



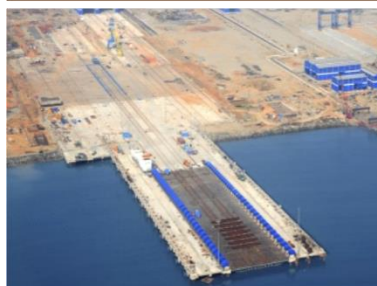
LARSEN & TOUBRO

*Builders to the
nation*

Analyst Presentation

Q3/9M FY18

January 31, 2018



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.



Performance Highlights - Q3 FY18

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**Order
Inflow
+38%**



**Order Book
+5%**



**Revenue
(like-to-like)
+10%**



**EBITDA
+25%**



***PAT
+48%**



**RONW (TTM)
14.6%**

*excluding exceptionals

Key Financial Indicators

Amount in ₹ bn

Q3 FY17	Q3 FY18	Var	Particulars	9M FY17	9M FY18	Var
349	481	38%	Order Inflow	957	1032	8%
			Order-Book	2586	2707	5%
261	287	10%	Revenue from Operations (like-to-like)	727	790	9%
25	31	25%	EBITDA	67	82	21%
9.4%	9.1%	-24 bps	EBITDA Margin (ex services)	8.0%	8.5%	+45 bps
10	14	48%	Recurring PAT	26	40	53%



Group Performance Highlights

Group Performance Summary

Segment / Key Subsidiaries

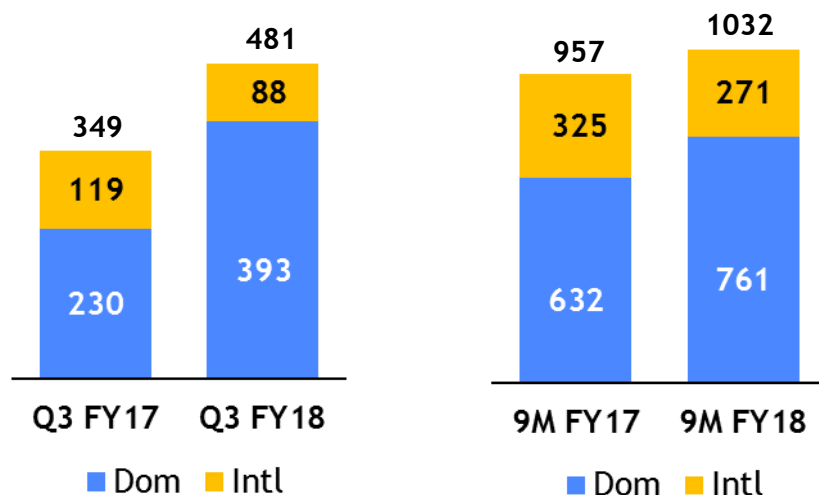
The Environment & the Outlook

Q3/9M FY18 Order Inflow/Order Book

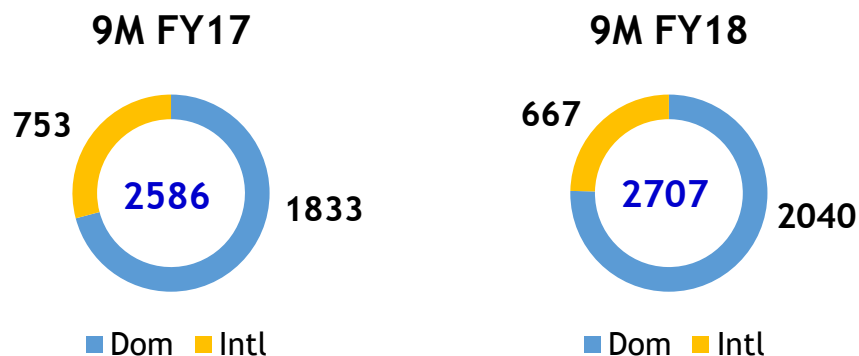
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Amount in ₹ bn

Order Inflow



Order Book



- Q3 witnessed strong project award activity
- Shrinkage in international opportunity basket compensated by domestic market
- Private sector capex (incl. Real Estate & building construction) still muted
- Strong diversified order book distributed across multiple sectors

Group Performance - Sales & Costs

Q3 FY17	Q3 FY18	% Var	₹ Billion	9M FY17	9M FY18	% Var	FY17
261	287	10%	Revenue (like-to-like)	727	790	9%	1,100
37%	35%	-2%	International Revenue %	36%	35%	-1%	34%
173	184	6%	MCO Exp.	474	504	6%	727
13	15	15%	Fin. Charge Opex*	40	44	10%	54
35	38	10%	Staff Costs	104	112	8%	139
17	19	12%	Sales & Admin.	46	50	9%	70
238	256	8%	Total Opex	664	710	7%	989

