L&T Technology Services

ENGINEERING **THE CHANGE**

Purposeful.
Agile.
Innovation.

**INVESTOR
PRESENTATION**

August 2025

1.

ER&D Growth Opportunities and Themes

2.

LTTS Leading Position in ER&D

3.

LTTS Innovation Charter

4.

LTTS Building Billion $ Segments

Global Macro Environment Driving Short Term ER&D Trends

Global Trade in a Flux leading to supply chain rejigging and global sourcing diversification

Euro Defence Spending# Europe's defense spending to reach additional $370B if nations commit 3.5% of their GDP

Data Centers^ Global investment in data centers has nearly doubled since 2022 and amounted to half a trillion dollars in 2024

World thinking of AI& Global AI capex spend to grow by 60% this year to $360B, and by another 33% in 2026 to $480B

India 4th Largest Economy With a strong tech push, massive digitally skilled talent pool, and rapid growth; India is emerging as a top ER&D hub
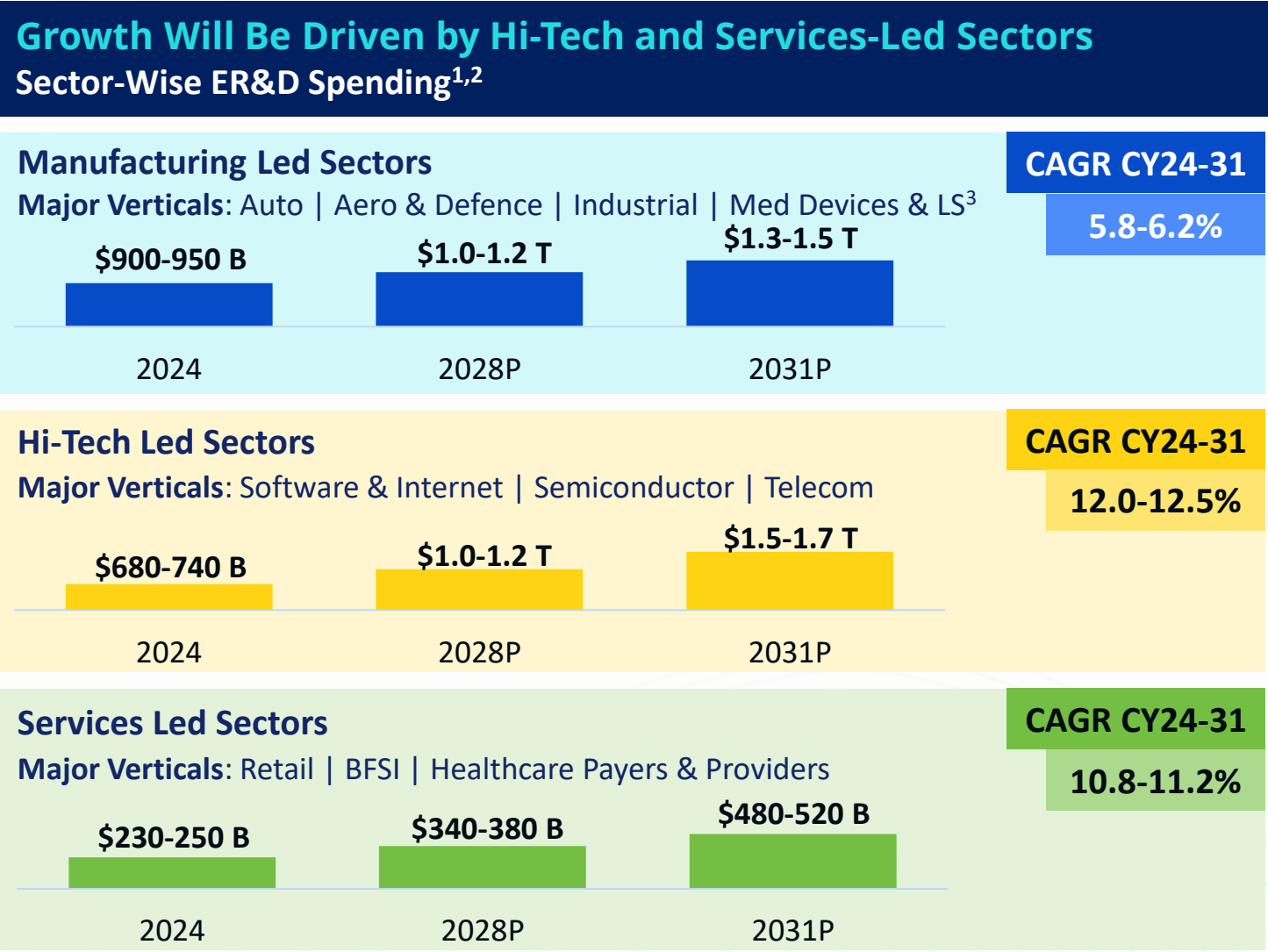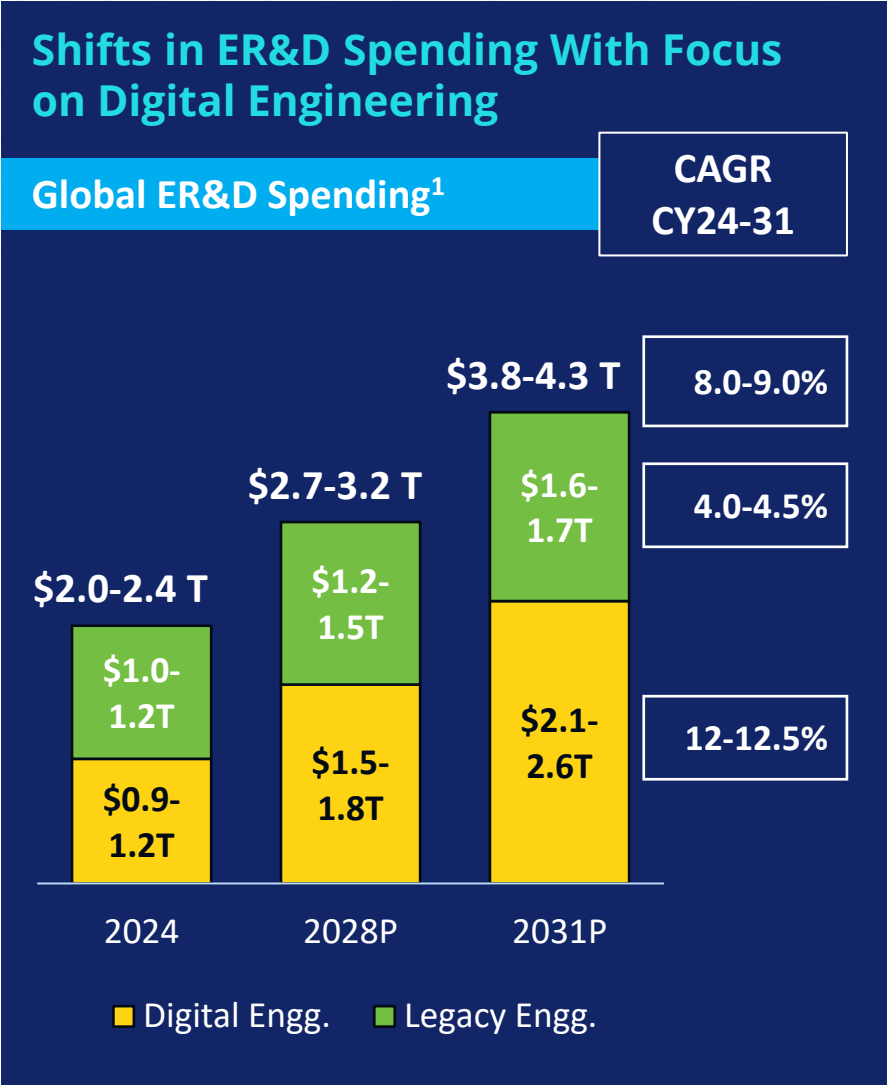
R&D Spend* ER&D growth at 4-5% CY25E due to macro & geopolitical factors

