

**K.P. ENERGY LIMITED**  
CIN: L40100GJ2010PLC059169



KPEL/INV/PPT/Q3FY22/305

**January 18, 2022**

To,  
Bombay Stock Exchange Limited,  
P.J. Towers,  
Dalal Street,  
Mumbai - 400 001

Ref: **Scrip Code: 539686**

Sub: **Investor Presentation/Key highlights of Q3FY22 performance**

Dear Sir,

Apropos the captioned subject, please find attached herewith the Investor Presentation along with the key highlights of the Q3FY22 performance.

This is for your information and records.

Thanking You,

Yours faithfully,  
For **K.P. Energy Limited**



**Karmit Sheth**  
Company Secretary & Compliance Officer



Encl.: a/a

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ISO 14001:2015, ISO 9001:2015 and ISO 45001: 2018 Certified Company

**BSE** Listed Company





**KP ENERGY**  
Energy is here!

# EARNINGS Presentation Q3FY22

K P E N E R G Y L I M I T E D



# Glossary



<b>BoP</b>	Balance of Plant
<b>O&amp;M</b>	Operations & Maintenance
<b>WTG</b>	Wind Turbine Generators
<b>EPCC</b>	Engineering, Procurement, Construction and Commissioning
<b>IPP</b>	Independent Power Producers
<b>MW</b>	Mega Watt
<b>GW</b>	Giga Watt
<b>KV</b>	Kilovolt
<b>BSE</b>	Bombay Stock Exchange
<b>ROW</b>	Right of Way

# Company Snapshot

KP Energy Limited is Gujarat's prominent balance of plant solution provider in Wind Industry engaged, from conceptualization till the commissioning of a wind energy project.



## Gujarat's #1

Gujarat's #1 BOP solutions provider for Wind Farms



## ~214 MW

~214 MW capacity energised till date with 100% O&M under preview

## ~300 MW

Additional 300 MW energized with KP Energy's Scope of Work completed



## ~514 MW

Power Evacuation Capacity of ~514 MW

## ~267 MW

Power Evacuation Capacity under development



## ~8.4 MW

Installed and run wind energy generation assets owned by the Company



## 1,035.8 MW

Order Book and Business Pipeline of 1,035.8 MW for coming 2.5 years



## 130

Qualified and experienced team of 130, across technical, commercial and corporate functions



## Diversified

Diversified revenue streams across EPCC, IPP and O&M segments



## BSE listed

# Business Model

## EPCC



KPEL offer a unique value proposition, which has been designed to comprehensively address all the complications encountered by WTG manufacturers, IPPs and captive power consumers in setting-up of a wind farm. We offer BoP Solutions, for WTGs, right from concept till commissioning of the project.

## O&M



KPEL delivers thorough support in operations and maintenance for the BOP portion of the project.

## IPP



KPEL owns power generation assets with a total capacity of 8.4 MW, at wind farms developed by the company.

# EPCC

## Scope of Services



### Site Identification & Acquisition

Our key competence lies in identifying good windy sites and acquire them.



### Site Preparation

We have constructed roads & access or ROWs through tough and challenging situations.



### Construction & Erection

WTG civil foundation, 33kv USS & internal network as well as logistics, installation & erection of WTG.



### Power Evacuation

We undertake EPCC of 33/66 & 33/220 kv windfarm Pooling Substation and EHV lines.



### Permits & Approvals

We obtain all requisite permits & approvals from government bodies for the project and operational life thereof.



### Operations & Maintenance

Entire BOP of wind farm for operational life.



# Supplementing Verticals

## INDEPENDENT POWER PRODUCERS (IPP)



### 8.4 MW

KP Energy has its own power generation assets of 8.4 MW (4\*2.1 MW) capacity at its own wind farms



### Dual Objectives of becoming an IPP:

Dual Objectives of becoming an IPP:

1. Strategy set-up:  
Providing assurance to clients
2. Annuity based income



### O&M services

Provides O&M services for Balance of Plant portion of windfarms



### ~214 MW

As of date, KP Energy has an O&M portfolio of ~214 MW



### EPCC directly drives the growth of this segment

EPCC directly drives the growth of this segment. However, the existing portfolio creates an annuity-based income

# Income Statement Summary (standalone)

(₹ in crores)

Particulars	Q3 FY22	Q2 FY22	Q3 FY21	YOY% change
	Unaudited	Unaudited	Unaudited	
Revenue from Operations	71.1	51.4	14.4	395%
<b>Total Income</b>	<b>71.3</b>	<b>51.6</b>	<b>14.5</b>	<b>390%</b>
Total Operating Expense	57.8	42.3	9.9	486%
<b>EBITDA (Excluding OI and EI)</b>	<b>13.4</b>	<b>9.1</b>	<b>4.5</b>	<b>197%</b>
EBITDA Margins %	18.8%	17.8%	31.3%	-40%*
Interest Cost	1.2	1.2	1.3	-3%
Depreciation and Amortisation	1.1	1.1	1.1	1%
Profit Before Taxes	11.2	7.0	2.3	388%
<b>Profit after Taxes</b>	<b>7.7</b>	<b>5.2</b>	<b>2.1</b>	<b>265%</b>
EPS	8.15	5.93	1.90	329%

Note: EPS is Basic Earnings Per Share, figure in ₹

\* The increase in the cost of material consumed compared to the previous year quarter ended 31<sup>st</sup> December 2020 is due to a regrouping of certain expenses.



