

**July 25, 2017**

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: Revised Investor Release**

Dear Sirs,

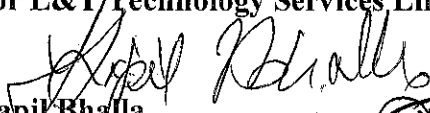
This has reference to our letter filed with you today, in connection with the same please find attached herewith the revised Investor release w.r.t. Financial Results for the quarter ended June 30, 2017.

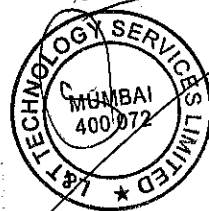
The above information may kindly be taken on records.

Kindly also inform your members accordingly and display the same on the Notice Board.

Thanking You,

Yours sincerely,  
**For L&T Technology Services Limited**

  
**Kapil Bhalla**  
Company Secretary  
FCS.3485  
Encl: As above



# L&T Technology Services Limited First Quarter - FY '18 Results

 L&T Technology Services

Investor Release  
Mumbai, India  
July 25, 2017

## Table of Contents

Financial Highlights	3
Revenue in USD	
Revenue in INR	
Profit in INR	
Safe Harbour Statement	3
Message from the CEO & Managing Director	4
Performance Highlights	5-8
Key Deal Wins	
Strategic Acquisition	
HfS Recognition	
Industry Recognitions	
Alliances & Events	
Expansion in Israel	
Other Highlights - Techgium™	
CSR & Diversity	
Financial Performance	9
Income Statement	
Operational Performance	10-12
Revenue by Vertical	
Revenue by Geography	
Revenue Mix	
Revenue by Project Type	
Client Profile	
Client Contribution to Revenue	
Utilisation	
Employee Statistics	
Exchange Rate (USD/INR)	



## FINANCIAL HIGHLIGHTS

### REVENUE IN USD

- US Dollar Revenue at **\$128 million** for the quarter; growth of **5.3% QoQ** and **6.3% YoY**
- US Dollar Revenue growth in constant currency at **2.5% QoQ** and **6.6% YoY**

### REVENUE IN INR

- INR Revenue at **₹8,226 million** for the quarter; growth of **1.3% QoQ** and **2.5% YoY**

### PROFIT IN INR

- EBITDA at **₹1,257 million** for the quarter; EBITDA margin at **15.3%**
- Net Income at **₹980 million** for the quarter; Net margin at **11.9%**

## SAFE HARBOUR STATEMENT

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. 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



L&T Technology Services Limited (LTTS) began the first quarter of the new financial year on a positive note with revenues growing 5.3 % sequentially and net profit rising 1.6% despite the appreciation in the Indian rupee versus the dollar. There is robust demand for our digital engineering solutions in the industry and the pipeline from large customers looks healthy. We are also seeing considerable traction and synergies from our recently completed acquisition of Esencia in the U.S.



We see exciting opportunities in many areas of our business including Embedded, Telecom, VLSI, Transportation and Aerospace. We are expanding our operations in Israel by setting up a Center of Excellence which will focus on embedded technologies including ASIC and Security solutions. In order to bring more agility to our delivery model and address the evolving needs of our U.S. customers we are also ramping up our design centers in Texas and the Midwest region.

With an intent to reduce carbon emissions and contribute towards creating a greener planet, we have developed new technologies for electric vehicles and hybrid trucks and buses. These hybrid vehicles will have technologies which can also be integrated into commercial vehicles, and use LTTS' in-house solutions like the DC DC Converter, Battery Management System and Advanced Driving Assistance Systems.

We have good revenue visibility in the coming quarters and the increasing demand for ER&D services makes me confident that LTTS will post robust revenue growth in FY18. Thank you for your constant support and I can assure you that we will continue to grow at a global scale and delight customers with new and transformational solutions.

**Dr. Keshab Panda**  
CEO & Managing Director  
L&T Technology Services Limited





## PERFORMANCE HIGHLIGHTS

### KEY DEAL WINS

During the quarter, L&T Technology Services won several multi-year multi-million dollar contracts from global customers in new age areas like robotics, video platform solutions, avionics and autonomous car technologies.

