



LARSEN & TOUBRO

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SEC/PAM/2021

May 14, 2021

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 21

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 FY21 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



LARSEN & TOUBRO

Analyst Presentation

Q4/ FY21



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



Noteworthy surprises in a Covid year....



Order Inflows

Prestigious Order Wins

Order Book

Order Book at near record high levels

Revenues

Revenue momentum picks up despite productivity challenges

Margin

EBIDTA margin improve

Liquidity

Robust operational free cash flow, NWC improves

Leverage

Improved Gross & Net Debt levels at Parent

E&A Divestment

E&A divestment concluded



Key Financial Indicators

(Amount in ₹ bn)

Q4 FY20	Q3 FY21	Q4 FY21	% Var (y-o-y)	% Var (q-o-q)	Particulars	FY20	FY21	% Var (y-o-y)
578	732	507	-12%	-31%	Order Inflow	1864	1755	-6%
					Order Book	3039	3274	8%
442	356	481	9%	35%	Revenue	1455	1360	-7%
11.6%	12.0%	13.3%			EBITDA (%)	11.2%	11.5%	
31	23	34	12%	51%	PAT (Continuing Operations)	89	70	-22%
32	25	33	3%	33%	Overall PAT	95	116	21%

Particulars	FY20	FY21
Net Working Capital	23.7%	22.3%
RONW (TTM) (%)*	14.8%	16.2%

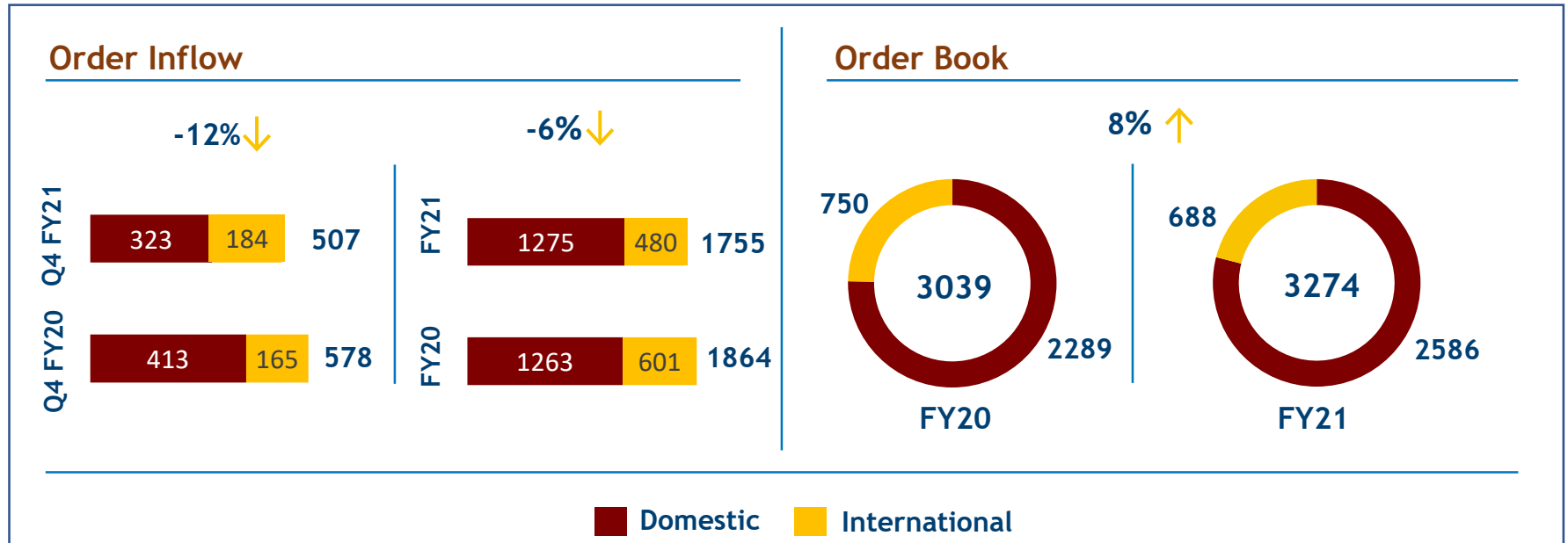
*Includes gain on divestment of Discontinued (E&A) business

02 Group Performance



Q4/FY21 Order Inflow/Order Book

(Amount in ₹ bn)



- Q4 ordering momentum led by Infra, Hydrocarbon & Heavy Engineering, Power generation continues to remain subdued
- FY21 order inflows is a result of strong ordering momentum witnessed in 2nd half
- Visible Capex focus in Union Budget 2021-22
- Order prospects pipeline remains healthy for FY22, private capex is yet to pick up momentum
- Large & diversified order book provides healthy revenue visibility



Group Performance - Sales & Costs

Q4 FY20	Q4 FY21	% Var	Rs Billion	FY20	FY21	% Var
442.5	480.9	9%	Revenue	1454.5	1359.8	-7%
32%	33%		International Rev.	33%	37%	
286.7	311.8	9%	MCO Exp.*	893.2	790.1	-12%
19.4	18.2	-6%	Fin. Cost Opex**	80.4	76.9	-4%
62.9	63.5	1%	Staff Costs	231.1	247.6	7%
22.3	23.4	5%	Sales & Admin. exp	86.5	88.9	3%
391.3	417.0	7%	Total Opex	1291.2	1203.5	-7%
51.2	63.9	25%	EBITDA	163.3	156.2	-4%

* Manufacturing, Construction and Operating expenses

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

- E&C revenues recover in Q4 amidst continuing pandemic
- MCO expense variation largely reflective of job progress, revenue mix and cost control initiatives
- Reduction in Finance Charge Opex is a function of lower borrowing cost & average liabilities in FS business
- Q4 Staff cost flat; resource augmentation in service businesses mitigated by expense reduction in other businesses
- Q4 SG&A: Reflective of activity levels



Group Performance - Profit Parameters

Q4 FY20	Q4 FY21	% Var	Rs Billion	FY20	FY21	% Var
51.2	63.9	25%	EBITDA	163.3	156.2	-4%
(8.2)	(8.5)	4%	Fin. Cost	(28.0)	(39.1)	40%
(7.1)	(8.2)	15%	Depreciation	(24.6)	(29.0)	18%
6.6	10.3	56%	Other Income	23.6	34.3	45%
(9.7)	(20.9)	>100%	Tax Expense	(32.6)	(40.1)	23%
1.5	1.6	9%	JV/S&A PAT Share	0.7	0.1	-80%
(3.7)	(4.0)	10%	Non-controlling Int.	(13.5)	(12.7)	-5%
30.7	34.1	12%	Operational PAT	89.0	69.7	-22%
1.3	(1.2)		Discontinued Operations	6.5	82.4	
			Exceptionals (net of tax and NCI)		(36.2)	
32.0	32.9	3%	Reported PAT	95.5	115.8	21%

- Finance cost commensurate with level of borrowings and full commissioning of Hyd. Metro
- Depreciation charge includes impact of Metro capitalisation
- Other income reflective of higher level of treasury investments and yields earned during the quarter
- Share of JV/Associate PAT largely comprises results of IDPL and Power JVs
- Q4 NCI variation largely due to increase in Mindtree & LTI profits partly offset by lower Fin.Serv. profits

03 Segment Performance Analysis



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)



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



Others

Realty
 Industrial Products & Machinery
 Smart World & Comm. (SW&C)



