

January 19, 2023

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 Scrip Code: 542760	National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Bandra (East), Mumbai – 400 051 Symbol: SWSOLAR
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Dear Sir/ Ma'am,

Sub.: Investor presentation on the Unaudited Standalone and Consolidated Financial results of Sterling and Wilson Renewable Energy Limited (“the Company”) for the quarter and nine months ended December 31, 2022

Ref.: Regulation 30 read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

Dear Sir/ Madam,

Pursuant to the Listing Regulations, please find enclosed herewith the Investor presentation on the Unaudited Standalone and Consolidated Financial results of the Company for the quarter and nine months ended December 31, 2022.

Request you to take the same on record.

Yours faithfully,
For Sterling and Wilson Renewable Energy Limited

Bahadur Dastoor
Chief Financial Officer

Encl: As above

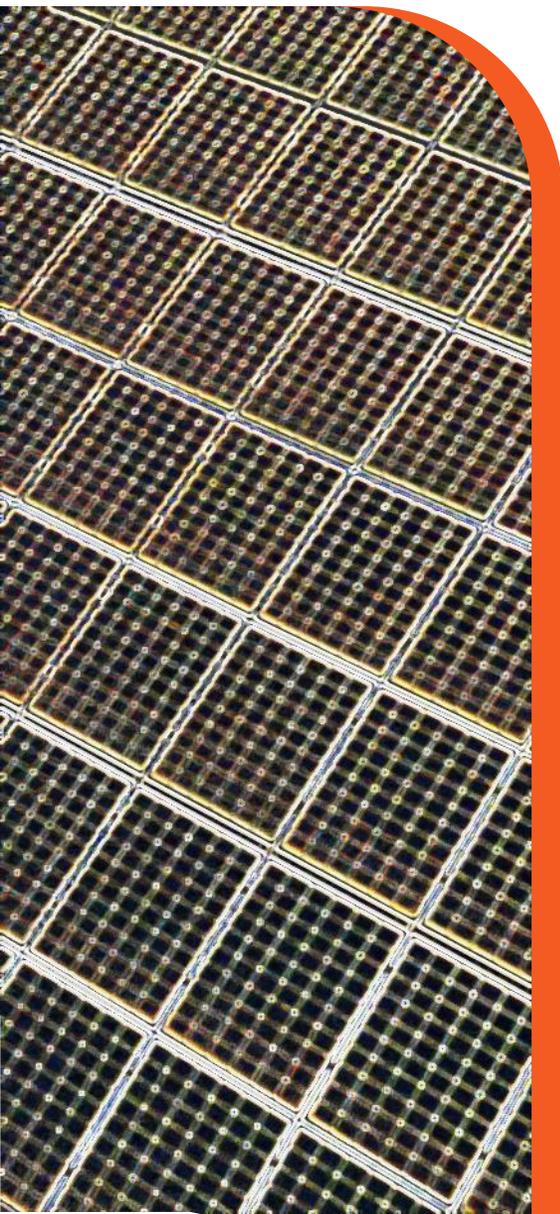
Sterling and Wilson Renewable Energy Limited
(Formerly known as Sterling and Wilson Solar Limited)

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The future of *solar energy* is

Bright



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This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions, regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.

About Us

| WHO WE ARE

Leading Solar EPC and O&M Solutions Provider

We offer Design, Detailed Engineering, Procurement, Construction, Installation, Commissioning and Operations & Maintenance services under turnkey EPC and BoS (Balance of System) solutions for utility-scale, rooftop and floating solar power projects. We also offer solar plus storage solutions.

