

July 30, 2025

Q1FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	4,144		4,037	
Sales (Rs. m)	29,57,151	33,70,149	29,57,151	33,70,149
% Chng.	-	-	-	-
EBITDA (Rs. m)	3,17,810	3,84,422	3,17,810	3,84,422
% Chng.	-	-	-	-
EPS (Rs.)	134.9	168.8	135.7	169.6
% Chng.	(0.6)	(0.5)	-	-

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	2,211	2,557	2,957	3,370
EBITDA (Rs. bn)	235	264	318	384
Margin (%)	10.6	10.3	10.7	11.4
PAT (Rs. bn)	130	147	186	232
EPS (Rs.)	94.3	106.9	134.9	168.8
Gr. (%)	25.5	13.4	26.1	25.1
DPS (Rs.)	28.0	28.0	41.8	42.2
Yield (%)	0.8	0.8	1.2	1.2
RoE (%)	14.8	16.0	17.4	18.5
RoCE (%)	9.7	10.4	11.6	12.2
EV/Sales (x)	2.5	2.1	1.8	1.7
EV/EBITDA (x)	23.2	20.6	16.9	14.7
PE (x)	37.1	32.7	25.9	20.7
P/BV (x)	5.6	4.9	4.2	3.5

Key Data

LART.BO | LT IN

52-W High / Low	Rs.3,964 / Rs.2,965
Sensex / Nifty	81,338 / 24,821
Market Cap	Rs.4,808bn / \$ 55,376m
Shares Outstanding	1,375m
3M Avg. Daily Value	Rs.6772.63m

Shareholding Pattern (%)

Promoter's	-
Foreign	19.33
Domestic Institution	43.48
Public & Others	37.19
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(5.0)	1.3	(7.4)
Relative	(1.8)	(4.7)	(7.4)

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Healthy operating performance; guidance intact

Quick Pointers:

- Strong order prospects worth Rs14.8trn for remaining 9MFY26 (vs Rs9.1trn YoY) are primarily driven by infrastructure and hydrocarbon.
- Management has guided for a ~10% order intake growth and ~15% revenue growth with P&M margin of 8.3%-8.5% in FY26.

Larsen & Toubro (L&T) reported consol. revenue growth of 15.5% YoY, while EBITDA margin declined by 27bps YoY to 9.9%. Strong prospects in domestic as well as international markets across key segments such as Hydrocarbon, Transmission & Distribution, Renewable Energy & Heavy Civil continue to drive L&T's growth prospects. The recently awarded Ultra-Mega order for its Hydrocarbon Offshore business further reinforces the company's growing presence in the Middle East. During the quarter, L&T also acquired the semiconductor power module business from Japan's Fujitsu General and secured a contract with IOCL to establish India's first and largest Green Hydrogen manufacturing plant. These strategic initiatives highlight the company's focus on capitalizing on emerging sectors expected to drive long-term growth. The management's reiteration of FY26 guidance of ~10% order intake growth, ~15% revenue growth, and P&M margins of ~8.5% reflects confidence in the company's robust execution capabilities and resilient business model.

We believe L&T is well-placed to benefit in the long-run owing to 1) strong international prospects led by Middle East, 2) healthy domestic pipeline on the back of public-driven capex and uptick in private capex, and 3) improving profitability in development projects, and 4) penetration in newer areas such as green energy, electrolyzers, semiconductors, data centers, etc. The stock is currently trading at a P/E of 25.9x/20.7x on FY26/27E earnings. We maintain our 'Buy' rating and value the core business at a PE of 25x Mar'27E (same as earlier) arriving at a SoTP-derived TP of Rs4,144 (Rs4,037 earlier).

Healthy execution in P&M businesses drive strong topline growth: Consolidated revenue rose 15.5% YoY to Rs636.8bn (PL: Rs633.4bn) driven by healthy execution across its P&M portfolio. Infrastructure revenue was up 6.8% YoY to Rs290.3bn, Energy revenue was up 46.8% YoY to Rs124.7bn, Hi-Tech Manufacturing revenue was up 75.1% YoY to Rs33.6bn. EBITDA grew 12.5% YoY to Rs63.2bn (PL: Rs65.2bn). EBITDA margin declined by 27bps YoY at 9.9% (PL: 10.3%), led by gross margin contraction of 117bps YoY to 36.8% partially offset by better operating leverage. Adj. PAT rose 29.8% YoY to Rs36.2bn (PL: Rs34.4bn) aided by healthy revenue growth, higher other income (up 47.4% YoY to Rs13.6bn) and lower interest costs (down 9.3% YoY to Rs7.8bn).

