



LARSEN & TOUBRO



Research Report

Larsen & Toubro Ltd

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Company Overview

Larsen & Toubro Ltd. (L&T) is a leading Indian multinational engaged in engineering, construction, manufacturing, technology, and financial services. Headquartered in Mumbai, L&T operates globally across more than 50 countries. It is known for executing large-scale infrastructure projects, including roads, metros, power plants, and defense systems. With a focus on innovation, sustainability, and digital transformation, L&T plays a vital role in nation-building while maintaining strong financial performance and shareholder value.

Business Segments

L&T's revenue comes mainly from infrastructure (52%), energy (21%), services including IT and finance (19%), and hi-tech manufacturing (6%). These segments highlight the company's diversified operations and strong growth focus.

Revenue Breakup – Q2 FY25

Segment Approx. % Contribution (Latest)

Infrastructure Projects: 52%

Energy Projects : 21%

Hi-Tech Manufacturing: 6%

Services (IT + Financial): 19%

Others: 2%

Synopsis of Financials

In Q1 FY26, L&T reported revenue of ₹63,679 crore (up 16% YoY) and net profit of ₹3,617 crore (up 30% YoY), with record order inflows of ₹94,453 crore, 52% from international markets. For FY25, consolidated net profit stood at ₹15,037 crore, reflecting 15% growth, backed by strong infrastructure and energy demand.

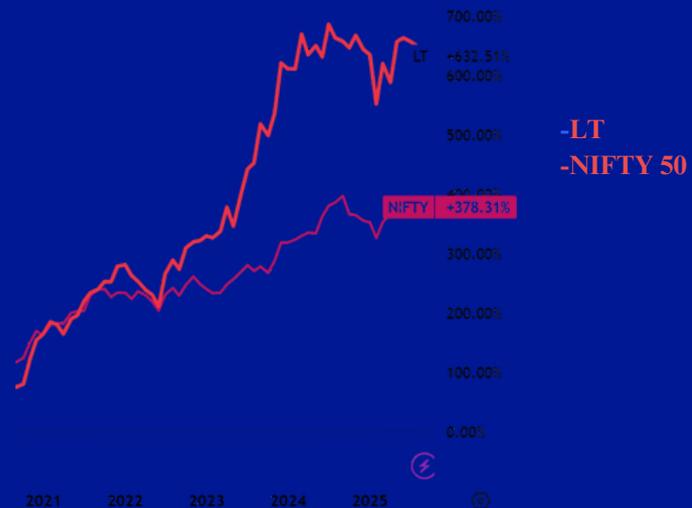
Q1 FY26

- **Revenue: ₹63,679 crore (↑ 16% YoY)**
- **Net Profit: ₹3,617 crore (↑ 30% YoY)**
- **EBITDA: ₹6,316 crore, margin ~9.9%**
- **Record order inflow: ₹94,453 crore (52% international)**

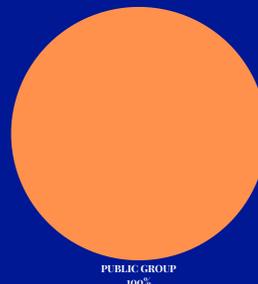
Stock data (as 9th Sep 2025)

Nifty Price	: 24,869
Market Capitalization	: 4,84,985
Total Debt (FY22P)	: 1,32,409 Cr.
PE/PB	: 42.41 / 7.34
52 week H/L (₹)	: 3,964 / 2,965
Face Value	: ₹ 2.0
NSE/BSE Code	: INE018A01030

Stock data



Shareholding Pattern (March 2025)



-PUBLIC GROUP
-PROMOTER GROUP

Financial Summary

Particulars	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Sales -	1,35,979	1,56,521	1,83,341	2,21,113	2,55,734
Sales Growth %	-6.51%	15.11%	17.13%	20.60%	15.66%
Expenses +	1,12,519	1,32,207	1,56,175	1,92,355	2,21,399
Operating Profit	23,460	24,314	27,166	28,758	34,335
OPM %	17%	16%	15%	13%	13%
Interest	11,750	9,235	9,445	9,512	9,925
Net Profit +	12,921	10,419	12,531	15,547	17,673
EPS in Rs	82.47	61.7	74.5	95	109.35

