Operator: Ladies and gentlemen, good day and welcome to the Suzlon Energy Limited Q2 FY27 earnings conference call. During this call, the company management may make certain statements that reflect their outlook for the future, which could be construed as forward-looking statements. These statements are based on management's current expectations and are associated with uncertainties and risks, as detailed in the annual report. Actual results may differ, so these statements should be reviewed in conjunction with the risks the company faces.

As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

We will begin with the opening remarks, followed by a Q&A session. To be fair to others, we kindly request each participant to ask no more than two or three questions.

From management, we have with us Mr. Ajay Kapur, Group CEO; Mr. Rahul Jain, Group CFO; and senior members of the finance team. I now hand the conference over to Mr. Ajay Kapur. Thank you, and over to you, sir.

Ajay Kapur – Group CEO: Thank you. Good evening, everyone, and thank you for joining Suzlon's Q2 FY27 earnings call.

Let me start by talking about the industry. This year marks a significant inflection point for India's wind energy sector. The industry has moved beyond proving its relevance and is now increasingly being recognized as a strategic pillar of India's energy security, manufacturing growth, and decarbonization agenda.

During the quarter, India crossed 59 GW of installed wind capacity while maintaining one of the world's largest and most indigenized wind manufacturing ecosystems. The focus is on building a resilient domestic industry capable of supporting India's long-term energy ambitions and emerging as a global export hub.

Green Energy Corridor Phase III, approved by the Cabinet recently, is a significant step toward strengthening intrastate transmission infrastructure and enabling the evacuation of up to 135 GW of renewable energy capacity. This long-awaited industry demand enhances transmission readiness, reduces evacuation risks, and provides greater certainty for project execution, supporting India's target of 100 GW of wind and 300 GW of solar capacity by FY30.

Equally encouraging is the strength of the industry's execution pipeline. With over 40 GW of projects under various stages of implementation and annual manufacturing capacity exceeding 20 GW, wind equipment exports have emerged as a major growth opportunity, with exports exceeding 12,000 crores in FY26. This demonstrates India's growing global competitiveness.

Bid momentum is also gaining traction, with almost 8-9 GW of wind, RTC, FDRE, and wind-dominated tenders being awarded in H1 FY27. The C&I pipeline also remains robust. This sets the stage for a multiyear growth cycle, with annual installations expected to cross 10 GW in the near

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term and reach 15 GW by FY31.

Overall, the convergence of energy security, prioritized manufacturing strength, repowering opportunities, offshore wind development, transmission expansion, and rising power demand provides strong visibility for a sustained multiyear growth cycle for the Indian wind sector.

Now, taking you through the Q2 FY27 business highlights, Suzlon delivered 710 MW in Q2, with a 40% jump quarter-on-quarter, making this our highest-ever second-quarter India delivery. This performance was achieved despite Q2 seasonally being a lean quarter on account of the monsoon.

The most significant achievement for the quarter was in terms of commissioning, wherein Suzlon installations grew by more than 69%, from 269 MW to 454 MW in Q2 FY27. Talking about the first half, H1 installations reached 723 MW. Further, 1.25 GW of erected turbines in the pipeline for future commissioning will pave the way for an uptick in commissioning going forward.

Our order book of 6 GW reaffirms our market leadership. In H1 27, we have already secured 1.5 GW of orders and continue to have a strong pipeline. The current order backlog provides coverage for 18 months, and the healthy order pipeline gives us strong confidence and comfort in maintaining the growth momentum. The order book is not constrained, given the strong demand in the industry, and the DevCo model offering in place will help keep the momentum growing. Our focus remains on closing quality orders at regular intervals rather than achieving a quarterly run rate.

With the 175-5.X and 163-3.X, Suzlon is expanding its technology portfolio with high-capacity turbines that deliver superior yields, better reliability, and lower LCOE, unlocking opportunities across repowering and new-build projects worldwide.

Our 4.5 GW manufacturing capacity is fully operational, and we are expanding our footprint with three AI-enabled smart blade factories to drive efficiency and scale. Suzlon 2.0 is translating into tangible growth opportunities across multiple adjacencies.

Our RE Tech business successfully commissioned the prototype of the first S175 5 MW turbine and secured the first customer order of 21 turbines, totaling 105 MW. Our DevCo shows strong market acceptance, reflected in 900 MW of orders already booked in H1 27. On exports, we are seeing good traction with customers and expect to receive orders in the next few quarters.

With respect to the integrated offering in terms of FDRE, we are in active discussions and are finalizing the terms with prospective partners. Suzlon 2.0 is a 5-year journey, and I am personally satisfied with the progress made so far.

Our RE OMS India business remains strong, with an installed base of more than 16.5 GW and EBITDA margins maintained above 40%. Our foundry and forging business continues to scale strongly in Q2, delivering revenue of 167 crores and EBITDA of 50 crores, with continued momentum driven by domestic demand and export growth.

Now, I will invite Rahul Jain, our Group CFO, to take you through our financial performance. Rahul?

Rahul Jain – Group CFO: Thank you, Ajay. Good evening, ladies and gentlemen. I will be using slides 18 to 27 of our investor presentation, which has been uploaded on our website, as the reference

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point for my discussion during this presentation.

