



**L&T Technology Services**

**L&T Technology Services Limited**

L&T Business Park, Tower B, 2<sup>nd</sup> Floor, Gate no 5,  
Saki Vihar Road, Powai, Mumbai-400072.  
www.LTTS.com

**January 17, 2020**

National Stock Exchange of India Limited  
Exchange Plaza, Bandra-Kurla Complex  
Bandra (East), Mumbai – 400 051.  
NSE Symbol: LTTS

The BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400001  
BSE Script Code: 540115

**Subject: Outcome of Board Meeting as per Regulation 30 of the  
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**Ref: Our letter dated January 3, 2020**

Dear Sirs,

We would like to inform that pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at their meeting held today, i.e. January 17, 2020, have approved and taken on record the Unaudited Consolidated and Standalone Financial Statements of the Company, for the quarter and nine months ended December 31, 2019. The Board Meeting was commenced at 2.00 p.m. and concluded at 4:00 p.m., we attach herewith the following financial results approved by the Board of Directors.

1. Unaudited Standalone and Consolidated Financial Statements of the Company for the quarter and nine months ended December 31, 2019 along with the Limited Review Report thereon.
2. Press Release and Investor Release w.r.t. Financial Statement for the quarter ended December 31, 2019.

The above information is also available on the website of the Company. Kindly take the above information on record and acknowledge the receipt of the same.

Thanking You,

Yours sincerely,

**For L&T Technology Services Limited**

**Kapil Bhalla**

**Company Secretary**

**FCS.3485**

Encl: As above





# SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

## Independent Auditor's review report on review of consolidated unaudited quarterly and year to date financial results of L&T Technology Services Limited pursuant to regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### Review report to The Board of Directors of L&T Technology Services Limited

1. We have reviewed the accompanying statement of consolidated unaudited financial results of L&T Technology Services Limited (the 'Parent') and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group') for the quarter ended 31 December 2019 and for the period from 1 April 2019 to 31 December 2019 ('the Statement'), being submitted by the Parent pursuant to the requirements of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations').
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), as prescribed under section 133 of Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and in compliance with regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Sr. no.	Entity name	Relationship
1	L&T Technology Services LLC ('LTTS LLC')	Wholly owned subsidiary
2	Esencia Technologies Inc. ('Esencia')	Wholly owned subsidiary of LTTS LLC
3	L&T Technology Services (Canada) Limited	Wholly owned subsidiary of LTTS LLC
4	Esencia Technologies India Private Limited	Wholly owned subsidiary of Esencia



Page 1 of 2

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Tirtharaj A. Khot

Pavan K. Aggarwal

Also at Pune, Associate Offices: New Delhi, Chennai, Bangalore, Bhopal, Coimbatore, Hyderabad, Jaipur, Lucknow, Mumbai, Patna, Ranchi, Thiruvananthapuram, Visakhapatnam

5	L&T Thales Technology Services Private Limited	Subsidiary
6	Graphene Semiconductor Services Private Limited	Wholly owned subsidiary
7	Graphene Solutions Pte. Ltd.	Wholly owned subsidiary
8	Graphene Solutions SDN. BHD.	Wholly owned subsidiary
9	Graphene Solutions Taiwan Limited	Wholly owned subsidiary
10	Seastar Labs Private Limited	Wholly owned subsidiary
11	L&T Technology Services (Shanghai) Co. Limited	Wholly owned subsidiary

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The Statement includes the interim financial results of eleven subsidiaries, which have not been reviewed by their auditors, whose financial results, Group's share of total revenue of Rs. 1,427.44 million and Rs. 4,334.85 million, total net profit after tax of Rs. 149.96 million and Rs. 361.85 million and total comprehensive income Rs. 167.29 million and Rs. 427.71 million for the quarter ended 31 December 2019 and for the period from 1 April 2019 to 31 December 2019, respectively as considered in the Statement. According to information and explanation given to us by management, these interim financial results are not material to the Group.

Certain of these subsidiaries are located outside India whose financial results have been prepared in accordance with accounting principles generally accepted in their respective countries ('local GAAP'). The Parent's management has converted the financial results of such subsidiaries from local GAAP to accounting principles generally accepted in India. We have not reviewed these conversion adjustments made by the Parent's management.

Our conclusion on the Statement is not modified in respect of the above matters.

