

May 11, 2023

Q4FY23 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY24E	FY25E	FY24E	FY25E
Rating	BUY		BUY	
Target Price	2,615		2,479	
Sales (Rs. m)	20,71,710	22,99,251	19,94,647	22,08,614
% Chng.	3.9	4.1		
EBITDA (Rs. m)	2,41,211	2,74,333	2,37,565	2,71,838
% Chng.	1.5	0.9		
EPS (Rs.)	88.6	104.2	88.1	105.3
% Chng.	0.6	(1.0)		

Key Financials - Consolidated

Y/e Mar	FY22	FY23	FY24E	FY25E
Sales (Rs. bn)	1,565	1,833	2,072	2,299
EBITDA (Rs. bn)	182	208	241	274
Margin (%)	11.6	11.3	11.6	11.9
PAT (Rs. bn)	86	104	125	146
EPS (Rs.)	61.2	73.8	88.6	104.2
Gr. (%)	63.5	20.6	20.1	17.6
DPS (Rs.)	22.0	18.6	23.9	30.2
Yield (%)	0.9	0.8	1.0	1.3
RoE (%)	10.9	12.1	13.1	13.7
RoCE (%)	7.4	8.3	9.5	10.2
EV/Sales (x)	2.6	2.1	1.9	1.7
EV/EBITDA (x)	22.3	18.9	16.1	14.1
PE (x)	38.6	32.0	26.7	22.7
P/BV (x)	4.0	3.7	3.3	2.9

Key Data

LART.BO | LT IN

52-W High / Low	Rs.2,416 / Rs.1,456
Sensex / Nifty	61,940 / 18,315
Market Cap	Rs.3,323bn/ \$ 40,530m
Shares Outstanding	1,405m
3M Avg. Daily Value	Rs.4681.33m

Shareholding Pattern (%)

Promoter's	-
Foreign	24.48
Domestic Institution	38.77
Public & Others	36.75
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	2.4	19.6	47.0
Relative	(1.1)	17.0	29.1

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Larsen & Toubro (LT IN)

Rating: BUY | CMP: Rs2,364 | TP: Rs2,615

Healthy performance, amid near term challenges

Quick Pointers:

- Management guided 10-12% order inflow growth and 12-15% revenue growth, with core EBITDA margin of 9% for FY24.
- FY24 tender prospects stands strong at ~Rs9.7trn (up 14% YoY).

Larsen & Toubro (LT) reported decent set of quarterly performance with consolidated revenue growth of 10.4% YoY, while margins contracted 74bps YoY due to cost pressure in certain EPC project. NWC to sales improved to 16.1% in FY23 vs 19.7% in FY22, owing to robust operational cash flows supported by smart execution and customer's advances. Project and Manufacturing (P&M) margins came in at 8.6% in FY23 below guidance of 9%, owing to impact of increase in commodity prices and freight issue. Margins are likely to improve from H2FY24, with new projects reaching margin recognition threshold. NWC to sales guided to be 16-18% for FY24. Tender prospect from Infrastructure stands at Rs6.5trn, Energy - Rs2.9trn and Hi-tech -Rs0.25trn.

We believe L&T is well-placed to benefit in long run with strong tender prospects, better order conversion in domestic market, significant traction in hydrocarbon segment from exports market and expected uptick in private capex. We revise our estimate by 0.6/-1.0 for FY24/25, factoring in lower margins in P&M business in short term. The stock is currently trading at PE of 26.7/22.7 FY24/25E. Maintain BUY rating, with revised SoTP of Rs2,615 (Rs2,479 earlier), valuing core business at PE of 21x FY25E, (20x earlier), given sustainable growth visibility in revenue and order inflow front.

