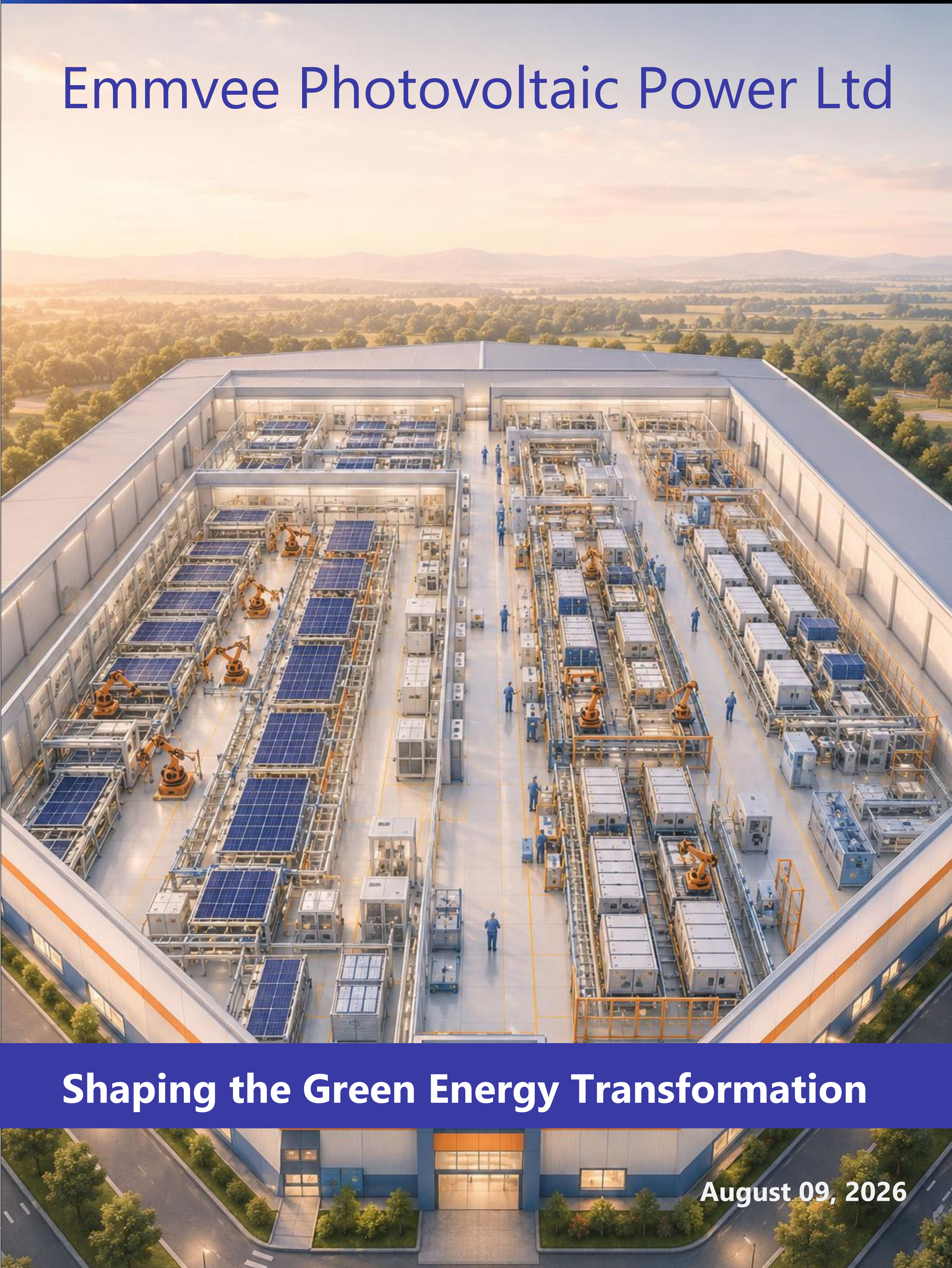
PRIME RESEARCH
Empowering decisions

Pick of The Week

HDFC securities

Emmvee Photovoltaic Power Ltd



Shaping the Green Energy Transformation

August 09, 2026

Emmvee Photovoltaic Power Ltd

Reco BUY

Industry	Electrical Equipment
LTP	Rs. 319
Entry Range	Rs. 315-330
Add on Dips	Rs. 285-295
Base Case Target	Rs 360
Bull Case Target	Rs 400
Time Horizon	4 Quarters

