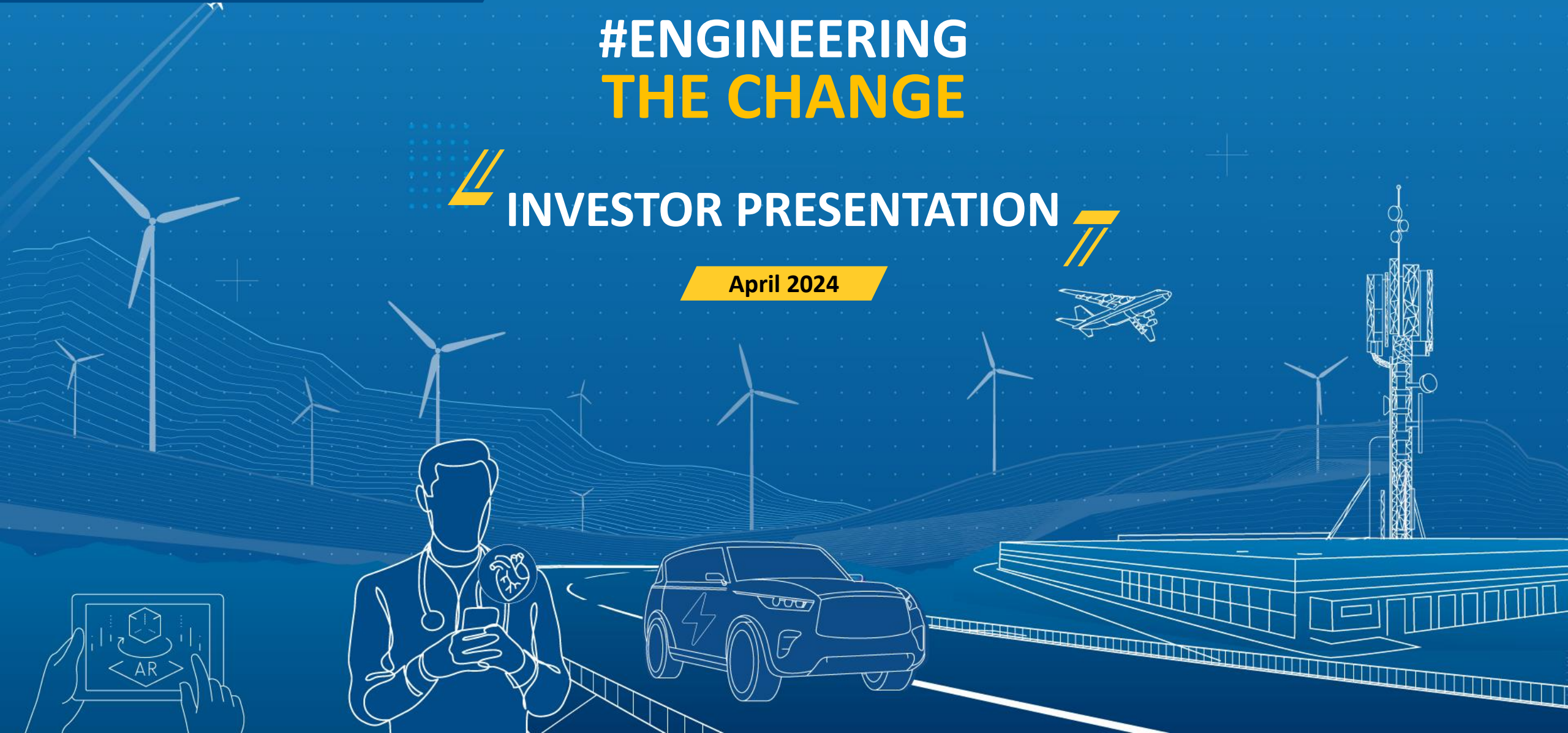


# #ENGINEERING THE CHANGE

## INVESTOR PRESENTATION

April 2024



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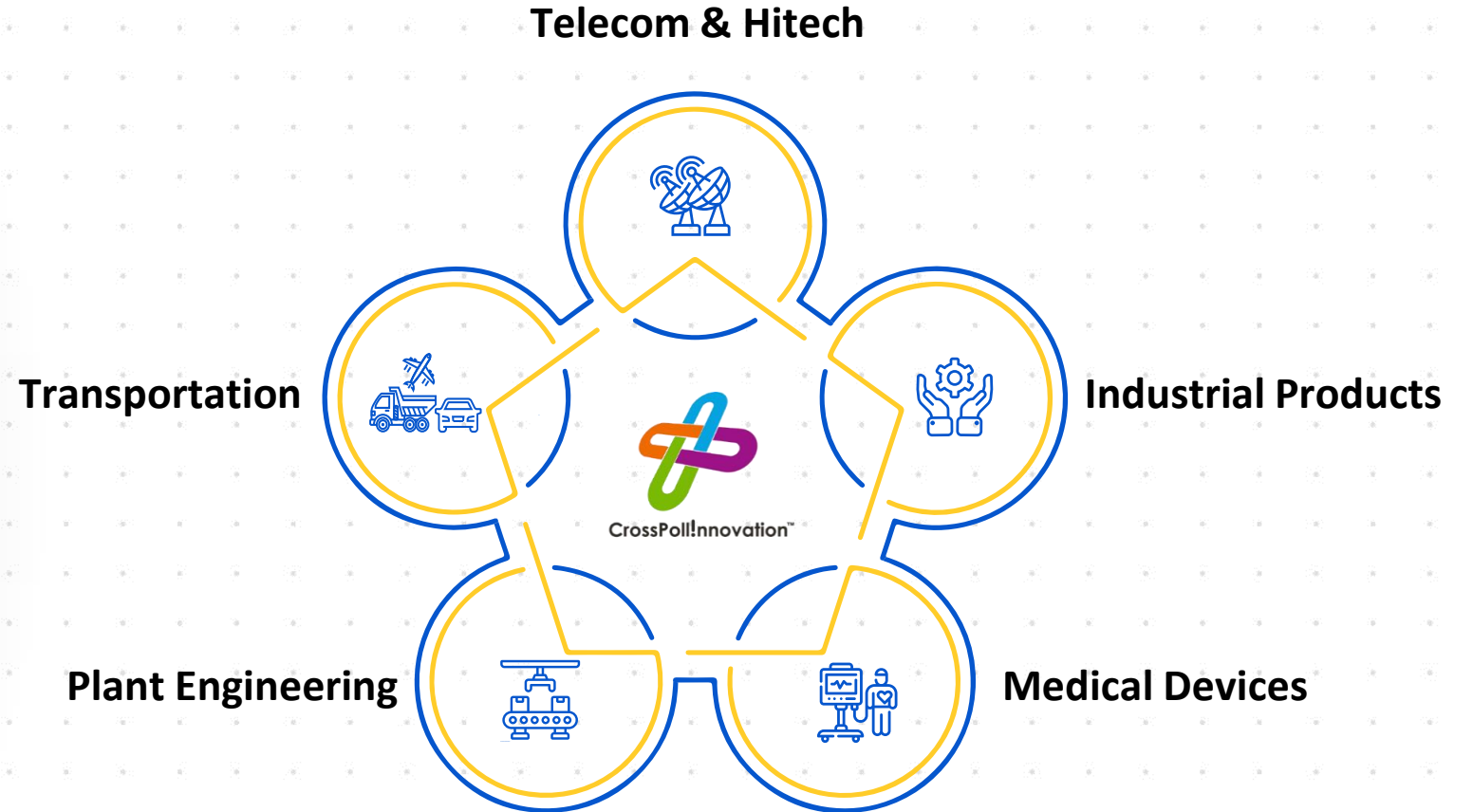
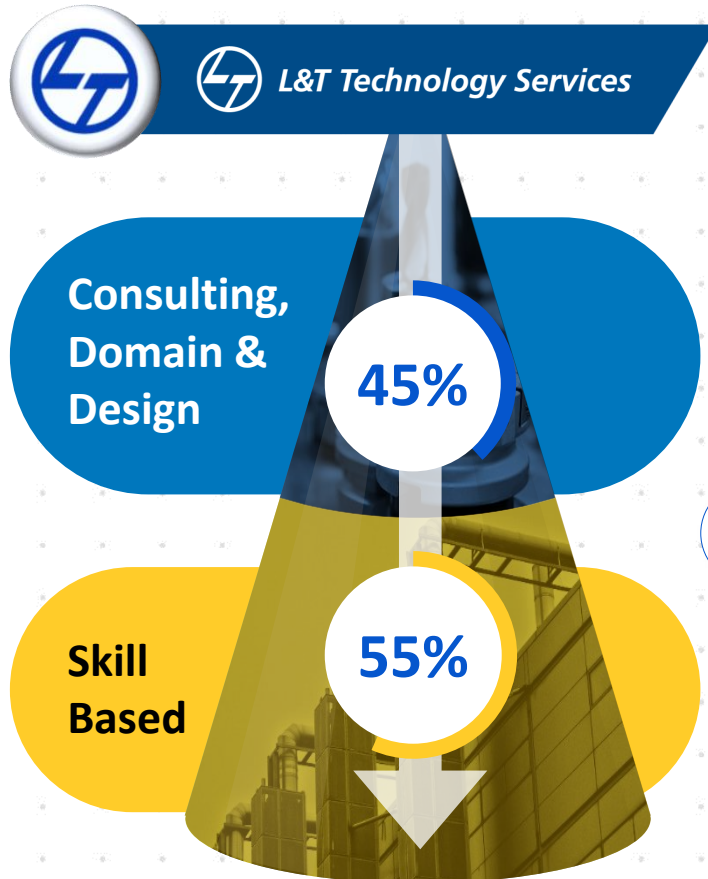
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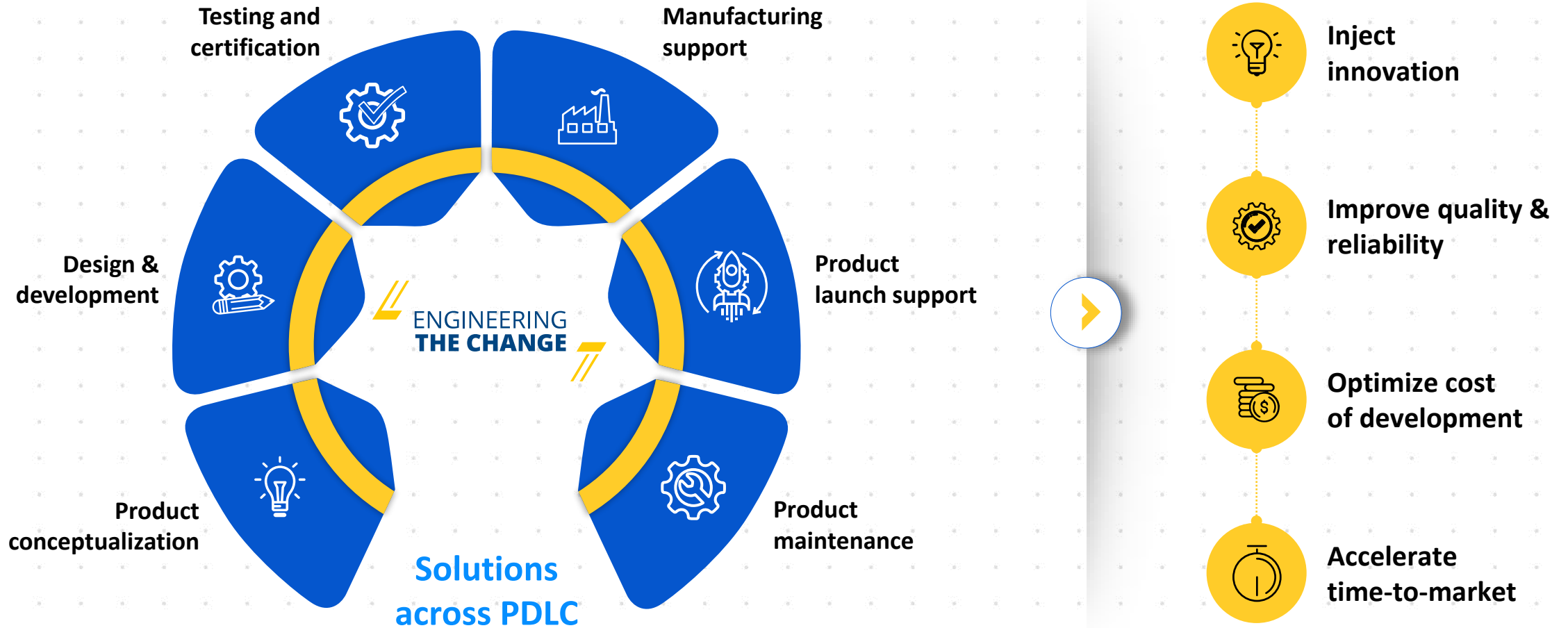
# This is L&T Technology Services



