Thermax (TMX IN)

Rating: HOLD | CMP: Rs3,779 | TP: Rs3,633

August 2, 2025

Q1FY26 Result Update

☑ Change in Estimates | ☑ Target | ☑ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	HOLD		ACCUMULATE	
Target Price	3,633		3,629	
Sales (Rs. m)	1,16,077	1,30,915	1,17,053	1,30,753
% Chng.	*(0.8)*	*0.1*		
EBITDA (Rs. m)	10,447	12,437	10,535	12,422
% Chng.	*(0.8)*	*0.1*		
EPS (Rs.)	65.8	74.5	66.2	74.5
% Chng.	*(0.7)*	*0.1*		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	93,235	1,03,887	1,16,077	1,30,915
EBITDA (Rs. m)	7,974	9,078	10,447	12,437
Margin (%)	*8.6*	*8.7*	*9.0*	*9.5*
PAT (Rs. m)	5,894	6,345	7,836	8,880
EPS (Rs.)	49.5	53.2	65.8	74.5
Gr. (%)	*30.8*	*7.6*	*23.5*	*13.3*
DPS (Rs.)	12.0	12.0	19.7	22.4
Yield (%)	*0.3*	*0.3*	*0.5*	*0.6*
RoE (%)	*14.2*	*13.5*	*14.9*	*15.0*
RoCE (%)	*12.5*	*12.1*	*11.7*	*11.4*
EV/Sales (x)	4.7	4.2	3.8	3.5
EV/EBITDA (x)	55.1	48.4	42.6	36.3
PE (x)	76.4	71.0	57.5	50.7
P/BV (x)	10.1	9.1	8.1	7.2

Key Data	THMX.BO | TMX IN
52-W High / Low	Rs.5,721 / Rs.2,930
Sensex / Nifty	80,600 / 24,565
Market Cap	Rs.450bn/ $ 5,143m
Shares Outstanding	119m
3M Avg. Daily Value	Rs.732.89m

Shareholding Pattern (%)

Promoter's	61.99
Foreign	16.02
Domestic Institution	11.74
Public & Others	10.25
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	12.6	(2.5)	(27.1)
Relative	16.9	(6.3)	(25.9)

Amit Anwani
amitanwani@plindia.com | 91-22-66322250

Prathmesh Salunkhe
prathmeshsalunkhe@plindia.com | 91-22-66322324

Hitesh Agarwal
hiteshagarwal@plindia.com | 91-22-66322535

Persistent execution challenges impact growth

Quick Pointers:

- Revenue from operations included Rs558.2mn incentive income under Package Scheme of Incentives (PSI), which we have considered as extraordinary.
- Order book mix stands at Industrial Products/Industrial Infra/Green Solutions/Chemicals of 41%/49%/9%/1%, with domestic/export mix of 76%/24%.

We downgrade our rating from 'Accumulate' to 'HOLD' given the persistent execution challenges, valuing the core business (excl. Green Solutions) at PE of 40x Mar'27E (same as earlier) with SoTP-derived TP of Rs3,633 (Rs3,629 earlier). Thermax (TMX) saw muted revenue growth of 4.1% YoY, impacted by lower execution, though EBITDA margin improved by 162bps YoY to 8.1%. The management maintains a cautiously optimistic outlook for FY26, expecting moderate revenue growth and margin improvement, contingent on timely execution and a steady order pipeline across domestic and export markets. While Water & Enviro continues to gain traction and Cooling benefits from ~Rs1.0bn pipeline, the Heating segment performance remains below expectations. Industrial Infra is anticipated to post double-digit growth driven by the execution of key projects. Chemicals is expected to be the fastest growing segment. TMX has a total of ~Rs300cr of annual exports exposure to the USA, which are currently clouded by ongoing tariff-related uncertainties. TMX's Green Solutions portfolio is set to exceed 300MW, with an additional 300MW under development, ensuring steady growth.

