

January 14, 2013

Suzlon Energy Ltd.

BSE Code: 532667 NSE Code: SUZLON Reuters Code: SUZLNS Bloomberg Code: SUEL:IN

Suzlon Energy Ltd, the world's fifth largest wind turbine supplier, was founded in 1995. The company, along with its subsidiaries is engaged in selling and installing wind turbine generators (WTGs). It manufactures wind turbine generators of various capacities & its components and its operations relate sale of WTGs and allied activities including sale/sub-lease of land, infrastructure development income; sale of gear boxes, and sale of foundry and forging components.

Investor's Rationale

Top-line grew by 12.4% YoY on higher revenue from the Wind Turbine business segment

Suzlon Energy Ltd, the world's fifth largest wind turbine supplier, reported a growth of 12.4% YoY in its consolidated top-line at ₹57.0 billion for the quarter ended September 2012, mainly on account of a rise in revenue from the company's Wind Turbine Generator business segment by 12.5% to ₹56.7 billion in Q2FY'13 as against ₹50.4 billion in the same period a year ago.

Bottom-line deteriorated as loss of ₹8.1 billion was registered

During the quarter, the company registered a net loss of ₹8.1 billion as against a net profit of ₹0.5 billion in the corresponding period a year earlier. The net loss was mainly contributed by higher taxation, up by 76.2% YoY to ₹1.2 billion coupled with a rise in depreciation charges by 13.7% YoY to ₹1.7 billion.

Order book of SUZLON stood at 5.4 GW

The Suzlon Group order book stood at 5.4 GW (or ₹372.9 billion /USD 6.84 billion) as on Nov 9, 2012; with new firm orders of 1,070 MW signed during Q2FY'13.

International contracts to improve future performance

The company's UK based subsidiary, REpower UK has bagged two new contracts of totaling 16.4 MW. As per the contracts, the company will be supplying wind turbines for a new wind farm at Wear Point in Pembrokeshire, South Wales, as well as for the Avonmouth wind farm in south west England. Further, the company's German unit, REpower and wpd europe GmbH entered into contract for six projects in Ontario.

Suzlon Group crosses 20 GW in global installations

SUZLON's portfolio of projects around the world has crossed the 20 GW of total wind installations during the quarter after the company has installed 20,500 MW across projects in 32 countries. With this, the company has achieved a significant milestone reflecting the confidence and trust of its customers in the company.

Market Data

CMP (₹)	19.4	
Target Price	24	
Stop Loss	15	
Duration	Short-term	
52-week High-Low (₹)	32.40/14.75	
Rise from 52WL (%)	31.2	
Correction from 52WH (%)	(40.3)	
Beta	2.2	
1 year Average Volume (mn)	21.5	
	3M	19.9
Stock Return (%)	6M-	(2.0)
	9M-	(20.6)
Market Cap (₹bn)	34.3	
Book Value per share	28.0	

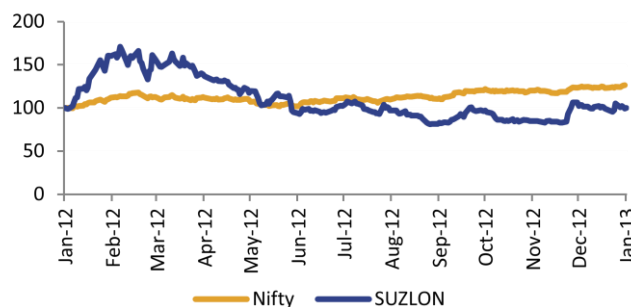
Shareholding Pattern

	Sep'12	Jun'12	Chg
Promoters (%)	52.8	52.8	-
FII (%)	5.4	5.5	(0.1)
DII (%)	3.1	3.1	-
Public & Others (%)	38.7	38.6	0.1

Quarterly Performance (Consolidated)

(₹bn)	Q2 FY'13	Q2 FY'12	Q1 FY'13	YoY Change(%)	QoQ Change(%)
Revenue	57.0	50.7	47.5	12.4	20.1
Op. exp	58.9	46.7	50.3	26.1	17.2
EBITDA	(1.3)	4.6	(2.6)	(128.8)	(48.6)
OPM (%)	-	8.9	-	-	-
Net profit	(8.1)	0.5	(8.5)	-	-
NPM (%)	-	0.9	-	-	-
EPS (₹)	(4.5)	0.3	(4.8)	(1,781.5)	(5.0)

One Year Price Chart





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