

17 August 2025

India | Equity Research | Results update

Inox Wind

Capital Goods

Lower execution cushioned by margins

Inox Wind reported revenue growth of 30% YoY in Q1FY26 – execution grew 4% YoY and realisations grew 24% YoY. Thus, EBITDA margins came in at 23.5% (+220bps YoY). The company has also commissioned its nacelle plant near Ahmedabad, to aid margins in the long run. However, we believe margins for the full year will be closer to the guided 18%. We believe the lower order inflow (OI) - of 51MW in Q1 reduces the visibility of revenues in FY27E. Thus, we are tapering FY27E estimates on execution to 1.5GW (from 1.7GW earlier). The company is undergoing restructuring of its various businesses to streamline the balance sheet (discussed below). Given the industry tailwinds and sharp drop in the stock price, we maintain a **BUY** on the stock with a revised TP of INR 170 (vs INR 230 earlier).

Muted execution

Inox Wind executed 146MW in Q1FY26 (+4% YoY), below our expectations. It has targeted an execution of 1.2 for FY26, which would require 86% YoY growth in execution over the remaining three quarters of FY26.

Margins surprise

Revenues for the quarter was INR 8.2bn, up 30% YoY. We estimate a realisation of INR ~57/watt, up by INR 5/watt QoQ and INR 11/watt YoY. Hence, EBITDA came in at INR 1.9bn (+43% YoY). Other income was 3x while interest fell 24% YoY. Thus, profits were INR 1bn, 2x YoY.

Order book at 3.1GW; OI below expectations

Inox, with an OB of 3.1GW (+ 7% YoY), boasts a book-to-bill ratio of 4.5x. Thus, it has a clear runway until FY27E. It received order inflow of 51MW in Q1FY26.

Corporate restructuring underway

Inox Wind is restructuring its business. To that end, 1) it has merged with Inox Wind Energy resulting in the reduction of liabilities (INR 20bn), 2) it is looking to transfer the substation business from Inox Green Energy to Inox Renewables Solutions (IRS), and 3) eventually demerge and list IRS as well.

Maintain BUY on a TP of INR 230

We maintain **BUY** with a TP of **INR 230**, basis FY27E earnings at 30x.

Financial Summary

Y/E March (INR mn)	FY24A	FY25A	FY26E	FY27E
Net Revenue	17,432	35,572	75,017	94,499
EBITDA	2,686	7,572	12,340	15,473
EBITDA Margin (%)	15.4	21.3	16.5	16.4
Net Profit	(429)	4,377	7,854	9,831
EPS (INR)	(0.3)	2.7	4.8	6.1
EPS % Chg YoY	(93.6)	(1,119.7)	79.4	25.2
P/E (x)	(518.4)	50.8	28.3	22.6
EV/EBITDA (x)	91.8	30.1	17.6	13.8
RoCE (%)	5.3	10.4	12.1	12.3
RoE (%)	(2.5)	13.0	14.4	15.5

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Market Data

Market Cap (INR)	224bn
Market Cap (USD)	2,561mn
Bloomberg Code	INXW IN
Reuters Code	INWN.BO
52-week Range (INR)	258 /128
Free Float (%)	52.0
ADTV-3M (mn) (USD)	16.0

Price Performance (%)	3m	6m	12m
Absolute	(20.2)	(19.1)	(33.8)
Relative to Sensex	(19.3)	(25.3)	(35.7)

ESG Score	2023	2024	Change
ESG score	64.7	63.6	(1.1)
Environment	44.8	50.8	6.0
Social	64.7	76.8	12.1
Governance	74.7	72.2	(2.5)

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

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY26E	FY27E
Revenue	-	(16)
EBITDA	-	(18)
EPS	-	(19)

Previous Reports

01-06-2025: [Q4FY25 results review](#)

01-02-2025: [Q3FY25 results review](#)

Outlook and valuation

Inox Wind (Inox) is benefitting from the improvement in industry prospects. Due to industry slowdown and low execution, Inox saw a substantial spike in debt from FY17-FY23. The company has been deleveraging and its net debt reduced to ~INR 0.2bn by end-FY25. In addition, the industry is looking up and a revival led by a slew of policy actions is in the offing along with strong bidding activity for RE projects with wind component of 10–12GW in FY26E. Inox had witnessed a sharp improvement in OI (at 3.2GW in FY25). This inflow was largely driven by 1,500MW of order from CESC, which may be executed over the next 3–4 years. This has improved execution growth visibility over the next 3–4 years and should substantially improve execution growth over the next 1–2 years. We maintain **BUY** on the stock with an SoTP-based revised target price of INR 170/share (earlier INR 230) as we taper FY27E execution estimates by ~15%, valuing the wind business at 30x FY27E EPS.

