

# Suzlon Energy Limited

Investor Presentation

Q3, FY 2021-22

28<sup>th</sup> January 2022



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# Suzlon Overview



**19.1 GW**

Installed Wind Energy Capacity



**17 Countries**

Presence



**No.1 OEM in India's**

Renewable Sector



**5,428**

Global Workforce



**1,800+**

Customers Globally



**~33%**

Cumulative Market Share  
in India

*As on 31<sup>st</sup> December '21*

## Key Updates for Q3 FY22

- ✓ 98.8% of employees have received first dose and 92.0% have received second dose of COVID-19 vaccine (as on 31<sup>st</sup> December 2021)
- ✓ Service business continued to perform well despite Covid challenges
- ✓ Revenue Recognition of 200 MW done in Q3 FY22
- ✗ Rise in commodity prices, increase in GST on renewable energy devices from 5% to 12% and increase in sea freight cost by 4-5x will have adverse impact on the margins
- ✗ Challenges in supply chain remain impacting components availability and prices
- ✗ Covid related uncertainties continue with resurgence in several parts of the world

**Financial Performance**

Industry Outlook

Suzlon Strengths


Detailed Financials

## Q3 FY22 Consolidated Financial Metrics

(₹ Cr.)

Particulars	Q3 FY22 Unaudited	Q2 FY22 Unaudited
Net Volumes (MW)	200	155
Net Revenue	1,597	1,347
<b>Contribution</b>	<b>501</b>	<b>472</b>
<b><i>Contribution Margin</i></b>	<b><i>31.4%</i></b>	<b><i>35.1%</i></b>
Employee Expenses	141	152
Other Expenses (net)	116	128
<b>EBITDA (Pre FX)</b>	<b>244</b>	<b>192</b>
<b><i>EBITDA Margin (Pre FX)</i></b>	<b><i>15.3%</i></b>	<b><i>14.3%</i></b>
Depreciation	63	61
Net Finance Cost	181	184
Taxes	5	0
<b>Net Profit (Pre Fx and Ex. Items)</b>	<b>-5</b>	<b>-54</b>
Exchange Loss / (Gain)	-42	-41
Exceptional Loss / (Gain)	0	0
<b>Net Profit After Tax</b>	<b>37</b>	<b>-13</b>

## Wind Order Book (As on 31<sup>st</sup> December 2021)

Particulars	Capacity (MW)	Remarks
Central Auctions	772.8	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	91.1	
<b>Wind Firm Order Book</b>	920.6	
		
<b>SE Forge Ltd and Service orders over and above this order book</b>		

Financial Performance

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# Enhanced Government Focus



**High Priority for  
Renewables**

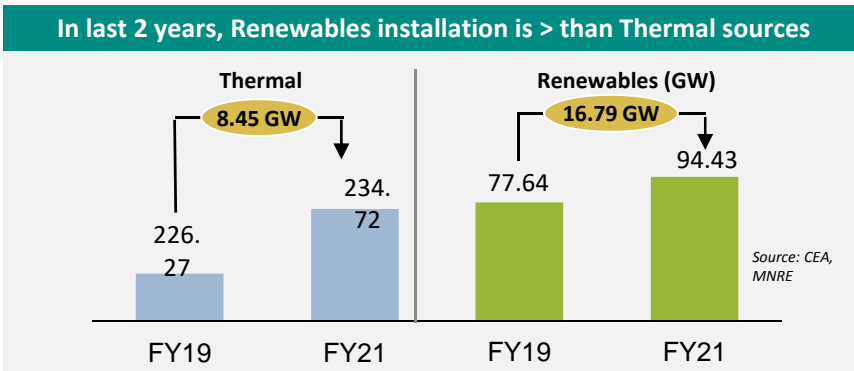
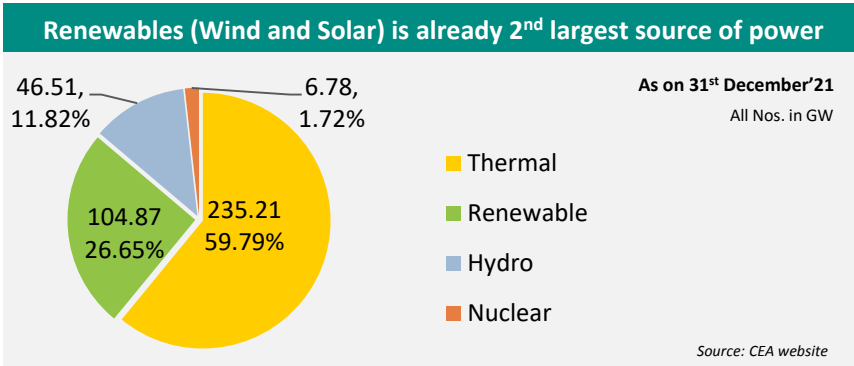


