



# Earnings Release & Fact Sheet First Quarter, Fiscal 2021

July 15, 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 – Q1 FY21 Results

# LTI Constant Currency Revenues Grow 10.6% YoY; Net Profit Up 17.1% YoY

**Mumbai, India: July 15, 2020:** Larsen & Toubro Infotech (BSE code: 540005, NSE: LTI), a global technology consulting and digital solutions company, announced its Q1 FY21 results today.

### In US Dollars:

- Revenue at **USD 390.3 million**; decrease of **4.8% QoQ** and growth of **9.5% YoY**
- Constant Currency Revenue decrease of **4.7% QoQ** and growth of **10.6% YoY**

### In Indian Rupees:

- Revenue at **INR 29,492 million**; decrease of **2.1% QoQ** and growth of **18.7% YoY**
- Net Income at **INR 4,164 million**; decrease of **2.6% QoQ** and growth of **17.1% YoY**

*“COVID – 19 is a crisis unlike any other and its impact on lives and livelihoods continues to be felt across the world. I am extremely proud of our LTites who have stood together during these times ensuring client deliveries.*

*In a quarter marked by a challenging environment, we have delivered revenue growth of 10.6% YoY in constant currency and closed a large deal as well.*

*We remain committed to exceeding client expectations in the face of this unprecedented pandemic while prioritizing the health and well-being of our people”*

*- Sanjay Jalona, Chief Executive Officer & Managing Director*



### **Recent Deal Wins**

- A U.K. based wealth management firm, has selected LTI for a multi-million, multi-year deal to provide remote infrastructure support, modern cyber security services and migration to IBM Power Cloud from their legacy wealth management platform
- LTI has been chosen by a leading American aerospace company to provide managed services for its data center as well as to enable migration for its on-premise infrastructure to Cloud
- A leading debt management company in Europe has selected LTI to implement a digital integration platform powered by MuleSoft. This platform will replace the existing legacy service layer and integrate all the current and future applications across its 11 countries of operation
- A producer and distributor of petrochemicals has selected LTI to be its sole partner for an application support contract
- The OTT services subsidiary of a leading diversified entertainment and media enterprise has selected LTI for enhancements required on its rights management platform
- LTI executed a license sale agreement for its MOSAIC platform with an American manufacturer of vertical transportation systems
- One of the world's largest oilfield services company, has selected LTI for platform management services for next generation devops
- A medical devices manufacturing company has chosen LTI for a managed services deal
- A provider of insurance coverage for trucking fleets as well as public transportation has chosen to partner with LTI on its transformation journey involving data managed services as well cloud migration services
- A leading IT management services company decided to partner with LTI on a managed infrastructure services deal
- A leading provider of heating and cooling solutions has selected LTI for its information security solutions

### **Awards and Recognitions**

- LTI recognized in Forrester's Now Tech: Oracle Apps Implementation Services Providers, Q2 2020
- LTI recognized as a Rising Star for Managed Application Services in the ISG Provider Lens™ Salesforce Ecosystem Partners 2020 US Report
- LTI recognized as a Leader for Office 365 Integration in the ISG Provider Lens™ Microsoft Ecosystem 2020 US Report
- LTI featured as a Major Contender and Star Performer in Everest Group BFS Risk and Compliance IT Services PEAK Matrix® Assessment 2020: Building Cloud-based Data Infrastructure for Intelligent Real-time Controls
- Powerupcloud, a subsidiary of LTI, has been selected as one of the global launch partners of Amazon Web Services (AWS) Outposts – an initiative in hybrid cloud computing and Amazon Forecast

### **Other Business Highlights**

- LTI launched an Accelerated Migration Program for customers of SAP with Amazon Web Services (AWS) reflecting its highest standards of knowledge in the functional and technical aspects of AWS cloud migration for SAP solutions
- LTI launched Canvas, an integrated platform in partnership with Microsoft, that brings together various processes, tools and methodologies to drive technology and business outcomes for teams operating in a distributed environment
- LTI introduced SafeRadius, a GDPR-compliant return-to-work app to ensure workforce well-being and enhance operational efficiency as employees return to work



## Earnings Release & Fact Sheet First Quarter, Fiscal 2021

- LTI was recognized as one of the top 5 IT brands in India as well as Top 100 brands in the country as per 'India 100 2020' report by Brand Finance, an independent brand valuation consultancy
- LTI has become a signatory to the UN Women's Empowerment Principles (WEPs) demonstrating commitment towards gender-responsive business practices and creating equal opportunity at the workplace as well as among communities globally



## About LTI

LTI (NSE: LTI) is a global technology consulting and digital solutions Company helping more than 400 clients succeed in a converging world. With operations in 31 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 unrivalled real-world expertise to solve the most complex challenges of enterprises across all industries. Each day, our team of more than 30,000 LTIites 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

July 16<sup>th</sup>, 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.