Strong order book of Rs6.13trn with robust inflows: Consolidated order inflows came in at Rs944.5bn, up 33.2% YoY. Segmental mix stood at 44%/33%/19%/2%/2% for Infrastructure/Energy/Services/Hi-Tech Manufacturing/Others. Domestic/International order intake mix stood at 48%/52%. Order book stands at ~Rs6.13trn (2.3x TTM revenue), up 24.8% YoY.



Exhibit 1: Gross margin contraction (-117bps YoY to 36.8%) led to EBITDA margin decline of 27bps YoY to 9.9%

Y/e March (Rs mn)	Q1FY26	Q1FY25	YoY gr.	Q1FY26E	% Var.	Q4FY25	QoQ gr.	FY26E	FY25	YoY gr.
Revenue	636,789	551,198	15.5%	633,423	0.5%	743,923	-14.4%	2,957,151	2,557,345	15.6%
Gross Profit	234,481	209,438	12.0%	241,334	-2.8%	253,270	-7.4%	1,064,574	910,638	16.9%
Margin (%)	36.8	38.0	(117)	38.1	(128)	34.0	278	36.0	35.6	39
Employee Cost	126,384	110,435	14.4%	126,051	0.3%	123,573	2.3%	524,978	467,687	12.3%
as % of sales	19.8	20.0	(19)	19.9	(5)	16.6	324	17.8	18.3	(54)
Other expenditure	27,857	28,545	-2.4%	33,571	-17.0%	30,938	-10.0%	147,858	115,581	27.9%
as % of sales	4.4	5.2	(80)	5.3	(93)	4.2	22	5.0	4.5	48
Finance cost of fin. serv. business	17,064	14,305	19.3%	16,500	3.4%	16,734	2.0%	73,929	63,022	17.3%
as % of sales	2.7	2.6	8	2.6	7	2.2	43	2.5	2.5	4
EBITDA	63,177	56,153	12.5%	65,212	-3.1%	82,025	-23.0%	317,810	264,347	20.2%
Margin (%)	9.9	10.2	(27)	10.3	(37)	11.0	(110)	10.7	10.3	41
Depreciation	10,333	9,979	3.5%	10,800	-4.3%	10,524	-1.8%	43,839	41,212	6.4%
EBIT	52,844	46,174	14.4%	54,412	-2.9%	71,501	-26.1%	273,971	223,136	22.8%
Margin (%)	8.3	8.4	(8)	8.6	(29)	9.6	(131)	9.3	8.7	54
Other Income	13,568	9,206	47.4%	9,700	39.9%	11,351	19.5%	46,427	41,248	12.6%
Interest	7,816	8,614	-9.3%	8,500	-8.0%	7,459	4.8%	33,813	33,344	1.4%
PBT (ex. Extra-ordinaries)	58,595	46,767	25.3%	55,612	5.4%	75,392	-22.3%	286,584	231,040	24.0%
Margin (%)	9.2	8.5	72	8.8	42	10.1	(93)	9.7	9.0	66
Extraordinary Items	-	-	-	-	-	4,748	-	-	4,748	-
PBT	58,595	46,767	25.3%	55,612	5.4%	80,140	-26.9%	286,584	235,788	21.5%
Total Tax	15,340	12,365	24.1%	14,181	8.2%	18,806	-18.4%	72,219	58,914	22.6%
Effective Tax Rate (%)	26.2	26.4	(26)	25.5	68	23.5	271	25.2	25.0	21
PAT before MI & JV	43,256	34,401	25.7%	41,431	4.4%	61,334	-29.5%	214,365	176,874	21.2%
Reported PAT	36,172	27,857	29.8%	34,371	5.2%	54,973	-34.2%	185,521	150,652	23.1%
Adj. PAT	36,172	27,857	29.8%	34,371	5.2%	50,225	-28.0%	185,521	147,091	26.1%
Adj. EPS	26.3	20.3	29.8%	25.0	5.2%	36.5	-28.0%	134.9	106.9	26.1%

