

Engineering and Capital Goods

Infra push by government, localised lockdown risk persist

Project execution is limping back to normalcy as per expectations, though there is a concern on more localised lockdowns and slowdown due to social distancing norms. Public sector ordering traction is gradually picking pace albeit slowly; however, large private and core sectors are in a wait-and-watch mode. The recent spurt in terms of Covid infections and calibrated measures taken by certain state governments are likely to impact the pace of growth recovery. Pro-growth budget announcement with focus towards deficit spending on infrastructure is likely to crank up public sector demand. We factor-in revenue growth of 25.7% YoY in Q4FY21E for our coverage universe, given the low base of Q4FY20. Over a lockdown impacted low base, PBT will jump 77% YoY, and EBITDA margin is likely to expand by 230bps. Our top picks are L&T, AIA Engineering and KEC International.

- ▶ **Pro-growth budget with focus on infrastructure to propel investment:** Government has made it very clear on their impetus towards investments despite the widening deficit. Hence, we believe, there will be an urgency to fast track some large projects, bidding of new projects and overall increase in outlay towards infrastructure.
- ▶ **Risks due to localised lockdown given the rapid increase in pandemic looms:** The economy is limping back to normalcy with improvement in project execution and gradual increase in utilisation levels. However, recently we have witnessed a spurt in the reported infections due to the coronavirus pandemic forcing some state governments like Maharashtra etc. to introduce calibrated restrictions and might even escalate to a lockdown. However, we believe, the impact on infrastructure projects should be limited keeping an eye on the overall impact on growth.
- ▶ **Strong growth prospects; however, near term growth risk due to pandemic:** Execution of projects is gradually returning to normalcy and we expect the overall utilisation to improve. Infrastructure and efficiency improvement may be the major pillars, which will support the overall growth. Industry focus will be on maintaining a healthy balance sheet by prioritising collections; hence, we prefer companies with strong balance sheet and cashflow focus. Hence, our top picks are L&T, AIA Engineering and KEC International.

Table 1: Q4FY21 estimate summary

	Revenue (Rs mn)	YoY (%)	EBITDA Margin (%)	YoY (bps)	PBT (Rs mn)	YoY (%)	PAT (Rs mn)	YoY (%)
L&T	5,79,065	30.9	11.1	(50)	59,025	38.9	40,879	33.4
BHEL	58,170	15.2	9.2	na	4,785	Na	3,589	Na
Siemens	29,073	3.1	11.5	330	3,467	49.2	2,600	51.1
Engineers India	8,791	3.0	11.3	(180)	1,510	(12.3)	1,136	(12.4)
Cummins India	14,652	39.2	16.1	980	2,808	140.0	2,003	65.4
Thermax Ltd	14,852	12.3	8.2	350	1,155	97.1	955	144.2
ISGEC	12,432	(4.4)	7.2	270	692	99.9	534	107.3
GE T&D	10,062	51.5	6.5	na	518	Na	414	Na
KEC International	42,407	15.5	9.7	(50)	2,877	6.9	2,017	4.6
Kalpataru Power	25,170	9.3	10.6	(50)	2,309	24.8	1,466	37.0
Techno Electric	2,954	158.9	25.6	2,000	731	3,575.4	484	2,617.1
AIA Engineering	8,833	3.1	22.5	100	2,005	7.8	1,567	10.0
Voltas	26,878	28.6	10.1	90	3,222	48.6	2,372	47.6
Bluestar	14,831	14.1	7.9	500	859	556.7	623	582.1
GE Power India	11,015	50.3	6.5	420	782	208.0	591	291.7
VA Tech Wabag	8,764	11.6	8.8	240	489	8.2	347	11.3
Honeywell Automation	9,735	38.2	21.7	350	2,293	54.0	1,758	58.2
Carborundum Uni.	7,513	26.5	19.2	200	1,094	4.1	912	(2.9)
Grindwell Norton	4,641	29.8	21.4	540	919	62.6	655	46.7
Total	8,89,838	25.7	11.1	230	91,539	76.9	64,901	136.8
Total (excl L&T)	3,10,773	17.0	11.0	680	32,514	251.9	24,022	NA

Source: I-Sec research

Q4FY21 result preview

Top picks

- L&T
- AIA engineering
- KEC International

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Table 2: Valuation summary

	M-Cap (Rs bn)	CMP (Rs)	TP (Rs)	Rating
L&T	1,972	1,405	1,684	BUY
BHEL	178	51	33	SELL
Siemens	660	1,854	1,768	HOLD
Engineers India	48	76	98	BUY
Cummins India	241	868	838	BUY
Thermax Ltd	162	1,357	1,184	HOLD
ISGEC	36	496	577	BUY
GE T&D	31	120	146	BUY
KEC International	111	430	426	BUY
Kalpataru Power	57	386	550	BUY
Techno Electric & Engg	34	312	336	BUY
AIA Engineering	185	1,966	2,367	BUY
Voltas	334	1,008	1,065	HOLD
Bluestar	88	914	658	REDUCE
GE Power India	18	273	352	BUY
VA Tech Wabag	16	257	225	HOLD
Honeywell Automation	384	43,444	40,679	HOLD
Carborundum Uni.	100	527	660	BUY
Grindwell Norton	102	923	990	BUY

Source: I-Sec research

Table 3: Capital goods coverage universe – quarterly financial summary

	Revenues (Rs mn)					
	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21E	YoY(%)
L&T	4,42,453	2,12,600	3,10,347	3,55,964	5,79,065	30.9
BHEL	50,493	19,909	36,952	44,514	58,170	15.2
Siemens	28,201	12,074	35,190	29,011	29,073	3.1
Engineers India	8,538	4,678	6,834	8,367	8,791	3.0
Cummins India	10,528	4,982	11,602	14,243	14,652	39.2
Thermax Ltd	13,230	6,649	11,412	14,106	14,852	12.3
ISGEC	13,011	7,652	10,396	11,838	12,432	(4.4)
GE T&D	6,642	6,428	8,709	10,342	10,062	51.5
KEC International	36,720	22,060	32,590	32,890	42,407	15.5
Kalpataru Power	23,030	14,590	18,820	19,930	25,170	9.3
Techno Electric & Engg	1,141	1,698	2,571	2,476	2,954	158.9
AIA Engineering	8,569	5,803	7,423	6,987	8,833	3.1
Voltas	20,896	12,969	16,125	19,946	26,878	28.6
Bluestar	12,994	6,260	9,021	11,239	14,831	14.1
GE Power India	7,327	4,320	8,875	10,930	11,015	50.3
VA Tech Wabag	7,851	4,309	6,084	7,960	8,764	11.6
Honeywell Automation	7,043	7,362	7,597	8,742	9,735	38.2
Carborundum Uni.	5,940	4,496	6,920	7,336	7,513	26.5
Grindwell Norton	3,577	2,304	4,378	4,572	4,641	29.8
Total	7,08,182	3,61,143	5,51,846	6,21,392	8,89,838	25.7
Total (Excluding L&T)	2,65,729	1,48,544	2,41,499	2,65,428	3,10,773	17.0

