

Suzlon Energy | BUY

1QFY26: In-line performance; maintain BUY

Suzlon Energy Ltd (Suzlon) reported 1QFY26 consol. revenue of INR 31.3bn (55% YoY/ -3% JMFe) driven by higher deliveries (62% YoY). EBITDA came in at INR 6bn (62% YoY/ 1% JMFe) with improvement in margins to 19% vs. 18% in 1QFY25 due to operating leverage. Post adjustment of reversal of DTA which was created in FY25, Adj. PAT stood at INR 4.6bn (7% YoY/ -2% JMFe). With the manufacturing capacity of 4.5 GW and an order book of 5.7 GW, the company is confident of 60% growth in key performance parameters. As utilities' new renewable energy tenders slow down, commercial and industrial customers are driving growth, especially in wind power. Current installations have consistently stayed at c.20% of the deliveries over the past three months for the last three quarters, which is a cause for concern. Considering deliveries of 2500 MW/3100 MW in FY26/FY27, we arrive at an EPS of INR 1.51/ INR 2.31 during FY26/FY27 and, maintain our BUY rating on the stock with a revised TP of INR 78 based on a 35x FY27 EPS.

- **Segment Performance:** Strong WTG (wind turbine generator) deliveries (444MW/ 274MW for 1QFY26/ 1QFY25) led to revenue and EBITDA margin to grow to INR 24.9bn/ INR 14.9bn and 15%/ 10% during 1QFY26/ 1QFY25. The installed capacity base for the Operations & Maintenance Services (OMS) business stood at 15.2 GW in 1QFY26 vs. 14.8 GW in 1QFY25. Revenue and EBITDA margin for OMS during 1QFY26/ 1QFY25 stood at INR 4.8bn/ INR 4.4bn and 39%/ 44%. The EBITDA margin for the foundry and forging division was 19% during 1QFY26 vs. 11% during 1QFY25.
- **Order book:** Suzlon's order book stood at 5,361 MW as on Jun'25 (3,817 MW as on Jun'25) which increased to 5,742 MW in Aug'25 with a diversified mix (92% 3x MW series; 54% C&I customers; 21% PSU customers; 78% non-EPC; spread across 7 States).
- **Deliveries and project execution:** India added 1,637 MW of wind energy capacity during 1QFY26 vs. 770 MW during 1QFY25. Suzlon commissioned 117 MW of projects in 1QFY26 vs. 71 MW in 1QFY25. Additionally, 547 MW of WTGs are erected on sites which are ready for commissioning. Deliveries in 1QFY26 stood at 444 MW vs. 274 MW in 1QFY25. Grid connectivity and land remains major challenges in ramp up of installations.
- **Push for Make in India:** Ministry of New and Renewable Energy (MNRE), on 31st July 2025, mandated wind OEMs to source key components-blade, tower, gearbox, generator, and special bearings only from domestic suppliers. It also mandates wind turbine data and control systems to remain within India, using local data centers, servers, and R&D facilities to improve data security and enhance the country's cybersecurity ecosystem. This is likely to create level playing field for domestic OEMs like Suzlon.
- **Guidance:** Management maintained earlier guidance for 60% growth on key parameters viz. deliveries, revenue, EBITDA in FY26. It expects India to add 6 GW and 7-8 GW of wind energy capacity during FY26 and FY27.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	64,968	1,08,513	1,74,606	2,30,644	2,57,505
Sales Growth (%)	9.2	67.0	60.9	32.1	11.6
EBITDA	10,289	18,572	29,807	39,895	44,039
EBITDA Margin (%)	15.8	17.1	17.0	17.3	17.1
Adjusted Net Profit	7,142	20,716	20,606	30,544	33,992
Diluted EPS (INR)	0.5	1.5	1.5	2.2	2.5
Diluted EPS Growth (%)	286.5	189.2	-0.5	48.2	11.3
ROIC (%)	32.0	57.0	39.2	48.2	53.9
ROE (%)	28.5	41.3	28.8	31.3	26.0
P/E (x)	120.0	41.5	41.7	28.2	25.3
P/B (x)	21.9	14.1	10.5	7.6	5.8
EV/EBITDA (x)	83.4	46.4	28.4	20.9	17.7
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 12/Aug/2025



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	78
Upside/(Downside)	24.1%
Previous Price Target	81
Change	-3.3%

Key Data – SUEL IN

Current Market Price	INR63
Market cap (bn)	INR865.0/US\$9.9
Free Float	82%
Shares in issue (mn)	13,647.9
Diluted share (mn)	13,647.9
3-mon avg daily val (mn)	INR6,249.3/US\$71.2
52-week range	86/46
Sensex/Nifty	80,236/24,487
INR/US\$	87.7

