



Earnings Release & Fact Sheet Third Quarter, Fiscal 2021

Jan 19, 2021



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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 – Q3 FY21 Results

LTI USD Revenues grow 5.8% QoQ and 8.5% YoY; Net Profit up by 37.9% YoY

Mumbai, India: Jan 19, 2021: Larsen & Toubro Infotech (BSE code: 540005, NSE: LTI), a global technology consulting and digital solutions company, announced its Q3 FY21 results today.

In US Dollars:

- Revenue at **USD 427.8 million**; increase of **5.8% QoQ and 8.5% YoY**
- Constant Currency Revenue increase of **5.3% QoQ and 7.4% YoY**

In Indian Rupees:

- Revenue at **INR 31,528 million**; increase of **5.1% QoQ and growth of 12.2% YoY**
- Net Income at **INR 5,193 million**; increase of **13.7% QoQ and growth of 37.9% YoY**

"We are pleased to deliver a strong quarter with 5.8% QoQ growth in USD revenues. This has been driven by healthy growth momentum across our portfolio. We continue to see strong demand for cloud-based IT solutions. Our tier 1 level partnership with the hyperscalers enables us to work closely on client outcomes and go-to-market opportunities.

We are happy to announce two large deals with cumulative net new TCV of USD 278 million. We remain focused on building and scaling differentiated capabilities. A healthy deal pipeline and sustained client mining make us optimistic about the future."

- Sanjay Jalona, Chief Executive Officer & Managing Director

Recent Deal Wins

- A UAE-based leader in digital transformation has selected LTI as its partner of choice to provide infrastructure and application operations support and maintenance for its existing and new customers. As part of the deal, LTI will also partner with end customers on their journey to cloud and transform operations to bring in best-shoring and automation.
- A Global Fortune 500 energy company has chosen LTI as its primary partner for an application managed services agreement to create and consolidate a business-aligned IT services delivery platform across the organization and reduce total cost of ownership.
- A company located in the U.S providing leading data-driven marketing, loyalty & payment solutions has selected LTI for customer-centric digital transformation initiatives to enhance customer experience, brand reputation, customer acquisition and retention and reduction in costs by virtue of streamlined operations.
- An engineering, construction and mining company located in South East Asia has partnered with LTI to transform its procurement, sales, bidding, contracting and analytics functions using SAP to enable operational excellence, ensure data-driven insights and informed decision making across the organization.
- LTI executed a license sale agreement for AI, Decisions and Catalog products on its Mosaic platform with a multinational banking and financial services company to bring about efficiency in their reporting with the regulators. Mosaic will serve as a unified data analytics platform enabling consolidation of all credit risk models and will be hosted in a hybrid cloud setup. As a part of the deal, LTI will be a one-stop shop providing the product as well as handling, deploying, integrating and testing services.
- A leading European financial services firm has chosen LTI to manage its infrastructure operations through a leaner operating model and by leveraging the Mosaic platform to drive automation.
- A leading commercial property and casualty insurance group based in Canada has selected LTI to consolidate and transform its policy administration systems and processes onto the Duck Creek platform to ensure streamlining of its operations.
- A U.S. based real estate investment company has chosen LTI for providing application support, maintenance and development services along with key implementation initiatives to drive cost optimization and digital transformation.

Awards and Recognitions

- LTI Recognized as a Leader in the ISG Provider Lens™ Digital Business – Solutions and Service Partners Report, US 2020
- LTI Recognized as Leader and Star Performer in Everest Group's Application and Digital Services in Capital Markets PEAK Matrix® Assessment 2021
- LTI positioned in 'Leaders' Quadrant within NelsonHall's Software Testing: Quality Engineering NEAT 2020
- LTI Recognized as a Leader in the ISG Provider Lens™ Public Cloud — Solutions and Services Report, Nordics 2020
- LTI recognized as a Leader in Everest Group Insurance Business Model Innovation Enablement Services PEAK Matrix® Assessment 2021

Other Business Highlights

- LTI won in the Outstanding Value Category at the Honda Indirect Procurement Supplier 2020 Awards, US. The outstanding value category acknowledges suppliers providing the most value to Honda by recognizing the total cost of ownership
- LTI is now an 'Elite' level partner of Snowflake, the data cloud company. LTI has also become the maiden partner for Snowcase - a program that Snowflake is launching to develop and market industry-specific solutions to accelerate cloud data transformation journey of enterprises
- LTI is now a 'Premier' level partner of Google Cloud
- LTI is now a 'Platinum' tier partner of IBM
- LTI has partnered with Temenos to launch a Digital Banking Platform in the Nordic region
- LTI was ranked among the top 50 companies (Rating 'A') in the BW BusinessWorld India rankings for Most Sustainable Companies 2020

About LTI

LTI (NSE: LTI) is a global technology consulting and digital solutions Company helping more than 400 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 30,000 LTIties 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.Lntinfotech.com> or follow us at @LTI_Global.

