

Suzlon Energy Limited

SUZLON
POWERING A GREENER TOMORROW

Investor Presentation
Financial Year 2020



6 July 2020

Disclaimer

- *This presentation and the accompanying slides (the “Presentation”), which have been prepared by Suzlon Energy Limited (the “Company”), have been prepared solely for information purposes and DOES not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis of or be relied on in connection with any contract or binding commitment whatsoever. The Presentation is not intended to form the basis of any investment decision by a prospective investor. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.*
- *This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, reliability or fairness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. In particular, but without prejudice to the generality of the foregoing, no representation or warranty whatsoever is given in relation to the reasonableness or achievability of any projections contained in the Presentation or in relation to the bases and assumptions underlying such projections and you must satisfy yourself in relation to the reasonableness, achievability and accuracy thereof.*
- *Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the wind power industry in India and world-wide, the Company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.*
- *No responsibility or liability is accepted for any loss or damage howsoever arising that you may suffer as a result of this Presentation and any and all responsibility and liability is expressly disclaimed by the Management, the Shareholders and the Company or any of them or any of their respective directors, officers, affiliates, employees, advisers or agents.*
- *No offering of the Company’s securities will be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”). Accordingly, unless an exemption from registration under the Securities Act is available, the Company’s securities may not be offered, sold, resold, delivered or distributed, directly or indirectly, into the United States or to, or for the account or benefit of, any U.S. Person (as defined in regulation S under the Securities Act).*
- *The distribution of this document in certain jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of such jurisdiction.*

Suzlon 2.0 – Sustainable Business Operations

***Debt Restructuring
completed***

***Fresh Equity Infusion
of Rs 392 Cr***

*(Infusion by Promoters, Key
Shareholder and Others)*

***Equity base increased
to 771 Cr shares as
on 30th Jun'20***

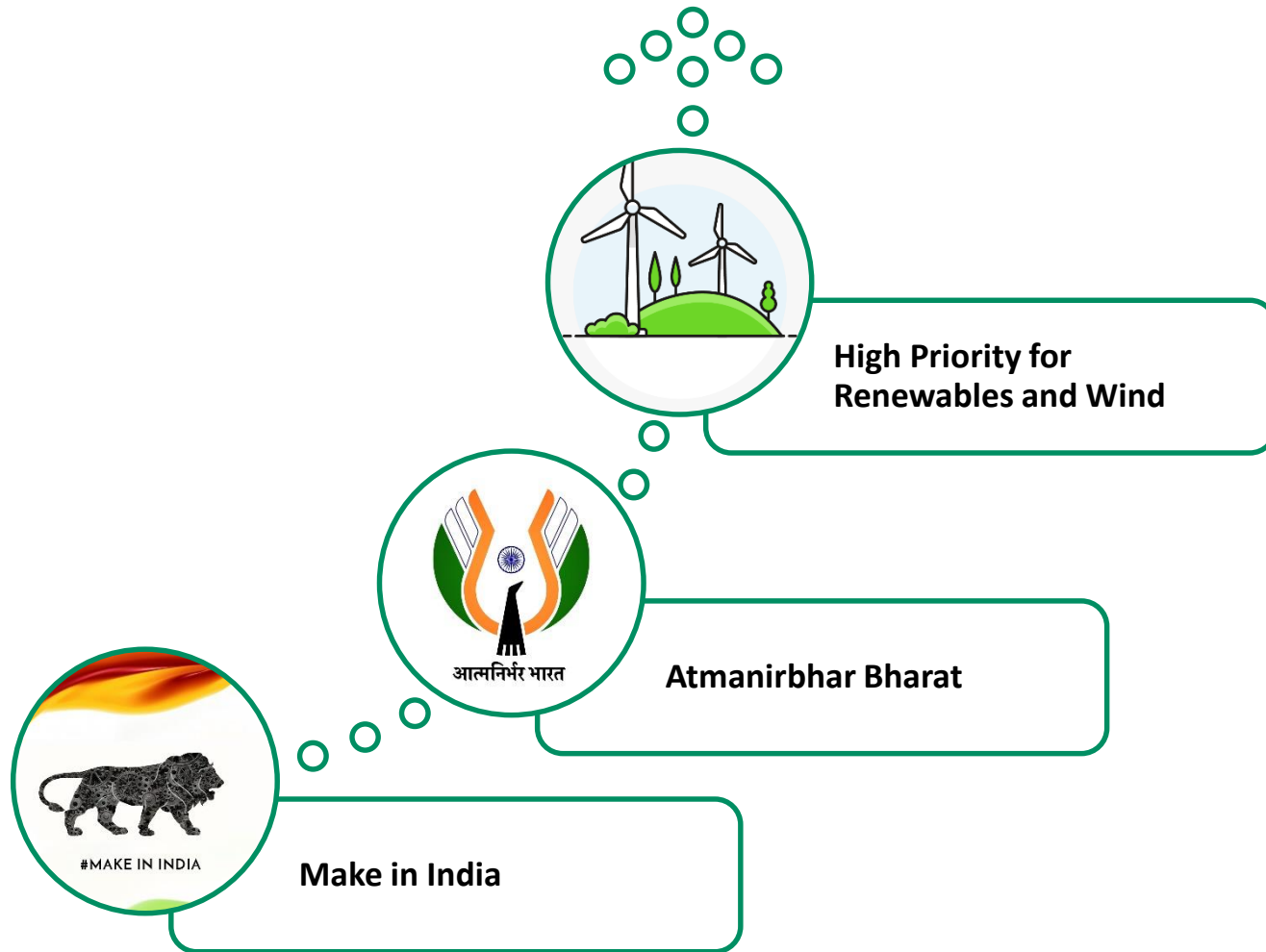
(Face value of Rs 2 each)

***Annual Interest
burden reduced by
more than 70%***

***Substantial
Reduction of Fixed
Costs***

***Significant reduction
of Break-even
Levels and Improved
Sustainability***

Enhanced Government Focus



Key Updates for FY20

- ✓ Service business delivered good performance and remain unaffected with support of lenders despite of Debt Restructuring process at Group level
- ✓ SE Forge developed sizeable third party and export business reducing dependence of Suzlon
- ✓ Fixed Cost optimisation drive resulted in massive cost reduction and helped in significant reduction of break-even levels
- ✓ Successful completion of debt restructuring with unanimous approval of secured lenders and 99.9% bondholders
- ✓ Continuity of orders from marquee customers despite of financial challenges in past 2 years demonstrate Suzlon's strength in product and technology
- ✓ Suzlon has installed 350 MW in FY20 in spite of working capital constraints and the Debt Restructuring process