OPERATIONAL EXCELLENCE

EPC Portfolio
12.9 GWp

O&M Portfolio
7.0 GWp*

Global Manpower
2,411

GLOBAL RECOGNITION

EPC and O&M of Abu Dhabi
1,177 MWp One of the world's largest single location PV plant

Regional presence across
28 countries Significant cost benefit and timely execution

Market Leader



Leading **Solar EPC** solutions provider in the world

Leading **Solar O&M** player globally

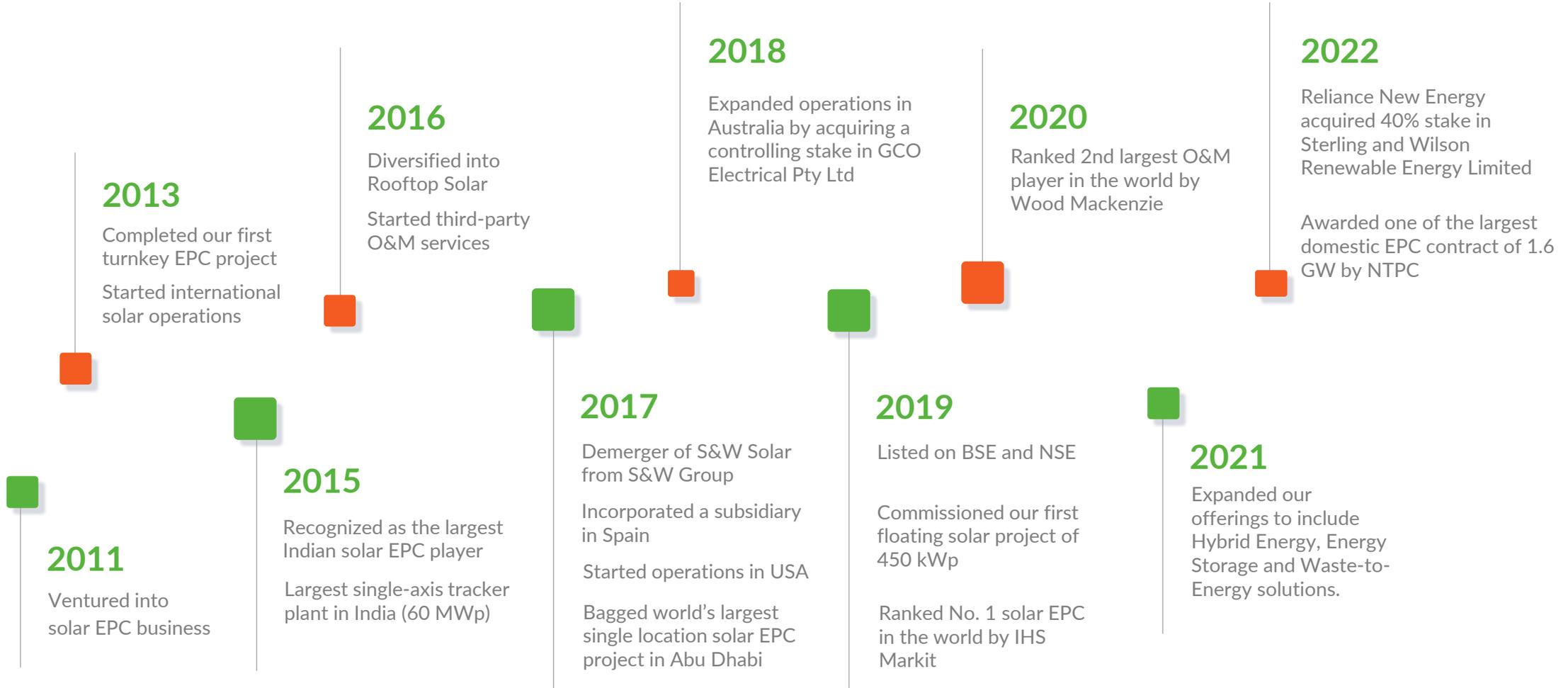
No. 1 Solar EPC player in Australia

End-to-end “*concept to commission*” solar EPC

* O&M portfolio includes EPC projects under construction/commissioning for which contractual revenue is expected to commence by March 23

