



Earnings Release & Fact Sheet Third Quarter, Fiscal 2020

Jan 15, 2020



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Safe Harbour

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. LTI does not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

Recent Deal Wins, Business Highlights and Awards and Recognitions section in this release include relevant disclosures between our last earnings release and this release.

Earnings Release –Q3 FY20 Results

LTI USD revenue growth up 8.4% QoQ and 13.7% YoY; Digital revenues at 41%

Mumbai, India: Jan 15, 2020: Larsen & Toubro Infotech (BSE code: 540005, NSE: LTI), a global technology consulting and digital solutions company, announced its Q3 FY20 results today.

In US Dollars:

- Revenue at **USD 394.4 million**; growth of **8.4% QoQ** and **13.7% YoY**
- Constant Currency Revenue growth of **8.3% QoQ** and **14.2% YoY**

In Indian Rupees:

- Revenue at **Rs 28,111 million**; growth of **9.4% QoQ** and **13.7% YoY**
- Net Income at **Rs 3,767 million**; growth of **4.6% QoQ** and **0.3% YoY**

“Our outstanding QoQ growth of 8.4% in Q3 is a result of on-track ramp up of large engagements we announced earlier. We are extremely pleased with the superior and broad-based performance across verticals and service offerings, which underscores the resilience of our diversified portfolio.

Our strategy and investments for powering the breakaway enterprise is resonating well with our clients. We continue to win large deals across regions and have won two such engagements in Q3 with cumulative net-new TCV of more than US\$75 mn.”

*- **Sanjay Jalona**, Chief Executive Officer & Managing Director*

Recent Deal Wins

- Multi-year, multi-million large deal for transforming the global application operations of a smart energy storage solution provider
- An apex government body selected LTI to create a conceptual framework on Data Management, integrating and harmonizing the available data sets in various key sectors through single window system for better governance
- A Leading US based Insurance Company chose LTI as a Strategic Partner to implement a multi-year digital transformation initiative focused on improving their products, distribution and infrastructure
- LTI has been chosen by a public development authority for implementation of Next Generation Digital Platform to enhance efficiency of their transportation systems
- Awarded an end-to-end enterprise data estate transformation deal by a global leader in energy storage
- A Multinational conglomerate engaged LTI to deliver AI enabled preventive maintenance and Cloud hosted monitoring solutions for users of its data storage solutions

Client Testimonial

“Carestream selected LTI as strategic partner for applications management based on technology experience, geographic coverage and cultural match of the company. LTI quickly took the responsibility to support a global business and maintained high level of service performance throughout the transition. We value the unwavering focus on customer satisfaction throughout the organization.”

- Bruce Leidal, Chief Information Officer, Carestream Health, Inc.

Awards and Recognitions

- LTI ranked as HFS Top 10 IoT Service Providers 2019
- LTI positioned as a Major Contender and Star Performer in Everest Group Application and Digital Services in Banking – Services PEAK Matrix™ Assessment 2020
- LTI recognized in Gartner’s Competitive Landscape: Robotic Process Automation Service Providers Arup Roy, Cathy Tornbohm, 24 October 2019
- LTI positioned as a Strong Performer in The Forrester Wave™: SAP Services Providers For Midsize Enterprises, Q4 2019
- LTI recognized as one of the Sample vendors for AI-enhanced claims processing in The Forrester Tech Tide™: Digital Claims Management, Q4 2019
- LTI featured as a Major Contender in Everest Group Talent Readiness for Next-generation IT Services PEAK Matrix™ Assessment 2020

Other Business Highlights

- LTI is now amongst the global exclusive list of AWS partners with SAP Competency
- LTI completed the acquisition of 100% shareholding of PowerupCloud and it is now a wholly owned subsidiary of LTI

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About LTI

LTI (NSE: LTI) is a global technology consulting and digital solutions Company helping more than 420 clients succeed in a converging world. With operations in 32 countries, we go the extra mile for our clients and accelerate their digital transformation with LTI's Mosaic platform enabling their mobile, social, analytics, IoT and cloud journeys. Founded in 1997 as a subsidiary of Larsen & Toubro Limited, our unique heritage gives us unrivaled real-world expertise to solve the most complex challenges of enterprises across all industries. Each day, our team of more than 30,000 LTITes enable our clients to improve the effectiveness of their business and technology operations and deliver value to their customers, employees and shareholders. Find more at <http://www.Ltinfotech.com> or follow us at @LTI_Global

Earnings Conference Call

Jan 15th, 2020 (5:30 PM IST)

Please dial at least 5-10 minutes prior to the conference schedule to ensure that you are connected to your call in time.

