Siemens Energy India (SIEENE)

ICICI Direct

CMP: ₹3650 | Target ₹ 4600 (26%) | Target Period: 12 months | **BUY**

August 7, 2026

Result Update

ICICI Securities – Retail Equity Research

Robust execution backed by structural transmission tailwinds…

About the stock: Siemens Energy India Ltd. (SEIL) is a leading player that provides technology and service in energy generation and transmission infrastructure. It has a comprehensive portfolio of products, solutions, and services designed to strengthen and expand grid infrastructure, addressing the growing demand while ensuring grid stability.

- Power transmission and power generation portfolio each contributed 55.8 & 44.2% to total revenue in 9MFY26 (September-Year ending)

Q3FY26 performance: Siemens Energy India reported a strong Q3FY26 performance, with revenue from operations increasing 39.3% YoY to ₹2,486 crore, driven by robust execution across both businesses. EBITDA rose 72.1% YoY to ₹586 crore, while EBITDA margin expanded 449 bps YoY to 23.6%. PAT increased 67.8% YoY to ₹441 crore, with net margin improving 302 bps YoY to 17.7%. Power Transmission revenue grew 42.0% YoY to ₹1,386 crore (56% mix), while Power Generation revenue increased 36.0% YoY to ₹1,099 crore (44% mix). The company also reported a 16.4% YoY increase in order backlog to ₹19,331 crore, providing strong revenue visibility.

Investment Rationale:

- **Strong Q3 execution reinforces growth visibility amid a structural transmission capex cycle:** Siemens Energy India delivered a robust Q3FY26 performance, with revenue increasing 39.3% YoY to ₹2,486 crore. The company also reported a healthy ₹19,331 crore order backlog (+16.4% YoY), providing strong multi-year revenue visibility. We expect annual order inflow of ~₹14500 crore for FY26 & ~₹35000-₹36000 crore over the FY27-28E. With leadership across power transformers, GIS substations, STATCOMs, HVDC and grid automation, Siemens Energy India is well positioned to benefit from accelerating investments in renewable integration, grid modernisation, industrial electrification and AI-driven data centres.
- **Capacity expansion to support long-term growth and export opportunities:** Siemens Energy India has approved a ₹2,060 crore greenfield capex programme to establish a new 30,000 MVA power transformer manufacturing facility, funded entirely through internal accruals and scheduled for phased commissioning between 2030 and 2032. The investment is expected to substantially expand manufacturing capacity, strengthen localisation and enhance the company's ability to cater to both domestic demand and global export markets. The expansion is aimed at addressing India's structural transmission capex cycle, supporting renewable integration, grid modernisation and rising global demand for high-voltage power equipment. We expect EBITDA margin to expand from 19.3% in FY25 to ~21-22% over FY26-28E.

Rating and Target Price: We expect revenues and PAT to grow at CAGR of 24.6% and 28.5% over FY25-FY28E. We recommend **BUY** on **Siemens Energy India** with a target price of **₹4600 per share (based on 70x FY28E EPS).**

SIEMENS energy

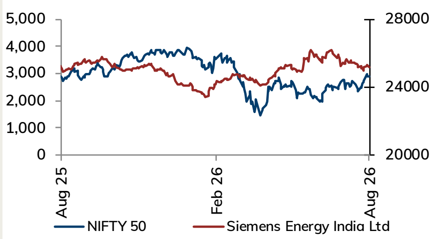
Particulars

Particulars	Rs. (in crore)
Market Capitalisation	1,15,809
Total Debt (FY25)	0
Cash and Inv. (FY25)	132
Enterprise Value	115677
52-week H/L (Rs.)	3968/2105
Equity capital	71.2
Face value (Rs.)	2

Shareholding pattern

%	Jun-25	Sep-25	Mar-26	Jun-26
Promoter	75.0	75.0	75.0	75.0
FII	4.8	6.2	7.6	7.7
DII	9.1	8.1	6.6	6.4
Public	11.1	10.8	10.8	10.8

Price Chart



Key risks

(i) Slowdown in domestic & global capex;

