Sector: Auto Components & Equip. | **RESULT REVIEW Q2FY27** | **Declared On: 13 Nov 2026**

Triton Valves Limited

RECOMMENDATION SNAPSHOT				
*CMP	Target	Potential Upside	MCap (Rsbn)	Recommendation
Rs1143	Rs1400	22%	5.9	Accumulate

**as on 17th Nov, 2026*

About the Company:

Triton Valves Limited (Triton) part of the Triton group was incorporated in 1975, that began with manufacturing valves for the tyre and inner tube industry; today has emerged as India's largest tyre valve manufacturer. The company has evolved at every stage, from manufacturing tyres and tube valves to developing tubeless valves, Tyre Pressure Monitoring Systems (TPMS) valves and expanding into the emerging Electric Vehicle (EV), closely mirroring the progress of the Indian automotive industry. Triton develops indigenous and environment friendly solutions for key industrial segments, including air conditioning, hydraulics, aerospace, defence and industrial HVAC & refrigeration. It supplies to almost all the major tyre manufacturers in India and has maintained its leadership position for over a decade. The company was set up by Mr. M V Gokarn and is currently managed by his son, Mr. Aditya Gokarn (Managing Director).

Results: Quick Glance:

- The net sales for the quarter reported a growth of 52.0% to Rs2000mn as compared to Rs1316mn in the same quarter last year
- The Ebitda margins for the quarter stood at 7.1% as compared to 6.8% in the comparative quarter last year
- The company reported profit of Rs60mn as compared to Rs19mn in the same quarter last year
- The EPS for the quarter stood at Rs11.81 as compared to Rs4.03 in the corresponding period of last year
- For H1FY27, the revenues came in at Rs3866mn as compared to Rs2663mn; growth of 45.2% while the PAT stood at Rs158mn as against Rs35mn. The EPS came in at Rs30.92 as against Rs7.23 in H1FY26

Conference Call Highlights:

- In terms of the **segmental** performance, the automotive segment reported growth of 32.5% y-o-y, the metals segment grew by 76.9% y-o-y while Climate control grew by 158.7% y-o-y
- Of the total reported growth for the quarter, around 35% was attributed to volume growth while the remaining was due to price increase across commodities which favoured the growth
- In terms of the **climate** control; the AC production part of the segment was a laggard; typical Q2 behaviour for the business where overall sales stood at mere Rs25mn. The Management has been lobbying with the govt. to get minimum import price in place to stop Chinese dumping which is hampering the domestic players, which if and when happens, the vertical would reach the potential. There are various new programs that the company is working on and should be launched by Q4FY27
- **Panasonic** is the new addition in the customers of Climatech for Triton; adding to the conviction and highlighting that capability is intact but for the demand scenario
- The **order book** in November alone was Rs50mn for this segment. If this kind of momentum is sustained with anti-dumping restricted by 20-30% also, the Climatech division will pick to reasonable contribution to revenues
- The company would start mass production of products of the Climatech segment for **Mitsubishi**; parts were tested in Japan and approved; mass supplies would be initially for the Chennai plant and then to go overseas as well
- In terms of growth in the **metal** segment, of the 77% y-o-y growth around 22% is volume led while the remaining is due to higher commodity prices. During the quarter, positive momentum in sales of **value-added alloys** was witnessed in the metal's vertical
- **Exports** accounted for 5% of the overall revenues for the quarter. Last year was a setback due to tariffs and uncertainties which had slowed down the buyers; but Q2 has seen things falling in place and customers placing orders in both the verticals of business. There is immense potential identified in the exports markets by Triton emerging with decoupling from China getting grip, addition of new customers in the EU, aftermarket customers added in North America for the automotive segment. TPMS penetration in India is ~5% currently, but has the potential to be ~60% in 2-3 years with favourable norms going forward (Café 3 norms)
- The **total addressable market** for Triton across the different segments stands at Rs8-10bn for the domestic auto segment, Rs200-400bn in metals and around Rs10bn for the Climatech products
- Post the **clearance** from NCLT Bengaluru, for the scheme of amalgamation between Tritonvalves Climatech and Triton Valves, the business now consists of three operating segments of interest. There is a component of income tax credit arising out of the merger of Tritonvalves Climatech at Rs51.7mn, in line with the Management projections in Q2 numbers

Conference Call Highlights (contd.):

