

SEC/2024

January 30, 2024

<p>BSE Limited Phiroze Jejeebhoy 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 Sirs,

Sub.: Analyst Presentation.- Q3 / 9M FY24

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of Analyst Presentation on financials of Q3 / 9M FY24 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

Technology takes a bow

Shri Ram Janmbhoomi
Mandir

TIMELESS HERITAGE MODERN MARVEL



LARSEN & TOUBRO

**Earnings Call Presentation
Q3 / 9M FY24**

30th January, 2024





Representative image of Raintree Boulevard, Bengaluru

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 Key Highlights

India's longest sea bridge "Shri Atal Bihari Vajpayee Trans Harbour Link", inaugurated on 12th January 2024

Buoyant Q3 performance supported by Capex tailwinds

25% ↑ ORDER INFLOW <i>Aided by strong ordering momentum in the Middle East</i>	19% ↑ REVENUE <i>Driven by a large order book</i>	20% ↑ RECURRING PAT <i>On account of improved activity levels</i>
16.6% ↓ NWC / Sales <i>Vs 19.0% in Dec'22</i>	15.2% ↑ ROE <i>Improves 280 basis points over Dec'22</i>	

Update on New Business initiatives

Data Centre
Pilot project goes live

Electrolyser
Successfully manufactured first electrolyser of 1MW

Semiconductor Design
Incorporated L&T Semiconductor Technologies Limited (LTST)

Key Financial Indicators

(Amount in ₹ bn)

Q3 FY23	Q3 FY24	(y-o-y)	Particulars	9M FY23	9M FY24	(y-o-y)
607	760	25%	Order Inflow	1544	2307	49%
			Order Book	3843	4698	22%
464	551	19%	Revenue	1250	1540	23%
10.9%	10.4%		EBITDA (%)	11.1%	10.6%	
25	29	20%	Recurring PAT	64	87	36%
26	29	15%	Overall PAT	65	87	34%

Particulars	9M FY23	9M FY24
Net Working Capital	19.0%	16.6%
ROE (TTM) (%)	12.4%	15.2%

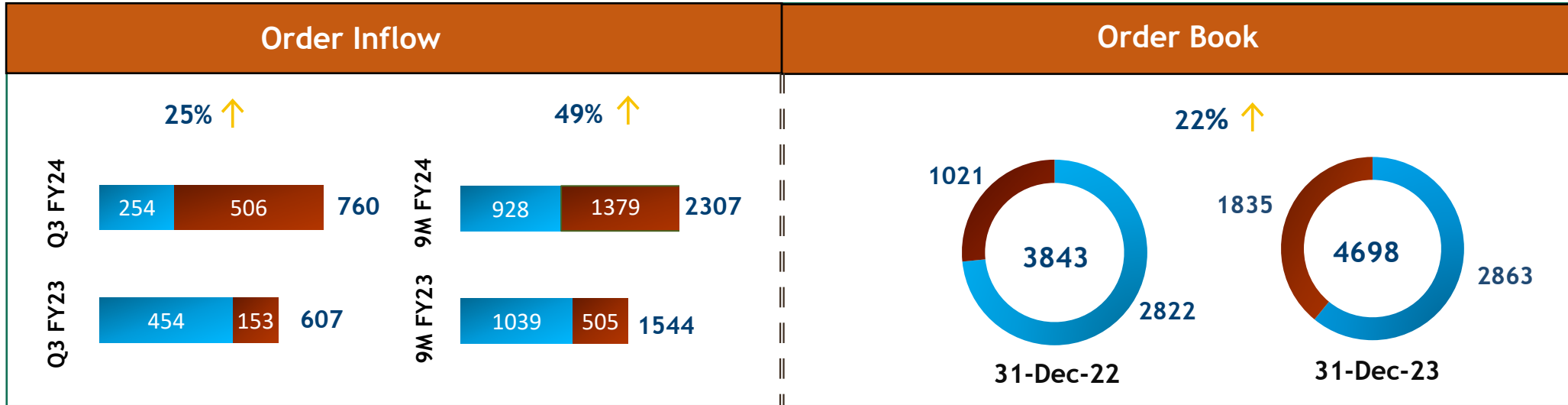


02 Group Performance

Sudair Solar Plant, Saudi Arabia

Q3 / 9M FY24 Order Inflow/Order Book

(Amount in ₹ bn)



- Strong capex momentum in the Middle East drives order inflow; 9M FY24 order inflow surpasses FY23 level
- International orders constitute 39% of the Dec'23 order book
- Robust prospects pipeline @ ₹ 6.3 trillion in the near term

Group Performance - Revenue to EBITDA

Remarks for the quarter

Q3 FY23	Q3 FY24	% Var	Rs Billion	9M FY23	9M FY24	% Var
463.9	551.3	19%	Revenue	1250.1	1540.3	23%
37%	44%		<i>International Rev.</i>	37%	42%	
278.1	352.3	27%	MCO Exp.*	726.2	956.9	32%
15.8	14.4	-9%	Fin. Charge Opex**	45.1	43.0	-5%
95.3	102.5	8%	Staff Costs	272.3	304.4	12%
24.0	24.5	2%	Sales & Admin.	67.2	73.5	9%
413.2	493.7	19%	Total Opex	1110.9	1377.7	24%
50.7	57.6	14%	EBITDA	139.2	162.6	17%
10.9%	10.4%		EBITDA %	11.1%	10.6%	

- Strong execution momentum continues in the Projects and Manufacturing portfolio
- MCO expense variation is reflective of activity levels and cost pressures in the Projects portfolio
- Staff costs variation due to resource augmentation and salary hikes across businesses
- SG&A expenses in line; PY had impact of merger integration costs in LTIMindtree

* Manufacturing, Construction and Operating expenses

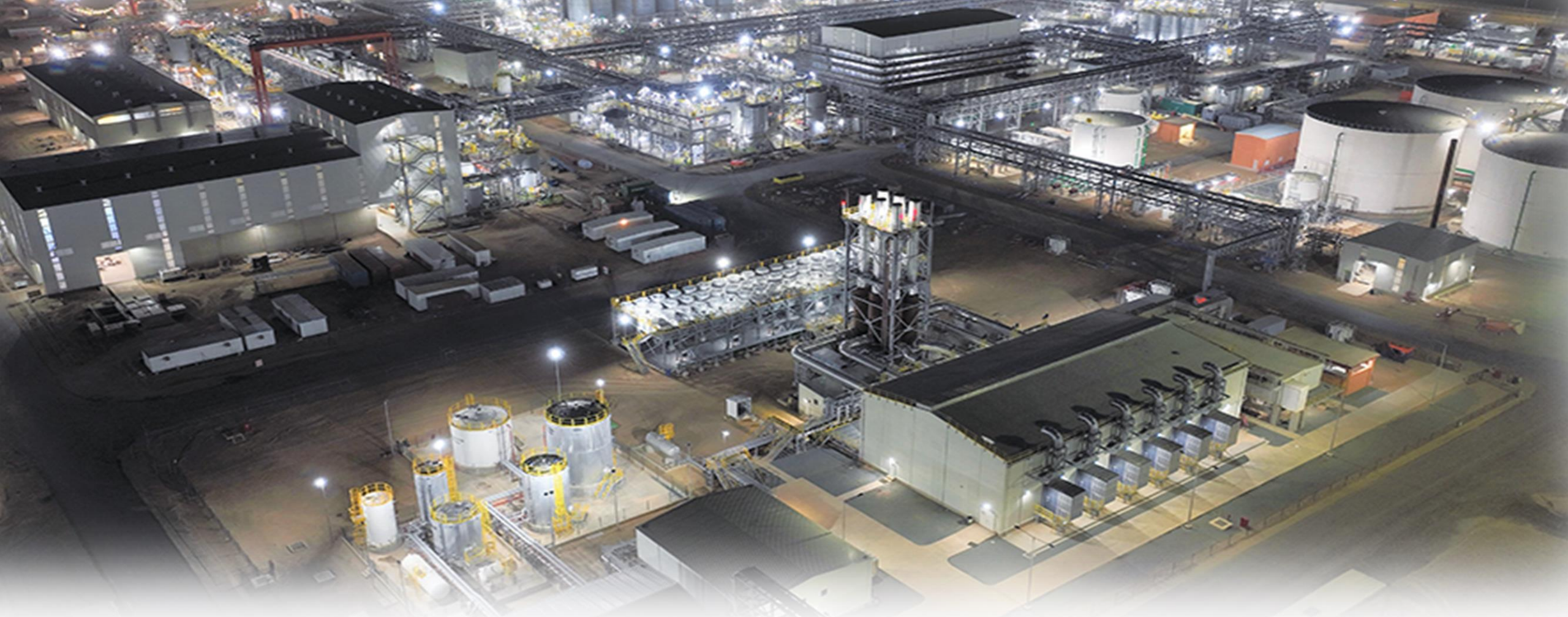
**Finance cost of financial services business and finance lease activity

