



Larsen & Toubro Limited
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SEC/PAM/2019

July 31, 2019

The Secretary BSE Limited Phiroze Jejeebhoy 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.: 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/>

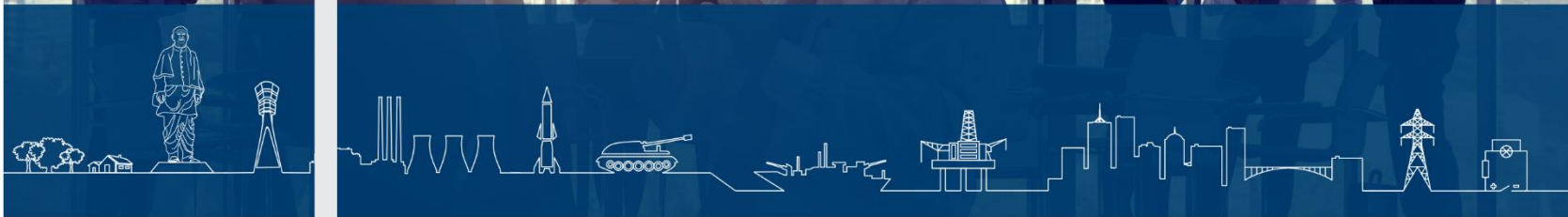
We request you to take note of the same.

Thanking you,

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

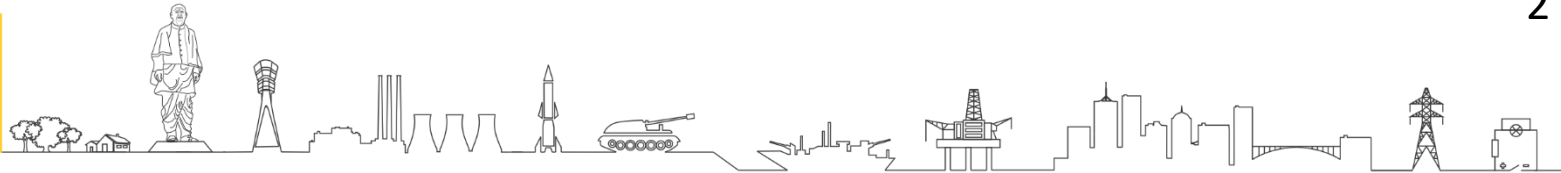
N. HARIHARAN
EXECUTIVE VICE PRESIDENT &
COMPANY SECRETARY
(ACS 3471)

Encl : as above



Q1 FY20
July 23, 2019

Investor 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

L&T Overview

02

Business Overview

03

Group Performance

04

The Environment & the Outlook



L&T - At a Glance

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



Professionally
Managed Company



FY 19 Group
Revenues: ₹ 1410 Bn
(approx. US\$ 20 Bn)



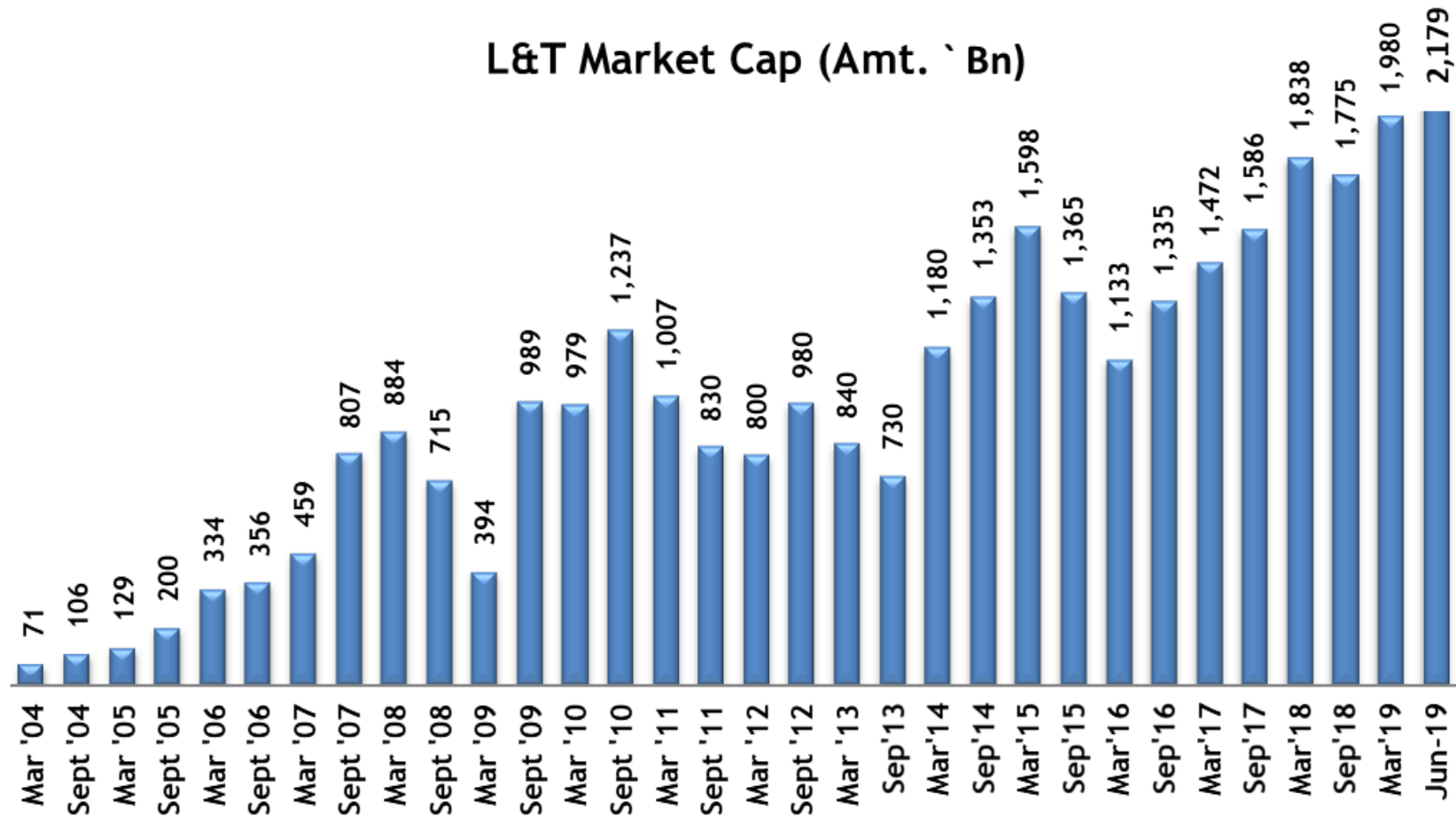
Market Cap
(26th July, 2019):
₹ 1953 Bn
(approx. US\$ 28 Bn)



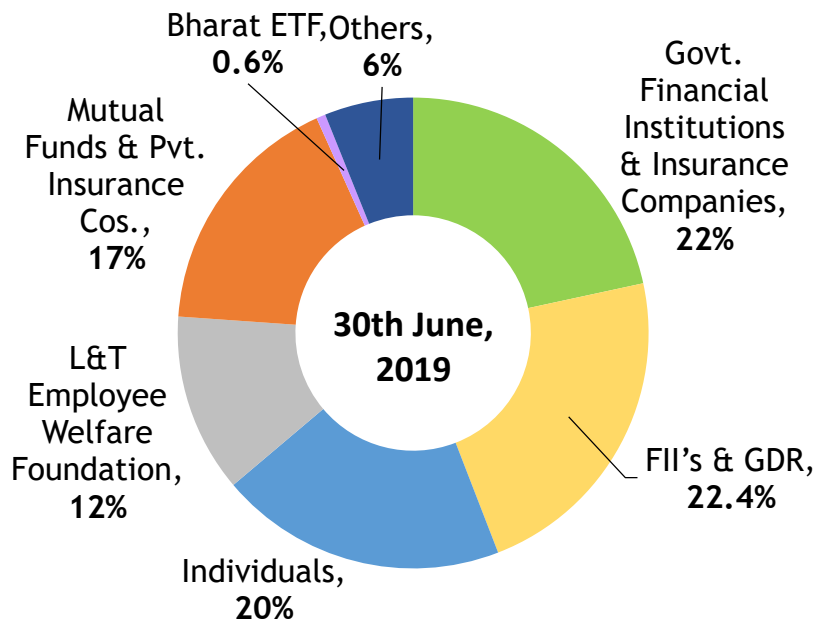
Credit Ratings
CRISIL: AAA / Stable
ICRA: AAA (Stable)

L&T - At a Glance

L&T Market Cap (Amt. ` Bn)



L&T - Shareholding Pattern



Major Institutional Shareholders	% Shares
Life Insurance Corporation of India	15.9%
HDFC Mutual Fund	3.9%
ICICI Prudential Life Insurance Co	2.0%
General Insurance Corp. of India	1.7%
Reliance Mutual Fund	1.5%
ICICI Prudential Mutual Fund	1.5%

- 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



A M Naik
Group Chairman

- BE [Mech]
- Joined L&T in March 1965
- Diverse and vast experience in general management, Technology and E&C



S. N. Subrahmanyam
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



R Shankar Raman
Whole-time Director &
Chief Financial Officer

- B.Com, ACA, ACMA
- Joined L&T Group in Nov 1994



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

- B.Tech
- Joined L&T in 2004



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 Finance, Taxation, Insurance, Risk Management, Legal and Investor Relations

