

SEC/PAM/2017

November 11, 2017

<p>The Secretary BSE Limited Phiroze Jeebhoy Towers, Dalal Street, MUMBAI - 400 001 STOCK CODE: 500510</p>	<p>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</p>
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Dear Sir,

Sub.: Q2/H1 FY18 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 Q2/H1 FY18 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



LARSEN & TOUBRO

*Builders to the
nation*

Analyst Presentation

Q2/H1 FY18

November 11, 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

Q2

Order Inflow
-8%

Order Book
+2%

Revenue
+6%

EBIDTA
+28%

PAT*
+63%



**Strong Operational Parameters in
challenging times**

* excluding exceptional items

Key Financial Indicators

Amount in ₹ bn

Q2 FY17	Q2 FY18	Var	Particulars	H1 FY17	H1 FY18	Var
311	287	-8%	Order Inflow	608	551	-9%
			Order-Book	2518	2575	2%
250	264	6%	Revenue from Operations	469	504	8%
23	30	28%	EBITDA	42	50	19%
10	17	63%	Recurring PAT	16	26	57%

Particulars	Mar-17	Sep-17	Var
Net Worth	502	508	+6 bn
Borrowings	940	1028	+88 bn
Gross Debt / Equity	1.75	1.87	+0.12x



Group Performance Highlights

Group Performance Summary

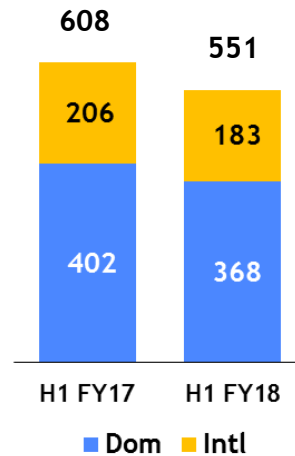
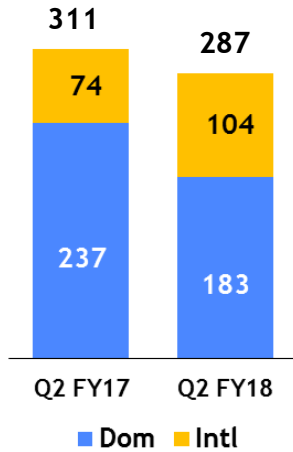
Segment / Key Subsidiaries

The Environment & the Outlook

Q2/H1 FY18 Order Inflow/Order Book

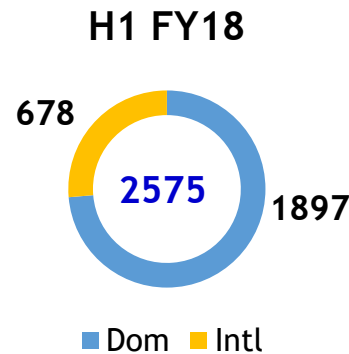
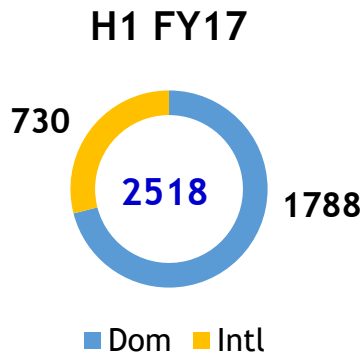
Amount in ₹ bn

Order Inflow



- Order Inflow continues to reflect subdued investment environment
- Public sector continues to drive domestic capex
- International order inflow stable due to Hydrocarbon wins
- Large and diverse order book mitigates cyclical volatility

Order Book



Group Performance - Sales & Costs

Q2 FY17	Q2 FY18	% Var	₹ Billion	H1 FY17	H1 FY18	% Var	FY17
250	264	6%	Revenues	469	504	8%	1,100
165	167	1%	MCO Exp.	301	320	6%	727
14	15	12%	Fin. Charge Opex*	27	29	8%	54
34	38	10%	Staff Costs	69	73	7%	139
14	15	6%	Sales & Admin.	30	32	7%	70
227	235	3%	Total Opex	427	454	6%	989

- Q2 Revenue growth led by Water, Heavy Engg and Services businesses
- MCO charge contained through in-line execution and operational efficiencies
- Staff cost rises on pay revision and scaling up in growth segments
- SGA increase on higher credit costs in Financial Services business

