



TM

SYSTEMATIX INSTITUTIONAL EQUITIES

Systematix

Institutional Equities

01 June 2025

Inox Wind Limited

Earnings in line; strong order book to keep growth intact

RESULT UPDATE

Sector: Capital Goods Rating: BUY

CMP: Rs 195 Target Price: Rs 231

Stock Info

Sensex/Nifty	81,451/24,750
Bloomberg	INXW IN
Equity shares (bn)	1.3
52-wk High/Low	262/124
Face value	Rs 10
M-Cap	Rs 254bn/ USD 2.9bn

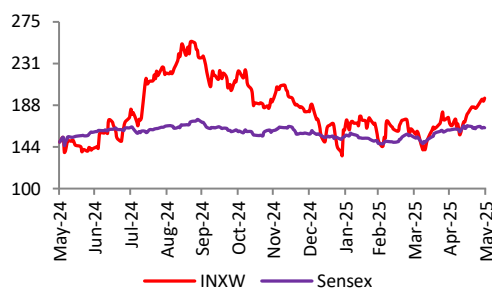
Financial Snapshot (Rs bn)

Y/E Mar	FY25	FY26E	FY27E
Sales	35.6	67.2	99.9
EBITDA	7.6	12.3	18.3
PAT	4.5	8.4	12.8
EPS (Rs)	3.4	6.5	9.8
PE (x)	54.1	28.6	18.8
EV/EBITDA (x)	32.1	19.7	13.3
RoE (%)	3.4	10.2	12.9
RoCE (%)	12.5	17.9	24.4

Shareholding Pattern (%)

	Mar'25	Dec'24	Sep'24
Promoter	48	48	48
-Pledged	2	1	1
FII	16	15	16
DII	9	10	9
Others	27	27	27

Stock Performance (1-year)



Inox Wind's (INXW) 4QFY25 revenue of Rs 12.75bn (+142% YoY, +40% QoQ) was in line with our estimate. EBITDA (excl. other income) at Rs 2,543mn grew by 158%/25% YoY/QoQ, also falling in line with our estimate. The EBITDA margin for the quarter came in at 19.9%, a 125bps YoY increase, but fell 241bps QoQ. INXW's interest costs fell by 7%/6% YoY/QoQ to Rs 295mn in 4QFY25. INXW executed 236MW orders in 4QFY25 vs 189MW/129MW in 3QFY25/4QFY24. Standalone revenue and EBITDA were reported at Rs 12.86bn (+173%/+39% YoY/QoQ) and Rs 2,339mn (+295%/+33% YoY/QoQ), respectively. On a consol basis, realisations averaged Rs 5.4cr/MW during the quarter (+32%/+12% YoY/QoQ), reflecting a likely pick up in EPC activity. The company's Operations and Maintenance (O&M) subsidiary Inox Green Energy Services Ltd. (INOXGREE: NOT RATED) reported 4QFY25 revenue and EBITDA (incl. other income) of Rs 684mn (+30%/+12% YoY/QoQ) and Rs 295mn (-32%/+4% YoY/QoQ), respectively.

FY25 financial and operational performance: INXW's reported FY25 revenue of Rs 35.57bn (+103% YoY) and EBITDA of Rs 7.57bn (+189% YoY) on execution of 705MW of wind turbine orders (+87.5% YoY). The company's current order book stands at 3,203MW, net of supplies; its FY25 order inflows were 1,553MW versus 2,402MW in FY24. The management maintains its FY26/FY27 order execution guidance at 1,200MW/2,000MW. INXW's FY25 ending net debt stands at Rs 12.5bn versus Rs 20.1bn as on FY24.

Valuation and view: The company executed 376MW and 705MW orders in FY24 and FY25, respectively, versus full year FY24/FY25 guidance of 500MW/800MW. While the management maintains FY26/FY27 guidance at 1,200MW/2,000MW, we factor in 1,150MW and 1,728MW execution in our FY26 and FY27 estimates, respectively. Pick up in EPC was a key positive during the quarter, which is expected to scale up in subsequent quarters as various projects in its orderbook near completion. INXW's current order book comprises 58% turnkey projects and 42% equipment supplies, whereas its current revenue stream is mainly contributed by equipment supplies recognized on an ex-factory basis. As Erection, Procurement, and Construction (EPC) pick up in subsequent periods, we expect INXW to gradually reach the targeted execution split of 50:50 turnkey and equipment supplies. NCLT has recently approved the merger between INXW and its holding company, Inox Wind Energy Limited (IWEL IN; NOT RATED), at a ratio of 632:10. Under the terms of the merger, IWEL shareholders will receive 632 shares of INXW for every 10 shares of IWEL held. Following the merger, INXW's total outstanding shares will increase to 162.4 crore from the current 130.3 crore. The merger scheme also results in a significant reduction in INXW's liabilities by ~Rs 20bn. We incorporate the diluted count in our valuation matrix and value INXW 30x FY27E P/E on an SOTP basis, resulting in a target price of Rs 231/share, implying a 19% upside from the CMP. **Maintain BUY.**

Key monitorable and risks: We note that a commensurate enhancement in India's grid availability, capital allocation, and transmission infrastructure development is pivotal for the industry to realize its full potential and achieve targeted capacities. Delays in commissioning, right-of-way issues, and muted order inflows are key risks to the company.

