

We maintain BUY on L&T while cutting our SOTP-based Mar-26E TP by ~12% to Rs4,000 (upside of 20%). L&T's resilient Q4/FY25 performance reflects in its well-diversified range of engineering and manufacturing capabilities as well as exposure to multiple geographies and end-customers. As a result, revenue/EBITDA/PAT grew 11%/13%/17% YoY, supported by 30bps YoY core EBITDA margin expansion, along with strong cash flows and RoE of ~16%. This was mainly led by continued momentum in international execution. Order inflow remained strong with large marquee orders across multiple geographies for Q4 and FY25. The management pointed to a considerably strong prospect pipeline of Rs19trn for FY26 (Rs12.1trn for FY25), leading to strong order inflow visibility. Slowdown in execution and delay in order inflow conversion due to geopolitical tensions remain key near-term concerns.

Order inflow continues to be robust

L&T's Q4/FY25 P&M order inflow stands at Rs721bn/Rs2.9trn, up 29%/20% YoY. For FY25, growth was led by Infrastructure (+22% YoY), Energy (+19% YoY), and Hi-Tech Manufacturing (+28% YoY). BTG order from NTPC, Hydrocarbon, Defense (k-9 Vajra-T guns), and the Solar PV Battery Storage Gigascale project in Abu Dhabi and the Offshore Compression project in Qatar were the key notable orders during the year. International share in P&M formed 71% of the order inflow during the quarter. Per the management, the order pipeline remains robust in the Middle East, in areas like Energy Transition, Hydrocarbon, and other infrastructure, etc. Overall prospective pipeline for FY26 stands at Rs19trn, up 57% YoY.

Key beneficiary of capex tailwinds due to large scale and capability

With unmatched scale and capability, L&T is well placed to navigate short-term volatility in the capex cycle, while benefiting from long-term tailwinds of capex growth in India and overseas (Middle East). In the domestic market, we expect government capex to be meaningful after some softness in FY25. In overseas markets too, L&T has significantly upgraded its skills/capabilities in the Middle East, emerging as the top contractor in terms of project awards in Saudi Arabia in 2023. Order book of Rs5,791bn, at over 3.1x annual revenue, provides enough cushion against the risk of any capex consolidation.

We reiterate BUY with lower TP

We lower our earnings by 7-8% for FY26/27E, by building in lower EBITDA margin owing to lower near-term profitability in the hydrocarbon business and increased fixed-price order backlog, from 42% to 46%. L&T is trading at core P&M multiple of 25x/20x FY26E/27E EPS, and offers an attractive risk-reward, in our view, given strong EPS CAGR (+23%) over FY25-27E, strong return profile with RoE moving toward 19% in FY27E, and robust cash flows and balance sheet. L&T's current multiple is at a discount to the historical average (23x), and is attractive vs broader industrial/infra space, while offering strong earnings growth and higher RoE.

Target Price – 12M	Mar-26
Change in TP (%)	(12.1)
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	20.3

Stock Data	LT IN
52-week High (Rs)	3,964
52-week Low (Rs)	2,965
Shares outstanding (mn)	1,375.2
Market-cap (Rs bn)	4,571
Market-cap (USD mn)	53,326
Net-debt, FY26E (Rs mn)	1,069,766
ADTV-3M (mn shares)	2
ADTV-3M (Rs mn)	7,263.3
ADTV-3M (USD mn)	84.7
Free float (%)	0.0
Nifty-50	24,273.8
INR/USD	85.7

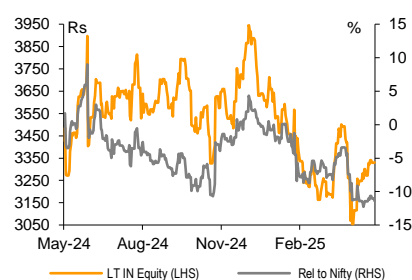
Shareholding, Mar-25

Promoters (%)	0.0
FPIs/MFs (%)	19.6/42.2

Price Performance

(%)	1M	3M	12M
Absolute	5.2	(0.4)	(4.7)
Rel. to Nifty	(2.4)	(3.3)	(12.4)

