

Engineering and Capital Goods

Getting back on track

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. Given the current fiscal conditions and urgency to get back the GDP growth, the government's focus on large multilateral funded projects such as high-speed rail, metro, etc. has increased (Rs323bn HSR order wins announced by L&T in Q3FY21). We expect this to continue in near term as this will aid in job creation and give fillip to infrastructure investments. We factor-in revenue growth of 1.5% YoY in Q3FY21E for our coverage universe, assuming gradual move towards normalcy. PBT may drop 11.8% YoY, impacted by 90bps YoY reduction in EBITDA margin. Our top picks are L&T, AIA Engineering, KEC International and Kalpataru Power Transmission.

- **Focus towards large multilateral funded projects will propel infrastructure growth:** The fiscal scenario may remain stressed limiting any elbow room towards stimulus package. Hence, we believe, there will be an urgency to fast track some large and long pending multilateral funded projects such as high-speed rail, metro, etc., which can propel growth along with job creation.
- **Macro slowdown and tight liquidity will impact near- to medium-term growth:** Turbulent times characterised by payment delays, decreased productivity resulting from stricter safety norms, managing fixed costs, etc. are some of the current challenges. We, however, believe things will normalise and companies that have strong balance sheet, business moat and agility towards change will emerge with minimal damage. In this context, we place our bets on L&T and AIA Engineering.
- **Economy getting back on track towards a new normal:** Execution of projects is gradually returning to normalcy and we expect the overall utilisation to improve. Infrastructure and efficiency improvement are likely to 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.

Table 1: Q3FY21 estimate summary

	Revenue (Rs mn)	YoY (%)	EBITDA Margin(%)	YoY (bps)	PBT (Rs mn)	YoY (%)	PAT (Rs mn)	YoY (%)
L&T	3,68,523	1.7	10.1	(140)	26,647	(17.3)	15,903	(26.4)
BHEL	50,117	(11.8)	1.9	(390)	(59)	(102.6)	(59)	(103.7)
Siemens	31,549	18.2	12.2	(50)	3,986	12.8	2,989	13.8
Engineers India	8,118	(8.9)	11.6	200	1,514	4.2	1,132	4.2
Cummins India	13,251	(8.8)	14.5	(40)	2,213	(6.9)	1,682	(15.2)
Thermax Ltd	12,460	(11.6)	7.5	(50)	876	(17.0)	657	(22.7)
ISGEC	11,280	(15.3)	6.7	60	556	(13.1)	417	(14.4)
GE T&D	9,127	(2.9)	6.0	880	235	(147.2)	176	(146.7)
KEC International	35,326	15.0	9.8	(60)	2,417	19.2	1,740	20.1
Kalpataru Power	21,791	10.1	10.8	30	1,874	21.7	1,331	(2.9)
Techno Electric	2,966	13.7	22.1	570	630	44.0	473	43.8
AIA Engg	7,363	6.1	25.0	20	1,776	(7.7)	1,332	(14.8)
Voltas	16,361	9.6	7.1	60	1,422	19.2	1,049	20.7
Bluestar	13,099	6.0	4.6	10	257	(22.8)	187	(12.0)
GE Power India	8,571	12.0	6.3	(390)	377	(42.8)	282	(36.5)
VA Tech Wabag	6,881	1.3	8.7	(120)	348	(8.9)	296	4.9
Honeywell Automation	9,463	5.0	21.5	70	2,091	7.6	1,568	8.4
Total	6,26,248	1.5	9.6	(90)	47,159	(11.8)	31,156	(17.6)
Total (excl L&T)	2,57,725	1.2	9.0	(40)	20,512	(3.5)	15,254	(5.9)

Source: I-Sec research

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Table 2: Valuation summary

	M-Cap (Rs bn)	CMP (Rs)	TP (Rs)	Rating
L&T	1,833	1,306	1,254	ADD
BHEL	139	40	16	SELL
Siemens	574	1,612	1,462	HOLD
Engineers India	49	78	97	BUY
Cummins India	171	616	613	ADD
Thermax Ltd	114	956	780	REDUCE
ISGEC	27	366	366	BUY
GE T&D	34	133	122	ADD
KEC International	97	379	435	BUY
Kalpataru Power	47	317	526	BUY
Techno Electric & Engg	26	232	285	BUY
AIA Engineering	190	2,011	2,320	BUY
Voltas	277	837	775	HOLD
Blue Star	78	817	674	REDUCE
GE Power India	19	287	326	ADD
VA Tech Wabag	13	208	190	HOLD
Honeywell Auto.	330	37,327	31,400	HOLD

Source: I-Sec research

Table 3: Capital goods coverage universe – quarterly financial summary

	Revenues (Rs mn)					
	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21E	YoY(%)
L&T	3,62,427	4,42,453	2,12,600	3,10,347	3,68,523	1.7
BHEL	56,794	50,493	19,909	36,952	50,117	(11.8)
Siemens	26,686	28,201	12,074	35,190	31,549	18.2
Engineers India	8,906	8,538	4,678	6,834	8,118	(8.9)
Cummins India	14,534	10,528	4,982	11,602	13,251	(8.8)
Thermax Ltd	14,101	13,230	6,649	11,412	12,460	(11.6)
ISGEC	13,319	13,011	7,652	10,396	11,280	(15.3)
GE T&D	9,398	6,642	6,428	8,709	9,127	(2.9)
KEC International	30,730	36,720	22,060	32,590	35,326	15.0
Kalpataru Power	19,790	23,030	14,590	18,820	21,791	10.1
Techno Electric & Engg	2,608	1,141	1,698	2,571	2,966	13.7
AIA Engineering	6,941	8,569	5,803	7,423	7,363	6.1
Voltas	14,925	20,896	12,969	16,125	16,361	9.6
Blue Star	12,359	12,994	6,260	9,021	13,099	6.0
GE Power India	7,653	7,327	4,320	8,875	8,571	12.0
VA Tech Wabag	6,794	7,851	4,309	6,084	6,881	1.3
Honeywell Auto.	9,012	7,043	7,362	7,597	9,463	5.0
Total	6,16,977	6,98,666	3,54,344	5,40,549	6,26,248	1.5
Total (Excluding L&T)	2,54,550	2,56,213	1,41,744	2,30,201	2,57,725	1.2