# Balance Sheet

## Summary (standalone)

(₹ in crores)

Particulars	Q3 FY22	Q2 FY22
	Unaudited	Unaudited
<b>Shareholders Fund</b>	<b>78.7</b>	<b>70.4</b>
Non Current Liabilities	121.0	121.0
Current Liabilities	68.1	61.1
Total	267.7	252.6
Non Current Assets	114.2	112.2
Current Assets	153.5	140.4
Total	267.7	252.6

# Segment Results (standalone)

(₹ in crores)

Particulars	Q3 FY22	Q2 FY22	Q3 FY21
<b>REVENUES</b>			
EPCC	68.3	45.1	12.3
IPP	1.9	3.1	1.8
O&M	0.9	3.2	0.3
<b>PROFIT BEFORE TAX</b>			
EPCC	10.3	2.7	2.2
IPP	1.3	2.5	1.2
O&M	0.8	3.0	0.2
<b>CAPITAL EMPLOYED</b>			
EPCC	57.8	46.9	37.9
IPP	20.8	23.3	19.4
O&M	0.1	0.2	0.5

# Income Statement Summary (Consolidated)

(₹ in crores)

Particulars	Q3 FY22	Q2 FY22	Q3 FY21	YOY% change
	Unaudited	Unaudited	Unaudited	
Revenue from Operations	71.1	51.4	14.4	395%
<b>Total Income</b>	<b>71.3</b>	<b>51.6</b>	<b>14.5</b>	<b>390%</b>
Total Operating Expense	57.9	42.3	9.9	488%
<b>EBITDA (Excluding OI and EI)</b>	<b>13.2</b>	<b>9.1</b>	<b>4.5</b>	193%
EBITDA Margins %	18.5%	17.7%	31.3%	-41%*
Interest Cost	1.2	1.2	1.3	-3%
Depreciation and Amortisation	1.4	1.4	1.1	28%
Profit Before Taxes	10.7	6.7	2.3	368%
<b>Profit after Taxes</b>	<b>6.9</b>	<b>4.5</b>	<b>2.1</b>	<b>229%</b>
EPS	7.47	5.34	1.90	293%

Note: EPS is Basic Earnings Per Share, figure in ₹.

\* The increase in the cost of material consumed compared to the previous year quarter ended 31<sup>st</sup> December 2020 is due to a regrouping of certain expenses.

# Balance Sheet

## Summary (Consolidated)

(₹ in crores)

Particulars	Q3 FY22	Q2 FY22
	Unaudited	Unaudited
<b>Shareholders Fund</b>	<b>99.0</b>	<b>91.5</b>
Non Current Liabilities	134.5	134.3
Current Liabilities	68.5	61.3
Total	302.0	287.0
Non Current Assets	147.5	143.8
Current Assets	154.6	143.2
Total	302.0	287.0

# Segment Results (Consolidated)

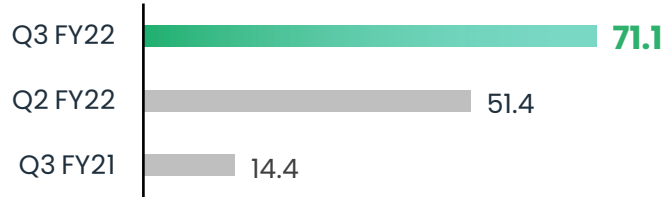
(₹ in crores)

Particulars	Q3 FY22	Q2 FY22	Q3 FY21
<b>REVENUES</b>			
EPCC	68.3	45.1	12.3
IPP	1.9	3.1	1.8
O&M	0.9	3.2	0.3
<b>PROFIT BEFORE TAX</b>			
EPCC	9.9	2.3	2.2
IPP	1.3	2.5	1.2
O&M	0.8	3.0	0.2
<b>CAPITAL EMPLOYED</b>			
EPCC	75.5	68.0	68.1
IPP	23.3	23.3	19.4
O&M	0.2	0.2	0.5

