

India

ADD (no change)

Consensus ratings*: Buy 28 Hold 5 Sell 2

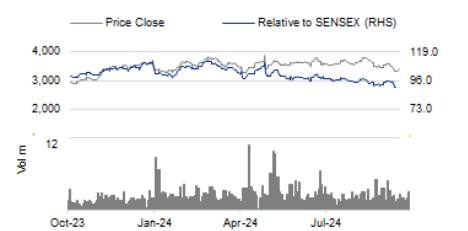
Current price:	Rs3,408
Target price:	Rs3,980
Previous target:	Rs4,020
Up/downside:	16.8%
InCred Research / Consensus:	-0.6%

Reuters:	
Bloomberg:	LT IN
Market cap:	US\$64,539m
	Rs4,686,464m
Average daily turnover:	US\$146.2m
	Rs10618.1m
Current shares o/s:	1,374.7m
Free float:	38.0%

*Source: Bloomberg

Key changes in this note

► For FY25F/FY26F/27F, we lower our PAT estimates by 7%/0.5%/2.4% and increase revenue estimates by 2.4%/1.2%/0.3% for FY25F/26F/27F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(7.3)	(9.9)	16.5
Relative (%)	(2.2)	(7.9)	(6.9)

Major shareholders	% held
LT Employee Trust	14.4
LIC	11.6
SBI Arbitrage	4.1

Research Analyst(s)



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Larsen & Toubro Ltd

Strong execution at lower margin

- 2Q EBITDA at Rs63.6bn, up 13% YoY, 3% above our estimate & 6% above the BB consensus estimate. The EBITDA margin fell by 70bp YoY to 10.3%.
- Despite a 2% lower order inflow in 1HFY24, management maintained its inflow guidance at 10% and revenue growth guidance at 15% for FY25F.
- We lower PAT estimates by 7%/0.5%/2.4% for FY25F/26F/27F. Retain ADD rating with a lower SOTP-based target price of Rs3,980 (Rs4,020 earlier).

Healthy execution to continue

Larsen & Toubro (L&T) reported a healthy 2QFY25 revenue of Rs615bn, up 21% YoY (+12% QoQ), 7% above our estimate and 9% above the Bloomberg or BB consensus estimate. Revenue growth was led by infrastructure projects, up 30% YoY at Rs323bn, while energy projects increased by 31% YoY to Rs89bn. Revenue of the high-tech manufacturing segment grew by 7% YoY to Rs21.8bn while the IT & technology services segment grew by 6% YoY to Rs120bn. EBITDA came in at Rs63.6bn, up 13% YoY, 3% above our estimate and 6% above the BB consensus estimate. The EBITDA margin declined by 70bp YoY to 10.3%. PAT grew by 5% YoY to Rs33.95bn, 2% below our estimate and 6% above the BB consensus estimate. Last year, it had the benefit of non-recurring gain of Rs5bn from Transit Oriented Development (TOD) monetization of the Hyderabad metro rail concession. Adjusting for this, consol. PAT in 2Q grew by 25% YoY.

Maintains guidance of 15% revenue growth and 10% order inflow

Despite a 2% lower order inflow in 1HFY24, management maintained its order inflow guidance of 10% and revenue growth guidance of 15% for FY25F. For projects and manufacturing business, margin is expected to remain at a level like in FY24, at ~8-8.25%. Tendering activity is expected to remain muted in coming quarters. Total order prospects pipeline declined by 8% YoY to Rs8.08tr for the remaining six months of FY25F, which is largely attributed to a lower hydrocarbon order pipeline. We believe L&T is likely to miss its 10% order inflow growth guidance for FY25F mainly due to lower international order inflow. Order inflow for the quarter decreased by 10% YoY to ~Rs800bn. The share of international orders was 63% compared to 67% last year. Order book stood at Rs5.1tr (+13% YoY), with 60% being domestic orders and 40% international.