- L&T Technology Services is partnering with a global technology company for enhancement of video platform solutions which are deployed to tens of millions of subscribers globally. This is one of LTTS' largest programs to date. The deal will allow LTTS to provide additions to its offerings in the areas of Media & Entertainment and service the Multi Service Operators segment.
- LTTS is developing advanced robotic programming and simulation algorithms for vehicle assembly plants of a global OEM manufacturer. It is also supporting a number of R&D initiatives for the automotive major across its various design departments including powertrain & transmission, body design & embedded technologies.
- A US-based leader in industrial automation has awarded LTTS a contract to develop, support and validate its family of drives and motors.
- We are providing end to end system and engineering application development along with integration and testing activities for a leading European aerospace and rail conglomerate and strengthening the customer's offerings in high end avionics software.
- LTTS won a multi-year contract from a major European carmaker to develop and support applications of autonomous drive systems for its range of vehicles.
- For an Indian tyre maker, L&T Technology Services has developed an engineering blueprint to enable the customer to set up a greenfield tyre plant.
- LTTS is supporting a global Oil & Gas company for a project to capture, retrieve and store MetaData information. The scope of the project includes work on Scanning and Geo referencing for the customer.
- LTTS won a contract to support project management and forecast metrics for a US Oilfield services provider and also helping it expand in new geographies. LTTS is working on a development project in Norway for the customer to support permanent monitoring applications.

## STRATEGIC ACQUISITION

During the quarter, L&T Technology Services successfully completed the acquisition of Esencia Technologies, a provider of design services from specification to final product in Digital Signal Processing for Communications, Video, Security and Networking based out of San Jose, California.



The Esencia acquisition brings cross leverage potential adding synergistic business to LTTS, enabling the company to offer high end VLSI and ASIC services to its global customers across hi-tech and semiconductor industries. The teams at LTTS & Esencia are seeing traction on deals in the VLSI / Embedded space for some of the world's leading technology companies.

## HfS RECOGNITION

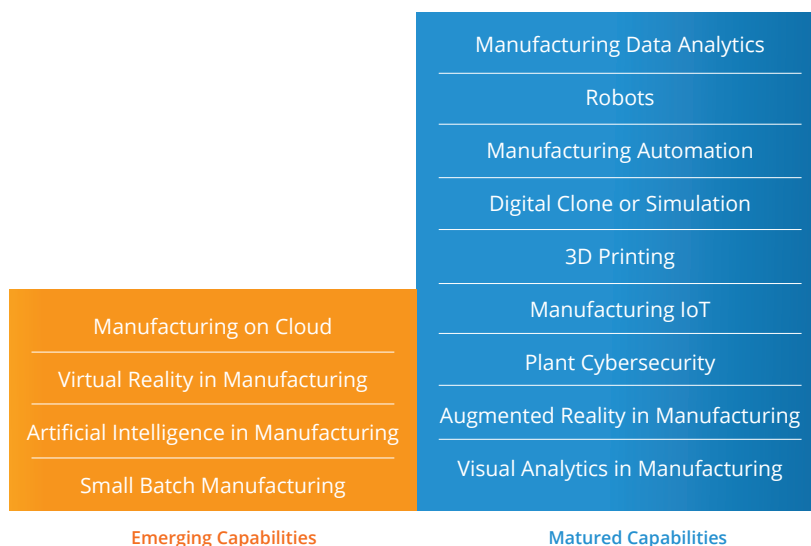
L&T Technology Services has been positioned in the "Winners Circle" by HfS Research, the services research company™ in its maiden Industry 4.0 Services Blueprint Assessment.

LTTS was rated as having strong global capabilities in domains such as Manufacturing Data Analytics, Robots, Manufacturing Automation, Digital Clone Simulation, 3D Printing, Manufacturing IoT, Cybersecurity, AR in Manufacturing and Visual Analytics in Manufacturing, according to HfS.

For the report, HfS Research assessed a dozen service providers on use cases and several end-to-end digitalization process areas to help clients improve productivity on the manufacturing shop floor.



### L&T TECHNOLOGY SERVICES INDUSTRY 4.0 CAPABILITIES



## INDUSTRY RECOGNITIONS

- LTTTS is the only pure-play engineering services company to be rated as Leaders by Nelson Hall in their IoT Services Study. We were rated as Leaders for Improved Efficiency Focus and also mentioned as High Achievers for Business Model Focus.
- CIMData has recognized LTTTS among the top **25** PLM Revenue Services Leaders in 2016. LTTTS was also positioned among the top **20** collaborative product definition management (cPDm) independent services leaders and an Overall Revenue Leader in the cPDm category.
- LTTTS won the CSR Excellence Award for best CSR project in skill development for its Naya Savera campaign on skill development for the underprivileged.

