Sector - Transmission

GE Vernova T&D India Ltd.

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

(₹ mn)

Particulars	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).

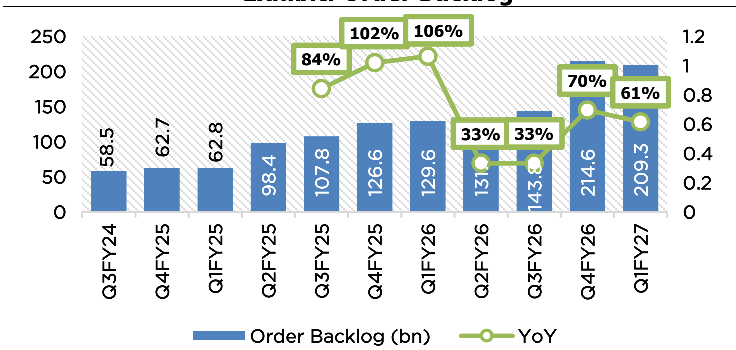
Other Segment Commentary

- **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

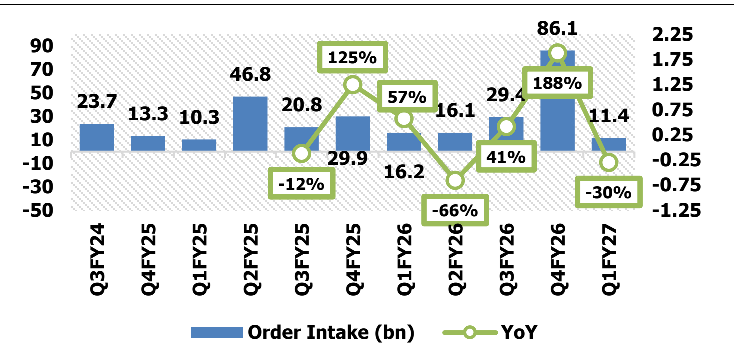
- **EBITDA margin:** Mid-20s for FY27, unchanged despite Q1 softness.
- **Base domestic orders:** ₹70–80bn for the year.
- **Domestic market growth:** ~6–7% for FY27.

Exhibit: Order Backlog



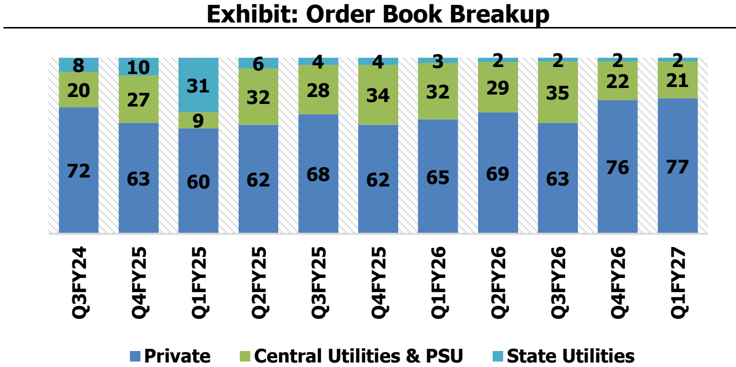
Source: Company, Way2Wealth Research

Exhibit: Order Inflow



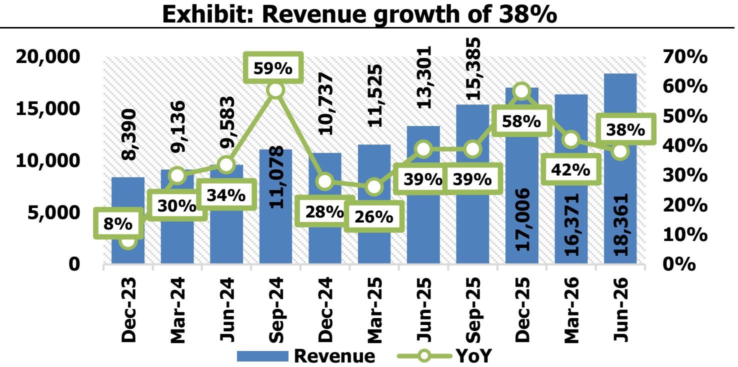
Source: Company, Way2Wealth Research

Exhibit: Order Book Breakup



Source: Company, Way2Wealth Research

Exhibit: Revenue growth of 38%



Source: Company, Way2Wealth Research

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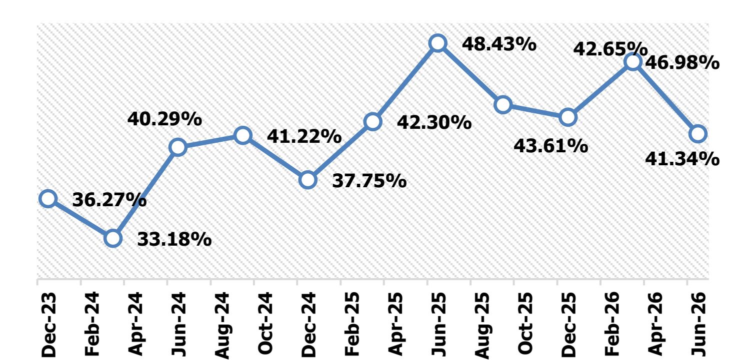
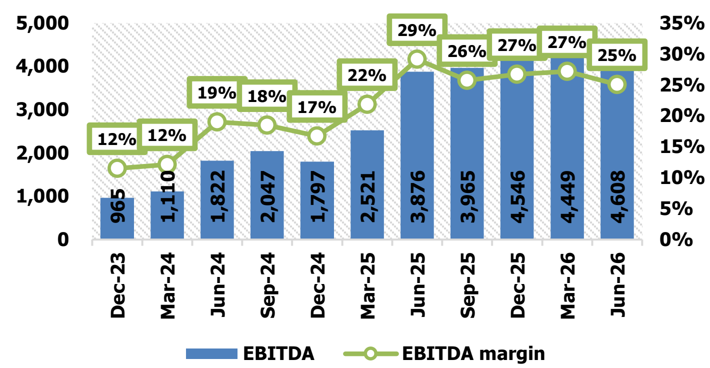
Exhibit: Gross margin trajectory



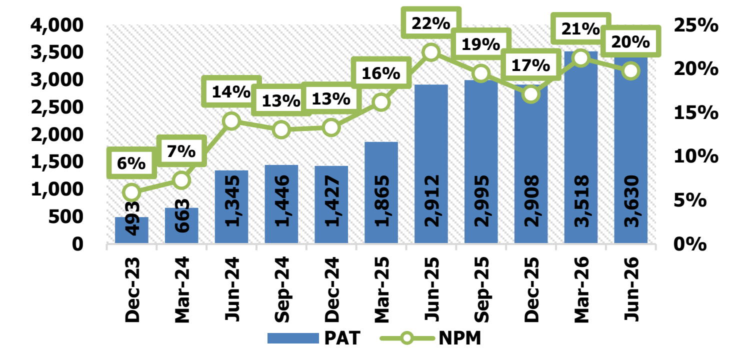
Source: Company, Way2Wealth Research

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

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 : Analyst's Relative : Yes / No Analyst's Associate/Firm : Yes/No	 No No No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
Investment Banking relationship with company covered	NIL