

## ONE PAGER SHIKSHAN NIVESH

## LARSEN &amp; TOUBRO (L&amp;T)

SECTOR: INFRA EPC | HYDROCARBON | DEFENSE |  
AEROSPACE | CLEAN ENERGY

Engineering Everything: From India's Roads to Rockets

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### Business Snapshot

L&T is India's most diversified engineering giant — a national builder across **EPC, hydrocarbons, clean energy, defense, and aerospace**. It operates in infrastructure, energy projects, hi-tech manufacturing, and digital services (via **LTIMindtree & LTTS**). Today, it is equally relevant in constructing metro lines as it is in supporting **ISRO's small satellite launches**.

#### Segment Mix (Q3FY25 Revenue Basis)

- Infrastructure Projects: ~50%
- Energy Projects (Hydrocarbon, Green): ~17%
- Hi-Tech Mfg. (Aerospace + Defense): ~4%
- Digital Services (LTIM + LTTS): ~19%
- Realty, Development, Others: ~10%

### What L&T is Building

- Infra:** Roads, metros, tunnels, bridges, airports — still the bread & butter.
- Hydrocarbon:** Up **54% YoY**; massive MEA project execution in carbon lite & refinery.
- Clean Energy:** Electrolyzer EPC, green hydrogen under SIGHT, carbon capture.
- Precision Systems:**
  - ISRO's PSLV & Gaganyaan launch vehicle components
  - Navy radars, launchers, land-based missile systems
  - SSLV commercialization in partnership with HAL
- Investment Efficiency:**
  - Metro ridership near **4.5L/day** (Hyderabad), breakeven path visible.
  - Working capital improving despite large capex base.**

### Risks to Track

- Execution delays in Gulf** due to sourcing regulations
- LTIMindtree margin compression (**attrition, lower leverage**)
- PSU-linked** payment cycles = working capital volatility
- Global or weather-linked infra deferrals

### Shikshan Nivesh Take

L&T is not just India's capex beneficiary — it's now part of our defense & space story too. The order inflow momentum, disciplined capital allocation, and multi-sector growth visibility make this a rare breed: a structural industrial blue-chip with optionality.

With almost zero returns over 18 months, but record execution, this is a **classic high-quality consolidation**. Perfect for long-term investors who like scale, stability, and stories without hype.

At Shikshan Nivesh, we expect revenue and PAT to grow at a healthy pace going into FY26–27, with the company targeting an **ROE of ~18%**.

### The FY25 Reality Check – Qtr by Qtr

#### Q1 FY25

- Revenue: **₹55,100 Cr** ↑ **34% YoY** | PAT: **₹2,800 Cr** ↑ **45% YoY**
- EBITDA: **₹5,620 Cr** | Margin: **10.8%** | ROE: **15.4%**
- Execution picked up**; WC at **13.3% of sales**. Order book over **₹4.98 L Cr**

#### Q2 FY25

- Revenue: **₹61,600 Cr** ↑ **21% YoY** | PAT: **₹3,400 Cr** ↑ **6% YoY**
- EBITDA: **₹6,360 Cr** | Margin: **10.3%** | ROE: **16.1%**
- Strong Infra, Hi-Tech growth; Intl. share at **52%**. WC improved to **12.2%**

#### Q3 FY25

- Revenue: **₹64,670 Cr** ↑ **17% YoY** | PAT: **₹3,400 Cr** ↑ **14% YoY**
- EBITDA: **₹6,250 Cr** | Margin: **9.7%** | ROE: **16.1%**
- ₹1.16 L Cr** orders; book at **₹5.64 L Cr**. Infra/Hydrocarbon lead execution

#### 9M FY25

- Revenue: **₹1,81,370 Cr** ↑ **18% YoY** | PAT: **₹9,600 Cr** ↑ **10% YoY**
- EBITDA: **₹18,230 Cr** | Margin: **10.1%**
- Intl. rev mix: **50%**; Book-to-bill: **3.5x**; Net WC improved **390 bps YoY**
- At Shikshan Nivesh, we see consistent top-line expansion and execution gains across all three quarters — **a steady FY25** so far with room for **a strong Q4 close**.

Larsen &amp; Toubro

Market Cap  
₹ 4,7 Lakh Cr.Price/Earnings  
34xPEG Ratio  
1.85Sales CAGR 3 Year  
18%