In Q2 FY27, revenue grew 27% quarter-on-quarter to 4,869 crore from 3,819 crore in Q1 FY27. EBITDA improved to 720 crore, up 21% from the previous quarter. Profit after tax stands at 394 crore, up 29% from Q1 FY27. The company has delivered strong sequential growth on key financial parameters.

When compared on a year-on-year basis, consolidated EBITDA percentage has been impacted on account of the following: declining WTG contribution margins from 26.9% to 21.2%, primarily due to customer and scope mix changes, and additionally due to forex and commodity volatility, making this a key driver of the EBITDA margin decline. We are working on several levers to optimize the impact in the near to medium term.

Operating expenses increased by about 80 crore during Q2 FY27 versus Q2 FY26, largely led by higher Suzlon 2.0-related branding, travel, SG&A, and associated costs, which were around 50 crore. This is expected to be phased down in subsequent quarters. This nonrecurring expense had an adverse impact of around 1% on the EBITDA margin.

In H1 FY27, deliveries grew 21% year-on-year to 1,217 MW from 1,009 MW in H1 FY26, with commissioning rising from 270 MW to 723 MW, a significant jump of 168%. Revenue grew 24% year-on-year to 8,688 crore, with EBITDA at 1,315 crore. PAT for H1 stands at 699 crore.

Last year, Q2 and H1 PAT included significant DTA recognition benefits, making the reported numbers not directly comparable. In contrast, the current year's PAT is largely impacted by DTA reversals, which are noncash in nature. Hence, for a like-for-like comparison, PBT is a better metric.

Coming to the balance sheet, we are pleased to report that our balance sheet as of September '26 reflects a position of exceptional strength, with consolidated net worth crossing the 10,000 crore mark to reach 10,277 crore. Our net cash position of 2,048 crore further enhances our financial flexibility and resilience. Adequate working capital limits tied up for execution of the current order book are also in place. Our net working capital looks higher primarily due to seasonality and our gearing up for higher volumes in H2.

I am sure you will be pleased to know that CRISIL has elevated our long-term rating to AA- Stable, and the short-term rating has been upgraded to A1+.

I believe that our integrated business model, backed by a robust supply chain, strong execution capabilities, and an industry-leading service network, continues to differentiate Suzlon and create a sustainable competitive advantage.

With that, I would now like to hand over the call to the operator and open the floor for questions.

Operator: Thank you very much, sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to withdraw yourself from the question queue, you may press star and two. Participants are requested to use a handset while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

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The first question is from the line of Sumit Kishore from Axis Capital. Please go ahead.

Sumit Kishore – Axis Capital: Good evening. Thanks. I have two questions. The first one is if you could elaborate on your comments around the depressed contribution margin of 21.2% in Q2 and also until what time the higher fixed expenses in the WTG business will continue. You mentioned a 50 crore number on branding, travel, and SG&A this quarter. What kind of hit or impact should we expect in the coming quarters? What should be your normalized margin, or when would the operating leverage benefit from growing volumes start reflecting in the numbers? That is my first question.

Rahul Jain – Group CFO: Thank you, Sumit. I will take this question. The contribution margin impact is partly attributable to high volatility in FX and commodities, which is largely, I would say, due to the West Asia crisis. When we think about it, this is a crisis that has been ongoing, and all of us have been hoping that some of this should get sorted out. It is difficult to predict the timing of this resolution, given the nature of the externality. Any such resolution should normalize this impact.

Again, as I said in the opening remarks as well, we are working on several initiatives to normalize the impact and optimize COGS, which should address part of this issue. WTG contribution margins are expected to remain in [trails off]

Rahul: The belief is that the range will be 20% to 23% for FY27, and it should get normalized subject to some of these external factors getting normalized. I hope that answers it, Sumit.

Sumit Kishore – Axis Capital: How much is the FX impact?

Rahul: Again, it is difficult to articulate it, but I would say that, when we think about it, the commodity and FX impact put together has about a 50-basis-point impact.

Sumit Kishore – Axis Capital: Okay. And on the fixed expenses?

Ajay: Okay, so can I come in, Rahul? I will just add to what Rahul just mentioned. If you look at the key components of the margin decline, one is the customer and scope mix. It is about 150 to 180 bps. There is also the segment mix because we have our service business, which generates a much higher EBITDA margin, but its share changes as the wind turbine revenues go up. So that has an impact of around 50 bps. Nonrecurring operating expenses, which you were asking about, have an impact of around 1%. So, between commodity and FX at 50 bps and nonrecurring operating expenses at 100 bps, you could take about 1.5% as the impact. Of course, I cannot comment about commodities and FX, but the recurring impact will not be there in the future.

Sumit Kishore – Axis Capital: Customer and scope mix—this is basically the EPC shift that you have made?

Ajay: No, this is also related to the kind of customers we have. Last year, around the same time, we had certain customer orders that had slightly higher margins. At the same time, they also had an impact on working capital, which we have discussed in the past. That is something we can say. Around the same time last year, our EBITDA margin was 18.8%, and now we are at 14.8%. If I give you all the calculations, this is basically the commentary from 18.6% to 14.8%. Normalized EBITDA margin should be around 16.5% to 17% if I normalize for nonrecurring expenses and commodities,

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excluding the nonrecurring costs pertaining to Suzlon 2.0, FX, commodities, and the impact of the West Asia crisis.

Sumit Kishore – Axis Capital: But there is no pass-through provision in the contracts for commodities and FX that you have to bear?