Price Performance

%	1M	6M	12M
Absolute	-4.2	20.5	-21.4
Relative*	-1.5	14.3	-22.7

* To the BSE Sensex

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

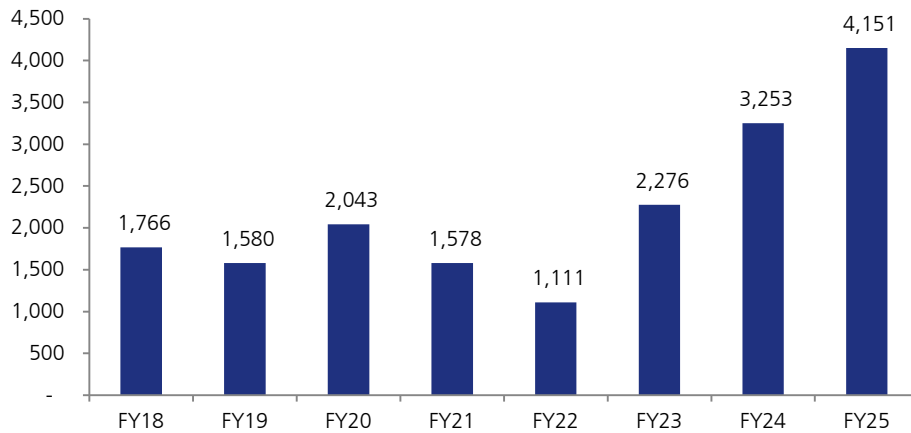
■ Other Highlights

- Mr. Himanshu Mody, Group CFO, has resigned, effective 31 Aug'25. The company is in advanced stage to appoint a new Group CFO.
- Net worth and net cash position as of Jun'25 stood at INR 65 bn and INR 16 bn, respectively.
- Current domestic manufacturing capacity is 4.5GW.
- One-off interest cost of INR 400 mn was incurred during the quarter due to processing fees on the company's working capital tie-up. Annual interest cost is expected to be around INR 2 bn.
- The company is finalising plans and preparing its business model for export opportunities, with export orders expected to commence by the end of this year.
- Management is confident of maintaining current momentum of order inflows.
- Company is seeing significant growth in SE Forge going forward.

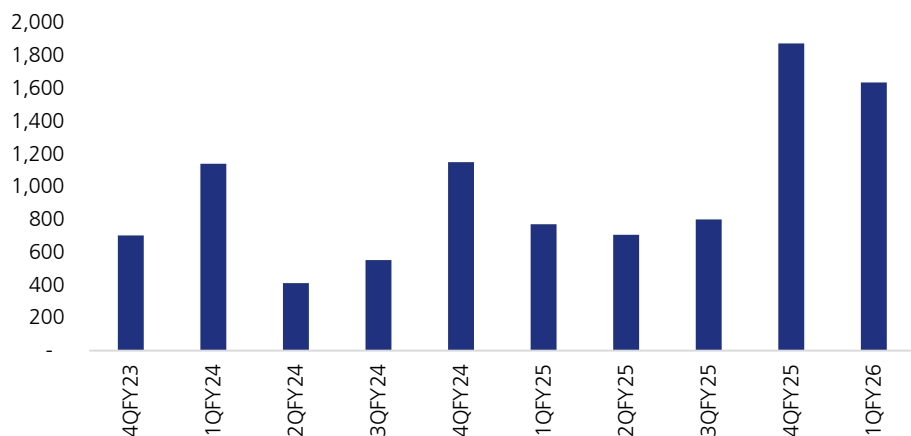
Exhibit 1. 1QFY26 Results summary

Particulars	Q1FY26	Q1FY25	YoY %	Q4FY25	QoQ %	JMFe	% Var
Net sales	31,317	20,216	55%	37,899	-17%	32,444	-3%
Deliveries (MW)	444	274		573		440	
Expenditure	25,327	16,515	53%	30,965	-18%	26,512	
Raw material	19,137	12,523		24,448		20,440	
RM % Sales	61%	62%		65%		63%	
Employee	2,540	1,959		2,383		2,486	
Other exp.	3,650	2,034		4,134		3,587	
EBITDA	5,991	3,701	62%	6,935	-14%	5,932	1%
EBITDA margins	19.1%	18.3%	45bps	18.3%	45bps	18.3%	46bps
Other income	335	228		353		271	
Depreciation	702	458		928		1,000	
Interest	1,031	445		847		500	
Exceptional item	-	-		-		-	
PBT	4,592	3,025	52%	5,512	-17%	4,703	-2%
Tax	1,349	2		(6,297)		-	
PAT	3,243	3,023	7%	11,810	-73%	4,703	-31%
Adjusted PAT	4,592	3,023	52%	5,815	-21%	4,695	-2%
EPS	0.34	0.22		0.43		0.33	

Source: Company, JM Financial

Exhibit 2. Annual wind capacity additions in India (MW)

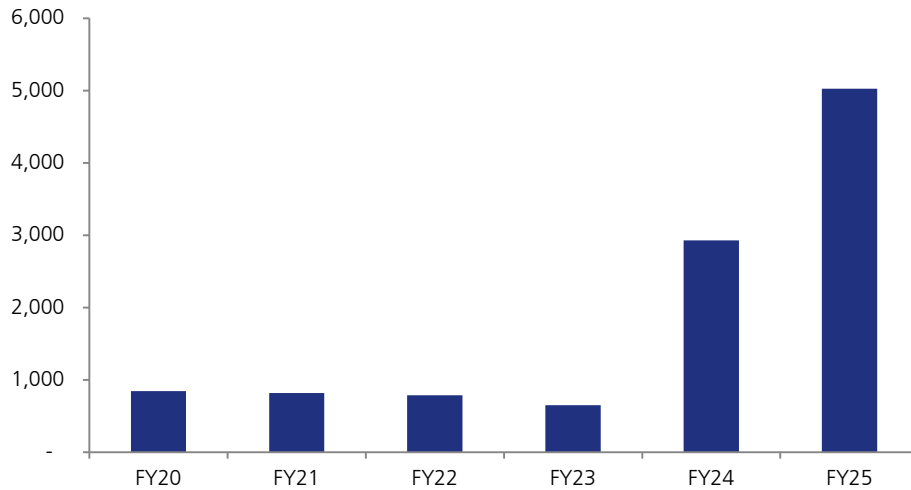
Source: Company, JM Financial

Exhibit 3. Quarterly wind capacity addition in India (MW)

