

July 13, 2023

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001	National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Bandra (East), Mumbai – 400 051
Scrip Code: 542760 (Equity) Scrip Code: 725032 (CP)	Symbol: SWSOLAR

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 ended June 30, 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 Unaudited Standalone and Consolidated Financial results of the Company for the quarter ended June 30, 2023.

Request you to take the same on record.

Yours faithfully,

For Sterling and Wilson Renewable Energy Limited

Venkata

Jagannadha Rao

Chundururu

Digitally signed by Venkata
Jagannadha Rao Chundururu
Date: 2023.07.13 22:49:15 +05'30'

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

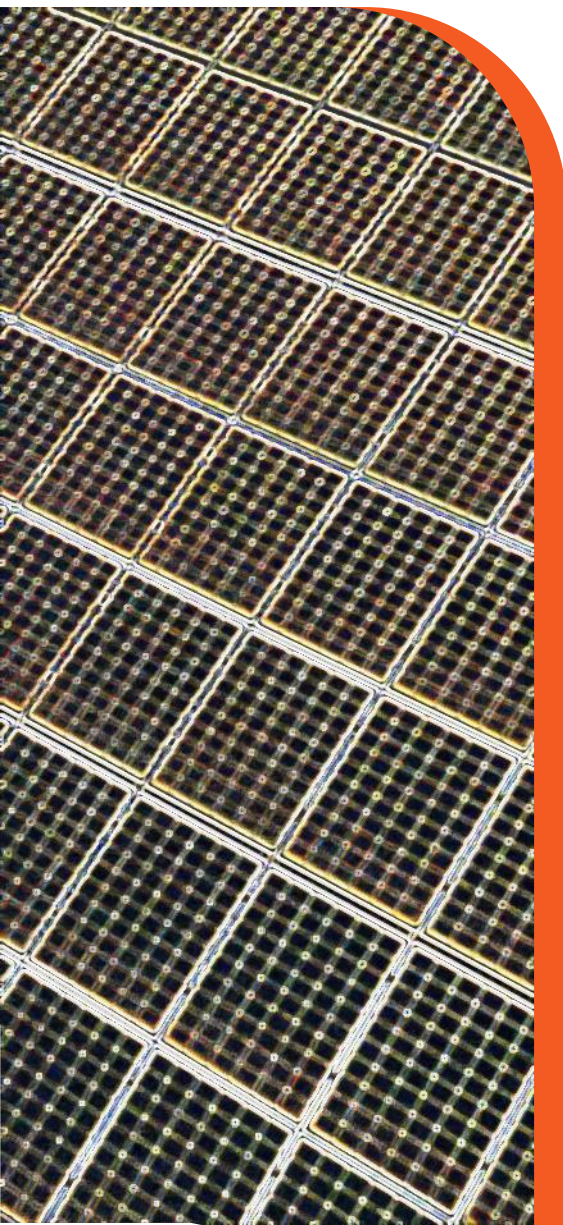
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The future of *solar energy* is

Bright



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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 14.7 GWp	GLOBAL RECOGNITION	EPC and O&M of Abu Dhabi 1,177 MWp One of the world's largest single location PV plant	DOMESTIC POWERHOUSE	EPC and O&M of NTPC 3GW+ in 2 projects Executing one of India's largest PV plants at Khavda, Gujarat
	O&M Portfolio 6.6 GWp		Regional presence across 27 countries Significant cost benefit and timely execution		Awarded two projects of 1,570 MWp and 1,500 MWp in FY23
	Global Manpower 2,039				



