

# Triveni Turbine Ltd.

## Accumulate

Sector: Capital Goods

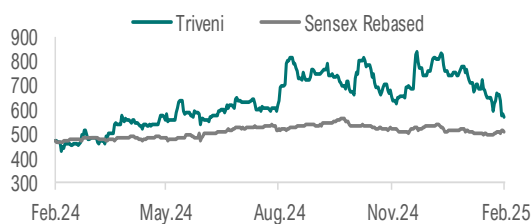
20<sup>th</sup> February 2025

Key Changes	Target	Rating	Earnings	Target	Rs.656		
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	<b>CMP</b>	<b>Rs.563</b>
Small Cap	TRIV:IN	75,939	TRITURBINE	533655	12 Months	<b>Return</b>	<b>+17%</b>

Data as of: 19-02 2025

Company Data			
Market Cap (Rs Cr)	18,562		
52 Week High — Low (Rs.)	885-436		
Enterprise Value (cr)	18,201		
Outstanding Shares (cr)	32.0		
Free Float (%)	44.2		
Dividend Yield (%)	0.9		
6m average volume (cr)	0.2		
Beta	0.9		
Face value (Rs)	1		
Shareholding (%)	Q1FY25	Q2FY25	Q3FY25
Promoters	55.8	55.8	55.8
FII's	27.5	28.1	28.3
MFs/Insti	12.3	11.5	10.9
Public	4.3	4.6	4.9
Total	100.0	100.0	100.0
Promoter Pledge (%)	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-10%	-18%	21%
Absolute Sensex	-2%	-2%	8%
Relative Return*	-8%	-16%	12%

\*over or under performance to benchmark index



Consolidated (cr)	FY25E	FY26E	FY27E
Sales	2,019	2,564	3,139
Growth (%)	22.1	27.0	22.4
EBITDA	428.1	533.3	659.3
EBITDA Margin(%)	21.20	20.80	21.00
Adj. PAT	363.7	444.2	541.3
Growth (%)	35.1	22.1	21.9
Adj.EPS	11.0	13.5	16.4
Growth (%)	35.1	22.1	21.9
P/E	51.0	41.8	34.3
P/B	15.4	11.5	8.7
EV/EBITDA	42.5	33.8	27.0
ROE (%)	35.7	32.0	29.4
D/E	0.0	0.0	0.0

Author: Antu Eapan Thomas - Sr. Research Analyst

## Export mix to be the next leg of growth...

Triveni Turbine Ltd (TTL) is the domestic market leader in steam turbines up to 30 MW. The company designs and manufactures steam turbines up to 100 MW, and delivers robust, reliable, and efficient end-to-end solutions.

- TTL reported the highest ever revenue achieved in a quarter at Rs 503cr, a growth of ~17% YoY in Q3FY25, led by robust execution in export orders (31% YoY).
- EBITDA margin improved by 232bps YoY to 21.7%, due to better revenue recognition in Product segment and a drop in other expenses.
- The order book grew by 15% YoY, supported by 20% YoY growth in order inflows in 9MFY25. Strong growth in export orders by 41% YoY, combined with an improvement in export contribution (65% mix), provides visibility for both revenue and profitability for coming quarters.
- The company has received a 160 MWh long duration energy storage (LDES) system at NTPC's Kudgi supercritical thermal power plant for a consideration of Rs290cr, with this TTL is foraying into a new product segment.

## Outlook & Valuation

A strong mix of international orders (65% of the order book vs 52% earlier) is expected to increase the earnings visibility in the coming quarters. On the domestic front, there is a slowdown in order inflow, in 9MFY25 domestic order book declined by 22% YoY. Due to slow pace in domestic execution, we reduce our revenue estimate for FY25E/26E by 7.5/7.3% respectively. **We therefore revise our rating to Accumulate and value the stock at a P/E of 40x on FY27E EPS with a revised target price of Rs 656.**

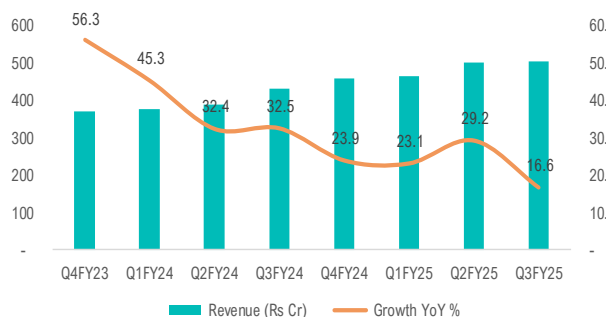
## Quarterly Financials Consol.

