

Suzlon Energy Limited

Investor Presentation

Q2, FY 2021-22

12th November 2021



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Suzlon Overview



~19 GW

Installed Wind Energy Capacity



18 Countries

Presence



No.1 OEM in India's

Renewable Sector



5,400+

Workforce



1,800+

Customers Globally



~33%

Cumulative Market Share
in India

As on 30th September'21

Key Updates for Q2 FY22

- ✓ 89% of employees have received first dose of COVID-19 vaccine
- ✓ Service business continued to deliver good performance despite Covid challenges
- ✓ Continuity of orders from customers demonstrate Suzlon's strength in product and technology - RR of 155 MW done in Q2 FY22
- ✗ Steep rise in commodity prices, increase in GST on renewable energy devices from 5% to 12% with no pass through and increase in logistics cost by 4-5x will have further adverse impact on the margins
- ✗ Challenges in supply chain remain impacting components availability and prices
- ✗ Covid related uncertainties continue as there is resurgence in some parts of the world

Financial Performance

Industry Outlook

Suzlon Strengths


Detailed Financials

Q2 FY22 Consolidated Financial Metrics

(₹ Cr.)

Particulars	Q2 FY22 Unaudited	Q1 FY22 Unaudited
Net Volumes (MW)	155	116
Net Revenue	1,347	1,135
Contribution	472	436
<i>Contribution Margin</i>	<i>35.1%</i>	<i>38.4%</i>
Employee Expenses	152	122
Other Expenses (net)	128	115
EBITDA (Pre FX)	192	200
<i>EBITDA Margin (Pre FX)</i>	<i>14.3%</i>	<i>17.6%</i>
Depreciation	61	58
Net Finance Cost	184	175
Taxes	0	1
Net Profit (Pre Fx and Ex. Items)	-54	-34
Exchange Loss / (Gain)	-41	46
Exceptional Loss / (Gain)	0	-83
Net Profit After Tax	-13	3

Wind Order Book (As on 30th September 2021)

Particulars	Capacity (MW)	Remarks
Central Auctions	907.2	The order book comprises of orders from marquee customers such as Adani group, Apraava Energy (formerly known as CLP India) and Enel Group.
State Auctions	56.7	
Captive/Retail/PSUs	126.7	
Order Book	1,090.6	
<div style="text-align: center;">  SE Forge Ltd and Service orders over and above this order book </div>		

Financial Performance

Industry Outlook

Suzlon Strengths

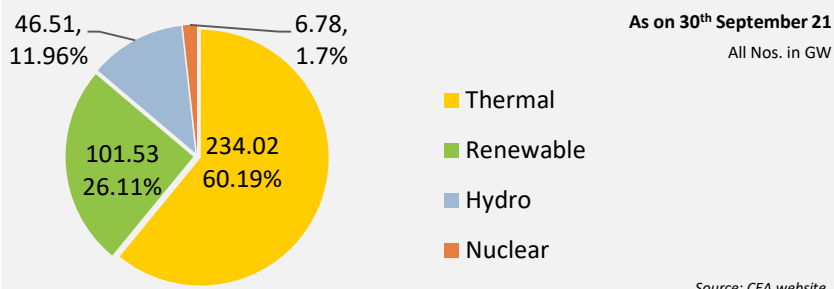
Detailed Financials

Enhanced Government Focus

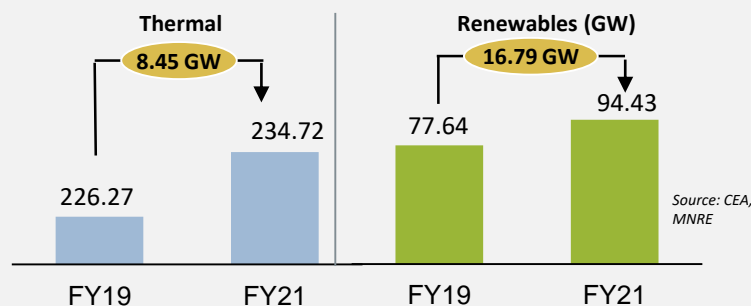


Renewables driven by Wind & Solar have begun to outstrip Thermal power installations

