

Analysts Presentation

Q1 FY13



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.

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.

Presentation Outline

1 Q1 FY13 Performance Summary

2 Segmental Analysis

3 Performance of Key Subsidiaries

4 Outlook

Presentation Outline

1 Q1 FY13 Performance Summary

Q1 FY13 Highlights – Robust Performance

1

Order Inflows

Rs 196 Bn



21%

2

Sales

Rs 120 Bn



26%

3

PBIT

Rs 15 Bn



20%

4

Recurring PAT

Rs 9 Bn



19%

5

Order Book

Rs 1531 Bn

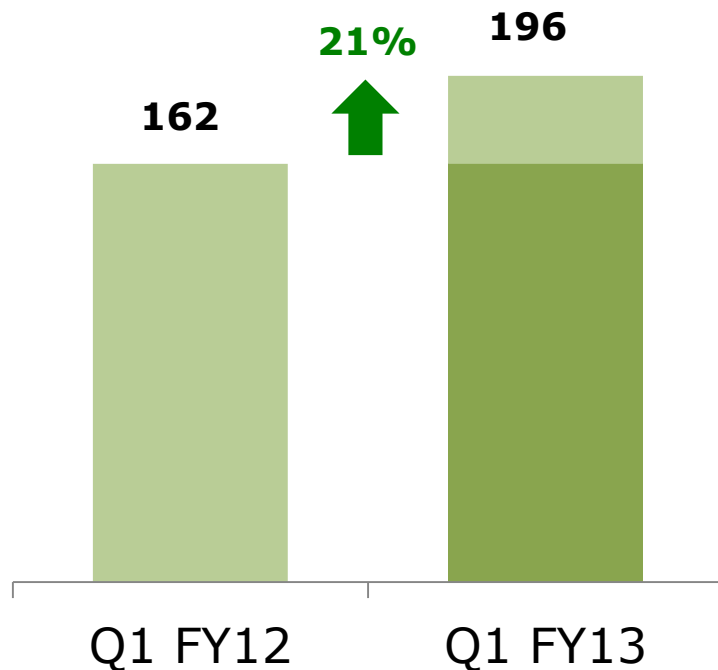


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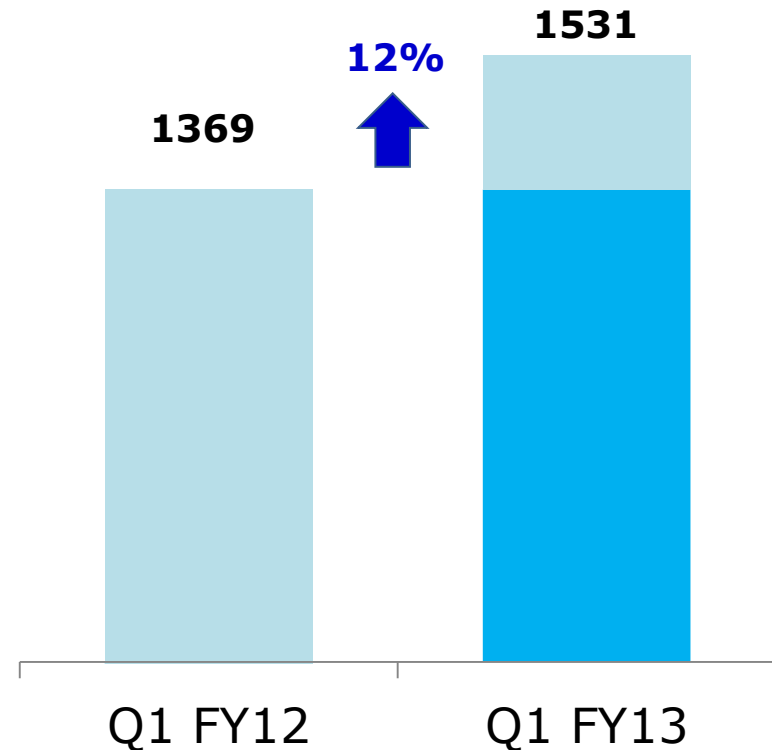
Order Inflow & Order Book – Q1 FY13

