



Investor Presentation

Q1 FY 24

August 2023

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AGENDA

GLOBAL AND DOMESTIC OVERVIEW

COMPANY OVERVIEW

**FY 23 PERFORMANCE
REVIEW**

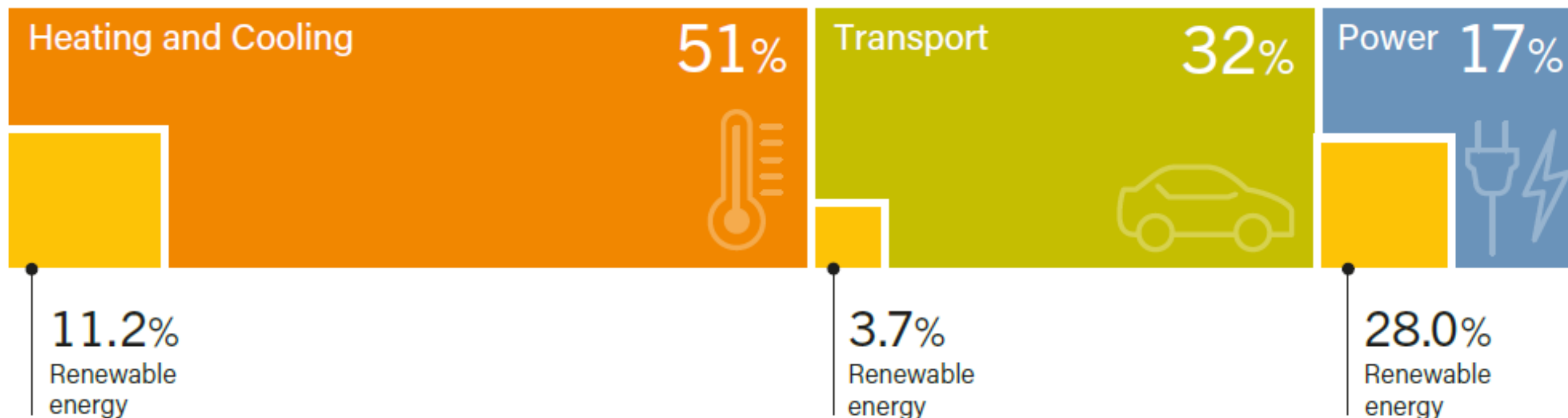
**Q1 FY 24 PERFORMANCE
REVIEW**

SHAREHOLDING PATTERN



GLOBAL AND DOMESTIC OVERVIEW

Global Energy Consumption Is Driven By Heating and Cooling

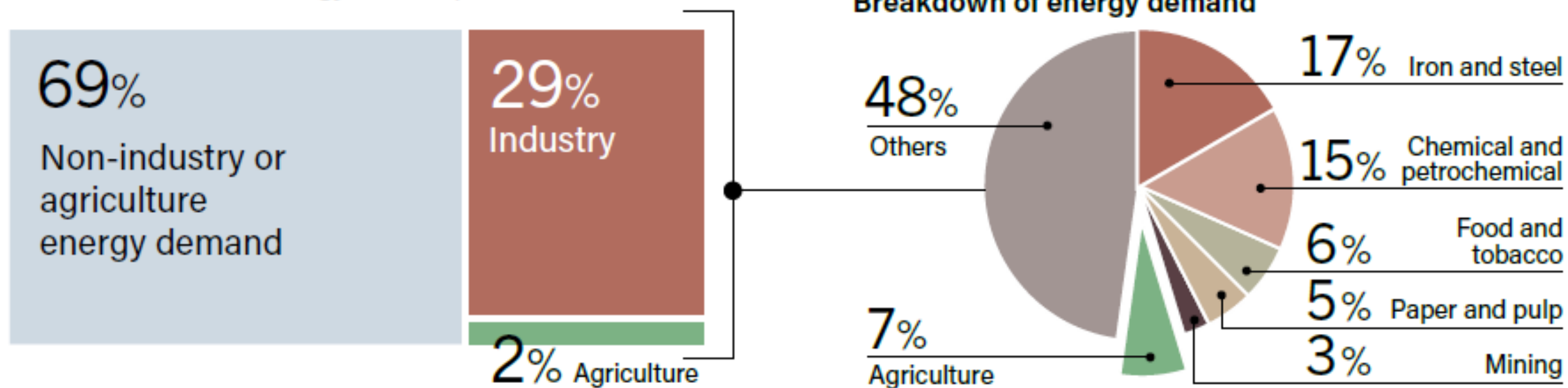


Thermal energy uses, which include space and water heating, space cooling, and industrial process heat, represent more than half (51%) of Global Total Final Energy Consumption

Source: : Renewables 2022 Global Status Report

Industry as a sector is one of the largest energy users globally

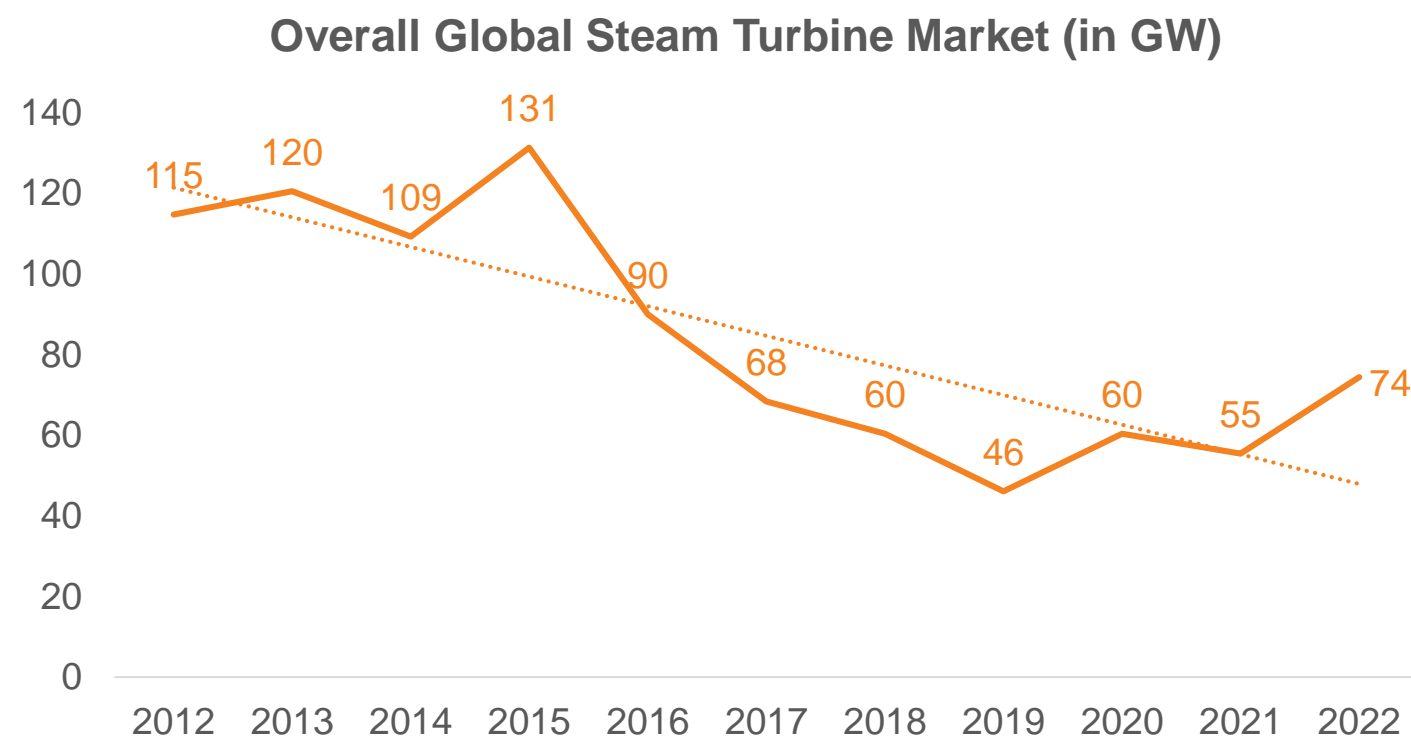
Energy demand for industry and agriculture accounts for 31% of total final energy consumption



