

Inox Wind | BUY

1QFY26 Earnings Call: All eyes only on execution

During today's [1QFY26 earnings](#) call, Inox Wind's management raised its EBITDA margin guidance from 17–18% to 18–19%, while reiterating its execution guidance of 1,200MW for FY26 and 2,000MW for FY27. Execution is expected to pick up from 3Q onwards, supported by the recent CERC circular on hybridisation of existing transmission infrastructure and seasonality. The company has also successfully completed a rights issue of INR 12.5bn, which is expected to further strengthen its balance sheet. Based on our estimates, Revenue/EBITDA/Adj. PAT are projected to grow at a CAGR of 32%/31%/36% during FY25–28. We maintain BUY rating on the stock with a revised SOTP-based target price of INR 158 (Earlier TP INR 154), rolling forward our valuation from Mar'27 to Sep'27 earnings.

- **Execution:** Inox Wind reported execution of 146MW in 1QFY26 vs. 140MW in 1QFY25. For FY26, the management reiterated its execution guidance of 1,200MW. A pickup in execution is expected from 3Q onwards, as execution typically accounts for 30–35% of annual volume in 1H and 65–70% in 2H. The recent CERC circular on hybridisation of existing transmission infrastructure is expected to further improve execution, providing the company access to nearly 10GW of plug-and-play infrastructure. ([Restricted Access policy to accelerate RE addition](#))
- **EBITDA margin:** In 1QFY26, the company reported an EBITDA margin of 22% vs. 21% in 1QFY25. For FY26, the management has raised its guidance from 17–18% to 18–19% (vs. 21% in FY25; higher equipment supplies). During the call, it emphasised prioritising profitability over volume metrics.
- **Order book:** IWL reported an order book of 3.1GW as of Jun'25 vs. 2.9GW in Mar'24. Of the total 3.1GW, 1.4GW comprises equipment supply orders and 1.7GW comprises EPC orders. The company currently has a multi-GW pipeline and expects to convert a substantial portion into firm orders over the coming quarters. The order mix is gradually shifting towards a 50:50 split between turnkey and equipment supply contracts. The existing order book provides visibility for around 2 years of production.
- **Other highlights:**
 - The company successfully completed a rights issue of INR 12.5bn, which is expected to further strengthen its balance sheet.
 - Inox Renewable Solutions Ltd (Resco) will be listed under the automatic route following the demerger of connectivity and common infrastructure businesses from Inox Green to Resco.
 - The management has guided for Inox Green's O&M portfolio to expand from 5GW currently to 17GW over the next 2 years, with a mix of both solar and wind assets.



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	158
Upside/(Downside)	12.2%
Previous Price Target	154
Change	2.6%

Key Data – INXW IN

Current Market Price	INR141
Market cap (bn)	INR243.4/US\$2.8
Free Float	70%
Shares in issue (mn)	1,728.2
Diluted share (mn)	1,728.2
3-mon avg daily val (mn)	INR1,423.9/US\$16.1
52-week range	258/128
Sensex/Nifty	80,364/24,625
INR/US\$	88.2

Price Performance

%	1M	6M	12M
Absolute	-7.2	-4.9	-35.4
Relative*	-6.9	-13.4	-33.6

* To the BSE Sensex

Financial Summary	(INR mn)				
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	17,463	35,572	63,813	75,891	86,825
Sales Growth (%)	137.0	103.7	79.4	18.9	14.4
EBITDA	2,619	7,572	13,320	15,973	18,351
EBITDA Margin (%)	15.0	21.3	20.9	21.0	21.1
Adjusted Net Profit	-198	4,860	8,981	10,330	12,216
Diluted EPS (INR)	-0.1	2.8	5.2	6.0	7.1
Diluted EPS Growth (%)	0.0	0.0	84.8	15.0	18.3
ROIC (%)	3.3	7.7	13.1	14.0	15.4
ROE (%)	-0.9	12.4	16.3	16.0	16.1
P/E (x)	-1,227.6	50.1	27.1	23.6	19.9
P/B (x)	8.7	4.8	4.1	3.5	3.0
EV/EBITDA (x)	102.6	34.6	19.5	16.0	13.5
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 01/Sep/2025