Rs. cr	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	9MFY25	9MFY24	YoY (%)
Sales	503	432	16.6	501	0.5	1,468	1,196	22.7
EBITDA	109	84	30.6	111	-1.9	316	229	38.1
Margin (%)	21.7	19.4	232bps	22.2	-52bps	21.5	19.1	240bps
EBIT	103	78	31.4	105	-2.4	298	214	39.4
PBT	125	95	31.2	124	0.3	356	257	38.9
Rep. PAT	92	68	35.4	91	1.6	264	193	36.5
Adj PAT	92	68	35.4	91	1.6	264	193	36.5
EPS (Rs)	2.9	2.1	35.4	2.8	1.6	8.2	6.0	36.5

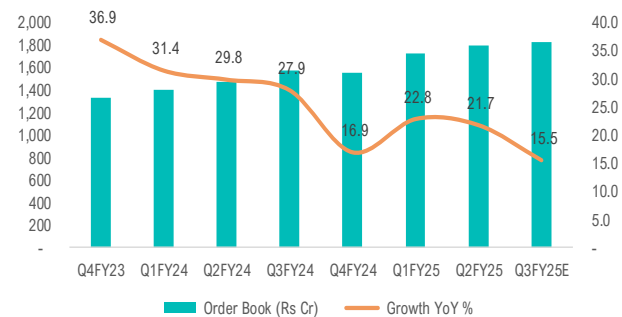
## Key Concall Highlights

- Order booking from India remained subdued in the quarter, the company continues to showcase good international demand, which is reflected in export order booking, which grew 41% YoY to Rs.1,070cr in 9MFY25.
- Order booking continues to reflect good demand from the renewable space, particularly from the Waste to Energy (WtE) segment, biomass-based energy generation.
- Export order book contributed to 65% of overall order book in Q3FY25, which places the company well from a profitability perspective and is likely to aid in generating new business enquiries.
- In 9MFY25, order inflow in Product segment increased by 30% YoY to Rs.1,283cr, driven by higher international orders. The product segment turnover was Rs.969cr, led by higher execution, an increase of 21% YoY.
- Aftermarket segment registered an order inflow of Rs 452cr during 9MFY25, which was largely flat on a YoY basis.

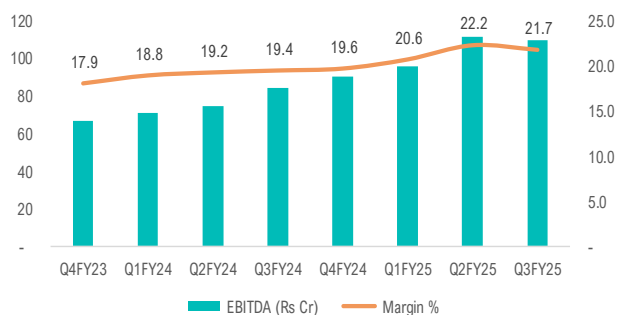
### Revenue



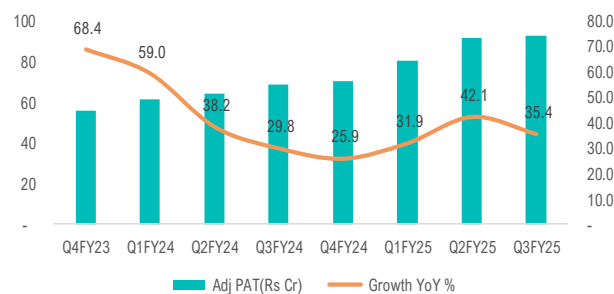
### Order Book



### EBITDA



### PAT



## Change in Estimates

Year / Rs cr	Old estimates			New estimates			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	2,184	2,767	3,279	2,019	2,564	3,139	-7.5	-7.3	-4.3
EBITDA	470	567	672	428	533	659	-8.9	-5.9	-1.9
Margins (%)	21.5	20.5	20.5	21.2	20.8	21.0	-32bps	31bps	51bps
Adj. PAT	394	470	551	364	444	541	-7.7	-5.5	-1.8
EPS	12	14	17	11	13	16	-7.7	-3.8	-3.5