Amount in ₹ Bn

Order Inflow



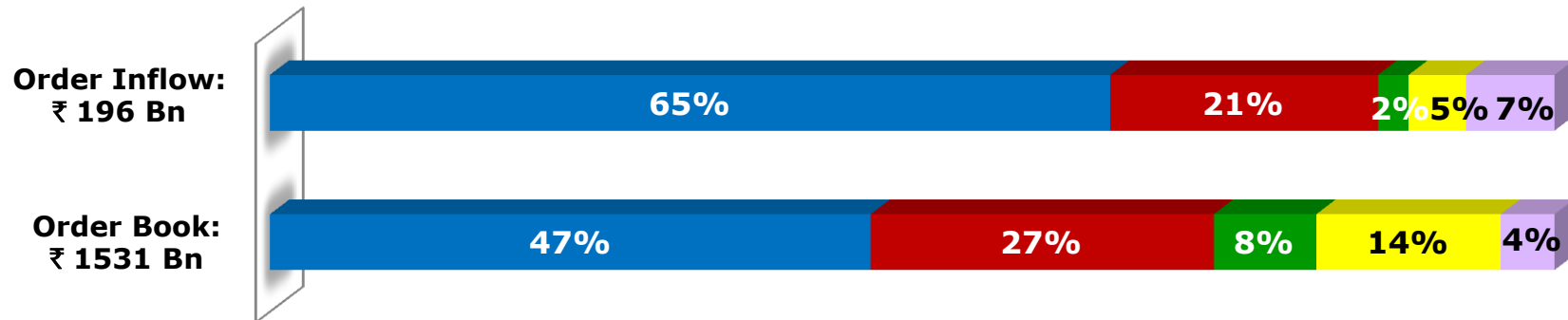
Order Book



- Q1 Inflows boosted by spillover from FY12
- Deferment of investment / award decisions continues
- Momentum seen in Transportation and Urban Infra Sectors
- Order Book represents 2 years revenues

Order Inflow & Order Book- Q1 FY13

Sectoral Break-up



■ Infrastructure ■ Power ■ Hydrocarbon ■ Process ■ Others

Infrastructure

- ▶ Roads and Bridges
- ▶ Ports
- ▶ Airports
- ▶ Railways / Metro Rail
- ▶ Urban Infra
- ▶ Factories
- ▶ Water

Power

- ▶ Generation
- ▶ Equipment
- ▶ Industrial Electrification
- ▶ T&D

Hydrocarbon

- ▶ Upstream
- ▶ Mid & Downstream
- ▶ Pipelines
- ▶ Fertilizer

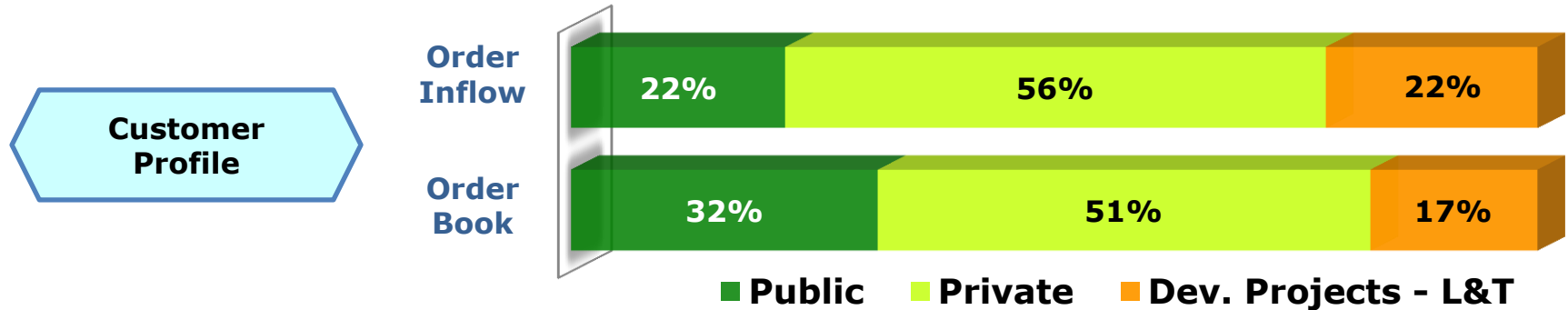
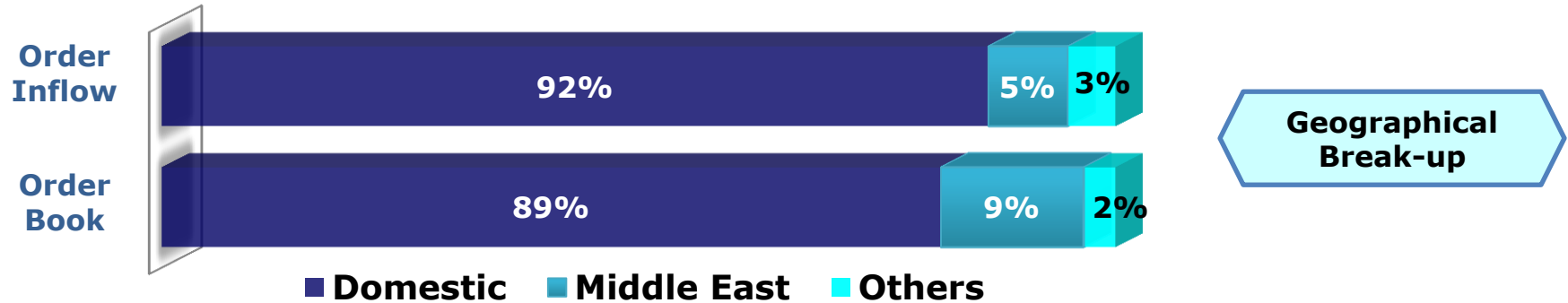
Process

