MIRAE ASSET Sharekhan

Stock Update

Result Update

Triveni Turbine Ltd

Growth Delayed; Maintain Buy

Capital Goods	Sharekhan code: TRITURBINE
Reco/View: Buy ⇔	CMP: Rs. 534 (as on Aug 05, 2025)
	Price Target: Rs. 700 ↓

3R MATRIX	+	=	-
Right Sector (RS)	✓		
Right Quality (RQ)	✓		
Right Valuation (RV)		✓	

\+ Positive = Neutral – Negative

What has changed in 3R MATRIX

	Old		New
RS		⇔	
RQ		⇔	
RV		⇔	

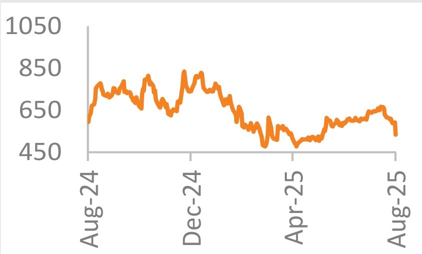
Company details

Market cap:	Rs. 16,971 cr
52-week high/low:	Rs. 885/455
NSE volume: (No of shares)	97.3 lakh
BSE code:	533655
NSE code:	TRITURBINE
Free float: (No of shares)	14.0 cr

Shareholding (%)

Promoters	55.8
FII	25.4
DII	12.2
Others	6.6

Price chart



Source: NSE India, Mirae Asset Sharekhan Research

Price performance

(%)	1m	3m	6m	12m
Absolute	-17.3	3.2	-6.2	-10.3
Relative to Sensex	-14.1	3.2	-9.9	-12.8

Source: Mirae Asset Sharekhan Research, Bloomberg

Summary

- Revenue fell by 20% to Rs 371 crore on deferred dispatches due to geopolitical uncertainties. OPM slipped 81 bps to 19.8%. PAT was down by 21% y-o-y to Rs. 64 crore.
- Order book grew 20% y-o-y to Rs. 2,073 crore, with domestic order book rising 27% y-o-y to Rs. 914 crore. Order inflows fell 16% y-o-y.
- Order inflow pipelines remain strong, with domestic inquiries galloping 130%, while international inquiries slipped 5%.
- Global focus on renewable energy, waste-to-heat recovery, a robust order book, and margin tailwinds bode well. We model a revenue/PAT CAGR of 21%/23% over FY2025-FY2027E. We reiterate a Buy rating with a revised PT of Rs. 700.

Consolidated revenues fell 20% y-o-y to Rs. 371 crore as dispatches were delayed by geopolitical tensions across India, Iran and Israel. Both domestic and international sales declined 24% and 15% respectively. Products segment reported revenues of Rs. 255 crore (down 17% y-o-y) and the aftermarket segment of Rs. 117 crore down 26% y-o-y. Order inflows were hit by lower export demand across [products and aftermarkets segments and down by 16% y-o-y. Domestic order booking improved by 32% after a subdued inflows in past few quarters. Inquiry pipelines in both product and aftermarket segments remain robust and globally diversified, providing good visibility. In Q1FY26, the domestic product enquiry growth was strong at ~130% while the international product enquiry pipeline declined by 5%. Key drivers of growth in product order booking were finalisation of orders in the RE sector, industrial clients, power producers and API turbines. Operating profit fell ~23% y-o-y to Rs. 74 crore, with OPM at 19.8% (down 81 bps y-o-y). Adjusted net profit was also down by 21% to Rs 64 crore. The management highlights that the enquiry pipeline from domestic sectors such as steel, cement and oil & gas doubled with process cogeneration also contributing strongly.

Key positives

- Inquiry pipeline in domestic market picks up and is up by 130% y-o-y. Sectors such as steel, cement and oil & gas doubled with process co-generation also contributing strongly.
- New product launch- Indias first CO_2-based high-temperature ultra-efficient heat pump, capable of delivering heat up to 122°C and achieving a Coefficient of Performance (CoP) of 6.

Key negatives

- Overall performance impacted by deferment of sales due to geopolitical tensions across Iran, Israel and India.