# Q3 FY22 Financial Highlights

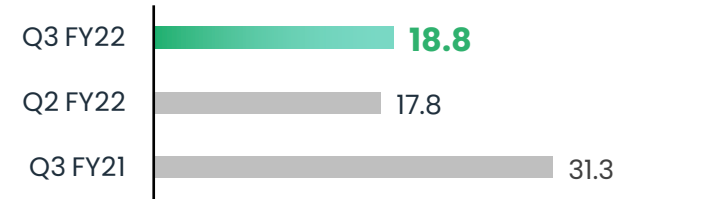
## REVENUE FROM OPERATIONS

(₹ in crores)



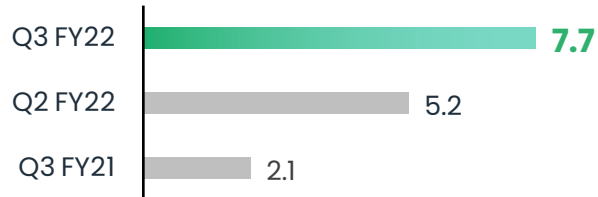
## EBIDTA MARGIN

(In %)



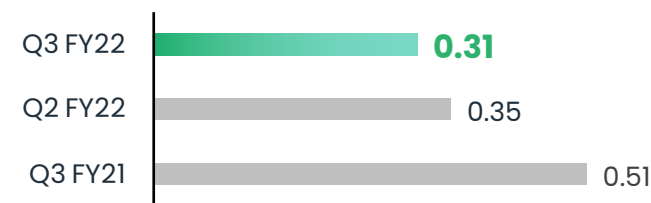
## PAT

(₹ in crores)



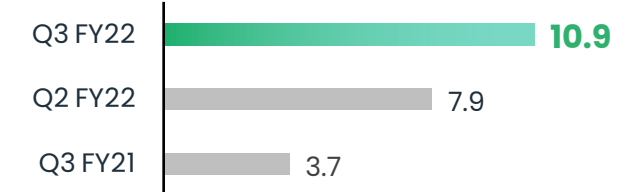
## DEBT TO EQUITY

(Times)



## INTEREST COVERAGE RATIO

(Times)



# Execution Performance

## SIDHPUR PROJECT OF 252MW FOR CLP AT DEVBHOOMI DWARKA, GUJARAT

- Post Corona Impacts, gathering momentum by mobilising the labour resources back to work was a big challenge for the Company and before it achieved full control, the third wave had started looming. There was also a considerable impact of Panchayat elections on the development pace of the quarter. Despite all odds, Company has leapt ahead in progress and posted confidence and clarity in its approach and control over the Site with cumulative numbers depicting status as below:

### 1 220Kv EHV Line:

- RoW for 73% tower locations have been acquired
- 52% Tower erection works have been in progress
- 72% Tower foundation work completed
- 26% of stringing work completed

### 2 300MW Windfarm Pooling Substation:

- Control room building structure erected and architectural works in progress
- Foundation works for 220Kv and 33Kv Equipment in switch yard is 100% completed
- Major equipment supplies completed
- 150MVA Power Transformer testing and dispatch expected by January 2022

### 3 33Kv internal network:

- 35% Pole Erection work completed
- 22% Stringing work completed
- All critical material including 80% of the RSJ Pole received at site

### 4 Access Roads:

- Civil Road work completed for 50% of locations and Mechanical Roads already completed for first phase of locations where erection activities are planned to be initiated



# Execution Performance

## GADHSISA PROJECTS OF 300MW AT KUTCH, GUJARAT

- Gadhsisa project documentation in place. Active discussions with GE team underway for reconciliation and settling accounts.

## GADHSISA PROJECTS OF 300MW AT KUTCH, GUJARAT

- The Company has executed WTG Supply and EPCC Service Contract with the captive customers, and the advance amount has been received for the entire Project. WTG supply tie-up successfully done with OEMs and necessary advances and delivery and project coordination are well in place. Site Pre-construction arrangements done along with identification and acquisition of Store area and its development, execution team mobilisation, site administration in place to sphere head this time-bound development.

## 30MW EVERGREEN PROJECT AT MAHUVA-II SITE, BHAVNAGAR

- We continue to make sincere efforts to obtain extension approval from competent authorities. Therefore, we are hopeful of obtaining the extension in the near future.

## 120MW MAHUVA-III/IV/V SITE, BHAVNAGAR

- The Company continue to engage actively with prospective customers. During the quarter, substantial progress has been made in such discussions, which shall continue for further elaboration on technical and commercial aspects.