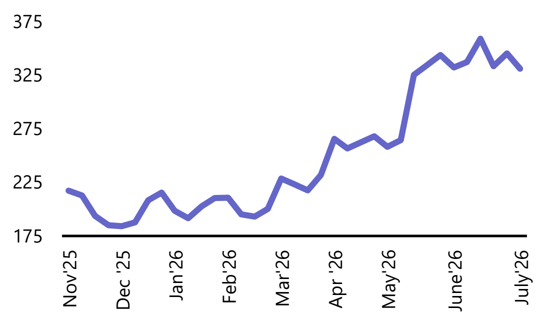
Stock Info

HDFC Scrip Code	EMMVEE
BSE Code	544608
NSE Code	EMMVEE
Bloomberg	EMMVEE IN
Equity Capital (Rs Cr)	118.7
Face Value (Rs)	2
Equity Share O/S (Cr)	69.23
Market Cap (Rs Cr)	22,079
Book Value (Rs)	53.4
Avg. 52 Wk Volumes	44,44,005
52 Week High	372
52 Week Low	172

Share Holding Pattern % (June'26)

Promoters	80.1
Institutions	12.7
Non Institutions	7.2
Total	100.0

Price Chart



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Shaping the Green Energy transformation

Emmvee Photovoltaic Power Limited (EPPL) is the second largest pure-play integrated solar PV module and cell manufacturer, and holds a leading position among India's solar PV module producers in terms of production capacity. The company's solar PV module production capacity reached 10.30 GW, while its solar cell production capacity stands at 2.94 GW as of June 30, 2025.

Emmvee Photovoltaic Power Ltd has emerged as one of the more profitable and disciplined players in the domestic solar manufacturing space, consistently delivering industry-leading margins. Its strength is underpinned by integrated manufacturing, efficient material procurement and a high-quality, diversified order book skewed towards marquee IPP and C&I customers. Rising repeat-business contribution and strong working-capital management further reinforce earnings visibility and balance-sheet comfort. Looking ahead, margin sustainability and growth will hinge on timely execution of its 6 GW integrated cell and module expansion and planned backward integration into wafers/ingots. In our view, Emmvee's combination of robust profitability, improving integration and deepening customer relationships positions it favorably versus most peers.

Considering EPPL's market positioning and current valuations, we recommend investors to BUY the stock in the range of Rs 315-330 and add on dips of Rs 285-295, with a Base Case/Bull Case Fair Value of Rs 360/400, as we expected the company to deliver a Revenue/EBITDA/PAT CAGR of 57.3%/50.7%/45.7% over FY26 to FY28E, assigning 8x multiple to FY28 EV/EBITDA.

Our Take

Superior Margins Through Efficiency Excellence

Emmvee sustains industry-leading EBITDA margins of 31–33% through superior realisations, a sticky customer base, and disciplined procurement. Despite geopolitical uncertainties and raw material spikes, the company maintains a structurally stronger profitability profile than domestic peers. While industry-wide supply dynamics raise potential margin compression concerns, Emmvee is well-positioned to mitigate downside risks. Upcoming backward-integrated cell lines expected by Q1FY28 will significantly enhance long-term cost control. Additionally, ALMM-II compliance strengthens the company's regulatory standing and overall market defensibility. Management guidance and an entrenched market position reinforce ongoing confidence in robust order book quality. Together, these operational efficiencies and strong commercial positioning underpin a highly resilient earnings profile.

Strong order book growth with healthy clientele mix

Emmvee Photovoltaic Power Ltd enters FY27 with a strong and well-structured order book, providing comfort on both volume visibility and realisations broadly in line with recent trends. The portfolio is favorably skewed towards marquee IPP and C&I customers (33% and 39% of the order book as of Q1FY27, respectively), which typically exhibit better pricing discipline and payment behavior, supporting margin resilience. In addition, the repeat customer share has increased to 57% in Q1FY27 from an average of around 30% in FY25–FY26, underscoring rising customer confidence in the company's execution and service quality. In our view, the combination of healthy order book visibility, a favorable segment mix and deepening customer relationships positions Emmvee to sustain robust realisations and protect profitability relative to the broader industry.

Valuation & Recommendation:

Module manufacturers are currently operating under significant pricing and cost pressure as input costs, particularly silver, have risen sharply and now account for a sizeable share of total material costs. Players without integrated cell lines or robust cost-hedging mechanisms are seeing meaningful margin compression, given limited ability to fully pass through cost inflation in a crowded, overcapacity-driven market. Smaller manufacturers, in particular, are more vulnerable as they lack scale, procurement bargaining power, and structured commodity risk management, leaving gross margins exposed to both raw material volatility and aggressive price competition.

