

**July 18, 2023**

National Stock Exchange of India Limited  
Exchange Plaza, Bandra-Kurla Complex  
Bandra (East), Mumbai – 400 051.  
**NSE Symbol: LTTS**

BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400001  
**BSE Script Code: 540115**

**Subject: Press Release and Investor Release**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are sending herewith copy of the Press Release and Investor Release w.r.t. Financial Results for the quarter ended June 30, 2023.

Thanking You,

Yours sincerely,

**For L&T Technology Services Limited**

**Prajakta Powle**  
**Company Secretary & Compliance Officer**  
**(M. No. A 20135)**

Encl: As above

## L&T Technology Services reports 15% growth in Q1FY24

**Reaffirms \$1.5Bn revenue run-rate in FY25**

**Q1 Revenue of ₹2,301 crore, up 15% YoY  
Q1 Net profit of ₹311 crore, up 13% YoY**

**Mumbai, July 18, 2023:** L&T Technology Services Limited (BSE: 540115, NSE: LTTS), India's leading pure-play engineering services company, announced its results for the first quarter ended June 30, 2023.

Highlights for Q1FY24 include:

- Revenue at ₹23,014 million; growth of 15% YoY
- USD Revenue at \$280 million; growth of 10% YoY in constant currency
- EBIT margin at 17.2%
- Net profit at ₹3,111 million; growth of 13% YoY

During the quarter, LTTS won a USD 50 million plus deal, and additionally five deals with TCV of more than USD 10 million each.

*"We had a quarter of strong deal wins across all five segments, the highlight being a \$50M plus deal in Telecom and Hitech. Our customers continue to spend on transformational technologies and seek ER&D partners who can deliver innovation, speed-to-market and cost synergies.*

*With the addition of Smart World and Communication, we are now better positioned to play in the Next generation communications space. The early wins and critical partnerships with telecom service providers, equipment manufacturers and cyber security providers will create a robust foundation for our future growth.*

*Our investments into emerging technology areas like AI, Software Defined Vehicle (SDV) and cybersecurity continue to help us engage with customers on ways to prioritize strategic spends and increase market agility" said Amit Chadha, CEO & Managing Director, L&T Technology Services Limited.*

### Highlights and Recognitions:

- LTTS has partnered with Palo Alto Networks to provide enterprises in diverse verticals with security services and solutions in 5G and Operations Technology (OT). Under the agreement, LTTS will become a Palo Alto Networks Managed Security Services Partner (MSSP), delivering a suite of security services to global customers in industrial verticals.

- LTTS is recognized as a Great Place to Work™ for second time in a row in India and in Poland for the first time. LTTS scored high on parameters like credibility, respect and pride as well as high overall participation from employees.
- LTTS was also recognized as the Leadership Factory of India by Great Manager Institute
- Rated as leaders in Manufacturing Smart Industry Services 2023 RadarView by Avasant.
- LTTS received the Aveva Global Alliance partner of the Year Award for delivering the highest business growth for Aveva.
- Recognized as Sustainability Partner of the Year by PTC for LTTS' ESM solution built on PTC platform.

### **Patents**

At the end of Q1FY24, the patents portfolio of L&T Technology Services stood at 1,145, out of which 757 are co-authored with its customers and the rest are filed by LTTS.

### **Human Resources**

At the end of Q1FY24, LTTS' employee strength stood at 23,392.

### **About L&T Technology Services Ltd**

L&T Technology Services Limited (LTTS) is a listed subsidiary of Larsen & Toubro Limited focused on Engineering and R&D (ER&D) services. We offer consultancy, design, development and testing services across the product and process development life cycle. Our customer base includes 69 Fortune 500 companies and 57 of the world's top ER&D companies, across industrial products, medical devices, transportation, telecom & hi-tech, and the process industries. Headquartered in India, we have over 23,300 employees spread across 22 global design centers, 28 global sales offices and 102 innovation labs as of June 30, 2023. For more information, please visit <https://www.LTTS.com/>

### **Media Contact:**

Aniruddha Basu

L&T Technology Services Limited

E: [Aniruddha.Basu@LTTS.com](mailto:Aniruddha.Basu@LTTS.com)

T: +91-80-67675707

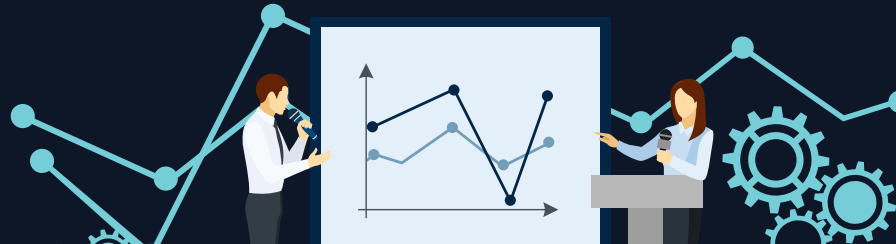
L&T TECHNOLOGY SERVICES LIMITED  
**FIRST QUARTER | FY 24 RESULTS**



**Investor Release | Mumbai, India, July 18, 2023**

## SAFE HARBOUR STATEMENT

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. L&T Technology Services Limited (LTTS) does not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.



