The Tata Power Company Limited

Analyst Call, Q2 FY19

29th October 2018

TATA POWER
Lighting up Lives!

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Key Highlights Q2FY19

- Consistent performance in Mumbai operations, Renewables, Delhi Distribution. Regulator order for Mumbai regulated business has been received.
- Performance have improved at all levels underlying business EBIDTA of approximately Rs 5000 crore for H1.
- Renewable business report an EBITDA of Rs.631 crore for the quarter
- CGPL counters price pressures by higher blending, up 19% v/s previous year.
- Coal companies EBIDTA improved by Rs 150 crore over previous quarter. However price and cost pressures likely to continue.
- Foreign currency loans ~ USD 770 mio refinanced by Rupee Bonds and Loans in CGPL.
- Realised non-core assets of Rs.1900 crore
- Conso Debt – Equity ratio at the end of quarter stands at 2.27
- High Power Committee has issued report and Gujarat Government petition in Supreme court allowed, matter now with CERC.

Consolidated Performance – Q2 FY19 Vs Q2 FY18

Fig in ₹ Cr

Particulars	Op. Income		EBITDA^		PAT	
	Q2FY19	Q2FY18	Q2FY19	Q2FY18	Q2FY19	Q2FY18
Tata Power-Conso (line item 13 SEBI Results)	7234	6610	1732	1676	393	213
Standalone & Key Subsidiaries						
Tata Power (Standalone)^^	1922	1769	810	816	298	42
CGPL (Mundra UMPP)	1624	1648	(14)	66	(463)	(336)
MPL (Maithon Power)*	615	646	161	203	40	67
TPDDL (Delhi Discom)**	2033	1941	273	221	82	20
TPTCL (Power Trading)	1109	1140	20	5	12	1
Tata Power Solar (Solar Mfg)	313	469	29	49	1	17
TPREL (Renewable Power)	195	135	188	175	39	92
WREL (Renewable Power)	291	275	116	93	53	70
Coal SPVs^^^ (Investment Companies)			(1)	246	(58)	159
TERPL (Shipping Co)	191	80	90	52	60	26
EEPL (Shipping Co)	99	57	(1)	(11)	(3)	(12)
TPIPL (Overseas Investment Co)	4	39	(5)	(17)	(5)	(17)
Others	100	94	2	2	8	12
TOTAL - A	**8496**	**8294**	**1669**	**1899**	**65**	**141**
Joint Venture and Associates***					433	425
TOTAL - B	**8496**	**8294**	**1669**	**1899**	**498**	**567**
Eliminations#	(1,262)	(1,684)	63	(222)	(71)	(215)
Exceptional Items					-	(149)
Discontinued operations					(33)	10
TOTAL - C	**7234**	**6610**	**1732**	**1676**	**393**	**213**

*TPCL stake-74%; **TPCL stake-51% stake; *** TPCL share, ^ including other income, ^^ PAT before exceptional item & discontinued operations,^^^ Consolidated at EBITDA & PAT level only

#Eliminations include inter-company transactions

Share of Joint Ventures and Associates – Q2 FY19 Vs Q2 FY18

Fig in ₹ Cr

Particulars	% Share	OP. INCOME		EBITDA		PAT	
		Q2FY19	Q2FY18	Q2FY19	Q2FY18	Q2FY19	Q2FY18
Joint Ventures							
Coal Companies (KPC, BSSR, AGM)	30% / 26%	2,120	2,103	659	672	322	324
ITPC	50%	84	78	87	74	21	39
Coal Infrastruture Companies (NTP)	26%	74	80	77	87	43	49
Cennergi Pty. Ltd.	50%	72	68	61	60	13	(9)
Powerlinks Transmison Ltd	51%	19	25	18	24	14	23
Industrial Energy Ltd	74%	51	64	36	39	16	19
Others (including adjustments)				15	(16)	3	(20)
Total- Joint Ventures		**2,420**	**2,418**	**954**	**941**	**433**	**425**

