Triveni TURBINES

Investor Presentation

4Q/FY 23

May 2023

www.triveniturbines.com

AGENDA

GLOBAL AND DOMESTIC OVERVIEW

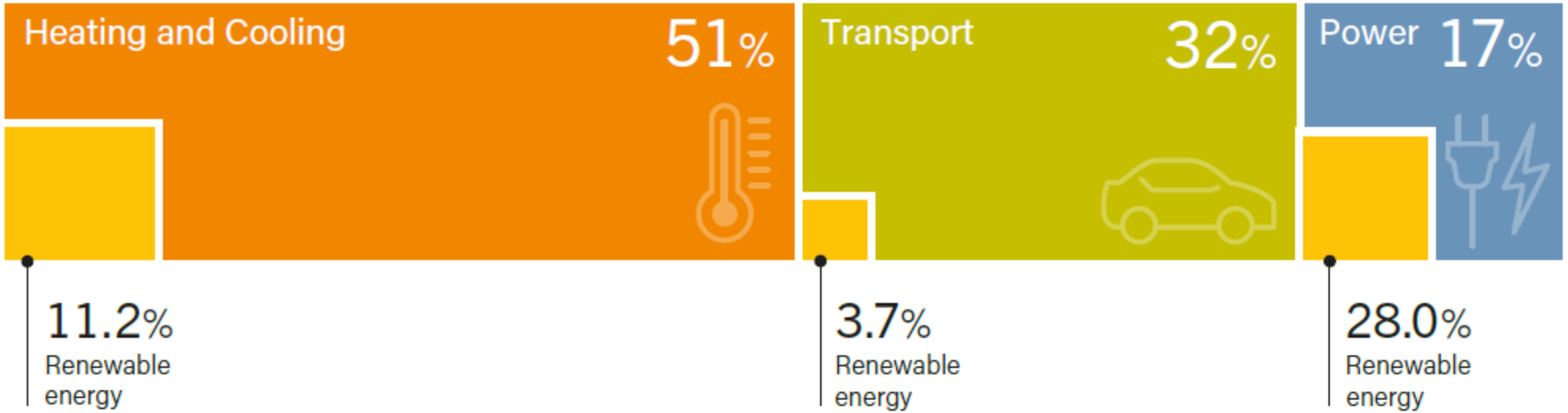
COMPANY OVERVIEW

4Q/FY 23 PERFORMANCE REVIEW

SHAREHOLDING PATTERN

GLOBAL AND DOMESTIC OVERVIEW

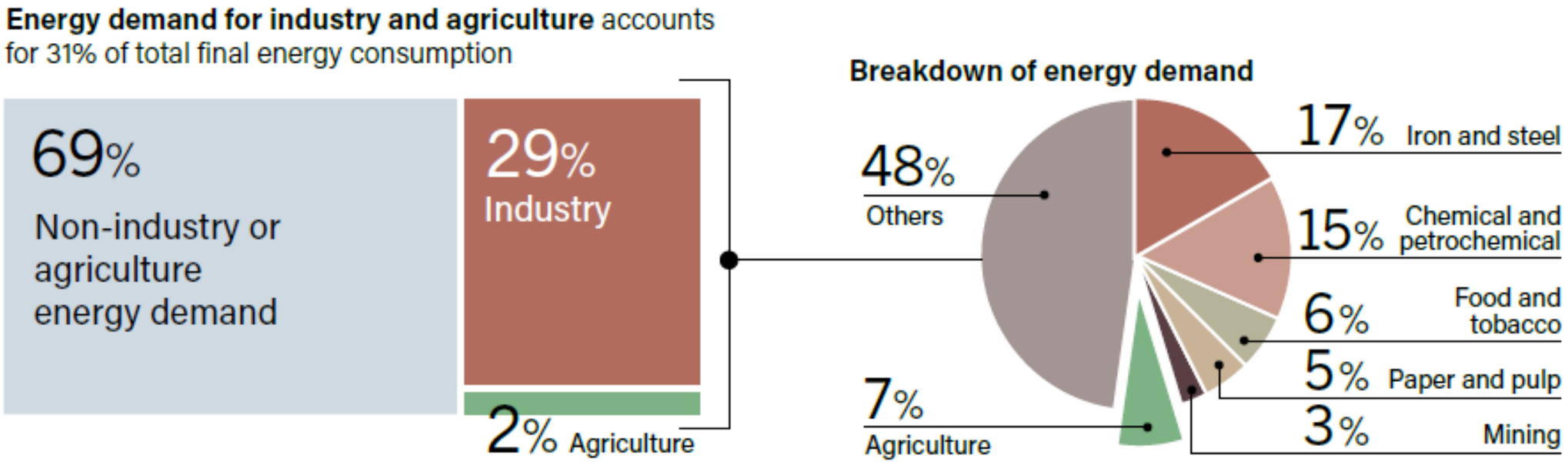
Global Energy Consumption Is Driven By Heating and Cooling



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

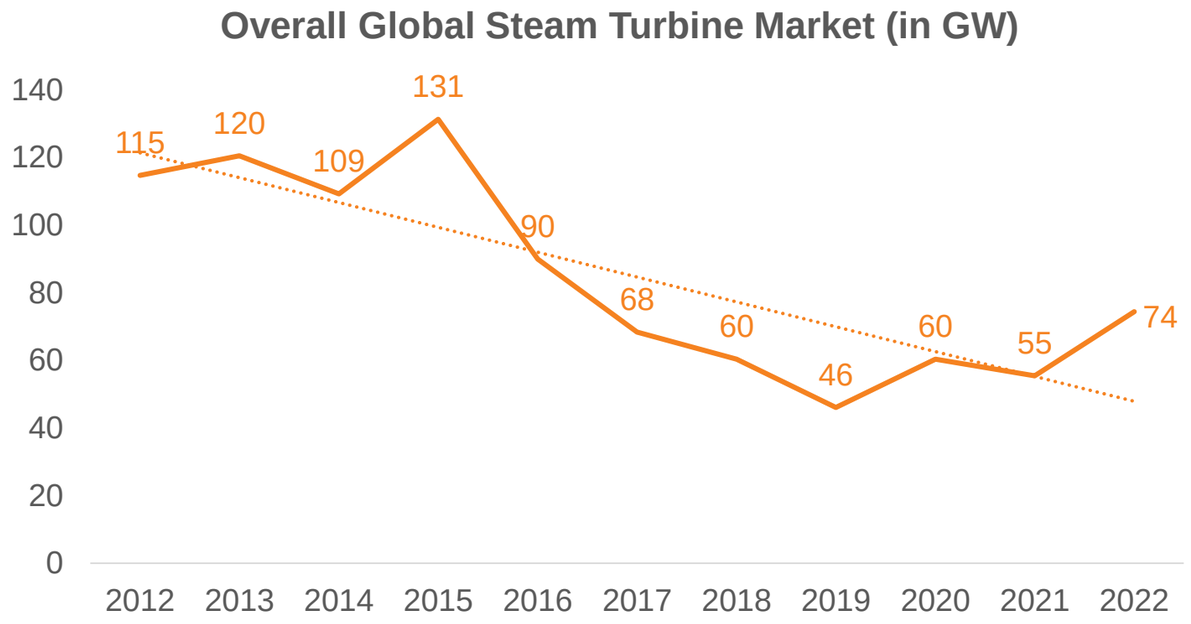
Industry as a sector is one of the largest energy users globally