Higher other income lead to profitability: Consolidated sales grew 10.4% YoY to ~Rs583.4bn (up 17.3% YoY; PL estimate ~Rs590bn), driven by revenue growth across segment. EBITDA came in at ~Rs68.3bn (up 4.9% YoY), while EBITDA margins declined 62bps YoY to 11.7% (vs PL estimate of 12.1%), impacted due to commodity prices increase, logistic issue and cost pressure in certain EPC projects. Adj. PAT grew 10.1% YoY to Rs39.9bn (PL estimate Rs38.3bn), driven by higher other income (up ~44% YoY to Rs7.4bn. While on standalone basis revenues declined 1.9% YoY to Rs367bn. EBITDA declined 8.9% YoY to Rs35.2bn, with margins declining by 74bps YoY to 9.6%. Adj. PAT grew 3.5% YoY to Rs30bn, aided by higher other income (up ~54% YoY to Rs10.8bn).

Strong order book position of Rs4trn: Order inflows came at Rs761bn in Q4FY23 up 2.9% YoY (on high base), driven by order wins in Energy (up 17% YoY to Rs88.9bn) and Hi-tech segment (up 41% YoY to Rs85.7bn). FY23 order inflow came in at Rs2.3trn up 19% YoY, driven by orders win in multiple segments like Public Spaces, Hydrel & Tunnels, Irrigation Systems, Ferrous Metals, Oil & Gas, Power Transmission & Distribution and Defence sectors. Order book stands strong at ~Rs4trn (2.2x TTM revenue), up 11.7% YoY as on 4QFY23.

Exhibit 1: Higher other incomes aids PAT growth of 10% YoY

Y/e March (Rs mn)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY gr. (%)	QoQ gr. (%)	FY23	FY22	YoY gr. (%)
Revenue	528,507	358,532	427,626	463,897	583,352	10.4	25.8	1,833,407	1,565,212	17.1
Total Revenues	528,507	358,532	427,626	463,897	583,352	10.4	25.8	1,833,407	1,565,212	17.1
Expenditure	463,340	318,965	378,688	413,167	515,022	11.2	24.7	1,625,874	1,383,039	17.6
<i>as % of sales</i>	<i>87.7</i>	<i>89.0</i>	<i>88.6</i>	<i>89.1</i>	<i>88.3</i>			<i>88.7</i>	<i>88.4</i>	
Consumption of RM	348,025	195,207	252,850	278,072	379,659	9.1	36.5	1,105,888	937,860	17.9
<i>as % of sales</i>	<i>65.9</i>	<i>54.4</i>	<i>59.1</i>	<i>59.9</i>	<i>65.1</i>			<i>60.3</i>	<i>59.9</i>	
Employee Cost	79,650	85,560	91,544	95,325	99,811	25.3	4.7	372,141	297,335	25.2
<i>as % of sales</i>	<i>15.1</i>	<i>23.9</i>	<i>21.4</i>	<i>20.5</i>	<i>17.1</i>			<i>20.3</i>	<i>19.0</i>	
Other expenditure	35,664	38,199	34,294	39,770	35,552	(0.3)	(10.6)	147,845	147,844	0.0
<i>as % of sales</i>	<i>6.7</i>	<i>10.7</i>	<i>8.0</i>	<i>8.6</i>	<i>6.1</i>			<i>8.1</i>	<i>9.4</i>	
EBITDA	65,167	39,567	48,938	50,730	68,330	4.9	34.7	207,533	182,173	13.9
Depreciation	7,694	9,634	8,602	8,252	8,535	10.9	3.4	35,023	29,480	18.8
EBIT	57,473	29,933	40,337	42,479	59,795	4.0	40.8	172,510	152,694	13.0
Other Income	5,156	6,947	7,385	7,550	7,409	43.7	(1.9)	29,292	22,671	29.2
Interest	7,051	7,561	8,357	8,025	8,130	15.3	1.3	32,072	31,257	2.6
Exceptional Items	-	-	-	(1,360)	-			(1,360)	(969)	
PBT	55,578	29,319	39,366	43,364	59,074	6.3	36.2	171,090	145,077	17.9
Total Tax	15,512	6,389	11,174	12,705	14,606	(5.8)	15.0	44,842	42,166	6.3
PAT before Minority interest	40,067	22,930	28,192	30,659	44,467	11.0	45.0	126,249	102,911	22.7
Minority Interest	(5,178)	(5,263)	(5,563)	(5,055)	(4,718)	-	-	(20,599)	(17,499)	-
PAT after MI	34,889	17,668	22,629	25,604	39,749	13.9	55.2	105,650	85,411	23.7
Share in profit/(loss) after tax of joint ventures/associates (net)	1,318	(647)	(339)	(75)	118			(943)	1,282	
PAT From Continued Operation	36,207	17,021	22,290	25,529	39,868	10.1	56.2	104,707	86,693	20.8
Adjusted PAT from continued operation	36,207	17,021	22,290	24,568	39,868	10.1	62.3	103,704	86,006	20.6
Adjusted EPS	25.8	12.1	15.9	17.5	28.4	10.1	62.3	73.9	61.3	20.6
Margins (%)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	bps	bps	FY23	FY22	bps
EBIDTA	12.3	11.0	11.4	10.9	11.7	(62)	78	11.3	11.6	(32)
EBIT	10.9	8.3	9.4	9.2	10.3	(62)	109	9.4	9.8	(35)
EBT	10.5	8.2	9.2	9.3	10.1	(39)	78	9.3	9.3	6
PAT	6.9	4.7	5.2	5.5	6.8	(2)	133	5.7	5.5	17
Effective Tax rate	27.9	21.8	28.4	29.3	24.7	(318)	(457)	26.2	29.1	(286)