Electrical & Automation

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

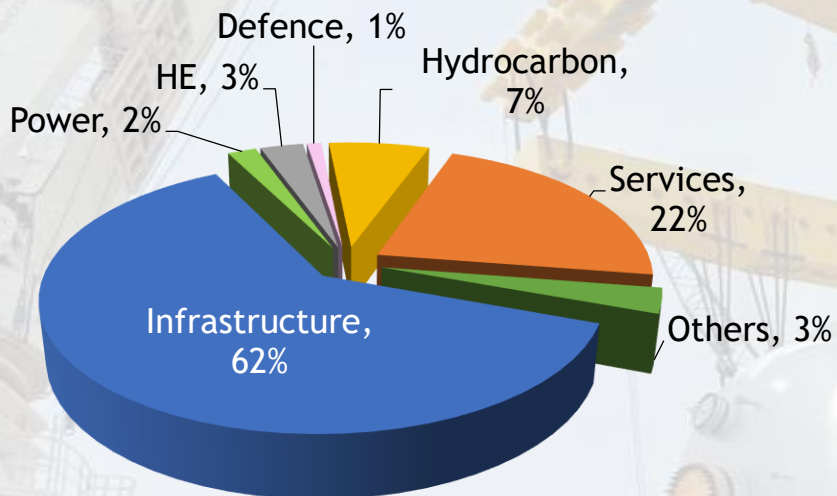
The E&A segment divested during FY21 is classified under Discontinued Operations and hence consolidated only at PAT level

* Consolidated at PAT level

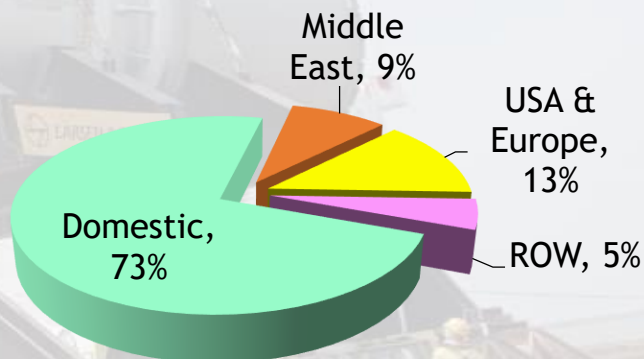
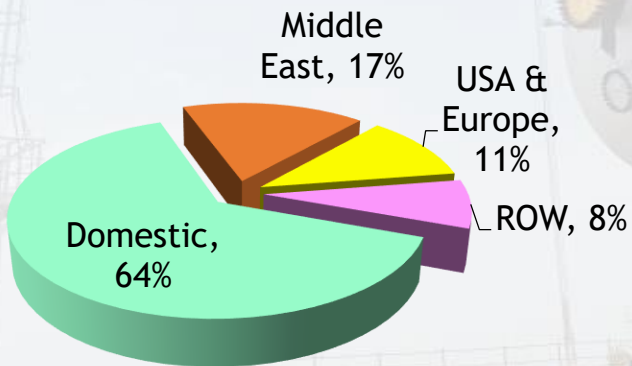
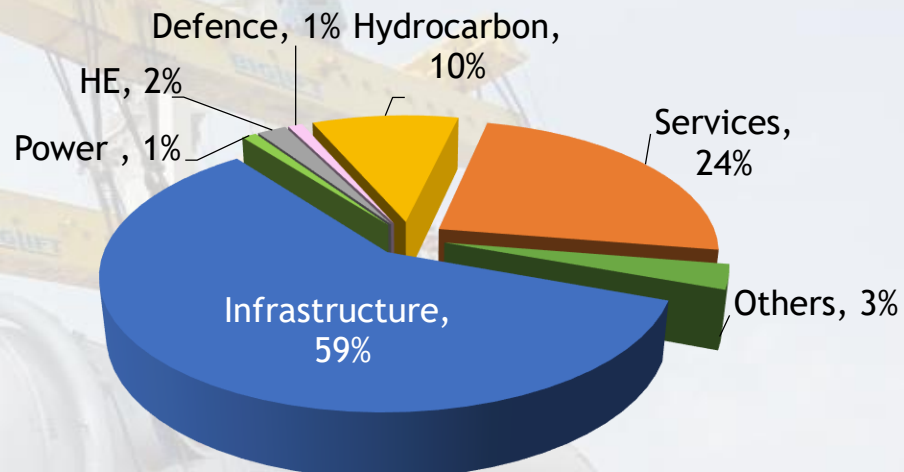


Order Inflow Composition

Q4 FY21 Rs 507 Bn

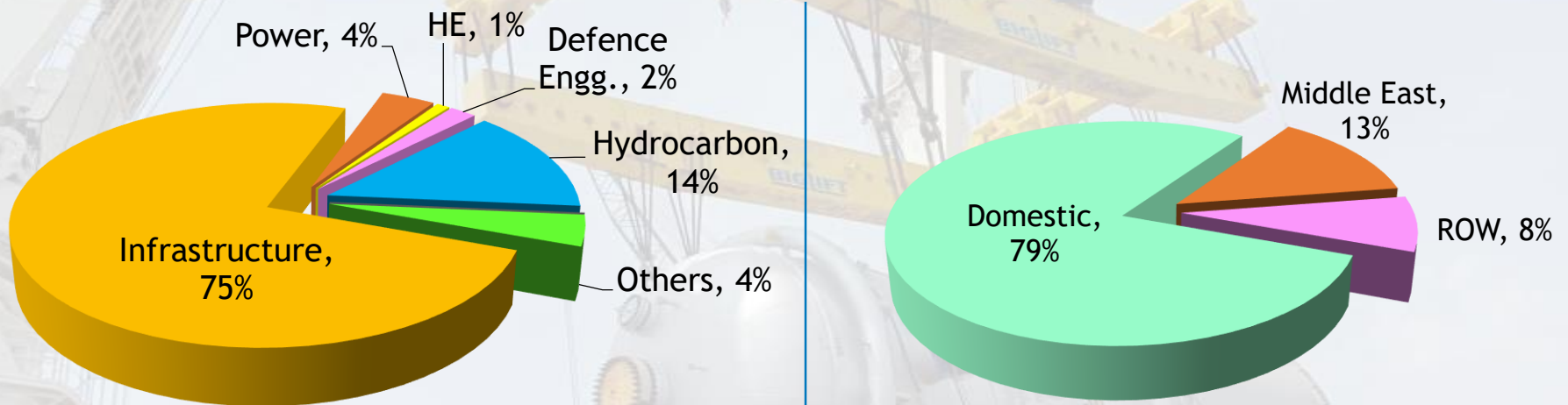


FY21 Rs 1755 Bn





Order Book Composition

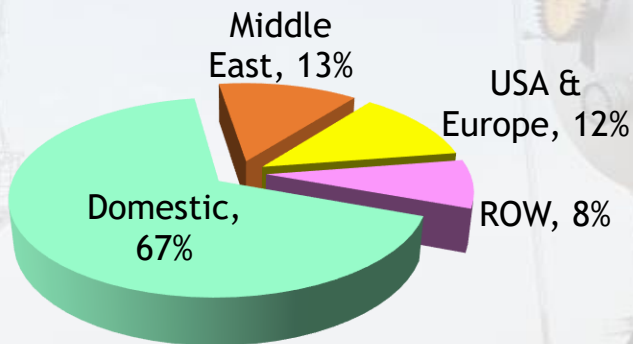
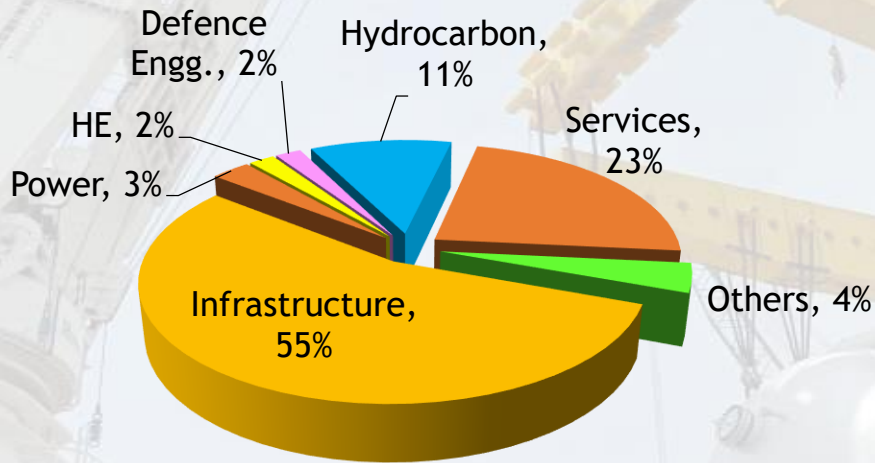