Against this backdrop, Emmvee continues to deliver industry-leading margins alongside strong working capital efficiency, supported disciplined material procurement and healthy customer mix. Post-IPO deleveraging has reduced interest costs and financial stress. While this impacts net margins more directly, a cleaner balance sheet also lets the company prioritise profitable volumes rather than chasing low-margin orders for cash-flow reasons, indirectly supporting gross margin sustainability. The company's robust current order book provides visibility for optimal plant utilisation over at least the next 12–18 months, underpinning steady revenue streams and healthy capacity absorption. Management is also actively evaluating backward integration into a wafer–ingot facility, which, if implemented, would help mitigate supply chain risk and support margin resilience over the medium term.

Nonetheless, the sustainability of its current operating margin profile is heavily contingent on timely commissioning of the 6 GW integrated cell and module facility and on-schedule execution of client projects; any slippages could lead to inventory build-up, slower cash conversion and deviation from planned operating leverage, thereby weighing on the margin trajectory and the broader earnings outlook.

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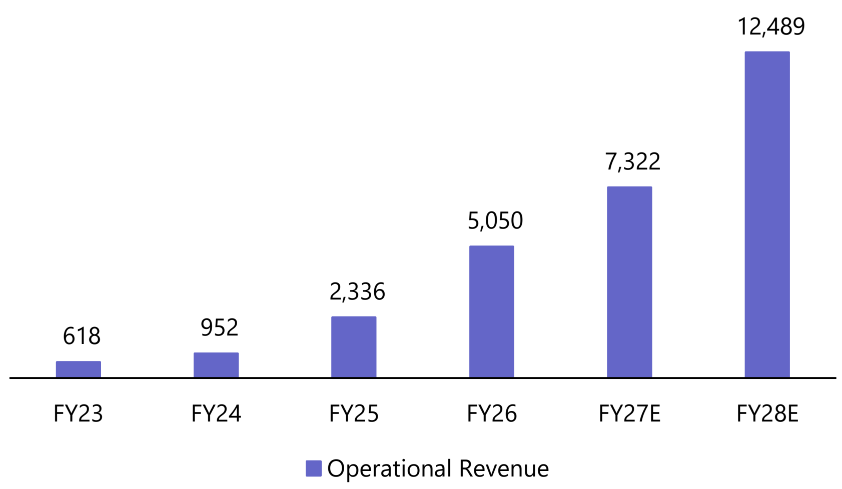
Financial Summary

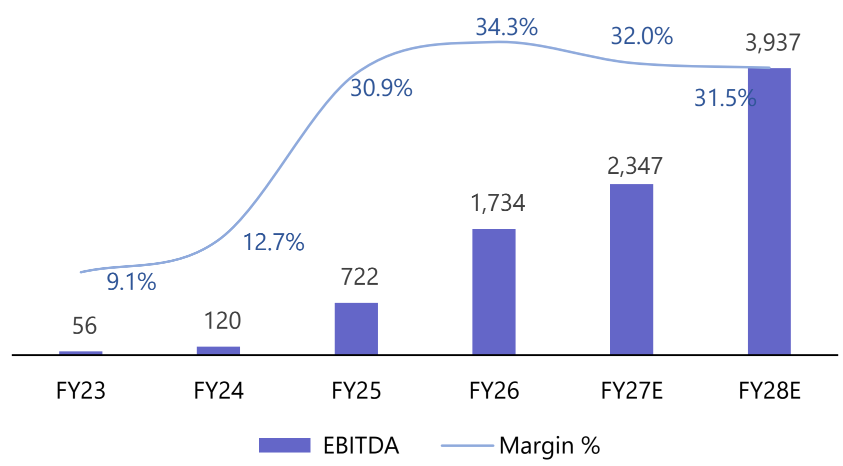
Particulars (Rs Cr)	Q1FY27	Q1FY26	YoY-%	Q4FY26	QoQ-%	FY24	FY25	FY26E	FY27E	FY28E
Operating Income	1,556	1,028	51.3%	1,739	-10.5%	952	2,336	5,050	7,322	12,489
EBITDA	548	347	57.8%	571	-4.0%	120	722	1,734	2,347	3,937
APAT	380	188	102.6%	392	-3.1%	29	369	1,082	1,382	2,296
Diluted EPS (Rs)	5.5	2.7	102.6%	5.7	-3.1%	0.5	6.2	15.6	20.0	33.2
RoE-%						18.7	104.6	51.1	31.6	37.0
P/E (x)						-	59.5	20.3	15.9	9.6
EV/EBITDA (x)						-	32.8	12.7	10.5	6.5

