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## Record performance, robust outlook ahead...

**About the stock:** Techno Electric is engaged in Engineering, Procurement and Construction (EPC), asset ownership and operations and maintenance services in the three industry segments of energy transmission (68% of order book), distribution (21%) and generation (11%).

- Techno Electric also ventured into Data centre space in 2021 where it sets up and operates data centres for data centre users across industry.
- Expansion in data centre business and energy transmission sector tailwinds to drive long term incremental growth.

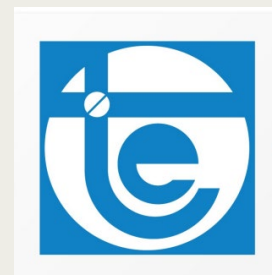
**Q1FY26 performance:** Techno begins Q1FY26 on a strong note revenue growth of 40% YoY to ₹526 crore, EBITDA grew 77% YoY to ₹92 crore, EBITDA margins expanded 362 bps YoY to 17.6%. Consequently, PAT came in at ₹111 crore, up 108% YoY aided by a doubling of other income YoY to ₹48 crore. PAT margins up 597 bps to 19.3%. Further company received late payment surcharge of ₹25.2 crore (net of income tax) as against ₹44.8 crore last year

## Investment Rationale:

- EPC business driving growth on sector tailwinds:** The company witnessed record growth ~40% and ~108% revenue and PAT growth in Q1FY26. This was primarily led by transmission EPC business and doubling of other income to ₹48 crore. The company has orderbook of ₹7127 crore in the transmission segment including extra high voltage (EHV) orders and ₹1450 crore orderbook in FGD segment. With order bid pipeline of more than ₹1.5 trillion over next two years Techno electric expects healthy order inflows to continue in transmission EPC space. Further the company will implement 1 million smart meters this year for which it will invest ₹500 crore yearly. We have built in revenue and PAT growth at a CAGR of 38% and 21% over FY25-FY27E.
- Data centre-next growth engine:** The company expects to commission 25 MW and 50 MW of Data Centre capacity in FY26E and FY27E respectively. Techno Electric's first edge data centre in Gurgaon has become operational, the phase 1 (5MW) of Chennai and Mumbai edge data centre to be operational in Q2FY26E and Q3FY26E respectively. Further it aims to deploy 10 edge data centres in short term and ~250 MW hyperscale and edge data centre by 2030. For this it plans to invest ₹8,000 crore. The data centre business will have high EBITDA margins ~80% due to high capital requirements. The company targets to achieve IRR of 15.5% from the data centre business.

## Rating and Target Price

- With increasing traction in the energy transmission & data centre demand, combined with healthy orderbook to drive growth in revenue & profitability. We Estimate revenue, EBITDA and PAT to grow at ~39%, ~61% and ~34% CAGR respectively over FY25-27E. We value it at 30x FY27E to arrive at a fair value of ₹1780 per share.



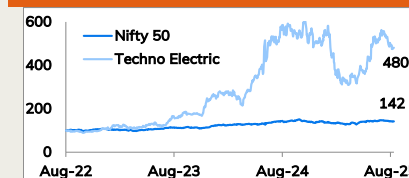
## Particulars

Particular	Rs. in crore
Market Capitalization	15,903.0
Total Debt (FY25)	0.0
Cash and Inv (FY25)	125.4
Enterprise Value	15,777.6
52 week H/L (Rs./Share)	1825/795
Equity capital	23.3
Face value (Rs./Share)	2.0

## Shareholding pattern

%	Sep-24	Dec-24	Mar-25	Jun-25
Promoter	56.9	56.9	56.9	56.9
FII	9.8	9.9	9.3	9.0
DII	24.1	24.0	24.5	24.0
Public	9.2	9.1	9.2	10.1

## Price Chart



## Key risks

- Supply chain pressures if continued may drive margins downward.
- Technology disruptions in data centre business.

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## Key Financial Summary

Particulars (Rs. in crore)	FY23	FY24	FY25	3-Year CAGR (FY22-FY25E)	FY26E	FY27E	2-Year CAGR (FY25-27E)
Revenue	829.5	1,502.4	2,268.7	31.4%	3,322.2	4,376.2	38.9%
EBITDA	86.7	209.4	339.3	29.0%	585.5	876.9	60.8%
EBITDA margin (%)	10.4	13.9	15.0		17.6	20.0	
Net Profit	96.6	271.0	385.5	16.6%	525.6	688.9	33.7%
EPS (Rs.)	8.8	24.6	33.1		45.2	59.2	
P/E (x)	169.7	60.5	45.0		33.0	25.2	
Price / Book (x)	8.5	7.6	4.6		4.2	3.6	
EV/EBITDA (x)	191.9	79.5	49.2		28.5	19.0	
RoCE (%)	7.7	15.1	12.7		15.8	18.2	
RoE (%)	5.0	12.4	11.5		12.6	14.5	

