

Group Performance for the quarter ended
June 30, 2020

Noteworthy performance in an unprecedented quarter

Mumbai, July 22, 2020

For most of the quarter, the Company focused on safety of its workforce, transition to productive remote working, staying engaged with all its stakeholders, conserving resources and resuming business in a carefully calibrated manner in an economic environment debilitated by the Coronavirus black swan event. While most businesses were significantly impacted by the pandemic, the Company ensured that interests of all concerned including customers, employees, sub-contracted labour force, partners, associates and vendors were taken care of in a befitting manner. It is during these difficult times that the Company's committed employees, diversified business portfolio, geographical mix of business, robust Balance Sheet, strong Order Book position and execution strengths enabled it to ride out the unprecedented crisis that the world at large is grappling with.

Larsen & Toubro recorded Consolidated Gross Revenue of ₹ 21,260 crore for the quarter ended June 30, 2020, registering y-o-y decline of 28%. Revenue was impacted by nation-wide lockdown, resulting in halting of manufacturing and construction activities, non-availability of labour and disruptions to the supply chain ecosystem. Services during the quarter at ₹ 9,497 crore constituted 45% of the total revenue, with increased composition of the non-cyclical IT&TS segment.

The Company earned a total Profit After Tax of ₹ 544 crore of which allocation to Non-controlling interest is ₹ 241 crore. The consolidated PAT attributable to

The Company bagged orders worth 23,574 crore at the Group level during the quarter ended June 30, 2020 registering decline of 39%, in a quarter characterised by low interest towards fresh investment and deferment of award decisions. International orders during the quarter at 8,872 crore constituted 38% of the total order inflow.

The Consolidated Order Book of the Group stood at 305,083 crore as at June 30, 2020, with international Order Book constituting 24% of the total Order Book.

Infrastructure Segment

Effective from April 1, 2020, Smart World and Communication business, which was hitherto reported under Infrastructure segment, has been reclassified to "Others Segment" to reflect the revised organisation structure, performance evaluation parameters

year, included a large value

The Order Book of the segment stood at 8,581 crore as on June 30, 2020, with a 20% international component.

Defence Engineering segment recorded customer revenue of 473 crore registering a y-o-y decline of 25.2% over the corresponding quarter of the previous year (Q1 2019) of 643.84 crore. The decline is primarily on account of delay in procurement of materials on account of nation-wide lockdown. International Revenue constituted 19% of the total customer revenue of the segment.

The EBITDA margin of the segment at 12.9% was lower for the quarter ended June 30, 2020 as compared to the corresponding quarter of the previous year at 16.6%, mainly on account of under-recovery of overheads and delay in realisation of price variation claims.

Hydrocarbon Segment

Hydrocarbon segment secured orders valued at 1,220 crore during the quarter

increasing protectionist policies and soft oil prices, timelines and strength of economic recovery remains uncertain.

Against the backdrop of this intractable business environment, the Company has been pursuing a multi-pronged strategy to weather the economic crisis and restoring normalcy in business operations, while complying with all Governmental directives and measures to ensure safety of its customers, employees and contract staff. Labour availability and productivity, working capital levels, Balance Sheet health and pick-up in execution pace is constantly monitored. The Company's focus continues to be on responsible resumption, profitable execution of its large Order Book with higher operational efficiencies, liquidity management, tight expense control and successful transitioning to a new work environment.

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