## Consolidated Financials

### PROFIT & LOSS

Y.E March (Rs. cr)	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Revenue</b>	<b>1,248</b>	<b>1,654</b>	<b>2,019</b>	<b>2,564</b>	<b>3,139</b>
% change	46.4	32.6	22.1	27.0	22.4
<b>EBITDA</b>	<b>234</b>	<b>319</b>	<b>428</b>	<b>533</b>	<b>659</b>
% change	43.7	36.4	34.3	24.6	23.6
Depreciation	20	21	24	27	30
<b>EBIT</b>	<b>214</b>	<b>298</b>	<b>404</b>	<b>506</b>	<b>630</b>
Interest	1	3	3	3	3
Other Income	42.6	62.2	80.0	85.0	90.0
<b>PBT</b>	<b>256</b>	<b>358</b>	<b>481</b>	<b>588</b>	<b>717</b>
% change	-30.8	40.0	34.5	22.4	21.9
Tax	63	88	123	144	176
Tax Rate (%)	25	25	26	25	25
<b>Reported PAT</b>	<b>193</b>	<b>269</b>	<b>364</b>	<b>444</b>	<b>541</b>
Adj*	0	0	0	0	0
<b>Adj PAT</b>	<b>193</b>	<b>269</b>	<b>364</b>	<b>444</b>	<b>541</b>
% change	167.9	39.6	35.1	22.1	21.9
No. of shares (cr)	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>
<b>Adj EPS (Rs.)</b>	<b>6</b>	<b>8</b>	<b>11</b>	<b>13</b>	<b>16</b>
% change	1.7	0.4	0.4	0.2	0.2
DPS (Rs.)	1.8	1.2	1.2	1.2	1.2

### CASH FLOW

Y.E March (Rs. cr)	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Net inc. + Depn.</b>	<b>275</b>	<b>378</b>	<b>505</b>	<b>615</b>	<b>747</b>
Non-cash adj.	-48	-66	-102	-136	-168
Changes in W.C	30	-92	-167	-163	-164
<b>C.F. Operation</b>	<b>257</b>	<b>221</b>	<b>236</b>	<b>316</b>	<b>414</b>
Capital exp.	-13	-49	-50	-50	-50
Change in inv.	145	-50	-57	-66	-76
Other invest.CF	-13	-20	-18	-5	-5
<b>C.F – Investment</b>	<b>119</b>	<b>-118</b>	<b>-125</b>	<b>-121</b>	<b>-131</b>
Issue of equity	0	0	0	0	0
Issue/repay debt	-1	-3	0	0	0
Dividends paid	-59	-38	-38	-38	-38
Other finance.CF	-406	12	5	0	0
<b>C.F – Finance</b>	<b>-464</b>	<b>-34</b>	<b>-36</b>	<b>-41</b>	<b>-41</b>
Chg. in cash	-88	69	76	154	243
Closing cash	217	286	362	516	759

