

SEC/PAM/2020

June 5, 2020

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 Sirs,

Sub.: Analyst Presentation.- FY 20

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 FY20 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**



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

Encl. as above



Analyst 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.

01 Group Performance Highlights



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%	-

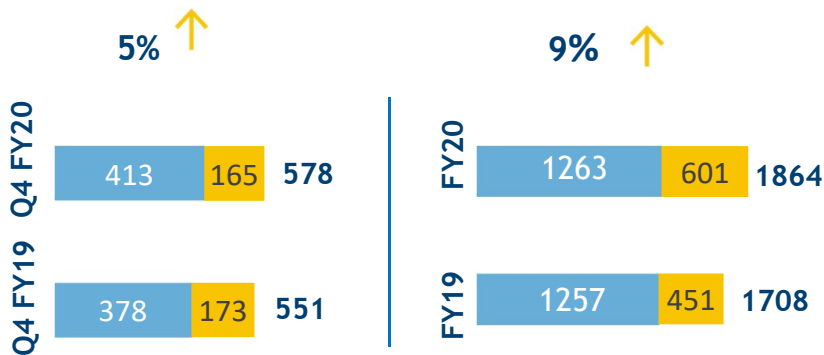
02 Group Performance Summary



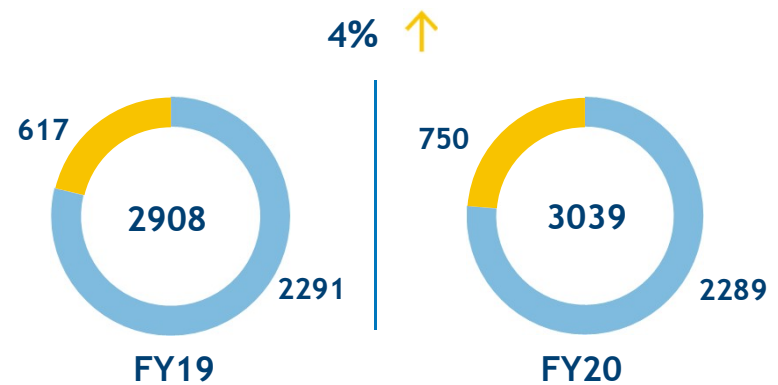
Q4/FY20 Order Inflow/Order Book

(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 cyclicalities



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%	EBITDA	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%	Recurring PAT	87.1	95.5	10%
-	-		Exceptionals	1.9	-	
34.2	32.0	-6%	Reported PAT	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

03 Segment / Key Subsidiaries



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

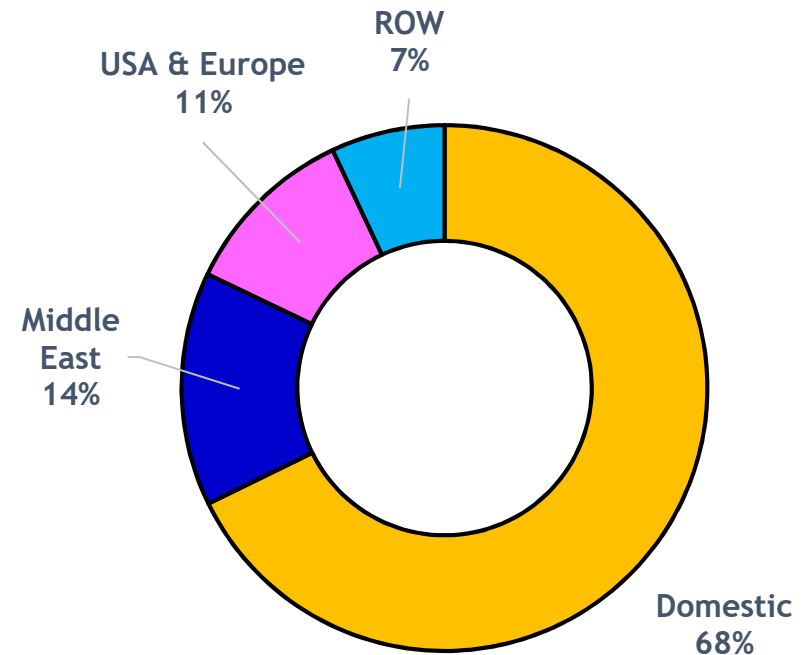
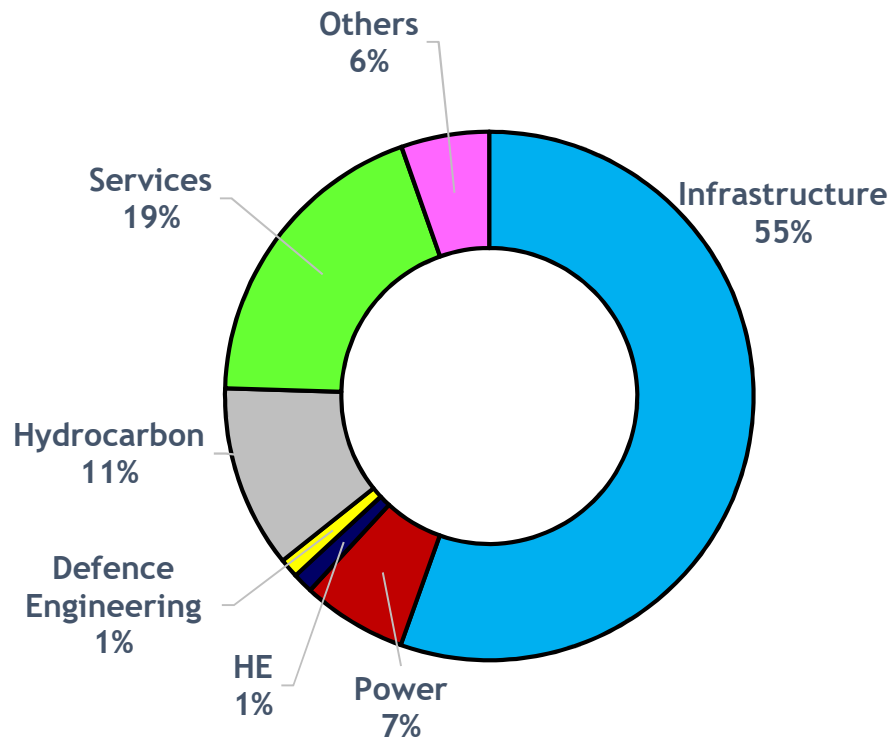
Realty
 Industrial Products &
 Machinery

