



**L&T Technology Services**

**L&T Technology Services Limited**

L&T Business Park, TC-2, Tower B,  
2nd Floor, North-East Wing,  
Gate No.5, Saki Vihar Road,  
Powai, Mumbai-400072.

**July 23, 2018**

National Stock Exchange of India Limited  
Exchange Plaza, Bandra-Kurla Complex  
Bandra (East), Mumbai – 400 051.  
NSE Symbol: LTTS

The BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400001  
BSE Script Code: 540115

**Subject: Outcome of Board Meeting as per Regulation 30 of the  
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.  
Ref: Our letter dated July 6, 2018**

Dear Sirs,

We would like to inform that pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at their meeting held today i.e. July 23, 2018, have approved and taken on record the Unaudited Consolidated and Standalone Financial Results of the Company, for the quarter ended June 30, 2018, along with the Limited Review Reports thereon issued by our Statutory Auditors, Sharp & Tannan, Chartered Accountants. The Board Meeting was commenced at 2.00 p.m. and concluded at 3.50 p.m.

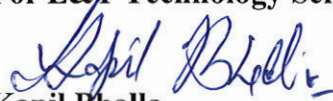
Accordingly, we attach herewith the following financial results approved by the Board of Directors.

1. Unaudited Consolidated Financial results of the Company for the quarter ended June 30, 2018 along with the Limited Review Report of the Statutory Auditors thereon.
2. Unaudited Standalone Financial results of the Company for the quarter ended June 30, 2018 along with the Limited Review Report of the Statutory Auditors thereon.
3. Press Release and Investor Release w.r.t. Financial Results for the quarter ended June 30, 2018.

The above information is also available on the website of the Company. Kindly take the above information on record.

Thanking You,  
Yours sincerely,

**For L&T Technology Services Limited**

  
**Kapil Bhalla**  
**Company Secretary**  
**FCS.3485**

Encl: As above

Registered Office: L&T House, N. M. Marg, Ballard Estate, Mumbai - 400 001. INDIA, Tel: +91 22 6752 5656 Fax: +91 22 6752 5893  
CIN : L72900MH2012PLC232169

L&T Technology Services Limited is a Subsidiary of Larsen & Toubro Limited



# SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

## Independent Auditor's review report on review of interim consolidated financial results

To  
The Board of Directors of  
L&T Technology Services Limited

1. We have reviewed the accompanying statement of consolidated unaudited financial results of **L&T Technology Services Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the quarter ended June 30, 2018 ('the Statement'), being submitted by the Company pursuant to the requirement of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Holding Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of the following entities:

Name of the entity	Relationship
L&T Technology Services LLC ('LTTS LLC')	Wholly owned subsidiary
Esencia Technologies Inc ('Esencia')	Wholly owned subsidiary of LTTS LLC
Esencia Technologies India Private Limited	Wholly owned subsidiary of Esencia
L&T Thales Technology Services Private Limited	Subsidiary

4. We did not review financial statements of three subsidiaries included in the consolidated financial results, whose financial statements reflect total revenues of Rs. 817.84 million, total profit after tax of Rs. 536.77 million and total comprehensive income of Rs. 602.45 million for the quarter ended June 30, 2018, as considered in the consolidated financial results. These financial statements have been reviewed by another auditor whose review reports have been furnished to us by management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures of these subsidiaries, is based solely on review reports of the other auditor.



Two of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in that country ('local GAAP') and which have been reviewed by another auditor under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial statements of this subsidiaries from local GAAP to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the amounts and disclosures of these subsidiaries, is based on the review reports of the other auditor and the conversion adjustments prepared by management of the Holding Company and reviewed by us. Our conclusion is not modified in respect of this matter.

5. The Statement includes the financial statements of one subsidiary which has not been reviewed by their auditor, whose financial statements reflect total revenue of Rs. 262.20 million, total profit after tax of Rs. 21.75 million and total comprehensive income of Rs. 21.75 million for the quarter ended June 30, 2018, as considered in the Statement. These financial statements have been certified by management of that Company and have been furnished to us and our conclusion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such financial statements certified by respective management. In our opinion, and according to information and explanations given to us by management of the Holding Company, these financial statements are not material to the Group. Our conclusion is not modified in respect of this matter.
6. Based on our review conducted as stated above and based on the consideration of review report of the other auditor as referred to in paragraph 4 above and based on the unaudited interim financial information/results certified by management referred to in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Mumbai, July 23, 2018

For Sharp & Tannan  
Chartered Accountants  
Firm's Registration No.109982W

A handwritten signature in blue ink, appearing to read "F. Buchia".

