

CAPTURING THE INFLECTION POINT – AIL AS THE EYES OF THE COUNTRY

Clean Max Enviro Energy Solutions. (CleanMax), incorporated in the year 2010, CleanMax is India's largest commercial and industrial (C&I) renewable energy provider generated from its solar, wind, and hybrid renewable energy farms, with 2.80 GW of operational, owned and managed capacity, and 3.17 GW of contracted, yet to be executed capacity, as of October 31, 2025. It also specializes in delivering Net Zero and decarbonization solutions, including supplying renewable power and offering energy services and carbon credit solutions to customers. It had a market share of 8% and 12% of the annual open access renewable energy capacity additions in FY25 and FY24, respectively, for C&I in the Indian market, with a higher market share in the states of Gujarat and Karnataka.

Premium Tariffs for Tailored Solutions

Since company's business model is distinct from utility-scale renewable energy developers, as it does not participate in competitive tenders with state-owned distribution companies or central government utilities which award projects solely based on the lowest tariff bids. As a result, it prices its offerings at a premium compared to large utility scale IPPs, primarily due to distinct project economics and risk profile. The company offers various models- Onsite, Offsite STU, Offsite CTU, Capex Services, and Carbon Services- aiding its customers to achieve their agendas with customized solutions. Its weighted average tariff for capacity commissioned in the H1FY26 was ₹3.66 and FY25 was ₹3.76 respectively, whereas industry average for listed utility scale renewable energy players was ₹2.44-2.46.

Diversified Customer Profile with Strong Repeat Demand

CleanMax key customer cohorts consist of players from data centres, AI combinedly called Technology customers (43.5% of operational & contracted capacity as on 31 Oct 2025) and Conventional C&I customers spanning across a range of sectors with ~95% of customers have credit rating of "A-" or above. Company has fostered relationships with 555 customers as of H1FY26, with 71.72% of its contracted capacity for the H126 being attributable to demand from repeat customers. It has built a portfolio of PPAs with a weighted average tenure of 22.85 years, and average lock-in period of 16.86 years during the period. The quality of company's client relationships is also demonstrated by the receivables period for Renewable Energy Power Sales Segment, which was 24 days as of H1FY26 which is lower than the industry average of 72 days and no single customer contributed more than 10% of its revenue, reflecting strong customer diversity.

Efficient capital allocation and unit economics

The company maintains capital efficiency through three key levers. Offtaker equity contributions in STU Group Captive projects reduce its upfront capital requirement while allowing it to retain majority ownership of the SPV. Its co-investment partnerships with global investors enable project scaling with limited equity deployment, typically through 51:49 structures that preserve majority control. Additionally, its renewable energy services business generates strong upfront cash flows and recurring O&M income, supported by a negative working-capital profile, which further strengthens internal capital availability across the portfolio. The company's offsite portfolio demonstrates strong capital efficiency, with operational projects achieving an equity payback period of 3.37 years, and projects commissioned in FY22 or later reaching payback in 2.51 years. This rapid recovery of initial equity investment underscores robust project economics. Further, a project-level Cash ROE of 34.93% in FY25 reflects the company's strong unit-level profitability and disciplined capital deployment. Further, company's in-house capabilities for EPC, project designing & O&M creates strong execution confidence & cost controls.

Risks- 1) Decline in environment and seasonal variability can reduce plant load factor 2) Failure to effectively manage cost can impact revenue as most PPAs have fixed tariffs 3) Imbalance between debt and equity financing can impact financial condition as business is capital intensive.

20th February 2026

Rating	Subscribe for long-term
Issue Details	
Issue Opens	23-Feb-26
Issue Closes	25-Feb-26
Face Value (₹)	1
Price Band (₹)	1,000-1,053
Bid Lot	14
Issue Size at higher price band (₹ Cr)	3,100
Market cap. @ upper price band (₹ cr)	12,325
Listing	NSE/BSE
BRLMs	Axis, J.P. Morgan, BNP Paribas, HSBC, IIFL, Nomura, BOB, SBI Capital
Registrar	MUFG Intime
Shareholding Pattern (%)	
	Pre-Issue Post Issue
Promoter	65.4 49.4
Others	34.6 50.6
Issue Structure (In cr. no. of shares)	
Issue size	2.94
Break-up of net issue to public (%):	
QIB's portion	50%
Non-Institutional portion	15%
Retail Portion	35%

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Opinion- The IPO is a mix of OFS (₹1,900 cr) & fresh issue (₹1,200 cr). The company intends to reduce borrowings with the proceeds. At the upper price-band, the issue is valued at ~16x EV/ EBITDA which according to us is expensive. However, the company benefits from significant underpenetrated industry as renewable energy penetration for C&I stood at ~7.4% in FY23 and is projected to grow to ~20% by FY30, requiring 15-18 GW of annual capacity addition and translating to a 22-24% CAGR in installed capacity. Further, the phasing out of ISTS charges & emerging high energy consuming sectors like Data Centres & AI which require guaranteed RTC power supply will boost the C&I demand which creates demand visibility & confidence in business scaling up. We recommend **"SUBSCRIBE FOR LONG-TERM"** to the issue.

Financials-

Particulars	FY23	FY24	FY25	H1FY26
Operating Revenue	930	1,390	1,496	933
EBITDA	406	742	1,015	638
EBITDA Margins	44.0%	53%	68%	68%
Net Profit/ (Loss)	(59)	(37)	19	19
Net Worth	1,469	2,234	3,205	3,399
Debt	3,619	5,195	7,127	9,667
Cash & Bank	530	382	1,189	1,144
Net Debt	3,089	4,813	5,938	8,523
Net Debt/ Equity	2.1	2.2	1.9	2.5
ROE	(5.3%)	(2.0%)	1.3%	0.4%

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