SUZLON ENERGY

VISIT NOTE

KEY DATA

Rating	BUY
Sector relative	Neutral
Price (INR)	52
12 month price target (INR)	60
52 Week High/Low	74/46
Market cap (INR bn/USD bn)	710/7.9
Free float (%)	87.3
Avg. daily value traded (INR mn)	3,890.3

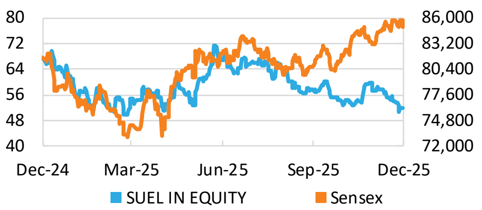
SHAREHOLDING PATTERN

	Mar-25	Jun-25	Sep-25
Promoter	13.25%	11.75%	11.73%
FII	23.04%	23.02%	22.70%
DII	8.73%	10.17%	10.14%
Pledge	0%	0%	0%

FINANCIALS (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	1,08,897	1,85,526	2,17,459	2,29,440
EBITDA	18,572	34,044	40,600	42,800
Adjusted profit	20,716	28,813	26,256	27,759
Diluted EPS (INR)	1.5	2.1	1.9	2.0
EPS growth (%)	189.0	39.1	(8.9)	5.7
RoAE (%)	41.3	38.2	25.5	21.4
P/E (x)	39.6	24.7	27.1	25.6
EV/EBITDA (x)	37.7	23.9	19.4	17.8
Dividend yield (%)	0	0	0	0

PRICE PERFORMANCE



Riding the wind wave

Key highlights from our visit to SUEL's 'FY26 Manufacturing Day' at its Puducherry plant: i) India wind installations to be 6/8/10GW in FY26E/27E/28E. ii) H2FY26E/FY27E tendering slowdown to be offset by 17.6GW pending orders (exhibit 13), C&I and state bids. iii) Targeting 2GW of OI in H2FY26E. iv) Full utilisation of expanded 4.5GW capacity by FY29–30E (data centre/exports' demand an added optionality).

We are upgrading SUEL to '**BUY**' (from 'HOLD') on price correction; our TP of INR60 (earlier INR66) implies FY28E WTG + F&F EPS at 35x (earlier 40x) plus O&M DCF. Our TP is based on 30x FY28E consolidated EPS (26x at CMP). Our estimates are unchanged, but we are cutting the target multiple on near-term tendering slowdown—a risk to FY28E growth.

Key takeaways from management interaction

Power demand expectations: India's power demand is expected to increase at a minimum of 5% CAGR through 2047E (0.7–0.8x GDP correlation) due to rising personal consumption, manufacturing mix of GDP growing to 34% from 27%, and new electrification vectors (EVs, green hydrogen, data centres) accounting for 30% of demand. To meet fresh demand and begin thermal replacement, India must add 40GW+ of RE annually.

Industry installation expectations: The CEA base case targets 100GW wind by FY30E, of which 52GW is already installed and 42GW is u/c with ~18GW of WTG orders yet to be placed. All India annual additions are expected to be 6GW in FY26, 8–9GW in FY27E and ~12GW/year by 2030E. Complex tenders (FDRE, RTC, RE + storage) now make up 70% of mix in central auctions, driving wind demand for meeting morning peak demand (before sunrise). At 150m hub height, India's wind potential reaches 1,200GW versus 400GW estimates—hence paucity of sites is not a significant risk.

No RTC without Wind: Solar + BESS is optimal for meeting the evening peak demand. However, India's demand pattern has two peaks (evening after sunset and early morning before solar picks up), requiring wind to fill in the gap for morning peak. Wind's complementary generation profile makes it irreplaceable for RTC type demand (like in data centres) and Solar + Wind + BESS remains economical (tariffs of INR4.25/kWh in recent bids). **Upcoming blade plant capex:** Three new smart blade factories launching FY26 onwards: Gujarat, Karnataka and another (location TBD). Intent to reduce transportation costs, move closer to wind-concentrated sites.

Data centres/exports new optionality: India's wind export potential is estimated at 10% of global wind demand by FY30 (scalable to 20%+). SUEL has presence across 17 markets (5GW historical installations); S144 export-ready with minimal non-capex tweaks for certifications. Final export plans to be tabled by end-FY26E.

Key bottlenecks: PSA-to-PPA lag, grid connectivity delays, land/RoW constraints. Government de-bottlenecking levers deployed—resource adequacy planning for states, 3rd GNA amendment reclaiming 22GW prime wind sites crowded by solar (exhibit 17). ISTS waiver and shift to STU expected to unlock state-level grid headroom.

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Financial Statements

Income Statement (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Total operating income	1,08,897	1,85,526	2,17,459	2,29,440
Energy Cost	68,866	1,15,954	1,35,912	1,42,252
Employee costs	9,415	9,415	9,415	10,545
Other expenses	12,044	26,113	31,532	33,842
EBITDA	18,572	34,044	40,600	42,800
Depreciation	2,592	3,846	4,262	4,429
Less: Interest expense	2,548	2,890	2,880	2,560
Add: Other income	1,034	1,550	1,550	1,200
Profit before tax	14,466	28,858	35,009	37,012
Prov for tax	(6,250)	46	8,752	9,253
Less: Other adj	0	0	0	0
Reported profit	20,716	28,813	26,256	27,759
Less: Excp.item (net)	0	0	0	0
Adjusted profit	20,716	28,813	26,256	27,759
Diluted shares o/s	13,659	13,659	13,659	13,659
Adjusted diluted EPS	1.5	2.1	1.9	2.0
DPS (INR)	0	0	0	0
Tax rate (%)	43.2	0.2	25.0	25.0

Balance Sheet (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Share capital	27,318	27,318	27,318	27,318
Reserves	33,739	62,552	88,809	1,16,566
Shareholders funds	61,057	89,870	1,16,126	1,43,884
Minority interest	0	0	0	0
Borrowings	2,833	2,833	2,833	2,833
Trade payables	29,351	49,421	57,927	60,629
Other liabs & prov	29,803	29,803	29,803	29,803
Total liabilities	1,29,596	1,78,478	2,13,241	2,43,701
Net block	8,221	8,375	8,113	6,184
Intangible assets	9,318	9,318	9,318	9,318
Capital WIP	1,051	1,051	1,051	1,051
Total fixed assets	18,589	18,743	18,482	16,553
Non current inv	687	687	687	687
Cash/cash equivalent	11,128	5,734	32,637	57,825
Sundry debtors	38,664	71,161	83,409	88,004
Loans & advances	3	3	3	3
Other assets	42,294	63,964	65,812	68,418
Total assets	1,29,596	1,78,478	2,13,241	2,43,701

Important Ratios (%)

Year to March	FY25A	FY26E	FY27E	FY28E
COGS (% of rev)	63.2	62.5	62.5	62.0
Employee cost (% of rev)	8.6	5.1	4.3	4.6
Other exp (% of rev)	11.1	14.1	14.5	14.7
EBITDA margin (%)	17.1	18.4	18.7	18.7
Net profit margin (%)	19.0	15.5	12.1	12.1
Revenue growth (% YoY)	66.8	70.4	17.2	5.5
EBITDA growth (% YoY)	80.5	83.3	19.3	5.4
Adj. profit growth (%)	190.0	39.1	(8.9)	5.7

Free Cash Flow (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Reported profit	14,466	28,858	35,009	37,011
Add: Depreciation	2,592	3,846	4,262	4,429
Interest (net of tax)	27	1,340	1,330	1,360
Others	2,752	0	0	0
Less: Changes in WC	(8,902)	(34,098)	(5,590)	(4,498)
Operating cash flow	10,920	(54)	32,232	29,048
Less: Capex	3,684	4,000	4,000	2,500
Free cash flow	7,235	(4,054)	28,232	26,548

Assumptions (%)

Year to March	FY25A	FY26E	FY27E	FY28E
GDP (YoY %)	6.3	6.3	6.3	6.3
Repo rate (%)	5.3	5.3	5.3	5.3
USD/INR (average)	82.0	82.0	82.0	82.0
Execution (MW)	1,550.0	2,750.0	3,200.0	3,200.0
Rev growth (% YoY)	66.8	70.4	17.2	5.5
Gross margin (% YoY)	36.8	37.5	37.5	38.0
EBITDA margin (% YoY)	17.1	18.4	18.7	18.7
Tax rate (%)	25.0	25.0	25.0	25.0
Capex (INR mn)	3,684.2	4,000.0	4,000.0	2,500.0

Key Ratios

Year to March	FY25A	FY26E	FY27E	FY28E
RoE (%)	41.3	38.2	25.5	21.4
RoCE (%)	32.7	40.5	35.8	29.8
Inventory days	146	136	148	147
Receivable days	95	108	130	136
Payable days	125	124	144	152
Working cap (% sales)	19.6	29.9	28.0	28.5
Gross debt/equity (x)	0	0	0	0
Net debt/equity (x)	(0.1)	0	(0.3)	(0.4)
Interest coverage (x)	6.3	10.4	12.6	15.0

Valuation Metrics

Year to March	FY25A	FY26E	FY27E	FY28E
Diluted P/E (x)	39.6	24.7	27.1	25.6
Price/BV (x)	11.6	7.9	6.1	4.9
EV/EBITDA (x)	37.7	23.9	19.4	17.8
Dividend yield (%)	0	0	0	0

