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INITIATING COVERAGE
March 2026

Hitachi Energy India (POWERIND IN)

Energy transition & data center driving multi-faceted growth

Rating: HOLD | CMP: Rs25,160 | TP: Rs26,108

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Hitachi Energy India (POWERIND IN)

Initiating
Coverage

March 10, 2026

Key Data

HTTN.BO POWERIND IN	
BSE Code	543187
NSE Code	POWERINDIA
52-W High / Low	INR 26,160 / INR 10,400
Face Value	2
Sensex / Nifty	77,566/24,028
Market Cap	INR 1,121 bn / \$ 12,146 mn
Shares Outstanding	44.57 mn
3M Avg. Daily Value	INR 36.53 mn

Shareholding Pattern (%)

Promoters	71.31
FII's	10.69
MF	4.27
DI	2.91
Public	10.82
Promoter's Pledge	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	11.8	29.0	33.5	92.8
Relative	21.1	40.8	39.6	84.8

Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (INR mn)	63,849	78,880	111,284	154,609
EBITDA (INR mn)	5,958	12,187	17,861	25,433
Margin (%)	9.3	15.5	16.1	16.5
PAT (INR mn)	4,126	9,654	14,063	19,395
EV (INR mn)	1,084,257	1,075,915	1,066,775	1,047,522
Total Debt (INR mn)	885	885	885	885
C&C Eq. (INR mn)	38,066	46,408	55,548	74,801
EPS (INR)	92.6	216.6	315.5	435.1
Gr. (%)	148.6	134.0	45.7	37.9
DPS (INR)	4.0	4.0	8.0	10.0
Yield (%)	-	-	-	-
RoE (%)	14.8	20.5	23.9	25.8
RoCE (%)	17.7	23.2	26.6	30.4
EV/Sales (x)	17.0	13.6	9.6	6.8
EV/EBITDA (x)	182.0	88.3	59.7	41.2
PE (x)	271.8	116.2	79.7	57.8
P/BV (x)	26.6	21.5	17.0	13.2

Energy transition & data center driving multi-faceted growth

Quick Pointers

- Well positioned to capture good chunk of ~Rs434bn TAM for HVDC in next 3 years.
- POWERIND having ~15% exposure to the total data center setup cost, translating into an annual addressable opportunity of ~Rs40bn.

We initiate coverage on Hitachi Energy India (POWERIND) with 'Hold' rating at TP of Rs26,108 valuing the company at P/E of 60x Mar'28E. POWERIND is poised for strong growth driven by 1) it being a leading player in HVDC technology with ~Rs434bn addressable opportunity over the next 3 years, 2) energy-transition-led addressable market opportunity of Rs1trn+, 3) increasing demand from high-growth industries such as data centers, 4) strong global parentage and 5) improving share of services and exports driving margin expansion. We estimate revenue/adj PAT CAGR of 34.3%/67.5% over FY25-28E with EBITDA margin expanding by 712bps led by operating leverage. The stock is currently trading at P/E of 79.7x/57.8x on the earnings of FY27/28E. Initiate with 'Hold'.

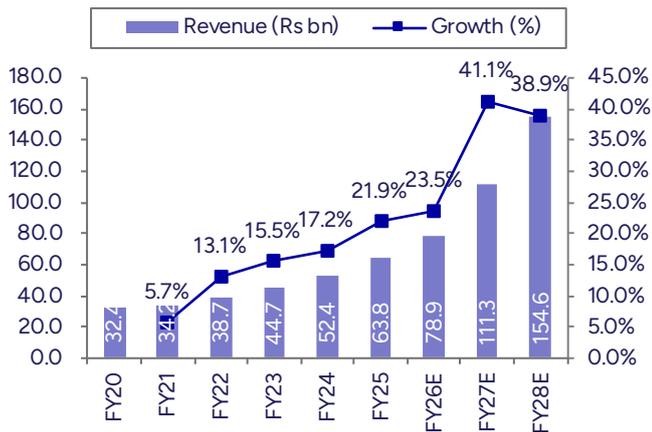
Robust ~Rs434bn HVDC total addressable market (TAM) for POWERIND within ~Rs1trn project pipeline over next 3 years: Hitachi Energy is a global pioneer in HVDC technology, having delivered over 50% of the world's HVDC projects. **With four HVDC projects and one HVDC upgrade project planned over the next three years,** the total project opportunity is estimated at ~Rs1trn, of which ~Rs434bn represents the addressable market for POWERIND. Supported by strong global parentage, a multi-channel strategy, and limited competition, POWERIND is well positioned to capture a meaningful share of this opportunity. **With a robust HVDC order book of ~Rs200bn,** the company is well placed to capitalize on the HVDC upcycle and deliver robust growth in the coming years.

Energy transition to provide Rs1trn+ cumulative addressable market till 2030: CEA's plan to integrate 500GW of RE into the grid by 2030 will entail investments of Rs2.44trn in the T&D industry. Hitachi Energy's technology-driven products and services such as SCADA, HV & EHV transformers and switchgears, and STATCOMs, **place it in a sweet spot to capture ~40% of this opportunity translating to Rs1trn+ cumulative addressable market till FY30.** Furthermore, inherent intermittency of RE will boost demand for automation solutions ensuring reliability and stability across the grid. Estimated increase in India's substation capacity from 1,251GVA to 2,412GVA by FY32 with total investment of Rs9.15trn will further drive demand for grid integration services.

Data Center – Annual addressable opportunity worth ~Rs40bn over FY25-30: Demand for faster and more efficient data processing is on the rise with increasing adoption of AI and IoT. India's data center capacity is expected to see strong growth from current 1,337MW to 3,395MW by FY30. **POWERIND's addressable opportunity is ~15% of the total data center cost. With nearly ~Rs1.3trn of domestic capex expected in the industry by FY30, POWERIND has an annual addressable market of Rs40bn over FY25-30.** Furthermore, India's aim to become global data center hub supported by **Draft Data Center Policy 2020 and long-term tax holiday until 2047 for foreign companies using India-based data centers** to serve global customers, will further attract foreign investments worth Rs3trn+, increasing demand for electrical equipment such as power transformers and services like automation & substations.

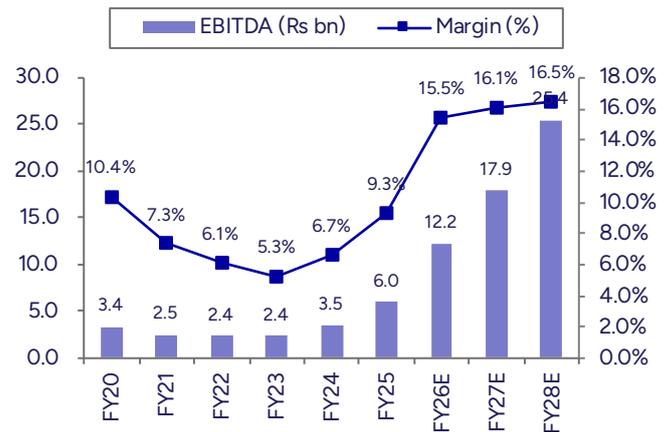
Story in Charts

Exhibit 1: Revenue to register 34.3% CAGR over FY25-28E



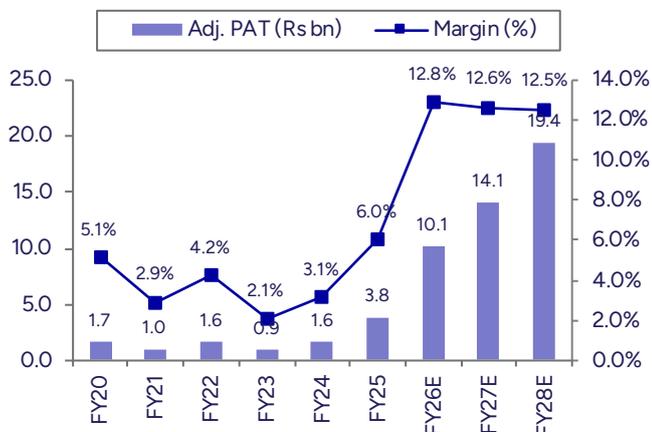
Source: Company, PL

Exhibit 2: EBITDA to grow at 62.2% CAGR over FY25-28E



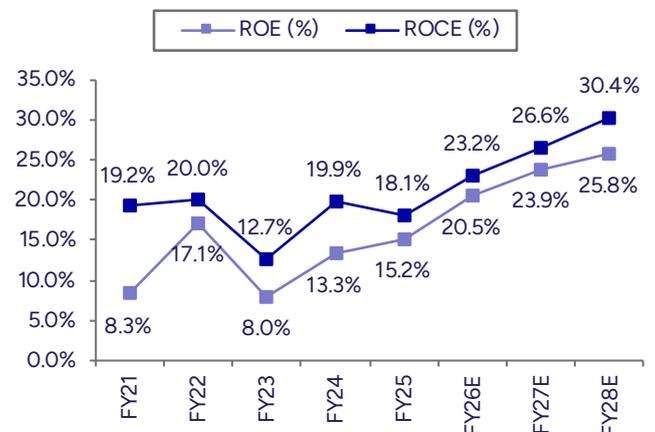
Source: Company, PL

Exhibit 3: PAT to clock 67.5% CAGR over FY25-28E



Source: Company, PL

Exhibit 4: RoE/RoCE to surpass 25%/31% by FY28E



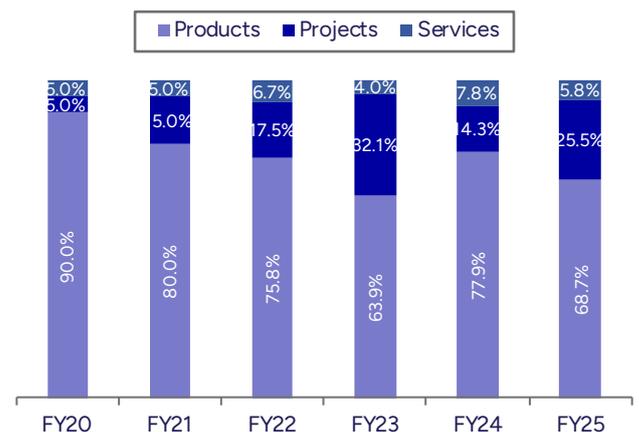
Source: Company, PL

Exhibit 5: Higher mix of exports to aid margin expansion



Source: Company, PL

Exhibit 6: Order intake mix – HVDC wins skew project mix

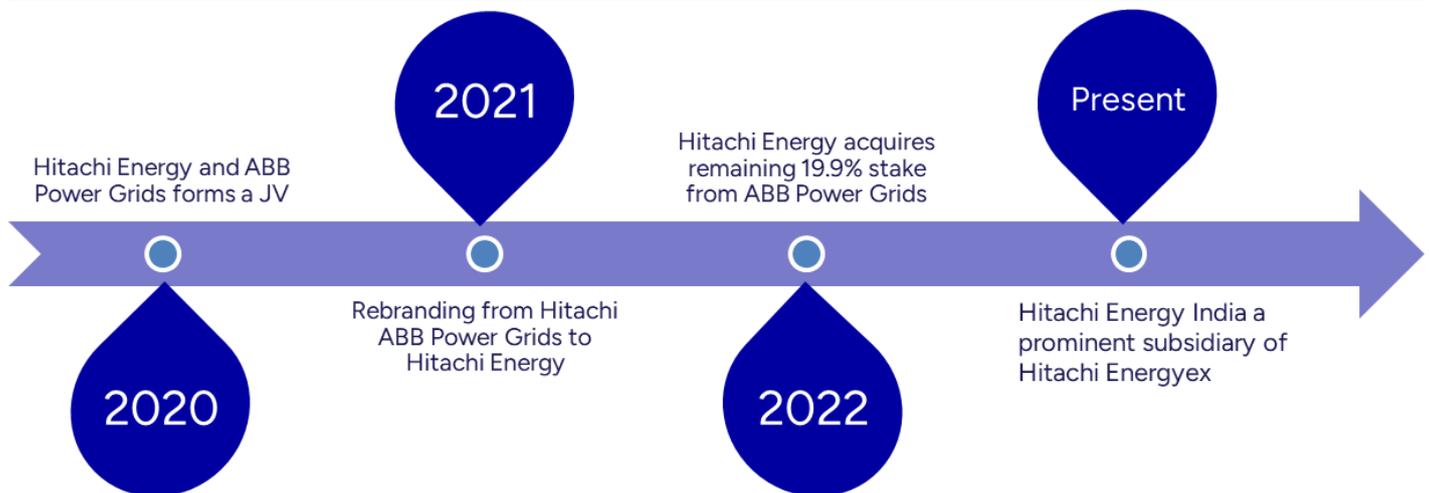


Source: Company, PL

POWERIND: At the forefront of HVDC

POWERIND is a prominent subsidiary of Hitachi Energy Global, a worldwide technology leader advancing sustainable energy. In 2020, Hitachi Energy Global and ABB's Power Grids business formed the JV Hitachi ABB Power Grids Ltd, with Hitachi holding 80.1% stake in the JV and ABB holding the remaining. In Oct'21, the JV was rebranded to Hitachi Energy India, and in Dec'22, Hitachi Energy Global acquired the remaining 19.9% stake from ABB Power Grids, gaining full ownership.

