

**Earnings Release & Fact Sheet  
Second Quarter, Fiscal 2017**

November 9, 2016



***L&T Infotech***

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## 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. L&T Infotech 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 – Q2 FY17 Results

### L&T Infotech Posts Strong 3.7% QoQ Growth in USD revenue; driven by Digital services Declares interim dividend of Rs 6.85 per share

**Mumbai, India: November 9, 2016:** L&T Infotech (BSE code: 540005, NSE: LTI), a global IT services and solutions provider, announced its Q2 FY17 results today.

#### In US Dollars:

- Revenue at **USD 239.7 million**; growth of **3.7% QoQ and 7.0% YoY**
- Constant Currency Revenue growth of **3.6% QoQ and 7.2% YoY**

#### In Indian Rupees:

- Revenue at **Rs 16,020 million**; growth at **3.0% QoQ and 9.1% YoY**
- Net Income at **Rs 2,326 million**; Net Income growth at **(1.3)% QoQ and 11.3% YoY**
- Net Income Margin at **14.3%**, down **58bps QoQ** and **up 52bps YoY**

*"I am happy to report a strong quarter-on-quarter growth of 3.7% in the top line. This solid performance is result of our investments in new service lines, partnerships and building a robust sales and marketing engine. We announced the acquisition of AugmentIQ in big data and analytics space last month which positions us to enable accelerated data monetization for clients across verticals. Our client-centric approach has helped us win critical engagements in five growth areas of – Digital, Analytics, IoT, Cloud Apps and Automation, many of them against significantly larger and global incumbents. We will remain focused on implementing our LTI 2.0 strategy."*

*- Sanjay Jalona, Chief Executive Officer & Managing Director*

Recent Deal Wins:

- AGF Investments Inc. Canada selected L&T Infotech Financial Services Technologies as its primary provider for transfer agency function
- Won an applications managed services engagement with Hartford Steam Boiler (HSB), a leading specialty insurer with 150 years of industry leadership in equipment breakdown insurance and a subsidiary of Munich Re.
- Multi-year, application & infrastructure outsourcing engagement with a large crude oil refinery company in Saudi Arabia
- Multi-year, multi-service engagement with one of America's largest corporations dealing in automotive interiors
- A Global Fortune 100 Bank holding company selected us as a vendor for KYC and regulatory reporting
- One of the world's largest networking companies selected us for migrating their Big Data platform and providing Oracle Business Intelligence services
- Awarded multi-year contract by one of the world's largest semiconductor companies
- Started working with a global life sciences company in the data analytics space
- Selected by a leading Europe-based global media company for testing and assurance services
- A US based Media & Entertainment giant selected LTI for Oracle Cloud based engagement
- A large investment banking and securities trading firm selected us as a partner for risk and compliance area
- A US based construction giant selected us as the partner for end-to-end ServiceNow implementation

Client Testimonial:

*LTI is partnering with Terex Corporation for Salesforce based CRM transformation including expansion of Salesforce footprint across business units and complexity reduction through instance consolidation. Stefan Meiser, Director, Global Web Services, Terex Corporation - "LTI's deep domain knowledge and expertise in implementing Salesforce has helped us design leaner, more responsive customer management channels for both sales and service"*

Other Business Highlights

- LTI expanded its leadership team with induction of Sudhir Chaturvedi as President-Sales
- LTI announced a strategic partnership with Workplace by Facebook, an enterprise collaboration platform that redefines internal communications and changes the way work is done within an enterprise
- LTI announced solutions based on Oracle IoT Cloud Service to build and deliver innovative solutions for manufacturing, utilities and construction industries
- LTI and WorkFusion became Strategic Consulting Partners for Intelligent Automation
- LTI announced a strategic alliance with Pegasystems to deliver advanced Business Process Management & Business Process Automation solutions
- LTI and Coupa formed Strategic Partnership to provide Cloud-based Spend Management solutions

Awards and Recognitions:

- Named as a “ Major Player” in IDC MarketScape: Worldwide Oil and Gas Professional Services 2016 Vendor Assessment Doc #US40842116, Aug 2016
- LTI cited as a "Contender" in The Forrester Wave™: Services Providers for Next-Generation Oracle Application Projects, Q3 2016
- Mentioned in “Representative List: IoT Service Provider Summary”, “Representative Provider IoT Practice Summary”, and “Representative Provider Solutions/Business Outcome Focus” in Gartner’s report on Market Guide for IoT Service Providers, 2016\*
- Named as a "Major Player" in IDC MarketScape: Worldwide Life Science Sales and Marketing Digital Transformation 2016 Vendor Assessment Doc # US40510716, July 2016
- Positioned as a ‘Leader’ in the NelsonHall Software Testing NEAT in the Overall Category
- Positioned as a 'Major Contender' in Everest Group’s Digital Services PEAK Matrix™ Assessment, 2016
- Positioned in the leadership zone in Zinnov Zones 2016, IoT Technology Services Report.
- Featured in the HfS Blueprint Grid on Emerging Blockchain Services
- Featured as a “Major Contender” in Everest Group’s Global Banking & Capital Markets AO PEAK Matrix™ 2016
- Listed as one of the Consulting and SI Partners for Cloud Service in the Gartner’s Market Guide for IoT Platforms, 2016\*

\*Disclaimer: Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

## About L&T Infotech

L&T Infotech, a subsidiary of \$16 Bn Larsen & Toubro group, is a global IT services and solutions provider with presence in 23 countries. We solve complex business challenges at the convergence of digital and physical with our real-world expertise and client centricity. We enable our clients to build innovative business models, enhance operational efficiencies and create captivating customer experiences.

We provide a comprehensive portfolio of solutions and services for various sectors like Banking & Financial Services, Insurance; Consumer Products, Media & Entertainment, Technology, Oil & Gas and Manufacturing. Our comprehensive services include Digital, Analytics, Automation, IIoT, ERP, Testing, and Infrastructure Management.

## Earnings Conference Call

**November 9<sup>th</sup>, 2016 (6:00 PM IST)**

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

Primary Number	+91 22 3938 1006
Secondary Number	+91 22 6746 5816
Local Access Number	3940 3977 Available in - Ahmedabad, Bangalore, Chandigarh, Chennai, Gurgaon (NCR), Hyderabad, Kochi/Cochin, Kolkata, Lucknow, Pune. Accessible from all carriers.
International Toll Number	USA – Los Angeles: 13233868721 UK - London: 442034785524 Singapore: 6531575746 Hong Kong: 85230186 877
<a href="#">Click here for your DiamondPass™</a>	
<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 – Q2 FY17

### Financial Highlights

	Q2FY16	Q1FY17	Q2FY17	QoQ Growth	YoY Growth
Revenue (USD million)	223.9	231.1	239.7	3.7%	7.0%
Revenue Constant Currency				3.6%	7.2%

*Amount in INR million*

	Q2FY16	Q1FY17	Q2FY17	QoQ Growth	YoY Growth
Revenue	14,682	15,550	16,020	3.0%	9.1%
Revenue Related Foreign Exchange Gains/(loss)	525	339	293		
Total Income	15,208	15,889	16,313	2.7%	7.3%
EBITDA Margin	19.4%	21.3%	20.5%	(87) bps	101 bps
EBIT Margin	16.6%	18.6%	17.6%	(102) bps	98 bps
Net Income	2,090	2,358	2,326	(1.3%)	11.3%
Net Income Margin	13.7%	14.8%	14.3%	(58) bps	52 bps
DSO	74	70	74		

