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India | Equity Research | Results Update

Adani Green Energy

Utilities

In fine fettle

Adani Green Energy (AGEL) started FY26 on a strong note, posting a strong quarter on both operational and financial fronts. It commissioned ~1.6GW in Q1FY26, taking operational capacity to 15.8GW (+45% YoY). It has commissioned 4.9GW over the last one year. Generation followed suit – energy sales were up 42% YoY, leading to revenue/EBITDA growth of 29%/26% YoY to INR 33.8bn/30.4bn. Note that the company's locked-in generation capacity stands at >33GW with estimated EBITDA potential of INR 222bn. It plans to achieve 50GW operational capacity by 2030 – 45GW generation capacity and 5GW PSP capacity; it is targeting 30GW operational capacity at Khavda by 2029. AGEL has guided for capacity addition of 5GW in FY26. Retain **BUY** with a revised TP of **INR 1,230**.

A strong set of results

AGEL reported a strong set of results in Q1FY26. Revenue/EBITDA was up 29%/26% YoY, mainly due to higher generation (+42% YoY). Growth in energy sales was partly offset by lower realisations in merchant market in Q1 and lower PPA tariffs for incremental capacity. ~22% of the power was sold through merchant route from projects completed before scheduled commissioning; total 41% of the power was sold in merchant market.

Commissioning picked up in last six months

AGEL has commissioned 1.6GW of capacity in Q1FY26 (1.1GW/0.4GW solar/hybrid) taking commissioning in the last six months to 4.2GW. Note – in FY25, AGEL commissioned 3.3GW capacity. Commissioning at Khavda (in Gujarat) was 1.5GW in Q1FY26, taking operational capacity at Khavda to 5.6GW.

Robust execution pipeline

AGEL has locked-in portfolio of >33GW with estimated EBITDA potential of INR 222bn. It has guided for 5GW commissioning in FY26. It plans to operationalise 50GW by 2030, including 5GW PSP capacity. AGEL is targeting to achieve 30GW of operational capacity at Khavda by 2029. Note that Khavda is a resource-rich location (for solar and wind), resulting in higher PLFs. AGEL also has one PSP project under-construction (Chitravathi: 500MW) and has signed PPA for another PSP project (1250MW) in Q1FY26.

Maintain BUY with a revised TP of INR 1,230

We maintain **BUY** on AGEL with a revised TP of **INR 1,230** (INR 1,150 earlier), valuing the stock at 16x locked-in EBITDA.

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	98,920	1,28,651	1,61,872	2,07,618
EBITDA	90,060	1,16,920	1,47,909	1,90,172
EBITDA Margin (%)	91.0	90.9	91.4	91.6
Net Profit	14,460	23,297	32,203	46,129
EPS (INR)	14.2	14.1	19.5	28.0
EPS % Chg YoY	31.5	54.9	38.2	46.8
P/E (x)	111.3	71.8	52.0	35.4
EV/EBITDA (x)	26.2	20.9	17.9	14.8
RoCE (%)	7.4	6.9	7.4	7.8
RoE (%)	7.8	9.0	9.9	12.6

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Market Data

Market Cap (INR)	1,609bn
Market Cap (USD)	18,532mn
Bloomberg Code	ADANIGR IN
Reuters Code	ADNA.BO
52-week Range (INR)	2,092 / 758
Free Float (%)	19.0
ADTV-3M (mn) (USD)	36.6

Price Performance (%)	3m	6m	12m
Absolute	10.1	2.8	(44.7)
Relative to Sensex	8.8	(3.4)	(44.7)

ESG Score	2023	2024	Change
ESG score	66.2	67.6	1.4
Environment	51.5	58.8	7.3
Social	75.5	79	3.5
Governance	70.2	68.5	(1.7)

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Previous Reports

29-04-2025: [Q4FY25 results review](#)

04-04-2025: [Initiating coverage](#)

Q1FY26 conference call highlights

Operating performance

- Energy sales were up in 42% YoY in Q1FY26 to 10.5BU
- PLFS were healthy – solar (28%), wind (42.3%) and hybrid (43.9%)
- In Q1FY26, ~2.3BU (22%) came from projects completed pre-CoD and this was sold in merchant market
- Overall ~4.3BU was sold in merchant market in Q1FY26

Capacity addition review

- AGEL commissioned 1.6GW capacity in Q1FY26
- It commissioned 1.5GW capacity at Khavda in Q1FY26; operational capacity at Khavda stands at 5.6GW as of Q1FY26

