NTPC (NTPC)

ICICI Direct

CMP: ₹343 | Target ₹ 405 (18%) | Target Period: 12 months | **BUY**

July 28, 2026

Result Update

Driving growth through scale and diversification...

About the stock: NTPC is India's largest power generation company with a total installed capacity of ~89,108 MW at the group level as of FY26.

- NTPC has 17% of total installed capacity in India with ~24% generation share.
- The company's vision is to become a 250 GW+ company by 2037 of which ~120 GW would be contributed by renewable energy.

Q1FY27 performance: NTPC Limited reported a steady standalone Q1FY27 performance, with revenue from operations increasing 3.0% YoY to ₹43,832 crore. Commercial generation increased 2.8% YoY to 93.6 BU, while energy sent out (ESO) rose 2.8% YoY to 86.9 BU. Coal PLF improved to 76.7% from 75.2% in Q1FY26. EBITDA grew 22.8% YoY to ₹12,629 crore, with EBITDA margin expanding 460 bps YoY to 28.8%. PAT increased 11.9% YoY to ₹5,342 crore, while PAT margin improved to 12.2% from 11.2% in Q1FY26. During the quarter, the NTPC Group added 1,796 MW of capacity, taking total installed capacity to 90.9 GW, including 726 MW of renewable capacity additions.

Investment Rationale:

- **Diversified energy transition strategy strengthens long-term growth prospects:** NTPC delivered a healthy Q1FY27 performance with regulated equity growing 9% YoY to ₹1.22 lakh crore, supported by over 8 GW of capacity additions over the last 12 months and improving operational performance (PLF of 76.7%, +155 bps YoY). NTPC plans to invest ₹16.86 lakh crore over FY27–37, comprising ₹7.24 lakh crore in renewables, ₹4.63 lakh crore in nuclear, ₹3.09 lakh crore in hydro & pumped storage, ₹1.28 lakh crore in thermal, ₹0.52 lakh crore in mining and ₹0.10 lakh crore in BESS. This investment supports its long-term targets of 136 GW renewable capacity by FY37, an 18 GW pumped storage portfolio, 38.9 GWh BESS pipeline, green hydrogen and NETRA-led technology initiatives, positioning NTPC to capitalize on India's evolving energy transition.
- **Large execution pipeline positions NTPC to capitalise on India's rising power demand**: NTPC remains the key beneficiary of India's growing electricity demand, supported by its industry-leading expansion pipeline comprising 90.9 GW of operational capacity, 35.7 GW under construction and 12 GW under development. The company plans to commission 9.6 GW in FY27 and scale its installed capacity to 150 GW by FY32 and 250 GW by FY37, providing strong visibility on generation growth, higher plant utilisation and sustained earnings expansion over the long term.

Rating and Target Price: FY27-F28 will see strong capacity addition of 8 GW each in renewable side whereas thermal side will witness capacity addition of ~1600MW in FY27. We expect Revenue to grow by 8.7% CAGR while PAT to remain stable over FY26-FY28E. **We maintain our BUY rating on NTPC target pegged at ₹405 per share (based on SOTP Valuations).**

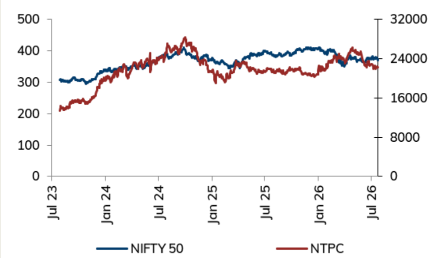
Particulars

Particulars	Rs. (in crore)
Market Capitalisation	3,40,353
Total Debt (FY26)	1,90,109
Cash and Inv. (FY26)	3,044
Enterprise Value	5,27,418
52-week H/L (Rs.)	414/316
Equity capital	9,696.7
Face value (Rs.)	10.0

Shareholding pattern

%	Jun-25	Sep-25	Dec-25	Jun-26
Promoter	51.1	51.1	51.1	51.1
FII	16.1	16.4	16.2	16.3
DII	28.9	28.9	29.2	29.4
Public	3.9	3.6	3.5	3.1

Price Chart



Key risks

(i) Slowdown in power demand

(ii) Delay in renewable capacity execution

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ICICI Securities – Retail Equity Research

Key Financial Summary

Key Financials	FY24	FY25	FY26	5-year CAGR (FY20-25E)	FY27E	FY28E	2-year CAGR (FY26E-28E)
Net Sales	163,770	170,037	165,494	11.1%	179,367	195,510	8.7%
EBITDA	43,228	45,373	44,799	10.6%	51,882	56,981	12.8%
EBITDA Margins (%)	26.4	26.7	27.1		28.9	29.1	
Net Profit	17,197	19,649	23,162	18.0%	21,513	23,171	0.0%
EPS (₹)	17.4	20.3	23.9		22.2	23.9	
P/E	19.8	17.0	14.4		15.5	14.4	
RoNW (%)	12.9	11.4	10.9		14.5	11.2	
RoCE (%)	10.7	9.8	9.5		7.8	8.3	

