

Suzlon Energy Limited

Investor Presentation

Q2, FY24

Thursday, 2nd November 2023



Suvarda Wind Farm, Gujarat, India

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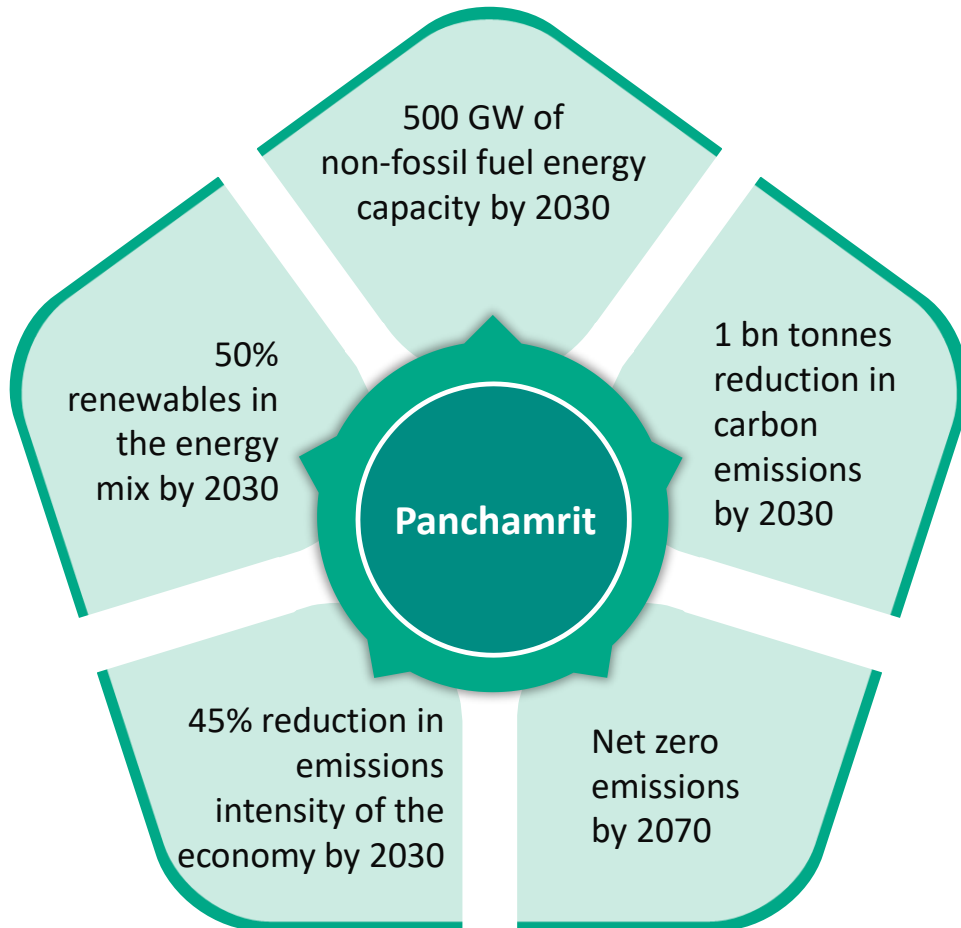
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INDUSTRY OUTLOOK

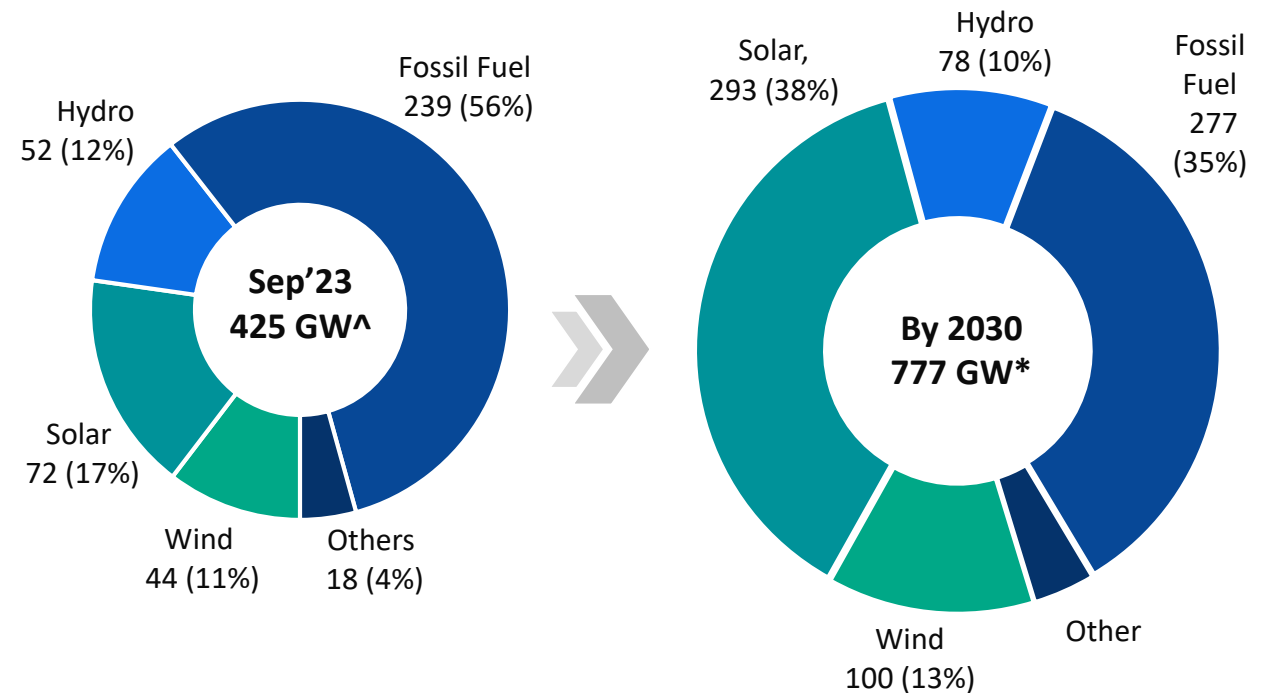
SUZLON
STRENGTHS

FINANCIAL
PERFORMANCE

Renewable Energy growth to be driven by Wind & Solar



Installed Power Generation Capacity Mix (GW)



[^]CEA All India Installed Capacity as on 30.09.2023

^{*}CEA's Report On Optimal Generation Capacity Mix for 2029-30 issued in Apr 2023 – Base Case scenario