Valuation Drivers

Year to March	FY25A	FY26E	FY27E	FY28E
EPS growth (%)	189.0	39.1	(8.9)	5.7
RoE (%)	41.3	38.2	25.5	21.4
EBITDA growth (%)	80.5	83.3	19.3	5.4
Payout ratio (%)	0	0	0	0

Source: Company and Nuvama estimates

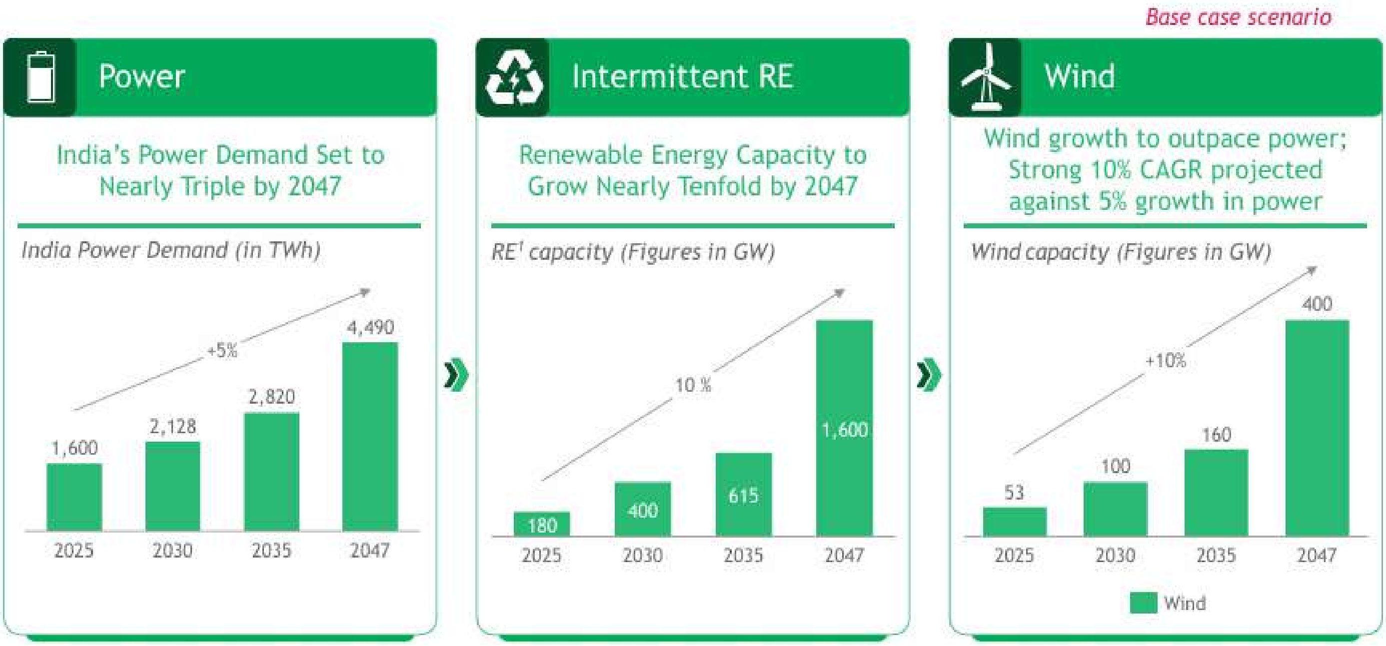
Key highlights and snippets from visit

Suzlon Manufacturing Day – 30-year celebration

First Indian-made turbine for India in 1996. Marking 30-year celebration. Starting with expert comments from:

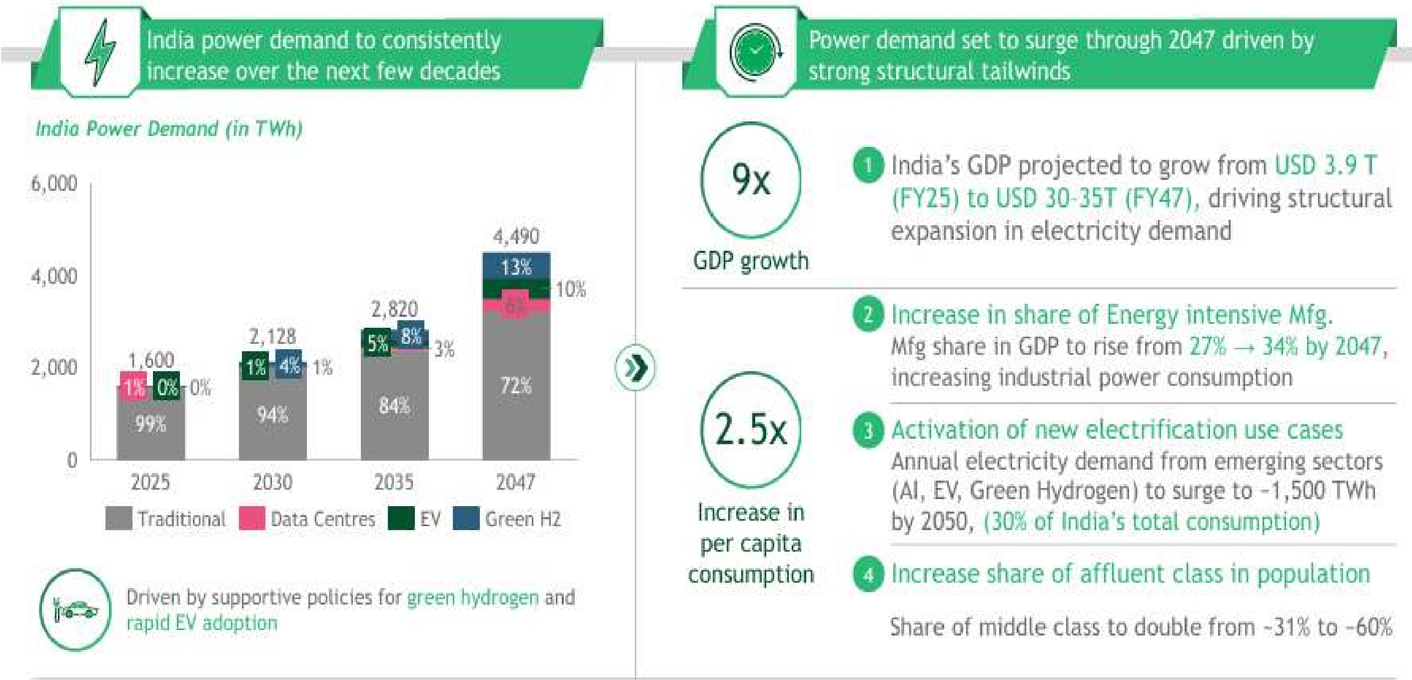
Mr Umang Shah – MD, BCG

Exhibit 1: Power demand to expand at 5% CAGR until 2047E while RE to grow 10%



Source: Company PPT

Exhibit 2: Independent tailwinds provide high confidence to achieve 5% demand growth

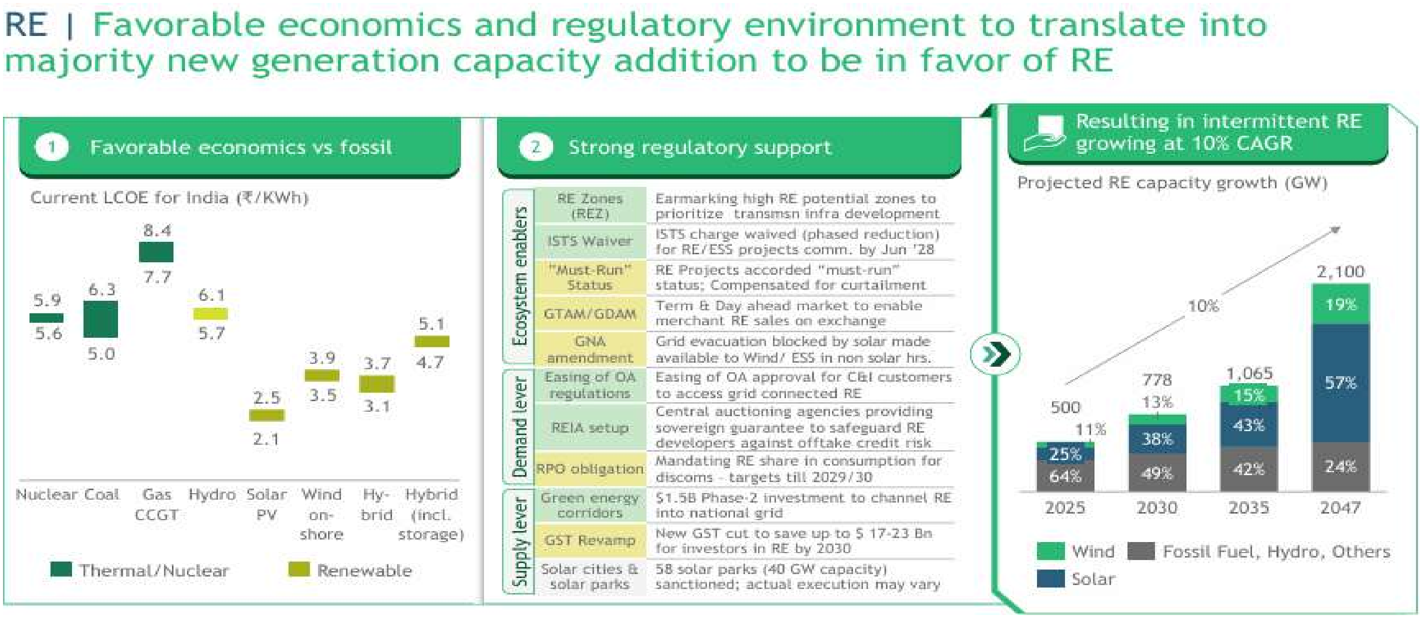


Source: Company PPT

Why will power demand sustain?

