

November 1, 2023

Q2FY24 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY24E	FY25E	FY24E	FY25E
Rating	BUY		BUY	
Target Price	3,437		3,302	
Sales (Rs.m)	21,90,898	24,31,588	21,17,359	23,34,557
% Chng.	3.5	4.2		
EBITDA (Rs.m)	2,51,877	2,93,407	2,47,187	2,81,332
% Chng.	1.9	4.3		
EPS (Rs.)	96.8	113.8	92.1	108.4
% Chng.	5.1	5.0		

Key Financials - Consolidated

Y/e Mar	FY23	FY24E	FY25E	FY26E
Sales (Rs. bn)	1,833	2,191	2,432	2,676
EBITDA (Rs. bn)	208	252	293	330
Margin (%)	11.3	11.5	12.1	12.3
PAT (Rs. bn)	104	136	160	186
EPS (Rs.)	73.8	96.8	113.8	132.3
Gr. (%)	20.6	31.1	17.5	16.3
DPS (Rs.)	24.0	26.1	33.0	41.0
Yield (%)	0.8	0.9	1.1	1.4
RoE (%)	12.1	14.2	14.7	15.0
RoCE (%)	8.3	10.0	11.0	11.6
EV/Sales (x)	2.6	2.1	1.9	1.7
EV/EBITDA (x)	22.7	18.7	16.0	14.1
PE (x)	39.7	30.3	25.7	22.1
P/BV (x)	4.6	4.0	3.6	3.1

Key Data

LART.BO | LT IN

52-W High / Low	Rs.3,115 / Rs.1,966
Sensex / Nifty	63,875 / 19,080
Market Cap	Rs.4,117bn / \$ 49,452m
Shares Outstanding	1,406m
3M Avg. Daily Value	Rs.5803.66m

Shareholding Pattern (%)

Promoter's	-
Foreign	25.71
Domestic Institution	37.53
Public & Others	36.76
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(3.1)	24.2	45.1
Relative	(0.2)	18.8	38.0

Amit Anwani

amitanwani@plindia.com | 91-22-66322250

Nilesh Soni

nileshsoni@plindia.com | 91-22-66322214

Healthy performance; orders prospects strong

Quick Pointers:

- Near term tender prospect stands strong at Rs8.8trn, up 39% YoY.
- Two large orders win in hydrocarbon segment drives order inflow growth of 71.7% YoY to Rs891.5bn.

Larsen & Toubro (LT) reported healthy set of quarterly performance with consolidated revenue growth of ~19.3% YoY, while margins contracted 41bps YoY, due to business mix and legacy project reaching completion. NWC to sales improved to 16.7% vs 19.8% in H2FY23, owing to strong cash collections with FY24 guidance maintained at 16-18%. Tender prospects from Infrastructure stands at Rs5.06trn and Hydrocarbon Rs2.9trn for H2FY24. Hyderabad metro reported profit of Rs2.4bn vs loss of Rs3.3bn in Q2FY23, owing to increased ridership and TOD monetization. Management is confident to surpass its earlier guidance on order inflows and revenue growth of 10-12% and 12-15% respectively for FY24. Management revised its core margin guidance to 8.5%-9% from 9% guided earlier, factoring in multiple jobs not reaching margin recognition threshold in FY24.

We believe L&T is well-placed to benefit in long run with 1) strong tender prospects, 2) better order conversion in domestic market, 3) significant traction in hydrocarbon and 4) renewable energy orders from international markets like Saudi Arabia and expected uptick in private capex in domestic market. The stock is currently trading at PE of 30.3x/25.7x/22.1x FY24/25/26E. We revise our FY24/25E by 6.1%/5% factoring in improved performance of Hyderabad Metro, strong order book and tender prospects. We roll forward to Sep'25E and maintain 'Buy' rating on stock with revised TP of Rs3,437(Rs3,302), valuing core business at PE of 24x Sep'25E.

