

SEC/PAM/2017

July 28, 2017

The Secretary BSE Limited Phiroze Jeejeebhoy 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,

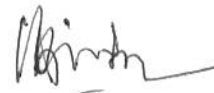
Sub.: Q1FY18 Analyst Presentation.

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 Q1FY18 which will be uploaded to 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

Analyst Presentation

- Q1 FY18

July 28, 2017



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.

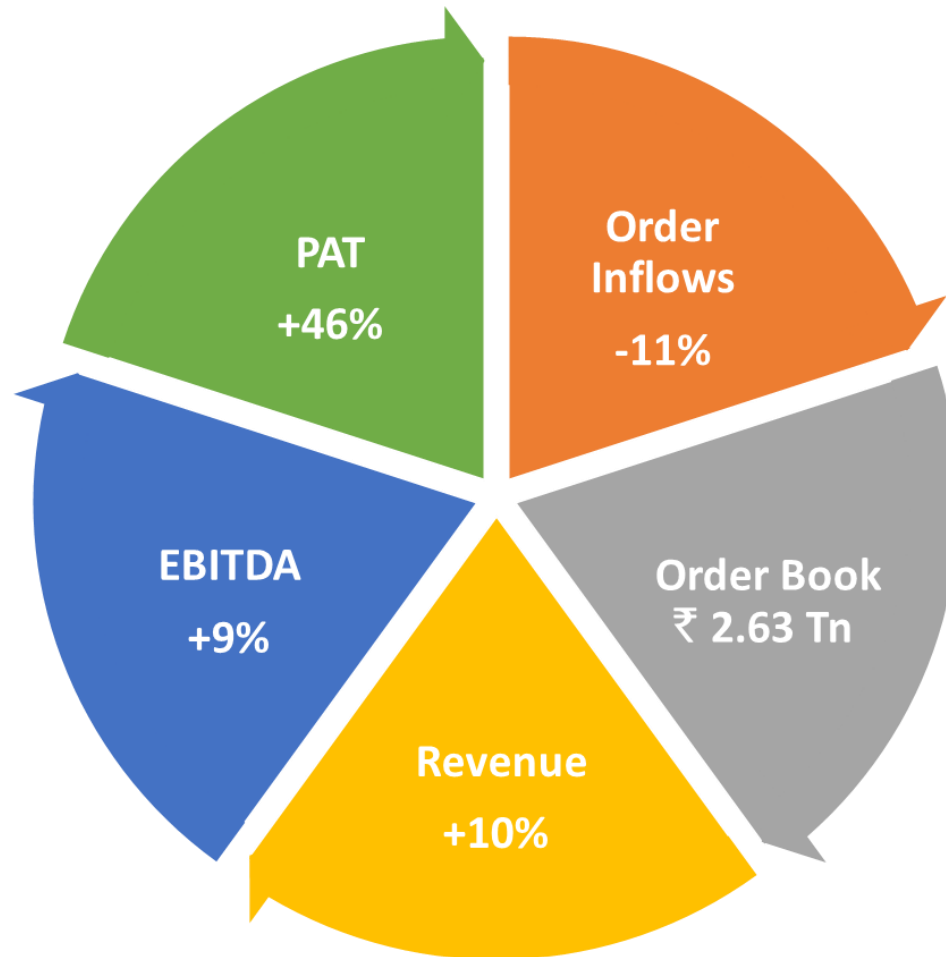


Group Performance Highlights

Group Performance Summary

Segment / Key Subsidiaries

The Environment & the Outlook



Strong Operational Parameters in challenging times

Amount in ₹ bn

Particulars	Q1 FY17	Q1 FY18	Var
Order Inflow	297	264	-11%
Order-Book	2574	2629	2%
Revenue from Operations	219	240	10%
EBITDA	19	21	9%
Profit After Tax	6.1	8.9	46%
Cash flow from operations	-9.2	3.9	+13 bn
Net Worth	447	514	+67 bn
Borrowings	915	979	+64 bn
Gross Debt / Equity	1.92	1.77	0.15x
Net Working Capital	23%	20%	-321 bps