	EBITDA margin (%)					
	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21E	YoY(bps)
L&T	11.6	7.6	10.7	12.0	11.1	(50)
BHEL	(11.1)	(53.2)	(17.1)	(4.0)	9.2	
Siemens	8.3	(0.1)	12.9	12.4	11.5	330
Engineers India	13.0	4.6	11.3	9.0	11.3	(180)
Cummins India	6.3	0.6	14.4	17.0	16.1	980
Thermax Ltd	4.8	(1.7)	7.0	10.5	8.2	350
ISGEC	4.5	7.8	8.6	7.8	7.2	270
GE T&D	(35.5)	0.0	4.9	5.6	6.5	
KEC International	10.1	8.8	9.0	9.1	9.7	(50)
Kalpataru Power	11.0	10.7	10.7	10.4	10.6	(50)
Techno Electric & Engg	5.7	26.1	29.3	31.3	25.6	2,000
AIA Engineering	21.6	21.3	25.6	24.7	22.5	100
Voltas	9.2	5.1	6.1	7.3	10.1	90
Bluestar	2.9	0.2	6.1	7.3	7.9	500
GE Power India	2.4	(3.1)	4.8	6.0	6.5	420
VA Tech Wabag	6.5	6.7	7.1	8.8	8.8	240
Honeywell Automation	18.3	17.4	19.0	21.5	21.7	350
Carborundum Uni.	17.3	9.6	19.4	17.7	19.2	200
Grindwell Norton	16.1	8.4	21.0	21.6	21.4	540
Total	8.8	4.0	9.0	10.6	11.1	230
Total (Excluding L&T)	4.3	(1.3)	6.8	8.8	11.0	680

	PBT (Rs mn)					
	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21E	YoY(%)
L&T	42,497	6,697	21,382	36,805	59,025	38.9
BHEL	(7,090)	(11,964)	(7,374)	(2,929)	4,785	
Siemens	2,323	100	4,455	3,530	3,467	49.2
Engineers India	1,722	653	1,241	1,176	1,510	(12.3)
Cummins India	1,170	705	1,887	3,036	2,808	140.0
Thermax Ltd	586	(225)	687	1,411	1,155	97.1
ISGEC	346	386	784	747	692	99.9
GE T&D	(2,347)	(262)	132	754	518	
KEC International	2,691	964	1,950	1,988	2,877	6.9
Kalpataru Power	1,850	1,010	1,870	1,740	2,309	24.8
Techno Electric & Engg	20	462	974	757	731	3,575.4
AIA Engineering	1,859	1,717	1,905	1,977	2,005	7.8
Voltas	2,167	1,075	1,150	1,658	3,222	48.6
Bluestar	131	(295)	225	488	859	556.7
GE Power India	254	(226)	505	704	782	208.0
VA Tech Wabag	452	58	178	479	489	8.2
Honeywell Automation	1,489	1,323	1,455	2,020	2,293	54.0
Carborundum Uni.	1,051	256	1,188	1,094	1,094	4.1
Grindwell Norton	565	324	855	895	919	62.6
Total	51,737	2,760	35,448	58,330	91,539	76.9
Total (Excluding L&T)	9,239	(3,938)	14,066	21,525	32,514	251.9

	PAT (Rs mn)					
	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21E	YoY(%)
L&T	30,647	714	11,066	22,574	40,879	33.4
BHEL	(15,341)	(8,972)	(5,561)	(2,310)	3,589	
Siemens	1,721	101	3,331	2,622	2,600	51.1
Engineers India	1,297	481	927	882	1,136	(12.4)
Cummins India	1,212	526	1,456	2,341	2,003	65.4
Thermax Ltd	391	(153)	312	833	955	144.2
ISGEC	257	291	602	553	534	107.3
GE T&D	(1,871)	(203)	86	365	414	
KEC International	1,929	708	1,426	1,451	2,017	4.6
Kalpataru Power	1,070	690	1,590	2,570	1,466	37.0
Techno Electric & Engg	18	345	798	566	484	2,617.1
AIA Engineering	1,425	1,293	1,471	1,561	1,567	10.0
Voltas	1,607	812	784	1,279	2,372	47.6
Bluestar	91	(200)	150	359	623	582.1
GE Power India	151	-179	375	592	591	291.7
VA Tech Wabag	312	50	139	380	347	11.3
Honeywell Automation	1,111	981	1,081	1,499	1,758	58.2
Carborundum Uni.	939	193	910	861	912	(2.9)
Grindwell Norton	447	285	637	669	655	46.7
Total	27,412	-2,238	21,577	39,645	64,901	136.8
Total (Excluding L&T)	(3,235)	(2,952)	10,511	17,071	24,022	(842.5)

Source: Company data, I-Sec research

Table 4: Capital goods coverage universe – quarterly order intake estimates

	Order intake (Rs bn)					
	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21E	YoY(%)
L&T	578	236	280	732	549	(5.0)
BHEL	63	15	37	39	107	69.8
Siemens	29	17	32	32	34	20.0
Engineers India	1	1	6	2	3	112.0
Thermax Ltd	10	6	11	16	14	45.6
ISGEC	11	5	12	14	18	67.3
GE T&D	7	4	5	7	15	127.4
KEC International	15	19	24	25	51	240.1
Kalpataru Power	4	17	7	23	27	538.7
Techno Electric & Engg	-	2	1	3	9	
Voltas	16	4	1	14	13	(19.2)
Bluestar	8	3	7	7	8	2.5
GE Power India	8	5	2	2	3	(56.2)
VA Tech Wabag	3	4	2	9	14	347.6
Total	752	340	428	925	865	15.1
Total (Excluding L&T)	174	104	147	192	316	82.0

	Order book (Rs bn)					YoY(%)
	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21E	
L&T	3,039	3,051	2,989	3,311	3,276	7.8
BHEL	1,084	1,081	1,076	1,067	1,118	3.1
Siemens	125	131	129	128	133	6.1
Engineers India	96	91	90	83	77	(19.1)
Thermax Ltd	52	52	52	52	51	(2.5)
ISGEC	59	59	60	62	66	12.7
GE T&D	59	57	54	47	55	(6.5)
KEC International	205	197	195	179	188	(8.2)
Kalpataru Power	121	125	115	122	124	2.3
Techno Electric & Engg	23	25	23	20	26	12.0
Voltas	78	77	69	73	75	(4.3)
Bluestar	29	29	30	32	33	11.7
GE Power India	89	90	75	60	52	(40.9)
VA Tech Wabag	110	111	106	107	101	(8.8)
Total	5,171	5,176	5,062	5,342	5,376	4.0
Total (Excluding L&T)	2,132	2,126	2,074	2,032	2,100	(1.5)