# Our Engineering Heritage and Multi-domain Capabilities...



# ...Allows us to be the End-End Engineering Partner for our Clients

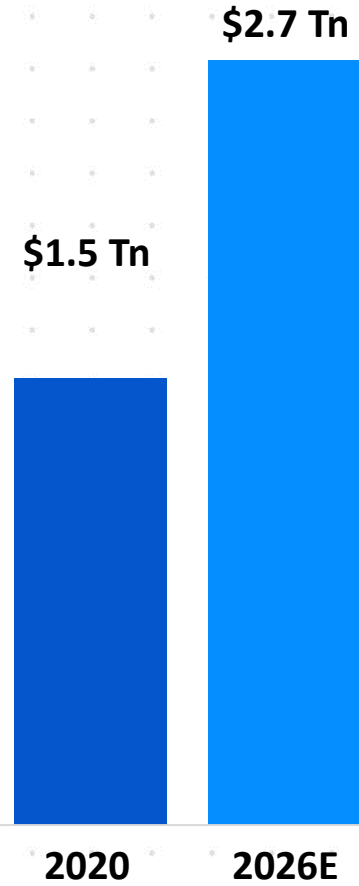


PHYSICAL TO **DIGITAL**

SILICON TO **CLOUD**

# Our Playing Field

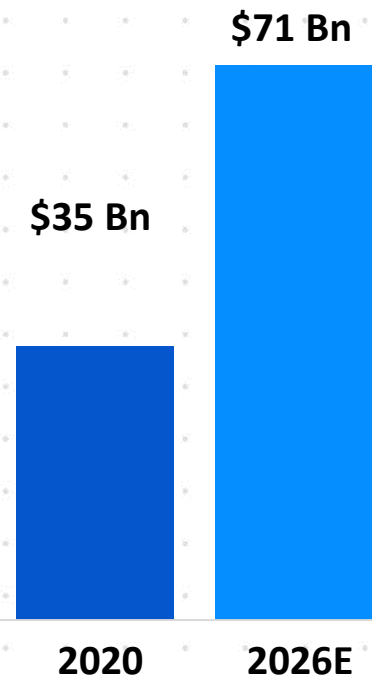
## Global ER&D Spend



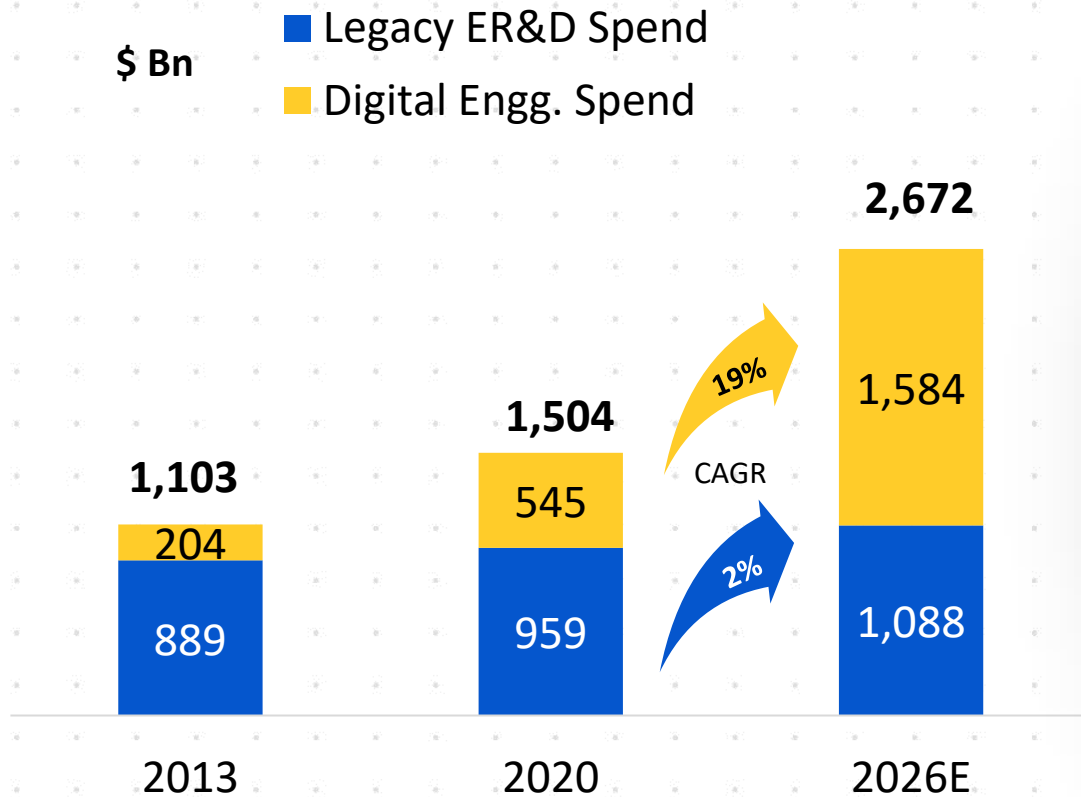
## Addressed Market



## India ER&D Market



# Digital Driving ER&D Spend



## Digital Engineering Spend



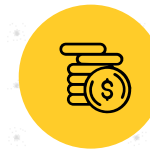
**60%+**

Of LTTS Revenue  
FY23



**59%**

Of Global ER&D  
spend by 2026



**2.9X**

Increase in Digital Engineering  
Spend by 2026

# Our Six Strategic Growth Areas...

**6**  
**BIG BETS**



**01**

## **EACV**

25% of Cars to be EV by 2025E



**02**

## **MedTech**

\$200 Bn by 2025E



**03**

## **NexGen Comms**

\$155 Bn by 2025E



**04**

## **AI & Digital Products**

\$100 Bn by 2025E



**05**

## **Digital Manufacturing**

\$475 Bn by 2025E



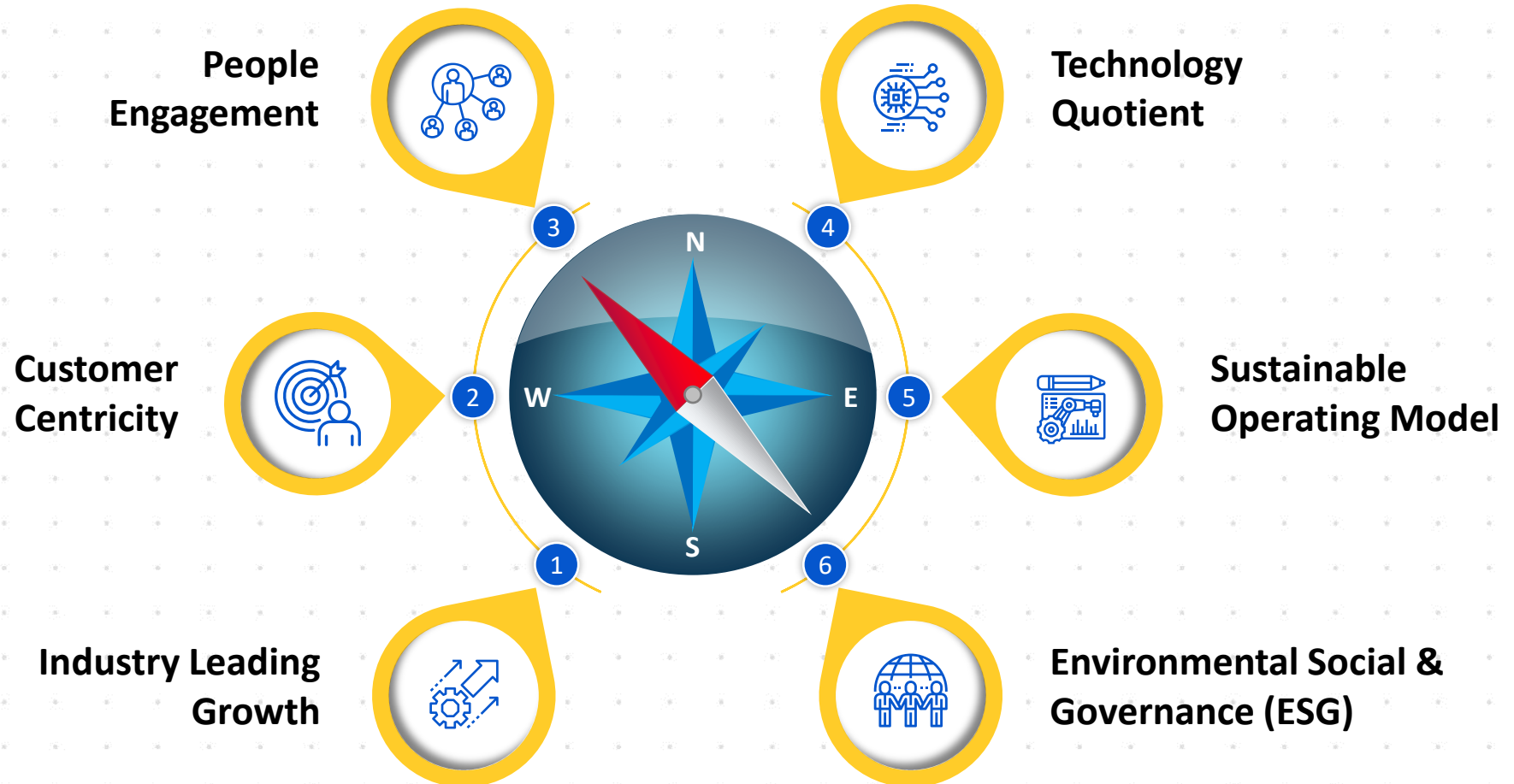
**06**

## **Sustainability**

\$400 Bn by 2025E



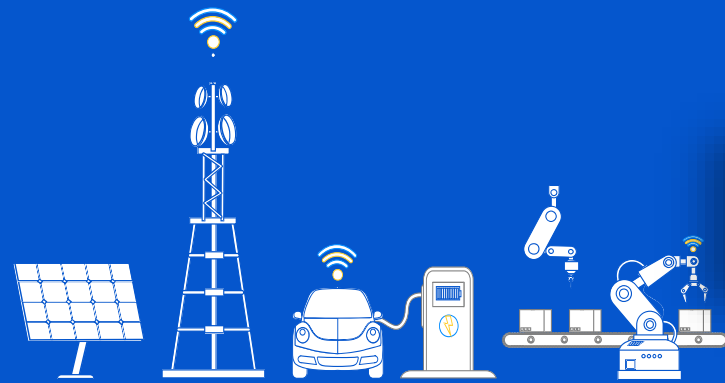
# With a Six-Dimensional Glide Path



**Strategy for Profitable, Sustainable & Inclusive Growth**

# 104 R&D INNOVATION LABS

Supporting focused investment areas



### IoT lab

IoT solutions come to life- from connected workers to predictive analytics and industrial cybersecurity



### Smart manufacturing lab

Focused on engineering solutions for manufacturing operations management



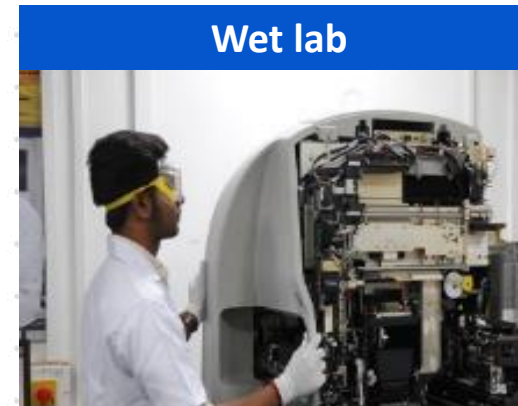
### 5G lab

Focused on for 5G development, NFV Benchmarking, Validation and Design services



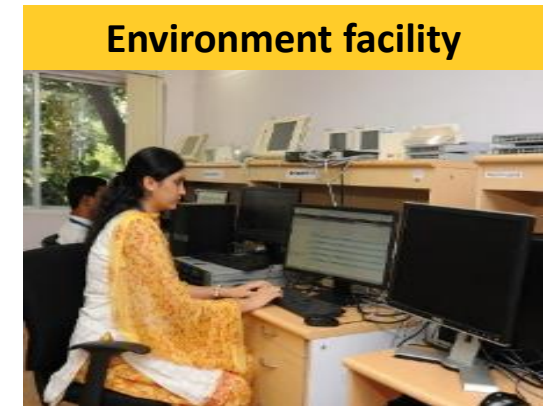
### Electric vehicle lab

Innovation design center for detailed engineering & testing on advanced electrical instruments



### Wet lab

Life science & diagnostic devices are validated using chemicals, drugs and bio-matter.



### Environment facility

Pre-compliance activities to test products under different environmental conditions.



**Technology labs**



**Industry specific labs**



**Compliance testing labs**



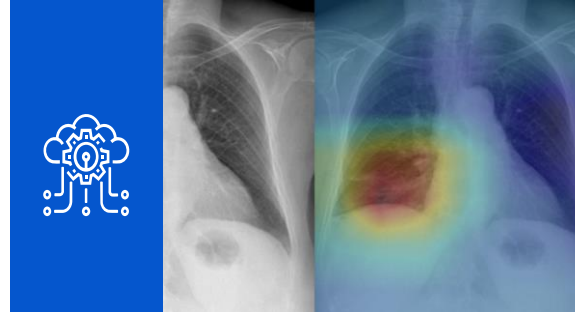
**Design studio**

# Enabling Innovation With World Class Solutions



## eVOLTTS

In-house developed end-to-end vehicle electrification platform enabling faster GTM



## Chest rAI™

AI-based chest X-ray analysis system to assist the radiologists in improving speed and accuracy of the diagnosis



## 5G Enterprise

Best in-class lab for automation of 5G SA and NSA System and Testing test cases



## Energy Management

Resulting to energy intensity reduction by 10-15% across multiple sites



## Optical Subsystem

New age flow cytometer with high precision levels for single-cell population characterization



## Unmanned Aerial Vehicle

Enhanced Flight Control Computer and Structure Design

# Creating Customer Value Via Crosspoll!nnovation

By bringing transformative ideas from other industries, LTTTS' Innovations helped us reduce lead time to market.