Group Performance - EBITDA to PAT

Remarks for the quarter

Q3 FY23	Q3 FY24	% Var	Rs Billion	9M FY23	9M FY24	% Var
50.7	57.6	14%	EBITDA	139.2	162.6	17%
(8.0)	(9.0)	13%	Fin. Cost	(23.9)	(26.2)	9%
(8.3)	(9.2)	12%	Depreciation	(26.5)	(26.6)	0%
7.6	8.4	11%	Other Income	21.9	31.2	42%
(12.7)	(11.8)	-7%	Tax Expense	(30.2)	(35.3)	17%
(0.1)	(0.0)	-78%	JV/Associates PAT Share	(1.1)	(0.3)	-70%
(4.7)	(6.5)	38%	Non-controlling Int.	(15.5)	(18.7)	21%
24.6	29.5	20%	Recurring PAT	63.9	86.6	36%
1.0	-		Exceptionals (net of tax and NCI)	1.0	-	
25.5	29.5	15%	Reported PAT	64.8	86.6	34%

- Finance cost commensurate with level and price of borrowing
- Higher other income is a function of average treasury investments & improved yields
- Share of JV / Associate PAT primarily comprises results of Power and Hydrocarbon JVs. L&T IDPL profit consolidation has been discontinued from Q4FY23 being classified as “Held for Sale”
- Recurring PAT growth reflective of strong execution momentum and lower tax expense



03 Segment Performance Highlights

Mansourah-Massarrah Gold Processing Project

Segment Composition

Infrastructure Projects

Buildings & Factories

Heavy Civil

Water

Power T&D

Transportation Infra

Minerals & Metals

Energy Projects

Hydrocarbon

Power

Green Energy EPC

IT & TS

LTIMindtree

LTTS

Digital Platforms

Data Centers

Semiconductor Design

Others

Realty

Smart World & Communications*

Industrial Machinery & Products

Hi-Tech Manufacturing

Heavy Engineering

Defence Engineering

Electrolyser Manufacturing

Financial Services

Retail Lending

Wholesale Lending

Development Projects

L&T IDPL**

Hyderabad Metro

Nabha Power

Green Hydrogen BOO

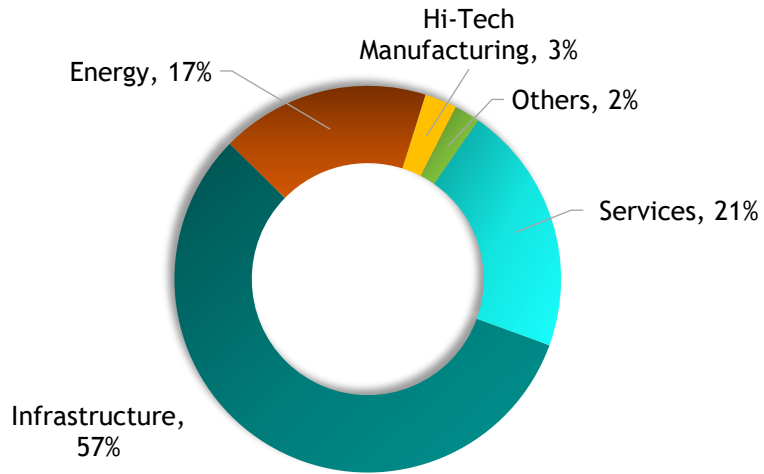
*Effective from 1st April'23, a portion of Smart World and Communication business has been transferred to LTTS that will form part of IT&TS Segment and Military Communications business to Defence, as part of the Hi-Tech Manufacturing Segment. The remaining (retained) business will continue to form part of Smart World and Communication under "Others" Segment

**Held for Sale

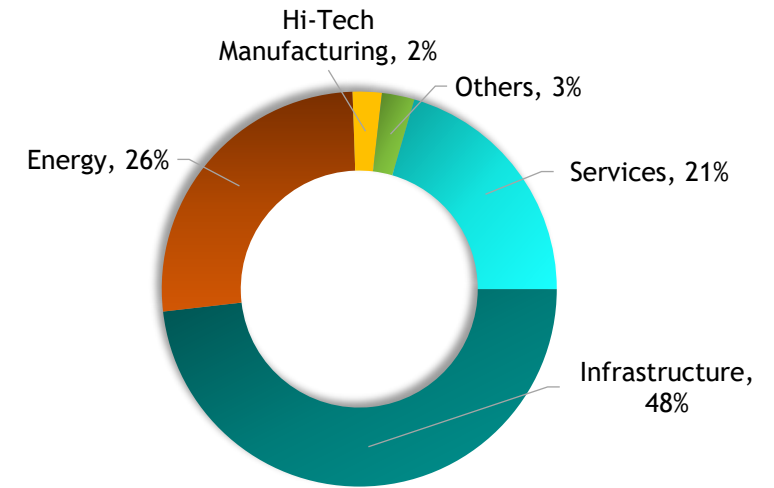
Order Inflow Composition - Q3 / 9M FY24

Segment

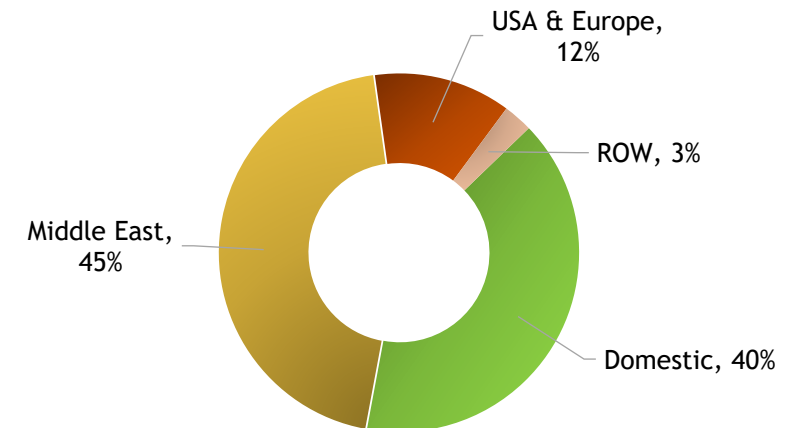
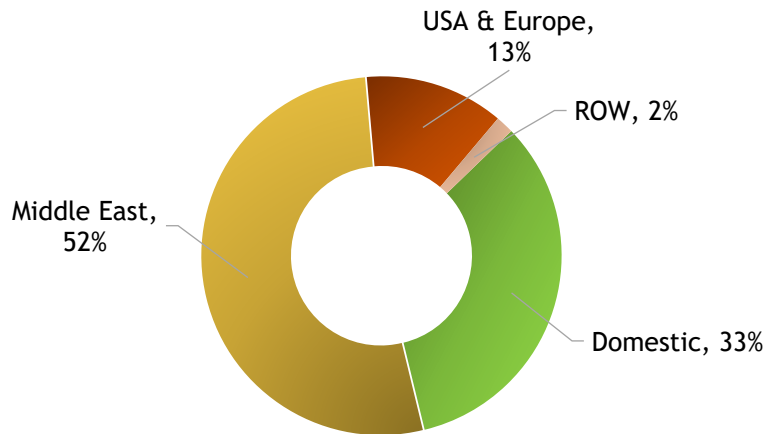
Q3 FY24 Rs. 760 Bn



