

January 16, 2024

National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex
Bandra (East), Mumbai — 400 051.
NSE Symbol: LTTS

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
BSE script Code: 540115

Subject: Press Release and Investor Release

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are sending herewith copy of the Press Release and Investor Release w.r.t. Financial Results for the quarter ended December 31, 2023.

Thanking You,

Yours sincerely,

For L&T Technology Services Limited

Prajakta Powle
Company Secretary & Compliance Officer
(M. No. A 20135)

Encl: As Above

L&T Technology Services reports double-digit growth in revenue and profit in Q3FY24

Q3 Revenue of ₹2,422 crore, up 12% YoY and 2% QoQ
Q3 Net profit of ₹336 crore, up 13% YoY

Mumbai, January 16, 2024: L&T Technology Services Limited (BSE: 540115, NSE: LTTS), India's leading pure-play engineering services company, announced its results for the third quarter ended December 31, 2023.

Highlights for Q3FY24 include:

- Revenue at ₹24,218 million; growth of 12% YoY and 2% QoQ
- USD Revenue at \$290.7 million; growth of 11% YoY and 1% QoQ
- EBIT margin at 17.2%
- Net profit at ₹3,362 million; growth of 13% YoY

During the quarter, LTTS signed a total of six USD 10 million plus TCV deals across all industry segments that include one USD 40 million deal and one USD 20 million deal. Additionally, we signed two significant empanelment agreements.

"We have made notable progress in each of our new-technology focus areas – AI, software defined vehicles (SDV) and cybersecurity. In AI, we filed 53 patents across segments like Transportation, Medical and Industrial Products. We had our first major win in SDV with a US OEM to define the architecture of their next generation automobiles. And continuing our SWC leveraged global deal wins, we won a \$10M plus deal in cybersecurity. These wins are a testimony to our differentiated offerings that enable us to become strategic partners to our customers.

All 5 segments grew positively for the second quarter in a row giving us 1% sequential growth despite the seasonal softness. A milestone win for us was the start of a significant relationship with bp to drive digital transformation. Our operational performance was steady helping us achieve double digit profit growth." said **Amit Chadha, CEO & Managing Director, L&T Technology Services Limited.**

Highlights and Recognitions:

- Zinnov rates LTTS in the leadership zone across 14 Engineering domains:
 - Rated as leaders in Overall 2023 ER&D Services
 - Digital Engineering Services, Data & AI Engineering Services and Industry 4.0 Ratings 2023
 - Leadership across Automotive, Aerospace, Electrification, Industrial, Telecom, Semiconductors, and Telehealth

- Chosen as the Most Preferred Workspace 2023 - 24 in the IT/ ITES category by Marksmen Daily
- The second annual Digital Engineering Awards, co-hosted by ISG, L&T Technology Services, and CNBC-TV18, celebrated organizations and individuals from 10 diverse sectors operating across North America, Europe, and the Asia Pacific. The awards witnessed a record 209 nominations across all categories. Women-in-Tech saw a big boost at the Digital Engineering Awards with the nominations from women engineers doubling year-on-year.

Patents

At the end of Q3FY24, the patents portfolio of L&T Technology Services stood at 1,249, out of which 811 are co-authored with its customers and the rest are filed by LTTS.

Human Resources

At the end of Q3FY24, LTTS' employee strength stood at 23,298.

About L&T Technology Services Ltd

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 57 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 23,200 employees spread across 22 global design centers, 28 global sales offices and 105 innovation labs as of December 31, 2023. For more information, please visit <https://www.LTTS.com/>

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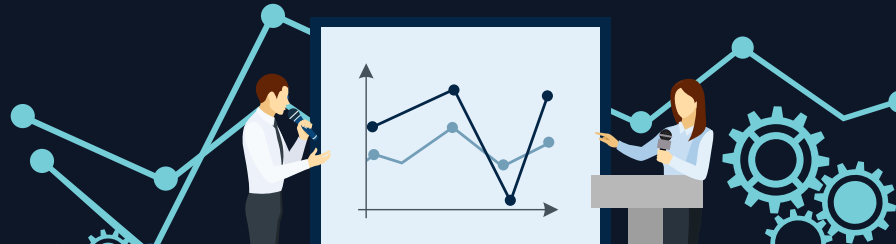
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L&T TECHNOLOGY SERVICES LIMITED
THIRD QUARTER | FY 24 RESULTS

Investor Release | Mumbai, India, January 16, 2024

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.