ET ^ Deloitte & UBS * Everest Group

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ER&D Spend in next 5 Years: Long Term Growth Story

Shifts in ER&D Spending With Focus on Digital Engineering

Global ER&D Spending[1]

	CAGR CY24-31
$3.8-4.3 T ($1.6-1.7T Legacy)	8.0-9.0%
	4.0-4.5%
	12-12.5%

Bar chart data:
- 2024: $2.0-2.4 T ($1.0-1.2T Legacy, $0.9-1.2T Digital)
- 2028P: $2.7-3.2 T ($1.2-1.5T Legacy, $1.5-1.8T Digital)
- 2031P: $3.8-4.3 T ($1.6-1.7T Legacy, $2.1-2.6T Digital)

■ Digital Engg. ■ Legacy Engg.

Growth Will Be Driven by Hi-Tech and Services-Led Sectors
Sector-Wise ER&D Spending[1,2]

Manufacturing Led Sectors
Major Verticals: Auto | Aero & Defence | Industrial | Med Devices & LS[3]

	CAGR CY24-31
	5.8-6.2%

- 2024: $900-950 B
- 2028P: $1.0-1.2 T
- 2031P: $1.3-1.5 T

Hi-Tech Led Sectors
Major Verticals: Software & Internet | Semiconductor | Telecom

	CAGR CY24-31
	12.0-12.5%

- 2024: $680-740 B
- 2028P: $1.0-1.2 T
- 2031P: $1.5-1.7 T

Services Led Sectors
Major Verticals: Retail | BFSI | Healthcare Payers & Providers

	CAGR CY24-31
	10.8-11.2%

- 2024: $230-250 B
- 2028P: $340-380 B
- 2031P: $480-520 B

LTTS: Pole Position in ER&D

L&T Technology Services
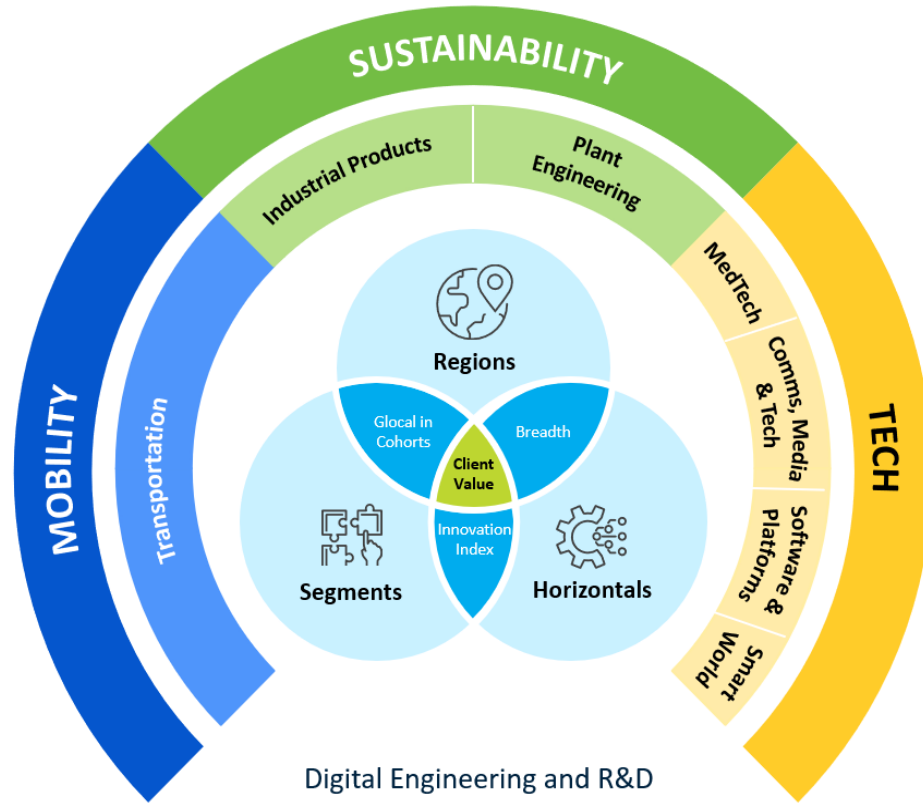
459 Global Clients

23,600+ Employees

25+ Countries

$ 1.4 B Q4FY25 Annualized Revenue

57 Of Global 100 R&D Spenders as clients

1,550 Patents

105 R&D Innovation Labs

23 Global Design Centers

90% Repeat Biz.

SERVICES & SOLUTIONS ACROSS...

