

April 20, 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 Audited Standalone and Consolidated Financial results of Sterling and Wilson Renewable Energy Limited (“the Company”) for the quarter and financial year ended March 31, 2023

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 a copy of the Investor presentation on the Audited Standalone and Consolidated Financial results of the Company for the quarter and financial year ended March 31, 2023.

Request you to take the same on record.

Yours faithfully,

For Sterling and Wilson Renewable Energy Limited

Jagannadha Rao Ch. V.
Company Secretary and Compliance Officer
Encl.: As above

Sterling and Wilson Renewable Energy Limited

(Formerly known as Sterling and Wilson Solar Limited)

Regd. Office: Universal Majestic, 9th Floor, P. L. Lokhande Marg, Chembur (W), Mumbai - 400043

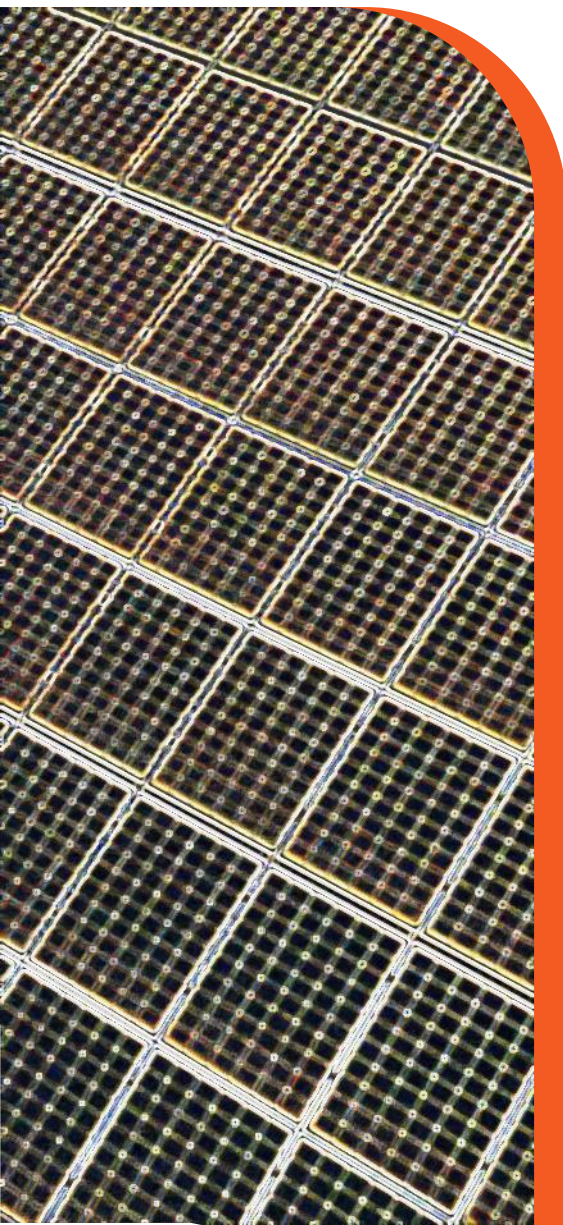
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The future of *solar energy* is

Bright



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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
14.7 GWp

O&M Portfolio
7.0 GWp

Global Manpower
2,287

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
29 countries Significant cost benefit and timely execution

DOMESTIC POWERHOUSE

EPC and O&M of NTPC
3GW+ in 2 projects
Executing one of India's largest PV plants at Khavda, Gujarat

