

Inox Wind Ltd.

16 February 2026

RESULT UPDATE

Sector: Capital Goods	Rating: BUY
CMP: Rs 101	Target Price: Rs 144

Stock Info

Sensex/Nifty	83,277/25,683
Bloomberg	INXW IN
Equity shares (bn)	1.7
52-wk High/Low	198/97
Face value	Rs 10
M-Cap	Rs 175bn/ USD 2bn

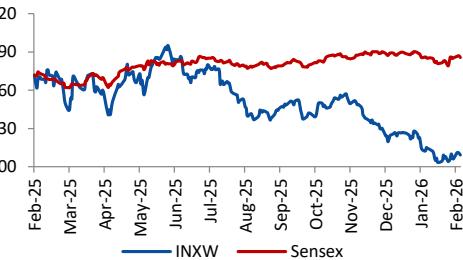
Financial Snapshot (Rs bn)

Y/E Mar	FY26E	FY27E	FY28E
Sales	50.7	85.4	95.6
EBITDA	11.1	17.9	20.1
PAT	7.4	11.4	12.8
EPS (Rs)	4.3	6.6	7.4
PE (x)	23.6	15.3	13.7
EV/EBITDA (x)	15.8	9.8	8.8
RoE (%)	6.5	8.3	7.9
RoCE (%)	12.9	20.0	19.9

Shareholding Pattern (%)

	Dec'25	Sep'25	Jun'25
Promoter	44	44	44
-Pledged	1	0	0
FII	14	13	14
DII	10	10	9
Others	31	33	33

Stock Performance (1-year)



Profitability supported by strong margins; despite slower execution

Inox Wind's (INXW) 3QFY26 revenue of Rs 12bn (+33% YoY/+8% QoQ) was 16% below our estimate primarily due to lower order execution. EBITDA (excl. other income) at Rs 2,816mn grew by +38%/+24% YoY/QoQ, 3% above our estimate. EBITDA margin for the quarter came in at 23%, up 97bps YoY and 298bps QoQ. INXW's interest costs increased by 46% YoY but were broadly flat QoQ at Rs 503mn in 3QFY26. INXW executed 252MW orders in 3QFY26 versus 202MW/189MW in 2QFY26/3QFY25. Standalone revenue and EBITDA were reported at Rs 10.82bn (+17%/+14% YoY/QoQ) and Rs 2,287mn (+30%/+27% YoY/QoQ), respectively. On a consol basis, realisations averaged Rs 47.9mn/MW during the quarter (-1%/-14% YoY/QoQ). The company's Operations and Maintenance (O&M) subsidiary Inox Green Energy Services Ltd. (INOXGREE: NOT RATED) reported 3QFY26 revenue and EBITDA (incl. other income) of Rs 818mn (+34%/-5% YoY/QoQ) and Rs 526mn (+85%/+1% YoY/QoQ), respectively. We maintain BUY rating on the stock with a revised TP of Rs 144/share based on FY28E SOTP P/E.

Outlook and view: INXW's 3QFY26 performance highlighted recurring divergence from guidance. While execution continued to lag expectations, resulting in a topline miss, margin outperformance largely offset the impact on EBITDA. Management attributed the execution miss primarily to customer side site readiness delays, particularly on turnkey contracts, leading to deferred commissioning and lower EPC share. Against this backdrop, management has shifted its guidance from operational parameters to absolute financial metrics, reflecting increasingly unpredictable customer-controlled timelines. The company now guides for ~Rs 50bn revenue in FY26 with EBITDA margins of ~22% and 75% YoY revenue growth in FY27 with EBITDA margins of 20-22%. The revised guidance inherently translates into lower MW execution than earlier expectations, however, the upward revision in margin guidance underscores structural improvement in cost efficiency, supported by backward integration, and expanding contribution from the higher margin O&M business. Based on the revised guidance, we factor in 1,000MW execution in FY26 and 1,552MW in FY27, and cut our FY26/FY27 revenue estimate by 14%/11% while PAT remains broadly unchanged with superior EBITDA margin assumptions.

