



Reimagining Tata Power 2.0 An All-Round Industry leader

Lighting up a Billion Lives

3rd June 2021

Lighting up Lives!



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Tata Power is in midst of a planned transformation on multiple fronts...



THINK BIG

PORTFOLIO TRANSFORMATION

From a 30% clean portfolio
to over 60 % Renewables
portfolio in FY'25

CUSTOMER @ Center

NEW BUSINESS

From a commodity player
to a service provider for
the end consumer

GROWTH SCALE UP

From 12.8 GW to 25 GW
capacity in FY'25

SUSTAINABILITY FOCUS

CUSTOMER EXPLOSION

From a ~ 3 million customer
base in FY' 20 to 20 million
customer base in FY'25

INNOVATE

.... in its journey to be the **UTILITY OF THE FUTURE**

New growth areas nurtured and balance sheet strengthened to prepare for Tata Power 2.0

FY19 FY21



Moving towards Clean Energy
Overall capacity of 13,442 MW (incl UC)



Renewable Capacity ~ 1.6x increase



Distribution – Increase in customer base



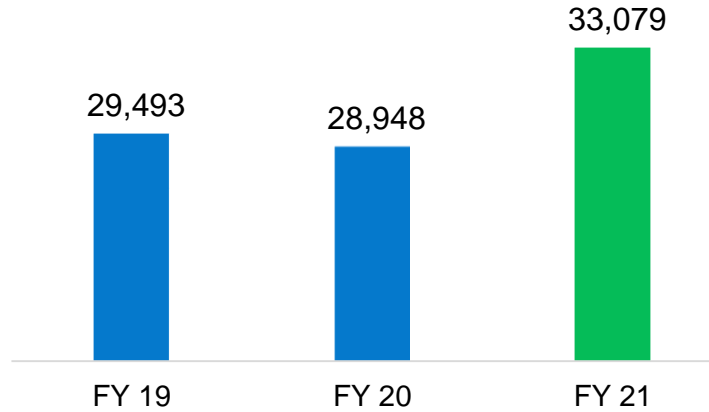
Rooftop solar – Gained major share with increasing presence across cities



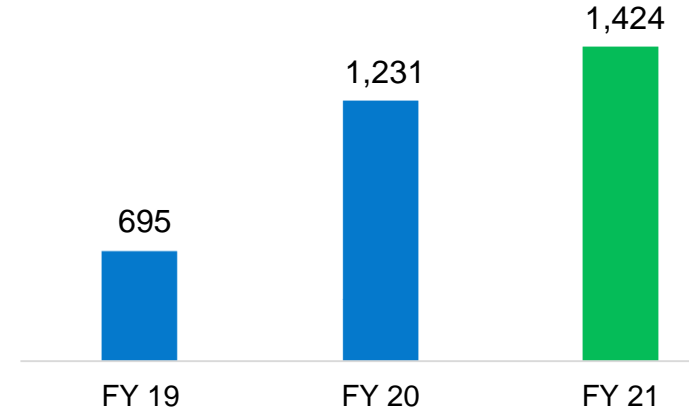
EV Charging stations – building early mover advantage

EXISTING BUSINESSES STRENGTHENED, GROWTH AREAS SHOWING TRACTION; DELEVERAGING & PROMOTER FUNDING FORTIFIED BALANCE SHEET

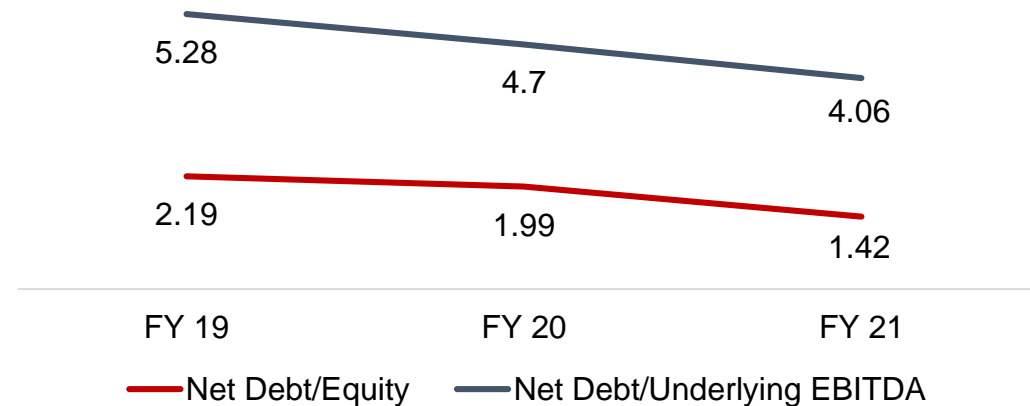
Revenue (in ₹ crore)



PAT (in ₹ crore)



Debt Metrics

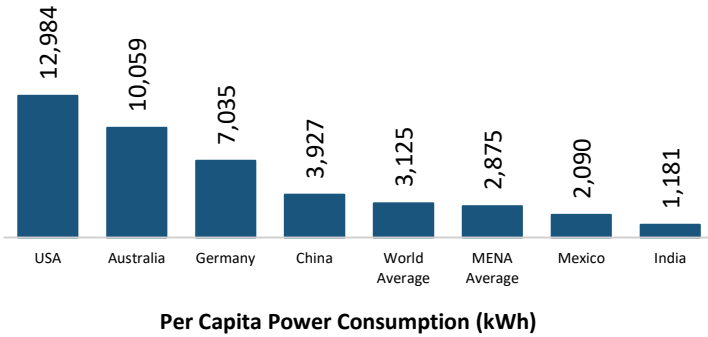




Tata Power 2.0 Transformation & Growth

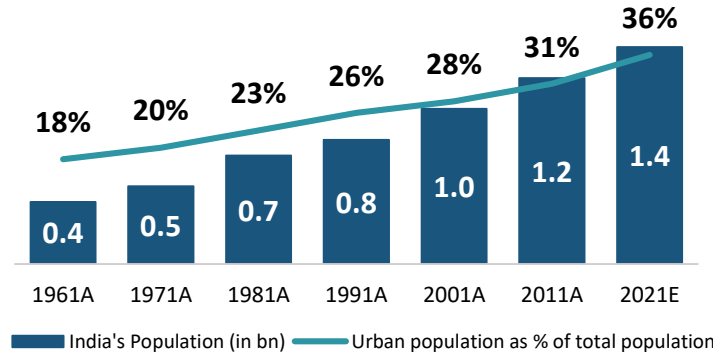


Substantially Underpenetrated Electricity Market



Per capita consumption in India very low compared to global average, providing immense growth opportunities in the sector