Source: Company, ICICI Direct Research

Q1FY27 Earnings call highlights

- **Financial Performance**:
    - Revenue from operations increased 3.0% YoY to ₹43,832 crore, while EBITDA grew 22.8% YoY to ₹12,629 crore, with EBITDA margin expanding 460 bps YoY to 28.8%.
    - PAT increased 11.9% YoY to ₹5,342 crore, while PAT margin improved to 12.2% from 11.2% in Q1FY26.
- **Operational Performance:**
    - Commercial generation increased 2.8% YoY to 93.6 BU, while Energy Sent Out (ESO) rose 2.8% YoY to 86.9 BU.
    - Coal PLF improved to 76.7% from 75.2% in Q1FY26, significantly outperforming the all-India average of 70.3%, while coal PAF improved to 94.0%.
- **Capacity Addition & Growth Pipeline:**
    - NTPC Group commissioned 1,796 MW during Q1FY27, comprising 820 MW thermal, 250 MW hydro (PSP) and 726 MW renewable capacity, taking the Group's installed capacity to 90.9 GW. Standalone installed capacity increased by 196 MW to 61.0 GW.
    - NTPC Group has 35.7 GW of capacity under construction, including 15.7 GW thermal, 16.4 GW renewable and 3.6 GW hydro, providing strong medium-term earnings visibility.
    - The company continues to strengthen its clean energy portfolio through an 18 GW pumped storage pipeline, 5 GWh BESS allocation under the VGF scheme.
    - Group capex increased to ₹11,591 crore in Q1FY27 (vs. ₹11,260 crore in Q1FY26), reflecting continued investment across thermal, renewable and transmission assets.
- **Capex:**
    - Group capex stood at ₹11,591 crore in Q1FY27. Over FY27–FY37, NTPC plans to invest ₹16.86 lakh crore, with 43% allocated to renewables, 27% to nuclear, 18% to hydro & pumped storage and 8% to thermal generation.
- **Management Commentary & Outlook:**
    - **Nuclear Power:** Company has set ambitious target of 30 GW by FY47. The Ashwini joint venture is developing a 2,800 MW project at Mahi Banswara, with a dedicated subsidiary (NPUNL) formed to harness advanced nuclear technologies.
    - **Green Hydrogen:** NTPC is developing a Green Hydrogen Hub at Pudimadaka, Andhra Pradesh, supported by 5 GW RE-RTC power, targeting production of 1,400 TPD of green hydrogen, 4,300 TPD of green ammonia, 1,500 TPD of green methanol, 1,000 TPD of green urea and 600 TPD of sustainable aviation fuel (SAF) with a projected investment of approximately ₹1 lakh crore.
    - Management reaffirmed its FY27 capacity addition guidance of 9.6 GW, while acknowledging that a portion of renewable commissioning could spill over into FY28.
    - The company targets ~8 GW of renewable capacity additions annually over the next two years and expects to commission 3.3 GWh of battery energy storage capacity by FY27-end.
    - Company reiterated its renewable capacity targets of 60 GW by FY32 and 136 GW by FY37.
    - NTPC has set a vision to become a 250 GW company by FY37. Management estimates a cumulative investment of ₹16.8 lakh

crore (approx. $200 billion) over the next 11 years to achieve its 2037 targets.

- **Battery Energy Storage System:** (BESS) pipeline stands at 38.9 GWh, comprising 6.62 GWh under construction and 32.28 GWh under planning.
- **NETRA** (NTPC Energy Technology Research Alliance) continues to strengthen NTPC's long-term innovation pipeline, with R&D focused on next-generation energy storage (VRFB & CO_2-based storage), coal gasification, carbon capture, utilization & storage (CCUS), green hydrogen & green chemicals, and advanced scientific services, supporting the company's long-term energy transition strategy.

Exhibit 1: SOTP Valuation ₹ crore

Particulars	Basis	Per share Value
Base business	14x FY28E EPS	334
NTPC Green	20% Holdco Discount on Mcap	70
Fair Value		405

Source: Company, ICICI Direct Research

Financial summary

Exhibit 2: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Total operating Income	170,037	165,494	179,367	195,510
Growth (%)	74	(3)	8	9
Raw Material Expenses	100,828	92,406	97,157	105,901
Employee Expenses	5,725	5,843	6,311	6,689
Other expenses	18,112	22,446	24,017	25,938
Total Operating Expenditure	124,664	120,695	127,484	138,528
EBITDA	45,373	44,799	51,882	56,981
Growth (%)	104	(3)	33	22
Depreciation	15,056	16,031	17,040	17,987
Interest	11,057	10,442	11,659	13,099
Other Income	4,376	4,231	4,500	4,500
PBT	23,636	22,557	27,684	30,395
Others	3,313	(2,898)	1,000	500
Total Tax	7,300	(3,504)	7,171	7,724
PAT	19,649	23,162	21,513	23,171
Adjusted PAT	19,649	23,162	21,513	23,171
Growth (%)	94	18	(7)	8
EPS	20.3	23.9	22.2	23.9

