



# ENGINEERING THE **CHANGE**



*L&T Technology Services*

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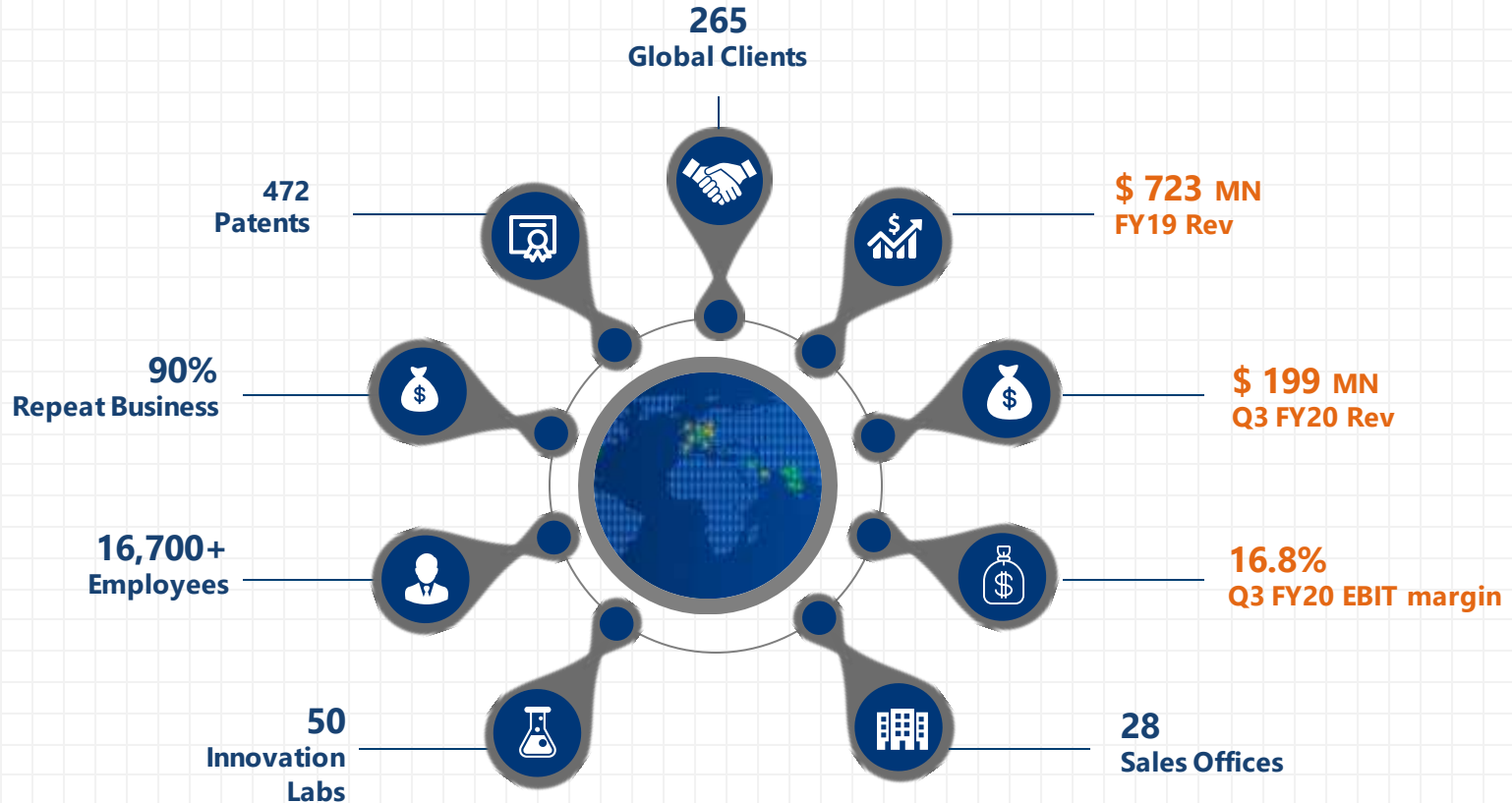
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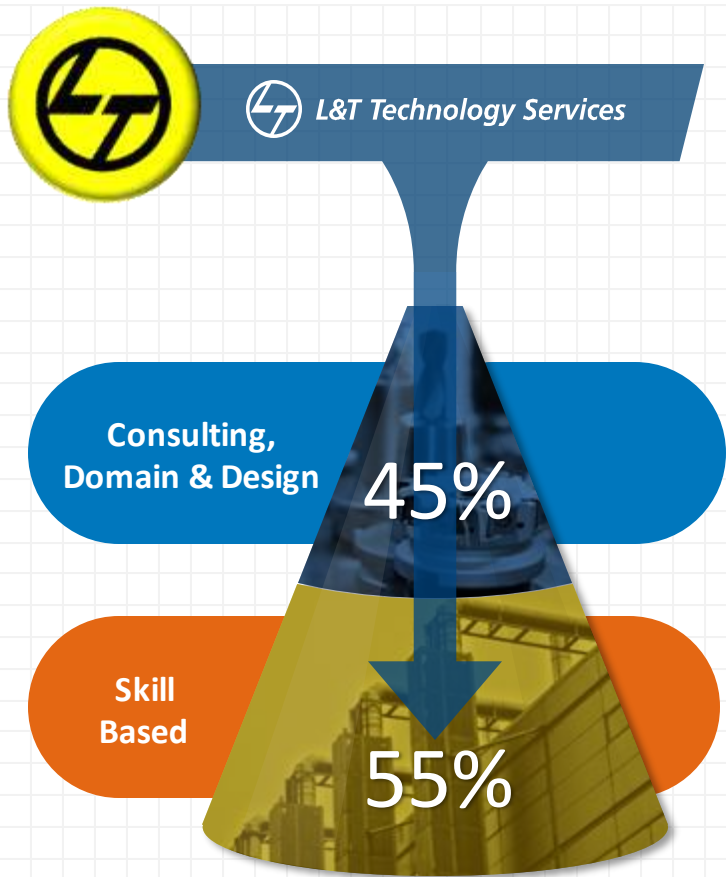
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# L&T Technology Services – At a glance