Universal Access Number	+91 22 6280 1104
	+91 22 7115 8005
Local Access Number	+91 70456 71221 Available all over India
International Toll Number	USA: 13233868721 UK: 442034785524 Singapore: 6531575746 Hong Kong: 85230186877
Replay of Conference Call	Available after 1 hour from the call end time until 19 th Jan 2020 Playback Code: 30521 Dial-in Number: India +91 22 71945757 +91 22 66635757
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Performance Highlights – Q3 FY20

Financial Highlights

Amount in USD million

	Q3FY19	Q2FY20	Q3FY20	QoQ Growth	YoY Growth
Revenue (USD million)	346.9	363.8	394.4	8.4%	13.7%
Revenue Constant Currency				8.3%	14.2%

Amount in INR million

	Q3FY19	Q2FY20	Q3FY20	QoQ Growth	YoY Growth
Revenue	24,729	25,707	28,111	9.4%	13.7%
EBITDA Margin	20.6%	18.1%	18.8%		
EBIT Margin	19.1%	15.5%	16.2%		
Revenue Related Foreign Exchange Gains/(loss)	(60)	692	351		
Net Income	3,755	3,604	3,767	4.6%	0.3%
Net Income Margin	15.2%	14.0%	13.4%		
Billed DSO	74	67	78		
DSO (Including unbilled)	103	105	110		

Revenue by Vertical

	Q3FY19	Q2FY20	Q3FY20	QoQ Growth	YoY Growth
BFS	29.1%	27.1%	27.8%	11.3%	8.7%
Insurance	17.8%	18.7%	17.7%	2.6%	12.8%
Manufacturing	15.6%	16.4%	17.5%	15.7%	27.0%
Energy & Utilities	10.8%	12.1%	11.3%	1.5%	18.7%
CPG, Retail & Pharma	10.6%	11.5%	11.2%	5.8%	20.2%
High-Tech, Media & Entertainment	11.3%	10.8%	10.8%	8.8%	8.4%
Others	4.6%	3.5%	3.7%	15.1%	(9.6%)
Total	100%	100%	100.0%	8.4%	13.7%

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Revenue by Service Offering

	Q3FY19	Q2FY20	Q3FY20	QoQ Growth	YoY Growth
ADM and Testing	38.6%	36.1%	35.8%	7.4%	5.5%
Enterprise Solutions	27.8%	29.5%	28.7%	5.2%	17.0%
Infrastructure Management Services	11.4%	11.1%	11.5%	13.0%	15.2%
Analytics, AI & Cognitive	11.3%	11.3%	12.8%	22.1%	28.8%
Enterprise Integration & Mobility	7.6%	9.0%	8.5%	3.5%	26.7%
Platform Based Solutions	3.2%	3.0%	2.7%	(2.2%)	(5.6%)
Total	100%	100%	100%	8.4%	13.7%
Digital Revenue	37.0%	40.3%	41.0%	10.4%	25.9%

Revenue by Geography

	Q3FY19	Q2FY20	Q3FY20	QoQ Growth	YoY Growth
North America	66.8%	68.7%	69.5%	9.6%	18.2%
Europe	16.7%	16.4%	15.6%	3.0%	6.3%
RoW	8.8%	8.9%	7.4%	(10.2%)	(4.6%)
India	7.8%	6.0%	7.6%	37.0%	10.9%
Total	100%	100%	100%	8.4%	13.7%

Client Contribution to Revenue

	Q3FY19	Q2FY20	Q3FY20	QoQ Growth	YoY Growth
Top 5 clients	34.5%	31.7%	32.8%	12.1%	8.2%
Top 10 clients	48.4%	45.5%	46.8%	11.6%	9.9%
Top 20 clients	64.3%	61.4%	62.0%	9.4%	9.5%

Client Profile

	Q3FY19	Q2FY20	Q3FY20
Number of Active Clients	314	366	429
New Clients Added	17	20	29
1 Million dollar +	121	137	153
5 Million dollar +	47	48	48
10 Million dollar +	25	27	28
20 Million dollar +	15	18	18
50 Million dollar +	5	6	6
100 Million dollar +	1	1	1

Effort Mix

	Q3FY19	Q2FY20	Q3FY20
Onsite	22.0%	22.0%	21.9%
Offshore	78.0%	78.0%	78.1%

Revenue Mix

	Q3FY19	Q2FY20	Q3FY20
Onsite	47.8%	48.6%	49.0%
Offshore	52.2%	51.4%	51.0%

Billed Person Months

	Q3FY19	Q2FY20	Q3FY20
Onsite	13,664	14,384	15,198
Offshore	48,357	51,143	54,133

Utilization

	Q3FY19	Q2FY20	Q3FY20
Including Trainees	82.1%	78.9%	79.2%
Excluding Trainees	83.0%	80.6%	81.3%

Headcount Details

	Q3FY19	Q2FY20	Q3FY20
Total Headcount	27,513	30,979	31,419
Development	25,985	29,266	29,669
Sales & Support	1,528	1,713	1,750
Attrition % (LTM)	16.5%	18.4%	17.7%