- Q3 Revenue growth led by Infra, Hydrocarbon, Heavy Engg. and Services businesses
- MCO charge contained through cost curtailment and operating efficiencies
- Staff cost expenses commensurate with headcount increase and scale of operations
- Q3 SGA increase primarily on account of ECL provisions

* Finance cost of financial services business and finance lease activity

Group Performance - EBITDA to PAT

Q3 FY17	Q3 FY18	% Var	₹ Billion	9M FY17	9M FY18	% Var	FY17
25	31	25%	EBITDA	67	82	21%	111
(4)	(4)	-4%	Fin. Cost	(10)	(11)	7%	(13)
(7)	(5)	-37%	Depreciation	(16)	(14)	-13%	(24)
3	2	-22%	Other Income	10	10	-1%	13
(4)	(7)	68%	Tax Expense	(17)	(17)	4%	(20)
(1)	(2)		JV/S&A PAT Share	(5)	(3)		(4)
(1)	(1)	9%	Non-controlling Interest	(3)	(5)	61%	(4)
-	(0.1)	0%	Exceptional items	4	1	-69%	1
10	15	53%	Reported PAT	30	42	39%	60
10	14	48%	Recurring PAT	26	40	53%	59

- Services businesses contributes to EBITDA growth
- Other income comprises of treasury earnings
- Exceptional items comprise divestment gains reduced by provision charge



Group Performance Highlights

Group Performance Summary

Segment / Key Subsidiaries

The Environment & the Outlook

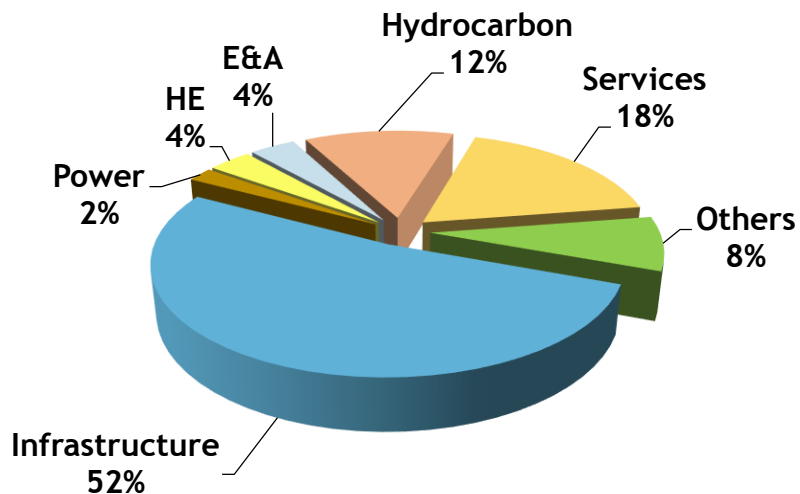
Segment Composition

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

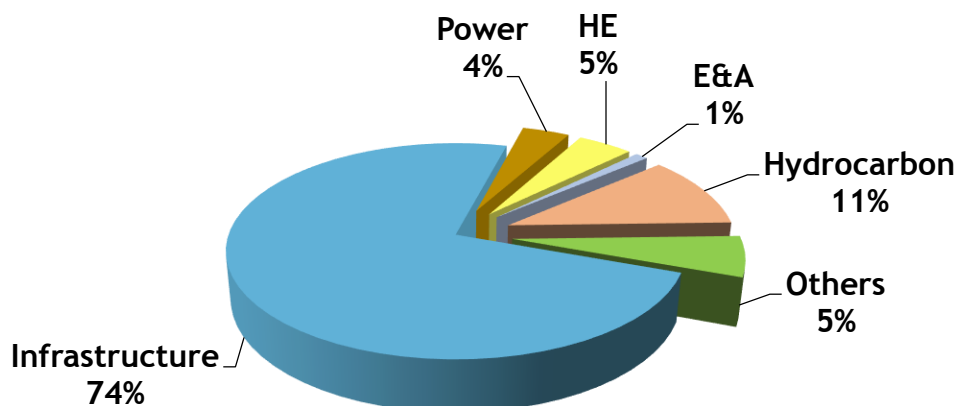
 Hydrocarbon	 Developmental Projects	 IT & TS	 Financial Services	Others
Onshore	Roads*	Information Technology	Rural Lending	Shipbuilding
	Metros		Housing Finance	Realty
Offshore	Ports	Technology Services	Wholesale Finance	Metallurgical & Material Handling
	Power		Asset Management	Industrial Products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