9M FY24 Rs. 2307 Bn

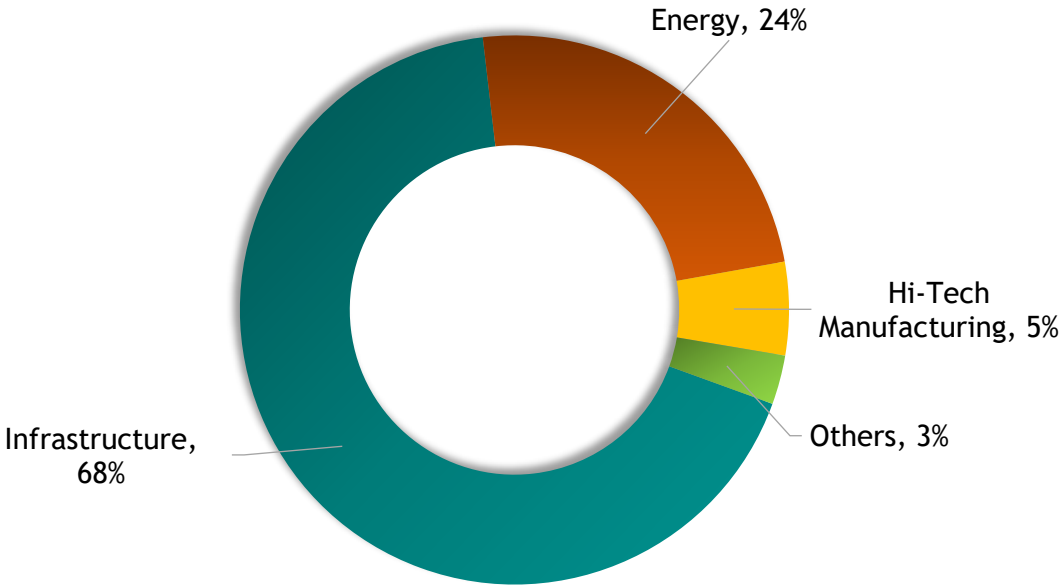


Geography

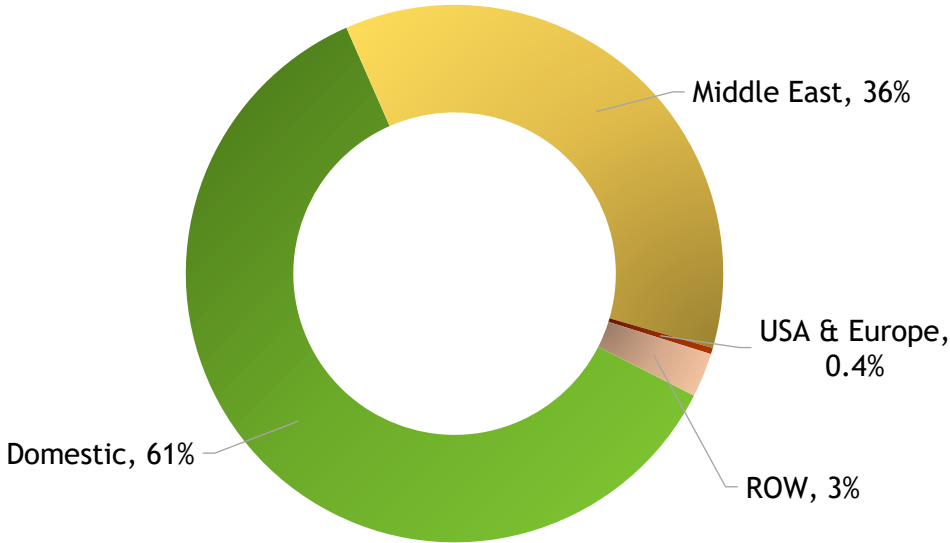


Order Book as on 31-Dec-2023

Segment



Geography



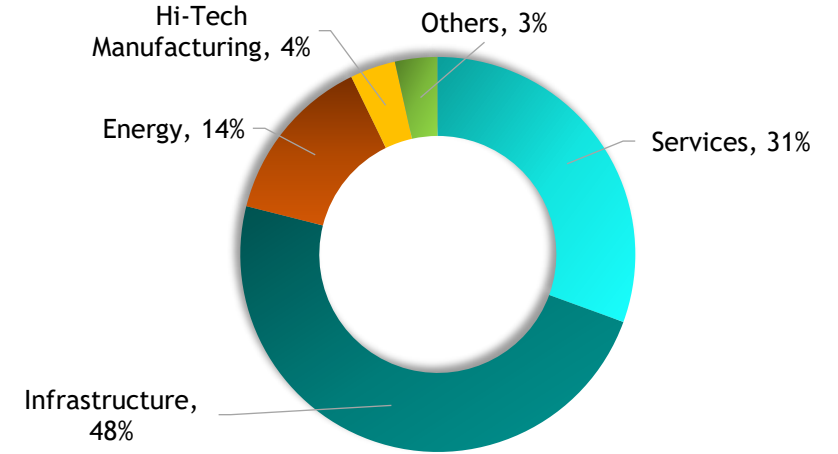
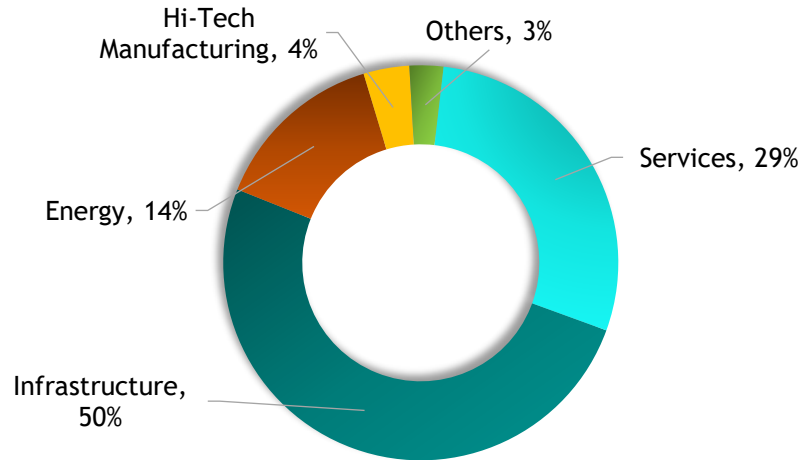
Order Book : ₹ 4698 Bn