Vast experience in Thermal Power, Heavy Engineering, Nuclear Business

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



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

- BE (Civil)
- Joined L&T in 1980



J.D. Patil
Whole-time Director &
Sr. Executive Vice President
(Defence, L&T-Nxt)

- M.Tech- IIT, Mumbai
- Joined L&T in 1978

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



Subramanian Sarma
Non-Executive Director

- B.Tech (Chem.),
- M.Tech – IIT, Mumbai
- Joined L&T Group in 2015

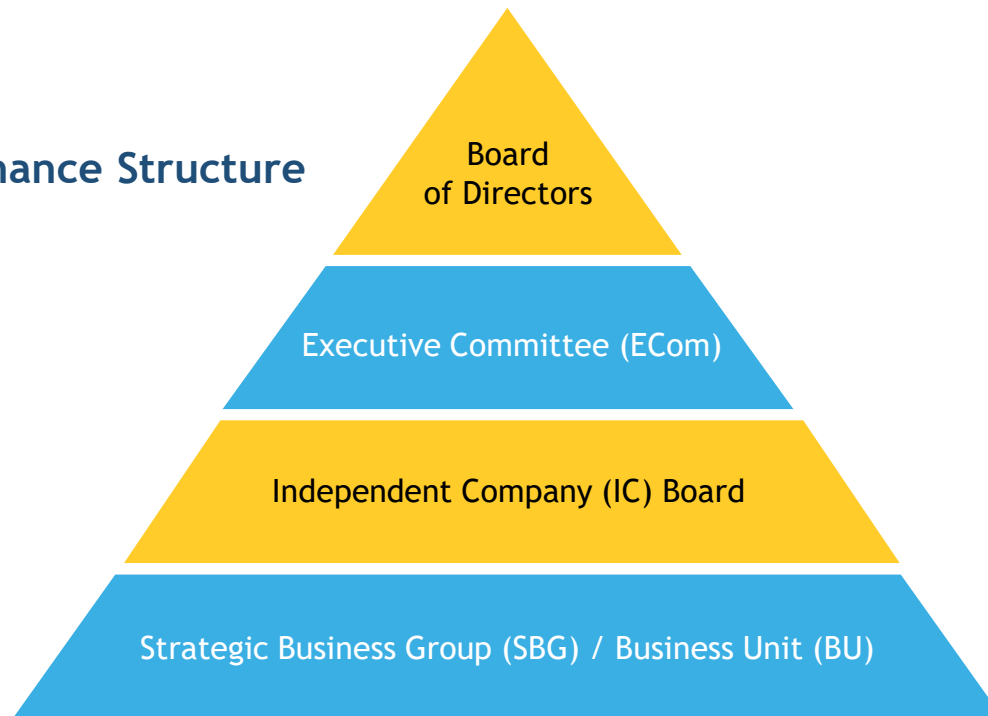
Vast experience in managing large business portfolios in energy sector



Corporate Governance

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

Four-tier Governance Structure



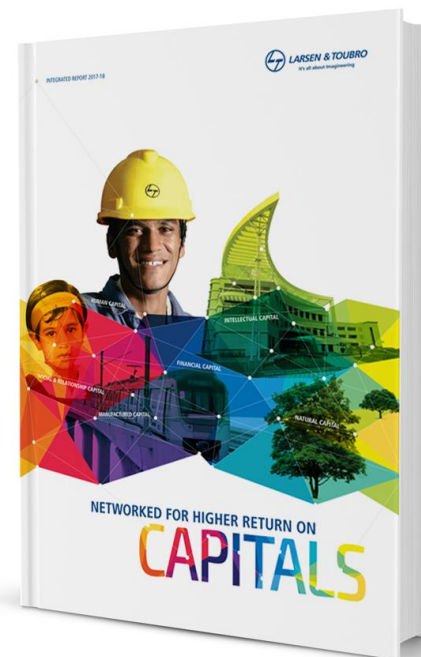
Sustainability & Integrated Report

Integrated Report <IR>: Released L&T's first IR 2017-18

- Based on International Integrated Reporting Council (IIRC) framework
- In alignment with Global Reporting Initiative (GRI) Standards 'In Accordance - Comprehensive option' - highest level of disclosure in public domain
- Reports progress on Sustainable Development Goals (SDGs) & National Action Plan on Climate Change

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 & sanitation and skill building



MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM






Sustainability - Environment & Social

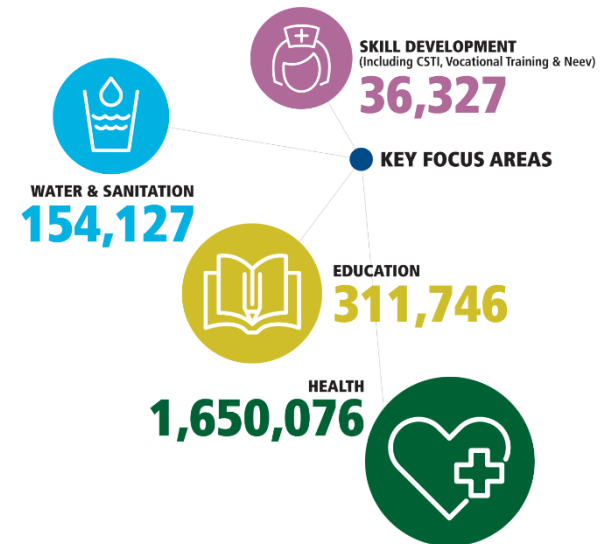
Green Product Portfolio – INR 221. 25 Billion

- Water infrastructure catering to 30 million people
- Secured cumulatively 650 MWp + Grid connected solar PV projects across India
- Won first-of-its-kind distributed generation project with a cumulative capacity of 12 MW solar power, and 105 MWh of energy storage, to electrify 236 remote villages.
- Constructed 67.7 million Sq.ft Green buildings for clients & 41.1 million sq. ft. green space under construction
- Metro systems construction of 143km of viaducts, 43 km of twin tunnels and 65 stations



CSR Highlights – 2.1 million beneficiaries

- Theme: Building India's Social Infrastructure
- Integrated Community Development Program (ICDP) at four water stressed districts in 3 states covering 11,000 + households
- 50% women participation in village development committees





Presentation Outline

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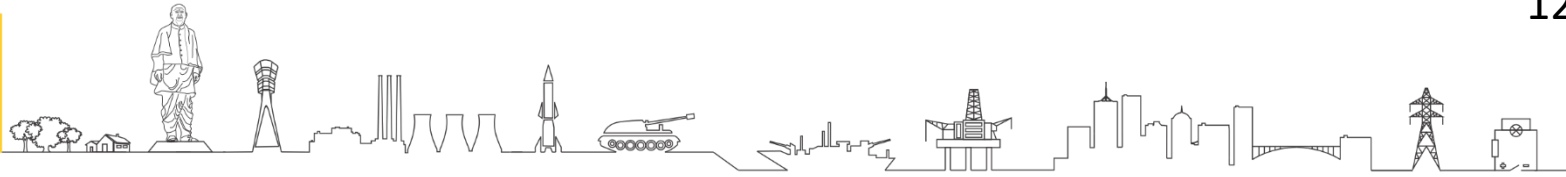
Business Overview

03

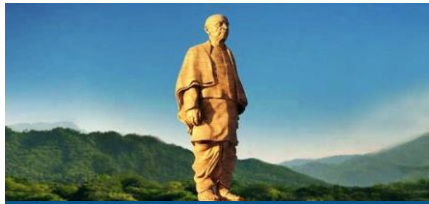
Group Performance

04

The Environment & the Outlook



Builders to the Nation



Statue of Unity, Gujarat



Turbine Rotor, Gujarat



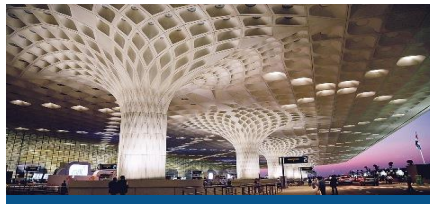
88m Rail Bridge Jammu Udhampur



Wankhede Stadium, Mumbai



Baha'i Temple, Delhi



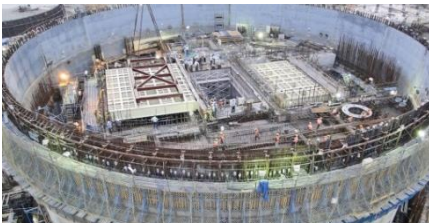
Mumbai International Airport



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.