Underlying Consolidated EBITDA

Fig in ₹ Cr

Particulars	Q2FY19	Q2 FY18	H1FY19	H1FY18
Adjusted Business EBITDA	**2668**	**2663**	**5094**	**5224**
Less: EBITDA of JV Companies	**954**	**940**	**1,771**	**1,800**
KPC	*595*	*614*	1,072	1,130
BSSR	*64*	*58*	*109*	*113*
Coal Infra	*77*	*87*	*171*	*167*
Cennergi	*61*	*60*	*127*	*113*
ITPC	*87*	*74*	*175*	*145*
Powerlinks	*18*	*24*	*36*	*45*
IEL	*36*	*39*	*78*	*93*
Others	*15*	*(16)*	*3*	*(6)*
Add: INDAS impact (AS 115)	18	(47)	95	81
Reported EBITDA	**1,732**	**1,676**	**3,418**	**3,506**
Less: Depreciation	611	579	1,211	1,156
Less: Finance Cost	1,034	989	2,047	1,998
PBT as per line item no.5 in Adv	**87**	**108**	**159**	**352**

Tata Power (Consolidated) Financial Performance

Fig in ₹ Cr

Particulars	Q2FY19	Q2FY18	H1FY19	H1FY18	Qtr Var	Remarks
Operating Income	7,234	6,610	14,373	12,775	625	
Operating Expenses	5,607	5,067	11,149	9,546	(540)	
Operating Profit	**1,627**	**1,543**	**3,223**	**3,229**	**84**	
Other Income	105	133	194	277	(29)	Due to lower dividend
EBITDA	**1,732**	**1,676**	**3,417**	**3,507**	**56**	
Interest cost	1,034	989	2,047	1,999	(46)	Due to increased hedge cost in CGPL and replacement of ST loan by LT loan in WREL
Depreciation	611	579	1,211	1,156	(31)	Due to capitalisation in TPREL
PBT before share of JV	**87**	**108**	**159**	**352**	**(21)**	
Share of profit of Assoc and JV	433	425	802	815	8	
PBT after share of JV	**520**	**533**	**960**	**1,166**	**(14)**	
Tax Expenses	**93**	**182**	**249**	**424**	**88**	
Net Profit for the Period from continuing op*	**426**	**203**	**2,195**	**593**	**223**	
Exceptional item (gain)/loss	-	149	(1,483)	149	(149)	
PBT after exceptional item	**520**	**384**	**2,444**	**1,018**	**135**	
Profit from discontinued operation	(33)	10	(67)	25	(43)	Defence business being shown as discontinued operations
Net Profit for the Period **	**393**	**213**	**2,128**	**618**	**181**	

***Line No.11 of advertisement, ** line no 13 of the advertisement**

Tata Power (Standalone) Financial Performance

Fig in ₹ Cr

Particulars	Q2FY19	Q2FY18	H1FY19	H1FY18	Qtr Var	Remarks
Operating Income	1,922	1,769	3,674	3,619	153	True-up order of FY15 & FY16 : ₹ 92 cr,
Operating Expenses	1,255	1,135	2,527	2,374	(120)	Higher cost of fuel
Operating Profit	**667**	**634**	**1,147**	**1,244**	**(33)**	
Other Income	143	182	438	397	(39)	Previous period had ₹ 52 cr int.income on security deposit on Docomo liability
EBITDA	**810**	**816**	**1,585**	**1,641**	**(6)**	
Interest cost	333	394	677	747	61	Previous period had hedge cost on Docomo liability : ₹ 35 cr
Depreciation	158	158	315	312	-	
PBT	**319**	**264**	**593**	**582**	**55**	
Tax Expenses	22	109	57	225	87	Higher Def.Tax in PY for SED
PAT (before adjustments)	**297**	**155**	**536**	**357**	**142**	
Exceptional item net of tax	-	(113)	930	(113)	113	
PAT for the period*	**298**	**42**	**1,466**	**244**	**256**	
Discontinued operation PAT	(33)	10	(67)	25	(43)	Defence business being shown as discontinued operations
PAT for the period after discontinued operations**	**265**	**52**	**1,399**	**269**	**213**	

