



### IPO Details:

Waaree Energies Ltd is coming out with an IPO of about Rs. 4,321.44 cr consisting of 2,87,52,096 shares of face value of Rs. 10 each in a price band of Rs. 1,427 – Rs. 1,503. The IPO comprises of fresh issue of Rs. 3,600.00 cr and an Offer for Sale of Rs. 721.44 cr by the promoter of the Company and one of the existing shareholders. The IPO opens on 21<sup>st</sup> October' 2024 and closes on 23<sup>rd</sup> October' 2024.

### Company Details:

- **Largest manufacturer** of solar PV modules in India with the largest aggregate installed capacity of **12 GW** as of 30<sup>th</sup> Jun' 2024. Company has subsequently commissioned **1.3 GW** of solar module manufacturing through its subsidiary, Indosolar Ltd (Indosolar).
- **Operates 5 manufacturing facilities** in India – one factory each at Surat, Tumb, Nandigram and Chikhli in the state of Gujarat and one factory in Noida, Uttar Pradesh under (Indosolar).
- **Portfolio of solar energy products** consists of i) multicrystalline modules, ii) monocrystalline modules and iii) TopCon modules, comprising of flexible modules, which includes bifacial modules and building integrated PV modules.
- Company also manufactures semi-flexible solar panels for sale to global customers through its in-house R&D in product application.
- Caters to both domestic and export customers. As of 30<sup>th</sup> Jun' 2024, Company has served **1,067** customers in India and **12** customers outside India. Share of exports sales has increased from **23.05%** in FY22 to **57.64%** in FY24.

### Strength:

- Extensive experience in the solar PV module manufacturing business, deep market penetration coupled with regular capacity expansion and backward integration into solar cells manufacturing, **positions it well to capture the growing demand** for solar energy products both in **domestic as well as export markets**.
- Leadership position in solar PV module manufacturing in India **enables it to offer competitive pricing** for its products, which in turn facilitates access to a large and diversified customer base and revenue generation.
- Successfully **developed a large customer base globally** which includes customers in the USA, Canada, Italy, Hong Kong, Turkey and Vietnam.



- Internationally recognized manufacturing facilities with **ISO certifications and NABL accredited laboratory** act as potential entry barriers for competitors which in turn enables the Company to target a large customer base both in India and globally.
- Company is setting up a solar PV module facility in the USA and it believes that the manufacturing operations in the USA **will offer an effective solution for customers** seeking to rationalize their global sourcing and supply chain costs by providing them options in the form of localized manufacturing and customer service capabilities.

### **Growth Drivers:**

- Solar power is rapidly becoming the preferred and lowest-cost option for electricity generation globally and as a result solar PV based electricity generation is expected to grow at an **average of 25%** between 2022 to 2030 to meet the Net Zero Emissions target by 2050.
- **India is projected** to almost double its renewable power capacity between 2022 to 2027 and solar PV is expected to account for **three – quarters** of this growth. Solar capacity additions in India is expected to be in the range of **137 – 142 GW** between FY2025 - 29.
- Focusing on **backward integration by setting up a fully integrated 6 GW** facility for the manufacture of ingots, wafers, solar cells and solar PV modules in Odisha. This facility is expected to get commissioned in FY2027.
- Company is in the process of **expanding its global manufacturing presence** by setting up **1.6 GW** solar PV module facility in Houston, Texas, USA, which can be further expanded by an **additional 1.4 GW**.
- **Healthy outstanding order book – 16.6 GW** of solar PV modules, comprising of domestic orders, export orders and franchisee orders. Additional **3.75 GW** of orders under its USA based subsidiary, Waaree Solar Americas Inc.
- **Intends to execute regular** capacity additions as well as continuous upgradation of its manufacturing technology and processes by focusing on incorporating Mono PERC, large size silicon wafer technology as well as other new emerging technologies including TopCon.
- **China + 1 strategy** is becoming increasingly popular in the solar industry as companies look to reduce their dependence on China and diversify their supply chains by expanding in countries like India, which has lower labour cost and favourable political and regulatory environment for manufacturing.

### **Objectives of Fund Raise – Fresh Issue of Rs. 3,600.00 cr:**

- Rs. 2,775.0 cr will be utilized towards part finance the cost of establishing the 6 GW of Ingot Wafer, Solar Cell and Solar PV Module manufacturing facility in Odisha, India through its 100% subsidiary – Sangam Solar One Private Ltd.



- Balance Funds will be utilized for general corporate purposes.

### Key Financial Highlights:

#### Waaree Energies Ltd (Rs. Cr)

Year	Revenue	Ebitda	Ebitda Margins (%)	PAT	EPS	RoCE (%)	RoE (%)
FY22	2,854.27	110.95	3.9%	75.64	3.84	21.9%	17.7%
FY23	6,750.87	834.64	12.4%	482.76	21.57	31.6%	26.3%
FY24	11,397.61	1,574.42	13.8%	1,237.18	47.86	26.3%	30.3%
Q1 FY25	3,408.90	552.48	16.2%	394.14	14.93	9.5%	8.8%

- Operating Revenue has grown from Rs. 2,854.27 cr in FY22 to Rs. 11,397.61 cr in FY24, translating into CAGR of 99.8%.
- Ebitda margins has inched up from 3.9% in FY22 to 13.8% in FY24. It has further inched up to 16.2% in Q1 FY25.
- Profits after tax of the Company has accelerated from Rs. 75.64 cr in FY22 to Rs. 1,237.18 cr in FY24 on the back of healthy revenue growth and sharp increase in Ebitda margins between FY22 – FY24.
- Capital Efficiency of the business is strong with RoCE and RoE of the Company at 26.3% and 30.3% in FY24.

### Valuations:

- At Upper end of the IPO price band of Rs. 1,503, Waaree Energies Ltd will be valued at about Rs. 43,178.66 cr.
- On PE basis, Waaree Energies Ltd will be available at 30.58x its TTM EPS of Rs. 49.15 while on EV/Ebitda basis, Company will be valued at 26.2x its TTM Ebitda of Rs. 1,659.31 cr.
- Investments in Waaree Energies Ltd can be made from longer term perspective considering the leadership position of the Company in Solar PV module manufacturing in India, Government of India's focus on promoting use of domestically manufactured modules through various schemes viz, PM-Kusum scheme, grid connected rooftop solar programmes amongst others, opportunity to cater to export markets on the back of China + 1 strategy, Company's focus on backward integration, healthy outstanding order book, steady capital efficiency and relatively attractive valuations vis a vis peer – Premiere Energies Ltd.



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\*Long Term Investments could range from 3-5 years.