BUY (Maintain)

CMP: **INR 63** Target Price: **INR 76** ▲ 21%

ICICI Securities

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13 August 2025

India | Equity Research | Results Update

Suzlon Energy

Capital Goods

Home advantage

Suzlon has been delivering strong performance over the last few quarters. It had a very good FY25, wherein it: 1) bagged wind turbine orders worth ~3.6GW – its order book (OB) swelled to >5GW; 2) entered PSU orders, potentially opening the door for further penetration in the fast-growing PSU segment; 3) doubled down on execution, delivering >1.5GW wind turbines. It guides for 60% growth in FY26. Further, India has mandated wind equipment manufacturers to increase domestic sourcing; thereby, giving domestic OEMs a home advantage – Suzlon, with its ~40% market share, shall be a key beneficiary. In Q1FY26, the company reported its highest-ever Q1 execution at 444MW (vs. 274MW YoY). Also, it accumulated orders worth 1GW in Q1. Its OB stands at an impressive 5.7GW (~3.7x FY25 execution). We expect the order pipeline to be strong over the next 2–3 years. Retain **BUY** with a TP of **INR 76.**

A good print

Suzlon had a strong Q1FY26 – revenue was INR 31.3bn (+55% YoY) led by 67% growth in the WTG segment. EBITDA for the quarter was INR 6bn (+62% YoY) with EBITDA margin of ~19% (+80bps YoY). PAT grew 7% YoY to INR 3.2bn, partly impacted by higher finance cost due to non-recurring item amounting INR 140mn.

Wind turbine deliveries up 1.6x

The company ramped-up its execution in Q1. Wind turbine deliveries stood at 444MW (1.6x YoY). Post Q1, Suzlon has further commissioned 55MW and pre-commissioned 166MW capacity. Management maintains its guidance of 60% growth across key parameters, including execution, in FY26.

Robust OB; healthy outlook

OB, as of Jun'25, was ~5.4GW (1.4x YoY). Suzlon further received 381MW of orders post Q1, taking the OB to 5.7GW. We expect the demand outlook to remain strong for wind turbines over the next 2–3 years, especially with the traction in hybrid/FDRE space. Moreover, Suzlon's entry into PSU orders last year augurs well for prospective OI in near-medium term, as PSUs are expected to play a key role in achieving India's RE targets. The company is also exploring supply to export markets from next year. Note that, in Q1, India's government mandated domestic sourcing of key components for new bids (blade, tower, gearbox, generator and bearings) and Suzlon is likely to be at a vantage, given its already established domestic supply chain.

Maintain BUY

We maintain **BUY** with a 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	6,604	20,716	22,168	26,372
EPS (INR)	0.5	1.5	1.6	1.9
EPS % Chg YoY	284.7	101.1	54.8	19.0
P/E (x)	121.0	60.2	38.9	32.7
EV/EBITDA (x)	83.2	45.9	24.7	21.2
RoCE (%)	24.9	32.3	31.3	27.3
RoE (%)	26.3	41.3	30.7	27.4

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Market Data

Market Cap (INR)	865bn
Market Cap (USD)	9,862mn
Bloomberg Code	SUEL IN
Reuters Code	SUZL.BO
52-week Range (INR)	86 /46
Free Float (%)	82.0
ADTV-3M (mn) (USD)	71.3

Price Performance (%)	3m	6m	12m
Absolute	10.9	20.5	(21.4)
Relative to Sensex	13.5	15.1	(22.2)

ESG Score	2023	2024	Change
ESG score	**67.5**	**66.7**	**(0.8)**
Environment	54.8	52.4	(2.4)
Social	66.3	69.4	3.1
Governance	74.5	78.0	3.5

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

Source: SES ESG, I-sec research

Previous Reports

30-05-2025: Q4FY25 results review

29-01-2025: Q3FY25 results review

Q1FY26 conference call highlights

OB

- Suzlon's OB, as of Q1, was 5.7GW.
- It secured orders equivalent to 1GW in in Q1.
- 75% of the OB comprises of PSU and C&I orders

Execution

- The company did deliveries of 444MW in Q1
- It commissioned another 55MW post Q1, with another 166MW in the pre-commissioning phase
- Delays in land acquisition have impacted execution and the company is focusing on projects with advance land availability

Guidance

- The company maintains its guidance of 60% growth in FY26 across parameters
- Suzlon believes its order pipeline would remain robust over the next two years

ALMM

- The company believes ALMM in wind is positive for the company, as it provides level playing field for all the players
- Management believes that the country has sufficient capacity to fulfil the demand that could arise from this move and the increase in utilisation of the capacity will lead to lower the cost

Others

- The company expects ~6GW of wind capacity installation in India in FY26
- Suzlon is working on its export plans; it expects to start exporting next year onwards
- The company is planning to increase share of EPC in its ON
- Suzlon has secured bank lines directly from various banks leading to one-time charges of ~INR 140mn in Q1; the company believes this could reduce the interest costs going forward

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 the wind turbine industry, is the natural beneficiary of this shift, in our view.

Outlook for wind industry is positive over the 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 now FDRE), we believe wind may play a crucial role in RE generation going ahead.

The company's OB, as of Jul'25, stood at ~5.7GW, which is 3.7x FY25 WTG volume. Thus, owing to strong order backlog of 5.7GW and positive outlook for OI given India's RE targets, we remain positive on the stock.

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

Key risks: Upside risk is any surprise in WTG execution and OI. Downside risk is any delay in execution.