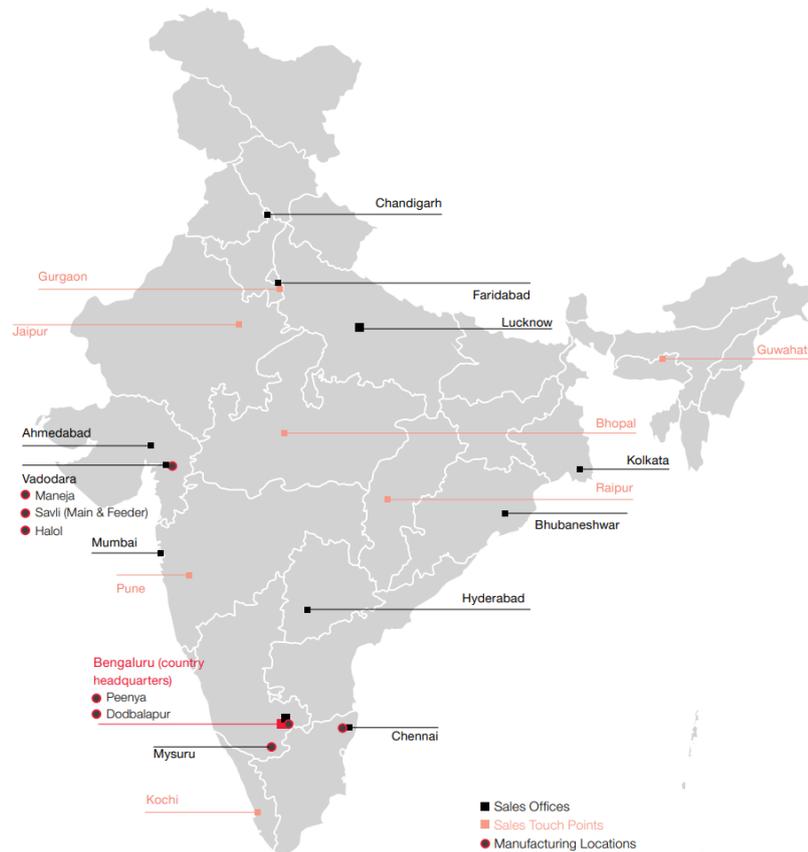
Exhibit 7: POWERIND – Historical timeline



Source: Company, PL

POWERIND is at the forefront of transforming India's energy landscape by promoting RE sources, enhancing energy efficiency, and reducing carbon emissions. Its diverse product portfolio, offered through its 4 global business units – Grid Automation, Grid Integration, HV Products, and Transformers – enables it to provide comprehensive solutions that meet the evolving needs of the Indian energy sector. All its manufacturing happens at its 19 factories spread across 8 locations in India.

Exhibit 8: 19 factories spread across India



Source: Company, PL

A) **Grid Automation** offers a comprehensive range of advanced technologies designed to improve efficiency, reliability and sustainability of power grids. The offerings range from substation automation, grid automation services, communication networks, grid edge solutions to enterprise software solutions. These solutions cater to all key segments including power generation, transmission and distribution along with industries, transportation and infrastructure.

Exhibit 9: Grid Automation solutions

Product class	Solutions
Control systems	● SCADA
	● Energy management systems (EMS)
	● Distribution management systems (DMS)
Communication networks	● Optical networks
	● Microwave links
	● Private mobile radio solutions
Substation automation	● Digital substations
	● Substation monitoring and control
Protection and control	● Relays
	● Automation controllers
	● Monitoring devices
Wide area monitoring systems	● Phasor measurement units
	● Synchrophasors

Source: Company, PL

B) **Transformers segment** offers a wide range of transformers, including power and traction transformers, insulation components, and other transformer services. **POWERIND is a prominent manufacturer of HV and EHV transformers in India, having delivered over 20,000 power transformers with a capacity exceeding 2,600GVA, including more than 20 800kV UHVDC and 765kV AC transformers.** The offerings find application across power generation, transmission and distribution, as well as metal and mining, oil and gas, mobility, and more.

Exhibit 10: Transformers – Product portfolio



Source: Company, PL

Exhibit 11: POWERIND transformers up to 1,200kV

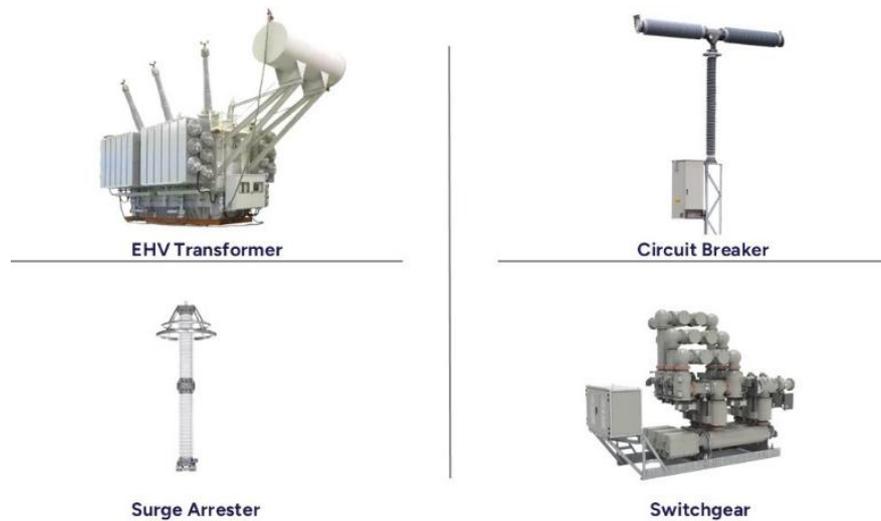
Transformer type	Application
Power transformer	● Power generation
	● Power transmission
	● Power distribution
Distribution transformer	● Utilities
	● Industrial
	● Commercial
Traction transformer	● Railways and metro rail
Furnace transformer	● Steel and metallurgy
	● Foundries
	● Glass and ceramics
	● Mining
Phase-shifting transformer	● Automotive and aerospace
	● Power generation
	● Power transmission
	● Power distribution
Transformer components	● Bushings
	● Monitoring and diagnostics
	● Repair and maintenance

Source: Company, PL

C) **Grid Integration** provides a comprehensive suite of transmission and substation solutions, offering turnkey services that enable seamless integration of diverse electrical networks, including RE sources. Key offerings include HVDC EPC solutions, grid-edge technologies, microgrid solutions, and substation EPC services, as well as FACTS. Additionally, Grid Integration specializes in offshore wind connections, supporting the efficient incorporation of RE into the national grid of India. These solutions are designed to ensure reliable, sustainable and resilient energy infrastructure. **The business unit has delivered more than 4,000 projects over the last 15 years.**

D) **HV Products** division excels in HV technology, providing solutions up to 1,200kV for AC and 1,100kV for DC. These products are essential components of power infrastructure, utilized in diverse applications from utility substations to industrial plants. The portfolio encompasses HV switchgears, circuit breakers, surge arresters, bushings, and more. POWERIND's expertise enables it to meet the stringent requirement of modern power systems supporting growing demand for energy and RE integration into the grid.

Exhibit 12: HV Products portfolio, incl. transformers up to 1,200kV

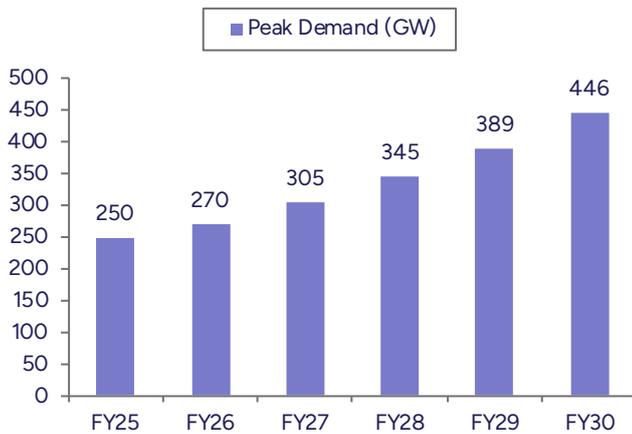


Source: Company, PL

India's power buildout to drive huge T&D capex

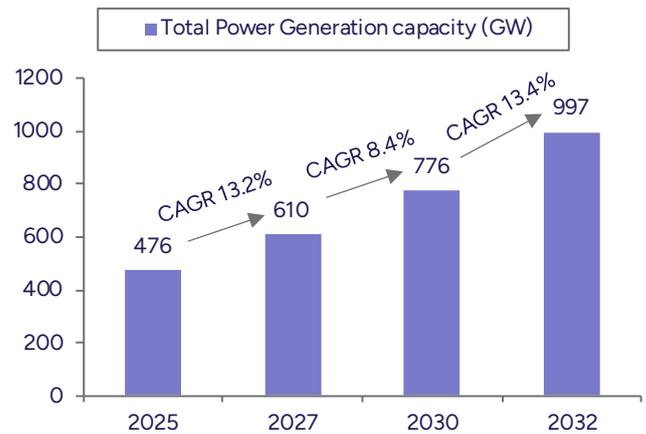
India is the world's third-largest producer (1,830 BU in FY25) and consumer (1,694 BU in FY25) of electricity, with peak power demand expected to rise to ~458 GW by FY32, driven by accelerating economic activity across railways, data centers, automotive, engineering, steel, and construction. Government initiatives such as Make in India, Industrial Corridor Development, PM Gati Shakti, and the PLI scheme are further supporting manufacturing-led growth, underpinning a significant capacity addition cycle, power generation capacity is projected to grow at a ~9.7% CAGR over FY25-32 to reach ~997 GW by FY32, as per the National Electricity Plan (NEP).

Exhibit 13: Peak demand to clock ~8% CAGR over FY25-32



Source: CEA, PL

Exhibit 14: Generation capacity to reach ~997 GW by FY32



Source: CEA, PL

Energy transition led capacity addition attracts capex of ~Rs9.15trn in T&D industry

CEA has set a target of achieving 500 GW of non-fossil fuel generation capacity by FY30, with renewables currently at 48% of installed capacity and expected to rise to 67% by FY32, led by solar and wind additions. To enable this scale-up, CEA's NEP 2022-2032 envisages ~Rs9.15trn of investment (including ~Rs2.44trn of previously announced capex for RE integration) expanding the transmission network from 4.94 lakh ckm in FY25 to 6.48 lakh ckm by FY32 and increasing transformation capacity from 1,338 GVA to 2,412 GVA over same period; with transmission investments are projected at ~Rs4.25trn during FY22-27 (ISTS: Rs2.69trn; intra-state: Rs1.56trn) and ~Rs4.90trn during FY27-32 (ISTS: Rs3.91trn; intra-state: Rs993bn).