* Finance cost of financial services business and finance lease activity

Group Performance - EBITDA to PAT

Q2 FY17	Q2 FY18	% Var	₹ Billion	H1 FY17	H1 FY18	% Var	FY17
23	30	28%	EBITDA	42	50	19%	111
(3)	(4)	16%	Fin. Cost	(7)	(8)	14%	(13)
(5)	(4)	-6%	Depreciation	(9)	(10)	6%	(24)
5	4	-11%	Other Income	8	8	4%	14
(7)	(5)	-20%	Tax Expense	(12)	(10)	-18%	(20)
(2)	(1)		JV/S&A PAT Share	(3)	(1)		(4)
(1)	(2)	106%	Non-controlling Interest	(2)	(3)	97%	(4)
10	17	63%	Recurring PAT	16	26	57%	59
4	1	-66%	Exceptional items	4	1	-66%	1
14	18	27%	Reported PAT	20	27	33%	60

- EBITDA growth reflective of improved profitability for reporting period
- Interest cost is commensurate with level of borrowings
- Other Income mainly comprises treasury earnings
- JV/S&A PAT variation due to improved business performance
- Higher NCI profits arising from equity stake dilution and increased net income
- Exceptional income includes profit on divestment of Cutting Tools business







Group Performance Highlights





Group Performance Summary

Segment / Key Subsidiaries

The Environment & the Outlook

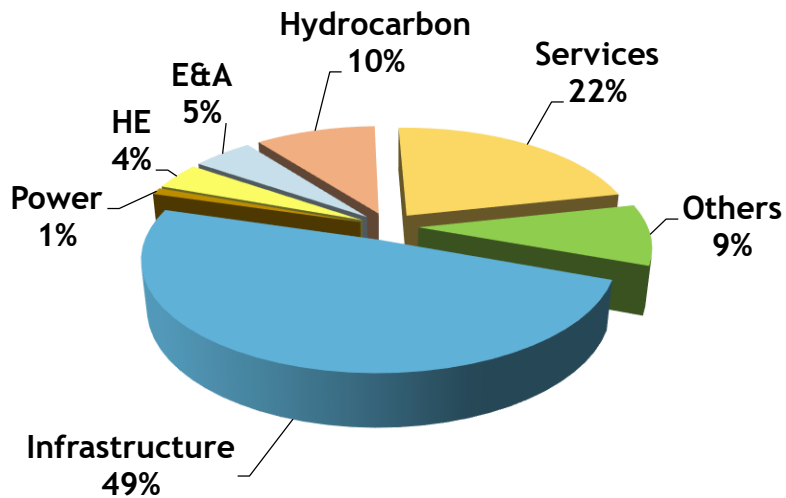
Segment Composition

 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			

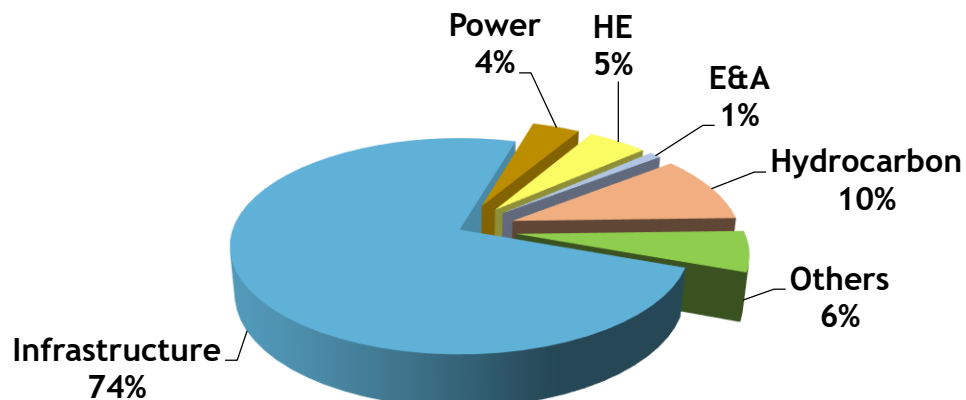
 Hydrocarbon	 Developmental Projects	 IT & TS	 Financial Services	Others
Onshore	Roads*	Information Technology	Rural Lending	Shipbuilding
Offshore	Metros		Technology Services	Housing Finance
		Ports	Wholesale Finance	Metallurgical & Material Handling
	Power		Asset Management	Industrial Products & Machinery

