



**TRIVENI TURBINE LIMITED
CORPORATE OFFICE**

8th Floor, Express Trade Towers, 15-16, Sector-16A, Noida - 201301, U.P., India
T.: +91 120 4308000 | F : +91 120 4311010-11
www.triveniturbines.com

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BSE Limited Rotunda Building, P.J. Tower, Dalal Street, Fort, MUMBAI - 400 001 Thru: BSE Listing Centre	National Stock Exchange of India Ltd., Exchange Plaza, 5 th Floor, Bandra-Kurla Complex, Bandra (E), MUMBAI - 400 051 Thru: NEAPS
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Sub: Transcript of Earnings Conference Call with Analysts/Investors on Audited Financial Results for the fourth quarter and financial year ended March 31, 2024	

Dear Sir/Ma'am,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Earnings Conference Call with Analysts/Investors held on May 17, 2024 on the audited financial results of the Company for the fourth quarter and financial year ended March 31, 2024.

The transcript is also available on the website of the Company www.triveniturbines.com.

This is for your information and records.

Thanking You,

Yours' faithfully

For Triveni Turbine Limited

**Pulkit Bhasin
Company Secretary
M. No. A27686**

Encl: A/a



Triveni Turbine Limited

Q4 & FY 24 Earnings Conference Call Transcript

May 17, 2024

Moderator: Ladies and gentlemen, good day and welcome to Triveni Turbine Limited Q4 and FY 24 Earnings Conference Call. 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 of CDR India. Thank you, and over to you.

Rishab Barar: Good day everyone and a warm welcome to all of you participating in the Q4 and FY 24 Earnings Conference Call of Triveni Turbine Limited. We have with us today on the call Mr. Nikhil Sawhney, Vice Chairman and Managing Director; Mr. Arun Mote, Executive Director; Mr. S.N. Prasad, Chief Executive Officer; Mr. Sachin Parab, Chief Operating Officer; Mr. Lalit Agarwal, CFO; Ms. Surabhi Chandna, Investor Relations and Value Creation, along with other members of the senior management 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 like to emphasise 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 and Mr. Arun Mote 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, ladies and gentlemen, to the Q4 and FY 24 investor call. Firstly, it is with pleasure that I report the record performance that Triveni Turbines has had in the quarter and the year ended 31st of March 2024. We achieved the highest-ever annual revenue, EBITDA and order booking in FY 24 as well as a record closing order book, providing very good visibility for the coming financial year.

Order booking for financial year FY 24 was ₹18.78 billion, an increase of 17% year-over-year (y-o-y) while revenues for the same year came in at ₹16.54 billion, which was 33% higher y-o-y. The revenue growth is well rounded and

driven by strong performances across all our businesses, segments as well as geographies.

The Board of Directors has also recommended a payment of a final dividend of 130%, which is ₹1.30 per ₹1 share for the financial year 2023-24, which is subject to the approval of shareholders. This is in addition to the interim and special dividend of 230%, which is ₹2.30, which was declared and paid for already in this financial year.

For the quarter, the revenues from operations grew 24% to ₹4.58 billion and was the highest ever achieved in the quarter. EBITDA was also higher by 36% to ₹1.07 billion, while PBT exceeded ₹1 billion for the first time in the fourth quarter of FY24. Profit after tax grew by 37% y-o-y to ₹762 million, and this was with an export order booking, which grew by 29% in the current quarter.

Order booking for the quarter was lower than the same quarter of the previous year. And this is due to a variety of reasons, which we can go into later during the conversations. Enquiries also at the same time for the quarter ended were slightly lower than the same period of the last year. Though having said that, it is sufficiently higher than what our annual intake of enquiries would be. Domestic market enquiries remain robust though there are certain constraints on finalisation of orders, which is due to a variety of reasons, including the elections.

For the full-year, revenues in FY 24 grew by 33% over the previous year to reach a record level of ₹16.54 billion while domestic and export revenues grew healthily at 28% and 38%, respectively. Export growth was backed by our order booking in the previous financial year, which is also driven by the initiatives and efforts that the Company has made in terms of expanding its presence overseas and becoming more locally present.