Key risks: 1) Slowdown in OI, 2) slowdown in RE project bidding, and 3) further increase in receivables (at 270 days currently).

Exhibit 1: SoTP-based valuation

	Methodology	Stake	Value (INR Mn)	Per Share
Value of Wind Business	30x FY27E EPS	100%	2,74,468	159
Inox Green	Mkt. cap. adjusted @25% for Holdco.	56%	18,750	11
Total			2,93,218	170

Source: I-Sec research, Company data

Exhibit 2: Earnings revision for FY27E

INR mn	Earlier	Revised	Change (%)
Revenue	1,12,109	94,499	-16%
EBIDTA	18,939	15,473	-18%
PAT	12,151	9,831	-19%

Source: I-Sec research, Company data

Exhibit 3: Consolidated quarterly financials

INR mn	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY(%)	QoQ(%)
Total Revenue	6,388	7,322	9,112	12,748	8,262	29.3	(35.2)
EBITDA	1,361	1,695	2,164	2,543	1,943	42.8	(23.6)
Margin (%)	21.3	23.1	23.8	19.9	23.5	222bps	357bps
Depreciation	416	444	466	477	487	17.0	2.0
Finance Cost	582	409	459	348	444	(23.7)	27.7
Other Income	117	95	823	358	363	210.1	1.3
PBT	480	938	2,063	2,076	1,375	186.6	(33.7)
Tax	472	902	1,257	1,903	973	106.4	(48.9)
tax rate (%)	98.2	96.2	60.9	91.7	70.8	-2749bps	-2090bps
Reported PAT (post JV)	472	943	1,173	1,918	1,058	124.4	(44.8)
Adjusted PAT (post JV)	472	943	1,307	1,918	1,058	124.4	(44.8)
Margin (%)	7.4	12.9	14.3	15.0	12.8	542bps	-224bps
EPS	2.8	2.8	3.9	5.8	0.6	(78.4)	(89.7)
Execution (MW)	140	140	189	236	146	4.3	(38.1)
Order Inflow (MW)	611	589	200	100	51	(91.7)	(49.0)
Orderbook (MW)	2,917	3,328	3,286	3,203	3,108	6.5	(3.0)

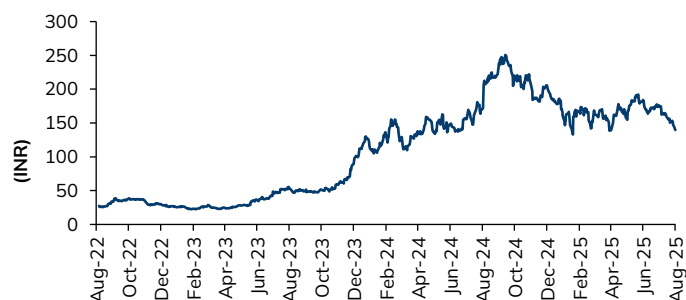
Source: I-Sec research, Company data

Exhibit 4: Shareholding pattern

%	Dec'24	Mar'25	Jun'25
Promoters	48.3	48.3	44.2
Institutional investors	25.1	25.0	22.8
MFs and others	7.3	7.2	7.0
FIs/Banks	0.0	2.1	1.9
Insurance	0.3	0.1	0.1
FIIIs	17.3	15.7	13.8
Others	26.8	26.7	33.0

Source: Bloomberg, I-Sec research

Exhibit 5: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 6: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Net Sales	17,432	35,572	75,017	94,499
Operating Expenses	2,571	2,869	3,827	4,579
EBITDA	2,686	7,572	12,340	15,473
EBITDA Margin (%)	15.4	21.3	16.5	16.4
Depreciation & Amortization	1,100	1,823	1,880	1,973
EBIT	1,587	5,749	10,461	13,500
Interest expenditure	2,483	1,690	1,809	2,282
Other Non-operating Income	561	1,470	1,337	1,364
Recurring PBT	(335)	5,528	9,990	12,581
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	36	1,018	1,953	2,488
PAT	(371)	4,511	8,037	10,093
Less: Minority Interest	58	134	182	262
Extraordinaries (Net)	(137)	-	-	-
Net Income (Reported)	(566)	4,377	7,854	9,831
Net Income (Adjusted)	(429)	4,377	7,854	9,831

