



Triveni Turbine Limited

Q2 & H1FY26 Earnings Conference Call Transcript

November 12, 2025

Moderator:

Ladies and gentlemen, good day and welcome to the Q2 and H1 FY 2026 Earnings Conference Call of Triveni Turbine Limited. As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * then 0 on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rishab Barar. Thank you, and over to you.

Rishab Barar:

Good day, everyone, and a warm welcome to all of you participating in the Q2 and H1 FY 2026 earnings conference call of Triveni Turbine Limited. We have with us today on the call Mr. Nikhil Sawhney, Vice Chairman and Managing Director; Mr. S.N. Prasad, Chief Executive Officer; Mr. Sachin Parab, Chief Operating Officer; Mr. Lalit Agarwal, Chief Financial Officer; and Ms. Surabhi Chandna and Amit Shah from the Investor Relations team.

Before we begin, I would like to mention that some statements made in today's discussion may be forward-looking in nature, and a statement to this effect has been included in the invite, which was mailed to everybody earlier.

I would now like to emphasize that while this call is open to all invitees, it may not be broadcasted or reproduced in any form or manner. We will start this call with opening remarks from the management, following which we will have an interactive question-and-answer session.

I now request Mr. Nikhil Sawhney to share some perspectives with you with regard to the operations and outlook for the business. Over to you, Mr. Sawhney.

Nikhil Sawhney:

Thank you very much, Rishab. A very good afternoon, everyone, and welcome to the Q2 H1 results call for Triveni Turbine Limited.

The quarter under review has shown a flat growth pretty much to the same period as last year. But having said that, the revenue from operations were at ₹5.06 billion and EBITDA at ₹1.33 billion and a profit after tax of ₹914 million, all improved marginally on a year-on-year basis.

We're also pleased to report a record order booking of ₹6.52 billion during this quarter, which is 14% higher on a year-on-year basis, driven primarily on robust domestic order booking. As a result of which, the closing order booking as of the 30th of September stood at, again, an all-time high of ₹22.20 billion, up 24% year-over-year. Over the past three years, the outstanding order book has nearly doubled, underscoring the company's strong market position, consistent performance and is a testament to its sustained growth trajectory.

The Product segment turnover for the quarter was at ₹3.29 billion, which is a marginal decline of 2% over the previous year. However, the Aftermarket turnover was a record ₹1.78 billion during the quarter, an increase of 8% year-over-year. As a result, the Aftermarket segment contribution to turnover enhanced to a robust 35% in Q2 FY 2026 as compared to 33% in Q2 FY 2025.

Domestic sales declined by 20% to ₹2.24 billion, while export sales increased 27% to ₹2.82 billion. Export contribution to sales increased by 56% in the second quarter of FY 2026 as compared to 44% in the second quarter of FY 2025.

On the order booking, the company achieved record order booking, and this was largely driven by the domestic order booking, which grew at a very rapid pace of 52% year-over-year to ₹4.07 billion and now contributes 62% to the overall order booking in the quarter. Export order booking at the same time declined by 19% year-over-year to ₹2.46 billion, and it was impacted by certain global trade uncertainties.

On the Product side, order booking for the segment increased by 14% year-over-year to ₹4.54 billion, and we continue to witness strong momentum in domestic markets in the segment of steel, sugar, cement as well as in terms of drive turbines for the utility power segment. The Aftermarket business has been expanding its horizons as well through a

wider array of customer solutions going beyond industrial steam turbines to other rotating equipments, while still expanding its global footprint.

During the quarter, the segment reported a record order booking of ₹1.99 billion, which included new marquee orders and led to a growth of 15% year-over-year when compared with the corresponding period of the previous year. The outstanding positions, as I've stated, are record at ₹22.2 billion and which is 24% higher year-over-year. Domestic outstanding order book is also at an all-time high of ₹10.96 billion, which grew 55% as compared to the previous year. At the same time, the export outstanding order book stood at ₹11.23 billion as on the 30th of September, up 3% and contributes 51% of the closing order book.

Our order booking is a reflection of our enquiry book, which remains extremely healthy and gives us good visibility in terms of order booking, not only in the near term, but in the medium term. This comes from a variety of different sectors and geographies and gives us confidence that not only will we see and continue to see growth in the domestic market in terms of growth of enquiry book, but equally in the export market, which may get delayed in terms of order finalisation given global uncertainties. Having said that, our confidence in terms of growth in both segments and their contribution to revenue remains very optimistic.

There's an update that the company has in terms of its subsidiary, which is TSE. We recently announced the acquisition of the remaining 30% equity stake in TSE Engineering Pty. Limited in South Africa for a cash consideration of ZAR 10.97 million, which is ₹56 million. And after the consummation of the acquisition, TSE shall become a wholly owned step-down subsidiary of the company. This is in line with the company's strategic objective to consolidate its ownership and strengthen operational control over its subsidiaries. The move will enable simplifying the group structure, enhance decision-making and agility, while at the same time, aligning the group's long-term business goals, which would realise operational synergies and cost efficiencies through a unified management and streamlined process.

