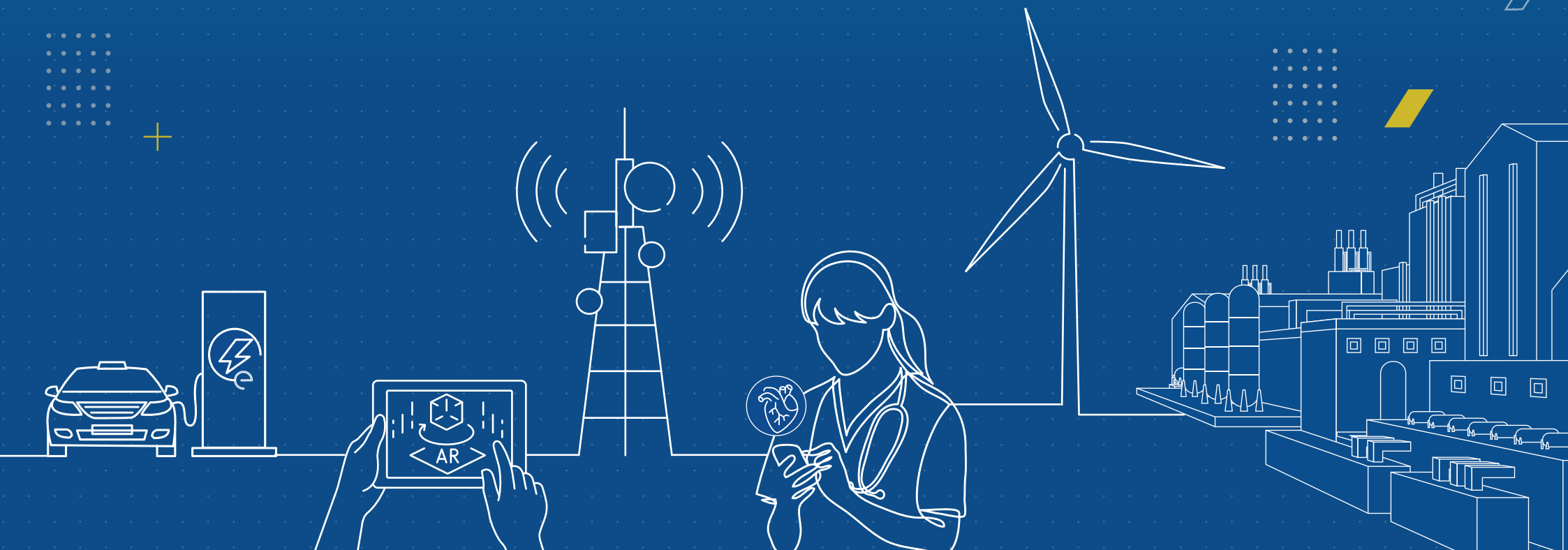


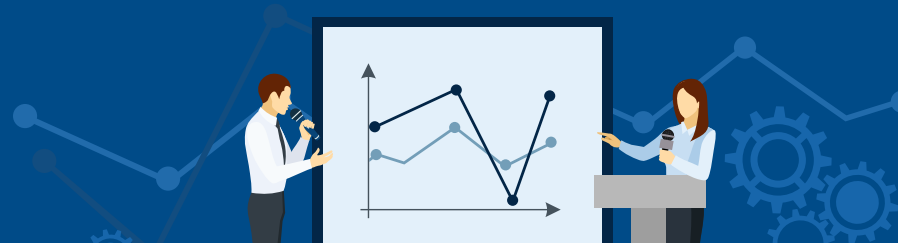
L&T TECHNOLOGY SERVICES LIMITED **THIRD QUARTER - FY 22 RESULTS**

Investor Release

Mumbai, India, January 18, 2022



FINANCIAL HIGHLIGHTS



REVENUE IN INR

- Revenue of **₹16,875 million** for the quarter; up **5.0% QoQ** and **20.5% YoY**

REVENUE IN USD

- Revenue of **\$225.1 million** for the quarter; up **3.6% QoQ** and **18.4% YoY**; in constant currency up **4.2% QoQ** and **19.5% YoY**