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…



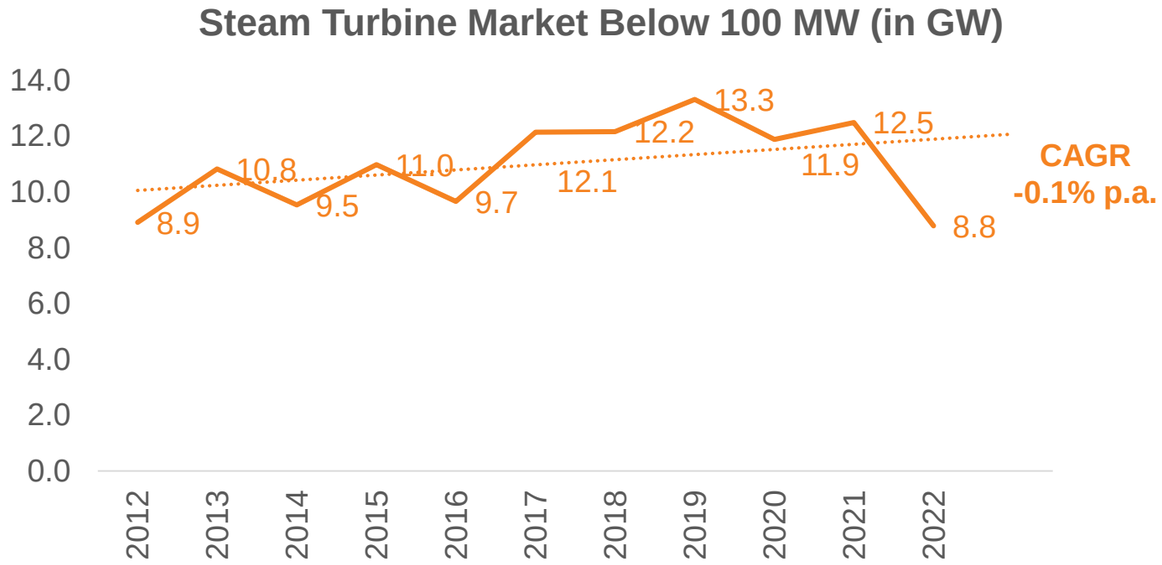
The global steam turbine market declined from

115 GW in 2012 to 74 GW in 2022

a **decline of 4% p.a.** yearly during 2012 - 22

Source: McCoy Report, 2022

…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.

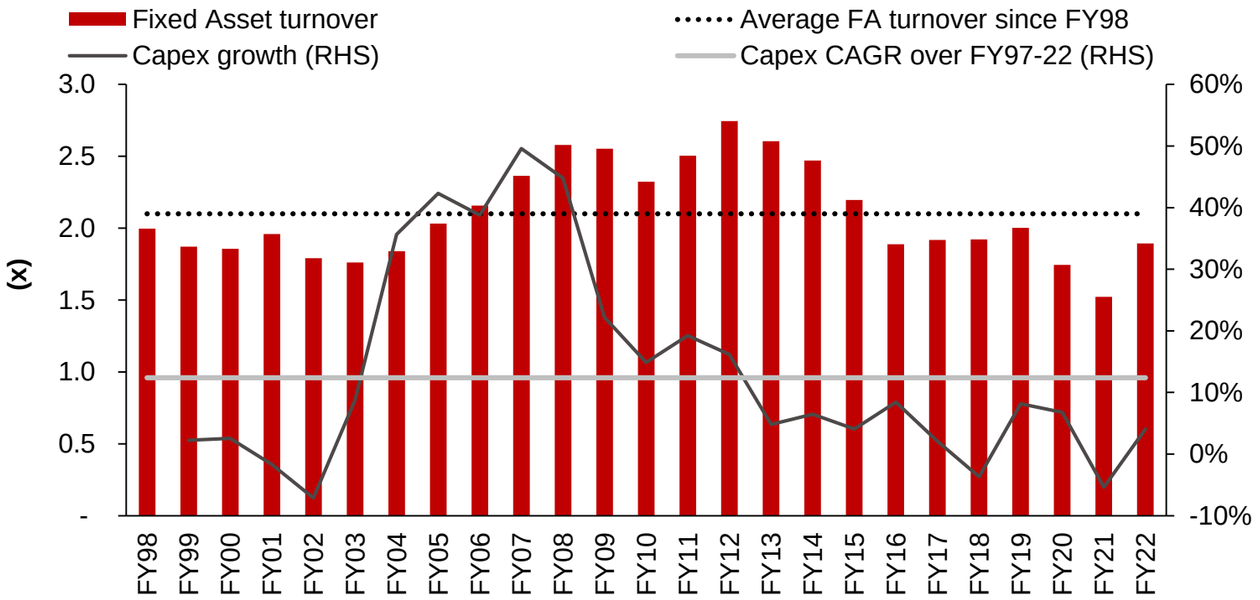
…while below 100 MW where Triveni Turbines operates

is largely flat

at 8.8 GW over a period of 10 years

Source: McCoy Report, 2022

...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 Turbine At A Glance

*Source: McCoy Report, 2022

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.