Management Commentary

- Management expects to maintain robust growth, supported by substantial order backlog from renewable energy, API and IPG (industrial power generation) turbines, along with successful market expansions. Management is optimistic about domestic order inflow pipeline materializing in FY26, with healthy inquiries from distilleries, MSW, cement, steel, process co-generation.
- Company continues to see good international demand across broad power ranges from key regions including the Middle East, Europe, North America, Southeast Asia, and Africa.
- Aftermarket business showed strong growth prospects. bolstered by an expanding range of offerings, including spare parts, services and refurbishments, designed to cater to a broader customer base of rotating equipment encompassing - steam turbines, gas turbines, utility turbines and geothermal turbines.

Revision in earnings estimates – We tweak our estimates factoring in the subdued Q1 performance.

Our Call

Valuation – Maintain Buy with PT of Rs. 700: Triveni Turbines Ltd (TTL) expects to scale up its presence significantly in international markets, which is predictable from the surge of order booking and inquiry pipeline. Further, climate change mandate and focus on renewables in its key export markets will drive growth for its products. Hence, we retain our Buy recommendation on TTL with a revised PT of Rs. 700 and expect revenue/PAT CAGR of 21%/23% over FY2025-FY2027E.

Key Risks

A slowdown in the domestic macroeconomic environment or weakness in international markets can affect the business outlook and earnings growth.

Valuation (Consolidated) Rs cr

Particulars	FY23	FY24	FY25	FY26E	FY27E
Net Sales	1,248	1,654	2,006	2,393	2,904
OPM (%)	18.7	19.3	21.8	22.0	22.3
Adjusted PAT	192	269	359	441	544
Adjusted EPS (Rs.)	6.1	8.5	11.3	13.9	17.1
Growth (YoY, %)	56.1	39.9	33.1	23.0	23.3
P/E	88.1	63.0	47.3	38.5	31.2
P/B	22.3	17.7	13.9	10.6	8.2
EV/EBITDA	59.0	42.2	36.6	30.4	24.7
Core ROE (%)	23.8	31.3	33.0	31.4	29.7
ROCE (%)	31.7	41.9	45.1	42.5	40.2

Source: Company; Mirae Asset Sharekhan estimates

Key conference call and investor update takeaways

- **Outlook** for all the segments (renewable energy, industrial markets, and aftermarket) remains robust.
- **Order book** stands at Rs. 2,073 crore, 20% y-o-y growth with classification between exports of Rs. 1159 crore (up 15% y-o-y) and domestic Rs. 914 crore (up 27% y-o-y). There is a pick-up in domestic inquiries which management expects converting into orders. The aftermarket order book of Rs. 290 crore is up 5% y-o-y. The product order book of Rs. 1,783 crore is up 23% y-o-y.
- **Aftermarket** segment contributes Rs. 116 crore, 31% to revenues. Over the next few years, management expects the aftermarket segment to grow well and pick up market share on a relative basis versus the product business. A strong aftermarket orderbook gives confidence on growth.
- **US subsidiary:** The US is by far one of the largest and most technologically developed markets with a large OEMs base. It is also an attractive market given the incentives towards energy efficiency. The company have in place a robust market strategy to build this market. Setting up of a US subsidiary is aligned to the same strategy. The subsidiary apart from marketing new products will also be instrumental in catering to Aftermarket opportunity of already-installed Turbines. The US business has incurred a loss of Rs 6 crore and would be contributing marginally to bottomline by FY26.

Results (Consolidated) Rs cr

Particulars	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Net Sales	371	463	-19.9	538	-31.0
Operating profit	74	96	-23.0	120	-38.9
Other Income	22	19	14.5	20	11.6
Interest	0.8	1.0	-21.6	0.7	14.3
Depreciation	8	6	25.2	8	2.7
PBT	87	108	-19.0	132	-33.9
Tax	23	27	-16.8	38	-39.2
Adjusted PAT	64	81	-21.3	95	-32.3
Adj. EPS (Rs.)	2.0	2.6	-21.3	3.0	-32.3
Margin			**BPS**		**BPS**
OPM (%)	19.8	20.6	(81)	22.4	(256)
NPM (%)	17.2	17.6	(31)	17.6	(34)
Tax rate	26.1	25.4	69	28.4	(227)

Source: Company; Mirae Asset Sharekhan Research

Outlook and Valuation

■ Sector Outlook – Steam turbine markets offer strong growth visibility

There is a strong focus on renewable energy and applications such as waste heat recovery, waste to energy, etc. With the manufacturing sector on a growth trajectory and industries such as sugar, distilleries, steel, cement, pulp and paper, and chemicals expected to increase production, demand for steam turbines is expected to remain robust.

