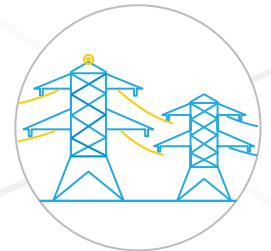
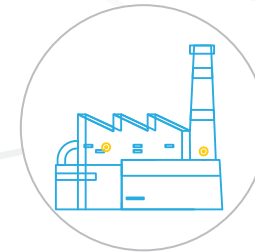
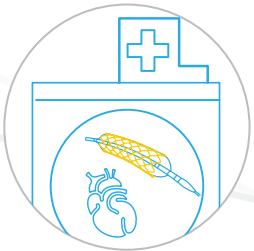


L&T TECHNOLOGY SERVICES LIMITED **FIRST QUARTER - FY 21 RESULTS**

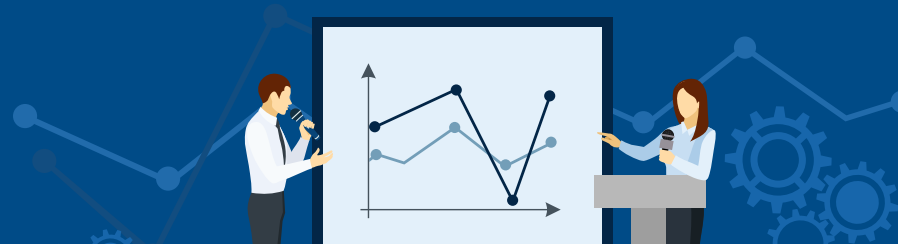


Investor Release

Mumbai, India, July 16, 2020



FINANCIAL HIGHLIGHTS



REVENUE IN INR

- Revenue of **₹12,947 million** for the quarter; down **10.5% QoQ** and **3.9% YoY**

REVENUE IN USD

- Revenue of **\$171 million** for the quarter; down **12.5% QoQ** and **11.8% YoY**; in constant currency down **12.7% QoQ** and **10.9% YoY**

PROFIT IN INR

- EBIT of **₹1,567 million** for the quarter, EBIT margin at **12.1%**
- Net Income of **₹1,173 million** for the quarter, down **42.7% QoQ** and **42.5% YoY**; Net Income margin at **9.1%**

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.

MESSAGE FROM THE CEO & MANAGING DIRECTOR



With many industries operating at limited capacity on account of the pandemic, Q1 was a challenging quarter as expected. Still, we had a good performance in two of our segments – in Medical, we continued the momentum from Q4 and grew at 42% YoY, while in Telecom & Hitech we are back on track for sequential growth. The sharp sequential decline in Transportation and Plant Engineering segments reflected the uncertainty and weak outlook at heavily impacted industries like Aero and Oil & Gas.

The operating margin in the quarter was impacted primarily due to a drop in utilization because of the furloughs and temporary reduction in spending by our customers. We have accelerated training of our resources in the newer skill sets as part of a program tailor-made to support the technology road map of our top customers, which will help us in better resource deployment in the coming quarters. The free cash flow generation was strong during the quarter as our collections included a bit of the recovery of Q4 too.



The large deal traction continues to be strong, with 9 deal wins across all industry segments and this includes one deal with TCV of USD30mn plus and two deals with TCV of USD15mn plus. As customers redraw their business plans, we are working with them to improve operating efficiency, finetune sourcing and production plans, and prepare for faster go-to-market. We are seeing a positive response to our newer set of offerings like Frugal Manufacturing, Telehealth solution and i-BEMS Shield. The large deal discussions we are having with customers are a notch higher in terms of criticality and adoption of new age technologies, which we believe will pave the way for greater mind share and competitive differentiation.

Based on the deal wins and customer conversations, we see a path for recovery and expect sequential growth in revenue over the remaining quarters of the current fiscal. Our USD revenue guidance for FY21 is for a decline of 9-10%. The cost rationalization measures we have undertaken and the recovery in revenue growth will help us to improve operating margin going forward.

