

SEC/2024

July 24, 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.- Q1 / FY25

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 Q1 / FY25 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 &
COMPLIANCE OFFICER
(FCS 3939)**

Encl. as above



LARSEN & TOUBRO

**Earnings Call Presentation
Q1 FY25**

24th July, 2024



Representative Image - Chennai Innovation Campus & Avinya Enclave, Chennai

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



Mumbai Ahmedabad High Speed Rail Project C6 Package

Growth momentum continues in Q1.....

Strong Performance in an election quarter

Order Inflows

Large & Diversified

Order Book

Aided by improved execution in “Projects & Manufacturing”

Revenue

Stable EBITDA margin

Margin

Comfortable Gross & Net Debt levels at Group

Leverage

@13.9% in Jun'24; within the guided range

NWC Ratio

On an improving trajectory

Return Ratios

L&T: 'BBB+'* rating from S&P and Fitch with a stable outlook

L&T: ESG rating upgraded by MSCI to 'BBB'

**Two notches above sovereign rating*

Key Financial Indicators

(Amount in ₹ bn)

Q1 FY24	Particulars	Q1 FY25	(y-o-y)
655	Order Inflow	709	8%
4126	Order Book	4909	19%
479	Revenue	551	15%
10.2%	EBITDA (%)	10.2%	
25	Overall PAT	28	12%

Q1 FY24	Particulars	Q1 FY25	
17.0%	Net Working Capital	13.9%	
12.8%	ROE (TTM) (%)	14.7%	

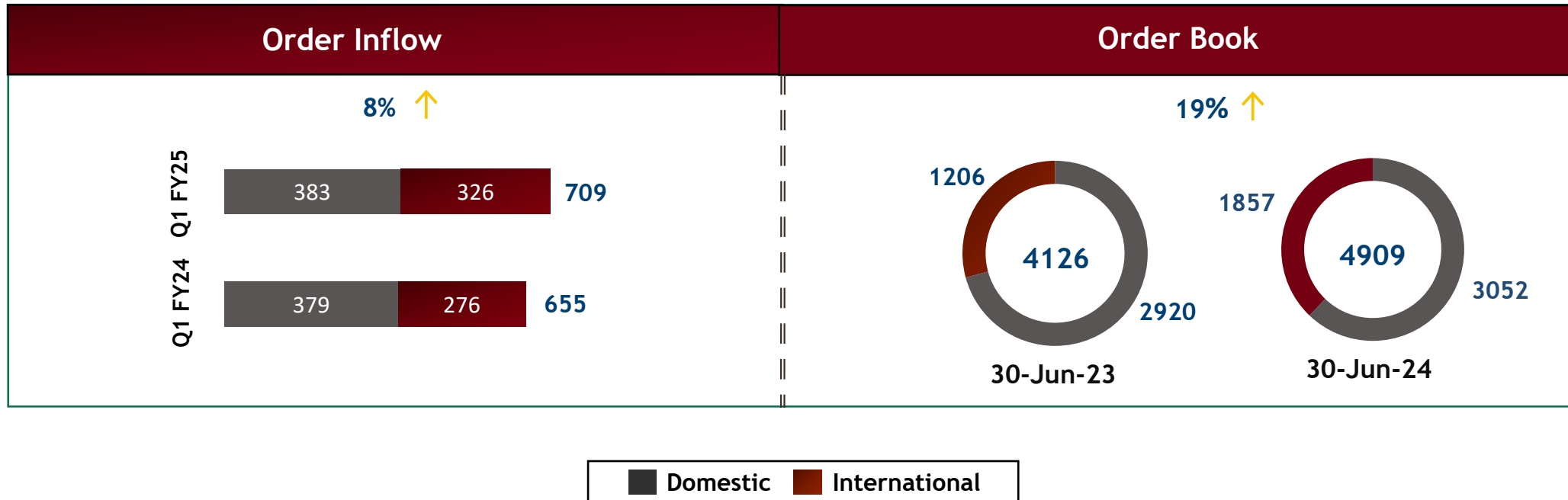
02 Group Performance



Blue Hydrogen Manufacturing Unit (HMU) for a client in Netherlands

Q1 FY25 Order Inflow/Order Book

(Amount in ₹ bn)



- Strong ordering momentum in the Middle East drives order inflow growth in Q1
- International orders constitute 38% of the Jun'24 Order Book
- Order Prospects pipeline @ ₹ 9.1 trillion in the near term

Group Performance - Revenue to EBITDA

Rs Billion	Q1 FY24	Q1 FY25	% Var
Revenue	478.8	551.2	15%
<i>International Rev.</i>	40%	48%	
MCO Exp.*	293.5	341.8	16%
Fin. Charge Opex**	14.5	14.3	-1%
Staff Costs	98.9	110.4	12%
Sales & Admin.	23.3	28.5	23%
Total Opex	430.1	495.0	15%
EBITDA	48.7	56.2	15%
EBITDA %	10.2%	10.2%	

- Strong execution momentum in Infrastructure, Hydrocarbon and Precision Engineering & Systems business drive revenue growth
- MCO expense and Staff Costs in line with activity levels
- SG&A reflective of higher linear expenses attributable to execution ramp up and lower FX gains

* Manufacturing, Construction and Operating expenses

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

Group Performance - EBITDA to PAT

Rs Billion	Q1 FY24	Q1 FY25	% Var
EBITDA	48.7	56.2	15%
Fin. Cost	(8.5)	(8.6)	1%
Depreciation	(8.3)	(10.0)	20%
Other Income	11.5	9.2	-20%
Tax Expense	(12.2)	(12.4)	2%
JV/Associates PAT Share	(0.2)	0.0	-
Non-controlling Int.	(6.0)	(6.6)	9%
Reported PAT	24.9	27.9	12%

- Finance cost in line with PY
- Lower other income reflective of decrease in average investments consequent upon Share Buyback
- Reported PAT growth reflective of improved activity levels partly offset by lower other income

₹ 100 crore = ₹ 1 bn

03 Segment Performance Analysis



Zinc Smelter Plant for a client in Rajasthan

Segment Composition

Infrastructure Projects

Buildings & Factories

Heavy Civil

Water

Solar EPC /
Power T&D

Transportation Infra

Minerals & Metals

Energy Projects

Hydrocarbon

CarbonLite Solutions[#]

