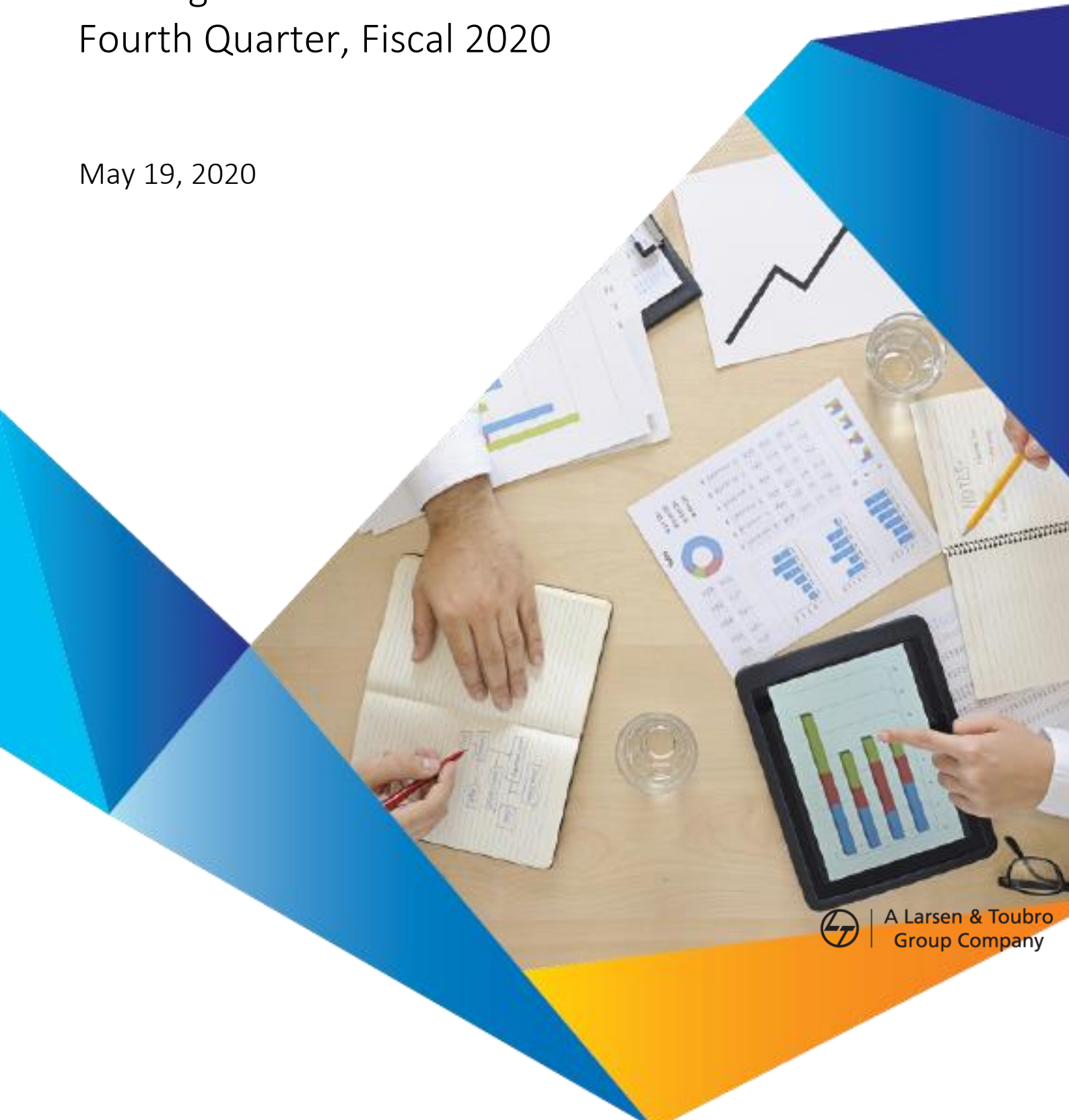




Earnings Release & Fact Sheet Fourth Quarter, Fiscal 2020

May 19, 2020



A Larsen & Toubro
Group Company

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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 FY20 Results

LTI FY20 constant currency revenues grow 14.2%; Q4 FY20 revenues up 4.7% QoQ, 17.4% YoY

Mumbai, India: May 19, 2020: Larsen & Toubro Infotech (BSE code: 540005, NSE: LTI), a global technology consulting and digital solutions company, announced its Q4 FY20 and full year FY20 results today.