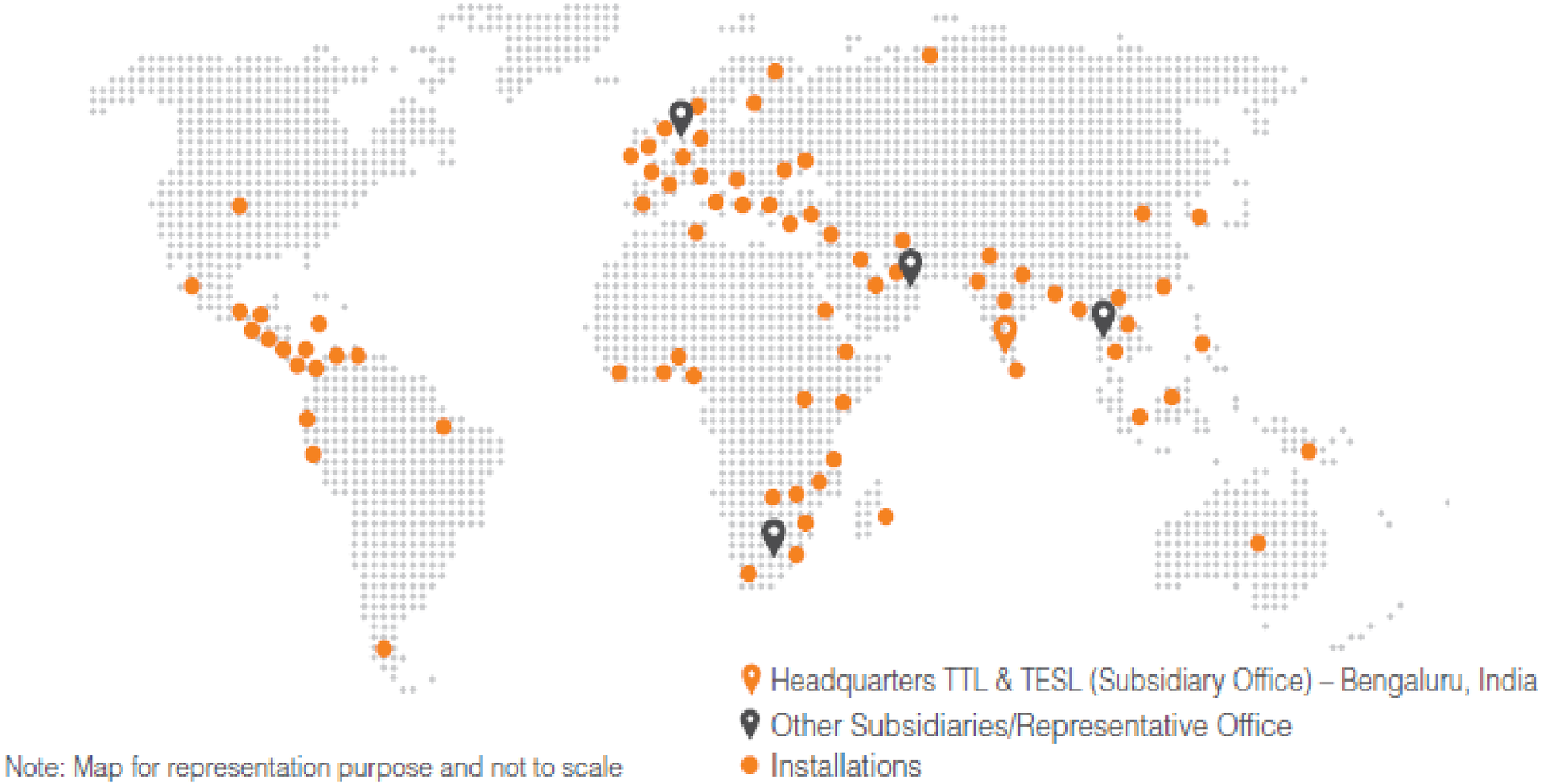
DRIVE APPLICATIONS

Petroleum Refineries, Chemicals, Petrochemicals and Fertilisers

Strong Global Footprint

>75

Countries of presence



Note: Map for representation purpose and not to scale

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

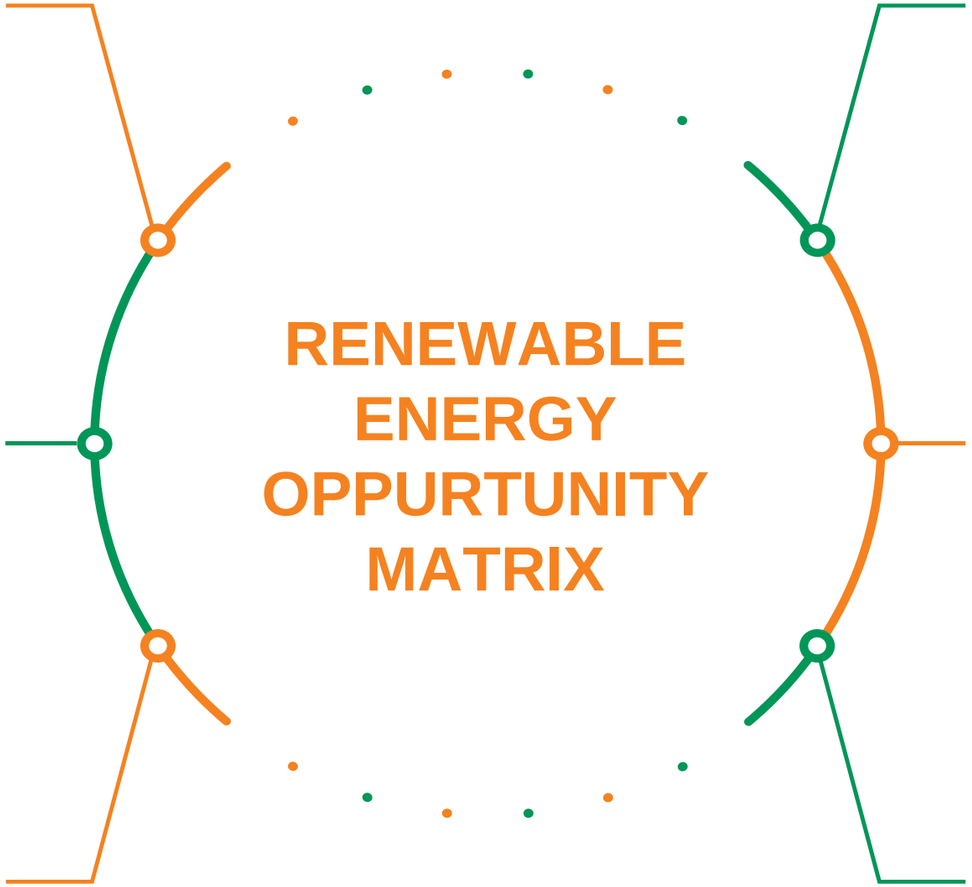
Waste Heat Recovery (WHR) (Steel, Cement)

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

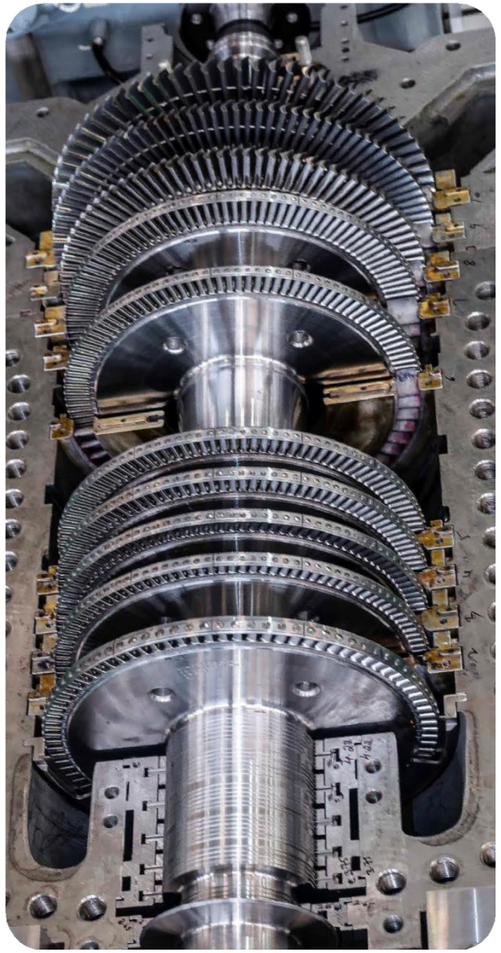


Globally, Governments are shifting from conventional to renewable sources of energy to attain their renewable energy goals.

