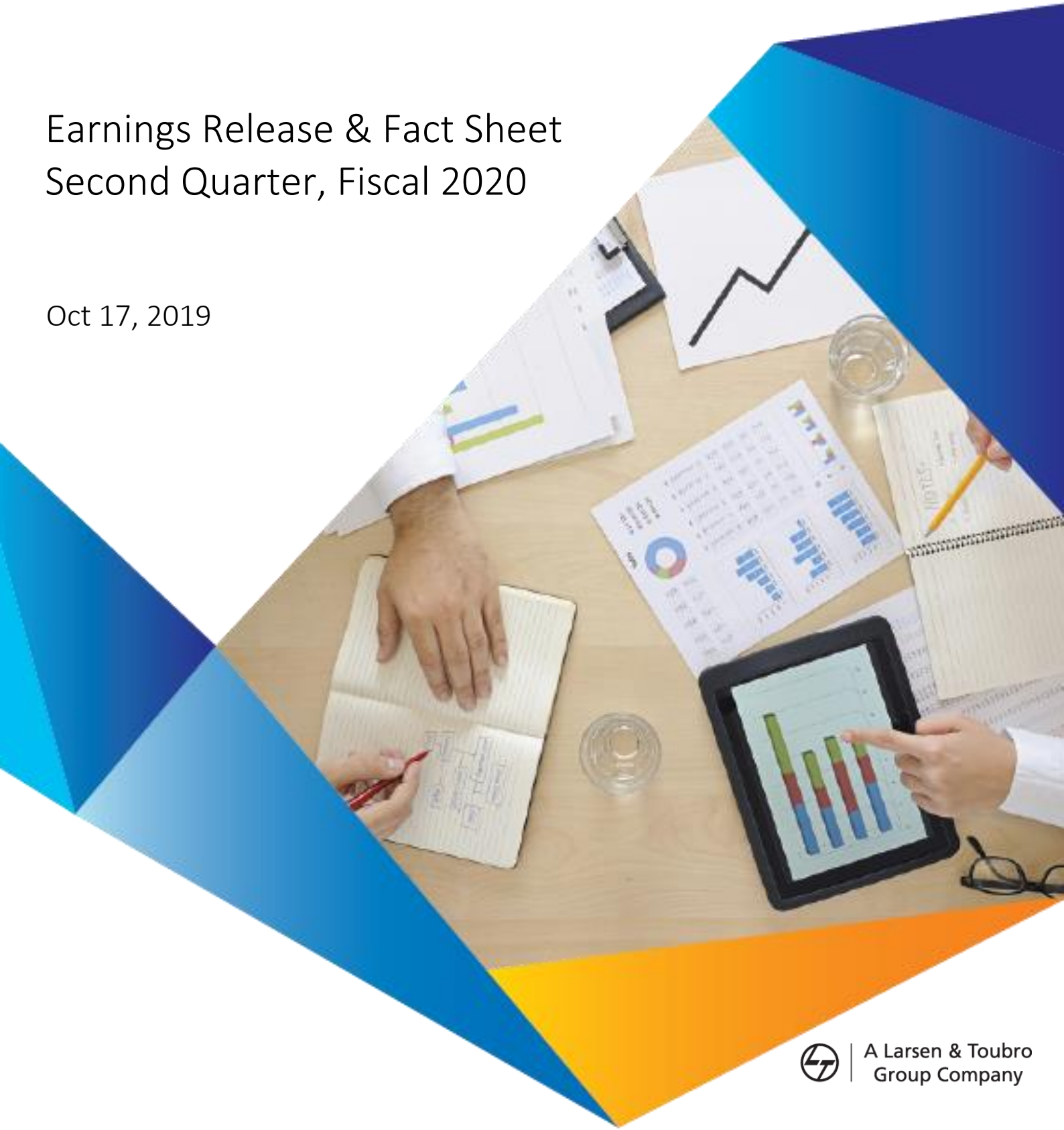




Earnings Release & Fact Sheet Second Quarter, Fiscal 2020

Oct 17, 2019



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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. 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 –Q2 FY20 Results

LTI Constant Currency Revenue growth up 11.9% YoY; Digital revenues at 40%

Mumbai, India: Oct 17, 2019: Larsen & Toubro Infotech (BSE code: 540005, NSE: LTI), a global technology consulting and digital solutions company, announced its Q2 FY20 results today.