Global Leader: Pure Play Engineering Services Company



# Our Engineering heritage and multi-domain capabilities...



# ...supported by best in class infrastructure



**IoT LAB**



**INNOVATION LAB**



**TEAR DOWN LAB**



**SMART MANUFACTURING LAB**



**POWER ELECTRONICS LAB**

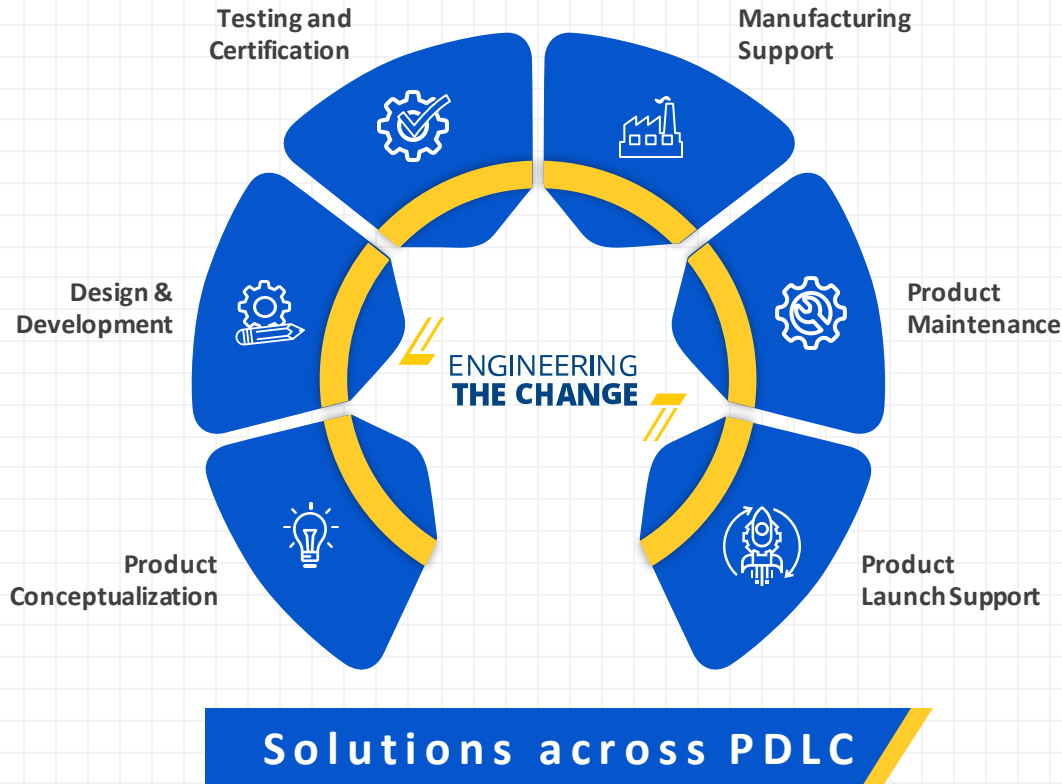


**WIRELESS LAB**



**IMAGING LAB**

# ...allows us to be the end-end engineering partner for our clients

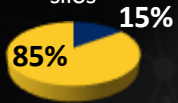




# LTTS Evolution...

DO IT CHEAPER

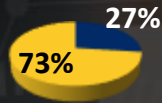
Discrete business units working in silos