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

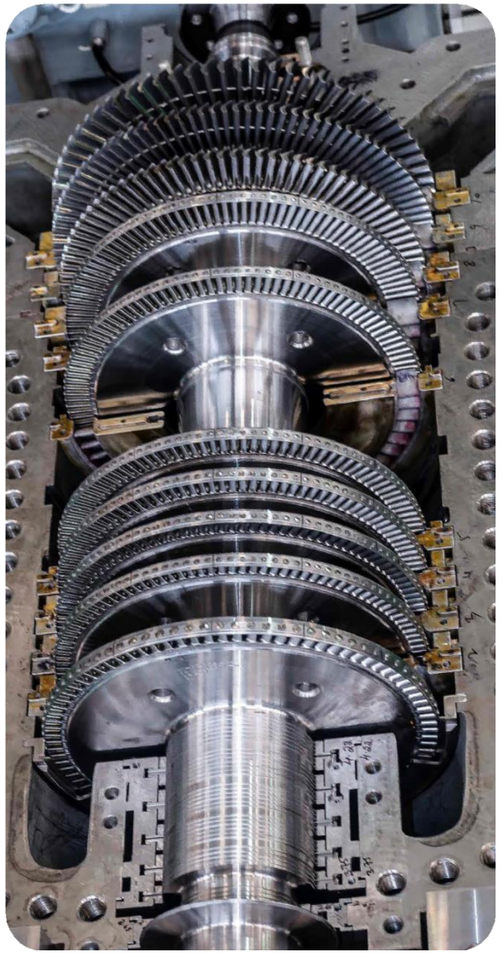
Expanding addressable market

- Foray into API (American Petroleum Institute), Geothermal, aftermarket services for turbines of other make
- Independent approach to >30.1-100 MW expanding addressable 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

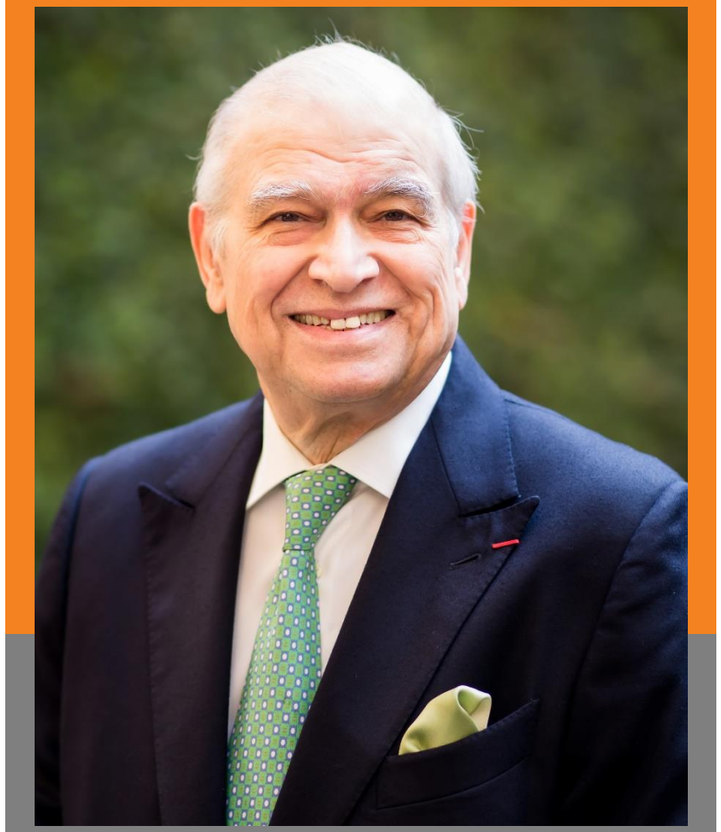
Significant strides made with several key orders on the ability to supply energy-efficient API 611 and 612 compliant steam turbines, ranging from 10 kW to 100 MW

Augment the Aftermarket segment

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

4Q/FY 23 PERFORMANCE REVIEW

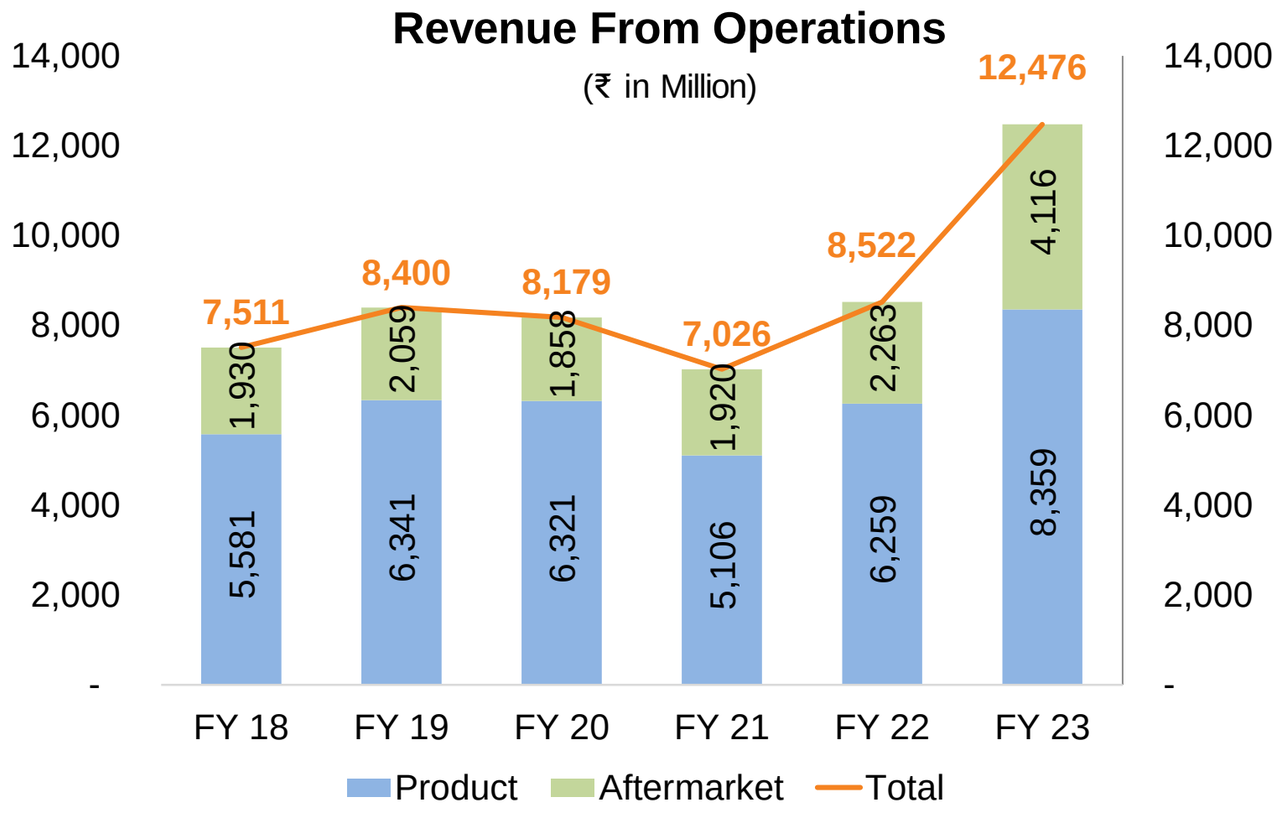
Comments from the Chairman & Managing Director on FY 23 Performance and Outlook for the Company