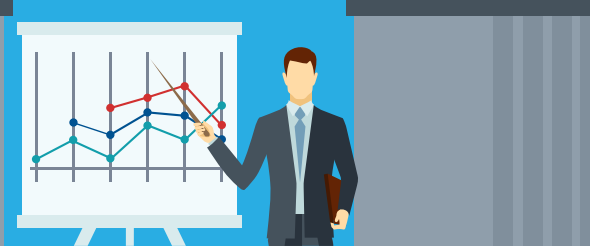
We announced the acquisition of Orchestra which will enhance our offerings in the areas of Network Engineering & Enterprise Mobility and provide us strategic access to Telecom service providers who are investing in next generation digital systems for 5G and IoT networks.

I am very thankful to our employees for their spirit and determination which enabled LTTs to remain the reliable and preferred partner to our customers. Together as a team, we are committed to achieve the milestones we have set for ourselves.



Dr. Keshab Panda

CEO & Managing Director
L&T Technology Services Limited



KEY DEAL WINS

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

- A chemical manufacturing company has engaged LTTS to work on its 'Global Digital Transformation' program and leverage analytics and data sciences services across key business functions and roll the services globally.
- An oil field services company has awarded LTTS a contract to setup a software development Center of Excellence (CoE) in Bangalore. The CoE shall focus on data analytics platform development and validation and testing services for upstream applications.
- LTTS has been selected by an American life sciences company to provide digital assurance services for their connected care mobile application ecosystem.
- A leading global Tier1 firm partnered with LTTS to build a hybrid unified business engagement that will drive engineering process harmonization across their global locations enabling shorter time to market.
- LTTS was chosen as a strategic partner by an aerospace Tier1 major to support its legacy defence platforms. The scope of the engagement includes multiple upgrades and execution ownership.
- A leading industrial automation company has awarded LTTS a project for creating a low cost variant of their popular power drive and fast track its release to market.
- LTTS won a project to take ownership of multi-disciplinary engineering design activities for an OEM involved in energy generation solutions.
- A European telecommunications company has awarded LTTS a program to orchestrate its vast core network across Europe consisting of various routers, switches and gateways for video streaming and other data services.
- LTTS has been selected as a strategic partner for continuous integration tooling, build management and complex embedded systems verification for the next generation of electric vehicle electronic control units by a major OEM.

FINANCIAL PERFORMANCE

INCOME STATEMENT (CONSOLIDATED)

Amount in ₹ million

	Q1 FY20	Q4 FY20	Q1 FY21	QoQ	YoY
Revenue	13,475	14,466	12,947	-10.5%	-3.9%
Cost of sales	9,040	9,614	9,479		
Gross Profit	4,435	4,851	3,468	-28.5%	-21.8%
Selling, General & Administration Expenses	1,708	2,169	1,409		
EBITDA	2,727	2,682	2,059	-23.2%	-24.5%
Depreciation & Amortisation	428	485	492		
EBIT	2,299	2,198	1,567	-28.7%	-31.8%
Other Income, net	474	521	30		
Income tax expense	733	655	416		
Minority Interest	2	16	8		
Net Income	2,039	2,048	1,173	-42.7%	-42.5%
Margins (%)					
Gross Margin	32.9%	33.5%	26.8%		
EBITDA Margin	20.2%	18.5%	15.9%		
EBIT Margin	17.1%	15.2%	12.1%		
Net Income Margin	15.1%	14.2%	9.1%		
Earnings Per Share (INR)					
Basic	19.60	19.61	11.22		
Diluted	19.30	19.40	11.10		

OTHER INCOME

Amount in ₹ million

	Q1 FY20	Q4 FY20	Q1 FY21
Income from investments, net	101	58	107
Foreign exchange gains/(loss)	222	231	-38
Govt. incentives	192	323	51
Others (incl. IND AS 116 Finance charge)	-40	-91	-91
Total	474	521	30

BALANCE SHEET (CONSOLIDATED)