The product and aftermarket revenues also showed a robust growth of 33% and 31%, respectively. Our record order booking in the financial year of ₹18.78 billion was higher by 17%, which is driven by all segments, which is export as well as aftermarket more than the domestic market and products. PAT for the year ended was at ₹2.69 billion, which is an increase of 40% y-o-y.

Our outstanding consolidated order booking position was at a record ₹15.53 billion, as I have already said, which is 17% higher y-o-y. Investments, including cash stood at ₹8.83 billion, which is an increase of 32% over March 31, 2023, which is driven by higher profitability, an increase in negative working capital and more customer advances.

On the product side, order booking has increased by 10% y-o-y to reach an all-time high of ₹12.61 billion, and the key growth drivers continue to be the areas of renewable energy, power generation, industrial cogeneration as well as API and other both power and drive turbines.

The aftermarket segment has also scaled new heights with annual order booking and turnover crossing ₹6 billion mark and turnover crossing the ₹5 billion mark for the first time. The segment witnessed a significant influx of new orders combined with repeat orders further strengthening the Company's

already diversified portfolio of revenue streams dedicated to servicing and optimising turbine performance globally.

The order booking for the year stood at ₹6.17 billion, growing by 34% when compared with the corresponding period of the previous year. The turnover at the same time was ₹5.38 billion, which was higher by 31% and aftermarket contributed 33% of the total turnover in FY 24. Triveni Turbines' aftermarket segment continued to show promising growth prospects supported by an expanding range of offerings, including spare parts, servicing, as well as refurbishment, catering to a broad customer base.

On the technology side, Triveni Turbines has invested significantly in IP development in this current year. Our total Intellectual Property Rights (IPR) filings and registrations stand at 374, which is up from 338 a year ago. Our efforts continue in terms of championing the energy transition efforts through new product development and introductions in both super critical and subcritical carbon dioxide as well as transcritical carbon dioxide-based offerings.

The market and product development continue to be focused on our areas of applications such as waste heat recovery, waste-to-energy, municipal solid waste, as well as industrial product for cogeneration in both pulp and paper, steel, cement, fertiliser, petrochemical, chemical, distillery, sugar, these are just some of the segments.

The Company expanded its workforce by 19% over this past year and we are very keen to have all of these assets of the Company contribute in the coming year. We do have an expanded vision including an even greater number of people to be added into the Company's workforce in the coming year. I'll have Arun speak on that as well as other aspects of the Company now. Arun, would you like to address the shareholders?

Arun Mote:

Thank you, Mr. Sawhney. This is Arun Mote. Good afternoon to all of you. As you have seen, in the past two years, we have witnessed a growth, and we expect growth to continue in a good manner. All efforts are being made by the team. We have today, a larger product offering covering a bigger envelope of the market. So, the addressable market is increasing every year. We are entering into new geographies and ensuring that our philosophy of being close to the customer continues.

Our service is being appreciated by one and all, and we are building strong long-term relationships and not transactional relationships. And that's the philosophy of our Company and we expect to continue this, and we are receiving positive feedback from all the sides, domestic as well as international.

On marketing and sales front, we have added, as the Vice Chairman has said, a considerable strength has been added, and we continue to be quite strong in the market and hold our positions of being in the top 2 globally.

On the infrastructure front, as we have indicated, the infrastructure within the Company is almost complete. Our total production capacity is 250+ and it is flexible, and it can be increased at a short notice to the desired level. Our sub-

contract base and the supply chain base is being strengthened continuously and there is a very strong ecosystem built around our Peenya and Sompura plants. We expect that from the manufacturing and supply chain side, we are well prepared for addressing the growth in the market.

The most important aspect of the business is manpower. And that's what Triveni has concentrated for a long time, right from last 15 years. We have a very strong entry-level programme with our HR, and we continuously recruit youngsters. We ensure that the overall age in the Company is always maintained below 30 years as an average age. And there is a very strong learning and development culture that has been developed.

