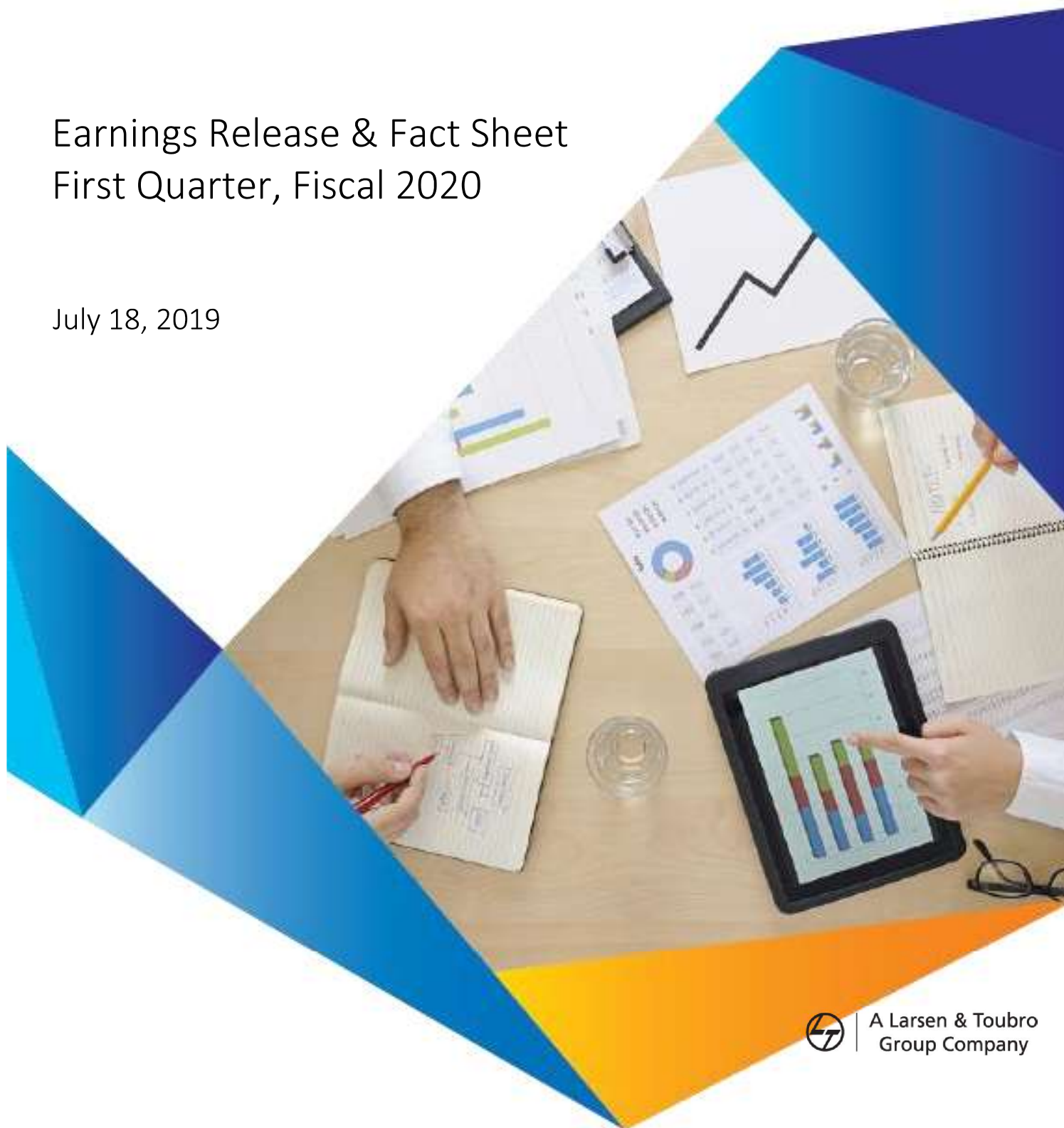




Earnings Release & Fact Sheet First Quarter, Fiscal 2020

July 18, 2019



A Larsen & Toubro
Group Company

Contents

<u>1. Earnings Release – Q1 FY20</u>	<u>3</u>
<u>2. Performance Highlights – Q1 FY20.....</u>	<u>7</u>
<u>3. Financial Statements – Q1 FY20.....</u>	<u>11</u>
<u>4. Contact Information.....</u>	<u>14</u>

Safe Harbour

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. LTI does not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

Recent Deal Wins, Business Highlights and Awards and Recognitions section in this release include relevant disclosures between our last earnings release and this release.