* Consolidated at PAT level

9M FY18 Order Inflow/Order Book Break-up

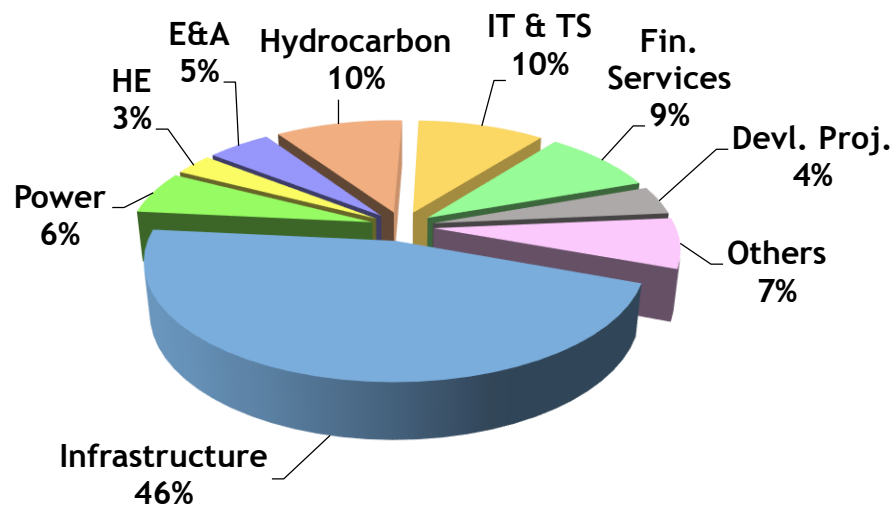


Order Inflow
₹1032 Bn

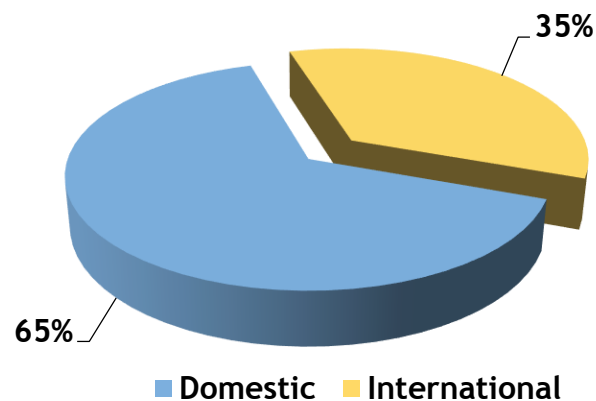


Order Book
₹2707 Bn

9M FY18 Revenue Break-up

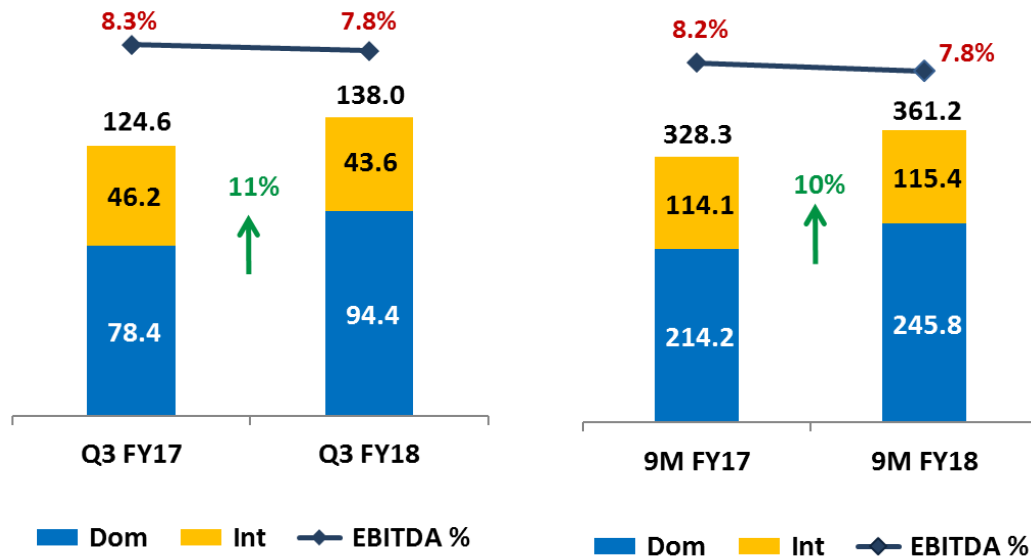


**Revenue
₹792 Bn**