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

- Triveni Turbines has delivered yet another record year in FY 23, building upon the strong foundation of the previous year.
- In the year gone by, the Company achieved its highest ever turnover at ₹ 12.48 billion, with an impressive growth of 46% over the previous financial year.
- On the order booking front, the Company's performance has been the **highest ever with total order booking of ₹16.05 billion,** providing visibility and confidence for sustainable growth in the next few years.
- The Company had a **record closing order book of ₹ 13.28 billion, up 36.9% year-on-year as on Mar 31, 2023.**
- With a rise in the Company's export and aftermarket order booking, as well as a strong carry-forward order book and a robust enquiry pipeline**, we anticipate a solid year ahead** in terms of overall performance.
- As a forward-thinking organization, Triveni Turbines remains committed to **spearheading the energy transition through research and development.** We believe these efforts will continue to drive **sustainable growth** for years to come.

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



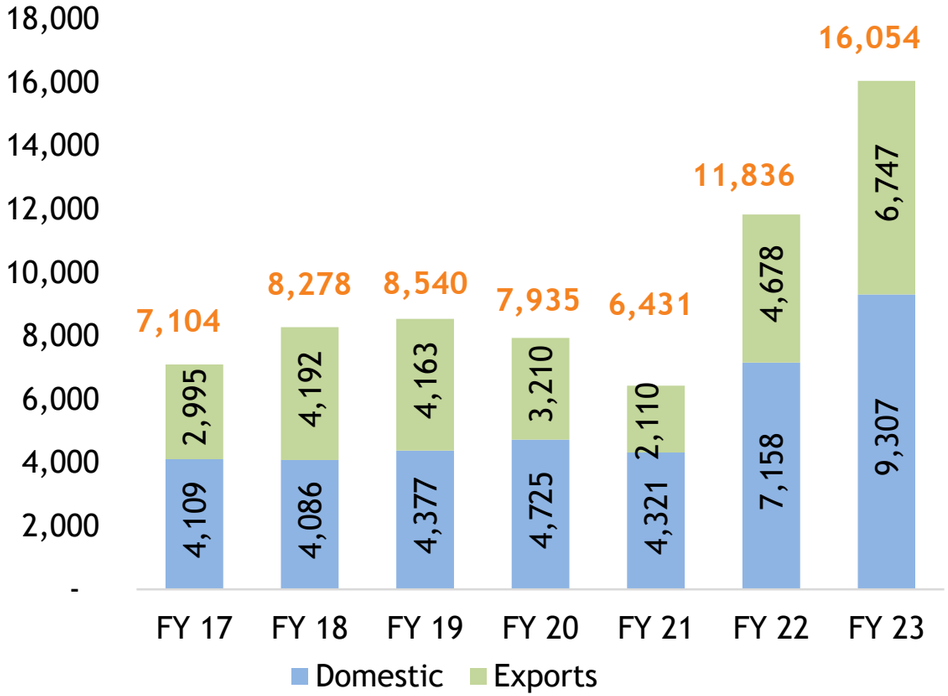
Increasing contribution from drive turbines in the last 2-3 years

Making strides globally in the larger turbine segment in the last 1-2 years

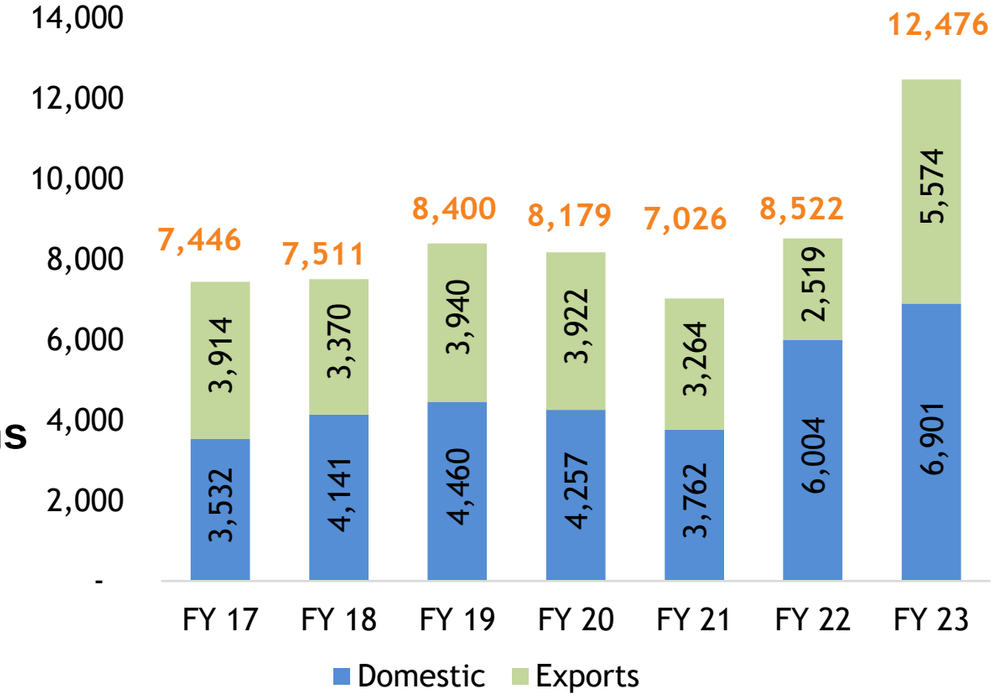
Expanding aftermarket portfolio to include geothermal, gas turbines, other rotating equipment and servicing of utility turbines

Solid Performance in FY 23 in both Domestic And International Markets

Order Booking
(₹ in Million)



Revenue From Operations
(₹ in Million)