Journey

| A GLOBAL LEADER IN SOLAR EPC IN 8 YEARS



Why Us

| WHAT DIFFERENTIATES US



Our Presence

| ACROSS THE GLOBE



Offices in
28 Countries



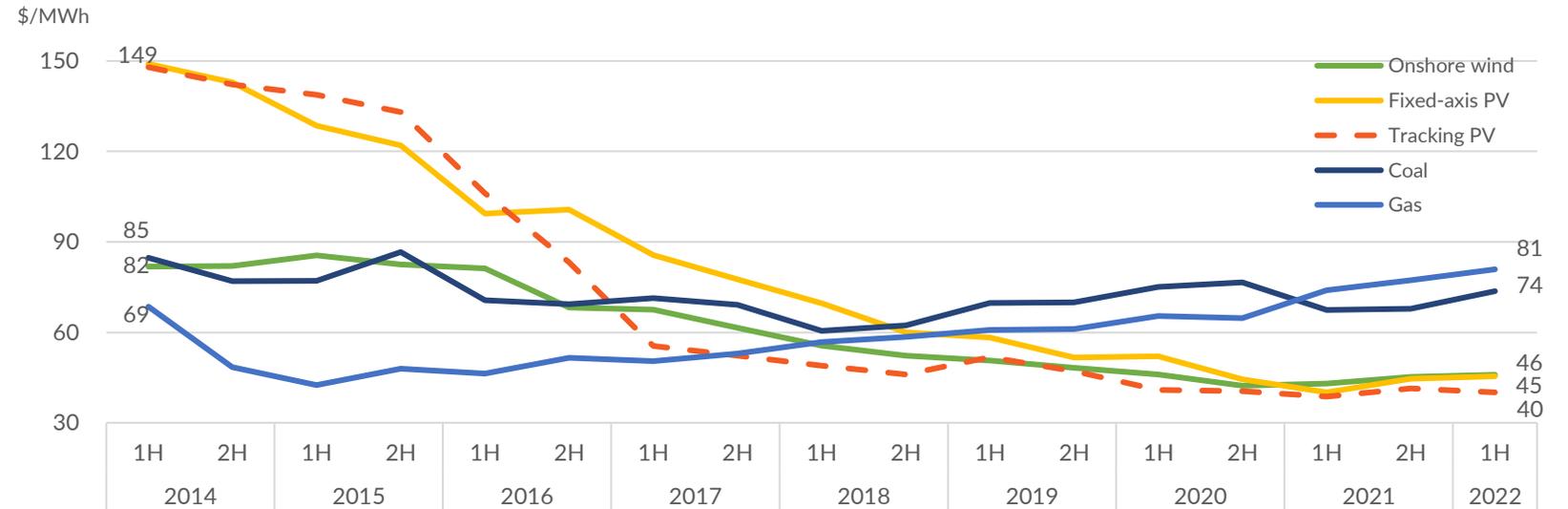
Projects in
19 Countries



Solar Market Outlook

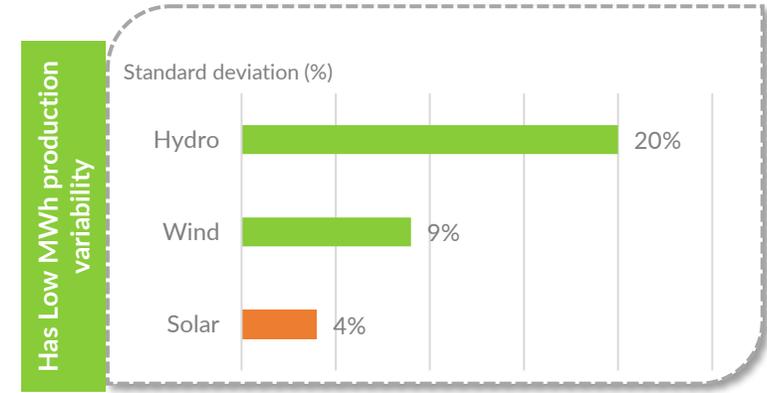
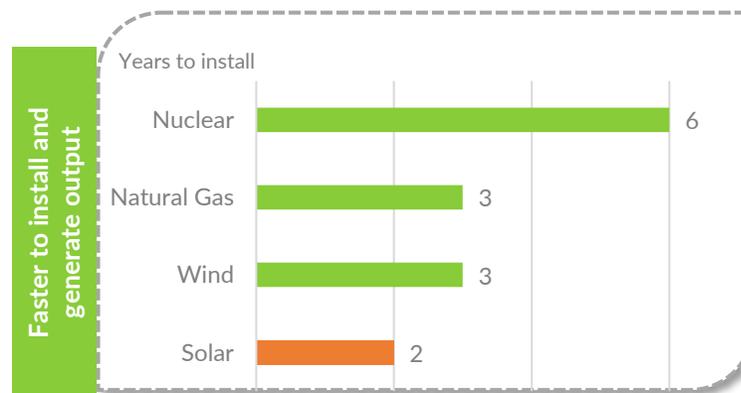
| SOLAR IS CHEAPER.. FASTER.. CONSISTENT

SOLAR PV LCOE IS NOW THE LOWEST GLOBALLY



Source: BNEF

(1) The global benchmark is a country weighted-average using the latest annual capacity additions



Source: US EIA, Annual Energy Outlook, Feb 2021; Moody's, Apr 2017



Solar Market Outlook

| SOLAR INSTALLATIONS TO GROW AT ~15% CAGR IN KEY MARKETS

Annual Utility-Scale PV installations (GW)	2019	2021	2022E	2025E	CAGR 21-25E
India	9.8	10.8	11.8	18.6	14.6%
South-East Asia & Australia	1.7	1.9	3.3	4.8	41.3%
Middle East and North Africa	3.8	2.9	5.1	9.8	35.6%
Rest of Africa	1.2	1.7	2.0	4.0	23.9%
Europe	7.4	11.5	13.5	17.3	10.7%
USA	7.3	17.8	18.7	29.2	13.2%
Latin America	2.1	3.7	6.7	4.5	5.0%
Grand Total (excluding Rest of World)	33.3	50.3	61.1	88.2	15.1%

