ADD

Larsen & Toubro

Execution miss weighs on margins; strong orderbook intact

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Engineering & Capital Goods ▸ Result Update ▸ **May 06, 2026** | **CMP (Rs): 4,055 | TP (Rs): 4,450**

We downgrade Larsen & Toubro (LT) to ADD from Buy, while cutting our SOTP-based TP by 7.3% to Rs4,450 from Rs4,800, valuing the core business at 27x FY28E earnings. LT's Q4FY26 performance came below expectations, with revenue/EBITDA growing 11%/5% YoY to Rs828bn/Rs86bn (vs estimate of Rs848bn/Rs91bn). Domestic execution was subdued, while international revenue grew a strong 20% YoY, supporting overall growth. EBITDA margin stood at 10.4%, down by 60bps YoY, with core margins declining by 50bps YoY to 9.4%. PAT decreased 3% YoY to Rs53bn. On a positive note, order inflow at Rs898bn and order book at Rs7.4trn exceeded expectations despite deferrals and along with a notable improvement in net working capital to 4.1% and RoE of 16.6%. Having surpassed its Lakshya 26 targets, the company has outlined its Lakshya 31 roadmap, targeting order inflow/revenue/RoE CAGR of 10–12%/12-15%/16-17% over FY26-31E. For FY27E, the management gave guidance for order inflow and revenue growth of 10-12% each, with EBITDA margin at ~7.8%, while indicating a relatively softer first half.

Q4FY26 results – Broadly below estimates; order inflow shines

L&T's core revenue grew 11% YoY at Rs628bn, mainly supported by Energy (+36% YoY) and Hi-tech manufacturing (+45% YoY). Infrastructure was muted, with flat growth during the quarter due to slow execution in a few large projects, impacting overall growth. Domestic execution was subdued, while international revenue grew a strong 20% YoY, supporting overall growth. EBITDA margin came in at 10.4%, declining by 60bps YoY. While Infra margin improved by 80bps YoY to 8.8%, Energy/Hi-tech/Others saw weakness. Order inflow came in at a healthy Rs898bn, supported by a 26% YoY jump in Infra, with a few ultra-mega order wins during the quarter.

Lakshya 31 – A strategic growth plan

L&T's 'Lakshya 31' is a strategic roadmap aimed at scaling up high-margin segments such as services, technology, and international EPC, while maintaining disciplined execution in its core infrastructure business. In line with this vision, the company has laid out an ambitious capex plan across emerging and core segments, including Rs50bn for Industrial and Defense electronics' manufacturing, Rs30bn for Semiconductor, Rs150bn for Green Hydrogen, Rs100bn on Data Center, Rs44bn for Realty business, and finally Rs50bn for the Hydrocarbon and Shipbuilding business.

View and valuations

Despite the strong order inflow and robust backlog, L&T's Q4FY26/FY26 performance was impacted by weaker execution and margin pressures. We expect a gradual recovery, as higher share of the international order book amid the ongoing West Asia conflict remains a near-term overhang. Accordingly, we cut FY27E/FY28E EPS by 9%/8%, factoring in the lower revenue growth and EBITDA margin assumptions. We downgrade the stock to ADD, with revised down SOTP-based target price of Rs4,450.

Target Price – 12M	Mar-27
Change in TP (%)	**(7.3)**
Current Reco.	ADD
Previous Reco.	BUY
Upside/(Downside) (%)	9.7

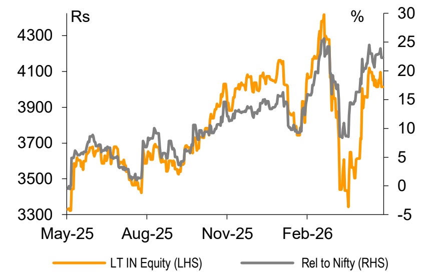
Stock Data	**LT IN**
52-week High (Rs)	4,440
52-week Low (Rs)	3,284
Shares outstanding (mn)	1,375.6
Market-cap (Rs bn)	5,578
Market-cap (USD mn)	58,531
Net-debt, FY27E (Rs mn)	1,041,571.0
ADTV-3M (mn shares)	2.8
ADTV-3M (Rs mn)	14,835.3
ADTV-3M (USD mn)	155.7
Free float (%)	100.0
Nifty-50	24,032.8
INR/USD	95.3

