

SEC/PAM/2020

June 17, 2020

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

**Sub.: Investor Presentation**

Pursuant to Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of updated Investor Presentation, which will be uploaded to our Investor Website <http://investors.larsentoubro.com/>

We request you to take note of the same

Thanking you,

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



**SIVARAM NAIR A  
COMPANY SECRETARY  
(FCS 3939)**



LARSEN & TOUBRO

# Investor Presentation

Q4/FY20  
June 5, 2020



# 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.

# L&T Overview



# L&T - At a Glance

India's largest E&C company with interests in Projects, Infrastructure Development, Manufacturing, IT & Financial Services.



Professionally  
Managed Company

## Revenues



₹1,455Bn  
FY 20 Group  
(approx. US\$ 19Bn)

## Credit Ratings



CRISIL: AAA / Stable  
ICRA: AAA (Stable)

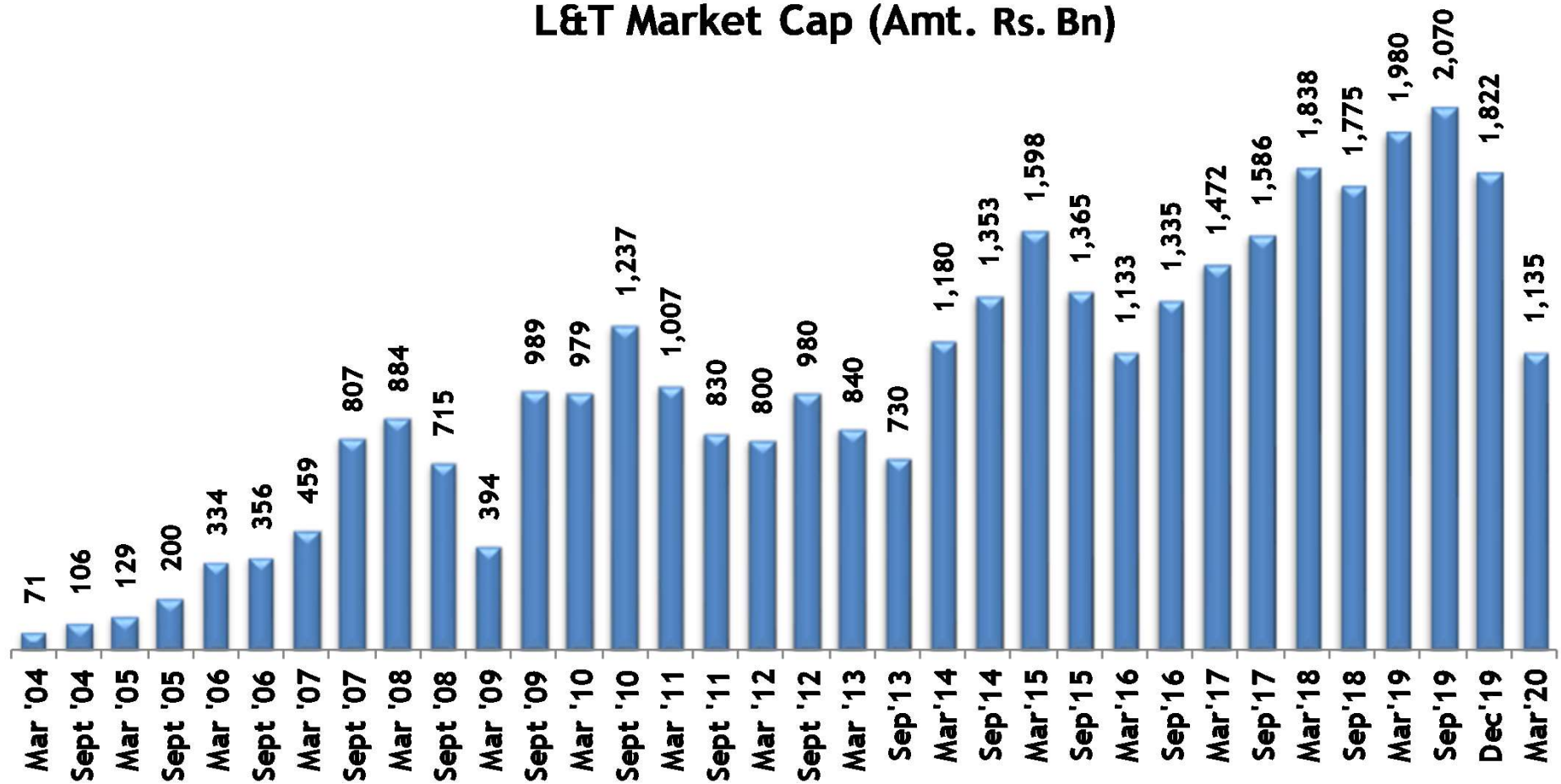
## Market Cap



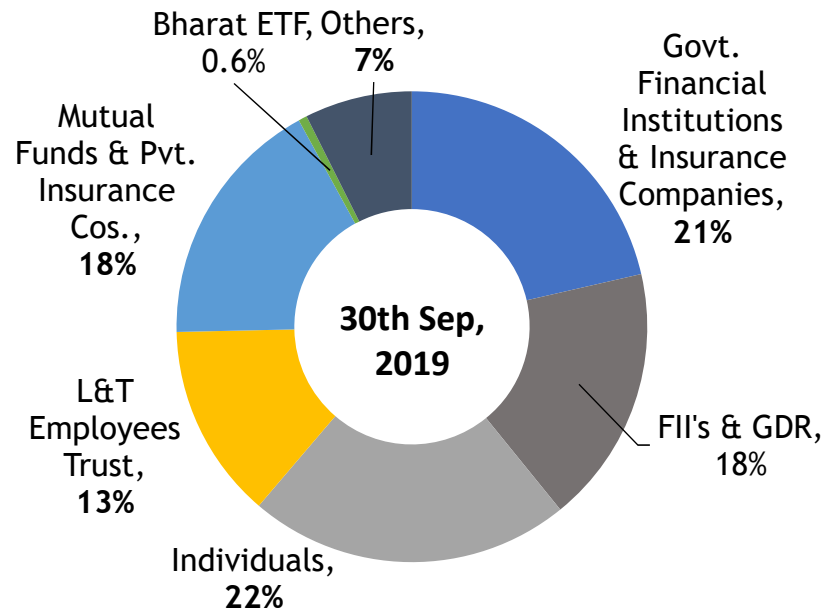
₹ 1,341Bn  
5<sup>th</sup> Jun, 2020 (approx.  
US\$ 18 Bn)

# L&T - At a Glance

L&T Market Cap (Amt. Rs. Bn)



# L&T - Shareholding Pattern



Major Institutional Shareholders	% Shares
Life Insurance Corporation of India	14.9%
HDFC Mutual Fund	4.6%
ICICI Prudential Life Insurance Co	1.9%
General Insurance Corporation Of India	1.8%
GIC (Singapore)	1.8%

- Listed with BSE & NSE
- GDRs listed with LSE and LuxSE
- L&T is one of the most widely held listed companies in India
- No promoter holding
- Uninterrupted Dividend payment record since 1946

# Experienced Management Team



**1**  
A M Naik  
Group  
Chairman

BE [Mech]

Joined L&T in  
March 1965

Diverse and vast  
experience in  
general  
management,  
Technology and  
E&C



**2**  
S. N.  
Subrahmanyan  
Chief Executive  
Officer and  
Managing  
Director

B.SC ENGG  
(CIVIL), MBA  
(Finance)

Joined L&T in  
November 1984

Vast experience  
in Design &  
Build (D&B)  
Contracts, PPP  
Projects,  
Engineering and  
Construction  
Industry



**3**  
R Shankar  
Raman  
Whole-time  
Director &  
Chief Financial  
Officer

B.Com, ACA,  
ACMA

Joined L&T  
Group  
in Nov 1994

Vast experience  
in Finance,  
Taxation,  
Insurance, Risk  
Management,  
Legal and  
Investor  
Relations



**4**  
Shailendra Roy  
Whole-time Director  
& Sr. Executive Vice  
President (Power)

B.Tech

Joined L&T in  
2004

Vast experience  
in Thermal  
Power, Heavy  
Engineering,  
Nuclear Business



**5**  
D. K. Sen  
Whole-time  
Director & Sr.  
Executive Vice  
President  
(Infrastructure)

B.SC ENGG  
(CIVIL), MBA  
(Finance)

Joined L&T in  
1989

Vast experience  
in Design &  
Engineering,  
Business  
Development,  
Tendering and  
construction



**6**  
M. V. Satish  
Whole-time Director  
& Sr. Executive Vice  
President (Building,  
Minerals & Metals)

BE (Civil)

Joined L&T in  
1980

Vast experience  
in Construction,  
Business  
Development,  
Contracts  
Management  
and Property  
Development in  
India and GCC  
region



**7**  
J.D. Patil  
Whole-time  
Director & Sr.  
Executive Vice  
President  
(Defence & Smart  
Technologies)

M.Tech- IIT,  
Mumbai

Joined L&T in  
1978

Vast experience  
in leading high  
technology  
interdisciplinary  
strategic  
programs across  
defence &  
aerospace  
sector



**8**  
Subramanian  
Sarma  
Non-Executive  
Director

B.Tech (Chem.),  
M.Tech - IIT,  
Mumbai

Joined L&T Group  
in 2015

Vast experience in  
managing large  
business portfolios  
in energy sector



# Corporate Governance

L&T's essential character revolves around values based on transparency, integrity, professionalism and accountability.

