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Current Price: ₹ 2241.65

STOCK DATA

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

VALUE PARAMETERS

52 W H/L(Rs)	2416.00/1456.80
Mkt. Cap.(Rs Cr)	315080.22
Latest Equity(Subscribed)	281.11
Latest Reserve (cons.)	89044.85
Latest EPS (cons.) -Unit Curr.	73.81
Latest P/E Ratio -cons	30.37
Latest Bookvalue (cons.) -Unit Curr.	635.51
Latest P/BV - cons	3.53
Dividend Yield -%	1.07
Face Value	2

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/03/2023
Foreign	26.53
Institutions	38.28
Govt Holding	0.23
Non Promoter Corp. Hold.	1.14
Public & Others	33.83

Consolidated Financial Results

In Cr.

Particulars	Qtr Ending Mar. 23	Qtr Ending Mar. 22	Var. (%)
Net Sales (including other operating income)	58,335.15	52,850.67	10
OPM (%)	14.32	15.06	-74 bps
OP	8,354.24	7,958.51	5
Other Inc.	740.91	515.59	44
PBIDT	9,095.15	8,474.10	7
Interest	2,334.29	2,146.93	9
PBDT	6,760.86	6,327.17	7
Depreciation	853.50	769.36	11
PBT	5,907.36	5,557.81	6
Share of Profit/(Loss) from Associates	11.84	131.81	-91
PBT	5,919.20	5,689.62	4
Taxation	1,460.62	1,551.15	-6
PAT	4,458.58	4,138.47	8
Minority Interest (MI)	471.80	517.78	-9
Net profit	3,986.78	3,620.69	10
EPS (Rs)*	28.36	25.76	

Larsen & Toubro Q4 FY23 result, Sales up 10%, net up 10%, below estimates

Consolidated net sales (including other operating income) of Larsen & Toubro for the quarter ended Mar 2023 has increased 10.38% to Rs 58335.15 crore. Operating profit margin has declined from 15.06% to 14.32%, leading to 4.97% rise in operating profit to Rs 8,354.24 crore. Raw material cost as a % of total sales (net of stock adjustments) increased from 9.47% to 10.33%. Purchase of finished goods cost fell from 0.48% to 0.30%. Employee cost increased from 15.12% to 17.13%. Other expenses fell from 59.81% to 57.90%. Selling and administration expenses rose from 22.00% to 23.06%. Stores consumed for sales rose from 2.23% to 2.33%. Expenses from contract fell from 18.76% to 15.65%. Construction development cost rose from 26.04% to 26.55%. Other direct service cost rose from 8.75% to 9.88%.

Other income rose 43.70% to Rs 740.91 crore. PBIDT rose 7.33% to Rs 9095.15 crore. Provision for interest rose 8.73% to Rs 2334.29 crore. PBDT rose 6.85% to Rs 6760.86 crore. Provision for depreciation rose 10.94% to Rs 853.5 crore. Profit before tax grew 6.29% to Rs 5,907.36 crore. Share of profit/loss was 91.02% lower at Rs 11.84 crore. Provision for tax was expense of Rs 1460.62 crore, compared to Rs 1551.15 crore. Effective tax rate was 24.68% compared to 27.26%. Minority interest decreased 8.88% to Rs 471.80 crore. Net profit attributable to owners of the company increased 10.11% to Rs 3,986.78 crore.

- Sales of Infrastructure Projects segment has gone up 4.32% to Rs 31,548.78 crore (accounting for 53.43% of total sales). Sales of IT & Technology Services segment has gone up 21.85% to Rs 10,739.29 crore (accounting for 18.19% of total sales). Sales of Financial Services segment has gone up 5.16% to Rs 3,116.33 crore (accounting for 5.28% of total sales). Sales of Development Projects segment has gone up 12.44% to Rs 1,232.10 crore (accounting for 2.09% of total sales). Sales of segment has gone up 13.07% to Rs 2,160.51 crore (accounting for 3.66% of total sales). Sales of Hi-Tech