Shareholding, Mar-26	
Promoters (%)	0.0
FPIs/MFs (%)	18.6/42.9

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	12.2	(0.2)	21.7
Rel. to Nifty	6.1	6.5	23.9

1-Year share price trend (Rs)



Larsen & Toubro: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	2,557,345	2,858,743	3,199,615	3,718,967	4,182,417
EBITDA	264,347	291,511	331,987	390,978	439,252
Adj. PAT	145,624	173,590	208,614	251,972	287,805
Adj. EPS (Rs)	105.9	126.2	151.6	183.2	209.2
EBITDA margin (%)	10.3	10.2	10.4	10.5	10.5
EBITDA growth (%)	12.5	10.3	13.9	17.8	12.3
Adj. EPS growth (%)	12.3	19.2	20.2	20.8	14.2
RoE (%)	15.8	16.8	17.9	18.8	18.7
RoIC (%)	10.4	11.3	13.3	15.3	15.6
P/E (x)	37.1	34.7	26.7	22.1	19.4
EV/EBITDA (x)	24.8	22.5	19.8	16.8	14.9
P/B (x)	5.7	5.1	4.5	3.9	3.4
FCFF yield (%)	0.7	3.6	1.7	2.7	(0.5)

Source: Company, Emkay Research

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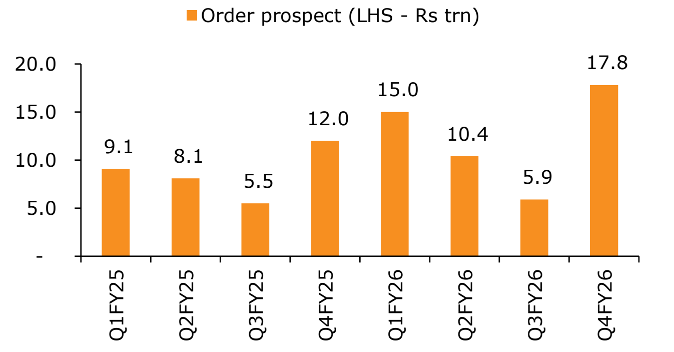
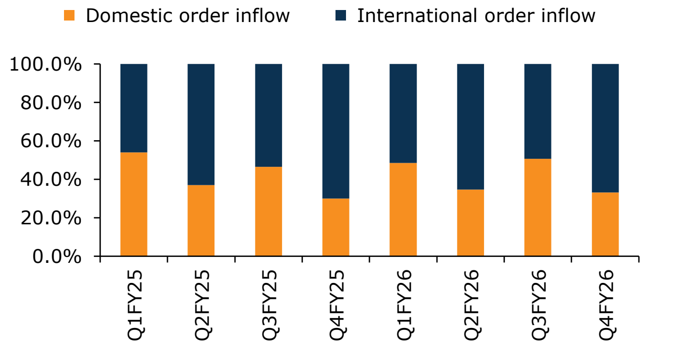
Story in Charts

Exhibit 1: Order prospects stand at Rs17.8trn for FY27



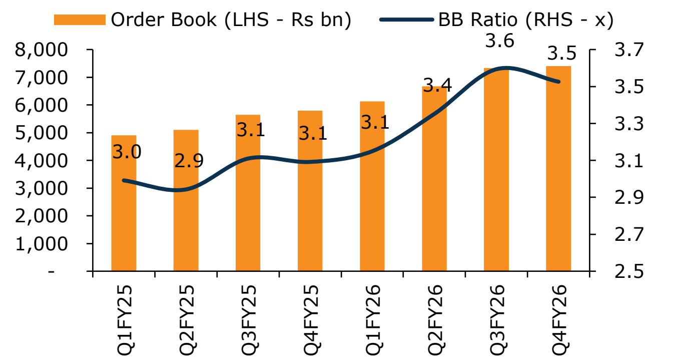
Source: Company, Emkay Research

Exhibit 2: International order inflows account for 66% of the total inflow of Q4FY26