	EBITDA margin (%)					
	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21E	YoY(bps)
L&T	11.4	11.6	7.6	10.7	10.1	(140)
BHEL	5.8	(11.1)	(53.2)	(17.1)	1.9	(390)
Siemens	12.6	8.3	(0.1)	12.9	12.2	(50)
Engineers India	9.6	13.0	4.6	11.3	11.6	200
Cummins India	14.8	6.3	0.6	14.4	14.5	(40)
Thermax Ltd	8.0	4.8	(1.7)	7.0	7.5	(50)
ISGEC	6.2	4.5	7.8	8.6	6.7	60
GE T&D	(2.7)	(35.5)	0.0	4.9	6.0	880
KEC International	10.4	10.1	8.8	9.0	9.8	(60)
Kalpataru Power	10.5	11.0	10.7	10.7	10.8	30
Techno Electric & Engg	16.4	5.7	26.1	29.3	22.1	570
AIA Engineering	24.9	21.6	21.3	25.6	25.0	20
Voltas	6.5	9.2	5.1	6.1	7.1	60
Blue Star	4.6	2.9	0.2	6.1	4.6	10
GE Power India	10.1	2.4	(3.1)	4.8	6.3	(390)
VA Tech Wabag	9.9	6.5	6.7	7.1	8.7	(120)
Honeywell Auto.	20.9	18.3	17.4	19.0	21.5	70
Total	10.5	8.7	3.8	8.8	9.6	(90)
Total (Excluding L&T)	9.3	3.8	(1.8)	6.2	9.0	(40)

	PBT (Rs mn)					
	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21E	YoY(%)
L&T	32,232	42,497	6,697	21,382	26,647	(17.3)
BHEL	2,263	(7,090)	(11,964)	(7,374)	(59)	(102.6)
Siemens	3,532	2,323	100	4,455	3,986	12.8
Engineers India	1,453	1,722	653	1,241	1,514	4.2
Cummins India	2,378	1,170	705	1,887	2,213	(6.9)
Thermax Ltd	1,054	586	(225)	687	876	(17.0)
ISGEC	639	346	386	784	556	(13.1)
GE T&D	(498)	(2,347)	(262)	132	235	(147.2)
KEC International	2,028	2,691	964	1,950	2,417	19.2
Kalpataru Power	1,540	1,850	1,010	1,870	1,874	21.7
Techno Electric & Engg	438	20	462	974	630	44.0
AIA Engineering	1,924	1,859	1,717	1,905	1,776	(7.7)
Voltas	1,193	2,167	1,075	1,150	1,422	19.2
Blue Star	332	131	(295)	225	257	(22.8)
GE Power India	659	254	(226)	505	377	(42.8)
VA Tech Wabag	382	452	58	178	348	(8.9)
Honeywell Auto.	1,944	1,489	1,323	1,455	2,091	7.6
Total	53,494	50,121	2,180	33,405	47,159	(11.8)
Total (Excluding L&T)	21,261	7,624	(4,518)	12,023	20,512	(3.5)

	PAT (Rs mn)					
	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21E	YoY(%)
L&T	21,608	30,647	714	11,066	15,903	(26.4)
BHEL	1,588	(15,341)	(8,972)	(5,561)	(59)	(103.7)
Siemens	2,627	1,721	101	3,331	2,989	13.8
Engineers India	1,087	1,297	481	927	1,132	4.2
Cummins	1,983	1,212	526	1,456	1,682	(15.2)
Thermax	850	391	(153)	312	657	(22.7)
ISGEC Heavy Engg	487	257	291	602	417	(14.4)
GE T&D	(377)	(1,871)	(203)	86	176	(146.7)
KEC International	1,449	1,929	708	1,426	1,740	20.1
Kalpataru Power	1,370	1,070	690	1,590	1,331	(2.9)
Techno Electric & Engg	329	18	345	798	473	43.8
AIA Engineering	1,564	1,425	1,293	1,434	1,332	(14.8)
Voltas	869	1,607	812	784	1,049	20.7
Blue Star	213	91	(200)	150	187	(12.0)
GE Power India	445	151	-179	375	282	(36.5)
VA Tech Wabag	283	312	50	139	296	4.9
Honeywell Auto.	1,447	1,111	981	1,081	1,568	8.4
Total	37,820	26,026	-2,716	19,994	31,156	(17.6)
Total (Excluding L&T)	16,212	(4,621)	(3,429)	8,928	15,254	(5.9)

Source: Company data, I-Sec research

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

	Order intake (Rs bn)					
	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21E	YoY(%)
L&T	416	578	236	280	590	41.9
BHEL	59	63	15	37	58	(2.0)
Siemens	32	29	17	32	35	10.0
Engineers India	4	1	1	6	5	40.0
Thermax	16	10	6	11	12	(25.3)
ISGEC Heavy Engg	8	11	5	12	10	20.0
GE T&D	13	7	4	5	13	-
KEC International	61	15	19	24	30	(50.0)
Kalpataru Power	9	4	17	7	26	200.0
Techno Electric & Engg	3	-	2	1	4	50.0
Voltas	12	16	4	1	7	(40.0)
Blue Star	6	8	3	7	3	(50.0)
GE Power India	2	8	5	4	6	200.0
VA Tech Wabag	7	3	4	2	5	(29.1)
Total	647	752	340	429	804	24.3
Total (Excluding L&T)	231	174	104	149	214	(7.3)

	Order book (Rs bn)					
	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21E	YoY(%)
L&T	3,063	3,039	3,051	2,989	3,206	4.7
BHEL	1,091	1,084	1,081	1,076	1,087	(0.4)
Siemens	124	125	131	129	133	6.7
Engineers India	101	96	91	90	87	(14.3)
Thermax	54	52	52	52	51	(5.4)
ISGEC	62	59	59	60	58	(7.1)
GE T&D	61	59	57	54	57	(6.6)
KEC International	220	205	197	195	190	(13.6)
Kalpataru Power	137	121	125	115	119	(13.2)
Techno Electric & Engg	25	23	25	23	24	(3.0)
Voltas	70	78	77	69	67	(4.5)
Blue Star	28	29	29	30	26	(9.2)
GE Power India	88	89	90	75	72	(17.9)
VA Tech Wabag	115	110	111	106	97	(15.7)
Total	5,240	5,171	5,176	5,062	5,274	0.6
Total (Excluding L&T)	2,178	2,132	2,126	2,074	2,068	(5.1)

Source: Company data, I-Sec research

Table 5: Major L&T order inflow in Q3FY21E

Period	Order Type	Order value (Rs bn)	Details	Segment
05-Oct	Significant	17.5	Multiple Clients	L&T Construction - Water, T&D
21-Oct	Large	37.5	Multiple Clients	L&T Construction - B&F
28-Oct	Mega	250.0	HSR project - 237 km stretch MAHSR - C4 package	L&T Construction
11-Nov	Significant	17.5	RRTS in UP and T&D in Nepal	L&T Construction - infra, T&D
18-Nov	NA	NA	46 units of Komatsu Equipment to Tata Steel	L&T Mining equipment
19-Nov	Mega	72.9	HSR project - 88 km of MAHSR project - C6 package	L&T Construction
25-Nov	Large	37.5	19km bridge across Brahmaputra for Assam-Meghalaya	L&T Construction
07-Dec	NA	NA	90 units of Komatsu Mining Equipment	L&T Construction & Mining equipment
			Multispecialty hospital at Nagpur, E&M systems for	
14-Dec	Significant	17.5	Udhampur-Srinagar Baramulla rail link	L&T Construction - B&F, T&D
23-Dec	Large	37.5	Water supply schemes in districts of Madhya Pradesh	L&T Construction - Water
29-Dec	Significant	17.5	135 km of Slurry Pipeline Chhattisgarh	L&T Construction - Water
31-Dec	Significant	17.5	Gujarat - SAUNI Yojna Link 3 and T&D in Saudi	L&T Construction - Water, T&D
Q3FY21		~523		
01-Jan	Significant	17.5	Multiple clients	L&T - MMH
04-Jan	Mega	70.0	HPCL Rajasthan Refinery - DFCU	L&T Hydrocarbon