- ▶ Minerals & Metals
- ▶ Bulk Material Handling

Others

- ▶ Shipbuilding
- ▶ Defense & Aerospace
- ▶ Construction & Mining Eqpt.
- ▶ Electrical & Electronics
- ▶ Technology Services

Order Inflow & Order Book- Q1 FY13



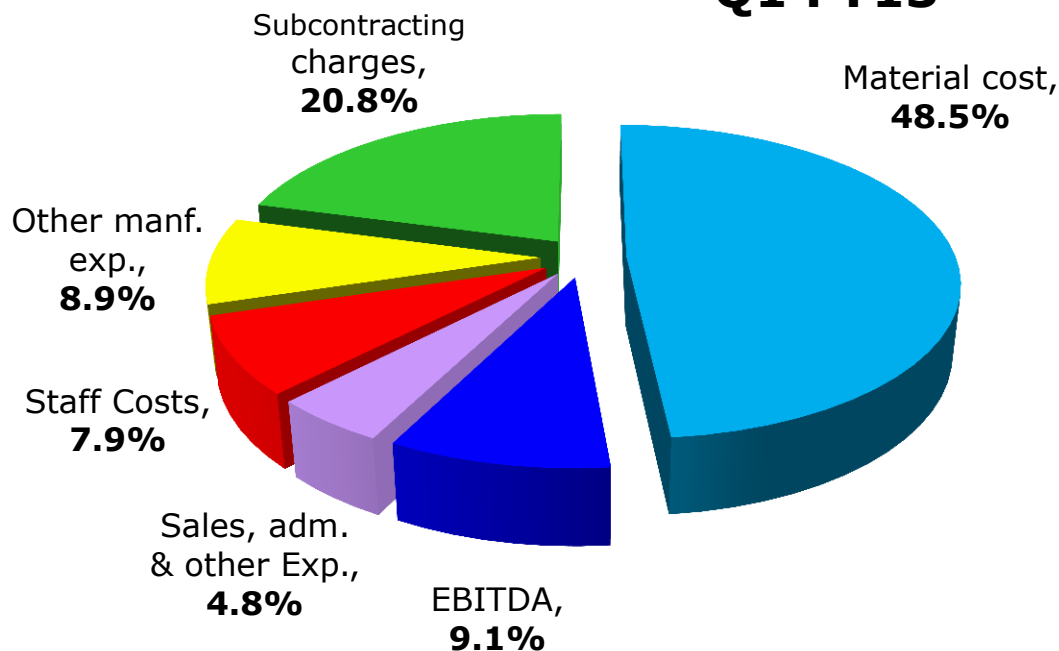
Performance Summary – Sales to EBITDA

₹ Billion	Q1 FY13	Q1 FY12	% Change	FY12
Net Sales / Revenue from Operations ---(A)	119.55	94.82	26%	531.71
-----Export Sales	20.14	10.59	90%	62.11
Mfg, Cons. & Opex (MCO)	93.52	73.05	28%	410.20
Staff Costs	9.47	7.48	27%	36.64
Sales, adm. & other Exp. (SGA)	5.69	2.81	102%	22.04
Total Opex ---(B)	108.68	83.34	30%	468.88
EBITDA ---(A-B)	10.87	11.48	-5%	62.83