Green Energy EPC

Hi-Tech Manufacturing

Heavy Engineering

Precision
Engineering & Systems

Electrolyser
Manufacturing

IT & TS

LTIMindtree

LTTS

Digital Platforms

Data Centers

Semiconductor Design

Financial Services

Retail Lending

Wholesale Lending*

Others

Realty

Industrial Machinery &
Products

Smart World &
Communications*

Development Projects

Hyderabad Metro

Nabha Power

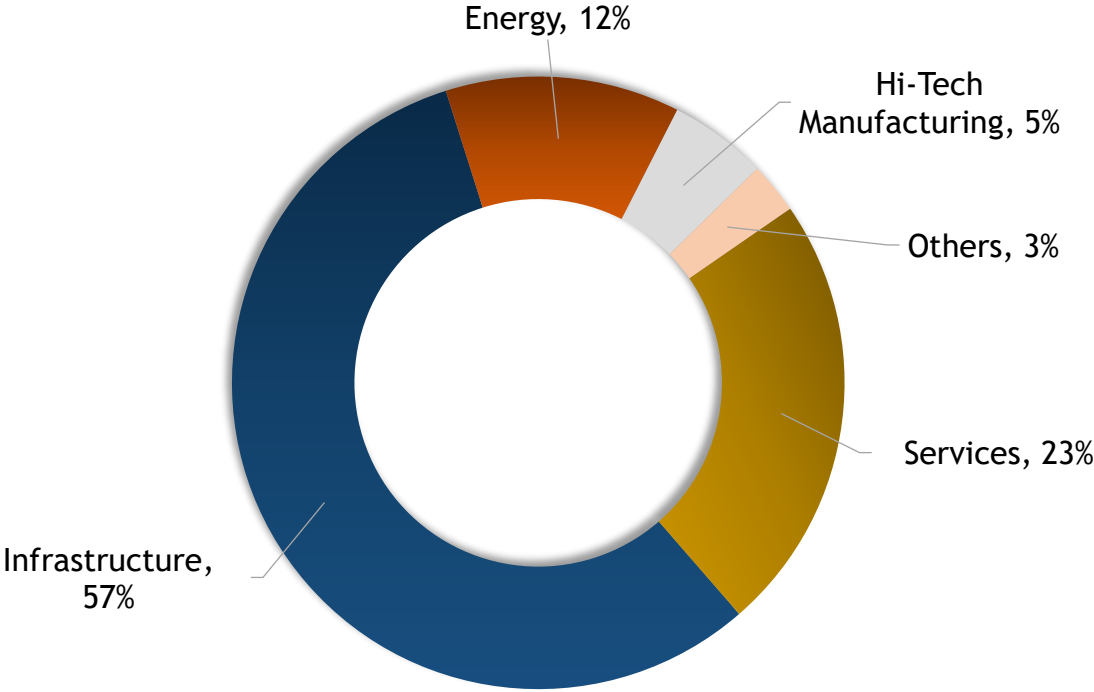
Green Hydrogen BOO

#As customers across the globe move towards decarbonization, L& T Energy Power will play a major role as an enabler for energy transition by offering several low carbon solutions. This will include Gas to Power, Carbon Capture and various other low carbon solutions. In line with the new business direction, 'L& T Energy - Power' has been rechristened as 'L& T Energy - Carbonlite Solutions'.