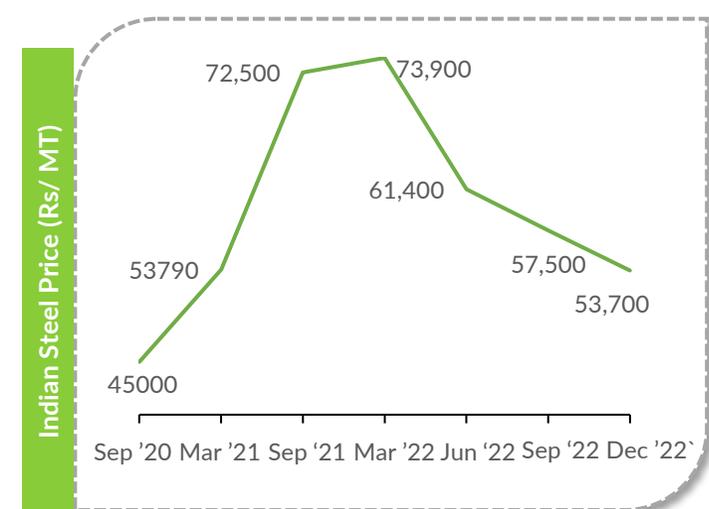
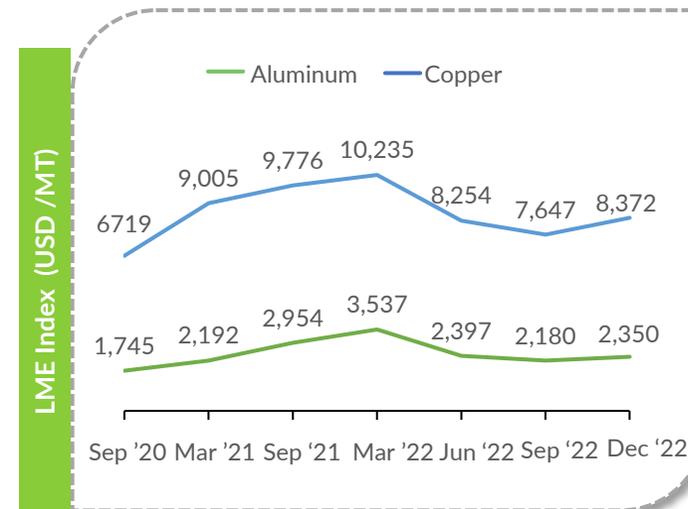
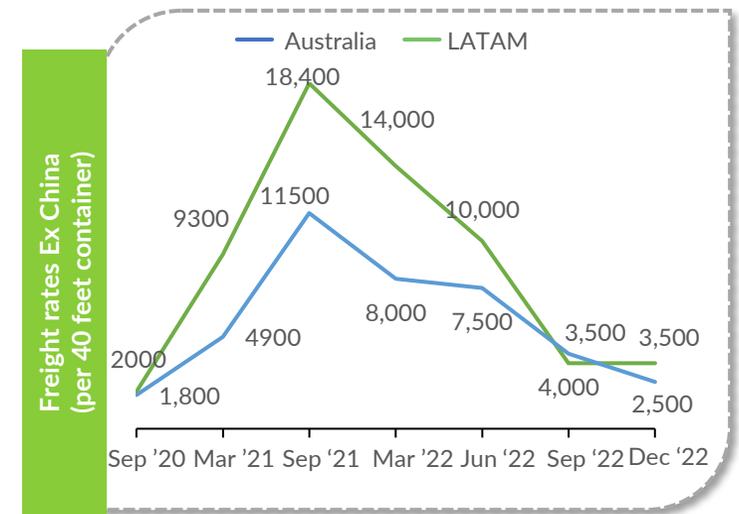
Source: BNEF

(1) China and Japan constitute major countries in rest of world

(2) Annual solar PV installations in India, SEA, Middle East, Africa, Europe, USA, Latin America and Australia.