Share of renewable in the overall power capacity mix to substantially increase by 2030 with both Wind & Solar co-existing

Favorable market conditions for Indian Wind Industry

Strong Domestic Demand Outlook

4th

Largest Wind Market
in the world

100 GW

Installed Wind Energy
by 2030

~13 GW

Wind Pipeline as on
Jun'23

94 GW

Wind Infrastructure
by 2027

26+ GW

Installations in next 5
years through policy
corrections

10 GW

Exclusive Wind Tenders
per annum till 2030

Source: GWEC-India-Outlook-Aug-2023

Key Demand Drivers

1. Onshore wind potential: 695 GW (120m HH) and 1,164 GW (150m HH)
2. Discontinuation of E-reverse bidding
3. Wind bids with state specific sub-bids and pooling* of tariff
4. RPO trajectory: 24.61% (FY23) to 43.33% (FY30) with wind-specific RPO
5. ISTS charges waiver for 25 yrs. for RE projects COD till 30th June 2025[^]
6. Lower Renewable LCOE resulting in strong C&I growth
7. GH2 Mission targets 5 MMT p.a. requiring RE of 125 GW by 2030
8. Repowering potential estimated by NIWE: ~25.4 GW
9. Offshore potential: India's first offshore tender expected by Dec'23
10. Potential as export hub for wind components for global markets

*policy for determination of uniform RE tariff announced on 25th Oct'23

[^]thereafter gradual reduction (refer link below) of waiver by 25% each year till Jun'28

<https://powermin.gov.in/sites/default/files/uploads/Orders/B.4.3.pdf>

INDUSTRY
OUTLOOK

SUZLON
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Suzlon Strengths



~20.3 GW*

Global installed Wind
Energy Capacity



~32%

Cumulative Market
Share in India



6,000+

Global Workforce



Own WTG Technology & in-house R&D
Well established product portfolio



As on 30th Sept 2023

**Includes installed capacity of 14.3 GW in India*

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**

































**28 Years
Track
Record**

Strong presence across value chain & customer segments

As on 30th Sept 2023



Key clientele among marquee customers globally

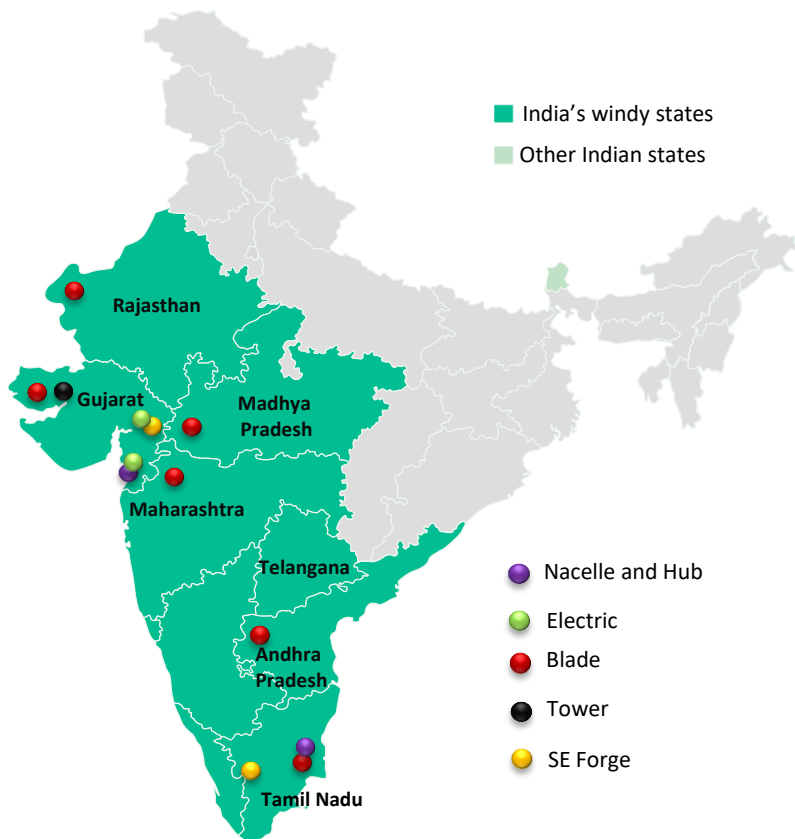
					
					
					
					
					

And many more customers.....