* Consolidated at PAT level

H1 FY18 Order Inflow/Order Book Break-up

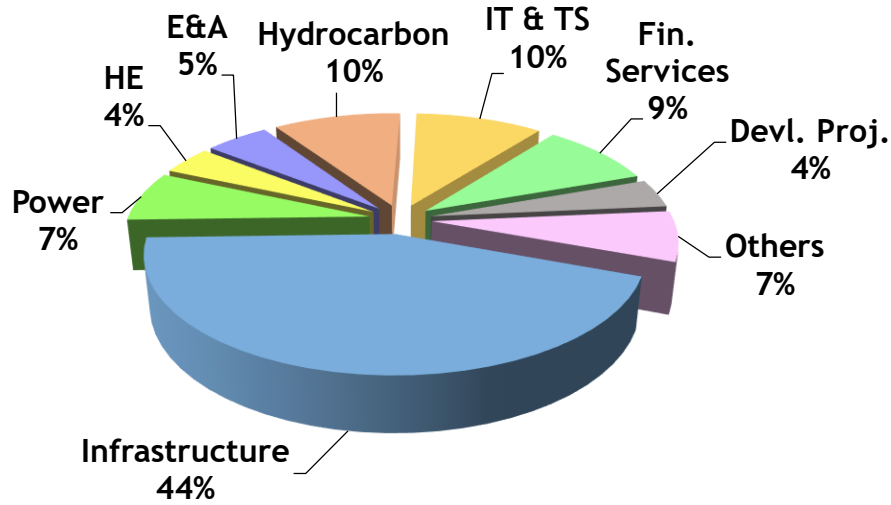


Order Inflow
₹551 Bn

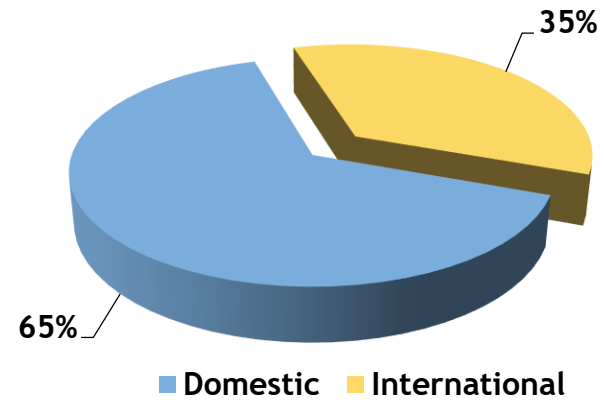


Order Book
₹2575 Bn

H1 FY18 Revenue Break-up

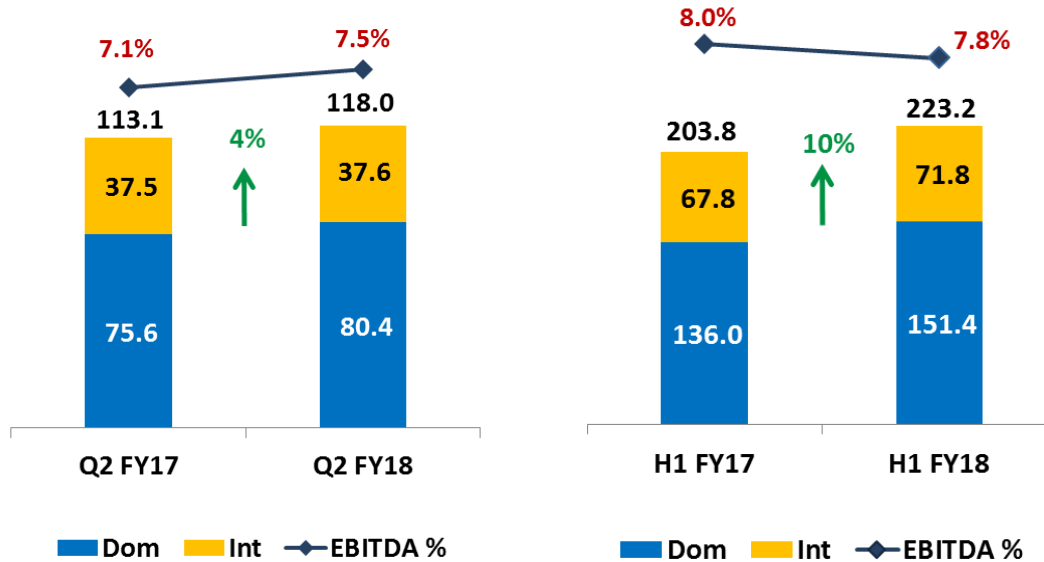


**Revenue
₹504 Bn**