The industry sector is one of the largest energy users, accounting for 29% of Global Total Final Energy Consumption

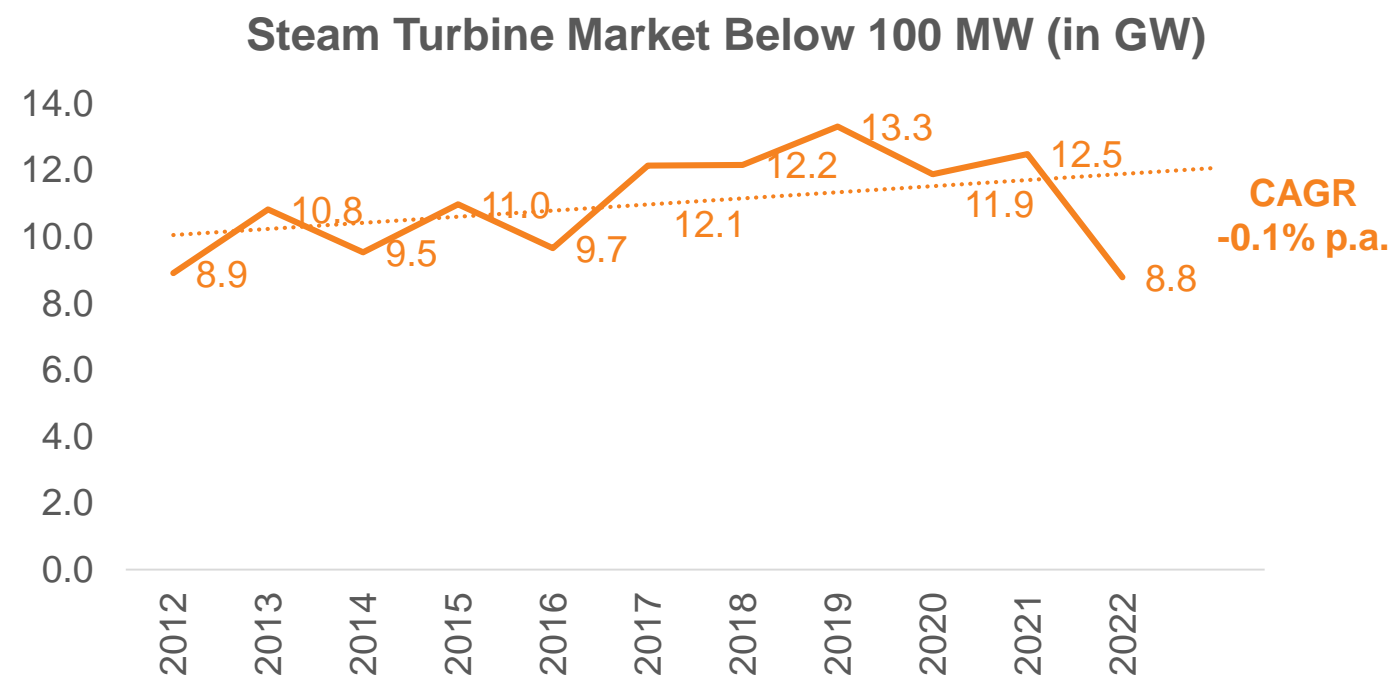
Source: : Renewables 2022 Global Status Report

Overall Global Steam Turbine Market Has Been Declining Over The Years...



The global steam turbine market declined from **115 GW** in 2012 to **74 GW** in 2022 a **decline of 4% p.a.** yearly during 2012 - 22

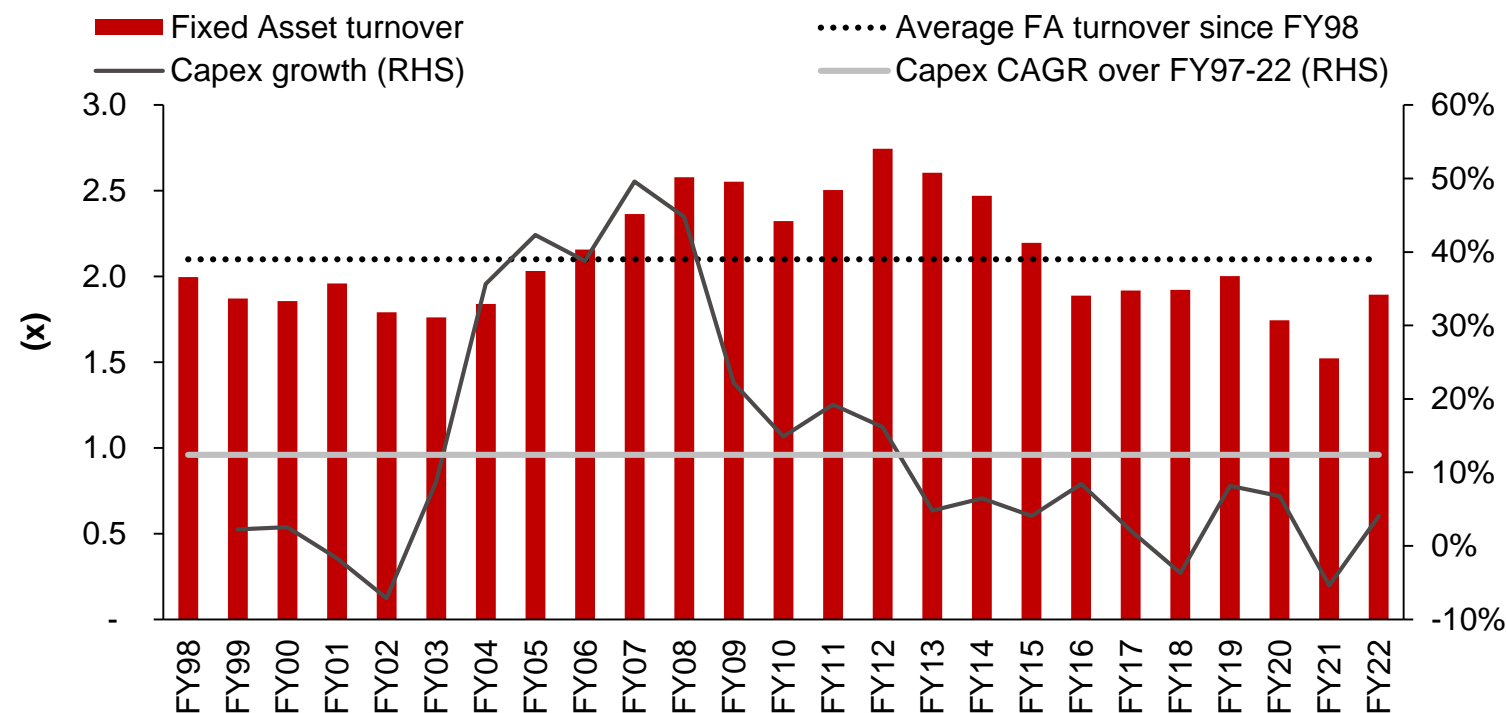
...However Below 100 MW Segment where Triveni Turbines operates is largely flat



Steep Decline in over 100 MW segment from 106 GW to 66 GW translating to -5% p.a.

...while below 100 MW where Triveni Turbines operates is largely flat at 8.8 GW over a period of 10 years

...And India Capacity Utilization is yet to return to its peak levels



Source: Ambit Capital Research

While Indian economy is showing signs of recovery in last 1-2 years...

