

Suzlon Energy Limited

Investor Presentation
Q2, FY 2022-23

10th November 2022



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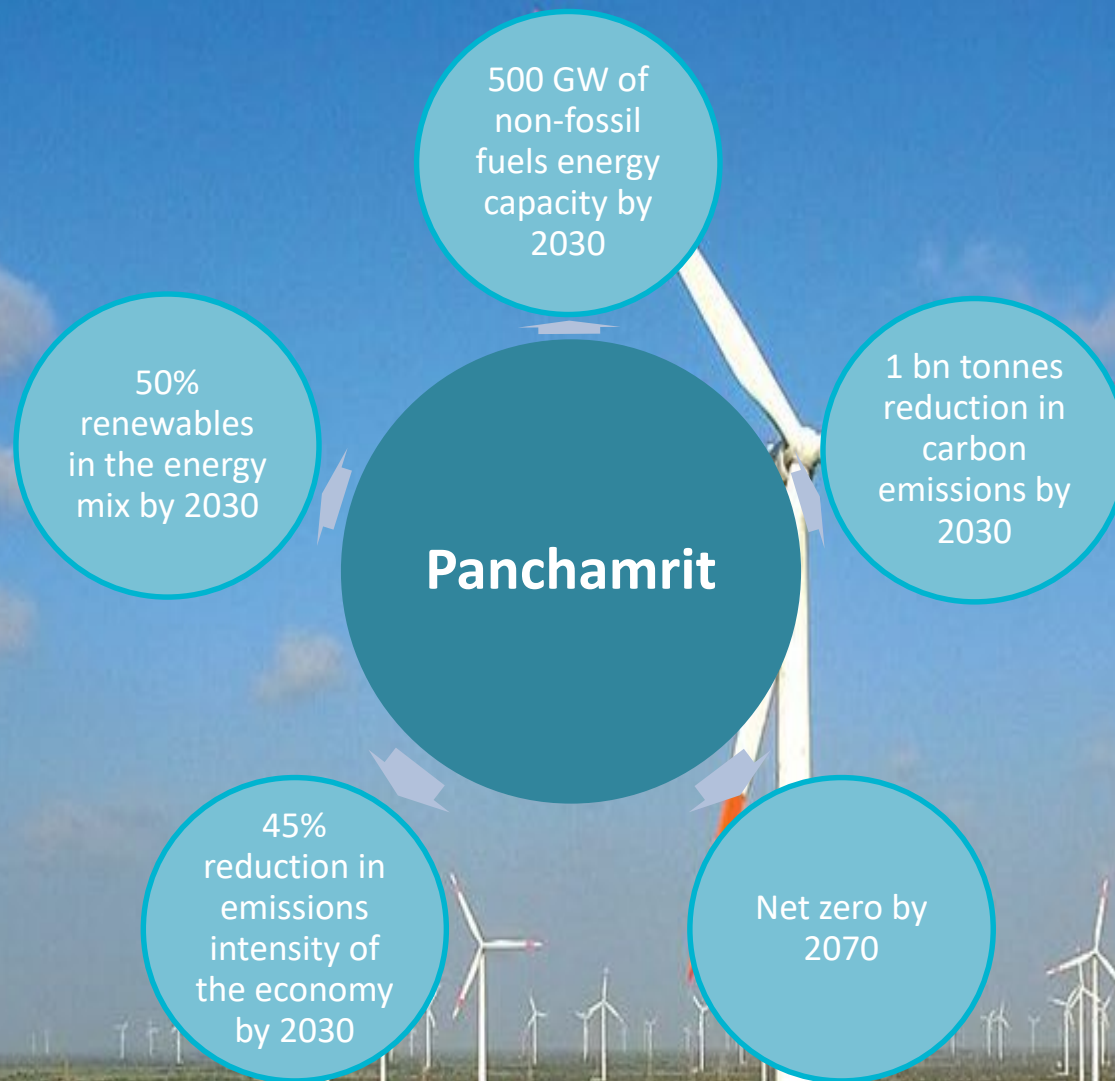
Industry Outlook

