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India | Equity Research | Company Update

Suzlon Energy

Capital Goods

Adding more wind under its blades

Suzlon delivered strong operating metrics in H1FY26. However, the news flow around the new renewable capacity addition has been under weather. In this backdrop, Suzlon's management highlighted the key positives during its investor day. It reiterated its - a) strong orderbook (OB), b) strong order inflow (OI) outlook with equipment yet to be awarded for ~18GW of under development capacity, c) its readiness to tap export markets, d) capex plan of INR 5-5.5bn per annum for next three years, and e) adding three new blade manufacturing plants. We believe its existing OB and near-term order inflow provide medium-term visibility. Suzlon remains the key beneficiary of new wind builds amidst the government tightening the screw on imports. Stock is trading at 27x FY27E EPS. Reiterate **BUY** with TP of INR 76, valuing the stock at 40x FY27E EPS. Key risk: Delay in execution due to bottleneck in transmission.

Sailing strong with OB = ~4x FY25 execution

In the last 4 quarters, Suzlon's OI was 3.5GW vs. 2GW of deliveries, raising its OB to 6.2GW (4x its deliveries in FY25); this provides strong revenue visibility for the next two years. Its wind turbine deliveries in H1 doubled YoY to ~1GW. We expect its deliveries to clock 2.5GW in FY26E.

Wind's about to blow stronger

India's wind capacity addition is in uptrend. It added 3.3/4.2GW in FY24/25 and we expect 6GW of addition in FY26E which can go up to 7-7.5GW in FY27E. We believe wind could remain a key variable in India's non-solar peak-hour demand-supply equation. With traction in hybrid and FDRE, we expect wind order outlook to remain healthy over the next 2-3 years.

Preparing sails for the high wind

Suzlon resumed operations at its Puducherry plant last year. Its capacity stands at ~4.5GW. It is adding three new blade manufacturing plants (one each in Gujarat and Karnataka; location for 3rd plant is yet to be finalised). This will help fasten the execution of its existing OB and help it serve future orders with better proximity to projects. It is also taking up digitised and AI-enabled smart manufacturing across its plants to drive efficiency and quality. It expects capex of INR 5-5.5bn annually for the next 2-3 years. We expect the initiatives to help Suzlon strengthen its positioning as a player capable of supplying quality wind turbines at scale, on time and with long-term service. It plans to increase the share of EPC from ~20% to 50% by FY28. The company is also eyeing export and repowering opportunities.

Reiterate BUY

We reiterate **BUY** with target price of INR 76 (unchanged).

Financial Summary

Y/E March (INR mn)	FY24A	FY25A	FY26E	FY27E
Net Revenue	65,291	1,08,897	1,89,218	2,21,448
EBITDA	10,289	18,572	34,879	40,590
EBITDA Margin (%)	15.8	17.1	18.4	18.3
Net Profit	7,105	14,322	21,386	26,037
EPS (INR)	0.5	1.1	1.6	1.9
EPS % Chg YoY	284.7	101.1	49.3	21.8
P/E (x)	99.1	49.3	33.0	27.1
EV/EBITDA (x)	79.1	43.6	23.5	20.2
RoCE (%)	24.9	32.3	30.9	27.5
RoE (%)	28.3	28.6	29.8	27.3

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Market Data

Market Cap (INR)	709bn
Market Cap (USD)	7,888mn
Bloomberg Code	SUEL IN
Reuters Code	SUZL.BO
52-week Range (INR)	74 /46
Free Float (%)	88.0
ADTV-3M (mn) (USD)	43.2

Price Performance (%)	3m	6m	12m
Absolute	(10.6)	(22.5)	(24.2)
Relative to Sensex	(16.8)	(27.8)	(29.0)

ESG Score	2024	2025	Change
ESG score	66.7	68.8	2.1
Environment	52.4	60.2	7.8
Social	69.4	66.3	(3.1)
Governance	78.0	78.2	0.2

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Previous Reports

06-11-2025: [Q2FY26 results review](#)

13-08-2025: [Q1FY26 results review](#)

Investor meet highlights

Wind capacity addition

- Suzlon expects annual wind capacity addition to cross 10GW by FY28.
- It believes 100GW of cumulative wind capacity is achievable by 2030 (from ~53GW now) and expects 20-30GW of wind capacity from C&I over and above this.