...we are still trending below average in terms of **fixed asset turnover** which was at **1.9x in FY 22 vs. average of 2.1** and well below peak of **2.75x**, suggesting the Indian economy still has room to **grow**



COMPANY OVERVIEW

Triveni Turbines At A Glance



Our Founding Principles



Impact

- Aims to make a positive impact to all our stakeholders
- Enhance market share with a compelling value proposition
- Propel sustainable development through our strategic priorities



Product Quality

- Best-in-class manufacturing at two-world class facilities at Peenya and Sompura in Bengaluru
- Both the plants are certified for AS 9100, ISO 9001, ISO 14001 and ISO 45001 standards for Quality Management, Environmental Management and Safety Management respectively



Technology

- Consistent R&D of technology to surpass customer needs and keeping up with changing business requirements
- Leveraged in-house R&D expertise along with institutional association reputed technical institutes such as IISc, etc.
- An organization driven by Intellectual Property (IP)

Our Founding Principles



Ethics

- Professional and transparent business practices
- Strong focus on Environment, Social and Governance (ESG)



Strong Relationships

- Sustainable solutions that create a high degree of value for our customers
- Strong networks in place to enable smooth business operations
- Customer centricity with focus on continuous modernisation, with regular upgrades and efficiency improvements



Sustainability

- Supports environment sustainability with significant focus on thermal efficiency improvements
- Leadership in all our business lines with sustainability at the core
- Enabling Environmentally responsive operations

Continued ESG Focus



Environmental

- Manufacturing Facilities at both Peenya and Sompura are Green Factories
- Installation of roof top solar power plant of 300 KW capacity with net metering facility
- 400 MWH of electrical power saved during last year through energy conservation efforts



Social

- Educational initiatives such as sponsorship on education and training programmes for differently-abled students
- Provided financial support to a non-profit organisation, that focusses on value based leadership development and open dialogue on important issues facing the Indian society, to help its transformation



Governance

- Board comprises of 10 members which include 5 Non-Executive Independent Directors including one Women Director, 2 Non-Executive Non-Independent Directors and 3 Executive Directors
- Committees of the Board:
 - i. Audit Committee
 - ii. Nomination and Remuneration Committee
 - iii. Stakeholders' Relationship Committee
 - iv. Corporate Social Responsibility Committee
 - v. Risk Management Committee

A Differentiated Product Portfolio Catering To Wide Range Of Applications

Up to 100 MW

CONDENSING STEAM TURBINES

- Straight Condensing
- Uncontrolled Extraction Condensing
- Controlled Extraction Condensing
- Double Extraction Condensing
- Injection Condensing
- Reheat Condensing

BACK PRESSURE STEAM TURBINES

- Straight Back Pressure
- Uncontrolled Extraction Back Pressure
- Controlled Extraction Back Pressure

POWER GENERATION APPLICATIONS

Independent Power Producers (IPP) such as Biomass, Waste to Energy, Waste Heat Recovery & Combined Cycle Power Plant

COMBINED HEAT & POWER APPLICATIONS

Industrial segments such as Sugar & Distillery, Food Processing, Paper, Textile, Palm Oil, Cement, Steel, Chemicals, Petrochemicals, Petroleum Refineries, etc.

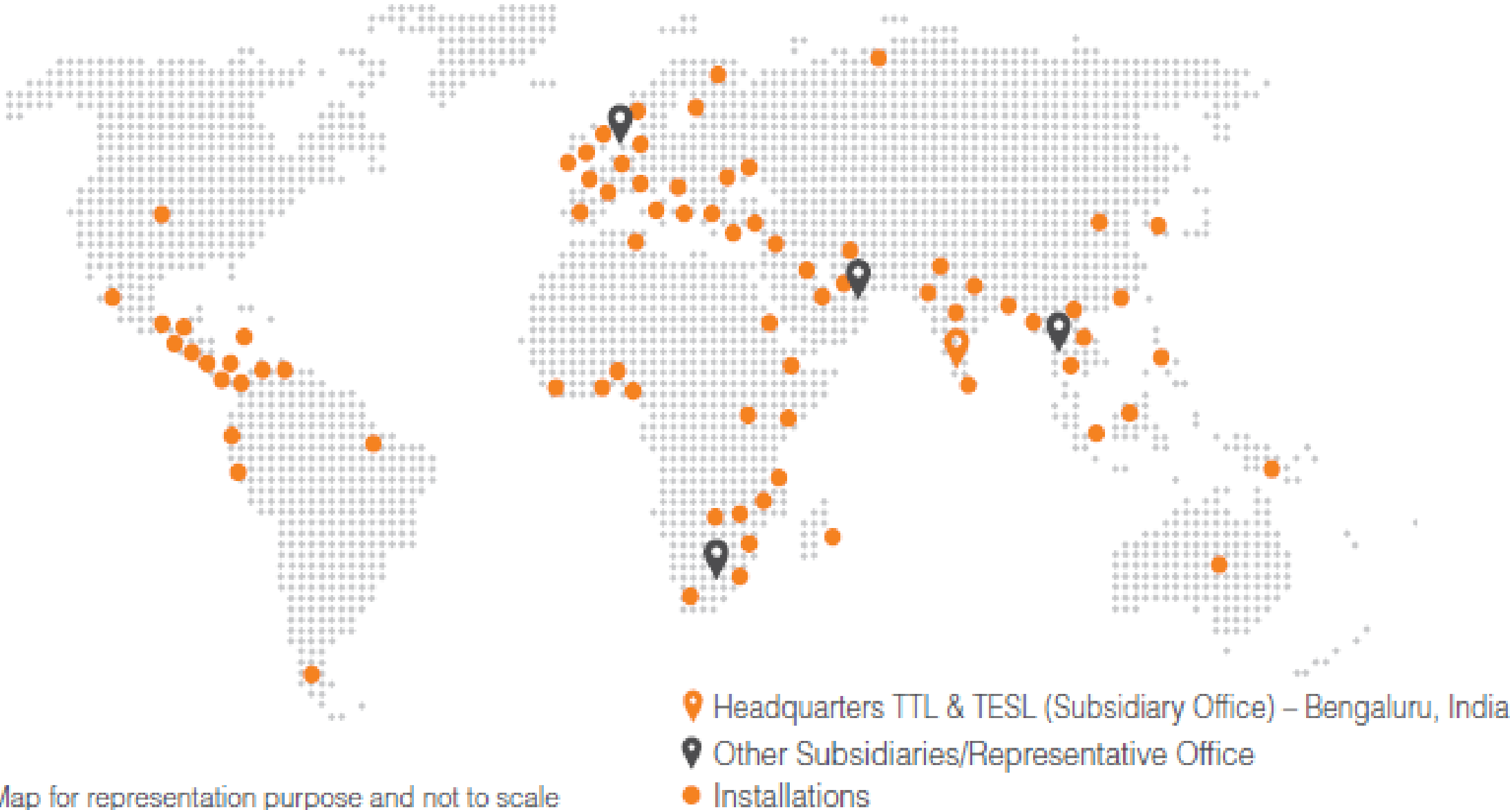
DRIVE APPLICATIONS

Petroleum Refineries, Chemicals, Petrochemicals and Fertilisers

Strong Global Footprint



>75
Countries of presence



A Diversified Base Of End Use Industries

 Sugar	 Cement	 Chemicals	 Steel
 Textiles	 Paper	 Biomass	 Independent Power Producers (IPP) – Barge mount
 Distillery	 Waste to Energy	 Carbon Black	 Oil & Gas
 Food Processing	 District Heating	 Defence	 American Petroleum Institute (API)
 Pharmaceuticals	 General Engineering	 Fertilisers	 Glass

Supplying turbine solutions to renewable energy space



Biomass (bagasse, palm oil, residues, wood pellets, rice husk)

Waste-to-energy (WtE) (Industrial and municipal waste) facilities

Waste Heat Recovery (WHR) (Steel, Cement)

Increasing Demand for Renewable Power Generation Globally

The turbine industry, with its large manufacturing base, is also moving aggressively towards energy conservation and use of renewable sources in line with the global trends.

The growing Government push towards Swachh Bharat is expected to lead to further pick-up in municipal solid waste incineration and Waste-to-Energy (WtE) in India too.

