

Price: 536

Recommendation: Buy

Industry: Heavy Electrical

Sector: Industrials

Report Date: 03-Apr-2025

Triveni Turbine Limited recently reported its highest-ever quarterly revenue of 5.03 billion, a 17% increase year-over-year, with export sales surging by 31%. The company achieved a record order book of 18.19 billion and announced a 200% interim dividend. Key initiatives include a 160 MWh energy storage system at NTPC's Kudgi plant, focusing on CO2-based systems. Despite challenges in the domestic market, Triveni is poised for growth, emphasizing innovation and global collaborations.

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	54.7	Sales Growth	31.4 %	Sales Growth	-5.97 %
PEG Ratio	3.17	PAT Growth	48.44 %	Sales Growth QYoY	19.84 %
EV/EBITDA	38.5	EPS Growth	62.61 %	PAT Growth	3.33 %
P/B	19.3	Dividend Yield	0.49	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	17025 Cr
RoIC	52.6 %	Public	4.90 %	Enterprise value	16580 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. 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 surged by 31%, reflecting a strategic focus on international markets. The company achieved a record order book of 18.19 billion, a 15% increase year-over-year, and announced a 200% interim dividend, showcasing strong financial health. The management emphasized the importance of maintaining a balanced mix of domestic and export sales, with exports now constituting 49% of total sales.

The company is actively pursuing new initiatives to drive growth and diversification. A significant development is the award to set up a 160 mega-watt-hour long-duration energy storage system at NTPC's Kudgi Supercritical Thermal Power Plant. This project, valued at approximately 2.9 billion, involves the design and commissioning of a CO2-based energy storage system, highlighting Triveni's commitment to innovation and local manufacturing. The company is also investing in R&D; to enhance its product offerings, focusing on carbon dioxide-based systems and steam cycle efficiencies. These efforts aim to reduce costs and expand applications, positioning Triveni as a leader in sustainable power generation.

Looking ahead, Triveni Turbine is optimistic about its growth prospects. The company expects robust business performance in the medium term, supported by a strong order book and new product introductions. The Aftermarket segment, which includes spares, services, and refurbishment, is identified as a key growth area. Triveni is confident in its ability to capture market share and expand its offerings, particularly in the renewable energy sector. The company's strategic focus on digital technologies and global collaborations further strengthens its position for sustainable long-term growth.

While the company's performance is commendable, there are areas for improvement. The domestic order booking has been subdued, and the competitive intensity in the domestic market has increased. Triveni's strategy to focus on value-added services rather than price competition is prudent, but the company must continue to innovate and adapt to changing market dynamics. The successful execution of the NTPC project and the expansion of its R&D; capabilities will be critical in maintaining its competitive edge. Overall, Triveni Turbine is well-positioned for future growth, but it must navigate challenges in the domestic market and continue to leverage its strengths in international markets.

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	94178.35	100.49	57.78%	4.27%	27.13%	8.30%	21.01%
Suzlon Energy	77885.43	66.50	28.77%	41.43%	90.64%	93.27%	90.56%
B H E L	76152.68	146.79	1.13%	10.53%	32.22%	26.90%	123.31%
Waaree Energies	64204.88	64.91	33.35%	-3.28%	116.60%	36.23%	370.93%
Hitachi Energy	55286.47	176.20	12.74%	4.28%	27.16%	162.73%	498.08%

Aspect	Commentary
Revenue	The company achieved a significant revenue increase, with a 17% year-over-year growth, driven by a strategic focus on international markets. Export sales surged by 31%, reflecting strong global demand. This growth underscores the company's ability to capture market opportunities and expand its revenue base effectively.
Profit & Loss	Operating profit and PAT showed robust growth, with a 48.44% increase in PAT year-over-year. This indicates effective cost management and operational efficiency. The strong profit margins reflect the company's ability to convert revenue into profit, enhancing shareholder value.
Profitability Matrix	The company maintains healthy profitability metrics, with an operating profit margin of 21.2% and a net profit margin of 13.8%. These figures highlight the company's strong operational performance and ability to sustain profitability in a competitive market environment.
Valuation Matrix	The valuation metrics, including a trailing P/E of 54.7 and a PEG ratio of 3.17, suggest the company is valued at a premium, reflecting investor confidence in its growth prospects. The EV/EBITDA of 38.5 indicates a high valuation relative to earnings, warranting careful consideration.
Growth (YoY)	Year-over-year growth metrics are impressive, with sales growth at 31.4% and EPS growth at 62.61%. This strong growth trajectory indicates the company's successful execution of its strategic initiatives and its ability to deliver consistent financial performance.
Growth (QoQ)	Quarter-over-quarter growth shows a slight decline in sales by 5.97%, but PAT growth remains positive at 3.33%. This suggests resilience in profitability despite short-term sales fluctuations, highlighting the company's focus on maintaining profit margins.
Capital Allocation	The company demonstrates efficient capital allocation with a RoE of 27.4% and RoCE of 37.6%. These metrics indicate strong returns on equity and capital employed, reflecting effective management of resources to generate shareholder value.
Holdings	The promoter holding stands at 55.8%, indicating strong insider confidence. Institutional investors, including FIIs and DIIs, hold significant stakes, reflecting institutional trust in the company's long-term prospects and governance standards.
Leverage	The company maintains a conservative leverage position with a debt/equity ratio of 0.00, indicating financial prudence and a strong balance sheet. This low leverage enhances financial flexibility and reduces risk, supporting sustainable growth.

Analyst viewpoint: Triveni Turbine Limited presents a compelling investment opportunity with notable short to mid-term growth potential. The company reported a remarkable 17% year-over-year revenue growth, highlighted by a significant 31% surge in export sales, underscoring its successful expansion into international markets. This robust growth trajectory is supported by a record order book of 18.19 billion and a strategic focus on innovation, particularly in CO2-based energy storage systems, positioning Triveni as a leader in sustainable power solutions. Valuation metrics indicate a premium standing in the market, with a trailing P/E of 54.7 and a PEG ratio of 3.17, reflecting investor confidence buoyed by strong profitability margins and a prudent capital allocation strategy with a RoE of 27.4%. Despite a marginal decline in quarter-over-quarter sales, the company maintained a positive profit after tax growth of 3.33%, reinforcing its ability to generate sustainable returns.

In terms of competition, Triveni exhibits a strong market presence amidst peers, leveraging its R&D capabilities to enhance competitiveness and meet evolving market demands. The company's focus on digital technologies and global collaborations further fortifies its market position, anticipating continued growth in the renewable sector. Although the domestic market exhibits heightened competitive intensity, the company's prudent strategy in prioritizing value-added services over sheer price competition remains a prudent approach. While Triveni is well-aligned for expansion, attentiveness to domestic market challenges and ensuring successful execution of ongoing projects will be vital for maintaining its upward momentum.

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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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