Retain ADD rating with a lower target price of Rs3,980

The Union Budget for 2024-25 provides a roadmap of 'Viksit Bharat', meant for India's development by 2047F. This continuity in policy is expected to boost India's economic growth and help L&T achieve its Lakshya 26 targets. For FY25F/FY26F/27F, we lower our PAT estimates by 7%/0.5%/2.4% and increase revenue estimates by 2.4%/1.2%/0.3%, respectively, factoring in higher execution and lower margin. We retain ADD rating on L&T with a lower SOTP-based target price of Rs3,980 (Rs4,020 earlier) valuing the core business at 28x Sep 2026F and the listed subsidiary at its current price. Downside risks: Slower-than-expected order inflow and margin pressure coupled with execution miss.

Financial Summary	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	1,833,407	2,211,129	2,529,344	2,834,192	3,149,058
Operating EBITDA (Rsm)	207,621	234,936	263,714	319,696	357,657
Net Profit (Rsm)	103,347	129,655	149,646	187,341	212,586
Core EPS (Rs)	73.6	92.3	106.5	133.3	151.3
Core EPS Growth	20.1%	25.5%	15.4%	25.2%	13.5%
FD Core P/E (x)	46.34	36.94	32.00	25.56	22.53
DPS (Rs)	21.0	21.0	22.0	22.0	22.0
Dividend Yield	0.62%	0.62%	0.65%	0.65%	0.65%
EV/EBITDA (x)	28.38	25.27	22.88	18.84	16.89
P/FCFE (x)	35.45	46.02	35.82	35.91	43.20
Net Gearing	92.7%	96.2%	94.6%	82.4%	73.5%
P/BV (x)	5.36	5.55	4.88	4.21	3.63
ROE	12.0%	14.8%	16.2%	17.7%	17.3%
% Change In Core EPS Estimates					
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

2QFY25 conference-call highlights

- **Overview:** In 2QFY25, L&T posted a healthy revenue growth of 21% while the order inflow dipped by 10% YoY. EBITDA and PAT improved by 13% and 5%, respectively, during the quarter. Revenue growth was driven by execution momentum in infrastructure, hydrocarbon and precision engineering segments. Strong international order inflow momentum continued during the quarter. Adjusted PAT in 2QFY25 grew by 25%, as last year it had a non-recurring gain from TOD monetization of Hyderabad metro rail project.
- **Guidance:** Despite a 2% lower order inflow in 1HFY24, management maintained its order inflow guidance of 10% and revenue growth guidance of 15% for FY25F. For the project and manufacturing business, the margin is expected to remain at a level like in FY24, at ~8-8.25%.
- **Order prospects:** Total prospective order pipeline declined by 8% YoY to Rs8.08tr for the remaining six months of FY25F, which is largely attributed to a lower hydrocarbon order pipeline. The pipeline of infrastructure projects stood at Rs5.42tr vs. Rs5.06tr YoY, hydrocarbon at Rs2.25tr vs. Rs2.91tr YoY, carbon light solution (formerly power) at Rs0.24tr vs. 0.55tr YoY, and heavy engineering at Rs0.16tr vs. 0.23tr YoY.
- **Order inflow:** The order inflow for the quarter decreased by 10% YoY to ~Rs800.5bn. The company received orders mainly from infrastructure, hydrocarbon and precision engineering segments. The share of international orders was 63% compared to 67% last year. The company received orders across multiple verticals like T&D, hydrocarbon, renewables, road, nuclear power, ferrous metals, etc.
- **Order book:** As of Sep 2024-end, the order book stood at Rs5.1tr (+13% YoY), with 60% being domestic orders and 40% international. The domestic order book comprises central government (14%), state governments (28%), public sector corporations and state-owned enterprises (36%) and the private sector (22%). 17% were funded by bilateral and multilateral agencies. 85% of international orders are from the Middle East, and the remaining from Africa, South-East Asia and Europe. During 2QFY25, the company did not reject any order. The share of slow-moving orders was ~ 0.5%.
- **LT Power renamed:** The company is well positioned for newer energy and cleaner sources of energy. L&T Power has been now renamed as L&T Carbon Light. It will participate in some carbon capture projects and also other carbon light solutions.
- **Working capital & profitability:** The net working capital or NWC-to-sales ratio stood at 12.2% as of Sep 2024-end as against 13.9% as of Jun 2024-end, led by strong customer collections during the quarter. RoE on a TTM basis stood at 16.1% as against 15.3% in 2QFY24.
- **Hyderabad metro rail:** Average ridership improved from 4,32,00 passengers in 1QFY25 to 4,68,000 passengers in 2QFY25.
- **Investments:** The new transformative investments in green energy, data centres, digital platforms, and semiconductor design will not only improve digital and sustainability footprint but also complement current business portfolio. Management believes that India's growth story remains intact due to continued public capital expenditure and a visible recovery in private investments. Management expects the Middle East capital expenditure momentum to remain healthy.
- **Initiatives:** L&T is focusing on several key initiatives across various sectors. It is developing high-rise buildings, transportation networks, utility networks, and smart cities. The company is addressing climate change through renewable energy, green buildings, clean fuels, and water recycling. Mobility growth is being tackled with transit systems, airports, electric systems, and infrastructure. Housing and energy-efficient power systems are also in focus, along with financial services.

