

Suzlon Energy Limited

Investor Presentation

Q3 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

*3rd largest O&M Company in India Power
Sector*

9M, FY21 EBITDA Margin of

~16%

Due to high control on fixed costs

**Out of 3.43 GW commissioning
done under SECI and State Bids,**

~17%

is done by Suzlon – 3rd highest in India

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

**as on 31st Mar 2020*

Financial Performance

Industry Outlook

Technology

Suzlon Strengths

Detailed Financials

Q3 FY21 Financial Metrics

(₹ Cr.)

Particulars	Q3 FY21 Unaudited	Q3 FY20 Unaudited	Remarks
Net Volume (MW)	84	2	
Net Revenue	938	654	Impact of ramp up of WTG business post debt resolution
Gross Profit	457	270	
Gross Margin	48.8%	41.2%	
Employee Expenses	131	187	Reduction on account of tight control on costs
Other Expenses (net)	151	174	
Exchange Loss / (Gain)	40	77	
EBITDA	136	-169	
EBITDA Margin	14.5%	-25.8%	
Depreciation	57	155	
Net Finance Cost*	190	415	1. Reduction in finance cost due to debt restructuring 2.Q3FY21 finance cost is partly non-cash in nature on account of fair valuation of OCDs and CCPs issued to the lenders
Taxes	0	1	
Share of (Profit) / Loss of Associates / JV	-7	0	
Net Profit (Pre Exceptional Items)	-118	-740	
Exceptional Loss / (Gain)	0	3	
Net Profit (Post Exceptional Items)	-118	-743	
Non Controlling Interest	-1	-7	
Net Profit attributable to Shareholders	-117	-736	

Our initiatives of ramping up execution and cost optimization are yielding the desired outcome

9M FY21 Financial Metrics

(₹ Cr.)

Particulars	9M FY21 Unaudited	9M FY20 Unaudited	Remarks
Net Revenue	2,175	2,290	
Gross Profit	1,203	840	
Gross Margin	55.3%	36.7%	
Employee Expenses	431	604	Reduction on account of tight control on costs
Other Expenses (net)	345	509	
Exchange Loss / (Gain)	89	220	
EBITDA	338	-493	
EBITDA Margin	15.6%	-21.5%	
Depreciation	196	305	
Net Finance Cost*	785	1,002	1. Reduction in finance cost due to debt restructuring 2. 9MFY21 finance cost is partly non-cash in nature on account of fair valuation of OCDs and CCPs issued to the lenders
Taxes	4	2	
Share of (Profit) / Loss of Associates / JV	-3	-0	
Net Profit (Pre Ex. Items)	-649	-1,802	
Exceptional Loss / (Gain)	-807	55	Gain due to restructuring of debt
Net Profit (Post Ex. Items)	158	-1,858	
Non Controlling Interest	-3	-39	
Net Profit attributable to Shareholders	161	-1,819	

Wind Order Book (as at 31st Dec, 2020)

Particulars	Capacity	Remarks
Central Auctions	680.4 MW	All orders are backed by signed PPAs. The order book comprises of orders from marquee customers such as Adani group and Enel Group.
State Auctions/PSU	65.1 MW	
Captive/Retail	114.7 MW	
Wind Firm Order Book	860.2 MW	
Value of Order Book	₹ 4,511 Cr.	
<div><div><div></div></div><div>SE Forge Ltd and Service orders over and above this order book</div></div>		