Earnings Release –Q1 FY20 Results

LTI USD Revenue growth up 11.5% YoY; Digital revenues at 39%

Mumbai, India: July 18, 2019: Larsen & Toubro Infotech (BSE code: 540005, NSE: LTI), a global technology consulting and digital solutions company, announced its Q1 FY20 results today.

In US Dollars:

- Revenue at **USD 356.5 million**; growth of **0.8% QoQ** and **11.5% YoY**
- Constant Currency Revenue growth of **1.0% QoQ** and **12.9% YoY**

In Indian Rupees:

- Revenue at **Rs 24,849 million**; growth was flat **QoQ** and **15.3% YoY**
- Net Income at **Rs 3,557 million**; growth of **(6.1%) QoQ** and **(1.5%) YoY**

“We delivered 12.9% YoY revenue growth in constant currency driven by Digital Services that now make up 39% of our revenues. We also won a large deal by opening a new client logo in Insurance vertical with net-new TCV of US\$44m.

We are also pleased to welcome Lymbyc to LTI family. Lymbyc is a specialist AI, machine learning, and advanced analytics company. The acquisition further strengthens LTI’s Mosaic platform and our fast-growing digital and analytics offerings.”

- Sanjay Jalona, Chief Executive Officer & Managing Director



Recent Deal Wins

- A US based insurance company, a new logo has selected LTI for a multi-year, multi-million dollar managed services deal for its IT infrastructure and IT security operations
- Selected as the strategic partner by Deutsche Telekom for their strategic Microsoft Cloud Acceleration Centre initiative in Central and Eastern Europe
- A world leader in medical products chose LTI for a managed services deal covering 100+ applications across its global operations to make its IT landscape lean, cloud first and digital ready
- Selected as the exclusive strategic partner by a leading investment management Company for its AI and automation driven digital transformation journey
- A leading Japanese electrical and software company selected LTI for SAP Application Management Services engagement
- A global bank selected LTI for cloud based digital transformation of its wealth management applications
- Selected by a leading security services firm for implementing financial analytics and reporting tool

Client Testimonial

“Deutsche Telekom has selected LTI as their trusted partner for the joint Microsoft Cloud initiative in Central Eastern Europe. We are convinced that LTI’s experience with cloud migration will further empower the digital transformation in the region. We are looking forward to pave the customers’ digital journey together with LTI.”

- Ralf Nejedl, Senior Vice President B2B Growth Europe, Deutsche Telekom AG

“LTI has been a strategic partner to Velliv and continuously strives to deliver business benefits. In the past 4 years, LTI has been instrumental in strategic transformation of our core business applications. LTI has also been proactive in setting up the critical test automation processes across Velliv application domains.”

- Jakob Andersen, CIO, Velliv

Awards and Recognitions

- LTI ranked as a Leader in AI Based Automation Capability in Software Testing Services: AI and Digital Next-Gen Testing NelsonHall NEAT report 2019
- LTI’s Digital Transformative Agribusiness case study recognized in ISG’s Global Digital Excellence: 25 Winning Partnerships Book
- LTI ranked number 5 in HFS Top 10 Energy Service Providers 2019
- LTI named in Honorable Mentions in the Gartner, Magic Quadrant for Data and Analytics Service Providers, Worldwide, 2019

**Gartner, Magic Quadrant for Data and Analytics Service Providers, Worldwide, 2019, Jorgen Heizenberg et al., 12 February 2019*

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Other Business Highlights

- LTI signed a definitive agreement to acquire Lymbyc, a specialist AI, machine learning, and advanced analytics company. The acquisition further strengthens LTI's fast-growing digital and analytics offerings.
- Guidewire Software announced LTI as new consulting alliance partner
- LTI is now a constituent of the FTSE4Good Index Series following the June 2019 index review.