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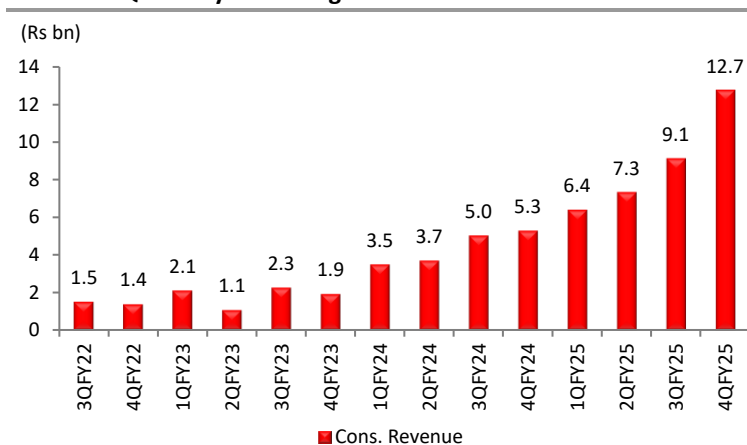
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Exhibit 1: Quarterly review

(Rs mn, unless otherwise stated)	4QFY24	3QFY25	4QFY25	YoY (%)	QoQ (%)
Order Execution (MW)	129	189	236	83%	25%
Revenue	5,277	9,113	12,748	142%	40%
Total Expenditure	4,291	7,075	10,205	138%	44%
EBITDA (excl. Other income)	987	2,037	2,543	158%	25%
EBITDA margin	18.7%	22.4%	19.9%		
Depreciation	305	473	477	56%	1%
Interest Expense	575	345	348	-39%	1%
Other income	413	835	358	-13%	-57%
PBT	520	2,055	2,076	299%	1%
Tax	-14	804	173	NA	-78%
PAT (post minority)	299	1,066	1,889	533%	77%
PAT margin	6%	12%	15%		
EPS (Rs/share)	0.2	0.8	1.4	533%	77%

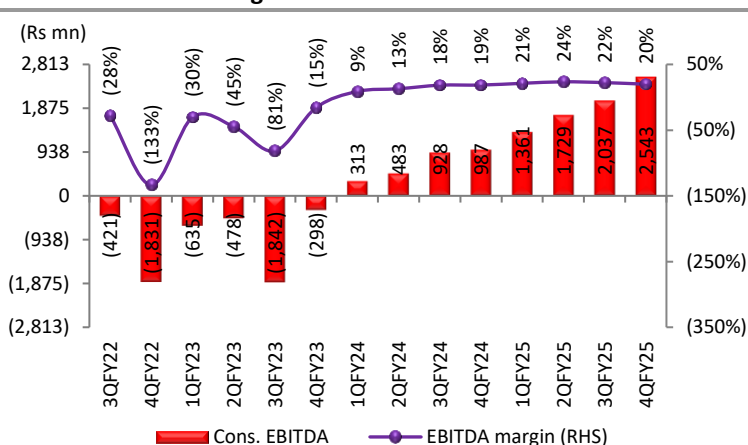
Source: Company, Systematix Institutional Research

Exhibit 2: Quarterly revenue growth rises with execution



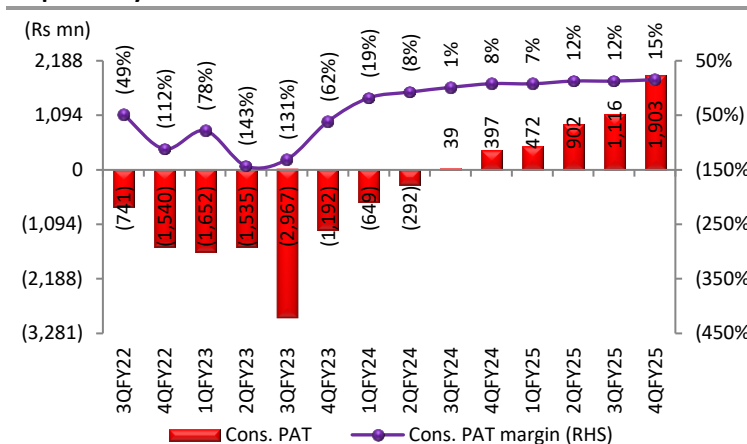
Source: Company, Systematix Institutional Research