■ Embedded  
■ Mechanical

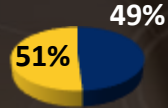
DO IT BETTER

Consolidation and building synergy



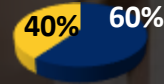
DO IT DIFFERENTLY

Building capabilities through investments



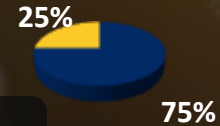
IMPROVE BUSINESS

Org and operational re-structuring

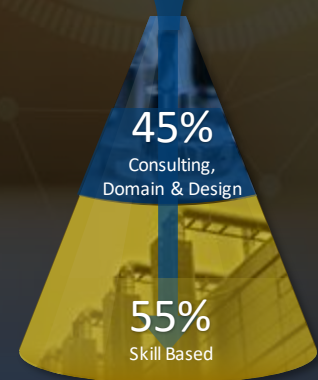


TRANSFORM BUSINESS

ENGINEERING THE CHANGE



**30%+**  
Digital Engineering Revenues



Overall Addressable Market **5.5%**  
CAGR 17-21

India Addressed Market **12.3%**  
CAGR 17-21

■ Overall Addressable Market

▲ Addressed Market India



Significant increase despite ESP growing at 10-13% annually

Pre-2009

2009

Phase 1

2012

Phase 2

2015

Phase 3

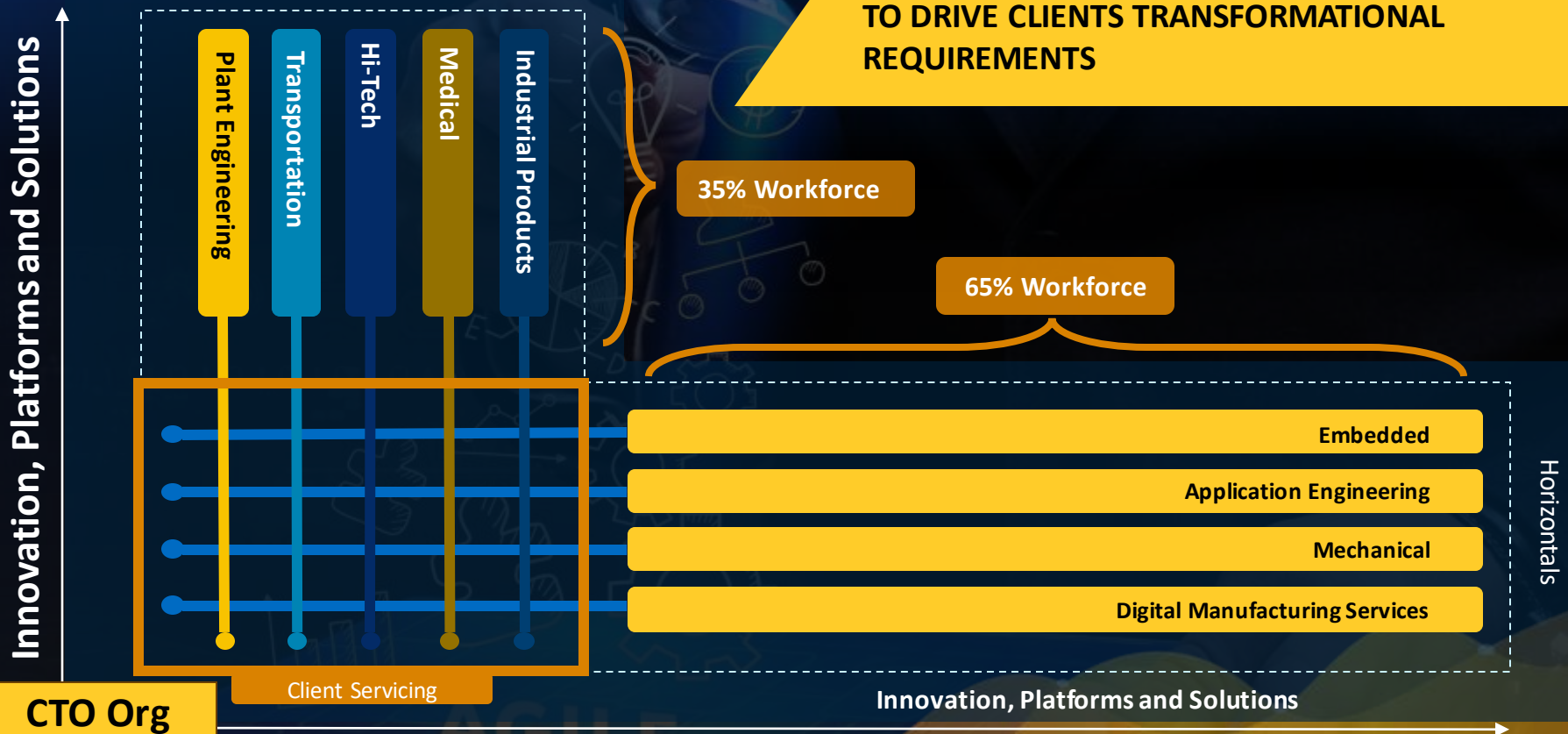
2017

Phase 4

2021

# 1 Customer requires partners with...

**AGILITY, ENGINEERING AND DOMAIN EXPERTISE TO DRIVE CLIENTS TRANSFORMATIONAL REQUIREMENTS**





## 2 Customer requires partners with...



Leaders



Other Positions



No Positions

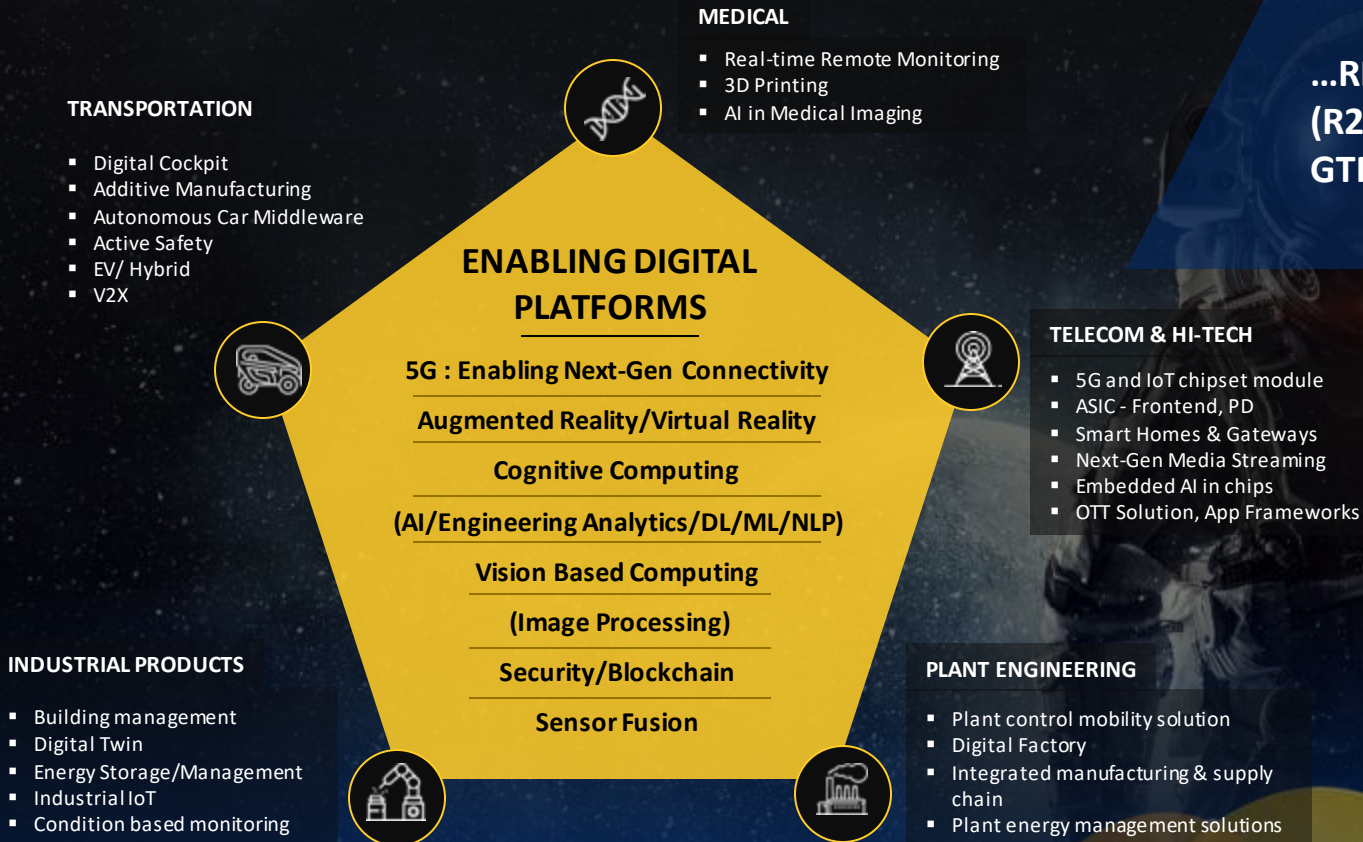
**MULTI-VERTICAL AND MULTI-DOMAIN CAPABILITIES ENABLING TO LEVERAGE ADJACENCIES...**



### Vertical Rankings

### Horizontal Rankings

	Auto	Off-highway	Aero	Medical	Consumer Electronics	Telecom	Semicon	Industrial	Chemicals	O&G	FMCG	IoT	IIOT	Embedded	Plant Engineering	
<b>LTTS</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	15
TCS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	14
HCL	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Wipro	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗	✓	✓	✓	✓	11
Altran	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	9
Quest	✓	✗	✓	✓	✗	✗	✗	✓	✓	✓	✓	✗	✗	✓	✗	4
Cyient	✗	✓	✓	✓	✗	✗	✓	✗	✗	✓	✗	✗	✗	✗	✗	3
EPAM	✓	✓	✗	✓	✓	✓	✗	✓	✓	✓	✓	✓	✗	✗	✗	0