Exhibit 15: Large chunk to be invested in ISTS over FY22-32

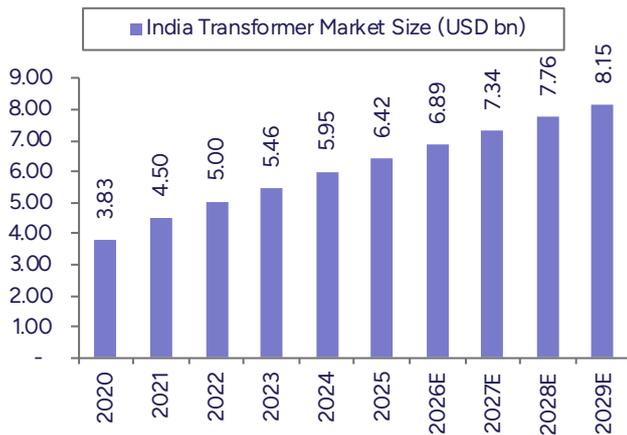
(in Rs bn)	ISTS	Intra-State	Total
From FY22-27	2,692	1,561	4,252
From FY27-32	3,916	993	4,909
Total	6,608	2,554	9,161

Source: CEA, PL

Transformers: Crucial piece of the T&D puzzle

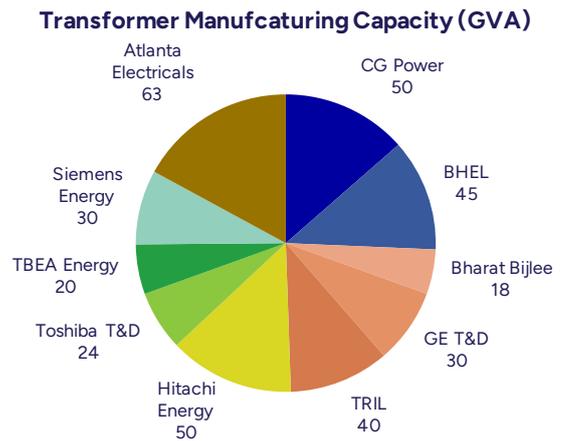
Indian transformer market is anticipated to clock ~6.0% CAGR over 2025-2029 reaching USD 8.15bn likely to be driven by robust growth in Power Transformers (220kV – 765kV). In India, more emphasis is being put on the 765 kV substation capacity addition. Despite the fragmented nature of the transformer industry, the manufacturing landscape for power transformers, particularly those exceeding 220kV, is relatively concentrated. Key players like CG Power, BHEL, Bharat Bijlee, Siemens Energy, GE Vernova T&D, TARIL, Hitachi Energy India, Toshiba T&D, and TBEA Energy India collectively possess ~270 GVA of manufacturing capacity for high-voltage and above power transformers (~58% of total transformer manufacturing capacity installed).

Exhibit 16: India's transformer market on growth trajectory



Source: PL

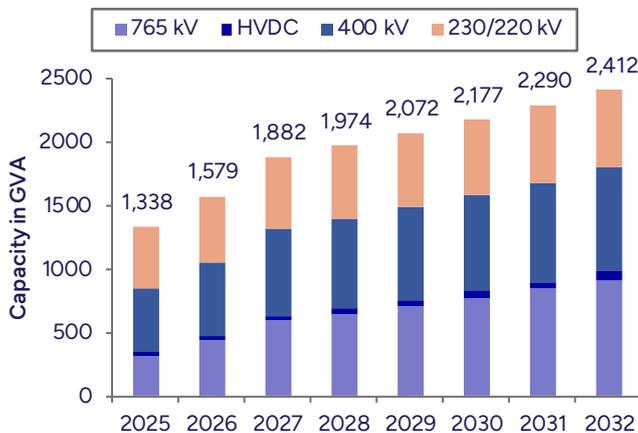
Exhibit 17: Transformer manufacturing capacity of key players



Source: PL

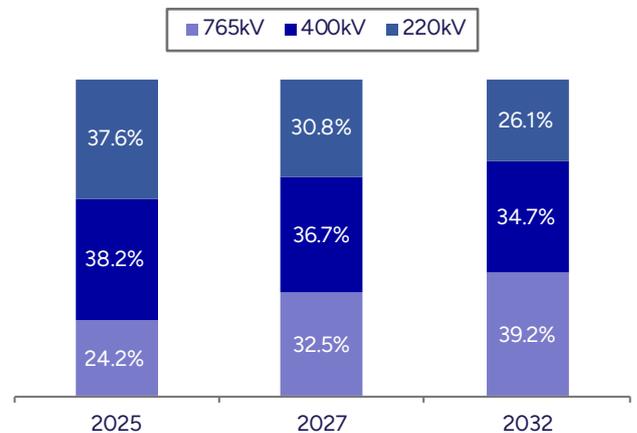
The transformer manufacturing sector is poised for strong growth, with ~270 GVA of cumulative capacity expected to be added over FY25-28E reaching a total transformer manufacturing capacity of ~690 GVA by FY28 from current ~460 GVA, supported by continued investments in infrastructure and technology. This expansion will strengthen manufacturers' ability to meet rising demand for energy-efficient and reliable transmission solutions, supporting the development of resilient power grids.

Exhibit 18: Substation capacity composition over the years



Source: CEA

Exhibit 19: 765 kV to see higher mix in 2027 & 2032



Source: CEA

Exhibit 20: Massive capacity expansions across the board to cater growing domestic transformer demand

Company Name	FY25	FY26E	FY27E	FY28E
CG Power	21,000	5,000	-	45,000
BHEL	-	-	-	-
Voltamp	1,000	1,000	5,000	-
Bharat Bijlee	-	10,000	-	-
GE T&D	-	-	-	-
Siemens Energy	-	15,000	-	-
TRIL	-	-	37,000	-
Hitachi Energy*	-	20,000	-	30,000
EMCO	-	-	-	-
TBEA Energy India Pvt. Ltd.	-	-	-	-
Shirdi Sai Electricals Pvt. Ltd.	15,000	-	-	-
Indo Tech Transformer	-	3,000	3,500	-
Tesla Transformer	-	-	-	-
Shilchar Technologies Ltd.	3,500	-	-	6,500
Schneider Electric	-	1,500	-	-
Vijai Electricals	-	-	-	-
Toshiba T&D systems India	-	-	-	-
IMP Powers	-	-	-	-
Atlanta Electricals	-	46,320	-	-
Others	-	-	-	-
Total	40,500	1,01,820	45,500	81,500

Source: Company, PL

*Estimated due to POWERIND doesn't report its capacity in MVA

Exhibit 21: Likely bifurcation of transformer manufacturing capacity by voltage level

Company Name	765 kV	400 kV	220 kV	66/33/11 kV DT
CG Power	40,000	9,900		
BHEL	30,000		15,000	
Voltamp			12,000	4,000
Bharat Bijlee			28,000	
GE T&D	30,000			
Siemens Energy	30,000			
TRIL	27,000		12,000	1,200
Hitachi Energy	50,000			
EMCO		20,000		
TBEA Energy India Pvt. Ltd.	20,000			
Shirdi Sai Electricals Pvt. Ltd.				45,000
Indo Tech Transformer			11,500	1,000
Tesla Transformer				6,000
Shilchar Technologies Ltd.				7,500
Schneider Electric				7,000
Vijai Electricals				3,900
Toshiba T&D systems India		24,000		
IMP Powers				15,000
Atlanta Electricals	15,000		48,060	
Total	2,66,000		2,05,000	

Source: Company, PL

Investment Rationale

HVDC – Future of High-Efficiency Energy Transmission

HVDC technology is crucial for achieving a carbon-neutral energy system. It offers exceptional efficiency in transmitting substantial amounts of electricity across long distances, facilitating the integration of RE sources and the interconnection of grids. **Hitachi Energy Global is a pioneer in HVDC and has delivered more than half of the world's HVDC projects.**

HVDC primarily uses two types of technologies, i.e., LCC and VSC. POWERIND can apply both technologies.

Exhibit 22: VSC costs ~35% more than LCC

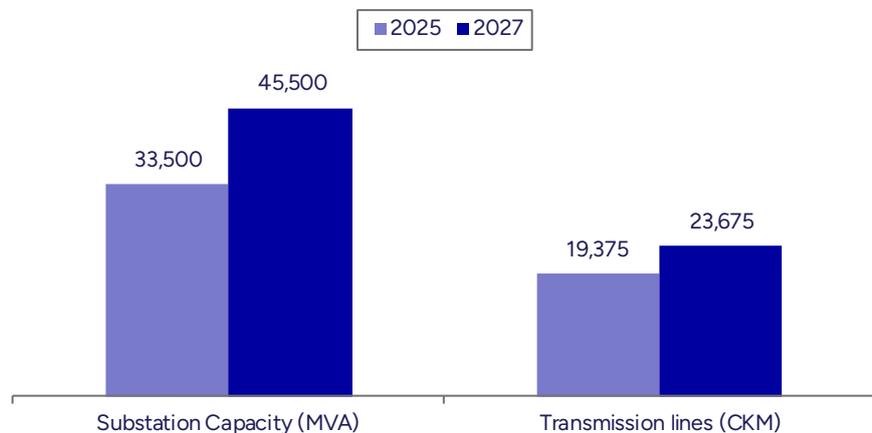
	VSC	LCC
Maturity and cost	Newer technology, ~35% more expensive than LCC	Mature technology, cost-effective for large capacities
Use case	Ideal for integration of renewables, offshore wind, and weak grid applications	Long-distance bulk power transmission
Control & flexibility	High controllability, fast response	Less flexible, slower response
Reactive power requirement	Provides dynamic reactive power support	Requires external compensation
Losses	Slightly higher losses	Slightly lower losses
Power reversal	Possible; requires changing DC polarity for power reversal	Possible (seamless); achieved by changing current direction without altering DC polarity

Source: Industry, PL

Seizing the future: Robust ~Rs434bn HVDC TAM for POWERIND over next 3 years from planned HVDC projects with total cost of ~Rs1.0trn

Indian HVDC market is poised for significant growth with growing demand for efficient energy transmission. India aims to achieve HVDC capacity of 45.5GW by 2027 from current 33.5GW. Similarly, HVDC transmission lines are also expected to record ~11% CAGR to reach 23,675ckm during the period.

Exhibit 23: HVDC capacity addition planned by GOI in India over FY25-27



Source: Industry, PL

India's HVDC tendering cadence, currently limited to 1 project per year, falls short of the country's accelerating power demand. To bridge this gap, **at least 2 HVDC project tenders per annum** are required over the next 2-3 years. Over the 15-month period from H2FY25 to 9MFY26, 3 HVDC orders were finalized: **POWERIND, in consortium with BHEL, secured the LCC-based Khavda-Nagpur and Bhadla-Fatehpur projects**, while GE Vernova T&D won the VSC-based Khavda-South Olpad project.

~Rs400bn addressable opportunity with 4 HVDC projects

In addition, 4 large HVDC projects, aggregating to ~Rs1.0trn, are currently in the bidding or approval stages. Of these, 2 projects are expected to be awarded under the VSC technology, 1 under LCC, while the technology for the fourth remains undecided. **POWERIND has an addressable opportunity of ~Rs100bn per HVDC project.** The 4 projects under various stages of planning, approval and bidding offer an **addressable opportunity of ~Rs400bn over the next 3 years.**

GE Vernova T&D has recently secured an order valued at ~Rs12.3bn for the upgrade of the LCC-based Chandrapur HVDC system. In parallel, **NCT is evaluating the conversion of the LCC-based Pusauli HVDC link to VSC technology**, as the asset approaches the end of its operational lifecycle. **The proposed upgrade, estimated at ~Rs34.4bn, represents a meaningful incremental HVDC retrofit opportunity for POWERIND**, with potential award visibility in FY27.