Source: Company data, I-Sec research

Table 6: Major orders announced in Q3FY21 (excluding L&T)

Company	Period	Order value (Rs bn)	Client	Order minutes
BHEL	Dec-20	na	APGENCO and MEIL	E&M for 12x80 MW Polavaram Hydro plant in AP and E&M of Pump Motor sets in Telangana
BHEL	Dec-20	11.9	NPCIL	32 Reactor Header Assemblies
Thermax	Nov-20	14.0	Assam Bio Refinery Private Limited	Captive Combined Heat and Power (CHP) plant
ISGEC	Dec-20	10.3	M/s. KPR Sugar & Apparels Limited	10,000 TCD Sulphurless Sugar Plant
BLSTR	Nov-20	13.6	M/s Wistron Infocomm - Manf of Apple iPhones	MEP
KPP	Dec-20	10.3	Multiple clients	T&D and pipeline
KPP	Dec-20	13.6	Multiple clients	T&D and pipeline
JMC	Dec-20	5.5	Multiple clients	Rs3.2bn Building Project in South India and Factory Project for Rs2.4bn in Maharashtra
KEC	Oct-20	13.4	Multiple clients	Rs8.9bn in T&D, and Rs1.4bn in railways and cables
KEC	Dec-20	3.6	Multiple clients	T&D, civil, railways and pipeline
Total		94.5		

Source: Company data, I-Sec research

Q3FY21 preview

Company	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21E	YoY(%)	Remarks
L&T (consol)							
Revenue	3,62,427	4,42,453	2,12,600	3,10,347	3,68,523	1.7	We factor-in ex-services growth of 0.4% YoY with 90bps YoY decline in margins to 5.8%. Ramp-up in project activity will provide some support to revenues. We expect ex-services order intake at ~Rs460bn given the company announced ~Rs523bn worth of orders during the quarter including ~Rs320bn of HSR orders.
Gross margin	51.0	56.6	31.6	47.0	51.0	10bps	
EBITDA	41,177	51,210	16,205	33,347	37,069	-10.0	
EBITDA Margin	11.4	11.6	7.6	10.7	10.1	-140bps	
PBT	32,232	42,497	6,697	21,382	26,647	-17.3	
PAT	21,608	30,647	714	11,066	15,903	-26.4	
L&T (standalone)							
Revenue	1,98,853	2,72,528	81,500	1,57,917	1,97,285	-0.8	Revenues are expected to decline slightly, 1% YoY, as we built in 40% YoY decline in heavy engineering and 15% YoY decline in defence segment. We estimate 50bps decline in EBITDA margin due to lower margins in heavy engineering and others.
Gross margin	28.8	25.9	45.8	31.1	26.1	-270bps	
EBITDA	14,704	26,230	5,816	12,308	13,785	-6.2	
EBITDA Margin	7.4	9.6	7.1	7.8	7.0	-50bps	
PBT	16,692	13,800	-	3,367	12,602	-24.5	
PAT	11,547	21,142	2,816	63,329	10,149	-12.1	
BHEL							
Revenue	56,794	50,493	19,909	36,952	50,117	-11.8	We factor-in 12% YoY revenue decline due to domestic lockdown in certain geographies and gradual improvement in project-site utilisation. Margins will be impacted by higher fixed costs, despite that we factor in EBITDA margin of 1.9%. Order intake is expected to be muted due to macro challenges.
Gross margin	36.6	28.8	34.1	35.5	35.0	-170bps	
EBITDA	3,287	(5,617)	(10,589)	(6,325)	977	-70.3	
EBITDA Margin	5.8	-11.1	-53.2	-17.1	1.9	-390bps	
PBT	2,263	(7,090)	(11,964)	(7,374)	(59)	-102.6	
PAT	1,588	(15,341)	(8,972)	(5,561)	(59)	-103.7	
Siemens							
Revenue	26,686	28,201	12,074	35,190	31,549	18.2	We factor-in growth of ~5% YoY in digital industries, 36% YoY growth in gas & power, 35% in mobility and 25% in smart infra with revival of activities and improved utilisation. Overall order intake is expected to be muted given delay in decision-making by private sector players.
Gross margin	37.3	37.4	39.7	30.3	34.0	-330bps	
EBITDA	3,365	2,336	(9)	4,529	3,845	14.3	
EBITDA Margin	12.6	8.3	-0.1	12.9	12.2	-50bps	
PBT	3,532	2,323	100	4,455	3,986	12.8	
PAT	2,627	1,721	101	3,331	2,989	13.8	
Engineers India							
Revenue	8,906	8,538	4,678	6,834	8,118	-8.9	We factor-in 9% decline in revenues due to 15% decline in LSTK and flattish growth in consultancy. EBITDA margin is expected to grow 2,000bps YoY to 8.6% as Q3FY20 was impacted by provisions towards contractual obligations and higher mix of low-margin LSTK under execution.
Gross margin	43.7	48.7	59.0	51.8	55.0	1140bps	
EBITDA	856	1,110	214	773	938	9.6	
EBITDA Margin	9.6	13.0	4.6	11.3	11.6	200bps	
PBT	1,453	1,722	653	1,241	1,514	4.2	
PAT	1,087	1,297	481	927	1,132	4.2	
Cummins India							
Revenue	14,534	10,528	4,982	11,602	13,251	-8.8	Exports may fare better relative to domestic business given low base and the likely preference towards India vs China. YoY. We factor-in domestic sales decline of 14% YoY and exports growth of 10% YoY. EBITDA margin contraction of 40bps YoY to 14.5% is expected as reduction in royalty expense and lower employee cost due to VRS supported Q3FY20 margins.
Gross margin	34.9	35.0	41.2	38.1	36.0	110bps	
EBITDA	2,158	667	29	1,674	1,915	-11.2	
EBITDA Margin	14.8	6.3	0.6	14.4	14.5	-40bps	
PBT	2,378	1,170	705	1,887	2,213	-6.9	
PAT	1,983	1,212	526	1,456	1,682	-15.2	
Thermax Ltd							
Revenue	14,101	13,230	6,649	11,412	12,460	-11.6	We factor-in 15% YoY decline in energy, flat environment (supported by FGD) and 5% growth in chemicals. Margins in chemicals may hold strong while that under energy will slip. We factor in energy margins at 5%, environment at 7% and chemical margins at 22%.
Gross margin	44.4	49.1	49.7	44.7	47.6	330bps	
EBITDA	1,132	636	(114)	793	939	-17.1	
EBITDA Margin	8.0	4.8	-1.7	7.0	7.5	-50bps	
PBT	1,054	586	(225)	687	876	-17.0	
PAT	850	391	(153)	312	657	-22.7	
ISGEC							
Revenue	13,319	13,011	7,652	10,396	11,280	-15.3	We factor-in 15.3% revenue decline (12.5% YoY decline in EPC revenues and 15% decline in product revenues) due to high base. Margins are expected to improve by 60bps YoY to 6.7% due to absence of legal expense related to Philippines plant.
Gross margin	25.7	24.4	29.7	26.9	30.0	440bps	
EBITDA	820	581	600	896	755	-7.9	
EBITDA Margin	6.2	4.5	7.8	8.6	6.7	60bps	
PBT	639	346	386	784	556	-13.1	
PAT	487	257	291	602	417	-14.4	