**Larsen and Toubro Infotech satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index and data provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.*



About LTI

LTI (NSE: LTI) is a global technology consulting and digital solutions Company helping more than 350 clients succeed in a converging world. With operations in 30 countries, we go the extra mile for our clients and accelerate their digital transformation with LTI's Mosaic platform enabling their mobile, social, analytics, IoT and cloud journeys. Founded in 1997 as a subsidiary of Larsen & Toubro Limited, our unique heritage gives us unrivaled real-world expertise to solve the most complex challenges of enterprises across all industries. Each day, our team of more than 28,000 LTItes enable our clients to improve the effectiveness of their business and technology operations and deliver value to their customers, employees and shareholders. Find more at <http://www.Ltinfotech.com> or follow us at @LTI_Global

Earnings Conference Call

July 19th, 2019 (11:00 AM IST)

Please dial at least 5-10 minutes prior to the conference schedule to ensure that you are connected to your call in time.

Universal Access Number	+91 22 6280 1104
	+91 22 7115 8005
Local Access Number	+91 70456 71221 Available all over India
International Toll Number	USA: 13233868721 UK: 442034785524 Singapore: 6531575746 Hong Kong: 85230186877
Replay of Conference Call	Available 3 hours after the call until 24 th July 2019 Playback Code: 80248 Dial-in Number: India +91 22 71945757 +91 22 66635757
<p align="center">Click here for your DiamondPass™</p> <p>DiamondPass™ is a Premium Service that enables you to connect to your conference call without having to wait for an operator.</p> <p>If you have a DiamondPass™, click the above link to associate your pin and receive the access details for this conference. If you do not have a DiamondPass™, please register through the link and you will receive your DiamondPass™ for this conference.</p>	

Contact

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Performance Highlights – Q1 FY20

Financial Highlights

Amount in USD million

	Q1FY19	Q4FY19	Q1FY20	QoQ Growth	YoY Growth
Revenue (USD million)	319.9	353.8	356.5	0.8%	11.5%
Revenue Constant Currency				1.0%	12.9%

Amount in INR million

	Q1FY19	Q4FY19	Q1FY20	QoQ Growth	YoY Growth
Revenue	21,557	24,860	24,849	-	15.3%
EBITDA Margin	19.4%	19.2%	18.4%		
EBIT Margin	17.7%	17.7%	16.0%		
Revenue Related Foreign Exchange Gains/(loss)	841	334	680	103.5%	(19.1%)
Net Income	3,612	3,785	3,557	(6.1%)	(1.5%)
Net Income Margin	16.8%	15.2%	14.3%		
Billed DSO	80	70	70		
DSO (Including unbilled)	124	103	104		

Note: Effective Q1FY20, DSO has been computed on per days sales derived on LTM basis vs. the YTD methodology followed earlier. Figures for previous periods have been restated to facilitate comparison.

Revenue by Vertical

	Q1FY19	Q4FY19	Q1FY20	QoQ Growth	YoY Growth
BFS	30.9%	27.7%	27.7%	0.9%	-
Insurance	18.2%	17.8%	18.1%	2.5%	10.6%
Manufacturing	15.7%	16.6%	15.2%	(7.8%)	7.7%
Energy & Utilities	10.1%	11.0%	10.7%	(1.9%)	18.1%
CPG, Retail & Pharma	9.1%	10.6%	11.1%	6.2%	35.9%
High-Tech, Media & Entertainment	11.3%	12.4%	12.5%	1.6%	22.9%
Others	4.5%	3.9%	4.6%	19.1%	13.5%
Total	100%	100%	100%	0.8%	11.5%



Revenue by Service Offering

	Q1FY19	Q4FY19	Q1FY20	QoQ Growth	YoY Growth
ADM and Testing	42.1%	37.9%	38.1%	1.3%	0.8%
Enterprise Solutions	26.3%	29.2%	28.4%	(2.0%)	20.2%
Infrastructure Management Services	11.5%	11.0%	10.9%	(0.4%)	5.0%
Analytics, AI & Cognitive	10.3%	10.7%	11.2%	6.4%	21.1%
Enterprise Integration & Mobility	6.5%	8.0%	8.2%	3.5%	40.5%
Platform Based Solutions	3.1%	3.2%	3.1%	(1.9%)	12.3%
Total	100%	100%	100%	0.8%	11.5%
Digital Revenue	34.0%	37.9%	38.9%	3.6%	27.5%

Note: ADM and Testing service lines have been grouped together to reflect the integrated nature of next-gen ADM that is powered by emerging technologies and methodologies like Agile and DevOps.