<b>Universal Access Number</b>	+91 22 6280 1104 +91 22 7115 8005
<b>Local Access Number</b>	+91 70456 71221 Available all over India
<b>International Toll Number</b>	<b>USA</b> : 13233868721 <b>UK</b> : 442034785524 <b>Singapore</b> : 6531575746 <b>Hong Kong</b> : 85230186877
<b>Replay of Conference Call</b>	Available after 1 hour from the call end time until July 20th, 2020 Playback Code: 50919 Dial-in Number: India +91 22 7194 5757 +91 22 6663 5757 USA Toll 13479747488 UK Toll Free 8007563427 Singapore Toll Free 8001012510 Hong Kong Toll Free 800965553
<a href="#">Click here for your DiamondPass™</a>	
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 – Q1 FY21

### Financial Highlights

Amount in USD million

	Q1FY20	Q4FY20	Q1FY21	QoQ Growth	YoY Growth
Revenue (USD million)	356.5	409.9	390.3	(4.8%)	9.5%
Revenue Constant Currency				(4.7%)	10.6%

Amount in INR million

	Q1FY20	Q4FY20	Q1FY21	QoQ Growth	YoY Growth
Revenue	24,849	30,119	29,492	(2.1%)	18.7%
EBITDA Margin	18.4%	19.2%	20.1%		
EBIT Margin	16.0%	16.7%	17.4%		
Revenue Related Foreign Exchange Gains/(loss)	680	398	10		
Net Income	3,557	4,275	4,164	(2.6%)	17.1%
Net Income Margin	14.3%	14.2%	14.1%		
Billed DSO	70	77	70		
DSO (Including unbilled)	104	106	99		

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

### Revenue by Vertical

	Q1FY20	Q4FY20	Q1FY21	QoQ Growth	YoY Growth
BFS	27.7%	27.6%	27.7%	(4.2%)	9.4%
Insurance	18.1%	16.8%	17.2%	(2.7%)	3.9%
Manufacturing	15.2%	18.0%	15.8%	(16.5%)	13.9%
Energy & Utilities	10.7%	11.4%	10.8%	(10.1%)	9.6%
CPG, Retail & Pharma	11.1%	11.2%	11.5%	(1.7%)	13.4%
High-Tech, Media & Entertainment	12.5%	11.0%	11.6%	(0.1%)	1.6%
Others	4.6%	4.0%	5.4%	29.6%	29.1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>(4.8%)</b>	<b>9.5%</b>



**Revenue by Service Offering**

	Q1FY20	Q4FY20	Q1FY21	QoQ Growth	YoY Growth
ADM and Testing	38.1%	34.7%	35.6%	(2.1%)	2.3%
Enterprise Solutions	31.5%	32.5%	29.7%	(13.0%)	3.0%
Infrastructure Management Services	10.9%	12.6%	13.6%	2.6%	36.6%
Analytics, AI & Cognitive	11.2%	11.6%	12.5%	2.9%	21.8%
Enterprise Integration & Mobility	8.2%	8.7%	8.6%	(5.3%)	15.0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>(4.8%)</b>	<b>9.5%</b>
Digital Revenue	38.9%	40.7%	42.0%	(1.9%)	18.1%

*Note: Platform Based Solutions has been grouped into Enterprise Solutions.*

**Revenue by Geography**

	Q1FY20	Q4FY20	Q1FY21	QoQ Growth	YoY Growth
North America	68.7%	68.9%	70.8%	(2.2%)	12.7%
Europe	16.0%	15.1%	14.4%	(9.3%)	(1.2%)
RoW	8.5%	8.1%	7.9%	(7.5%)	2.5%
India	6.9%	7.8%	6.9%	(15.8%)	10.2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>(4.8%)</b>	<b>9.5%</b>