Group Performance Highlights

Group Performance Summary

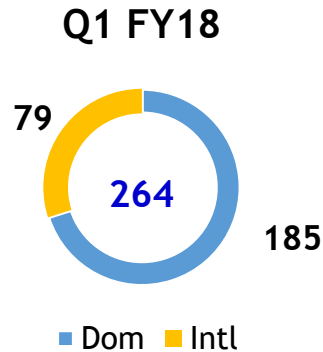
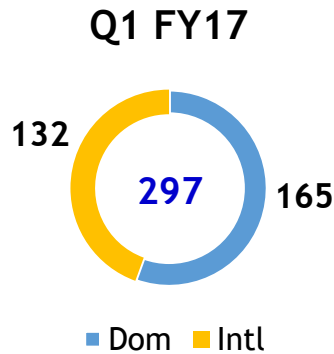
Segment / Key Subsidiaries

The Environment & the Outlook

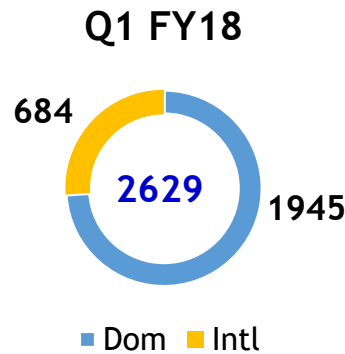
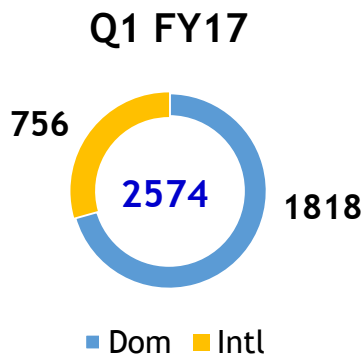
Q1 FY18 Order Inflow/Order Book

Amount in ₹ bn

Order Inflow



Order Book



- Order inflow reflects muted capex environment
- Trend of higher public sector outlay vis-a-vis reduced private sector capex continues
- 12% Yoy growth in domestic order inflow led by PT&D, Water, and MMH businesses
- Q1 FY17 International Order inflow included a large Hydrocarbon Order
- Large & diversified order-book offers hedge against cyclical volatility

₹ Billion	Q1 FY17	Q1 FY18	% Var	FY17
Revenues	219	240	10%	1,100
MCO Exp.	137	153	12%	727
Fin. Charge Opex*	13	14	5%	54
Staff Costs	34	35	3%	139
Sales & Admin.	16	17	7%	70
Total Opex	200	219	10%	989

- Domestic execution picks up
- Revenue growth led by Infra, Hydrocarbon and E&A businesses
- Variation in MCO charge mainly due to higher material and sub-contracting costs
- Staff cost optimised through automation and productivity improvements
- SGA increase mainly on higher credit costs in Fin. Serv. business

* Finance cost of financial services business and finance lease activity

Group Performance - EBITDA to PAT

₹ Billion	Q1 FY17	Q1 FY18	% Var	FY17
EBITDA	18.9	20.6	9%	111
Fin. Cost	(3.2)	(3.7)	12%	(13)
Depreciation	(4.6)	(5.5)	19%	(24)
Other Income	3.1	3.8	26%	14
Tax Expense	(5.5)	(4.6)	-16%	(20)
JV/S&A PAT Share	(1.7)	(0.4)		(4)
Non-controlling Interest	(0.7)	(1.4)		(4)
Exceptional	-	-		1
Reported PAT	6.1	8.9	46%	60

- Increase in interest cost primarily due to higher proportion of interest bearing customer advances
- Depreciation increase due to asset impairment upon capacity rebalancing in Middle East
- Other Income mainly comprises treasury earnings
- Improved performance in entities consolidated under equity method







