

NTPC Limited

BUY

Sector: Power

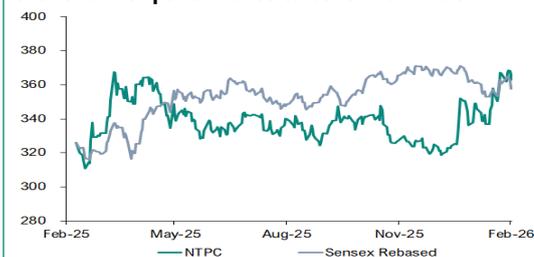
24th February, 2026

Key Changes	Target ▲	Rating ▲	Earnings ▲	Target	Rs. 416
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Large Cap	NTPC:IN	83,295	NTPC	532555	12 Months
				CMP	Rs. 375
				Return	+11%

Data as of: 23-Feb-2026, 18:00 hrs

Company Data			
Market Cap (Rs.cr)	364,061		
52 Week High — Low (Rs.)	377 - 307		
Enterprise Value (Rs. cr)	614,362		
Outstanding Shares (cr)	969.7		
Free Float (%)	48.8		
Dividend Yield (%)	2.4		
6m average volume (cr)	1.0		
Beta	1.1		
Face value (Rs.)	10.0		
Shareholding (%)	Q1FY26	Q2FY26	Q3FY26
Promoters	51.1	51.1	51.1
FII's	16.1	16.4	16.2
MFs/Institutions	28.9	28.9	29.2
Public	3.3	3.1	3.0
Others	0.6	0.5	0.4
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	15.0%	11.4%	15.2%
Absolute Sensex	-2.3%	2.4%	10.6%
Relative Return	17.2%	9.0%	4.6%

*over or under performance to benchmark index



Y.E March (cr)	FY26E	FY27E	FY28E
Sales	194,754	210,470	224,855
Growth (%)	3.5	8.1	6.8
EBITDA	59,359	65,613	71,274
EBITDA Margin (%)	30.5	31.2	31.7
PAT Adjusted	23,884	26,311	27,885
Growth (%)	2.0	10.2	6.0
Adjusted EPS	24.6	27.1	28.8
Growth (%)	2.0	10.2	6.0
P/E	15.2	13.8	13.1
P/B	1.8	1.7	1.5
EV/EBITDA	10.3	9.4	8.7
ROE (%)	12.4	12.6	12.3
D/E	1.2	1.1	1.1

Steady results, upbeat outlook

NTPC Ltd owns and operates electricity generation plants that supply power to state electricity boards in India. The company generates power from coal, gas, liquid fuel, nuclear, hydro, solar, wind and other renewable energy sources. It has an installed capacity of ~80 gigawatts (GW).

- The company's consolidated revenue rose 1.7% YoY in Q3FY26 to Rs. 45,846cr, on the back of growth in revenue in the generation and other segments.
- Generation segment revenue increased 1.3% YoY to Rs. 44,658cr and Other segment revenue grew 17.8% YoY to Rs. 4,895 crore.
- Consolidated installed and commercial capacity was at 85,637 MW as of 9MFY26 vs 76,598 MW as of 9MFY25, i.e. an increase of 11.8%, on account of capacity additions in the current fiscal.
- EBITDA grew 5.7% YoY to Rs. 15,029cr at the operational level and margins expanded 130bps to 32.8% due to lower cost of sales, owing to improved operational efficiency.
- Reported profit after tax increased 8.3% YoY to Rs. 5,597cr, mainly supported by the higher EBITDA and increase in the share of profits from joint ventures.