Source: Company, JM Financial

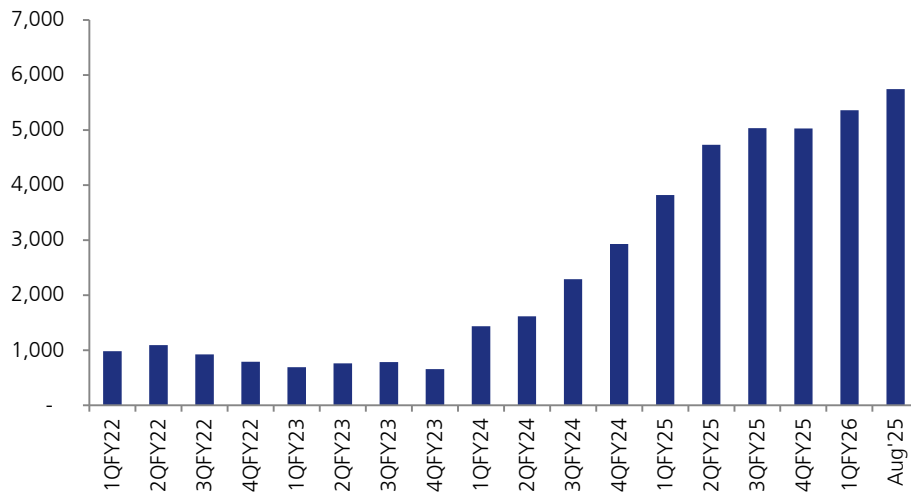
Order book

Exhibit 4. Annual order book (MW)



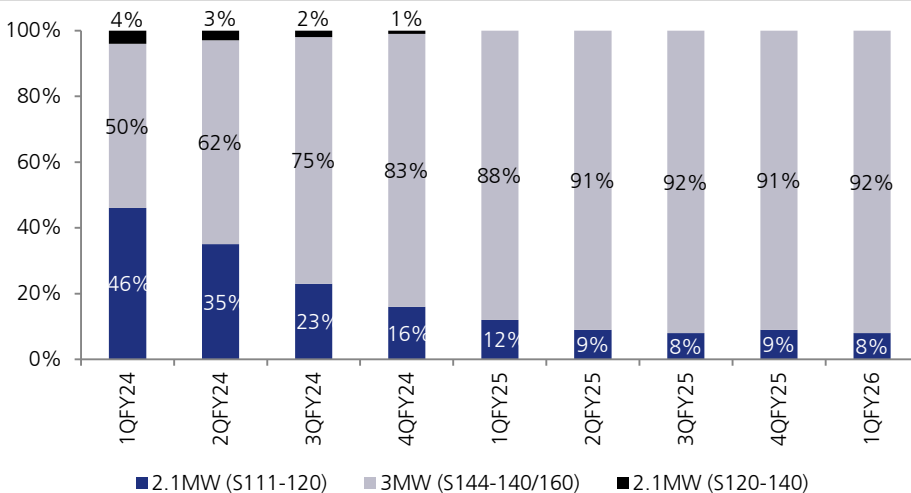
Source: Company, JM Financial

Exhibit 5. Quarterly order book trend (MW)