Execution challenges will remain a key monitorable in the short term. However, in the long term, TMX is well placed to gain from increasing thrust on energy transition & de-carbonization led by its 1) sustainable green industrial solutions in bioenergy, heating & cooling, chemicals and water, 2) technical expertise, and 3) prudent working capital management. The stock is currently trading at PE of 57.5x/50.7x on FY26/27E. Downgrade to 'HOLD'.

Pushing of projects to next quarter impacts revenue growth: Consol adj revenue (excl. Rs558mn of incentive under PSI) declined 4.1% YoY to Rs20.9bn (PLe: Rs24.2bn). Industrial Products revenue was flat YoY, at Rs9.5bn; Industrial Infra (excl. PSI) declined 9.8% YoY to Rs8.3bn; Green Solutions was flat YoY, at Rs1.7bn; and Chemicals increased marginally by 1.4% YoY to Rs1.7bn. EBITDA grew 19.9% YoY to Rs1.7bn (PLe: Rs1.7bn). EBITDA margin improved by 162bps YoY to 8.1% (PLe: 7.1%) led by gross margin expansion partially offset by higher operating expenses. Industrial Products' margin came in at 8.1% (vs 9.0% in Q1FY25); Industrial Infra margin came in at 8.5% (vs very low base of -2.0%); Green Solutions margin improved to 5.1% (vs 3.3%); and Chemicals margin declined sharply to 9.3% (vs 17.8%). Adj PAT declined by 4.3% YoY to Rs1.1bn (PLe: Rs1.4bn) due to lower other income (declined 22.0% YoY to Rs656mn).

Order book strong at Rs113.8bn (1.1x TTM revenue): Order inflow increased by 7.0% YoY to Rs27.5bn. Industrial Products order intake increased by 2.4% YoY to Rs13.0bn. Industrial Infra order inflow increased by 16.5% YoY to Rs11.6bn. Green Solutions order intake increased by 28.0% YoY to Rs1.3bn, while Chemicals declined by 19.7% YoY to Rs1.7bn. Order book stands at Rs113.8bn (1.1x TTM revenue), with Industrial Products/Industrial Infra/Green Solutions/Chemicals mix of 41%/49%/9%/1%, and domestic/export mix of 76%/24%.

Exhibit 1: Gross margin jumps 562bps YoY to 49.4% aiding 162bps YoY growth in EBITDA margin to 8.1%

