

# KPI Green Energy Limited.

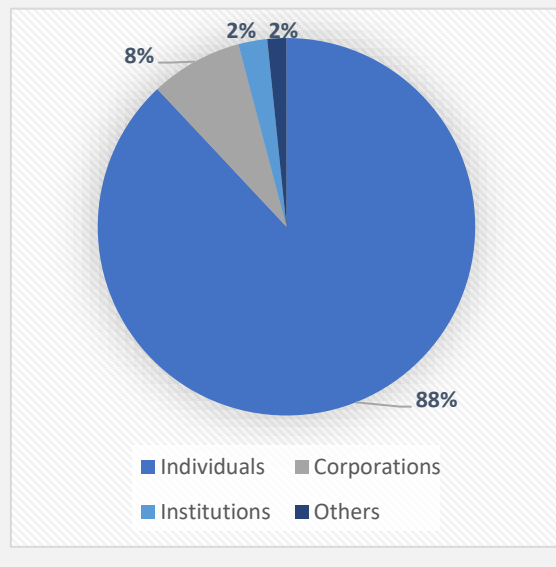
## Stock Profile

Face Value (₹)	10.00
Closing Price (₹)	502.95
52 Wk H/L	556.50/219.20
Avg. Volume	24,502
Shares Outst.	36,134,000
Market Cap. (₹M)	18,018.20
Dividend Yield %	0.28
Beta 3y	0.53
Float %	29.44
P / E	23.00
P / B	6.99
ROE %	41.0
Inst. Holdings %	1.82
Sector	Infrastructure
Industry	Energy

## Stock Chart



## Shareholding Pattern



## Prominent Renewable Energy Company having Good Industrial Outlook.

KPI Green Energy Limited generates and supplies solar power under Solarism brand name in India. It develops, builds, owns, operates, and maintains solar power plants as an independent power producer and captive power producer, as well as sells land parcels to third parties. The company was formerly known as K.P.I. Global Infrastructure Limited and changed its name to KPI Green Energy Limited in April 2022. KPI Green Energy Limited was incorporated in 2008 and is based in Surat, India.

### Recent Highlights:

- Revenue (Y-o-Y) on a consolidated basis, grew by 179 % from INR 23,151 Lacs to INR 64,703 Lacs and Quarterly (Q-o-Q) Revenue grew from INR 17,966 Lacs to INR 18,441 Lacs as compared to Q3 of FY 22-23.
- The IPP Segment of the company has added total 36+ MW (incl. Hybrid Projects of 26+ MW) with total capacity energised at the end of FY 22-23 to 137+ MW. The current IPP orders amount to 42+ MW. The 26.1 MW of Hybrid IPP Project would capitalised Q4 2023 and the revenue for the same shall start to accrue from FY 23-24 onwards.
- The CPP Segment of the company has added total 111+ MW (incl. Hybrid Projects) with total capacity energised amounting to 175+ MW. The current CPP orders are of 74+ MW (incl. Hybrid Projects) as on end of Mar-23. The company has energised total cumulative capacity 312+ MW under both IPP and CPP segment.
- The net consolidated cash generated from operating activities, grew substantially by 56% from INR 10238 Lacs to INR 15938 Lacs. The company has incurred Capex amounting to INR 26627 Lacs during the FY 22-23 and has availed additional short-term borrowings to INR 5574 Lacs

### Key Financials

	2021 FY	2022 FY	2023 FY	2023 FQ4 LTM
Period Ended	03/2021	03/2022	03/2023	03/2023
Reported Currency Code	INR	INR	INR	INR
Total Revenue (₹000)	1,035,021	2,299,411	6,470,346	6,470,346
Total Revenues, 1 Year Growth (%)	74.60	122.16	181.39	181.39
Gross Profit (₹000)	787,416	1,356,791	2,650,778	2,650,778
Gross Profit Margin (%)	76.08	59.01	40.97	40.97
EBITDA (₹000)	597,807	1,046,994	2,117,376	2,117,376
EBITDA Margin (%)	57.76	45.53	32.72	32.72
EBIT (₹000)	472,646	950,166	1,891,200	1,891,200
EBIT Margin (%)	45.67	41.32	29.23	29.23
Earnings from Cont. Ops. (₹000)	143,547	432,453	1,096,279	1,096,279
Earnings from Cont Ops Margin (%)	13.87	18.81	16.94	16.94
Net Income (₹000)	143,547	432,453	1,096,279	1,096,279
Net Income Margin (%)	13.87	18.81	16.94	16.94
Diluted EPS Excl. Extra Items (₹)	3.97	11.97	30.33	30.33
Diluted EPS Before Extra, 1 Year Growth (%)	123.18	201.26	153.43	153.43

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### Corporate Overview

#### Business Summary:

Company provides solar power, both as an independent power producer (IPP) and Engineering, Procurement, Construction (EPC) services to Captive Power producers (CPP) customers. Company runs its entire business from its Bharuch plant. Currently, company has an installed capacity of 100 MW of solar power under IPP segment and 100 MW+ of EPC/CPP projects

#### Business Segments:

##### a) Independent Power Producer (IPP):

Company provides solar energy under third party sale business in Gujarat. It develops and maintains grid-connected IPP solar power projects under 'Solarism' brand. Company supplies power, generated from solar power plants to business houses through Power Purchase Agreements (PPA). The plants are located at more than 22 locations in Bharuch district, Gujarat. The company has established 66 KV and 11 KV transmission lines for evacuation of the power generated from solar plants to the Gujarat Energy Transmission Corporation Limited ('GETCO') substations located nearby. IT also has hybrid renewable energy projects through adding them to company's power generating asset portfolio, in pursuance of the announcement of the Government of Gujarat Hybrid Power Policy and the GERC's lucrative tariff order, to generate power and sell it to our corporate customers.