Valuation: Despite sustained EBITDA margin strength, weaker execution momentum and relatively moderate order inflows, versus key peers, continue to constrain re-rating potential. However, following the recent correction, INXW offers a favorable risk reward, even on conservative earnings assumptions and valuation multiples. We introduce FY28 estimates and value INXW 20x FY28E SOTP P/E, resulting in a revised target price of Rs 144/share (earlier Rs 181/share), implying 43% upside from CMP. The stock trades at 24x FY26E P/E. Strong order inflows can be a key re-rating driver while a dynamic policy environment could pose challenges. **Maintain BUY.**

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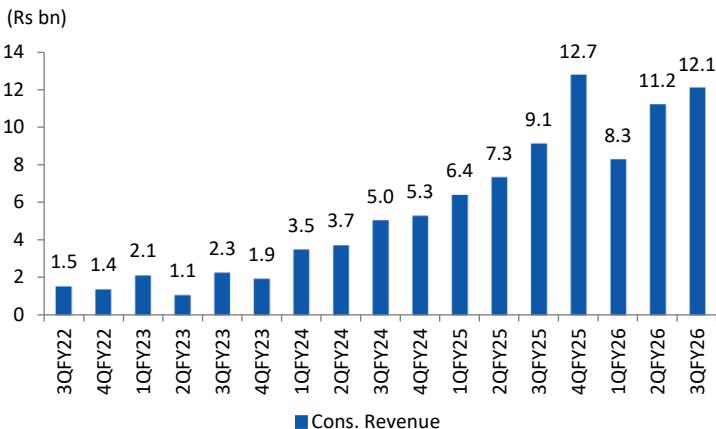
Key takeaways from the 3QFY26 earnings conference call

- Guidance recalibrated to financial metrics:** Management has transitioned from MW-based guidance to revenue and margin guidance due to contract complexity and customer site-dependent execution. FY26 revenue is guided at Rs 50bn with ~22% EBITDA margin (versus 18-19% earlier), whereas FY27 revenue is expected to grow 75% YoY with 20-22% margins. Working capital cycle is guided at 200 days in FY26, improving to 120-150 days in FY27. Capex is guided at Rs 2bn for FY26 and FY27 each, with Rs 1.5bn already incurred in 9MFY26.
- Product and technology roadmap:** INOXGREE is exploring AI-led automation for routine O&M activities, aimed at improving execution speed and margin sustenance. For INXW, approvals for the 4X/4.45MW turbine platform are expected in CY2026, with commercial launch targeted thereafter.
- Orderbook visibility:** Current order book stands at 3.2GW, with ~600MW added in YTD FY26, offering 18-24months execution visibility. Inox Clean Energy's plan to develop ~3GW hybrid IPP capacity annually which provides recurring order visibility for INXW and sustained portfolio expansion for INOXGREE.
- O&M scale-up and margin accretion:** INOXGREE's portfolio stands at ~13.3GW (10GW wind, 3.3GW solar) spread across 17 states. Ongoing portfolio additions, operating leverage, and post demerger removal of substation related depreciation are expected to materially improve ROCE, ROE, and cash generation.
- Demerger and inorganic growth update:** The acquisition of 6.5GW of operational wind O&M assets is nearing completion. The demerger of INOXGREE's substation business and its merger into Inox Renewable Solution is in the final stages of NCLT approval, post which IRSIL is expected to be listed.
- Sector demand skewed towards C&I; offsets PSU tender delays:** Management highlighted that over 50% of current project execution is driven by the C&I segment, amid intermittent delays in PSU tendering and project awards. Increased participation from newer states and gradual ramp up in transmission infrastructure are expected to improve medium term project visibility.

