BUY (Maintain)

CMP: **INR 989** Target Price: **INR 1,320** ▲ 33%

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28 November 2025

India | Equity Research | Company Update

Premier Energies

Capital Goods

Vantage point - eyeing integration at scale

We met Premier Energies (Premier)'s management during the company's Investor Meet. Takeaways: 1) 1.2GW TOPcon facility has stabilised with >60% capacity utilisation and 25.2% efficiency. 2) Trial runs for 5.6GW module capacity at Seetharampur, Telangana and 4.8GW TOPCon cell capacity (of 7GW) at Naidupeta, Andhra Pradesh are expected by Mar'26 and Jun'26, respectively. 3) Management provided an update on the progress on ingot and wafer facility. It believes that the player with – i) scale; ii) integration; and iii) access to funding would have an advantage over competition. Premier is building 10GW of integrated solar manufacturing capacity and should be able to fund the entire capex with very little requirement of external funding. We firmly believe Premier is likely to do well. Reiterate **BUY.**

The ability to scale

Premier has shown its ability to scale and in building capacities – started with a 0.8GW PERC cell capacity and has added 1.2GW TOPCon facility. It is building 7GW of cell and wafer capacity at a single location; thus, leading to cost and cell efficiency. The location of the new plant was chosen to optimise cost of utilities.

The integrated ecosystem

Premier is building 10GW of ingot+wafer+cell+module capacity. Towards this end, it expects to reach 10GW module by Q1FY27 and 10GW cell by Q2FY27. It is also building and investing in: 1) ancillary ecosystem – inverter, BESS, transformers and aluminium frames; and 2) exploring the US market due to improved economics and incentives.

The strong balance sheet helps

Premier has one of the strongest balance sheets and is likely to generate ~INR 80bn of cash flow from operations over the next three years. Thus, it may not be bound to taking significant debt for the said capex over the given period.

The score is reflecting

At 3.2GW, Premier has one of the largest solar cell capacities in India. But, importantly, it has highest experience in operating and stabilising solar cell facility, a strong advantage over competitors.

Reiterate BUY

We reiterate **BUY** on the stock with TP of INR 1,320.

Financial Summary

Y/E Mar-31 (INR mn)	FY24A	FY25A	FY26E	FY27E
Net Revenue	31,438	65,187	80,628	1,39,405
EBITDA	4,778	17,809	22,064	29,211
EBITDA Margin (%)	15.2	27.3	27.4	21.0
Net Profit	2,319	9,371	12,784	17,001
EPS (INR)	5.5	20.8	28.4	37.7
EPS % Chg YoY	-	278.5	36.4	33.0
P/E (x)	180.1	47.6	34.9	26.2
EV/EBITDA (x)	99.2	27.8	23.3	17.5
RoCE (%)	20.5	31.8	24.9	24.6
RoE (%)	43.8	54.2	36.9	34.3

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Market Data

Market Cap (INR)	448bn
Market Cap (USD)	5,015mn
Bloomberg Code	PREMIERE IN
Reuters Code	PEME
52-week Range (INR)	1,388 /756
Free Float (%)	26.0
ADTV-3M (mn) (USD)	14.3

Price Performance (%)	3m	6m	12m
Absolute	(2.2)	(4.6)	(11.0)
Relative to Sensex	(8.3)	(9.7)	(17.8)

ESG Score	2024	2025	Change
ESG score	NA	NA	NA
Environment	NA	NA	NA
Social	NA	NA	NA
Governance	NA	NA	NA

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

Source: SES ESG, I-sec research

Previous Reports

30-10-2025: Q2FY26 results review

29-07-2025: Q1FY26 results review

Analyst meet highlights

Stabilisation of TOPCon cell facility

- The recently commissioned TOPcon cell manufacturing capacity of 1.2GW has been stabilised
- The company is achieving ~25.2% cell efficiency in the facility
- It expects to achieve ~25.5-25.6% Topcon cell efficiency in the next few months

Capacity expansion

- The company is targeting 10GW+ integrated capacity of modules + cells + ingots + wafers; current module and cell capacity stands at 5.1GW and 3.2GW respectively
- 5.6GW Topcon module capacity in Seetharampur, Telangana
  - o trial run is expected by Mar'26
  - o investment for the facility is expected to be INR 11bn
- 7GW Topcon cell capacity in Naidupeta, Andhra Pradesh
  - o trial run for 4.8GW is expected by Jun'26 and completion expected in Q2FY27
  - o investment for the facility is expected to be INR 32.5bn
  - o the company is also open to further add 7GW cell capacity depending on the demand scenario and has already started initial work (land has been acquired, building foundation works are being carried out)
- 10GW ingot/wafer capacity in Naidupeta, Andhra Pradesh
  - o trial run is expected by Dec'27
  - o The company has ordered transformers for the facility which have high lead time
  - o investment for the facility is expected to be INR 52.5bn
- The company has chosen Naidupeta as location for the greenfield cell + ingot/wafer capacity given certain location advantages such as proximity to ports (Krishnapatnam and Chennai ports), lower cost of power (compared to Telangana state where the facility was being planned earlier) and availability of gas pipeline given that it is an industrial area.

