

Thermax (TMX) – ADD

Result Update

Current Market Price (CMP) Rs.3,211	Fair Value (FV) Rs.3,900
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Rationale:

- Q1FY26: Sharp EBITDA miss on execution deferrals and related margin impact.
- Improving cost competitiveness and a growing pipeline of industrial infra and industrial products enthruses.
- Chemicals hold bigger growth potential, though a few hurdles to cross.
- The 5%/3% cut in our FY27/28 estimates is driven more by the chemicals segment.
- We raise FV to Rs3,900 from Rs3,800 on factoring incremental supercritical projects.

Q1FY26 Earnings update:

👍 Positives:

- Infra segment's margin improved yoy, helping grow adjusted EBITDA 20%.
- Order pipeline strengthening across industrial infra and products segments.
- TBWES can double its topline with a reasonably sized supercritical boiler order.
- TMX has been actively making partnerships, growth capex & entering new markets.

👎 Negatives:

- Key driver of the miss was weak execution in segments with strong order backlog.

(EBITDA: Earnings before interest, tax, depreciation and amortization, TBWES: Thermax Babcock and Wilcox Energy Solutions)

[Click here](#)

For detailed report dated 4 August 2025. Note: CMP & valuation may differ due to difference in dates.



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