Geographically diversified manufacturing base

Best-in-class manufacturing capability

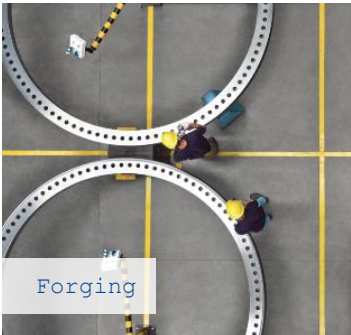
Manufacturing locations across India*



Vertically integrated low-cost supply chain

India Manufacturing Capacity ~3,150¹ MW

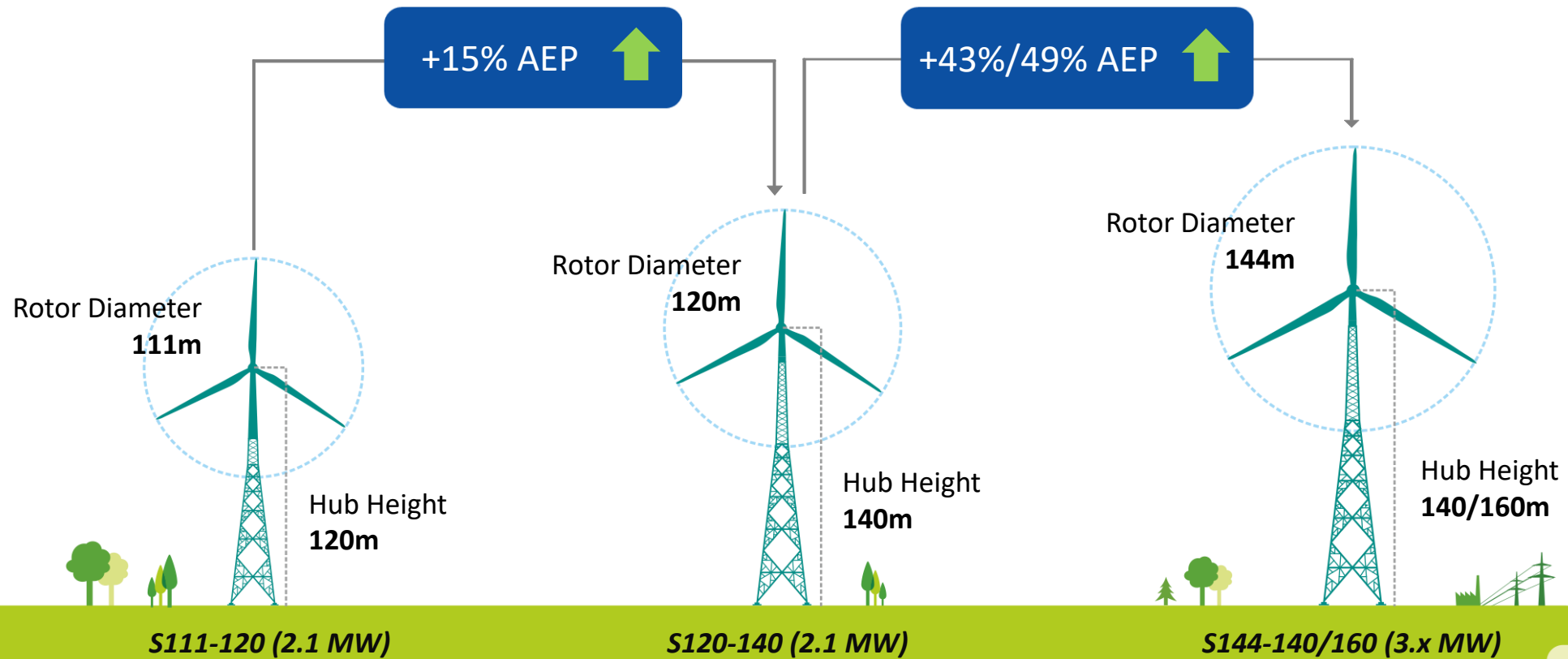
Sufficient & flexible manufacturing capacity to cater to the market



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

Note: ¹ SEL has a ramp up/ramp down capacity. Capacity of 3,150 MW is for 2.1 MW WTGs. With 3+ MW WTGs, capacity can be ramped up to 4,500 MW in phased manner

Product Optimized for Higher Energy Output



Consistent Reduction of Levelised Cost of Energy (LCoE)

S144: New Product Update

Major Updates:

- Encouraging prototype performance
- Requisite certifications in place
- Enthusiastic customer response as reflected in the order inflow
- Supply started in line with commercialization plans



Overview of India OMS capabilities

Key Numbers

14.3 GW+
Installed Base

9,600+
Turbines

USD 10 Bn
Assets under management

1,900+
Customers

94
Sites

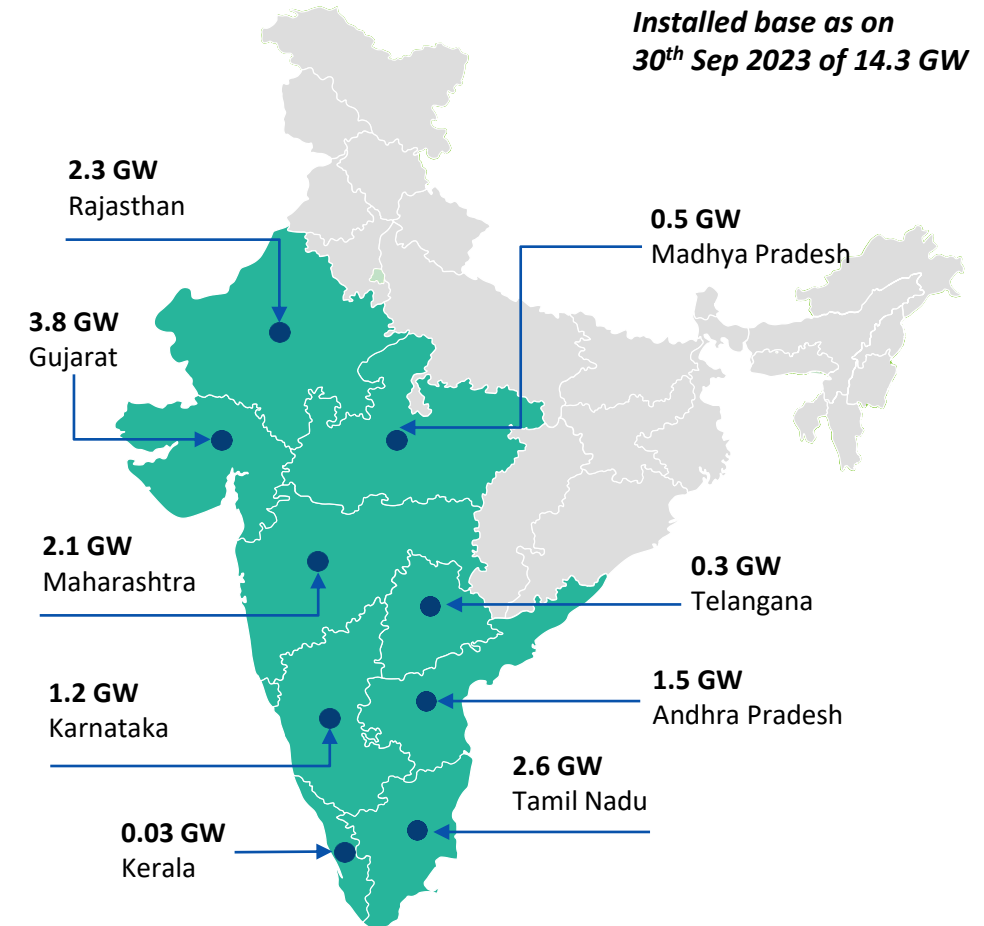
3,600+
Team

~32% share of all India installed wind capacity

Impact of clean energy:

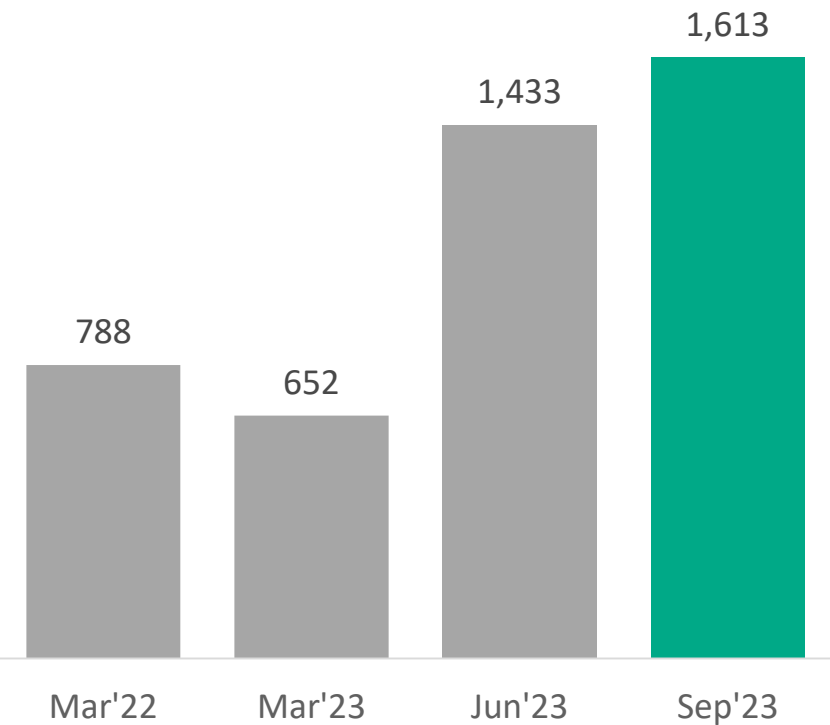
- Over 3.06 Bn trees absorbing CO2 p.a.
- Over 9.32 Mn households powered p.a.
- Over 36.81 MT of CO2 emissions prevented p.a.

Presence in all windy states in India



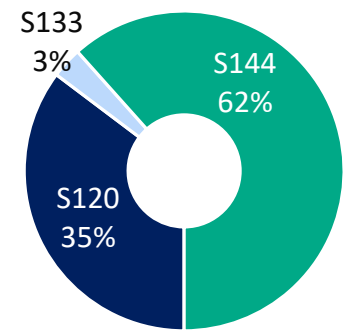
Wind Order Book

Wind Order Book (in MW)



Additionally, 50.4 MW order secured from Juniper in Oct'23

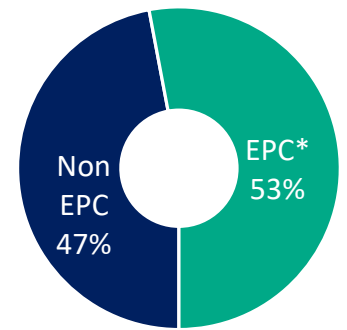
WTG Model mix



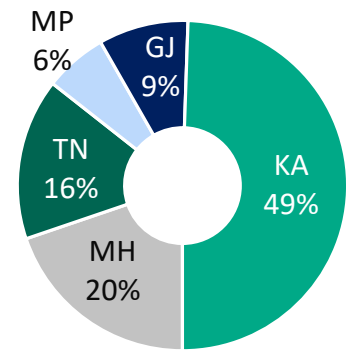
Project segment mix



Scope mix



State mix



Healthy order book provides revenue visibility

*EPC scope may differ from contract to contract

Management Profile



Tulsi Tanti
*Founder,
Late Chairman
and Managing
Director*



Vinod Tanti
Chairman and
Managing Director



Girish Tanti
Vice Chairman



JP Chalasani
Group CEO



Himanshu Mody
Group CFO



Ishwar C Mangal
CEO Global OMS



Venkat Subramaniam
CEO, SEForge



Bernhard Telgmann
CTO



Rajendra Mehta
Group CHRO

**Professional senior management team backing the rich experience of the Board
ESOPs granted to eligible employees in order to retain, attract and reward talent**

Note: Detailed profile of the management team and the board of directors is available on website/Annual Report

Awards and Recognition FY24



GWEC

Felicitated our Founder and late CMD, Shri Tulsi Tanti as a key contributor to 1 TW of global wind energy installations



The Times Group

Best Construction and Infrastructure Brands - Renewable Energy Suppliers



IWTMA

Honouring Shri Tulsi Tanti for contribution to Indian Wind Industry



IRIM

Nacelle Cover Unit, Daman, won Silver Medal in the India Green Manufacturing Challenge 2023



IRIM

Rotor Blade Unit, Dhule won Silver Medal in the India Green Manufacturing Challenge 2023

