

11th August 2026

Close* – ₹4,330

View – Buy

Key Highlights – Q1FY27

- Order intake of ₹11.4bn, down ~30% YoY (vs. ₹16.2bn in Q1FY26), impacted by soft TBCB pipeline in Q4FY26.
- Revenue of ₹18.4bn, +38% YoY (vs. ₹13.3bn in Q1FY26)
- EBITDA margin of 25.1%, in line with guided mid-20s band (vs. 27.1% in FY26).
- Gross margin at 41.3%, down ~410bps YoY (FY26 full-year: 45.3%) on lower export mix, HP business ramp-up, and elevated commodity costs.
- Export orders at 46% of Q1 order intake, reflecting continued diversification.
- Order backlog of ₹209.3bn, down 2.5% QoQ (vs. ₹214.6bn in Mar-26), still more than 3x FY26 revenue.
- PBT of ₹4.9bn, up from ₹3.9bn in Q1FY26.
- Cash generated ₹4.3bn in the quarter; total available cash at ₹29.3bn.
- Zero-debt position maintained; ~₹13bn utilization plan announced (₹10bn capacity expansion + ~₹2.5bn dividend in Q2, subject to approval).
- Commissioned first 400kV substation in Nepal; milestone in Nepal's 400kV backbone.

Important Statistics

Nifty	24,584
Sensex	78,542
CMP* (₹)	4,330
MCAP (₹ bn)	1,108.68
52-week H/L (₹)	5,650/2,523
BSE Code	522275
NSE Code	GVT&D
Bloomberg Code	GVTD:IN

Close* as on 10th August 2026

Valuation and Outlook

Q1 FY27 saw order intake decline 30% YoY on a soft TBCB pipeline, but management guided this is transient pipeline has improved since June/July, and the ₹70–80bn base domestic order guidance for FY27 was reiterated; two pending RPT orders (~₹13bn US data centre, ~₹30bn on-hold project) remain un-booked and are near-term swing factors, with the latter's approval lapsing at the September AGM. Mid-20s EBITDA margin guidance was maintained despite Q1 compression (commodity/export-mix driven, seen as largely transient given contractual pass-throughs on the transformer/HVDC book), while the ₹209.3bn backlog (>3x FY26 revenue) underpins multi-year revenue visibility, with HVDC-led growth acceleration explicitly pushed out to FY29. Overall, near-term optics are soft but explainable, and the thesis hinges on H2FY27 order conversion and TBCB pipeline follow-through rather than any structural deterioration.

We maintain **BUY** rating on the stock with target price unchanged of ₹6,587, valuing at 55x FY29 PE.

Shareholding Pattern

Shareholding	Dec'25	Mar'26	Jun'26
Promoter	51.00%	51.00%	51.00%
FII	18.46%	20.39%	22.89%
DII	23.27%	21.39%	18.46%
Public	7.26%	7.22%	7.65%

Financials

Particulars	(₹ mn)				
	2025	2026	2027E	2028E	2029E
Revenue	42,923	62,063	82,757	1,12,747	1,46,057
EBITDA	8,187	16,836	22,457	31,436	41,274
EBITDA margin	19.07%	27.13%	27.14%	27.88%	28.26%
PAT	6,083	12,332	16,891	23,446	30,667
PAT margin	14%	21%	20%	21%	21%
EPS	24	48	66	92	120
ROE	40%	58%	49%	44%	38%
PE	65	77	71	51	39

Source: Company, Way2wealth

Conference Call Key takeaways

Macro & Sector Context

- Management framed the quarter against India's grid expansion agenda: target of 500GW non-fossil capacity by 2030, with a longer roadmap to 800GW by 2035.
- New-age load categories (AI/data centres/EV) flagged as a structural demand driver, expected to add ~30GW to India's peak demand over the next 5–6 years.
- AT&C losses remain a system drag, averaging just over 15% in FY25 vs. the government's 10% target by 2030 cited as a continuing tailwind for grid modernization capex.
- Company reiterated its "India for the world" strategy, balancing domestic grid opportunities against export demand.

Relative Performance

Return (%)	1 Yr	3Yr	5 Yr
GE Vernova	54.83	1278.98	3125.60
Nifty 50	0.01	26.46	48.75
Sensex	-2.50	20.17	41.76

Source: Company, Way2wealth

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Financial Performance

- **Revenue:** ₹18.4bn, up 38% YoY (vs. ₹13.3bn in Q1 FY26) execution outpacing order intake this quarter.
- **Order intake:** ₹11.4bn down ~30% YoY (vs. ₹16.2bn in Q1 FY26). Lower intake attributed to a soft TBCB tendering pipeline in Q4 FY26.
- **Order backlog:** ₹209.3bn as of Jun-26, down 2.5% QoQ from ₹214.6bn (Mar-26) still >3x FY26 revenue, providing multi-year revenue visibility. Management characterized the sequential decline as "healthy" given the pace of backlog-to-revenue conversion.
- **PBT:** ₹4.9bn vs. ₹3.9bn in Q1 FY26, up ~1.25x YoY.