Renewables (Wind and Solar) is already 2nd largest source of power



In last 2 years, Renewables installation is > than Thermal sources



Renewables helping the country to be ATMANIRBHAR in power supply

- Renewables power sources ensure Power Security
- Government has strong commitment towards pushing growth of Renewables
- Renewables have also achieved grid parity and not totally dependent on favourable policies for competing with conventional power tariffs

Parameter	Conventional	Solar	Wind
PLF	60-70%	~18-24%	~38-45%
Equipment	Domestic / Imported	Largely Imported	"Made in India"
Fuel	Domestic / Imported	No Fuel Cost	No Fuel Cost
Tariff Stability	Variable	Constant for 25 years	Constant for 25 years

Renewable Energy steadily becoming dominant in Power basket

Opportunities : Future Drivers for Renewable Industry growth in India

RTC and Hybrid projects are next big thing in which Wind is an essential part – GOI has increased minimum share of any component in Hybrid projects to 33% from existing 25%

Key Industry Updates

Policy updates

- National Electricity Policy revision draft under process
- Gujarat Wind Power Policy 2016 extended till 31st March 2022
- MNRE issued OM mentioning COVID-19 extension to be given for all projects scheduled after 1st April 2021 due to 2nd wave. Period of Disruption 1st April 2021 to 15th June 2021 (both days inclusive)
- MoP has finalised revamping of Renewable Energy certificates (REC) mechanism Detailed regulation will be issued by CERC
- MoP issued Electricity- Late Payment Surcharge Rules, 2021
- GST on wind turbines increased from 5% to 12%
- APTEL judgement on curtailment of RE power (75% PPA tariff to be paid for curtailment)

New Wind/ Hybrid bids announced

S.N.	Agency	Capacity MW	Status	Reverse Auction / Bid Submission Date	L1 Tariff (INR / KWhr)
1	MSEDCL Hybrid	500	Reverse Auction completed	09/07/2021	2.62
2	SECI Hybrid IV	1,200	Reverse Auction completed	23/08/2021	2.34
3	SECI XI	1,200	Reverse Auction completed	02/09/2021	2.69
4	SECI RTC-II	2,500	Reverse Auction completed	14/10/2021	3.01

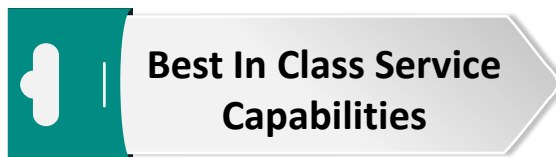
Financial Performance

Industry Outlook

Suzlon Strengths

Detailed Financials

Suzlon's Strengths in Indian Wind Energy Market



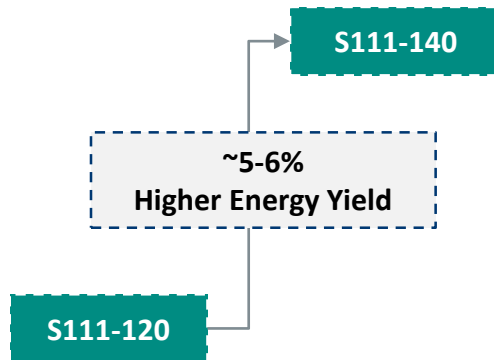
End-to-end service provider with strong presence across value chain & customer segments

Products Optimized for Market Demand

S111-140

2.1 MW

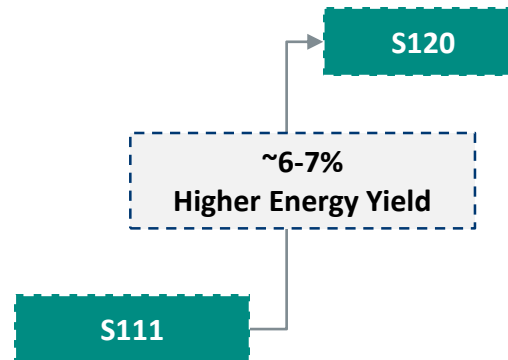
Proto Commissioned	Aug'17
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S120-140