Revenue Composition - Q3 / 9M FY24

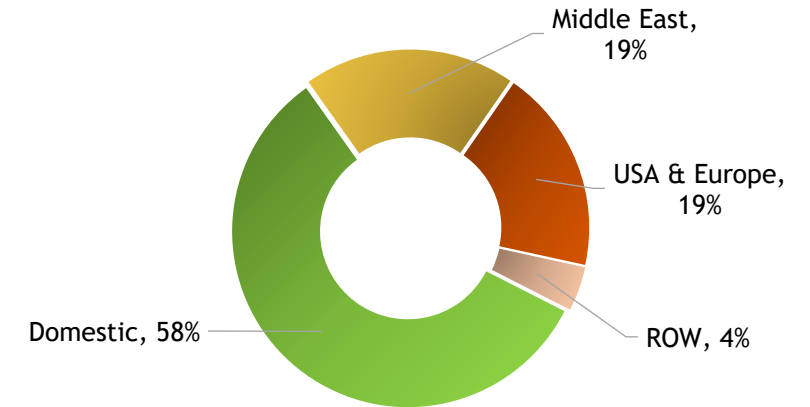
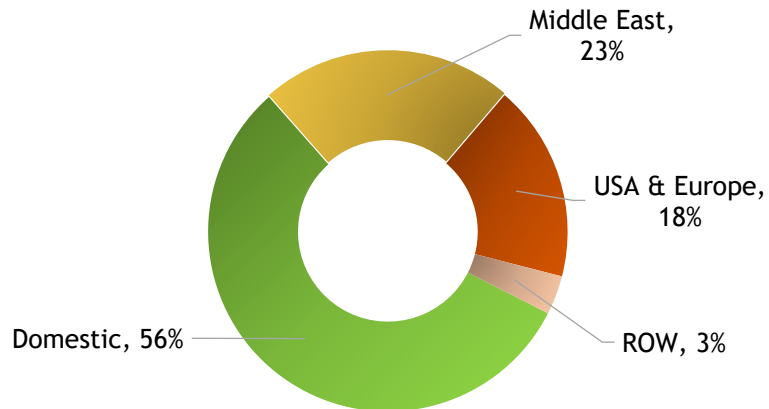
Q3 FY24 Rs. 551 Bn

9M FY24 Rs. 1540 Bn

Segment

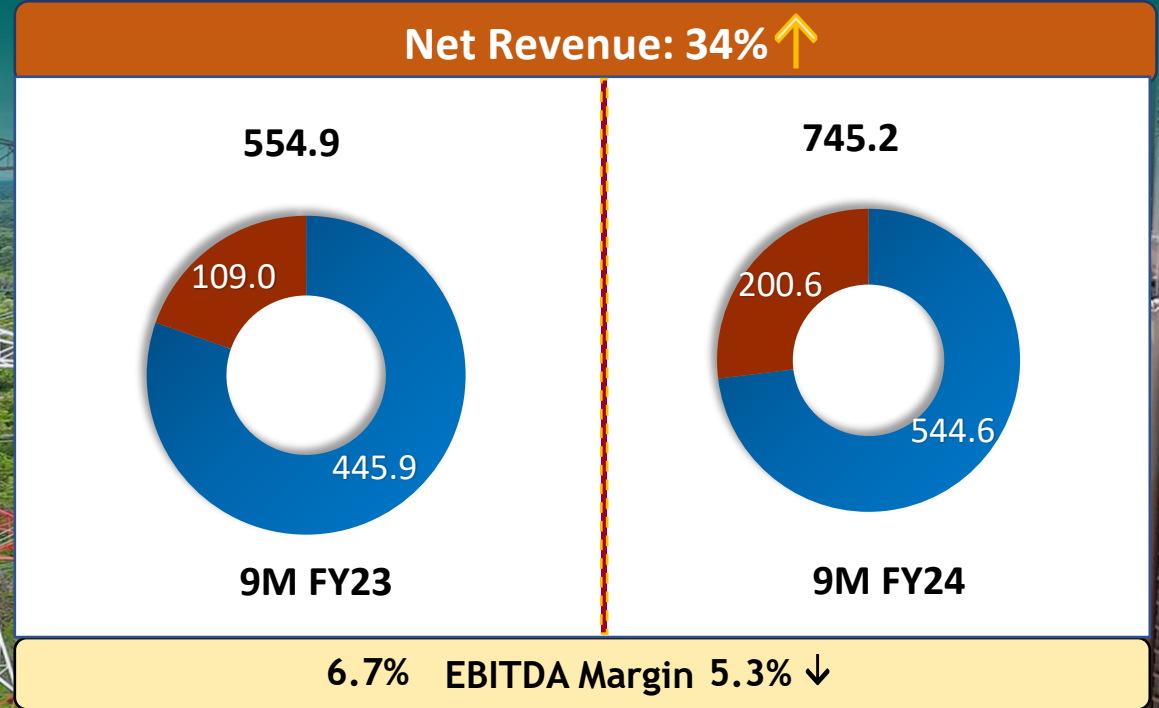
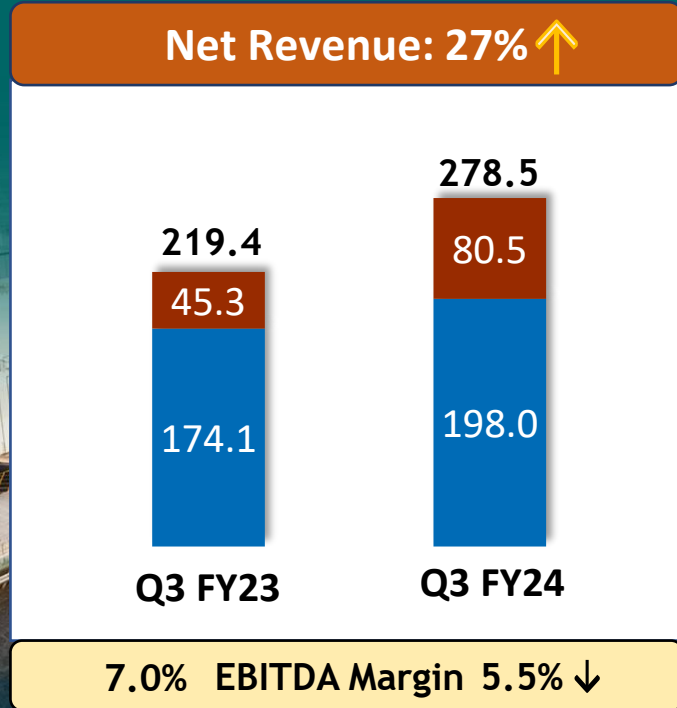


Geography



Infrastructure Projects Segment

(Amount in ₹ bn)

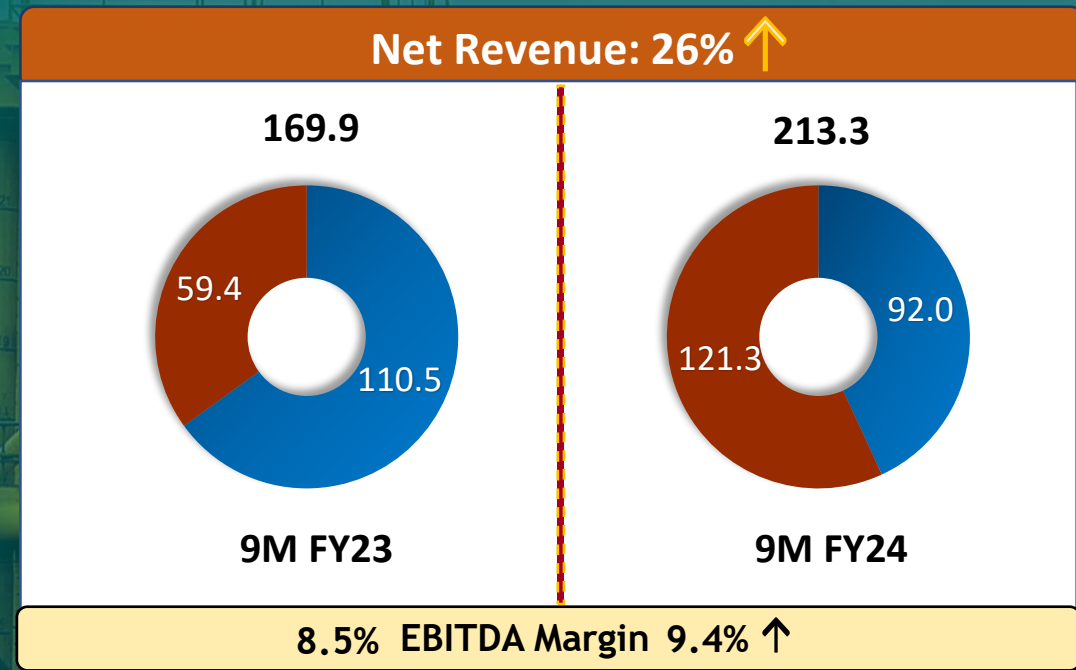
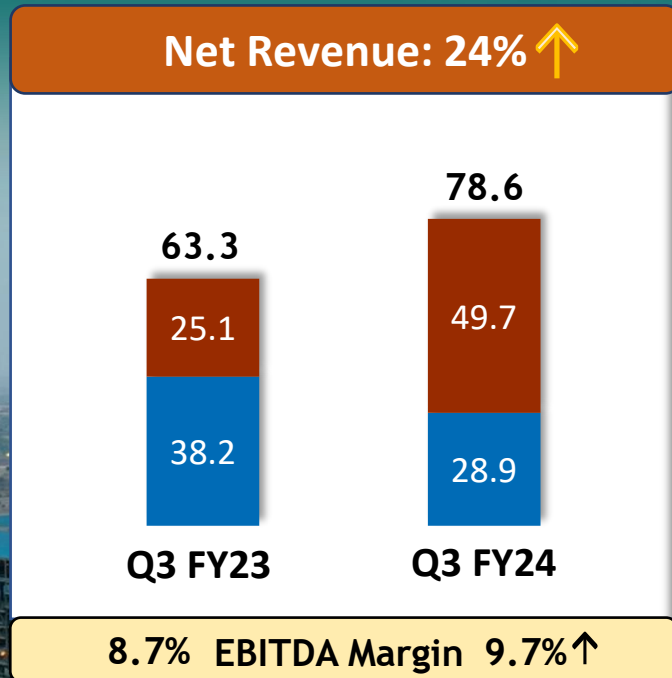