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

* Consolidated at PAT level



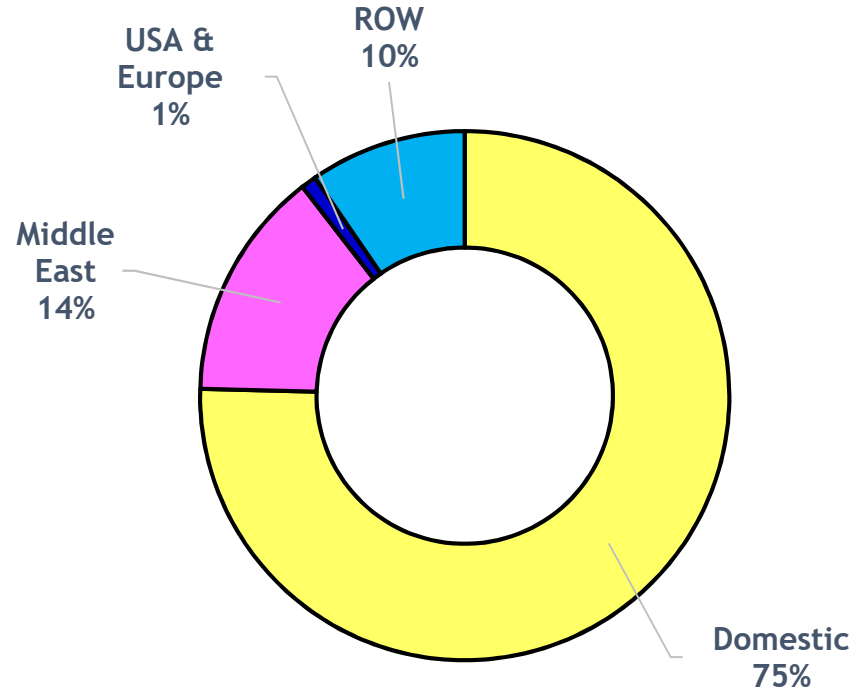
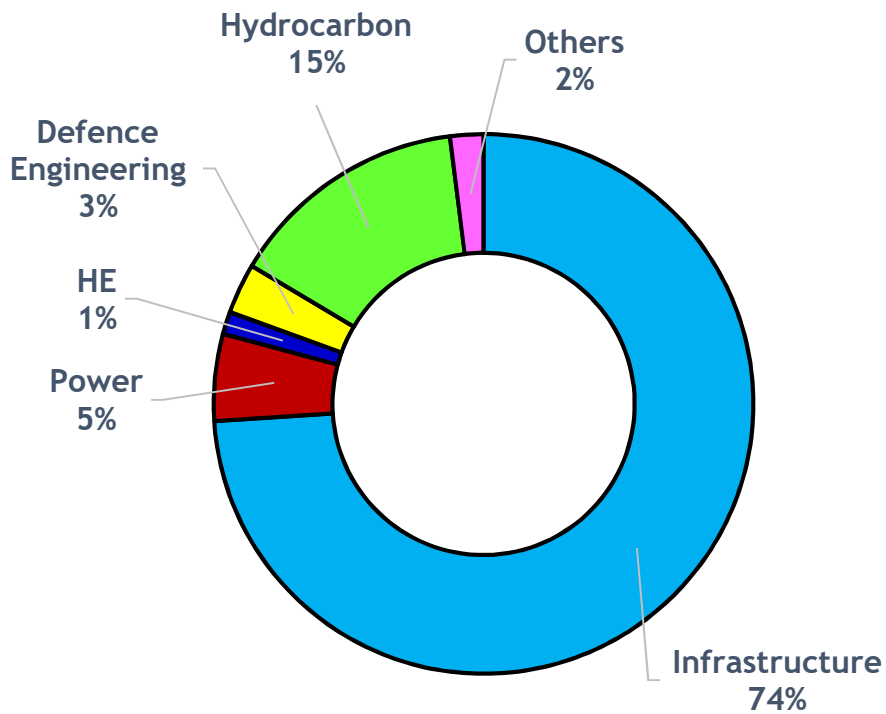
FY20 Order Inflow Composition



