

Short Term Fundamental Pick

Wednesday, 24 September



Rating: **Buy**

Cmp: **₹1012.35** as on 23th Sept 2025

Sector: Capital Goods (Other Electrical Equipment)

Target: **₹1240**

Upside Potential: 22.49%

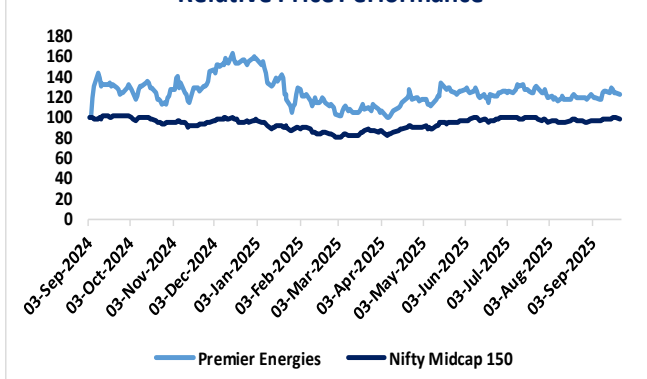


Key Data

Nifty/Sensex	25169.50/82102.10
BSE Code	544238
NSE Code	PREMIERENE
Bloomberg Code	PREMIERE:IN
Industry	Electrical Equipment
Market Cap(Cr.)	45859.455
No. of Shares(Cr.)	45.3
Face Value	1
52 Week High/Low	1387.10/755.55

Shareholding Pattern

Particulars	Q1FY26
Promoter	64.30%
MF	8.28%
FII	4.38%
Public	17.70%
Others	5.40%

Relative Price Performance

Well-positioned to capitalize on strong industry tailwinds, growing demand supported by favourable policies, and business expansion, indicating strong performance in the years ahead...

Premier Energies Limited is a leading integrated solar cell and module manufacturer in India, offering high-efficiency products across monocrystalline, bifacial, and PERC technologies for utility-scale, commercial & industrial, and residential rooftop segments, serving both domestic and international clients. Operating advanced automated facilities, it ranks among the largest solar PV players in South India with a strong presence across the renewable energy value chain. The company continues to expand its manufacturing capacity in line with India's solar adoption goals and global demand for sustainable energy. Supported by technology partnerships and government initiatives promoting domestic manufacturing, Premier Energies is well-positioned to capitalize on the growing shift toward green energy. Its strong industry momentum is reflected in robust order inflows, with a total order book of 5,545 MW valued at INR 8,602.7 Cr as of June 2026, and high capacity utilization of 94% for cells and 77% for modules in Q1 FY26.

Highlights and Investment Rationale

Robust Revenue Growth & Profitability – Q1 revenues rose 12% YoY to INR 18,695M, with EBITDA up 61% YoY to INR 5,971M and PAT at INR 3,078M (+55% YoY), demonstrating strong operational performance despite planned maintenance.

Operational Excellence – High uptime and strong production volumes were maintained, highlighting execution discipline and efficiency in manufacturing.

Capacity Expansion Milestones – Successful commissioning of a 1.4 GW module line and a 1.2 GW TOPCon cell line, marking key steps in scaling integrated manufacturing capabilities.

Mission 2028 Strategy – Clear roadmap to build 10 GW integrated ingot-to-module capacity, 12 GWh BESS, and 3 GW inverter capacity by FY28, reflecting long-term growth vision.

Domestic Market Leadership – Over 99% of revenue is domestic, anchored in India's growing solar sector, with limited exposure (<1%) to the U.S. market.

Order Book & Realizations – Strong order book of INR 86bn (5.5 GW) with average realization of INR 15.5/W, and enquiries in DCR segments showing early momentum.

Diversification & New Verticals – Plans underway to expand into solar inverters (3 GW) and battery energy storage systems (12 GWh), expected to contribute to top-line from FY27.

Capex & Backward Integration – Aggressive capex of INR 125bn by FY28 to build ingots, wafers, cells, modules, and aluminium frames, with focus on margin improvement and cost optimization.

Strong Policy Tailwinds – Supportive government initiatives (RPO, PM Surya Ghar, Kusum Scheme, CPSU, Green Open Access) and incentives for domestic manufacturing create a favourable growth environment.

Technology & Efficiency Leadership – Focus on TOPCon cell efficiency optimization (target 25.4%), backward integration, and value-added products (frames, BESS, inverters), enhancing margins and competitive advantage.

Key risks:

- Risk of delay in applicability of ALMM-1.
- Risk from potential reduction in duties on Chinese imports.
- Risk of delay/non-implementation of DCR schemes along with slower-than-expected capacity addition.