■ Domestic ■ International

- Strong ordering momentum in Middle East drives order inflow growth
- Healthy near term prospects pipeline; possible deferments due to impending domestic elections
- Robust execution momentum led by a growing order book
- Margin stays subdued; legacy jobs tapering off

Energy Projects Segment

(Amount in ₹ bn)



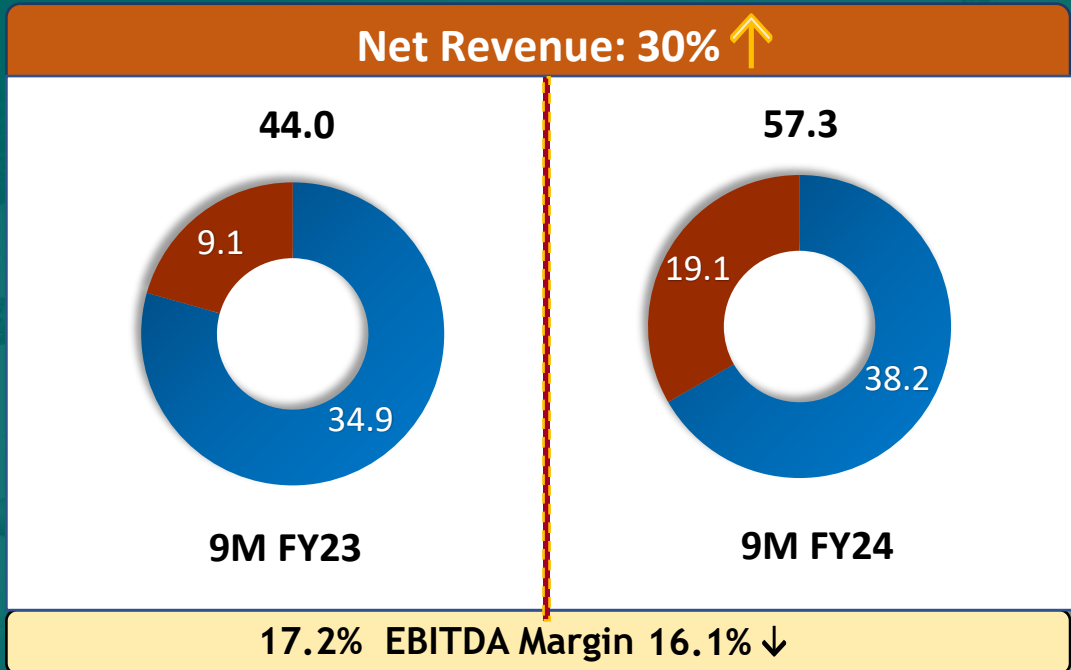
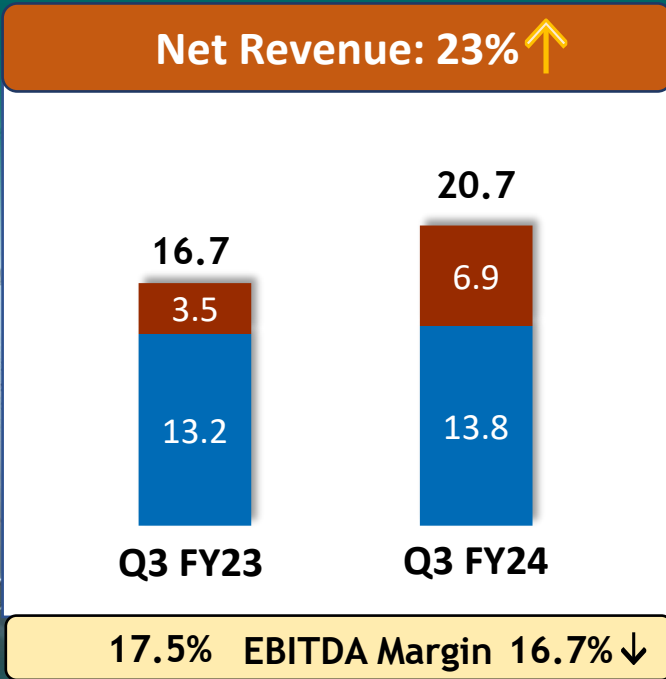
■ Domestic ■ International

- Receipt of a mega order in Middle East boosts Hydrocarbon order book; Power business benefits from the receipt of an FGD order
- Strong execution ramp up in international projects drives Hydrocarbon revenue growth; lower revenues in Power reflective of depleting Order Book
- Hydrocarbon margin in line; favorable customer claim in Power aids margin improvement in Power

EBITDA Margin inclusive of recently started Green EPC business

Hi-Tech Manufacturing Segment

(Amount in ₹ bn)