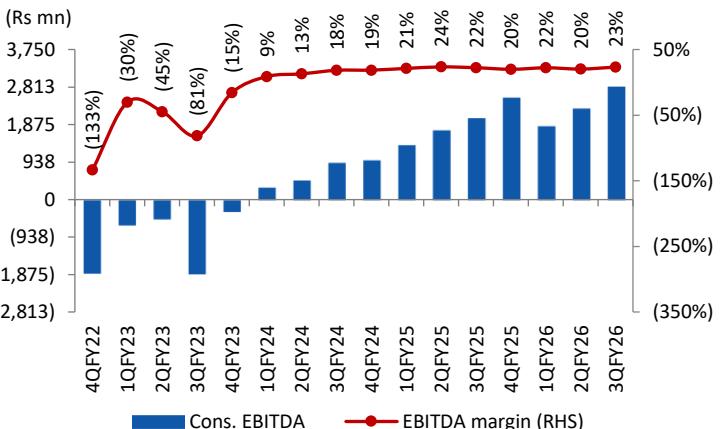
Exhibit 1: Quarterly review

(Rs mn, unless otherwise stated)	3QFY25	2QFY26	3QFY26	YoY (%)	QoQ (%)
Order Execution (MW)	189	202	252	33%	25%
Revenue	9,113	11,192	12,075	33%	8%
Total Expenditure	7,075	8,915	9,258	31%	4%
EBITDA (excl. Other income)	2,037	2,277	2,816	38%	24%
<i>EBITDA margin</i>	22.4%	20.3%	23.3%	97bps	298bps
Depreciation	473	508	528	12%	4%
Interest Expense	345	508	503	46%	-1%
Other income	835	433	310	-63%	-28%
PBT	2,055	1,694	2,094	2%	24%
Tax	804	488	828	3%	70%
PAT (post minority)	1,066	1,495	1,359	28%	-9%
PAT margin	12%	13%	11%		
EPS (Rs/share)	0.8	1.1	1.0	28%	-9%