As you know, we have a strong succession planning and Mr. S.N. Prasad, who is the Chief Executive Officer (CEO); and Mr. Sachin Parab, who is the Chief Operating Officer (COO) are internal candidates who are succeeding me in the organisation and ensure that they continue to deliver growth and a strong profitability. Thank you, Nikhil.

Nikhil Sawhney: Thank you. Thank you very much, Arun. So ladies and gentlemen, happy to open the floor up for question-and-answers. Over to you, moderator.

Question-and-Answer Session

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Harshit Patel from Equirus Securities. Please go ahead.

Harshit Patel: Thank you very much for the opportunity. So, my first question is, could you give a sense on our domestic and international enquiry book at the moment and how it has grown in FY 24 over the last year?

Nikhil Sawhney: The enquiry book has declined by about 5-7%, but it is higher than the global market even for a year. So, we find that it's not a constraint even if the enquiry book has come down. It is reflective of two factors. One is that there are geopolitical constraints that are impacting the market. But more than that is from the domestic side, enquiry book is quite robust. But order finalisation from both Q3 as well as Q4 have been low. Our anticipation as well as looking at April, which has already gone by, and May is that there is a little bit of reversal of that already. But we really have to wait till June to see how much of that reverses.

Harshit Patel: Just a follow-up to that. Would the enquiry book have declined both on domestic and international basis? Or this would be more of an international issue than the domestic one?

Nikhil Sawhney: Our order booking, as you know has gone up. So, the order finalisation from the enquiry book internationally saw a pickup. The enquiry book in India is more sticky, and so it stays for a little bit longer. So, I don't know what you want to make out of that question. But yes, the enquiry book internationally has declined a little bit while the domestic enquiry book has increased.

Harshit Patel: Understood. My second question is, how has the domestic 0 to 100 MW market grown in FY 24 in the MW terms? Also, do you expect to grow it at an even higher pace in FY 25?

Nikhil Sawhney: The domestic market, all indications are that it could grow very robustly. The lack of order booking in Q3 and Q4 in domestic market and actually for the last 4-5 months of the financial year led to what was expected to be a very good growth in the market to approximately 2,500-odd MWs. But it probably came in somewhere in the region of about 2,100 - 2,200 MWs.

Harshit Patel: This 2,500 MW would be?

Nikhil Sawhney: Megawatts. Apologies. 2.5 GW.

Harshit Patel: This 2.5 GW would be a growth of how much over the last year over FY 23 base?

Nikhil Sawhney: It would be a growth of approximately 25% it would have been.

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

Amit Anwani: Yeah. Congratulations for the good set. First question again on the enquiry pipeline, you did highlight the outlook for domestic and international. Any particular sectors where domestic is seeing delay in finalisation, any particular reasons there?

Nikhil Sawhney: I'll let our CEO, Mr. S.N. Prasad, address that. But I think it's broad-based. But I think that we didn't expect a degree of people being as conservative as they had been in the last several months. But Prasad, maybe you can provide some clarity on this question?

S.N. Prasad: Yes. So, on the enquiry pipeline-wise, as our Vice Chairman said that it's a strong enquiry pipeline there from the domestic side, whereas the finalisation, we are seeing a little slowdown in the last two quarters. These are typically whenever there is election cycle, then we look at that. But a majority of this discussion is going on, finalisation is getting delayed. We are hopeful that probably by end June, July, the finalisation pattern will pick up. Otherwise, enquiry pipeline-wise, all the cogeneration to steel, cement, the enquiry pipeline is strong from all the industrial power range applications.

Amit Anwani: All right. My second question on the market, which you have highlighted in the presentation, where we are talking about 6 GW of ex-China, Japan market less than 100 MW and roughly about two-third is the renewable energy-based market. So just wanted to understand what is our addressable market. And since taking the point from the commentary that you're talking we're expanding new geographies and we have gained market share. So, first is, what is our addressable market? And will the addressable market in terms of GW is going to expand for you? That is my question.