Source: Company data, I-Sec research

Q4FY21 preview

Company	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21E	YoY(%)	Remarks	
L&T (consol)								
Revenue	4,42,453	2,12,600	3,10,347	3,55,964	5,79,065	30.9	Given the low base of Q4FY20 impacted by lockdown, ex-services revenue is expected to grow by 39% YoY with 30 bps YoY increase in EBIT margins. We expect ex-services order intake at ~Rs478bn given the company announced ~Rs380bn worth of orders during Q4FY21.	
Gross margin	56.6	31.6	47.0	50.0	63.3	680bps		
EBITDA	51,210	16,205	33,347	42,800	64,278	25.5		
EBITDA Margin	11.6	7.6	10.7	12.0	11.1	-50bps		
PBT	42,497	6,697	21,382	36,805	59,025	38.9		
PAT	30,647	714	11,066	22,574	40,879	33.4		
L&T (standalone)								
Revenue	2,72,528	81,500	1,57,917	1,96,198	3,84,068	40.9		Due to low base, overall revenue growth is expected to be strong at 41% YoY and we assume 250bps YoY increase in EBIDTA margins leading to 66% YoY growth in PAT. How the actual order intake pans out and the growth outlook shared by the management will be key things to watch out.
Gross margin	17.8	29.3	20.4	19.3	19.0	120bps		
EBITDA	26,230	5,816	12,308	18,638	46,190	76.1		
EBITDA Margin	9.6	7.1	7.8	9.5	12.0	250bps		
PBT	12,624	-	3,367	12,602	21,832	72.9		
PAT	21,142	2,816	63,329	17,049	35,022	65.6		
BHEL								
Revenue	50,493	19,909	36,952	44,514	58,170	15.2	We factor-in 15% YoY revenue growth assuming normalisation of execution and turnaround in EBIDTA margins given the impact of operating leverage. Overall PAT is expected to turnaround. However, the order intake outlook continues to be challenging.	
Gross margin	28.8	34.1	35.5	33.9	29.6	90bps		
EBITDA	(5,617)	(10,589)	(6,325)	(1,796)	5,346	-195.2		
EBITDA Margin	-11.1	-53.2	-17.1	-4.0	9.2	2040bps		
PBT	(7,090)	(11,964)	(7,374)	(2,929)	4,785	-167.5		
PAT	(15,341)	(8,972)	(5,561)	(2,310)	3,589	-123.4		
Siemens								
Revenue	28,201	12,074	35,190	29,011	29,073	3.1	We factor in the growth momentum under gas and power, smart infrastructure and digital industries to continue with revival of activities and improved utilisation. We factor in healthy growth of order intake supported by public spending.	
Gross margin	37.4	39.7	30.3	31.7	33.0	-450bps		
EBITDA	2,336	(9)	4,529	3,611	3,339	43.0		
EBITDA Margin	8.3	-0.1	12.9	12.4	11.5	330bps		
PBT	2,323	100	4,455	3,530	3,467	49.2		
PAT	1,721	101	3,331	2,622	2,600	51.1		
Engineers India								
Revenue	8,538	4,678	6,834	8,367	8,791	3.0	We factor-in 3% growth in revenue led by 3% growth in LSTK and consultancy. EBIDTA margin is expected to dip by 170bps YoY to 11.3% given normalisation of consultancy margins.	
Gross margin	48.7	59.0	51.8	45.1	55.5	680bps		
EBITDA	1,110	214	773	751	991	-10.7		
EBITDA Margin	13.0	4.6	11.3	9.0	11.3	-180bps		
PBT	1,722	653	1,241	1,176	1,510	-12.3		
PAT	1,297	481	927	882	1,136	-12.4		
Cummins India								
Revenue	10,528	4,982	11,602	14,243	14,652	39.2	Supported by a low base and factoring in healthy export recovery we estimate 42% YoY growth under exports and 38% growth in domestic. Supported by operating leverage, EBIDTA margin is expected to rebound by 980bps YoY to 16.1%.	
Gross margin	35.0	41.2	38.1	35.7	35.6	60bps		
EBITDA	667	29	1,674	2,417	2,356	253.4		
EBITDA Margin	6.3	0.6	14.4	17.0	16.1	980bps		
PBT	1,170	705	1,887	3,036	2,808	140.0		
PAT	1,212	526	1,456	2,341	2,003	65.4		
Thermax Ltd								
Revenue	13,230	6,649	11,412	14,106	14,852	12.3	We factor-in 10% YoY growth in energy, 15% YoY growth in environment (supported by FGD) and 30% growth in chemicals. Margins of the three segments are poised to improve supported by operating leverage, leading to 350 bps YoY increase in EBIDTA margins to 8.2%.	
Gross margin	49.1	49.7	44.7	46.7	53.7	460bps		
EBITDA	636	(114)	793	1,476	1,223	92.4		
EBITDA Margin	4.8	-1.7	7.0	10.5	8.2	350bps		
PBT	586	(225)	687	1,411	1,155	97.1		
PAT	391	(153)	312	833	955	144.2		
ISGEC								
Revenue	13,011	7,652	10,396	11,838	12,432	-4.4	We factor-in 4% revenue decline (8% YoY decline in EPC revenues and 11% growth in product revenues). Margins are expected to improve by 270bps YoY to 7.2% due to absence of legal expense related to Philippines plant.	
Gross margin	24.4	29.7	26.9	24.4	31.3	690bps		
EBITDA	581	600	896	926	890	53.0		
EBITDA Margin	4.5	7.8	8.6	7.8	7.2	270bps		
PBT	346	386	784	747	692	99.9		
PAT	257	291	602	553	534	107.3		
GE T&D								
Revenue	6,642	6,428	8,709	10,342	10,062	51.5	Given the low base, we estimate 51% YoY growth in revenue and turnaround in EBIDTA margin to 6.5% supported by operating leverage and absence of any provision.	
Gross margin	24.5	29.2	28.4	24.1	27.8	340bps		
EBITDA	(2,357)	3	428	575	653	-127.7		
EBITDA Margin	-35.5	0.0	4.9	5.6	6.5	4200bps		
PBT	(2,347)	(262)	132	754	518	-122.1		
PAT	(1,871)	(203)	86	365	414	-122.1		