Capex and funding plans

- The company is expecting capex of INR 112bn by FY28
- It expects to fund the capex largely through cash from operations of ~INR 80bn over FY26-28 and existing cash and bank balances (>INR 20bn)
- The company is also getting capex subsidy of ~25% (not factored in the capex requirement); it also expects capex subsidy to be announced for wafer/ingot capacity
- It highlighted a reduction in estimated cost to ~INR 4.5bn/GW of cell capacity, mainly due to – 1) reduction in Chinese equipment cost by ~10-15%; and 2) large scale reducing the utilities cost per GW

Demand-supply and competitive landscape

- Despite the industry issues around delays in PPA signing for RE projects (especially solar), delays in transmission connectivity and subdued power demand growth in H1FY26, the company expects solar demand outlook to remain healthy
- It expects healthy power demand growth and highlighted that H1FY26 power demand was partly impacted by one-off factors such as extended monsoon
- It highlighted healthy solar capacity being added annually (expects ~40GW solar in FY26) and strong demand expected from rooftop solar, C&I segment and KUSUM scheme
- On the increasing competition, the company expects to retain a competitive advantage given its scale, access to capital and backward integration (at large scale) which will allow it to grow without much impact on its margins
- The company also highlighted high entry barrier in cell manufacturing compared to module assembly. It expects a good chunk of cell capacity announced for the next 3 years to have execution challenges and potentially face issues related to lower utilisation

Allied products

- The company is looking at allied products for future expansion; it is entering into products such as transformers, BESS, inverters and aluminium frames
- In Q2, Premier (51% stake) formed a JV with Transcon Limited marking its entry into transformers. Transcon has 2.5GVA capacity and is expanding the capacity to 16.5GVA in next 6-8 months
- In Q2, Premier (51% stake) formed a JV with Syrma and acquired KSolare which has capacity of 0.5mn inverters and is expanding to 3x its existing capacity
- The company is also looking to enter BESS segment given the demand for storage solutions for renewables
- The company is also exploring cell and module manufacturing opportunities in US given the improved economics and incentives

Valuation and outlook

India is aiming for a solar surge, targeting 200–210GW of capacity by 2030, as part of its green energy push. With renewables mandated to power 43% of consumption (up from just 24% today), demand for solar modules and cells is set to shine, and why not? Solar is already the cheapest source of energy, making it the poster child of energy transition.

To fuel domestic manufacturing, India's government has rolled out a power-packed policy mix—PLI incentives, non-tariff barriers such as ALMM (compulsory local sourcing), and a protective 40% and 25% duty on imported modules and cells, respectively. Premier shall stand to benefit from the push for local.

With strong tailwinds, we reiterate our **BUY** rating with a target price of **INR 1,320** (unchanged).

Key risks: 1) Delay in ALMM-1 applicability; 2) reduction of duties on Chinese imports; 3) delay/non-execution of DCR /schemes; and 4) slower-than-expected capacity addition.

Exhibit 1: Valuation

FY27E PAT (INR mn)	No of shares (mn)	EPS (INR/share)	Multiple (x)	TP (INR/share)
17,001	451	37.7	35x	1,320

Source: I-Sec research, Company data

Exhibit 2: Shareholding pattern

%	Mar'25	Jun'25	Sep'25
Promoters	64.3	64.3	63.9
Institutional investors	11.6	17.4	17.5
MFs and other	5.7	8.3	8.4
Banks/ FIs	0.0	0.0	2.0
Insurance Cos.	1.7	2.8	2.9
FIIs	4.3	6.3	4.2
Others	24.1	18.3	18.6

Source: Bloomberg, I-Sec research

Exhibit 3: Price chart

Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 4: Profit & Loss

(INR mn, year ending Mar-31)

	FY24A	FY25A	FY26E	FY27E
Net Sales	**31,438**	**65,187**	**80,628**	**1,39,405**
Operating Expenses	3,224	6,488	7,149	9,374
EBITDA	**4,778**	**17,809**	**22,064**	**29,211**
EBITDA Margin (%)	15.2	27.3	27.4	21.0
Depreciation & Amortization	961	4,975	5,601	7,653
EBIT	3,817	12,834	16,464	21,558
Interest expenditure	1,212	1,774	1,704	2,136
Other Non-operating Income	288	1,341	2,062	2,947
Recurring PBT	**2,894**	**12,400**	**16,821**	**22,370**
Profit / (Loss) from Associates	**-**	**-**	**-**	**-**
Less: Taxes	575	3,028	4,037	5,369
PAT	2,319	9,371	12,784	17,001
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	**2,319**	**9,371**	**12,784**	**17,001**
Net Income (Adjusted)	**2,319**	**9,371**	**12,784**	**17,001**