■ Domestic ■ International

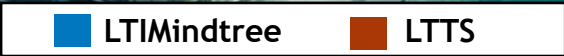
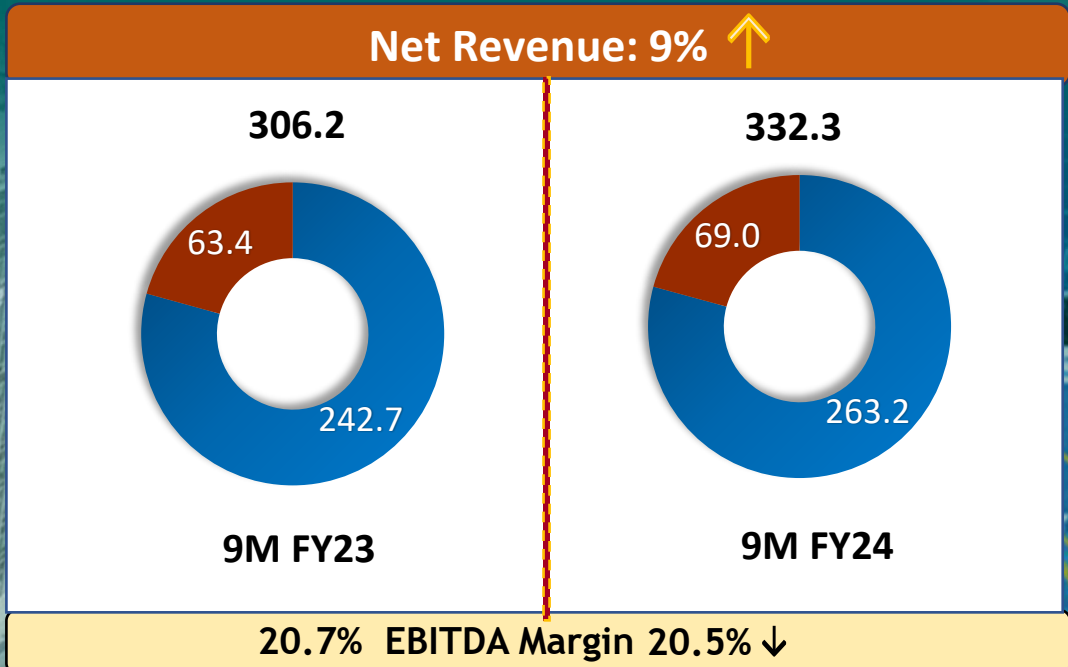
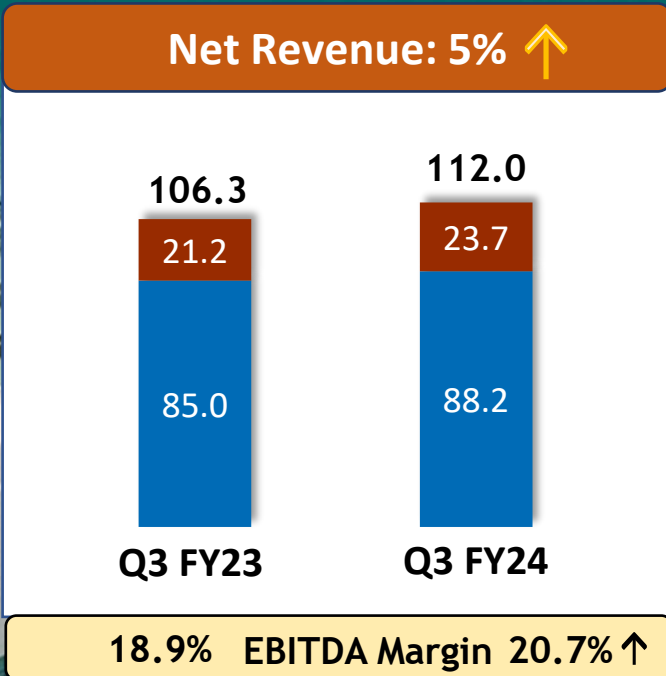
- Receipt of a multiple orders contributes to order inflow growth in Defence; whereas deferrals impact Heavy Engineering order inflow
- Strong execution momentum continues in Defence; Heavy Engineering revenue growth impacted by subdued progress in Nuclear jobs
- Defence margin reflective of job mix; customer claims aids Heavy Engineering margin improvement

The Defence Engineering 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

EBITDA Margin inclusive of recently started Electrolyser manufacturing business

IT & Technology Services Segment

(Amount in ₹ bn)



- LTIMindtree revenue growth led by Manufacturing & Resources
- LTTS revenue growth led by Telecom & Hi-Tech and Medical Devices
- Improved utilization levels drive margin improvement in LTIMindtree

Revenues and margin of Digital Platforms business are not significant as they have been launched recently.

Q3 FY23	Q3 FY24	% Var	Rs. Bn	9M FY23	9M FY24	% Var
33.5	34.1	2%	Income from Operations	94.6	95.1	1%
4.5	6.4	41%	Reported PAT	11.2	17.7	57%
3.0	4.2	42%	PAT (Net of NCI) accruing to the group	7.4	11.7	58%

Lakshya 2026 Goals achieved two years in advance

Lakshya 2026 Goals

Retailisation

> 80%



Retail Book Growth

> 25% CAGR



Retail Asset Quality

GS3 <3%
NS3 <1%



Retail ROA

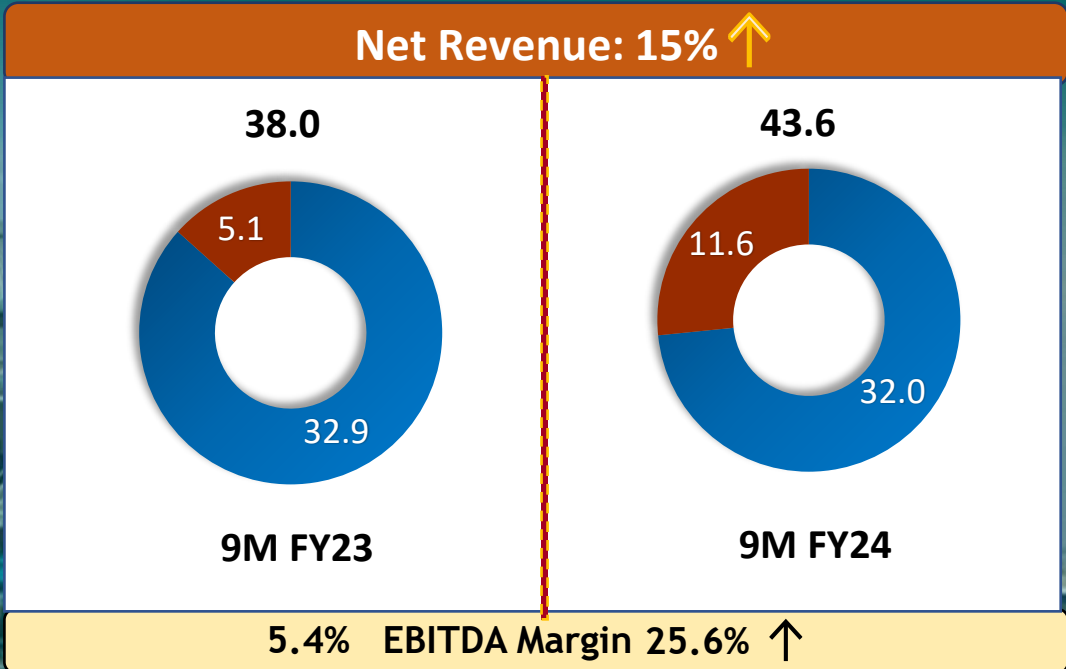
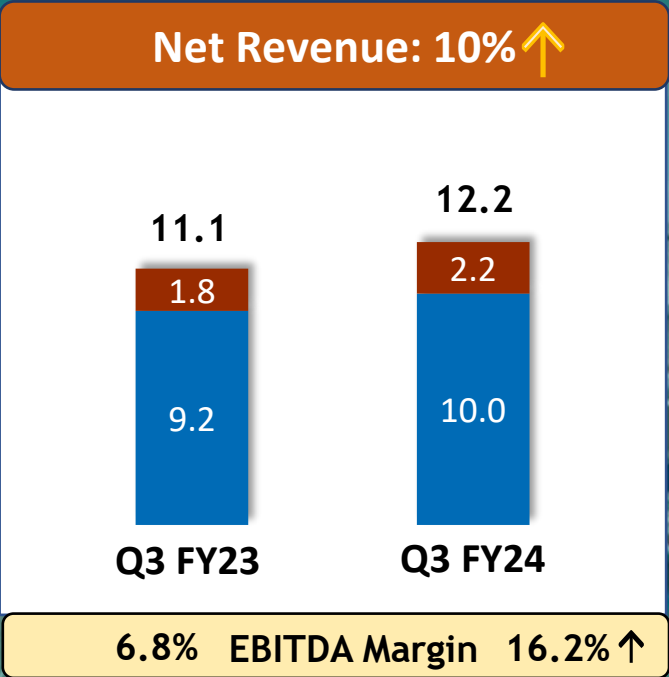
2.8% - 3%