Company	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21E	YoY(%)	Remarks
GE T&D							Order intake and execution challenges are expected to impact near- to medium-term performance of the company. We estimate 3% YoY decline in revenues and 880bps YoY growth in EBITDA margin to 6% given there was Rs530mn provision towards IL&FS in Q3FY20.
Revenue	9,398	6,642	6,428	8,709	9,127	-2.9	
Gross margin	24.5	24.5	29.2	28.4	29.8	540bps	
EBITDA	(256)	(2,357)	3	428	548	-314.3	
EBITDA Margin	-2.7	-35.5	0.0	4.9	6.0	880bps	
PBT	(498)	(2,347)	(262)	132	235	-147.2	
PAT	(377)	(1,871)	(203)	86	176	-146.7	
KEC Intl.							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 60bps YoY to 9.6% due to increased cost at sites and mix issues. Company has announced Rs17bn worth orders in Q3FY21.
Revenue	30,730	36,720	22,060	32,590	35,326	15.0	
Gross margin	30.3	28.0	30.9	27.7	28.0	-230bps	
EBITDA	3,185	3,707	1,949	2,931	3,471	9.0	
EBITDA Margin	10.4	10.1	8.8	9.0	9.8	-60bps	
PBT	2,028	2,691	964	1,950	2,417	19.2	
PAT	1,449	1,929	708	1,426	1,740	20.1	
Kalpataru Power							Led by improvement in project-site utilisation, we expect revenues to grow 10% YoY. Margins are expected to improve 30bps YoY to 10.8%. The company has already won orders worth Rs54bn till YTD Dec'20 largely led by international T&D and guides for Rs90-100bn worth of order intake in FY21E.
Revenue	19,790	23,030	14,590	18,820	21,791	10.1	
Gross margin	25.0	24.2	28.0	28.4	26.0	100bps	
EBITDA	2,080	2,530	1,560	2,020	2,348	12.9	
EBITDA Margin	10.5	11.0	10.7	10.7	10.8	30bps	
PBT	1,540	1,850	1,010	1,870	1,874	21.7	
PAT	1,370	1,070	690	1,590	1,331	-2.9	
Techno Electric & Engg							Despite the challenging environment, management maintains EPC revenue guidance of ~Rs11-12bn in FY21E and margins at 15%. We expect revenues to grow 13.7% YoY in Q3FY21 and margin expansion of 570bps YoY to 22.1%, given the company has been able to control fixed expenses focusing on reduction in employee cost and other expenditure. It won orders worth Rs3bn in H1FY21 and is L1 in Rs2bn.
Revenue	2,608	1,141	1,698	2,571	2,966	13.7	
Gross margin	25.2	30.6	38.2	39.3	29.8	470bps	
EBITDA	429	65	443	753	656	52.9	
EBITDA Margin	16.4	5.7	26.1	29.3	22.1	570bps	
PBT	438	20	462	974	630	44.0	
PAT	329	18	345	798	473	43.8	
AIA Engineering							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 6% growth in revenues and 20bps growth in margins to 25% for Q3FY21E. Mining volumes will be relatively less impacted than non-mining demand due to lockdown.
Revenue	6,941	8,569	5,803	7,423	7,363	6.1	
Gross margin	66.4	56.2	60.7	66.2	65.0	-150bps	
EBITDA	1,729	1,848	1,235	1,903	1,841	6.5	
EBITDA Margin	24.9	21.6	21.3	25.6	25.0	20bps	
PBT	1,924	1,859	1,717	1,905	1,776	-7.7	
PAT	1,564	1,425	1,293	1,434	1,332	-14.8	
Voltas							We expect UCP to grow 8% YoY and EMP to grow 10% YoY given the improved utilisation at project sites. Overall, we expect EBITDA margin to improve 60bps to 7.1% for Q3FY21E with EMP margin at 5% and UCP at 10.5%. For Beko, we built-in loss of Rs150mn for Q3FY21E
Revenue	14,925	20,896	12,969	16,125	16,361	9.6	
Gross margin	28.6	28.6	30.0	26.0	25.7	-290bps	
EBITDA	976	1,920	668	980	1,158	18.7	
EBITDA Margin	6.5	9.2	5.1	6.1	7.1	60bps	
PBT	1,193	2,167	1,075	1,150	1,422	19.2	
PAT	869	1,607	812	784	1,049	20.7	
Blue Star							Overall revenues are expected to grow 6% YoY supported by 10% growth in cooling products segment and 3.5% YoY growth in EMP segment on improved execution. Overall margins are expected to remain largely flat at 4.6% with EMP margin at 5% and cooling products margin at 5%.
Revenue	12,359	12,994	6,260	9,021	13,099	6.0	
Gross margin	24.7	25.4	23.5	24.6	33.9	920bps	
EBITDA	570	373	14	551	607	6.4	
EBITDA Margin	4.6	2.9	0.2	6.1	4.6	10bps	
PBT	332	131	(295)	225	257	-22.8	
PAT	213	91	(200)	150	187	-12.0	
GE Power India							We factor-in revenue growth of 12% due to support from strong orderbook offsetting slowdown from pandemic. 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 decline 390bps YoY due to higher FGD contribution that carry low margins.
Revenue	7,653	7,327	4,320	8,875	8,571	12.0	
Gross margin	31.8	22.8	30.3	23.9	27.0	-490bps	
EBITDA	775	175	(135)	422	542	-30.1	
EBITDA Margin	10.1	2.4	-3.1	4.8	6.3	-390bps	
PBT	659	254	(226)	505	377	-42.8	
PAT	445	151	(179)	375	282	-36.5	

