

February 4, 2025

Q3FY25 Result Update

☑ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	800		800	
Sales (Rs. m)	27,371	36,189	27,776	36,812
% Chng.	(1.5)	(1.7)		
EBITDA (Rs. m)	6,133	8,145	6,113	8,234
% Chng.	0.3	(1.1)		
EPS (Rs.)	16.0	21.2	16.0	21.2
% Chng.	0.3	(0.2)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25E	FY26E	FY27E
Sales (Rs. m)	16,539	20,409	27,371	36,189
EBITDA (Rs. m)	3,119	4,451	6,133	8,145
Margin (%)	18.9	21.8	22.4	22.5
PAT (Rs. m)	2,621	3,689	5,096	6,728
EPS (Rs.)	8.2	11.6	16.0	21.2
Gr. (%)	36.1	40.8	38.1	32.0
DPS (Rs.)	2.9	4.1	5.6	7.4
Yield (%)	0.5	0.6	0.9	1.2
RoE (%)	30.5	34.2	37.3	38.5
RoCE (%)	33.9	38.9	43.0	45.0
EV/Sales (x)	11.7	9.4	7.0	5.2
EV/EBITDA (x)	61.9	43.1	31.0	23.0
PE (x)	76.9	54.6	39.6	30.0
P/BV (x)	21.0	16.8	13.2	10.2

Key Data

TRVT.BO | TRIV IN

52-W High / Low	Rs.885 / Rs.350
Sensex / Nifty	77,187 / 23,361
Market Cap	Rs.202bn / \$ 2,311m
Shares Outstanding	318m
3M Avg. Daily Value	Rs.1899.98m

Shareholding Pattern (%)

Promoter's	55.84
Foreign	28.34
Domestic Institution	10.92
Public & Others	4.90
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(18.5)	4.3	73.0
Relative	(16.4)	9.5	61.6

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Healthy Q3; expanding horizons with CO2 storage

Quick Pointers:

- Order inflows came in flat at Rs5.3bn with a domestic/export mix of 34%/66%
- Order book stood at Rs18.2bn (0.9x of TTM revenue) with a domestic/export mix of 35%/65% (vs 52%/48% in Q3FY24)

Triveni Turbine (TRIV) reported revenue growth of 16.6% YoY in Q3FY25. EBITDA margin improved by 232bps YoY to 21.7%. Despite subdued domestic order booking during the quarter, enquiry generation remained strong across key industrial segments such as steel, cement, and oil & gas. Encouraged by an uptick in domestic order finalization in Q3, the management expects improved order booking in Q4FY25. TRIV's strategic entry into CO2-based energy storage systems marks a significant growth opportunity, positioning it at the forefront of emerging energy transition technologies. This initiative, coupled with its planned annual capex of Rs1.2-1.5bn to enhance and modularize its capabilities, including investments in R&D, will drive the next phase of growth. Internationally, TRIV continues to witness robust demand from the renewable energy sector, particularly in waste-to-heat energy, geothermal, small modular reactors, and biomass-based power generation. Additionally, its strong order book for API and IPG turbines provides visibility for sustained growth in the products segment. The company is also leveraging its expanding aftermarket offerings—including spare parts, services, and refurbishments—to strengthen its presence in the rotating equipment space.

We believe TRIV's prospects continue to remain strong due to 1) healthy enquiry pipeline across markets, 2) growing share of higher margin exports & aftermarket sales, 3) strong traction in both industrial & API drive turbines, and 4) robust order book with strong inflows across businesses. The stock is trading at a P/E of 39.6x/30.0x on FY26/27E EPS. We maintain our 'Buy' rating with a TP of Rs800 (same as earlier), valuing the stock at a P/E of 43x Sep-26E (same as earlier).

Healthy product and aftermarket sales propel strong growth: Consolidated revenue grew 16.6% YoY to Rs5.0bn (Ple: Rs5.7bn) driven Product revenue growth of 13.8% YoY to Rs3.3bn and Aftermarket revenue growth of 22.1% YoY to Rs1.8bn. Gross margin declined by 129bps YoY 49.5% (PLe: 51.0%). EBITDA rose 30.6% YoY to Rs1.1bn (PLe: Rs1.2bn). EBITDA margin improved by 232bps to 21.7% (PLe: 21.7%), aided by relatively lower other expenses (down 465bps YoY as % of sales). PBT grew 31.6% YoY to Rs1.2bn (PLe: Rs1.3bn) aided by healthy operating performance and higher other income (up 28.3% YoY to Rs221mn). Adj. PAT grew 35.5% YoY to Rs924mn (PLe: Rs1.0bn) aided lower tax base (25.7% vs 27.9% in Q3FY24).

