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10 FACTORS

Driving India's Energy Consumption Narrative

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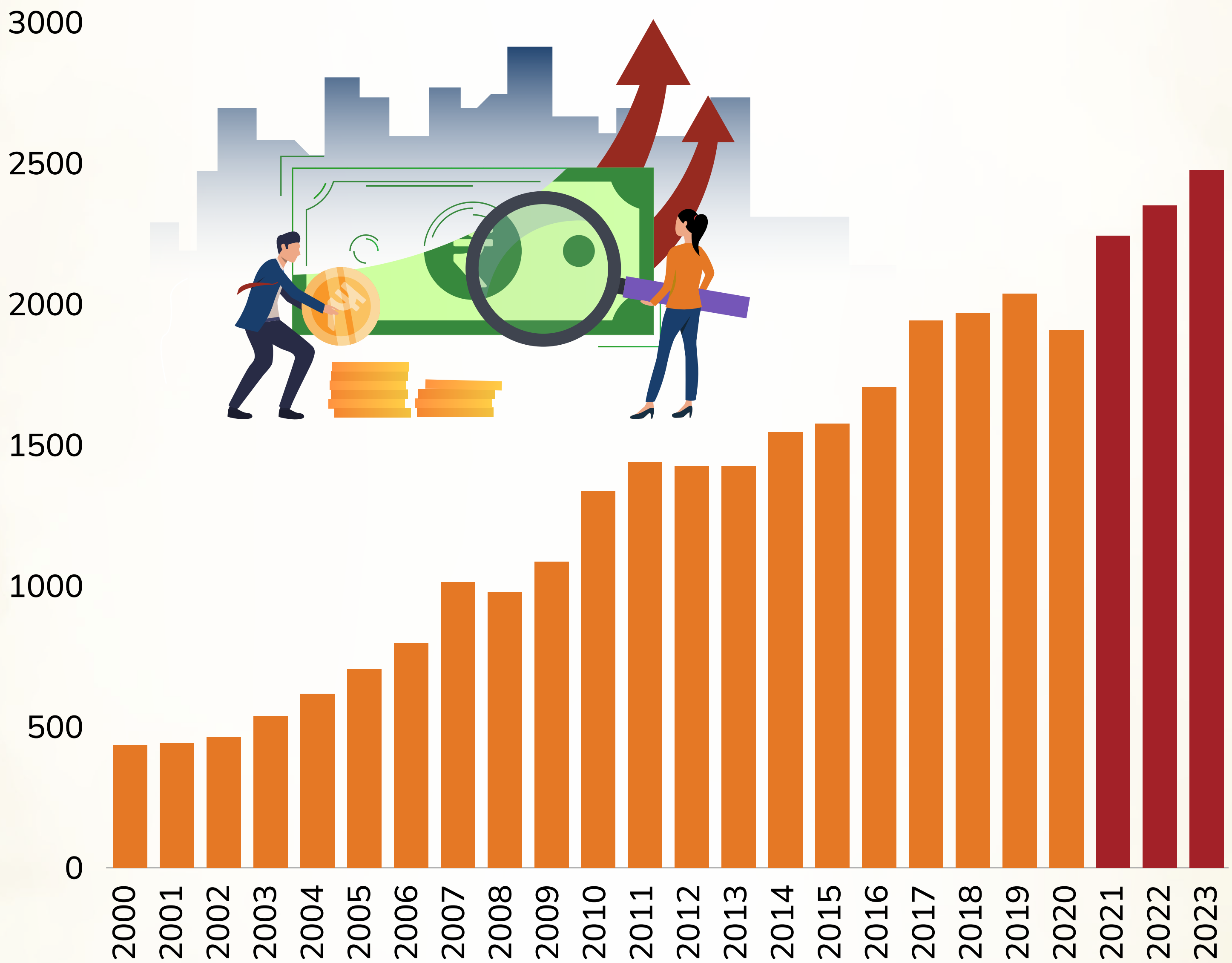
1. Increasing Wallet Size

With Rising income levels and demand for premium products, India's energy consumption is expected to increase significantly over the years.