- **Digital Engineering & Consulting**
- **Product Engineering**
- **Manufacturing Engineering**
- **Plant Engineering**

Q1FY26: Third consecutive quarter of USD 200+ Mn large deals TCV

- L&T Tech bags €50 million deal to assist an 'influential' European automotive OEM
- L&T Technology Services Secures $80 Mn Digital Engineering Transformation Deal in Sustainability Segment
- LTTS Awarded $50+ Mn Agreement by Global Energy Major in the Sustainability Segment

LTTS Recognitions By Best In The Industry

- HFS Research: ER&D Services 2025
- Everest Group: Industry 4.0 Services
- ISG: Aerospace and Defense Services and Solutions 2025 – Europe

GPTW Employers of Choice

Great Place To Work Certified APR 2025-APR 2026 USA

Great Place To Work Certified APR 2025-APR 2026 JAPAN

Recognized as a Great Place to Work in US for the second time in a row, and in Japan for the first time

Top 3 Global Pure-play Digital, Engineering and Diversified Technology Services Company

SUSTAINABILITY

Industrial Products | Plant Engineering

MedTech | Comms, Media & Tech

TECH

MOBILITY | Transportation

Software & Platforms | Smart World

Regions

Glocal in Cohorts | Breadth

Client Value

Innovation Index

Segments | Horizontals

Digital Engineering and R&D

Technology Areas

| AI & Software Defined Everything (SDx) | Embedded Systems | Digital Manufacturing Solutions |

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LTTS working with clear imperatives for the future

Seismic Shifts

Advances in AI
Agentic AI, Rise of AGI, and AI in programming & synthetic data

Demographic Shifts
Aging societies face labor shortages. It also drives geopolitical & economic policies

Technology Developments
Artificial Superintelligence, Streaming intelligence, Exascaling and Synthetic Prototyping

Government Policies; WIIFM
Nations adopt transactional, self-interested policies based on immediate gains over global cooperation

Connectivity, Compute and Energy Affordability
Democratizing access to innovation

What it Means for Our Segments

Mobility
- **Fuel Cell Electric Vehicles and Hydrogen Fuel** as alternative to EVs and ICEs
- **Autonomous Delivery, Micro EV fleet & Humanoid Robo** new business models
- **Robotics powered by AGI** to transform labor and economic output
- **US Auto Industry is in a managed decline**
- **Space and Defence** spending will increase
- **Full-stack manufacturing** will return as robotics and EVs demand tighter integration

Sustainability
- **'Electrify Everything' vs 'Deep Decarbonization'** central to strategy
- **Molecule Based Energy Systems** seen as more scalable cost-effective
- **Power-to-Gas and Hydricity** as viable energy frameworks
- **Fuel Cells:** Energy conversion, replacing ICEs in various applications
- **Building Machines that Build Machines,** embedding intelligence into products
- **Industrial Automation will accelerate**

Tech
- **On-device Content Generation** may disrupt broadband infra
- **Decentralized AI Compute** as inference infra move from cloud to edge
- **AI Self-Integration** with enterprise systems
- **Venture capital** will fuel a new wave of industrial innovation
- **'Medical Superintelligence'** to shape BioTech and personalized Pharma
- **Autonomous & Predictive Urban Management** with AI-IoT integration

Emerging Technologies across LTTS Segments

	Segment Growth Drivers/Themes		
MOBILITY			
Automotive	SW Defined Mobility	ADAS	PDLC optimization
Trucks & Off-Highway	Logistics Automation	Asset Utilization	Aftermarket
Aero & Rail	Autonomous test equipment	AI for Air Traffic Mgt	Rail Modernization
SUSTAINABILITY			
Oil &Gas, Chemicals	High Demand for HVAC model	Sustainability focus	Digital adoption
CPG	Increase Demand across Sub-Segments	Go Local - Asia	Value Chain Digitization
Industrial M/c & Building Technology	Data Centers & Giga-Factories	Energy efficient Machinery	AI & Machine Vision enabled Robots
Electrical Controls & Power	Renewable Energy Demand	Energy Storage solutions	AI based smart Power management
TECH			
MedTech	SaMD & AI-enabled Medical Devices	Digital Manufacturing	Quality & Regulatory
M&T	N/W Automation & Orchestration	Vendor Consolidation	Edge AI, AR/VR
Software & Platforms	Android Eng	Platform Engineering	Agentic AI
Smart World	ITMS & Metro	Municipality & Smart Cities	Cybersecurity

Cross Segment Themes

- AI/ Gen AI
- SDx and Next Gen SW
- Industrial Automation
- Regional Supply Chains
- Compute & Emb HW
- Consolidation & Transformation Deals

AI Innovation Landscape

| **70+** | Production Programs | **175+** | AI Agents | **206** | AI Patents |

LTTS Strategy

Domain-led approach

Realizing Physical AI through Agentic AI (intelligent Robotics)

Investment in critical emerging areas AI Reasoning, Quantum for AI, Multimodal AI

AiTEST	AI-driven Test Dev. for Apps & Devices across Testcase & Test Script gen. and Test Execution
GenIQ	Rapid GenAI Dev. Platform to Integrate GenAI into Existing Workflows
SecureAI	Framework for Securing AI model dev. environment
AiCH	AI Based Solution for Complaint Handling
AiCE	AI Based Solution for Clinical Evaluation Reporting
ASSET HEALTH FRAMEWORK	Decision Support for Manufacturing Copilot

L&T Technology Services

Development

Process

Product

Product & Service Twins for Quality control, Predictive maintenance	**DIGITAL TWIN**
GenAI based Code Generation – Enhance the Capability for PLC Code	**Auto CODER (PLC)**
Framework for development of AI Application	**AiKno**
AI/GenAI/Agentic AI Solutions focused on PDLC and UX	**PLxAI by LTTS**
GenAI soln. for synthetic data generation	**SYNTHETIC DATA GEN.**
AI Based Suite for Visualizing & Navigating anatomical Structures	**AiVIZ**

AI Agents at LTTS

| **19** Mobility | **10** Industrial | **10** Plant Engg. | **10** Energy | **10** Cybersecurity | **46** Medical & Tech |

Strategic Partners: NVIDIA, intel, Qualcomm aware platform, Microsoft, ALTAIR, Google

SDx and Next Gen SW

High-quality end-product through vetting

Greater chances of **LTTS winning bids by reducing cost and effort**

Improving collaboration between teams

Unified Dev Suite

Business impacts

LTTS' App Studio and API Hub are centralized store with a cutting-edge and comprehensive app-building framework for iOS, Android, and the web. It delivers:

Faster time to market by drawing on reusable components by around 30%

Cost reduction in dollar value by around 20%

Internal competency building

App Studio — Code Companion Tools

API Hub — Low Code No Code Tools

Crowdsourced
- Standardization
- Discovery
- Reuse

intelliswift

Segment wise Applications

LTTSiDriVe - Modular SDV Solution with plug-play components (Mobility)

Smart Microgrid – SW defined Smart MicroGrid (IP)

IAHF - Integrated Asset Health Framework for Assets (PE)

Care Connect - Regulatory Compliant Modular Digital Health Platform (MedTech)

Industrial Automation

Transportation	Business Operations / Decision Support – L4 & L5 (ERP, PLM, CRM)
Industrial	Manufacturing Operations Mgmt.- L3
Process	
Med Tech	Supervisory / Advanced Control – L2 (SCADA, HMI, DCS)
Hitech	Sensors, Actuators Controls - L1 (PLC, GW)
	Physical Processes / Equipment - L0

FactoryVU
- Factory Data Lakehouse
- Manufacturing Performance Monitors
- IT/OT Infra / Asset Monitors
- Decision Support Dashboards
- Remote Command Center / NOC / SOC

Manufacturing Solutions Hub

FactoryManage

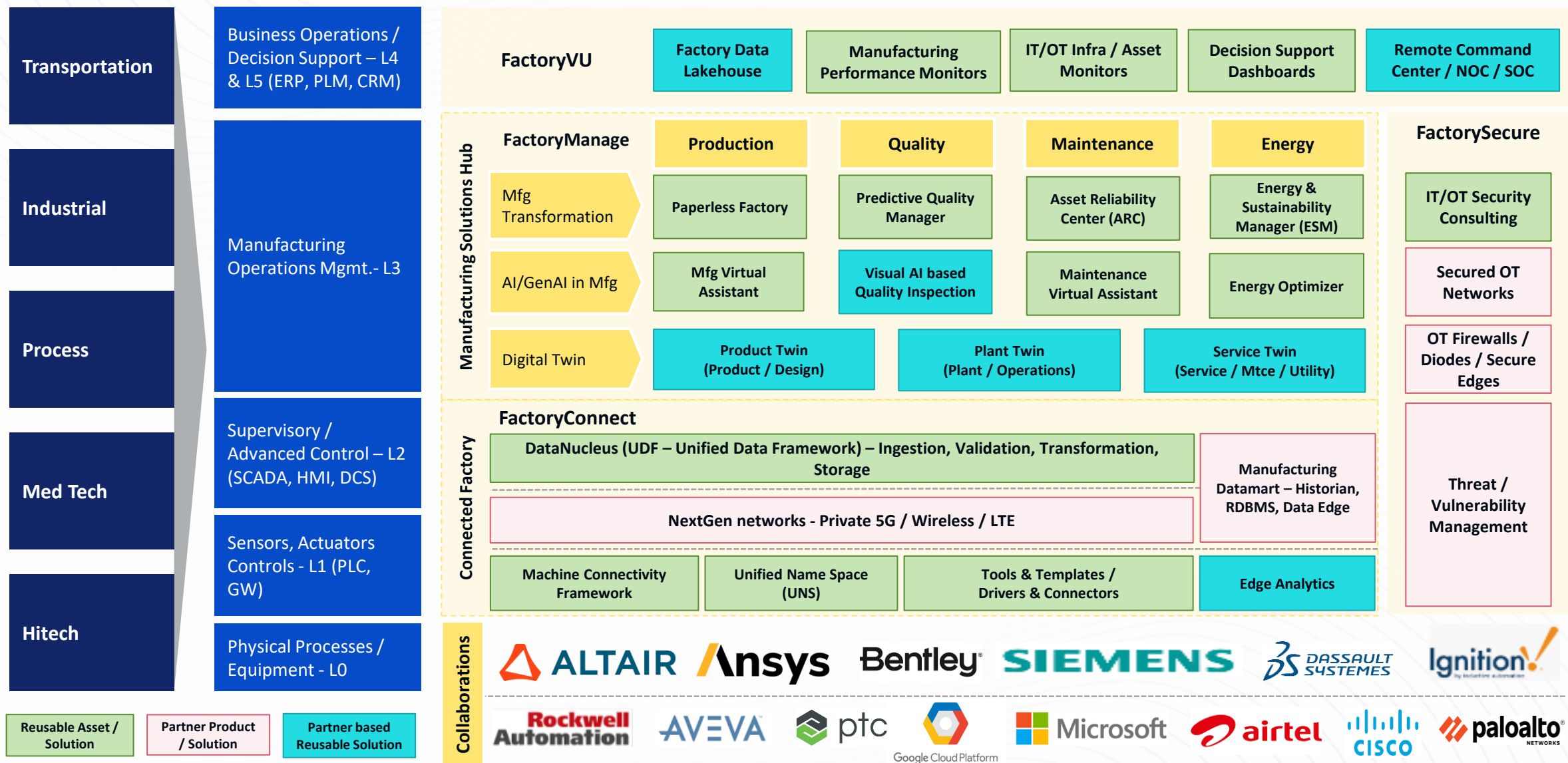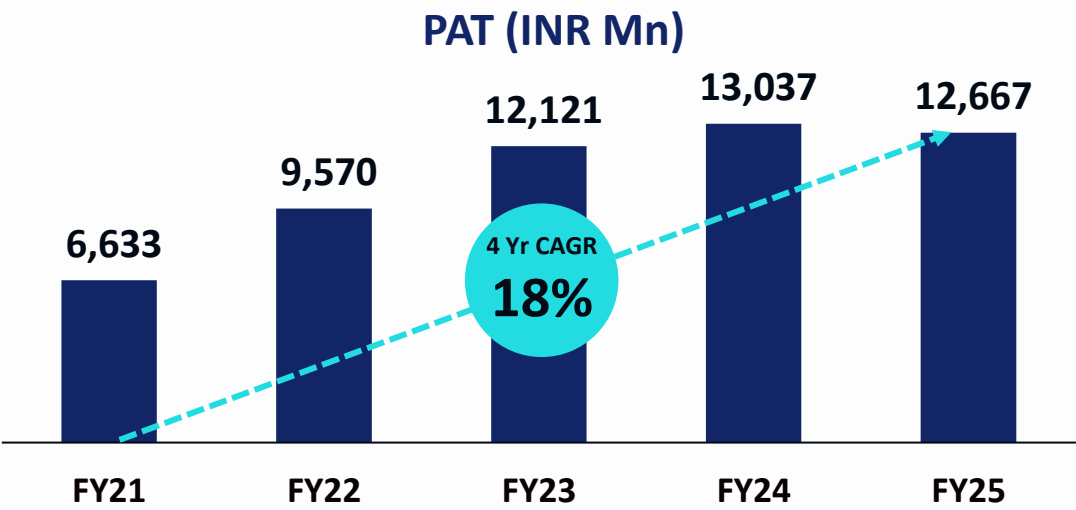|	Production	Quality	Maintenance	Energy	**FactorySecure**
Mfg Transformation	Paperless Factory	Predictive Quality Manager	Asset Reliability Center (ARC)	Energy & Sustainability Manager (ESM)	IT/OT Security Consulting
AI/GenAI in Mfg	Mfg Virtual Assistant	Visual AI based Quality Inspection	Maintenance Virtual Assistant	Energy Optimizer	Secured OT Networks
Digital Twin	Product Twin (Product / Design)	Plant Twin (Plant / Operations)		Service Twin (Service / Mtce / Utility)	OT Firewalls / Diodes / Secure Edges