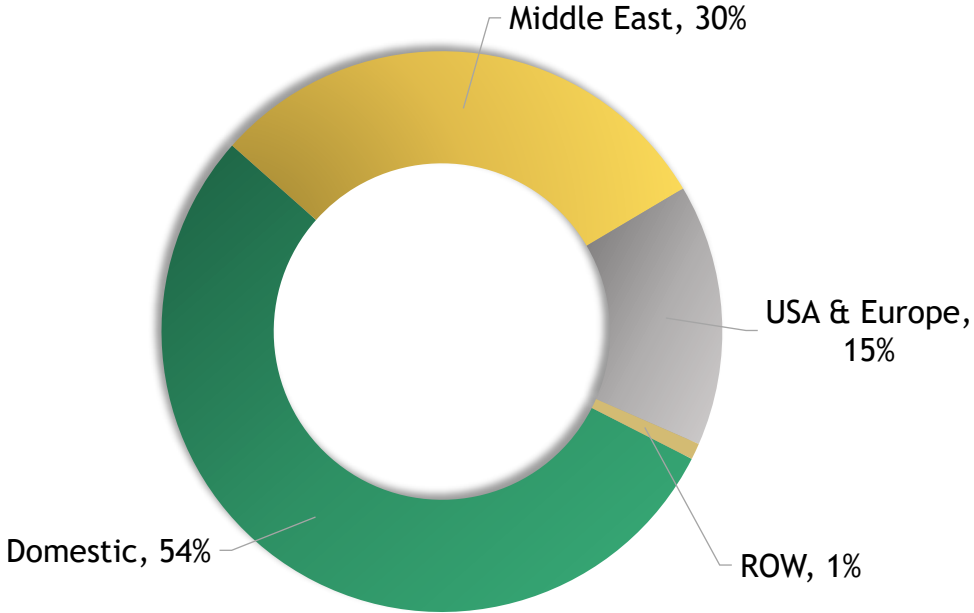
*residual portion

Order Inflow Composition - Q1 FY25

Segment



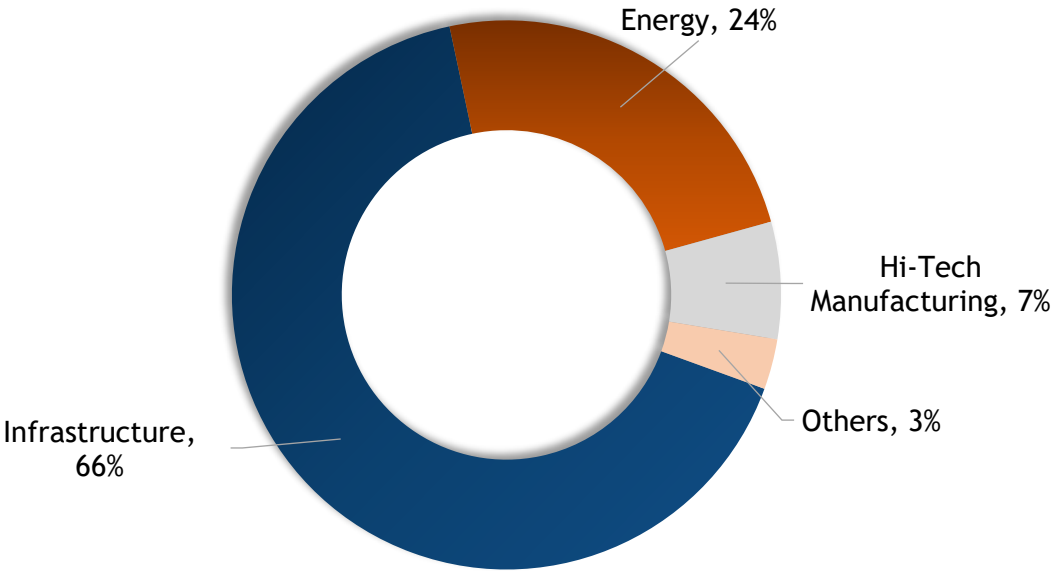
Geography



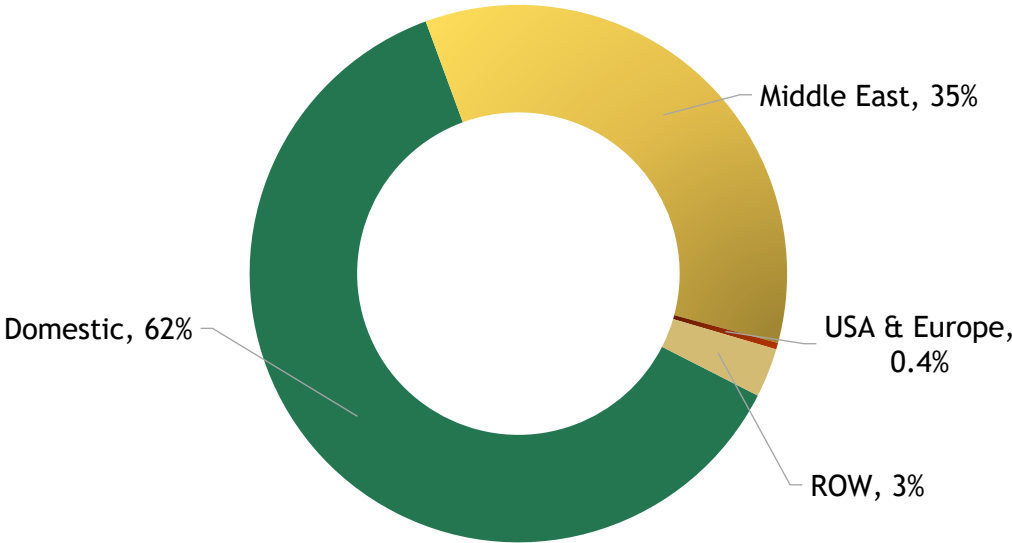
Order Inflow : ₹ 709 Bn

Order Book as on 30-Jun-2024

Segment



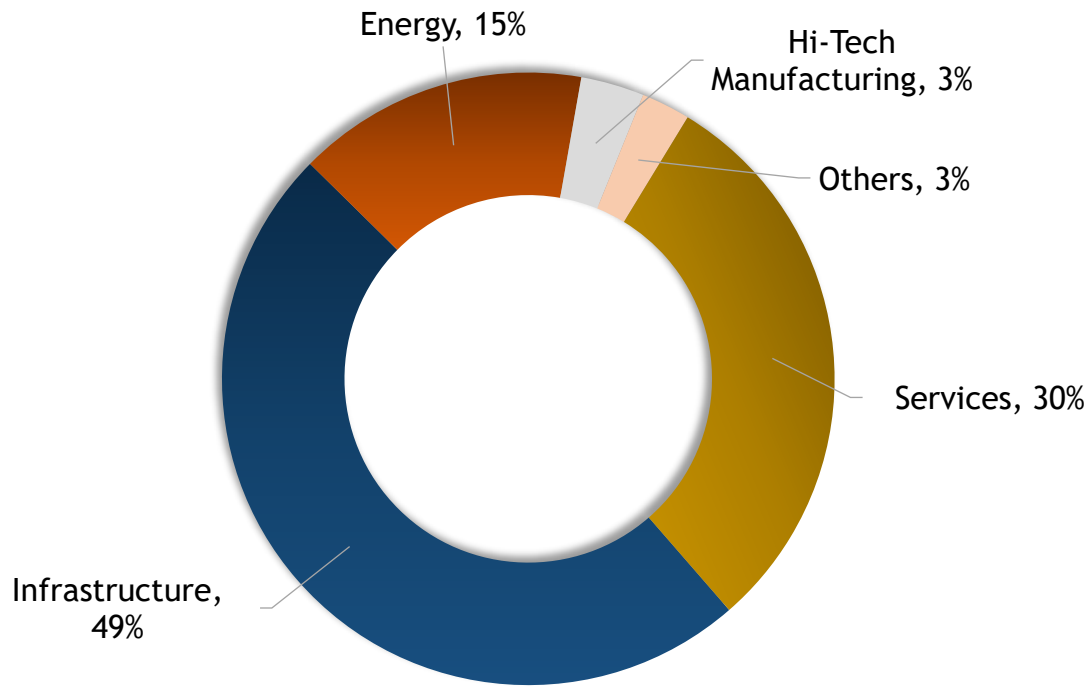