Margin Analysis

- **Gross margin:** 41.3% in Q1 FY27 vs. 48.4% in Q1 FY26 and 47% in Q4 FY26. Management emphasized full-year comparison is more meaningful than quarterly (FY26 full-year gross margin: 45.3%), implying a ~4% YoY delta explained across three buckets:
 1. **~1–1.5%:** Lower export mix (30% of revenue in Q1 FY27 vs. 33% in FY26) plus a high-margin export order executed in the prior year that didn't repeat.
 2. **~2–2.5%:** Higher revenue contribution from the HP (high-power/transformer) business, which carries structurally lower gross margin but better operating leverage largely EBITDA-neutral.
 3. **Remainder:** Elevated commodity prices resulting in lower-than-anticipated execution savings vs. original plan.
- **EBITDA margin:** 25.1%, in line with the "mid-20s" guidance band (vs. 27.1% in FY26 full year).
- Management noted ~50% of the gross margin compression washes out at the EBITDA level due to operating leverage from the HP business ramp.
- Commodity price pass-through mechanics clarified: transformer/HVDC business has contractual price-escalation clauses (formula-linked to LME/steel etc.), effectively insulating that portion; the switchgear/GIS/turnkey portfolio is priced on anticipated future commodity costs at bid stage, with a lag of 12–24 months between order booking and execution meaning current commodity inflation will show up in future execution rather than immediately.

Order Book Composition & Quality

- **Export share of Q1 orders:** 46% of order intake.
- **Group vs. third-party mix:** ~80–90% of export orders typically come from GE Vernova group entities; this quarter ~₹5bn was group-driven, leaving ~₹6.5bn from third parties (domestic + export).
- **Customer-type mix in backlog:** Private customers 77%, central utilities/PSUs 21%, state utilities ~2% reinforcing continued counterparty de-risking.
- Notable orders won in the quarter: CTs/CBTs from GE Vernova North America entity; 400kV GIS orders from GE Vernova entities in Spain and Morocco; a 155MVA/245kV transformer for a semiconductor customer; multiple grid automation packages for state utilities, EPCs and data centre customers.

Operational Highlights

- Commissioned first 400kV substation in Nepal (NEA Khimti site) flagged as a milestone in Nepal's 400kV backbone.
- Partnered with Adani on substations for renewable power evacuation from a Gujarat solar park.
- Added transformation capacity for PGCIL, Resonia (sic), NLC; commissioned new bays for customers including Renew, Tata Projects, Adani, and others.

Balance Sheet & Capital Allocation

- Cash generated in the quarter: ₹4.3bn, taking total available cash (including cash-pool lending) to ₹29.3bn.
- Announced utilization plan: ~₹13bn, comprising INR10bn capacity expansion (announced in FY26).
- Remaining ~₹16bn of surplus cash under continuous evaluation by management/board for further shareholder returns vs. reinvestment; nothing finalized as of the call.
- Management highlighted that most of the announced INR10bn capex is brownfield (within existing plants on already-owned surplus land), maximizing ROI without fresh land acquisition cost.

RPT (Related Party Transaction) Order Pipeline

- **US data centre order (~₹13bn RPT approval):** Not booked in Q1; still under discussion/negotiation between group entities and the end customer. Timeline pushed to Q2/Q3 FY27. Delay attributed to a change in project location/state requiring solution rework (voltage specs), not a lost opportunity.
- **Separate ₹30bn RPT approval:** Project put on hold by the customer (cited as budget-related); approval set to lapse at the upcoming AGM (September), after which the company would need to seek re-approval if/when the opportunity revives. Post-AGM, only the ₹ 13bn approval remains active.
- Management reiterated confidence that both opportunities are delayed, not lost.

HVDC Pipeline Commentary

- Bidding process at first stage bid submission by developers; decision expected Aug/Sep.
- Some project-specific hold-ups referenced (e.g., a project shifted from HVDC to EHVAC configuration), but management maintained the overall HVDC pipeline "remains strong," with pacing and not pipeline size being the main risk; one to two additional projects expected in upcoming bid rounds (NCTs).
- HVDC project backlog execution is back-ended; meaningful revenue contribution expected from FY29 onward given typical project structuring.

Domestic Order Pipeline & Guidance

- TBCB tendering pipeline was soft over Jan–Mar, directly impacting Q1 FY27 order intake; pipeline described as improving from June/July onward.
- Full-year domestic market growth guided at ~6–7% (not double-digit); management does not expect a market slowdown.
- Base order flow guidance of ₹70–80bn for the year reiterated as intact despite the soft Q1.
- TBCB project approval timelines have lengthened from 18–24 months to 24–30 months per Power Grid commentary flagged as a factor that could stretch customer decision-making cycles, though not seen as impacting capacity utilization or capex plans.