The outlook for the company, as I said, remains very confident. As we've stated in the Q1 earnings conference call, the growth for financial year FY 2026 will be back ended. Q3 and Q4 will represent higher growth rates in terms of revenue, but this is a reflection of two things. One is the order book that we have at that point in time and the execution that the customers demand. And at the same time, it was also slightly delayed

due to the uncertainties, which pushed some Q1 revenue on to subsequent quarters.

But the revenue from operations has declined in the H1 by 9% year-over-year to ₹8.78 billion as compared to ₹9.54 billion in H1 FY 2025. And the profit again was down by 9.1% year-over-year. And this decline on the half year basis is something that we not only aim to make up but grow on in the coming quarters.

Having said that, the company continues to focus on R&D in terms of developing new products and as well as commercialising those products with our customers, not only in India and internationally. We'd be happy to give an update in terms of the enquiry levels that we're receiving for our new carbon dioxide based heat pump as well as certain other new products that we've introduced into the market. There's been a very good reception to this technologically robust solution that we've brought. But at the same time, it allows the customers to understand the prowess that the company shows in its technological development and to position itself as a leading capital equipment provider globally.

I also have another update on our Investor Relations lead. Ms. Surabhi Chandna, who has led the Investor Relations & Value Creation function at Triveni has decided to pursue external opportunities and today is her last working day. While we will appoint a new Investor Relations Head, Mr. Amit Shah will be taking over from her, and he can be reached at ir@triveniturbines.com. His contact details are also in the investor brief.

With that, I'd like to turn it over to question-and-answers. Back to you, moderator.

Moderator:

Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session. Anyone who wishes to ask questions may press * and 1 on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press * and 2. Participants are requested to use only handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Teena Virmani from Motilal Oswal Financial Services. Please go ahead.

Teena Virmani:

Hi. Thanks for taking my questions. I have two questions, one on export and one on domestic. So, on the export order booking, just wanted to

understand from you on what is actually delaying the customer decisions in terms of CapEx and ultimately placing the orders? And when can we actually start seeing this CapEx revival activity to start happening, both on the Product side as well as on the Aftermarket side? And how is Triveni positioned to capitalise on that? This is my first question.

Nikhil Sawhney:

Okay. I'll answer a little bit, and then I'll ask Mr. S.N. Prasad to update you as well. In the domestic market, like I've said during my opening remarks, we see growth coming on the Product side from the steel, cement, and utility power drive turbine market. We've had some good successes, and we believe that there is enough impetus for these segments to grow in the coming quarters and coming years as well.

There is steady growth in the base infrastructure segments in India, and we see that continuing in a sustainable manner. At the same time, given the large power requirements and energy requirements in the country, there's a very rapid growth in the utility turbine space, while we do not provide turbine for utility power generation, the auxiliary power requirements are met through our turbines as well. And that's on the domestic side, which gives us confidence on the Product growth.

On the Aftermarket side for the domestic market, we have a large installed base, and we've seen that growing quite rapidly. Our refurbishment solutions here also are able to provide solutions to customers. We think in the coming quarters that will also reflect good growth.

On the export side, while you did allude to the fact that there's been deferment and delay of order placement. One of the larger markets, which has disappointed on the product ordering has been the United States, which we believe given some of the trade uncertainties going away would lead to finalisation. We have finalised orders, but we have not taken them into our order book given the fact that we have currently not received advances of those, given uncertainty around the exact tariff structure.

Having said that, we are quite confident that the margins exist for us to work well with our customers, to ensure that both parties are happy given the uncertainty around the tariffs. But at this point in time, this quarter and the last quarter has led to a little bit of uncertainty in the U.S. market.

Having said that, the enquiry base remains quite resilient and robust. We think in other markets in Europe and the energy transition market is actually performing well. Even in this current quarter, we've had very good order wins. And I think that, that will continue.

Southeast Asia as a market seems to have been underperforming for us. The Middle East seems to have done well. And we think that both from an aftermarket as well as product basis, the export market will continue to be the mainstay driver of the growth of the business. The domestic market growth in this current quarter is something that has happened after several quarters and is happening with a lag. FY 2025 was a low point in terms of order booking on the domestic market and we anticipate that these orders coming through in H1 of this current year, but we believe that, that will continue into H2 as well.

While domestic margins are slightly lower, I think that the company's robust product mix and the fact that we have done intensive work in value engineering means that we do not foresee any pressure on margins.

Prasad, do you want to add anything, because I'm sure this is a question that many investors will have. I'll ask Prasad to comment before I take your second question, if that's fine, Teena.

Teena Virmani:

Yes, sure.

S.N. Prasad:

So as our VCMD mentioned rightly so, one thing, international market we are seeing a traction, and we are quite happy the way how enquiry pipeline is getting built up in international markets. But there is a finalisation getting delayed because of the tariff issues and people still not very clear how these opportunities get into the finalisation mode. Otherwise, enquiry pipeline wise, a strong enquiry pipeline built up compared to the previous year around the same time and now where we are seeing. So, across the regions there's enquiry pipeline. It is not getting focused in one region. Across the international regions, it is there.