Source: Company, PL

Exhibit 2: Strong execution in Energy projects and Hi-Tech manufacturing aids modest revenue growth of 15.5% YoY

Segment Performance	Q1FY26	Q1FY25	YoY gr.	Q1FY26E	% Var.	Q4FY25	QoQ gr.	FY26E	FY25	YoY gr.
Revenue (Rs mn)										
Infrastructure Projects	290,314	271,795	6.8%	309,565	-6.2%	393,748	-26.3%	1,533,284	1,298,970	18.0%
Energy Projects	124,743	85,004	46.8%	109,398	14.0%	122,536	1.8%	510,172	406,680	25.4%
Hi-Tech Manufacturing	33,621	19,197	75.1%	24,637	36.5%	34,961	-3.8%	120,863	96,950	24.7%
IT & Technology Services	126,790	115,567	9.7%	122,501	3.5%	127,171	-0.3%	511,942	478,450	7.0%
Financial Services	39,710	36,640	8.4%	38,472	3.2%	38,121	4.2%	162,576	151,940	7.0%
Development Projects	12,424	13,273	-6.4%	13,605	-8.7%	12,276	1.2%	57,738	53,710	7.5%
Others	15,192	14,975	1.5%	15,244	-0.3%	26,390	-42.4%	75,415	70,650	6.7%
Total	642,794	556,451	15.5%	633,423	1.5%	755,203	-14.9%	2,971,990	2,557,350	16.2%
Less: Inter-segment revenue	6,005	5,253	14.3%	-	#DIV/0!	11,280	-46.8%	14,860	32,862	-54.8%
Net Revenue	636,789	551,198	15.5%	633,423	0.5%	743,923	-14.4%	2,957,130	2,524,488	17.1%
EBIT (Rs mn)										
Infrastructure Projects	12,733	12,001	6.1%	14,550	-12.5%	27,564	-53.8%	84,331	69,215	21.8%
Energy Projects	8,419	6,692	25.8%	8,752	-3.8%	9,202	-8.5%	45,209	31,371	44.1%
Hi-Tech Manufacturing	4,294	2,669	60.9%	3,326	29.1%	5,939	-27.7%	16,962	14,591	16.3%
IT & Technology Services	20,453	19,115	7.0%	20,335	0.6%	18,571	10.1%	76,791	76,822	0.0%
Financial Services	9,432	9,223	2.3%	8,849	6.6%	8,055	17.1%	32,515	34,913	-6.9%
Development Projects	1,433	1,473	-2.7%	1,633	-12.3%	3,253	-56.0%	6,929	7,572	-8.5%
Others	4,242	2,907	45.9%	3,278	29.4%	8,359	-49.2%	13,575	19,348	-29.8%
Total	61,005	54,079	12.8%	60,721	0.5%	80,942	-24.6%	276,311	253,830	8.9%
EBIT Margin (%)										
			YoY bps		Var. bps		QoQ bps			YoY bps
Infrastructure Projects	4.4	4.4	-3	4.7	-31	7.0	-261	5.5	5.3	17
Energy Projects	6.7	7.9	-112	8.0	-125	7.5	-76	8.9	7.7	115
Hi-Tech Manufacturing	12.8	13.9	-113	13.5	-73	17.0	-422	14.0	15.0	-102
IT & Technology Services	16.1	16.5	-41	16.6	-47	14.6	153	15.0	16.1	-106
Financial Services	23.8	25.2	-142	23.0	75	21.1	262	20.0	23.0	-298
Development Projects	11.5	11.1	43	12.0	-47	26.5	-1,497	12.0	14.1	-210
Others	27.9	19.4	851	21.5	642	31.7	-375	18.0	27.4	-939