### Revenue by Vertical #

	Q2FY16	Q1FY17	Q2FY17	QoQ Growth	YoY Growth
BFS	26.7%	25.3%	26.1%	7.0%	4.8%
Insurance	20.3%	21.9%	21.4%	1.4%	13.1%
Energy & Process	13.0%	11.9%	11.5%	(0.1%)	(5.6%)
CPG, Retail & Pharma	8.6%	8.0%	7.8%	0.8%	(3.1%)
High-Tech, Media & Entertainment	11.5%	11.5%	11.3%	1.5%	4.7%
Auto Aero & Others	19.9%	21.3%	21.9%	6.6%	17.9%
Total	100%	100%	100%		

**Revenue by Service Offering**

	Q2FY16	Q1FY17	Q2FY17	QoQ Growth	YoY Growth
Application Development Maintenance	42.2%	40.0%	40.0%	3.5%	1.4%
Enterprise Solutions	24.9%	23.8%	22.6%	(1.4%)	(2.7%)
Infrastructure Management Services	8.2%	10.6%	10.4%	1.8%	35.0%
Testing	9.8%	9.9%	9.5%	(0.4%)	3.5%
AIM, Enterprise Integration, Mobility	11.1%	11.7%	13.5%	20.0%	30.8%
Platform Based Solutions	3.8%	4.0%	4.0%	3.7%	12.6%
Total	100%	100%	100%		

**Revenue by Geography ^**

	Q2FY16	Q1FY17	Q2FY17	QoQ Growth	YoY Growth
North America	69.5%	69.4%	68.9%	2.9%	6.0%
Europe	17.3%	18.0%	18.4%	6.5%	14.0%
Asia Pacific	3.1%	2.6%	2.8%	8.8%	(5.3%)
India	4.7%	5.7%	5.9%	7.4%	32.6%
RoW	5.3%	4.3%	4.0%	(2.6%)	(18.1%)
Total	100%	100%	100%		

**Effort Mix**

	Q2FY16	Q1FY17	Q2FY17
Onsite	24.1%	24.7%	24.2%
Offshore	75.9%	75.3%	75.8%

**Revenue Mix**

	Q2FY16	Q1FY17	Q2FY17
Onsite	48.3%	48.1%	48.8%
Offshore	51.7%	51.9%	51.2%



**Billed Person Months**

	Q2FY16	Q1FY17	Q2FY17
Onsite	9,750	10,312	10,160
Offshore	30,739	31,382	31,774

**Utilization**

	Q2FY16	Q1FY17	Q2FY17
Including Trainees	72.8%	77.4%	78.7%
Excluding Trainees	75.5%	78.0%	80.6%

**Client Profile**

	Q2FY16	Q1FY17	Q2FY17
Number of Active Clients	251	259	259
New Clients Added	20	12	16
100 Million dollar +	1	1	1
50 Million dollar +	3	3	4
20 Million dollar +	8	10	10
10 Million dollar +	19	19	20
5 Million dollar +	32	35	34
1 Million dollar +	85	89	91

**Client Contribution to Revenue**

	Q2FY16	Q1FY17	Q2FY17
Top client	15.3%	13.3%	14.0%
Top 5 clients	37.8%	36.7%	37.1%
Top 10 clients	52.9%	51.3%	51.8%
Top 20 clients	68.2%	67.7%	67.6%

## Employee Statistics

	Q2FY16	Q1FY17	Q2FY17
Total Headcount	21,171	19,292	19,751
Development	19,653	17,959	18,428
Sales & Support	1,518	1,333	1,323
Attrition % (LTM)	19.7%	19.5%	18.5%

