SUZLON ENERGY LTD – Q2FY27 RESULT UPDATE

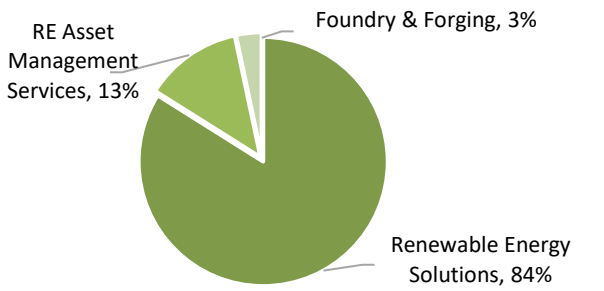
Oct 30, 2026

COMPANY DETAILS	
NSE Details	**Particulars**
Symbol	SUZLON
Market Cap (₹ Cr)	46,600.88
Current Market Price (₹)	33.90
Face Value (₹)	2.00
52W High/Low (₹)	61.50 / 33.15
TTM P/E	20.4x
Recommendation	**BUY**
Target Price	**₹55**
Initiating Coverage	05-03-2026
Q1FY27 Result Update	29-07-2026

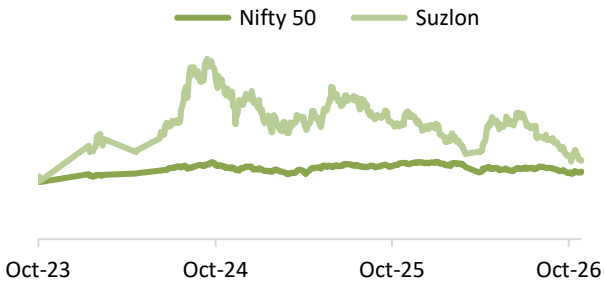
SHAREHOLDING PATTERN

Shareholders	Dec-25	Mar-26	Jun-26	Sep-26
Promoters	11.73%	11.73%	11.70%	11.70%
FIIs	23.73%	23.85%	24.15%	23.63%
DIIs	9.23%	9.18%	11.12%	10.24%
Public	55.29%	55.23%	53.02%	54.44%

SEGMENT WISE REVENUE – Sept'26



STOCK PERFORMANCE VS NIFTY



Live Chart

Business Performance Overview

Suzlon Energy delivered a strong operational performance in Q2FY27, with consolidated revenue from operations increasing 26.0% YoY and 27% QoQ to ₹4,876 crore, supported by record quarterly deliveries of 710 MW, up 26% YoY and 40% QoQ. EBITDA remained largely flat YoY at ₹720 crore versus ₹721 crore, resulting in a contraction in EBITDA margin to 14.8% from 18.6% in Q2FY26. PAT fell to ₹394 crore from ₹1,279 crore in the year-ago quarter, which included a deferred tax asset (DTA) creation of ₹891 crore. Adjusting for this one-off benefit, PAT increased 1.3% YoY. The Renewable Energy Solutions segment reported revenue of ₹4,212 crore, up 30.0% YoY, although segment results declined to ₹371 crore from ₹478 crore. The order book remained healthy at over 6 GW, supported by order intake of more than 1.5 GW in H1FY27. PSU and commercial and industrial (C&I) customers accounted for 78% of the order book, while the EPC share increased to 38%. Despite strong revenue growth, margin pressure remains a key concern, as reflected in the decline in WTG contribution margins and the moderation in full-year EBITDA margin guidance.

Valuation

At the CMP of ₹33.9, Suzlon Energy is currently trading at **20.4x TTM PE**, **19.6x FY27E EPS**, and **16.0x FY28E EPS**. We have lowered our **FY28E EPS estimate to ₹2.10 from ₹3.25**, **primarily due to management's downward revision of full-year EBITDA margin guidance of 15.1%, from 17% stated earlier. Consequently, we have revised our target price to ₹55 from ₹75, valuing the stock at 26x FY28E EPS.**

The softer margin outlook reflects an unfavourable customer and project mix, coupled with persistent foreign exchange and commodity cost pressures, and elevated operating expenses. **However, management expects stronger execution and higher volumes in H2FY27 to drive operating leverage and partially offset these headwinds.** While a healthy order book and improving project execution continue to underpin the company's medium-term growth prospects, the pace of margin recovery and working capital normalisation will remain key factors in achieving our revised earnings estimates. Despite the earnings downgrade, we **maintain our BUY rating**, with a potential upside of approximately **62%** from the current market price over the next **12–18 months**.