Rising Population & Urbanization fuels growth



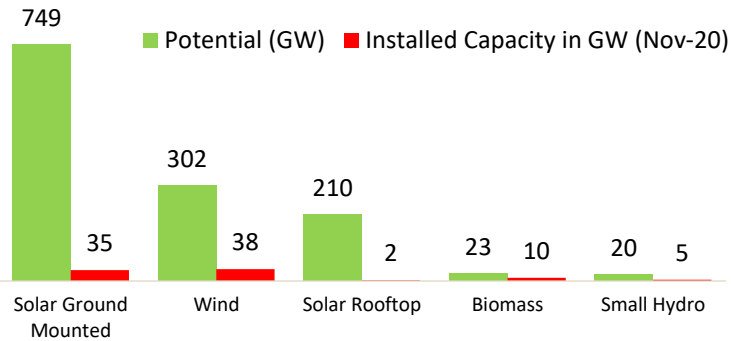
Rising population & urbanization will drive for Power demand

Peak Electricity Demand (GW)



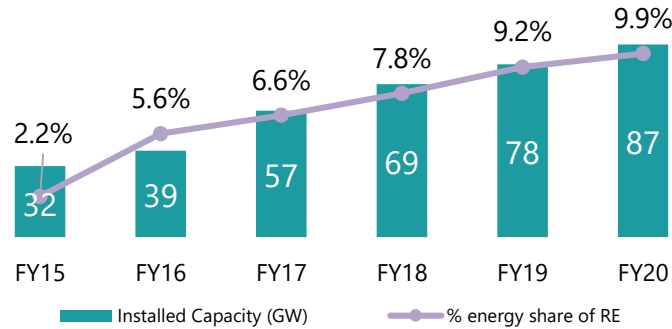
Consistent growth in electric energy demand

Immense Potential for Capacity addition



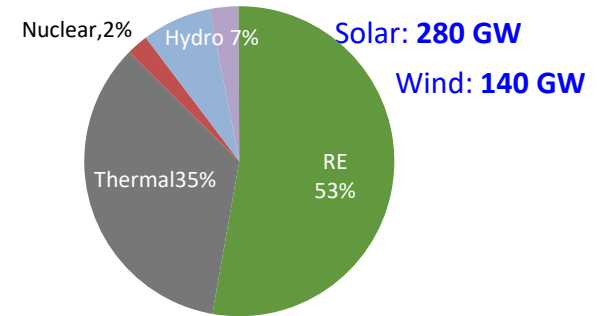
Huge untapped Renewable resource in India, Solar Potential ~ 750 GW (37 GW as of Nov 20)
Wind Potential ~ 300 GW (38 GW as of Nov 20)

Renewable Energy Growth



RE continues to grow significantly, driven by Solar capacity

Renewable Energy Capacity to increase by FY30



Renewable installed capacity share to increase to 280 GW & 140 GW by 2030

Solar Rooftop

- Market size expected to be ~ 30 GW by FY26 (FY21 est. ~ 6.6 GW)
- Adoption driven by tariff arbitrage between grid and solar rooftop installations
- Market growth supported by favourable policies :
 - *Open Access (for C&I consumers),,*
 - *mandatory solar provision in the Model Building bye-laws*

Solar Pumps

- Projected market size of ~₹ 19,500 crore in FY26
- Opportunity to convert the diesel and electricity grid operated pumps (remaining out of total 3 crore estimated installed no. of pumps as of FY20)
- Market growth supported by favourable policies :
 - *PM-KUSUM scheme enhanced to cover 35 lakh farmers (20 lakh standalone pumps)*
 - *reducing agriculture & power subsidies (~1.1 lakh crore)*
 - *India's INDC commitment*

Electric Vehicle Charging

- ~ 9.6 to 14.3 million electric vehicles are expected to be on road by FY26
- Improving Total Cost of Ownership for EVs driving higher adoption
- Market growth supported by favourable policies :
 - *EV adoption with an outlay of ₹ 10,000 crore over FY20-FY22 under Scheme for Faster Adoption and Manufacturing of Electric Vehicle in India Phase II (FAME India Phase II)*
 - *Vehicle scrappage policy to improve EV adoption*
 - *Reduction of GST on EV and chargers to 5%*

Residential & Industrial Rooftop Solar: 8x growth in Topline to ₹ 5,000 Cr+



Growth Aspiration (FY 25)

30%+ Market Share Top Line: ₹ 5,000 Cr+



Our Standing



30,000+ total & 15,000+ residential customers



500+ MW installed, ~40% CAGR (FY18-21)



Ranked No 1 Solar EPC Player for 7 years in a row



Pan India network of 250+ Channel Partners

Key Capabilities & Differentiators

➤ TRUST OF BRAND TATA

➤ BEST IN CLASS GENERATION FROM SOLAR



World Class Engineering & Installation Services



Superior quality solar components



Higher plant Uptime: 24*7 Service

➤ ONE STOP SOLUTION PROVIDER FOR ALL ENERGY & ALLIED NEEDS



Complete Bill of Materials



Liaising for regulatory Approvals



Easy Financing Solutions



Allied Needs: Home Automation, Re-Roofing etc.

