



Earnings Release & Fact Sheet Fourth Quarter, Fiscal 2019

May 2, 2019



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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 – Q4 FY19 Results

FY19 constant currency revenues grow 20.9%; Net Profit for the full year up 36.2%

Mumbai, India: May 2, 2019: Larsen & Toubro Infotech (BSE code: 540005, NSE: LTI), a global technology consulting and digital solutions company, announced its Q4 FY19 and full year FY19 results today.

Q4 FY19

In US Dollars:

- Revenue at **USD 353.8 million**; growth of **2.0% QoQ and 14.5% YoY**
- Constant Currency Revenue growth of **1.9% QoQ and 17.5% YoY**

In Indian Rupees:

- Revenue at **Rs 24,860 million**; growth at **0.5% QoQ and 24.2% YoY**
- Net Income at **Rs 3,785 million**; Net Income growth at **0.9% QoQ and 30.8% YoY**

Full year FY19

In US Dollars:

- Revenue at **USD 1,349.1 million**; growth of **19.1% YoY**
- Constant Currency Revenue growth of **20.9% YoY**

In Indian Rupees:

- Revenue at **Rs 94,458 million**; growth at **29.3% YoY**
- Net Income at **Rs 15,155 million**; Net Income growth at **36.2% YoY**

“We are happy to deliver a strong 21% YoY revenue growth in a rapidly changing industry environment. Our sharp focus on amplifying business outcomes for our clients is resonating well and enabling us to win consistently.

We are also pleased to announce two large deals in Q4 with cumulative net-new TCV in excess of US\$100 million. We remain focused on building differentiated capabilities and helping our customers with their digital transformation.”

- Sanjay Jalona, Chief Executive Officer & Managing Director

Recent Deal Wins

- Multi-year multi-million large deal for transforming the global application operations of an engineering equipment manufacturer
- A leading global re-insurer has selected LTI as its transformation partner to assist in modernizing its IT landscape
- Global auto major selected LTI for implementing SAP S/4 HANA for its trading and manufacturing arm to transform its IT landscape
- Global internet giant selected LTI to automate its HR services through RPA implementation
- Selected by a pharma solutions company to provide technical and functional support for its application systems
- Global oil major selected LTI to provide application, maintenance and support services
- Awarded managed services deal for APAC operations of a US headquartered pharma major
- Awarded JDE support services contract by a public utilities enterprise
- Leading North American insurance broker selected LTI for digitizing its application stack

Client Testimonial

“We chose LTI because of its geographical and cultural proximity, and record of working with large international companies on projects of this scale. LTI managed to deliver the entire JDE implementation in a record time of 12 months. We are also impressed by their deep understanding of JDE, because of which they could challenge our established processes, and adapt them to the Indian context.”

- Philippe Teisseire, CFO, BIC Cello India

Awards and Recognitions

- Tops ITS Challengers List for the second consecutive year in Everest Group's PEAK Matrix IT Service Provider of the Year™ 2019
- LTI has topped the Client Satisfaction Survey conducted by Whitelane Research in France, for the second consecutive year
- LTI's Mosaic recognized in The Forrester Tech Tide™: Enterprise Business Insights And Analytics, Q1 2019
- Positioned as an Innovator in Avasant's Applied AI and Advanced Analytics 2019 RadarView™
- Named by the 1Q19 Global ISG Index™ as one of The Breakthrough 15 in Global Sourcing Standouts

Other Business Highlights

- The Board of Directors at its meeting held on May 2nd, 2019 have declared a final dividend of Rs. 15.5 per equity share (Face value of Re. 1) for the financial year 2018-19. Total dividend for FY19 is Rs. 28 per equity share, including the interim dividend of Rs. 12.5 per equity share declared in October 2018.
- LTI acquired NIELSEN+PARTNER (N+P), an independent Temenos WealthSuite specialist, headquartered in Hamburg, Germany. The company is well-recognized for its market-leading capabilities in Temenos WealthSuite, including Triple' A Plus, Data Source and Channels
- Syncordis, a wholly owned subsidiary of Larsen & Toubro Infotech (LTI), became a global services partner with Temenos
- Ranked at #25, LTI was recognized for developing one of the Top 100 Sustainability reports worldwide in the 2017-18 Vision Awards by League of American Communications Professionals.
- For its industry-leading growth, BTVi recognized LTI as the Most Admired Company of the Year 2018
- The Board of Directors of the Company have appointed Mr. Nachiket Deshpande, Chief Operating Officer of the Company as a Whole-time director of the Company for a period of five years with effect from May 2, 2019 till May 1, 2024 subject to shareholders approval at the ensuing Annual General Meeting of the Company.