Bidding activity and pipeline

- Renewable bidding activity has been slower vs. last couple of years; however, Suzlon expects demand for FDRE and hybrid capacity to be healthy, translating into demand for wind capacity.
- It highlighted healthy RE execution pipeline for next two years and expects better planning in new bids, in line with load profile going ahead.
- Wind order pipeline is strong; of the 42GW under development capacity, orders are yet to be placed for 17.6GW; any new bids will add to this pipeline.

Growth levers for wind capacity

Suzlon believes following factors could drive healthy demand for wind power going forward:

- Traction in hybrid and FDRE for new RE capacity addition.
- Growing demand in C&I segment.
- Suzlon estimates reconductoring potential of ~25GW capacity; the company has received two projects in Maharashtra and Tamil Nadu and expects them to pave the way to unlock the reconductoring potential.
- States taking charge in RE addition.
- Competitive pricing – the company expects higher capacity utilisation in industry (with domestic demand and exports) to lower the cost of production.

Orderbook and manufacturing capability

- Suzlon's wind turbine orderbook stands at 6.2GW.
- Its wind turbine manufacturing capacity is 4.5GW and it has 15 manufacturing plants across India.
- Suzlon is planning to add three new blade manufacturing plants; one each in Gujarat and Karnataka; location for third plant to be finalised soon.
- It is also planning for digitised, automated and AI enabled smart manufacturing capabilities in its plants.
- It expects to incur capex of INR 5-5.5bn annually over the next 2-3 years.

Export plans

- Suzlon highlighted that it is in advanced stage of export readiness.
- It is layering based on product and pricing fitment, geopolitics and customer readiness to arrive at serviceable export markets.

- It highlighted surplus wind turbine manufacturing capacity in India which can serve the export markets.

EPC business

- Suzlon is focusing on increasing the share of EPC in its business; it expects EPC/non-EPC ratio to move from 20:80 to 50:50 in its OB by FY28.
- It has already identified sites for 23GW wind capacity and has started land acquisition for 7-8GW capacity.
- It believes advanced land acquisition is a key in reducing project execution time as land with equipment on the ground generally eases the right of way.

Services business

- Suzlon has a large fleet of 18GW+ wind assets (including Renom) under its O&M portfolio.
- It expects services business for non-Suzlon equipment to grow significantly with the acquisition of Renom.

Wind ALMM

- Suzlon highlighted that ALMM should provide level-playing field for Indian manufacturers, making it tougher for players importing from China.
- For new products, Suzlon has been targeting 80% localisation in supply chain within 24 months of launch.

Outlook and valuation

Suzlon is back in shape after a tumultuous period over the last decade. Over the past three years, the company has pared its debt from INR 120bn in FY20 through various debt-to-equity conversions. With that, it became net cash positive with a cash reserve of INR 13bn, as of Sep'24, after a successful equity raise worth INR 20bn in Q2FY24 for debt reduction. Since then, Suzlon has improved its cash position significantly.

Moreover, major positive changes in regulatory policy and eventually on the business front bode well for the wind industry. The government has decided to tender out at least 10GW of wind capacity every year with pickup in demand from commercial and industrial entities for round-the-clock power supply. Suzlon, being the market leader in wind turbine industry, is the natural beneficiary of this shift, in our view.

Outlook for wind industry is positive over medium to long term, given India's RE and wind capacity targets. Also, given the increasing complexity of RE power projects (from plain vanilla solar or wind to hybrid, RTC and FDRE), we believe wind may play a crucial role in RE generation going ahead.

The company's OB stands at ~6.2GW, which is 4x its FY25 wind turbine delivery volume. Thus, owing to strong order backlog of 6.2GW and positive outlook for OI given India's RE targets, we remain positive on the stock.

We maintain **BUY** with target price of **INR 76** (unchanged), valuing the business at 40x FY27E EPS.