Story in Charts

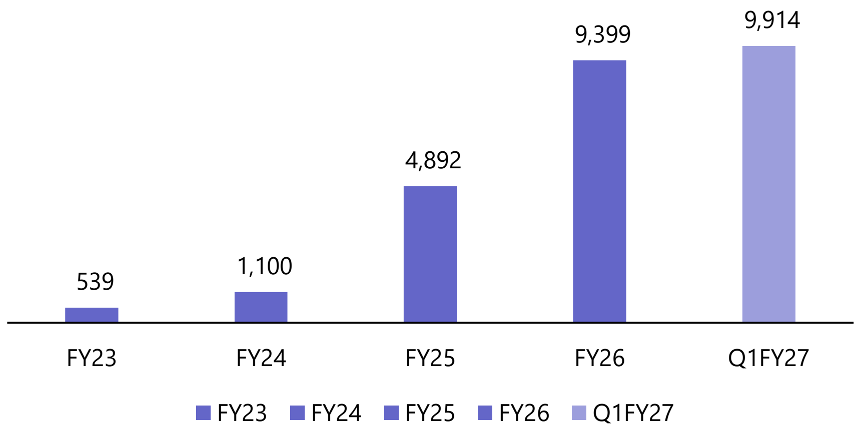
50% CAGR growth led by capacity expansion



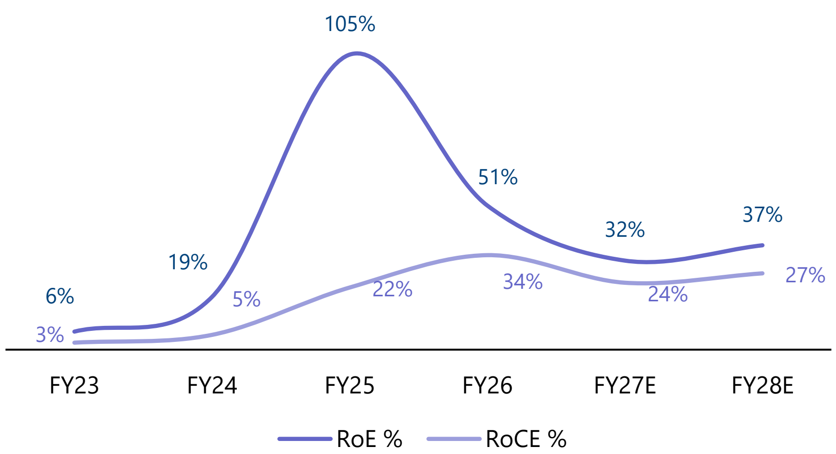
Upcoming 6 GW cell facility will likely sustain high margins



Strong order book growth visibility of 12-18 months

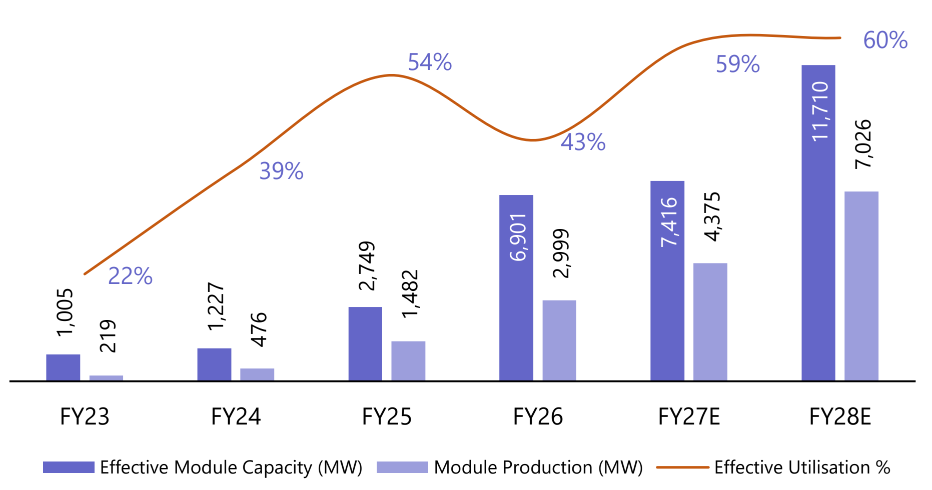


Strong profitability will maintain high return ratios

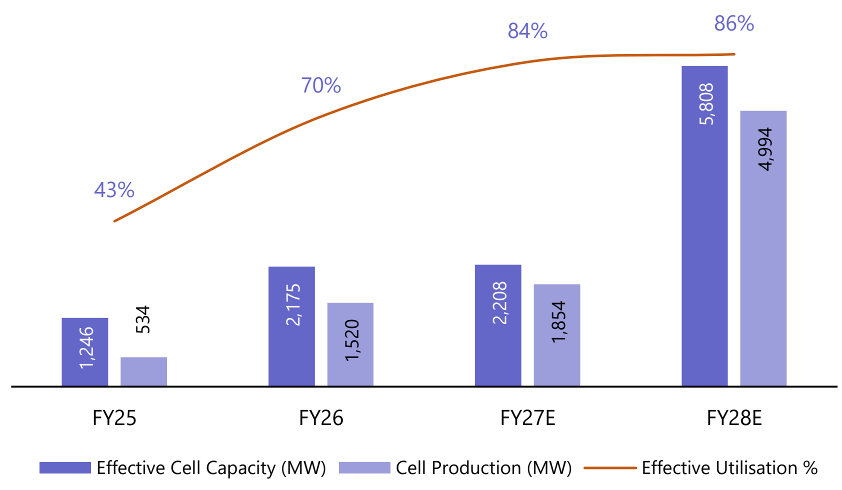


(Source: Company, HDFC sec.)

