

NEWS RELEASE:

## Nava Limited reports better cash flow on consolidated basis for Q3 & 9MFY23.

MCL's operational performance is now complemented by full realisations against power bills to ZESCO and SAPP.

The International Arbitral Tribunal has issued a Consent Award for US\$ 518 million, agreed to be discharged by August 2023, enabling a better credit profile for MCL

**Hyderabad, India, 3rd February 2023:** Nava Limited, a diversified player with interests in metals, energy, coal mining and emerging new businesses, announced its financial results for the third quarter and nine months ended 31<sup>st</sup> December 2022.

### Key Highlights

The Company's consolidated performance notched up with matching cash flows in MCL, following realisation of power bills in full, from ZESCO and Southern African Power Pool (SAPP), effective from May '22, albeit at reduced tariff. While high grade coal sales of MCL have been steady, aiding the cash flow sustenance, MCL expects to clear the overdue principal instalments by August 2023 based on proceeds of Arbitration Award.

Despite the headwinds occasioned by a sharp correction in realizations without associated reduction in input costs, the Company registered higher sales of manganese alloys over the previous quarter.

The London Arbitral Tribunal issued a "Consent Award" in Q3FY23, following an agreement between the Parties to settle all the claims and the Payment Plan to liquidate the outstanding arrears. As per the Consent Award, ZESCO is required to discharge the outstanding and overdue arrears aggregating to about US\$ 518 million (after a discount of US\$ 60 million) as of 31st October 2022 by August 2023. ZESCO has effected the first payment of US\$ 10 Million to MCL in Dec-22 as per the agreed payment plan in the Award, reflecting its commitment.

Mr. Ashwin Devineni, the CEO of the Company, commented on the results, saying, *"Our Indian and Zambian operations have shown remarkable resilience in the volatile environment. FY23 began with a strong Ferro Alloy segment performance but has weakened over the last two quarters with continued volatility. I am pleased that all the power sales to ZESCO and SAPP since May 2022 are being fully realised. The improved cash flow and arbitration proceeds should provide MCL with the impetus to address the overdue debt service and to chalk out further growth opportunities."*

**STANDALONE PERFORMANCE ANALYSIS – Q3 & 9MFY23:**

Particulars (in INR Mn)	Q3 FY23	Q3 FY22	YoY%	9MFY23	9MFY22	YoY%
Revenue #	3,466	5,157	-32.8%	12,085	12,540	-3.6%
EBITDA#	443	1,744	-74.6%	3,350	4,169	-19.6%
EBITDA Margin %	12.8%	33.8%		27.7%	33.2%	-
PBT	332	1,635	-79.7%	3,017	3,835	-21.3%
PAT	238	1,047	-77.2%	2,541	2,527	0.6%

# Revenue and EBITDA exclude discontinued operations; EBITDA includes other income

In Q3FY23, the Company ceased the ferro chrome conversion arrangement with TATA Steel effective from November. Following the maintenance outages, the two smelters have since switched over to production of Silico manganese from mid-December paving way for higher baseline production of manganese alloys and higher market share. While the Odisha power operations sustained momentum both in captive use and external sale, the captive power operations In Telangana have been adversely affected by volatile coal supplies and very high fuel costs under linkages with SCCL negating the captive power advantage.

**CONSOLIDATED PERFORMANCE ANALYSIS – Q3 & 9MFY23:**

Particulars (in INR Mn)	Q3 FY23	Q3 FY22	YoY%	9MFY23	9MFY22	YoY%
Revenue	10,208	10,054	1.5%	29,386	25,061	17.3%
EBITDA#	5,402	4,324	26.1%	15,014	9,507	58.4%
EBITDA Margin %	52.9%	43.0%	1038bps	51.1%	37.9%	1332bps
PAT	3,628	1,909	93.3%	8,802	2,136	314.3%

Exchange rate USD= INR 79.77 as on 31st December 2022;

# Revenue and EBITDA exclude discontinued operations; EBITDA includes other income

The consolidated Revenue for Nava reported an increase of 17.3% YoY for 9MFY23, backed by the better operating performance from MCL which overshadowed the under performance in the Indian 150 MW IPP which is in major overhaul from November 2022 onwards.

**MCL:** The Zambian power plant operations attained normalcy in Q4FY22 and continued their stable performance in 9MFY23. The PLF for Q3FY23 was at 99.5% versus 73.1% in Q3FY22 and 90.8% in Q2FY23. Under the revised arrangement with ZESCO, MCL sold 117mn units in the open market in 9MFY23 and the balance to ZESCO.

Particulars	Q3 FY23	Q3 FY22	YoY%	9MFY23	9MFY22	YoY%
Power (Mn kwh)	659	484	36.0%	1,844	1,145	61.1%
Average PLF (%)	99.5%	73.1%	2640bps	93.2%	57.8%	3540bps
External Coal Sales	94,100	117,800	-20.1%	233,000	385,000	-39.5%

**Cash and debt position as on 31st December 2022 (INR Mn):** Most of the Debt on the consolidated front pertains to the Zambian Operations, which has no recourse to the Company or its subsidiaries. Standalone remains Net Debt-free, whereas consolidated net Debt reduced by 19% YoY to INR 22bn.

## **About Nava Limited**

Nava Limited is an Indian conglomerate with business interests in metals, energy, coal mining, healthcare and commercial agriculture. Nava Limited is one of the leading Ferroalloy producers in India, with about 175,000 MT capacities. The Group has a total installed power generation capacity of 434 MW in Telangana, Andhra Pradesh and Odisha in India. Nava Limited owns and operates an integrated mine-to-mouth 300 MW thermal power plant in Zambia, held through its step-down subsidiary Maamba Collieries Limited (65%). For more information about the Company and its businesses, please visit us at [www.navalimited.com](http://www.navalimited.com)

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