Source: Company, PL

Exhibit 2: Hi-tech and IT & Tech services witnessed robust growth of ~25% and 22% YoY respectively

Y/e March (Rs mn)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY gr. (%)	QoQ gr. (%)	FY23	FY22	YoY gr. (%)
Segment Revenue										
Infrastructure Projects	302,412	144,005	196,682	222,057	315,488	4.3	42.1	878,232	735,601	19.4
Energy Projects	67,779	50,875	55,934	63,462	79,292	17.0	24.9	249,563	237,134	5.2
Hi-Tech Manufacturing	18,633	13,881	15,889	18,631	23,208	24.6	24.6	71,609	62,645	14.3
IT & Technology Services	88,135	94,602	101,839	106,051	107,393	21.9	1.3	409,885	324,553	26.3
Financial Services	29,634	29,581	31,519	33,486	31,163	5.2	(6.9)	125,749	119,711	5.0
Development Projects	10,958	13,454	13,446	11,067	12,321	12.4	11.3	50,288	43,675	15.1
Others	19,107	16,319	17,432	15,360	21,605	13.1	40.7	70,715	62,619	12.9
Total	536,657	362,717	432,741	470,112	590,470	10.0	25.6	1,856,040	1,585,938	17.0
Less: Inter-segment revenue	8,150	4,185	5,115	6,214	7,118	(12.7)	14.5	22,633	20,726	9.2
Net segment revenue	528,507	358,532	427,626	463,897	583,352	10.4	25.8	1,833,407	1,565,212	17.1
Segment EBIT										
Infrastructure Projects	25,392	6,862	10,668	13,042	20,830	(18.0)	59.7	51,402	51,824	-0.8
Energy Projects	5,377	3,797	4,192	4,966	7,712	43.4	55.3	20,667	16,401	26.0
Hi-Tech Manufacturing	3,804	1,503	2,216	2,480	3,753	(1.3)	51.3	9,952	10,039	-0.9
IT & Technology Services	17,622	17,749	18,872	17,053	18,076	2.6	6.0	71,717	63,205	13.5
Financial Services	4,803	3,556	6,132	6,304	6,596	37.3	4.6	22,588	14,698	53.7
Development Projects	(564)	(211)	(115)	(56)	4,300	NA	NA	3,918	(2,306)	NA
Others	3,520	2,516	2,427	2,645	3,876	10.1	46.6	11,464	10,158	12.9
Total	59,953	35,771	44,393	46,434	65,143	8.7	40.3	191,740	164,020	16.9
Segment EBIT margins.										
Infrastructure Projects	8.4	4.8	5.4	5.9	6.6			5.9	7.0	
Energy Projects	7.9	7.5	7.5	7.8	9.7			8.3	6.9	
Hi-Tech Manufacturing	20.4	10.8	13.9	13.3	16.2			13.9	16.0	
IT & Technology Services	20.0	18.8	18.5	16.1	16.8			17.5	19.5	
Financial Services	16.2	12.0	19.5	18.8	21.2			18.0	12.3	
Development Projects	-5.1	-1.6	-0.9	-0.5	34.9			7.8	-5.3	
Others	18.4	15.4	13.9	17.2	17.9			16.2	16.2	

