

November 15, 2019

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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Sub.: Investor presentation on the Unaudited Consolidated and Standalone Financial Results of Sterling and Wilson Solar Limited (“the Company”) for the quarter and half year ended September 30, 2019

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

Dear Sir/ Madam,

In terms of the Listing Regulations, please find enclosed herewith the Investor presentation on the Unaudited Consolidated and Standalone Financial Results of the Company for the quarter and half year ended September 30, 2019.

The above is for your information and record.

Thanking you.

Yours faithfully,
For Sterling and Wilson Solar Limited

Jagannadha Rao Ch. V.
Company Secretary and Compliance Officer

Encl.: As above

Sterling and Wilson Solar Limited
(Formerly known as Rashmika Energy Private Limited)
An Associate of Shapoorji Pallonji Group

Registered Office: Universal Majestic, 9th Floor, P. L. Lokhande Marg, Chembur (W), Mumbai – 400 043
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STERLING AND WILSON SOLAR LIMITED

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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.




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	Financial Performance - Q2FY20 and H1FY20	31
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Sterling and Wilson Solar – The Largest Global Solar EPC Player

Market Leader

#1 World's No. 1 Solar EPC⁽¹⁾  Abu Dhabi
1,177 MWp

#1 Largest Solar EPC player in India, Middle East & Africa⁽¹⁾ Installing world's largest single location Solar PV plant⁽⁴⁾

Market share 2018⁽⁵⁾
4.60% Global

16.6% India	36.6% Africa	40.4% Middle East
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Operational Excellence

End-to-end “Concept to Commission” solar EPC

25 Countries

175 Design & Engineering team	8,888 MWp Total EPC capacity ⁽⁶⁾	6,903 MWp Total O&M capacity ⁽⁶⁾
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Global Recognition

 **Leading Solar EPC – 2018**
RE International Excellence - Indian Companies - 2018

 **Excellence in Renewable Energy Project Execution Award**
CBIP 2017


Financial Performance


Rs. 24,383 mn Operational Revenue (H1FY20)	44% Op. Revenue CAGR (FY16-19)
Rs. 124,889 mn Order Book + LOI ⁽²⁾	72% PAT CAGR (FY16-19)
	62% RoE (FY19) ⁽³⁾

Highly Diversified Operations

- ✓ **70%** Revenues in H1FY20 from international projects
- ✓ **Diversified** Order Book + LOI⁽²⁾ as on 14 Nov 2019 across **6 regions**

Strong Parentage

 **Shapoorji Pallonji**
Operations in 45 countries

STERLING & WILSON 
90+ years of experience globally

(1) IHS Markit ranking 2018; based on annual installations of utility scale PV systems >5MWp

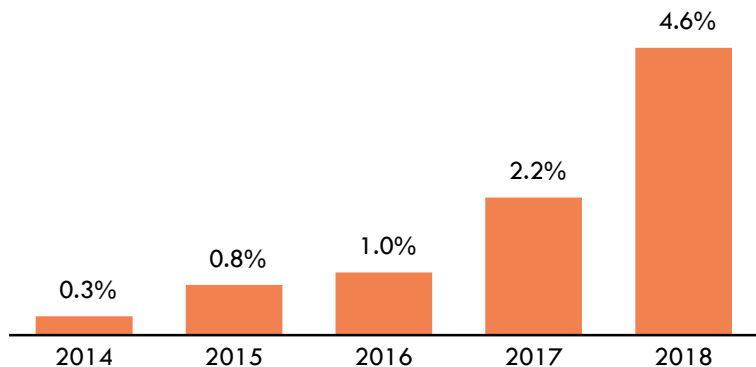
(2) Order book and LOI as of 14 November 2019

(3) ROE calculated as consolidated restated net profits divided by networth at the end of period; NW is Equity share capital plus other equity (including legal reserve, retained earnings and effective portion of cash flow hedge).

(4) CRISIL Ltd. | (5) Based on percentage share of annual installations of all utility-scale PV systems greater than 5 MWp in 2018 | (6) Total EPC and O&M Capacity as of 14 November 2019 | (*All numbers rounded off to the nearest whole no.)

Journey of growth and Global presence

Increasing global market share over the years



Sterling Wilson group started operations

2011
Ventured into solar EPC business

2014
Commenced first International Project

2015
Recognised as the largest Indian solar EPC player

Achieved Inter Solar Award 2015

2016
Ventured into roof-top solar

2017
Demerger of S&W Solar focusing on pure-play solar EPC business from the S&W group

Bagged world's largest single location solar EPC project order in Abu Dhabi

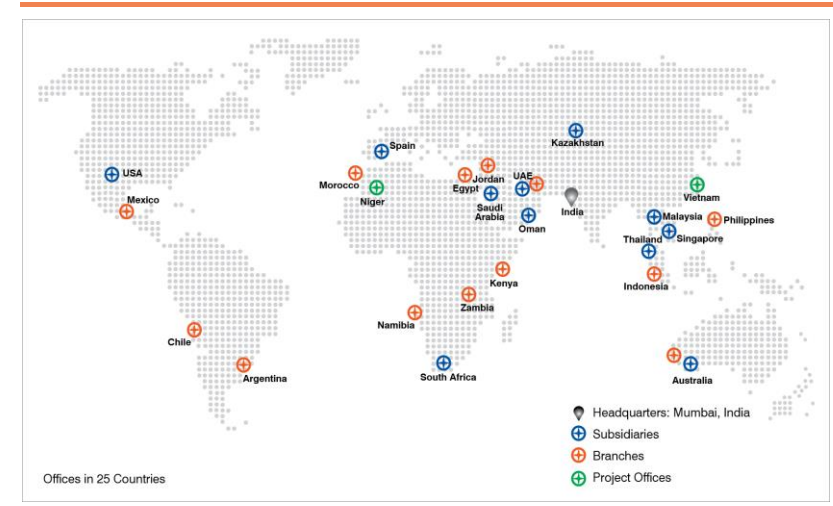
2018
Expanded operations in Australia by acquiring a controlling stake in GCO Electrical Pty Ltd

2019
Emerged as World's largest ⁽¹⁾ Solar EPC player in 2018

Global player with presence and operations across India, Middle East, Africa, South East Asia, Europe, US and Australia

Listed on BSE and NSE

Global Presence



(1) IHS Markit 2018. Based on annual installations of utility-scale photovoltaic systems of more than 5MWp

Significant geographic diversification over the years

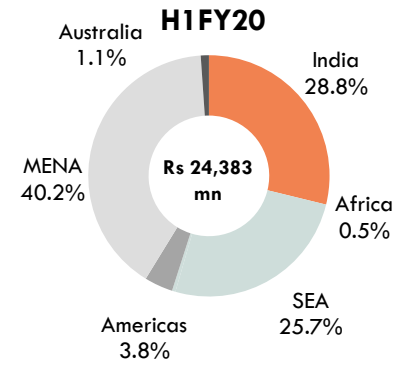
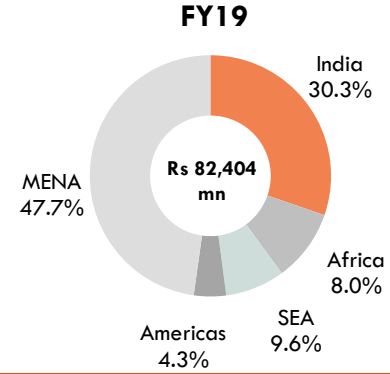
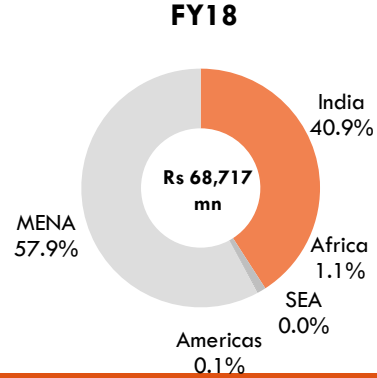
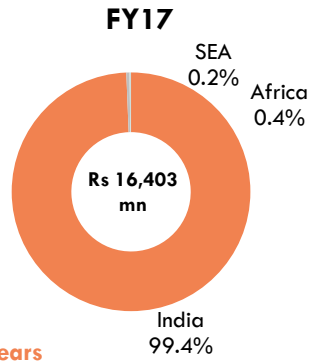
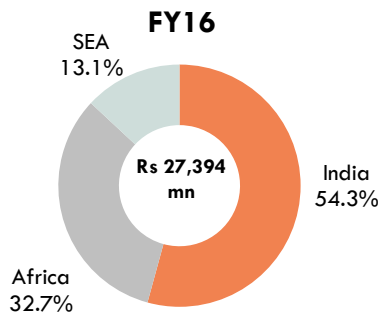
3 Projects
2 Countries

5 Projects
3 Countries

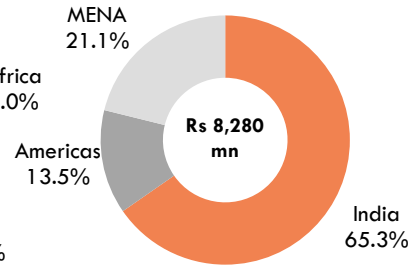
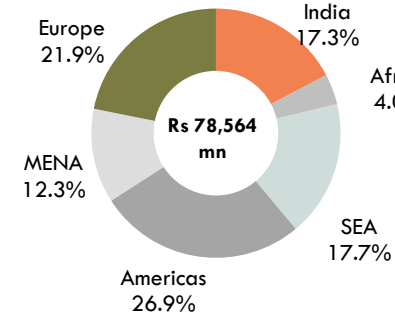
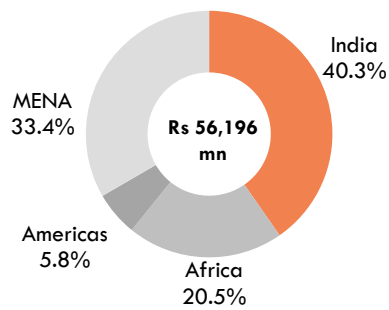
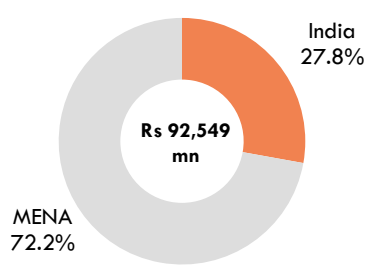
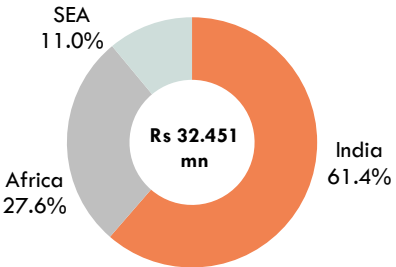
19 Projects
10 Countries