Figure 1: Results summary

Rs m	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	1HFY25	1HFY24	YoY (%)
Net Revenue	6,15,546	5,10,240	20.6%	5,51,198	11.7%	11,66,744	9,89,064	18.0%
Domestic	2,95,462	2,91,260	1.4%	2,86,623	3.1%	6,06,707	5,14,313	18.0%
International	3,20,084	2,18,980	46.2%	2,64,575	21.0%	5,60,037	4,74,751	18.0%
Expenditure								
Raw material costs	3,94,575	3,10,643	27.0%	3,41,760	15.5%	7,36,335	6,03,800	22.0%
Employee expenses	1,14,557	1,02,989	11.2%	1,10,435	3.7%	2,24,992	2,01,883	11.4%
Administrative expenses	27,244	26,204	4.0%	28,545	-4.6%	55,788	49,813	12.0%
Finance cost of financial activity	15,550	14,085	10.4%	14,305	8.7%	29,855	28,562	4.5%
Total expenses	5,51,925	4,53,921	21.6%	4,95,045	11.5%	10,46,971	8,84,058	18.4%
EBITDA	63,620	56,320	13.0%	56,153	13.3%	1,19,773	1,05,006	14.1%
Depreciation	10,238	9,099	12.5%	9,979	2.6%	20,218	17,404	16.2%
EBIT	53,382	47,221	13.0%	46,174	15.6%	99,556	87,603	13.6%
Interest	8,844	8,640	2.4%	8,614	2.7%	17,457	17,154	1.8%
Other income	11,013	11,330	-2.8%	9,206	19.6%	20,219	22,785	-11.3%
PBT	55,551	49,911	11.3%	46,767	18.8%	1,02,317	93,234	9.7%
Total tax	14,423	11,355	27.0%	12,365	16.6%	26,788	23,518	13.9%
Adjusted PAT	41,128	38,556	6.7%	34,401	19.6%	75,529	69,717	8.3%
Reported PAT	41,128	38,556	6.7%	34,401	19.6%	75,529	69,717	8.3%
Profit of associates (net)	(140)	(101)	39.0%	46	-405.7%	(94)	(306)	-69.3%
Adj. for MI in subsidiaries	(7,036)	(6,229)	13.0%	(6,590)	6.8%	(13,625)	(12,255)	11.2%
Reported PAT after MI	33,953	32,226	5.4%	27,857	21.9%	61,810	57,156	8.1%
Adjusted PAT after MI	33,953	32,226	5.4%	27,857	21.9%	61,810	57,156	8.1%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: Margin and cost analysis

Key ratios	2QFY25	2QFY24	YoY	1QFY25	QoQ	1HFY25	1HFY24	YoY
MCO expenses to sales (%)	64.1%	60.9%	322bp	62.0%	210bp	63.1%	61.0%	206bp
Staff costs to sales (%)	18.6%	20.2%	-157bp	20.0%	-142bp	19.3%	20.4%	-113bp
SGA expenses to sales (%)	4.4%	5.1%	-71bp	5.2%	-75bp	4.8%	5.0%	-25bp
EBITDA margin (%)	10.3%	11.0%	-70bp	10.2%	15bp	10.3%	10.6%	-35bp
EBIT margin (%)	8.7%	9.3%	-58bp	8.4%	30bp	8.5%	8.9%	-32bp
Net margin (%)	5.4%	6.2%	-76bp	5.0%	45bp	5.2%	5.6%	-44bp
Effective tax rate (%)	26.0%	22.8%	321bp	26.4%	-48bp	26.2%	25.2%	96bp
Gross margin (%)	35.9%	39.1%	-322bp	38.0%	-210bp	36.9%	39.0%	-206bp