Company	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21E	YoY(%)	Remarks
KEC Intl.							
Revenue	36,720	22,060	32,590	32,890	42,407	15.5	Factoring in pickup in execution from easing of lockdown and manpower availability-related issues, we build-in 15% growth in revenues. We expect margins to contract 50bps YoY to 9.7% due to increased cost at sites and mix issues.
Gross margin	28.0	30.9	27.7	27.7	23.9	-410bps	
EBITDA	3,707	1,949	2,931	2,987	4,099	10.6	
EBITDA Margin	10.1	8.8	9.0	9.1	9.7	-50bps	
PBT	2,691	964	1,950	1,988	2,877	6.9	
PAT	1,929	708	1,426	1,451	2,017	4.6	
Kalpataru Power							
Revenue	23,030	14,590	18,820	19,930	25,170	9.3	Led by improvement in project-site utilisation, we expect revenues to grow 9% YoY. Margins are expected to dip by 50bps YoY to 10.6%. Higher raw material cost is likely to impact margins.
Gross margin	24.2	28.0	28.4	29.2	26.1	200bps	
EBITDA	2,530	1,560	2,020	2,070	2,656	5.0	
EBITDA Margin	11.0	10.7	10.7	10.4	10.6	-50bps	
PBT	1,850	1,010	1,870	1,740	2,309	24.8	
PAT	1,070	690	1,590	2,570	1,466	37.0	
Techno Electric & Engg							
Revenue	1,141	1,698	2,571	2,476	2,954	158.9	Assuming strong recovery in the execution of EPC services, we factor in 158% YoY growth in revenue resulting in a sharp uptick in the EBITDA margin leading to a strong growth in PAT.
Gross margin	30.6	38.2	39.3	40.5	35.8	530bps	
EBITDA	65	443	753	775	756	1,069.9	
EBITDA Margin	5.7	26.1	29.3	31.3	25.6	200bps	
PBT	20	462	974	757	731	3,575.4	
PAT	18	345	798	566	484	2,617.1	
AIA Engineering							
Revenue	8,569	5,803	7,423	6,987	8,833	3.1	The company is largely back to pre-Covid levels in almost all geographies; however, new client acquisition may be slower due to pandemic-related slowdown. We factor-in 3% growth in revenues and 100bps growth in margins to 22.5%. Mining volumes will be relatively less impacted than non-mining demand due to lockdown.
Gross margin	57.7	60.7	66.2	65.9	59.5	190bps	
EBITDA	1,848	1,235	1,903	1,723	1,992	7.8	
EBITDA Margin	21.6	21.3	25.6	24.7	22.5	100bps	
PBT	1,859	1,717	1,905	1,977	2,005	7.8	
PAT	1,425	1,293	1,471	1,561	1,567	10.0	
Voltas							
Revenue	20,896	12,969	16,125	19,946	26,878	28.6	We expect UCP to grow 24% YoY and EMP to grow 38% YoY given the improved utilisation at project sites. Overall, we expect EBITDA margin to improve 90bps to 10.1% with EMP margin at 5% and UCP at 15.3%. For Beko, we built-in loss of Rs112mn.
Gross margin	28.6	30.0	26.0	24.6	26.1	-250bps	
EBITDA	1,920	668	980	1,459	2,709	41.1	
EBITDA Margin	9.2	5.1	6.1	7.3	10.1	90bps	
PBT	2,167	1,075	1,150	1,658	3,222	48.6	
PAT	1,607	812	784	1,279	2,372	47.6	
Blue Star							
Revenue	12,994	6,260	9,021	11,239	14,831	14.1	Overall revenues are expected to grow 14% YoY supported by 26% growth in cooling products segment and 3% YoY growth in EMP segment on improved execution. Overall margins are expected to improve 500 bps YoY led by 360 bps YoY improvement in cooling product margins and 440bps higher EMP margins.
Gross margin	25.4	23.5	24.6	24.2	31.4	600bps	
EBITDA	373	14	551	816	1,164	211.9	
EBITDA Margin	2.9	0.2	6.1	7.3	7.9	500bps	
PBT	131	(295)	225	488	859	556.7	
PAT	91	(200)	150	359	623	582.1	
GE Power India							
Revenue	7,327	4,320	8,875	10,930	11,015	50.3	We factor-in revenue growth of 50% due to support from strong orderbook. Given that almost half of the current orderbook is FGD-related (Rs48bn of Rs75bn), near- to medium-term growth is likely to be healthy. We expect margins to improve 420bps YoY due to operating leverage.
Gross margin	22.8	30.3	23.9	23.0	22.7	-20bps	
EBITDA	175	(135)	422	651	721	311.0	
EBITDA Margin	2.4	-3.1	4.8	6.0	6.5	420bps	
PBT	254	(226)	505	704	782	208.0	
PAT	151	(179)	375	592	591	291.7	
VA Tech Wabag							
Revenue	7,851	4,309	6,084	7,960	8,764	11.6	We factor-in 11.6% in revenue growth and 240bps improvement in margins to 8.8%. International execution is expected to be weak due to lack of executable large overseas projects. Reduction in debtors (Rs4.1bn from APGenco and TSGenco, and Rs695mn from Tecpro) will be an overhang.
Gross margin	22.6	24.4	22.2	20.2	21.9	-80bps	
EBITDA	508	289	433	702	770	51.8	
EBITDA Margin	6.5	6.7	7.1	8.8	8.8	240bps	
PBT	452	58	178	479	489	8.2	
PAT	312	50	139	380	347	11.3	
Honeywell Auto.							
Revenue	7,043	7,362	7,597	8,742	9,735	38.2	Pickup in execution at sites and low base is expected to support revenue growth of 38% YoY. Cost reduction measures (reduced travel from Covid restrictions) will support margins, which is likely to increase by 350bps YoY to 21.7%. We expect PBT at Rs2.3bn.
Gross margin	46.0	49.0	49.6	52.7	53.8	780bps	
EBITDA	1,286	1,279	1,443	1,876	2,108	64.0	
EBITDA Margin	18.3	17.4	19.0	21.5	21.7	350bps	
PBT	1,489	1,323	1,455	2,020	2,293	54.0	
PAT	1,111	981	1,081	1,499	1,758	58.2	

Company	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21E	YoY(%)	Remarks
Carborundum Universal							
Revenue	5,940	4,496	6,920	7,336	7,513	26.5	We factor in 41% YoY growth in abrasives, 26% growth under ceramics and 12% for electrominerals. Supported by operating leverage and 420 bps YoY increase in abrasive margins offsetting 430 bps YoY drop in ceramics margins and 80 bps higher electro minerals margins, overall margins are expected to improve by 200 bps YoY.
Gross margin	69.8	68.2	64.4	64.9	67.2	-270bps	
EBITDA	1,025	434	1,340	1,298	1,440	40.5	
EBITDA Margin	17.3	9.6	19.4	17.7	19.2	200bps	
PBT	1,051	256	1,188	1,094	1,094	4.1	
PAT	939	193	910	861	912	-2.9	
Grindwell Norton							
Revenue	3,577	2,304	4,378	4,572	4,641	29.8	Abrasive is expected to grow by 22%, ceramics by 47% YoY and others by 29% YoY. Strong margin rebound under ceramics (1030 bps YoY) and 450 bps YoY margin improvement under abrasive is expected to support overall 540bps YoY increase in EBIDTA margins to 21.4%.
Gross margin	53.6	55.1	52.9	56.1	49.0	-470bps	
EBITDA	576	193	919	987	994	72.6	
EBITDA Margin	16.1	8.4	21.0	21.6	21.4	540bps	
PBT	565	324	855	895	919	62.6	
PAT	447	285	637	669	655	46.7	

Source: I-Sec research

Larsen & Toubro (BUY – TP: Rs1,684)

(QoQ chg: 2.2%; YoY chg: 76.1%)

Q4FY21E Consolidated result preview

	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21E	YoY(%)
Revenue	4,42,453	2,12,600	3,10,347	3,55,964	5,79,065	30.9
Gross margin	56.6	31.6	47.0	50.0	63.3	680bps
EBITDA	51,210	16,205	33,347	42,800	64,278	25.5
EBITDA Margin	11.6	7.6	10.7	12.0	11.1	-50bps
PBT	42,497	6,697	21,382	36,805	59,025	38.9
PAT	30,647	714	11,066	22,574	40,879	33.4

Source: Company data, I-Sec research

Q4FY21E consolidated segment result preview

(Rs mn)	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21E	YoY(%)
Revenue						
Infrastructure	2,53,188	64,561	1,30,957	1,59,732	3,64,465	44.0
Power	5,653	3,800	6,887	9,037	7,673	35.7
Heavy engineering	7,016	4,251	7,081	8,034	8,843	26.0
Hydrocarbon	49,792	30,701	40,497	44,224	47,630	-4.3
Engineering & Construction	3,15,649	1,03,313	1,85,421	2,21,027	4,28,610	35.8
Defence engineering	7,989	4,765	7,688	10,240	12,074	51.1
IT & Technology services	64,613	60,434	61,998	65,301	64,321	-0.5
Financial Services	33,657	32,842	33,419	34,007	35,163	4.5
Development Projects	9,815	5,543	11,396	8,138	10,673	8.7
Others	15,768	7,684	13,672	20,507	32,459	105.9
Revenue from Operations	4,47,490	2,14,580	3,13,594	3,59,220	5,83,300	30.3
Less : Inter Segment Revenues	5,037	1,980	3,246	3,256	4,236	-15.9
Total Segment Revenue	4,42,453	2,12,600	3,10,347	3,55,964	5,79,065	30.9