**Atmanirbhar Bharat**



**Make in India**

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



**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 the 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

- Supreme Court of India ruled that captive power consumers were not liable to pay an additional surcharge
- Ministry of Power (MoP) notified the Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021
- MoP issued Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021
- MoP has issued the RE bundling guidelines
- MoP issued the Draft Electricity (Late Payment Surcharge and related matters) Rules, 2021
- MoP clarified that the ISTS charge will be waived for captive as well as third party open access transactions and also provide the long term visibility on the InSTS charges waiver
- CERC issued the draft of Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021
- Government of Karnataka issued the draft for Karnataka Renewable Energy Policy

### New Wind/ Hybrid bids announced

S.N.	Agency	Capacity (MW)	Status	Reverse Auction/ Bid Submission Date	L1 Tariff (INR / KW/hr)
1	SECI RTC-II	2,500	Reverse Auction completed, LOA yet to be issued	14/10/2021	3.01
2	SECI XII (Wind)	1,200	Bids Submitted	02/12/2021	Reverse Auction yet to take place
3	SECI Hybrid V	1,200	Bids Submitted	04/01/2022	Reverse Auction yet to take place

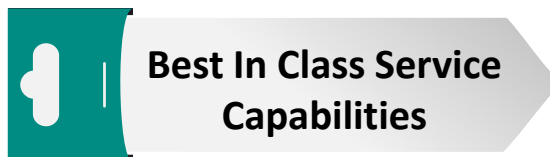
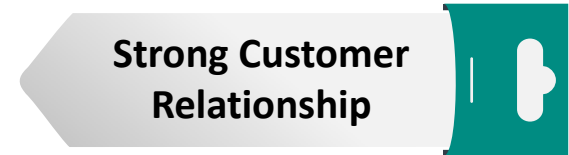
Financial Performance

Industry Outlook

**Suzlon Strengths**

Detailed Financials

# Suzlon's Strengths in Indian Wind Energy Market



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

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# Products Optimized for Market Demand

## S111-140

### 2.1 MW

Proto Commissioned	Aug'17
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~5-6%  
Higher Energy Yield

S111-140

S111-120

S120

## S120-140

### 2.1 MW

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

~6-7%  
Higher Energy Yield

S120

S111

S120

## S133-140

### 2.6 MW- 3.0 MW

*(product series)*

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

~23-26%  
Higher Energy Yield

S133

S120

S133

*\*new product*

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

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# Consolidated Income Statement

(₹ Cr.)

Particulars	Q3 FY22	Q2 FY22	Q3 FY21	9M FY22	9M FY21	FY21
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Net Volumes (MW)	200	155	84	471	109	204
Net Revenue	1,597	1,347	938	4,078	2,175	3,295
<b>Contribution</b>	<b>501</b>	<b>472</b>	<b>406</b>	<b>1,410</b>	<b>1,120</b>	<b>1,587</b>
<b><i>Contribution Margin</i></b>	<b><i>31.4%</i></b>	<b><i>35.1%</i></b>	<b><i>43.3%</i></b>	<b><i>34.6%</i></b>	<b><i>51.5%</i></b>	<b><i>48.2%</i></b>
Employee Expenses	141	152	131	414	431	553
Other Expenses (net)	116	128	100	359	262	495
<b>EBITDA (Pre FX)</b>	<b>244</b>	<b>192</b>	<b>176</b>	<b>636</b>	<b>428</b>	<b>539</b>
<b><i>EBITDA Margin (Pre FX)</i></b>	<b><i>15.3%</i></b>	<b><i>14.3%</i></b>	<b><i>18.7%</i></b>	<b><i>15.6%</i></b>	<b><i>19.7%</i></b>	<b><i>16.4%</i></b>
Depreciation	63	61	57	182	196	258
Net Finance Cost	181	184	192	540	787	976
Taxes	5	0	0	7	4	5
<b>Net Profit (Pre Fx and Ex. Items)</b>	<b>-5</b>	<b>-54</b>	<b>-73</b>	<b>-93</b>	<b>-559</b>	<b>-701</b>
Exchange Loss / (Gain)	-42	-41	40	-37	89	4
Exceptional Loss / (Gain)	0	0	0	-83	-807	-805
<b>Net Profit After Tax</b>	<b>37</b>	<b>-13</b>	<b>-113</b>	<b>27</b>	<b>159</b>	<b>100</b>



Thank You!

