

Suzlon Energy Limited

Investor Presentation

Q1, FY 2022-23

10th August 2022



Financial Performance

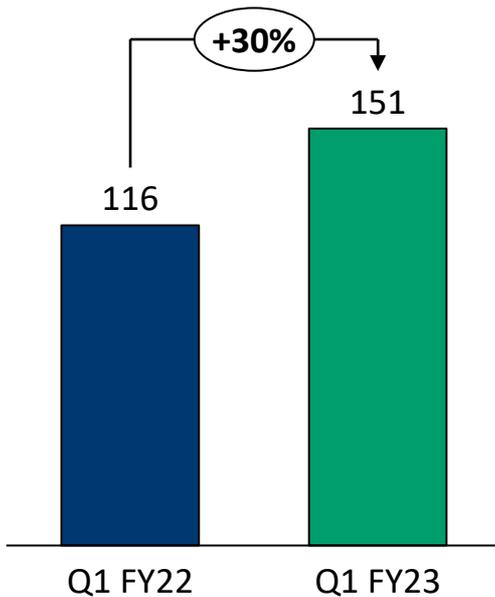
Industry Outlook

Suzlon Strengths

Detailed Financials

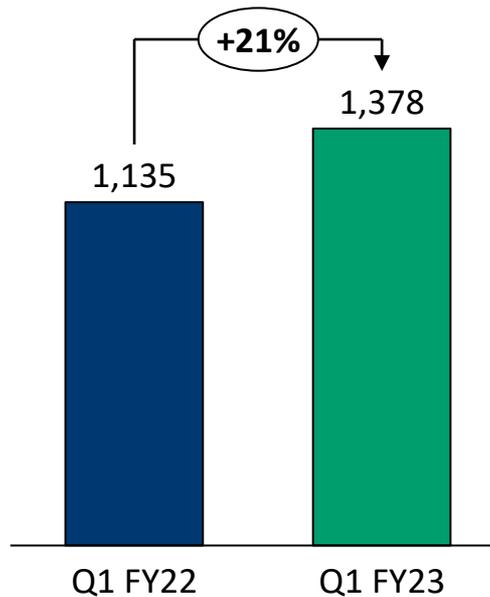
Robust Financial Performance

Volume (MW)



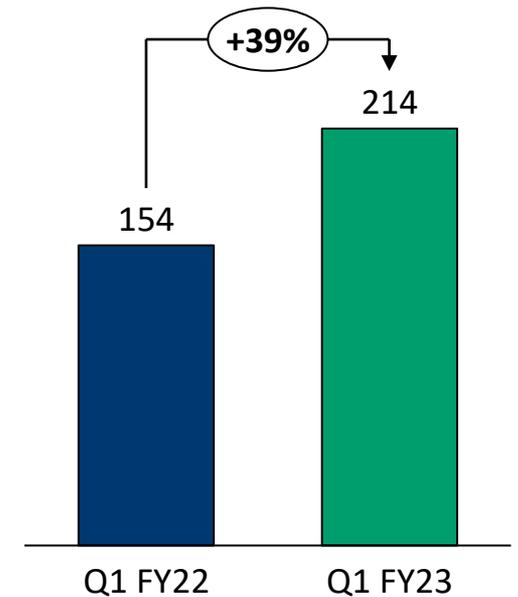
FY22: 808 MW

Revenue (₹ Crs)



FY22: Rs 6,520 Crs

EBITDA (₹ Crs)



FY22: Rs 889 Crs

Strong Y-o-Y Volume and Profitability Growth

Highlights of Financial Performance

- ✓ Highest Q1 revenue since FY19 with strong volume and EBITDA growth
- ✓ Significant improvement in EBITDA – Q1 FY23 EBITDA up by 39% 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
- ✓ Completion of debt refinancing resulting in removal of decade long debt overhang
- ✓ Net worth significantly improved as compared to March, 2022
- ✓ Reduction in finance costs; full impact will be visible from Q2 FY23

Q1 FY23 Consolidated Financial Metrics

(₹ Cr.)