2.1 MW

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

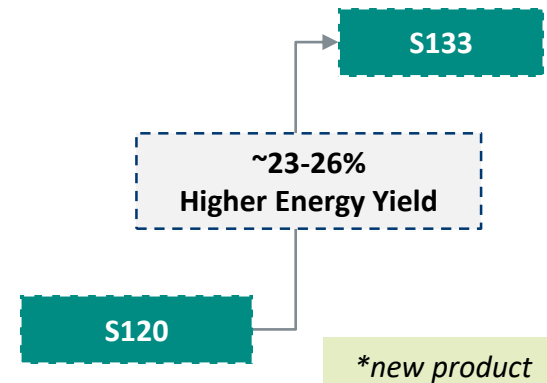


S133-140

2.6 MW- 3.0 MW

(product series)

Proto	Status	Date
S133-105	Commissioned	Aug'19
S133-140*	Commissioned	Oct'21



Gaining competitive edge in auction regime – Leverage cost out & AEP

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Consolidated Income Statement

(₹ Cr.)

Particulars	Q2 FY22	Q1 FY22	Q2 FY21	H1 FY22	H1 FY21	FY21
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Net Volumes (MW)	155	116	27	271	25	204
Net Revenue	1,347	1,135	725	2,482	1,237	3,295
Contribution	472	436	369	909	714	1,587
<i>Contribution Margin</i>	<i>35.1%</i>	<i>38.4%</i>	<i>51.0%</i>	<i>36.6%</i>	<i>57.7%</i>	<i>48.2%</i>
Employee Expenses	152	122	141	273	300	553
Other Expenses (net)	128	115	93	243	162	495
EBITDA (Pre FX)	192	200	135	392	252	539
<i>EBITDA Margin (Pre FX)</i>	<i>14.3%</i>	<i>17.6%</i>	<i>18.6%</i>	<i>15.8%</i>	<i>20.4%</i>	<i>16.4%</i>
Depreciation	61	58	69	119	140	258
Net Finance Cost	184	175	192	359	595	976
Taxes	0	1	2	2	3	5
Net Profit (Pre Fx and Ex. Items)	-54	-34	-128	-88	-486	-701
Exchange Loss / (Gain)	-41	46	23	5	49	4
Exceptional Loss / (Gain)	0	-83	-822	-83	-807	-805
Net Profit After Tax	-13	3	670	-10	272	100

Consolidated Balance Sheet

(₹ Cr.)

Liabilities	Sep-21	Mar-21	Assets	Sep-21	Mar-21
Shareholders' Fund	-3315	-3,343	Non Current Assets		
Non controlling interest	-34	-58	Property, plant and equipment	819	804
	-3,349	-3,401	Right-of-use assets	123	131
Non-Current Liabilities			Capital work-in-progress	30	104
(a) Financial Liabilities			Investment property	32	33
(i) Borrowings	5,608	6,027	Goodwill	8	8
(ii) Lease Liabilities	47	55	Other intangible assets	156	190
(iii) Other Financial Liabilities	22	22	Intangible assets under development	5	4
(b) Provisions	101	83	Investments in asso. and joint ventures	24	23
(c) Other Non-Current Liabilities	1	1	Financial assets		
	5,778	6,188	(I) Other Investments and financial assets	436	403
			Other non-current assets	65	54
				1,698	1,754
Current Liabilities			Current Assets		
(a) Financial Liabilities			(a) Inventories	2,394	2,173
(i) Borrowings	973	831	(b) Financial assets		
(ii) Lease Liabilities	12	12	(i) Trade receivables	1,419	1,190
(iii) Trade Payables	1,574	1,582	(ii) Cash and cash equivalents	235	263
(iv) Other financial liabilities	397	357	(iii) Loans	10	21
Contract Liabilities	897	405	(iv) Other Financial Assets	145	176
Other cur. liabilities	66	88	(c) Current tax asset, net	1	6
Provisions	525	539	(d) Other curr. assets (incl. held for sale)	971	1,019
	4,443	3,814		5,174	4,847
Total Equity and Liabilities	6,872	6,601	Total Assets	6,872	6,601

Thank You!