About LTI

LTI (NSE: LTI) is a global technology consulting and digital solutions Company helping more than 300 clients succeed in a converging world. With operations in 30 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 27,000 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

May 3rd, 2019 (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.

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 – Los Angeles: 13233868721 UK - London: 442034785524 Singapore: 6531575746 Hong Kong: 85230186877
Playback Details	Available 3 hrs after the call until 7 th May 2019 Playback code: 77275 Dial in number: India +91 22 71945757 +91 22 66635757
Click here for your DiamondPass™ DiamondPass™ is a Premium Service that enables you to connect to your conference call without having to wait for an operator. If you have a DiamondPass™, click the above link to associate your pin and receive the access details for this conference. If you do not have a DiamondPass™, please register through the link and you will receive your DiamondPass™ for this conference.	

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Performance Highlights – Q4 FY19

Financial Highlights

Amount in USD million

	Q4FY18	Q3FY19	Q4FY19	QoQ Growth	YoY Growth
Revenue (USD million)	309.0	346.9	353.8	2.0%	14.5%
Revenue Constant Currency				1.9%	17.5%

Amount in INR million

	Q4FY18 Adjusted*	Q3FY19	Q4FY19	QoQ Growth	YoY Growth*
Revenue	20,012	24,729	24,860	0.5%	24.2%
EBITDA Margin	17.7%	20.6%	19.2%		
EBIT Margin	15.9%	19.1%	17.7%		
Revenue Related Foreign Exchange Gains/(loss)	910	(60)	334		
Net Income	3,380	3,755	3,785	0.9%	12.0%
Net Income Margin	16.9%	15.2%	15.2%		
DSO	70	73	71		

*Figures adjusted for one-time commercial settlement with a client for INR 617 million under Direct Costs in Q4FY18. YoY growth figures in the above table are computed excluding that.

Revenue by Vertical

	Q4FY18	Q3FY19	Q4FY19	QoQ Growth	YoY Growth
BFS	28.7%	29.1%	27.7%	(2.9%)	10.5%
Insurance	18.3%	17.8%	17.8%	1.7%	11.5%
Manufacturing	17.3%	15.6%	16.6%	8.3%	10.1%
Energy & Utilities	11.5%	10.8%	11.0%	4.2%	10.4%
CPG, Retail & Pharma	9.0%	10.6%	10.6%	1.2%	34.5%
High-Tech, Media & Entertainment	10.6%	11.3%	12.4%	11.4%	33.0%
Others	4.6%	4.6%	3.9%	(14.3%)	(3.3%)
Total	100%	100%	100%	2.0%	14.5%

Revenue by Service Offering

	Q4FY18	Q3FY19	Q4FY19	QoQ Growth	YoY Growth
Application Development Maintenance	32.8%	30.8%	29.7%	(1.7%)	3.4%
Enterprise Solutions	27.0%	27.8%	29.2%	6.9%	23.9%
Infrastructure Management Services	11.7%	11.4%	11.0%	(1.6%)	8.1%
Testing	8.4%	7.8%	8.3%	8.1%	13.4%
Analytics, AI & Cognitive	10.7%	11.3%	10.7%	(4.0%)	14.1%
Enterprise Integration & Mobility	6.5%	7.6%	8.0%	7.1%	42.4%
Platform Based Solutions	3.1%	3.2%	3.2%	1.6%	20.9%
Total	100%	100%	100%	2.0%	14.5%

