



# LARSEN & TOUBRO

## Historical Financial Statement - LARSEN & TOUBRO LTD

Years	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	LTM
# Income Statement						
Sales	₹ 1,35,979.03	₹ 1,56,521.23	₹ 1,83,340.70	₹ 2,21,112.91	₹ 2,55,734.45	₹ 2,55,734.46
Sales Growth	(6.51%)	15.11%	17.13%	20.60%	15.66%	
COGS	₹ 1,03,742.91	₹ 1,23,562.17	₹ 1,47,655.94	₹ 1,81,664.96	₹ 2,11,579.11	₹ 2,22,997.49
COGS % Sales	76.29%	78.94%	80.54%	82.16%	82.73%	87.20%
<b>Gross Profit</b>	<b>₹ 32,236.12</b>	<b>₹ 32,959.06</b>	<b>₹ 35,684.76</b>	<b>₹ 39,447.95</b>	<b>₹ 44,155.34</b>	<b>₹ 32,736.97</b>
Gross Margin	23.71%	21.06%	19.46%	17.84%	17.27%	12.80%
S & G Expenses	₹ 8,775.88	₹ 8,645.17	₹ 8,518.74	₹ 10,689.83	₹ 9,820.01	
S&G Expences %Sales	6.45%	5.52%	4.65%	4.83%	3.84%	0.00%
<b>EBITDA</b>	<b>₹ 23,460.24</b>	<b>₹ 24,313.89</b>	<b>₹ 27,166.02</b>	<b>₹ 28,758.12</b>	<b>₹ 34,335.33</b>	<b>₹ 32,736.97</b>
EBITDA Margin	17.25%	15.53%	14.82%	13.01%	13.43%	
Interest	₹ 11,749.58	₹ 9,234.98	₹ 9,445.44	₹ 9,512.17	₹ 9,924.78	₹ 9,636.61
Interest %Sales	8.64%	5.90%	5.15%	4.30%	3.88%	3.77%
Depreciation	₹ 2,904.21	₹ 2,947.95	₹ 3,502.25	₹ 3,682.33	₹ 4,121.18	₹ 4,121.18
Depreciation %Sales	2.14%	1.88%	1.91%	1.67%	1.61%	1.61%
<b>EBT</b>	<b>₹ 8,806.45</b>	<b>₹ 12,130.96</b>	<b>₹ 14,218.33</b>	<b>₹ 15,563.62</b>	<b>₹ 20,289.37</b>	<b>₹ 23,578.79</b>
EBT %Sales	6.48%	7.75%	7.76%	7.04%	7.93%	9.22%
Tax	₹ 4,010.82	₹ 4,203.92	₹ 4,484.16	₹ 4,947.39	₹ 5,891.40	₹ 5,891.40
Effective Tax Rate	45.54%	34.65%	31.54%	31.79%	29.04%	24.99%
<b>Net Profit</b>	<b>₹ 11,582.93</b>	<b>₹ 8,669.33</b>	<b>₹ 10,470.72</b>	<b>₹ 13,059.11</b>	<b>₹ 15,037.11</b>	<b>₹ 15,037.11</b>
Net Margin	8.52%	5.54%	5.71%	5.91%	5.88%	5.88%
No of Equity Shares	140.46	140.50	140.55	137.47	137.52	-
<b>Earning per Share</b>	<b>₹ 82.46</b>	<b>₹ 61.70</b>	<b>₹ 74.50</b>	<b>₹ 95.00</b>	<b>₹ 109.34</b>	-
EPS Growth %	21.24%	(25.18%)	20.74%	27.51%	15.10%	-
Dividend per share	₹ 22.01	₹ 24.01	₹ 33.25	₹ 34.01	-	-
Dividend Payout Ratio	15.67%	17.09%	23.66%	24.74%	0.00%	
Retained Earnings	84.33%	82.91%	76.34%	75.26%	100.00%	