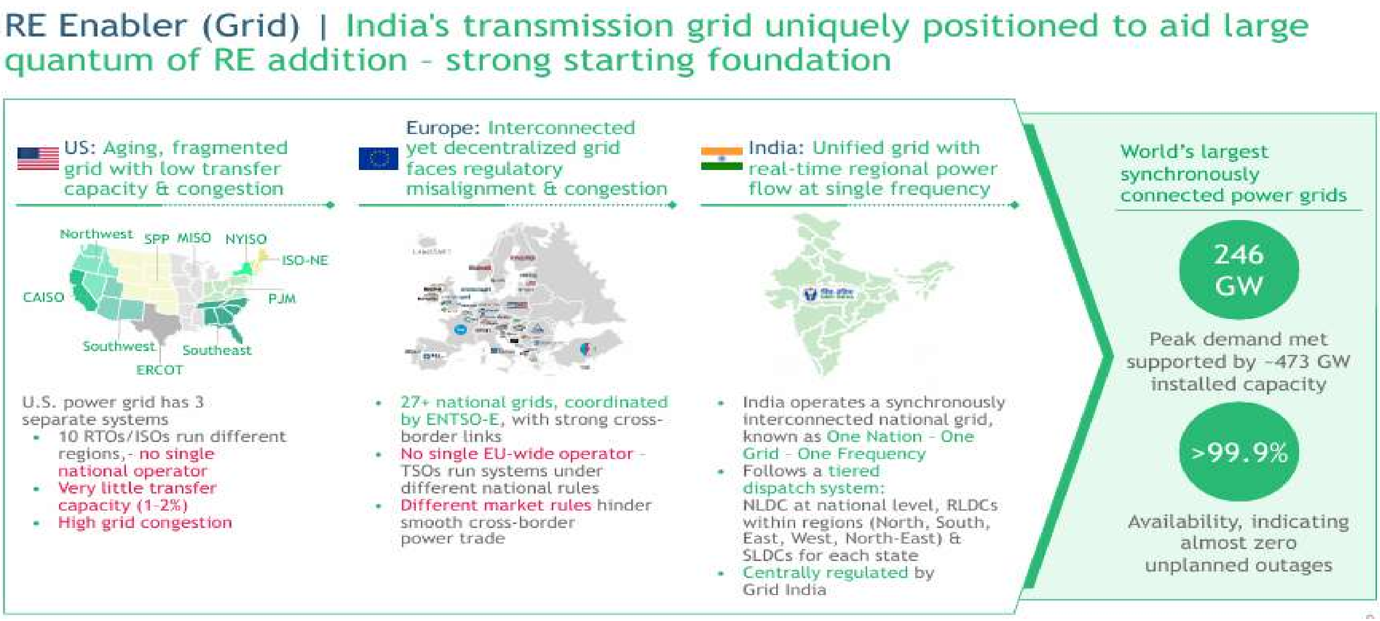
- Correlation with GDP growth of 0.7–0.8x (by 2050, GDP to grow 9x).
- Increase in personal consumption and share of manufacturing to go up to 34% from 27% .
- New electrification use cases: EVs/green hydrogen and data centres to make up **an estimated ~30%** of demand.

Exhibit 3: RE push is strong as we need to add 40GW+ annually to meet fresh demand



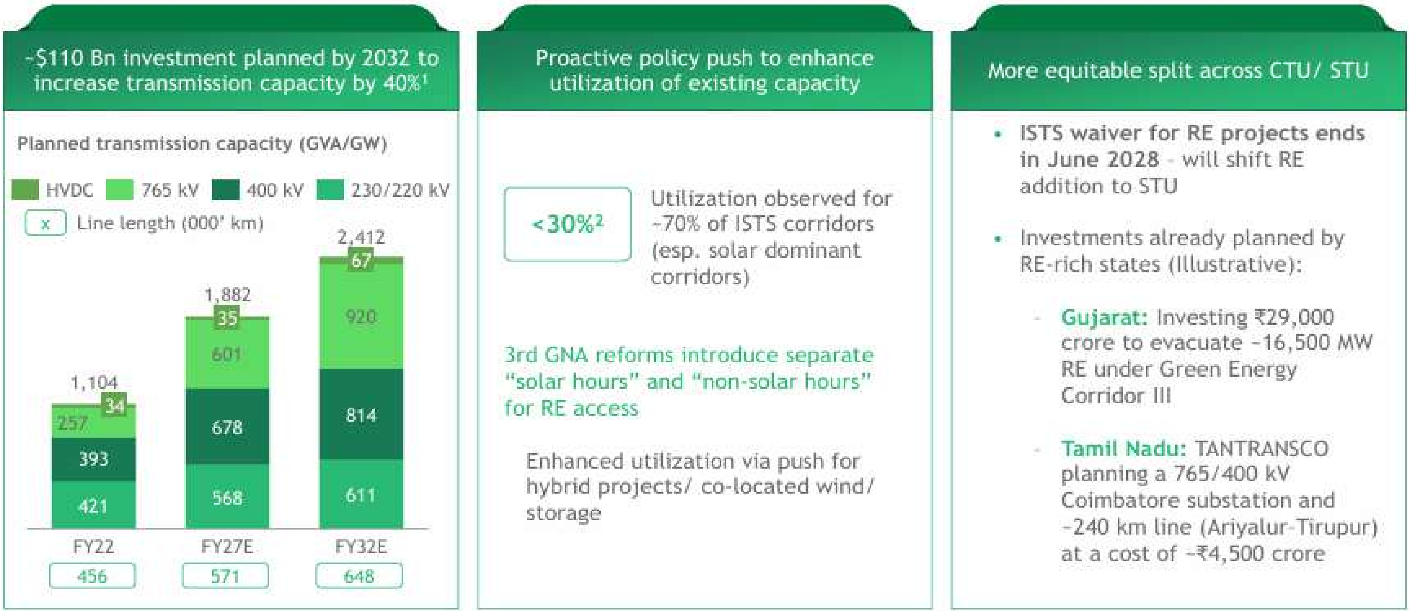
Source: Company PPT

Exhibit 4: India's position in RE – A lowdown



Source: Company PPT

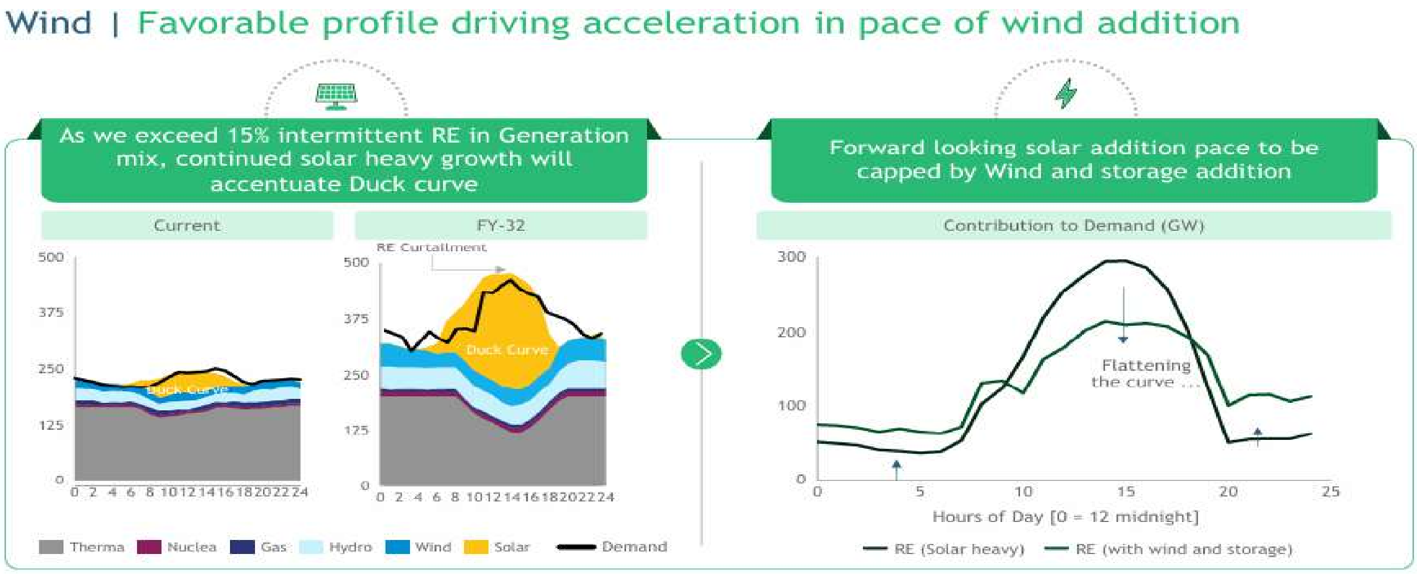
Exhibit 5: Three RE enablers to support continued investments and enhance supportive policies



Source: Company PPT

- Three RE enablers will continue to augment central grid (40% capacity addition by FY32E).
- This will enhance utilisation through 3rd GNA reforms, which separate solar and non-solar hours, taking RE utilisation from 30% to 70% while graded reduction of ISTS connectivity will happen, thereby spurring a greater shift to STU (which have capability to increase RE).