Source: Company, PL

Exhibit 3: SoTP valuation – Core business is 66% of SOTP, IT Services 33% of SoTP

	Earnings / Book (Rs mn)	Valuation basis	Target multiple (X)	Stake (%)	Value (Rs bn)	Fair Value (Rs)	Basis
L&T Core Business	1,14,825	P/E	21	100	24,11,325	1,716	21x FY25 EPS
L&T Finance Holdings	2,35,572	Mcap		66	1,55,831	111	Current MKt cap
LTI Mindtree	13,59,779	Mcap		69	9,34,168	665	Current MKt cap
L&T Technology Services	4,05,002	Mcap		75	3,03,630	216	Current MKt cap
L&T IDPL							
L&T IDPL	10,215	P/B	1.5	100	15,322	11	1.5x equity investment
L&T Power development	24,447	P/B	1	100	24,447	17	1x equity investment
L&T Hyderabad Metro	24,390	P/B	1.5	100	36,585	26	1.5x equity investment
Other Business	15,133	P/B	1	100	15,133	11	1x equity investment
Total subsidiaries				15% holding co. disc.	12,62,349	898	
Grand total						2,615	

Source: Company, PL

Conference Call Highlights

- **Tender prospects for FY24 stand at Rs9.7bn (up 14% YoY)**, comprising of Infrastructure (Rs6.5trn), Energy (Rs2.9trn) and Hi-tech (Rs0.25trn).
- **Project and Manufacturing segment: FY23 order inflow grew 19% YoY** to Rs1,722bn, driven by domestic B&F, Hydel, Lift Irrigation, Water & Effluent treatment etc. Private sector accounted for 27% vs 22% in FY22. EBITDA margin came in at 8.6% in FY23 below guidance of 9% due to job mix, cost pressure in certain job and closer related cost in certain jobs. For FY23 management guided for 9% margin with margin improvement expected from FY24, with margin recognition threshold reaching in projects.
- **Net Working Capital (NWC):** NWC to sales improved to 16.1% in FY23 vs 19.7% in FY22, owing to robust operational cash flows supported by smart execution and customer's advances. Management guided for NWC to sales to be ~16-18% for FY23.
- EBITDA margin were impacted due to, execution of project with higher commodity prices and supply chain disruption.
- **Order book (OB):** OB as on Q4FY23 stands at Rs4trn, comprising of domestic (72%) and international (28%). Within international OB Middle East accounts for 86%, 11% from RoW and 2% from US & Europe.
- **Guidance:** Consolidated order inflows to report growth of 10-12%, revenue to grow 12-15% with core margins to be ~9% for FY24. NWC to sales to be 16-18% for FY24.
- **Infrastructure: Order inflow came in at Rs411bn**, driven by healthy ordering momentum in domestic market. Tender prospect stands strong at Rs6.5trn, (Domestic Rs5.19trn and exports Rs1.31trn). Order prospects breakup Heavy Civil infra ~21%, Transportation infra ~19%, Water ~22%, buildings ~13%, power transmission ~18% and Metal and Mining 6%.
- **Energy Projects (Hydrocarbon and Power):** Order inflow came in at Rs88.9bn up 17% YoY, driven by multiple international orders in Hydrocarbon, while it was muted in Power business. Segment revenue was driven by healthy growth in hydrocarbon segment while power segment revenue was lower due to depleting order book position in the segment. Margins improved to 10.4% vs 8.8% in Q4FY22, driven by cost savings in Power and favorable customer claims in Hydrocarbon aids margin improvement. Tender prospects stands strong at Rs2.9trn, of which Hydrocarbon prospects stands at Rs2.2trn.
- **Hi-Tech Manufacturing (Heavy Engineering and Defence Engineering):** Revenue grew 21% YoY in Q4FY23 due to higher progress in Refinery business in Heavy Engineering and execution ramp up in Defence. Margins declined to 19.7% in Q4FY23 vs 24% in Q4FY22 on account of high base (high base due to better progress in Nuclear jobs in Heavy Engineering). Order inflow were driven by Defence Engineering driven by Government's thrust towards indigenization, while Heavy Engineering was impacted on order deferrals. Order prospects stands strong at Rs0.25trn, of which Defence accounts for 78%.