Firdosh D. Buchia  
Partner

Membership No. 038332

A small handwritten signature in blue ink.

## L&T Technology Services Limited

Registered Office: L&T House, N.M. Marg, Ballard Estate, Mumbai 400 001  
CIN : L72900MH2012PLC232169

Statement of consolidated unaudited financial results for the quarter ended June 30, 2018

Sr. No.	Particulars	Quarter ended			(In Rs. Million)
		30-06-2018	31-03-2018	30-06-2017	Year ended
		31-03-2018 (Audited)			
1	<b>Income from operations</b>				
	a) Revenue from operations	11,522	10,548	8,226	37,471
	b) Other income	982	755	262	1,934
	<b>Total income</b>	<b>12,504</b>	<b>11,303</b>	<b>8,488</b>	<b>39,405</b>
2	<b>Expenses</b>				
	a) Employee benefit expense	7,381	6,818	5,337	24,600
	b) Depreciation and amortisation expenses	260	452	145	888
	c) Other expenses	2,180	2,035	1,632	7,060
	d) Change in contingent consideration on acquisition	-	55	-	55
	e) Finance costs	4	8	2	24
	<b>Total expenses</b>	<b>9,825</b>	<b>9,368</b>	<b>7,116</b>	<b>32,627</b>
3	<b>Profit from ordinary activities after finance costs but before exceptional items (1-2)</b>	<b>2,679</b>	<b>1,935</b>	<b>1,372</b>	<b>6,778</b>
4	Exceptional items	-	-	-	-
5	<b>Profit from ordinary activities before tax (3-4)</b>	<b>2,679</b>	<b>1,935</b>	<b>1,372</b>	<b>6,778</b>
6	Tax expense	698	344	392	1,712
7	<b>Net profit from ordinary activities after tax (5-6)</b>	<b>1,981</b>	<b>1,591</b>	<b>980</b>	<b>5,066</b>
8	Extraordinary items (net of tax expense)	-	-	-	-
9	<b>Net profit for the period (7+8)</b>	<b>1,981</b>	<b>1,591</b>	<b>980</b>	<b>5,066</b>
10	Other comprehensive income (net of tax expense)	(846)	(422)	325	222
11	<b>Total comprehensive income (9+10)</b>	<b>1,135</b>	<b>1,169</b>	<b>1,305</b>	<b>5,288</b>
12	<b>Net profit / (loss) attributable to :</b>				
	Shareholders of the Company	1,975	1,588	982	5,060
	Non-controlling interest	6	3	(2)	6
13	<b>Total comprehensive income attributable to :</b>				
	Shareholders of the Company	1,129	1,165	1,307	5,281
	Non-controlling interest	6	4	(2)	7
14	<b>Paid up equity share capital</b>	<b>205</b>	<b>205</b>	<b>203</b>	<b>205</b>
	Face value per equity share - (in Rs.)	2	2	2	2
15	Other equity				19,162
16	<b>Earnings per equity share (Not annualised)</b>				
	a) Basic (in Rs.)	19.28	15.52	9.66	49.60
	b) Diluted (in Rs.)	18.73	15.08	9.36	48.18

Consolidated segment information for the quarter ended June 30, 2018

Sr. No.	Particulars	Quarter ended			(In Rs. Million)
		30-06-2018	31-03-2018	30-06-2017	Year ended
		31-03-2018 (Audited)			
1	<b>Segment revenue</b>				
	Transportation	3,559	3,248	2,760	11,910
	Process Engineering	1,559	1,299	1,148	4,834
	Industrial Products	2,344	2,194	2,095	8,531
	Medical Devices	735	689	569	2,535
	Telecom	3,325	3,118	1,654	9,661
	<b>Revenue from operations</b>	<b>11,522</b>	<b>10,548</b>	<b>8,226</b>	<b>37,471</b>
2	<b>Segment results</b>				
	Transportation	456	378	330	1,428
	Process Engineering	353	246	237	941
	Industrial Products	552	478	465	1,848
	Medical Devices	159	150	110	512
	Telecom	506	502	209	1,220
	<b>Total</b>	<b>2,026</b>	<b>1,754</b>	<b>1,351</b>	<b>5,949</b>
	Less - Unallocable expenses (net)	65	114	94	193
	Add - Other income	982	755	262	1,934
	Less - Finance costs	4	8	2	24
	Less - Depreciation and amortisation expense	260	452	145	888
	<b>Profit before tax</b>	<b>2,679</b>	<b>1,935</b>	<b>1,372</b>	<b>6,778</b>

- Segments have been identified in accordance with Indian Accounting Standards ("Ind AS") 108 on Operating Segments, considering the risk/return profiles of the business, their organisational structure and internal reporting systems.
- Property, plant and equipment used and liabilities contracted for performing the Company's business have not been identified to any of the above reported segments as the property, plant and equipment and services are used interchangeably among segments.