1-Year share price trend (Rs)



Larsen & Toubro: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	2,211,129	2,557,345	2,879,528	3,278,120	3,642,229
EBITDA	234,937	264,347	301,808	347,836	389,974
Adj. PAT	129,655	145,624	171,769	209,523	239,987
Adj. EPS (Rs)	94.3	105.9	125.0	152.4	174.6
EBITDA margin (%)	10.6	10.3	10.5	10.6	10.7
EBITDA growth (%)	11.2	12.5	14.2	15.3	12.1
Adj. EPS growth (%)	21.1	12.3	18.0	22.0	14.5
RoE (%)	14.8	15.8	16.5	17.7	17.7
RoIC (%)	9.8	10.4	11.6	13.0	14.0
P/E (x)	35.2	31.4	26.6	21.8	19.0
EV/EBITDA (x)	23.6	21.0	18.4	16.0	14.2
P/B (x)	5.3	4.7	4.1	3.6	3.2
FCFF yield (%)	2.5	0.9	1.7	2.5	3.0

Source: Company, Emkay Research

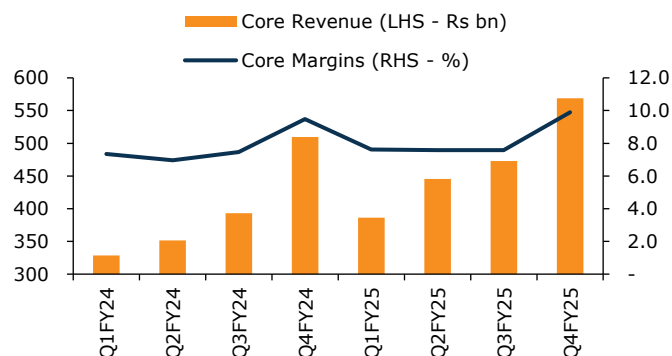
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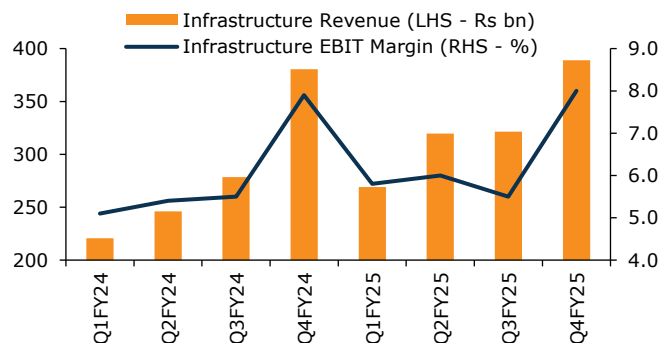
Story in Charts

Exhibit 1: Q4FY25 P&M revenue grew ~12% YoY to Rs569bn; P&M EBITDAM stood at ~10% (+440bps YoY)