Group Performance Highlights





Group Performance Summary

Segment / Key Subsidiaries

The Environment & the Outlook

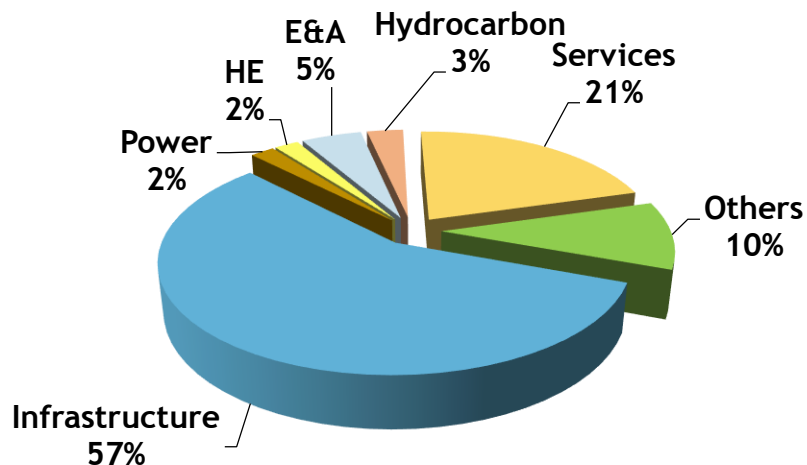
Segment Composition

 Infrastructure	 Power	 Heavy Engineering	 Electrical & Automation
Buildings & Factories	EPC - Coal & Gas	Process Plant Equipment	Electrical Standard Products
Transportation Infra		Nuclear Power Plant Equipment	Electrical Systems & Equipment
Heavy Civil infra		Defence & Aerospace	Metering & Protection
Water & Effluent Treatment (WET)	Thermal Power Plant Construction	Piping Centre	Control & Automation
Power T&D	Electrostatic Precipitators		
Smart World & Communication			

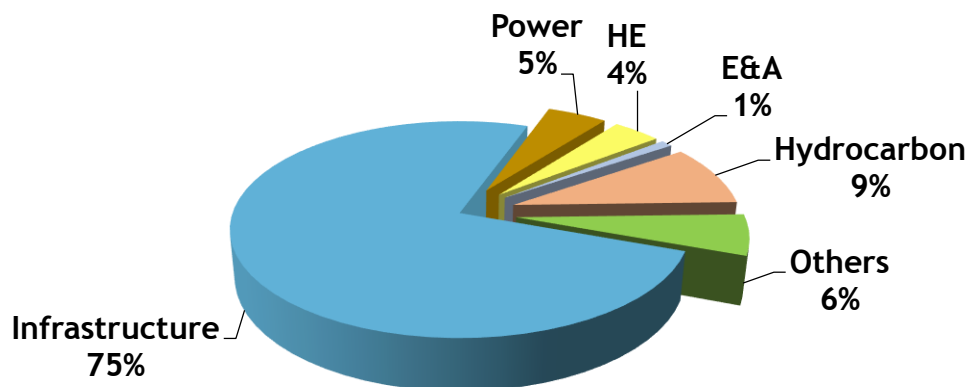
 Hydrocarbon	 Developmental Projects	 IT & TS	 Financial Services	Others
Onshore	Roads*	Information Technology	Rural Lending	Shipbuilding
Offshore	Metros		Technology Services	Housing Finance
		Ports	Wholesale Finance	Metallurgical & Material Handling
	Power		Asset Management	Industrial Products & Machinery