Exhibit 24: Upcoming HVDC projects with outlay of ~Rs1.0trn (addressable opportunity of ~Rs434bn)

Project	Direct voltage	Project capacity	Project technology	Expected award date	Cost (Rs mn)	Potential bidders
Barmer – South Kalamb	±800kV	6,000MW	LCC	H2FY27	2,49,740	Hitachi Energy, GE Vernova Limited
Lakadia – Alephata*	±800kV	6,000MW	LCC/VSC	FY27	2,50,000	SIEMENS energy, Hitachi Energy, GE Vernova Limited
Total LCC HVDC pipeline					4,99,740	
Paradeep – Andaman	±320kV	250MW	VSC	FY28	3,79,810	SIEMENS energy, Hitachi Energy, GE Vernova Limited
India – Sri Lanka	±320kV	500MW	VSC	FY28	99,000	SIEMENS energy, Hitachi Energy, GE Vernova Limited
Pusauli HVDC Upgrade	±800kV	1,000MW	VSC	FY27	34,400	SIEMENS energy, Hitachi Energy, GE Vernova Limited
Total VSC HVDC pipeline					5,13,210	
Total HVDC pipeline in India					~1,012,950	

Source: Company, PL, Industry

*project cost is estimated based on cost of earlier similar projects

Consolidated HVDC market with steep entry barriers favors POWERIND

HVDC market in India is highly consolidated with only 3 players, primarily due to high technological requirements, execution capabilities and capital intensity. **POWERIND commands ~50% market share in existing HVDC project**, followed by Siemens Energy India and GE Vernova T&D India.

POWERIND is at the forefront to capitalize on the fast-growing HVDC industry in India driven by:

- **POWERIND has both LCC and VSC HVDC technologies** as opposed to its nearest competitor, Siemens Energy, which only does VSC HVDC projects. Having both capabilities significantly expands Hitachi's addressable market
- **Announcement of Rs20bn capex over the next 4-5 years** across business verticals with higher allocation for capacity and capability expansion for HVDC transformers and technology further underscores POWERIND's conviction in India's HVDC space
- POWERIND has the **capacity and capabilities to take execute 3-4 HVDC projects** simultaneously
- The multi-channel strategy allows it to supply to multiple EPCs, presenting them more opportunities to address wider demand from multiple customers.

Strong order wins demonstrate POWERIND's HVDC prowess in India

POWERIND's consortium with BHEL was awarded Khavda-Nagpur LCC HVDC project worth Rs248.2bn in Q3FY25 and Bhadla-Fatehpur LCC HVDC project worth Rs250bn in Q1FY26. Both projects are expected to be delivered over the next 4-5 years.

HVDC technology leader having bagged 2 out of 3 recent orders

POWERIND's scope of work in these projects primarily includes supply of equipment, which accounts for 40-50% of the total project cost. Hence, it is estimated that ~Rs190bn was added to Hitachi's order book over FY25-26, taking the total order book to Rs298.7bn (4.5x TTM sales) as on 31st Dec'25.

Exhibit 25: POWERIND's ~Rs200bn HVDC order book provides strong visibility

Project	Order Value (Rs bn)
Kudus - Mumbai HVDC	~20.0
Australia HVDC	~7.9
Khavda - Nagpur HVDC	~100.0
Bhadla - Fatehpur HVDC	~84.0
Total HVDC Order Book	~200.0

Source: Company, PL

Exhibit 26: HVDC orders received/projects commissioned by Hitachi Energy in India

Commissioning Year	Location	Direct Voltage	Project/Order
1990	Rihand - Delhi	±500kV	● Commissioned the first commercial long-distance bipolar HVDC link in India for Powergrid Corp
1999	Mumbai	±500kV	● Constructed converter terminals for the first HVDC link to Mumbai built by MSEDCL
2005	Vizag HVDC		● Commissioned 500MW back-to-back HVDC station for Powergrid, which interconnects eastern and southern parts of the country.
2017	Agra – Assam	±800kV	● Supplied world's first multi-terminal UHVDC transmission link for Powergrid connecting India's North-East region to Agra
2019	Raigarh – Pugalur	±800kV	● Commissioned 6GW UHVDC link for Powergrid, which transmitted power from central India to consumers in the south
2025	Kudus – Mumbai	±320kV	● Selected to supply HVDC transmission system for Adani Energy, which will link Kudus to Mumbai
2025	Khavda – Nagpur	±800kV	● POWERGRID has awarded the consortium of POWERIND and BHEL, to design and execute the HVDC link to transmit RE from Khavda in Gujarat to the industrial center of Nagpur in Maharashtra
2025	Bhadla – Fatehpur	±800kV	● AESL awarded the consortium of POWERIND and BHEL to design and execute the 6GW HVDC link to transmit RE from Bhadla to Fatehpur

Source: Company, PL

Scenario Analysis:

In the event of POWERIND securing both upcoming HVDC orders namely **Barmer-South Kalamb and Lakadia-Alephata** (assuming ~50% scope of business), its fair value TP is estimated at **Rs31,013** implying a 60x PE multiple on Mar'28E earnings. Meanwhile, award of any one of these two orders could drive the TP of **Rs29,131** at the same valuation multiple.

Currently, our valuation (base case) does not factor in any further HVDC wins for POWERIND, resulting in a fair TP of **Rs26,108** valuing it at a PE of 60x on Mar'28E earnings.

Exhibit 27: Scenario 1: Award of both upcoming orders

	FY26E	FY27E	FY28E	FY29E
Revenue	78,880	113,782	185,839	248,574
YoY gr. (%)		44.2%	63.3%	33.8%
EBITDA	12,187	18,205	30,292	42,258
Margin (%)	15.5%	16.0%	16.3%	17.0%
PAT	10,608	14,321	23,039	31,097
YoY gr. (%)		35.0%	60.9%	35.0%
EPS	238.0	321.3	516.9	697.7
PE Multiple			60	
Fair valuation at Mar'28E			31,013	

Source: PL

- POWERIND is anticipated to clock a revenue/PAT CAGR of 46.6%/43.1% with EBITDA margin improving by ~155bps over FY26-29E.
- If POWERIND is awarded both Barmer-South Kalamb & Lakadia-Alephata (~50% equipment supply scope) HVDC orders, its fair TP would be Rs31,013 valuing it at PE of 60x Mar'28E.

Exhibit 29: Scenario 3: Execution of awarded HVDC orders and faster margin expansion

	FY26E	FY27E	FY28E	FY29E
Revenue	78,880	111,284	154,609	192,357
YoY gr. (%)		41.1%	38.9%	24.4%
EBITDA	12,187	17,861	25,433	32,989
Margin (%)	15.5%	16.1%	16.5%	17.2%
PAT	10,608	14,063	19,395	24,146
YoY gr. (%)		32.6%	37.9%	24.5%
EPS	238.0	315.5	435.1	541.7
PE Multiple			60	
Fair valuation at Mar'28E			26,108	

Source: PL

- POWERIND is anticipated to clock a revenue/PAT CAGR of 34.6%/31.5% with EBITDA margin improving by ~170bps over FY26-29E.
- Our base case does not factor in any more HVDC wins and expect faster margin expansion resulting in its fair TP of Rs26,108 valuing it at PE of 60x Mar'28E.

Exhibit 28: Scenario 2: Award of only one upcoming order

	FY26E	FY27E	FY28E	FY29E
Revenue	78,880	113,782	173,339	223,574
YoY gr. (%)		44.2%	52.3%	29.0%
EBITDA	12,187	18,091	28,428	38,231
Margin (%)	15.5%	15.9%	16.4%	17.1%
PAT	10,608	14,235	21,641	28,077
YoY gr. (%)		34.2%	52.0%	29.7%
EPS	238.0	319.4	485.5	629.9
PE Multiple			60	
Fair valuation at Mar'28E			29,131	

Source: PL

- POWERIND is anticipated to clock a revenue/PAT CAGR of 41.5%/38.3% with EBITDA margin improving by ~165bps over FY26-29E.
- If POWERIND is awarded only one of the two upcoming HVDC orders (~50% equipment supply scope), its fair TP would arrive to Rs29,131 valuing it at PE of 60x Mar'28E.

Exhibit 30: Scenario 4: no further HVDC wins & slower margin expansion

	FY26E	FY27E	FY28E	FY29E
Revenue	78,880	111,284	154,609	192,357
YoY gr. (%)		41.1%	38.9%	24.4%
EBITDA	12,187	17,472	24,737	31,739
Margin (%)	15.5%	15.7%	16.0%	16.5%
PAT	10,608	13,771	18,873	23,208
YoY gr. (%)		29.8%	37.1%	23.0%
EPS	238.0	309.0	423.4	520.7
PE Multiple			50	
Fair valuation at Mar'28E			21,171	

Source: PL

- POWERIND is anticipated to clock a revenue/PAT CAGR of 34.6%/29.8% with EBITDA margin improving by ~105bps over FY26-29E.
- If POWERIND were not to be awarded any further HVDC orders along with slower margin expansion would result in its fair TP of Rs21,171 valuing it at PE of 50x Mar'28E.

RE and sustainability focus fueling robust growth

The surge in investments directed toward clean energy technologies over the past few years, underscores the growing global recognition of the need to address climate change and minimize the carbon footprint. This integration of RE sources and sustainable practices serves as a potent catalyst, fostering the expansion of various components within the power generation, transmission and distribution sector, encompassing transformers, switchgears, STATCOMs and more.

~Rs1.0trn addressable opportunity from renewable integration into the national grid

Unlocking Rs1trn+ total addressable opportunity from ~Rs2.44trn slated for 500GW RE transmission

As RE generation capacity grows, efficient transmission becomes paramount. CEA has prioritized transmission needs to accommodate the expanding RE capacity by announcing a transmission system capable of integrating over 500GW of RE. **The planned augmentation of transformation capacity and transmission lines is estimated to entail a total investment of Rs2.4trn.**

POWERIND, with its extensive and diverse product portfolio across the business segments, is **estimated to capture ~40% of this Rs2.4trn market for RE. It translates to a potential cumulative addressable market of Rs1trn+ over the period of 8 years from FY22 to FY30.**

Products business:

- **Transformers:** Supplies a wide range of transformers which are essential for stepping up or down the voltage
- **Switchgears:** Supplies switchgears along with other HV products and is expected to benefit greatly from energy transition related capex
- **STATCOMs:** STATCOMs play a critical role in voltage regulation and grid stability. Hitachi Energy had secured an order for a STATCOM, which was delivered in FY25. Looking ahead, **the tendering pipeline comprises ~75 STATCOM projects over the next 7-8 years, with 8-10 projects expected to be floated in FY26. At an estimated cost of ~Rs4.0bn per STATCOM, this represents an annual addressable market opportunity of Rs32-40bn over the medium term.**

Exhibit 31: Annual STATCOM addressable market of Rs32-40bn for POWERIND

Period	Expected Projects	Est. Value per Project (Rs bn)	Total Opportunity (Rs bn)
FY25	1 (delivered)	~4.0	~4.0
FY26E	~8-10 (to be floated)	~4.0	~32-40
Next 7-8 years	~75 (pipeline)	~4.0	~300

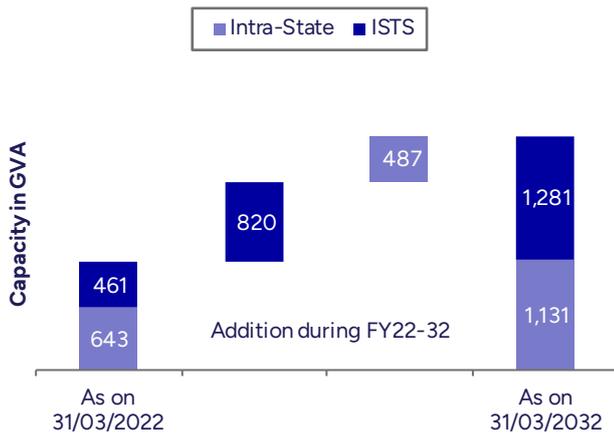
Source: Company, PL

Services business:

The services arm of Hitachi Energy focuses on grid integration of RE along with automation services, including,

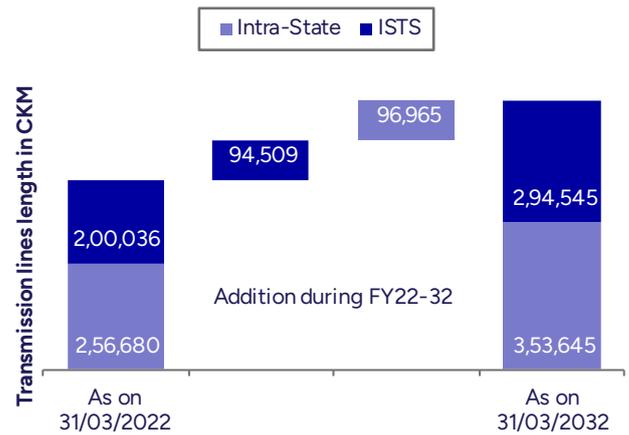
- **Control systems like SCADA** enable real-time monitoring and control of the grid, ensuring optimal performance
- **Substation solutions,** including AIS and GIS substations, facilitate efficient transmission enhancing reliability and performance
- **Microgrids** support localized energy generation and distribution particularly in remote areas, promoting resilience and sustainability

Exhibit 32: Transformation capacity to more than double



Source: CEA

Exhibit 33: Substantial capacity addition for RE integration



Source: CEA

Surge in transformer capacity with investment of ~Rs20bn

POWERIND's global parent has announced an investment of USD250mn (~Rs20bn) spread over the next 4-5 years to substantially expand its **large power transformer** manufacturing facility and enhance **testing capabilities for specialty transformers** in India. The investment will add ~20,000sqm of incremental production and testing capacity and forms part of Hitachi Energy's broader USD6.0bn global investment program spanning manufacturing, engineering, digitalization, R&D and strategic partnerships across key markets worldwide.

New capacities to add incremental Rs80-100bn sales to the topline

- Following the operationalization of new capacities over the next 4-5 years, it is expected to scale up to a **peak asset turnover of 4-5x**. This ramp-up is likely to translate into **incremental revenue of Rs80-100bn** spread over the years till FY30, thereby underpinning the next phase of growth.
- In addition, Hitachi Energy plans to establish a greenfield transformer bushings manufacturing facility, which will **quadruple the annual production capacity of dry bushings for EHV and UHV transformers**.
 - The facility is expected to commence commercial production in 2026.
- Hitachi Energy has also announced **Rs3.0bn investment** (part of ~Rs20bn) to **double the capacity of insulation and components business** to produce EHV-class high-quality pressboards and laminated boards, a **vital insulation material used in power and distribution transformers**.
 - This facility expansion is **expected to be completed by 2027**.
 - It will serve domestic as well as export markets.

Exhibit 34: POWERIND's capex of ~Rs20bn spread over next 4-5 years

Product/Business	Capex Announced (Rs mn)	Capacity Expansion	Completion period
EHV & UHV Bushings for Transformers	NA	4x	2026
Transformers EHV Insulation & Components	3,000	2x	2027
Total Large Power Transformers	20,000	Addition of 20,000sqm	Spread till FY30

Source: Company, PL

~Rs15bn capex to be incurred over FY26-27, funded via QIP

The capex program announced by POWERIND, amounting to ~Rs20bn, is proposed to be partially funded through the recently completed QIP of POWERIND. **Under the QIP, the company has raised ~Rs25.0bn, of which ~Rs15.0bn has been earmarked for capex, ~Rs3.5bn for working capital requirements, and ~Rs6.1bn for general corporate purposes.**

Of the ~Rs15.0bn allocated toward capex from the QIP proceeds, **POWERIND expects to incur ~Rs7.5bn in FY26 and ~Rs7.2bn in FY27.**

Exhibit 35: Capex plans to be partially funded via QIP

Particulars	Amount (Rs bn)
QIP proceeds raised	25
Allocation to capex	15
– Capex in FY26	7.5
– Capex in FY27	7.2
Allocation to working capital	3.5
Allocation to general corporate purposes	6.1

Source: Company, PL

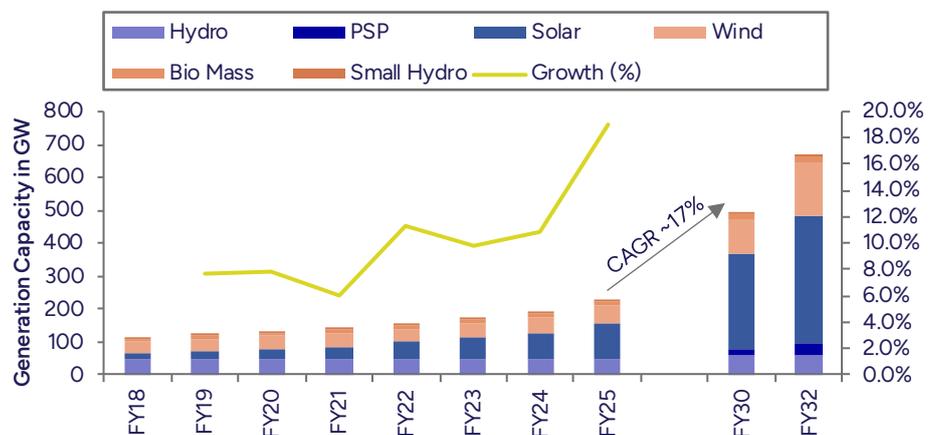
Grid integration and automation to thrive with RE capacity surge

POWERIND leverages advanced automation and integration technology from its global parent, which gives it a distinct competitive edge in grid automation and integration. Strong parentage allows Hitachi Energy to offer a comprehensive portfolio that includes substation automation, STATCOM, SCADA, EMS, DMS, and grid integration services such as DC and AC fields, grid edge solutions, substations, and power quality solutions.

POWERIND's Grid Integration business is set to benefit from CEA's ambitious plan, which envisions RE generation capacity reaching 492GW by FY30 at ~17% CAGR over FY25-30 and 596GW by FY32 at ~17% CAGR FY25-32.

Due to the intermittent nature of renewable energy, advanced automation will be essential to optimize energy distribution and ensure grid reliability and stability. POWERIND remains committed to providing technology-driven solutions to fast track the RE integration to the India's national grid.

Exhibit 36: RE capacity to reach ~492GW by FY30, at ~17% CAGR in FY25-30

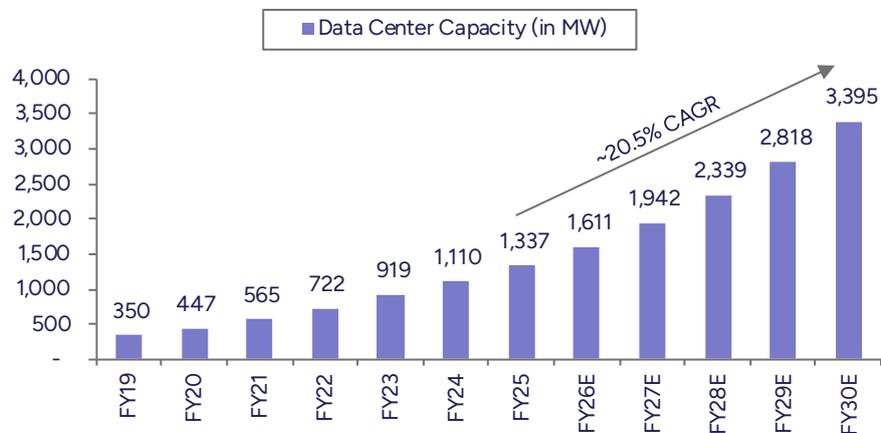


Source: Company, PL

Data center boom unlocks massive opportunities

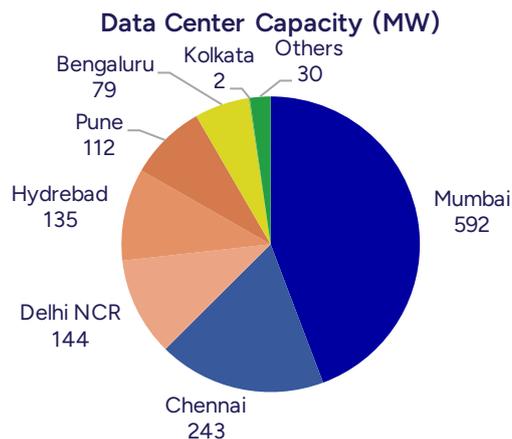
Increasing adoption of AI and IoT, along with growing penetration of 5G, is driving massive demand for faster and more efficient data processing and storage. In FY25, India had the highest data center capacity of ~1,337MW in the Asia-Pacific region (excl China), followed by Japan and Australia. **This capacity is further expected to be expanded by ~1,000 MW over FY25-28 and by ~2,000MW over FY25-30 reaching ~3,395 MW by the end of FY30.**

Exhibit 37: Domestic data center capacity to register 21% CAGR over FY25-30E



Source: Company, PL

Exhibit 38: Mumbai the highest concentration of current operational data center capacity of India

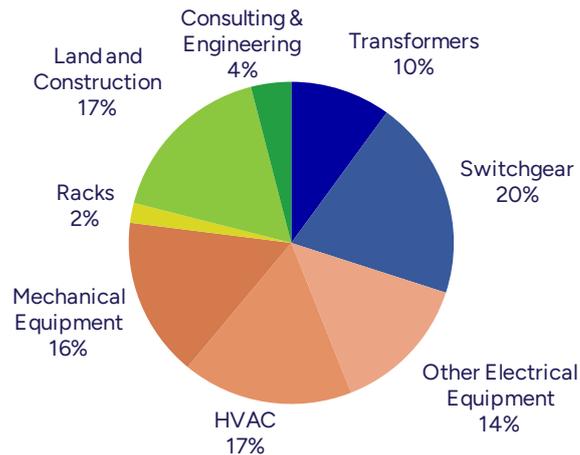


Source: Industry, PL

~Rs40bn annual addressable market from data center push

India is expected to see 5GW of data center capacity addition announcements in the next 5-6 years. Data center capacity expansion opens up tremendous opportunities to POWERIND, wherein it can supply all ranges of transformers, which forms ~7-10% of the total cost of setting up a data center along with other offerings which include substations, automation and grid connection.

Exhibit 39: A broad breakup of data center cost



Source: Industry

~Rs40bn worth of annual opportunities arising out of data centers for POWERIND

Over the years, cost of setting up a data center has gone up significantly from Rs400-450mn per MW to Rs600-700mn per MW. For ~2,000MW capacity addition by FY30, total capex required would be Rs1.3trn over five-year period of FY25-30.

POWERIND has an addressable opportunity of ~15% of the total data center capex. This translates to annual addressable opportunity worth ~Rs40bn for POWERIND.

Exhibit 40: Annual addressable market of ~Rs40bn for POWERIND

Parameter	Value
Data center setup cost (earlier)	Rs400-450mn per MW
Data center setup cost (current)	Rs600-700mn per MW
Capacity addition expected by FY30	~2,000 MW
Total capex implied (FY30)	~Rs1.3trn
Addressable opportunity as % of total data center capex	~15%
Total annual addressable market (TAM) for POWERIND	~Rs40bn

Source: Company, PL

Given the strong addressable opportunity arising out of data centers, POWERIND is investing in its data center offerings and go-to-market strategies ahead of the curve.

