




Suzlon Energy Ltd.

Accumulate

Sector: Capital Goods

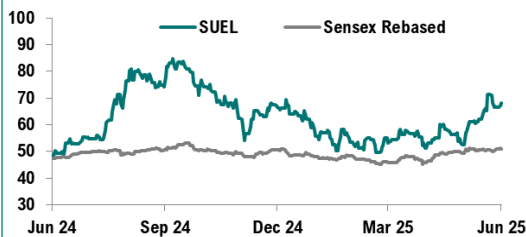
10th June 2025

Key Changes	Target 	Rating 	Earnings 	Target	Rs.77		
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs.68
Mid Cap	SUEL:IN	82,392	SUZLON	532667	12 Months	Return	+13%

Data as of: 10-06-2025

Company Data			
Market cap. (Rs. Cr)	93,380		
52 Week High — Low (Rs.)	86-46		
Enterprise Value (Rs. cr)	91,824		
Outstanding Shares (cr)	1,365		
Free Float (%)	81.6		
Dividend Yield (%)	0.0		
6m average volume (cr)	7.8		
Beta	1.3		
Face value (Rs)	2.0		
Shareholding (%)	Q2FY25	Q3FY25	Q4FY25
Promoters	13.3	13.3	13.3
FII's	23.7	22.9	23.0
MFs/Institutions	9.0	9.3	8.7
Public	54.0	54.5	55.0
Total	100	100	100
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	26.8%	3.9%	44.1%
Absolute Sensex	11.2%	1.3%	7.7%
Relative Return	15.6%	2.6%	36.4%

*over or under performance to benchmark index



Y.E March (cr)	FY25A	FY26E	FY27E
Sales	10,890	16,966	21,801
Growth (%)	67	56	28
EBITDA	1,857	3,024	3,973
EBITDA Margin (%)	17	18	18
PAT Adjusted	1,432	1,995	2,726
Growth (%)	101	39	37
Adjusted EPS	1.1	1.5	2.0
Growth (%)	102	39	37
P/E	44.6	46.3	33.9
P/B	15.1	12.0	8.9
EV/EBITDA	49.4	30.0	22.7
ROE (%)	23.5	25.9	26.1
D/E	0.0	0.0	0.0

Author: Arun Kailasan, Research Analyst

WTG Margins & Deliveries outshines...

Suzlon energy is a vertically integrated wind turbine manufacturer and O&M service provider with over 20.9GW of installed capacity across the globe.

- Consolidated revenues grew 73%YoY in Q4FY25 enabled by strong contributions from the wind turbine generator (WTG) business (+105%YoY). Deliveries stood at 573MW (+110%YoY).
- Q4FY25 Gross margins declined 133bps YoY to stand at 35% attributable to higher share of WTG business. However, EBITDA margins grew 202bpsYoY to stand at 18% as high deliveries in WTG business enabled higher operating leverage in this quarter.
- EBIT margin improvement was noted in Q4FY25 in WTG/foundry segments by 903bps/34bps. However, OMS business dragged, with EBIT margins dropping by 1,272bps to stand at 26.3%YoY.
- PBT grew 118%YoY to stand at Rs.551cr. The quarter saw deferred tax asset recognition of Rs.600cr. which led to PAT surging to Rs.1,181cr (+365%YoY).
- As of FY25, Suzlon's net cash position stands at Rs.1,943cr. And consolidated balance sheet net worth remains strong at Rs.6,106cr.

Outlook & Valuation

As of May 2025, Suzlon has a strong order book of over 5.5 GW. Keeping inline with the strong guidance by the management, we forecast Suzlon's WTG deliveries to grow at 41% CAGR in FY25-27E period, prompting us to upgrade FY27E revenue estimates. We upgrade our FY27E EBITDA estimates on account of higher contributions coupled with improving profitability in the WTG segment. Despite execution risks, Suzlon's earnings are expected to grow at 38% CAGR in this period and ROE to expand to 26%; we believe Suzlon's valuations could rate upwards. Therefore, **we value the stock at a 38XPE multiple on FY27 EPS to arrive at a target price of Rs.77 and change our rating from BUY to Accumulate.**

Quarterly Financials Consol.