Earnings Conference Call and Audio Webcast

January 20th, 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
Local Access Number	+91 70456 71221 Available all over India
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 January 23rd, 2021 Playback Code: 07793 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=LTI20012021	
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

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Performance Highlights – Q3 FY21

Financial Highlights

Amount in USD million

	Q3FY20	Q2FY21	Q3FY21	QoQ Growth	YoY Growth
Revenue (USD million)	394.4	404.5	427.8	5.8%	8.5%
Revenue Constant Currency				5.3%	7.4%

Amount in INR million

	Q3FY20	Q2FY21	Q3FY21	QoQ Growth	YoY Growth
Revenue	28,111	29,984	31,528	5.1%	12.2%
EBITDA Margin	18.8%	22.9%	23.2%		
EBIT Margin	16.2%	19.9%	20.6%		
Revenue Related Foreign Exchange Gains/(loss)	351	(212)	167		
Net Income	3,767	4,568	5,193	13.7%	37.9%
Net Income Margin	13.4%	15.2%	16.5%		
Billed DSO	78	62	63		
DSO (Including unbilled)	110	94	93		

Revenue by Vertical

	Q3FY20	Q2FY21	Q3FY21	QoQ Growth	YoY Growth
BFS	27.8%	29.9%	30.6%	8.4%	19.4%
Insurance	17.7%	16.0%	15.0%	(0.6%)	(7.9%)
Manufacturing	17.5%	16.2%	16.8%	9.6%	4.4%
Energy & Utilities	11.3%	10.6%	10.0%	0.1%	(3.6%)
CPG, Retail & Pharma	11.2%	11.0%	10.9%	4.7%	5.2%
High-Tech, Media & Entertainment	10.8%	10.6%	10.6%	5.8%	6.5%
Others	3.7%	5.7%	6.0%	11.4%	76.4%
Total	100%	100%	100%	5.8%	8.5%

Revenue by Service Offering

	Q3FY20	Q2FY21	Q3FY21	QoQ Growth	YoY Growth
ADM and Testing	35.8%	36.0%	33.6%	(1.2%)	1.8%
Enterprise Solutions	31.4%	30.8%	31.4%	7.9%	8.6%
Infrastructure Management Services	11.5%	14.4%	14.3%	5.6%	34.7%
Analytics, AI & Cognitive	12.8%	10.6%	11.9%	18.6%	0.3%
Enterprise Integration & Mobility	8.5%	8.3%	8.8%	11.8%	12.3%
Total	100%	100%	100%	5.8%	8.5%
Digital Revenue	41.0%	42.9%	44.4%	9.4%	17.4%

Revenue by Geography

	Q3FY20	Q2FY21	Q3FY21	QoQ Growth	YoY Growth
North America	69.5%	68.7%	67.9%	4.5%	6.0%
Europe	15.6%	16.1%	16.1%	5.5%	12.1%
RoW	7.4%	8.2%	7.4%	(4.2%)	9.5%
India	7.6%	6.9%	8.6%	30.4%	22.4%
Total	100%	100%	100%	5.8%	8.5%

Client Contribution to Revenue

	Q3FY20	Q2FY21	Q3FY21	QoQ Growth	YoY Growth
Top 5 clients	32.8%	30.0%	29.3%	3.2%	(3.2%)
Top 10 clients	46.8%	42.9%	42.0%	3.6%	(2.8%)
Top 20 clients	62.0%	57.8%	57.1%	4.4%	(0.1%)

Client Profile

	Q3FY20	Q2FY21	Q3FY21
Number of Active Clients	429	419	419
New Clients Added	29	26	22
1 Million dollar +	153	169	165
5 Million dollar +	48	61	60
10 Million dollar +	28	32	32
20 Million dollar +	18	16	18
50 Million dollar +	6	6	5
100 Million dollar +	1	1	1

Effort Mix

	Q3FY20	Q2FY21	Q3FY21
Onsite	21.9%	19.4%	18.4%
Offshore	78.1%	80.6%	81.6%

Revenue Mix

	Q3FY20	Q2FY21	Q3FY21
Onsite	49.0%	46.5%	44.3%
Offshore	51.0%	53.5%	55.7%

Billed Person Months

	Q3FY20	Q2FY21	Q3FY21
Onsite	15,198	13,887	13,836
Offshore	54,133	57,533	61,304

Utilization

	Q3FY20	Q2FY21	Q3FY21
Including Trainees	79.2%	80.5%	81.1%
Excluding Trainees	81.3%	82.0%	84.1%

Headcount Details

	Q3FY20	Q2FY21	Q3FY21
Total Headcount	31,419	32,455	33,983
Development	29,669	30,682	32,194
Sales & Support	1,750	1,773	1,789
Attrition % (LTM)	17.7%	13.5%	12.4%