Four-tier  
Governance  
Structure

Board  
of Directors

Executive Committee  
(ECom)

Independent Company  
(IC) Board

Strategic Business Group  
(SBG) / Business Unit (BU)

# Sustainability & Integrated Report

<IR> 2018-19 available on [www.Larsentoubro.com](http://www.Larsentoubro.com)

Based on International Integrated Reporting Council (IIRC) framework

Reports progress on Sustainable Development Goals (SDGs)

In alignment with Global Reporting Initiative (GRI) Standards 'In Accordance - Comprehensive option' - highest level of disclosure in public domain



## Thrust Areas



Energy Conservation



Renewable Energy



GHG Emission Reduction



Water Efficiency




Materials Management



Increasing Green Portfolio



Improving Vendor Sustainability



Employee engagement, Safety and well-being



Community development health, education, water and Sanitation and skill building



# Sustainability - Environment & Social

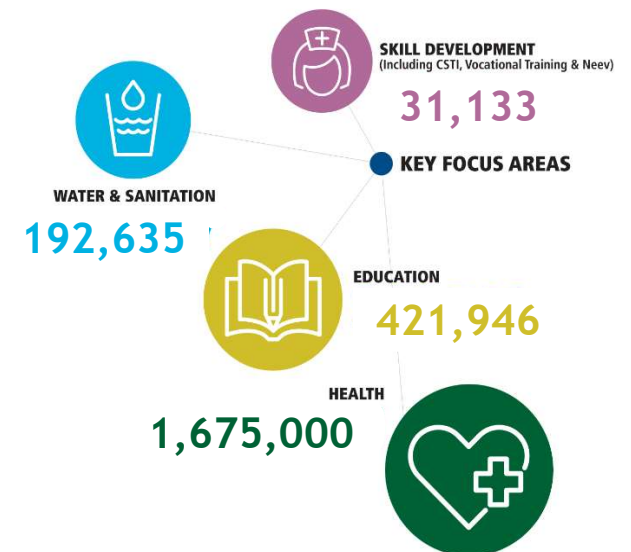
## Green Product Portfolio – INR 317. 65 Billion

- 24 campuses have achieved the 'zero water discharge' status
- Secured 500+ MV Grid connected solar PV projects across India
- Savings of 110 Mn units of energy and avoiding 90500+ tonnes of CO2 emissions through concerted energy conservation projects.
- Constructed 17 green buildings including a green factory within our campuses



## CSR Highlights – 2.3 million beneficiaries

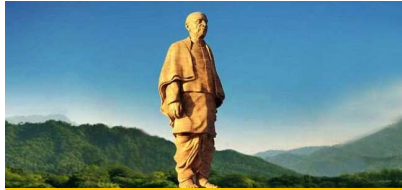
- Theme: Building India's Social Infrastructure
- Integrated Community Development Program (ICDP) at six water stressed districts in 3 states covering 20,100 + households
- 50% women participation in village development committees



# Business Overview



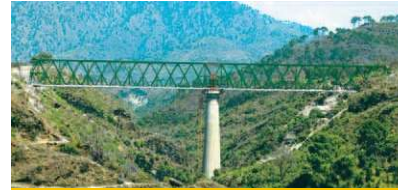
# Builders to the Nation



Statue of Unity, Gujarat



Turbine Rotor, Gujarat



88m Rail Bridge Jammu Udhampur



Wankhede Stadium, Mumbai



Baha'i Temple, Delhi



Mumbai International Airport



Medigadda Barrage, Telangana



Vivekanand Bridge, Kolkata



Kakrapar Nuclear Power Plant, Guj



Vizag Steel Plant



Sri Sathya Sai Whitefield Hospital



Srinagar Hydro Electric Plant



Hydrocracker, HPCL Visakh Refinery



2x384 MW CCPP, Vemagiri, A.P.



Hyderabad Metro, Hyderabad



Water Treatment Plant, Barmer

# International Footprint - Marquee Jobs



Stadium at Barbados



Salalah Airport, Oman



Twin Towers, Dubai Marina



NMC Speciality hospital, Abu Dhabi



Bhukara Hotel, Uzbekistan



World's Longest Conveyer, Bangladesh



Bulk Cement Terminal, Colombo



Fabrication Facility, Oman



Punatsangchhu HEP, Bhutan



Sheikh Khalifa Interchange, UAE



Coal Gasifier for China



Transmission Lines, Fujirah, Dhaid



Water Treatment Plant, Doha



Petronas Refinery, Malaysia



Bi-metallic Urea Stripper for Saudi



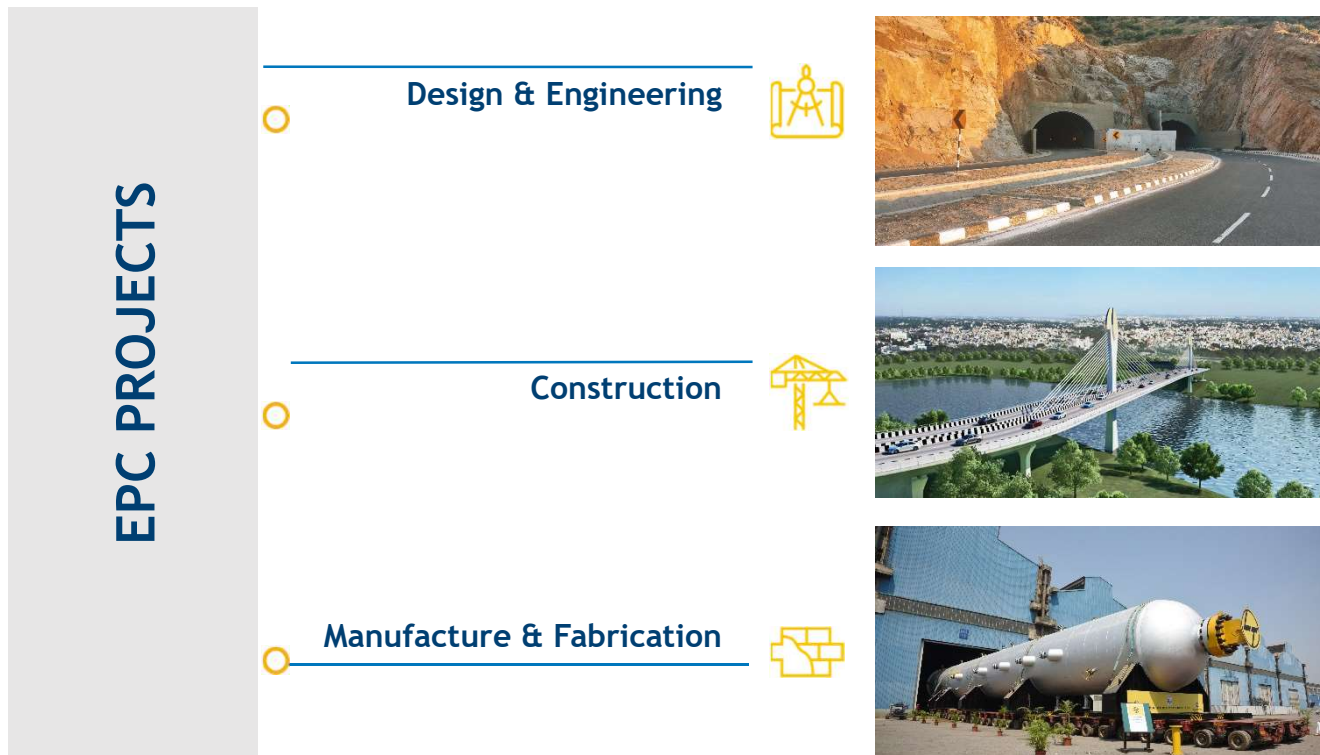
MV Switchgear Factory, Malaysia

# Value creating Integrated Business Model



# E&C Delivery Platform

One of Asia's largest vertically integrated E&C Companies



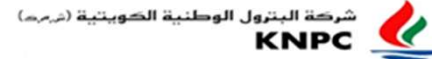
Single point responsibility for turnkey solutions



# Quality Customer Mix



Indian Coastguard



# Multiple Alliances & Joint Ventures

## Alliances

IHI

TOYO ENGINEERING CORPORATION

ATOMSTROYEXPORT



Rolls-Royce

Technip



MBDA



HALDOR TOPSOE

AKER KVÆRNER



## Pre Qualifications



Stamicarbon

KBR

PARSONS

Lurgi



Uop

## Joint Ventures



KOBE STEEL, LTD.

Note: Some of these are project specific alliances & pre qualifications

# L&T's Business Structure



# Group Performance



# Performance Highlights - FY20





# Key Financial Indicators

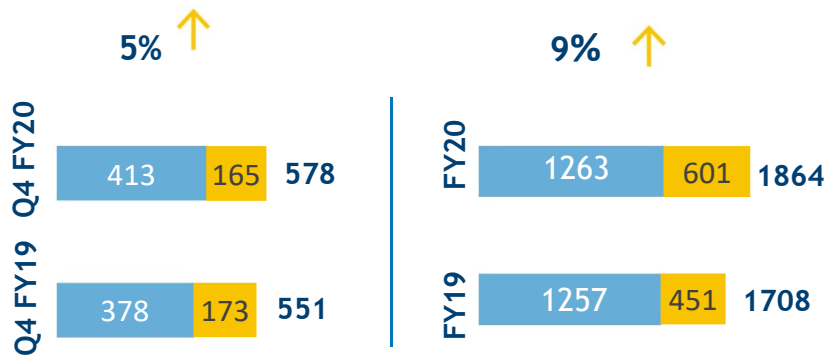
(Amount in ₹ bn)

Q4 FY19	Q4 FY20	% Var	Particulars	FY19	FY20	% Var
551	578	5%	Order Inflow	1708	1864	9%
			Order Book	2908	3039	4%
433	442	2%	Revenue	1352	1455	8%
53	51	(3%)	EBITDA	153	163	7%
34	32	(6%)	PAT	89	95	7%
			Net Working Capital	18.1%	23.7%	
			RONW (TTM) (%)	15.3%	14.8%	-

