Evervolt Green Energy Pvt Ltd | 7-8x Play

Fundraising: INR 2,500mn | Valuation: INR 22,500mn | PAT (FY27E): INR 6,234mn

Evervolt Green Energy Pvt Ltd is one of the top 10 distributers of premier solar products, delivering high quality rooftop solutions to customers across India. The company supplied over 750MW of solar products across the country, serving a diverse clientele that includes solar installers, EPC contractors, and utility-scale project developers. The company has comprehensive dealers network in 9+ states. The company has 500+ billable customers including PV installers. The company maintains strong partnerships with leading global manufacturers for panel distribution, representing brands like LONGi, Trinasolar, and Renewsys. The company has entered into Mono PERC solar cell manufacturing and plans to introduce TOPCon gradually. The company is focused to expand capacity from 1.2GW to 3.5GW by Feb-26, further to 7.5GW by Mar-28.

Investment rationale

Strategic Acquisition of CETC India will lead to growth: The company is acquiring CETC India's cell manufacturing plant in Sri City, Andhra Pradesh. The acquisition eliminates land acquisitions, constructing timelines and enabled immediate production infrastructure. The plant capacity stood at 1.2GW and capex is around INR 2.65bn for upgrading existing infrastructure, installing Mono PERC production lines, and constructing utilities such as water treatment plants. The funding mix are equity infusion (INR 1.35bn), Supplier credits (INR 670mn), Customer advances (INR 430mn) and Internal accruals (INR 200mn). The plant's upstream manufacturing strengthens supply chain, reduces dependency on imports, and enhances export readiness. The company's ability to utilize existing infrastructure from CETC reduces capital expenditure risks and accelerates time-to-market, enabling it to capitalize on the current supply-demand gap in the Indian solar market. The acquisition is financially prudent, with full investment recovery projected within one year due to high market demand and strong margins.

Capex is expected to drive business growth: Evervolt has 1.2GW (Phase 1) operational capacity and expected to reach 3.5GW (additional 2.3GW in Phase 2) by Feb-26. The capex is expected to INR 6.5bn for additional production lines, further technological upgrades (including TOPCon capabilities), and working capital needs. The funding mix are equity (INR 2bn), debt (INR 3.25bn), Internal accrual (INR 800mn) and external equity (INR 450mn). The company would do additional capex of INR 1bn for TOPCon upgradations. The company also plans to scale capacity to 7.5GW (additional 4GW in Phase 3) by Mar-28, incorporating advanced technologies like TOPCon and Heterojunction (HJT). The capacity expansion is aligned with India's expected solar demand of 130GW by 2028 and global trends toward high efficiency modules. The capex is expected to funded through IPO, cash flows and strategic partnerships.

Strong order book and pipeline shows business visibility: The order book stood at INR 7.98bn (617MW) and secured advances of INR 430mn from customers. The average selling price is around INR 13mn/MW and current order book of 617MW shows guaranteed revenue of INR 8bn over the next 12-18 months. The advances range from 5% to 15% of order value across different customers, which is industry-standard for solar equipment procurement. The order sizes ranging from 4MW to 152MW capacity commitments and getting orders regular basis. The key customers are Agrawal Renewable, Citizen Solar, En-Icon Solar, and Navitas, among others. The company is doing capex and well positioned to fulfill upcoming orders from customers. The revenue is expected to reach INR 11bn in FY26E, supported by 1.2GW facility. The revenue is expected to reach INR 28.3bn and INR 42.2bn in FY27E and FY28E respectively, supported by further capacity expansions.

Operating leverage and import duty would enhance margins: The solar cell manufacturing gross margins are around 39%. The company is expanding manufacturing capacity would reduce variable overheads leading margin improvement going forward. The import duty of solar modules (40% duty) and cells (27.5% duty), insulates domestic manufactures from Chinese competitions which favors margins. The EBITDA and PAT margins are expected ~35% and ~20% respectively going forward.

Strong tailwinds in Indian Solar Industry: India's solar industry growth is supported by government initiatives like PM Surya Ghar Yojana and PM-KUSUM, which aim to solarize 10mn homes and install 2mn standalone solar pumps. The Domestic Content Requirement (DCR) policy mandates the use of Indian-made solar cells in government projects, creating a captive market. Additionally, high import duties (40% on modules, 27.5% on cells) on Chinese products further incentivize domestic manufacturing. The company is well-positioned to cater to both DCR and non-DCR markets, with the USA emerging as a key export destination for Indian-made solar cells.

Outlook & Valuation: Evervolt is acquiring CETC India's cell manufacturing facility (1.2GW) with a capex of INR 2.65bn for upgrading existing infrastructure, installing Mono PERC production lines, and constructing utilities such as water treatment plants. Further, the company plans to expand capacity to 3.5GW (additional 2.3GW in Phase 2) by Feb-26 and 7.5GW (additional 4GW in Phase 3) by Mar-28. The capacity expansion with technological upgrades like TOPCon without much capex (additional INR 1bn for TOPCon upgradation) will lead to address growing solar demand and repeat orders from customers. The order book stood at INR 7.98bn and getting regular orders from customers shows business visibility. The import duty of solar modules (40% duty) and cells (27.5% duty), insulates domestic manufactures from Chinese competitions. We are estimating revenue and PAT of INR 28.33bn and INR 6.23bn by FY27E respectively. The company is looking for equity capital of INR 2.5bn at a valuation of INR 22.5bn through fund raising for acquisitions and capacity expansions. The company plans for IPO by FY27E for capex and debt repayments. The business is available at 10.7x of FY26E PAT and 3.6x of FY27E PAT; can be a 7-8x play over the next 2-3 years.

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