- **Development Projects: Revenue grew 12% YoY to Rs12.3bn**, driven by improved ridership in Metro and higher PLF in Nabha. Margins were higher due to consolidation of Nabha profits led by increase in benchmark valuations.
- **Hyderabad Metro:** Average ridership for Q4FY23 stood at 4,08,000 passenger/day vs 1,99,000 passenger/day in Q4FY22. FY23 average rider ship stood at 3,94,000/days vs 1,55,000/day in FY22. Hyderabad metro loss narrowed down to Rs13.2bn in FY23 vs Rs17.5bn in FY22. Interest cost reduced to Rs12.7bn in FY23 vs Rs14.8bn in FY22, due to refinancing of debt during the year. Hyderabad metro has short term debt of Rs50bn and NCD of Rs80bn as on date.

Financials

Income Statement (Rs m)

Y/e Mar	FY22	FY23	FY24E	FY25E
Net Revenues	15,65,212	18,33,407	20,71,710	22,99,251
YoY gr. (%)	15.1	17.1	13.0	11.0
Cost of Goods Sold	5,26,910	6,49,436	6,45,338	7,17,366
Gross Profit	10,38,302	11,83,971	14,26,372	15,81,885
Margin (%)	66.3	64.6	68.9	68.8
Employee Cost	2,97,335	3,72,141	4,33,544	4,85,570
Other Expenses	1,63,226	2,00,208	2,25,816	2,41,421
EBITDA	1,82,173	2,07,533	2,41,211	2,74,333
YoY gr. (%)	16.6	13.9	16.2	13.7
Margin (%)	11.6	11.3	11.6	11.9
Depreciation and Amortization	29,480	35,023	38,285	41,835
EBIT	1,52,694	1,72,510	2,02,926	2,32,498
Margin (%)	9.8	9.4	9.8	10.1
Net Interest	31,257	32,072	31,684	32,809
Other Income	22,671	29,292	28,175	31,040
Profit Before Tax	1,45,077	1,71,090	1,99,418	2,30,729
Margin (%)	9.3	9.3	9.6	10.0
Total Tax	42,166	44,842	52,247	60,451
Effective tax rate (%)	29.1	26.2	26.2	26.2
Profit after tax	1,02,911	1,26,249	1,47,170	1,70,278
Minority interest	17,499	20,599	21,629	22,710
Share Profit from Associate	(1,282)	943	1,037	1,140
Adjusted PAT	86,006	1,03,704	1,24,505	1,46,427
YoY gr. (%)	63.6	20.6	20.1	17.6
Margin (%)	5.5	5.7	6.0	6.4
Extra Ord. Income / (Exp)	688	1,003	-	-
Reported PAT	86,693	1,04,707	1,24,505	1,46,427
YoY gr. (%)	159.2	20.8	18.9	17.6
Margin (%)	5.5	5.7	6.0	6.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	86,693	1,04,707	1,24,505	1,46,427
Equity Shares O/s (m)	1,405	1,405	1,405	1,405
EPS (Rs)	61.2	73.8	88.6	104.2