Source Company data, I-Sec research

Exhibit 5: Balance sheet

(INR mn, year ending Mar-31)

	FY24A	FY25A	FY26E	FY27E
Total Current Assets	20,630	52,330	39,587	76,428
of which cash & cash eqv.	4,090	20,023	5,651	13,186
Total Current Liabilities & Provisions	12,460	18,137	16,193	26,163
Net Current Assets	**8,170**	**34,193**	**23,395**	**50,265**
Investments	-	-	-	-
Net Fixed Assets	11,860	9,726	17,934	34,752
ROU Assets	-	-	-	-
Capital Work-in-Progress	100	2,420	24,470	-
Total Intangible Assets	-	-	-	-
Other assets	1,800	3,938	4,616	7,982
Deferred Tax Assets	-	-	-	-
Total Assets	**21,930**	**50,277**	**70,415**	**92,999**
Liabilities				
Borrowings	**13,920**	**18,935**	**25,127**	**27,587**
Deferred Tax Liability	**-**	**-**	**-**	**-**
provisions	-	-	-	-
other Liabilities	1,670	3,121	4,283	7,405
Equity Share Capital	1,960	451	451	451
Reserves & Surplus	4,250	27,770	40,554	57,556
Total Net Worth	**6,210**	**28,221**	**41,005**	**58,006**
Minority Interest	130	-	-	-
Total Liabilities	**21,930**	**50,277**	**70,415**	**92,999**

Source Company data, I-Sec research

Exhibit 6: Cashflow statement

(INR mn, year ending Mar-31)

	FY24A	FY25A	FY26E	FY27E
Operating Cashflow	**393**	**(783)**	**21,466**	**3,818**
Working Capital Changes	(2,886)	(15,129)	3,082	(20,836)
Capital Commitments	2,432	(7,295)	(27,650)	16,818
Free Cashflow	**(2,039)**	**6,512**	**49,117**	**(12,999)**
Other investing cashflow	**(3,839)**	**11,741**	**(13,080)**	**(12,858)**
Cashflow from Investing Activities	(1,407)	4,446	(40,731)	3,960
Issue of Share Capital	(221)	12,510	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	3,092	448	4,409	-
Dividend paid	-	-	-	-
Others	298	(687)	484	(243)
Cash flow from Financing Activities	3,169	12,270	4,893	(243)
Chg. in Cash & Bank balance	**2,155**	**15,933**	**(14,372)**	**7,535**
Closing cash & balance	4,090	20,023	5,651	13,186

Source Company data, I-Sec research

Exhibit 7: Key ratios

(Year ending Mar-31)

	FY24A	FY25A	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	5.5	20.8	28.4	37.7
Adjusted EPS (Diluted)	5.5	20.8	28.4	37.7
Cash EPS	7.8	31.8	40.8	54.7
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	14.7	62.6	91.0	128.7
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	120.1	107.4	23.7	72.9
EBITDA	511.0	272.7	23.9	32.4
EPS (INR)	-	278.5	36.4	33.0
Valuation Ratios (x)				
P/E	180.1	47.6	34.9	26.2
P/CEPS	127.3	31.1	24.3	18.1
P/BV	67.2	15.8	10.9	7.7
EV / EBITDA	99.2	27.8	23.3	17.5
P / Sales	14.8	7.6	6.1	3.6
Dividend Yield (%)	-	-	-	-
Operating Ratios				
Gross Profit Margins (%)	25.5	37.3	36.2	27.7
EBITDA Margins (%)	15.2	27.3	27.4	21.0
Effective Tax Rate (%)	19.9	24.4	24.0	24.0
Net Profit Margins (%)	7.4	14.4	15.9	12.2
NWC / Total Assets (%)	18.6	28.2	25.2	39.9
Net Debt / Equity (x)	1.6	0.0	0.5	0.2
Net Debt / EBITDA (x)	2.1	(0.1)	0.9	0.5
Profitability Ratios				
RoCE (%)	20.5	31.8	24.9	24.6
RoE (%)	43.8	54.2	36.9	34.3
RoIC (%)	20.5	31.8	24.9	24.6
Fixed Asset Turnover (x)	3.6	6.0	5.8	5.3
Inventory Turnover Days	137	100	86	108
Receivables Days	103	61	64	68
Payables Days	144	73	72	76

Source Company data, I-Sec research

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