Connected Factory

FactoryConnect

DataNucleus (UDF – Unified Data Framework) – Ingestion, Validation, Transformation, Storage

NextGen networks - Private 5G / Wireless / LTE

Manufacturing Datamart – Historian, RDBMS, Data Edge

Threat / Vulnerability Management

| Machine Connectivity Framework | Unified Name Space (UNS) | Tools & Templates / Drivers & Connectors | Edge Analytics |

Collaborations

ALTAIR · Ansys · Bentley · SIEMENS · DASSAULT SYSTÈMES · Ignition

Rockwell Automation · AVEVA · ptc · Google Cloud Platform · Microsoft · airtel · CISCO · paloalto NETWORKS

| Reusable Asset / Solution | Partner Product / Solution | Partner based Reusable Solution |

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LTTS: Five Years of Innovation and Growth

Revenue ($M)

- FY21: 737
- FY22: 880
- FY23: 1,089
- FY24: 1,164
- FY25: 1,259

4 Yr CAGR **14%**

PAT (INR Mn)

- FY21: 6,633
- FY22: 9,570
- FY23: 12,121
- FY24: 13,037
- FY25: 12,667

4 Yr CAGR **18%**
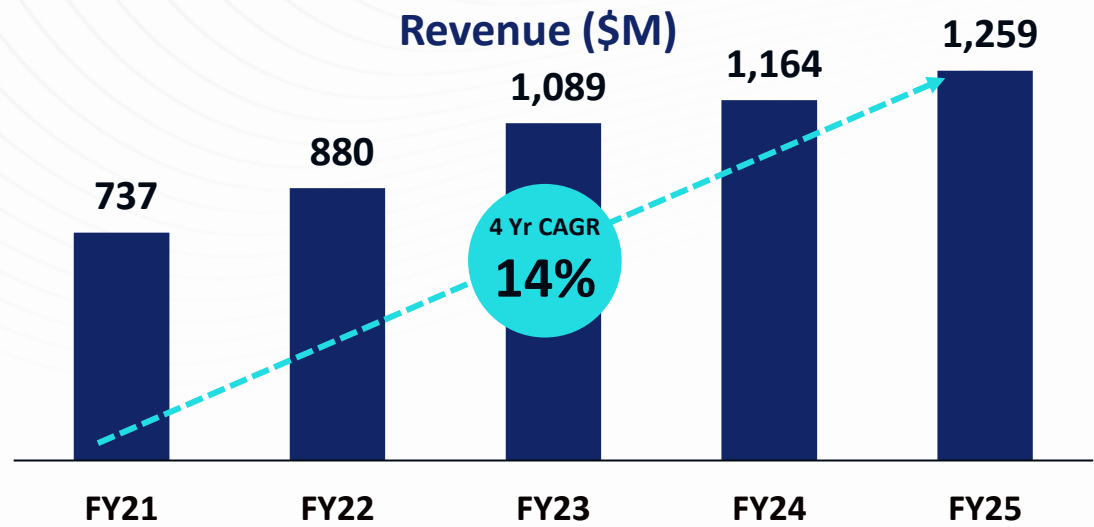
Key Milestones

3 Segments
Diversified Portfolio

32 Large Deal Wins
in FY25 ($10 Mn +)
Including one $80M deal, three $50M, five $30-$50 M

1,550 Patents
With 206 AI Patents
as of Q1FY26

GPTW
In **US** for Second time in a row and in **Japan** for the first time

Smart World
Next Gen Comm, Sustainable Smart World, Cybersecurity

Intelliswift
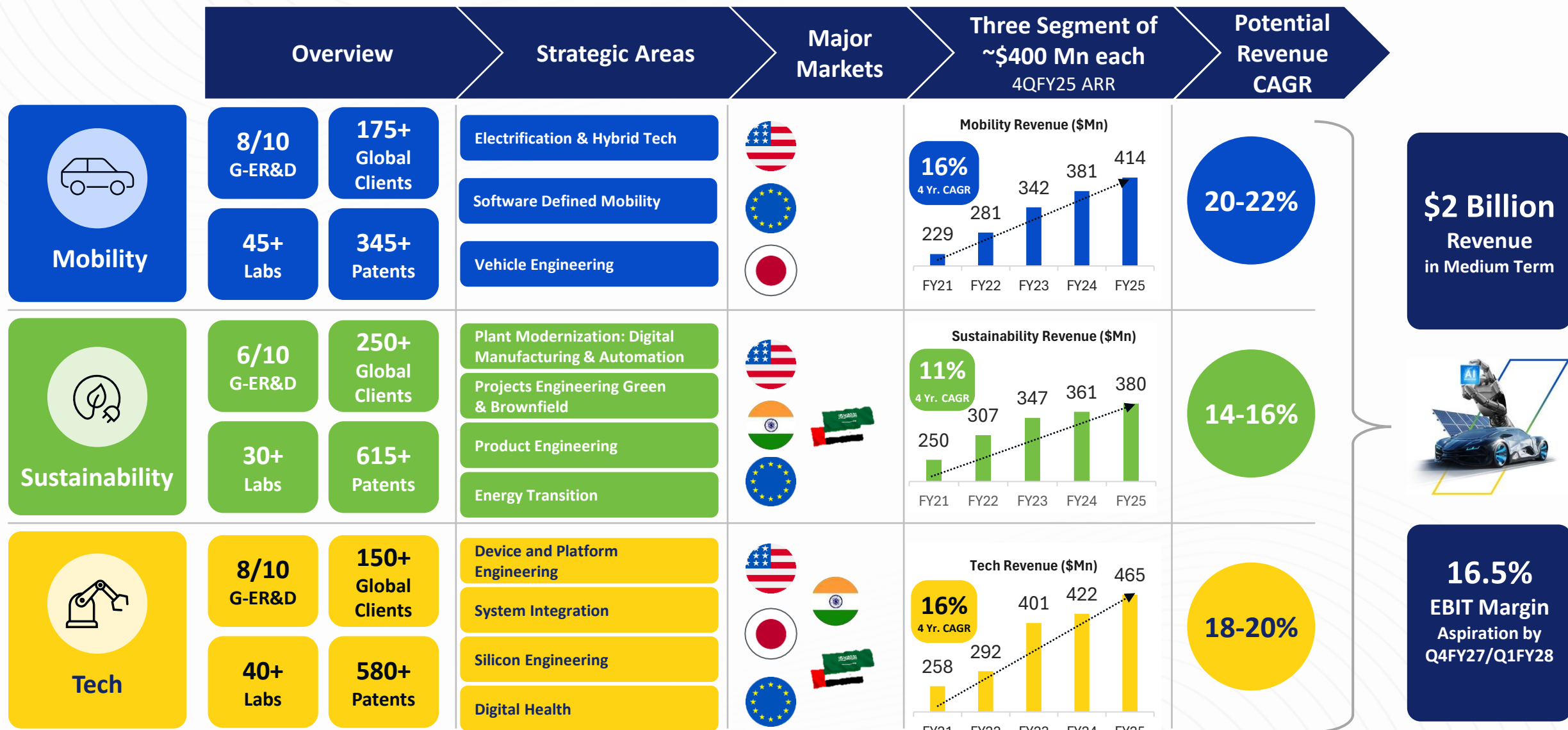Expansion to adjacent service driven markets - Retail, Fintech, Healthcare

$1.4 Billion
Q4FY25 Annualized Revenue

109%
FCF to Net Income
An all time high in FY25

Strategic Acquisitions

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LTTS Growth Ambition: $2B Topline with Billion-Dollar Segments

	Overview		Strategic Areas	Major Markets	Three Segment of ~$400 Mn each (4QFY25 ARR)	Potential Revenue CAGR
Mobility	8/10 G-ER&D	175+ Global Clients	Electrification & Hybrid Tech	🇺🇸 🇪🇺 🇯🇵	**Mobility Revenue ($Mn)** — 16% 4 Yr. CAGR — FY21: 229, FY22: 281, FY23: 342, FY24: 381, FY25: 414	20-22%
	45+ Labs	345+ Patents	Software Defined Mobility / Vehicle Engineering			
Sustainability	6/10 G-ER&D	250+ Global Clients	Plant Modernization: Digital Manufacturing & Automation	🇺🇸 🇮🇳 🇸🇦 🇪🇺	**Sustainability Revenue ($Mn)** — 11% 4 Yr. CAGR — FY21: 250, FY22: 307, FY23: 347, FY24: 361, FY25: 380	14-16%