13 Projects
7 Countries

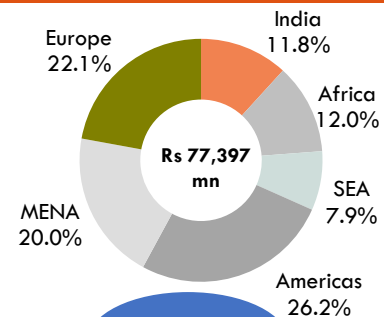
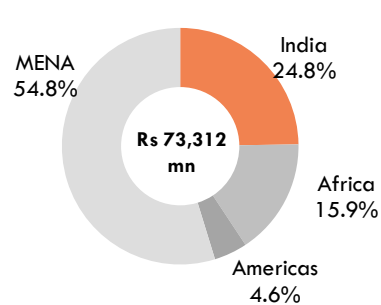
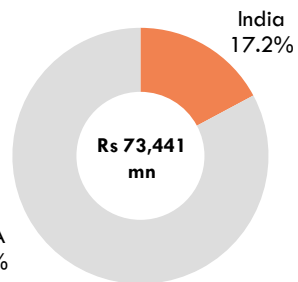
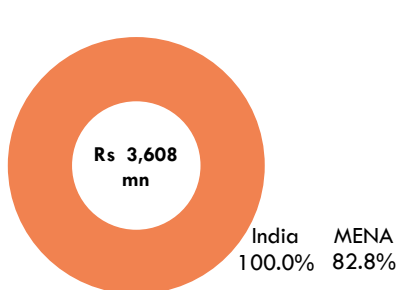
EPC + O&M Revenue break-up by geography over the years



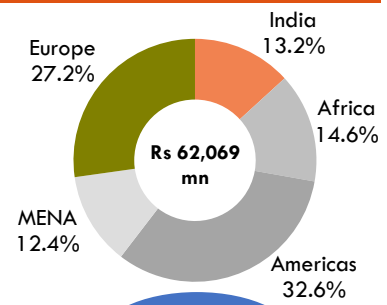
Orders booked by geography over the years



Unexecuted Order Value (UOV) break-up by geography over the years



17 Projects
9 Countries



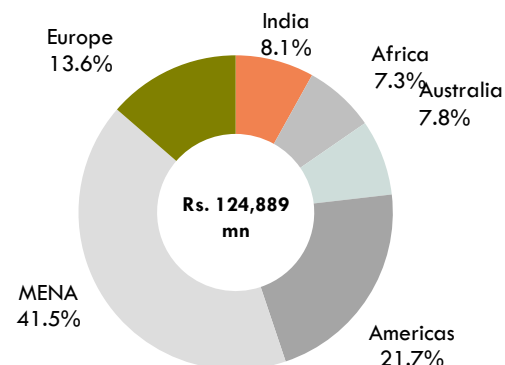
14 Projects
7 Countries

Order Inflow – Apr to 14 Nov 2019

Country	MW	Rs. mn
UPTO SEPT 2019 (a)	105	8,280
<u>OCT ONWARDS</u>		
India	50	1,850
Kingdom of Saudi Arabia	1090	44,450
Chile	122	6,720
Australia	200	9,800
Oct onwards (b)	1,462	62,820
TOTAL (a+b)	1,567	71,100

UOV as at 14 Nov 2019
Rs. 124,889 mn

(before adjusting revenue post Sept)



UOV in the previous period
Rs. 45,300 mn

Sweihan Abu Dhabi – World’s Largest Single Site Solar Project

Bid for **1,177MWp** against min. requirement of **350MWp**

Installed **200 MWp** within a short timeline of one month

Built with over **5mn** accident free safe man hours

One of **Lowest tariff** globally at the time for any PV plant until the time of award in 2016

← Tweet



An impressive display of #ClimateAction: In UAE I saw the vast Noor Abu Dhabi, the world's largest solar power plant, the kind of clean & efficient solution needed to address the global climate emergency.



UN chief António Guterres tours Abu Dhabi's huge solar plant by helicopter

Link to video: [click here](#)



Noor Abu Dhabi
The world's **largest** single solar project commences commercial operation

3.2 ⁺ million solar panels

Providing enough capacity to supply **90,000 people**

© Abu Dhabi Government Information Office

Reduce Abu Dhabi's CO2 emissions by **1 million** metric tons

Plant's capacity enough to cover the demand of **90,000 people**

Equivalent of removing **200,000 cars** off the roads

State-of-the-art Robotics Optimizes the Yield at Sweihan Project

Highlights

1,177 MWp
 Lowest LCOE bids of
 USD 2.42 cents / kWh

Supported by Abu Dhabi
 Water and Electricity
 authority



Bid Winner

Marubeni & Others

Consortium of Financiers



Solutions



Emerged as the sole winner, offering 1,177 MWp capacity
The world's largest single location solar PV plant ⁽¹⁾



Modules installed **East to West**
 • A unique **eight high fixed** structure design used to optimize generation



To **optimize time & cost**, preference has been to maximize procurements from **UAE**



1,412 robots used
 • Leading to an automated plant, reduced water consumption and operating expenses

Challenges

01

Fit in maximum capacity in a given land area (minimum 350 MWp – Bid Criteria)

02

Maximize electricity generation

03

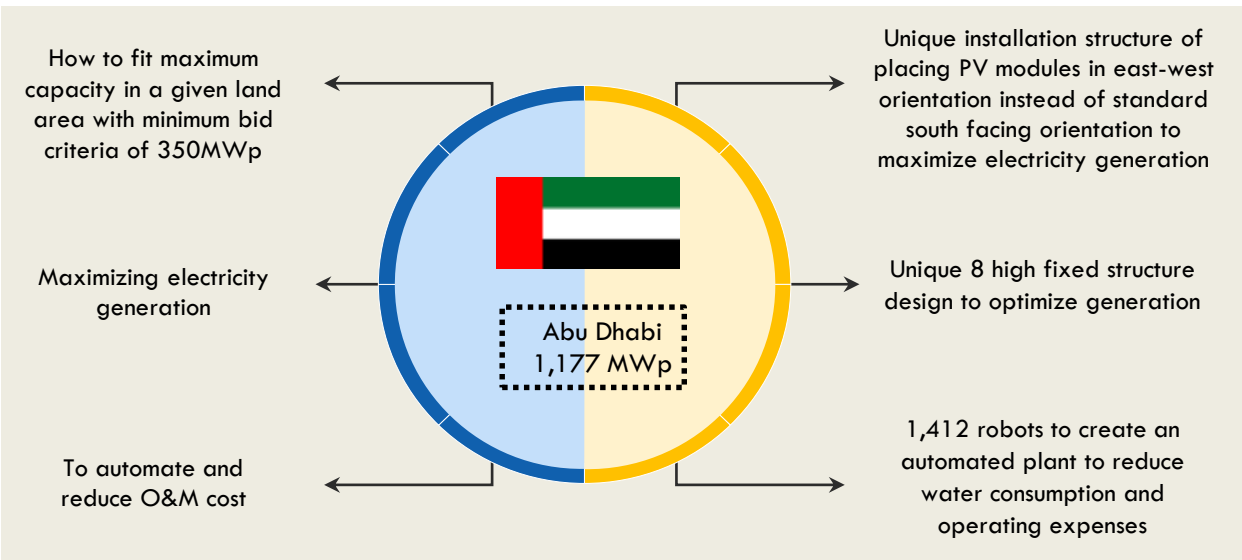
Optimize time & Cost localization

04

Automated and low cost O&M

¹⁾ Source: CRISIL Research

Expertise in Advanced Technologies



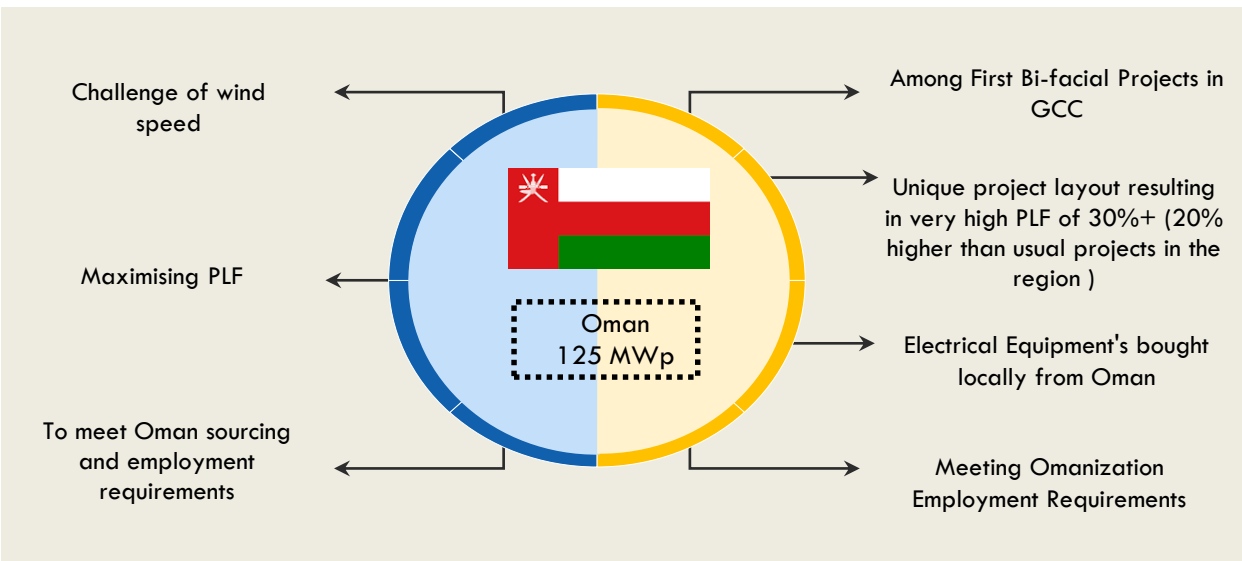
175 Persons
Strong design & engineering team



Real-time and predictive analytics



Innovation & Development of capabilities in emerging technologies



Value engineering solutions provided through a strong in-house design team with expertise in advanced technologies



Strong R&D capabilities led by in-house designing and engineering team providing customized unique solutions in various projects

Our Esteemed Clients



High bid conversion rate ⁽¹⁾

India	24%
Overall	22%

High % of Repeat Customers ⁽²⁾

Outside India	64.4%
India	83.3%

TRUSTED PROVIDER FOR GLOBAL CLIENTS

(1) Bid Conversion rate under EPC contracts for FY19

(2) Percentage of total commissioned capacity from customers with whom more than one project executed as of March 31, 2019, numbers rounded off to the nearest whole number