➤ SUPERIOR SAFETY



Structures to withstand high wind-speed



Use of Walkways and Safety lines to avoid accidental mishaps

➤ CHANNEL ECOSYSTEM



Motivated & Engaged 250+ Channel Partners

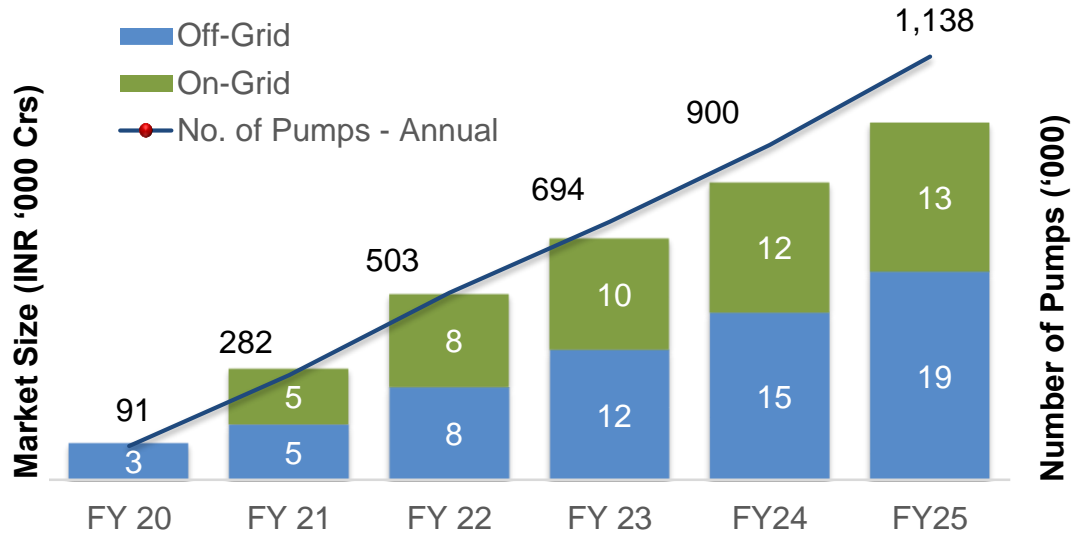


Programs to leverage positive Word of Mouth: Referrals, Influencers

Regulatory push to Solarize water pumps – 13x growth in Top Line to ₹ 5,000 Cr+



Growth Potential



Our Standing



Over 35,000 Pumps across India



TAT reduced by around 50-70%



Market Leader in Solar Pumps - MNRE



Digital in Rural

Key Capabilities & Differentiators

➤ *Trusted Brand*



➤ *Over 30+ years of Manufacturing*



➤ *Strategic tie-ups with OEMs*



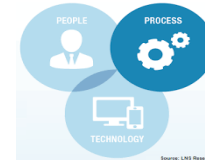
➤ *Extensive network of trained Channel Partners*



➤ *Established Supply Chain & Standardized Design*

Integrated I&C and BOS model
Localized SCM with JIT Inventory

➤ *Digitization for Operational Excellence*



➤ *Superior customer service with on-site warranty*

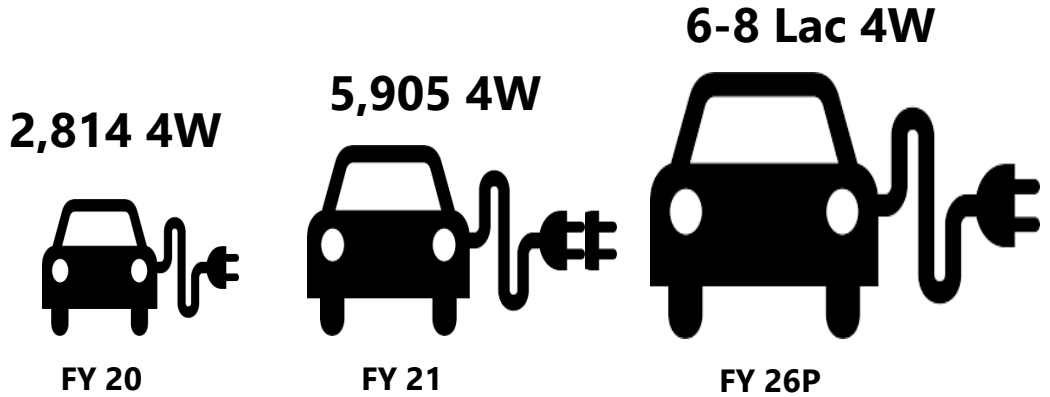
Remote app-based Interface
Lowest response and resolution TATs