Q4 F20

In US Dollars:

- Revenue at **USD 409.9 million**; growth of **3.9% QoQ and 15.9% YoY**
- Constant Currency Revenue growth of **4.7% QoQ and 17.4% YoY**

In Indian Rupees:

- Revenue at **Rs 30,119 million**; growth at **7.1% QoQ and 21.2% YoY**
- Net Income at **Rs 4,275 million**; Net Income growth at **13.5% QoQ and 12.9% YoY**

Full year FY20

In US Dollars:

- Revenue at **USD 1,524.7 million**; growth of **13.0% YoY**
- Constant Currency Revenue growth of **14.2% YoY**

In Indian Rupees:

- Revenue at **Rs 108,786 million**; growth at **15.2% YoY**
- Net Income at **Rs 15,205 million**; Net Income growth at **0.3% YoY**

Capital Return

- Final Dividend of **Rs 15.5 per share**; Dividend pay-out ratio of **35.0%** for the year
- ROE of **29.5%** for the year

“We are extremely proud of the strong work ethic of LTItes who rose to the challenge of an unparalleled global pandemic, exceeding client expectations and earning their trust.

Our resilient business model, comprehensive digital transformation capabilities and flawless execution helped us to deliver fourth consecutive year of industry leading double-digit revenue growth in FY20. We are also pleased to announce two large deals in Q4 with net-new TCV in excess of US\$100 million, culminating in a record 8 large deal wins for us in FY20.

With strong order wins, healthy revenue momentum and client centric growth strategy, we shall confront near term demand challenges and emerge stronger.”

- Sanjay Jalona, Chief Executive Officer & Managing Director

Recent Deal Wins

- Multi-year multi-million large deal for complete digital transformation, enhancing productivity and quality of service of a key government ministry by implementing new microservices based applications and building a data and analytics platform
- A large energy retail company selected LTI for an end to end managed services deal for its IT applications and infrastructure operations
- Standard Chartered Bank chose LTI as its partner for a strategic Temenos T24 Transact engagement
- Leading North American bank selected LTI to transition its applications to cloud
- Global semiconductor major partnered with LTI to digitize its core by re-designing and implementing its critical processes on SAP S/4 HANA
- A leading property and casualty insurance company chose LTI as its business transformation partner to implement Duck Creek OnDemand Cloud Platform
- Global media broadcasting giant selected LTI to redesign and modernize its programming and scheduling applications to meet evolving business requirements
- A leading financial services group chose LTI for AMS engagement

Awards and Recognitions

- Recognized by the 1Q20 Global ISG Index™ as one of The Breakthrough 15 in Global, Americas, EMEA Sourcing Standouts
- LTI recognized as a Leader in ISG Provider Lens™: SIAM/ITSM 2020 Study for US Market
- LTI featured in Constellation ShortList: Innovation Services and Engineering for Q1 2020
- LTI recognized in Forrester's Now Tech: IoT Consultancies In Asia Pacific, Q1 2020
- LTI named in Honorable Mentions in the 2020 Gartner Magic Quadrant for Data and Analytics Service Providers

** Magic Quadrant for Data and Analytics Service, Worldwide, Jorgen Heizenberg et al., 10 February 2020. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose*

Other Business Highlights

- The Board of Directors at its meeting held on May 19th, 2020 have declared a final dividend of Rs. 15.5 per equity share (Face value of Re. 1) for the financial year 2019-20. Total dividend for FY20 is Rs. 28 per equity share, including the interim dividend of Rs. 12.5 per equity share declared in October 2019.
- Won the SAP Pinnacle Award for Industry Innovation Partner of the Year 2020
- LTI has been elevated to a 'GOLD' partner status with Pega
- LTI is now a 'Premier' System Integration Partner with MuleSoft
- LTI has been featured among top 10 companies investing in EdTech CSR projects by CSRBOX
- The company's long-term rating has been upgraded by CRISIL to AAA/Stable from AA+/Positive during the year
- National Stock Exchange of India Ltd. (NSE) has included LTI in its Nifty Next 50 Index