5G TCU Testing from our Hi-Tech Segment for a Transportation Customer



Annotation Technology from Transportation being used for Imaging Medical Radiology



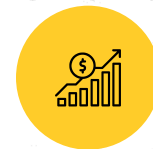
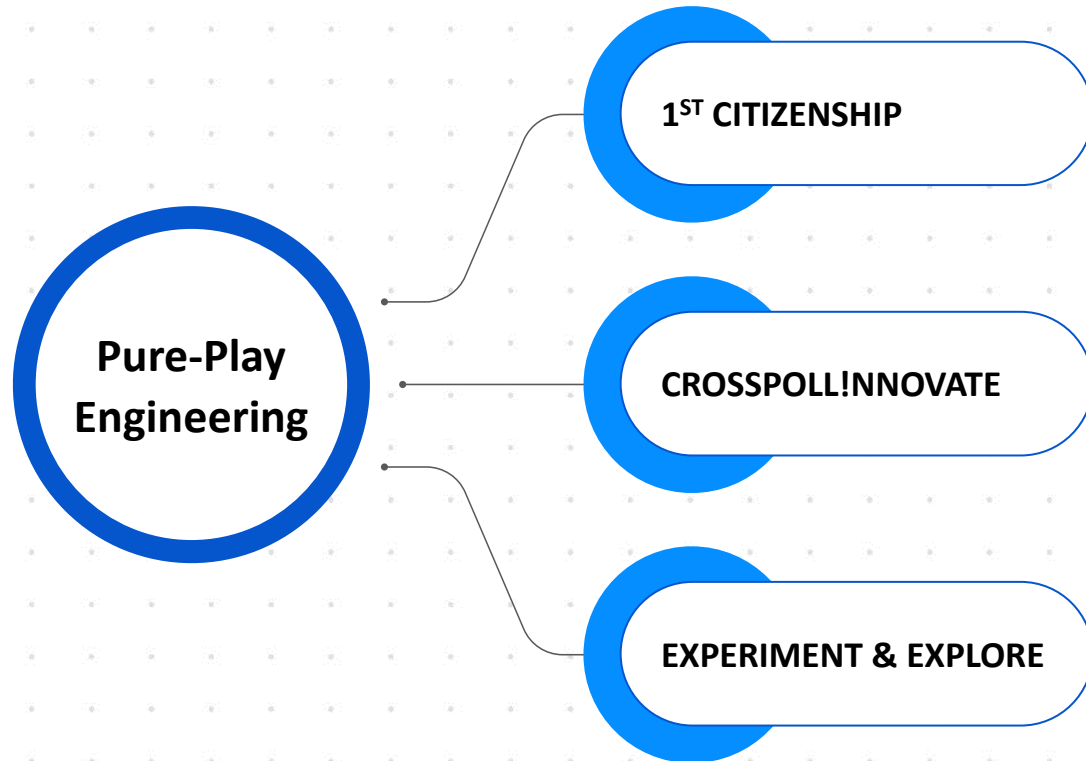
Battery operated Autonomous Welding Robot from Industrial Products for a Plant Engineering manufacturer