Higher other income and healthy operating performance drives PAT: Consolidated sales reported strong growth of 19.3% YoY to ~Rs510.2bn, (PLe ~Rs500bn), driven by revenue growth across segment except financial services. EBITDA grew 15.1% YoY to Rs56.3bn (PLe ~Rs54bn), while EBITDA margins declined 41bps YoY to 11%, impacted by lower gross margins (39.1% in Q2FY24 vs 40.9% in Q2FY23) despite better absorption of fixed overheads. Adj. PAT grew ~44.6% YoY to Rs24.9bn (PLe Rs26.5bn), driven by higher other income (up ~53.4% YoY to Rs11.3bn). While on standalone basis revenues grew 9.2% YoY to Rs281.5bn. EBITDA remain broadly flat at Rs19.2bn, while margins declined by 58bps YoY to 6.8%. Adj. PAT grew 28.5% YoY to Rs27.1bn,

Strong order book position of Rs4.5trn: Consolidated order inflows came at Rs891.5bn in Q2FY24 up 71.7% YoY, driven by substantial order win in Energy Projects segment (Rs401bn) and Infrastructure (up 12% YoY to ~Rs28bn). Order book stands strong at ~Rs4.5trn (2.2x TTM revenue), up 21% YoY as on 2QFY23.

Exhibit 1: Healthy operating performance and higher other income drives PAT growth of 44.6% YoY

Y/e March (Rs mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY gr. (%)	QoQ gr. (%)	H1FY24	H1FY23	YoY gr. (%)
Revenue	427,626	463,897	583,352	478,824	510,240	19.3	6.6	989,064	786,158	25.8
Total Revenues	427,626	463,897	583,352	478,824	510,240	19.3	6.6	989,064	786,158	25.8
Expenditure	378,688	413,167	515,022	430,137	453,921	19.9	5.5	884,058	697,686	26.7
<i>as % of sales</i>	<i>88.6</i>	<i>89.1</i>	<i>88.3</i>	<i>89.8</i>	<i>89.0</i>			<i>89.4</i>	<i>88.7</i>	
Consumption of RM	252,850	278,072	379,659	293,157	310,643	22.9	6.0	603,800	448,157	34.7
<i>as % of sales</i>	<i>59.1</i>	<i>59.9</i>	<i>65.1</i>	<i>61.2</i>	<i>60.9</i>			<i>61.0</i>	<i>57.0</i>	
Employee Cost	91,544	95,325	99,811	98,894	102,989	12.5	4.1	201,883	177,005	14.1
<i>as % of sales</i>	<i>21.4</i>	<i>20.5</i>	<i>17.1</i>	<i>20.7</i>	<i>20.2</i>			<i>20.4</i>	<i>22.5</i>	
Other expenditure	34,294	39,770	35,552	38,087	40,288	17.5	5.8	78,375	72,523	8.1
<i>as % of sales</i>	<i>8.0</i>	<i>8.6</i>	<i>6.1</i>	<i>8.0</i>	<i>7.9</i>			<i>7.9</i>	<i>9.2</i>	
EBITDA	48,938	50,730	68,330	48,686	56,320	15.1	15.7	105,006	88,472	18.7
Depreciation	8,602	8,252	8,535	8,305	9,099	5.8	9.6	17,404	18,236	(4.6)
EBIT	40,337	42,479	59,795	40,382	47,221	17.1	16.9	87,603	70,237	24.7
Other Income	7,385	7,550	7,409	11,456	11,330	53.4	(1.1)	22,785	14,333	59.0
Interest	8,357	8,025	8,130	8,514	8,640	3.4	1.5	17,154	15,917	7.8
Exceptional Items	-	(1,360)	-	-	-			-	-	
PBT	39,366	43,364	59,074	43,324	49,911	26.8	15.2	93,234	68,652	35.8
Total Tax	11,174	12,705	14,606	12,163	11,355	1.6	(6.6)	23,518	17,530	34.2
PAT before Minority interest	28,192	30,659	44,467	31,161	38,556	36.8	23.7	69,717	51,122	36.4
Minority Interest	(5,563)	(5,055)	(4,718)	(6,026)	(6,229)	-	-	(12,255)	(10,826)	-
PAT after MI	22,629	25,604	39,749	25,135	32,327	42.9	28.6	57,462	40,297	42.6
Share of JV/associates (net)	(339)	(75)	118	(205)	(101)			(306)	(986)	
PAT From Continued Operation	22,290	25,529	39,868	24,930	32,226	44.6	29.3	57,156	39,310	45.4
Adjusted PAT from continued operation	22,290	24,568	39,868	24,930	32,226	44.6	29.3	57,156	39,310	45.4
Adjusted EPS	15.9	17.5	28.4	17.7	22.9	44.6	29.3	40.7	28.0	45.4
Margins (%)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	bps	bps	H1FY24	H1FY23	bps
EBIDTA	11.4	10.9	11.7	10.2	11.0	(41)	87	10.6	11.3	(64)
EBIT	9.4	9.2	10.3	8.4	9.3	(18)	82	8.9	8.9	(8)
EBT	9.2	9.3	10.1	9.0	9.8	58	73	9.4	8.7	69
PAT	5.2	5.5	6.8	5.2	6.3	110	111	10.6	11.0	(44)
Effective Tax rate	28.4	29.3	24.7	28.1	22.8	(563)	(532)	25.2	25.5	(31)

