

23rd April 2025 - Waaree Energies intrinsic value and Q4FY25 earnings overview

Earnings overview:

	Q4FY25 (growth %)	FY25 (growth %)
Revenue	37.69%	27.62%
EBITDA	116.27%	72.59%
EBITDA margin	25.59% vs 16.29% in the year ago period.	21.04% vs 15.56% in the year ago period.
Profit After Tax	254.52%	107.08%

All figures consolidated and excluding exceptional items.

Waaree Energies' Q4FY25 and FY25 growth figures are a big plus. However the guidance of the management for FY26 is even more encouraging and definitely attracts eyeballs. The management guides for ₹5,500 to ₹6,000 crore EBITDA in FY26. **If materialised, it'd be a massive 76% rise (assuming ₹5,500 crore EBITDA) in EBITDA from FY25.**

Guru Spokes Finance - Chaitanya Sabharwal

Let's have a look at the tailwinds for Waaree Energies.

1. **Waaree Energies is the only vertically integrated solar energy company in India.** Vertically integrated means Waaree Energies extends its operations into the supply chain of the solar power sector. This allows significant margin control.
2. **Innovations with the help of hiring talent and enabling ideas.** Waaree collaborated with IIT-Bombay to drive technology leadership in solar cell manufacturing.
3. **5.4 GW of cell lines has been operationalised.** Another 6 GW of new cells and ingot-wafer facility to be ready in 2027. Green hydrogen and BESS (battery energy storage system) under construction.
4. **Order book worth ₹47,000 crore.**
5. 1.6 GW module manufacturing operational in Texas, US. (already included in point number 3 but needs a special mention)

An important interpretation from management's commentary:

1. The company is aiming for a local-for-local manufacturing philosophy. This means where the buyer is, there the production is. This has come out on top in between all the tariff drama. And definitely the market has rejoiced this.

Intrinsic value (as on 23rd April 2025 during market hours - currently trading at ₹2,986)

Waaree Energies IPO'd in October 2024. Its market history is too short and that's what makes finding its intrinsic value difficult. I have to use more assumptions and have to rely on data provided on [screener.in](https://www.screener.in). All the relevant qualitative information has been mentioned above so I'll quickly skip to the quantitative part. But please note the intrinsic value projections may be highly variable and are not backed by a long market history. Further research is highly appreciated and I'd like to closely work on this with you.

The current valuation of WAAREEENER (Waaree Energies ticker) stands at ₹3,163 at 48.6x Current TTM EPS. It currently trades at almost full valuations.

Now if the company can materialise its lower end of the EBITDA guidance of ₹5,500 crore, its FY26 (forward) intrinsic value should be around an astounding ₹5,332.66 per share.

Here's the complete and transparent calculation:

1. *Finding number of outstanding shares from current EPS (₹65.10) and current PAT (₹1,928 crore):*
$$PAT / EPS = 29,66,15,385 \text{ (approx)}$$
2. *Depreciation and interest cost of the company are increasing at a 31% CAGR over 3 years. Based on the above mentioned increase in costs, the depreciation and interest cost in FY26 could be around ₹725 crore. I'd safely assume it to be ₹750 crore for the company which is undergoing some capex plans as well.*
3. *Reducing depreciation and interest cost of ₹750 crore from ₹5,500 crore, and then cutting 26% tax.*
$$₹3,515 \text{ crore remains.}$$

4. Dividing ₹3,515 crore from the number of shares (mentioned above) to come at expected EPS for FY26 (assuming no change in equity shareholding pattern and no further fundraising)

₹118.50

5. Expected EPS for FY26 * Median PE ratio = ₹5,332.66 per share.

Please remember all the quantitative aspects of this report are highly variable and sensitive to changes. I'd love to be a part of further research on Waaree Energies. Disclosure - I'm an investor in Waaree Energies stock. Please connect with me for further communication.

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