Effective April 1, 2023, LTTS completed the acquisition of Smart World & Communication (SWC) Business of L&T. In compliance with Ind AS requirements applicable to common control transactions, all previous period financials have been re-stated to include the SWC Business. As a result, all figures & comparisons reflect this re-statement.

## REVENUE IN INR

- Revenue of **₹23,014 million** for the quarter; down 2.9% QoQ and up 14.7% YoY
- LTTS organic: Revenue of **₹21,091 million** for the quarter; up 0.6% QoQ and up 12.6% YoY

## REVENUE IN USD

- Revenue of **\$280.0 million** for the quarter; down 2.9% QoQ and up 9.1% YoY; in constant currency down 2.9% QoQ and up 10.0% YoY
- LTTS organic: Revenue of **\$256.7 million** for the quarter; up 0.6% QoQ and up 7.2% YoY; in constant currency up 0.6% QoQ and up 7.5% YoY

## PROFIT IN INR

- EBIT of **₹3,954 million** for the quarter, EBIT margin at **17.2%**
- Net Income of **₹3,111 million** for the quarter, down 8.5% QoQ and up 13.0% YoY; Net Income margin at **13.5%**



## MESSAGE FROM THE CEO & MANAGING DIRECTOR



We had a good start in the new fiscal with Q1 revenue clocking 10% growth YoY to \$280 million, a healthy addition of large deal wins and operationally strong results. Demand trends remain strong in Transportation which led to a 4% sequential growth in the quarter. Growth in other verticals was softer on account of decision-making delays that impacted deal closures. The pace of deal closures picked up towards the end of Q1 and we were able to close a \$50 million plus deal and 5 additional deals of \$10 million plus each across segments. Our operational performance continues to be strong with EBIT margin of 17.2% and PAT of ₹311 Crores which is a growth of 13% YoY. We maintain our USD revenue growth guidance of 20% plus in constant currency.



In order to realize our aspiration to reach the \$1.5 billion revenue run rate in FY25, we will continue to invest in emerging technologies like AI, SDV and Cybersecurity. Our customers continue to spend on transformational technologies and seek ER&D partners who can deliver speed-to-market, cost synergies and innovation which is reflected in our filing of 55 patents in the quarter.

We have fully integrated SWC into our organization which has enhanced our play in the Next generation communications space. Our gameplan of taking SWC global has seen early wins including critical partnerships with telecom service providers, equipment manufacturers and cyber security providers. Recently, LTTS partnered with Palo Alto Networks to provide enterprises with Operations Technology (OT) and cyber security services. We believe these measures will create a robust foundation for future growth.

It also gives me great pleasure to share that LTTS has been recognized as a Great Place to Work™ for the first time in Poland, and for the second time in a row in India. As our workforce expands globally, we are happy to see our near-shore centres acting as a strong complementary force to amplify our customer intimacy. I would like to thank our employees across the world for making our Company the preferred destination for passionate engineers.



**Amit Chadha**  
CEO & Managing Director  
L&T Technology Services Limited



## KEY DEAL WINS

LTTS closed several multi-million dollar projects from global customers across segments. The major wins are listed below:

- LTTS has secured a \$50 million contract with a global technology company, to enable new opportunities for digital video platforms. The deal is tailored to significantly enhance the customer's flagship suite of products including its cloud native portfolio and drive new levels of automation and optimization.
- A global Aerospace & Defense OEM has chosen LTTS as a preferred partner for its engineering & R&D services. LTTS has been awarded a deal of \$15 Million over a period of 3 years. As part of the program, LTTS will offer engineering services for avionics including simulation.
- For a global healthcare company, LTTS has won a contract to design and develop a Digital Surgery Platform. LTTS will provide R&D support to onboard the customer's robotics, surgical and operative devices onto the platform to deliver enhanced experience and outcome for patients.
- LTTS has been awarded a multi-year, multi-million dollar plant engineering contract from a global Agri food company to provide engineering design services for a new plant in Netherlands
- Selected as a strategic engineering services partner by a global technology giant to provide next gen Wireless and Product engineering for its India operations.
- A global leader in residential and commercial climate solutions awarded LTTS a long-term service contract for supply chain optimization involving value engineering, should costing, smart sourcing and improving manufacturing efficiency.
- An American tech multinational has chosen LTTS to provide services for post Silicon validation for their upcoming Server Derivative Chips which will be used to power hyper scalers for data centres.
- LTTS is supporting a global automotive OEM's Crash Analysis work through a managed services model, with a goal to set up an offshore engineering design center.