Order Inflow Rs 1864 Bn



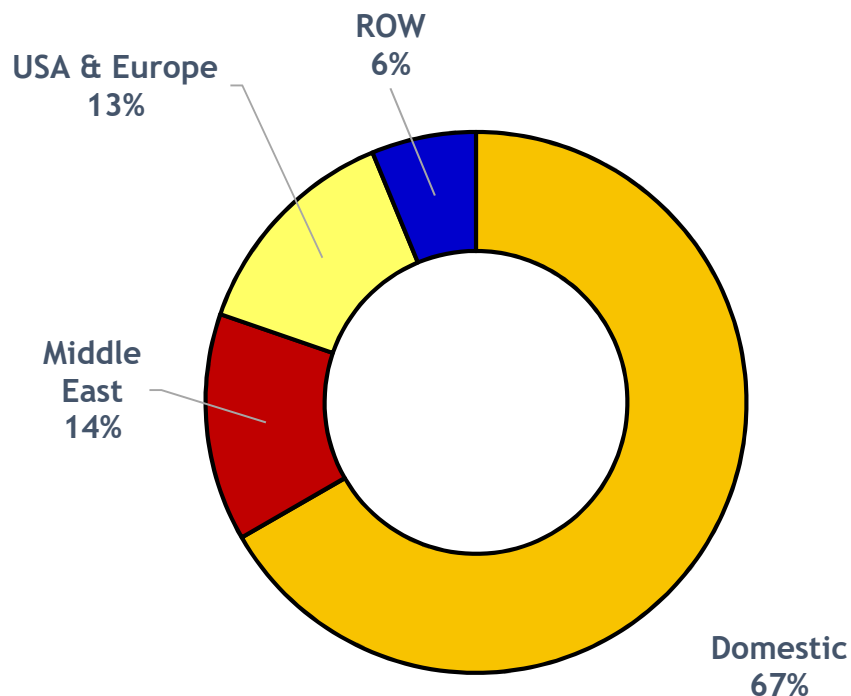
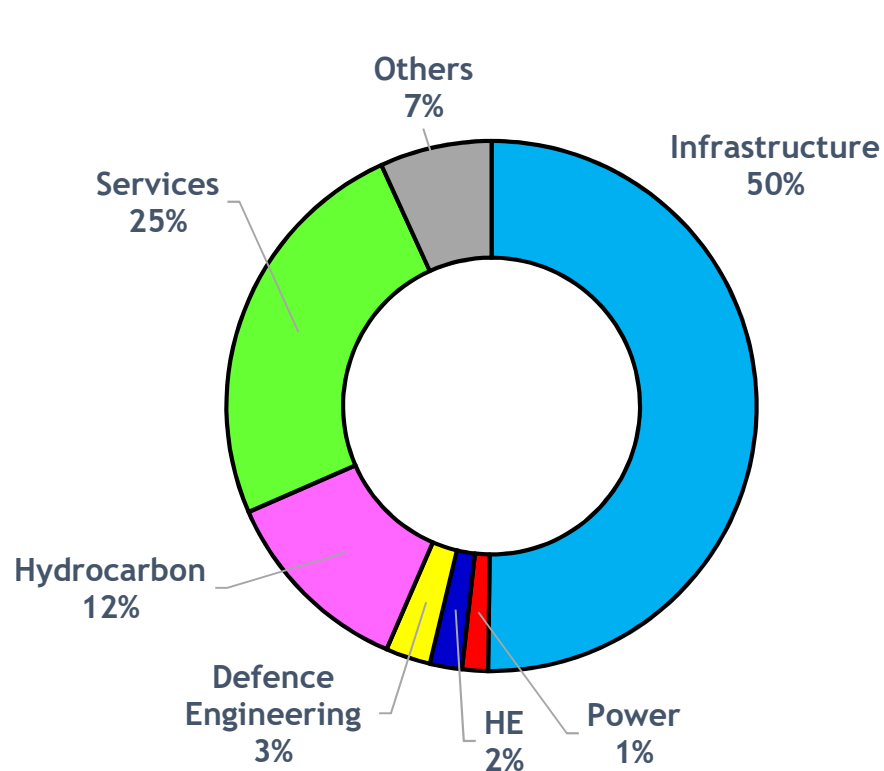
FY20 Order Book Composition