Debt Restructuring

Financial Performance

Industry Outlook

Technology

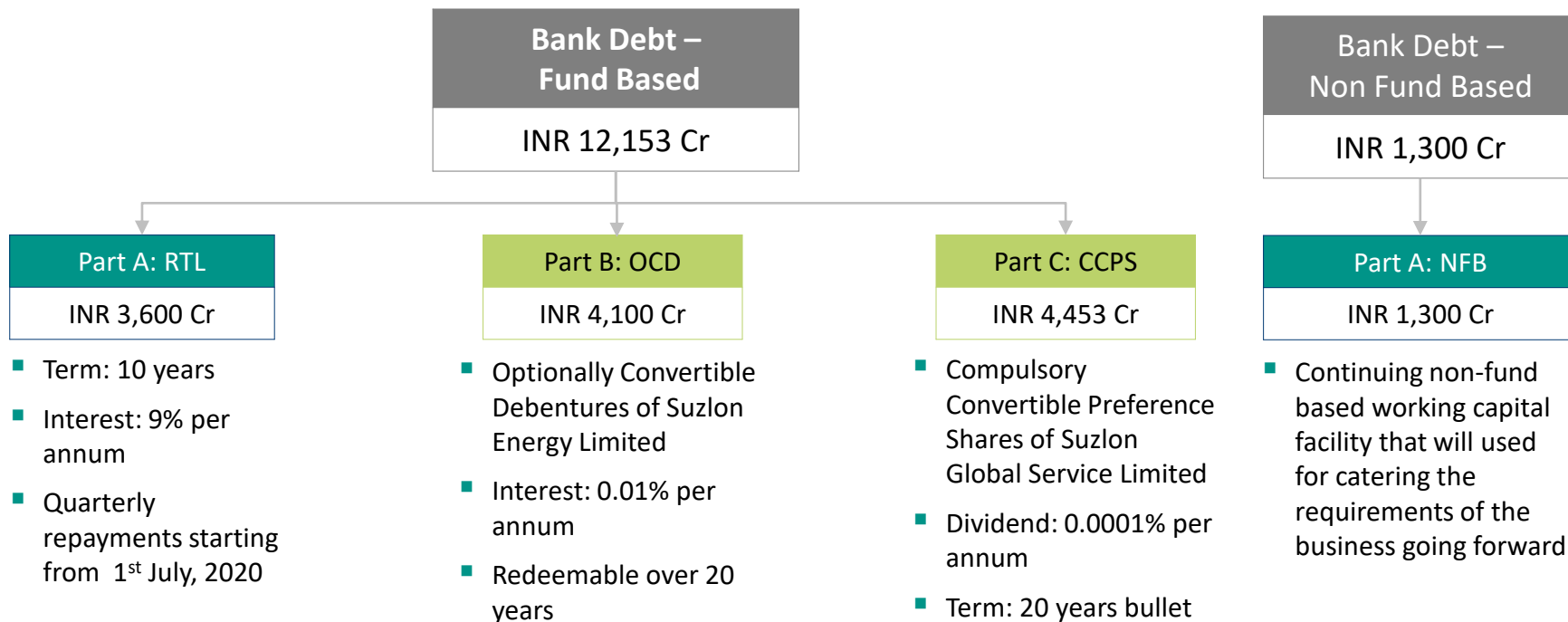
Suzlon Strengths

Detailed Financials

Key Highlights of Restructuring

- ✓ Debt Restructuring completed with unanimous approval of secured lenders
- ✓ Majority of debt converted in nominal interest bearing instruments resulting in reduction of more than 70% interest burden
- ✓ Lenders demonstrated confidence on promoters, who will continue to lead the company
- ✓ Capital infusion by promoters, key shareholder and other stakeholders demonstrate their commitment and confidence
- ✓ FCCB restructuring approved by 99.9% bondholders; implementation underway
- ✓ Forex denominated debt to reduce from USD 796* Million to USD 48^ Million post completion of restructuring

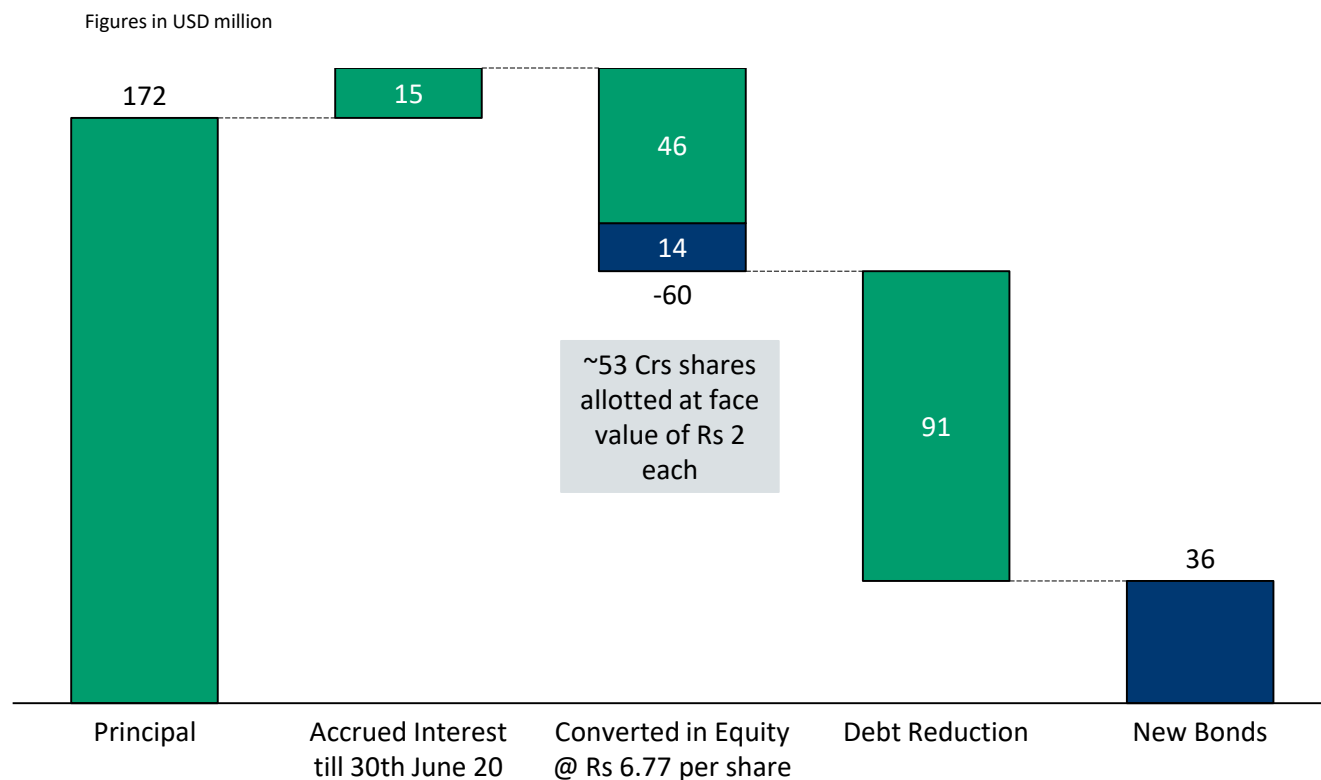
Key Terms of Consortium Debt Restructuring



- Blended interest cost reduced to 2.67% p.a. resulting in lower break-even point
- Majority of repayment obligations are back-ended providing sustainable growth outlook
- Lenders were allotted ~100 Crs shares and ~50 Crs warrants as part of restructuring
- Payment of Rs 900 Crs by 30th June 2022 to achieving upgrade of account
- Project Specific Debt of Rs 261 Cr to continue post restructuring and repaid from project cash-flows

