

Earnings Release & Fact Sheet First Quarter, Fiscal 2024

July 17, 2023



Contents

Press Release	3
Key Metrics	7
Financial Statements	10
Contact Information.....	14

Safe Harbour

Certain statements in this release concerning the future prospects are forward-looking statements. These statements by their nature involve risks and uncertainties that could cause the actual results to differ materially from such forward-looking statements. The Company assumes no obligation to revise or update any forward-looking statements that may be made from time to time by or on behalf of the Company.

Deal wins and recognitions section in this release include relevant disclosures between our last earnings release and this release.

LTIMindtree delivers 8.2% YoY revenue growth in CC

Robust growth in key verticals and a strong order inflow

Mumbai, July 17, 2023: [LTIMindtree](#) [NSE: LTIM, BSE: 540005], a global technology consulting and digital solutions company, announced its consolidated results today for the first quarter ended June 30, 2023, as approved by its Board of directors.

“During the first quarter of FY24, LTIMindtree delivered 8.2% YoY revenue growth in Constant Currency. Our key verticals BFSI, Manufacturing & Resources and Hi-Tech, Media, and Entertainment which make up 75% of our revenues performed well. Our strategic programs are bearing fruit and is evident in the upward movement across our client buckets. The order inflow continued to increase and reached USD 1.41 billion in this quarter. Our operational rigor helped us achieve an EBIT of 16.7% and PAT of 13.2%”.

-Debashis Chatterjee, Chief Executive Officer and Managing Director

Key financial highlights:

Quarter ended June 30, 2023

In USD:

- Revenue at \$1,058.7 million (growth of 0.1% Q-o-Q / 8.1% Y-o-Y)
- Net profit at \$140.1 million (growth of 3.4% Q-o-Q / decline of 1.2% Y-o-Y)

In INR:

- Revenue at ₹87,021 million (growth of 0.1% Q-o-Q / 13.8% Y-o-Y)
- Net profit at ₹11,523 million (growth of 3.4% Q-o-Q / 4.1% Y-o-Y)

Other highlights:

Clients:

- 723 active clients as of June 30, 2023
- \$5 million+ clients increased by 18 on a Y-o-Y basis, total 148
- \$10 million+ clients increased by 9 on a Y-o-Y basis, total 88
- \$50 million+ clients increased by 3 on a Y-o-Y basis, total 13

People:

- 82,738 professionals as of June 30, 2023
- Trailing 12 months attrition was 17.8%

Deal Wins

- One of the largest Property & Casualty insurance companies in the United States has chosen LTIMindtree as a strategic partner for a multi-year application development and maintenance deal.
- A US-based Insurance & Retirement major has awarded LTIMindtree a multi-year deal for 24x7 Infrastructure Managed Services.
- A well-known Consumer Electronics and Personal Computing firm, renowned for its quality and innovation, has selected LTIMindtree to drive digital transformation and business process re-engineering, including the adoption of as-a-Service business models.
- A Digital Communications technology giant based in the United States has partnered with LTIMindtree for developing a resilient supply chain for new business acquisition.
- A UK-based Pharmaceutical giant awarded LTIMindtree a multi-year contract to provide SAP Managed services along with testing and support services.
- A leading American multinational Consumer Goods company selected LTIMindtree to co-create and support their Integrated Media solutions platform for ad-buying across channels.
- A prestigious regulatory body has chosen LTIMindtree for its Next-Generation Data Warehouse implementation.
- LTIMindtree opened a new logo in the beverages industry, with an application services deal that allows our client to build a scalable core-flex model for IT application services.
- A world leader in Risk Management & Consulting has selected LTIMindtree to build a greenfield cloud-based data platform using AWS. This state-of-the-art foundational platform will help the client to improve the carrier and client experience by leveraging data to create an information advantage.
- A leading US-Based Property & Casualty insurance major selected LTIMindtree to migrate and modernize their legacy data platform to Snowflake's cloud data platform by leveraging our proprietary PolarSled toolset.

Recognitions

- Recognized as a 'Leader' in Everest Group's Asset & Wealth Management IT Services PEAK Matrix 2023.
- Recognized as a 'Leader' in Everest Group's Microsoft Dynamics 365 PEAK Matrix 2023.
- Won the 2023 Global System Integrator Innovation Partner of the Year Award from Snowflake.
- Recognized as a Visionary in the 2023 Gartner® Magic Quadrant™ for Data Center Outsourcing & Hybrid Infrastructure Managed Services.