Company	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21E	YoY(%)	Remarks
VA Tech Wabag							
Revenue	6,794	7,851	4,309	6,084	6,881	1.3	We factor-in slight growth at 1.3% in revenues and 120bps decline in margins to 8.7%. 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), financial closure of Namami Gange projects, etc. remain the overhang.
Gross margin	22.8	22.6	24.4	22.2	21.0	-190bps	
EBITDA	673	508	289	433	602	-10.5	
EBITDA Margin	9.9	6.5	6.7	7.1	8.7	-120bps	
PBT	382	452	58	178	348	-8.9	
PAT	283	312	50	139	296	4.9	
Honeywell Auto.							
Revenue	9,012	7,043	7,362	7,597	9,463	5.0	Pickup in execution at sites can support revenue growth of 5% YoY in Q3FY21E. Cost reduction measures (reduced travel from Covid restrictions) will support margins, which may expand 70bps YoY to 21.5%. We expect PBT at Rs2.1bn for Q3FY21E given lower working capital requirement and cash rich balance sheet (Rs15.7bn).
Gross margin	50.9	46.0	49.0	49.6	51.0	20bps	
EBITDA	1,886	1,286	1,279	1,443	2,039	8.1	
EBITDA Margin	20.9	18.3	17.4	19.0	21.5	70bps	
PBT	1,944	1,489	1,323	1,455	2,091	7.6	
PAT	1,447	1,111	981	1,081	1,568	8.4	

Source: I-Sec research

Larsen &Toubro (ADD – TP: Rs1,254)

(QoQ chg: 48.5%; YoY chg: -0.3%)

Q3FY21E Consolidated result preview

	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21E	YoY(%)
Revenue	3,62,427	4,42,453	2,12,600	3,10,347	3,68,523	1.7
Gross margin	51.0	56.6	31.6	47.0	51.0	10bps
EBITDA	41,177	51,210	16,205	33,347	37,069	-10.0
EBITDA Margin	11.4	11.6	7.6	10.7	10.1	-140bps
PBT	32,232	42,497	6,697	21,382	26,647	-17.3
PAT	21,608	30,647	714	11,066	15,903	-26.4

Source: Company data, I-Sec research

Q3FY21E consolidated segment result preview

(Rs mn)	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21E	YoY(%)
Revenue						
Infrastructure	1,73,994	2,53,188	64,561	1,30,957	1,78,868	2.8
Power	6,983	5,653	3,800	6,887	5,936	-15.0
Heavy engineering	8,061	7,016	4,251	7,081	4,836	-40.0
Hydrocarbon	43,926	49,792	30,701	40,497	43,645	-0.6
Engineering & Construction	2,32,964	3,15,649	1,03,313	1,85,421	2,33,285	0.1
Defence engineering	10,647	7,989	4,765	7,688	9,188	-13.7
IT & Technology services	61,259	64,613	60,434	61,998	64,935	6.0
Financial Services	35,501	33,657	32,842	33,419	37,276	5.0
Development Projects	12,382	9,815	5,543	11,396	12,072	-2.5
Others	13,162	15,768	7,684	13,672	15,314	16.3
Revenue from Operations	3,65,916	4,47,490	2,14,580	3,13,594	3,72,071	1.7
Less : Inter Segment Revenues	3,489	5,037	1,980	3,246	3,547	1.7
Total Segment Revenue	3,62,427	4,42,453	2,12,600	3,10,347	3,68,523	1.7
EBIT						
Infrastructure	8,843	26,149	2,448	6,586	8,943	1.1
Power	139	2,032	(50)	125	107	-23.2
Heavy engineering	1,586	1,057	543	187	725	-54.3
Hydrocarbon	4,930.0	5,023.0	1,178.6	2,989.5	3,273.4	-33.6
Engineering & Construction	15,498	34,260	4,119	9,888	13,049	-15.8
Defense Engineering	1,815.7	844.9	249.5	1,508.3	1,378.3	-24.1
IT & Technology services	9,954.7	10,230.3	9,669.9	11,306.8	10,714.3	7.6
Financial Services	7,269.3	4,467.1	994.8	3,282.7	4,845.9	-33.3
Development Projects	1,824.8	(95.8)	(385.5)	(168.4)	362.2	-80.2
Others	2,521.5	2,013.0	229.0	2,114.3	1,531.4	-39.3
EBIT Margin (%)						
Infrastructure	5.1	10.3	3.8	5.0	5.0	-10bps
Power	2.0	35.9	(1.3)	1.8	1.8	-20bps
Heavy engineering	19.7	15.1	12.8	2.6	15.0	-470bps
Hydrocarbon	11.2	10.1	3.8	7.4	7.5	-370bps
Engineering & Construction	6.7	10.9	4.0	5.3	5.6	-110bps
Defense engineering	17.1	10.6	5.2	19.6	15.0	-210bps
IT & Technology services	16.3	15.8	16.0	18.2	16.5	20bps
Financial Services	20.5	13.3	3.0	9.8	13.0	-750bps
Development Projects	14.7	(1.0)	(7.0)	(1.5)	3.0	-1170bps
Others	19.2	12.8	3.0	15.5	10.0	-920bps

Source: Company data, I-Sec research

Q3FY21E standalone result preview

	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21E	YoY(%)
Revenue	1,98,853	2,72,528	81,500	1,57,917	1,97,285	-0.8
Gross margin(%)	28.8	25.9	45.8	31.1	26.1	-270bps
EBITDA	14,704	26,230	5,816	12,308	13,785	-6.2
EBITDA Margin (%)	7.4	9.6	7.1	7.8	7.0	-50bps
PBT	16,692	13,800	-	3,367	12,602	-24.5
PAT	11,547	21,142	2,816	63,329	10,149	-12.1

Source: Company data, I-Sec research

We factor-in L&T's ex-services revenue growth of 0.4% and EBIT decline of 13.4%; ex-services, we expect EBIT margin to be down 90bps at 5.8% in Q3FY21E.

Table 7: 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 8: 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	590

Source: Company data, I-Sec research

Major orders bagged in the quarter were two mega orders related to high-speed rail (HSR). Both the orders, which included 237Km stretch (C-4 package) and 88kms stretch (c-6 package), were worth Rs250bn and Rs73bn, respectively.

Considering the orders announced in Q3FY21 are worth ~Rs523bn, we expect total order intake for the quarter to be in the range of Rs580bn-Rs600bn.

Cummins (ADD – TP: Rs613)

(QoQ chg: 34.3%; YoY chg: 7.5%)

Q3FY21E result preview

(Rs mn)	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21E	YoY(%)
Revenue	14,534	10,528	4,982	11,602	13,251	-8.8
Gross margin	34.9	35.0	41.2	38.1	36.0	110bps
EBITDA	2,158	667	29	1,674	1,915	-11.2
EBITDA Margin	14.8	6.3	0.6	14.4	14.5	-40bps
PBT	2,378	1,170	705	1,887	2,213	-6.9
PAT	1,983	1,212	526	1,456	1,682	-15.2

Source: Company data, I-Sec research

Segmental revenue assumptions

(Rs mn)	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21E	YoY(%)
Revenues						
PowerGen	3,800	2,670	960	2,570	2,812	(26.0)
Distribution	4,150	2,540	1,825	3,170	3,735	(10.0)
Industrial	2,670	2,450	795	1,700	2,510	(6.0)
Domestic	10,585	7,746	3,581	7,433	9,056	(14.4)
% YoY	4%	-22%	-64%	-22%	-14%	
Exports	3,700	2,576	1,260	3,980	4,070	10.0
% YoY	-16%	-20%	-61%	18%	10%	
Total	14,285	10,322	4,841	11,413	13,126	(8.1)

