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Alpha Trade

Suzlon Energy Limited

14 October 2025

Suzlon Energy Limited

About the Company

Suzlon is a leading renewable energy solutions provider with a diversified business model spanning across multiple segments. Its core operations are anchored in the manufacturing and execution of wind power projects through its Wind Turbine Generators (WTG) and EPC business, which forms the backbone of its revenue stream. Complementing this is the high-margin, recurring Operations & Maintenance (O&M) division that services Suzlon's extensive installed fleet, ensuring stable cash flows. The company also benefits from vertical integration through SE Forge, its wholly-owned subsidiary that manufactures critical components for wind turbines. In addition, Suzlon is strategically expanding into new energy solutions, exploring opportunities in hybrid and solar projects to strengthen its position in the evolving renewable energy landscape..

Macro Tailwinds: India's Renewable Boom- India has set a target of 500 GW of non-fossil fuel capacity by 2030. Wind energy is a critical component of this plan. The Indian wind power market, which reached 49.8 GW in 2024, is projected to grow to 127.9 GW by 2033, representing a remarkable CAGR of 11.04% . Suzlon, with its domestic manufacturing and leading position, is perfectly poised to capture a significant share of this growth.

Orderbook & Revenue Visibility - A strong and expanding orderbook underscores Suzlon's future revenue potential. As of Q1 FY26 (June 30, 2025), the company reported a record firm orderbook of 5.7 GW, reflecting robust demand and execution visibility. Key recent additions include a 100.8 MW order from Sunsure Energy in April 2025 and a landmark 838 MW order from Tata Power Renewable Energy in September 2025. This solid pipeline translates into more than 2.5 to 3 years of assured revenue visibility, offering a clear growth trajectory and lending strong support to our optimistic financial outlook.

Revenue Mix Shift: WTG vs. O&M - The revenue mix is strategically shifting, enhancing both growth and stability. While WTG/EPC sales account for the bulk of the revenue (~80.5% in Q4 FY25), the O&M business is a high-margin, annuity-like stream. The O&M segment boasts a superior EBITDA margin profile, contributing approximately 26% of the company's total operating profit in Q4 FY25, despite comprising a much smaller portion of revenue. This predictable cash flow stream reduces cyclicity and supports high cash generation and funding of capex.

Inorganic Growth: Renom Acquisition - Suzlon's acquisition of a 76% stake in Renom Energy Services for ₹660 crore represents a strategically significant move to strengthen its market positioning. Renom, a multi-brand O&M service provider servicing across power generation models with 2.5 GW of assets under management at the time of the transaction, opens the door to the sizeable 32 GW non-Suzlon wind energy service market. Beyond expanding Suzlon's O&M footprint, the deal creates meaningful synergies through cross-selling opportunities and operational efficiencies, positioning the company to capture incremental revenue and enhance profitability within its high-margin O&M business.

Capex, R&D & Operating Leverage - Suzlon has guided for a planned capex of ₹400-450 crore in FY26, with a significant allocation of ₹225-250 crore dedicated to R&D. Far from being a mere expense, this investment is aimed at strengthening the company's competitive edge by expanding its product portfolio through the development of more efficient, export-ready turbine designs. At the same time, the focus on R&D, coupled with backward integration via SE Forge, is expected to improve utilization levels, absorb fixed costs, and enhance operating leverage—ultimately driving stronger margins and long-term profitability.

Valuation - Suzlon demonstrated 1/3rd order win ratio and participation in large government renewable energy orders provide visibility on sustained growth and market share gains. Having turned net cash, Suzlon now enjoys a significantly stronger balance sheet, reducing financial risk and enabling greater operational flexibility. While low promoter holding remains a concern, continued execution strength and governance improvements are mitigating factors. Company's strong fundamentals and improving financial profile support a BUY recommendation with a target price of ₹70 at a target multiple of 33x P/E and 24x EV/EBITDA on FY27E earnings

RATING : BUY

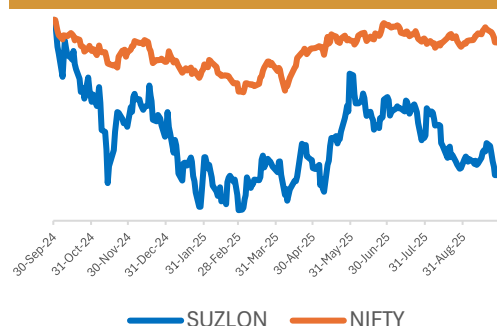
NSE/BSE	SUZLON / 532667
CMP	54
Upside	26%
Target Price	70
Bloomberg Code	SUEL:IN
High/Low	82/46
Market Cap (in Rs)	753.4bn

Shareholding %

Particulars	Q1FY26	Q4FY25	Q3FY25
Promoter	11.75%	13.25%	13.25%
FII	23.02%	23.04%	22.87%
DII	10.17%	8.73%	9.31%
Others	55.07%	54.98%	54.56%

* Promoter Pledge – 57.19% as on 8.10.25

Relative Price Movement (last 1 year)



