



Earnings Release & Fact Sheet First Quarter, Fiscal 2022

July 15, 2021



Contents

<u>1. Earnings Release – Q1 FY22</u>	<u>3</u>
<u>2. Performance Highlights – Q1 FY22.....</u>	<u>7</u>
<u>3. Financial Statements – Q1 FY22.....</u>	<u>11</u>
<u>4. Contact Information.....</u>	<u>14</u>

Safe Harbour

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

Recent Deal Wins, Business Highlights and Awards and Recognitions section in this release include relevant disclosures between our last earnings release and this release.

Earnings Release – Q1 FY22 Results

**LTI revenues grow 5.1% QoQ and 20.4% YoY;
Net profit up by 19.3% YoY
Special dividend of INR 10 / share
on 5 years of listing**

Mumbai, India: July 15, 2021: Larsen & Toubro Infotech (BSE code: 540005, NSE: LTI), a global technology consulting and digital solutions company, announced its Q1 FY22 results today.

In US Dollars:

- Revenue at **USD 470.2 million**; growth of **5.1% QoQ and 20.4% YoY**
- Constant Currency Revenue growth of **4.8% QoQ and 17.8% YoY**

In Indian Rupees:

- Revenue at **INR 34,625 million**; growth at **5.9% QoQ and 17.4% YoY**
- Net Income at **INR 4,968 million**; decrease of **9.0% QoQ** and growth of **19.3% YoY**

Capital Return

- Special dividend of INR 10 per share to commemorate the completion of 5 years of listing on the stock exchanges in India

“We are pleased to report our best ever Q1 sequential growth of 5.1% driven by holistic growth across our verticals, service lines, client pyramid and geographies. Our healthy pipeline and continued strong demand makes us confident of our future growth.

Q1 also marks the 5-year anniversary of LTI’s IPO and our Board has declared a special dividend to commemorate this occasion. Over these past 5 years, we have delivered USD revenue CAGR of 13.5% and more than doubled our net profit. I am proud of how we continue to innovate and deliver year on year industry leading growth. I am also excited as we strengthen our digital engineering capabilities welcoming Cuelogic Technologies to the LTI family.”

- Sanjay Jalona, Chief Executive Officer & Managing Director

Recent Deal Wins

- A Global Fortune 500 energy distribution company has selected LTI for a managed security services deal including L1 SOC and end-to-end support for all security applications. As part of this engagement, LTI will enable a threat intelligence led security operation to reduce business risk
- A key Middle East player in the renewables and oil & gas energy market has selected LTI, through its strategic partnership with a regional digital transformation leader for migration to cloud, modernization and management of its entire IT landscape
- LTI has been selected for an end-to-end IT managed services deal including set up of processes and tools, security operations and monitoring solutions for the divested unit of a global manufacturer and supplier of specialty chemicals based in North America
- The subsidiary of one of the largest banks in Asia has chosen to partner with LTI for the implementation, integration and maintenance support of their private banking platform using Temenos Wealth
- A global semiconductor major based in Europe partnered with LTI to re-design and harmonize its business processes with SAP S/4HANA to make them more scalable, efficient, agile, and flexible
- A multinational company providing energy related solutions based in North America has selected LTI to transform its front and middle office processes using SAP S/4HANA enabling simplification of operations, improved customer experience and cost optimization
- A North American property and casualty insurance company has selected LTI for network support and data base management to ensure seamless operations support round the clock. This will help accelerate their cloud journey
- An insurance broker based in North America has selected LTI to transform and digitize its business operations in one of its key growth segments. This would include its prospecting, sales, and servicing processes to make them modern, offer more choice to customers, scale the business efficiently and drive business decisions through data and analytics
- A North American provider of integrated services, delivery and manufacturing solutions for pharmaceuticals, biologics and consumer health product companies, has selected LTI to support its applications and ERP systems to ensure operational efficiency and cost-effective solutions
- A world-renowned stock market index has selected LTI as a cloud infrastructure and engineering partner to support its multi-year cloud adoption journey

Awards and Recognitions

- LTI recognized in Gartner 2021 Magic Quadrant for Oracle Cloud Application Services, Worldwide
- LTI Leni recognized by Forrester Research as a sample anomaly detection vendor in The Forrester Tech Tide™: Customer Insights Methods, Q2 2021
- LTI Recognized as a Leader in the ISG Provider Lens™ ServiceNow Ecosystem Partners Report, US 2021
- LTI Leni recognized as a Representative Vendor in Gartner Market Guide for Augmented Analytics Tools, Austin Kronz et al., 28 June 2021