In US Dollars:

- Revenue at **USD 363.8 million**; growth of **2.0% QoQ** and **10.8% YoY**
- Constant Currency Revenue growth of **2.4% QoQ** and **11.9% YoY**

In Indian Rupees:

- Revenue at **Rs 25,707 million**; growth of **3.4% QoQ** and **10.3% YoY**
- Net Income at **Rs 3,604 million**; growth of **1.3% QoQ** and **(10.0%) YoY**

“In Q2, we delivered a steady 11.9% YoY growth in constant currency driven by on-track ramp up of large deal wins that we announced earlier. We won three large deals in this quarter, all of them from new clients, aggregating to net-new TCV of ~US\$100 million. A healthy pipeline, continued large deal momentum and fast-growing Digital services across all verticals make us optimistic about the future.

We are delighted to announce the acquisition of Powerup, a born-in-Cloud company that has completed 150+ engagements in Cloud. Powerup has deep expertise in building Cloud and AI solutions and is a premier consulting partner of AWS. “

- Sanjay Jalona, Chief Executive Officer & Managing Director

Recent Deal Wins

- A US based utility company, a new logo has selected LTI for multi-year, multi-million dollar deal to provide Cloud and Infrastructure Managed services
- Won multi-year, multi-million dollar managed services engagement with a European financial institution, a new logo
- Leading power generation company chose LTI as its partner for a green field and organization wide implementation of SAP S/4 HANA
- Awarded application management and transformation deal from a global leader in manufacturing space
- Global engineering giant chose LTI for AMS engagement
- A major Development Authority in the Middle East selected LTI for implementing next generation digital platform to manage its mega capital expenditure programs efficiently
- Leading manufacturing conglomerate awarded SAP S/4 HANA implementation to LTI for its co-innovative engineering, construction and operations (EC&O) solution developed along with SAP
- Global technology distributor chose LTI as its transformation partner to launch a new line of business
- A US based services firm engaged LTI to migrate its HR and workforce ERP applications to SaaS

Client Testimonial

“Convo has chosen LTI to be a critical growth partner because of their deep and wide technical knowledge and commitment to innovation. We see the partnership as critical to our short and long-term success in transforming the VRS industry. From deployment automation to integrated AI, LTI is embedded into all our daily workflows. With every solution, LTI continues to exceed our expectations.”

John Steinmetz, Chief Technology Officer, Convo Communications, LLC.

Awards and Recognitions

- LTI listed as one of The Breakthrough 15 Technology Provider Standouts in Americas, EMEA and Globally on the 3Q19 Global ISG Index™
- LTI's case study mentioned by Forrester as one of the meaningful IoT+Blockchain based Supply Chain use cases in their report titled: "IoT And Blockchain: A Powerful Pairing That Doesn't Yet Live Up to Its Promise"
- LTI ranked as a Major Contender and Star Performer in Everest Group Life Sciences Digital Services Peak Matrix™ Assessment 2019
- LTI recognized in the Constellation Research ShortList as a top vendor for Innovation Services and Engineering in Q3 2019
- LTI ranked as a Major Contender in Everest Group Data & Analytics Services PEAK Matrix™ Assessment 2019
- LTI named in Honorable Mentions in the Gartner, Magic Quadrant for SAP S/4HANA Application Services, Worldwide, 2019