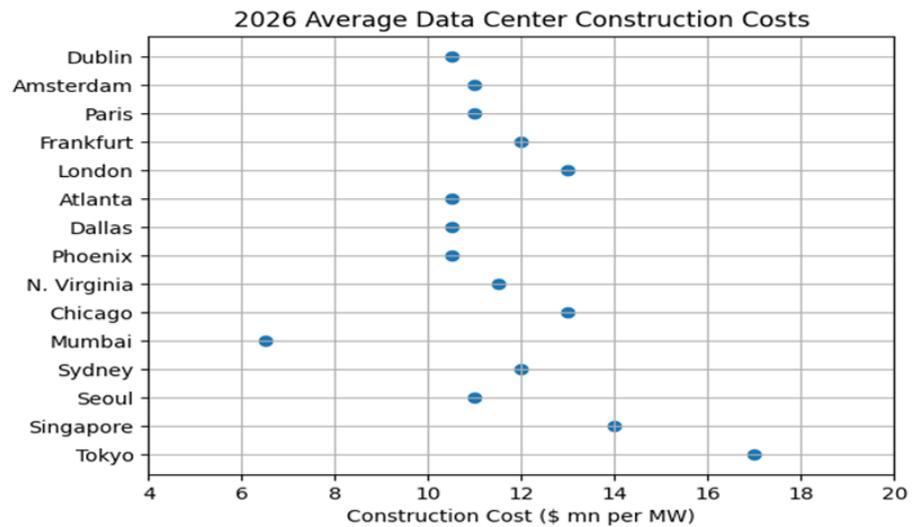
In India, one of every three data centers are powered by POWERIND. While data center orders currently account for high single digit of POWERIND's order book, it is expected to become as big as HVDC in terms of revenue contribution in the future.

Indian data center industry set to attract Rs3trn+ in foreign investments

India is the world's second largest internet market having witnessed a robust surge in recent years. With the domestic data center industry sizing up to become a billion-dollar industry, it is expected to attract more than Rs3trn in investments, primarily from foreign investors looking to set up their own data centers.

Capex cost for setting up a data center in India is ~45% lower than the world average, owing to cheap labor and lower land costs. Global tech giants such as Google, Microsoft, and AWS by Amazon, maintain multiple data centers in India. Google has 2 cloud regions in India, while Microsoft maintains 3. AWS has announced USD12.7bn investments in its cloud business in India by 2030. Walmart, a global rival of Amazon, also announced ~USD2.5bn investments in 2023.

Exhibit 41: Cost per MW remains the lowest in Mumbai, driving foreign investments



Source: Industry

Furthermore, the Union Budget 2026–27 announced a significant long-term tax holiday extending until 2047 for foreign cloud service providers serving global customers through India-based data centers. This policy impetus strengthens visibility for the sector, with **~\$70 bn of investments already underway** and an **additional ~\$90 bn of announced projects** expected to gain accelerated traction amid favorable policy tailwinds.

POWERIND supplies products like HV and dry type transformers and provides services like grid stabilization and integration to data centers. **POWERIND’s addressable market amounts to ~15% of the total capex of hyperscale data centers.**

Strong parentage powers POWERIND’s market dominance

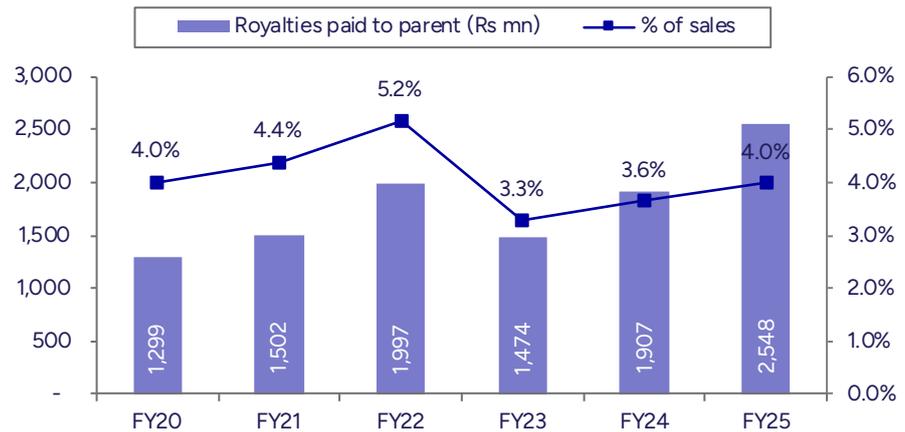
POWERIND is a fully owned subsidiary of Hitachi Energy Global. The group has an impressive installed base in more than 140 countries serving industries such as utility, transportation and data centers. The Grid Automation business of POWERIND supports 50% of the top 250 global electric utilities, while its Grid Integration business has delivered more than 4,000 projects in the last 15 years.

Leveraging parent's technical expertise for unmatched growth

Hitachi Energy is a global leader in energy transition, pioneering advanced technologies such as HVDC. **With significant presence in India, Hitachi Energy Global has played a pivotal role in developing HVDC, with nearly half of the global existing HVDC links utilizing their technology.** Additionally, Hitachi Energy is at the forefront of innovation, developing eco-efficient transformers, microgrids and SCADA systems.

Technology transfer from its global parent has set the stage for strong growth for POWERIND. Furthermore, parent having extensive R&D capabilities fuel continuous innovation at POWERIND, thus helping meet the evolving needs of its customers. **As a result, POWERIND pays ~4% of its total consolidated revenue as technology & royalty fees to its global parent.**

Exhibit 42: ~4% of sales are being paid as royalties to parent



Source: Company, PL

Increasing investments by Hitachi Energy Global

POWERIND, as a key technology and innovation hub for Hitachi Energy Global, stands to benefit significantly from the parent company's strong focus on innovation and R&D. **Hitachi Energy Global's order backlog has tripled to USD30bn since 2020 with growing global energy demand.** To manage this, the parent company has made substantial investments, including **USD1.5bn at the start of FY24 to expand transformer manufacturing capacity, benefiting the Vadodara facility in India.**

Additionally, the parent announced **USD4.5bn investment in 2024 till 2027 followed by incremental USD250mn investment announced in 2025** in manufacturing, engineering, digital, R&D, and partnerships, aligned with their vision to accelerate the clean energy transition with ~60% of the investments to go into non-US factories, including India. **This includes ~Rs20bn investment for capacity and capability expansion of POWERIND over the next 4-5 years.** These initiatives are poised to significantly aid the growth of POWERIND.

Exhibit 43: Hitachi Energy Global announces >USD6bn capex for 2024–2027

Year	Capex Amount	Objective
2024	USD1.5bn	Global transformer manufacturing capacity expansion
2024	USD4.5bn	R&D, transformer, HVDC and HV products capacity expansion
2025	USD250mn	Expansion of global production of critical transformer components

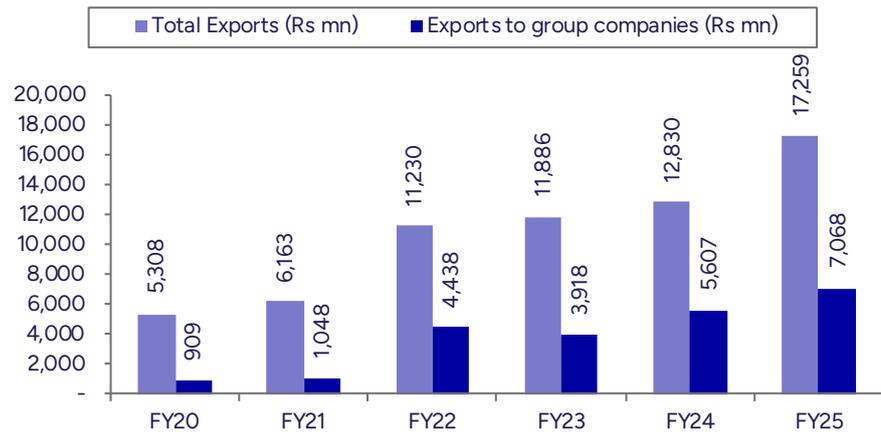
Source: Company, PL

Group orders contribute to 40-50% of total exports

POWERIND is central to Hitachi Energy's global strategy, serving as a key supplier to the latter with numerous **feeder factories.** Ranked among the top 5 subsidiaries, POWERIND plays a crucial role in innovation and engineering, leveraging its skilled workforce and resources.

Hitachi Energy Global leads the energy transition worldwide, and its strong presence enables robust order bookings across various businesses and product lines. **The parent company's strength, combined with technical expertise, which results in Hitachi Energy group companies contributing 40%-50% of the Indian entity's export orders.** As the company executes its three-pronged strategy to boost export revenue and potential new investments to set up capacity and GCC in India, the export share of the global entity is expected to further increase.

Exhibit 44: Export orders from group companies are on the rise



Source: Company, PL

Services: Establishment of a fifth business unit

- As part of its initiative to enhance customer experience and deepen lifecycle engagement, **POWERIND has introduced Services as its fifth business unit.**
- This marks a deliberate shift in the company's go-to-market strategy, expanding the focus beyond equipment supply to include **services and exports, leveraging its large and sticky installed base.**

Hitachi Energy Ltd (global parent) has established a dedicated Services business unit effective 1st Apr'25, to deepen lifecycle engagement with customers. **The unit will deliver end-to-end services** across the asset lifecycle, from installation through sustainable end-of-life solutions, with the objective of enhancing customer experience through a future-ready global service framework. **From FY26, the Services business unit will be incorporated into POWERIND, with all in-scope service teams consolidated under this vertical.** The unit will work closely with existing business lines to expand service penetration and develop comprehensive lifecycle service opportunities.

Exhibit 45: Some key service orders received by POWERIND

GIS Upgrades	Equipment replacement
Annual Maintenance Contracts	Transformer Component overhauls
SCADA Upgrades	Grid Compliance solutions
Field Studies for Utilities	Digital Services

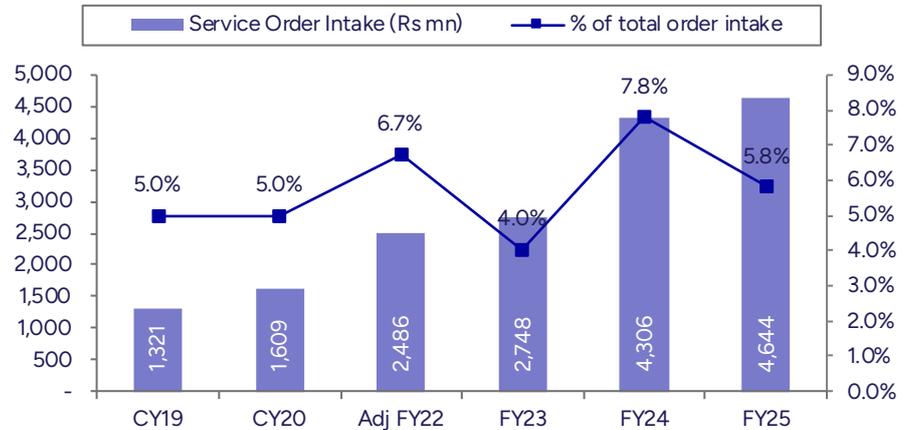
Source: Company, PL

Large installed base to offer scalable opportunity worth ~Rs20bn/year

- Services contributed to **~8% of FY24 revenue.**
- In FY25, Services accounted for **~37% of order intake (excl HVDC)** and **high single-digit share of the order book (excl HVDC)**, indicating accelerating traction.