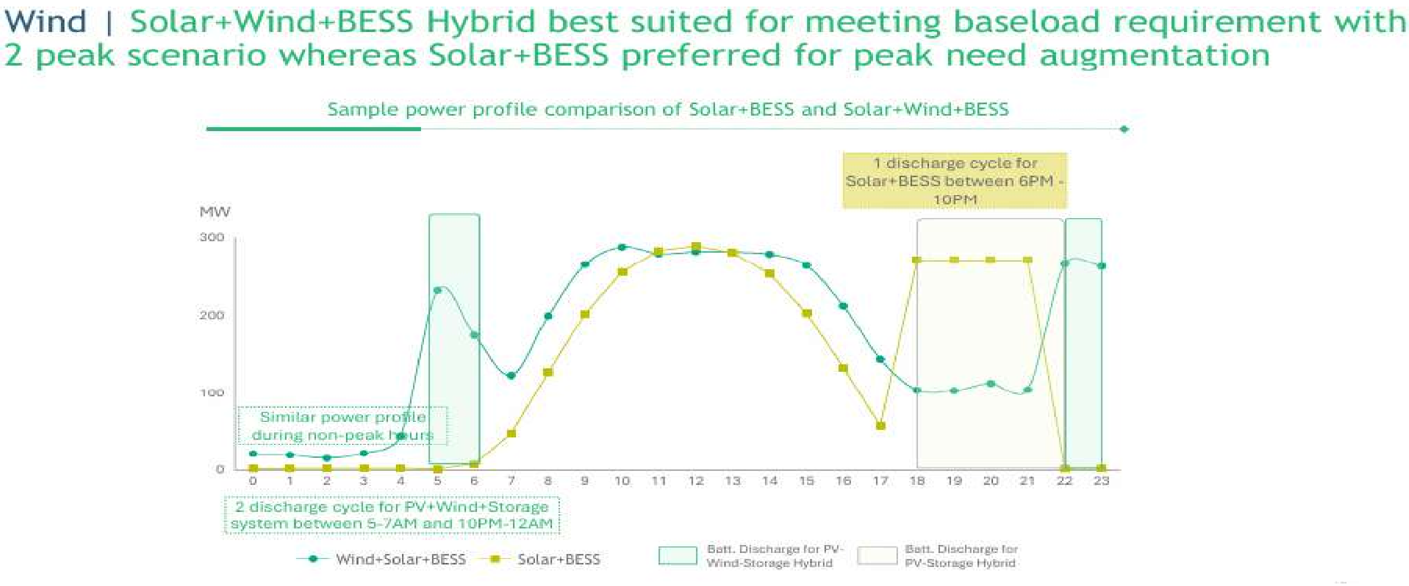
Exhibit 6: Solar heavy mix to accentuate a duck curve



Source: Company PPT

- RE is 50% of capacity mix (wind & solar – 30%) while it is 20% of generation mix.
- Adding only Solar without Wind would lead to more curtailments and lower IRRs, so Wind/battery/Solar need to go hand in hand to deal with intermittency.

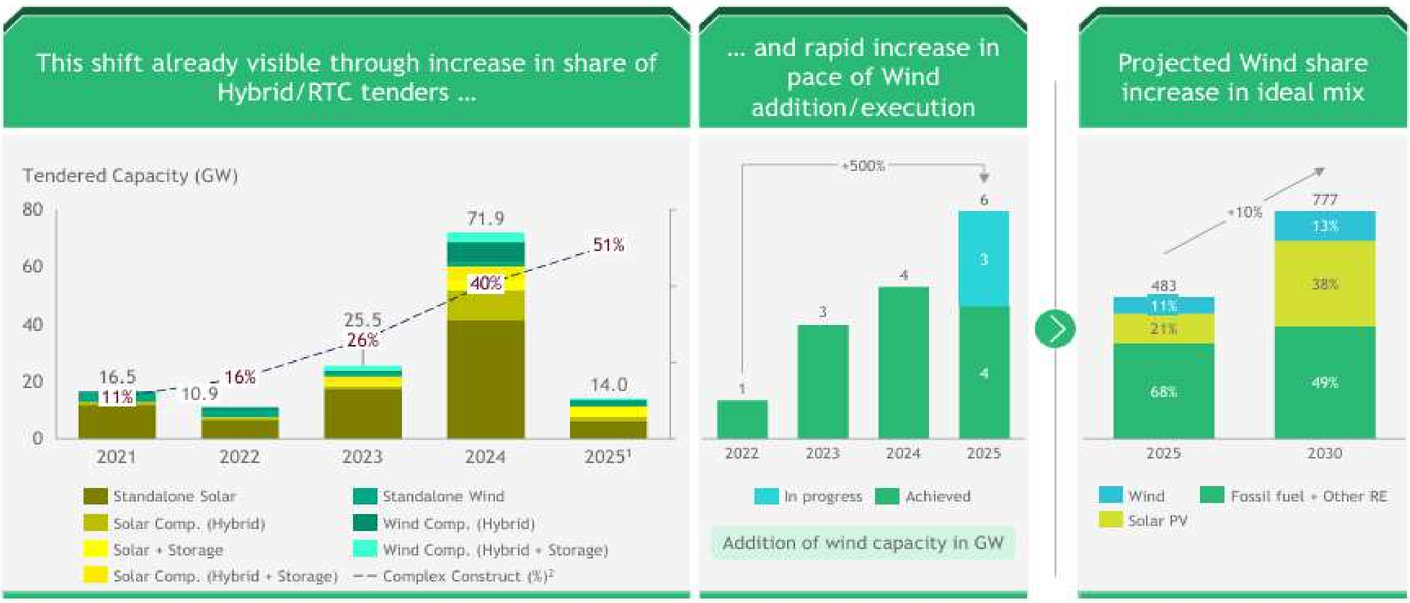
Exhibit 7: Solar + Wind + BESS needed to meet baseload demand



Source: *Company PPT*

- Solar + BESS is a good option to meet peak power in the cheapest possible manner, but for RTC, it has to be a blend of solar, wind and storage. Storage + Solar can meet the peak only once a day while India has two peaks.
- Storage cost reduction has come at the right time as SUEL is now able to provide hybrid solutions as well.

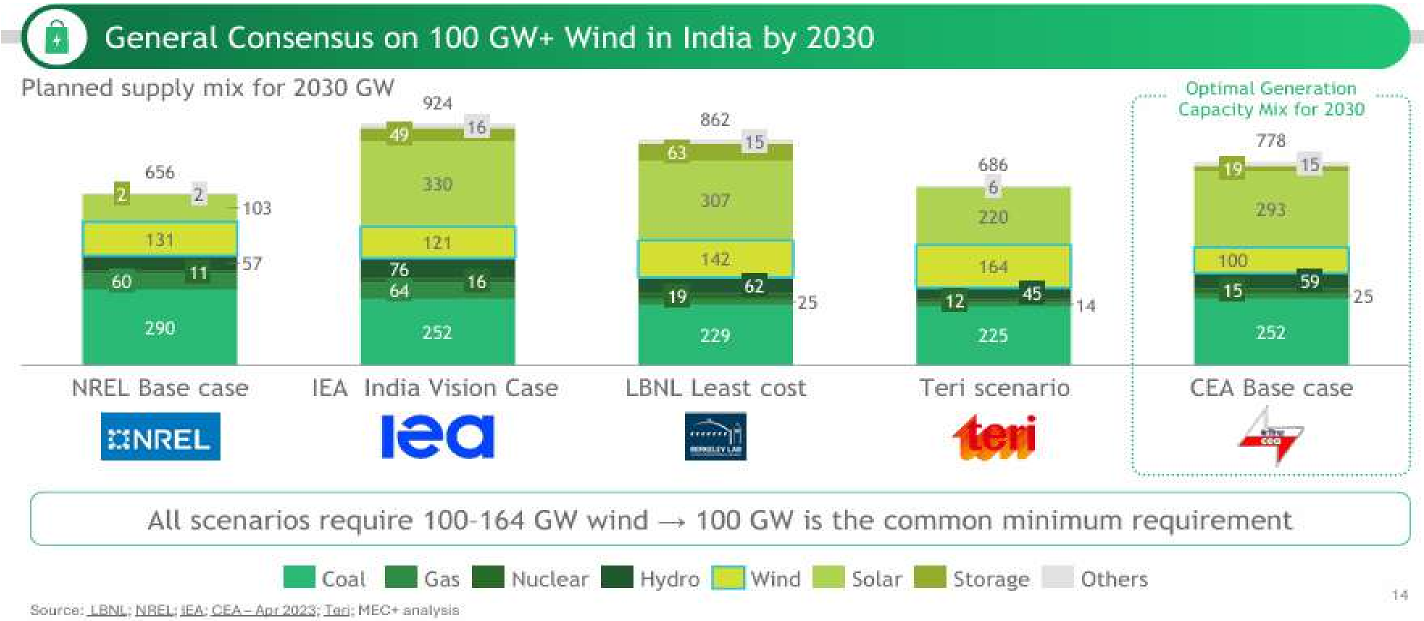
Exhibit 8: Increasing complex products' demand to aid wind sector growth