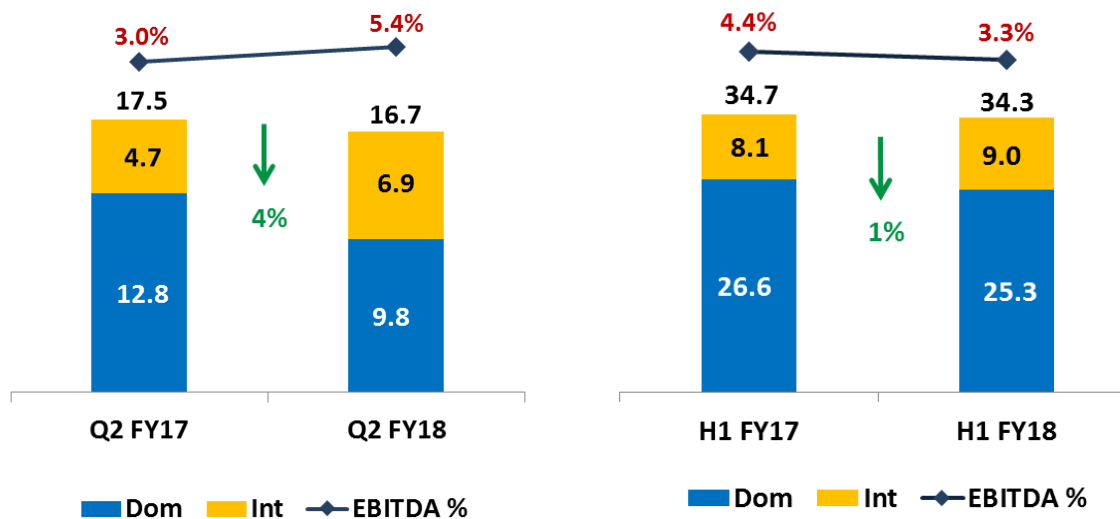
Amount in ₹bn

Net Revenue & EBIDTA Margin



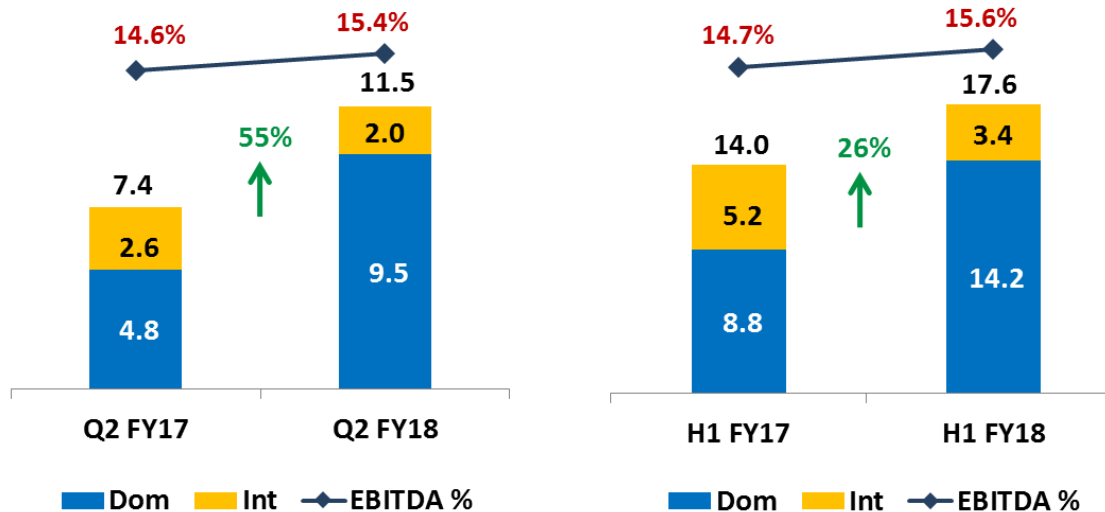
- Water and TI contribute to revenue growth
- Slower revenue growth in Q2 on GST transition and execution constraints in a few projects
- Q2 margin improvement led by job mix