FY21 Rs 3274 Bn

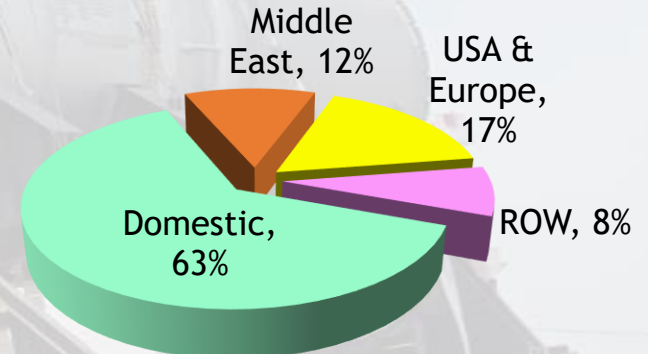
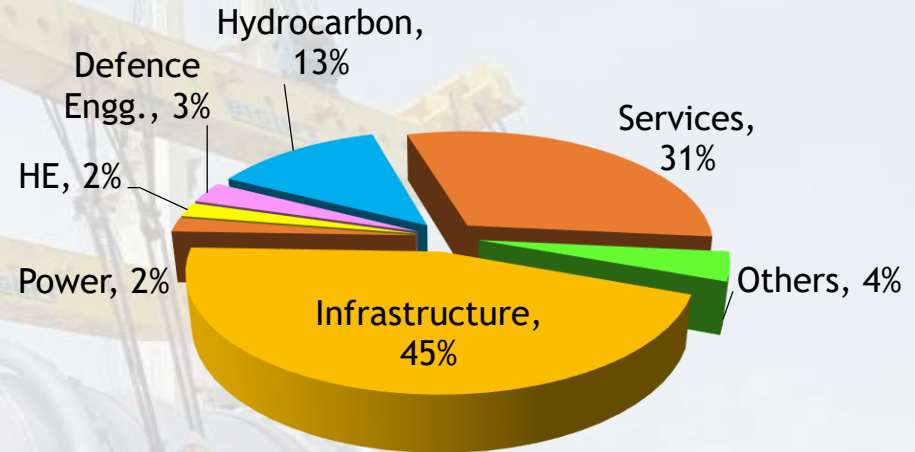


Revenue Composition

Q4 FY21 Rs 481 Bn



FY21 Rs 1360 Bn

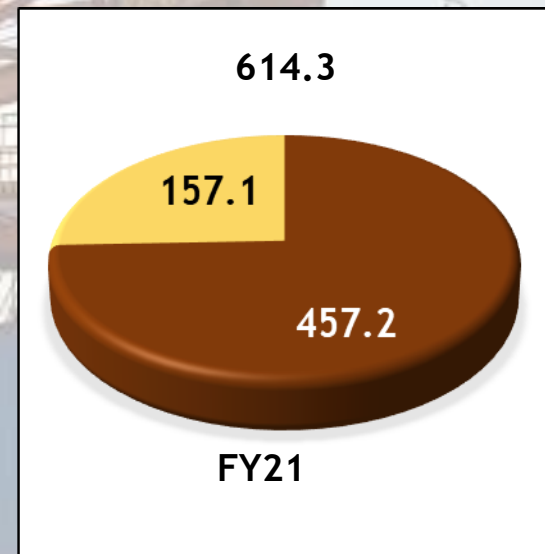
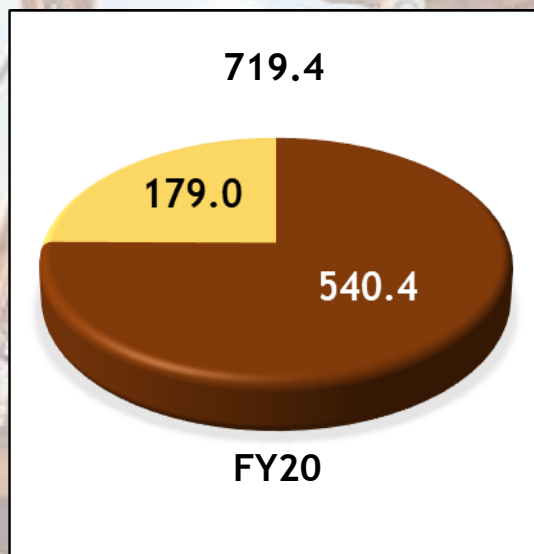
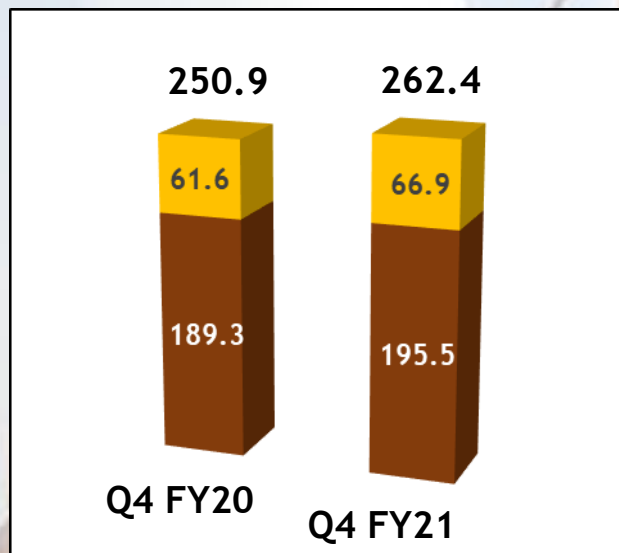


Infrastructure Segment

(Amount in ₹ bn)