100% lenders voted in favour of the restructuring proposal

Key Terms of FCCB Restructuring



Terms of New Bonds	
Coupon	Cash 1.25% PIK 2.75%
Maturity	June 2032
Conversion FX Rate (USD)	Rs 75 / USD
Conversion Share Price	Rs 2.61

- Bondholders approved restructuring by 99.9% voting in favour
- RBI and other necessary approval for implementation of restructuring are in place
- Mandatory Conversion Notice issued and process is expected to get completed by 31-Jul-20
- USD ~14 million of Equity Shares (at face value Rs 2 each) will be issued
- USD ~36 million of New Bonds (at face value USD 320 each) will be issued

Proforma Debt Profile: Post Restructuring

Debt Components	Pre Restructuring [^]	Status of Restructuring	Post Restructuring	Post Restructuring	Post Restructuring (at NPV)
Rupee Debt	₹ 12,153 Cr.	Completed	Rupee Term Loan	₹ 3,600 Cr.	₹ 3,600 Cr.
			0.01% OCD	₹ 4,100 Cr.	₹ 561 Cr.*
FCCB (5.75%)	US\$ 187 M (₹ 1,403 Crs.)	Near Completion	4% New Bonds	US\$ 36 M (₹ 270 Crs.)	US\$ 36 M (₹ 270 Crs.)
Total	₹ 13,556 Cr.			₹ 7,970 Cr.	₹ 4,431 Cr.
Project Specific Debt	₹ 261 Cr.	Self liquidating from project	Debt to continue	₹ 261 Cr.	₹ 261 Cr.
SE Forge	₹ 234 Cr.	Self sustainable	Debt to continue	₹ 234 Cr.	₹ 234 Cr.
Overseas Subsidiaries	₹ 325 Cr	Under discussion	Restructured Debt	₹ 185 Cr	₹ 185 Cr
Total	₹ 820 Cr.			₹ 680 Cr.	₹ 680 Cr.
		Issued against Rupee Debt	0.0001% CCPS	₹ 4,453 Cr.	₹ 359 Cr.*

[^]Estimated nos. as of 30-Jun'20 including accrued interest

*OCDs and CCPSs are recorded at NPV 13.42% based on initial estimates; impact in books of accounts may vary depending upon Ind-AS valuation USD/INR Exchange rate considered Rs 75

Restructuring already completed for significant part of Debt

Key Enablers for Company

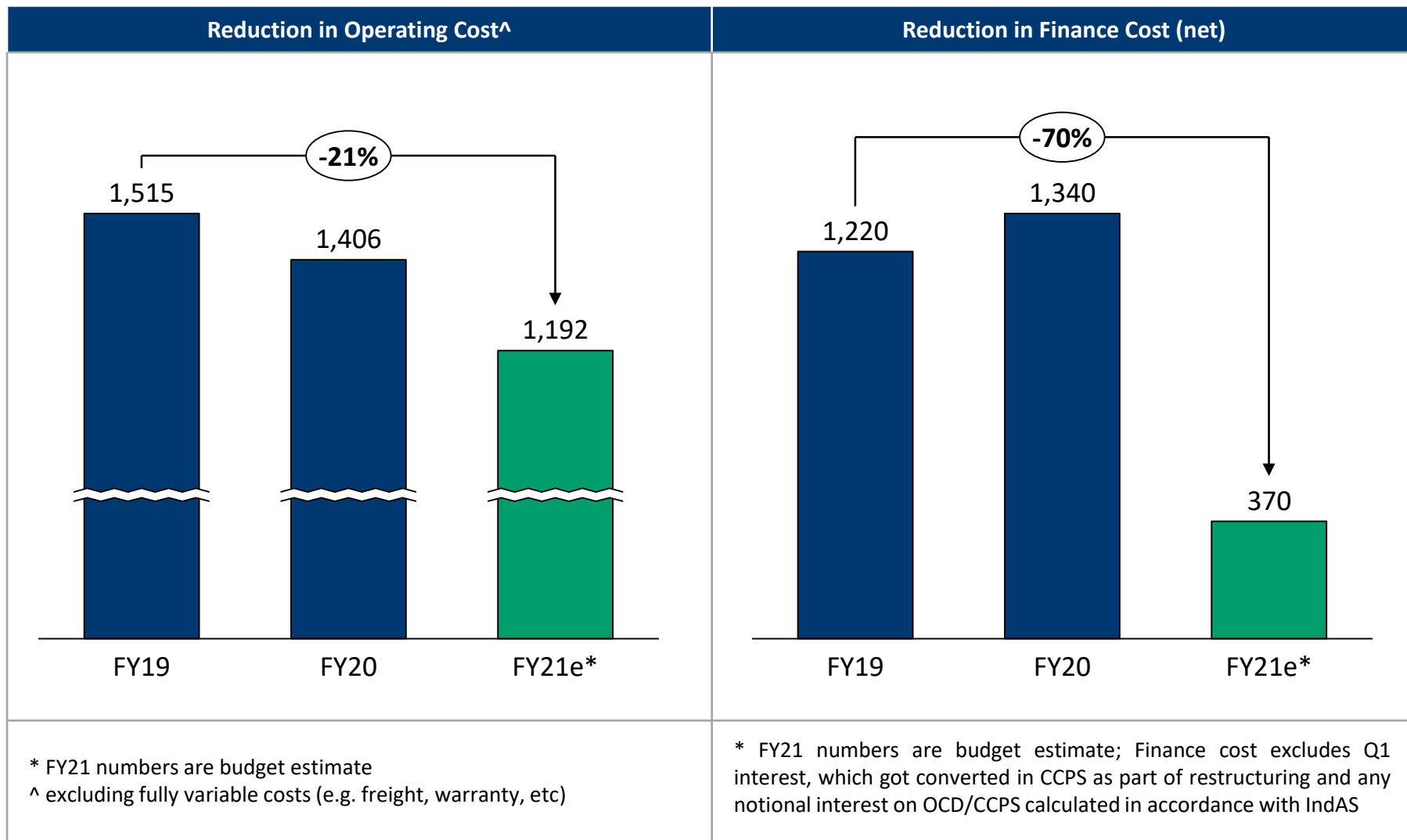
Enablers for further deleveraging

- ✓ Non-core monetization plan for Rs 950 Crs approved by the lenders, which will help in reducing further debt in next 2 to 5 years
- ✓ Option to pursue strategic sale of the equity of the Company or any of its division is permitted by the lenders
- ✓ New Bonds issued to FCCBs are in-the-money indicates high probability of conversion

Enablers for future business growth

- ✓ Reduced interest burden and back-ended repayment obligations provide headroom for business continuity and growth
- ✓ Consortium lenders providing NFB working capital facility of Rs 1,300 Crs which will be used for meeting business requirements
- ✓ Company is permitted to avail additional project specific financing for executing projects; In-principle sanction from one lender received for Rs 1,350 Crs

Lower Breakeven Levels through reduced Operating & Finance Cost



Debt Restructuring

Financial Performance

Industry Outlook

Technology

Suzlon Strengths

Detailed Financials

FY20 Financial Metrics

(₹ Cr.)