Y/e March (Rs mn)	Q1FY26	Q1FY25	YoY gr.	Q1FY26E	% Var.	Q4FY25	QoQ gr.	FY26E	FY25	YoY gr.
Revenue	**20,944**	**21,844**	***-4.1%***	**24,238**	***-13.6%***	**30,849**	***-32.1%***	**116,077**	**103,887**	***11.7%***
Gross Profit	10,340	9,556	*8.2%*	10,665	-3.0%	13,401	-22.8%	51,538	45,752	*12.6%*
Margin (%)	*49.4*	*43.7*	*562*	*44.0*	*537*	*43.4*	*593*	*44.4*	*44.0*	*36*
Employee Cost	3,290	2,913	*12.9%*	3,127	*5.2%*	3,320	*-0.9%*	14,045	12,689	*10.7%*
as % of sales	*15.7*	*13.3*	*237*	*12.9*	*281*	*10.8*	*495*	*12.1*	*12.2*	*(11)*
Other expenditure	5,357	5,231	*2.4%*	5,817	*-7.9%*	7,084	*-24.4%*	27,046	23,985	*12.8%*
as % of sales	*25.6*	*23.9*	*163*	*24.0*	*158*	*23.0*	*261*	*23.3*	*23.1*	*21*
EBITDA	**1,693**	**1,412**	***19.9%***	**1,721**	***-1.6%***	**2,997**	***-43.5%***	**10,447**	**9,078**	***15.1%***
Margin (%)	*8.1*	*6.5*	*162*	*7.1*	*98*	*9.7*	*(163)*	*9.0*	*8.7*	*26*
Depreciation	489	360	*35.7%*	400	*22.2%*	453	*7.8%*	1,770	1,585	*11.7%*
EBIT	**1,204**	**1,051**	***14.5%***	**1,321**	***-8.9%***	**2,543**	***-52.7%***	**8,676**	**7,493**	***15.8%***
Margin (%)	*5.7*	*4.8*	*94*	*5.4*	*30*	*8.2*	*(250)*	*7.5*	*7.2*	*26*
Other Income	656	841	*-22.0%*	850	*-22.8%*	769	*-14.6%*	3,076	2,522	*22.0%*
Interest Costs (other than fin serv.)	302	275	*9.9%*	300	*0.7%*	313	*-3.4%*	1,234	1,168	*5.7%*
PBT (ex. Extra-ordinaries)	**1,558**	**1,617**	***-3.6%***	**1,871**	***-16.7%***	**2,999**	***-48.0%***	**10,519**	**8,847**	***18.9%***
Margin (%)	*7.4*	*7.4*	*4*	*7.7*	*(28)*	*9.7*	*(228)*	*9.1*	*8.5*	*55*
Extraordinary Items	558	-	*#DIV/0!*	-	*#DIV/0!*	-	*#DIV/0!*	-	-	*#DIV/0!*
PBT	**2,117**	**1,617**	***30.9%***	**1,871**	***13.1%***	**2,999**	***-29.4%***	**10,519**	**8,847**	***18.9%***
Total Tax	600	519	*15.7%*	515	*16.7%*	951	*-36.9%*	2,682	2,578	*4.1%*
Effective Tax Rate (%)	*28.4*	*32.1*	*(373)*	*27.5*	*86*	*31.7*	*(335)*	*25.5*	*29.1*	*(364)*
PAT before JVs/MI	**1,516**	**1,098**	***38.0%***	**1,356**	***11.8%***	**2,048**	***-26.0%***	**7,836**	**6,269**	***25.0%***
Share of JVs/MI	8	60	*-87.4%*	(4)	*-287.5%*	9	*-15.7%*	-	75	*-100.0%*
Reported PAT	**1,524**	**1,158**	***31.6%***	**1,352**	***12.7%***	**2,057**	***-25.9%***	**7,836**	**6,345**	***23.5%***
Adj. PAT	**1,108**	**1,158**	***-4.3%***	**1,352**	***-18.1%***	**2,057**	***-46.1%***	**7,836**	**6,345**	***23.5%***
Adj. EPS	**9.3**	**9.7**	***-4.3%***	**11.3**	***-18.1%***	**17.3**	***-46.1%***	**65.8**	**53.2**	***23.5%***

Source: Company, PL

Exhibit 2: Industrial Infra margin jumps to 8.5% (vs -2.0% YoY); Chemicals margin declines 849bps YoY to 9.3%

Segment Performance	Q1FY26	Q1FY25	YoY gr.	Q1FY26E	% Var.	Q4FY25	QoQ gr.	FY26E	FY25	YoY gr.
Revenue (Rs mn)										
Industrial Products	9,544	9,608	-0.7%	11,446	-16.6%	14,304	-33.3%	51,361	45,290	13.4%
Industrial Infrastructure	8,345	9,251	-9.8%	9,640	-13.4%	14,152	-41.0%	51,313	47,146	8.8%
Green Solutions	1,732	1,737	-0.3%	1,676	3.4%	1,519	14.0%	8,524	6,899	23.6%
Chemicals	1,732	1,708	1.4%	1,956	-11.5%	2,101	-17.6%	8,469	7,628	11.0%
EBIT (Rs mn)										
Industrial Products	777	867	-10.4%	1,145	-32.1%	2,063	-62.3%	5,650	5,290	6.8%
Industrial Infrastructure	710	(184)	NA	289	145.4%	389	82.3%	2,566	1,101	133.1%
Green Solutions	89	57	55.2%	-	NA	(81)	-209.8%	682	(9)	-8029.2%
Chemicals	161	304	-47.0%	317	-49.3%	349	-53.9%	1,609	1,223	31.6%
EBIT Margin (%)			YoY bps		Var. bps		QoQ bps			YoY bps
Industrial Products	8.1	9.0	-88	10.0	-186	14.4	-628	11.0	11.7	-68
Industrial Infrastructure	8.5	-2.0	1,049	3.0	551	2.8	575	5.0	2.3	267
Green Solutions	5.1	3.3	183	-	513	-5.3	1,045	8.0	-0.1	812
Chemicals	9.3	17.8	-849	16.2	-691	16.6	-733	19.0	16.0	297