Suzlon Strengths

Financial Performance

Detailed Financials

Renewable Energy growth to be driven by Wind & Solar



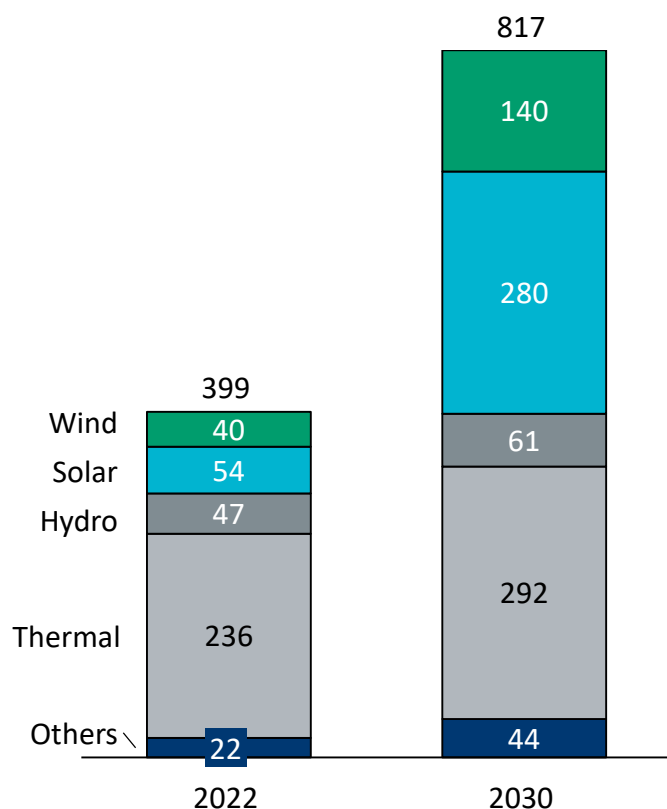
Opportunities: Favorable Market Conditions

- ✓ India's Renewable Energy target of 500 GW by 2030 out of which 140 GW is Wind.
- ✓ MNRE has in-principle agreed to discontinue E-reverse auctions for wind power projects
- ✓ MNRE's draft policy estimates a Wind re-powering potential of 25.4 GW
- ✓ New demand from large industries/hard to abate sectors, green fuel producers and e-mobility
- ✓ Auction activity gaining momentum with high focus on Hybrid and RTC
- ✓ Global wind installation for 2021 at 103 GW shows resilience of wind technology
- ✓ Strong visibility for market size expansion for both wind & renewable sector

Suzlon well positioned to capture the market opportunity

Renewable Energy growth to be driven by Wind & Solar

Target Wind Capacity for 2030 to result in huge market expansion
(capacity numbers in GW)



Drivers for volume growth

GoI Targets till FY 2030:

- 500 GW Renewable Capacities
- Green Hydrogen Policy targeting production of 5 MT p.a.
- Power supplied to grid from Renewables to reach 40%
- Positive impact on policy support and bidding activity

New Business segments:

- Increase of coal price and currency volatility – Large industries are investing heavily in renewable
- New demand is emerging in big way for Green Fuel Production
- C&I segment is gaining strong momentum (Wind is critical for high PLF projects)

Enablers for Wind Energy growth:

- Future is of hybrid projects, as most of the customers and utilities prefer higher PLF and scheduled power, reduces LCoE.
- Wind Repowering: ~25.4 GW existing capacities would need repowering as per draft policy from MNRE
- Wind generation profile and high PLF makes wind energy competitive as compared to solar and hence suitable for RE RTC