Exhibit 3: EBITDA margin sustains ~20%



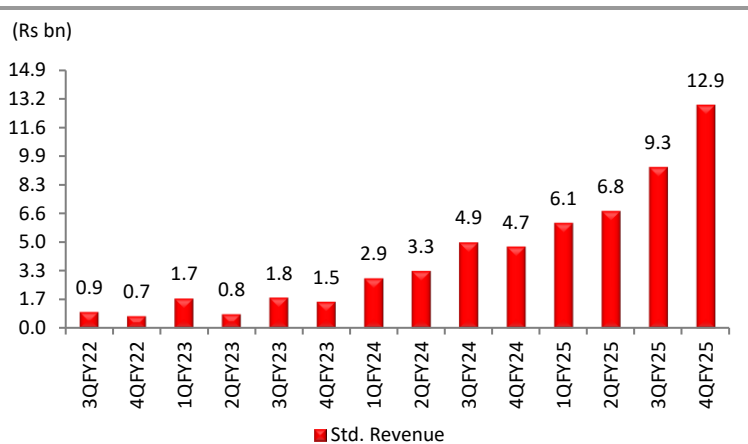
Source: Company, Systematix Institutional Research

Exhibit 4: Consolidated PAT before minority interest rises by 71% sequentially

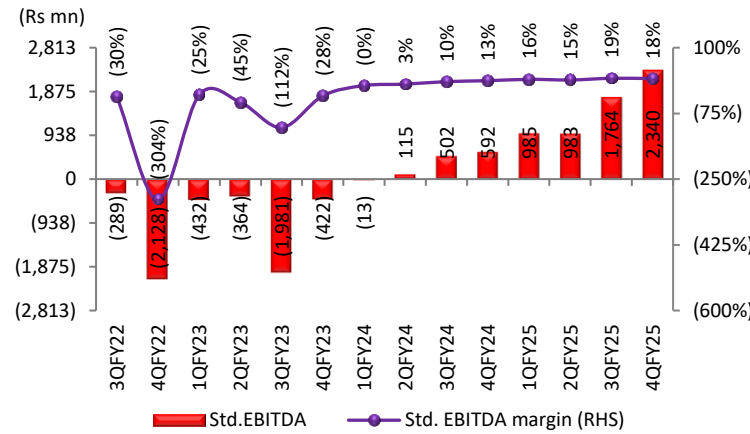


Source: Company, Systematix Institutional Research

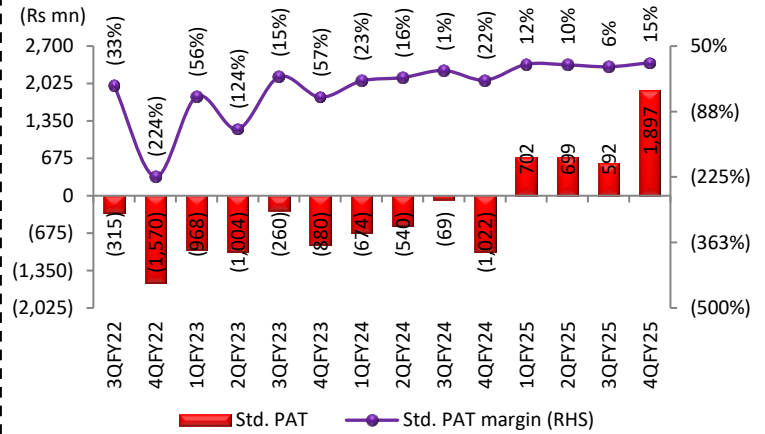
Exhibit 5: Standalone revenue rises with equipment supplies



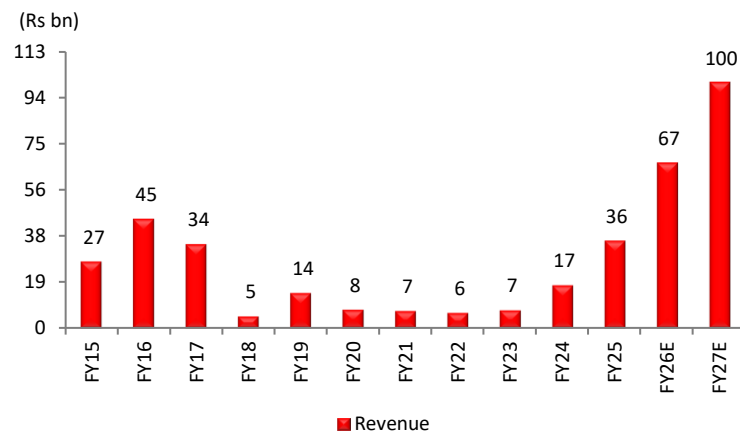
Source: Company, Systematix Institutional Research

