

# Suzlon Energy Limited

Investor Presentation

Q2, FY 2020-21

**SUZLON**  
POWERING A GREENER TOMORROW



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## Milestones Achieved

**Cumulative Market Share\***

**~34%**

*Market leadership maintained for over  
two decades*

**Largest fleet under maintenance\***

of **12.8 GW** in India

*3<sup>rd</sup> largest O&M Company in India Power  
Sector*

**H1, FY21 EBITDA Margin of**

**~16%**

*Due to high control on fixed costs*

**Out of 2.95 GW commissioning  
done under SECI and State Bids,**

**~19%**

*is done by Suzlon – 2<sup>nd</sup> highest in India*

**Suzlon is on track to regain its foothold in FY21 despite Covid-19 challenge**

*\*as on 31<sup>st</sup> Mar 2020*

**Financial Performance**

Industry Outlook

Technology

Suzlon Strengths

Detailed Financials

## Q2 FY21 Financial Metrics

(₹ Cr.)

Particulars	Q2 FY21 Unaudited	Q2 FY20 Unaudited	Remarks
Net Volume (MW)	27	27	
Net Revenue	725	803	
<b>Gross Profit</b>	<b>390</b>	<b>133</b>	Primarily due to higher provisions in Q2 FY20
<b>Gross Margin</b>	<b>53.8%</b>	<b>16.6%</b>	
Employee Expenses	141	209	
Other Expenses (net)	114	167	Includes partly variable cost
Exchange Loss / (Gain)	23	123	
<b>EBITDA</b>	<b>112</b>	<b>-366</b>	Impact of higher margins and optimization of manpower and opex cost
<b>EBITDA Margin</b>	<b>15.4%</b>	<b>-45.6%</b>	
Depreciation	69	76	
Net Finance Cost	192	292	Partly non-cash in nature on account of fair valuation of OCDs and CCPs issued to the lenders
Taxes	2	-0	
Share of (Profit) / Loss of Associates / JV	-5	0	
<b>Net Profit (Pre Exceptional Items)</b>	<b>-147</b>	<b>-734</b>	
Exceptional Loss / (Gain)	(822)	44	
<b>Net Profit (Post Exceptional Items)</b>	<b>675</b>	<b>-778</b>	
Non Controlling Interest	-1	-31	
<b>Net Profit attributable to Shareholders</b>	<b>676</b>	<b>-747</b>	

# H1 FY21 Financial Metrics

(₹ Cr.)

Particulars	H1 FY21 Unaudited	H1 FY20 Unaudited	Remarks
Net Volumes (MW)	25	47	
Net Revenue	1,237	1,636	Primarily due to low volume in WTG and components business due to Covid-19
<b>Gross Profit</b>	<b>746</b>	<b>570</b>	Due to change in revenue mix and higher provisions in Q2 FY20
<b>Gross Margin</b>	<b>60.3%</b>	<b>34.8%</b>	
Employee Expenses	300	417	
Other Expenses (net)	194	334	Includes partly variable cost
Exchange Loss / (Gain)	49	143	
<b>EBITDA</b>	<b>203</b>	<b>-324</b>	Impact of higher margins and optimization of manpower and opex cost
<b>EBITDA Margin</b>	<b>16.4%</b>	<b>-19.8%</b>	
Depreciation	140	149	
Net Finance Cost	595	587	Predominantly non-cash in nature
Taxes	3	1	
Share of (Profit) / Loss of Associates / JV	-4	0	
<b>Net Profit (Pre Ex. Items)</b>	<b>-531</b>	<b>-1,061</b>	
Exceptional Loss / (Gain)	(807)	52	
<b>Net Profit (Post Ex. Items)</b>	<b>276</b>	<b>-1,115</b>	
Non Controlling Interest	-2	-33	
<b>Net Profit attributable to Shareholders</b>	<b>278</b>	<b>-1,082</b>	

## Wind Order Book (as at 30<sup>th</sup> Sep, 2020)

Particulars	Capacity	Remarks
Central Auctions	764 MW	All orders backed by signed PPA's
State Auctions/PSU	65 MW	
Captive/Retail	70 MW	
Wind Firm Order Book	899 MW	
Value of Order Book	₹ 4,702 Cr.	
<div><div><div></div></div><div>SEFL and Service orders over and above this order book</div></div>		