In ₹ Crores	Reported Financials				Estimated Financials	
Particulars	**FY2024**	**FY2025**	**FY2026**	**H1FY27**	**FY2027**	**FY2028**
Revenue	6,497	10,851	16,842	8,705	21,016	25,639
Growth in Revenue (%)	9%	67%	55%	24%	25%	22%
EBITDA	997	1,819	3,132	1,315	3,152	3,846
Growth in EBITDA (%)	20%	82%	72%	-0.4%	1%	22%
EBITDA Margin	15%	17%	19%	15%	15%	15%
Profit After Tax (PAT)	660	2,072	3,163	699	2,371	2,897
PAT Margin	10%	19%	19%	8%	11%	11%
EPS	0.5	1.5	2.3	0.5	1.7	2.1

Q2FY27 Key Takeaways

1. Operational Performance and Execution

- **Record Q2 deliveries:** Suzlon delivered 710 MW in Q2FY27, up 25.7% YoY and 40% QoQ, taking H1FY27 deliveries to 1,217 MW, up 21% YoY. Commissioning increased to 454 MW in Q2, while H1 commissioning reached 723 MW, reflecting an improvement in on-ground execution.
- **Commissioning ramp-up remains a key monitorable:** The company has approximately 1.3 GW of erected turbines awaiting commissioning, providing visibility for future execution. Management has reorganised project execution under three regional Chief Project Officers and expects a further 12–18 months for sharper improvements in commissioning.
- **Strong order visibility:** The order book stood at approximately 6 GW as of September 2026, providing around 18 months of execution visibility. Suzlon secured over 1.5 GW of orders in H1FY27, with management indicating that demand and the order pipeline remain healthy.
- **Revenue growth supported by higher deliveries:** Consolidated revenue increased 26% YoY to ₹4,869 crore. However, EBITDA remained broadly flat at ₹720 crore, while the EBITDA margin contracted to 14.8% from 18.6% in Q2FY26, reflecting a weaker contribution margin and higher operating expenses.

2. Margin Outlook and Cost Pressures

- **WTG contribution margins under pressure:** Wind turbine generator (WTG) contribution margin declined to 21.2% from 26.9% a year ago. Management attributed the decline primarily to customer and project-scope mix, segment mix, foreign exchange and commodity volatility.
- **Management indicated a lower FY27 margin outlook**: **WTG contribution margins are expected to remain in the 22–23% range for FY27. Management indicated that full-year EBITDA margins could be around 15.%, (+/- 1%) from operating leverage, subject to execution and external conditions.**
- **Cost headwinds and one-off expenses:** Foreign exchange and commodity volatility had an estimated 50 bps impact on margins, while approximately ₹50 crore of additional branding, travel and SG&A expenses related to Suzlon 2.0 contributed around 100 bps of pressure. Management expects these non-recurring expenses to moderate in subsequent quarters.
- **Operating leverage expected in H2:** Management expects H2 volumes to be approximately 1.5–1.65 times H1 levels, consistent with historical seasonality, potentially supporting an improvement of around 100 bps in margins. However, commodity and currency movements remain key uncertainties, and not all input-cost increases can be passed on to customers.

3. Suzlon 2.0, DevCo and Business Diversification

- **DevCo model gaining traction:** DevCo-led orders exceeded 1.1 GW in H1FY27, while management indicated that approximately 900 MW of orders had been booked through the model during the period. The company has allocated approximately ₹500 crore towards DevCo, of which around ₹125–130 crore had been deployed net of asset sales. DevCo orders are intended to support customer acquisition and project development, with longer-term opportunities being pursued for FY28–FY31.
- **EPC share increasing:** EPC accounted for 38% of the order book, against the company's stated objective of increasing the share to 50% by FY28. PSU and commercial and industrial (C&I) customers together contributed 78% of the order book, reflecting demand from utilities and corporates pursuing decarbonisation.
- **Progress on higher-capacity turbines:** Suzlon commissioned the prototype of its S175 5MW turbine and secured an initial order for 21 turbines aggregating 105 MW. The 5 MW and 6.3 MW platforms for overseas markets are undergoing certification and grid-compliance processes.
- **Solar, BESS and integrated renewable offerings remain at an early stage:** Management stated that no capex had yet been committed to the solar and battery energy storage system (BESS) businesses. The company is pursuing an asset-light approach, building teams and engaging prospective partners for integrated firm and dispatchable renewable energy (FDRE) offerings.
- **Export opportunities are developing:** Management reported encouraging customer engagement for larger turbines and smaller turbines used in repowering markets. However, overseas orders remain contingent on certification and local technical requirements, with management expecting greater clarity during the next year.

