

Renewable Energy

India

Sector View: **Cautious**

NIFTY-50: **25,542**

July 01, 2025

1QFY26 preview: Sequential pickup; steady margins

FY2025 has been a record year for solar capacity additions (23.8 GW); however, solar manufacturing capacity has kept pace with demand (91 GW of ALMM modules and 27 GW of solar cells give us confidence that the industry is on track to reach supply-demand parity by the latter part of FY2027). The US module demand outlook remains uncertain given multiple changes in regulations. For 1QFY26, we expect strong marginal sequential revenue growth and stable margins, driven by (1) continued solar capacity additions, (2) higher utilization of Waaree's cell facility, (3) commissioning of Premier's module facility and (4) stable module and cell pricing.

Solar capacity additions robust; cell capacities on the rise

FY2025 saw record solar capacity addition of 23.8 GW (+60% yoy growth); similar momentum has continued in FY2026 with total solar capacity addition of 5 GW in two months (30 GW annualized). While demand remains robust, manufacturing capacity has kept pace with solar capacity additions, as ALMM module capacity has now reached 91 GW, more than 2X of DC demand. Further, domestic cell capacity has increased to 27 GW (including First Solar' thin-film module), giving us confidence that the industry is on track to reach supply-demand parity for solar cells by the latter part of FY2027, in line with our estimates.

US module export a short-term play, cell exports hold potential

Uncertainty surrounding the future of tax credits on solar power installation and probable removal of incentives for residential solar (10% of market) are likely to reduce solar addition from 50 GWdc levels. With demand slowing down and domestic module capacity crossing 50 GW, we expect US module imports to see a significant decline in the next couple of years. However, since the US still severely lags in cell capacity, along with imposition of anti-dumping duty on SEA countries, there is an opportunity for Indian manufacturers to tap the market.

1QFY26 preview: Marginal sequential revenue uptick with steady margins

We expect a strong 1QFY26 for our solar manufacturing coverage, driven by (1) continued solar capacity additions, (2) production scale-up of Waaree's 5.4 GW cell facility, (3) commissioning of Premier's new 1.6 GW module facility, (4) higher utilization and (5) stable pricing. For Waaree, we expect 32% yoy/12% qoq revenue growth and 470 bps yoy margin improvement, driven by contribution from cell facility, improved utilization and strong growth in EPC business. For Premier, we expect 11% yoy growth in revenues, driven by higher capacity utilization and modest contribution of the newly inaugurated module facility.

Changes in estimates

Waaree: We revise our EPS estimates by 1-7% for FY2026-28E, baking in better-than-expected profitability due to higher share of cell and retail segments. We increase our FV to Rs2,620 (Rs2,600 earlier) and retain SELL rating. Premier: We revise our FY2026E EPS by 10.4%, factoring in higher realization in the DCR market. Our FV remains unchanged at Rs900 and we retain SELL rating.

Company data and valuation summary

| | Rating | CMP | Fair Value | P/E (X) | |
|-------------------------|-----------------|-------|------------|-------------|-------------|
| | | (Rs) | (Rs) | 2026E | 2027E |
| Premier Energies | SELL | 1,057 | 900 | 38.5 | 24.8 |
| Waaree Energies | SELL | 3,063 | 2,620 | 25.8 | 15.5 |
| Renewable Energy | Cautious | | | 29.1 | 17.9 |

Source: Bloomberg, Company data, Kotak Institutional Equities estimates

Prices in this report are based on the market close of July 01, 2025

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Domestic solar market has seen a strong start in 1QFY26

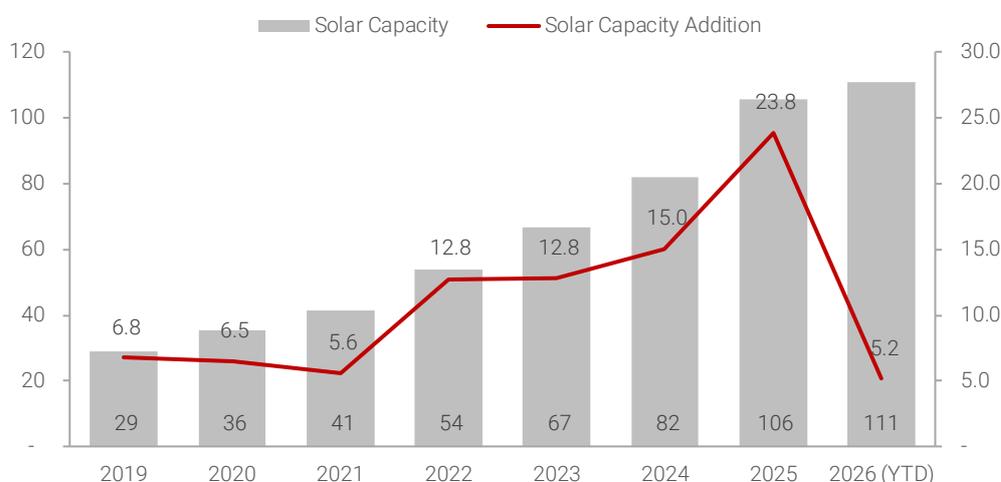
India’s solar capacity addition has seen a strong start in 1QFY26 (5.2 GW capacity addition during the first two months). This is on the back of 60% yoy surge to 23.8 GW in FY2025 compared to 15 GW in FY2024—nearly four times solar capacity added in FY2021. With the country’s current installed solar capacity at 111 GW as of May 2025 and the government targeting 500 GW of renewable energy, including approximately 300 GW from solar, we expect annual additions to accelerate to 35-40 GW over the next 5-6 years.

The bulk of FY2025 capacity additions came from ground mounted solar (16.6 GW) and solar rooftop (5.2 GW) cumulatively accounted for ~90% of total addition.

The DCR (domestic content requirement) market, which primarily comprises PM Surya Ghar Yojna, and PM KUSUM scheme also saw a healthy addition of 7 GW over the period. In the first two months, India added 1.4 GW in rooftop solar and 0.3 GW in PM KUSUM. Annualizing said data indicates DCR market to see ~10 GW of demand in FY2026. Looking ahead, we expect the DCR market to be nearly 10-12 GW, of which 8-9 GW will come from the PM Surya Ghar and KUSUM while the rest will be from CPSU scheme.

India’s annual solar capacity addition has quadrupled from ~6 GW to ~24 GW in past five years; India has already added 5.2 GW for the year (~30 GW annualized)

Exhibit 1: India solar capacity and net addition, March fiscal year-ends, 2019-25 (GW)



Notes:

(a) FY2026 solar capacity addition is for 2 months (1st Apr 2025 to 31st May 2025).

Source: MNRE

Ground mounted and solar rooftop accounted for ~90% of 23.8 GW in solar capacity addition

Exhibit 2: India solar capacity addition segmental analysis, March fiscal year-ends, 2024-26 (GW)

| | 2024 | 2025 | 2026 (May 25) | Net addition (FY2025) | Net addition (FY2026) |
|-------------------------------------|-------------|--------------|---------------|-----------------------|-----------------------|
| Installed Capacity (GW) | | | | | |
| Ground mounted solar | 64.4 | 81.0 | 84.4 | 16.6 | 3.4 |
| PM-Surya Ghar Yojna (solar rooftop) | 11.9 | 17.0 | 18.4 | 5.1 | 1.4 |
| Hybrid solar comp. | 2.6 | 2.9 | 3.0 | 0.3 | 0.1 |
| Off-grid solar/KUSUM | 3.0 | 4.7 | 5.0 | 1.8 | 0.3 |
| Total solar capacity (GW) | 81.8 | 105.6 | 110.8 | 23.8 | 5.2 |

Notes:

(a) FY2026 solar capacity addition is as of 31st May 2025.

Source: MNRE

Solar cell capacity on track to reach demand parity by FY2027

Premier’s latest commencement of 1.2 GW cell facility, along with Waaree’s recent commissioning of 4 GW of cell facility in March 2025, has brought total operational cell capacity in the country to ~27 GW (including ~3.3 GW of First Solar’s thin film module, which are considered DCR compliant).