Select explanatory notes to the statement of consolidated unaudited financial results for quarter ended June 30, 2018

1. The financial results of the Company for the quarter ended June 30, 2018 have been subjected to limited review by the statutory auditors, reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on July 23, 2018.
2. The Company reports consolidated financial results on a quarterly basis pursuant to the option made available as per regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The standalone financial results are available on the Company's website viz. www.lnttechservices.com and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com). The specified items of the standalone financial results of the Company for the quarter ended June 30, 2018 are given below:

(In Rs. Million)

Particulars	Quarter ended			Year ended
	30-06-2018	31-03-2018	30-06-2017	31-03-2018 (Audited)
Total income	10,985	10,510	8,073	36,947
Profit before tax	1,930	2,049	1,427	6,811
Profit after tax	1,443	1,484	1,039	4,894

3. During the quarter ended June 30, 2018, the Company has allotted 3,990 equity shares of Rs. 2 each fully paid-up on exercise of stock options by employees, in accordance with the Company's stock option scheme.
4. Ind AS 115 - Revenue from contracts with customers is mandatory for accounting periods commencing on April 1, 2018. The Company has elected to apply the cumulative catch-up method on the date of transition. Accordingly, the revised standard is applied to contracts that were in progress as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect of adoption of Ind AS 115 is not material to the financial statements.
5. Figures for earlier periods have been regrouped, wherever necessary.

Mumbai  
July 23, 2018



For and on behalf of the Board of Directors  
of L&T Technology Services Limited

KESHAB PANDA  
Chief Executive Officer and Managing Director  
(DIN: 05296942)





# SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

## Independent Auditor's review report on review of interim standalone financial results

To  
The Board of Directors of  
L&T Technology Services Limited

- 1 We have reviewed the accompanying statement of standalone unaudited financial results of **L&T Technology Services Limited** ('the Company'), for the quarter ended June 30, 2018 ('the Statement'), being submitted by the Company pursuant to the requirement of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

- 2 We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
- 3 Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Sharp & Tannan  
Chartered Accountants  
Firm's registration No.109982W



Firdosh D. Buchia  
Partner

Membership no. 038332

Mumbai, July 23, 2018

## L&T Technology Services Limited

Registered Office: L&T House, N.M. Marg, Ballard Estate, Mumbai 400 001

CIN : L72900MH2012PLC232169

Statement of standalone unaudited financial results for the quarter ended June 30, 2018

Sr. No.	Particulars	Quarter ended			Year ended
		30-06-2018	31-03-2018	30-06-2017	31-03-2018
		(In Rs. Million)			
1	<b>Income from operations</b>				
	a) Revenue from operations	10,741	9,795	7,791	35,066
	b) Other income	244	715	282	1,881
	<b>Total income</b>	<b>10,985</b>	<b>10,510</b>	<b>8,073</b>	<b>36,947</b>
2	<b>Expenses</b>				
	a) Employee benefit expense	6,811	6,294	4,984	22,838
	b) Depreciation and amortisation expenses	189	180	132	576
	c) Other expenses	2,053	1,986	1,530	6,718
	d) Finance costs	2	1	-	4
	<b>Total expenses</b>	<b>9,055</b>	<b>8,461</b>	<b>6,646</b>	<b>30,136</b>
3	<b>Profit from ordinary activities after finance costs but before exceptional items (1-2)</b>	<b>1,930</b>	<b>2,049</b>	<b>1,427</b>	<b>6,811</b>
4	Exceptional items	-	-	-	-
5	<b>Profit from ordinary activities before tax (3-4)</b>	<b>1,930</b>	<b>2,049</b>	<b>1,427</b>	<b>6,811</b>
6	Tax expense	487	565	388	1,917
7	<b>Net profit from ordinary activities after tax (5-6)</b>	<b>1,443</b>	<b>1,484</b>	<b>1,039</b>	<b>4,894</b>
8	Extraordinary items (net of tax expense)	-	-	-	-
9	<b>Net profit for the period (7+8)</b>	<b>1,443</b>	<b>1,484</b>	<b>1,039</b>	<b>4,894</b>
10	Other comprehensive income (net of tax expense)	(913)	(433)	305	217
11	<b>Total comprehensive income (9+10)</b>	<b>530</b>	<b>1,051</b>	<b>1,344</b>	<b>5,111</b>
14	Paid up equity share capital	205	205	203	205
	Face value per equity share - (in Rs.)	2	2	2	2
15	Other equity				19,448
16	<b>Earnings per equity share (Not annualised)</b>				
	a) Basic (in Rs.)	14.08	14.48	10.22	47.97
	b) Diluted (in Rs.)	13.68	14.07	9.90	46.59