- The company has signed a five-year LoA with **Sensata** Technologies Inc., a US-based automotive sensor and technology company, to supply Tyre Pressure Monitoring System (TPMS) valves, marking another step in the company's expansion into global automotive components. It carries a potential revenue opportunity of ~Rs1000-1100mn over the contract tenure. The Management has indicated to be on track for the same
- The company had also signed a multiyear supply agreement with **Aumovio** in April 2026; where Triton will supply 47mn TPMS valve units between 2027-2031 with estimated revenue potential of Rs1120mn. The company is on track to begin execution by Q1FY28
- The company has agreement with Bosch for TPMS for tailor made products. It has got forecast shared upto 2031 which is 2-3x of the original forecast; adding to conviction for growth from global players
- With regard to **the EV segment,** specifically the 2Ws, demand has been outstripping supply with waiting period for vehicles with surging demand. Triton has indicated that currently it is sufficient on capacity, but at this run-rate of growth it will have to invest in increasing its capacities. Also, as vast sales in the metal space are low margin products, the company is moving towards **special alloys** which fetch higher margins; investment would be needed to develop capacities and equipments for the same
- **Other highlights:** (i) the **inventory** as on Sep'26 was higher than Mar'26 due to increased sales (business factors), higher commodity impact (economic factors), and early arrival of containers during the last days of Sep'26 (supply chain factors). With an anticipated higher sale for Climate Control (H2FY27) and Metals (H2FY27), the availability of inventory will facilitate growth. The company is working towards getting the inventory down by Rs200-250mn by Dec quarter, (ii) there were some deliveries not picked by the customers at the end of the quarter, spillover of Rs80-100mn into Q3 is expected because of the same, (iii) the company targets the RoCE to be ~14-15% by end of Q4 if things work in favour as chalked, (iv) on the **capex**, for the rest of the year, the company plans to invest Rs60-70mn in auto and about Rs20-30mn in metals

Financials:

Performance (Q2FY27)									
Q2FY27 Result (Rs mn)	**Sept-26**	**Sept-25**	**y-o-y**	**Jun-26**	**q-o-q**	**H1FY27**	**H1FY26**	**y-o-y**	**FY27E**
Total Revenue	2000	1316	52.0%	1866	7.2%	3866	2663	45.2%	7711
EBITDA	142	89	60.0%	122	16.6%	264	174	52.2%	524
Other Income	2	2	24.7%	2	(3.5%)	4	5	(25.1%)	5
Interest	38	33	12.9%	32	15.7%	70	68	2.7%	136
Depreciation	31	27	13.9%	30	3.2%	61	57	6.7%	124
Exceptional Items	0	0	-	0	-	0	0	-	0
Tax	15	11	42.7%	(36)	-	(21)	19	-	5
Net Profit	**60**	**19**	-	**98**	**(38.2%)**	**158**	**35**	-	**264**

Outlook and Recommendations:

On the **consolidated** basis, the revenues reported growth of 52% y-o-y, fueled by the metal segment that contributed Rs892.5mn in external revenue alongside the steady contributions from the Automotive segment. The strong growth is attributed to the favourable product mix in automotive vertical with increased traction on EV components (products are growing at 100%). The Ebitda margins stood at 7.1% for the quarter. The improvement reflects better operational efficiency and the integration of previously acquired entities. The company has been focusing on optimising the products mix; one of the essentials to improve the Ebitda margins; inching to achieve the aspiration of double-digit margins gradually. The company has reported sharp increase in profitability for Q2; growth of 212% y-o-y. This did have the component of income tax credit arising out of the merger of Tritonvalves Climatech at Rs51.7mn, in line with the Management projections. Overall, on a consolidated basis, 20% volume growth has been seen during the quarter. Thereby, we need to note that there is a commodity price increase component in the numbers of the quarter; the Management has also reiterated the same that volume growth is what we should be tracking for a sustainable growth projection.

Outlook and Recommendations (contd.):

The company operates across **three key segments**: Automotive, Metals, and Climate Control. The Metals segment emerged as the fastest-growing vertical (77% y-o-y growth), with external revenue more than doubling y-o-y. The Automotive segment maintained stable growth, while Climate Control remained a smaller but strategic part of the portfolio (both cumulatively grew by 36.5% y-o-y).

On the BS, while standalone operations generated positive CF before WC changes, the consolidated entity recorded a negative CFO impact due to WC changes of Rs527.6mn (net outflow context from H1 data). This discrepancy is largely attributed to a massive build-up in inventories and trade receivables at the subsidiary level, indicating aggressive inventory accumulation ahead of expected demand or potential supply chain buffering. The consolidated inventory balance jumped to Rs2032.5mn from Rs1217.9mn in March 2026, signalling significant capital deployment into working capital assets. The company is working towards getting the inventory down by Rs200-250mn by Dec quarter. Beyond traditional tyres, Triton is a pioneer in manufacturing valves for TPMS. It has also successfully diversified into the HVAC and refrigeration sectors through its subsidiary, Triton Climatech. The merger of Climatech with Triton has been approved leading to specific 3 business segments for the company going ahead. The company is exploring opportunities in **high-tech** sectors like aerospace and defence; with increased traction seen in the markets of US, India and Middle East. Sustained revenue growth is expected to be driven by improved market demand, strong execution capabilities, expanding customer base across key segments and continued focus on innovation and quality. We maintain accumulate on the stock for a target of Rs1400.

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