Awarded 1,570 MWp and declared L1 for 1,500 MWp in FY23

Market Leader



Leading Solar EPC solutions provider in the world

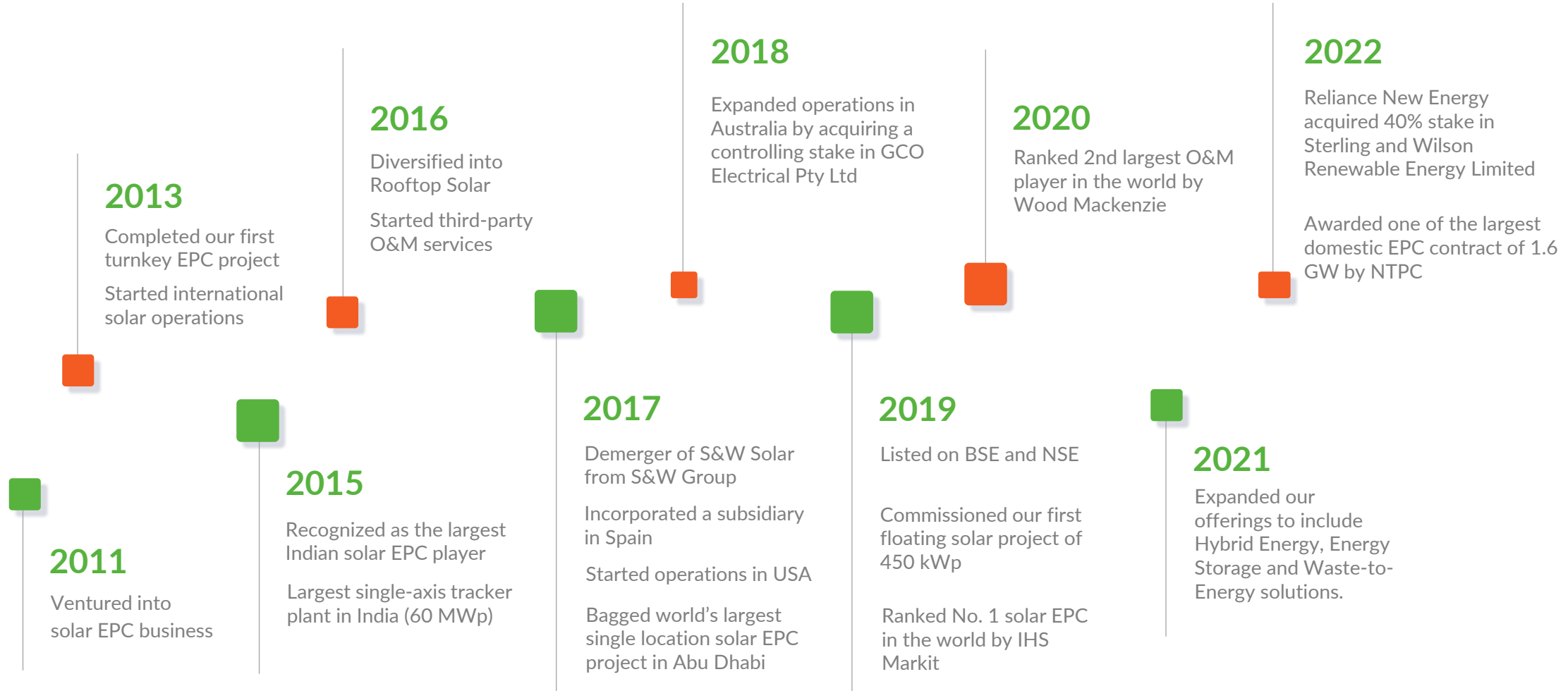
Leading Solar O&M player globally

No. 1 Solar EPC player in Australia

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

Journey

| A GLOBAL LEADER IN SOLAR EPC IN 8 YEARS



Why Us

| WHAT DIFFERENTIATES US



Our Presence

| ACROSS THE GLOBE



Offices in
29 Countries

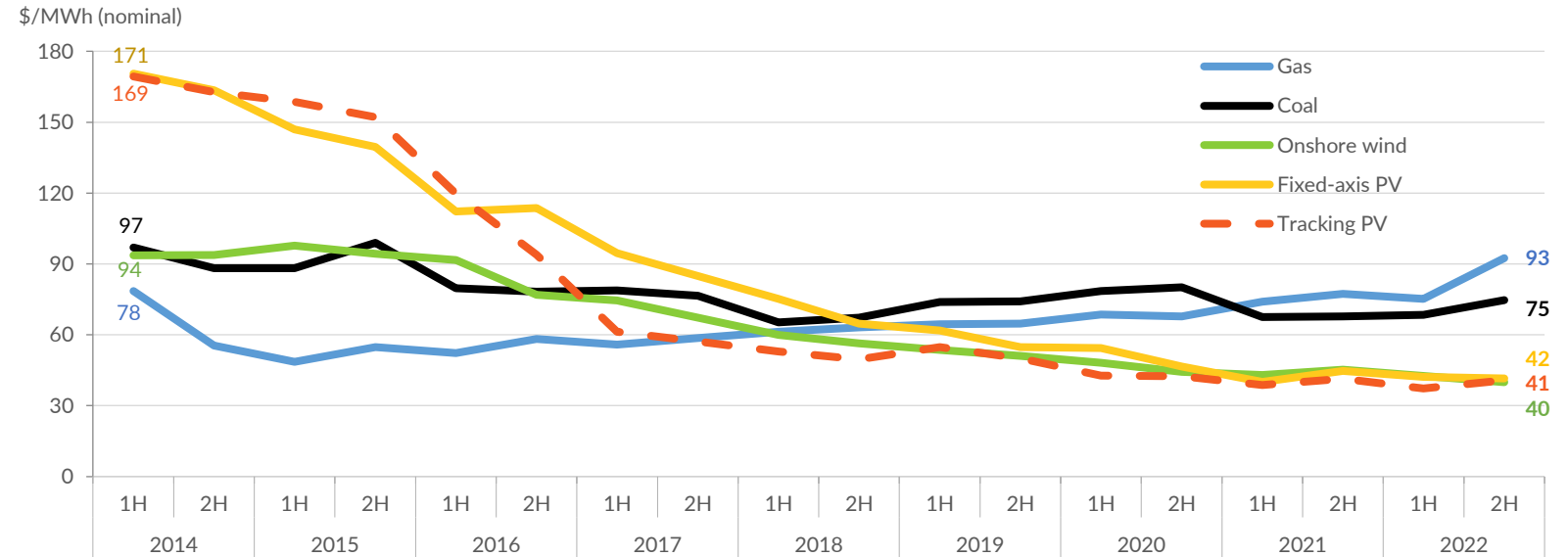


Projects in
19 Countries

Solar Market Outlook

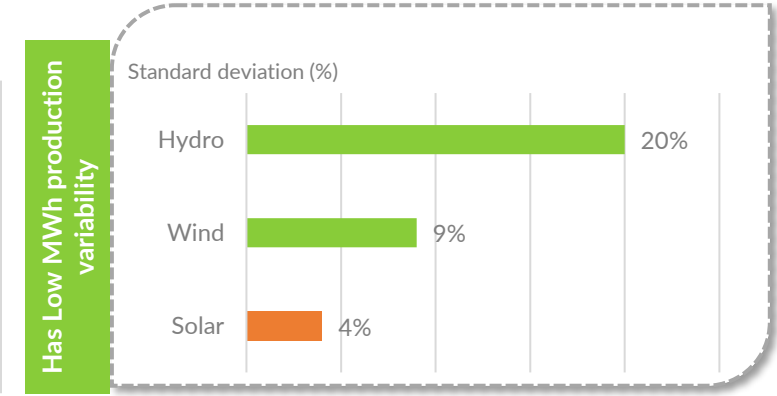
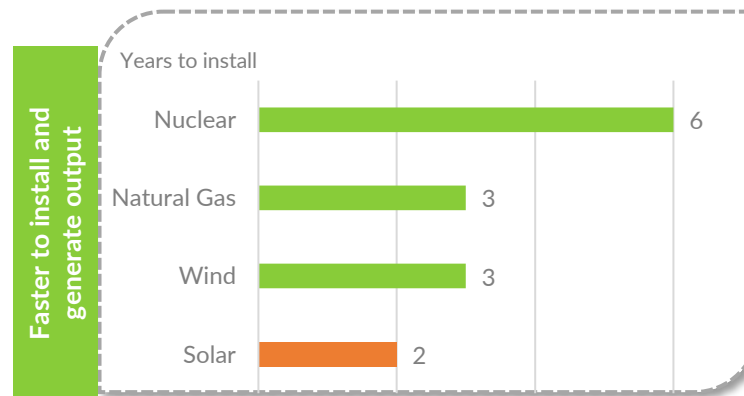
| SOLAR IS CHEAPER.. FASTER.. CONSISTENT

SOLAR PV LCOE IS ONE OF THE LOWEST GLOBALLY



Source: BNEF

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





Solar Market Outlook

| SOLAR INSTALLATIONS TO GROW AT ~12% CAGR IN KEY MARKETS

Annual Utility-Scale PV installations (GW)	2019	2021	2022	2030E	CAGR 22-30E
India	9.8	10.8	15.9	40.2	12%
South-East Asia & Australia	1.8	2.7	2.5	4.7	8%
Middle East and North Africa	3.9	2.6	5.1	18.9	18%
Rest of Africa	1.2	1.3	1.8	10.5	25%
Europe	8.4	12.5	16.5	31.5	8%
North America	10.6	19.6	16.7	44.5	13%
Latin America	2.1	3.7	4.6	4.7	0%
Grand Total (excluding Rest of World)	37.8	53.2	63.1	155.0	12%