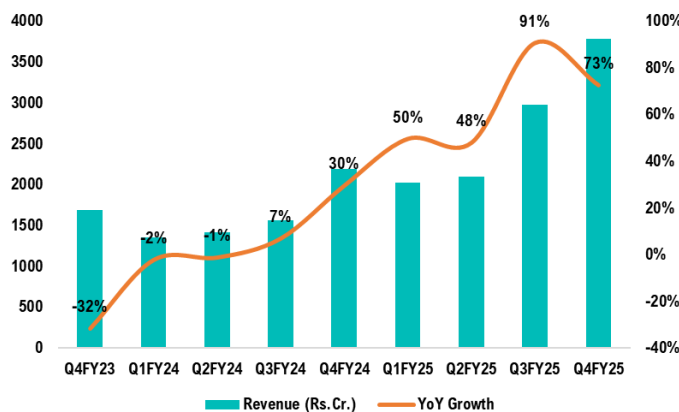
Rs.cr	Q4FY25	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	FY25	FY24	YoY (%)
Sales	3,790	2,196	73	2,975	27	10,890	6,529	67
EBITDA	693.5	357	94	500	39	1,857	1,029	81
Margin (%)	18	16	202bps	17	151bps	17	16	130bps
EBIT	601	313	92	433	39	1,598	839	90
PBT	551	253	118	391	41	1,447	659	119
Rep. PAT	1,181	254	365	388	205	2,072	660	214
Adj PAT	580	281	106	388	50	1,432	714	101
EPS (Rs)	0.4	0.2	126	0.3	50	1.1	0.5	117



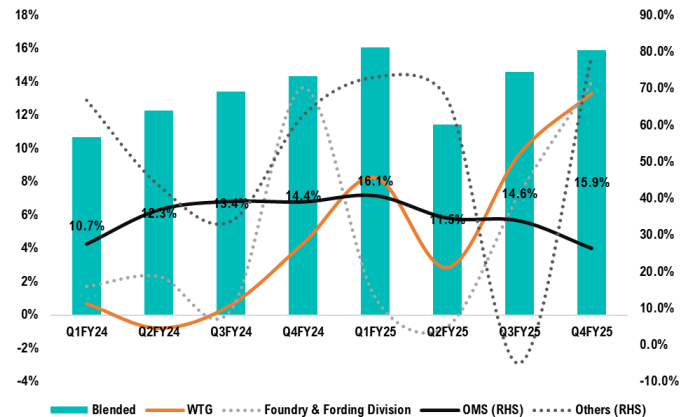
Key Highlights

- Despite seeing only 4.2GW of commissioning in the Industry in FY25, which was short of expectations due to transmission and land acquisition challenges, over 2.5GW was commissioned in March and April, indicating a positive shift in execution pace.
- Management has commented optimistically on the draft notification on updating WTGs in Revised List of Models & Manufacturers, which can significantly boost the domestic supply chain by mandating local production of critical components.
- Contribution margin for WTG business expanded to 23% in FY25, registering a 360bps expansion. S-144 turbine constitutes over 91% of Suzlon's 5.5GW orderbook. Of this, C&I/captive consumers account for 55% and PSUs constitute over 26%. Non-EPC scope is dominant at 76%.
- Management has guided for a capex of close to Rs.400-450cr. for FY26. The R&D expenditure is expected to be around Rs.225cr.
- Suzlon received a second upgrade in its credit rating with CRISIL upgrading the rating to A/positive in FY25.