Strong volume visibility in medium and long-term

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Suzlon Strengths



19.5 GW

Installed Wind Energy
Capacity



17 Countries

Presence



5,500+

Global Workforce



~33%

Cumulative Market
Share in India



As on 30th Sept'22

Suzlon's Strengths in Indian Wind Energy Market

No.1 OEM in India's

Renewable Sector

End-to-end
Service
Provider

Pan India
Presence

Technology
Leadership

Best-in-class
Service
Capabilities

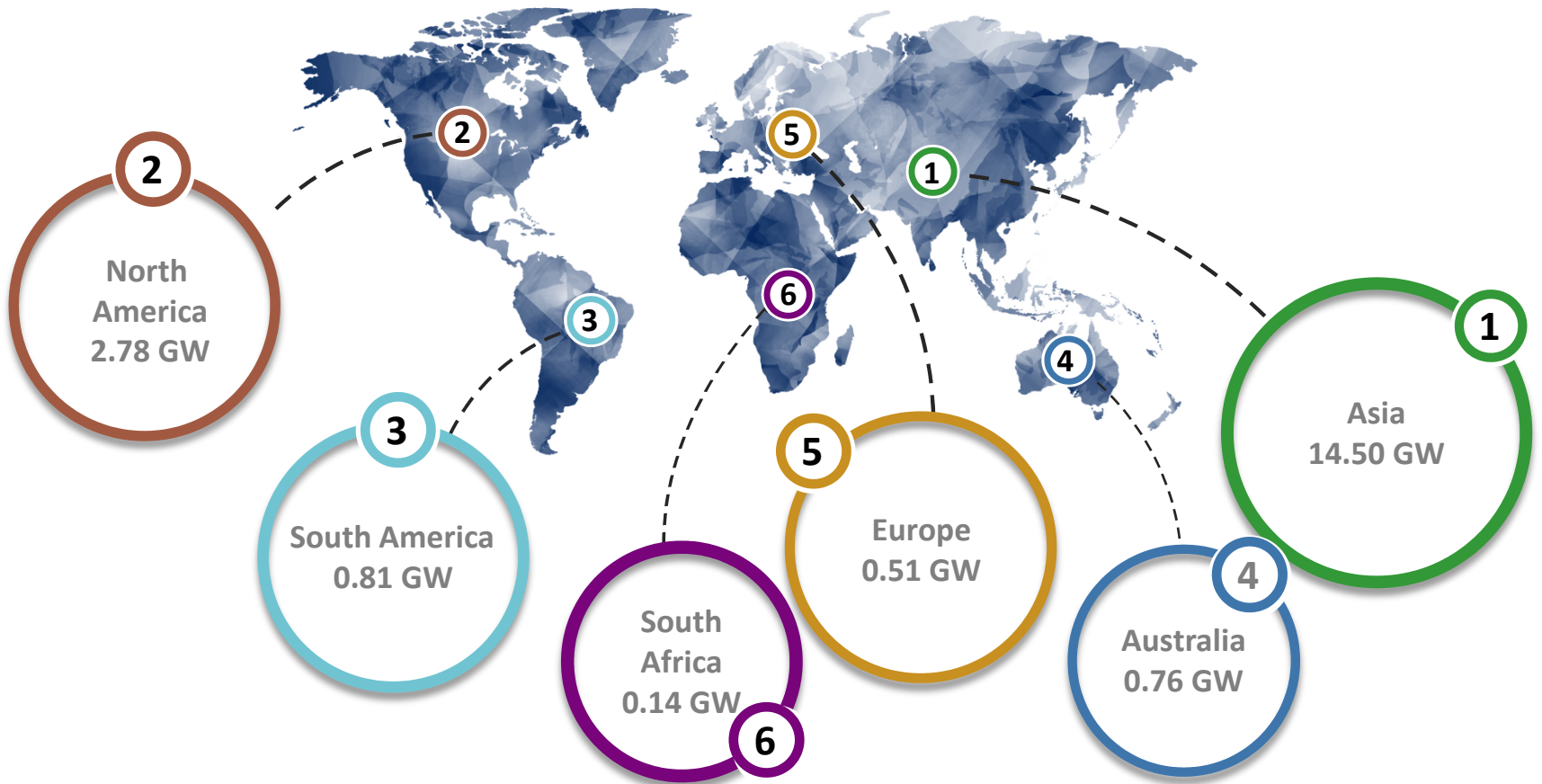
Strong Customer
Relationship

27 Years Track
Record

Strong presence across value chain & customer segments



Suzlon's Global Presence (19.5 GW)