Production to boost with new integrated facility from FY28



Cell production expected to ramp up by H2FY28



Q1FY27 Result Update

Margins to remain intact, DCR demand remains robust

Revenue from operations was reported at Rs 1,556 Cr, up 51.3% YoY but down 10.5% QoQ, led by lower module sales during the quarter. EBITDA increased by 57.8% YoY to Rs 548 Cr, though it declined 4.0% QoQ, with EBITDA margins improving to 35.2% from 33.8% in Q1FY26. PAT rose by 102.6% YoY to Rs 380 Cr, while declining 3.1% QoQ, with PAT margins improving to 24.4% versus 18.3% in Q1FY26.

Solar module production increased by 53% YoY to 970 MW, while solar cell production rose by 26% YoY to 454 MW. Effective solar cell capacity utilisation improved to a record 83%, reflecting the continued ramp-up of integrated operations and higher internal cell consumption. The company also secured order inflows of 1.48 GW during Q1FY27, taking its order book to an all-time high of approximately 9.9 GW, with the mix at 39%/33%/28% for C&I/IPP/Others, respectively. Q1 FY27 order inflow was 1,484 MW, increasing the order book to 9.9 GW from 9.4 GW at the end of FY26.

Key Con-Call Takeaways

- The management expected to achieve around Rs 2,400 Cr EBITDA for FY27.
- The 6 GW integrated TOPCon cell and manufacturing facility's module line is expected to be commissioned by December 2026 (Q3FY27), followed by the cell line by March 2027 (Q4FY27). Upon completion of this expansion by the end of FY27, total manufacturing capacity is projected to reach 16.3 GW of modules and 8.9 GW of cells.
- The company plans backward integration into ingot and wafer manufacturing with a 9 GW facility in two phases: 5 GW by FY29 and 4 GW by FY2030, funded largely through internal accruals.
- DCR demand is expected to strengthen progressively during FY27, and current cell production run rates are anticipated to increase in coming quarters, while module utilization is expected to remain at similar levels.
- Management guides for an EBITDA/Wp of approximately Rs 2.5/Wp for modules and Rs 6.5/Wp for cells, with DCR modules typically yielding Rs 8.5-9/Wp, and these spreads have remained stable from Q4FY26 to Q1FY27.
- Merchant cell sales were highest ever for the quarter, which further contributed to higher margins.
- Management expects stable margin levels going forward, with potential slight improvements on the DCR side, but emphasizes confidence in maintaining current stable levels.
- Healthier sale composition of DCR/Non-DCR contributed to higher gross margins in the current quarter. The trend in raw material costs is expected to depend on the DCR/non-DCR and cell sales mix.
- The DCR mix in the order book has increased, though a good non-DCR portion remains, with non-DCR production based on orders covered by advances and LCs.
- Changes in raw material prices, including silver, have occurred, but realizations for cells and modules remained stable, aligning with commodity movements.

Key Drivers

Second largest pure-play integrated solar PV module and cell manufacturer in India

Integrated Solar Leadership

- EPPL is the second largest pure-play integrated solar PV module and cell manufacturer in India based on production capacity, with module capacity of 10.3 GW and cell capacity of 2.94 GW as of June 30, 2025. Its integrated manufacturing model reduces dependence on external suppliers, supports cost optimisation and improves production efficiency. As a domestic integrated manufacturer, the company has also benefitted from access to the DCR market in India, which requires locally manufactured modules and cells for government-supported projects. Inclusion in ALMM List I has enabled participation in government-backed schemes and grid-connected projects, while EPPL's recent inclusion in ALMM List II for solar cells further strengthens its market positioning and expands its addressable opportunity set. Backed by integrated capabilities, advanced technology adoption and established sector experience, the company is well placed to capitalise on industry tailwinds and sustain growth over the medium term.