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

May 20th, 2020 (05:30 PM 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 : 13233868721 UK : 442034785524 Singapore : 6531575746 Hong Kong : 85230186877
Replay of Conference Call	Available after 1 hour from the call end time until May 24 th , 2020 Playback Code: 42047 Dial-in Number: India +91 22 7194 5757 +91 22 6663 5757
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.	

Contact

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Performance Highlights – Q4 FY20

Financial Highlights

Amount in USD million

	Q4FY19	Q3FY20	Q4FY20	QoQ Growth	YoY Growth
Revenue (USD million)	353.8	394.4	409.9	3.9%	15.9%
Revenue Constant Currency				4.7%	17.4%

Amount in INR million

	Q4FY19	Q3FY20	Q4FY20	QoQ Growth	YoY Growth
Revenue	24,860	28,111	30,119	7.1%	21.2%
EBITDA Margin	19.2%	18.8%	19.2%		
EBIT Margin	17.7%	16.2%	16.7%		
Revenue Related Foreign Exchange Gains/(loss)	334	351	398		
Net Income	3,785	3,767	4,275	13.5%	12.9%
Net Income Margin	15.2%	13.4%	14.2%		
Billed DSO	70	78	77		
DSO (Including unbilled)	103	110	106		

Note: Q4FY20 cost includes INR180 million contribution to PM CARES Fund for Covid-19 relief measures

Revenue by Vertical

	Q4FY19	Q3FY20	Q4FY20	QoQ Growth	YoY Growth
BFS	27.7%	27.8%	27.6%	2.9%	15.1%
Insurance	17.8%	17.7%	16.8%	(1.3%)	9.5%
Manufacturing	16.6%	17.5%	18.0%	7.2%	25.8%
Energy & Utilities	11.0%	11.3%	11.4%	4.9%	19.5%
CPG, Retail & Pharma	10.6%	11.2%	11.2%	3.3%	22.5%
High-Tech, Media & Entertainment	12.4%	10.8%	11.0%	6.3%	3.4%
Others	3.9%	3.7%	4.0%	12.5%	18.7%
Total	100%	100%	100%	3.9%	15.9%

Revenue by Service Offering

	Q4FY19	Q3FY20	Q4FY20	QoQ Growth	YoY Growth
ADM and Testing	37.9%	35.8%	34.7%	0.6%	5.9%
Enterprise Solutions	29.2%	28.7%	30.0%	8.8%	19.1%
Infrastructure Management Services	11.0%	11.5%	12.6%	13.3%	32.6%
Analytics, AI & Cognitive	10.7%	12.8%	11.6%	(6.2%)	25.9%
Enterprise Integration & Mobility	8.0%	8.5%	8.7%	6.2%	25.7%
Platform Based Solutions	3.2%	2.7%	2.5%	(4.2%)	(11.0%)
Total	100%	100%	100%	3.9%	15.9%
Digital Revenue	37.9%	41.0%	40.7%	3.3%	24.6%

Revenue by Geography

	Q4FY19	Q3FY20	Q4FY20	QoQ Growth	YoY Growth
North America	66.4%	69.5%	68.9%	3.1%	20.3%
Europe	16.4%	15.6%	15.1%	0.8%	7.0%
RoW	9.1%	7.4%	8.1%	15.0%	4.3%
India	8.2%	7.6%	7.8%	7.1%	10.4%
Total	100%	100%	100%	3.9%	15.9%

Client Contribution to Revenue

	Q4FY19	Q3FY20	Q4FY20	QoQ Growth	YoY Growth
Top 5 clients	32.2%	32.8%	31.2%	(1.0%)	12.5%
Top 10 clients	47.0%	46.8%	45.8%	1.8%	13.0%
Top 20 clients	63.4%	62.0%	59.8%	0.3%	9.3%

