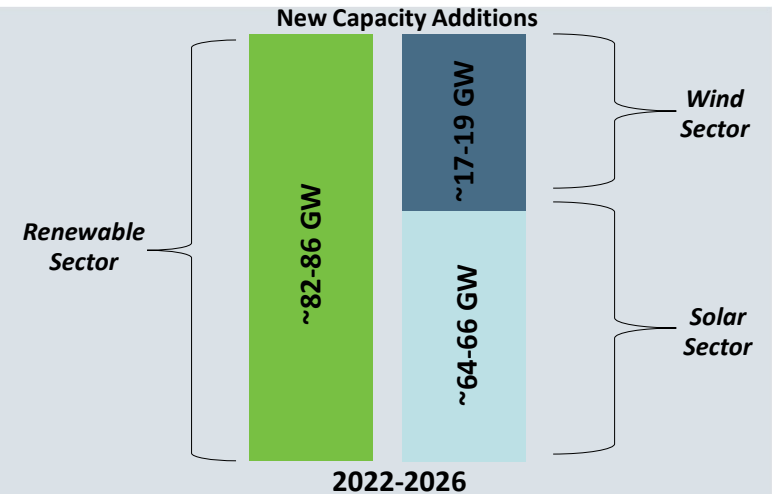
STRONG GROWTH IN CAPACITY ADDITIONS IN THE RENEWABLE SECTOR TO CONTINUE

Expected trend in power generation capacity addition (GW)



Renewable consist of Solar & Wind only

Out of the ~100 GW of new capacity additions over the next five years, ~28 GW would come from conventional capacity & **~82 would come from renewable sector**



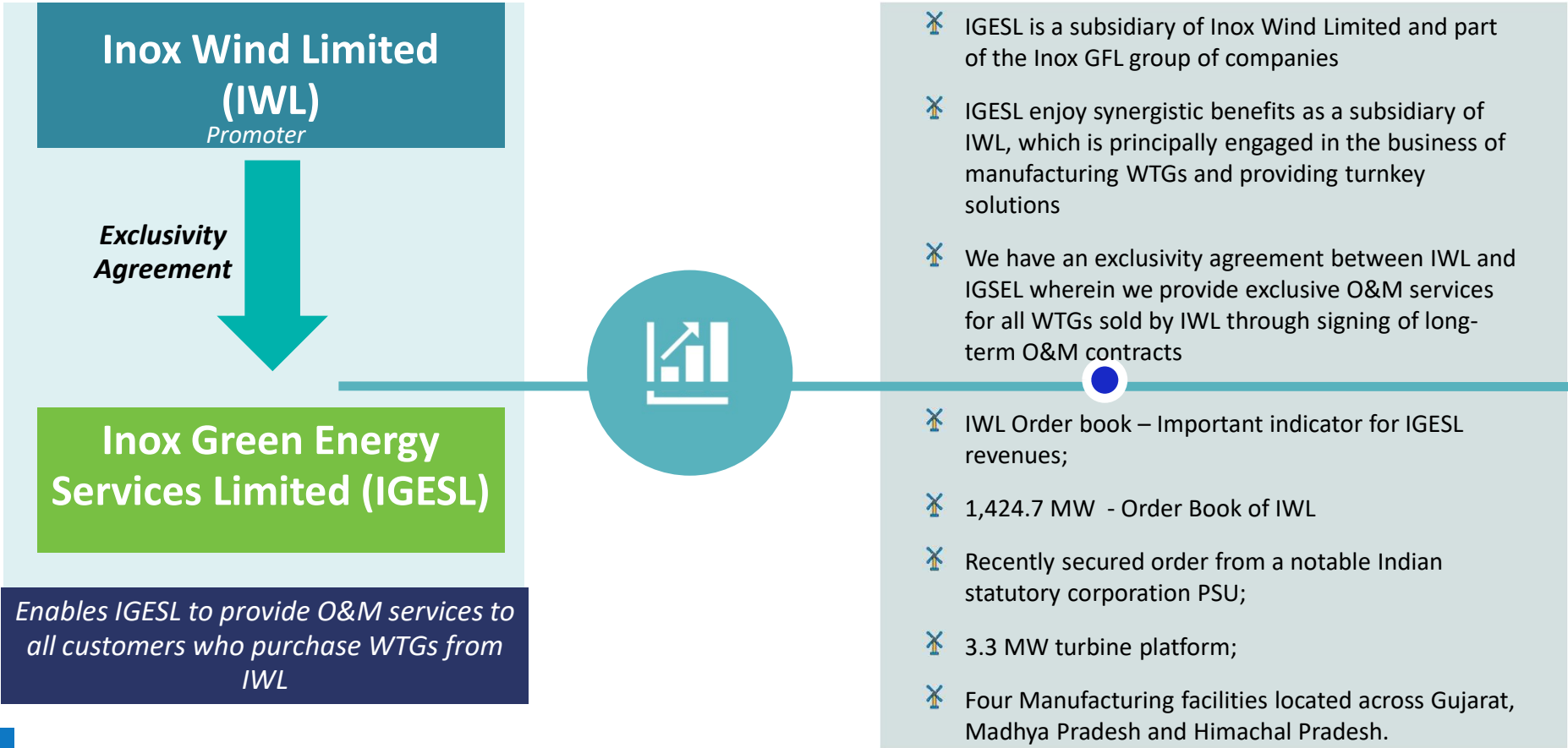
Potential demand of O&M services market for wind energy in India is expected to reach