Suzlon's strong relationships across regions positions it well

Key clientele among marquee customers globally

ACC

adani
Renewables



APRAVA
ENERGY

Brookfield
Renewable Energy Partners

BLACKROCK



Greenko



HYATT



Reliance
Industries Limited

RELIANCE

ReNew
POWER



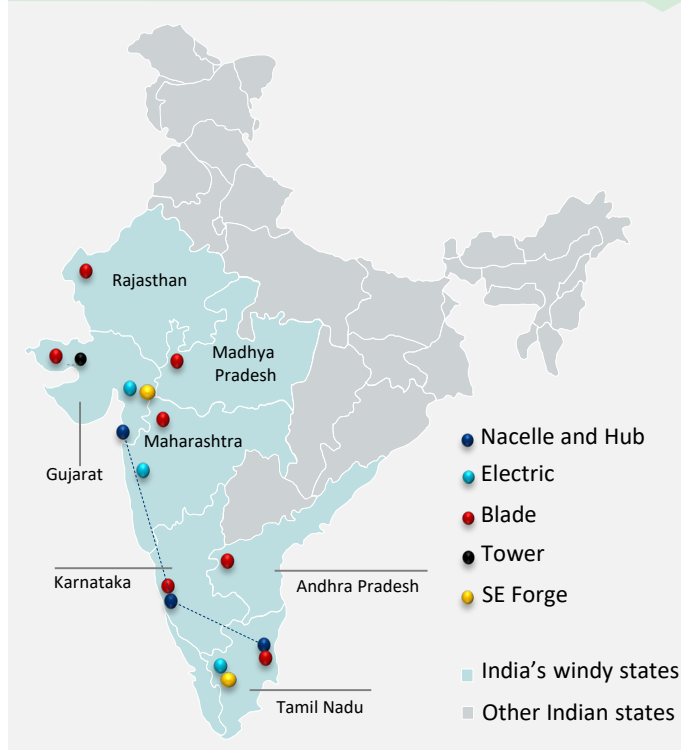
Shree
Cement



Geographically diversified manufacturing base

Best-in-class manufacturing capability

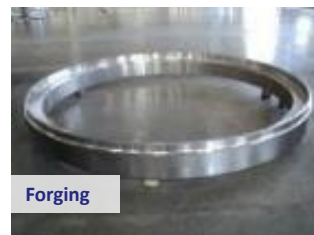
20+ manufacturing locations across India



Vertically integrated low cost supply chain

Sufficient & flexible manufacturing capacity to cater the market

India
Manufacturing
Capacity
~3,150¹ MW

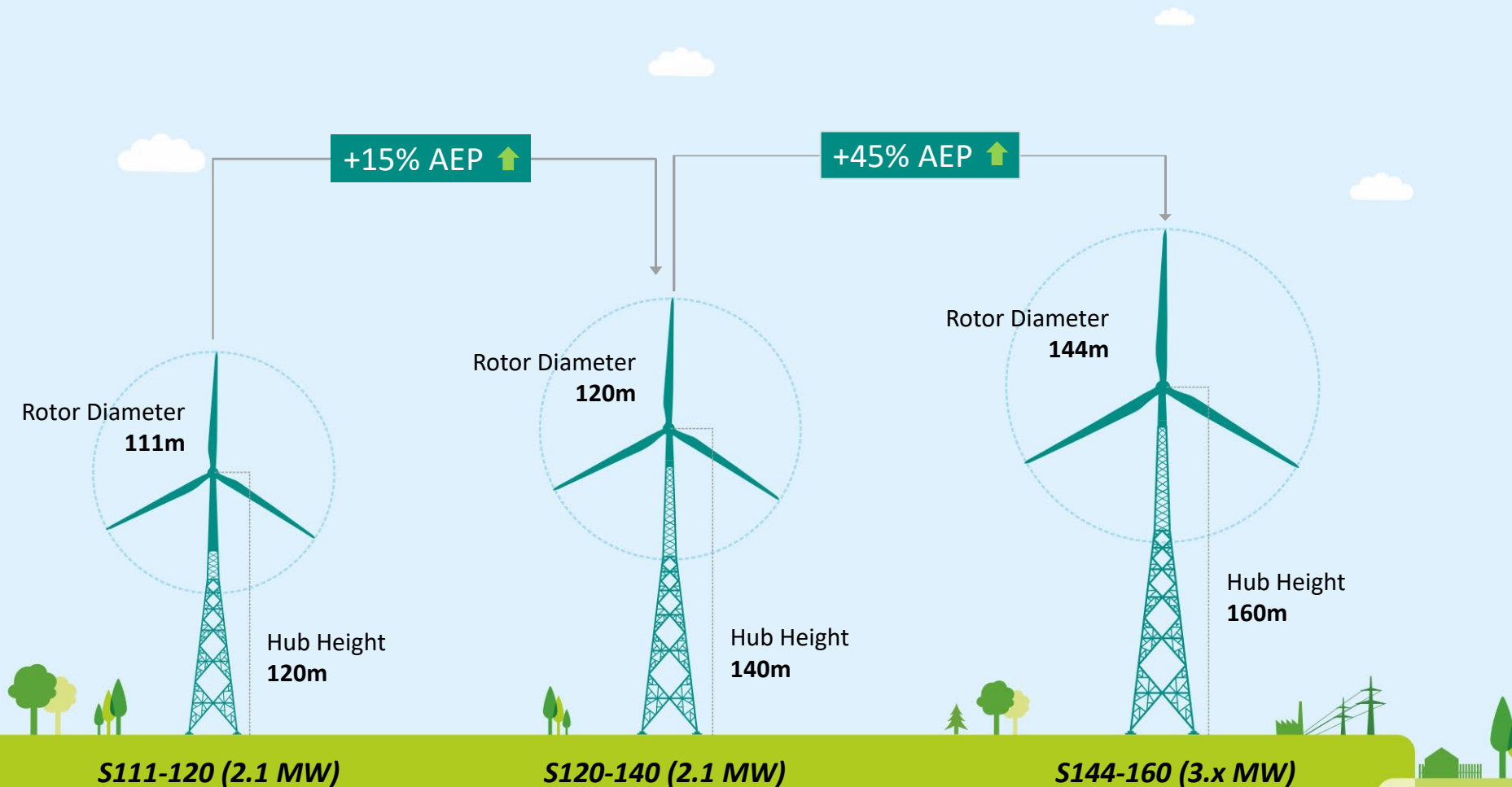


Efficiently Supports India Market with Easy Export for Asia Markets

Map not to scale. All data, information, and map is provided "as is" without warranty or any representation of accuracy, timeliness or completeness