➤ *Rural Marketing with Innovative Campaigns*

Rural Fairs
Chaupal Meets
Nukkad Nataks
Marketing Van




EV PASSENGER VEHICLE SALES SEEING AN UPTICK




AROUND 10 NEW LAUNCHES OVER NEXT 2 YEAR TO SPUR DEMAND




TATA POWER EMERGED AS LEADING EV CHARGING PLAYER IN INDIA




543 Public Charging Points
102 Cities
27 city pairs on Nat Highways



3,000 Home Chargers

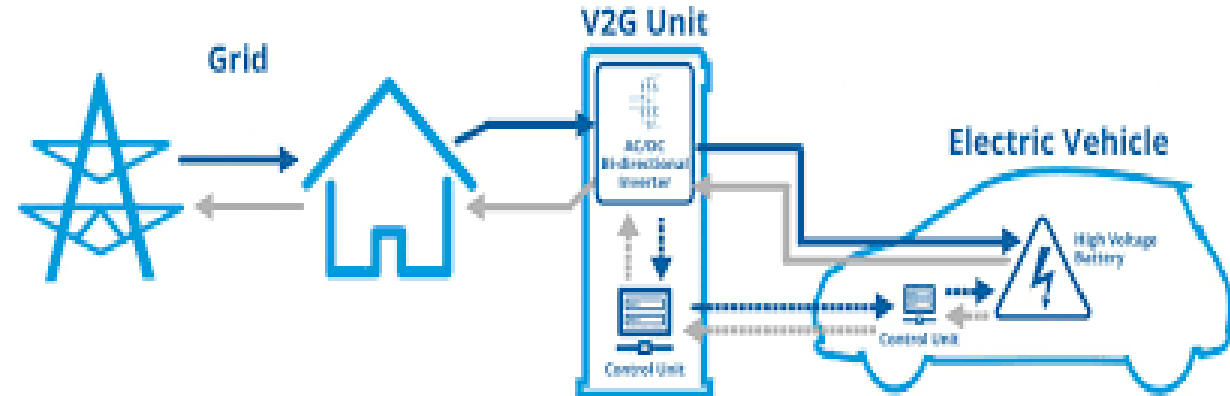


80 Ultra High Capacity Bus Charges in Mumbai & Ahmedabad
Under installation in Jaipur



Prestigious **Golden award for Best Innovation** at India Smart Grid Forum 2021

BEYOND JUST EV CHARGING – GRID TO VEHICLE

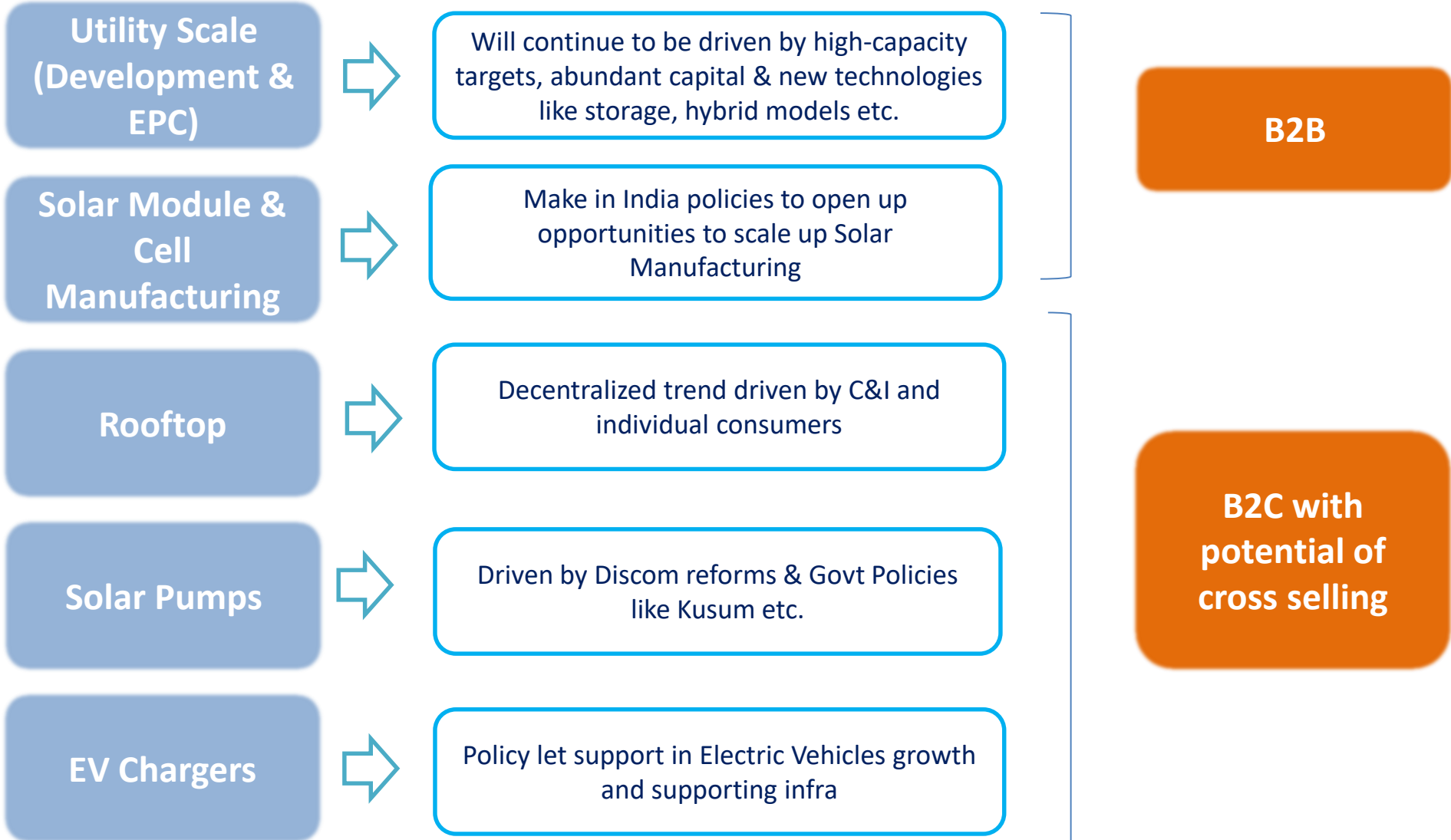


Renewable Industry – Key Growth Drivers



Renewable industry driven by 3 Ds – Decarbonization, Decentralization & Digitization

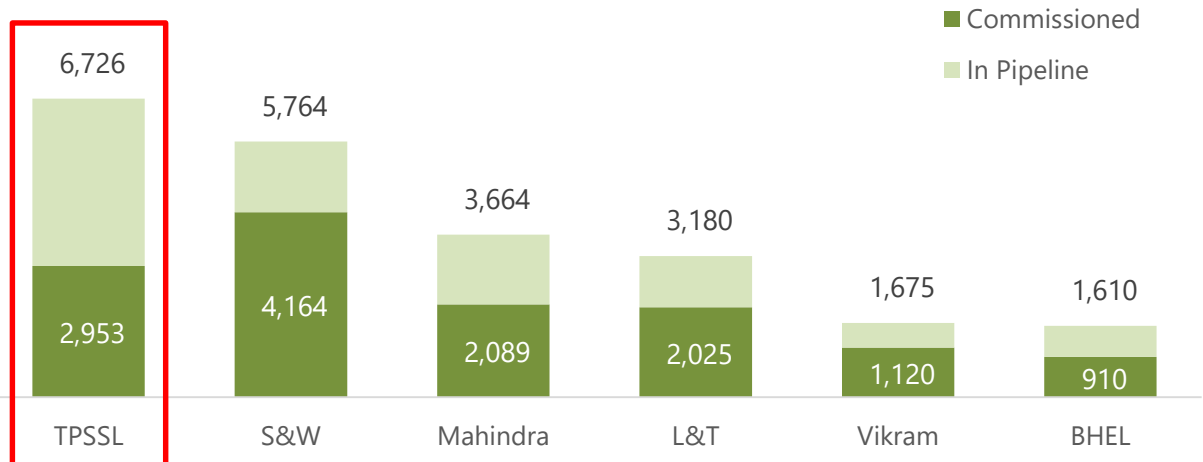
Growth Segments



Tata Power well positioned with Industry leading position in most RE segments

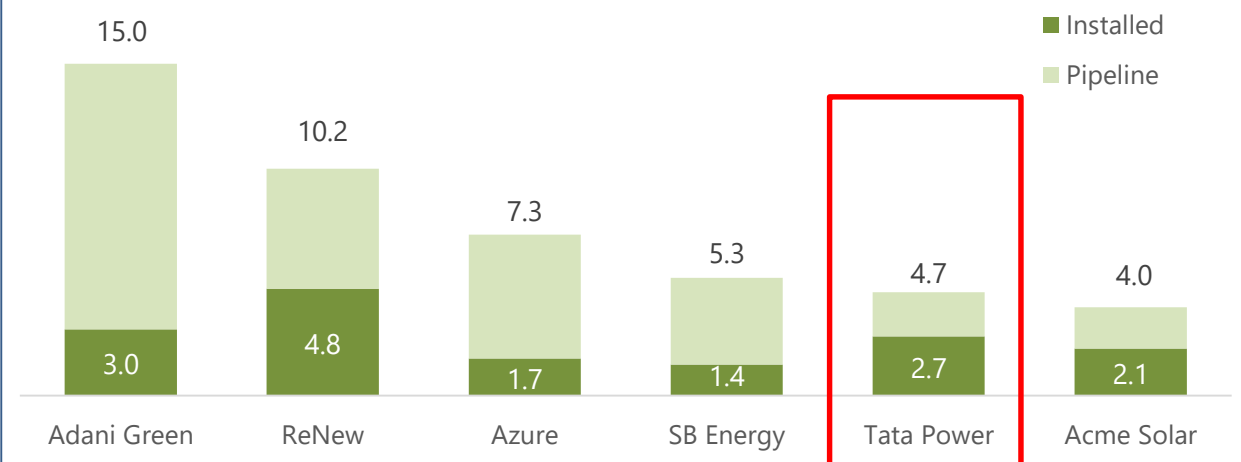


Renewables Utility Scale EPC (MWp)