Outlook & Valuation

The company's focus on advancing renewable energy and energy storage is expected to enhance system flexibility and generation fuel balance. Also, despite subdued power demand in the current year, the company remains confident in sustained incremental growth going forward. Additionally, the company is well-positioned to leverage its strong balance sheet and focus on timely project commissioning, plant efficiency and balance sheet discipline. The evolving landscape presents significant opportunities as well, with the company poised to capture the next phase of growth in the power sector by balancing conventional and non-conventional sources, ensuring reliability, affordability and sustainability. Hence, **we upgrade our rating on the stock to BUY, based on 9.2x FY28E EV/EBITDA, with a rolled forward target price of Rs. 416.**

Quarterly Financials Consolidated

Rs.cr	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	9MFY26	9MFY25	YoY (%)
Sales	45,846	45,069	1.7	44,786	2.4	137,697	138,304	-0.4
EBITDA	15,029	14,212	5.7	13,292	13.1	41,656	40,847	2.0
Margin (%)	32.8	31.5	130bps	29.7	310bps	30.3	29.5	80bps
EBIT	9,936	9,894	0.4	8,477	17.2	27,161	28,108	-3.4
PBT	7,385	7,588	-2.7	5,624	31.3	18,767	20,170	-7.0
Rep. PAT	5,597	5,170	8.3	5,225	7.1	16,931	16,056	5.5
Adj PAT	5,489	5,063	8.4	5,067	8.3	16,566	15,811	4.8
Adj. EPS (Rs)	5.7	5.2	8.4	5.2	8.3	17.1	16.3	4.8



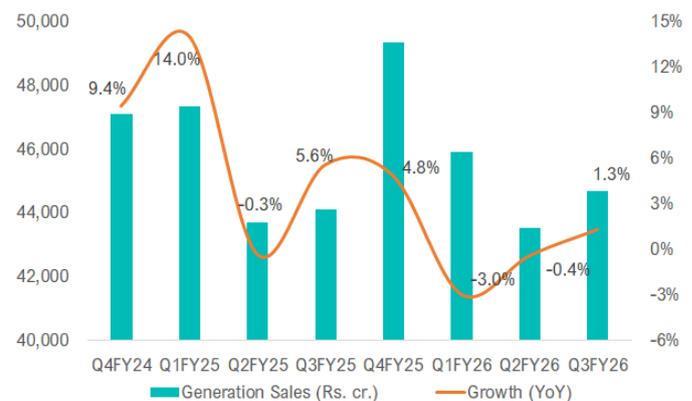
Key concall highlights

- The company is focusing on renewable energy, with 1.9 GW of hydro and ~15.0 GW of other renewable energy comprising the 33.0 GW of under construction projects. Also, 16.5 GW of coal-based capacity additions are planned.
- The company incurred capital expenditure of Rs. 33,466cr for 9MFY26, an increase from Rs. 30,779cr in the corresponding period of the previous year.
- NTPC Green Energy Limited (NGEL) secured a bid to supply 70,000 MW per annum of green ammonia, following which the company has entered the green ammonia supply chain.
- Also, NGEL's commercial capacity increased 2,624 MW following the acquisition of Ayana Renewable Power Private Limited, which drove a 206% YoY growth in generation for NGEL.
- Patratu units 2 and 3 (total 1,600 MW) are expected to be commissioned in Q1FY27 and Q3FY27, respectively.
- The management of receivables improved, with outstanding receivable days reducing to 26 days as of 31st December 2025 from 34 days as of 31st December 2024.