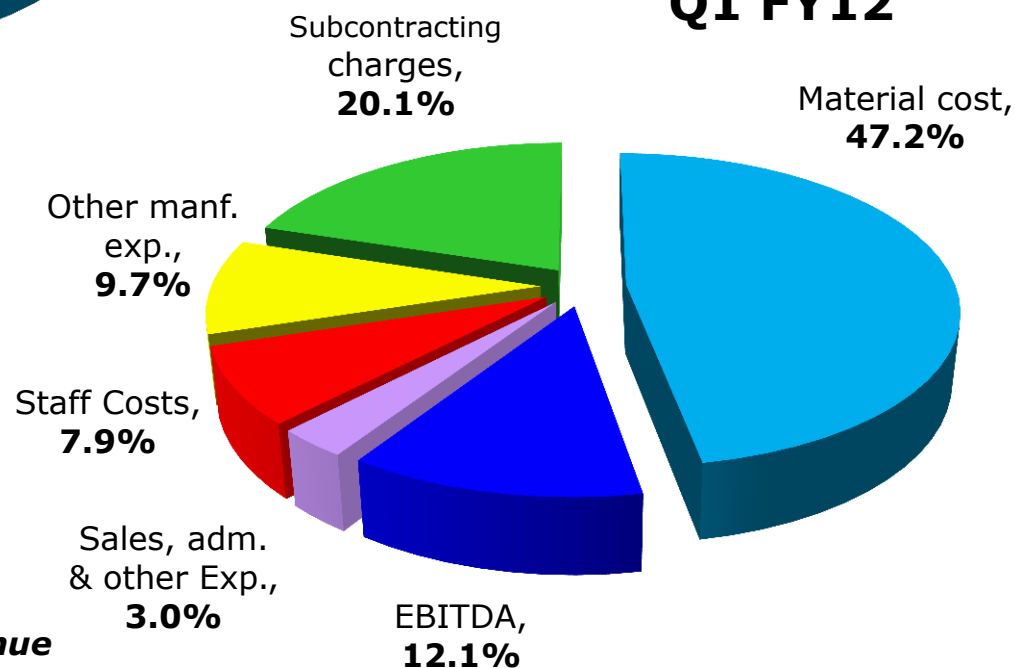
- Robust Sales growth driven by on-time execution
- FY12 Hydrocarbon orders contributing to International sales growth
- MCO Expenses affected by job mix and retained inflation
- Staff cost rise driven by manpower addition and compensation revisions
- Spike in SGA expenses due to forex MTM valuations

Performance Summary – Operational Costs & Profitability

Q1 FY13



Q1 FY12



Note: Composition represents % of Net Revenue from Operations

Performance Summary – Profitability

₹ Billion	Q1 FY13	Q1 FY12	% Change	FY12
EBITDA	10.87	11.48	-5%	62.83
EBITDA Margins	9.1%	12.1%	-3.0%	11.8%
Interest Expenses	(2.28)	(1.57)	45%	(6.66)
Depreciation	(1.92)	(1.68)	14%	(7.00)
Other Income	6.06	2.70	125%	13.38
Provision for Taxes	(3.83)	(3.47)	10%	(18.42)
Recurring PAT	8.90	7.46	19%	44.13
Extraordinary & Exceptional Items (Net of tax)	(0.26)	-		0.43
Profit after Tax	8.64	7.46	16%	44.56

- EBITDA margin drop mainly on account of forex MTM provisioning
- Interest charge in line with borrowing levels
- Depreciation increase is the outcome of previous years capex
- Other Income boosted by S&A Co dividend and Treasury gains
- Exceptional item represents VRS charge

Performance Summary – Balance Sheet

₹ Billion	Jun-12	Mar-12	Incr / (Decr)
Net Worth	260.03	252.23	7.80
Non-Current Liabilities	63.39	61.14	2.25
Current Liabilities	368.80	363.56	5.24
Total Sources	692.22	676.93	15.29
Fixed Assets	85.94	83.64	2.30
Inv./ Advance against equity to S&A Cos	117.96	111.35	6.61
ICDs / Loans to S&A Cos	22.17	16.18	5.99
Other Non- Current Investments / Assets	7.44	8.33	(0.89)
Current Investments	58.60	67.87	(9.27)
Cash & Cash equivalent	10.66	19.05	(8.39)
Other Current Assets	389.45	370.51	18.94
Total Applications	692.22	676.93	15.29