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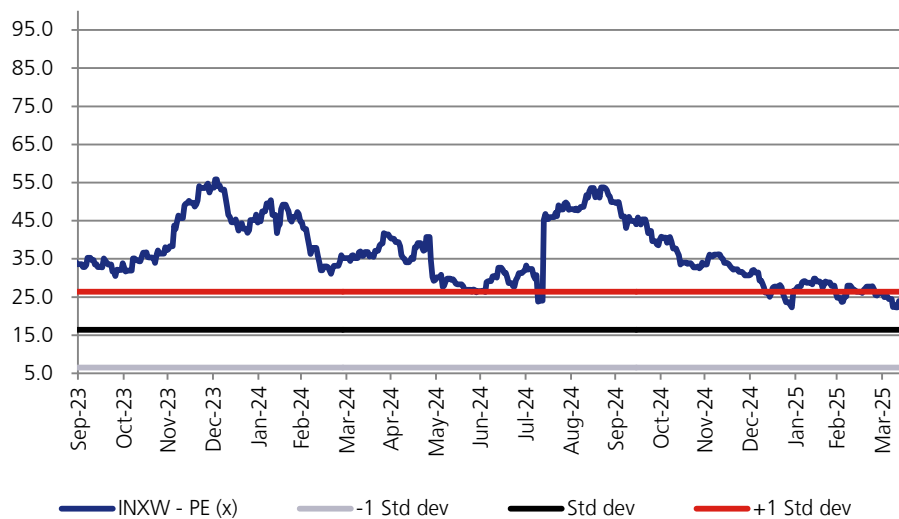
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Exhibit 1. Change in estimates

Year end Mar31 (INR mn)	FY26E	FY27E	FY28E
Revenues			
Old	63,813	75,891	81,595
New	63,813	75,891	86,825
Chg	0%	0%	6%
EBITDA			
Old	13,320	15,973	17,148
New	13,320	15,973	18,351
Chg	0%	0%	7%
EBITDA Margins			
Old	21.48%	21.88%	21.95%
New	20.87%	21.05%	21.14%
bps	-61bps	-83bps	-81bps
PAT			
Old	8,981	10,330	11,191
New	8,981	10,330	12,216
Chg	0%	0%	9%
FD EPS			
Old	5.5	6.4	6.9
New	5.2	6.0	7.1
Chg	-6%	-6%	3%

Source: JM Financial

Exhibit 2. Inox Wind P/E (x)



Source: Bloomberg, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	17,463	35,572	63,813	75,891	86,825
Sales Growth	137.0%	103.7%	79.4%	18.9%	14.4%
Other Operating Income	0	0	0	0	0
Total Revenue	17,463	35,572	63,813	75,891	86,825
Cost of Goods Sold/Op. Exp	12,109	22,454	41,538	49,445	56,547
Personnel Cost	1,094	1,698	1,821	1,998	2,226
Other Expenses	1,641	3,848	7,134	8,475	9,701
EBITDA	2,619	7,572	13,320	15,973	18,351
EBITDA Margin	15.0%	21.3%	20.9%	21.0%	21.1%
EBITDA Growth	0.0%	189.1%	75.9%	19.9%	14.9%
Depn. & Amort.	1,127	1,823	2,229	2,269	2,309
EBIT	1,492	5,749	11,091	13,704	16,042
Other Income	617	1,444	1,276	1,138	1,302
Finance Cost	2,399	1,690	1,652	1,734	1,820
PBT before Excep. & Forex	-290	5,503	10,715	13,109	15,524
Excep. & Forex Inc./Loss(-)	-137	-135	0	0	0
PBT	-427	5,637	10,715	13,109	15,524
Taxes	33	1,018	1,607	2,622	3,105
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	-125	-106	127	157	203
Reported Net Profit	-335	4,726	8,981	10,330	12,216
Adjusted Net Profit	-198	4,860	8,981	10,330	12,216
Net Margin	-1.1%	13.7%	14.1%	13.6%	14.1%
Diluted Share Cap. (mn)	1,728.2	1,728.2	1,728.2	1,728.2	1,728.2
Diluted EPS (INR)	-0.1	2.8	5.2	6.0	7.1
Diluted EPS Growth	0.0%	0.0%	84.8%	15.0%	18.3%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	-1,077	3,359	10,715	13,109	15,524
Depn. & Amort.	1,127	1,823	2,229	2,269	2,309
Net Interest Exp. / Inc. (-)	2,216	1,479	376	595	518
Inc (-) / Dec in WCap.	-6,172	-8,228	-10,829	-7,401	-7,071
Others	1,940	738	2,406	0	0
Taxes Paid	428	1,018	-1,607	-2,622	-3,105
Operating Cash Flow	-1,539	188	3,290	5,950	8,175
Capex	-5,390	-6,205	-500	-500	-500
Free Cash Flow	-6,929	-6,017	2,790	5,450	7,675
Inc (-) / Dec in Investments	0	0	0	0	0
Others	5,432	-14	1,276	1,138	1,302
Investing Cash Flow	42	-6,219	776	638	802
Inc / Dec (-) in Capital	700	786	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	1,686	-3,937	713	769	807
Others	-3,510	-2,640	-1,652	-1,734	-1,820
Financing Cash Flow	-1,124	-5,790	-939	-965	-1,013
Inc / Dec (-) in Cash	-2,626	-11,821	3,127	5,624	7,965
Opening Cash Balance	2,702	541	2,128	5,256	10,879
Closing Cash Balance	76	-11,281	5,256	10,879	18,844

