

# LARSEN & TOUBRO LIMITED

January 31, 2024



It's all about Imagineering

**Current Price:** ₹ 3633.40

## STOCK DATA

BSE Code	500510
NSE Symbol	LT
Reuters	LART.BO
Bloomberg	LT IN

## VALUE PARAMETERS

52 W H/L(Rs)	3738.90/2073.85
Mkt. Cap.(Rs Cr)	499428.38
Latest Equity(Subscribed)	274.91
Latest Reserve (cons.)	78136.89
Latest EPS (cons.) -Unit Curr.	88.57
Latest P/E Ratio -cons	41.02
Latest Bookvalue (cons.) -Unit Curr.	570.46
Latest P/BV - cons	6.37
Dividend Yield -%	0.68
Face Value	2.00

## SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/12/2023
Foreign	26.32
Institutions	36.99
Govt Holding	0.23
Non Promoter Corp. Hold.	1.09
Public & Others	35.38

## Consolidated Financial Results

In Cr.

Particulars	Qtr Ending Dec. 23	Qtr Ending Dec. 22	Var. (%)
Total Income	55,127.82	46,389.72	18.84
OPM (%)	13.06	14.34	-128bps
OP	7,198.65	6,653.47	8
Other income	837.75	891.02	-6
PBIDT	8,036.40	7,544.49	7
Net Finance Charges	2,343.82	2,382.88	-2
PBDT	5,692.58	5,161.61	10
Depreciation	920.75	825.18	12
PBT before EO	4,771.83	4,336.43	10
EO	0.00	81.42	
PBT after EO	4,771.83	4,255.01	12
Tax expense	1,177.32	1,270.50	-7
PAT	3,594.51	2,984.51	20
Minority Interest	645.48	505.54	28
Share of Profit of Associates	-1.67	-7.47	-78
Profit after Minority Interest and Share of profit of Associates	2,947.36	2,552.78	15
EPS (Rs)	21.44	17.59	

### Larsen & Toubro Q3FY24 Results: Sales up 19%, net up 15%, below Estimates

It has reported 15.45% jump in consolidated net profit to Rs 2,947.36 crore on 18.84% increase in revenue from operations to Rs 55,127.82 crore in Q3 FY24 over Q3 FY23. EBIDTA margin fell 128 bps to 13.06% vs 14.34% a year ago. The growth in revenue was aided by ramp up in execution of the strong order book in the Projects and Manufacturing portfolio. The company said that international revenues during the quarter at Rs 24,300 crore constituted 44% of the total revenue.

The company received orders worth Rs 75,990 crore at the group level during the quarter ended 31 December 2023, registering a robust growth of 25% on y-o-y basis. During the quarter, orders were received across various businesses like offshore vertical of Hydrocarbon, Solar EPC & Power Transmission, Water Utilities, Buildings & Factories and Minerals & Metals sectors. International orders at Rs 50,562 crore during the quarter comprised 67% of the total order inflow.

The consolidated order book is at Rs 469,807 crore as on 31 December 2023, with international orders having a share of 39%.

### Segment Performance

- Infrastructure project segment posted customer revenues of Rs 27,845 crore during the quarter ended December 31, 2023, registered a y-o-y growth of 27% aided by robust execution momentum from a growing order book.
- The segment secured order inflow of Rs 43,208 crore, during the quarter ended 31 December 2023, registering healthy growth of 33% y-o-y basis with receipt of marquee

orders mainly in Power Transmission and Distribution business. International orders at Rs 27,230 crore constituted 63% of the total order inflow of the segment during the quarter. The segment order book stood at Rs 317,693 crore as on December 31, 2023, with the share of international orders at 28%.

- The energy projects segment secured orders valued at Rs 13,281 crore during the quarter ended December 31, 2023, registering 47% growth on y-o-y basis with receipt of a mega order in Offshore vertical of Hydrocarbon business. International order inflow constituted 93% of the total order inflow during the quarter.
- The Hi-Tech manufacturing segment secured orders valued at Rs 2,043 crore during the quarter ended December 31, 2023 registering marginal growth of 6% y-o-y. Export orders constituted 15% of the total order inflow of the segment during the quarter. The order book of the segment was at Rs 25,758 crore as on 31 December 2023, with the share of export orders at 8%.
- The IT & Technology Services (IT&TS) segment recorded customer revenues of Rs 11,196 crore for the quarter ended 31 December 2023, registering a modest y-o-y growth of 5%, reflecting growth headwinds in the IT&TS sector. International billing contributed 93% of the total customer revenues of the segment for the quarter ended 31 December 2023. The aggregated revenue of the two listed subsidiaries (LTIMindtree and L&T Technology Services) in this segment at \$1,374 million registered y-o-y growth of 5% in USD terms.
- The financial services segment reflects the performance of L&T Finance Holdings (LTFH), a listed subsidiary. The segment recorded income from operations at Rs 3,407 crore during the quarter ended 31 December 2023, registering growth of 2% y-o-y basis, mainly attributed to higher disbursement in retail business, in line with its strategy of retailisation of the loan book. The Retail loan book now constitutes 91% of the total loan book as on 31 December 2023.
- The development projects segment recorded customer revenues of Rs 1,220 crore during the quarter ended 31 December 2023, registering growth of 10% compared to corresponding quarter of previous year, driven by improved PLFs in Nabha power and higher ridership in Hyderabad Metro.

## Management Comment

**S.N. Subrahmanyam, chairman and managing director said,** "During the quarter ended December 2023, we made a foray into fabless semiconductor chip design. Our bold strides in new age sectors, including Digital Platforms, Data Centres, and Green Energy will pivot us into a technology – led conglomerate.

We are currently witnessing improved capex spends in both our primary geographies of India and Middle East. Despite continued global macroeconomic and geopolitical volatility we remain positive about the investment spends continuing in the medium term."

## Outlook

On outlook front, L&T said that the global economy remains volatile with continuing military engagement in Europe and West Asia, disrupting the supply chain and global trade movements. The US economy has been resilient so far, but the UK and European economies are weak and the concern around China persists. On the positive side though, some easing of recent headline inflation numbers has led to expectations of an early end to monetary policy tightening cycle, thereby shoring up market sentiments. Middle East, particularly Saudi Arabia, continues to pursue its ambitious growth plans in both energy and other sectors.

The company is focused on tapping emerging opportunities both in India and overseas with its

proven competence in the domains of engineering, manufacturing, construction, project management and services for profitable execution of its large order book. As it has always been, the company continues to remain committed to creating sustainable long-term returns for its stakeholders.

Meanwhile, the company's board approved the merger of L&T Energy Hydrocarbon Engineering and L&T Sapura Offshore Private, wholly owned subsidiaries with the company.

Further, board approved the equity investment upto Rs 2,774 core in L&T Metro Rail (Hyderabad) (L&TMRHL), a subsidiary of the company.

The proposed investment will be made by subscribing to equity shares being offered under a Rights Issue by L TMRHL at face value.

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