## ALLIANCES & EVENTS

- L&T Technology Services strengthened its existing partnership with Microsoft for Smart City, Campus & Building (SCCB) solutions based on Microsoft Azure. That collaboration will drive joint solution innovation for campuses of the future, leveraging Azure as well as HoloLens Mixed Reality to enhance LTTTS' Digital Engineering Solutions such as i-BEMS.
- LTTTS expanded a strategic alliance with global technology leader PTC focused on Industrial Internet of Things (IoT) innovation and connected manufacturing. Both companies have come together to leverage on each other's expertise and provide next-generation Digital Services, Smart & Accelerated Product Development, Remote Field Services and Predictive Maintenance for global clients. LTTTS also participated in the PTC LIVEWORX '17 event showcasing its offerings in Digital PLM, Smart Engineering, IoT, Augmented Reality & Virtual Reality, as well as Connected Enterprises.
- L&T Technology Services displayed its capabilities in the field of Internet of things (IoT) at the Samsung Partner Event in San Jose, California. Samsung's partners along with distinguished industry experts from across the globe were present for this event. LTTTS showcased demos on connected Personal Protection Equipment and Smart Homes.
- We took part in the 5th Sierra Wireless Innovation Summit. LTTTS' demos on Sierra's Legato platform enabled VoIP communication on embedded devices and engineered new "connections" in the Internet of Disconnected Things.

## EXPANSION IN ISRAEL

LTTTS' center of excellence in Jerusalem, Israel will be dedicated to developing ASIC and security solutions. With the addition of this CoE, LTTTS is well placed to offer next generation video and security solutions to customers across the globe. LTTTS is also setting up a custom solutions team that will advise global businesses on security implementation.

This move will help us consolidate our position as the leading global provider of video engineering services.



## OTHER HIGHLIGHTS - TECHgium™

- LTTTS held the Grand Finale of its pan-India engineering talent hunt TECHgium™ on May 5. Over **7,000** engineering talent with **193** faculty members from **164** reputed engineering institutes participated in the competition to solve the **22** challenges defined by LTTTS' global clients.
  - The top prize was given for a proof of concept (PoC) to design a single seater rack and Elevator for easy access in wind turbines.
  - In second place was a PoC on use of phased array ultrasonic technology for leakage detection.
  - The third prize went to a solution for incorporating variable compression ratio in a turbocharged engine to increase low power efficiency.



LTTTS CEO & MD **Dr Keshab Panda** (center) with winners of the first prize at TECHgium™

Other PoCs showcased at TECHgium™ include a project on vehicle assistance using artificial intelligence (AI) and a project related to the building industry - a mobile based control to adjust roof panels thereby maximizing day-light inside rooms.

## CSR & DIVERSITY

During the first quarter, L&T Technology Services was conferred the CSR Excellence Award for best CSR project in skill development for its NAYA Savera campaign.

LTTTS' CSR project Naya Savera provides livelihood platform to underprivileged and differently abled individuals through various skill development programs. Over fourteen hundred individuals were trained, certified and provided job placement during FY (2016-2017) across multiple LTTTS locations.

CSR Excellence Awards 2017 is the most inclusive and diverse awards of its kind in business excellence and innovation in Corporate Social Responsibility across a broad range of disciplines, making it the only one of its kind in India. The conference showcased world class presentations, interactive sessions from leading practitioners and nomination from more than 80 corporate across India for the award.



**Mr Manivannan** (Extreme right) receives the CSR Excellence Awards 2017

## FINANCIAL PERFORMANCE

### INCOME STATEMENT

Amount in ₹ million

	Q1 FY18	Q4 FY17	Q1 FY17	QoQ Growth	YoY Growth
Revenue	8,226	8,123	8,029	1.3%	2.5%
Direct Costs	6969	6,785	6,539	2.7%	6.6%
<b>EBITDA</b>	<b>1,257</b>	<b>1,338</b>	<b>1,490</b>	<b>(6.1%)</b>	<b>(15.6%)</b>
Depreciation & Amortisation	145	147	178	(1.4%)	(18.5%)
<b>EBIT</b>	<b>1,112</b>	<b>1,191</b>	<b>1,312</b>	<b>(6.6%)</b>	<b>(15.2%)</b>
Other Income, net	260	35	226	642.9%	15.0%
Income tax expense	392	261	458	50.0%	(14.4%)
<b>Net Profit</b>	<b>980</b>	<b>965</b>	<b>1,080</b>	<b>1.6%</b>	<b>(9.3%)</b>
<b>Net Profit after Minority Interest</b>	<b>982</b>	<b>960</b>	<b>1,083</b>	<b>2.3%</b>	<b>(9.3%)</b>

