



Earnings Release & Fact Sheet First Quarter, Fiscal 2019

July 23, 2018



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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 –Q1 FY19 Results

USD Revenue growth up 23.4% YoY; Net Profit jumps 35.2% YoY

Mumbai, India: July 23, 2018: Larsen & Toubro Infotech (BSE code: 540005, NSE: LTI), a global technology consulting and digital solutions company, announced its Q1 FY19 results today.

In US Dollars:

- Revenue at **USD 319.9 million**; growth of **3.5% QoQ** and **23.4% YoY**
- Constant Currency Revenue growth of **5.1% QoQ** and **22.9% YoY**

In Indian Rupees:

- Revenue at **Rs 21,557 million**; growth of **7.7% QoQ** and **29.0% YoY**
- Net Income at **Rs 3,612 million**; growth of **24.8% QoQ** and **35.2% YoY**

“We are pleased to report a strong start to the year with 5.1% QoQ revenue growth in constant currency. Our growth has been driven by continued healthy momentum across multiple sectors, with double-digit sequential growth in BFS and High-Tech & Media in Q1. We are also happy to announce a large deal with a Global Fortune 100 consumer and pharmaceutical giant with a net-new TCV win in excess of US\$ 50 Mn.

Our focus on leveraging digital technologies to solve the challenges of physical and digital convergence is resonating with our clients and has laid the foundation for a multi-year growth trajectory. Digital is now 34% of our revenues.”

- Sanjay Jalona, Chief Executive Officer & Managing Director

Recent Deal Wins

- Multi-year multi-million large deal in the area of ERP, Data and Analytics with Global consumer and pharmaceutical conglomerate
- Selected as the strategic IT Partner by Global electric manufacturing major for complete transformation of its legacy IT systems globally
- Multi-year AMS deal with a Global Manufacturing corporation for Oracle e-business suite
- Global Auto Major selected LTI for a SAP security engagement and to build an enterprise outreach platform using Big Data Analytics and Enterprise Integration that will cater to all the client's recalls
- Leading North American online brokerage firm selected LTI to automate its business processes
- Won a Turnkey IIoT engagement for automating a Mineral Port
- Selected by global property & casualty Insurer to build foundational capabilities for its Digital Claims program
- Japanese multinational food and chemical corporation engaged LTI for its migration to S/4HANA
- US based CPG company chose LTI to migrate its workload to SAP cloud
- US based global insurance brokerage firm selected LTI for a RPA engagement to transform its operations
- Awarded RPA engagement by an American multinational energy corporation to increase the process efficiency and enhance the accuracy of its Finance function

Client Testimonial

"We selected LTI as our strategic IT partner for JDE 9.1 ERP implementation across our enterprise, because of the company's extensive experience and innovative solutions. LTI's focus on providing new technologies that help us deliver faster and better outcomes for our patients and customers continue to drive our joint success in the Americas, Europe and the Asia Pacific regions."

- Dennis Harris - Vice President Global Operations Process and Technology Transformation, Catalent Pharma Solutions

Awards and Recognitions

- LTI positioned as a 'Leader' for GDPR Services in NelsonHall NEAT
- LTI named a Leader in Avasant's 2018 Blockchain Services RadarView
- LTI recognized as a 'Rising Star' in SAP Cloud Platform: ISG's Provider Lens SAP HANA Services 2018-USA
- LTI featured as a Major Contender in Everest Group PEAK Matrix Assessment 2018 for Duck Creek Services
- LTI featured as a Major Contender in Everest Group PEAK Matrix Assessment 2018 for Life Sciences Digital in North America
- LTI positioned as a "Leader" in Business Process Transformation through RPA & AI in NelsonHall NEAT
- LTI Featured in Gartner's Market Guide for AI-Related Consulting and SI Services for Intelligent Automation

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Other Business Highlights

- LTI won the 2018 Microsoft Partner of the Year Award for Application Innovation
- LTI signed a partnership with MuleSoft, leader in Integration Platform as a Service and API Management
- LTI CEO, Sanjay Jalona is listed among the Best CEOs in the IT Services & Software category across all the listed companies in Asia in the All-Asia Executive Team 2018 rankings by Institutional Investor

About LTI

LTI (NSE: LTI, BSE: 540005) is a global technology consulting and digital solutions company helping more than 300 clients succeed in a converging world. With operations in 27 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 the Larsen & Toubro group, 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 24,000 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 <https://www.lintinfotech.com> or follow us at @LTI_Global

Earnings Conference Call

July 24th, 2018 (11:00 AM IST)

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

Primary Number	+91 22 6280 1104
Secondary Number	+91 22 7115 8005
Local Access Number	+91 70456 71221 Available all over India
International Toll Number	USA – Los Angeles: 13233868721 UK - London: 442034785524 Singapore: 6531575746 Hong Kong: 85230186877
Replay of Conference Call	Available 3 hours after the call until 28-July-2017 Playback Code: 52086 Dial-in Number: India +91 22 71945757 +91 22 66635757