Sizable auctioned capacity is yet to be tied up by bidders

Financial Performance

**Industry Outlook**

Technology

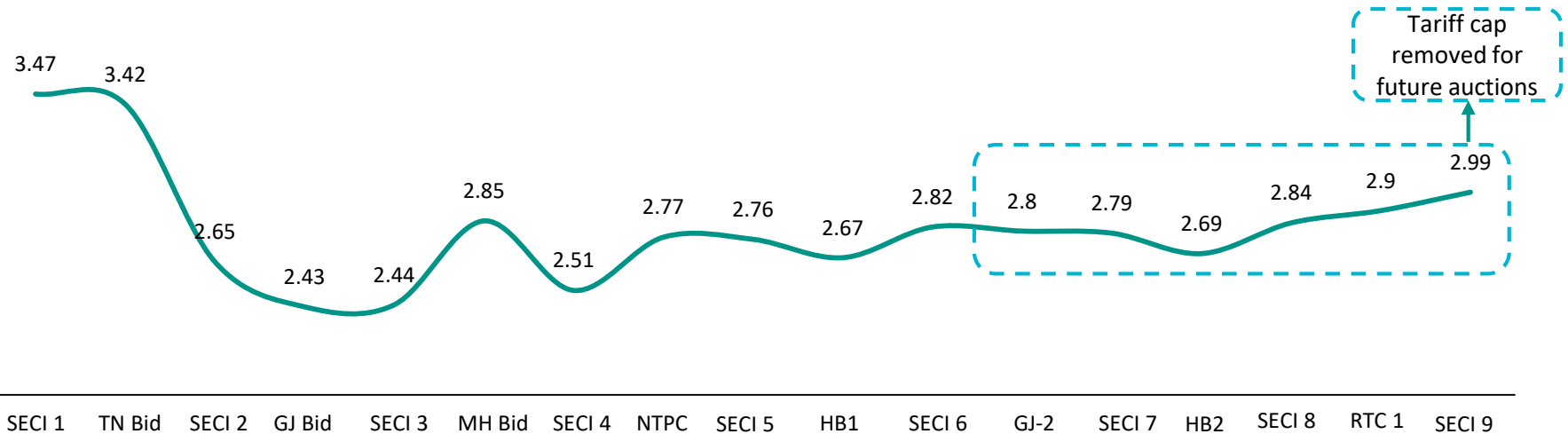
Suzlon Strengths

Detailed Financials



# Tariffs are firming up since early Wind Project auctions in India

## Wind Auction Tariffs (Rs/Unit)



## Positive Aspect of Competitive Bidding

1

### Pan India Demand

Wind + Non Wind States

2

### Market Based pricing

Most competitive source of power- even better than Coal based plants

3

### Predictable Volumes

Optimized Working Capital

4

### Large Scale Orders

250-300 MW

5

### Reduced Regulatory Risk

Upfront PPA signing and tariff determination

## Industry Updates

- ✓ RTC Tender concluded by SECI for 400 MW Round-The-Clock Power supply at first year tariff of INR 2.90 p.u. with 3% escalation p.a. for next 15 years
- ✓ Ministry of Power and MNRE provides five months Extension for under-construction Transmission Projects for RE Projects due to COVID19
- ✓ Rajasthan Electricity Regulator issued RERC Tariff Regulations, 2020, which will allow project specific tariff for < 25 MW projects
- ✓ Share of wind/solar in hybrid project increased from 25% to 33% in the new policy
- ✓ Gas based projects are also allowed for RTC projects