Revenue by Geography

	Q1FY19	Q4FY19	Q1FY20	QoQ Growth	YoY Growth
North America	66.6%	66.4%	68.7%	4.3%	15.0%
Europe	17.9%	16.4%	16.0%	(1.7%)	(0.2%)
RoW	9.1%	9.1%	8.5%	(5.9%)	3.5%
India	6.4%	8.2%	6.9%	(15.7%)	19.0%
Total	100%	100%	100%	0.8%	11.5%

Client Contribution to Revenue

	Q1FY19	Q4FY19	Q1FY20	QoQ Growth	YoY Growth
Top 5 clients	36.6%	32.2%	31.3%	(1.9%)	(4.7%)
Top 10 clients	50.3%	47.0%	45.0%	(3.5%)	(0.3%)
Top 20 clients	66.0%	63.4%	62.5%	(0.6%)	5.5%



Client Profile

	Q1FY19	Q4FY19	Q1FY20
Number of Active Clients	301	343	354
New Clients Added	19	14	20
1 Million dollar +	114	123	124
5 Million dollar +	42	49	49
10 Million dollar +	25	26	26
20 Million dollar +	13	17	19
50 Million dollar +	4	5	5
100 Million dollar +	1	1	1

Effort Mix

	Q1FY19	Q4FY19	Q1FY20
Onsite	23.0%	21.9%	22.0%
Offshore	77.0%	78.1%	78.0%

Revenue Mix

	Q1FY19	Q4FY19	Q1FY20
Onsite	46.8%	47.8%	49.5%
Offshore	53.2%	52.2%	50.5%

Billed Person Months

	Q1FY19	Q4FY19	Q1FY20
Onsite	12,463	13,681	14,143
Offshore	41,713	48,923	50,042

Utilization

	Q1FY19	Q4FY19	Q1FY20
Including Trainees	79.7%	80.1%	80.5%
Excluding Trainees	81.2%	81.1%	81.3%



Headcount Details

	Q1FY19	Q4FY19	Q1FY20
Total Headcount	25,150	28,169	29,347
Development	23,656	26,572	27,665
Sales & Support	1,494	1,597	1,682
Attrition % (LTM)	15.1%	17.5%	18.3%

Constant Currency Reporting

		QoQ Growth	YoY Growth
Company		1.0%	12.9%
Vertical	BFS	1.4%	2.0%
	Insurance	2.7%	11.4%
	Manufacturing	(7.4%)	9.4%
	Energy & Utilities	(1.6%)	19.7%
	CPG, Retail & Pharma	6.5%	37.5%
	High-Tech, Media & Entertainment	1.7%	23.2%
	Others	17.7%	14.6%
Service Offering	ADM and Testing	1.6%	1.9%
	Enterprise Solutions	(1.6%)	16.8%
	Infrastructure Management Services	(0.4%)	6.3%
	Analytics, AI & Cognitive	6.4%	22.3%
	Enterprise Integration & Mobility	4.0%	34.8%
	Platform Based Solutions	(1.0%)	15.4%
Geography	North America	4.4%	15.1%
	Europe	(0.6%)	4.7%
	RoW	(4.8%)	6.6%
	India	(16.3%)	21.9%

Note: Note: ADM and Testing service lines have been grouped together to reflect the integrated nature of next-gen ADM that is powered by emerging technologies and methodologies like Agile and DevOps