4. Wind Industry Outlook and Competitive Positioning

- **Favourable industry demand outlook:** Management highlighted India's growing wind project pipeline, stronger transmission infrastructure and rising demand from utilities and C&I customers. It expects annual installations to exceed 10 GW in the near term and potentially reach 15 GW by FY31.
- **Market-share ambition maintained:** Suzlon's management indicated an H1 market share of approximately 28–29% in orders and around 23% in deliveries**. The company aims to increase its Indian market share to 40% by FY31, supported by its established customer relationships, execution capabilities and expanding product portfolio.**
- **Localisation expected to strengthen competitiveness:** Suzlon has over 80% local content, according to management. The Approved List of Models and Manufacturers (ALMM) requirements are expected to support domestic manufacturing and supply-chain resilience, although management clarified that localisation should not automatically be interpreted as a margin benefit.

5. Financial Position and Working Capital

- **Strong balance sheet:** Consolidated net worth increased to ₹10,277 crore, while the reported net cash position stood at ₹2,048 crore as of September 2026. CRISIL upgraded the company's long-term rating to AA-/Stable and short-term rating to A1+.
- **Working capital remains a key monitorable:** Management attributed the elevated working-capital requirement to seasonal inventory planning, higher execution volumes and receivables linked to commissioning. Certain customer payments are released only after installation and commissioning milestones are completed.
- **Cash conversion depends partly on commissioning:** Management expects some receivables linked to commissioning to convert into cash as execution progresses. It is also working on initiatives to improve working-capital efficiency, although no specific sustainable working-capital target was provided.
- **Renom acquisition is a longer-term opportunity:** Management highlighted Renom's potential to scale its multi-brand operations and pointed to approximately 178 MW of additions in H1FY27. However, the business's ability to scale its asset base and profitability will need to be monitored against the investment made in the acquisition.

FINANCIAL STATEMENTS

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th Sept 2026 (in ₹ Crores)

Particulars	Q2FY27	Q1FY27	QoQ	Q2FY26	YoY
Sales	4,876	3,829	27%	3,871	26%
Expenses	4,156	3,234	29%	3,150	32%
EBITDA	720	595	21%	721	0%
EBITDA %	15%	16%	-78 bps	19%	-386 bps
Other Income	32	33	-3%	26.55	21%
Interest	123	134	-8%	110	12%
Depreciation	111	106	5%	75	48%
Profit before tax	518	389	33%	563	-8%
Tax %	24%	22%	200 bps	-127%	-
Net Profit	394	305	29%	1,279	-69%
Net Profit Margin	8%	8%	12 bps	33%	-2,496 bps
EPS in Rs	0.29	0.22	32%	0.93	-69%

CONSOLIDATED PROFIT & LOSS STATEMENT (in ₹ Crores)