### BALANCE SHEET

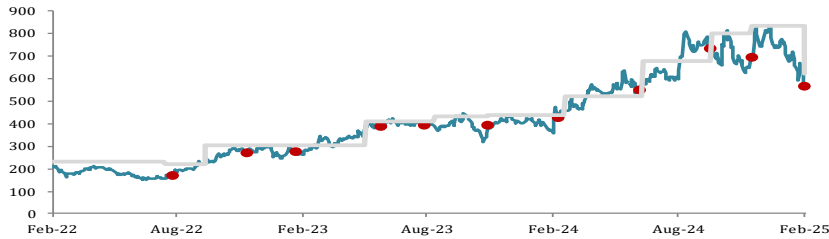
Y.E March (Rs. cr)	FY23A	FY24A	FY25E	FY26E	FY27E
Cash	207	286	362	516	759
Accounts Receivable	98	150	221	316	430
Inventories	197	227	331	436	575
Other Cur. Assets	52	68	77	91	112
Investments	332	382	439	505	581
Gross Fixed Assets	365	415	465	515	565
Net Fixed Assets	253	259	285	308	328
CWIP	5	4	4	4	4
Intangible Assets	4	4	4	5	5
Def. Tax (Net)	(4)	(5)	(5)	(5)	(5)
Other Assets	1	4	4	4	4
<b>Total Assets</b>	<b>1,144</b>	<b>1,379</b>	<b>1,723</b>	<b>2,181</b>	<b>2,793</b>
Current Liabilities	478	483	496	541	639
Provisions	28	29	34	40	51
Debt Funds	-	-	-	-	-
Other Liabilities	13	10	10	10	10
Equity Capital	32	32	32	32	32
Reserves & Surplus	593	825	1,151	1,557	2,060
Shareholder's Fund	625	857	1,183	1,589	2,093
<b>Total Liabilities</b>	<b>1,144</b>	<b>1,379</b>	<b>1,723</b>	<b>2,181</b>	<b>2,793</b>
<b>BVPS (Rs.)</b>	<b>20</b>	<b>27</b>	<b>37</b>	<b>49</b>	<b>65</b>

### RATIOS

Y.E March	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Profitab. &amp; Return</b>					
EBITDA margin (%)	18.7	19.3	21.2	20.8	21.0
EBIT margin (%)	17.1	18.0	20.0	19.7	20.1
Net profit mgn.(%)	15.5	16.3	18.0	17.3	17.2
ROE (%)	26.0	36.3	35.7	32.0	29.4
ROCE (%)	20.0	28.0	26.6	24.2	22.2
<b>W.C &amp; Liquidity</b>					
Receivables (days)	29.2	27.3	33.5	38.3	43.4
Inventory (days)	101.1	94.3	101.1	109.8	118.8
Payables (days)	226.9	195.0	177.9	143.2	117.4
Current ratio (x)	1.1	1.4	1.9	2.3	2.7
Quick ratio (x)	0.6	0.3	0.4	0.6	0.7
<b>Turnover &amp; Leverage</b>					
Gross asset T.O (x)	3.5	4.2	4.6	5.2	5.8
Total asset T.O (x)	1.0	1.3	1.3	1.3	1.3
Int. coverage ratio (x)	216.0	112.0	134.6	168.8	242.1
Adj. debt/equity (x)	0.0	0.0	0.0	0.0	0.0
<b>Valuation</b>					
EV/Sales (x)	14.7	11.1	9.0	7.0	5.7
EV/EBITDA (x)	78.5	57.3	42.5	33.8	27.0
P/E (x)	96.2	68.9	51.0	41.8	34.3
P/BV (x)	28.8	21.3	15.4	11.5	8.7



## Recommendation Summary (last 3 years)



Source: Bloomberg, Geojit Research.

Dates	Rating	Target
04-Feb-22	Accumulate	229
23-Aug-22	Accumulate	220
31-Jan-23	Accumulate	300
31-May-23	HOLD	410
16-Aug-23	Accumulate	430
07-Nov-23	Accumulate	437
22-Feb-24	Accumulate	520
14-Jun-24	BUY	679
23-Sep-24	Accumulate	803
25-Nov-24	BUY	835
20-Feb-25	Accumulate	656

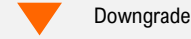
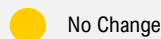
## Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
<b>Buy</b>	Upside is above 10%	Upside is above 15%	Upside is above 20%
<b>Accumulate</b>	-	Upside is between 10%-15%	Upside is between 10%-20%
<b>Hold</b>	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
<b>Reduce/sell</b>	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%
<b>Not rated/Neutral</b>			

### 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:



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

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

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

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