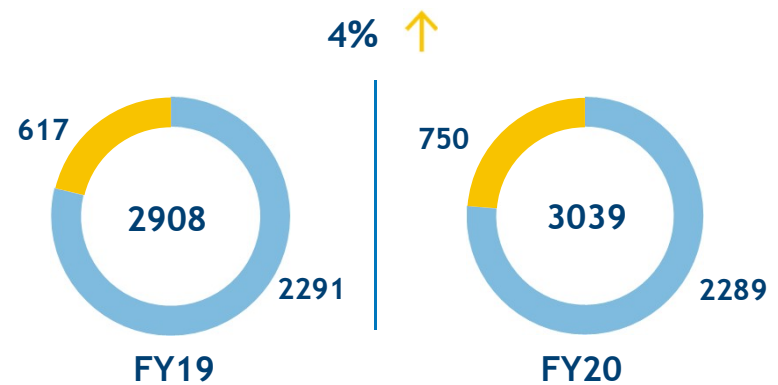
# Q4/FY20 Order Inflow/Order Book

(Amount in ₹ bn)

## Order Inflow



## Order Book



■ Domestic ■ International

- Strong Domestic order inflows witnessed in Q4
- International order wins contribute to FY20 growth mainly driven by IT&TS segment, Power T&D and Metallurgical business
- Portfolio diversity of the Order Book mitigates cyclicity



# Group Performance - Sales & Costs

Q4 FY19	Q4 FY20	% Var	Rs Billion	FY19	FY20	% Var
433.0	442.5	2%	Revenue	1352.2	1454.5	8%
30%	32%		International Rev.	32%	33%	
300.2	286.7	-5%	MCO Exp.	882.5	893.2	1%
19.7	19.4	-2%	Fin. Charge Opex*	73.9	80.4	9%
44.9	62.9	40%	Staff Costs	174.7	231.1	32%
15.5	22.3	44%	Sales & Admin.	67.9	86.5	27%
380.2	391.3	3%	Total Opex	1198.9	1291.2	8%

\* Finance cost of financial services business and finance lease activity

- Pandemic adversely affects Q4 revenues. IT&TS smoothly transitions to WFH model
- MCO expense variation largely due to higher proportion of IT&TS business and cost control initiatives
- Fin charge opex largely represents borrowing costs of FS business
- Staff cost increase on resource augmentation in Service businesses & Mindtree consolidation
- SG&A expenses mainly higher on credit provisions in Fin. Serv business & Mindtree consolidation





# Group Performance - Profit Stack

Q4 FY19	Q4 FY20	% Var	Rs Billion	FY19	FY20	% Var
52.8	51.2	-3%	<b>EBITDA</b>	153.3	163.3	7%
(5.1)	(8.2)	62%	Fin. Cost	(18.0)	(28.0)	55%
(4.4)	(7.1)	63%	Depreciation	(19.2)	(24.6)	28%
6.1	6.6	8%	Other Income	18.4	23.6	29%
(12.3)	(9.7)	-22%	Tax Expense	(39.6)	(32.6)	-18%
(1.3)	1.5		JV/Associate PAT Share	(0.2)	0.7	
(3.7)	(3.7)	-1%	Non-controlling Int.	(13.1)	(13.5)	3%
2.0	1.3		Discontinued Operations	5.7	6.5	
34.2	32.0	-6%	<b>Recurring PAT</b>	87.1	95.5	10%
-	-		Exceptionals	1.9	-	
34.2	32.0	-6%	<b>Reported PAT</b>	89.1	95.5	7%

- Finance cost commensurate with higher debt levels and phased commencement of Hyd. Metro
- Higher depreciation charge on account of Mindtree consolidation & RoU Assets
- Other income reflective of level of short term investments and higher yields
- Share of JV/Associate PAT largely comprises results of IDPL, Power Eqpt. and Forgings JVs
- NCI variation largely due to Mindtree consolidation, increase in LTI/LTTS share moderated by lower Fin.Serv profits
- E&A business classified as discontinued operations

# Segment Performance Analysis

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# Segment Composition



## Infrastructure

Buildings & Factories (B&F)  
 Transportation Infra (TI)  
 Heavy Civil infra (HC)  
 Water & Effluent Treatment (WET)  
 Power T&D (PT&D)  
 Metall. & Mat. Handling (MMH)  
 Smart World & Comm.(SW&C)



## Power

EPC- Coal & Gas  
 Thermal Power Plant  
 Construction  
 Electrostatic Precipitator  
 Power Equipment  
 Mfg. \*



## Heavy Engineering

Process Plant Equipment  
 Nuclear Power Plant  
 Equipment  
 Piping Centre & Forgings \*



## Defence Engineering

Defence  
 Aerospace  
 Shipbuilding



## Hydrocarbon

Onshore  
 Offshore



## IT & TS

Information Technology  
 Technology Services



## Financial Services

Rural Lending  
 Housing Finance  
 Wholesale Finance  
 Asset Management



## Developmental Projects

Roads / Trans. Line \*  
 Metros  
 Power



## Electrical & Automation

Electrical Standard Products  
 Electrical Systems & Equipment  
 Metering & Protection  
 Control & Automation



## Others

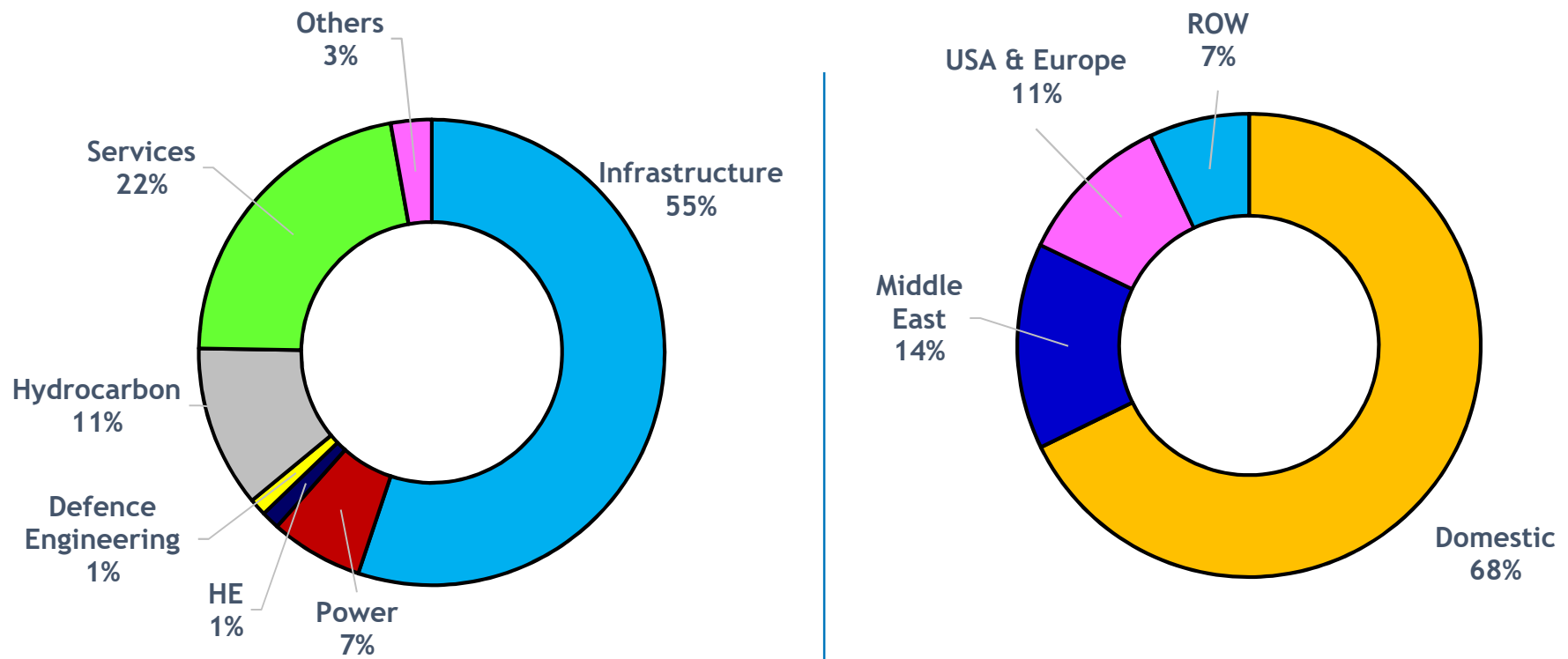
Realty  
 Industrial Products & Machinery

*E&A Segment is classified a discontinued operations and consolidated at PAT level*