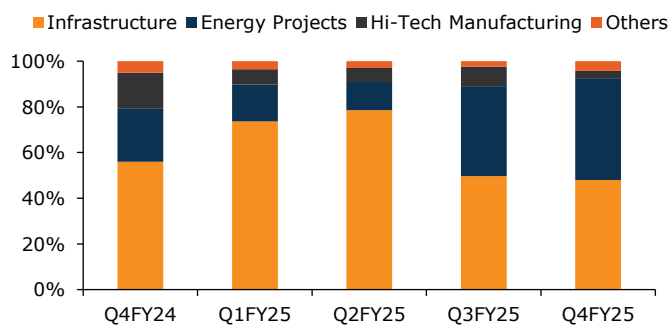
Source: Company, Emkay Research

Exhibit 2: Infra was flat YoY although it improved QoQ



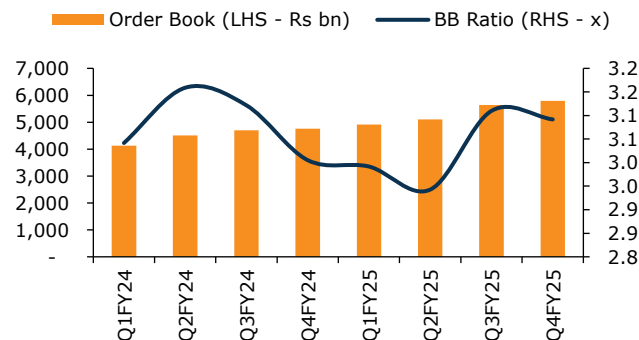
Source: Company, Emkay Research

Exhibit 3: Energy projects have seen a steep increase in order inflows



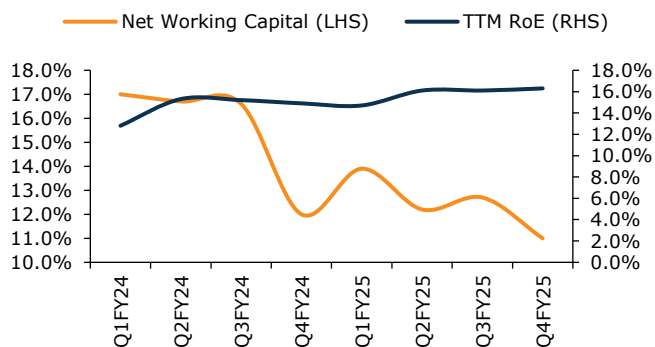
Source: Company, Emkay Research

Exhibit 4: Consolidated order book rose to Rs5.8trn (BB ratio: 3.1x)