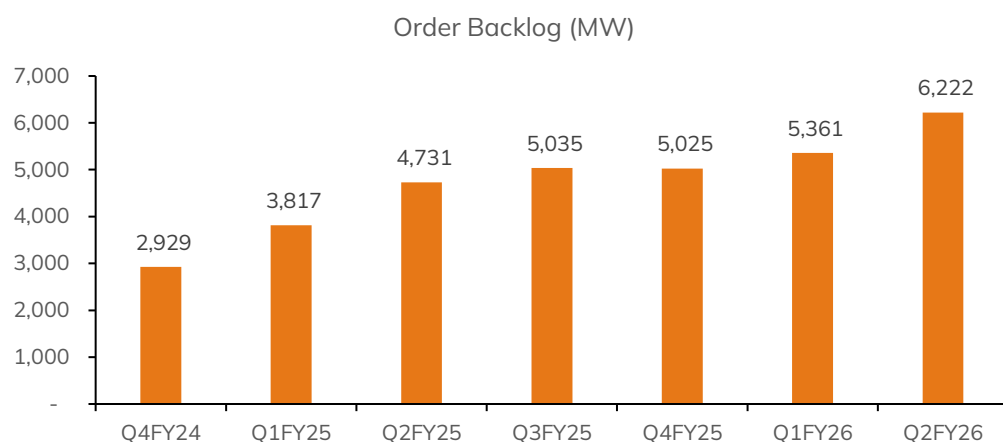
Key risks: Any surprise in WTG execution and OI; any delay in execution.

Exhibit 1: PE-based target price of INR 76

	FY27E PAT (INR mn)	Multiple (x)	FY27E Equity value (INR mn)	Value per share (INR)
Valuation	26,037	40	10,41,496	76
Equity Value			10,41,496	76

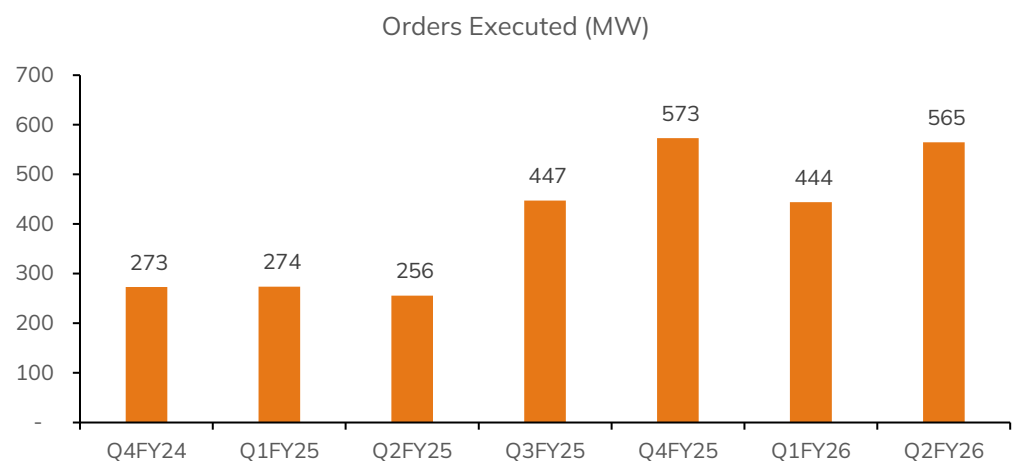
Source: I-Sec research

Exhibit 2: Order backlog (MW)



Source: I-Sec research, Company data

Exhibit 3: Execution – wind turbine deliveries (MW)



Source: I-Sec research, Company data

Exhibit 4: Shareholding pattern

%	Mar'25	Jun'25	Sep'25
Promoters	13.3	11.7	11.7
Institutional investors	32.2	33.1	32.9
MFs and others	4.2	5.2	4.9
FIs/Banks	2.5	2.5	1.7
Insurance	2.0	2.4	2.7
FIIIs	23.0	23.0	23.6
Others	54.6	55.2	55.4

Source: Bloomberg, I-Sec research

Exhibit 5: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 6: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Net Sales	65,291	1,08,897	1,89,218	2,21,448
Operating Expenses	7,029	9,415	9,886	10,430
EBITDA	10,289	18,572	34,879	40,590
EBITDA Margin (%)	15.8	17.1	18.4	18.3
Depreciation & Amortization	1,896	2,592	3,399	3,552
EBIT	8,393	15,980	31,480	37,039
Interest expenditure	1,643	2,548	3,521	3,687
Other Non-operating Income	384	1,034	1,137	1,365
Recurring PBT	7,134	14,466	29,096	34,717
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	29	144	7,711	8,679
PAT	7,105	14,322	21,386	26,037
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	(501)	6,394	-	-
Net Income (Reported)	6,604	20,716	21,386	26,037
Net Income (Adjusted)	7,105	14,322	21,386	26,037