Standalone segment information for the quarter ended June 30, 2018

Sr. No.	Particulars	Quarter ended			Year ended
		30-06-2018	31-03-2018	30-06-2017	31-03-2018
		(In Rs. Million)			
1	<b>Segment revenue</b>				
	Transportation	3,088	2,926	2,447	10,653
	Process Engineering	1,559	1,299	1,148	4,834
	Industrial Products	2,337	2,194	2,095	8,531
	Medical Devices	735	689	569	2,535
	Telecom	3,022	2,687	1,532	8,513
	<b>Revenue from operations</b>	<b>10,741</b>	<b>9,795</b>	<b>7,791</b>	<b>35,066</b>
2	<b>Segment results</b>				
	Transportation	394	402	369	1,426
	Process Engineering	353	246	237	941
	Industrial Products	547	478	465	1,848
	Medical Devices	159	150	110	512
	Telecom	489	353	190	976
	<b>Total</b>	<b>1,942</b>	<b>1,629</b>	<b>1,371</b>	<b>5,703</b>
	Less - Unallocable expenses (net)	65	114	94	193
	Add - Other income	244	715	282	1,881
	Less - Finance costs	2	1	-	4
	Less - Depreciation and amortisation expense	189	180	132	576
	<b>Profit before tax</b>	<b>1,930</b>	<b>2,049</b>	<b>1,427</b>	<b>6,811</b>

- 1 Segments have been identified in accordance with Indian Accounting Standards ("Ind AS") 108 on Operating Segments, considering the risk/return profiles of the business, their organisational structure and internal reporting systems.
- 2 Property, plant and equipment used and liabilities contracted for performing the Company's business have not been identified to any of the above reported segments as the property, plant and equipment and services are used interchangeably among segments.



Select explanatory notes to the statement of standalone unaudited financial results for quarter ended June 30, 2018

1. The financial results of the Company for the quarter ended June 30, 2018 have been subjected to limited review by the statutory auditors, reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on July 23, 2018.
2. During the quarter ended June 30, 2018, the Company has allotted 3,990 equity shares of Rs. 2 each fully paid-up on exercise of stock options by employees, in accordance with the Company's stock option scheme.
3. Ind AS 115 - Revenue from contracts with customers is mandatory for accounting periods commencing on April 1, 2018. The Company has elected to apply the cumulative catch-up method on the date of transition. Accordingly, the revised standard is applied to contracts that were in progress as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect of adoption of Ind AS 115 is not material to the financial statements.
4. Figures for earlier periods have been regrouped, wherever necessary.

Mumbai  
July 23, 2018



For and on behalf of the Board of Directors  
of L&T Technology Services Limited

A handwritten signature in blue ink, appearing to be "Keshab Panda", with a checkmark to its right.

KESHAB PANDA  
Chief Executive Officer and Managing Director  
(DIN: 05296942)





## **L&T Technology Services Ltd. Press Release**

Issued by Corporate Brand Management & Communications

REGISTERED OFFICE:

L&T House, 2<sup>nd</sup> Floor  
Ballard Estate, Mumbai 400 001  
Tel: 91 22 6752 5656 / 836  
Fax: 91 22 6752 5796  
CIN: U72900MH2012PLC232169

### **LTTS begins FY19 on a strong note with all round growth**

40% YoY growth in Revenue & 101% YoY growth in Net profit in Q1

**Mumbai, July 23, 2018:** L&T Technology Services Limited (LTTS) (BSE:540115) (NSE: LTTS), India's leading pure-play engineering services company, announced its results for the first quarter ended June 30, 2018.

Highlights for Q1FY19 include:

- Revenue at ₹11,522 million; growth of 9.2% QoQ, 40.1% YoY
- USD Revenue at \$169 million; growth of 5.6% QoQ in constant currency, 32% YoY
- Net profit at ₹1,975 million; growth of 24% QoQ, 101% YoY

During the first quarter, LTTS won five multi-million dollar deals across Process Industry, Telecom & Hi-tech, Industrial Products and Transportation. Two clients have crossed USD50mn+ in annual billing. On a YoY basis, LTTS has increased its USD10mn+ clients by 2 and its USD5mn+ clients by 5.