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

| PSU MARKET – A HUGE OPPORTUNITY TO TAP INTO

PSUs HAVE INDICATED A STRONG PIPELINE

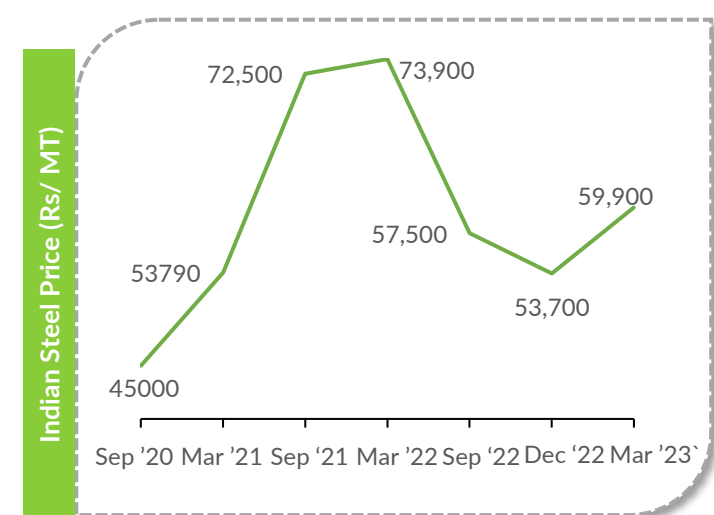
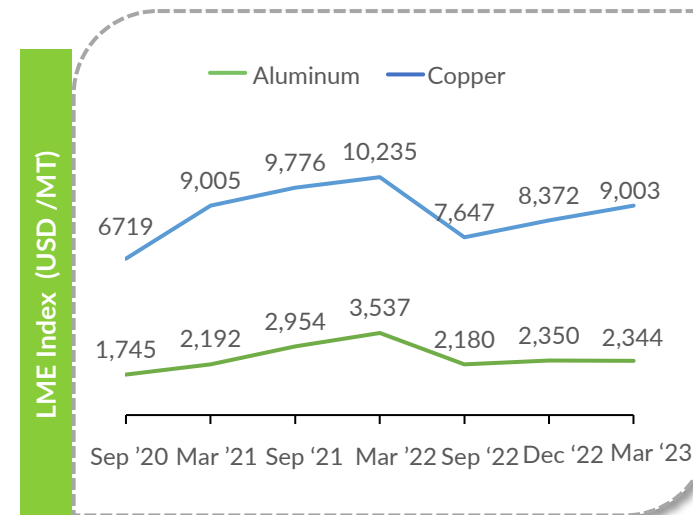
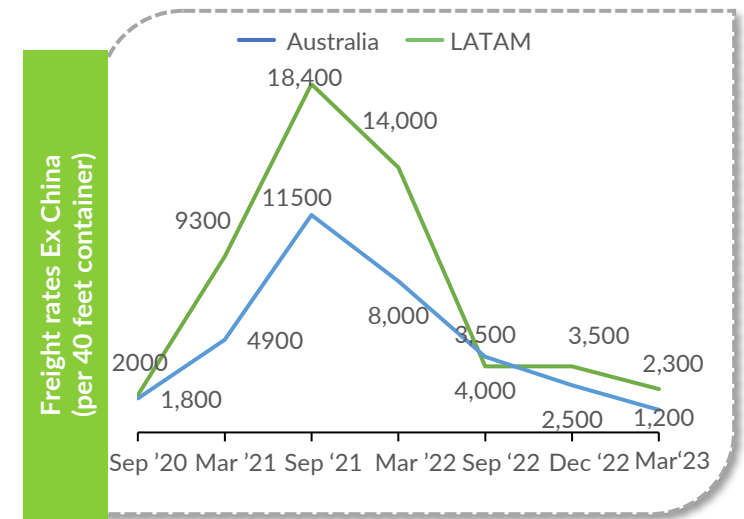
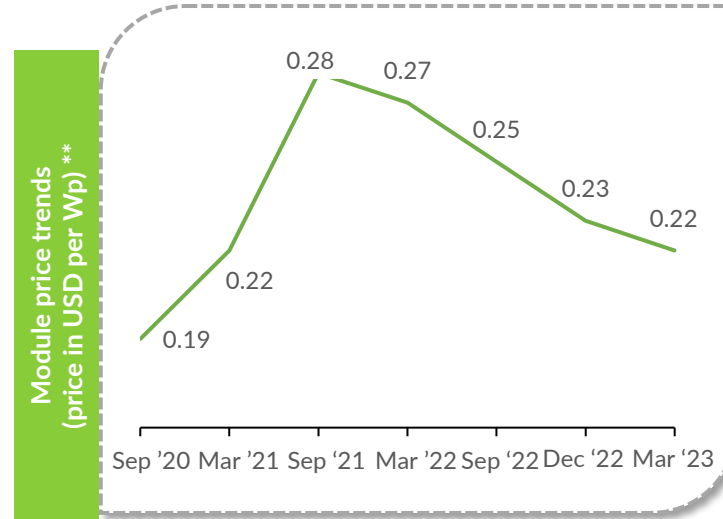
Entity	Projected Pipeline (GWp)		
	FY23-24E	FY24-25E	FY25-26E
NTPC	5.9	8.7	10.0
NHPC	1.8	1.4	1.7
GSECL	1.2	1.3	1.8
SJVNL	1.1	1.8	2.2
Coal India	1.1	0.8	1.0
NLC	0.9	1.2	1.4
GIPCL	0.8	0.9	1.3
Others *	0.5	1.0	1.3
Total	13.3	17.1	20.7