GDP Per Capita Income of India (US $)



Source: World Bank

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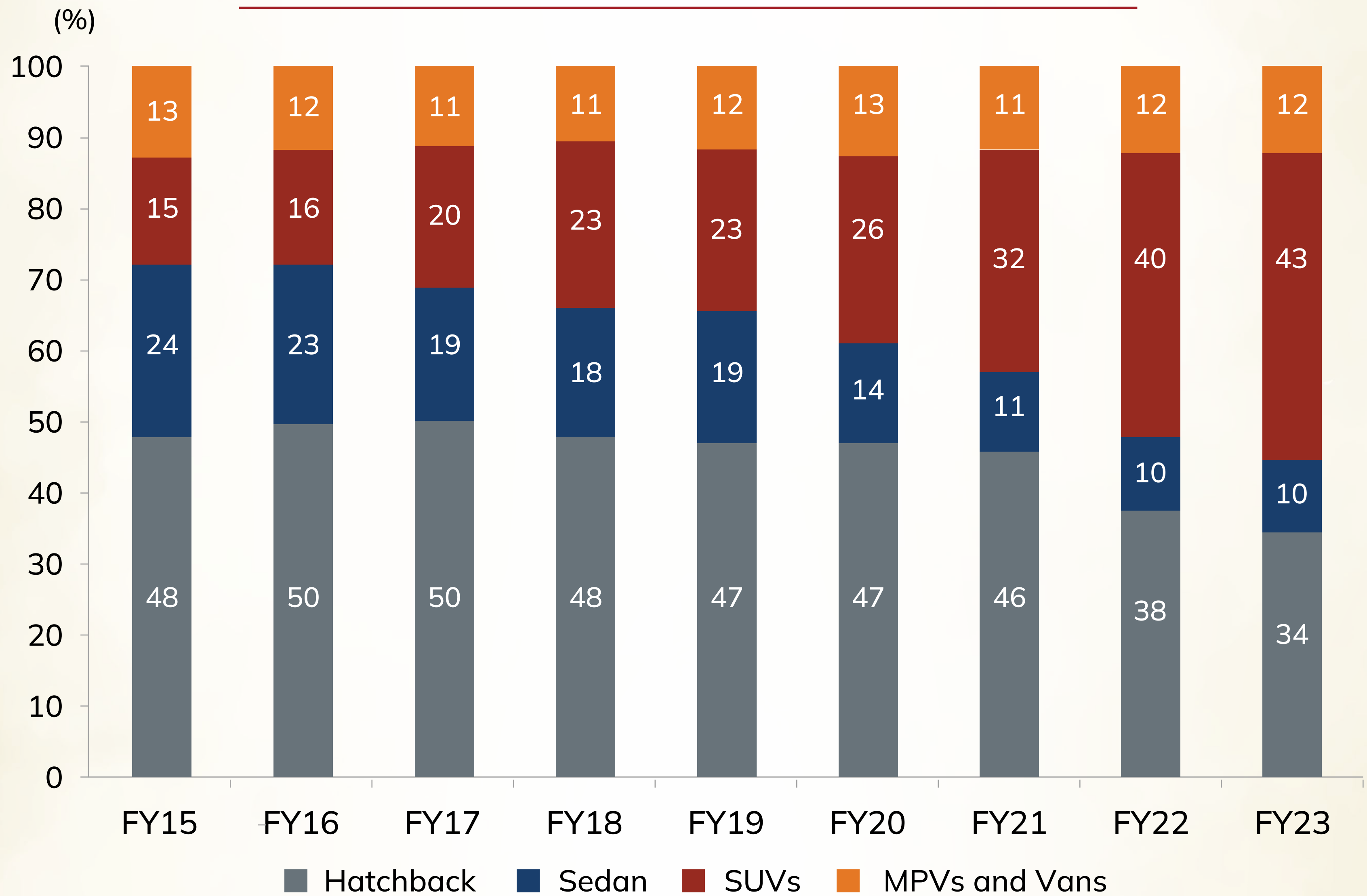
2. Premiumization: SUV Sales Zoom

SUVs hold 43% share of the industry as of FY23 - Availability of more options and changing preference of consumers in the automobile segment, provides impetus to India's fuel consumption.

