

# IPO Note



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**WAAREE®**

*One with the Sun*

***Waaree Energies Limited***

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## ABOUT COMPANY:

- Waaree Energies is the largest manufacturer of solar PV modules in India with the largest aggregate installed capacity of 12GW and utilized capacity of 43.37%, as of June 30, 2024.
- Waaree Energies had the second-best operating income among all the domestic solar PV module manufacturers in India in FY2024.
- Waaree Energies operates 5 manufacturing facilities in India spread over an area of 143.01 acres. The company operates 1 factory each located at Surat, Tumb, Nandigram, Chikhli in Gujarat, India and the IndoSolar Facility, in Noida, Uttar Pradesh.
- The company is implementing capacity expansion for backward integration into solar cell manufacturing with the addition of 5.4 GW capacity at the Chikhli Facility which is expected to be operational by Fiscal 2025.
- Waaree Energies has been provided an outlay of ₹ 1,923.24 Cr under Government of India's PLI scheme and the company is setting up a fully integrated 6 GW facility for the manufacture of ingots, wafer, solar cells and PV modules in Odisha, which will commence commercial operations in the FY 2027.
- The company's order book of solar PV modules was 16.6 GW as of June 30, 2024. The order book included domestic orders, export orders, and franchisee orders and 3.75 GW of orders for the Subsidiary, Waaree Solar Americas Inc. located in the United States.
- The company's Revenues from Operations have increased at a CAGR of 99.83% from ₹ 2,854.27 in FY2022 to ₹ 11,397.61 in FY2024, while the EBITDA margins have improved from 6.88% to 16.23% during the same period. The company's PAT increased from ₹ 79.65 in FY2022 to ₹ 1,274.38 in FY2024.

## ISSUE BREAKUP:

Particulars	No. of Shares		₹ In Cr		% of Issue
	@Upper	@Lower	@Upper	@Lower	
QIB	1,47,86,123	1,41,59,812	2109.98	2128.22	50%
NIB	44,35,838	42,47,945	632.99	638.47	15%
-NIB2	29,57,225	28,31,963	422.00	425.64	
-NIB1	14,78,613	14,15,982	211.00	212.82	
RET	1,03,50,288	99,11,870	1476.99	1489.75	35%
EMP	4,55,501	4,32,468	65.00	65.00	
<b>Total</b>	<b>3,00,27,750</b>	<b>2,87,52,095</b>	<b>4284.96</b>	<b>4321.44</b>	<b>100%</b>

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2 =NII Bid Above ₹ 10 Lakhs

Anchor Bid on: Friday, 18<sup>th</sup> October 2024  
Issue opens on: Monday, 21<sup>st</sup> October 2024  
Issue closes on: Wednesday, 23<sup>rd</sup> October 2024

<b>Issue Details</b>	<i>Fresh Issue of aggregating up to ₹ 3,600 Cr Offer For Sale of 48,00,000 Equity Shares</i>
<b>Face value:</b>	₹ 10/-
<b>Price band:</b>	₹ 1,427 - 1,503
<b>Bid Lot:</b>	9 Eq. Shares and in multiple thereof
<b>No. of Share</b>	3,00,27,750 - 2,87,52,095
<b>Issue size:</b>	₹ 4,285 - 4321 Cr
<b>Post Issue Implied Market Cap:</b>	₹ 41,177 – 43,179 Cr
<b>Listing On:</b>	<b>BSE &amp; NSE</b> IIFL Securities, Jefferies India, Nomura Financial Advisory & Securities (India), SBI Capital Markets, Intensive Fiscal Services, ITI Capital
<b>BRLM</b>	
<b>Registrar:</b>	Link Intime India

## INDICATIVE TIMETABLE:

Activity	On or about
Finalization of Basis of Allotment	24-10-2024
Refunds/Unblocking ASBA Fund	25-10-2024
Credit of equity shares to DP A/c	25-10-2024
Trading commences	28-10-2024

## SHAREHOLDING (APPROX. NO. OF SHARES):

Pre Issue	Post Issue ~	Post Issue ^
26,33,31,104	28,85,58,854	28,72,83,199

## SHAREHOLDING PATTERN(%)

Particulars	Pre-Issue	Post-Issue
Promoter & Promoter Group	71.80%	64.30%
Public – Selling Shareholder	0.17%	0.00%
Public - Others	28.03%	35.70%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## MINIMUM BIDS APPLICATION:

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII – Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	9 Shares	135 Shares	666 Shares
Minimum Bid Lot Amount (₹)	₹13,527^	₹2,02,905^	₹10,00,998^
No. Of Applications For 1x	11,01,319 Applications	10,489 Applications	20,977 Applications