*"We had a strong first quarter with 5.6% sequential revenue growth that was broad based. Process Industry, a key differentiator for LTTS has come back as a growth engine with double-digit sequential growth in the quarter.*

*The demand environment remains healthy and we are seeing clients prioritizing spending on digital engineering to gain the competitive edge and achieve faster time to market. Our deep industry expertise and capabilities in emerging technologies like NBloT, Edge Computing, M2M and 5G position us well to capture a higher wallet share of digital engineering spend. I would like to highlight our work in Medical segment where we are transforming healthcare using automated image processing algorithms to accelerate patient diagnosis.*

*Revenues from digital & leading-edge technologies increased to 31% of the overall business and grew 79% YoY." said **Dr Keshab Panda, CEO & Managing Director, L&T Technology Services Limited.***

## Industry Recognitions:

- **NASSCOM Artificial Intelligence Game Changer Awards 2018** – LTTS' AIKno™ framework was selected as one of the Top 50 use cases in the NASSCOM Artificial Intelligence Game Changer Awards 2018.
- **Zinnov Zones Media and Technology Survey 2018** - LTTS was positioned in the "Leadership Zone" in Broadcasting vertical of the Zinnov Zones 2018 Media & Entertainment Services Report.

## Patents & Platforms

- At the end of the first quarter, the patents portfolio of L&T Technology Services stood at 337 patents out of which 251 are co-authored with its customers and 86 are filed by LTTS.
- 9 new patents were added in the quarter with 3 filed by LTTS and 6 co-authored with customers.
- LTTS launched AIKno™, a proprietary AI framework for industrial engineering, connecting assets, data analytics and processes. Using AIKno™, LTTS offers customers a host of Industry 4.0 solutions to optimize production, distribution & field services.

## Human Resources

At the end of the fourth quarter LTTS' employee strength stood at 13,081, a net addition of 774 during the quarter.

### **About L&T Technology Services Limited:**

L&T Technology Services Limited (LTTS) is a listed subsidiary of Larsen & Toubro Limited focused on Engineering and R&D (ER&D) services. We offer consultancy, design, development and testing services across the product and process development life cycle. Our customer base includes 52 Fortune 500 companies and 51 of the world's top ER&D companies, across industrial products, medical devices, transportation, telecom & hi-tech, and the process industries.

Headquartered in India, we have over 13,000 employees spread across 16 global design centers, 27 global sales offices and 42 innovation labs as of June 30, 2018.

For additional information about L&T Technology Services log on to [www.LntTechservices.com](http://www.LntTechservices.com)

### **Media Contact:**

Aniruddha Basu

L&T Technology Services Limited

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T: +91-80-67675173

# ***L&T Technology Services Limited***

## ***First Quarter - FY 19 Results***



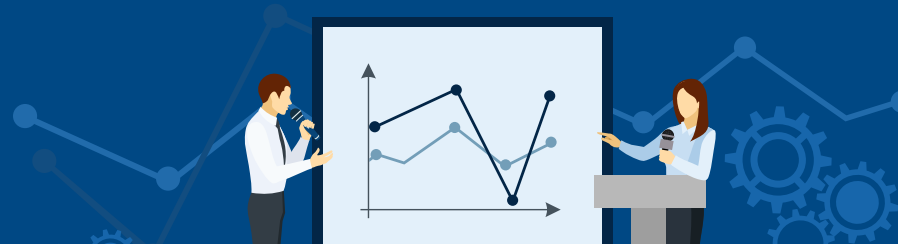
**INVESTOR  
RELEASE**

Mumbai, India  
July 23, 2018



**ENGINEERING  
THE CHANGE** 

## FINANCIAL HIGHLIGHTS



### REVENUE IN INR

- Revenue at **₹11,522 million** for the quarter; growth of **9.2% QoQ; 40.1% YoY**

### REVENUE IN USD

- Revenue at **\$168.9 million** for the quarter; growth of **4.0% QoQ; 32.4% YoY;**
- Revenue growth in constant currency at **5.6% QoQ; 33.2% YoY**

### PROFIT IN INR

- EBITDA at **₹1,961 million** for the quarter; EBITDA margin at **17.0%**
- Net Income at **₹1,975 million** for the quarter, up **24.3% QoQ** and **101.1% YoY;** Net margin at **17.1%**

## SAFE HARBOUR STATEMENT

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

## MESSAGE FROM THE CEO & MANAGING DIRECTOR



We had a strong first quarter with **5.6%** sequential revenue growth that was broad based. Process Industry, a key differentiator for LTTTS has come back as a growth engine with double-digit sequential growth in the quarter. On the profitability front, we executed well in Q1 with EBITDA margins rising to **17%** and Net profit doubling on YoY basis to INR1,975 million.