Due to increased environmental awareness, the Governments in North America and Europe are pushing for reduction in Hydrofluoro Carbon (HFC) and their replacement with natural refrigerants



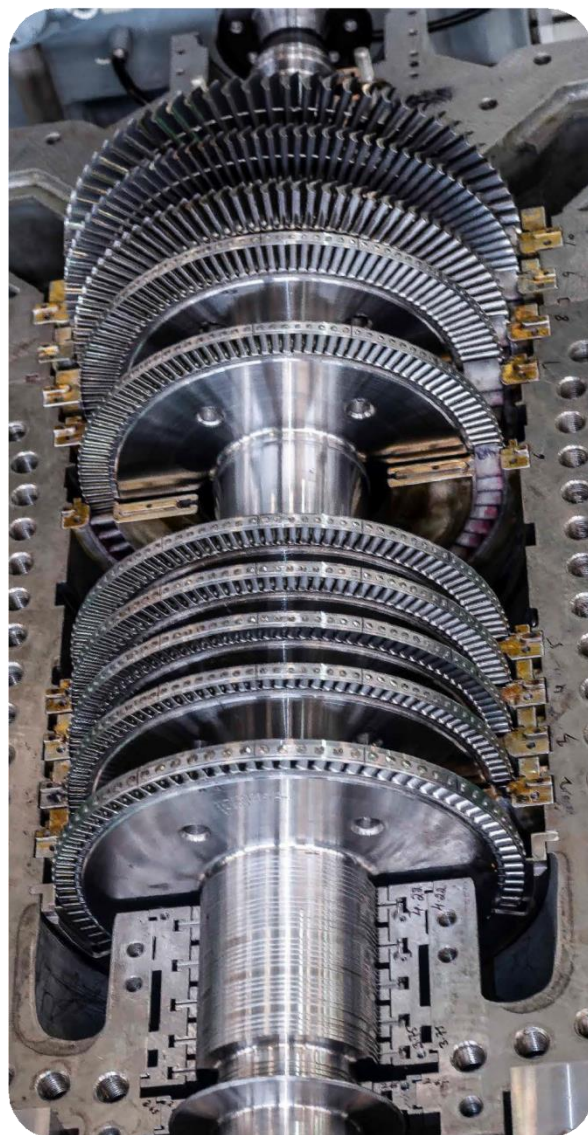
RENEWABLE ENERGY OPPURTUNITY MATRIX

Globally, Governments are shifting from conventional to renewable sources of energy to attain their renewable energy goals.

In India too, the Government has been consistently promoting biomass power such as bagasse based cogeneration programmes, as well as Waste Heat Recovery (WHR) and municipal solid waste power generating solutions

A strong uptick is visible in gross fixed capital formation in industries such as steel and cement, as well as chemical waste heat recovery around the world.

Our Value Proposition



Continued investment in R&D

- Strong R&D and Innovation, backed by continuous investments in Digitalisation and Automation
- Focus on alternative energy technologies

Manufacturing excellence

- Two state-of-the-art manufacturing facilities
- Triveni is amongst the few turbine manufacturers worldwide, which conducts mechanical steam run tests

Cost and value proposition

- Cost leadership and on-time delivery performance ensure quick Return on Investment (ROI)

Growing installed base

- Growing installed turbine base provides opportunity for aftermarket services which contributes significantly to customer lifetime value

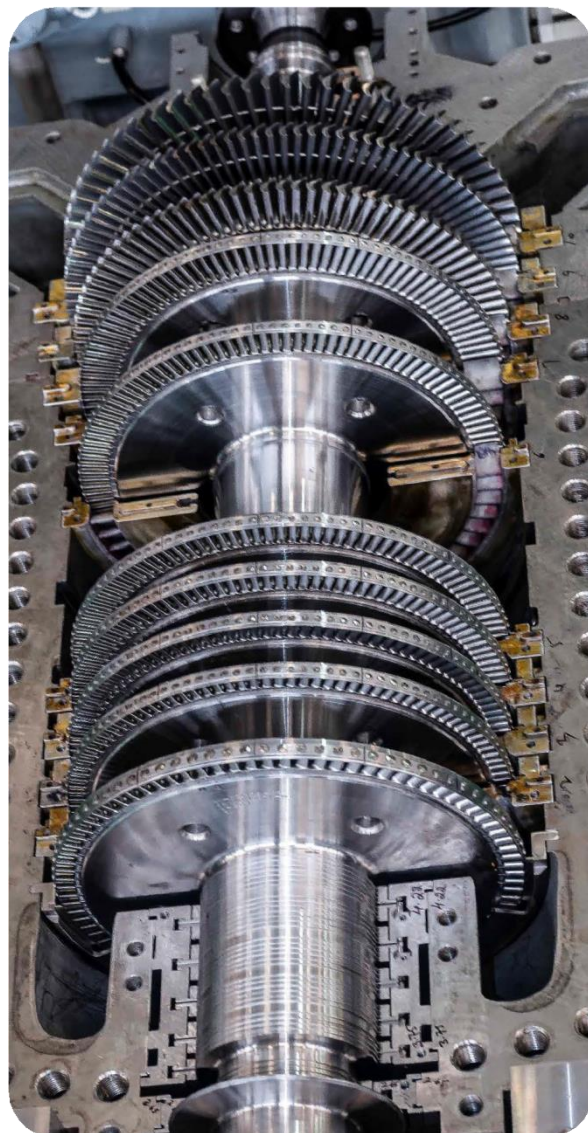
Expanding addressable market

- Foray into API (American Petroleum Institute), Geothermal, aftermarket services for turbines of other make
- Independent approach to the larger industrial steam turbine market

Market share in Renewables

- Strong market share in renewables globally, a growing segment

Our Business Model



Customer Centricity

- Experienced and reliable partner with proven expertise

Innovation Strength

- Strong Research & Development (R&D) capabilities to innovate new products and solutions designed to meet our customer needs; 338 filed, 249 granted Total IP (Intellectual Property) rights (as at end FY 23)

Sales & Marketing Efficiency

- Extensive Sales & Marketing network, comprising in-house team and hired agents

Engineering Excellence

- Expert teams to drive precision excellence across the value chain

Sustainable Sourcing

- 'Responsible Sourcing' programme for all vendors to upgrade their units from "Standard" to "World-Class" level

Manufacturing Prowess

- World-class manufacturing facilities with best-in-class machinery and equipment

Aftermarket Strength

- Delivering to customer needs across applications, sectors and geographies, as well as different brands of turbines

Pillars of our Growth with focus on Enhancing Addressable Markets

Maintaining Leadership position in small turbines segment

Continued focus in the small range turbines where Company is among the Top 2 globally and has dominant share in the Indian market

Making strides in the larger turbine segment

Making good progress in its strategic objective of gaining a strong foothold in the larger turbine segment internationally in the coming years

Gaining Traction in API Turbines

Significant strides made with several key orders on the ability to supply energy-efficient API 611 and 612 compliant steam turbines, ranging from 10 kW to 100 MW

