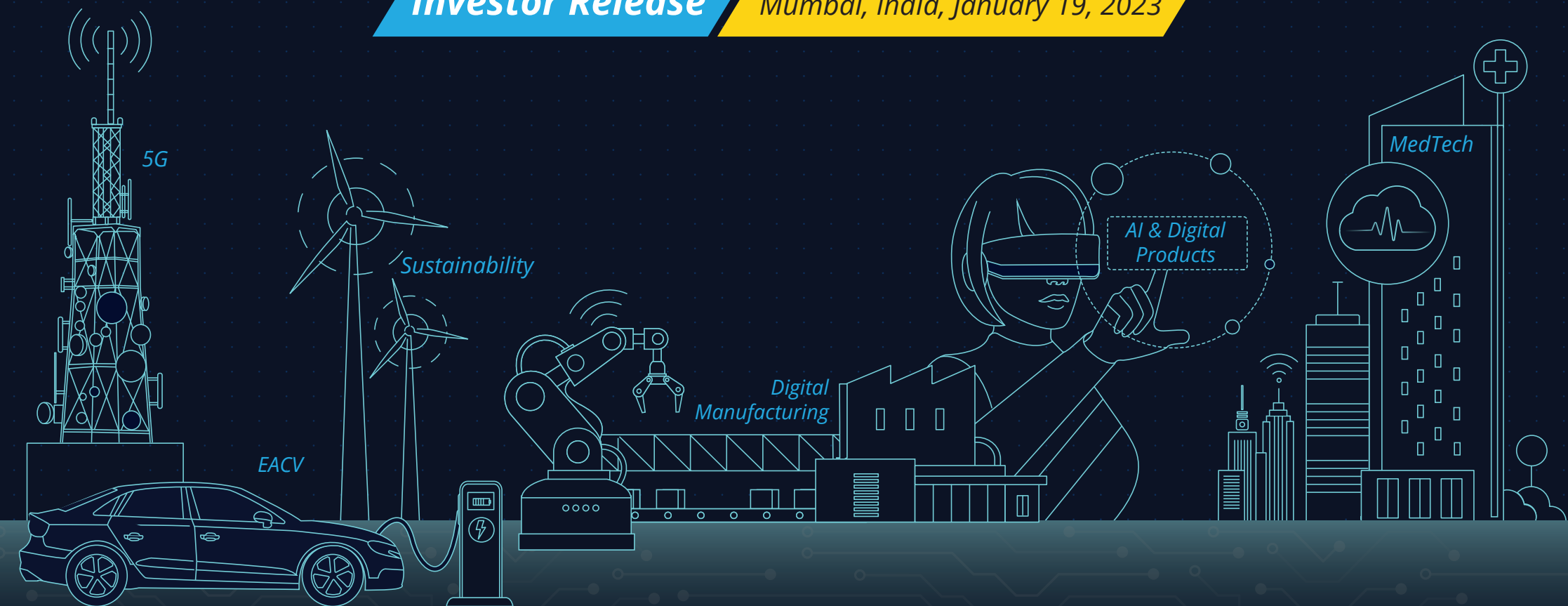


L&T TECHNOLOGY SERVICES LIMITED

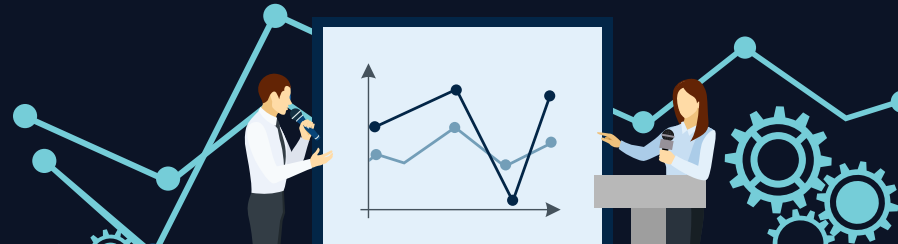
THIRD QUARTER - FY 23 RESULTS

Investor Release

Mumbai, India, January 19, 2023



FINANCIAL HIGHLIGHTS



REVENUE IN INR

- Revenue of **₹20,486 million** for the quarter; up **2.7% QoQ** and **21.4% YoY**