**Gartner, Magic Quadrant for SAP S/4HANA Application Services, Worldwide, 2019, Fabio Di Capua et al., 20 May 2019*

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Other Business Highlights

- LTI signed a definitive agreement to acquire Powerup Cloud, a Bangalore based AWS Premier Consulting partner with capabilities in Cloud Consulting, Data Lake implementation and Cloud Native Application development. The company has two AI-powered cloud platforms - CloudEnsure.io, an Autonomous Cloud Governance Platform to help with continuous audit of cloud setup, and Botzer.io, an Enterprise AI Platform that builds chatbots for customer support, employee engagement and knowledge management.
- The Board of Directors at its meeting held on October 17th, 2019 have declared an interim dividend of Rs. 12.5 per equity share (Face Value of Re.1)
- LTI is now a ‘Premier’ partner of ServiceNow
- LTI has been felicitated with the ZEE Business National CSR Leadership Award 2019 for Innovations in CSR practices
- LTI released its 3rd Sustainability Report with the theme ‘Solving for Good’. We have drawn inspiration from the United Nations’ Sustainable Development Goals and the report lays down specific objectives and commitments that we have set for ourselves in our Sustainability Roadmap 2030.

About LTI

LTI (NSE: LTI) is a global technology consulting and digital solutions Company helping more than 360 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 30,000 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

Oct 18th, 2019 (2:00 PM 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 1 hour after the call until 22 nd Oct 2019 Playback Code: 79531 Dial-in Number: India +91 22 71945757 +91 22 66635757
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Contact

Media Relations: Shambhavi Revandkar, PR & Media Relations – India
Tel: +91-22-6776 8625
Email: shambhavi.revandkar@Lntinfotech.com

Performance Highlights – Q2 FY20

Financial Highlights

Amount in USD million

	Q2FY19	Q1FY20	Q2FY20	QoQ Growth	YoY Growth
Revenue (USD million)	328.5	356.5	363.8	2.0%	10.8%
Revenue Constant Currency				2.4%	11.9%

Amount in INR million

	Q2FY19	Q1FY20	Q2FY20	QoQ Growth	YoY Growth
Revenue	23,312	24,849	25,707	3.4%	10.3%
EBITDA Margin	20.5%	18.4%	18.1%		
EBIT Margin	19.0%	16.0%	15.5%		
Revenue Related Foreign Exchange Gains/(loss)	711	680	692	1.8%	(2.7%)
Net Income	4,003	3,557	3,604	1.3%	(10.0%)
Net Income Margin	17.2%	14.3%	14.0%		
Billed DSO	74	70	67		
DSO (Including unbilled)	103	104	105		

Revenue by Vertical

	Q2FY19	Q1FY20	Q2FY20	QoQ Growth	YoY Growth
BFS	29.9%	27.7%	27.1%	(0.3%)	0.5%
Insurance	17.9%	18.1%	18.7%	5.5%	16.1%
Manufacturing	15.4%	15.2%	16.4%	10.0%	17.8%
Energy & Utilities	10.7%	10.7%	12.1%	14.4%	24.7%
CPG, Retail & Pharma	10.2%	11.1%	11.5%	5.5%	24.7%
High-Tech, Media & Entertainment	11.2%	12.5%	10.8%	(12.0%)	6.3%
Others	4.7%	4.6%	3.5%	(23.0%)	(18.9%)
Total	100%	100%	100%	2.0%	10.8%

Revenue by Service Offering

	Q2FY19	Q1FY20	Q2FY20	QoQ Growth	YoY Growth
ADM and Testing	39.9%	38.1%	36.1%	(3.3%)	0.4%
Enterprise Solutions	25.2%	28.4%	29.5%	6.1%	29.6%
Infrastructure Management Services	11.7%	10.9%	11.1%	3.9%	5.1%
Analytics, AI & Cognitive	12.2%	11.2%	11.3%	2.7%	2.6%
Enterprise Integration & Mobility	8.0%	8.2%	9.0%	11.2%	24.6%
Platform Based Solutions	3.0%	3.1%	3.0%	(3.1%)	8.7%
Total	100%	100%	100%	2.0%	10.8%
Digital Revenue	38.7%	38.9%	40.3%	5.6%	20.5%