For Sharp & Tannan  
Chartered Accountants  
Firm's registration no. 109982W



Firdosh D. Buchia  
Partner

Membership no. 038332  
UDIN: 20038332AAABA5833

Mumbai, 17 January 2020

**L&T Technology Services Limited**

Registered Office: L&T House, N.M. Marg, Ballard Estate, Mumbai 400 001  
 Email: investor@lts.com, Website: www.lts.com, Corporate Identity Number: L72900MH2012PLC232169

Statement of consolidated unaudited financial results for the quarter and nine months ended December 31, 2019

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
₹ Million							
1	Income from operations						
	a) Revenue from operations	14,229	14,021	13,169	41,725	37,352	50,783
	b) Other income	443	469	359	1,477	1,891	2,228
	<b>Total income</b>	<b>14,672</b>	<b>14,490</b>	<b>13,528</b>	<b>43,202</b>	<b>39,243</b>	<b>53,011</b>
2	Expenses						
	a) Employee benefit expense	8,612	8,628	8,298	25,594	23,603	31,788
	b) Depreciation and amortisation expenses	472	444	239	1,344	769	1,042
	c) Other expenses	2,754	2,561	2,454	7,709	7,083	9,837
	d) Change in contingent consideration on acquisition	-	-	-	-	-	11
	e) Finance costs	89	91	6	271	14	19
	<b>Total expenses</b>	<b>11,927</b>	<b>11,724</b>	<b>10,997</b>	<b>34,918</b>	<b>31,469</b>	<b>42,697</b>
3	<b>Profit from ordinary activities after finance costs but before exceptional items (1-2)</b>	<b>2,745</b>	<b>2,766</b>	<b>2,531</b>	<b>8,284</b>	<b>7,774</b>	<b>10,314</b>
4	Exceptional items	-	-	-	-	-	-
5	<b>Profit from ordinary activities before tax (3-4)</b>	<b>2,745</b>	<b>2,766</b>	<b>2,531</b>	<b>8,284</b>	<b>7,774</b>	<b>10,314</b>
6	Tax expense	687	704	670	2,123	2,014	2,630
7	<b>Net profit from ordinary activities after tax (5-6)</b>	<b>2,058</b>	<b>2,062</b>	<b>1,861</b>	<b>6,161</b>	<b>5,760</b>	<b>7,684</b>
8	Extraordinary items (net of tax expense)	-	-	-	-	-	-
9	<b>Net profit for the period (7+8)</b>	<b>2,058</b>	<b>2,062</b>	<b>1,861</b>	<b>6,161</b>	<b>5,760</b>	<b>7,684</b>
10	Other comprehensive income (net of tax expense)	16	(569)	1,301	(572)	(599)	45
11	<b>Total comprehensive income (9+10)</b>	<b>2,074</b>	<b>1,493</b>	<b>3,162</b>	<b>5,589</b>	<b>5,161</b>	<b>7,729</b>
12	Net profit / (loss) attributable to :						
	Shareholders of the Company	2,041	2,058	1,856	6,138	5,741	7,656
	Non-controlling interest	17	4	5	23	19	28
13	<b>Total comprehensive income attributable to :</b>						
	Shareholders of the Company	2,057	1,489	3,157	5,566	5,142	7,701
	Non-controlling interest	17	4	5	23	19	28
14	Paid up equity share capital	209	208	208	209	208	208
	Face value per equity share - (in Rs.)	2	2	2	2	2	2
15	Other equity						24,614
16	Earnings per equity share (Not annualised)						
	a) Basic (in Rs.)	19.57	19.79	17.86	58.96	55.64	74.06
	b) Diluted (in Rs.)	19.34	19.49	17.58	58.23	54.77	72.91

Statement of consolidated unaudited segment information for the quarter and nine months ended December 31, 2019

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
₹ Million							
1	Segment revenue						
	Transportation	5,094	4,902	4,181	14,695	11,773	16,186
	Plant Engineering	2,444	2,275	1,892	6,781	5,255	7,220
	Industrial Products	2,724	2,714	2,667	8,078	7,603	10,196
	Medical Devices	1,340	1,231	890	3,644	2,440	3,378
	Telecom & Hitech	2,627	2,899	3,539	8,527	10,281	13,803
	<b>Revenue from operations</b>	<b>14,229</b>	<b>14,021</b>	<b>13,169</b>	<b>41,725</b>	<b>37,352</b>	<b>50,783</b>
2	Segment results						
	Transportation	901	885	731	2,752	1,844	2,702
	Plant Engineering	679	608	426	1,790	1,229	1,642
	Industrial Products	726	708	683	2,105	1,899	2,542
	Medical Devices	369	331	219	985	580	839
	Telecom & Hitech	386	537	517	1,477	1,468	2,150
	<b>Total</b>	<b>3,061</b>	<b>3,069</b>	<b>2,576</b>	<b>9,109</b>	<b>7,020</b>	<b>9,875</b>
	Less - Unallocable expenses (net)	198	237	159	687	354	728
	Add - Other income	443	469	359	1,477	1,891	2,228
	Less - Finance costs	89	91	6	271	14	19
	Less - Depreciation and amortisation expense	472	444	239	1,344	769	1,042
	<b>Profit before tax</b>	<b>2,745</b>	<b>2,766</b>	<b>2,531</b>	<b>8,284</b>	<b>7,774</b>	<b>10,314</b>