# Our World Class Talent



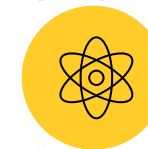
23,800+

EMPLOYEES ENGINEERING  
THE CHANGE



## Tech investments

Innovation Labs,  
Futuristic Technology



## Attracting Gen-Z engineers

**TECHgium**<sup>®</sup>  
Engineering. Outsourcing. 24x7. Future-ready.



## Innovation generation

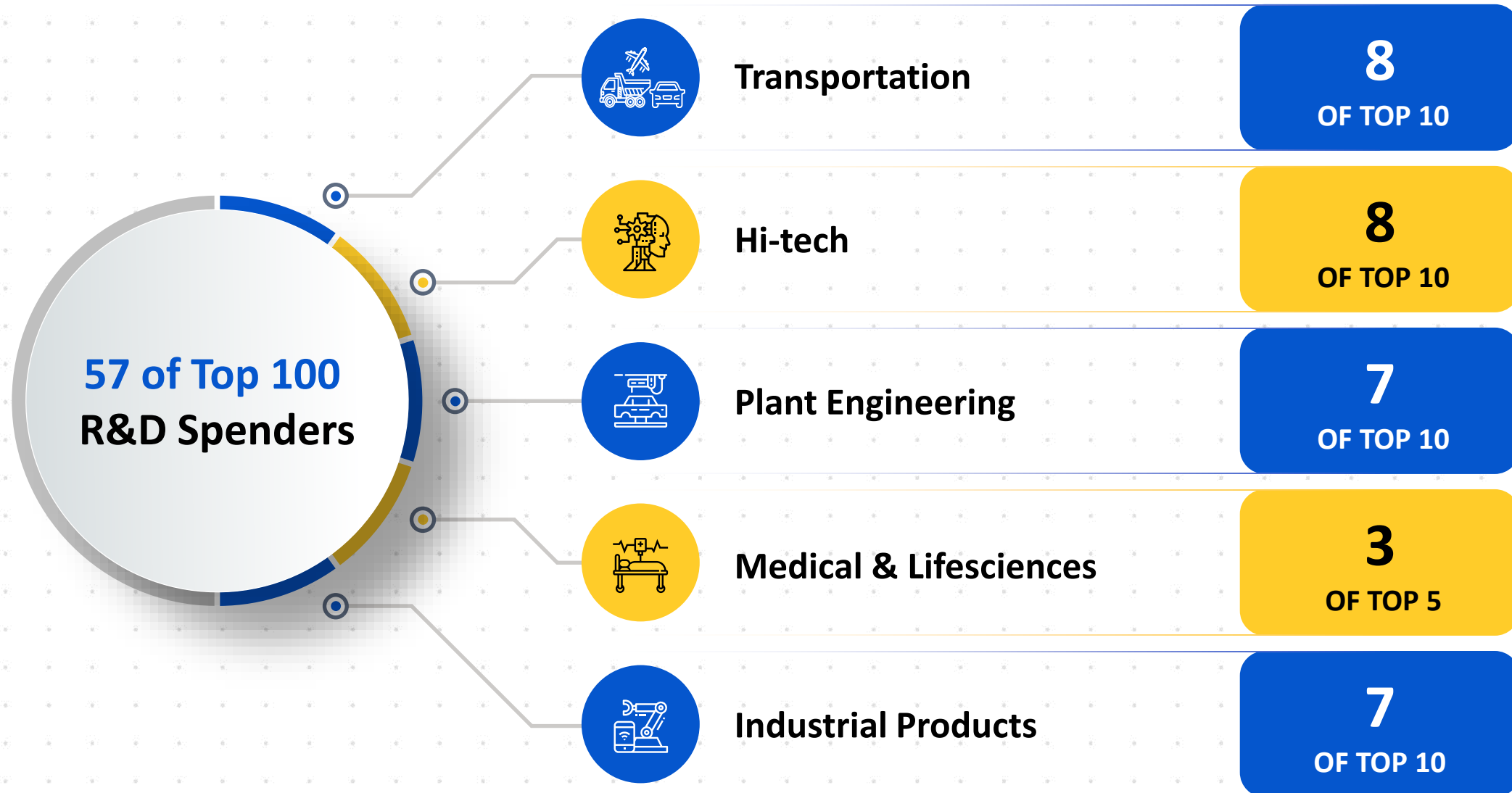
Reveries, TechExpression,  
Hackathons



## Next-Gen career

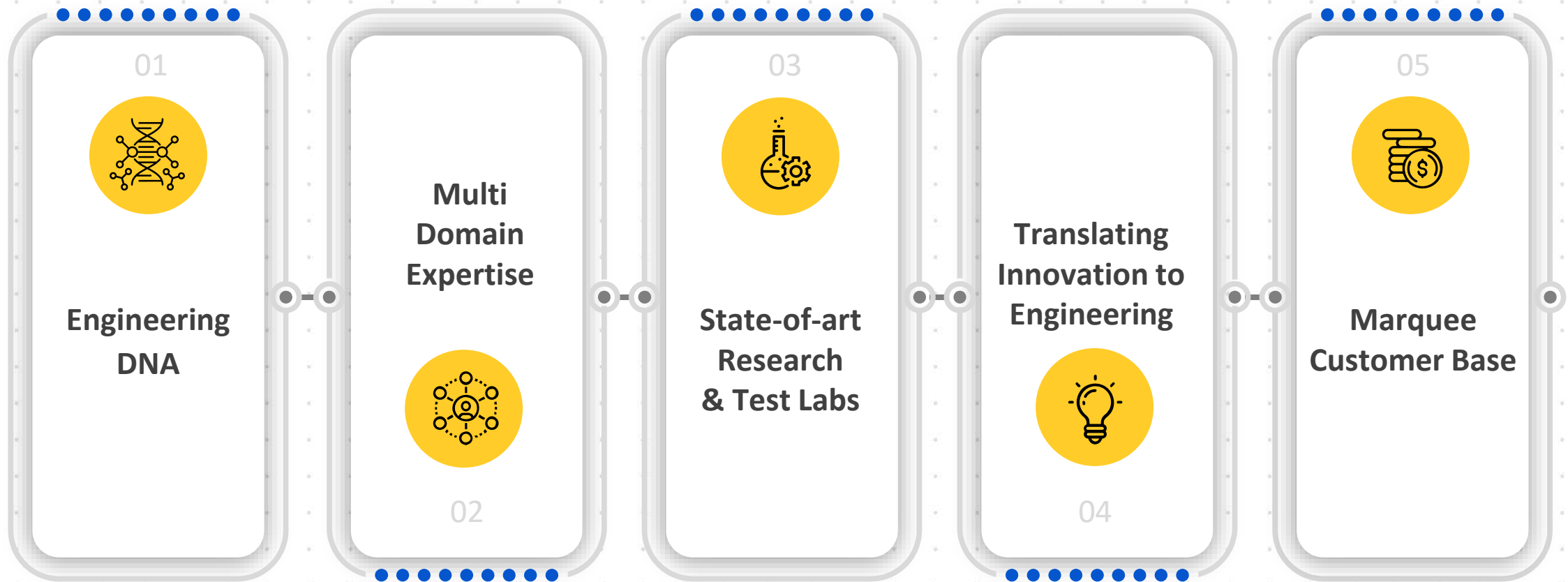
Multi-Dimensional  
Technocrats

# Helps us Expand Relationship With Top R&D Spenders



# What Sets us Apart

## Our Key Differentiators



# Has Led Us To Where We Are



**#1** Pure-Play **Engineering Services Provider**<sup>^</sup> for **two consecutive years**

Leading Edge  
in Emerging  
Tech Areas



**Digital Engineering**

Among Top 5 ESPs



**ADAS**

Among Top 3 ESPs



**Digital Thread**

Among Top 3 ESPs



**IoT**

Among Top 4 ESPs



**AI Engineering**

Among Top 5 ESPs

**Aerospace**

Among Top 5 ER&D players



**Auto**

Among Top 4 in competency



**Medical**

Among the Top 2 in competency



**Telecom**

Among the Top 4 ESP



**Industrial**

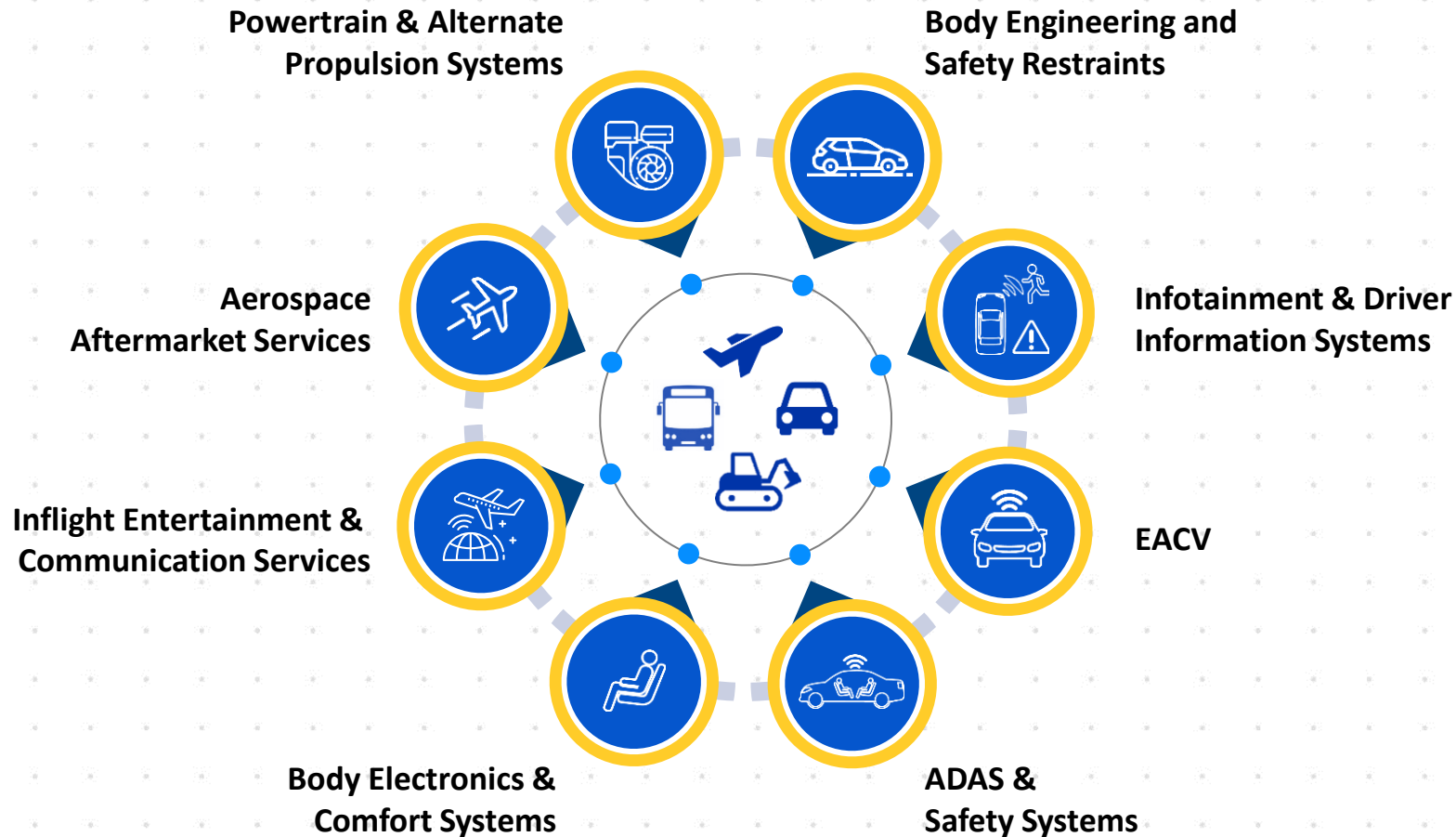
Maintained Top 2 position



