

SEC/PAM/2019

January 25, 2019

The Secretary BSE Limited Phiroze Jeebhoy Towers, Dalal Street, MUMBAI - 400 001 STOCK CODE: 500510	National Stock Exchange Of India Limited Exchange Plaza, 5th Floor Plot No.C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai - 400 051 STOCK CODE: LT
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Dear Sir,

Sub.: Q3/9M FY19 Analyst Presentation.

Pursuant to Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of Analyst Presentation on financials of Q3/9M FY19 which will be uploaded on our Investor Website <https://investors.larsentoubro.com/>

We request you to take note of the same.

Thanking you,

Yours faithfully,
for **LARSEN & TOUBRO LIMITED**



N. HARIHARAN
EXECUTIVE VICE PRESIDENT &
COMPANY SECRETARY
(ACS 3471)

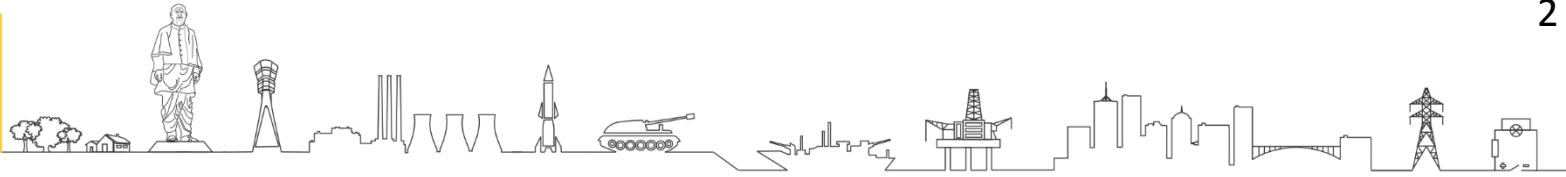


Encl : as above



Q3/9M FY19
January 25, 2019

Analyst Presentation



Disclaimer

This presentation contains certain forward looking statements concerning L&T's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements.

The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and the target countries for exports, ability to attract and

retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions with respect to investments, fiscal deficits, regulations, etc., interest and other fiscal costs generally prevailing in the economy. Past performance may not be indicative of future performance.

The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the company.