Considering the total solar capacity addition of 23.8 GW in FY2025, coupled with AC DC conversion of 1.4X, this takes the total demand to ~35 GW of solar modules in the country. At 27 GW cell capacity, and assuming 80% utilization rate, India can sufficiently cater to 60-65% of total demand.

Taking into account the several cell capacity expansion announcements made by a multitude of solar manufacturers, we believe that the industry is on track to reach supply-demand parity by FY2027, in line with our earlier estimates.

India’s current operational cell capacity is at 23.6 GW (ex-First Solar) and is up 175% on a yoy basis

Exhibit 3: India’s operational solar cell manufacturing capacity, March fiscal year-ends, 2024-26 (GW)

| Solar Cell capacity (in GW) | | | |
|--|-------------|-------------|-------------|
| Company Name | 2024 | 2025 | 2026 (YTD) |
| Waaree Energies | - | 5.4 | 5.4 |
| Tata Power | 0.5 | 4.5 | 4.5 |
| Mundra Solar (Adani Enterprises) | 4.0 | 4.0 | 4.0 |
| Premier Energies | 2.0 | 2.0 | 3.2 |
| ReNew Power | - | 2.5 | 2.5 |
| Emmvee | - | 2.5 | 2.5 |
| Jupiter Solar | 0.8 | 0.8 | 0.8 |
| Websol Energy | 0.6 | 0.6 | 0.6 |
| Renew Sys India | 0.1 | 0.1 | 0.1 |
| First Solar (Thin film) | 3.3 | 3.3 | 3.3 |
| Total India Capacity | 11.4 | 25.7 | 26.9 |
| Total India Capacity (ex First Solar) | 8.1 | 22.4 | 23.6 |

Source: Company, Kotak Institutional Equities estimates

India's ALMM approved module capacity has now reached 91 GW with Reliance Industries the latest entrant to the list

Exhibit 4: India's ALMM approved module manufacturing capacity, June 2025 (GW)

| Company | Capacity as of Jun 25 (GW) | % of total India capacity |
|------------------------------|----------------------------|---------------------------|
| Waaree | 13.4 | 14.8 |
| Emmvee | 6.6 | 7.3 |
| Tata Power | 5.9 | 6.5 |
| Goldi | 5.8 | 6.4 |
| ReNew | 4.6 | 5.1 |
| Mundra | 3.9 | 4.3 |
| Premier Energies | 3.6 | 4.0 |
| Renewsys | 3.4 | 3.8 |
| First Solar | 3.2 | 3.5 |
| Rayzon Solar Private Limited | 3.0 | 3.3 |
| Vikram | 2.9 | 3.1 |
| Grew Energy | 2.8 | 3.1 |
| SAEL Solar | 2.6 | 2.8 |
| Avaada | 2.4 | 2.7 |
| Solex energy | 2.0 | 2.1 |
| Reliance | 1.7 | 1.9 |
| Insolation | 1.4 | 1.6 |
| Jakson Engineers Ltd. | 1.2 | 1.3 |
| Others | 20.4 | 22.5 |
| Total | 90.9 | |

Source: Company

We expect total module demand to reach 40+ GW in FY2027; however, supply is likely to catch up

Exhibit 5: Solar capacity and module demand forecast, March fiscal year-ends, 2020-30E (GW)

| Based on Kotak Estimates | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E | 2029E | 2030E |
|---|------|------|------|------|------|-------------|--------------|--------------|--------------|--------------|--------------|
| India Installed capacity (in GW) | 370 | 382 | 399 | 416 | 442 | 475 | 516 | 556 | 597 | 639 | 685 |
| Renewable installed capacity (in GW) | 87 | 94 | 110 | 125 | 144 | 172 | 204 | 237 | 273 | 311 | 350 |
| Incremental renewable capacity addition (in GW) | | 7 | 15 | 15 | 18 | 29 | 31 | 34 | 36 | 38 | 40 |
| Solar share in renewable capacity | | | | | | 83% | 85% | 85% | 85% | 85% | 85% |
| Annual Solar addition in GW | | | | | | 23.8 | 26.5 | 28.7 | 30.4 | 32.1 | 33.8 |
| in GW | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E | 2029E | 2030E |
| Utility scale addition | | | | | | 17 | 18 | 19 | 19 | 19 | 21 |
| Roof top solar | | | | | | 5 | 7 | 7 | 7 | 7 | 8 |
| Solar pumps | | | | | | 2 | 2 | 3 | 4 | 5 | 6 |
| Industrial captive addition | | | | | | 1.0 | 1.1 | 1.2 | 1.3 | 1.5 | 1.6 |
| Total AC solar addition (in GW) | | | | | | 24.8 | 27.6 | 29.9 | 31.7 | 33.5 | 35.4 |
| AC/DC Factor | | | | | | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 |
| Total DC capacity addition (in GW) | | | | | | 33.9 | 37.9 | 40.6 | 42.8 | 44.8 | 47.3 |
| Total Solar Capacity | | | | | | 81.8 | 105.6 | 133.3 | 163.2 | 194.9 | 228.4 |

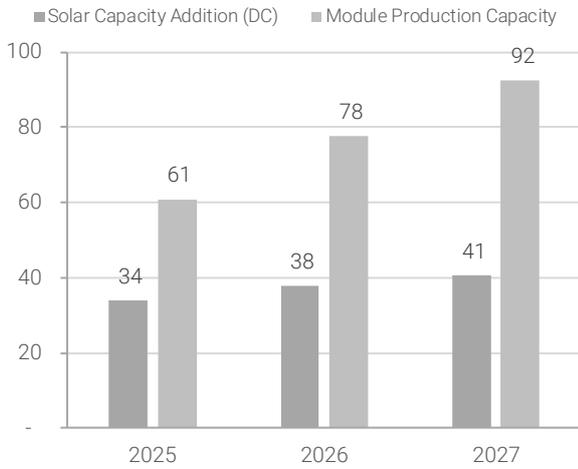
Source: Ministry of Power, Kotak Institutional Equities

As per KIE estimates, solar module capacity is already in the oversupply zone, with module production capacity nearly 2X of demand. Going forth, we expect the gap to considerably widen factoring in solar module expansion announcements made by domestic manufacturers.

For cell, we anticipate supply-demand parity most likely by the end of FY2027, as per analysis cell production capacity will reach 50 GW+ by the end of FY2027, this leading to normalization of price as well as margins FY2028 onwards.

Solar module capacity is already in oversupply zone

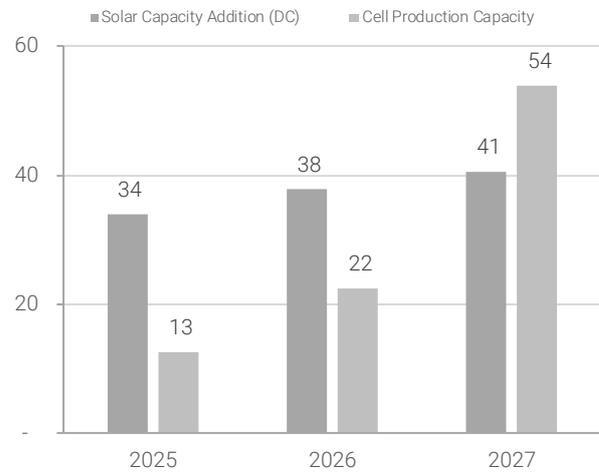
Exhibit 6: Solar module demand-supply analysis, March fiscal year-ends, 2025-27E (GW)



Source: Company, Kotak Institutional Equities estimates

Solar cell to reach demand-supply parity by end of FY2027

Exhibit 7: Solar cell demand supply analysis, March fiscal year-ends, 2025-27E (GW)



Source: Company, Kotak Institutional Equities estimates

DCR market—rising risk of higher competitive intensity

As per our estimate, total DCR cells supplied in CY2025 (YTD) have approximately touched 6.1 GW, ~70% of last year’ production, in six months. This has been driven by existing players—(1) expansion of capacities by existing players, (2) entry of new players like Waaree (5.4 GW) and (3) improving utilization of existing cell plants.