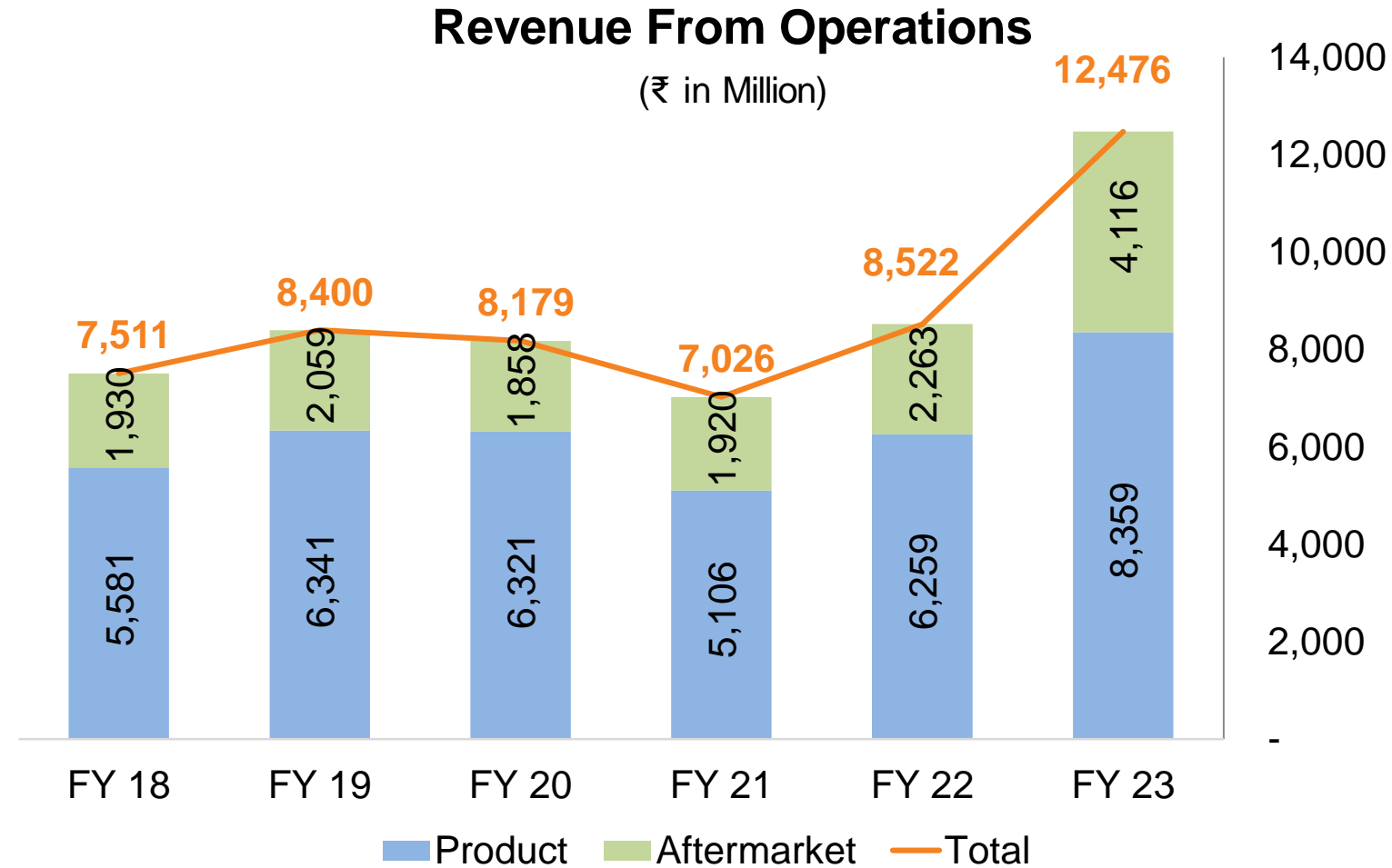
Augment the Aftermarket segment

Expanding capabilities in the Aftermarket segment to refurbish other rotating equipment beyond industrial steam turbines, such as geothermal, compressors, etc.



FY 23 PERFORMANCE REVIEW

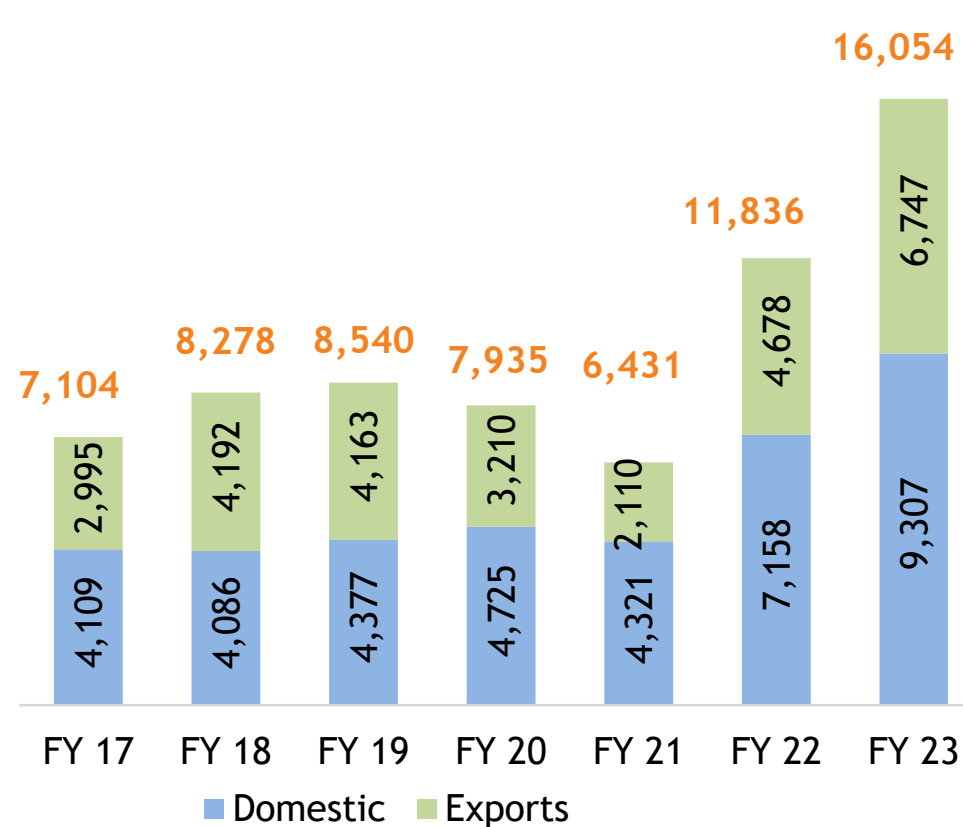
Highest-ever Revenue in FY 23; an increase of 46.4% y-o-y



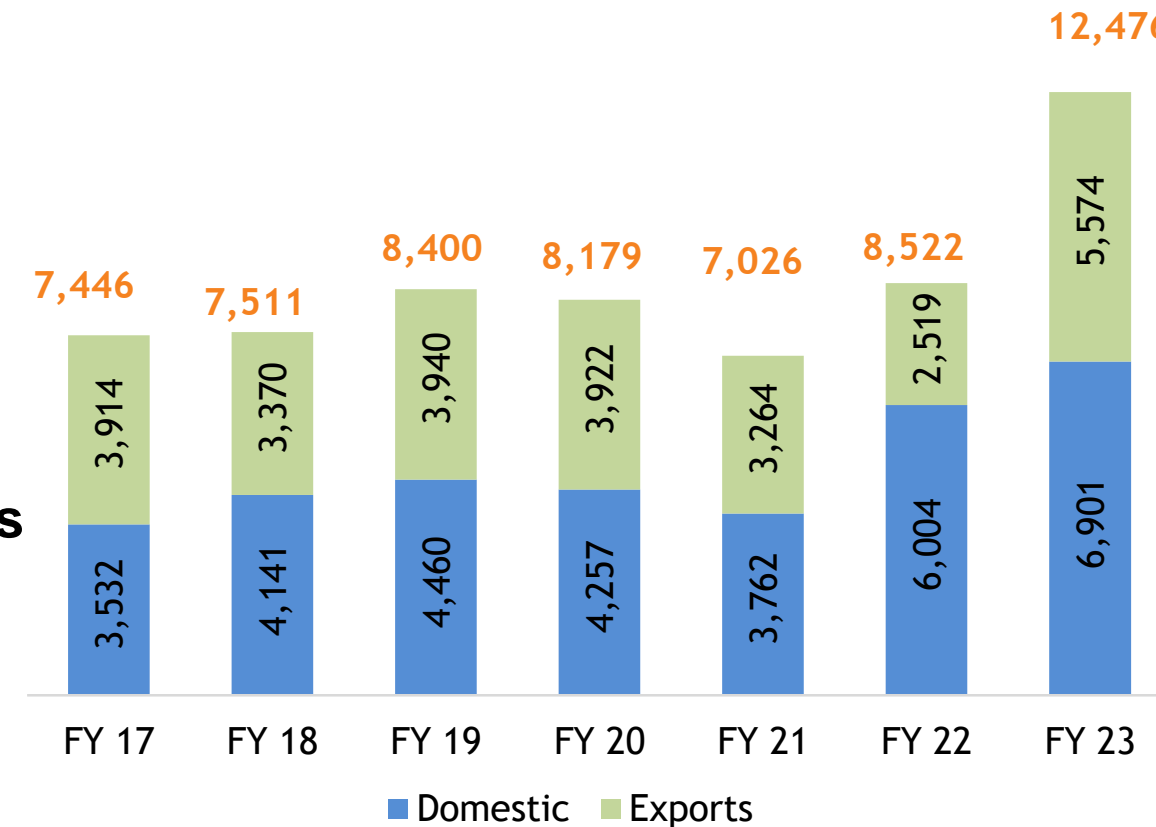
Solid Performance in FY 23 in both Domestic And International Markets



Order Booking
(₹ in Million)



Revenue From Operations
(₹ in Million)