# FINANCIAL PERFORMANCE

## INCOME STATEMENT (CONSOLIDATED)

Amount in ₹ million

	Q1 FY23	Q4 FY23	Q1 FY24	QoQ	YoY
<b>Revenue</b>	20,062	23,706	23,014	-2.9%	14.7%
Cost of sales	13,783	16,559	16,101		
<b>Gross Profit</b>	6,279	7,147	6,913	-3.3%	10.1%
Selling, General & Administration Expenses	2,203	2,344	2,385		
<b>EBITDA</b>	4,076	4,803	4,528	-5.7%	11.1%
Depreciation & Amortisation	590	569	574		
<b>EBIT</b>	3,486	4,234	3,954	-6.6%	13.4%
Other Income, net	300	390	357		
Income tax expense	1,024	1,210	1,190		
Minority Interest	8	13	10		
<b>Net Income</b>	2,754	3,401	3,111	-8.5%	13.0%
<b>Margins (%)</b>					
Gross Margin	31.3%	30.1%	30.0%		
EBITDA Margin	20.3%	20.3%	19.7%		
EBIT Margin	17.4%	17.9%	17.2%		
Net Income Margin	13.7%	14.3%	13.5%		
<b>Earnings Per Share (INR)</b>					
Basic	26.09	32.21	29.45		
Diluted	26.06	32.10	29.38		

All previous period financials have been re-stated to include the SWC Business

## OTHER INCOME

	Q1 FY23	Q4 FY23	Q1 FY24
Income from investments, net	233	390	338
Foreign exchange gains/(loss)	102	75	100
Others	-35	-75	-81
<b>Total</b>	<b>300</b>	<b>390</b>	<b>357</b>

Note: All previous period financials have been re-stated to include the SWC Business

## BALANCE SHEET (CONSOLIDATED)

Amount in ₹ million

	FY23	Q1FY24
<b>Assets</b>		
Property and equipment	6,692	6,630
Intangible Assets and Goodwill	6,402	6,363
Accounts Receivable	28,066	27,145
Unbilled Revenues	4,684	5,869
Investments	22,840	17,727
Cash and Cash equivalents	6,899	6,217
Other current assets	3,033	3,597
Other non-current assets	3,360	3,418
<b>Total Assets</b>	<b>81,976</b>	<b>76,966</b>
<b>Liabilities and Shareholders' Equity</b>		
Shareholders' Funds	44,349	48,166
Other current liabilities	33,101	24,270
Other non-current liabilities	4,346	4,340
Minority Interest	180	190
<b>Total Liabilities</b>	<b>81,976</b>	<b>76,966</b>

## CASH FLOW SUMMARY (CONSOLIDATED)

Amount in ₹ million

	FY23	YTD FY24
Net cash provided by operating activities	10,794	2,785
Capex	-1,787	-509
<b>Free Cash Flow</b>	<b>9,007</b>	<b>2,276</b>
Free Cash Flow to Net Income (%)	74%	73%

Note: All previous period financials have been re-stated to include the SWC Business

# OPERATIONAL PERFORMANCE



	Q1 FY23	Q4 FY23	Q1 FY24	QoQ Growth	YoY Growth	In Constant Currency	
						QoQ Growth	YoY Growth
Revenue (USD Mn)	256.7	288.4	280.0	-2.9%	9.1%	-2.9%	10.0%

## REVENUE BY VERTICAL

	Q1 FY23	Q4 FY23	Q1 FY24	QoQ Growth	YoY Growth
Transportation	30.9%	30.6%	32.7%	3.9%	15.3%
Industrial Products	17.8%	17.0%	17.6%	0.4%	8.3%
Telecom & Hi-tech	25.6%	28.4%	25.5%	-12.8%	8.6%
Plant Engineering	15.0%	14.1%	13.9%	-4.5%	1.3%
Medical Devices	10.7%	9.9%	10.3%	0.8%	4.4%

## REVENUE BY GEOGRAPHY

	Q1 FY23	Q4 FY23	Q1 FY24	QoQ Growth	YoY Growth
North America	58.7%	53.2%	56.5%	3.2%	5.1%
Europe	15.4%	14.5%	15.4%	2.8%	9.4%
India	19.0%	25.0%	20.7%	-19.7%	18.4%
Rest of the World	6.9%	7.3%	7.4%	-1.5%	16.2%

Note: All previous period financials have been re-stated to include the SWC Business