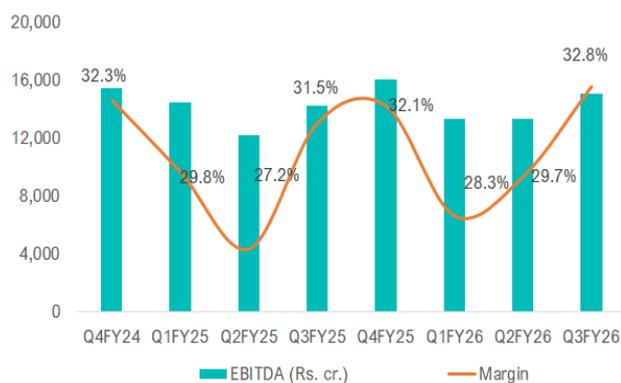
Revenue



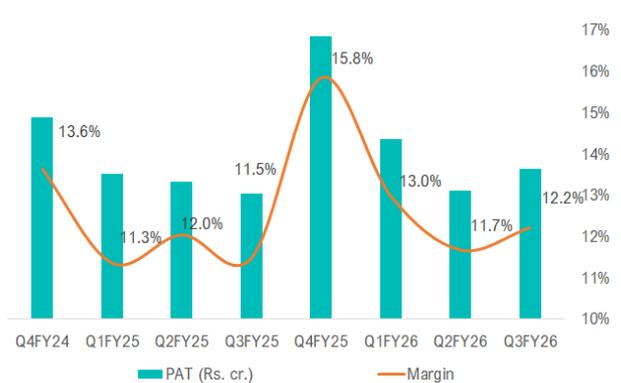
Generation Sales



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates			Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY28E	FY26E	FY27E
Revenue	196,222	209,268	194,754	210,470	224,855	-0.7	0.6
EBITDA	59,787	64,834	59,359	65,613	71,274	-0.7	1.2
Margins (%)	30.5	31.0	30.5	31.2	31.7	0bps	20bps
Adj. PAT	24,608	26,216	23,884	26,311	27,885	-2.9	0.4
EPS	25.4	27.0	24.6	27.1	28.8	-2.9	0.4



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Sales	178,525	188,138	194,754	210,470	224,855
% change	1.3	5.4	3.5	8.1	6.8
EBITDA	53,758	56,852	59,359	65,613	71,274
% change	8.6	5.8	4.4	10.5	8.6
Depreciation	16,204	17,401	18,242	19,673	20,517
EBIT	37,554	39,451	41,117	45,939	50,756
Interest	12,048	13,168	13,748	14,562	15,866
Other Income	1,636	2,214	1,218	1,096	986
PBT	27,141	28,496	28,586	32,473	35,876
% change	11.6	5.0	0.3	13.6	10.5
Tax	6,809	8,245	6,660	7,566	8,359
Tax Rate (%)	25.1	28.9	23.3	23.3	23.3
Reported PAT	21,332	23,953	24,425	26,907	28,517
PAT att. to common shareholder-	20,812	23,422	23,884	26,311	27,885
Adj.*	-	-	-	-	-
Adj. PAT	20,812	23,422	23,884	26,311	27,885
% change	23.1	12.5	2.0	10.2	6.0
No. of shares (cr)	969.7	969.7	969.7	969.7	969.7
Adj EPS (Rs.)	21.5	24.2	24.6	27.1	28.8
% change	23.1	12.5	2.0	10.2	6.0
DPS (Rs.)	7.8	8.4	8.5	8.6	8.7

Cashflow

Y.E March (Rs. Cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Net inc. + Depn.	37,016	40,824	42,127	45,984	48,403
Non-cash adj.	7,925	8,707	-7,103	387	4,650
Other adjustments	-	-	-	-	-
Changes in W.C	-4,841	905	5,445	1,388	-2,242
C.F. Operation	40,099	50,436	40,468	47,759	50,810
Capital exp.	-30,741	-41,005	-30,187	-45,777	-48,906
Change in inv.	-219	-1,790	-716	-430	-258
Other invest.CF	-495	-3,005	-302	-310	-27
C.F - Investment	-31,456	-45,800	-31,205	-46,517	-49,191
Issue of equity	-	-	-	-	-
Issue/repay debt	15,006	12,980	2,734	2,851	2,974
Dividends paid	-7,419	-8,207	-8,194	-8,291	-8,388
Other finance.CF	-15,832	-8,846	-4,675	3,769	3,188
C.F - Finance	-8,246	-4,073	-10,135	-1,671	-2,226
Chg. in cash	398	563	-872	-429	-606
Closing Cash	6,847	11,457	10,585	10,156	9,550

