

Price: 566

Recommendation: Buy

Industry: Heavy Electrical

Sector: Industrials

Report Date: 22-Mar-2025

Triveni Turbine Limited has demonstrated strong growth, achieving its highest-ever quarterly revenue of 5.03 billion, a 17% increase year-over-year. Export sales rose by 31%, making up 49% of total sales, highlighting its focus on international markets. The company is investing in long-duration energy storage systems, notably a 2.9 billion project at NTPC's Kudgi plant, emphasizing innovation and sustainability. With a record order book of 18.19 billion, Triveni is poised for future success.

Sales		Profit & Loss		Profitability Matrix	
Current Year	1687 Cr	Operating Profit(Year)	358 Cr	Operating Profit Margin	21.2 %
Previous Year	1083 Cr	Operating Profit(Quarter)	99.2 Cr	EBITDA Margin	16.72 %
Current Quarter	441 Cr	PAT (Year)	190 Cr	Net Profit Margin	13.8 %
Previous Quarter	469 Cr	PAT (Quarter)	93.0 Cr	EPS	10.7
Revenue (QYoY)	368 Cr				
Valuation Matrix		Growth(YoY)		Growth(QoQ)	
Trailing P/E	57.8	Sales Growth	31.4 %	Sales Growth	-5.97 %
PEG Ratio	3.35	PAT Growth	48.44 %	Sales Growth QYoY	19.84 %
EV/EBITDA	40.7	EPS Growth	62.61 %	PAT Growth	3.33 %
P/B	20.5	Dividend Yield	0.46	PAT Growth QYoY	58.43 %
Capital Allocation		Holdings		Leverage	
RoE	27.4 %	Promoter	55.8 %	Debt/Equity	0.00
RoA	14.8 %	FII	28.3 %	Debt	0.70 Cr
RoCE	37.6 %	DII	10.9 %	Market Cap	17978 Cr
RoIC	52.6 %	Public	4.90 %	Enterprise value	17532 Cr
		No of Shares	31.8 Cr	Cash Equivalents	446 Cr

source : Company filings

Company's Overview Based on Recent Concall and Performance:

Triveni Turbine Limited's recent earnings call highlighted several key initiatives and strategies aimed at sustaining growth and expanding market presence. The company reported its highest-ever quarterly revenue and EBITDA, with a revenue of 5.03 billion, marking a 17% year-over-year increase. Export sales saw a significant rise of 31%, contributing to 49% of total sales, reflecting the company's strategic focus on international markets. The company also achieved a record order book of 18.19 billion, a 15% increase year-over-year, indicating strong future prospects. The Board approved an interim dividend of 200%, showcasing confidence in the company's financial health.

In terms of new initiatives, Triveni Turbine is focusing on long-duration energy storage systems (LDES) with a notable project at NTPC's Kudgi Supercritical Thermal Power Plant. This 2.9 billion project involves setting up a CO₂-based energy storage system, highlighting the company's commitment to innovation and sustainability. The system is designed to stabilize the grid by storing and dispatching renewable energy, showcasing Triveni's efforts to diversify its product offerings and enter new markets. The company is also investing in R&D; to enhance its technology and product range, particularly in CO₂-based systems and steam cycle efficiencies.

Looking ahead, Triveni Turbine is optimistic about its growth and scaling potential. The company is confident in its ability to capture market share and expand its offerings, both in traditional steam markets and new technology areas. The Aftermarket segment is expected to be a strong growth driver, with plans to move towards higher value-added services. The company is also focusing on digital technologies and global collaborations to fuel sustainable long-term growth. Despite challenges in the domestic market, the company remains hopeful for a rebound, supported by a strong enquiry pipeline and strategic investments in technology and infrastructure.

On the positive side, Triveni Turbine's robust financial performance and strategic initiatives position it well for future growth. The company's focus on innovation and diversification is likely to yield significant benefits. However, there are areas for improvement, such as enhancing domestic order bookings and further optimizing costs in new projects. The company's ability to navigate geopolitical challenges and maintain competitive pricing will be crucial in sustaining its growth trajectory. Overall, Triveni Turbine's strategic direction and financial health provide a solid foundation for continued success.