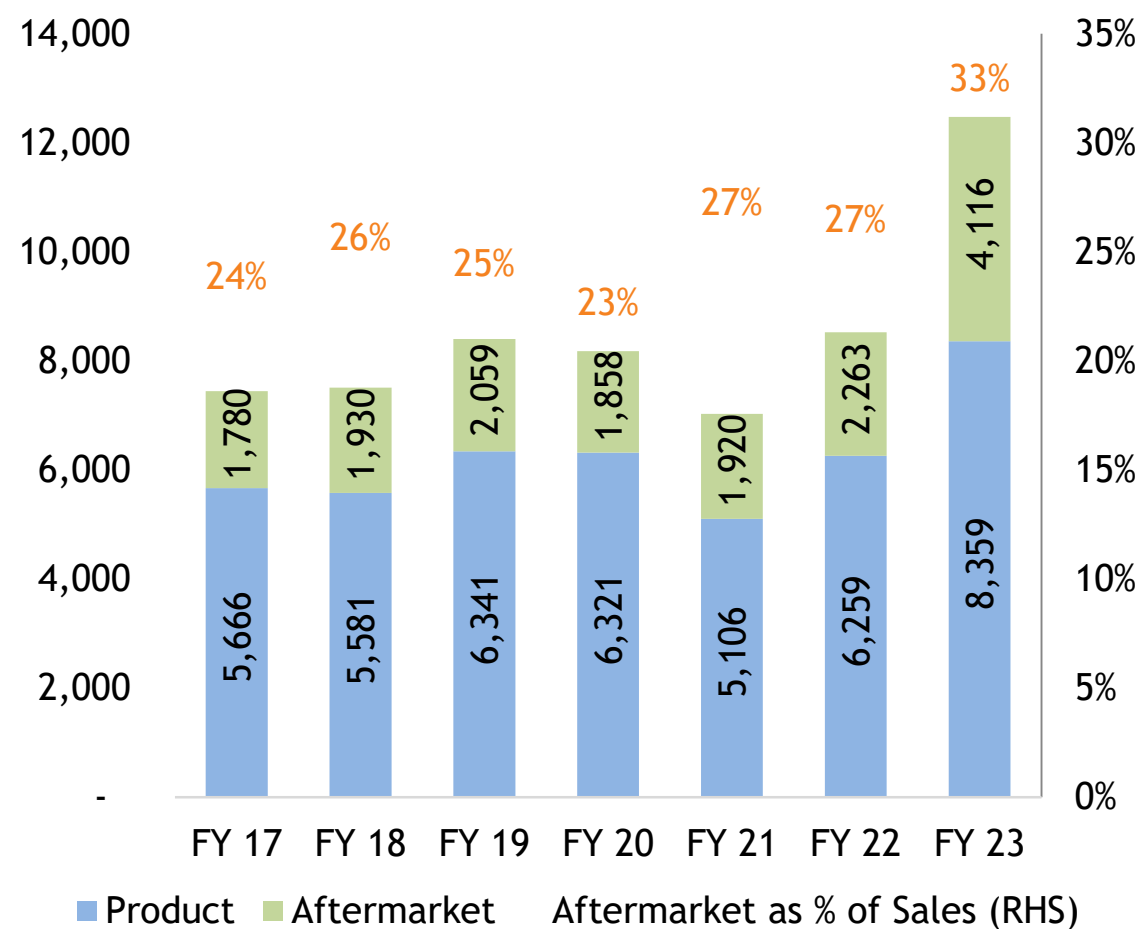


Order booking up 36% y-o-y (Domestic +30% y-o-y; Exports +44% y-o-y)

Revenues up 46% y-o-y (Domestic +15% y-o-y; Exports +121% y-o-y)

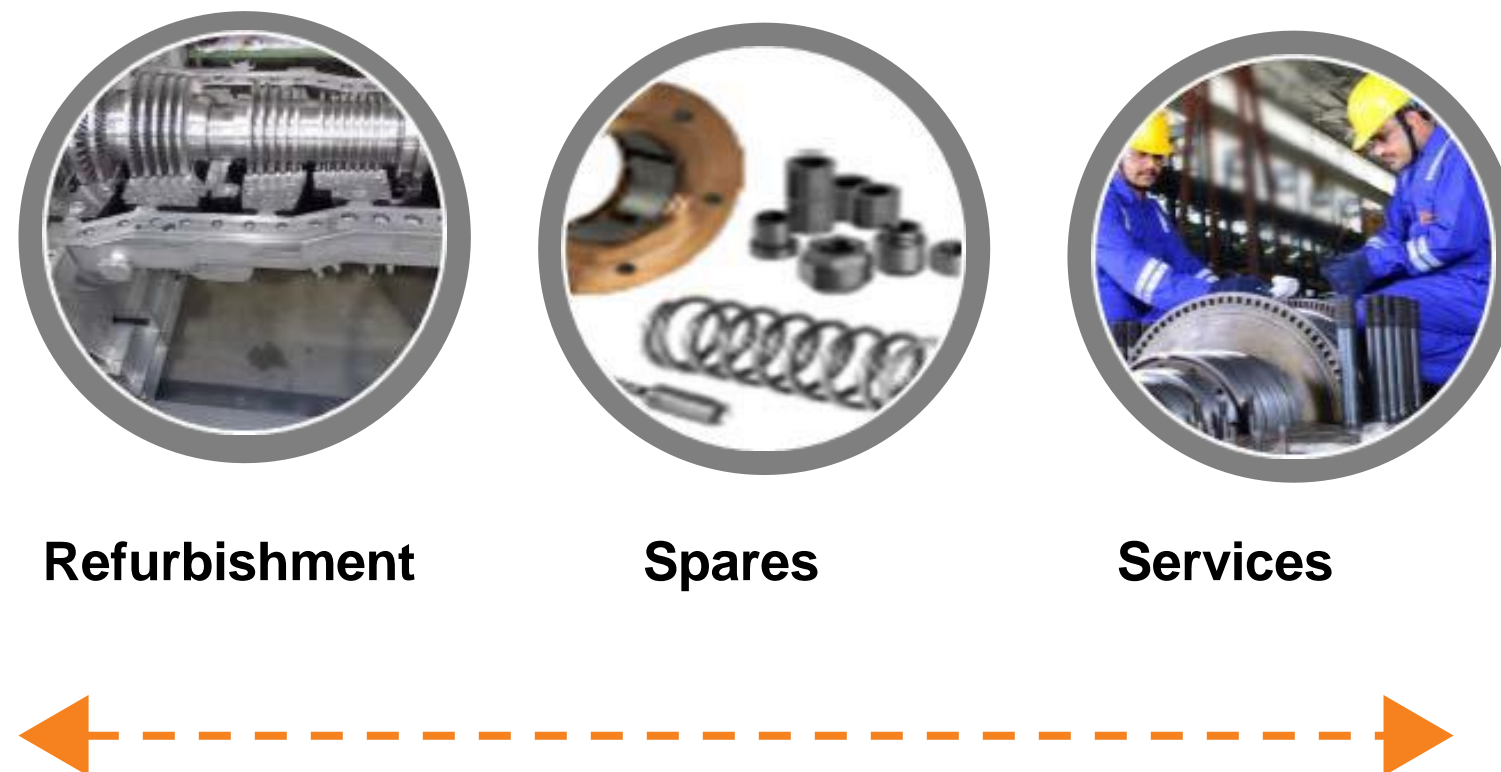
Exports as 45% of sales in FY 23, up from 30% in FY 22)

Increasing Contribution Of Aftermarket



Aftermarket Sales

(₹ in Million)