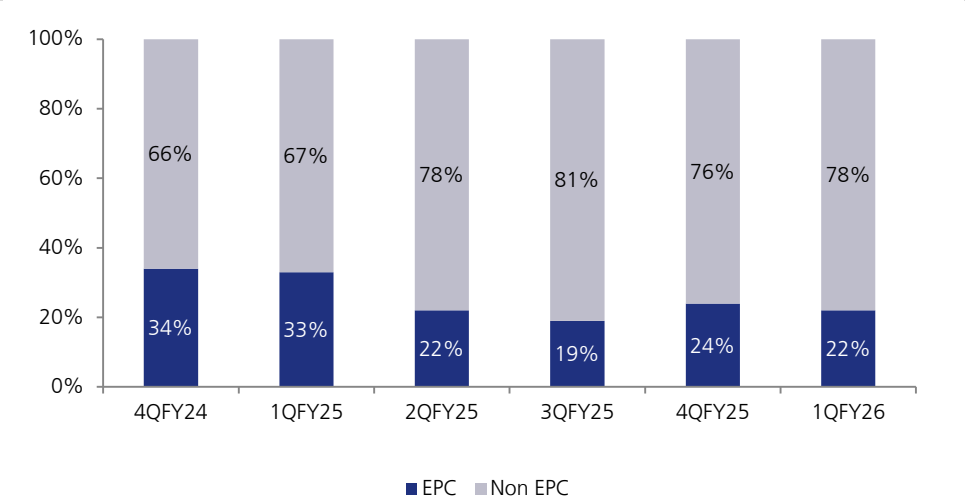
Source: Company, JM Financial

Exhibit 6. WTG model mix



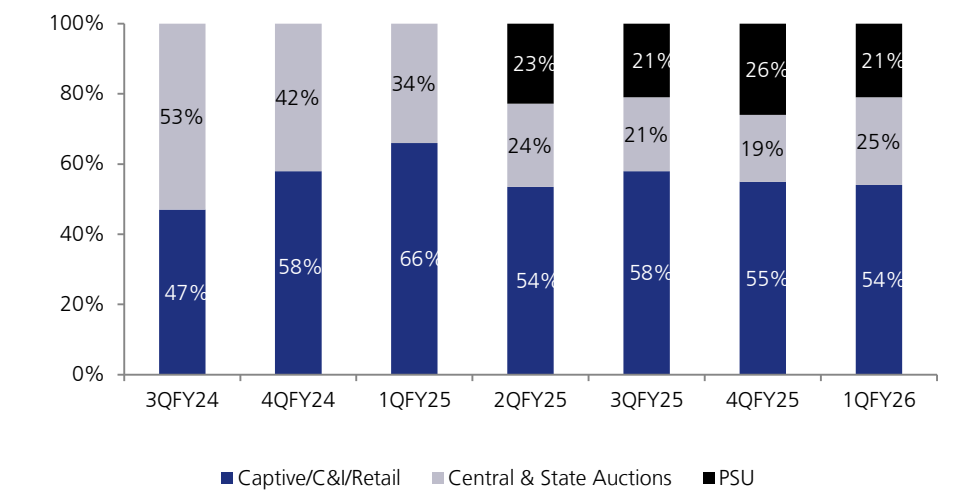
Source: Company, JM Financial

Exhibit 7. Orders' scope mix



Source: Company, JM Financial

Exhibit 8. Customers' segment mix (%)



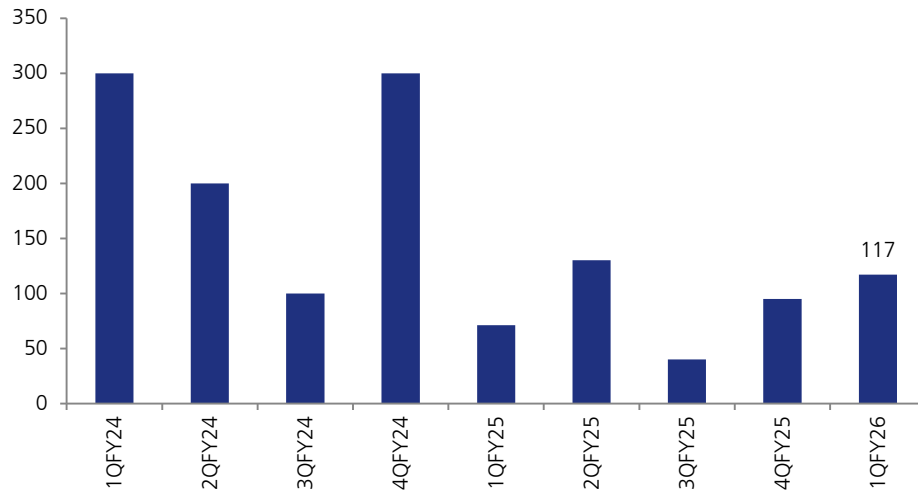
Source: Company, JM Financial

Exhibit 9. Order received

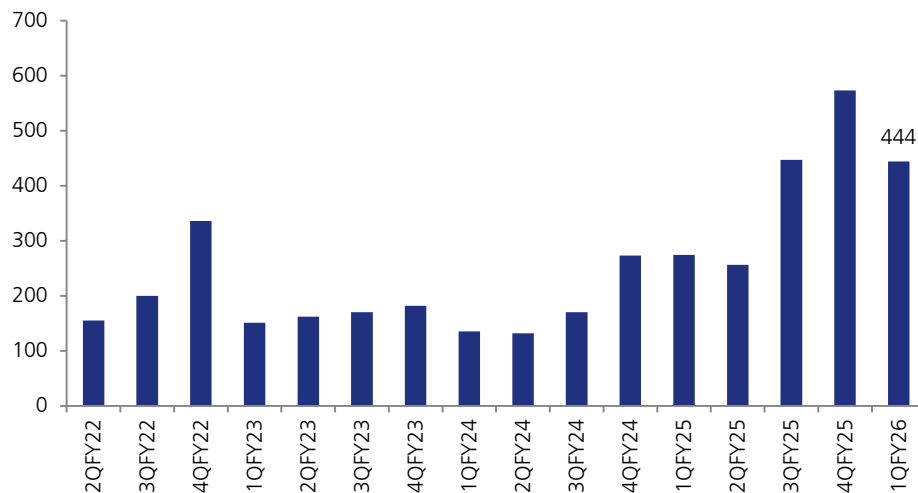
Date	Developer	Product details	Order wins (MW)
Order book as on 31st Mar'24			2,929
1QFY25			1,139
May'24	Juniper Green Energy	3MW	402
May'24	Adity Birla Group	3MW	551
May'24	Oyster Green Hybrid One Pvt Ltd	3MW	82
Jun'24	AMPIN Energy Transition	3.15MW	104
2QFY25			1,166
Sep'24	NTPC	3.15 MW	1,166
3QFY25			702
Oct'24	Jindal renewables	3.15 MW	400
Dec'24	Jindal renewables	3.15 MW	302
4QFY25			892
Jan'25	Torrent Power	3MW	486
Feb'25	Oyster Renewable	3.15MW	202
Mar'25	Jindal renewables	3.15 MW	205
	Additions in FY25		3,900
	Dispatches in FY25		1,550
	Cancelled		254
Order book as on 31st Mar'25			5,025
1QFY26			780
Apr'25	NTPC Green Energy	3.15MW	378
Apr'25	Sunsure Energy	2.1MW	101
Jun'26	AMPIN Energy	3.15MW	170
	Others		131
Aug'26	Zelestra	3MW	381
	Dispatches		
	1QFY26		444
Total in hand			5,742