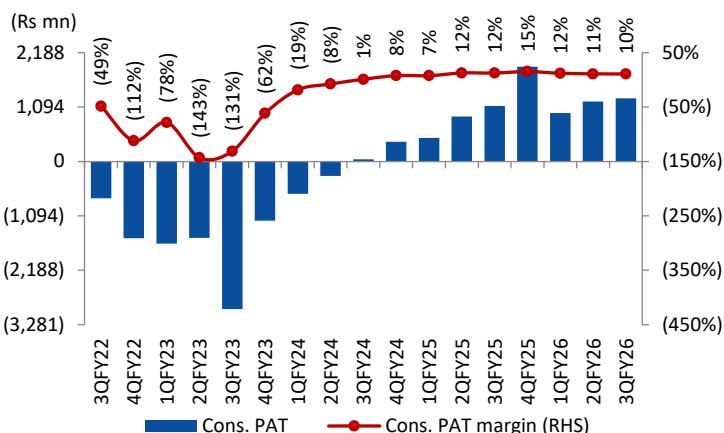
Source: Company, Systematix Research

Exhibit 2: Quarterly revenue growth moderates in 3QFY26

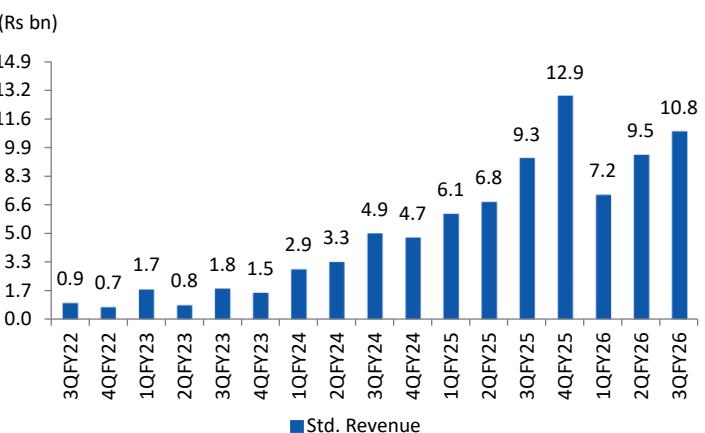
Source: Company, Systematix Research

Exhibit 3: EBITDA margin sustains ~23%

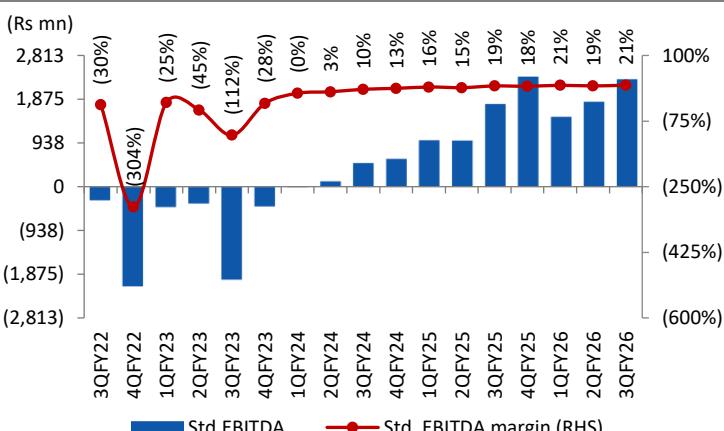
Source: Company, Systematix Research

Exhibit 4: Consolidated PAT before minority interest with margin of 10%

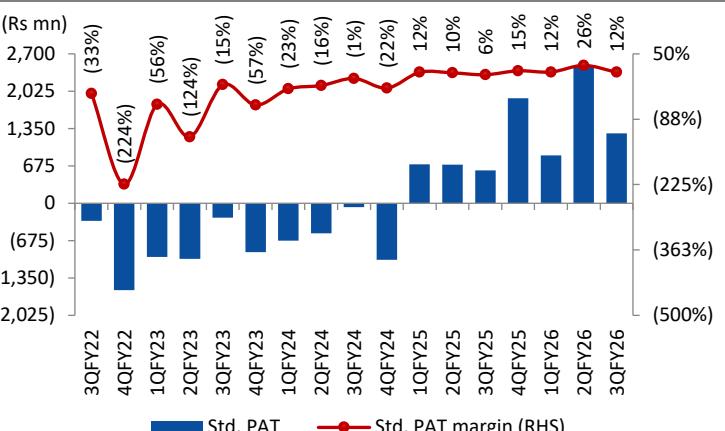
Source: Company, Systematix Research

Exhibit 5: Quarterly standalone revenue trend – rise QoQ