Source: Company, PL

Exhibit 3: Green Solutions include TOESL & FEPL subsidiaries

	Mar'27E (Rs mn)	Valuation basis	Target multiple (X)	Targeted Value (Rs mn)	Value/Share
Core Business PAT	10,053	P/E	40	402,124	3,375
Green Solutions BV	6,146	P/B	5	30,732	258
Total Target (Rs. Mn)				432,856	3,633

Source: Company, PL

Conference Call Highlights

- **Management remains reasonably bullish for FY26** and Q2FY26 with growth to be driven by Industrial Products. The management further expects Industrial Infra and Green Solutions to post reasonably good stable growth. Despite the expected order intake run rate per quarter of ~Rs22.5bn for Chemicals business, the management remains cautiously optimistic given the uncertainty revolving around tariff impact on the business.

- **Order enquiry pipeline:** There is a robust enquiry pipeline across key sectors such as O&G, power (including thermal), steel, cement, waste-to-energy, and sugar distilleries. International demand remains strong, with growing traction in regions like the Middle East, Africa and Latin America, further strengthening the company's growth outlook.

- **Industrial Products** segment saw muted profitability due to lower revenue. Water & Enviro continued to grow with strong demand in desalination and ZLD. Cooling remained robust, while it has ~USD15mn exports exposure to the USA. Cooling has a robust pipeline of Rs1.0bn from emerging sectors like data centers. Heating was weak due to ethanol slowdown, but rising enquiries point to a better Q2. The company aims to cross Rs10.0bn as export orders in the segment's order book, backed by a healthy global pipeline.

- **Industrial Infra** segment is expected to have a stronger Q2 as execution of key projects begins. The company has stepped back from low-margin government projects like FGDs, focusing instead on higher value opportunities. **It expects double-digit growth in FY26**, driven by rising opportunities in non-supercritical and captive thermal segments, where it sees a stronger role. International competitiveness is improving, and the company is building EPC capabilities in areas like ethanol and carbon capture, aiming for a larger revenue share by FY29-30. While PSI credits will continue to be received, it will taper over the next 2wo years. The existing FGD backlog (~Rs700cr) will be mostly cleared by FY26.

- **Chemicals** is expected to be the fastest growing segment for TMX, driven by R&D investments and capacity expansions by the company. Capacity and capability additions in the business led to lower margin during the quarter. Margins are expected to improve to 12-13% in Q2FY26, while stable business margins are expected to be 15-16%. The management anticipated ~USD15mn chemical exports to the US for FY26 but now foresees short-term uncertainty due to the impact of reciprocal tariffs by the US.

- **Green Solutions:** The management anticipates to achieve operational capacity of 300MW of its green assets by FY26. Additional 300MW of capacity is under construction. The newer project in Gujarat is seeing good traction as the management focuses on better execution. However, legacy projects, which were stuck in Tamil Nadu, have been further delayed to Aug'25 from Jun'25. The management expects to infuse Rs10.0bn of debt and Rs4.0bn of equity into its subsidiary for the new plants in Gujarat and Tamil Nadu.