- Total Debt: Jun'12 – ₹ 113.73 Bn; Mar'12 – ₹ 98.96 Bn
- Gross D/E: Jun'12 – 0.44 (Net: 0.18); Mar'12 – 0.39 (Net: 0.05)
- Support to S&A Cos - mainly to Developmental projects
- Segmental NWC (excluding Corporate NWC): 15.3% of Sales (Mar'12: 11.9 %); Rise mainly due to support to supply chain

Performance Summary – Cash Flow

₹ Billion	Q1 FY13	Q1 FY12
Operating Profit	13.15	11.71
Adjustments for Working Capital Changes	(26.49)	(16.07)
Direct Taxes (Paid) / Refund - Net	(2.66)	(3.53)
Net Cash from Operations	(16.00)	(7.89)
Investments in Fixed Assets (Net)	(3.98)	(3.54)
(Investment) / Divestment in S&A and JVs (Net)	(0.38)	(0.71)
(Purchase) /Sale of Long Term & Current Investments (Net)	9.81	(0.53)
Adv. towards equity/Loans/Deposits made with S&A / Others	(12.35)	(2.55)
Interest & Dividend Received from Investments	4.70	2.28
Net Cash used in Investing Activities	(2.20)	(5.05)
Proceeds from Issue of Share Capital	0.21	0.66
Net Borrowings	11.63	4.84
Dividends & Interests paid	(2.03)	(1.27)
Net Cash from Financing Activities	9.81	4.23
Net (Dec) / Inc in Cash & Cash Equivalents	(8.39)	(8.71)
Cash & Cash Equivalents - Opening	19.05	17.30
Cash & Cash Equivalents - Closing	10.66	8.59