Exhibit 6: Standalone EBITDA grew by 33% sequentially with 18% margin

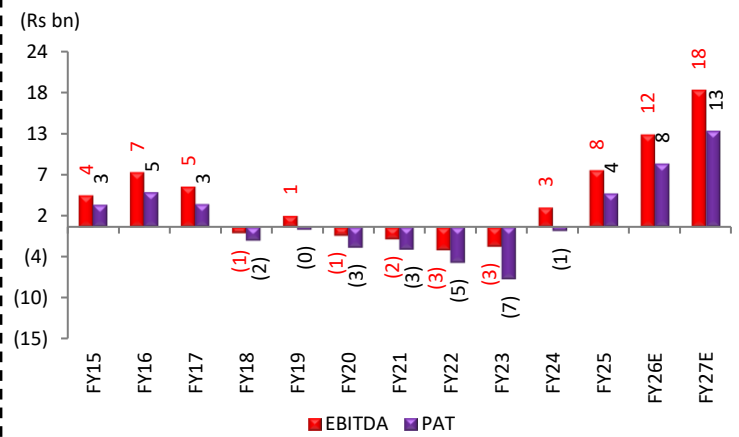
Source: Company, Systematix Institutional Research

Exhibit 7: Standalone PAT grew 3.2 times QoQ in 4QFY25

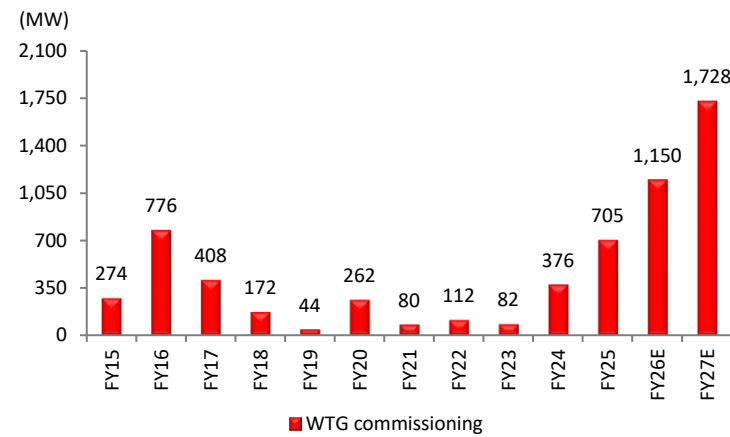
Source: Company, Systematix Institutional Research

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

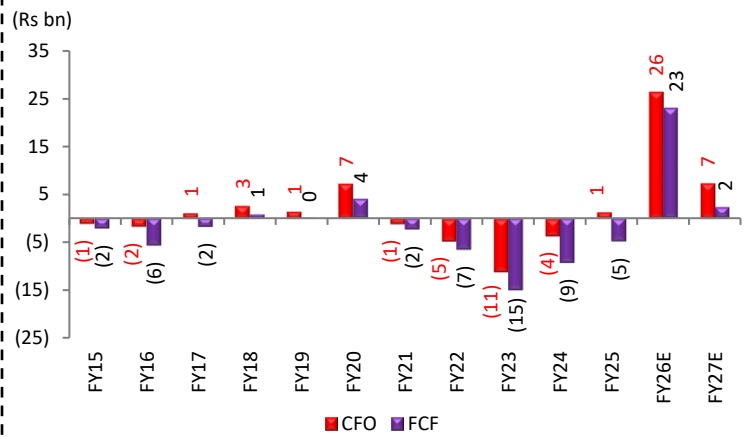
Source: Company, Systematix Institutional Research

Exhibit 9: Profitability to see uptick; EBITDA to grow at a 56% CAGR over FY25-FY27E

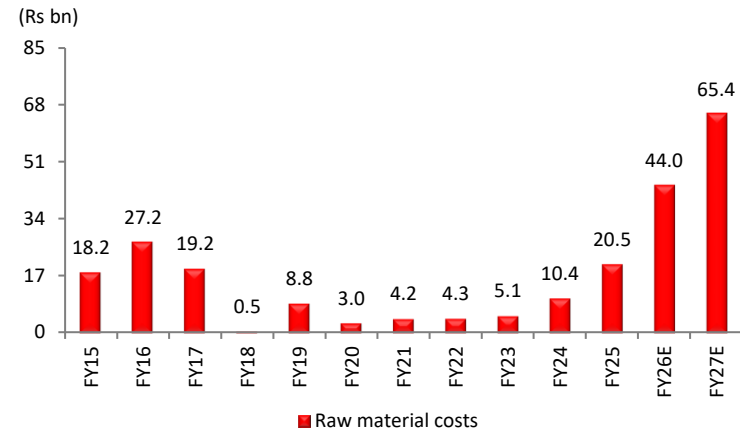
Source: Company, Systematix Institutional Research