Early-Mover Advantage and Deeper Integration to Support Margins

Margin-accretive expansion with strong industry positioning

- EPPL has been delivering strong margins, supported by a robust customer base, long-standing client relationships and its early-mover advantage in TOPCon technology, which has helped strengthen its positioning in the industry. These factors have enabled the company to sustain superior realisations and protect profitability despite a competitive operating environment. Looking ahead, the planned 6 GW integrated cell and module facility is expected to further reinforce these strengths by capturing the structural tailwind from India's accelerating renewable energy adoption. With ALMM-II now in place, EPPL's existing cell line enhances its access to the DCR market, supporting better realisations and healthier margins relative to non-DCR sales.
- In addition, management's planned wafer-ingot facility, to be executed in two phases of 5 GW by FY29 and 4 GW by FY30, is a meaningful strategic positive. This backward integration should materially reduce supply-chain dependence, lower exposure to foreign suppliers and improve cost control across the value chain. By strengthening input security and reducing volatility in raw material availability and pricing, the project is likely to support operating margin stability over the medium term. Overall, EPPL's combination of customer stickiness, technology leadership, DCR-linked opportunity and deeper integration should help it preserve, and potentially expand, its margin advantage versus peers.

Risks & Concerns

Executional delays could severely impact growth

- Beyond the upcoming 6 GW integrated cell and module facility slated for commissioning by year-end, Emmvee has outlined ambitious plans to commission a 9 GW wafer-ingot manufacturing plant by FY30, necessitating an estimated capital expenditure of Rs 5,000 to 5,500 Cr (implying a capital intensity of Rs 600-650 Cr per GW). While management intends to fund this heavy outlay entirely through internal accruals, execution risk remains the primary analytical concern. Given that wafer-ingot production is a highly technical domain heavily dependent on specialized, imported machinery—primarily sourced from China—ongoing geopolitical frictions expose the supply chain to severe bottlenecks in equipment sourcing and installation. Furthermore, persistent commodity price volatility observed in recent quarters heightens the risk of capital cost overruns, which could strain internal liquidity and undermine the company's long-term financial architecture.

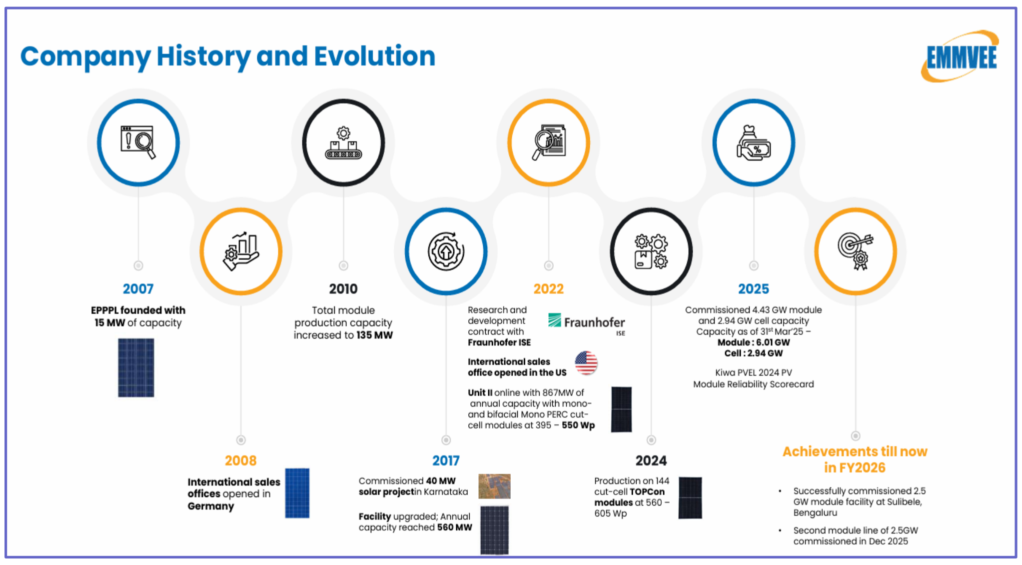
Working capital friction and macro headwinds remain key monitorable