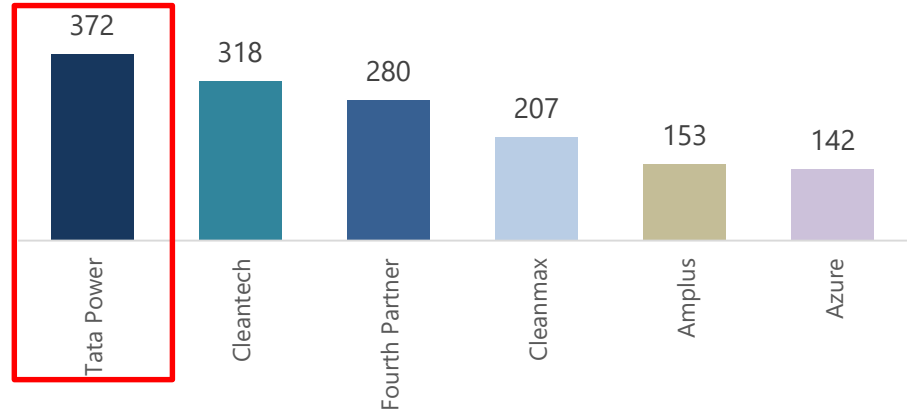
As on Jan'21

Renewable Capacity (GW)



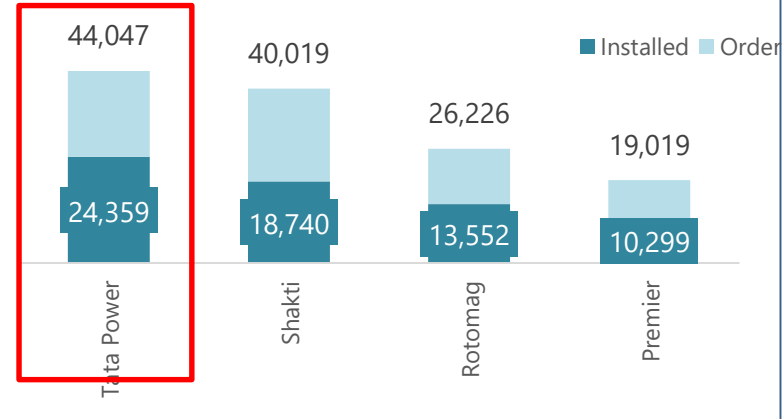
Till Jan'21, Tata Power no's are YTD.

Solar Rooftop Installations (MW)



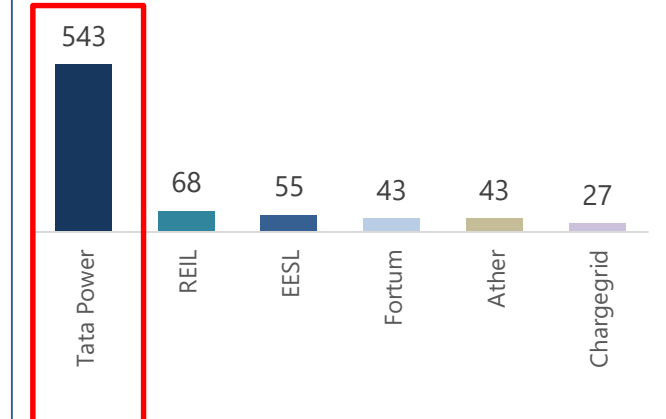
Till December 20, Tata Power no's are till March 21; excl offsite

Solar Water Pumps Installed (Nos)



Installed till FY20, Orders for FY21

EV Chargers (Nos)

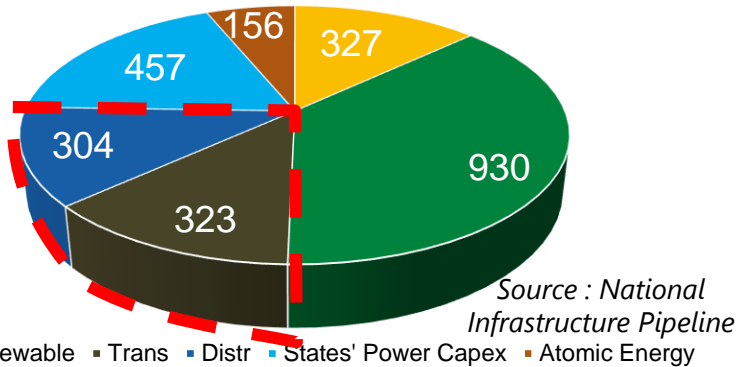


Till January 21, Tata Power no's are as of 31st March '21

Distribution sector to drive next leg of investment in Power Sector

25% SECTOR INVESTMENT EARMARKED FOR T&D

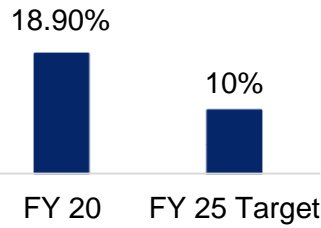
Power Capex from FY 21-25
(figs in ₹ '000 crore)



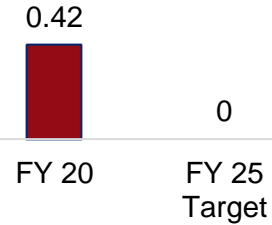
Source : National Infrastructure Pipeline
 ₹ 6.27 lac cr investment outlined for T&D; will need Discoms' financial health to be addressed to attract investment

THRUST TO IMPROVE DISCOMS PRESSURE

AT&C losses



ACS-ARR Gap ₹ p.u.



