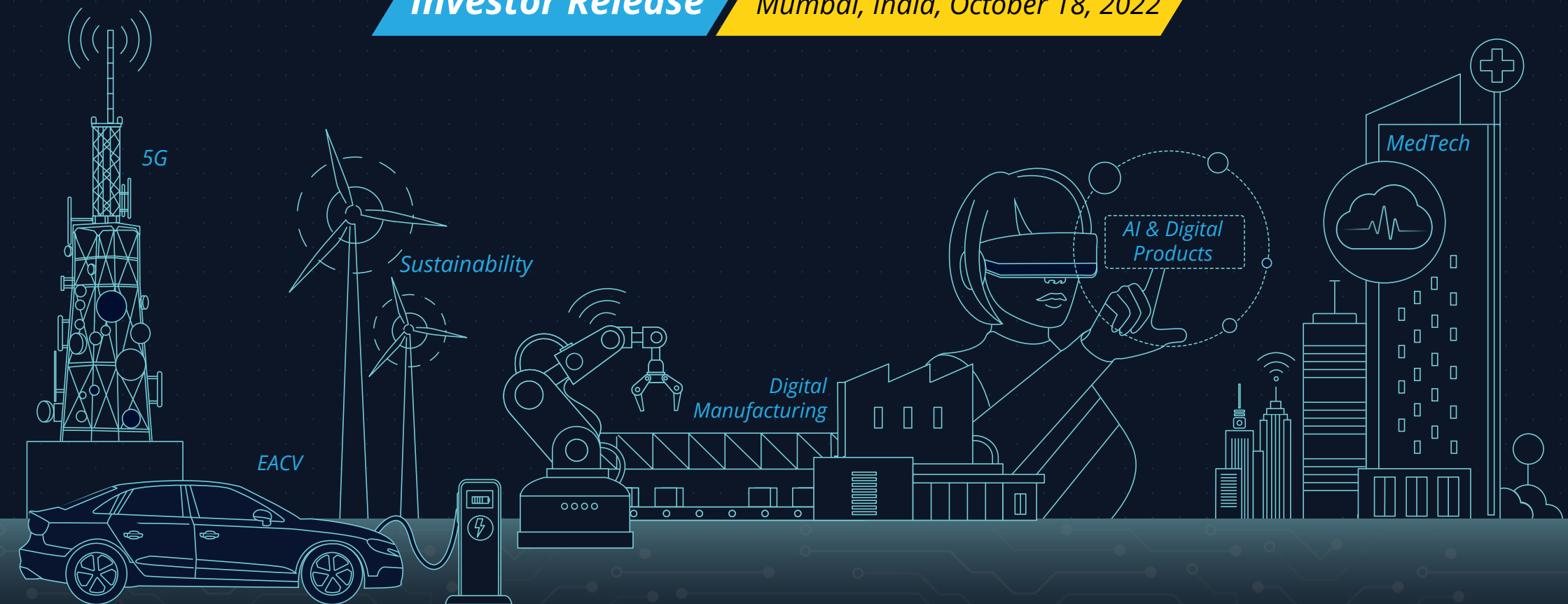


L&T TECHNOLOGY SERVICES LIMITED

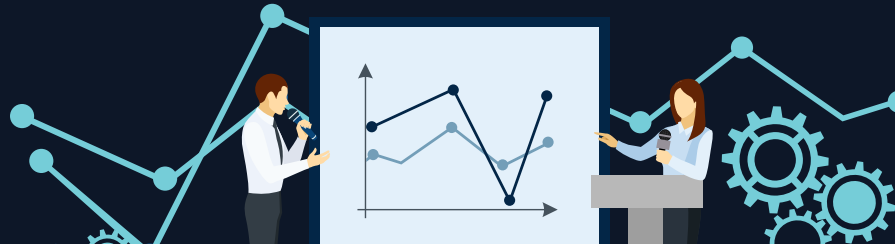
SECOND QUARTER - FY 23 RESULTS

Investor Release

Mumbai, India, October 18, 2022



FINANCIAL HIGHLIGHTS



REVENUE IN INR

- Revenue of **₹19,951 million** for the quarter; up **6.5% QoQ** and **24.1% YoY**

REVENUE IN USD

- Revenue of **\$247.1 million** for the quarter; up **3.1% QoQ** and **13.6% YoY**; in constant currency up **4.5% QoQ** and **18.1% YoY**

PROFIT IN INR

- EBIT of **₹3,628 million** for the quarter, EBIT margin at **18.2%**
- Net Income of **₹2,824 million** for the quarter, up **3.0% QoQ** and **22.8% YoY**; Net Income margin at **14.2%**

CAPITAL RETURN

- Interim Dividend of **₹15** per share; Record date **October 28, 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 are proud to have achieved a USD 1 billion annualized revenue run-rate in Q2 on constant currency basis. Our momentum stayed strong in the second quarter of the fiscal year with revenue growing sequentially by 4.5% in constant currency. Operational execution has kept pace with Q2 being the 5th consecutive quarter of 18% plus EBIT margin.