INR 170-210 billion by fiscal 2026

- Demand of O&M services grew from INR 88 billion in 2016 to INR 132 billion in 2022;
- Wind capacity addition to be in the range of 17-19 GW during the forecast period to reach a total installed wind capacity over 50 GW by 2026
- The growth is likely to be on account of hybrid capacity allocation along with an existing pipeline of 10-11 GW for pureplay wind;

Source: CRISL Industry Report

SYNERGISTIC RELATIONSHIP WITH INOX WIND



RELIABLE CASHFLOW SUPPORTED BY LONG TERM O&M CONTRACTS

Few major customers



Diversified Customer Base

- ✂ Counterparties to O&M contracts feature a mix of leading independent power producers (~ 71%), public sector undertakings (~ 15%) and corporates (~ 14%);

Long-term O&M Contracts provide us revenue visibility

- ✂ Tenor range from five to 20 years;
- ✂ Built-in fixed price escalation formula of approximately 5.00% per annum;

Operating Portfolio

- ✂ As of Sept., 2022, O&M services portfolio consists of 2,800 MW of wind farm capacity;
- ✂ Portfolio has grown at a CAGR of ~ 40% since commencement of operations

ESTABLISHED SUPPLY CHAIN & STRONG TEAM IN PLACE

01

Established relationship with suppliers for key parts and components;

Obtain proprietary components and spare parts for the IWL manufactured WTGs directly from IWL

02

03

IWL has exclusive licenses to use WTG technology developed by American Superconductor Corporation (“AMSC”)