*\* Consolidated at PAT level*



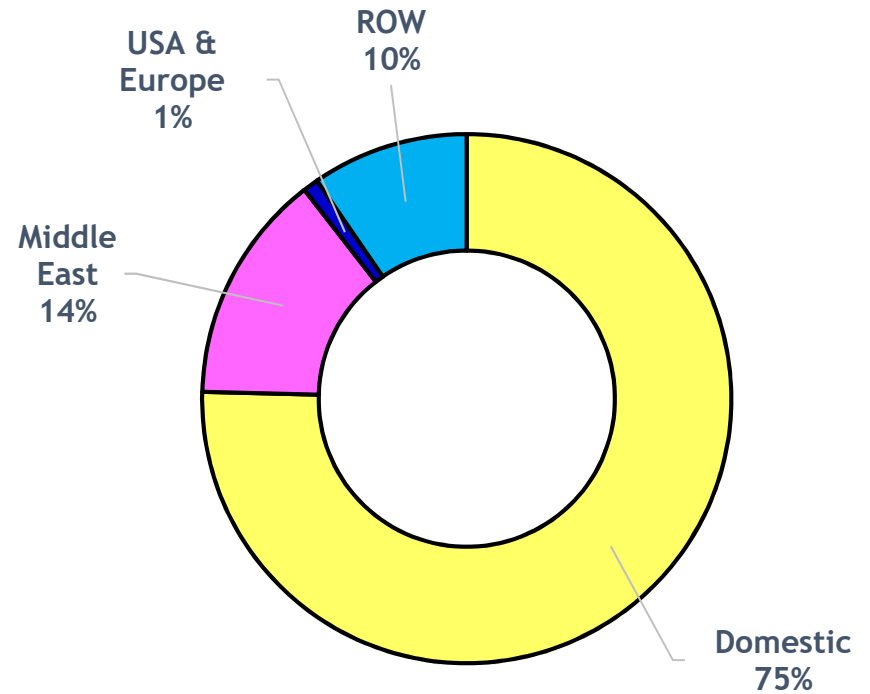
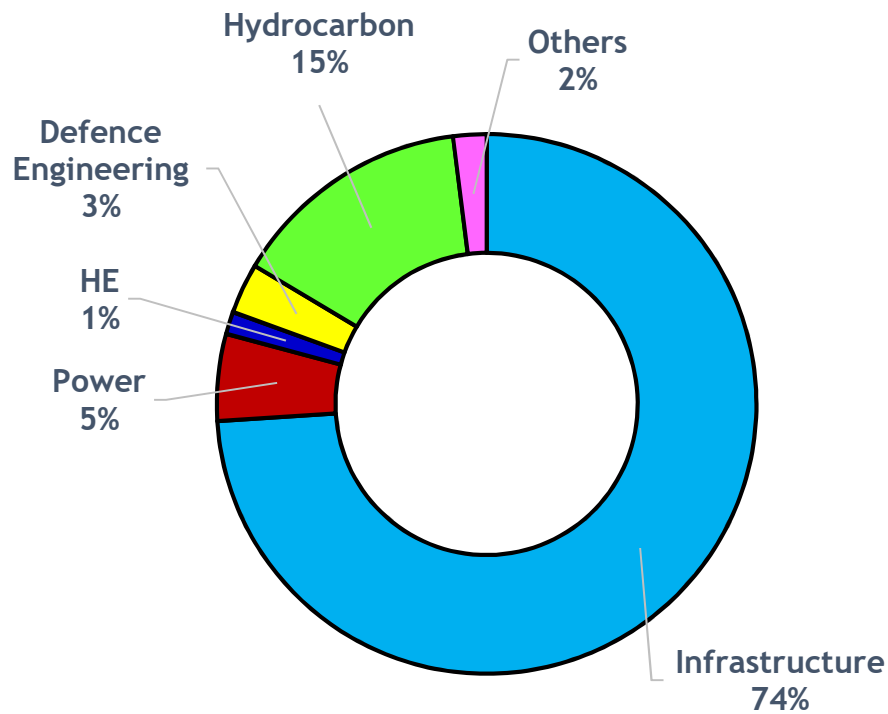
# FY20 Order Inflow Composition



**Order Inflow Rs 1864 Bn**



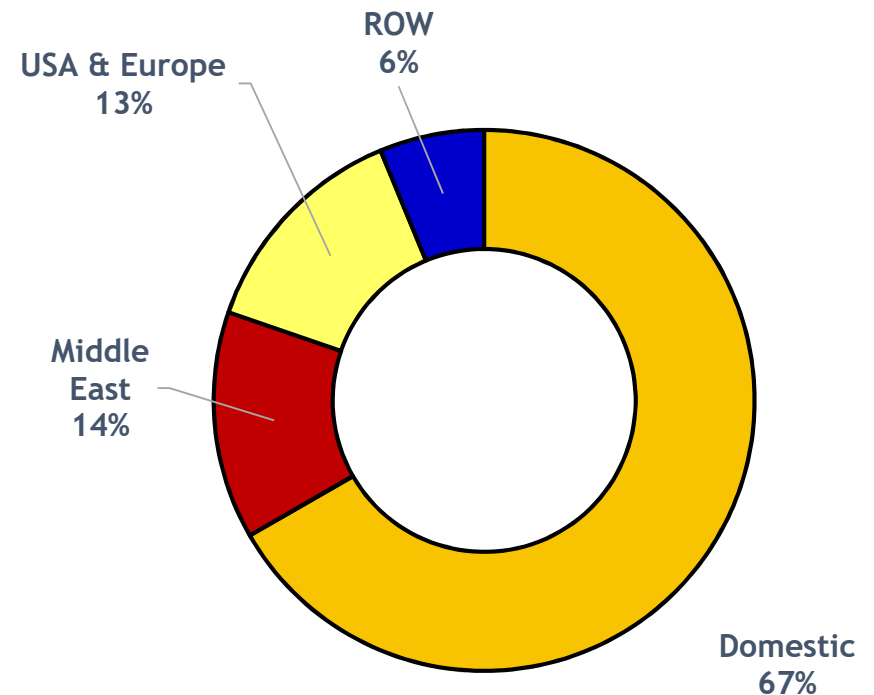
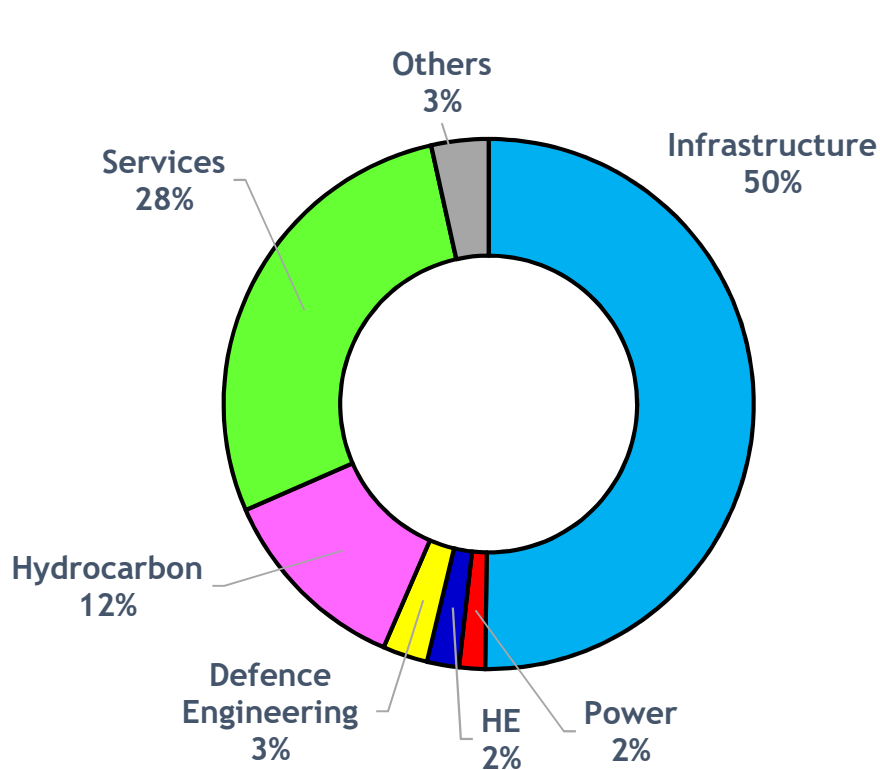
# FY20 Order Book Composition