Order Book Rs 3039 Bn



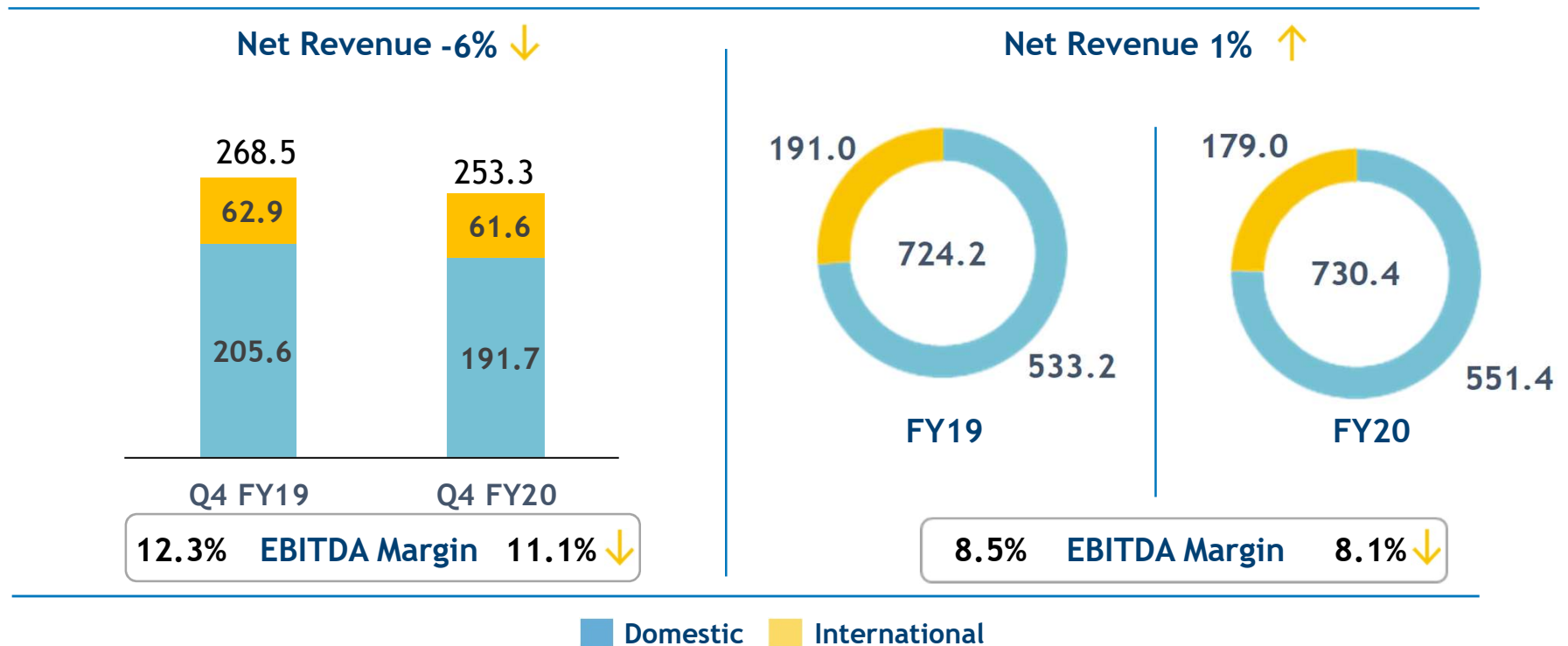
FY20 Revenue Composition



Revenue Rs 1455 Bn

Infrastructure Segment

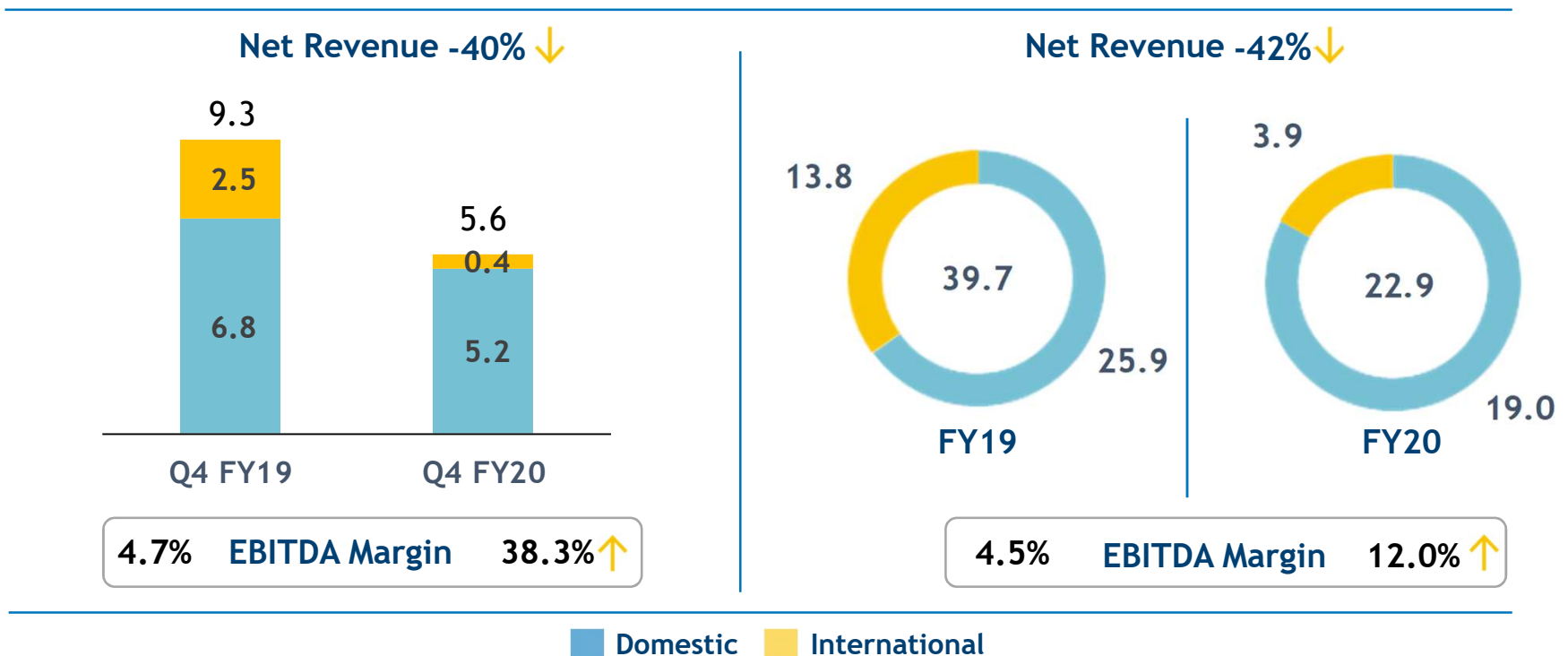
(Amount in ₹ bn)



- 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

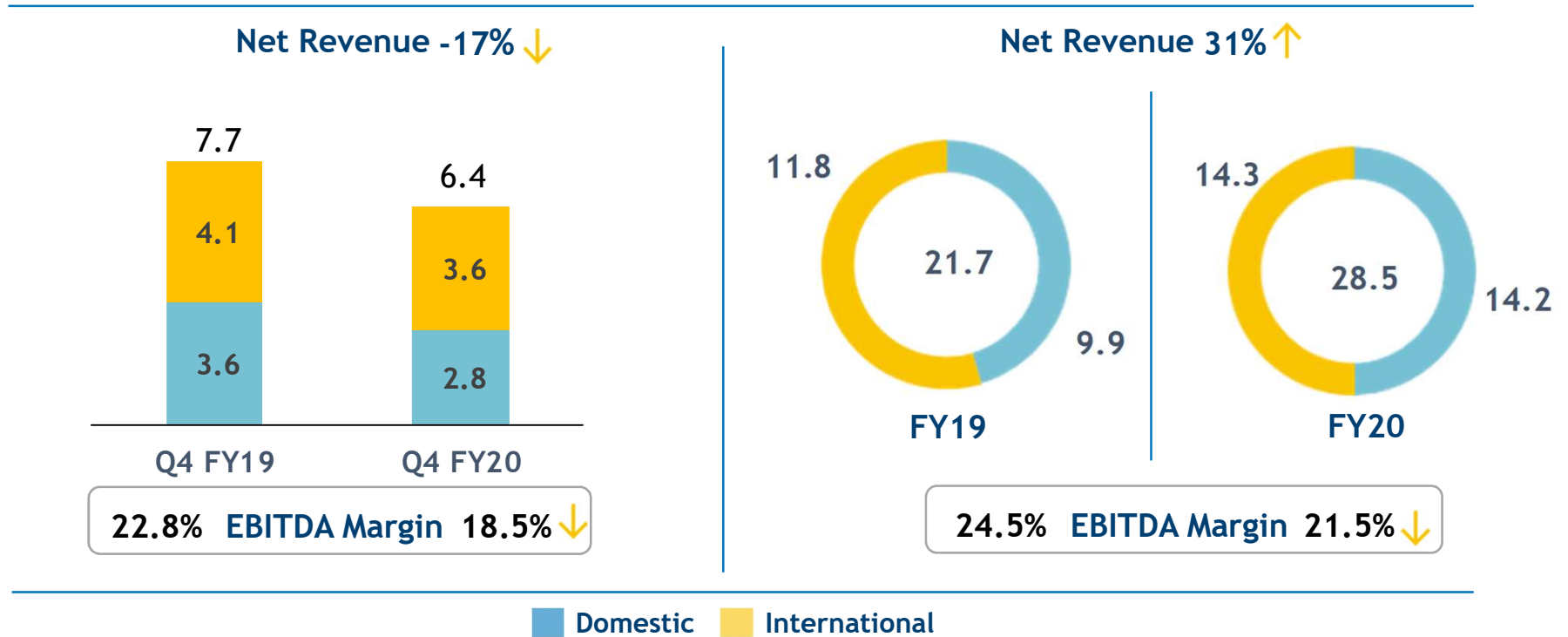
(Amount in ₹ bn)



