

8th May 2025 - L&T Q4, FY25 results and intrinsic value.




FY25 results: (all comparisons YoY)

1. Revenue grew by 16%.
2. EBITDA margins fell 30 bps.
3. PAT grew by 15%.
4. Order book grew by 22% and order inflows were up by 18%.
 - a. International orders constitute 46% of total.
 - b. Order growth visibility expected with another ₹19 trillion pipeline.
5. ROE stands at 16.3%, up by 140 bps. Net working capital stands at 11%, down by 100 bps. Both metrics show better efficiency by the company.

Q4FY25 results: (all comparisons YoY)

1. Revenue grew by 11%.
2. EBITDA margins up 20 bps.
3. PAT grew by 25%.
4. Order inflows were up by 24%, driven by international orders.

Growth Guidance and Strategic Plan:

Strat Plan Target				Current Status	
Rs Trillion, %	FY21	FY26	CAGR (FY21 - FY26)	FY25	CAGR (FY21 - FY25)
 Order Inflow	1.7	3.4	14%	3.6	19%
 Revenue	1.4	2.7	15%	2.6	17%
 ROE	10%	18%		16.3%	

Intrinsic Value (as on 8th May 2025)

The current intrinsic valuation for L&T stands at ₹3,644 per share at 33x Current TTM EPS.

FY25 results from L&T clearly show that the company is able to perform at best ever efficiency and the return ratios are best in a decade as well. The FY26 growth guidance given by L&T is also well within the grasp of the management and they are actually punching above their weight already. With the higher level of order pipeline expected for FY26 from both - domestic and international business, L&T is well set to stay in the upswing mode.

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Other Details:

1. FY25 order book breakdown:

a. By segment:

- i. 62% for the Infrastructure segment.
- ii. 28% for the Energy segment.
- iii. 7% for the High-Tech Manufacturing segment.
- iv. 3% for Others.

b. By geography:

- i. 54% from India.
- ii. 37% from the Middle East.
- iii. 9% from ROW.

2. FY25 order inflow breakdown:

- a. 49% for the Infrastructure segment.
- b. 25% for the Energy segment.
- c. 19% for the Services segment.
- d. 5% for the High-Tech Manufacturing segment.
- e. 3% for Others.