Order Book Rs 3039 Bn



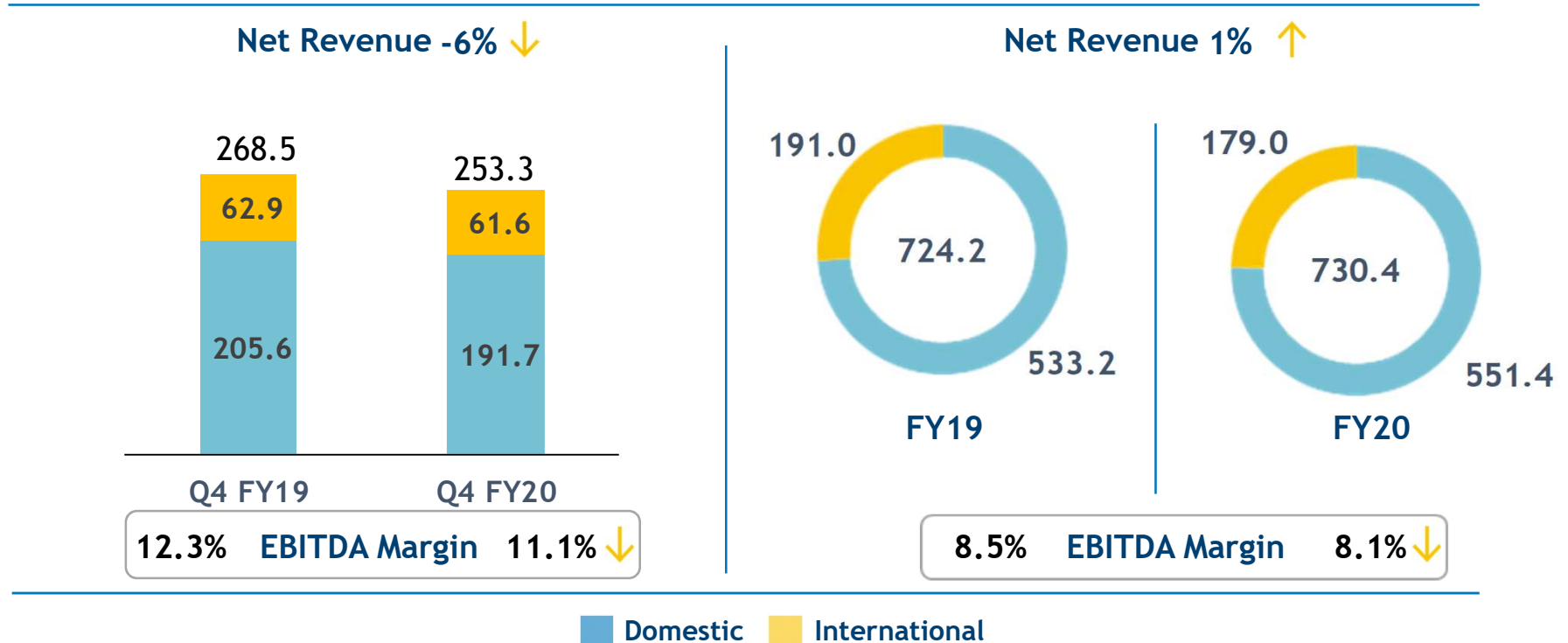
# FY20 Revenue Composition



Revenue Rs 1455 Bn

# Infrastructure Segment

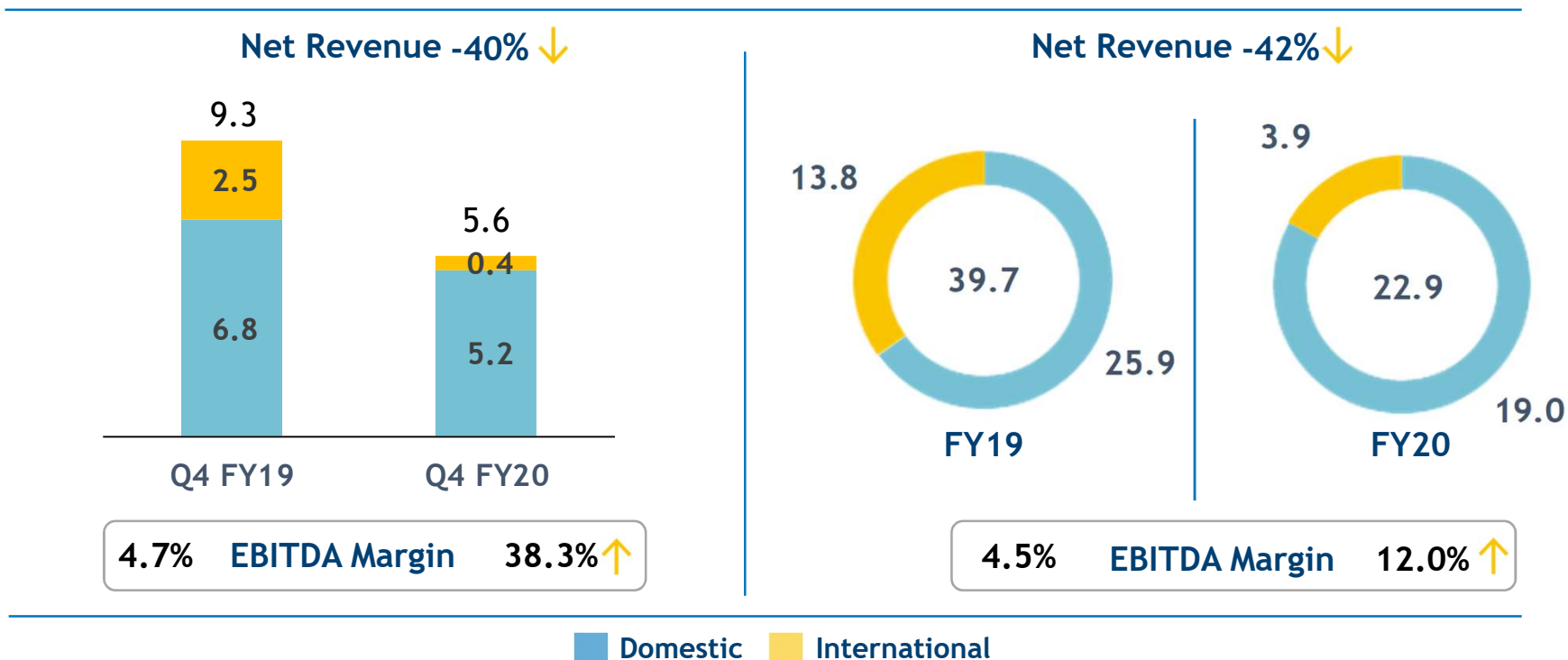
(Amount in ₹ bn)



- Strong domestic and international order inflows in Q4 - contributed by order wins in Solar and water projects
- Muted revenues in Q4 reflective of execution challenges (slow moving orders, stoppage of AP jobs, funding constraints and impact of Covid-19)
- Margins reflect stage of execution and job mix

# Power Segment

(Amount in ₹ bn)

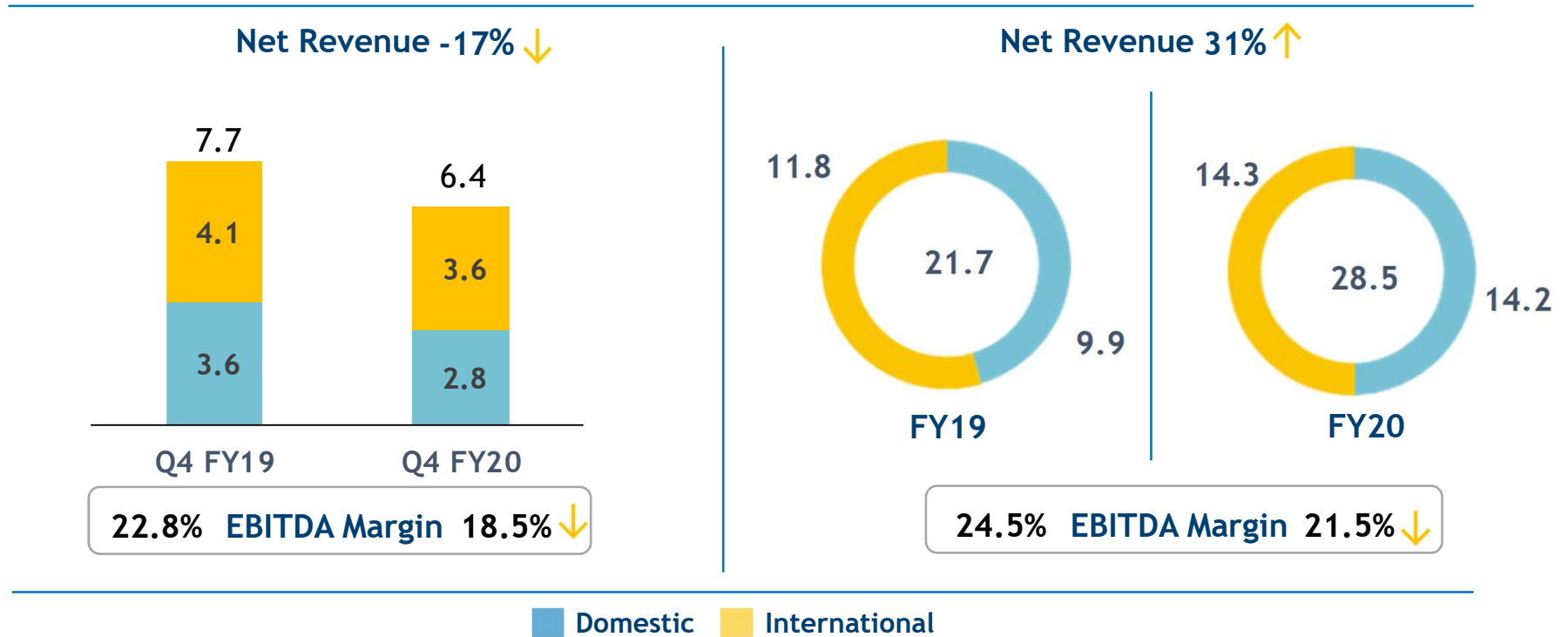


- Strong order inflows in current year replenishes order book
- Revenue decline reflects depleted opening order book and tapering of International jobs
- Margins reflective of job mix, stage of execution and claims
- Profits of MHPS and other JV companies are consolidated at PAT level under equity method



# Heavy Engineering Segment

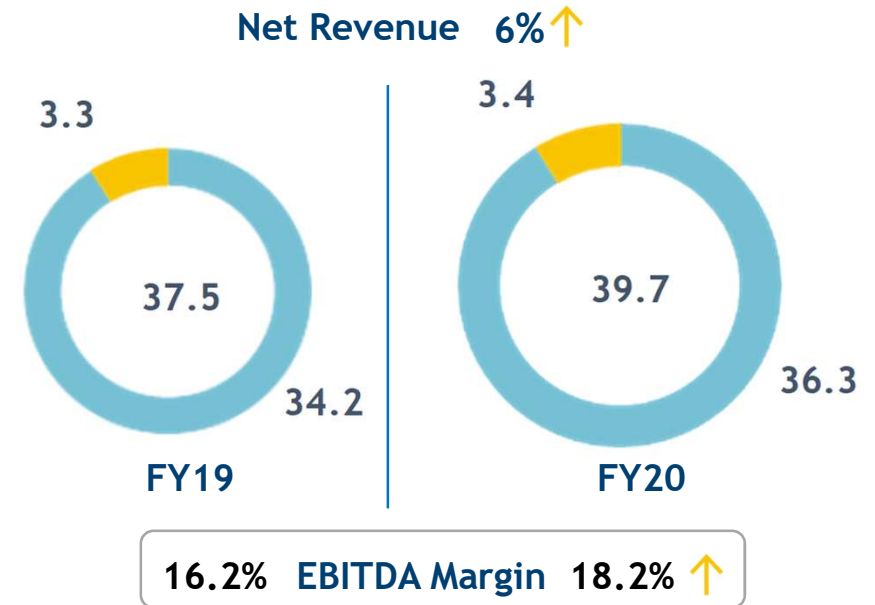
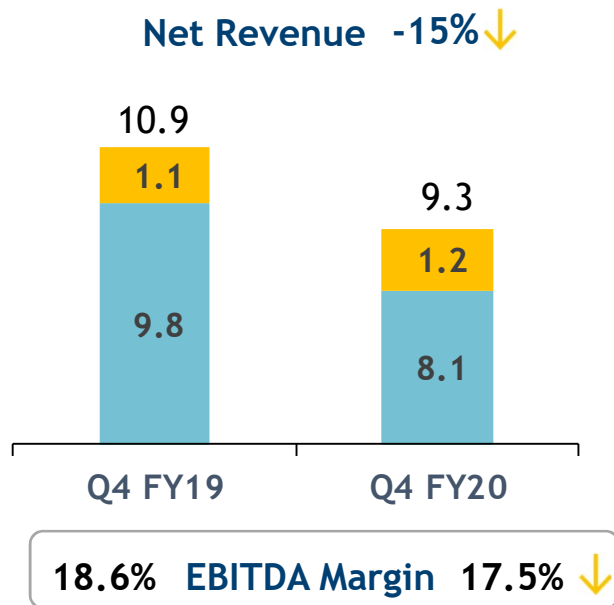
(Amount in ₹ bn)