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
27 Countries



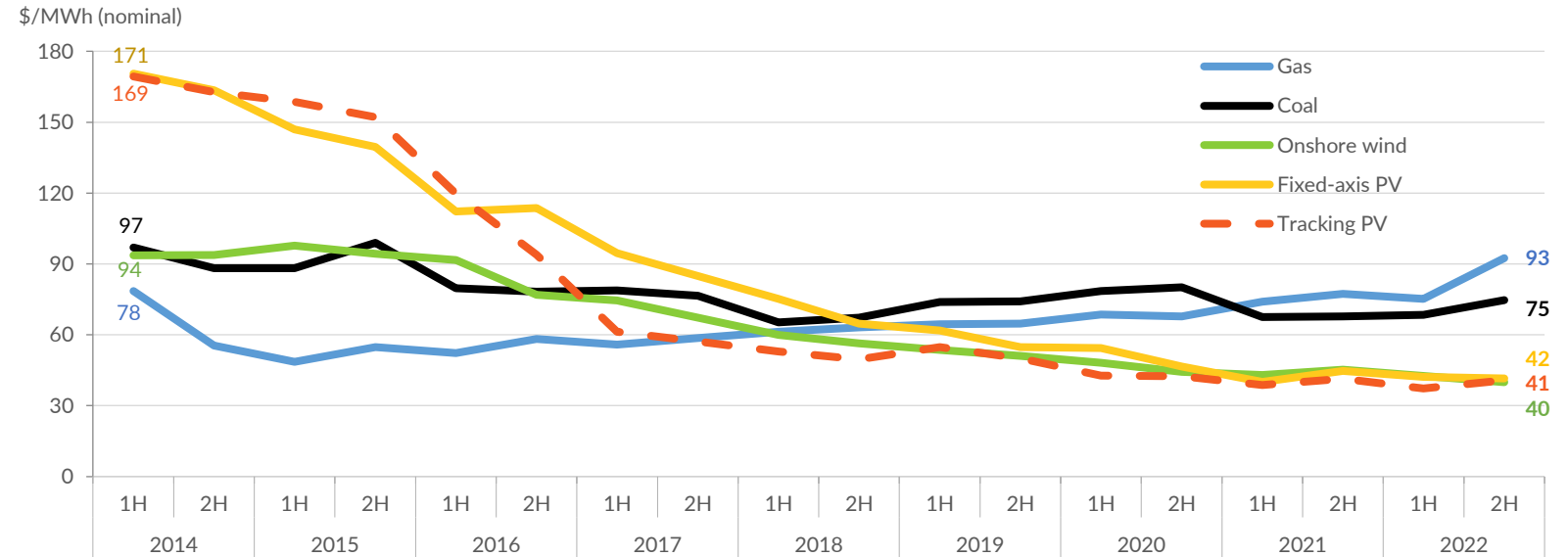
Projects in
19 Countries



Solar Market Outlook

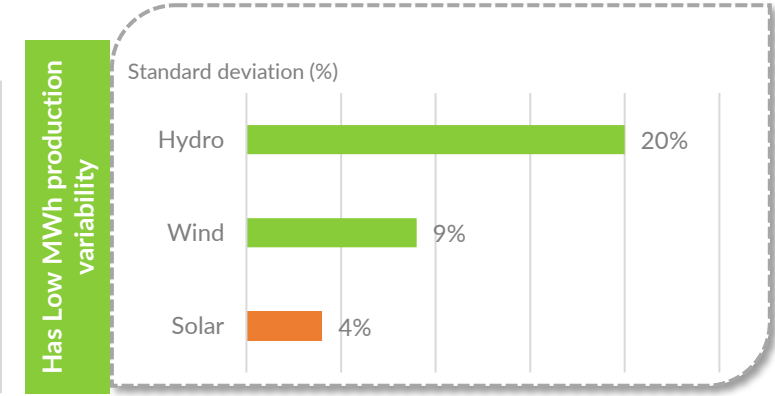
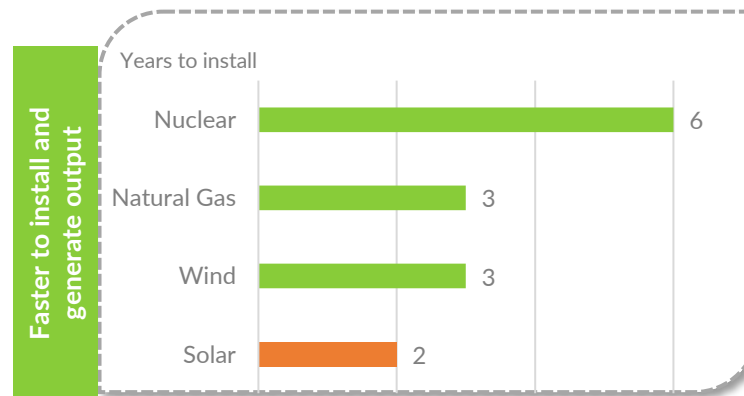
| SOLAR IS CHEAPER.. FASTER.. CONSISTENT