Net Revenue & EBIDTA Margin



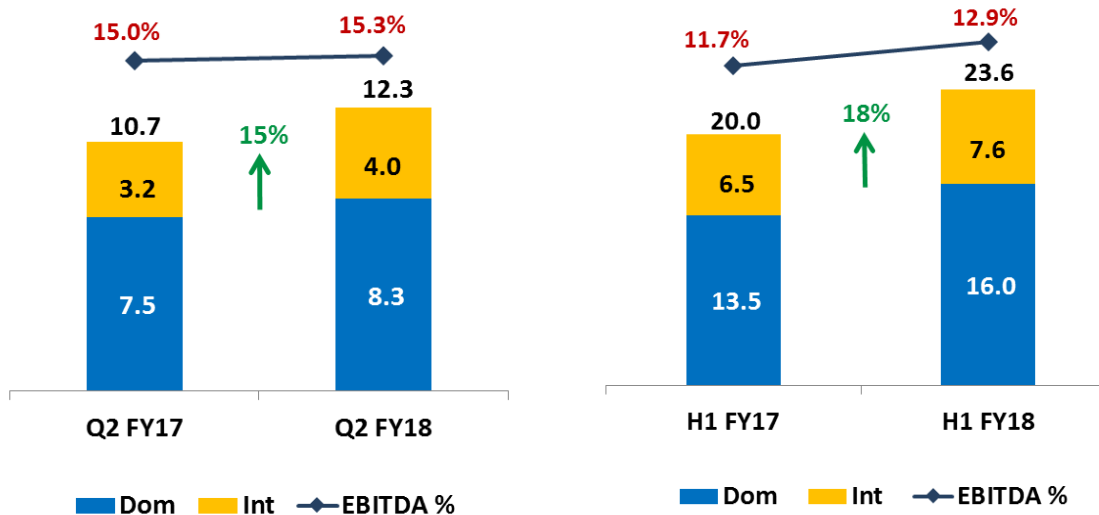
- Sectoral headwinds challenging business growth
- Q2 margin improvement driven by job mix
- Profits of JV companies are consolidated at PAT level under Equity method

Net Revenue & EBIDTA Margin



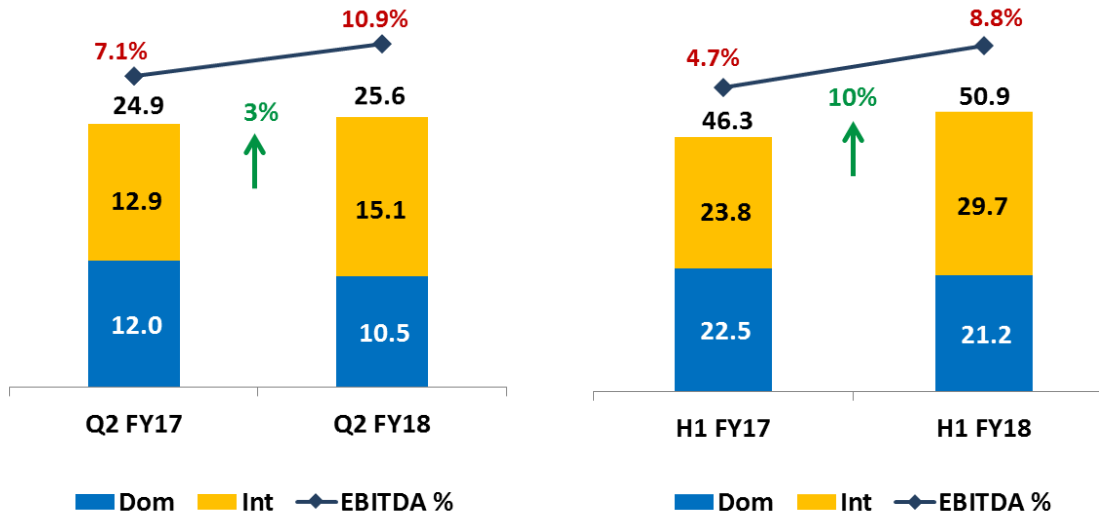
- Revenue growth led by strong execution progress in Defence jobs
- International revenue decline on lower PPN order-book
- Margin variation influenced by job execution stage