- Order Inflows in current year impacted by deferments
- Strong revenues for the year driven by large opening Order Book, Q4 revenue slowdown due to client delays and shutdown
- Global competence, technology differentiation, proven track record and cost efficiencies yield strong margins. Q4 and full year margins impacted by cost provisions

# Defence Engineering Segment

(Amount in ₹ bn)

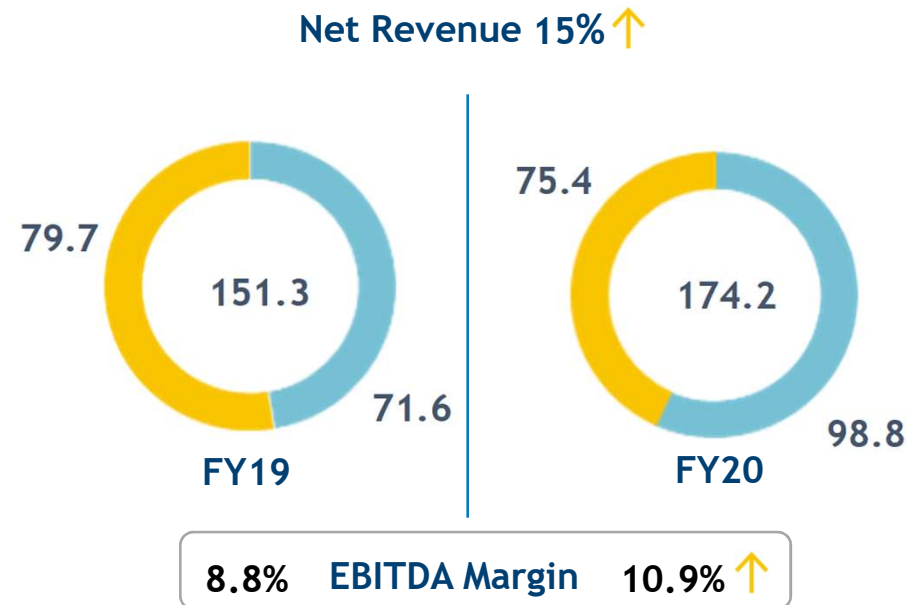
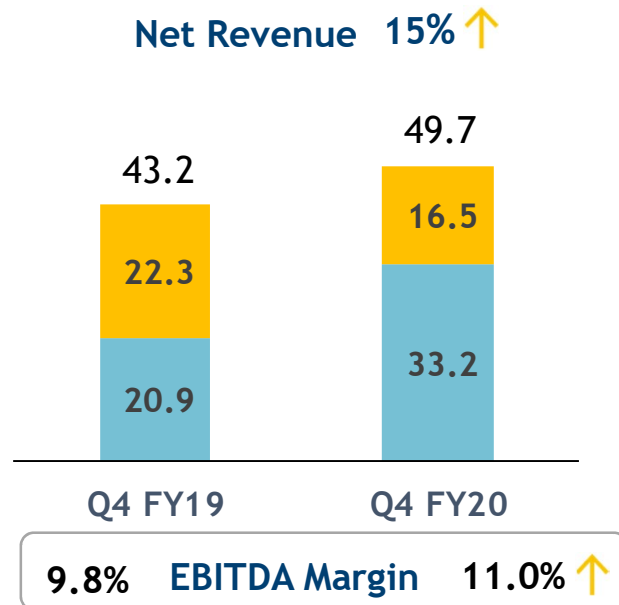


■ Domestic ■ International

- Policy bottlenecks, fiscal constraints and lengthy MoD procurement procedures continue to beset investment momentum in the sector
- Q4 revenues impacted by delays and non receipt of targeted orders
- Margins reflect stage of execution, job mix and operational efficiency

# Hydrocarbon Segment

(Amount in ₹ bn)

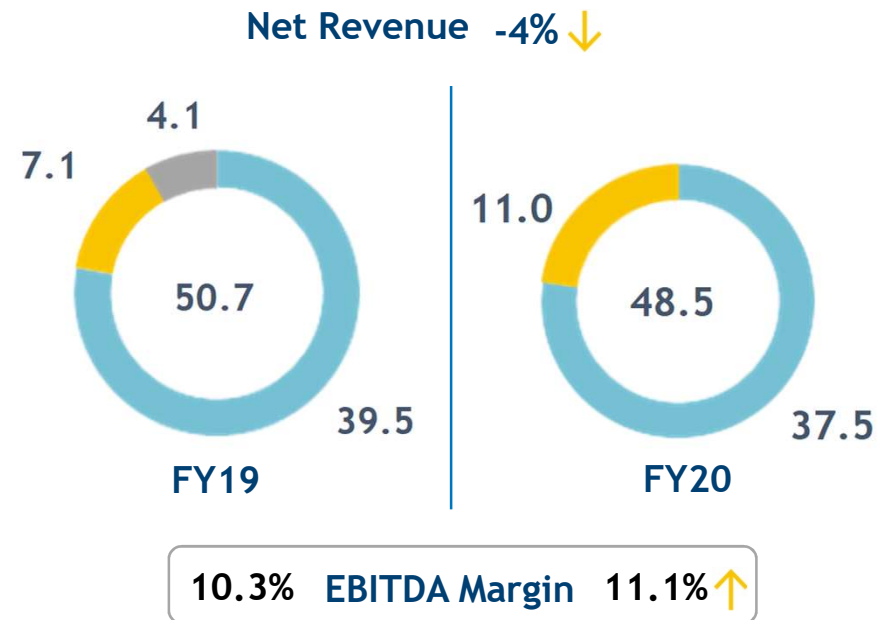
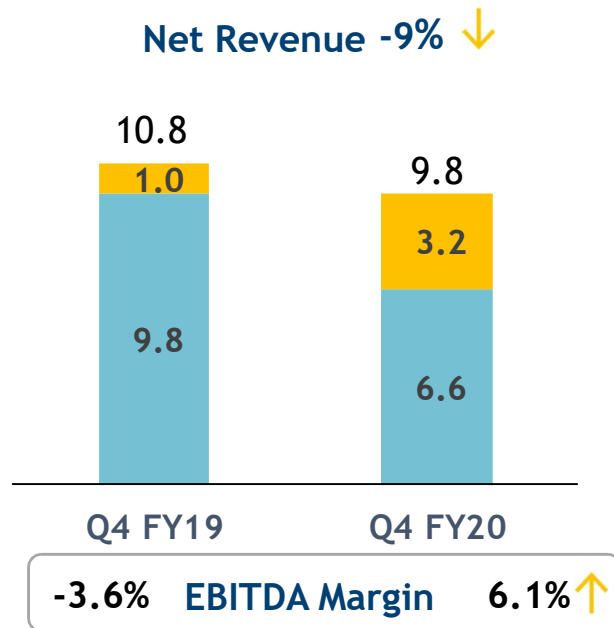


■ Domestic ■ International

- Slowdown in order inflows due to global volatility in oil prices
- Strong revenue growth on the back of in-line execution of large opening order book
- Margins contributed by efficient execution, job mix & claims

# Developmental Projects Segment

(Amount in ₹ bn)