- **Exports from India:** Exports from India have relatively higher margins. The company sees good traction from exports markets such as the Middle East, SEA, Africa and Latin America. TMX competes reasonably well in international markets, primarily against Chinese products. TMX's product portfolio, such as boilers and chillers, can be customized according to applications, which gives it an edge above its peers. Geography wise, SEA is the most competitive due to higher Chinese penetration, while Africa and Latin America have relatively lower Chinese competition. TMX is working on getting approvals for big projects in petrochemicals and O&G in geographies like the Middle East, where it will be primarily competing with Europe.

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	**93,235**	**1,03,887**	**1,16,077**	**1,30,915**
YoY gr. (%)	*15.2*	*11.4*	*11.7*	*12.8*
Cost of Goods Sold	52,196	58,135	64,539	72,134
Gross Profit	41,039	45,752	51,538	58,781
Margin (%)	*44.0*	*44.0*	*44.4*	*44.9*
Employee Cost	11,483	12,689	14,045	15,841
Other Expenses	7,704	8,589	10,331	11,651
EBITDA	**7,974**	**9,078**	**10,447**	**12,437**
YoY gr. (%)	*33.4*	*13.8*	*15.1*	*19.0*
Margin (%)	*8.6*	*8.7*	*9.0*	*9.5*
Depreciation and Amortization	1,481	1,585	1,770	2,265
EBIT	**6,493**	**7,493**	**8,677**	**10,172**
Margin (%)	*7.0*	*7.2*	*7.5*	*7.8*
Net Interest	876	1,168	1,234	1,695
Other Income	2,326	2,522	3,076	3,443
Profit Before Tax	**8,698**	**8,847**	**10,519**	**11,920**
Margin (%)	*9.3*	*8.5*	*9.1*	*9.1*
Total Tax	2,258	2,578	2,682	3,040
Effective tax rate (%)	*26.0*	*29.1*	*25.5*	*25.5*
Profit after tax	**6,440**	**6,269**	**7,836**	**8,880**
Minority interest	(21)	(78)	-	-
Share Profit from Associate	(8)	(2)	-	-
Adjusted PAT	**5,894**	**6,345**	**7,836**	**8,880**
YoY gr. (%)	*30.8*	*7.6*	*23.5*	*13.3*
Margin (%)	*6.3*	*6.1*	*6.8*	*6.8*
Extra Ord. Income / (Exp)	559	-	-	-
Reported PAT	**6,453**	**6,345**	**7,836**	**8,880**
YoY gr. (%)	*43.2*	*(1.7)*	*23.5*	*13.3*
Margin (%)	*6.9*	*6.1*	*6.8*	*6.8*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	6,453	6,345	7,836	8,880
Equity Shares O/s (m)	**119**	**119**	**119**	**119**
EPS (Rs)	**49.5**	**53.2**	**65.8**	**74.5**

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	**28,885**	**37,480**	**45,704**	**56,388**
Tangibles	28,885	37,480	45,704	56,388
Intangibles	-	-	-	-
Acc: Dep / Amortization	**10,140**	**11,328**	**13,099**	**15,364**
Tangibles	10,140	11,328	13,099	15,364
Intangibles	-	-	-	-
Net fixed assets	**18,745**	**26,152**	**32,606**	**41,024**
Tangibles	18,745	26,152	32,606	41,024
Intangibles	-	-	-	-
Capital Work In Progress	5,564	7,533	8,309	9,125
Goodwill	-	-	-	-
Non-Current Investments	6,409	6,794	6,014	9,224
Net Deferred tax assets	963	1,243	1,243	1,243
Other Non-Current Assets	3,740	3,660	4,063	4,582
Current Assets				
Investments	13,635	15,679	16,679	17,679
Inventories	7,649	7,203	9,223	10,401
Trade receivables	22,671	25,654	27,986	32,280
Cash & Bank Balance	9,753	12,085	14,080	15,302
Other Current Assets	6,641	6,476	7,777	8,509
Total Assets	**1,00,445**	**1,19,376**	**1,34,316**	**1,56,284**
Equity				
Equity Share Capital	225	225	225	225
Other Equity	44,173	49,144	55,550	62,079
Total Networth	**44,398**	**49,369**	**55,775**	**62,305**
Non-Current Liabilities				
Long Term borrowings	8,059	11,804	19,123	26,211
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	4,715	5,373	6,553	8,466
Trade payables	15,810	17,510	18,763	20,803
Other current liabilities	28,425	36,508	35,344	39,743
Total Equity & Liabilities	**1,00,445**	**1,19,376**	**1,34,316**	**1,56,284**