Net Revenue & EBIDTA Margin



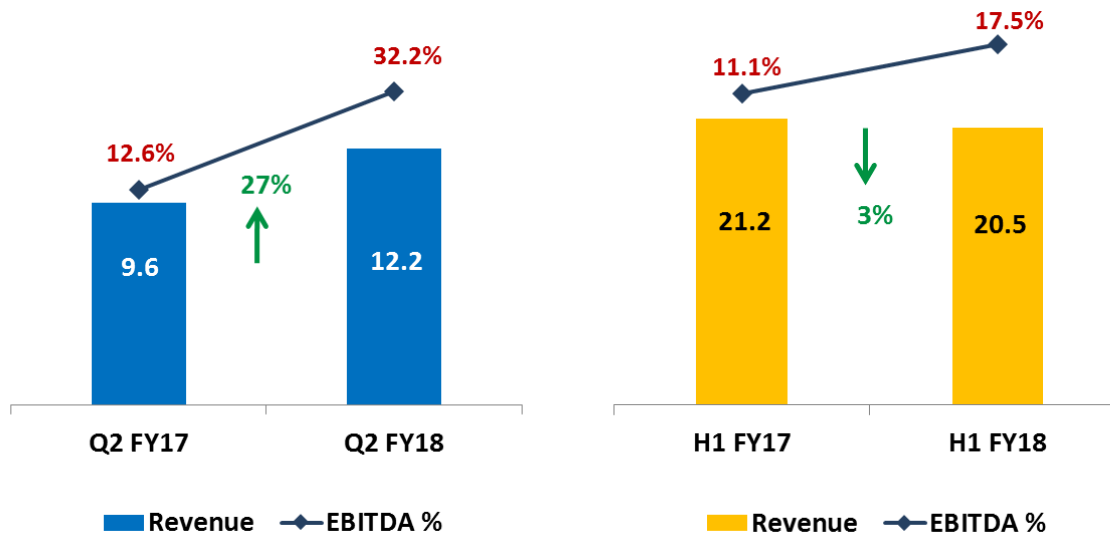
- Net Revenues adjusted for Excise Duty (subsumed in GST wef 1st July, 2017)
- Revenue growth enabled by uptick in MPS, Switchboards and C&A business
- H1 margin growth led by Standard Products and improved performance of Project business in GCC

Net Revenue & EBIDTA Margin



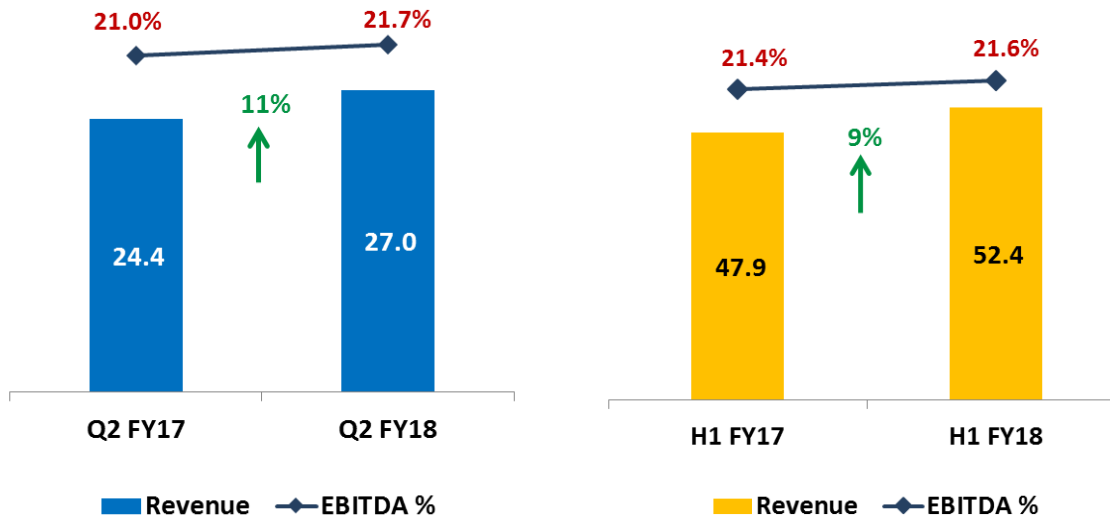
- Challenging Middle East legacy jobs closed out
- Revenue growth led by better progress on international jobs
- Improved margins on efficient execution and cost optimisation