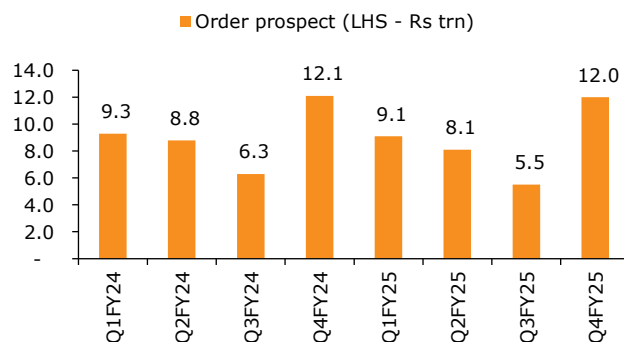
Source: Company, Emkay Research

Exhibit 5: NWC is at its lowest at 11%; RoE improved by 140bps QoQ



Source: Company, Emkay Research

Exhibit 6: Order prospects stand at Rs12trn



Source: Company, Emkay Research

Exhibit 7: Quarterly Financial Results Analysis

(Rs mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
Revenue	670,787	551,198	615,546	646,678	743,923	10.9	15.0	2,211,129	2,557,345	15.7
Material cost	446,263	341,760	394,575	419,719	490,653	9.9	16.9	1,402,668	1,646,707	17.4
as % of sales	66.5	62.0	64.1	64.9	66.0	-57bps	105bps	63	64	95bps
Employee Cost	107,295	110,435	114,557	119,122	123,573	15.2	3.7	411,710	467,687	13.6
as % of sales	16.0	20.0	18.6	18.4	16.6	62bps	-181bps	19	18	-33bps
Other expenditure	44,889	42,850	42,794	45,288	47,672	6.2	5.3	161,814	178,604	10.4
as % of sales	6.7	7.8	7.0	7.0	6.4	-28bps	-59bps	7	7	-33bps
Total expenditure	598,447	495,045	551,925	584,129	661,897	10.6	13.3	1,976,193	2,292,997	16.0
EBITDA	72,340	56,153	63,620	62,549	82,025	13.4	31.1	234,936	264,347	12.5
Depreciation	10,212	9,979	10,238	10,470	10,524	3.1	0.5	36,823	41,212	11.9
EBIT	62,128	46,174	53,382	52,079	71,501	15.1	37.3	198,113	223,136	12.6
Other Income	10,417	9,206	11,013	9,679	11,351	9.0	17.3	41,580	41,248	(0.8)
Interest	9,263	8,614	8,844	8,427	7,459	(19.5)	(11.5)	35,458	33,344	(6.0)
PBT	63,282	46,767	55,551	53,330	75,392	19.1	41.4	204,235	231,040	13.1
Taxes	14,183	12,365	14,423	13,320	18,806	32.6	41.2	49,474	58,914	19.1
PAT	49,099	34,401	41,128	40,010	56,587	15.2	41.4	154,761	172,126	11.2
Extra ord / Exceptional item	936	-	-	-	4,748			836	-	(100.0)
Add: Profit from associates	96	46	(140)	(271)	224	132.4	(182.7)	(226)	(365)	61.1
Less: Minority interest	6,171	6,590	7,036	6,151	6,586	6.7	7.1	24,880	19,777	(20.5)
Reported PAT	43,961	27,857	33,953	33,588	54,973	25.0	63.7	130,491	95,399	(26.9)
(%)										
Gross margin	33.5	38.0	35.9	35.1	34.0	57bps	-105bps	37	36	-95bps
EBITDAM	10.8	10.2	10.3	9.7	11.0	24bps	135bps	11	10	-29bps
EBITM	9.3	8.4	8.7	8.1	9.6	35bps	156bps	9	9	-23bps
PBTM	9.4	8.5	9.0	8.2	10.1	70bps	189bps	9	9	-20bps
PATM	7.3	6.2	6.7	6.2	7.6	29bps	142bps	7	7	-27bps
Effective Tax rate	22.4	26.4	26.0	25.0	24.9	253bps	-3bps	24	25	128bps

Source: Company, Emkay Research

Exhibit 8: Segmental Analysis

Segmental-wise Result Analysis										
Revenue (Rs mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
Infrastructure projects	380,350	269,080	319,540	321,340	389,010	2.3	21.1	1,125,510	1,298,970	15.4
Energy projects	82,050	84,950	88,730	110,510	122,490	49.3	10.8	295,390	406,680	37.7
Hi-Tech Manufacturing	24,620	18,450	20,630	24,330	33,540	36.2	37.9	81,950	96,950	18.3
IT & Technology Services	112,440	115,050	117,980	120,610	124,810	11.0	3.5	444,730	478,450	7.6
Financial Services	35,980	36,640	38,370	38,810	38,120	5.9	(1.8)	131,090	151,940	15.9
Development projects	12,580	13,270	13,820	14,340	12,270	(2.5)	(14.4)	56,210	53,700	(4.5)
Others	22,800	13,750	16,480	16,740	23,690	3.9	41.5	80,452	70,660	(12.2)
Total	670,820	551,190	615,550	646,680	743,930	10.9	15.0	2,215,332	2,557,350	15.4
Less: Inter-segment revenue	8,333	5,253	8,261	8,068	11,280	35.4	39.8	33,773	32,862	(2.7)
Net segment revenue	662,488	545,937	607,289	638,612	732,650	10.6	14.7	2,181,559	2,524,489	15.7
Core revenue	509,820	386,230	445,380	472,920	568,730	11.6	20.3	1,583,302	1,873,260	18.3