Revenue by Geography

	Q4FY18	Q3FY19	Q4FY19	QoQ Growth	YoY Growth
North America	66.0%	66.8%	66.4%	1.3%	15.2%
Europe	18.6%	16.7%	16.4%	0.2%	0.8%
RoW	7.4%	8.8%	9.1%	5.3%	39.6%
India	8.0%	7.8%	8.2%	7.6%	17.9%
Total	100%	100%	100%	2.0%	14.5%

Client Contribution to Revenue

	Q4FY18	Q3FY19	Q4FY19	QoQ Growth	YoY Growth
Top 5 clients	35.2%	34.5%	32.2%	(4.9%)	4.5%
Top 10 clients	49.6%	48.4%	47.0%	(1.1%)	8.6%
Top 20 clients	65.1%	64.3%	63.4%	0.4%	11.5%

Client Profile

	Q4FY18	Q3FY19	Q4FY19
Number of Active Clients	300	314	343
New Clients Added	15	17	14
1 Million dollar +	109	121	123
5 Million dollar +	44	47	49
10 Million dollar +	23	25	26
20 Million dollar +	13	15	17
50 Million dollar +	4	5	5
100 Million dollar +	1	1	1

Effort Mix

	Q4FY18	Q3FY19	Q4FY19
Onsite	23.1%	22.0%	21.9%
Offshore	76.9%	78.0%	78.1%

Revenue Mix

	Q4FY18	Q3FY19	Q4FY19
Onsite	45.7%	47.8%	47.8%
Offshore	54.3%	52.2%	52.2%

Billed Person Months

	Q4FY18	Q3FY19	Q4FY19
Onsite	12,298	13,664	13,681
Offshore	40,843	48,357	48,923

Utilization

	Q4FY18	Q3FY19	Q4FY19
Including Trainees	79.9%	82.1%	80.1%
Excluding Trainees	81.1%	83.0%	81.1%

Headcount Details

	Q4FY18	Q3FY19	Q4FY19
Total Headcount	24,139	27,513	28,169
Development	22,655	25,985	26,572
Sales & Support	1,484	1,528	1,597
Attrition % (LTM)	14.8%	16.5%	17.5%

Constant Currency Reporting

		QoQ Growth	YoY Growth
Company		1.9%	17.5%
Vertical	BFS	(3.0%)	14.4%
	Insurance	1.6%	13.3%
	Manufacturing	8.1%	14.8%
	Energy & Utilities	4.5%	13.2%
	CPG, Retail & Pharma	1.4%	37.8%
	High-Tech, Media & Entertainment	11.3%	33.6%
	Others	(14.7%)	(0.8%)
Service Offering	Application Development Maintenance	(1.7%)	5.6%
	Enterprise Solutions	6.7%	28.3%
	Infrastructure Management Services	(1.5%)	10.7%
	Testing	7.9%	16.3%
	Analytics, AI & Cognitive	(4.2%)	16.0%
	Enterprise Integration & Mobility	7.1%	46.2%
	Platform Based Solutions	0.7%	26.8%
Geography	North America	1.3%	15.5%
	Europe	0.6%	10.4%
	RoW	4.6%	45.6%
	India	6.8%	24.6%

Financial Statements – Q4 FY19

Income Statement

Amount in INR million

	Q4FY18* Adjusted	Q3FY19	Q4FY19	QoQ Growth	YoY Growth*
Revenue	20,012	24,729	24,860	0.5%	24.2%
Direct Costs	13,301	16,125	16,417	1.8%	23.4%
Gross Profit	6,711	8,603	8,442	(1.9%)	25.8%
SG&A expenses	3,174	3,514	3,678	4.7%	15.9%
EBITDA	3,537	5,089	4,764	(6.4%)	34.7%
Depreciation & Amortization	360	355	371	4.5%	3.1%
EBIT	3,177	4,734	4,393	(7.2%)	38.3%
Revenue Related Foreign Exchange Gains/(loss)	910	(60)	334		
Other Income, net	208	348	314		
Provision for Tax	915	1,268	1,255		
Net Income	3,380	3,755	3,785	0.9%	12.0%
Margins (%)					
EBITDA Margin	17.7%	20.6%	19.2%		
EBIT Margin	15.9%	19.1%	17.7%		
Net Income Margin	16.9%	15.2%	15.2%		
Earnings Per Share					
Basic	19.66	21.67	21.86		
Diluted	19.29	21.63	21.60		

*Figures adjusted for one-time commercial settlement with a client for INR 617 million under Direct Costs in Q4FY18. YoY growth figures in the above table are computed excluding that.