1 Segments have been identified in accordance with Indian Accounting Standards ("Ind AS") 108 on Operating Segments, considering the risk/return profiles of the business, their organisational structure and internal reporting systems.

2 Property, plant and equipment used and liabilities contracted for performing the Company's business have not been identified to any of the above reported segments as the property, plant and equipment and services are used interchangeably among segments.




Explanatory notes to the statement of consolidated unaudited financial results for the quarter and nine months ended December 31, 2019

1. The consolidated unaudited financial results of L&T Technology Services Limited ('the Company') for the quarter and nine months ended December 31, 2019 have been taken on record by the Board of Directors at its meeting held on January 17, 2020. The statutory auditors have carried out limited review of the above consolidated unaudited financial results and have issued an unqualified limited review report. The results for quarter and nine months ended December 31, 2019 are extracted from the unaudited interim consolidated financial statements. These consolidated unaudited financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under section 133 of the Companies Act, 2013 and the relevant rules.
2. The consolidated unaudited financial results are available on the website of the Company ([www.lts.com](http://www.lts.com)) and on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)). The specified items of the standalone unaudited financial results of the Company are given below:

	Quarter ended			Nine months ended		Year ended
	31-12-2019 (Reviewed)	30-09-2019 (Reviewed)	31-12-2018 (Reviewed)	31-12-2019 (Reviewed)	31-12-2018 (Reviewed)	31-03-2019 (Audited)
Total income	13,627	13,431	12,512	40,062	35,892	48,632
Profit before tax	2,637	2,717	2,466	8,040	6,950	9,414
Profit after tax	1,983	2,030	1,807	5,993	5,150	7,001

(₹ million)

3. The Group has adopted Ind AS 116 - Leases, with effect from April 1, 2019 by using modified retrospective approach and accordingly comparatives for the year ended March 31, 2019 have not been adjusted retrospectively. Consequently, the Group has not restated the comparative figures and cumulative effect of initially applying this Standard have been recognised as adjustment to opening balance of retained earnings as on April 1, 2019.
4. During the quarter ended Dec 31, 2019, the Company has allotted 321,925 equity shares of ₹ 2 each, fully paid-up, on exercise of stock options by employees, in accordance with the Company's stock option scheme.
5. Figures for earlier periods have been regrouped, wherever necessary.



For and on behalf of the Board of Directors  
of L&T Technology Services Limited

KESHAB PANDA

Chief Executive Officer and Managing Director

Mumbai  
Jan 17, 2020





## L&T Technology Services Limited

Registered Office: L&T House, N.M. Marg, Ballard Estate, Mumbai 400 001

Email: investor@lts.com, Website: www.lts.com, Corporate Identity Number: L72900MH2012PLC232169

Statement of standalone unaudited financial results for the quarter and nine months ended December 31, 2019