- 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

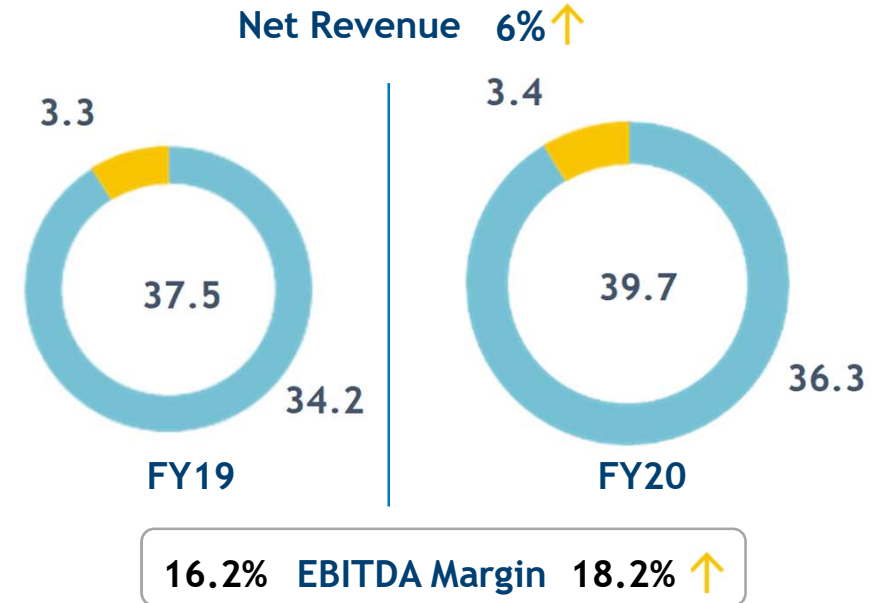
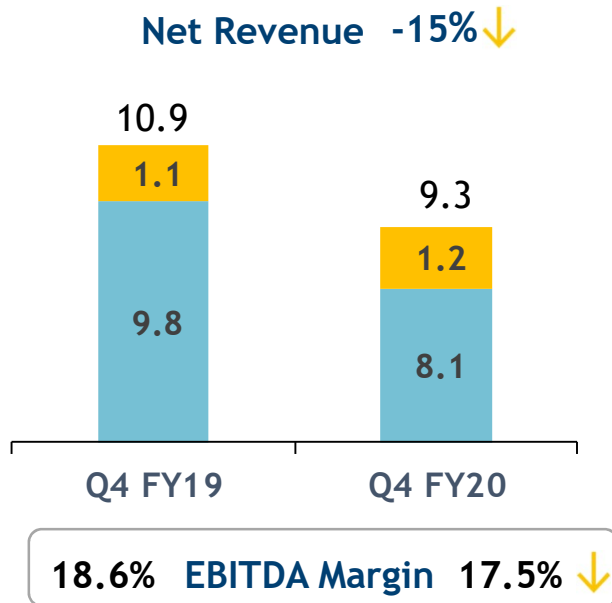
(Amount in ₹ bn)



- 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)

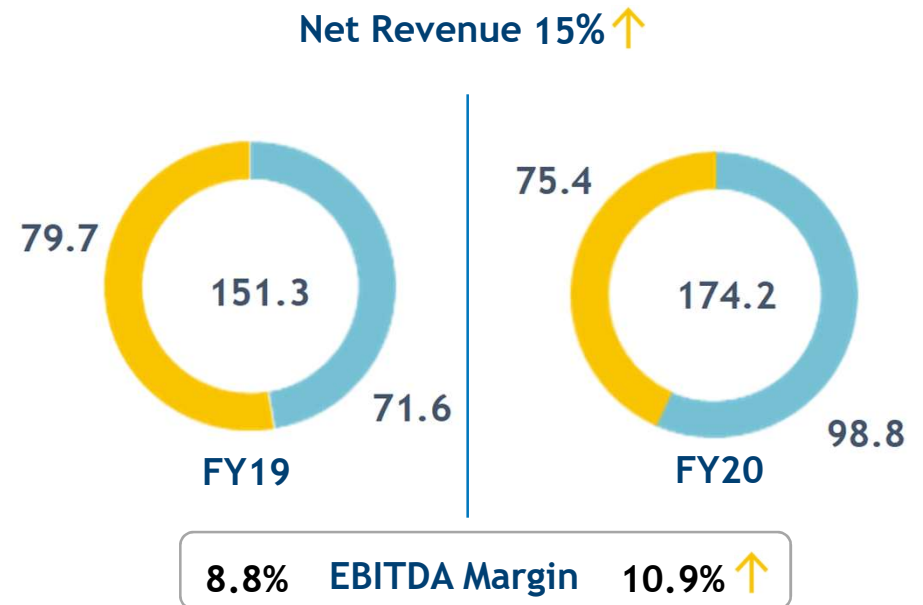
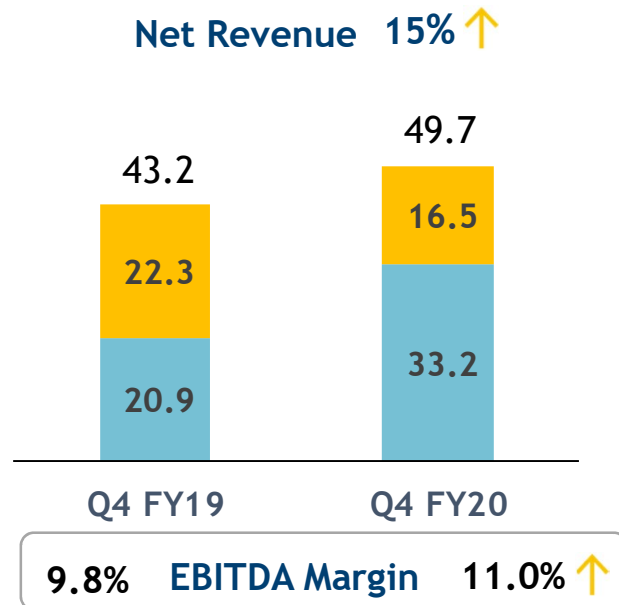