Source: Company, PL

Exhibit 2: Witnessed growth across segment except financial services

Y/e March (Rs mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY gr. (%)	QoQ gr. (%)	H1FY24	H1FY23	YoY gr. (%)
Segment Revenue										
Infrastructure Projects	196,682	222,057	315,488	223,956	249,768	27.0	11.5	473,724	340,687	39.0
Energy Projects	55,934	63,462	79,292	66,904	67,943	21.5	1.6	134,847	106,809	26.2
Hi-Tech Manufacturing	15,889	18,631	23,208	19,683	20,411	28.5	3.7	40,094	29,770	34.7
IT & Technology Services	104,700	106,051	110,143	109,607	112,470	7.4	2.6	222,076	200,623	10.7
Financial Services	31,519	33,486	31,163	30,196	30,841	(2.2)	2.1	61,037	61,100	-0.1
Development Projects	13,446	11,067	12,321	12,964	18,531	37.8	42.9	31,495	26,900	17.1
Others	14,571	15,360	18,855	23,472	18,880	29.6	(19.6)	42,352	29,569	43.2
Total	432,741	470,112	590,470	486,782	518,843	19.9	6.6	1,005,626	795,459	26.4
Less: Inter-segment revenue	5,115	6,214	7,118	7,959	8,603	68.2	8.1	16,562	9,300	78.1
Net segment revenue	427,626	463,897	583,352	478,824	510,240	19.3	6.6	1,833,407	786,158	133.2
Segment EBIT										
Infrastructure Projects	10,668	13,042	20,830	8,502	10,356	(2.9)	21.8	18,857	17,530	7.6
Energy Projects	4,192	4,966	7,712	5,571	5,877	40.2	5.5	11,448	7,989	43.3
Hi-Tech Manufacturing	2,216	2,480	3,753	2,544	2,338	5.5	(8.1)	4,882	3,719	31.3
IT & Technology Services	18,872	17,053	18,391	19,174	19,012	0.7	(0.8)	38,187	36,600	4.3
Financial Services	6,132	6,304	6,596	7,140	7,964	29.9	11.5	15,104	9,688	55.9
Development Projects	(115)	(56)	4,300	1,230	6,341	NA	415.4	7,571	(326)	NA
Others	2,427	2,645	3,562	3,826	2,982	22.9	(22.1)	6,808	4,931	38.1
Total	44,393	46,434	65,143	47,988	54,869	23.6	14.3	102,857	80,131	28.4
Segment EBIT margins.										
Infrastructure Projects	5.4	5.9	6.6	3.8	4.1			4.0	5.1	
Energy Projects	7.5	7.8	9.7	8.3	8.7			8.5	7.5	
Hi-Tech Manufacturing	13.9	13.3	16.2	12.9	11.5			12.2	12.5	
IT & Technology Services	18.0	16.1	16.7	17.5	16.9			17.2	18.2	
Financial Services	19.5	18.8	21.2	23.6	25.8			24.7	15.9	
Development Projects	-0.9	-0.5	34.9	9.5	34.2			24.0	-1.2	
Others	16.7	17.2	18.9	16.3	15.8			16.1	16.7	