EBITDA (Rs mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
Infrastructure projects	30,048	15,607	19,172	17,674	31,121	3.6	76.1	69,903	83,574	19.6
Energy projects	9,354	7,391	7,808	9,172	9,922	6.1	8.2	28,940	34,293	18.5
Hi-Tech Manufacturing	4,112	3,210	2,641	4,428	6,540	59.1	47.7	12,389	16,819	35.8
IT & Technology Services	22,488	23,010	24,776	22,554	22,715	1.0	0.7	83,562	93,055	11.4
Financial Services	6,940	9,223	9,395	8,239	8,055	16.1	(2.2)	30,284	34,913	15.3
Development projects	2,176	2,256	2,142	2,266	4,037	85.5	78.2	12,561	10,701	(14.8)
Others	4,816	3,218	4,136	4,604	8,694	80.5	88.9	15,077	20,652	37.0
Total	79,933	63,914	70,071	68,937	91,085	14.0	32.1	252,715	294,006	16.3
Core EBITDA	48,329	29,425	33,758	35,878	56,277	16.4	56.9	126,309	155,337	23.0

EBITDA Margin (%)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (bps)	QoQ (bps)	FY24	FY25	YoY (%)
Infrastructure projects	7.9	5.8	6.0	5.5	8.0	10bps	250bps	6.2	6.4	22bps
Energy projects	11.4	8.7	8.8	8.3	8.1	-330bps	-20bps	9.8	8.4	-136bps
Hi-Tech Manufacturing	16.7	17.4	12.8	18.2	19.5	280bps	130bps	15.1	17.3	223bps
IT & Technology Services	20.0	20.0	21.0	18.7	18.2	-180bps	-50bps	18.8	19.4	66bps
Financial Services	19.3	25.2	24.5	21.2	21.1	184bps	-10bps	23.1	23.0	-12bps
Development projects	17.3	17.0	15.5	15.8	32.9	1560bps	1710bps	22.3	19.9	-242bps
Others	21.1	23.4	25.1	27.5	36.7	1558bps	920bps	18.7	29.2	1049bps
Total	12.1	11.7	11.5	10.8	12.4	37bps	164bps	11.6	11.6	6bps
Core margin	9.5	7.6	7.6	7.6	9.9	42bps	231bps	8.0	8.3	31bps

Source: Company, Emkay Research

Exhibit 9: Segmental level order inflow and backlog breakup

Order intake (Rs mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
Infrastructure projects	313,400	400,530	495,220	490,700	345,800	10.3	(29.5)	1,425,890	1,732,250	21.5
Energy projects	131,200	87,920	77,590	388,180	322,010	145.4	(17.0)	737,870	875,700	18.7
Hi-Tech Manufacturing	87,900	36,770	39,200	84,230	22,630	(74.3)	(73.1)	142,790	182,830	28.0
IT & Technology Services	112,440	115,050	117,980	120,610	124,810	11.0	3.5	444,730	478,450	7.6
Financial Services	35,980	36,640	38,370	38,810	38,120	5.9	(1.8)	131,090	151,940	15.9
Development projects	12,580	13,270	13,820	14,340	12,270	(2.5)	(14.4)	56,210	53,700	(4.5)
Others	28,000	19,180	18,280	23,490	30,500	8.9	29.8	89,550	91,450	2.1
Total	721,500	709,360	800,460	1,160,360	896,140	24.2	(22.8)	3,028,130	3,566,320	17.8
Core Order intake	560,500	544,400	630,290	986,600	720,940	28.6	(26.9)	2,396,100	2,882,230	20.3

Order Book (Rs mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
Infrastructure projects	3,092,759	3,248,790	3,429,540	3,612,820	3,570,530	16.8	(1.2)	3,176,930	3,570,530	12.4
Energy projects	1,189,523	1,177,240	1,171,540	1,458,270	1,657,540	22.6	13.7	1,127,770	1,657,540	47.0
Hi-Tech Manufacturing	333,066	337,650	356,110	417,690	403,880	25.4	(3.3)	257,580	403,880	56.8
Others	142,743	145,130	146,830	153,450	159,420	7.5	3.9	135,790	159,420	17.4
Total	4,758,090	4,908,810	5,104,020	5,642,230	5,791,370	18.6	2.6	4,698,070	5,791,370	23.3