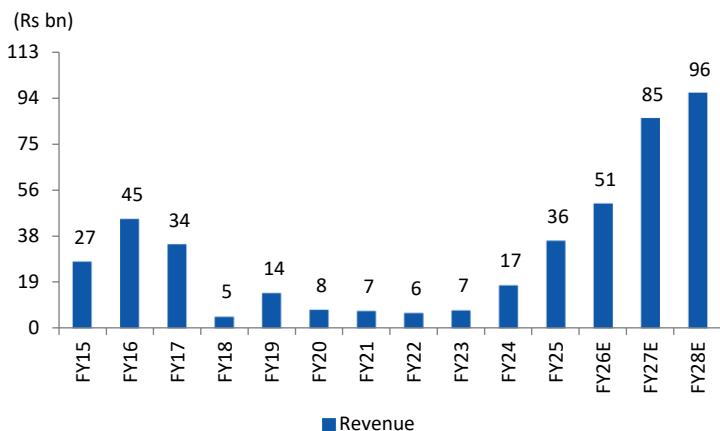
Source: Company, Systematix Research

Exhibit 6: Standalone EBITDA rising sequentially with 21% margin

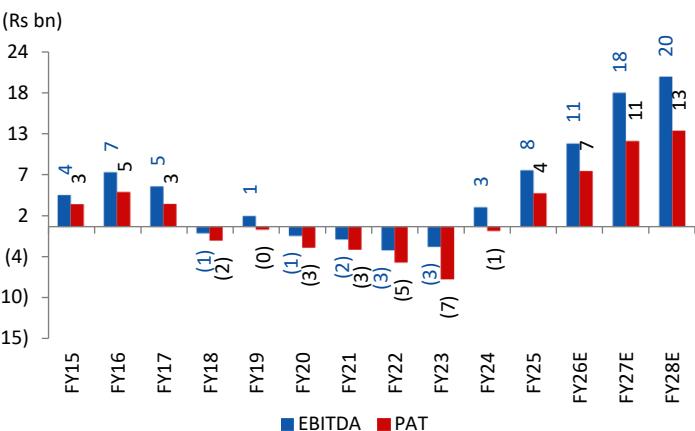
Source: Company, Systematix Research

Exhibit 7: Standalone PAT QoQ trend

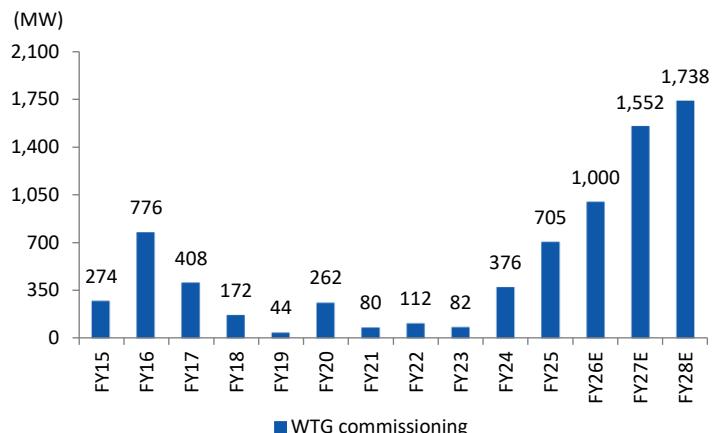
Source: Company, Systematix Research

Exhibit 8: Revenue to see a sharp surge with better execution

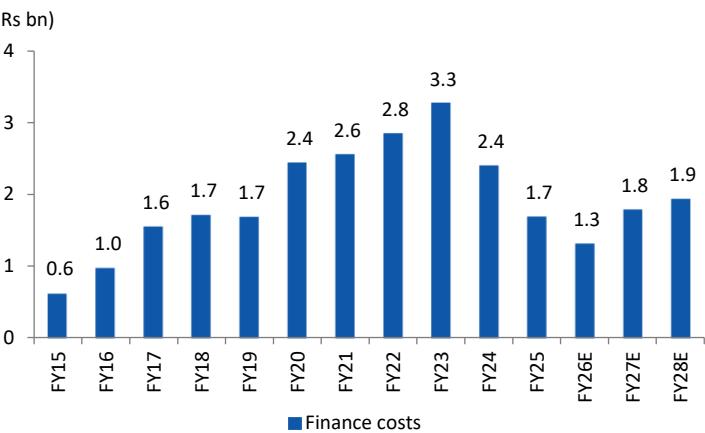
Source: Company, Systematix Research

Exhibit 9: Profitability to see uptick; EBITDA to grow at a 38% CAGR over FY25-FY28E