* Consolidated at PAT level

Q1 FY18 Order Inflow/Order Book Break-up

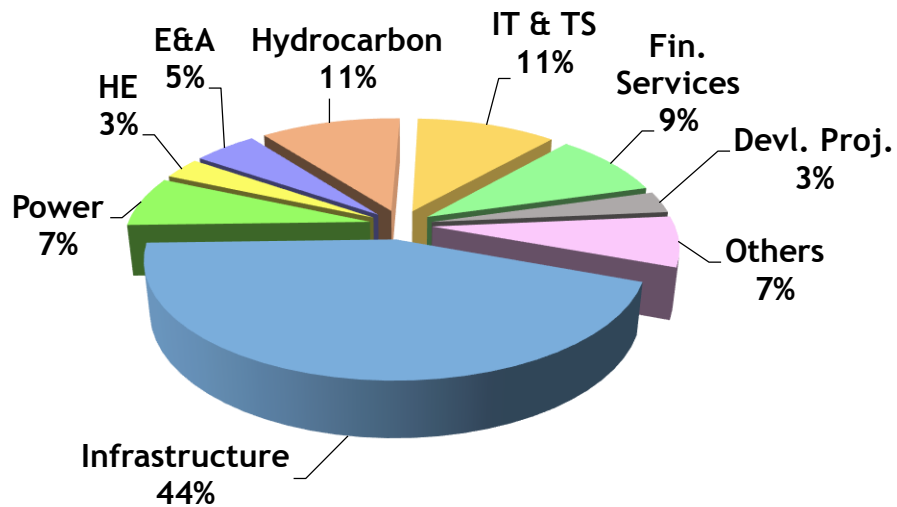


Order Inflow
₹ 264 Bn

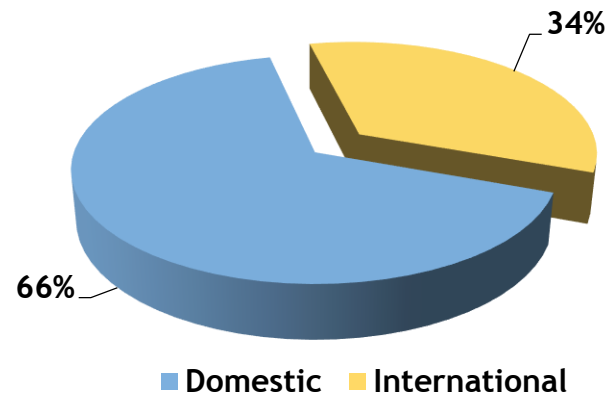


Order Book
₹ 2629 Bn

Q1 FY18 Revenue Break-up

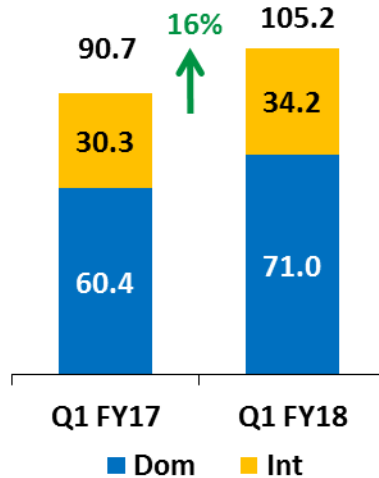


**Revenue
₹ 240 Bn**

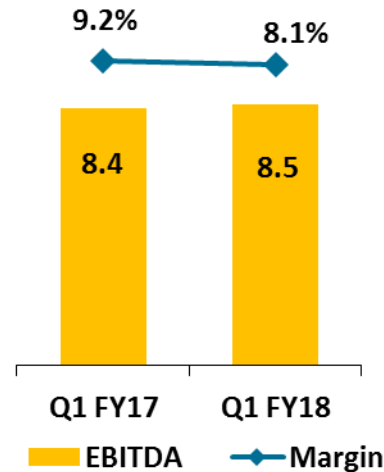


Amount in ₹bn

Net Revenues

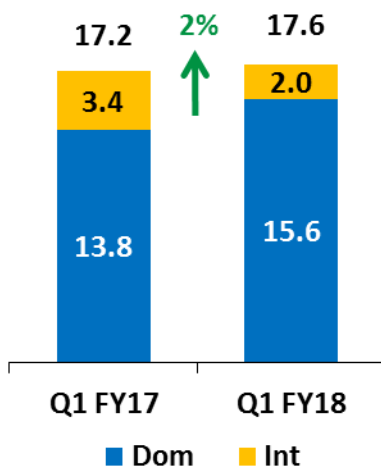


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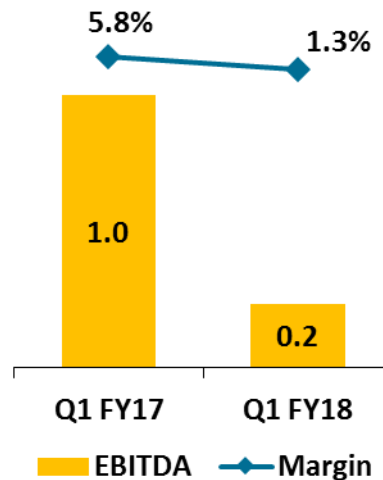