	Q1 FY18	Q4 FY17	Q1 FY17
<b>Margins (%)</b>			
EBITDA Margin	15.3%	16.5%	18.6%
EBIT Margin	13.5%	14.7%	16.3%
Net Profit Margin	11.9%	11.9%	13.5%
<b>Earnings Per Share</b>			
Basic	9.66	9.49	11.00
Diluted	9.36	9.13	9.51

Note: The figures are rounded off to the nearest million, percentages are based on absolute numbers



## OPERATIONAL PERFORMANCE

### REVENUE BY VERTICAL

	Q1 FY18	Q4 FY17	Q1 FY17	QoQ Growth	YoY Growth
Transportation	33.6%	33.4%	32.2%	5.9%	10.8%
Industrial Products	25.5%	26.9%	25.9%	(0.5%)	4.5%
Telecom & Hi-tech	20.1%	19.0%	18.6%	11.6%	14.6%
Process Industry	13.9%	14.1%	16.3%	4.0%	(9.0%)
Medical Devices	6.9%	6.6%	7.0%	10.0%	5.2%
Total	100.0%	100.0%	100.0%		

### REVENUE BY GEOGRAPHY

	Q1 FY18	Q4 FY17	Q1 FY17	QoQ Growth	YoY Growth
North America	64.5%	63.3%	63.5%	7.2%	7.9%
Europe	16.6%	17.3%	20.2%	1.3%	(12.6%)
India	9.3%	9.2%	6.9%	5.6%	44.2%
Rest of the World	9.6%	10.2%	9.4%	(0.7%)	8.2%
Total	100.0%	100.0%	100.0%		

## REVENUE MIX

	Q1 FY18	Q4 FY17	Q1 FY17
Onsite	49.2%	49.2%	51.1%
Offshore	50.8%	50.8%	48.9%

## REVENUE BY PROJECT TYPE

	Q1 FY18	Q4 FY17	Q1 FY17
Fixed Price	30.2%	30.4%	28.6%
Time and Material Contract	69.8%	69.6%	71.4%

## CLIENT PROFILE

	Q1 FY18	Q4 FY17	Q1 FY17
Number of Active Clients	224	223	203
30 Million dollar +	2	1	0
20 - 30 Million dollar	1	2	2
10 - 20 Million dollar	8	6	7
5 - 10 Million dollar	16	21	18
1 - 5 Million dollar	53	49	50

## CLIENT CONTRIBUTION TO REVENUE

	Q1 FY18	Q4 FY17	Q1 FY17
Top 5 Clients	23.8%	23.2%	24.2%
Top 10 Clients	37.0%	35.6%	37.8%
Top 20 Clients	52.6%	51.5%	53.8%

## UTILISATION

	Q1 FY18	Q4 FY17	Q1 FY17
Including Trainees	75.1%	74.2%	76.1%

## EMPLOYEE STATISTICS

	Q1 FY18	Q4 FY17	Q1 FY17
Total Headcount	10,805	10,463	9,419
<i>Billable</i>	9,886	9,537	8,587
<i>Sales &amp; Support</i>	919	926	832
Voluntary Attrition % (LTM)	13.4%	14.0%	13.2%

## EXCHANGE RATE (USD/INR)

	Q1 FY18	Q4 FY17	Q1 FY17
Period Average	64.45	66.99	66.85
Period Closing	64.58	64.85	67.53

## ABOUT L&T TECHNOLOGY SERVICES

L&T Technology Services Limited, a subsidiary of India's largest construction and engineering conglomerate Larsen & Toubro, is a leading global pure-play engineering services company. L&T Technology Services serves 48 of the world's top ER&D spenders and provides solutions in the areas of Mechanical Engineering Services, Embedded Systems & Applications, Engineering Process Services, Product Lifecycle Management, Engineering Analytics, Power Electronics, Machine-to Machine (M2M), and the Internet-of-Things (IoT).



For more information please contact:

**Mr. Pinku Pappan**

Head, Investor Relations

Email: [investor@LntTechservices.com](mailto:investor@LntTechservices.com)

FOR ADDITIONAL INFORMATION ABOUT L&T TECHNOLOGY SERVICES LOG ON TO [WWW.LNTTECHSERVICES.COM](http://WWW.LNTTECHSERVICES.COM)  
REACH US AT [INVESTOR@LNTTECHSERVICES.COM](mailto:INVESTOR@LNTTECHSERVICES.COM)

Copyright © 2017 L&T Technology Services