Source: Company, PL

Exhibit 3: SoTP Valuation- Core business is ~66% of SoTP

Particulars	Earnings / Book (Rs mn)	Valuation basis	Target multiple (x)	Stake (%)	Value (Rs bn)	Fair Value (Rs)	Basis
L&T Core Business	131,872	P/E	24	100	3,164,932	2,253	24x Sep'25 EPS
L&T Power development	22,897	P/B	1	100	22,897	16	1x equity investment
L&T Hyderabad Metro	37,590	P/B	2	100	75,180	54	2x equity investment
Other Business	15,133	P/B	1.5	100	22,700	16	1.5x equity investment
Total						2,338	
Subsidiaries							
L&T Finance Holdings	374,475	Target Mcap		66	247,715	176	Target MKt cap
LTI Mindtree	1,664,665	Target Mcap		69	1,143,625	814	Target MKt cap
L&T Technology Services	432,498	Target Mcap		75	324,244	231	Target MKt cap
Total Subsidiaries				10% holding co. disc.	1,458,247	1,099	
Grand Total						3,437	

Source: Company, PL

Conference Call Highlights

- **Tender prospects** for H2FY24 stand at Rs8.8trn vs Rs6.32trn in Q2FY23, comprising of infrastructure (Rs5.06trn vs Rs4.54trn in Q2FY23), Hydrocarbon (Rs2.9trn vs Rs1.13trn in Q2FY23), Power (Rs0.5trn vs Rs0.38trn in Q2FY23) and others (Rs0.26trn).
- **Project and Manufacturing segment:** Revenues grew 25% YoY to Rs349bn, with EBITDA margin of 7.4% vs 8.2% in Q2FY23. Order inflows Rs730bn up 97% YoY, comprising of international order of 68%. Within domestic order (32%) private sector order stands at 36% vs 29% in Q2FY23.
- **Order book (OB):** OB as on Q2FY24 stands at Rs4.5trn is at a record high out of which domestic accounts for 65% and international 35%. 20% of the order book is funded by bilateral and multilateral institutions. Deleted orders in Q2FY24 were ~Rs11bn.
 - **International OB** comprised of Middle East (90%), Africa (2%) and RoW. The company sees healthy opportunities in Middle East from hydrocarbon and thrust on green energy.
 - **Domestic order book** is comprised of Central Govt (13%), State Govts (30%), State PSU (37%) and private players (20%).
- Margins during the quarter were impacted due to job mix and legacy projects coming near completion. Legacy projects are likely to be fully completed by end of FY24.
- **NWC to sales ratio** saw a ~310bps YoY improvement at 16.7%, led by better cash collections. Cash collection in Q2FY24 stood at Rs4.6bn vs Rs3.8bn in Q2FY23.
- **Guidance:** Earlier guided 10-12% inflow growth and 12-15% revenue growth for FY24, management is confident to outperform this in FY24. However, refrained from giving fresh guidance on inflows and revenue front due to upcoming general elections. While on core margins to be 8.5-9% in FY24 (9% guided earlier) due to multiple jobs not reaching margin recognition level in FY24.
- **Infrastructure:** Tender prospects for H2FY24 stands healthy at Rs5.06trn (domestic - Rs3.81trn and international - Rs1.24trn) vs Rs4.54trn in Q2FY23, comprising of Transportation infra – 26%, Water & effluent treatment 20%, Building & Factories 18%, Heavy Civil 13%, Power T&D 13% and Minerals Metals 10%. Margins came in at 5.4% vs 6.6% in Q2FY23, due to execution of legacy covid project nearing completions.
- **Energy Projects (Hydrocarbon and Power):** Order inflows came in at Rs401bn, driven by receipt of ultra-mega orders in GCC for Hydrocarbon segment and FGD orders for Power business. Revenue grew 22% YoY led by pick up in execution momentum in international projects in Hydrocarbon segment. Order prospect for H2FY24 stands healthy at Rs3.46trn, comprising of Hydrocarbon Rs2.91trn and Power Rs0.55trn. Margins expanded to 9.5% vs 8.5% in Q2FY24, driven by few jobs crossing margin threshold recognition limit in Power segment.