Net Revenue 5% ↑

Net Revenue -15% ↓



11.1% EBITDA Margin 11.5% ↑

8.2% EBITDA Margin 8.5% ↑

■ Domestic ■ International

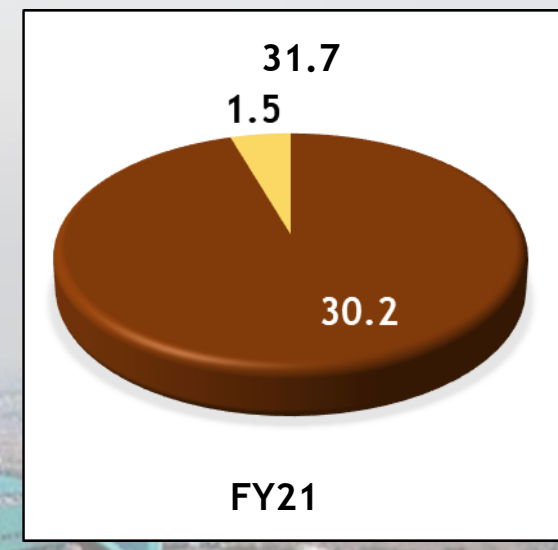
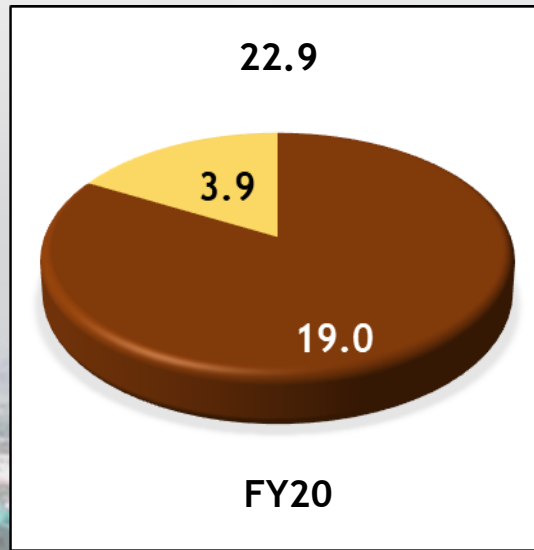
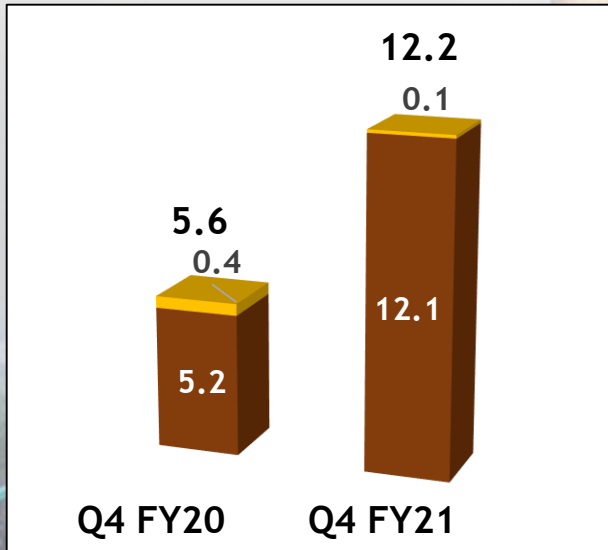
- Ordering momentum continues in Q4, encouraging prospect pipeline for FY22
- Improved execution in Q4, however strict safety protocols amidst continuing pandemic moderates progress
- Margin reflective of job mix and site productivity. Full year margin moves up despite under recoveries in a Covid year

Power Segment

(Amount in ₹ bn)

Net Revenue >100% ↑

Net Revenue 38% ↑



38.3% EBITDA Margin 8.5% ↓

12.0% EBITDA Margin 4.6% ↓

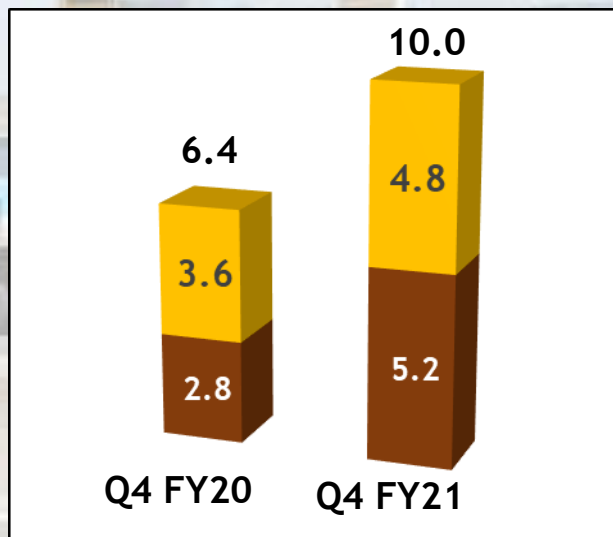
Domestic International

- Award deferments seen in current year, healthy order book on back of large wins in FY20
- Revenue increase driven by execution progress
- Major part of order book yet to cross margin recognition threshold, PY margin buoyed by claims
- Profits of Boiler, Turbine and other JV companies are consolidated at PAT level under equity method

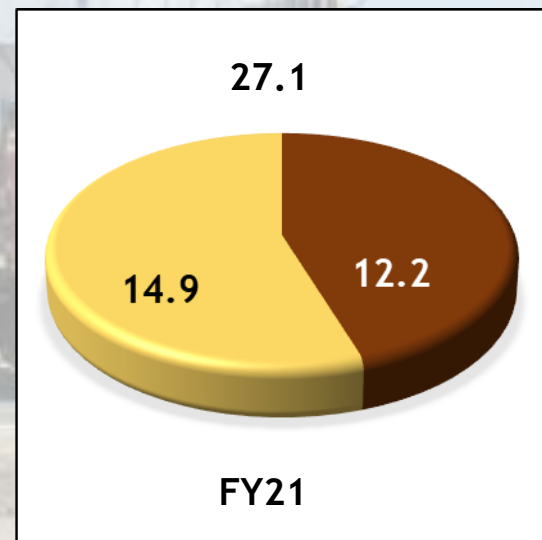
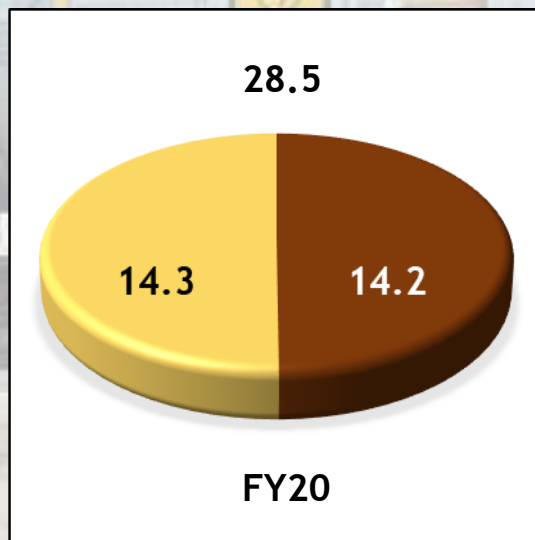
Heavy Engineering Segment

(Amount in ₹ bn)