Financial Performance

Industry Outlook

**Technology**

Suzlon Strengths

Detailed Financials

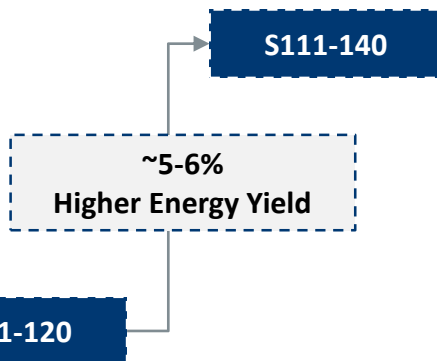
## Products Optimized for Market Demand

### *S111-140*

**2.1 MW**

Proto Commissioned

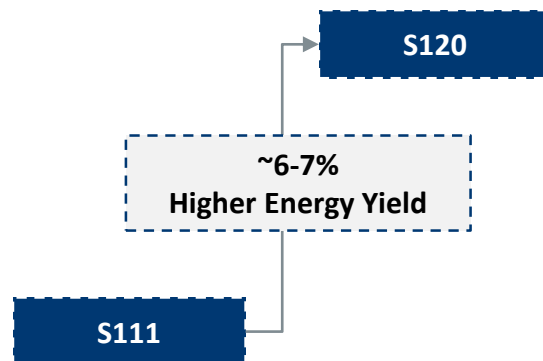
Aug'17



### *S120-140*

**2.1 MW**

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

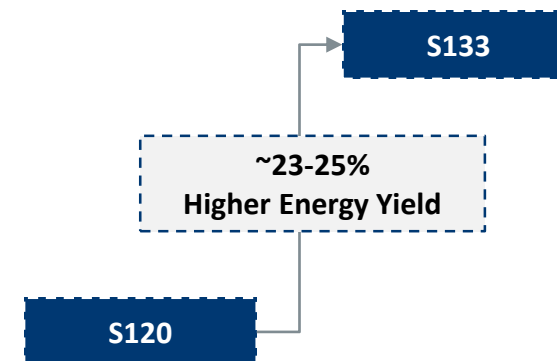


### *S133-140*

**3.0 MW**

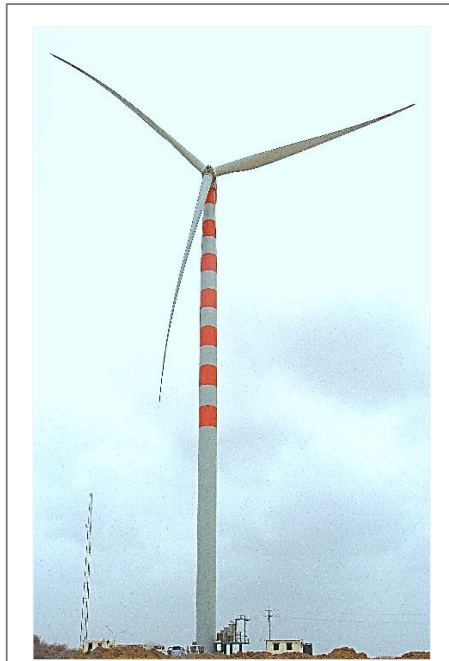
*(product series)*

Proto	Status	Date
S133-105	Commissioned	Aug '19



# Product Development

**S133: New Product**



**S133 – 105**

**SB 63 – Won SKOCH award for Corporate Excellence**



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

Financial Performance

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**Suzlon Strengths**

Detailed Financials

## Suzlon's Strengths in Indian Wind Market



**Full Turnkey Solution  
Provider**



**Pan India Presence**



**Technology Leadership**

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**Strong Customer Relationship**



**Best In Class Service  
Capabilities**



**25 Years Track Record**

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

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# Accolades



- Suzlon has won the prestigious CII-ITC Sustainability Award 2019 for CSR
- Won the prestigious award 'Company of the Year: IT & Data Analytics (Wind)' as part of Renewable Energy Digital Week India Awards 2020
- World's 1st solar project quality certification for Suzlon's 100 MW project
  - DNV GL confirms safety features and technical compliance
- 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
- 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