PROFIT IN INR

- EBIT of **₹3,144 million** for the quarter, EBIT margin at **18.6%**
- Net Income of **₹2,488 million** for the quarter, up **8.2% QoQ** and **33.7% YoY**; Net Income margin at **14.7%**

CAPITAL RETURN

- Interim Dividend of **₹10** per share; Record date January 27, 2022

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 sustained our performance trajectory in Q3, delivering a sequential growth of 4.2% in constant currency, led by strong demand across segments. Our six big bets focused on Electric Autonomous & Connected Vehicle (EACV), 5G, Med-tech, AI & Digital Products, Digital Manufacturing and Sustainability, are helping us align closely with our customers' long-term transformative journey.

In EACV, we won a USD45mn deal with a US based automotive Tier 1 company to be their strategic engineering partner for their Electric Vehicle (EV) product portfolio. As part of this deal, we are setting up an R&D center in Krakow, Poland that will help us expand our global EACV and delivery footprint.

In line with our long-term growth prospects and strategy, we invested in hiring and onboarding a record 1,900 plus trainees leveraging our Global Engineering Academy that is focused on continuous training and upskilling. We further improved our Operating margin to 18.6%, reflecting gains from investments in talent and innovation.

During the quarter, LTTS won 3 deals with TCV of USD10 million plus and our revenue from digital & leading-edge technologies increased to 56% on engineering innovation through differentiated solutions and offerings. To highlight, our engineers are working on new solutions that will exploit the potential of AI and 5G in enterprise private networks, and, in the development of the next generation of our proprietary AI solution AiKno® that is now an integral part of accelerated new product development.

We continue to see a healthy demand environment across segments and maintain our FY22 USD revenue growth guidance of 19-20%. As we approach the end of this fiscal, I am thankful to my employees for delivering a resounding performance despite multiple challenges.



Amit Chadha

CEO & Managing Director
L&T Technology Services Limited

PERFORMANCE HIGHLIGHTS



KEY DEAL WINS

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

- LTTS has been awarded a deal worth USD45 million from a U.S. based automotive Tier 1 company, to be its strategic engineering partner and provide engineering services for its Electric Vehicle (EV) product portfolio. As part of the program, LTTS is setting up an R&D center in Krakow, Poland.
- LTTS bagged a multi-year plant engineering contract from a global food processing company to provide plant engineering design services for the client's upcoming facilities in Europe and N. America.
- A U.S. based Electric Vehicle (EV) battery maker has selected LTTS as its engineering services partner to support its platform and production programs in the areas of systems engineering, software, functional safety, ASPICE and V&V services.
- One of the world's leading technology companies has chosen LTTS as a major engineering partner for its validation & verification requirements across North America for a new line of connectivity and cellular field testing of next generation devices.
- A leading European manufacturer of residential & commercial building products has entrusted LTTS with a strategic, end-to-end digitalization program for its range of products.
- LTTS is establishing a software engineering Centre of Excellence for a European metrology solutions specialist to help in engineering software development for the customer's manufacturing process lines.
- A leading technology company has empanelled LTTS as a strategic engineering partner for a period of 5 years for its product and devices portfolio.
- LTTS has been empanelled by a global aircraft manufacturer as a strategic supplier for its engineering and digital services over 5 years, to address its next generation programs.

FINANCIAL PERFORMANCE

INCOME STATEMENT (CONSOLIDATED)

Amount in ₹ million

	Q3 FY21	Q2 FY22	Q3 FY22	QoQ	YoY
Revenue	14,007	16,077	16,875	5.0%	20.5%
Cost of sales	9,696	10,726	11,182		
Gross Profit	4,312	5,351	5,693	6.4%	32.0%
Selling, General & Administration Expenses	1,555	1,858	2,018		
EBITDA	2,756	3,493	3,675	5.2%	33.3%
Depreciation & Amortisation	624	529	531		
EBIT	2,132	2,964	3,144	6.1%	47.4%
Other Income, net	374	180	259		
Income tax expense	637	836	907		
Minority Interest	8	8	8		
Net Income	1,861	2,300	2,488	8.2%	33.7%
Margins (%)					
Gross Margin	30.8%	33.3%	33.7%		
EBITDA Margin	19.7%	21.7%	21.8%		
EBIT Margin	15.2%	18.4%	18.6%		
Net Income Margin	13.3%	14.3%	14.7%		
Earnings Per Share (INR)					
Basic	17.75	21.89	23.61		
Diluted	17.63	21.77	23.56		