Robust order intake from exports drive OB of Rs18.2bn (0.9x of TTM revenue): Q3FY25 order inflow came in flat at Rs5.3bn primarily due to healthy export order intake (+9.3% YoY to Rs3.5bn) partially offset by lower domestic order intake (-16.1% YoY to Rs1.8bn). Product orders increased by 5.6% YoY to Rs4.0bn, while aftermarket orders declined 16.9% YoY to Rs1.3bn). Order book stood at Rs18.2bn (0.9x of TTM revenue) with a domestic/export mix of 35%/65% (vs 52%/48% in Q3FY24) and a product/aftermarket mix of 87%/13% (vs 83%/17% in Q3FY24).

Exhibit 1: Sales of Rs5.0bn had a product/aftermarket mix of 65%/35% and domestic/export mix of 51%/49%

Y/e March (Rs mn)	Q3FY25	Q3FY24	YoY gr.	Q3FY25E	% Var.	Q2FY25	QoQ gr.	9MFY25	9MFY24	YoY gr.
Sales	5,034	4,317	16.6%	5,652	-10.9%	5,011	0.5%	14,678	11,959	22.7%
Gross Profit	2,492	2,193	13.6%	2,882	-13.5%	2,469	0.9%	7,363	6,034	22.0%
Margin (%)	49.5	50.8	(129)	51.0	(149.7)	49.3	23	50.2	50.5	(29)
Employee Cost	520	401	29.6%	565	-8.0%	517	0.6%	1,516	1,204	25.8%
as % of sales	10.3	9.3	104	10.0	33.0	10.3	1	10.3	10.1	25
Other expenditure	879	955	-7.9%	1,091	-19.4%	838	4.9%	2,685	2,540	5.7%
as % of sales	17.5	22.1	(465)	19.3	(183.9)	16.7	74	18.3	21.2	(295)
EBITDA	1,093	837	30.6%	1,226	-10.9%	1,114	-1.9%	3,163	2,290	38.1%
Margin (%)	21.7	19.4	232	21.7	1.2	22.2	(52)	21.5	19.1	240
Depreciation	65	55	18.6%	60	8.3%	61	6.6%	188	155	21.2%
EBIT	1,028	782	31.4%	1,166	-11.9%	1,053	-2.4%	2,976	2,135	39.4%
Margin (%)	20.4	18.1	230	20.6	(21.7)	21.0	(59)	20.3	17.9	242
Other Income	221	172	28.3%	170	30.0%	196	12.8%	611	451	35.4%
Interest	4	6	-32.2%	8	-50.0%	8	-50.0%	22	19	15.6%
PBT (ex. Extra-ordinaries)	1,246	947	31.6%	1,328	-6.2%	1,241	0.4%	3,565	2,564	39.1%
Margin (%)	24.8	21.9	281	23.5	124.7	24.8	(1)	24.3	21.4	285
Extraordinary Items	-	-	-	-	-	-	-	-	-	-
PBT	1,246	947	31.6%	1,328	-6.2%	1,241	0.4%	3,565	2,564	39.1%
Total Tax	320	264	21.2%	325	-1.7%	331	-3.3%	925	631	46.7%
Effective Tax Rate (%)	25.7	27.9	(220)	24.5	118.2	26.7	(99)	26.0	24.6	135
Reported PAT	926	683	35.6%	1,003	-7.7%	910	1.8%	2,640	1,933	36.6%
Adj. PAT	924	682	35.5%	1,003	-7.9%	909	1.7%	2,633	1,932	36.3%
Margin (%)	18.4	15.8	256	17.7	60.9	18.1	22	17.9	16.2	179
Adj. EPS	2.9	2.1	35.6%	3.2	-7.7%	2.9	1.8%	8.3	6.1	36.6%

Source: Company, PL

Exhibit 2: Order intake came in at Rs5.3bn with product/aftermarket mix of 76%/24% and domestic/export mix of 34%/66%