Competitive Landscape

- Newly approved Chinese GIS players: impact still being assessed; management noted Make-in-India local content requirements (~60–70%) could constrain Chinese pricing leverage and questioned their ability to scale delivery within typical 18-month timelines given absence from the market in recent years.
- Cited technology, lean manufacturing, and localization as GE Vernova's key competitive differentiators vs. peers (Siemens, Hitachi, etc.).
- Peer-to-peer (non-Chinese) competition described as long-standing and product-specific more intense in some categories (e.g., certain switchgear) and less in others (circuit breakers, GIS, automation/software).

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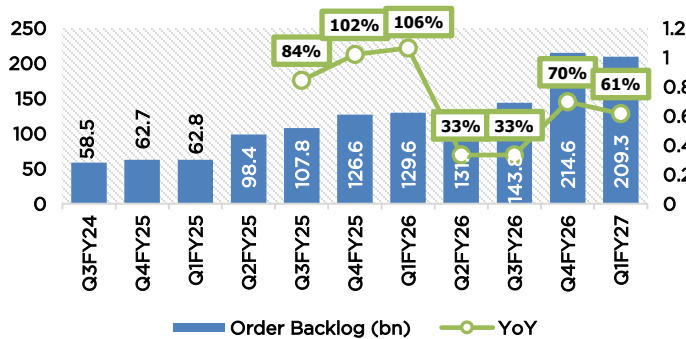
Other Segment Commentary

- **Synchronous condensers:** Manufactured by GE Vernova parent (not part of the grid/T&D portfolio); India entity's scope limited to associated transformers/bays a small portion of overall project value.
- **STATCOM:** Management expects tender activity to pick up, linking this to recent grid stability events.
- **Data centres:** Current order book contribution "not significant" yet; larger, higher-voltage data centre capacity opportunities are in early-stage discussion with customers potential materialization timeline uncertain (next 2–3 quarters).
- **Prolec acquisition (GE Vernova Global):** Management confirmed India operations could benefit from increased transformer order flow tied to the global Prolec (US) acquisition, though scale/timing is opportunity dependent.
- **Margin by segment:** Company declined to disclose segment-wise margins, but reconfirmed exports carry a 4–6% margin premium over domestic orders.
- **Capacity utilization:** Described as uneven some factories well-loaded, others with room to grow; broadly consistent with prior quarters' commentary.
- **Oversupply risk (medium-term):** Management pushed back on oversupply concerns from competitor capacity additions, citing a global equipment shortfall and expectation that incremental capacity (including peers') will be absorbed by export/global demand alongside domestic growth.

Guidance Reiterated

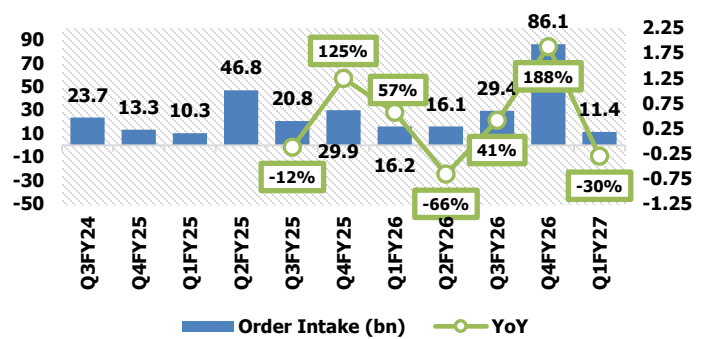
- **EBITDA margin:** Mid-20s for FY27, unchanged despite Q1 softness.
- **Base domestic orders:** ₹70–80bn for the year.
- **Domestic market growth:** ~6–7% for FY27.