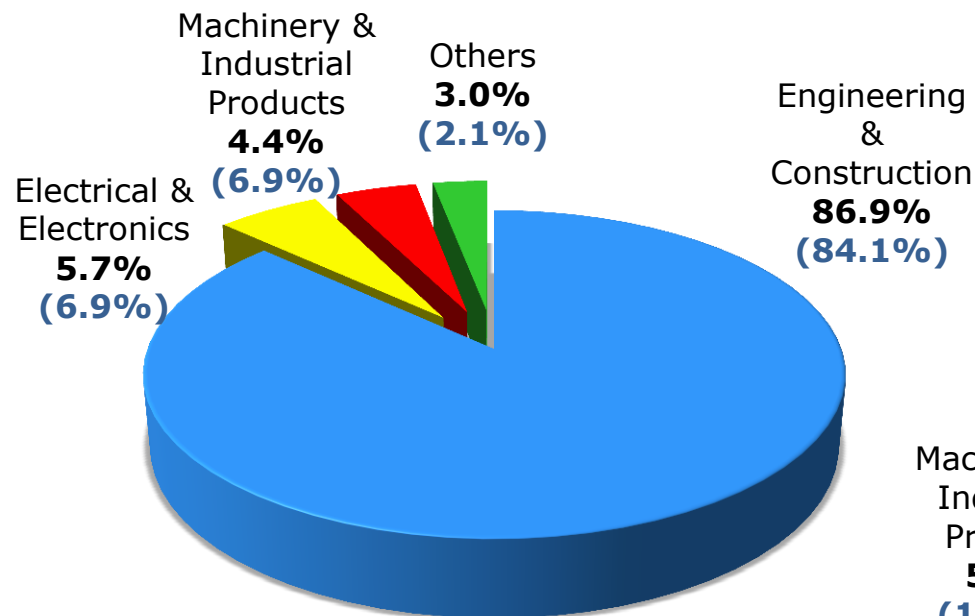
Presentation Outline

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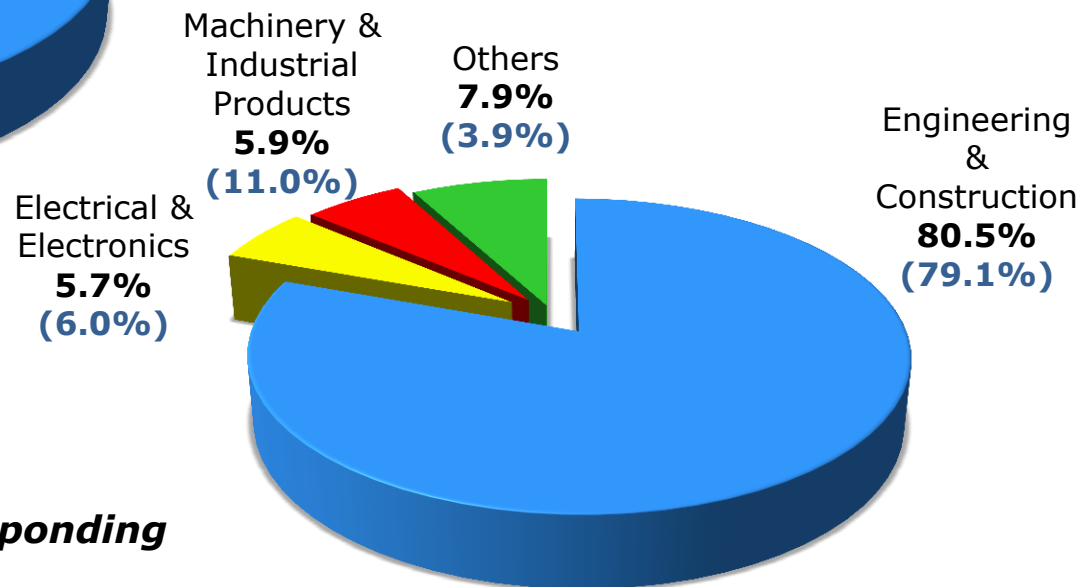
Segmental Analysis

Segmental Break-up – Q1 FY13

Net Revenues



EBITDA



Figures in brackets indicate corresponding period of the Previous Year

'Engineering & Construction' Segment

₹ Billion	Q1 FY13	Q1 FY12	% Change	FY12
Order Inflows	178.04	144.16	23%	635.73
--- Exports	10.90	23.18	-53%	113.83
Order Book	1,506.56	1,345.02	12%	1,434.48
--- Exports	167.29	112.15	49%	168.40
Net Revenues	103.88	79.77	30%	464.62
--- Exports	15.62	7.37	112%	45.98
EBITDA	11.33	9.43	20%	58.98
EBITDA Margins	10.9%	11.8%	-0.9%	12.7%
Net Segment Assets	132.54	88.30	50%	108.07

- Robust Order Inflow growth achieved from transportation and urban Infra sectors braving overall sluggish environment
- International market holds promise; investing in organisational buildup
- Large Order book and execution efficiency driving revenue growth
- Margins impacted by job mix and input costs
- Spike in Net segment assets mainly attributable to NWC

'Electrical & Electronics' Segment

₹ Billion	Q1 FY13	Q1 FY12	% Change	FY12
Net Revenues	6.77	6.56	3%	30.67
--- Exports	0.71	0.61	17%	3.43
EBITDA	0.81	0.71	14%	3.89
EBITDA Margins	11.9%	10.8%	1.1%	12.7%
Net Segment Assets	13.35	12.78	5%	13.63

- Muted revenue growth due to dull industrial offtake and delayed customer clearances
- EBITDA margin growth driven by International project business and service income
- Business is seeding growth through product range enhancement, production in low cost regions, internationalisation efforts and strengthening distribution network

'Machinery & Industrial Products' Segment

₹ Billion	Q1 FY13	Q1 FY12	% Change	FY12
Net Revenues	5.32	6.50	-18%	26.97
--- Exports	1.02	0.97	6%	4.48
EBITDA	0.82	1.31	-37%	5.25
EBITDA Margins	15.5%	20.1%	-4.6%	19.5%
Net Segment Assets	6.70	5.60	20%	7.01

- Revenue Slowdown in most businesses due to poor industrial offtake amidst sluggish conditions and increased competition; steady state revenues obtained in construction & mining business
- Growth in exports predominantly driven by valves business
- Margins impacted by drop in sales, increased input costs and fall in commission earnings

'Others' Segment

₹ Billion	Q1 FY13	Q1 FY12	% Change	FY12
Net Revenues	3.58	1.99	80%	9.45
--- Exports	2.79	1.65	69%	8.22
EBITDA	1.11	0.46	140%	2.11
EBITDA Margins	30.9%	23.2%	7.7%	22.4%
Net Segment Assets	6.45	5.68	14%	6.00