Client Profile

	Q4FY19	Q3FY20	Q4FY20
Number of Active Clients	343	429	424
New Clients Added	14	29	27
1 Million dollar +	123	153	165
5 Million dollar +	49	48	53
10 Million dollar +	26	28	27
20 Million dollar +	17	18	16
50 Million dollar +	5	6	6
100 Million dollar +	1	1	1

Effort Mix

	Q4FY19	Q3FY20	Q4FY20
Onsite	21.9%	21.9%	21.5%
Offshore	78.1%	78.1%	78.5%

Revenue Mix

	Q4FY19	Q3FY20	Q4FY20
Onsite	47.8%	49.0%	50.9%
Offshore	52.2%	51.0%	49.1%

Billed Person Months

	Q4FY19	Q3FY20	Q4FY20
Onsite	13,681	15,198	15,044
Offshore	48,923	54,133	55,034

Utilization

	Q4FY19	Q3FY20	Q4FY20
Including Trainees	80.1%	79.2%	79.3%
Excluding Trainees	81.1%	81.3%	80.6%

Headcount Details

	Q4FY19	Q3FY20	Q4FY20
Total Headcount	28,169	31,419	31,437
Development	26,572	29,669	29,683
Sales & Support	1,597	1,750	1,754
Attrition % (LTM)	17.5%	17.7%	16.5%

Constant Currency Reporting

		QoQ Growth	YoY Growth
Company		4.7%	17.4%
Vertical	BFS	4.0%	17.2%
	Insurance	(0.7%)	10.5%
	Manufacturing	7.9%	27.4%
	Energy & Utilities	5.8%	21.3%
	CPG, Retail & Pharma	4.2%	24.2%
	High-Tech, Media & Entertainment	6.4%	3.6%
	Others	14.8%	21.9%
Service Offering	ADM and Testing	1.3%	7.1%
	Enterprise Solutions	9.8%	20.9%
	Infrastructure Management Services	14.2%	34.4%
	Analytics, AI & Cognitive	(5.8%)	26.9%
	Enterprise Integration & Mobility	7.1%	27.5%
	Platform Based Solutions	(0.1%)	(7.9%)
Geography	North America	3.3%	20.5%
	Europe	2.4%	10.6%
	RoW	18.1%	9.2%
	India	9.7%	14.8%

Financial Statements – Q4 FY20

Income Statement

Amount in INR million

	Q4FY19	Q3FY20	Q4FY20	QoQ Growth	YoY Growth
Revenue	24,860	28,111	30,119	7.1%	21.2%
Direct Costs	16,417	19,188	20,251	5.5%	23.3%
Gross Profit	8,442	8,924	9,869	10.6%	16.9%
SG&A expenses	3,678	3,649	4,087	12.0%	11.1%
EBITDA	4,764	5,277	5,782	9.6%	21.4%
Depreciation & Amortization	371	709	747	5.2%	101.2%
EBIT	4,393	4,568	5,035	10.3%	14.6%
Revenue Related Foreign Exchange Gains/(loss)	334	351	398		
Other Income, net	314	82	81		
Provision for Tax	1,255	1,231	1,239		
Net Income	3,785	3,767	4,275	13.5%	12.9%
Margins (%)					
EBITDA Margin	19.2%	18.8%	19.2%		
EBIT Margin	17.7%	16.2%	16.7%		
Net Income Margin	15.2%	13.4%	14.2%		
Earnings Per Share					
Basic	21.86	21.70	24.52		
Diluted	21.60	21.50	24.30		

Note: 1. Q4FY20 cost includes INR180 million contribution to PM CARES Fund for Covid-19 relief measures

2. Effective April 1, 2019, LTI has adopted Ind AS 116 'Leases', w.r.t lease contracts outstanding on April 1, 2019 and has given necessary prospective impact in FY20 financials. Accordingly, financial results for the quarter and year ended March 31, 2019 have not been retrospectively adjusted

Exchange Rate (USD:INR)

