Short Term Fundamental Pick

Tuesday, 09 June 2026

Rating	: **Buy**
Cmp	: **₹3003.80** as on 08th June 2026
Sector	: **Capital Goods.**
Target	: **₹3530.00**
Upside Potential	: **17.50%**
Time Frame	: **8-12 Months**

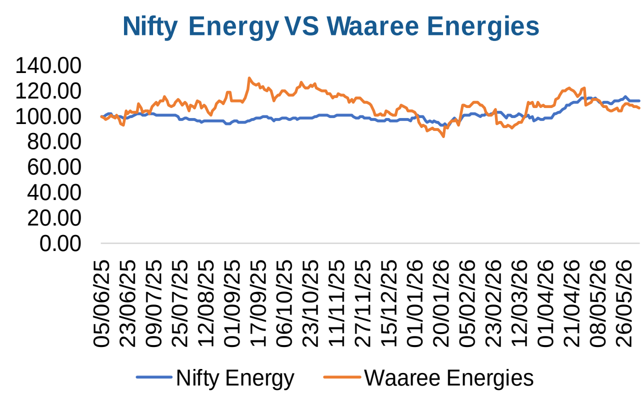
Waaree Energies Limited

Tuesday, 09 June 2026

Cmp: 3003.80 as *on 08th June 2026* **Rating: Buy** **Target: ₹3530.00** **Upside Potential: 17.50%**

Key Data	
BSE Code	544277
NSE Code	WAAREEENER
Bloomberg Code	WAAREEEN:IN
Industry	Renewable Energy
Market Cap	86404.71
No. of Shares(Cr.)	28.76
Face Value	10.00
52 Week High/Low	3,865 / 2,402

Shareholding Pattern	
Promoter	64.2%
FII	7.1%
DII	4.3%
Public	24.4%



Strong Growth Visibility Across all Segments, Resilient Domestic Demand, US export Opportunities, Which augurs Long Term Growth for Waaree Energies…

Waaree Energies Ltd is India's largest solar PV module manufacturer and the largest non-Chinese PV manufacturer globally, with module capacity of ~26GW across India and the US (~1.6GW, expanding to 4.2GW) and the largest cell manufacturing facility in India at 5.4GW, supplying to 24+ countries. The company holds the highest retail/rooftop brand share in India (~1 in 6 installations), with a diversified revenue mix across utility/C&I (34.7%), overseas (33%), retail (20.8%), and EPC (11.6%), backed by an order book of ~INR53,000cr and a 100+GW pipeline. Waaree currently operates cell and module manufacturing and is integrating backwards into polysilicon and ingot/wafer, having deliberately built a non-Chinese supply chain to meet FEOC compliance for its US business, sourcing cells from Ethiopia and securing long-term polysilicon through a strategic stake in an Oman-based supplier, while using Indonesian cells for its domestic operations.

Highlights and Investment Rationale

- **Strong earnings momentum supported by robust execution:** Q4FY26 revenue surged 111% YoY, while EBITDA grew 70% YoY and PAT increased 75% YoY, supported by record shipments of 4.1GW. For FY26, revenue grew 84% to ₹26,537 crore, while EBITDA rose 117% to ₹5,909 crore, reflecting strong operating momentum.

- **Temporary margin moderation; structural profitability intact:** Q4FY26 EBITDA margin moderated to 18.6% due to elevated commodity costs, freight issues, and third-party cell sourcing. However, FY26 EBITDA margin improved to 22.3% (vs 18.8% in FY25), aided by operating leverage and higher in-house integration, with management expecting normalization as cost pass-through reflects in new orders.

- **Healthy balance sheet despite aggressive capex:** Despite an annual capex run-rate of around ₹6,500 crores over the last two years, the company maintained debt-to-equity below 1x, with sector-leading ROCE of 32.4% and ROE of 29%, indicating strong capital efficiency and financial discipline.