We had a stellar performance in Transportation which grew 9% in constant currency, followed by Plant Engineering and Industrial Products, driven by a differentiated set of offerings in EACV, Digital Manufacturing and Sustainability. In Q2 we won a USD 60 million plus deal in Transportation, this being the third consecutive quarter of wins in the USD 50 to 100 million TCV range.

Deal bookings have been healthy especially at Europe where we closed a record high TCV and have visibility of doubling our bookings this fiscal. We see strong demand for Digital Manufacturing Services with programs being initiated around factory automation and digital twin that are enabling us to deliver quick ROI to our Industrial Products and Plant Engineering customers. In Sustainability, which is another of our big bets, we are seeing early conversations around clean energy and carbon footprint reduction, and we are building solutions to capture the next wave of spends. One such solution won the Frost & Sullivan Product Leadership Award for energy optimization and sustainability management.

Even as macro-economic uncertainties prevail, we do see customer investments continuing unabated in our six big bet areas. Our innovation led engineering and technology offerings give us the confidence of meeting our growth aspirations. For FY23, we revise our USD revenue growth guidance to 15.5-16.5% in constant currency.

I thank our employees for their commitment and dedication, and our stakeholders for the constant encouragement.

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:

- BMW Group awarded LTTS a 5-year, multi-million-dollar deal to provide high end engineering services for the company's suite of infotainment consoles targeted for its family of hybrid vehicles.
- An American chemicals and specialty material producer has awarded LTTS a deal to implement Digital Twin for its Flagship site in the U.S.
- LTTS won a deal from a global healthcare provider for a data engineering program which tracks and monitors execution of triage and vigilance preparation to help accelerate productivity and reduce training costs.
- LTTS has been chosen as an engineering partner by a global provider of industrial automation, to offer end-to-end product design, firmware development services and drive the development of automation platforms.
- As part of digital initiatives of an US based Oil and Gas Major, LTTS has been selected to implement digital twin across all of its existing refineries in the USA.
- LTTS has been empaneled as a preferred engineering partner to support a global supplier, in their key technology areas such as E-Drives, E-Axles, Chassis Mechatronics solutions, Future Engine Technologies, and Hybrid Transmission.

FINANCIAL PERFORMANCE

INCOME STATEMENT (CONSOLIDATED)

Amount in ₹ million

	Q2 FY22	Q1 FY23	Q2 FY23	QoQ	YoY
Revenue	16,077	18,737	19,951	6.5%	24.1%
Cost of sales	10,726	12,560	13,546		
Gross Profit	5,351	6,177	6,405	3.7%	19.7%
Selling, General & Administration Expenses	1,858	2,167	2,187		
EBITDA	3,493	4,010	4,218	5.2%	20.8%
Depreciation & Amortisation	529	576	590		
EBIT	2,964	3,434	3,628	5.6%	22.4%
Other Income, net	180	340	261		
Income tax expense	836	1,024	1,057		
Minority Interest	8	8	8		
Net Income	2,300	2,742	2,824	3.0%	22.8%
Margins (%)					
Gross Margin	33.3%	33.0%	32.1%		
EBITDA Margin	21.7%	21.4%	21.1%		
EBIT Margin	18.4%	18.3%	18.2%		
Net Income Margin	14.3%	14.6%	14.2%		
Earnings Per Share (INR)					
Basic	21.89	25.98	26.75		
Diluted	21.77	25.95	26.68		

OTHER INCOME

	Q2 FY22	Q1 FY23	Q2 FY23
Income from investments, net	180	233	247
Foreign exchange gains/(loss)	299	142	119
Others	-299	-35	-105
Total	180	340	261

BALANCE SHEET (CONSOLIDATED)

Amount in ₹ million

	FY22	Q2 FY23
Assets		
Property and equipment	6,496	6,754
Intangible Assets and Goodwill	6,430	6,463
Accounts Receivable	16,959	16,564
Unbilled Revenues	2,610	3,826
Investments	14,779	17,947
Cash and Cash equivalents	6,742	6,411
Other current assets	3,022	2,711
Other non-current assets	3,872	2,647
Total Assets	60,910	63,322
Liabilities and Shareholders' Equity		
Shareholders' Funds	41,625	44,523
Other current liabilities	13,789	14,174
Other non-current liabilities	5,359	4,472
Minority Interest	137	153
Total Liabilities	60,910	63,322

CASH FLOW SUMMARY (CONSOLIDATED)

Amount in ₹ million

	FY22	YTD FY23
Net cash provided by operating activities	10,062	5,736
Capex	-1,555	-1,220
Free Cash Flow	8,507	4,515
Free Cash Flow to Net Income (%)	89%	81%

OPERATIONAL PERFORMANCE



	Q2 FY22	Q1 FY23	Q2 FY23	QoQ Growth	YoY Growth	In Constant Currency	
						QoQ Growth	YoY Growth
Revenue (USD Mn)	217.4	239.5	247.1	3.1%	13.6%	4.5%	18.1%