Source: Company, PL

Exhibit 3: SOTP Valuation – Core business accounts for ~69% of the SOTP

Particulars	Earnings/Book (Rs mn)	Valuation Basis	Target Multiple (x)	Stake (%)	Value (Rs bn)	Fair Value (Rs)	Basis
L&T Core Business	158,286	P/E	25	100	3,957,142	2,877	25x FY27 EPS
L&T Power development	22,897	P/B	1	100	22,897	17	1x equity investment
L&T Hyderabad Metro	74,130	P/B	1.5	100	111,195	81	1.5x equity investment
Other Businesses	65,236	P/B	1	100	65,236	47	1x equity investment
Total						3,022	
Subsidiaries							
L&T Finance	556,990	Target Mcap		66	366,833	267	Target Mcap
LTI Mindtree	1,591,397	Target Mcap		69	1,091,698	794	Target Mcap
L&T Technology Services	483,667	Target Mcap		74	356,656	259	Target Mcap
Total Subsidiaries				15% holding co. disc.	1,542,910	1,122	
Grand Total						4,144	

Source: Company, PL

Conference Call Highlights

- **Guidance:** Management has reiterated their conservative guidance for FY26, projecting ~10% growth in order intake and ~15% revenue growth, with a P&M margin of ~8.3%-8.5%. Additionally, the NWC-to-sales ratio is expected to rise to ~12%, vs ~11% in FY25.
- **Order prospects for remaining 9MFY26** stand at Rs14.4trn vs Rs9.1trn YoY primarily driven by Infrastructure and Hydrocarbon. Total order prospects comprise of Infrastructure (Rs7.97trn vs Rs6.03trn YoY), Hydrocarbon (Rs5.78trn vs Rs2.17trn YoY), CarbonLite (Rs0.55trn vs Rs0.45trn YoY), Green & Clean Energy (Rs0.21trn vs Rs0.14trn YoY), and Hi-Tech Manufacturing (Rs0.30trn vs Rs0.031trn YoY). The domestic/International mix of order prospects stand at Rs6.13trn/Rs8.68trn.
- **Order book (OB) stands at Rs6.13trn** with domestic share of 54% (Rs3.31trn) and international share of 46% (Rs2.82trn). No orders were deleted in Q1FY26. Slow-moving orders constitute ~2.0% of the order book.
 - **International OB** comprises of Middle East (80%) and RoW (20%). International order book primarily consists of Power T&D, renewable energy and Hydrocarbon.
 - **Domestic OB** comprises of Central Govt (14%), State Govts (25%), PSUs (34%) and private players (27%).
- **Infrastructure Projects:** Revenue growth was primarily due to better execution of international infrastructure. Q1FY26 order inflow came in at Rs410bn (vs Rs401bn in Q1FY25) led by 44.2% increase in the international order intake. Orders primarily came from renewables, Power T&D, B&F, Metals and Minerals. Order prospects for remaining 9MFY26 is Rs7.97trn (domestic: Rs5.04trn; international: Rs2.93trn) vs Rs6.03trn YoY, comprise of Transportation Infra – 19%, Minerals & Metals – 8%, Buildings & Factories – 11%, Water & Effluent Treatment – 17%, Power T&D – 14%, Renewables – 14%, and Heavy Civil Infra – 17%. The execution period of infrastructure order book is ~29 months. Segmental margins were affected by prolonged project execution in the water segment.
- **Energy Projects (Hydrocarbon & Carbon Lite Solutions):** Order intake came in at Rs314bn vs Rs88bn in Q1FY25 primarily aided by multiple BTG packages in CarbonLite Solutions business. Order prospects stand at 1) Hydrocarbon – Rs5.78trn, of which Rs5.51trn are international prospects primarily in Middle East 2) CarbonLite – Rs0.55trn and 3) Green and Clean energy – Rs0.21trn (Rs0.17trn in gas to power segment). Order book stands at Rs1.86trn with a domestic/international mix of 35%/65%. Revenue growth of 46.8% YoY was primarily attributed to execution ramp up in international projects of Hydrocarbon business. Segment margin was lower due to execution of the low margin international orders while the margin is expected to continue to remain subdued for FY26.