Leading Edge  
in Vertical  
Positioning



# Transportation: Co-creating The Next-generation Of Mobility



**Revenue: USD390mn+**  
(Q4FY24 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

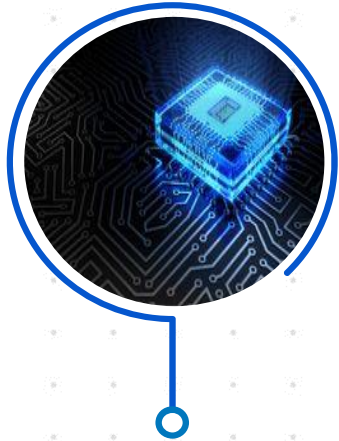
Automotive practice rated in Winner Circle by HfS Research

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.

Leader – ISG Provider Lens 2021

# Telecom & Hi-Tech: Strengthening Connectivity



## Advanced Silicon

3D Imaging &  
Depth Perception

Speech Recognition  
Engine

Semicon



## Next-gen Connectivity

5G &  
Nb-IoT Stack

Telecom

Sustainable  
Spaces



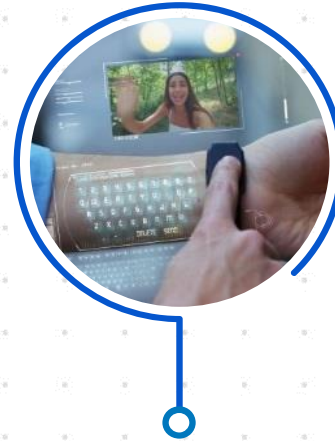
## Innovative Entertainment

Blockchain

OTT Platform &  
Applications

VOD &  
Catch-up Tv

Media &  
Entertainment



## Cutting-edge Wearables

Smart Home

Smart Appliances

Wearables

Consumer  
Electronics

**Revenue: USD355mn+**  
(Q4FY24 annualized)

LTTS stood out for clients' very positive impressions of its operations and service delivery. Reference clients have praised LTTS'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

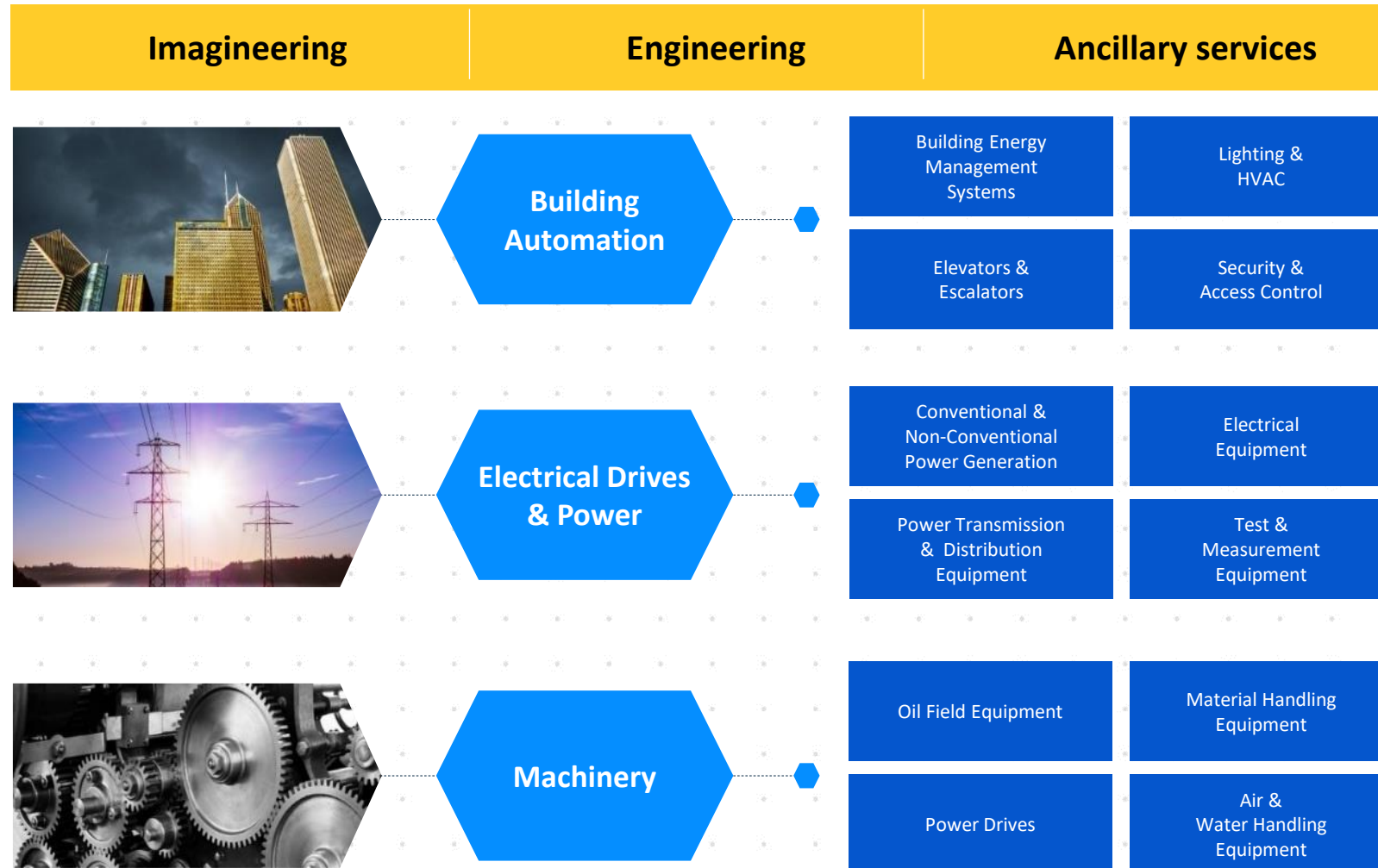


20+ partnerships and 40+ in-house solutions, IPs and accelerators.