REVENUE IN USD

- Revenue of **\$248 million** for the quarter; up **0.4% QoQ** and **10.2% YoY**; in constant currency flat **QoQ** and up **13.5% YoY**

PROFIT IN INR

- EBIT of **₹3,829 million** for the quarter, EBIT margin at **18.7%**
- Net Income of **₹3,036 million** for the quarter, up **7.5% QoQ** and **22% YoY**; Net Income margin at **14.8%**

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



Q3 was a marquee quarter for value creation both from a shareholder and technology standpoint. We surpassed the ₹300 crore mark in Net profits and crossed the milestone of 1,000 plus patent filed by us.

We had 5 deal wins above \$10M in TCV and a significant empanelment from Airbus who named us as strategic partner. Growth in the quarter was muted due to seasonality and higher than expected impact from furloughs especially in the Plant Engineering segment. Transportation performed well driven by healthy spends in our big bet - electric, autonomous and connected vehicles. 3 of the total 5 deal wins greater than \$10M were from Industrial Products on the back of our differentiated capabilities in digital twin and sustainability driven product development.

Operational performance continues to be robust with EBIT margin at an all-time high of 18.7% and our Net profit crossed the INR 3 Bn mark quarterly. This has been the 6th consecutive quarter of 18% plus EBIT margin.

For FY23, we expect USD revenue growth to be around 15% organic, in constant currency (using Q4FY22 currency rates as benchmark).

Towards meeting our aspiration of a USD 1.5Bn run-rate by FY25, we are making strategic investments. In Q3, we opened a new center in Toronto for Digital Engineering and expanded our operations in Peoria to offer digital manufacturing and next-gen electrification solutions. Recently we announced the acquisition of Smart World and Communication (SWC) which is a progression of our 6 Big Bets strategy in the areas of 5G, Sustainability and Digital Products & AI. We are confident these investments will help differentiate our offerings and expand our addressable market

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:

- LTTS has been selected as a strategic engineering partner to **Airbus** for providing Advanced Engineering Capabilities and Digital Manufacturing Services under a multi-year contract. Under this agreement, LTTS will support Airbus in key verticals and technology areas for its ongoing Commercial and Innovation programs.
- An Oil and Gas giant has selected LTTS as their engineering partner to provide niche engineering and technology support & help the customer expand its market share.
- A large Swedish food processing and packaging company has entrusted LTTS to be a preferred partner for the digital transformation of their global integrated content management system to drive standardization and compliance.
- A large European material handling and logistics automation company has awarded a multi-year product sustenance program to LTTS. Through this deal, LTTS will take over lifecycle maintenance of some of the legacy products while helping innovate and introduce new products using digital technologies.
- A leading chemicals manufacturing company has awarded LTTS a program to upgrade its digital dashboard solution with a responsive and interactive UX across multiple platforms.
- One of the leading multinational food and beverage companies has awarded LTTS a large Industry 4.0 deal. LTTS would be helping the customer improve operational efficiencies by re-engineering its centralized maintenance operations.
- LTTS won a multi-year engineering program from a leader in medical devices for its line of medical devices.
- LTTS has signed a 3-year agreement with a leading energy conglomerate to provide consulting, implementation and sustenance of Asset Integrity across 20 major assets of the customer.
- A US based off highway equipment OEM has selected LTTS as its strategic partner to develop capabilities around Embedded Software, Control Systems, and Software Verification/Validation Engineering.

FINANCIAL PERFORMANCE

INCOME STATEMENT (CONSOLIDATED)

Amount in ₹ million

	Q3 FY22	Q2 FY23	Q3 FY23	QoQ	YoY
Revenue	16,875	19,951	20,486	2.7%	21.4%
Cost of sales	11,182	13,546	13,716		
Gross Profit	5,693	6,405	6,770	5.7%	18.9%
Selling, General & Administration Expenses	2,018	2,212	2,358		
EBITDA	3,675	4,193	4,412	5.2%	20.1%
Depreciation & Amortisation	531	591	583		
EBIT	3,144	3,602	3,829	6.3%	21.8%
Other Income, net	259	287	627		
Income tax expense	907	1,057	1,406		
Minority Interest	8	8	14		
Net Income	2,488	2,824	3,036	7.5%	22.0%
Margins (%)					
Gross Margin	33.7%	32.1%	33.0%		
EBITDA Margin	21.8%	21.0%	21.5%		
EBIT Margin	18.6%	18.1%	18.7%		
Net Income Margin	14.7%	14.2%	14.8%		
Earnings Per Share (INR)					
Basic	23.61	26.75	28.75		
Diluted	23.56	26.68	28.66		