##### b) Captive Power Producer (CPP):

In CPP model, company develops, transfers, operates, maintains and sells grid-connected solar power projects to customers by providing them power evacuation infrastructure along with grid-connected land to generate solar power. This provides their clients access to common power evacuation infrastructure along with a pool of grid-connected land to generate solar power. It also offers Operation & Maintenance Services (O&M) through a separate O&M agreement to customers.

##### c) Industrial Plot Sale:

Company sells land parcels to third parties which are taken back on lease for 25 years for developing solar power plant. Company pays a fixed lease rental to land owners as per lease agreement.

#### Future Outlook:

- Company has a target of reaching 1000 MW capacity by 2025 which is aligned with the nation's goal of reaching 450 GW by 2030.
- Achieving annuity-based income through Own IPP and Cumulative portfolio target of 250 MW by 2025.
- Achieving one time and an annuity-based OMS and Lease income from CPP with a Cumulative portfolio target of 750 MW by 2025.
- Company also ventured into wind-solar hybrid due to its added benefits, flexibility and grid stability.
- The Company shall expand the use of larger capacity Solar Panels with higher efficiency, M10 or M12, half-cut solar cells to improve LCOE.
- The company proposes to use sun trackers with Bifacial modules to enhance generation and improved ROI and is in advanced stages of signing agreement with a German Tracker manufacturing company.

## KPI Green Energy Limited.

### Country Focus

India is the 3rd largest energy consuming country in the world, stands 4th globally in Renewable Energy Installed Capacity (including Large Hydro) and 4th in Wind Power capacity & 4th in Solar Power capacity (as per REN21 Renewables 2022 Global Status Report). India's energy demand is expected to increase more than that of any other country in the coming decades due to its sheer size and enormous potential for growth and development. Therefore, it is imperative that most of this new energy demand is met by low-carbon, renewable sources. India's announcement that it intends to achieve net zero carbon emissions by 2070 and to meet 50% of its electricity needs from renewable sources by 2030 marks a historic point in the global effort to combat climate change.

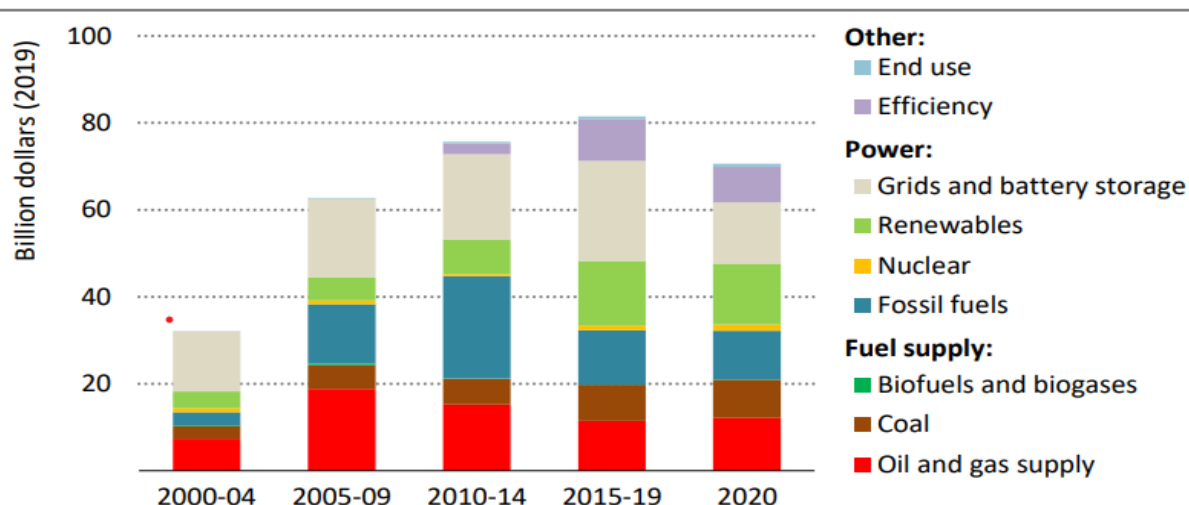
The Indian renewable energy sector is the fourth most attractive renewable energy market in the world. India was ranked fourth in wind power, fifth in solar power and fourth in renewable power installed capacity, as of 2020. Installed renewable power generation capacity has gained pace over the past few years, posting a CAGR of 15.92% between FY16-22. India is the market with the fastest growth in renewable electricity, and by 2026, new capacity additions are expected to double.