Segment Results

	Qtr Ending Mar.23	Qtr Ending Mar.22	Var.(%)	In Cr. % of (Total)
Sales				
Infrastructure Projects	31,548.78	30,241.21	4	53
IT & Technology Services	10,739.29	8,813.49	22	18
Financial Services	3,116.33	2,963.42	5	5
Development Projects	1,232.10	1,095.75	12	2
Others	2,160.51	1,910.71	13	4
Hi-Tech Manufacturing	2,320.79	1,863.26	25	4
Energy Projects	7,929.18	6,777.86	17	13
Total Reported Sales	59,046.98	53,665.70	10	100
Less: Inter segment revenues	711.83	815.03	-13	
Net Sales	58,335.15	52,850.67	10	100
PBIT				
Infrastructure Projects	2,082.99	2,539.15	-18	32
IT & Technology Services	1,807.64	1,758.38	3	28
Financial Services	659.61	480.31	37	10
Development Projects	429.98	-56.41	LP	7
Others	387.61	351.98	10	6
Hi-Tech Manufacturing	375.28	380.38	-1	6
Energy Projects	771.2	537.67	43	12
Total PBIT	6,514.31	5,991.46	9	100
Less : Interest	813	705.1	15	
Add: Other un-allocable	206.05	271.45	-24	
PBIT Margin**				
Infrastructure Projects	6.6	8.4	-179	
IT & Technology Services	16.83	19.95	-312	
Financial Services	21.17	16.21	496	
Development Projects	34.9	-5.15	4005	
Others	17.94	18.42	-48	
Hi-Tech Manufacturing	16.17	20.41	-424	
Energy Projects	9.73	7.93	179	
PBT	5,907.36	5,557.81	6	100

**Margins numbers are in bps

Manufacturing segment has gone up 24.56% to Rs 2,320.79 crore (accounting for 3.93% of total sales). Sales of Energy Projects segment rose 16.99% to Rs 7,929.18 crore (accounting for 13.43% of total sales). Inter-segment sales came down from Rs 815.03 crore to Rs 711.83 crore.

- Profit before interest, tax and other unallocable items (PBIT) has jumped 8.73% to Rs 6,514.31 crore. PBIT of Infrastructure Projects segment fell 17.97% to Rs 2,082.99 crore (accounting for 31.98% of total PBIT). PBIT of IT & Technology Services segment rose 2.80% to Rs 1,807.64 crore (accounting for 27.75% of total PBIT). PBIT of Financial Services segment rose 37.33% to Rs 659.61 crore (accounting for 10.13% of total PBIT). PBIT of Development Projects reported profit of Rs 429.98 crore compared to loss of Rs 56.41 crore. PBIT of segment rose 10.12% to Rs 387.61 crore (accounting for 5.95% of total PBIT). PBIT of Hi-Tech Manufacturing segment fell 1.34% to Rs 375.28 crore (accounting for 5.76% of total PBIT). PBIT of Energy Projects segment rose 43.43% to Rs

771.20 crore (accounting for 11.84% of total PBIT).

- PBIT margin of Infrastructure Projects segment fell from 8.40% to 6.60%. PBIT margin of IT & Technology Services segment fell from 19.95% to 16.83%. PBIT margin of Financial Services segment rose from 16.21% to 21.17%. PBIT margin of Development Projects segment rose from negative 5.15% to 34.90%. PBIT margin of segment fell from 18.42% to 17.94%. PBIT margin of Hi-Tech Manufacturing segment fell from 20.41% to 16.17%. PBIT margin of Energy Projects segment rose from 7.93% to 9.73%. Overall PBIT margin fell from 11.16% to 11.03%.

Profit consolidation of L&T IDPL at PAT level has been discontinued from Q4FY23, post signing of definitive agreement for sale of stake. The investment in the JV is classified as "Held for Sale".

Full year results analysis.