Financial Statements – Q1 FY20

Income Statement

Amount in INR million

	Q1FY19	Q4FY19	Q1FY20	QoQ Growth	YoY Growth
Revenue	21,557	24,860	24,849	-	15.3%
Direct Costs	13,977	16,417	16,625	1.3%	18.9%
Gross Profit	7,580	8,442	8,225	(2.6%)	8.5%
Selling, General & Administration Expenses	3,390	3,678	3,645	(0.9%)	7.5%
EBITDA	4,190	4,764	4,580	(3.9%)	9.3%
Depreciation & Amortization	378	371	611	64.4%	61.2%
EBIT	3,811	4,393	3,968	(9.6%)	4.2%
Revenue Related Foreign Exchange Gains/(loss)	841	334	680	103.5%	(19.1%)
Other Income, net	195	314	132		
Provision for Tax	1,236	1,255	1,225	(2.4%)	(0.9%)
Net Income	3,612	3,785	3,557	(6.1%)	(1.5%)
Margins (%)					
EBITDA Margin	19.4%	19.2%	18.4%		
EBIT Margin	17.7%	17.7%	16.0%		
Net Income Margin	16.8%	15.2%	14.3%		
Earnings Per Share					
Basic	21.00	21.86	20.51		
Diluted	20.60	21.60	20.29		

Exchange Rate (USD:INR)

	Q1FY19	Q4FY19	Q1FY20
Period closing rate	68.47	69.16	69.02
Period average rate	67.39	70.26	69.70

Balance Sheet

Amount in INR million

	As at 31 March, 2019	As at 30 June, 2019
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	3,084	3,138
(b) Right of Use Assets	-	7,176
(c) Goodwill	4,947	4,986
(c) Intangible assets	1,383	1,323
(e) Non-current Financial Assets	2,080	1,842
(f) Deferred tax assets (Net) & Tax Assets	2,385	2,543
(g) Other assets	1,111	1,102
Total Non-Current Assets	14,991	22,110
Current assets		
(a) Investments	17,402	19,299
(b) Trade Receivables and Unbilled Revenue	23,845	24,938
(c) Cash and cash equivalents	4,150	4,497
(d) Other Financial assets	1,774	1,750
(e) Others assets	4,530	4,887
Total Current Assets	51,701	55,730
TOTAL ASSETS	66,692	77,480
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	174	174
(b) Other Equity	48,765	51,723
(c) Non- Controlling interests	8	7
Total Equity	48,946	51,903
Liabilities		
Non-current liabilities		
(d) Financial liabilities	936	625
(e) Lease liabilities	-	6,554
(e) Deferred tax liabilities	56	100
(f) Non-current provisions	291	281
Total Non-Current Liabilities	1,283	7,560
Current liabilities		
(a) Financial Liabilities	11,400	11,271
(b) Lease liabilities	-	1,396
(c) Other Liabilities	2,582	2,488
(d) Provisions	2,108	2,117
(e) Current Tax Liabilities (Net)	374	745
Total Current Liabilities	16,463	18,017
TOTAL EQUITY AND LIABILITIES	66,692	77,480

Cash Flow

Amount in INR million

	Q1FY19	Q4FY19	Q1FY20
Cash flow from operating activities			
Net profit after tax	3,612	3,786	3,557
Adjustments for:			
Depreciation and amortization	378	371	611
Others	318	484	529
Changes in working capital (net)	(2,720)	(1,514)	(1,362)
Net cash from operating activities [A]	1,588	3,127	3,335
Cash flow from investing activities			
(Purchase)/ Sale of assets and investments	1,574	(4,306)	(1,950)
Investment income	251	283	82
Net cash from investing activities [B]	1,825	(4,022)	(1,868)
Cash flow from financing activities			
Credit Support Agreement Deposit (including interest)	(1,308)	637	(619)
Dividend paid (including DDT)	-	(1)	-
Payment towards lease liability	-	-	(455)
Net cash from financing activities [C]	(1308)	637	(1,074)
Effect of exchange rate on cash and cash equivalents [D]	29	(63)	(46)
Net increase in cash and cash equivalents [A+B+C+D]	2,134	(322)	347
Cash and cash equivalents at beginning of the period	3,633	4,472	4,150
Cash and cash equivalents at end of the period	5,767	4,150	4,497

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