Particulars	FY20 Audited	FY19 Audited	Remarks
Net Volumes (MW)	59	496	
Net Revenue	2,933	4,978	Primarily due to low volume
Gross Profit	1,060	1,980	Primarily due to revenue mix and provisions
Gross Margin	36.1%	39.8%	
Employee Expenses	796	874	
Other Expenses (net)	686	826	Includes partly variable cost
EBITDA (Pre FX)	-423	280	Primarily due to lower operating leverage and certain non-recurring costs
EBITDA Margin (Pre FX)	-14.4%	5.6%	
Depreciation	419	342	
Net Finance Cost	1,340	1,220	Due to defaults and NFB/SBLC invocation
Taxes	7	-12	
Share of (Profit) / Loss of Associates / JV	0	6	
Net Profit (Pre Fx and Ex. Items)	-2,189	-1,276	
Exchange Loss / (Gain)	437	288	
Exceptional Loss / (Gain)	66	-28	
Reported Net Profit	-2,692	-1,537	
Non Controlling Interest	-50	-10	
Net Profit attributable to Shareholders	-2,642	-1,527	

Midst of restructuring, WTG business remained almost standstill with historically low volumes

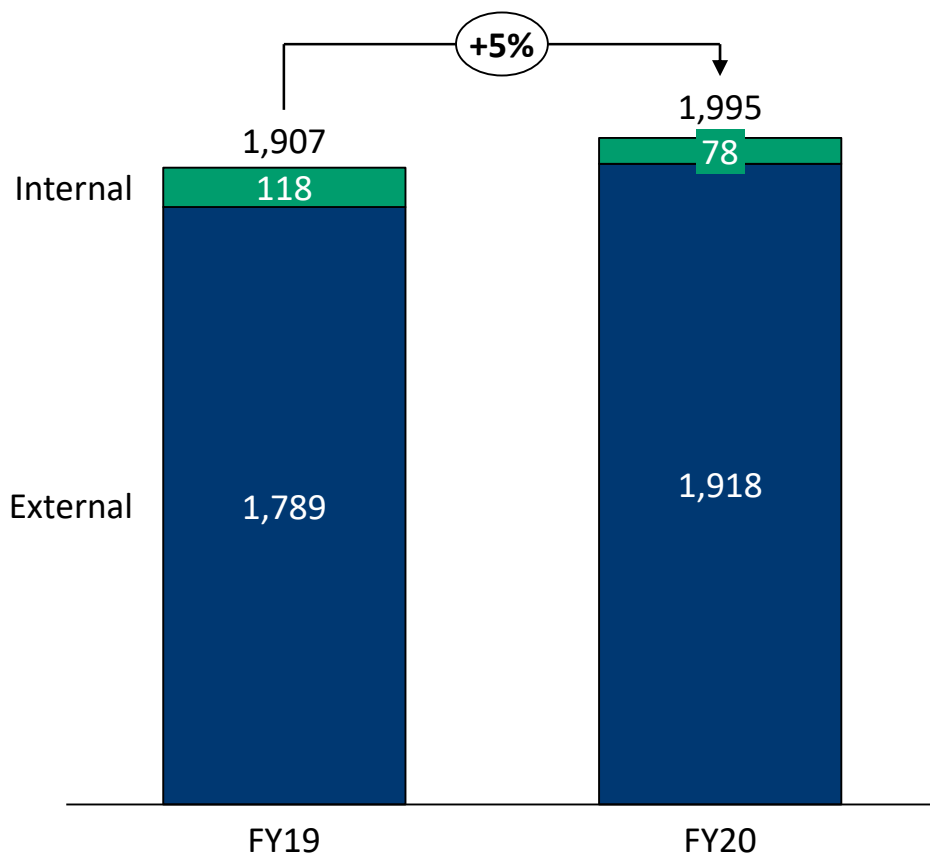
Q4 FY20 Financial Metrics

(₹ Cr.)

Particulars	Q4 FY20 Audited	Q4 FY19 Audited	Remarks
Net Volumes (MW)	11	147	
Net Revenue	643	1,421	Primarily due to low volume
Gross Profit	220	469	
Gross Margin	34.2%	33.0%	
Employee Expenses	192	249	
Other Expenses (net)	178	205	Includes partly variable cost
EBITDA (Pre FX)	-150	15	Primarily due to lower operating leverage
EBITDA Margin (Pre FX)	-23.2%	1.0%	
Depreciation	114	87	
Net Finance Cost	337	276	Due to defaults and NFB/SBLC invocation
Taxes	5	5	
Share of (Profit) / Loss of Associates / JV	0	1	
Net Profit (Pre Fx and Ex. Items)	-606	-355	
Exchange Loss / (Gain)	217	-93	
Exceptional Loss / (Gain)	11	33	
Reported Net Profit	-834	-295	
Non Controlling Interest	-11	-2	
Net Profit attributable to Shareholders	-824	-293	

Stable Service Revenue Insulated From Business Cycles

Operations and Maintenance Revenues (₹ Cr.)




✓ **~16 GW of Assets under Management (AUM)**

- 12.8+ GW in India; ~2.5 GW Overseas
- 2nd Largest O&M player in India Power Sector, after NTPC

✓ **Nearly 100% renewal track record in India**

- Almost all turbine sold by us in India are under our Service fold
- Custodian of 12.8+ GW of assets in India
- 25 years of track record in India

Order Backlog (as on 31st March 20)

Particulars	Capacity	Remarks
Central Auctions	789 MW	All orders backed by signed PPA's
State Auctions	57 MW	
Wind Firm Order Book	846 MW	
Value of Order Book	₹ 4,341 Cr.	
 SEFL and Service orders over and above this order book		

PPAs of > 700 MW, where ratification is awaited are not considered in above order backlog in view of regulatory uncertainties.

Debt Restructuring

Financial Performance

Industry Outlook

Technology

Suzlon Strengths

Detailed Financials

Future Drivers for WTG Business growth



Ambitious targets of GOI for Renewable Energy in India – GOI working towards facilitative policies + ramping up infrastructure required to achieve the targets



Government plans to conduct bidding of 50 GW wind capacity in next 5 years; Focus on Wind to increase with Hybrid and RTC solutions



Increase focused on Atmanirbhar Bharat and Make in India to promote heavy investment in Renewable sector (Component's sale potential given the already available manufacturing capacity)



Execution challenges on Land / PE capacities arising due to transition largely ironed out; States being aligned with Central policies and targets