Refurbishment

Spares

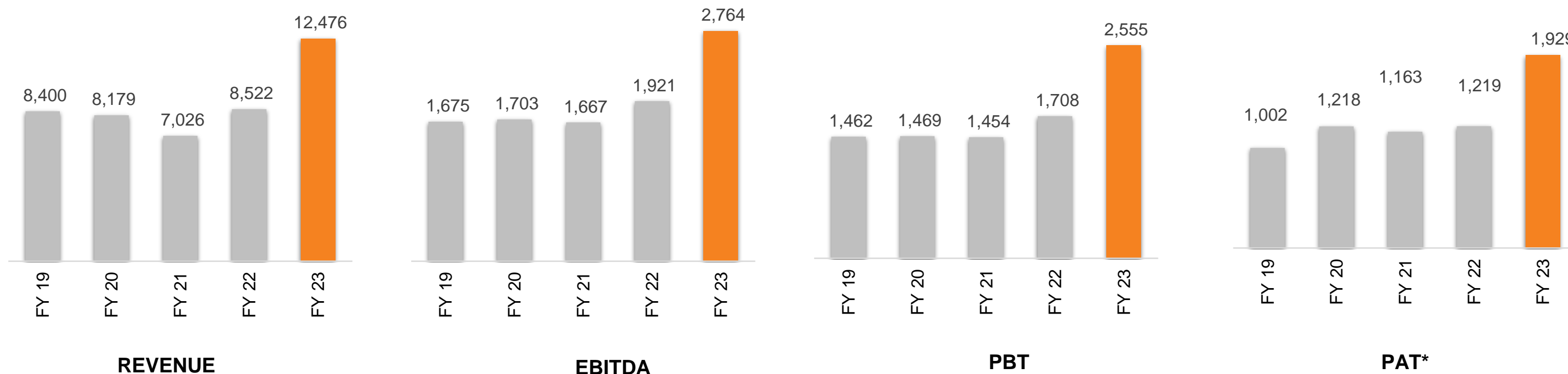
Services

Aftermarket Sales up 82% y-o-y in FY 23
Aftermarket contribution increased to 33% of Sales in FY 23 (up from 27% in FY 22)

Financial Highlights FY 23: A record year with many all-time highs



(₹ in Million)



Highest ever turnover:

Achieved a record turnover of ₹ 12.48 billion, **increase of 46.4% in FY 23**

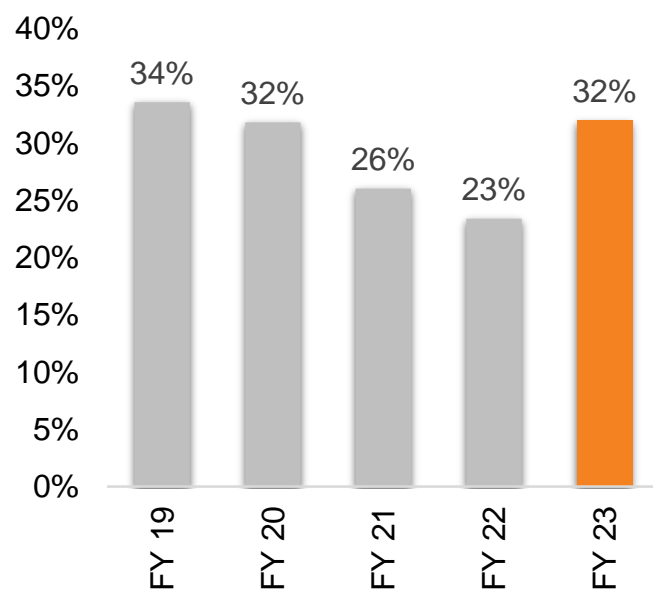
Highest ever EBITDA and EBITDA Margins:

EBITDA increased by 43.9% to ₹ 2.76 billion in FY 23
EBITDA margins of 22.2% in FY 23 (vs. 22.5% in FY 22)

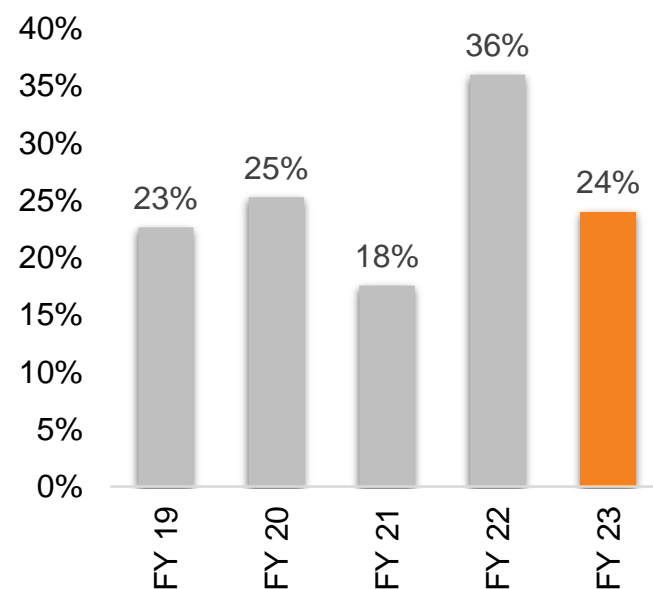
Robust Profitability:

PBT grew by 49.6% with a **PBT margin of 20.5%** as compared to 20.0% in FY 22
PAT (ex-exceptionals) grew by 57.7% in FY 23

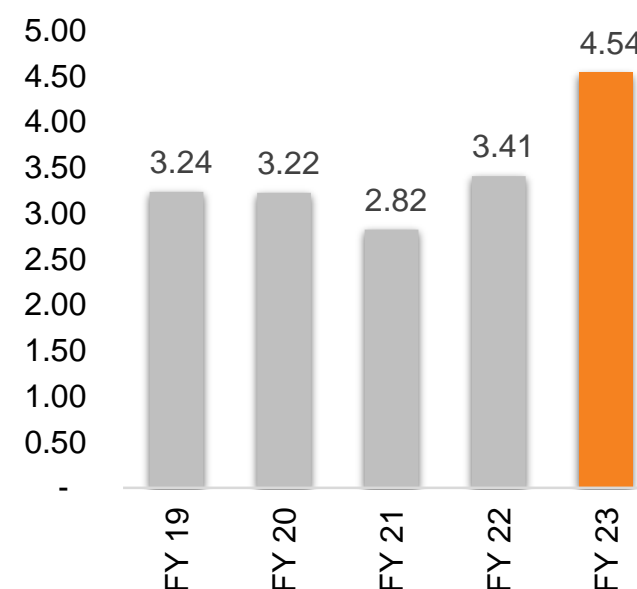
Financial Highlights: Healthy Ratios & Strong Cash Position



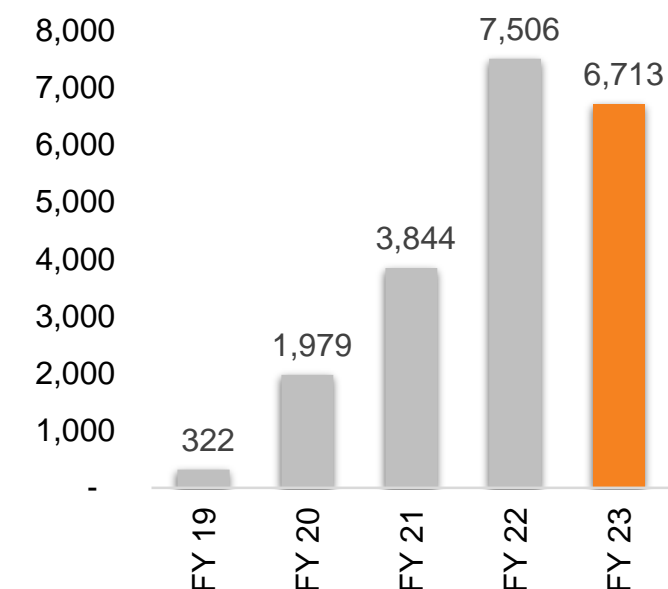
ROCE (%)



ROE (%)



Asset Turnover Ratio (x times)



Closing Investments including Cash (₹ in million)

32% & 24%

Healthy Return Ratios – Return on Capital Employed (ROCE) and Return On Equity (ROE) respectively. ROE lower due to exceptional items in FY 22

4.54 Times

Focus on high-value engineering while remaining asset-light. Thus, Company enjoys **a healthy asset turnover**

₹ 6,713 Million

Healthy cash flow position following buyback of ₹ 1.90 billion and dividend of ₹ 0.50 billion in FY 23

Note: Commentary for FY 23



Q1 FY 24 PERFORMANCE REVIEW

Comments from the Chairman & Managing Director on Q1 FY 24 Performance and Outlook for the Company