Source: *Company PPT*

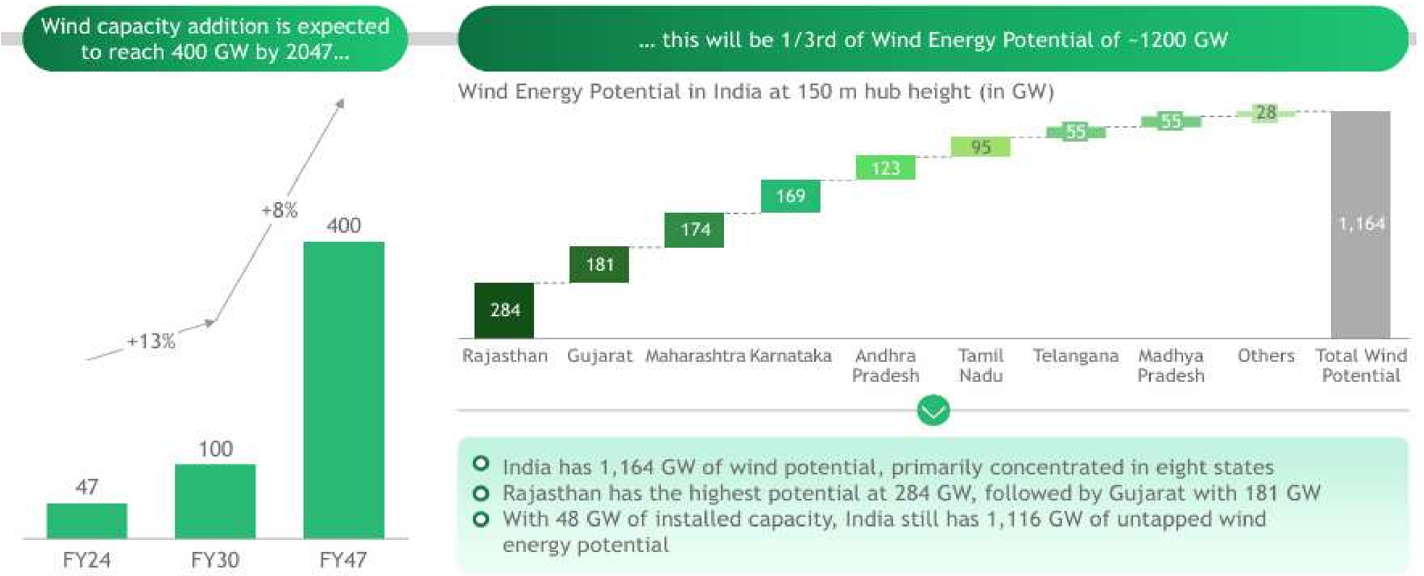
- The share of complex capacity tenders has now gone up to 70% and that is replicated in C&I, wherein 33% has been hybrid and is currently seeing a lot of storage-led demand.
- Wind is concurrently ramping up in the current year (4GW executed; 3GW u/c).

Exhibit 9: Most conservative estimates of CEA showcase a 100GW+ Wind story by 2030E



Source: Company PPT

Exhibit 10: Wind potential is much larger than what is planned by 2047E



Source: Company PPT

- India's wind capacity at 150m hub height can go up to 1,200GW (while estimate is 400GW); hence, risks around wind sites are overdone and overstated as per management.

Exhibit 11: Timely execution remains a key challenge in the sector

Key challenges	De-bottlenecking levers
Lag in PSA → PPA conversion ~12 GW wind capacity stuck due to PSA pendency	• One-time clearance underway by MNRE • Resource adequacy planning underway across states to guide ideal mix contracting
Grid Delays 11 GW evacuation capacity at 5 key ISTS RE substations delayed	• 3rd GNA amendment enables grid usage during non-solar hours; • Temporary moderation of bidding pace until transmission build-out catches up
Sub optimal connectivity Prime wind sites allocated to PV devs. ~22 GW wind potential displaced by solar	• 3rd GNA amendment provides flexibility for utilisation during non-solar hours,
Land/RoW changes Eg - Sembcorp's 180 MW SECI XI delayed in 2024 due to land acquisition challenges	• Sector shifting to a "development ahead of execution" philosophy; expected to show results in 1-2 years

Further acceleration levers
Sub-optimal connectivity allocation • Potential cost waiver / support for grid usage during non-solar hours to offset likely curtailment.
Land / RoW challenges • Publish an ideal policy framework for states to standardize land and RoW processes. • Wind park development to enable pre-approved land banks and faster execution. • Central portal for logging and timely resolution of RoW issues.

Source: *Company PPT*

Key challenges

- Lag in PSA to PPA conversion
- Grid delays
- Suboptimal connectivity
- Land and ROW changes

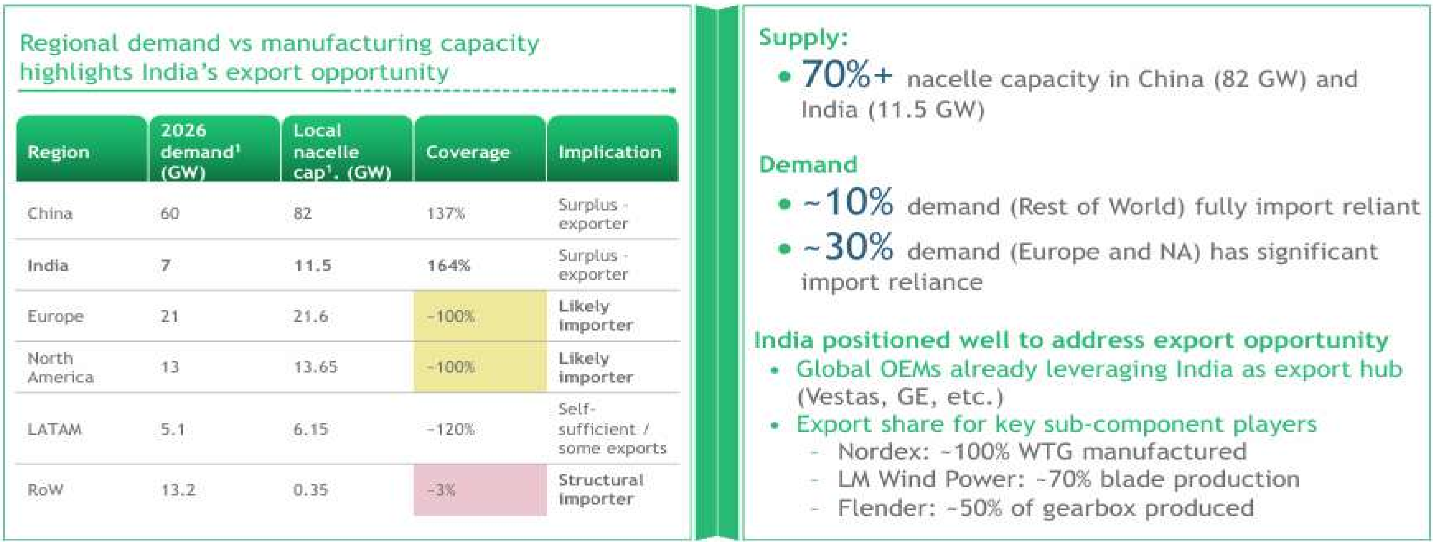
In last 6–12 months, regulators have worked on de-bottlenecking levers

- Resource adequacy planning to give states optimal mix
- Standalone storage tenders only being done by three states (25 to follow)
- Third GNA amendment – 22GW of wind potential was crowded out, wherein solar was installed on prime wind sites
- In-house development arms due to connectivity and land issues

Reasons underlying government RE addition targets

- Atmanirbhar Bharat
- Sustainability

Exhibit 12: India likely to be the scalable 'China+1' wind turbine hub


Regional demand vs manufacturing capacity highlights India's export opportunity

Region	2026 demand[1] (GW)	Local nacelle cap[1]. (GW)	Coverage	Implication
China	60	82	137%	Surplus - exporter
India	7	11.5	164%	Surplus - exporter
Europe	21	21.6	~100%	Likely importer
North America	13	13.65	~100%	Likely importer
LATAM	5.1	6.15	~120%	Self-sufficient / some exports
RoW	13.2	0.35	~3%	Structural importer

Supply:
- 70%+ nacelle capacity in China (82 GW) and India (11.5 GW)

Demand
- ~10% demand (Rest of World) fully import reliant
- ~30% demand (Europe and NA) has significant import reliance

India positioned well to address export opportunity
- Global OEMs already leveraging India as export hub (Vestas, GE, etc.)
- Export share for key sub-component players
  - Nordex: ~100% WTG manufactured
  - LM Wind Power: ~70% blade production
  - Flender: ~50% of gearbox produced