Exchange Rate (USD:INR)

	Q4FY18	Q3FY19	Q4FY19
Period closing rate	65.18	69.78	69.16
Period average rate	64.77	71.28	70.26

Cash Flow

Amount in INR million

	Q4FY18	Q3FY19	Q4FY19
Cash flow from operating activities			
Net profit after tax	2,894	3,755	3,785
Adjustments for:			
Depreciation and amortization	360	355	371
Others	(177)	(336)	695
Changes in working capital (net)	(1,032)	1,538	(1,733)
Net cash from operating activities [A]	2,046	5,313	3,119
Cash flow from investing activities			
(Purchase)/ Sale of assets and investments	(2,252)	(2,836)	(4,306)
Investment income	109	125	283
Net cash from investing activities [B]	(2,142)	(2,711)	(4,022)
Cash flow from financing activities			
Issue of share capital	-	2	0
Credit Support Agreement Deposit (including interest)	(724)	675	637
Dividend paid (including DDT)	-	(2,572)	5
Net cash from financing activities [C]	(724)	(1,895)	642
Effect of exchange rate on cash and cash equivalents [D]	68	(152)	(60)
Net increase in cash and cash equivalents [A+B+C+D]	(753)	555	(322)
Cash and cash equivalents at beginning of the period	4,386	3,918	4,472
Cash and cash equivalents at end of the period	3,633	4,472	4,151

Performance Highlights – FY19

Financial Highlights

Amount in USD million

	FY18	FY19	YoY Growth
Revenue (USD million)	1,132.3	1,349.1	19.1%
Revenue Constant Currency			20.9%

Amount in INR million

	FY18 Adjusted*	FY19	YoY Growth*
Revenues	73,065	94,458	29.3%
EBITDA Margin	17.1%	19.9%	
EBIT Margin	15.0%	18.4%	
Revenue Related Foreign Exchange Gains/(loss)	3,391	1,827	
Net Income	11,610	15,155	30.5%
Net Income Margin	15.9%	16.0%	
DSO	70	71	

*Figures adjusted for one-time commercial settlement with a client for INR 617 million under Direct Costs. YoY growth figures in the above table are computed excluding that.

Revenue by Vertical

	FY18	FY19	YoY Growth
BFS	27.5%	29.4%	27.0%
Insurance	19.7%	17.9%	8.6%
Manufacturing	16.8%	15.9%	12.4%
Energy & Utilities	11.7%	10.7%	8.7%
CPG, Retail & Pharma	9.0%	10.2%	35.3%
Hi-Tech and M&E	10.7%	11.6%	28.7%
Others	4.6%	4.4%	14.6%
Total	100%	100.0%	19.1%

Revenue by Service Offering

	FY18	FY19	YoY Growth
Application Development Maintenance	34.2%	31.6%	9.9%
Enterprise Solutions	25.2%	27.2%	28.6%
Infrastructure Management Services	11.4%	11.4%	19.1%
Testing	8.6%	8.0%	11.2%
Analytics, AI & Cognitive	10.6%	11.1%	25.6%
Enterprise Integration & Mobility	6.6%	7.5%	36.5%
Platform Based Solutions	3.5%	3.2%	8.7%
Total	100%	100.0%	19.1%

Revenue by Geography

	FY18	FY19	YoY Growth
North America	68.0%	66.8%	17.0%
Europe	18.0%	17.0%	12.5%
RoW	6.7%	9.0%	59.9%
India	7.3%	7.2%	17.9%
Total	100%	100.0%	19.1%

Client Contribution to Revenue

	FY18	FY19	YoY Growth
Top 5 clients	36.8%	34.8%	12.6%
Top 10 clients	49.9%	48.5%	15.7%
Top 20 clients	65.5%	64.8%	17.9%