So, by seeing the current finalisation pattern, we are hopeful that H2 is going to be interesting half year for us. As our VCMD mentioned, some of the jobs where we concluded and we could not able to take those advances because customers want to wait and see how these tariff structures finally emerges. That is the thing.

As a domestic market, yes, we are bullish. Market is going good. And our traction is good in the areas where both the steel as well as cement and some of utility power drive turbine market business.

Teena Virmani: So, the run rate that we saw in the domestic market on order inflow side, can that kind of run rate be sustained in the coming quarters or that can improve in the coming quarters?

Nikhil Sawhney: No, no. Like I said, the domestic market ordering happened because of a low base in the previous year. I would encourage everyone to look at our growth on an annual basis or a trailing 12-months basis. And given that we see steady growth, but I think to anticipate 50% growth quarter-on-quarter continuing, you know yourself that the domestic market is not growing that rapidly. But to say if it would grow by 20-plus percent or 25%, yes, I think we could anticipate that to be a reasonable growth rate annualised for the next couple of years.

Teena Virmani: Okay. So, this domestic at least can take some burden off from the slowdown that we are seeing on the U.S. side or on the international side on ordering front this year it is for FY 2026?

Nikhil Sawhney: I think if you look at our entire order book growth of about 22-odd percent, it gives you an indication because ultimately, all our orders have to come from our order booking. It gives you an idea as to what growth we have seen as a business and as a company. And so, we see growth in all the segments.

We see Product growth internationally, domestically. We see our Aftermarket growth also in both areas. And we see our new products also increasingly and new technology introductions increasingly also gaining some traction. Of course, they will not be a large driver to the turnover because they're still entering the market, but it provides us a good runway for stable revenue in the quarters and years to come.

Teena Virmani: Understood. One thing you've already highlighted that higher domestic execution will not have too much impact on the margins. So, would that be right to assume that even if domestic execution increases because order inflows are better on domestic side right now, our margins would broadly remain in the range of 20%, 21% or can go down a little bit?

Nikhil Sawhney: No, I think the fact that if you look at it on an annualised basis, we have no problems in our margins. This is, of course, a reflection of execution in terms of product mix and product categories. But every order is unique, and we remain quite upbeat about the fact that margins will not be impacted.

You have certain benefits of increased turnover in terms of overhead absorption, which should also cover the fact of high domestic sales. But you are right to point out that domestic sales do carry a lower profit margin. We have certain orders that we are executing with NTPC as well, which are of lower margin because it's a larger package size for our energy storage project. But having said that, we think overall as a company, these will not have a material impact.

Moderator:

Thank you. Ladies and gentlemen in order to ensure that the management will be able to address questions from all the participants in the conference, kindly limit your questions to two per participant. Should you have a follow-up question, please rejoin the queue. The next question is from the line of Harshit Patel from Equirus Securities. Please go ahead.

Harshit Patel:

Thank you very much for the opportunity. Firstly, as you mentioned on that NTPC large ESS order, could you give us an update on the execution progress? And also, are the margins in line with our earlier expectations? Has any clarity emerged in terms of where we will end up in terms of margins while executing?

Nikhil Sawhney:

No, I think the margins, this project is currently under execution, and it is stated to be commissioned in the first quarter as per plan, as per our commitment as well in first quarter of FY 2027. Having said that, this as a project will follow a cost of completion revenue recognition, and so a lot of the costs will be recognised in this current year. As far as margins go, there's been no surprises or pretty much all the purchase orders that have to be placed have been placed, and so the costing is quite accurate. Prasad, do you have any update to add on that?

S.N. Prasad:

You're right. It's progressing quite well. More or less, we'll be meeting the committed schedules. And even cost-wise everything under control. We are not seeing any surprises.

Harshit Patel:

Understood. Secondly, as you mentioned, we have seen the substantial growth coming back in the domestic orders in the last two quarters. Could you highlight whether is this because of market share gains for us, more penetration into the API market or whether this is mainly driven by the general uptick in the market? Also, have we witnessed any change in the intensity for smaller peers? Are there any peers who might have exited the domestic market?

Nikhil Sawhney:

No. Actually, so the majority of the domestic market is catered to by Siemens and us in the industrial space. And so, people coming and going,

you're talking about a few turbines here and there. It's not significant in the market as large as India. So, for the current quarter, yes, there has been some market share gains, especially in segments which require high-specification API turbines such as for drive applications, for boiler feed water pumps, for utility turbines, which are sporadic and lumpy in nature. As you know, utility turbines come about infrequently.

But at the same time, there has been a growth in the market as well. The entire market has grown to the extent that there's larger capacities, which customers want. There's momentum in the commodity sectors of steel, cement, paper. Even but actually, even in areas like sugar and distilleries, we're seeing some orders still. So, I think that is the comment that I have right now.

Moderator: Thank you. The next question is from the line of Amit Anwani from PL Capital. Please go ahead.

Amit Anwani: Thank you so much for the opportunity. First question is on the inspection, which delayed the dispatches. So, as we speak today, what is the situation on that front? And second, we can see even in H1, the domestic revenue has declined by almost 20%. So, is there anything on the domestic side, which is kind of constraint? And I think even the run rate per quarter has been around ₹200 crores versus ₹250 crores last of whole year. So, clarity on this. Thanks.