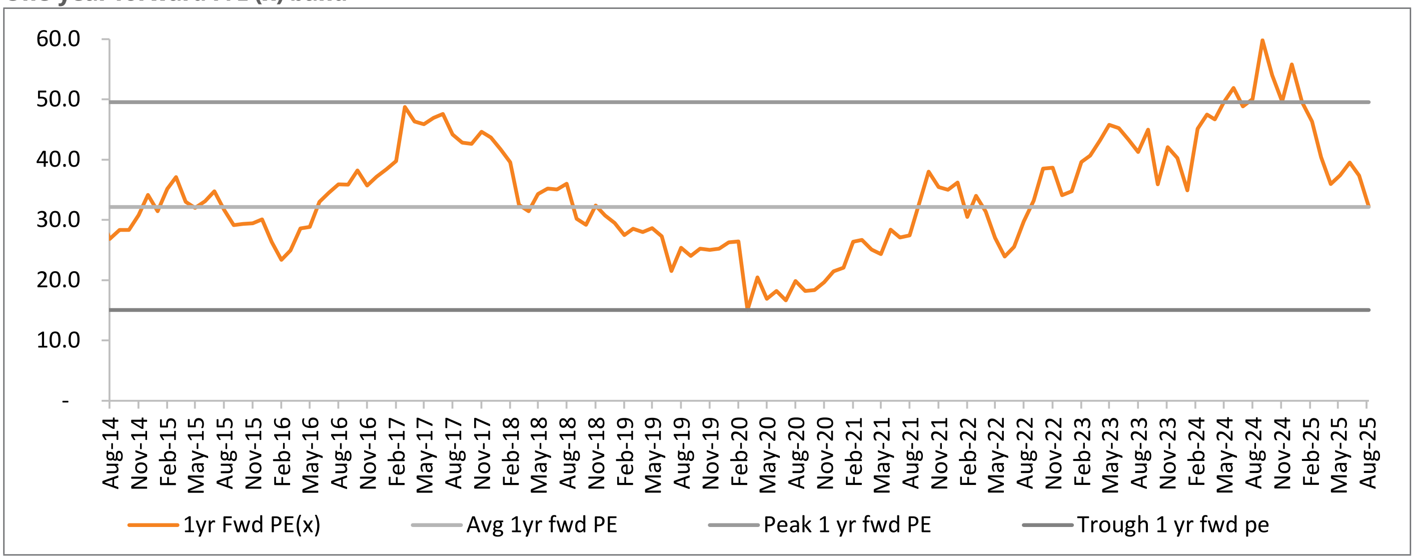
■ Company Outlook – Ample growth opportunities over the next two years

TTL is the market leader in the steam turbines market (of up to 30 MW). Post its exit from the joint venture (JV) with key international partners, the company is focusing on increasing its market share in the high-margin 30-100 MW export market directly. The company is venturing into the API market, which along with its focus on exports and the aftermarket is expected to lead to strong order booking with better margins going ahead. The company is undertaking capacity expansions, gearing up its export sales team, and increasing its supply chain capacities to drive a high-growth trajectory in the coming years. The company sees strong growth opportunities in sectors such as cement, pharma, steel, and distilleries in domestic markets and internationally in sectors such as steel, waste-to-energy, distillery, food processing, and cement WHRS.

■ Valuation – Maintain Buy with PT of Rs. 700

Triveni Turbines Ltd (TTL) expects to scale up its presence significantly in international markets, which is predictable from the surge of order booking and inquiry pipeline. Further, climate change mandate and focus on renewables in its key export markets will drive growth for its products. Hence, we retain our Buy recommendation on TTL with a revised PT of Rs. 700 and expect revenue/PAT CAGR of 21%/23% over FY2025-FY2027E.