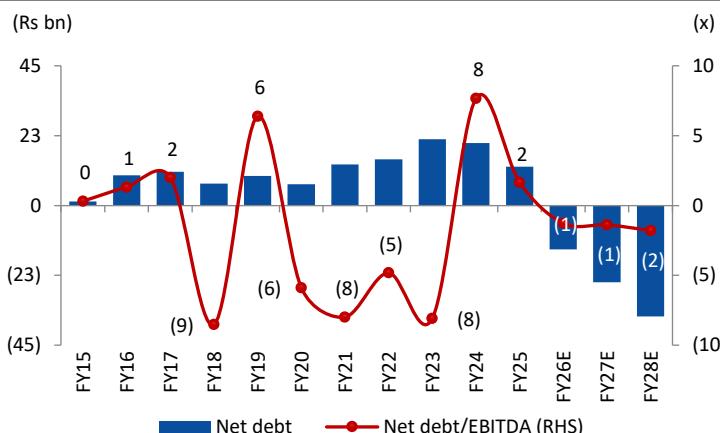
Source: Company, Systematix Research

Exhibit 10: Strong order execution to drive profitability

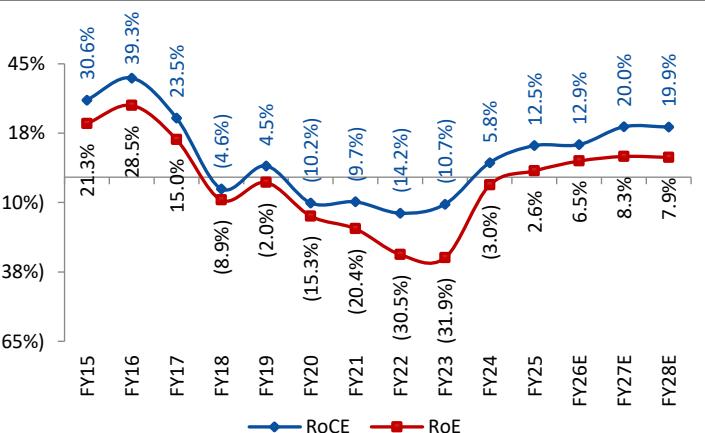
Source: Company, Systematix Research

Exhibit 11: Finance costs to reduce with lower debt

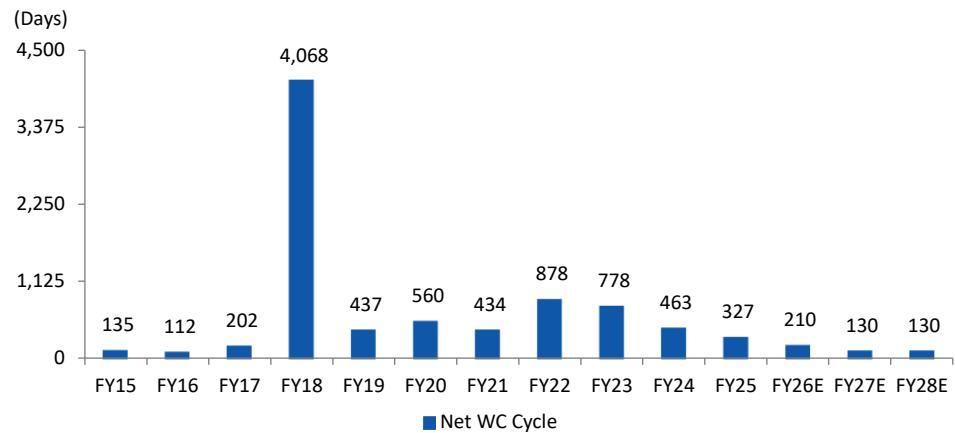
Source: Company, Systematix Research

Exhibit 12: Net debt/EBITDA

Source: Company, Systematix Research

Exhibit 13: Return ratios to recover

Source: Company, Systematix Research

Exhibit 14: Net WC cycle

Source: Company, Systematix Research

Exhibit 15: INXW (P/E method, FY28E, Mar YE)

	PAT (Rs mn)	Multiple (x)	Equity value (Rs mn)	Attributable to Inox Wind Ltd (%)	Attributable equity value (Rs mn)	Holding company discount (%)	Equity value (Rs bn)	Per Share (Rs)
Inox wind business (Supply and EPC) PAT	11,154.8	20.0	2,23,095	100%	2,23,095	0%	2,23,095	129
Inox Green PAT	2,882.9	20.0	57,657	56%	32,271	20%	25,817	15
Equity value							2,48,912	
Target price per share								144

Source: Company, Systematix Research

Exhibit 16: Revised estimates

(Rs bn)	Previous		New		% Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Net sales	58.7	95.6	50.7	85.4	-14%	-11%
EBITDA	11.6	18.2	11.1	17.9	-4%	-1%
Adj. PAT	7.4	11.4	7.4	11.4	0%	0%

Source: Company, Systematix Research

FINANCIALS (CONSOLIDATED)

Profit & Loss Statement

YE: Mar (Rs bn)	FY24	FY25	FY26E	FY27E	FY28E
Net revenues	17.5	35.6	50.7	85.4	95.6
Expenditure	14.8	28.0	39.5	67.5	75.6
EBITDA	2.6	7.6	11.1	17.9	20.1
Depreciation	1.1	1.8	2.2	2.4	2.6
Other income	0.6	1.4	1.1	2.5	3.1
EBIT	2.1	7.2	10.1	18.0	20.7
Interest cost	2.4	1.7	1.3	1.8	1.9
Share of Profit/Loss of JV & Associates	0.0	0.0	0.0	0.0	0.0
PBT	-0.3	5.5	8.7	16.2	18.7
Taxes	0.0	1.0	0.9	4.0	4.7
PAT	-0.3	4.5	7.9	12.1	14.0
Minority interest	-0.1	-0.1	0.5	0.7	1.3
Net Profit post-MI	-0.6	4.5	7.4	11.4	12.8
No of Shares (mn)	0.2	0.9	1.0	1.0	1.0
Adj. EPS (Rs/share)	-2.9	2.6	4.3	6.6	7.4

