

Suzlon Energy Limited

Investor Presentation

Q1, FY 2021-22

13 August 2021



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Suzlon Overview



18,800+ MW

Installed Wind Energy Capacity



18 Countries

Presence



No.1 in India's

Renewable Sector



5,450+

Workforce



1,800+

Customers Globally

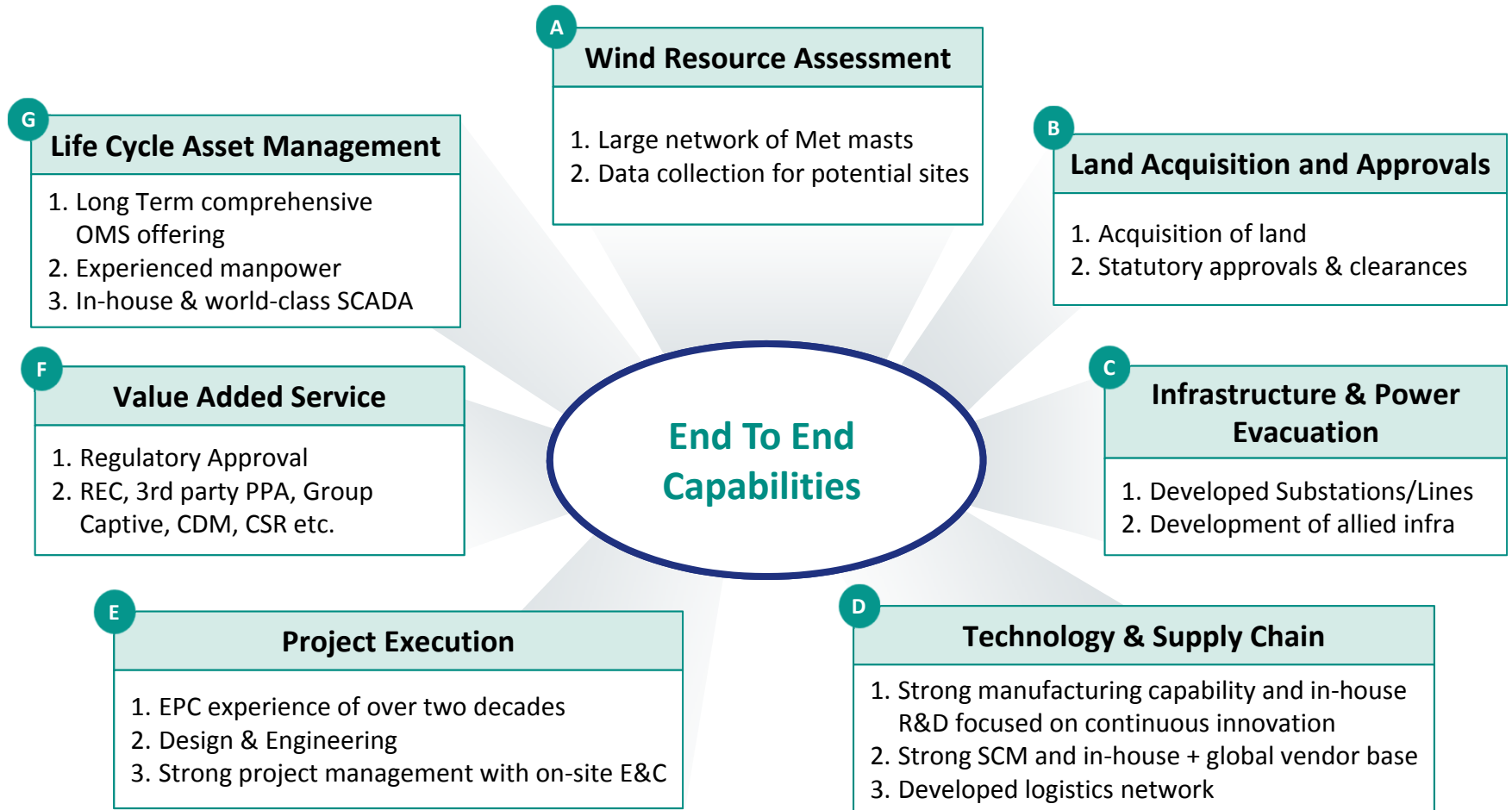


~33%

Cumulative Market Share in India

as on 31st Mar'21

End to End Strategy Clearly Defined



End to End Solution Provider for the entire life cycle of the Asset

Key Updates for Q1FY22

- ✓ Continuity of orders from customers demonstrate Suzlon's strength in product and technology - RR of 116 MW done in Q1FY22 ; order book of 978.2 MW as on 30th June'21
- ✓ Service business delivered good performance to customers despite Covid
- ✓ Continue to maintain tight control over costs
- ✗ Steep increase in steel prices by 73.8 % in last one year (From July'20- June '21) on one hand and low tariff for our customers on the other hand have adverse impact on the margin
- ✗ High volume growth in Global Wind Energy Sector led to challenges in supply chain impacting components availability and increase of price
- ✗ Execution related challenges arising out of COVID-19

Financial Performance

Industry Outlook

Technology

Suzlon Strengths


Detailed Financials

Q1 FY22 Consolidated Financial Metrics

(₹ Cr.)