Solar Market Outlook

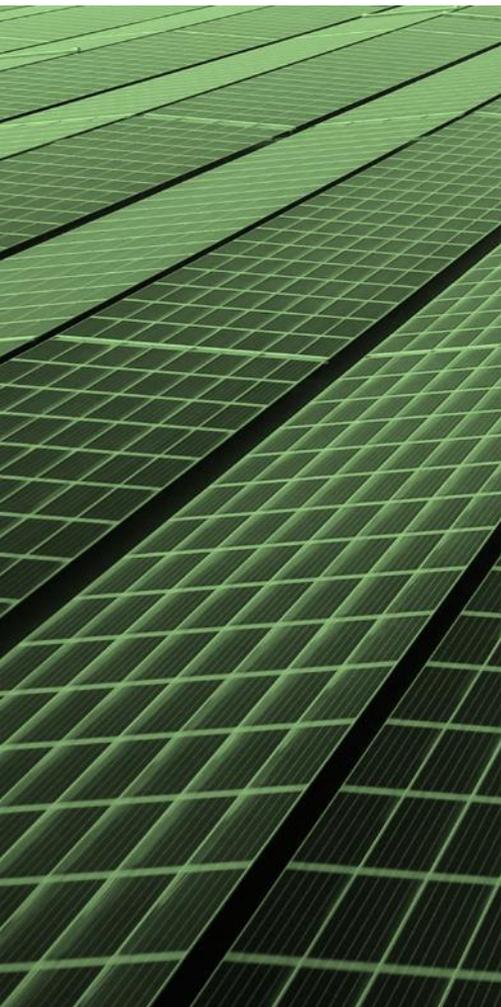
| KEY COSTS ARE ON THE DECLINE



** Module Prices are expected to further decline in CY23E as per BNEF estimates.

Financial Highlights

| 3Q FY 2023



Financials

| KEY HIGHLIGHTS FOR 3Q FY23

- Company has been awarded two new contracts in India for Solar EPC from Amplus and Ampyr for projects located in Bikaner, Rajasthan and Koppal, Karnataka respectively
- Unexecuted EPC order book of INR 2,703 crore as of January 18, 2023 with nearly 84% domestic EPC
- Revenue decreased by 51.0% YoY in 9MFY23 due to lower contribution from on-going EPC projects. Revenue increased by 1.7% QoQ aided by higher contribution from O&M segment
- Gross margins remain suppressed primarily on account of International EPC projects
- Net debt of Rs 1,374 crore as of 31 December 2022
- Advance and performance bank guarantees encashed by four customers amounting to Rs 588.5 crore of which
 - Final settlement agreement signed with customer for two projects and a sum of Rs 349.7 crore has been refunded
 - The Company is in discussion with the other two customers (projects completed)
- No further impact on the results of the Company beyond 31 December 2021 on account of LDs and other matters in accordance with the Indemnity agreement (refer Note 5 of Consolidated Financial results)

Financials

CONSOLIDATED PROFIT & LOSS – 3Q FY23

INR Crore	Q3FY23	Q3FY22	Q2FY23	9MFY23	9MFY22	FY2022
Revenue from Operations *	410	1,495	403	2,022	4,128	5,199
Gross Margin (post project MTM)	(30)	(295)	(170)	(376)	(444)	(503)
Gross Margin %	(7.2%)	(19.7%)	(42.1%)	(18.6%)	(10.8%)	(9.7%)
Other Income *	4	5	4	7	30	35
Recurring Overheads	93	90	86	277	261	345
Recurring Overheads %	22.7%	6.3%	21.5%	13.7%	6.3%	6.6%
Non-recurring Overheads	3	-	-	9	17	21
MTM (gain)/ loss on cancellation of forward cover	(5)	(37)	(3)	(8)	21	8
Forex	(63)	42	24	20	46	20
EBITDA	(53)	(385)	(275)	(667)	(759)	(862)
EBITDA Margin %	(13.0%)	(25.8%)	(67.9%)	(33.0%)	(18.4%)	(16.6%)
EBIT	(59)	(389)	(278)	(678)	(770)	(896)
EBIT Margin %	(14.3%)	(26.0%)	(68.9%)	(33.5%)	(18.7%)	(17.2%)
PBT	(95)	(416)	(308)	(761)	(787)	(910)
PBT Margin %	(23.2%)	(27.8%)	(76.3%)	(37.7%)	(19.1%)	(17.5%)
PAT	(99)	(429)	(299)	(754)	(789)	(916)
PAT Margin %	(24.2%)	(28.7%)	(74.1%)	(37.3%)	(19.1%)	(17.7%)

- Revenue increased by 1.7% QoQ aided by higher contribution from O&M segment. For 9MFY23, revenue has decreased by 51.0% YoY due to lower contribution from on-going EPC projects
- Gross margins remain suppressed primarily on account of International EPC projects
- O&M constituted 14.4% of revenue in 3QFY23 and have grown 55% sequentially. While O&M gross margins have improved sequentially (6.7% in Q3FY23 versus -13% in Q2FY23), they still remain impacted by projects where O&M costs were incurred, however, revenue recognition has not commenced due to client delaying final handover
- PAT loss during the quarter has declined to INR 99 crore versus INR 299 crore in the previous quarter and INR 429 crore last year