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Order inflow and order book

Orders (Rs m)	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	1HFY25	1HFY24	YoY (%)
Order inflow	8,00,460	8,91,530	-10.2%	8,91,500	-10.2%	15,09,820	15,46,730	-2.4%
Order backlog	51,04,020	45,07,340	13.2%	45,07,000	13.2%	51,04,020	45,07,340	13.2%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Actuals vs. estimates

InCred	2QFY25	2QFY25F	Diff
Revenue	6,15,546	5,73,165	7.4%
EBITDA	63,620	61,725	3.1%
Margin (%)	10.3%	10.8%	-43bp
PAT	33,953	34,497	-1.6%
Consensus	2QFY25	2QFY25C	Diff
Revenue	6,15,546	5,66,526	8.7%
EBITDA	63,620	61,400	3.6%
Margin (%)	10.3%	10.8%	-50bp
PAT	33,953	32,000	6.1%

SOURCES: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Segment order inflow

(Rs m)	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	1HFY25	1HFY24	YoY (%)
Infrastructure	4,95,220	2,79,900	76.9%	4,00,530	23.6%	8,95,750	6,80,410	31.6%
Energy	77,590	4,01,410	-80.7%	87,920	-11.7%	1,65,510	4,73,860	-65.1%
Hi-Tech Manufacturing	39,200	23,950	63.7%	36,770	6.6%	75,970	34,460	120.5%
IT & Technology Services	1,17,980	1,11,820	5.5%	1,15,050	2.5%	2,33,030	2,20,330	5.8%
Financial Services	38,370	30,840	24.4%	36,640	4.7%	75,010	61,040	22.9%
Developmental Projects	13,820	18,490	-25.3%	13,270	4.1%	27,090	31,430	-13.8%
Others	18,280	25,120	-27.2%	19,180	-4.7%	37,460	45,200	-17.1%
Total Order Inflow (Rs m)	8,00,460	8,91,530	-10.2%	7,09,360	12.8%	15,09,820	15,46,730	-2.4%
Ex Service OI	6,12,010	7,05,260	-13.2%	5,25,220	16.5%	11,37,230	11,88,730	-4.3%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Segment-wise revenue, EBIT and EBITDA