Key Financial Indicators & Valuation (Consolidated)					
YE March (Mns.)	FY23	FY24	FY25	FY26E	FY27E
PAT	-13.34	231.37	937.13	1285.00	1700.00
EBITDA Margin(%)	5.47%	15.20%	27.32%	25.84%	26.36%
EBIT Margin(%)	1.75%	12.14%	19.69%	19.66%	20.45%
Net Profit Margin(%)	-0.93%	7.36%	14.38%	14.44%	15.45%
ROE(%)	-3.32%	44.02%	54.39%	36.50%	35.52%
Current Ratio	1.02	1.16	1.88	2.16	3.15
EPS	-0.5	8.8	20.8	28.5	37.7
PE	-	-	45.1	35.5	26.8
BV/S	9.16	18.1	62.61	92.4	125.5
P/BV	-	-	16.80	10.96	8.07

Variance Analysis (Consolidated)					
Particulars (Rs. In Cr.)	2025-June	2024-June	YoY Var%	2025-March	QoQ Var%
Net Sales	1820.74	1657.37	9.86	1620.84	12.33
Total Expenditure	1272.46	1299.05	-2.05	1092.32	16.49
PBIDT (Excl OI)	548.284	358.313	53.02	528.518	3.74
PAT	307.55	197.5	55.72	277.93	10.66
PBIDTM% (Excl OI)	30.11	21.62	39.27	32.61	-7.67
PBIDTM%	32.79	22.31	46.97	36.28	-9.62
PATM%	16.89	11.92	41.69	17.15	-1.52
Adj. EPS(Rs)	6.83	5.93	15.18	6.16	10.88

Valuation and Outlook

Premier Energies Limited is setting its sights on a solar capacity of 200–220 GW by 2030 as part of its green energy expansion. With renewable energy required to meet 43% of India’s consumption—up from 24% today—the demand for solar modules and cells is poised for strong growth. Solar, already the most cost-effective energy source, remains central to the energy transition. To boost domestic manufacturing, the government has introduced supportive measures including PLI incentives, non-tariff barriers like ALMM (mandatory local sourcing), and protective duties of 40% on imported modules and 25% on cells, positioning Premier to benefit from the “local-first” push. **With the recent GST rationalization, most solar products have moved from the 12% to the 5% slab, and coupled with multi-year low inflation, this is expected to boost consumption by making products more affordable. Over FY25–FY27E, Premier’s revenue, EBITDA, and net profit are projected to grow at robust CAGRs of 29.9%, 27.6%, and 34.7%, respectively, reflecting strong operating leverage.** The stock closed at ₹1,012.35 on September 23rd, with a trailing P/E of 43.6 (TTM EPS ₹23.2), while forward valuations are attractive at 35.5x for FY26E and 26.8x for FY27E, highlighting earnings-led upside. **We maintain a bullish view, with a target price of ₹1,240, implying a 22.49% upside over the next 9–12 months.**

Profit And Loss Statement (Consolidated)					
YE March (Cr.)	FY23	FY24	FY25	FY26E	FY27E
I. Income					
Net Sales	1,428.5	3,143.8	6,518.8	8,900.0	11,000.0
Net Sales	1,428.5	3,143.8	6,518.8	8,900.0	11,000.0
II. Expenditure					
Raw Material Cost	1,267.3	2,467.9	4,075.3	5,740.0	7,080.0
Change in Inventory	93.4	124.3	62.3	70.0	90.0
Power and Fuel	35.3	67.3	108.8	140.0	180.0
Other Mfr. Exp	44.7	88.4	152.9	200.0	250.0
Employee Cost	44.8	61.5	105.7	150.0	180.0
Selling and admin	17.5	27.1	128.2	170.0	200.0
Other Expenses	34.1	78.0	229.4	270.0	300.0
Total Expenditure	1,350.3	2,665.9	4,737.8	6,600.0	8,100.0
EBITDA	78.2	477.9	1,780.9	2,300.0	2,900.0
Depreciation	53.2	96.1	497.5	550.0	650.0
EBIT	25.0	381.8	1,283.4	1,750.0	2,250.0
Interest	68.6	121.2	177.5	200.0	220.0
Other Income	35.9	28.8	134.0	180.0	200.0
Earnings Before Tax(EBT)	-7.8	289.4	1,239.97	1,730.00	2,230.00
Tax	5.6	58.0	302.8	445.0	530.0
Profit After Tax(PAT)	-13.3	231.4	937.1	1,285.0	1,700.0
EPS - Basic	-0.51	8.78	20.79	28.50	37.71
No. Shares(Cr.)	26.35	26.35	45.08	45.08	45.08

Investment Rating Matrix

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

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