Source: Company, Emkay Research

Exhibit 10: L&T's consolidated SoTP-based value

Business	Valuation method (Mar-27E)	Value driver (Rs bn)	Multiple (x)	Value (Rs bn)	L&T's stake	L&T's value (Rs bn)	Mar-27 estimate (Rs)
L&T core E&C business	PER	132	27	3,575	100%	3,575	2,721
L&T Finance Holdings	P/B	301	1.3	391	66%	207	151
Development projects	P/B (capital invested basis AR)	104	1.7	177	100%	177	129
LTI Mindtree	PER	59	28.0	1,652	69%	907	659
LTTS	PER	18	30.0	534	74%	315	229
Cash and Equivalents	P/B of 1x	230	1.0	230	100%	230	167
Total of above						5,410	4,000

Source: Company, Emkay Research

Concall KTAs

Guidance

- The management expects Group order inflows and Group revenue in FY26 to grow 10% and 15%, respectively with more visibility expected in the second half of the year.
- On the margin front, the management targets 8.5% for FY26 and net working capital-to-revenue guidance at 12%.
- The company has entered the last year of the *Lakshya* Plan. It has already achieved its order inflow target of achieving Rs3.4trn by FY26 in FY25 itself, by clocking Rs3.6trn order inflow. It is on track to achieve revenue and RoE targets as well.

Order Inflows and backlogs

- The order prospects for FY26 are at Rs19trn vs Rs12trn last year.
- In FY25, international prospects stood at Rs5.5trn, and the company ended the year with an order win of Rs2trn – a 40% win rate; the management is of the view that it will be able to clock reasonable growth in order inflow from international business.
- Due to the ongoing geopolitical situation, the management has given order inflow guidance of 10%, with possible revision after the first 6months.
- L&T's win rate of order prospects from the Middle East stands at 20-25%.
- Also, the company is seeing support from government focus on thermal capacity baseload requirement, from a policy standpoint, in the medium term.
- L&T GreenTech Energy has received approval for 90mtpa green hydrogen capacity in tranche 2 of the green hydrogen production PLI, at an average incentive of Rs11.11/kg of hydrogen.
- L&T GreenTech Energy has also been allotted land at Tanla port in Gujarat for setting up a plant to produce green hydrogen and its derivatives under a 30-year lease.

Other notables

- L&T's data center business purchased a 15% stake in E2E Networks in Dec-24, and an additional 6% stake purchase is scheduled in the current quarter. This will make E2E an associate of the company.
- Its finance business also entered into an agreement with Paul Merchant Finance Private Limited to acquire its gold loan business; this marked the company's entry into the gold loan business.
- The company's large order book from the Middle East raised concerns about delay in payments from customers due to declining oil prices; however, the management has already built in terms in the contract and payment mechanisms in case of delay, thus mitigating the default risk.
- The share of fixed price contract in the order book stands at 46% as of Mar-25 compared with 42% last year. This is due to FY25 having won several international orders that are majorly fixed-price contracts.
- Due to the increasing size and complexity of the projects, the management has shown its interest for collaboration in a consortium or joint venture, with competitors for large contracts typically exceeding USD5bn.