Source: Company websites, Press reports

* Others include REMCL / RITES, SECI and NHDC

Solar Market Outlook

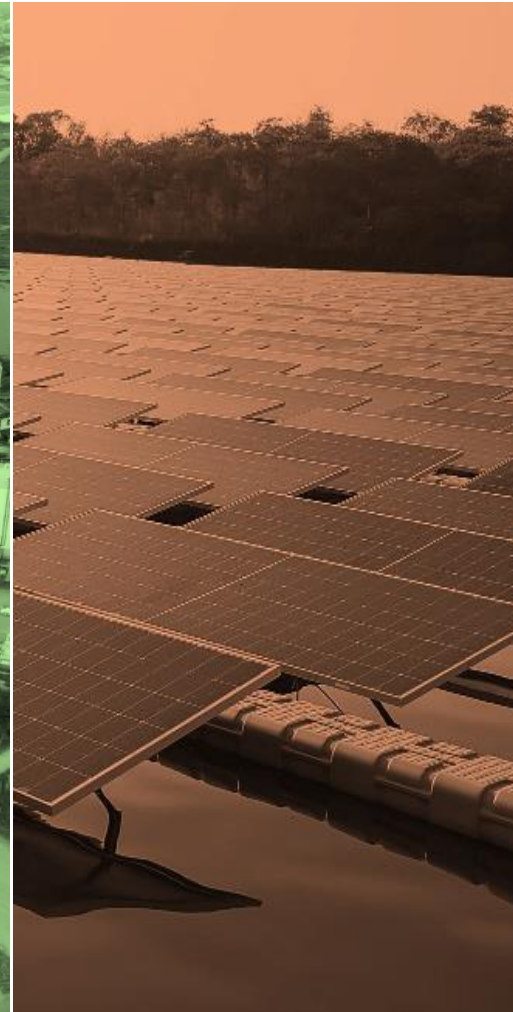
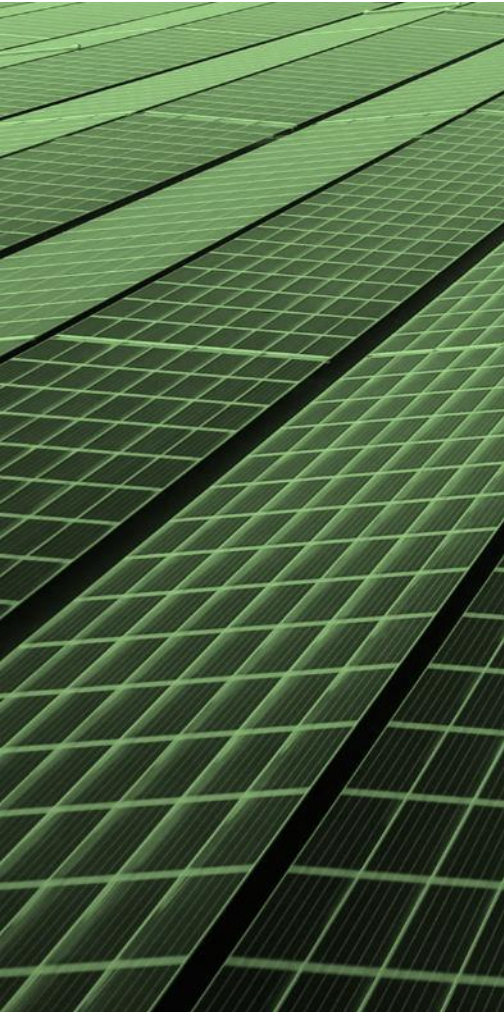
| KEY COSTS ARE ON THE DECLINE



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

Financial Highlights

| 4Q FY 2023



Financials

| KEY HIGHLIGHTS FOR 4Q FY23

- Company reported the highest quarterly order inflows since Q1FY21
 - Company was declared L1 for BOS package of 1,500 MW DC at Khavda, Gujarat of NTPC in March 2023
 - Received two new contracts in India for Solar EPC from Serentica, and Sembcorp for projects located in Bikaner, Rajasthan and Pavagada, Karnataka respectively
- Unexecuted EPC order book of INR 4,913 crore as of March 31, 2023 with nearly 90% domestic EPC
- Revenue decreased by 59.5% YoY in FY23 due to lower contribution from on-going EPC projects.
- Gross margins remain suppressed primarily on account of International EPC projects
- Net debt of Rs 1,967 crore as of March 31, 2023

Financials

CONSOLIDATED PROFIT & LOSS – 4Q FY23

INR Crore	Q4FY23	Q4FY22	Q3FY23	FY2023	FY2022
Revenue from Operations	88	1,071	410	2,110	5,199
Gross Margin (post project MTM)	(275)	(59)	(30)	(651)	(503)
Gross Margin %	NM	(5.5%)	(7.2%)	(30.9%)	(9.7%)
Other Income	-	5	4	6	35
Recurring Overheads	87	84	93	365	345
Recurring Overheads %	101.9%	7.8%	22.7%	17.3%	6.6%
Non-recurring Overheads	9	4	3	17	21
MTM (gain)/ loss on cancellation of forward cover (net of Forex)	(16)	(40)	(5)	(3)	8
EBITDA	(355)	(102)	(53)	(1,023)	(862)
EBITDA Margin %	NM	(9.5%)	(13.0%)	(48.5%)	(16.6%)
EBIT	(360)	(119)	(59)	(1,038)	(896)
EBIT Margin %	NM	(11.1%)	(14.3%)	(49.2%)	(17.2%)
PBT	(417)	(123)	(95)	(1,178)	(910)
PBT Margin %	NM	(11.5%)	(23.2%)	(55.9%)	(17.5%)
PAT	(421)	(127)	(99)	(1,175)	(916)
PAT Margin %	NM	(11.9%)	(24.2%)	(55.7%)	(17.6%)