- Current annual services order intake stands at **Rs4-4.5bn**. The management targets scaling this to **~Rs20bn per annum over the next 3-5 years**, driven by:
 - Digital services offerings (IT/OT integration)
 - Lifecycle solutions across industrial customers and data centers
 - Expansion of export-oriented service engagements

Exhibit 46: Services order intake clocked ~29% CAGR over last 5 years



Source: Company, PL

Exports: A 3-pronged strategy

POWERIND closely follows and monitors its 3-pronged strategy to boost its exports. In FY25, **exports accounted for ~25% of POWERIND's total order book, excluding HVDC projects**, with exports order book valued at ~Rs24bn. Further, **exports accounted for ~27% and ~37% of revenue and order intake (excl HVDC), respectively**. Export order intake clocked ~59% CAGR over FY23-25.

Exhibit 47: Export contribution to POWERIND's revenue and orders

Metric	FY25 Export Contribution
Export as % of Order Book	~25%
Export as % of Revenue	~27%
Export as % of Order Intake	~37%

Source: Company, PL

The management expects exports to remain within the range of 25-30% of revenue for the medium term. Despite the US reducing reciprocal tariffs to 18% and the recent India-EU FTA, POWERIND's primary focus will continue to be on the domestic market, followed by group export orders and **export opportunities in new age industries such as data centers**.

POWERIND's 3-pronged strategy includes:

- **Global feeder factory:** POWERIND has identified certain products/components for which its India facilities act as global feeder factories. These are manufactured in India specifically for export to markets across the world. The strategy leverages India's manufacturing cost competitiveness and capacity strength.
- **Allocated market development:** POWERIND works alongside local sales organizations in specific foreign markets (allocated by the global parent) to develop demand, implement its go-to-market strategies and build export sales. These allocations are periodically reviewed and expanded where it makes strategic sense.

- **Component exports for global factories:** Beyond finished products, India manufactures specific components that are sold to other Hitachi Energy manufacturing sites worldwide. These components feed into larger products assembled elsewhere, enabling India to integrate further into the global supply chain.

Exhibit 48: Three-pronged strategy to drive export growth

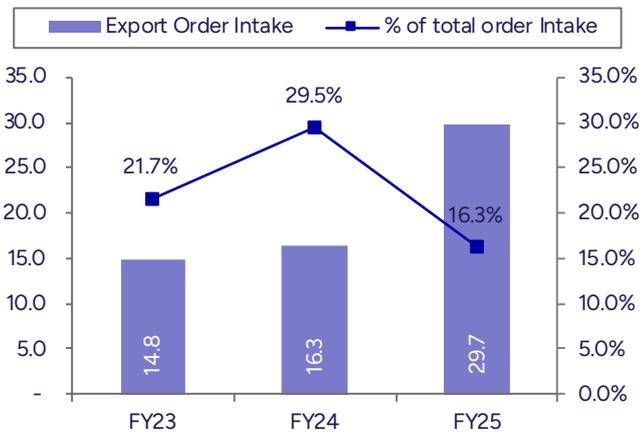
Prong	Description	Role of India Operations	Strategic Benefit
Global Feeder Factories	India manufactures select finished products meant primarily for exports	Acts as a global manufacturing hub supplying multiple international markets	Leverages cost competitiveness, scale, and skilled manufacturing
Allocated Export Markets	Specific overseas markets are formally allocated to India	India works with local sales teams to develop and serve these markets	Builds sustained export demand and long-term market presence
Component Exports	India supplies critical components to Hitachi Energy factories worldwide	Integrates India into the global supply chain rather than only end-markets	Improves capacity utilization and increases value-added exports

Source: Company, PL

Exports delivered a CAGR of ~15% over FY22-25. We project a step-up in momentum, with exports expected to register a CAGR of ~30% over FY26-28E, scaling to ~Rs35bn by FY28E. Export contribution as a percentage of total revenue may appear optically lower over the forecast period. This is largely attributable to the ramp-up in execution of domestic HVDC projects, which is expected to skew the overall revenue mix toward the domestic segment.

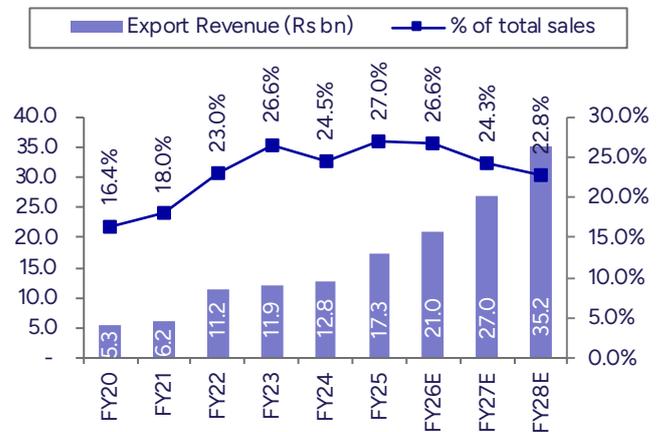
Export order intake posted robust growth of ~82% in FY25. Group orders generally account for 40-50% of the total export orders, further solidifying group export orders opportunities to POWERIND.

Exhibit 49: Export OI posts ~42% CAGR over FY23-25



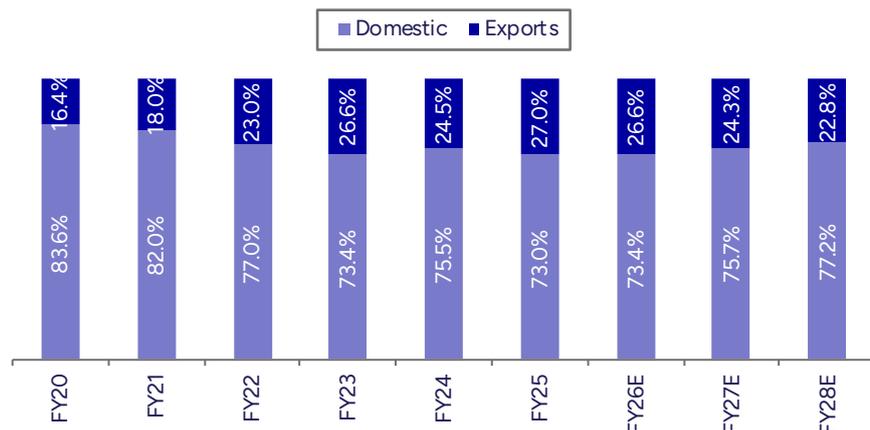
Source: Company, PL

Exhibit 50: Exports to clock ~30% CAGR over FY26-28E



Source: Company, PL

Exhibit 51: Exports to remain within the range of 20-25% of revenue



Source: Company, PL

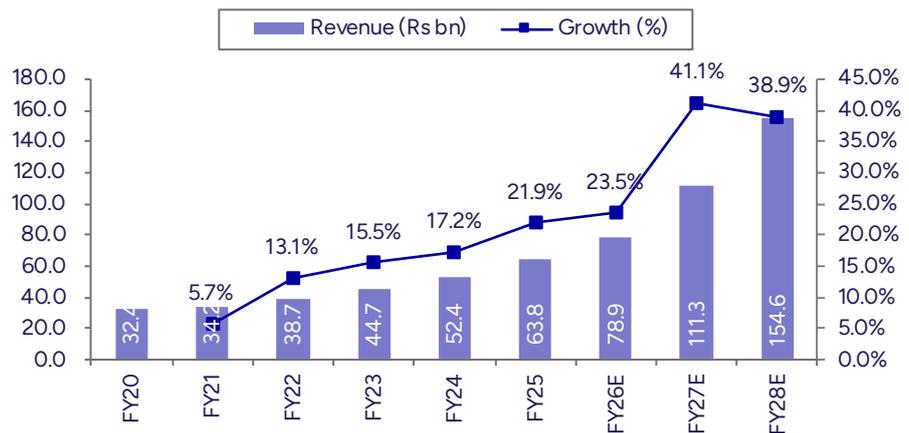
Financial Analysis

Revenue to grow at 34.3% CAGR over FY25-28E

We expect POWERIND to record 36.0% revenue CAGR over FY25-28E driven by 1) increasing demand from the T&D industry, 2) huge HVDC wins with a robust pipeline over the next few years, 3) increasing execution across the portfolio, and 4) robust order book of Rs294.1bn, including ~Rs200bn of HVDC orders, providing robust revenue visibility.

POWERIND has posted revenue growth CAGR of ~18% over FY22-25 while it is **anticipated to clock a robust revenue growth CAGR of ~35% over FY26-28E** driven by HVDC execution ramp up.

Exhibit 52: Revenue to register 34.3% CAGR over FY25-28E



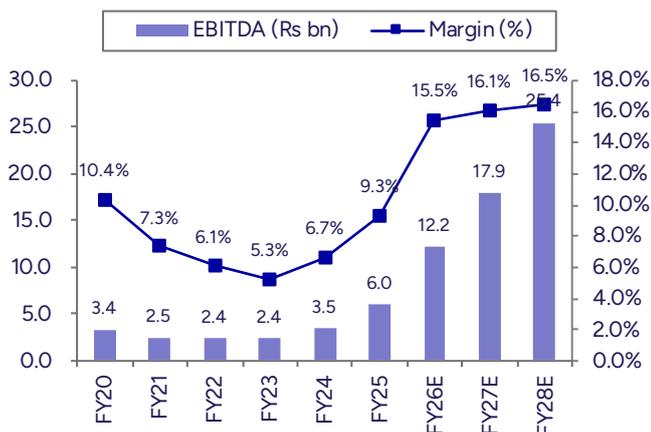
Source: Company, PL

EBITDA/Adj PAT to clock 62.2%/67.5% CAGR in FY25-28E

We expect EBITDA/adj PAT to register 62.2%/67.5% CAGR over FY25-28E given 1) execution ramp-up driving operating leverage, 2) increasing share of high-margin exports to revenue mix, and 3) higher mix of the services business, aiding gross margin expansion.

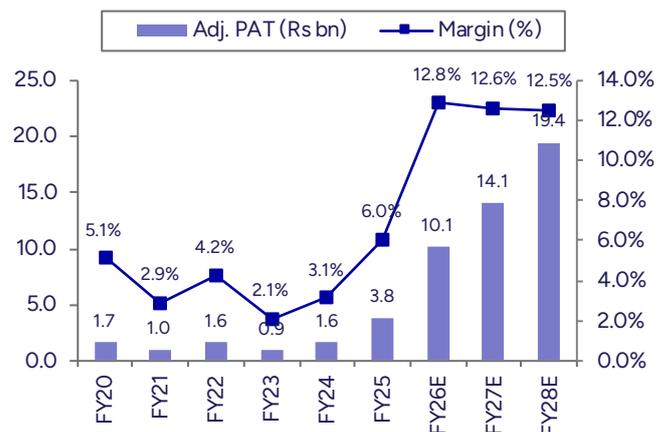
EBITDA clocked a growth CAGR of 36% over FY22-25 while it is **anticipated to clock ~39% CAGR over FY26-28E**. Similarly, **adj. PAT is anticipated to clock CAGR of ~32% over FY26-28E vs ~33% posted over FY22-25**.

Exhibit 53: EBITDA margin to surpass 16% by FY28E



Source: Company, PL

Exhibit 54: Margin expansion to drive up adj PAT growth

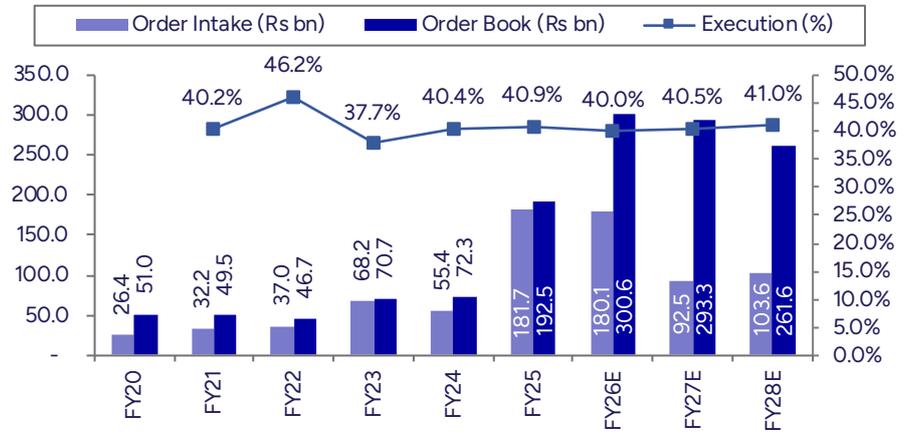


Source: Company, PL

Robust order intake, order book growth to continue

We believe Hitachi Energy's order intake and book will continue to record robust growth driven by 1) Rs1trn+ addressable market potential opportunity in the T&D industry by FY30, 2) line-up of 4 HVDC projects with addressable market of ~Rs400bn, and 3) higher investments in data centers providing Rs260bn+ business opportunity.