Larsen & Toubro: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	2,211,129	2,557,345	2,879,528	3,278,120	3,642,229
Revenue growth (%)	20.6	15.7	12.6	13.8	11.1
EBITDA	234,937	264,347	301,808	347,836	389,974
EBITDA growth (%)	11.2	12.5	14.2	15.3	12.1
Depreciation & Amortization	36,823	41,212	43,132	44,633	46,197
EBIT	198,113	223,136	258,677	303,203	343,777
EBIT growth (%)	12.3	12.6	15.9	17.2	13.4
Other operating income	-	-	-	-	-
Other income	41,580	41,248	44,656	48,252	52,173
Financial expense	35,458	33,344	35,133	35,516	35,906
PBT	204,235	231,040	268,199	315,939	360,043
Extraordinary items	936	4,748	0	0	0
Taxes	49,474	58,914	65,958	77,699	88,546
Minority interest	(24,880)	(26,362)	(30,271)	(28,517)	(31,311)
Income from JV/Associates	(226)	(141)	(200)	(210)	(209)
Reported PAT	130,591	150,371	171,769	209,523	239,987
PAT growth (%)	21.5	15.1	14.2	22.0	14.5
Adjusted PAT	129,655	145,624	171,769	209,523	239,987
Diluted EPS (Rs)	94.3	105.9	125.0	152.4	174.6
Diluted EPS growth (%)	21.1	12.3	18.0	22.0	14.5
DPS (Rs)	28.6	34.8	32.7	34.8	40.0
Dividend payout (%)	30.1	31.8	26.2	22.8	22.9
EBITDA margin (%)	10.6	10.3	10.5	10.6	10.7
EBIT margin (%)	9.0	8.7	9.0	9.2	9.4
Effective tax rate (%)	24.2	25.5	24.6	24.6	24.6
NOPLAT (pre-IndAS)	150,122	166,237	195,060	228,636	259,232
Shares outstanding (mn)	1,375	1,375	1,375	1,375	1,375

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	2,749	2,750	2,750	2,750	2,750
Reserves & Surplus	860,843	973,806	1,100,599	1,262,335	1,447,314
Net worth	863,592	976,556	1,103,349	1,265,085	1,450,064
Minority interests	161,904	177,481	207,752	236,269	267,580
Non current liabilities & prov.	28,161	32,596	32,596	32,596	32,596
Total debt	1,140,398	1,295,593	1,320,593	1,320,593	1,320,593
Total liabilities & equity	2,194,055	2,482,226	2,664,291	2,854,544	3,070,833
Net tangible fixed assets	132,976	141,286	134,062	151,429	169,232
Net intangible assets	253,334	255,971	255,971	255,971	255,971
Net ROU assets	22,894	28,690	28,690	28,690	28,690
Capital WIP	28,970	23,909	50,000	50,000	50,000
Goodwill	-	-	-	-	-
Investments [JV/Associates]	456,478	548,053	613,094	712,823	832,498
Cash & equivalents	153,584	229,653	250,828	256,648	260,354
Current assets (ex-cash)	2,348,036	2,567,680	2,792,314	3,066,596	3,321,578
Current Liab. & Prov.	1,202,217	1,313,015	1,460,667	1,665,613	1,847,489
NWC (ex-cash)	1,145,818	1,254,665	1,331,646	1,400,983	1,474,089
Total assets	2,194,055	2,482,226	2,664,291	2,854,544	3,070,833
Net debt	986,814	1,065,940	1,069,766	1,065,946	1,060,239
Capital employed	2,165,894	2,449,630	2,631,695	2,821,948	3,038,238
Invested capital	1,532,129	1,651,921	1,721,679	1,808,382	1,899,291
BVPS (Rs)	628.2	710.4	802.6	920.3	1,054.9
Net Debt/Equity (x)	1.1	1.1	1.0	0.8	0.7
Net Debt/EBITDA (x)	4.2	4.0	3.5	3.1	2.7
Interest coverage (x)	6.8	7.9	8.6	9.9	11.0
RoCE (%)	10.9	11.5	11.9	12.9	13.5