Awards and Recognitions



**Leading EPC –
Solar – Ground Based, 2018**



**Solar O&M contractor of the year -Roof
top scale, 2017**



**Intersolar AWARD 2015
(11 MWp Solar Project in
Maharashtra under JNNSM PH II)**



**Excellence in Renewable Energy Project
Execution Award 2017**



**Immense contribution to the Infrastructure
sector, 2016**



**BMGI Energize Indian Power Sector
Award in 2014 - Excellence in Solar
EPC and Innovation in Solar Energy**



Project of the Year Award 2017

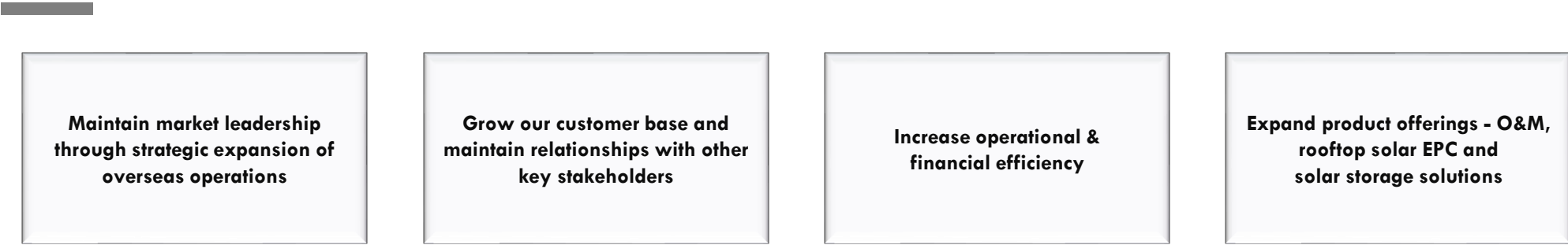


**Solar Today Utility Scale Solar EPC
Contractor 2016 Award**



**Most promising firm and outstanding contribution
towards the development of SE, 2014**

Our Strategy



Well planned geographical expansion strategy





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STERLING & WILSON

SOLAR



Solar: The Future of the World

Declining Cost of Energy

- ✓ Across geographies the tariffs have fallen substantially
- ✓ Levelized cost of energy (LCOE) of solar has fallen to Coal & Gas levels
- ✓ Global Solar utility scale systems Capex continues to decline, driven by falling module prices

Increasing share in Global Power Generation

- ✓ Share in installed power capacity base increasing from 2% in 2012 to 6% in 2018 and expected to be 10% in 2022*
- ✓ Share in Annual installations increased from 9.8% in 2012 to 25.3% in 2018 and expected to be 38.4% in 2022*
- ✓ In our key markets annual PV installation to grow from 49GW in 2018 to 85GW in 2021; a CAGR of 20%*

Complex & Large Projects Partnering with Large EPC Players

- ✓ Increasing trend of project size of more than 100MW
- ✓ High entry barriers due to larger players having cost efficient design & engineering skills, proven track record, financial strength & bankability, relationships with customers, suppliers, lenders etc and deep local market knowledge
- ✓ Our global leadership allows us to gain market share

Sustainable Benefit to Solar with Energy Storage Market Growth

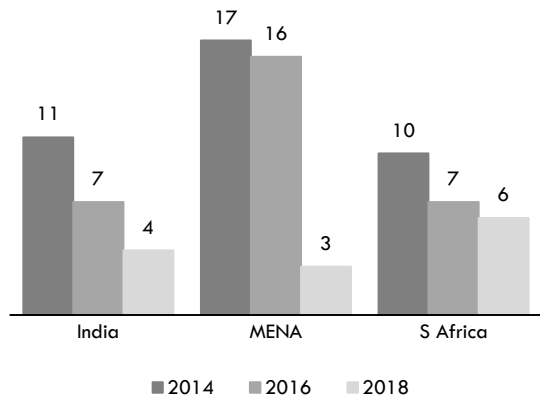
- ✓ There is significant reduction in battery costs. Trends from 2012 till 2018 has seen reduction from \$960/kWh to \$255/kWh and expected to be \$209/kWh by 2022*
- ✓ Leads to increased adoption of battery energy storage in solar PV plants. It was 1GW in 2015 and 7.6GW in 2018 and expected to be 37GW by 2022*

“We have a large role to Play in the world moving towards Solar”

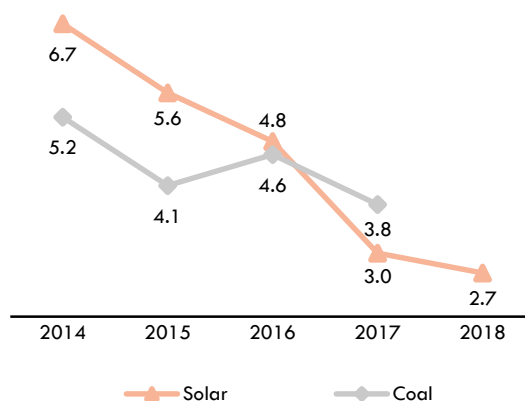
Solar : Declining Cost of Energy

Solar tariffs have seen a sharp decline globally and have fallen significantly below those of traditional energy sources like coal

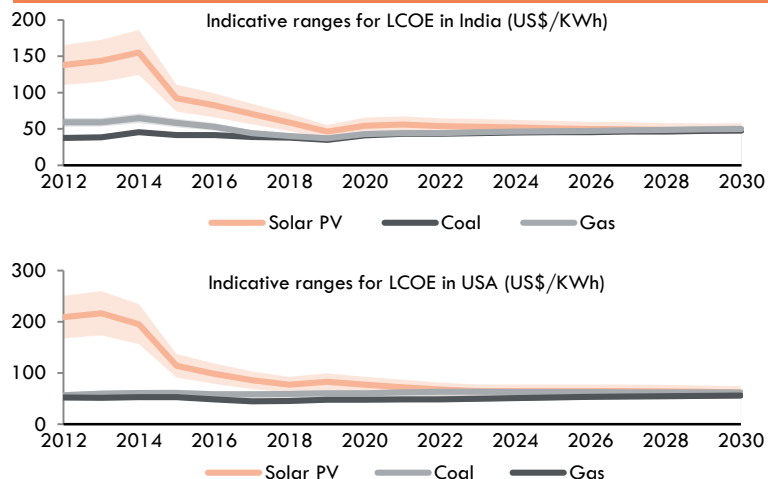
Solar auction prices (US Cents/KWh)



Tariff trend in India (Rs /KWh)⁽¹⁾

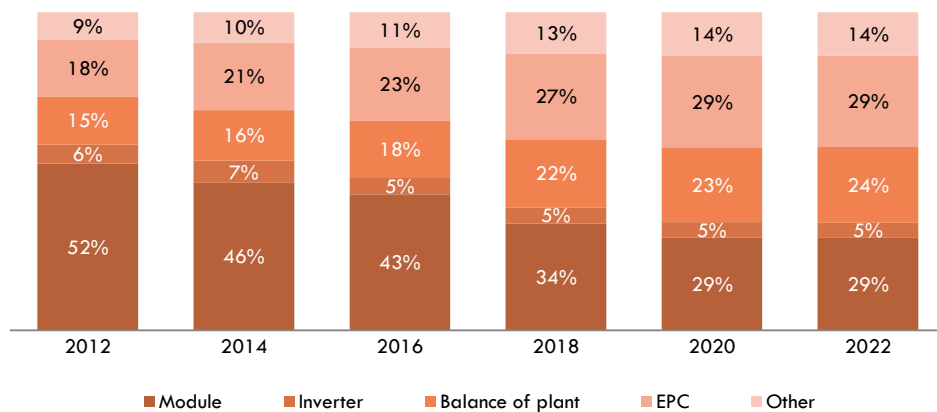
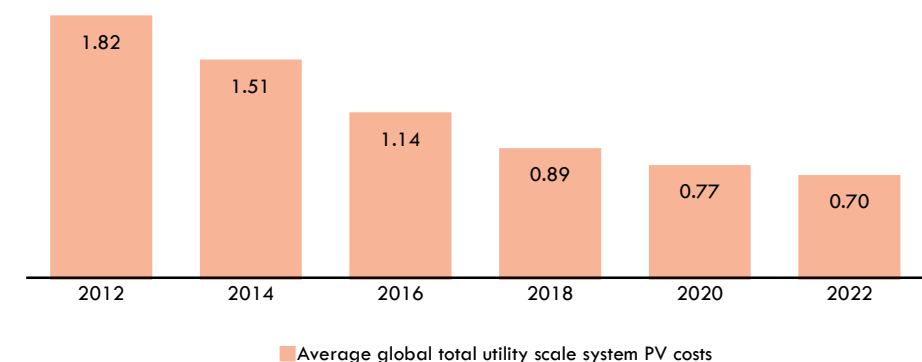


Solar has increasingly competitive in terms of LCOE (cost of producing each unit of electricity over the lifetime)



Global solar utility-scale system costs continue to decline, primarily driven by falling module prices

Price per Watt (\$/W)

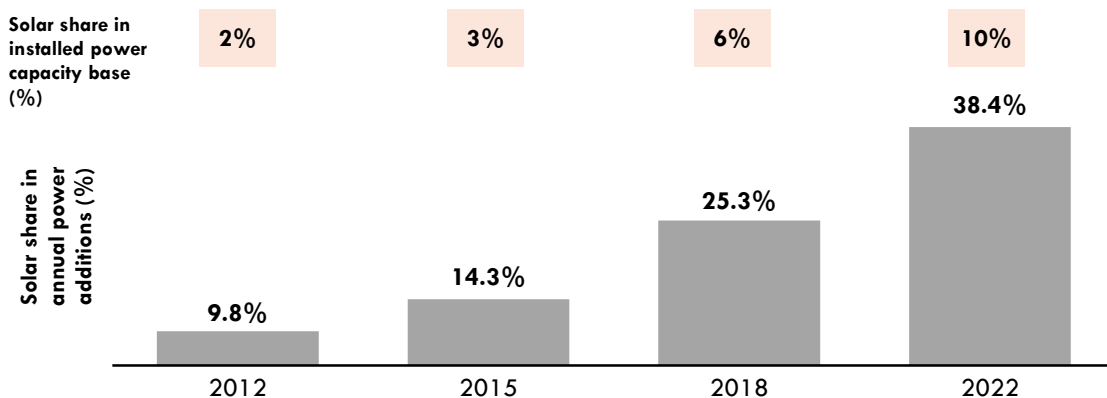


Note: LCOE - Levelized Cost of Energy
Source: IHS Markit, CRISIL, BloombergNEF

(1) Tariffs are for financial year (Fiscal year ending March), No competitively bid coal projects in 2018/ FY18, Coal tariffs include fixed + variable costs