Net Revenue & EBIDTA Margin



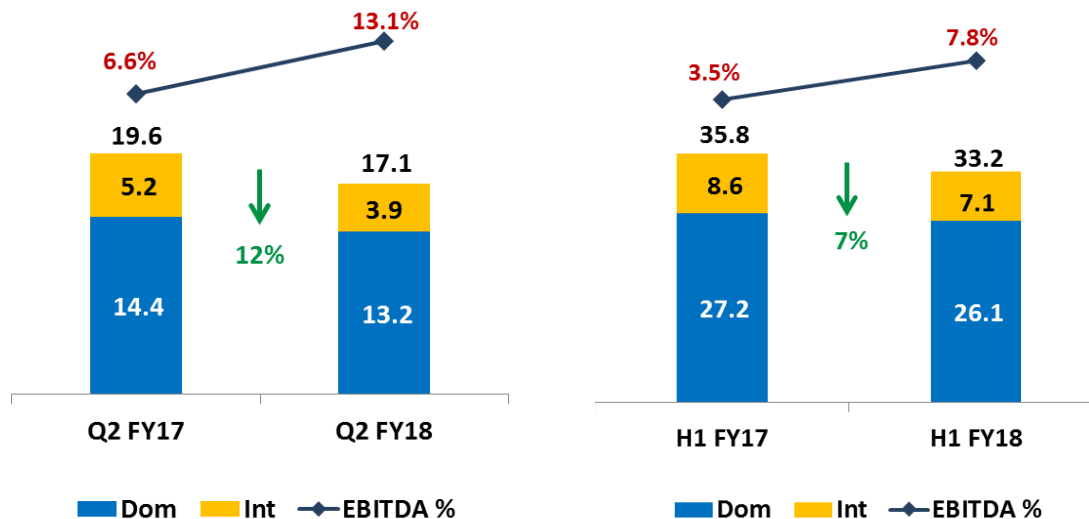
- Segment includes Power Development, Hyderabad Metro and Kattupalli Port (currently under divestment process)
- IDPL (Roads & TL) consolidated at PAT level under Equity method
- Revenues and margins benefit from favourable supreme court judgement

Net Revenue & EBIDTA Margin



- Q2 Growth (12%) in IT Services business (LTI) boosted by BFS, Energy & Utilities, CPG, Retail & Pharma Verticals.
- Q2 Growth (8%) in Tech. Services business (LTTS) led by Transportation and Telecom & Hi-Tech verticals
- LTI and LTTS focus on stability of earnings while managing growth

Net Revenue & EBIDTA Margin



- Segment constitutes Metallurgical & Material Handling (MMH), Industrial Products & Machinery (IPM), Realty and Shipbuilding (SHBD) businesses
- Revenues affected by lower offtake in Realty and Valves businesses
- Realty business slowed down due to RERA, delayed approvals and demonetisation measures
- MMH and CMB contribute to margin recovery

L&T Finance Holdings (I-GAAP)

Q2 FY17	Q2 FY18	% Var	₹ Bn	H1 FY17	H1 FY18	% Var
74.6	88.2	18%	Networth	74.6	88.2	18%
549.3	655.1	19%	Consolidated Debt (incl. Pref Cap)	549.3	655.1	19%
609.0	723.5	19%	Loans and Advances	609.0	723.5	19%
326.7	527.5	61%	Mutual Fund Average AUM	326.7	527.5	61%
8.1%	3.3%	-478 bps	Net NPA (%)	8.1%	3.3%	-478 bps
21.4	25.0	16%	Total Income	41.7	48.6	16%
2.2	3.3	53%	PAT attributable to Equity Shareholders	3.9	6.1	56%

- Healthy disbursement growth in lending business and rising AUM in Investment Management
- Portfolio rationalisation yielding results; higher share of Fee earnings
- Thrust on asset quality, growth of focused businesses and targeted ROE