■ Domestic ■ International

- 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)

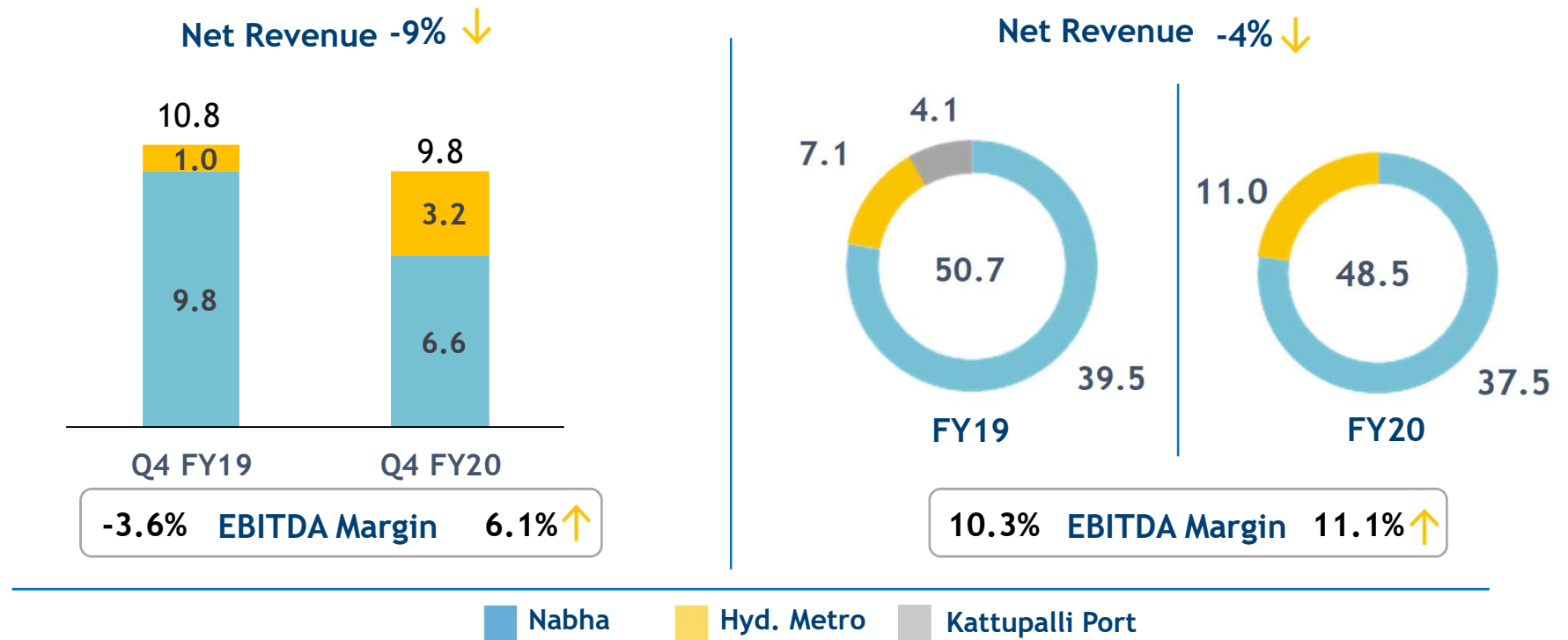


■ Domestic ■ International

- 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

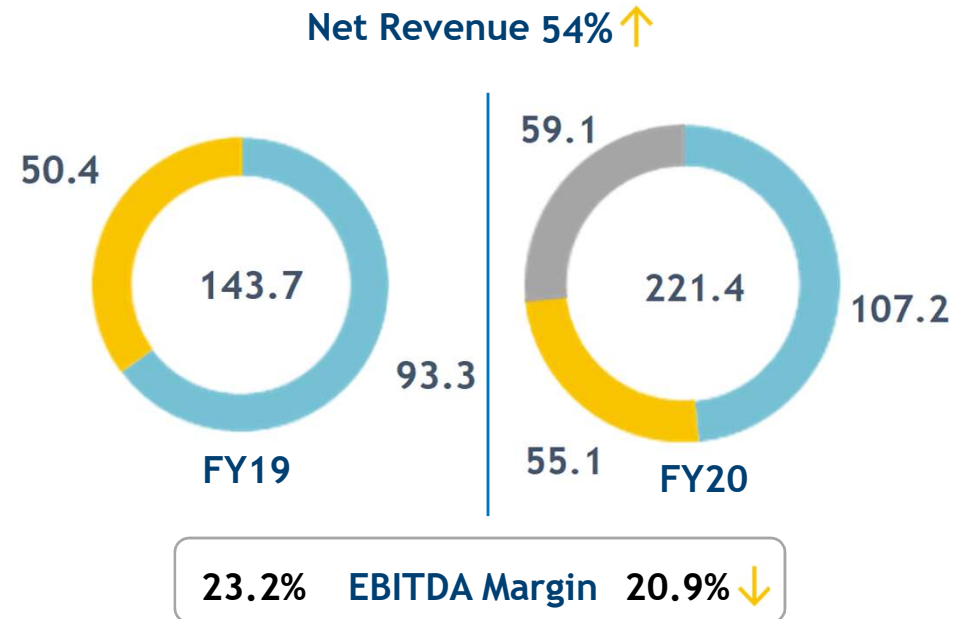
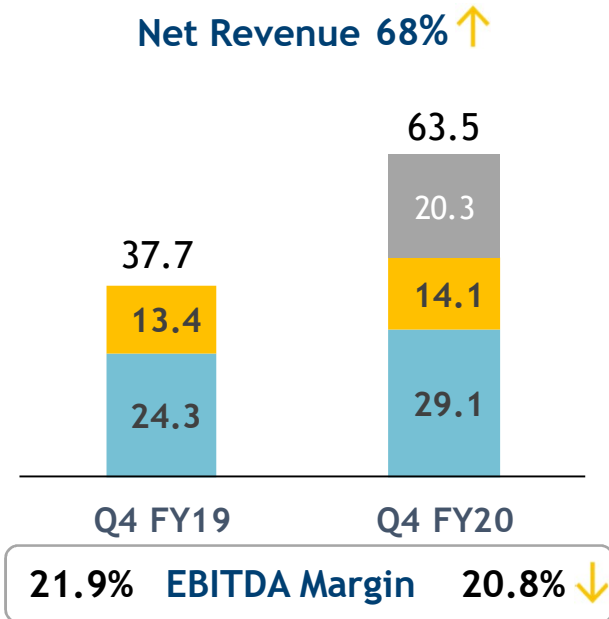
(Amount in ₹ bn)