Source Company data, I-Sec research

Exhibit 7: Balance sheet

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Total Current Assets	30,590	50,199	1,14,588	1,40,370
of which cash & cash eqv.	539	2,129	30,869	36,901
Total Current Liabilities & Provisions	11,113	15,862	52,479	64,756
Net Current Assets	19,477	34,337	62,109	75,614
Investments	6,871	6,951	6,951	6,951
Net Fixed Assets	15,507	20,566	19,187	17,713
ROU Assets	-	-	-	-
Capital Work-in-Progress	2,662	2,961	2,761	2,561
Total Intangible Assets	-	-	-	-
Other assets	9,517	7,274	7,274	7,274
Deferred Tax Assets	-	-	-	-
Total Assets	54,035	72,089	98,281	1,10,112
Liabilities				
Borrowings	31,383	14,710	33,049	35,049
Deferred Tax Liability	-	-	-	-
provisions	-	-	-	-
other Liabilities	5,678	6,911	6,911	6,911
Equity Share Capital	3,259	16,241	16,241	16,241
Reserves & Surplus	13,714	34,226	42,080	51,911
Total Net Worth	16,974	50,468	58,322	68,153
Minority Interest	-	-	-	-
Total Liabilities	54,035	72,089	98,281	1,10,112

Source Company data, I-Sec research

Exhibit 8: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Operating Cashflow	(4,346)	(8,760)	9,005	2,620
Working Capital Changes	(3,975)	(13,271)	969	(7,473)
Capital Commitments	(1,142)	(5,357)	1,580	1,673
Free Cashflow	(3,204)	(3,403)	7,426	947
Other investing cashflow	-	-	-	-
Cashflow from Investing Activities	(1,142)	(5,357)	1,580	1,673
Issue of Share Capital	40	29,117	0	0
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	7,319	(16,672)	18,338	2,000
Dividend paid	-	-	-	-
Others	(3,975)	3,396	-	-
Cash flow from Financing Activities	3,384	15,840	18,338	2,000
Chg. in Cash & Bank balance	(2,105)	1,723	28,923	6,294
Closing cash & balance	597	2,262	31,052	37,163

Source Company data, I-Sec research

Exhibit 9: Key ratios

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	(0.3)	2.7	4.8	6.1
Adjusted EPS (Diluted)	(0.3)	2.7	4.8	6.1
Cash EPS	0.4	3.8	6.0	7.3
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	10.5	31.1	35.9	42.0
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	136.5	104.1	110.9	26.0
EBITDA	(201.8)	181.9	63.0	25.4
EPS (INR)	(93.6)	(1,119.7)	79.4	25.2
Valuation Ratios (x)				
P/E	(518.4)	50.8	28.3	22.6
P/CEPS	332.1	35.9	22.9	18.9
P/BV	13.1	4.4	3.8	3.3
EV / EBITDA	91.8	30.1	17.6	13.8
P / Sales	12.8	6.3	3.0	2.4
Dividend Yield (%)	-	-	-	-
Operating Ratios				
Gross Profit Margins (%)	30.2	29.4	21.6	21.2
EBITDA Margins (%)	15.4	21.3	16.5	16.4
Effective Tax Rate (%)	(10.8)	18.4	19.5	19.8
Net Profit Margins (%)	(2.1)	12.7	10.7	10.7
NWC / Total Assets (%)	-	-	-	-
Net Debt / Equity (x)	1.4	0.1	(0.1)	(0.1)
Net Debt / EBITDA (x)	8.9	0.7	(0.4)	(0.6)
Profitability Ratios				
RoCE (%)	5.3	10.4	12.1	12.3
RoE (%)	(2.5)	13.0	14.4	15.5
RoC (%)	5.3	10.4	12.1	12.3
Fixed Asset Turnover (x)	1.1	2.0	3.8	5.1
Inventory Turnover Days	366	186	271	223
Receivables Days	335	370	231	190
Payables Days	178	147	312	256

Source Company data, I-Sec research

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