- **Hi-Tech Manufacturing (Precision & Heavy Engineering):** Order inflow for the quarter declined 48.6% YoY to Rs18.9bn primarily due to high base in the Precision Engineering & Systems business. Order prospects stand at Rs0.3trn (vs ~Rs0.31trn YoY). Of which, Heavy engineering prospects stand at Rs88bn while prospects for Precision Engineering stand at Rs0.21trn. Revenue growth of 75% YoY to Rs33.6bn was attributable to improved execution in both the Heavy Engineering and Precision Engineering & Systems businesses. EBITDA margin declined to 15.1% (vs 17.4% in Q1FY25) due to key orders in the PES business that are currently in the early stages of execution.
- **Hyderabad Metro:** Company increased the fare of Hyderabad metro by 30% and then offered a 10% discount to customers resulting in a net increase of fare of 20%. The average fare of Hyderabad metro has increased from Rs38 to Rs43. This fare increase led to ridership fall to 4.17 lakh passengers per day vs 4.32 lakh passengers per day in Q1FY25. The fall in the ridership is expected to be temporary and it is expected to bounce back to the levels of ~4.5 lakh passengers per day. At the current levels of financial performance of Hyderabad metro, the breakeven ridership is ~12 lakh passengers per day.
- **Others segment:** The company saw higher handover of the residential units in the Realty business which aided revenue growth of 1% YoY to Rs13.9bn in 'Others' segment. Export sales constituted ~15% of the total revenue majorly relating to the Industrial Valves business. The EBITDA margin for the segment was higher at 32.9% (vs 23.4% in Q1FY25) due to higher contribution from Realty and favorable sales mix in Industrial machinery and products. Management is focusing on metropolitan regions such as Mumbai, Navi Mumbai, Chennai, Bangalore and NCR to further grow its Realty business.

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	22,11,129	25,57,345	29,57,151	33,70,149
YoY gr. (%)	20.6	15.7	15.6	14.0
Cost of Goods Sold	8,07,731	9,65,662	10,35,003	11,55,961
Gross Profit	14,03,398	15,91,683	19,22,148	22,14,188
Margin (%)	63.5	62.2	65.0	65.7
Employee Cost	4,11,710	4,67,687	5,24,978	5,89,551
Other Expenses	2,44,865	2,75,336	3,28,244	3,77,457
EBITDA	2,34,937	2,64,347	3,17,810	3,84,422
YoY gr. (%)	13.2	12.5	20.2	21.0
Margin (%)	10.6	10.3	10.7	11.4
Depreciation and Amortization	36,823	41,212	43,839	47,239
EBIT	1,98,113	2,23,136	2,73,971	3,37,183
Margin (%)	9.0	8.7	9.3	10.0
Net Interest	35,459	33,344	33,813	34,200
Other Income	41,580	41,248	46,427	51,226
Profit Before Tax	2,05,171	2,35,788	2,86,584	3,54,209
Margin (%)	9.3	9.2	9.7	10.5
Total Tax	49,474	58,914	72,219	90,323
Effective tax rate (%)	24.1	25.0	25.2	25.5
Profit after tax	1,55,697	1,76,874	2,14,365	2,63,886
Minority interest	24,880	26,362	28,998	31,898
Share Profit from Associate	226	(141)	(155)	(170)
Adjusted PAT	1,29,655	1,47,091	1,85,521	2,32,158
YoY gr. (%)	25.5	13.4	26.1	25.1
Margin (%)	5.9	5.8	6.3	6.9
Extra Ord. Income / (Exp)	936	3,562	-	-
Reported PAT	1,30,591	1,50,652	1,85,521	2,32,158
YoY gr. (%)	24.7	15.4	23.1	25.1
Margin (%)	5.9	5.9	6.3	6.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,30,591	1,50,652	1,85,521	2,32,158
Equity Shares O/s (m)	1,375	1,375	1,375	1,375
EPS (Rs)	94.3	106.9	134.9	168.8