Leader – ISG Provider Lens 2021

# Industrial Products: Infusing Technologies



**Revenue: USD190mn+**  
(Q4FY24 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

Leader – ISG Provider Lens 2021

# Plant Engineering: Extending Industry 4.0

## Consumer Packaged Goods

## Speciality Chemicals

## Energy & Utilities

### Industry 4.0 Enablers

- IoT and M2M Consulting
- Analytics
- Mobility
- Cloud

### Operations & Business Management

- ERP and EAM
- Applications and Systems
- Integration Services
- Testing Services
- AMS and ADM

### Infrastructure

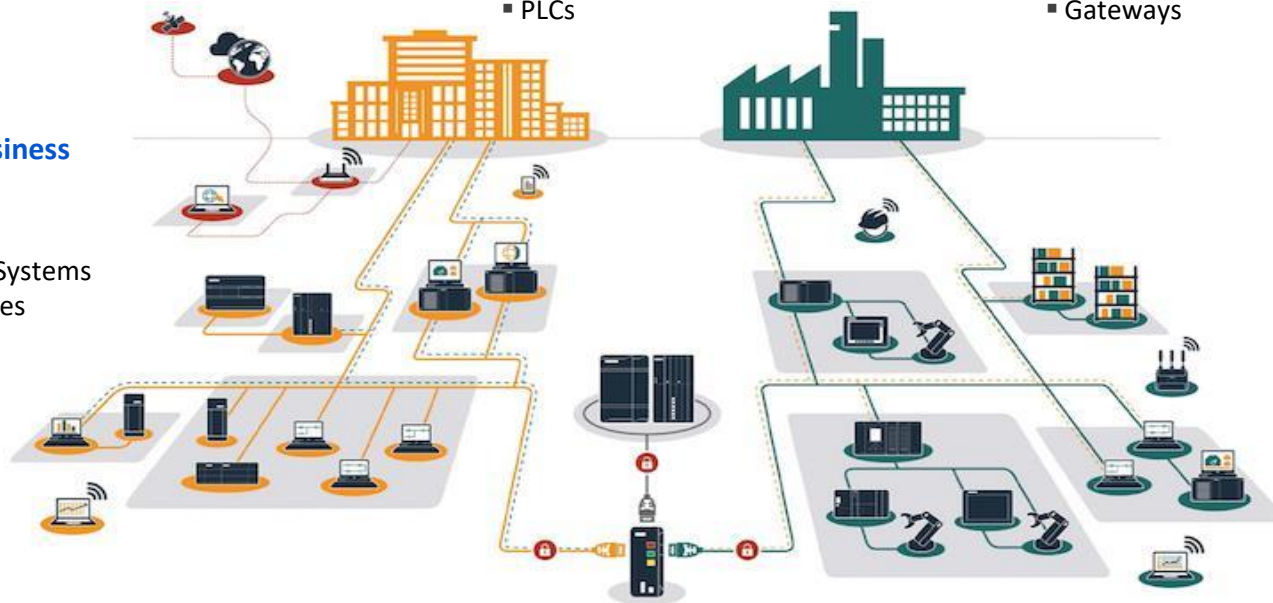
- Hosting & Cloud Services
- End User Computing
- Network
- Security

### Monitoring and Control

- SCADA
- DCS
- Control Panel
- PLCs

### Data Acquisition

- CNC
- Robots
- Alarms
- Gateways
- RTU
- HMI
- Historian



### Engineering Expertise

- Product lifecycle Management
- Mechanical Design Expertise
- Electrical Design Expertise
- Embedded System Engineering