Historical Financial Statement - LARSEN & TOUBRO LTD					
Years	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
# Balance Sheet					
Equity Share Capital	₹ 280.91	₹ 281.01	₹ 281.10	₹ 274.93	₹ 275.04
Reserves	₹ 75,587.62	₹ 82,126.65	₹ 89,044.85	₹ 86,084.31	₹ 97,380.56
Borrowings	₹ 1,34,629.08	₹ 1,25,508.08	₹ 1,20,650.44	₹ 1,16,322.22	₹ 1,32,408.92
Other Liabilities	₹ 99,597.44	₹ 1,11,112.17	₹ 1,19,745.49	₹ 1,36,920.88	₹ 1,49,049.57
<b>Total Liabilities</b>	<b>₹ 3,10,095.05</b>	<b>₹ 3,19,027.91</b>	<b>₹ 3,29,721.88</b>	<b>₹ 3,39,602.34</b>	<b>₹ 3,79,114.09</b>
Fixed Assets Net Block	₹ 44,319.32	₹ 42,945.01	₹ 42,641.00	₹ 42,963.82	₹ 44,055.45
Capital Work in Progress	₹ 500.39	₹ 1,249.55	₹ 3,065.57	₹ 3,045.01	₹ 2,588.68
Investments	₹ 39,626.63	₹ 39,395.18	₹ 44,798.31	₹ 45,647.82	₹ 54,805.27
Other Assets	₹ 1,61,356.89	₹ 1,64,402.36	₹ 1,65,137.09	₹ 1,77,196.16	₹ 1,93,315.12
<b>Total Non Current Assets</b>	<b>₹ 2,45,803.23</b>	<b>₹ 2,47,992.10</b>	<b>₹ 2,55,641.97</b>	<b>₹ 2,68,852.81</b>	<b>₹ 2,94,764.52</b>
Receivables	₹ 42,229.78	₹ 46,139.32	₹ 44,731.53	₹ 48,770.95	₹ 53,713.68
Inventory	₹ 5,820.54	₹ 5,943.32	₹ 6,828.78	₹ 6,620.19	₹ 7,670.55
Cash & Bank	₹ 16,241.50	₹ 18,953.17	₹ 22,519.60	₹ 15,358.39	₹ 22,965.34
<b>Total Current Assets</b>	<b>₹ 64,291.82</b>	<b>₹ 71,035.81</b>	<b>₹ 74,079.91</b>	<b>₹ 70,749.53</b>	<b>₹ 84,349.57</b>
<b>Total Assets</b>	<b>₹ 3,10,095.05</b>	<b>₹ 3,19,027.91</b>	<b>₹ 3,29,721.88</b>	<b>₹ 3,39,602.34</b>	<b>₹ 3,79,114.09</b>
Check	TRUE	TRUE	TRUE	TRUE	TRUE

Historical Financial Statement - LARSEN & TOUBRO LTD					
Years	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
# Cash Flow Statements					
<b>Operating Activities</b>					
Profit from operations	₹ 1,278.00	₹ 928.00	₹ 854.00	₹ 1,353.00	₹ 1,786.00
Receivables	₹ (324.00)	₹ 8.00	₹ (1,195.00)	₹ 145.00	₹ (993.00)
Inventory	₹ (66.00)	₹ (213.00)	₹ (47.00)	₹ (72.00)	₹ 73.00
Payables	₹ 1,171.00	₹ 692.00	₹ 1,515.00	₹ 808.00	₹ 1,191.00
Loans Advances	-	-	-	-	-
Other WC items	₹ (1,011.00)	₹ (1,413.00)	₹ (299.00)	₹ (1,671.00)	₹ (1,794.00)
Working capital changes	₹ (230.00)	₹ (925.00)	₹ (25.00)	₹ (790.00)	₹ (1,524.00)
Direct taxes	₹ (209.00)	₹ (286.00)	₹ (215.00)	₹ (252.00)	-
Other operating items	-	-	-	-	₹ 157.00
<b>Cash From Operating Activities</b>	<b>₹ 609.00</b>	<b>₹ (1,209.00)</b>	<b>₹ 588.00</b>	<b>₹ (479.00)</b>	<b>₹ (1,104.00)</b>
<b>Investing Activities</b>					
Fixed assets purchased	₹ (180.00)	₹ (143.00)	₹ (178.00)	₹ (237.00)	₹ (183.00)
Fixed assets sold	₹ 66.00	₹ 1.00	₹ 16.00	₹ 4.00	₹ 33.00
Investments purchased	-	₹ (12.00)	-	-	-
Investments sold	₹ 21.00	-	₹ 13.00	-	-
Interest received	₹ 3.00	₹ 11.00	₹ 16.00	₹ 16.00	₹ 53.00
Redemp n Canc of Shares	-	-	-	-	-
Acquisition of companies	-	₹ (57.00)	-	-	-
Other investing items	₹ (45.00)	₹ (5.00)	₹ (6.00)	₹ (25.00)	₹ 28.00
<b>Cash From Investing Activities</b>	<b>₹ (135.00)</b>	<b>₹ (205.00)</b>	<b>₹ (139.00)</b>	<b>₹ (242.00)</b>	<b>₹ (69.00)</b>
<b>Financial Activities</b>					
Proceeds from shares	-	-	-	-	₹ 870.00
Proceeds from borrowings	₹ 470.00	₹ 914.00	₹ 382.00	₹ 1,022.00	₹ 266.00
Repayment of borrowings	₹ (753.00)	₹ (16.00)	₹ (115.00)	₹ (414.00)	₹ (353.00)
Interest paid fin	₹ (350.00)	₹ (272.00)	₹ (534.00)	₹ (649.00)	₹ (633.00)
Dividends paid	-	₹ (103.00)	₹ (103.00)	₹ (77.00)	₹ (103.00)
Financial liabilities	₹ (26.00)	₹ (27.00)	₹ (30.00)	₹ (27.00)	₹ (121.00)
Other financing items	-	-	-	-	₹ 41.00
<b>Cash From Financial Activities</b>	<b>₹ (659.00)</b>	<b>₹ 496.00</b>	<b>₹ (400.00)</b>	<b>₹ (145.00)</b>	<b>₹ (33.00)</b>
<b>Net CashFlow</b>	<b>₹ (185.00)</b>	<b>₹ (918.00)</b>	<b>₹ 49.00</b>	<b>₹ (866.00)</b>	<b>₹ (1,206.00)</b>