- **Capacity expansion to drive self-sufficiency and margin improvement:** The company has committed nearly ₹30,000 crore capex across the value chain, including 10GW additional cell capacity by H2FY27, which is expected to eliminate third-party cell dependence and improve margins. Further expansion includes a 10GW ingot/wafer facility by FY28 and 20GWh BESS capacity across FY27–FY28.

- **Robust order book and strong domestic positioning:** FY26 module sales reached ~12GW, while Q4 sales rose 104% YoY to 4.2GW, supported by capacity expansion to ~26GW. The order book expanded 13% YoY to ₹53,000 crore, providing strong revenue visibility ahead.

- **US business provides growth diversification and tariff hedge:** Retail revenue increased 84% YoY to ₹5,515 crore, with nearly 1 in 6 domestic installations now Waaree-branded. US module capacity stands at 1.6GW and is expected to scale to 4.2GW by H2FY27, helping mitigate tariff risks and benefit from ~USD 40 million IRA credits, which are expected to rise further.

- **H2FY27 and FY28 remain key growth catalysts:** Management has guided FY27 EBITDA growth of 18–30% YoY with long-term margins of 19–20%. H2FY27 is expected to be a key turning point as 15.4GW cell capacity becomes fully operational, while FY28 should benefit from contributions across BESS, ingot/wafer, transformers, and inverter businesses.

Key risks:

- **Capex execution risk:** The company's large-scale expansion across cells, ingot/wafer, BESS, glass, and electrolyzers may face risks related to execution delays, cost overruns, technology integration, or lower production yields, particularly in new segments where operational experience remains limited.

- **US trade and tariff uncertainty:** Any unfavorable changes in US tariff policies could impact Waaree's export business, especially as the US market currently generates higher margins and realizations compared to domestic operations.

- **Policy and regulatory dependence:** Domestic profitability remains linked to supportive government measures such as Basic Customs Duty (BCD), ALMM enforcement, and DCR mandates. Any weakening, delay, or rollback of these policies may increase competition from low-cost Chinese imports, putting pressure on pricing and margins.

- **Raw material and commodity price volatility:** Fluctuations in the prices of key inputs such as silver, copper, and solar cells, particularly on fixed-price contracts, may adversely affect profitability. Elevated logistics and commodity costs, as witnessed recently, could result in near-term margin pressure.

Key Financial Indicators & Valuation (Consolidated)						
YE MARCH (Cr.)	FY23	FY24	FY25	FY26	FY27 E	FY28 E
Revenue	6,750.87	11,397.61	14,444.50	26,536.77	35,569.88	43,078.88
EBITDA	832.31	1,574.43	2,721.64	5,908.63	7,172.54	9,046.57
EBITDA Margin (%)	12.3%	13.8%	18.8%	22.3%	20.2%	21.0%
PAT	520.86	933.04	1,932.15	4,178.93	4,557.25	5,326.96
Net Profit Margin (%)	7.7%	8.2%	13.4%	15.7%	12.8%	12.4%
EPS	20.68	34.07	65.14	139.27	152.42	179.18
EV	-	-	62,534.16	84,556.03	1,02,643.30	1,29,461.76
EV/EBITDA	-	-	22.98	14.31	12.18	10.01
ROCE(%)	0.25	0.26	0.21	0.28	0.24	0.22
D/E	0.47	0.21	0.13	0.17	0.24	0.30
Asset Turnover Ratio	1.83	1.75	1.50	1.54	1.27	1.10

Variance Analysis (Consolidated)					
Particulars (Rs. In Cr.)	2026-March	2025-March	YoY%	2025-Dec	QoQ%
Net Sales	8,480.25	4,003.93	111.80%	7,565.05	12.10%
Total Expenditure	6,903.50	3,081.35	124.04%	5,636.89	22.47%
EBITDA (Excl OI)	1,576.75	922.58	70.91%	1,928.16	-18.23%
PAT	1,061.10	618.91	71.45%	1,062.46	-0.13%
EBITDA% (Excl OI)	18.59%	23.04%	-19.31%	25.49%	-27.05%
PATM%	12.51%	20.09%	-37.70%	18.85%	-33.61%
Adj. EPS (Rs)	36.89	21.68	70.12%	47.19	-21.82%