Ajay: Steel is a pass-through by and large, but for the rest, I think there are many commodities such as copper, aluminum, and carbon that we need to absorb. At the same time, having said that, we have always had programs running to improve our COGS. The programs Rahul mentioned just now are being further expedited, so I am sure we will be able to offset part of this. In time to come, with the higher volumes that normally occur in H2, we will get the operating leverage effect. Generally, H2 is about 1.5 to 1.65 times H1. We believe the same will play out this year as well, so that will give us a leverage effect of close to 100 bps.

Sumit Kishore – Axis Capital: My second question is how much seed capital have you committed to your DevCo business so far? The Suzlon 2.0 plan included winning FDRE and EPC projects in solar and BESS, as well as exports. What is the progress on those areas? Thank you so much.

Rahul: From a capital allocation perspective, we had said this earlier as well, Sumit, that we are looking at about 500 crores of total allocation. As of date, the net number is in the 125–130 crore range because some of the assets that we had developed through DevCo have also been sold. We have also received orders through the DevCo model. When we look at our order book, almost 900 MW of the orders have come through the DevCo model. With respect to the overall position, I think the number remains at 500 crores. Ajay, would you like to take the next one?

Ajay: Yes. On your question about solar and BESS, as of now, no capex has been made. We are going for an asset-light model. Currently, we are on track to build our teams and start negotiations, which are already progressing well, as I also mentioned and I think Rahul mentioned in the opening. This will take the next couple of quarters, and after that we will start our capex journey. I hope I have answered your question.

Sumit Kishore – Axis Capital: Yes. Thank you so much.

Operator: Thank you. The next question is from the line of Shakuntala Agrawal, an individual investor. Please go ahead.

Shakuntala Agrawal – Individual Investor: Thanks. I would like to ask three basic questions. First, Adani and JSW have also entered into JSW Wind Energy. How are we being impacted competitively? Second, I want to know about the cash conversion cycle. Third, as of date, we have been informed that the net cash position is 2,100 crores. Of this, how much is encumbered and how much is unencumbered? Also, regarding the Renom acquisition, we have the FY26 profitability. Although the top line has increased by only 5%, profits have halved. We have paid approximately 700 crores for the acquisition, while profitability is around 3 to 4 crores. That is all.

Ajay: Okay, Shakuntala, thank you for your questions. Let me address the question around competition. You are right. We have Adani, JSW, and many other competitors in the wind sector. The good news is that the sector is expanding. We are looking at close to 8 GW of demand from

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January to September already. Suzlon continues to win orders. Our market share in H1 is still near 28% to 29%. In terms of deliveries, we are at about 23% in this first half. If I compare that with the previous year, it is a substantial jump. So, there is competition. At the same time, Suzlon continues to win its own customers. These two companies also have a large platform of their own, so a large part of their production is used on their own captive platforms. Your second question was on cash conversion. I will request Rahul to—

Rahul: Let me take that. Thank you, Ajay. Again, there is an element of seasonality in our business, and we must build inventory for our H2 deliveries. It is therefore unfair to measure us as a percentage of trailing 12-month revenue. This is also related to the commissioning and COD gap, which results in a partial hold of small receivables relating to deliveries that have happened.

Again, you must also appreciate that we are funding our entire capex and volume growth while maintaining a healthy cash position. The net cash position is about 2,300 crores, and that remains. We also use some of this largely for our working capital, but the figure for the unencumbered portion is something I will have to examine in more detail and then come back to you. The balance sheet cash position is about 2,300 crores.

On the third question, regarding Renom, we are doing various things at Renom. The way we look at it is that new additions have taken place in Renom, and the business is starting to grow as well. Overall, going forward, we believe there is a large opportunity that Renom can take up, given the market size. In H1, I think we added about 178 MW at Renom. What the market is seeing is that large capacity is being added where EPC and serviceability are not available. We believe this is a large opportunity for Renom in the future. That is how we will look at it.

Ajay: I will just add to that. Thank you, Rahul. Renom has a great opportunity. It is a blue-chip company in the ISP space. Every year, we are looking at 8 to 10 GW of installations in the next 3 to 4 years, and a large part of these will come into the market through a process. Renom is well placed to serve these customers. We already won close to 200 MW in the last quarter. As I speak, discussions are again ongoing with further marquee customers. I think it is a great opportunity for Renom to build a scaled business, which I believe Suzlon, as a backbone, can help Renom scale up quickly.

Shakuntala Agrawal – Individual Investor: My question was that we have paid around 700 to 800 crores, of which the annual profitability is only around 4 crores. According to the CRISIL report I was reviewing, the net cash position was 2,600 crores as of June 30, of which 50% was encumbered. That is the follow-up question I was trying to ask.

Rahul: Again, you were talking about June, while I was talking about the September figure when I mentioned 2,300 crores. That is the position, and it is also available in our results release. The encumbrance remains at approximately 40% to 50%, but we will have to examine it in detail to understand the exact figure. Again, that is not a separate number that we disclose.

Shakuntala Agrawal – Individual Investor: Okay.

Ajay: Regarding your question on Renom, as I rightly mentioned, Renom is a long-term business. We acquired it, and as I mentioned, I am looking to scale this business to multigigawatt levels in

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time to come. I think that is when the entire leverage effect will play out. Thank you.

Shakuntala Agrawal – Individual Investor: Okay, thank you so much.