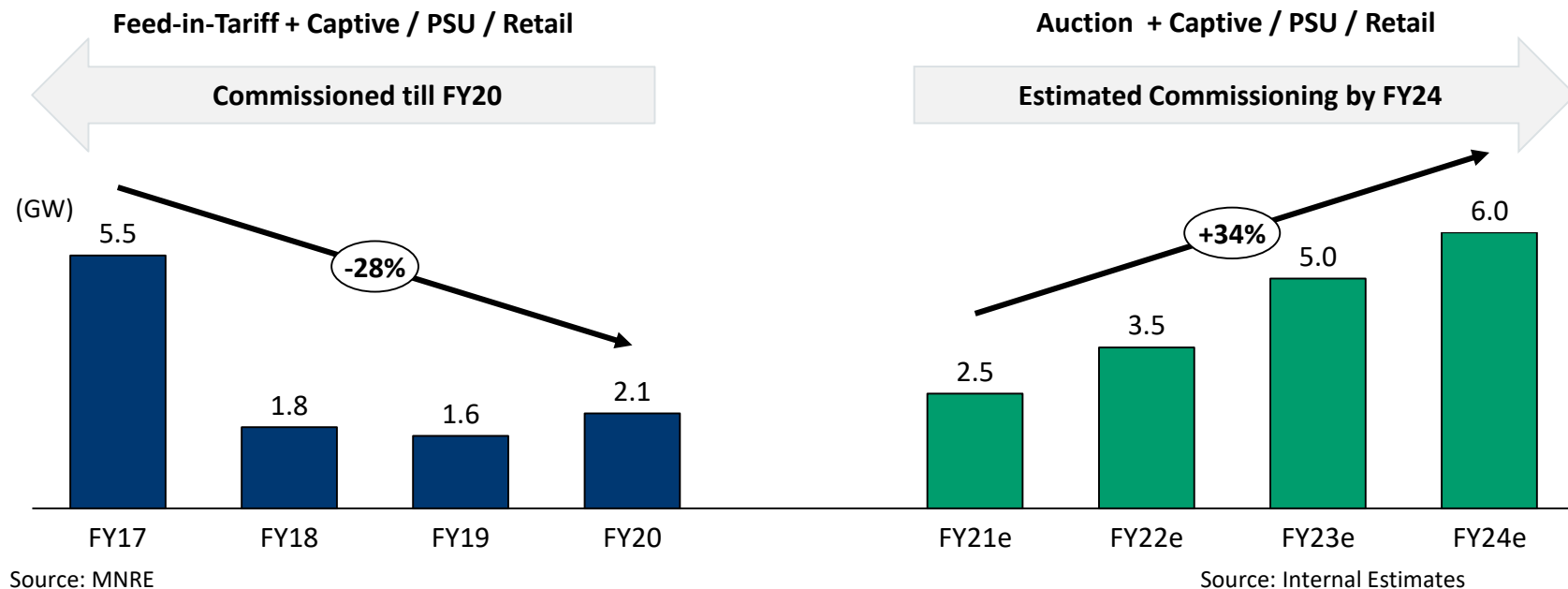


PPA rates gradually firming up, removal of tariff cap, Wind industry moving towards mass scale industrialization resulting in standardization



Healthy order Backlog in industry – ~14GW projects already bid out which remain largely unexecuted as on date

Strong Visibility on Growth for Indian Wind Market



Key Challenges faced during Transition:

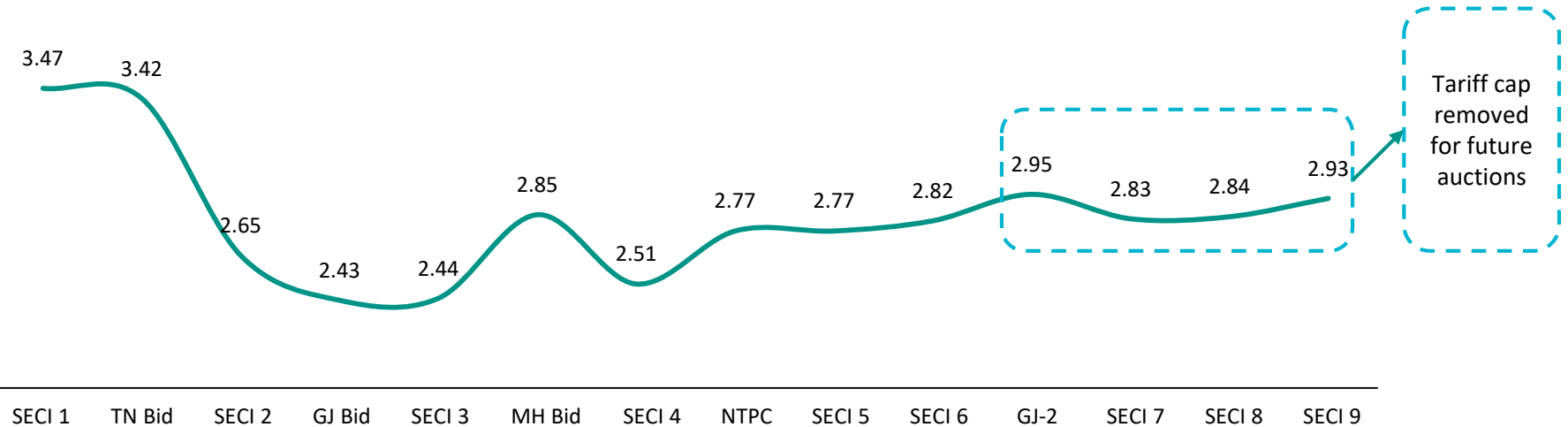
- X Infrastructure constraints
- X Land allocation delays
- X Delays in permissions from Ministry of Defence
- X Auction delays & sector uncertainties

Key Drivers:

- ✓ Push for clean, affordable and scalable power source
- ✓ Wind most competitive source of power in India
- ✓ Market expanding from 8 wind states to pan India
- ✓ Tariff firming up; tariff cap on wind removed
- ✓ Demand-supply rationalised and WTG prices firming up
- ✓ Focus on Wind Solar Hybrid (Make In India Push)

Tariffs are firming up since early Wind Project auctions in India

Wind Auction Tariffs (Rs/Unit)



Positive Aspect of Competitive Bidding

<p>1</p> <p>Pan India Demand</p> <p>Wind + Non Wind States</p>	<p>2</p> <p>Market Based pricing</p> <p>Most competitive source of power- even better than Coal based plants</p>	<p>3</p> <p>Predictable Volumes</p> <p>Optimized Working Capital</p>	<p>4</p> <p>Large Scale Orders</p> <p>250-300 MW</p>	<p>5</p> <p>Reduced Regulatory Risk</p> <p>Upfront PPA signing and tariff determination</p>
--	--	--	--	---

Industry Updates

- ✓ Govt. of India increased custom duties on import of power sector equipment from China w.e.f. August, 2020
- ✓ Government of India announced support of Rs. 90,000 Cr to revive Discoms
- ✓ Privatisation of DISCOMs in Union Territories - to improve efficiency and attract investment
- ✓ Electricity Act (Amendment) 2020 – Focus on Cost reflective Tariff and Electricity Contract Enforcement Authority to enforce Power Purchase Agreements
- ✓ SECI has granted extension to RE projects under Force Majeure condition (due to Covid-19)
- ✓ 3-month moratorium granted to DISCOMs for payments
- ✓ Govt. raised States' borrowing limits for FY21 to 5% of GSDP from the existing 3% to ease the revenue crunch due to Covid-19
- ✓ LC based power procurement by DISCOMs to ensure discipline in payment to Generators