Segment Revenue (Rs m)	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	1HFY25	1HFY24	YoY (%)
Infrastructure	3,23,523	2,49,768	29.5%	2,71,795	19.0%	5,95,318	4,73,724	25.7%
Energy	88,798	67,943	30.7%	85,004	4.5%	1,73,802	1,34,847	28.9%
Hi-Tech Manufacturing	21,759	20,411	6.6%	19,197	13.3%	40,957	40,094	2.2%
IT & Technology Services	1,19,606	1,12,470	6.3%	1,15,567	3.5%	2,35,173	2,22,076	5.9%
Financial Services	38,366	30,841	24.4%	36,640	4.7%	75,006	61,037	22.9%
Developmental Projects	13,829	18,531	-25.4%	13,273	4.2%	27,102	31,495	-13.9%
Others	17,925	18,880	-5.1%	14,975	19.7%	32,900	42,352	-22.3%
Total Revenue	6,23,807	5,18,843	20.2%	5,56,451	12.1%	11,80,258	10,05,626	17.4%
Less: Inter-Segment revenue	8,261	8,603	-4.0%	5,253	57.3%	13,514	16,562	-18.4%
Net Revenue	6,15,546	5,10,240	20.6%	5,51,198	11.7%	11,66,744	9,89,064	18.0%
Revenue (Ex-Service)	4,52,006	3,57,002	26.6%	3,90,970	15.6%	8,42,976	6,91,017	22.0%
Segment-wise EBIT	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	1HFY25	1HFY24	YoY (%)
Infrastructure	15,502	10,356	49.7%	12,001	29.2%	27,503	18,857	45.8%
Energy	7,091	5,877	20.7%	6,692	5.97%	13,783	11,448	20.4%
Hi-Tech Manufacturing	2,097	2,338	-10.3%	2,669	-21.4%	4,766	4,882	-2.4%
IT & Technology Services	20,798	19,012	9.4%	19,115	8.8%	39,913	38,187	4.5%
Financial Services	9,395	7,964	18.0%	9,223	1.9%	18,619	15,104	23.3%
Developmental Projects	1,358	6,341	-78.6%	1,473	-7.8%	2,831	7,571	-62.6%
Others	3,837	2,982	28.7%	2,907	32.0%	6,745	6,808	-0.9%
Total Revenue	60,079	54,869	9.5%	54,079	11.1%	1,14,158	1,02,857	11.0%
Less: Inter-Segment	403	281	43.4%	94	326.6%	497	794	-37.4%
Finance Cost	8,844	8,640	2.4%	8,514	3.9%	17,357	17,154	1.2%
Unallocable Expenses	4,718	3,962	19.1%	1,395	238.2%	6,114	8,325	-26.6%
PBT	55,551	49,911	11.3%	46,867	18.5%	1,02,417	93,234	9.8%
EBIT Margin	2QFY25	2QFY24	YoY bp	1QFY25	QoQ bp	1HFY25	1HFY24	YoY bp
Infrastructure	4.8%	4.1%	65	4.4%	38	4.6%	4.0%	64
Energy	8.0%	8.7%	-66	7.9%	11	7.9%	8.5%	-56
Hi-Tech Manufacturing	9.6%	11.5%	-182	13.9%	-427	11.6%	12.2%	-54
IT & Technology Services	17.4%	16.9%	48	16.5%	85	17.0%	17.2%	-22
Financial Services	24.5%	25.8%	-133	25.2%	-68	24.8%	24.7%	8
Developmental Projects	9.8%	34.2%	-2,440	11.1%	-128	10.4%	24.0%	-1,359
Others	21.4%	15.8%	561	19.4%	199	20.5%	16.1%	443
Total Revenue	9.6%	10.6%	-94	9.7%	-9	9.7%	10.2%	-56
EBITDA (Rs m)	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	1HFY25	1HFY24	YoY (%)
Total EBITDA	63,098	53,184	18.6%	56,223	12.2%	1,19,322	1,03,357	15.4%
Infrastructure	19,411	13,487	43.9%	15,764	23.1%	35,175	24,909	41.2%
Energy	7,814	6,455	21.1%	7,395	5.7%	15,210	12,543	21.3%
Hi-Tech Manufacturing	2,785	3,041	-8.4%	3,340	-16.6%	6,126	6,348	-3.5%
IT & Technology Services	25,117	22,719	10.6%	23,113	8.7%	48,231	45,298	6.5%
Others	7,970	7,482	6.5%	6,610	20.6%	14,580	14,259	2.3%
Financial Services NIM + Fees	4,182	3,331	25.6%	4,067	2.8%	8,249	6,230	32.4%
EBITDA (Ex. Services)	37,981	30,466	24.7%	33,110	14.7%	71,091	58,059	22.4%
EBITDA Margin (%)	2QFY25	2QFY24	YoY bp	1QFY25	QoQ bp	1HFY25	1HFY24	YoY bp
Infrastructure	6.0%	5.4%	60	5.8%	20	5.9%	5.3%	65
Energy	8.8%	9.5%	-70	8.7%	10	8.8%	9.3%	-55
Hi-Tech Manufacturing	12.8%	14.9%	-210	17.4%	-460	15.0%	15.8%	-88
IT & Technology Services	21.0%	20.2%	80	20.0%	100	20.5%	20.4%	11
Financial Services NIM + Fees	10.9%	10.8%	10	11.1%	-20	11.0%	10.2%	79
EBITDA (Ex. Services)	8.4%	8.5%	-13	8.5%	-7	8.4%	8.4%	3