TRITURBINE Daily Closing One Year Price Chart



Name	Mar Cap (Rs. Cr.)	P/E	ROE	Sales(G) QoQ	Sales(G) QYoY	PAT(G) QoQ	PAT(G) QYoY
CG Power & Ind	98038.75	104.65	57.78%	4.27%	27.13%	8.30%	21.01%
Suzlon Energy	76490.74	65.36	28.77%	41.43%	90.64%	93.27%	90.56%
B H E L	73802.33	142.18	1.13%	10.53%	32.22%	26.90%	123.31%
Waaree Energies	67594.86	68.40	33.35%	-3.28%	116.60%	36.23%	370.93%
Hitachi Energy	53752.94	171.32	12.74%	4.28%	27.16%	162.73%	498.08%

Aspect	Commentary
Revenue	The company achieved a significant increase in revenue, with a year-over-year growth of 31.4%. This indicates strong sales performance and effective market strategies, contributing to the company's robust financial health and potential for future expansion.
Profit & Loss	The profit and loss statement shows a healthy operating profit margin of 21.2% and a net profit margin of 13.8%, reflecting efficient cost management and strong profitability. The PAT growth of 48.44% year-over-year further underscores financial strength.
Profitability Matrix	The profitability matrix highlights a solid operating profit margin of 21.2% and an EBITDA margin of 16.72%, indicating effective operational efficiency. The net profit margin of 13.8% suggests strong bottom-line performance, enhancing shareholder value.
Valuation Matrix	The valuation metrics reveal a trailing P/E of 57.8 and a PEG ratio of 3.35, suggesting high market expectations for growth. The EV/EBITDA of 40.7 and P/B of 20.5 indicate a premium valuation, reflecting investor confidence in the company's prospects.
Growth (YoY)	Year-over-year growth metrics are impressive, with sales growth at 31.4% and PAT growth at 48.44%. EPS growth of 62.61% highlights strong earnings expansion, while a dividend yield of 0.46% indicates shareholder returns.
Growth (QoQ)	Quarter-over-quarter growth shows a slight decline in sales by 5.97%, but PAT growth of 3.33% suggests resilience. The QYoY sales growth of 19.84% and PAT growth of 58.43% indicate strong performance compared to the previous year.
Capital Allocation	The capital allocation metrics are robust, with RoE at 27.4%, RoA at 14.8%, and RoCE at 37.6%. RoIC of 52.6% indicates efficient use of capital, enhancing value creation for shareholders and supporting sustainable growth.
Holdings	The holdings structure shows a strong promoter holding of 55.8%, indicating confidence in the company's future. FII and DII holdings at 28.3% and 10.9% respectively, reflect institutional interest, while public holding is at 4.90%.
Leverage	The leverage metrics are favorable, with a debt/equity ratio of 0.00, indicating no significant debt burden. The market cap of 17978 Cr and enterprise value of 17532 Cr suggest strong market positioning and financial stability.

Analyst viewpoint: Triveni Turbine Limited has positioned itself as a compelling investment for the short to mid-term, underlined by its impressive financial performance and strategic growth initiatives. The company has achieved remarkable results, with a recent year's highest-ever quarterly revenue of 5.03 billion, marking a 17% increase year-over-year and a PAT growth of 48.44% annually. This exhibits a robust sales strategy and effective market penetration, particularly in international markets where export sales have jumped 31%, now constituting nearly half of the total sales. The firm's focus on diversifying its offerings, evidenced by its significant investment in long-duration energy storage systems, positions it well within an evolving energy landscape. Valuation metrics, including a trailing P/E of 57.8, indicate high investor confidence, complemented by a healthy capital allocation with a RoCE of 37.6% and zero debt burden, signaling sound financial health and stability.

Despite its strengths, Triveni Turbine's potential to optimize domestic order bookings remains an area for improvement. Nonetheless, its strong enquiry pipeline, digital technology advancements, and strategic collaborations are expected to catalyze sustained growth. The company's robust market strategy, bolstered by solid order bookings amounting to 18.19 billion, suggests a promising growth trajectory, further affirmed by a strategic expansion into higher value-added services. While navigating geopolitical and market challenges will be key to maintaining its competitive edge, Triveni Turbine's innovative drive and robust financial metrics lay a solid foundation for continued success.

Please read detailed disclosure on next page.

Explanation of Investment Rating*	
Investment Rating	Expected Return (over 12-month)
BUY	>=15%
SELL	<-10%
NEUTRAL	>-10% to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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