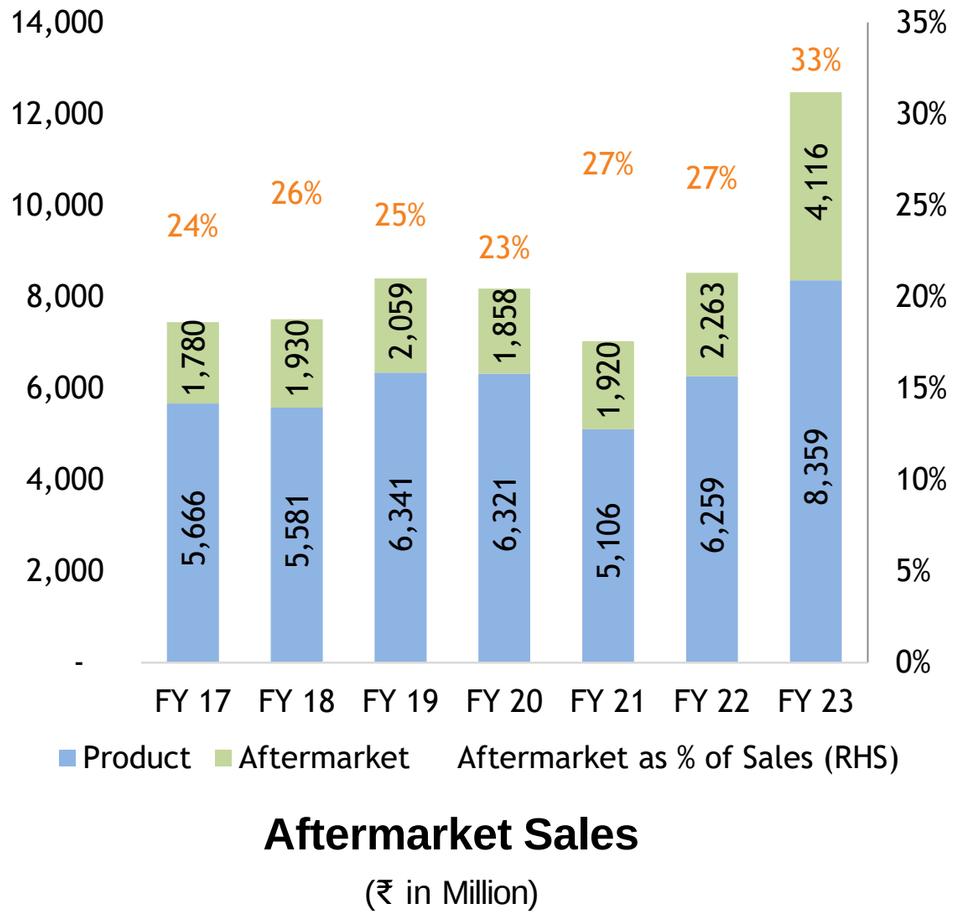


Order booking up 36% y-o-y (Domestic +30% y-o-y; Exports +44% y-o-y)

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

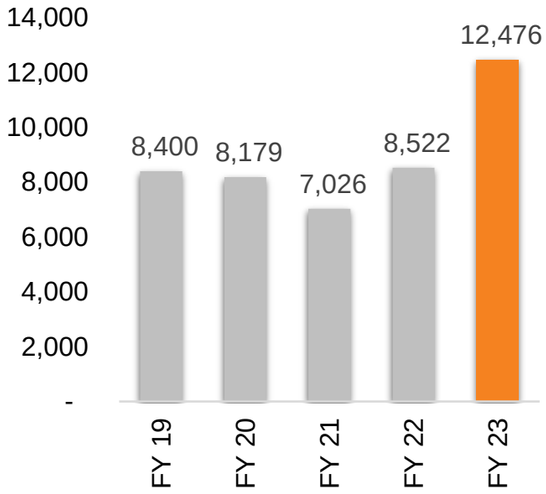
Services

Aftermarket Sales up 82% y-o-y in FY 23

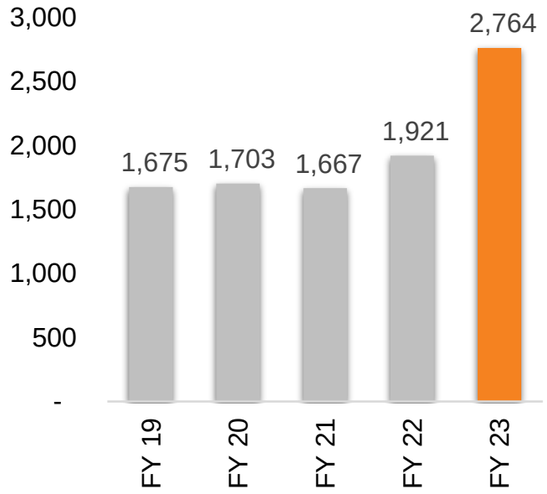
Aftermarket contribution increased to 33% of Sales in FY 23 (up from 27% in FY 22)

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

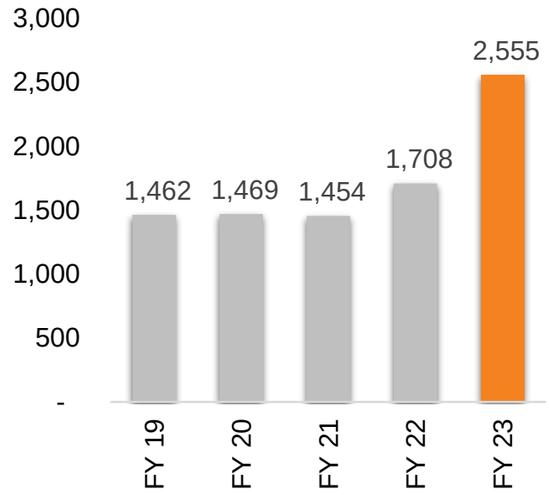
(₹ in Million)



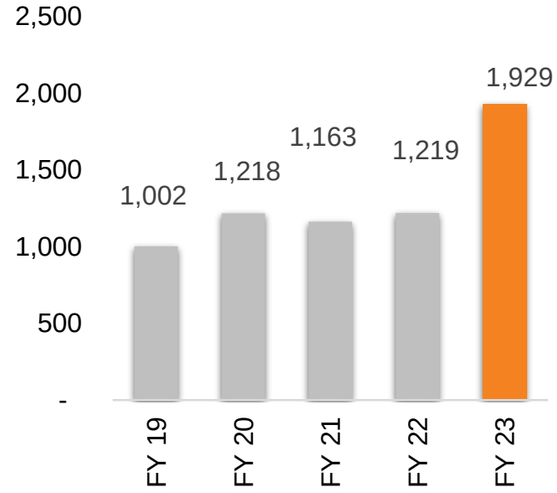
REVENUE



EBITDA



PBT



PAT*

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)

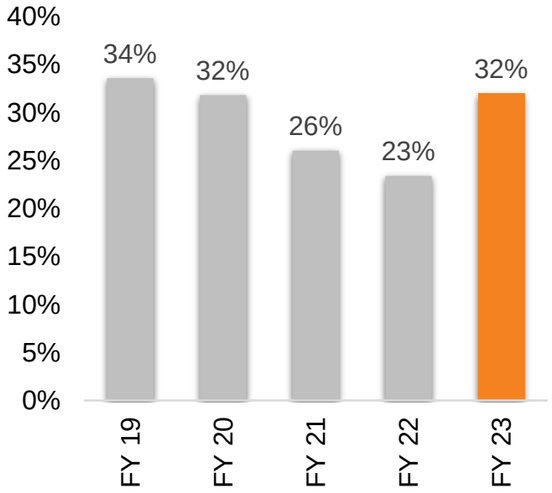
Robust Profitability:

PBT grew by 49.6% with a PBT margin of 20.5% as compared to 20.0% in FY 22

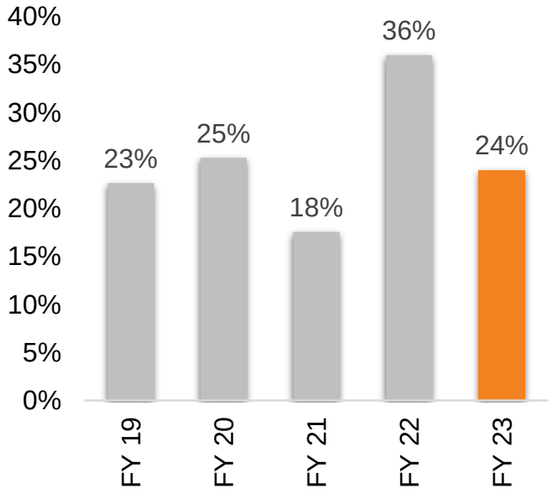
PAT (ex-exceptionals) grew by 57.7% in FY 23

*PAT (excluding exceptional items)
FY 22 reported PAT was ₹ 2,702 million

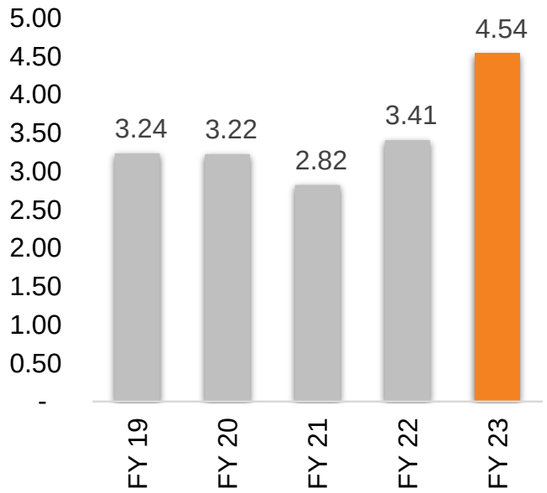
Financial Highlights: Healthy Ratios & Strong Cash Position



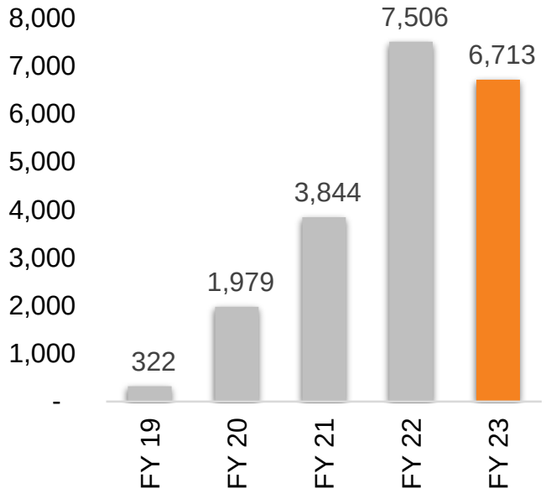
ROCE (%)



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**

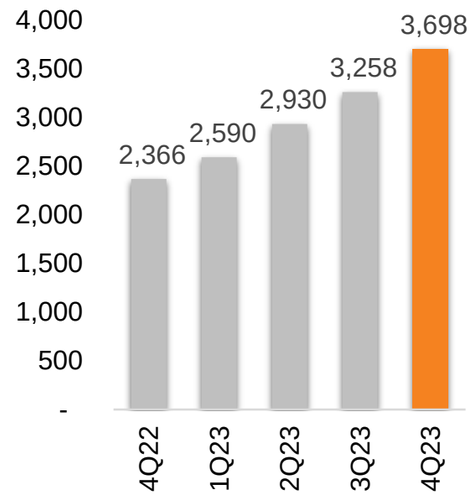
₹ 6,713 Million

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

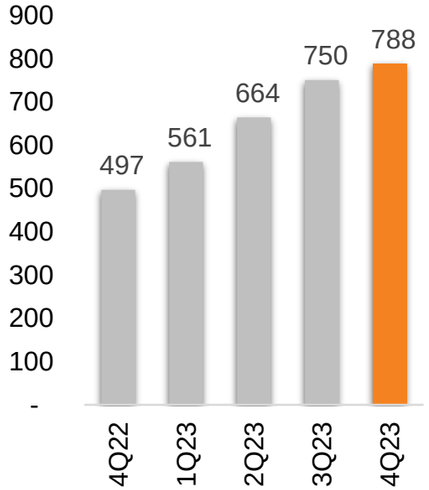
Note: Commentary for FY 23

Reaching New Highs Quarter after Quarter

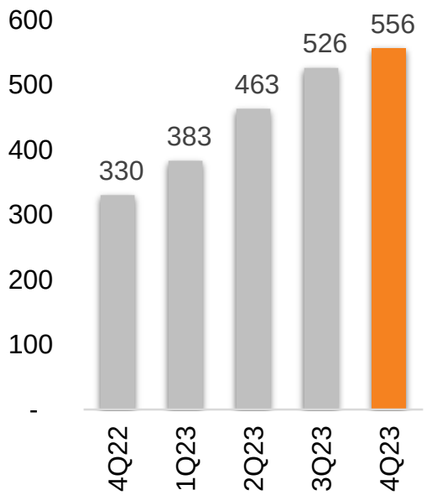
(₹ in Million)



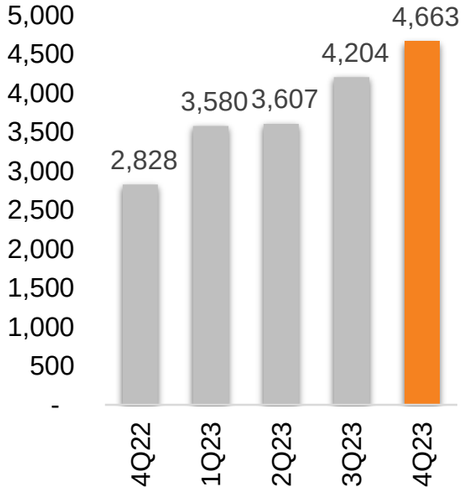
REVENUE



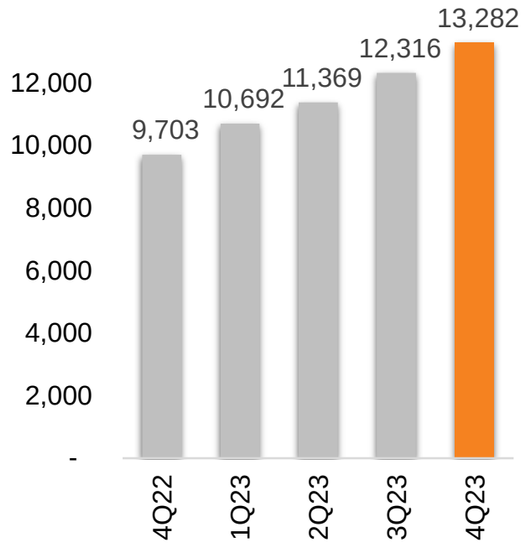
EBITDA



PAT



ORDER BOOKING



CLOSING ORDER BOOK

56.3%

YoY Growth in Net Sales

Higher international and aftermarket sales led to the overall growth

64.9%

YoY Growth in Order Booking

Driven by higher exports and aftermarket segment

₹ 13,282 Million

Record Closing Order Book, an increase of 36.9% YoY

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

Note: Commentary for latest period i.e.4Q 23

FY 23 and FY 22: Performance Review *

(₹ in Million)