Amount in ₹ million

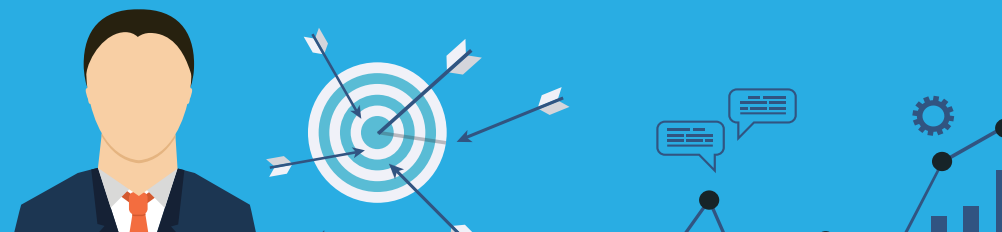
	FY20	Q1 FY21
Assets		
Property and equipment	5,676	6,132
Intangible Assets and Goodwill	6,146	6,049
Accounts Receivable	13,807	12,334
Unbilled Revenues	3,510	3,212
Investments	6,420	7,291
Cash and Cash equivalents	2,439	4,989
Other current assets	3,236	2,568
Other non-current assets	1,799	1,515
Total Assets	43,033	44,090
Liabilities and Shareholders' Equity		
Shareholders' Funds	27,686	29,537
Short term borrowings	303	755
Other current liabilities	10,085	9,004
Other non-current liabilities	4,890	4,717
Minority Interest	69	77
Total Liabilities	43,033	44,090

CASH FLOW SUMMARY (CONSOLIDATED)

Amount in ₹ million

	FY20	YTD FY21
Net cash provided by operating activities	6,381	3,406
Capex	-1,511	-228
Free Cash Flow	4,870	3,177
Free Cash Flow to Net Income (%)	59%	271%

OPERATIONAL PERFORMANCE



	Q1 FY20	Q4 FY20	Q1 FY21	QoQ Growth	YoY Growth	In Constant Currency	
						QoQ Growth	YoY Growth
Revenue (USD Mn)	193.9	195.4	171.0	-12.5%	-11.8%	-12.7%	-10.9%

REVENUE BY VERTICAL

	Q1 FY20	Q4 FY20	Q1 FY21	QoQ Growth	YoY Growth
Transportation	34.9%	35.7%	31.5%	-22.8%	-20.4%
Industrial Products	19.6%	19.4%	19.4%	-12.2%	-12.5%
Telecom & Hi-tech	22.3%	18.7%	22.4%	5.1%	-11.3%
Plant Engineering	15.3%	16.0%	13.8%	-24.2%	-20.2%
Medical Devices	8.0%	10.3%	12.8%	9.2%	42.0%

REVENUE BY GEOGRAPHY

	Q1 FY20	Q4 FY20	Q1 FY21	QoQ Growth	YoY Growth
North America	60.9%	61.2%	61.2%	-12.5%	-11.4%
Europe	15.6%	16.7%	16.0%	-16.2%	-9.3%
India	12.8%	12.8%	13.0%	-11.0%	-10.5%
Rest of the World	10.7%	9.2%	9.8%	-7.7%	-19.4%

REVENUE MIX

	Q1 FY20	Q4 FY20	Q1 FY21
Onsite	44.3%	47.1%	48.3%
Offshore	55.7%	52.9%	51.7%

REVENUE BY PROJECT TYPE

	Q1 FY20	Q4 FY20	Q1 FY21
Fixed Price	42.4%	38.6%	38.5%
Time and Material Contract	57.6%	61.4%	61.5%

CLIENT PROFILE

	Q1 FY20	Q4 FY20	Q1 FY21
Number of Active Clients	258	270	270
50 Million dollar +	1	-	-
30 Million dollar +	3	2	1
20 Million dollar +	5	8	4
10 Million dollar +	17	21	22
5 Million dollar +	44	43	43
1 Million dollar +	110	113	113