Net Revenue 57% ↑



Net Revenue -5% ↓



18.5% EBITDA Margin 29.3% ↑

21.5% EBITDA Margin 19.7% ↓

Domestic International

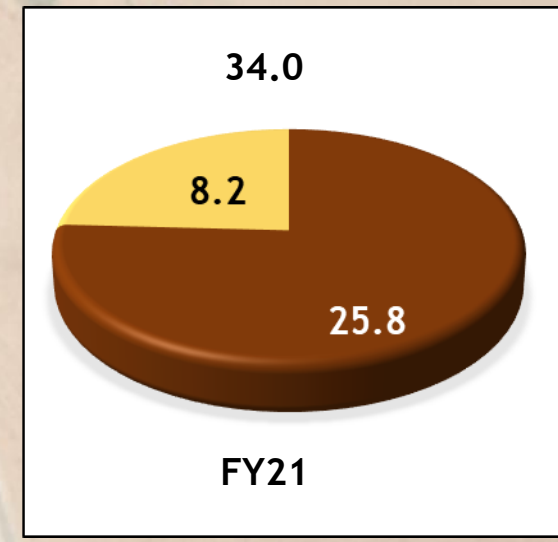
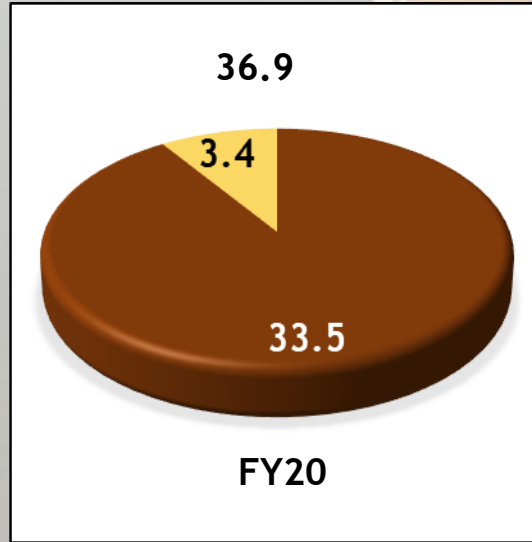
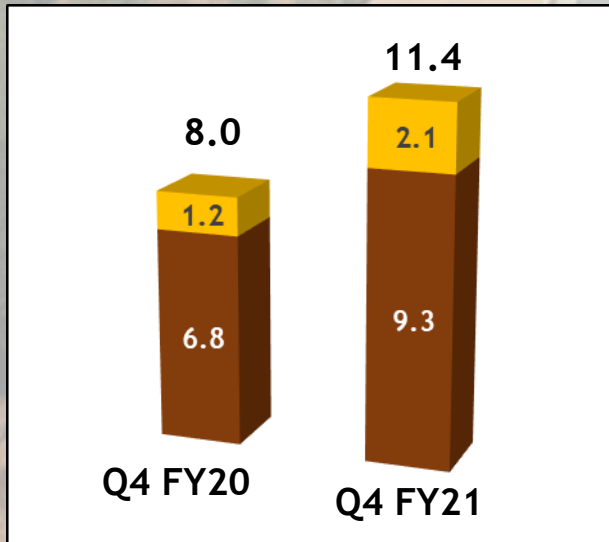
- Robust order wins in Nuclear Power business
- Pick up in execution across multiple jobs leads to strong revenue recovery in Q4
- Q4 Margin reflective of job mix and claims

Defence Engineering Segment

(Amount in ₹ bn)

Net Revenue 43%↑

Net Revenue -8%↓



16.4% EBITDA Margin 29.3% ↑

18.6% EBITDA Margin 22.2% ↑

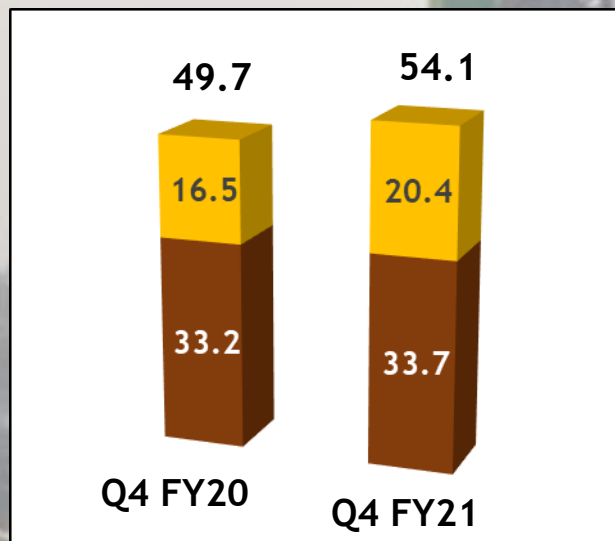


- Subdued ordering momentum in Q4
- Policy pronouncements around indigenization to drive order inflows in medium to long term
- Better job progress drives revenue in Q4
- Margin reflective of job mix and stage of execution, cost savings drive buoyancy

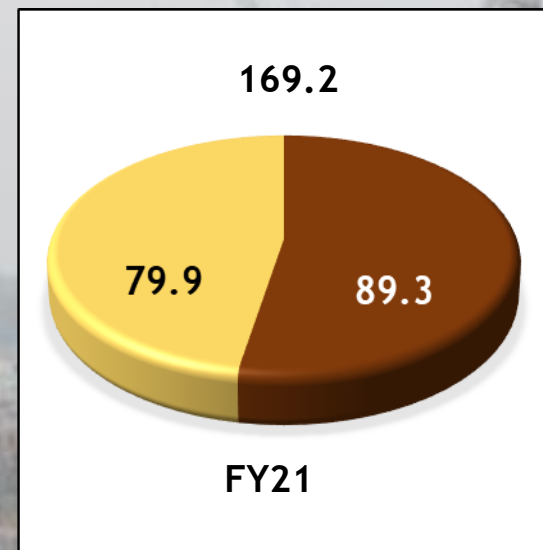
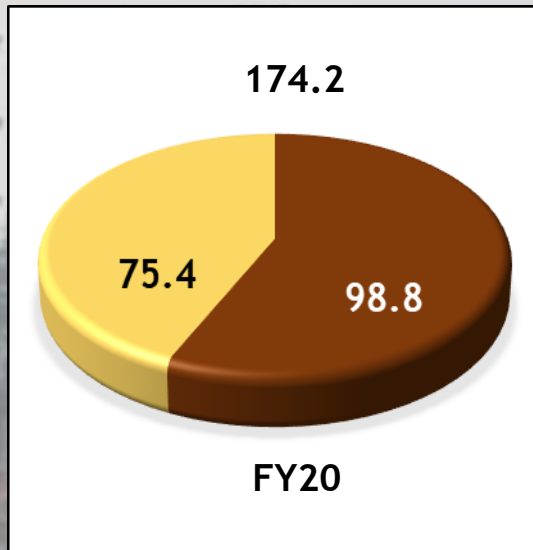
Hydrocarbon Segment

(Amount in ₹ bn)

Net Revenue 9% ↑



Net Revenue -3% ↓



11.0% EBITDA Margin 13.0% ↑

10.9% EBITDA Margin 10.3% ↓

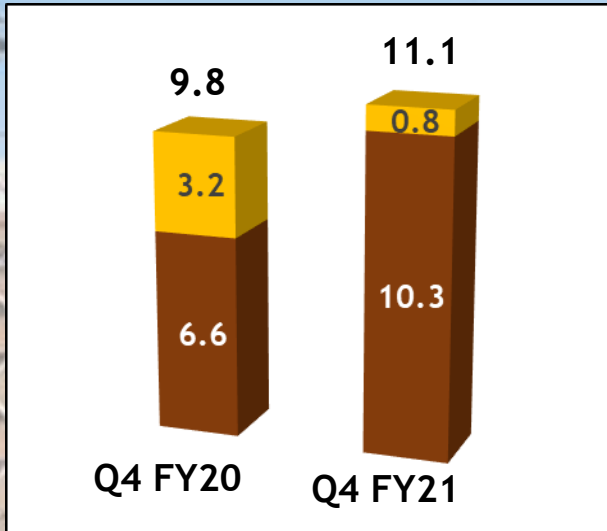
■ Domestic ■ International

- Domestic order wins in Q4 replenishes order book
- Improved activity level aid revenues in Q4
- Margin contributed by efficient execution leading to cost savings and job mix