- 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)

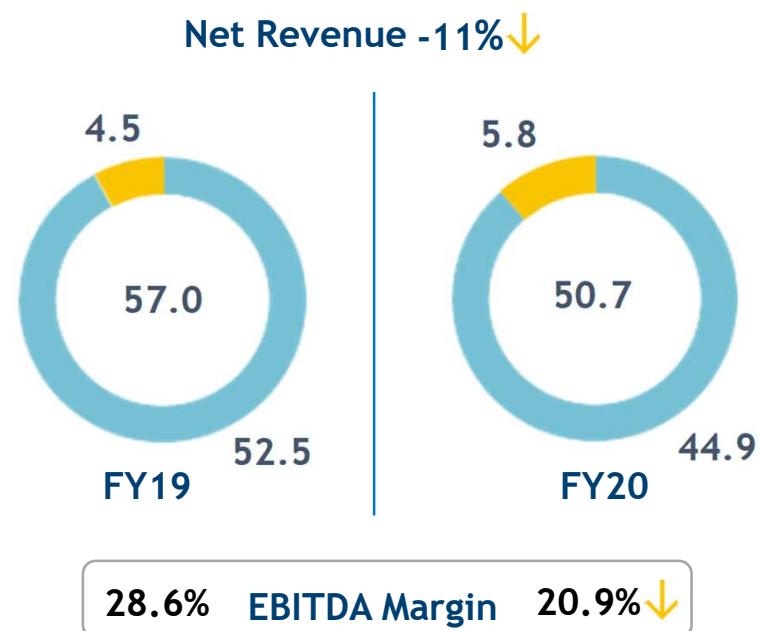
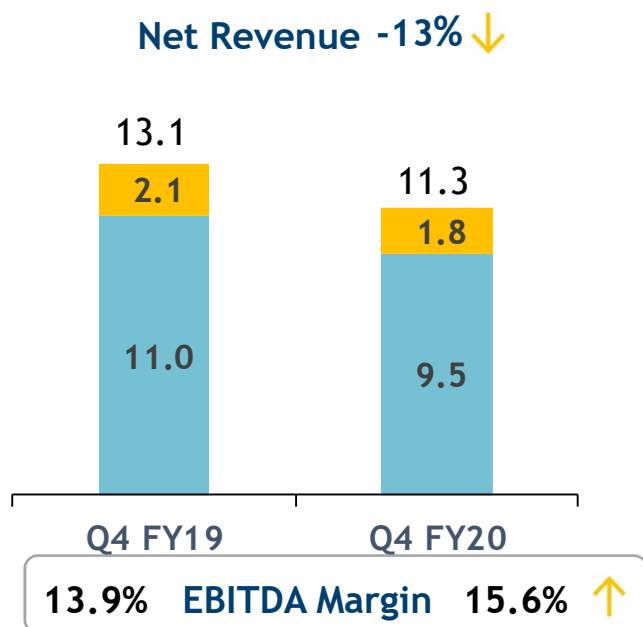


■ IT ■ TS ■ Mindtree

- 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
- LTTTS 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

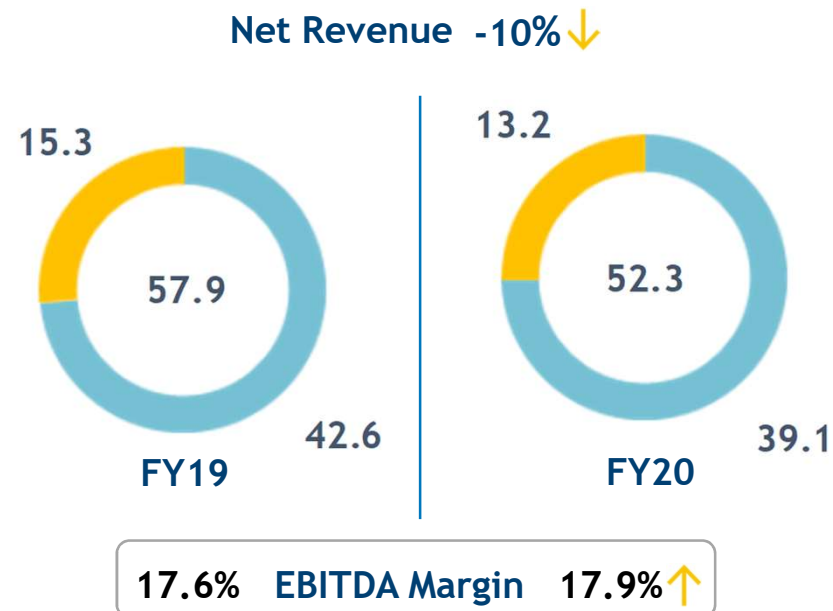
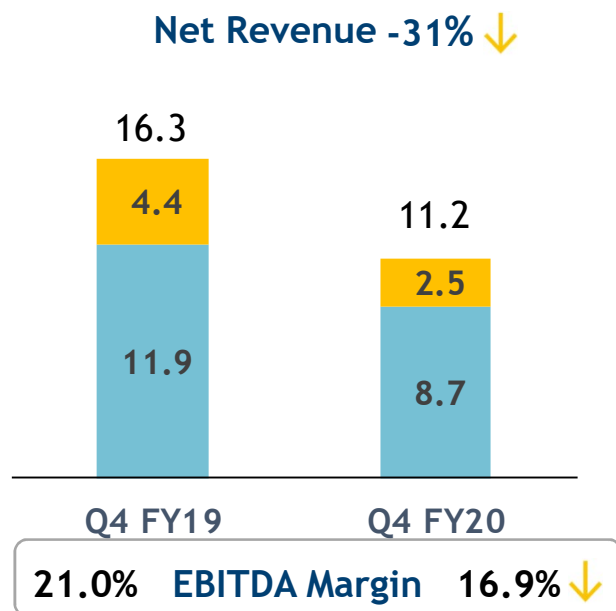
Q4 FY 19	Q4 FY 20	% Var	Rs Bn	FY 19	FY 20	% Var
31.8	33.7	6%	Income from Operations	126.4	138.2	9%
3.2	2.4	-24%	PAT (Net of NCI)	14.5	10.8	-25%
Mutual Fund Average AUM				709.4	710.6	0%
Net Loan Book				991.2	983.8	-1%
Gross Stage 3 Assets				5.9%	5.4%	
Net Stage 3 Assets				2.4%	2.3%	
Networth				134.5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