Quarterly Results

Particular	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Sales +	51,024	55,128	67,079	55,120	61,555	64,668	74,392	63,679
Expenses +	43,984	47,929	58,426	48,074	53,638	56,770	64,516	55,655
Operating Profit	7,040	7,199	8,653	7,046	7,917	7,898	9,876	8,024
OPM %	14%	13%	13%	13%	13%	12%	13%	13%
Other Income +	1,133	838	1,135	921	1,101	968	1,610	1,357
Interest	2,272	2,344	2,345	2,292	2,439	2,486	2,419	2,488
Depreciation	910	921	1,021	998	1,024	1,047	1,052	1,033
Profit Before Tax	4,991	4,772	6,422	4,677	5,555	5,333	8,014	5,860
Tax %	23%	25%	22%	26%	26%	25%	23%	26%
Net Profit +	3,846	3,593	5,013	3,445	4,099	3,974	6,156	4,318
EPS in Rs	23.45	21.44	31.98	20.26	24.69	24.43	39.97	26.3

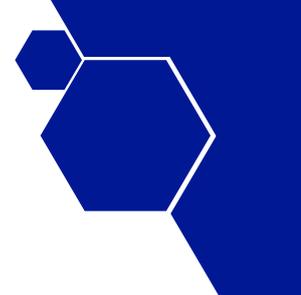
Source: Screener

Key Ratios

₹ crore					
Ratio	Numerator	Denominator	As at 31-3-2025	As at 31-3-2024	Variance %
Current Ratio (times)	Current Assets	Current Liabilities	1.27	1.26	1.0%
Debt Equity Ratio (times)	Total debt	Shareholder's Equity	0.31	0.35	-12.7%
Debt Service Coverage Ratio (times)	Earnings available for debt service ⁽¹⁾	Debt Service ⁽²⁾	2.14	1.84	16.6%
Return on Equity Ratio (%)	Profit for the year after tax	Average Shareholders Equity	15.94%	13.71%	16.2%
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	NA ⁽⁷⁾	NA ⁽⁷⁾	NA
Trade Receivables Turnover Ratio	Revenue from operations	Average Gross Trade Receivables	3.39	3.23	5.2%
Trade Payables Turnover Ratio	Purchases ⁽³⁾	Average Trade Payables	2.93	2.52	16.3%
Net Capital Turnover Ratio	Revenue from operations	Average Working Capital	5.29	4.35	21.8%
Net Profit Ratio (%)	Profit for the year after tax	Revenue from Operations	7.63%	7.39	3.2%
Return on Capital Employed (%)	Profit after tax + Finance Cost (net off tax on Finance Cost)	Average Capital Employed ⁽⁴⁾	13.45%	12.25%	9.8%
Return on Investment (%)	Treasury Income ⁽⁵⁾	Average investment ⁽⁶⁾	11.25%	9.23%	21.9%

Source: Annual Report

Yearly Results



Particular	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Equity Capital	281	281	281	275	275
Reserves	75,588	82,127	89,045	86,084	97,381
Borrowings +	1,34,629	1,25,508	1,20,650	1,16,322	1,32,409
Other Liabilities +	99,597	1,11,112	1,19,745	1,36,921	1,49,050
Total Liabilities	3,10,095	3,19,028	3,29,722	3,39,602	3,79,114
Fixed Assets +	44,319	42,945	42,641	42,964	44,055
CWIP	500	1,250	3,066	3,045	2,589
Investments	39,627	39,395	44,798	45,648	54,805
Other Assets +	2,25,649	2,35,438	2,39,217	2,47,946	2,77,665
Total Assets	3,10,095	3,19,028	3,29,722	3,39,602	3,79,114

Synopsis Quarter Results

Concall Notes - July -2025: Key Highlights

Larsen & Toubro (L&T) reported strong Q1 FY26 results with consolidated revenue at ₹63,679 crore, showing a 16% year-on-year (YoY) growth driven by robust execution in its Projects & Manufacturing portfolio. The consolidated net profit (PAT) surged 30% YoY to ₹3,617 crore, beating analyst estimates. International revenues accounted for 52% of total revenues in the quarter. EBITDA stood at ₹6,318 crore, up 13% YoY, with a margin of 9.9%.