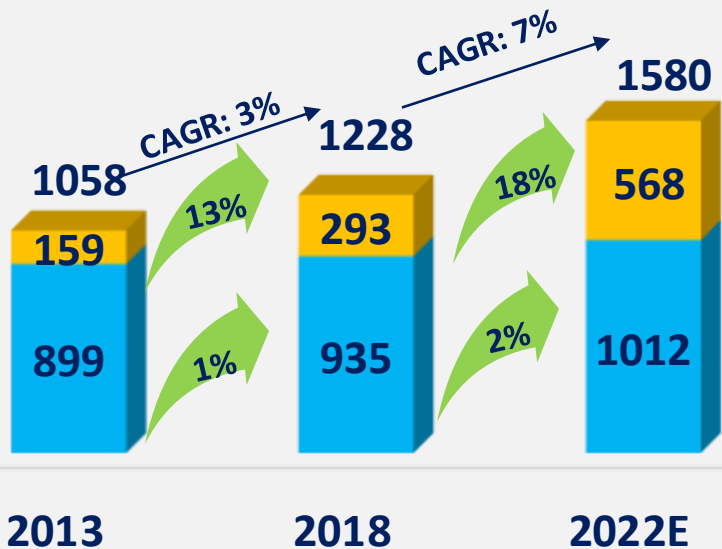


**...READY 2 DEPLOY SOLUTIONS  
(R2DS) TO SPEED UP THEIR  
GTM...**

# ER&D: New Technology spend accounting for ~40%

All numbers in \$Bn

- Legacy spend
- New Technology Spend

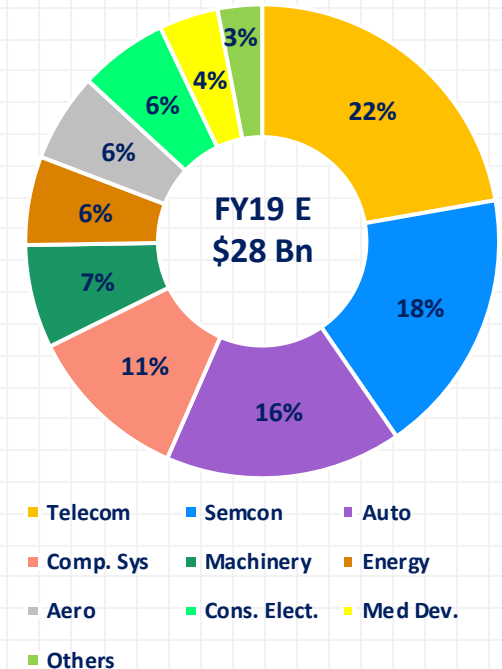


	2018	2022		2018	2022		2018	2022		2018	2022	
<b>Auto</b>	Old	126	146	Old	47	32	Old	63	77	Old	65	72
	New	21	41	New	28	59	New	12	21	New	9	21
<b>Telcom</b>												
<b>Con. Elect.</b>												
<b>Plant</b>												
<b>Semcon</b>	Old	57	76	Old	48	52	Old	35	44	Old	30	31
	New	10	15	New	2	3	New	11	19	New	6	10
<b>Aero</b>												
<b>Med. Dev.</b>												
<b>Storage</b>												

# New Tech spend: High Growth in Auto & Energy Sectors

SECTOR	CAGR	KEY DIGITAL TRENDS
AUTO	9.1%	<b>Connected:</b> Infotainment, cyber security, V2V <b>Autonomous:</b> Lane monitoring, route optimization, motion sensors, telematics <b>Shared:</b> GPS, payment, cyber security, app dev. <b>Electric:</b> Design, power train, charging & batterytech, power elect.
CONST.& HEAVY EQUIPMENT	7.6%	<b>Connected Autonomous:</b> AR/VR & AI/ML <b>Telematics:</b> Off - highway growth at 8%CAGR
ENERGY	7.0%	<b>Digital Oilfield:</b> \$27 Bn by 2022 Digital Tech: cut cost by 20%
MEDICAL DEVICES	7.8%	<b>Connected:</b> Wearables, connected hospital/ ambulance, remote monitoring <b>AI/ML &amp; Analytics:</b> Imaging, chronic disease mgmt., advance wearables <b>Digital Marketing:</b> Mobile Apps, integrated devices, advanced analytics
SEMCON	3.1%	Communications EUV lithography & bigger wafer size

## Sectoral Share



# We have a marquee list of clients today ...





...which gives us a long runway for growth

RELIABLE AND PREFERRED PARTNER FOR FUTURE

51 of Top 100

Our Customers among Top R&D Spenders

117 of Top 500

Revenue

\$1.7 Trillion

12 %

R&D Investment

\$75 Billion

4%

LTTS Revenues

\$376 Million

23%

T-30 Customers

6+ Yrs

Avg. Customer Relationship for T30

117 Customers

Revenue

\$5.3 Trillion

8.7%

R&D Investment

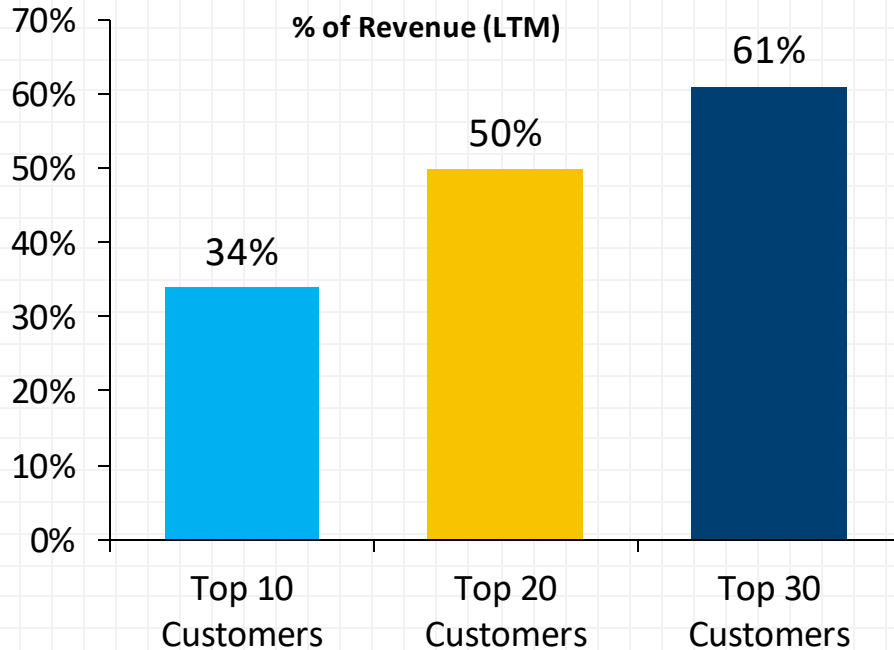
\$286 Billion

8.5%



# Diversified Customer Base

## Top Clients Contribution

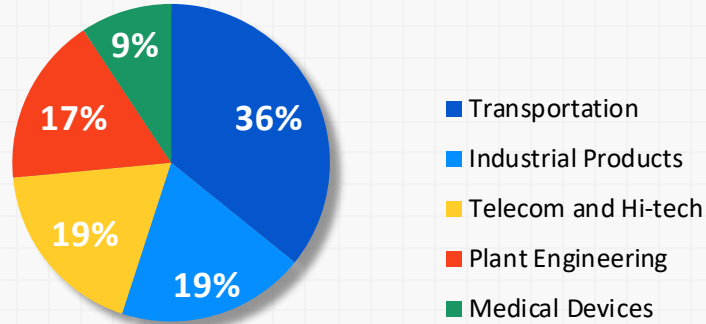


## Scale-up of million dollar clients

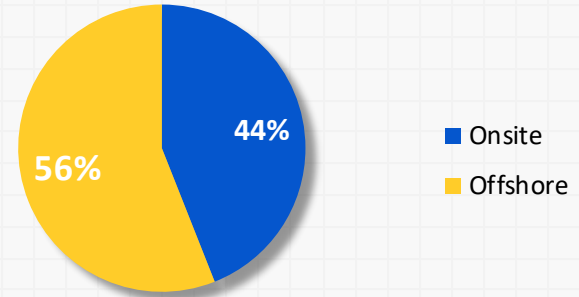
Customer Revenue (USD Mn)	FY17	FY18	FY19	Q3FY20
50 Million +	0	0	2	0
30 Million +	1	3	3	3
20 Million +	3	4	5	7
10 Million +	9	12	16	20
5 Million+	30	31	41	43
1 Million +	79	84	106	107