Passenger vehicle market share by segment



Source: SIAM, CLSA. SUV: Sport Utility Vehicle, MPVs: Multi-Purpose Vehicles

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3. Unlocking the Room for Higher Penetration

Increasing demand for consumer durables will play out favorably for India's energy sector.

Products	India	China	USA
Auto	4%	15%	81%
Outbound Trips	6%	9%	42%
Air Conditioners	8%	60%	90%
Refrigerators	18%	94%	100%
Smartphone Users	37%	54%	83%
Internet Users	58%	60%	95%

Source: Avendus Spark

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4. Enhanced Mobility Needs - The Sky is the Limit

Higher demand for cars, airline travel and penetration of metros would increase Energy consumption.

The following portrays the increase in footfalls at airports in India:

Domestic and International Footfalls at Airports in India

FY18	308,753,400
FY19	344,699,733
FY20	341,050,651
FY21	115,379,783
FY22	188,891,441
FY23	327,279,136
FY24	376,426,164

Source: Airports Authority of India. The total includes domestic and international footfalls

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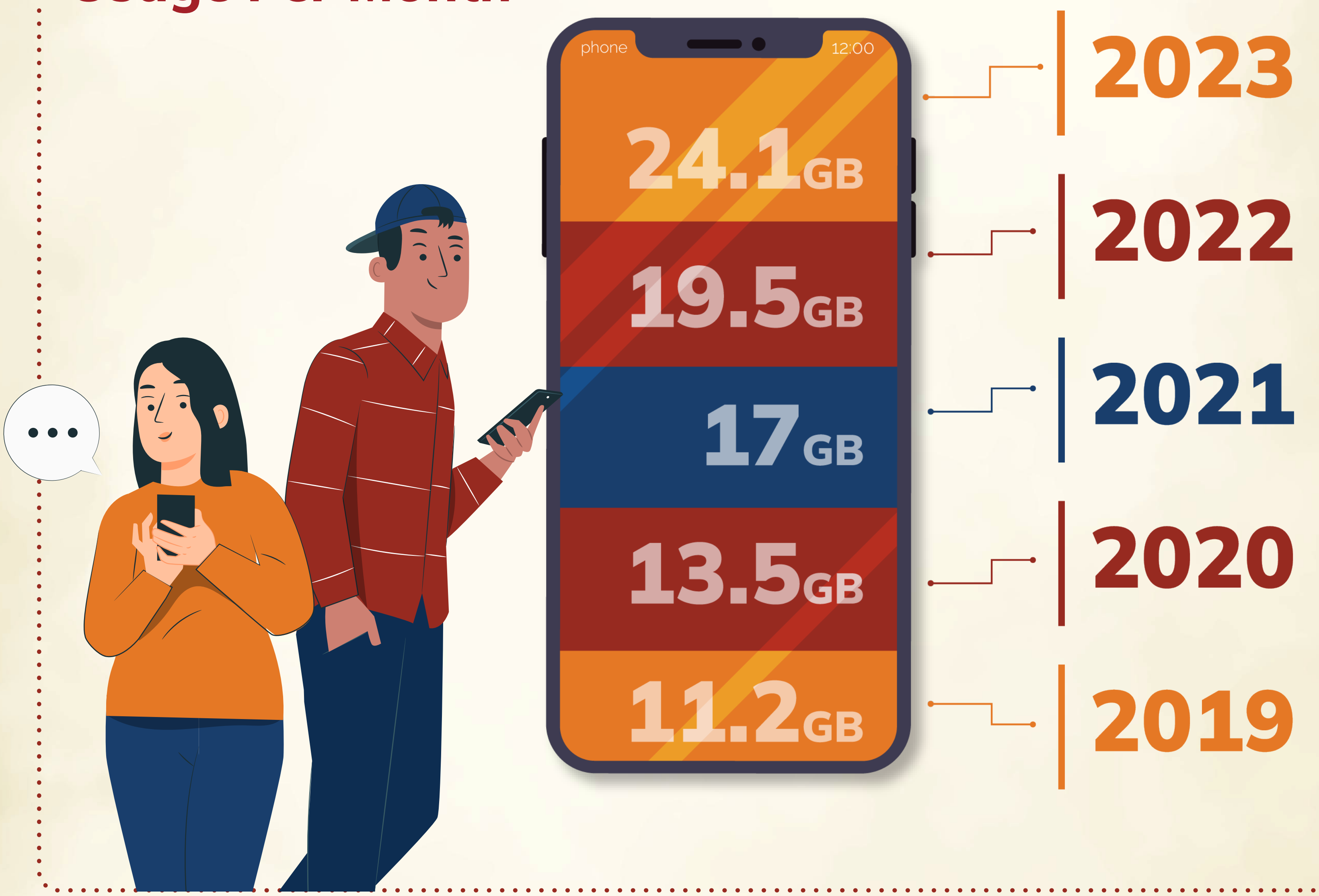
5. India's growing connectivity with mobile data