Nikhil Sawhney: Yeah. You see the fact is that, you have to take the data, which we have just presented from a third-party as it is. It comes with its own constraints, which is that, very frankly, everyone doesn't report fully. So that is a data matter that

you have to consider. More than that, there are specific sectors where certain products of ours are currently being introduced and we are exploring into those markets. And as Arun had pointed out, as those introductions take shape, we would be expanding markets in those areas. So very frankly, our attempt will be to cover the entire market in its entirety in the next several years. But as of right now, we would very frankly be covering at least 80% of it.

Amit Anwani: Right. And for 2,500 domestic market, is the breakup same, power versus renewable sources?

Nikhil Sawhney: No, no, it's significantly different. India is much more fossil fuel dependent.

Amit Anwani: All right. My next question on any addressable market with respect to the value or volume for domestic market as well as global market for API turbine, if you could throw some colour? And we talked in last call about the very strong enquiry pipeline in domestic market there. So just more colour on how the market is shaping out?

Nikhil Sawhney: Yeah. On the API, there hasn't been much movement in the domestic market. Internationally, there's much more movement. We have a good market share there. We have good appropriate products. And so, both power and drive turbines, we are confident of being able to provide our customers with the appropriate solutions given the kind of correct references, etc. that we have.

What's important for you to understand is that this is not only a technological question of having an appropriate product, but to be able to provide the service backup and the reliability and robustness that the customer requires. So, it is an integrated offering that the Company has to present. Of course, in domestic market, where we do have a much greater presence, we are able to cover that more comprehensively. Internationally, it will depend on which geographies and where we have local presence and where we have people and feet on the ground. So, we're trying to improve that continuously so that we can improve our chance of conversion of enquiries to orders.

And that is the attempt that we'll make in the next several years, as we pointed out in the past as well. And specific to oil and gas market, it does present a very large market in terms of potential enquiries, and that's something that the Company is looking at quite aggressively.

Amit Anwani: Any value with respect to how the market is? And anything you can give colour with respect to value or any contribution in revenue?

Nikhil Sawhney: No, I'm sorry.

Amit Anwani: Okay. Lastly, with respect to aftermarket, how has been our breakup for export versus domestic in the aftermarket for FY 24?

Nikhil Sawhney: I don't know if we give these data, but you can come back to Surabhi. I must point out, since you're asking very data-driven questions that a lot of the questions that people have asked in the past, at some point or the other, are used against us in some marketing by our competitors. So, we will intentionally try to be vague on certain answers where we think that there may be some competitive information.

Moderator: Thank you. The next question is from the line of Ashwani Sharma from Emkay Global. Please go ahead.

Ashwani Sharma: Yeah, thanks for the opportunity. My first question is again on the aftermarket. So, if I look at the quarterly run rate, it has been in the range of ₹145 crore to ₹144 crore. And in this quarter, there is a decline of around 3%. If you could just tell us why there is a flat growth on a quarter-on-quarter basis and degrowth on a Y-o-Y basis. What is the outlook there?

Nikhil Sawhney: You said there is a degrowth in the Y-o-Y basis in aftermarket?

Ashwani Sharma: Yeah.

Nikhil Sawhney: No, that shouldn't be right. There is a growth of 30% y-o-y.

Ashwani Sharma: It's ₹148 crore last year and this year is ₹144 crore.

Nikhil Sawhney: Quarterly. Sachin, if you're there on the call, maybe you could help address this question.

Sachin Parab: Good afternoon, everyone. So, on a quarterly basis, yes, there is a slight degrowth and that's basically because of some order finalisations, which have been delayed, and we are very cautious in terms of acknowledging order booking. Unless we get the advance, we do not consider it as orders booked. And therefore, it's a small correction, and that should not be the trend in the future.

Ashwani Sharma: Okay. Secondly, you gave us your capacity number of 250. Is it possible to share the volume numbers for the quarter and the year?

Nikhil Sawhney: No, I don't think so. But suffice to say that we're not really constrained by the capacity in what we produce. As you can tell from our balance sheet, we are very asset-light, and we have the flexibility to expand this capacity by up to a third at any given point in time.