Source: Company, JM Financial

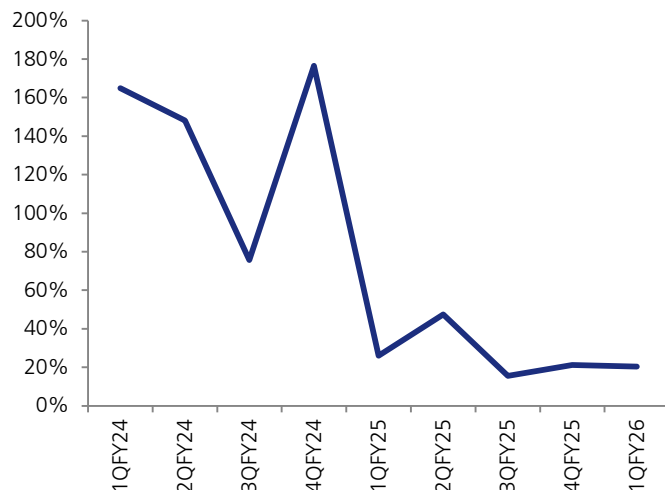
Execution

Exhibit 10. Installation (MW)


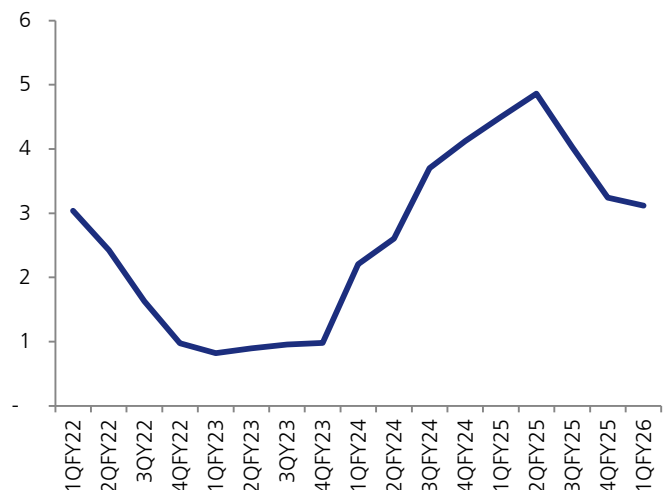
Source: Company, JM Financial

Exhibit 11. WTG Volumes (MW)


Source: Company, JM Financial

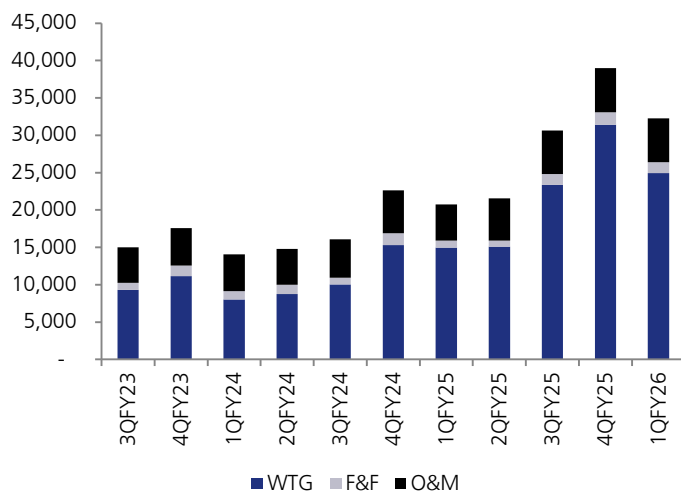
Exhibit 12. Installation / Deliveries


Source: Company, JM Financial

Exhibit 13. Book to Bill


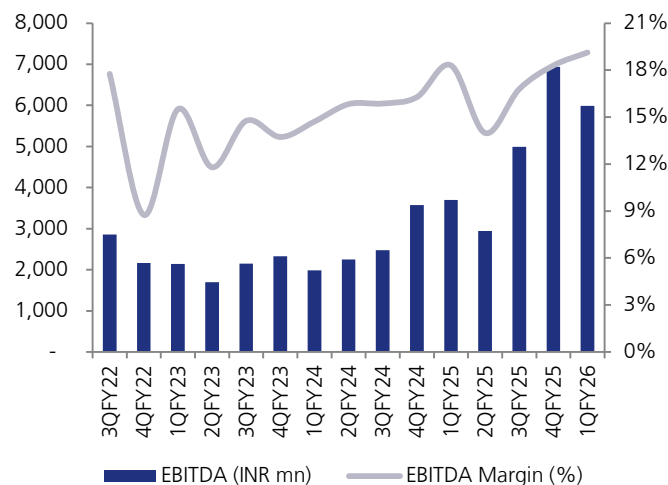
Source: Company, JM Financial

Exhibit 14. Segment-wise revenue (INR mn)