	30+ Labs	615+ Patents	Projects Engineering Green & Brownfield / Product Engineering / Energy Transition			
Tech	8/10 G-ER&D	150+ Global Clients	Device and Platform Engineering	🇺🇸 🇮🇳 🇯🇵 🇸🇦 🇪🇺	**Tech Revenue ($Mn)** — 16% 4 Yr. CAGR — FY21: 258, FY22: 292, FY23: 401, FY24: 422, FY25: 465	18-20%
	40+ Labs	580+ Patents	System Integration / Silicon Engineering / Digital Health			

$2 Billion Revenue in Medium Term

16.5% EBIT Margin Aspiration by Q4FY27/Q1FY28

Driving Growth with Large Deals Momentum

Higher Addressable Market

- **Shortening technology cycles** and need for faster speed-to-market and optimal cost structures

- **Investments in New age technologies** leading to deeper partnerships with customers

- **New Segment strategy** for faster decision making and deeper domain expertise
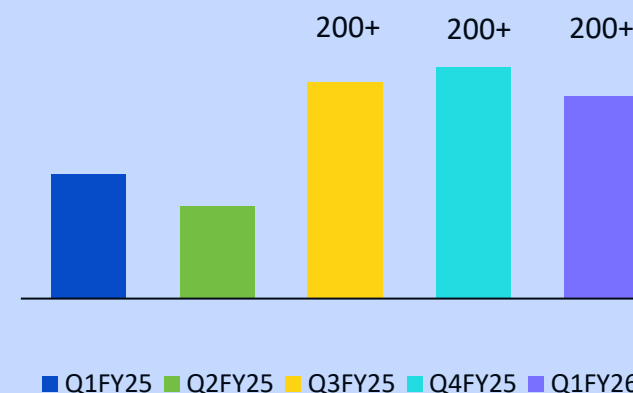
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Improve Win Ratio

- **Track record** of large deal execution in ER&D

- **End to end capabilities** to support entire product lifecycle

- **Domain expertise and Cross-Poll!novation** to bring out customized solutions and accelerators

➡

Pipeline and Deal Size

- **Q1FY26:** Third consecutive quarter of USD 200+ Mn large deals TCV

LD TCV($ Mn)

200+   200+   200+

■ Q1FY25 ■ Q2FY25 ■ Q3FY25 ■ Q4FY25 ■ Q1FY26

Q1 FY26: Third consecutive quarter of USD 200+ Mn large deals TCV

Strengthening Operational Playbook for Margin Improvement

Increase Customer Mining

- Large-scale deals to deepen strategic customer engagement
- Dedicated G45 leadership driving proactive, cross-functional solutions

Delivery Led Growth

- Revenue mix shifting toward high-margin, tech-enabled solutions

Pyramid Rationalization

- Fresher hiring to reinforce pyramid efficiency and future-ready workforce through Global Engineering Academy

Higher Offshoring

- Accelerate offshore-led initiatives to unlock cost and scale advantages
- Targeting 300–500 bps improvement in offshore ratio

AI & Automation

- Promote the adoption of Artificial Intelligence across LTTS and its customer base
- Accelerate innovation and solutions dev. and gain competitive advantage