	Q3FY25	Q3FY24	YoY gr.	Q2FY25	QoQ gr.	9MFY25	9MFY24	YoY gr.
Segmental Performance								
Revenue								
Product	3,263	2,867	13.8%	3,894	-16.2%	9,693	8,017	20.9%
Aftermarket	1,771	1,450	22.1%	1,758	0.8%	4,985	3,942	26.5%
Total	5,034	4,317	16.6%	5,652	-10.9%	14,678	11,959	22.7%
Order Inflow								
Product	3,981	3,770	5.6%	4,450	-10.5%	12,830	9,902	29.6%
Aftermarket	1,283	1,543	-16.9%	1,850	-30.6%	4,516	4,530	-0.3%
Total	5,264	5,313	-0.9%	6,300	-16.4%	17,346	14,432	20.2%
Order Book								
Product	15,845	13,139	20.6%	15,684	1.0%	15,845	13,139	20.6%
Aftermarket	2,348	2,615	-10.2%	2,927	-19.8%	2,348	2,615	-10.2%
Total	18,193	15,754	15.5%	18,611	-2.2%	18,193	15,754	15.5%
Domestic/Export Mix								
Revenue								
Domestic	2,544	2,418	5.2%	2,554	-0.4%	7,810	6,485	20.4%
Export	2,490	1,899	31.1%	3,097	-19.6%	6,868	5,474	25.5%
Total	5,034	4,317	16.6%	5,652	-10.9%	14,678	11,959	22.7%
Order Inflow								
Domestic	1,800	2,145	-16.1%	2,800	-35.7%	6,643	6,832	-2.8%
Export	3,464	3,168	9.3%	3,500	-1.0%	10,703	7,600	40.8%
Total	5,264	5,313	-0.9%	6,300	-16.4%	17,346	14,432	20.2%
Order Book								
Domestic	6,351	8,137	-21.9%	7,341	-13.5%	6,351	8,137	-21.9%
Export	11,842	7,617	55.5%	11,271	5.1%	11,842	7,617	55.5%
Total	18,193	15,754	15.5%	18,611	-2.2%	18,193	15,754	15.5%

Source: Company, PL

Conference Call Highlights

- **Domestic orders:** Domestic order booking remained subdued during Q3FY25. However, the enquiry pipeline remains healthy, suggesting a rebound in the domestic order booking. Enquiry generation was up ~59% in Q3FY25 and ~70% year-to-date. The traction in enquiry generation was seen from steel, cement and oil and gas industries while order booking was from a mixed bag. Company saw an order finalization uptick during the quarter and is optimistic about the order booking prospects in Q4FY25.
- **Aftermarket order booking declined ~17% YoY to Rs1.3bn:** Aftermarket segment is believed to be a growth segment for the company and management expects it to grow faster than its products business. While this segment has its own challenges in each of the geographies served, the refurbishments business has seen uptick in its enquiry pipeline. **Globally, Triveni's market share in the aftermarket segment lies between 0.5-1%.** Management's capability building initiatives in different export regions including USA is expected to garner better margins with higher market share.
- **Domestic market dynamics:** The domestic market witnessed a decline in FY25. Despite intensifying competition, Triveni has successfully retained its market leadership with a stable ~50% share. In response to increased price competition, the company is adopting a selective approach to order booking.
- **Exports:** The international business is experiencing strong demand, particularly from the renewable energy sector, including waste-to-heat energy, geothermal, small modular reactors, and biomass-based power generation. Amid geopolitical uncertainties, export markets are increasingly prioritizing products with higher localization. Triveni remains confident in meeting this demand by enhancing its capabilities within key geographies.
- **Capex:** Management expects a healthy increase in the order booking going forward. For which, it plans to augment and enhance its capacity with an **estimated capex of Rs1.2-1.5bn per annum for the next few years.** It will be investing in its R&D infrastructure and towards indigenizing the testing capacities in India. It will also modify its engineering platforms and improve supply chain and vendor base.
- **CO2 based energy storage systems:** Triveni views CO2-based energy storage systems as a rapidly growing opportunity and was recently awarded a Rs2.6bn contract for a 160 MWh project. The scope includes engineered-to-order sub-critical CO2 turbines, compressors, and heat exchangers, with civil work accounting for 10-12% of the total. The project is expected to yield standard domestic margins. Triveni aims to make CO2-based storage cost-competitive with lithium-ion systems, targeting a reduction from the current \$200,000 per MWh to \$120,000 per MWh, while offering a product lifespan of 30-35 years.
- **The USA market** continues to be an investment market for Triveni and YTD it has incurred losses of Rs200mn (expects ~Rs250mn in FY25). Due to its capability building venture in the USA, the order booking has seen slight delay. Management expects high enquiry generation from this market spanning across applications from process co-generation and new renewable energy. USA being a very competitive market, gaining market share will be slower for Triveni.

