

Q3FY25 Result Highlights

- Consolidated revenues grew 17% YoY to ₹64,668crs on the back of the strong order book and ramped up in execution momentum across its Projects & Manufacturing (P&M) businesses. International revenues during the quarter at ₹32,764crs constituted 51% of the total revenues, reflective of improved execution in the international P&M portfolio.
- For 9MFY25, the Consolidated Revenues at ₹181,342crs recorded a YoY growth of 18% with international revenues of ₹91,070crs constituting 50% of the total revenues.
- EBITDA grew 9.7% YoY to ₹7898crs with EBITDA margin at 12.2% in Q3FY25 (-80bps YoY). This EBITDA margin variance is mainly due to the revenue mix favoring the Projects & Manufacturing segment and lower operating margin in the ITTS segment. Staff costs grew by 16% YoY driven by resource augmentation and salary hikes across businesses. Reported PAT grew 11.3% YoY to ₹4001crs with a PAT margin of 6.2% (-30bps YoY).
- **Order Book:** The company received its highest-ever quarterly orders of ₹116,036crs at the group level during Q3FY25, registering a substantial growth of 53% YoY. During the quarter, orders were received across multiple geographies and diverse sectors like Thermal Power, Renewable, Power Transmission, Precision Engineering, Minerals & Metals, Water, Commercial Buildings, and Hydrocarbon Onshore. International orders at ₹62,059crs during the quarter comprised 53% of the total order inflow. The consolidated order book of the group as on December 31, 2024, is at ₹564,223crs registered a growth of 19% over March 2024, with the share of international orders at 42%.
- **Infrastructure Projects Segment:** segment secured order inflow of ₹49,070crs, during the quarter ended December 31, 2024, registering a growth of 14% on a YoY basis. International orders constituted 74% of the total order inflow of the segment during the quarter aided by receipt of major orders in Renewable and Power Transmission & Distribution businesses. The segment order book stood at ₹ 361,282crs as on December 31, 2024, with the share of international orders at 37%. The EBITDA margin of the segment during the quarter ending December 31, 2024, has remained stable at 5.5% compared to the corresponding quarter of the previous year.
- **Energy Projects Segment:** segment secured orders valued at ₹38,818crs during the quarter ended December 31, 2024, registering a growth of ~100% on a YoY basis, aided by receipt of mega orders in both CarbonLite Solutions and Hydrocarbon businesses respectively. International order inflow constituted 33% of the total order inflow during the quarter. The EBITDA margin of the segment was at 8.3% for the quarter ended December 31, 2024, lower compared to the corresponding quarter of the previous year at 9.7%, reflective of the stage of execution of jobs in the portfolio.
- **Hi-Tech Manufacturing Segment:** The segment secured orders valued at ₹8,423crs during the quarter ended December 31, 2024, registering a growth of ~100% over the previous year, with receipt of a key order in the Precision Engineering & Systems business. Export orders constituted 15% of the segment's total order inflow during the quarter. The segment's EBITDA margin was 18.2% compared to 16.7% in Q3FY24. Margins are higher mainly on account of timely execution and cost savings in the Heavy Engineering business.

Important Statistics

Nifty	22,545
Sensex	74,612
LTP* (₹)	3,210
MCAP (₹ tn)	4.42
52 Week H/L (₹)	3,963/3,175
NSE Code	LT
BSE Code	500510
Bloomberg Code	LT:IN

LTP* as on 27th Feb 2025

Shareholding Pattern		Dec'24 (%)
Promoter		-
DII		41.7
FII		20.8
Public & Others		37.4

FINANCIALS

Particulars	FY21			FY22			FY23		
	(₹ mn)								
Revenue	1,359,790	1,565,212	1,833,407						
EBITDA	156,241	182,173	207,533						
EBITDA Margin (%)	11.5	11.6	11.3						
Net Profit	115,829	86,693	104,707						
EPS (₹)	84.3	63.1	76.2						
DPS (₹)	36.0	22.0	30.0						
RoE (%)	8.3	9.4	10.1						
RoCE (%)	7.3	9.5	10.3						
P/E (x)	38.1	50.1	42.1						