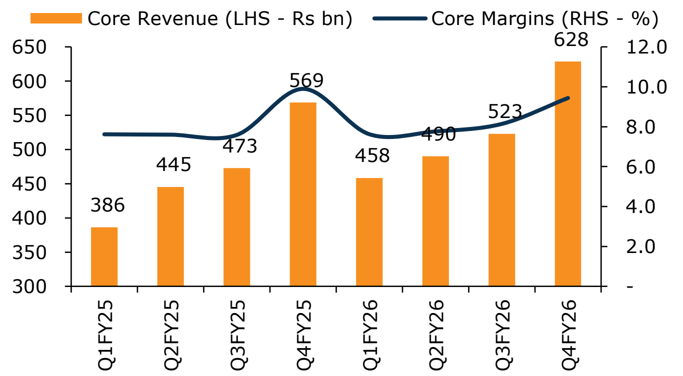
Source: Company, Emkay Research

Exhibit 3: Consolidated order book rose to Rs7.4trn (BB ratio: 3.5x)



Source: Company, Emkay Research

Exhibit 4: Q4FY26 core revenue grew 10.5% YoY to Rs628bn



Source: Company, Emkay Research

Exhibit 5: L&T's consolidated SoTP-based valuation

Business	Valuation method (Mar-28E)	Value driver (Rs bn)	Multiple (x)	Value (Rs)	L&T's stake	L&T's value (Rs bn)	Value - Mar-28E (Rs/sh)
L&T core E&C business	PER	165	27	4,462	100.0%	4,462	3,245
L&T Finance Holdings	P/B	303	2	728	66.0%	384	279
Development Projects	P/BV	50	1	50	100.0%	50	36
LTI Mindtree	PER	71	20	1,412	68.5%	774	563
LTTS	PER	18	22	393	73.6%	231	168
Cash and cash Equivalent	P/B	208	1	208	100.0%	208	152
Total						**6,110**	**4,450**

Source: Company, Emkay Research

Exhibit 6: Quarterly and nine-month financial analysis

Y/E Mar (Rs mn)	Q4FY25	Q3FY26	Q4FY26	YoY (%)	QoQ (%)	FY25	FY26	YoY (%)
Revenue	743,923	714,497	827,622	11.3	15.8	2,557,345	2,858,743	11.8
Material cost	490,653	462,886	557,333	13.6	20.4	1,646,707	1,858,412	12.9
as % of sales	*66.0*	*64.8*	*67.3*	*139bps*	*256bps*	*64.4*	*65.0*	*62bps*
Employee Cost	123,573	127,999	137,629	11.4	7.5	467,687	521,872	11.6
as % of sales	*16.6*	*17.9*	*16.6*	*2bps*	*-129bps*	*18.3*	*18.3*	*-3bps*
Other expenditure	47,672	49,444	46,557	(2.3)	(5.8)	178,604	186,947	4.7
as % of sales	*6.4*	*6.9*	*5.6*	*-78bps*	*-129bps*	*7.0*	*6.5*	*-44bps*
Total expenditure	**661,897**	**640,329**	**741,519**	**12.0**	**15.8**	**2,292,997**	**2,567,232**	**12.0**
EBITDA	**82,025**	**74,168**	**86,103**	**5.0**	**16.1**	**264,347**	**291,511**	**10.3**
Depreciation	10,524	10,717	11,680	11.0	9.0	41,212	43,648	5.9
EBIT	**71,501**	**63,451**	**74,423**	**4.1**	**17.3**	**223,136**	**247,864**	**11.1**
Other Income	11,351	14,410	15,786	39.1	9.5	41,248	57,607	39.7
Interest	7,459	6,251	6,793	(8.9)	8.7	33,344	28,488	(14.6)
PBT	**75,392**	**71,610**	**83,416**	**10.6**	**16.5**	**231,040**	**276,983**	**19.9**
Taxes	18,806	19,880	20,928	11.3	5.3	58,914	72,637	23.3
PAT	**56,587**	**51,730**	**62,489**	**10.4**	**20.8**	**172,126**	**204,345**	**18.7**
Extraordinary/Exceptional item	4,748	(13,437)	687			4,748	(12,750)	(368.5)
Add: Profit from associates	224	(47)	(1,845)			(141)	(2,056)	
Less: Minority interest	6,586	6,095	8,075			26,362	28,699	
Reported PAT	**54,973**	**32,151**	**53,256**	**(3.1)**	**65.6**	**150,371**	**160,840**	**7.0**
(%)								
Gross margin	34.0	35.2	32.7	-139bps	-256bps	35.6	35.0	-62bps
EBITDAM	11.0	10.4	10.4	-62bps	2bps	10.3	10.2	-14bps
EBITM	9.6	8.9	9.0	-62bps	11bps	8.7	8.7	-5bps
PBTM	10.1	10.0	10.1	-6bps	6bps	9.0	9.7	65bps
PATM	7.6	7.2	7.6	-6bps	31bps	6.7	7.1	42bps
Effective Tax rate	24.9	27.8	25.1	14bps	-267bps	25.5	26.2	73bps

