

Price: 540

Recommendation: Buy

Industry: Heavy Electrical

Sector: Industrials

Report Date: 02-Apr-2025

Triveni Turbine Limited has achieved its highest-ever quarterly revenue and EBITDA, with a 17% year-over-year increase to 5.03 billion. Export sales rose by 31%, contributing to a 49% increase in export as a percentage of total sales. The company is expanding in renewable energy, with a 2.9 billion project at NTPC's Kudgi plant. Despite strong performance, domestic order bookings are subdued, and the company must address these challenges for balanced growth.

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	55.2	Sales Growth	31.4 %	Sales Growth	-5.97 %
PEG Ratio	3.19	PAT Growth	48.44 %	Sales Growth QYoY	19.84 %
EV/EBITDA	38.8	EPS Growth	62.61 %	PAT Growth	3.33 %
P/B	19.5	Dividend Yield	0.48	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	17181 Cr
RoIC	52.6 %	Public	4.90 %	Enterprise value	16735 Cr
		No of Shares	31.8 Cr	Cash Equivalents	446 Cr

source : Company filings

Company's Overview Based on Recent Concall and Performance:

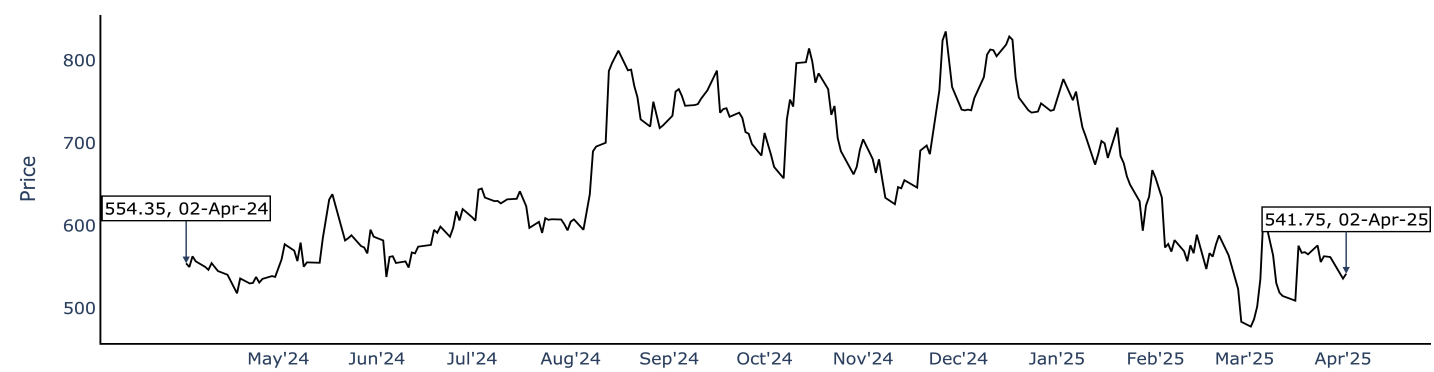
Triveni Turbine Limited's recent earnings call highlighted several key initiatives and strategies. The company reported its highest-ever quarterly revenue and EBITDA, with a revenue of 5.03 billion, marking a 17% year-over-year increase. Export sales saw a significant rise of 31%, contributing to a 49% increase in export as a percentage of total sales. The company also achieved a record closing order book of 18.19 billion, a 15% increase year-over-year. The Board approved an interim dividend of 200%, reflecting a 54% increase. These figures underscore the company's robust financial health and strategic focus on expanding its international footprint.

The company is actively pursuing new initiatives, particularly in the renewable energy sector. It received a notice of award to set up a 160 mega-watt-hour long-duration energy storage system at NTPC's Kudgi Supercritical Thermal Power Plant, valued at approximately 2.9 billion. This project involves the design, engineering, and commissioning of a CO₂-based energy storage system, showcasing Triveni's commitment to local innovation and manufacturing. The company is also investing in R&D; to enhance its technology offerings, focusing on carbon dioxide-based systems and steam cycle efficiencies. These efforts are aimed at reducing costs and expanding application variety, positioning Triveni as a leader in sustainable power generation solutions.