Exhibit 10: Strong order execution to drive profitability

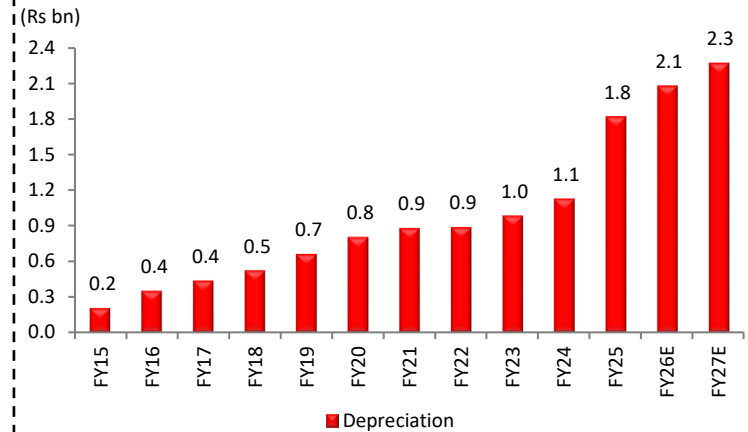
Source: Company, Systematix Institutional Research

Exhibit 11: Free cash flows to recover in FY26

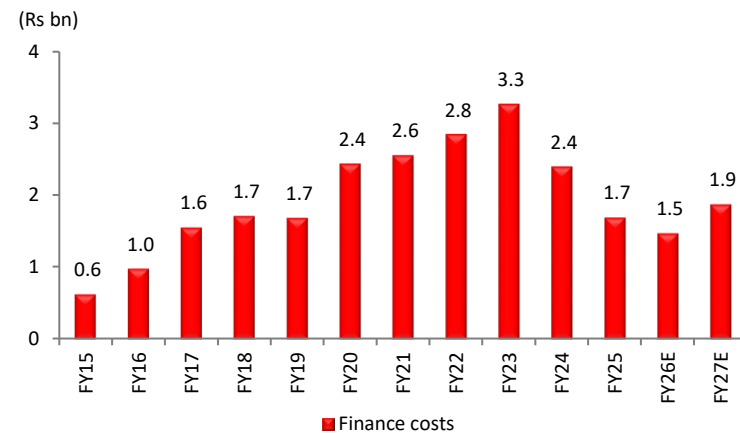
Source: Company, Systematix Institutional Research

Exhibit 12: RM costs to see an uptick as order intake and executions pick pace

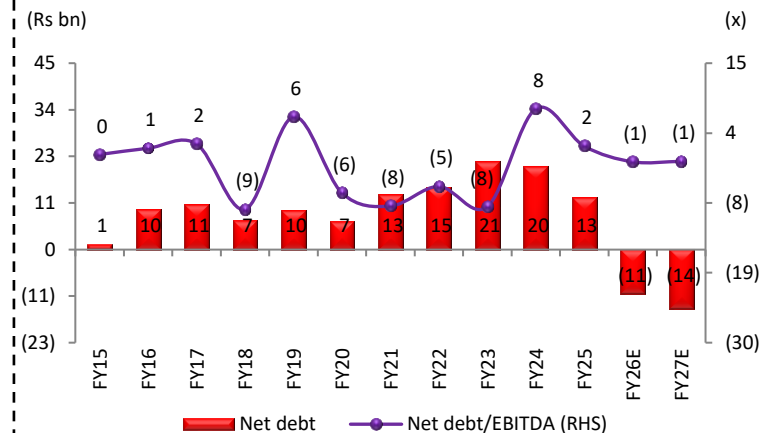
Source: Company, Systematix Institutional Research

Exhibit 13: Depreciation expense expected to rise with common infrastructure investments

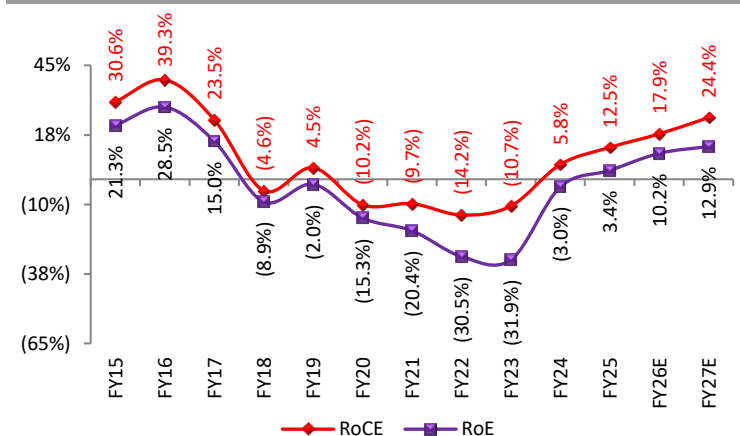
Source: Company, Systematix Institutional Research