Exhibit: Order Backlog



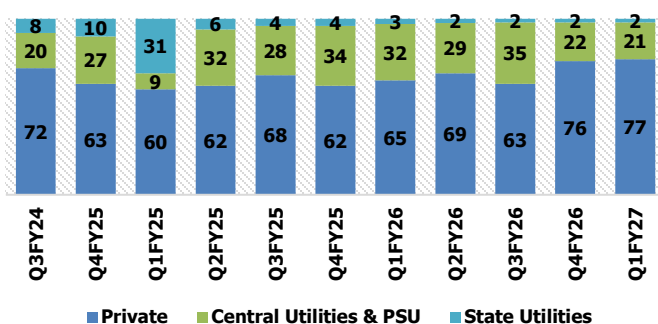
Source: Company, Way2Wealth Research

Exhibit: Order Inflow



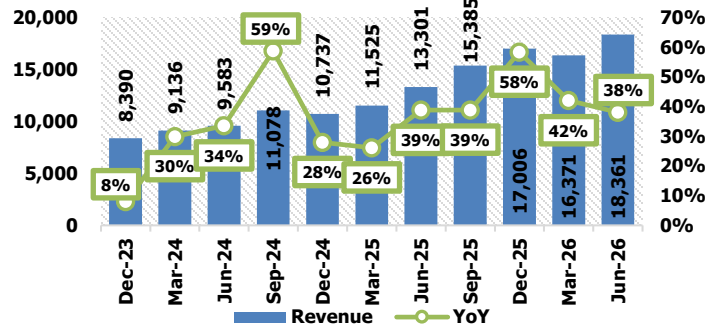
Source: Company, Way2Wealth Research

Exhibit: Order Book Breakup



Source: Company, Way2Wealth Research

Exhibit: Revenue growth of 38%



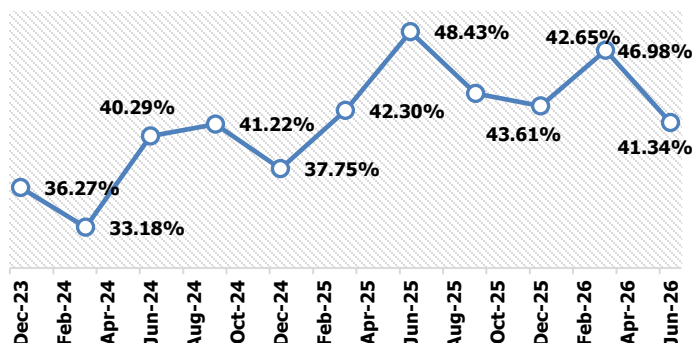
Source: Company, Way2Wealth Research

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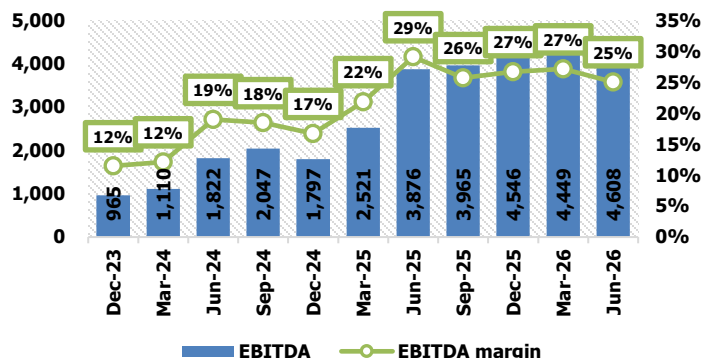
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Exhibit: Gross margin trajectory



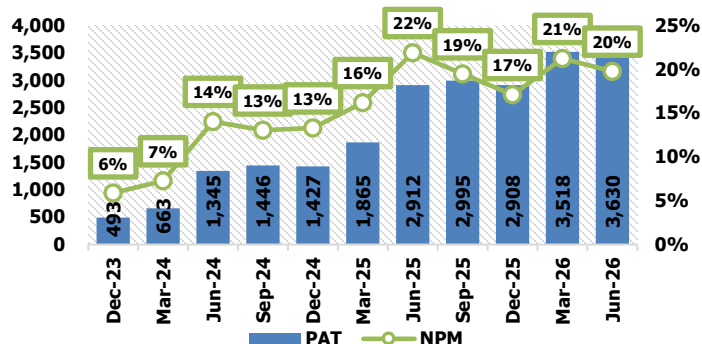
Source: Company, Way2Wealth Research

Exhibit: EBITDA and margin trajectory



Source: Company, Way2Wealth Research

Exhibit: PAT growth of 20%



Source: Company, Way2Wealth Research

Quarterly Performance

(₹ mn)						
Particulars	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26
Net Sales	18,361	13,301	38%	16,371	12%	62,063
EBITDA	4,608	3,876	19%	4,449	4%	16,836
EBITDA margin (%)	25.1%	29.1%	-404bps	27.2%	-208bps	27.1%
Other income	418	163	157%	372	13%	908
Depreciation	121	111	8%	121	0%	464
Interest	34	28	24%	70	-51%	148
Pre-tax profit	4,871	3,900	25%	4,687	4%	17,133
Tax	1,241	988	26%	1,170	6%	4,165
PAT	3,630	2,912	25%	3,518	3%	12,333
EPS	14.18	11.37	25%	13.74	3%	48.16
Order Inflow (bn)	11	16	-30%	86	-87%	148
Order Backlog (bn)	209	130	61%	215	-2%	215

Source: Company, Way2wealth

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Disclosure of Interest Statement GE Vernova T&D India Ltd. as on 11th August 2026

Name of the Security	GE Vernova T&D India Ltd.
Name of the analyst	Ashwini Sonawane
Analysts' ownership of any stock related to the information contained	
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
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