REVENUE BY VERTICAL

	Q2 FY22	Q1 FY23	Q2 FY23	QoQ Growth	YoY Growth
Transportation	31.4%	33.2%	34.5%	7.4%	25.2%
Industrial Products	20.0%	19.0%	18.9%	2.5%	7.2%
Telecom & Hi-tech	21.1%	20.3%	19.4%	-1.3%	4.4%
Plant Engineering	15.3%	16.0%	16.3%	4.6%	20.8%
Medical Devices	12.2%	11.5%	10.9%	-2.3%	1.6%

REVENUE BY GEOGRAPHY

	Q2 FY22	Q1 FY23	Q2 FY23	QoQ Growth	YoY Growth
North America	62.9%	62.9%	63.4%	4.0%	14.5%
Europe	16.7%	16.4%	15.9%	-0.1%	8.3%
India	13.0%	13.2%	12.8%	-0.3%	12.3%
Rest of the World	7.4%	7.4%	7.9%	9.5%	20.9%

REVENUE MIX

	Q2 FY22	Q1 FY23	Q2 FY23
Onsite	40.8%	43.8%	45.1%
Offshore	59.2%	56.2%	54.9%

REVENUE BY PROJECT TYPE

	Q2 FY22	Q1 FY23	Q2 FY23
Fixed Price	30%	26.9%	27.0%
Time and Material Contract	70%	73.1%	73.0%

CLIENT PROFILE

	Q2 FY22	Q1 FY23	Q2 FY23
Number of Active Clients	314	337	343
30 Million dollar +	1	2	3
20 Million dollar +	6	7	8
10 Million dollar +	21	23	24
5 Million dollar +	45	51	49
1 Million dollar +	125	142	150

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

CLIENT CONTRIBUTION TO REVENUE

	Q2 FY22	Q1 FY23	Q2 FY23
Top 5 Clients	17.0%	16.7%	16.4%
Top 10 Clients	28.2%	27.6%	26.9%
Top 20 Clients	44.1%	43.2%	42.4%

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

EMPLOYEE STATISTICS

	Q2 FY22	Q1 FY23	Q2 FY23
Total Headcount	17,983	21,433	21,474
Billable	16,875	20,082	20,189
Sales & Support	1,108	1,351	1,285
Voluntary Attrition % (LTM)	16.5%	23.2%	24.1%

EXCHANGE RATE (USD/INR)

	Q2 FY22	Q1 FY23	Q2 FY23
Period Realised	73.96	78.23	80.76
Period Closing	74.23	78.97	81.35

INDUSTRY RECOGNITIONS

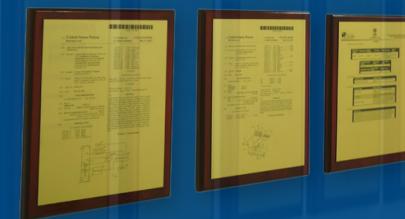
- LTTS recognized as **'Leader'** in Everest Group's **Connected Medical Device Services PEAK Matrix® Assessment 2022**
- Positioned as **'Leader'** in Everest Group's **Autonomous, Connected, Electric, and Shared (ACES) Mobility Automotive Engineering Services PEAK Matrix® Assessment 2021**
- **Frost & Sullivan** honoured LTTS with **Global Energy Optimization and Sustainability Management Product Leadership Award**
- LTTS' Global Engineering Academy has been named as **Best Corporate Learning University** in the **ET Future Skills Awards 2022**
- LTTS' eVOLTTS platform recognized as **Hybrid Technology Solution of the Year** by US-based **AutoTech Breakthrough Awards**

OTHER HIGHLIGHTS

LTTS is collaborating with **Qualcomm Technologies, Inc.** to deploy end-to-end solutions for the global 5G Private Network Industry utilizing their combined core expertise in the Hi-Tech & Telecommunication domain. LTTS and Qualcomm Technologies will bring together core competencies in telecommunication solutions and services for the benefit of end-customers in the manufacturing and warehousing/ logistics sector

PATENTS

At the end of Q2FY23, the patents portfolio of L&T Technology Services stood at **976**, out of which **663** are co-authored with its customers and the remaining **313** 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 Q2FY23 include:



Water Conservation for Agricultural Productivity

L&T Technology Services partnered with Aga Khan Rural Support Programme (India) to support a multipronged water conservation and irrigation programme in southern Gujarat – a region which faces severe water crisis every year.

Activities such as installation of solar lift irrigation pumps, plantation of 3,220 mango saplings and development of farm ponds were conducted. The farm ponds can multipurposed for fishery and vegetable cultivation. Additionally, over 32,000 saplings have been planted to promote biodiversity in the region.



Empowering Channapatna handicrafts and artisans

L&T Technology Services engaged with Craftizen Foundation to promote the traditional craft of Channapatna wooden toys by setting up a design workshop for learning and creation of these handicrafts. The civil work for the workshop commenced in Q2FY23 and it will become functional by the end of Q3FY23.



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 21,400 employees spread across 20 global design centers, 28 global sales offices and 90 innovation labs as of September 30, 2022.



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For additional information about L&T Technology Services log on to www.LTTS.com