# LARSEN & TOUBRO

## Weighted Average Cost of Capital

All figures are in INR in crores unless stated otherwise

### Peer Comps

Name	Country	Total Debt	Total Equity	Tax Rate	Debt / Equity	Debt / Capital	Levered Beta 2	UnLevered Beta 3
Larsen & Toubro	India	132408.9	504461.18	30%	136.00%	20.79%	0.993	1.95
Rail Vikas	India	5419.35	82441.69	30%	57.00%	6.17%	1.78	2.18
NBCC	India	0.4	33318	30%	0.00%	0.00%	1.67	1.67
IRB Infra	India	20599.33	30056.12	30%	104.00%	40.67%	1.18	1.91
KEC Intl	India	3957.48	24196.23	30%	74.00%	14.06%	0.699	1.22
<b>Average</b>				30.00%	74.20%	16.34%	1.26	1.78
<b>Median</b>				30.00%	74.00%	14.06%	1.18	1.91

### Cost Of Debt

Pre Tax Cost of Debt	7.50%
Tax Rate	30.00%
After Tax Cost of Debt	5.25%

### Cost of Equity

Risk Free Rate	6.31%
Equity Risk Premium	10.31%
Levered Beta 4	1.57
Cost of Equity	22.50%

### Capital Structure

		Current	Target
Total Debt	132408.92	26.25%	16.34%
Market Cap	504461.18	100.00%	83.66%
Total Capitalisation	636870.1	100%	100%
Debt/Equity		26.25%	19.53%

### Levered Beta

Comps Median Unlevered Beta	1.91
Target Debt/Equity	19.53%
Tax Rate	30.00%
Levered Beta	1.57

### Weighted Average Cost of Capital

Cost of Equity	22.50%
Equity Weight	83.66%
Cost of Debt	5.25%
Debt Weight	16.34%

**WACC 19.68%**

**LARSEN & TOUBRO**

Calculation of ROIC	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
<b>Current Assets</b>					
Inventories	5,821.00	5,943.00	6,829.00	6,620.00	7,671.00
Trade Recievables	42,230.00	46,139.00	44,732.00	48,771.00	53,714.00
Loans & Advances	40,786.00	41,799.00	40,356.00	34,700.00	36,278.00
Other Asset Items	1,20,571.00	1,22,604.00	1,24,781.00	1,42,496.00	1,57,037.00
<b>Total Current Assets</b>	<b>2,09,408.00</b>	<b>2,16,485.00</b>	<b>2,16,698.00</b>	<b>2,32,587.00</b>	<b>2,54,700.00</b>
<b>Current Liabilities</b>					
Trade Payables	45,745.00	51,366.00	49,784.00	53,293.00	52,459.00
Advance from Customers	15,876.00	17,963.00	20,425.00	26,875.00	29,087.00
Other Liability Items	25,925.00	28,817.00	35,295.00	40,563.00	49,755.00
<b>Total Current Liabilities</b>	<b>87,546.00</b>	<b>98,146.00</b>	<b>1,05,504.00</b>	<b>1,20,731.00</b>	<b>1,31,301.00</b>
<b>Net Working Capital</b>	<b>1,21,862.00</b>	<b>1,18,339.00</b>	<b>1,11,194.00</b>	<b>1,11,856.00</b>	<b>1,23,399.00</b>
<b>Non Current Assets</b>					
Land	1,548.00	1,347.00	1,436.00	1,000.00	1,023.00
Building	6,678.00	6,745.00	6,998.00	6,680.00	7,858.00
Plant and Machinery	10,077.00	9,298.00	10,859.00	12,570.00	14,866.00
Ships Vessels	947.00	947.00	969.00	1,007.00	1,025.00
Equipments	590.00	630.00	716.00	762.00	871.00
Furniture and Fittings	485.00	499.00	508.00	633.00	672.00
Computers	1,615.00	2,067.00	2,448.00	2,572.00	2,803.00
Vehicles	658.00	650.00	652.00	657.00	675.00
Intangible Assets	25,195.00	24,950.00	25,099.00	24,837.00	25,373.00
Other Fixed Assets	8,784.00	9,361.00	9,071.00	10,408.00	10,736.00
<b>Gross Block</b>	<b>56,577.00</b>	<b>56,495.00</b>	<b>58,756.00</b>	<b>61,124.00</b>	<b>65,902.00</b>
Accumulated Depreciation	11,284.00	13,313.00	15,873.00	17,904.00	20,700.00
<b>Non Net Current Assets</b>	<b>45,293.00</b>	<b>43,182.00</b>	<b>42,883.00</b>	<b>43,220.00</b>	<b>45,202.00</b>
<b>Invested Capital</b>	<b>1,67,155.00</b>	<b>1,61,521.00</b>	<b>1,54,077.00</b>	<b>1,55,076.00</b>	<b>1,68,601.00</b>
<b>EBIT</b>	<b>20,556.03</b>	<b>21,365.94</b>	<b>23,663.77</b>	<b>25,075.79</b>	<b>30,214.15</b>
<b>ROIC</b>	<b>12.3%</b>	<b>13.2%</b>	<b>15.4%</b>	<b>16.2%</b>	<b>17.9%</b>