- **Development Projects:** Revenue grew 38% YoY to Rs18.5% owing to higher PLF in Nabha power and increased ridership in Hyderabad metro. Margins came in at 38.7% vs 5.2% in Q2FY23, owing to TOD monetization in Hyderabad Metro and consolidation of Nabha profits.
- Hyderabad Metro: Average ridership/day in Q2FY24 stood at 4,62,000 vs 3,55,000 in Q2FY23. Received assistance from state government till date of Rs9bn. Monetization of a commercial property and improved ridership aids revenue growth in Hyderabad Metro. Reported profit of Rs2.4bn in Q2FY24 vs Rs3.28bn in Q2FY23, due to TOD monetization of real estate and improved ridership.

Financials

Income Statement (Rs m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
Net Revenues	18,33,407	21,90,898	24,31,588	26,75,964
YoY gr. (%)	17.1	19.5	11.0	10.1
Cost of Goods Sold	6,49,436	6,98,897	7,63,519	8,29,549
Gross Profit	11,83,971	14,92,002	16,68,069	18,46,415
Margin (%)	64.6	68.1	68.6	69.0
Employee Cost	3,72,141	4,31,684	4,83,486	5,29,900
Other Expenses	2,00,208	2,38,808	2,67,475	2,91,680
EBITDA	2,07,533	2,51,877	2,93,407	3,30,422
YoY gr. (%)	13.9	21.4	16.5	12.6
Margin (%)	11.3	11.5	12.1	12.3
Depreciation and Amortization	35,023	37,183	41,732	45,232
EBIT	1,72,510	2,14,693	2,51,675	2,85,190
Margin (%)	9.4	9.8	10.4	10.7
Net Interest	32,072	33,604	31,593	29,523
Other Income	29,292	37,245	34,042	37,463
Profit Before Tax	1,71,090	2,18,335	2,54,123	2,93,130
Margin (%)	9.3	10.0	10.5	11.0
Total Tax	44,842	57,204	67,343	77,679
Effective tax rate (%)	26.2	26.2	26.5	26.5
Profit after tax	1,26,249	1,61,131	1,86,781	2,15,451
Minority interest	20,599	24,101	25,788	28,367
Share Profit from Associate	943	1,037	1,140	1,254
Adjusted PAT	1,03,704	1,35,994	1,59,852	1,85,829
YoY gr. (%)	20.6	31.1	17.5	16.3
Margin (%)	5.7	6.2	6.6	6.9
Extra Ord. Income / (Exp)	1,003	-	-	-
Reported PAT	1,04,707	1,35,994	1,59,852	1,85,829
YoY gr. (%)	20.8	29.9	17.5	16.3
Margin (%)	5.7	6.2	6.6	6.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,04,707	1,35,994	1,59,852	1,85,829
Equity Shares O/s (m)	1,405	1,405	1,405	1,405
EPS (Rs)	73.8	96.8	113.8	132.3