One-year forward P/E (x) band



Source: Company; Mirae Asset Sharekhan Research

About company

TTL is the largest manufacturer of industrial steam turbines in the >5 MW to 30 MW range globally. The company designs and manufactures steam turbines of up to 100 MW and delivers robust, reliable, and efficient end-to-end solutions. The company provides renewable power solutions, specifically for biomass, independent power producers, sugar, and process co-generation, waste-to-energy, and district heating. The company's steam turbines are used in diverse industries, ranging from sugar, steel, textiles, chemicals, pulp and paper, petrochemicals, fertilisers, solvent extraction, metals, palm oil to food processing and more. Apart from manufacturing, the company provides a wide range of aftermarket services to its fleet of turbines as well as turbines of other makes supported by its team of highly experienced and qualified service engineers that operate through a network of service centres.

Investment theme

TTL is a market leader in the up to 30 MW steam turbine segment. The company has a strong aftermarket segment and overseas business, while the domestic market is showing distinct signs of pick-up. The company has also formed a JV for 30 MW-100 MW range steam turbines, which is likely to grow in the ensuing years. TTL is a virtually debt-free company with a limited capex requirement and an efficient working capital cycle, reflected in its healthy return ratios.

Key Risks

- Slower-than-expected project execution in domestic and international markets due to various reasons such as pending approvals and clearances.
- Weakness in domestic investment could affect growth and award of projects, posing a downside risk.
- Unexpected political changes in some of the developed countries, trade barriers, and conflict in the Middle East are some risks that can affect the company's performance.

Additional Data

Key management personnel

Name	Designation
Dhruv M. Sawhney	Chairman and Managing Director
Tarun Sawhney	Vice Chairman and Managing Director
Arun Mote	Executive Director
Shailendra Bhandari	Independent Non-Executive Director

Source: Company Website

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Nalanda India Fund Ltd	4.02
2	Nalanda India Equity Fund Ltd	3.94
3	SBI Funds Management Ltd	3.13
4	First Sentier Investors ICVC	2.63
5	Mitsubishi UFJ Financial Group Inc	2.10
6	Vanguard Group Inc/The	1.50
7	Republic of Singapore	1.10
8	Blackrock Inc	0.85
9	Edelweiss Asset Management Ltd	0.83
10	PGIM India Asset Management Pvt Lt	0.78

Source: Bloomberg

Understanding the Mirae Asset Sharekhan 3R Matrix

Right Sector	
Positive	Strong industry fundamentals (favorable demand-supply scenario, consistent industry growth), increasing investments, higher entry barrier, and favorable government policies
Neutral	Stagnancy in the industry growth due to macro factors and lower incremental investments by Government/private companies
Negative	Unable to recover from low in the stable economic environment, adverse government policies affecting the business fundamentals and global challenges (currency headwinds and unfavorable policies implemented by global industrial institutions) and any significant increase in commodity prices affecting profitability.
Right Quality	
Positive	Sector leader, Strong management bandwidth, Strong financial track-record, Healthy Balance sheet/cash flows, differentiated product/service portfolio and Good corporate governance.
Neutral	Macro slowdown affecting near term growth profile, Untoward events such as natural calamities resulting in near term uncertainty, Company specific events such as factory shutdown, lack of positive triggers/events in near term, raw material price movement turning unfavourable
Negative	Weakening growth trend led by led by external/internal factors, reshuffling of key management personal, questionable corporate governance, high commodity prices/ weak realisation environment resulting in margin pressure and detoriating balance sheet
Right Valuation	
Positive	Strong earnings growth expectation and improving return ratios but valuations are trading at discount to industry leaders/historical average multiples, Expansion in valuation multiple due to expected outperformance amongst its peers and Industry up-cycle with conducive business environment.
Neutral	Trading at par to historical valuations and having limited scope of expansion in valuation multiples.
Negative	Trading at premium valuations but earnings outlook are weak; Emergence of roadblocks such as corporate governance issue, adverse government policies and bleak global macro environment etc warranting for lower than historical valuation multiple.

Source: Mirae Asset Sharekhan Research

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