## REVENUE MIX

	Q1 FY23	Q4 FY23	Q1 FY24
Onsite	40.9%	38.0%	40.7%
Offshore	59.1%	62.0%	59.3%

## REVENUE BY PROJECT TYPE

	Q1 FY23	Q4 FY23	Q1 FY24
Fixed Price	31.8%	37.3%	35.6%
Time and Material Contract	68.2%	62.7%	64.4%

## CLIENT PROFILE

	Q1 FY23	Q4 FY23	Q1 FY24
Number of Active Clients	350	356	357
30 Million dollar +	3	1	3
20 Million dollar +	8	11	12
10 Million dollar +	27	28	32
5 Million dollar +	56	57	56
1 Million dollar +	153	178	181

Client profile is based on LTM (Last Twelve Months) revenue

Note: All previous period financials have been re-stated to include the SWC Business

## CLIENT CONTRIBUTION TO REVENUE

	Q1 FY23	Q4 FY23	Q1 FY24
Top 5 Clients	18.5%	14.6%	14.7%
Top 10 Clients	28.8%	25.6%	25.9%
Top 20 Clients	43.4%	40.8%	41.4%

Client contribution is based on LTM (Last Twelve Months) revenue

## EMPLOYEE STATISTICS

	Q1 FY23	Q4 FY23	Q1 FY24
Total Headcount	22,131	23,074	23,392
Billable	20,642	21,573	21,933
Sales & Support	1,489	1,501	1,459
Voluntary Attrition % (LTM)	23.2%	22.2%	18.9%

## EXCHANGE RATE (USD/INR)

	Q1 FY23	Q4 FY23	Q1 FY24
Period Realised	78.16	82.20	82.20
Period Closing	78.97	82.17	82.04

Note: All previous period financials have been re-stated to include the SWC Business

## INDUSTRY RECOGNITIONS

- LTTS is recognized as a Great Place to Work™ for the second time in a row in India and in Poland for the first time. LTTS scored high on parameters like credibility, respect and pride as well as high overall participation from employees.
- LTTS was also recognized as the Leadership Factory of India by Great Manager Institute
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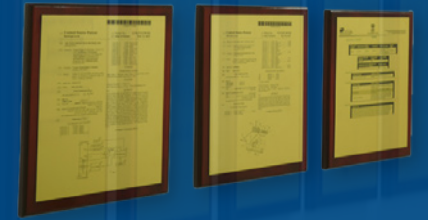
## OTHER HIGHLIGHTS

- LTTS has partnered with Palo Alto Networks to provide enterprises in diverse verticals with security services and solutions in 5G and Operations Technology (OT) areas. Under the agreement, LTTS will become a Palo Alto Networks Managed Security Services Partner (MSSP), delivering a suite of security services to end customers in industrial verticals.
- LTTS signed a letter of intent with Thales, agreeing to work together to tackle climate change across the value chain.
- Entered into a strategic partnership with Bharat Sanchar Nigam Limited (BSNL) to drive and enable global enterprises in their private 5G network deployments. BSNL and LTTS plan to co-innovate and jointly bring to market private 5G connectivity solutions to accelerate digital transformation for enterprises in India.
- LTTS and PTC enhanced their relationship to engineer future ready solutions for the aerospace, defense and transportation sectors, and support customers with digital threads from design to manufacturing.
- LTTS is expanding its presence across its India delivery centres including Vadodara, Chennai and Bangalore to meet future customer demand.



## PATENTS

At the end of Q1FY24, the patents portfolio of L&T Technology Services stood at **1,145**, out of which **757** are co-authored with its customers and the rest are filed by LTTS.



## CORPORATE SOCIAL RESPONSIBILITY



Key CSR initiatives undertaken by LTTS in Q1 FY24 include:

**Reviving Natural Ecosystems:** As part of its Social Responsibility mandate, LTTS is restoring degraded patches of forest in Bandipur Tiger Reserve in Karnataka. This has led to large animals like elephants returning to their natural habitat.

**Holistic Rural Development:** In panchayats of Tiruvallur Tamil Nadu, community members, especially the women members are being trained in farm and non-farm-based skilling activities. Post these trainings, the community members have begun to earn an additional income.

**Revamping Public Spaces:** A neglected and degraded space below a flyover opposite to the RGA Tech Park in Bengaluru was restored under a unique Chess theme. The project hinged on the principle of “Reduce-reuse and recycle”. Old paver blocks were used to create walkways and footpaths, the chess pieces were made from discarded plastic & metal waste and the entire landscape has been designed to minimize water usage.



# ABOUT L&T TECHNOLOGY SERVICES

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For more information please contact:

**Pinku Pappan**

Head, Investor Relations & M&A

Email: [pinku.pappan@LTTS.com](mailto:pinku.pappan@LTTS.com)

For additional information about L&T Technology Services log on to [www.LTTS.com](http://www.LTTS.com)