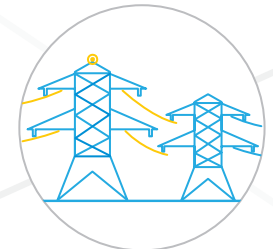
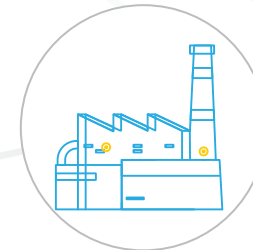


L&T TECHNOLOGY SERVICES LIMITED **SECOND QUARTER - FY 21 RESULTS**

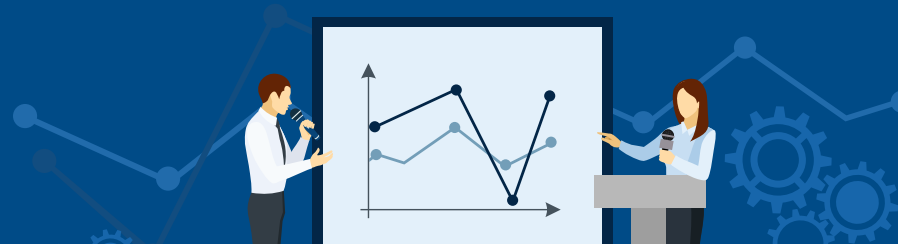


Investor Release

Mumbai, India, October 19, 2020



FINANCIAL HIGHLIGHTS



REVENUE IN INR

- Revenue of **₹13,138 million** for the quarter; up **1.5% QoQ** and down **6.3% YoY**

REVENUE IN USD

- Revenue of **\$178 million** for the quarter; up **4.1% QoQ** and down **9.9% YoY**; in constant currency up **2.9% QoQ** and down **10.6% YoY**

PROFIT IN INR

- EBIT of **₹1,801 million** for the quarter, EBIT margin at **13.7%**
- Net Income of **₹1,655 million** for the quarter, up **41% QoQ** and down **19.7% YoY**; Net Income margin at **12.6%**

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



We had a strong quarter with broad based revenue growth and an improvement in operating margin performance, in line with what we had guided. All three segments – Industrial Products, Transportation and Plant Engineering, that were impacted on account of the pandemic, showed strong growth recovery in Q2. Large deal traction remains strong, with 8 deal wins across all industry segments which includes 3 deals with TCV of USD15mn plus another 3 deals with TCV of USD10mn plus. Operationally we did well, with EBIT margin improving by 160bps sequentially and robust Free Cash flow addition.

We see customers accelerating the deployment of digital engineering projects to enable business continuity and drive scale. LTTS with its highly differentiated skillsets in Plant Engineering is rightly positioned to provide solutions around virtualization, 3D Modelling and digital twin, that allows it to partner with customers on transformational programs. Revenues from digital and leading-edge technologies are reflective of this trend and rose to 49% during the quarter.

Our efforts to build a Platforms and Solutions practice has started to see better traction in the marketplace with customers demanding solutions that provide enhanced safety and remote productivity in the context of the pandemic. LTTS' solutions such as i-BEMSTM Shield - a smart campus framework, and AVERTLE™ - a predictive maintenance solution for touchless plant operations, have seen multiple wins in Q2 and the pipeline looks exciting.

We continue to invest in design labs. In Q2, we opened a state-of-the-art EV lab to work on technologies that will improve the performance and endurance of electric vehicles. Our EV practice is seeing good traction across top Auto OEM's and suppliers. Another innovation that we are working on is an AI based chest X-Ray analysis system to assist radiologists in improving speed and accuracy of diagnosis.

Steady order bookings and a healthy pipeline across all segments gives us confidence that the growth momentum will continue. We are upgrading our FY21 revenue guidance, and the new guidance is for a revenue decline of 7%-8% in USD terms.

I am very grateful to our employees for their relentless support and all our stakeholders for the constant encouragement.

