



**CMP: ₹400-422**

**BUY**

**TP: ₹750**

**Upside: 82%**

- Sterling and Wilson Solar Ltd is one of the leading end-to-end solar engineering, procurement and construction (EPC) solutions providers globally and is also engaged in the operation and maintenance (O&M) of solar power projects. The company is backed by strong parentage of the Shapoorji Pallonji Group (SP Group)
- Reliance Energy has made an open offer @375 to acquire 40%, which heralds the group into solar energy with the company being the biggest solar panel maker in the world. Also, it is the country' largest player in MEP & EPC execution with debt being paid off by past promoters.
- Order inflow till date at Rs473cr (623 MW) with 8.7 GW contracted O&M as on date. Gross Un-execute Order Value (UOV) as at date is Rs 8,731 cr. Management is focusing on to target large markets like North America & Europe with combined size over 26.5 GW in CY21.
- Due to the impact caused by the increase in module and commodity prices, adjusted gross margins in Q1FY22 continue to remain suppressed for ongoing project.

## Financial Summary

Consolidated (₹bn)	Net income	PAT Margin (%)	EPS	EPS growth (%)	P/E (x)	RoE (%)
FY22E	54,365	4	3.4	-	31	22.8
FY23E	59,257	5	11.1	36	22.7	28.0



Disclaimer:

## Recommendation Parameters for Fundamental/Technical Reports:

Buy – Absolute return of over +10%

Accumulate – Absolute return between 0% to +10%

Reduce – Absolute return between 0% to -10%

Sell – Absolute return below -10%

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Investment

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