Source: Company data, I-Sec research

Q3FY21E segment result preview

(Rs mn)	Q3FY20	Q3FY21E	YoY(%)	Q2FY21	QoQ(%)
Net Sales	14,534	13,251	(8.8)	11,602	14.2
EBITDA	2,158	1,915	(11.2)	1,674	14.4
Margin	14.8	14.5	-39bps	14.4	3bps
Depreciation	296	307	4.0	327	(5.9)
Finance Cost	47	46	(2.0)	40	13.4
Other Income	723	651	(10.0)	580	12.2
Extraordinary income	(161)	-		-	
PBT	2,378	2,213	(6.9)	1,887	17.3
Tax	515	531	3.0	431	23.1
tax rate	21.7	24.0	232bps	22.9	114bps
Reported PAT	1,862	1,682	(9.7)	1,456	15.6
Adjusted PAT	1,983	1,682	(15.2)	1,456	15.6
Margin(%)	13.6	12.7	-95bps	12.5	15bps
EPS	7.2	6.1		5.3	

Source: Company data, I-Sec research

Siemens Ltd. (HOLD – TP: Rs1,462)

(QoQ chg: 26.2%; YoY chg: 6.7%)

Q1FY21E* result preview

(Rs mn)	Q2FY19	Q2FY20	Q3FY20	Q4FY20	Q1FY21E	YoY(%)
Revenue	26,686	28,201	12,074	35,190	31,549	18.2
Gross margin	37.3	37.4	39.7	30.3	34.0	-330bps
EBITDA	3,365	2,336	(9)	4,529	3,845	14.3
EBITDA Margin	12.6	8.3	-0.1	12.9	12.2	-50bps
PAT	2,627	1,721	101	3,331	2,989	13.8

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

Q1FY21E* segment result preview

(Rs mn)	Q1FY20	Q1FY21E	YoY(%)	Q4FY20	QoQ(%)
Revenue					
Gas and Power	8,886	12,085	36.0	15,830	(23.7)
Smart Infrastructure	7,590	9,488	25.0	9,208	3.0
Mobility	2,085	2,815	35.0	3,010	(6.5)
Digital Industries	6,001	6,301	5.0	6,328	(0.4)
Portfolio of Companies	2,484	1,340	(46.1)	1,276	5.0
Others	157	165	5.0	297	(44.5)
Total Segmental	27,203	32,193	18.3	35,949	(10.4)
Less : Inter segment revenue	517	644	24.5	759	(15.2)
Total Income	26,686	31,549	18.2	35,190	(10.3)
EBIT					
Gas and Power	974	1,329	36.5	1,921	(30.8)
Smart Infrastructure	744	901	21.1	974	(7.5)
Mobility	236	338	43.1	414	(18.4)
Digital Industries	630	504	(20.0)	499	1.0
Portfolio of Companies	132	67	(49.3)	109	(38.5)
Others	38	33	(13.2)	-18	(283.2)
Total Segmental EBIT	2,754	3,172	15.2	3,899	(18.6)
EBIT Margin					
Gas and Power	11.0	11.0	0bps	12.1	-110bps
Smart Infrastructure	9.8	9.5	-30bps	10.6	-110bps
Mobility	11.3	12.0	70bps	13.8	-180bps
Digital Industries	10.5	8.0	-250bps	7.9	10bps
Portfolio of Companies	5.3	5.0	-30bps	8.5	-350bps
Others	24.2	20.0	-420bps	-6.1	2610bps

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

Thermax (REDUCE – TP: Rs780)

(QoQ chg: 33.7%; YoY chg: -12.5%)

Q3FY21E consolidated result preview

(Rs mn)	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21E	YoY(%)
Revenue	14,101	13,230	6,649	11,412	12,460	-11.6
Gross margin	44.4	49.1	49.7	44.7	47.6	330bps
EBITDA	1,132	636	(114)	793	939	-17.1
EBITDA Margin	8.0	4.8	-1.7	7.0	7.5	-50bps
PAT	850	391	(153)	312	657	-22.7

Source: Company data, I-Sec research

Q3FY21E consolidated segment result preview

(Rs mn)	Q3FY20	Q3FY21E	YoY(%)	Q2FY21	QoQ(%)
Energy	11,208	9,527	(15.0)	8,858	7.6
Environment	1,974	1,974	-	1,550	27.3
Chemical	1,168	1,226	5.0	1,145	7.1
Less: Intersegment	249	267	7.0	141	89.0
Total	14,101	12,460	(11.6)	11,412	9.2
PBIT					
Energy	647	476	(26.4)	388	22.8
Environment	103	138	34.6	103	33.7
Chemical	289	270	(6.6)	350	(22.9)
Total	1,039	884	(14.9)	841	5.2
PBIT margins (%)					
Energy	5.8	5.0	-77bps	4.4	62bps
Environment	5.2	7.0	180bps	6.7	34bps
Chemical	24.7	22.0	-272bps	30.5	-854bps

Source: Company data, I-Sec research

Voltas (HOLD – TP: Rs775)

(QoQ chg: 25.2%; YoY chg: 26.2%)

Q3FY21E result preview

(Rs mn)	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21E	YoY(%)
Revenue	14,925	20,896	12,969	16,125	16,361	9.6
Gross margin	28.6	28.6	30.0	26.0	25.7	-290bps
EBITDA	976	1,920	668	980	1,158	18.7
EBITDA Margin	6.5	9.2	5.1	6.1	7.1	60bps
PAT	869	1,607	812	784	1,049	20.7

Source: Company data, I-Sec research

Q3FY21E segment result preview

Rs mn	Q3FY20	Q3FY21E	YoY(%)	Q2FY21	QoQ(%)
Revenues					
Electro-Mechanical Project	8,081	8,908	10.2	9,278	(4.0)
Engg Products & Services	826	909	10.0	933	(2.6)
Unitary Cooling Products	6,005	6,486	8.0	5,717	13.5
Total	14,871	16,302	9.6	15,876	2.7
EBIT					
Electro-Mechanical Project	374	445	19.0	230	93.8
Engg Products & Services	231	254	10.1	288	(11.7)
Unitary Cooling Products	607	681	12.2	631	7.9
Total	1,212	1,381	13.9	1,149	20.2
EBIT Margin (%)					
Electro-Mechanical Project	4.6	5.0	37 bps	2.5	252 bps
Engg Products & Services	28.0	28.0	3 bps	30.9	-287 bps
Unitary Cooling Products	10.1	10.5	40 bps	11.0	-54 bps

Source: Company data, I-Sec research

Blue Star (REDUCE – TP: Rs674)

(QoQ chg: 30.2%; YoY chg: 0.1%)