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

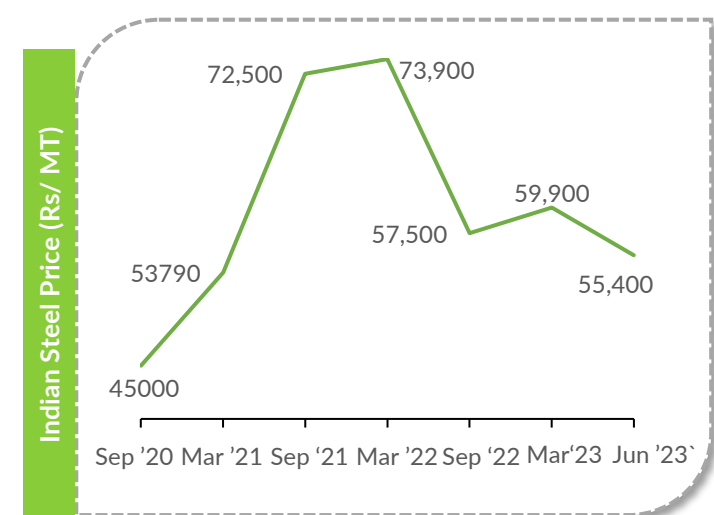
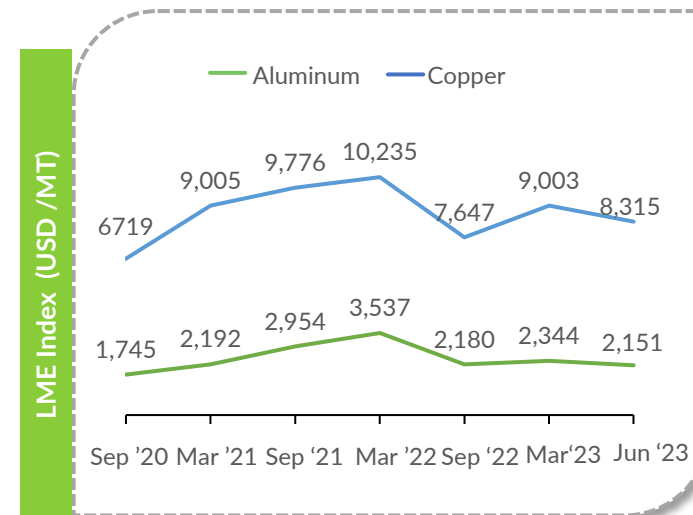
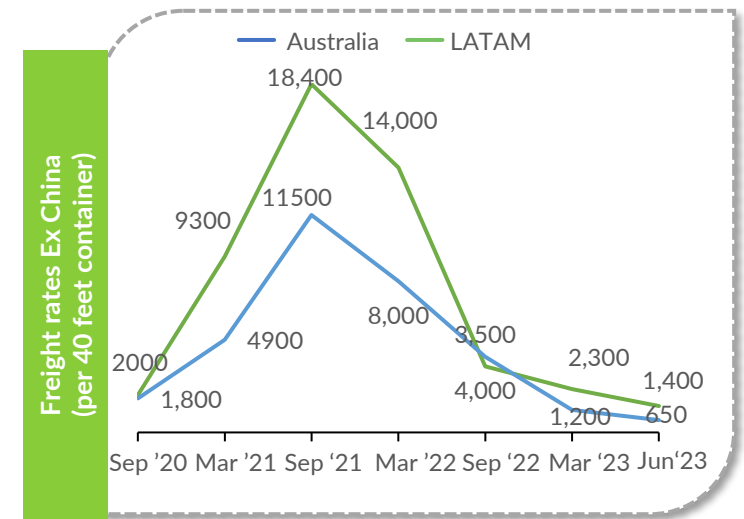
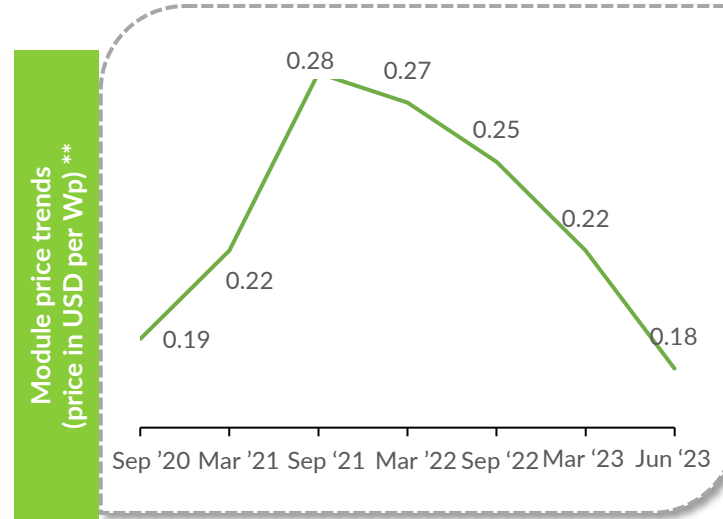
Entity	Projected Pipeline (GWp)		
	FY23-24E	FY24-25E	FY25-26E
NTPC	5.9	8.7	10.0
NHPC	1.8	1.4	1.7
GSECL	1.2	1.3	1.8
SJVNL	1.1	1.8	2.2
Coal India	1.1	0.8	1.0
NLC	0.9	1.2	1.4
GIPCL	0.8	0.9	1.3
Others *	0.5	1.0	1.3
Total	13.3	17.1	20.7