Operator: Thank you. The next question is from the line of Raj Shah from Enam AMC. Please go ahead.

Raj Shah – Enam AMC: Good evening, sir. My question is again on margins. During the Q1 conference call, you had mentioned that although we had achieved an 18% EBITDA margin in FY26, this year should be around 17%, plus or minus a few basis points. However, as you mentioned in the initial part of the call about the various reasons for the margin decline, 50 bps relating to FX and commodities is understandable. But the customer and scope changes, as well as the nonrecurring expense related to Suzlon 2.0, are things that you would have planned for. You have visibility in terms of deliveries as well as the orders under execution. Despite that, we have reported only a 14.8% margin, which is much lower than what we would have anticipated. Could you elaborate on why this happened? Secondly, for the remaining part of the year, what kind of margins do you see, both for the remainder of the year and for the full year?

Ajay: Let me give you more clarity on the margin, as I mentioned earlier. We have multiple businesses, the leading one being our wind turbine business. Our deliveries have been very good, at 26% to 27%, both in terms of sales and on-ground execution. Both have shown substantial progress. The share of our wind turbine business has exceeded its share of the overall mix compared with the same period last year by almost a couple of percentage points. That itself has an impact of about 50 bps.

I mentioned nonrecurring operating expenses of around 100 bps, and commodities also have an impact, so this itself accounts for 2 percentage points. Customer mix also changes depending on site availability. While we plan for a certain level for the full year, in a particular quarter some sites may progress faster than others, depending on the execution of those sites. That is why you see this mismatch between what was planned and what you are asking about.

For the full year, I would say that we have achieved a 15.1% margin in H1. With the leverage effect and H2 being 1.5 to 1.65 times H1, more or less I expect the same to play out this year as well. You can say 15% plus an upside of 1%.

Raj Shah – Enam AMC: From the erstwhile 17% plus or minus, are we now saying 15% plus or minus? Is that correct?

Ajay: Exactly. Because some of the commodity impact is playing out as of now, and we do not know whether it will reverse. If it does reverse, this can go up to 17%.

Rahul: Again, even at that point in time, we had said that there could be a variation, given that we were aware of the impact of some of these West Asia crisis and commodity factors. We had given that positioning assuming there would be a positive change, which has not happened.

Ajay: Also, just to clarify, my guidance was 15.1% plus 1%, not minus. This is basically the leverage—

Rahul: The operating leverage.

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Ajay: —panning out.

Raj Shah – Enam AMC: Understood. Secondly, on the debt side, or the finance cost side, I think we had been guiding or estimating around 300 crore of finance cost. However, in H1 itself, we have crossed 250 crores. You did mention—

Raj Shah – Enam AMC: —the strained working capital position because of higher inventory. But when you look at the full-year picture, where should this number go? Similarly, what will be the sustainable net working capital?

Management: Multiplying H1 FY26 does not give you a basis to say that it will be 300 next year. You also have to look at the deliveries. In H1 FY26, we did almost 1,000 MW of deliveries. This year, we are higher by 21%. We have already done 1,217 MW. Overall, revenue is also higher by about 24%. There will be an effect of this on working capital.

What I can tell you is that our overall interest costs are coming down on a like-for-like percentage basis. Also, when we look at sustainable working capital, the question you asked is what we are currently focusing on. We are focusing on growth, and we are effectively deploying slightly higher working capital to manage that growth as well. So, there is no single number, but we are working on various levers to manage our working capital better. I would like to say that.

Raj Shah – Enam AMC: Lastly, you mentioned an export opportunity for repowering, including some orders related to smaller turbines. Could you elaborate on where we are in terms of any export opportunity in repowering or any other opportunity on the export front?

Management: On exports, as I mentioned, we are currently in certification for the 5 MW and 6.3 MW Blue Sky platforms, which I already mentioned in the opening. Likewise, there is good interest in small turbines of 2.1 MW, as I had mentioned in my last call as well. These customer engagements are very much in place.

For each of these geographies, teams are now actively working alongside our technical center based in Germany, as well as on international repowering opportunities. I think all these orders should start showing up somewhere around next year. We should be in a better position then to give you a firm update. Currently, however, the pipeline is getting stronger and customer engagement is in place. All the work needed to seed the market is currently underway, including technical specifications and certification.

In India, we have already received the first repowering orders, as I mentioned, with Tata, and we are working at the project site. It is a small order, but we are working on that site. I believe there is a great opportunity for us. In India itself, there is a 25 GW opportunity. Internationally also, there is a huge opportunity for this in time to come.

Raj Shah – Enam AMC: Thank you, sir. All the best.

Management: Thank you. Thank you.

Operator: Thank you. The next question is from the line of Shweta Jain from Anand Rathi Shares and Stock Brokers Limited. Please go ahead.

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Shweta Jain – Anand Rathi Shares and Stock Brokers Limited: Good evening. Most of my questions on margins have been answered. I wanted to ask why there is a realization dip on a quarter-on-quarter basis.

Management: On a quarter-on-quarter basis?

Shweta Jain – Anand Rathi Shares and Stock Brokers Limited: Yes. I think we were maintaining a run rate of 6 crores per megawatt, but that has slipped below 6 this quarter, despite, I assume, the EPC mix and scope of business improving.