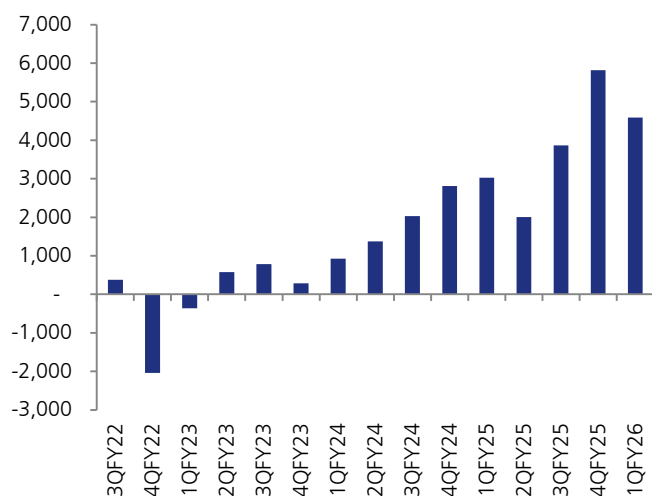
Source: Company, JM Financial

Exhibit 15. EBITDA & EBITDA Margin



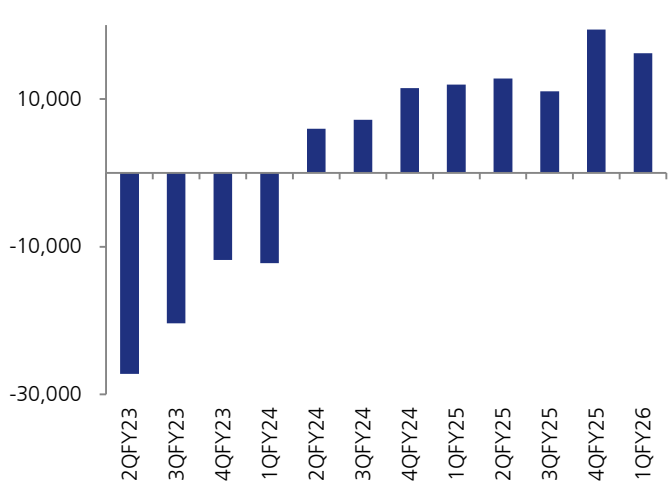
Source: Company, JM Financial

Exhibit 16. Adjusted PAT (INR mn)



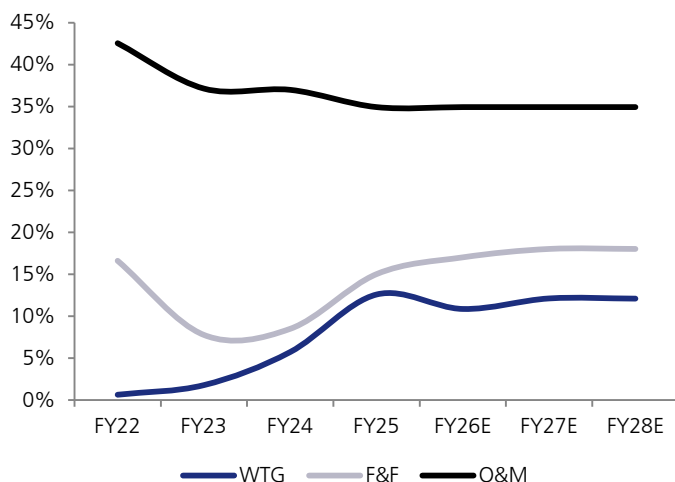
Source: Company, JM Financial

Exhibit 17. Net Cash (INR mn)