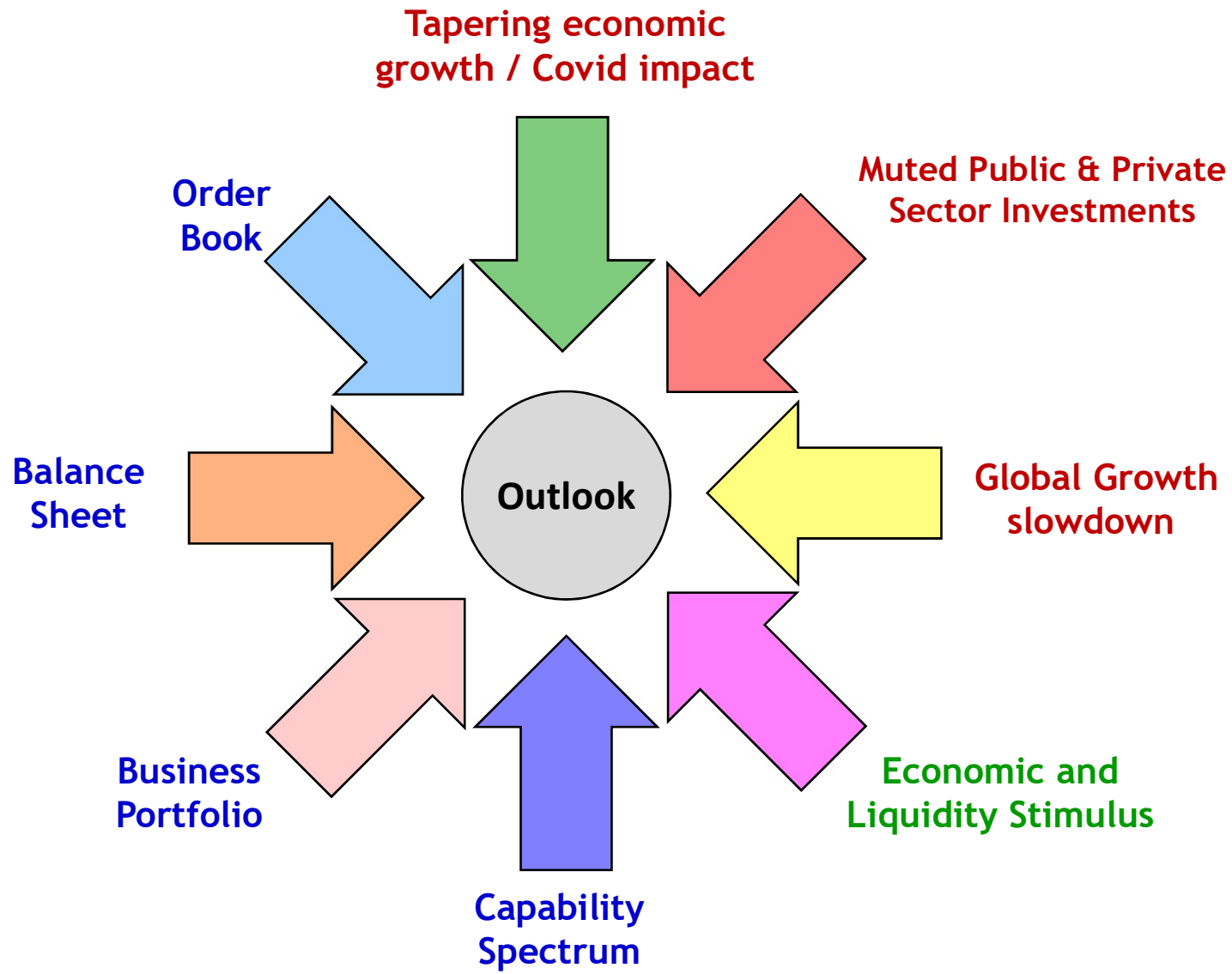
- Muted revenues resulting from a soft demand environment
- Q4 revenues and margins adversely affected by slowdown

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)	FY20			FY19		
	Net Revenue	EBITDA	EBITDA %	Net Revenue	EBITDA	EBITDA %
Ex-Services business:						
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%
Total (ex-services)	104644	10479	10.0%	103143	10425	10.1%
Services Business:						
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%
Total (Services)	40808	7931	19.4%	32077	6959	21.7%
Total	145452	18410	12.7%	135220	17384	12.9%
EBIDTA to PAT (FY20)						
Particulars	Financial Services	IT&TS	Dev. Projects	Ex-Services	Corporate	Total
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
Segment PAT as per Advt.	1084	1975	(174)	7599	(1590)	9549

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
Sources of Funds	2,173	1,948	225
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
Application of Funds	2,173	1,948	225
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)
61.4	60.6	Net Cash from Operations (A)	90.9	61.2
(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
32.3	(48.5)	Net Cash from/(used in) Invest. Act. (B)	(110.2)	(82.6)
(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)
(76.0)	18.0	Net Cash from Financing Activities (C)	15.9	69.4
17.7	30.0	Net (Dec) / Inc in Cash & Bank (A+B+C)	(3.4)	48.1

* 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
(1.27)	1.47	Total	(0.21)	0.72