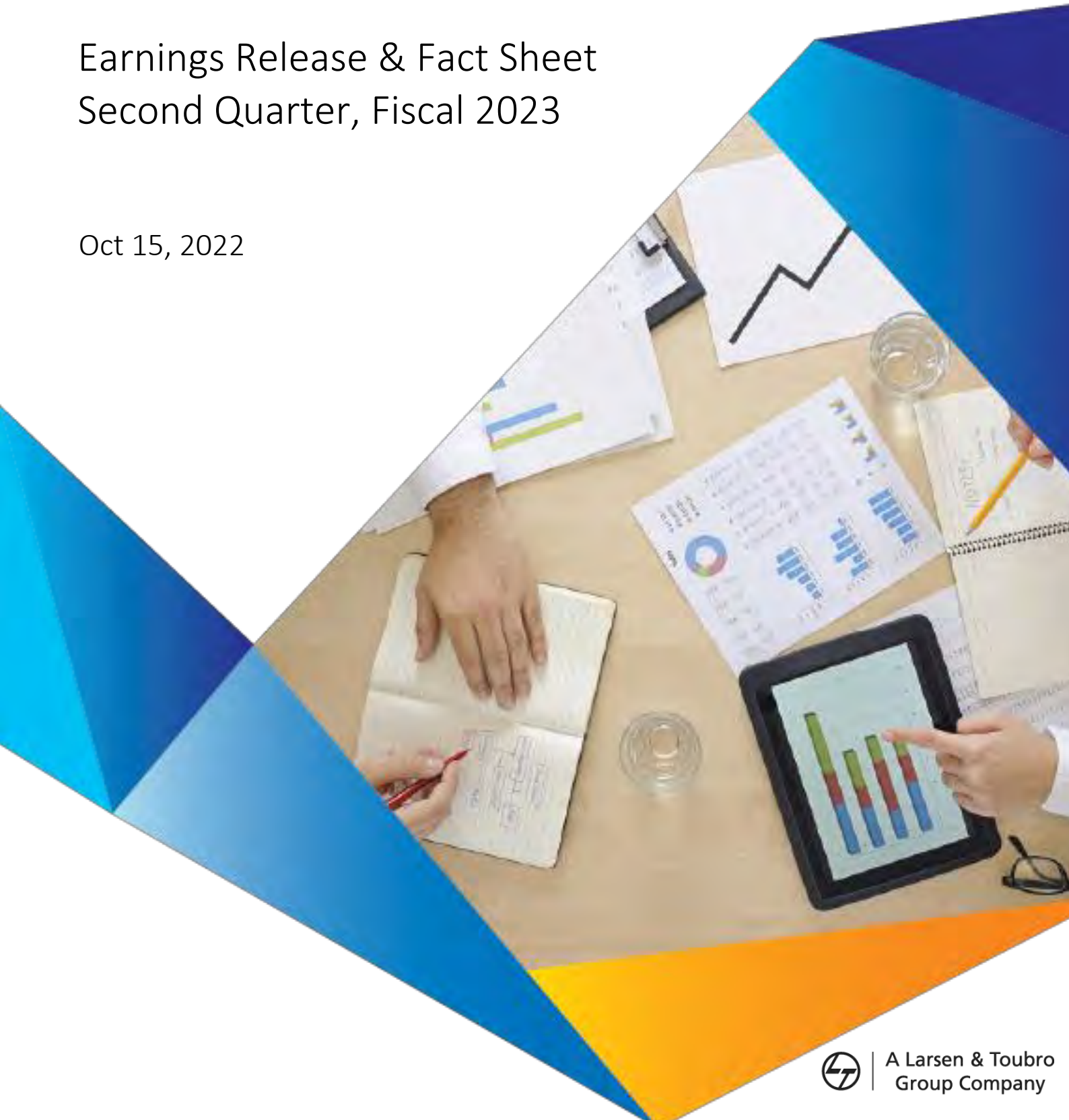




Earnings Release & Fact Sheet Second Quarter, Fiscal 2023

Oct 15, 2022



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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 – Q2 FY23 Results

LTI constant currency revenues grow 21.6% YoY; Net Profits up 23.2% YoY

Mumbai, India: Oct 15, 2022: Larsen & Toubro Infotech (BSE code: 540005, NSE: LTI), a global technology consulting and digital solutions company, announced its Q2 FY23 results today.