Financial Performance

Industry Outlook

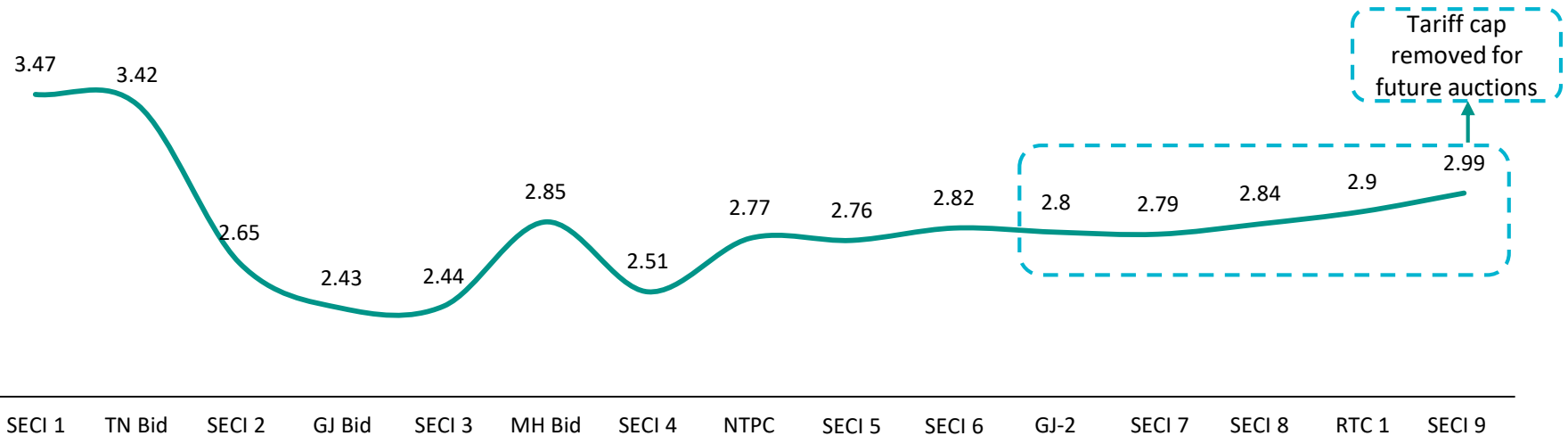
Technology

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

- ✓ SECI Hybrid III Tender concluded by SECI for 1200 MW Solar Wind Hybrid at tariff of INR 2.41 p.u. with minimum wind capacity of 33% of contracted capacity
- ✓ SECI floated two tenders –
 - SECI X Wind Tender of 1200 MW due for submission on 19th Feb. 21
 - RTC II Tender of 2500 MW due for submission on 1st Mar. 21
- ✓ NTPC has set a 32-gigawatt (GW) renewable energy (RE) capacity target by 2032, which is 25 per cent of its total planned capacity of 130 GW
- ✓ Ministry of Power and MNRE provides five months Extension for under-construction Transmission Projects for RE Projects due to COVID19

Financial Performance

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Products Optimized for Market Demand

S111-140

2.1 MW

Proto Commissioned

Aug'17

S111-140

~5-6%
Higher Energy Yield

S111-120

S120-140

2.1 MW

Proto

Status

Date

S120-105

Commissioned

Jun '18

S120-140

Commissioned

Dec'18

S120

~6-7%
Higher Energy Yield

S111

S133-140

2.6 MW- 3.0 MW

(product series)

Proto

Status

Date

S133-105

Commissioned

Aug '19

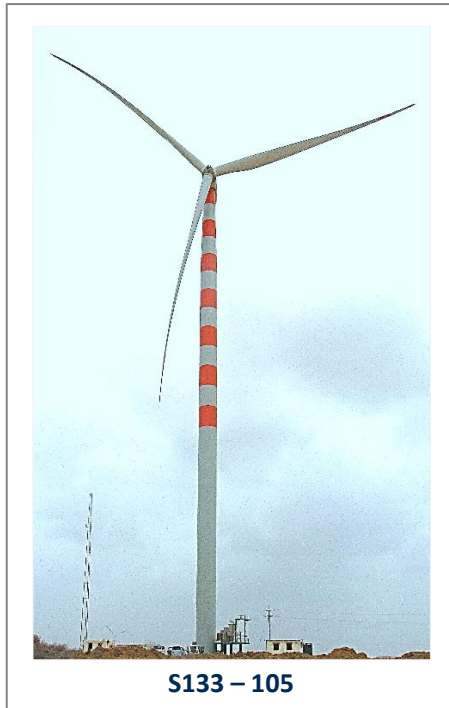
S133

~23-25%
Higher Energy Yield

S120

Product Development

S133: New Product



SB 63 – Won SKOCH award for Corporate Excellence



- ✓ S128 has already been listed in the RLMM list
- ✓ The testing is in progress for our next generation of blade – SB65 and wind turbine – S133
- ✓ Multiple Tower Options (Hybrid Lattice, Steel Tubular)

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Detailed Financials

Suzlon's Strengths in Indian Wind Energy 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