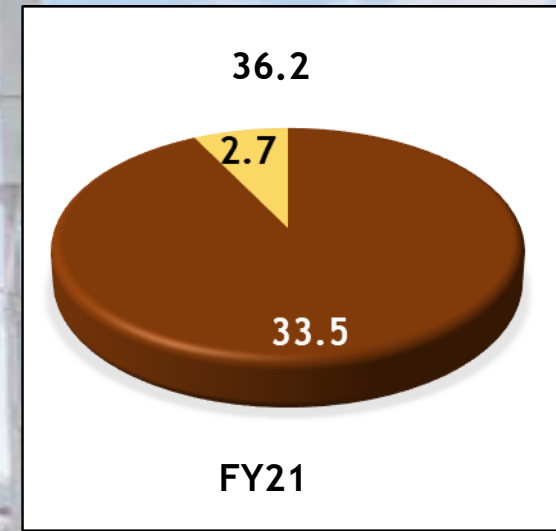
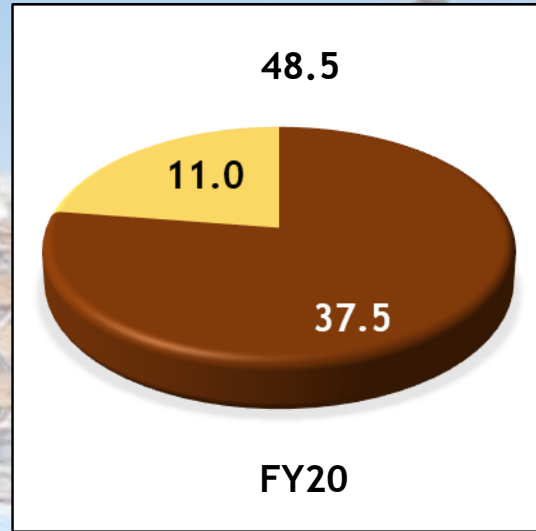
Developmental Projects Segment

(Amount in ₹ bn)

Net Revenue 13% ↑



Net Revenue -25% ↓



6.1% EBITDA Margin 8.5% ↑

11.1% EBITDA Margin 5.4% ↓

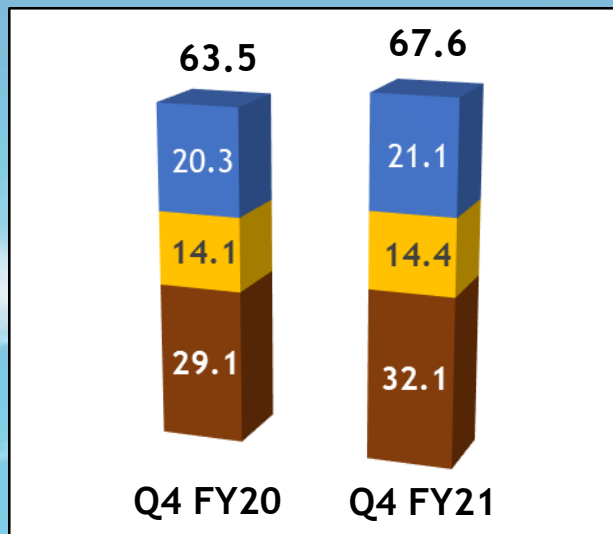
■ Power Development ■ Hyd Metro

- Segment includes Power Development business (Thermal and Hydro) and Hyderabad Metro
- Revenue largely contributed by Power Development Business. Strong Electricity demand drives revenue growth in Nabha whereas Hyderabad Metro ridership is reflective of continuing pandemic
- Segment margin impacted by OPEX under recovery in Metro
- Roads & TL concessions (housed in IDPL) are consolidated at PAT level under the Equity method

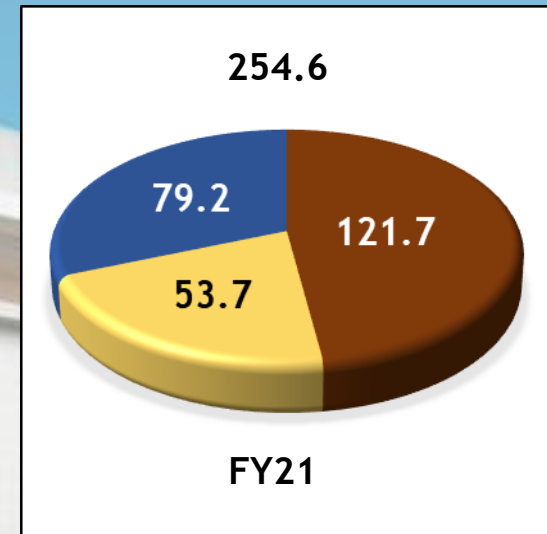
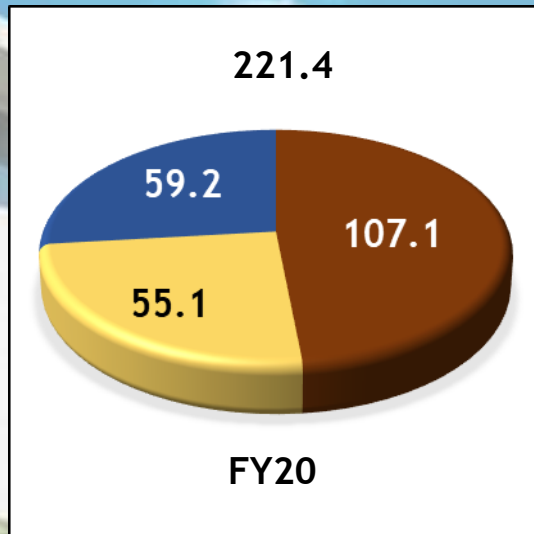
IT & Technology Services Segment

(Amount in ₹ bn)

Net Revenue 7% ↑



Net Revenue 15% ↑



20.8% EBITDA Margin 24.5% ↑

20.9% EBITDA Margin 23.5% ↑

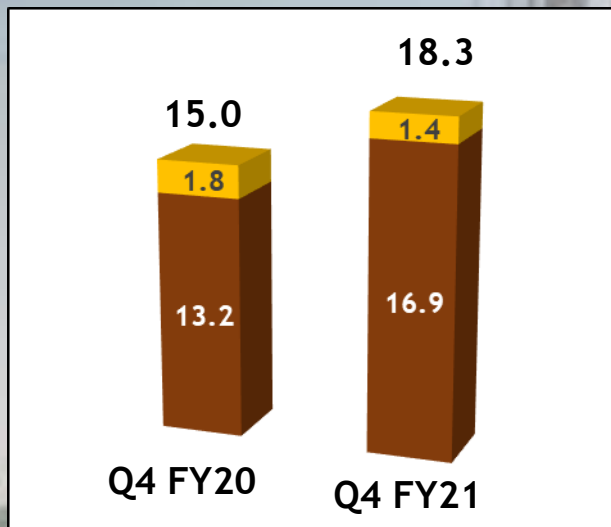


- LTI revenue growth led by BFS, High Tech Media and Entertainment, CPG, Retail & Pharma and Manufacturing
- LTTS revenue largely contributed by strong growth in Medical devices and Telecom & Hitech vertical
- Mindtree revenue growth led by Communications, Media & Technology and Retail, CPG & Manufacturing
- Margin improvement aided by improved utilization, onshore: offshore mix and operational efficiencies