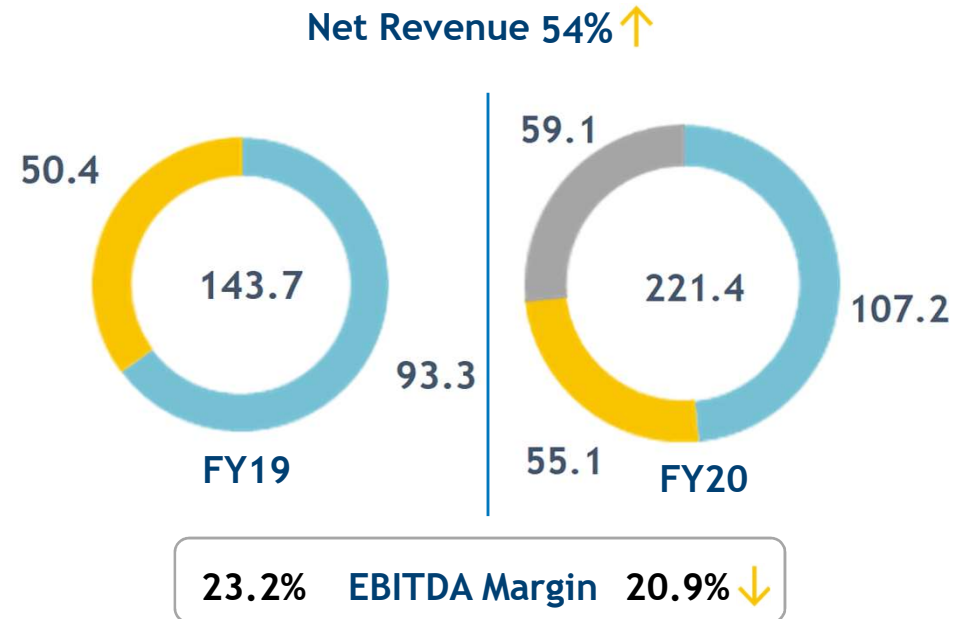
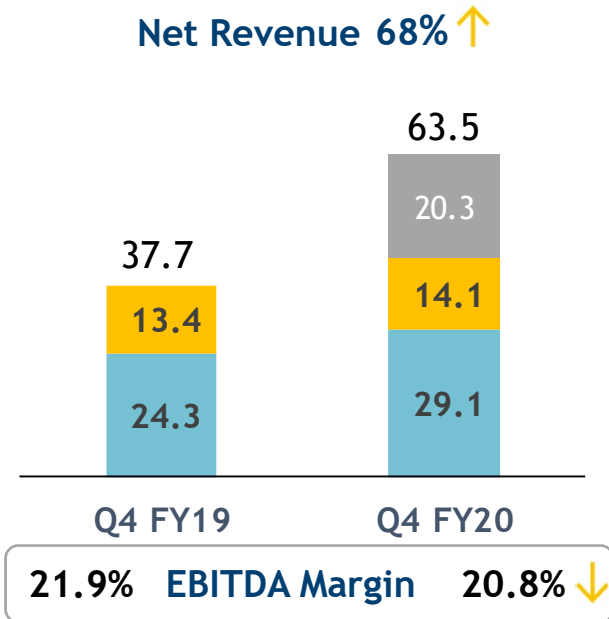


■ Nabha ■ Hyd. Metro ■ Kattupalli Port

- Segment includes Power Development business, Hyderabad Metro; IDPL (Roads & TL) consolidated at PAT level under Equity method. Port concession divested in PY
- Revenue largely contributed by Power Development Business. Maintenance shutdown of one unit in Nabha Power impacts Q4 revenue
- Hyd. Metro: Fully commissioned in early-Q4. Lockdown impacts ridership in Mar-2020
- Margin profile still emerging

# IT & Technology Services Segment

(Amount in ₹ bn)

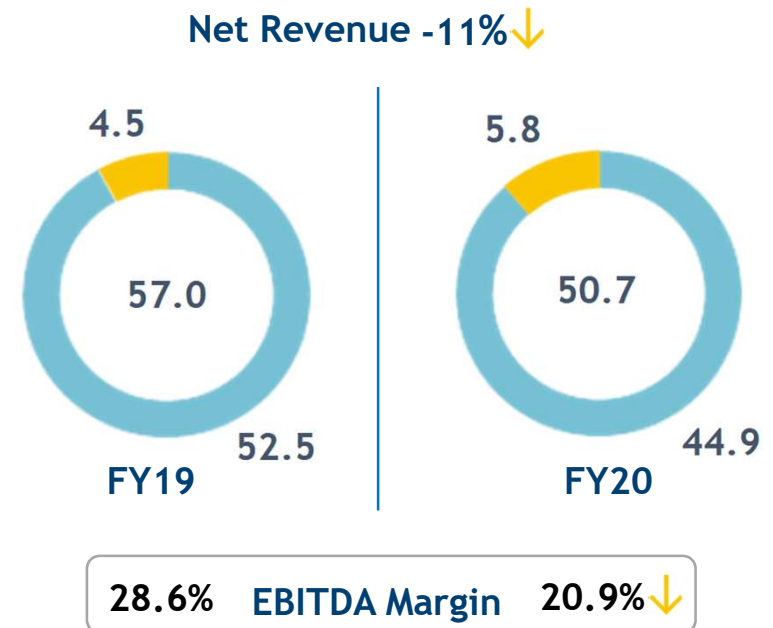
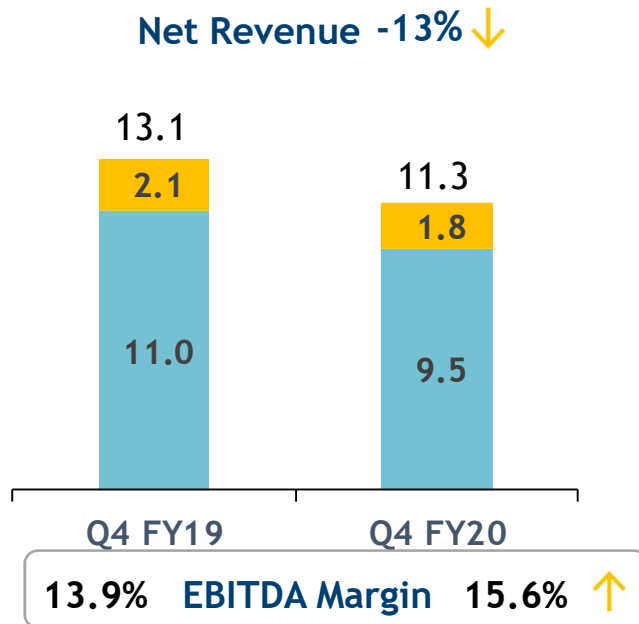


■ IT ■ TS ■ Mindtree

- Mindtree results consolidated from Q2 FY20 post-acquisition on 2-Jul-2019
- LTI revenue growth led by Manufacturing, Energy & Utilities and CPG, Retail and Pharma
- LTTS revenue growth led by Medical Devices, Plant Engineering and Transportation verticals
- Mindtree revenue growth led by High tech & Media and Travel & Hospitality
- Margin variation is outcome of increased resource cost

# Others Segment

(Amount in ₹ bn)



■ Domestic ■ International

- Segment comprises Construction & Mining Equipment, Rubber processing Machinery, Industrial Valves and Realty businesses
- Q4 revenues impacted by delayed handover in Realty business; Low demand impacts construction and mining equipment revenues, Industrial valves records positive growth on the back of large opening Order Book
- PY revenue and margins included lumpy sale of commercial premises in Realty business

# L&T Finance Holdings Group

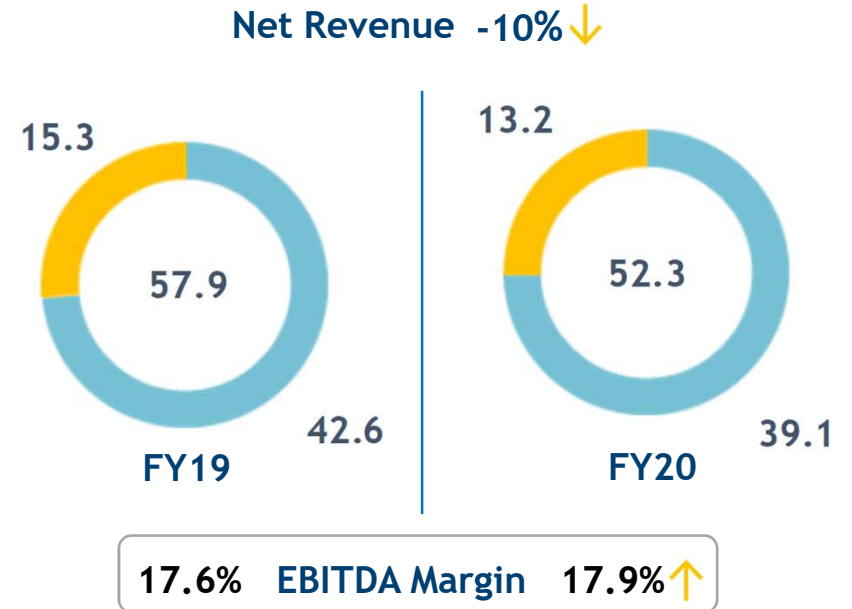
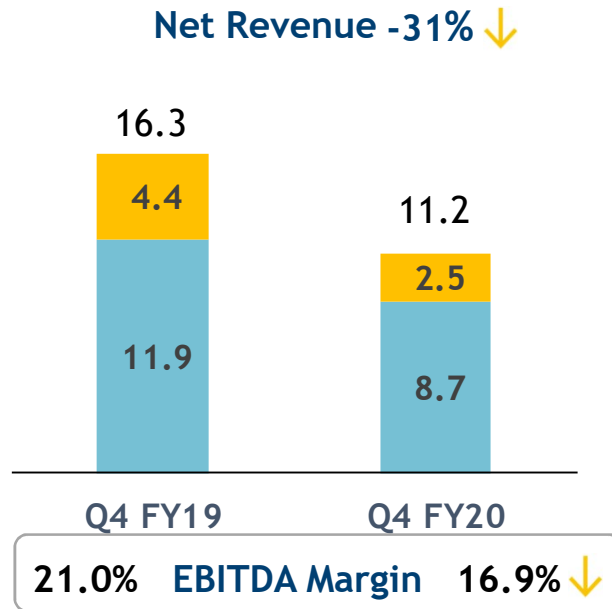
Q4 FY 19	Q4 FY 20	% Var	Rs Bn	FY 19	FY 20	% Var
31.8	33.7	6%	Income from Operations	126.4	138.2	9%
3.2	2.4	-24%	PAT (Net of NCI)	14.5	10.8	-25%
Mutual Fund Average AUM				709.4	710.6	0%
Net Loan Book				991.2	983.8	-1%
Gross Stage 3 Assets				5.9%	5.4%	
Net Stage 3 Assets				2.4%	2.3%	
Networth				134.5	146.9	

- Growth despite challenging environment, Q4 profits impacted by higher provisions including increased regulatory provisions
- Focus continues on retailisation of loan book, robust NIMs & Fee Income, prudent ALM, asset quality and increasing diversity of funding sources
- Company opts for lower tax rate, one time effect arising out of DTA restatement impacts FY20 profits

*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*

# Electrical & Automation Segment

(Amount in ₹ bn)