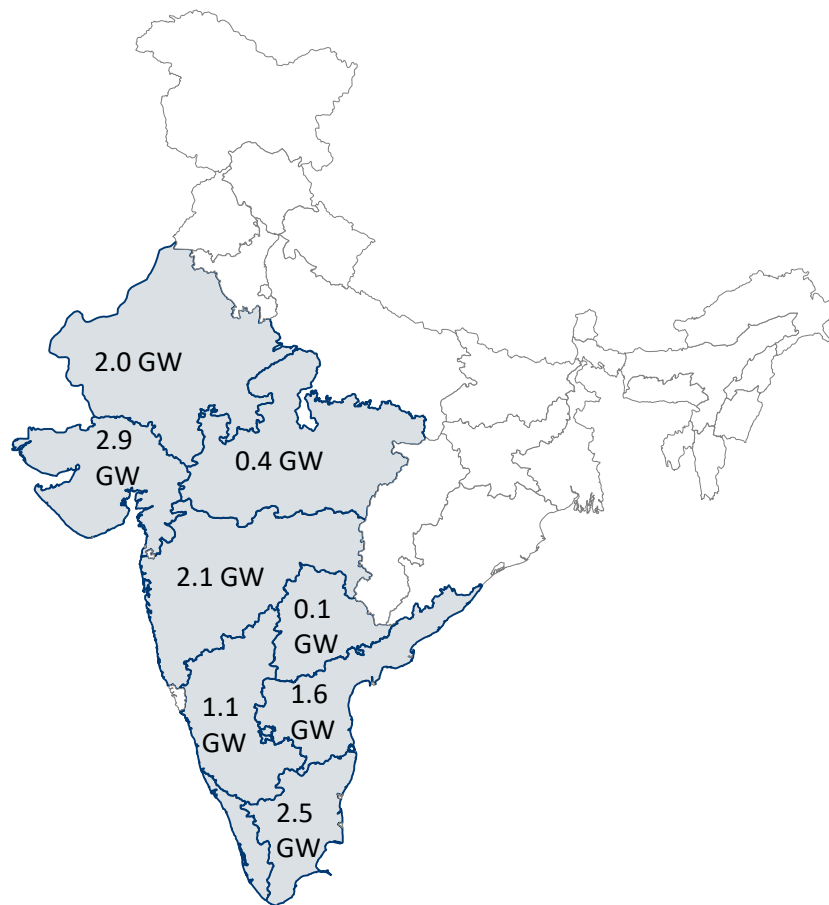


## 12.8 GW Wind Energy Installations In India

As on 31<sup>st</sup> Mar 2020

Ranked **No. 1** in Renewables Sector

Fleet under Operation and Maintenance fold in India

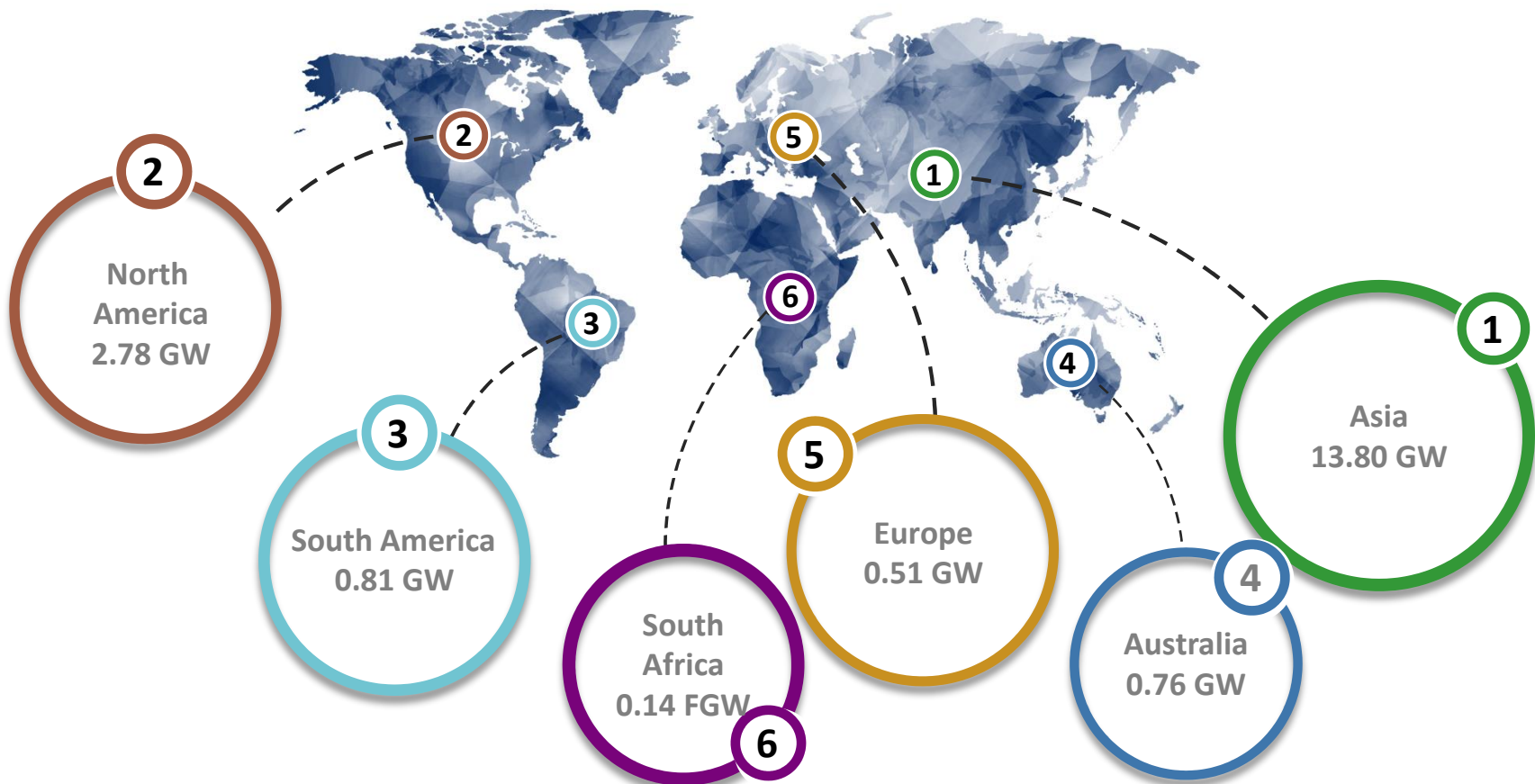


(31 <sup>st</sup> Mar'20)	# of Turbines	MW
<= 1 MW	1,678	777
>1 MW < 2 MW	4,268	5,774
=>2 MW	2,997	6,296
Total	8,943	12,847

- **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 CO<sub>2</sub> emission savings p.a.

## Suzlon's Global Presence (18.8 GW)

As on 31<sup>st</sup> Mar 2020



Financial Performance

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**Detailed Financials**

# Consolidated Income Statement

(₹ Cr.)

Particulars	Q2 FY21 Unaudited	Q1 FY21 Unaudited	Q2 FY20 Unaudited	H1 FY21 Unaudited	H1 FY20 Unaudited	FY20 Audited
Revenue from operations	725	513	803	1,237	1,636	2,933
Less: COGS	334	157	670			1,874
<b>Gross Profit</b>	<b>390</b>	<b>356</b>	<b>133</b>	<b>746</b>	<b>570</b>	<b>1,060</b>
<b>Margin %</b>	<b>53.8%</b>	<b>69.5%</b>	<b>16.6%</b>	<b>60.3%</b>	<b>34.8%</b>	<b>36.1%</b>
Employee benefits expense	141	159	209	300	417	796
Other expenses (net)	114	80	167	194	334	686
Exchange Loss / (Gain)	23	26	123	49	143	437