Source: Company, Emkay Research

Exhibit 7: Segmental breakup of order inflow and backlog

Order Intake (Rs mn)	Q4FY25	Q3FY26	Q4FY26	YoY (%)	QoQ (%)	FY25	FY26	YoY (%)
Infrastructure Projects	345,800	618,760	434,770	25.7	(29.7)	1,732,250	1,990,630	14.9
Energy Projects	322,010	460,490	212,960	(33.9)	(53.8)	875,680	1,369,210	56.4
Hi-Tech Manufacturing	22,630	21,680	17,270	(23.7)	(20.3)	182,830	83,660	(54.2)
IT & Technology Services	124,810	135,260	140,780	12.8	4.1	478,450	534,970	11.8
Financial Services	38,120	44,770	46,690	22.5	4.3	151,940	172,830	13.7
Development Projects	12,270	11,590	11,710	(4.6)	1.0	53,720	51,030	(5.0)
Others	30,500	63,250	33,540	10.0	(47.0)	91,450	153,560	67.9
Total	**896,140**	**1,355,800**	**897,720**	**0.2**	**(33.8)**	**3,566,320**	**4,355,890**	**22.1**
Core order intake	**720,940**	**1,164,180**	**698,540**	**(3.1)**	**(40.0)**	**2,882,210**	**3,597,060**	**24.8**
Order Book (Rs mn)	**Q4FY25**	**Q3FY26**	**Q4FY26**	**YoY (%)**	**QoQ (%)**	**FY25**	**FY26**	**YoY (%)**
Infrastructure Projects	3,570,530	4,249,370	4,225,620	18.3	(0.6)	3,570,530	4,225,620	18.3
Energy Projects	1,657,540	2,478,610	2,584,720	55.9	4.3	1,657,540	2,584,720	55.9
Hi-Tech Manufacturing	403,880	378,650	353,120	(12.6)	(6.7)	403,880	353,120	(12.6)
Others	159,420	224,980	239,810	50.4	6.6	159,420	239,810	50.4
Total	**5,791,370**	**7,331,610**	**7,403,270**	**27.8**	**1.0**	**5,791,370**	**7,403,270**	**27.8**

