



Earnings Release & Fact Sheet Fourth Quarter, Fiscal 2017

May 4, 2017



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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 – Q4 and full year FY17 Results

Strong Q4 leads to double digit revenue growth of 10% in FY17; Net profit for FY17 grows at 16% YoY

Mumbai, India: May 04, 2017 Larsen & Toubro Infotech Ltd. (NSE: LTI, BSE: 540005), a global technology consulting and digital solutions company today, announced its Q4 and full year FY17 results today.

Q4 FY17

In US Dollars:

- Revenue at **USD 254.1 million**; growth of **3.6% QoQ and 10.6% YoY**
- Constant Currency Revenue growth of **2.4% QoQ and 10.2% YoY**

In Indian Rupees:

- Revenue at **Rs 16,772 million**; growth at **0.6% QoQ and 7.7% YoY**
- Net Income at **Rs 2,545 million**; Net Income growth at **2.6% QoQ and 11.4% YoY**

Full year FY17

In US Dollars:

- Revenue at **USD 969.9 million**; growth of **9.3% YoY**
- Constant Currency Revenue growth of **10.0% YoY**

In Indian Rupees:

- Revenue at **Rs 65,009 million**; growth at **11.2% YoY**
- Net Income at **Rs 9,709 million**; Net Income growth at **16.1% YoY**

“Our superior performance in Q4 and full year FY17 is a result of our intense focus on client success and comprehensive transformation capabilities across digital, analytics, IoT, automation and cloud. With a 3.6% Q-o-Q growth in Q4 we are ending the year with a healthy 9.3% Y-o-Y growth in USD revenues.

2017 is our 20th anniversary and a big milestone for LTI. We are celebrating it with a bold and ambitious refresh in our brand identity that will position LTI to compete effectively in the years ahead.”

- Sanjay Jalona, Chief Executive Officer & Managing Director

Recent Deal Wins

- Multi-million dollar Infrastructure management services engagement across the globe for a US headquartered global maker of diversified manufacturing equipment
- Multi-year transformational deal with OKQ8, one of Scandinavia's largest energy companies. LTI will leverage the full Microsoft cluster capability to help OKQ8 achieve digital leadership.
- Leading Property & Casualty Insurance company chose LTI to implement Duck Creek policy administration product for six commercial lines of businesses
- New-age Testing services for a US based Global Energy corporation
- Engagement with a Saudi Arabia based private sector Company renowned for innovation. LTI would work with the client to implement a virtual platform, which is aimed to reduce unemployment rates, leveraging multiple service offerings - both applications & infrastructure services.
- LTI was selected by a USA based provider of private labelled credit card, loyalty and marketing services provider to consolidate their on premise IT tools to cloud.

Client Testimonial

American Modern Insurance Group (AMIG), a leader in Specialty Personal Insurance and a Munich Re company selected L&T Infotech (LTI) for supporting their Business Transformation program where AMIG is implementing Guidewire's Policy Administration & Billing systems. Commenting on the engagement **Bill Gottsacker, CIO, AMIG** said "LTI's Property & Casualty domain knowledge, commitment to developing Guidewire expertise, and cost effective implementation model helped us successfully roll out our insurance products for residential and recreational lines across seven states to date. With our continued partnership with LTI, we are well positioned to roll out these products to all 50 states over the next few years."

Other Business Highlights

- The Board of Directors of LTI announced the appointment of Mr. S. N. Subrahmanyam as Non-Executive Vice-Chairman of the Board with immediate effect.
- The Board of Directors at its meeting held on May 4th, 2017 has declared a final dividend of Rs.9.70 per equity share (Face value of Re. 1) for the financial year 2016-17.
- LTI expanded its European footprint with the setting up of its latest development center in Poland. Located in Warsaw, the delivery center will serve as a near-shore center for local clients in the region
- Signed up as a Microsoft Cloud Solution Partner (CSP) for North America, Denmark and India regions. This will enable us to deepen our customer relationships in these regions by packaging our service offerings with Microsoft Cloud products
- LTI has been elevated to Cisco Premier Partner tier enabling us to have greater collaboration in the areas of Networking, Security and IoT
- LTI has been elevated to the "Advance Level" of partnership with AWS. This partnership provides us access to numerous Technical, Sales and Marketing resources that would help us deliver greater value to customers for our AWS cloud engagements

Awards and Recognitions:

- Named by ISG as one of EMEA Sourcing Standouts and one of the Top Service Providers in the Breakthrough 15 list of the Global ISG Index™
- Rated amongst top 5 service providers globally for "Best Overall Experience" by enterprise clients: Everest Group
- Positioned as a 'Leader' in NelsonHall NEAT 2017 for RPA and AI in Banking
- Positioned among Leaders in the large size P&C - focused vendor category in "Novarica Market Navigator™- IT Services Providers for Insurers
- Rated amongst leading players in Zinnov Zones 2016 Media & Technology across Entertainment, Broadcasting and Publishing Segments
- Positioned as a "Major Contender" and "Star Performer" on Everest Group's Big Data & Analytics Services in Global Insurance PEAK Matrix™ 2016
- Positioned as a "Major Contender" in Everest Group's PEAK Matrix™ for IoT Services 2016
- Positioned as a 'Challenger' in Gartner's report on Magic Quadrant for SAP Application Services North America, report dated 31 Jan, 2017 Frances Karamouzis et al.*

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About LTI

LTI (NSE: LTI, BSE: 540005) is a global technology consulting and digital solutions company helping more than 250 clients succeed in a converging world. With operations in 27 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 20 years ago as a subsidiary of the Larsen & Toubro group, 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 20,000 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 www.lntinfotech.com or follow us at @LTI_Global

Earnings Conference Call

May 5th, 2017 (11:00 AM 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.

Primary Number	+91 22 3938 1006
Local Access Number	3940 3977 Available in - Ahmedabad, Bangalore, Chandigarh, Chennai, Gurgaon (NCR), Hyderabad, Kochi/Cochin, Kolkata, Lucknow, Pune. Accessible from all carriers.
International Toll Number	USA – Los Angeles: 13233868721 UK - London: 442034785524 Singapore: 6531575746 Hong Kong: 85230186 877
Click here for your DiamondPass™	
<p>DiamondPass™ is a Premium Service that enables you to connect to your conference call without having to wait for an operator.</p> <p>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.</p>	

Contact

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Performance Highlights – Q4 FY17

Financial Highlights

Amount in USD million

	Q4FY16	Q3FY17	Q4FY17	QoQ Growth	YoY Growth
Revenue (USD million)	229.7	245.1	254.1	3.6%	10.6%
Revenue Constant Currency				2.4%	10.2%

Amount in INR million

	Q4FY16	Q3FY17	Q4FY17	QoQ Growth	YoY Growth
Revenues	15,579	16,667	16,772	0.6%	7.7%
Revenue Related Foreign Exchange Gains/(loss)	361	513	499		
Total Income	15,939	17,180	17,271	0.5%	8.4%
EBITDA Margin	19.9%	20.6%	21.4%		
EBIT Margin	17.2%	17.8%	18.9%		
Net Income	2,282	2,480	2,545	2.6%	11.4%
Net Income Margin	14.3%	14.4%	14.7%		
DSO	73	64	66		

Revenue by Vertical

	Q4FY16	Q3FY17	Q4FY17	QoQ Growth	YoY Growth
BFS	24.9%	26.2%	27.0%	7.0%	20.0%
Insurance	21.1%	20.8%	20.7%	3.1%	8.1%
Energy & Process	12.2%	12.0%	11.6%	0.0%	5.3%
CPG, Retail & Pharma	7.4%	8.0%	8.1%	5.1%	20.8%
High-Tech, Media & Entertainment	11.4%	10.7%	10.9%	5.9%	6.0%
Auto Aero & Others	23.0%	22.4%	21.7%	0.5%	4.6%
Total	100%	100%	100%		

Earnings Release & Fact Sheet Fourth Quarter, Fiscal 2017

Revenue by Service Offering

	Q4FY16	Q3FY17	Q4FY17	QoQ Growth	YoY Growth
Application Development Maintenance	40.2%	38.4%	38.4%	3.8%	5.8%
Enterprise Solutions	23.5%	22.3%	22.6%	5.4%	6.3%
Infrastructure Management Services	12.0%	11.4%	11.4%	3.6%	4.9%
Testing	9.2%	9.0%	9.1%	4.9%	9.8%
AIM, Enterprise Integration, Mobility	10.9%	15.0%	14.5%	0.4%	47.0%
Platform Based Solutions	4.2%	4.0%	3.9%	1.9%	4.4%
Total	100%	100%	100%		

Revenue by Geography

	Q4FY16	Q3FY17	Q4FY17	QoQ Growth	YoY Growth
North America	68.2%	68.4%	68.6%	3.9%	11.2%
Europe	17.8%	18.3%	18.1%	2.9%	12.8%
Asia Pacific	2.4%	2.1%	2.1%	2.5%	(1.5%)
India	7.8%	8.0%	7.5%	(2.7%)	6.8%
RoW	3.8%	3.2%	3.6%	18.3%	4.8%
Total	100%	100%	100%		