Solar : Increasing share in Global Power Generation

Rapid uptick in the share of solar in the global power generation capacity, annual additions, and global installed power capacity base



Key advantages and growth drivers of solar

- Already among the **lowest cost power** sources even without government incentives
- Declining utility scale PV system costs** and higher panel efficiency to further improve cost competitiveness
- Greater efficiency** in installation and commissioning process
- Favorable regulatory environment** and increasing commitments to combat climate change
- PV can be deployed faster** to cover electricity demand gaps in areas with vulnerable electricity systems

Strong growth in PV installations in key markets the Company operates in⁽¹⁾

Annual PV installations (GW)	2018	2021	2018-21 CAGR
India	10.7	15.0	11.7%
South East Asia	1.1	5.1	70.6%
Middle East and North Africa	4.6	8.4	22.2%
Rest of Africa	1.2	3.5	42.0%
Europe	10.6	23.4	30.0%
USA	10.4	16.7	17.4%
Latin America	6.0	7.0	5.4%
Australia	4.6	5.9	8.1%
Grand Total (excluding Rest of World)	49.1	84.8	20.0%

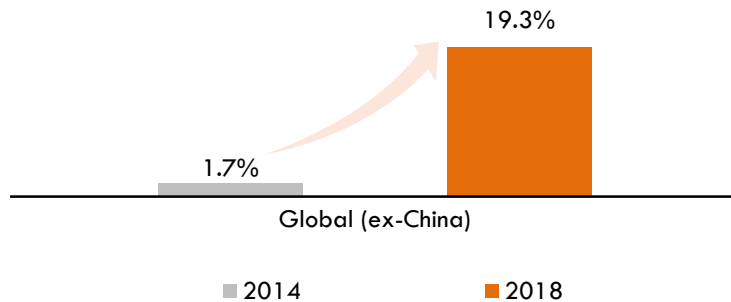
Source: IHS Markit

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

Solar : Complex & Large Projects Partnering with Large EPC Players

Market-share is shifting towards larger solar EPC players with existing capabilities and sound financial strength

Market shares evolution of Top 5 (as in 2018) solar EPC players⁽¹⁾



Increasing market share of Top 20 players

With increasing number of projects larger than 100MW being built, as per IHS

Driven by Key Factors...



Design & Engineering capabilities in a cost efficient manner



Financial strength and bankability



Strong track record of on-time project completion and high plant performance



Deep understanding of the local markets in which Company operates



Relationships built over time with customers, suppliers, lenders and others



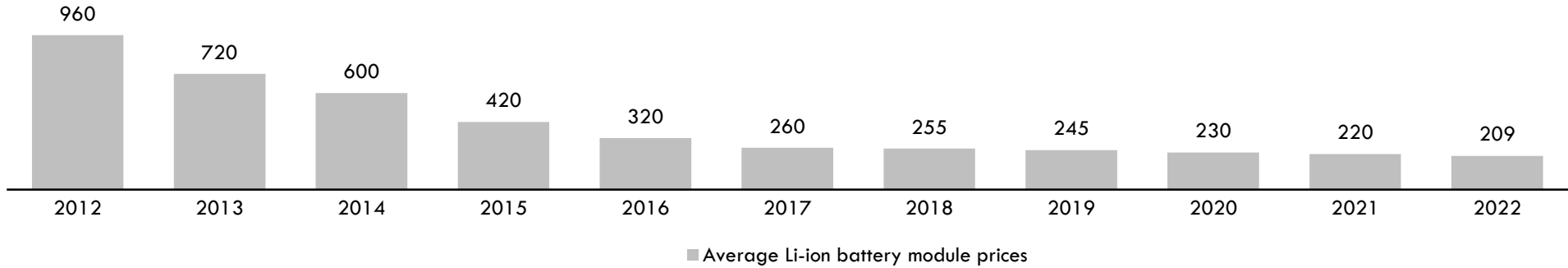
Limiting number of players that meet qualification requirements because of increasing size and complexity

(1) Source: IHS Markit; Market share of top 5 global players ex-China of 2018

Sustainable Benefit to Solar with Energy Storage Market Growth

A significant reduction in battery costs...

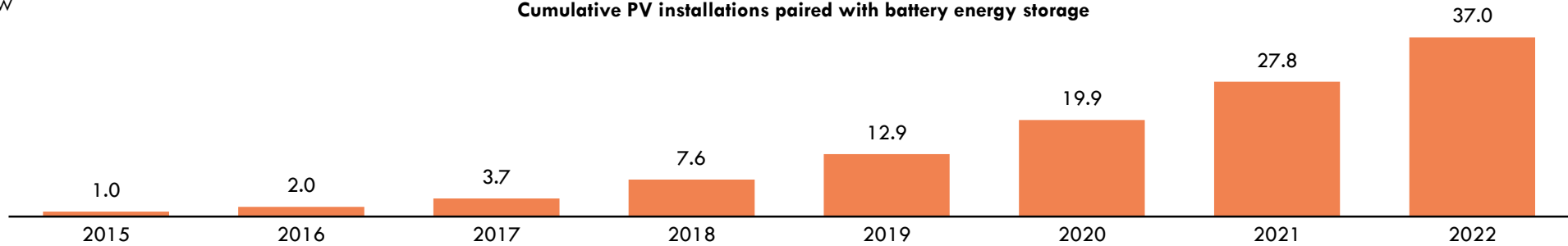
\$/kWh



... is driving the increased adoption of battery energy storage in solar PV plants

GW

Cumulative PV installations paired with battery energy storage



Helps to overcome the inherent limitation of solar PV generation with stored energy now being able to be utilized when solar power is not being generated in off-peak times



Higher mix towards solar + storage (from pure solar) also helps in improving realizations for EPC players

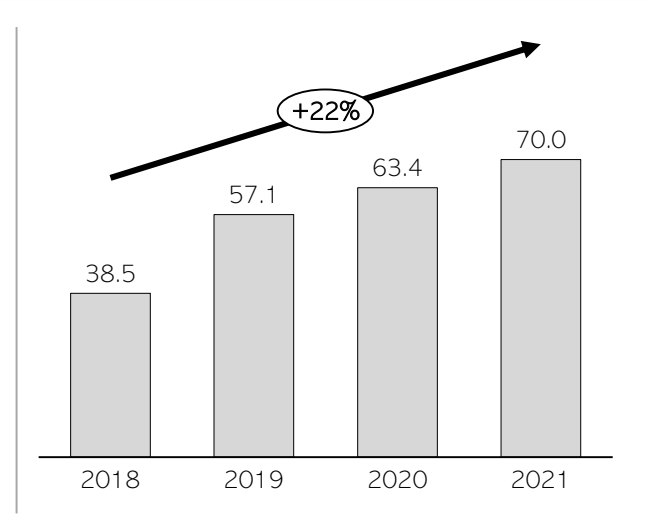
Market Positioning : International and India



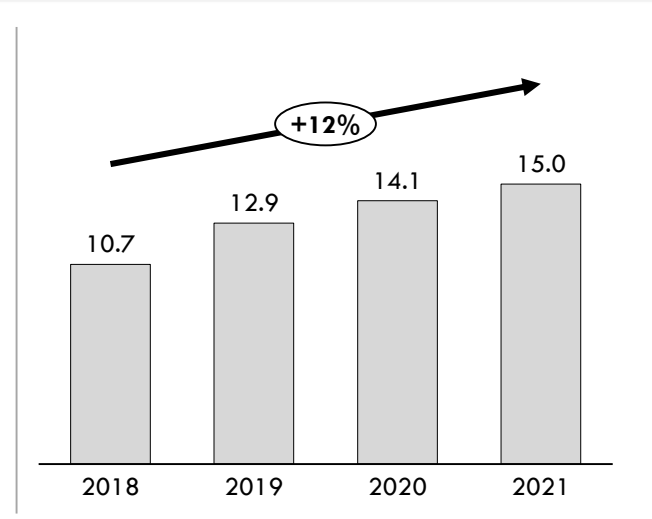
Policy Drivers for Solar PV

- Carbon Emission Target
 - Country/State Wise Target on share of Renewables in the generation mix
 - Renewable Energy Targets for Utilities/Power Generators
 - Input Tax Credit (ITC) in US to accelerate adoption
- Low cost of Renewables as compared to Gas/Coal
 - Private/Merchant PPAs
 - PPAs by Utilities

Annual solar PV installations (GW)



- Carbon Emission Target and Low Cost of Renewables
 - Renewable Energy Target of 100 GW PV by 2022
 - Renewable Purchase Obligation on Utilities



Note: Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness

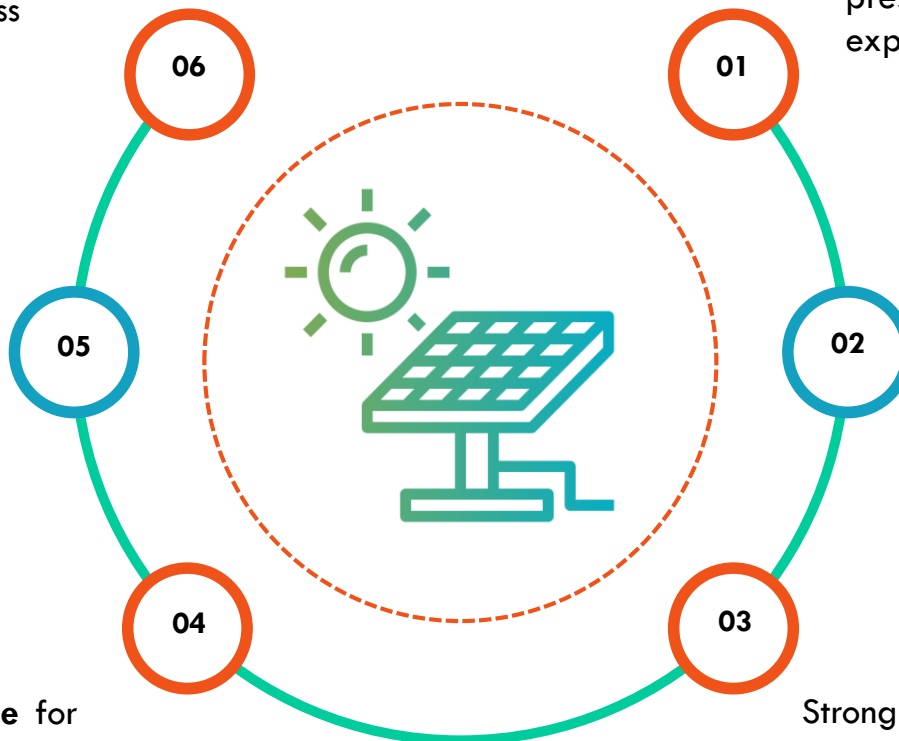
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Differentiated Business Model