With the increased support of the Government and improved economics, the sector has become attractive from an investors perspective. As India looks to meet its energy demand on its own, which is expected to reach 15,820 TWh by 2040, renewable energy is set to play an important role.

FDI of up to 100% is allowed in the renewable energy industry under the automatic route, with no prior government approval needed for renewable energy generation and distribution projects subject to provisions of The Electricity Act, 2003.

#### Union Budget 2023 Highlights:

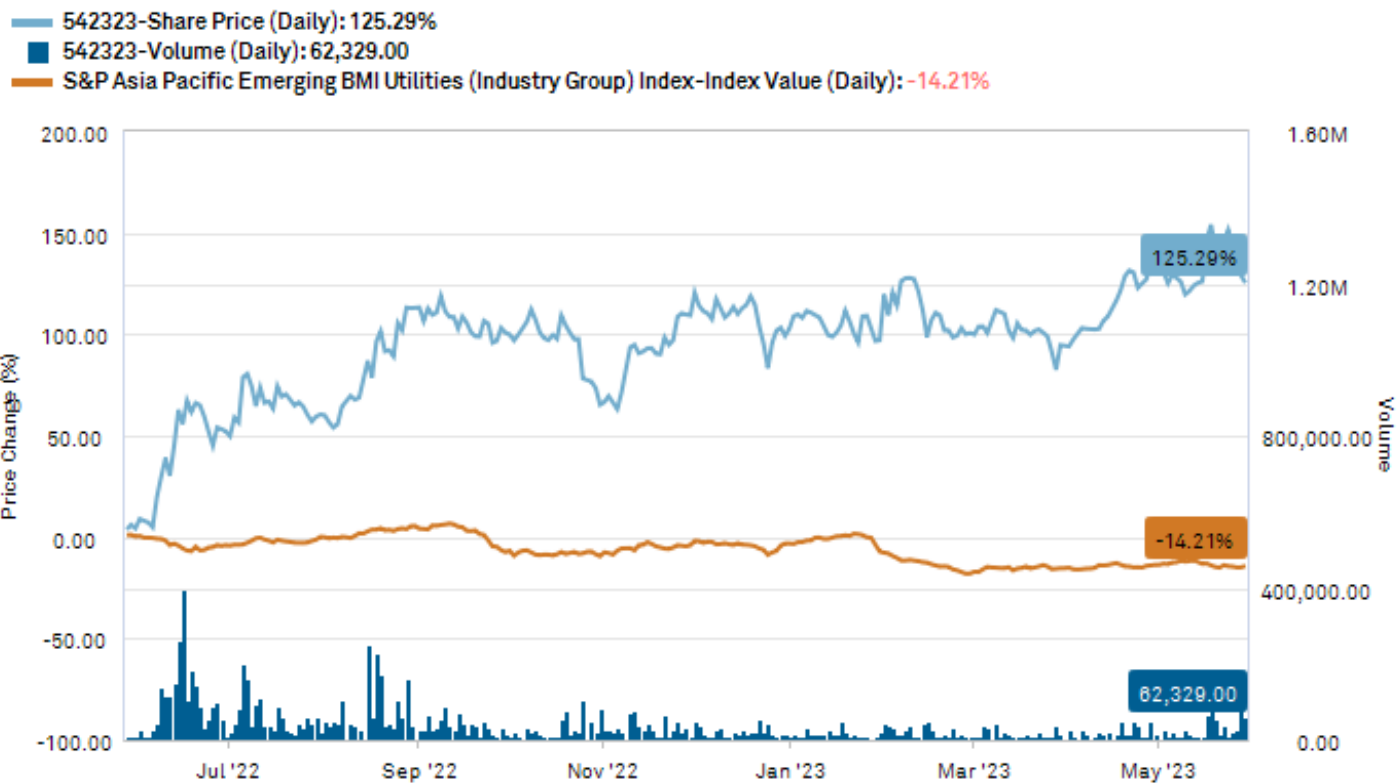
- Green Growth identified is one of the nodes in the SAPTARISHI (7 priorities).
- \$2.4 Bn National Hydrogen Mission for production of 5 MMT by 2030. \$36 Mn additional in Budget.
- 4 GWh Battery Energy Storage Systems supported through Viability Gap Funding.
- Pumped Storage Projects has received a push with a detailed framework to be formulated.
- \$1.02/2.5 Bn Central Sector Support for ISTS infrastructure for 13 GW Renewable Energy from Ladakh.



*Investment in renewables exceeded fossil fuel power investment for the fifth year in a row in 2020, while investment in networks has been falling recently in absolute and relative terms.*

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## Stock Performance



### Multiples

	BSE:542323
P/LTM EPS (x)	16.44
Price/Book (x)	6.99
Price/Tang Book (x)	7.00
TEV/LTM Total Revenue (x)	3.75
TEV/LTM EBITDA (x)	11.45
Total Debt/EBITDA (x)	3.19