Nikhil Sawhney: Amit, so there are a couple of questions there. Firstly, our execution is dependent on the order booking. So, our order booking in the domestic market was weak in FY 2025, and that is what is getting executed now. The fact that we have a higher order intake from the domestic market in these current quarters would mean that in subsequent quarters, maybe a year down the road, you would have higher domestic as a percentage. But having said that, we still have 51% of our entire order book from the export market. So actually, the mix won't change that much. It just means that the domestic has shown a greater growth. Sorry, your second question was?

Amit Anwani: The dispatches?

Nikhil Sawhney: Yes, dispatches, we sell over 200 turbines a year and pretty much all turbines have some degree of inspection that is required, especially with more sophisticated customers. So, this is a routine issue that happens continuously. There were some extraordinary situations that happened in Q1, which deferred inspection because of a lot of hostility in our region.

So those have not happened. And so very frankly, we see the inspections continuing.

The fact that we have to catch up on some of the deferred revenue with the revenue that was meant to happen in Q1, which will happen by Q3, Q4 is something that we're quite confident on. But Sachin, would you like to comment on any aspect of inspection deferring revenue for Q3 and Q4?

Sachin Parab:

No, I think those initial hiccups we've been able to overcome, and all the inspections are happening as per plan. And our EPC customers and the end customers are both cooperating. And based on our past learnings, we are able to schedule them adequately in advance and give them enough notice so that there are no surprises as we proceed further. So, I do not expect any hiccups due to the inspection delays. Thank you.

Nikhil Sawhney:

In fact, to answer your question in a different way, given our learnings from Q1, the team has not only put in contingency measures and redundancy measures for if things go wrong for one but has at least three or four different options, given everywhere from inspection to transportation to loading and other aspects which may defer and delay the dispatch our revenue recognition.

Amit Anwani:

Sure, second question on the U.S. where we did invest. So, you did highlight that are still a challenge. Just want to understand, are we seeing a prolonged challenge in U.S. market? We were expecting that there would be some revenue at the end of this FY or maybe early next year. So just wanted to have more colour on the U.S. business. And you did also highlight, we are focusing on non-turbine business for Aftermarket, so are we going to look for exports, especially U.S. also? So, some colour on these two aspects.

Nikhil Sawhney:

Yes. Well, to answer your second question first, and then I'll ask Sachin to answer the question on the U.S. market growth and revenue for this current year and going forward. The focus has been on the refurbishment market for the U.S. because we do not have a large installed base there, so our direct selling of spares and service is obviously considerably smaller as a business for the U.S. market.

The refurbishment space is quite encouraging. We have good enquiries. And most of the growth in revenue that will come about in the short term within this year as well as the next couple of quarters of FY 2027 will be from the refurbishment space. And we have good orders coming in that category, which will get executed from our plant in Houston itself. Sachin,

would you like to talk a little bit about revenue in FY 2026, 2027 from America?

Sachin Parab:

So, because of the reasons stated earlier, there have been some delays on the product order finalisations. Although, the orders are very much in the pipeline, it's just a matter of finalisations and getting the advances. But on the refurbishment business part, this has absolutely not affected us or whatever the tariff issues that the economy is facing. So we've been able to execute orders that we have been getting. The enquiry generation for refurbishment business is also good.

In fact, with now the track record of more than a year in the U.S. market for our workshop, we've been able to successfully execute a couple of orders and the references that they have generated are very encouraging. Besides, we have some very solid satisfaction comments from the orders that we have executed, and those are helping us make inroads into new customer segments for the refurbishment business.

So primarily this financial year and beginning of the next, refurbishment will be driving the revenues as per the plans. But because of the little bit of a slowdown on the Product business, our overall business plans in terms of revenues might take a little bit of a pushback. But otherwise, on the refurbishment front, it is very, very buoyant, and we are very confident as we enter into the second half of this financial year. Thank you.

Amit Anwani:

Sure. Finally, you said back-ended growth. So, are we targeting at least double-digit growth for FY 2026 versus FY 2025?

Nikhil Sawhney:

I think it's better we don't really give guidance as such. But I think you have an idea of where our order book sits and you could interpret that in whichever manner. I think I'm happy to say that it would be growth. A single-digit growth number is very little, and I won't be particularly satisfied with that. Let the next quarter finish and then you'll get a better idea as to what our potential will be.

Moderator:

Thank you. The next question is from the line of Mohit Surana from Monarch Network Capital Limited. Please go ahead.

Mohit Surana:

Thank you for the opportunity. A couple of questions. One, with respect to the inspection schedule. So, I believe these inspection schedules are done once the product is ready for verification. So just for my understanding, if the product is ready and if the inspection schedule has been on track in this quarter, any reason why it would take another three

to six months for us to deliver and book the revenue? That is my first question, and then I'll ask the second one.

