



THERMAX

STOCK UPDATE

Result Update - Q3FY2026

SECTOR

Capital Goods

COMPANY DETAILS

Market cap:	Rs. 34,317 cr
52-week high/low:	Rs. 4,088 / 2,744
NSE volume: (No of shares)	2.44 lakh
BSE code:	500411
NSE code:	THERMAX
Free float: (No of shares)	4.5 cr

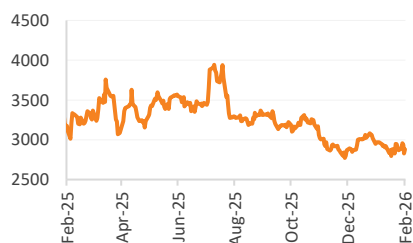
Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	62.0
FII	12.4
DII	14.8
Others	10.8

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-2.8	-4.1	-11.9	-9.3
Relative to Sensex	-1.6	-1.8	-14.5	-17.8

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: HOLD	CMP: Rs. 2,880	Price Target: Rs. 3,200
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Quick Snapshot

- Revenues grew 5% y-o-y led by the industrial infra (up 68% y-o-y) and industrial products (up 14% y-o-y) segments. Net profit grew 50% y-o-y on an exceptional gain for reversing provision.
- Operating profit came in at Rs 255 crore, rising 35% led by growth in sales and gross margins. OPM rose 214 bps.
- Order bookings rose 34% y-o-y led by large orders from African conglomerate. order book grew by 11% to Rs 12,641 crore.
- Yet, given a weak order book visibility and premium multiples, we maintain a Hold rating; stock price already factors in investments in green energy. Stock trades at ~38x/29x its FY2027E and FY2028E EPS.

Result overview

- **Order inflows recover:** Order booking is improved on the back of improved performance in export in the MENA region, including data centre infrastructure solutions, utility boilers and associated systems for Nigeria project. F&B orders rose although the Sugar/Distillery division saw a decline, despite historically being a leading contributor. Data centers are emerging as a new sector with tremendous future potential. Order booking is expected to grow 20% y-o-y. Order inflows from refinery & petrochemical are highest given large Dangote order (Rs. 584 cr). Thermax also received orders worth Rs 200 crore in the data center segment from customers in North America and India. The company continues to remain selective in Industrial Infrastructure order bookings, avoiding construction-intensive and government-linked projects in order to prioritise efficient execution of its existing order book.
- **Industrial products:** Segment's margins dipped to 9.3% (from 11.1% YoY), pressured by unfavorable product mix and elevated commodity costs—though growing exposure to data centers and emission-control solutions presents long-term margin upside. Industrial Infra margins surged to 6.3% (from ~0.1% YoY), driven by better operational efficiency and export-fuelled refinery orders, showcasing operating leverage as the project mix stabilizes. Chemicals margins eased to 4.6%, hit by fixed costs from new capacity additions and mix shifts, likely constraining near-term profits until utilisation improves.

Our Call

Growth prospects in segments such as biomass, waste heat recovery systems (WHRS), and water desalination also remain strong. However, the current order book of Rs. 12,643 crore (1.2x TTM revenue) is soft and the company trades at premium multiples of 38x/29x its FY2027E/FY2028E EPS. Hence, we maintain a Hold rating on the stock and believe that long-term growth prospects are factored in the stock price.

Key Risks

- Slowdown in private capex and absence of large orders may affect revenue growth.
- Volatility in commodity prices and supply-side challenges may impact sales

Valuation

Particulars	Rs cr				
	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	9,323	10,389	10,986	13,047	15,399
Growth (y-o-y, %)	15.2	11.4	5.8	18.8	18.0
Operating profit	797	908	1,044	1,279	1,509
OPM (%)	8.6	8.7	9.5	9.8	9.8
Adj. Net Profit	589	628	695	847	1,096
Adj. EPS (Rs.)	52.3	55.7	61.7	75.2	97.4
Growth (y-o-y, %)	30.9	6.5	10.8	21.8	29.4
P/E	54.1	50.8	45.8	37.6	29.1
P/B	12.9	11.6	10.7	9.7	8.5
EV/EBIDTA	70.2	62.0	54.2	43.9	36.7
ROCE (%)	18.4	16.2	15.3	16.4	36.4
RONW (%)	15.5	13.4	13.5	15.0	37.1

Source: Company; Mirae Asset Sharekhan estimates

Results

Particulars	Rs cr				
	Q3FY26	Q3FY25	Y-o-Y %	Q2FY26	Q-o-Q %
Revenue	2,635	2,508	5.1	2,474	6.5
Total Expenditure	2,380	2,319	2.6	2,302	3.4
Operating Profit	255	189	34.8	172	48.1
Other Income	63	32	99.1	85	(26.6)
Interest	34	29	19.5	32	6.4
Depreciation	53	35	51.9	51	3.5
PBT	289	157	84.2	174	66.2
Tax	84	43	96.7	54	54.2
Adjusted PAT	170	113	49.8	126	34.9
Reported PAT	211	113	86.7	126	68.0
EPS (Rs.)	18.8	10.1	86.7	11.2	68.0
Margins			BPS		BPS
OPM (%)	9.7	7.5	214	7.0	272
NPM (%)	6.4	4.5	192	5.1	135
Tax Rate (%)	29.0	27.1	184	31.2	(227)

Source: Company; Mirae Asset Sharekhan Research

Additional Data
Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	SBI Funds Management Ltd	7.8
2	Nalanda India Equity Fund Ltd	5.13
3	Kotak Mahindra Asset Management Co	2.36
4	FundRock Management Co SA	1.48
5	ICICI Prudential Asset Management	1.37
6	Kotak Funds	1.32
7	Vanguard Group Inc/The	1.02
8	FIL Ltd	0.78
9	Aditya Birla Sun Life Asset Manage	0.76
10	Tata Asset Management Pvt Ltd	0.75

Source: Bloomberg

Key management personnel

Name	Designation
Meher Pudumjee	Chairman
Pheroz Pudumjee	Non-Independent Director
Ashish Bhandari	Executive Director-CEO-MD
Rajendran Arunachalam	Group Chief Financial Officer

Source: Company Website

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