Particulars	FY22	FY23	FY24	FY25	FY26
Total Revenue from Operations	**6,520**	**5,971**	**6,529**	**10,890**	**16,732**
Revenue from Operations	6,520	5,947	6,497	10,851	16,679
Other Operating Income	0	24	32	38	53
Revenue from Operations Growth YoY %	98%	-8%	9%	67%	54%
Expenses	**5,753**	**5,139**	**5,500**	**9,063**	**13,709**
COGS	4,332	3,783	3,982	6,887	10,803
Other Expenses	877	740	806	1,235	1,766
Employees Cost	545	609	703	942	1,100
Foreign Exchange Loss	0	6.8	9.3	0	40
EBITDA	**766**	**832**	**1,029**	**1,827**	**3,022**
EBITDA Margin (%)	**12**	**14**	**16**	**17**	**18%**
EBITDA Growth YoY	**59%**	**9%**	**24%**	**78%**	**65%**
Depreciation	260	260	190	259	318
Finance Cost	735	421	164	255	462
Other Income	22	20	38	103	110
Profit Before Tax	-10	2,892	659	1,447	2,352
Profit before Exceptional Items, Share of Associates and tax	-83	171	713	1,447	2352
Profit before Share of Associates and tax	0.4	2,892	659	1,447	2,422
Share of (loss)/profit in Associates and Joint Ventures	10	0	0	0	0
Tax	167	4.4	-0.9	-625	-741.7
PAT	**-177**	**2,887**	**660**	**2,072**	**3,163**
PAT Margin	**-3%**	**49%**	**10%**	**19%**	**19%**
Diluted EPS	-0.2	0.1	0.5	1.5	2.3

STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES (in ₹ Crores)

Particulars	FY22	FY23	FY24	FY25	FY26
ASSETS	**6,475**	**5,523**	**7,179**	**12,960**	**18,868**
Non-Current Assets	**1,390**	**1,345**	**1,891**	**3,710**	**5,367**
Property, Plant and Equipment-Net	774	696	722	736	1,019
Capital Work in Progress	15	3	16	89	517
Investment Property	31	29	27	26	24
Goodwill	-	-	-	480	480
Intangible Assets	126	62	53	468	432
Financial Assets	264	433	903	1,104	1462.55
Deferred Tax Assets (Net)	17	0	4	645	1,394
Other Non-Current Asset	163	122	166	162	38
Current Assets	**5,085**	**4,178**	**5,288**	**9,252**	**13,501**
Inventories	2,208	1,827	2,292	3,234	4,512
Financial Assets-Current	1,999	1,687	2,400	5,211	7960
Current tax assets (net)	1	1	1	50	115
Other Current Assets	811	627	594	757	914
Assets Held for Sale	66	35	-	-	
EQUITY AND LIABILITIES	**6,475**	**5,523**	**7,179**	**12,960**	**18,868**
Share Capital	1,843	2,454	2,722	2,732	2,745
Other Equity/ Reserve	-5,369	-1,355	1,199	3,374	6,719
Total Equity	**-3,562**	**1,099**	**3,920**	**6,106**	**9,464**
Equity Attributable to Owners	-3,526	1,099	3,920	6,106	
Non-Controlling Interest	-36	-	-	-	
Non-Current Liabilities	**5,802**	**1,723**	**250**	**939**	**1,218**
Financial Liabilities	5,672	1,555	84	784	1,003
Long Term Provisions	130	168	165	155	215
Other Long Term Liabilities	0	1	1	1	0
Current Liabilities	**4,234**	**2,701**	**3,009**	**5,915**	**8,187**
Financial Liabilities (Current)	3,019	1,499	2,045	3,503	7,404
Current Tax Liabilities (Net)	174	2	2	9	1
Other Current Liabilities	558	631	411	1,839	81
Short Term Provisions			552	564	702
Total Liabilities	**10,037**	**4,424**	**3,259**	**6,854**	**9,405**

RATIO ANALYSIS

Particulars	FY22	FY23	FY24	FY25	FY26
Profitability Ratios					
EBITDA Margin	12%	14%	16%	17%	18%
Net Profit Margin	-3%	49%	10%	19%	19%
ROE (x)	5%	263%	17%	34%	33%
Liquidity/Solvency Ratio					
Current Ratio (x)	1.2	1.6	1.8	1.6	1.6
Debt-Equity Ratio (x)	-1.8	1.7	0	0.1	0.1
Working Capital Ratios					
Debtor Days	72	78	84	96	137
Inventory Days	184	124	116	93	152
Days Payable	121	121	94	98	172
Cash Conversion Cycle	135	81	106	91	117
Valuation Ratio					
PE (x)	-47.4	3.5	85.1	36.8	17.1
EV/EBITDA (x)	23.4	17.1	57.3	44.9	20.8
Market Cap/Sales (x)	1.3	1.7	8.6	7.0	3.2

Source: JRK Research, Company Reports

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Sources:
JRK Research, Company RHP, SEBI, Screener, Financial Websites.