# Diversified Business and Geographical Mix (Q3FY20)

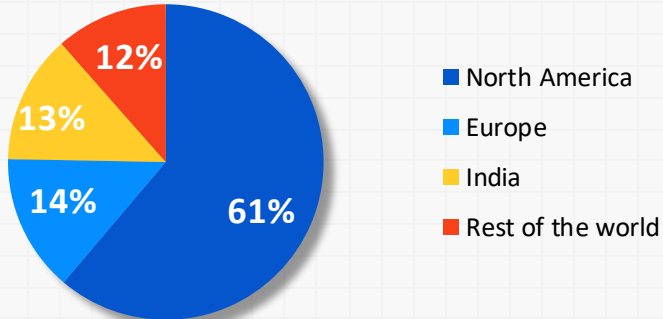
## By Vertical



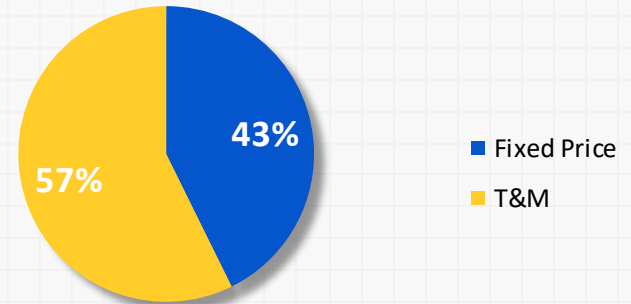
## Onsite vs. Offshore Split



## By Geography



## Fixed Price vs. T&M



# Transportation: Co-creating the next-generation of mobility

Revenue: USD285mn+

(Q3FY20 annualized)

An automotive engineering service provider with strong expertise across the value chain, strong innovation credentials and a solid presence in the off-highway vehicle segment.

-HFS Research,  
Automotive Engineering Services Blueprint

- Automotive practice rated in Winner Circle by Hfs Research
- Off-highway practice rated as the Leading ESP for 5 consecutive year by Zinnov Management Consulting.
- 10+ State-of-the-art labs across Infotainment, ADAS/ Autonomous drive, Electric vehicles, EMI/EMC, Smart Manufacturing, Design & Tear Down.



# Telecom & Hi-Tech : Strengthening Connectivity

Revenue: USD145mn+

(Q3FY20 annualized)

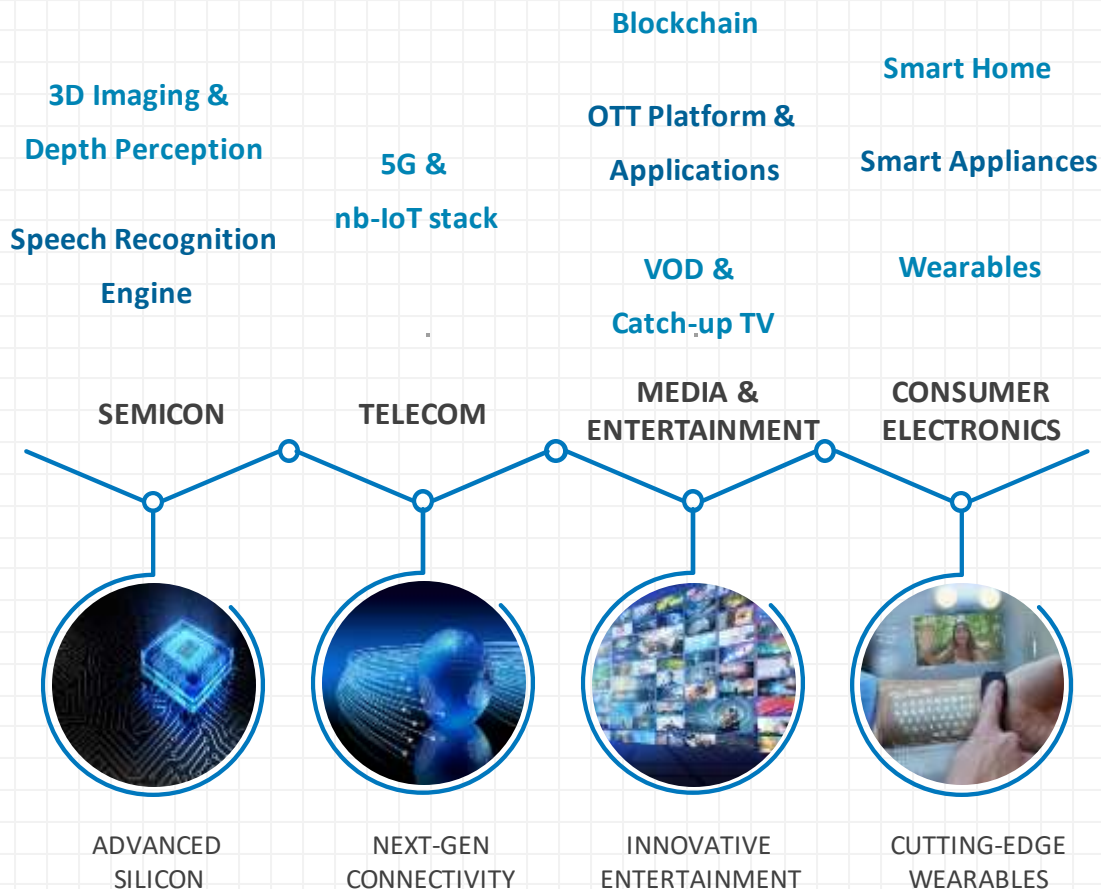
LTTTS stood out for clients' very positive impressions of its operations and service delivery. Reference clients have praised LTTTS's capability for design to manufacturing solutions.

-HfS Research  
Embedded & Semicon Engineering Services Blueprint

Rated as one of the leading global ESPs in embedded space by Zinnov Management Consulting

Rated among the top 5 embedded & semicon ESPs globally by HfS Research

20+ partnerships and 40+ in-house solutions, IPs and accelerators.