Ashwani Sharma: Understood. But if you can share us the capacity utilisation number?

Nikhil Sawhney: It would probably be somewhere in the region of about 75%.

Ashwani Sharma: 75%, okay. Those are my questions. Thank you.

Moderator: The next question is from the line of Shyam Maheshwari from Aditya Birla (AB) Capital. Please go ahead.

Shyam Maheshwari: Yes, thanks. Congratulations on a good set of numbers. My first question was on the U.S. market. You were planning to set up a service centre in the U.S. So, could you provide an update on that?

Nikhil Sawhney: Yes, that's a very good question. We had talked about that in the last conference call. And the subsidiary, as you have seen from our quarterly reporting has already been established. People have already been hired. The executive who will be handling the region is already in place in the United

States. Machinery has been ordered, shed has been leased and we are already on track as far as our business plan goes to achieve our order booking and revenue for this year. So, it's all on track.

What we're seeing in the market, again, maybe I'll ask Sachin first to give an explanation as to where the subsidiary stands. And then Prasad, who may have to log off the call, can also just contribute in terms of talking about the customer acceptance in that market and enquiry pipeline. Sachin, first.

Sachin Parab:

Yeah. So, our initiative in United States is progressing as per our plan. As our Vice Chairman has mentioned, the initial few steps have been taken and business has commenced. So, our sales and marketing activities are being carried out. And things are progressing at the pace as we had planned. So, we are quite satisfied with what we've been able to achieve so far. So, it's very early stages of our journey in the U.S. for the service facility. We will have much more details to discuss in future quarters.

Shyam Maheshwari:

Right. And just maybe a clarification on this. So, are we expecting to hire more people? And would this be a probable drain on your EBITDA margins in the short term? Or how do you see this flowing?

Nikhil Sawhney:

No, I think the fact is that, firstly, yes, we are going to be expanding our workforce up with anywhere between 20-25% in the coming year, which is FY 25. Given that very high growth of intake, you are right that people will not contribute immediately to the Company. But if you look at our order booking, which will then translate into execution, it is more export focused.

Margins do not seem to be a problem at this current point in time to at least stay at the same margins that we have. So, we don't foresee that to be a problem. U.S. in specific, of course may have a negative contribution, but that will get absorbed by the consolidated entity quite easily.

Shyam Maheshwari:

Understood, understood. And my second question is on the API market. I wanted to understand if this is now a meaningful part of our revenue, I mean, has it now reached double-digit? If you could give some colour around that? And how are the growth opportunities there?

Nikhil Sawhney:

No, this is a core segment for the Company. We have extremely good products for this market. As we get closer to customers, as we get registered with them, we've become more relevant. We already have a good installed base in this sector. Prasad, would you like to add anything here? He may have logged off by now. He is currently traveling. But suffice to say that this is a segment that I think will contribute to growth for the Company in the coming years. There is a lot of expenditure that is happening. And our products and solutions are very appropriate for our customers in this market, both internationally as well as in India.

This is a very technically demanding sector where not only do you have to have high degrees of quality assurance but also a deep sense of reliability and robustness of the product in terms of its configuration. So, we're quite confident that we will have success. We have already had success. We have a good installed base in the segment already both in the power as well as drive turbines.

Shyam Maheshwari: Understood. So, would it be a fair assumption to make that your exports would also be driven largely by API turbines?

Nikhil Sawhney: No, renewable energy is a very strong mainstay of our export strategy. Though, API will form an increasing role. So, as you know, we are dependent, wherever heat is generated from a customer, we end up providing that heat in power solutions. So we are agnostic from which industry it comes from. But very frankly, it will be both. We see services being an even larger contributor to growth in the export market in the coming years.

Moderator: Thank you. The next question is from the line of Uttham Kumar from Avendus Spark. Please go ahead.

Uttham Kumar: Thank you for the opportunity. And congrats on a good set of numbers. So, two questions from my end. Firstly, with regards to the aftermarket orders which we have. So, could you just give some colour on how is the margin profile of these orders? I mean earlier we used to execute one or two orders which are of a lower margin profile. Can we expect the margin profile of the current aftermarket orders to be much more margin accretive? That is my first question.