	Q4FY19	Q3FY20	Q4FY20
Period closing rate	69.16	71.39	75.67
Period average rate	70.26	71.27	73.48

Cash Flow

Amount in INR million

	Q4FY19	Q3FY20	Q4FY20
Cash flow from operating activities			
Net profit after tax	3,785	3,767	4,275
Adjustments for:			
Depreciation and amortization	371	709	747
Others	484	697	(270)
Changes in working capital (net)	(1,514)	(1,319)	2,579
Net cash from operating activities [A]	3,127	3,855	7,332
Cash flow from investing activities			
(Purchase)/ Sale of assets and investments	(2,213)	(229)	(5,591)
Acquisitions & Earnout payments	(2,092)	(328)	(128)
Investment income	283	293	479
Net cash from investing activities [B]	(4,022)	(265)	(5,240)
Cash flow from financing activities			
Issue of share capital	-	-	-
Proceeds from/(repayment) of borrowings by subsidiaries	-	-	320
Credit Support Agreement Deposit (including interest)	637	(3)	(1,093)
Dividend paid (including DDT)	-	(2,524)	-
Payment towards lease liability	-	(363)	(408)
Net cash from financing activities [C]	637	(2,889)	(1,181)
Effect of exchange rate on cash and cash equivalents [D]	(63)	28	116
Net increase in cash and cash equivalents [A+B+C+D]	(322)	728	1,027
Cash and cash equivalents at beginning of the period	4,472	3,495	4,224
Cash and cash equivalents at end of the period	4,150	4,224	5,252

Performance Highlights – FY20

Financial Highlights

Amount in USD million

	FY19	FY20	YoY Growth
Revenue (USD million)	1,349.1	1,524.7	13.0%
Revenue Constant Currency			14.2%

Amount in INR million

	FY19	FY20	YoY Growth
Revenues	94,458	108,786	15.2%
EBITDA Margin	19.9%	18.7%	
EBIT Margin	18.4%	16.1%	
Revenue Related Foreign Exchange Gains/(loss)	1,827	2,121	
Net Income	15,155	15,205	0.3%
Net Income Margin	16.0%	14.0%	
Billed DSO	70	77	
DSO (Including unbilled)	103	106	

Note: FY20 cost includes INR180 million contribution to PM CARES Fund for Covid-19 relief measures

Revenue by Vertical

	FY19	FY20	YoY Growth
BFS	29.4%	27.6%	6.1%
Insurance	17.9%	17.8%	12.2%
Manufacturing	15.9%	16.8%	20.0%
Energy & Utilities	10.7%	11.4%	20.3%
CPG, Retail & Pharma	10.2%	11.3%	25.3%
High-Tech, Media & Entertainment	11.6%	11.2%	9.8%
Others	4.4%	3.9%	0.1%
Total	100%	100%	13.0%

Revenue by Services

	FY19	FY20	YoY Growth
ADM and Testing	39.6%	36.1%	3.2%
Enterprise Solutions	27.2%	29.2%	21.2%
Infrastructure Management Services	11.4%	11.6%	14.6%
Analytics, AI & Cognitive	11.1%	11.8%	19.5%
Enterprise Integration & Mobility	7.5%	8.6%	28.5%
Platform Based Solutions	3.2%	2.8%	0.5%
Total	100%	100%	13.0%
Digital Revenue	36.5%	40.3%	24.5%

Revenue by Geography

	FY19	FY20	YoY Growth
North America	66.8%	69.0%	16.7%
Europe	17.0%	15.8%	4.8%
RoW	9.0%	8.2%	2.6%
India	7.2%	7.1%	11.1%
Total	100%	100%	13.0%

Client Contribution to Revenue

	FY19	FY20	YoY Growth
Top 5 clients	34.8%	31.8%	3.2%
Top 10 clients	48.5%	45.3%	5.7%
Top 20 clients	64.8%	61.1%	6.6%