Management: Thanks, Shweta, for your question. When you look at our Q2 FY27 ASP, we are roughly at about 5.9 crore. From a Q2 FY26 perspective, it was 5.7 crore. Overall, I would say that this has remained in a good range. There has been no price reduction. This is as per the contracted position that we have created.

It is a function of the business mix: which customer you are supplying to and at what time, what type of order it is, whether it is an EPC order, whether the full supply has been completed or not. There are SPSS supplies and other supplies as well. So, I do not think there is a negative in that sense.

Shweta Jain – Anand Rathi Shares and Stock Brokers Limited: So, do we maintain a 6 crore run rate going forward, or do we see some pressure [crosstalk]

Management: No, no, it is not a question of pressure. We have not reduced any prices here.

Shweta Jain – Anand Rathi Shares and Stock Brokers Limited: Okay.

Management: It is a position that has played out. Obviously, higher project activity has come in, which creates this position.

[off-mic discussion]

Management: In the last quarter, it was higher. Project activity creates the price advantage in the last quarter.

Shweta Jain – Anand Rathi Shares and Stock Brokers Limited: Sir, what do you mean by project activity?

Management: There are various activities within the business. There is turbine supply, BOP, and other activities that take place, including equipment, SPSS, stubs, and others. When you look at it from an averaging perspective, each has a different element to it.

Shweta Jain – Anand Rathi Shares and Stock Brokers Limited: Understood. And the second question is on working capital requirements. Is this linked to the DevCo model being developed?

Management: Not really. I do not think there is any linkage between the DevCo model and working capital. In a previous answer, I had said that there is a certain amount of capital that we are committing to the DevCo side. It does come into working capital, but the intensity of working capital here is not because of DevCo, I can assure you.

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Shweta Jain – Anand Rathi Shares and Stock Brokers Limited: Could you elaborate on why we are seeing stretched working capital impacting the numbers?

Management: Again, when you look at last year, there is a seasonality element that plays out here, Shweta. Last year, the numbers were in a similar range. As I answered this question earlier as well, we are building for our H2 position. Ajay also answered that H2 is 1.5 to 1.65 times H1 in terms of the overall positioning.

We have also said that, historically, the H1 and H2 split has been in the range of 40-60, 45-65, or 35-65. So, we are building for our future sales as well.

Shweta Jain – Anand Rathi Shares and Stock Brokers Limited: Okay. Got it. Thank you so much for the answers.

Management: Thank you.

Operator: Thank you. The next question is from the line of Abhishek from Motilal Oswal. Abhishek, your line is unmuted. Please go ahead with your question. Abhishek from Motilal Oswal, please go ahead with your question.

Abhishek – Motilal Oswal: Sorry, yes. Please go ahead. My question is actually on localization. Last year there was a lot of hope that localization would come in and there would be subsequent rounds, and overall, for domestic companies, it would be a significant positive. I wanted to check if there are any updates and how this is playing out so far.

Management: It is a good question, Abhishek. As you know, the notification came on July 31, 2025, with a grandfathering provision of 18 months for C&I and 36 months for IGPP for already-bid projects. It is currently limited to six components and subcomponents: nacelle, blade, tower, generator, gearbox, and special bearings.

The grandfathering has been extended for certain components in case of a lack of availability or supply chain constraints: one year for yaw and pitch bearings, up to January 31, 2028, and 2 years for the main bearing, up to January 31, 2029.

ALMM, as you know, provides a level playing field for Indian OEMs, especially Suzlon, reducing the price gap and ensuring that quality wind turbines are added to the grid. Suzlon is very well placed since we already have more than 80% local content.

Abhishek – Motilal Oswal: So, basically, you are saying that in about 2 years the advantage will become more significant—

Management: It is already becoming significant. It is already happening because most companies have set up local manufacturing here, and those that have not done so will have to. As I mentioned earlier, almost 12,000 crores of turbines and components are being exported from India. India has a very good ecosystem.

Abhishek – Motilal Oswal: Is this 12,000 crores directly related to what you are exporting, or are there other elements in this 12,000 crores that would not qualify for you at this point?

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Management: No, this is all for the—this is not our number. These are industry numbers. I am talking about the whole wind industry—

Abhishek – Motilal Oswal: Correct, I understand. But is it something like—

Management: One of our companies, our forging and foundry company, which also provides backward integration for us, exports to many geographies, although not on a very large scale. It is a small company, but it has a big ambition to grow in time to come. As it grows, the leverage effect will make the cost better even for Suzlon when it buys from that company.

What is happening is that nacelles are being supplied by European OEMs, which are exporting nacelles, gearboxes, and components.

Abhishek – Motilal Oswal: So, this is basically nacelles, gearboxes, and various components, or all of these?

Management: Yes, that is it.

Abhishek – Motilal Oswal: Got it. My last question is on localization. What we have seen in solar manufacturing is that there have been subsequent rounds, and the government has tried to move from modules to cells to ingots and wafers, and eventually perhaps to polysilicon. Is there any discussion with the government that, after the first round, we may want to localize and backward-integrate further? Is that on the cards?

Management: As I mentioned, the current policy envisages the components I mentioned: nacelle, blade, tower, generator, gearbox, and special bearings. On top of this, there are pitch bearings and main bearings. If you add all of this, you are nearly reaching 85% of the cost. I believe we can achieve 100% in India as well. India has a very good ecosystem made for India and for the world. We can certainly do it, and that should, I am sure, be a roadmap ahead.