Note: ¹ SEL has a ramp up/ramp down capacity. Capacity of 3150 MW is for 2.1 MW WTGs. When Suzlon manufactures 3+ MW WTGs, capacity can be ramped up to 4500 MW in phased manner

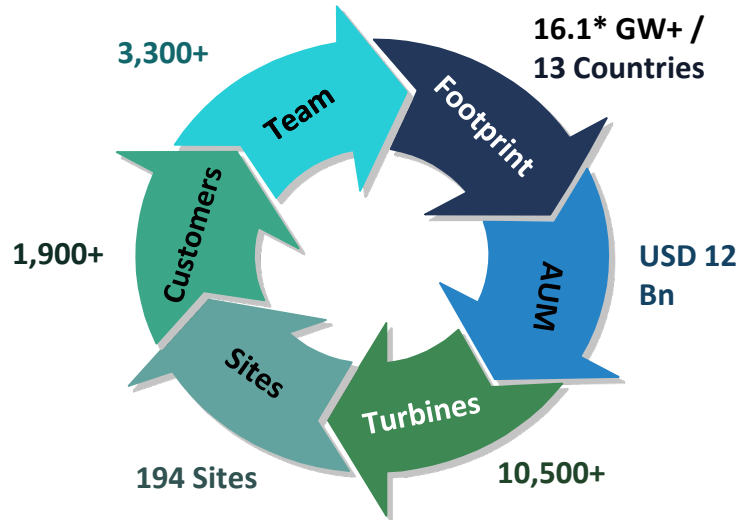
Product Optimised for Higher Energy Output



Consistent Reduction of Levelised Cost of Energy (LCoE)

Overview of asset management capabilities

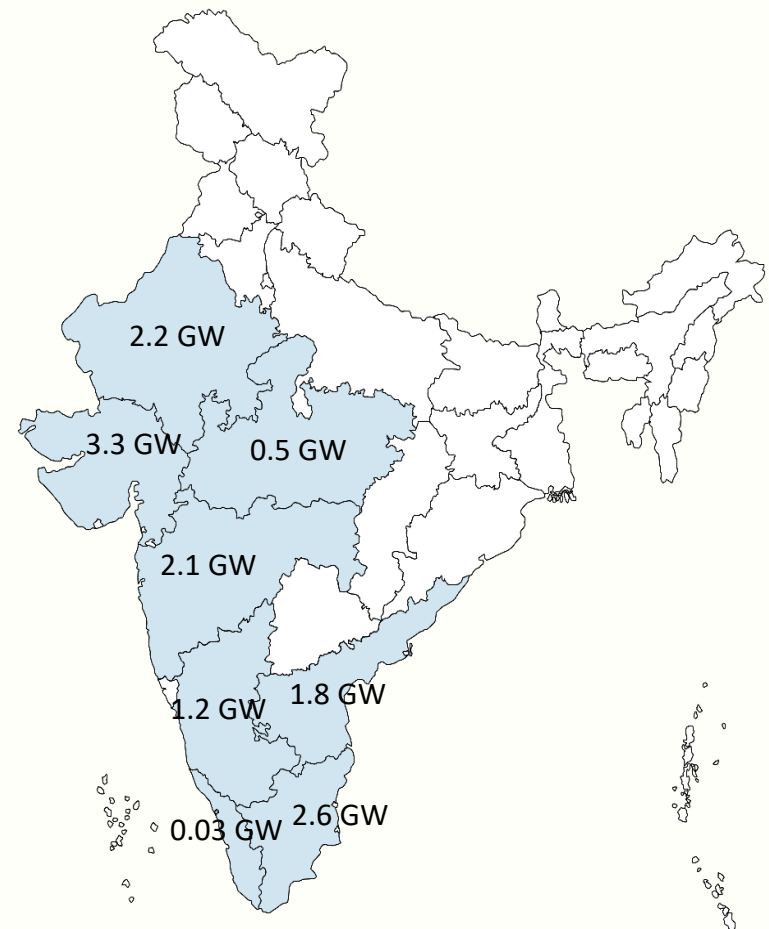
Overview of Global OMS



- **~33% - All India installed wind capacity**
- **Impact of clean energy:**
 - = ~ 4.18 Bn trees absorbing CO2 per year
 - = ~ 12.72 Mn households powered p.a.
 - = ~ 50.23 Mn tonnes of CO2 emissions prevented p.a.