Earlier, the market was dominated by four players: Adani (Mundra Solar), First Solar, Premier Energies and Tata Power, which accounted for ~80%. However, DCR cell market has seen increased competitive intensity led by the entry of Waaree Energies and Renewsys, along with strong ramp-up of Emvee/Renew, which sold 508/782 MW worth of solar cells during 1HCY25.

The said data indicates DCR cell pricing of US\$15 cents/w is at risk, since as per KIE estimate, DCR demand for the year will be 9-10 GW, factoring in 1.4X AC/DC conversion, total DCR cell demand for the year will be 12-14 GW. However, the industry has already reached production of 1GW+/month, implying current capacities can broadly cater to the DCR demand.

Total DCR cell sold in 1HCY25 were 6.1 GW (in line with KIE estimate FY2026 DCR demand of 12-14 GW)

Exhibit 8: DCR cell supply, December fiscal year-ends, 2024-25 (MW)

| Company | DCR cells supplied (MW) in CY2024 | DCR cells supplied (MW) in CY2025 | Contribution for CY2024 (%) | Contribution for CY2025 (%) |
|-----------------------|-----------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Mundra Solar | 2,180 | 917 | 28.1 | 15.1 |
| First Solar | 1,848 | 1,168 | 23.8 | 19.3 |
| Premier Energies | 1,871 | 720 | 24.1 | 11.9 |
| Tata Power | 548 | 1,117 | 7.1 | 18.4 |
| Jupiter International | 492 | 277 | 6.3 | 4.6 |
| Emmvee Energy | 292 | 508 | 3.8 | 8.4 |
| Renew PV | 145 | 782 | 1.9 | 12.9 |
| Websol Energy | 376 | 212 | 4.8 | 3.5 |
| Waaree Energies | 7 | 328 | 0.1 | 5.4 |
| Others | 6 | 29 | 0.1 | 0.5 |
| Total | 7,765 | 6,059 | 100 | 100 |

Source: DCR portal

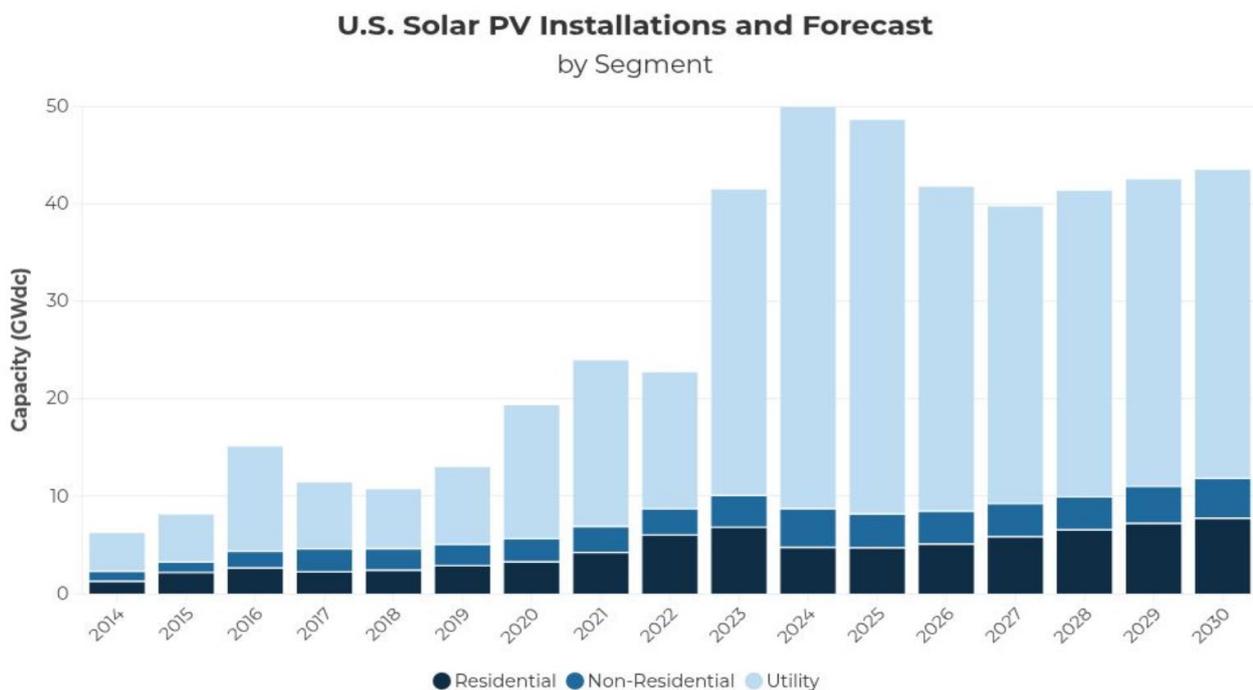
US exports: Solar module—short-term story; cell exports hold promise

US solar addition sees a dip in 1QCY25

US solar capacity addition stood at 10.8 GW in 1QCY25; 7% decline from 1QCY24 and 43% lower than 4QCY24. Of the 10.8 GW, ~10% was residential (rooftop), ~5% commercial and the rest 85% was utilities. As per SEIA, the US solar industry is expected to add roughly 43 GWdc every year until 2030; however, the same can see some downside risks, led by (1) proposal to remove subsidies for rooftop solar (10% share), (2) ADD/CVD on SEA countries, which can increase import prices and impact project viability and (3) reduction of tax incentives on utility solar installations.

US to add roughly 45 GWdc of solar every year till 2030 (~10% lower than earlier forecast of ~50 GWdc per year)

Exhibit 9: US Solar PV installation forecast, December calendar year-ends, 2014-30E (GWdc)



Source: SEIA

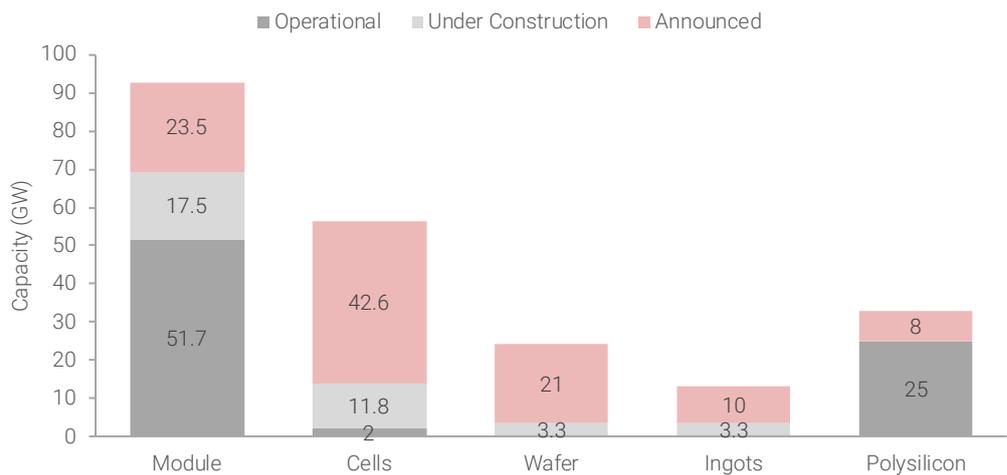
US domestic module manufacturing capacity surpasses annual demand

Favorable policies under the inflation reduction act such as US\$7 cents/w tax credit for solar module and US\$4 cents/w for solar cells, had made solar manufacturing in US extremely attractive. This has led solar module manufacturing capacity to nearly treble from 16 GW in CY2023 to 51 GW in 1QCY25. Since, US adds nearly 45 GWdc of solar every year, current capacity at 65% utilization can cater to ~80% of annual US requirement, thus putting solar module imports at risk.