Particulars	Q1 FY23	Q1 FY22
	Unaudited	Unaudited
Net Volumes (MW)	151	116
Net Revenue	1,378	1,135
Contribution	436	436
Contribution Margin	31.7%	38.4%
Employee Expenses	142	122
Other Expenses (net)	109	115
Exchange Loss / (Gain)	-29	46
EBITDA	214	154
EBITDA Margin	15.6%	13.6%
Depreciation	59	58
Net Finance Cost	148	175
Profit before tax and ex. Items	7	-79
Taxes	44	1
Exceptional Loss / (Gain)	-2,469	-83
Report Net Profit	2,433	3

- ✓ Improvement in Y-o-Y performance on all KPIs – volumes, revenue and EBITDA
- ✓ EBITDA increased by ~39% with higher EBITDA margins
- ✓ Refinancing got completed in May 2022, therefore, full effect of finance cost reduction will be visible from Q2 FY23
- ✓ Exceptional gain primarily on account of conversion of financial instruments pursuant to refinancing.

Robust financial performance in Q1 FY23 on all parameters

Consolidated Balance Sheet Metrics (as on 30th June 2022)

(₹ Cr.)

Particulars	Jun-22*	Mar-22^
Equity & Liabilities		
Shareholders' Fund	-653	-3,562
Borrowings (non-current and current)	3,272	6,391
Non-current Liabilities	210	210
Current Liabilities	3,399	3,436
Total equity and liabilities	6,228	6,475
Assets		
Non-current Assets	1,245	1,295
Inventories and Trade Receivables	3,556	3,585
Other current assets	929	1,000
Cash and cash equivalents	498	595
Total assets	6,228	6,475
Net Debt	2,774	5,796

- ✓ Significant improvement in net worth pursuant to conversion of financial instruments.
- ✓ Net debt reduced by more than 50% pursuant to conversion of financial instruments.
- ✓ Group corporate structure is being simplified, which will increase transparency.

Significantly healthier balance sheet post refinancing

Wind Order Book (As on 30th June 2022)

Particulars	Capacity (MW)	Remarks
Central Auctions	367.5	The order book comprises of orders from marquee customers such as Adani group, Apraava Energy (formerly known as CLP India), etc.
State Auctions	56.7	
Captive/Retail/PSUs	268.2	
Wind Firm Order Book	692.4	
 <p>Strong order pipeline under advanced discussion</p>		

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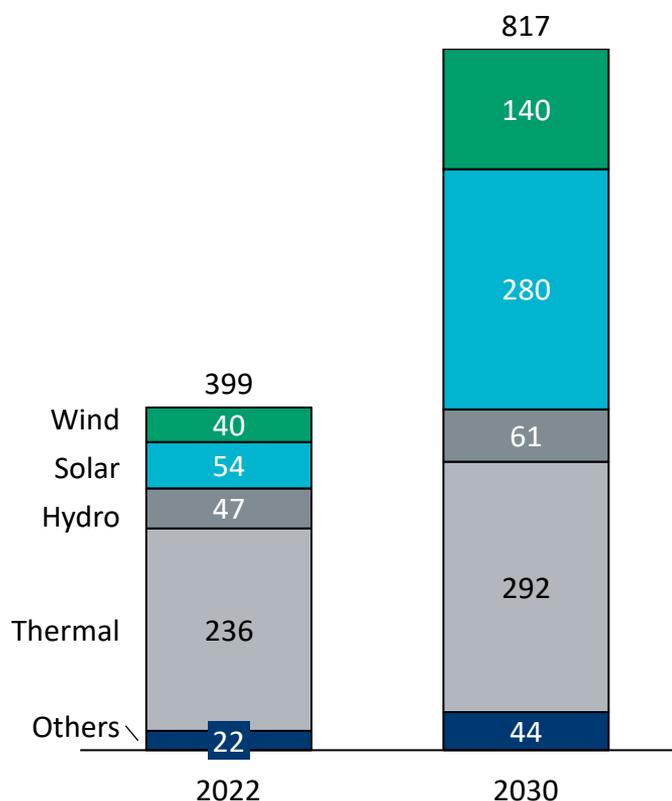
Opportunities: Favorable Market Conditions