Exhibit 14: Finance costs to reduce with lower debt

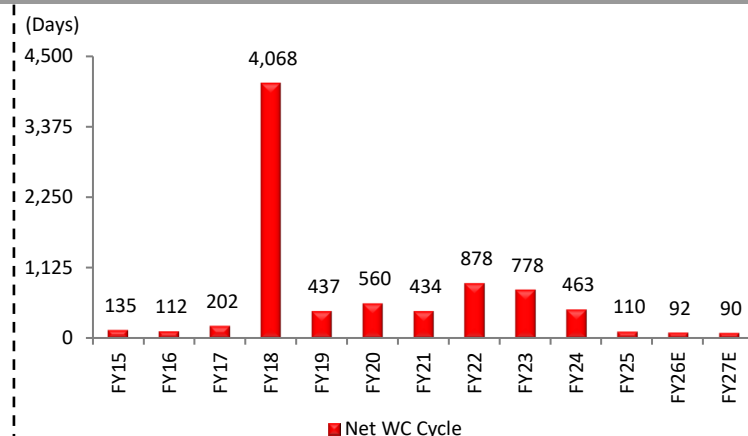
Source: Company, Systematix Institutional Research

Exhibit 15: Net debt/EBITDA

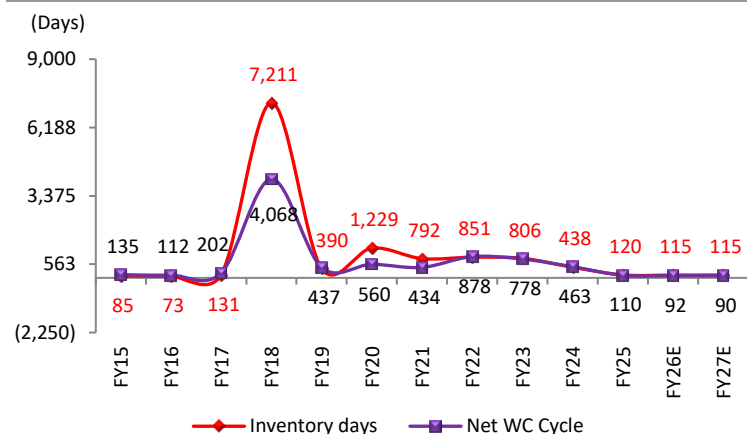
Source: Company, Systematix Institutional Research

Exhibit 16: Return ratios to recover

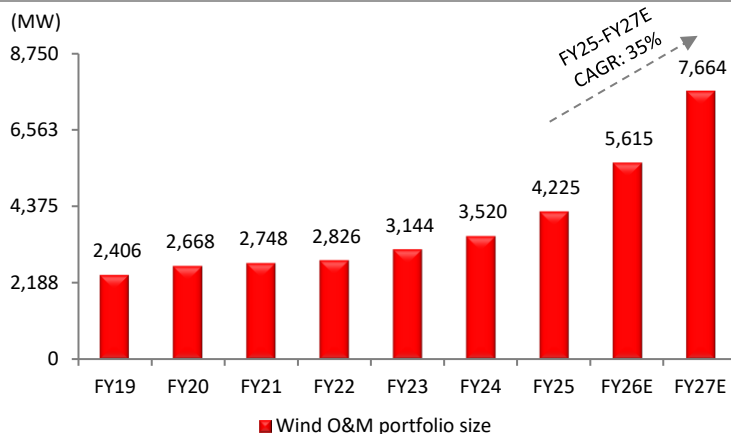
Source: Company, Systematix Institutional Research

Exhibit 17: Net WC cycle

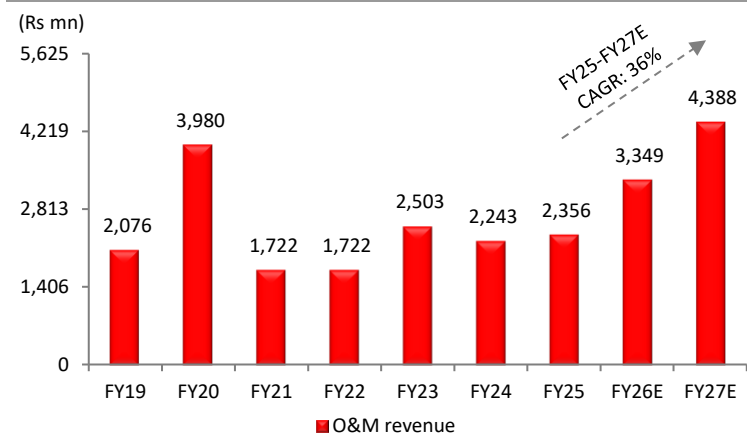
Source: Company, Systematix Institutional Research