Source: Company, Emkay Research

Exhibit 8: Segmental analysis of revenue and EBITDA margin

Revenue (Rs mn)	Q4FY25	Q3FY26	Q4FY26	YoY (%)	QoQ (%)	FY25	FY26	YoY (%)
Infrastructure Projects	389,010	337,000	396,940	2.0	17.8	1,299,000	1,339,100	3.1
Energy Projects	122,490	127,260	165,940	35.5	30.4	406,640	548,600	34.9
Hi-Tech Manufacturing	33,540	32,670	48,610	44.9	48.8	96,950	141,100	45.5
IT & Technology Services	124,810	135,260	140,780	12.8	4.1	478,500	534,970	11.8
Financial Services	38,120	44,770	46,690	22.5	4.3	151,940	172,834	13.8
Development Projects	12,270	11,600	11,750	(4.2)	1.3	53,700	51,170	(4.7)
Others	23,690	25,940	16,900	(28.7)	(34.8)	78,164	79,780	2.1
Total	**743,930**	**714,500**	**827,610**	**11.2**	**15.8**	**2,564,894**	**2,867,554**	**11.8**
Less: Inter-segment revenue	11,280	8,024	10,199	(9.6)	27.1	32,862	31,739	(3.4)
Net segment revenue	**732,650**	**706,476**	**817,411**	**11.6**	**15.7**	**2,532,032**	**2,835,815**	**12.0**
Core Revenue	**568,730**	**522,870**	**628,390**	**10.5**	**20.2**	**1,880,754**	**2,108,580**	**12.1**
EBITDA (Rs mn)	**Q4FY25**	**Q3FY26**	**Q4FY26**	**YoY (%)**	**QoQ (%)**	**FY25**	**FY26**	**YoY (%)**
Infrastructure Projects	31,121	20,557	34,931	12.2	69.9	83,136	92,398	11.1
Energy Projects	9,922	7,508	10,990	10.8	46.4	34,378	37,152	8.1
Hi-Tech Manufacturing	6,540	5,979	8,701	33.0	45.5	16,819	23,827	41.7
IT & Technology Services	22,715	26,646	27,452	20.9	3.0	93,308	104,319	11.8
Financial Services	8,055	10,210	10,793	34.0	5.7	34,937	42,343	21.2
Development Projects	4,037	2,390	2,421	(40.0)	1.3	10,686	8,597	(19.6)
Others	8,694	8,508	4,681	(46.2)	(45.0)	20,615	22,201	
Total	**91,085**	**81,798**	**99,969**	**9.8**	**22.2**	**293,879**	**330,836**	**12.6**
Core EBITDA	**56,277**	**42,552**	**59,304**	**5.4**	**39.4**	**154,949**	**175,577**	**13.3**
EBITDA Margin (%)	**Q4FY25**	**Q3FY26**	**Q4FY26**	**YoY (bps)**	**QoQ (bps)**	**FY25**	**FY26**	**YoY (%)**
Infrastructure Projects	8.0	6.1	8.8	80bps	270bps	6.4	6.9	7.8
Energy Projects	8.1	5.9	6.6	-148bps	72bps	8.5	6.8	(19.9)
Hi-Tech Manufacturing	19.5	18.3	17.9	-160bps	-40bps	17.3	16.9	(2.7)
IT & Technology Services	18.2	19.7	19.5	130bps	-20bps	19.5	19.5	-
Financial Services	21.1	22.8	23.1	198bps	31bps	23.0	24.5	6.5
Development Projects	32.9	20.6	20.6	-1230bps	0bps	19.9	16.8	(15.6)
Others	36.7	32.8	27.7	-900bps	-510bps	26.4	27.8	5.5
Total	**12.4**	**11.6**	**12.2**	**-20bps**	**65bps**	**11.6**	**11.7**	**0.5**
Core EBITDA Margin	**9.9**	**8.1**	**9.4**	**-46bps**	**130bps**	**8.2**	**8.3**	**1.1**

Source: Company, Emkay Research

Exhibit 9: Change in estimates

(Rs mn)	FY26E	FY27E			FY28E			FY29E	FY26-29E
	Actuals	Old	New	Change	Old	New	Change	Introduced	CAGR
Revenue	2,858,743	3,434,807	3,199,615	-6.8%	3,982,862	3,718,967	-6.6%	4,182,417	13.5%
EBITDA	291,511	356,702	331,987	-6.9%	416,392	390,978	-6.1%	439,252	14.6%
EBITDA margin	10.2%	10.4%	10.4%	-1bps	10.5%	10.5%	6bps	10.5%	
PAT	160,840	228,946	208,614	-8.9%	273,507	251,972	-7.9%	287,805	21.4%
EPS (Rs)	116.9	166.5	151.6	-8.9%	199.0	183.2	-8.0%	209.2	21.4%
PER (x)	34.7	24.4	26.7		20.4	22.1		19.4	