Particulars	FY24			FY25E			FY26E		
	Revenue	2,211,129	2,651,148	3,011,632					
EBITDA	234,937	278,452	337,636						
EBITDA Margin (%)	10.6	10.5	11.2						
Net Profit	130,591	163,991	202,543						
EPS (₹)	95.0	119.3	147.3						
DPS (₹)	28.0	30.0	32.0						
RoE (%)	12.7	14.9	16.0						
RoCE (%)	12.2	13.2	14.1						
P/E (x)	33.8	26.9	21.8						

Source: Company, Way2Wealth

Relative Performance

Absolute Return (%)	1 Yr	3Yr	5 Yr
L&T	-8	88	177
Nifty 50	1	36	101
Sensex	2	37	103

Source: Company, Way2Wealth

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28th February 2025

LTP* – ₹3,210/-

View – Hold

- **IT & Technology Services (IT&TS) Segment:** recorded customer revenues of ₹12,061crs, registering a growth of 8% YoY. However, encouraging deal wins from clients coupled with a positive outlook towards discretionary spending is signaling potential momentum pick up ahead. International billing contributed 93% of the total customer revenues of the segment for the quarter ended December 31, 2024. The EBITDA margin for the segment was 18.7% lower compared to 20.7% in the corresponding quarter of the previous year. The segment margin was impacted mainly due to higher employee costs and forex loss.
- **Financial Services Segment:** The total loan book at ₹95,120crs grew by 11% as compared with Mar'24 at ₹85,565crs. Further, on a YoY basis, the total Loan Book reported growth of 16%. The Retail loan book now constitutes 97% of the total loan book as on December 31, 2024.
- **Development Projects Segment:** The segment recorded customer revenues of ₹1,434crs during the quarter ended December 31, 2024, registering a growth of 18%YoY aided by growth in Nabha Power. The EBIT segment for the quarter ended December 31, 2024, registered a growth of 26% YoY to ₹149crs compared to the corresponding quarter of the previous year, mainly due to improved ridership in Hyderabad Metro and higher PLF in Nabha Power.
- **Other segments comprise** (a) Realty (b) Industrial Valves (c) Construction Equipment & Mining Machinery and (d) Rubber Processing Machinery. During the quarter ending December 31, 2024, the segment EBITDA margin was at 27.5% higher vis-à-vis the corresponding quarter of the previous year at 24.4% mainly due to a favorable revenue mix in Valves and Construction Equipment & Mining Machinery business.
- Net Working Capital to revenue is at 12.7% as on 31 December, '24, an improvement of almost 390bps on a Y-on-Y basis. Return on Equity on a trailing 12-month basis as on December '24 is at 16.1%, improving by 90bps on a Y-on-Y basis.
- The company has a total order prospects pipeline of ₹5.51tn for the remaining 3 months of FY '25 vis-a-vis ₹6.27tn at the same time last year. This represents a drop of 12% when compared to De'23 order prospects pipeline. This decrease is primarily due to the fall in the Hydrocarbon and CarbonLite prospects. The broad break-up of the overall prospects pipeline for the remaining 3 months would be as follows. The share of Infrastructure was 4.00tn vis-a-vis ₹4.01tn last year. The Hydrocarbon prospects pipeline is at ₹1.44tn as of December '24 when compared to ₹1.71tn as at December '23. The Heavy Engineering and the Precision Engineering & Systems business, which caters to what we call the Hi-Tech Manufacturing segment, the order prospects pipeline is at ₹0.06tn vis-a-vis ₹0.16tn last year.
- **Maintains FY25 guidance:** L&T has maintained its revenue growth guidance of 15% YoY for FY25 (+18% in 9MFY25). L&T is hopeful of achieving its 10% growth in order inflows for FY25. For 9MFY25, order inflows at ₹2,670bn are up by 16% over the corresponding period of the previous year. With India's capex expected to pick-up in Q4 and since the international prospects pipeline also remains healthy, management feels confident of exceeding the guidance on order inflows. The guidance on EBITDA margin for the Projects & Manufacturing remains -- businesses remained at 8.2% for FY25 the company guided at the start of the financial year.