Presentation Outline



01

Group Performance Highlights

02

Group Performance Summary

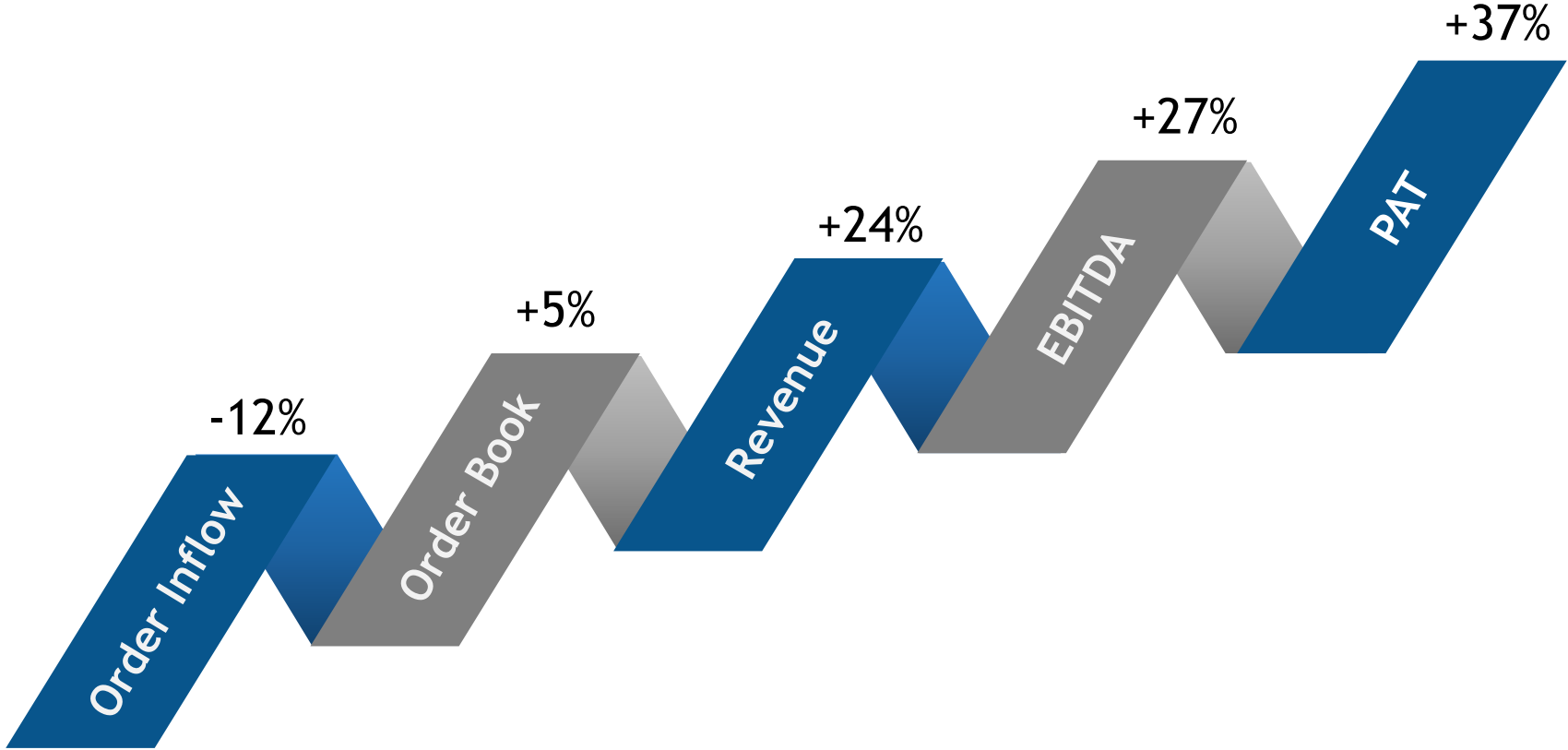
03

Segment / Key Subsidiaries

04

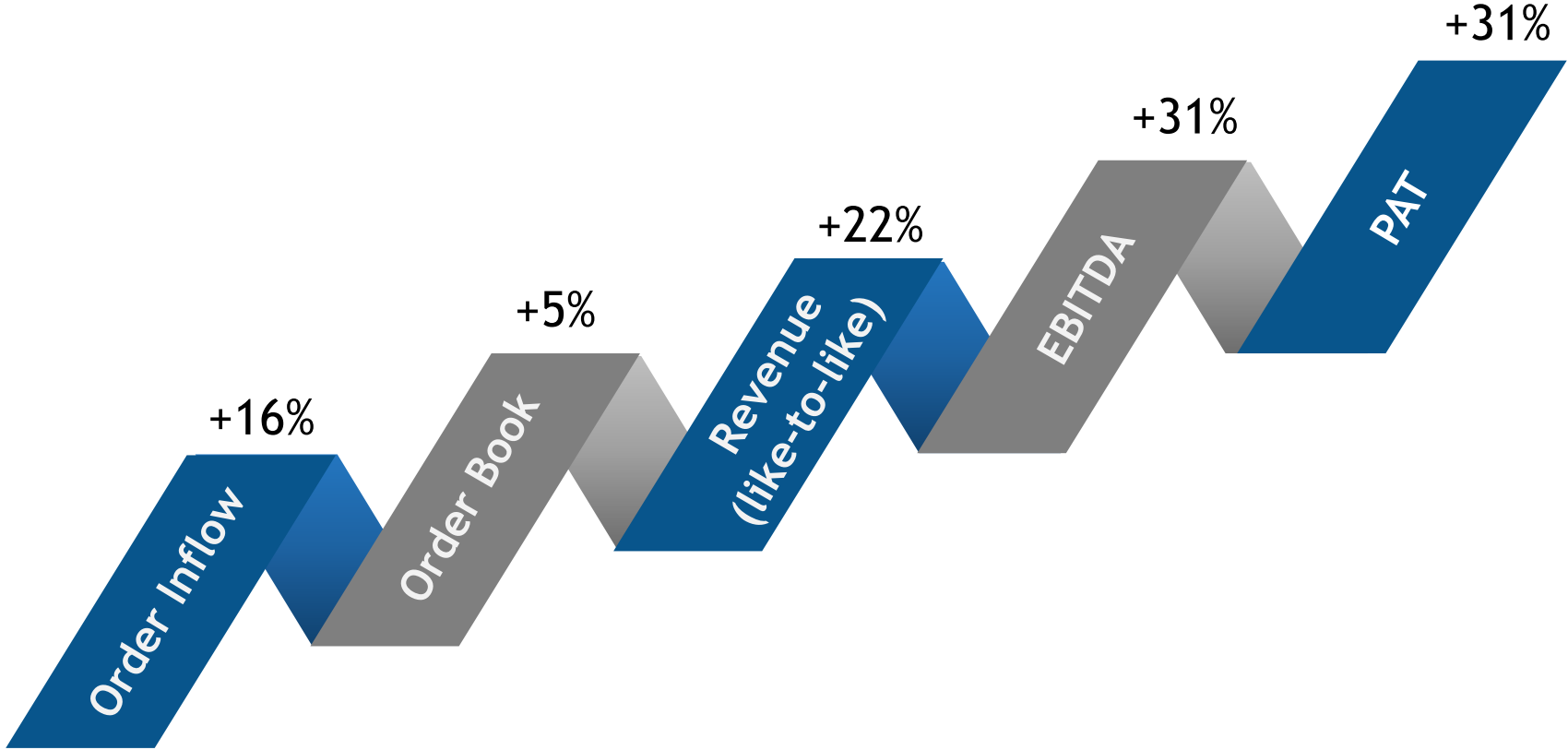
The Environment & the Outlook

Performance Highlights - Q3 FY19





Performance Highlights - 9M FY19





Key Financial Indicators

Amount in Rs bn

Q3 FY18	Q3 FY19	% Var	Particulars	9M FY18	9M FY19	% Var
482	422	-12%	Order Inflow	1034	1203	16%
			Order Book	2709	2840	5%
287	357	24%	Revenue from Operations (like-to-like)	790	961	22%
31	40	27%	EBITDA	82	107	31%
15	20	37%	Reported PAT	42	55	31%
			Net Working Capital	20.5%	19.8%	-70bps
			RONW (TTM) (%)	14.7	15.7	+100bps



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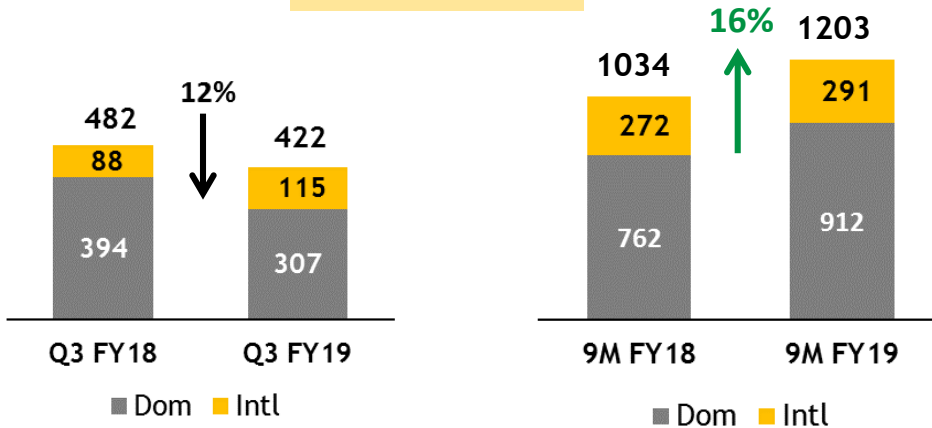
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The Environment & the Outlook

Q3/9M FY19 Order Inflow / Order Book

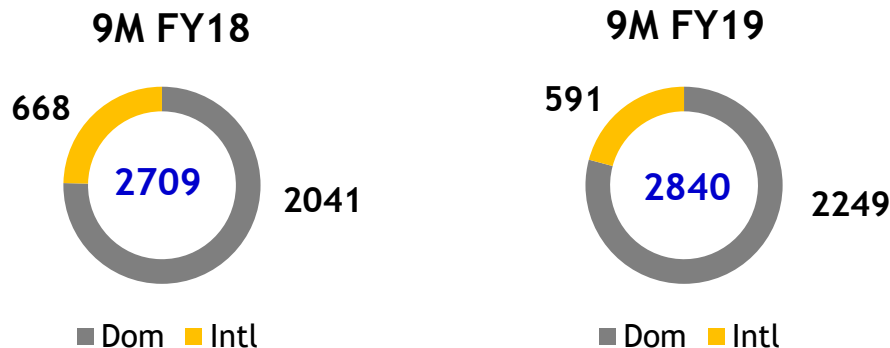
Amount in Rs bn

Order Inflow



- Order inflows witnessing less skew in FY19 compared to PY
- Public sector continues to drive order inflows
- Higher share of domestic order-book is outcome of continued focus by public sector on infra capex

Order Book



Group Performance - Sales & Costs

Q3 FY18	Q3 FY19	% Var	Rs Billion	9M FY18	9M FY19	% Var	FY18
287	357	24%	Revenue (like-to-like)	790	961	22%	1197
35%	32%	-3%	International Rev.	35%	33%	-2%	33%
183	235	28%	MCO Exp.	503	608	21%	773
15	20	29%	Fin. Charge Opex*	44	54	22%	60
38	46	20%	Staff Costs	112	135	21%	153
19	17	-12%	Sales & Admin.	51	57	11%	77
256	317	24%	Total Opex	710	854	20%	1063

* Finance cost of financial services business and finance lease activity

- Revenue growth primarily contributed by Infra, Hydrocarbon, Realty and Services businesses
- Rise in staff cost due to resource augmentation in services business
- Lower credit cost contains SGA expenses

Group Performance - EBITDA to PAT

Q3 FY18	Q3 FY19	% Var	Rs Billion	9M FY18	9M FY19	% Var	FY18
31	40	27%	EBITDA	82	107	31%	136
(4)	(5)	48%	Fin. Cost	(11)	(13)	16%	(15)
(5)	(4)	-1%	Depreciation	(14)	(16)	12%	(19)
2	6	183%	Other Income	10	13	30%	14
(0)	-	-100%	Exceptional items	1	3	140%	1
(7)	(12)	63%	Tax Expense	(17)	(30)	74%	(32)
(2)	(1)		JV/S&A PAT Share	(3)	1		(4)
(1)	(3)	151%	Non-controlling Int.	(5)	(9)	103%	(6)
15	20	37%	PAT	42	55	31%	74