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Performance Highlights – Q1 FY19

Financial Highlights

Amount in USD million

	Q1FY18	Q4FY18	Q1FY19	QoQ Growth	YoY Growth
Revenue (USD million)	259.2	309.0	319.9	3.5%	23.4%
Revenue Constant Currency				5.1%	22.9%

Amount in INR million

	Q1FY18	Q4FY18*	Q1FY19	QoQ Growth*	YoY Growth
Revenue	16,707	20,012	21,557	7.7%	29.0%
EBITDA Margin	16.8%	17.7%	19.4%		
EBIT Margin	14.4%	15.9%	17.7%		
Revenue Related Foreign Exchange Gains/(loss)	874	910	841		
Net Income	2,672	3,380	3,612	6.9%	35.2%
Net Income Margin	16.0%	16.9%	16.8%		
DSO	67	70	73		

*Q4FY18 figures are adjusted for one-time commercial settlement with a client for INR 617 million under Direct Costs. QoQ growth figures in the above table are computed excluding that. Reported Net Profit for Q4FY18 was INR 2,894 million.

Revenue by Vertical

	Q1FY18	Q4FY18	Q1FY19	QoQ Growth	YoY Growth
BFS	26.8%	28.7%	30.9%	11.4%	42.4%
Insurance	20.6%	18.3%	18.2%	3.3%	9.2%
Manufacturing	16.6%	17.3%	15.7%	-5.8%	17.1%
Energy & Utilities	11.7%	11.5%	10.1%	-8.4%	7.2%
CPG, Retail & Pharma	8.5%	9.0%	9.1%	5.2%	32.2%
High-Tech, Media & Entertainment	10.5%	10.6%	11.3%	10.0%	32.7%
Others	5.3%	4.6%	4.5%	1.5%	5.3%
Total	100%	100%	100%	3.5%	23.4%

Revenue by Service Offering

	Q1FY18	Q4FY18	Q1FY19	QoQ Growth	YoY Growth
Application Development Maintenance	36.2%	32.8%	34.0%	7.5%	16.0%
Enterprise Solutions	22.9%	27.0%	26.3%	1.0%	41.9%
Infrastructure Management Services	12.3%	11.7%	11.5%	2.6%	15.9%
Testing	9.0%	8.4%	8.1%	0.7%	12.1%
Analytics, AI & Cognitive	9.7%	10.7%	10.3%	0.1%	31.6%
Enterprise Integration & Mobility	6.4%	6.5%	6.5%	4.3%	26.5%
Platform Based Solutions	3.6%	3.1%	3.1%	5.2%	6.6%
Total	100%	100%	100%	3.5%	23.4%

Revenue by Geography

	Q1FY18	Q4FY18	Q1FY19	QoQ Growth	YoY Growth
North America	68.7%	66.0%	66.6%	4.5%	19.6%
Europe	17.8%	18.6%	17.9%	-0.7%	23.8%
RoW	6.3%	7.4%	9.1%	26.9%	77.5%
India	7.1%	8.0%	6.4%	-16.4%	11.2%
Total	100%	100%	100%	3.5%	23.4%

Client Contribution to Revenue

	Q1FY18	Q4FY18	Q1FY19	QoQ Growth	YoY Growth
Top 5 clients	38.1%	35.2%	36.6%	7.7%	18.8%
Top 10 clients	50.9%	49.6%	50.3%	5.2%	22.2%
Top 20 clients	66.3%	65.1%	66.0%	5.0%	23.0%

Client Profile

	Q1FY18	Q4FY18	Q1FY19
Number of Active Clients	256	300	301
New Clients Added	12	15	19
100 Million dollar +	1	1	1
50 Million dollar +	4	4	4
20 Million dollar +	12	13	13
10 Million dollar +	24	23	25
5 Million dollar +	35	44	42
1 Million dollar +	97	109	114

Effort Mix

	Q1FY18	Q4FY18	Q1FY19
Onsite	23.8%	23.1%	23.0%
Offshore	76.2%	76.9%	77.0%

Revenue Mix

	Q1FY18	Q4FY18	Q1FY19
Onsite	46.8%	45.7%	46.8%
Offshore	53.2%	54.3%	53.2%

Billed Person Months

	Q1FY18	Q4FY18	Q1FY19
Onsite	10,995	12,298	12,463
Offshore	35,216	40,843	41,713

Utilization

	Q1FY18	Q4FY18	Q1FY19
Including Trainees	77.7%	79.9%	79.7%
Excluding Trainees	78.2%	81.1%	81.2%

Headcount Details

	Q1FY18	Q4FY18	Q1FY19
Total Headcount	22,321	24,139	25,150
Development	20,899	22,655	23,656
Sales & Support	1,422	1,484	1,494
Attrition % (LTM)	14.7%	14.8%	15.1%