Abhishek – Motilal Oswal: Perfect. That answers my question. Thank you so much.

Management: Thank you.

Operator: Thank you. The next question is from the line of Parth {? Majithia ?} from Ambit Capital. Please go ahead.

Parth {? Majithia ?} – Ambit Capital: Am I audible? Thank you for the opportunity.

Management: Could you be a bit louder, please? Thank you.

Parth {? Majithia ?} – Ambit Capital: Is this fine?

Management: Yes, much better.

Parth {? Majithia ?} – Ambit Capital: Most of my questions were answered, but I have one follow-up on the competition question asked earlier. A few names, such as Adani and JSW, were mentioned. Recently, Adani won multiple orders, so they have an order book of 1 GW outside their group. The major customers were NTPC, Aditya Birla Renewables, and Purva, all of which were Suzlon

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customers in the past. Considering the orders they have won and the 40% market share target given in Suzlon 2.0, what is your view on that?

Management: It is a very good question. All the names you mentioned continue to remain our customers. We continue to receive repeat orders from them. We are currently implementing some of Aditya Birla Group's largest projects, as you may have seen in recent announcements as well.

I think the Indian market is maturing. Suzlon has 3 decades of leadership, has seen a number of global players, has itself operated in global markets, and has a presence across geographies. Our R&D centers are in 3 parts of Europe. We are a preferred partner for customers over the lifetime of their projects because of our reliability and the way we manage O&M.

We have now reached almost 22 GW of installed capacity over the years. I think we are in a unique position. On top of this, many of these companies are largely meant for their own captive consumption. Of course, they are also supplying to outsiders, and that is good for us because, at the end of the day, the Indian market is now likely to reach 15 GW by FY35. At 40% of that, I am very confident that Suzlon should be able to reach that number.

There is space for everybody. India itself is such a large geography. If you look at China's demand, what we do in a whole year, they do in a month. I am not saying we will become China tomorrow, but I can see that, as we realize the potential of wind, solar already has a lot of investments. Today, we have almost 1,100 GW of potential in India. We have used only 59 GW, or about 5%. Even if we reach 20%, there is enough room for everybody.

Parth {? Majithia ?} - Ambit Capital: Understood. Another question was on the ALMM issue that was asked earlier. The costs of competitors based in China will increase because of this, giving Suzlon a level playing field. However, there will be specific deadlines. Some of the deadlines have been extended, but for some components, if I am correct, the deadline was January '27. After that, do you feel Suzlon's market share might increase?

Management: I have given my guidance that by FY31 I want to reach 40%. I am currently trending closer to 30%, at 28% to 29%, to be precise. I have an order book of more than 6 GW after—

Management: —doing record deliveries of 1,200 MW in the first half and also receiving 1,500 MW of orders from marquee customers, repeat customers, and new customers. I currently also have a very healthy pipeline. Through DevCo, we are in dialogue with leading C&I and other customers for year 3, year 4, and year 5, which means I am talking now about FY '28, FY '29, FY '30, and FY '31 business. I think that should give us a lot of confidence going forward.

ALMM has an impact on building the Indian supply chain and not necessarily on margins. Both impacts are present. There is a need for India to become self-sufficient, and with the FX impact, once you have all these things made in India, you also have a much stronger and more resilient supply chain. I believe these 12,000 crores of exports from India can actually triple in time to come.

Parth {? Majithia ?} - Ambit Capital: Thank you. Those are my questions.

Operator: Thank you. The next question is from the line of Mahesh Patil from ICICI Securities. Please go ahead.

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Mahesh Patil – ICICI Securities: Thank you for the opportunity. My first question is on inflation and commodity inflation. You were saying that almost all of it is not passed on. For new orders, at least, will we factor the higher costs into our prices?

Management: Very good question. At the end of the day, you are in the market with a price, and you also have to see what price the customer gets from other competitors. Pricing is more dynamic. We do try to pass on as much as we can, but at the end of the day, the customer also wants to get the best price.

What we do is continue developing an alternate supplier basket. We keep running initiatives relating to the cost of fresh purchases and the cost of manufacturing, which help us improve our COGS. I am happy to see the projects we are running across various models at Suzlon. I think that will help us mitigate the commodity impact to a large extent.

In the short term, it affects you when it arises. This FX and commodity impact will affect everybody, especially those who import more; they will be affected even more.

Mahesh Patil – ICICI Securities: Got it. My second question is on the pipeline. How do we view the pipeline of projects where the projects have been awarded but the orders are yet to be placed? Do we have any number?

Management: Just to clarify, are you talking about the order pipeline?

Mahesh Patil – ICICI Securities: Correct.

Management: We have the 6 GW of orders, and we expect that, at the current run rate we are seeing, we have very solid visibility for the next 18 months. Our acquisition rate is also quite good. As I mentioned, we already received 1,500 MW of new orders in the first half. If you add both of these, I think we are in a very good position.

Our order book is not a constraint, given the strong demand in the industry, and the DevCo model offering in place will help us maintain the momentum. Our focus will remain on closing quality orders at regular intervals rather than rushing to achieve quarterly run rates.

Mahesh Patil – ICICI Securities: Just to clarify, the 6 GW you are mentioning is over and above the order book, and refers to the pipeline we have?

Management: Absolutely.

Mahesh Patil – ICICI Securities: And this is largely FDRE and RTC?

Management: Wind specifically.