Source: Company websites, Press reports

* Others include REMCL / RITES, SECI and NHDC

Solar Market Outlook

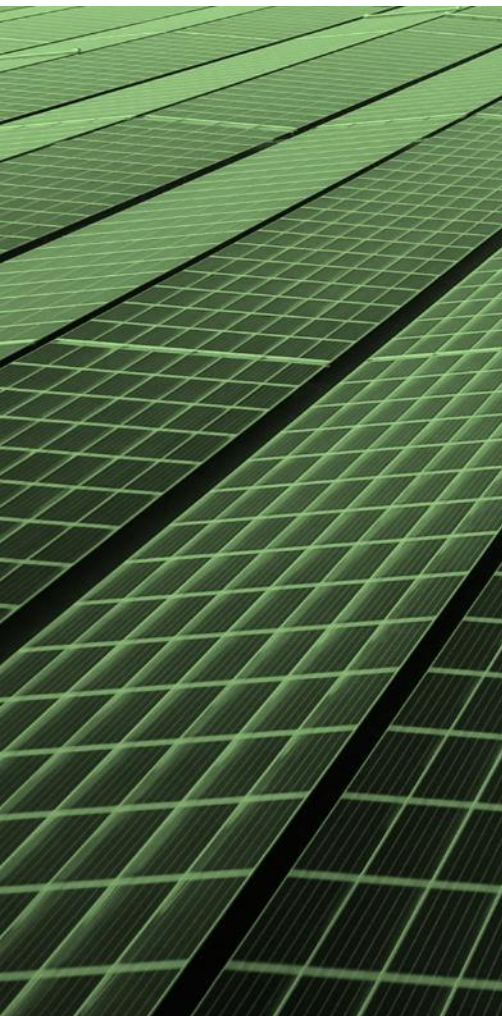
| KEY COSTS ARE ON THE DECLINE



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

Financial Highlights

| 1Q FY 2024



Financials

| KEY HIGHLIGHTS FOR 1Q FY24

- Company achieved two new order wins in the domestic market
 - Received two new contracts in India for Solar EPC from existing clients – Serentica, and Amplus for projects located in Bikaner, Rajasthan and Jhansi, UP respectively
- Contract signed with NTPC for 1,500 MW project where we were earlier declared L1 (announced in Q4FY23)
- Current unexecuted EPC order book of INR 4,903 crore with nearly 94% domestic EPC
- Reported consolidated gross margin of 11.3% in 1QFY24. Gross margins have trended back to positive territory after nine quarters
- Achieved Standalone operational EBITDA breakeven in 1QFY24
- Net debt of Rs 2,100 crore as of June 30, 2023