- Strong performance by Services & Realty segment boosts EBITDA
- Finance cost commensurate with debt levels and phased commencement of Hyd. Metro
- Higher treasury earnings on increased investment base drives other income



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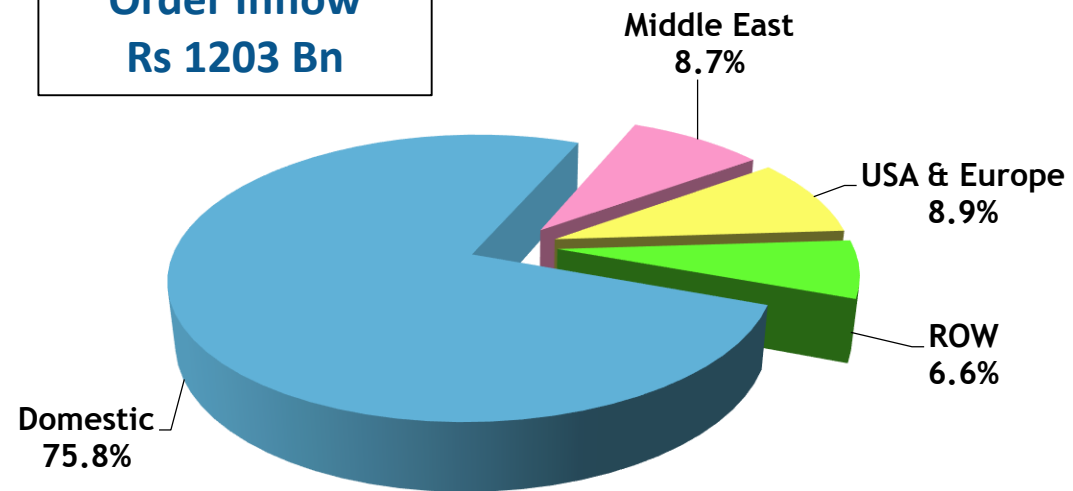
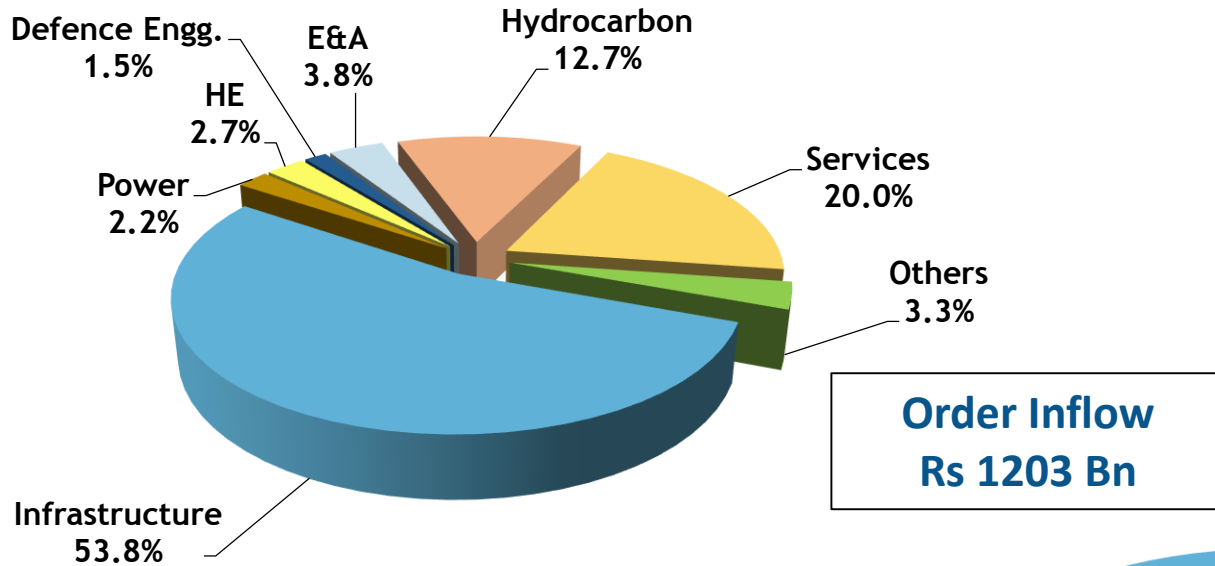
The Environment & the Outlook

Segment Composition

 Infrastructure	 Power	 Heavy Engineering	 Electrical & Automation	 Defence Engineering
Buildings & Factories (B&F)	EPC- Coal & Gas	Process Plant Equipment	Electrical Standard Products	Defence
Transportation Infra (TI)	Thermal Power Plant Construction	Nuclear Power Plant Equipment	Electrical Systems & Equipment	Aerospace
Heavy Civil infra (HC)	Electrostatic Precipitator	Piping Centre & Forgings *	Metering & Protection	Shipbuilding
Water & Effluent Treatment (WET)	Power Equipment Mfg. *		Control & Automation	
Power T&D (PT&D)				
Metallurgical & Mat. Handling (MMH)				
Smart World & Comm.(SW&C)				
 Hydrocarbon	 Developmental Projects	 IT & TS	 Financial Services	Others
Onshore	Roads *	Information Technology	Rural Lending	Realty
Offshore	Metros	Technology Services	Housing Finance	Industrial Products & Machinery
	Power		Wholesale Finance	
			Asset Management	