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About LTIMindtree

LTIMindtree is a global technology consulting and digital solutions company that enables enterprises across industries to reimagine business models, accelerate innovation, and maximize growth by harnessing digital technologies. As a digital transformation partner to more than 700 clients, LTIMindtree brings extensive domain and technology expertise to help drive superior competitive differentiation, customer experiences, and business outcomes in a converging world. Powered by 82,000+ talented and entrepreneurial professionals across more than 30 countries, LTIMindtree – a Larsen & Toubro Group company – combines the industry-acclaimed strengths of erstwhile Larsen and Toubro Infotech and Mindtree in solving the most complex business challenges and delivering transformation at scale. For more information, please visit <https://www.ltimindtree.com/>.

Earnings Conference Call

Monday, July 17, 2023 (19:00 IST)

To join the Earnings conference call
[Register here](#)

After registering, you will receive a confirmation email containing information about joining the webinar.

The Fact Sheet and Press Release will be available on LTIM's website.
www.ltimindtree.com/investors

Transcript and recording will be available on:
<https://www.ltimindtree.com/>

Contact

Media Relations: media@ltimindtree.com

Key Financial Metrics

Revenue USD \$ Mn	Q1 FY23	Q4 FY23	Q1 FY24	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue USD Mn	979.5	1057.5	1058.7	0.1%	8.1%
Revenue - constant currency (CC)				0.1%	8.2%
Financials ₹ Mn	Q1 FY23	Q4 FY23	Q1 FY24	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue ₹ Millions	76,442	86,910	87,021	0.1%	13.8%
Gross Margin %	31.1%	29.9%	31.6%		
EBITDA Margin %	19.5%	18.5%	18.8%		
EBIT Margin %	17.4%	16.4%	16.7%		
Forex Gains/(loss) ₹ Millions	861	(523)	(123)		
Effective Tax Rate* %	24.9%	22.9%	25.0%		
PAT ₹ Millions	11,065	11,141	11,523		
PAT - Net Profit Margin %	14.5%	12.8%	13.2%		
EPS - Earnings Per Share					
Basic ₹	37.4	37.7	38.9		
Diluted ₹	37.4	37.6	38.9		
DSO** (Billed)	56	60	60		
DSO** (Billed & Unbilled)	87	91	93		
ROE %	30.6%	28.6%	26.8%		

* Effective Tax Rate = Tax / PBT

** DSO is based on TTM

Cash Flow ₹ Mn	Q1 FY23	Q4 FY23	Q1 FY24
Free Cash Flow	5,088	8,662	8,365
Cash and Investments	83,242	83,552	92,354

Hedges outstanding in Currency	Value	Avg. Rate / INR
USD \$ Mn	3,990	85.12

Exchange Rate (USD: INR)	Q1 FY23	Q4 FY23	Q1 FY24
Period closing rate	78.97	82.17	82.04
Period average rate	78.04	82.18	82.20

Key Revenue Metrics

Revenue by Industry	Q1 FY23	Q4 FY23	Q1 FY24	USD Growth (%)	
				Q-o-Q	Y-o-Y
Banking, Financial Services & Insurance	36.0%	38.0%	37.5%	(1.3%)	12.1%
Hi-Tech, Media & Entertainment	25.4%	23.0%	23.7%	3.2%	1.0%
Manufacturing & Resources	16.3%	17.5%	17.3%	(1.1%)	14.9%
Retail, CPG, Travel, Transportation & Hospitality	15.7%	15.4%	15.1%	(1.3%)	4.6%
Health, Life Sciences & Public Services	6.6%	6.1%	6.4%	4.1%	4.7%

Revenue by Geography	Q1 FY23	Q4 FY23	Q1 FY24	USD Growth (%)	
				Q-o-Q	Y-o-Y
North America	71.7%	71.9%	73.1%	1.7%	10.2%
Europe	15.3%	15.4%	15.2%	(0.9%)	7.3%
Rest of the World	13.0%	12.7%	11.7%	(7.8%)	(2.6%)

Revenue by Currency	Q1 FY23	Q4 FY23	Q1 FY24
USD	75.6%	76.6%	77.4%
EUR	8.4%	7.9%	7.8%
INR	5.4%	5.0%	4.4%
GBP	2.7%	3.1%	3.0%
Others	7.9%	7.4%	7.4%

Key Client Metrics

Revenue Contribution	Q1 FY23	Q4 FY23	Q1 FY24
Active Clients	708	728	723
New Clients added	43	31	19
Revenue Contribution			
1 Million Dollar +	337	383	388
5 Million Dollar +	130	146	148
10 Million Dollar +	79	81	88
20 Million Dollar +	40	38	40
50 Million Dollar +	10	13	13
100 Million Dollar +	2	2	2

Active Clients and Revenue Contribution is based on TTM.