Financials

CONSOLIDATED PROFIT & LOSS – 1Q FY24

INR Crore	Q1FY24	Q1FY23	Q4FY23	FY2023
Revenue from Operations *	515	1,206	88	2,110
Gross Margin (post project MTM)	59	(180)	(275)	(651)
Gross Margin %	11.3%	(14.9%)	NM	(30.9%)
Other Income *	3	5	10	36
Recurring Overheads	89	94	87	365
Recurring Overheads %	17.3%	7.8%	101.9%	17.3%
Non-recurring Overheads	0	5	9	17
Operational EBITDA	(28)	(274)	(349)	(997)
EBITDA Margin %	(5.4%)	(22.7%)	NM	(47.2%)
Forex gain / (loss)	(6)	(65)	(6)	(26)
Reported EBITDA	(34)	(339)	(355)	(1,023)
EBITDA Margin %	(6.5%)	(28.1%)	NM	(48.5%)
EBIT	(37)	(342)	(360)	(1,038)
EBIT Margin %	(7.1%)	(28.3%)	NM	(49.2%)
PBT	(95)	(358)	(417)	(1,178)
PBT Margin %	(18.5%)	(29.7%)	NM	(55.9%)
PAT	(95)	(356)	(421)	(1,175)
PAT Margin	(18.5%)	(29.5%)	NM	(55.7%)

INR Crore	Q1FY24	Q1FY23	Q4FY23	FY2023
Revenue from Operations				
- International EPC	159	1,000	(46)	1,400
- Domestic EPC	308	162	84	516
- Operation and Maintenance	47	44	49	190
Total	515	1,206	88	2,107
Gross margin				
- International EPC	12	(200)	(307)	(710)
- Domestic EPC	40	18	26	50
- Operation and Maintenance	7	3	7	10
Total	59	(180)	(275)	(651)
Gross margin %	11.3%	(14.9%)	NM	(30.9%)

- ▶ Revenue has improved substantially over Q4FY23 aided by higher contribution from Domestic EPC segment
- ▶ **Company has reported positive gross margin of 11.3% in 1QFY24 after nine quarters of losses** aided by the higher contribution from Domestic EPC segment. Our unexecuted order book which largely comprises Domestic projects currently is likely to help sustain gross margins going forward
- ▶ Domestic EPC margins have improved to 13% and is higher than average in this quarter compared to FY23 margin of 9.7%. International EPC margins were largely aided by reversal of cost / excess provisions in two projects
- ▶ O&M constituted 9.2% of revenue in Q1FY24. O&M margin trajectory has begun to improve, however, continue to remain impacted by projects where cost is being incurred but no revenues have been recognized

Financials

| STANDALONE PROFIT & LOSS – 1Q FY24

INR Crore	Q1FY24	Q1FY23	Q4FY23	FY2023
Revenue from Operations *	384	793	157	1,554
Gross Margin (post project MTM)	48	(19)	(14)	(36)
Gross Margin %	12.5%	(2.4%)	(8.8%)	(2.3%)
Other Income *	9	11	20	40
Recurring Overheads	56	51	45	210
Recurring Overheads %	14.6%	6.4%	28.8%	13.5%
Non-recurring Overheads	0	12	58	71
Operational EBITDA	1	(71)	(98)	(277)
EBITDA Margin %	0.0%	(8.9%)	(62.2%)	(17.8%)
Forex gain/ (loss)	(10)	(31)	(27)	(8)
Reported EBITDA	(9)	(102)	(124)	(285)
EBITDA Margin %	(2.3%)	(12.9%)	(79.1%)	(18.3%)
EBIT	(11)	(104)	(126)	(292)
EBIT Margin %	(2.8%)	(13.1%)	(80.0%)	(18.8%)
PBT	(23)	(102)	(147)	(347)
PBT Margin %	(6.0%)	(12.9%)	(94.0%)	(22.3%)
PAT	(23)	(104)	(151)	(355)
PAT Margin	(6.0%)	(13.1%)	(96%)	(22.8%)

- ▶ Revenue decreased by 51.6% in Q1FY24 to Rs 384 crore but has improved substantially over Q4FY23
- ▶ Standalone Gross margins have improved to 12.5% versus negative margins reported in recent quarters
- ▶ **Operational EBITDA (ex-Forex gain/loss) achieved break-even** in the Standalone segment in Q1FY24

Financials

CONSOLIDATED BALANCE SHEET

INR Crore	Jun-23	Mar-23
Sources of Funds		
Shareholders Funds	(335)	(240)
Borrowings from Banks	2163	2,015
Total	1,828	1,775
Application of Funds		
Fixed assets (including right to use assets)	45	44
Core Working Capital	140	38
Bank balance (including fixed deposit)	115	105
Other assets/ (liabilities)	1,137	1,117
Deferred tax and income tax balance	117	155
GST and VAT balances (net)	274	305
Total	1,828	1,775