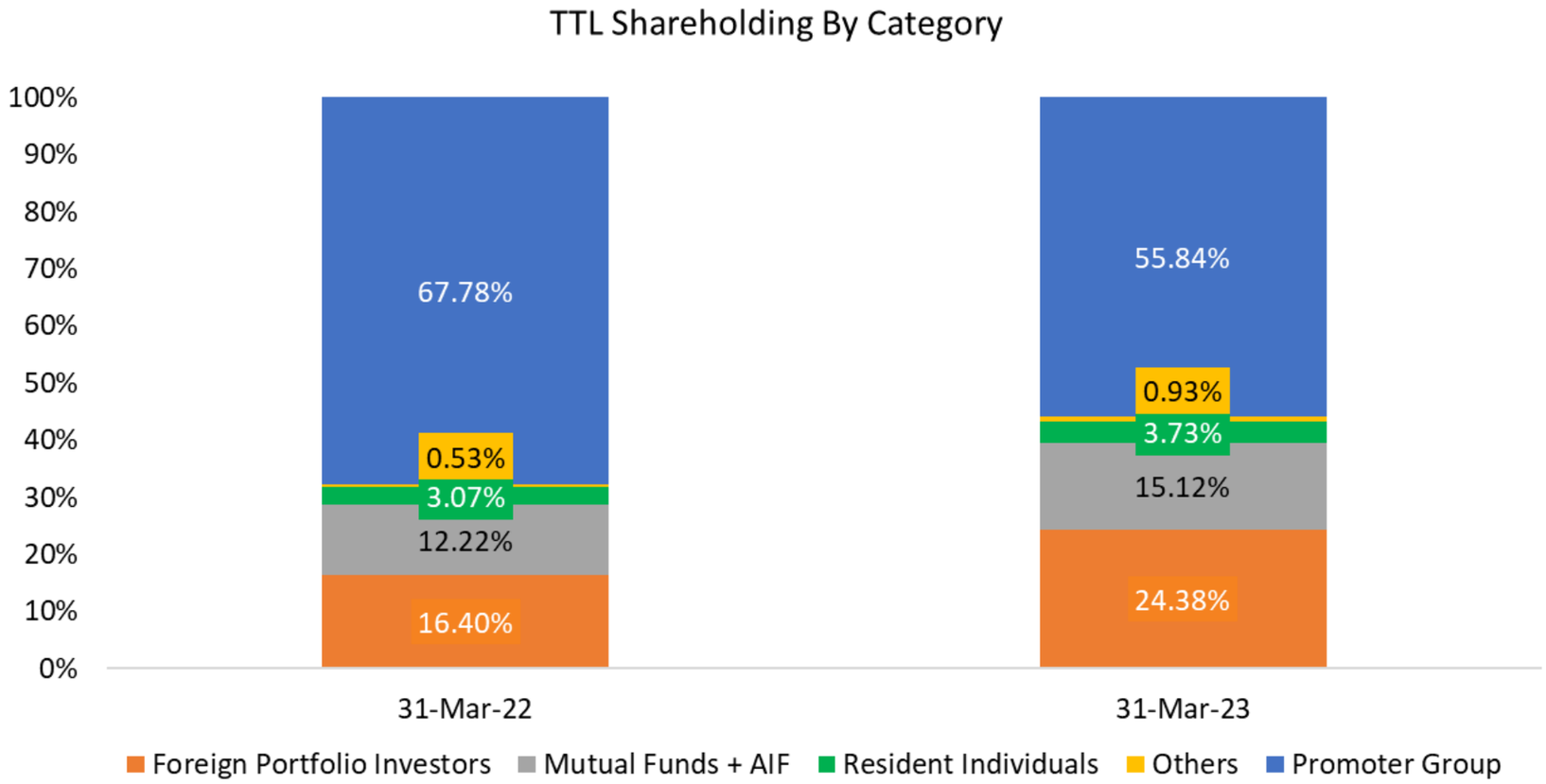
	Q4 FY 23	Q4 FY 22	% Change	FY 23	FY 22	% Change
Revenue from Operations	3,698	2,366	56.3%	12,476	8,522	46.4%
EBITDA	788	497	58.6%	2,764	1,921	43.9%
EBITDA Margin	21.3%	21.0%		22.2%	22.5%	
Depreciation & Amortisation	50	51	(2.0%)	199	203	(1.9%)
PBIT	738	446	65.5%	2,565	1,719	49.2%
PBIT Margin	20.0%	18.8%		20.6%	20.2%	
Finance Cost	5	5		10	10	
PBT	733	441	66.2%	2,555	1,708	49.6%
PBT Margin	19.8%	18.6%		20.5%	20.0%	
Exceptional Items	-	-		-	1,982	
Share of loss from Joint Venture (JV)	-	-			42	
PBT after exceptional items and share of JV	733	441	66.2%	2,555	3,648	(30.0%)
Consolidated PAT	556	330	68.5%	1,929	2,702	(28.6%)
Consolidated PAT**	556	330	68.5%	1,929	1,223**	57.7
Consolidated PAT Margin**	15.0%	14.0%		15.5%	14.4%**	
EPS (₹/share)	1.73	1.02		5.97	8.36	
EPS (₹/share)**	1.73	1.02		5.97	3.78**	

*TESL (Triveni Energy Solutions Limited (formerly known as GE Triveni Limited)) & TSE have been consolidated on a line-by-line basis w.e.f. September 6, 2021 and March 1, 2022 respectively after becoming subsidiaries of the Company. Further, TESL ceased to be a joint venture with effect from September 6, 2021 thus 9M FY22 results also included share of loss of the JV up to that date

**Adjusting for exceptional items and share of loss from JV – FY 22 Reported PAT: ₹ 2,702 million & Reported EPS: ₹ 8.36 per share

SHAREHOLDING PATTERN

Shareholding Pattern



- **Increased free float in FY 23 by 11.85% to 44.06%, following sale by Triveni Engineering & Industries Ltd.**
- **Increased ownership of Foreign Portfolio Investors (FPI), Mutual Funds (MF)**

Note: Others comprise of Corporate Bodies, Clearing members, NRI, HUF, Trust, IEPF, etc.

Investor Relations Contact

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Sector 16-A, Noida – 201 301, India.

Some of the statements in this presentation that are not historical facts are forward looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate.

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.

Further, this presentation may make references to reports and publications available in the public domain.
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