Source : UDAY
 Tariff Revision since 2015 at 2% CAGR only; ageing systems and collection inefficiencies bleeding

OPPORTUNITIES EMERGING FROM REFORMS

Amendment Bill 2021
 Delicensing of Distribution

Comprehensive reforms underway

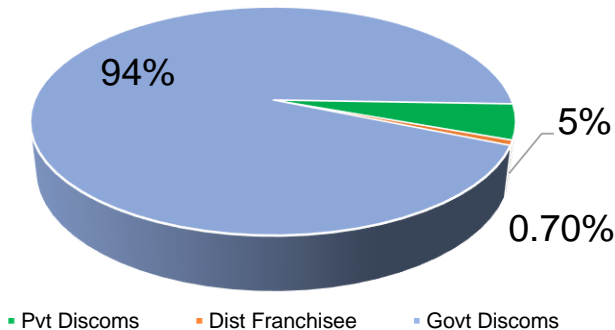
₹3.05 lac cr reform scheme for system improvement and smart metering

Govt announced plans to privatize distribution in States and Union Territories

COVID has aggravated problems for discoms with demand from industries, which cross subsidize other segments, significantly down

POWER DIST^N REVENUE ~ ₹ 6 LAC CR P.A

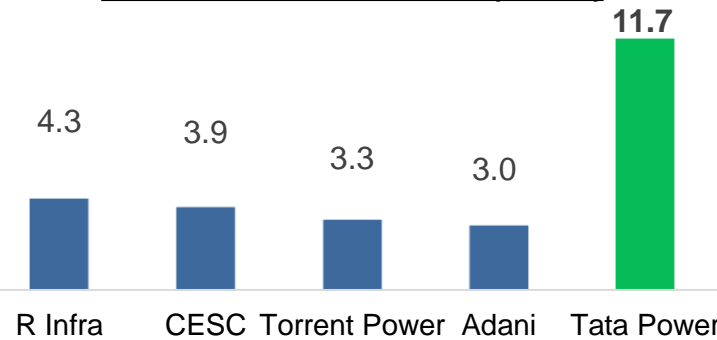
275 Mln Customers across India (as of 31st March 2019)



Huge opportunity from Privatization of discoms; Changing demographic mix and increasing consumption to spur investment

TATA POWER LARGEST PVT PLAYER

No of Consumers - FY 19 (in Mln)

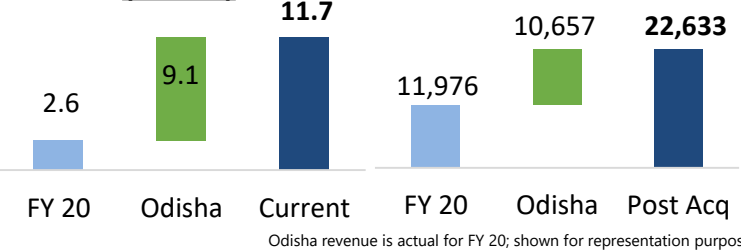


Experience of Delhi turnaround and now Odisha dist circles to place Tata Power in strong position

ODISHA – EXAMPLE OF PRIVATIZATION IMPACT

No of Customers (in Mln)

Revenue (in ₹ crore)



5 Year Capex (in ₹ crore)





Tata Power 2.0 – *Future Ready for Smart Choices*



Lead in Utility Sector ESG practices

- DSJI Sustainability Index Constituent by 2025
- Improve current MSCI ESG 'BB' ratings
- 60% 'Clean and Green' Portfolio by 2025
- Benchmark in Water & Waste Mgt by 2025



Scale-up growth

- Deleverage Balance sheet to release capital for growth
- RE business to grow exponentially
- Opportunistic Transmission growth



Grow Customer Oriented Service businesses

- Expand Distribution footprint nationally
- Leverage technology to expand Rooftop Solar & Solar Pumps
- Create innovative, low carbon solutions for customers through ESCO, Home Automation & EV charging

Total Generation - 25 GW

of which RE - 15 GW
& ₹ 22k Cr EPC, Rooftop
& Pump Revenue

>2 crore
Customers

ROE > 12%

D:E < 1.5X
DEBT/EBITDA < 3.5X

Smart solutions for
Customers

ESG Benchmark

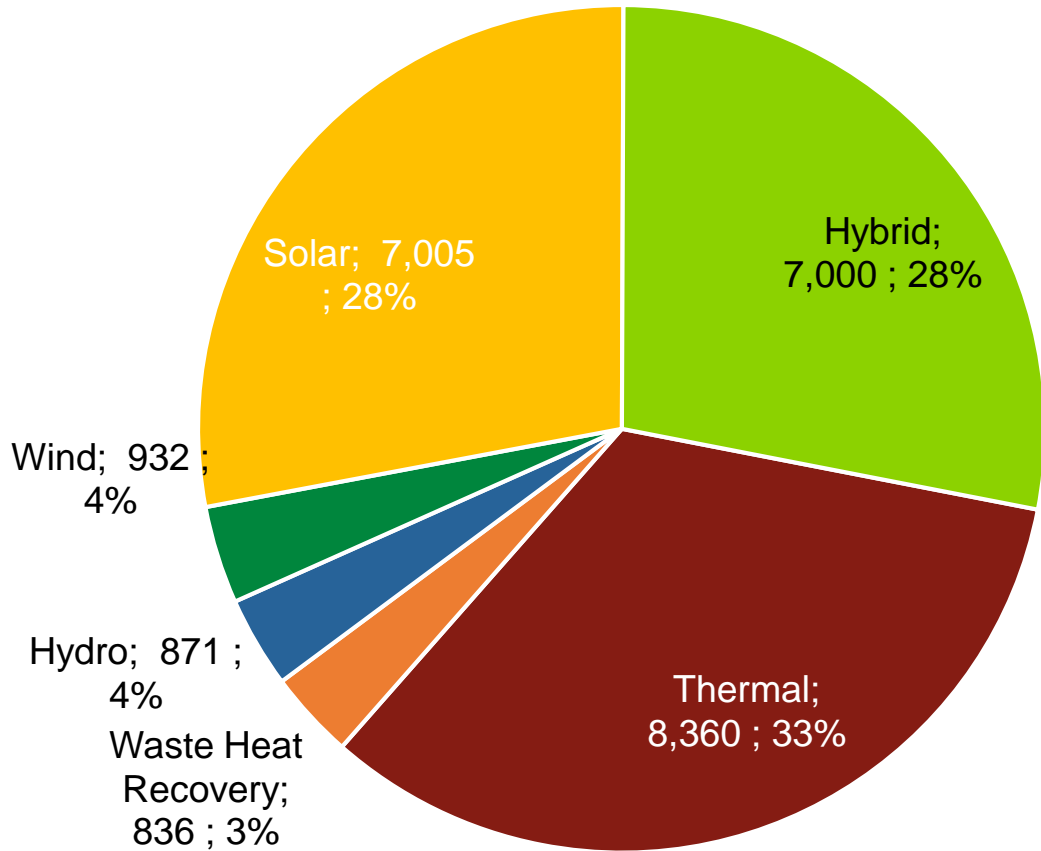
UTILITY
OF THE FUTURE

To become one of Top 2 Energy companies in India



2X CAPACITY GROWTH TO 25 GW – 2/3RD PORTFOLIO 'CLEAN & GREEN'