Source: Company, ICICI Direct Research

## Key result and concall highlights

- Techno delivered a strong Q1FY26 with revenues up 40% YoY to ₹526 crore, EBITDA up 77% YoY to ₹92 crore (margin: 17.6%, +362 bps YoY) and PAT up 108% YoY to ₹111 crore, aided by higher other income of ₹48 crore; PAT margins expanded 597 bps YoY to 19.3%.
- The company closed the quarter with an order book of ₹10,408 crore, ensuring strong execution visibility for the next 24–30 months. Backlog includes high-voltage EPC contracts (765/400/220 kV), large AMI projects, data centre builds, and ongoing FGD packages. Techno remains L1 in a meaningful volume of new orders which is worth 720 crore, which will further bolster inflows in FY26.
- Order inflow guidance for the full financial year FY26 is maintained at around ₹3,500 crore, which supports the company's growth outlook of 40–50% CAGR for the next two years.
- Techno Data centre business progressing well, Operational edge facilities are already live, with Chennai Hyperscale Data centre (Phase 1) nearing completion. and is set for inauguration on August 27, 2025. The first customer, a leading media production studio, has been secured, and the company aims to deploy the full capacity by December 2025.
- The Mumbai Edge Data Centre is expected to be operational in H2 FY26. The 18 MW hyperscale facility in Noida is under construction, with partial commissioning also expected in H2 FY26.
- Management revised its guidance for data centre revenue to ₹25 crore and more than ₹100 crore in FY26E and FY27E, from ₹100 and ₹300 crore previously. Plans to establish edge data centres at 10 additional locations over the medium term remain on track.
- The company is targeting deployment of 1 million meters in FY26E from secured AMI contracts. Ramp-up is expected over the next three quarters as state-level rollouts gather pace.
- For Management reiterated its long-term capex plan of ₹10,000 crore through 2030, spanning data centres, AMI and TBCB transmission with ₹1,250 crore already deployed over the past two years.
- Liquidity remains robust with a cash balance of ₹2,500 crore. The company continues to operate on a debt-light balance sheet and actively monetises receivables to keep working capital cycles lean despite revenue expansion.
- A slowdown is anticipated in FGD segment due to new government policies. However, the company's existing order book of ₹1,450 crore is progressing as planned and company is confident of realising existing order book.
- Future margin expansion will be driven by the high-margin data centre and smart meter businesses, while the core EPC business margin is expected to remain stable around 14.5%.
- The company aims to earn ₹300 crore revenue per month in FY26E taking the annual revenue from ₹2269 crore in FY25 to ~₹3500 crore in FY26E. Techno aims to earn EPS of ₹50 and ₹75 in FY26E and FY27E.

## Financial Summary

### Exhibit 1: Profit and loss statement ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Net Sales	1,502.4	2,268.7	3,322.2	4,376.2
Other Operating In	-	-	-	-
<b>Total Operating In</b>	<b>1,502.4</b>	<b>2,268.7</b>	<b>3,322.2</b>	<b>4,376.2</b>
% Growth	81.1	51.0	46.4	31.7
Other Income	136.1	160.0	160.0	140.0
<b>Total Revenue</b>	<b>1,638.5</b>	<b>2,428.6</b>	<b>3,482.2</b>	<b>4,516.2</b>
Cost of materials c	1,124.7	1,739.4	2,459.4	3,155.8
Purchase of stock-i	-	-	-	-
Other Expenses	86.4	97.2	148.4	190.2
Total expenditure	1,293.0	1,929.4	2,736.7	3,499.3
<b>EBITDA</b>	<b>209.4</b>	<b>339.3</b>	<b>585.5</b>	<b>876.9</b>
% Growth	141.6	62.0	72.6	49.8
Interest	16.4	10.5	11.6	12.7
Depreciation	7.8	8.1	69.5	130.4
PBT	321.3	480.6	664.4	873.7
Tax	50.2	102.5	146.2	192.2
<b>PAT</b>	<b>271.0</b>	<b>385.5</b>	<b>525.6</b>	<b>688.9</b>
% Growth	180.5	42.2	36.4	31.1
EPS	24.6	33.1	45.2	59.2