- Transportation Infra and other Businesses deliver revenue growth
- Higher growth witnessed in domestic market
- Quarterly variation in margins primarily due to job mix and cost overruns on extended stay in a few projects

Net Revenues

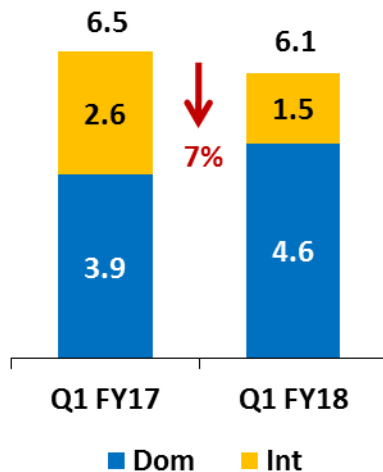


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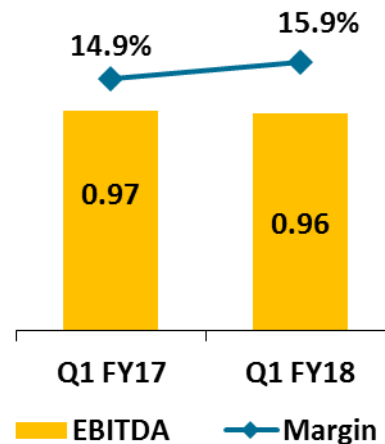


- Sector challenges hindering business growth
- Subdued revenues arising out of low order book
- Margins reflective of competitive environment
- JV companies' profits consolidated at PAT under equity method

Net Revenues

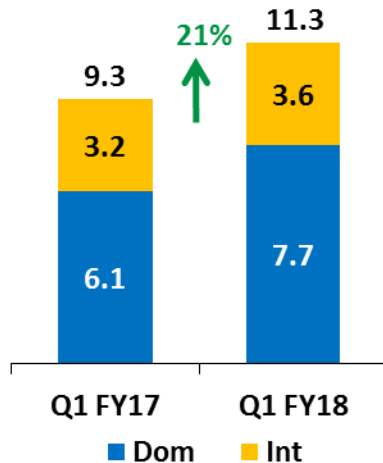


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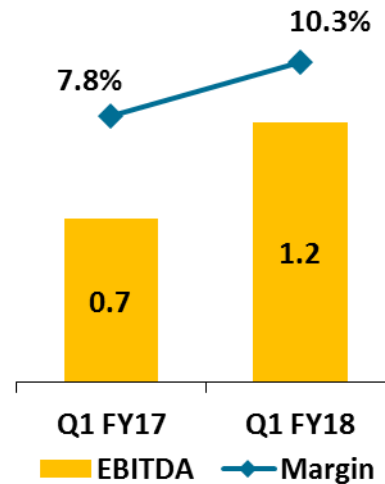


- Revenues affected by lower order book
- Quarterly margin variation is subject to job progress
- Low capacity utilisation in Forgings business (consolidated at PAT level under equity method)

Net Revenues

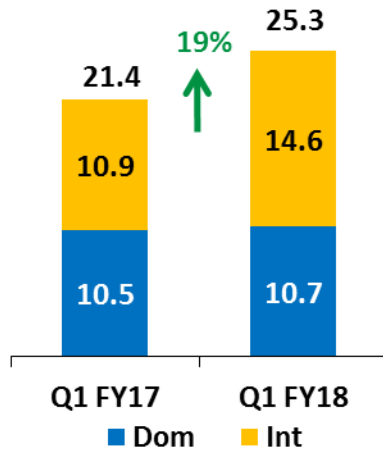


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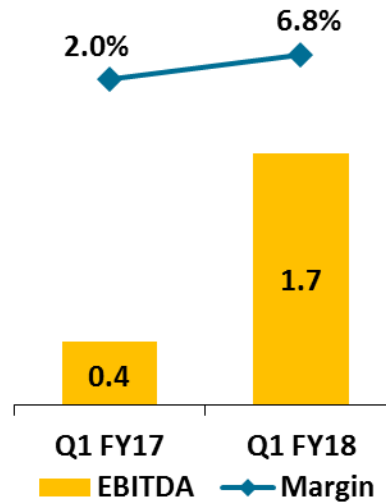