₹ Million

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31-12-2019 (Reviewed)	30-09-2019 (Reviewed)	31-12-2018 (Reviewed)	31-12-2019 (Reviewed)	31-12-2018 (Reviewed)	31-03-2019 (Audited)
1	<b>Income from operations</b>						
	a) Revenue from operations	13,181	12,934	12,145	38,572	34,727	47,120
	b) Other income	446	497	367	1,490	1,165	1,512
	<b>Total income</b>	<b>13,627</b>	<b>13,431</b>	<b>12,512</b>	<b>40,062</b>	<b>35,892</b>	<b>48,632</b>
2	<b>Expenses</b>						
	a) Employee benefit expense	7,872	7,736	7,518	23,139	21,632	29,057
	b) Depreciation and amortisation expenses	398	372	190	1,126	576	731
	c) Other expenses	2,635	2,520	2,334	7,500	6,726	9,408
	d) Change in contingent consideration-acquisition	-	-	-	-	-	11
	e) Finance costs	85	86	4	257	8	11
	<b>Total expenses</b>	<b>10,990</b>	<b>10,714</b>	<b>10,046</b>	<b>32,022</b>	<b>28,942</b>	<b>39,218</b>
3	<b>Profit from ordinary activities after finance costs but before exceptional items (1-2)</b>	<b>2,637</b>	<b>2,717</b>	<b>2,466</b>	<b>8,040</b>	<b>6,950</b>	<b>9,414</b>
4	Exceptional items	-	-	-	-	-	-
5	<b>Profit from ordinary activities before tax (3-4)</b>	<b>2,637</b>	<b>2,717</b>	<b>2,466</b>	<b>8,040</b>	<b>6,950</b>	<b>9,414</b>
6	Tax expense	654	687	659	2,047	1,800	2,413
7	<b>Net profit from ordinary activities after tax (5-6)</b>	<b>1,983</b>	<b>2,030</b>	<b>1,807</b>	<b>5,993</b>	<b>5,150</b>	<b>7,001</b>
8	Extraordinary items (net of tax expense)	-	-	-	-	-	-
9	<b>Net profit for the period (7+8)</b>	<b>1,983</b>	<b>2,030</b>	<b>1,807</b>	<b>5,993</b>	<b>5,150</b>	<b>7,001</b>
10	Other comprehensive income (net of tax expense)	5	(605)	1,376	(615)	(677)	(21)
11	<b>Total comprehensive income (9+10)</b>	<b>1,988</b>	<b>1,425</b>	<b>3,183</b>	<b>5,378</b>	<b>4,473</b>	<b>6,980</b>
12	Paid up equity share capital	209	208	208	209	208	208
	Face value per equity share - (in Rs.)	2	2	2	2	2	2
13	Other equity						24,151
14	<b>Earnings per equity share (Not annualised)</b>						
	a) Basic (in Rs.)	19.02	19.51	17.39	57.56	49.91	67.72
	b) Diluted (in Rs.)	18.79	19.21	17.11	56.85	49.14	66.67

Statement of standalone unaudited segment information for the quarter and nine months ended December 31, 2019

₹ Million

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31-12-2019 (Reviewed)	30-09-2019 (Reviewed)	31-12-2018 (Reviewed)	31-12-2019 (Reviewed)	31-12-2018 (Reviewed)	31-03-2019 (Audited)
1	<b>Segment revenue</b>						
	Transportation	4,364	4,184	3,583	12,565	10,179	14,067
	Plant Engineering	2,444	2,275	1,892	6,781	5,255	7,220
	Industrial Products	2,700	2,712	2,670	8,053	7,597	10,182
	Medical Devices	1,339	1,229	890	3,639	2,440	3,378
	Telecom & Hitech	2,334	2,534	3,110	7,534	9,256	12,273
	<b>Revenue from operations</b>	<b>13,181</b>	<b>12,934</b>	<b>12,145</b>	<b>38,572</b>	<b>34,727</b>	<b>47,120</b>
2	<b>Segment results</b>						
	Transportation	800	843	662	2,460	1,656	2,414
	Plant Engineering	678	608	426	1,789	1,229	1,642
	Industrial Products	699	708	683	2,077	1,892	2,533
	Medical Devices	371	329	219	985	580	839
	Telecom & Hitech	324	427	462	1,309	1,366	1,944
	<b>Total</b>	<b>2,872</b>	<b>2,915</b>	<b>2,452</b>	<b>8,620</b>	<b>6,723</b>	<b>9,372</b>
	Less - Unallocable expenses (net)	198	237	159	687	354	728
	Add - Other income	446	497	367	1,490	1,165	1,512
	Less - Finance costs	85	86	4	257	8	11
	Less - Depreciation and amortisation expense	398	372	190	1,126	576	731
	<b>Profit before tax</b>	<b>2,637</b>	<b>2,717</b>	<b>2,466</b>	<b>8,040</b>	<b>6,950</b>	<b>9,414</b>

1 Segments have been identified in accordance with Indian Accounting Standards ("Ind AS") 108 on Operating Segments, considering the risk/return profiles of the business, their organisational structure and internal reporting systems.

2 Property, plant and equipment used and liabilities contracted for performing the Company's business have not been identified to any of the above reported segments as the property, plant and equipment and services are used interchangeably among segments.