- Revenue was impacted during the quarter due to cost increase on account of certain cost provisions made, which impacted the percentage-of-completion and led to a revenue reversal in ongoing EPC projects. For FY23, revenue has decreased by 59.5% YoY due to lower contribution from ongoing EPC projects
- O&M constituted 8.9% of revenue in FY23. O&M margins remain impacted by projects where O&M costs were incurred, however, revenue recognition has not commenced due to delay in final handover
- Gross margins remain suppressed primarily on account of International EPC projects
- PAT loss during the quarter was INR 421 crore

| PROFORMA PROFIT & LOSS – 4Q FY23

Proforma P&L (INR Crore)	Q4FY23 (Reported)	Provisions	Q4FY23 (Proforma)
Revenue	88	(190)	278
Gross Margin (post project MTM)	(275)	(272)	(4)
EBITDA	(355)		(82)
PAT	(421)		(150)

- Provisions made in Q4FY23 towards:
 - Four international projects which are now virtually completed faced cost overruns due to punch point and handover costs amounting to Rs 61.43 crore which have been provided for
 - One of the international projects currently under commissioning is facing challenges in achieving the desired plant output. After detailed evaluation, the Company has decided to carry out replacement of material and ancillary items which are causing the impediment. The cost of re-installation is multifold as compared to the cost of the material itself. The Group has reserved its rights with respect to recovery of the cost overrun on account of such replacement from the material supplier and applicable insurance. Consequently, the Group has, on a conservative basis, decided to increase the cost to completion amounting to Rs 165.78 crore to carry out the said replacement and re-installation so as to achieve the desired output which has resulted in reduction of revenue and recognition of foreseeable loss for an equivalent amount
 - The Group had commissioned an international project at three sites for a customer. At one of the sites, certain rectification work had to be carried out, which, whilst not affecting the output of the plant, was necessary from a contractual standpoint. The Management is in discussion with the customer to finalize the defect liability quantum. The Group has provided for an amount of Rs 45.19 crore on a best estimate basis towards maximum cost of rectification and charged the same to Direct Project Cost

Financials

CONSOLIDATED BALANCE SHEET

INR Crore	Mar-23	Dec-22
Sources of Funds		
Shareholders Funds	(240)	218
Borrowings from Banks	2,015	1,555
Total	1,775	1,773
Application of Funds		
Fixed assets (including right to use assets)	44	48
Core Working Capital	38	(140)
Bank balance (including fixed deposit)	105	236
Other assets/ (liabilities)	1,117	1,166
Deferred tax and income tax balance	155	158
GST and VAT balances (net)	305	305
Total	1,775	1,773

Breakdown of Core Working Capital (INR Crore)	Mar-23	Dec-22
Current Assets	1,278	1,413
Inventories	2	5
Receivables	1,226	1,349
<i>Receivable days</i>	212	180
Advances to suppliers	50	59
Current Liabilities	1,239	1,553
Trade payables	650	1,027
<i>Payable days</i>	86	116
Advances from Customers	589	526
Net Working Capital **	38	(140)

Breakdown of Net Debt (INR Crore)	Mar-23	Dec-22
Term debt	1,500	1,050
Working capital related debt	515	505
Total Debt	2,015	1,555
Less: Cash and Bank balance	(48)	(181)
Net Debt	1,967	1,374

Mix of receivables > 1 year

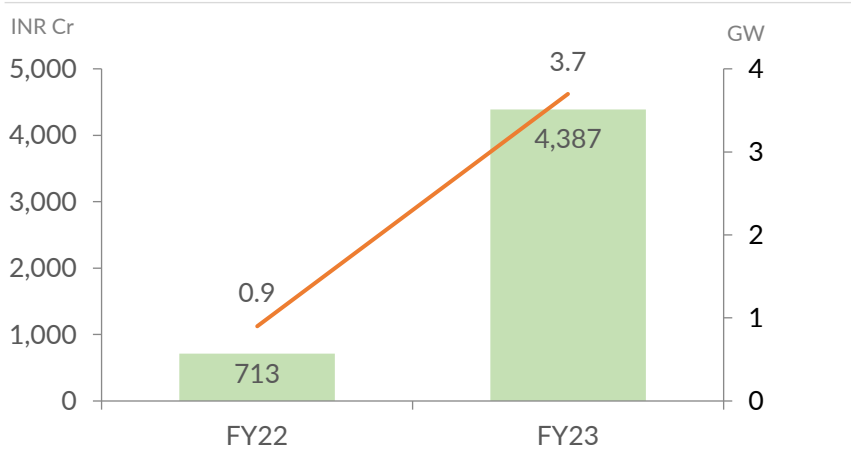
Receivables Breakup (INR Crore)	Mar-23
Related Party	-
Covered under Indemnity	267
Argentina	146
IL&FS (for the Embassy project)	92
Others	29
Others	54
Total Receivables > 1 year	321

