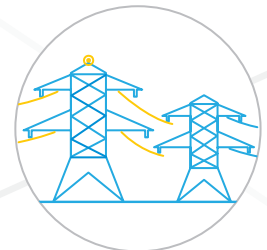
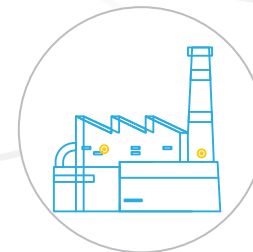


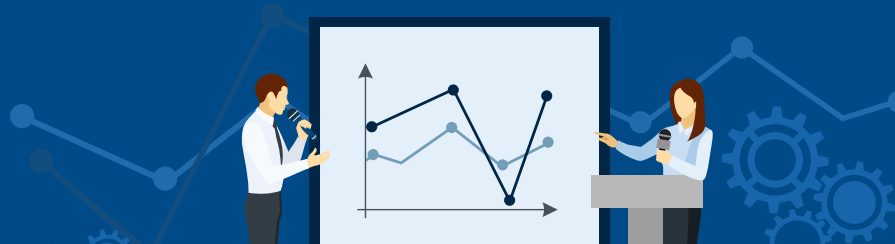
L&T TECHNOLOGY SERVICES LIMITED **THIRD QUARTER - FY 21 RESULTS**

Investor Release

Mumbai, India, January 20, 2021



FINANCIAL HIGHLIGHTS



REVENUE IN INR

- Revenue of **₹14,007 million** for the quarter; up **6.6% QoQ** and down **1.6% YoY**

REVENUE IN USD

- Revenue of **\$190.1 million** for the quarter; up **6.8% QoQ** and down **4.6% YoY**; in constant currency up **6.6% QoQ** and down **5.2% YoY**

PROFIT IN INR

- EBIT of **₹2,132 million** for the quarter, EBIT margin at **15.2%**
- Net Income of **₹1,861 million** for the quarter, up **12.4% QoQ** and down **8.8% YoY**; Net Income margin at **13.3%**

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



Our Q3 results marked another quarter of resilient performance with growth in revenue, deal wins, operating margin and free cash flow. All five of our industry segments grew sequentially, while three segments - Industrial Products, Plant Engineering and Telecom & Hitech grew over 5%. Large deal bookings were the highest ever, helped by the marquee USD100mn plus deal we signed in the Plant Engineering segment. Deal wins were strong in the quarter with 7 deals having TCV of USD 10mn plus which includes the USD100mn plus deal and 2 USD15mn plus deals. On the operational front, EBIT margin improved by 150bps sequentially while Free Cash flow generation was also strong.



The deal pipeline is healthy across segments as customers prioritize business transformation to improve efficiency and productivity. I am happy to share that Zinnov rated LTTS as a 'Leader' in newer areas like Digital Engineering, IoT, AI and Digital Thread - which are critical technologies for products and services transformation. Such technologies are 49% of our revenues and we are leveraging them across our diversified portfolio to further our positioning as innovation partners to customers. As an example, with LTTS being selected as a Consulting and Professional Services (CPS) provider to support Amazon Alexa Voice Service (AVS) integration, we can help bring innovation in the connected devices space to multiple domains and industries.

We are confident that the growth will continue to be broad-based. We raise our FY21 guidance - which is now for a revenue decline of about 6.5% in USD terms.

I am very grateful to our employees for their relentless support and all our stakeholders for the constant encouragement.



Dr. Keshab Panda

CEO & Managing Director
L&T Technology Services Limited



KEY DEAL WINS

LTTS closed several multi-million dollar projects from global customers across various verticals. The major wins are listed below:

- LTTS won its biggest deal ever with a TCV of USD 100 million plus from a global O&G major to be the primary engineering partner to support two of the customer's integrated refining and chemicals manufacturing facilities in USA.
- Schindler selected LTTS as its key partner to provide innovative digital engineering capabilities. LTTS is providing product development, innovation and engineering services & solutions to help Schindler accelerate its digitization and connectivity initiatives.
- LTTS won a deal from one of the world's leading mobility OEM for a marine digital solution to provide solutions in areas including Hardware-IoT Platform, Cloud Infra, Mobile App and Customer Support Managed Services.
- An aerospace and defense conglomerate awarded LTTS a program to provide in-field product insights using LTTS' proprietary Industrial AI platform Alkno®. LTTS will also support the customer for engineering supply chain optimization, upgrades and improvement through should costing.
- A U.S.-based medical devices company has awarded LTTS a program to design equipment for intraocular lens manufacturing. The LTTS engineering team is also involved in next generation cataract surgical product development.
- For an American industrial conglomerate, LTTS is leveraging its ITAR facility in North America to develop electrical and mechanical systems for military vehicles.
- LTTS is setting up an India Software Engineering Centre (ISEC) for a global oilfield services company, to support all its product services lines. The engineering centre will focus on data analytics platform development, validation and testing services.