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	162,429	189,651	223,343	267,487	307,671
Others (non-cash items)	-	-	-	-	-
Taxes paid	(49,474)	(58,914)	(65,958)	(77,699)	(88,546)
Change in NWC	5,052	(110,083)	(76,981)	(69,337)	(73,105)
Operating cash flow	190,288	95,210	158,669	200,601	228,123
Capital expenditure	(50,019)	(47,096)	(62,000)	(62,000)	(64,000)
Acquisition of business	(8,495)	(91,575)	(65,041)	(99,729)	(119,675)
Interest & dividend income	26,342	41,248	44,656	48,252	52,173
Investing cash flow	(16,934)	(97,422)	(82,385)	(113,478)	(131,503)
Equity raised/(repaid)	(62)	1	0	0	0
Debt raised/(repaid)	(44,736)	155,196	25,000	0	0
Payment of lease liabilities	(62)	(125)	0	0	0
Interest paid	(35,458)	(33,344)	(35,133)	(35,516)	(35,906)
Dividend paid (incl tax)	(39,354)	(47,787)	(44,976)	(47,787)	(55,008)
Others	(125,295)	4,340	-	-	-
Financing cash flow	(244,967)	78,281	(55,109)	(83,303)	(90,914)
Net chg in Cash	(71,612)	76,069	21,174	3,820	5,706
OCF	190,288	95,210	158,669	200,601	228,123
Adj. OCF (w/o NWC chg.)	185,236	205,293	235,650	269,938	301,228
FCFF	140,270	48,114	96,669	138,601	164,123
FCFE	131,154	56,019	106,191	151,337	180,389
OCF/EBITDA (%)	81.0	36.0	52.6	57.7	58.5
FCFE/PAT (%)	100.4	37.3	61.8	72.2	75.2
FCFF/NOPLAT (%)	93.4	28.9	49.6	60.6	63.3

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	35.2	31.4	26.6	21.8	19.0
P/CE(x)	27.4	24.5	21.3	18.0	16.0
P/B (x)	5.3	4.7	4.1	3.6	3.2
EV/Sales (x)	2.5	2.2	1.9	1.7	1.5
EV/EBITDA (x)	23.6	21.0	18.4	16.0	14.2
EV/EBIT(x)	28.0	24.9	21.5	18.3	16.2
EV/IC (x)	3.6	3.4	3.2	3.1	2.9
FCFF yield (%)	2.5	0.9	1.7	2.5	3.0
FCFE yield (%)	2.9	1.2	2.3	3.3	3.9
Dividend yield (%)	0.9	1.0	1.0	1.0	1.2
DuPont-RoE split					
Net profit margin (%)	5.9	5.7	6.0	6.4	6.6
Total asset turnover (x)	1.0	1.1	1.1	1.2	1.2
Assets/Equity (x)	2.5	2.5	2.4	2.3	2.2
RoE (%)	14.8	15.8	16.5	17.7	17.7
DuPont-RoIC					
NOPLAT margin (%)	6.8	6.5	6.8	7.0	7.1
IC turnover (x)	1.4	1.6	1.7	1.9	2.0
RoIC (%)	9.8	10.4	11.6	13.0	14.0
Operating metrics					
Core NWC days	189.1	179.1	168.8	156.0	147.7
Total NWC days	189.1	179.1	168.8	156.0	147.7
Fixed asset turnover	3.7	4.8	4.9	5.2	5.2
Opex-to-revenue (%)	25.9	25.3	24.4	23.3	22.8

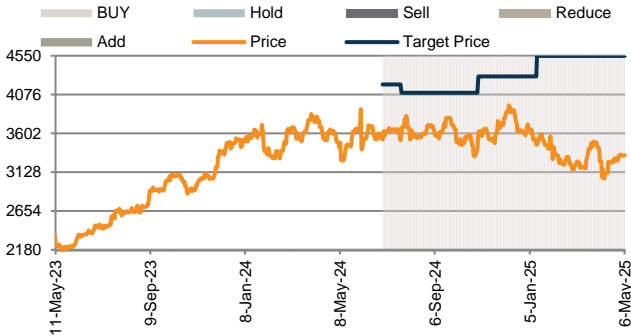
Source: Company, Emkay Research

RECOMMENDATION HISTORY – DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
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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SELL	<15% downside

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