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Net Revenues	16,539	20,409	27,371	36,189
YoY gr. (%)	32.6	23.4	34.1	32.2
Cost of Goods Sold	8,192	10,111	13,423	17,784
Gross Profit	8,347	10,298	13,948	18,405
Margin (%)	50.5	50.5	51.0	50.9
Employee Cost	1,613	2,041	3,120	4,162
Other Expenses	2,969	2,919	3,503	4,451
EBITDA	3,119	4,451	6,133	8,145
YoY gr. (%)	33.4	42.7	37.8	32.8
Margin (%)	18.9	21.8	22.4	22.5
Depreciation and Amortization	208	252	261	275
EBIT	2,912	4,199	5,872	7,870
Margin (%)	17.6	20.6	21.5	21.7
Net Interest	27	33	16	22
Other Income	622	765	911	1,122
Profit Before Tax	3,507	4,932	6,767	8,970
Margin (%)	21.2	24.2	24.7	24.8
Total Tax	883	1,243	1,672	2,243
Effective tax rate (%)	25.2	25.2	24.7	25.0
Profit after tax	2,624	3,689	5,096	6,728
Minority interest	4	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	2,621	3,689	5,096	6,728
YoY gr. (%)	36.1	40.8	38.1	32.0
Margin (%)	15.8	18.1	18.6	18.6
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	2,621	3,689	5,096	6,728
YoY gr. (%)	36.1	40.8	38.1	32.0
Margin (%)	15.8	18.1	18.6	18.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	2,621	3,689	5,096	6,728
Equity Shares O/s (m)	318	318	318	318
EPS (Rs)	8.2	11.6	16.0	21.2

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Non-Current Assets				
Gross Block	4,118	4,418	5,018	5,618
Tangibles	4,118	4,418	5,018	5,618
Intangibles	-	-	-	-
Acc: Dep / Amortization	1,370	1,622	1,883	2,158
Tangibles	1,370	1,622	1,883	2,158
Intangibles	-	-	-	-
Net fixed assets	2,748	2,797	3,136	3,460
Tangibles	2,748	2,797	3,136	3,460
Intangibles	-	-	-	-
Capital Work In Progress	93	93	93	93
Goodwill	-	-	-	-
Non-Current Investments	288	353	465	389
Net Deferred tax assets	(89)	(89)	(89)	(89)
Other Non-Current Assets	91	122	164	217
Current Assets				
Investments	4,556	5,306	6,569	8,685
Inventories	2,263	2,852	3,824	4,561
Trade receivables	1,781	2,125	2,850	3,371
Cash & Bank Balance	4,025	4,492	4,744	5,512
Other Current Assets	338	510	684	832
Total Assets	16,537	19,058	23,048	27,699
Equity				
Equity Share Capital	318	318	318	318
Other Equity	9,280	11,678	14,990	19,363
Total Network	9,598	11,996	15,308	19,681
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	1,746	1,789	2,175	2,280
Other current liabilities	5,089	5,169	5,462	5,634
Total Equity & Liabilities	16,537	19,058	23,048	27,699

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
PBT	3,576	4,932	6,767	8,970
Add. Depreciation	208	252	261	275
Add. Interest	27	33	16	22
Less Financial Other Income	622	765	911	1,122
Add. Other	(555)	-	-	-
Op. profit before WC changes	3,256	5,216	7,045	9,267
Net Changes-WC	181	(1,132)	(1,459)	(1,164)
Direct tax	734	1,243	1,672	2,243
Net cash from Op. activities	2,703	2,841	3,915	5,861
Capital expenditures	(312)	(300)	(600)	(600)
Interest / Dividend Income	175	-	-	-
Others	(1,811)	(750)	(1,263)	(2,116)
Net Cash from Inv. activities	(1,948)	(1,050)	(1,863)	(2,716)
Issue of share cap. / premium	-	-	-	-
Debt changes	(6)	-	-	-
Dividend paid	(731)	(1,291)	(1,784)	(2,355)
Interest paid	(27)	(33)	(16)	(22)
Others	-	-	-	-
Net cash from Fin. activities	(764)	(1,324)	(1,800)	(2,376)
Net change in cash	(8)	467	252	768
Free Cash Flow	2,386	2,541	3,315	5,261

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25E	FY26E	FY27E
Per Share(Rs)				
EPS	8.2	11.6	16.0	21.2
CEPS	8.9	12.4	16.9	22.0
BVPS	30.2	37.7	48.2	61.9
FCF	7.5	8.0	10.4	16.5
DPS	2.9	4.1	5.6	7.4
Return Ratio(%)				
RoCE	33.9	38.9	43.0	45.0
ROIC	58.0	66.4	72.8	84.0
RoE	30.5	34.2	37.3	38.5
Balance Sheet				
Net Debt : Equity (x)	(0.9)	(0.8)	(0.7)	(0.7)
Net Working Capital (Days)	51	57	60	57
Valuation(x)				
PER	76.9	54.6	39.6	30.0
P/B	21.0	16.8	13.2	10.2
P/CEPS	71.3	51.1	37.6	28.8
EV/EBITDA	61.9	43.1	31.0	23.0
EV/Sales	11.7	9.4	7.0	5.2
Dividend Yield (%)	0.5	0.6	0.9	1.2