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
Non-Current Assets				
Gross Block	5,05,162	5,30,162	5,55,162	5,80,162
Tangibles	2,24,552	2,49,552	2,74,552	2,99,552
Intangibles	2,80,610	2,80,610	2,80,610	2,80,610
Acc: Dep / Amortization	1,11,189	1,48,373	1,90,105	2,35,337
Tangibles	1,11,189	1,48,373	1,90,105	2,35,337
Intangibles	-	-	-	-
Net fixed assets	3,93,973	3,81,789	3,65,057	3,44,825
Tangibles	1,13,363	1,01,180	84,448	64,215
Intangibles	2,80,610	2,80,610	2,80,610	2,80,610
Capital Work In Progress	29,491	29,491	29,491	29,491
Goodwill	-	-	-	-
Non-Current Investments	5,58,278	7,16,288	8,97,871	11,00,696
Net Deferred tax assets	33,544	33,544	33,544	33,544
Other Non-Current Assets	59,890	65,727	72,948	80,279
Current Assets				
Investments	3,55,734	3,85,734	3,95,734	4,35,308
Inventories	68,288	84,034	93,266	1,02,640
Trade receivables	4,47,315	5,22,214	5,79,584	6,37,833
Cash & Bank Balance	2,25,196	2,25,161	2,31,082	2,53,638
Other Current Assets	6,69,092	7,01,087	7,34,340	7,49,270
Total Assets	32,63,675	36,02,287	38,95,417	42,82,551
Equity				
Equity Share Capital	2,810	2,810	2,810	2,810
Other Equity	8,90,449	10,14,861	11,55,285	13,13,128
Total Networkth	8,93,259	10,17,671	11,58,095	13,15,938
Non-Current Liabilities				
Long Term borrowings	8,76,171	8,76,171	8,76,171	8,76,171
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	3,08,963	3,23,963	3,38,963	3,53,963
Trade payables	4,97,841	5,94,244	6,59,527	7,25,809
Other current liabilities	5,78,572	6,81,369	7,53,792	9,01,800
Total Equity & Liabilities	32,63,675	36,02,287	38,95,417	42,82,551

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
PBT	1,69,730	2,18,335	2,54,123	2,93,130
Add. Depreciation	35,023	37,183	41,732	45,232
Add. Interest	32,072	33,604	31,593	29,523
Less Financial Other Income	29,292	37,245	34,042	37,463
Add. Other	(11,575)	-	-	-
Op. profit before WC changes	2,25,250	2,89,122	3,27,449	3,67,886
Net Changes-WC	53,791	2,144	25,145	19,606
Direct tax	(51,272)	(57,204)	(67,343)	(77,679)
Net cash from Op. activities	2,27,770	2,34,062	2,85,251	3,09,812
Capital expenditures	(68,298)	(25,000)	(25,000)	(25,000)
Interest / Dividend Income	17,664	-	-	-
Others	(32,484)	(1,53,775)	(1,91,379)	(1,90,127)
Net Cash from Inv. activities	(83,117)	(1,78,775)	(2,16,379)	(2,15,127)
Issue of share cap. / premium	103	-	-	-
Debt changes	(44,967)	15,000	15,000	15,000
Dividend paid	(30,914)	(36,718)	(46,357)	(57,607)
Interest paid	(4,233)	(33,604)	(31,593)	(29,523)
Others	(33,077)	-	-	-
Net cash from Fin. activities	(1,13,088)	(55,322)	(62,951)	(72,130)
Net change in cash	31,565	(35)	5,921	22,555
Free Cash Flow	1,86,332	2,09,062	2,60,251	2,84,812

Source: Company Data, PL Research

Key Financial Metrics

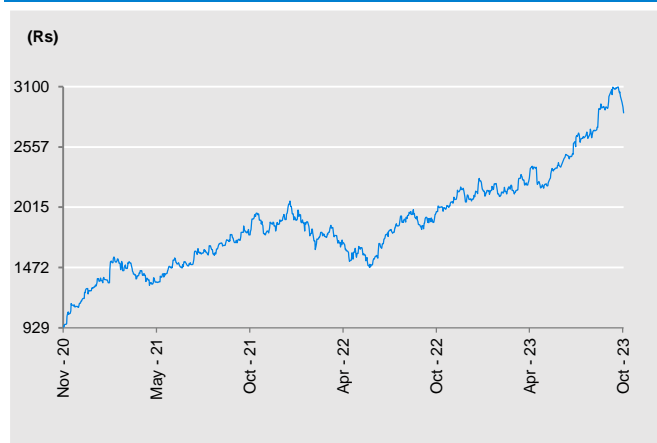
Y/e Mar	FY23	FY24E	FY25E	FY26E
Per Share(Rs)				
EPS	73.8	96.8	113.8	132.3
CEPS	98.7	123.3	143.5	164.5
BVPS	635.7	724.3	824.2	936.6
FCF	132.6	148.8	185.2	202.7
DPS	24.0	26.1	33.0	41.0
Return Ratio(%)				
RoCE	8.3	10.0	11.0	11.6
ROIC	8.6	10.3	11.1	11.8
RoE	12.1	14.2	14.7	15.0
Balance Sheet				
Net Debt : Equity (x)	0.7	0.6	0.5	0.4
Net Working Capital (Days)	4	2	2	2
Valuation(x)				
PER	39.7	30.3	25.7	22.1
P/B	4.6	4.0	3.6	3.1
P/CEPS	98.7	123.3	143.5	164.5
EV/EBITDA	22.7	18.7	16.0	14.1
EV/Sales	2.6	2.1	1.9	1.7
Dividend Yield (%)	0.8	0.9	1.1	1.4