OTHER INCOME

	Q3 FY21	Q2 FY22	Q3 FY22
Income from investments, net	114	180	193
Foreign exchange gains/(loss)	223	299	155
Govt. incentives	97	-290	0
Others (incl. IND AS 116 Finance charge)	-60	-9	-89
Total	374	180	259

BALANCE SHEET (CONSOLIDATED)

Amount in ₹ million

	FY21	Q3 FY22
Assets		
Property and equipment	6,379	6,326
Intangible Assets and Goodwill	6,564	6,449
Accounts Receivable	12,346	15,335
Unbilled Revenues	2,415	3,458
Investments	15,149	14,357
Cash and Cash equivalents	2,327	7,076
Other current assets	2,789	3,437
Other non-current assets	2,760	3,818
Total Assets	50,729	60,256
Liabilities and Shareholders' Equity		
Shareholders' Funds	34,731	40,037
Short term borrowings	-	-
Other current liabilities	10,982	14,923
Other non-current liabilities	4,915	5,170
Minority Interest	101	126
Total Liabilities	50,729	60,256

CASH FLOW SUMMARY (CONSOLIDATED)

Amount in ₹ million

	FY21	YTD FY22
Net cash provided by operating activities	13,273	8,062
Capex	-756	-810
Free Cash Flow	12,517	7,251
Free Cash Flow to Net Income (%)	189%	104%

OPERATIONAL PERFORMANCE



	Q3 FY21	Q2 FY22	Q3 FY22	QoQ Growth	YoY Growth	In Constant Currency	
						QoQ Growth	YoY Growth
Revenue (USD Mn)	190.1	217.4	225.1	3.6%	18.4%	4.2%	19.5%

REVENUE BY VERTICAL

	Q3 FY21	Q2 FY22	Q3 FY22	QoQ Growth	YoY Growth
Transportation	30.4%	31.4%	31.8%	5.1%	23.9%
Industrial Products	19.3%	20.0%	19.5%	0.7%	19.6%
Telecom & Hi-tech	22.9%	21.1%	21.4%	4.7%	10.4%
Plant Engineering	14.7%	15.3%	15.4%	4.4%	24.3%
Medical Devices	12.7%	12.2%	11.9%	1.5%	11.2%

REVENUE BY GEOGRAPHY

	Q3 FY21	Q2 FY22	Q3 FY22	QoQ Growth	YoY Growth
North America	61.2%	62.9%	62.5%	2.8%	20.9%
Europe	16.1%	16.7%	16.5%	2.3%	21.1%
India	13.9%	13.0%	13.7%	9.3%	16.7%
Rest of the World	8.8%	7.4%	7.4%	3.0%	-1.1%

REVENUE MIX

	Q3 FY21	Q2 FY22	Q3 FY22
Onsite	42.9%	40.8%	41.3%
Offshore	57.1%	59.2%	58.7%

REVENUE BY PROJECT TYPE

	Q3 FY21	Q2 FY22	Q3 FY22
Fixed Price	38.5%	30%	29%
Time and Material Contract	61.5%	70%	71%

CLIENT PROFILE

	Q3 FY21	Q2 FY22	Q3 FY22
Number of Active Clients	296	314	318
30 Million dollar +	1	1	2
20 Million dollar +	4	6	6
10 Million dollar +	18	21	22
5 Million dollar +	41	45	44
1 Million dollar +	118	125	126

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

CLIENT CONTRIBUTION TO REVENUE

	Q3 FY21	Q2 FY22	Q3 FY22
Top 5 Clients	16.3%	17.0%	17.3%
Top 10 Clients	27.3%	28.2%	28.5%
Top 20 Clients	44.0%	44.1%	43.8%