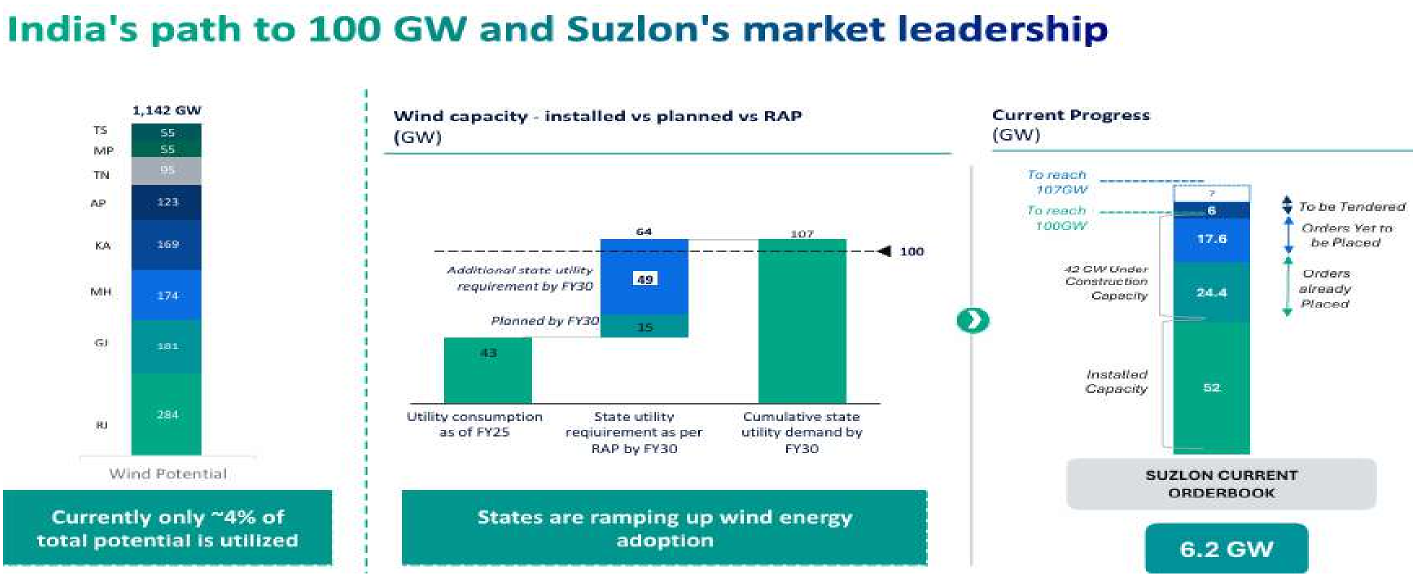
Source: Company PPT

- While SUEL started by importing, they have now started becoming self-reliant as the wind ecosystem is largely domestic and India is in fact one of the export hubs. While subcomponent manufacturers are also large, exports with 40% of global demand have large import reliance.

Excerpts: Mr JP Chalasani, Suzlon CEO

- ***Wind is cheaper than solar, even at INR3.6/unit versus INR2.5–2.6/unit.***
- Because, in FY26, weighted average tariff during solar hours is INR1.88 and the value to buyer at INR2.5/unit is only INR1.88.
- Weighted average tariff all day is still INR3.85 (slightly more than wind tie-ups at INR3.6–3.7). ***Standalone solar needs storage or wind, but standalone wind in the current market can still survive.***
- Currently, SUEL is the only Indian player that does not buy technology.

Exhibit 13: Pathway to 100GW story

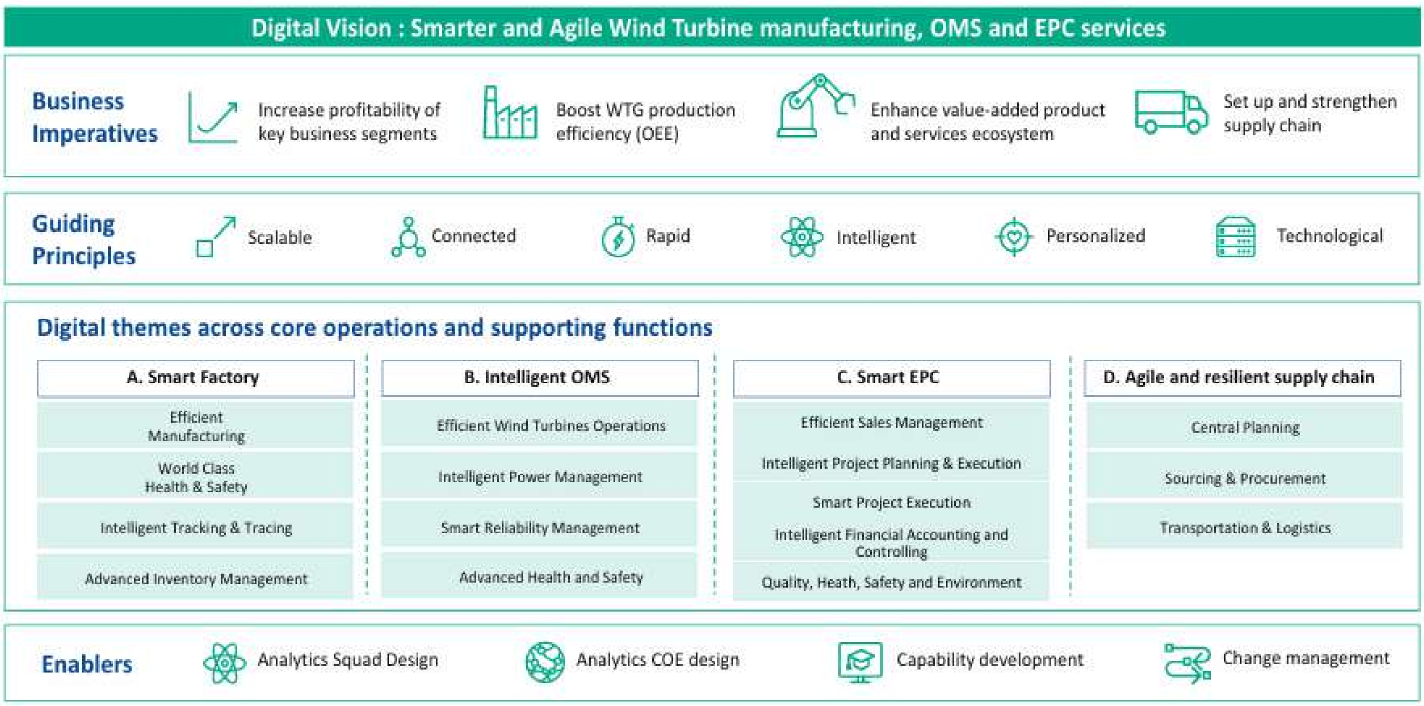


Source: Company PPT

- Third-largest operator of assets (18GW including 2.5GW of Renom) after NTPC and Adani with an aim to get back to global top five.
- S144 has the lowest carbon footprint per kWh across global peers.
- **All India addition:** 6GW this year and 8–9GW next year. Can hit 12GW/year by 2030 and total 100GW by 2030.
- Complex products (RTC) tariff has come down to INR4.25 (if 15% is allowed to be purchased by non-availability, battery need is eliminated). **Condition:** 50% capacity has to be available or penalty at 1.5x tariff.
- To meet new demand – 40GW must be added; for base load replacement alone, RE must increase further.
- FY26 onwards, three new smart blade factories (Gujarat, Karnataka and another TBD) would come up. The company felt the need to increase blade capacity to reduce transportation and be closer to wind concentrated sites despite have multiple blade factories.
- Trying to convert plants (15 plants in total) to smart plants to increase automation and increase productivity and quality (never in the history of Suzlon has a product been rejected at customer site during quality inspection).