Looking ahead, Triveni Turbine is optimistic about its growth prospects. The company expects to maintain strong business performance, supported by a healthy order book and new product introductions. The Aftermarket segment, which includes spares, services, and refurbishment, is anticipated to be a significant growth driver. Triveni is also expanding its manufacturing capacity and R&D; infrastructure to support future growth. The company's strategic diversification into new markets and technologies, such as CO₂ turbines, is expected to provide additional revenue streams and sustain long-term growth.

While the company's performance is commendable, there are areas for improvement. Domestic order bookings have been subdued, and the competitive intensity in the domestic market has increased. Triveni's focus on export markets and high-value segments is a positive strategy, but the company must also address domestic market challenges to ensure balanced growth. Additionally, while the CO₂-based energy storage project is a promising diversification effort, its profitability remains to be seen. Overall, Triveni Turbine's strategic initiatives and robust financial performance position it well for future growth, but careful attention to domestic market dynamics and project execution will be crucial.

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	95110.91	101.46	57.78%	4.27%	27.13%	8.30%	21.01%
Suzlon Energy	77844.82	66.47	28.77%	41.43%	90.64%	93.27%	90.56%
B H E L	73906.77	142.40	1.13%	10.53%	32.22%	26.90%	123.31%
Waaree Energies	65252.04	66.05	33.35%	-3.28%	116.60%	36.23%	370.93%
Hitachi Energy	55414.14	176.67	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, driven by both domestic and international markets. The quarterly revenue, however, showed a slight decline, suggesting potential seasonal or market fluctuations.
Profit & Loss	Operating profit and PAT have shown robust growth, with a year-over-year increase of 48.44% in PAT. This reflects effective cost management and operational efficiency. The quarterly PAT growth is modest, indicating stable profitability despite market challenges.
Profitability Matrix	The company maintains healthy profitability margins, with an operating profit margin of 21.2% and a net profit margin of 13.8%. These figures suggest strong operational control and effective pricing strategies, contributing to overall financial health.
Valuation Matrix	The valuation metrics indicate a high market valuation, with a trailing P/E of 55.2 and a PEG ratio of 3.19. This suggests investor confidence in future growth prospects, although the high P/B ratio of 19.5 may indicate overvaluation concerns.
Growth (YoY)	Year-over-year growth metrics are strong, with significant increases in sales, PAT, and EPS. This reflects the company's successful expansion strategies and market penetration, positioning it well for sustained growth in the coming years.
Growth (QoQ)	Quarter-over-quarter growth shows mixed results, with a decline in sales but a slight increase in PAT. This suggests potential short-term challenges in revenue generation, but stable profitability due to effective cost management.
Capital Allocation	The company demonstrates efficient capital allocation, with high returns on equity, assets, and capital employed. This indicates effective use of resources to generate shareholder value and sustain long-term growth.
Holdings	The ownership structure is stable, with a majority held by promoters and significant foreign institutional investment. This reflects confidence in the company's governance and strategic direction, supporting its market position.
Leverage	The company maintains a strong balance sheet with minimal debt, reflected in a debt/equity ratio of 0.00. This financial stability provides flexibility for future investments and growth opportunities without significant financial risk.

Analyst viewpoint: Triveni Turbine Limited is positioned robustly from a short to mid-term growth perspective. The company has recently reported its highest-ever quarterly revenue and EBITDA, with an impressive 17% year-over-year increase, highlighting its strong market performance. Export sales have surged by 31%, now comprising 49% of total sales, showcasing strategic expansion in international markets. The recent order book closure saw a record increase of 15% year-over-year, underpinning future growth potential. The company's strategic focus on renewable energy, marked by a significant 2.9 billion CO2-based energy storage project at NTPC's Kudgi plant, emphasizes its commitment to sustainable innovation and diversification. Additionally, the firm's sound capital allocation strategies, demonstrated by high returns on equity and minimal leverage, underscore a solid financial foundation.

While Triveni Turbine's overall outlook remains bullish, it's important to note the current subdued domestic order bookings, which present a minor challenge that the company needs to address. Despite this, the strategic focus on high-value export markets and continued investment in R&D; is expected to drive sales and profit growth, maintaining investor confidence reflected in a P/E ratio of 55.2. With additional growth anticipated from the Aftermarket segment and expanded manufacturing capacities, Triveni is well-positioned to sustain its market leadership in the power generation sector. This trajectory provides compelling reasons for investors to consider a bullish stance on the company's stock.

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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