



TM

Inox Wind Limited

11 April 2025

4QFY25 RESULT PREVIEW

Sector: Capital Goods Rating: BUY

CMP: Rs 141 Target Price: Rs 221

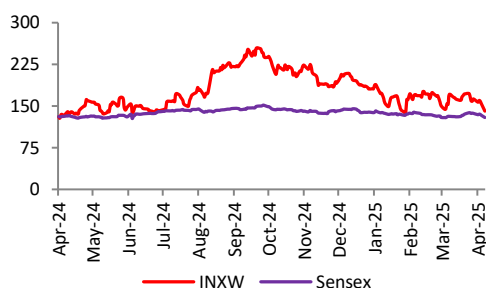
Stock Info

Sensex/Nifty	73,847/22,399
Bloomberg	INXW IN
Equity shares (bn)	1.3
52-wk High/Low	262/124
Face value	Rs 10
M-Cap	Rs 184bn/ USD 2bn

Shareholding Pattern (%)

	Dec'24	Sep'24	Jun'24
Promoter	48	48	48
-Pledged	1	1	1
FII	15	16	13
DII	10	9	10
Others	27	27	28

Stock Performance (1-year)



We estimate Inox Wind's (INXW) 4QFY25 consolidated revenue of Rs 12.9bn (+144% YoY, +41% QoQ), driven by improving deliveries of 3MW WTG sets. We estimate 4QFY25 execution of 251MW, projecting a growth of 94%/33% YoY/QoQ. Consolidated EBITDA (excluding other income) is expected to reach Rs 2.57bn during the quarter, up 152% YoY and 24% QoQ. With our 4Q estimates, we expect FY25 annual execution to reach 720MW (+91% YoY) compared to management's guidance of 800MW. Improved execution and commissioning in 4QFY25 is expected to be driven by a pickup in EPC and continued ramp-up of manufacturing operations. We estimate interest costs to drop by 50% YoY and 21% sequentially this quarter, resulting in a net profit after tax (before minority interest) of Rs 1,887mn (+68% QoQ).

Our estimates imply an EBITDA margin of approximately 20.0% this quarter. INXW closed 3QFY25 with a net order book of ~3,286MW, and the 153MW order win from a leading renewable energy developer for its 3MW wind turbine generators (WTGs) is estimated to take the current order book to approximately 3,188MW, net of our estimated 4QFY25 execution. We note that the wind capacity addition has remained below expectations so far due to infrastructure bottlenecks. However, disclosures from the Ministry of New and Renewable Energy (MNRE) indicate around 4.1GW of new wind capacity achieved grid connection in FY25 compared to 3.3GW installed in the full year FY24. With this, India's installed wind capacity crosses the 50GW mark, reinstating confidence in a strong structural demand. We expect this number to increase hereon and remain positive on the sector tailwinds with a massive government push to enhance India's renewable energy (RE) capacity and the growing integration of wind capacities in the RE mix. We have a BUY rating on the stock, which trades at 21x/18x FY26E/FY27E P/E. Monitoring the execution pace and EPC completions remains crucial, given that abrupt policy changes and subdued order inflows are risks to the company.

Exhibit 1: Quarterly preview

Particulars (Rs mn, unless otherwise stated)	4QFY24	3QFY25	4QFY25E	YoY (%)	QoQ (%)
Order Execution (MW)	129	189	251	94%	33%
Revenue	5,277	9,113	12,858	144%	41%
Total Expenditure	4,255	7,042	10,287	142%	46%
EBITDA (excl. other income)	1,022	2,071	2,572	152%	24%
EBITDA margin	19.4%	22.7%	20.0%		
Depreciation	298	466	466	56%	0%
Interest Expense	572	366	288	-50%	-21%
Other income	353	823	190	-46%	-77%
PBT	506	2,063	2,008	297%	-3%
Tax	-8	806	120	NA	-85%
PAT (post minority)	278	1,073	1,843	562%	72%
PAT margin	5%	12%	14%		
EPS (Rs/share)	0.2	0.8	1.4	562%	72%

Source: Systematix Institutional Research

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