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY22	FY23	FY24E	FY25E
Non-Current Assets				
Gross Block	4,84,760	5,25,224	5,50,224	5,75,224
Tangibles	2,02,018	2,44,614	2,69,614	2,94,614
Intangibles	2,82,742	2,80,610	2,80,610	2,80,610
Acc: Dep / Amortization	96,229	1,31,252	1,69,537	2,11,372
Tangibles	96,229	1,31,252	1,69,537	2,11,372
Intangibles	-	-	-	-
Net fixed assets	3,88,531	3,93,973	3,80,687	3,63,852
Tangibles	1,05,789	1,13,363	1,00,078	83,242
Intangibles	2,82,742	2,80,610	2,80,610	2,80,610
Capital Work In Progress	11,703	29,491	29,491	29,491
Goodwill	-	-	-	-
Non-Current Investments	6,29,266	5,58,278	7,13,308	8,50,460
Net Deferred tax assets	18,008	33,544	33,544	33,544
Other Non-Current Assets	60,776	59,890	62,151	68,978
Current Assets				
Investments	2,97,925	3,55,734	3,85,734	3,95,734
Inventories	59,433	68,288	79,463	88,190
Trade receivables	4,61,389	4,47,315	4,93,805	5,48,041
Cash & Bank Balance	1,89,532	2,25,196	2,44,169	2,86,863
Other Current Assets	6,09,637	6,69,092	6,62,947	6,94,374
Total Assets	31,72,088	32,63,675	35,15,818	37,95,030
Equity				
Equity Share Capital	2,810	2,810	2,810	2,810
Other Equity	8,21,267	8,90,449	10,04,003	11,31,817
Total Network	8,24,077	8,93,259	10,06,813	11,34,627
Non-Current Liabilities				
Long Term borrowings	9,29,913	8,76,171	8,76,171	8,76,171
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	3,04,770	3,08,963	3,23,963	3,38,963
Trade payables	5,11,442	4,97,841	5,61,916	6,23,633
Other current liabilities	4,90,234	5,78,572	6,38,087	7,12,768
Total Equity & Liabilities	31,72,088	32,63,675	35,15,818	37,95,030

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY22	FY23	FY24E	FY25E
PBT	1,44,107	1,69,730	1,99,418	2,30,729
Add. Depreciation	29,480	35,023	38,285	41,835
Add. Interest	31,257	32,072	31,684	32,809
Less Financial Other Income	22,671	29,292	28,175	31,040
Add. Other	(15,253)	(11,575)	-	-
Op. profit before WC changes	1,89,591	2,25,250	2,69,387	3,05,373
Net Changes-WC	47,566	53,791	53,316	30,015
Direct tax	(45,521)	(51,272)	(52,247)	(60,451)
Net cash from Op. activities	1,91,636	2,27,770	2,70,455	2,74,937
Capital expenditures	(51,961)	(68,298)	(2,01,183)	(1,71,970)
Interest / Dividend Income	11,295	17,664	-	-
Others	3,989	(32,484)	-	-
Net Cash from Inv. activities	(36,677)	(83,117)	(2,01,183)	(1,71,970)
Issue of share cap. / premium	110	103	-	-
Debt changes	(84,132)	(44,967)	15,000	15,000
Dividend paid	(25,284)	(30,914)	(33,616)	(42,464)
Interest paid	(4,072)	(4,233)	(31,684)	(32,809)
Others	(37,614)	(33,077)	-	-
Net cash from Fin. activities	(1,50,992)	(1,13,088)	(50,300)	(60,272)
Net change in cash	3,967	31,565	18,973	42,694
Free Cash Flow	1,60,530	1,86,332	2,45,455	2,49,937

Source: Company Data, PL Research

Key Financial Metrics

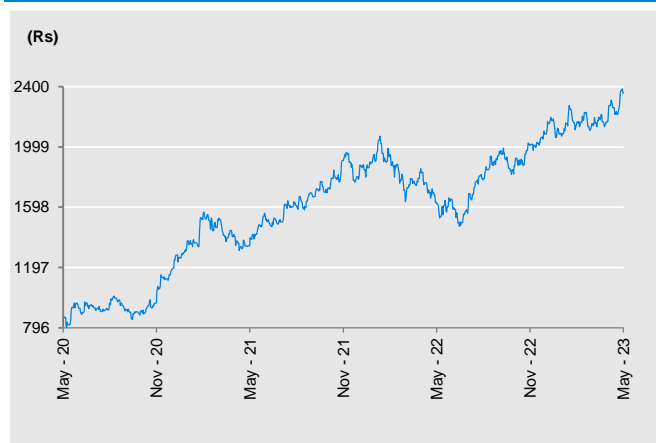
Y/e Mar	FY22	FY23	FY24E	FY25E
Per Share(Rs)				
EPS	61.2	73.8	88.6	104.2
CEPS	82.2	98.7	115.9	134.0
BVPS	586.5	635.7	716.6	807.5
FCF	114.3	132.6	174.7	177.9
DPS	22.0	18.6	23.9	30.2
Return Ratio(%)				
RoCE	7.4	8.3	9.5	10.2
ROIC	6.8	8.6	9.9	10.8
RoE	10.9	12.1	13.1	13.7
Balance Sheet				
Net Debt : Equity (x)	0.9	0.7	0.6	0.5
Net Working Capital (Days)	2	4	2	2
Valuation(x)				
PER	38.6	32.0	26.7	22.7
P/B	4.0	3.7	3.3	2.9
P/CEPS	82.2	98.7	115.9	134.0
EV/EBITDA	22.3	18.9	16.1	14.1
EV/Sales	2.6	2.1	1.9	1.7
Dividend Yield (%)	0.9	0.8	1.0	1.3