(ii)) Increase in commodity prices

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Key Financial Summary

(Rs. in crore)	FY25	FY26E	FY27E	FY28E	3 Year CAGR (FY25-28E)
Net Sales	7,826.7	9,769.5	12,862.1	15,153.2	24.6%
EBITDA	1,513.4	2,198.1	2,829.7	3,288.2	29.5%
EBITDA margin (%)	19.3%	22.5%	22.0%	21.7%	
Net Profit	1,100.1	1,567.1	2,027.9	2,336.7	28.5%
EPS (Rs)	30.9	44.0	56.9	65.6	
P/E (x)	118.2	82.9	64.1	55.6	
EV/EBITDA (x)	85.5	58.7	45.6	39.3	
RoCE (%)	33.8	36.5	35.8	32.2	
RoE (%)	25.1	27.0	26.4	23.6	

Source: Company, ICICI Direct Research

Q3FY26 Earnings call highlights

- **Financial Performance**:
  - Siemens Energy India reported a strong Q3FY26 performance, with revenue from operations increasing 39.3% YoY to ₹2,486 crore, driven by robust execution across both businesses. EBITDA rose 72.1% YoY to ₹586 crore, while EBITDA margin expanded 449 bps YoY to 23.6%. PAT increased 67.8% YoY to ₹441 crore, with net margin improving 302 bps YoY to 17.7%.
- **Segmental highlights:**
  - **Power Transmission:** Revenue increased 42.0% YoY to ₹1,386 crore, contributing 56% of total revenue, driven by strong execution of GIS substations, grid expansion and renewable integration projects. EBIT increased 64% YoY to ₹300 crore, while EBIT margin expanded 293 bps YoY to 21.63% (vs. 18.69% in Q3FY25), supported by a favourable project mix, higher operating leverage and improved execution.
  - **Power Generation:** Revenue increased 36.0% YoY to ₹1,099 crore, accounting for 44% of total revenue, led by healthy execution across steam turbines, industrial applications and service projects. EBIT increased 87% YoY to ₹245.5 crore, while EBIT margin improved 609 bps YoY to 22.3% (vs. 16.23% in Q3FY25), driven by better project execution and an improved business mix.
- **Order backlog:**
  - Order backlog increased 16.4% YoY to ₹19,331 crore, providing strong medium-term revenue visibility and supporting sustained execution over the coming quarters.
  - Quarterly order inflow remained healthy at ~₹3,294 crore, with order book accretion primarily driven by the Power Transmission business.
  - During the quarter, the company secured key transmission orders including 420 kV GIS products and substations for one of the world's largest solar parks, 400 kV GIS substations for grid strengthening and ±300 MVAr STATCOM projects to enhance grid stability and renewable integration.
  - In the Power Generation business, Siemens Energy won large industrial steam turbine supply orders, waste heat recovery (3×45 MW) projects for the metals sector and a large international steam turbine service order, strengthening its industrial decarbonisation and export portfolio.
- **Capacity expansion & manufacturing footprint:**
  - Siemens Energy India has approved a ₹2,060 crore greenfield capex programme, funded entirely through internal cash accruals, to significantly expand its manufacturing footprint and address the rapidly growing demand for transmission equipment.
  - The project involves setting up a new state-of-the-art power transformer manufacturing facility with an incremental capacity of 30,000 MVA, strengthening its ability to serve both domestic and export markets. The facility is expected to be commissioned in phases between 2030 and 2032.

Financial summary

Exhibit 1: Profit and loss statement ₹ crore

(Year-end September)	FY25	FY26E	FY27E	FY28E
Net Sales	7,827	9,769	12,862	15,153
Other Operating Income	-	-	-	-
Total Operating Income	**7,827**	**9,769**	**12,862**	**15,153**
% Growth	0	0	0	0
Other Income	105	98	129	152
Total Revenue	7,932	9,867	12,991	15,305
Cost of materials consumed	4,111	4,885	6,457	7,667
Purchase of stock-in-trade	451	537	733	879
Employee expenses	985	1,211	1,608	1,864
Other Expenses	766	938	1,235	1,455
Total expenditure	6,313	7,571	10,032	11,865
EBITDA	**1,513**	**2,198**	**2,830**	**3,288**
% Growth	1	0	0	0
Interest	28	39	51	61
Depreciation	103	139	166	221
PBT	1,488	2,118	2,740	3,158
Tax	387	551	712	821
PAT	**1,100**	**1,567**	**2,028**	**2,337**
% Growth	55%	42%	29%	15%
EPS	30.9	44.0	56.9	65.6