Nikhil Sawhney:

I didn't fully follow the question, but the point is inspection is based on customers' readiness to accept the turbine also. So the uncertainties that led to deferment of revenue in Q1 are not due to product readiness, but because of the fact that when the customer is willing to accept the order. So, the deferment of inspections can happen at any point in time. In fact, if you look at our balance sheet on a six-month basis, you'll see that inventory is significantly higher also, which is what will give you the confidence into the revenue in the coming quarters.

Receivable is also higher, but that is something driven by the nature of the orders that we have from API as well as export customers, which is a difference between the revenue recognition norm that we have and the billing that the customer would have. But net-net, at the end of the day cash flow for the company doesn't seem to be a problem. We think that these will all get normalised in the coming quarters.

Mohit Surana:

Understood. On that point, how much is the lead time for us to make the product from the time we get the orders and supply? And one another is, how much is the advance in terms of the total cost of product that we take from the customers?

Nikhil Sawhney:

Our products are customised. 2MW turbine is customised, 100MW turbine is customised. And each customer is different and distinct, and they operate in different environments and different commercial terms. So, the type of advances, we always get advances from customers, but it will depend from customer-to-customer and industry-to-industry in terms of what are the standards there. But I would say that these are common across the capital goods industry to get significant advances. It's difficult for me to put a range, but it would be anywhere between 10% to 30%. Now it will depend from customer-to-customer.

Moderator:

The next question is from the line of Ravi Swaminathan from Aventus Spark. Please go ahead.

Ravi Swaminathan:

Hi. Thanks for taking my question. My questions are related to the domestic market. In terms of pipeline, earlier we used to give in gigawatt terms through the size of the pipeline for the domestic market. If you can give what it is currently and how it would have grown compared to last year, that will be great.

And in the domestic market, sub question is, would we have gained market share in the domestic market given some large orders which were there. And you had mentioned about good traction in steel, cement and sugar. Can you give commentary on the other sectors also where is the overall order book wise?

Nikhil Sawhney:

Yes. Thank you. There are many questions in there. Firstly, on the enquiry levels, we've seen a robust growth in the domestic enquiry levels. I'm hesitant to give numbers because the fact is that we don't tend to give numbers on a quarterly basis. And I think that we should try to give these numbers of actual enquiry levels on an annual basis. The reason is that, very frankly, an enquiry can last for multiple quarters on the book. And so, when it changes quarter-to-quarter, I think it doesn't give a correct impression as to where the company stands.

But having said that, I'll ask Prasad to tell you a little bit about where he sees the demand coming from the domestic market. Prasad, if you could just share some updates.

S.N. Prasad:

Yes, Ravi. So domestic marketwise, even though numbers, we could not able to share them exactly, as our VCMD mentioned that on the pipeline. Pipeline is quite robust because we are seeing enquiries coming from steel, cement, we are seeing. And we are also seeing process cogeneration segment; we are quite bullish. So, this compared to FY 2025, which is quite a muted year for the reasons known to all of us, we are seeing all that markets getting opened up on that. So, the pipeline is good.

And second thing, even whatever order finalisations we have seen from all segments what we have noticed in current quarter, especially in the domestic market. Now even there, when we are talking of the market share, yes, we are maintaining the market leadership position compared to previous year. So, a couple of points increase there on the market share in a growing market. That's why I can say, because this we are expecting even Q3 stronger domestic market will continue by seeing the enquiry pipeline.

Ravi Swaminathan:

And second question is with respect to the API turbine market, if you can give directional trajectory commentary on both domestic and international markets, how it is panning out this year vis-a-vis the previous years?

Nikhil Sawhney:

Prasad, why don't you give your opinion.

S.N. Prasad:

Yes. So, API market, as in the previous quarters also what we have shared, yes, we have been registered with various oil and gas companies and EPCs that is continuing, strong enquiry pipeline there. And we got some repeat orders from some of the globally prestigious refineries that is adding into our reference list.

And the second thing, enquiry pipeline, both domestic and international, API enquiry pipeline is quite strong, since we are there in the API drives as well as the power generation turbines. So, I think this segment is going to be a strong segment for us, continue to lead the growth. Thank you.

Ravi Swaminathan:

Great. And my last question, with respect to the export mix, if it is possible if you can give the geographical breakup Southeast Asia, Europe, Middle East, Africa?

Nikhil Sawhney:

On the export side, Middle East and Europe continue to lead as markets for us. The U.S. has been slow. Southeast Asia has also been slow. But on the refurbishment side, actually, Asia is a good market and so is Central South America. And actually, refurbishment is coming from everywhere.

Even in India, the demand recovery is coming from all sectors. We don't see any particular sector, including distilleries and sugar, which may have other reasons for it to be muted. We see the demand coming from all sectors. So, it's sort of broad-based. No one sector is really shining out more than others apart from maybe the utility power turbines, which for us the drive turbines for boiler feed water, which is very lumpy and has come up after many, many quarters.

Moderator:

Thank you. The next question is from the line of Chirag Muchhala from Centrum Broking. Please go ahead.

Chirag Muchhala:

Thank you. Two questions. So first is on the drive turbines for utility power. As you mentioned, the auxiliary requirement is healthy. So, can you just elaborate a bit more on the size of this market in domestic market? And I mean, other prequalification criterias, competition, etc.