Management: I am largely talking about wind. In time to come, as we talk to you more about our BESS offerings, as I mentioned, we are currently in the process of incubating these businesses. The new leadership teams are joining us. In time to come, we will start getting into BESS and other FDRE offerings as well.

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Mahesh Patil – ICICI Securities: My last question is on the C&I side, where we are also seeing quite a bit of traction. How do you see utility-scale versus C&I, and how is the pipeline forming ahead?

Management: If you look at our overall order book, almost 78% is between C&I and PSUs or utility-scale. We are very happy that all leading C&I customers are repeat customers and repeat suppliers for us. Many of them have engaged us for end-to-end EPC, and many of them have engaged us through DevCo.

Each of them has its own large requirements for its decarbonization journey. It is not only about the wind sector as a standalone business for IPPs and utilities, but also about corporates that have large steel plants, cement plants, chemical plants, and other large industries. They all want to decarbonize. I think there is huge demand.

Regarding the earlier questions about other competitors entering the segment, we need this kind of supply chain so that India can meet its wind potential and thereby offer not only a long-term green supply but also supply at a reasonable price. I think there is enough room.

Mahesh Patil – ICICI Securities: Thank you, and all the best.

Operator: Thank you. The next question is from the line of Sumit Kishore from Axis Capital. Please go ahead.

Sumit Kishore – Axis Capital: Thanks. I have one follow-up on working capital. On a sequential basis, I see that the working capital deterioration is mainly due to an increase in receivable days, rather than a buildup in inventory days. I wanted to get some clarification and insights on that.

Management: Sumit, we had answered that we are building certain inventories to meet our requirements for H2 supplies. Here is what I—

Management: It is slightly higher. Receivables, yes.

Sumit Kishore – Axis Capital: Inventory has not really gone up in terms of days from a {? perspective ?}. Receivable days have gone up more, is what I see.

Management: You are right, receivables are up. I think there is also a timing element related to the supply position that gets created here. Some of the receivables are also related to commissioning and other positions that get created.

Again, when you look at it, our total commissioning this quarter and for the half year has been very robust. As our commissioning levels improve, some of these receivables that are effectively not due and are linked to commissioning should get converted into cash as well.

Sumit Kishore – Axis Capital: One comment was made that you are exploring DevCo orders for delivery up to FY '30 and FY '31. I want to understand the profile of the projects booked under DevCo so far. Are they almost similar in terms of delivery to other normal standalone WTG projects?

Management: There are 2 kinds of orders. The orders we have announced, totaling about 900 MW, have COD in the next 18 months. These are like normal orders, but here we already have land

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available, so these are near-term orders. What I am really saying is that the orders for years 3, 4, and 5 will be announced in time to come.

Sumit Kishore – Axis Capital: Got it. Thank you.

Operator: Thank you. The next question is from the line of Satpal Singh Kanojia from {? Ishan Ventures ?}. Please go ahead.

Satpal Singh Kanojia – {? Ishan Ventures ?}: Good evening, sir. Thank you for the opportunity. What are the total megawatts pending to be installed? How many megawatts have been delivered and are pending installation?

Management: It is close to 3,900 MW, of which approximately 1,300 MW has already been erected. Together with the approximately 725 MW already completed in H1, this gives us very good visibility for the full year. I am very positive that it should be a very good year for our deliveries.

Satpal Singh Kanojia – {? Ishan Ventures ?}: For the installation, sir?

Management: Yes.

Satpal Singh Kanojia – {? Ishan Ventures ?}: What percentage of revenue is held up for installation, and what is the aggregate held-up amount currently?

Management: It depends on the customer. Some customers—

Satpal Singh Kanojia – {? Ishan Ventures ?}: Can you give me a ballpark figure, sir?

Management: I am just completing the answer, sir. For some customers, it is between 5% and 10%. For certain other customers, it could be in the range of approximately—again, I think the range remains between 5%, 7.5%, and 10% at the maximum. That is how it works.

Satpal Singh Kanojia – {? Ishan Ventures ?}: So, there would be revenue that has been booked for which installation has not yet been completed. Am I correct in understanding that?

Management: Yes. As soon as it is completed, I receive the cash.

Satpal Singh Kanojia – {? Ishan Ventures ?}: But the revenue has already been booked.

Management: Yes, that is how accounting is done.

Satpal Singh Kanojia – {? Ishan Ventures ?}: When do you see an inflection point when installations will start exceeding deliveries?

Management: That is a very good question. If you have seen the first signs of on-ground execution by Suzlon last year, in the whole year we completed approximately 750 MW. The year prior to that, we completed approximately 350 MW. In the current year, in the first 6 months, we have almost delivered what we did in all of last year. I think that is a good sign.

On top of that, we have an erected stock of 1,300 MW. What we have also done is reorganize the company. Rather than having one Chief Project Officer for the group, we have appointed 3 regional

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Chief Project Officers, each with an independent team. I can already see tremendous efficiencies emerging with this management and the new leadership in our India business.

I think it will take another 12 to 18 months, more like an 18-month journey, before we start seeing even sharper commissioning on the ground. I am very confident that over the next year and a half, we will see this turnaround.

Satpal Singh Kanojia – {? Ishan Ventures ?}: My second question is about unutilized capacity. We have a capacity of 4.5 GW, as well as cash and working capital. What is stopping us from moving faster?