As per SEIA, module capacity can further expand from current 51 GW, to 88 GW by the end of CY2025, which will be more than sufficient to cater to the domestic market. With uncertainty surrounding future of IRA and tax incentive, we believe that there is some downside risks to the 88 GW estimate, yet the current capacity can effectively cater to a large part of the US domestic demand, which puts future of solar module exports at risk.

US module manufacturing capacity has now reached ~52 GWdc vs ~16 GWdc at the end of CY2023

Exhibit 10: Total US Module Supply Chain Capacity by component and status (GW)



Source: Company, Kotak Institutional Equities estimates

US cell exports hold promise

While US solar module manufacturing capacity has reached 51 GW, cell capacities are significantly lagging behind at only 2 GW. Although more than 50 GW of cell capacities have been announced, only 12 GW are currently under construction. As per SEIA, cell capacity can rise to 9 GW by year-end, implying a massive void, which will need to be filled by cell imports. We forecast US cell market to require 30-40 GW at least for next 3-5 years, which offers global exporters a significant opportunity.

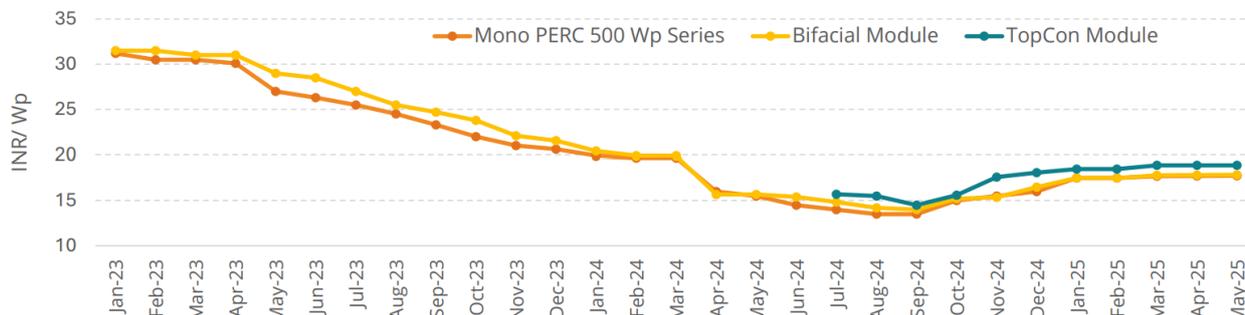
Despite, the seemingly large opportunity, Indian solar manufacturers have not yet tapped the US cell export market on account of (1) limited manufacturing capacity, (2) higher realization in the domestic market (US\$15 cents/w in India vs US\$12-14 cents/w in US) and (3) significant competition from other Asian manufacturers. However, with Indian cell capacity surging at a brisk pace and domestic realization likely to come down FY2028 onwards, coupled with imposition of anti-dumping and countervailing duty on Cambodia, Malaysia, Thailand and Vietnam, cell exports to US holds significant potential. It will be critical to observe whether large Indian manufacturers can successfully tap this opportunity.

Solar manufacturing 1QFY26 preview: Expectation of growth and stable sequential margins

We expect a strong 1QFY26 for our solar manufacturer coverage, driven by (1) strong demand due to rapid solar capacity addition, (2) improving utilization of Waaree’s 5.4 GW cell facility, (3) contribution from Premier’s new module facility and (4) stable module and cell pricing.

Indian solar module prices have been broadly flat since Jan 2025, after the surge in 3QFY25 due to increase in solar glass prices

Exhibit 11: Monthly pricing trend for solar modules in India, March fiscal year-ends, 2023-26 (INR/Wp)



Source: JMK Research

- Waaree Energies:** We expect a (32% yoy/12% qoq) growth in revenue, driven by higher utilization of solar module facility, production scale up from 5.4 GW cell facility and strong yoy growth from EPC business. We model EBITDA margin at 20.9% (+473 bps yoy); however, 220 bps weaker on qoq basis, driven by normalization of EPC margins. Margin improvement on a yearly basis can be attributed to (1) economies of scale, (2) favorable customer mix and (3) contribution from higher-margin cell segment.
- Premier Energies:** We expect 11% yoy/14% qoq growth led by higher utilization for cell and module facility and marginal contribution from newly operationalized module facility. We model EBITDA margin at 29.4% (+774 bps yoy); however, 325 bps weaker on qoq basis driven by higher contribution from lower margin module business. On a yearly basis, we see significant improvement driven by (1) improving capacity utilization, (2) increased contribution from high-margin cell and DCR module business and (3) economies of scale.

KIE solar manufacturing coverage – 1QFY26 preview

Exhibit 12: Results preview for KIE solar manufacturing coverage for 1QFY26, March fiscal year-ends, 2025-26E (Rs mn, %)

| | 1QFY25 | 4QFY25 | 1QFY26E | %YoY | %QoQ | Comments |
|-------------------------|--------|--------|---------|---------|----------|--|
| Waaree Energies | | | | | | |
| Net sales | 34,089 | 40,039 | 44,967 | 32 | 12 | |
| EBITDA | 5,525 | 9,226 | 9,415 | 70 | 2 | We expect a (32% YoY/12% QoQ) growth in revenue driven by higher utilization of solar module facility, production scale up from 5.4GW cell facility and strong yoy growth from EPC business |
| EBIT | 4,767 | 7,692 | 7,673 | 61 | (0) | |
| PBT | 5,305 | 8,495 | 8,894 | 68 | 5 | |
| Tax | 1,294 | 2,010 | 2,277 | 76 | 13 | |
| Adjusted PAT | 3,941 | 6,229 | 6,494 | 65 | 4 | We model EBITDA margin at 20.9% (+473 bps YoY) however 211 bps weaker on qoq basis driven by normalization in EPC margins. Margin improvement on a yearly basis can be attributed to (1) economies of scale (2) favorable customer mix (3) contribution from higher margin cell segment |
| EPS (Rs/share) | 14.9 | 21.7 | 22.6 | 51 | 4 | |
| EBITDA margin (%) | 16.2 | 23.0 | 20.9 | 473 bps | -211 bps | |
| Premier Energies | | | | | | |
| Net sales | 16,574 | 16,208 | 18,475 | 11 | 14 | |
| EBITDA | 3,583 | 5,285 | 5,425 | 51 | 2.6 | We expect 11% YoY / 14% QoQ growth led by higher utilization for cell and module facility and marginal contribution from newly operationalized module facility |
| EBIT | 2,789 | 3,519 | 4,021 | 44 | 14 | |
| PBT | 2,451 | 3,682 | 3,867 | 58 | 5.0 | |
| Tax | 476 | 903 | 990 | 108 | 9.6 | |
| Adjusted PAT | 1,982 | 2,778 | 2,877 | 45 | 3.6 | We model EBITDA margin at 29.4% (+774 bps YoY), however 325 bps weaker on QoQ basis driven by higher contribution from lower margin module business. On a yearly we see significant improvement driven by (1) improving capacity utilization and (2) increased contribution from high margin cell and DCR module business (3) economies of scale |
| EPS (Rs/share) | 4.7 | 6.2 | 6.4 | 36 | 3.6 | |
| EBITDA margin (%) | 21.6 | 32.6 | 29.4 | 774 bps | -325 bps | |