OTHER INCOME

	Q3 FY22	Q2 FY23	Q3 FY23
Income from investments, net	193	247	327
Foreign exchange gains/(loss)	155	119	393
Others	-89	-79	-93
Total	259	287	627

BALANCE SHEET (CONSOLIDATED)

Amount in ₹ million

	FY22	Q3 FY23
Assets		
Property and equipment	6,496	6,894
Intangible Assets and Goodwill	6,430	6,463
Accounts Receivable	16,959	17,793
Unbilled Revenues	2,610	3,737
Investments	14,779	18,994
Cash and Cash equivalents	6,742	7,527
Other current assets	3,022	2,486
Other non-current assets	3,872	2,807
Total Assets	60,910	66,701
Liabilities and Shareholders' Equity		
Shareholders' Funds	41,625	46,009
Other current liabilities	13,789	15,903
Other non-current liabilities	5,359	4,621
Minority Interest	137	168
Total Liabilities	60,910	66,701

CASH FLOW SUMMARY (CONSOLIDATED)

Amount in ₹ million

	FY22	YTD FY23
Net cash provided by operating activities	10,062	9,829
Capex	-1,555	-1,569
Free Cash Flow	8,507	8,260
Free Cash Flow to Net Income (%)	89%	96%

OPERATIONAL PERFORMANCE



	Q3 FY22	Q2 FY23	Q3 FY23	QoQ Growth	YoY Growth	In Constant Currency	
						QoQ Growth	YoY Growth
Revenue (USD Mn)	225.1	247.1	248.0	0.4%	10.2%	0.0%	13.5%

REVENUE BY VERTICAL

	Q3 FY22	Q2 FY23	Q3 FY23	QoQ Growth	YoY Growth
Transportation	31.8%	34.5%	35.9%	4.4%	24.4%
Industrial Products	19.5%	18.9%	19.0%	1.1%	7.7%
Telecom & Hi-tech	21.4%	19.4%	18.8%	-2.8%	-3.0%
Plant Engineering	15.4%	16.3%	15.5%	-4.1%	10.9%
Medical Devices	11.9%	10.9%	10.7%	-1.1%	-1.0%

REVENUE BY GEOGRAPHY

	Q3 FY22	Q2 FY23	Q3 FY23	QoQ Growth	YoY Growth
North America	62.5%	63.4%	62.7%	-0.7%	10.6%
Europe	16.5%	15.9%	16.1%	1.3%	7.2%
India	13.7%	12.8%	13.6%	6.4%	9.4%
Rest of the World	7.4%	7.9%	7.6%	-2.5%	14.5%

REVENUE MIX

	Q3 FY22	Q2 FY23	Q3 FY23
Onsite	41.3%	45.1%	43.0%
Offshore	58.7%	54.9%	57.0%

REVENUE BY PROJECT TYPE

	Q3 FY22	Q2 FY23	Q3 FY23
Fixed Price	29.0%	27.0%	28.6%
Time and Material Contract	71.0%	73.0%	71.4%

CLIENT PROFILE

	Q3 FY22	Q2 FY23	Q3 FY23
Number of Active Clients	318	343	343
30 Million dollar +	2	3	2
20 Million dollar +	6	8	8
10 Million dollar +	22	24	25
5 Million dollar +	44	49	50
1 Million dollar +	126	150	158

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

CLIENT CONTRIBUTION TO REVENUE

	Q3 FY22	Q2 FY23	Q3 FY23
Top 5 Clients	17.3%	16.4%	16.0%
Top 10 Clients	28.5%	26.9%	26.6%
Top 20 Clients	43.8%	42.4%	42.1%