Revenue by Geography

	Q2FY19	Q1FY20	Q2FY20	QoQ Growth	YoY Growth
North America	67.4%	68.7%	68.7%	2.0%	12.9%
Europe	17.1%	16.0%	16.4%	4.8%	6.2%
RoW	9.2%	8.5%	8.9%	7.3%	7.5%
India	6.4%	6.9%	6.0%	(10.8%)	4.6%
Total	100%	100%	100%	2.0%	10.8%

Client Contribution to Revenue

	Q2FY19	Q1FY20	Q2FY20	QoQ Growth	YoY Growth
Top 5 clients	36.2%	31.3%	31.7%	3.4%	(3.0%)
Top 10 clients	49.9%	45.0%	45.5%	3.1%	1.0%
Top 20 clients	65.5%	62.5%	61.4%	0.3%	3.8%

Client Profile

	Q2FY19	Q1FY20	Q2FY20
Number of Active Clients	312	354	366
New Clients Added	22	20	20
1 Million dollar +	114	124	137
5 Million dollar +	44	49	48
10 Million dollar +	25	26	27
20 Million dollar +	14	19	18
50 Million dollar +	4	5	6
100 Million dollar +	1	1	1

Effort Mix

	Q2FY19	Q1FY20	Q2FY20
Onsite	22.6%	22.0%	22.0%
Offshore	77.4%	78.0%	78.0%

Revenue Mix

	Q2FY19	Q1FY20	Q2FY20
Onsite	47.6%	49.5%	48.6%
Offshore	52.4%	50.5%	51.4%

Billed Person Months

	Q2FY19	Q1FY20	Q2FY20
Onsite	13,034	14,143	14,384
Offshore	44,719	50,042	51,143

Utilization

	Q2FY19	Q1FY20	Q2FY20
Including Trainees	80.4%	80.5%	78.9%
Excluding Trainees	82.3%	81.3%	80.6%

Headcount Details

	Q2FY19	Q1FY20	Q2FY20
Total Headcount	26,414	29,347	30,979
Development	24,923	27,665	29,266
Sales & Support	1,491	1,682	1,713
Attrition % (LTM)	15.3%	18.3%	18.4%

Constant Currency Reporting

		QoQ Growth	YoY Growth
Company		2.4%	11.9%
Vertical	BFS	0.0%	1.9%
	Insurance	5.8%	16.9%
	Manufacturing	10.6%	19.4%
	Energy & Utilities	15.1%	26.2%
	CPG, Retail & Pharma	6.1%	26.4%
	High-Tech, Media & Entertainment	(11.9%)	6.2%
	Others	(22.8%)	(19.1%)
Service Offering	ADM and Testing	(3.0%)	1.3%
	Enterprise Solutions	6.4%	26.6%
	Infrastructure Management Services	4.5%	5.6%
	Analytics, AI & Cognitive	2.9%	3.0%
	Enterprise Integration & Mobility	11.9%	25.4%
	Platform Based Solutions	(4.2%)	10.4%
Geography	North America	1.9%	13.0%
	Europe	6.8%	12.1%
	RoW	7.7%	8.8%
	India	(9.7%)	3.9%

Financial Statements – Q2 FY20

Income Statement

Amount in INR million

	Q2FY19	Q1FY20	Q2FY20	QoQ Growth	YoY Growth
Revenue	23,312	24,849	25,707	3.4%	10.3%
Direct Costs	15,124	16,625	17,525	5.4%	15.9%
Gross Profit	8,189	8,225	8,181	(0.5%)	(0.1%)
Selling, General & Administration Expenses	3,398	3,645	3,524	(3.3%)	3.7%
EBITDA	4,791	4,580	4,657	1.7%	(2.8%)
Depreciation & Amortization	367	611	664	8.7%	80.7%
EBIT	4,424	3,968	3,994	0.6%	(9.7%)
Revenue Related Foreign Exchange Gains/(loss)	711	680	692	1.8%	(2.7%)
Other Income, net	232	132	47		
Provision for Tax	1,363	1,225	1,130	(7.8%)	(17.1%)
Net Income	4,003	3,557	3,604	1.3%	(10.0%)
Margins (%)					
EBITDA Margin	20.5%	18.4%	18.1%		
EBIT Margin	19.0%	16.0%	15.5%		
Net Income Margin	17.2%	14.3%	14.0%		
Earnings Per Share					
Basic	23.14	20.51	20.73		
Diluted	22.60	20.29	20.52		