# Industrial Products: Infusing Technologies

Revenue: USD150mn+  
(Q3FY20 annualized)

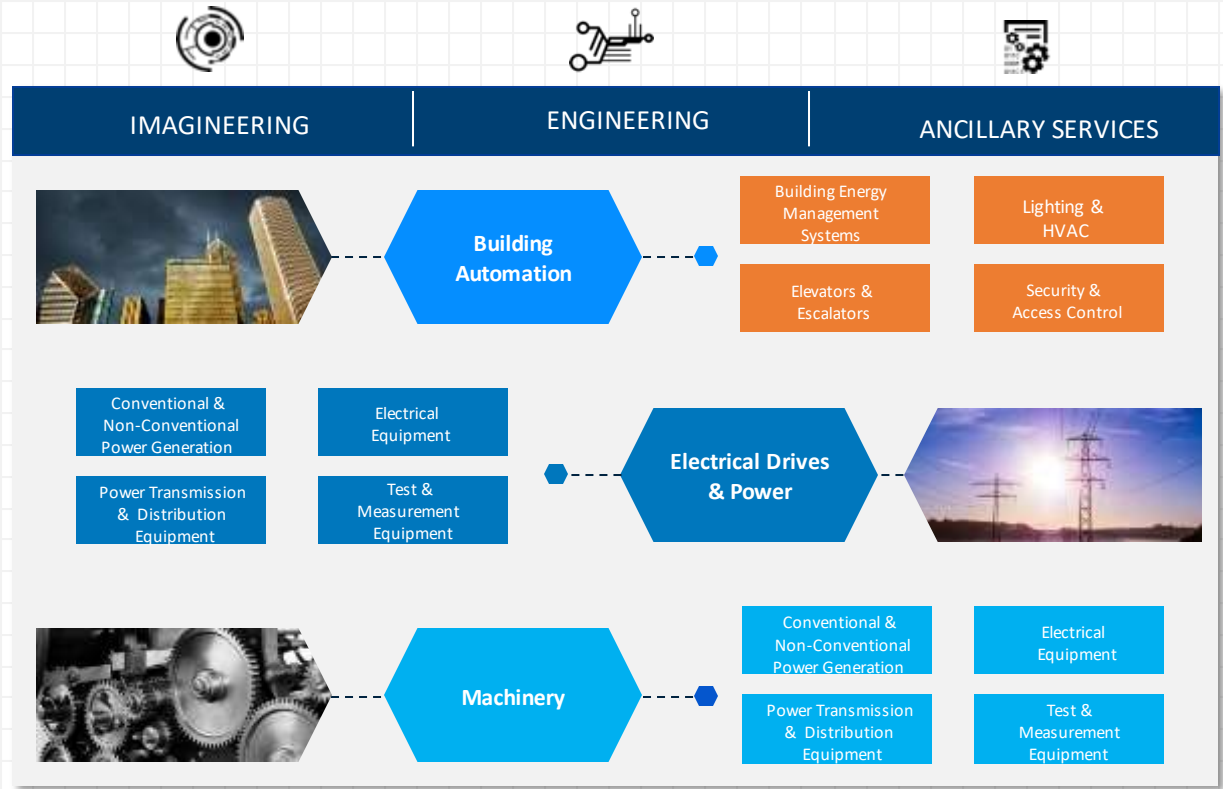
L&T Technology Services' deep multi-vertical expertise, rich IP portfolio such as UBIQWeise™, iBEMS, W.A.G.E.S and innovation focused multi-domain labs gives it a clear advantage over its peers.

-Zinnov Management Consulting,  
Zinnov Zones 2017 for IoT Technology Services

Rated as #1 engineering services company for the last 7 years by multiple industry experts

Rated in the Winner Circle by HfS Research for deep domain capabilities in IIoT

20+ labs and over 150+ authored/co-authored patents



# Process Industry : Extending Industry 4.0

Revenue: USD135mn+

(Q3FY20 annualized)

L&T Technology Services' deep understanding of Plant Engineering and track record of making products and manufacturing smarter, established it in the Winners Circle

-HfS Research  
Industry 4.0 Services Blueprint Assessment

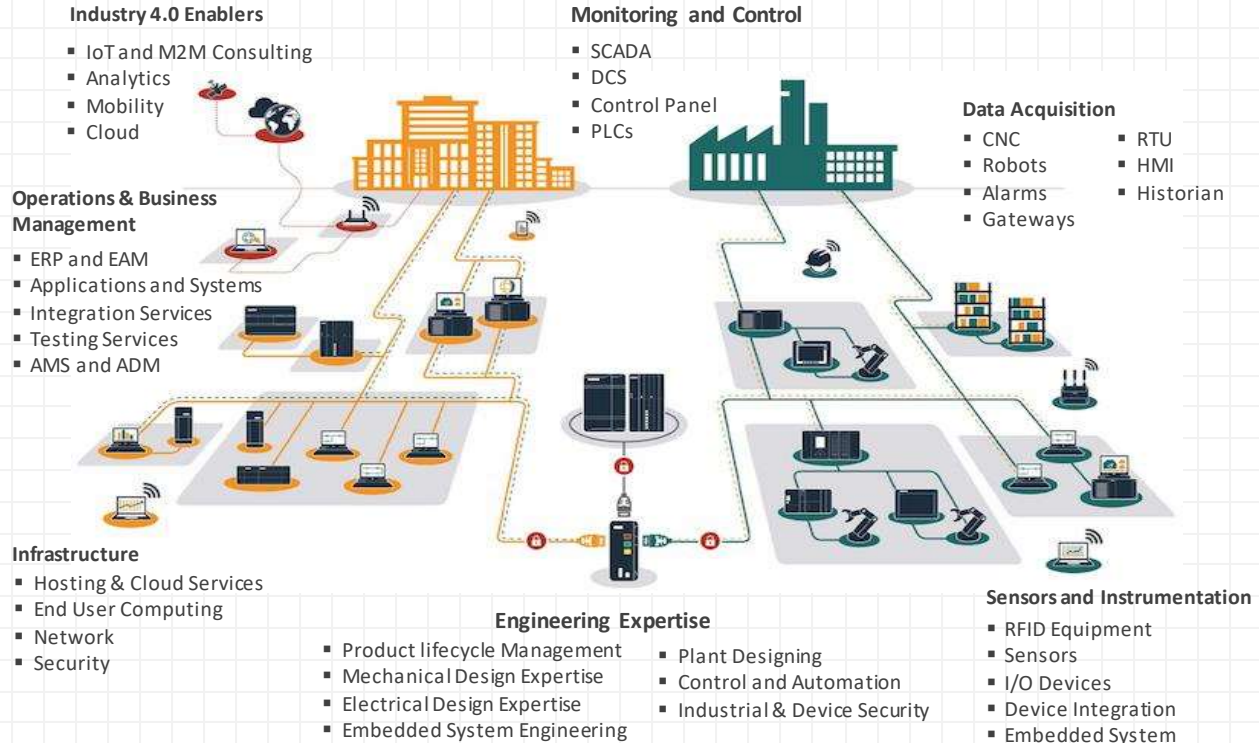
Rated in the Winner's Circle by HfS Research in their Industry 4.0 Blueprint

Extensive global reach and expertise with geographically distributed resource base working across 200+ global manufacturing locations

Consumer  
Packaged Goods

Speciality Chemicals

Energy &  
Utilities





# Medical Devices: Touching Lives

Revenue: USD75mn+

(Q3FY20 annualized)

The ability to pro-actively build and demonstrate proof-of-concepts, take risks, and explore new ways of doing things has created stellar results for our partnership with LTTS.