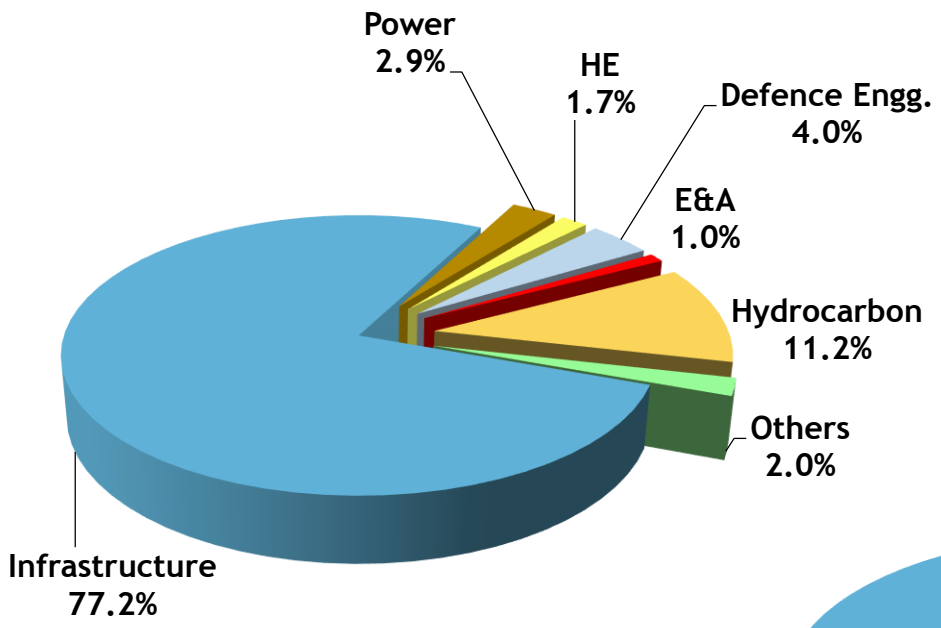
* Consolidated at PAT level

9M FY19 Order Inflow Composition

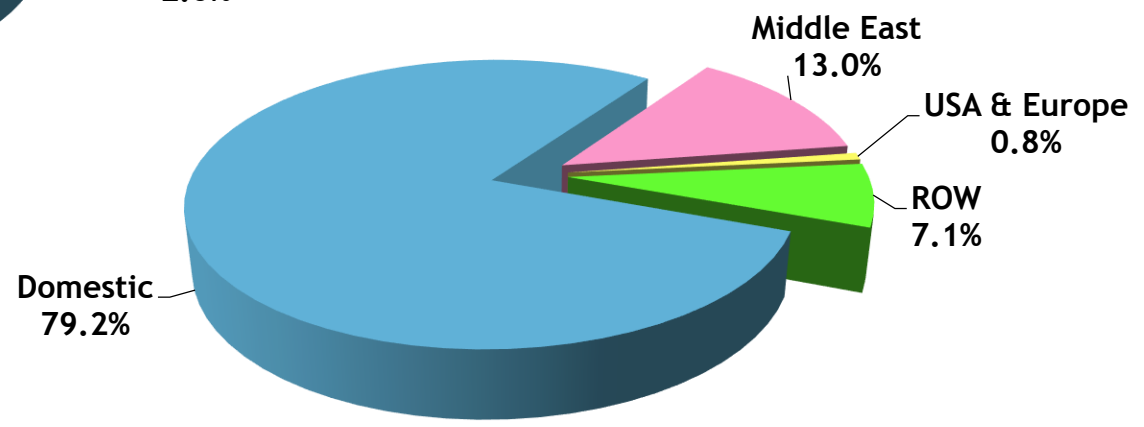




9M FY19 Order Book Composition

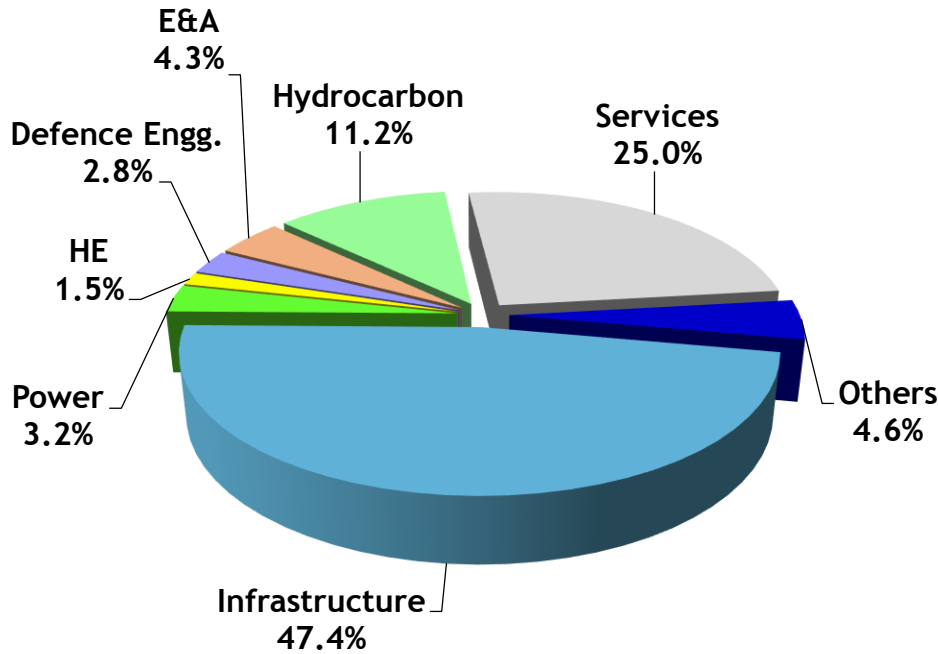


**Order Book
Rs 2840 Bn**

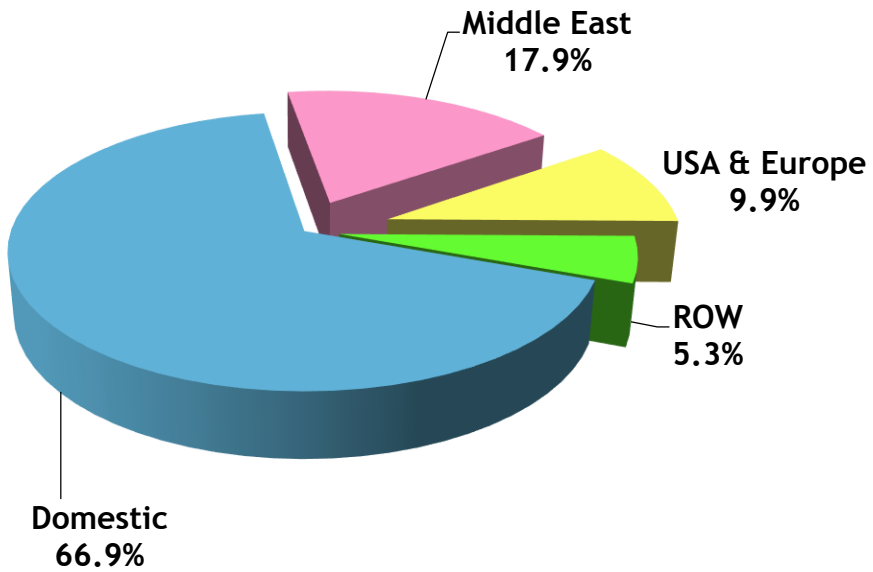




9M FY19 Revenue Composition



**Revenue
Rs 961 Bn**

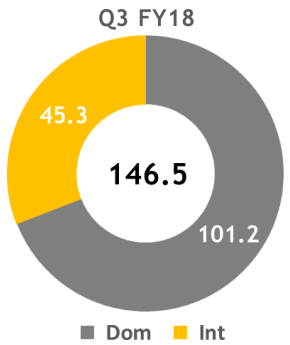




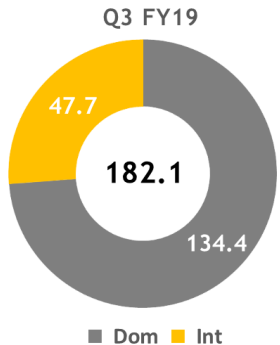
Infrastructure Segment

Amount in Rs bn

Q3



24% ↑
Net Revenue

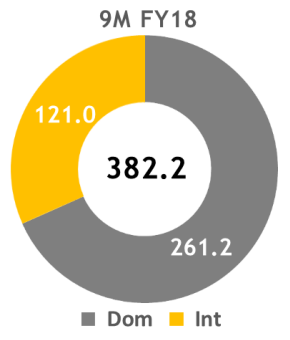


7.9%

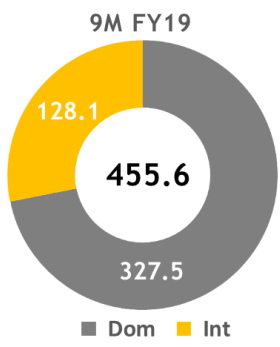
EBITDA Margin

5.4%

9m



19% ↑
Net Revenue



7.5%

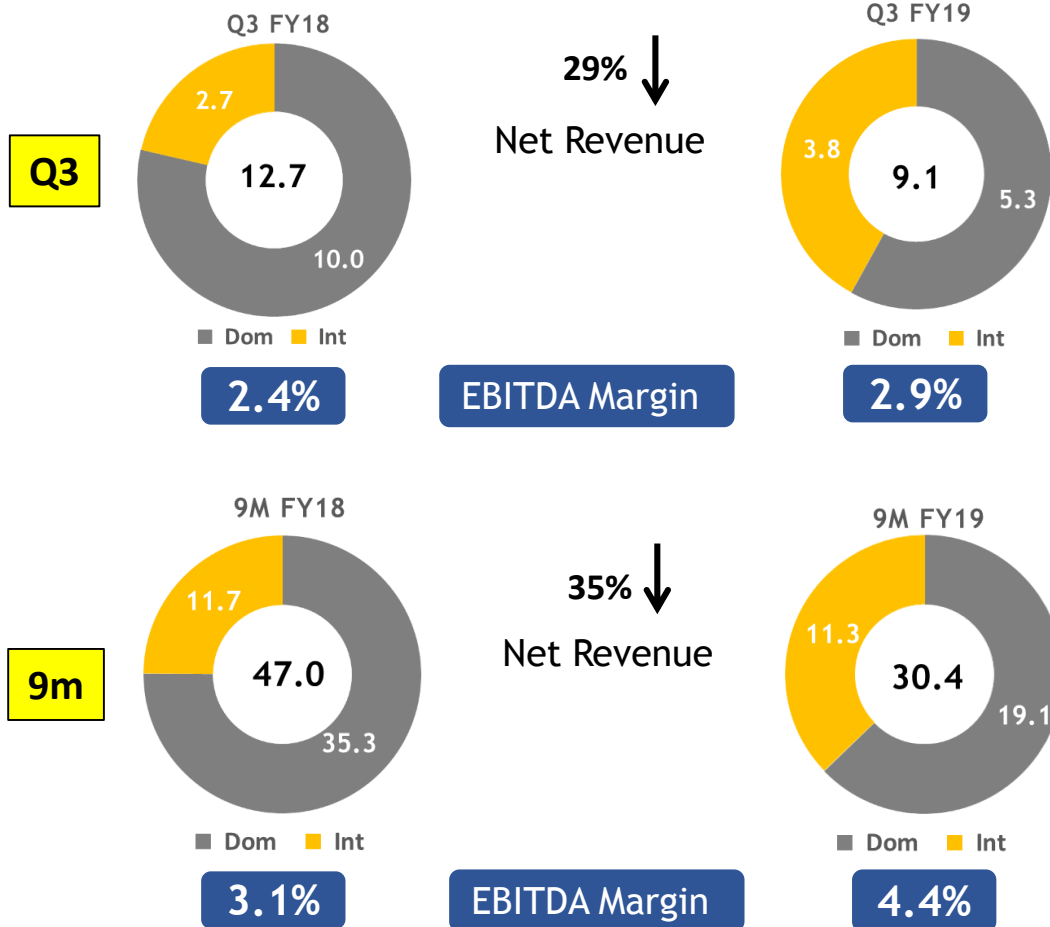
EBITDA Margin

6.3%

- Strong revenue growth witnessed across business verticals
- Robust conversion of Order Book into revenue due to efficient execution
- Margins reflect stage of execution, job mix and cost provisions arising from execution headwinds in some transportation infra projects

Power Segment

Amount in Rs bn

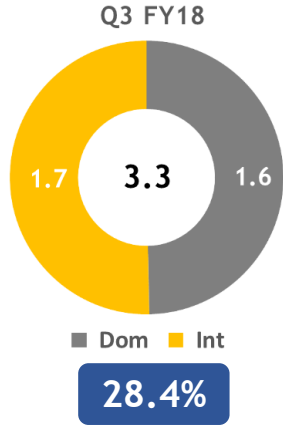