During the quarter, LTTTS won five multi-million dollar deals across Process Industry, Telecom & Hi-tech, Industrial Products and Transportation. Two clients have crossed USD50mn+ in annual billing. On a YoY basis, LTTTS has increased its USD10mn+ clients by 2 and its USD5mn+ clients by 5.

The demand environment remains healthy and we are seeing clients prioritizing spending on digital engineering to gain the competitive edge and achieve faster time to market. Our deep industry expertise and capabilities in emerging technologies like NBloT, Edge Computing, M2M and 5G position us well to capture a higher wallet share of digital engineering spend. I would like to highlight our work in Medical segment where we are transforming healthcare using automated image processing algorithms to accelerate patient diagnosis. Revenues from digital & leading-edge technologies increased to **31%** of the overall business and grew **79%** YoY.

We continue to build competencies in emerging technologies and invest in the creation of new labs. During the quarter, we launched AIKno™, LTTTS' proprietary AI framework for industrial engineering, connecting assets, data analytics and processes. I am happy to share that our AIKno™ framework was selected as one of the Top 50 use cases in the NASSCOM Artificial Intelligence Game Changer Awards 2018.

I would like to thank our employees for their untiring effort and our investors & stakeholders for their continued support and encouragement.



### **Dr. Keshab Panda**

CEO & Managing Director  
L&T Technology Services Limited





### KEY DEAL WINS

We closed several multimillion dollar projects from global customers across various verticals. A few key deals are as mentioned below:

- L&T Technology Services secured its largest deal ever in Smart Manufacturing for a leading automotive major in USA. The deal will focus on complete data acquisition, monitoring and control and enable the customer to maximise operational efficiencies and productivity.
- LTTS won a significant new order from a leading multinational chemicals company to provide digital engineering and design services for a large Capex project at the customer's plant in New Jersey.
- A leading Indian tyre maker has selected LTTS as its engineering services partner to set up a greenfield plant in India. LTTS will provide detailed design, procurement and construction management for the customer.
- LTTS won a multi-year project to develop and maintain the middleware stack for a leading international multi-system cable operator.
- LTTS has been selected as a strategic partner to provide ER&D services and end to end engineering support for a leading European wind turbine manufacturer.

# FINANCIAL PERFORMANCE

## INCOME STATEMENT

Amount in ₹ million

	Q1FY18	Q4FY18	Q1FY19	QoQ	YoY
<b>Revenue</b>	<b>8,226</b>	<b>10,548</b>	<b>11,522</b>	<b>9.2%</b>	<b>40.1%</b>
Cost of sales	5,831	7,575	7,996		
<b>Gross Profit</b>	<b>2,395</b>	<b>2,973</b>	<b>3,526</b>	<b>18.6%</b>	<b>47.2%</b>
Selling, General & Administration Expenses	1,138	1,278	1,565		
<b>EBITDA</b>	<b>1,257</b>	<b>1,695</b>	<b>1,961</b>	<b>15.7%</b>	<b>56.0%</b>
Change in Contingent Consideration		55			
Depreciation & Amortisation	145	452	260		
<b>EBIT</b>	<b>1,112</b>	<b>1,188</b>	<b>1,701</b>	<b>43.2%</b>	<b>52.9%</b>
Other Income, net	260	747	978		
Income tax expense	392	344	698		
Minority Interest	-2	3	6		
<b>Net Income</b>	<b>982</b>	<b>1,588</b>	<b>1,975</b>	<b>24.3%</b>	<b>101.1%</b>
<b>Margins (%)</b>					
Gross Margin	29.1%	28.2%	30.6%		
EBITDA Margin	15.3%	16.1%	17.0%		
EBIT Margin	13.5%	11.3%	14.8%		
Net Income Margin	11.9%	15.1%	17.1%		
<b>Earnings Per Share (INR)</b>					
Basic	9.66	15.52	19.28		
Diluted	9.36	15.08	18.73		

## OTHER INCOME

Amount in ₹ million

	Q1FY18	Q4FY18	Q1FY19
Income from investments, net	20	22	41
Foreign exchange gains/(loss)	235	376	151
Others	5	349	786
<b>Total</b>	<b>260</b>	<b>747</b>	<b>978</b>

## NOTES

1. As disclosed in Q4FY18, Esencia Technologies (a 100% subsidiary of LTTTS) received the second milestone payment of USD12mn as part of a transaction with one of its customers. The same has been recorded under Other Income in Q1FY19.