On pumped storage projects

- The company highlighted that they have a sufficient pipeline to achieve the targeted 5GW PSP capacity by 2030, mentioning that the two recently cancelled PSP projects in Andhra Pradesh does not impact its targeted capacity

On transmission connectivity and merchant sales

- The company highlighted that given the amount of RE capacity addition at industry level and transmission infrastructure being planned to evacuate RE, there can be some mismatches in terms of commissioning of generation and transmission capacity
- Commissioning of projects before scheduled timeline allows for sale of power from these projects in merchant market after due approvals
- It highlighted that the realisations in merchant market were lower in Q1FY26, mainly due to the early onset of monsoon impacting demand; however, it expects the merchant prices to improve specially for wind power

Others

- AGEL's gross debt as of Jun'25 stood at INR 780bn

Outlook and valuation

AGEL has the strongest track record of developing renewables portfolio. It also has the resources to develop up to 30GW at a single location in Khavda. It has been miles ahead in the competition. It has a capex to EBITDA ratio of close to ~7.5x indicating high capital efficiency. We value the asset with an EV to EBITDA of 16x – implying a doubling of the asset from 30GW to 60GW in the next eight years. The multiple factors include – 1) AGEL's strong track record of execution with 15.8GW operational capacity, 2) superior capital efficiency, 3) access to funds, and 4) quality solar and wind resources on a large scale. We maintain **BUY** with a revised target price of INR 1,230 (INR 1,150 earlier).

Key risks: 1) Delay in commissioning of under-development capacity; and 2) lower-than-estimated generation.

Exhibit 1: AGEL – TP of INR 1,230

EV/EBITDA Valuation	
Locked in EBITDA (INR bn)	222
Multiple (x)	16
Total Value (INR bn)	3,555
Less: Value of Debt (INR bn)	1,184
Equity Value (INR bn)	2,371
Discounted Value	2,032
No. of Shares (mn)	1,647
Equity Value per share (INR)	1,230

Source: I-Sec research, Company data

Exhibit 2: Quarterly result highlights (consolidated)

P&L (INR mn)	Q1FY25	Q4FY25	Q1FY26	% Ch QoQ	% Ch YoY
Net sales	26,150	27,060	33,790	24.9	29.2
EBITDA	24,200	24,060	30,420	26.4	25.7
OPM (%)	93%	89%	90%	111bps	-252bps
Other inc.	2,660	2,140	2,060	(3.7)	(22.6)
Interest	14,180	13,770	15,250	10.7	7.5
Depreciation	5,930	6,630	7,670	15.7	29.3
PBT	6,750	5,800	9,560	64.8	41.6
PAT	6,290	3,870	8,240	112.9	31.0
Reported PAT	4,960	4,620	7,240	56.7	46.0
EPS (INR)	31	29.17	45.7	56.7	46.0
Operational capacity (GW)	10.9	14.2	15.8	11.0	44.6

Source: I-Sec research, Company data

Exhibit 3: Shareholding pattern

%	Dec'24	Mar'25	Jun'25
Promoters	60.9	60.9	61.9
Institutional investors	15.4	14.9	14.4
MFs and other	0.4	1.0	1.5
Banks/ FIs	0.0	0.0	0.0
Insurance Cos.	1.4	1.4	1.3
FII's	13.7	12.5	11.6
Others	23.7	24.2	23.6

Source: Bloomberg, I-Sec research

Exhibit 4: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 5: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Net Sales	98,920	1,28,651	1,61,872	2,07,618
Operating Expenses	3,602	4,677	5,916	7,607
EBITDA	90,060	1,16,920	1,47,909	1,90,172
EBITDA Margin (%)	91.0	90.9	91.4	91.6
Depreciation & Amortization	24,890	31,084	39,495	51,148
EBIT	65,170	85,836	1,08,414	1,39,024
Interest expenditure	54,820	64,799	77,797	90,354
Other Non-operating Income	10,660	11,606	13,928	14,485
Recurring PBT	21,010	32,644	44,545	63,156
Profit / (Loss) from Associates	4,440	4,440	4,440	4,440
Less: Taxes	2,160	8,216	11,212	15,896
PAT	18,850	24,427	33,333	47,259
Less: Minority Interest	(5,570)	(5,570)	(5,570)	(5,570)
Extraordinaries (Net)	(3,260)	-	-	-
Net Income (Reported)	20,030	23,297	32,203	46,129
Net Income (Adjusted)	14,460	23,297	32,203	46,129