And second question is, like you mentioned, we in last year quarter-end gotten into heat pump and related products foray. So how is the experience and our products acceptability? These two things, if you can elaborate on?

Nikhil Sawhney:

Yeah. Prasad, would you like to take the first question on the size of the boiler feed water pump drive turbine market and growth?

S.N. Prasad:

Yeah. I'll take this. So, this utility segment, large utilities, yes, they need boiler feed water pumps. And this is falling within our range. This is something like around 15 to 20, 22MW sort of a range will be there. But each utility project, whatever you are reading in the newspaper, normally will have two turbines sort of a thing. What we are seeing based on the current trend, this market will be something like around 50, 55 turbines market there.

And we are approved vendor with all these major developers as well as like NTPC and all these sorts of things. So that is the size of the market roughly around maybe closer to 8 GW size of the market will be there. But that will spread into now couple of years sort of a thing because by seeing how this utility is 800 MW or 600 MW gets into that. That is the thing. We are approved by all EPCs as well as NTPC and all. Thank you.

Nikhil Sawhney:

On the heat pump side, actually from the point of the last conference call that we had, we've had good success. More than that, the enquiry pipeline has built up quite considerably for our product range. In fact, we've also had good success in another product range, which is called MVR, which is a mechanical vapor recompression compressor, it's like a steam compressor, which when coupled along with the heat pumps is providing very good solutions to our customers.

Prasad, do you want to give a little bit of idea as to how these new products are faring in the market?

S.N. Prasad:

Yes. So, coming to the heat pump, one demo unit we established at our Peenya facility. This is the world's first when it comes to the temperature wise. We are giving a hot water at 126 degrees, CO2-based heat pump. So, these have given a very good traction. The enquiry pipeline is building up. A lot of visitors are coming and seeing here this being the world's first. So, we are very bullish on that the customers who are looking for that high temperature, that will be the market on that.

So, coming to this new technology products, one is the MVR, what previous calls, what we mentioned that. We picked up some orders from this MVR segment. This is basically mechanical vapor compression that is a low-pressure steam compression. We picked up commercial orders and we'll be delivering first MVR sometime quarter one of the next financial year. That enquiry pipeline is also building up.



Now since these orders around eight to nine compressors we have to supply as per the first purchase order. So, we are confident that will give access to us to more customers from this. So, these are the two areas where we are seeing things are going good for us. Thank you.

Chirag Muchhala: Okay. Thanks for it. Just one clarification. This 50 to 55 turbines market that you mentioned for the 15 to 22 MW utility range. So has this market always existed, and we are new entrant in that? Or this is something which has recently come up because of change of technology, etc?

S.N. Prasad: So, this is like a new market for us

Nikhil Sawhney: The utility turbine spacing always existed. It was largely catered to by people like BHEL and imports. It's newer for us as a company to cater to.

Chirag Muchhala: Okay. Thanks.

Nikhil Sawhney: But this gigawatt order of turbines will get sold over the next two, three years.

Chirag Muchhala: Sure.

Moderator: Thank you. We'll take the next question from the line of Prolin Nandu from Edelweiss Public Alternatives. Please go ahead.

Prolin Nandu: Yeah. Hi, team. Two questions from my end. One is just from a capacity standpoint, right? And I'm talking about whatever happened in Q1, right? From a capacity standpoint, because there were delays in inspection, they did by any chance, hinder our sales that we did in Q2? What I wanted to understand was that from, again, space or capacity standpoint, what could be the loss right in this year of sales? Or how should at least we think about it? I'm not asking for a number, but on the ground, on the factory side, are there any constraints because of which some part of the sales you might not be able to recover this year?

Nikhil Sawhney: It's not because of capacity. We are not a capacity-constrained firm, but orders can get deferred due to customer acceptance.

Prolin Nandu: No, Nikhil, I'm sorry. I get your point. What I'm saying is that because of that customer acceptance, turbines are lying in your factory. Could it hinder your sales?

Nikhil Sawhney:

No, no, it doesn't fully lying in the factory. The point is it's at different stages of manufacturing. So, you don't necessarily have to keep it at that stage or fully ready. You do it as to the timeline that the customer has. So whatever was lost in Q1 will try and get deferred. But you are right to one extent that the revenue that we have to catch up on in Q3, Q4 will put some pressure on the team. Capacity is not the constraint. It is actually one of the capacities of our vendors and our subcontractors, which becomes a coordination problem for us. And I think that the team is seized of the issue. But very frankly, if we have to continue to grow and to generate revenue on a quarterly basis, which is high, then these are matters that we'll have to deal with on a routine basis.

Sachin, do you want to give some more confidence around the capacity issue?

Sachin Parab:

So, see, we have been expanding our capacity for production in our mother factories. Also, there has been a constant effort throughout the last couple of quarters to gear up for meeting the volume growth in business. Therefore, the supplier base, both in terms of our supply chain vendors as well as our subcontractors, the base has been increasing. We are going beyond the existing geographies of vendor base, and we are expanding the vendor base so that we equip ourselves to ramp up the volumes as the market requires.