Source: Company, ICICI Direct Research

Exhibit 3: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit Before Tax	19,649	23,162	21,513	23,171
Add: Depreciation	15,056	16,031	17,040	17,987
(Inc)/dec in Current Assets	(5,147)	3,004	(8,371)	(10,212)
Inc/(dec) in CL and Provisions	3,224	(2,183)	3,734	6,074
Others	11,057	10,442	11,659	13,099
CF from operating activities	47,685	48,815	54,848	58,396
(Inc)/dec in Investments	(2,000)	(10,000)	(7,500)	(7,500)
(Inc)/dec in Fixed Assets	(20,000)	(30,000)	(35,000)	(35,000)
Others	0	0	0	0
CF from investing activities	(22,000)	(40,000)	(42,500)	(42,500)
Issue/(Buy back) of Equity	0	1	2	3
Inc/(dec) in loan funds	18,814	41,392	37,253	28,560
Dividend paid & div tax	(7,760)	(8,730)	(9,215)	(9,700)
Inc/(dec) in Sec. premium	0	0	0	0
Others	(11,057)	(10,442)	(11,659)	(13,099)
CF from financing activities	(2)	22,221	16,381	5,765
Net Cash flow	10,683	1,035	(1,273)	(8,343)
Opening Cash	2,654	13,337	14,372	13,099
Closing Cash	13,337	14,372	13,099	4,757

Source: Company, ICICI Direct Research

Exhibit 4: Balance sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Liabilities				
Equity Capital	9,895	9,895	9,895	9,895
Reserve and Surplus	148,844	163,277	175,575	189,046
Total Shareholders funds	158,739	173,171	185,469	198,941
Total Debt	206,959	248,351	285,604	314,164
AAD	1,947	1,947	1,947	1,947
Minority Interest / Others	1,152	1,152	1,152	1,152
Total Liabilities	368,797	424,621	474,172	516,204
Assets				
Gross Block	363,995	393,995	428,995	463,995
Less: Acc Depreciation	96,959	97,566	98,118	98,645
Net Block	267,036	296,429	330,877	365,350
Capital WIP	103,067	133,067	163,067	193,067
Total Fixed Assets	370,103	429,496	493,944	558,417
Investments	34,239	44,239	51,739	59,239
Inventory	18,700	18,104	19,123	20,779
Debtors	17,004	16,549	17,937	19,551
Loans and Advances	42,509	41,373	44,842	48,877
Other Current Assets	30,607	29,789	32,286	35,192
Cash	13,337	14,372	13,099	4,757
Total Current Assets	122,156	120,188	127,286	129,156
Creditors	20,570	19,915	21,035	22,857
Other Liabilities	47,996	46,467	49,081	53,333
Provisions	7,466	7,466	7,466	7,466
Total Current Liabilities	76,032	73,848	77,583	83,657
Net Current Assets	46,125	46,340	49,704	45,499
Application of Funds	368,797	424,621	474,172	516,204

Source: Company, ICICI Direct Research

Exhibit 5: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per share data (Rs)				
EPS	20.3	23.9	22	24
Cash EPS	35.1	39.6	39	42
BV	160.4	175.0	187	201
DPS	7.8	8.0	9	10
Cash Per Share	13.5	14.8	14	5
Operating Ratios (%)				
EBITDA Margin	26.7	27.1	28.9	29.1
PBT / Total Operating income	13.9	13.6	15.4	15.5
PAT Margin	11.6	14.0	12.0	11.9
Inventory days	67.7	71.5	71.8	71.6
Debtor days	36.5	36.5	36.5	36.5
Creditor days	10.1	10.1	10.1	10.1
Return Ratios (%)				
RoE	11.4	10.9	14.5	11.2
RoCE	9.8	9.5	7.8	8.3
RoIC	9.4	9.1	7.7	8.3
Valuation Ratios (x)				
P/E	19.4	16.4	15.5	14.4
EV / EBITDA	12.8	13.9	11.8	11.4
EV / Net Sales	3.4	3.8	3.4	3.3
Market Cap / Sales	2.3	2.3	1.9	1.7
Price to Book Value	2.4	2.2	1.8	1.7
Solvency Ratios				
Debt/EBITDA	4.6	5.5	5.5	5.5
Debt / Equity	1.3	1.4	1.5	1.6
Current Ratio	1.8	1.8	1.8	1.7
Quick Ratio	0.2	0.2	0.2	0.1

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

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Sell: <-15%

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