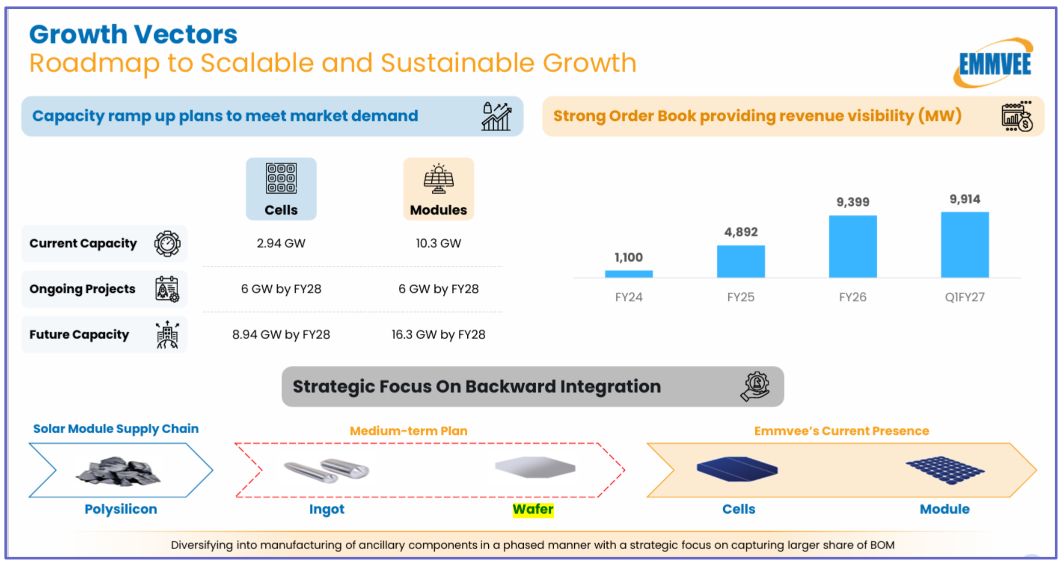
- Operating within the solar OEM ecosystem inherently demands intensive working capital, leaving manufacturers highly vulnerable to severe cash conversion constraints. Because production requires massive upfront commitments for raw materials and long-cycle inventory before components are finalized and shipped, any friction in the payment collection cycle instantly locks up vital liquidity. When broader power infrastructure headwinds occur—such as project awarding slowdowns, land acquisition bottlenecks, the downstream demand pipeline stalls.
- For manufacturers like Emmvee, these interruptions trigger an immediate ripple effect across the supply chain, severely inflating finished goods inventory and stretching receivable days. This operational slowdown abruptly curtails operating cash flow generation, forcing companies to rely more heavily on short-term debt financing just as carrying costs mount. Consequently, the combination of bloated working capital cycles with debt undertaken for planned expansion exerts acute pressure on operating margins, exposing the financial fragility inherent in scaling capital-heavy manufacturing models through cyclical demand phases.

Company Description

Emmvee Group, founded in 1992 by D.V. Manjunatha in Bengaluru, began as a pioneer in solar water heating systems amid India's energy shortages. It expanded into photovoltaic (PV) modules in 2006, establishing Emmvee Photovoltaic Power Ltd. in 2007 with 15 MW initial capacity. The company started manufacturing rooftop solar thermal systems under the 'Solarizer' brand, becoming India's largest producer and a major exporter to Europe. By 2007, it launched PV module production at its Bengaluru facility, focusing on quality for global markets like Germany and France. Post-India's National Solar Mission, Emmvee shifted focus domestically, boosting module capacity to 135 MW by 2013 and 560 MW by 2016. Key projects included a 1 MW rooftop at Cochin Airport (2013) and 40 MW Karnataka plants (2016). It opened a German sales office for exports and maintained zero claims on modules.

Today, Emmvee Photovoltaic Power Limited (EPPL) is the second largest pure-play integrated solar PV module and cell manufacturer, and holds a leading position among India's solar PV module producers in terms of production capacity as of March 31, 2025. The company's solar PV module production capacity reached 10.30 GW, while its solar cell production capacity stands at 2.94 GW as of Dec 31, 2025. EPPL's product offerings include bifacial and mono-facial formats of TOPCon modules and cells, as well as Mono PERC modules which are produced across four manufacturing facilities at two locations in Karnataka.





(Source: Company, HDFC Sec.)

Financial Statements

Income Statement

Particulars (in Rs Cr)	FY23	FY24	FY25	FY26	FY27E	FY28E
Revenue From Operations	**618**	**952**	**2,336**	**5,050**	**7,322**	**12,489**
Material Cost	502	755	1,402	2,776	4,155	7,216
Gross Profit	**116**	**197**	**933**	**2,274**	**3,167**	**5,273**
Margin %	*18.8%*	*20.7%*	*40.0%*	*45.0%*	*43.2%*	*42.2%*
Employee Expense	20	24	78	137	212	362
Other Expenses	40	53	134	403	608	974
EBITDA	***56***	***120***	***722***	***1,734***	***2,347***	***3,937***
Margin %	*9.1%*	*12.7%*	*30.9%*	*34.3%*	*32.0%*	*31.5%*
Depri. & Amort.	43	42	156	296	378	697
EBIT	**14**	**79**	**566**	**1,439**	**1,968**	**3,239**
Margin %	*2.2%*	*8.3%*	*24.2%*	*28.5%*	*26.9%*	*25.9%*
Other Income	26	3	25	54	60	68
Finance Cost	28	34	108	155	167	214
Earnings Before Tax	**12**	**48**	**483**	**1,338**	**1,862**	**3,094**
Tax Expense	(3)	(19)	(114)	(256)	(480)	(798)
Profit After Tax	**9**	**29**	**369**	**1,082**	**1,382**	**2,296**
Profit Margin %	*1.5%*	*3.0%*	*15.8%*	*21.4%*	*18.9%*	*18.4%*
Diluted EPS	**0.1**	**0.4**	**5.3**	**15.6**	**20.0**	**33.2**