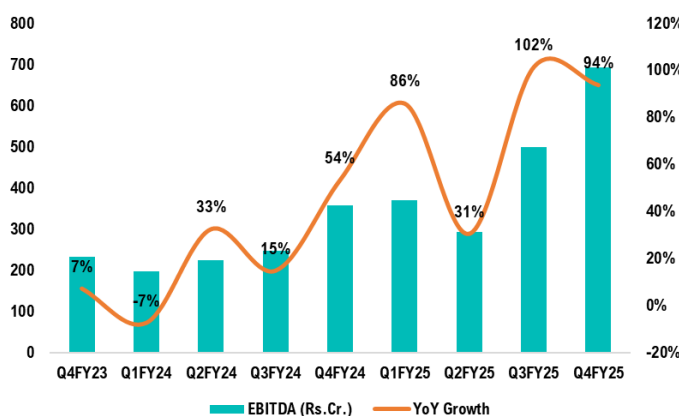
Revenue



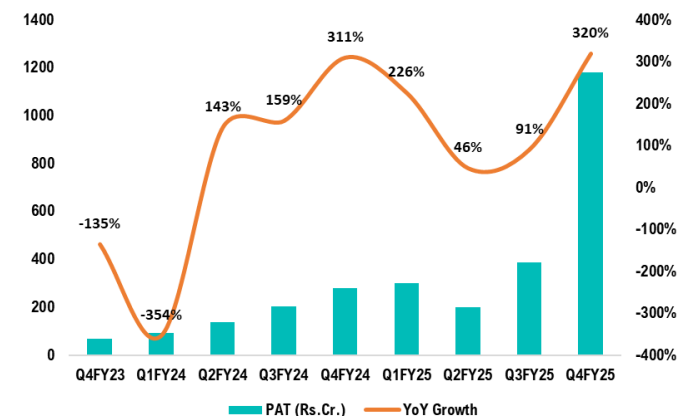
Segmental Margins



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	13,013	15,740	16,966	21,801	30.4	38.5
EBITDA	2,126	2,630	3,024	3,973	42.2	51.1
Margins (%)	16.3	16.7	17.8	18.2	149bps	151bps
Adj. PAT	1,855	2,438	1,995	2,726	7.5	11.8
EPS	1.4	1.8	1.5	2.0	5.2	11.8



Consolidated Financials

Profit & Loss

Y.E March (Rs cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	5,971	6,529	10,890	16,966	21,801
% change	-9.3	9.4	66.8	55.8	28.5
EBITDA	832	1,029	1,857	3,024	3,973
% change	-6.5	23.7	80.5	62.8	31.4
Depreciation	260	190	259	304	368
EBIT	572	839	1,598	2,720	3,605
Interest	421	164	255	283	304
Other Income	20	38	103	223	334
PBT	2,892	659	1,447	2,660	3,635
% change	722827.5	-77.2	119.4	83.9	36.6
Tax	4.4	-0.9	-625.0	665.0	908.6
Tax Rate (%)	0.2	-0.1	-43.2	25.0	25.0
Reported PAT	2,887	660	2,072	1,995	2,726
Adj.*	-2721	54	0	0	0
Adj. PAT	128.41	714	1,432	1,995	2,726
% change	145.4	456.2	100.5	39.3	36.6
No. of shares (cr)	1,078	1,363	1,354	1,354	1,354
Adj EPS (Rs)	0.1	0.5	1.1	1.5	2.0
% change	139.2	339.6	101.9	39.3	36.6
DPS (Rs)	0	0	0	0	0

Cash Flow

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Deprn.	753	945	1,703	2,278	3,030
Non-cash adj.	256	195	279	304	368
Changes in W.C	-543	-1,061	-890	-757	-986
C.F – Operation	467	80	1,092	1,825	2,412
Capital exp.	-101	-227	-371	-441	-458
Change in inv.	163	76	41	30	-1,039
Other invest.CF	22	0	20	0	0
C.F – Investment	85	-152	-752	-411	-1,497
Issue of equity	1,080	2,065	0	0	0
Issue/repay debt	-1,339	-1,827	10	-43	-36
Dividends paid	0	0	0	0	0
Other finance.CF	-425	-107	-70	-283	-304
C.F – Finance	-684	132	343	-325	-341
Chg. in cash	-133	60	683	1,089	575
Closing cash	367	427	1,113	2,202	2,776