Exhibit 18: Inventory days to stabilize at 115 days

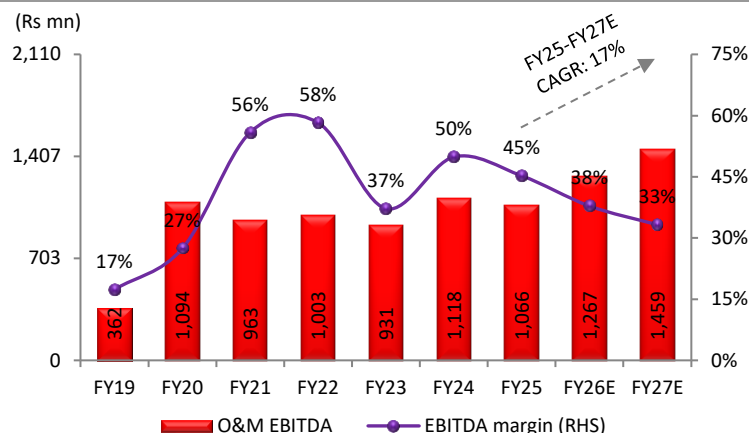
Source: Company, Systematix Institutional Research

Exhibit 19: IGESL's wind portfolio to scale up to ~7.7GW by FY27

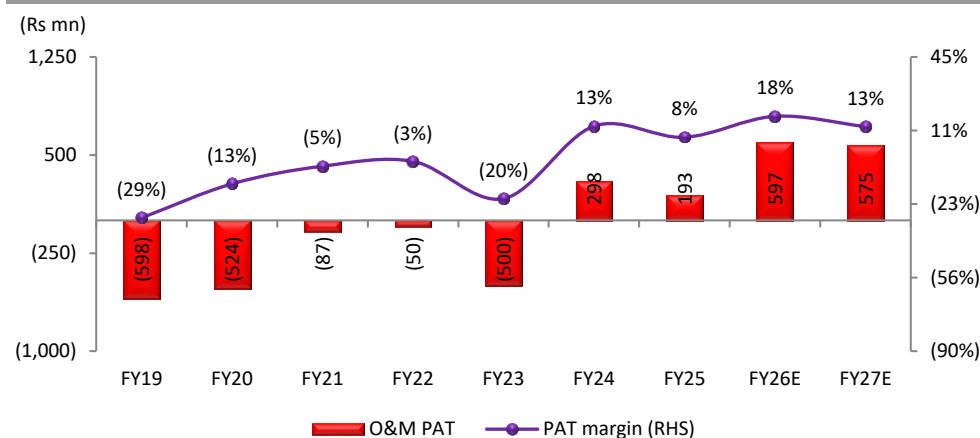
Source: Company, Systematix Institutional Research

Exhibit 20: O&M revenue estimated to record 36% CAGR over FY25-FY27E

Source: Company, Systematix Institutional Research

Exhibit 21: O&M EBITDA estimated to record 17% CAGR over FY25-FY27E

Source: Company, Systematix Institutional Research

Exhibit 22: IGESL PAT and PAT margin trend

Source: Company, Systematix Institutional Research

Exhibit 23: INXW (P/E method, FY27E, 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 mn)
Inox wind business (Supply and EPC) PAT	12,250.4	30.0	3,67,513	100%	3,67,513	0%	3,67,513
Inox Green PAT	575.3	30.0	17,258	61%	10,527	20%	8,422
Equity value							3,75,934
Target price per share							231

Source: Company, Systematix Institutional Research

Exhibit 24: Revised estimates

(Rs bn)	Previous		New		% Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Net sales	66.0	95.3	67.2	99.9	2%	5%
EBITDA	12.1	16.8	12.3	18.3	2%	9%
Adj. PAT	8.9	10.3	8.4	12.8	-5%	25%

Source: Company, Systematix Institutional Research

FINANCIALS (CONSOLIDATED)

Profit & Loss Statement

YE: Mar (Rs bn)	FY23	FY24	FY25	FY26E	FY27E
Net revenues	7.3	17.5	35.6	67.2	99.9
Expenditure	10.0	14.8	28.0	54.9	81.6
EBITDA	-2.6	2.6	7.6	12.3	18.3
Depreciation	1.0	1.1	1.8	2.1	2.3
Other income	0.2	0.6	1.4	1.6	3.2
EBIT	-3.4	2.1	7.2	11.8	19.3
Interest cost	3.3	2.4	1.7	1.5	1.9
Share of Profit/ Loss of JV & Associates	0.0	0.0	0.0	0.0	0.0
PBT	-6.7	-0.3	5.5	10.3	17.4
Taxes	0.3	0.0	1.0	1.7	4.4
PAT	-7.0	-0.3	4.5	8.7	13.1
Minority interest	0.0	-0.1	-0.1	0.2	0.2
Net Profit post-MI	-7.0	-0.6	4.5	8.4	12.8
No of Shares (mn)	0.3	0.2	0.9	0.9	0.9
Adj. EPS (Rs/share)	-21.5	-2.9	3.4	6.5	9.8