Balance Sheet

Particulars (in Rs Cr)	FY23	FY24	FY25	FY26	FY27E	FY28E
Share Capital	11	11	11	139	139	139
Reserves and Surplus	130	158	526	3,557	4,938	7,234
Shareholders Fund	**140**	**169**	**537**	**3,695**	**5,077**	**7,372**
Borrowings	524	1,447	2,065	360	2,992	4,343
Trade Payables	69	158	350	882	983	1,711
Other Liabilities & Provisions	107	416	962	835	902	997
Equity + Liabilities	**841**	**2,190**	**3,914**	**5,773**	**9,953**	**14,423**
Net Fixed Assets	323	289	2,045	2,632	5,261	7,206
CWIP	93	646	13	10	1,094	1,094
Other Non-current Assets	109	265	171	71	170	170
Total non-current Assets	**524**	**1,199**	**2,229**	**2,713**	**6,524**	**8,469**
Cash & Bank Balances	61	521	324	354	378	528
Inventory	141	306	758	1,711	1,799	2,966
Debtors	69	96	190	695	772	1,369
Other Current Assets	44	68	412	300	480	1,091
Total Assets	**841**	**2,190**	**3,914**	**5,773**	**9,953**	**14,423**

(Source: Company, HDFC sec.)

Cash Flow Statement

Particulars (in Rs Cr)	FY23	FY24	FY25	FY26	FY27E	FY28E
Earnings Before Tax	**12**	**48**	**483**	**1,338**	**1,862**	**3,094**
Depri. & Amort.	43	42	156	296	378	697
Others	(1)	41	95	155	106	146
Inc (-)/Dec (+) in work cap.	7	119	(54)	(1,423)	(64)	(1,035)
Taxes Paid	(1)	(15)	(66)	(191)	(480)	(798)
Cash Flow From Operations	**59**	**234**	**614**	**175**	**1,802**	**2,103**
Capex	(233)	(674)	(988)	(653)	(4,298)	(2,600)
Free Cash Flow	***(173)***	***(440)***	***(375)***	***(478)***	***(2,496)***	***(497)***
Others	101	(326)	3	349	60	68
Cash Flow from Investing	**(131)**	**(1,000)**	**(986)**	**(304)**	**(4,238)**	**(2,532)**
Share Capital Issuance	-	-	-	2,060	-	-
Debt Issued /(Repaid)	105	921	506	294	2,625	793
Interest Paid	(26)	(26)	(98)	(133)	(167)	(214)
Others	-	-	-	(30)	-	-
Cash Flow from Financing	**80**	**894**	**408**	**130**	**2,458**	**579**
Net Cash Generated	8	129	36	1	22	150
Closing Cash & Bank Balances	**53**	**182**	**219**	**245**	**267**	**417**

Key Ratios

Particulars	FY23	FY24	FY25	FY26	FY27E	FY28E
Per Share Data (Rs)						
Earnings Per Share (EPS)	0.1	0.4	5.3	15.6	20.0	33.2
Book Value Per Share (BVPS)	2.0	2.4	7.8	53.4	73.0	106.2
Profitability Ratios (%)						
EBITDA Margin	9.1	12.7	30.9	34.3	32.0	31.5
PAT Margin	1.5	3.0	15.8	21.4	18.9	18.4
RoE	6.4	18.7	104.6	51.1	31.6	37.0
RoA	1.1	1.3	9.4	18.7	13.9	15.9
RoCE	2.5	5.3	22.1	33.6	23.8	27.1
Solvency Ratios (x)						
Net Debt/EBITDA	8.4	10.5	2.6	0.1	1.2	1.0
Net Debt/Equity	3.4	7.5	3.4	0.0	0.5	0.5
Valuation (x)						
P/E	-	-	59.5	20.3	15.9	9.6
P/B	-	-	40.9	5.9	4.3	3.0
EV/EBITDA	-	-	32.8	12.7	10.5	6.5
P/Sales	-	-	9.4	4.3	3.0	1.8

(Source: Company, HDFC sec.)

Rating Criteria
Buy - > 15%+ return potential
Add - +5% to +15% return potential
Reduce - -10% to +5% return potential
Sell - >10% downside return potential

SHAH DHRUVIN VIPUL
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Date: 2026.08.09 12:45:01 +05'30'

Disclosure:
I, **Dhruvin Shah, CFA**, author and the name subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.
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