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:

- LTTS won a multi-year aerospace defence program in Canada to develop & support engineering supply chain optimization and provide in-field product insights using proprietary LTTS' Digital solutions like AiKno.
- Won a multi-year program from a Tier-I Aerospace customer to provide technology and engineering design support for the end-to-end systems and software needs of its Engine Controls division
- Awarded a product engineering services deal to develop autonomous solutions for a global provider of automotive technology and set up a CoE for the development and sustenance of legacy engineering software applications.
- Selected as a strategic technology partner by one of the world's leading technology companies to carry out Platform Validation for its high performance Datacenters which is part of a joint CoE set up.
- One of the world's top plastics, chemicals and refining manufacturers has awarded LTTS a multi-year plant engineering engagement to implement digital twin modelling for its capital projects spread across 20+ sites in North America.
- Chosen as strategic partner by a leading oilfield services company to carry out multi-disciplinary engineering activities for its Capex & Opex projects globally.
- For a wind turbine manufacturer LTTS is setting up a dedicated Global Engineering Hub which will drive the client's global product roadmap. LTTS will be supporting its product design and development, manufacturing and PLM and analytics roadmap.
- A leading life-sciences major selected LTTS for their digital health program that includes developing a medical mobile engineering application that allows patients to monitor and manage their therapies for better health outcomes.

FINANCIAL PERFORMANCE

INCOME STATEMENT (CONSOLIDATED)

Amount in ₹ million

	Q2 FY20	Q1 FY21	Q2 FY21	QoQ	YoY
Revenue	14,021	12,947	13,138	1.5%	-6.3%
Cost of sales	9,497	9,479	9,186		
Gross Profit	4,524	3,468	3,952	13.9%	-12.6%
Selling, General & Administration Expenses	1,692	1,409	1,624		
EBITDA	2,832	2,059	2,328	13.0%	-17.8%
Depreciation & Amortisation	444	492	527		
EBIT	2,388	1,567	1,801	14.9%	-24.6%
Other Income, net	378	30	457		
Income tax expense	704	416	595		
Minority Interest	3	8	8		
Net Income	2,058	1,173	1,655	41.0%	-19.7%
Margins (%)					
Gross Margin	32.3%	26.8%	30.1%		
EBITDA Margin	20.2%	15.9%	17.7%		
EBIT Margin	17.0%	12.1%	13.7%		
Net Income Margin	14.7%	9.1%	12.6%		
Earnings Per Share (INR)					
Basic	19.79	11.22	15.81		
Diluted	19.49	11.10	15.69		

OTHER INCOME

Amount in ₹ million

	Q2 FY20	Q1 FY21	Q2 FY21
Income from investments, net	98	107	111
Foreign exchange gains/(loss)	71	-38	29
Govt. incentives	287	51	400
Others (incl. IND AS 116 Finance charge)	-78	-91	-83
Total	378	30	457

BALANCE SHEET (CONSOLIDATED)

Amount in ₹ million

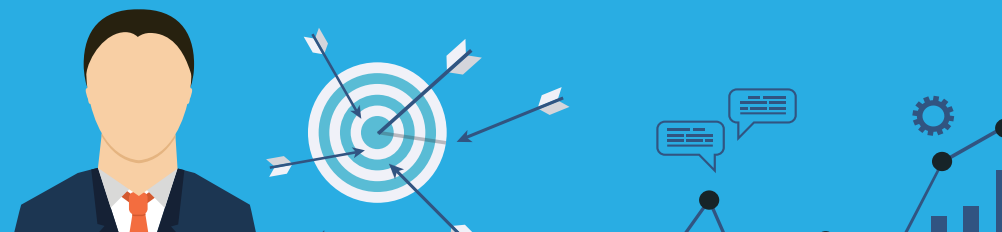
	FY20	Q2 FY21
Assets		
Property and equipment	5,676	6,687
Intangible Assets and Goodwill	6,146	5,941
Accounts Receivable	13,807	11,863
Unbilled Revenues	3,510	2,897
Investments	6,420	10,559
Cash and Cash equivalents	2,439	2,773
Other current assets	3,236	2,594
Other non-current assets	1,799	1,918
Total Assets	43,033	45,232
Liabilities and Shareholders' Equity		
Shareholders' Funds	27,686	30,969
Short term borrowings	303	295
Other current liabilities	10,085	9,014
Other non-current liabilities	4,890	4,868
Minority Interest	69	86
Total Liabilities	43,033	45,232