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	8,698	8,847	10,519	11,920
Add. Depreciation	1,481	1,585	1,770	2,265
Add. Interest	837	1,411	1,234	1,695
Less Financial Other Income	2,326	2,522	3,076	3,443
Add. Other	(1,919)	(1,000)	(3,076)	(3,443)
Op. profit before WC changes	9,096	10,844	10,447	12,437
Net Changes-WC	(4,760)	1,289	(2,878)	(1,241)
Direct tax	1,863	1,861	2,682	3,040
Net cash from Op. activities	**2,473**	**10,272**	**4,886**	**8,157**
Capital expenditures	(7,220)	(9,002)	(9,000)	(11,500)
Interest / Dividend Income	872	638	3,076	3,443
Others	1,257	(4,042)	(2,747)	(3,832)
Net Cash from Invt. activities	**(5,092)**	**(12,406)**	**(8,671)**	**(11,889)**
Issue of share cap. / premium	-	-	-	-
Debt changes	4,306	4,336	8,500	9,000
Dividend paid	(1,128)	(1,352)	(1,430)	(2,351)
Interest paid	(821)	(1,758)	(1,234)	(1,695)
Others	496	9	-	-
Net cash from Fin. activities	**2,854**	**1,236**	**5,836**	**4,954**
Net change in cash	**235**	**(898)**	**2,052**	**1,222**
Free Cash Flow	(5,966)	1,245	(4,114)	(3,343)

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	**25,460**	**25,078**	**30,849**	**20,944**
YoY gr. (%)	*10.6*	*7.9*	*11.6*	*(4.1)*
Raw Material Expenses	14,405	13,995	17,448	10,604
Gross Profit	11,055	11,083	13,401	10,340
Margin (%)	*43.4*	*44.2*	*43.4*	*49.4*
EBITDA	**2,124**	**1,890**	**2,997**	**1,693**
YoY gr. (%)	*3.8*	*0.8*	*9.7*	*19.9*
Margin (%)	*8.3*	*7.5*	*9.7*	*8.1*
Depreciation / Depletion	421	351	453	489
EBIT	**1,703**	**1,539**	**2,543**	**1,204**
Margin (%)	*6.7*	*6.1*	*8.2*	*5.7*
Net Interest	294	287	313	302
Other Income	598	315	769	656
Profit before Tax	**2,663**	**1,568**	**2,999**	**2,117**
Margin (%)	*10.5*	*6.3*	*9.7*	*10.1*
Total Tax	683	425	951	600
Effective tax rate (%)	*25.6*	*27.1*	*31.7*	*28.4*
Profit after Tax	**1,980**	**1,142**	**2,048**	**1,516**
Minority interest	10	(22)	(2)	(9)
Share Profit from Associates	-	(5)	7	(2)
Adjusted PAT	**1,505**	**1,159**	**2,057**	**1,128**
YoY gr. (%)	*(4.6)*	*(19.3)*	*9.7*	*(2.6)*
Margin (%)	*5.9*	*4.6*	*6.7*	*5.4*
Extra Ord. Income / (Exp)	465	-	-	396
Reported PAT	**1,970**	**1,159**	**2,057**	**1,524**
YoY gr. (%)	*24.9*	*(51.1)*	*9.7*	*31.6*
Margin (%)	*7.7*	*4.6*	*6.7*	*7.3*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**1,970**	**1,159**	**2,057**	**1,524**
Avg. Shares O/s (m)	119	119	119	119
EPS (Rs)	**12.6**	**9.7**	**17.3**	**9.5**