Calculation of Reinvestment Rate	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Capex	114.00	142.00	162.00	233.00	150.00
Change in Working Capital		(3,523.00)	(7,145.00)	662.00	11,543.00
EBIT	20,556.03	21,365.94	23,663.77	25,075.79	30,214.15
Marginal tax Rate	30%	30%	30%	30%	30%
EBIT(1-Tax)	14,389.22	14,956.16	16,564.64	17,553.05	21,149.91
Reinvestment		(3,381.00)	(6,983.00)	895.00	11,693.00
<b>Reinvestment Rate</b>		<b>(22.6%)</b>	<b>(42.2%)</b>	<b>5.1%</b>	<b>55.3%</b>

4 Years Average	(1.1%)
4 Years Median	(8.8%)

Calculation of Growth Rate	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Reinvestment Rate	-	(22.6%)	(42.2%)	5.1%	55.3%
ROIC	12.3%	13.2%	15.4%	16.2%	17.9%
<b>Intrensic Growth</b>		<b>(3.0%)</b>	<b>(6.5%)</b>	<b>0.8%</b>	<b>9.9%</b>

4 Years Average	0.3%
4 Years Median	(1.1%)



# LARSEN & TOUBRO

Calculation of Present Value of FCFF	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30
EBIT	30,214.2	29,887.0	29,563.3	29,243.2	28,926.5	28,613.2
Tax Rate	30%	30%	30%	30%	30%	30%
EBIT(1-T)	21,149.9	20,920.9	20,694.3	20,470.2	20,248.5	20,029.3
Less: Reinvestment Rate	55.29%	(1.09%)	(1.09%)	(1.09%)	(1.09%)	(1.09%)
<b>Free Cash Flow to Firm</b>	<b>9,456.9</b>	<b>21,149.8</b>	<b>20,920.8</b>	<b>20,694.2</b>	<b>20,470.1</b>	<b>20,248.4</b>
Discounting Factor	1.00	0.91	0.76	0.64	0.53	0.45
<b>PV of FCFF</b>	<b>9,456.9</b>	<b>19,332.6</b>	<b>15,978.3</b>	<b>13,206.0</b>	<b>10,914.7</b>	<b>9,021.0</b>

Expected GrowthRate	(1.08%)
Terminal Growth	6.50%

## Calculation of Terminal Value

FCFF (n+1)	20,029.2
WACC	19.68%
Terminal Growth Rate	6.50%
<b>Terminal Value</b>	<b>1,51,937.1</b>

## Calculation of Enterprise Value

PV of FCFF	68,452.6
PV of Terminal Value	67,690.1
<b>Value of Operating Asset</b>	<b>1,36,142.8</b>
ADD: CASH	22,965.0
Less: Debt	93,364.0
<b>Value of Equity</b>	<b>65,743.8</b>
No Of Share	137.5
<b>Value per Share</b>	<b>478.0</b>

## Sensitivity Analysis (WACC, Terminal Growth Rate)

	12%	14%	16%	18%	20%
2%	1,99,427.0	1,68,636.2	1,46,583.4	1,29,995.9	1,17,055.2
4%	2,29,496.2	1,87,147.6	1,58,810.5	1,38,487.3	1,23,178.5
6%	2,79,611.4	2,14,914.7	1,75,928.4	1,49,809.0	1,31,051.2
8%	3,79,842.0	2,61,193.2	2,01,605.2	1,65,659.5	1,41,548.3
10%	6,80,533.7	3,53,750.3	2,44,400.0	1,89,435.2	1,56,244.2