Debt Restructuring

Financial Performance

Industry Outlook

Technology

Suzlon Strengths

Detailed Financials

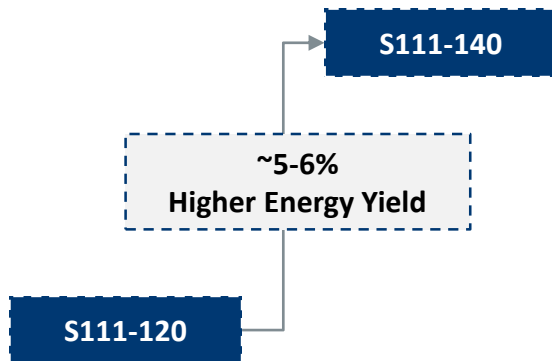
Products Optimized for Market Demand

S111-140

2.1 MW

India's Tallest Wind Turbine

Proto Commissioned	Aug'17
--------------------	--------

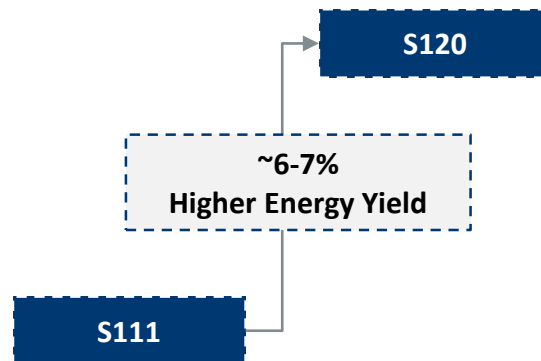


S120-140

2.1 MW

India's Largest 2.1 MW Turbine

Proto	Status	Date
S120-105	Commissioned	Jun '18
S120-140	Commissioned	Dec'18

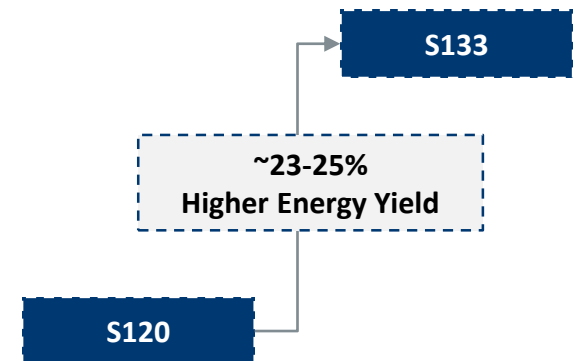


S133-140

2.8 – 3.0 MW

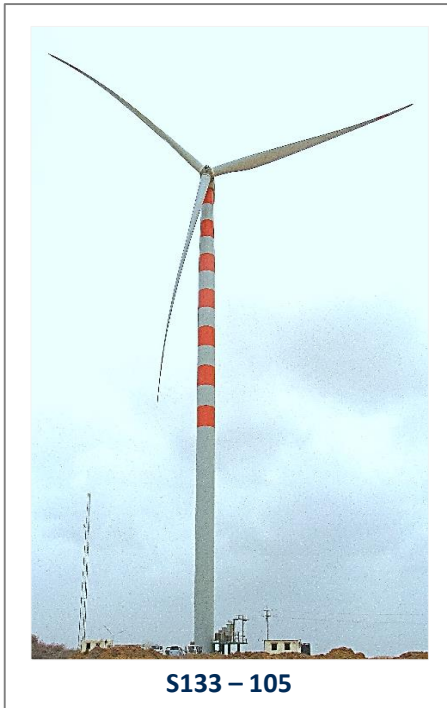
India's Largest Rotor Diameter

Proto	Status	Date
S133-105	Commissioned	Aug '19



Product Development

S133: New Product



SB 63 – Won SKOCH award for Corporate Excellence



- ✓ RLMM Listing completed
- ✓ All Testing & Measurement completed
- ✓ Multiple Tower Options (Hybrid Lattice, Steel Tubular)

Debt Restructuring

Financial Performance

Industry Outlook

Technology

Suzlon Strengths

Detailed Financials

Milestones Achieved

**Cumulative Market
Share***

~34%

*Market leadership
maintained for over two
decades*

**Largest fleet under
maintenance* of**

12.8 GW in India

*2nd largest O&M
Company in India Power
Sector*

**Annual Market Share
(FY20)**

~16%

2nd highest market share

Suzlon's Strengths in Indian Wind Market

**Full Turnkey Solution
Provider**

Pan India Presence

Technology Leadership

SUZLON
POWERING A GREENER TOMORROW

Strong Customer Relationship

**Best In Class Service
Capabilities**

25 Years Track Record

End-to-end service provider with strong presence across value chain & customer segments

SUZLON
POWERING A GREENER TOMORROW

Accolades



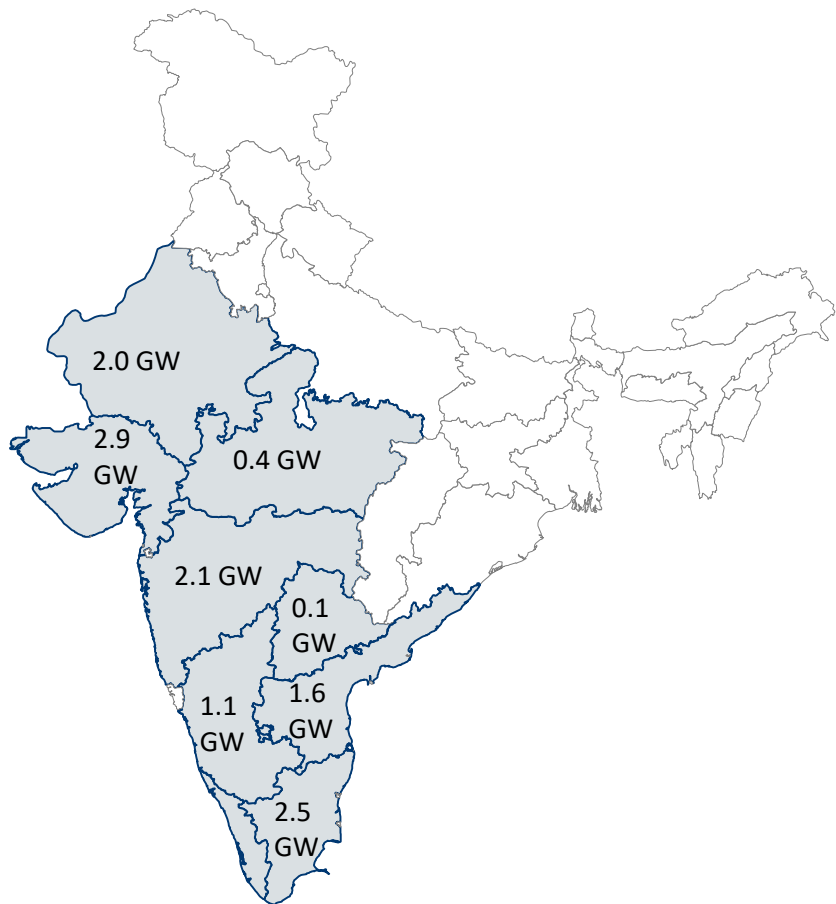
- **World's 1st solar project quality certification for Suzlon's 100 MW project**
 - DNV GL confirms safety features and technical compliance
 - Testament of our commitment to high quality standards
- **Coimbatore Generator Unit wins CII Southern Region 13th Kaizen Competition**
 - For uniform profile of copper bar with higher productivity
- **Suzlon's Generator Unit wins award at Manufacturing Today Summit**
 - Quality Improvement Project competition won on Cost Optimization
 - Evaluated across cost optimization, quality, tech., safety and sustainability
- **SKOCH Corporate Excellence Silver Award**
 - SB63 Full Carbon Girder Blade, Order of Merit certificate for S128
 - Award for Innovative two fold transport system
- **Team Wins IMC RBNQA 2018: Symbol Of Business Excellence**
 - 1st prize for SGSL in service category, recognition of high service standards
 - 360 degree evaluation including interactions with all stakeholders
- **ICERP – JEC Innovation Award as “Outstanding Innovation in Composites”**
 - Awarded by FRP Institute, India and JEC Composites, France
 - Testament of Suzlon's innovation in nacelle cover composites structure
- **Won Best Organisation for PoSH (Prevention of Sexual Harrasment) award**
- **Certified as 'Great Place to Work' by the Great Place to Work® Institute**
- **Daman unit won Gold award by International Research Institute for Manufacturing**