In US Dollars:

- Revenue at **USD 601.0 million**; growth of **3.6% QoQ and 18.1% YoY**
- Constant Currency Revenue growth of **4.6% QoQ and 21.6% YoY**

In Indian Rupees:

- Revenue at **INR 48,367 million**; growth of **6.9% QoQ and 28.4% YoY**
- Net Income at **INR 6,798 million**; growth of **7.2% QoQ and 23.2% YoY**

“We are happy to report 21.6% YoY revenue growth in constant currency. We remain excited about the proactive conversations we are having with our customers and see increased traction in the cloud and analytics space. The strength of our pipeline and our sustained net headcount addition will continue to fuel our growth”

- Sudhir Chaturvedi, President Sales & Executive Board Member

“We are happy to be on the last leg of the approval process for the LTI Mindtree merger and are most likely to combine forces by the end of this calendar year. The merged company will bring together complementary portfolios and a large customer base creating extraordinary value for all stakeholders.”

- Nachiket Deshpande, Chief Operating Officer & Executive Board Member

Recent Deal Wins

- Selected by a leading health care system based in North America as strategic partner for transformation programs involving cyber security, clinical experience, enterprise data management, governance and digital business technology
- Chosen by the provider of consultancy and IT solutions to an international organization involved with global conflict resolution and humanitarian assistance, to transform their digital solution landscape
- Selected by a Global Fortune 500 multinational information technology company to design and implement SAP and data solutions to improve business KPIs. LTI will also provide consulting and architectural guidance to build a technology roadmap
- Selected by a manufacturer of vertical transportation systems to operate and transform their global JD Edwards solution
- A leading provider and manufacturer of heating and cooling solutions and equipment has chosen LTI as its partner for one of its largest and most complex ERP transformation initiatives at one of its plant locations
- Selected by the newly formed division of a leading property and casualty insurer to implement Duck Creek solutions for their producer, policy and billing functions and to ensure data analytics and insights
- Chosen by a leading petrochemical company for a managed services deal involving outsourcing of support operations for their enterprise applications by streamlining processes and building efficiencies through transformation initiatives
- Selected by a global bank for a digital testing deal to support its digital transformation initiatives
- Selected by a Global Fortune 500 company and a world-wide leader in beauty and cosmetics to deliver digital integration of existing applications with their new core S/4 solution
- Selected by a leading media & entertainment major to implement a new buying & invoicing system and enable related procurement processes and solutions to integrate with existing SAP applications
- A refinery and petrochemical company has selected LTI for an end to end outsourcing and managed services deal resulting in improved efficiency, lower costs, better customer experience and compliance with National Cyber Authority requirements

Analyst Recognitions

- LTI Positioned as a Major Contender and Star Performer in Everest Group's SI Capabilities on AWS PEAK Matrix Assessment 2022
- LTI named as a 'Leader' in ISG Provider Lens™ Enterprise Service Management Service & Solutions 2022 quadrant report (ESM Consulting Services quadrant for US)
- LTI recognized as an Honorable Mention in the 2022 Gartner® Magic Quadrant™ for Public Cloud IT Transformation Services
- LTI Positioned as a Major Contender and Star Performer in Everest Group's SI Capabilities on Azure PEAK Matrix Assessment 2022
- Fosfor Aspect recognized in Forrester Report : Ten Lessons From Intelligent Document Extraction And Processing Use Cases

*Gartner, "Magic Quadrant for Public Cloud IT Transformation Services", July 20, 2022. GARTNER and MAGIC QUADRANT are registered trademarks and service marks of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved. GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved. 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

Awards & Other Business Highlights

- LTI has been certified as a water-positive company based on a third-party audit
- LTI Wins Golden Peacock Award for Risk Management 2022 in the IT services and consulting category
- LTI is a Great Place to Work Certified in Poland

About LTI

LTI (NSE: LTI) is a global technology consulting and digital solutions Company helping 500 clients succeed in a converging world. With operations in 33 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 50,000 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 and Audio Webcast

Oct 15th, 2022 (06:00 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 1107 +91 22 7115 8008
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 October 22nd, 2022 Playback Code: 68775 Dial-in Number: India +91 22 7194 5757 +91 22 6663 5757 USA Toll Free 18332898317 UK Toll Free 8007563427 Singapore Toll Free 8001012510 Hong Kong Toll Free 800965553
Audio Webcast	The audio from the conference call will be available online through a webcast and can be accessed at the following link: https://links.ccwebcast.com/?EventId=LTI221015
	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 – Q2 FY23

Financial Highlights

Amount in USD million

	Q2FY22	Q1FY23	Q2FY23	QoQ Growth	YoY Growth
Revenue (USD million)	509.0	580.2	601.0	3.6%	18.1%
Revenue Constant Currency				4.6%	21.6%

Amount in INR million

	Q2FY22	Q1FY23	Q2FY23	QoQ Growth	YoY Growth
Revenue	37,670	45,228	48,367	6.9%	28.4%
EBITDA Margin	19.5%	18.4%	18.8%		
EBIT Margin	17.2%	16.0%	16.1%		
Revenue Related Foreign Exchange Gains/(loss)	675	820	411		
Net Income	5,517	6,344	6,798	7.2%	23.2%
Net Income Margin	14.6%	14.0%	14.1%		
Billed DSO	61	61	62		
DSO (Including unbilled)	98	100	99		