### Sensors and Instrumentation

- RFID Equipment
- Sensors
- I/O Devices
- Device Integration
- Embedded System

**Revenue: USD170mn+**  
(Q4FY24 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



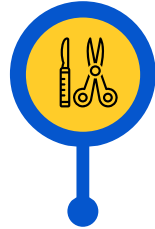
Leader – ISG Provider Lens 2021

# Medical Devices: Touching Lives



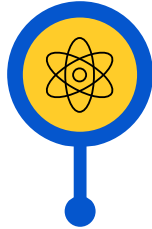
## Patient Mobility

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



## Surgical & Diagnostic

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



## Therapeutic & Life Science

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



## Musculoskeletal

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

**Revenue: USD105mn+**  
(Q4FY24 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



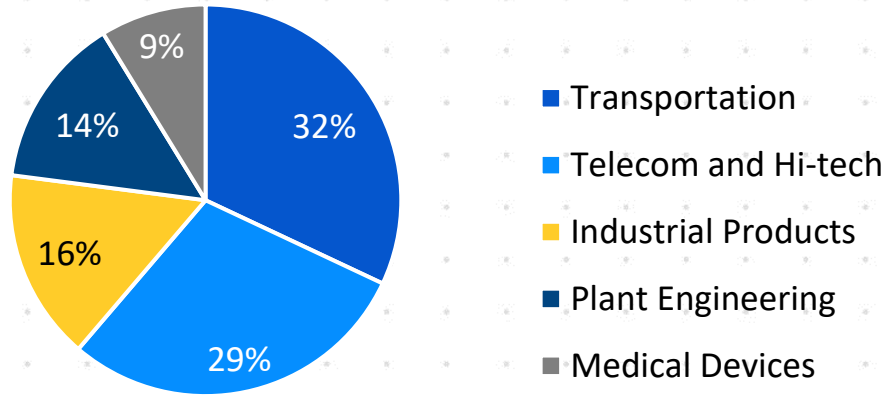
cGMP focused manufacturing practice



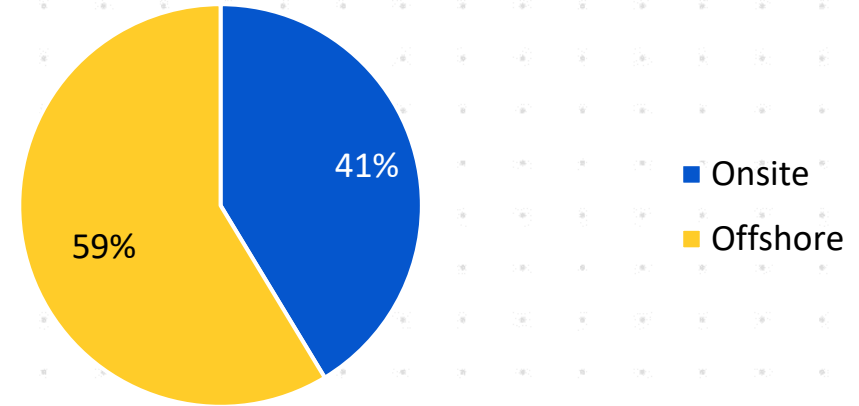
Leader – ISG Provider Lens 2021

# Diversified Business Mix

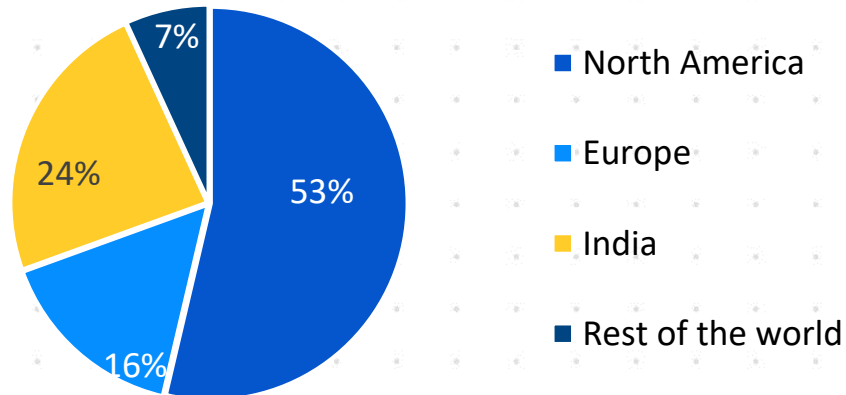
## By Vertical



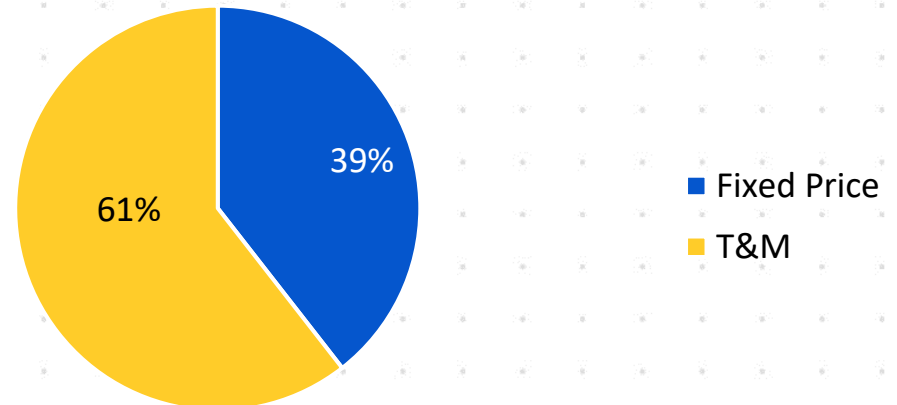
## Onsite vs. Offshore Split



## By Geography

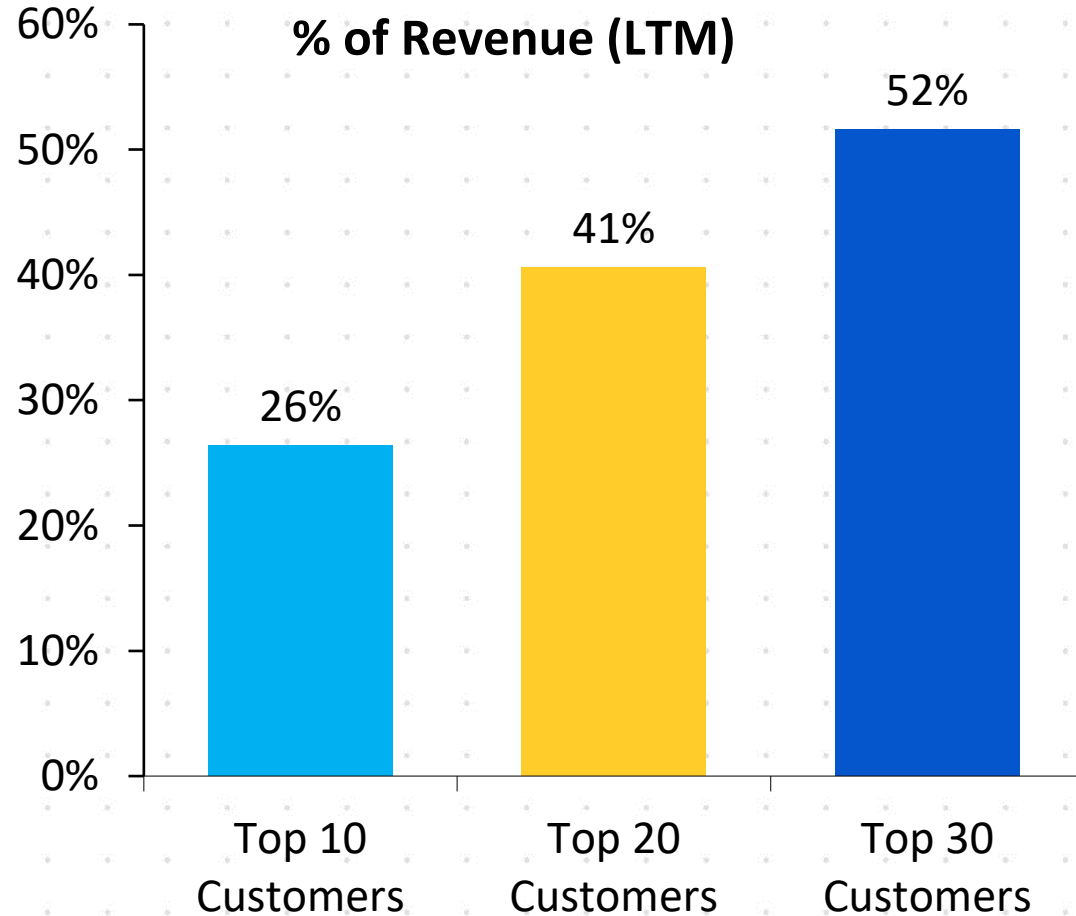


## Fixed Price vs. T&M



# Diversified Customer Base

## Top Clients Contribution



## Scale-up of million dollar clients

Customer Revenue (USD Mn)	FY21	FY22	FY23*	FY24
30 Million +	0	2	1	5
20 Million +	3	6	11	12
10 Million +	20	22	28	35
5 Million+	39	48	57	58
1 Million +	122	136	178	180

\*Note: Effective April 1, 2023, LTTS completed the acquisition of Smart World & Communication (SWC) Business of L&T. In compliance with Ind AS requirements applicable to common control transactions, FY23 financials have been re-stated to include SWC.

# Performance Highlights

FY19	FY20	FY21	FY22	FY23*	Parameters	FY24
723	786	737	880	1,089	Revenue from Operations (USD mn)	1,164
50,783	56,191	54,497	65,697	88,155	Revenue from Operations (INR mn)	96,473
16.0%	16.5%	14.5%	18.3%	17.3%	EBIT Margin	17.1%
7,656	8,186	6,633	9,570	12,121	Net Income (INR mn)	13,037
15.1%	14.6%	12.2%	14.6%	13.7%	Net Income Margin	13.5%
74.1	78.6	63.3	90.9	114.8	Earnings Per Share (INR)	123.3
21.0	21.0	22.0	35.0	45.0	Dividend Per Share (INR)	50.0
35%	31%	21%	25%	28%	Return on Equity (RoE)	27%

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# Financial Performance – Q4 FY24

Amount in ₹ million

Income Statement	Q4 FY23*	Q3 FY24	Q4 FY24	QoQ	YoY
Revenue	23,706	24,218	25,375	4.8%	7.0%
Cost of sales	16,559	17,141	18,050		
<b>Gross Profit</b>	<b>7,147</b>	<b>7,077</b>	<b>7,325</b>	<b>3.5%</b>	<b>2.5%</b>
Selling, General & Administration Expenses	2,344	2,200	2,297		
<b>EBITDA</b>	<b>4,803</b>	<b>4,877</b>	<b>5,028</b>	<b>3.1%</b>	<b>4.7%</b>
Depreciation & Amortisation	569	715	746		
<b>EBIT</b>	<b>4,234</b>	<b>4,162</b>	<b>4,282</b>	<b>2.9%</b>	<b>1.1%</b>
Other Income, net	390	493	428		
Income tax expense	1,210	1,287	1,296		
Minority Interest	13	6	5		
<b>Net Income</b>	<b>3,401</b>	<b>3,362</b>	<b>3,409</b>	<b>1.4%</b>	<b>0.2%</b>
<b>Margins (%)</b>					
Gross Margin	30.1%	29.2%	28.9%		
EBITDA Margin	20.3%	20.1%	19.8%		
EBIT Margin	17.9%	17.2%	16.9%		
Net Income Margin	14.3%	13.9%	13.4%		
<b>Earnings Per Share (INR)</b>					
Basic	32.21	31.80	32.25		
Diluted	32.10	31.72	32.16		

\*Note: Effective April 1, 2023, LTTS completed the acquisition of Smart World & Communication (SWC) Business of L&T. In compliance with Ind AS requirements applicable to common control transactions, FY23 financials have been re-stated to include SWC.

# Financial Performance – Q4 FY24

Amount in ₹ million

Balance Sheet	FY23*	FY24
<b>Assets</b>		
Property and equipment	6,692	10,009
Intangible Assets and Goodwill	6,402	6,248
Accounts Receivable	28,066	28,277
Unbilled Revenues	4,684	4,280
Investments	22,840	14,927
Cash and Cash equivalents	6,899	13,905
Other current assets	3,033	2,905
Other non-current assets	3,360	4,334
<b>Total Assets</b>	<b>81,976</b>	<b>84,885</b>
<b>Liabilities and Shareholders' Equity</b>		
Shareholders' Funds	44,349	53,271
Other current liabilities	33,101	25,371
Other non-current liabilities	4,346	6,036
Minority Interest	180	207
<b>Total Liabilities</b>	<b>81,976</b>	<b>84,885</b>

Amount in ₹ million

Cash Flow Summary	FY23*	FY24
Net cash provided by operating activities	13,130	14,928
Capex	-1,787	-2,419
<b>Free Cash Flow</b>	<b>11,343</b>	<b>12,509</b>
Free Cash Flow to Net Income (%)	94%	96%

\*Note: Effective April 1, 2023, LTTS completed the acquisition of Smart World & Communication (SWC) Business of L&T. In compliance with Ind AS requirements applicable to common control transactions, FY23 financials have been re-stated to include SWC.

# Positioning LTTS for the Future: Simplify to go Deeper and Scale

## Mobility

## Sustainability

## Hi-Tech

### Verticals

Automotive   Off-Highway   Aerospace

Industrial Machinery

FMCG

Medical

Semcon

CT & ISV

NGC

Building Tech

Oil & Gas

Electric Power & Utilities

Chemicals

### Technology Domains

Software Defined Vehicle (SDV)

Systems Engineering

Sustenance Eng.

Digital Health

HPC/AI

Platform Engg.

5G & ORAN

Hybrids & Electrification

Energy mgt. Sys.

Integrated Asset Mgt.

QARA

ASIC

OTT/ Cyber

Network Eng.

Vehicle Engineering

Clean Fuel Technology

Lifecycle Assessment

Device Engg.