<b>EBITDA</b>	<b>112</b>	<b>91</b>	<b>-366</b>	<b>203</b>	<b>-324</b>	<b>-860</b>
<b>EBITDA (Pre-FX Gain / Loss)</b>	<b>135</b>	<b>117</b>	<b>-243</b>	<b>252</b>	<b>-181</b>	<b>-423</b>
<b>Margin %</b>	<b>18.6%</b>	<b>22.8%</b>	<b>-30.2%</b>	<b>20.4%</b>	<b>-11.1%</b>	<b>-14.4%</b>
Less: Depreciation	69	71	76	140	149	419
<b>EBIT</b>	<b>43</b>	<b>20</b>	<b>-442</b>	<b>63</b>	<b>-473</b>	<b>-1,278</b>
<b>EBIT (Pre-FX Gain / Loss)</b>	<b>66</b>	<b>46</b>	<b>-319</b>	<b>112</b>	<b>-330</b>	<b>-841</b>
<b>Margin %</b>	<b>9.1%</b>	<b>9.0%</b>	<b>-39.7%</b>	<b>9.1%</b>	<b>-20.2%</b>	<b>-28.7%</b>
Net Finance costs	192	403	292	595	587	1,340
<b>Profit / (Loss) before tax</b>	<b>-149</b>	<b>-383</b>	<b>-734</b>	<b>-532</b>	<b>-1,060</b>	<b>-2,618</b>
Less: Exceptional Items Loss / (Gain)	(822)	15	44	(807)	52	66
Less: Share of (Profit) / Loss of Associates & JV	-5	1	0	-4	0	0
Less: Taxes	2	1	0	3	1	7
<b>Net Profit / (Loss) after tax</b>	<b>675</b>	<b>-399</b>	<b>-778</b>	<b>276</b>	<b>-1,115</b>	<b>-2,692</b>
Less: Non-Controlling Interest	-1	-1	-31	-2	-33	-50
<b>Net Profit Attributable to Shareholders</b>	<b>676</b>	<b>-398</b>	<b>-747</b>	<b>278</b>	<b>-1,082</b>	<b>-2,642</b>