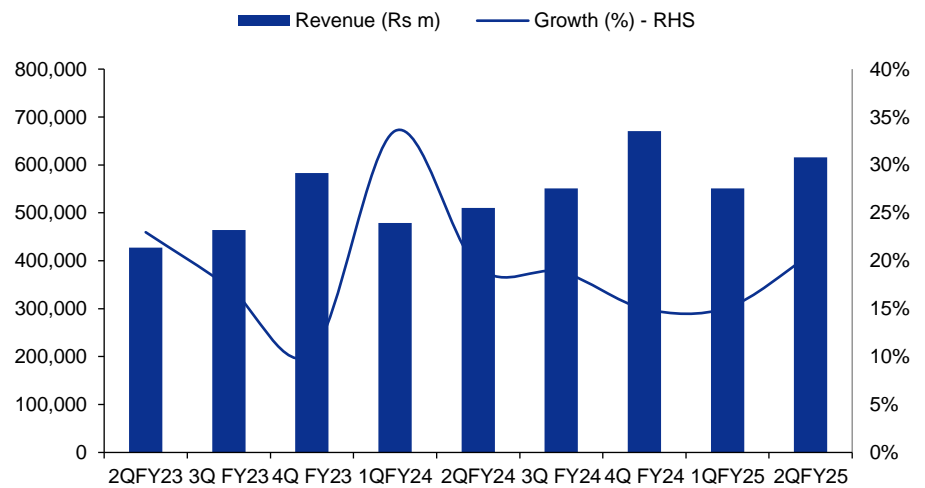
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: Our revised earnings estimates

(Rs m)	New estimates			Old Estimates			Change		
	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F
Revenue	25,29,344	28,34,192	31,49,058	24,70,257	27,99,961	31,38,458	2.4%	1.2%	0.3%
EBITDA	2,63,714	3,19,696	3,57,657	2,78,799	3,20,995	3,64,760	-5.4%	-0.4%	-1.9%
PAT	1,49,646	1,87,341	2,12,586	1,60,960	1,88,315	2,17,913	-7.0%	-0.5%	-2.4%

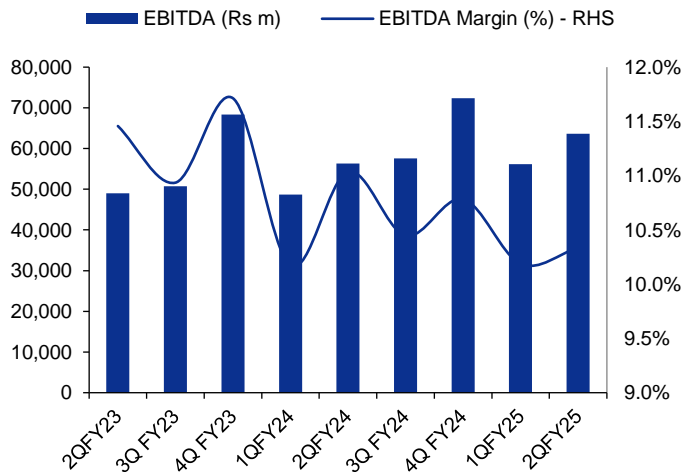
SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 8: Quarter revenue trend



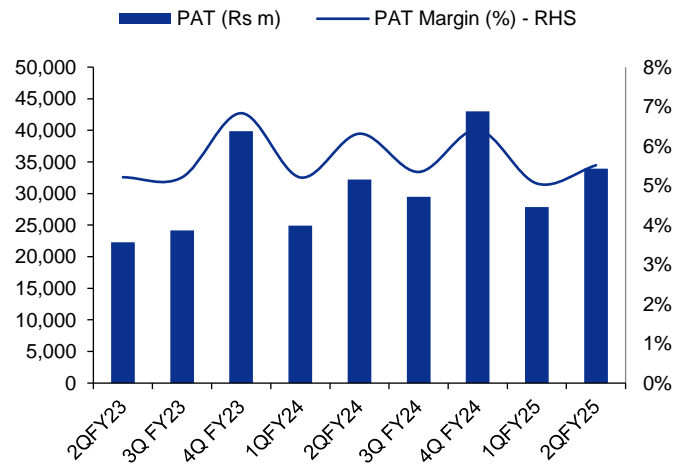
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: Margin maintained around ~10%