Nikhil Sawhney: No. I think the fact is that you see at the end of the day, the margins are already quite robust in the entire aftermarket segment. As Arun had pointed out earlier, we look at our relationship with our customers from a life cycle basis. So, there's no question of margin expansion. We want to be consistent with our margins in different offerings. So, in terms of product mix within the aftermarket segment, which stretches from services, spares as well as refurbishment, those mixes can change and move the margin. But in general, it will stick within 1% or 2% of where we've historically been. They won't move very much.

Uttham Kumar: Got it. And I mean earlier this particular point was addressed, on the margins, that we are expecting the margins to at least sustain at the EBITDA level. But the question is that on one side we are seeing the utilisation levels also improving, we have a robust order book, which will lead to better execution over the next two to three years.

On the other hand, we have some workforce increasing also. So, when should we expect some margin expansion happening for the Company? Because we have been around 20%. Can there be any meaningful expansion which the Company can, I mean, see over the next two to three years? Or it will be in the same range there'll be some expenses which will always be, restricting the margins from expanding going forward?

Nikhil Sawhney: So, I'll tell you what our strategy is at this point in time that we have a lot of unfulfilled ambitions as far as revenue growth goes. And so that is more of a priority for us in terms of being able to expand our offering to be closer to customers. And that will take a priority. And so, we've always said that we will maintain margins at least at where we are. We've consistently beaten that 20%-odd number that I've talked about. As you rightly point out, given the fact that you have an increasing share of aftermarket as a percentage of sales and export as a percentage of sales, we should not face any margin pressures.

Also, the commodity price-based issue that we had in the past are somewhat in a sense behind us though we do see some commodity pressures in areas like copper, etc. But having said that, those are all manageable. So, I think that it's really, our strategy is to drive as much growth. And if the consequence is margin expansion, so be it. So therefore, I'm hesitant to answer your question directly.

Moderator: Thank you. The next question is from the line of Teena Virmani from Motilal Oswal Financial Services. Please go ahead.

Teena Virmani: Congrats on a decent set of numbers. My first question is related to domestic order inflow pipeline. So which user industries do you think will be contributing more to the order inflows for the Company going forward? Maybe from post June, like you mentioned that these enquiries will start translating. But primarily, which industries are you targeting, and do you think can contribute to these inflows going forward?

Nikhil Sawhney: So, we see the demand as enquiries coming from steel to cement, which is quite robust again. The entire agro space, the distilleries, the enquiries remain, but we as having a deep insight into that space, don't think it's extremely practical for that to come back in the short term. You will have much more conversion in process cogeneration. But you do have a lot which is happening, especially on the renewable side, which includes waste heat recovery. Waste heat recovery is agnostic to industry. It is a play on the fact that you have higher energy prices, you have a more conscious corporate culture in terms of being able to be more energy efficient. And so, this stretches across the industry and is agnostic to whether it is steel or cement or paper or rubber, et cetera. It's more driven by a more industrial Capex.

Teena Virmani: Okay. So, do you think that the enquiry level can translate into a much higher order inflow run rate for the nine months of FY 25, for the remaining nine months of FY 25?

Nikhil Sawhney: Yeah. We are very hopeful that will happen. We already have indications in the first couple of months of this current financial year that things seem to be on track. But again, I'm going to restate the fact that, you see a lot of our demand is agnostic of the industry. It's driven by a greater theme of energy efficiency. Energy efficiency is when you have capital on your books and you want to reduce your cost of power, it's not necessarily driven by capacity expansion. So, some of it will be driven by brownfield and greenfield capacity expansion, but it may not necessarily be. That's the point I wanted to make.

Teena Virmani: Okay. And we saw a very healthy momentum in the export inflows during FY 24. Do you think that based on the enquiry levels that you are having on export side, do you think a similar kind of momentum can also be maintained going forward, the way you are entering different geographies?