** Net working capital given above would stand at INR -445 Cr as of Mar 2023 were the indemnity receivables to be excluded

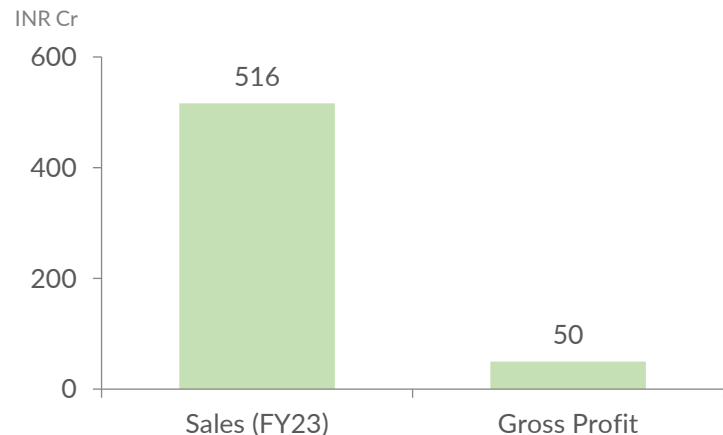
Outlook

| DOMESTIC EPC MOMENTUM GAINING TRACTION

India Order Inflow has surged in FY23



Domestic EPC has remained profitable in challenging times



- NTPC - I
 - BOS package of 1,570 MW DC of proposed solar PV plant at Khavda, Gujarat
- NTPC - II
 - Declared L1 for BOS package of 1,500 MW DC at Khavda, Gujarat



- Aggregate capacity of 260 MW DC



- Aggregate capacity of 242 MW DC



- Aggregate capacity of 60 MW DC



- Aggregate capacity of 60 MW DC

SWREL has announced ~3.7 GW of new orders in India alone in FY23

Outlook

| MOU ANNOUNCED IN FY23



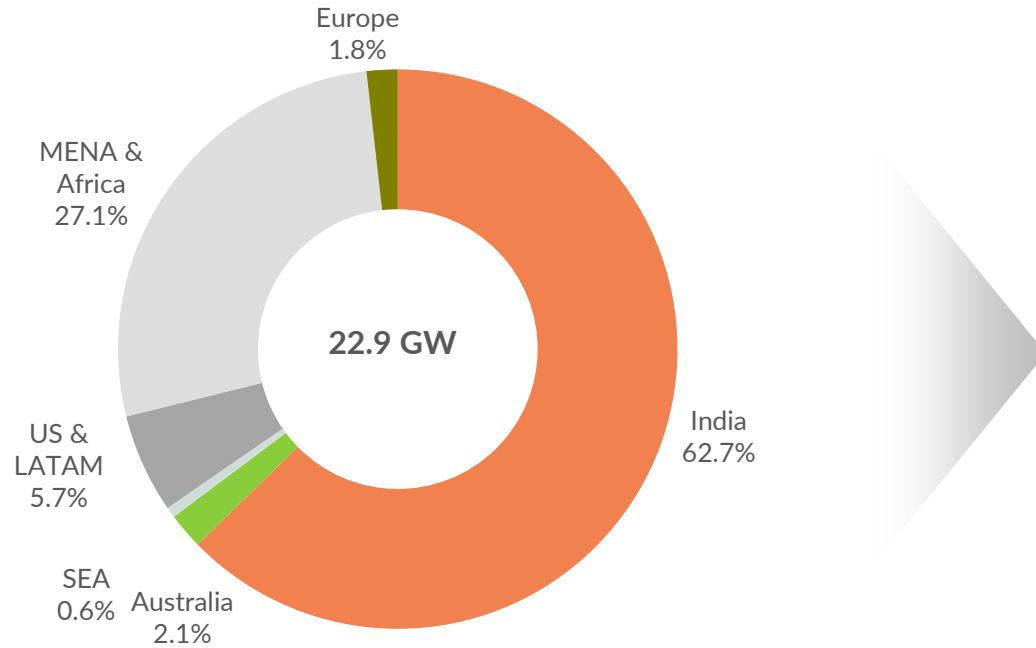
- Sterling and Wilson Solar Solutions, Inc (SWSS), the US step down subsidiary signed a MOU with the Government of the Federal Republic of Nigeria, along with its consortium partner Sun Africa in September 2022
- MOU is for the development, design, construction, and commissioning of solar PV power plants 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
- In December 2022, Nigeria and Sun Africa LLC, signed a development and EPC implementation framework agreement for the construction of 5,000 MW of solar generation and 2,500 MWh of battery energy storage power plants for up to \$10 billion investment from the US government during the US-Africa Business Forum (USABF) in Washington, D.C. Phase one of the project is envisaged at 961 MWp of solar and 455 MWh of battery energy storage