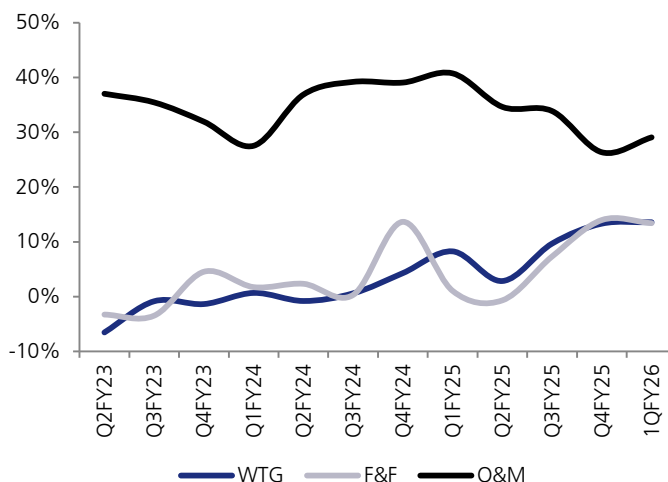
Source: Company, JM Financial

Exhibit 18. Segment-wise EBITDA Margin



Source: Company, JM Financial

Exhibit 19. Segment-wise EBIT Margin

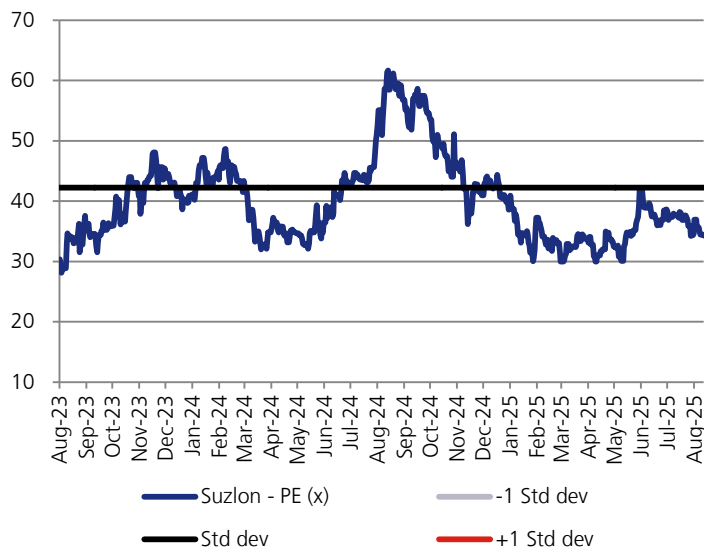


Source: Company, JM Financial

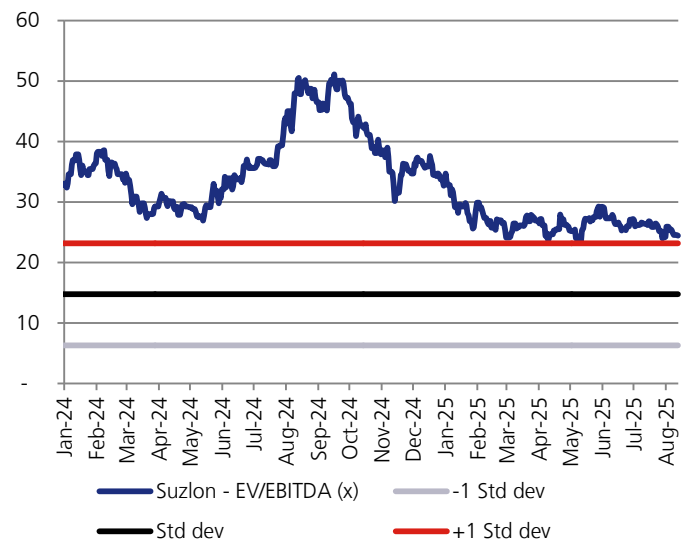
Exhibit 20. Change in estimates

Year-end Mar31 (INR mn)	FY26E	FY27E	FY28E
Revenues			
Old	174,606	230,644	257,505
New	174,606	230,644	257,505
Chg	0%	0%	0%
EBITDA			
Old	30,020	40,137	44,337
New	29,807	39,895	44,039
Chg	-1%	-1%	-1%
EBITDA Margins			
Old	17.2%	17.4%	17.22%
New	17.1%	17.3%	17.10%
bps	-12bps	-10bps	-12bps
PAT			
Old	21,523	31,664	35,291
New	20,606	30,544	33,992
Chg	-4%	-4%	-4%
FD EPS			
Old	1.6	2.3	2.6
New	1.5	2.2	2.5
Chg	-4%	-4%	-4%

Source: JM financial

Valuation bands**Exhibit 21. P/E**

Source: Bloomberg, JM Financial

Exhibit 22. EV/EBITDA

Source: Bloomberg, JM Financial

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	64,968	1,08,513	1,74,606	2,30,644	2,57,505
Sales Growth	9.2%	67.0%	60.9%	32.1%	11.6%
Other Operating Income	323	384	420	404	369
Total Revenue	65,291	1,08,897	1,75,026	2,31,049	2,57,873
Cost of Goods Sold/Op. Exp	39,821	68,866	1,14,817	1,50,928	1,68,153
Personnel Cost	7,029	9,415	10,864	12,077	12,955
Other Expenses	8,152	12,044	19,538	28,149	32,727
EBITDA	10,289	18,572	29,807	39,895	44,039
EBITDA Margin	15.8%	17.1%	17.0%	17.3%	17.1%
EBITDA Growth	23.7%	80.5%	60.5%	33.8%	10.4%
Depn. & Amort.	1,896	2,592	4,151	4,226	4,324
EBIT	8,393	15,980	25,655	35,669	39,715
Other Income	384	1,034	1,086	1,140	1,197
Finance Cost	1,643	2,548	1,875	2,170	2,310
PBT before Excep. & Forex	7,134	14,466	24,866	34,639	38,602
Excep. & Forex Inc./Loss(-)	539	0	0	0	0
PBT	6,595	14,466	24,866	34,639	38,602
Taxes	-9	-6,250	3,894	3,464	3,860
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	365	630	749
Reported Net Profit	6,604	20,716	20,607	30,544	33,993
Adjusted Net Profit	7,142	20,716	20,606	30,544	33,992
Net Margin	10.9%	19.0%	11.8%	13.2%	13.2%
Diluted Share Cap. (mn)	13,608.6	13,647.9	13,647.9	13,647.9	13,647.9
Diluted EPS (INR)	0.5	1.5	1.5	2.2	2.5
Diluted EPS Growth	286.5%	189.2%	-0.5%	48.2%	11.3%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	6,595	14,466	24,865	34,638	38,602
Depn. & Amort.	1,896	2,592	4,151	4,226	4,324
Net Interest Exp. / Inc. (-)	530	-126	789	1,030	1,113
Inc (-) / Dec in WCap.	-10,610	-8,902	-5,946	-15,353	17,333
Others	2,588	2,905	0	0	0
Taxes Paid	-203	-15	-3,894	-3,464	-3,860
Operating Cash Flow	795	10,920	19,966	21,078	57,512
Capex	-2,274	-3,706	-5,000	-5,000	-5,000
Free Cash Flow	-1,478	7,214	14,966	16,078	52,512
Inc (-) / Dec in Investments	506	-171	0	0	0
Others	252	-3,641	1,086	1,140	1,197
Investing Cash Flow	-1,516	-7,517	-3,914	-3,860	-3,803
Inc / Dec (-) in Capital	20,652	0	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	-18,265	98	-485	370	-444
Others	-1,071	3,331	-1,875	-2,170	-2,310
Financing Cash Flow	1,316	3,430	-2,360	-1,800	-2,754
Inc / Dec (-) in Cash	596	6,832	13,692	15,417	50,955
Opening Cash Balance	3,673	4,297	11,129	24,820	40,238
Closing Cash Balance	4,269	11,129	24,820	40,238	91,193