Constant Currency Reporting

		QoQ Growth	YoY Growth
Company		8.3%	14.2%
Vertical	BFS	11.1%	9.3%
	Insurance	2.4%	12.9%
	Manufacturing	15.4%	27.6%
	Energy & Utilities	1.3%	19.6%
	CPG, Retail & Pharma	5.5%	20.9%
	High-Tech, Media & Entertainment	8.9%	8.4%
	Others	16.9%	(9.4%)
Service Offering	ADM and Testing	7.3%	5.9%
	Enterprise Solutions	5.1%	17.7%
	Infrastructure Management Services	13.0%	16.0%
	Analytics, AI & Cognitive	22.4%	28.4%
	Enterprise Integration & Mobility	3.1%	27.6%
	Platform Based Solutions	(2.9%)	(7.2%)
Geography	North America	9.6%	18.1%
	Europe	1.8%	8.7%
	RoW	(9.9%)	(3.6%)
	India	38.4%	11.8%

Financial Statements – Q3 FY20

Income Statement

Amount in INR million

	Q3FY19	Q2FY20	Q3FY20	QoQ Growth	YoY Growth
Revenue	24,729	25,707	28,111	9.4%	13.7%
Direct Costs	16,125	17,525	19,188	9.5%	19.0%
Gross Profit	8,603	8,181	8,924	9.1%	3.7%
Selling, General & Administration Expenses	3,514	3,524	3,649	3.6%	3.8%
EBITDA	5,089	4,657	5,277	13.3%	3.7%
Depreciation & Amortization	355	664	709	6.8%	99.7%
EBIT	4,734	3,994	4,568	14.3%	(3.6%)
Revenue Related Foreign Exchange Gains/(loss)	(60)	692	351	(49.3%)	na
Other Income, net	348	47	82		
Provision for Tax	1,268	1,130	1,231	9.0%	(3.0%)
Net Income	3,755	3,604	3,767	4.6%	0.3%
Margins (%)					
EBITDA Margin	20.6%	18.1%	18.8%		
EBIT Margin	19.1%	15.5%	16.2%		
Net Income Margin	15.2%	14.0%	13.4%		
Earnings Per Share					
Basic	21.67	20.73	21.70		
Diluted	21.63	20.52	21.50		

Exchange Rate (USD:INR)

	Q3FY19	Q2FY20	Q3FY20
Period closing rate	69.78	70.88	71.39
Period average rate	71.28	70.66	71.27

Balance Sheet*Amount in INR million*

	As at 31 March, 2019	As at 31 Dec, 2019
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	3,084	3,815
(b) Right of Use Assets	-	7,356
(c) Goodwill	4,947	6,253
(c) Intangible assets	1,383	1,386
(e) Non-current Financial Assets	2,080	1,044
(f) Deferred tax assets (Net) & Tax Assets	2,385	2,335
(g) Other assets	1,111	1,340
Total Non-Current Assets	14,991	23,529
Current assets		
(a) Investments	17,402	17,636
(b) Trade Receivables and Unbilled Revenue	23,845	27,800
(c) Cash and cash equivalents	4,150	4,224
(d) Other Financial assets	1,774	738
(e) Other assets	4,530	5,852
Total Current Assets	51,701	56,251
TOTAL ASSETS	66,692	79,780
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	174	174
(b) Other Equity	48,765	52,549
(c) Non- Controlling interests	8	4
Total Equity	48,946	52,727
Liabilities		
Non-current liabilities		
(d) Financial liabilities	936	1,032
(e) Lease liabilities	-	7,177
(e) Deferred tax liabilities	56	110
(f) Non-current provisions	291	305
Total Non-Current Liabilities	1,283	8,624
Current liabilities		
(a) Financial Liabilities	11,400	10,396
(b) Lease liabilities	-	1,164
(c) Other Liabilities	2,582	4,005
(d) Provisions	2,108	2,430
(e) Current Tax Liabilities (Net)	374	434
Total Current Liabilities	16,463	18,430
TOTAL EQUITY AND LIABILITIES	66,692	79,780

Cash Flow*Amount in INR million*

	Q3FY19	Q2FY20	Q3FY20
Cash flow from operating activities			
Net profit after tax	3,755	3,604	3,767
Adjustments for:			
Depreciation and amortization	355	663	709
Others	(336)	(145)	697
Changes in working capital (net)	1,538	(2,211)	(1,319)
Net cash from operating activities [A]	5,313	1,911	3,855
Cash flow from investing activities			
(Purchase)/ Sale of assets and investments	(2,836)	663	(558)
Investment income	125	190	293
Net cash from investing activities [B]	(2,711)	853	(265)
Cash flow from financing activities			
Issue of share capital	2	-	-
Credit Support Agreement Deposit and interest	675	(430)	(3)
Dividend paid (including DDT)	(2,572)	(3,155)	(2,524)
Payment towards lease liability		(172)	(363)
Net cash from financing activities [C]	(1,895)	(3,757)	(2,889)
Effect of exchange rate on cash and cash equivalents [D]	(152)	(9)	28
Net increase in cash and cash equivalents [A+B+C+D]	707	(1,002)	728
Cash and cash equivalents at beginning of the period	3,918	4,497	3,495
Cash and cash equivalents at end of the period	4,472	3,495	4,224

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