- LTTS has won an Engineering Application Modernization program from a diversified American conglomerate to support the client's software driven modernization initiative. LTTS engineers will maintain and upgrade the company's existing suite of applications to make them mobile and cloud enabled.
- LTTS has won a multi-million dollar deal in the Powertrain domain to support a leading Automotive Tier-1 Company. LTTS will support end-end OEM Programs encompassing System engineering, Software development, HIL Test & Validation.
- A Leader in Healthcare devices and homecare has selected LTTS as a strategic global engineering supplier to assist in transforming its product portfolio. LTTS will bring its deep engineering domain expertise to support the customer on workstreams for Lifecycle management, New product development, Digital engineering and Quality & regulatory needs.
- LTTS won a deal from an Asian telecommunications service provider to develop, test and launch a digital telecom solution for its consumer business. The solution being developed will provide business support system and CRM while also providing product catalogue and customer order management.
- A leading Aerospace company selected LTTS as its strategic engineering partner to provide engineering and digital support across multiple domains including Avionics, PLM, Structures and Systems.

FINANCIAL PERFORMANCE

INCOME STATEMENT (CONSOLIDATED)

Amount in ₹ million

	Q3 FY20	Q2 FY21	Q3 FY21	QoQ	YoY
Revenue	14,229	13,138	14,007	6.6%	-1.6%
Cost of sales	9,557	9,186	9,696		
Gross Profit	4,673	3,952	4,312	9.1%	-7.7%
Selling, General & Administration Expenses	1,810	1,624	1,555		
EBITDA	2,863	2,328	2,756	18.4%	-3.7%
Depreciation & Amortisation	472	527	624		
EBIT	2,391	1,801	2,132	18.4%	-10.8%
Other Income, net	354	457	374		
Income tax expense	687	595	637		
Minority Interest	17	8	8		
Net Income	2,041	1,655	1,861	12.4%	-8.8%
Margins (%)					
Gross Margin	32.8%	30.1%	30.8%		
EBITDA Margin	20.1%	17.7%	19.7%		
EBIT Margin	16.8%	13.7%	15.2%		
Net Income Margin	14.3%	12.6%	13.3%		
Earnings Per Share (INR)					
Basic	19.57	15.81	17.75		
Diluted	19.34	15.69	17.63		

OTHER INCOME

	Q3 FY20	Q2 FY21	Q3 FY21
Income from investments, net	78	111	114
Foreign exchange gains/(loss)	214	29	223
Govt. incentives	129	400	97
Others (incl. IND AS 116 Finance charge)	-67	-83	-60
Total	354	457	374

BALANCE SHEET (CONSOLIDATED)

Amount in ₹ million

	FY20	Q3 FY21
Assets		
Property and equipment	5,676	6,406
Intangible Assets and Goodwill	6,146	6,677
Accounts Receivable	13,807	12,204
Unbilled Revenues	3,510	2,510
Investments	6,420	11,845
Cash and Cash equivalents	2,439	3,149
Other current assets	3,236	2,807
Other non-current assets	1,799	2,410
Total Assets	43,033	48,008
Liabilities and Shareholders' Equity		
Shareholders' Funds	27,686	32,546
Short term borrowings	303	219
Other current liabilities	10,085	10,272
Other non-current liabilities	4,890	4,877
Minority Interest	69	94
Total Liabilities	43,033	48,008

CASH FLOW SUMMARY (CONSOLIDATED)

Amount in ₹ million

	FY20	YTD FY21
Net cash provided by operating activities	6,381	10,250
Capex	-1,511	-628
Free Cash Flow	4,870	9,622
Free Cash Flow to Net Income (%)	59%	205%

OPERATIONAL PERFORMANCE



	Q3 FY20	Q2 FY21	Q3 FY21	QoQ Growth	YoY Growth	In Constant Currency	
						QoQ Growth	YoY Growth
Revenue (USD Mn)	199.3	178.0	190.1	6.8%	-4.6%	6.6%	-5.2%

REVENUE BY VERTICAL

	Q3 FY20	Q2 FY21	Q3 FY21	QoQ Growth	YoY Growth
Transportation	35.8%	31.5%	30.4%	3.1%	-19.0%
Industrial Products	19.2%	19.5%	19.3%	5.5%	-3.9%
Telecom & Hi-tech	18.5%	21.4%	22.9%	14.3%	18.5%
Plant Engineering	17.2%	14.4%	14.7%	9.2%	-18.3%
Medical Devices	9.4%	13.2%	12.7%	2.4%	28.4%

REVENUE BY GEOGRAPHY

	Q3 FY20	Q2 FY21	Q3 FY21	QoQ Growth	YoY Growth
North America	61.2%	60.0%	61.2%	8.8%	-4.7%
Europe	14.1%	16.0%	16.1%	7.5%	8.9%
India	13.2%	13.6%	13.9%	9.1%	0.1%
Rest of the World	11.4%	10.4%	8.8%	-9.2%	-26.2%