Explanatory notes to the statement of standalone unaudited financial results for the quarter and nine months ended December 31, 2019

1. The standalone unaudited financial results of L&T Technology Services Limited ('the Company') for the quarter and nine months ended December 31, 2019 have been taken on record by the Board of Directors at its meeting held on January 17, 2020. The statutory auditors have carried out limited review of the above standalone unaudited financial results and have issued an unqualified limited review report. The results for the quarter and nine months ended December 31, 2019 are extracted from the unaudited interim financial statements. These interim financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under section 133 of the Companies Act, 2013 and the relevant rules.
2. During the quarter ended December 31, 2019, the Company has allotted 321,925 equity shares of ₹ 2 each, fully paid-up, on exercise of stock options by employees, in accordance with the Company's stock option scheme.
3. The Company has adopted Ind AS 116 - Leases, with effect from April 1, 2019 by using modified retrospective approach and accordingly comparatives for the year ended March 31, 2019 have not been adjusted retrospectively. Consequently, the Company has not restated the comparative figures and cumulative effect of initially applying this Standard have been recognised as adjustment to opening balance of retained earnings as on April 1, 2019.
4. During the quarter, the Company has entered into a Business Transfer Agreement (BTA) with its wholly owned subsidiary Graphene Semiconductor Services Limited (Graphene), pursuant to which business of Graphene was acquired with effect from Oct 1, 2019. Accordingly, figures for the previous periods are not comparable.
5. Figures for earlier periods have been regrouped, wherever necessary.



For and on behalf of the Board of Directors  
of L&T Technology Services Limited

KESHAB PANDA

Chief Executive Officer and Managing Director

Mumbai  
Jan 17, 2020





## L&T Technology Services reports a 10% increase in 3QFY20 Net Profit

**Q3 Revenue of ₹ 1,423 crore, up 8% YoY**

**Mumbai, January 17, 2020:** L&T Technology Services Limited (BSE: 540115, NSE: LTTS), India's leading pure-play engineering services company, announced its results for the third quarter ended December 31, 2019.

Highlights for Q3FY20 include:

- USD Revenue at \$199 million; growth of 7% YoY
- Revenue at ₹ 14,230 million; growth of 8% YoY
- EBIT margin at 16.8%; up 30bps YoY
- Net profit at ₹ 2,041 million; growth of 10% YoY

During the quarter, LTTS won 9 multi-million dollar deals across all major industry segments which includes 2 deals having TCV of USD30mn+ each. On a YoY basis, LTTS has increased its USD20mn+ clients by 2 and its USD10mn+ clients by 4.

*“Q3 results were consistent with our expectations. We had a strong performance in three segments - Transportation, Plant Engineering, and Medical Devices that are each growing in excess of 20% on YoY basis. Digital & leading-edge technologies - the growth driver for ER&D, contributed to 41% of Q3 revenues and grew by 29% YoY.*

*We are seeing a new set of opportunities as customers seek disruptive technologies like AI, sensor fusion and industrial robotics to strengthen their market competitiveness. As part of our strategy to be the preferred ER&D partner to our customers, we continue to invest in building competencies and design centers that will take us closer to the customer. Last quarter we opened our 9<sup>th</sup> design center outside of India - an Aerospace & Defense Engineering Design Center in Rockford, Illinois (USA) that will cater to the development of high-performance engineering solutions for the global aerospace and defense industry”, said Dr. Keshab Panda, CEO & Managing Director, L&T Technology Services Limited.*

### Industry Recognitions:

- Confederation of Indian Industry (CII) conferred LTTS with the **CII Industrial Innovation Award, 2019** and recognized it as one of the most innovative Indian companies in the Services category in the 'Large Enterprises' segment.

- The Government of India bestowed upon LTTS the dual distinction for '**High Growth in Women Employment**' as well as '**Highest Exporter-IT (Mysuru Region)**'. The Award was given by the Software Technology Parks of India (STPI), a Government body.
- LTTS was felicitated for its **Robotic Endo-training Kit** at the 8th Foundation Day of Global Innovation & Technology Alliance (GITA). Hon'ble Minister of Science & Technology, Health and Family Welfare and Earth Sciences Dr. Harsh Vardhan felicitated LTTS at the event.

## Patents

At the end of the third quarter, the patents portfolio of L&T Technology Services stood at 472, out of which 352 are co-authored with its customers and the rest are filed by LTTS.

## Human Resources

At the end of Q3FY20, LTTS' employee strength stood at 16,787.

## About L&T Technology Services Ltd

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 51 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 16,700 employees spread across 17 global design centers, 28 global sales offices and 50 innovation labs as of December 31, 2019.