Mobile data consumption reached a record 24.1 GB per month for an average user in 2023. Increasing mobile data consumption would require effective network infrastructure and data centers, which require Energy for conducting operations.

Average Mobile Data Usage Per Month



Source: Nokia Analysis, GB: Gigabyte

6. Riding the Digital Wave with Advanced Technology

The world is adapting to Chatbot Queries and Virtual Assistants as it provides personalized services, facilitating convenience.

Interestingly, a Chatbot Query needs nearly 10 times as much electricity to process as a google search, which would propel Energy demand.

The daily power usage of a famous Chatbot and virtual assistants is equal to that of 1,80,000 U.S. Households.

By 2028, AI tasks could be using more power than the **entire country of Iceland.**

Data centres use 1-2% of the global power at present, which by this decade end would be 3-4% of the global power.

Source: Goldman Sachs - AI is poised to drive 160% increase in data center power demand (goldmansachs.com), Forbes - ChatGPT And Generative AI Innovations Are Creating Sustainability Havoc (forbes.com), AI: Artificial Intelligence

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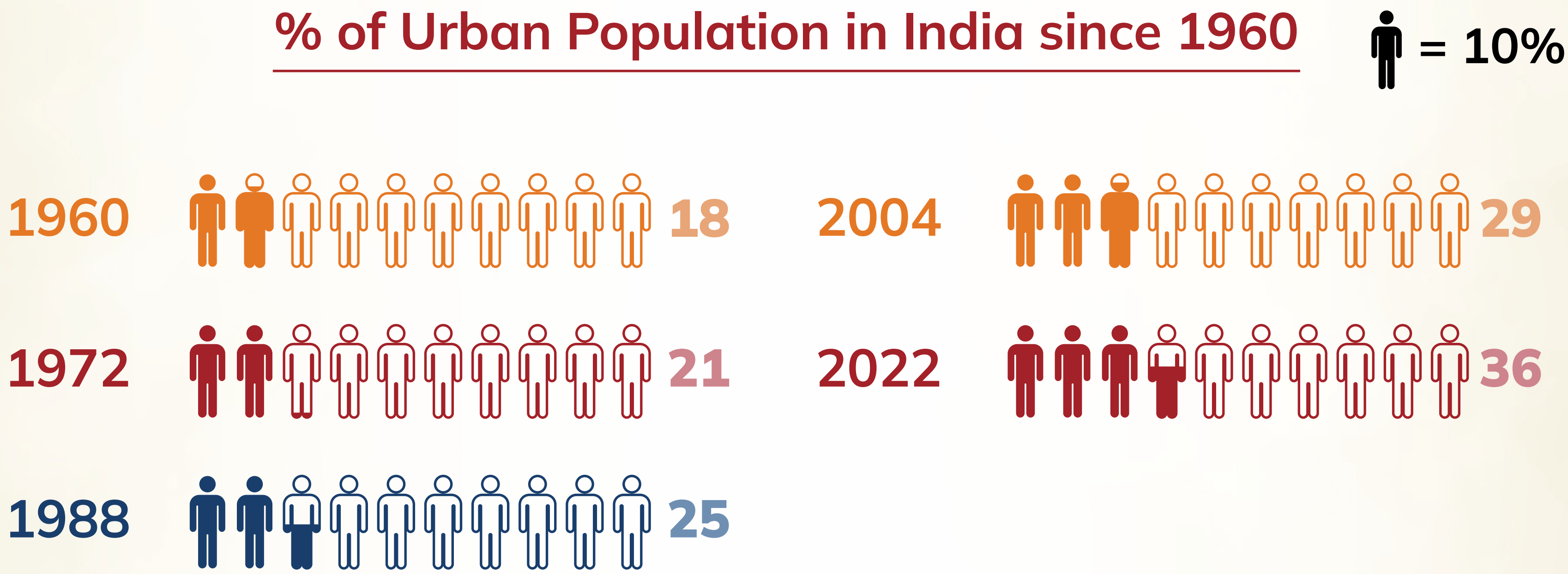
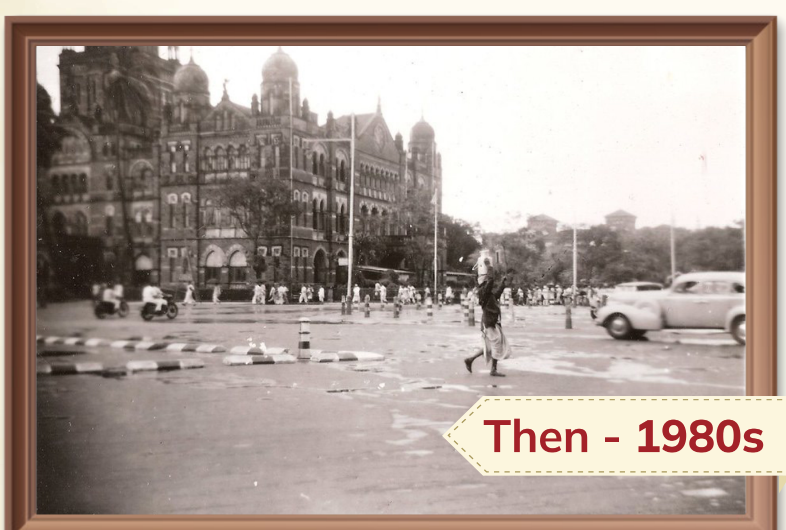
7. Weaving The Tale of Rapid Urbanization in India

There has been a steady rise in the urban population, which means more demand for affordable housing, amenities and forms of Energy.

% of Urban Population in India since 1960




Then - 1980s


Now - 2020s

Source: World Bank, Data as on December 31, 2022. Image used only for illustration purpose

8. Emphasis on high quality capital expenditure

The Government is focusing on development of infrastructure - highways, roads, airports, metros and shipping ports, which requires the support of Energy.

Central Govt. Spends (INR Bn)

Segments	FY20	FY21	FY22	FY23	FY24
Capex	3,356	4,256	5,921	7,363	9,485
Road	673	874	1,133	2,060	2,639
Railways	678	1,093	1,173	1,593	2,425
Defense	1,111	1,344	1,380	1,429	1,542
Water	183	160	663	597	768
Housing	193	103	259	237	264

Source: Avendus Spark Capital. Data is shown on Financial Year basis. Bn: Billion. FY: Financial Year.

9. The Power of Make in India

India overtook South Korea to become the 5th largest manufacturing country in the world in 2023. Production activities require Energy, which could push the demand even further.