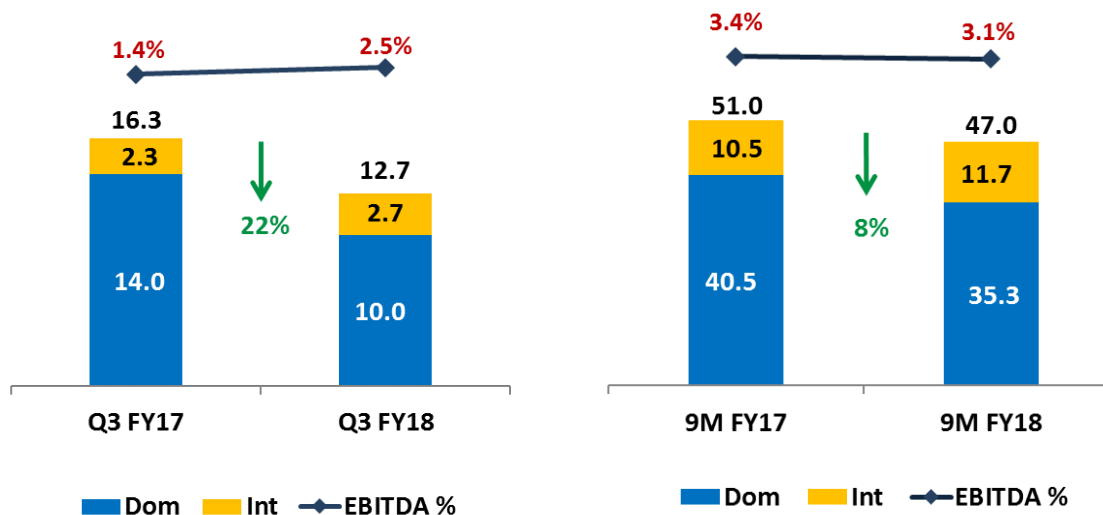
Amount in ₹ bn

Net Revenue & EBITDA Margin



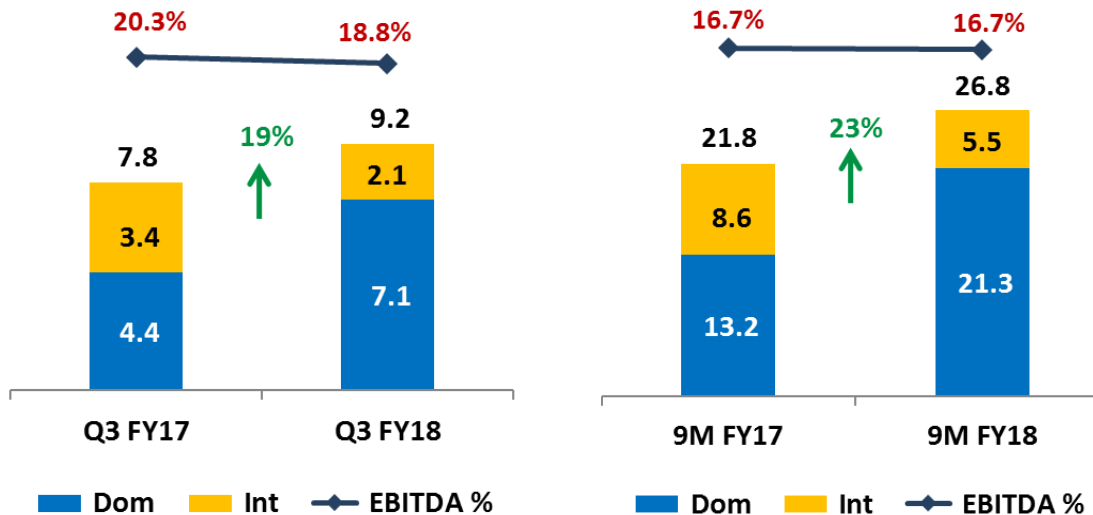
- Revenue growth driven by WET, TI, HC and PT&D.
- Pick up in domestic execution contributes to revenue growth
- Margin reflects job mix and stage of completion