Geography



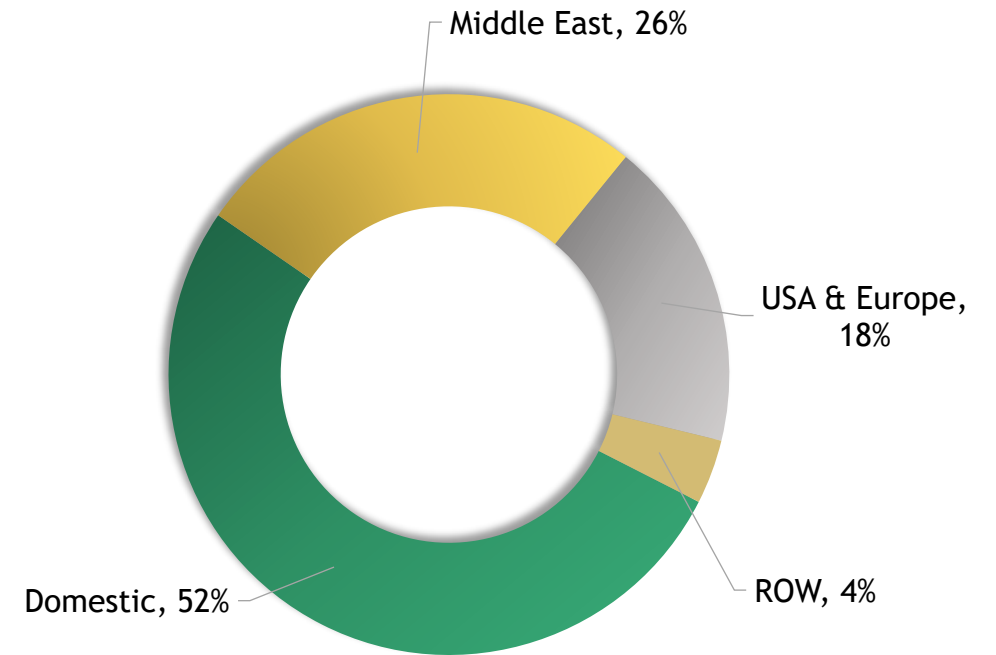
Order Book : ₹ 4909 Bn

Revenue Composition - Q1 FY25

Segment



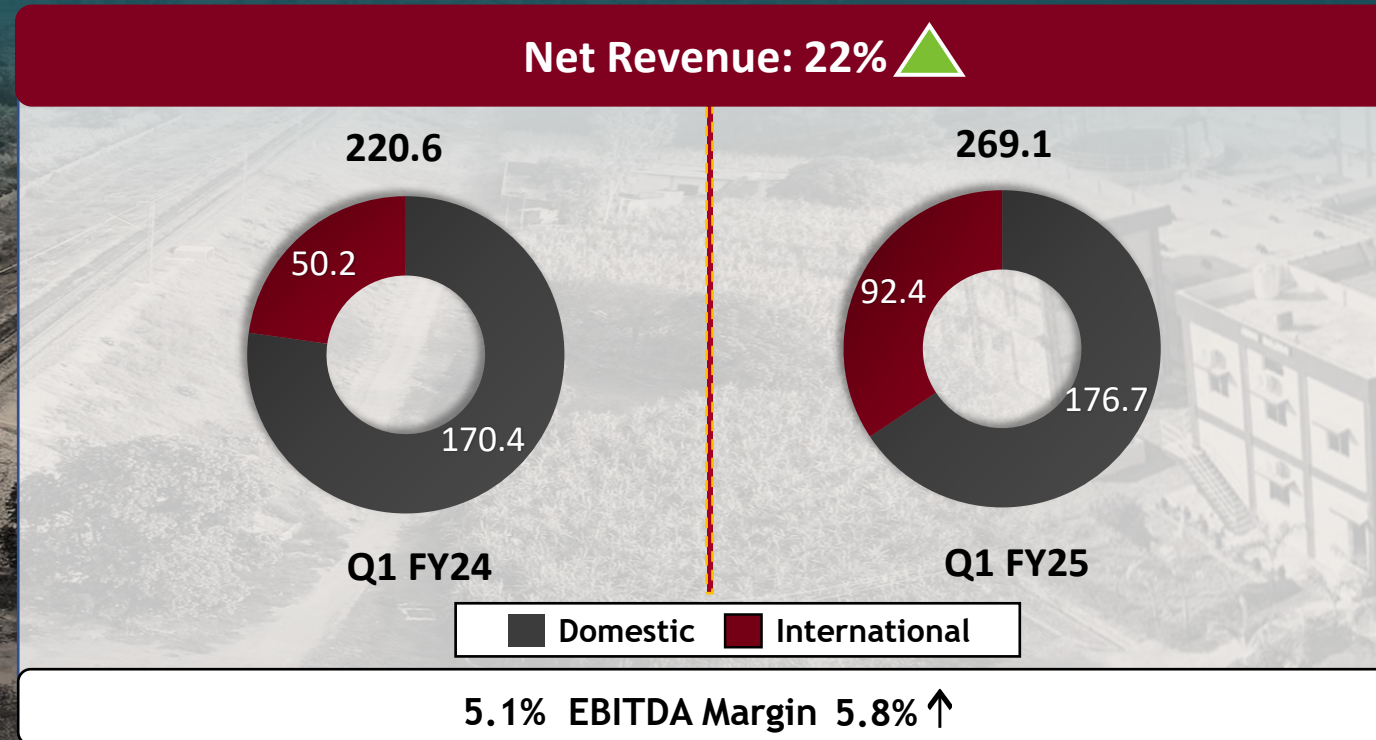
Geography



Revenue : ₹ 551 Bn

Infrastructure Projects Segment

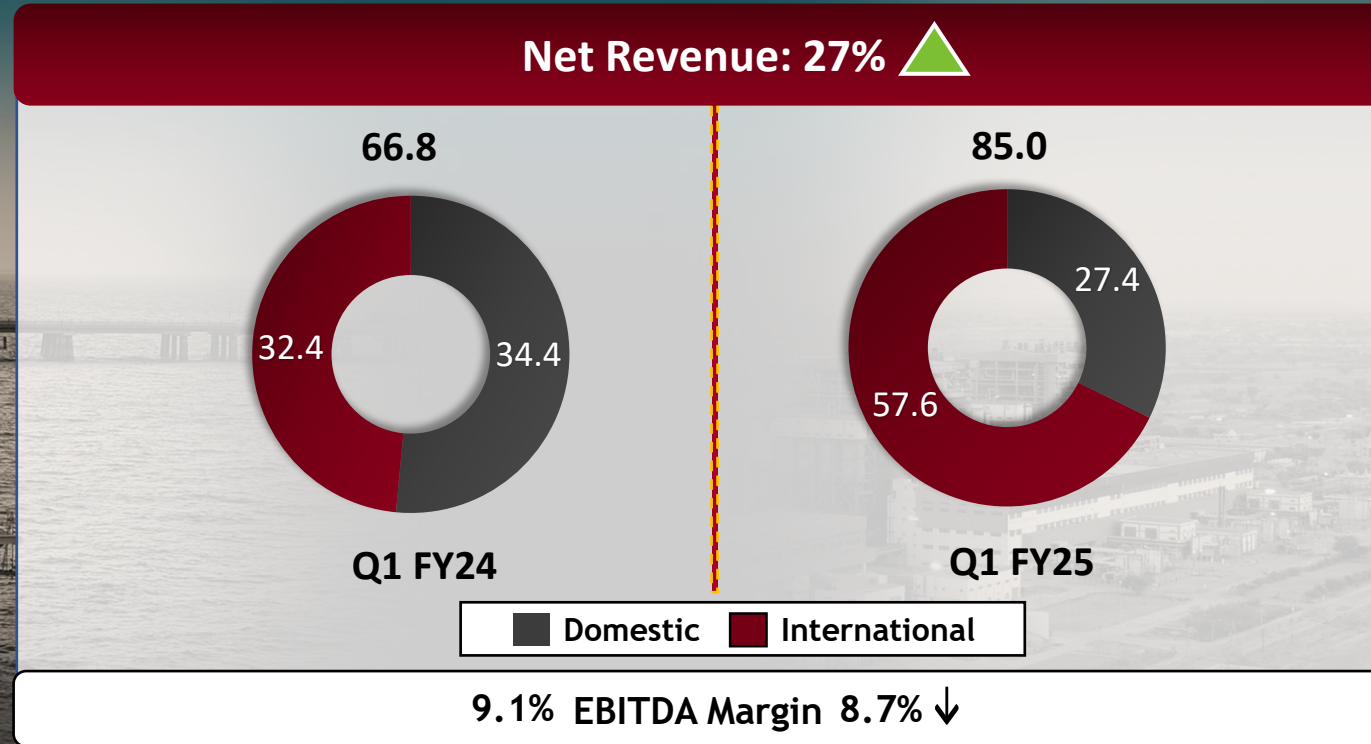
(Amount in ₹ bn)