Strong track record of executing complex & large-scale EPC projects leading to high customer retention and repeat business

One of the **only global pure-play solar EPC** players with a significant presence and operational experience across geographies

Quick decision making & well-defined internal processes leading to timely execution



A **bankable player** with strong relationships with customers and other key stakeholders

Leveraging the **low-cost India base** for global execution providing cost competitive solutions

Strong in-house team of **175 design and engineering** people providing customised solutions

Comprehensive end-to-end EPC Solutions Provider with end-to-end capabilities



Utility scale solar projects



Rooftop Projects



Solar + Energy Storage



O&M Services

Key financial metrics (EPC business)

Rs. 81,453 mn

FY19 Revenue from EPC business

11.6%

FY19 Gross margin

124%

FY17-19 Revenue CAGR

Key financial metrics (O&M business)

Rs. 936 mn

FY19 Revenue from O&M business

43.6%

FY19 Gross margin

96%

FY17-19 Revenue CAGR



Design and Engineering

- Dedicated in-house design & engineering team of 154 people
- India based cost effective structure



Procurement

- Selection of vendors after thorough due diligence
- Well-defined quality management procedures



Inspection & Audit

- 3-stage audit process including initial factory audit, production process audit and monitoring at vendor's facility and pre-shipment inspection



Construction

- Final inspection and testing under the supervision of project manager to ensure new plant is safe and meets design objectives



Field quality monitoring

- Centralized monitoring with efficient tracking of under-construction plants

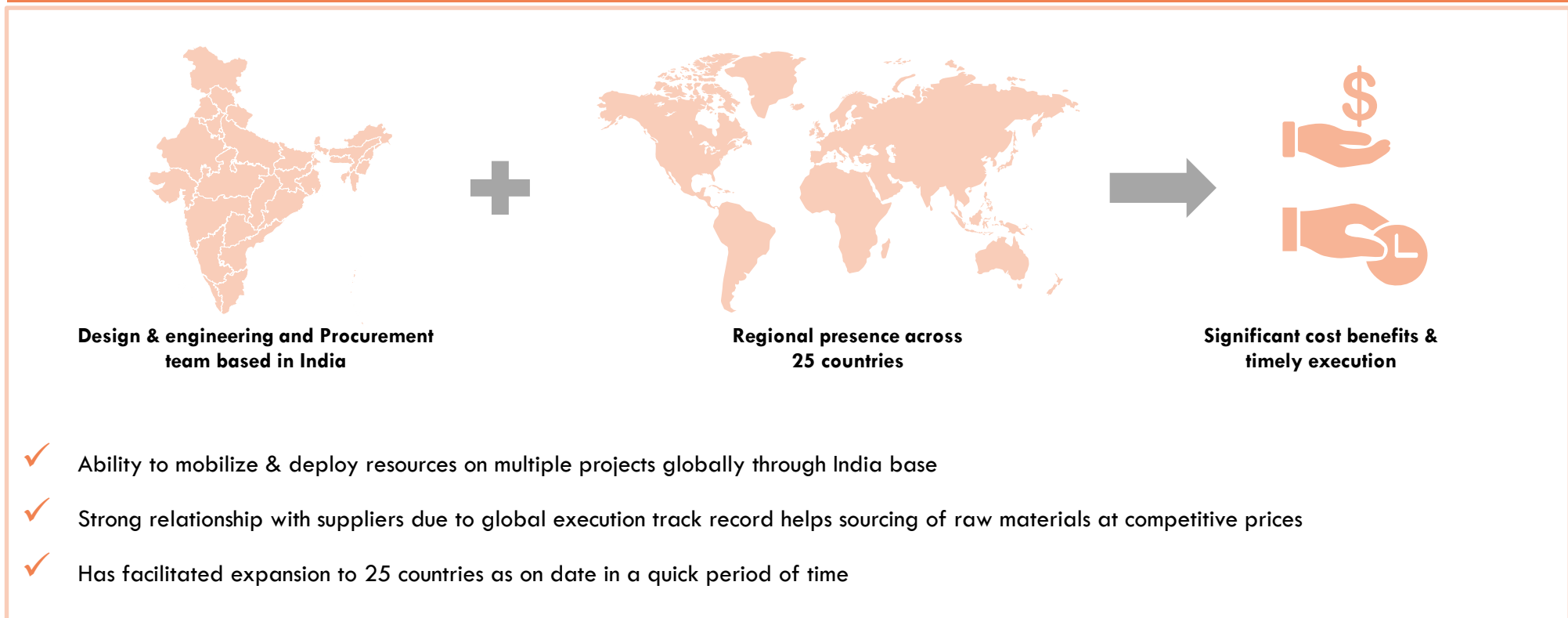


O&M service

- Long Term O&M services for both own customers, and third-party projects

Company's flexible Hub-and-Spoke business model facilitating geographic expansion to capture the global opportunities

Hub-and-Spoke business model driving global expansion through a cost-effective India base...



Note: Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness

Dedicated design and engineering team focused on innovation and developing efficient technology

Value engineering solutions provided through a strong in-house design team with expertise in advanced technologies



175 Persons
Strong design & engineering team



Real-time and predictive analytics



Innovation & Development of capabilities in emerging technologies

Strong R&D capabilities led by in-house designing and engineering team providing customized unique solutions in various projects



Abu Dhabi
1,177 MWp

Challenges
<ul style="list-style-type: none"> ? How to fit maximum capacity in a given land area with minimum bid criteria of 350MWp ? Maximizing electricity generation ? To automate and reduce O&M cost

Solutions
<ul style="list-style-type: none"> ✓ Unique installation structure of placing PV modules in east-west orientation instead of standard south facing orientation to maximize electricity generation ✓ Unique 8 high fixed structure design to optimize generation ✓ 1,412 robots to create an automated plant to reduce water consumption and operating expenses

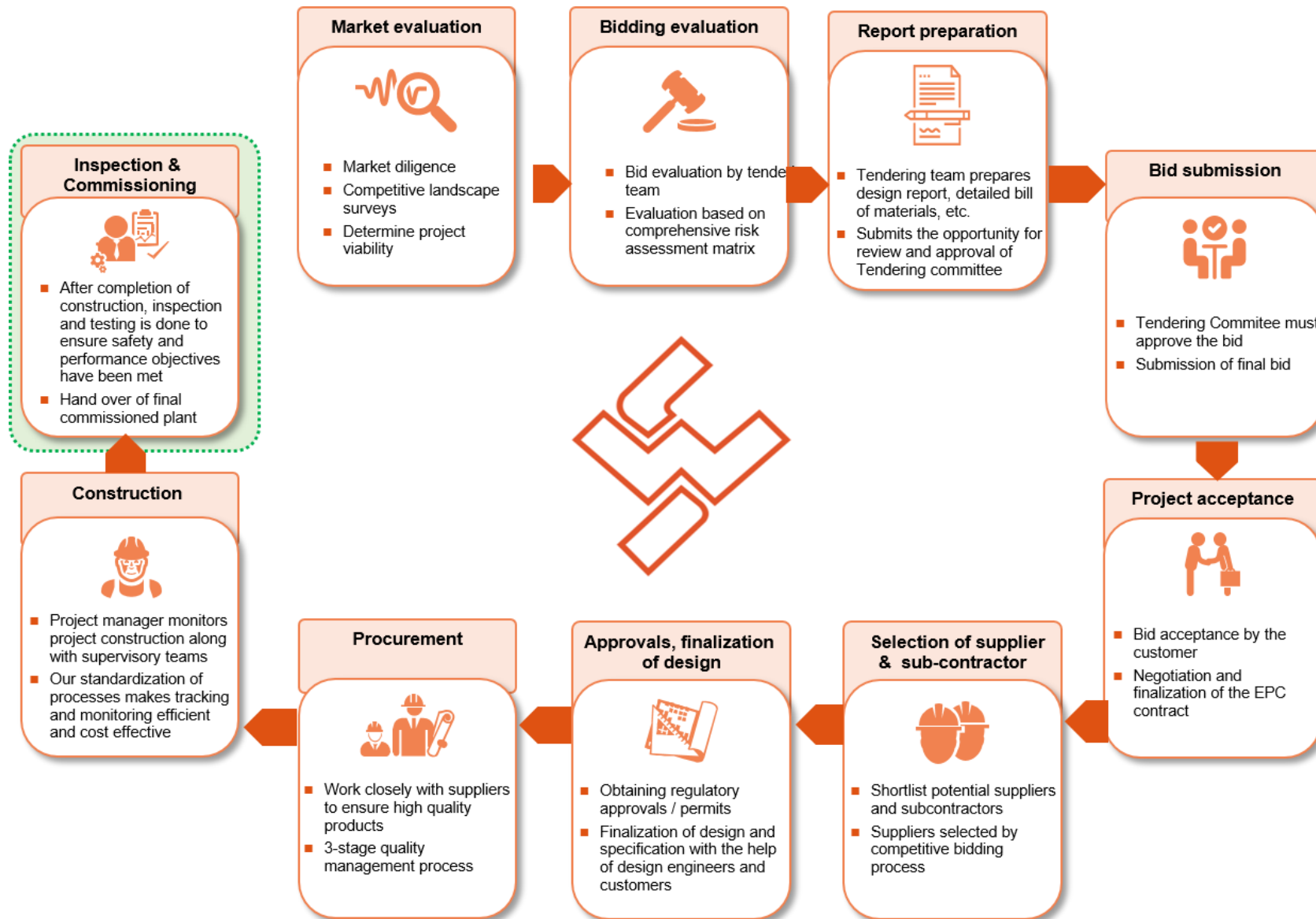


Philippines
22.32 MWp

<ul style="list-style-type: none"> ? Project site on a riverbed, hence the fear of flooding ? Site situated in a high-speed wind zone ? Problem of soft & mushy soil

<ul style="list-style-type: none"> ✓ Three leg module mounting structure to make the project site flood resistant ✓ Combination of concrete ballast foundation & pilling foundation used ✓ Outdoor inverter stations on RCC beams to tackle soft, mushy soil ✓ Able to mobilize engineers & project managers from India quickly to meet deadlines