Net Revenue & EBITDA Margin



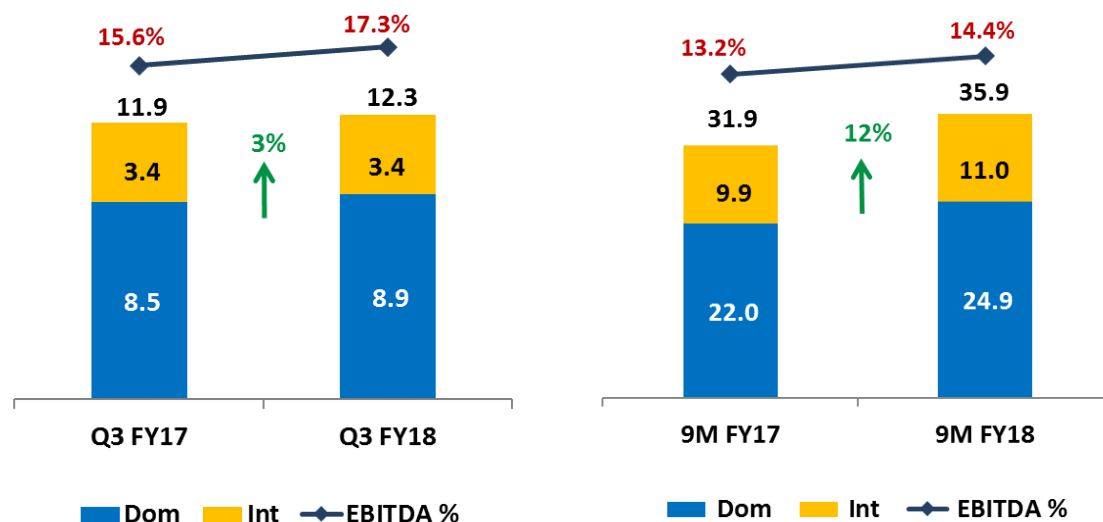
- Aggressive competition and limited opportunities impacts order inflow
- Revenue decline reflects depleting domestic order book
- Execution of International orders on track
- Profits of MHPS and other JV companies are consolidated at PAT level under equity method

Net Revenue & EBITDA Margin



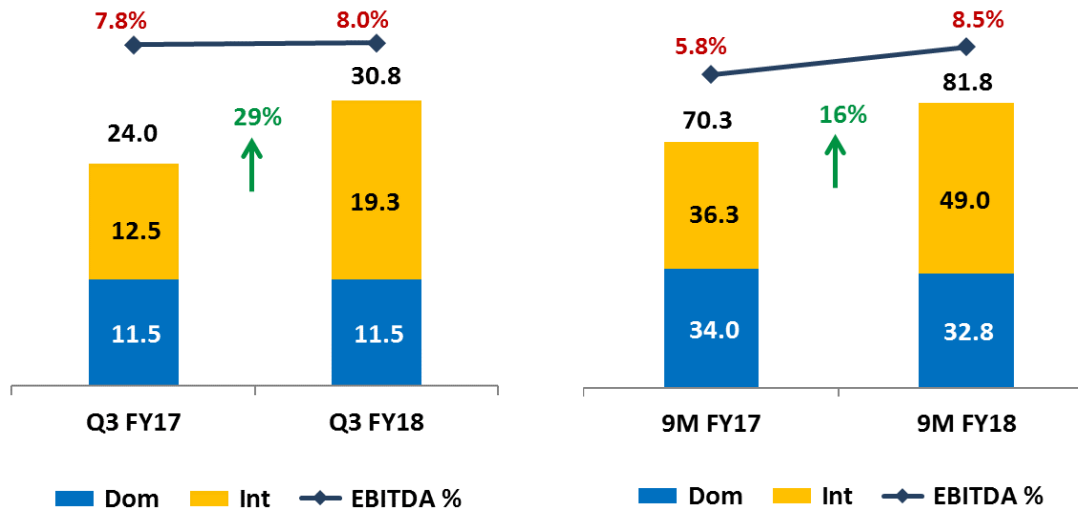
- Revenue growth mainly obtained from defence business
- International revenues impacted by lower PPN order book
- Short term margin fluctuation due to job execution pattern

Net Revenue & EBITDA Margin



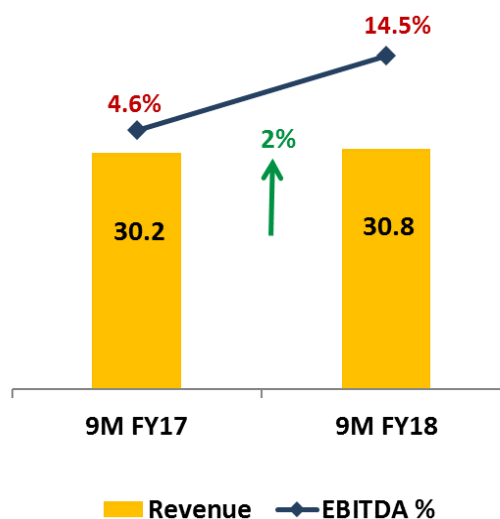
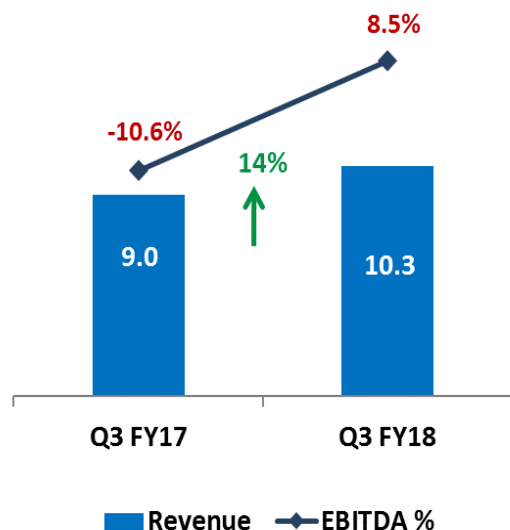
- Like-to-like Q3 Revenue growth mainly accrued from Products business
- Product mix and operational efficiencies lead to margin improvement