Exchange Rate (USD:INR)

	Q2FY19	Q1FY20	Q2FY20
Period closing rate	72.49	69.02	70.88
Period average rate	70.97	69.70	70.66

Balance Sheet

Amount in INR million

	As at 31 March, 2019	As at 30 Sept, 2019
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	3,084	3,302
(b) Right of Use Assets	-	7,480
(c) Goodwill	4,947	5,205
(c) Intangible assets	1,383	1,439
(e) Non-current Financial Assets	2,080	1,240
(f) Deferred tax assets (Net) & Tax Assets	2,385	2,656
(g) Other assets	1,111	1,196
Total Non-Current Assets	14,991	22,518
Current assets		
(a) Investments	17,402	18,320
(b) Trade Receivables and Unbilled Revenue	23,845	25,210
(c) Cash and cash equivalents	4,150	3,495
(d) Other Financial assets	1,774	650
(e) Other assets	4,530	5,879
Total Current Assets	51,701	53,554
TOTAL ASSETS	66,692	76,072
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	174	174
(b) Other Equity	48,765	51,066
(c) Non- Controlling interests	8	11
Total Equity	48,946	51,251
Liabilities		
Non-current liabilities		
(d) Financial liabilities	936	770
(e) Lease liabilities	-	7,271
(e) Deferred tax liabilities	56	130
(f) Non-current provisions	291	303
Total Non-Current Liabilities	1,283	8,474
Current liabilities		
(a) Financial Liabilities	11,400	9,784
(b) Lease liabilities	-	1,094
(c) Other Liabilities	2,582	2,888
(d) Provisions	2,108	2,332
(e) Current Tax Liabilities (Net)	374	249
Total Current Liabilities	16,463	16,347
TOTAL EQUITY AND LIABILITIES	66,692	76,072

Cash Flow

Amount in INR million

	Q2FY19	Q1FY20	Q2FY20
Cash flow from operating activities			
Net profit after tax	4,003	3,557	3,604
Adjustments for:			
Depreciation and amortization	367	611	663
Others	(170)	529	(145)
Changes in working capital (net)	(271)	(1,362)	(2,211)
Net cash from operating activities [A]	3,929	3,335	1,911
Cash flow from investing activities			
(Purchase)/ Sale of assets and investments	(2,633)	(1,950)	663
Investment income	103	82	190
Net cash from investing activities [B]	(2,530)	(1,868)	853
Cash flow from financing activities			
Issue of share capital	1	-	-
Credit Support Agreement Deposit (including interest)	(609)	(619)	(430)
Dividend paid (including DDT)	(2,773)	-	(3,155)
Payment towards lease liability		(455)	(172)
Net cash from financing activities [C]	(3,381)	(1,074)	(3,757)
Effect of exchange rate on cash and cash equivalents [D]	132	(46)	(9)
Net increase in cash and cash equivalents [A+B+C+D]	(1,850)	347	(1,002)
Cash and cash equivalents at beginning of the period	5,767	4,150	4,497
Cash and cash equivalents at end of the period	3,917	4,497	3,495

Contact Information

Investor Relations: Nitin Mohta, Head – Investor Relations
Tel: +91 22 6776 8146
Email: nitin.mohta@Lntinfotech.com

Registered Office:
L&T House, Ballard Estate,
Mumbai 400001, India

CIN: L72900MH1996PLC104693

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