Q3FY21E result preview

(Rs mn)	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21E	YoY(%)
Revenue	12,359	12,994	6,260	9,021	13,099	6.0
Gross margin	24.7	25.4	23.5	24.6	33.9	920bps
EBITDA	570	373	14	551	607	6.4
EBITDA Margin	4.6	2.9	0.2	6.1	4.6	10bps
PAT	213	91	(200)	150	187	-12.0

Source: Company data, I-Sec research

Q3FY21E segment result preview

(Rs mn)	Q3FY20	Q3FY21E	YoY(%)	Q2FY21	QoQ(%)
EMPS	7,588	7,851	3.5	5,408	45.2
Unitary Products	4,202	4,623	10.0	3,187	45.1
Professional Electronics and Industrial Systems	569	626	10.0	426	46.7
Total	12,359	13,099	6.0	9,021	45.2
EBIT					
EMPS	390	393	0.7	344	14.1
Unitary Products	77	231	202.1	117	97.0
Professional Electronics and Industrial Systems	180	113	(37.4)	82	38.2
Total	646	736	13.9	543	35.6
EBIT Margin					
EMPS	5.1	5.0	-10 bps	6.4	-140 bps
Unitary Products	1.8	5.0	320 bps	3.7	130 bps
Professional Electronics and Industrial Systems	31.6	18.0	-1360 bps	19.1	-110 bps

Source: Company data, I-Sec research

Engineers India (BUY – TP: Rs97)

(QoQ chg: 20.8%; YoY chg: -22.9%)

Q3FY21E result preview

(Rs mn)	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21E	YoY(%)
Revenue	8,906	8,538	4,678	6,834	8,118	-8.9
Gross margin	43.7	48.7	59.0	51.8	55.0	1140bps
EBITDA	856	1,110	214	773	938	9.6
EBITDA Margin	9.6	13.0	4.6	11.3	11.6	200bps
PAT	1,087	1,297	481	927	1,132	4.2

Source: Company data, I-Sec research

Q3FY21E segment result preview

(Rs mn)	Q3FY20	Q3FY21E	YoY(%)	Q2FY21	QoQ(%)
Consultancy & Engineering	3,651	3,651	-	3,452	5.8
Lumpsum Turnkey Projects	5,255	4,467	(15.0)	3,382	32.1
Total	8,906	8,118	(8.9)	6,834	18.8
EBIT					
Consultancy & Engineering	902	949	5.2	933	1.7
Lumpsum Turnkey Projects	160	134	(16.0)	63	113.5
Total EBIT	1,062	1,083	2.0	996	8.7
Margin	11.9	13.3	142bps	14.6	-123bps
Consultancy & Engineering	24.7	26.0	130bps	27.0	-104bps
Lumpsum Turnkey Projects	3.0	3.0	-4bps	1.9	114bps

Source: Company data, I-Sec research

Table 9: Capital goods coverage universe – financial summary

	Revenue (Rs mn)				EBITDA margin (%)			
	FY19	FY20	FY21E	FY22E	FY19	FY20	FY21E	FY22E
L&T	13,52,203	14,54,524	13,13,856	15,21,733	11.3	11.2	9.4	10.9
BHEL	3,04,226	2,14,861	1,84,243	2,47,408	7.0	(1.1)	(5.1)	5.3
Siemens	1,27,251	1,30,005	98,694	1,18,997	10.3	11.6	10.0	10.6
Engineers India	24,758	32,365	29,018	33,336	15.2	14.0	11.1	13.2
Cummins India	56,590	51,577	44,027	52,595	15.3	11.4	11.4	14.5
Thermax Ltd	59,732	57,313	43,730	53,146	7.0	7.1	5.5	8.0
ISGEC	41,289	48,937	43,563	46,409	6.0	5.7	7.1	7.0
GE T&D	42,188	31,587	33,671	37,231	10.3	(6.8)	4.8	7.7
KEC International	1,10,005	1,19,654	1,35,489	1,46,438	10.5	10.3	9.7	10.3
Kalpataru Power	71,151	79,040	83,270	91,380	10.9	10.9	10.8	10.9
Techno Electric & Engg	9,886	8,762	10,884	15,684	25.2	24.7	21.6	19.3
AIA Engineering	30,695	29,809	29,499	35,810	21.5	22.8	22.7	24.3
Voltas	71,241	76,581	68,577	79,984	8.6	9.0	6.9	9.7
Blue Star	52,348	53,602	46,174	54,714	6.6	5.3	5.1	7.5
GE Power India	19,028	24,459	30,194	35,284	9.4	5.4	6.3	7.7
VA Tech Wabag	27,810	25,572	23,552	28,051	7.0	8.5	6.6	9.8
Honeywell Auto.	31,747	32,900	33,435	37,536	15.9	19.3	19.5	19.6
Total	24,32,150	24,71,546	22,51,877	26,35,737	10.6	9.7	8.3	10.4
Total (Excluding L&T)	10,79,947	10,17,022	9,38,021	11,14,004	9.7	7.6	6.8	9.8

Source: Company data, I-Sec research

	PAT (Rs mn)				RoE (%)			
	FY19	FY20	FY21E	FY22E	FY19	FY20	FY21E	FY22E
L&T	80,411	88,945	63,849	92,605	13.7	13.8	8.9	11.5
BHEL	12,086	(14,730)	(14,155)	4,672	3.8	(4.9)	(5.0)	1.7
Siemens	8,939	11,231	7,574	9,709	11.2	12.9	8.2	9.9
Engineers India	3,729	4,339	3,729	4,633	15.9	18.3	16.1	20.1
Cummins India	7,226	6,432	5,081	6,998	17.8	15.5	12.1	16.2
Thermax Ltd	2,814	2,145	1,687	3,100	9.8	7.1	5.5	9.8
ISGEC	1,283	1,531	1,776	1,878	10.0	10.9	11.4	10.9
GE T&D	2,127	(2,490)	564	1,559	16.2	(20.1)	5.3	13.7
KEC International	4,864	5,655	6,360	7,456	20.0	20.2	19.0	18.7
Kalpataru Power	4,013	4,450	3,772	6,033	13.6	13.3	10.1	14.4
Techno Electric & Engg	1,934	1,791	1,932	2,223	14.5	12.3	12.3	12.9
AIA Engineering	5,108	5,904	5,361	6,837	15.7	16.4	13.8	15.8
Voltas	5,197	5,684	4,738	6,520	14.7	14.8	11.9	14.2
Blue Star	2,065	1,447	1,178	2,397	24.8	17.5	15.5	31.6
GE Power India	1,684	522	843	1,491	19.6	5.8	8.8	14.2
VA Tech Wabag	1,050	910	514	1,179	9.6	8.1	4.1	8.4
Honeywell Auto.	3,588	4,915	5,207	6,024	22.7	25.0	21.5	20.5
Total	1,48,118	1,28,680	1,00,010	1,65,317	11.7	9.8	7.2	10.7
Total (Excluding L&T)	67,707	39,735	36,161	72,711	9.3	5.3	4.5	8.9