CASH FLOW SUMMARY (CONSOLIDATED)

Amount in ₹ million

	FY20	YTD FY21
Net cash provided by operating activities	6,381	6,807
Capex	-1,511	-467
Free Cash Flow	4,870	6,340
Free Cash Flow to Net Income (%)	59%	224%

OPERATIONAL PERFORMANCE



	Q2 FY20	Q1 FY21	Q2 FY21	QoQ Growth	YoY Growth	In Constant Currency	
						QoQ Growth	YoY Growth
Revenue (USD Mn)	197.7	171.0	178.0	4.1%	-9.9%	2.9%	-10.6%

REVENUE BY VERTICAL

	Q2 FY20	Q1 FY21	Q2 FY21	QoQ Growth	YoY Growth
Transportation	35.0%	31.5%	31.5%	4.1%	-19.0%
Industrial Products	19.4%	19.4%	19.5%	4.6%	-9.4%
Telecom & Hi-tech	20.6%	22.4%	21.4%	-0.6%	-6.5%
Plant Engineering	16.2%	13.8%	14.4%	8.1%	-19.8%
Medical Devices	8.8%	12.8%	13.2%	7.4%	34.8%

REVENUE BY GEOGRAPHY

	Q2 FY20	Q1 FY21	Q2 FY21	QoQ Growth	YoY Growth
North America	61.7%	61.2%	60.0%	2.1%	-12.4%
Europe	14.4%	16.0%	16.0%	4.1%	0.0%
India	13.1%	13.0%	13.6%	8.5%	-6.8%
Rest of the World	10.7%	9.8%	10.4%	10.8%	-12.9%

REVENUE MIX

	Q2 FY20	Q1 FY21	Q2 FY21
Onsite	43.8%	48.3%	45.1%
Offshore	56.2%	51.7%	54.9%

REVENUE BY PROJECT TYPE

	Q2 FY20	Q1 FY21	Q2 FY21
Fixed Price	41.8%	38.5%	39.7%
Time and Material Contract	58.2%	61.5%	60.3%

CLIENT PROFILE

	Q2 FY20	Q1 FY21	Q2 FY21
Number of Active Clients	259	270	283
50 Million dollar +	1	-	-
30 Million dollar +	3	1	1
20 Million dollar +	7	4	5
10 Million dollar +	17	22	20
5 Million dollar +	42	43	44
1 Million dollar +	106	113	116

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

CLIENT CONTRIBUTION TO REVENUE

	Q2 FY20	Q1 FY21	Q2 FY21
Top 5 Clients	22.9%	17.8%	17.0%
Top 10 Clients	35.7%	29.7%	28.3%
Top 20 Clients	51.3%	46.8%	44.9%

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

UTILISATION

	Q2 FY20	Q1 FY21	Q2 FY21
Including Trainees	77.8%	70.9%	75.4%

EMPLOYEE STATISTICS

	Q2 FY20	Q1 FY21	Q2 FY21
Total Headcount	16,789	16,641	15,902
Billable	15,614	15,481	14,778
Sales & Support	1,175	1,160	1,124
Voluntary Attrition % (LTM)	13.4%	11.4%	10.8%

EXCHANGE RATE (USD/INR)

	Q2 FY20	Q1 FY21	Q2 FY21
Period Realised	70.92	75.71	73.79
Period Closing	70.87	75.51	73.77