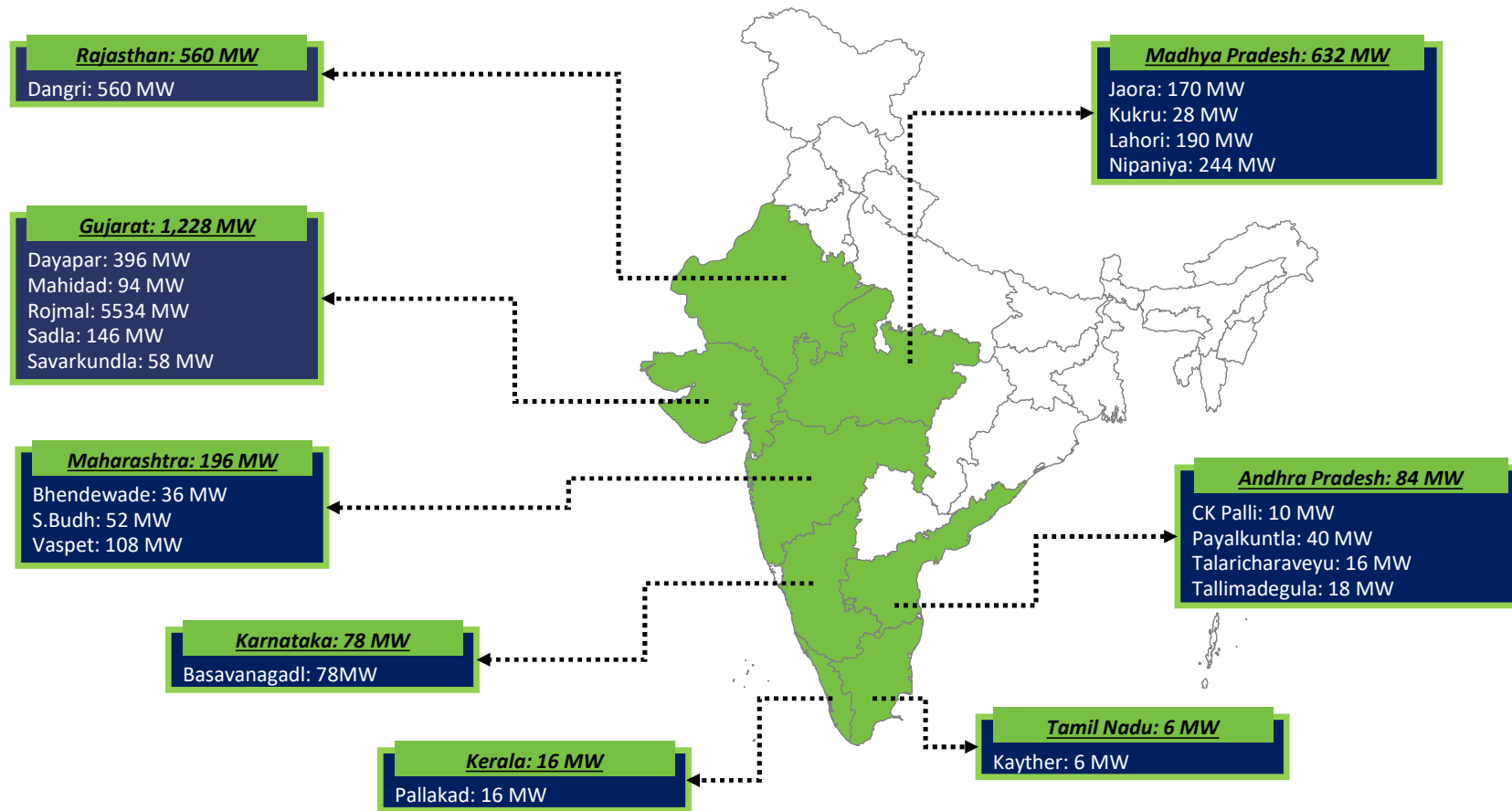
Strong and experienced management team

- ✘ *We have a team of around 400 employees who have extensive experience in the O&M of WTGs and in the wind industry*
- ✘ *Our senior managers have an average of more than 10 years of experience in their respective fields*

Warranty & Risk policy

- ✘ *Warranties in place with suppliers for major parts;*
- ✘ *Industrial All Risk policy for each WTG to cover risks;*

PRESENCE IN ALL 8 WIND RESOURCE RICH STATES IN INDIA - 2.80 GW



Past business model

- ✘ *Required to develop common infrastructure facilities such as pooling substations and transmission lines;*
- ✘ *Incurred significant capital expenditure;*

V.

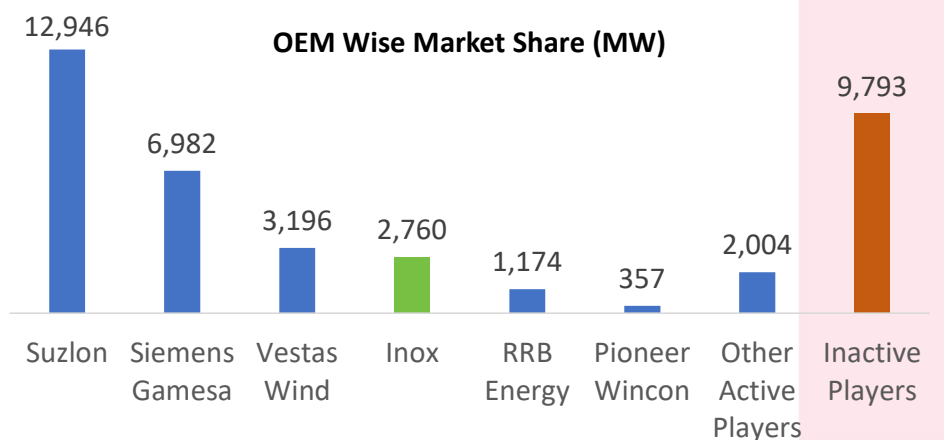


Future strategy

- ✘ *Reducing & monetizing investments into the wind power assets of our subsidiaries;*
- ✘ *Enjoy higher EBITDA and profit margins;*
- ✘ *Organic & In-organic growth*

POISED FOR ORGANIC AND INORGANIC GROWTH

Inorganic Growth



- ✕ The O&M business of inactive players provide a significant opportunity for the Company for Inorganic Growth;
- ✕ Leverage on both our and our group's existing customer base & relationship;

Inactive players include turbines supplied by players which do not offer equipment or services as of fiscal 2021
Source: Industry Report

Organic Growth

- ✕ Growing portfolio through the entry of new long-term O&M contracts with customers who purchase IWL's WTGs;
- ✕ Revision/Reset of Shared Services O&M contracts;
- ✕ Value added services;



IGESL – GROWTH STRATEGY GOING FORWARD

A. Organic Growth:

The execution of orders by Inox Wind shall lead to a firm addition to the existing fleet of ~ 3GW.