- Limited opportunities and aggressive competition in the sector continues to impact business performance
- Revenue decline reflects depleting order book
- International jobs contributing to higher margins
- Profits of MHPS and other JV companies are consolidated at PAT level under equity method

Heavy Engineering Segment

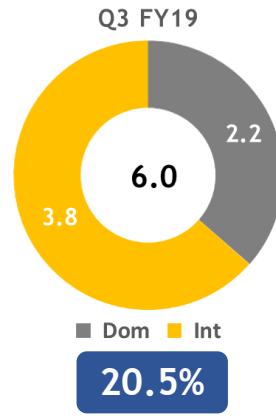
Amount in Rs bn

Q3



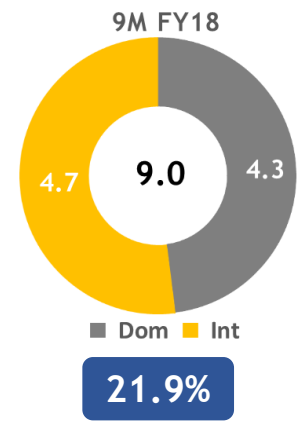
82% ↑
Net Revenue

EBITDA Margin



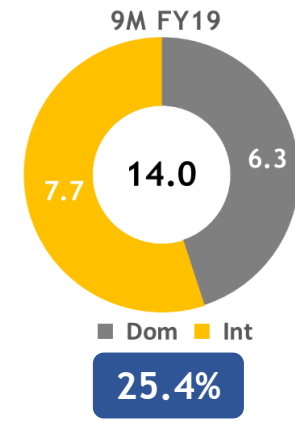
- Revenue growth predominantly driven by Orders from Oil & Gas and Nuclear sectors
- International markets showing strong traction in Refineries space
- Global competence, technology differentiation, proven track record and cost efficiencies yield strong margins

9m



57% ↑
Net Revenue

EBITDA Margin

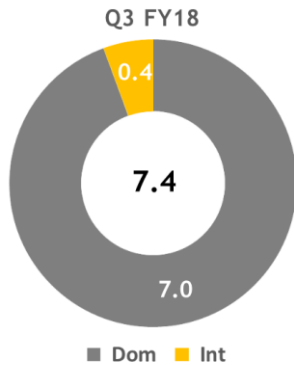




Defence Engineering Segment

Amount in Rs bn

Q3



■ Dom ■ Int

7.4%

36% ↑
Net Revenue



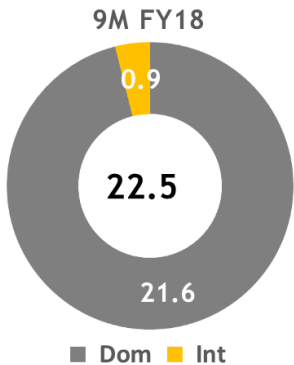
■ Dom ■ Int

9.0%

EBITDA Margin

- Execution of tracked artillery gun order contributing to revenue growth
- Margin variation due to stage of execution and job mix

