

TECHNO FUNDA

Triveni Turbine Ltd (TTL)

Date - 05/04/2017 | Reco. Price-141-143 | Target-165-170 | Stoploss : 128 | Time Frame : 2 months

Triveni Turbine Ltd (TTL)



TRIVENI TURBINE- Weekly Chart

Technical Rationales

- The stock has broken the major hurdle of 140 and saw an inverted **head and shoulder pattern** breakout with heavy volumes as highlighted in the chart above.
- The 21 WMA is placed close to 124 and trend line support is placed close to 118. Thus, the 118-124 zone will provide strong support for the stock on dips.
- **Oscillators:** RSI saw trend line breakout, suggesting strength. MACD has witness bullish crossover, indicating upward bias.
- Based on the above bullish formation, we recommend to **BUY TRITURBINE** in the range of 140-143 with a stop loss of 128 for a target of 165-170 for short to medium term.

Key Data	
Date	05/04/2017
Sector	Heavy Electrical Equipment
Reco. Price	141-143
BSE Code	533655
NSE Code	TRITURBINE
Face Value (Rs.)	1
Market Cap (Cr)	4725
52 week High (Rs.)	148
52 week Low (Rs.)	95
Source: BSE, NSE	

Company background

Triveni Turbine Ltd (TTL) is one of the world's largest manufacturers of steam turbines ranging up to 30 MW. Moreover, TTL operates in the higher capacity range of turbines above 30 MW-100 MW through its subsidiary, GE Triveni Ltd, a joint venture company with General Electric. TTL has presence in around 70 countries and installations of more than 3000 steam turbines globally.

Investment Rationale

- The company is a local market leader with a dominant share of 63%. Its products find applications in a wide range of industries such as sugar, steel, pulp and paper, textiles, chemical, palm oil, and food processing.
- Internationally, the company has expanded its presence into newer market successfully. TTL established its subsidiaries in the UK & Middle East to serve global customers more effectively. In the last five years, the company's export sales have grown at a CAGR of 35%. During 9mFY17, export revenue contributed 56% to the total revenue compared with 26% in FY16.
- TTL is replicating its local market service model in the international market by offering services for preventative maintenance and refurbishment. Thus, the company expects substantial increase in aftermarket revenue from international market since it has been establishing services centers in Europe, Middle East, South East Asia, and South Africa.
- TTL acquired a 24 acre plot in Karnataka and embarked on an expansion plan to increase manufacturing capacity of its turbines to 350 per year from the current figure of 150. The first phase of the new facility is successfully commissioned March 2017 onwards.
- The company currently has a strong outstanding order book of Rs. 6.3bn. Internationally, TTL has robust enquiry pipeline of more than 7 GW spread over 135 geographies.
- At CMP of 143/-, the stock trades at 36.6x its TTM EPS of Rs. 3.9. We recommend BUY based on a debt-free balance sheet, superior return ratio, and healthy margin.

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