- ✓ India's Renewable Energy target of 500 GW by 2030
- ✓ Energy security is top priority – encouraging policies to boost market growth
- ✓ New demand from large industries, green fuel producers and e-mobility
- ✓ Auction activity gaining momentum with high focus on Hybrid and RTC
- ✓ Wind power critical to address energy crisis and meet growing energy demand
- ✓ Global wind installation for 2021 at 103 GW shows resilience of wind technology
- ✓ Strong visibility for market size expansion for both wind and 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
- 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, as most of the customers and utilities prefer higher PLF and scheduled power
- Wind Repowering: by 2030- ~20GW existing capacities would need rebuilding

Strong volume visibility in medium and long-term

Major Policy Updates

Central Government / MNRE level

- Flexibility for Thermal Hydro Power Stations in bundling Renewable Energy and Storage Power
- Target for replacement of Thermal Energy of about 30,000 MW with Renewable Energy by 2025-26
- Third parties nominated for calling the under Revised RE bundling Scheme
- Issuance of Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022.
- Time-extension in SCoD of Wind Energy Projects considering covid and monsoon related disruption
- In-principle decision to stop electronic reverse auction for wind power projects in India

State level

- Government of Maharashtra (GoM) issued directions related to financial assistance and amenities

Financial Performance

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Suzlon Strengths