*include WTGs under Technical Service Agreements (TSA) for Spares and Repairs

Presence in all windy states in India



Wind Order Book

Particulars	Capacity (MW)
Central Auctions	417.9
State Auctions	56.7
Captive/Retail/PSUs	284.6
Wind Firm Order Book as on Sept 30, 2022	759.2
Orders announced post Q2	193.2
<div>+</div> <p>Strong order pipeline under advanced discussion</p>	

Industry Outlook

Suzlon Strengths

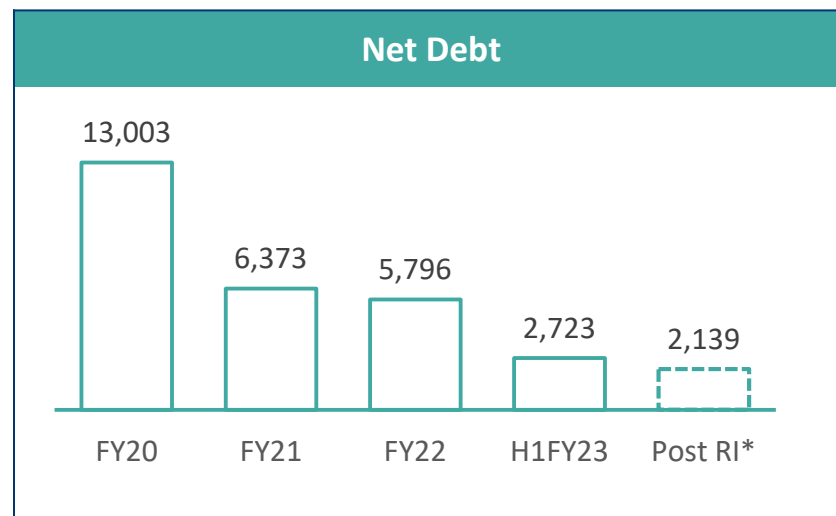
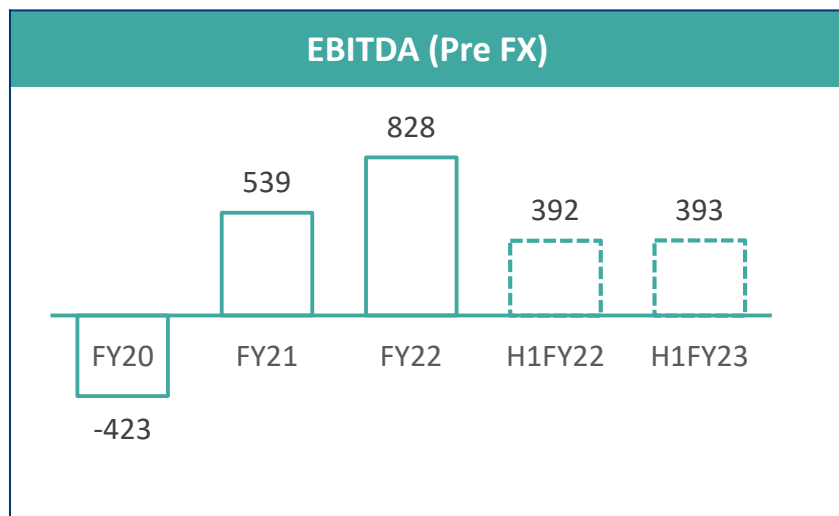
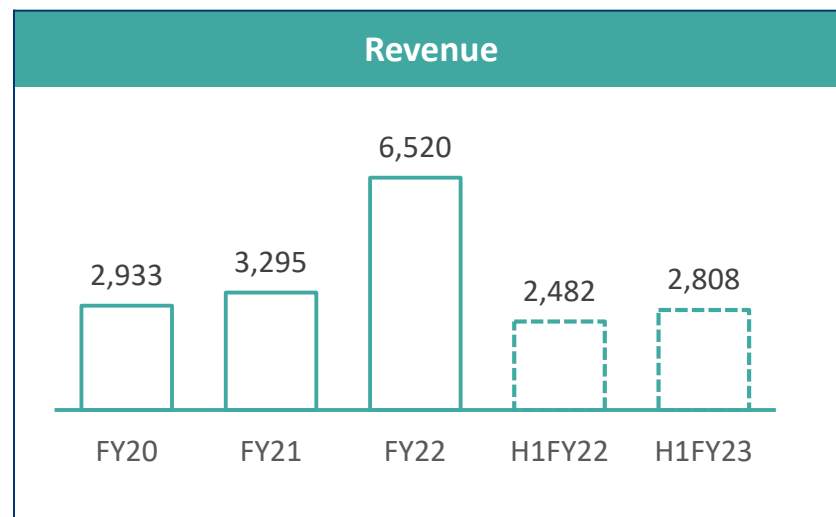
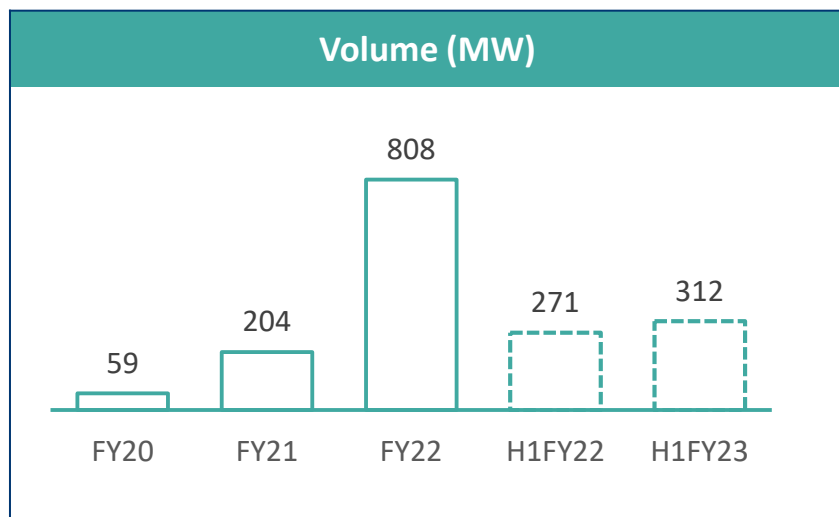
Financial Performance