* To be read in conjunction with Note 5 of the consolidated financial results

Financials

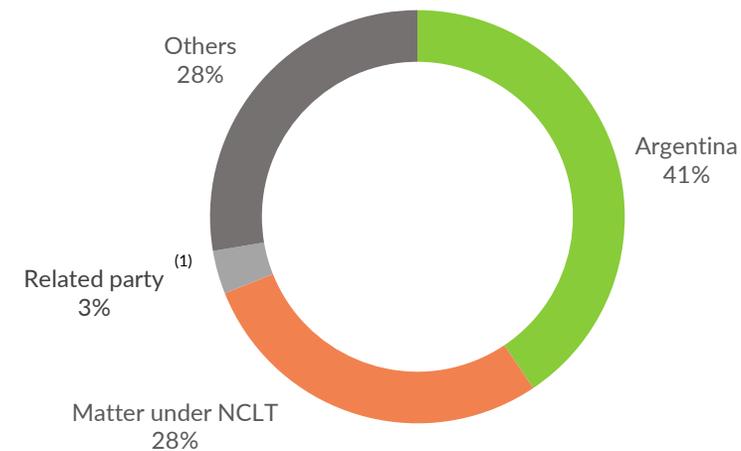
CONSOLIDATED BALANCE SHEET

INR Crore	Dec-22	Sep-22
Sources of Funds		
Shareholders Funds	218	338
Borrowings from Banks	1,555	1,313
Total	1,773	1,651
Application of Funds		
Fixed assets (including right to use assets)	48	47
Core Working Capital	(140)	(272)
Bank balance (including fixed deposit)	236	483
Other assets/ (liabilities)	1,166	953
Deferred tax and income tax balance	158	146
GST and VAT balances (net)	305	294
Total	1,773	1,651

Breakdown of Core Working Capital (INR Crore)	Dec-22	Sep-22
Current Assets	1,413	1,375
Inventories	5	4
Receivables (net of LD provision)	1,349	1,332
<i>Receivable days</i>	180	158
Advances to suppliers	59	39
Current Liabilities	1,553	1,647
Trade payables	1,027	1,353
<i>Payable days</i>	116	124
Advances from Customers	526	294
Net Working Capital	(140)	(272)

Breakdown of Net Debt (INR Crore)	Dec-22	Sep-22
Term debt	1,050	700
Working capital related debt	505	613
Total Debt	1,555	1,313
Less: Cash and Bank balance	(181)	(428)
Net Debt	1,374	885

Mix of receivables > 1 year as at Dec 2022 – Rs 325 crore



(1) Related party receivables (~Rs 11 crore) is net of Rs 208 crore that the Company needs to pay back to the related party against advance received for Waste to Energy project

(2) Of the Non-related party receivables, ~INR 259 crore is covered under Indemnity agreement

Outlook

| NEW ORDERS/ MoUs ANNOUNCED IN 9MFY23



- Aggregate capacity of 242 MW DC
- Project located at Bikaner, Rajasthan



- Aggregate capacity of 60 MW DC
- Project located at Koppal, Karnataka



- Contract signed for the BOS package comprising 4 blocks of proposed solar PV plant of NTPC at Khavda, RE Power Park, Rann of Kutch, Gujarat
- Aggregate capacity of 1,570 MW DC



- Sterling and Wilson Solar Solutions, Inc (SWSS), the US step down subsidiary signed a MOU with the Government of the Federal Republic of Nigeria, along with its consortium partner Sun Africa
- MOU is for the development, design, construction, and commissioning of solar PV power plants aggregating 961 MWp at five different locations in Nigeria along with battery energy storage systems (BESS) with total installed capacity of 455 MWh
- Financing for these projects are under negotiations between US EXIM, ING and the Government of Nigeria
- D&EPC agreement under negotiation