Group Performance Highlights

Group Performance Summary

Segment / Key Subsidiaries

The Environment & the Outlook

The Environment & the Outlook



Thank You

Annexures

Group Profit & Loss Extracts

₹ Billion	IT & TS	Fin. Services	Devl. Projects	L&T & Others (Incl. Eliminations)	L&T Group		
					H1 FY18	H1 FY17	% Var
Income from Operations	52.4	47.1	20.5	384.4	504.4	469.0	8%
EBITDA	10.7	5.1	3.5	30.9	50.2	42.0	19%
Other Income	0.6	1.8	0.0	5.4	7.9	7.6	4%
Interest Expenses	(0.1)	(0.0)	(0.0)	(7.5)	(7.6)	(6.6)	14%
Depreciation	(1.1)	(0.3)	(0.3)	(8.2)	(9.8)	(9.2)	6%
Provision for Taxes	(2.5)	(0.3)	(0.7)	(6.6)	(10.0)	(12.3)	-18%
Share in profit/(loss) of JVs / Associates	-	0.0	(1.3)	(0.2)	(1.5)	(3.3)	
Adjustments for non -controlling interest in Subs., etc.	(1.1)	(2.4)	0.2	(0.1)	(3.4)	(1.7)	
Exceptional Items	-	-	-	1.4	1.4	4.0	-66%
Net PAT	6.5	3.9	1.4	15.2	27.1	20.4	33%

₹ Billion	Sep-17	Mar-17	Incr / (Decr)
Equity & Reserves	508	502	6
Non Controlling Interest	42	36	6
Borrowings - Financial Services	677	631	46
Development Projects	167	150	17
Others	185	159	25
Sources of Funds	1,578	1,478	100
Fixed Assets (Tangible/Intangible/Goodwill)	148	150	(2)
Loans towards Financing Activities	674	625	49
Intangibles under development (incl. Investment Property)	165	150	15
Finance lease receivable	94	95	(1)
Other Non-Current Assets (net)	127	121	6
Current Investments, Cash & Cash Equivalents	176	176	0
Working Capital	194	160	34
Application of Funds	1,578	1,478	100

Group Cash Flow

Q2 FY17	H1 FY17	₹ Billion	Q2 FY18	H1 FY18
22.8	42.9	Operating Profit	30.3	51.6
22.1	(1.2)	Changes in Working Capital	(12.1)	(22.2)
(9.9)	(15.9)	Direct Taxes paid	(9.5)	(17.3)
35.0	25.8	Net Cash from Operations (A)	8.7	12.1
(1.2)	(7.6)	Investments in Fixed Assets (Net)	(4.5)	(6.6)
(4.1)	(7.6)	Investment in Intangibles under development	(3.0)	(7.4)
(6.9)	(22.6)	Net Purchase of Long Term & Curr. Inv.	11.5	(6.8)
(0.5)	(2.1)	Loans/Deposits made with JV/Associate Cos.	(0.8)	(3.4)
8.1	8.9	Interest & Dividend Received & Others	5.5	5.6
(4.6)	(31.0)	Net Cash from/(used in) Invest. Act. (B)	8.7	(18.6)
20.4	20.6	Issue of Share Capital / Minority	(1.5)	2.6
(5.4)	26.5	Net Borrowings	51.7	82.8
(15.9)	(13.5)	Disbursements towards financing activities*	(37.7)	(48.6)
(24.6)	(31.5)	Interest & Dividend paid	(29.5)	(36.1)
(25.6)	2.0	Net Cash from Financing Activities (C)	(17.1)	0.7
4.8	(3.1)	Net (Dec) / Inc in Cash & Bank (A+B+C)	0.3	(5.8)

* included under Net Cash from operations under statutory financial statements

Share in Profit/(Loss) of JVs/Associates

Q2 FY17	H1 FY17	₹ Bn	Q2 FY18	H1 FY18
0.33	0.59	MHPS JVs	0.33	0.77
(1.34)	(2.94)	IDPL & Subs.	(0.92)	(1.33)
(0.48)	(0.91)	Special Steels and Heavy Forgings	(0.50)	(1.01)
(0.08)	(0.05)	Others	(0.02)	0.10
(1.57)	(3.30)	Total	(1.11)	(1.48)

Other Comprehensive Income (OCI)

Amount in ₹bn

Q2 FY17	H1 FY17	Changes arising out of	Q2 FY18	H1 FY18
(0.39)	(0.42)	Re-measurement of defined benefit plans for employees	(0.11)	(0.24)
0.50	0.31	MTM of investment in Debt instruments	(0.05)	(0.01)
(0.33)	(0.29)	Foreign Currency Translation Reserve	0.17	0.40
1.05	0.03	Hedging Reserve	(0.46)	0.96
0.83	(0.36)	Total	(0.45)	1.11

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: ₹15 bn

Balance Equity Commitment
(Sep 2017): ₹ 12 Bn

Equity Invested at SPV level
(Sep 2017): ₹ 92 Bn

Total Project Cost
(Sep 2017): ₹ 478 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