Detailed Financials



Transformation over 30 months...

(₹ Cr.)



*proforma net debt post repayment from Rights issue proceeds

Highlights of Financial Performance

- ✓ Highest Q2 revenue since FY19 with strong volume growth
- ✓ Improvement in EBITDA – Q2 FY23 EBITDA up by 8% on Y-o-Y basis
- ✓ Part of commodity price impact passed on to customer to minimize margin pressure
- ✓ Maintained strong control over fixed costs despite of inflationary trends
- ✓ Healthy traction in order pipeline in addition to a sizable order backlog
- ✓ Net worth significantly improved as compared to March 2022
- ✓ Significant reduction in finance costs in Q2FY23 on YoY basis
- ✓ Healthy balance sheet with reduced debt post rights issue

Q2 FY23 Consolidated Financial Metrics

(₹ Cr.)

Particulars	Q2 FY23 <i>Unaudited</i>	Q2 FY22 <i>Unaudited</i>
Net Volumes (MW)	162	155
Net Revenue	1,430	1,347
Contribution	511	472
<i>Contribution Margin</i>	<i>35.7%</i>	<i>35.1%</i>
Employee Expenses	153	152
Other Expenses (net)	149	128
EBITDA (Pre FX)	208	192
<i>EBITDA Margin (Pre FX)</i>	<i>14.5%</i>	<i>14.3%</i>
Depreciation	63	61
Finance Cost, net	92	184
Taxes	-42	0
Net Profit (Pre Fx and Ex. Items)	95	-54
Exchange Loss / (Gain)	38	-41
Exceptional Loss / (Gain)	-	-
Net Profit / (Loss) After Tax	56	-13

- ✓ Improvement on all KPIs on Y-o-Y basis
- ✓ Maintaining healthy margins despite of rising commodity prices
- ✓ Good control on employee expenses in Q2 FY23
- ✓ Refinancing completed in May 2022, leading to significant reduction in finance cost

Robust financial performance in Q2 FY23 on all parameters

Consolidated Balance Sheet Metrics

(₹ Cr.)