19.4 GW

Installed Wind Energy
Capacity



17 Countries

Presence



5,500+

Global Workforce



~33%

Cumulative Market
Share in India



As on 30th June'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

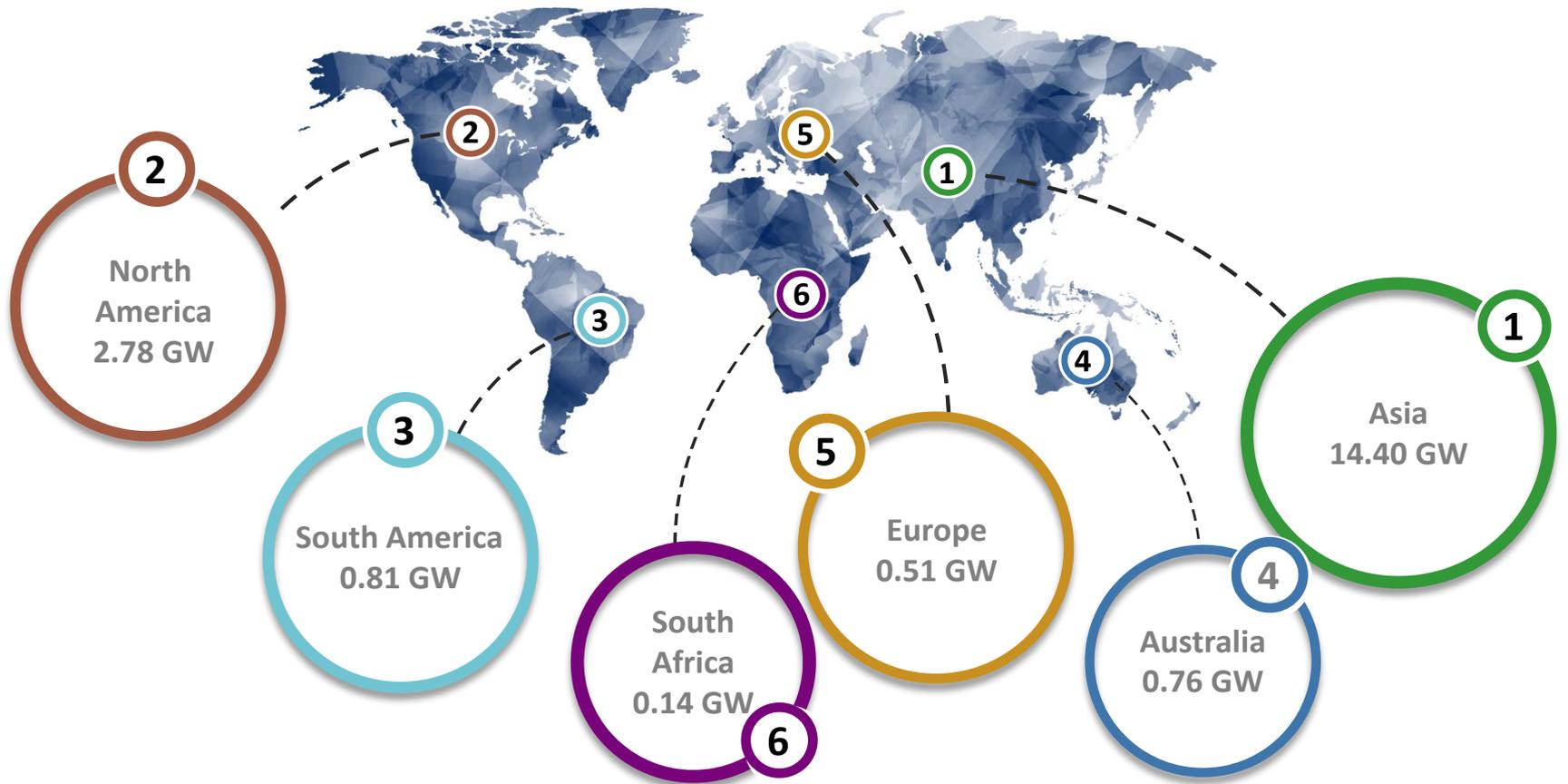
Strong Customer
Relationship

27 Years Track
Record

Strong presence across value chain & customer segments



Suzlon's Global Presence (19.4 GW)



Suzlon's strong relationships across regions positions it well

Key clientele among marquee customers globally

ACC

adani
Renewables



PRAXIA
ENERGY

Brookfield
Renewable Energy Partners

BLACKROCK



 **Clearway**

enel
Green Power



Greenko

Hero

HYATT



JINDAL
Jindal Aluminium

Leap Green Energy
We Partner Your Tomorrow



Reliance
Industries Limited

RELIANCE

ReNew
POWER

SBI

semcorp

SERUM INSTITUTE OF INDIA
Cyrus Poonawalla Group

Shree Cement



torrent
POWER

TVS

vedanta

Technology driven solutions

Technology Locations		
Germany	Hamburg	<ul style="list-style-type: none"> • Development & Integration • Certification
	Rostock	<ul style="list-style-type: none"> • Development & Integration • Design & Product Engineering • Innovation & Strategic Research
The Netherlands	Hengelo	<ul style="list-style-type: none"> • Blade Design and Integration
India	Pune	<ul style="list-style-type: none"> • Design & Product Engineering • Turbine Testing & Measurement • Technical Field Support • Blade Engineering
	Vadodara	<ul style="list-style-type: none"> • Blade Testing Center • Blade Engineering
	Chennai	<ul style="list-style-type: none"> • Design & Product Engineering (Gear Box Team)