Source Company data, I-Sec research

Exhibit 6: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	86,220	59,201	1,34,999	81,432
of which cash & cash eqv.	51,360	1,980	67,766	412
Total Current Liabilities & Provisions	61,820	95,634	1,25,146	1,45,530
Net Current Assets	24,400	(36,433)	9,853	(64,098)
Investments	9,690	1,857	1,912	1,970
Net Fixed Assets	7,99,150	9,70,854	11,87,603	14,83,602
ROU Assets	-	-	-	-
Capital Work-in-Progress	1,44,790	1,28,807	1,74,279	1,02,000
Total Intangible Assets	-	-	-	-
Other assets	74,130	37,065	40,772	41,179
Deferred Tax Assets	-	-	-	-
Total Assets	10,52,160	11,02,150	14,14,418	15,64,654
Liabilities				
Borrowings	8,13,930	7,69,534	10,46,734	11,47,910
Deferred Tax Liability	-	-	-	-
provisions	-	-	-	-
other Liabilities	26,740	24,557	25,294	26,052
Equity Share Capital	15,840	16,480	16,480	16,480
Reserves & Surplus	91,290	1,85,131	2,17,334	2,63,464
Total Net Worth	1,07,130	2,01,611	2,33,814	2,79,944
Minority Interest	1,04,360	1,06,447	1,08,576	1,10,748
Total Liabilities	10,52,160	11,02,150	14,14,418	15,64,654

Source Company data, I-Sec research

Exhibit 7: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Operating Cashflow	48,280	35,880	52,833	53,856
Working Capital Changes	29,430	11,453	19,500	6,597
Capital Commitments	(2,56,830)	(1,55,721)	(2,62,221)	(2,23,721)
Free Cashflow	3,05,110	1,91,601	3,15,054	2,77,577
Other investing cashflow	(4,390)	(1,130)	(1,130)	(1,130)
Cashflow from Investing Activities	(2,61,220)	(1,56,851)	(2,63,351)	(2,24,851)
Issue of Share Capital	36,790	73,271	2,129	2,172
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	1,51,890	(44,396)	2,77,200	1,01,176
Dividend paid	-	-	-	-
Others	(22,230)	42,715	(3,025)	294
Cash flow from Financing Activities	1,66,450	71,591	2,76,304	1,03,641
Chg. in Cash & Bank balance	(46,490)	(49,380)	65,786	(67,353)
Closing cash & balance	51,360	1,980	67,766	412

Source Company data, I-Sec research

Exhibit 8: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	9.1	14.1	19.5	28.7
Adjusted EPS (Diluted)	14.2	14.1	19.5	28.0
Cash EPS	24.8	33.0	43.5	59.0
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	67.6	122.3	141.9	169.9
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	22.9	30.1	25.8	28.3
EBITDA	23.1	29.8	26.5	28.6
EPS (INR)	31.5	54.9	38.2	46.8
Valuation Ratios (x)				
P/E	111.3	71.8	52.0	35.4
P/CEPS	40.9	30.8	23.3	17.2
P/BV	15.0	8.3	7.2	6.0
EV / EBITDA	26.2	20.9	17.9	14.8
P / Sales	16.3	13.0	10.4	8.1
Dividend Yield (%)	-	-	-	-
Operating Ratios				
Gross Profit Margins (%)	94.7	94.5	95.0	95.3
EBITDA Margins (%)	91.0	90.9	91.4	91.6
Effective Tax Rate (%)	10.3	25.2	25.2	25.2
Net Profit Margins (%)	19.1	19.0	20.6	22.8
NWC / Total Assets (%)	0.1	-	-	-
Net Debt / Equity (x)	7.0	3.8	4.2	4.1
Net Debt / EBITDA (x)	8.4	6.5	6.6	6.0
Profitability Ratios				
RoCE (%)	7.4	6.9	7.4	7.8
RoE (%)	7.8	9.0	9.9	12.6
RoIC (%)	7.4	6.9	7.4	7.8
Fixed Asset Turnover (x)	0.1	0.1	0.1	0.2
Inventory Turnover Days	4	34	33	34
Receivables Days	63	90	89	90
Payables Days	16	113	156	157

Source Company data, I-Sec research

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