Source: Company, Systematix Institutional Research

Balance Sheet

YE: Mar (Rs bn)	FY23	FY24	FY25	FY26E	FY27E
Share capital	3.3	2.0	8.6	8.6	8.6
Share capital pending issuance	0.0	1.9	7.6	7.6	7.6
Reserves & Surplus	13.9	24.2	34.2	42.9	56.0
Minority interest	5.1	4.9	5.6	5.6	5.6
Preference share capital	0.0	0.0	0.0	0.0	0.0
Networth	22.2	33.0	56.1	64.7	77.8
Total Debt	24.0	20.7	14.7	22.1	24.6
Non Current liabilities	9.8	3.4	1.3	1.3	1.3
Current liabilities	28.4	31.2	30.6	40.6	49.6
Total liabilities	60.4	67.6	88.0	106.7	128.7
Net Block	15.6	15.2	19.8	21.1	23.8
CWIP	1.2	3.0	3.0	3.0	3.0
Non current investments	0.0	2.6	2.6	2.6	0.0
Intangible assets	0.0	2.6	2.3	2.3	2.3
Total Non current assets	29.5	34.0	37.8	36.4	38.2
Cash	2.7	0.5	2.1	32.7	38.9
Inventories	11.3	12.4	13.5	13.9	20.6
Receivables	8.3	11.4	26.9	16.0	23.3
Other Current Assets	8.6	6.2	5.7	5.7	5.7
Current Assets	30.9	33.6	50.2	70.2	90.5
Total Assets	60.4	67.6	88.0	106.7	128.7

Source: Company, Systematix Institutional Research

Cash Flow

YE: Mar (Rs bn)	FY23	FY24	FY25	FY26E	FY27E
Profit/(loss) after tax	-7.0	-0.5	4.4	10.3	17.4
Taxexpense	0.2	0.4	1.0	0.0	0.0
D&A	1.0	1.1	1.8	2.1	2.3
Movements in WC	-8.8	-6.2	-8.2	15.7	-6.6
Cash from Operations (CFO)	-11.1	-3.1	1.4	28.0	11.7
Income taxes paid	0.1	-0.6	-0.1	-1.7	-4.4
Net CFO	-11	-4	1	26	7
Purchase of PP&E	-3.9	-5.4	-6.2	-3.4	-5.0
Other investing activities	6.2	10.3	2.1	0.0	0.0
Net cash from investing activities	2	5	-4	-3	-5
Share Capital issued	0.0	0.0	0.0	0.0	0.0
Proceeds from LT borrowings	5.1	5.0	0.0	0.0	0.0
Repayment of borrowings	-1.7	-3.3	-2.1	7.5	2.5
Proceeds from borrowings (net)	-2.8	5.0	-1.8	0.0	0.0
Finance cost	-2.8	-3.1	-2.6	0.1	1.4
Net CFI	8.2	-1.3	2.8	7.5	3.9
Net CC&E	-0.5	-0.1	0.1	30.6	6.2
CC&E end of the year	-0.1	0.1	0.2	30.8	37.0

Source: Company, Systematix Institutional Research

Ratio Analysis

YE: Mar	FY23	FY24	FY25	FY26E	FY27E
YoY Change					
YoY growth in Revenue	17%	138%	104%	89%	49%
YoY growth in EBITDA	LP	LP	189%	63%	49%
YoY growth in NI	LP	LP	LP	89%	52%
Margins					
EBITDA margin	-36%	15%	21%	18%	18%
Operating profit margin	-47%	12%	20%	18%	19%
Profit margin	-96%	-3%	13%	13%	13%
RoCE	-10.7%	5.8%	12.5%	17.9%	24.4%
RoE	-31.9%	-3.0%	3.4%	10.2%	12.9%
Per Share Numbers (Rs):					
Reported Earnings	(21.50)	(2.92)	3.42	6.47	9.84
Book Value	53	140	58	69	84
Valuations (x)					
P/E	NM	NM	54	29	19
EV/EBITDA	NM	93	32	20	13
EV/Sales	33	14	7	4	2
P/BV	3.5	1.3	3.2	2.7	2.2

Source: Company, Systematix Institutional Research

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Served as an officer, director or employee	No

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NOT RATED (NR): The analyst has no recommendation on the stock under review.

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