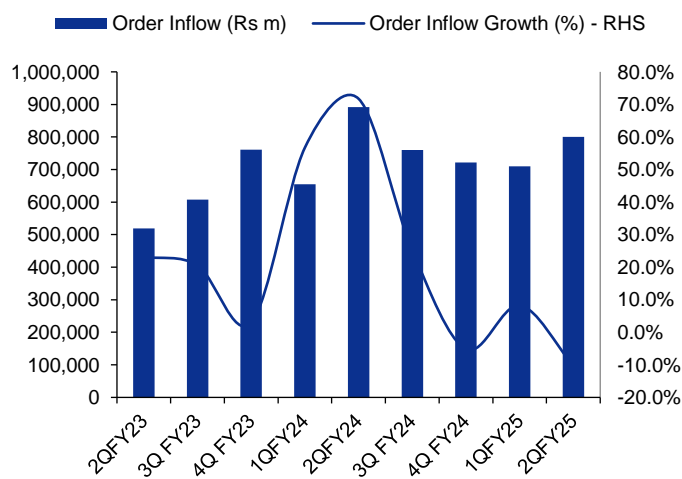
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 10: Quarterly PAT trend



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 11: Quarter order inflow trend



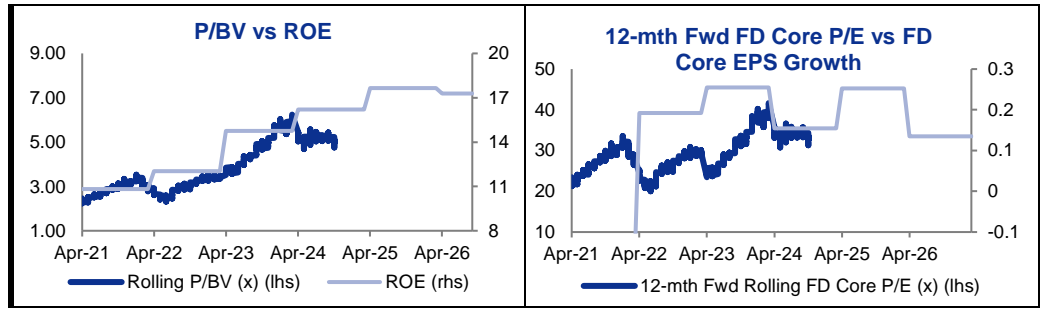
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 12: Strong order book position



SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Net Revenues	1,833,407	2,211,129	2,529,344	2,834,192	3,149,058
Gross Profit	667,472	751,623	892,858	991,967	1,095,872
Operating EBITDA	207,621	234,936	263,714	319,696	357,657
Depreciation And Amortisation	(35,023)	(36,823)	(38,498)	(42,244)	(44,516)
Operating EBIT	172,598	198,113	225,216	277,452	313,141
Financial Income/(Expense)	(32,072)	(35,458)	(34,229)	(35,006)	(35,834)
Pretax Income/(Loss) from Assoc.	(943)	(226)	(249)	(299)	(358)
Non-Operating Income/(Expense)	29,292	41,580	40,749	39,934	39,135
Profit Before Tax (pre-EI)	168,876	204,009	231,486	282,082	316,084
Exceptional Items					
Pre-tax Profit	168,876	204,009	231,486	282,082	316,084
Taxation	(44,930)	(49,474)	(57,934)	(70,595)	(79,111)
Exceptional Income - post-tax					
Profit After Tax	123,946	154,535	173,553	211,487	236,973
Minority Interests	(20,599)	(24,880)	(23,907)	(24,146)	(24,387)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	103,347	129,655	149,646	187,341	212,586
Recurring Net Profit	103,347	129,655	149,646	187,341	212,586
Fully Diluted Recurring Net Profit	103,347	129,655	149,646	187,341	212,586