Effort Mix

	Q4FY16	Q3FY17	Q4FY17
Onsite	23.9%	24.3%	24.0%
Offshore	76.1%	75.7%	76.0%

Revenue Mix

	Q4FY16	Q3FY17	Q4FY17
Onsite	47.6%	47.7%	48.7%
Offshore	52.4%	52.3%	51.3%

Billed Person Months

	Q4FY16	Q3FY17	Q4FY17
Onsite	9,987	10,608	10,796
Offshore	31,832	33,031	34,115

Utilization

	Q4FY16	Q3FY17	Q4FY17
Including Trainees	75.9%	78.1%	78.3%
Excluding Trainees	77.1%	80.5%	79.3%

Client Profile

	Q4FY16	Q3FY17	Q4FY17
Number of Active Clients	258	264	261
New Clients Added (gross)	22	14	15
100 Million dollar +	1	1	1
50 Million dollar +	3	4	4
20 Million dollar +	10	10	11
10 Million dollar +	17	22	23
5 Million dollar +	35	35	35
1 Million dollar +	85	95	96

Client Contribution to Revenue

	Q4FY16	Q3FY17	Q4FY17
Top client	13.5%	15.1%	15.5%
Top 5 clients	37.1%	38.3%	38.5%
Top 10 clients	52.4%	52.1%	53.1%
Top 20 clients	69.0%	68.3%	68.0%

Employee Statistics

	Q4FY16	Q3FY17	Q4FY17
Total Headcount	20,072	20,605	21,023
Development	18,705	19,234	19,627
Sales & Support	1,367	1,371	1,396
Attrition % (LTM)	18.4%	18.1%	16.9%

Financial Statements – Q4 FY17

Income Statement

Amount in INR million

	Q4FY16	Q3FY17	Q4FY17	QoQ growth	YoY growth
Revenue	15,579	16,667	16,772	0.6%	7.7%
Revenue Related Foreign Exchange Gains/(loss)	361	513	499		
Total Income	15,939	17,180	17,271	0.5%	8.4%
Direct Costs	10,358	10,944	10,766	(1.6%)	3.9%
Gross Profit	5,581	6,237	6,504	4.3%	16.5%
Selling, General & Administration Expenses	2,401	2,703	2,816	4.2%	17.3%
EBITDA	3,180	3,534	3,688	4.4%	16.0%
Depreciation & Amortization	431	469	417	(11.1%)	(3.3%)
EBIT	2,748	3,064	3,271	6.7%	19.0%
Other Income, net	165	84	4		
Provision for Tax	629	667	729	9.3%	15.9%
Net Income	2,282	2,480	2,545	2.6%	11.4%
Margins (%)					
EBITDA Margin	19.9%	20.6%	21.4%		
EBIT Margin	17.2%	17.8%	18.9%		
Net Income Margin	14.3%	14.4%	14.7%		
Earnings Per Share					
Basic	13.46	14.57	14.92		
Diluted	13.41	14.24	14.60		

Exchange Rate (USD:INR)

	Q4FY16	Q3FY17	Q4FY17
Period closing rate	66.38	67.93	64.85
Period average rate	67.53	67.45	67.05

Performance Highlights – FY17

Financial Highlights

Amount in USD million

	FY16	FY17	YoY Growth
Revenue (USD million)	887.2	969.9	9.3%
Revenue Constant Currency			10.0%

Amount in INR million

	FY16	FY17	YoY Growth
Revenues	58,464	65,009	11.2%
Revenue Related Foreign Exchange Gains/(loss)	1,689	1,643	
Total Income	60,153	66,652	10.8%
EBITDA Margin	19.8%	20.9%	
EBIT Margin	17.0%	18.3%	
Net Income	8,365	9,709	16.1%
Net Income Margin	13.9%	14.6%	
DSO	73	66	

Revenue by Vertical

	FY16	FY17	YoY Growth
BFS	26.4%	26.2%	8.4%
Insurance	20.6%	21.2%	12.4%
Energy & Process	12.7%	11.7%	0.9%
CPG, Retail & Pharma	8.2%	8.0%	5.8%
High-Tech, Media & Entertainment	11.4%	11.1%	6.3%
Auto Aero & Others	20.7%	21.8%	15.6%
Total	100%	100%	

Revenue by Service Offering

	FY16	FY17	YoY Growth
Application Development Maintenance	41.6%	39.2%	2.9%
Enterprise Solutions	24.0%	22.8%	3.8%
Infrastructure Management Services	9.6%	11.0%	24.6%
Testing	9.7%	9.4%	5.2%
AIM, Enterprise Integration, Mobility	11.1%	13.7%	35.2%
Platform Based Solutions	4.0%	4.0%	10.1%
Total	100%	100%	