Net Revenue & EBITDA Margin



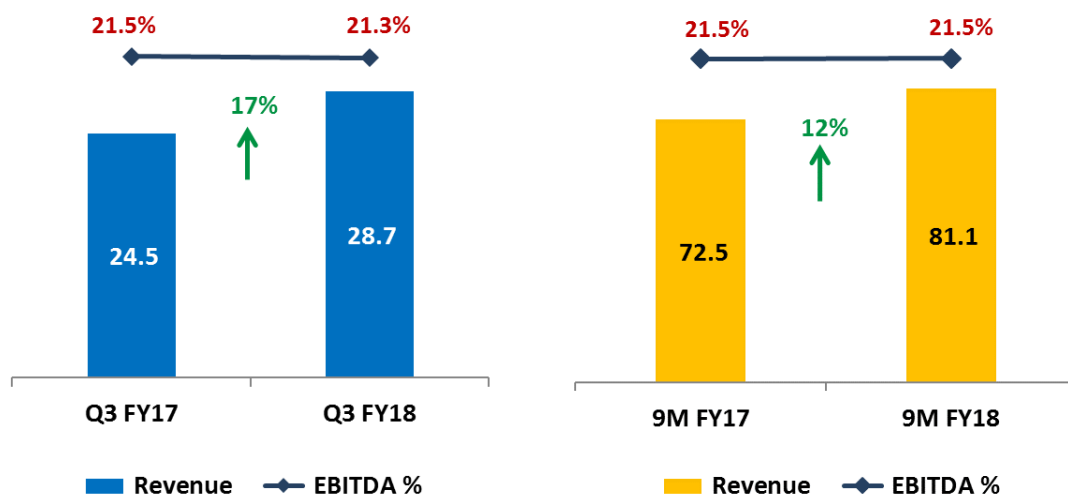
- Strong domestic ordering activity witnessed in Q3 (offshore and onshore)
- Revenue growth on efficient execution of international order book
- Margin expansion due to job progress and cost optimisation

Net Revenue & EBITDA Margin



- Segment includes Power Development, Hyderabad Metro and Kattupalli Port
- IDPL (Roads & TL) consolidated at PAT level under Equity method
- Partial CoD of 30Km stretch in Hyderabad Metro
- Revenues and margins of Nabha Power benefit from favourable Supreme Court judgement

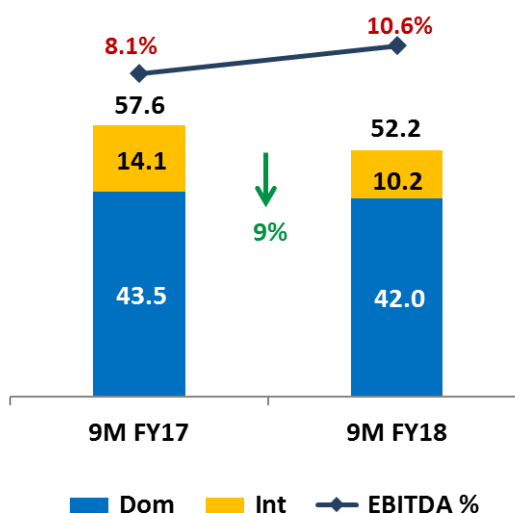
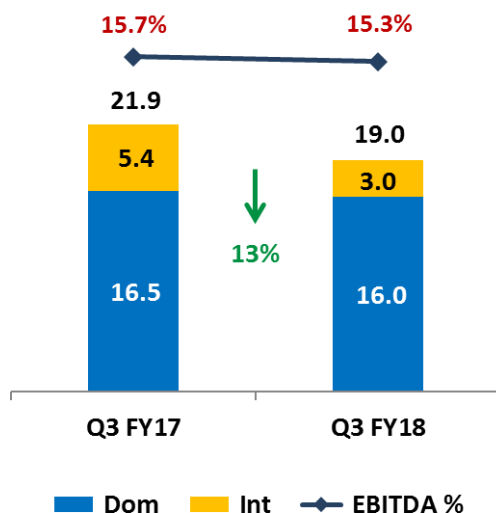
Net Revenue & EBITDA Margin



- Digital services driving growth for both the subsidiaries
- LTI revenue growth led by BFS, Energy & Utilities and CPG, Retail & Pharma Verticals
- LTTTS revenue growth led by Telecom & Hi-Tech, Transportation and Medical Devices verticals