Source: Company Data, PL Research

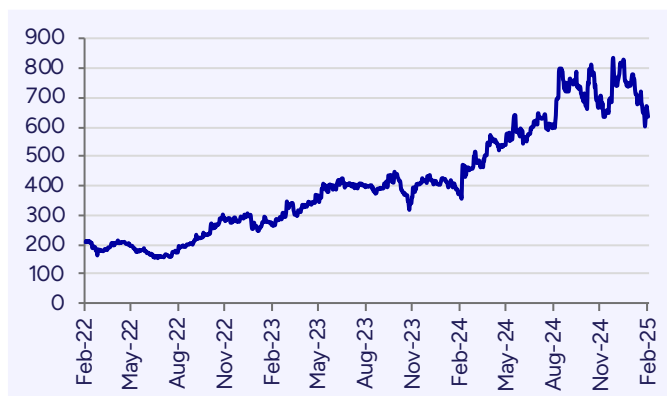
Quarterly Financials (Rs m)

Y/e Mar	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Net Revenue	4,581	4,633	5,011	5,034
YoY gr. (%)	23.9	23.1	29.2	16.6
Raw Material Expenses	2,267	2,231	2,542	2,542
Gross Profit	2,313	2,402	2,469	2,492
Margin (%)	50.5	51.8	49.3	49.5
EBITDA	898	956	1,114	1,093
YoY gr. (%)	35.4	34.8	49.8	30.6
Margin (%)	19.6	20.6	22.2	21.7
Depreciation / Depletion	53	62	61	65
EBIT	845	895	1,053	1,028
Margin (%)	18.5	19.3	21.0	20.4
Net Interest	7	10	8	4
Other Income	171	194	196	221
Profit before Tax	1,009	1,078	1,241	1,245
Margin (%)	22.0	23.3	24.8	24.7
Total Tax	252	274	331	320
Effective tax rate (%)	25.0	25.4	26.7	25.7
Profit after Tax	757	804	910	925
Minority interest	2	4	1	2
Share Profit from Associates	5	-	-	1
Adjusted PAT	760	800	909	924
YoY gr. (%)	36.9	31.7	41.5	35.5
Margin (%)	16.6	17.3	18.1	18.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	760	800	909	924
YoY gr. (%)	36.9	31.7	41.5	35.5
Margin (%)	16.6	17.3	18.1	18.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	760	800	909	924
Avg. Shares O/s (m)	318	318	318	318
EPS (Rs)	2.4	2.5	2.9	2.9

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Jan-25	BUY	800	739
2	13-Nov-24	BUY	800	648
3	07-Oct-24	BUY	719	671
4	07-Aug-24	BUY	719	619
5	08-Jul-24	Hold	653	633
6	17-May-24	Hold	653	631
7	12-Apr-24	BUY	532	555
8	07-Feb-24	BUY	532	425

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	Accumulate	8,133	6,657
2	Apar Industries	Accumulate	8,219	7,179
3	BEML	Accumulate	4,332	3,733
4	Bharat Electronics	BUY	340	279
5	BHEL	Accumulate	226	200
6	Carborundum Universal	Accumulate	1,583	1,245
7	Cummins India	Accumulate	4,139	3,164
8	Elgi Equipments	Accumulate	607	548
9	Engineers India	BUY	247	182
10	GE Vernova T&D India	Accumulate	1,962	1,991
11	Grindwell Norton	BUY	2,511	1,850
12	Harsha Engineers International	Accumulate	561	493
13	Hindustan Aeronautics	Accumulate	4,692	4,110
14	Ingersoll-Rand (India)	BUY	4,467	3,800
15	Kalpataru Projects International	Accumulate	1,306	1,245
16	KEC International	Hold	997	1,049
17	Kirloskar Pneumatic Company	BUY	1,564	1,013
18	Larsen & Toubro	BUY	4,025	3,421
19	Praj Industries	BUY	751	632
20	Siemens	Accumulate	7,716	6,297
21	Thermax	Reduce	4,275	3,982
22	Triveni Turbine	BUY	800	739
23	Voltamp Transformers	BUY	11,437	8,358

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

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