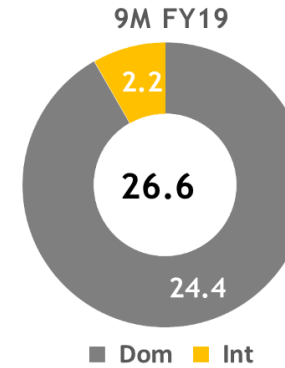
9m



■ Dom ■ Int

6.0%

18% ↑
Net Revenue



■ Dom ■ Int

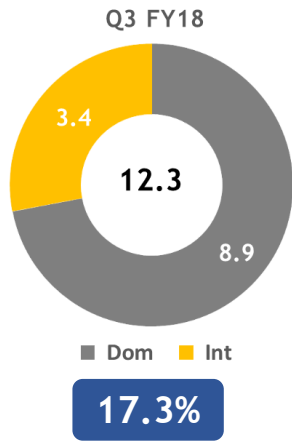
15.2%

EBITDA Margin

Electrical & Automation Segment

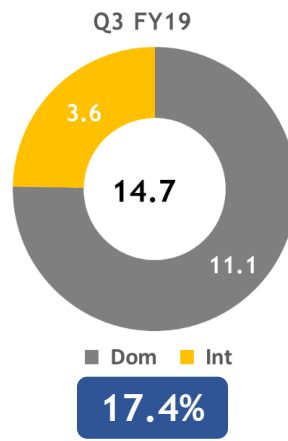
Amount in Rs bn

Q3



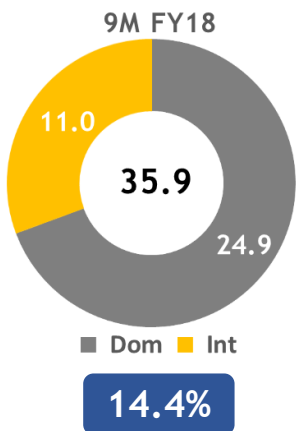
20% ↑
Net Revenue

EBITDA Margin



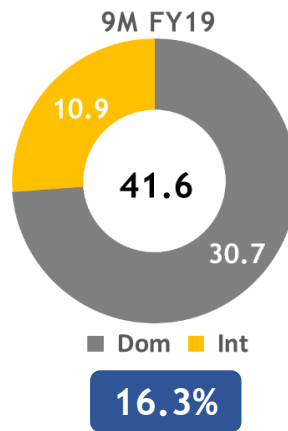
- Revenue growth driven by Product businesses across Industrials, Buildings, Agriculture and Rural electrification sub-sectors
- Margin growth led by operational efficiencies & improved realisation

9m



16% ↑
Net Revenue

EBITDA Margin

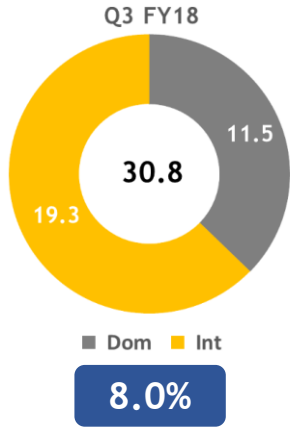




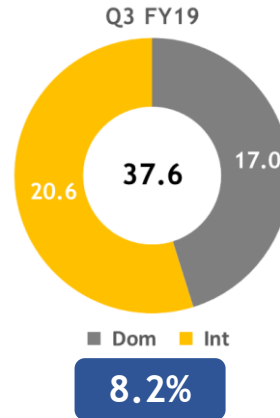
Hydrocarbon Segment

Amount in Rs bn

Q3

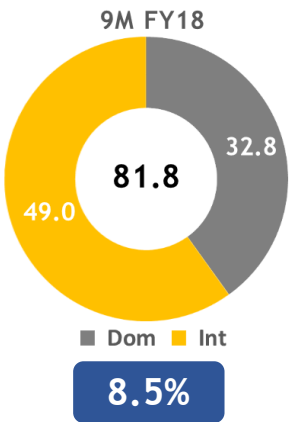


22% ↑
Net Revenue

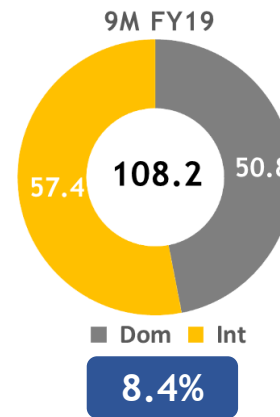


EBITDA Margin

9m



32% ↑
Net Revenue



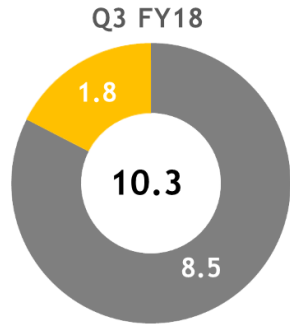
EBITDA Margin

- Composition of revenue trends in line with increasing India centricity of order wins
- Middle-east prospect pipeline healthy
- Higher Order Book and efficient execution leads to strong revenue growth
- Stable margins and superior ROIC obtained through execution efficiency

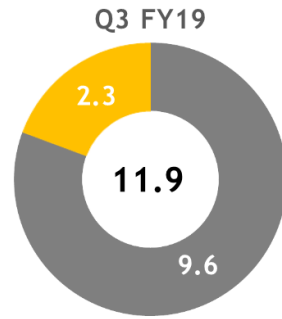
Developmental Projects Segment

Amount in Rs bn

Q3



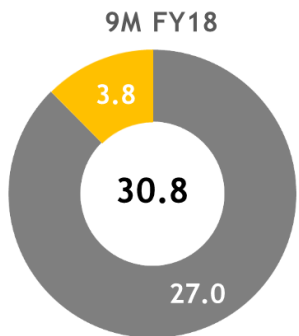
16% ↑
Net Revenue



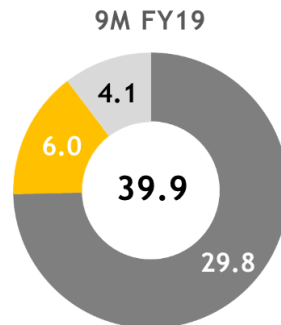
8.5%
EBITDA Margin

4.2%
EBITDA Margin

9m



30% ↑
Net Revenue



14.5%
EBITDA Margin

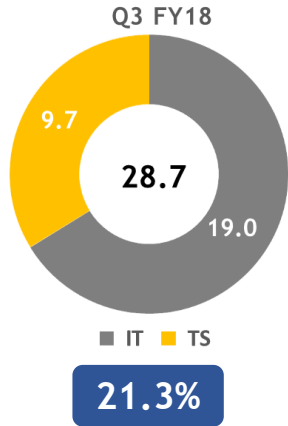
14.1%
EBITDA Margin

- Segment includes Power Development business, Hyderabad Metro and Kattupalli Port (until divestment)
- Higher PLF drives revenue in Nabha Power.
- Drop in margins due to higher operating cost in Nabha
- Hyderabad Metro: Partial CoD of 30 Km in Nov 2017 & 16 km in Sept 2018
- IDPL (Roads & TL) consolidated at PAT level under Equity method