## BACKGROUND:

### Company and Directors

The Company was originally incorporated as 'Anmol Fluid Connectors Pvt. Ltd' at Mumbai, on December 18, 1990. The name was changed to 'Waaree Solar Pvt. Ltd in April 2007. The name was further changed to 'Waaree Energies Pvt. Ltd', in October 2007 and subsequently on conversion to public company the name was changed to 'Waaree Energies Ltd' in May 2013. The company is a manufacturer of solar PV modules in India with an aggregate installed capacity of 12 GW and utilized capacity of 43.37% as of March 31, 2024. The company has 12 direct Subsidiaries and 3 step-down Subsidiaries. Of the subsidiaries Waaree Renewable Technologies is listed on the BSE and Indosolar is listed on the BSE and NSE.

### Objects of the Issue:

Objects	Amount (₹ Cr)
Part finance the cost of establishing the 6GW of Ingot Wafer, Solar Cell and Solar PV Module manufacturing facility in Odisha, India	₹ 2,775Cr
General Corporate Purposes	[·]
Total	[·]

## KEY FINANCIALS:

Particulars	As at Jun'30,		As at Mar' 31,		
	2024 (03)	2023 (03)	2024 (12)	2023 (12)	2022 (12)
Share Capital	263.14	253.22	262.96	243.37	197.14
Net Worth	4,471.71	2,704.79	4,074.84	1,825.41	427.35
Total Borrowings	261.24	233.31	317.32	273.48	313.08
Revenue from operations	3,408.90	3,328.29	11,397.61	6,750.87	2,854.27
EBITDA	639.99	554.30	1,809.58	944.13	202.53
EBITDA Margin (%)	18.30%	16.23%	15.56%	13.76%	6.88%
PAT	401.13	338.27	1,274.38	500.28	79.65
EPS (Basic) (FV ₹ 10)	14.98^	13.78^	48.05	21.82	3.84
EPS (Diluted) (FV ₹ 10)	14.93^	13.64^	47.86	21.57	3.84
Debt Equity Ratio (x)	0.06^	0.09^	0.08	0.15	0.72
Net Asset Value per share (₹)	169.94	106.81	154.96	75.01	21.68
ROE (%)	8.79^%	12.36^%	30.26%	26.26%	17.69%
ROCE (%)	9.45^%	15.86^%	26.29%	31.61%	21.89%
Order Book in GW	16.66	17.19	19.93	18.06	3.28

## OFFER DETAILS:

\* Shares at Upper Band

The Offer for Sale by:	Up to 48,00,000 Equity Shares	WACA per Equity Share (₹)
Promoter Selling Shareholder:		
Waaree Sustainable Finance Pvt. Ltd	Up to 43,50,000 Equity Shares	3.77
Other Selling Shareholder:		
Chandurkar Investments Pvt. Ltd	Up to 4,50,000 Equity Shares	225.00

## SHAREHOLDING PATTERN

Shareholders	Pre-offer		Offer for sale of Shares	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter and Promoters Group					
Promoter	10,67,79,804	40.55%	43,50,000	10,24,29,804	35.65%
Promoters Group	8,23,02,279	31.25%	-	8,23,02,279	28.65%
Total for Promoter and Promoter Group	18,90,82,083	71.80%	43,50,000	18,47,32,083	64.30%
Public - Selling S/h	4,50,000	0.17%	4,50,000	-	0.00%
Public - Other	7,37,99,021	28.03%	-	10,25,51,116	35.70%
Total for Public Shareholder	7,42,49,021	28.20%	4,50,000	10,25,51,116	35.70%
Total Equity Share Capital	26,33,31,104	100.00%	48,00,000	28,72,83,199	100.00%

(^ at upper price band)

## BUSINESS OVERVIEW:

Waaree Energies is the largest manufacturer of solar PV modules in India with the largest aggregate installed capacity of 12GW, as of June 30, 2024. Waaree Energies had the second-best operating income among all the domestic solar PV module manufacturers in India in FY2024. The company commenced operations in 2007 focusing on solar PV module manufacturing with an aim to provide quality, cost-effective sustainable energy solutions across markets, and aid in reducing carbon footprint paving the way for sustainable energy thereby improving quality of life. The company has increased its installed capacity from 4 GW in Fiscal 2022 to 12 GW, as of June 30, 2024. Further, the company has commissioned 1.3 GW of solar module manufacturing facility at Noida, Uttar Pradesh through its subsidiary, Indosolar Ltd.