Management: There are 2 things. First, we are looking at a plan that we unveiled a couple of months ago as part of Suzlon 2.0. We said that, from our 30% to 33% market share, we wish to increase our India market share to 40%. We said we would do this by FY '31.

We also mentioned that we are looking to increase the order book from the current 6 GW to 15 GW at the end of FY '31. We also mentioned that we are looking at annual sales of close to 10 GW, compared with 2,500 MW last year. You can already calculate the current run rate: 1,200 MW in the first half and 1.5 to 1.65 times that in the second half.

We have also given a trajectory of 25% CAGR. If you take that trajectory, and also consider exports, we are looking at a 3 GW order book by FY '31 and sales of 1 GW by FY '31. If you work backward, capacity will not be the deciding factor. It is essentially the pull from projects, the current healthy order book, and the future DevCo strategy.

As these play out, I think the 25% CAGR that I have guided should more or less materialize. That will help us utilize this capacity. The 4,500 MW capacity is based on a 3.3 MW turbine. As we move to higher-capacity turbines, we will of course have to add some new blade points. This capacity can be increased and enhanced straightaway. So, capacity will not be a constraint for us.

Satpal Singh Kanojia – {? Ishan Ventures ?}: When are we planning to recognize more deferred tax assets for the unabsorbed losses?

Management: Again, this is an annual exercise that has to be carried out. The deferred tax asset will be evaluated in March '27 based on discussions and future profitability projections, and we will determine whether recognition will come through.

Satpal Singh Kanojia – {? Ishan Ventures ?}: Previously, you were doing it half-yearly.

Management: Again, the scale and size have changed. At that point in time, we were doing it half-yearly because we were growing by 60%, and therefore confidence-building measures were also being taken into account. We now believe, as Ajay said, that a 25% CAGR is what we are looking at. Therefore, we and the auditors believe that this is a good time to conduct this on an annual basis.

Satpal Singh Kanojia – {? Ishan Ventures ?}: Can I make a small suggestion?

Management: Sure.

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Satpal Singh Kanojia – {? Ishan Ventures ?}: In one of the—[cut off]

Satpal Singh Kanojia – {? Ishan Ventures ?}: —investor presentations, I think it was 4 or 5 quarters ago, Mr. Himanshu Mody presented the installation position, including how many foundations had been completed, how many turbines had been erected, and how many were pending machine installation. It was divided into 3 or 4 stages. That information has been removed from the presentation. If it could be included again, it would give investors a lot of clarity.

Management: We will evaluate that and think about it. But again, you [laughs] the point is that we can keep drilling into more and more detail. I think what Ajay has talked about and what we have been talking about is the thematic and industry-positive opportunity that we have created here: the DevCo model, the export positioning, and the OMS growth. I think we have to look at it from that perspective rather than drilling down into details.

Satpal Singh Kanojia – {? Ishan Ventures ?}: I understand, sir. But that was very good information that was shared.

Management: Yes, Ajay.

Ajay: What is important is the on-ground execution. As I mentioned, we achieved almost 169% growth in on-ground execution in the current period. This is the highest ever achieved by the company. We have also given a figure of close to 1,300 MW already erected, and I have also explained what H2 looks like. By and large, these numbers are available. We can separately engage as well and have a discussion if you wish to have more details about this right now.

Satpal Singh Kanojia – {? Ishan Ventures ?}: Thank you for this, sir. Thank you.

Operator: Thank you. Ladies and gentlemen, we will take the last question from the line of {? Nikhil Pokharna ?} from {? Kizuna Wealth ?}. Please go ahead.

{? Nikhil Pokharna ?} – {? Kizuna Wealth ?}: Most of my questions have been answered. I just wanted to ask about—is there anything [trails off]

Management: Could you be slightly louder? Your voice is a bit muffled.

{? Nikhil Pokharna ?} – {? Kizuna Wealth ?}: Is it clear now?

Management: Slightly better. Thank you.

{? Nikhil Pokharna ?} – {? Kizuna Wealth ?}: Most of my questions have been answered. I just have one question. What is the update on our European export side that we discussed, including the 2 MW turbines that are being considered for the European and Australian markets, and the Blue Sky platform? Is there any update on that?

Ajay: Good question. This was asked earlier, but I will answer it for you. The Blue Sky platform is for the larger wind turbines that we have launched in Europe: 5 MW and 6.3 MW. These are currently at various stages of certification and local grid requirements. Those studies are currently underway at an advanced stage.

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The 2 MW turbine is not part of Blue Sky, but it is also seeing demand for repowering, and we have seen good demand in some of the geographies you mentioned. For this as well, we need to obtain certification for the relevant local countries. That work is also underway.

I think next year we should be in a better position to start reporting our export orders. The order book and customer details are encouraging, and the business development outreach is very strong. It is now mainly a matter of sorting out the technical aspects, after which we can start reporting the orders and shipping the turbines.

{? Nikhil Pokharna ?} – {? Kizuna Wealth ?}: Okay, thank you, sir.

Operator: Thank you. Ladies and gentlemen, that was the last question for the day. I now hand the conference over to management for the closing comments.

Management: Thank you very much, everyone, for joining Suzlon's H1 FY25 call. I hope we have been able to answer some of your questions. Our teams will be happy to engage if there are any additional questions that it is possible for us to answer. Thank you.

Operator: Thank you so much, sir. On behalf of Suzlon Energy Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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