Pricing Reset: Pricing of O & M contracts be it shared services or comprehensive are reset at the time of renewal of O & M contracts to increase profitability further.

B. Inorganic Growth: Inorganic growth driven by:

Acquisition of the O & M business of the turbines supplied by other OEMs:

- There is as much as ~10 GW of wind generation capacity which is now being maintained by players like distressed OEMs, non OEM aggregators/technocrats who are primarily unorganized and financially weak and majority of this fleet is across retail customers.
- Customers across the board are looking for a switchover to a strong, credible, renowned and **Indian O & M service provider** and we are sweetly placed to capture this opportunity going forward.

Such acquisition will be done by way of a combination of the following:

- A natural shift over of customers on their own;
- Offering customers free O & M services for a certain period;
- Outright acquiring the business from aggregators



OPERATIONAL AND FINANCIAL HIGHLIGHTS



OPERATIONAL AND FINANCIAL HIGHLIGHTS

- ✂ The Company has successfully completed its' IPO in the month of November, 2022 and raised Rs. 740 crs (Rs. 370 crs primary and Rs. 370 crs secondary to Inox Wind).
- ✂ Out of the total proceeds of the IPO, Rs. 260 crs will be utilized to deleverage the business. The Company has already paid Rs. 250 crs towards the same. A further reduction in the debt will happen in due course.
- ✂ The O&M portfolio of the Company stands at ~ 2800 MW.

✂ **Financial Highlights:**

- ✂ Total Income from Operations and EBITDA compared to preceding quarter:

- ✓ Total Income of Rs. 65.87 crs in Q2 FY23 as compared to Rs. 63.16 crs in Q1 FY23.

- ✓ EBITDA of Rs. 19.17 crs in Q2 FY 23 as compared to Rs. 18.93 crs in Q1 FY23



CONSOLIDATED UN-AUDITED INCOME STATEMENT

Particulars	Quarter ended		Half Year Ended	Year ended
	30-Sep-22	30-Jun-22	30-Sep-22	31-Mar-22
	Unaudited	Unaudited	Unaudited	Audited
Income				
a) Revenue from operation (net of taxes)	6,190	6,179	12,369	17,217
b) Other Income	397	137	534	1,807
Total Income from operations (net)	6,587	6,316	12,903	19,024
Expenses				
(a) EPC, O&M, Common infrastructure facility expenses	2,800	1,820	4,620	4,830
(b) Purchases of stock-in-trade	1,122	1,593	2,715	2,220
(c) Changes in inventories	-	-	-	(776)
(d) Employee benefits expense	627	592	1,219	2,166
(e) Finance costs	1,967	1,799	3,766	5,480
(f) Depreciation and amortisation expense	1,603	1,652	3,255	5,016
(g) Other expenses	121	418	539	558
Total Expenses (a to g)	8,240	7,874	16,114	19,494
Less: Expenditure capitalised	-	-	-	-
Net Expenditure	8,240	7,874	16,114	19,494
Profit/(Loss) from ordinary activities before Tax	(1,653)	(1,558)	(3,211)	(470)
Total Provision for Taxation (a to c)	(466)	(400)	(866)	24
Profit/(Loss) for the period	(1,187)	(1,158)	(2,345)	(494)
Profit/(loss) after tax for the period/year from discontinued operations	-	-	-	(8,825)
Profit/(loss) after tax for the period/year	(1,187)	(1,158)	(2,345)	(9,319)
Total Other Comprehensive Income	12	(5)	7	29
Total Comprehensive Income for the period comprising Net Profit for the period & Other Comprehensive Income (9+10)	(1,175)	(1,163)	(2,338)	(9,290)
Earning Before Interest, Tax, Depreciation & Amortization (EBITDA) from continuing operations	1,917	1,893	3,810	10,027
Paid-up Equity Share Capital (Face value of Re 10 each)	23,502	23,502	23,502	23,502
Basic & Diluted Earnings per share for continuing operations (Rs) (Face value of Re 10 each) - Not annualized	(0.50)	(0.49)	(0.99)	(0.25)
Basic & Diluted Earnings per share for discontinuing operations (Rs)	-	-	-	(4.47)



THANK YOU

Jitendra Mohananey
Group Financial Controller
Contact No: 0120 6149600
Email : Investors.iwl@inoxwind.com