- Growth in Standard Products business obtained from Agri. and Retail sectors
- Inline execution drives growth in project business
- Margin step-up due to improvement in operational efficiencies

Net Revenues

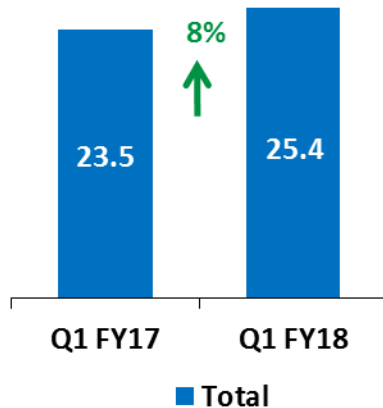


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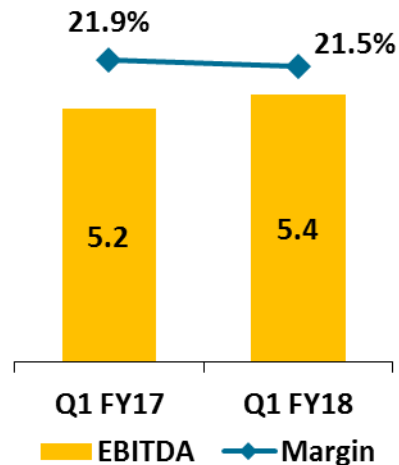


- All challenged legacy jobs closed out
- Better execution progress on current order book leads to revenue growth
- Improved margins obtained on efficient execution. PY included some closure costs of legacy jobs

Net Revenues

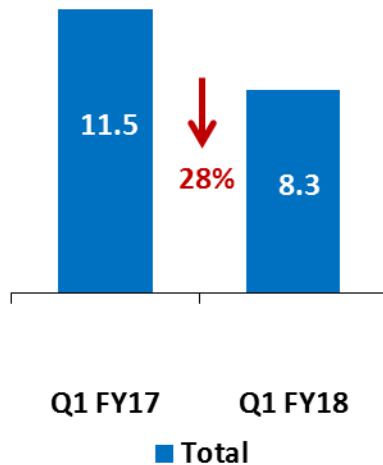


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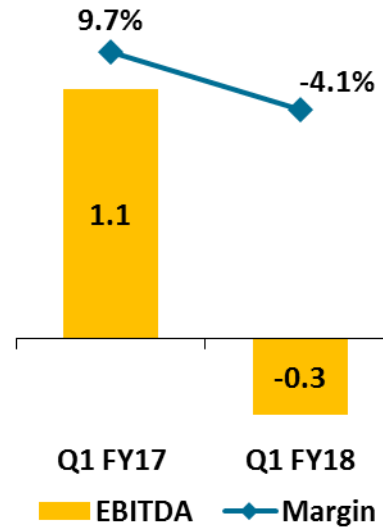


- IT Revenue growth mainly driven by BFS, Energy & Utilities and CPG, Retail & Pharma verticals
- Transportation and Telecom & Hi-Tech verticals grow within Tech. Services business