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	49.5	53.2	65.8	74.5
CEPS	61.9	66.5	80.6	93.5
BVPS	372.6	414.3	468.1	522.9
FCF	(50.1)	10.4	(34.5)	(28.1)
DPS	12.0	12.0	19.7	22.4
Return Ratio(%)				
RoCE	12.5	12.1	11.7	11.4
ROIC	16.8	15.6	14.9	13.5
RoE	14.2	13.5	14.9	15.0
Balance Sheet				
Net Debt : Equity (x)	(0.2)	(0.2)	(0.1)	0.0
Net Working Capital (Days)	57	54	58	61
Valuation(x)				
PER	76.4	71.0	57.5	50.7
P/B	10.1	9.1	8.1	7.2
P/CEPS	61.1	56.8	46.9	40.4
EV/EBITDA	55.1	48.4	42.6	36.3
EV/Sales	4.7	4.2	3.8	3.5
Dividend Yield (%)	0.3	0.3	0.5	0.6

Source: Company Data, PL Research

Price Chart

Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Jul-25	Accumulate	3,629	3,435
2	13-May-25	Accumulate	3,629	3,297
3	09-Apr-25	Accumulate	3,456	3,222
4	07-Feb-25	Accumulate	3,857	3,385
5	09-Jan-25	Reduce	4,275	3,982
6	15-Nov-24	Reduce	4,275	5,004
7	07-Oct-24	Reduce	4,186	5,193
8	05-Aug-24	Reduce	4,237	4,984

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	BUY	6,851	5,840
2	Apar Industries	Hold	9,540	9,682
3	BEML	Hold	4,142	4,522
4	Bharat Electronics	Hold	374	387
5	BHEL	Hold	237	258
6	Carborundum Universal	Hold	1,028	994
7	Cummins India	BUY	3,647	3,478
8	Elgi Equipments	Accumulate	559	535
9	Engineers India	Accumulate	250	242
10	GE Vernova T&D India	Accumulate	2,706	2,473
11	Grindwell Norton	Hold	1,739	1,635
12	Harsha Engineers International	Accumulate	398	405
13	Hindustan Aeronautics	Accumulate	5,500	5,003
14	Ingersoll-Rand (India)	BUY	4,522	4,045
15	Kalpataru Projects International	Accumulate	1,268	1,190
16	KEC International	Accumulate	911	860
17	Kirloskar Pneumatic Company	BUY	1,636	1,316
18	Larsen & Toubro	BUY	4,144	3,496
19	Praj Industries	BUY	545	497
20	Siemens	Accumulate	3,497	3,291
21	Thermax	Accumulate	3,629	3,435
22	Triveni Turbine	BUY	772	640
23	Voltamp Transformers	BUY	10,285	8,892

PL's Recommendation Nomenclature (Absolute Performance)

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

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Amit Anwani- MBA (Finance), Mr. Prathmesh Salunkhe- MBA Finance, Mr. Hitesh Agarwal- MBA Finance Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Amit Anwani- MBA (Finance), Mr. Prathmesh Salunkhe- MBA Finance, Mr. Hitesh Agarwal- MBA Finance Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.
3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209
www.plindia.com

AMNISH AGGARWAL

Digitally signed by AMNISH AGGARWAL
DN: c=IN, o=Personal, title=1443,
2.5.4.20=21151ea12dd366d1ac370cb42343ee44b6e851c37bdbac5f8
6aa4ff3e6948487, postalCode=400015, st=Maharashtra,
serialNumber=7a6f13691881d5a8af6353865a61b48b7040e72f4a1bf
53182e368b3ca14a5e4, cn=AMNISH AGGARWAL
Date: 2025.08.02 10:06:48 +05'30'