Gartner Magic Quadrant for Oracle Cloud Application Services, Worldwide, Katie Gove et al., 24 May 2021

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Other Business Highlights

- The Board of Directors at its meeting held on July 15th, 2021 have declared a special dividend of INR 10 per equity share (Face value of INR 1) to commemorate the completion of 5 years of listing on the stock exchanges in India
- LTI acquired Cuelogic Technologies, a Digital Engineering and Outsourced Product Development company
- LTI won multiple accolades at the Institutional Investor 2021 Rest of Asia ex-Mainland China Executive Team rankings. LTI has been ranked amongst the top 3 across all sell-side categories in the Technology/IT Services & Software space: #2 Best CEO, #3 Best CFO, #3 Best ESG, #2 Best IR Program and #1 Best IR Professional. It was also recognized in the 'Most-Honored' Companies Asia List 2021
- LTI has been recognized as the Global Innovation Partner of the Year by Snowflake, the Data Cloud Company
- LTI Syncordis has been recognized as Temenos Service Partner of the Year

About LTI

LTI (NSE: LTI) is a global technology consulting and digital solutions Company helping more than 435 clients succeed in a converging world. With operations in 31 countries, we go the extra mile for our clients and accelerate their digital transformation with LTI's Mosaic platform enabling their mobile, social, analytics, IoT and cloud journeys. Founded in 1997 as a subsidiary of Larsen & Toubro Limited, our unique heritage gives us unrivalled real-world expertise to solve the most complex challenges of enterprises across all industries. Each day, our team of more than 36,000 LTites enable our clients to improve the effectiveness of their business and technology operations and deliver value to their customers, employees and shareholders. Find more at <http://www.Ltinfotech.com> or follow us at @LTI_Global.

Earnings Conference Call and Audio Webcast

July 16th, 2021 (05:30 PM IST)

Please dial the below number at least 5-10 minutes prior to the conference schedule to ensure that you are connected to your call in time.

Universal Access Number	+91 22 6280 1104 +91 22 7115 8005
International Toll Number	USA : 13233868721 UK : 442034785524 Singapore : 6531575746 Hong Kong : 85230186877
Replay of Conference Call	Available after 1 hour from the call end time until July 20 th , 2021 Playback Code: 24387 Dial-in Number: India +91 22 7194 5757 +91 22 6663 5757 USA Toll Free 18332898317 UK Toll Free 8007563427 Singapore Toll Free 8001012510 Hong Kong Toll Free 800965553
Audio Webcast	
The audio from the conference call will be available online through a webcast and can be accessed at the following link: https://links.ccwebcast.com/?EventId=LTI160721	
Click here for your DiamondPass™	
DiamondPass™ is a Premium Service that enables you to connect to your conference call without having to wait for an operator. If you have a DiamondPass™, click the above link to associate your pin and receive the access details for this conference. If you do not have a DiamondPass™, please register through the link and you will receive your DiamondPass™ for this conference.	

Contact

Media Relations: Shambhavi Revandkar, PR & Media Relations – India
Tel: +91-22-6776 8625
Email: shambhavi.revandkar@lntinfotech.com

Performance Highlights – Q1 FY22

Financial Highlights

Amount in USD million

	Q1FY21	Q4FY21	Q1FY22	QoQ Growth	YoY Growth
Revenue (USD million)	390.3	447.4	470.2	5.1%	20.4%
Revenue Constant Currency				4.8%	17.8%

Amount in INR million

	Q1FY21	Q4FY21	Q1FY22	QoQ Growth	YoY Growth
Revenue	29,492	32,694	34,625	5.9%	17.4%
EBITDA Margin	20.1%	21.9%	18.7%		
EBIT Margin	17.4%	19.4%	16.4%		
Revenue Related Foreign Exchange Gains/(loss)	10	128	690		
Net Income	4,164	5,457	4,968	(9.0%)	19.3%
Net Income Margin	14.1%	16.7%	14.3%		
Billed DSO	70	61	60		
DSO (Including unbilled)	99	94	98		

Note: Q4FY21 Other Income includes INR 571 million on write back of certain earn outs payable towards an earlier acquisition by LTI. Q4FY21 PAT excluding this write back would be INR 4,886 million

Revenue by Vertical

	Q1FY21	Q4FY21	Q1FY22	QoQ Growth	YoY Growth
BFS	27.7%	30.7%	32.1%	9.6%	39.4%
Insurance	17.2%	14.5%	14.5%	5.3%	1.9%
Manufacturing	15.8%	16.9%	15.0%	(6.6%)	14.4%
Energy & Utilities	10.8%	9.1%	9.1%	4.7%	1.8%
CPG, Retail & Pharma	11.5%	10.8%	10.7%	4.4%	11.9%
High-Tech, Media & Entertainment	11.6%	11.8%	12.7%	13.1%	31.7%
Others	5.4%	6.2%	5.9%	0.5%	31.7%
Total	100%	100%	100%	5.1%	20.4%