Source: Company, ICICI Direct Research

### Exhibit 2: Cash flow statement ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Profit after Tax	268.5	430.3	525.6	688.9
Depreciation	7.8	8.1	69.5	130.4
Interest	16.4	10.5	11.6	12.7
Other income	(136.1)	(160.0)	(160.0)	(140.0)
Prov for Taxation	50.2	102.5	146.2	192.2
Cash Flow before WC ch	206.8	391.4	592.9	884.3
Change in Working Capit	(53.0)	(24.9)	27.6	(401.5)
Taxes Paid	(52.7)	(87.7)	(146.2)	(192.2)
<b>Cashflow from Operatin</b>	<b>101.2</b>	<b>278.9</b>	<b>474.3</b>	<b>290.5</b>
(Purchase)/Sale of Fixed ,	(183.7)	(168.3)	(1,325.0)	(1,455.0)
(Purchase)/Sale of Invest	132.4	(1,694.1)	825.0	1,050.0
Other Income	-	-	-	-
<b>Cashflow from Investing</b>	<b>(51.2)</b>	<b>#####</b>	<b>(500.0)</b>	<b>(405.0)</b>
Issue/(Repayment of Deb	-	39.1	-	-
Changes in Minority Inter	-	-	-	-
Changes in Networth	(35.4)	1,153.5	(103.7)	(103.7)
Interest	(16.4)	(10.5)	(11.6)	(12.7)
Others	-	-	-	-
<b>Cashflow from Financin</b>	<b>(51.8)</b>	<b>1,182.1</b>	<b>(115.3)</b>	<b>(116.4)</b>
Changes in Cash	(17.5)	(0.5)	13.7	(23.1)
Opening Cash/Cash Equiv	154.6	137.2	136.7	150.4
Closing Cash/ Cash Equiv	137.2	136.7	150.4	127.3

Source: Company, ICICI Direct Research

### Exhibit 3: Balance Sheet ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Share Capital	21.5	23.3	23.3	23.3
Reserves & Surplus	2,141.7	3,723.7	4,145.7	4,730.9
<b>Networth</b>	<b>2,163.2</b>	<b>3,747.0</b>	<b>4,168.9</b>	<b>4,754.1</b>
Total Debt	-	39.1	39.1	39.1
Deferred tax liabili	69.3	84.1	84.1	84.1
<b>Total Liabilities</b>	<b>2,265.1</b>	<b>4,150.9</b>	<b>4,624.4</b>	<b>5,315.0</b>
Gross Block	343.1	345.4	345.4	345.4
Acc: Depreciation	267.2	275.2	344.7	475.1
Net Block	75.9	70.2	425.7	850.3
Capital WIP	275.7	441.7	1,341.7	2,241.7
Investments/ Inves	1,141.9	2,836.1	2,011.1	961.1
Inventory	25.9	-	10.0	10.0
Sundry debtors	741.1	672.9	996.7	1,312.9
Cash and bank bal	137.2	136.7	150.4	127.3
Loans and advanc	30.0	4.0	199.3	262.6
Other Current Asse	294.3	814.6	664.4	1,094.1
Total current Asset	1,289.7	1,658.4	2,120.5	2,938.1
CL& Prov.	553.2	868.9	1,324.4	1,743.1
Net Current Assets	721.1	745.5	731.7	1,110.1
<b>Total Assets</b>	<b>2,265.1</b>	<b>4,150.9</b>	<b>4,624.4</b>	<b>5,315.0</b>

Source: Company, ICICI Direct Research

### Exhibit 4: Key ratios

(Year-end March)	FY24	FY25	FY26E	FY27E
EPS	24.6	33.1	45.2	59.2
Cash EPS	25.4	33.8	51.2	70.4
BV	196.7	322.2	358.5	408.8
DPS	5.9	9.0	9.0	9.0
Cash Per Share	24.3	23.7	29.6	40.9
<b>EBITDA Margin</b>	<b>13.9</b>	<b>15.0</b>	<b>17.6</b>	<b>20.0</b>
PBT / Net Sales	13.4	14.6	15.5	17.1
PAT Margin	17.9	19.0	15.8	15.7
Inventory days	6.3	-	1.1	0.8
Debtor days	180.0	108.3	109.5	109.5
Creditor days	133.6	139.1	145.0	145.0
RoE	12.4	11.5	12.6	14.5
<b>RoCE</b>	<b>15.1</b>	<b>12.7</b>	<b>15.8</b>	<b>18.2</b>
RoIC	11.5	9.4	20.2	42.2
<b>P/E</b>	<b>60.5</b>	<b>45.0</b>	<b>33.0</b>	<b>25.2</b>
EV / EBITDA	79.5	49.2	28.5	19.0
EV / Net Sales	11.1	7.4	5.0	3.8
Market Cap / Sales	11.2	7.4	5.1	3.8
Price to Book Value	7.6	4.6	4.2	3.6
Debt/EBITDA	0.0	0.1	0.1	0.0
<b>Net Debt / Equity</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Current Ratio	2.0	1.7	1.4	1.5
Quick Ratio	1.9	1.7	1.4	1.5

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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