Source: Companies, Kotak Institutional Equities estimates

Valuation summary for KIE solar manufacturing coverage

Exhibit 13: March fiscal year-ends, 2025-27E (Rs, %, X)

| Company | Rating | Price (₹) | Fair Value | Upside | Mkt cap. | EPS (Rs) | | | P/E (X) | | | EV/EBITDA (X) | | | P/B (X) | | | ADVT 3mo | |
|------------------|----------|------------|------------|--------|------------------|----------|-------|-------|---------|-------|-------|---------------|-------|-------|---------|-------|-------|-----------|-----|
| | | 03-04-2025 | (₹) | (%) | (₹ bn) (US\$ bn) | 2025E | 2026E | 2027E | 2025E | 2026E | 2027E | 2025E | 2026E | 2027E | 2025E | 2026E | 2027E | (US\$ mn) | |
| Premier Energies | SELL | 1,057 | 900 | (15) | 476 | 5.6 | 21 | 27 | 43 | 50.8 | 38.5 | 24.8 | 26.7 | 19.0 | 12.8 | 16.9 | 11.7 | 8.0 | 23 |
| Waaree Energies | SELL | 3,063 | 2,600 | (15) | 880 | 10.3 | 68 | 119 | 197 | 45.3 | 25.8 | 15.5 | 29.9 | 16.9 | 11.2 | 8.9 | 6.8 | 4.7 | 96 |
| Renewable Energy | Cautious | | | | 1,356 | 15.9 | | | | 48.3 | 29.1 | 17.9 | 28.6 | 17.6 | 11.4 | 11.0 | 8.0 | 5.5 | 119 |

Source: Companies, Kotak Institutional Equities estimates

Waaree Energies—strong DCR realization to deliver margin expansion

We revise our FY2026/27/28E EPS estimates by 6.8%/0.8%/0.8%, due to higher than anticipated realization owing to higher contribution from retail segment

Exhibit 14: Changes in estimates for Waaree Energies (consolidated), March fiscal year-ends, 2022-28E (Rs mn, %)

| | 2022 | 2023 | 2024 | 2025 | New estimates | | | Old estimates | | | % revision | | |
|----------------------------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|--------------|--------------|
| | | | | | 2026E | 2027E | 2028E | 2026E | 2027E | 2028E | 2026E | 2027E | 2028E |
| Income statement | | | | | | | | | | | | | |
| Net revenue | 28,543 | 67,509 | 113,975 | 144,445 | 229,432 | 315,420 | 332,264 | 226,916 | 315,420 | 332,264 | 1.1 | - | - |
| Yoy growth (%) | 46.1 | 136.5 | 68.8 | 26.7 | 58.8 | 37.5 | 5.3 | 57.1 | 39.0 | 5.3 | | | |
| EBITDA | 1,109 | 8,346 | 15,743 | 27,216 | 52,381 | 75,748 | 67,344 | 50,069 | 75,748 | 67,344 | 4.6 | - | - |
| EBITDA margin (%) | 3.9 | 12.4 | 13.8 | 18.8 | 22.8 | 24.0 | 20.3 | 22.1 | 24.0 | 20.3 | 76 bps | 0 bps | 0 bps |
| Other income | 916 | 1,095 | 2,352 | 4,016 | 10,004 | 18,049 | 20,526 | 9,985 | 17,905 | 20,359 | 0.2 | 0.8 | 0.8 |
| PBDIT | 2,025 | 9,441 | 18,095 | 31,232 | 62,384 | 93,797 | 87,870 | 60,054 | 93,653 | 87,703 | 3.9 | 0.2 | 0.2 |
| Interest & finance charges | (409) | (823) | (1,399) | (1,521) | (5,430) | (4,530) | (3,630) | (6,249) | (4,976) | (3,976) | | | |
| Depreciation | (433) | (1,641) | (2,768) | (4,025) | (6,966) | (11,582) | (15,126) | (6,966) | (11,582) | (15,126) | | | |
| PBT | 1,184 | 6,977 | 13,928 | 25,687 | 49,988 | 77,685 | 69,114 | 46,839 | 77,095 | 68,602 | 6.7 | 0.8 | 0.7 |
| Tax | (387) | (1,769) | (4,598) | (6,365) | (12,797) | (19,887) | (17,693) | (11,991) | (19,736) | (17,562) | | | |
| PAT | 796 | 5,209 | 9,330 | 19,322 | 37,191 | 57,798 | 51,421 | 34,848 | 57,359 | 51,040 | 6.7 | 0.8 | 0.7 |
| Exceptional items | - | (206) | 3,413 | (40) | - | - | - | - | - | - | | | |
| Minority interest & Share of JVs | 40 | 175 | 372 | 607 | 632 | 606 | 606 | 632 | 606 | 606 | | | |
| Reported PAT | 756 | 4,828 | 12,371 | 18,674 | 36,560 | 57,191 | 50,724 | 34,216 | 56,752 | 50,342 | 6.8 | 0.8 | 0.8 |
| Adjusted PAT | 756 | 5,033 | 8,958 | 18,714 | 36,560 | 57,191 | 50,724 | 34,216 | 56,752 | 50,342 | 6.8 | 0.8 | 0.8 |
| Consolidated EPS (Rs) | 4 | 22 | 35 | 68 | 127 | 199 | 176 | 119 | 197 | 175 | 6.8 | 0.8 | 0.8 |

Source: Company, Kotak Institutional Equities estimates

We arrive at FV of Rs2,620 for Waaree Energies

Exhibit 15: DCF valuation of Waaree Energies, March fiscal year-ends, 2024-35E (Rs mn, %)

| | 2024 | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E | 2034E | 2035E |
|------------------------------------|----------------|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Consolidated revenue | 113,975 | 144,445 | 229,432 | 315,420 | 332,264 | 336,326 | 334,045 | 380,449 | 420,840 | 453,868 | 480,938 | 507,490 |
| YoY (%) | 68.8 | 26.7 | 58.8 | 37.5 | 5.3 | 1.2 | (0.7) | 13.9 | 10.6 | 7.8 | 6.0 | 5.5 |
| EBITDA | 15,743 | 27,216 | 52,381 | 75,748 | 67,344 | 66,255 | 64,424 | 74,010 | 82,381 | 89,268 | 94,967 | 100,612 |
| EBITDA Margin (%) | 13.8 | 18.8 | 22.8 | 24.0 | 20.3 | 19.7 | 19.3 | 19.5 | 19.6 | 19.7 | 19.7 | 19.8 |
| Consolidated EBIT | 12,975 | 23,192 | 45,415 | 64,166 | 52,219 | 48,549 | 44,680 | 52,450 | 58,644 | 63,533 | 67,666 | 71,727 |
| NOPAT | 8,692 | 17,445 | 33,789 | 47,740 | 38,851 | 36,120 | 33,242 | 39,023 | 43,631 | 47,269 | 50,343 | 53,365 |
| Depreciation | 2,768 | 4,025 | 6,966 | 11,582 | 15,126 | 17,706 | 19,743 | 21,560 | 23,737 | 25,735 | 27,302 | 28,885 |
| Inc/dec in working capital | (7,147) | 30,485 | (25,428) | (2,197) | (4,366) | (4,618) | 37 | (761) | (662) | (542) | (444) | (435) |
| Capex | (13,423) | (32,741) | (49,231) | (43,087) | (27,796) | (23,810) | (16,931) | (19,402) | (24,150) | (15,796) | (15,544) | (16,126) |
| FCFF | (9,111) | 19,213 | (33,904) | 14,037 | 21,815 | 25,398 | 36,091 | 40,419 | 42,556 | 56,666 | 61,657 | 65,689 |
| Post tax cost of debt (%) | 7.1 | | | | | | | | | | | |
| Risk free rate (%) | 7.0 | | | | | | | | | | | |
| Risk premium (%) | 4.5 | | | | | | | | | | | |
| Beta | 1.4 | | | | | | | | | | | |
| Cost of equity | 13.1 | | | | | | | | | | | |
| FY2025 debt | 11,990 | | | | | | | | | | | |
| FY2025 equity | 94,792 | | | | | | | | | | | |
| WACC (%) | 12.4 | | | | | | | | | | | |
| Price to book multiple (X) | 2.0 | | | | | | | | | | | |
| Sum of discounted cash flow | 194,654 | | | | | | | | | | | |
| Terminal value | 499,524 | | | | | | | | | | | |
| Enterprise value | 694,179 | | | | | | | | | | | |
| Net debt/(cash) - March 2027 | (61,677) | | | | | | | | | | | |
| Equity value | 755,855 | | | | | | | | | | | |
| Equity value per share (Rs) | 2,620 | | | | | | | | | | | |
| Fair value (Rs) | 2,620 | | | | | | | | | | | |