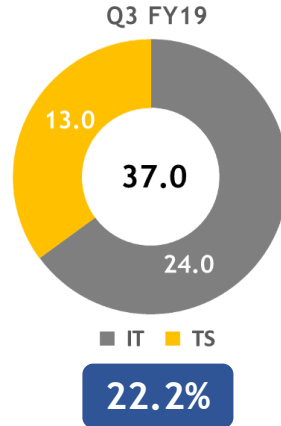
IT & Technology Services Segment

Amount in Rs bn

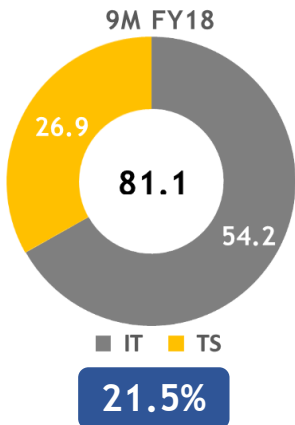
Q3



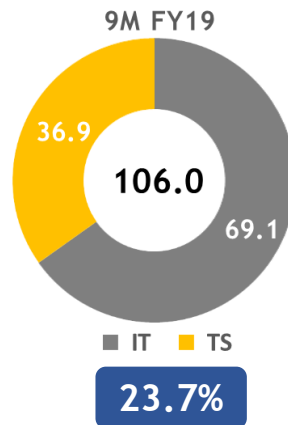
29% ↑
Net Revenue



9m



31% ↑
Net Revenue



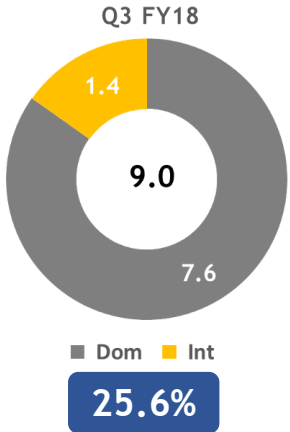
- Strong growth by LTI & LTTS continues in 3Q
- LTI Q3 revenue growth led by BFS, CPG, Retail & Pharma and High-Tech, Media & Entertainment verticals
- LTTS Q3 revenue growth led by Transportation, Telecom & Hi-Tech and Process Industry verticals
- Margin improvement aided by operational efficiencies



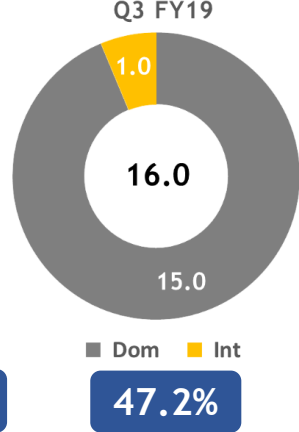
Others Segment

Amount in Rs bn

Q3

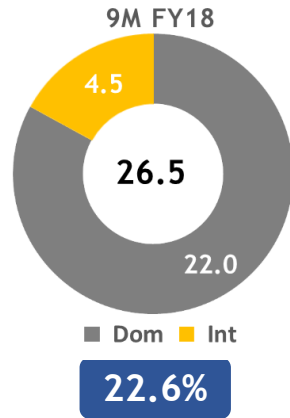


77% ↑
Net Revenue

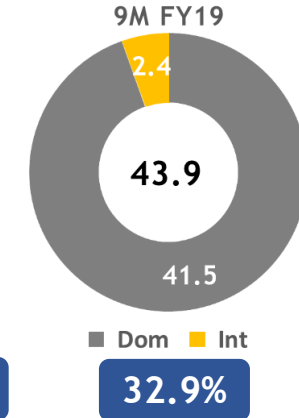


EBITDA Margin

9m



66% ↑
Net Revenue



EBITDA Margin

- Segment comprises Industrial Products & Machinery (IPM) and Realty business; PY includes Welding Products Business
- Revenue & Margin growth largely contributed by Realty business
- Steady revenue growth in Construction & Mining Business



L&T Finance Holdings Group

Q3 FY 18	Q3 FY 19	% Var	Rs Bn	9M FY 18	9M FY 19	% Var
26.3	32.6	24%	Income from Operations	73.4	94.6	29%
2.0	3.9	89%	PAT *	6.0	11.3	89%
Mutual Fund Average AUM				603.1	690.8	15%
Net Loan Book				777.4	947.1	22%
Gross Stage 3 Assets				10.4%	6.7%	-366bps
Net Stage 3 Assets				4.7%	2.6%	-210 bps
Networth				81.8	129.8	59%

* PAT excludes NCI

- The business successfully navigated a volatile liquidity environment in Q3; liquidity conditions currently stable
- Focus is on increased retalisation, stable NIMs, containment of credit costs, ALM / Interest rate management and superior ROE

Note: Gross Stage 3 Assets include GNPA > 90 DPD + Impaired assets (S4A, SDR, 5:25, etc.) where regulatory forbearances are available + Identified standard assets which are under incipient stress



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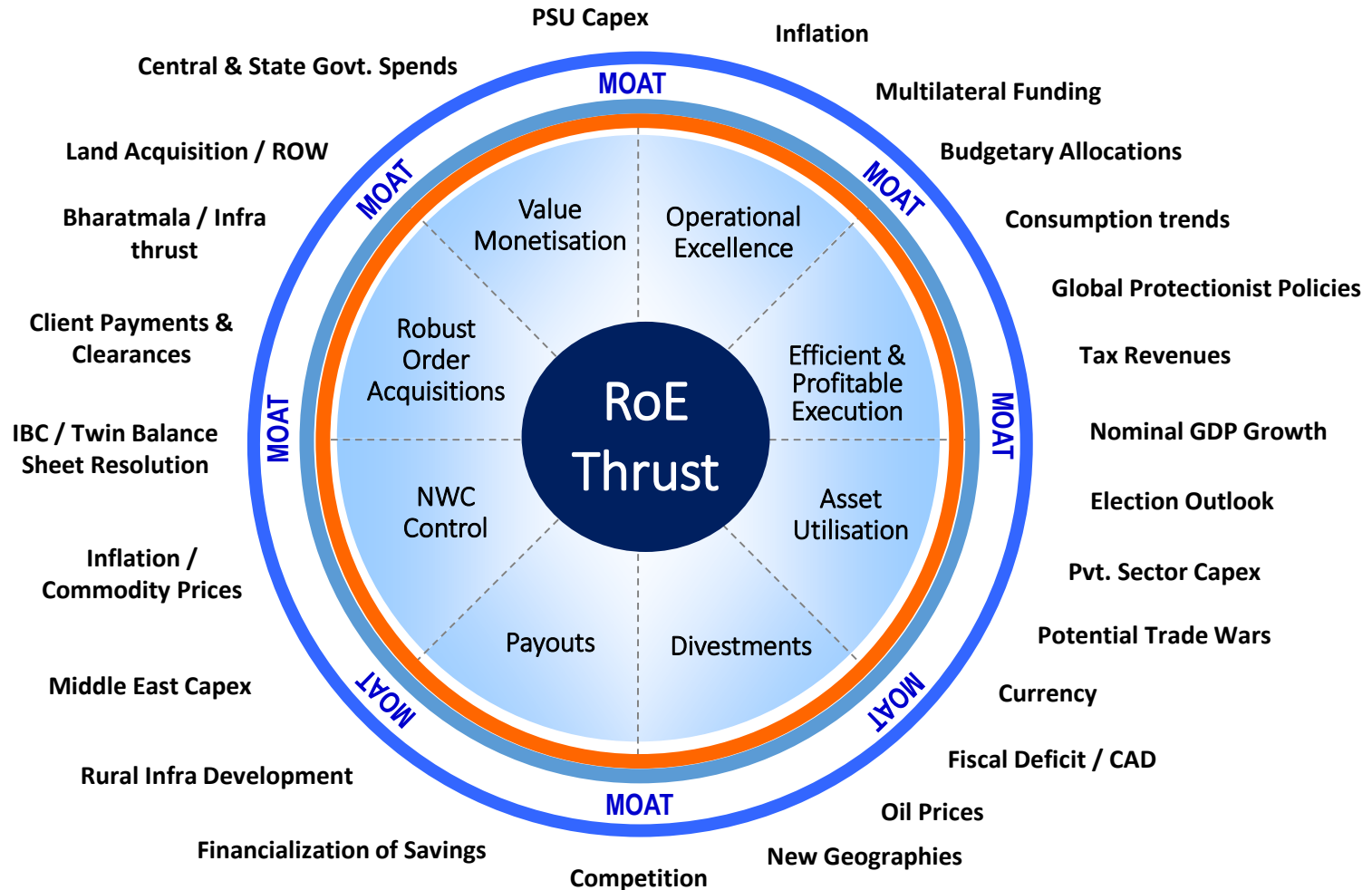
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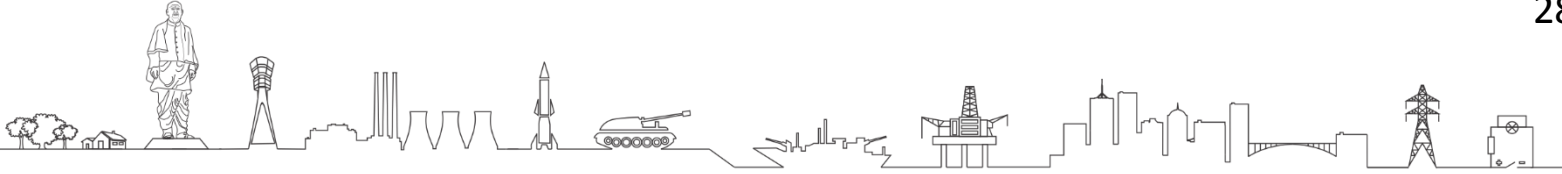
04