So, we are today in a position to take up shorter lead time orders. We are able to take up orders which have longer gestation period because we have broad-based our vendor base. So, both in terms of physical infrastructure in the mother factories as well as our ecosystem of suppliers, we have geared up in terms of expanding to meet the ramp-up in the market. Thank you.

Prolin Nandu:

Thank you, Prasad, and thank you, Nikhil for that. Second question would be, again, whatever happened in Q1 because of issues at the domestic end, which is geopolitical and beyond our control. And what right now we are facing in U.S. in terms of tariff or some slowdown in Southeast Asian market as well. Do you foresee any permanent or I mean, some lasting slightly medium-term damage on our capability to cater to the market, whatever our original plans were, right? Has it created any sort of doubts over those plans? Or has it also opened up any opportunities, right, because tariff is something which maybe other countries also face.

So, anything that you want to touch upon as to, let's say, whatever happened locally because of geopolitical issues in Q1, this tariff issue in

U.S. as well as slowdown in Southeast Asian countries, anything that will lead to any permanent damage for us or any gains also which might not be immediately visible to the larger audience?

Nikhil Sawhney:

No. I think the fact that our strategy stays the same, which is to be asset-light and be nimble and dynamic. I think the uncertainty only reinforces our strategy to be the correct one. Our expansion into local markets, yes, the U.S. experience has shown us that there can be uncertainty, which can lead to deferment of business plans. That's all that happened that the business plan has got a little deferred, but it's been compensated by growth in other areas.

The good thing about our business model is that we're very diversified, not only in terms of the geographies that we cater to, but the products and the application of those products in different industries. So, demand comes up in different areas. We can't really generate the demand. This is something that has to be generated by the market. And so, to the extent that certain enquiries are taking longer to convert in certain places, doesn't take away from the fact that there is latent demand in that, and it will eventually come into the market.

So I don't think anything has changed. What has happened is for FY 2026 is that some of the revenue has gotten deferred. And so from a growth perspective on a year-on-year basis, that would get reflected. But it doesn't take away from our longer-term aspirations and strategy.

Moderator:

Thank you. The next question is from the line of Rehan Syed from Triveni Asset Management. Please go ahead.

Rehan Syed:

Good afternoon to the team. And thank you for taking my questions. As my most of my questions are answered, so first, I want just a bit understanding on the R&D side. So could you provide me just Triveni has consistently mentioned new product and technology introductions. So could you provide specific for any efficiency upgrades, higher capacity designs for module or turbine platform developed through in-house R&D and collaboration, just an understanding would be nice.

Nikhil Sawhney:

I don't particularly understand your question, but this is a routine process within the company. We just emphasise the amount of resources that we have in our R&D team to produce the outcomes. There's a continuous process that to upgrade the efficiencies, upgrade speeds and reduce costs and ultimately deliver better customer satisfaction. That lies at the core of the KRAs within the R&D team.

Rehan Syed: Continuing with this thing, let's say exploring if there's an opportunity with the small hydro, geothermal or green hydrogen wind turbines. So, where your existing design and manufacturing capabilities can be leveraged?

Nikhil Sawhney: It is small hydro is a completely different segment. This is not, we manufacture high-speed turbines and expanders, which use steam as a fluid and now we use certain other fluids like carbon dioxide also. We are specialised in those areas for fluid dynamics and structural analysis and would stick to those type of areas where our capabilities match.

So, for example, geothermal is an area that you talked about right now that is very much in our focus. We have products and solutions for that. We have customers in that segment, and that is a growing segment globally. It's not only for new products, but also for refurbishment and other solutions. So, depending on application to application, of course, R&D does come up with new products, which can cater to our capabilities.

Moderator: The next question is from the line of Balasubramanian from Arihant Capital. Please go ahead.

Balasubramanian A: Good afternoon. Thank you so much for the opportunity. You have mentioned about the allocation in enquiry to order conversion cycles on the global levels. What are the current average conversion times for domestic versus international orders? And secondly, on the API side, international enquiry pipeline for API, oil and gas turbines have been increased more than 200% on the enquiry side. What is the typical deal size and margin profile for these projects compared to your standard power generation turbines? And given the long gestation periods in oil and gas, what is the realistic timeline for this robust enquiry pipeline to translate into material business?

Nikhil Sawhney: So firstly, I don't think we said the enquiry level has increased 200%, but it has been robust for APIs. APIs continues to be a market which will drive the nearer term growth for the company. And so, it will continue to be a focus. The enquiry to order conversion time is, you are right, it is different in the domestic market and international market. In the international market, it's a little bit longer. In the domestic market is a little bit shorter.

Now these will all depend not only in terms of the industries in which you are getting orders from, but also the size and the applications. If it's a brownfield project, you would imagine that you would understand that it

would be quicker enquiry to order conversion. The greenfield projects have longer gestation periods in terms of ordering. So, it is very difficult to be precise on it. Some enquiries can last on the enquiry book for, I don't know, 1.5 years, two years. Some could be as low as three months.