28th February 2025

LTP* – ₹3,210/-

View – **Hold****VIEW**

L&T reported strong Q3FY25 primarily led by better-than-expected order inflow and strong execution momentum in Infrastructure (15% YoY), Hydrocarbon (54% YoY) and Precision Engineering & Systems (34% YoY) business drive revenue growth. The company received its highest ever quarterly orders of ₹116,036crs at the group level during Q3FY25, registering a substantial growth of 53%YoY. During the quarter, orders were received across multiple geographies and diverse sectors like Thermal Power, Renewable, Power Transmission, Precision Engineering, Minerals & Metals, Water, Commercial Buildings and Hydrocarbon Onshore.

We believe L&T is well-placed to benefit in the long-run owing to strong international prospects, healthy domestic pipelines on the back of public-driven capex, and an uptick in private capex. Beyond the core business, LT is also focusing on building newer initiatives such as electrolyzers, semiconductors, data centers, and nuclear technology, as well as further growing its real estate business.

At its CMP, the stock trades at 36.1 to its FY26 EPS of ₹147.3. We remain constructive about the company's long-term prospects. We, therefore, recommend long-term investors to HOLD this stock.

28th February 2025

LTP* - ₹3,210/-

View - Hold

Q3FY25 Result Performance

(₹ crs)

Particulars	Q3FY25	Q3FY24	VAR	Q2FY25	VAR	9MFY25	9MFY24	VAR
Net Sales	64,667.8	55,127.8	17.31%	61,554.6	5.1%	1,81,342.2	1,54,034.2	17.73%
Other Income	967.9	837.8	15.5%	1,101.3	-12.1%	2,989.8	3,116.3	-4.1%
TOTAL INCOME	65,635.7	55,965.6	17.3%	62,655.9	4.8%	1,84,332.0	1,57,150.5	17.3%
Manufacturing, construction and operating expenses:								
Cost Of Materials Consumed	7,286.4	4,835.6	50.7%	6,204.8	17.4%	18,682.6	13,894.8	34.5%
Construction materials consumed	15,073.4	12,922.3		17,032.7		44,566.1	35,627.9	
Purchase of stock in trade	455.7	285.2	59.8%	331.9	37.3%	1,139.2	949.0	20.0%
Stores, spares and tools consumed	1,262.3	1,140.7	10.7%	1,047.5	20.5%	3,254.9	3,325.7	-2.1%