Note: Q2FY23 Other Income includes INR 373 million on write back of certain earn outs payable towards an earlier acquisition by LTI. Q2FY23 PAT excluding this write back would be INR 6,425 million

Revenue by Vertical

	Q2FY22	Q1FY23	Q2FY23	QoQ Growth	YoY Growth
BFS	32.5%	34.2%	34.2%	3.7%	24.3%
Insurance	14.2%	13.7%	13.7%	3.8%	14.1%
Manufacturing	15.6%	14.4%	14.3%	2.7%	8.2%
Energy & Utilities	8.9%	8.8%	9.6%	13.2%	27.5%
CPG, Retail & Pharma	10.1%	10.2%	10.0%	2.0%	17.2%
High-Tech, Media & Entertainment	12.5%	11.6%	10.6%	(4.8%)	0.5%
Others	6.2%	7.2%	7.6%	8.5%	42.9%
Total	100%	100%	100%	3.6%	18.1%

Revenue by Service Offering

	Q2FY22	Q1FY23	Q2FY23	QoQ Growth	YoY Growth
ADM and Testing	34.2%	34.5%	33.5%	0.4%	15.8%
Enterprise Solutions	30.4%	28.6%	28.7%	3.9%	11.3%
Cloud Infrastructure & Security	14.0%	12.8%	12.7%	2.9%	7.3%
Analytics, AI & Cognitive	12.1%	13.7%	14.5%	9.6%	41.4%
Enterprise Integration & Mobility	9.3%	10.4%	10.6%	6.2%	34.6%
Total	100%	100%	100%	3.6%	18.1%

Revenue by Geography

	Q2FY22	Q1FY23	Q2FY23	QoQ Growth	YoY Growth
North America	67.5%	68.1%	69.0%	5.0%	20.8%
Europe	16.1%	15.8%	15.5%	1.8%	13.6%
RoW	9.8%	8.0%	8.1%	5.0%	(2.9%)
India	6.6%	8.2%	7.4%	(6.4%)	32.3%
Total	100%	100%	100%	3.6%	18.1%

Client Contribution to Revenue

	Q2FY22	Q1FY23	Q2FY23	QoQ Growth	YoY Growth
Top 5 clients	28.2%	29.0%	29.4%	5.0%	23.1%
Top 10 clients	40.7%	40.4%	40.6%	4.2%	17.7%
Top 20 clients	55.0%	55.7%	54.8%	2.0%	17.7%

Client Profile

	Q2FY22	Q1FY23	Q2FY23
Number of Active Clients	463	497	500
New Clients Added	25	29	22
1 Million dollar +	180	208	214
5 Million dollar +	71	76	78
10 Million dollar +	43	44	42
20 Million dollar +	21	24	24
50 Million dollar +	7	8	9
100 Million dollar +	1	1	1

Effort Mix

	Q2FY22	Q1FY23	Q2FY23
Onsite	16.4%	15.1%	15.2%
Offshore	83.6%	84.9%	84.8%

Revenue Mix

	Q2FY22	Q1FY23	Q2FY23
Onsite	40.8%	38.7%	38.3%
Offshore	59.2%	61.3%	61.7%

Billed Person Months

	Q2FY22	Q1FY23	Q2FY23
Onsite	15,111	16,244	17,095
Offshore	77,271	91,007	95,726

Utilization

	Q2FY22	Q1FY23	Q2Y23
Including Trainees	81.6%	81.3%	80.3%
Excluding Trainees	83.7%	81.8%	82.1%

Headcount Details

	Q2FY22	Q1FY23	Q2FY23
Total Headcount	42,382	48,766	50,981
Development	40,395	46,587	48,686
Sales & Support	1,987	2,179	2,295
Attrition % (LTM)	19.6%	23.8%	24.3%

Constant Currency Reporting

		QoQ Growth	YoY Growth
Company		4.6%	21.6%
Vertical	BFS	5.0%	29.1%
	Insurance	4.5%	15.8%
	Manufacturing	3.9%	11.9%
	Energy & Utilities	14.0%	29.9%
	CPG, Retail & Pharma	3.4%	21.8%
	High-Tech, Media & Entertainment	(4.7%)	1.6%
	Others	9.8%	48.0%
Service Offering	ADM and Testing	1.4%	19.0%
	Enterprise Solutions	5.2%	15.3%
	Cloud Infrastructure & Security	4.0%	11.4%
	Analytics, AI & Cognitive	10.5%	44.2%
	Enterprise Integration & Mobility	7.1%	38.0%
Geography	North America	5.2%	21.1%
	Europe	6.3%	29.8%
	RoW	5.8%	(0.5%)
	India	(4.3%)	40.4%