Constant Currency Reporting

		QoQ Growth	YoY Growth
Company		5.1%	22.9%
Vertical	BFS	13.4%	40.6%
	Insurance	4.4%	8.7%
	Manufacturing	-3.5%	17.2%
	Energy & Utilities	-6.7%	6.8%
	CPG, Retail & Pharma	6.7%	31.3%
	High-Tech, Media & Entertainment	10.4%	32.7%
	Others	1.9%	9.1%
Service Offering	Application Development Maintenance	8.7%	15.5%
	Enterprise Solutions	2.9%	41.0%
	Infrastructure Management Services	3.1%	15.9%
	Testing	3.0%	11.5%
	Analytics, AI & Cognitive	1.0%	32.0%
	Enterprise Integration & Mobility	7.0%	26.4%
	Platform Based Solutions	8.8%	3.1%
Geography	North America	4.7%	19.4%
	Europe	4.7%	20.2%
	RoW	30.8%	76.1%
	India	-14.4%	16.8%

Financial Statements – Q1 FY19

Income Statement

Amount in INR million

	Q1FY18	Q4FY18*	Q1FY19	QoQ Growth*	YoY Growth
Revenue	16,707	20,012	21,557	7.7%	29.0%
Direct Costs	11,064	13,301	13,977	5.1%	26.3%
Gross Profit	5,643	6,711	7,580	12.9%	34.3%
Selling, General & Administration Expenses	2,844	3,174	3,390	6.8%	19.2%
EBITDA	2,799	3,537	4,190	18.4%	49.7%
Depreciation & Amortization	393	360	378	5.1%	(3.6%)
EBIT	2,407	3,177	3,811	20.0%	58.4%
Revenue Related Foreign Exchange Gains/(loss)	874	910	841		
Other Income, net	210	208	195		
Provision for Tax	818	915	1,236	35.0%	51.0%
Net Income	2,672	3,380	3,612	6.9%	35.2%
Margins (%)					
EBITDA Margin	16.8%	17.7%	19.4%		
EBIT Margin	14.4%	15.9%	17.7%		
Net Income Margin	16.0%	16.9%	16.8%		
Earnings Per Share					
Basic	15.66	19.66	21.00		
Diluted	15.29	19.29	20.60		

*Q4FY18 figures are adjusted for one-time commercial settlement with a client for INR 617 million under Direct Costs. QoQ growth figures in the above table are computed excluding that. Reported Net Profit for Q4FY18 was INR 2,894 million.

Exchange Rate (USD:INR)

	Q1FY18	Q4FY18	Q1FY19
Period closing rate	64.58	65.18	68.47
Period average rate	64.46	64.77	67.39

Balance Sheet

Amount in INR million

	As at 31 March, 2018	As at 30 June, 2018
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	2,518	2,502
(b) Goodwill	2,762	2,769
(c) Intangible assets	1,593	1,486
(d) Non-current Financial Assets	1,109	420
(e) Deferred tax assets (Net) & Tax Assets	2,821	3,133
(g) Other assets	1,080	1035
Total Non-Current Assets	11,884	11,345
Current assets		
(a) Investments	12,644	10,780
(b) Trade Receivables and Unbilled Revenue	22,327	26,841
(c) Cash and cash equivalents	3,633	5,767
(d) Other Financial assets	2,214	1,313
(e) Others assets	1,125	1,278
Total Current Assets	41,942	45,980
TOTAL ASSETS	53,826	57,325
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	172	172
(b) Other Equity	38,426	40,602
(c) Non- Controlling interests	13	11
Total Equity	38,611	40,785
Liabilities		
Non-current liabilities		
(d) Financial liabilities	1,042	1318
(e) Deferred tax liabilities	132	116
(f) Non-current provisions	280	248
Total Non-Current Liabilities	1,453	1,682
Current liabilities		
(a) Financial Liabilities	9,994	10,182
(b) Other Liabilities	1,617	2,184
(c) Provisions	1,844	1,884
(d) Current Tax Liabilities (Net)	307	607
Total Current Liabilities	13,762	14,858
TOTAL EQUITY AND LIABILITIES	53,826	57,325

Cash Flow

Amount in INR million

	Q1FY18	Q4FY18	Q1FY19
Cash flow from operating activities			
Net profit after tax	2,672	2,894	3,612
Adjustments for:			
Depreciation and amortization	393	360	378
Others	551	(177)	194
Changes in working capital (net)	(1,712)	(1,032)	(2,596)
Net cash from operating activities [A]	1,904	2,046	1,588
Cash flow from investing activities			
(Purchase)/ Sale of assets and investments	(2,093)	(2,252)	1,574
Investment income	52	109	251
Net cash from investing activities [B]	(2,040)	(2,142)	1,825
Cash flow from financing activities			
Credit Support Agreement Deposit (including interest)	274	(724)	(1,308)
Net cash from financing activities [C]	274	(724)	(1,308)
Effect of exchange rate on cash and cash equivalents [D]	12	68	29
Net increase in cash and cash equivalents [A+B+C+D]	137	(821)	2,105
Cash and cash equivalents at beginning of the period	3,795	4,386	3,633
Cash and cash equivalents at end of the period	3,945	3,633	5,766

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