Complete Control over Project Lifecycle



Best in Class Execution Capabilities

EPC Division

Engineering

- Grid code compliance
- Optimized design solutions
- State-of-the-art design software
- 100+ Strong engineering team

Procurement

- Optimally-rated equipment chosen
- High-quality & certified products
- Tie-ups & SLAs with reputed vendors
- 9 decades' experience
- 50+ Strong procurement team

Construction

- Robust execution methodology
- Field quality monitoring
- Adherence to requirements of Global International HSE practices
- 26 dedicated project teams to handle over 1,500 MWp
- History of Completing projects in record time

O&M Vertical

- Centralized monitoring system
- Effective and efficient supply chain for spares management

- Soiling station to measure soiling loss & determine cleaning frequency
- 99% + uptime
- Preventive maintenance

- Optimal per annum O&M costs
- Timely rectification of issues

- Robust generation numbers
- Maximum availability of plants for generation

- Efficient use of water in cleaning
- Faster and cost-effective O&M services

- Data Mining, Generation Analysis, Predictive Analysis & Generation Forecasting
- Thermal imaging, Flash testing & 3rd party audits

- Dry cleaning methods to reduce water consumption
- Mechanized cleaning solutions

- Optimum yield generation based on real time analysis
- Higher yields

Strong Parentage

SP group's experience translated into multiple advantages for S&W initially



Global Access

45

Countries Presence



EPC Knowledge

150+

years of experience



Financial support

Strong financial backing

- SP group's presence in India, Middle East, Africa, APAC, South America and Europe assisted S&W in gaining access and entry
- SP group has a strong presence in Middle East and Africa
- Assistance in getting subcontractors, connecting with government authorities, liaising and sometimes, submitting bids
- Support of SP group for non-fund limits to bid for large projects

Emerged as a credible solar EPC player globally

- Assisted the Company in getting a head-start in establishing operations in these regions
- S&W gets the benefit of local EPC knowledge due to the presence of the SP group
- Helps meet certain financing requirements for bidding for projects

The Company is capable of rendering EPC knowledge and support for geographies not covered by SP group

Board of Directors



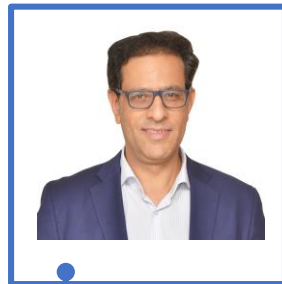
Khurshed Daruvala
(Non-Executive Chairman)

- Holds Bachelor's degree in commerce from University of Mumbai and a associate member of ICAI
- Part of Sterling and Wilson group for about 25 years



Pallon Shapoorji Mistry
(Non-Executive Director)

- Holds a master's degree in science with merit in strategic marketing from Imperial College, London



Bikesh Ogra
(Non-Executive Director)

- Holds a bachelor's degree in Electrical Engineering from the University of Burdwan
- Has over 22 Years of experience in the EPC Sector



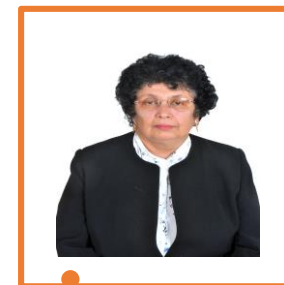
Keki Manchersh Elavia
(Independent Director)

- Holds Bachelor's degree in commerce from University of Mumbai, and a fellow member of ICAI
- He has over 35 years of experience in audit and finance related matters



Arif Saleh Doctor
(Independent Director)

- Holds a bachelor's degree in arts as well as law from the University of Mumbai and member of bar council of Maharashtra & Goa for the past 20 years



Rukhshana Jina Mistry
(Independent Director)

- She is Qualified chartered accountant
- She has been practicing as a CA for over 29 years

Experienced management team with global operational experience



Bikesh Ogra

22+ 22+

Director & Global CEO

- 22 years experience in EPC sector
- Education - B.E.



Bahadur Dastoor

23+ 8+

CFO

- Heads the finance & accounting function of Company
- Previously served at Godrej & Boyce, Lovelock & Lewes and Kalyaniwalla and Mistry
- Education - CA, Fellow member of ICAI



Vikas Bansal

10+ 8+

Head – International Business Development

- Previously served at Asean Brown Boveri, Aricent
- Over 8 years of experience in business development and sales
- Education - MBA, B.E.



Rajneesh Shrotriya

23+ 4+

Chief Technology Officer

- Previously served at Adani Wilmar, Arvind Mills, Suzlon Energy, Green Infra, Lanco Solar Energy, etc
- Education - MBA, B.E.



Kannan Krishnan

23+ 10+

COO – Solar (India & SAARC)

- Designated as Manager of the Company
- Previously served at Asea Brown Boveri Ltd
- Education - B.E.



Chandra Kishore Thakur

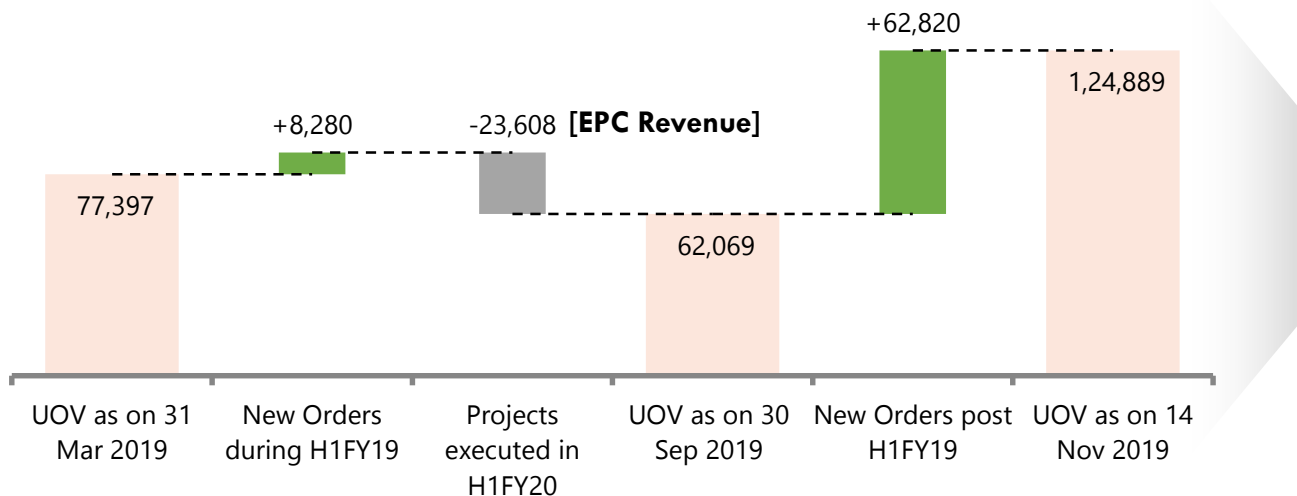
33+ 1+

COO – International

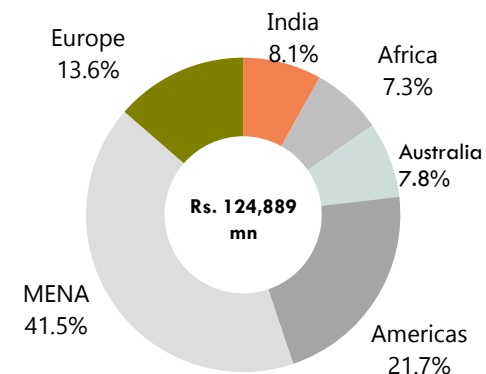
- Over 33 years experience in Power & Infrastructure sector
- Previously served at National Thermal Power Corporation, Lanco Infratech, Punj Lyold
- Education - MBA

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Unexecuted Order Value (UOV) Movement



Gross EOV as on 14 Nov 2019 (before adjusting revenue post Sept)



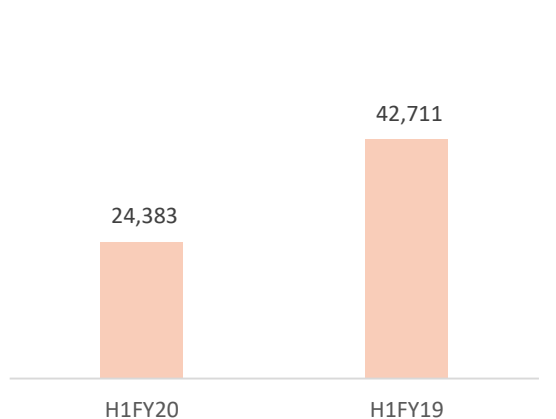
New Orders post H1FY20 details

Country	MW	Rs. mn
India	50	1,850
Kingdom of Saudi Arabia	1090	44,450
Chile	122	6,720
Australia	200	9,800
TOTAL	1,462	62,820

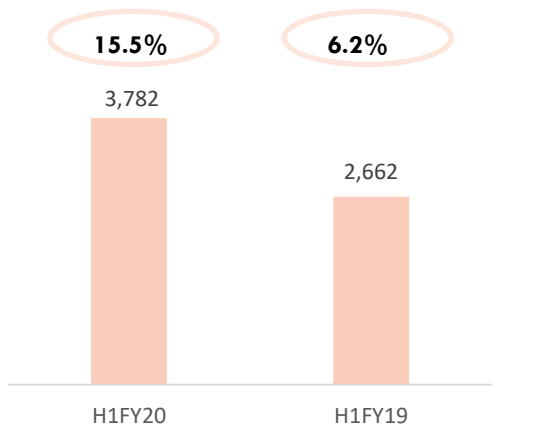
Consolidated Financial Highlights – H1FY20