Source: Company, Emkay Research

Concall KTAs

Guidance and Lakshya 2031 targets

- The management has guided for 10–12% YoY order inflow growth in FY27, with H1FY27 likely to be softer due to geopolitical disruptions, followed by recovery in H2.
- Under Lakshya 2031 (FY26–31), following the successful execution of Lakshya 2026, the company targets 10-12% CAGR in order inflows, 12-15% CAGR in revenue, and RoE of 16-17%.
- Order inflow prospects for FY27 stand at Rs18trn, led by Infrastructure (Rs9.4trn), Conventional Energy (Rs5.4trn), and Green Energy (Rs2.5trn).
- Capex outlook for FY27 includes Rs25bn in Projects & Manufacturing (PP&M), Rs10bn in Electronics, and Rs20bn in Data centers.
- Under Lakshya 2031, L&T is actively diversifying geographically into Europe (offshore wind and modular EPC), Southeast Asia (renewables, particularly Indonesia), and Korea/Taiwan (offshore wind), with a parallel push toward modular fabrication in India and the Middle East, enabling reduced on-site execution intensity and positioning the company to scale a more standardized, geography-agnostic EPC model.

West Asia impact and outlook

- The company witnessed supply chain and energy-related disruptions in the Middle East during the quarter due to ongoing geopolitical tensions.
- The management maintains a positive medium-term outlook for the region, supported by a strong investment cycle.
- All project sites remain fully operational, with no damage reported and, given the government-led nature of projects, no cancellations or payment risks are expected.
- Logistics and insurance costs have increased materially, and discussions are underway with customers to pass through these incremental costs.

Other highlights

- Revenue growth for FY26 came in at 12% vs 15% guidance, with the miss attributed to subdued water segment execution, pending project clearances, and March disruptions from the West Asia conflict.
- The order book grew ~28% YoY to Rs7.4trn, driven by multiple ultra-mega orders across sectors and geographies, with international share at ~52%.
- Divestment of Nabha Power and Hyderabad Metro is progressing well and expected to be completed by Q1FY27, in line with the strategy to exit the concessions portfolio and improve capital efficiency.
- The management highlighted that energy segment margins were impacted by cost overruns and legacy project-related cost drags, which have now largely phased out, with gradual margin improvement expected.
- Consolidated margins moderated in the quarter due to disruptions in March and change in revenue mix, though underlying execution trends are stable.
- FY26 RoE stood at 15.5%, seeing a 110bps hit due to one-time labor code changes, while working capital improved significantly to 4% of revenue, driven by higher customer advances and improved collections.
- The company is scaling up its data center business with focus on AI-led infrastructure (GPU-based), and targets ~200MW capacity (with ~30MW operational), following a non-leasing model, and aiming for ~13–14% returns while committing Rs20bn capex in FY27.
- The management highlighted that private sector share in the domestic order book surged from 21% in Mar-25 to 39% in Mar-26, driven by thermal power, data centers, semiconductor, solar EPC, and residential real estate.

Larsen & Toubro: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**2,557,345**	**2,858,743**	**3,199,615**	**3,718,967**	**4,182,417**
Revenue growth (%)	15.7	11.8	11.9	16.2	12.5
EBITDA	**264,347**	**291,511**	**331,987**	**390,978**	**439,252**
EBITDA growth (%)	12.5	10.3	13.9	17.8	12.3
Depreciation & Amortization	41,212	43,648	44,033	45,221	46,019
EBIT	**223,136**	**247,864**	**287,953**	**345,757**	**393,233**
EBIT growth (%)	12.6	11.1	16.2	20.1	13.7
Other operating income	-	-	-	-	-
Other income	41,248	57,607	62,202	68,422	75,264
Financial expense	33,344	28,488	29,617	31,093	32,643
PBT	**231,040**	**276,983**	**320,538**	**383,086**	**435,854**
Extraordinary items	4,748	(12,750)	0	0	0
Taxes	58,914	72,637	80,776	96,538	109,835
Minority interest	(26,362)	(28,699)	(30,948)	(34,377)	(38,014)
Income from JV/Associates	(141)	(2,056)	(200)	(200)	(200)
Reported PAT	**150,371**	**160,840**	**208,614**	**251,972**	**287,805**
PAT growth (%)	15.2	7.0	29.7	20.8	14.2
Adjusted PAT	**145,624**	**173,590**	**208,614**	**251,972**	**287,805**
Diluted EPS (Rs)	**105.9**	**126.2**	**151.6**	**183.2**	**209.2**
Diluted EPS growth (%)	12.3	19.2	20.2	20.8	14.2
DPS (Rs)	**34.7**	**38.0**	**42.0**	**46.0**	**50.0**
Dividend payout (%)	**31.8**	**32.5**	**27.7**	**25.1**	**23.9**
EBITDA margin (%)	10.3	10.2	10.4	10.5	10.5
EBIT margin (%)	8.7	8.7	9.0	9.3	9.4
Effective tax rate (%)	25.5	26.2	25.2	25.2	25.2
NOPLAT (pre-IndAS)	**166,237**	**182,863**	**215,389**	**258,626**	**294,138**
Shares outstanding (mn)	1,376	1,376	1,376	1,376	1,376