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY23	Q2FY23	Q3FY23	Q4FY23
Net Revenue	3,58,532	4,27,626	4,63,897	5,83,352
YoY gr. (%)	22.2	23.0	17.3	10.4
Raw Material Expenses	1,95,207	2,52,850	2,78,072	3,79,659
Gross Profit	1,63,325	1,74,777	1,85,826	2,03,693
Margin (%)	45.6	40.9	40.1	34.9
EBITDA	39,567	48,938	50,730	68,329
YoY gr. (%)	24.8	22.5	12.0	4.9
Margin (%)	11.0	11.4	10.9	11.7
Depreciation / Depletion	9,634	8,602	8,252	8,535
EBIT	29,933	40,337	42,479	59,794
Margin (%)	8.3	9.4	9.2	10.3
Net Interest	7,561	8,357	8,025	8,130
Other Income	6,947	7,385	7,550	7,409
Profit before Tax	29,319	39,366	43,364	59,074
Margin (%)	8.2	9.2	9.3	10.1
Total Tax	6,389	11,174	12,705	14,606
Effective tax rate (%)	21.8	28.4	29.3	24.7
Profit after Tax	22,930	28,192	30,659	44,467
Minority interest	5,263	5,563	5,055	4,718
Share Profit from Associates	(647)	(339)	(75)	118
Adjusted PAT	17,021	22,290	24,568	39,868
YoY gr. (%)	44.9	27.4	19.6	10.1
Margin (%)	4.7	5.2	5.3	6.8
Extra Ord. Income / (Exp)	-	-	961	-
Reported PAT	17,021	22,290	25,529	39,868
YoY gr. (%)	44.9	22.5	24.2	10.1
Margin (%)	4.7	5.2	5.5	6.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	17,021	22,290	25,529	39,868
Avg. Shares O/s (m)	1,404	1,404	1,404	1,404
EPS (Rs)	12.1	15.9	17.5	28.4

Source: Company Data, PL Research

Price Chart

Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	11-Apr-23	BUY	2,479	2,310
2	31-Jan-23	BUY	2,481	2,113
3	04-Jan-23	BUY	2,384	2,089
4	01-Nov-22	BUY	2,384	2,023
5	04-Oct-22	BUY	2,030	1,873
6	27-Jul-22	BUY	2,030	1,751
7	26-Jul-22	BUY	2,091	1,780
8	05-Jul-22	BUY	2,091	1,582
9	13-May-22	BUY	2,091	1,526

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	Accumulate	4,119	3,719
2	Apar Industries	BUY	3,832	3,056
3	Bharat Electronics	BUY	125	100
4	BHEL	Sell	36	71
5	Cummins India	Accumulate	1,708	1,587
6	Engineers India	BUY	85	74
7	GE T&D India	UR	-	128
8	Harsha Engineers International	BUY	440	414
9	Kalpataru Power Transmission	BUY	625	527
10	KEC International	Accumulate	559	514
11	Larsen & Toubro	BUY	2,479	2,310
12	Praj Industries	BUY	495	343
13	Siemens	Accumulate	3,351	3,384
14	Thermax	BUY	2,608	2,316
15	Triveni Turbine	BUY	340	332
16	Voltamp Transformers	Hold	3,056	2,905

PL's Recommendation Nomenclature (Absolute Performance)

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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