- Leading American Medical Devices  
& Lifesciences conglomerate

Rated as one of the leading global ESPs for Medical devices for the past 3 years consecutively

Innovation focused culture with 50+ patents to credit

cGMP focused manufacturing practice

## Patient Mobility

- Critical Care Bed
- Patient Handling
- Surfaces
- Wheel Chairs



## Therapeutic & Life Science

- Oncology
- Drug Delivery
- Inhalable
- Histopathology
- Hematology
- Mass Spectroscopy



- Endo
- Vascular
- Wound Closure
- Ultrasound Systems
- CT Scanners
- MRI Scanners
- Patient Monitoring



- Joint Replacement
- Trauma
- Biologics
- Dental Equipment
- Orthodontic



## Surgical & Diagnostic

## Musculoskeletal

# LTTS Platforms & Solutions

From existing platforms...

**Priority1**



Intelligent Building Experience Management System

**System of Systems | Advanced Analytics**



Engineering Connected Platforms  
(WAGES+ Mcare+ RAPM+ Ubiqwise)

**Predictive Maintenance | Energy Utilization | Analytics**



NB-IoT Protocol

**Asset Tracking | Smart Metering | Smart Agriculture**

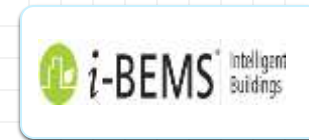


Artificial Intelligence Framework

**ML | NLP | Image Processing**

New platforms...

**Security**



**Jun 2019**



**Aug 2019**

# Performance Highlights

FY15	FY16	FY17	FY18	FY19	Parameters	Q1FY20	Q2FY20	Q3FY20
428	468	484	580	723	Revenue from Operations (USD mn)	194	198	199
26,186	30,662	32,483	37,471	50,783	Revenue from Operations (INR mn)	13,475	14,021	14,230
15.2%	16.9%	18.0%	15.5%	18.0%	EBITDA Margin	20.2%	20.2%	20.1%
13.4%	15.0%	16.1%	13.0%	16.0%	EBIT Margin	17.1%	17.0%	16.8%
252	845	561	1,910	2,209	Other Income (INR mn)	474	378	354
3,109	4,191	4,249	5,060	7,656	Net Income (INR mn)	2,039	2,058	2,041
11.9%	13.7%	13.1%	13.5%	15.1%	Net Income Margin	15.1%	14.7%	14.3%
61.1	65.5	67.1	64.6	70.2	Avg. Exchange Rate (USD/INR)	69.5	70.9	71.4

# Financial performance

Amount in ₹ million

Income Statement	Q3 FY19	Q2 FY20	Q3 FY20	QoQ	YoY
<b>Revenue</b>	<b>13,169</b>	<b>14,021</b>	<b>14,230</b>	<b>1.5%</b>	<b>8.1%</b>
<b>Cost of sales</b>	9,269	9,497	9,557		
<b>Gross Profit</b>	<b>3,900</b>	<b>4,524</b>	<b>4,673</b>	<b>3.3%</b>	<b>19.8%</b>
Selling, General & Administration Expenses	1,483	1,692	1,810		
<b>EBITDA</b>	<b>2,417</b>	<b>2,832</b>	<b>2,863</b>	<b>1.1%</b>	<b>18.4%</b>
Depreciation & Amortisation	239	444	472		
<b>EBIT</b>	<b>2,178</b>	<b>2,388</b>	<b>2,391</b>	<b>0.1%</b>	<b>9.7%</b>
Other Income, net	353	378	354		
Income tax expense	670	704	687		
Minority Interest	5	3	17		
<b>Net Income</b>	<b>1,856</b>	<b>2,058</b>	<b>2,041</b>	<b>-0.8%</b>	<b>10.0%</b>
<b>Margins (%)</b>					
Gross Margin	29.6%	32.3%	32.8%		
EBITDA Margin	18.4%	20.2%	20.1%		
EBIT Margin	16.5%	17.0%	16.8%		
Net Income Margin	14.1%	14.7%	14.3%		
<b>Earnings Per Share (INR)</b>					
Basic	17.86	19.79	19.57		
Diluted	17.58	19.49	19.34		

# Financial performance

Amount in ₹ million

Balance Sheet	FY19	Q3 FY20
<b>Assets</b>		
Property and equipment	1,443	5,529
Intangible Assets and Goodwill	6,356	6,153
Accounts Receivable	10,643	11,725
Unbilled Revenues	2,421	3,931
Investments	5,749	6,027
Cash and Cash equivalents	2,051	2,297
Other current assets	2,851	3,123
Other non-current assets	2,124	1,448
<b>Total Assets</b>	<b>33,638</b>	<b>40,234</b>
<b>Liabilities and Shareholders' Equity</b>		
Shareholders' Funds	24,792	27,494
Short term borrowings	702	214
Other current liabilities	7,919	8,902
Other non-current liabilities	194	3,569
Minority Interest	31	54
<b>Total Liabilities</b>	<b>33,638</b>	<b>40,234</b>

Amount in ₹ million

Cash Flow Summary	FY19	YTD FY20
Net cash provided by operating activities	8,061	5,458
Capex	-885	-1,229
<b>Free Cash Flow</b>	<b>7,176</b>	<b>4,229</b>
Free Cash Flow to Net Income (%)	94%	69%