Amount in ₹ bn

Net Revenue & EBITDA Margin



- Segment includes Metallurgical & Material Handling (MMH), Industrial Products & Machinery (IPM), Realty and Shipbuilding (SHBD) businesses
- Revenues affected by lower industrial offtake (CE&O and Valves), slowdown in Realty sector and delayed client clearance in MMH
- Focus on operational excellence and productivity improvement

L&T Finance Holdings (I-GAAP)

Q3 FY17	Q3 FY18	% Var	₹ Bn	9M FY17	9M FY18	% Var
21.6	27.0	25%	Total Income	63.3	75.6	19%
2.4	3.6	48%	PAT attributable to Equity Shareholders	6.3	9.7	53%
Mutual Fund Average AUM				351.9	603.1	71%
Loan Book				619.7	759.6	23%
Net NPA (%)				7.3%	2.9%	-443 bps
Networth				77.1	92.5	20%
ROE (TTM)				12.8%	15.9%	+310 bps

- Growth momentum continues in lending & investment management business
- Digital and Analytics aid operations
- Key thrust areas- growth in focused businesses, asset quality, fee income, cost savings and productivity gains

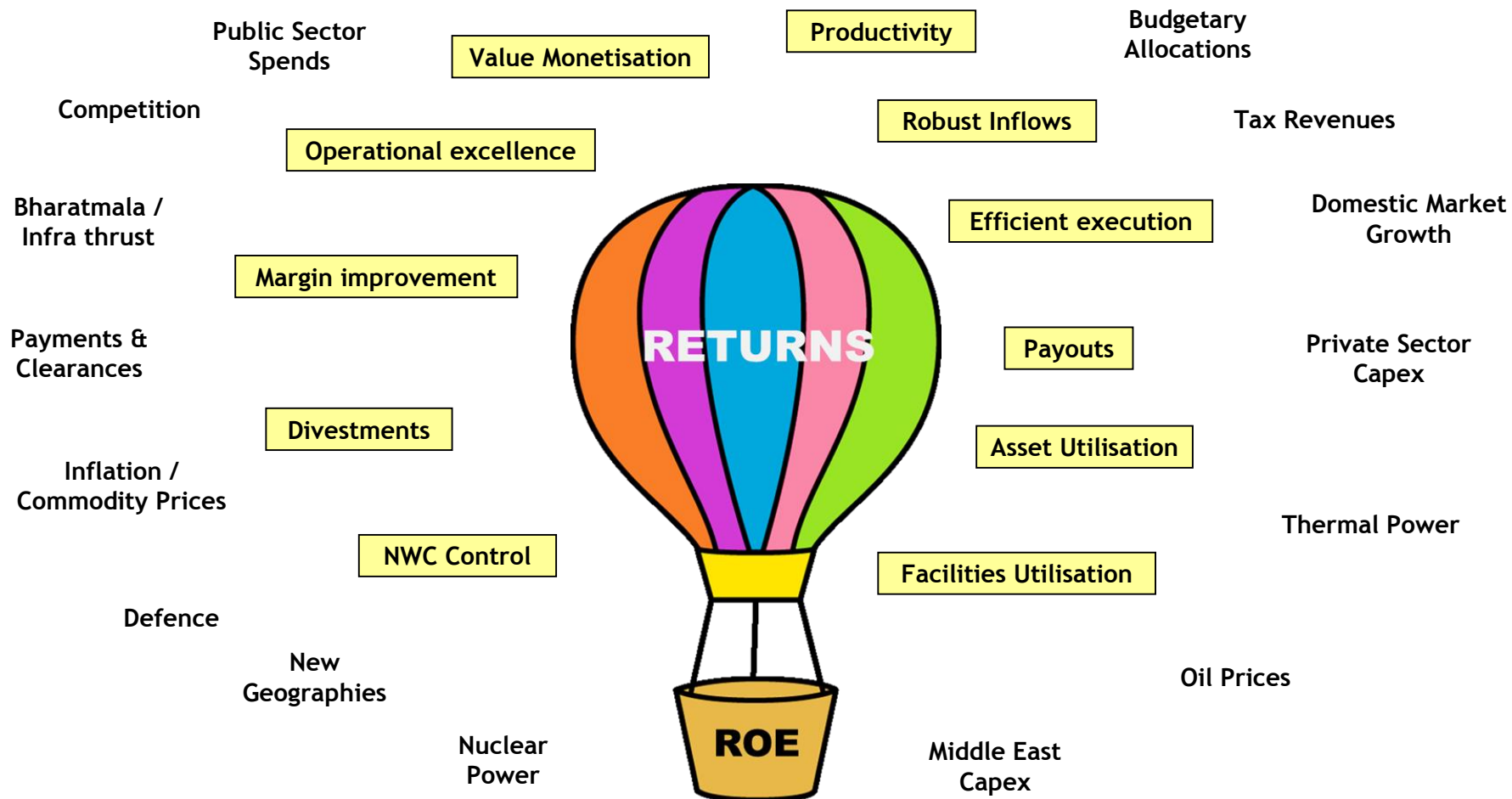


Group Performance Highlights

Group Performance Summary

Segment / Key Subsidiaries

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		
					9M FY18	9M FY17	% Var
Income from Operations*	81.1	73.4	30.8	606.5	791.8	731.8	8%
EBITDA	16.5	8.9	4.4	52.0	81.8	67.5	21%
Other Income	1.0	1.8	0.1	7.0	9.8	9.9	-1%
Interest Expenses	(0.2)	-	(0.2)	(10.8)	(11.2)	(10.4)	7%
Depreciation	(1.6)	(0.4)	(0.5)	(11.8)	(14.4)	(16.5)	-13%
Provision for Taxes	(3.9)	(0.8)	(1.0)	(11.7)	(17.4)	(16.7)	4%
Share in profit/(loss) of JVs / Associates	-	0.0	(2.8)	(0.4)	(3.2)	(4.8)	
Adjustments for non -controlling interest in Subs., etc.	(1.7)	(3.6)	0.0	0.6	(4.6)	(2.9)	
Consolidated adjustments	(0.0)	(0.0)	0.6	(0.6)	-	-	
Exceptional Items	-	-	-	1.2	1.2	4.0	-69%
Net PAT	10.0	6.0	0.6	25.4	42.0	30.2	39%

*Income from operations does not include Excise duty from 1st July, 2017

₹ Billion	Dec-17	Mar-17	Incr / (Decr)
Equity & Reserves	524	502	22
Non Controlling Interest	43	36	7
Borrowings - Financial Services	721	631	90
Development Projects	172	150	22