Source: Company, Systematix Research

Balance Sheet

YE: Mar (Rs bn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	2.0	8.6	9.7	9.7	9.7
Share capital pending issuance	1.9	7.6	7.6	7.6	7.6
Reserves & Surplus	24.2	34.2	53.6	65.7	79.7
Minority interest	4.9	5.6	5.6	5.6	5.6
Preference share capital	0.0	0.0	0.0	0.0	0.0
Net worth	33.0	56.1	76.4	88.6	102.6
Total Debt	20.7	14.7	29.2	30.4	34.1
Non Current liabilities	3.4	1.3	1.3	1.3	1.3
Current liabilities	31.2	30.6	44.8	53.5	59.2
Total liabilities	67.6	88.0	122.6	143.4	163.2
Net Block	15.2	19.8	20.8	20.2	19.7
CWIP	3.0	3.0	1.5	1.5	1.5
Non current investments	2.6	2.6	2.6	0.0	0.0
Intangible assets	2.6	2.3	2.3	2.3	2.3
Total Non current assets	34.0	37.8	35.1	33.2	32.6
Cash and Bank	0.5	2.1	43.3	55.2	69.9
Inventories	12.4	13.5	15.6	19.3	21.6
Receivables	11.4	26.9	20.8	28.1	31.4
Other Current Assets	6.2	5.7	5.7	5.7	5.7
Current Assets	33.6	50.2	87.5	110.2	130.6
Total Assets	67.6	88.0	122.6	143.4	163.2

Source: Company, Systematix Research

Cash Flow

YE: Mar (Rs bn)	FY24	FY25	FY26E	FY27E	FY28E
Profit/(loss) after tax	-0.5	4.4	8.7	16.2	18.7
Tax expense	0.4	1.0	0.0	0.0	0.0
D&A	1.1	1.8	2.2	2.4	2.6
Movements in WC	-6.2	-8.2	5.9	-2.2	-3.5
Cash from Operations (CFO)	-3.1	1.4	17.0	15.7	16.5
Income taxes paid	-0.6	-0.1	-0.9	-4.0	-4.7
Net CFO	-4	1	16	12	12
Purchase of PP&E	-5.4	-6.2	-1.8	-1.8	-2.0
Other investing activities	10.3	2.1	0.0	0.0	0.0
Net CFI	5	-4	-2	-2	-2
Share Capital issued	0.0	0.0	1.0	0.0	0.0
Proceeds from LT borrowings	5.0	0.0	0.0	0.0	0.0
Repayment of borrowings	-3.3	-2.1	14.5	1.2	3.6
Proceeds from borrowings (net)	5.0	-1.8	0.0	0.0	0.0
Finance cost	-3.1	-2.6	-0.2	0.7	1.2
Net CFF	-1.3	2.8	26.8	1.9	4.8
Net CC&E	-0.1	0.1	41.2	11.8	14.7
CC&E end of the year	0.1	0.2	41.4	53.3	67.9

Source: Company, Systematix Research

Ratio Analysis

YE: Mar	FY24	FY25	FY26E	FY27E	FY28E
YoY Change					
YoY growth in Revenue	138%	104%	43%	68%	12%
YoY growth in EBITDA	LP	189%	47%	61%	12%
YoY growth in NI	LP	LP	66%	54%	12%
Margins					
EBITDA margin	15%	21%	22%	21%	21%
Operating profit margin	12%	20%	20%	21%	22%
Profit margin	-3%	13%	15%	13%	13%
RoCE	5.8%	12.5%	12.9%	20.0%	19.9%
RoE	-3.0%	2.6%	6.5%	8.3%	7.9%
Per Share Numbers (Rs):					
Reported Earnings	(2.92)	2.58	4.28	6.60	7.39
Book Value	140	58	73	86	100
Valuations (x)					
P/E	NM	39	24	15	14
EV/EBITDA	67	23	16	10	9
EV/Sales	10	5	3	2	2
P/BV	0.7	1.7	1.4	1.2	1.0

Source: Company, Systematix Research

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