Revenue by Service Offering

	Q1FY21	Q4FY21	Q1FY22	QoQ Growth	YoY Growth
ADM and Testing	35.6%	33.3%	34.0%	7.3%	15.0%
Enterprise Solutions	29.7%	32.3%	30.7%	(0.0%)	24.7%
Cloud Infrastructure & Security	13.6%	15.1%	14.9%	3.4%	32.0%
Analytics, AI & Cognitive	12.5%	11.1%	11.7%	10.4%	12.5%
Enterprise Integration & Mobility	8.6%	8.2%	8.7%	12.2%	21.5%
Total	100%	100%	100%	5.1%	20.4%

Revenue by Geography

	Q1FY21	Q4FY21	Q1FY22	QoQ Growth	YoY Growth
North America	70.8%	66.2%	67.0%	6.4%	14.1%
Europe	14.4%	16.5%	16.6%	5.9%	38.8%
RoW	7.9%	8.4%	9.6%	19.6%	46.3%
India	6.9%	8.9%	6.7%	(20.2%)	17.3%
Total	100%	100%	100%	5.1%	20.4%

Client Contribution to Revenue

	Q1FY21	Q4FY21	Q1FY22	QoQ Growth	YoY Growth
Top 5 clients	30.5%	27.8%	28.2%	6.6%	11.3%
Top 10 clients	43.4%	41.0%	41.3%	5.8%	14.6%
Top 20 clients	58.2%	55.6%	55.2%	4.4%	14.4%

Client Profile

	Q1FY21	Q4FY21	Q1FY22
Number of Active Clients	409	427	438
New Clients Added	16	14	23
1 Million dollar +	164	167	169
5 Million dollar +	59	63	66
10 Million dollar +	30	35	38
20 Million dollar +	16	18	18
50 Million dollar +	6	5	6
100 Million dollar +	1	1	1

Effort Mix

	Q1FY21	Q4FY21	Q1FY22
Onsite	21.1%	17.9%	17.3%
Offshore	78.9%	82.1%	82.7%

Revenue Mix

	Q1FY21	Q4FY21	Q1FY22
Onsite	49.2%	44.1%	42.7%
Offshore	50.8%	55.9%	57.3%

Billed Person Months

	Q1FY21	Q4FY21	Q1FY22
Onsite	14,634	14,044	14,791
Offshore	54,858	64,495	70,647

Utilization

	Q1FY21	Q4FY21	Q1FY22
Including Trainees	79.4%	80.8%	83.7%
Excluding Trainees	79.6%	82.2%	84.1%

Headcount Details

	Q1FY21	Q4FY21	Q1FY22
Total Headcount	31,477	35,991	38,298
Development	29,712	34,176	36,431
Sales & Support	1,765	1,815	1,867
Attrition % (LTM)	15.2%	12.3%	15.2%

Constant Currency Reporting

		QoQ Growth	YoY Growth
Company		4.8%	17.8%
Vertical	BFS	8.8%	34.7%
	Insurance	5.0%	0.4%
	Manufacturing	(6.7%)	12.6%
	Energy & Utilities	4.6%	(0.1%)
	CPG, Retail & Pharma	4.2%	8.7%
	High-Tech, Media & Entertainment	13.2%	31.2%
	Others	0.5%	28.5%
Service Offering	ADM and Testing	7.1%	12.9%
	Enterprise Solutions	(0.5%)	21.1%
	Cloud Infrastructure & Security	2.8%	28.4%
	Analytics, AI & Cognitive	10.3%	11.3%
	Enterprise Integration & Mobility	12.0%	19.5%
Geography	North America	6.2%	13.5%
	Europe	4.9%	27.5%
	RoW	19.1%	42.1%
	India	(19.9%)	14.6%