Silicon Validation

Test & Automation

Network Monetize

AI & Software Defined Everything (SDx)

Embedded

Digital Manufacturing

# Optimizing Production through Digital Twin

## Driving Capacity Utilization, Work Sequence Optimization, and Jobs Per Hour (JPH) Enhancements

### What We Enabled

- Digital twin of the production system was developed using Flexsim simulation software, enabling to virtually replicate physical production lines, facilitating the analysis and optimization of operations through virtual experimentation with different scenarios
- Using Detailed time study and process flow data, Various "what-if" scenarios were created and simulated to evaluate potential impacts on throughput enabling to identify and recommend the most effective scenario for enhanced target while ensuring smooth operations

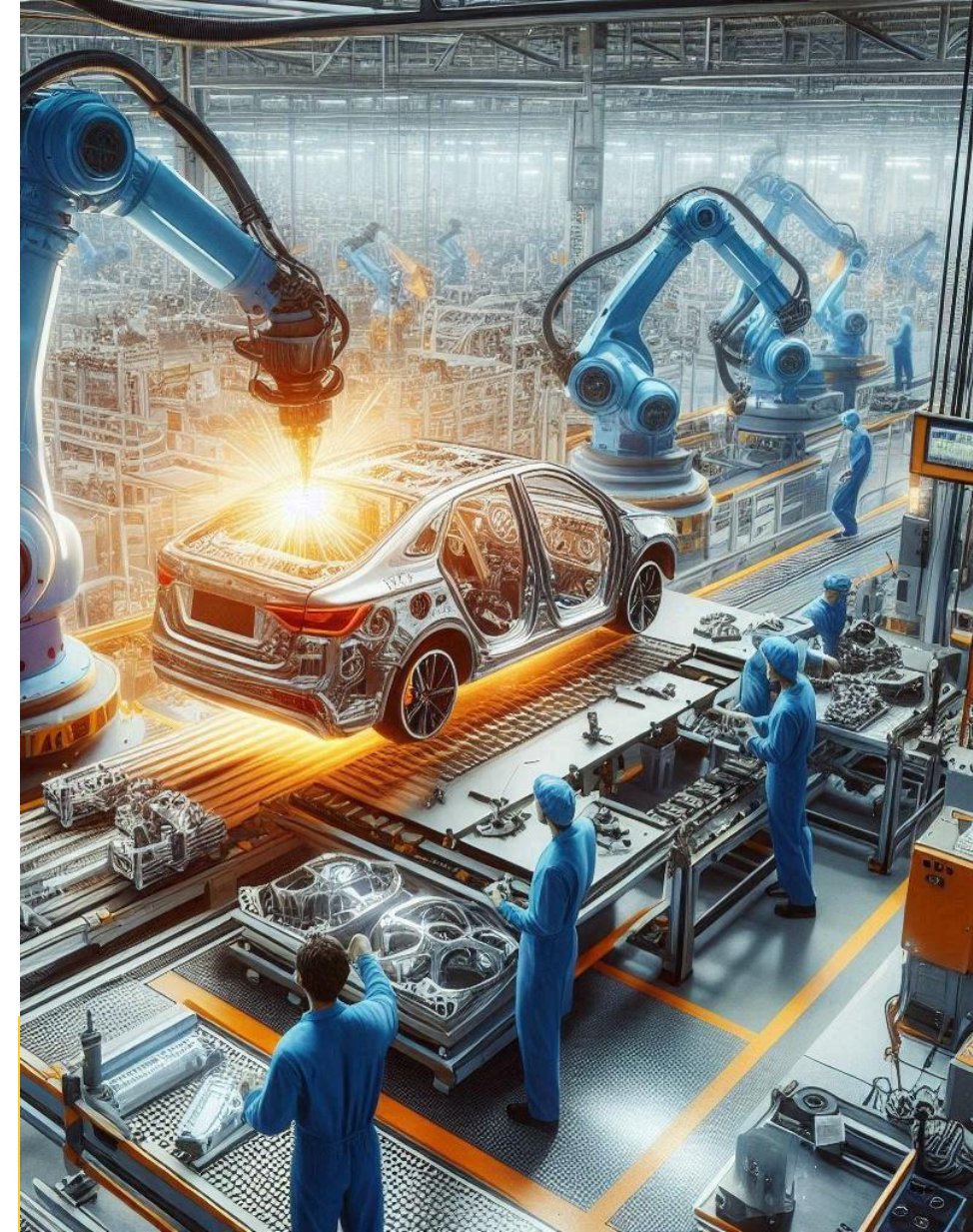
### LTTS Edge

- In-depth expertise in industrial engineering and lean manufacturing best practices tailored for automotive industry.
- Proven track record of helping other electric vehicle and automotive OEMs optimize production lines through data-driven analysis and recommendations.
- Ability to deploy a multi-pronged approach combining time study, line balancing, simulation modeling and process improvements for holistic efficiency gains.

In-depth time studies and line balancing analysis to identify bottlenecks in production processes.

Advanced simulation modeling of multiple scenarios helped optimize resource allocation across stations to maximize throughput

Recommendations implemented over 7-8 months included process improvements, work sequence changes and layout redesign



# Value Engineering for Local Market

## A 2-stage, inline-type Centrifugal Compressor for India market

### What we enabled

- End to end design of the customized centrifugal gas compressor for cryogenic application for Indian markets.
- Structural, performance and DFM analyses to optimize the design, and validated the design using internal analysis tools like FEA, CFD, vibration analysis
- Enabled creation of manufacturing and sourcing capabilities in India through should-costing, supplier identification and evaluation

### LTTS Edge

- 30+ year of engineering expertise across multiple industrial and building machinery
- 100+ in-house labs for pre-compliance and prototype testing
- Integrated solution capability from design to testing across all stages of PDLC
- Niche expertise such as should-costing, supplier identification, etc



**Faster Time to Market;  
Compliance with Localization Requirements**

End-to-end design, development, testing and validation of customized centrifugal gas compressor for local market

Identification of Potential suppliers in India were identified to manufacture the prototype as per the customer's requirements

DFM (Design for Manufacturability) analysis was performed to optimize the design for cost-effective production by balancing tolerances

# AI solution for Field complaint handling

End-to-end solution to streamline complaint resolution process leveraging the AI, RPA, automation and analytics capabilities.

## What we enabled

- AI-powered system to automatically classify and process incoming complaints based on severity, perform root cause analysis and selects appropriate failure codes.
- Implemented RPA bots to automate data entry into tracking tools like TrackWise and validate completeness and accuracy of complaint records.
- Trend analysis on historical complaints data using AI to identify recurring issues and provide insights to help R&D teams fix defects proactively.

## LTTS Edge

- Extensive suite of in-house AI solution, labs and partner ecosystem
- Deep, multi-geography, and multi-compliance regime delivery capabilities across the medical devices landscape

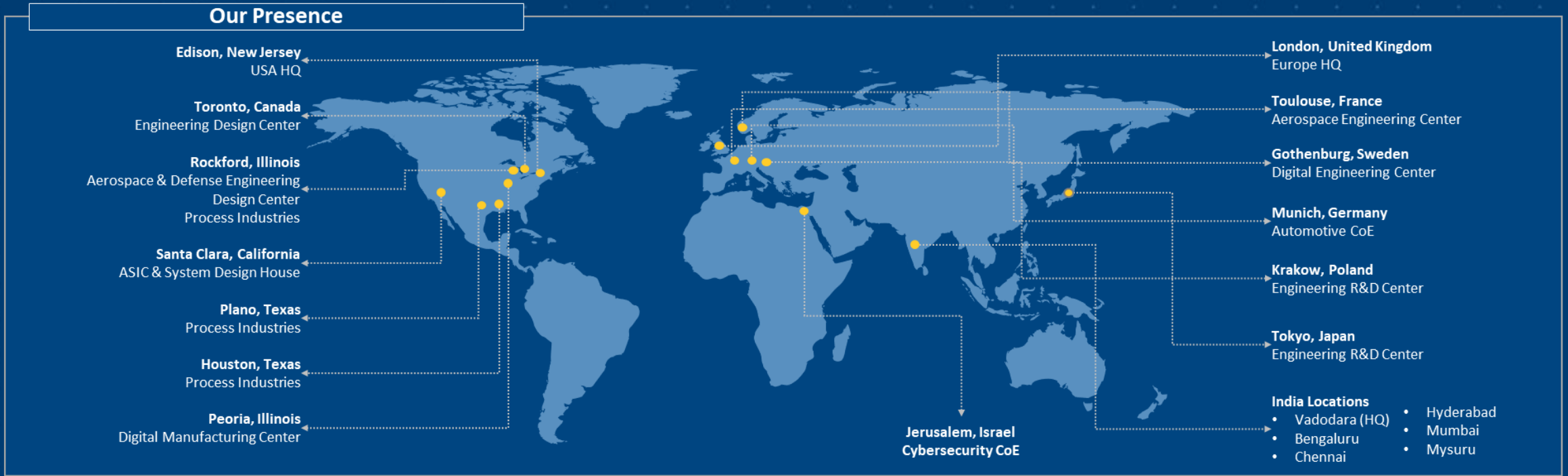


**Over 1.2 Million Complaints Handled  
> 95% Quality Achieved**

Deployed an AI/RPA solution to automate and streamline global field complaint handling process

Power BI dashboard for real-time visibility into complaint KPIs and Trend analysis on historical data analysis

Enabled customer to exceed competitors on metrics like customer satisfaction while lowering costs by 20%.



## ABOUT L&T TECHNOLOGY SERVICES

L&T Technology Services Limited (LTTS) is a listed subsidiary of Larsen & Toubro Limited focused on Digital 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 23,800 employees spread across 22 global design centers, 28 global sales offices and 104 innovation labs as of March 31, 2024.

For additional information about L&T Technology Services log on to <https://www.LTTS.com/>

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