# Consolidated Balance Sheet

(₹ Cr.)

Liabilities	Sept-20	Mar-20	Assets	Sept-20	Mar-20
Shareholders' Fund	-3,227	-10,983	<b>Non Current Assets</b>		
Non controlling interest	-59	-59	Property, plant and equipment	856	905
	<b>-3,287</b>	<b>-11,042</b>	Right-of-use assets	138	143
<b>Non-Current Liabilities</b>			Capital work-in-progress	107	110
<b>(a) Financial Liabilities</b>			Investment property	34	35
(i) Borrowings	6,112	842	Goodwill	8	8
(ii) Lease Liabilities	56	63	Other intangible assets	223	268
(iii) Other Financial Liabilities	26	28	Intangible assets under development	3	12
<b>(b) Provisions</b>	88	93	Investments in asso. and joint ventures	24	20
<b>(c) Other Non-Current Liabilities</b>	1	1	<b>Financial assets</b>		
	<b>6,283</b>	<b>1,027</b>	(I) Other Investments and financial assets	384	284
			Other non-current assets	50	51
				<b>1,825</b>	<b>1,836</b>
<b>Current Liabilities</b>			<b>Current Assets</b>		
<b>(a) Financial Liabilities</b>			(a) Inventories	2,021	2,056
(i) Borrowings	292	8,844	<b>(b) Financial assets</b>		
(ii) Lease Liabilities	11	10	(i) Trade receivables	1,377	1,365
(iii) Trade Payables	1,200	1,298	(ii) Cash and cash equivalents	162	58
(iv) Other financial liabilities	1,009	5,301	(iii) Bank Balances other than above	0	25
Contract Liabilities	358	258	(iv) Loans	25	22
Other cur. liabilities	90	129	(v) Other Financial Assets	118	109
Provisions	662	706	(c) Current tax asset, net	7	20
	<b>3,621</b>	<b>16,545</b>	(d) Other curr. assets (incl. held for sale)	1,083	1,040
				<b>4,792</b>	<b>4,695</b>
<b>Total Equity and Liabilities</b>	<b>6,617</b>	<b>6,530</b>	<b>Total Assets</b>	<b>6,617</b>	<b>6,530</b>

## Debt Profile: Net Debt Movement

(₹ Cr.)

Sr. No.	Particulars	Sep'20	Mar'20
<b>A</b>	<b><u>Secured Loans</u></b>		
1	Term Loans / Working Capital Loans	4,322	11,755
2	0.01% OCD <sup>1</sup>	631	-
3	0.0001% CCPS <sup>2</sup>	1,840	-
	<b>Total</b>	<b>6,793</b>	<b>11,755</b>
<b>B</b>	<b><u>Unsecured Loans</u></b>		
1	4% FCCB <sup>3</sup>	210	1,339
2	Term Loans	44	43
	<b>Total</b>	<b>254</b>	<b>1,382</b>
<b>C</b>	<b>Gross debt [A+B]</b>	<b>7,047</b>	<b>13,137</b>
D	Cash	310	134
<b>E</b>	<b>Net debt [C-D]</b>	<b>6,737</b>	<b>13,003</b>

### Notes:

(1) Fair value of 0.01% Optionally Convertible Debentures issued by the Company to the lenders

(2) Fair value of 0.0001% Compulsory Convertible Preference Shares issued by subsidiary of the Company to the lenders

(3) Fair value of the liability component of 4% Foreign Currency Convertible Bonds issued by the Company to the bondholders



**THANK YOU**