Financial Statements – Q2 FY23

Income Statement

Amount in INR million

	Q2FY22	Q1FY23	Q2FY23	QoQ Growth	YoY Growth
Revenue	37,670	45,228	48,367	6.9%	28.4%
Direct Costs	26,011	32,075	34,268	6.8%	31.7%
Gross Profit	11,659	13,153	14,099	7.2%	20.9%
SG&A expenses	4,327	4,845	4,982	2.8%	15.1%
EBITDA	7,332	8,308	9,117	9.7%	24.3%
Depreciation & Amortization	850	1,065	1,308		
EBIT	6,482	7,243	7,809	7.8%	20.5%
Revenue Related Foreign Exchange Gains/(loss)	675	820	411		
Other Income, net	263	447	793		
Provision for Tax	1,903	2,166	2,215		
Net Income	5,517	6,344	6,798	7.2%	23.2%
Margins (%)					
EBITDA Margin	19.5%	18.4%	18.8%		
EBIT Margin	17.2%	16.0%	16.1%		
Net Income Margin	14.6%	14.0%	14.1%		
Earnings Per Share					
Basic	31.50	36.13	38.75		
Diluted	31.41	36.08	38.70		

Note: Q2FY23 Other Income includes INR 373 million on write back of certain earn outs payable towards an earlier acquisition by LTI. Q2FY23 PAT excluding this write back would be INR 6,425 million

Exchange Rate (USD:INR)

	Q2FY22	Q1FY23	Q2FY23
Period closing rate	74.23	78.97	81.35
Period average rate	74.01	77.95	80.47

Balance Sheet

Amount in INR million

	As at 31 March, 2022	As at 30 Sept, 2022
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment & CWIP	9,342	11,335
(b) Right of Use Assets	6,391	6,051
(c) Goodwill	6,900	6,680
(d) Intangible assets	3,157	3,085
(e) Non-current Financial Assets	6,474	7,419
(f) Deferred Tax Assets (Net) & Tax Assets	1,684	3,473
(g) Other Assets	2,089	2,809
Total Non-Current Assets	36,037	40,852
Current assets		
(a) Investments	31,366	23,189
(b) Trade Receivables and Unbilled Revenue	37,368	41,535
(c) Cash, Cash Equivalents	3,949	5,060
(d) Other Bank Balances	3,824	4,387
(e) Other Financial Assets	2,830	1,933
(f) Other Assets & Tax Assets	9,319	11,577
Total Current Assets	88,656	87,681
TOTAL ASSETS	124,693	128,533
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	175	175
(b) Other Equity	87,971	91,753
(c) Non- Controlling interests	57	63
Total Equity	88,203	91,991
Liabilities		
Non-current liabilities		
(d) Financial Liabilities - Others	134	1,456
(e) Financial Liabilities - Lease Liabilities	6,675	6,242
(f) Deferred Tax Liabilities	105	137
(g) Non-Current Provisions	393	360
Total Non-Current Liabilities	7,307	8,195
Current liabilities		
(a) Financial Liabilities - Borrowings	519	773
(b) Financial Liabilities - Others	17,388	16,212
(c) Financial Liabilities - Lease Liabilities	1,161	1,224
(d) Other Liabilities	5,812	4,958
(e) Provisions	3,874	4,490
(f) Current Tax Liabilities (Net)	429	690
Total Current Liabilities	29,183	28,347
TOTAL EQUITY AND LIABILITIES	124,693	128,533

Cash Flow

Amount in INR million

	Q2FY22	Q1FY23	Q2FY23
Cash flow from operating activities			
Net profit after tax	5,517	6,345	6,798
Adjustments for:			
Depreciation and amortization	850	1,065	1,308
Others	(415)	289	(1,670)
Changes in working capital (net)	(911)	(5,443)	(2,828)
Net cash from operating activities [A]	5,041	2,256	3,608
Cash flow from investing activities			
(Purchase)/ Sale of assets and investments	2,197	(2,047)	2,824
Acquisitions & Earnout payments	(509)	-	(106)
Investment income	320	515	651
Net cash from investing activities [B]	2,008	(1,532)	3,369
Cash flow from financing activities			
Issue of share capital	0	0	0
Proceeds from/(repayment) of borrowings by subsidiaries	(426)	171	83
Credit Support Agreement Deposit (including interest)	354	(297)	(357)
Dividend paid	(6,121)	-	(5,260)
Payment towards lease liability	(431)	(467)	(481)
Net cash from financing activities [C]	(6,624)	(593)	(6,015)
Effect of exchange rate on cash and cash equivalents [D]	(83)	23	(5)
Net increase in cash and cash equivalents [A+B+C+D]	342	155	957
Cash and cash equivalents at beginning of the period	5,050	3,949	4,103
Cash and cash equivalents at end of the period	5,392	4,103	5,060

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