Source: Company data, I-Sec research

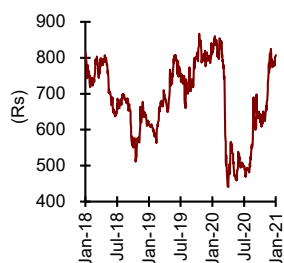
Table 10: Capital goods coverage universe – order intake estimates

	Order intake (Rs mn)				Orderbook (Rs mn)			
	FY19	FY20	FY21E	FY22E	FY19	FY20	FY21E	FY22E
L&T	17,68,000	18,64,000	13,88,121	15,52,749	29,34,270	30,39,000	31,14,331	31,60,634
BHEL	2,38,590	2,35,470	1,97,993	3,62,753	10,76,540	10,84,430	11,21,377	12,75,351
Siemens	1,27,404	1,32,380	1,09,814	1,29,337	1,23,528	1,18,790	1,29,396	1,39,736
Engineers India	58,905	16,172	9,735	21,760	1,14,145	97,951	78,668	67,093
Thermax Ltd	56,330	54,980	41,235	49,482	53,700	52,380	49,885	46,220
ISGEC	67,251	34,000	34,600	47,000	80,000	62,592	51,207	49,237
GE T&D	37,496	30,175	31,684	42,773	64,000	58,982	56,995	62,537
KEC International	1,40,840	1,13,310	1,19,655	1,28,748	2,03,070	2,05,030	1,89,196	1,71,507
Kalpataru Power	83,400	53,130	75,833	82,121	1,40,680	1,32,880	1,26,183	1,16,923
Techno Electric & Engg	6,000	16,000	15,000	18,000	15,808	23,000	27,935	31,161
Voltas	35,964	60,581	29,215	35,708	49,760	77,880	74,634	74,634
Blue Star	31,631	33,433	20,060	23,068	24,300	29,466	24,085	17,135
GE Power India	37,199	36,615	11,913	17,500	76,570	88,726	64,522	46,738
VA Tech Wabag	48,785	43,504	21,321	23,979	85,923	1,04,188	1,02,313	98,632
Total	27,37,795	27,23,750	21,06,178	25,34,977	50,42,294	51,75,296	52,10,728	53,57,538
Total (Excluding L&T)	9,69,795	8,59,750	7,18,057	9,82,228	21,08,024	21,36,296	20,96,397	21,96,904

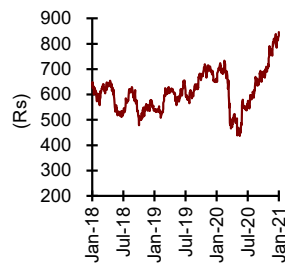
Source: Company data, I-Sec research

Price charts

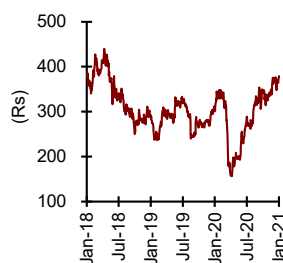
Blue Star



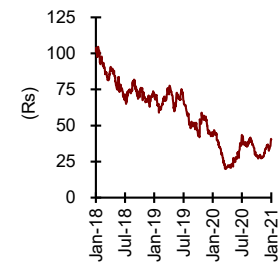
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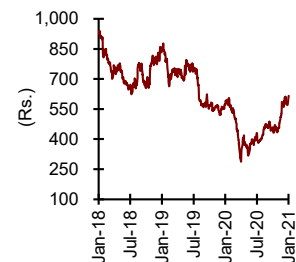
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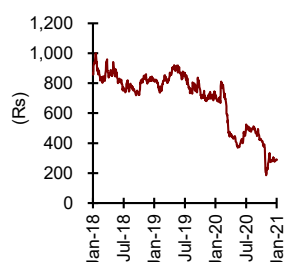
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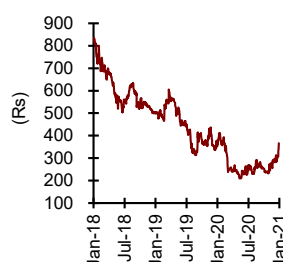
Cummins India



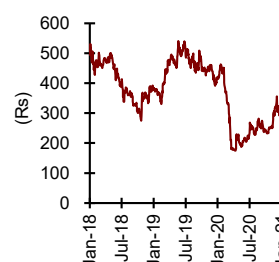
GE Power



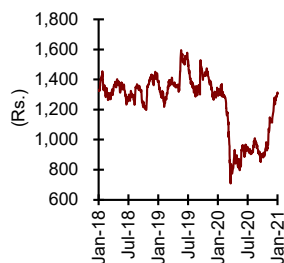
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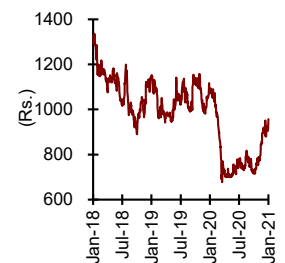
Kalpataru Power



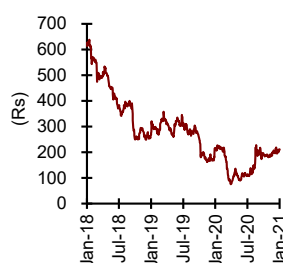
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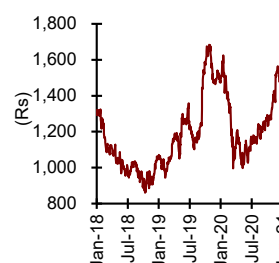
Thermax



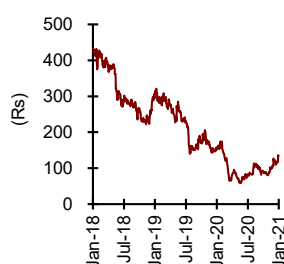
VA Tech Wabag



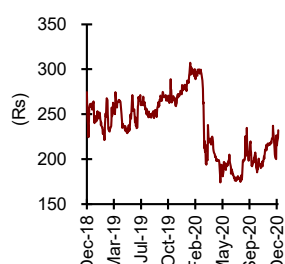
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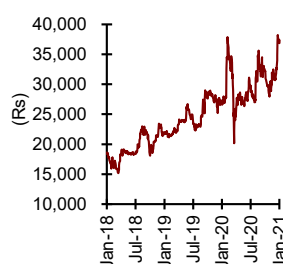
GE T&D India



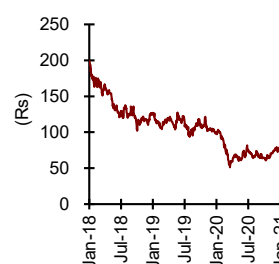
Techo Electric



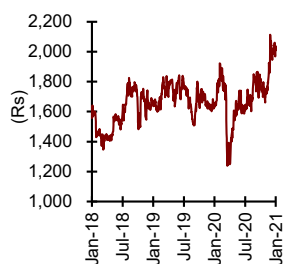
Honeywell Automation



Engineers India



AIA Engineering



Source: Bloomberg

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