Sub-contracting charge	11,126.1	9,101.3	22.2%	9,070.3	22.7%	29,433.4	24,208.7	21.6%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(20.9)	(2.1)	906.3%	(477.3)	-95.6%	(654.6)	(36.2)	1707.7%
Other manufacturing, construction and operating expenses	6,789.1	6,946.5	-2.3%	6,247.8	8.7%	19,183.9	17,717.8	8.3%
<i>RMC as a %age of sales</i>	<i>64.9%</i>	<i>63.9%</i>		<i>64.1%</i>		<i>63.7%</i>	<i>62.1%</i>	
Employee Benefit Expenses	11,912.2	10,253.3	16.2%	11,455.7	4.0%	34,411.4	30,441.5	13.0%
<i>EPC as a %age of sales</i>	<i>18.4%</i>	<i>18.6%</i>		<i>18.6%</i>		<i>19.0%</i>	<i>19.8%</i>	
Sales, administration and other expenses								
<i>Sales, administration and other expenses as a %age of sales</i>	<i>4.5%</i>	<i>4.4%</i>		<i>4.4%</i>		<i>4.7%</i>	<i>4.8%</i>	
TOTAL EXPENDITURE	56,769.6	47,929.2	18.4%	53,637.5	5.8%	1,58,481.2	1,33,478.8	18.7%
EBIDTA	7,898.2	7,198.7	9.7%	7,917.1	-0.2%	22,861.0	20,555.5	11.2%
EBIDTA Margins %	12.2%	13.1%	-0.8%	12.9%		12.6%	13.3%	-0.7%
Finance cost of financial services business and finance lease activity	1,643.3	1,439.7	14.1%	1,555.0	5.7%	4,628.8	4,295.8	7.8%
Finance costs	842.7	904.2		884.4		2,588.4	2,619.5	
PBDT	6,380.0	5,692.6	12.1%	6,578.9	-3.0%	18,633.5	16,756.4	11.2%
Depreciation	1,047.0	920.8	13.7%	1,023.8	2.3%	3,068.8	2,661.1	15.3%
PBT	5,333.0	4,771.8	11.8%	5,555.1	-4.0%	15,564.8	14,095.2	10.4%
Tax	1,332.0	1,177.3	13.1%	1,442.3	-7.6%	4,010.8	3,529.1	13.6%
<i>Tax Rate</i>	<i>25.0%</i>	<i>24.7%</i>		<i>26.0%</i>		<i>25.8%</i>	<i>25.0%</i>	
Reported Profit After Tax	4,001.0	3,594.5	11.3%	4,112.8	-2.7%	11,554.0	10,566.1	9.3%
PATM %	6.2%	6.5%	-0.3%	6.7%		6.4%	6.9%	-0.5%
Share in profit/(loss) after tax of joint ventures/associates (net)	(27.1)	(1.7)	1519.8%	(14.0)	93.6%	(36.4)	(32.3)	13.0%
Net profit after tax and share in profit/(loss) of joint ventures/associates	3,974.0	3,592.8	10.6%	4,098.8	-3.0%	11,517.5	10,533.9	9.3%
Other Comprehensive Income (Net of tax)- net credit / (charge)	(1,276.1)	492.6		358.3		(721.6)	400.8	
Total Comprehensive Income	2,697.9	4,085.4	-34.0%	4,457.1	-39.5%	10,795.9	10,934.7	-1.3%
EPS	24.4	21.4	14.0%	24.7	-1.2%	60.4	62.1	-2.7%
Equity	275.0	274.9		275.0		275.0	274.9	
Face Value	2.0	2.0		2.0		2.0	2.0	