The company manufactures Solar PV Modules using the multicrystalline cell technology, monocrystalline cell technology and emerging technologies such as Tunnel Oxide Passivated Contact ("TopCon") which helps reduce energy loss and enhances overall efficiency. The company's product portfolio includes (i) multicrystalline modules; (ii) monocrystalline modules; and (iii) TopCon modules, comprising flexible modules, which includes bifacial modules (Mono PERC) (framed and unframed), and building integrated photo voltaic (BIPV) modules.

Waaree Energies operates 5 manufacturing facilities in India spread over an area of 143.01 acres. The company operates 1 factory each located at Surat ("Surat Facility"), Tumb ("Tumb Facility"), Nandigram ("Nandigram Facility"), Chikhli ("Chikhli Facility") in Gujarat, India and the IndoSolar Facility, in Noida, Uttar Pradesh.

The company has received a tier-1 PV module maker rating from the Bloomberg New Energy Finance between FY2018 and FY2024. Some of the company's labs are accredited by the National Accreditation Board for Testing and Calibration Laboratories ("NABL") which tests the solar PV modules for quality check.

Waaree Energies has been included in the ALMM list (Approved List of Models and Manufacturers) by the GoI, which enables the company to participate in various government schemes aimed at developing the solar industry in India. The company also manufactures semi-flexible solar panels for sale to global customers through its in-house research and development in product application.

Customers Served	As of June 30,		As at March 31st		
	2024	2023	2024	2023	2022
India	1,067	836	378	566	716
Outside India	12	20	24	33	26

The company serviced 1,067 domestic customers and 12 overseas customers as on June 30, 2024. The company's Export revenues have increased from ₹ 657.82 Cr in FY2022 at 23.05% of revenue from operations to ₹ 6,569.09 Cr representing 57.64% of revenues from operations in FY2024.

The company's pending order book of solar PV modules was 16.6 GW as of June 30, 2024. The order book included domestic orders, export orders, and franchisee orders and 3.75 GW of orders for the Subsidiary, Waaree Solar Americas Inc. located in the United States.




## REVENUE FROM OPERATIONS

Particulars	3 months ended June 30						As at March 31st			
	2024		2023		2024		2023		2022	
	Revenue (₹ Cr)	% of total	Revenue (₹ Cr)	% of total	Revenue (₹ Cr)	% of total	Revenue (₹ Cr)	% of total	Revenue (₹ Cr)	% of total
Direct Sales to Utilities & Enterp.	1,340.99	38.35	678.17	19.86	3,581.42	30.79	1,316.81	19.19	1,596.34	54.19
Export Sales	1,340.09	38.33	2,441.21	71.48	6,569.10	56.47	4,616.54	67.29	657.82	22.33
Retail Sales	698.11	19.97	197.54	5.78	1,157.08	9.95	672.49	9.80	582.52	19.77
Other Revenue from Operations	29.71	0.85	11.37	0.33	90.02	0.77	145.03	2.11	17.58	0.60
Revenue from operations	3,408.90	97.50	3,328.29	97.46	11,397.61	97.98	6,750.87	98.40	2,854.27	96.89
Other Income	87.51	2.50	86.71	2.54	235.15	2.02	109.49	1.60	91.59	3.11
Total Income	3,496.41	100.00	3,415.00	100.00	11,632.76	100.00	6,860.36	100.00	2,945.85	100.00

**COMPARISON WITH INDUSTRY PEERS (As On 31st MARCH 2024)**

Company	Total income (₹ in Cr)	Face value (₹)	Closing price (₹)	P/E**	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV (₹)
Waaree Energies	11,632.76	10	NA	NA	48.05	47.86	30.36	154.96
Websol Energy	26.81	10	1,015.50	NA	(29.99)	(29.99)	NA	NA
Premier Energies	3,171.31	10	1,047.40	151.13	6.93	5.48	37.46	14.63