## BALANCE SHEET

Amount in ₹ million

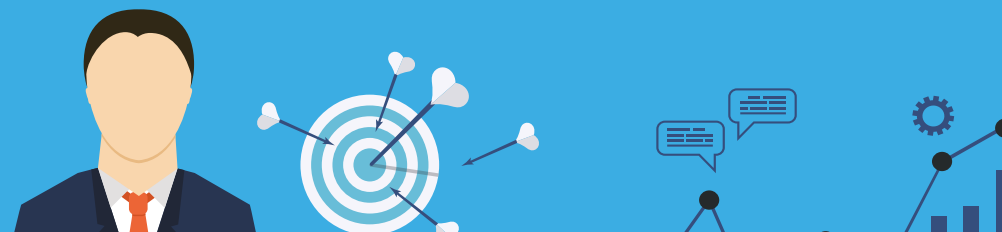
	FY18	Q1FY19
<b>Assets</b>		
Property and equipment	1,251	1,236
Intangible Assets and Goodwill	5,844	5,777
Accounts Receivable	9,623	9,479
Unbilled Revenues	2,154	2,789
Cash & Investments	3,749	5,753
Other current assets	3,081	2,504
Other non-current assets	1,349	1,360
<b>Total Assets</b>	<b>27,051</b>	<b>28,898</b>
<b>Liabilities and Shareholders' Equity</b>		
Shareholders' Funds	19,364	20,521
Short term borrowings	702	253
Other current liabilities	6,935	7,700
Other non-current liabilities	47	415
Minority Interest	3	9
<b>Total Liabilities</b>	<b>27,051</b>	<b>28,898</b>

## CASH FLOW SUMMARY

Amount in ₹ million

	FY18	YTD FY19
Net cash provided by operating activities	4,136	2,576
Capex	-511	-181
<b>Free Cash Flow</b>	<b>3,625</b>	<b>2,395</b>
Free Cash flow to Net Income (%)	72%	121%

# OPERATIONAL PERFORMANCE



	Q1FY18	Q4FY18	Q1FY19	QoQ Growth	YoY Growth	In Constant Currency	
						QoQ Growth	YoY Growth
Revenue (USD Mn)	127.6	162.4	168.9	4.0%	32.4%	5.6%	33.2%

## REVENUE BY VERTICAL

	Q1FY18	Q4FY18	Q1FY19	QoQ Growth	YoY Growth
Transportation	33.6%	30.8%	30.9%	4.3%	21.9%
Industrial Products	25.5%	20.9%	20.4%	1.8%	6.2%
Telecom & Hi-tech	20.1%	29.5%	28.7%	1.4%	89.0%
Process Industry	13.9%	12.3%	13.5%	14.2%	28.4%
Medical Devices	6.9%	6.5%	6.5%	1.9%	22.9%

## REVENUE BY GEOGRAPHY

	Q1FY18	Q4FY18	Q1FY19	QoQ Growth	YoY Growth
North America	64.5%	57.6%	56.3%	1.6%	15.5%
Europe	16.6%	18.6%	18.5%	3.7%	47.3%
India	9.3%	11.7%	12.4%	10.2%	76.7%
Rest of the World	9.6%	12.1%	12.8%	10.1%	77.1%

## REVENUE MIX

	Q1FY18	Q4FY18	Q1FY19
Onsite	49.2%	50.0%	49.4%
Offshore	50.8%	50.0%	50.6%

## REVENUE BY PROJECT TYPE

	Q1FY18	Q4FY18	Q1FY19
Fixed Price	30.2%	37.0%	40.9%
Time and Material Contract	69.8%	63.0%	59.1%

## CLIENT PROFILE

	Q1FY18	Q4FY18	Q1FY19
Number of Active Clients	226	235	235
50 Million dollar +	0	0	2
30 Million dollar +	1	3	2
20 Million dollar +	3	4	3
10 Million dollar +	10	12	12
5 Million dollar +	28	31	33
1 Million dollar +	82	84	89

The number of clients have been restated based on LTM (Last Twelve Months) revenue

## CLIENT CONTRIBUTION TO REVENUE

	Q1FY18	Q4FY18	Q1FY19
Top 5 Clients	23.0%	27.1%	28.3%
Top 10 Clients	35.3%	39.7%	40.5%
Top 20 Clients	51.4%	54.8%	55.6%

The client contribution has been restated based on LTM (Last Twelve Months) revenue

## UTILISATION

	Q1FY18	Q4FY18	Q1FY19
Including Trainees	75.1%	80.7%	78.6%

## EMPLOYEE STATISTICS

	Q1FY18	Q4FY18	Q1FY19
Total Headcount	10,805	12,307	13,081
Billable	9,886	11,360	12,147
Sales & Support	919	947	934
Voluntary Attrition % (LTM)	13.4%	13.5%	15.4%

## EXCHANGE RATE (USD/INR)

	Q1FY18	Q4FY18	Q1FY19
Period Realised	64.45	64.94	68.21
Period Closing	64.58	65.18	68.47

## INDUSTRY RECOGNITIONS

### NASSCOM Artificial Intelligence Game Changer Awards 2018

LTTS' AIKno™ framework was selected as one of the Top 50 use cases in the NASSCOM Artificial Intelligence Game Changer Awards 2018.