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

CLIENT CONTRIBUTION TO REVENUE

	Q1 FY20	Q4 FY20	Q1 FY21
Top 5 Clients	24.7%	19.2%	17.8%
Top 10 Clients	36.7%	31.8%	29.7%
Top 20 Clients	52.5%	48.5%	46.8%

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

UTILISATION

	Q1 FY20	Q4 FY20	Q1 FY21
Including Trainees	79.6%	78.1%	70.9%

EMPLOYEE STATISTICS

	Q1 FY20	Q4 FY20	Q1 FY21
Total Headcount	15,913	16,883	16,641
Billable	14,755	15,667	15,481
Sales & Support	1,158	1,216	1,160
Voluntary Attrition % (LTM)	15.8%	13.8%	11.4%

EXCHANGE RATE (USD/INR)

	Q1 FY20	Q4 FY20	Q1 FY21
Period Realised	69.48	74.05	75.71
Period Closing	69.02	75.67	75.51

ACQUISITION

LTTS has executed a definitive agreement to acquire 100% stake in Orchestra Technology, a specialist technology solutions provider for the Telecom industry. Orchestra is based in Texas, USA and will enable LTTS to strengthen its capabilities in Telecom Network Engineering and Modernization Services that will be a key differentiator as 5G rollouts take off across geographies. It will also provide LTTS strategic access to Telecom service providers who are investing in next generation digital systems for 5G and IoT networks.

INDUSTRY RECOGNITIONS

- Enterprise IT magazine conferred LTTS' IT Team with the **COVID-19 Super Hero Award** for their tireless efforts to help LTTS' workforce during lockdown.
- TechCircle honoured LTTS' HR and IT teams with the **Business Transformation Award** in the "New Markets" category for leading digital transformation at LTTS with innovative solutions.

'BACK TO OFFICE' CAMPAIGN

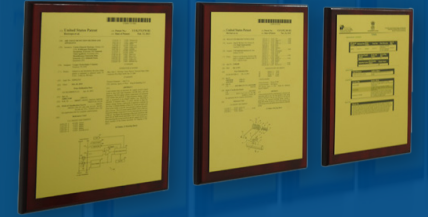
LTTS has enabled the safe return of a part of its workforce by undertaking the following measures:

- **weCare App** - LTTS launched an app to track and monitor safety and health of employees and their immediate family members, while ensuring employee data safety.
- **Safe return of employees at India location:** LTTS resumed operations in a few of its locations after the lockdown was lifted taking a host of precautionary measures to protect employees' health and wellbeing.
- **Virtual Wet Lab:** LTTS' engineers created and launched the virtual clone of its **Wet Lab** where chemicals and potential hazardous material are handled in a controlled environment.



PATENTS

At the end of the first quarter, the patents portfolio of L&T Technology Services stood at **525**, out of which **385** are co-authored with its customers and the remaining **140** are filed by LTTS.



CORPORATE SOCIAL RESPONSIBILITY

As part of its Social Responsibility mandate, LTTS undertook several CSR initiatives throughout the year, with a focus on areas such as Health, Education, Skill Development, Water, Environment and Sports.

Key initiatives undertaken in Q1 FY21 include:

Online Education Camp: L&T Technology Services conducted online camps for rural students in Itki Hira and Moti (Jharkhand), Rudra and Jabarrah (West Bengal) to provide access to quality education in the absence of physical schooling.

Solid Waste Management Program: As part of the Solid Waste Management Program, L&T Technology Services enabled regular door-to-door waste collection and segregation, while complying with all the Government precautions & guidelines.

The segregated waste was then transferred to a manufacturer of recycled goods and plastic benches/dustbins were produced.

LTTS also spread awareness among the 1,500 households in Dumad Village (near Vadodara) on waste segregation and collected over 1,500 KG of plastic waste. This plastic waste has been reused to make benches, t-shirts, and other material.



ABOUT L&T TECHNOLOGY SERVICES

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 53 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 16,600 employees spread across 17 global design centers, 28 global sales offices and 51 innovation labs as of June 30, 2020.



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