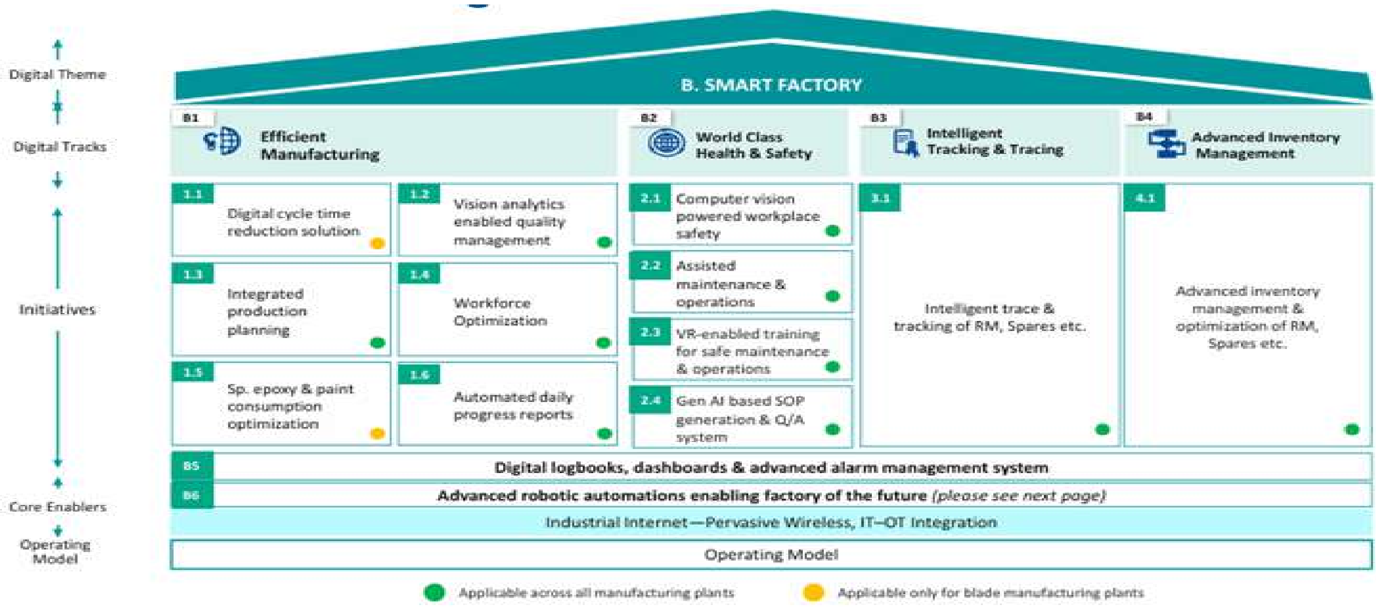
<u>Round-up of digital initiatives</u>

Exhibit 14: Four key digital themes to align with Suzlon's business imperatives



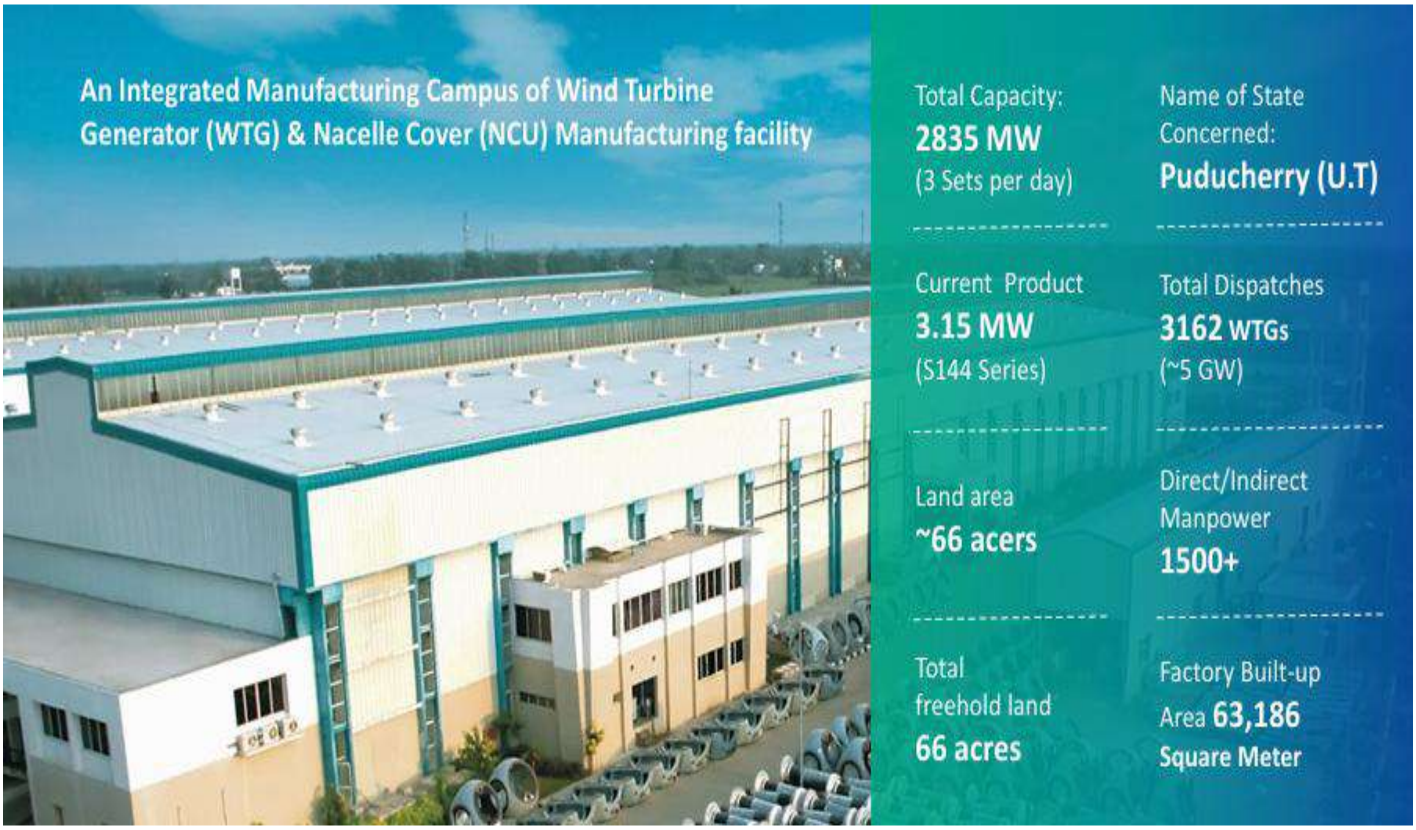
Source: Company PPT

Exhibit 15: Smart factory theme to pump up manufacturing business



Source: Company PPT

Exhibit 16: Puducherry factory overview



Source: Company PPT

Exhibit 17: A detailed explanation of the third GNA amendment that separates solar and non-solar hours

Parameter	Solar hours block	Non-solar hours block	What the reform achieves
Grid Access Priority	Solar projects receive first right of evacuation	Wind + Hybrid + Energy Storage receive priority access	Fair allocation versus historical solar dominance
Typical Time Window	Daytime (approximately 9AM – 5PM, region/season dependent)	Evening, night, early morning	Matches natural resource availability cycles
Why This Matters	Solar generation peaks in this window and corridor congestion occurs	Wind output is strongest in late evening - early morning	Efficient utilisation by aligning profile to resource availability
Who Benefits Most	Solar-only developers (status maintained)	Wind, RTC & hybrid developers with storage assets	Encourages shift from solar-heavy to diversified RE mix
Transmission Impact	Avoids unnecessary re-routing or blocking by wind during high PV hours	Unlocks grid space previously unused during low PV hours	Raises effective utilization of ISTS corridors (<30% utilization earlier)
Impact on Curtailment	Lower solar risk of displacement during peak	Large decline in wind curtailment - uses idle night capacity	Balances dispatch, reduces volatility of RE supply
Support for RTC Bids	Charging window for BESS + PV remains strong	Perfect discharge slot for BESS + wind generation window	RTC products become commercially more viable
Policy Outcome	Protects daytime solar flows	Allows non-day RE to scale rapidly	Pushes Hybrid, Wind+Storage adoption as per national mix plan

Source: Nuvama Research

<u>Panel Discussion and Q&A</u>

Q) Do you see tendering continue to be slow as MNREA has taken a conscious decision to do so?

A) The current slowdown in tendering is actually positive for the sector as it provides a pause that does not hamper capacity addition. Execution on the ground is being prioritised, giving states time for proper resource adequacy planning. Until now, the industry was focused more on adding capacity—particularly solar—rather than matching capacity to the actual load profile. Solar plants, with utilisation of only 22–23%, were blocking 100% of the associated transmission line—an issue that has now been addressed through the third GNA reforms. With the ISTS waiver withdrawn, windy states can now procure cheaper power if they source it within the state, and bidding activity has started to pick up at the state level as well.

Q) How does one expect wind prices to move?

A) 3.X/4.X/5.X line of WTGs do not matter. What matters is cheapest cost of kWh. Solar is headed towards overcapacity. BESS has zero capacity. Wind WTG has sufficient capacity in India and with increase in wind addition, subcomponent players will have economies of scale and there is further potential for reduced costs.

Q) Concern on volatility in wind?

A) We have completed few full life cycles of our first installations. Over the lifespan, it meets 95% (+/-5%) of assumptions. With changing climate patterns (extended monsoons this year), it has been fantastic for wind. Hence, there will be few years of high or low generation, but that is not a cause for concern over the lifespan of a project.

Q) What needs to change at the subcomponent level?

A) Nothing. The capacity exists. Execution needs to pick up. Domestic component players were exporting and it is time for OEMs. Parts not being manufactured traditionally in India are also being manufactured in India (carbon black/converters, etc).

By FY30, 10% of demand in the world to be met by India with a potential to grow to 20%. We have a unique position in terms of pricing of subcomponents and finished product in India (that we do not have in solar).

Q) 6GW (this year) good for the past, but not for the future. What more can be done to increase the pace of execution?

A) 6-8-10/12. In FY17, we did 5.5GW at industry level using 2.X MW turbines. If it would be 3.X MW series, it would be 8GW. OEMs realised we need to secure land as RoW issues can be mitigated once land is available. Identified 23GW of sites and acquiring land for 7–8GW.

On delays – Unblocking of transmission to come and capacity addition will come at the state grid level. We have built some substations that are lying idle due to no state-level capacity addition. Confident the changes to industry can lead to 10GW by FY28E.

Q) On WTG – 3MW platform. What next? Any plans on broader energy platforms?
A) SUEL looks at infra readiness and sites; the current 3MW platform has 70m blades, which is the size of Qutub Minar. We can easily add some large turbines at few locations, but for mass adoption, infra readiness is needed. Also required is a domestic supply chain (85% current domestic sourcing).

Lastly, reliability is the most important factor to launch a new platform. We should not look at rating as India is a class 3 country (moderate to low). Most sites are 2/3. The difference between sites (1/2/3) is rotor size and not nameplate capacity. At the end, the goal is LCOE and hence the plan is to get the best technology at the time when it is required and launch of next platform will be at the right time. Expect to increase capacity addition as we are working with clients on future planning (decoupling from when we were just involved in development).

All this capacity addition is leading to servicing requirement for large fleets and Renom enables targeting of non-Suzlon fleet. Providing better control systems (for wind in RTC projects) helps management of production and increase adoption, which is something we are working on.

Q&A (participants)

Q) Will reduction of battery prices raise BESS mix and reduce wind mix and hence can wind stagnate?
A) JPC – Pricing is variable and future is not predictable. There are lot of conditions to meet where wind generation profile aids meeting requirements. Wind solar and battery need to work together. For data centres (large demand by FY30), 80% of power demand to come from RE (1GW RE needs 4–5GW RE).

From BCG expert – Usual mix (five years ago) – 200 solar, 100 wind and 25mwh. Now potentially 4x solar and 1x wind.
Even factoring in wind at 25% RTC requirement surpasses estimates for capacity addition.

Mr Girish Tanti – Plateauing of wind is not expected due to LCOE.

JPC – On paper, BESS + solar can meet 24x7 power needed, but that is not going to be 'economically'. This noise is only from certain IPPs, but none from utilities such as NTPC, TPWR and Torrent. Export potential exists and that would mitigate plateau.

RoW issues for wind will even out and capacity addition will increase at the state level to transmission line debottlenecking.