# Execution Performance

## GADHSISA PROJECTS OF 300MW AT KUTCH, GUJARAT

- Both companies have come to a common agenda after a series of meetings and discussions on EHV and balance windfarm contract provisions, deliverables, pending actions and arrived on work completion certification and settlement agreement documents. These documents are presently awaiting implementation in accordance with agreed timelines and condition precedents. A series of actions will happen in Q4FY22 and is expected to be fully completed by end of the current financial year. This will help Company to phenomenally optimise its liabilities and focus on its growth avenues

## Mahuva-I Site, Captive Project for Retail Customers at Bhavnagar, Gujarat

- Out of 15.3MW WTGs, 6.9MW WTGs have already been received well in advance at the site and the rest of WTGs are being delivered with a slight delay in Schedule. Project activities including area development, approach roads, foundation and 33kv internal line network are being undertaken more aggressively to meet the final project schedule. The company has achieved 60% of activities in project completion timelines and revenue so far.

## 30MW Evergreen Project at Mahuva-II Site, Bhavnagar

- With growing time and ever-increasing tariffs at various actions in the country, the efforts of the Company in obtaining the extension of timelines and waiver of penalties would see day light.

## Mahuva-III/IV/V Site, Bhavnagar

- 140MW Hybrid Project conceived by Company for completion by March 2023 is shot in the arm in the C&I segment and is expected to be the largest Hybrid project under development by a single entity in the State for a huge captive market. In a supply-constrained market, the company has already blocked the entire 133MW wind capacity envisaged for the proposed 140MW hybrid project. The company is on the last lap in closing the contracts with captive customers and its long exposure in the wind segment as well as its concentrated focus on the Gujarat market has led it to a decisive role in the agreements

# Result Discussion

## RESULT DISCUSSION

- Numbers on board itself signify the present-day statistics for the company:
  1. Third-quarter closing performance in terms of revenue is once again very strong.
  2. Revenue for the quarter grew by 38% over Q2 FY 21-22 and stood at Rs. 71.14 Crores and growth of 395% compared to the corresponding quarter last year.
  3. EPCC revenue for the quarter has further grown by 51% over Q2 FY 21-22 and stood at 68.34 Crores.
  4. Drop in the sale of power revenue over Q2 FY 21-22 is a seasonal impact, however, it grew by 3% compared to the corresponding quarter last year.
  5. OMS revenue dropped due to one-time revenue of Rs 2.22 Crore in Q2 FY 21 – 22 except that OMS revenue is in line with Q2 FY 21-22 and grew by 218% compared to the corresponding quarter of last year
  6. EBITDA margin stands at 19%, PAT margin of 13% for the quarter. This is close to our feed-in-tariff regime margins and displays stability regained after a struggle of about 3 years. The increase in the cost of material consumed compared to the previous year nine months ended 31st December 2020 is due to a regrouping of certain expenses.
  7. EPS for the quarter stood at Rs. 8.15. EPS for Trailing Twelve Month (TTM) as on Q3FY22, stood at Rs. 18.98. Which is the highest over the last 24 months.
  8. An increase in current liabilities of Rs. 27 crores is on account of advance receipt from the customer has been utilized for advance payment to the vendor and hence approximately a similar increase is found in other current assets.

Note: Standalone Figures

# Growth Avenues





## APPRAISED GROWTH AVENUES

1. The company has decided to isolate its strengths to perform to its fullest capabilities and keep this aloof from the reverberating EPC business of KP Energy to the benefit of all of its stakeholders. It has therefore incorporated its 100% subsidiary to independently operate and maintain its conceived projects with a strong trajectory as well as venture out to different geographies and assets under its OMS umbrella with the help of its long exposure and position in the market. This newly incorporated entity will take over entire OMS obligations through the Business Transfer Agreement and assignment of rights with prior approval of the entities under OMS purview. This will flourish value unlock as well as benefit KP Energy shareholders as a whole.
2. KP Energy has achieved in geometrical proportion, objectives it envisaged in raising money through its maiden IPO in Feb'2016. It has proved its mettle and role in wind industry growth. It now envisages a strong annuity income with stable growth and a more profitable business by using its acumen as equity. It has floated a very innovative OPEX model to the benefit of captive users with the "Pay Per Unit" concept in the upcoming Hybrid & Wind Captive Business. This is immensely beneficial to any captive user as compared to the traditional Capex or Group Captive model prevailing in the industry and also to the Company with a very strong annuity income growth and stability.

# Market Statistics

## SHAREHOLDING SUMMARY FOR KP ENERGY LIMITED



	Promoter	<b>66.60%</b>
	Public	<b>33.40%</b>

Shareholding Data as on 31<sup>st</sup> December, 2021

Current Market Price	<b>321.9</b>
52 Week High/Low	<b>323.8/51.1</b>
Market Capitalization	<b>₹357.8 Cr</b>
Shares Outstanding	<b>₹1.11 Cr</b>
BSE Scrip Code	<b>539686</b>

Market Price Data as on 17<sup>th</sup> January, 2022

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