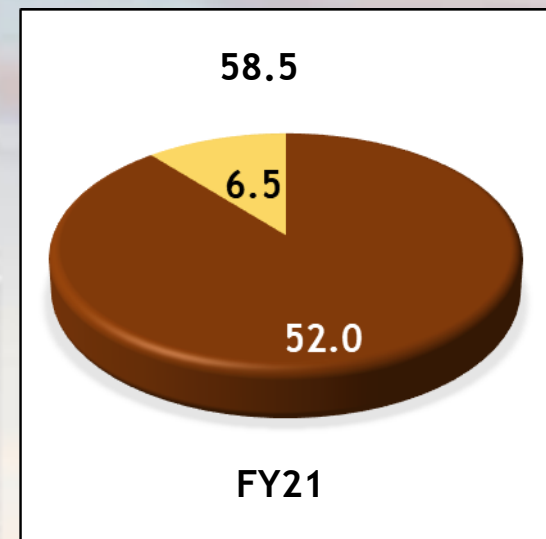
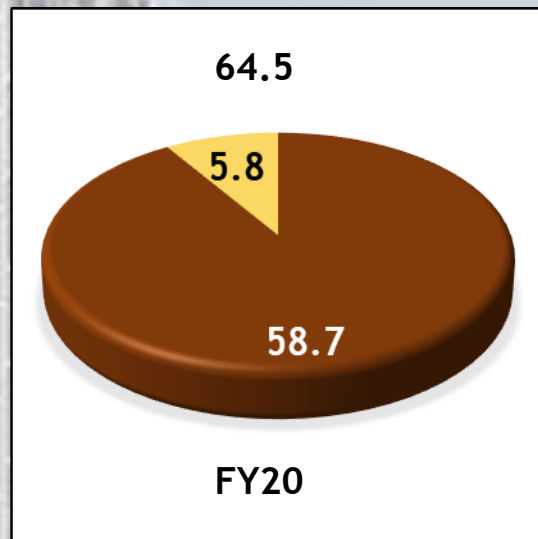
Others Segment

(Amount in ₹ bn)

Net Revenue 22% ↑



Net Revenue -9% ↓



14.6% EBITDA Margin 14.1% ↓

17.6% EBITDA Margin 21.0% ↑

■ Domestic ■ International

- Segment comprises Realty, Construction & Mining Equipment, Rubber Processing Machinery, Industrial Valves, and Smart World & Communications
- Strong Q4 revenue growth led by Smart World & Communications, Construction & Mining Equipment, Rubber Processing Machinery and Industrial Valves
- Stable Q4 margin

Financial Services Segment

Q4 FY20	Q4 FY21	% Var	Rs Bn	FY20	FY21	% Var
33.7	33.8	0%	Income from Operations	138.2	134.0	-3%
3.8	2.7	-31%	Reported PAT	17.0	9.7	-43%
2.4	1.8	-27%	PAT (Net of NCI) accruing to the group	10.8	6.3	-42%
Mutual Fund Average AUM				710.6	727.3	2%
Book				983.8	940.1	-4%
Gross Stage 3 Assets				5.4%	5.0%	
Net Stage 3 Assets				2.3%	1.6%	
Net worth				146.9	187.7	28%

- The business continues to pursue the strategy of higher retailisation of its loan book, diversification of liabilities, continued asset focus, maintaining prudent ALM and targeting sustainable NIMs
- Q4 revolved around strong pick up in rural disbursements, robust collections, improved NIMs + Fees, and maintenance of adequate liquidity on Balance Sheet
- Post rights issue, the business has sufficient growth capital

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

04 Group ESG Disclosures



ESG & Sustainability

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



Received the 'Grant Thornton Bharat SABERA Award' for 'Best Integrated Reporting' in Dec 2020

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

Energy Conservation & Renewable Energy - FY21

1

> 10 Mn kWh*
Energy saved in FY21

4

> 4%
Of total energy mix is Renewable Energy

2

64 Mn MT*
CO₂ emissions avoided in FY21

5

9
Establishments generate onsite solar energy for campus usage

3

65.9 Mn kWh*
Renewable energy used in our campuses in FY21

6

4
Campuses source wind or solar electricity

Cumulatively (2008-2021) >128 Mn kWh energy saved which is equivalent to 4.2 Mn trees saved

*Audit in progress

Occupational Health and Safety



Statistics	FY 2020-21
Severity rate*	27.7
Frequency rate**	0.02
Fatality	25

*Severity Rate: Number of man-days lost per million man-hours worked

** Frequency Rate: Number of reportable accidents per million man-hours worked

Safety Culture and Management:

- Senior management embraces top--down driven approach by demonstrating safety leadership at all levels. Site visits and audits are conducted to maintain / improve EHS performance
- Safety evaluated every quarter at Company Board levels (Non-Executive Directors) on performance and compliance
- Comprehensive safety training programme at all levels of Supervisory Management & Supply Chain
- Focus on high-risk activities
- Hazard & risk identification prior to start of any activity
- Positive incident reduction using Digital AI for identifying unsafe acts and conditions, early intervention taken
- Safety committees at all L&T work locations

Green Portfolio

Water Management



- Water Efficient Irrigation Infrastructure;
- Reservoirs, Barrages & Water Balancing System;
- Water Treatment Plant;
- Waste-Water Treatment Plant;
- Industrial Treatment Plant;
- Industrial Plant Water System;
- Solar Power System

Eco Friendly Fuel



- Setup of ethanol plant,
- Natural gas by product generation

Green Building



- Green buildings
- Hospitals,
- Airports,
- Schools,
- Residential buildings,
- commercial buildings

Metro & Monorail



- Metro
- Mono rail projects

Solar Power Plants



- Grid connected Solar power plant,
- Grid connected floating solar plant

Hydro Projects



- Hydro power projects

Transmission & Distribution



- Power Distribution Reforms & Power Quality Improvement Projects
- Gas Insulated Substations, Substations and Substations of 765kV

L&T's Support During Pandemic

Workmen



- Reimbursement of vaccine cost for all employees (70% of employees above 45 vaccinated)
- Conversion of inhouse facilities / tie up with hotels for quarantine centres for employees and family members
- Regular RT / PCR tests conducted across offices, project sites and factories
- iCALL facility for online counselling for employees

- Monetary contribution made towards PM Cares Fund (150 Cr)
- Supplied test kits, hospital equipment, ration kits and PPE kits at various locations in FY21
- Installed smart technologies in over 20 major cities to help various state governments and local authorities to fight COVID-19
- Deliver of oxygen generators to various hospitals in India

Employees



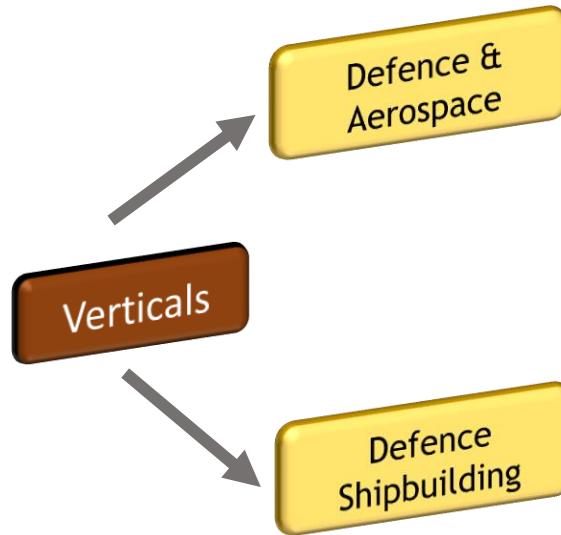
- Set aside an outlay of over Rs 500 crore during lockdown to support about 160,000 contract workers
- Remitted timely wages and provided food, shelter to workmen during pandemic. Also, rolled out schemes to ensure safety
- Doctor, Nurse, Ambulance made available 24x7
- Materials for daily needs being arranged at Labour camps for all workers

Society



ESG - Defence matters

- L&T partners with the Indian Defence Research, Defence Research and Development Organisation (DRDO) and the Indian Armed Forces in the development of defence products, systems and platforms across land, sea and air operations, in line with its commitment to 'Make in India'.
- With an integrated portfolio comprising technologies, products, systems, platforms and solutions, L&T Defence today offers solutions across the project lifecycle.



The business does not manufacture any explosives nor ammunition of any kind, including cluster munitions or anti-personnel landmines or nuclear weapons or components for such munitions. The business also does not customise any delivery systems for such munitions.