Rs. mn

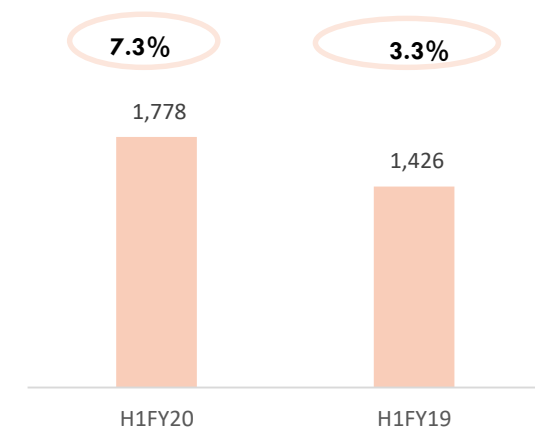
Revenue from Operations



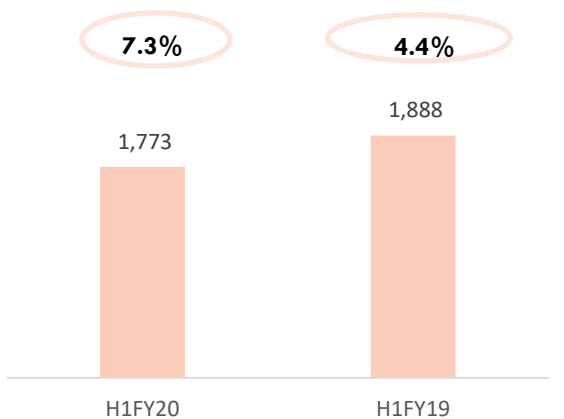
Gross margins & Gross Margin %



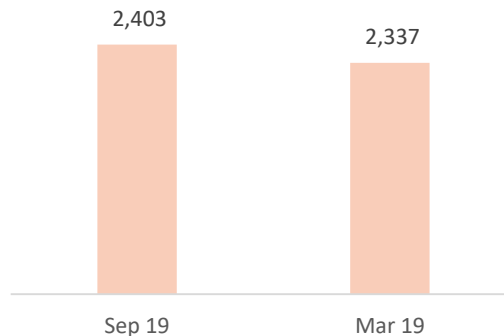
Operating EBITDA & EBITDA Margin %



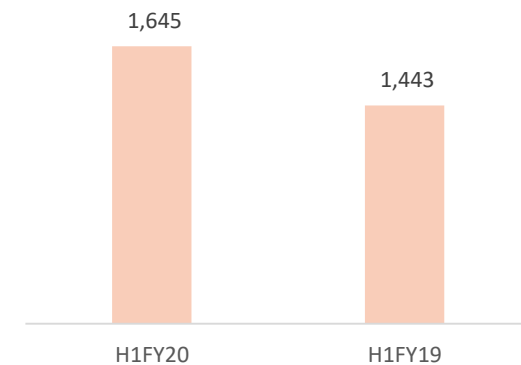
PBT & PBT Margin



Net Working Capital



Cash flow from Operations



Consolidated Profit & Loss – Q2 and H1

<i>Rs. mn</i>	Q2FY20	Q2FY19	H1FY20	H1FY19	FY19
Revenue from Operations	11,933	24,725	24,383	42,711	82,404
Gross Margin	1,947	1,237	3,782	2,662	9,850
Gross Margin %	16.3%	5.0%	15.5%	6.2%	11.9%
Other Income	159	225	171	204	461
Overheads	1,000	944	2,175	1,441	3,429
Overheads %	8.4%	3.8%	8.9%	3.4%	4.1%
EBITDA	1,106	518	1,778	1,426	6,882
EBITDA Margin %	9.3%	2.1%	7.3%	3.3%	8.3%
Depreciation	39	21	70	27	78
EBIT	1,067	497	1,708	1,399	6,804
EBIT Margin %	8.9%	2.0%	7.0%	3.3%	8.3%
Interest Income	564	453	1,196	608	1,634
Less : Interest Expenses	623	97	1,131	119	847
PBT	1,009	853	1,773	1,888	7,592
PBT Margin %	8.5%	3.4%	7.3%	4.4%	9.2%
Current Tax expense	137	372	449	477	1,421
Effective current tax rate	13.6%	43.6%	25.3%	25.3%	18.7%
Deferred Tax expense/ (credit)	78	(103)	70	(139)	(211)
PAT	794	584	1,254	1,549	6,382
PAT Margin	6.7%	2.4%	5.1%	3.6%	7.8%

Key Highlights

- ▶ Gross margins increases by 42% due to efficient execution and procurement
- ▶ Overheads increase due to full period cost in H1FY20 in certain countries against partial period in FY19
- ▶ EBITDA margins improved due to higher gross margins in H1FY20
- ▶ Depreciation remains insignificant due to asset light business model
- ▶ Deferred tax charge due to reversal of asset pursuant to adoption of new tax rate

Consolidated Balance Sheet

Rs mn	Sep 19	Mar 19
Assets		
Non current assets	684	672
Tangible assets (incl. CWIP)	347	265
Intangible assets	49	49
Deferred tax assets (net)	252	321
Other non current assets	36	36
Current assets	57,332	53,247
Inventories	170	131
Trade receivables	20,577	19,002
Cash & cash eq. & bank balances	4,538	4,545
Loans	21,738	19,534
Other current & financial assets	10,309	10,034
Total assets	58,016	53,919
Equity and Liabilities		
Shareholders' funds	9,745	8,375
Non current liabilities	109	86
Provisions	109	86
Current liabilities	48,163	45,458
Borrowings	22,596	22,278
Trade payables	18,411	19,125
Provisions	1,003	769
Other current & financial liabilities	6,153	3,286
Total equity and liabilities	58,016	53,919

Key Highlights

- ▶ Business continues to remain asset light
- ▶ Borrowings increased slightly
- ▶ Working Capital remains constant

Consolidated Cashflow

Rs. mn	H1FY20	H1FY19	FY19
Profit before tax	1,773	1,888	7,592
Adjustments for noncash / other items	810	(529)	(434)
Operating profit before working capital changes	2,583	1,359	7,158
Working Capital Adjustments	(342)	253	(13,382)
Cash flows generated from Operating Activities	2,241	1,613	(6,225)
Income tax (paid) / Forex translation	(596)	(170)	(1,009)
Net Cash flows generated from Operating Activities	1,645	1,443	(7,234)
Inter Company Loan given	(4,526)	(7,960)	(9,056)
Inter Company Loan repaid	2,500	-	-
Fixed Assets/Investments/Interest etc.	(42)	67	(232)
Net Cash flows generated from Investing Activities	(2,068)	(7,893)	(9,288)
Proceeds from External Borrowings (Net)	1,268	6,407	20,434
Interest paid	(1,140)	(123)	(712)
Received from Shareholders towards IPO expenses	138	-	-
Net Cash flows generated from Financing Activities	266	6,284	19,722
Net Cash increase	(157)	(167)	3,200

Key Highlights

- ▶ Cash flow from Operations has been positive for H1FY20 as compared to FY19
- ▶ No further interco loans post listing
- ▶ Working capital movement improves compared to FY19 over FY18

Working Capital

Rs. mn	Sept 19	Mar 19
Current Assets	24,227	23,770
Inventories	170	132
Trade receivables (Incl. Unbilled)	22,798	22,507
<i>Receivable days</i>	<i>171</i>	<i>100</i>
Advances to suppliers	1,259	1,131
Current Liabilities	21,824	21,433
Trade payables	18,411	19,125
<i>Payable days</i>	<i>163</i>	<i>96</i>
Advances from Customers	3,413	2,308
Net Working Capital	2,403	2,337

Key Highlights

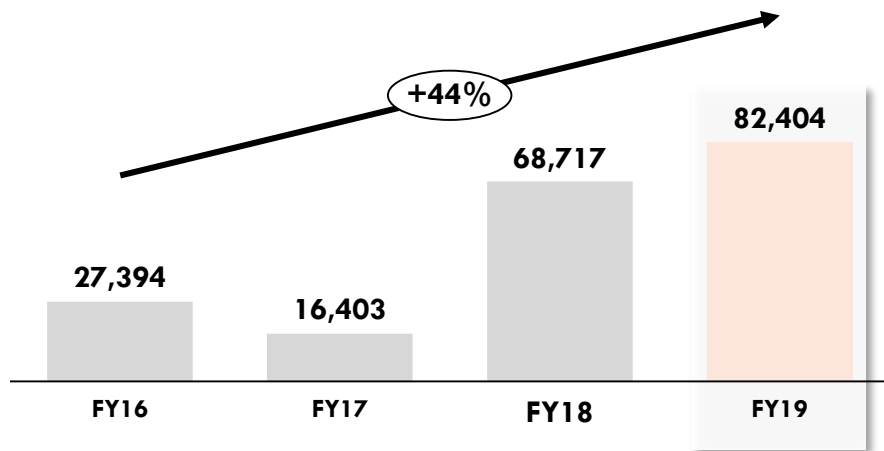
- ▶ Working capital remained stable as compared to large movement in FY19 over FY18
- ▶ Debtor days higher due to lower H1FY20 revenue

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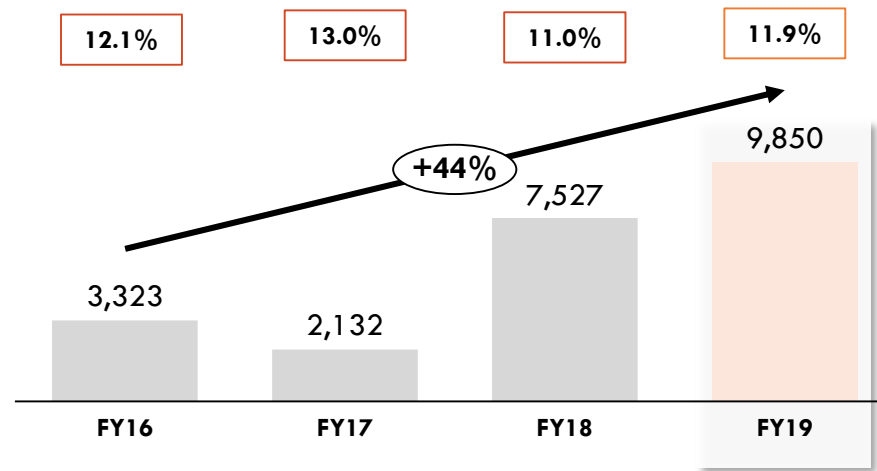
Performance Trend on Yearly basis