**Client Contribution to Revenue**

	Q1FY20	Q4FY20	Q1FY21	QoQ Growth	YoY Growth
Top 5 clients	31.3%	31.2%	30.5%	(6.9%)	6.8%
Top 10 clients	45.0%	45.8%	43.4%	(9.9%)	5.5%
Top 20 clients	62.5%	59.8%	58.2%	(7.3%)	1.9%



**Client Profile**

	Q1FY20	Q4FY20	Q1FY21
Number of Active Clients	354	424	409
New Clients Added	20	27	16
1 Million dollar +	124	165	164
5 Million dollar +	49	53	59
10 Million dollar +	26	27	30
20 Million dollar +	19	16	16
50 Million dollar +	5	6	6
100 Million dollar +	1	1	1

**Effort Mix**

	Q1FY20	Q4FY20	Q1FY21
Onsite	22.0%	21.5%	21.1%
Offshore	78.0%	78.5%	78.9%

**Revenue Mix**

	Q1FY20	Q4FY20	Q1FY21
Onsite	49.5%	50.9%	49.2%
Offshore	50.5%	49.1%	50.8%

**Billed Person Months**

	Q1FY20	Q4FY20	Q1FY21
Onsite	14,143	15,044	14,634
Offshore	50,042	55,034	54,858

**Utilization**

	Q1FY20	Q4FY20	Q1FY21
Including Trainees	80.5%	79.3%	79.4%
Excluding Trainees	81.3%	80.6%	79.6%

## Headcount Details

	Q1FY20	Q4FY20	Q1FY21
Total Headcount	29,347	31,437	31,477
Development	27,665	29,683	29,712
Sales & Support	1,682	1,754	1,765
Attrition % (LTM)	18.3%	16.5%	15.2%

## Constant Currency Reporting

		QoQ Growth	YoY Growth
<b>Company</b>		(4.7%)	10.6%
<b>Vertical</b>	BFS	(4.1%)	10.6%
	Insurance	(2.7%)	4.8%
	Manufacturing	(16.4%)	14.5%
	Energy & Utilities	(10.5%)	10.4%
	CPG, Retail & Pharma	(1.9%)	14.5%
	High-Tech, Media & Entertainment	(0.1%)	1.8%
	Others	31.3%	36.3%
<b>Service Offering</b>	ADM and Testing	(2.1%)	3.2%
	Enterprise Solutions	(13.0%)	4.0%
	Infrastructure Management Services	2.8%	38.8%
	Analytics, AI & Cognitive	3.2%	23.3%
	Enterprise Integration & Mobility	(5.4%)	16.1%
<b>Geography</b>	North America	(2.2%)	12.9%
	Europe	(9.8%)	0.5%
	RoW	(8.0%)	4.8%
	India	(13.4%)	18.5%



## Financial Statements – Q1 FY21

## Income Statement

Amount in INR million

	Q1FY20	Q4FY20	Q1FY21	QoQ Growth	YoY Growth
Revenue	24,849	30,119	29,492	(2.1%)	18.7%
Direct Costs	16,625	20,251	19,916	(1.7%)	19.8%
Gross Profit	8,225	9,869	9,576	(3.0%)	16.4%
SG&A expenses	3,645	4,087	3,656	(10.6%)	0.3%
<b>EBITDA</b>	<b>4,580</b>	<b>5,782</b>	<b>5,920</b>	<b>2.4%</b>	<b>29.3%</b>
Depreciation & Amortization	611	747	781	4.6%	28.0%
<b>EBIT</b>	<b>3,968</b>	<b>5,035</b>	<b>5,139</b>	<b>2.1%</b>	<b>29.5%</b>
Revenue Related Foreign Exchange Gains/(loss)	680	398	10		
Other Income, net	132	81	440		
Provision for Tax	1,225	1,239	1,425		
<b>Net Income</b>	<b>3,557</b>	<b>4,275</b>	<b>4,164</b>	<b>(2.6%)</b>	<b>17.1%</b>
Margins (%)					
EBITDA Margin	18.4%	19.2%	20.1%		
EBIT Margin	16.0%	16.7%	17.4%		
Net Income Margin	14.3%	14.2%	14.1%		
Earnings Per Share					
Basic	20.51	24.52	23.92		
Diluted	20.29	24.30	23.74		