Nikhil Sawhney: Yes, most definitely. Our efforts are towards that effect, and we want to sustain growth in a very predictable way. So, our efforts are geared towards building competency so that we can sustain it. These are not 1-2 year efforts. These are multiyear efforts where we want to actually ensure that we are not only

able to increase our enquiry book which leads to a greater degree of order inflow and therefore, revenue.

But also, as we expand our presence closer to customers, so we can expand our servicing offering and that will continuously cater to greater profitability from the aftermarket side while still assisting in terms of providing customers with confidence to be able to place orders on us for the product.

So, it's a continuous cycle, and we are optimistic that we are fine on this growth path. Our new product and new technology introductions continue well, while they don't contribute in any meaningful manner right now to turnover, but they do provide good visibility in spaces where we think that we would be able to show leadership in the years to come.

Teena Virmani: And in the overall scenario for the global market, you don't see any kind of tapering off Capex towards this renewable space? That is not visible at least in the numbers that you're posting on the export inflow side?

Nikhil Sawhney: So, the majority of our renewable sales are coming from both biomass-based IPPs as well as solid municipal waste incineration but also energy efficiency. As long as money exists for this space and internationally, especially in Europe and North America and parts of North-east Asia, these continue to be very robust sectors. There's enough money behind it. So as long as the raw material exists, which could either be waste heat or biomass or waste, then it always makes sense for you to do it. The funding exists. It's a question of the availability of the waste.

Teena Virmani: Raw materials. Yes. Got it. My last question is related to the U.S. market where you've mentioned that you are achieving progress. So, is there any update on the overall market opportunity that can farm out in the U.S. market, both on the export as well as on the aftermarket side?

Nikhil Sawhney: Yes. We've received extremely good interest from our interaction with clients. They're eager to see our progress in terms of building our capability. But at the end of the day, a little bit more from the servicing side. From the product side, there are a lot of incentives that the Government of the United States has provided under The Inflation Reduction Act and a variety of different fiscal incentive schemes. We'll have to wait for that uncertainty of the elections also to play out.

But suffice to say that I think people are quite committed to go down the lines of being more energy efficient, which is really a play that Triveni Turbines provides in this renewable space.

Teena Virmani: Okay. So, your current set of offering will be primarily targeting at the initial phases, maybe on the aftermarket, and later maybe on the product side?

Nikhil Sawhney: No, no, both are happening parallelly. It's just a question that some are easier quick wins, and some will take a little bit more time. Ultimately, you have to remember that the United States is a \$25 trillion economy. The capital stock that they have presents a very good opportunity from an aftermarket perspective, especially for third-party service offerings. At the same time, they've historically not invested because of low energy prices, in energy

efficiency. But I think it's inevitable the way that the world is moving that given the fact that capital is available here that people will eventually pick it up.

Teena Virmani: Got it. And there is no incremental Capex, it will be more a opex-led spend that you would be having over there? Or any incremental Capex being finalised by the Company?

Nikhil Sawhney: No, we will capitalise our subsidiary there to the extent of maybe about ₹50-odd crore, less than that, maybe ₹40 crore, primarily debt so that it can be repaid back quickly to the parent. And this is going to go into some machinery that we have to purchase, etc., to be able to have capability on the ground. There will also be some Capex that we'll have in our facility here to strengthen our R&D. We want to spend much more money in that space. So, these are all things that the Board has considered and we will be implementing. But overall, if we are looking at the Capex somewhere in the region of about ₹90 crore to ₹100 crore in the coming year or coming, let's say, couple of years, these are things that I think the Company can easily afford.

Moderator: Thank you. Ladies and gentlemen, a reminder to all participants, you may press * and 1 to ask a question.

Nikhil Sawhney: So, if there are no more questions, then I think I can close the call. Thank you very much for joining the call, ladies and gentlemen. And I look forward to you joining us for our first quarter earnings call. I'm sure that we'll be able to sustain our growth and give you equally positive results then. Thank you very much.

Moderator: Thank you. On behalf of Triveni Turbine Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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