# One of our customer accounts is re-classified from Insurance to CPG, Retail & Pharma Vertical from Q2FY17

^ Australia is re-classified from RoW to Asia Pacific Geography from Q2FY17

For both these changes, prior period figures have been restated

## Financial Statements Q2 FY17

## Income Statement

Amount in INR million

	Q2FY16	Q1FY17	Q2FY17	QoQ growth	YoY growth
Revenue	14,682	15,550	16,020	3.0%	9.1%
Revenue Related Foreign Exchange Gains/(loss)	525	339	293		
<b>Total Income</b>	<b>15,208</b>	<b>15,889</b>	<b>16,313</b>	<b>2.7%</b>	<b>7.3%</b>
Direct Costs	9,623	10,065	10,348	2.8%	7.5%
Gross Profit	5,584	5,824	5,965	2.4%	6.8%
Selling, General & Administration Expenses	2,628	2,435	2,628	7.9%	(0.0%)
<b>EBITDA</b>	<b>2,956</b>	<b>3,388</b>	<b>3,337</b>	<b>(1.5%)</b>	<b>12.9%</b>
Depreciation & Amortization	428	429	465	8.3%	8.6%
<b>EBIT</b>	<b>2,528</b>	<b>2,959</b>	<b>2,872</b>	<b>(2.9%)</b>	<b>13.6%</b>
Other Income, net	7	33	72		
Provision for Tax	445	634	618	(2.7%)	38.8%
<b>Net Income</b>	<b>2,090</b>	<b>2,358</b>	<b>2,326</b>	<b>(1.3%)</b>	<b>11.3%</b>
Margins (%)					
EBITDA Margin	19.4%	21.3%	20.5%		
EBIT Margin	16.6%	18.6%	17.6%		
Net Income Margin	13.7%	14.8%	14.3%		
Earnings Per Share					
Basic	12.96	13.88	13.69		
Diluted	12.34	13.85	13.37		

## Exchange Rate (USD:INR)

	Q2FY16	Q1FY17	Q2FY17
Period closing rate	65.59	67.53	66.62
Period average rate	65.01	66.94	66.99

## Balance Sheet

Amount in INR million

	As at March 31, 2016	As at Sept 30, 2016
<b>Non-current assets</b>		
(a) Property, Plant and Equipment	2,792	2,590
(b) Capital work-in-progress	7	42
(c) Goodwill	978	974
(d) Other Intangible assets	2,606	2,299
(e) Intangible assets under development	188	24
(f) Financial Assets		
(i) Loans	294	291
(ii) Other Financial Assets	132	470
(g) Deferred tax assets (net)	2,213	1,779
(h) Tax Assets	886	959
(i) Other assets	1,323	1,141
<b>Total Non-Current Assets</b>	<b>11,419</b>	<b>10,569</b>
<b>Current assets</b>		
(a) Financial Assets		
(i) Investments	429	2,906
(ii) Trade receivables	11,598	12,829
(iii) Unbilled Revenue	3,788	4,087
(iv) Cash and cash equivalents	2,008	3,015
(v) Other bank balances	27	29
(vi) Loans	148	172
(vii) Other Financial Assets	1,259	1,947
(b) Other assets	883	536
<b>Total Current Assets</b>	<b>20,140</b>	<b>25,521</b>
<b>TOTAL ASSETS</b>	<b>31,559</b>	<b>36,090</b>

## Balance Sheet

Amount in INR million

	As at March 31, 2016	As at Sept 30, 2016
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share capital	170	170
(b) Other Equity	21,075	25,508
<b>Equity attributable to shareholders of the company</b>	<b>21,245</b>	<b>25,678</b>
Non-controlling interests	5	6
<b>Total Equity</b>	<b>21,250</b>	<b>25,684</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Deferred tax liabilities (net)	248	234
(b) Provisions	235	271
<b>Total Non-Current Liabilities</b>	<b>483</b>	<b>505</b>
<b>Current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	399	-
(ii) Current Maturities of long term borrowings	147	74
(iii) Trade Payables	3,342	3,046
(iv) Other Financial Liabilities	3,349	3,719
(b) Other Liabilities	1,124	1,162
(c) Provisions	1,457	1,720
(d) Current Tax Liabilities (Net)	8	180
<b>Total Current Liabilities</b>	<b>9,826</b>	<b>9,901</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>31,559</b>	<b>36,090</b>



## Contact Information

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[Annual Report Financial Year 2015-16](#)