Gas Platform, Abu Dhabi



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

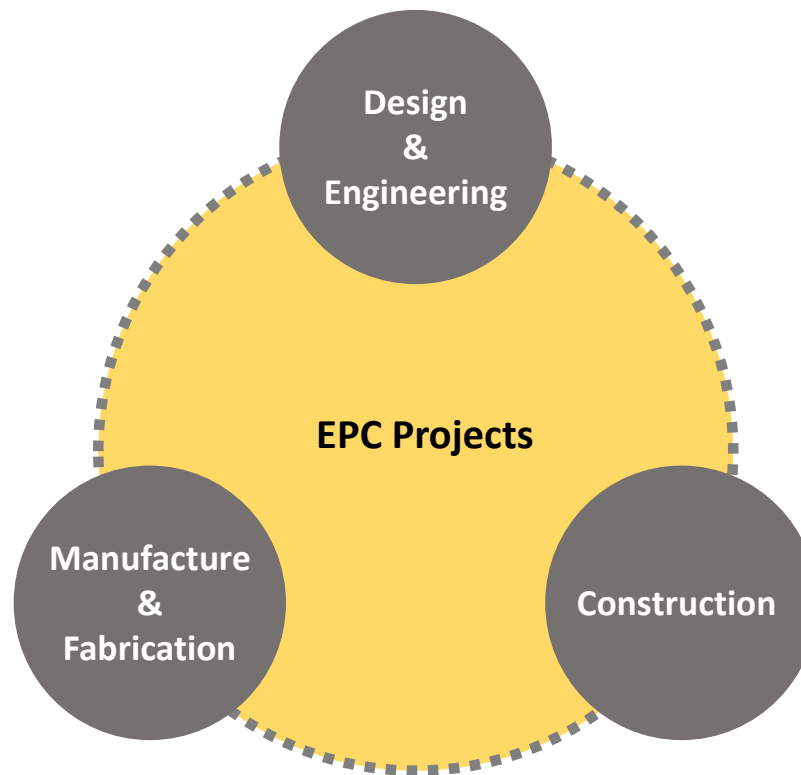


MV Switchgear Factory, Malaysia



E&C Delivery Platform

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

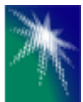


Single point responsibility for turnkey solutions

Quality Customer Mix



Indian
Coastguard



PDO
Petroleum Development Oman



Multiple Alliances & Joint Ventures

Alliances

IHI
ATOMSTROYEXPORT
MBDA
Hanwha Techwin
TOYO ENGINEERING CORPORATION
Technip
Rolls-Royce
CLYDE BERGEMANN
HALDOR TOPSØE
AKER KVÆRNER
sojitz

Pre Qualifications

AREVA
Uop
Snamprogetti
Lurgi
Stamicarbon
PARSONS
Shell
KBR

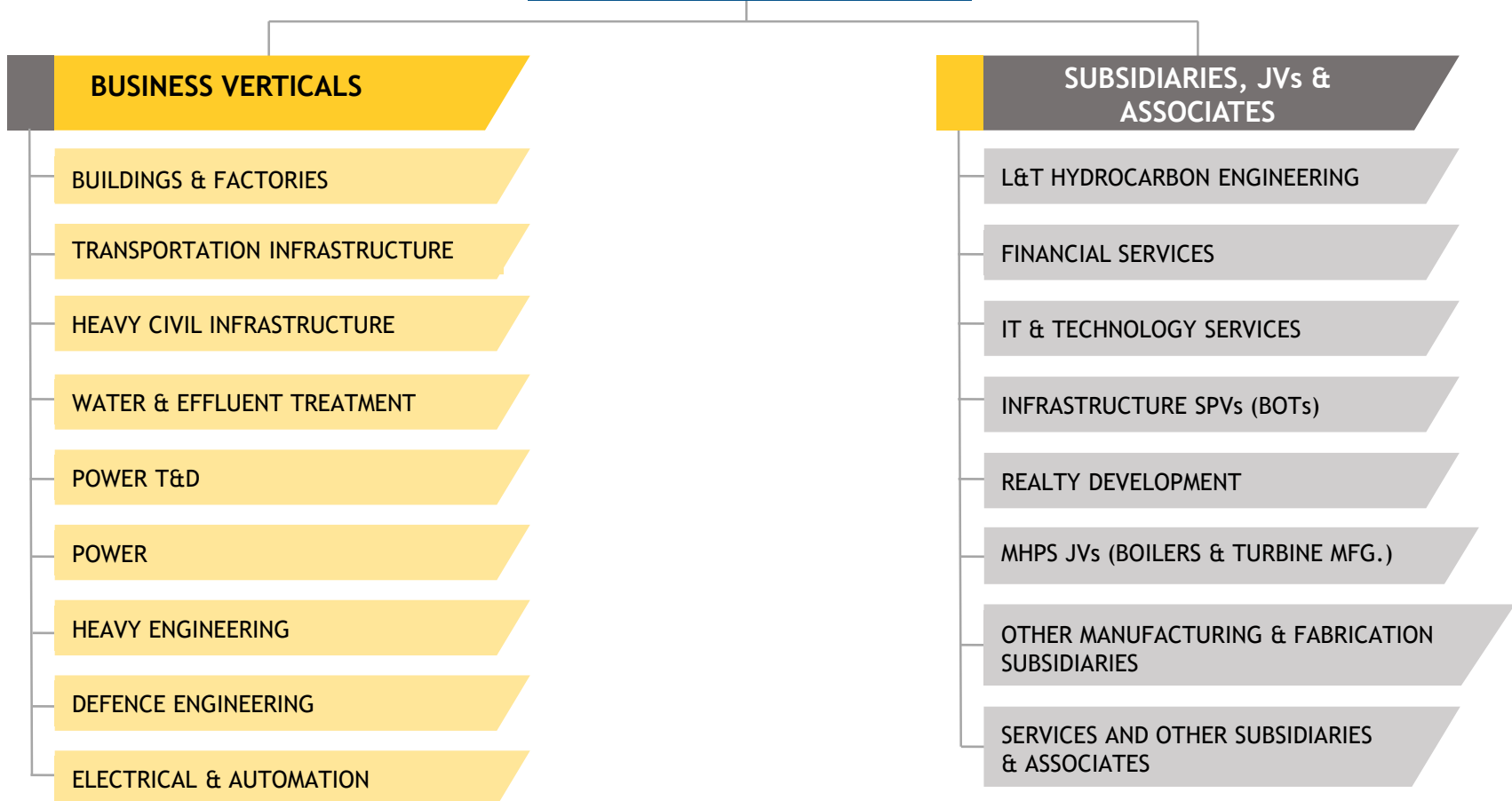
Note: Some of these are project specific alliances & pre qualifications

Joint Ventures

Sargent & Lundy
MITSUBISHI HITACHI POWER SYSTEMS
CHIYODA
SapuraCrest Petroleum
Befula Investments
KOBE STEEL, LTD.

L&T's Business Structure

LARSEN & TOUBRO LTD.





Presentation Outline

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L&T Overview

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Business Overview

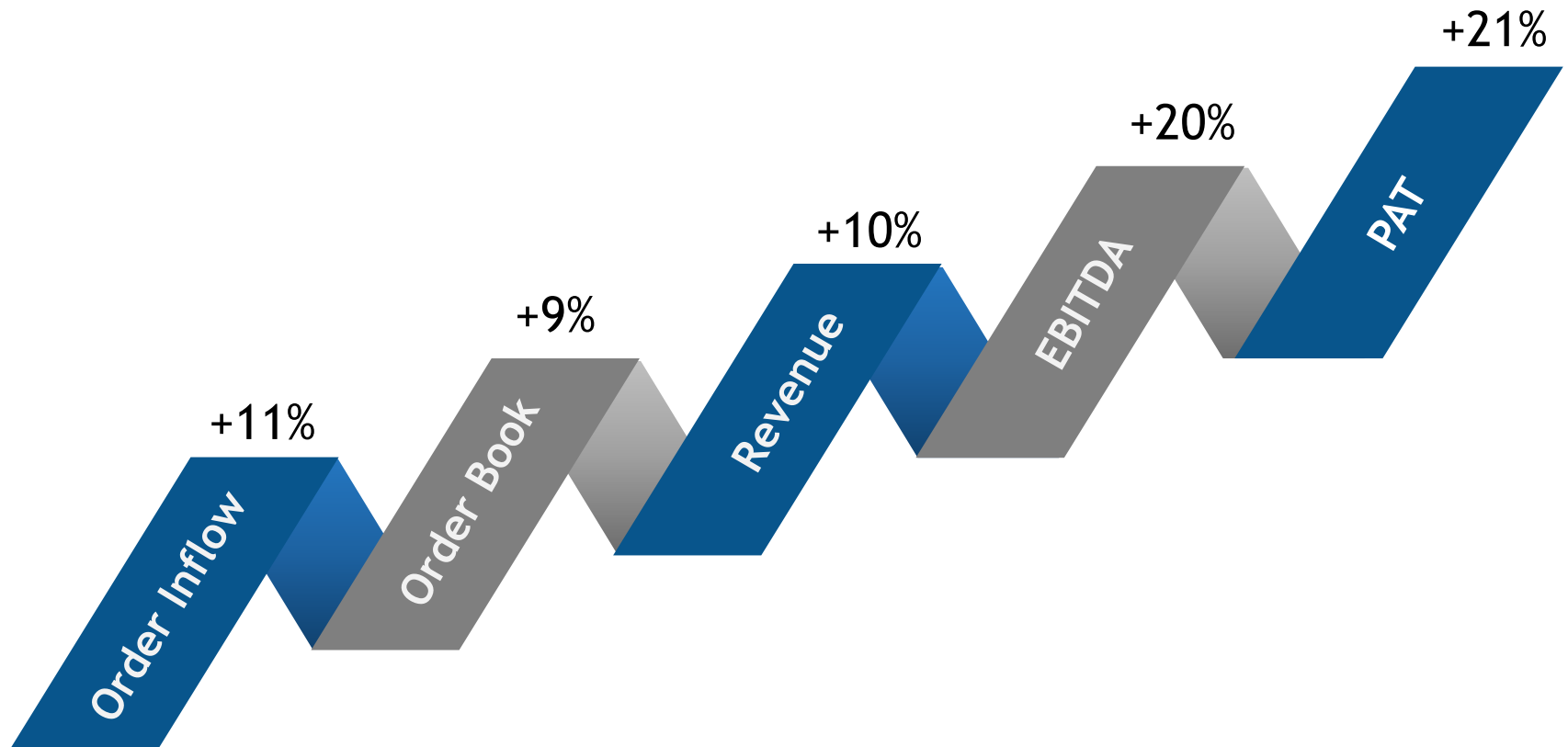
03

Group Performance

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The Environment & the Outlook