Source: Company, Way2Wealth

28th February 2025

LTP* - ₹3,210/-

View - Hold

CONSOLIDATED SEGMENTAL REVENUE

(₹ crs)

Particulars	Q3FY25	Q3FY24	VAR	Q2FY25	VAR	9MFY25	9MFY24	VAR
REVENUES								
Revenue from Operations	65,474.6	52,609.1	24.5%	62,380.6	5.0%	1,83,500.3	1,56,578.3	17.2%
Infrastructure Projects	32,408.0	28,266.4	14.7%	32,352.3	0.2%	91,939.7	75,638.8	21.6%
<i>% Mix</i>	49.5%	53.7%		51.9%		50.1%	48.3%	
Energy Projects	11,055.4	7,870.3	40.5%	8,879.8	24.5%	28,435.6	21,355.0	33.2%
<i>% Mix</i>	16.9%	15.0%		14.2%		15.5%	13.6%	
Hi-Tech Manufacturing	2,589.1	2,184.7	18.5%	2,175.9	19.0%	6,684.7	6,194.1	7.9%
<i>% Mix</i>	4.0%	4.2%		3.5%		3.6%	4.0%	
IT & Technology Services	12,218.9	11,326.0	7.9%	11,960.6	2.2%	35,736.2	33,533.6	6.6%
<i>% Mix</i>	18.7%	21.5%		19.2%		19.5%	21.4%	
Financial Services	3,881.3	3,406.7	13.9%	3,836.6	1.2%	11,381.9	9,510.4	19.7%
<i>% Mix</i>	5.9%	6.5%		6.2%		6.2%	6.1%	
Development Project	1,434.6	1,219.9	17.6%	1,382.9	3.7%	4,144.8	4,369.4	-5.1%
<i>% Mix</i>	2.2%	2.3%		2.2%		2.3%	2.8%	
Others	1,887.4	1,741.8	8.4%	1,792.5	5.3%	5,177.4	5,977.0	-13.4%
<i>% Mix</i>	2.9%	3.3%		2.9%		2.8%	3.8%	
Less: Inter Segment Revenues	806.8	887.9	-9.1%	826.1	-2.3%	2,158.2	2,544.1	-15.2%
Total Segment Revenue	64,667.8	51,721.2	25.0%	61,554.5		1,81,342.2	1,54,034.2	17.7%
Profit/Loss Before Interest and Tax								
	5,873.0	5,453.8	7.7%	6,007.9	-2.2%	17,289.5	15,739.6	9.8%
<i>Margin %</i>	9.0%	10.4%		9.6%		9.4%	10.1%	
Infrastructure Projects	1,414.8	1,205.4	17.4%	1,550.2	-8.7%	4,165.0	3,091.1	34.7%
<i>Margin %</i>	4.4%	4.3%		4.8%		4.5%	4.1%	
Energy Projects	838.6	695.2	20.6%	709.1	18.3%	2,216.9	1,840.0	20.5%
<i>Margin %</i>	7.6%	8.8%		8.0%		7.8%	8.6%	
Hi-Tech Manufacturing	388.6	294.8	31.8%	209.7	85.3%	865.2	783.0	10.5%
<i>Margin %</i>	15.0%	13.5%		9.6%		12.9%	12.6%	
IT & Technology Services	1,833.8	1,970.8	-7.0%	2,079.8	-11.8%	5,825.8	5,789.5	0.6%
<i>Margin %</i>	15.0%	17.4%		17.4%		16.3%	17.3%	
Financial Services	823.9	824.0	0.0%	939.5	-12.3%	2,685.8	2,334.4	15.1%
<i>Margin %</i>	21.2%	24.2%		24.5%		23.6%	24.5%	
Development Projects	148.8	118.4	25.7%	135.8	9.6%	431.9	875.5	-50.7%
<i>Margin %</i>	10.4%	9.7%		9.8%		10.4%	20.0%	
Others	424.5	345.3	22.9%	383.7	10.6%	1,098.9	1,026.1	7.1%
<i>Margin %</i>	22.5%	19.8%		21.4%		21.2%	17.2%	
Less: Inter segment results	28.39	112.19		40.27		78.1	191.6	
Less: Interest	842.7	904.2	-6.8%	884.4	-4.7%	2,588.4	2,619.5	-1.2%
Other Un-allocable Expenditure	331.2	334.3	-0.9%	471.8	-29.8%	942.5	1,166.8	-19.2%
Net Profit/Loss Before Tax	5,333.0	4,771.8	11.8%	5,555.1	-4.0%	15,565.5	14,095.3	10.4%

Source: Company, Way2Wealth

SEGMENTAL ORDER INFLOW TREND

Order Inflows (bn)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	YoY (%)	QoQ (%)
Infrastructure	184	251	325	411	400	277	432	313	401	495	490.7	13.6%	-0.9%
Energy	42	84	91	91	72	401	133	131	88	78	388.18	191.9%	397.7%
HI-Tech manufacturing	33	18	19	84	13	27	20	88	37	39	84.23	321.2%	116.0%
Others	21	20	22	23	20	27	16	28	19	18	23.49	46.8%	30.5%
Ex Services	280	373	457	609	504	731	602	561	544	630	986.6	63.9%	56.6%
Services	138	146	150	152	151	161	158	161	165	170	173.76	10.0%	2.2%
TOTAL	418	519	607	761	655	892	760	722	709	800	1160.36	52.7%	45.0%

Source: Company, Way2Wealth

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Disclosure of Interest Statement Larsen & Toubro Ltd. as on 28 February 2025

Name of the Security	Larsen & Toubro Ltd.
Name of the analyst	Ashwini Sonawane
Analysts' ownership of any stock related to the information contained	
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
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