INDUSTRY
OUTLOOK

SUZLON
STRENGTHS

**FINANCIAL
PERFORMANCE**

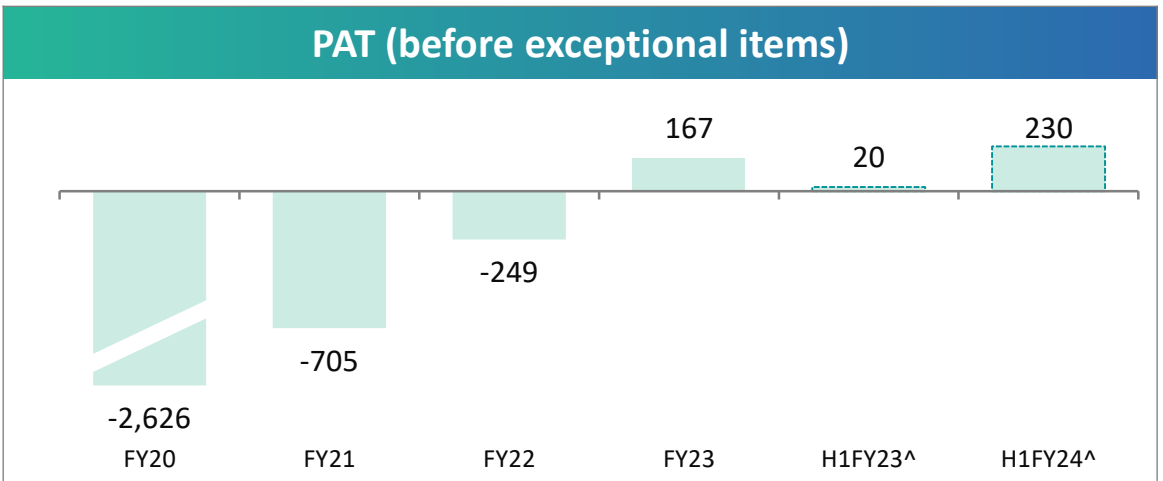
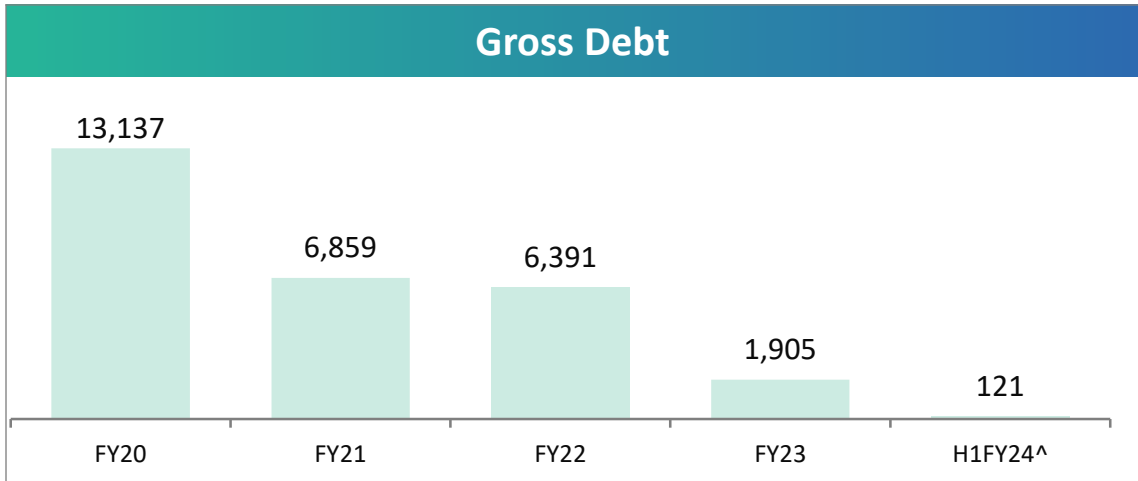
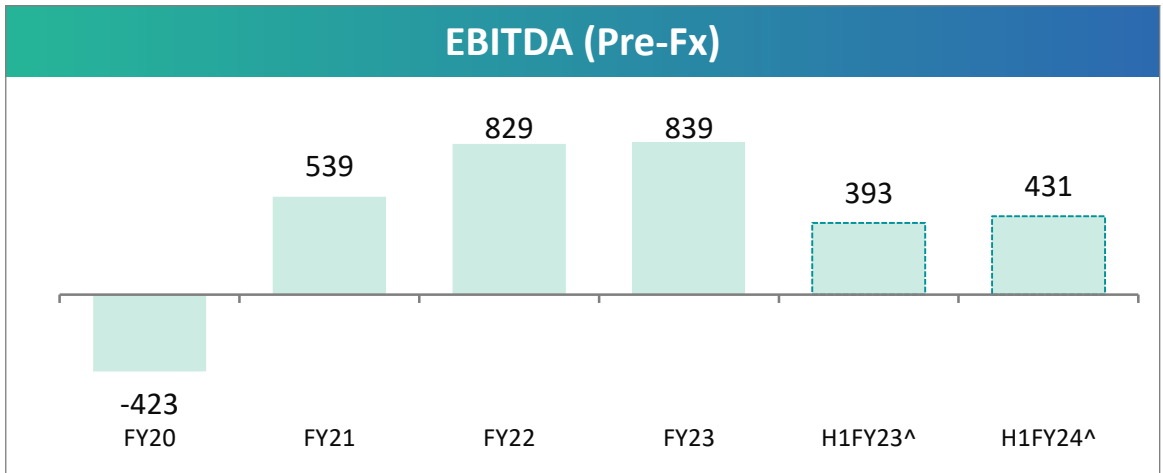
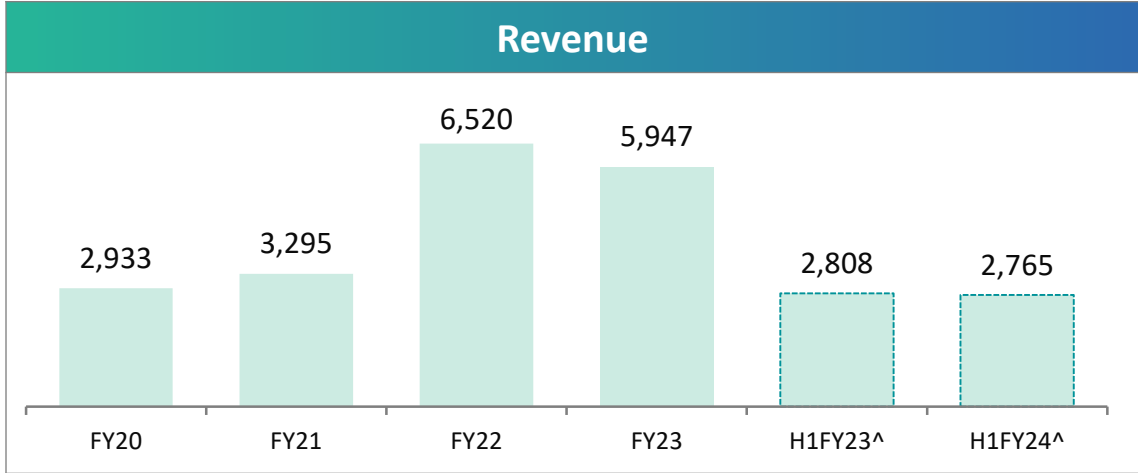
Highlights of the Performance

- ✓ Consistent operating performance across all business segments
- ✓ Higher EBITDA on YoY basis on back of healthier margins
- ✓ PAT (before FX, exceptional items) for H1FY24 of Rs 237 crores v/s H1FY23 of Rs 29 crores (YoY growth ~8x)
- ✓ Net cash position of Rs ~599 crores as on Sep'23 vis-à-vis Net debt of Rs ~1,180 crores as on Mar'23
- ✓ Substantial reduction in quarterly net finance costs by ~61% on YoY basis
- ✓ CRISIL upgraded Suzlon Energy Limited ratings by two notches to 'BBB+' with a Positive Outlook

Stronger balance sheet and consistent performance positions the Company to meaningfully participate in ongoing energy transition

Transformation...

(₹ Cr.)