EBIT						
Infrastructure	26,149	2,448	6,586	8,226	39,362	50.5
Power	2,032	(50)	125	88	286	-85.9
Heavy engineering	1,057	543	187	1,347	1,774	67.9
Hydrocarbon	5,023.0	1,178.6	2,989.5	4,931.8	5,265.3	4.8
Engineering & Construction	34,260	4,119	9,888	14,593	46,687	36.3
Defense Engineering	844.9	249.5	1,508.3	1,383.7	1,504.6	78.1
IT & Technology services	10,230.3	9,669.9	11,306.8	13,595.1	13,786.0	34.8
Financial Services	4,467.1	994.8	3,282.7	3,519.9	3,996.4	-10.5
Development Projects	(95.8)	(385.5)	(168.4)	(759.8)	359.2	-475.0
Others	2,013.0	229.0	2,114.3	6,552.9	4,945.1	145.7

EBIT Margin (%)						
Infrastructure	10.3	3.8	5.0	5.2	10.8	50bps
Power	35.9	(1.3)	1.8	1.0	3.7	-3220bps
Heavy engineering	15.1	12.8	2.6	16.8	20.1	500bps
Hydrocarbon	10.1	3.8	7.4	11.2	11.1	100bps
Engineering & Construction	10.9	4.0	5.3	6.6	10.9	0bps
Defense engineering	10.6	5.2	19.6	13.5	12.5	190bps
IT & Technology services	15.8	16.0	18.2	20.8	21.4	560bps
Financial Services	13.3	3.0	9.8	10.4	11.4	-190bps
Development Projects	(1.0)	(7.0)	(1.5)	(9.3)	3.4	430bps
Others	12.8	3.0	15.5	32.0	15.2	250bps

Source: Company data, I-Sec research

Q4FY21E standalone result preview

	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21E	YoY(%)
Revenue	2,72,528	81,500	1,57,917	1,96,198	3,84,068	40.9
Gross margin(%)	17.8	29.3	20.4	19.3	19.0	120bps
EBITDA	26,230	5,816	12,308	18,638	46,190	76.1
EBITDA Margin (%)	9.6	7.1	7.8	9.5	12.0	250bps
PBT	12,624	-	3,367	12,602	21,832	72.9
PAT	21,142	2,816	63,329	17,049	35,022	65.6

Source: Company data, I-Sec research

We factor in L&T's ex-services revenue growth of 39.4% and EBIT growth of 43.2%; ex-services, we expect EBIT margin to grow 30bps at 11.2% in Q4FY21E.

Table 5: Major L&T order inflow in Q4FY21E

Period	Order Type	Order value (Rs bn)	Details	Segment
01-Jan	Significant	17.5	Multiple clients	L&T - MMH
04-Jan	Mega	70.0	HPCL Rajasthan Refinery - DFCU	L&T Hydrocarbon
04-Jan	Large	37.5	ONGC	L&T Hydrocarbon
13-Jan	Significant	17.5	Multiple clients	L&T - MMH & T&D
14-Jan	Significant	17.5	Domestic clients	L&T Construction
18-Jan	Large	37.5	RVNL	L&T Construction
20-Jan	Large	37.5	Bangladesh	L&T power T&D
29-Jan	Large	37.5	Mumbai Ahmedabad HSR	L&T Construction
11-Feb	Significant	17.5	Mauritius Metro	L&T Construction
18-Feb	Significant	17.5	NPCIL	L&T Construction
22-Feb	Large	37.5	Multiple clients	L&T power T&D
16-Mar	Significant	17.5	Multiple clients	L&T Construction
30-Mar	Significant	17.5	Multiple clients	L&T Construction
Q4FY21		~380		

Source: Company data, I-Sec research

Table 6: Order value assumptions for order types

Project Type	Order value range (Rs bn)	Order value assumed (Rs bn)
Large	25 to 50	37.5
Significant	10 to 25	17.5
Major	50 to 70	60
Mega	>70	70

Source: Company data, I-Sec research

Table 7: Trend in order intake

Period	Order announced (Rs bn)	Orders reported/expected (Rs bn)
Q1FY19	284.7	361
Q2FY19	206.2	419
Q4FY19	250.1	422
Q1FY20	260.0	387
Q2FY20	387.5	483
Q3FY20	140.0	416
Q4FY20	165.0	578
Q1FY21	370.0	236
Q2FY21	125.0	280
Q3FY21	523.0	732
Q4FY21	380.0	548

Source: Company data, I-Sec research

Major orders bagged in the quarter included a mega order by HPCL Rajasthan Refinery for its hydrocarbon division for setting up a petrochemical fluidized catalytic cracking (PFCC) including propylene recovery unit, EPCC-03 Package (capacity: 2.9 MMTPA). Considering the orders announced in Q4FY21 are worth ~Rs380bn, we expect total order intake for the quarter to be in the range of Rs540bn-Rs560bn.

Table 8: Major orders announced in Q4FY21 (excluding L&T)

Company	Period	Order value (Rs bn)	Client	Order minutes
BHEL (L1)	Mar-21	108.0	NPCIL	6x700 MW Turbine Island Package (L1)
BHEL	Mar-21	Na	CEB (Green Energy) Co. Ltd, Mauritius	turnkey contract for grid connected Solar PV Power Plant
BHEL	Mar-21	Na	IOCL	Sulphur Recovery Unit
BHEL	Jan-21	4.5	NALCO	Steam and Power Plant
ISGEC	Mar-21	Na	Shree Cement	Waste Heat Recovery Boilers
ISGEC	Mar-21	Na	Sugar Company	Slop Fired Boiler
ISGEC	Feb-21	Na	Refinery & Petrochemical Company	2 Gas Fired Boilers
ISGEC	Jan-21	Na	L&T MHI Power Boilers Pvt. (THDC)	2x660 MW Khurja
ISGEC	Jan-21	Na	Cement Company	2 orders - CWHRB and RLA
JMC	Mar-21	10.0	Fahi Dhiriulhun Corporation Maldives	2,000 social housing units
KPTL	Mar-21	15.5	Multiple clients	International T&D
KPTL	Mar-21	6.3	Multiple clients	T&D and railways
KEC	Jan-21	10.2	Multiple clients	T&D, railway, Civil, solar, cables
KEC	Feb-21	16.8	Multiple clients	T&D, cable, Civil, Smart infra
KEC	Feb-21	11.4	Multiple clients	T&D, railway, Civil
KEC	Mar-21	14.3	Multiple clients	Railways, Civil, cables
Total		197		

Source: Company data, I-Sec research

Cummins (BUY – TP: Rs838)

(QoQ chg: 37.1%; YoY chg: 146.5%)

Q4FY21E result preview

(Rs mn)	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21E	YoY(%)
Revenue	10,528	4,982	11,602	14,243	14,652	39.2
Gross margin	35.0	41.2	38.1	35.7	35.6	60bps
EBITDA	667	29	1,674	2,417	2,356	253.4
EBITDA Margin	6.3	0.6	14.4	17.0	16.1	980bps
PBT	1,170	705	1,887	3,036	2,808	140.0
PAT	1,212	526	1,456	2,341	2,003	65.4