- Stepped up revenues impelled by ramp up phase of Integrated Engineering Services
- Margins boosted by INR depreciation and operating leverage

Presentation Outline

3 Performance of Key Subsidiaries

L&T Infotech Group

₹ Billion	Q1 FY13	Q1 FY12	% Change
Total Income	8.77	7.37	19%
Profit after Tax	1.32	0.93	43%
PAT Margins	15.1%	12.6%	2.5%

- Growth seen across geographies and verticals
- Earnings boosted by INR depreciation

L&T Finance Holdings

L&T Finance Holdings	Q1 FY13	Q1 FY12	% Change	FY12
NBFCs				
Loans and Advances	261.84	191.04	37%	256.71
NIM (%)	5.4%	5.4%	-	5.3%
Gross NPA (%)	1.6%	2.3%	-	1.8%
Credit Costs * (%)	0.7%	0.5%	-	0.5%
L&T Finance Holdings (Consolidated)				
Total Income	9.14	6.37	44%	30.07
PAT	1.21	0.96	25%	4.55
Average Networth	48.12	29.40	64%	38.23

* Includes Provisions, write-offs and foreclosure losses

- Robust growth in Loan Book
- Focus on Asset Quality and sustaining NIM's
- Diversified offerings provides stable growth in a volatile environment

Developmental Projects



Roads & Bridges

- 19 projects (10 operational)
- 2090 Kms
- Proj. Cost: ₹ 216 Bn



Power

- 5 projects
- 2842 MW
- Proj. Cost: ₹ 211 Bn



Ports

- 3 projects (2 operational)
- 45 MTPA
- Proj. Cost: ₹ 57 Bn



Metro Rails

- 1 project
- 71.16 Km
- Proj. Cost: ₹ 164 Bn



Urban Infra

- 16 projects
- 26.5 Million sq.ft
- Proj. Cost: ₹ 196 Bn

Total Project Cost (June 2012): ₹ 844 Bn

Total Equity Commitment (June 2012): ₹ 171 Bn

Total Equity Invested (June 2012): ₹ 63 Bn

Presentation Outline

4

Outlook

Outlook : Extrinsic Clouds, Intrinsic Strengths





Thank You

Annexure 1: Major Orders Booked in Q1 FY13

Project Details	₹ Bn
Four laning of Amaravati Jalegaon Section and Jalegaon Maharashtra Border Section (484 km)	37.28
EPC contract for six laning of existing road including construction of rail over bridges, underpasses, flyovers, major bridges and viaducts	20.40
Construction order for major residential towers from leading developers across various cities in the northern part of the country	18.21
Construction of multistoried residential towers in Bangalore and Gurgaon including additional work in ongoing projects	12.06
Construction of a mixed use development, hospital building and other institutional buildings in major cities across India	11.65
EPC contract for Rural Electricity Infrastructure in villages of West Bengal under the Backward Region Grant Fund Scheme	8.46
Construction of 132/33 kV substations & other modification works in Middle East, executing electrical works for Hubli Electricity Supply Co. Ltd and other add on orders	6.69
Construction of commercial buildings and factory structures	5.46
Electrical, instrumentation & automation works for NMDC Blast furnace, Nagarnar from Tata Projects, 400 KV switchyard & plant electrics for Jindal Power Limited, Chhattisgarh and electrical works at Mauda and Solapur for NTPC	4.79
EPC work to set up a coal handling system for 3 x 660 MW Power Project in Uttar Pradesh from Bajaj Infrastructure Development Corporation Limited	4.07
Design & construction of viaducts and three elevated stations from Delhi Metro Rail Corporation (DMRC) and other add on jobs	3.45
Construction of a Solar thermal plant, Rajasthan and EPC contract for the construction of a pumping station & allied works at Bhavnagar district, Gujarat	2.65

Annexure 2: Details of Other Income

₹ Billion	Q1 FY13	Q1 FY12	% Change
Interest Income	1.81	1.37	32%
Income & Profit on sale of Investments	0.44	0.45	-3%
Dividend from S&A Companies	2.92	0.56	421%
Miscellaneous Income	0.89	0.32	179%
Total - Other Income	6.06	2.70	125%