Constant Currency Reporting

		QoQ Growth	YoY Growth
Company		5.3%	7.4%
Vertical	BFS	7.5%	17.3%
	Insurance	(1.0%)	(8.3%)
	Manufacturing	9.2%	3.6%
	Energy & Utilities	(0.3%)	(5.0%)
	CPG, Retail & Pharma	4.5%	3.7%
	High-Tech, Media & Entertainment	5.8%	6.5%
	Others	10.8%	78.3%
Service Offering	ADM and Testing	(1.5%)	0.9%
	Enterprise Solutions	7.3%	7.5%
	Infrastructure Management Services	4.7%	32.4%
	Analytics, AI & Cognitive	18.5%	0.2%
	Enterprise Integration & Mobility	11.3%	11.6%
Geography	North America	4.4%	5.9%
	Europe	3.9%	4.8%
	RoW	(5.2%)	8.4%
	India	29.7%	25.5%

Financial Statements – Q3 FY21

Income Statement

Amount in INR million

	Q3FY20	Q2FY21	Q3FY21	QoQ Growth	YoY Growth
Revenue	28,111	29,984	31,528	5.1%	12.2%
Direct Costs	19,188	19,537	20,507	5.0%	6.9%
Gross Profit	8,924	10,447	11,021	5.5%	23.5%
SG&A expenses	3,649	3,591	3,701	3.1%	1.4%
EBITDA	5,277	6,856	7,320	6.8%	38.7%
Depreciation & Amortization	709	899	819	(9.0%)	15.5%
EBIT	4,568	5,957	6,502	9.1%	42.3%
Revenue Related Foreign Exchange Gains/(loss)	351	(212)	167		
Other Income, net	82	386	325		
Provision for Tax	1,231	1,563	1,801		
Net Income	3,767	4,568	5,193	13.7%	37.9%
Margins (%)					
EBITDA Margin	18.8%	22.9%	23.2%		
EBIT Margin	16.2%	19.9%	20.6%		
Net Income Margin	13.4%	15.2%	16.5%		
Earnings Per Share					
Basic	21.70	26.13	29.71		
Diluted	21.50	25.95	29.53		

Exchange Rate (USD:INR)

	Q3FY20	Q2FY21	Q3FY21
Period closing rate	71.39	73.77	73.07
Period average rate	71.27	74.12	73.70

Balance Sheet

Amount in INR million

	As at 31 March, 2020	As at 31 Dec, 2020
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	4,412	4,296
(b) Right of Use Assets	7,692	6,787
(c) Goodwill	6,368	6,748
(d) Intangible assets	1,316	1,333
(e) Non-current Financial Assets	680	1,869
(f) Deferred tax assets (Net) & Tax Assets	3,039	1,589
(g) Other assets	1,451	1,387
Total Non-Current Assets	24,959	24,009
Current assets		
(a) Investments	22,186	33,312
(b) Trade Receivables and Unbilled Revenue	27,541	25,937
(c) Cash and cash equivalents	5,252	5,248
(d) Other Financial assets	1,742	1,477
(e) Other assets & Tax Assets	6,569	8,097
Total Current Assets	63,290	74,071
TOTAL ASSETS	88,249	98,080
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	174	175
(b) Other Equity	53,866	66,755
(c) Non- Controlling interests	11	32
Total Equity	54,051	66,962
Liabilities		
Non-current liabilities		
(d) Financial liabilities	2,884	1,020
(e) Lease liabilities	7,571	6,897
(f) Deferred tax liabilities	101	42
(g) Non-current provisions	330	411
Total Non-Current Liabilities	10,886	8,370
Current liabilities		
(a) Borrowings	320	176
(b) Financial Liabilities	14,961	13,035
(c) Lease liabilities	1,228	1,269
(d) Other Liabilities	4,134	4,828
(e) Provisions	2,588	3,361
(f) Current Tax Liabilities (Net)	81	79
Total Current Liabilities	23,312	22,748
TOTAL EQUITY AND LIABILITIES	88,249	98,080

Cash Flow

Amount in INR million

	Q3FY20	Q2FY21	Q3FY21
Cash flow from operating activities			
Net profit after tax	3,767	4,568	5,193
Adjustments for:			
Depreciation and amortization	709	899	819
Others	697	(91)	(929)
Changes in working capital (net)	(1,319)	(912)	966
Net cash from operating activities [A]	3,855	4,464	6,049
Cash flow from investing activities			
(Purchase)/ Sale of assets and investments	(229)	(572)	(3,766)
Acquisitions & Earnout payments	(328)	(52)	(4)
Investment income	293	285	61
Net cash from investing activities [B]	(265)	(339)	(3,709)
Cash flow from financing activities			
Issue of share capital	-	1	-
Proceeds from/(repayment) of borrowings by subsidiaries	-	2	(72)
Credit Support Agreement Deposit (including interest)	(3)	(3)	(4)
Dividend paid (including DDT)	(2,524)	(2,700)	(2,619)
Payment towards lease liability	(363)	(400)	(410)
Net cash from financing activities [C]	(2,889)	(3,100)	(3,105)
Effect of exchange rate on cash and cash equivalents [D]	28	(54)	127
Net increase in cash and cash equivalents [A+B+C+D]	728	971	(638)
Cash and cash equivalents at beginning of the period	3,495	4,915	5,886
Cash and cash equivalents at end of the period	4,224	5,886	5,248

Contact Information

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