Top 15 Leading Manufacturing Countries in the World, 2023 (By value added – US $ Million)

1	China	4,658,781.67
2	USA	2,497,131.58
3	Germany	844,926.01
4	Japan	818,397.88
5	India	455,766.63
6	South Korea	416,389.23
7	Mexico	360,728.19
8	Italy	354,721.74
9	France	294,465.13
10	Brazil	289,790.45
11	UK	284,063.33
12	Indonesia	255,961.88
13	Russia	251,577.18
14	Turkey	215,037.54
15	Ireland	186,524.55

Source: World Bank, Latest Data

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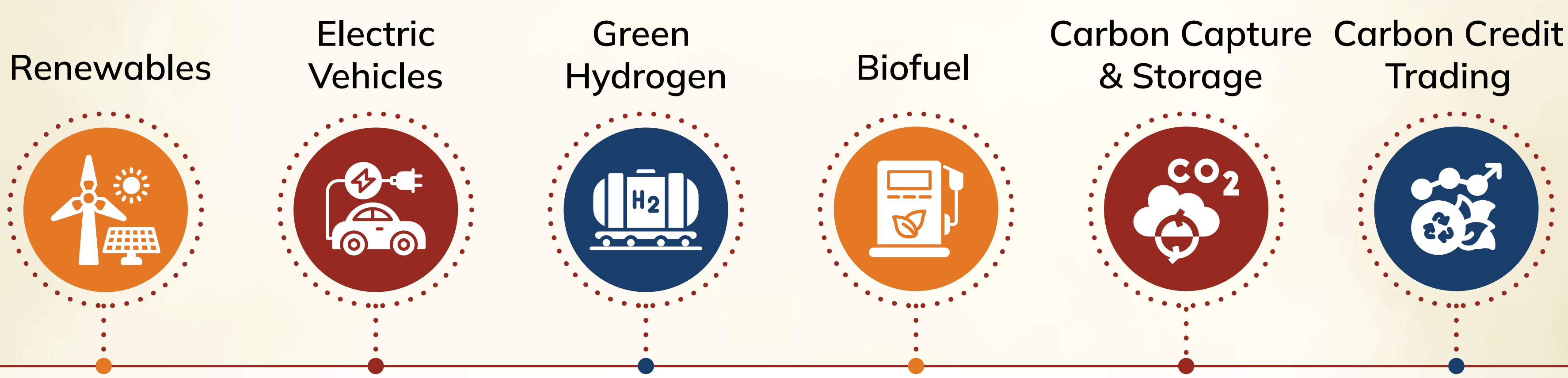
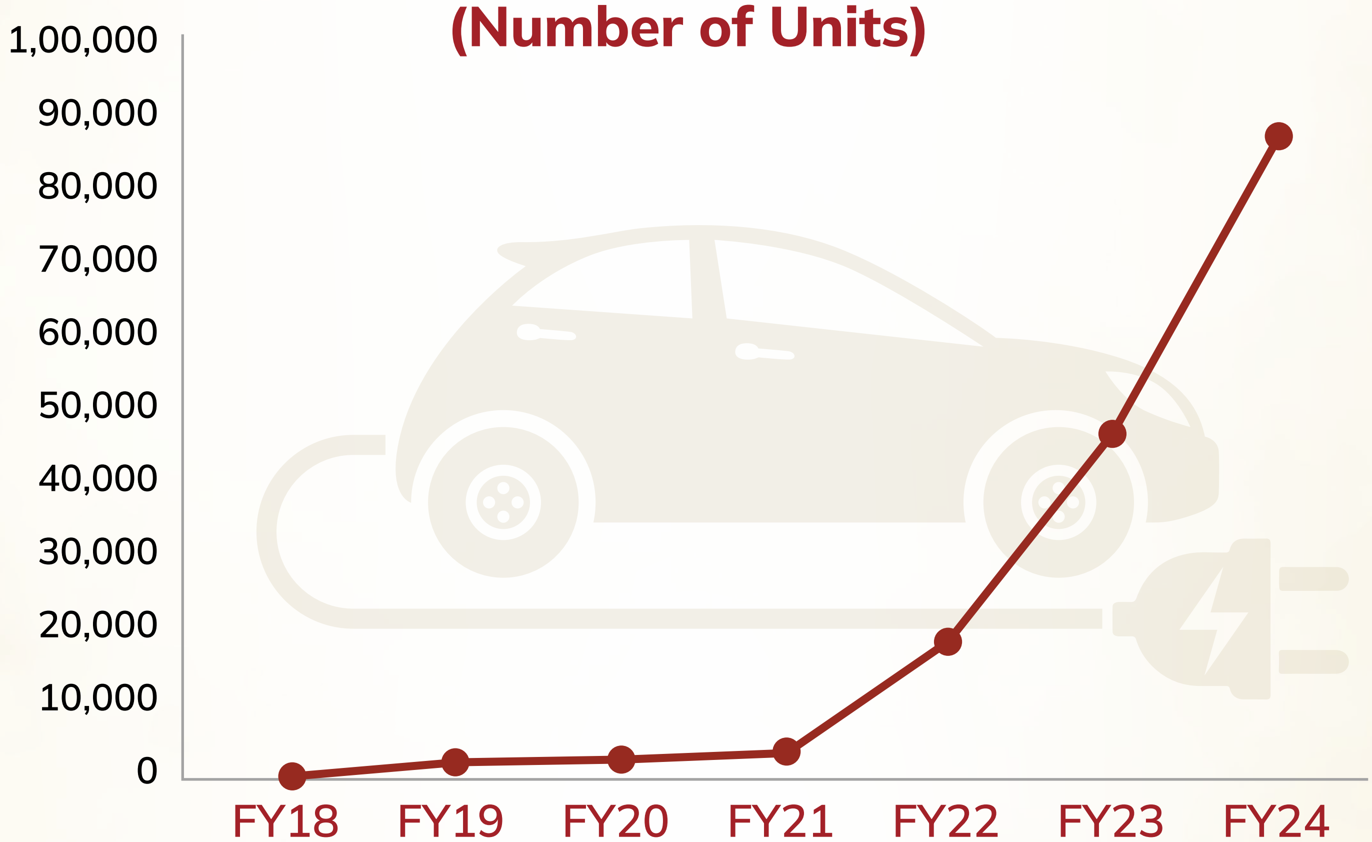
10. Unraveling India's Road to Sustainability