Performance Highlights - Q1 FY20






Key Financial Indicators

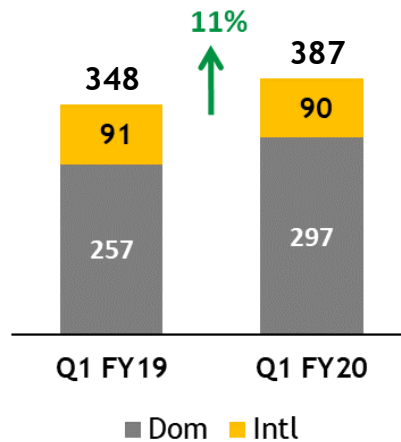
Amount in Rs bn

Q1 FY19	Particulars	Q1 FY20	% Var
348	Order Inflow	387	11%
2687	Order Book	2940	9%
270	Revenue	296	10%
28	EBITDA	33	20%
12	Reported PAT	15	21%
21%	Net Working Cap (Incl. E&A)	23%	2%
14.6%	RONW (TTM) (%)	15.4%	+80bps

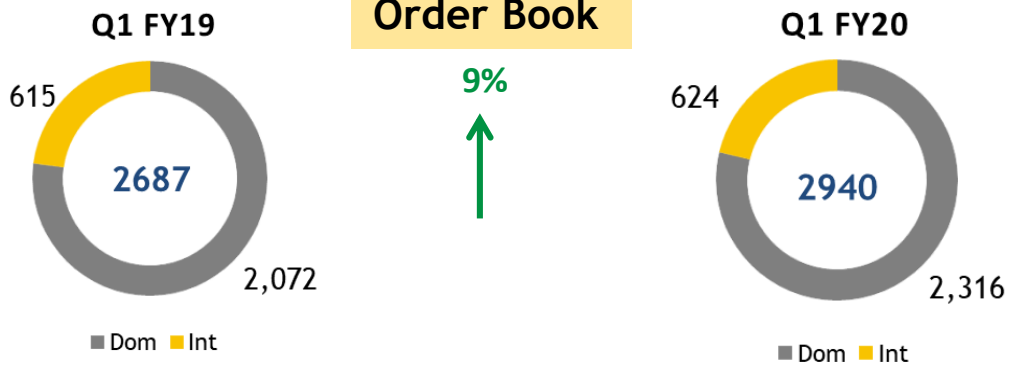
Q1 FY20 Order Inflow / Order Book

Amount in Rs bn

Order Inflow



Order Book



- Order Inflow momentum sustained through PSU & Private Sector orders
- Award delays slow down International Order Inflow
- Robust Order Book provides hedge against cyclicality

Group Performance - Sales & Costs

Rs Billion	Q1 FY19	Q1 FY20	% Var
Revenue	270.0	296.4	10%
<i>International Rev.</i>	35%	31%	-3%
MCO Exp.	164.9	179.4	9%
Fin. Charge Opex*	16.6	20.8	26%
Staff Costs	41.3	45.5	10%
Sales & Admin.	19.7	17.5	-12%
Total Opex	242.5	263.2	9%

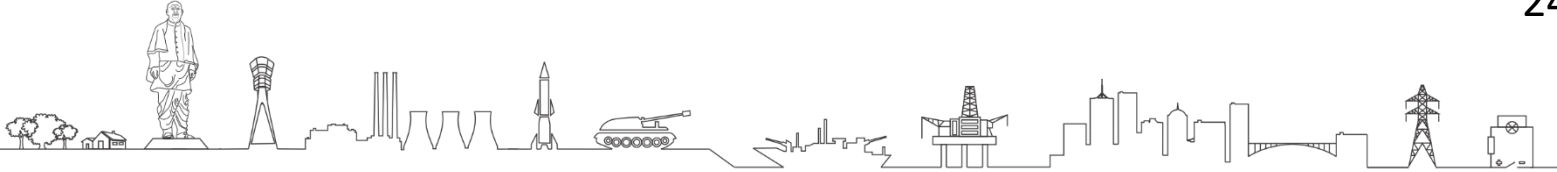
* Finance cost of financial services business and finance lease activity

- Revenue growth driven by Infra, Heavy Engineering , IT&TS and Fin Serv businesses
- Higher Fin charge opex reflects increase in borrowing costs and larger loan book
- Staff cost increase on account of resource augmentation in Services business
- Reduced SGA expenses due to lower provisions

Group Performance - EBITDA to PAT










Rs Billion	Q1 FY19	Q1 FY20	% Var
EBITDA	27.6	33.2	20%
Other Income	2.3	3.8	69%
Fin. Cost	(3.6)	(5.9)	61%
Depreciation	(6.0)	(4.6)	-24%
Tax Expense	(8.9)	(7.9)	-11%
JV/S&A PAT Share	2.6	(0.7)	
Non-controlling Int.	(2.6)	(3.4)	31%
Discontinued Operations	0.9	1.1	31%
PAT before Exceptional	12.1	15.7	29%
Exceptional item	-	(0.9)	
Reported PAT	12.1	14.7	21%

- Growth in other income on higher investment base
- Finance cost commensurate with debt levels and phased commencement of Hyd. Metro
- JV/S&A PAT reflects IDPL Roads & Forgings performance. PY includes one time INVIT gain
- E&A business classified as discontinued operations
- Exceptional item represents impairment in road SPV referred to NCLT