Balasubramanian A: Okay. And secondly, market share side, you're maintaining around 55% kind of market share in domestic less than 100MW market. And this growth is majorly coming from taking share from main European MNC competitor or from the exit of smaller unorganised players?

Nikhil Sawhney: It's more of the latter and also the fact that the market is growing also. So, we're benefiting from growth, a growing market as well as incremental growth in market share. This is happening both in the domestic as well as international market.

Moderator: Thank you. The next question is from the line of Bimal Sampat, an Individual Investor. Please go ahead.

Bimal Sampat: Yeah, good afternoon. Now this is just a broad question. One is, now America, you are saying that there is uncertainty, but is there uncertainty on the refurbishment also or that is growing well?

Nikhil Sawhney: No, no. The refurbishment is fine. Actually, in the U.S. provides us, we have good LOIs in place already. They're just pending some certainty as to where the tariff lies. No one wants it to be that, yes, currently, our tariff is somewhere in the region of about 56-odd percent for our product range. And that's quite large, as you would imagine. So given the fact that every day someone is saying that tariff will be brought down and not brought down, and that uncertainty people are fine waiting a little bit. We think that that will get sorted out in the next couple of quarters.

As you would understand, from our perspective, refurbishment is one of the reasons why we set up the entity there. So that will drive growth. It's just taken us a little bit longer to get the orders on the refurbishment side. But we're quite confident that given the large capital base in the U.S. and given the fact that we have good success in the order that we've already supplied that we're building good customer acceptability to our value proposition and our capabilities. So, we're quite confident that, that will work.

Bimal Sampat: And our CapEx, any deferment of our CapEx because of these uncertainties? And what will be the CapEx for the new products like your heat pump and MVR?

Nikhil Sawhney: When we said that we had a CapEx in the beginning of the year, it will all fit within that. The CapEx in this current quarter was somewhere in the region of about ₹30-odd crores, but that included setting up a heat pump and setting up new offices, etc. Net-net, at the end of the day, I think CapEx is going to be, is to the extent that we need to balance certain capacity we will always have routine CapEx in the plant from a perspective of tooling. But we have no plans right now of setting up new factories or new workshops.

We already have an expansion underway in our Sompura facility, which will get capitalised by a majority of it by the end of this year which will be ready by June, July, which will add further capability. But what we have already commissioned within this current quarter is a test bed for testing our turbines and rotating equipment at real life definitions with dynamometer power production.

Bimal Sampat: That is the fifth one, sorry to interrupt. That is the fifth one in the plant. We had four and this is the fifth one, correct?

Nikhil Sawhney: No, we had three. This will be fourth.

Bimal Sampat: Fourth, okay. And so how much place is there, so how much more we can put at the same location?

Nikhil Sawhney: I think after this fourth plant, we will still have about half the land available, or maybe 40% of the land available.

Moderator: Thank you. Ladies and gentlemen, this will be the last question for today from the line of Vinod Chari from PhillipCapital. Please go ahead.

Vinod Chari: Yes, thank you for this opportunity. You mentioned in one of your comments that you are looking at the utility-sized turbines. So, what is the range of steam turbines that we are looking at?

Nikhil Sawhney: No, no, no. We said we're looking at the market for utility steam turbines, which require our range of turbines for auxiliary power. So, we're not planning to make utility steam turbines.

Vinod Chari: Okay. The second question I had is you mentioned a 7GW steam turbine market globally. What is the dollar value for this market?

- Nikhil Sawhney:** Very difficult to say, because it all depends from customer to customer. But you could take something in the range of \$200,000 - \$250,000 per megawatt.
- Vinod Chari:** Okay. And globally, I think gas turbines are making a comeback, and I think most of it is combined cycle plants. So, what would be our opportunity in the WHR is? What kind of a TAM we are looking at globally?
- Nikhil Sawhney:** No, it is a market. The only point is that to get in say, in the United States, the majority of the turbines are coming up on simple cycle with possibly a combined cycle add-on later. Because the availability of regulatory approval for water and other environmental concerns, I think takes a little bit more time. We do have very good enquiries in this space for combined cycle with our partners. But we do also have it in distinct operations for data centres, be it from novel or new renewable-based applications like small modular reactors and micro reactors and geothermal, etc.
- But currently, at this point in time, we are quoting into the combined cycle market for data centres. And let's see where it comes to, but I think the market is quite large. I would imagine that maybe about 20% of the gas turbine setup will come in a combined cycle form, of which I would say 80% would go to OEMs that have steam turbines with them. And so our total addressable market would be constrained to that extent.
- Moderator:** Thank you. Ladies and gentlemen, as that was the last question for today, I would now like to hand the conference back to the management for closing comments. Thank you, and over to you.
- Nikhil Sawhney:** Thank you very much. Ladies and gentlemen, thank you for joining this call. We look forward to hosting you on our third quarter nine months results in February. In the meantime, do reach out to Amit Shah, his numbers are on the con call invite. And we look forward to engaging with you next quarter. Thank you.
- Moderator:** Thank you, members of the management. On behalf of Triveni Turbine Limited, that concludes this conference. We thank you for joining us, and you may now disconnect your lines. Thank you.

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