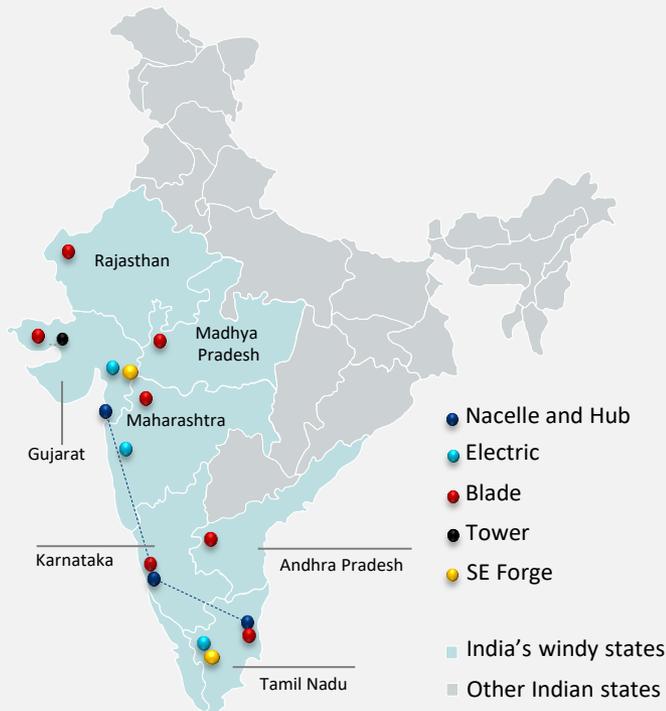


Team is well integrated across geographies – Follows 10 step Stage Gate process

Geographically diversified manufacturing base

Best-in-class manufacturing capability

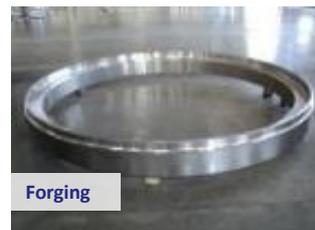
20+ manufacturing locations across India