SWREL signed a MOU with Nigerian government & Sun Africa to design and construct 961 MW

Outlook

| ORDER BOOK & PIPELINE



- **India**

- Major PSUs have indicated a potential pipeline of ~13 GW for FY24E in India

- **Middle-east**

- 3 large bids with each in excess of 1.5 GW each with a joint EPC partner

- **Australia**

- Limited notice to proceed “LNTP” received for 1 project

- **Africa**

- Limited notice to proceed “LNTP” received for 1 project in South Africa

- **US**

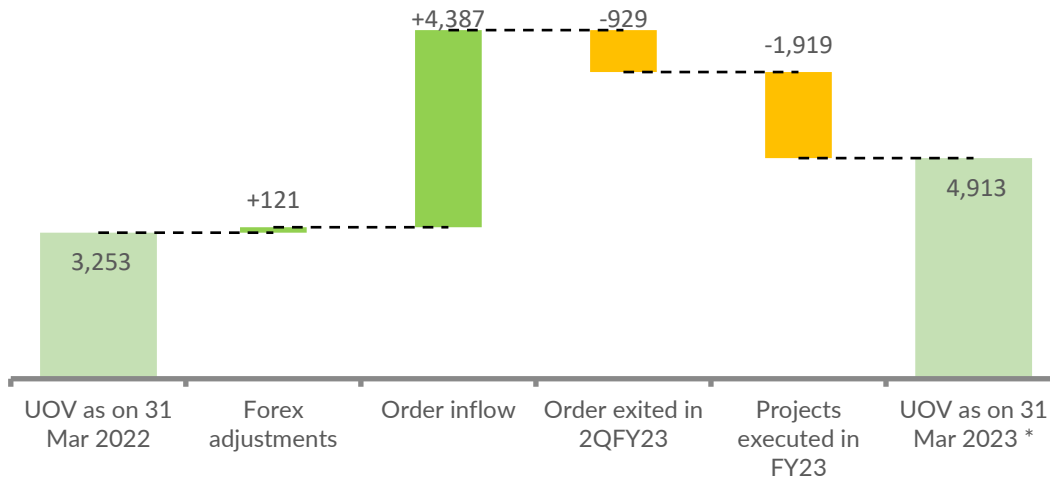
- Limited notice to proceed “LNTP” received for 1 project

 SWREL has a robust bid pipeline for India and International markets in FY24 (ex-Nigeria and Group companies)

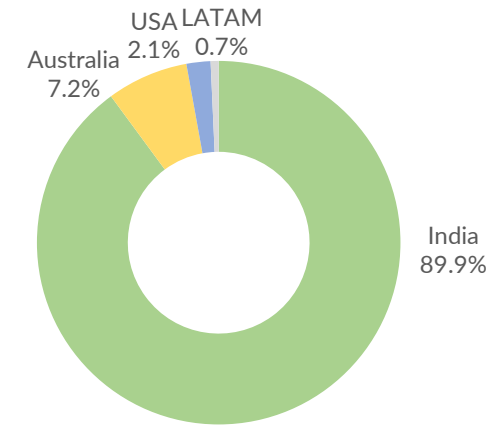
Outlook

| ORDER BOOK & PIPELINE

Unexecuted Order Value Movement



Gross UOV as on 31 March 2023



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	2,165	4,387

* UOV as of March 31, 2023 includes NTPC II project where the company has been declared L1



SWREL announced ~INR 4,400 Cr of new domestic orders and 1 MOU in Nigeria in FY23

Outlook

| FY24E KEY EXPECTATIONS

- **Order booking**
 - ✓ Target Nigeria agreement closure by Q1/Q2-FY24E
 - ✓ Leverage existing strong order pipeline to target orders worth USD 1bn+ from domestic and international markets (ex-Nigeria)
 - ✓ Capture major share of Group companies' domestic solar portfolio buildout
- **Profitability**
 - ✓ Revert to 10-11% Gross Margins aided by nearly 90% of current UOV comprising new India orders
 - ✓ Optimization of Overhead costs – Company has identified 15-20% savings, and these should get reflected in forthcoming quarters
 - ✓ Achieve EBITDA profitability by 2QFY24E
 - ✓ Achieve commissioning / handover of legacy international projects without further delays/costs
- **Net Debt reduction**
 - ✓ Target to achieve significant debt reduction by Q4FY24E aided by receivables recovery, indemnity inflows, and negative working capital



SWREL aims to return to profitability and deleverage balance sheet in FY24



For further information, please contact:

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