Net sales (including other operating income) of Larsen & Toubro has increased 17.13% to Rs 183340.7 crore. Operating profit margin has declined from 15.43% to 14.61%, leading to 10.86% rise in operating profit to Rs 26,779.72 crore. Raw material cost as a % of total sales (net of stock adjustments) decreased from 10.78% to 10.19%. Purchase of finished goods cost fell from 0.67% to 0.56%. Employee cost increased from 18.72% to 19.95%. Other expenses rose from 54.59% to 54.94%. Selling and administration expenses rose from 15.62% to 18.49%. Stores consumed for sales rose from 1.95% to 2.58%. Expenses from contract fell from 15.62% to 13.74%. Construction development cost rose from 21.13% to 23.18%. Other direct service cost rose from 10.39% to 10.74%. Other income rose 29.20% to Rs 2929.17 crore. PBIDT rose 12.43% to Rs 29708.89 crore. Provision for interest rose 1.71% to Rs 9233.6 crore. PBDT rose 18.04% to Rs 20475.29 crore. Provision for depreciation rose 18.80% to Rs 3502.25 crore. Profit before tax grew 17.88% to Rs 16,973.04 crore. Extraordinary items were increased to Rs 135.99 crore. Provision for tax was expense of Rs 4484.16 crore, compared to Rs 4203.92 crore. Effective tax rate was 26.35% compared to 28.75%. Minority interest increased 17.71% to Rs 2,059.90 crore. Net profit attributable to owners of the company increased 20.78% to Rs 10,470.72 crore.

- Sales of Infrastructure Projects segment has gone up 19.39% to Rs 87,823.15 crore (accounting for 47.32% of total sales). Sales of IT & Technology Services segment has gone up 26.29% to Rs 40,988.47 crore (accounting for 22.08% of total sales). Sales of Financial Services segment has gone up 5.04% to Rs 12,574.92 crore (accounting for 6.78% of total sales). Sales of Development Projects segment has gone up 15.14% to Rs 5,028.77 crore (accounting for 2.71% of total sales). Sales of Others segment has gone up 12.93% to Rs 7,071.56 crore (accounting for 3.81% of total sales). Sales of Hi-Tech Manufacturing segment has gone up 14.31% to Rs 7,160.87 crore (accounting for 3.86% of total sales). Sales of Energy Projects segment rose 5.24% to Rs 24,956.26 crore (accounting for 13.45% of total sales). Inter-segment sales rose Rs 2,072.61 crore to Rs 2,263.30 crore.
- Profit before interest, tax and other unallocable items (PBIT) has jumped 16.88% to Rs 19,170.76 crore. PBIT of Infrastructure Projects segment fell 0.81% to Rs 5,140.18 crore (accounting for 26.81% of total PBIT). PBIT of IT & Technology Services segment rose 13.47% to Rs 7,171.74 crore (accounting for 37.41% of total PBIT). PBIT of Financial Services segment rose 53.68% to Rs 2,258.78 crore (accounting for 11.78% of total PBIT). PBIT of Development Projects reported profit of Rs 391.77 crore compared to loss of Rs 230.59 crore. PBIT of Others segment rose 12.86% to Rs 1,146.36 crore (accounting for 5.98% of total PBIT). PBIT of Hi-Tech Manufacturing segment fell 0.87% to Rs 995.24 crore (accounting for 5.19% of total PBIT). PBIT of Energy Projects segment rose 26.01% to Rs 2,066.69 crore (accounting for 10.78% of total PBIT).
- PBIT margin of Infrastructure Projects segment fell from 7.05% to 5.85%. PBIT margin of

IT & Technology Services segment fell from 19.47% to 17.50%. PBIT margin of Financial Services segment rose from 12.28% to 17.96%. PBIT margin of Development Projects segment rose from negative 5.28% to 7.79%. PBIT margin of Others segment fell from 16.22% to 16.21%. PBIT margin of Hi-Tech Manufacturing segment fell from 16.03% to 13.90%. PBIT margin of Energy Projects segment rose from 6.92% to 8.28%. Overall PBIT margin fell from 10.34% to 10.33%.