Rs mn

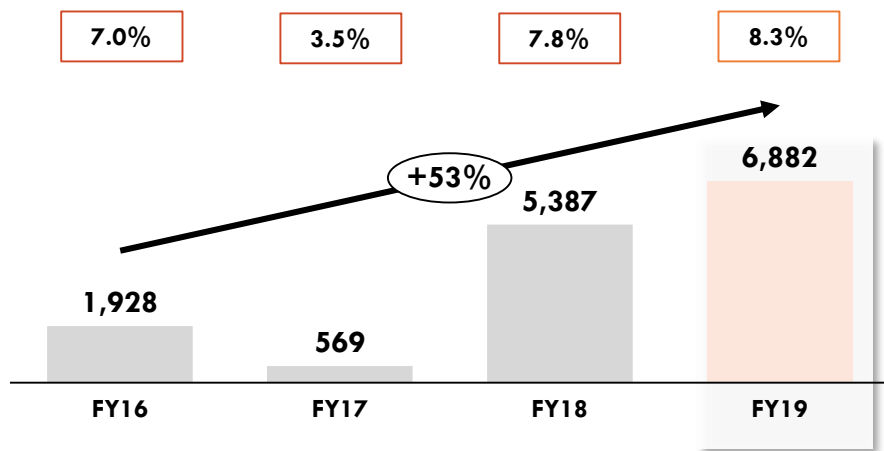
Revenue from Operations



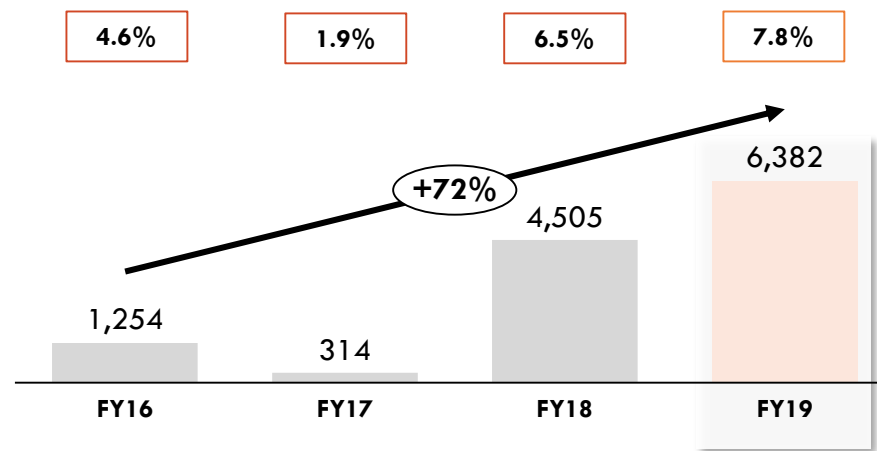
Gross margin & Gross Margin %



Operating EBITDA & Op. EBITDA Margin



PAT & PAT Margin



Consolidated Profit & Loss

Rs mn	FY16	FY17	FY18	FY19
Revenue from Operations	27,394	16,403	68,717	82,404
Revenue growth	NA	-40.1%	318.9%	19.9%
Gross Margin	3,323	2,132	7,527	9,850
Gross Margin %	12.1%	13.0%	11.0%	11.9%
Other Income	40	20	10	461
Overheads	1,435	1,583	2,150	3,429
Overheads %	5.2%	9.6%	3.1%	4.1%
EBITDA	1,928	569	5,387	6,882
EBITDA Margin	7.0%	3.5%	7.8%	8.3%
Depreciation	9	16	32	78
EBIT	1,919	553	5,355	6,804
EBIT Margin	7.0%	3.4%	7.8%	8.3%
Interest Income	30	78	117	1,634
Less : Interest Expenses	6	28	186	847
PBT	1,943	603	5,286	7,592
PBT Margin	7.1%	3.7%	7.7%	9.2%
Tax expense	689	289	781	1,210
Effective tax rate	35.5%	47.9%	14.8%	15.9%
PAT	1,254	314	4,505	6,382
PAT Margin	4.6%	1.9%	6.5%	7.8%

Key Highlights

- ▶ Decline in FY17 revenue due to decrease in EPC revenue from international projects
 - 90MWp project in South Africa and 51MWp project in Philippines substantially completed in FY16
 - However, no EPC revenue recognized from any new international projects in FY17
- ▶ In FY18, international EPC revenue recognized from mainly 4 projects – 1,177MW Abu Dhabi and 175MWp Morocco projects
 - Increase in finance cost in FY18 mainly due to buyer’s credit taken for imported modules for Abu Dhabi project and projects in India
 - Effective tax rate declined in FY18 due to significant increase in international revenue and lower tax rate in international geographies such as the UAE, which is the Company’s global headquarters
- ▶ FY19; revenue from operations increased by 19.9% y-o-y primarily due to a significant increase in EPC revenue from South East Asia, Africa and United States of America and Latin America
 - A total of 19 EPC projects were executed across 10 countries in FY19; EPC revenues recognized for the first time from Australia
 - O&M revenues jumped 113.9% y-o-y to INR 936 mn in FY19
 - Improvement in EBITDA Margins due to operating leverage and efficiency in operations
 - Increase in finance cost of INR 846 mn was offset by the interest income of INR 1,634 mn from related parties

(1) Information for FY16 and FY17 pertains to the solar EPC business transferred into the Company subsequently.

Consolidated Balance Sheet

Rs mn	FY16	FY17	FY18	FY19
Assets				
Non current assets	82	208	416	672
Tangible assets (incl. CWIP)	61	76	231	265
Intangible assets	6	9	10	49
Deferred tax assets (net)	10	111	110	321
Other non current assets	5	12	64	36
Current assets	7,051	10,577	48,788	53,247
Inventories	13	149	186	131
Trade receivables	4,683	6,480	18,215	19,002
Cash & cash eq. & bank balances	309	109	1,041	4,545
Loans	16	28	94	19,534
Other current & financial assets	2,029	3,811	29,253	10,034
Total assets	7,132	10,785	49,204	53,919
Equity and Liabilities				
Shareholders' funds	(769)	566	1,939	8,375
Non current liabilities	11	32	56	86
Provisions	11	32	56	86
Current liabilities	7,891	10,187	47,209	45,458
Borrowings	3	3,151	1,841	22,278
Trade payables	6,738	4,629	37,398	19,125
Derivatives	32	194	104	-
Provisions	321	379	552	769
Other current & financial liabilities	796	1,836	7,314	3,286
Total equity and liabilities	7,132	10,785	49,204	53,919

Key Highlights

- ▶ **Asset light model** with low fixed assets and nominal capital investments
 - Customers provide real estate assets for projects
 - Company takes assets / equipment required for projects on a lease basis
 - Entails low capex and fixed investments
- ▶ **Low working capital requirements** due to low inventory requirement, short duration of contracts with an average life of one year, and nature of payment cycle of customers and suppliers
 - Advance payment from customers typically
 - Shorter payment cycle from customers, compared to longer payment cycle to suppliers
- ▶ Borrowings in FY17 and FY18 mainly on account of buyer's credit taken for import of raw materials
- ▶ Borrowings at end of FY19 increased substantially on account of restructuring due to the Demerger whereby the Company increased debt and extended loans and advances to the group company

Consolidated Cashflow

Rs mn	FY16	FY17	FY18	FY19
Profit before tax	1,943	603	5,287	7,592
Adjustments for non cash / other items	15	134	275	(434)
Operating profit before working capital changes	1,958	737	5,562	7,158
Working Capital Adjustments	(1,315)	(3,914)	(2,265)	(13,382)
Cash flows generated from Operating Activities	643	(3,177)	3,297	(6,225)
Income tax (paid) / Forex translation	(45)	(10)	(786)	(1,009)
Net Cash flows generated from Operating Activities	598	(3,187)	2,511	(7,234)
Offsetting extended receivable with Buyers Credit	-	2,772	(2,772)	-
Re-classification of inter company loan to Investing Activity	-	-	10,299	-
Adjusted Net Cash flows generated from Operating Activities	598	(415)	10,038	(7,234)
Net Cash flows generated from Investing Activities	(47)	(21)	(10,486)*	(9,288)
Net Cash flows generated from Financing Activities	(549)	471*	1,362*	19,722
Net Cash increase	2	35	914	3,200

Key Highlights

- ▶ Adjusted Cash flow from Operations has been positive during FY16 to FY18 (except FY17 which was marginally negative)
- ▶ In FY17, the Company had given secured interest bearing extended credit to a customer, amounting to Rs 2,772 mn, for which Buyer's Credit facility was availed
- ▶ In FY18, the Company had given advance of Rs 10,299 mn which was classified as loans in FY19 and hence working capital has been adjusted for FY19
- ▶ Cash flow from Operations has been negative in FY19 due to higher working capital on account of reduction in vendor days and lower customer advances mainly on account of delay in non-fund limit split on demerger

*Adjusted with the corresponding effect from Operating Activities

Working Capital

Rs mn	Mar 16	Mar 17	Mar 18	Mar 19
Current Assets	5,109	5,324	36,841	23,770
Inventories	13	149	186	132
Trade receivables (Incl. Unbilled)	4,954	4,771*	31,564	22,507
Receivable days	66	106	168	100
Advances to suppliers	142	404	5,091	1,131
Current Liabilities	7,509	6,436	44,332	21,433
Trade payables	6,738	4,626	37,398	19,125
Payable days	102	118	223	96
Advances from Customers	771	1,810	6,934	2,308
Net Working Capital	(2,400)	(1,112)	(7,491)	2,337

* After adjustment of secured interest bearing extended credit given to a customer, amounting to Rs 2,772 mn, as offset by Buyer's Credit

Key Highlights

- ▶ Low working capital requirements due to asset light model, short duration of contracts and nature of payment cycles
 - Advance payment from customers typically
 - Longer payment cycle to suppliers
- ▶ Slightly positive working capital in FY19 relates to reduction in vendor days and lower customer advances mainly on account of delay in non-fund limit split on demerger

Impact of De-merger on Financials

Financial Year 2017-18

- The de-merger of Solar EPC business of Sterling and Wilson Pvt. Ltd. (SWPL) into Sterling and Wilson Solar Ltd. (SWSL) was approved on 30th March 2018 with effect from 1st April 2017
- All the contracts relating to Solar EPC business prior to de-merger approval were in name of SWPL
- All profits / income or expenditure / losses accrued to the Solar EPC Division prior to de-merger were be treated as accrued to SWSL
- Post Demerger an amount of Rs. 10,299 mn relating to collections from EPC and O&M contracts during FY 2017-18 were classified as other financial assets in FY18 financials

Financial Year 2018-19

- As on 31st March 2019, the other financial assets amounting to Rs. 10,299 mn were re-classified as inter-company loans
- In 2019, revised borrowing limits were assigned to SWSL by carving out from the combined limit of SWPL
- Slightly positive working capital at the end of the year
- No new inter-company loans are allowed as per the Amended Articles of Association post listing of SWSL



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STERLING & WILSON

SOLAR



Way Forward

- ✓ Strong order pipeline including bids pending decision
- ✓ Diversification into newer markets like Far East and additional countries in South America and Europe
- ✓ Improved O&M strategy under implementation for third party projects
- ✓ Increased market share target in Australia
- ✓ Strong traction in hybrid energy space
- ✓ Expansion of roof top business internationally

THANK YOU

For further information, please contact:

Company :

Sterling and Wilson Solar Limited

CIN: U74999MH2017PLC292281

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