12.8 GW Wind Energy Installations In India

Ranked **No. 1** in Renewables Sector

Ranked **No. 2** in Power Sector

Largest fleet under Operation and Maintenance fold in India



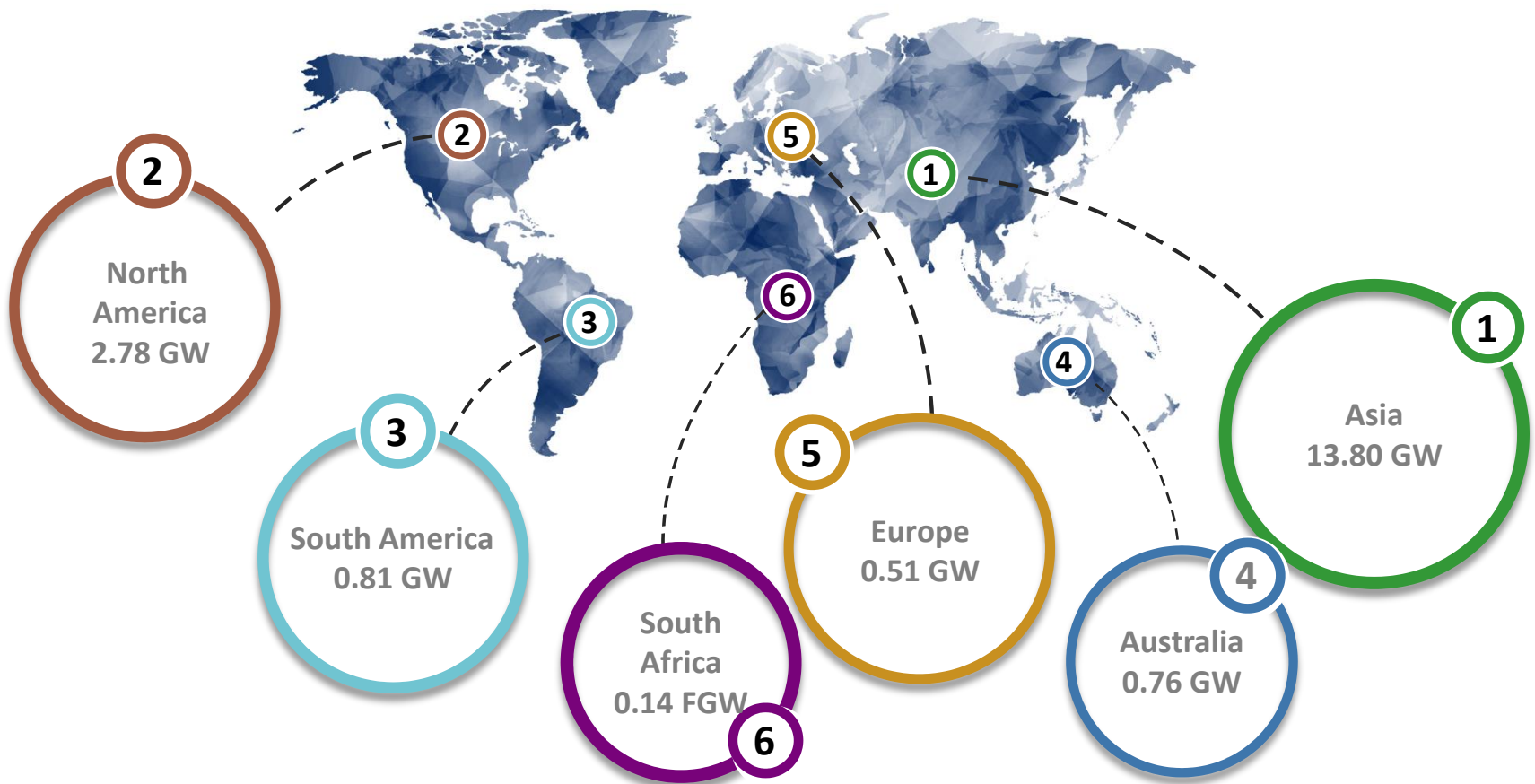
(31 st Mar'20)	# of Turbines	MW
<= 1 MW	1,678	777
>1 MW < 2 MW	4,268	5,774
=>2 MW	2,997	6,296
Total	8,943	12,847

- **34% - All India installed wind capacity**
- **~15% - All India installed renewable capacity**
- **~1,800 customer relationships**
- **25 years of operating track record**
- **28 TWh estimated of annual clean energy;**
 =2,291 mn trees planting p.a.
 =~20.8 mn tonnes coal avoidance p.a.
 =~27.4 mn tonnes CO₂ emission savings p.a.

Custodian of 2nd highest installed power capacity (from all sources) in India

Suzlon's Global Presence (18.8 GW)

As on 31st Mar 2020



Debt Restructuring

Financial Performance

Industry Outlook

Technology

Suzlon Strengths

Detailed Financials

Consolidated Income Statement

(₹ Cr.)

Particulars	Q4 FY20	Q3 FY20	Q4 FY19	FY20	FY19
	Audited	Audited	Audited	Audited	Audited
Revenue from operations	643	654	1,421	2,933	4,978
Less: COGS	423	384	953	1,874	2,998
Gross Profit	220	270	469	1,060	1,980
Margin %	34.2%	41.2%	33.0%	36.1%	39.8%
Employee benefits expense	192	187	249	796	874
Other expenses (net)	178	174	205	686	826
Exchange Loss / (Gain)	217	77	-93	437	288
EBITDA	-367	-169	108	-860	-9
EBITDA (Pre-FX Gain / Loss)	-150	-92	15	-423	280
Margin %	-23.2%	-14.0%	1.0%	-14.4%	5.6%
Less: Depreciation	114	155	87	419	342
EBIT	-481	-324	21	-1,278	-351
EBIT (Pre-FX Gain / Loss)	-264	-247	-72	-841	-62
Margin %	-41.0%	-37.8%	-5.1%	-28.7%	-1.3%
Net Finance costs	337	415	276	1,340	1,220
Profit / (Loss) before tax	-818	-739	-256	-2,618	-1,571
Less: Exceptional Items Loss / (Gain)	11	3	33	66	-28
Less: Share of (Profit) / Loss of Associates & JV	0	-0	1	0	6
Less: Taxes	5	1	5	7	-12
Net Profit / (Loss) after tax	-834	-743	-295	-2,692	-1,537
Less: Non-Controlling Interest	-11	-6	-2	-50	-10
Net Profit Attributable to Shareholders	-824	-737	-293	-2,642	-1,527

Consolidated Balance Sheet

(₹ Cr.)