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	5,35,084	5,82,590	6,07,590	6,37,590
Tangibles	2,58,856	2,97,929	3,22,929	3,52,929
Intangibles	2,76,228	2,84,661	2,84,661	2,84,661
Acc: Dep / Amortization	1,25,880	1,56,644	2,00,483	2,47,722
Tangibles	1,25,880	1,56,644	2,00,483	2,47,722
Intangibles	-	-	-	-
Net fixed assets	4,09,204	4,25,946	4,07,107	3,89,868
Tangibles	1,32,976	1,41,286	1,22,447	1,05,207
Intangibles	2,76,228	2,84,661	2,84,661	2,84,661
Capital Work In Progress	28,970	23,909	23,909	23,909
Goodwill	-	-	-	-
Non-Current Investments	6,74,639	7,81,626	7,76,865	8,67,723
Net Deferred tax assets	33,301	33,829	33,829	33,829
Other Non-Current Assets	64,023	72,414	82,800	90,994
Current Assets				
Investments	3,49,576	4,33,606	4,76,967	4,76,967
Inventories	66,202	76,706	97,221	1,10,799
Trade receivables	4,87,710	5,37,137	6,48,143	7,20,196
Cash & Bank Balance	1,53,584	2,29,653	2,75,732	3,55,093
Other Current Assets	7,18,877	7,57,173	8,28,002	9,43,642
Total Assets	33,57,635	37,57,312	42,08,177	46,36,370
Equity				
Equity Share Capital	2,749	2,750	2,750	2,750
Other Equity	8,60,843	9,73,806	11,49,661	13,56,035
Total Network	8,63,592	9,76,556	11,52,411	13,58,785
Non-Current Liabilities				
Long Term borrowings	8,62,055	9,36,980	9,36,980	9,36,980
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	2,78,343	3,58,613	3,73,613	7,50,560
Trade payables	5,32,929	5,24,593	7,29,161	8,30,996
Other current liabilities	6,92,113	8,16,917	8,72,360	9,77,343
Total Equity & Liabilities	33,57,635	37,57,312	42,08,177	49,98,317

Source: Company Data, PL Research


Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	2,04,235	2,31,040	2,86,584	3,54,209
Add. Depreciation	36,823	41,212	43,839	47,239
Add. Interest	35,459	33,344	33,813	34,200
Less Financial Other Income	41,580	41,248	46,427	51,226
Add. Other	(27,203)	(37,336)	-	-
Op. profit before WC changes	2,49,314	2,68,260	3,64,237	4,35,648
Net Changes-WC	(13,851)	(1,20,642)	(92,467)	(1,37,861)
Direct tax	(52,801)	(56,011)	(72,219)	(90,323)
Net cash from Op. activities	1,82,663	91,607	1,99,550	2,07,465
Capital expenditures	(90,999)	(58,249)	(25,000)	(30,000)
Interest / Dividend Income	26,342	22,278	-	-
Others	86,287	(1,19,204)	(71,148)	(21,392)
Net Cash from Inv. activities	21,630	(1,55,175)	(96,148)	(51,392)
Issue of share cap. / premium	97	93	-	-
Debt changes	(41,024)	1,57,146	15,000	15,000
Dividend paid	(42,170)	(38,496)	(38,510)	(57,512)
Interest paid	(36,055)	(36,095)	(33,813)	(34,200)
Others	(12,025)	(16,796)	-	-
Net cash from Fin. activities	(1,31,176)	65,853	(57,323)	(76,712)
Net change in cash	73,117	2,285	46,079	79,361
Free Cash Flow	1,37,498	47,419	1,74,550	1,77,465

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	94.3	106.9	134.9	168.8
CEPS	121.0	136.9	166.8	203.1
BVPS	627.9	710.0	837.9	987.9
FCF	100.0	34.5	126.9	129.0
DPS	28.0	28.0	41.8	42.2
Return Ratio(%)				
RoCE	9.7	10.4	11.6	12.2
ROIC	9.8	11.3	12.7	13.1
RoE	14.8	16.0	17.4	18.5
Balance Sheet				
Net Debt : Equity (x)	0.7	0.6	0.5	0.6
Net Working Capital (Days)	3	13	2	-
Valuation(x)				
PER	37.1	32.7	25.9	20.7
P/B	5.6	4.9	4.2	3.5
P/CEPS	121.0	136.9	166.8	203.1
EV/EBITDA	23.2	20.6	16.9	14.7
EV/Sales	2.5	2.1	1.8	1.7
Dividend Yield (%)	0.8	0.8	1.2	1.2