Source: Company data, I-Sec research

Segmental revenue assumptions

(Rs mn)	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21E	YoY(%)
Revenues						
PowerGen	2,670	960	2,570	4,220	4,304	61.2
Distribution	2,540	1,825	3,170	3,650	3,683	45.0
Industrial	2,450	795	1,700	2,560	2,714	10.8
Domestic	7,746	3,581	7,433	10,258	10,702	38.2
% YoY	-22%	-64%	-22%	-3%	38%	
Exports	2,576	1,260	3,980	3,740	3,668	42.4
% YoY	-20%	-61%	18%	1%	42%	
Total	10,322	4,841	11,413	13,998	14,370	39.2

Source: Company data, I-Sec research

Q4FY21E result preview

(Rs mn)	Q4FY20	Q4FY21E	YoY(%)	Q3FY21	QoQ(%)
Net Sales	10,528	14,652	39.2	14,243	2.9
EBITDA	667	2,356	253.4	2,417	(2.5)
Margin	6.3	16.1	975bps	17.0	-89bps
Depreciation	308	326	6.1	320	2.1
Finance Cost	49	41	(16.4)	46	(10.7)
Other Income	898	819	(8.8)	984	(16.8)
Extraordinary income	(38)	-		-	
PBT	1,170	2,808	140.0	3,036	(7.5)
Tax	(13)	805	(6,337.9)	695	15.7
tax rate	(1.1)	28.7	2976bps	22.9	575bps
Reported PAT	1,183	2,003	69.3	2,341	(14.4)
Adjusted PAT	1,212	2,003	65.4	2,341	(14.4)
Margin(%)	11.5	13.7	217bps	16.4	-276bps
EPS	4.4	7.2		8.4	

Source: Company data, I-Sec research

Siemens Ltd. (HOLD – TP: Rs1,768)

(QoQ chg: 11.7%; YoY chg: 60.2%)

Q2FY21E* result preview

(Rs mn)	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21E	YoY(%)
Revenue	28,201	12,074	35,190	29,011	29,073	3.1
Gross margin	37.4	39.7	30.3	31.7	33.0	-450bps
EBITDA	2,336	(9)	4,529	3,611	3,339	43.0
EBITDA Margin	8.3	-0.1	12.9	12.4	11.5	330bps
PAT	1,721	101	3,331	2,622	2,600	51.1

Source: Company data, I-Sec research, *September ending

Q2FY21E* segment result preview

(Rs mn)	Q2FY20	Q2FY21E	YoY(%)	Q1FY21	QoQ(%)
Revenue					
Gas and Power	10,267	11,499	12.0	10,169	13.1
Smart Infrastructure	7,745	8,520	10.0	8,821	(3.4)
Mobility	2,378	2,616	10.0	1,864	40.3
Digital Industries	5,267	5,794	10.0	7,699	(24.7)
Portfolio of Companies	2,910	983	(66.2)	936	5.0
Others	243	255	5.0	184	38.7
Total Segmental	28,810	29,666	3.0	29,673	(0.0)
Less : Inter segment revenue	609	593	(2.6)	662	(10.4)
Total Income	28,201	29,073	3.1	29,011	0.2
EBIT Margin					
Gas and Power	887	1,207	36.1	1,277	(5.5)
Smart Infrastructure	26	682	2,521.4	663	2.8
Mobility	271	235	(13.1)	168	40.1
Digital Industries	263	492	87.2	802	(38.6)
Portfolio of Companies	174	34	(80.2)	50	(31.2)
Others	7	51	629.0	35	45.8
Total Segmental EBIT	1,628	2,702	66.0	2,995	(9.8)
Gas and Power	8.6	10.5	190bps	12.6	-210bps
Smart Infrastructure	0.3	8.0	770bps	7.5	50bps
Mobility	11.4	9.0	-240bps	9.0	0bps
Digital Industries	5.0	8.5	350bps	10.4	-190bps
Portfolio of Companies	6.0	3.5	-250bps	5.3	-180bps
Others	2.9	20.0	1710bps	19.0	100bps

Source: Company data, I-Sec research, *September ending

Thermax (HOLD – TP: Rs1184)

(QoQ chg: 38.3%; YoY chg: 90.0%)

Q4FY21E consolidated result preview

(Rs mn)	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21E	YoY(%)
Revenue	13,230	6,649	11,412	14,106	14,852	12.3
Gross margin	49.1	49.7	44.7	46.7	53.7	460bps
EBITDA	636	(114)	793	1,476	1,223	92.4
EBITDA Margin	4.8	-1.7	7.0	10.5	8.2	350bps
PAT	391	(153)	312	833	955	144.2

Source: Company data, I-Sec research

Q4FY21E consolidated segment result preview

(Rs mn)	Q4FY20	Q4FY21E	YoY(%)	Q3FY21	QoQ(%)
Energy	10,512	11,563	10.0	10,658	8.5
Environment	1,991	2,290	15.0	2,534	(9.6)
Chemical	963	1,252	30.0	1,113	12.4
Less: Intersegment	236	253	7.0	199	26.9
Total	13,230	14,852	12.3	14,106	5.3
PBIT					
Energy	323	809	150	966	(16.2)
Environment	162	183	13	180	1.9
Chemical	179	275	54	291	(5.2)
Total	664	1,268	91	1,436	(11.7)
PBIT margins (%)					
Energy	3.1	7.0	393bps	9.1	-206bps
Environment	8.2	8.0	-15bps	7.1	90bps
Chemical	18.6	22.0	343bps	26.1	-410bps

Source: Company data, I-Sec research

Voltas (HOLD – TP: Rs1065)

(QoQ chg: 11.5%; YoY chg: 97.7%)

Q4FY21E result preview

(Rs mn)	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21E	YoY(%)
Revenue	20,896	12,969	16,125	19,946	26,878	28.6
Gross margin	28.6	30.0	26.0	24.6	26.1	-250bps
EBITDA	1,920	668	980	1,459	2,709	41.1
EBITDA Margin	9.2	5.1	6.1	7.3	10.1	90bps
PAT	1,607	812	784	1,279	2,372	47.6

Source: Company data, I-Sec research

Q4FY21E segment result preview

Rs mn	Q4FY20	Q4FY21E	YoY(%)	Q3FY21	QoQ(%)
Revenues					
Electro-Mechanical Project	8,046	11,082	37.7	10,167	9.0
Engg Products & Services	948	1,096	15.7	1,209	(9.3)
Unitary Cooling Products	11,989	14,935	24.6	8,396	77.9
Total	20,784	27,254	31.1	19,704	38.3
EBIT					
Electro-Mechanical Project	113	555	391.5	322	72.2
Engg Products & Services	269	309	14.8	320	(3.5)
Unitary Cooling Products	1,754	2,284	30.3	1,046	118.5
Total	2,136	3,149	47.4	1,688	86.5
EBIT Margin (%)					
Electro-Mechanical Project	1.4	5.0	360 bps	3.2	184 bps
Engg Products & Services	28.4	28.2	-21 bps	26.5	171 bps
Unitary Cooling Products	14.6	15.3	67 bps	12.5	284 bps

Source: Company data, I-Sec research

Blue Star (REDUCE – TP: Rs658)

(QoQ chg: 12.3%; YoY chg: 60.8%)