Net Revenues

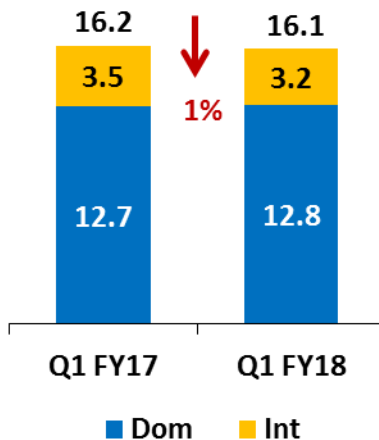


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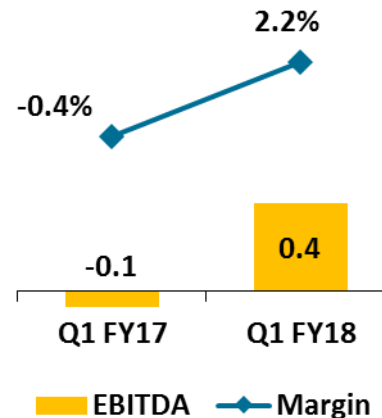


- Segment includes Power Development, Hyderabad Metro and Kattupalli Port (currently under divestment process)
- IDPL (Roads & TL) consolidated at PAT level under Equity method
- Revenue impacted by slower construction progress in Hyd. Metro and lower PLF in Nabha Power
- Non recognition of disputed revenues in Nabha Power contributes to margin decline

Net Revenues



EBIDTA



- Segment constitutes Metallurgical and Material Handling (MMH), Industrial Products & Machinery (IPM), Realty and Shipbuilding (SHBD) businesses
- Revenue Growth in SHBD and MMH offset by lower demand in IPM and Realty
- Realty business adversely affected by pending approvals for launch of fresh projects
- Improved performance of SHBD and MMH contributes to margin recovery

₹ Billion	Q1 FY17	Q1 FY18	% Var
Networth	72.54	85.83	18%
Consolidated Debt (incl. Pref Cap)	544.13	619.74	14%
Loans and Advances	581.61	681.80	17%
Mutual Fund Average AUM	284.04	444.84	57%
Income from Operations	19.96	22.59	13%
Net NPA (%)	8.85%	3.31%	-554 bps
PAT attributable to Equity Shareholders	1.75	2.79	59%

- Healthy growth in disbursements across lending businesses
- Strong inflows witnessed in Mutual Fund business
- ROE and Asset quality continues to remain core focus