Exhibit 55: HVDC order wins in FY25 and FY26 drive order book of ~Rs300bn



Source: Company, PL

Valuation and Outlook

We expect POWERIND to report revenue CAGR of ~34.3% from FY25-28E on the back of 1) 500GW of RE integration-led robust capex in the T&D industry driving strong order book, currently at Rs298.7bn, and future addressable market of Rs1trn+, 2) increasing demand for electrical equipment and services from new age fast growing industries such as data centers, 3) global technical expertise and lower competition, positioning it to capture more HVDC market share in India, and 4) increasing demand for railway products led by Indian Railways upgradation projects.

We estimate EBITDA/adj PAT CAGR of 62.2%/67.5% over FY25-28E given 1) better revenue mix of the higher margin services business and 2) increasing share of exports to the revenue mix.

Peer Comparison

Exhibit 56: Highest EPS CAGR of POWERIND among peers due to execution ramp-up and operating leverage

Peer Comparison (Rs bn)	Revenue			EBITDA			EBITDA Margin			PAT		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
GE Vernova T&D India	63.3	82.3	102.0	16.9	19.7	23.9	26.7%	24.0%	23.5%	12.5	14.4	17.5
Siemens Energy India*	87.8	108.8	132.6	17.5	22.6	27.8	20.0%	20.7%	21.0%	12.7	16.3	20.4
Hitachi Energy India	78.9	111.3	154.6	12.2	17.9	25.4	15.5%	16.1%	16.5%	10.1	14.1	19.4

Peer Comparison	EPS (Rs)			PE (x)			RoE			RoCE		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
GE Vernova T&D India	48.9	56.3	68.3	77.1	66.9	55.2	56.6%	45.7%	40.9%	72.8%	59.3%	53.0%
Siemens Energy India*	35.8	45.9	57.2	80.6	62.9	50.4	29.1%	29.3%	28.9%	36.2%	36.9%	36.5%
Hitachi Energy India	216.6	315.5	435.1	116.2	79.7	57.8	20.5%	23.9%	25.8%	23.2%	26.6%	30.4%

Source: Company, PL *Siemens Energy has been adjusted to TTM for more suitable comparison

Key Risks

- Any changes in government plans, policies and regulations relating to the T&D industry, HVDC and data centers may adversely affect the demand for Hitachi Energy's products and services.
- Government of India may lift the curbs put on Chinese companies from bidding for the government projects. In such event, the Chinese competition may increase in the T&D industry significantly affecting POWERIND's non-HVDC prospects.
- POWERIND has major exposure to copper and aluminum as raw materials. Any delay in sourcing these raw materials and fluctuations in their pricing may impact the company's operations and financials.
- In the T&D and HVDC industries, majority contracts are awarded via the TBCB route. POWERIND's capability to competitively bid and meaningfully win orders will dictate its financial performance.
- Rising share of exports to the revenue mix is increasing the company's exposure to forex. Any fluctuations in forex may impact the company's financial performance.

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	63,849	78,880	111,284	154,609
YoY gr. (%)	21.9	23.5	41.1	38.9
Cost of Goods Sold	39,657	46,737	66,103	91,683
Gross Profit	24,192	32,144	45,181	62,926
Margin (%)	37.9	40.8	40.6	40.7
Employee Cost	5,448	6,389	8,791	12,059
Other Expenses	4,761	4,733	6,454	8,813
EBITDA	5,958	12,187	17,861	25,433
YoY gr. (%)	70.7	104.5	46.6	42.4
Margin (%)	9.3	15.5	16.1	16.5
Depreciation and Amortization	914	1,080	1,949	2,303
EBIT	5,045	11,107	15,912	23,130
Margin (%)	7.9	14.1	14.3	15.0
Net Interest	452	118	167	232
Other Income	186	3,155	3,005	2,961
Profit Before Tax	5,164	13,508	18,750	25,860
Margin (%)	8.1	17.1	16.8	16.7
Total Tax	1,324	3,377	4,688	6,465
Effective tax rate (%)	25.6	25.0	25.0	25.0
Profit after tax				
Minority interest				
Share Profit from Associate				
Adjusted PAT	4,126	9,654	14,063	19,395
YoY gr. (%)	148.6	134.0	45.7	37.9
Margin (%)	6.4	11.8	12.3	12.3
Extra Ord. Income / (Exp)	287	(477)		
Reported PAT	3,840	10,131	14,063	19,395
YoY gr. (%)	134.4	163.8	38.8	37.9
Margin (%)	6.0	12.8	12.6	12.5
Other Comprehensive Income				
Total Comprehensive Income	3,840	10,131	14,063	19,395
Equity Shares O/s (m)	45	45	45	45
EPS (Rs)	92.6	216.6	315.5	435.1

Source: Company, PL

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	12,612	19,831	26,545	27,895
Tangibles	12,229	19,373	26,015	27,345
Intangibles	383	458	530	550
Acc: Dep / Amortization	5,764	6,844	8,793	11,096
Tangibles	5,392	6,466	8,408	10,703
Intangibles	372	377	385	393
Net fixed assets	6,848	12,987	17,752	16,799
Tangibles	6,837	12,906	17,607	16,642
Intangibles	11	80	145	157
Capital Work In Progress	902	1,183	1,669	2,319
Goodwill	318	318	318	318
Non-Current Investments	668	276	389	541
Net Deferred tax assets	1,134	1,134	1,134	1,134
Other Non-Current Assets	454	552	779	1,082
Current Assets				
Investments	-	-	-	-
Inventories	9,257	11,454	15,854	22,026
Trade receivables	21,096	25,933	36,587	50,407
Cash & Bank Balance	38,068	46,410	55,550	74,803
Other Current Assets	6,605	7,888	11,128	15,461
Total Assets	86,133	1,08,979	1,42,352	1,86,545
Equity				
Equity Share Capital	89	89	89	89
Other Equity	42,052	52,005	65,711	84,660
Total Network	42,141	52,094	65,800	84,749
Non-Current Liabilities				
Long Term borrowings	715	715	715	715
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	170	170	170	170
Trade payables	20,419	25,285	35,672	49,983
Other current liabilities	22,598	30,606	39,840	50,712
Total Equity & Liabilities	86,133	1,08,979	1,42,352	1,86,545

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	5,164	13,508	18,750	25,860
Add. Depreciation	914	1,080	1,949	2,303
Add. Interest	452	118	167	232
Less Financial Other Income	186	3,155	3,005	2,961
Add. Other	(64)	-	-	-
Op. profit before WC changes	6,466	14,706	20,866	28,394
Net Changes-WC	10,040	4,810	686	0
Direct tax	(1,569)	(3,377)	(4,688)	(6,465)
Net cash from Op. activities	14,938	16,139	16,864	21,930
Capital expenditures	(1,283)	(7,500)	(7,200)	(2,000)
Interest / Dividend Income	183	-	-	-
Others	-	-	-	-
Net Cash from Inv. activities	(1,100)	(7,500)	(7,200)	(2,000)
Issue of share cap. / premium	25,039	(178)	(357)	(446)
Debt changes	(1,500)	-	-	-
Dividend paid	(52)	-	-	-
Interest paid	(401)	(118)	(167)	(232)
Others	(139)	-	-	-
Net cash from Fin. activities	22,947	(296)	(523)	(677)
Net change in cash	36,785	8,342	9,140	19,253
Free Cash Flow	13,647	8,639	9,664	19,930

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net Revenues	18,837	14,789	18,326	20,822
YoY gr. (%)	11.1	11.4	17.9	28.5
Raw Material Expenses	11,830	8,223	10,540	12,597
Gross Profit	7,007	6,566	7,785	8,225
Margin (%)	37.2	44.4	42.5	39.5
EBITDA	2,380	1,643	2,990	3,453
YoY gr. (%)	30.8	186.5	172.5	106.9
Margin (%)	12.6	11.1	16.3	16.6
Depreciation / Depletion	235	250	258	266
EBIT	2,145	1,393	2,732	3,188
Margin (%)	11.4	9.4	14.9	15.3
Net Interest	60	40	29	25
Other Income	182	509	826	858
Profit before Tax	2,267	1,769	3,529	3,478
Margin (%)	12.0	12.0	19.3	16.7
Total Tax	628	453	886	864
Effective tax rate (%)	27.7	25.6	25.1	24.8
Profit after tax	1,640	1,316	2,644	2,614
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	1,640	1,386	2,644	3,022
YoY gr. (%)	44.6	717.2	405.6	253.6
Margin (%)	8.7	9.4	14.4	14.5
Extra Ord. Income / (Exp)	-	(70)	-	(408)
Reported PAT	1,640	1,316	2,644	2,614
YoY gr. (%)	44.6	1,163.0	405.6	205.9
Margin (%)	8.7	8.9	14.4	12.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,640	1,316	2,644	2,614
Avg. Shares O/s (m)	42	42	42	42
EPS (Rs)	38.7	32.7	62.4	71.3

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share (Rs)				
EPS	92.6	216.6	315.5	435.1
CEPS	113.1	240.8	359.2	486.8
BVPS	945.5	1,168.8	1,476.3	1,901.4
FCF	306.2	193.8	216.8	447.1
DPS	4.0	4.0	8.0	10.0
Return Ratio (%)				
RoCE	17.7	23.2	26.6	30.4
ROIC	(39.4)	546.9	281.2	1,263.6
RoE	14.8	20.5	23.9	25.8
Balance Sheet				
Net Debt : Equity (x)	(0.9)	(0.9)	(0.8)	(0.9)
Net Working Capital (Days)	57	56	55	53
Valuation (x)				
PER	271.8	116.2	79.7	57.8
P/B	26.6	21.5	17.0	13.2
P/CEPS	222.5	104.5	70.0	51.7
EV/EBITDA	182.0	88.3	59.7	41.2
EV/Sales	17.0	13.6	9.6	6.8
Dividend Yield (%)	0.0	0.0	0.0	0.0

Source: Company, PL

Notes:

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Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	ABB India	Accumulate	6319	5918
2	Apar Industries	BUY	9629	7695
3	BEML	Accumulate	1922	1740
4	Bharat Electronics	Reduce	411	453
5	BHEL	Hold	245	263
6	Carborundum Universal	Hold	825	788
7	Cummins India	Hold	4182	4391
8	Elgi Equipments	Accumulate	603	541
9	Engineers India	BUY	261	202
10	GE Vernova T&D India	BUY	4050	2911
11	Grindwell Norton	Hold	1731	1635
12	Harsha Engineers International	Hold	408	396
13	Hindustan Aeronautics	BUY	5338	4159
14	Ingersoll-Rand (India)	BUY	4589	3540
15	Kalpataru Projects International	BUY	1489	1100
16	KEC International	Accumulate	748	669
17	Kirloskar Pneumatic Company	BUY	1557	1068
18	Larsen & Toubro	BUY	4806	3794
19	Praj Industries	Accumulate	340	308
20	Siemens	Accumulate	3409	3176
21	Siemens Energy India	Accumulate	3145	2740
22	Thermax	Accumulate	3374	2916
23	Triveni Turbine	Accumulate	585	509
24	Voltamp Transformers	BUY	10312	7978

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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

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