The Environment & the Outlook



The Environment & the Outlook





Thank You

Turn overleaf for Annexures

Group Profit & Loss Extracts

Rs Billion	IT & TS	Fin. Services	Devl. Projects	L&T & Others (Incl. Eliminations)	L&T Group		
					9M FY19	9M FY18	% Var
Income from Operations*	106.0	94.6	39.9	720.3	960.7	791.8	21%
EBITDA	22.8	20.1	5.7	58.2	106.8	81.8	31%
Other Income	2.3	3.3	(0.1)	7.3	12.8	9.8	30%
Interest Expenses	(0.2)	-	(1.4)	(11.4)	(13.0)	(11.2)	16%
Depreciation	(1.9)	(0.4)	(1.9)	(12.0)	(16.1)	(14.4)	12%
Provision for Taxes	(5.9)	(5.4)	(0.5)	(18.4)	(30.2)	(17.4)	74%
Share in profit/(loss) of JVs / Associates	-	-	1.1	(0.0)	1.1	(3.2)	
Adjustments for Non-Controlling Interest in S&A	(3.3)	(6.4)	0.0	0.3	(9.4)	(4.6)	
Exceptional Items	-	-	-	2.9	2.9	1.2	140%
Net PAT	13.9	11.3	2.9	26.8	54.9	42.0	31%

*Income from operations does not include Excise duty from 1st July, 2017

Balance Sheet

Rs Billion	Dec-18	Mar-18	Incr / (Decr)
Equity & Reserves	588	549	39
Non Controlling Interest	64	52	12
Borrowings - Financial Services	863	752	111
Development Projects	192	178	14
Others	226	145	81
Sources of Funds	1,933	1,676	257
Fixed Assets	128	128	0
Intangible Assets & Investment Property	205	192	13
Loans towards Financing Activities	867	772	95
Finance lease receivable	91	93	(2)
Net Non-Current Assets	175	142	33
Current Investments, Cash & Cash Equivalents	239	174	65
Net Current Assets	228	175	53
Application of Funds	1,933	1,676	257

Cash Flow

Q3 FY19	Q3 FY18	Rs Billion	9M FY19	9M FY18
35.3	31.3	Operating Profit	105.7	83.5
(3.2)	(34.2)	Changes in Working Capital	(42.3)	(78.6)
(13.4)	(8.1)	Direct Taxes paid	(33.9)	(25.0)
18.6	(10.9)	Net Cash from Operations (A)	29.5	(20.1)
(10.3)	(5.2)	Net Investment in Fixed Assets (incl. Intangible)	(24.0)	(19.2)
(5.4)	1.9	Net (Purchase)/ Sale of Long Term investments	(12.6)	(0.7)
(29.2)	(24.3)	Net (Purchase)/ Sale of Current investments	(110.9)	(27.9)
(0.1)	1.6	Loans/Deposits made with JV/Associate Cos.	(0.8)	(1.9)
2.5	5.4	Interest & Dividend Received	5.8	9.8
(42.3)	(20.7)	Net Cash from/(used in) Invest. Act. (B)	(142.6)	(39.8)
(0.9)	(0.0)	Issue of Share Capital / Minority	29.7	2.6
24.4	69.4	Net Borrowings	190.7	151.6
(7.9)	(25.7)	Disbursements towards financing activities*	(80.1)	(49.2)
(6.2)	(6.0)	Interest & Dividend paid	(48.3)	(42.1)
9.4	37.7	Net Cash from Financing Activities (C)	92.0	62.9
(14.3)	6.1	Net (Dec) / Inc in Cash & Bank (A+B+C)	(21.1)	3.0

* included under Net Cash from operations under statutory financial statements



Share in Profit/(Loss) of JVs/Associates

Q3 FY18	Q3 FY19	Rs Bn	9M FY18	9M FY19
0.35	0.32	MHPS JVs	1.11	1.13
(1.45)	(0.59)	IDPL & Subs.	(2.79)	1.08
(0.78)	(0.37)	Special Steels and Heavy Forgings	(1.79)	(1.08)
0.18	0.08	Others	0.27	(0.06)
(1.71)	(0.56)	Total	(3.19)	1.06

Concessions Business Portfolio - 14 SPVs



Roads and Bridges:
Portfolio: 10 projects (1048 Km)
10 Operational
Project Cost: Rs 108 bn



Transmission Lines:
Portfolio: 1 project (482 Km)
- Operational
Project Cost: Rs 15 bn

Balance Equity Commitment
(Dec 2018): Rs 7 Bn

Equity Invested at SPV level
(Dec 2018): Rs 84 Bn

Total Project Cost
(Dec 2018): Rs 406 Bn



Power (Excl. Projects under DPR):
Portfolio: 2 projects (1499 MW)
1 Operational
Project Cost: Rs 112 bn



Metros:
Portfolio: 1 project (71.16 Km)
- Under-implementation
Project Cost (Fin. Closure): Rs 170 bn