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

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Accolades



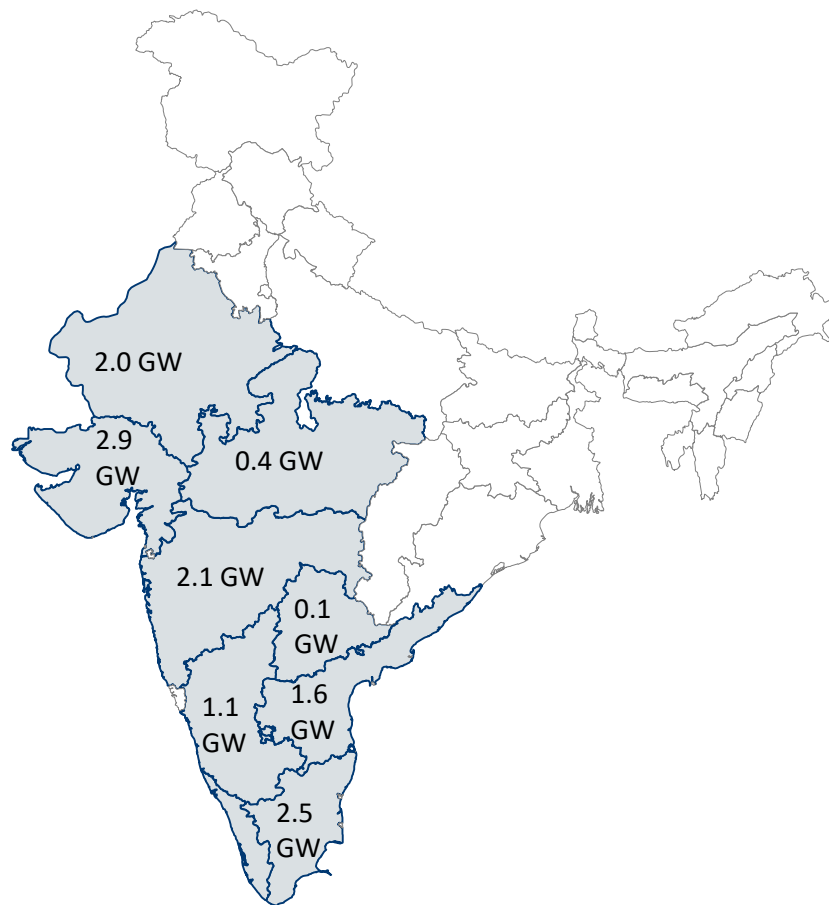
- Suzlon has won the prestigious CII-ITC Sustainability Award 2019 for CSR
- Won the prestigious award 'Company of the Year: IT & Data Analytics (Wind)' as part of Renewable Energy Digital Week India Awards 2020
- World's 1st solar project quality certification for Suzlon's 100 MW project
 - DNV GL confirms 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 31st Mar 2020