- Q1 order inflows in line with the PY
- Robust prospects pipeline of ₹ 6 trillion for the near term
- Strong revenue momentum led by a healthy order book
- Margin improvement primarily aided by execution cost savings

Energy Projects Segment*

(Amount in ₹ bn)

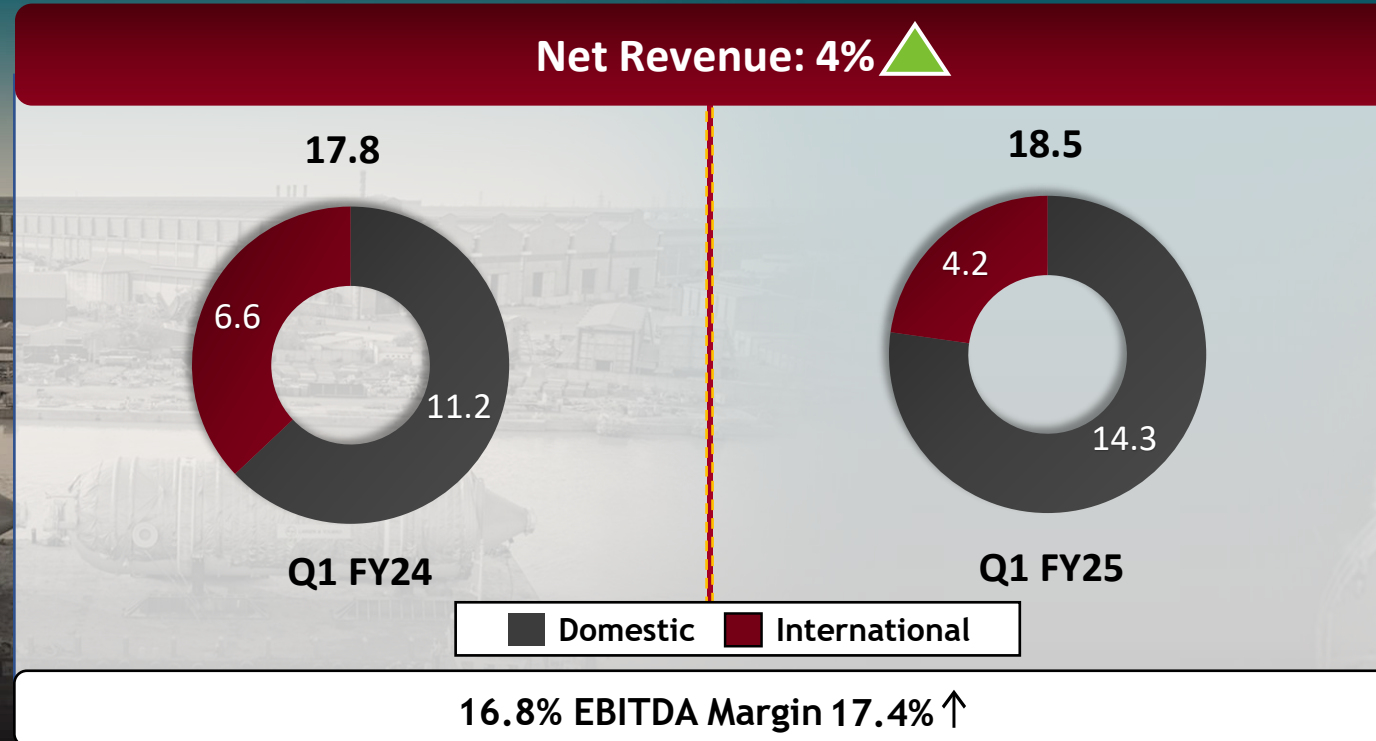


- Receipt of domestic offshore orders buoys Hydrocarbon order book
- Execution ramp up in international projects drives Hydrocarbon revenue growth; lower order book moderates revenue in CarbonLite Solutions
- Hydrocarbon margin reflective of stage of execution, CarbonLite Solutions margin improves on a favorable claim settlement

*Refer Annexures for Business wise break-up of OI, Revenue and EBITDA

Hi-Tech Manufacturing Segment^{*}

(Amount in ₹ bn)