### Zinnov Zones Media and Technology Survey 2018

LTTS was positioned in the “Leadership Zone” in Broadcasting vertical of the Zinnov Zones 2018 Media & Entertainment Services Report.

### “Most Admired Brand” 2018

LTTS was recognized among the “Most Admired Brands” for the year 2018 by VARINDIA, a tech publication. LTTS was also felicitated with a 5-star rating as the most customer-friendly company as part of the valedictory function and was included in the 7<sup>th</sup> edition of the Brand Book as one of the Top 50 ICT brands in India.

### Faxies Award

LTTS was recognized among the top 5 global organizations for social media marketing by the US-based CFX Faxies, a premiere US awards agency.

## NEW TECHNOLOGIES & INITIATIVES

To capitalise on the disruptions and current digitalisation wave, we are investing in building new age solutions and technology platforms for employees. Below are some of these interesting solutions and technology initiatives launched during the quarter:

### AiKno™

Cognitive intelligence framework which combines contextual intelligence and AI, enabling customers to develop a range of digital virtual agents, problem solving applications and robotic process automations.

## nBon

A Narrow Band IoT (NBloT) solution that provides Wide Area Network connectivity at low power. Specifically designed for indoor coverage, at low cost with long battery life and high connectivity and easy integration into target platform.

## Wizneers

WIZneers is an internal platform to create a community of Technology Architects within LTTS who come together every fortnight to discuss and ideate on next-gen technology trends in the engineering services space like Blockchain, Artificial Intelligence, Machine Vision and Automated cockpits.

## OTHER HIGHLIGHTS

### LTTS Inaugurates Innovation and Technology Hub in Jerusalem

The CoE will develop hi-tech solutions focusing on Security and Traffic Supervision, Waste Handling, Energy Management, Smart Parking, Smart Meters and WiFi provision across the city among others.

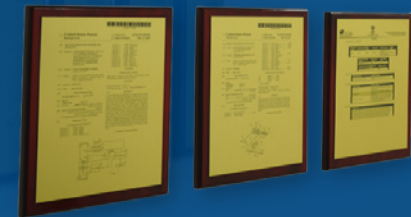
### LTTS & Microsoft Applied Innovation Center in Bengaluru

LTTS' Applied Innovation Center (AIC) with Microsoft will focus on Digital Engineering & Industrial Transformation at LTTS' design center in Bengaluru. The AIC will bring together LTTS' globally proven cutting-edge digital solutions in Smart Manufacturing, Smart Asset Performance Management, and Smart Buildings with Microsoft's AI platform, Azure IoT, Microsoft Cognitive Services and Azure Machine Learning power.

## PATENTS

At the end of the fourth quarter, the patents portfolio of L&T Technology Services stood at **337** patents out of which **251** are co-authored with its customers and **86** are filed by LTTS.

**9** new patents were added in the quarter with 3 being filed by LTTS and **6** being co-authored with customers.



## CSR & DIVERSITY



As part of its social responsibility, LTTS undertook a number of CSR initiatives during the first quarter:

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LTTS organized an 11 day Mobile Eye Surgery Camp and performed cataract surgery on 150 people in Santhipuram, Chithoor District, Andhra Pradesh.

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LTTS volunteers also called Samaritans conducted a corporate volunteering program wherein they helped in reconstructing and painting a school called Shishu Vikas Mandir High School, Bail Bazaar, Kurla(West) in Mumbai.

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LTTS Samaritans from Baroda organised and participated in the Mini Science hands on experiment program at Bhopati Vidyalaya, Baroda on 23<sup>rd</sup> June, 2018. The main objective of the program was to inculcate interest of the students in science. 15 LTTS volunteers participated in the program that benefited around 60 students.

## ABOUT L&T TECHNOLOGY SERVICES

L&T Technology Services Limited (LTTS) is a listed subsidiary of Larsen & Toubro Limited focused on Engineering and R&D (ER&D) services. We offer consultancy, design, development and testing services across the product and process development life cycle. Our customer base includes 52 Fortune 500 companies and 51 of the world's top ER&D companies, across industrial products, medical devices, transportation, telecom & hi-tech, and the process industries. Headquartered in India, we have over 13,000 employees spread across 16 global design centers, 27 global sales offices and 42 innovation labs as of June 30, 2018.



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