Q4FY21E result preview

(Rs mn)	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21E	YoY(%)
Revenue	12,994	6,260	9,021	11,239	14,831	14.1
Gross margin	25.4	23.5	24.6	24.2	31.4	600bps
EBITDA	373	14	551	816	1,164	211.9
EBITDA Margin	2.9	0.2	6.1	7.3	7.9	500bps
PAT	91	(200)	150	359	623	582.1

Source: Company data, I-Sec research

Q4FY21E segment result preview

(Rs mn)	Q4FY20	Q4FY21E	YoY(%)	Q3FY21	QoQ(%)
EMPS	6,604	6,812	3.2	5,855	16.4
Unitary Products	5,963	7,540	26.5	4,930	53.0
Professional Electronics and Industrial Systems	427	479	12.2	454	5.4
Total	12,994	14,831	14.1	11,239	32.0
EBIT					
EMPS	32	332	946.4	341	(2.8)
Unitary Products	438	821	87.6	388	111.6
Professional Electronics and Industrial Systems	75	83	11.3	83	1.0
Total	544	1,236	127.1	812	52.3
EBIT Margin					
EMPS	0.5	4.9	440 bps	5.8	-100 bps
Unitary Products	7.3	10.9	350 bps	7.9	300 bps
Professional Electronics and Industrial Systems	17.6	17.4	-10 bps	18.2	-80 bps

Source: Company data, I-Sec research

Engineers India (BUY – TP: Rs98)

(QoQ chg: -5.1%; YoY chg: 16.7%)

Q4FY21E result preview

(Rs mn)	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21E	YoY(%)
Revenue	8,538	4,678	6,834	8,367	8,791	3.0
Gross margin	48.7	59.0	51.8	45.1	55.5	680bps
EBITDA	1,110	214	773	751	991	-10.7
EBITDA Margin	13.0	4.6	11.3	9.0	11.3	-180bps
PAT	1,297	481	927	882	1,136	-12.4

Source: Company data, I-Sec research

Q4FY21E segment result preview

(Rs mn)	Q4FY20	Q4FY21E	YoY(%)	Q3FY21	QoQ(%)
Consultancy & Engineering	4,017	4,145	3.2	3,583	15.7
Lumpsum Turnkey Projects	4,522	4,646	2.8	4,785	(2.9)
Total	8,538	8,791	3.0	8,367	5.1
EBIT					
Consultancy & Engineering	1,373	1,038	(24.4)	910	14.1
Lumpsum Turnkey Projects	130	137	5.3	65	110.8
Total EBIT	1,504	1,175	(21.8)	975	20.5
Margin					
Consultancy & Engineering	34.2	25.0	-915bps	25.4	-36bps
Lumpsum Turnkey Projects	2.9	3.0	7bps	1.4	159bps

Source: Company data, I-Sec research

Table 9: Capital goods coverage universe – financial summary

	Revenue (Rs mn)				EBITDA margin (%)			
	FY20	FY21E	FY22E	FY23E	FY20	FY21E	FY22E	FY23E
L&T	14,54,524	13,73,311	16,26,795	17,96,303	11.2	9.9	10.8	10.9
BHEL	2,14,861	1,74,545	2,50,424	2,93,183	(1.1)	(7.7)	4.9	7.4
Siemens	1,30,005	98,694	1,18,997	1,41,075	11.6	10.0	11.8	12.5
Engineers India	32,365	29,018	33,336	38,300	14.0	9.9	12.2	13.1
Cummins India	51,577	45,656	53,832	59,625	11.4	15.0	16.1	16.3
Thermax Ltd	57,313	46,930	59,019	66,152	7.1	7.2	8.4	9.1
ISGEC	48,937	42,317	51,324	56,851	5.7	7.8	7.5	8.1
GE T&D	31,587	35,541	39,021	41,318	(6.8)	4.7	7.5	7.6
KEC International	1,19,654	1,31,807	1,48,813	1,63,697	10.3	9.1	10.4	10.7
Kalpataru Power	79,040	78,510	87,950	99,436	10.9	10.6	10.4	10.7
Techno Electric & Engg	8,762	9,717	16,408	18,175	24.7	28.3	19.2	19.0
AIA Engineering	29,809	29,046	35,242	39,002	22.8	23.6	24.4	24.5
Voltas	76,581	75,919	86,308	96,111	9.0	7.7	10.0	10.2
Bluestar	53,602	41,352	49,058	56,358	5.3	6.2	7.1	7.6
GE Power India	24,459	35,140	33,614	26,447	5.4	4.7	6.2	6.6
VA Tech Wabag	25,572	27,116	29,876	32,180	8.5	7.6	9.8	9.6
Honeywell Automation	32,900	33,435	38,451	43,696	19.3	20.1	21.8	22.2
Carborundum Uni.	25,990	26,264	30,423	35,450	15.3	17.2	17.2	17.1
Grindwell Norton	15,524	15,895	18,305	21,099	16.2	19.5	17.2	17.4
Total	25,13,059	24,34,879	28,20,364	31,23,398	9.8	9.1	10.5	11.0
Total (Excluding L&T)	10,58,536	9,76,903	11,80,403	13,28,154	7.9	7.3	10.3	11.1

Source: Company data, I-Sec research

	PAT (Rs mn)				RoE (%)			
	FY20	FY21E	FY22E	FY23E	FY20	FY21E	FY22E	FY23E
L&T	88,945	68,035	1,04,772	1,19,915	13.8	9.5	12.9	13.2
BHEL	(14,730)	(17,059)	4,489	10,984	(4.9)	(6.0)	1.6	3.9
Siemens	11,231	7,574	10,828	13,576	12.9	8.2	11.0	12.7
Engineers India	4,339	3,458	4,383	5,116	18.3	15.0	19.4	20.9
Cummins India	6,432	6,683	7,763	8,440	15.5	15.6	17.2	17.7
Thermax Ltd	2,145	2,628	3,627	4,436	9.8	7.1	8.5	11.3
ISGEC	1,531	1,951	2,334	2,887	10.9	12.5	13.2	14.4
GE T&D	(2,490)	662	1,606	1,789	(20.1)	6.1	13.6	13.5
KEC International	5,655	5,601	7,796	9,051	20.2	17.1	19.8	19.2
Kalpataru Power	4,450	5,921	5,515	6,977	13.3	15.7	12.9	14.3
Techno Electric & Engg	1,791	2,218	2,318	2,517	12.3	14.0	13.2	13.0
AIA Engineering	5,904	5,893	7,101	7,785	16.4	15.0	16.2	15.7
Voltas	5,684	5,247	7,154	8,213	14.8	13.0	15.3	15.1
Bluestar	1,447	932	1,898	2,356	17.5	12.5	26.8	32.3
GE Power India	522	1,377	1,495	1,802	5.8	14.0	13.5	14.6
VA Tech Wabag	910	868	1,363	1,431	8.1	6.8	9.4	9.1
Honeywell Automation	4,915	5,318	6,760	7,807	25.0	21.9	22.6	21.3
Carborundum Uni.	2,750	2,875	3,392	4,060	15.4	14.5	15.0	15.7
Grindwell Norton	1,830	2,245	2,298	2,696	16.2	17.8	16.0	16.6
Total	1,33,259	1,23,510	1,88,016	2,22,145	10.0	8.6	11.7	12.5
Total (Excluding L&T)	44,314	44,392	82,117	1,01,922	6.5	6.2	10.4	11.9