Liabilities	Mar-20	Mar-19	Assets	Mar-20	Mar-19
Shareholders' Fund	-10,983	-8,498	Non Current Assets		
Non controlling interest	-59	-5	Property, plant and equipment	905	1,147
	-11,042	-8,503	Right-of-use assets	143	0
Non-Current Liabilities			Capital work-in-progress	110	218
(a) Financial Liabilities			Investment property	35	37
(i) Borrowings	842	6,244	Goodwill	8	8
(ii) Lease Liabilities	63	0	Other intangible assets	268	327
(iii) Other Financial Liabilities	28	50	Intangible assets under development	12	10
(b) Provisions	93	118	Investments in asso. and joint ventures	20	20
(c) Other Non-Current Liabilities	1	12	Financial assets		
	1,027	6,425	(I) Other financial assets	284	484
			Other non-current assets	51	104
				1,836	2,357
Current Liabilities			Current Assets		
(a) Financial Liabilities			(a) Inventories	2,056	2,914
(i) Borrowings	8,844	3,380	(b) Financial assets		
(ii) Trade payables	1,298	2,175	(i) Trade receivables	1,365	1,881
(iii) Lease liabilities	10	0	(ii) Cash and cash equivalents	58	75
(iv) Other financial liabilities	5,301	3061	(iii) Bank Balances other than above	25	0
Contract Liabilities	258	1,478	(iv) Loans	22	12
Other cur. liabilities	129	116	(v) Other Financial Assets	109	316
Provisions	706	740	(c) Current tax asset, net	20	16
	16,545	10,949	(d) Other curr. assets (incl. held for sale)	1,040	1,301
				4,694	6,514
Total Equity and Liabilities	6,530	8,871	Total Assets	6,530	8,871

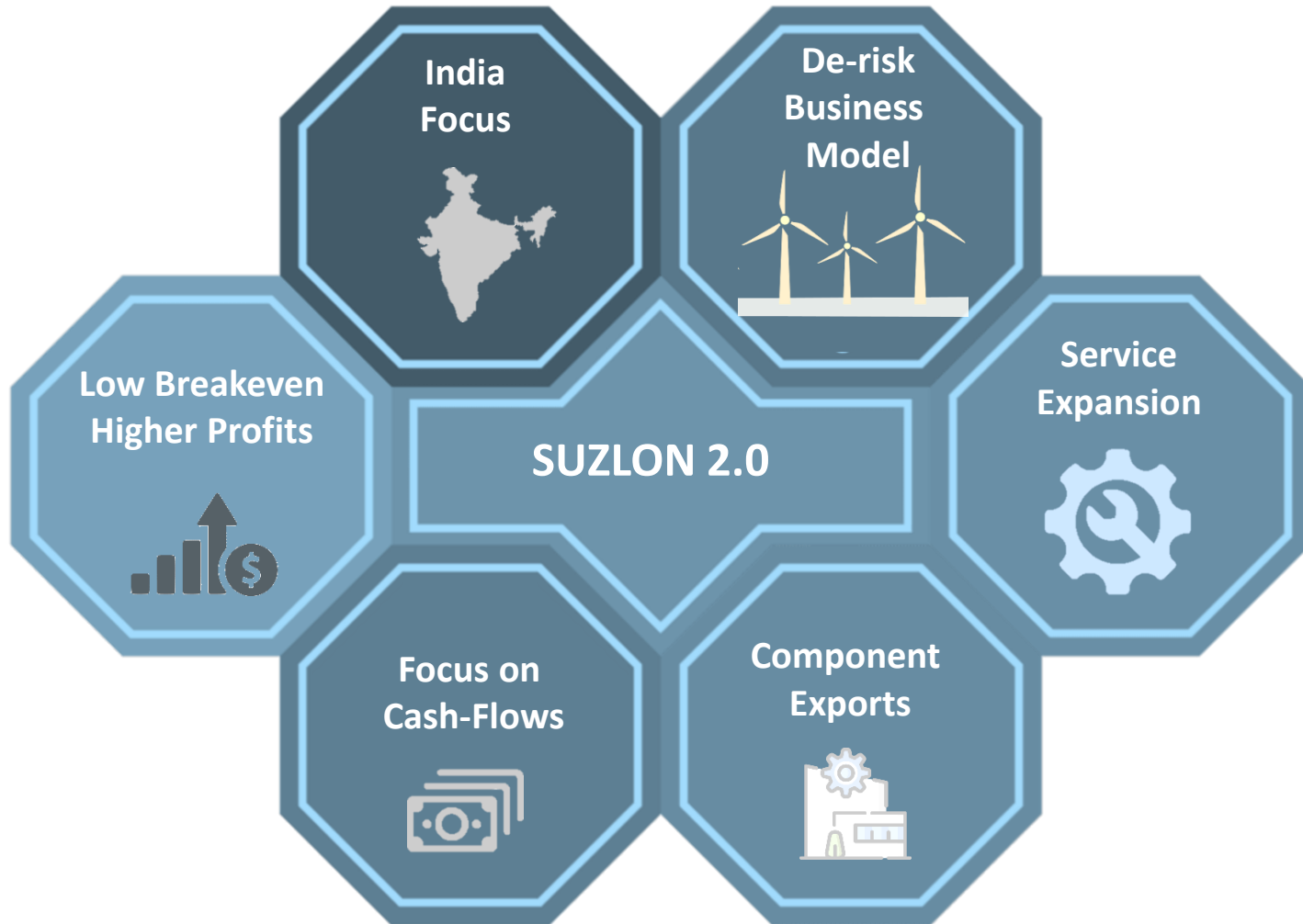
Consolidated Net Working Capital

(₹ Cr.)

	31-Mar-20	31-Dec-19	31-Mar-19
Inventories	2,056	2,204	2,914
Trade receivables	1,364	1,458	1,881
Loans & Advances and Others	1,423	1,587	1,806
Total (A)	4,843	5,249	6,600
Sundry Creditors	1,298	1,295	2,175
Advances from Customers	259	328	1,490
Provisions and other liabilities*	2,061	1,885	1,384
Total (B)	3,618	3,508	5049
Net Working Capital (A-B)	1,225	1,741	1,552

*including accrued but unpaid interest of Rs ~758 Crs as of 31st Mar'20

Suzlon 2.0





THANK YOU