Mr. Dhruv Sawhney,
Chairman & Managing Director
Triveni Turbine Limited

- In Q1 FY 24, Triveni Turbines has delivered yet another impressive performance. The momentum in **revenue growth remained strong during the quarter with 45%** growth over the previous corresponding period.
- The Company has made concerted efforts in the last few years to expand its international presence and enhance its aftermarket portfolio. These efforts continue to yield results with **EBITDA and Profit After Tax registering higher growth of 50% and 59% respectively** as compared to the previous corresponding period.
- The Company had a **record closing order book of ₹ 14.1 billion, up 31% year-on-year as on Jun 30, 2023.**
- With a formidable product and aftermarket portfolio, underlying demand drivers in place, continued focus of innovation and sustainability, amplifying people strength, digital transformation underway, **the Company is well poised to enhance its global market position in the years to come.**

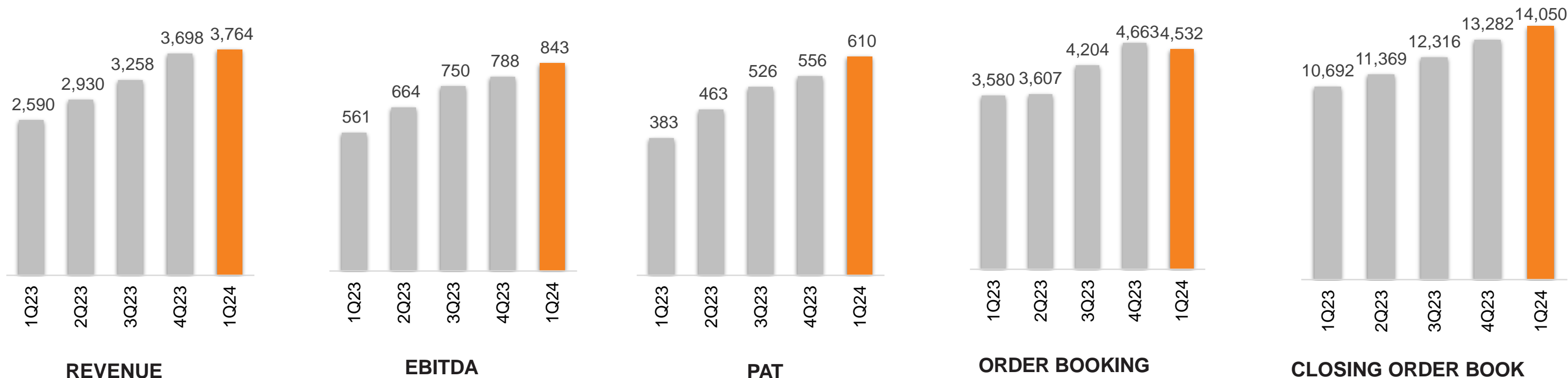
Q1 FY 24 and Q1 FY 23: Performance Review

(₹ in Million)

	Q1 FY 24	Q1 FY 23	% Change
Revenue from Operations	3,764	2,590	45.3%
EBITDA	843	561	50.3%
EBITDA Margin	22.4%	21.7%	
Depreciation & Amortisation	49	51	
PBT	786	508	54.7%
PBT Margin	20.9%	19.6%	
Consolidated PAT	610	383	59.3%
Consolidated PAT Margin	16.2%	14.8%	
EPS (₹/share)	1.91	1.18	

Reaching New Highs Quarter after Quarter

(₹ in Million)



45.3%

YoY Growth in Net Sales

Higher international and aftermarket sales led to the overall growth

50.3% and 59.3%

YoY Growth in EBITDA and Profit After Tax (PAT)

EBITDA margins grew 70 bps YoY to 22.4%

₹ 14,050 Million

Record Closing Order Book, an increase of 31.4% YoY

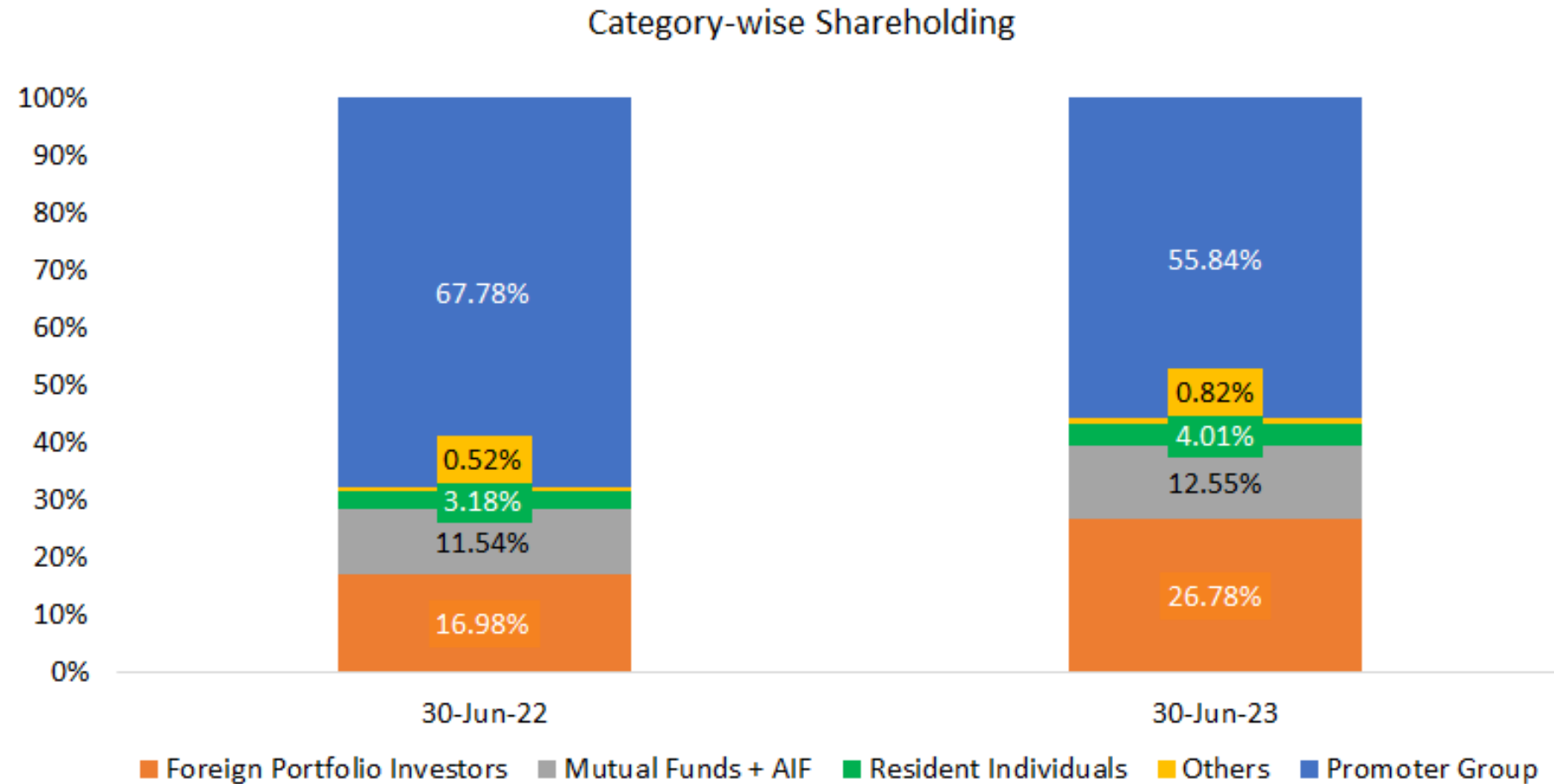
Record closing order book driven by strong demand across sectors and geographies

Note: Commentary for latest period i.e.1Q 24



SHAREHOLDING PATTERN

Shareholding Pattern



- Increased free float of 44.16%, following sale by Triveni Engineering & Industries Ltd.
- Increased ownership of Foreign Portfolio Investors (FPI), Mutual Funds (MF) and Alternative Investment Funds (AIF)

Investor Relations Contact

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Surabhi Chandna

Investor Relations & Value Creation

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These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

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