## Media Contact:

Aniruddha Basu

L&T Technology Services Limited

E: [Aniruddha.Basu@LTTS.com](mailto:Aniruddha.Basu@LTTS.com)

T: +91-80-67675173

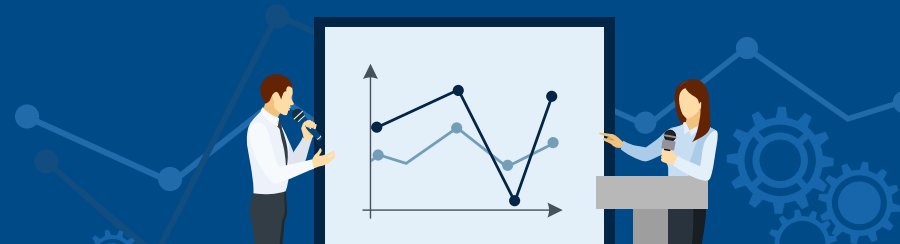
# **L&T TECHNOLOGY SERVICES LIMITED** **THIRD QUARTER - FY 20 RESULTS**

**Investor Release**

*Mumbai, India, January 17, 2020*



## FINANCIAL HIGHLIGHTS



### REVENUE IN INR

- Revenue of **₹14,230 million** for the quarter; growth of **1.5% QoQ** and **8.1% YoY**

### REVENUE IN USD

- Revenue of **\$199.3 million** for the quarter; growth of **0.8% QoQ** and **7.3% YoY**; growth in constant currency at **0.6% QoQ** and **7.5% YoY**

### PROFIT IN INR

- EBIT of **₹2,391 million** for the quarter, growth of **0.1% QoQ** and **9.7% YoY**; EBIT margin at **16.8%**
- Net Income of **₹2,041 million** for the quarter, drop of **0.8% QoQ** and an increase of **10.0% YoY**; Net Income margin at **14.3%**

## 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



I would like to wish the investor and analyst community a Happy New Year and also thank you for the continued interest in our company.

We are starting 2020 with a steady performance in Q3 that was consistent with our expectations. Three of our segments - Transportation, Plant Engineering, and Medical Devices delivered solid growth – in excess of 20% on YoY basis. In Telecom and Hitech, soft budgets and longer sales cycles impacted us in Q3 too, but our efforts in selling to a broader set of customers in this segment are bearing fruit which will lead to a turnaround from Q4 onwards.

In Q3, LTTS won 9 multi-million dollar deals across all major industry segments, with 2 deals having TCV of USD30mn+ each. On a YoY basis, LTTS has increased its USD20mn+ clients by 2 and its USD10mn+ clients by 4. Digital & leading-edge technologies - the growth driver for ER&D, contributed to 41% of Q3 revenues and grew by 29% YoY.

Overall, our growth expectations for Q4 remain unchanged and we maintain our USD revenue growth guidance of 10% for FY20.

As part of our strategy to be the preferred ER&D partner to our customers we continue to invest in competency building and broadening our presence within each of our segments. Last quarter, we opened an Aerospace & Defense Engineering Design Center in Rockford, Illinois (USA) which is our 9<sup>th</sup> design center outside of India, to cater to the development of high-performance engineering solutions for global aerospace and defense industry.

We are seeing a new set of opportunities as customers seek disruptive technologies like AI, sensor fusion and industrial robotics to strengthen their market competitiveness. The deal pipeline continues to be robust, and we look forward to another year of innovating with our customers.



### **Dr. Keshab Panda**

CEO & Managing Director  
L&T Technology Services Limited





## KEY DEAL WINS

LTTS closed several multi-million dollar projects from global customers across various verticals. The major wins are listed below:

- Airbus India selected LTTS to manage their Avionics Software Development, V&V (Validation & Verification) and Data Analytics.
- A multi-national power company has selected LTTS as its strategic engineering partner to develop an IoT platform that combines hardware, software, and communication elements to bring diverse power components into a unified system that can be monitored and managed effectively. In addition, the customer's aero division has chosen LTTS for analysis & simulation of engine systems and structures.
- LTTS won a contract from a global technology conglomerate for VLSI engineering services spanning its product suite of AR & VR enabled solutions.
- The world's leading technology firm has awarded LTTS a multi-year deal involving an engineering analytics program for the customer's next generation wireless laptops and processors.
- In Europe, LTTS won an engineering services deal from a multi-national steel manufacturer to manage the Engineering, Procurement and Construction Management (EPCM) services for an upcoming plant.
- A leading auto parts maker has awarded LTTS a multi-year program for design and development of their Engine Control Unit (ECU) for enhanced fuel efficiency for a new range of powertrain vehicles.
- LTTS is setting up a development and design center in India for a European manufacturer to provide engineering projects across Embedded, Mechanical and Connectivity domains.
- LTTS has been awarded a program by a global media firm to design and develop a next generation chipset for broad-band and video security.
- A global medical devices OEM awarded LTTS a contract to develop a new IoT platform to remotely monitor their life sciences products installed globally.