■ Domestic ■ International

- Muted revenues resulting from a soft demand environment
- Q4 revenues and margins adversely affected by slowdown

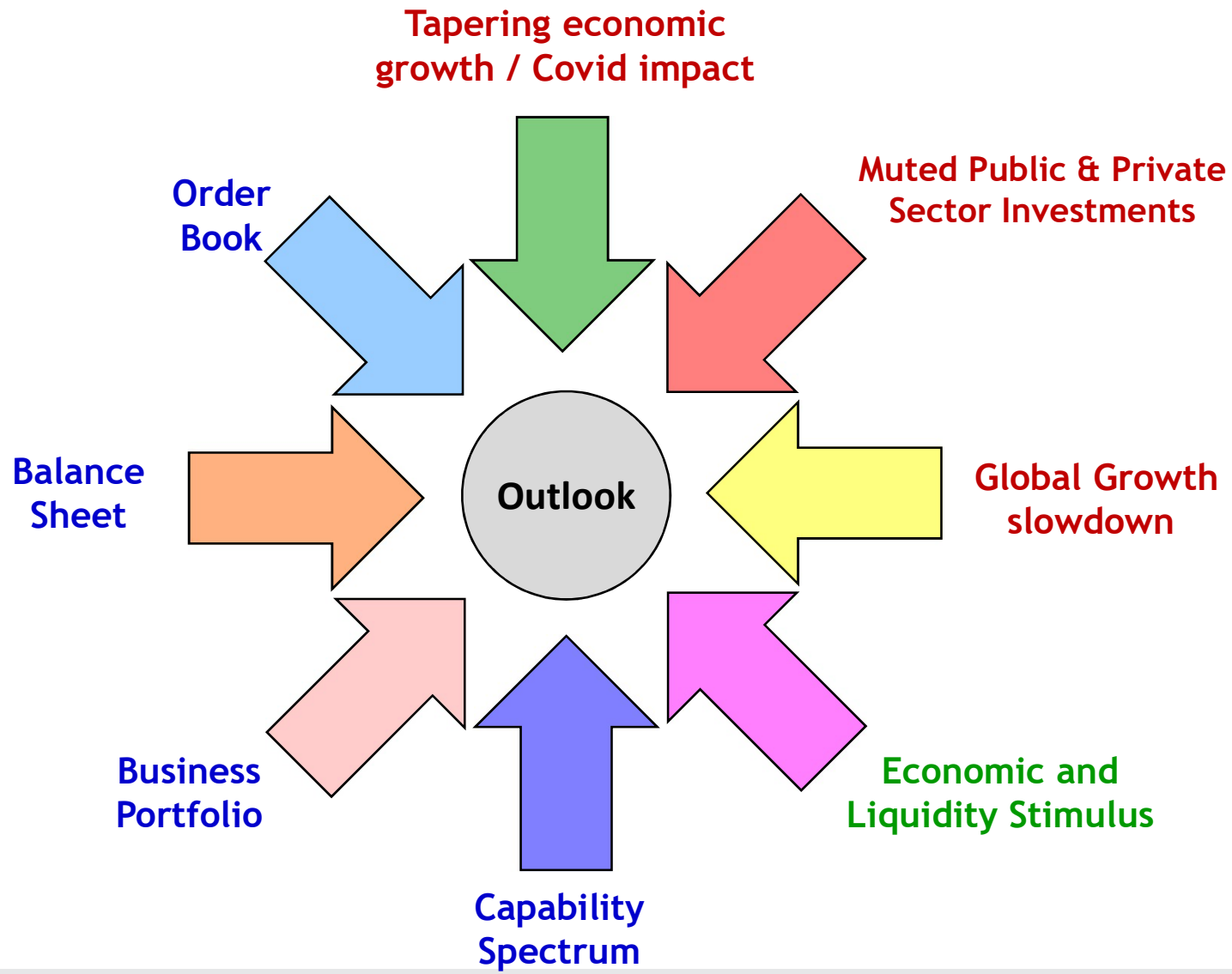
*E&A is classified as discontinued operations in Financial Statements*



# 04 The Environment & Outlook



# The Environment & the Outlook



*Thank You*



*Turn overleaf for Annexures*



# Segment Margin

Segment (Rs Cr)	FY 20			FY 19		
	Net Revenue	EBITDA	EBITDA %	Net Revenue	EBITDA	EBITDA %
<b>Ex-Services business:</b>						
Infrastructure Segment	73037	5912	8.1%	72418	6153	8.5%
Power Segment	2294	274	12.0%	3972	177	4.5%
Hydrocarbon Segment	17420	1898	10.9%	15132	1330	8.8%
Heavy Engineering Segment	2853	612	21.5%	2174	532	24.5%
Defence & Aerospace	3970	721	18.2%	3752	606	16.2%
Other Segment	5070	1062	20.9%	5696	1627	28.6%
<b>Total (ex-services)</b>	<b>104644</b>	<b>10479</b>	<b>10.0%</b>	<b>103143</b>	<b>10425</b>	<b>10.1%</b>
<b>Services Business:</b>						
IT, TS & Mindtree Segment	22135	4635	20.9%	14371	3336	23.2%
Financial Services Segment	13822	2757	19.9%	12638	3102	24.5%
Developmental Projects Segment	4850	539	11.1%	5068	522	10.3%
<b>Total (Services)</b>	<b>40808</b>	<b>7931</b>	<b>19.4%</b>	<b>32077</b>	<b>6959</b>	<b>21.7%</b>
<b>Total</b>	<b>145452</b>	<b>18410</b>	<b>12.7%</b>	<b>135220</b>	<b>17384</b>	<b>12.9%</b>
<b>EBIDTA to PAT (FY20)</b>						
<b>Particulars</b>	<b>Financial Services</b>	<b>IT&amp;TS</b>	<b>Dev. Projects</b>	<b>Ex-Services</b>	<b>Corporate</b>	<b>Total</b>
EBIDTA	2757	4635	539	10479	280	18690
Depreciation, Finance Cost & Tax Expense	(1060)	(1932)	(696)	(2924)	(1911)	(8523)
Non-controlling interest	(613)	(728)	-	(8)	4	(1345)
Share in profit/(loss) of JV and associate	-	-	(17)	52	37	72
PAT from discontinued operations	-	-	-	-	-	655
<b>Segment PAT as per Advt.</b>	<b>1084</b>	<b>1975</b>	<b>(174)</b>	<b>7599</b>	<b>(1590)</b>	<b>9549</b>

E&A included for comparison purpose



## Balance Sheet

Rs Billion	Mar-20	Mar-19	Incr / (Decr)
Equity & Reserves	667	624	43
Non Controlling Interest	95	68	27
Borrowings - Financial Services	939	915	23
Development Projects	202	191	11
Others	269	149	120
<b>Sources of Funds</b>	<b>2,173</b>	<b>1,948</b>	<b>225</b>
Fixed Assets	156	134	22
Intangible Assets & Investment Property	314	217	97
Loans towards Financing Activities	909	904	5
Finance lease receivable	89	90	(1)
Net Non-Current Assets	153	175	(22)
Current Investments, Cash & Cash Equivalents	278	257	21
Net Current Assets	251	171	80
Assets held for Sale (net)	24	0	24
<b>Application of Funds</b>	<b>2,173</b>	<b>1,948</b>	<b>225</b>
Gross Debt/Equity Ratio	1.85	1.81	



## Cash Flow

Q4 FY19	Q4 FY20	Rs Bn	FY19	FY20
57.8	56.6	Operating Profit	160.7	185.2
16.9	13.4	Changes in Working Capital	(21.0)	(83.6)
(13.3)	(9.4)	Direct Taxes paid	(48.8)	(40.5)
<b>61.4</b>	<b>60.6</b>	<b>Net Cash from Operations (A)</b>	<b>90.9</b>	<b>61.2</b>
(10.9)	(13.9)	Net Investment in Fixed Assets (incl. Intangible)	(35.0)	(33.0)
(40.2)	(3.5)	Net (Purchase)/ Sale of Long Term investments	(52.8)	(54.7)
79.0	(32.3)	Net (Purchase)/ Sale of Current investments	(31.8)	(3.4)
0.1	(0.4)	Loans/Deposits made with JV/Associate Cos.	(0.4)	(1.0)
4.3	1.5	Interest & Dividend Received	9.8	9.5
<b>32.3</b>	<b>(48.5)</b>	<b>Net Cash from/(used in) Invest. Act. (B)</b>	<b>(110.2)</b>	<b>(82.6)</b>
(0.6)	(1.3)	Issue of Share Capital / Minority	29.0	(0.4)
(8.9)	29.6	Net Borrowings	181.7	137.1
(58.4)	12.6	Disbursements towards financing activities*	(138.5)	5.7
(8.0)	(22.9)	Interest & Dividend paid	(56.3)	(72.9)
<b>(76.0)</b>	<b>18.0</b>	<b>Net Cash from Financing Activities (C)</b>	<b>15.9</b>	<b>69.4</b>
<b>17.7</b>	<b>30.0</b>	<b>Net (Dec) / Inc in Cash &amp; Bank (A+B+C)</b>	<b>(3.4)</b>	<b>48.1</b>

\* included under Net Cash from operations under statutory financial statements



## Share in Profit/(Loss) of JVs/Associates

Q4 FY19	Q4 FY20	Rs Bn	FY19	FY20
0.55	0.51	MHPS JVs	1.68	1.86
(1.98)	1.13	IDPL & Subs.	(0.90)	(0.05)
(0.32)	(0.34)	Special Steels and Heavy Forgings	(1.40)	(1.37)
0.48	0.17	Others	0.41	0.28
<b>(1.27)</b>	<b>1.47</b>	<b>Total</b>	<b>(0.21)</b>	<b>0.72</b>