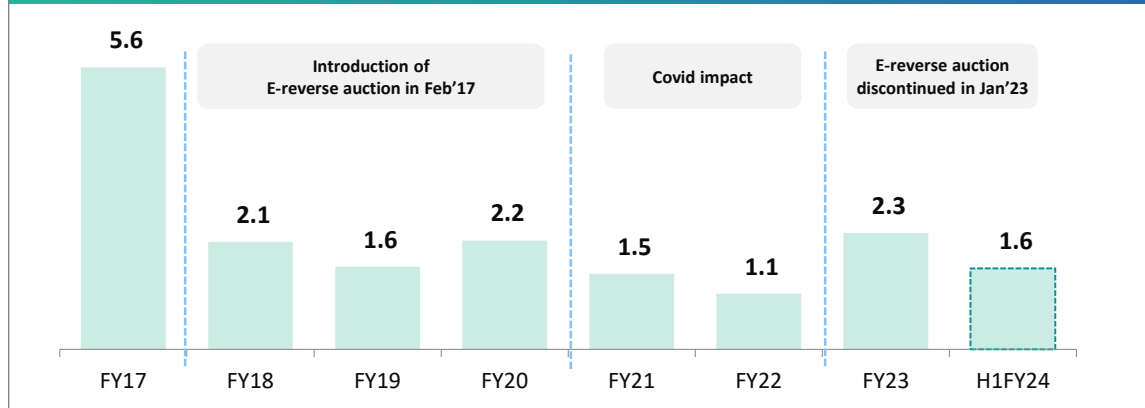


Note: Consolidated numbers used | ^H1FY23 and H1FY24 numbers are unaudited

Substantial improvement in financial parameters

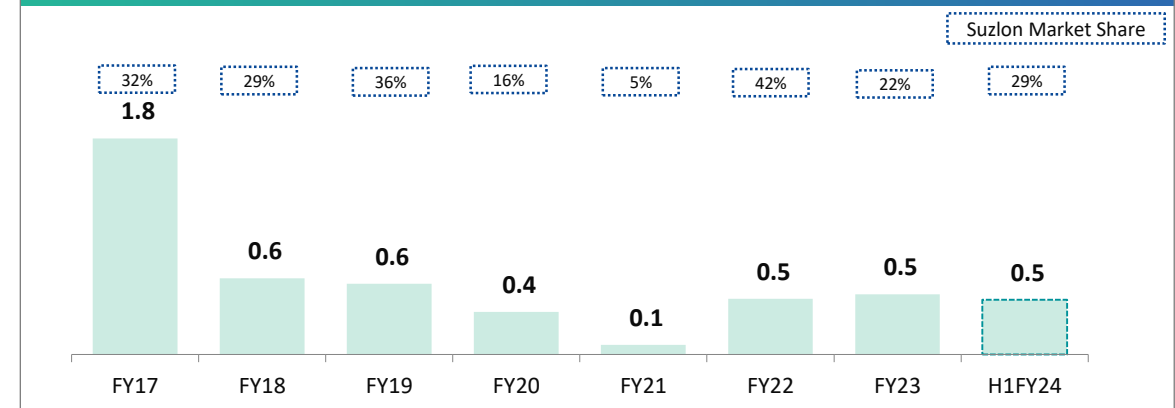
WTG Division – Key Performance Indicators

Wind capacity additions in India (in GW)



Source: Directory Indian Wind Power, 2022 (CECL)

Installations by Suzlon (in GW)



Suzlon has an installed base of 14.3 GW out of total wind installed base of 44.2 GW in India – a cumulative market share of ~32%

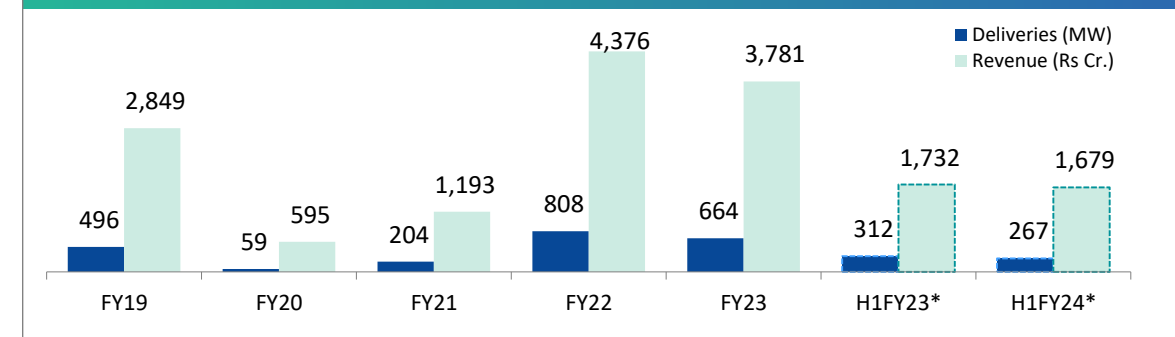
Key reasons for lower capacity additions in past

1. GOI's shift from FIT regime to e-reverse auction system of awarding projects
2. Unrealistic tariffs discovered leading to unviable & unexecuted projects
3. Covid impact
4. Debt restructuring issues of Suzlon during FY21 and consequent restrictions