Vertically integrated low cost supply chain

Sufficient & flexible manufacturing capacity to cater the market

India
Manufacturing
Capacity
~3,150¹ MW

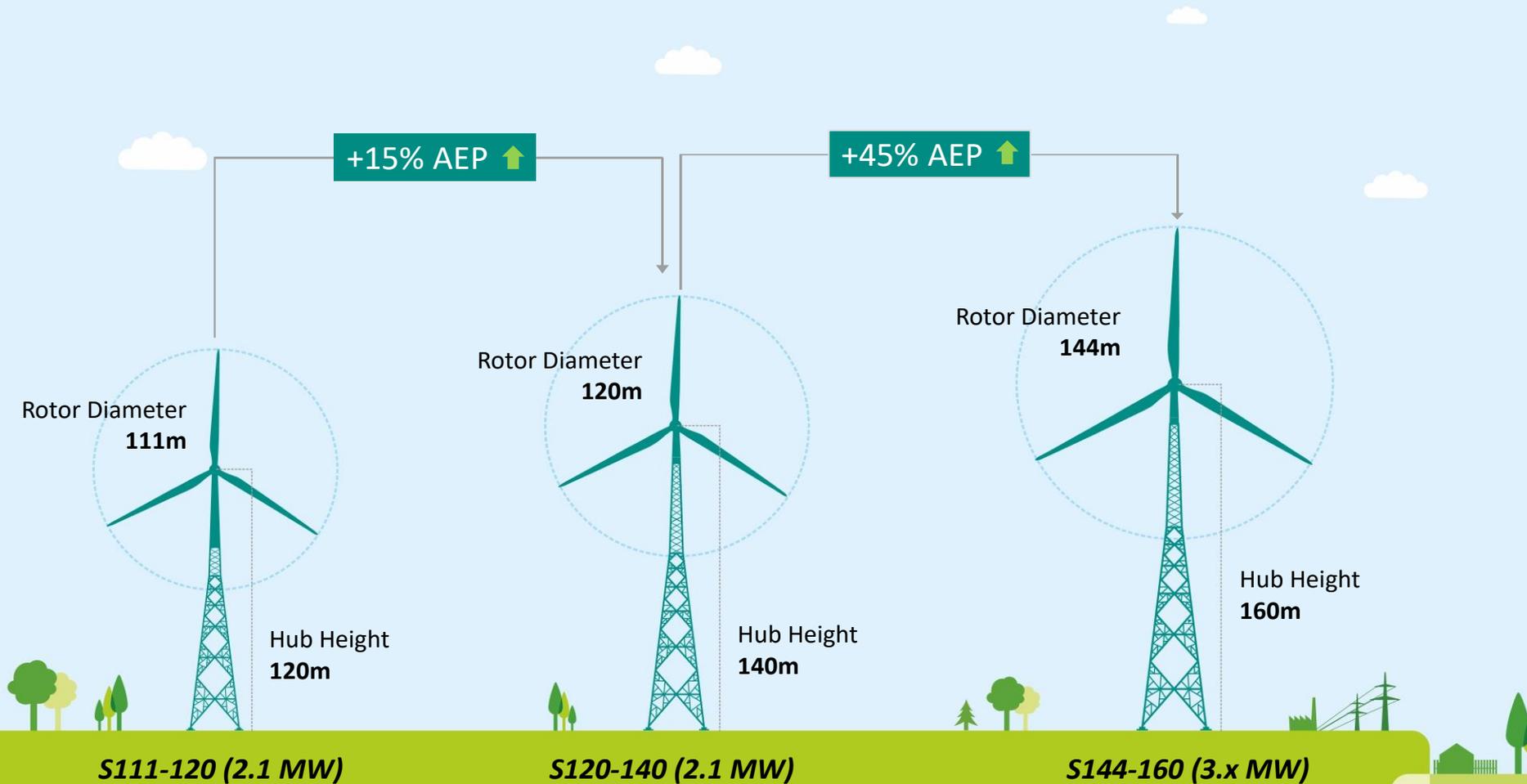


Efficiently Supports India Market with Easy Export for Asia Markets

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

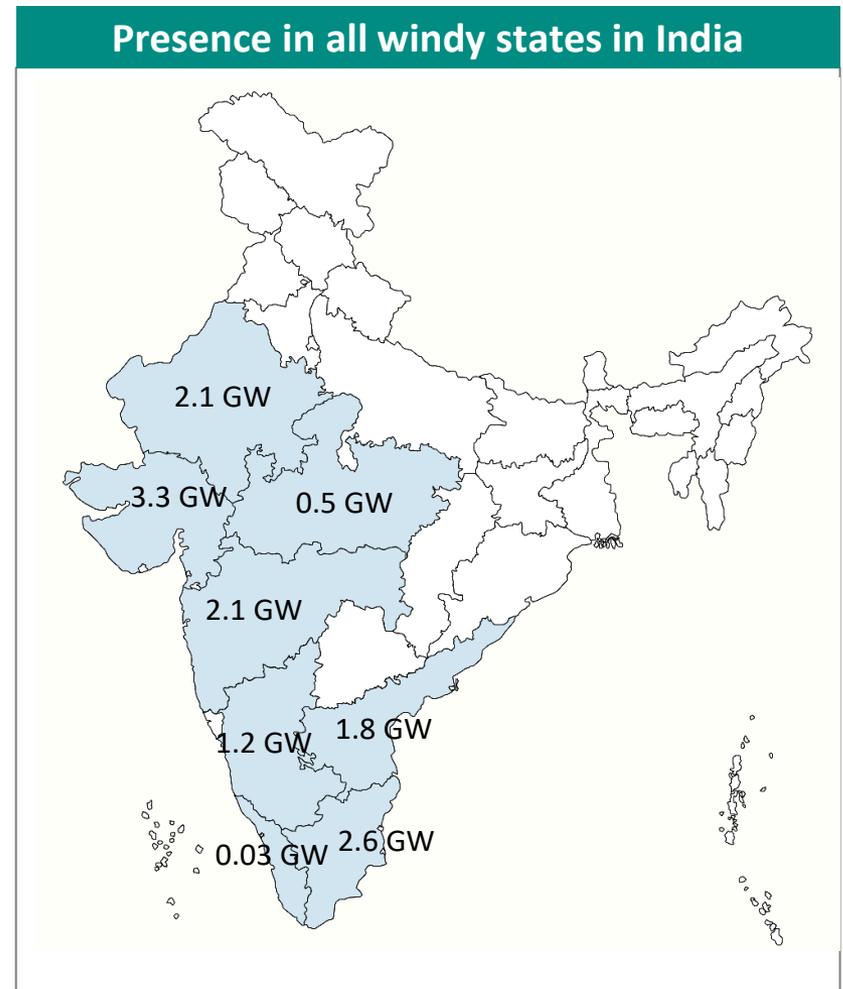
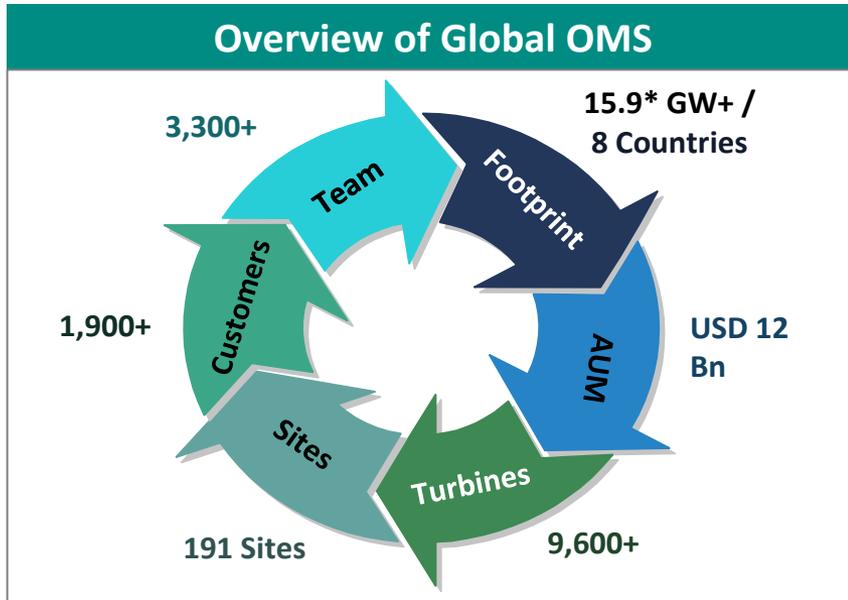
Note: ¹ SEL has a ramp up/ramp down capacity. Capacity of 3150 MW is for 2.1 MW WTGs. When Suzlon manufactures 3+ MW WTGs, capacity can be ramped up to 4500 MW in phased manner

Product Optimised for Higher Energy Output



Consistent Reduction of Levelised Cost of Energy (LCoE)

Overview of asset management capabilities



- **~33% - All India installed wind capacity**
- **~15% - All India installed renewable capacity**
- **28 TWh estimated of annual clean energy;**
 =2,291 mn trees planting p.a.
 =~20.8 mn tonnes coal avoidance p.a.
 =~27.4 mn tonnes CO₂ emission savings p.a.

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

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Consolidated Income Statement

(₹ Cr.)

Particulars	Q1 FY23	Q1 FY22	Q4 FY22	FY22
	Unaudited	Audited	Audited	Audited
Net Volumes (MW)	151	116	336	808
Net Revenue	1,378	1,135	2,442	6,520
Contribution	436	436	467	1,877
Contribution Margin	31.7%	38.4%	19.1%	28.8%
Employee Expenses	142	122	131	545
Other Expenses (net)	109	115	144	503
Exchange Loss / (Gain)	-29	46	-25	-61
EBITDA	214	154	217	889
EBITDA Margin	15.6%	13.6%	8.9%	13.6%
Depreciation	59	58	77	260
Net Finance Cost	148	175	172	712
Profit before tax and ex. Items	7	-79	-33	-82
Taxes	50	1	160	167
Exceptional Loss / (Gain)	-2,469	-83	0	-83
Net Profit/(Loss)	2,433	3	-193	-166

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

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