Balance Sheet

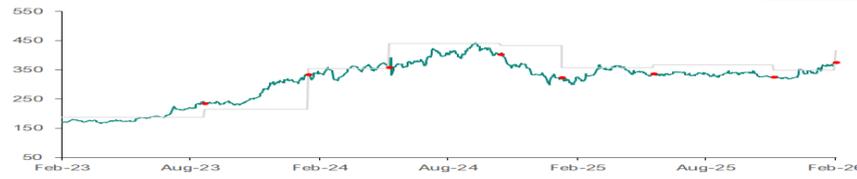
Y.E March (Rs. Cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash	6,847	11,457	10,585	10,156	9,550
Accts. Receivable	33,350	34,720	31,161	30,518	32,559
Inventories	18,019	18,722	18,786	19,727	20,930
Other Cur. Assets	39,793	46,883	53,645	54,901	51,912
Investments	15,835	19,654	20,370	20,799	21,057
Gross Fixed Assets	373,696	404,210	434,397	480,175	529,081
Net Fixed Assets	258,424	270,936	281,872	306,959	334,320
CWIP	87,593	100,776	101,784	102,801	103,830
Intangible Assets	581	584	584	584	584
Def. Tax -Net	-	-	-	-	-
Other Assets	19,755	20,433	20,735	21,045	21,072
Total Assets	480,197	524,165	539,521	567,490	595,812
Current Liabilities	57,530	57,981	59,047	61,781	63,811
Provisions	2,084	2,139	2,139	2,139	2,139
Debt Funds	237,418	250,559	253,293	256,144	259,119
Other Liabilities	18,042	22,363	17,688	21,456	24,644
Equity Capital	9,697	9,697	9,697	9,697	9,697
Res. & Surplus	151,013	174,374	190,065	208,085	227,583
Shareholder Funds	160,709	184,071	199,762	217,781	237,279
Minority Interest	4,413	7,052	7,593	8,189	8,821
Total Liabilities	480,197	524,165	539,521	567,490	595,812
BVPS	166	190	206	225	245

Ratio

Y.E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	30.1	30.2	30.5	31.2	31.7
EBIT margin (%)	21.0	21.0	21.1	21.8	22.6
Net profit mgn.(%)	11.7	12.4	12.3	12.5	12.4
ROE (%)	13.5	13.6	12.4	12.6	12.3
ROCE (%)	7.0	6.3	6.8	7.3	7.7
W.C & Liquidity					
Receivables (days)	64.9	66.0	61.7	53.5	51.2
Inventory (days)	59.9	66.1	66.3	64.1	63.5
Payables (days)	42.1	40.4	42.9	46.5	47.7
Current ratio (x)	1.0	1.1	1.1	1.0	1.0
Quick ratio (x)	0.4	0.4	0.4	0.4	0.4
Turnover & Leverage					
Gross asset T.O (x)	0.5	0.5	0.5	0.5	0.4
Total asset T.O (x)	0.4	0.4	0.4	0.4	0.4
Int. covge. ratio (x)	3.1	3.0	3.0	3.2	3.2
Adj. debt/equity (x)	1.4	1.3	1.2	1.1	1.1
Valuation					
EV/Sales (x)	3.1	3.2	3.2	2.9	2.8
EV/EBITDA (x)	10.4	10.4	10.3	9.4	8.7
P/E (x)	15.7	14.8	15.2	13.8	13.1
P/BV (x)	2.0	1.9	1.8	1.7	1.5



Recommendation Summary (Last 3 years)



Dates	Rating	Target
12-Sep-23	REDUCE	215
06-Feb-24	HOLD	355
31-May-24	BUY	440
05-Nov-24	HOLD	434
31-Jan-25	BUY	358
09-Jun-25	BUY	368
26-Nov-25	HOLD	349
24-Feb-26	BUY	416

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

 Upgrade

 No Change

 Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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Geojit Investments Ltd. Registered Office: 7th Floor 34/659-P, Civil Line Road, Padivattom, Kochi-682024, Kerala, India. Phone: +91 484-2901000, Website : www.geojit.com/GIL . For investor queries: customer@geojit.com

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