Note: Q4FY20 cost includes INR 180 million contribution to PM CARES Fund for Covid-19 relief measures

## Exchange Rate (USD:INR)

	Q1FY20	Q4FY20	Q1FY21
Period closing rate	69.02	75.67	75.51
Period average rate	69.70	73.48	75.55

## Balance Sheet

Amount in INR million

	As at 30 June 2019	As at 31 March, 2020	As at 30 June, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3,138	4,412	4,513
(b) Right of Use Assets	7,176	7,692	7,385
(c) Goodwill	4,986	6,368	6,471
(d) Intangible assets	1,323	1,316	1,294
(e) Non-current Financial Assets	1,842	680	731
(f) Deferred tax assets (Net) & Tax Assets	2,543	3,039	2,614
(g) Other assets	1,102	1,451	1,490
<b>Total Non-Current Assets</b>	<b>22,110</b>	<b>24,959</b>	<b>24,498</b>
<b>Current assets</b>			
(a) Investments	19,299	22,186	29,341
(b) Trade Receivables and Unbilled Revenue	24,938	27,541	26,060
(c) Cash and cash equivalents	4,497	5,252	4,915
(d) Other Financial assets	1,750	1,742	566
(e) Other assets & Tax Assets	4,887	6,569	7,431
<b>Total Current Assets</b>	<b>55,730</b>	<b>63,290</b>	<b>68,313</b>
<b>TOTAL ASSETS</b>	<b>77,480</b>	<b>88,249</b>	<b>92,811</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	174	174	174
(b) Other Equity	51,723	53,866	59,356
(c) Non- Controlling interests	7	11	9
<b>Total Equity</b>	<b>51,903</b>	<b>54,051</b>	<b>59,539</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(d) Financial liabilities	625	2,884	2,221
(e) Lease liabilities	6,554	7,571	7,326
(f) Deferred tax liabilities	100	101	84
(g) Non-current provisions	281	330	378
<b>Total Non-Current Liabilities</b>	<b>7,560</b>	<b>10,886</b>	<b>10,009</b>
<b>Current liabilities</b>			
(a) Borrowings	-	320	246
(b) Financial Liabilities	11,271	14,961	13,670
(c) Lease liabilities	1,396	1,228	1,256
(d) Other Liabilities	2,488	4,134	4,183
(e) Provisions	2,117	2,588	3,078
(f) Current Tax Liabilities (Net)	745	81	830
<b>Total Current Liabilities</b>	<b>18,017</b>	<b>23,312</b>	<b>23,263</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>77,480</b>	<b>88,249</b>	<b>92,811</b>

## Cash Flow

Amount in INR million

	Q1FY20	Q4FY20	Q1FY21
<b>Cash flow from operating activities</b>			
Net profit after tax	3,557	4,275	4,164
Adjustments for:			
Depreciation and amortization	611	747	781
Others	529	(270)	624
Changes in working capital (net)	(1,362)	2,579	778
<b>Net cash from operating activities [A]</b>	<b>3,335</b>	<b>7,332</b>	<b>6,347</b>
<b>Cash flow from investing activities</b>			
(Purchase)/ Sale of assets and investments	(1,950)	(5,591)	(7,329)
Acquisitions & Earnout payments	-	(128)	(134)
Investment income	82	479	187
<b>Net cash from investing activities [B]</b>	<b>(1,868)</b>	<b>(5,240)</b>	<b>(7,276)</b>
<b>Cash flow from financing activities</b>			
Issue of share capital	-	-	-
Proceeds from/(repayment) of borrowings by subsidiaries	-	320	(74)
Credit Support Agreement Deposit (including interest)	(619)	(1,093)	1,074
Dividend paid (including DDT)	-	-	-
Payment towards lease liability	(455)	(408)	(402)
<b>Net cash from financing activities [C]</b>	<b>(1,074)</b>	<b>(1,181)</b>	<b>598</b>
Effect of exchange rate on cash and cash equivalents [D]	(46)	116	(4)
<b>Net increase in cash and cash equivalents [A+B+C+D]</b>	<b>347</b>	<b>1,027</b>	<b>(335)</b>
Cash and cash equivalents at beginning of the period	4,150	4,224	5,252
<b>Cash and cash equivalents at end of the period</b>	<b>4,497</b>	<b>5,252</b>	<b>4,915</b>

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