Maintain SG&A as % of Revenue

- Strengthen domain-led sales capabilities
- Drive G&A efficiency through scale optimization

Augmenting Talent – OARS Organization
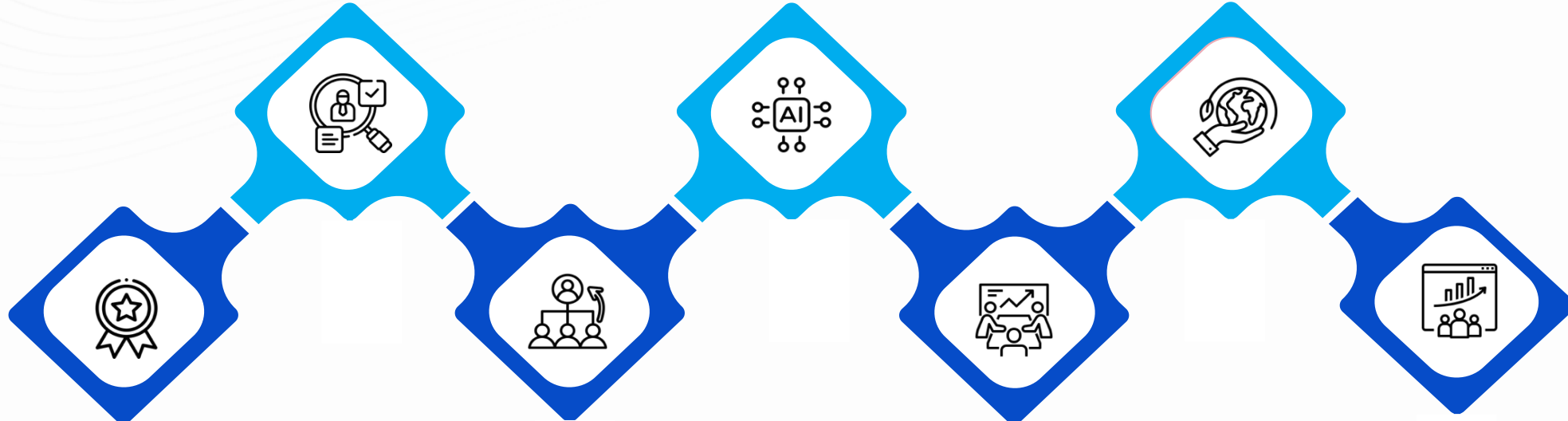
- Time-bound fresher hiring roadmap

Fresher Hiring Strategy

- Enhancing Engagement, Efficiency and Accessibility

Digital HR

- Fostering Leadership and employee participation

CSR

GPTW

Recognized as a Great Place to Work in US for the second time in a row, and in Japan for the first time

Leadership Development

- OARS (**Ownership, Accountability, Results for Sustained Performance**)
- NextGEN Leaders to strengthen pyramid

GEA

- Cultivating Capability
- Future Ready

Sales

- Seven Sales Organizations
- Cultivating LD Capability

Our Values

- ✓ Being Purposeful
- ✓ Caring
- ✓ Ethics and Integrity
- ✓ A Culture of Learning
- ✓ Results and Accountability

Accelerating through Strategic Acquisitions

Future M&A Areas	Strategic Capabilities	End-Markets	Levers for Value creation
Mobility	SDV, ADAS, Connected	Europe	• Reasonable valuation • Potential for higher offshoring • Margin expansion opportunity
ISV ✓	Platform Engineering, AI, ML, Data engineering	N. America	
MedTech	Connected Healthcare, Patient management, Health Analytics	N. America	

Latest Acquisition

Acquisition completed in 45 days

Capability Map

Product Engineering	Data Engineering & AI	Digital Integration	Platform Engineering

Inroad To New Segments: Software and Platforms

Hyperscalers	Retail	Healthcare	Fintech

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Creating Shareholder Value

Free Cash Flow
(as a % of Net income)

FY22	FY23	FY24	FY25
89%	94%	96%	109%

Dividend Per Share

(₹)

FY22	FY23	FY24	FY25
39%	**41%**	**41%**	**46%**
35	45	50	55

xx% Annual Dividend Payout Ratio

Cash Position*

(₹ Cr.)

FY22	FY23	FY24	FY25
2,178	2,974	2,888	2,981
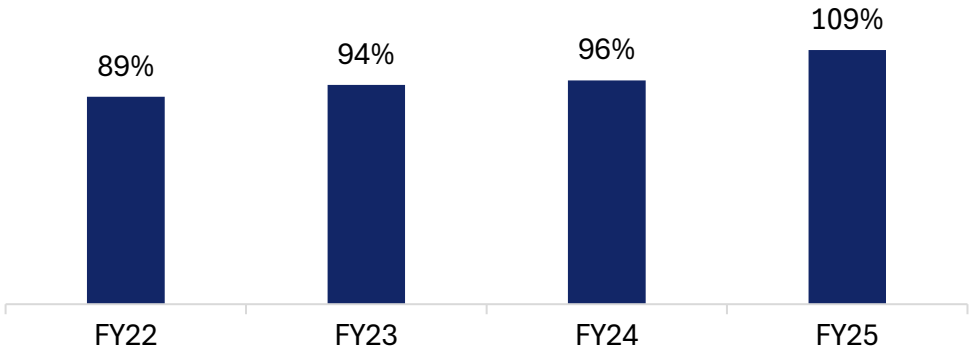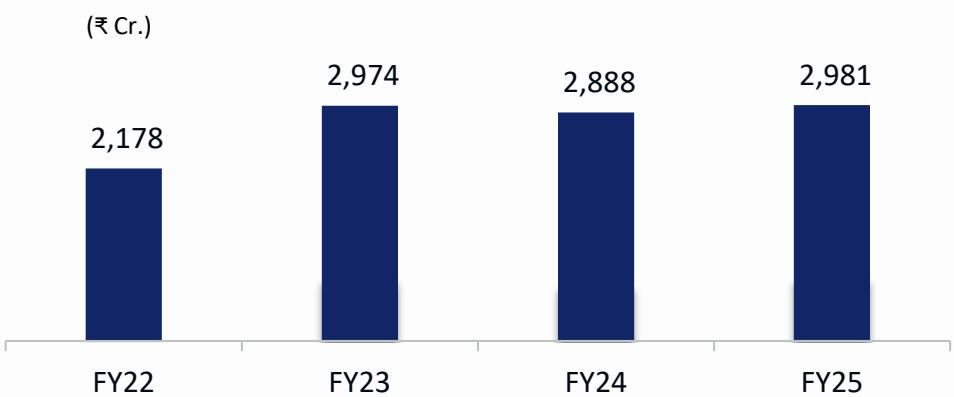
* Investments + Cash equivalents