REVENUE MIX

	Q3 FY20	Q2 FY21	Q3 FY21
Onsite	44.0%	45.1%	42.9%
Offshore	56.0%	54.9%	57.1%

REVENUE BY PROJECT TYPE

	Q3 FY20	Q2 FY21	Q3 FY21
Fixed Price	42.7%	39.7%	38.5%
Time and Material Contract	57.3%	60.3%	61.5%

CLIENT PROFILE

	Q3 FY20	Q2 FY21	Q3 FY21
Number of Active Clients	265	283	296
30 Million dollar +	3	1	1
20 Million dollar +	7	5	4
10 Million dollar +	20	20	18
5 Million dollar +	43	44	41
1 Million dollar +	107	116	118

Client profile is based on LTM (Last Twelve Months) revenue

CLIENT CONTRIBUTION TO REVENUE

	Q3 FY20	Q2 FY21	Q3 FY21
Top 5 Clients	21.1%	17.0%	16.3%
Top 10 Clients	33.9%	28.3%	27.3%
Top 20 Clients	49.8%	44.9%	44.0%

Client contribution is based on LTM (Last Twelve Months) revenue

UTILISATION

	Q3 FY20	Q2 FY21	Q3 FY21
Including Trainees	79.2%	75.4%	77.5%

EMPLOYEE STATISTICS

	Q3 FY20	Q2 FY21	Q3 FY21
Total Headcount	16,787	15,902	16,069
Billable	15,604	14,778	14,975
Sales & Support	1,183	1,124	1,094
Voluntary Attrition % (LTM)	13.9%	10.8%	10.7%

EXCHANGE RATE (USD/INR)

	Q3 FY20	Q2 FY21	Q3 FY21
Period Realised	71.41	73.79	73.69
Period Closing	71.39	73.77	73.07

INDUSTRY RECOGNITIONS

- LTTS won the **Indian Digital Enabler Awards 2020** in the 'Best Tech for Healthcare' category for XYZ Synthesizer, a scalable solution that can be easily extended for all kinds of digital & optical microscopes.
- **CIMS Medica** honored L&T Technology Services as the "Company of the Year" in the Best Medical Devices Equipment category for the three-part haematology analyzer, built in partnership with Agappe Diagnostics
- **Zinnov Zones** rated LTTS as 'Leader' across Digital Engineering, IoT, AI and Digital Thread, and also named LTTS as Leader in 6 major verticals for the fourth consecutive year
- LTTS won Gold in the **Golden Bridge Grand Awards 2020** in the "Human Resource Team" and "Best Use of Rewards and Recognition" categories
- Confederation of Indian Industry (CII) honored LTTS with the **HR Excellence Awards 2020**

OTHER HIGHLIGHTS

Amazon selected LTTS as a Consulting and Professional Services to support Alexa integration in devices

In November 2020, L&T Technology Services was selected as a Consulting and Professional Services (CPS) provider to support **Amazon Alexa Voice Service (AVS)** integration in various connected devices spanning multiple domains and industries. LTTS is the only engineering services company out of India to be selected as a partner.

LTTS in its capacity as an AVS Consulting and Professional Services provider, will deliver scale in capabilities, skills and capacity, access to new markets and specialization in technology and vertical domains for global enterprises, end-consumers and technology principals. LTTS' capabilities will not only help in ideating new voice activated products, but also expand the availability of voice recognition service across consumer and industrial digital appliances.

Tenneco's DRiV™ HUB Development Center inaugurated

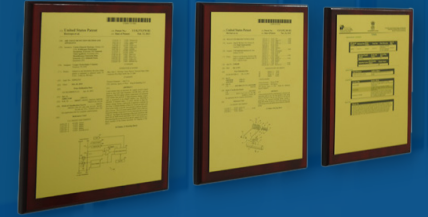
LTTS, in association with Tenneco's DRiV™ Ride Performance Division, inaugurated the **DRiV HUB Development Center** at LTTS' Bangalore delivery center.

The HUB has skilled engineers who bring diverse expertise to deliver a wide-range of engineering work. LTTS is creating engineering tools to support DRiV in developing intelligent suspension technologies to build next-generation ride control solutions. The HUB also provides a hybrid, unified engineering business model for supporting established domains such as mechanical, product lifecycle management (PLM), and digital engineering.



PATENTS

At the end of the third quarter, the patents portfolio of L&T Technology Services stood at **593**, out of which **440** are co-authored with its customers and the remaining **153** are filed by LTTS.



CORPORATE SOCIAL RESPONSIBILITY

As part of its Social Responsibility, LTTS undertook several CSR initiatives, with a focus on areas such as Health, Education, Skill Development, Water and Environment.



Solar Lighting Kanthanahalli Village (Mysuru)

A solar project supported by L&T Technology Services was successfully implemented at Kanthanahadi village in Mysuru District of Karnataka on the eve of Diwali. Solar electrification was provided to 30 families, while solar streetlamps were installed across the village, benefitting all villagers.



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 69 Fortune 500 companies and 53 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 16,000 employees spread across 17 global design centers, 28 global sales offices and 62 innovation labs as of December 31, 2020.



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