*** Line no.9 of advertisement ** Line no.11 of advertisement**

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CGPL : Key Highlights

Fig in ₹ Cr

Particulars	Q2FY19	Q2 FY18	H1FY19	H1FY18	Qtr Var	Remarks
Generation (MUs)	5999	7018	11907	12328	(1,019)	
Sales (MU)	5520	6,468	10,954	11,344	(948)	
Availability (%)	71%	85%	70%	73%	-14%	
PLF (%)	66%	77%	65%	68%	-11%	
FOB price of coal (USD/T)	64.6	59	63	59	5	
Revenue (₹ /Unit)	2.9	2.6	2.8	2.5	0.3	
FOB Fuel under recovery (₹ /Unit)	(0.83)	(0.69)	(0.84)	(0.77)	(0.14)	
Financials						
Operating Income	1,624	1,648	3,079	2,873	(24)	Higher due to capacity charges at normalised availability: ₹ 71 crore, Increase in Fuel Revenue by ₹ 0.32/unit
Operating Expenses	1,640	1,583	3,074	2,759	(57)	Due to higher coal prices and currency depreciation partially offset by savings due to higher usage of low GCV coal
Operating Profit	**(16)**	**65**	**5**	**114**	**(81)**	
Other Income	2	1	2	2	(1)	
EBITDA	**(14)**	**66**	**7**	**116**	**(80)**	
Interest & Finance Cost*	290	257	576	465	(33)	Increased hedge cost due to increase in hedging ratio and currency depreciation
Forex Loss / (Gain) - Others	36	20	81	45	(16)	Cost on Commodity hedging : ₹ 15 cr
Depreciation	123	125	246	250	(2)	
PBT	**(463)**	**(336)**	**(896)**	**(644)**	**(127)**	
PAT	**(463)**	**(336)**	**(896)**	**(644)**	**(127)**	

* Includes fx gain/loss pertaining to debt servicing

Coal Business: Key highlights

Coal Company - KPC	Q2FY19	Q2 FY18	H1FY19	H1FY18
Coal Mined (MT)	15.8	15.5	30.0	29.7
Coal Sold (MT)	13.0	14.6	27.0	29.0
HBA	94.0	79.0	97.0	82.0
FOB Revenue (USD/T)*	69.2	67.1	67.0	65.6
Royalty (USD/T)	10.0	8.8	9.4	8.7
Net Revenue after royalty (USD/T)	59.2	58.3	57.6	56.9
Cost of Production (USD/T)**	42.6	33.9	39.9	33.1
COGS ($/T) - Including Inv Movement	34.7	32.5	35.8	32.6
Gross Profit (USD/T)	**24.5**	**25.8**	**21.8**	**24.4**

* Revenue impacted by Domestic Market Obligation (DMO) regulation

Coal to Power Generation – An Integrated view

Fig in ₹ Cr

Generation at Mundra

CGPL	Q2FY19	Q2FY18	Qtr Var	H1FY19	H1FY18	%
Revenue	1,624	1,648	(24)	3,079	2,873	-1%
EBITDA	(14)	66	(80)	7	116	-121%
PAT	(463)	(336)	(127)	(896)	(644)	38%

Coal mining, Coal Infra & Shipping Companies

Coal & Infrastructure Business	Q2FY19	Q2FY18	Qtr Var	H1FY19	H1FY18	%
Revenue	2,415	2,320	96	4,727	4,596	4%
EBITDA	823	800	23	1,614	1,508	3%
PAT	426	390	36	740	767	9%

Net	(42)	44	(86)	(162)	113

The losses at CGPL, Mundra are largely compensated by profitability at coal mines, Indonesia.