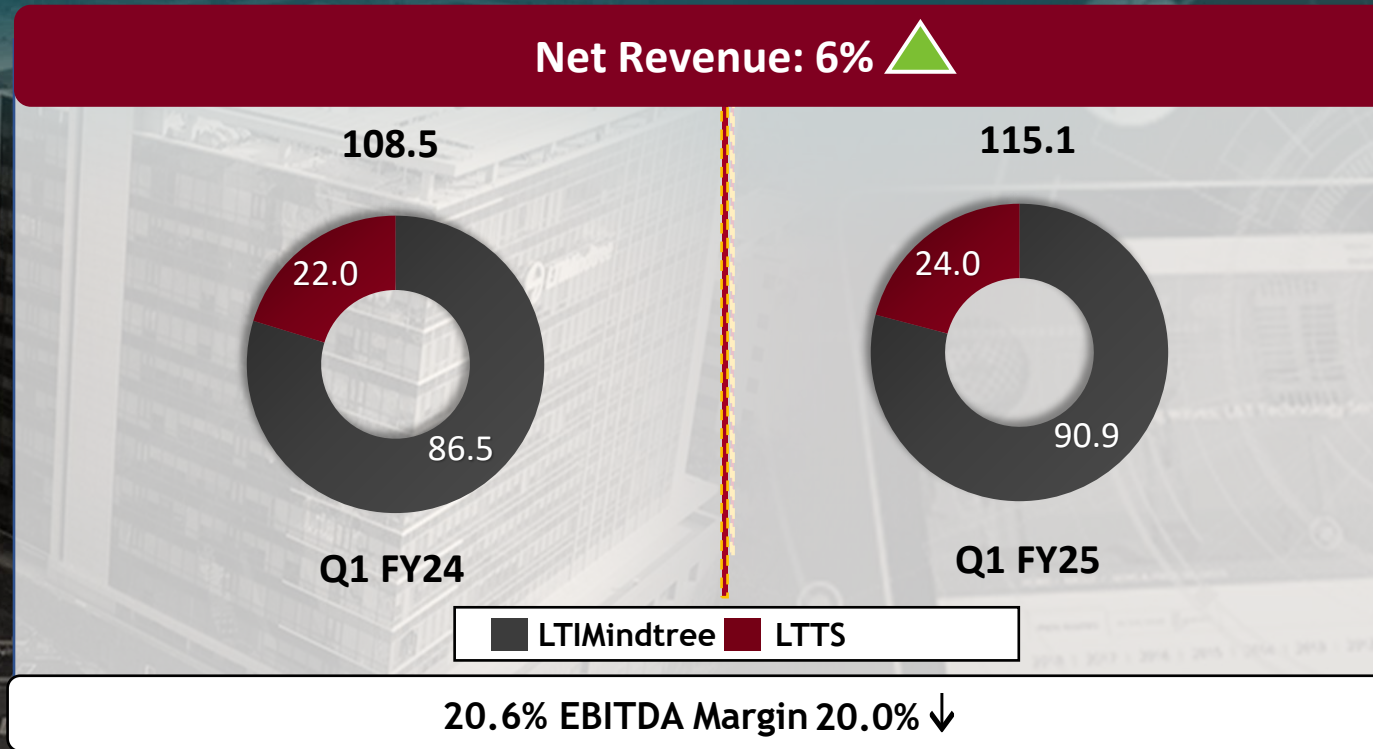
- Receipt of a shipbuilding order contributes to the order inflow growth in Precision Engineering & Systems (PES); Heavy Engineering order inflow in line with PY
- Strong execution momentum continues in PES; Heavy Engineering revenue decline reflective of lower opening order book and jobs in early stages
- Execution cost savings aids margin improvement in PES; Heavy Engineering business benefits from favorable job mix

*Refer Annexures for Business wise break-up of OI, Revenue and EBITDA

The Precision Engineering & Systems 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

IT & Technology Services Segment

(Amount in ₹ bn)



- LTIMindtree revenue growth led by Technology Media & Communications and Manufacturing & Resources
- LTTS revenue growth led by Mobility segment
- Segment margin variation due to lower operating leverage

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

Financial Services Segment

Fintech@Scale

Rs. Bn	Q1 FY24	Q1 FY25	% Var
Income from Operations	30.2	36.6	21%
PAT	5.3	6.9	29%
PAT (Net of NCI) accruing to the group	3.5	4.5	28%

Retail Disbursements: **33% yoy ↑**

Retail Book: **31% yoy ↑**

PAT: **29% yoy ↑**

5 Pillar strategy to deliver on Lakshya goals

Enhancing Customer Acquisition

Sharpening Credit Underwriting

Implementing Futuristic Digital Architecture

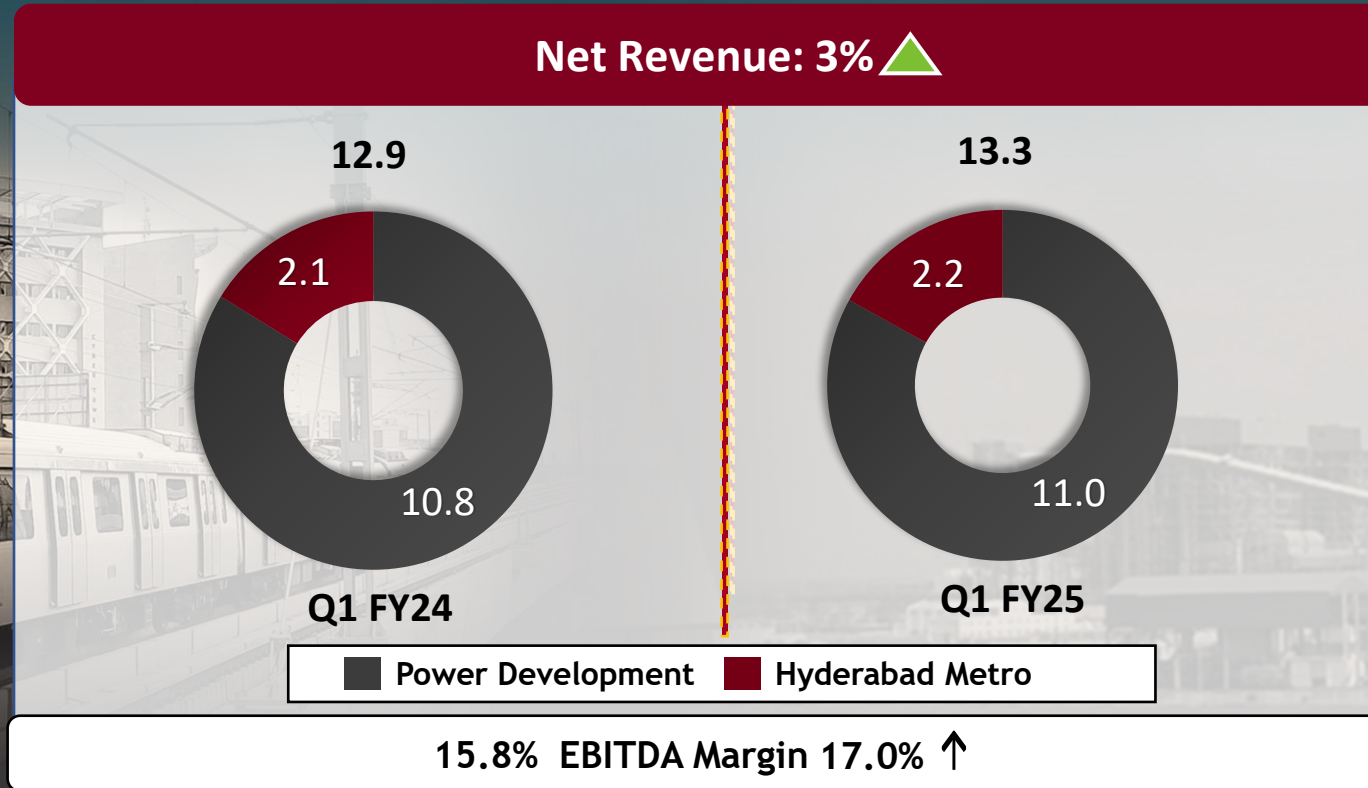
Heightened Brand Visibility

Capability Building

- Q1 revolved around strong retail disbursements and improved asset quality
- Strong balance sheet adequate Provision Coverage Ratio (PCR)
- Sufficient growth capital available (CRAR @ 22.10%)