Order book update

- Consolidated order book of the group as end of Mar 31, 2023 is at Rs 399526 crore (a growth of 12%YoY) with international orders having a share of 28%. Of the total consolidated international order book of about Rs 111867 crore about 87% is Middle East Asia, 4% is Africa and balance are from other geographies. Of the 287659 crore domestic order book about 14% is central sector, 30% is state sector, 36% is State PSUs and 26% is private sector. Similarly about 22% of the total group order book is funded by multilateral agencies.
- Healthy awarding momentum seen across India and GCC in Q4FY23. Group order inflow for Q4FY23 was Rs 76099 crore, up 3%yoy. International orders at Rs 36046 crore constitute about 47% of the total. Group order inflow for FY23 stood at Rs 230528 crore, a growth of 19%YoY which higher than the 12% growth guidance given at the start of the year.
- Project and manufacturing order inflow for FY23 stood at Rs 1722 billion, a growth of 19%YoY. Share of private sector orders for FY23 were 27% (vs 22% in FY22) and share of international orders were about 28% (vs. 37% in FY22). In Q4FY23 the project and manufacturing orders were at about Rs 61100 crore driven by infra, hydrocarbon and defence segments.
- Infrastructure projects order book stood at Rs 284850 crore as on March 31, 2023, with the share of international orders at 22%. Infrastructure projects order inflow for Q4FY23 and FY23 were Rs 41187 crore (down 9%YoY) and Rs 117119 crore (up 25%YoY). Of the infra projects segment order inflow International orders account for 29% and 22% in Q4FY23 and FY23 respectively. Strong growth in OI of infra segment in FY23 is due to receipt of multiple large value orders across sub-segments, but lower OI for Q4FY23 is largely due to high base over the corresponding previous period.

Other key developments

During the year, the company entered into a Share Purchase Agreement with Edelweiss Alternatives, to sell its entire shareholding in L&T Infrastructure Development Projects Limited, a joint venture having multiple toll road concessions and a transmission line asset in its portfolio. Accordingly, the investment in the joint venture has been classified as "Held for Sale", pending receipt of necessary approvals.

During the year, LTFH concluded the sale of mutual fund business to HSBC AMC.

Outlook

India's economic growth continues to display encouraging resilience amidst the continuing global chaos. Prudent fiscal and monetary policy management from the Government and RBI respectively has resulted in partial decoupling of India growth story with the rest of the world. The Government's push for growth through larger infrastructure spends is clearly evident from the enhanced budgetary allocations for FY 2023-24. PLI incentives, improved business confidence and buoyant demand conditions will continue to facilitate the positive environment.

Going forward, improved tax collections for the Government will support its Capex led growth aspiration. Further, bank balance sheets are healthy providing opportunities to lend funds to projects. With the Government's enhanced thrust towards manufacturing and exports, the country's goods trade deficit should narrow over time. India is committed to Net Zero goals and both the Government and the private sector are committed to investments around energy transition. Amidst, these various moving parts, the silver lining is that India would remain one of the fastest growing economies in the world. The last two years have seen the global economy striving to deal with overlapping crises, the latest being the liquidity troubles after a series of global bank crises. While the impact appears to have been contained, these uncertainties continue to undermine the confidence among consumers and businesses to spend, thereby impacting global growth. Governments and Central Banks across the world are attempting to strike a balance between containing cost push inflation and pursuing demand led growth. Nevertheless, a combination of China's reopening, a significant easing of the natural gas crisis in Europe and a resilient US consumer confidence should help the global economy across over the current uncertainty overhang. With OPEC and partner countries announcing unexpected production cuts, oil prices are likely to remain firm at current levels, aiding the GCC nations to pursue their capex plans in oil, infrastructure, green energy and other industrial sectors. In this backdrop, the Company will focus with cautious optimism on (a) large project wins (b) timely execution of its large order book, (c) growth of its services portfolio in the stated glide path and (d) preservation of liquidity and optimum use of capital and other resources. The Company is optimistic about its growth aspirations in the medium term despite a uncertain macro environment and is committed to creation of sustainable value to all its stakeholders.

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