Segment Performance Analysis

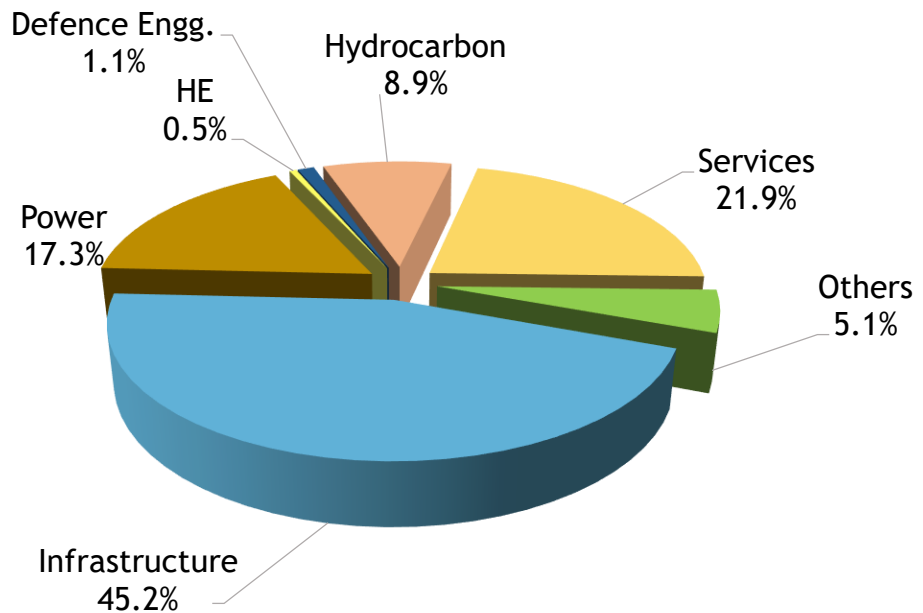
Segment Composition

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

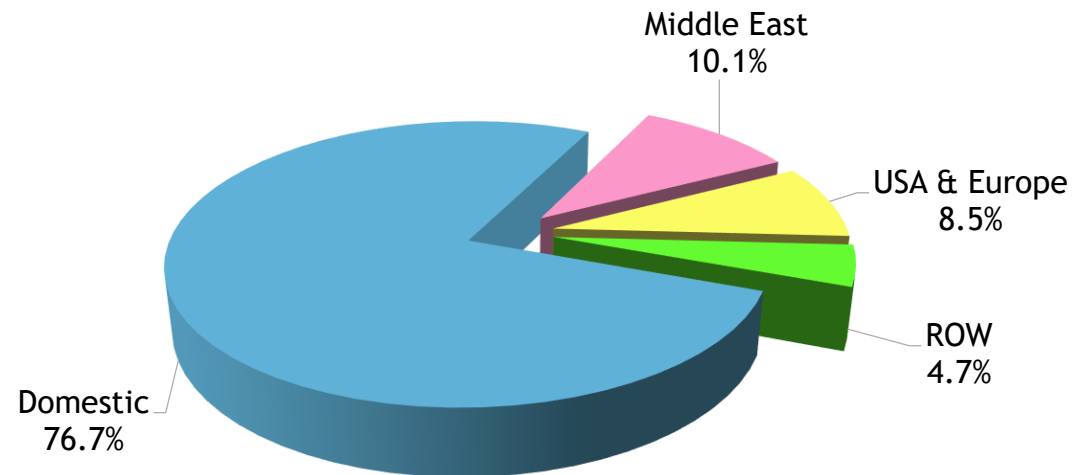
* Consolidated at PAT level

E&A is classified as discontinued operations and consolidated at PAT level

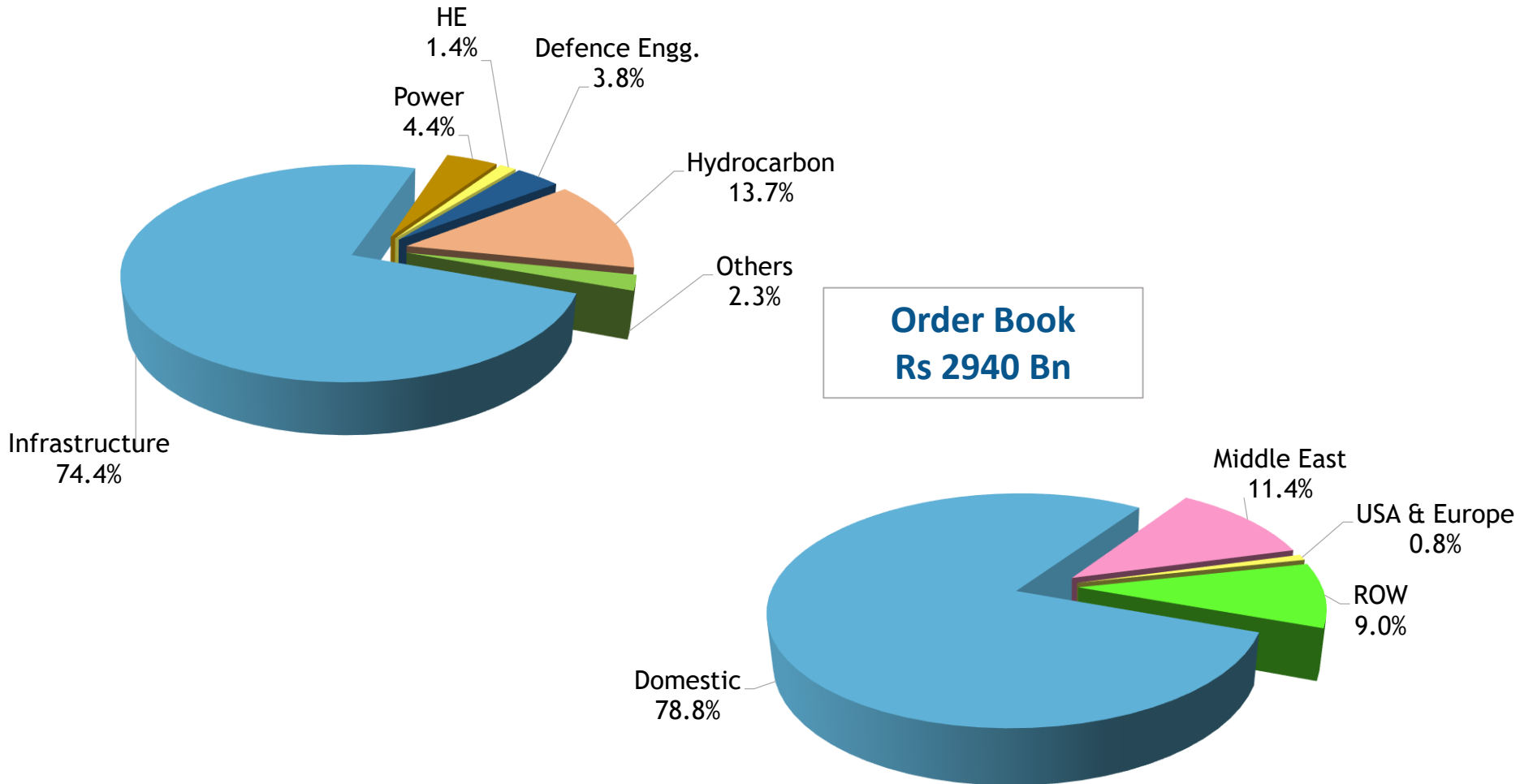
Q1 FY20 Order Inflow Composition



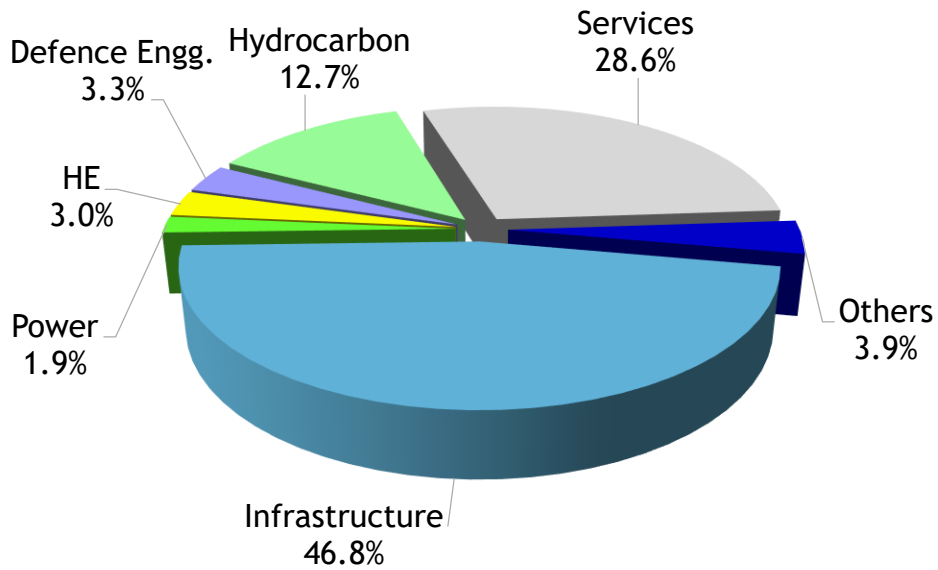
**Order Inflow
Rs 387 Bn**



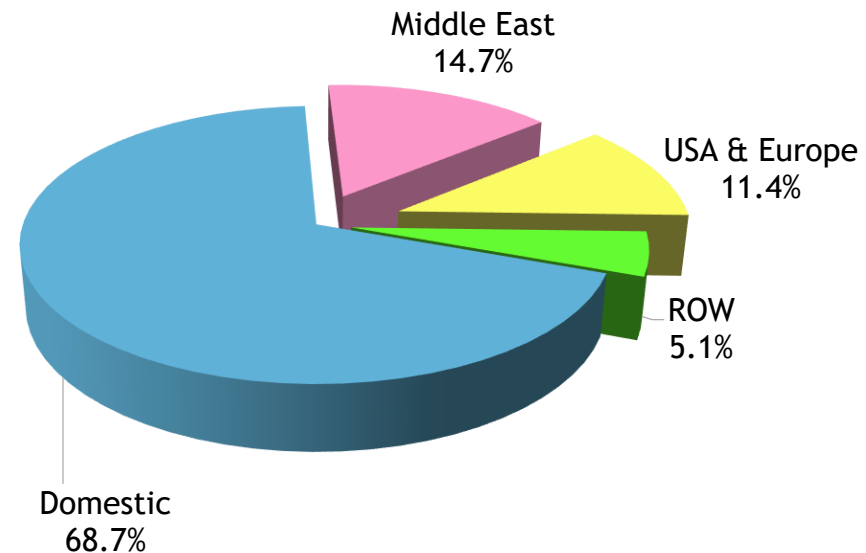
Q1 FY20 Order Book Composition



Q1 FY20 Revenue Composition



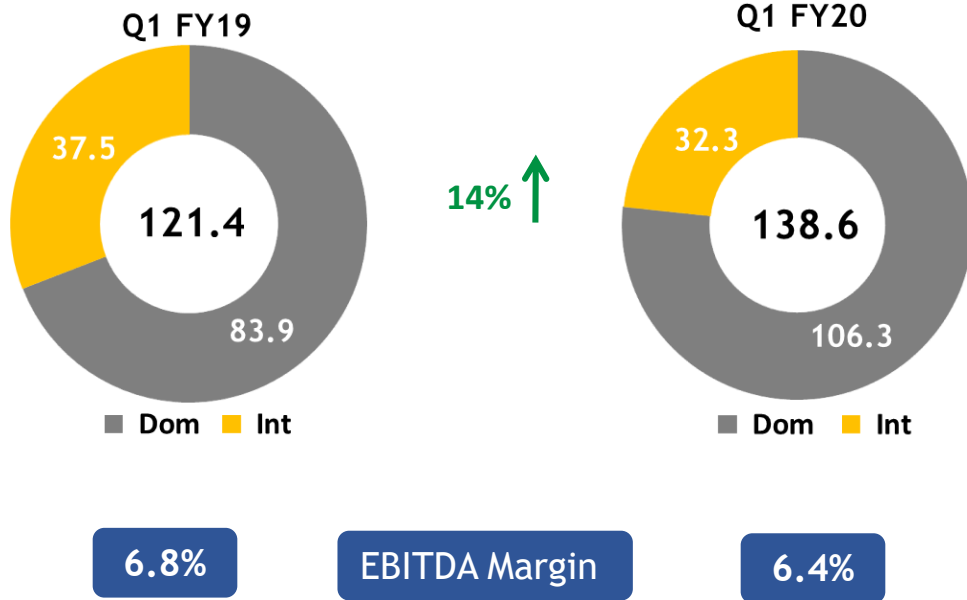
**Revenue
Rs 296 Bn**



Infrastructure Segment

Amount in Rs bn

Net Revenue

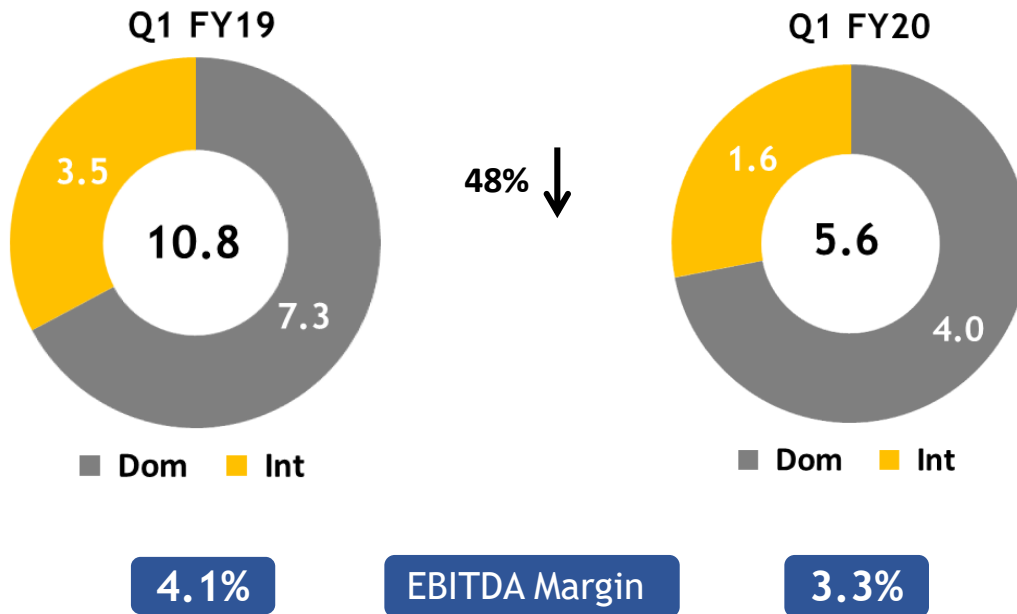


- Order Inflow contributed by Public & Private sector
- Strong revenue growth on robust order book conversion across business verticals
- Margins reflect stage of execution and job mix

Power Segment

Amount in Rs bn

Net Revenue

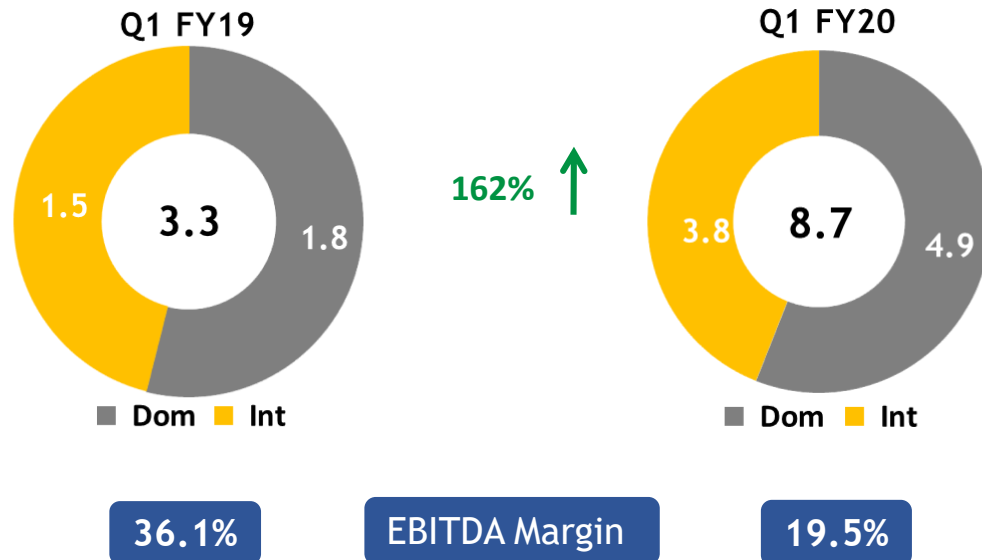