- Completed merger of L&T Finance Ltd, L&T Infra Credit Ltd and L&T Mutual Fund Trustee Ltd. with L&T Finance Holdings Ltd to create a 'Single Lending Entity'
- Q3 revolved around strong retail disbursements (highest ever in a quarter), better asset quality and run down of wholesale book
- Strong balance sheet; adequate Provision Coverage Ratio (PCR) and in built macro prudential buffers
- Sufficient growth capital available (CRAR @ 24.93%)

Development Projects Segment

(Amount in ₹ bn)

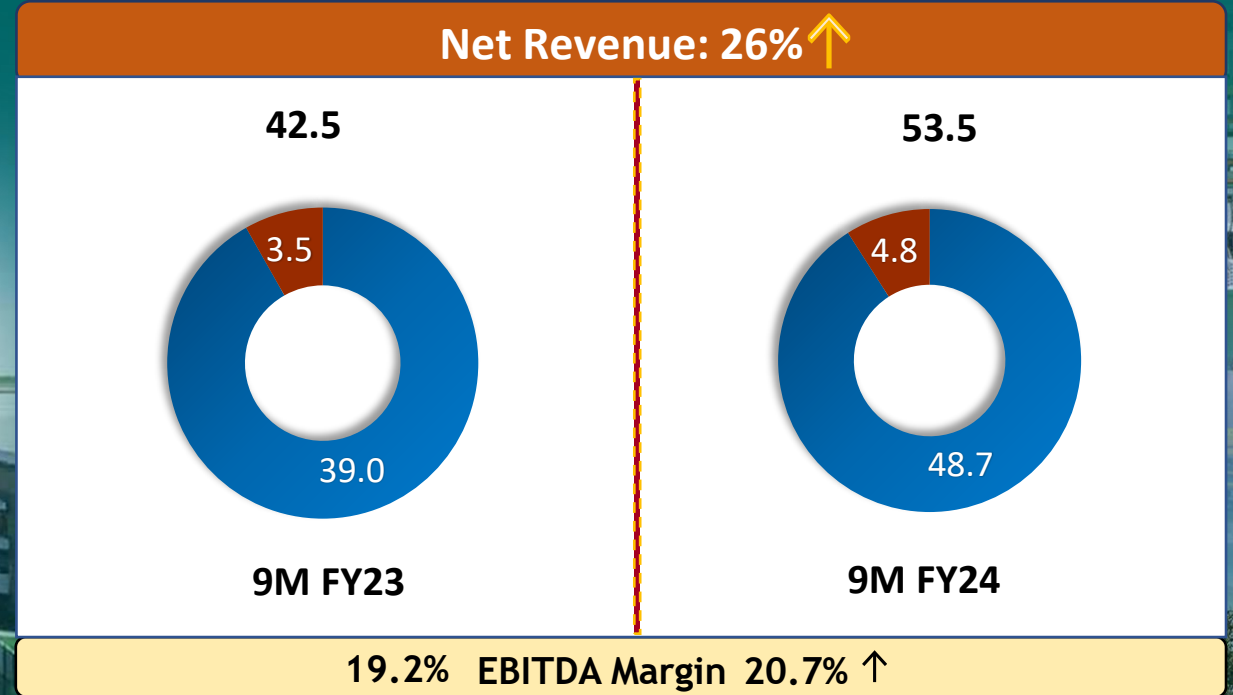
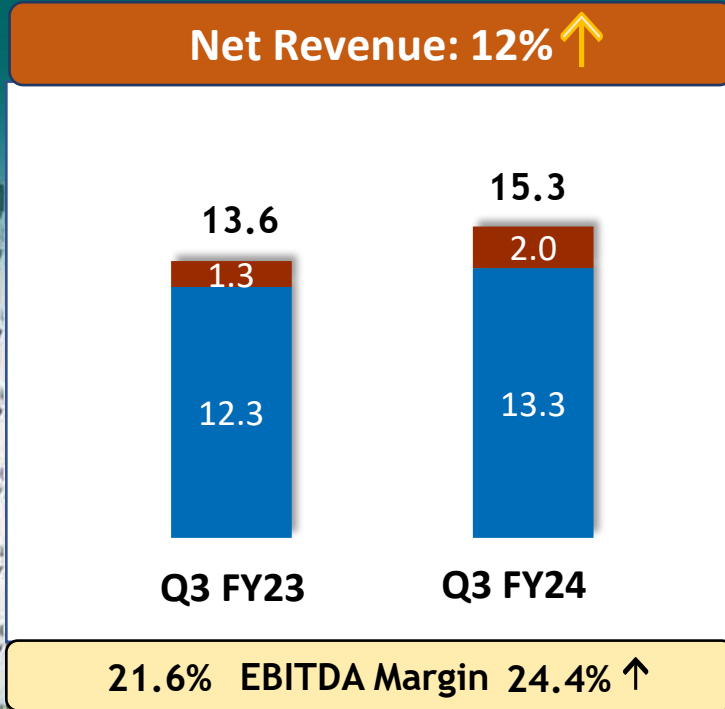


■ Power Development ■ Hyd Metro

- Segment includes Hyderabad Metro and Power Development (Nabha Power)
- Improved ridership in Hyderabad Metro and higher PLF in Nabha drive segment revenue growth
- Higher segment margin primarily due to improved Metro performance and consolidation of Nabha profits
- Profit consolidation of L&T IDPL at PAT level has been discontinued from Q4FY23, post signing of definitive agreement for sale of stake. The investment in the JV is classified as “Held for Sale”

Others Segment

(Amount in ₹ bn)



■ Domestic ■ International

- Segment comprises Realty, Industrial Valves, Construction Equipment & Mining Machinery, Rubber Processing Machinery and Smart World & Communications (residual portion)
- Q3 revenue growth and margin improvement mainly due to higher handover of residential flats in Realty

Projects boost in India & ME (primarily KSA)

INDIA

Growth continuing to be led by investments

Public Capex – Continues to be strong

Rs trn	FY20	FY21	FY22	FY23	FY24 BE
Public Capex	13.9	14.1	16.7	19.6	25.1
% of GDP	6.9%	7.1%	7.1%	7.2%	8.3%

Private Capex - Visible revival

Public Private Partnership – Yet to pick up

Stable macros

✓ Growth ✓ Inflation ✓ Current Account ✓ Govt Balances

SAUDI ARABIA

Saudi Vision 2030 – A decadal capex super cycle

Poised to benefit from investments across the five areas:



Investments of approx. USD 3.3 trillion planned between 2021-2030

RISKS

1. Continuing geo-political tensions
2. Elections
3. Supply chain disruptions

OUTLOOK

ORDER INFLOW ↑

REVENUE ↑

MARGIN ↔



Thank You

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Balance Sheet

₹ Billion	Mar-23	Dec-23	Incr / (Decr)
Equity & Reserves	893	819	-74
Non Controlling Interest	142	155	13
Borrowings - Financial Services	820	756	-64
Development Projects	179	166	-13
Others	187	282	95
Sources of Funds	2221	2178	-43
Fixed Assets (incl ROU assets)	164	179	15
Intangible Assets & Investment Property	293	281	-12
Loans towards Financing Activities	738	753	15
Finance lease receivable	62	58	-5
Net Non-Current Assets	180	191	11
Current Investments, Cash & Cash Equivalents	581	456	-125
Net Current Assets	193	250	57
Assets held for Sale (net)	10	10	1
Application of Funds	2221	2178	-43
Gross Debt / Equity Ratio	1.14	1.23	
Net Debt / Equity Ratio	0.62	0.81	