Breakdown of Core Working Capital (INR Crore)	Jun-23	Mar-23
Current Assets	1,458	1,278
Inventories	3	2
Receivables	1,425	1,226
<i>Receivable days</i>	249	212
Advances to suppliers	30	50
Current Liabilities	1,318	1,239
Trade payables	755	650
<i>Payable days</i>	149	86
Advances from Customers	563	589
Net Working Capital **	140	38

Breakdown of Net Debt (INR Crore)	Jun-23	Mar-23
Term debt	1,500	1,500
Working capital related debt	543	495
Commercial Paper	120	20
Total Debt	2,163	2,015
Less: Cash and Bank balance	(63)	(49)
Net Debt	2,100	1,966

Mix of receivables > 1 year

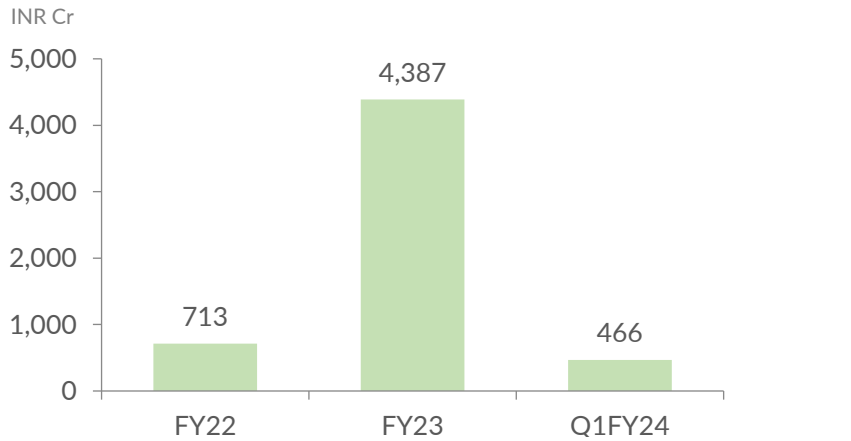
Receivables Breakup (INR Crore)	Jun-23
Related Party (Net)	-
Covered under Indemnity	266
Argentina	145
IL&FS (for the Embassy project)	92
Others	29
Others	57
Total Receivables > 1 year	323

** Net working capital given above would stand at INR -ve 402 Cr as of Jun 2023 vs INR -ve 445 Cr as of Mar 23 were the indemnity receivables to be excluded

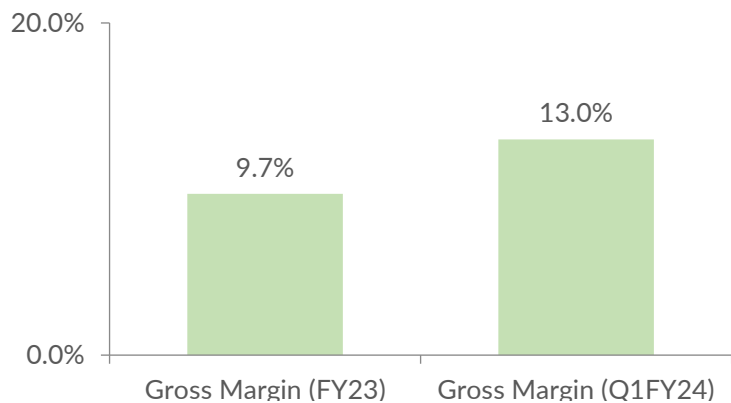
Outlook

| DOMESTIC EPC MOMENTUM GAINING TRACTION

India Order Inflow



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
 - BOS package of 1,500 MW DC at Khavda, Gujarat



- Aggregate capacity of 260 MW DC
- Received new order of 319 MW DC in 1QFY24



- Aggregate capacity of 242 MW DC
- Received new order of 72.5 MW DC in 1QFY24



- Aggregate capacity of 60 MW DC



- Aggregate capacity of 60 MW DC

SWREL received two new orders from existing clients in 1QFY24

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
- President took oath on May 29th and cabinet formation expected by July 29th. We anticipate closure by end of 2QFY24