Valuation and Outlook:

Waaree Energies Ltd, the world's largest non-Chinese PV manufacturer, remains well positioned to deliver strong earnings growth over FY27–FY28, supported by multiple structural growth drivers. The investment thesis is backed by (1) backward integration into cells with 15.4GW capacity by H2FY27, reducing dependence on third-party sourcing and supporting margins; (2) expansion of US manufacturing capacity to 4.2GW, strengthening global presence and mitigating tariff risks; (3) a robust order book of ₹53,000 crore along with a 100+GW opportunity pipeline, providing strong revenue visibility; and (4) a strong retail distribution network in India, with nearly 1 in 6 installations being Waaree-branded. Additionally, the planned ₹30,000 crore capex across the value chain creates a significant entry barrier by shifting from module manufacturing to full integration, thereby limiting competitive intensity. ***We expect FY27E Revenue/EBITDA/PAT growth of 34%/21%/15%, supported by capacity expansion and improving operational efficiencies. We value the company at FY27E/FY28E EV/EBITDA multiples of 12.2x/10.0x, based on EBITDA estimates of ₹7,172 crore/₹9,046 crores, respectively. At the CMP of ₹3,003 (as of June 8, 2026), we initiate coverage with a BUY rating and a target price of ₹3,530, implying an upside potential of 17.50%.***

Profit And Loss Statement (Consolidated)						
YE MARCH (Cr.)	FY23	FY24	FY25	FY26	FY27 E	FY28 E
I. Income						
Net Sales	6,750.87	11,397.61	14,444.50	26,536.77	35,569.88	43,078.88
II. Expenditure						
Raw Material Cost	5,151.09	8,759.80	10,189.82	16,543.68	22,936.32	27,442.68
Employee Cost	118.22	153.75	295.88	599.25	711.40	861.58
Other Expenses	649.26	909.63	1,237.16	3,485.21	4,749.63	5,728.06
Total Expenditure	5,918.56	9,823.18	11,722.86	20,628.14	28,397.34	34,032.32
EBITDA	832.31	1,574.43	2,721.64	5,908.63	7,172.54	9,046.57
Depreciation & Amortization	164.13	276.81	402.45	989.72	1,495.76	2,158.39
EBIT	668.18	1,297.62	2,319.19	4,918.91	5,676.78	6,888.18
Interest	82.27	139.91	152.09	280.50	510.27	770.05
Other Income	111.82	235.15	401.56	708.16	752.00	800.00
Earnings Before Tax(EBT)	697.73	1,392.86	2,568.66	5,346.57	5,918.50	6,918.13
Tax	176.87	459.82	636.51	1,167.64	1,361.26	1,591.17
Profit After Tax(PAT)	520.86	933.04	1,932.15	4,178.93	4,557.25	5,326.96
Exceptional Items	-20.58	341.34	-4.02	-294.78	-	-
Minority Interest	-17.52	-37.20	-60.74	-172.84	-172.84	-172.84
Consolidated Net Profit	482.76	1,237.18	1,867.39	3,711.31	4,384.41	5,154.12
EPS - Basic	20.68	34.07	65.14	139.27	152.42	179.18
EPS - Adjusted	20.68	34.07	65.14	139.27	152.42	179.18
No. Shares(Cr.)	23.34	36.32	28.67	26.65	28.77	28.77

Source: Company website, SSL Research Centre, ACE Equity, Screener, Trendlyne, NSE & BSE,

Investment Rating Matrix

Ratings	Expected Return
Buy	>15%
Accumulate	10% to 15%
Hold	0% to 15%
Sell	< - 15%

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