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
EBITDA	207,621	234,936	263,714	319,696	357,657
Cash Flow from Invt. & Assoc.	(37,802)	(30,701)	(31,978)	(37,316)	(41,215)
Change In Working Capital	14,097	104,377	(224,477)	(182,364)	(232,074)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	111,268	(107,354)	86,397	87,748	87,746
Net Interest (Paid)/Received	2,780	(6,122)	(6,519)	(4,928)	(3,301)
Tax Paid	(44,930)	(49,474)	(57,934)	(70,595)	(79,111)
Cashflow From Operations	253,033	145,662	29,203	112,242	89,703
Capex	(45,733)	(8,044)	(69,748)	(45,465)	(47,611)
Disposals Of FAs/subsidiaries	(51,949)	(30,409)	(10,000)	(10,000)	(10,000)
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	29,292	41,580	40,749	39,934	39,135
Cash Flow From Investing	(68,391)	3,128	(38,999)	(15,531)	(18,476)
Debt Raised/(repaid)	(49,549)	(44,736)	143,501	36,658	39,633
Proceeds From Issue Of Shares	1	(62)			
Shares Repurchased		(100,300)			
Dividends Paid	(29,506)	(29,506)	(30,911)	(30,911)	(30,911)
Preferred Dividends					
Other Financing Cashflow	(49,327)	(56,995)	(54,793)	(55,809)	(56,878)
Cash Flow From Financing	(128,381)	(231,599)	57,796	(50,062)	(48,156)
Total Cash Generated	56,262	(82,810)	48,000	46,649	23,070
Free Cashflow To Equity	135,094	104,053	133,704	133,369	110,859
Free Cashflow To Firm	152,571	113,331	(44,026)	61,705	35,392

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Cash And Equivalents	225,196	153,584	201,812	248,317	270,892
Total Debtors	447,315	487,710	623,674	698,842	776,480
Inventories	68,288	66,202	97,016	93,179	103,531
Total Other Current Assets	774,494	775,581	1,039,456	1,242,386	1,509,822
Total Current Assets	1,515,293	1,483,077	1,961,959	2,282,723	2,660,725
Fixed Assets	466,954	438,175	469,425	472,646	475,741
Total Investments	1,261,798	1,436,384	1,398,485	1,362,980	1,329,751
Intangible Assets					
Total Other Non-Current Assets	33,544	33,301	29,971	26,974	24,276
Total Non-current Assets	1,762,295	1,907,860	1,897,880	1,862,600	1,829,768
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	1,013,138	1,156,104	1,351,293	1,436,508	1,552,960
Other Current Liabilities	43,644	44,450	55,438	62,119	69,020
Total Current Liabilities	1,056,782	1,200,554	1,406,731	1,498,628	1,621,980
Total Long-term Debt	1,185,134	1,140,398	1,283,898	1,320,556	1,360,189
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
Total Non-current Liabilities	1,185,134	1,140,398	1,283,898	1,320,556	1,360,189
Total Provisions					
Total Liabilities	2,241,916	2,340,952	2,690,629	2,819,184	2,982,170
Shareholders Equity	893,260	863,592	982,327	1,138,757	1,320,432
Minority Interests	142,413	161,904	161,904	161,904	161,904
Total Equity	1,035,672	1,025,497	1,144,231	1,300,661	1,482,336

Key Ratios					
	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue Growth	17.1%	20.6%	14.4%	12.1%	11.1%
Operating EBITDA Growth	14.0%	13.2%	12.2%	21.2%	11.9%
Operating EBITDA Margin	11.3%	10.6%	10.4%	11.3%	11.4%
Net Cash Per Share (Rs)	(683.21)	(702.33)	(770.14)	(763.13)	(775.27)
BVPS (Rs)	635.75	614.63	699.14	810.47	939.78
Gross Interest Cover	5.38	5.59	6.58	7.93	8.74
Effective Tax Rate	26.6%	24.3%	25.0%	25.0%	25.0%
Net Dividend Payout Ratio	28.6%	22.8%	20.7%	16.5%	14.5%
Accounts Receivables Days	90.45	77.17	80.19	85.16	85.50
Inventory Days	19.99	16.82	18.20	18.84	17.48
Accounts Payables Days	308.71	271.25	279.62	276.17	265.72
ROIC (%)	15.8%	22.1%	17.7%	18.0%	(8.2%)
ROCE (%)	7.8%	9.0%	9.8%	11.0%	11.5%
Return On Average Assets	4.5%	5.3%	5.4%	5.9%	5.2%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

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Definition:

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- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

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Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
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- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.