Financial Statements – Q1 FY22

Income Statement

Amount in INR million

	Q1FY21	Q4FY21	Q1FY22	QoQ Growth	YoY Growth
Revenue	29,492	32,694	34,625	5.9%	17.4%
Direct Costs	19,916	22,233	23,898	7.5%	20.0%
Gross Profit	9,576	10,461	10,727	2.5%	12.0%
SG&A expenses	3,656	3,306	4,249	28.5%	16.2%
EBITDA	5,920	7,155	6,478	(9.5%)	9.4%
Depreciation & Amortization	781	826	795		
EBIT	5,139	6,329	5,682	(10.2%)	10.6%
Revenue Related Foreign Exchange Gains/(loss)	10	128	690		
Other Income, net	440	711	349		
Provision for Tax	1,425	1,711	1,753		
Net Income	4,164	5,457	4,968	(9.0%)	19.3%
Margins (%)					
EBITDA Margin	20.1%	21.9%	18.7%		
EBIT Margin	17.4%	19.4%	16.4%		
Net Income Margin	14.1%	16.7%	14.3%		
Earnings Per Share					
Basic	23.92	31.22	28.40		
Diluted	23.74	31.04	28.27		

Note: Q4FY21 Other Income includes INR 571 million on write back of certain earn outs payable towards an earlier acquisition by LTI. Q4FY21 PAT excluding this write back would be INR 4,886 million

Exchange Rate (USD:INR)

	Q1FY21	Q4FY21	Q1FY22
Period closing rate	75.51	73.11	74.33
Period average rate	75.55	73.08	73.65

Balance Sheet

Amount in INR million

	As at 31 March, 2021	As at 30 June, 2021
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	4,260	4,278
(b) Right of Use Assets	6,221	5,957
(c) Goodwill	6,574	6,716
(d) Intangible assets	2,667	2,752
(e) Non-current Financial Assets	3,065	3,211
(f) Deferred Tax Assets (Net) & Tax Assets	1,476	1,952
(g) Other Assets	1,515	2,220
Total Non-Current Assets	25,778	27,086
Current assets		
(a) Investments	36,282	37,317
(b) Trade Receivables and Unbilled Revenue	26,906	28,660
(c) Cash, Cash Equivalents & Bank Balances	7,594	5,997
(d) Other Financial Assets	2,158	2,046
(e) Other Assets & Tax Assets	8,373	9,700
Total Current Assets	81,313	83,720
TOTAL ASSETS	107,091	110,806
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	175	175
(b) Other Equity	72,859	77,705
(c) Non- Controlling interests	37	44
Total Equity	73,071	77,924
Liabilities		
Non-current liabilities		
(d) Financial Liabilities - Others	445	166
(e) Financial Liabilities - Lease Liabilities	6,375	6,178
(f) Other Non-Current Liabilities	479	487
(g) Deferred Tax Liabilities	35	69
(h) Non-Current Provisions	363	400
Total Non-Current Liabilities	7,697	7,300
Current liabilities		
(a) Financial Liabilities - Borrowings	414	650
(b) Financial Liabilities - Others	16,108	13,190
(c) Financial Liabilities - Lease Liabilities	1,194	1,191
(d) Other Liabilities	4,921	5,694
(e) Provisions	3,542	3,918
(f) Current Tax Liabilities (Net)	144	939
Total Current Liabilities	26,323	25,582
TOTAL EQUITY AND LIABILITIES	107,091	110,806

Cash Flow

Amount in INR million

	Q1FY21	Q4FY21	Q1FY22
Cash flow from operating activities			
Net profit after tax	4,164	5,457	4,968
Adjustments for:			
Depreciation and amortization	781	826	795
Others	624	(989)	118
Changes in working capital (net)	778	1,842	(4,938)
Net cash from operating activities [A]	6,347	7,136	943
Cash flow from investing activities			
(Purchase)/ Sale of assets and investments	(7,329)	(5,448)	(3,339)
Acquisitions & Earnout payments	(134)	(236)	(121)
Investment income	187	449	263
Net cash from investing activities [B]	(7,276)	(5,235)	(3,197)
Cash flow from financing activities			
Issue of share capital	0	0	0
Proceeds from/(repayment) of borrowings by subsidiaries	(74)	238	236
Credit Support Agreement Deposit (including interest)	1,074	672	(182)
Payment towards lease liability	(402)	(389)	(414)
Net cash from financing activities [C]	598	521	(360)
Effect of exchange rate on cash and cash equivalents [D]	(4)	(76)	70
Net increase in cash and cash equivalents [A+B+C+D]	(335)	2,346	(2,544)
Cash and cash equivalents at beginning of the period	5,252	5,248	7,594
Cash and cash equivalents at end of the period	4,915	7,594	5,050

Contact Information

Investor Relations: Sunila Martis, Head – Investor Relations
Email: sunila.martis@Lntinfotech.com

Registered Office:
L&T House, Ballard Estate,
Mumbai 400001, India

CIN: L72900MH1996PLC104693

<http://www.lntinfotech.com>
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