Key Matrix

Particulars	FY25	FY26E	FY27E
Revenue	10889.7	17063.0	24086.0
EBITDA	1857.2	2878.7	3924.2
PAT	2071.6	2079.7	2912.5
EPS	1.52	1.52	2.12
Growth (%)			
Revenue	66.8	56.7	41.2
EBITDA	80.5	55.0	36.3
PAT	213.7	0.4	40.0
Margins (%)			
EBITDA Margin	17.1	16.9	16.3
PAT Margin	19.0	12.2	12.1
Valuation			
P/E	51.2	35.6	25.4
P/B	12.1	9.0	6.7
EV/EBITDA	39.4	25.4	18.4
DEBT/EQUITY	0.0	0.0	0.0
ROCE (%)	24.2	32.2	33.7
ROE (%)	23.7	25.4	26.2

Analysts

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Suzlon Energy Limited

Financials

Income Statement			(Rs in mn)
Particulars	FY25	FY26E	FY27E
Revenue from Operation	10,889.7	17,063.0	24,086.0
COGS	6,886.6	10,814.5	15,371.8
% of Sales	63.2	63.4	63.8
Gross Profit	4,003.1	6,248.5	8,714.1
Gross margin (%)	36.8	36.6	36.2
Employee Benefit Exp	941.5	1,478.5	2,101.6
Other expenses	1,204.4	1,891.3	2,688.3
EBITDA	1,857.2	2,878.7	3,924.2
EBITDA Margins (%)	17.1	16.9	16.3
Other Income	103.4	170.6	240.9
Depreciation	259.2	276.4	281.7
EBIT	1,701.4	2,772.9	3,883.3
EBIT Margins (%)	15.6	16.3	16.1
Finance Cost	254.8	0.0	0.0
Profit before tax	1,446.6	2,772.9	3,883.3
Total Tax expenses	(625.0)	693.2	970.8
Tax rate (%)	-	25.0	25.0
Profit after tax (adjusted)	2,071.6	2,079.7	2,912.5
PAT Margins	19.0	12.2	12.1
Basic EPS	1.5	1.5	2.1

*** FY25 PAT included a ₹625 mn tax refund; actual PAT was ₹1,446 mn | EPS - 1.1**

Cash Flow Statement			(Rs in mn)
Particulars	FY25	FY26E	FY27E
Cash Flow from operating activities (OA)			
PBT	1,446.6	2,772.9	3,883.3
Depreciation	259.2	276.4	281.7
Operating Profit before WC change	1,983.7	3,219.9	4,405.9
Changes in Assets and liability	(890.2)	(2,350.8)	(2,636.4)
Cash from Operations	1,093.5	869.2	1,769.4
Tax	(1.5)	(693.2)	(970.8)
Net Cash from OA	1,092.0	176.0	798.6
Cash Flow from investing activities (IA)			
Capex	(811.9)	(220.0)	0.0
Net Cash from IA	(751.7)	(308.0)	0.0
Cash Flow from financing activities (FA)			
Proceeds from Borrowings	105.2	0.0	0.0
Repayment of Borrowings	(67.0)	(283.3)	0.0
Finance Cost	(30.0)	0.0	0.0
Proceeds other than borrowing	411.2	0.0	0.0
Net Cash from FA	343.0	(283.3)	0.0
Net increase/(decrease) in Cash	683.2	(415.4)	798.6
Cash at the beginning of the year	426.8	1,112.8	697.5
Cash at the end of the year	1,112.8	697.5	1,496.1

Balance Sheet			(Rs in mn)
Particulars	FY25	FY26E	FY27E
ASSETS			
Fixed Assets	735.6	846.8	721.2
CWIP	88.7	163.6	139.3
Goodwill	479.8	408.8	348.2
Trade Receivable	3,866.4	6,058.1	8,551.6
Inventories	3,233.6	5,066.6	7,152.0
Financial Assets	204.8	204.8	204.8
Cash and cash equivalent	1,112.8	909.2	1,707.8
Other Assets	3,237.9	2,271.7	2,200.4
Total Assets	12,959.6	15,929.6	21,025.4
EQUITY			
Equity Share Capital	2,731.8	2,731.8	2,731.8
Other Equity	3,373.9	5,453.6	8,366.1
Total Equity	6,105.7	8,185.4	11,097.9
Long Term Borrowings	129.2	0.0	0.0
Short Term Borrowings	154.1	0.0	0.0
Trade Payables	2,935.1	4,609.2	6,551.6
Other Liabilities	3,635.4	3,506.3	3,747.2
Total Liabilities	6,853.9	8,115.5	10,298.8
Total Equity and Liabilities	12,959.6	16,301.0	21,396.8

Ratio Analysis			
Particulars	FY25	FY26E	FY27E
Growth (%)			
Revenue	66.8	56.7	41.2
COGS	72.9	57.0	42.1
EBITDA	80.5	55.0	36.3
EBIT	93.9	63.0	40.0
PAT (#based on actual PAT)	119.1	43.8	40.0
% Of Revenue			
COGS	36.8	36.6	36.2
EBITDA	17.1	16.9	16.3
EBIT	15.6	16.3	16.1
PAT	19.0	12.2	12.1
Return Ratios			
ROCE	24.2	32.2	33.7
ROE	33.9	25.4	26.2
Valuation			
P/E	51.2	35.6	25.4
P/B	12.1	9.0	6.7
EV/EBITDA	39.4	25.4	18.4
EV/ Sales	8.2	5.3	3.7
DEBT/EQUITY	(0.1)	(0.1)	(0.2)

Suzlon Energy Limited

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