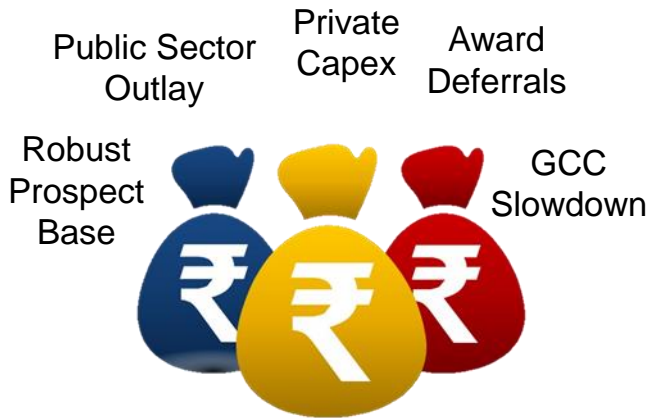
Group Performance Highlights

Group Performance Summary

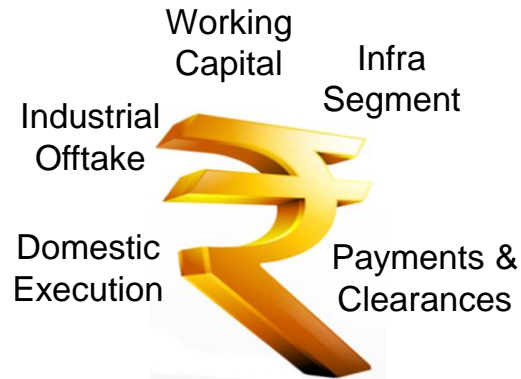
Segment / Key Subsidiaries

The Environment & the Outlook

The Environment & the Outlook



Order Inflows



Revenues



Margins

Thank You

Annexures

Group Profit & Loss Extracts

₹ Billion	IT & TS	Fin. Services	Devl. Projects	L&T & Others (Incl. Eliminations)	L&T Group		
					Q1 FY18	Q1 FY17	% Var
Income from Operations	25.4	22.9	8.3	183.3	239.9	218.7	10%
EBITDA	5.2	2.8	(0.4)	12.9	20.6	18.9	9%
Other Income	0.2	0.9	0.1	2.6	3.8	3.1	25%
Interest Expenses	(0.04)	(0.0)	(0.02)	(3.6)	(3.7)	(3.2)	12%
Depreciation	(0.5)	(0.1)	(0.1)	(4.7)	(5.5)	(4.6)	19%
Provision for Taxes	(1.2)	(0.3)	(0.1)	(2.9)	(4.6)	(5.5)	-16%
Share in profit/(loss) of JVs / Associates	-	0.0	(0.4)	0.0	(0.4)	(1.7)	
Adjustments for non -controlling interest in Subs., etc.	(0.5)	(1.3)	0.2	0.2	(1.4)	(0.7)	
Net PAT	3.1	2.0	(0.9)	4.6	8.9	6.1	46%

₹ Billion	Jun-17	Mar-17	Incr / (Decr)
Equity & Reserves	514	502	12
Non Controlling Interest	40	36	4
Borrowings - Financial Services	640	631	9
Development Projects	160	150	10
Others	179	159	20
Sources of Funds	1,534	1,478	56
Fixed Assets (Tangible / Intangible / Goodwill)	166	169	(3)
Loans towards Financing Activities	636	625	11
Development Projects	165	160	5
Finance lease receivable	95	95	(0)
Other Non-Current Assets (Incl. S&A / JV Investment)	102	102	0
Current Investments	160	136	24
Net Current Assets	210	191	19
Application of Funds	1,534	1,478	56

₹ Billion	Q1 FY18	Q1 FY17
Operating Profit	21.3	20.1
Changes in Working Capital	(9.5)	(23.3)
Direct Taxes paid	(7.8)	(6.0)
Net Cash from Operations (A)	3.9	(9.2)
Investments in Fixed Assets (Net)	(9.4)	(12.0)
Net Purchase of Long Term & Curr. Inv.	(18.3)	(15.7)
Loans/Deposits made with JV/Associate Cos.	(2.6)	(1.6)
Interest & Dividend Received & Others	0.1	0.8
Net Cash from/(used in) Invest. Act. (B)	(30.2)	(28.5)
Issue of Share Capital / Minority	4.1	0.2
Net Borrowings	31.2	31.9
Disbursements towards financing activities*	(10.9)	2.4
Interest & Dividend paid	(4.2)	(4.8)
Net Cash from Financing Activities (C)	20.2	29.7
Net (Dec) / Inc in Cash & Bank (A+B+C)	(6.1)	(7.9)

* included under Net Cash from operations under statutory financial statements

₹ Billion	Q1 FY18	Q1 FY17
MHPS JVs	0.44	0.26
IDPL & Subs.	(0.41)	(1.60)
Others	(0.40)	(0.40)
Total	(0.37)	(1.74)

- MHPS JVs: PAT improvement consequent on better utilisation of manufacturing facilities
- IDPL Group: Improved IDPL group operations due to revenue growth. PY included impairment on surrendered projects

Other Comprehensive Income (OCI)

Amount in ₹bn

Changes arising out of	Q1 FY18	Q1 FY17
Re-measurement of defined benefit plans for employees	(0.13)	(0.03)
MTM of investment in Debt instruments	0.05	(0.19)
Foreign Currency Translation Reserve	0.23	0.04
Hedging Reserve	1.42	(1.02)
Total	1.56	(1.20)

Concessions Business Portfolio - 21 SPVs



Roads and Bridges:
Portfolio: 15 projects (1661 Km);
13 Operational
Project Cost: ₹ 161 bn



Transmission Lines:
Portfolio: 1 project (482 Km)
- Operational
Project Cost: ₹13.5 bn

Balance Equity Commitment
(June 2017): ₹ 14 Bn

Equity Invested
(June 2017): ₹ 90 Bn

Total Project Cost
(June 2017): ₹ 476 Bn



Ports:
Portfolio: 2 projects (18 MTPA)
- Operational
Project Cost: ₹20 bn



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



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