Maithon Power Limited : Key highlights

Fig in ₹ Cr

Particulars	Q2FY19	Q2FY18	H1FY19	H1FY18	Qtr Var	Remarks
Generation (MUs)	1595	2,112	3,539	4,064	(517)	
Sales (MU)	1498	1,992	3,341	3,834	(494)	
Availability (%)	72%	98%	80%	96%	-26%	
PLF %	69%	91%	77%	88%	-22%	
Financials						
Operating Income	615	646	1,261	1,257	(31)	Lower availability due to coal shortages
Operating expenses	455	446	915	856	(9)	Due to lower PLF
Operating profit	**160**	**200**	**346**	**401**	**(16)**	
Other Income	1	3	3	7	(2)	
EBITDA (Rs cr)	**161**	**203**	**349**	**408**	**(42)**	
Interest cost	53	57	101	109	4	Due to refinancing
Depreciation	59	59	119	119	-	
PBT	**49**	**87**	**129**	**180**	**(38)**	
PAT	**40**	**67**	**103**	**136**	**(27)**	

Note: Figures are for MPL Standalone. Tata Power's stake is 74%

Tata Power Delhi Distribution Limited : Key Highlights

Fig in ₹ Cr

Key Indicators	Q2FY19	Q2FY18	H1FY19	H1FY18	Var Qtr	Remarks
Generation (Mus)	0.47	0.52	1.09	1.08	(0.05)	
Purchase (Mus)	2939	2,839	5,783	5,547	(100)	
Sales (Mus)	2758	2,589	5,358	5,080	169	
Revenue Per Unit	7.37	7.50	7.58	7.26	(0.13)	
Financials	**Q2FY19**	**Q2FY18**	**H1FY19**	**H1FY18**	**Var Qtr**	**Remarks**
Income from Operation	2,033	1,941	4,060	3,687	93	Higher incentive on AT&C reduction & int rate reduction on refi : ₹ 31 Cr
Power Purchase	1,577	1,518	3,150	2,817	(59)	
Other operating Exp.	208	216	393	392	8	Previous period had ₹ 8 Cr one time payment related to 7th pay commisison
Operating Exp.	1,785	1,734	3,543	3,209	(51)	
Operating Profit	**248**	**207**	**517**	**478**	**144**	
Other Income	25	14	45	27	11	Higher consultancy income
EBITDA	**273**	**221**	**562**	**505**	**52**	
Interest/Finance Charg	90	87	184	180	(3)	
Depreciation	75	108	149	184	33	
PBT	**108**	**26**	**229**	**141**	**82**	
Current Tax	26	6	54	36	(20)	
PAT	**82**	**20**	**175**	**105**	**62**	

Note: Figures are for TPDDL Standalone, Tata Power's stake is 51%

Tata Power Solar Limited : Key Highlights

Fig in ₹ Cr

Particulars	Q2FY19	Q2FY18	H1FY19	H1FY18	Qtr Var	Remarks
Operating Income	313	469	658	1,344	(156)	Sales deferred due to imposition of safeguard duty.
Operating expense	284	421	603	1,212	137	Due to lower sales and gain on Fx
Operating profit	**29**	**48**	**55**	**132**	**(19)**	
Other Income	-	1	-	-	(1)	
EBITDA	**29**	**49**	**55**	**132**	**(20)**	
Interest cost	7	8	11	15	1	
Depreciation	19	19	39	36	-	
Tax	2	5	3	19	3	
PAT	**1**	**17**	**2**	**62**	**(16)**	