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	39,203	61,057	82,028	1,13,202	1,47,944
Share Capital	27,217	27,318	27,318	27,318	27,318
Reserves & Surplus	11,986	33,739	54,710	85,885	1,20,626
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	2,927	13,121	12,636	13,006	12,562
Def. Tax Liab. / Assets (-)	-38	-6,446	-6,446	-6,446	-6,446
Total - Equity & Liab.	42,093	67,733	88,220	1,19,764	1,54,061
Net Fixed Assets	8,257	9,107	9,956	10,730	11,406
Gross Fixed Assets	23,862	26,580	31,580	36,580	41,580
Intangible Assets	535	9,482	9,482	9,482	9,482
Less: Depn. & Amort.	15,767	18,359	22,510	26,737	31,061
Capital WIP	162	887	887	887	887
Investments	9,300	11,293	11,293	11,293	11,293
Current Assets	53,661	93,269	1,22,069	1,65,122	2,04,630
Inventories	22,923	32,336	47,837	63,190	67,022
Sundry Debtors	18,296	38,664	38,270	50,552	35,275
Cash & Bank Balances	4,268	11,128	24,820	40,238	91,193
Loans & Advances	1,436	2,316	2,316	2,316	2,316
Other Current Assets	6,738	8,826	8,826	8,826	8,826
Current Liab. & Prov.	29,660	55,417	64,580	76,862	82,749
Current Liabilities	18,123	29,602	38,520	50,803	56,690
Provisions & Others	11,537	25,815	26,059	26,059	26,059
Net Current Assets	24,001	37,851	57,489	88,260	1,21,881
Total - Assets	42,093	67,733	88,220	1,19,764	1,54,061

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	10.9%	19.0%	11.8%	13.2%	13.2%
Asset Turnover (x)	1.0	1.1	1.2	1.3	1.2
Leverage Factor (x)	2.5	2.0	2.0	1.9	1.7
RoE	28.5%	41.3%	28.8%	31.3%	26.0%

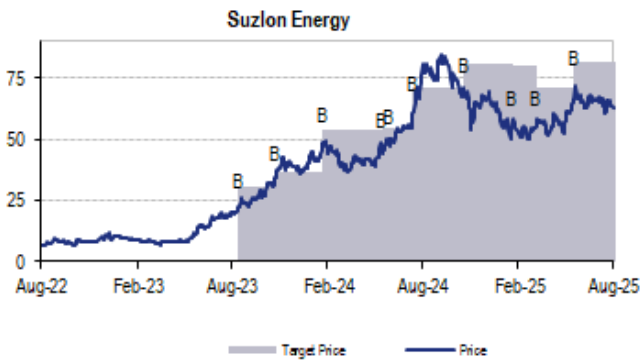
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	2.9	4.5	6.0	8.3	10.8
ROIC	32.0%	57.0%	39.2%	48.2%	53.9%
ROE	28.5%	41.3%	28.8%	31.3%	26.0%
Net Debt/Equity (x)	0.0	0.0	-0.1	-0.2	-0.5
P/E (x)	120.0	41.5	41.7	28.2	25.3
P/B (x)	21.9	14.1	10.5	7.6	5.8
EV/EBITDA (x)	83.4	46.4	28.4	20.9	17.7
EV/Sales (x)	13.1	7.9	4.8	3.6	3.0
Debtor days	102	130	80	80	50
Inventory days	128	108	100	100	95
Creditor days	119	119	96	97	96

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
24-Aug-23	Buy	30	
2-Nov-23	Buy	37	21.5
1-Feb-24	Buy	54	45.7
26-May-24	Buy	54	1.5
10-Jun-24	Buy	54	0.0
24-Jul-24	Buy	71	31.0
29-Oct-24	Buy	81	12.9
30-Jan-25	Buy	80	-0.3
18-Mar-25	Buy	71	-11.4
30-May-25	Buy	81	14.2

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

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Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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