Ranked **No. 1** in Renewables Sector

Fleet under Operation and Maintenance fold in India

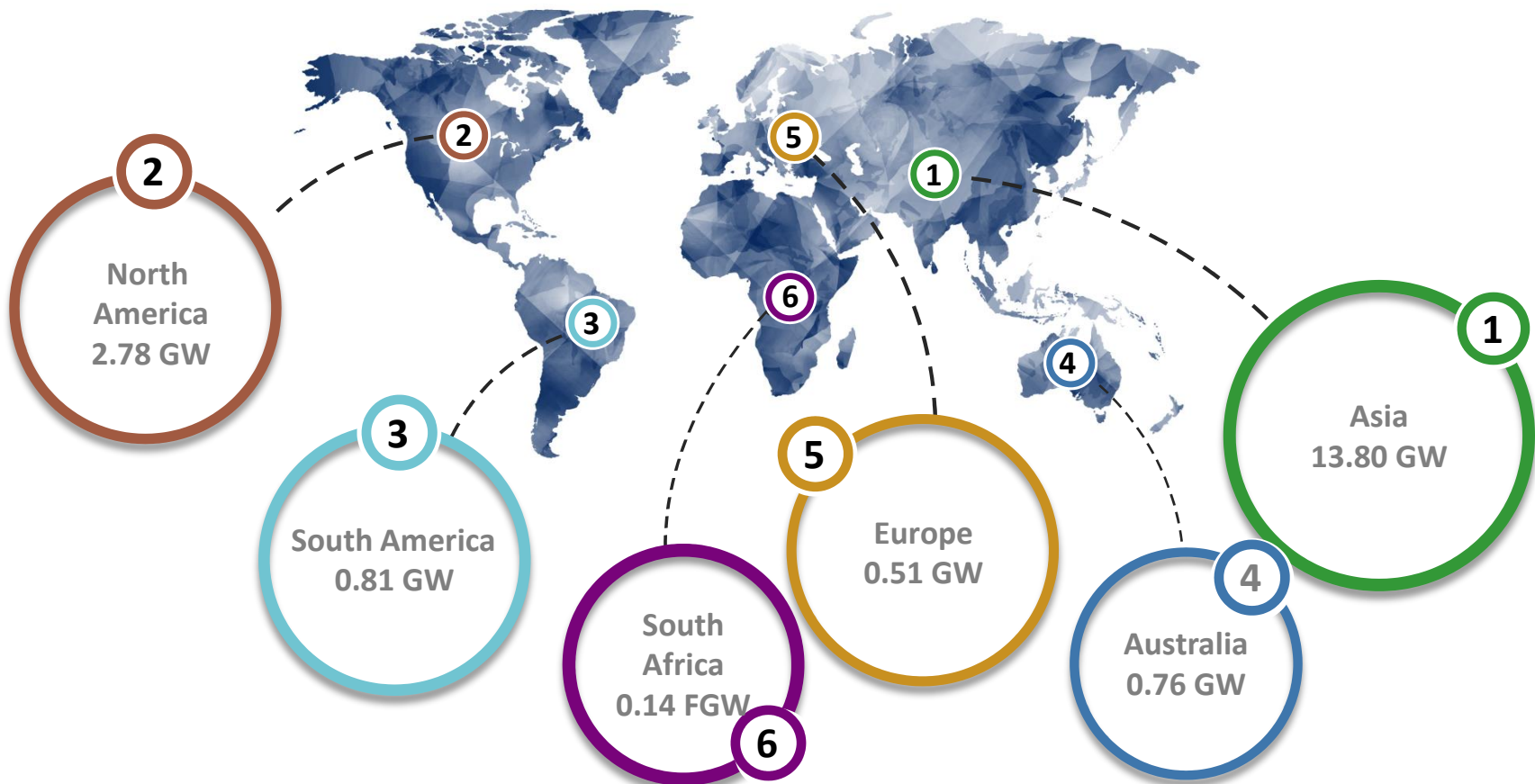


(31 st Mar'20)	# of Turbines	MW
<= 1 MW	1,678	777
>1 MW < 2 MW	4,268	5,774
=>2 MW	2,997	6,296
Total	8,943	12,847

- **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.

Suzlon's Global Presence (18.8 GW)

As on 31st Mar 2020



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Detailed Financials

Consolidated Income Statement

(₹ Cr.)

Particulars	Q3 FY21 Unaudited	Q2 FY21 Unaudited	Q3 FY20 Unaudited	9M FY21 Unaudited	9M FY20 Unaudited	FY20 Audited
Revenue from operations	938	725	654	2,175	2,290	2,933
Less: COGS	480	334	384	971	1,450	1,874
Gross Profit	457	390	270	1,203	840	1,060
Margin %	48.8%	53.8%	41.2%	55.3%	36.7%	36.1%
Employee benefits expense	131	141	187	431	604	796
Other expenses (net)	151	114	174	345	509	686
Exchange Loss / (Gain)	40	23	77	89	220	437
EBITDA	136	112	-169	338	-493	-860
EBITDA (Pre-FX Gain / Loss)	176	135	-92	428	-273	-423
Margin %	18.7%	18.6%	-14.0%	19.7%	-11.9%	-14.4%
Less: Depreciation	57	69	155	196	305	419
EBIT	79	43	-324	142	-798	-1,278
EBIT (Pre-FX Gain / Loss)	119	66	-247	231	-578	-841
Margin %	12.7%	9.1%	-37.8%	10.6%	-25.2%	-28.7%
Net Finance costs	190	192	415	785	1,002	1,340
Profit / (Loss) before tax	-111	-150	-739	-643	-1,800	-2,618
Less: Exceptional Items Loss / (Gain)	0	-822	3	-807	55	66
Less: Share of (Profit) / Loss of Associates & JV	7	-5	-0	3	0	0
Less: Taxes	0	2	1	4	2	7
Net Profit / (Loss) after tax	-118	675	-743	158	-1,858	-2,692
Less: Non-Controlling Interest	-1	-1	-7	-3	-39	-50
Net Profit Attributable to Shareholders	-117	676	-736	161	-1,819	-2,642

Debt Profile: Net Debt Movement

(₹ Cr.)

Sr. No.	Particulars	Dec'20	Mar'20
A	<u>Secured Loans</u>		
1	Term Loans and Working Capital Loans	4,270	11,755
2	0.01% OCD ¹	651	-
3	0.0001% CCPS ²	1,899	-
	Total	6,820	11,755
B	<u>Unsecured Loans</u>		
1	FCCB ³	183	1,339
2	Term Loans	46	43
	Total	229	1,382
C	Gross debt [A+B]	7,049	13,137
D	Cash	315	134
E	Net debt [C-D]	6,733	13,003

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