*H1FY23 & H1FY24 numbers are unaudited

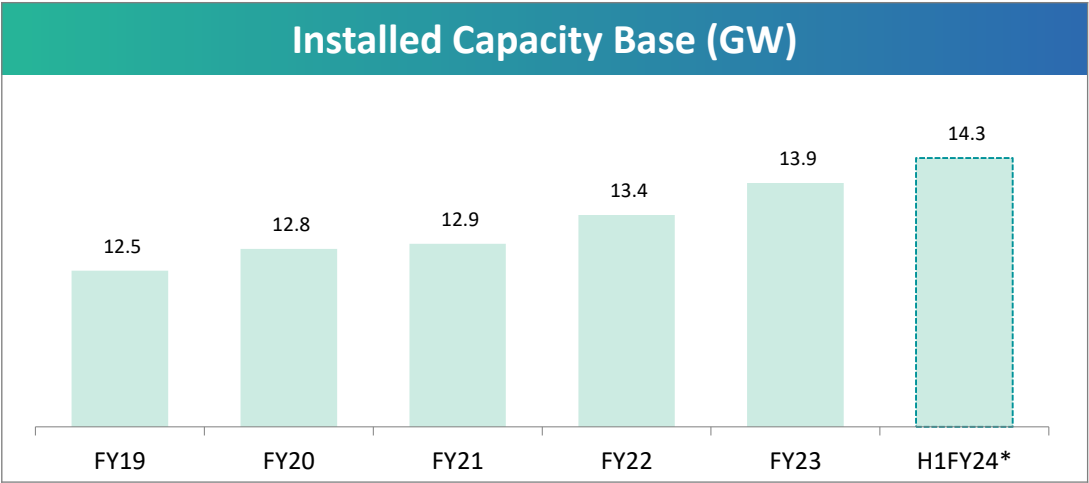
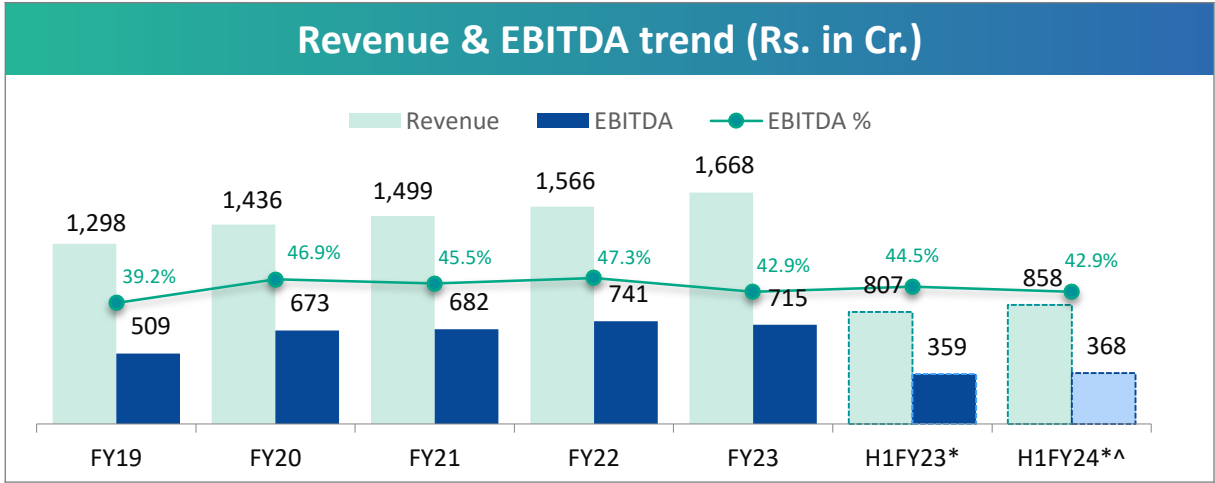
Note: The revenue numbers are derived from statutory segment reporting

Deliveries & Revenue



WTG Division well poised to capture the opportunity in wind sector

OMS India Division¹ - Key Performance Indicators



Key Strengths

1. Over 2 decades of best-in-class OMS practice

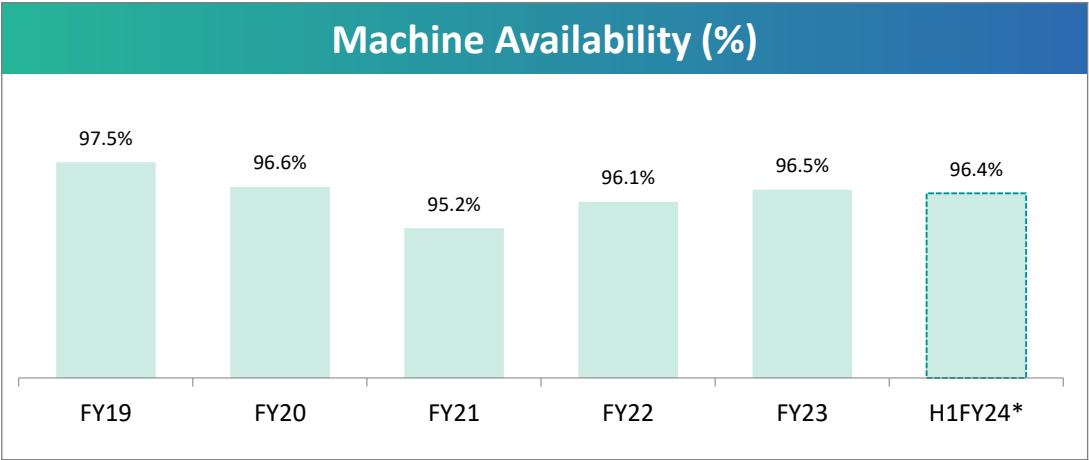
2. High double-digit margins and stable cashflows

3. Strong customer base

4. Diversified supplier and vendor network

5. Highly experienced management team

6. Legacy positioning and sizeable presence in all eight windy states

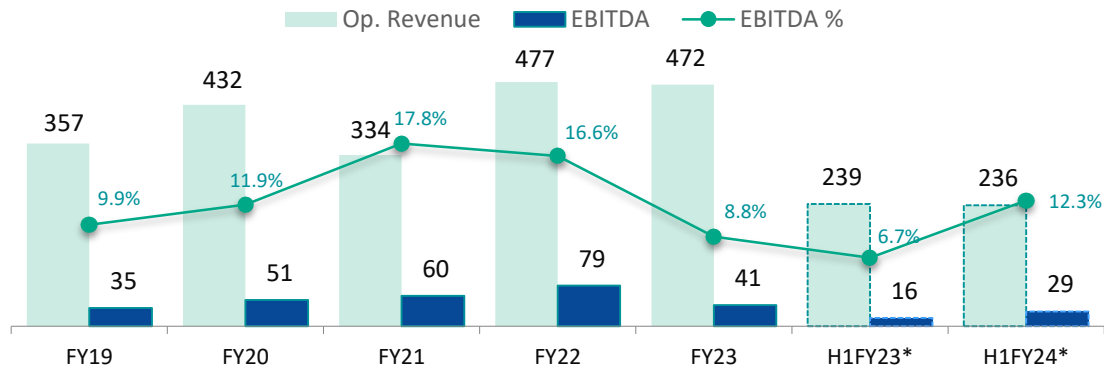


*H1FY23 & H1FY24 numbers are unaudited | ^ represents normalized EBITDA without the impact of one-time costs of Rs 42 Cr on account of cyclone Biparjoy in Gujarat
 Note 1: The above numbers are for OMS India division only derived from statutory segment reporting. These numbers exclude the overseas OMS business