Revenue by Geography

	FY16	FY17	YoY Growth
North America	69.1%	68.8%	8.9%
Europe	17.3%	18.2%	14.9%
Asia Pacific	2.9%	2.4%	(8.4%)
India	5.7%	6.8%	28.9%
RoW	5.0%	3.8%	(16.4%)
Total	100%	100%	

Client Contribution to Revenue

	FY16	FY17
Top client	14.9%	14.4%
Top 5 clients	37.5%	37.6%
Top 10 clients	52.7%	51.7%
Top 20 clients	67.7%	67.4%

Financial Statements – FY17

Income Statement

Amount in INR million

	FY16	FY17	YoY growth
Revenue	58,464	65,009	11.2%
Revenue Related Foreign Exchange Gains/(loss)	1,689	1,643	
Total Income	60,153	66,652	10.8%
Direct Costs	38,213	42,123	10.2%
Gross Profit	21,940	24,529	11.8%
Selling, General & Administration Expenses	10,003	10,583	5.8%
EBITDA	11,937	13,946	16.8%
Depreciation & Amortization	1,740	1,780	2.3%
EBIT	10,197	12,166	19.3%
Other Income, net	150	192	
Provision for Tax	1,981	2,649	33.7%
Net Income	8,365	9,709	16.1%
Margins (%)			
EBITDA Margin	19.8%	20.9%	
EBIT Margin	17.0%	18.3%	
Net Income Margin	13.9%	14.6%	
Earnings Per Share			
Basic	51.02	57.08	
Diluted	49.31	55.80	

Balance Sheet

Amount in INR million

	As at March 31, 2016	As at Mar 31, 2017
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	2,799	2,587
(b) Goodwill	978	993
(c) Other Intangible assets	2,794	1,852
(d) Financial Assets		
(i) Investments	-	-
(ii) Other Financial Assets	426	2,177
(e) Deferred tax assets	2,213	1,434
(f) Tax Assets	886	722
(g) Other non-current assets	1,323	1,292
Total Non-Current Assets	11,419	11,057
Current assets		
(a) Financial Assets		
(i) Investments	429	9,406
(ii) Trade receivable	11,661	11,697
(iii) Unbilled Revenue	3,788	4,724
(iv) Cash and Cash Equivalents	2,008	3,761
(v) Other bank balances	27	34
(vi) Other Financial Assets	1,406	2,677
(b) Other current assets	883	988
Total Current Assets	20,203	33,287
TOTAL ASSETS	31,622	44,344

Balance Sheet

Amount in INR million

	As at March 31, 2016	As at Mar 31, 2017
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	170	171
(b) Other Equity	21,075	31,272
(c) Non- Controlling interests	5	8
Total Equity	21,250	31,451
Liabilities		
Non-current liabilities		
(d) Deferred tax liabilities	248	171
(e) Provisions	235	285
Total Non-Current Liabilities	483	456
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	399	-
(ii) Current Maturities of long term borrowings	147	-
(iii) Trade Payables	3,405	3,366
(iv) Other Financial Liabilities	3,349	5,841
(b) Other Liabilities	1,124	1,158
(c) Provisions	1,457	1,771
(d) Current Tax Liabilities (Net)	8	301
Total Current Liabilities	9,889	12,437
TOTAL EQUITY AND LIABILITIES	31,622	44,344

Cash Flow

Amount in INR million

	Year Ended March 31, 2016	Year Ended March 31, 2017
Cash flow from operating activities		
Net profit after tax	8,365	9,709
Adjustments for:		
Depreciation and amortization	1,740	1,779
Income tax expense	1,982	2,649
Others	208	433
Operating profit before working capital changes	12,295	14,570
Changes in working capital (net)	(1,105)	1,606
Cash generated from operations	11,189	16,177
Direct taxes paid	(2,605)	(2,459)
Net cash from operating activities (excl. extraordinary items) [A]	8,584	13,718
Cash flow from investing activities		
(Purchase)/ Sale of assets	(1,142)	(754)
(Purchase)/sale of current investments	608	(8,977)
Interest & Investment income	92	221
Net cash from investing activities [B]	(442)	(9,510)
Cash flow from financing activities		
Issue of share capital	69	4
Proceeds from/(repayment) of borrowings including interest	(1,722)	(469)
Dividend paid (including DDT)	(6,516)	(1,887)
Net cash from financing activities [C]	(8,169)	(2,352)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	45	(94)
Net increase in cash and cash equivalents [A+B+C]	(26)	1,856
Cash and cash equivalents at beginning of the period	2,016	2,035
Cash and cash equivalents at end of the period	2,035	3,795

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