Source: Company, Kotak Institutional Equities estimates

Exhibit 16: Summary financials of Waaree Energies (consolidated), March fiscal year-ends, 2021-30E (Rs mn)

| | 2021 | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E |
|--|----------------|---------------|---------------|----------------|----------------|-----------------|----------------|----------------|----------------|----------------|
| Income statement | | | | | | | | | | |
| Net revenues | 19,530 | 28,543 | 67,509 | 113,975 | 144,445 | 229,432 | 315,420 | 332,264 | 336,326 | 334,045 |
| Total operating expenses | (18,573) | (27,433) | (59,162) | (98,232) | (117,229) | (177,051) | (239,672) | (264,919) | (270,071) | (269,621) |
| EBITDA | 957 | 1,109 | 8,346 | 15,743 | 27,216 | 52,381 | 75,748 | 67,344 | 66,255 | 64,424 |
| Depreciation & Amortization | (323) | (433) | (1,641) | (2,768) | (4,025) | (6,966) | (11,582) | (15,126) | (17,706) | (19,743) |
| EBIT | 635 | 677 | 6,705 | 12,975 | 23,192 | 45,415 | 64,166 | 52,219 | 48,549 | 44,680 |
| Other income | 300 | 916 | 1,095 | 2,352 | 4,016 | 10,004 | 18,049 | 20,526 | 22,137 | 24,029 |
| Interest expense | (309) | (409) | (823) | (1,399) | (1,521) | (5,430) | (4,530) | (3,630) | (2,730) | (1,830) |
| PBT | 625 | 1,184 | 6,977 | 13,928 | 25,687 | 49,988 | 77,685 | 69,114 | 67,955 | 66,880 |
| Tax expense | (209) | (387) | (1,769) | (4,598) | (6,365) | (12,797) | (19,887) | (17,693) | (17,397) | (17,121) |
| Net profit | 456 | 756 | 4,828 | 12,371 | 18,674 | 36,560 | 57,191 | 50,724 | 49,792 | 48,915 |
| Exceptional items | 41 | - | (206) | 3,413 | (40) | - | - | - | - | - |
| Adjusted / Recurring PAT | 415 | 756 | 5,033 | 8,958 | 18,714 | 36,560 | 57,191 | 50,724 | 49,792 | 48,915 |
| Recurring EPS | 2 | 4 | 22 | 35 | 68 | 127 | 199 | 176 | 173 | 170 |
| Balance sheet | | | | | | | | | | |
| Shareholders' funds | 3,526 | 4,276 | 18,384 | 40,878 | 94,792 | 131,352 | 188,543 | 239,266 | 289,058 | 337,972 |
| Share capital | 1,971 | 1,971 | 2,434 | 2,630 | 2,873 | 2,873 | 2,873 | 2,873 | 2,873 | 2,873 |
| Reserves & surplus | 1,554 | 2,305 | 15,950 | 38,249 | 91,919 | 128,479 | 185,670 | 236,394 | 286,185 | 335,100 |
| Debt | 3,315 | 3,634 | 3,203 | 5,534 | 11,990 | 57,170 | 47,170 | 37,170 | 27,170 | 17,170 |
| Deferred tax liabilities | 88 | 264 | 479 | 371 | 413 | 413 | 413 | 413 | 413 | 413 |
| Minority interest and other liabilities | 741 | 540 | 4,205 | 14,556 | 11,923 | 12,554 | 13,161 | 13,858 | 14,625 | 15,469 |
| Total sources of funds | 7,670 | 8,715 | 26,271 | 61,339 | 119,118 | 201,489 | 249,287 | 290,708 | 331,267 | 371,025 |
| Net fixed assets | 2,813 | 7,340 | 16,284 | 27,777 | 59,090 | 101,356 | 132,861 | 145,531 | 151,635 | 148,823 |
| Net working capital (ex-cash) | 1,340 | (3,881) | (10,283) | (9,459) | (24,266) | 1,224 | 3,359 | 7,725 | 12,343 | 12,306 |
| Investments | 2,415 | 1,592 | 3,085 | 5,230 | 6,816 | 6,816 | 6,816 | 6,816 | 6,816 | 6,816 |
| Cash and bank balances and current investments | 1,102 | 3,664 | 17,184 | 37,792 | 77,478 | 89,751 | 103,469 | 127,473 | 156,986 | 199,329 |
| Total application of funds | 7,670 | 8,715 | 26,271 | 61,339 | 119,118 | 199,146 | 246,505 | 287,544 | 327,779 | 367,273 |
| Free cash flow | | | | | | | | | | |
| Operating profit before wcap. changes | 1,160 | 1,924 | 9,410 | 20,485 | 27,437 | 60,054 | 93,653 | 87,703 | 88,202 | 88,244 |
| Change in working capital / other adjustments | (229) | 5,344 | 7,196 | 5,916 | 11,574 | (25,490) | (2,135) | (4,366) | (4,618) | 37 |
| Direct tax paid | (215) | (259) | (1,004) | (3,351) | (7,428) | (11,991) | (19,736) | (17,562) | (17,285) | (17,030) |
| Net cashflow from operating activities | 717 | 7,009 | 15,602 | 23,050 | 31,582 | 22,573 | 71,781 | 65,775 | 66,298 | 71,251 |
| Capex | (1,979) | 4,965 | (8,654) | (13,423) | (32,741) | (49,231) | (43,087) | (27,796) | (23,810) | (16,931) |
| Free cash flow (CFO + net capex) | (1,262) | 11,973 | 6,948 | 9,627 | (1,159) | (26,658) | 28,694 | 37,979 | 42,489 | 54,319 |
| Growth (%) | | | | | | | | | | |
| Revenue growth | | 46.1 | 136.5 | 68.8 | 26.7 | 58.8 | 37.5 | 5.3 | 1.2 | (0.7) |
| EBITDA growth | | 15.9 | 652.3 | 88.6 | 72.9 | 92.5 | 44.6 | (11.1) | (1.6) | (2.8) |
| Recurring PAT growth | | 65.8 | 538.5 | 156.3 | 50.9 | 95.8 | 56.4 | (11.3) | (1.8) | (1.8) |
| Key ratios | | | | | | | | | | |
| EBITDA margin (%) | 4.9 | 3.9 | 12.4 | 13.8 | 18.8 | 22.1 | 24.0 | 20.3 | 19.7 | 19.3 |
| Net debt/equity (X) | 0.6 | (0.0) | (0.8) | (0.8) | (0.7) | (0.3) | (0.3) | (0.4) | (0.5) | (0.5) |
| Net debt/EBITDA (X) | 2.3 | (0.0) | (1.7) | (2.0) | (2.4) | (0.7) | (0.8) | (1.4) | (2.0) | (2.9) |
| Book value per share (Rs) | 18 | 22 | 82 | 158 | 344 | 448 | 645 | 820 | 992 | 1,161 |
| RoAE (%) | 14 | 19 | 43 | 42 | 28 | 31 | 36 | 24 | 19 | 16 |
| RoACE (%) | 9 | 9 | 71 | 53 | 54 | 42 | 38 | 26 | 22 | 20 |

Source: Company, Kotak Institutional Equities estimates

Premier Energies—maximize margins due to elevated realizations in DCR market

We revise our FY2026/27/28E EPS estimates by 10.4%/0.4%/0.4%, due to higher than anticipated realization in DCR market