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	2,750	2,750	2,750	2,750	2,750
Reserves & Surplus	973,806	1,090,147	1,241,003	1,429,716	1,648,761
Net worth	**976,556**	**1,092,897**	**1,243,753**	**1,432,466**	**1,651,511**
Minority interests	177,481	192,407	223,355	257,731	295,745
Non current liabilities & prov.	32,596	39,807	39,807	39,807	39,807
Total debt	**1,295,593**	**1,216,830**	**1,216,830**	**1,216,830**	**1,216,830**
Total liabilities & equity	**2,482,226**	**2,541,941**	**2,723,745**	**2,946,834**	**3,203,894**
Net tangible fixed assets	141,286	156,630	164,151	173,930	201,910
Net intangible assets	255,971	105,845	105,845	105,845	105,845
Net ROU assets	28,690	37,738	37,738	37,738	37,738
Capital WIP	23,909	30,363	50,000	50,000	50,000
Goodwill	-	-	-	-	-
Investments [JV/Associates]	548,053	683,768	802,818	945,677	1,117,109
Cash & equivalents	**229,653**	**208,477**	**175,260**	**186,537**	**(43,229)**
Current assets (ex-cash)	2,567,680	3,096,464	3,368,238	3,777,071	4,365,651
Current Liab. & Prov.	1,313,015	1,773,897	1,980,304	2,329,964	2,631,130
NWC (ex-cash)	**1,254,665**	**1,322,567**	**1,387,935**	**1,447,108**	**1,734,521**
Total assets	**2,482,226**	**2,541,941**	**2,723,745**	**2,946,834**	**3,203,894**
Net debt	1,065,940	1,008,354	1,041,571	1,030,293	1,260,059
Capital employed	2,449,630	2,502,134	2,683,938	2,907,028	3,164,087
Invested capital	**1,651,921**	**1,581,596**	**1,657,930**	**1,726,882**	**2,042,276**
BVPS (Rs)	709.9	794.5	904.1	1,041.3	1,200.5
Net Debt/Equity (x)	1.1	0.9	0.8	0.7	0.8
Net Debt/EBITDA (x)	4.0	3.5	3.1	2.6	2.9
Interest coverage (x)	7.9	10.7	11.8	13.3	14.4
RoCE (%)	**11.5**	**12.3**	**13.5**	**14.8**	**15.4**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	189,651	217,319	258,136	314,464	360,390
Others (non-cash items)	-	-	-	-	-
Taxes paid	(58,914)	(72,637)	(80,776)	(96,538)	(109,835)
Change in NWC	(110,083)	(70,331)	(65,367)	(59,173)	(287,413)
Operating cash flow	**95,210**	**146,487**	**185,644**	**235,068**	**41,804**
Capital expenditure	(47,096)	88,126	(74,638)	(55,000)	(74,000)
Acquisition of business	(91,575)	(135,715)	(119,050)	(142,860)	(171,432)
Interest & dividend income	41,248	57,607	62,202	68,422	75,264
Investing cash flow	**(97,422)**	**10,018**	**(131,486)**	**(129,438)**	**(170,168)**
Equity raised/(repaid)	1	0	0	0	0
Debt raised/(repaid)	155,196	(78,763)	0	0	0
Payment of lease liabilities	(125)	592	0	0	0
Interest paid	(33,344)	(28,488)	(29,617)	(31,093)	(32,643)
Dividend paid (incl tax)	(47,787)	(52,257)	(57,758)	(63,259)	(68,760)
Others	4,340	(18,765)	-	-	-
Financing cash flow	**78,281**	**(177,682)**	**(87,375)**	**(94,352)**	**(101,402)**
Net chg in Cash	76,069	(21,177)	(33,217)	11,278	(229,766)
OCF	95,210	146,487	185,644	235,068	41,804
Adj. OCF (w/o NWC chg.)	205,293	216,818	251,011	294,241	329,217
FCFF	48,114	234,613	111,006	180,068	(32,196)
FCFE	56,018	263,732	143,591	217,396	10,425
OCF/EBITDA (%)	36.0	50.3	55.9	60.1	9.5
FCFE/PAT (%)	37.3	164.0	68.8	86.3	3.6
FCFF/NOPLAT (%)	**28.9**	**128.3**	**51.5**	**69.6**	**(10.9)**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	37.1	34.7	26.7	22.1	19.4
P/CE(x)	29.9	25.7	22.1	18.8	16.7
P/B (x)	5.7	5.1	4.5	3.9	3.4
EV/Sales (x)	2.6	2.3	2.1	1.8	1.6
EV/EBITDA (x)	24.8	22.5	19.8	16.8	14.9
EV/EBIT(x)	29.4	26.5	22.8	19.0	16.7
EV/IC (x)	4.0	4.2	4.0	3.8	3.2
FCFF yield (%)	0.7	3.6	1.7	2.7	(0.5)
FCFE yield (%)	1.0	4.7	2.6	3.9	0.2
Dividend yield (%)	0.9	0.9	1.0	1.1	1.2
DuPont-RoE split					
Net profit margin (%)	5.7	6.1	6.5	6.8	6.9
Total asset turnover (x)	1.1	1.2	1.2	1.3	1.4
Assets/Equity (x)	2.5	2.4	2.2	2.1	2.0
RoE (%)	**15.8**	**16.8**	**17.9**	**18.8**	**18.7**
DuPont-RoIC					
NOPLAT margin (%)	6.5	6.4	6.7	7.0	7.0
IC turnover (x)	1.6	1.8	2.0	2.2	2.2
RoIC (%)	**10.4**	**11.3**	**13.3**	**15.3**	**15.6**
Operating metrics					
Core NWC days	179.1	168.9	158.3	142.0	151.4
Total NWC days	**179.1**	**168.9**	**158.3**	**142.0**	**151.4**
Fixed asset turnover	4.8	5.5	6.4	6.7	6.8
Opex-to-revenue (%)	25.3	24.8	24.1	22.5	21.8