Source: Company data, I-Sec research

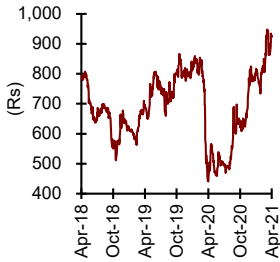
Table 10: Capital goods coverage universe – order intake estimates

	Order intake (Rs mn)				Orderbook (Rs mn)			
	FY20	FY21E	FY22E	FY23E	FY20	FY21E	FY22E	FY23E
L&T	18,64,000	15,59,609	17,50,110	19,65,678	30,39,000	32,34,088	33,81,738	35,97,742
BHEL	2,35,470	1,97,993	3,62,753	2,56,941	10,84,430	11,31,076	12,82,034	12,84,905
Siemens	1,32,380	1,08,355	1,29,337	1,50,182	1,18,790	1,29,396	1,39,736	1,48,843
Engineers India	16,172	11,735	16,760	17,000	97,951	80,668	64,093	42,793
Thermax Ltd	56,330	54,980	46,733	58,416	53,700	52,380	52,183	51,580
ISGEC	34,000	48,000	57,000	51,000	62,592	65,726	68,650	59,914
GE T&D	30,175	31,684	42,773	49,189	58,982	55,124	58,877	66,748
KEC International	1,13,310	1,19,655	1,35,540	1,47,625	2,05,030	1,92,878	1,79,605	1,63,533
Kalpataru Power	53,130	73,808	81,747	86,751	1,32,880	1,28,918	1,22,715	1,10,030
Techno Electric & Engg	16,000	15,000	18,000	21,600	23,000	29,460	32,076	36,526
Voltas	60,581	32,137	39,278	43,206	77,880	74,309	74,309	74,309
Bluestar	33,433	25,074	28,836	33,161	29,466	33,340	37,160	41,552
GE Power India	36,615	13,211	19,500	23,500	88,726	60,874	46,760	43,813
VA Tech Wabag	43,504	23,359	25,629	29,504	1,04,188	1,00,786	96,931	94,685
Total	27,25,100	25,52,259	30,02,094	32,01,176	51,76,616	55,41,254	60,65,227	65,37,213
Total (Excluding L&T)	8,61,100	7,54,990	10,03,886	9,68,075	21,37,616	21,34,937	22,55,127	22,19,232

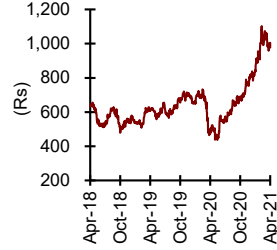
Source: Company data, I-Sec research

Price charts

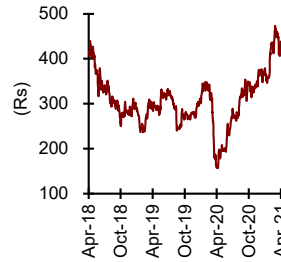
Blue Star



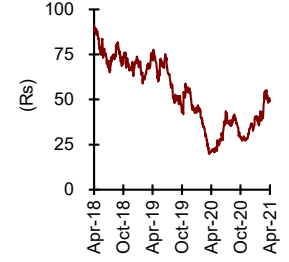
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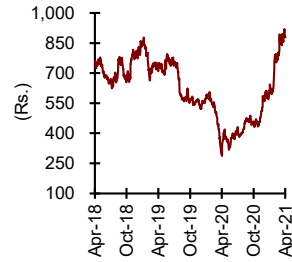
KEC International



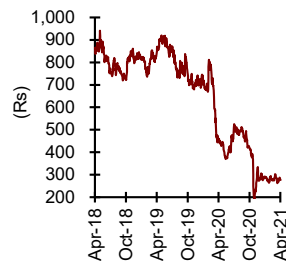
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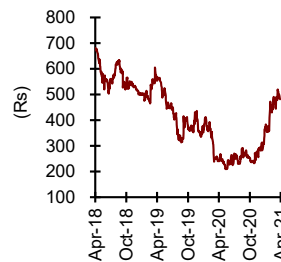
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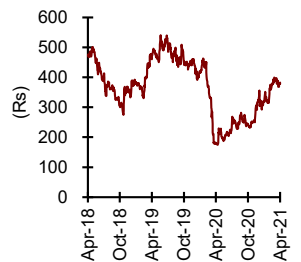
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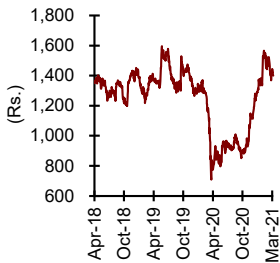
ISGEC Heavy Engineering



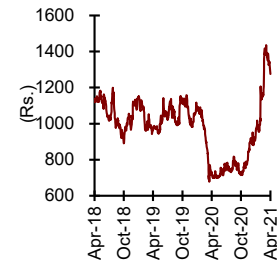
Kalpataru Power



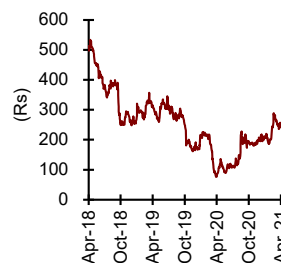
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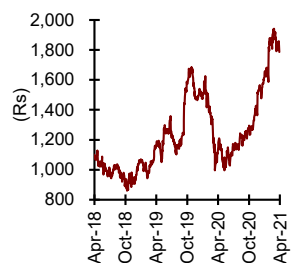
Thermax



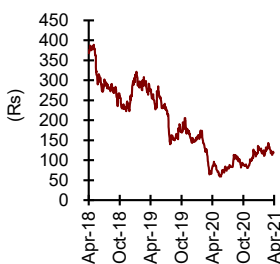
VA Tech Wabag



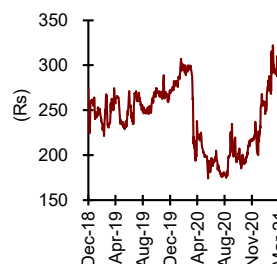
Siemens



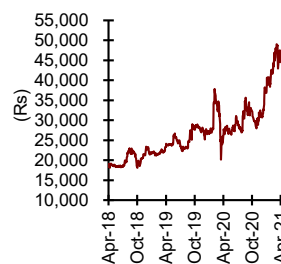
GE T&D India



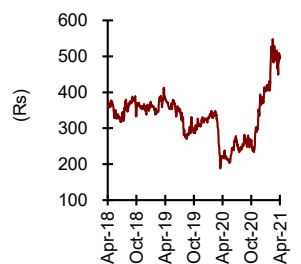
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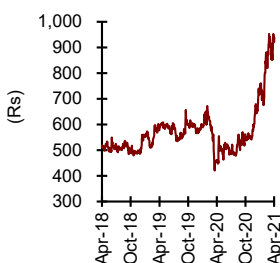
Honeywell Automation



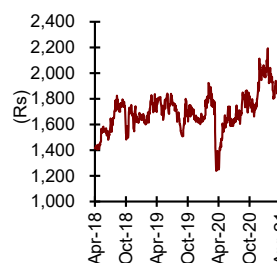
Carborandum Universal



Grindwell Norton



AIA Engineering



Source: Bloomberg

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