Revenue Contribution	Q1 FY23	Q4 FY23	Q1 FY24
Top 5 Clients	26.8%	25.4%	26.7%
Top 10 Clients	34.5%	32.9%	34.1%
Top 20 Clients	45.5%	44.0%	44.9%
Top 40 Clients	58.7%	56.8%	57.2%

Effort and Utilization

Effort & Utilization	Q1 FY23	Q4 FY23	Q1 FY24
Effort Mix			
Onsite	14.7%	14.9%	14.8%
Offshore	85.3%	85.1%	85.2%
Utilization (excl. trainees)	83.5%	81.7%	84.8%*

*1.6% increase in utilization on account of reclassification of people from delivery to sales and support in Q1FY24

Key Employee Metrics

Employees	Q1 FY23	Q4 FY23	Q1 FY24
Total Employees	84,030	84,546	82,738
Software Professionals	79,998	80,283	77,555*
Sales & Support	4,032	4,263	5,183*
Women Employees %	31.7%	31.3%	30.7%
TTM Attrition %	24.0%	20.2%	17.8%

*Reclassification of ~1,000 people from delivery to sales and support in Q1FY24

Financial Statements

Income Statement

Amount in INR Millions

Particulars	Q1 FY23	Q4 FY23	Q1 FY24	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue	76,442	86,910	87,021	0.1%	13.8%
Direct Cost	52,656	60,923	59,519	(2.3%)	13.0%
Gross Profit	23,786	25,987	27,502	5.8%	15.6%
SG&A Expenses	8,850	9,950	11,147	12.0%	26.0%
EBITDA	14,936	16,037	16,355	2.0%	9.5%
Depreciation and Amortization	1,664	1,823	1,847		
EBIT	13,272	14,214	14,508	2.1%	9.3%
Forex Gains/(loss)	861	(523)	(123)		
Other Income	915	1,187	1,439		
Finance Cost	311	436	460		
Provision for Tax	3,672	3,301	3,841		
PAT	11,065	11,141	11,523	3.4%	4.1%
Margin %					
EBITDA	19.5%	18.5%	18.8%		
EBIT	17.4%	16.4%	16.7%		
PAT	14.5%	12.8%	13.2%		

Balance Sheet

Amount in INR Millions

Particulars	As at March 31, 2023	As at June 30, 2023
ASSETS		
Non-current assets		
Property, Plant and Equipment	9,697	17,423
Right of Use Assets	12,539	12,895
Capital work-in-progress	8,126	520
Goodwill	11,892	11,884
Other Intangible assets	2,663	2,641
Intangible assets under development	897	781
Financial Assets		
Investments	7,165	8,578
Trade Receivable	39	33
Other Financial Assets	1,924	4,113
Deferred tax assets	3,809	2,564
Tax Assets	2,334	2,272
Other non-current assets	2,018	2,142
Total Non-Current Assets	63,103	65,846
Current assets		
Inventories	33	39
Financial Assets		
Investments	47,418	62,501
Trade receivable	56,234	56,683
Unbilled Revenue	16,011	17,604
Cash and Cash Equivalent	23,389	15,070
Other Bank Balances	5,931	6,557
Other Financial Assets	1,830	2,090
Income Tax Assets (net)	0	2
Other current assets	21,012	20,818
Total Current Assets	1,71,858	1,81,364
TOTAL ASSETS	2,34,961	2,47,210
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	296	296
Other Equity		
Other Reserves	11,124	15,516
Retained Earnings	1,54,501	1,66,016
Other Components of Equity		
Share application money pending allotment	0	-
Non-controlling interests	71	74
Total Equity	1,65,992	1,81,902
Liabilities		
Non-current liabilities		
Financial Liabilities		
Financial Liabilities - Others	1,774	232
Financial Liabilities - Lease liabilities	11,872	12,203
Deferred tax liabilities	147	161
Provisions	350	374
Total Non-current liabilities	14,143	12,970
Current liabilities		
Financial Liabilities		
Financial Liabilities - Borrowings	1,253	1,289
Trade Payables	12,938	15,666
Due to micro & small enterprises	154	56
Due to others	12,784	15,610
Other Financial Liabilities	16,437	10,148
Financial Liabilities - Lease liabilities	2,287	2,294
Other Liabilities		
Other Liabilities	12,070	11,202
Provisions	8,134	8,590
Current Tax Liabilities (Net)	1,707	3,149
Total current liabilities	54,826	52,338
TOTAL EQUITY AND LIABILITIES	2,34,961	2,47,210