Particulars	30-Sep-22 <i>Unaudited</i>	31-Mar-22 <i>Audited</i>
Equity and Liabilities		
Net Worth	-354	-3,562
Borrowings (non-current and current)	3,150	6,391
Non-current Liabilities	207	210
Current Liabilities	2,890	3,436
Total equity and liabilities	5,893	6,475
Assets		
Non-current Assets	1,127	1,295
Inventories and Trade Receivables	3,343	3,585
Other current assets ¹	996	1,000
Cash and cash equivalents ²	427	595
Total assets	5,893	6,475
Net Debt	2,723	5,796

- ✓ Significant improvement in net worth pursuant to conversion of financial instruments
- ✓ Net debt reduced by nearly 50% pursuant to conversion of financial instruments
- ✓ Further reduction of debt by Rs 583.50 crore from rights issue proceeds
- ✓ Group corporate structure is being simplified, which will increase transparency

Significantly healthier balance sheet post refinancing

Industry Outlook

Suzlon Strengths

Financial Performance

Detailed Financials



Consolidated Income Statement

(₹ Cr.)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22	H1 FY23	H1 FY22	FY22
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
Net Volumes (MW)	162	151	155	312	271	808
Net Revenue	1,430	1,378	1,347	2,808	2,482	6,520
Contribution	511	436	472	947	909	1,877
<i>Contribution Margin</i>	<i>35.7%</i>	<i>31.7%</i>	<i>35.1%</i>	<i>33.7%</i>	<i>36.6%</i>	<i>28.8%</i>
Employee Expenses	153	142	152	295	273	545
Other Expenses (net)	149	109	128	258	243	503
EBITDA (Pre FX)	208	185	192	393	392	829
<i>EBITDA Margin (Pre FX)</i>	<i>14.5%</i>	<i>13.4%</i>	<i>14.3%</i>	<i>14.0%</i>	<i>15.8%</i>	<i>12.7%</i>
Depreciation	63	59	61	122	119	260
Finance Cost, net	92	148	184	240	359	712
Taxes	-42	44	0	2	2	167
Net Profit / (Loss) (Pre Fx and Ex. Items)	95	-66	-54	29	-88	-310
Exchange Loss / (Gain)	38	-29	-41	9	5	-61
Exceptional Loss / (Gain)	-	-2,469	-	-2,469	-83	-83
Net Profit / (Loss) After Tax	56	2,433	-13	2,489	-10	-166

Consolidated Balance Sheet

(₹ Cr.)

Equity and Liabilities	30-Sep-22	31-Mar-22	Assets	30-Sep-22	31-Mar-22
Equity capital and other equity	-313	-3,526	Non current assets		
Non controlling interest	-41	-36	Property, plant and equipment	740	774
	-354	-3,562	Right-of-use assets	111	134
Non-current liabilities			Capital work-in-progress	32	15
Financial liabilities			Investment properties	30	31
Borrowings	2,635	5,592	Goodwill	-	-
Lease liabilities	39	58	Other intangible assets	78	121
Other financial liabilities	20	22	Intangible assets under development	13	4
Provisions	148	130	Investments in asso. and joint ventures	-	-
Other non-current liabilities	0	0	Financial assets		
	2,842	5,802	Other investment	0	0
			Trade receivables	-	-
Current liabilities			Loans	0	-
Financial liabilities			Other financial assets	331	264
Borrowings	514	798	Deferred tax assets	-	17
Lease liabilities	12	17	Other non-current assets	44	29
Trade payables	1,517	1,840		1,379	1,390
Other financial liabilities	319	363	Current assets		
Contract liabilities	439	477	Inventories	2,181	2,208
Other current liabilities	53	81	Financial assets		
Provisions	549	484	Trade receivables	1,163	1,377
Current tax liabilities, net	2	174	Cash and cash equivalents	175	437
	3,405	4,234	Bank balances other than above	0	63
			Loans	1	1
Total Equity and Liabilities	5,893	6,475	Other financial assets	212	121
			Current tax asset, net	1	1
			Other current assets (incl. held for sale)	782	877
				4,514	5,085
			Total Assets	5,893	6,475

Glossary

1. **MW** – Megawatt
2. **GW** – Gigawatt
3. **Y-o-Y** – Year on Year
4. **EBITDA** – Earnings before Interest Depreciation Tax and Amortizations
5. **KPI** – Key Performance Indicators
6. **PSU** – Public Sector Undertaking
7. **RTC** – Round The Clock
8. **GoI** – Government of India
9. **C&I** – Commercial and Industrial
10. **PLF** – Plant Load Factor
11. **MNRE** – Ministry of Renewable Energy
12. **RE** – Renewable Energy
13. **SCoD** – Scheduled Commissioning Date
14. **OEM** – Original Equipment Manufacturer
15. **WTG** – Wind Turbine Generator
16. **LCoE** – Levelised Cost of Energy
17. **OMS** – Operations and Maintenance Services
18. **Numerical 0** – denotes value less than ₹1 Cr



Thank You!

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