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	28,084	50,468	59,448	69,778	81,994
Share Capital	3,910	16,241	16,241	16,241	16,241
Reserves & Surplus	24,174	34,226	43,207	53,537	65,753
Preference Share Capital	0	0	0	0	0
Minority Interest	4,943	5,592	5,720	5,877	6,080
Total Loans	20,668	14,664	15,377	16,146	16,953
Def. Tax Liab. / Assets (-)	-4,425	-3,772	-1,366	-1,366	-1,366
Total - Equity & Liab.	49,271	66,951	79,179	90,435	1,03,661
Net Fixed Assets	17,982	22,765	21,036	19,267	17,458
Gross Fixed Assets	20,926	27,612	28,112	28,612	29,112
Intangible Assets	2,719	2,441	2,441	2,441	2,441
Less: Depn. & Amort.	5,984	7,808	10,036	12,305	14,614
Capital WIP	3,041	2,961	2,961	2,961	2,961
Investments	0	0	0	0	0
Current Assets	42,144	58,973	82,894	98,926	1,17,878
Inventories	12,448	13,518	26,224	30,014	35,010
Sundry Debtors	11,373	26,878	34,966	41,584	47,575
Cash & Bank Balances	541	2,129	5,256	10,879	18,844
Loans & Advances	44	417	417	417	417
Other Current Assets	17,738	16,032	16,032	16,032	16,032
Current Liab. & Prov.	13,879	17,228	27,193	30,199	34,116
Current Liabilities	7,028	11,781	21,746	24,753	28,669
Provisions & Others	6,851	5,446	5,446	5,446	5,446
Net Current Assets	28,265	41,745	55,702	68,726	83,762
Total - Assets	48,966	66,951	79,179	90,435	1,03,661

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	-1.1%	13.7%	14.1%	13.6%	14.1%
Asset Turnover (x)	0.3	0.5	0.7	0.7	0.7
Leverage Factor (x)	2.8	2.0	1.8	1.8	1.7
RoE	-0.9%	12.4%	16.3%	16.0%	16.1%

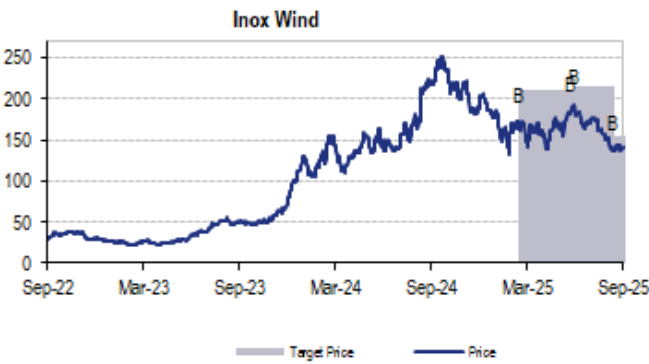
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	16.3	29.2	34.4	40.4	47.4
ROIC	3.3%	7.7%	13.1%	14.0%	15.4%
ROE	-0.9%	12.4%	16.3%	16.0%	16.1%
Net Debt/Equity (x)	0.7	0.2	0.2	0.1	0.0
P/E (x)	-1,227.6	50.1	27.1	23.6	19.9
P/B (x)	8.7	4.8	4.1	3.5	3.0
EV/EBITDA (x)	102.6	34.6	19.5	16.0	13.5
EV/Sales (x)	15.4	7.4	4.1	3.4	2.9
Debtor days	238	276	200	200	200
Inventory days	260	139	150	144	147
Creditor days	149	139	149	144	147

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
15-Feb-25	Buy	212	
25-May-25	Buy	212	0.0
1-Jun-25	Buy	216	1.9
14-Aug-25	Buy	154	-28.4

Recommendation History



APPENDIX I

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Corporate Identity Number: U67100MH2017PLC296081

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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* REITs refers to Real Estate Investment Trusts.

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