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

EMPLOYEE STATISTICS

	Q3 FY22	Q2 FY23	Q3 FY23
Total Headcount	20,118	21,474	21,649
Billable	18,975	20,189	20,346
Sales & Support	1,143	1,285	1,303
Voluntary Attrition % (LTM)	17.5%	24.1%	23.3%

EXCHANGE RATE (USD/INR)

	Q3 FY22	Q2 FY23	Q3 FY23
Period Realised	74.95	80.76	82.59
Period Closing	74.34	81.35	82.74

INDUSTRY RECOGNITIONS

- LTTS awarded with the **Best Industry-Academia collaborations** of this year by **CII Industrial Innovation Awards 2022**.
- Won the **Golden Peacock Innovation Management Award** – 2022 by **Institute of Directors (IOD)**
- LTTS conferred with the 2022 **Notable Supplier Award** by **Bosch India**.
- LTTS' Global Engineering Academy was declared the **winner of the organization award category** at the **Future of Learning and Development Summit & Awards 2022** by the UBS Forum
- Honoured with the **Gold Award** in the areas of '**Environment, Climate and Forest**' by CSR Times

Ratings

- LTTS has been rated as leaders in the **Zinnov Zones ER&D Services 2022** across verticals including Aerospace, Automotive, Industrial, Semiconductor, Telehealth, Telecommunication and technologies such as Electrification, Digital Engineering, Data & AI Engineering, Experience Engineering Services, and Industry 4.0.
- ISG rated LTTS as the leader and the only pure-play ESP in **Manufacturing Industry Services** in the US and Europe

OTHER HIGHLIGHTS

Digital Engineering Awards:

LTTS in collaboration with ISG and with CNBC TV 18 as media partner, has created a unique platform known as Digital Engineering Awards to recognize and honor engineers and organizations at a global level for their pioneering engineering work to promote engineering services and technology innovation on the world stage.

The inaugural edition of the Digital Engineering Awards attracted participation across North America, Europe, and Asia Pacific from more than 70 global organizations – all market leaders in their respective industries spanning automotive, aerospace, industrials, plant engineering, telecom and hi-tech. More than 120 separate nominations were submitted for consideration. 30 enterprise teams and individuals from around the world have been named winners of the first-ever Digital Engineering Awards. The winners were honoured during a gala dinner and awards ceremony held at the Hyatt Regency Jersey City on the Hudson, in Jersey City, N.J., U.S.A.

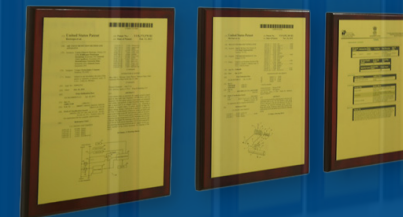


Opening of Global Design Centers:

During the quarter, LTTS expanded its global footprint with the launch of a new engineering research & development (ER&D) center in Toronto, Canada, two new design and prototyping centers in Peoria, USA and a center of excellence in Pune, India.

PATENTS

At the end of Q3FY23, the patents portfolio of L&T Technology Services stood at **1033**, out of which **695** are co-authored with its customers and the remaining **338** are filed by LTTS.



CORPORATE SOCIAL RESPONSIBILITY

The past quarter witnessed the sheer passion and enthusiasm of LTTSites when it comes to contributing to the society. The key initiatives undertaken in Q3FY23 include:



LTTSites for a Cause

Vadodara & Mysuru- Volunteers from LTTS Vadodara and Mysuru gathered at the Akota Stadium in Vadodara and the Scouts and Guides ground in Mysuru respectively to collect solid waste across a stretch of about 2 KM around the meeting points in both the cities. Plastic waste was collected separately. The activities at the two locations led to a cumulative collection of 475 Kg of waste and 140 hours of volunteering activity being clocked.



Mumbai Open- A Wheelchair Tennis Tournament

In November 2022, specially abled tennis players gathered at the Navi Mumbai Sports Association for the much awaited Wheelchair Tennis Tournament. The tournament included singles and doubles matches for both men and women and saw a hearty participation by 42 sportspersons from across the country.

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 21,600 employees spread across 22 global design centers, 28 global sales offices and 91 innovation labs as of December 31, 2022.



For more information please contact:

Pinku Pappan

Head, Investor Relations & M&A

Email: pinku.pappan@LTTS.com

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