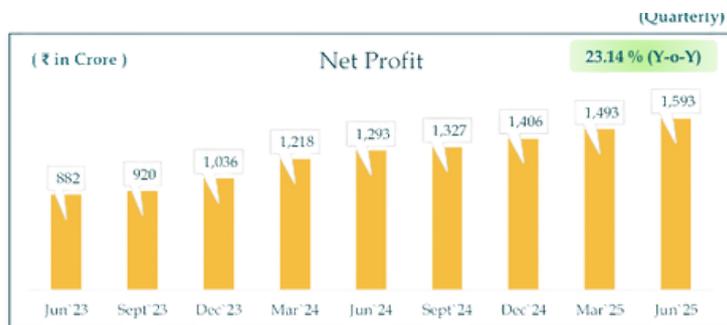
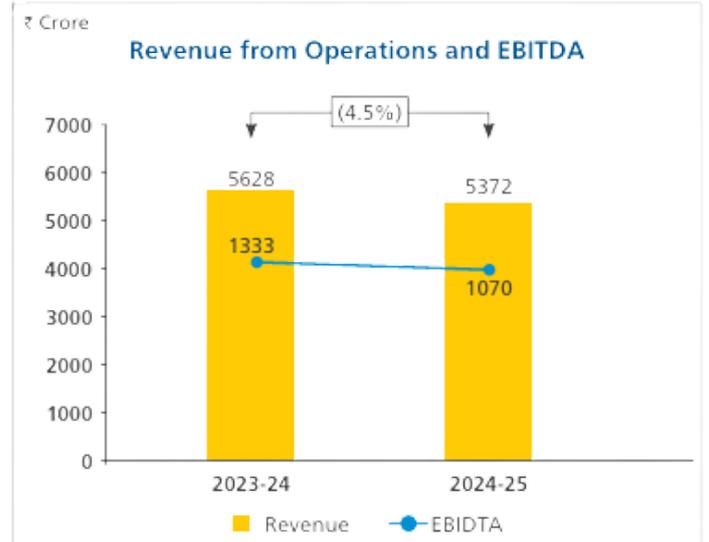
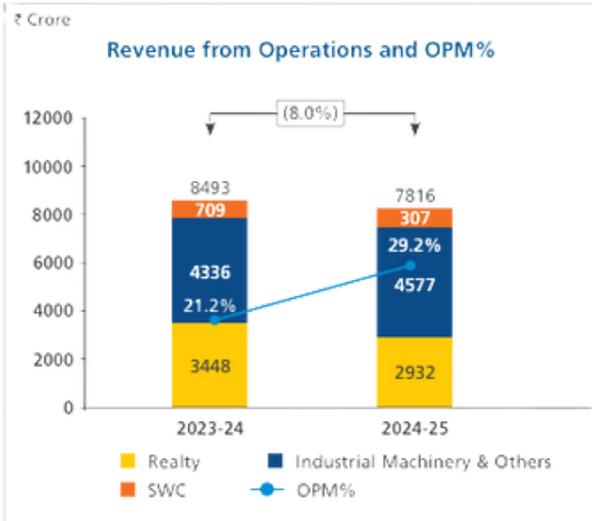
Order inflows reached a record ₹94,453 crore for the quarter, a 33% YoY increase, supported by diverse business segments including thermal BTG, renewables, power transmission, hydel, non-ferrous metals, hydrocarbons, and real estate projects. As of June 30, 2025, the consolidated order book was ₹612,761 crore, growing 6% since March 2025, with 46% of orders from international markets.

The Chairman and MD emphasized strong performance across all financial parameters and highlighted new-age businesses like semiconductor, data centers, green energy, and digital platforms as future growth drivers.

In summary:

- Revenue: ₹63,679 crore (up 16% YoY)
- PAT: ₹3,617 crore (up 30% YoY)
- EBITDA: ₹6,318 crore (up 13% YoY), margin 9.9%
- Record order inflow: ₹94,453 crore (up 33% YoY)
- Consolidated order book: ₹612,761 crore (up 6%)
- International revenue and orders contribution: around 52% and 46% respectively.