Cash Flow

Q3 FY23	Q2 FY24	Q3 FY24	₹ Billion	9M FY23	9M FY24
51.9	55.7	61.2	Operating Profit	146.3	168.8
13.3	(8.0)	1.4	Changes in Working Capital [(Inc)/Dec]	(21.8)	(56.7)
(11.5)	(12.6)	(14.8)	Direct Taxes (Paid) / Refund [Net]	(38.4)	(39.0)
53.7	35.0	47.8	Net Cash from / (used in) Operations (A)	86.0	73.1
(13.7)	(10.7)	(13.9)	Net Investment in Fixed Assets (incl. Intangible & Investment Property)	(30.3)	(31.0)
21.9	(9.3)	(1.4)	Net (Purchase) / Sale of Long Term investments	11.2	(19.9)
(20.0)	59.4	(11.2)	Net (Purchase) / Sale of Current investments	(18.4)	76.7
0.1	0.2	-	Loans/Deposits made with JV/Associate Cos.	0.2	0.2
4.9	7.5	5.3	Interest & Dividend Received	12.1	19.5
(6.8)	47.3	(21.2)	Net Cash from / (used in) Investing Activities (B)	(25.3)	45.5
(0.4)	(6.1)	(2.0)	Issue of Share Capital / NCI	(4.2)	(8.1)
(23.9)	62.9	1.8	Net Borrowings [Inc/(Dec)]	14.7	18.8
6.2	(3.2)	(28.7)	Loans towards financing activities (Net)	(19.5)	(12.0)
(8.4)	(46.0)	(6.1)	Interest & Dividend paid	(58.2)	(69.9)
-	(100.3)	(22.5)	Buyback of equity shares (including tax and expenses on buyback)*	-	(122.8)
(26.5)	(92.7)	(57.4)	Net Cash from / (used in) Financing Activities (C)	(67.3)	(194.0)
20.4	(10.5)	(30.8)	Net (Dec) / Inc in Cash & Bank (A+B+C)	(6.6)	(75.5)

*Q3FY24 mainly includes tax on buyback of equity shares



Segment Margin – Q3 FY24

Segment (₹ Crore)	Q3 FY23			Q3 FY24		
	Net Revenue	EBITDA	EBITDA %	Net Revenue	EBITDA	EBITDA %
Infrastructure Projects Segment	21944	1527	7.0%	27845	1522	5.5%
Energy Projects Segment	6333	548	8.7%	7864	760	9.7%
Hi-Tech Manufacturing Segment	1673	293	17.5%	2066	344	16.7%
Others Segment	1361	294	21.6%	1530	373	24.4%
Total (Projects & Manufacturing)	31310	2662	8.5%	39305	2999	7.6%
IT & Technology Services Segment	10625	2013	18.9%	11196	2319	20.7%
Financial Services Segment	3348	660	19.7%	3407	853	25.0%
Developmental Projects Segment	1105	75	6.8%	1220	198	16.2%
Total (Services & Concessions)	15079	2748	18.2%	15823	3370	21.3%
Total	46389	5410	11.7%	55128	6369	11.6%

Particulars	EBITDA to PAT (Q3 FY24)					
	IT&TS	Financial Services**	Dev. Projects	Projects & Manufacturing*	Corporate	Total
EBITDA	2319	853	198	2999	228	6597
Depreciation	(348)	(29)	(79)	(458)	(5)	(921)
Segment Result	1971	824	118	2541	222	5676
Finance Cost & Tax Expense	(565)	(185)	(277)	(112)	(943)	(2081)
Non-controlling interest	(440)	(216)	-	2	9	(645)
Share in profit/(loss) of JV and associate			(0)	(1)		(2)
PAT	966	423	(159)	2429	(712)	2947

₹ 100 crore = ₹ 1 bn

*Finance cost and tax provisions of parent company are reflected under Corporate

**For Financial Services EBITDA is PBDT



Segment Margin – 9M FY24

Segment (₹ Crore)	9M FY23			9M FY24		
	Net Revenue	EBITDA	EBITDA %	Net Revenue	EBITDA	EBITDA %
Infrastructure Projects Segment	55495	3733	6.7%	74516	3972	5.3%
Energy Projects Segment	16991	1452	8.5%	21334	2013	9.4%
Hi-Tech Manufacturing Segment	4401	755	17.2%	5734	925	16.1%
Others Segment	4246	815	19.2%	5349	1105	20.7%
Total (Projects & Manufacturing)	81133	6755	8.3%	106933	8015	7.5%
IT & Technology Services Segment	30618	6341	20.7%	33229	6812	20.5%
Financial Services Segment	9459	1684	17.8%	9510	2422	25.5%
Developmental Projects Segment	3796	204	5.4%	4362	1116	25.6%
Total (Services & Concessions)	43873	8229	18.8%	47102	10350	22.0%
Total	125006	14984	12.0%	154034	18365	11.9%

Particulars	EBITDA to PAT (9M FY24)					
	IT&TS	Financial Services**	Dev. Projects	Projects & Manufacturing*	Corporate	Total
EBITDA	6812	2422	1116	8015	1011	19376
Depreciation	(1023)	(87)	(241)	(1275)	(36)	(2661)
Segment Result	5789	2334	876	6740	975	16715
Finance Cost & Tax Expense	(1642)	(571)	(928)	(337)	(2671)	(6149)
Non-controlling interest	(1302)	(595)	-	4	21	(1871)
Share in profit/(loss) of JV and associate			(0)	(32)		(32)
PAT	2846	1169	(53)	6375	(1674)	8663

*Finance cost and tax provisions of parent company are reflected under Corporate

**For Financial Services EBITDA is PBDT

₹ 100 crore = ₹ 1 bn



Breakup of Energy and Hi-Tech Manufacturing Segment

	Q3 FY23	Q3 FY24	Y-o-Y	₹ Bn	9M FY23	9M FY24	Y-o-Y
Order Inflow	90.5	132.8	47%	Energy Segment	218.6	606.7	>100%
	88.5	123.8	40%	Hydrocarbon	204.4	582.2	>100%
	2.0	9.0	>100%	Power	14.2	24.5	73%
Revenue	63.3	78.6	24%	Energy Segment	169.9	213.3	26%
	53.6	69.6	30%	Hydrocarbon	141.0	189.5	34%
	9.8	9.0	-7%	Power	28.9	23.8	-18%
EBITDA Margin	8.7%	9.7%	100 bps	Energy Segment	8.5%	9.4%	90 bps
	9.6%	9.5%	-10 bps	Hydrocarbon	9.7%	9.7%	
	5.1%	10.6%	550 bps	Power	3.9%	8.8%	490 bps



	Q3 FY23	Q3 FY24	Y-o-Y	₹ Bn	9M FY23	9M FY24	Y-o-Y
Order Inflow	19.3	20.4	6%	Hi-Tech Manufacturing	71.9	54.9	-24%
	13.8	10.6	-23%	Heavy Engineering	33.5	24.1	-28%
	5.5	9.8	77%	Defence Engineering	38.4	30.7	-20%
Revenue	16.7	20.7	23%	Hi-Tech Manufacturing	44.0	57.3	30%
	8.9	9.5	6%	Heavy Engineering	21.6	27.2	26%
	7.8	11.2	43%	Defence Engineering	22.4	30.1	34%
EBITDA Margin	17.5%	16.7%	-80 bps	Hi-Tech Manufacturing	17.2%	16.1%	-110 bps
	16.3%	20.4%	410 bps	Heavy Engineering	15.6%	18.5%	290 bps
	18.9%	15.4%	-350 bps	Defence Engineering	18.6%	14.7%	-400 bps



Share in Profit/(Loss) of JVs/Associates

Q3 FY23	Q3 FY24	₹ Bn	9M FY23	9M FY24
0.02	(0.04)	L&T Power JVs	(0.01)	(0.13)
(0.23)	0.00	L&T IDPL Group*	(0.76)	0.00
0.14	0.03	Others**	(0.30)	(0.19)
(0.07)	(0.02)	Total	(1.06)	(0.32)

* Profit consolidation of L&T IDPL at PAT level has been discontinued from Q4FY23, post signing of definitive agreement for sale of stake. The investment in the JV is classified as “Held for Sale”

** Others mainly includes Hydrocarbon and Defence JVs