Financial Statements – FY20

Income Statement

Amount in INR million

	FY19	FY20	YoY Growth
Revenue	94,458	108,786	15.2%
Direct Costs	61,643	73,587	19.4%
Gross Profit	32,814	35,199	7.3%
Selling, General & Administration Expenses	13,981	14,905	6.6%
EBITDA	18,833	20,294	7.8%
Depreciation & Amortization	1,472	2,730	
EBIT	17,361	17,564	1.2%
Revenue Related Foreign Exchange Gains/(loss)	1,827	2,121	
Other Income, net	1,089	344	
Provision for Tax	5,123	4,824	
Net Income	15,155	15,205	0.3%
Margins (%)			
EBITDA Margin	19.9%	18.7%	
EBIT Margin	18.4%	16.1%	
Net Income Margin	16.0%	14.0%	
Earnings Per Share			
Basic	87.67	87.45	
Diluted	86.43	86.61	

Note: 1. FY20 cost includes INR180 million contribution to PM CARES Fund for Covid-19 relief measures
2. Effective April 1, 2019, LTI has adopted Ind AS 116 'Leases', w.r.t lease contracts outstanding on April 1, 2019 and has given necessary prospective impact in FY20 financials. Accordingly, financial results for the quarter and year ended March 31, 2019 have not been retrospectively adjusted

Balance Sheet

Amount in INR million

	As at 31 March, 2019	As at 31 March, 2020
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	3,084	4,412
(b) Right of Use Assets	-	7,692
(c) Goodwill	4,947	6,368
(d) Intangible assets	1,383	1,316
(e) Non-current Financial Assets	2,080	680
(f) Deferred tax assets (Net) & Tax Assets	2,386	3,039
(g) Other assets	1,111	1,451
Total Non-Current Assets	14,991	24,959
Current assets		
(a) Investments	17,402	22,186
(b) Trade Receivables and Unbilled Revenue	23,845	27,541
(c) Cash and cash equivalents	4,150	5,252
(d) Other Financial assets	1,774	1,742
(e) Other assets & Tax Assets	4,530	6,569
Total Current Assets	51,701	63,290
TOTAL ASSETS	66,692	88,249
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	174	174
(b) Other Equity	48,764	53,866
(c) Non- Controlling interests	8	11
Total Equity	48,946	54,051
Liabilities		
Non-current liabilities		
(d) Financial liabilities	936	2,884
(e) Lease liabilities	-	7,571
(f) Deferred tax liabilities	56	101
(g) Non-current provisions	291	330
Total Non-Current Liabilities	1,283	10,886
Current liabilities		
(a) Borrowings	-	320
(b) Financial Liabilities	11,399	14,961
(c) Lease liabilities	-	1,228
(d) Other Liabilities	2,582	4,134
(e) Provisions	2,108	2,588
(f) Current Tax Liabilities (Net)	374	81
Total Current Liabilities	16,463	23,312
TOTAL EQUITY AND LIABILITIES	66,692	88,249

Cash Flow

Amount in INR million

	FY19	FY20
Cash flow from operating activities		
Net profit after tax	15,155	15,205
Adjustments for:		
Depreciation and amortization	1,472	2,730
Others	384	812
Changes in working capital (net)	(3,061)	(2,313)
Net cash from operating activities [A]	13,951	16,435
Cash flow from investing activities		
(Purchase)/ Sale of assets and investments	(6,024)	(6,966)
Acquisitions & Earnout payments	(2,157)	(591)
Investment income	743	1,037
Net cash from investing activities [B]	(7,438)	(6,520)
Cash flow from financing activities		
Issue of share capital	3	-
Proceeds from/(repayment) of borrowings by subsidiaries	-	320
Credit Support Agreement Deposit (including interest)	(605)	(2,144)
Dividend paid (including DDT)	(5,341)	(5,679)
Payment towards lease liability	-	(1,397)
Net cash from financing activities [C]	(5,943)	(8,900)
Effect of exchange rate on cash and cash equivalents [D]	(53)	86
Net increase in cash and cash equivalents [A+B+C+D]	517	1,102
Cash and cash equivalents at beginning of the period	3,633	4,150
Cash and cash equivalents at end of the period	4,150	5,252

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