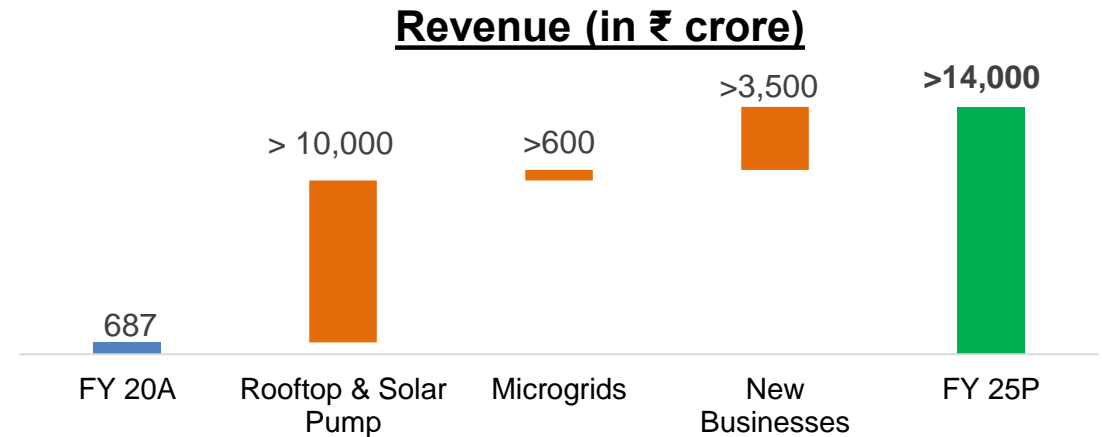
FY 25 CAPACITY MIX



POTENTIAL UPSIDE TO FY25 TARGET OF 8X CONSUMERS & 2X T&D REVENUE GROWTH WITH LARGE ADDITION FROM ODISHA

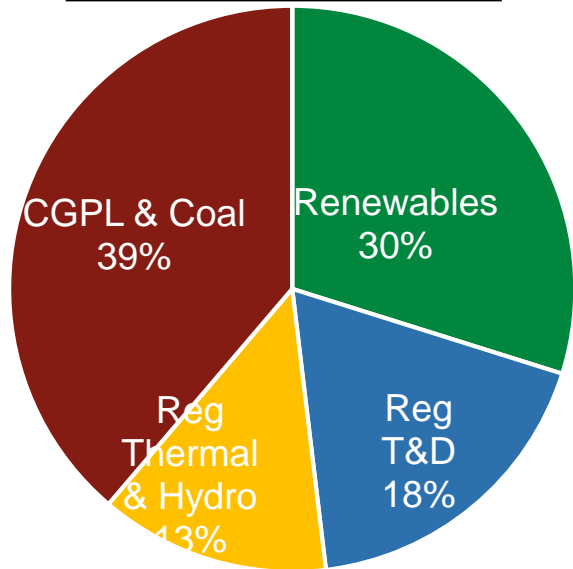


MULTIFOLD GROWTH IN CUSTOMER ORIENTED BUSINESSES

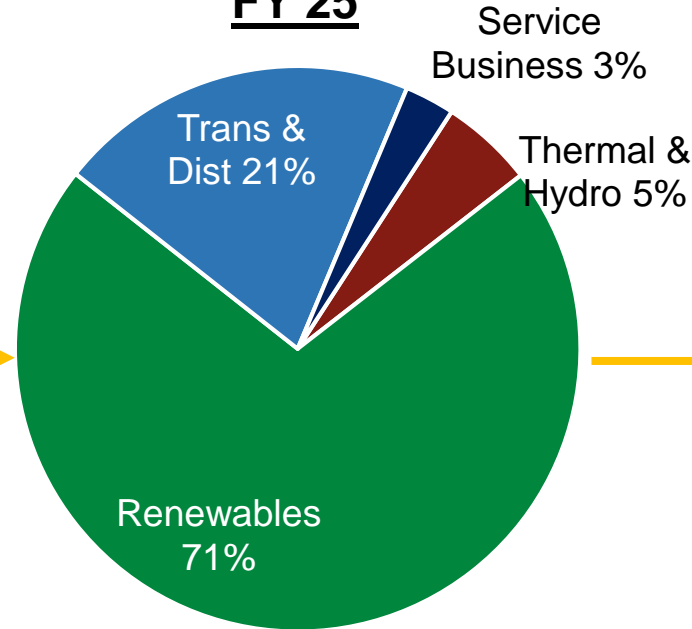




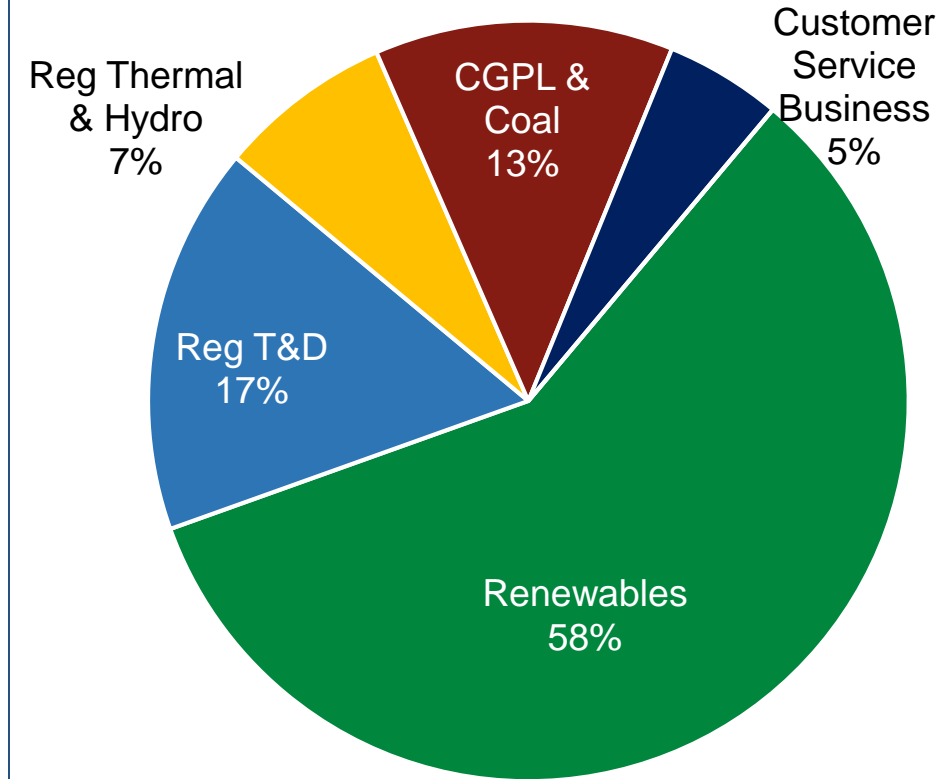
CAPITAL EMPLOYED AS ON 31st MAR 21



₹ 60,000-65,000 CR CAPEX TILL FY 25



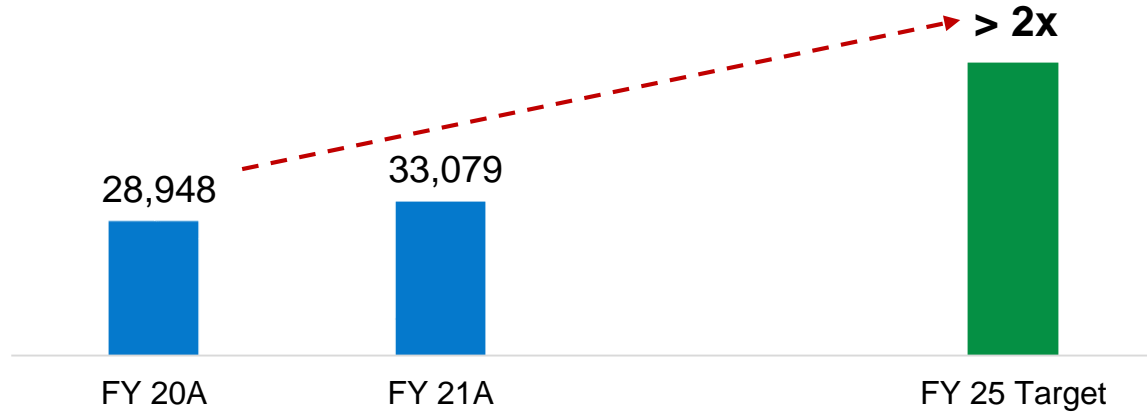
CAPITAL EMPLOYED - FY 25



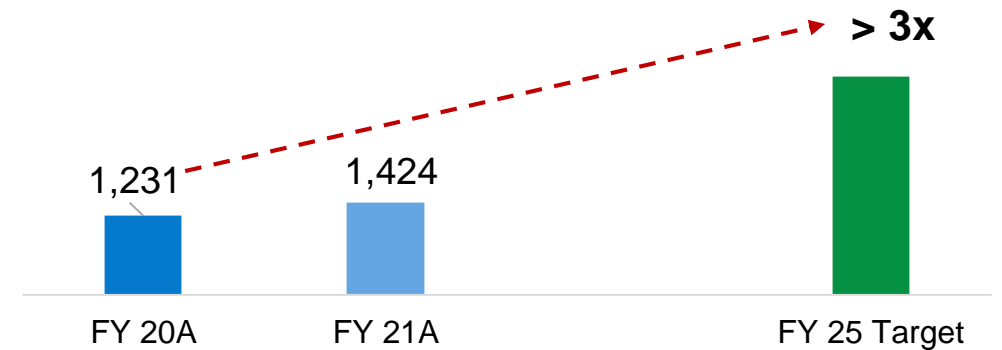
Shift Capital employed from CGPL & Thermal business to higher return businesses