India grabbed headlines when it announced its ambition to become a net zero emitter by 2070. This would drive the demand for renewables, providing a broad array of opportunities to existing and new players in the Energy Value Chain.



Electric Passenger Vehicles Sales in India (Number of Units)



Source: Vahan, SIAM

At the 26th Conference of Parties (COP) scheduled in November 2021, the Indian Prime Minister committed to a net-zero target by 2070.

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Your Route to Fuel Your Portfolio with the Power of Energy

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INVESTMENT UNIVERSE

Power Ancillaries: Energy EPC, T&D, heavy electrical equipment, energy efficiency

Oil Value Chain: Exploration, refining, marketing, petrochemicals, lubricants, and oil field services

Green Energy: Solar, wind, hydrogen, bioenergy, and alternate fuels

Gas Value Chain: Gas transmission, LNG terminals, city gas distribution

Power Value Chain: Coal producers, power generation, transmission, and trading

The above list is inclusive and not exhaustive. The stock(s)/sector(s) mentioned in this slide do not constitute any recommendation and ICICI Prudential Mutual Fund may or may not have any future position in these stock(s)/sector(s) | EPC: Engineering, Procurement and Construction | T&D: Transmission & Distribution | LNG: Liquefied Natural Gas

ENERGY

Predominantly taking exposure to companies involved in the traditional & new energy sectors.

PROPOSED PORTFOLIO CONSTRUCT

OPPORTUNITIES

Investing in businesses that support the energy companies (allied business activities).

The asset allocation and investment strategy will be as per the SID.

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Riskometer and Disclaimer

ICICI Prudential Energy Opportunities Fund (An open ended equity scheme following the energy theme) is suitable for investors who are seeking*:

- Long Term Wealth Creation
- An equity scheme that predominantly invests in instruments of companies engaged in and/or expected to benefit from the growth in traditional and new energy sectors & allied business activities

***Investors should consult their financial advisers if in doubt about whether the product is suitable for them.**

Investors understand that their principal will be at **Very High** risk

It may be noted that the scheme risk-o-meter specified above is based on the internal assessment of the scheme characteristics and may vary till the actual investments are made. The same shall be updated on ongoing basis in accordance with paragraph 17.4 of the Master Circular.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

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