Particulars	Q1 FY22 Unaudited	Q1FY21 Unaudited
Net Revenue	1,135	513
Gross Profit	488	356
Gross Margin	43.0%	69.5%
Employee Expenses	122	159
Other Expenses (net)	167	80
Exchange Loss / (Gain)	46	26
EBITDA	154	91
EBITDA Margin	13.6%	17.7%
Depreciation	58	71
Net Finance Cost	175	403
Taxes	1	1
Share of (Profit) / Loss of Associates / JV	0	-1
Net Profit (Pre Exceptional Items)	-79	-384
Exceptional Loss / (Gain)	-83	15
Net Profit (Post Exceptional Items)	4	-399
Non Controlling Interest	26	-1
Net Profit attributable to Shareholders	-22	-398

Wind Order Book (As on 30th June 2021)

Particulars	Capacity (MW)	Remarks
Central Auctions	806.4	All orders are backed by signed PPAs. The order book comprises of orders from marquee customers such as Adani group, CLP and Enel Group.
State Auctions/PSU	56.7	
Captive/Retail	115.1	
Wind Firm Order Book	978.2	
Value of Order Book (Gross)	INR 5,626 Cr	
 SE Forge Ltd and Service orders over and above this order book		

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Enhanced Government Focus



High Priority for Renewables and Wind



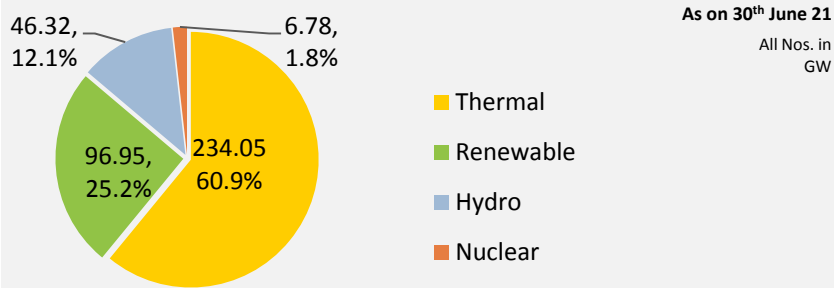
Atmanirbhar Bharat



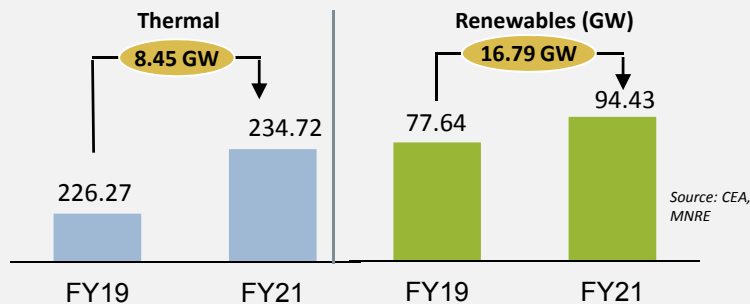
Make in India

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%	~38-42%
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 that COVID-19 extension to be given for all projects scheduled after 1st Apr 2021 due to second wave. Period of Disruption 1st Apr'21 to 15th Jun'21 (both days inclusive).
- ISTS Charges Waiver extended till 30th June, 2025
- MoP has invited suggestions on the discussion paper for redesigning Renewable Energy certificates mechanism.
- MoP issued Electricity- Late Payment Surcharge Rules, 2021.
- APTEL judgement on curtailment of RE power

New Wind/Hybrid bids announced

S.N.	Agency	Capacity MW	Bid Subm. Date/ time	Additional Information
1	SECI XI	1,200	06/07/2021	Reverse auction yet to happen
2	SECI Hybrid IV	1,200	16/07/2021	Reverse auction yet to happen
3	SECI RTC-II (RE+ non-RE with/without ESS)	2,500	12/08/2021	
Total		4,900		

Challenges

- Competitive bidding regime and reverse auction have led to low tariffs which in turn has squeezed OEM margins & IPP returns
 - Sharp increase in steel prices by 73.8 % in last one year (From 1st July '20 – 30th June'21)
 - Slow pace of power evacuation infra development
 - Supply chain issues due to globally high demand and also Covid related disruptions
 - Execution challenges due to Covid
-

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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

~23-26%
Higher Energy Yield

S120

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

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Suzlon's Strengths in Indian Wind Energy Market


 **Full Turnkey
Solution Provider**

Pan India Presence 

 **Technology
Leadership**

SUZLON
POWERING A GREENER TOMORROW

**Strong Customer
Relationship** 

 **Best In Class Service
Capabilities**

**26 Years Track
Record** 

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

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Consolidated Income Statement

(₹ Cr.)

Particulars	Q1FY22	Q4 FY21	Q1FY21	FY21
	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	1,135	1,120	513	3,295
Less: COGS	647	606	157	1,577
Gross Profit	488	514	356	1,717
Margin %	43.0%	45.9%	69.5%	52.1%
Employee benefits expense	122	122	159	553
Other expenses (net)	167	281	80	625
Exchange Loss / (Gain)	46	-85	26	4
EBITDA	154	196	91	534
EBITDA (Pre-FX Gain / Loss)	200	111	117	539
Margin %	17.6%	9.9%	22.8%	16.4%
Less: Depreciation	58	62	71	258
EBIT	96	134	20	276
EBIT (Pre-FX Gain / Loss)	142	49	46	280
Margin %	12.5%	4.4%	9.0%	8.5%
Net Finance costs	175	190	403	976
Profit / (Loss) before tax and Exceptional Items	-78	-56	-382	-700
Less: Exceptional Items Loss / (Gain)	-83	1	15	-805
Less: Share of (Profit) / Loss of Associates & JV	0	-6	1	-3
Less: Taxes	1	1	1	5
Net Profit / (Loss) after tax	4	-54	-399	103
Less: Non-Controlling Interest	26	3	-1	-1
Net Profit Attributable to Shareholders	-22	-57	-398	104



Thank You!