- Receipt of large EPC order replenishes Q1 Order Book
- FGD & SCR investments provide opportunity within demand supply imbalances in the sector
- Revenue decline reflects low opening order book
- Margins reflective of job mix & stage of execution
- Profits of MHPS and other JV companies are consolidated at PAT level under equity method

Heavy Engineering Segment

Amount in Rs bn

Net Revenue

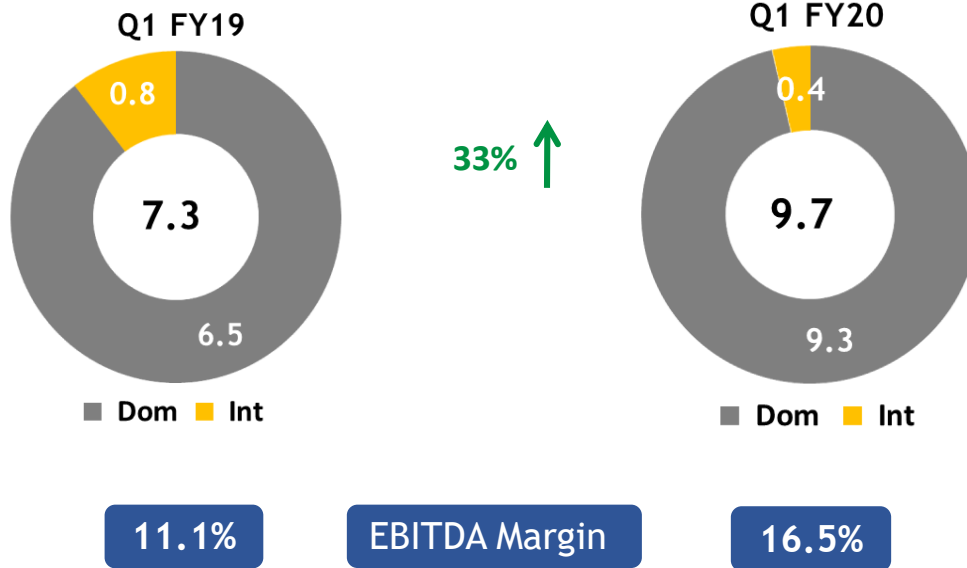


- Q1 Inflows impacted by deferments
- Stellar revenue growth driven by healthy opening Order Book
- Global competence, technology differentiation, proven track record and cost efficiencies yield strong margins. PY included gains from provision reversals

Defence Engineering Segment

Amount in Rs bn

Net Revenue

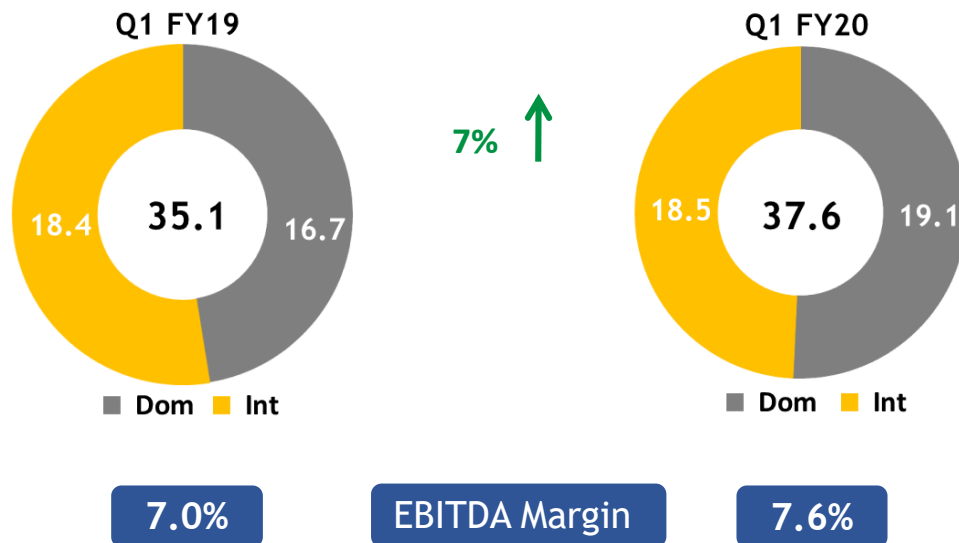


- Slow pace of policy change continues to inhibit private sector participation
- Execution of tracked artillery gun order continues to drive revenue growth & margins
- Margins reflect stage of execution, job mix and operational efficiency.