Development Projects Segment*

(Amount in ₹ bn)

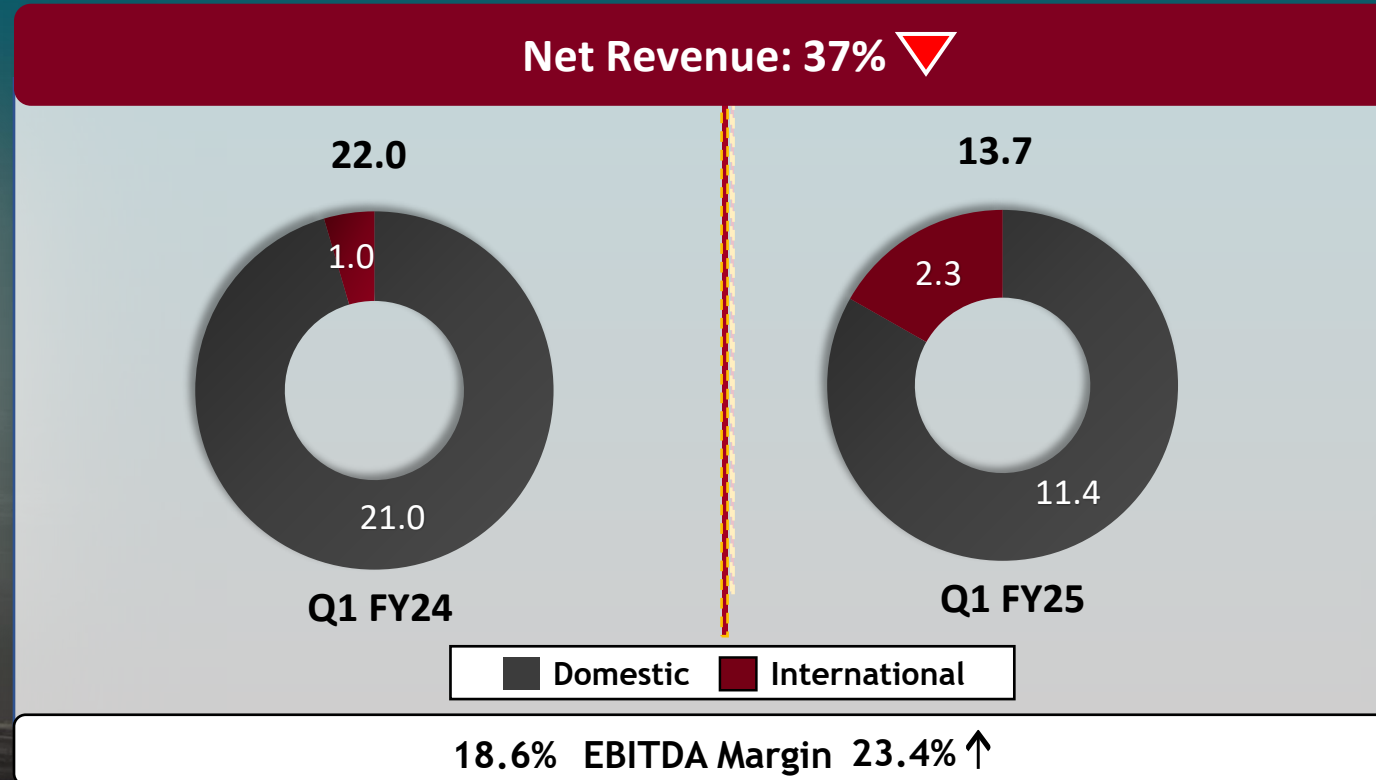


- Segment includes Hyderabad Metro and Power Development (Nabha Power)
- Improved ridership in Hyderabad Metro and higher PLF in Nabha Power contributes to segment revenue growth
- Lower interest expense in Nabha Power aids margin improvement at segment level

*Refer Annexures for Business wise break-up of Revenue and EBITDA

Others Segment*

(Amount in ₹ bn)



- Segment majorly comprises Realty and Industrial Machinery & Products
- Decline in revenue primarily due to lower handover of residential units in Realty business
- Sale of a commercial space in Realty and higher sales in Valves drive segment margin improvement

*Refer Annexures for Business wise break-up of OI, Revenue and EBITDA

Our Business offerings are aligned to Global Megatrends

Urbanisation Boom



- High-rise Buildings (B&F)
- Multi-modal Transportation Network (TI, HCI)
- High-capacity Utility Networks (PT&D, WET)
- Safe and Smart Cities (LTTS)

Climate Change



- Renewables - Solar, Hydel and Storage (HCI, PT&D)
- Green Buildings (B&F)
- Clean Fuels (HE, LTEH)
- Green Hydrogen (LTEG)
- Water Recycle and Reuse (WET)

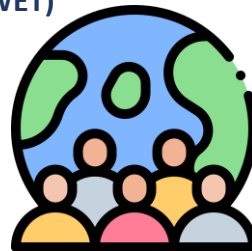
Mobility Growth



- Mass Rapid Transit Systems (HCI, TI)
- World-class Airports (B&F, TI)
- Electric, Autonomous and Connected Systems (LTTS)
- Expressways and Rail Networks (TI)

Societal Challenges

- Water and Sewage Treatment Systems (WET)
- Housing (B&F, LTR)
- Energy Efficient Power Systems and Microgrids (PT&D)
- Financial Services (LTF)



Digital Transformation



- Big Data, AI/ML, AR/VR, 5G, Cloud, Cyber Security (LTIM, LTTS)
- Automation, Industry 4.0, Digital Engineering (LTIM, LTTS)
- Chip design (LTSCT)
- Data Storage and Computing (L&T-Cloudfiniti)
- Platforms (L&T-SuFin, L&T EduTech)

- B&F Buildings & Factories
- HCI Heavy Civil Infrastructure
- HE Heavy Engineering
- LTEG L&T Energy - GreenTech
- LTEH L&T Energy - Hydrocarbon
- LTF L&T Finance
- LTIM LTIMindtree

- LTR L&T Realty
- LTSCT L&T Semiconductor Technologies
- LTTS L&T Technology Services
- PT&D Power Transmission & Distribution
- TI Transportation Infrastructure
- WET Water & Effluent Treatment