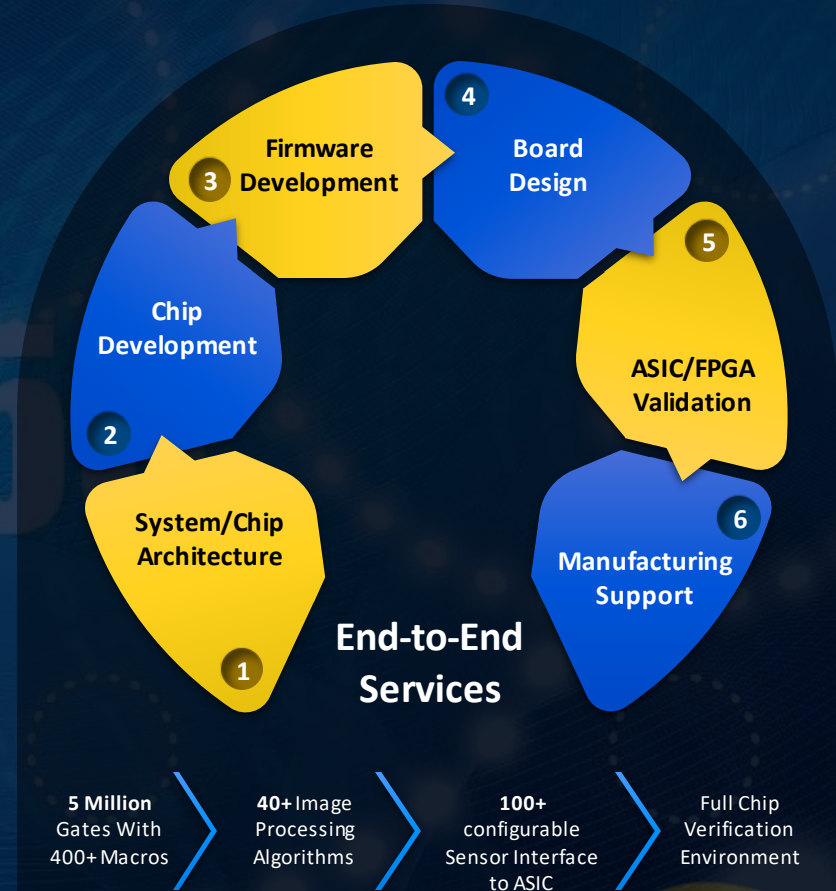
# Case Study: Turnkey SoC

## Project Highlights

- Complete physical design and verification including mass production of image processing SoC
- Executed chip development plans using low power process methodology
- Achieved high chip processing efficiency by optimizing die size, pin count, and power/memory/performance/sensor requirements

Application: Industrial Camera

LTTs proprietary VLSI IPs





## FACTORY 'DIGITAL TWIN'

### WHAT WE ENABLED

- Digital Simulation of an entire factory using real-time data from the plant
- Optimal Utilization of Workforce & Robotic Systems
- Efficient Inventory Management
- Real-time Material Tracking

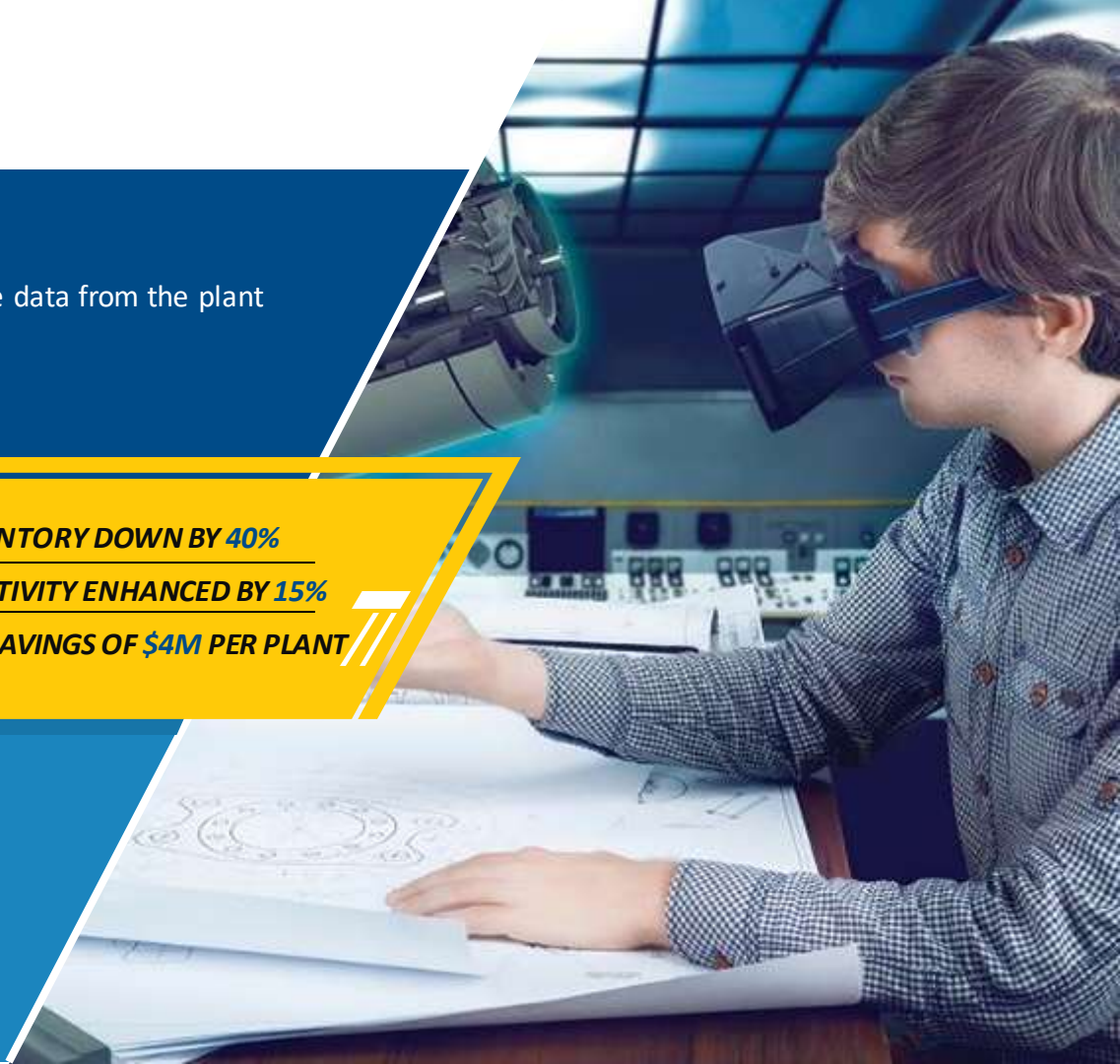
**INVENTORY DOWN BY 40%**

**PRODUCTIVITY ENHANCED BY 15%**

**ANNUAL SAVINGS OF \$4M PER PLANT**

### OUR EXPERTISE

- Digital Twin Simulation
- Virtual Reality
- Big Data Analytics
- Machine Learning



# ARCHITECTING THE SMARTEST CAMPUS IN THE WORLD

Powered by iBEMS™ - Ingenious platform for smart buildings

## WHAT WE ENABLED

- Integrated View of complete facility operations
- Enabling Net Zero Buildings and environmental certifications
- Predictive Maintenance of Building Assets
- Customized experiences for building occupants

**100+ SMART BUILDING  
FUNCTIONALITIES**

**SAVES >30% OF FACILITY ENERGY &  
OPERATIONAL COSTS**

## OUR EXPERTISE

- Master Platform Integration
- Edge & Cloud Analytics
- Machine Learning
- Custom User Experiences