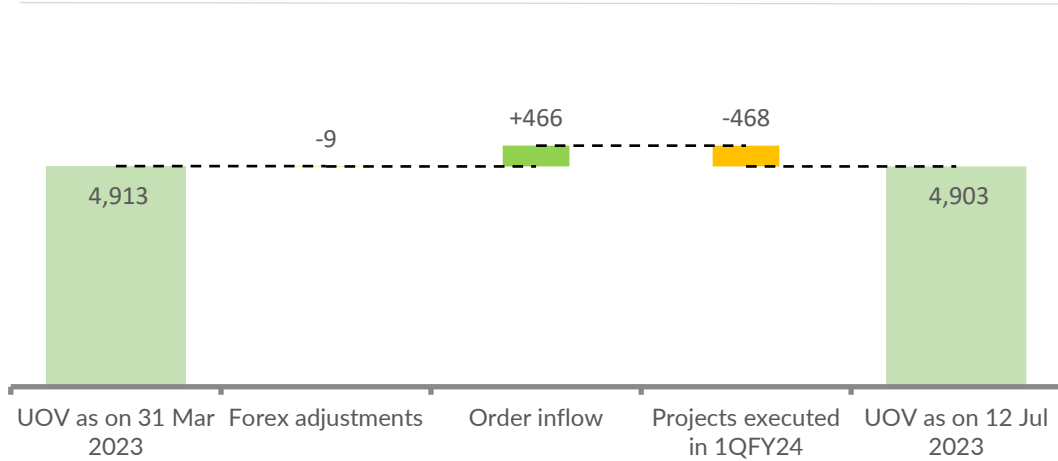


SWREL signed a MOU with Nigerian government & Sun Africa to design and construct 961 MW

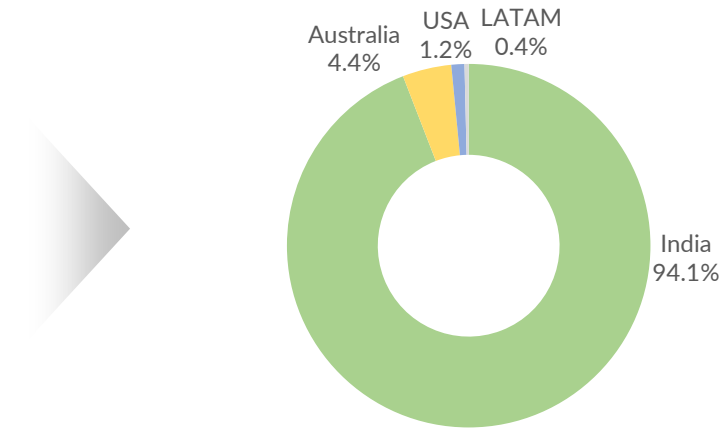
Outlook

| ORDER BOOK & PIPELINE

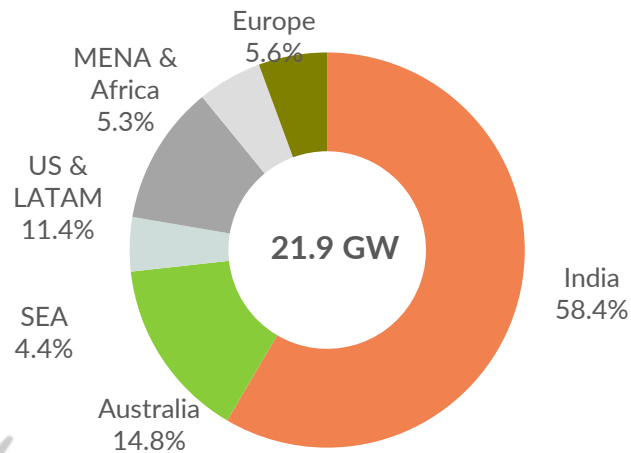
Unexecuted Order Value Movement



Gross UOV as on 12 July 2023



Order bid pipeline remains strong



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
FY24	466	-	-	-	466



SWREL announced ~INR 466 Cr of new domestic orders in 1QFY24

Outlook

| FY24E KEY EXPECTATIONS

- **Order booking**
 - ✓ Target Nigeria agreement closure by 2QFY24E
 - ✓ 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**
 - ✓ Maintain 10-11% Gross Margins aided by nearly 94% 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 3QFY24E
 - ✓ 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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Sterling and Wilson Renewable Energy Limited

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