**COMPARISON OF KEY PERFORMANCE OF INDICATORS WITH PEER GROUP COMPANIES**

KPI's															
	Waaree Energies					Websol Energy					Premier Energies				
	As at June 30th		As at March 31st			As at June 30th		As at March 31st			As at June 30th		As at March 31st		
	2024	2023	2024	2023	2022	2024	2023	2024	2023	2022	2024	2023	2024	2023	2022
EBITDA Margin	18.3%	16.2%	15.6%	13.8%	6.9%	39.5%	(410.0%)	(24.5%)	(48.8%)	14.2%	22.2%	12.4%	15.9%	7.7%	7.0%
Debt to Equity ratio	0.06	0.08	0.08	0.15	0.72	-	-	1.70	0.15	0.22	1.5	1.9	2.29	1.96	1.23
Return on avg. Capital Employed	9.6%	17.8%	37.0%	48.8%	23.5%	-	(4.1%)	(17.7%)	(11.7%)	7.2%	16.5%	5.6%	30.2%	6.4%	3.8%
PAT Margin	11.5%	9.9%	11.0%	7.3%	2.7%	20.5%	(1666%)	(451.1%)	(117.1%)	4.4%	11.9%	5.1%	7.3%	(0.9%)	(1.9%)
Capacity in GW	12.0	12.0	12.0	9.0	4.0	0.6	0.3	0.6	0.3	0.3	4.1	1.7	3.4	1.4	1.2
Order Book in GW	16.7	17.2	19.9	18.1	3.3	-	-	-	-	-	57.8	10.8	54.3	9.9	3.2*

**COMPETITIVE STRATEGIES:**

- Largest solar PV module manufacturer in India well positioned to capture industry tailwinds and growth prospects for solar energy in India and globally
- Diversified base of global and Indian customers with a substantial order book
- Advanced manufacturing facilities with global accreditations
- Consistent track record of financial performance
- Experienced senior management team

**KEY BUSINESS STRATEGIES**

- Implement strategic backward integration to enhance operations and increase profitability
- Maintain leadership position in the utility and enterprise modules sales market with continued capacity expansion in India and abroad
- Comparative cost of solar module facilities executed in the past
- Focus on technology upgrades to manufacture high quality modules
- Continue the focus on maintaining leadership position in commercial and industrial, & residential business Verticals

**HENSEX OUTLOOK: “SUBSCRIBE”**

**Rating: Apply for Listing Gains as well as for Long Term Investment**

Waaree Energies is the largest manufacturer of solar PV modules in India with a pan-India franchisee network and well positioned to capture industry tailwinds and growth prospects for solar energy in India and globally.

The company has an advanced manufacturing facilities with global accreditations alongside holds large order book with diversified base of global and Indian customers.

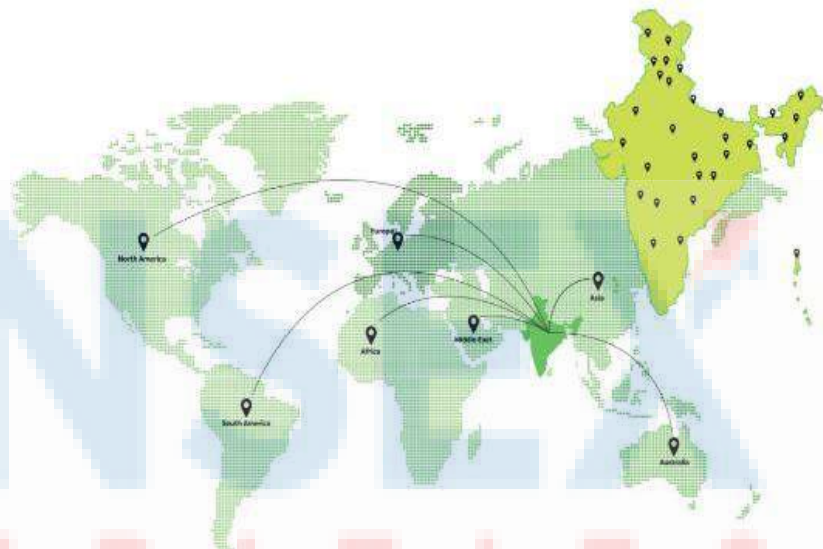
Talking about the financials; The company’s Revenues from Operations have increased at a CAGR of 99.83% from ₹ 2,854.27 in FY2022 to ₹ 11,397.61 in FY2024, while the EBITDA margins have improved from 6.88% to 16.23% during the same period. The company’s PAT increased from ₹ 79.65 in FY2022 to ₹ 1,274.38 in FY2024.

The company has a healthy balance sheet with total borrowings at ₹ 317.32 Cr in FY2024 with debt/ equity ratio at 0.08 x and interest coverage ratio at 22.17 x.

We recommend investors a ‘SUBSCRIBE’ to the issue for Listing Gains as well as for Long Term Investment perspective.

**MAJOR RISK FACTOR:**

- ✓ The company is heavily dependent on Top 10 customers who contribute almost 58.41% of the Revenue as of June 2024, of which 48.56% solely is generated from Top 5 customers
- ✓ Waaree Import s a portion of their raw material supply from China.



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