Return on Equity

FY22	FY23	FY24	FY25	FYXX
25%	28%	27%	22%	xx%

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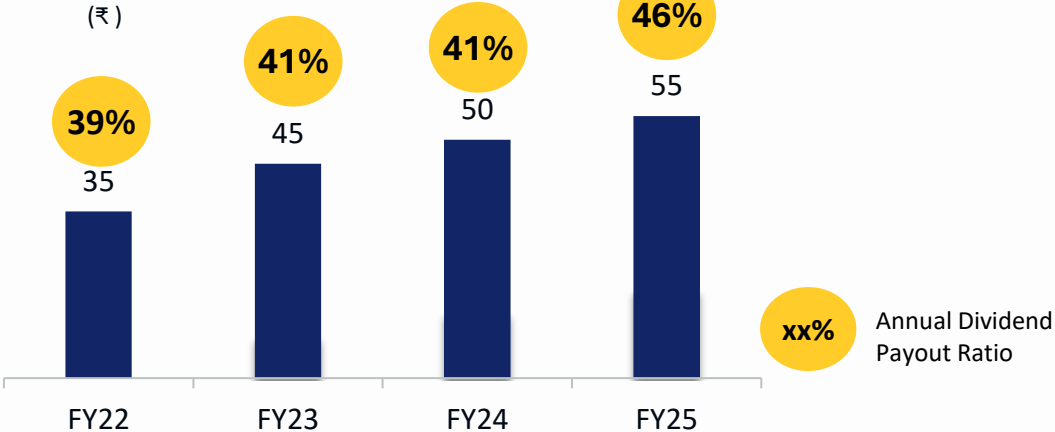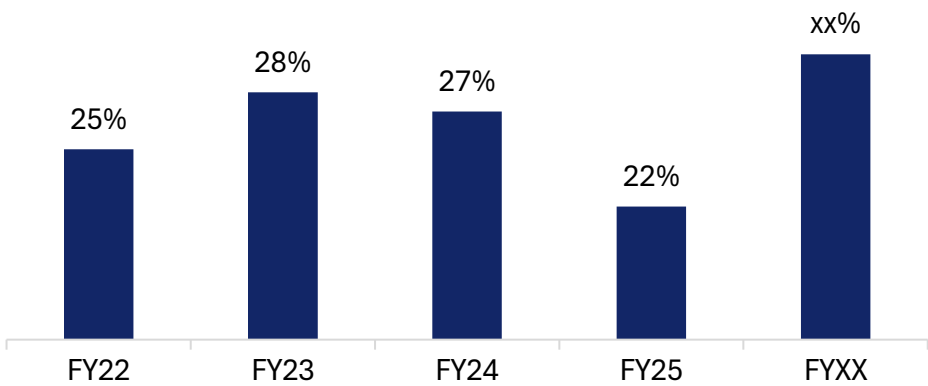
Case Studies

Enabling Autonomous Drive

THE CHALLENGE

The client sought level 3+ autonomy of cars and design and develop a slew of autonomous drive features to improve safety and driving experience while achieving a faster time to market.

WHAT WE ENABLED

- Level 3+ autonomous features including Redundant Braking System, Emergency Stop Functionality, and Parking Assistance Feature.
- Vehicle dynamics software test for emergency stop functionality and redundant brake controller (RBC)
- Virtual validation platform with Scenario creation for testing was enabled
- **Faster time to market** achieved through ~ 40% automation in scenario creation and testing.
- Complete Functional & passenger safety compliance as per standard norms (ISO26262)

OUR EDGE

- Hardware in Loop (HiL) testing and development capabilities
- Our capability of Virtual validation platform development

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Minimizing Shop-Floor Downtimes

AI-enabled, Scalable, Streamlined

THE CHALLENGE

Our client, an USD 50 Billion+ petrochemical giant sought to reduce **unscheduled asset downtime** by modernizing legacy systems, integrating advanced diagnostics, and eliminating data silos for enhanced efficiency

WHAT WE ENABLED

- Creating an **AI advisory system with ML anomaly detection** models that enables and identifies variables to detect anomalies that utilize live, historical, and contextual data to provide expert insights

- **Scalable cloud-native framework** for fast, customizable data pipelines with loosely coupled jobs/services for independence and reusability

- **Action Tracking Workflow** - Records all steps from alarm to resolution for downtime events and provides sensor-based classifiers for alerts

OUR EDGE

- World renowned **AI-based predictive maintenance solution - AHF Framework**

- In-depth domain expertise in Plant Engineering

- Extensive expertise across industrial and factory automation

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Streamlining Healthcare Journeys

AI-enabled, Scalable, Streamlined

THE CHALLENGE

The client, one of America's **largest healthcare conglomerates,** sought an **end-to-end IoT solution** which enabled a **seamless, interconnected network** that enables surgeons in their workflow and patients on their healthcare journey

WHAT WE ENABLED

- **End-to-end design and development** of a unified, cloud-based surgical platform capable of integrating diverse and sophisticated technologies, managing vast amounts of diverse device data while meeting the specific needs of different stakeholders across the value chain.

- The platform is also equipped with an **enhanced edge security,** preventing unauthorized access and ensuring data integrity and confidentiality while maintaining strict compliance with safety regulations and standards

OUR EDGE

- Deep domain expertise in helping customers across **digital transformation journeys**

- 30+ years of experience in the MedTech domain

L&T Technology Services

Purposeful.
Agile.
Innovation.

ABOUT L&T TECHNOLOGY SERVICES

L&T Technology Services (LTTS) is a global leader in engineering and technology services. A listed subsidiary of Larsen & Toubro (L&T), we offer design, development, testing, and sustenance services across products and processes.

Purposeful. Agile. Innovation. is how we drive growth across the Mobility, Sustainability, and Tech segments. Our customer base includes 69 Fortune 500 companies and 57 top ER&D companies across industrial products, medical devices, transportation, telecom & hi-tech, and process industries. Headquartered in India, we have over 23,600 employees across 23 global design centers, 30 global sales offices, and 105 innovation labs, as of June 30, 2025.

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