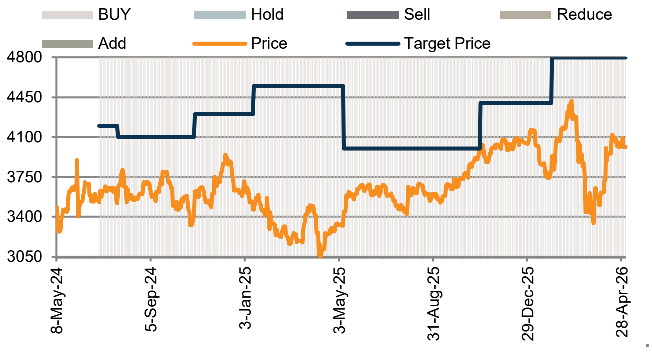
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
04-Mar-26	3,883	4,800	Buy	Ashwani Sharma
29-Jan-26	3,933	4,800	Buy	Ashwani Sharma
21-Nov-25	4,025	4,400	Buy	Ashwani Sharma
30-Oct-25	3,988	4,400	Buy	Ashwani Sharma
30-Jul-25	3,665	4,000	Buy	Ashwani Sharma
16-Jun-25	3,629	4,000	Buy	Ashwani Sharma
09-May-25	3,444	4,000	Buy	Ashwani Sharma
09-Mar-25	3,245	4,550	Buy	Ashwani Sharma
31-Jan-25	3,567	4,550	Buy	Ashwani Sharma
14-Jan-25	3,463	4,550	Buy	Ashwani Sharma
31-Oct-24	3,622	4,300	Buy	Ashwani Sharma
25-Jul-24	3,619	4,100	Buy	Ashwani Sharma
01-Jul-24	3,527	4,200	Buy	Ashwani Sharma

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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