Source Company data, I-Sec research

Exhibit 7: Balance sheet

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Total Current Assets	61,934	1,03,579	1,53,424	1,88,261
of which cash & cash eqv.	4,268	11,128	7,759	9,083
Total Current Liabilities & Provisions	29,653	57,856	62,625	72,332
Net Current Assets	32,281	45,723	90,799	1,15,930
Investments	-	-	-	-
Net Fixed Assets	8,865	17,796	6,689	8,137
ROU Assets	-	-	-	-
Capital Work-in-Progress	197	1,051	1,051	1,051
Total Intangible Assets	-	-	-	-
Other assets	784	7,170	751	751
Deferred Tax Assets	-	-	-	-
Total Assets	42,127	71,740	99,291	1,25,869
Liabilities				
Borrowings	1,090	2,833	8,998	9,539
Deferred Tax Liability	-	-	-	-
provisions	-	-	-	-
other Liabilities	1,834	7,850	7,849	7,850
Equity Share Capital	27,217	27,318	27,318	27,318
Reserves & Surplus	11,986	33,739	55,125	81,163
Total Net Worth	39,203	61,057	82,443	1,08,480
Minority Interest	-	-	-	-
Total Liabilities	42,127	71,740	99,291	1,25,869

Source Company data, I-Sec research

Exhibit 8: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Operating Cashflow	826	25,322	(20,139)	9,470
Working Capital Changes	(9,317)	(535)	(48,445)	(23,806)
Capital Commitments	(2,236)	(12,377)	7,708	(5,000)
Free Cashflow	(1,410)	12,945	(12,431)	4,470
Other investing cashflow	-	-	-	-
Cashflow from Investing Activities	(2,236)	(12,377)	7,708	(5,000)
Issue of Share Capital	2,673	101	-	-
Interest Cost	(1,643)	(2,548)	(3,521)	(3,687)
Inc (Dec) in Borrowings	(17,959)	1,744	6,165	541
Dividend paid	-	-	-	-
Others	18,935	(5,382)	6,419	0
Cash flow from Financing Activities	2,006	(6,085)	9,062	(3,146)
Chg. in Cash & Bank balance	595	6,860	(3,369)	1,324
Closing cash & balance	4,268	11,128	7,759	9,083

Source Company data, I-Sec research

Exhibit 9: Key ratios

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	0.5	1.0	1.6	1.9
Adjusted EPS (Diluted)	0.5	1.1	1.6	1.9
Cash EPS	0.7	1.2	1.8	2.2
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	2.9	4.5	6.0	7.9
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	9.4	66.8	73.8	17.0
EBITDA	23.7	80.5	87.8	16.4
EPS (INR)	284.7	101.1	49.3	21.8
Valuation Ratios (x)				
P/E	99.1	49.3	33.0	27.1
P/CEPS	78.2	41.7	28.5	23.9
P/BV	18.0	11.6	8.6	6.5
EV / EBITDA	79.1	43.6	23.5	20.2
P / Sales	12.5	7.5	4.3	3.7
Dividend Yield (%)	-	-	-	-
Operating Ratios				
Gross Profit Margins (%)	26.5	25.7	23.7	23.0
EBITDA Margins (%)	15.8	17.1	18.4	18.3
Effective Tax Rate (%)	0.4	1.0	26.5	25.0
Net Profit Margins (%)	10.9	13.2	11.3	11.8
NWC / Total Assets (%)	0.7	0.5	0.8	0.8
Net Debt / Equity (x)	(0.1)	(0.1)	0.0	0.0
Net Debt / EBITDA (x)	(0.3)	(0.4)	0.0	0.0
Profitability Ratios				
RoCE (%)	24.9	32.3	30.9	27.5
RoE (%)	28.3	28.6	29.8	27.3
RoC (%)	24.9	32.3	30.9	27.5
Fixed Asset Turnover (x)	7.5	8.2	15.5	29.9
Inventory Turnover Days	134	136	120	102
Receivables Days	107	164	101	86
Payables Days	141	218	139	118

Source Company data, I-Sec research

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