Hydrocarbon Segment

Amount in Rs bn

Net Revenue

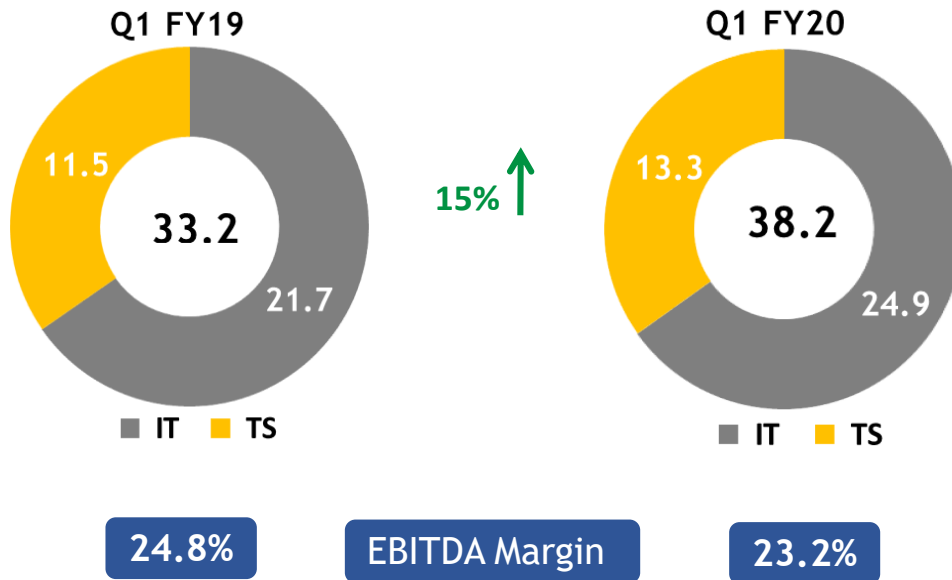


- Q1 Order Inflows from domestic awards
- Revenue growth on the back of higher Order Book
- Firm oil prices leading to healthy prospect pipeline
- Stable margins maintained through efficient execution

IT & Technology Services Segment

Amount in Rs bn

Net Revenue

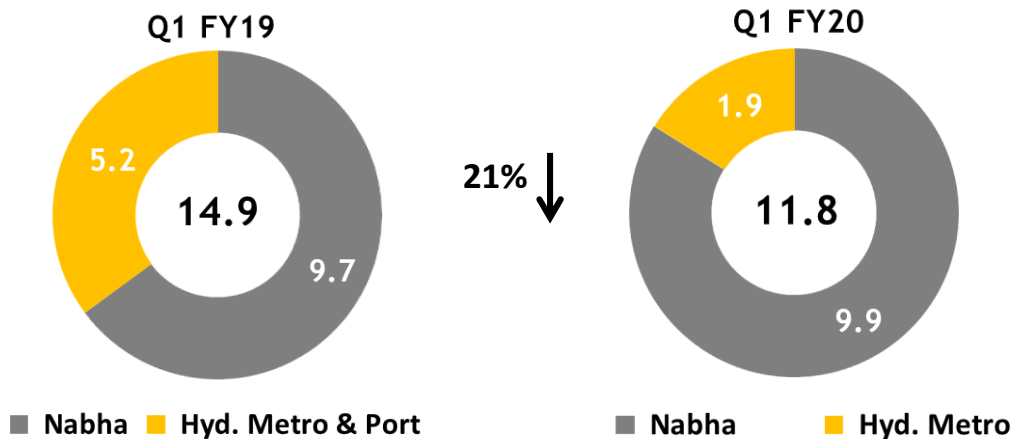


- LTI revenue growth led by CPG, Retail & Pharma, High-Tech, Media & Entertainment, and Energy & Utilities
- LTTS revenue growth led by Transportation, Plant Engineering and Medical Devices verticals
- Margin reduction on increased staff costs and higher visa fees

Developmental Projects Segment

Amount in Rs bn

Net Revenue



30.4%

EBITDA Margin

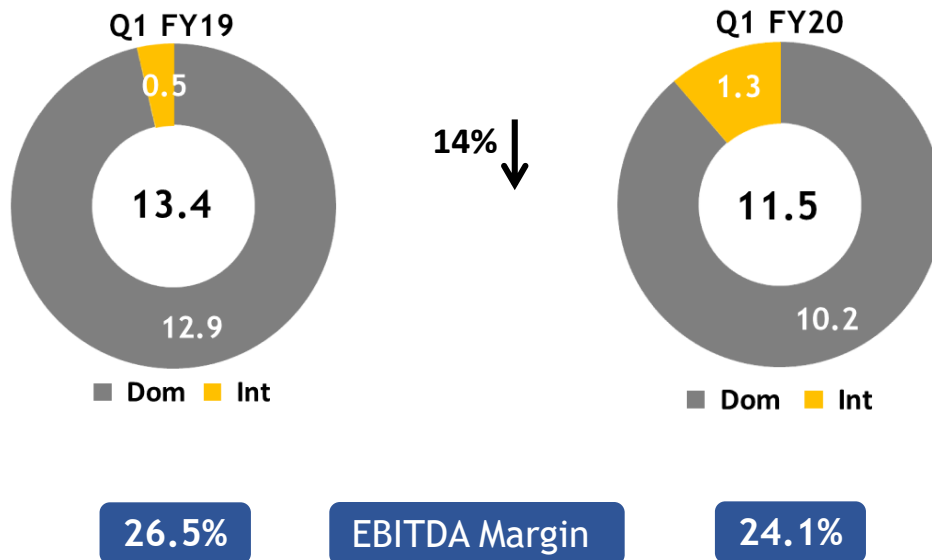
10.0%

- Segment includes Power Development business, Hyderabad Metro
- Kattupalli Port divestment drove revenues & margins for PY
- Revenue largely contributed by Power Development Business
- Hyderabad Metro: Partial CoD of 30 Km in Nov'17, 16 km in Sept'18 and 9 km in Mar'19. Total of 55 km
- Margin profile still emerging
- IDPL (Roads & TL) consolidated at PAT level under Equity method

Others Segment

Amount in Rs bn

Net Revenue



- Segment comprises Construction & Mining Equipment, Rubber processing Machinery, Industrial Valves and Realty businesses
- PY revenues included bulk handover of apartments in Parel project
- Margin fluctuation due to business mix variation

L&T Finance Holdings Group

Rs Bn	Q1 FY19	Q1 FY20	% Var
Income from Operations	30.6	34.6	13%
PAT (Net of NCI)	3.6	3.5	-2%
Mutual Fund Average AUM	711.2	735.0	3%
Net Loan Book	863.2	999.0	16%
Gross Stage 3 Assets	7.9%	5.7%	-220bps
Net Stage 3 Assets	3.2%	2.5%	-70 bps
Networth	119.5	139.9	17%

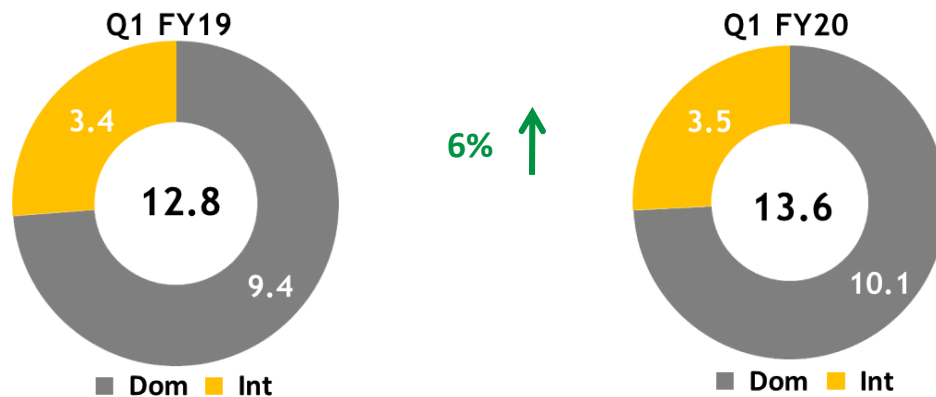
- Strong growth in a challenging environment
- Focus continues on retailisation of loan book, robust NIMs & Fee Income, prudent ALM, quality of assets and increasing the diversity of funding sources
- PAT impacted by credit provision on exposure to an HFC

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 Rs bn

Net Revenue



13.3%

EBITDA Margin

16.9%

- Revenue growth aided by Standard Products and Meters business
- Margin increase reflects operational efficiencies and better realisation