Thank You

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Balance Sheet

₹ Billion	Mar-24	Jun-24	Incr / (Decr)
Equity & Reserves	864	892	28
Non Controlling Interest	162	162	0
Borrowings - Financial Services	761	799	38
Development Projects	165	166	1
Others	214	216	2
Sources of Funds	2166	2235	69
Fixed Assets (incl ROU assets)	185	187	2
Intangible Assets & Investment Property	275	271	-4
Loans towards Financing Activities	793	821	28
Finance lease receivable	56	55	-1
Net Non-Current Assets	194	188	-6
Current Investments, Cash & Cash Equivalents	503	509	6
Net Current Assets	149	203	54
Assets held for Sale (net)	10	0	-10
Application of Funds	2166	2235	69
Gross Debt / Equity Ratio	1.11	1.12	
Net Debt / Equity Ratio	0.64	0.67	



Cash Flow

₹ Billion	Q1 FY24	Q1 FY25
Operating Profit	52.0	57.1
Changes in Working Capital [(Inc)/Dec]	(50.3)	(48.6)
Direct Taxes (Paid) / Refund [Net]	(11.6)	(13.5)
Net Cash from / (used in) Operations (A)	(9.9)	(5.0)
Net Investment in Fixed Assets (incl. Intangible & Investment Property)	(6.3)	(5.2)
Net (Purchase) / Sale of Long Term investments & Business Undertaking	(9.2)	9.9
Net (Purchase) / Sale of Current investments	28.4	(18.7)
Loans/Deposits made with JV/Associate Cos.	-	-
Interest & Dividend Received	6.6	5.8
Net Cash from / (used in) Investing Activities (B)	19.5	(8.2)
Issue of Share Capital / NCI	0.1	(8.4)
Net Borrowings [Inc/(Dec)]	(46.0)	48.1
Loans towards financing activities (Net)	19.9	(29.3)
Interest & Dividend paid	(17.8)	(17.3)
Buyback of equity shares (including tax and expenses on buyback)*	-	-
Net Cash from / (used in) Financing Activities (C)	(43.8)	(6.9)
Net (Dec) / Inc in Cash & Bank (A+B+C)	(34.2)	(20.1)



Segment Details – Q1 FY25

Segment (₹ Crore)	Q1 FY24				Q1 FY25			
	Order Inflow	Net Revenue	EBITDA	EBITDA %	Order Inflow	Net Revenue	EBITDA	EBITDA %
Infrastructure Projects Segment	40051	22058	1117	5.1%	40053	26908	1553	5.8%
Energy Projects Segment	7245	6682	608	9.1%	8792	8495	741	8.7%
Hi-Tech Manufacturing Segment	1051	1781	299	16.8%	3677	1845	321	17.4%
Others Segment	2008	2196	408	18.6%	1918	1375	321	23.4%
Total (Projects & Manufacturing)	50355	32717	2432	7.4%	54440	38624	2936	7.6%
IT & Technology Services Segment	10851	10851	2236	20.6%	11505	11505	2300	20.0%
Financial Services Segment	3020	3020	744	24.6%	3664	3664	951	25.9%
Developmental Projects Segment	1294	1294	204	15.8%	1327	1327	225	17.0%
Total (Services & Concessions)	15165	15165	3184	21.0%	16496	16496	3476	21.1%
Total	65520	47882	5616	11.7%	70936	55120	6412	11.6%

EBITDA to PAT (Q1 FY25)						
Particulars	IT&TS	Financial Services**	Dev. Projects	Projects & Manufacturing*	Corporate [#]	Total
EBITDA	2300	951	225	2936	124	6536
Depreciation	(389)	(28)	(78)	(509)	6	(998)
Segment Result	1911	923	147	2427	130	5538
Finance Cost & Tax Expense	(585)	(237)	(237)	(145)	(894)	(2098)
Non-controlling interest	(426)	(234)	-	(0)	1	(659)
Share in profit/(loss) of JV and associate			(0)	5	-	5
PAT	900	452	(90)	2287	(763)	2786

₹ 100 crore = ₹ 1 bn
#includes eliminations

*Finance cost and tax provisions of parent company are reflected under Corporate
**For Financial Services EBITDA is PBDT



Breakup of Energy and Hi-Tech Manufacturing Segment

	₹ Bn	Q1 FY24	Q1 FY25	Y-o-Y
Order Inflow	Energy Segment	72.4	87.9	21%
	Hydrocarbon	70.2	85.4	22%
	CarbonLite Solutions	2.2	2.5	15%
Revenue	Energy Segment	66.8	84.9	27%
	Hydrocarbon	59.4	79.7	34%
	CarbonLite Solutions	7.4	5.2	-30%
EBITDA Margin	Energy Segment	9.1%	8.7%	-40 bps
	Hydrocarbon	9.5%	8.4%	-110 bps
	CarbonLite Solutions	7.2%	14.8%	760 bps



	₹ Bn	Q1 FY24	Q1 FY25	Y-o-Y
Order Inflow	Hi-Tech Manufacturing	10.5	36.8	>100%
	Heavy Engineering	6.2	6.4	3%
	Precision Engineering & Systems	4.3	30.4	>100%
Revenue	Hi-Tech Manufacturing	17.8	18.5	4%
	Heavy Engineering	9.6	7.5	-22%
	Precision Engineering & Systems	8.2	11.0	33%
EBITDA Margin	Hi-Tech Manufacturing	16.8%	17.4%	60 bps
	Heavy Engineering	17.1%	18.6%	150 bps
	Precision Engineering & Systems	16.5%	17.1%	60 bps



Breakup of Development Projects and Others Segment

	₹ Bn	Q1 FY24	Q1 FY25	Y-o-Y
Revenue	Development Projects	12.9	13.3	3%
	Hyderabad Metro	2.1	2.2	7%
	Nabha Power	10.8	11.0	2%
EBITDA Margin	Development Projects	15.8%	17.0%	120 bps
	Hyderabad Metro	48.6%	45.0%	-360 bps
	Nabha Power	9.4%	11.3%	190 bps



	₹ Bn	Q1 FY24	Q1 FY25	Y-o-Y
Order Inflow	Others Segment	20.1	19.2	-4%
	Realty	9.8	10.3	5%
	Other Businesses*	10.3	8.9	-14%
Revenue	Others Segment	22.0	13.7	-37%
	Realty	9.9	2.6	-74%
	Other Businesses*	12.1	11.2	-8%
EBITDA Margin	Others Segment	18.6%	23.4%	480 bps
	Realty	27.7%	56.6%	2890 bps
	Other Businesses*	11.1%	15.7%	460 bps



* Industrial Machinery and Products and residual portion of Smart World & Communications



Share in Profit/(Loss) of JVs/Associates

Q1 FY24	₹ Bn	Q1 FY25
(0.12)	L&T Power JVs	(0.05)
(0.12)	L&T Hydrocarbon JVs	0.10
0.04	Others**	(0.00)
(0.21)	Total	0.05

** Others mainly includes Defence JVs