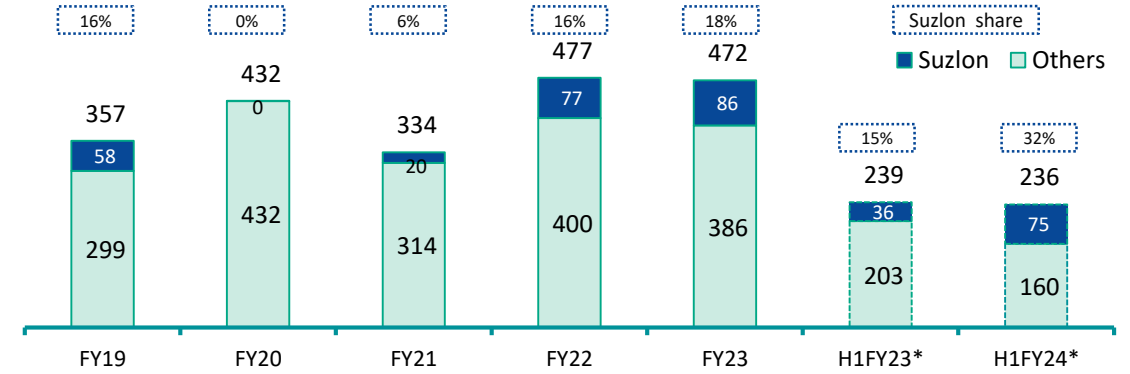
OMS India Division is a stable and resilient business model

Foundry & Forging Division – Key Performance Indicators

Operating Revenue & EBITDA trend (Rs in Cr.)



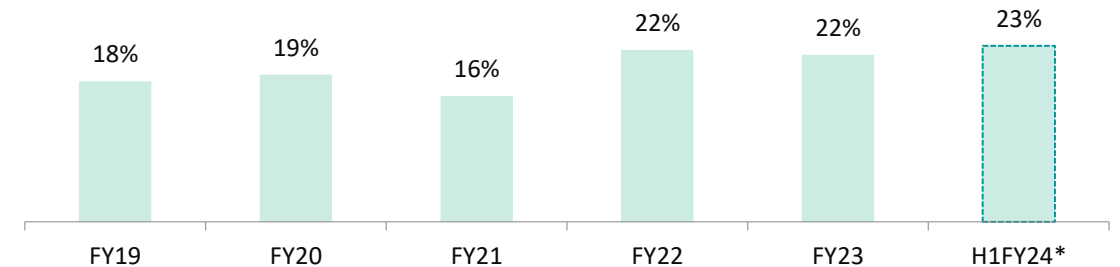
Revenue (Rs in Cr.)



Key Strengths

1. Independently operating business with low breakeven levels
2. Annual manufacturing capacity of 122,000 MT
3. Favorable wind power market conditions
4. Availability of skilled manpower & working capital
5. Robust & lean manufacturing systems
6. Lower level of capacity utilization provides headroom for growth

Capacity Utilization (%)



*H1FY23 & H1FY24 numbers are unaudited | Note: The numbers are derived from statutory segment reporting

Foundry & Forging Division well poised to capture the market opportunity from increasing demand for wind power

Consolidated Income Statement

(₹ Cr.)

Particulars	Q2 FY24	Q1 FY24	Q2 FY23	H1 FY24	H1 FY23	FY23
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Net Volumes (MW)	132	135	162	267	312	664
Net Revenue	1,417	1,348	1,430	2,765	2,808	5,947
Contribution	546	506	511	1,052	947	1,965
Contribution Margin	38.5%	37.5%	35.7%	38.1%	33.7%	33.0%
Employee Expenses	183	161	153	344	295	609
Other Expenses (net)	139	138	149	277	258	517
EBITDA (Pre FX)	224	207	208	431	393	839
EBITDA Margin (Pre FX)	15.8%	15.4%	14.5%	15.6%	14.0%	14.1%
Depreciation	51	55	63	106	122	260
Net Finance Cost	36	51	92	88	240	401
Taxes	0	-	(42)	0	2	4
Net Profit/(Loss) (Pre Fx and Ex. Items)	136	101	95	237	29	174
Exchange Loss / (Gain)	-1	8	38	7	9	7
Exceptional Loss / (Gain)	35	(8)	-	27	(2,469)	(2,721)
Net Profit After Tax	102	101	56	203	2,489	2,887

Consolidated Balance Sheet

(₹ Cr.)

Particulars	Sep-23	Mar-23	Mar-22
	Unaudited	Audited	Audited
Equity & Liabilities			
Net Worth	3,409	1,099	(3,526)
Non-controlling interests	-	-	(36)
Borrowings (non-current and current)	121	1,905	6,391
Non-current Liabilities	199	206	210
Current Liabilities	2,204	2,313	3,436
Total equity and liabilities	5,931	5,523	6,475
Assets			
Non-current Assets	966	988	1,295
Inventories	1,944	1,827	2,208
Trade Receivables	1,487	1,170	1,377
Other current assets	815	813	1,000
Cash and cash equivalents	719	725	595
Total assets	5,931	5,523	6,475
Net Debt	(599)	1,180	5,796

Glossary

- | | |
|---|---|
| 1. AEP – Annual Energy Production | 17. LCoE – Levelized Cost of Energy |
| 2. BOP – Balance of Plant | 18. MNRE – Ministry of New And Renewable Energy |
| 3. BESS – Battery Energy Storage System | 19. MT – Metric Ton |
| 4. C&I – Commercial and Industrial | 20. MW – Megawatt |
| 5. CEA - Central Electricity Authority | 21. NIWE – National Institute of Wind Energy |
| 6. COD – Commercial Operations Date | 22. OEM - Original Equipment Manufacturer |
| 7. EBITDA – Earnings before Interest, Tax, Depreciation and Amortizations | 23. OMS – Operations and Maintenance Services |
| 8. GoI – Government of India | 24. PLF – Plant Load Factor |
| 9. GH2 – Green Hydrogen | 25. PSA – Power Sale Agreement |
| 10. GW – Gigawatt | 26. RE – Renewable Energy |
| 11. GWEC – Global Wind Energy Council | 27. RGO -- Renewable Generation Obligation |
| 12. HH – Hub Height | 28. RPO – Renewable Purchase Obligation |
| 13. IRIM – International Research Institute for Manufacturing | 29. RTC – Round The Clock |
| 14. ISTS – Inter-State Transmission System | 30. SCoD – Scheduled Commissioning Date |
| 15. IWTMA – Indian Wind Turbine Manufacturers Association | 31. WTG – Wind Turbine Generator |
| 16. KPI – Key Performance Indicators | 32. Y-o-Y – Year on Year |

References

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<https://www.crisil.com/en/home/sectors-we-cover/energy.html>

A photograph of four Suzlon wind turbines standing on a grassy hill. The turbines are white with red and white striped towers and blades. The background shows a hilly landscape under a cloudy sky.

Thank You!

Email contact for queries:
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