Others	208	159	49
Sources of Funds	1,668	1,478	191
Fixed Assets	127	132	(5)
Intangible Assets (incl. Investment Property)	191	168	23
Loans towards Financing Activities	708	625	82
Finance lease receivable	94	95	(2)
Net Non-Current Assets	123	123	-
Current Investments, Cash & Cash Equivalents	208	176	32
Net Current Assets	218	158	60
Application of Funds	1,668	1,478	191

Q3 FY17	9M FY17	₹ Billion	Q3 FY18	9M FY18
25.6	68.9	Operating Profit	31.7	83.5
16.5	15.3	Changes in Working Capital	(23.9)	(46.0)
(9.5)	(25.4)	Direct Taxes paid	(8.0)	(25.3)
32.6	58.9	Net Cash from Operations (A)	(0.1)	12.2
(6.0)	(21.3)	Net Investment in Fixed Assets (incl. Intangible)	(5.2)	(19.2)
9.2	14.0	Net (Purchase)/ Sale of Long Term investments	1.9	(0.7)
(28.7)	(51.1)	Net (Purchase)/ Sale of Current investments	(24.6)	(27.9)
(0.4)	(2.5)	Loans/Deposits made with JV/Associate Cos.	1.6	(1.9)
2.3	5.8	Interest & Dividend Received	5.3	9.8
(23.7)	(55.1)	Net Cash from/(used in) Invest. Act. (B)	(21.0)	(39.8)
(0.0)	20.5	Issue of Share Capital / Minority	(0.0)	2.6
10.2	36.7	Net Borrowings	66.9	149.8
(17.6)	(31.1)	Disbursements towards financing activities*	(33.7)	(82.3)
(6.5)	(38.0)	Interest & Dividend paid	(6.0)	(42.1)
(13.9)	(11.8)	Net Cash from Financing Activities (C)	27.2	27.9
(4.9)	(8.1)	Net (Dec) / Inc in Cash & Bank (A+B+C)	6.1	0.3

* included under Net Cash from operations under statutory financial statements

Share in Profit/ (Loss) of JVs/Associates

Q3 FY17	9M FY17	₹ Bn	Q3 FY18	9M FY18
0.18	0.77	MHPS JVs	0.35	1.11
(1.14)	(4.08)	IDPL & Subs.	(1.45)	(2.79)
(0.49)	(1.40)	Special Steels and Heavy Forgings	(0.78)	(1.79)
(0.03)	(0.07)	Others	0.18	0.27
(1.48)	(4.79)	Total	(1.71)	(3.19)



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



Transmission Lines:
Portfolio: 1 project (482 Km)
- Operational
Project Cost: ₹15 bn

Balance Equity Commitment
(Dec 2017): ₹ 11 Bn

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

Total Project Cost
(Dec 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