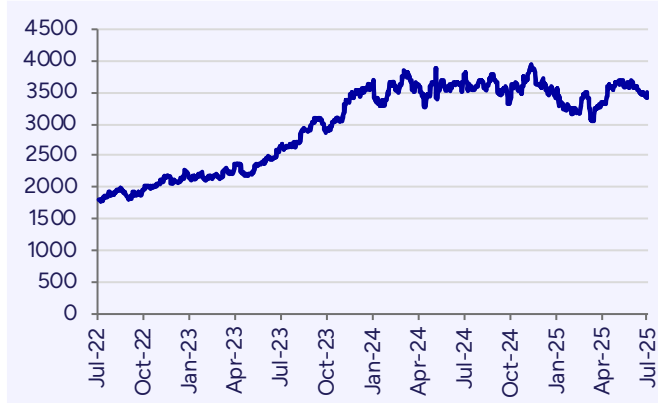
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	6,15,546	6,46,678	7,43,923	6,36,789
YoY gr. (%)	21.9	17.3	10.9	15.5
Raw Material Expenses	3,94,575	4,19,719	4,90,653	4,02,308
Gross Profit	2,20,971	2,26,959	2,53,270	2,34,481
Margin (%)	35.9	35.1	34.0	36.8
EBITDA	63,620	62,549	82,025	63,177
YoY gr. (%)	24.3	8.6	13.4	12.5
Margin (%)	10.3	9.7	11.0	9.9
Depreciation / Depletion	10,238	10,470	10,524	10,333
EBIT	53,382	52,079	71,501	52,844
Margin (%)	8.7	8.1	9.6	8.3
Net Interest	8,844	8,427	7,459	7,816
Other Income	11,013	9,679	11,351	13,568
Profit before Tax	55,551	53,330	80,140	58,595
Margin (%)	9.0	8.2	10.8	9.2
Total Tax	14,423	13,320	18,806	15,340
Effective tax rate (%)	26.0	25.0	23.5	26.2
Profit after Tax	41,128	40,010	61,334	43,256
Minority interest	7,036	6,151	6,586	7,010
Share Profit from Associates	(140)	(271)	224	(74)
Adjusted PAT	33,953	33,588	51,339	36,172
YoY gr. (%)	20.1	14.0	18.8	29.8
Margin (%)	5.5	5.2	6.9	5.7
Extra Ord. Income / (Exp)	-	-	3,634	-
Reported PAT	33,953	33,588	54,973	36,172
YoY gr. (%)	5.4	14.0	25.0	29.8
Margin (%)	5.5	5.2	7.4	5.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	33,953	33,588	54,973	36,172
Avg. Shares O/s (m)	1,375	1,375	1,375	1,375
EPS (Rs)	24.7	24.4	37.3	26.3

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Jul-25	BUY	4,037	3,607
2	09-May-25	BUY	4,004	3,324
3	09-Apr-25	BUY	3,920	3,161
4	31-Jan-25	BUY	4,025	3,421
5	09-Jan-25	BUY	4,088	3,596
6	31-Oct-24	BUY	4,088	3,408
7	07-Oct-24	BUY	4,130	3,494

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	BUY	6,851	5,840
2	Apar Industries	Accumulate	7,825	8,600
3	BEML	Hold	4,142	4,522
4	Bharat Electronics	Hold	374	422
5	BHEL	Hold	237	258
6	Carborundum Universal	Hold	1,028	994
7	Cummins India	BUY	3,647	3,478
8	Elgi Equipments	Accumulate	559	535
9	Engineers India	Accumulate	250	242
10	GE Vernova T&D India	Accumulate	2,005	2,383
11	Grindwell Norton	Hold	1,739	1,635
12	Harsha Engineers International	Accumulate	398	405
13	Hindustan Aeronautics	Accumulate	5,500	5,003
14	Ingersoll-Rand (India)	BUY	4,522	4,045
15	Kalpataru Projects International	Accumulate	1,268	1,190
16	KEC International	Accumulate	911	878
17	Kirloskar Pneumatic Company	BUY	1,636	1,316
18	Larsen & Toubro	BUY	4,037	3,607
19	Praj Industries	BUY	545	497
20	Siemens	Accumulate	3,497	3,291
21	Thermax	Accumulate	3,629	3,435
22	Triveni Turbine	BUY	772	640
23	Voltamp Transformers	BUY	10,285	9,420

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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