# FINANCIAL PERFORMANCE

## INCOME STATEMENT (CONSOLIDATED)

Amount in ₹ million

	Q3 FY19	Q2 FY20	Q3 FY20	QoQ	YoY
<b>Revenue</b>	<b>13,169</b>	<b>14,021</b>	<b>14,230</b>	<b>1.5%</b>	<b>8.1%</b>
Cost of sales	9,269	9,497	9,557		
<b>Gross Profit</b>	<b>3,900</b>	<b>4,524</b>	<b>4,673</b>	<b>3.3%</b>	<b>19.8%</b>
Selling, General & Administration Expenses	1,483	1,692	1,810		
<b>EBITDA</b>	<b>2,417</b>	<b>2,832</b>	<b>2,863</b>	<b>1.1%</b>	<b>18.4%</b>
Depreciation & Amortisation	239	444	472		
<b>EBIT</b>	<b>2,178</b>	<b>2,388</b>	<b>2,391</b>	<b>0.1%</b>	<b>9.7%</b>
Other Income, net	353	378	354		
Income tax expense	670	704	687		
Minority Interest	5	3	17		
<b>Net Income</b>	<b>1,856</b>	<b>2,058</b>	<b>2,041</b>	<b>-0.8%</b>	<b>10.0%</b>
<b>Margins (%)</b>					
Gross Margin	29.6%	32.3%	32.8%		
EBITDA Margin	18.4%	20.2%	20.1%		
EBIT Margin	16.5%	17.0%	16.8%		
Net Income Margin	14.1%	14.7%	14.3%		
<b>Earnings Per Share (INR)</b>					
Basic	17.86	19.79	19.57		
Diluted	17.58	19.49	19.34		

## OTHER INCOME

Amount in ₹ million

	Q3 FY19	Q2 FY20	Q3 FY20
Income from investments, net	38	100	78
Ind AS 116 finance charge	-	-87	-86
Foreign exchange gains/(loss)	278	71	214
Others	37	294	148
<b>Total</b>	<b>353</b>	<b>378</b>	<b>354</b>



## BALANCE SHEET (CONSOLIDATED)

Amount in ₹ million

	FY19	Q3 FY20
<b>Assets</b>		
Property and equipment	1,443	5,529
Intangible Assets and Goodwill	6,356	6,153
Accounts Receivable	10,643	11,725
Unbilled Revenues	2,421	3,931
Investments	5,749	6,027
Cash and Cash equivalents	2,051	2,297
Other current assets	2,851	3,123
Other non-current assets	2,124	1,448
<b>Total Assets</b>	<b>33,638</b>	<b>40,234</b>
<b>Liabilities and Shareholders' Equity</b>		
Shareholders' Funds	24,792	27,494
Short term borrowings	702	214
Other current liabilities	7,919	8,902
Other non-current liabilities	194	3,569
Minority Interest	31	54
<b>Total Liabilities</b>	<b>33,638</b>	<b>40,234</b>

## CASH FLOW SUMMARY (CONSOLIDATED)

Amount in ₹ million

	FY19	YTD FY20
Net cash provided by operating activities	8,061	5,458
Capex	-885	-1,229
<b>Free Cash Flow</b>	<b>7,176</b>	<b>4,229</b>
Free Cash Flow to Net Income (%)	94%	69%

# OPERATIONAL PERFORMANCE



	Q3 FY19	Q2 FY20	Q3 FY20	QoQ Growth	YoY Growth	In Constant Currency	
						QoQ Growth	YoY Growth
Revenue (USD Mn)	185.7	197.7	199.3	0.8%	7.3%	0.6%	7.5%

## REVENUE BY VERTICAL

	Q3 FY19	Q2 FY20	Q3 FY20	QoQ Growth	YoY Growth
Transportation	31.7%	35.0%	35.8%	3.1%	21.3%
Industrial Products	20.2%	19.4%	19.2%	-0.5%	1.6%
Telecom & Hi-tech	27%	20.6%	18.5%	-9.8%	-26.7%
Plant Engineering	14.4%	16.2%	17.2%	7.1%	28.2%
Medical Devices	6.7%	8.8%	9.4%	7.6%	50.6%

Note: Process Industry has been renamed to Plant Engineering

## REVENUE BY GEOGRAPHY

	Q3 FY19	Q2 FY20	Q3 FY20	QoQ Growth	YoY Growth
North America	57.8%	61.7%	61.2%	0.0%	13.7%
Europe	16.2%	14.4%	14.1%	-1.2%	-6.3%
India	14.4%	13.1%	13.2%	1.6%	-1.8%
Rest of the World	11.6%	10.7%	11.4%	7.1%	5.8%