Exhibit 17: Changes in estimates for Premier Energies (consolidated), March fiscal year-ends, 2022-28E (Rs mn, %)

| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | New estimates | | | Old estimates | | | % revision | | | |
|----------------------------------|------------|------------|--------------|--------------|------------|-------------|---------------|-------------|-------------|---------------|-------------|-------------|-------------|------------|------------|--|
| | | | | | | | 2026E | 2027E | 2028E | 2026E | 2027E | 2028E | 2026E | 2027E | 2028E | |
| Income statement | | | | | | | | | | | | | | | | |
| Net revenue | 9,474 | 7,015 | 7,429 | 14,285 | 31,438 | 65,187 | 91,667 | 136,109 | 150,256 | 93,091 | 136,109 | 150,256 | (1.5) | - | - | |
| YoY growth (%) | | (26.0) | 5.9 | 92.3 | 120.1 | 107.4 | 40.6 | 48.5 | 10.4 | 42.8 | 46.2 | 10.4 | | | | |
| EBITDA | 941 | 537 | 296 | 782 | 4,778 | 17,809 | 26,436 | 36,642 | 37,578 | 24,698 | 36,642 | 37,578 | 7.0 | - | - | |
| EBITDA margin (%) | 9.9 | 7.7 | 4.0 | 5.5 | 15.2 | 27.3 | 28.8 | 26.9 | 25.0 | 26.5 | 26.9 | 25.0 | 230 bps | 0 bps | 0 bps | |
| Other income | 185 | 348 | 242 | 347 | 275 | 1,333 | 1,402 | 2,539 | 5,758 | 1,402 | 2,442 | 5,663 | | | | |
| PBDIT | 1,125 | 885 | 537 | 1,129 | 5,053 | 19,142 | 27,838 | 39,181 | 43,336 | 26,100 | 39,084 | 43,240 | 6.7 | 0.2 | 0.2 | |
| Interest & finance charges | (348) | (217) | (430) | (686) | (1,212) | (1,774) | (2,504) | (3,754) | (7,179) | (2,504) | (3,754) | (7,179) | | | | |
| Depreciation | (169) | (116) | (276) | (532) | (961) | (4,975) | (6,967) | (9,544) | (10,208) | (6,967) | (9,544) | (10,208) | | | | |
| PBT | 608 | 552 | (169) | (90) | 2,880 | 12,393 | 18,368 | 25,882 | 25,949 | 16,630 | 25,785 | 25,854 | 10.5 | 0.4 | 0.4 | |
| Tax | (156) | (300) | 13 | (56) | (580) | (3,028) | (4,702) | (6,626) | (6,643) | (4,257) | (6,601) | (6,619) | | | | |
| PAT | 452 | 252 | (156) | (146) | 2,300 | 9,364 | 13,666 | 19,256 | 19,306 | 12,372 | 19,184 | 19,235 | 10.5 | 0.4 | 0.4 | |
| Exceptional items | - | - | - | - | - | - | - | - | - | - | - | - | | | | |
| Minority interest & Share of JVs | - | 7 | 12 | 12 | 13 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | | | | |
| Reported PAT | 452 | 258 | (144) | (133) | 2,314 | 9,371 | 13,673 | 19,263 | 19,313 | 12,380 | 19,191 | 19,242 | 10.4 | 0.4 | 0.4 | |
| Adjusted PAT | 452 | 258 | (144) | (133) | 2,314 | 9,371 | 13,673 | 19,263 | 19,313 | 12,380 | 19,191 | 19,242 | 10.4 | 0.4 | 0.4 | |
| Consolidated EPS (Rs) | 1.8 | 1.0 | (0.4) | (0.4) | 5.5 | 20.8 | 30.3 | 42.7 | 42.8 | 27.5 | 42.6 | 42.7 | 10.4 | 0.4 | 0.4 | |

Source: Company, Kotak Institutional Equities estimates

Our FV remains unchanged at Rs900 for Premier Energies

Exhibit 18: Premier Energies' DCF model, March fiscal year-ends, 2025-35E (Rs mn)

| | 2025 | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E | 2034E | 2035E |
|------------------------------------|---------------|---------------|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Consolidated revenue | 65,187 | 91,667 | 136,109 | 150,256 | 175,349 | 207,611 | 243,463 | 279,640 | 303,489 | 323,842 | 349,815 |
| YoY (%) | 107.4 | 40.6 | 48.5 | 10.4 | 16.7 | 18.4 | 17.3 | 14.9 | 8.5 | 6.7 | 8.0 |
| EBITDA | 17,809 | 26,436 | 36,642 | 37,578 | 39,028 | 40,867 | 47,807 | 54,708 | 58,904 | 62,051 | 66,099 |
| EBITDA Margin (%) | 27.3 | 28.8 | 26.9 | 25.0 | 22.3 | 19.7 | 19.6 | 19.6 | 19.4 | 19.2 | 18.9 |
| Consolidated EBIT | 12,834 | 19,470 | 27,097 | 27,370 | 26,013 | 25,839 | 30,616 | 35,368 | 37,874 | 39,439 | 41,924 |
| NOPAT | 9,697 | 14,486 | 20,160 | 20,363 | 19,354 | 19,224 | 22,779 | 26,314 | 28,178 | 29,342 | 31,192 |
| Depreciation | 4,975 | 6,967 | 9,544 | 10,208 | 13,014 | 15,028 | 17,191 | 19,339 | 21,030 | 22,612 | 24,175 |
| Inc/dec in working capital | (1,427) | (844) | (2,763) | (880) | (1,560) | (2,006) | 3,774 | (1,357) | (895) | (764) | (974) |
| Capex | (6,202) | (11,831) | (19,856) | (54,355) | (28,067) | (20,133) | (21,631) | (21,486) | (16,907) | (15,822) | (15,630) |
| FCFF | 7,044 | 8,777 | 7,086 | (24,664) | 2,741 | 12,113 | 22,113 | 22,810 | 31,407 | 35,369 | 38,762 |
| Post tax cost of debt (%) | 7.2 | | | | | | | | | | |
| Risk free rate (%) | 7.0 | | | | | | | | | | |
| Risk premium (%) | 4.9 | | | | | | | | | | |
| Beta | 1.2 | | | | | | | | | | |
| Cost of equity | 12.6 | | | | | | | | | | |
| FY2025 debt | 18,935 | | | | | | | | | | |
| FY2025 equity | 28,221 | | | | | | | | | | |
| WACC (%) | 10.4 | | | | | | | | | | |
| Equity value per share (Rs) | 900 | | | | | | | | | | |
| Fair value (Rs) | 900 | | | | | | | | | | |

Source: Company, Kotak Institutional Equities estimates

Exhibit 19: Summary financials of Premier Energies (consolidated), March fiscal year-ends, 2021-30E (Rs mn)