The Environment & the Outlook



The Environment & the Outlook

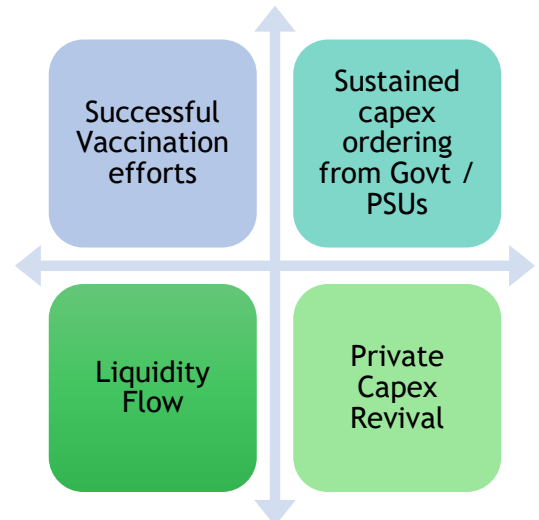
- FY21 started with Covid spread / lockdown
- Economic contraction in first half
- Strong monetary & fiscal response from RBI & Govt
- Recovery in second half
- Govt thrust on infrastructure capex in Union Budget 2021-22
- FY21 concludes with Covid second wave

The year gone by

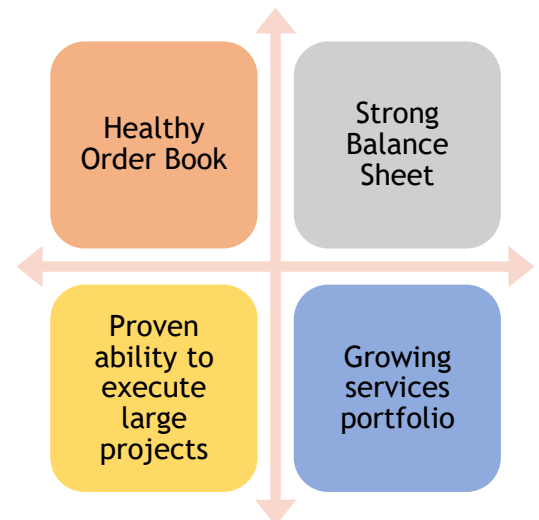
Looking forward

- Limited restrictions as against complete lockdown
- Vaccination announced covering a larger population
- RBI continues to pursue accommodative policy
- Recovery is “delayed” and not “derailed”
- Expect domestic economic momentum to rebuild from Q2FY22 onwards
- Improved prospects in GCC and Africa

Key Determinants Ahead



How L&T is currently positioned





Thank You





Balance Sheet

Rs Billion	Mar-21	Mar-20	Incr / (Decr)
Equity & Reserves	759	667	91
Non Controlling Interest	121	95	25
Borrowings - Financial Services	865	939	-74
Development Projects	206	202	3
Others	255	269	-14
Sources of Funds	2,205	2,173	33
Fixed Assets	138	156	-18
Intangible Assets & Investment Property	310	314	-4
Loans towards Financing Activities	861	909	-47
Finance lease receivable	70	89	-19
Net Non-Current Assets	150	151	0
Current Investments, Cash & Cash Equivalents	473	278	194
Net Current Assets	203	253	-50
Assets held for Sale (net)	0.0	24	-24
Application of Funds	2,205	2,173	33
Gross Debt / Equity Ratio	1.51	1.85	
Net Debt / Equity Ratio	1.00	1.53	



Cash Flow

Q4 FY20	Q3 FY21	Q4 FY21	Rs Bn	FY20	FY21
56.8	42.8	67.3	Operating Profit	185.2	163.4
13.6	11.4	46.1	Changes in Working Capital [(Inc)/Dec]	(83.6)	52.5
(9.4)	(10.5)	(12.4)	Direct Taxes paid	(40.5)	(34.7)
61.0	43.7	101.1	Net Cash from Operations (A)	61.2	181.3
(13.9)	(3.5)	1.5	Net Investment in Fixed Assets (incl. Intangible)	(33.0)	(9.2)
(3.5)	(6.5)	(23.6)	Net (Purchase)/ Sale of Long Term investments (Net of Tax)	(54.7)	100.9
(32.3)	38.6	34.2	Net (Purchase)/ Sale of Current investments	(3.4)	(159.3)
(0.4)	(0.5)	(0.4)	Loans/Deposits made with JV/Associate Cos.	(1.0)	(1.5)
1.5	2.1	5.4	Interest & Dividend Received	9.5	14.8
(48.5)	30.1	17.1	Net Cash from/(used in) Invest. Act. (B)	(82.6)	(54.3)
(1.3)	(1.3)	11.1	Issue of Share Capital / Minority	(0.4)	8.1
31.3	(12.7)	(125.1)	Net Borrowings [Inc/(Dec)]	138.7	(90.5)
12.6	(19.3)	49.1	Disbursements towards financing activities	5.7	47.2
(24.6)	(35.2)	(6.1)	Interest & Dividend paid	(74.5)	(70.4)
17.9	(68.6)	(71.0)	Net Cash from Financing Activities (C)	69.4	(105.6)
30.5	5.2	47.1	Net (Dec) / Inc in Cash & Bank (A+B+C)	48.1	21.4



Segment Margin

Segment (Rs Cr)	FY20			FY21		
	Net Revenue	EBITDA	EBITDA %	Net Revenue	EBITDA	EBITDA %
Ex-Services business:						
Infrastructure Segment	71942	5873	8.2%	61431	5227	8.5%
Power Segment	2294	274	12.0%	3174	147	4.6%
Hydrocarbon Segment	17420	1898	10.9%	16925	1748	10.3%
Heavy Engineering Segment	2853	612	21.5%	2712	536	19.7%
Defence Engineering Segment	3690	685	18.6%	3396	754	22.2%
Other Segment	6445	1137	17.6%	5853	1227	21.0%
Total (ex-services)	104644	10479	10.0%	93491	9638	10.3%
Services Business:						
IT, TS & Mindtree Segment	22135	4635	20.9%	25463	5986	23.5%
Financial Services Segment	13822	2757	19.9%	13404	1372	10.2%
Developmental Projects Segment	4850	539	11.1%	3621	194	5.4%
Total (Services)	40808	7931	19.4%	42488	7552	17.8%
Total	145452	18410	12.7%	135979	17190	12.6%

Particulars	EBIDTA to PAT (FY21)					
	IT&TS	Financial Services	Dev. Projects	Ex-Services*	Corporate	Total
EBIDTA	5986	1372	194	9638	1862	19053
Depreciation	(1163)	(86)	(391)	(1209)	(55)	(2904)
Segment Result	4823	1286	(197)	8429	1807	16149
Finance Cost & Tax Expense	(1345)	(500)	(1417)	(925)	(3738)	(7924)
Non-controlling interest	(1007)	(335)	-	8	(4)	(1338)
Share in profit/(loss) of JV and associate			(64)	43	35	14
Exceptional Items (net of tax)		176			(3732)	(3556)
PAT from discontinued operations					8238	8238
PAT	2471	628	(1678)	7555	2607	11583

* Note: Interest cost and tax provisions are reflected under Corporate



Share in Profit/(Loss) of JVs/Associates

Q4 FY20	Q4 FY21	Rs Bn	FY20	FY21
0.51	0.81	Boiler/Turbine JVs	1.86	1.71
1.13	0.81	IDPL & Subs.	(0.05)	(0.64)
(0.34)	(0.00)	Special Steels and Heavy Forgings	(1.37)	(0.73)
0.17	(0.02)	Others	0.28	(0.20)
1.47	1.60	Total	0.72	0.14