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

UTILISATION

	Q3 FY21	Q2 FY22	Q3 FY22
Including Trainees	77.5%	78.1%	75.9%

EMPLOYEE STATISTICS

	Q3 FY21	Q2 FY22	Q3 FY22
Total Headcount	16,069	17,983	20,118
Billable	14,975	16,875	18,975
Sales & Support	1,094	1,108	1,143
Voluntary Attrition % (LTM)	10.7%	16.5%	17.5%

EXCHANGE RATE (USD/INR)

	Q3 FY21	Q2 FY22	Q3 FY22
Period Realised	73.69	73.96	74.95
Period Closing	73.07	74.23	74.34

INDUSTRY RECOGNITIONS

- **Confederation of Indian Industry (CII)** awarded LTTS with the prestigious **Top 25 Innovative Company Award** at the 2021 Industrial Innovation Award
- **Zinnov** rated LTTS as a **global ER&D Leader** and leader across its core verticals such as *Automotive, Aerospace, Medical Devices, Industrial, Semicon & Telecom*
- **Zinnov Zones ER&D Services Report** rated LTTS as a **Leader** in key technology areas such as *Digital Engineering, AI Engineering, Digital Thread, Telematics, ADAS, TeleHealth and OTT*
- LTTS has been recognized as a **Leader in Digital Engineering** in **ISG' Manufacturing Industry Services 2021 Study** in the *Transportation, Hi-Tech and Industrial segments*
- **ISG's Life Science Digital Services Study** has recognized LTTS as a **Leader in Europe & USA** in the *MedTech and Digital Transformation Services areas*
- LTTS' **Chest-rAI™** solution recognized in the **Innovation in Overall Customer Experience** category by **ASSOCHAM 2nd Innovators' Excellence Awards 2021**
- **Business Leadership Awards 2021** honored LTTS in the **Innovation Excellence** and **Connected Car Platform of the Year** categories

OTHER HIGHLIGHTS

- LTTS has been selected as an engineering partner by Mavenir and NVIDIA, to accelerate adoption of the industry's first converged AI-on-5G. LTTS will support Mavenir with customization, integration and deployment of AI applications on NVIDIA's AI-on-5G unified Platform.
- LTTS announced that it has entered into an agreement with Microsoft to offer LTTS' Energy & Sustainability Manager Solution on Microsoft Azure to digitally transform and create sustainable factories of the future.
- As part of its commitment to build a sustainable business, LTTS signed the Science Based Target Initiative pledge. LTTS has aligned its climate mitigation targets to that of the Paris Agreement - to reach net-zero global emissions by 2050 and limit global warming to 1.5°C.
- LTTS recently inaugurated an Offshore Development Center (ODC) for leading global medtech company. The ODC will cater to global clients in the healthcare and medical domain and drive numerous projects on fixtures, monitors, CT Scan and Ultrasound.

PATENTS

At the end of the third quarter, the patents portfolio of L&T Technology Services stood at **816**, out of which **578** are co-authored with its customers and the remaining **238** are filed by LTTS.



CORPORATE SOCIAL RESPONSIBILITY

As part of its Social Responsibility mandate, LTTS undertook several CSR initiatives throughout the year, with a focus on areas such as Health, Education, Skill Development, Water, Environment and Sports. The key initiatives undertaken in Q3FY22 include:



Comprehensive Eyecare:

L&T Technology Services, in partnership with Laxmi Charitable Trust, setup Primary Vision Eye Care centres in Thane and Raigad districts of Maharashtra. Inaugurated by Ms. Aditi Tatakare, State Minister, Govt of Maharashtra, the centres will provide comprehensive eyecare facility to the economically backward sections in the area.



*Ms. Aditi Tatakare, State Minister,
Govt of Maharashtra, inaugurating the Eyecare
Centre*

Clean & Renewable Energy

LTTS installed solar panels in four Government aided schools in Vadodara, Gujarat, in partnership with ARCH Development Foundation. LTTS is committed towards using clean and renewable energy to generate electricity.

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 57 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 20,100 employees spread across 17 global design centers, 28 global sales offices and 79 innovation labs as of December 31, 2021.



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