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E | 2029E | 2030E |
|--|--------------|----------------|----------------|----------------|---------------|---------------|----------------|-----------------|----------------|----------------|
| Income statement | | | | | | | | | | |
| Net revenues | 7,015 | 7,429 | 14,285 | 31,438 | 65,187 | 91,667 | 136,109 | 150,256 | 175,349 | 207,611 |
| Total operating expenses | (6,478) | (7,133) | (13,503) | (26,660) | (47,379) | (65,230) | (99,467) | (112,678) | (136,321) | (166,744) |
| EBITDA | 537 | 296 | 782 | 4,778 | 17,809 | 26,436 | 36,642 | 37,578 | 39,028 | 40,867 |
| Depreciation & Amortization | (217) | (430) | (686) | (1,212) | (1,774) | (2,504) | (3,754) | (7,179) | (8,947) | (10,215) |
| EBIT | 320 | (134) | 96 | 3,566 | 16,034 | 23,933 | 32,887 | 30,399 | 30,081 | 30,651 |
| Other income | 348 | 242 | 347 | 275 | 1,333 | 1,402 | 2,539 | 5,758 | 9,655 | 14,134 |
| Interest expense | (217) | (430) | (686) | (1,212) | (1,774) | (2,504) | (3,754) | (7,179) | (8,947) | (10,215) |
| PBT | 552 | (169) | (90) | 2,880 | 12,393 | 18,368 | 25,882 | 25,949 | 26,721 | 29,757 |
| Tax expense | 300 | (13) | 56 | 580 | 3,028 | 4,702 | 6,626 | 6,643 | 6,841 | 7,618 |
| Net profit | 258 | (144) | (133) | 2,314 | 9,371 | 13,673 | 19,263 | 19,313 | 19,888 | 22,147 |
| Reported PAT | 258 | (144) | (133) | 2,314 | 9,371 | 13,673 | 19,263 | 19,313 | 19,888 | 22,147 |
| Recurring EPS | 1 | (0) | (0) | 5 | 21 | 30 | 43 | 43 | 44 | 49 |
| Balance sheet | | | | | | | | | | |
| Shareholders' funds | 2,221 | 3,946 | 4,112 | 6,469 | 28,221 | 41,894 | 61,157 | 80,470 | 100,358 | 122,505 |
| Share capital | 250 | 263 | 263 | 263 | 451 | 451 | 451 | 451 | 451 | 451 |
| Reserves & surplus | 1,971 | 3,683 | 3,849 | 6,205 | 27,770 | 41,443 | 60,706 | 80,020 | 99,907 | 122,054 |
| Debt | 3,452 | 4,533 | 7,635 | 13,922 | 18,935 | 27,217 | 41,116 | 79,164 | 98,811 | 112,905 |
| Deferred tax liabilities | 189 | 76 | 84 | 307 | 7 | 7 | 7 | 7 | 7 | 7 |
| Minority interest and other liabilities | 778 | 932 | 838 | 1,123 | 3,114 | 3,114 | 3,114 | 3,114 | 3,114 | 3,114 |
| Total sources of funds | 6,639 | 9,488 | 12,670 | 21,821 | 50,277 | 72,232 | 105,394 | 162,756 | 202,290 | 238,530 |
| Net fixed assets | 4,206 | 5,864 | 9,334 | 12,172 | 12,146 | 17,011 | 27,322 | 71,470 | 86,522 | 91,628 |
| Net working capital (ex-cash) | 525 | 1,120 | 186 | 4,071 | 5,812 | 6,745 | 9,419 | 10,299 | 11,859 | 13,865 |
| Investments | 1,113 | 908 | 1,216 | 1,551 | 12,295 | 12,295 | 12,295 | 12,295 | 12,295 | 12,295 |
| Cash and bank balances and current investments | 794 | 1,597 | 1,935 | 4,027 | 20,023 | 34,887 | 54,992 | 67,256 | 90,103 | 119,152 |
| Total application of funds | 6,639 | 9,488 | 12,670 | 21,821 | 50,277 | 70,938 | 104,029 | 161,320 | 200,779 | 236,941 |
| Free cash flow | | | | | | | | | | |
| Operating profit before wcap. changes | 839 | 424 | 877 | 4,842 | 19,003 | 23,603 | 35,337 | 36,069 | 39,642 | 44,687 |
| Change in working capital / other adjustments | 1,667 | (255) | (407) | (3,688) | (1,529) | (932) | (2,675) | (880) | (1,560) | (2,006) |
| Direct tax paid | (138) | (119) | (103) | (252) | (3,994) | (4,257) | (6,601) | (6,619) | (6,815) | (7,591) |
| Net cashflow from operating activities | 2,369 | 50 | 367 | 902 | 13,480 | 18,414 | 26,061 | 28,570 | 31,267 | 35,090 |
| Capex | (3,245) | (1,987) | (2,760) | (4,514) | (6,202) | (11,831) | (19,856) | (54,355) | (28,067) | (20,133) |
| Free cash flow (CFO + net capex) | (876) | (1,938) | (2,394) | (3,612) | 7,279 | 6,583 | 6,205 | (25,785) | 3,200 | 14,957 |
| Growth (%) | | | | | | | | | | |
| Revenue growth | | 5.9 | 92.3 | 120.1 | 107.4 | 40.6 | 48.5 | 10.4 | 16.7 | 18.4 |
| EBITDA growth | | (44.9) | 164.4 | 511.0 | 272.7 | 48.4 | 38.6 | 2.6 | 3.9 | 4.7 |
| Recurring PAT growth | | (155.8) | (7.4) | (1,834.9) | 305.1 | 45.9 | 40.9 | 0.3 | 3.0 | 11.4 |
| Key ratios | | | | | | | | | | |
| EBITDA margin (%) | 7.7 | 4.0 | 5.5 | 15.2 | 27.3 | 26.5 | 26.9 | 25.0 | 22.3 | 19.7 |
| Net debt/equity (X) | 1.2 | 0.7 | 1.4 | 1.5 | (0.0) | (0.2) | (0.2) | 0.2 | 0.1 | (0.1) |
| Net debt/EBITDA (X) | 5.0 | 9.9 | 7.3 | 2.1 | (0.1) | (0.3) | (0.4) | 0.3 | 0.2 | (0.2) |
| Book value per share (Rs) | 9 | 12 | 12 | 15 | 63 | 90 | 133 | 175 | 219 | 268 |
| RoAE (%) | 11 | (5) | (3) | 44 | 54 | 36 | 38 | 28 | 22 | 20 |
| RoACE (%) | 5 | 0 | 4 | 20 | 36 | 40 | 44 | 22 | 18 | 17 |

Source: Company, Kotak Institutional Equities estimates

“Each of the analysts named below hereby certifies that, with respect to each subject company and its securities for which the analyst is responsible in this report, (1) all of the views expressed in this report accurately reflect his or her personal views about the subject companies and securities, and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report: Deepak Krishnan, Aditya Mongia, Naman Jain.”

Ratings and other definitions/identifiers

Definitions of ratings

BUY. We expect this stock to deliver more than 15% returns over the next 12 months.

ADD. We expect this stock to deliver 5-15% returns over the next 12 months.

REDUCE. We expect this stock to deliver -5+5% returns over the next 12 months.

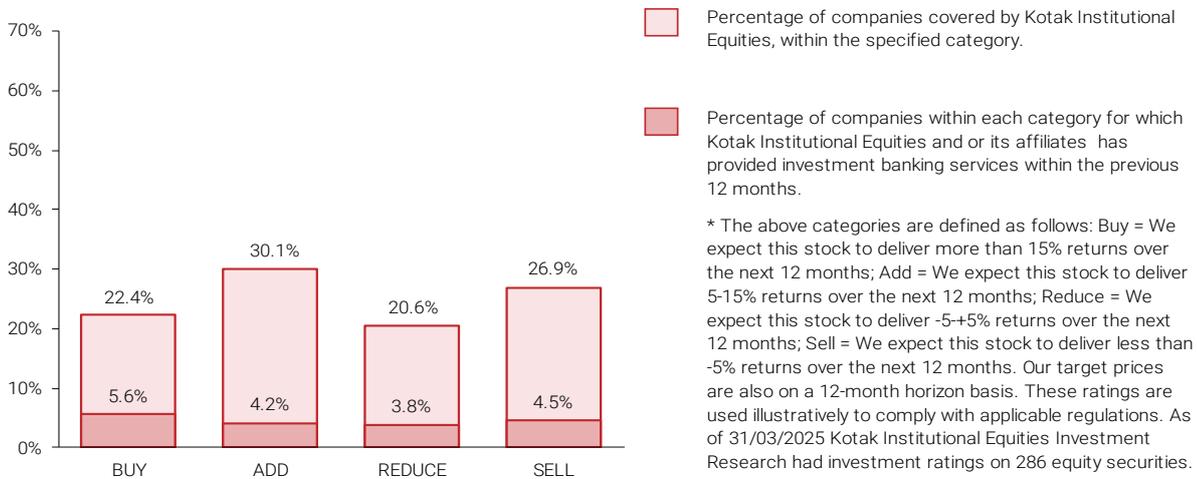
SELL. We expect this stock to deliver <-5% returns over the next 12 months.

Our Fair Value estimates are also on a 12-month horizon basis.

Our Ratings System does not take into account short-term volatility in stock prices related to movements in the market. Hence, a particular Rating may not strictly be in accordance with the Rating System at all times.

Distribution of ratings/investment banking relationships

Kotak Institutional Equities Research coverage universe



Source: Kotak Institutional Equities

As of March 31, 2025

Coverage view

The coverage view represents each analyst’s overall fundamental outlook on the Sector. The coverage view will consist of one of the following designations: **Attractive, Neutral, Cautious.**

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