



LARSEN & TURBO LTD.

ISIN CODE: INE018A01030

BSE: 500510

NSE: LT

CMP: 1752.05



OVERVIEW

Wed, 13th Oct '21

- Larsen & Toubro Ltd is a technology, engineering, manufacturing, and financial services conglomerate.
- The company has several operating segments: Infrastructure segment; Power segment; Heavy Engineering segment; Defence engineering segment; and other segments.
- Subsidiary companies: L&T Valves Ltd., L&T Finance Holdings Ltd., L&T Metro Rail Ltd., L&T Power Development Ltd., L&T Realty Developers Ltd., L&T Seawoods Ltd., Mindtree Ltd., L&T Hydrocarbon Engineering Ltd., L&T Technology Services Ltd., Larsen & Toubro Infotech Ltd., L&T Geostructure Private Ltd.
- Joint Venture companies: L&T Infrastructure Development Projects Ltd., L&T - MHI Power Boilers Private Ltd., L&T - MHI Power Turbine Generators Private Ltd.

KEY STRENGTH

- L&T has been a trusted industry partner to ISRO and the Indian space sector for nearly five decades
- A dominant player in the Flue Gas Desulphurisation market, with over 20% of the market share.
- L&T has been ranked 4th in LinkedIn's top 25 workplaces in India List (2021).

MAJOR ORDER ACQUIRED

- Delhi – Vadodara Expressway, Packages 11 and 22 from NHAI.
- High Speed Rail projects – building-related works in C4 & C6 packages.
- EPC overhead electrification projects, EPC-6 and EPC-15A (1630 Tkm), from CORE.
- Overseas – Order received for 3.5 km extension in Mauritius LRT
- India's longest road bridge of 19 km connecting Dhubri in Assam to Phulbari in Meghalaya.
- 1.5 GW solar PV project in Saudi Arabia – the largest overseas order for the business.
- One of the biggest 400 kV substations and one of the longest 400 kV transmission lines in Botswana.
- The first international battery energy storage system order secured in Thailand.

KEY INITIATIVES

- The **IoT**-based Asset Insights solution, which provides alerts of any failures in advance.
- The AI-powered **Unmanned Weigh Bridge** (UWB) solution, enables conventional weigh bridges to be operated automatically.
- Quest**, a solution based on Conversational Artificial Intelligence (AI) & Natural Language Processing (NLP) sits on many field personnel's mobile devices.
- AR-based remote assistance**, to enable experts to guide and assist field personnel in real time.

FUTURE OUTLOOK

- In Saudi Arabia under Vision 2030 – including Amaala, NEOM, the Red Sea Project, and Qiddiya projects –may show movement in the upcoming year.
- Focus will be countries like Bangladesh, Sri Lanka and also on ASEAN, North and East Africa, where projects are funded through Gol lines of credit or through bilateral / multilateral agencies.
- 8-15 GW of solar capacity may get added in the next year in India
- A good number of petrochemical and refinery projects are expected in China, the USA, Europe, South East Asia and Middle East.
- LTTS has identified six focus areas (Electric, Autonomous and Connected Vehicles, 5G, Digital Healthcare, Industry 4.0, AI/ML driven Smart Offerings, Sustainability) for the next five years.

FINANCIAL HIGHLIGHTS

- L&T Consolidated order inflow has increased from domestic but decreased from international market, which result overall 6% decrease in order inflow.
- However consolidated order book has increased by 8% since last year.
- Consolidated gross revenue decreased by 7% since last year.
- Consolidated PAT has increased from Rs. 9549 Cr. in last year to Rs. 11,583 Cr in FY 2020-21.
- Total Dividend for FY 2021 approved by shareholder amount to Rs. 36/- (1800%) per equity share.

Disclaimer: The analysis is only for information purposes only. Please consult your financial advisor, agent and broker before acting on any information. We may or may not have positions in the stock. We would not be responsible for the profit/loss resulting from this analysis.

Growth Rates % (Compound Annual)	1 Yr	3 Yr	5 Yr	10yr
Revenue	-6.8	4.5	6.1	10.0
Operating Income	-0.3	9.0	12.8	9.0
Earnings/Share	-62.4	-23.2	-4.6	-2.8
Dividends	-71.4	-34.1	-5.9	3.7
Book Value/Share	13.7	11.3	11.3	11.4
Stock Total Return	93.5	13.1	13.6	11.4
Market +/-	66.6	-0.2	3.4	2.7

Valuation Ratio	Current	5Yr Avg	Ind	Mkt
Price/Earnings	57.2	24.3	24.3	15.2
Forward P/E	22.7	-	-	-
Price/Cash Flow	10.6	24.7	-	9.9
Price/Free Cash Flow	11.5	47.0	-	-
Dividend Yield %	1.1	1.3	1.1	2.8
Price/Book	3.2	3.1	3.0	2.1
Price/Sales	1.7	1.4	1.2	-

Profitability Ratio	Current	5Yr Avg	Ind.	Mkt.
Return on Equity	-	14.7	11.5	15.4
Return on Asset	-	3.3	2.6	5.6
Gross Margin	35.2	30.8	29.2	-
Operating Margin	12.0	10.3	11.3	-
Net Margin	8.7	6.8	5.1	21.4
Inventory Turns	-	16.7	8.1	-
Fixed Asset Turns	-	9.3	7.2	-

Financial Position (INR)	03-20(Mil.)	03-21 (Mil.)
Cash	1,13,246	1,33,735
Inventories	57,467	58,205
Receivables	—	—
Current Assets	18,26,899	19,49,668
Fixed Assets	1,55,552	1,37,962
Intangibles	2,76,946	2,73,767
Total Assets	3,08,1401	31,12,737
Payables	5,28,734	5,56,943
Short-Term Debt	5,86,758	5,04,852
Current Liabilities	14,27,450	13,74,048
Long-Term Debt	8,23,313	8,21,200
Total Liabilities	23,18,961	22,33,537
Total Equity	6,67,232	7,58,685

Source: Company filings & Analyst Research