

L&T Technology Services Limited

Press Release

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Performance for the quarter ended September 30, 2016

- Q2 Net profit surges 19.7 percent YoY
- Revenue rises 3.2 percent sequentially in constant currency
- Company declared Interim dividend of ₹3/share

Mumbai, November 10, 2016: L&T Technology Services Limited (NSE: LTTTS), a leading pure play Engineering Research & Development (ER&D) services provider, marked its first-ever results announcement after listing on the Indian stock exchanges with a 19.7 percent rise (YoY) in net profits at ₹1.1 billion. Revenues recorded stood at INR ₹8.2 billion at a 6.6% (YoY) growth, and was up 2.5% on a sequential basis.

Key financials from the quarter include:

- USD Revenue at \$123 million – growth of 2.3 % QoQ, 3.5% YoY
- EBITDA margins for the quarter at 19.0%, an improvement of 40 bps QoQ
- Operating EBITDA at ₹1562 million – growth of 4.8% QoQ, 27.5% YoY
- Net profit up by ₹1,119 million – growth of 3.5% QoQ, 19.7% YoY

L&T Technology Services won several multi-million contracts during the quarter across the semiconductor, hi-tech, automotive and industrial products verticals. North America contributed the most towards revenues at 62.3 % followed by Europe at 19.5 %. Contribution from the domestic market stood at 7.4%. In terms of industries, Transportation led the growth accounting for almost 33% of the revenues, while the Industrial Products vertical contributed 25.5% to sales during the period. As of the quarter end, the company's active client base is 216.

Dr. Keshab Panda, Chief Executive Officer & Managing Director, L&T Technology Services Ltd. said, "I am pleased to report a good growth quarter after listing on the Indian bourses, with revenues rising 3.2 percent sequentially. This is propelled by strong execution and enhanced operational efficiencies, resulting in improved profitability. The results are a testimony to the unique Smart products and service propositions offered by L&T Technology Services to its global clientele".

“Our focus on innovation engine has led to a robust patent portfolio of 174 patents, while cross pollination of technologies has created renewable energy storage up to 1 MW through stackable inverters. We have also strengthened and extended our home grown IoT platform UBIQWeise and i-BEMS solution through which we have achieved higher connectivity and data analytics for IoT and Industrial IoT applications,” he said.

L&T Technology Services has been rated as an “Established and Expansive Leader” in the Internet of Things (IoT) services by engineering consultancy firm Zinnov. LTTS was also rated in the leadership category in Product Development Engineering and Sensor & Devices Engineering for IoT services by Zinnov.

The Company also strengthened its Industrial IoT ecosystem with a partnership with Microsoft Azure to help provide best in class solutions to its global customers, adding to existing alliances with technology leaders such as Intel, Dell, Redknee and the Indian Institute of Science, Bangalore.

The company declared an interim dividend of ₹3 /share, on face value of ₹2 each.

Performance Highlights for the Second Quarter

Income Statement

Amount in ₹ million

	Q2 FY17	Q1 FY17	Q2 FY16	QoQ Growth	YoY Growth
Revenue	8,227	8,029	7,716	2.5%	6.6%
Direct Costs	6,665	6,539	6,491	1.9%	2.7%
EBITDA	1,562	1,490	1,225	4.8%	27.5%
Depreciation & Amortisation	151	178	144	(15.5%)	4.4%
EBIT	1,411	1,312	1,081	7.6%	30.6%
Other Income, net	144	226	250	(36.5%)	(42.5%)
Income tax expense	436	458	396	(4.7%)	10.1%
Net Income	1,119	1,080	935	3.5%	19.7%
Margins (%)					
EBITDA Margin	19.0%	18.6%	15.9%		
EBIT Margin	17.2%	16.3%	14.0%		
Net Income Margin	13.6%	13.5%	12.1%		
Earnings Per Share					
Basic	10.97	11.00	9.38		
Diluted	10.73	9.51	6.92		

Note: The figures are rounded off to the nearest million, percentages are based on absolute numbers

About L&T Technology Services Limited:

L&T Technology Services Limited is a subsidiary of Larsen & Toubro Limited with a focus in the engineering services space, partnering with a large number of Fortune 500 companies globally. A leading pure-play Engineering, Research and Development services company, we offer design and development solutions through the entire product development chain, across various industries such as Industrial Products, Medical Devices, Transportation, Telecom & Hi-tech, and the Process Industry. We also offer solutions in the areas of Mechanical Engineering Services, Embedded Systems & Applications, Engineering Process Services, Product Lifecycle Management, Engineering Analytics, Power Electronics, Machine-to-Machine (M2M), and the Internet-of-Things (IoT).

For additional information about L&T Technology Services log on to www.LntTechservices.com.

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