

Rating: Neutral

Issue Offer

Total issue size: INR 31,000 Mn (29.44 Mn shares), which consists of a fresh issue of INR 12,000 Mn and OFS of INR 19,000 Mn.

Issue Summary

Price Band INR	1,000-1,053
Face Value INR	1
Implied Market Cap INR Mn.	123,253
Market Lot.	14
Issue Opens on	Feb 23, 2026
Issue Close on	Feb 25, 2026
No. of share pre-issue	105,653,268
No. of share post issue	117,049,279
Listing	NSE, BSE

Issue Break-up %

QIB Portion	≤ 50
Retail Portion	≥ 35
NII Portion	≥ 15

Registrar

MUFG Intime India Private Limited

Book Running Lead Managers

Axis Capital Limited
J.P. Morgan India Private Limited, BNP Paribas HSBC Securities and Capital Markets (India) Private Limited, IIFL Capital Services Limited
Nomura Financial Advisory and Securities (India) Private Limited, BOB Capital Markets Limited, SBI Capital Markets Limited.

	Pre-Issue	Post-Issue
Promoters	65.42%	43.64%
Public & Others	34.58%	56.36%

Object of the issue

➤ Repayment and/or pre-payment, in full or part, of certain borrowings availed by the company

Exp Amt (INR Mn)

11,226.74

➤ General corporate purposes -

CleanMax Enviro Energy Solutions Limited, founded in 2010, is the country's largest commercial and industrial (C&I) renewable energy provider with 2.80 GW of operational capacity and 3.17 GW of contracted yet-to-be-executed capacity as of October 31, 2025. The company specializes in delivering Net Zero and decarbonization solutions, spanning solar, wind, and hybrid energy to over 555 corporate customers including global technology giants like Amazon, Apple, Google, and CISCO, as well as conventional C&I enterprises across sectors such as cement, steel, FMCG, pharmaceuticals, and infrastructure. It operates through 2 segments: Renewable Energy Power Sales (which contributes ~77% of revenue at a ~92% gross margin) and Renewable Energy Services (covering turnkey Capex projects and Carbon Services). The company has delivered EBITDA growth at a 58.14% CAGR between FY23 and FY25, with a Cash ROIC of 13.03% and a conservative net debt-to-EBITDA of 4.80x in FY25.

Investment Rationale:

Sticky Customer Relationships Driving Long-Term Revenue Visibility: The company serves 555 customers, with 94.72% rated A- or above. Revenue visibility is further enhanced by long-duration contracts, with a weighted average PPA tenure of 22.85 years and lock-in of 16.86 years. Notably, 71.72% of contracted capacity in H1 FY26 came from repeat customers. This combination of high-quality counterparties, long contracts, and repeat business provides strong cash-flow predictability.

Integrated Business Model with Premium Pricing Capability and Diversified Offerings: Unlike utility-scale developers that compete primarily on lowest tariff bids, the company focuses on customer-specific contracting for corporate clients, allowing it to price offerings at a premium relative to utility-scale peers. Its vertically integrated capabilities spanning land acquisition, EPC, financing, project development, and asset management enable better execution control and margin optimisation across the lifecycle. The business also benefits from diversification across onsite, offsite (STU and CTU), capex services, and emerging carbon solutions, creating multiple revenue levers. With plant availability of ~98% and long-term contracted tariffs (~INR 4.25/kWh realised tariff in H1 FY26), operational performance remains strong. This differentiated positioning supports sustainable margins and reduces exposure to competitive tariff compression seen in utility-scale renewable projects.

Market Leadership in a High-Growth C&I Renewable Energy Segment with Strong Execution Pipeline: CleanMax has built a strong position in the commercial and industrial (C&I) renewable energy space, where it currently has 2.80 GW of operational capacity and 3.17 GW of contracted capacity as of Oct 31, 2025. The company has also demonstrated meaningful market presence, with 8% and 12% market share in annual open-access renewable additions in FY25 and FY24, respectively. Importantly, visibility of near-term growth remains strong 1.35 GW capacity is already under construction with 100% contracted demand, and commissioning is scheduled largely by July 2026. This growth trajectory is supported by favourable industry tailwinds, where renewable penetration in the C&I segment is expected to increase from ~7.4% in FY23 to ~20% by FY30, implying 22–24% CAGR in installed capacity.

Valuation and View:

The company already has a meaningful operational base and, more importantly, a fully contracted under-construction pipeline of ~1.35 GW, which is expected to get commissioned over the next 12–18 months. This provides good revenue visibility in the near term and should support steady EBITDA growth as projects become operational. Over the medium term, the opportunity in the commercial and industrial renewable segment remains large, driven by rising corporate decarbonisation targets and cost savings versus grid power. Overall, considering the strong industry tailwinds, visible capacity addition, and sticky customer relationships, the company offers a combination of growth and annuity-type cash flows. **At the upper band of INR 1,053, the issue is valued at a EV/EBITDA ratio of 18.83x, based on a FY25 EBITDA of INR 10,151. We are recommending a “Neutral” rating for this issue.**

Exhibit: Financial Performance

Particulars (INR Mn)	FY23	FY24	FY25
Revenue	9,295.82	13,898.37	14,957.01
Growth (%) YoY	-	49.51	7.62
EBITDA	4,059.19	7,415.73	10,150.72
Margins (%)	43.67	53.36	67.87
PAT/(Loss)	(594.73)	(376.43)	194.29
Margins (%)	(6.40)	(2.71)	1.30
Debt	38,434.15	55,145.64	79,736.98

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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