Financial Statements – FY19

Income Statement

Amount in INR million

	FY18 Adjusted*	FY19	YoY Growth*
Revenue	73,065	94,458	29.3%
Direct Costs	48,506	61,643	27.1%
Gross Profit	24,559	32,814	33.6%
Selling, General & Administration Expenses	12,065	13,981	15.9%
EBITDA	12,494	18,833	50.7%
Depreciation & Amortization	1,563	1,472	(5.8%)
EBIT	10,931	17,361	58.8%
Revenue Related Foreign Exchange Gains/(loss)	3,391	1,827	
Other Income, net	710	1,089	
Provision for Tax	3,423	5,123	
Net Income	11,610	15,155	30.5%
Margins (%)			
EBITDA Margin	17.1%	19.9%	
EBIT Margin	15.0%	18.4%	
Net Income Margin	15.9%	16.0%	
Earnings Per Share			
Basic	67.77	87.67	
Diluted	66.20	86.43	

*Figures adjusted for one-time commercial settlement with a client for INR 617 million under Direct Costs. YoY growth figures in the above table are computed excluding that.

Balance Sheet

Amount in INR million

	As at 31 March, 2018	As at 31 March, 2019
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	2,518	3,084
(b) Goodwill	2,763	4,947
(c) Intangible assets	1,593	1,383
(d) Non-current Financial Assets	1,109	2,080
(e) Deferred tax assets (Net) & Tax Assets	2,743	2,386
(g) Other assets	1,127	1,111
Total Non-Current Assets	11,853	14,991
Current assets		
(a) Investments	12,643	17,402
(b) Trade Receivables and Unbilled Revenue	22,327	23,845
(c) Cash and cash equivalents	3,633	4,150
(d) Other Financial assets	1,958	1,774
(e) Others assets	1,084	4,530
Total Current Assets	41,645	51,701
TOTAL ASSETS	53,498	66,692
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	172	174
(b) Other Equity	38,426	48,764
(c) Non- Controlling interests	13	8
Total Equity	38,611	48,946
Liabilities		
Non-current liabilities		
(d) Financial liabilities	1,042	936
(e) Deferred tax liabilities	132	56
(f) Non-current provisions	279	291
Total Non-Current Liabilities	1,453	1,283
Current liabilities		
(a) Financial Liabilities	9,643	11,399
(b) Other Liabilities	1,643	2,582
(c) Provisions	1,844	2,108
(d) Current Tax Liabilities (Net)	304	374
Total Current Liabilities	13,434	16,463
TOTAL EQUITY AND LIABILITIES	53,498	66,692

As required under Ind AS 115 "Revenue from Contracts with Customers", unbilled revenue of fixed price contracts is where the contractual right to consideration is dependent on completion of contractual milestones and not unconditional upon passage of time is classified as non-financial asset. Accordingly, ₹ 3,096 million of unbilled revenue of fixed price contracts has been included in other current assets as of March 31, 2019.

Cash Flow

Amount in INR million

	Year Ended March 31, 2018	Year Ended March 31, 2019
Cash flow from operating activities		
Net profit after tax	11,124	15,155
Adjustments for:		
Depreciation and amortization	1,563	1,472
Income tax expense	3,291	5,123
Others	(199)	14
Operating profit before working capital changes	15,778	21,764
Changes in working capital (net)	(3,760)	(3,062)
Cash generated from operations	12,019	18,702
Direct taxes paid	(3,581)	(4,754)
Net cash from operating activities (excl. extraordinary items) [A]	8,438	13,948
Cash flow from investing activities		
(Purchase)/ Sale of assets	(983)	(1,531)
(Purchase)/sale of investments	(4,162)	(6,669)
Interest & Investment income	540	762
Net cash from investing activities [B]	(4,605)	(7,438)
Cash flow from financing activities		
Issue of share capital	3	3
Proceeds from/(repayment) of borrowings	-	
Credit Support Agreement Deposit (including interest)	(545)	(605)
Dividend paid (including DDT)	(3,534)	(5,340)
Net cash from financing activities [C]	(4,075)	(5,942)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	81	(51)
Net increase in cash and cash equivalents [A+B+C]	(161)	517
Cash and cash equivalents at beginning of the period	3,795	3,634
Cash and cash equivalents at end of the period	3,634	4,151

Contact Information

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