Cash Flow Statement

Amount in INR Millions

Particulars	Q1 FY23	Q4 FY23	Q1 FY24
Cash flow from operating activities			
Net profit after tax	11,065	11,141	11,523
Adjustments for:			
Depreciation and amortisation	1,664	1,823	1,847
Income tax expense	3,672	3,301	3,841
Others	(108)	366	(53)
Operating profit before working capital changes	16,293	16,631	17,158
Changes in working capital (net)	(7,045)	(3,103)	(4,435)
Cash generated from operations	9,248	13,528	12,723
Income taxes	(2,304)	(3,670)	(2,380)
Net cash from operating activities	6,944	9,858	10,343
Cash flow from investing activities			
(Purchase)/ Sale of assets	(1,856)	(1,196)	(1,978)
(Purchase)/sale of current investments	(3,971)	763	(16,231)
Payment towards contingent/deferred consideration	(396)	(124)	-
Interest received	230	348	461
Net cash from investing activities	(5,993)	(209)	(17,748)
Cash flow from financing activities			
Issue of share capital			
Shares issued on exercise of employee stock options	0	3	1
Share issue expenses	-	(3)	-
Proceeds from/(repayment) of borrowings	171	427	40
Movement in CSA Deposit received/(paid)	(278)	510	210
Interest paid	(35)	(149)	(175)
Interest paid on lease liabilities	(271)	(286)	(284)
Dividend paid	-	(5,914)	-
Payment towards Lease liability	(533)	(616)	(624)
Net cash from financing activities	(946)	(6,028)	(832)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	154	(171)	(96)
Net increase in cash and cash equivalents	159	3,450	(8,333)
Cash and cash equivalents at period beginning	14,462	19,926	23,377
Cash and cash equivalents at period end	14,621	23,377	15,044
Book overdraft used for cash management purpose	-	12	26
Cash and cash equivalents as per Balance Sheet	14,621	23,389	15,070

Bank Balances and Investments as at 30th June 2023

Amount in INR Millions

Balances with Banks	Amount	Major Banking Partners (India & Overseas)
In Bank Accounts*	13,252	<u>In India</u> Citi Bank, HSBC, Deutsche Bank, Axis Bank, ICICI Bank, State Bank of India, HDFC Bank
In Deposit Accounts	1,821	<u>Rest of the World</u> Citi Bank, HSBC, CIBC, Bank of China, JPMC, UBS, ING, Barclays, Bank of America, Handelsbanken
Total	15,073	
Investments	Amount	Institution
Mutual Funds **	44,312	AMC - ABSL, Kotak, SBI, Nippon, Axis, HDFC, ICICI, UTI, Invesco, Bandhan, TATA, Edelweiss, HSBC, DSP, Mirae Asset, Navi
Inter-Corporate Deposits	8,474	Bajaj Finance Ltd, Aditya Birla Finance Ltd, HDFC Ltd, LIC Housing Finance Ltd, Kotak Mahindra Investments Ltd, PNB Housing Finance Ltd
Bonds and Debentures	9,509	HDB Financial Services, Aditya Birla Finance Ltd, Small Industries Development Bank of India, Mahindra & Mahindra Financial Services Ltd, TATA Capital Financial Services Ltd, L&T Finance, NABARD, Bajaj Finance, Rural Electrification Corporation, LIC Housing Finance, Power Finance Corporation, Kotak Mahindra Investments Ltd, Embassy ReIT, Tata Capital Ltd, State Bank of India, HDFC Ltd
Fixed Deposits with Banks	6,554	State Bank of India, Bank of Baroda, Kotak Bank, HSBC
Commercial Papers	5,116	HDFC Ltd, NABARD, LIC Housing Finance, ICICI Securities, Small Industries Development Bank of India, Aditya Birla Finance Ltd, TATA Capital Financial Services Ltd
Certificate of Deposits	2,816	Axis Bank, HDFC Bank, BOB, SIDBI, NABARD, Indian Bank
Government Securities	500	Government Securities, Treasury-Bills
Total	77,281	
Total Bank Balance and Investments	92,354	

* Including unclaimed dividend, earmarked balances and remittance in transit

** Mutual Fund investments are reported at fair market value.

Total of Bank balances and Investments: **Rs. 92,354 Million**

Declaration : The above details have been verified by me and found correct.

For LTIMindtree Limited

**Vinit Ajit
Teredesai**

Digitally signed by Vinit Ajit
Teredesai
Date: 2023.07.17 11:18:01
+05'30'

Vinit Teredesai
Chief Financial Officer

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LTIMindtree Limited is a subsidiary of Larsen & Toubro Limited

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