E&A is classified as discontinued operations in Financial Statements



Presentation Outline

01

L&T Overview

02

Business Overview

03

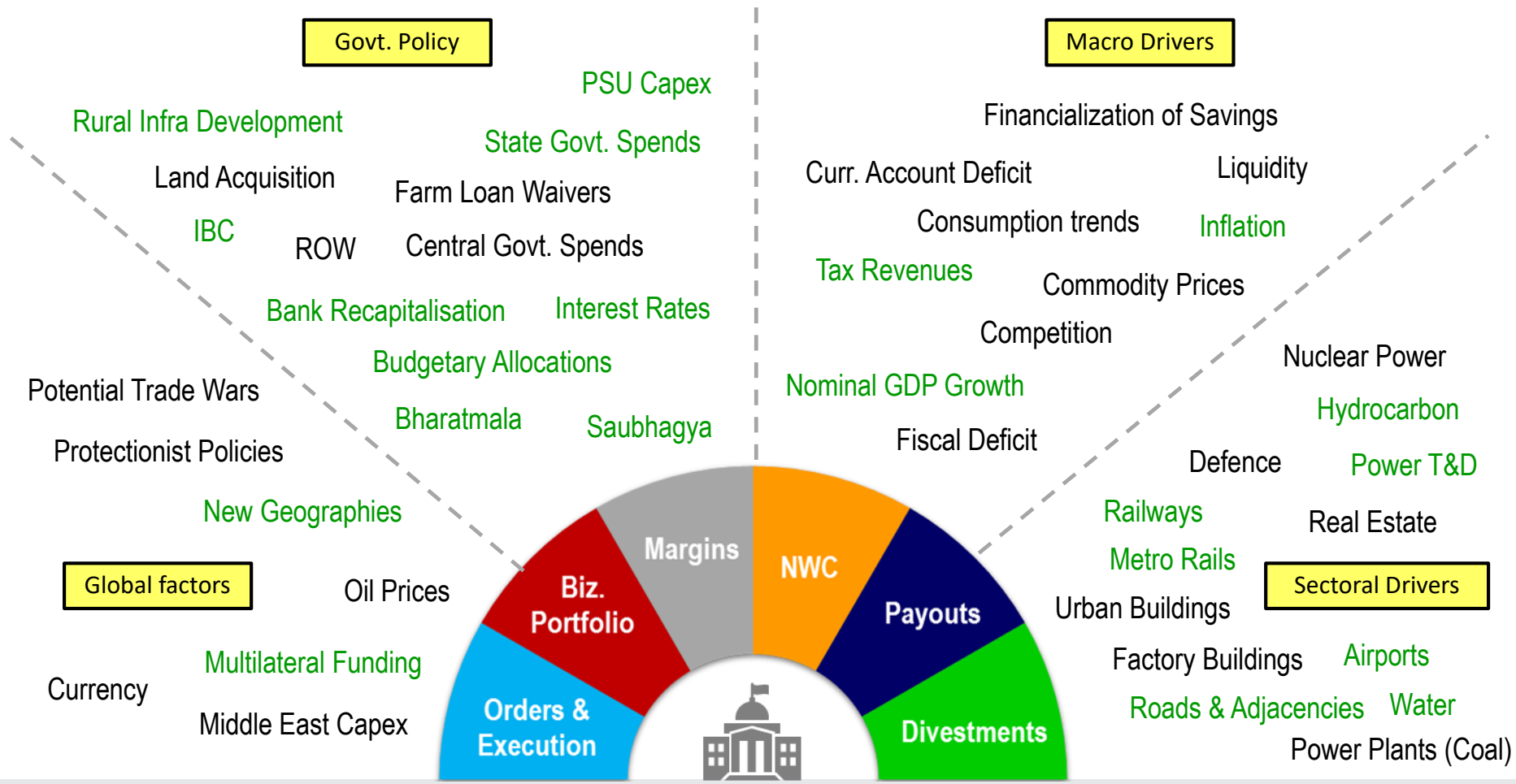
Group Performance

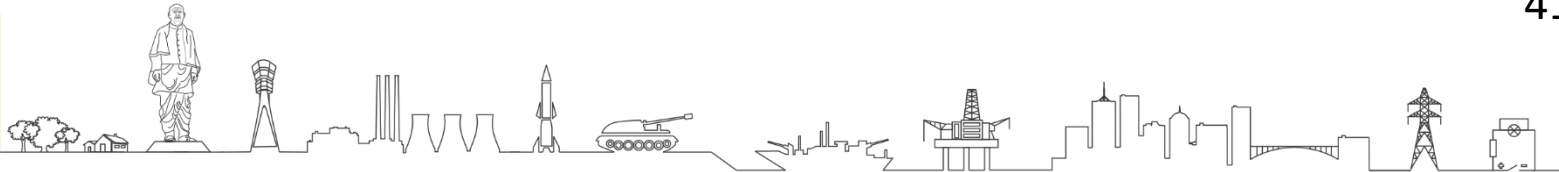
04

The Environment & the Outlook



The Environment & the Outlook





Thank You

Turn overleaf for Annexures

Segment Margins

Amount in Rs Cr

Segment	Q1 FY20			Q1 FY19			Remarks
	Net Revenue	EBITDA	EBITDA %	Net Revenue	EBITDA	EBITDA %	
Ex-Services business:							
Infrastructure Segment	13,865	881	6.4%	12,135	830	6.8%	
Power Segment	561	18	3.3%	1,080	44	4.1%	
Hydrocarbon Segment	3,763	285	7.6%	3,511	247	7.0%	
Heavy Engineering Segment	874	171	19.5%	333	120	36.1%	
Defence & Aerospace	965	160	16.5%	727	81	11.1%	
E&A Segment	1,359	230	16.9%	1,279	169	13.3%	
Other Segment	1,148	277	24.1%	1,342	356	26.5%	
Total (ex-services)	22,535	2,021	9.0%	20,407	1,848	9.1%	
Services Business:							
IT & TS Segment	3,819	888	23.2%	3,324	824	24.8%	
Financial Services Segment	3,462	762	22.0%	3,058	740	24.2%	
Developmental Projects Segment	1,178	118	10.0%	1,494	454	30.4%	
Total (Services)	8,460	1,768	20.9%	7,876	2,019	25.6%	
Total	30,994	3,788	12.2%	28,283	3,867	13.7%	
Less: Segment Depreciation		492			456		Includes Depreciation for E&A (considered under PAT for Discontinued Operations in Financial Statements)
Less: One-time Realty Provisions		-			-754		One-off item not considering in computing normalised margins at Business Vertical level
Segment PBIT		3,296			2,657		

E&A included for comparison purpose

Balance Sheet

Rs Billion	June-19	Mar-19	Incr / (Decr)
Equity & Reserves	640	624	16
Non Controlling Interest	73	68	5
Borrowings - Financial Services	929	915	14
Development Projects	201	191	10
Others	213	149	63
Sources of Funds	2,056	1,948	108
Fixed Assets	127	134	(7)
Intangible Assets & Investment Property	208	217	(9)
Loans towards Financing Activities	941	909	32
Finance lease receivable	89	90	(1)
Net Non-Current Assets	224	180	44
Current Investments, Cash & Cash Equivalents	220	257	(36)
Net Current Assets	223	160	63
Assets held for Sale (net)	23	0	23
Application of Funds	2,056	1,948	108
Gross Debt/Equity Ratio	1.9	1.8	

Cash Flow

Rs Billion	Q1 FY20	Q1 FY19
Operating Profit	37.4	27.9
Changes in Working Capital	(66.9)	(31.9)
Direct Taxes paid	(8.7)	(9.4)
Net Cash from Operations (A)	(38.2)	(13.4)
Net Investment in Fixed Assets (incl. Intangible)	(4.5)	(6.5)
Net (Purchase)/ Sale of Long Term investments	(61.4)	3.4
Net (Purchase)/ Sale of Current investments	39.8	(15.7)
Loans/Deposits made with JV/Associate Cos.	(0.7)	(0.2)
Interest & Dividend Received	3.8	2.4
Net Cash from/(used in) Invest. Act. (B)	(23.0)	(16.7)
Issue of Share Capital / Minority	6.4	5.9
Net Borrowings	88.1	28.8
Disbursements towards financing activities*	(12.5)	(17.0)
Interest & Dividend paid	(8.5)	(9.3)
Net Cash from Financing Activities (C)	73.5	8.4
Net (Dec) / Inc in Cash & Bank (A+B+C)	12.3	(21.8)

* included under Net Cash from operations under statutory financial statements



Share in Profit/(Loss) of JVs/Associates

Rs Bn	Q1 FY19	Q1 FY20
MHPS JVs	0.42	0.31
IDPL & Subs.	2.55	(0.72)
Special Steels and Heavy Forgings	(0.36)	(0.37)
Others	(0.02)	0.08
Total	2.59	(0.69)

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
(June 2019): Rs 8Bn**

**Equity Invested at SPV level
(June 2019): Rs 85Bn**

**Total Project Cost
(June 2019): Rs 428Bn**



Power (Excl. Projects under DPR):
Portfolio: 2 projects (1499 MW)
1 Operational
Project Cost: Rs 115 bn



Metros:
Portfolio: 1 project (71.16 Km)
- Under-implementation
Project Cost: Rs 190 bn



Major Opportunities

<p>Roads & Highways</p> <ul style="list-style-type: none"> - National & State Highways - Expressways - Special Bridges - Tunnels - Elevated Corridors 	<p>Railways</p> <ul style="list-style-type: none"> - Metro Railways - High speed Rail - Track laying / track modernization for conventional railways - Railway Electrification 	<p>Water</p> <ul style="list-style-type: none"> - Water transmission & distribution - Lift Irrigation schemes - Water Treatment (Incl. Desal) - Effluent & Waste water Treatment (Incl. Namami Gange)
<p>Smart Cities</p> <ul style="list-style-type: none"> - Surveillance systems - Optical fiber layout - Traffic mgmt system - Smart Grid - Wifi enabled 	<p>Power T&D</p> <ul style="list-style-type: none"> - Opportunities in overseas markets - Transmission Lines - Substations - Green Energy corridors - Solar EPC 	<p>Building & Factories</p> <ul style="list-style-type: none"> - Airports - Affordable & Mass Housing - Commercial Buildings - Hospitals & Medical Colleges - Hospitality - Factory Buildings
<p>Defence & Aerospace</p> <ul style="list-style-type: none"> - Landing Platform Docks - Artillery Gun programs - Submarines - Make Programs (TCS, BMS, FICV) - Other Naval Vessels 	<p>Hydrocarbon</p> <ul style="list-style-type: none"> - Onshore projects in refineries and petrochemicals - Offshore projects - Fertilizer plants - Oil & Gas Pipelines 	<p>Nuclear Power</p> <ul style="list-style-type: none"> - Indigenous plants - Nuclear Reactors - Steam generators