SWREL has announced ~2.8 GW of new orders / MOU in 9MFY23

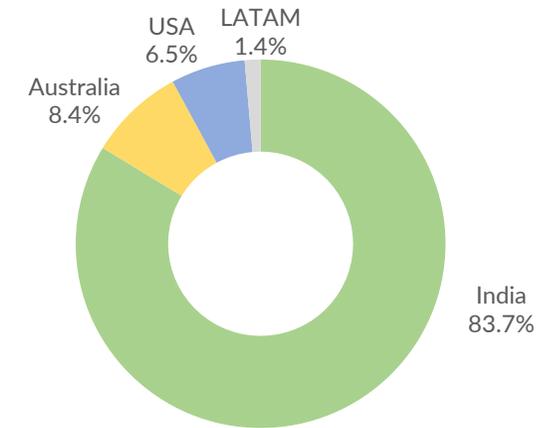
Outlook

| ORDER BOOK & PIPELINE

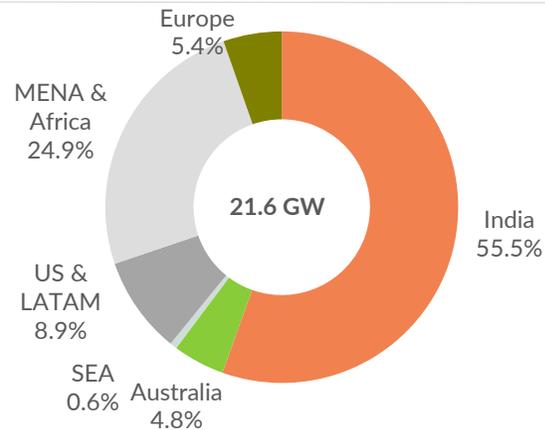
Unexecuted Order Value Movement



Gross UOV as on 18 January 2023



FY24 Bid Pipeline remains robust



New order inflows are lumpy - Impacted by cyclicality and seasonality

INR Cr	Q1	Q2	Q3	Q4	Total
FY18	-	843	2,030	2,793	5,666
FY19	346	1,482	1,195	1,417	4,440
FY20	1,629	1,057	1,070	987	4,743
FY21	3,353	1,601	-	1,820	6,774
FY22	221	254	-	244	719
FY23	-	1,858	364	-	2,222

SWREL is on track to achieve/exceed our FY22 guidance of ~USD 1 bn in new orders (ex-Group companies)

| WAY FORWARD - REGAIN THE POSITION OF WORLD'S LARGEST SOLAR EPC PLAYER



Industry Outlook

- Unprecedented commodity super cycle over last 2 years coupled with COVID led to Solar Industry suffering huge losses and IPP's deferring projects
- Significant consolidation observed in the industry with stronger players expected to take a larger share of the market in the future
- Solar industry well poised to grow in long term as IPPs have huge plans for global capacity additions
- The global tariffs have already corrected upwards with the revision in prices and a lot of projects are expected to get finalized in FY23



Target large EPC markets

- Reliance group's investment in Company has led to strengthening of Company's balance sheet and increased confidence to customers, suppliers, bankers and other stakeholders
- Focus to grab large share of EPC capacity additions in FY23 like US (23 GW), Europe (16 GW), Australia (3 GW) and India (16 GW)
- Pursue development activities In International markets to secure more EPC business



Expand new businesses

- Round-The-Clock Renewable Energy Projects with Battery Storage are the future
- Increased focus of countries globally towards Clean Hydrogen mission
- Natural Hydrogen mission announced by Indian Govt to transform India into a global hub for green hydrogen production
- Focus on large Solar PV + BESS projects in US, Europe and Australia
- Leverage client relationships to gain meaningful market share in these new businesses



Grow O&M Portfolio

- O&M market size to grow as more solar capacity comes online
- Increased focus on third party O&M in International markets through organic and inorganic route
- Provide enhanced value to customers through O&M differentiators like drone thermography, strong analytics and predictions, underground cable fault finder etc.
- In-house learning and training to upgrade the technical skills of the team



For further information, please contact:

Company :

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