## REVENUE MIX

	Q3 FY19	Q2 FY20	Q3 FY20
Onsite	47.4%	43.8%	44.0%
Offshore	52.6%	56.2%	56.0%

## REVENUE BY PROJECT TYPE

	Q3 FY19	Q2 FY20	Q3 FY20
Fixed Price	42.1%	41.8%	42.7%
Time and Material Contract	57.9%	58.2%	57.3%

## CLIENT PROFILE

	Q3 FY19	Q2 FY20	Q3 FY20
Number of Active Clients	244	259	265
50 Million dollar +	2	1	-
30 Million dollar +	3	3	3
20 Million dollar +	5	7	7
10 Million dollar +	16	17	20
5 Million dollar +	39	42	43
1 Million dollar +	98	106	107

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

## CLIENT CONTRIBUTION TO REVENUE

	Q3 FY19	Q2 FY20	Q3 FY20
Top 5 Clients	27.4%	22.9%	21.1%
Top 10 Clients	38.9%	35.7%	33.9%
Top 20 Clients	54.4%	51.3%	49.8%

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

## UTILISATION

	Q3 FY19	Q2 FY20	Q3 FY20
Including Trainees	81.3%	77.8%	79.2%

## EMPLOYEE STATISTICS

	Q3 FY19	Q2 FY20	Q3 FY20
Total Headcount	14,777	16,789	16,787
Billable	13,711	15,614	15,604
Sales & Support	1,066	1,175	1,183
Voluntary Attrition % (LTM)	14.9%	13.4%	13.9%

## EXCHANGE RATE (USD/INR)

	Q3 FY19	Q2 FY20	Q3 FY20
Period Realised	70.92	70.92	71.41
Period Closing	69.78	70.87	71.39

## INDUSTRY RECOGNITIONS

Confederation of Indian Industry (CII) conferred LTTS with the **CII Industrial Innovation Award, 2019** and recognized it as one of the most innovative Indian companies in the Services category in the 'Large Enterprises' segment.

The Government of India bestowed upon LTTS the dual distinction for '**High Growth in Women Employment**' as well as '**Highest Exporter-IT**' (**Mysuru Region**). The Award was given by the Software Technology Parks of India (STPI), a Government body.

ISG has rated LTTS as a **Leader in Product Engineering, Manufacturing Engineering** in Digital Oil Field (Upstream & Midstream), Automotive and Aerospace verticals

LTTS was the recipient of the **Frost and Sullivan 2019 - Indian Cognitive Automation Technology Innovation Leadership award**, an acknowledgement of excellence in Cognitive Automation Technology.

LTTS was felicitated for its **Robotic Endo-training Kit** at the 8<sup>th</sup> Foundation Day of Global Innovation & Technology Alliance (GITA). Hon'ble Minister of Science & Technology, Health and Family Welfare and Earth Sciences Dr. Harsh Vardhan felicitated LTTS at the event.

Zinnov rated LTTS in the leadership zone for its innovation and capability for Internet of Things (IoT) Technology and Services and recognized LTTS as a 'Leader' across 7 other unique expertise areas in its **Zinnov Zones IoT Services Rating for 2019** report.

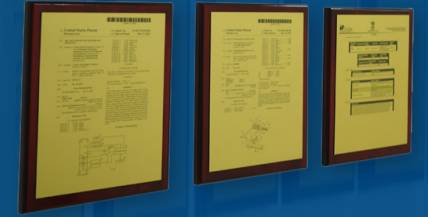
## OTHER HIGHLIGHTS

L&T Technology Services opened a design engineering center in Rockford, Illinois (USA) to cater to the new age digital requirements of the aerospace and defense markets. The center was inaugurated by Mr. Stan Kottke, Vice President of Electric Power Systems, Collins Aerospace, Senator Dave Syverson and Mr. Tom McNamara, Mayor, Rockford City, IL.



## PATENTS

At the end of the third quarter, the patents portfolio of L&T Technology Services stood at **472**, out of which **352** are co-authored with its customers and the rest are filed by LTTS.



## CORPORATE SOCIAL RESPONSIBILITY

### LTTS launches initiative to build shelter homes for Cyclone Fani affected people in Puri, Odisha

LTTS launched "Project Neelachala" - a program for providing 150 disaster resilient shelter homes to those affected by Cyclone Fani in Puri district of Odisha. As a part of the project, LTTS will also provide skill development programs for residents in various construction activities which will ensure an additional means of livelihood for the affected people in the future.



## 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 51 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 16,700 employees spread across 17 global design centers, 28 global sales offices and 50 innovation labs as of December 31, 2019.



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