Exhibit 1: PE-based target price of INR 76/share

	FY27E PAT (INR mn)	Multiple (x)	FY27E Equity value (INR mn)	Value per share (INR)
Valuation	26,372	40	10,41,713	76
Equity Value			**10,41,713**	**76**

Source: I-Sec research

Exhibit 2: Consolidated financial highlights

INR mn	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	% ch qoq	% ch yoy
Net sales	**20,216**	**21,034**	**29,748**	**37,899**	**31,317**	***(17)***	***55***
EBITDA	**3,701**	**2,942**	**4,995**	**6,935**	**5,991**	***(14)***	***62***
OPM (%)	18.3	14.0	16.8	18.3	19.1	*83 bps*	*82 bps*
Other inc.	228	179	275	353	335	***(5)***	***47***
Interest	445	560	695	847	1,031	***22***	***132***
Dep. & Amort.	458	544	662	928	702	***(24)***	***53***
PBT	3,025	2,016	3,913	5,512	4,592	***(17)***	***52***
PAT	**3,023**	**2,006**	**3,878**	**5,820**	**3,243**	***(44)***	***7***
Reported PAT	3,023	2,006	3,878	11,810	3,243	***(73)***	***7***
EPS (Rs)	0.2	0.1	2.0	2.1	0.5	***(78)***	***112***
Orders Executed (MW)	**274**	**256**	**447**	**573**	**444**	***(23)***	***62***
Order Backlog	**3,817**	**4,731**	**5,035**	**5,025**	**5,361**	***7***	***40***

Source: I-Sec research, Company data

Exhibit 3: Segmental highlights

INR mn	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	% ch qoq	% ch yoy
Segment Revenue							
a) Wind Turbine Generator	14,969	15,071	23,357	31,417	24,946	*(21)*	*67*
b) Foundry and Forging	916	835	1,462	1,680	1,465	*(13)*	*60*
c) O&M services	4,845	5,655	5,805	5,911	5,845	*(1)*	*21*
d) Others	32	25	8	40	16		
Total	20,761	21,587	30,632	39,048	32,271	*(17)*	*55*
Segment Results							
a) Wind Turbine Generator	1,236	428	2,261	4,184	3,385	*(19)*	*174*
b) Foundry and Forging	10	(6)	107	235	196	*(16)*	*1,945*
c) O&M services	1,974	1,958	1,966	1,557	1,698	*9*	*(14)*
d) Others	23	17	(0)	31	9		
Total	**3,242**	**2,398**	**4,333**	**6,007**	**5,288**	*(12)*	*63*

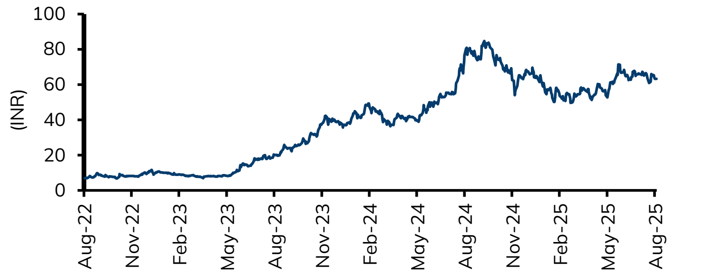
Source: I-Sec research, Company data

Exhibit 4: Shareholding pattern

%	Dec'24	Mar'25	Jun'25
Promoters	13.3	13.3	11.7
Institutional investors	32.2	32.2	33.1
MFs and others	4.4	4.2	5.2
FIs/Banks	2.7	2.5	2.5
Insurance	2.2	2.0	2.4
FIIs	22.9	23.0	23.0
Others	54.6	54.6	55.2

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	3,060	3,240
Other Non-operating Income	384	1,034	1,137	1,365
Recurring PBT	**7,134**	**14,466**	**29,557**	**35,163**
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	29	144	7,389	8,791
PAT	7,105	14,322	22,168	26,372
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	(501)	6,394	-	-
Net Income (Reported)	**6,604**	**20,716**	**22,168**	**26,372**
Net Income (Adjusted)	**7,105**	**14,322**	**22,168**	**26,372**

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	1,54,207	1,89,379
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**	**91,582**	**1,17,047**
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**	**1,00,073**	**1,26,987**
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	55,907	82,280
Total Net Worth	**39,203**	**61,057**	**83,225**	**1,09,598**
Minority Interest	-	-	-	-
Total Liabilities	**42,127**	**71,740**	**1,00,073**	**1,26,987**

Source Company data, I-Sec research

Exhibit 8: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Operating Cashflow	**826**	**25,322**	**(20,600)**	**9,023**
Working Capital Changes	(9,317)	(535)	(49,227)	(24,141)
Capital Commitments	(2,236)	(12,377)	7,708	(5,000)
Free Cashflow	**(1,410)**	**12,945**	**(12,892)**	**4,023**
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)	(3,060)	(3,240)
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)	9,523	(2,699)
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	1.5	1.6	1.9
Cash EPS	0.6	1.7	1.9	2.2
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	2.9	4.5	6.1	8.0
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	54.8	19.0
Valuation Ratios (x)				
P/E	121.0	60.2	38.9	32.7
P/CEPS	101.1	37.0	33.7	28.8
P/BV	21.9	14.1	10.4	7.9
EV / EBITDA	83.2	45.9	24.7	21.2
P / Sales	13.2	7.9	4.6	3.9
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	25.0	25.0
Net Profit Margins (%)	10.9	13.2	11.7	11.9
NWC / Total Assets (%)	0.7	0.5	0.8	0.9
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	31.3	27.3
RoE (%)	26.3	41.3	30.7	27.4
RoIC (%)	24.9	32.3	31.3	27.3
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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