Tata Power Renewable (Standalone): Key highlights

Fig in ₹ Cr

Particulars	Q2FY19	Q2FY18	H1FY19	H1FY18	Qtr Var	Remarks
Capacity (MW)	724	444	724	444	301	
Generation (MUs)	409	232	750	468	177	
Sales (MU)	398	223	727	454	175	
Avg PLF (%) - Solar	19.3%	13.5%	18.8%	14.7%	5.8%	
Avg PLF (%) - Wind	32.1%	26.3%	28.5%	26.4%	5.9%	
Financial Performance						
Operating Income	195	135	373	274	60	Due to addl 301 MW of operating capacity partially offset by impact of IND AS 115 for revenue normalisation
Operating Expenses	17	13	34	26	(4)	
Operating Profit	**178**	**122**	**339**	**247**	**56**	
Other Income	10	53	58	100	(44)	PY Dividend Income :₹ 40 cr. & lower int income
EBITDA	**188**	**175**	**397**	**347**	**13**	
Interest & Finance Cost	82	50	147	98	(31)	Due to new operational plants and impact of IND AS 115 for revenue normalisation
Depreciation	67	46	130	94	(21)	Due to capacity addition
PBT	**39**	**79**	**120**	**155**	**(40)**	
Tax	(0)	(13)	10	7	(13)	
PAT	**39**	**92**	**110**	**148**	**(52)**	

Walwhan Renewable : Key highlights

Fig in ₹ Cr

Particulars	Q2FY19	Q2FY18	H1FY19	H1FY18	QTR Var	Remarks
Capacity - Wind (MW)	146	146	146	146	-	
Capacity - Solar (MW)	862	862	862	862	-	
Capacity - Total (MW)	1008	1,008	1008	1,008	-	
Generation (MUs)	417	387	908	856	30	
Financials						
Operating Income	291	275	638	610	16	
Operating expenses	26	24	50	46	(2)	
Operating profit	**265**	**251**	**588**	**564**	**14**	
Other income	7	6	13	11	1	
EBITDA	**272**	**257**	**601**	**575**	**15**	
Interest cost	116	93	229	269	(24)	Due to conversion of short term to long term loan
Depreciation	73	72	144	142	(1)	
Tax	29	22	74	35	(7)	
PAT	**53**	**70**	**155**	**129**	**(17)**	

Note : The Company has been acquired on 14th Sep, 2016.

Renewables – Consolidated View for Q2FY19

Fig in ₹ Cr

Key indicators	TPREL^	WALWHAN	WIND ASSETS*	Others	Conso Renewables (without EPC)	EPC#	Conso Renewables (with EPC)
Capacity (MW)	724	1,008	380	104	2,216		2,216
Revenue	195	291	117	44	647	313	960
EBITDA	188	272	106	37	602	29	631
PAT	39	53	59	7	159	-	159
Net Worth	5,096	1,967	356	160	5,612	388	6,000
Net Debt	3,657	5,128	700	491	9,686	-	9,686

^ TPREL standalone *Tata Power standalone # Tata Power Solar

Note: 1. Conso EBITDA & PAT excludes inter company dividend

2. Conso net worth excludes inter company investments

Leverage Management - Debt Profile

Fig in ₹ Cr

PARTICULARS	STANDALONE			CONSOLIDATED		
	Rupee	Forex	Total	Rupee	Forex	Total
Long term	9,063	-	9,063	23,379	4,673	28,052
Short term	7,128	25	7,153	14,610	2,391	17,001
Current Maturity of LT	1,165	-	1,165	2,752	85	2,837
Total Debt	**17,356**	**25**	**17,381**	**40,741**	**7,149**	**47,890**
Less: Cash			53			1,194
Net Debt			17,328			46,696
Equity			15,468			20,593
Net Debt to Equity	**Q2 FY19**		**1.12**			**2.27**
	Q2 FY18		**0.96**			**2.90**

Regulated - Equity and Assets

Fig in ₹ Cr

Particulars	Q2FY19	Q1 FY19	Q4 FY18	Q3 FY18	Q2 FY18
Regulated Equity					
Mumbai Operation	3,788	3,793	3,927	3,815	3,812
Tata Power Delhi Distribution	1,360	1,348	1,272	1,231	1,225
Maithon Power	1,403	1,388	1,388	1,388	1,444
Powerlinks Transmission	466	466	466	466	466
Total	**7,017**	**6,995**	**7,053**	**6,900**	**6,947**
Regulated Assets					
Mumbai Operation	1,512	1,533	1,701	1,270	1,181
Tata Power Delhi Distribution	4,125	4,327	4,411	4,494	4,173
Total	**5,637**	**5,860**	**6,112**	**5,764**	**5,354**

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