TARGET GROWTH DRIVEN BY RE, DISTRIBUTION & CUSTOMER SERVICE BUSINESS

Revenue

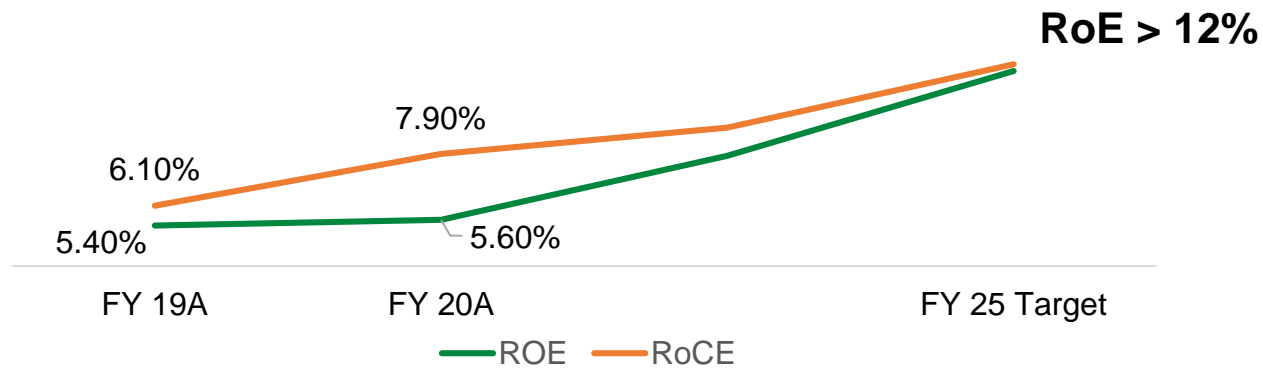


Profit after Tax

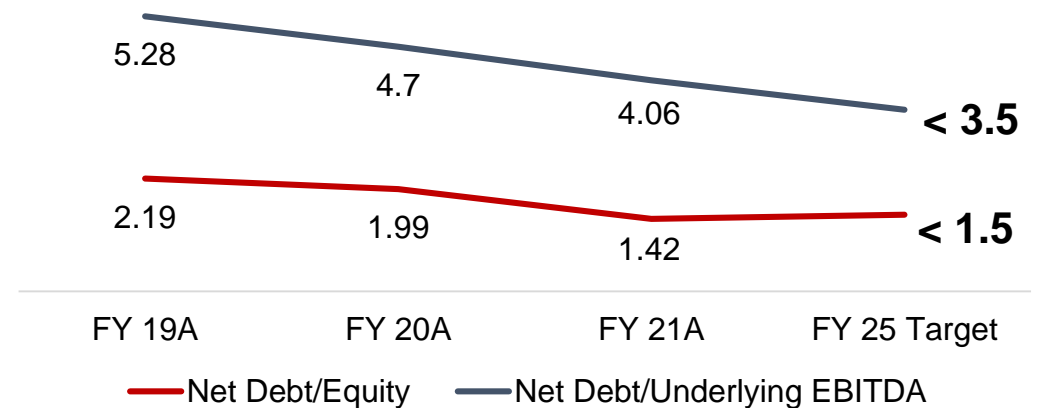


TARGET ROE GROWTH WITH IMPROVED CREDITWORTHINESS

Return on Capital Employed & Equity



Debt Metrics



Numbers stated above are without HPC & assumes planned divestment ; RoE = PAT before exceptional items / Networth; RoCE = PAT + Depr + Int / Capital Employed



Empower a billion lives through sustainable, affordable & innovative energy solutions



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