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY23	Q4FY23	Q1FY24	Q2FY24
Net Revenue	4,63,897	5,83,352	4,78,824	5,10,240
YoY gr. (%)	17.3	10.4	33.6	19.3
Raw Material Expenses	2,78,072	3,79,659	2,93,157	3,10,643
Gross Profit	1,85,826	2,03,693	1,85,667	1,99,597
Margin (%)	40.1	34.9	38.8	39.1
EBITDA	50,730	68,329	48,686	56,320
YoY gr. (%)	12.0	4.9	23.2	15.1
Margin (%)	10.9	11.7	10.2	11.0
Depreciation / Depletion	8,252	8,535	8,305	9,099
EBIT	42,479	59,794	40,382	47,221
Margin (%)	9.2	10.3	8.4	9.3
Net Interest	8,025	8,130	8,514	8,640
Other Income	7,550	7,409	11,456	11,330
Profit before Tax	43,364	59,074	43,324	49,911
Margin (%)	9.3	10.1	9.0	9.8
Total Tax	12,705	14,606	12,163	11,355
Effective tax rate (%)	29.3	24.7	28.1	22.8
Profit after Tax	30,659	44,467	31,161	38,556
Minority interest	5,055	4,718	6,026	6,229
Share Profit from Associates	(75)	118	(205)	(101)
Adjusted PAT	24,568	39,868	24,930	32,226
YoY gr. (%)	19.6	10.1	46.5	44.6
Margin (%)	5.3	6.8	5.2	6.3
Extra Ord. Income / (Exp)	961	-	-	-
Reported PAT	25,529	39,868	24,930	32,226
YoY gr. (%)	24.2	10.1	46.5	44.6
Margin (%)	5.5	6.8	5.2	6.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	25,529	39,868	24,930	32,226
Avg. Shares O/s (m)	1,405	1,405	1,405	1,405
EPS (Rs)	17.5	28.4	17.7	22.9

Source: Company Data, PL Research

Price Chart

Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	05-Oct-23	BUY	3,302	3,096
2	12-Sep-23	BUY	3,302	2,944
3	26-Jul-23	BUY	2,955	2,560
4	06-Jul-23	BUY	2,615	2,489
5	11-May-23	BUY	2,615	2,364
6	11-Apr-23	BUY	2,479	2,310
7	31-Jan-23	BUY	2,481	2,113
8	04-Jan-23	BUY	2,384	2,089

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	Accumulate	5,013	4,068
2	Apar Industries	Accumulate	5,630	5,165
3	Bharat Electronics	Accumulate	140	139
4	BHEL	Reduce	67	127
5	Carborundum Universal	BUY	1,408	1,076
6	Cummins India	Hold	1,788	1,691
7	Engineers India	Accumulate	165	143
8	GE T&D India	Hold	260	413
9	Grindwell Norton	BUY	2,604	2,092
10	Harsha Engineers International	Accumulate	474	415
11	Hindustan Aeronautics	BUY	2,266	1,889
12	Kalpataru Projects International	BUY	732	647
13	KEC International	Hold	645	672
14	Larsen & Toubro	BUY	3,302	3,096
15	Praj Industries	Accumulate	618	571
16	Siemens	Accumulate	4,241	3,559
17	Thermax	Hold	2,613	3,101
18	Triveni Turbine	Accumulate	419	421
19	Voltamp Transformers	Hold	5,079	4,989

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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3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

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