INDUSTRY RECOGNITIONS

- Everest Group has positioned LTTS as a **Leader** in the *Development, Verification & Validation, Deployment and System Integration* **Industry 4.0 Services** PEAK Matrix® Assessment 2020.
- LTTS' **i-BEMS™** solution was the recipient of **Frost & Sullivan's Customer Value Leadership Award** for Global Smart Building Optimization & Experience Management.
- LTTS won in multiple categories in the **17th Stevie® International Business Awards**
 - **Most Innovative Tech Company of the year**
 - **Most Exemplary Employer** in COVID-19 response category Awards
 - Gold Award for **Brand Experience of the Year**
 - Silver for **Most Innovative Workplace Redesign**, COVID-19 response category, at the *5th Stevie® Great Employers Awards*
- Honoured with Silver Award for **Best Workplace Practices** at the annual **Financial Express BrandWagon Ace Awards 2020**
- LTTS won the **Brandon Hall HCM Excellence Award** for Excellence in **Best Advance in Talent Acquisition Process**, and **Best Advance in Employee Engagement**

OTHER HIGHLIGHTS

Electric Vehicle (EV) Lab in Bengaluru

LTTS set-up and virtually launched a state-of-the-art Electric Vehicle (EV) Lab at the Bengaluru design centre.

The EV lab encompasses motors, inverters, DC-DC converters, all on-board vehicle electrical systems and complete electric vehicle testing. This advanced lab set up is dedicated to help customers across the globe to evaluate and verify the performance, endurance and electromagnetic compatibility of EVs.



Launch of Count X – a 3 part Haematology Analyzer, designed by LTTS

In partnership with LTTS, diagnostics reagents and equipment manufacturer Agappe Diagnostics in September launched Mispa Count X, *India's first indigenously developed blood cell counter.*

To make affordable healthcare accessible to a larger population, LTTS in collaboration with Agappe designed the low-cost haematology device with the aim to reduce the cost of blood analysis without compromising on accuracy.

With a rich expertise in creating cutting-edge medical devices for developing markets, LTTS became Agappe's R&D partner of choice to design and develop this innovative haematology test device.

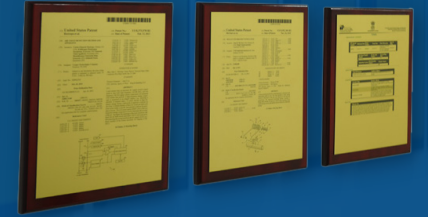


Chest-rAI™: LTTS' Chest X Ray Solution

LTTS' team of engineers developed **Chest-rAI** which is an **AI based chest X-Ray radiology suite for diagnosis and reporting intelligence.** The suite has the potential to detect ~34 of the most common lung-related abnormalities, covering more than 85% of diagnosis encountered at medical institutions.

PATENTS

At the end of the second quarter, the patents portfolio of L&T Technology Services stood at **550**, out of which **404** are co-authored with its customers and the remaining **146** are filed by LTTS.



CORPORATE SOCIAL RESPONSIBILITY

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

Key initiatives undertaken in Q2 FY21 include:

Support for U.S. COVID workers

In an expression of solidarity with U.S. COVID workers, LTTS and its employees contributed to United Way to support medical workers on the frontline. LTTS organized a day's lunch in partnership with United Way of Beaumont in Texas, for medical workers who were helping people affected by the pandemic. LTTS also sponsored a hardware refresh at United Way of Beaumont and North Jefferson County, helping bring in new servers and computers for all staff members.



Launched program to support livelihood at Kokkranthangal Village

LTTS launched a program to support the livelihood of the people in Kokkranthangal village, Tamil Nadu, where a group of women were provided with financial aid for goat rearing, sewing machines, setting up small shops to help cope with financial stress during the pandemic.



Virtual Classes & Science Workshops

Since children have not been able to attend physical school due to the pandemic, LTTS partnered with an NGO to provide virtual classes and training in Science and Mathematics for students through various workshops and also conducted science fair with Teachers' training.



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 15,900 employees spread across 17 global design centers, 28 global sales offices and 52 innovation labs as of September 30, 2020.



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