Highlights

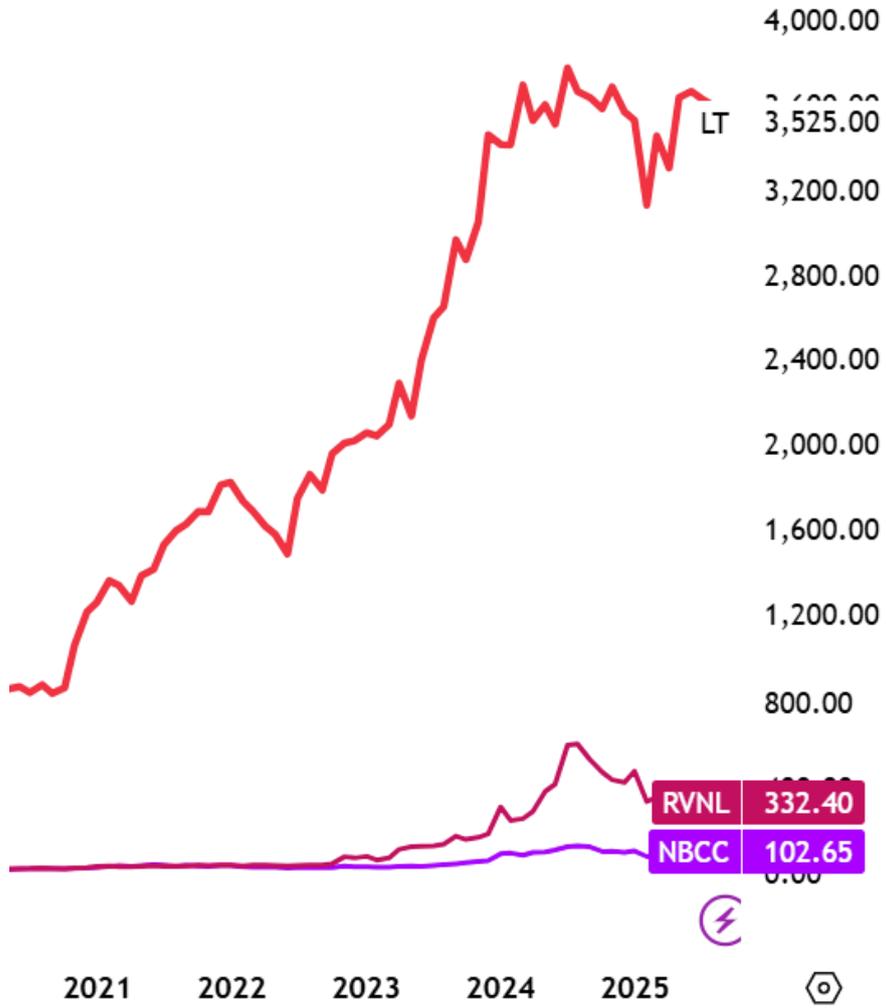


Source: Company, MOFSL

Peer Comparison



Peer Stock Performance (5Y) Indexed



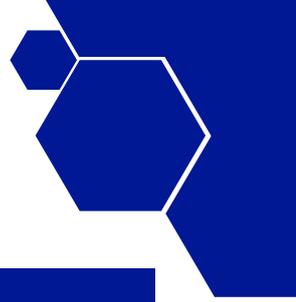
Source: Trading View

Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
Larsen & Toubro	3525.85	31.16	484984.80	0.96	4318.17	29.85	63678.92	15.53	14.49
Rail Vikas	332.35	58.15	69295.62	0.51	134.36	-39.92	3908.77	-4.05	14.72
NBCC	102.60	43.57	27702.00	0.65	135.03	26.30	2391.19	11.61	33.17
IRB Infra.Devl.	42.26	30.61	25520.83	0.70	202.48	44.65	2098.97	13.28	7.82
K E C Intl.	879.45	38.54	23410.98	0.65	124.60	42.27	5022.88	11.33	17.98

Source: Screener

Final Outlook



LT: HOLD | LTP: 3,526.00

Larsen & Toubro (L&T) presents a robust fundamental outlook backed by its diversified business model, strong execution capabilities, and strategic focus on emerging sectors. The company demonstrated healthy growth in Q1 FY26, with revenue rising 16% YoY to ₹63,679 crore and a 30% YoY surge in net profit to ₹3,617 crore, reflecting improved operational efficiencies and market demand across key segments.

The order inflow momentum remains strong at a record ₹94,453 crore, supporting a healthy agreement backlog of ₹612,761 crore, with significant contributions from international markets (52% of revenue and 46% of orders). This mix provides geographical diversification, reducing dependency on any single market. EBITDA margins sustained near 10%, affirming efficient cost management despite inflationary pressures.

L&T's expansion in new-age and high-growth sectors such as semiconductor manufacturing, data centers, green energy, and digital solutions underpins future growth potential. Its integrated approach in infrastructure, heavy engineering, defense, and technology services positions it well to capitalize on India's infrastructure push and rising global demand.

Overall, L&T's fundamentals reflect strong revenue growth, earnings resilience, solid order book, and strategic investments in high-growth domains, making it a compelling long-term industrial conglomerate within the Indian market and beyond. Continued execution on large-scale projects and sector diversification remain key to sustaining its growth trajectory.

Key highlights:

- Sustained revenue and PAT growth with resilient margins
- Robust and diversified order book with strong international presence
- Strategic focus on emerging tech and infrastructure sectors
- Strong execution capability driving project delivery and profitability

This outlook supports a positive medium- to long-term investment perspective based on current fundamentals and sector opportunities.

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