Balance Sheet

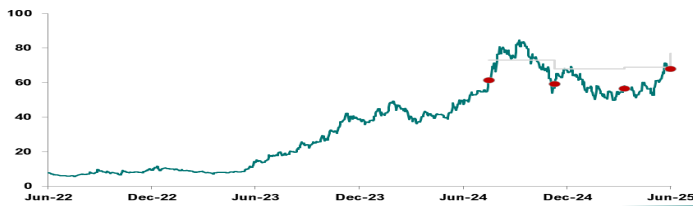
Y.E March (Rs cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	367	427	1,113	2,202	2,776
Accounts Receivable	1,170	1,830	3,866	4,437	5,702
Inventories	1,827	2,292	3,234	4,221	5,424
Other Cur. Assets	813	731	996	802	813
Investments	0	8	42	235	1,526
Gross Fixed Assets	2,665	2,875	3,150	3,591	4,049
Net Fixed Assets	808	837	848	943	1,036
CWIP	3	16	89	42	54
Intangible Assets	62	53	948	585	584
Def. Tax (Net)	0	4	645	645	645
Other Assets	473	981	1,179	1,683	2,162
Total Assets	5,523	7,179	12,960	15,795	20,722
Current Liabilities	1,744	2,397	5,197	5,929	7,619
Provisions	737	717	719	1,378	1,770
Debt Funds	1,905	110	283	241	204
Other Liabilities	38	35	655	544	699
Equity Capital	2,454	2,722	2,732	2,732	2,732
Reserves & Surplus	-1,355	1,199	3,374	4,971	7,697
Non-Controlling Interest	0	0	0	0	0
Shareholder's Fund	1,099	3,920	6,106	7,703	10,429
Total Liabilities	5,523	7,179	12,960	15,795	20,722
BVPS (Rs.)	1	3	5	6	8

Ratios

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	13.9	15.8	17.1	17.8	18.2
EBIT margin (%)	9.6	12.9	14.7	16.0	16.5
Net profit mgn.(%)	2.2	10.9	13.2	11.8	12.5
ROE (%)	11.7	18.2	23.5	25.9	26.1
ROCE (%)	19.6	21.8	36.4	28.7	28.5
W.C & Liquidity					
Receivables (days)	78	84	95	89	85
Inventory (days)	195	189	146	129	130
Payables (days)	132	123	125	114	111
Current ratio (x)	1.5	1.8	1.6	1.7	1.8
Quick ratio (x)	0.9	1.0	1.0	1.1	1.2
Turnover & Leverage					
Gross asset T.O (x)	2.0	2.4	3.6	5.0	5.7
Total asset T.O (x)	1.1	0.9	0.8	1.1	1.1
Int. coverage ratio (x)	1.4	5.1	6.3	9.6	11.8
Adj. debt/equity (x)	1.7	0.0	0.0	0.0	0.0
Valuation					
EV/Sales (x)	7.1	14.2	8.4	5.3	4.1
EV/EBITDA (x)	51.3	90.3	49.4	30.0	22.7
P/E (x)	14.2	140.9	44.6	46.3	33.9
P/BV (x)	37.4	23.7	15.1	12.0	8.9



Recommendation Summary (last 3 years)



Dates	Rating	Target
25.Jul.24	BUY	73
18.Nov.24	BUY	68
24.Mar.25	BUY	71
10.June.25	Accumulate	77

Investment Rating Criteria


Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%


Not rated/Neutral


Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

 Upgrade

 No Change

 Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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