Q) TAM for C&I and exports?
A) C&I total requirement is 75GW. Even with zero requirement, 45GW of wind is under construction/planning/implementation. Export potential (can be quantified from BCG expert slide) exists, and that shall mitigate plateau.

Q) Are we looking to tie up with other OEMs to provide integrated solutions?
A) Aim is to create value, but we are flexible.

Q) What platform are we looking to export?
A) Our platforms are adjustable for different markets. S144 can go for global sales immediately with no large capex element. To meet certifications and needs of other geographies, we will need tweaks, but that is neither difficult nor capex-intensive. Have understanding of 17 markets (5GW installations). Looking to finalise countries/markets we are looking to focus on. Clear plan by end of this FY. Globally wind capacity to be 2.5x in five years (India 2x). Low hanging fruit; room to grow.
Some turbines installed in early 2000s could come in for repowering.

Q) Thoughts on the local content requirement?
A) Makes it a fair and level playing field (people used to pick the cheaper solution and not have an understanding about performance) and brings about standardisation. Conditions will keep getting more stringent.
In C&I, we are a large player and seeing further traction after ALMM. PSU always had these conditions. Bidding segment too seeing more traction as this is now mandated for new bids.
ALMM mandates – Procurement from a set of people; hence cost advantages of cheaper import have gone or other option to manufacturer yourself in India. Even if someone starts procuring with same person or starts manufacturing, we have an advantage as we already have long-standing relationships.
Phase wise plans to have R&D/IP and data storage in India, and we are ahead of the curve there.

Q) When can we expect a significant contribution from EPC?
A) 20%/80% EPC/non-EPC now to move to 50%/50% in FY28E at the OB level. Started acquisition of land for executing the same.

Q) How much of 100GW will be FDRE?
A) Going forward, the entire demand from wind will move to FDRE (the same is true for other sources). Expect 20–30GW of C&I over and above 100GW.

Q) Optimal mix for FDRE? – To BCG expert
A) In an ideal construct, everything should be standalone and discoms would manage the load as needed. FDRE/RTC is an Indian construct as discoms want a sticker price (brining down to nameplate price). CEA has studied needs at the system level, not at the FDRE/RTC level. Current demand profile will be different 5/10 years later and so will be peak timings; hence, tying up for 20 years not the best idea.

People look at penalties and merchant unit sales and take their own optimal mix. Forty-plus players winning BESS tenders. Fundamental very different assumptions on BESS versus on-ground. Example - 7.5% dig on ground versus estimates of 2.5% versus auxiliary assumption of 1–2% versus 3–4% on-ground.

Q) How much of benefit can wind have due to debottlenecking (GNA and separation of solar/non-solar hours)?
A) 10GW of prime wind sites have been taken over by solar. 4–5GW can become commercially viable if pumping of power is allowed even during non-solar hours.

Q) One year of negative demand enough to slow down need for capacity addition?
A) No. RE is playing a catch-up. Pockets that are not part of the picture do not give out a full story – captive plants and not grid-connected C&I and rooftop solar. Demand should be looked at on a multiyear basis.

Q) Forgings and foundry business plans? Thermal / Nuclear?
A) Current capacity utilisation 20-25%. Have plans to diversify and enhance utilisation. Non wind industries and export segment is the sweet spot (better margins profile, offtake reliability and timely cashflows along with green casting premium)

Q) How big is C&I not connected to grid?
A) Don’t have the number readily available. We do not have any non-grid connected projects.

Q) Why is repowering not picking up?
A) Potential 25GW. Issues in implementation that need to be resolved: distance between two turbines (old versus new) and NOC from neighbouring people. The MNREA is conducting meetings to figure out and resolve the bottlenecks.

Doing a small amount of repowering for Tata Power and in Tamil Nadu (20–25MW). We are able to extend lives by five–seven years for the end-of-cycle projects, which is something we have started. Foe the S88 fleet that are nearing end of life, studies are being conducted to ensure the structure remains same with the need for only changing nacelle and rotor. States and centre are onboard. While 25GW can be re powered, nameplate capacity will not change, but generation units will be 2x). These two repowering projects of ours would help develop upcoming frameworks/regulations.

Company Description

Incorporated in 1995, Suzlon Energy Limited (SUEL) manufactures wind turbine generators and related components. SUEL has supplied ~15GW in domestic wind equipment markets – translating to ~33% share in the domestic markets. Overall, it has installed 21GW+ in global markets. The company has proven experience of operating and maintaining wind power turbines for > 25 years in the domestic wind equipment markets. Furthermore, it has done supply and EPC work for wind installation across all eight windy states. As a result, it is best suited to offer complete solutions. Moreover, it has blade plants in all states providing it a significant cost advantage. Note that wind is more of a local industry. SUEL has been able to innovate and bring the latest technology available in wind markets. The company has a strong research and development team in Germany. SUEL has been able to ensure that its market share in India is > 25% even in the worst of years.

Investment Theme

Suzlon Energy (SUEL) is the market leader in WTG market with a ~30% share and among the only two wind EPC suppliers in India along with Inox Wind. Its growth visibility is backed by: i) industry tailwind of 10–12GW TAM annually; ii) technological edge (3MW-plus turbines) + 4.5GW-plus nacelle capacity; iii) high margin (~45%) O&M services; and iv) repaired and robust balance sheet. We argue SUEL is capable of sustaining its lead in WTG/turnkey EPC execution and the company is best placed to capture demand with industry-leading EPC capacity (2GW yearly) and an optionality of repowering along with C&I demand, over and above 8–10GW of auctions.

Key Risks

- Delay in execution ramp-up
- Paucity of high PLF wind sites
- Renewables curtailment and lack of transmission evacuation
- Delay in auction of renewables (mainly wind)
- Increase in competitive intensity
- Increasing market share of IPPs
- Discontinuation of ISTS waiver

Additional Data

Management

Chairman & MD	Vinod Tanti
Executive Vice-Chairman	Girish Tanti
Chief Executive Officer	J.P. Chalasani
Chief Financial Officer	Himanshu Mody
Auditor	Walker Chandiok & Co LLP

Holdings – Top 10*

	% Holding		% Holding
Blackrock Inc	4.50	Vanguard Emergi	1.04
Vanguard Group	3.37	Motilal Oswal A	1.04
Samanvaya Holdi	2.67	Norges Bank	0.87
Belgrave Invest	1.86	Goldman Sachs G	0.81
Cannon Realty P	1.76	Dimensional Fun	0.68

**Latest public data*

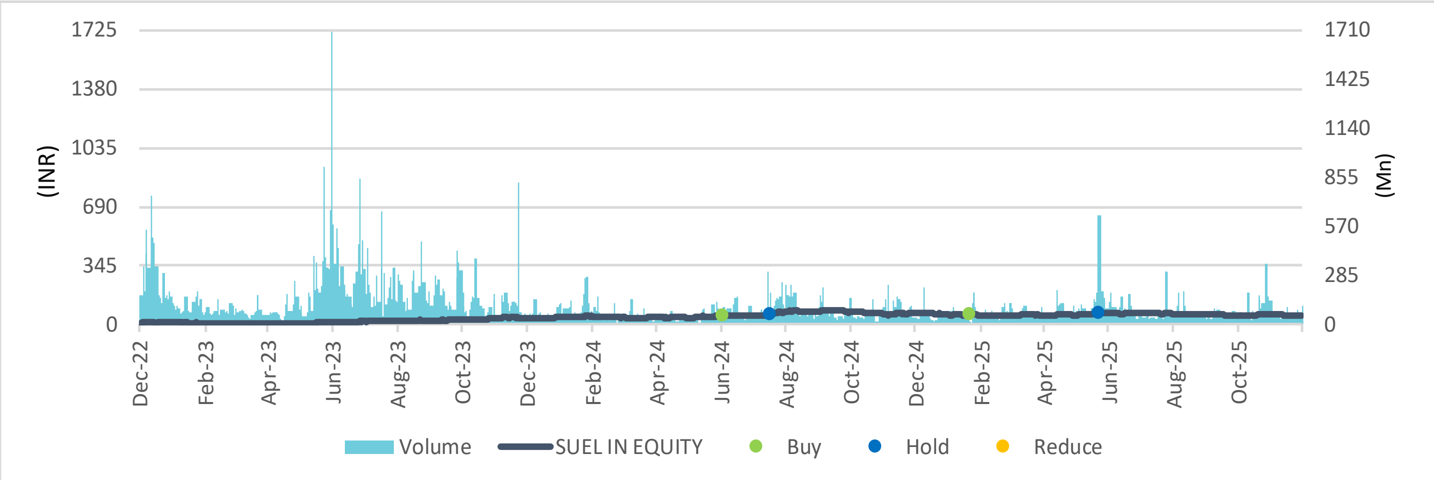
Recent Company Research

Date	Title	Price	Reco
04-Nov-25	Stellar execution in Q2 drives growth; *Result Update*	59.9	Hold
12-Aug-25	Robust execution; OI growth remains key; *Result Update*	63.1	Hold
29-May-25	Robust guidance; tax to play spoilsport; *Result Update*	65.4	Hold

Recent Sector Research

Date	Name of Co./Sector	Title
14-Nov-25	INXW	O&M shoots up; all eyes on H2FY26; *Result Update*
12-Nov-25	Power	Rains continue to play spoilsport in Oct; *Sector Update*
11-Nov-25	Tata Power	PAT falls on UMPP loss; Odisha outshines; *Result Update*

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	207
Hold	<15% and >-5%	69
Reduce	<-5%	35

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