Source: Company, ICICI Direct Research

Exhibit 2: Cash flow statement ₹ crore

(Year-end September)	FY25	FY26E	FY27E	FY28E
Profit after Tax	1,100	1,567	2,028	2,337
Depreciation	103	139	166	221
Interest	28	39	51	61
Other income	(105)	(98)	(129)	(152)
Cash Flow before WC changes	1,126	1,648	2,117	2,467
Change in Working Capital	(870)	(440)	(1,982)	(1,636)
Cashflow from OA	**256**	**1,207**	**135**	**831**
(Purchase)/Sale of Fixed Assets	(265)	(743)	(317)	(622)
(Purchase)/Sale of Investments	-	-	-	-
Other Income	105	98	129	152
Cashflow from Inv. Act.	**(160)**	**(645)**	**(188)**	**(470)**
Issue/(Repayment of Debt)	-	-	-	-
Changes in Minority Interest	-	-	-	-
Changes in Networth	64	142	-	-
Interest	(28)	(39)	(51)	(61)
Others	-	-	-	-
Cashflow from Fin Act.	**36**	**(39)**	**(194)**	**(203)**
Changes in Cash	132	523	(247)	158
Opening Cash/Cash Equivalent	-	132	655	408
Closing Cash/ Cash Equivalent	**132**	**655**	**408**	**566**

Source: Company, ICICI Direct Research

Exhibit 3: Balance sheet ₹ crore

(Year-end September)	FY25	FY26E	FY27E	FY28E
Share Capital	71.2	71.2	71.2	71.2
Reserves & Surplus	4,310	5,735	7,620	9,814
Networth	**4,381**	**5,806**	**7,691**	**9,886**
Total Debt	-	-	-	-
Deferred tax liability (net)	-	-	-	-
Other non-current liabilities	805	881	1,128	1,312
Total Liabilities	**5,186**	**6,687**	**8,820**	**11,197**
Gross Block	937	1,287	1,537	2,037
Acc: Depreciation	533	672	838	1,059
Net Block	404	615	699	977
ROU	131	138	145	152
Capital WIP	76	150	55	55
Other non-current assets	356	489	644	758
Inventory	760	937	1,233	1,453
Sundry debtors	1,921	2,757	3,524	4,152
Cash and bank balances	132	655	408	566
Other Current Assets	5,765	5,795	8,015	9,443
Total current Assets	8,578	10,144	13,181	15,614
CL& Prov.	4,359	4,849	5,903	6,359
Net Current Assets	4,219	5,295	7,278	9,255
Total Assets	**5,186**	**6,687**	**8,820**	**11,197**

Source: Company, ICICI Direct Research

Exhibit 4: Key ratios

(Year-end Sept)	FY25	FY26E	FY27E	FY28E
EPS	30.9	44.0	56.9	65.6
Cash EPS	33.8	47.9	61.6	71.8
BV	123.0	163.0	216.0	277.6
DPS	-	4.0	4.0	4.0
Cash Per Share	15.0	18.9	23.5	29.8
EBITDA Margin	**19.3**	**22.5**	**22.0**	**21.7**
PBT / Net Sales	18.0	21.1	20.7	20.2
PAT Margin	14.1	16.0	15.8	15.4
Inventory days	35.5	35.0	35.0	35.0
Debtor days	89.6	103.0	100.0	100.0
Creditor days	109.1	110.0	100.0	105.0
RoE	25.1	27.0	26.4	23.6
RoCE	**33.8**	**36.5**	**35.8**	**32.2**
RoIC	163.0	96.7	86.8	70.3
P/E	**118.2**	**82.9**	**64.1**	**55.6**
EV / EBITDA	85.5	58.7	45.6	39.3
EV / Net Sales	16.5	13.2	10.0	8.5
Market Cap / Sales	16.6	13.3	10.1	8.6
Price to Book Value	29.7	22.4	16.9	13.1
Debt/EBITDA	-	-	-	-
Net Debt / Equity	-	-	-	-
Current Ratio	1.1	1.3	1.4	1.5
Quick Ratio	0.9	1.1	1.2	1.3

Source: Company, ICICI Direct Research

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Reduce: -15% to -5%;

Sell: <-15%

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