REVENUE IN INR

- Revenue of **₹24,218 million** for the quarter; up 1.5% QoQ and up 12.3% YoY

REVENUE IN USD

- Revenue of **\$290.7 million** for the quarter; up 0.9% QoQ and up 11.3% YoY; in constant currency up 0.9% QoQ and up 11.0% YoY

PROFIT IN INR

- EBIT of **₹4,162 million** for the quarter, EBIT margin at **17.2%**
- Net Income of **₹3,362 million** for the quarter, up 6.6% QoQ and up 13.3% YoY; Net Income margin at **13.9%**

MESSAGE FROM THE CEO & MANAGING DIRECTOR



All 5 segments grew positively for the second quarter in a row giving us 1% sequential growth despite the seasonal softness. 2 of our units - Industrial Products segment and Europe region have scaled the USD 200 million run-rate on annualized basis. Our operational performance was healthy with EBIT margin improving sequentially to 17.2%, leading to a 13% YoY growth in profits.

Large deal wins were broad based, with 6 deals of USD 10 million plus TCV which includes one USD 40 million and one USD 20 million deal. Additionally, we signed two significant empanelment agreements – the highlight being the start of a significant relationship with bp - one of the world’s largest diversified energy companies. Over 2 decades of Plant engineering design expertise combined with digital transformation capabilities that we have been investing in, enabled this milestone win for us.

We have made notable progress in each of our new-technology focus areas – AI, software defined vehicles (SDV) and cybersecurity. In AI, we filed 53 patents across segments like Transportation, Medical and Industrial Products. We had our first major win in SDV with a US OEM to define the architecture of their next generation automobiles. And continuing our SWC leveraged global deal wins, we won a USD 10 million plus deal in cybersecurity. These wins are a testimony to our differentiated offerings that enable us to become strategic partners to our customers.

The deal pipeline continues to be robust with multiple large deal opportunities as customers seek productivity and efficiency improvement. We reaffirm our USD revenue growth guidance of 17.5%-18.5% in constant currency.

I thank our employees for their commitment and dedication, and our stakeholders for the constant encouragement.

Amit Chadha
CEO & Managing Director
L&T Technology Services Limited





KEY DEAL WINS

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

- bp plc. and L&T Technology Services signed a landmark multi-year engineering services partnership. The relationship will leverage over 2 decades of LTTS' experience in engineering, manufacturing services, digital and enterprise data management and low carbon initiatives.
- For one of the world's leading technology companies, LTTS will provide lab-as-a-service which includes global lab operations, inventory and efficiency across product lifecycle.
- LTTS has secured a multi-year, multi-million dollar contract to implement an end-to-end communication systems for a leading metro railway operator, enhancing connectivity and communication for the city's public transportation network.
- Secured a new deal with a manufacturer of Recreational Vehicles (RV), where LTTS will redesign the vehicles and their various components, for its line of EV RVs.
- A network security specialist awarded LTTS a deal to help the customer establish a cybersecurity center of excellence, which will provide global support for their Security and Network Services.
- A leading agricultural and construction equipment maker has selected LTTS to help set up a 100-member Offshore Development Center (ODC) in India.
- LTTS has landed a new engagement from an U.S. technology company to provide comprehensive engineering services support and system integrations for new servers installations.
- For a leading semiconductor company, LTTS will be providing full stack engineering services including Design For Testability (DFT), and Design Verification (DV) for a range of the customer's System on Chip (SOC) and Intellectual Property (IP) designs.

- LTTS has clinched a new engagement from a leading European automaker to provide engineering design, vehicle platform software, electrification and propulsion computer-aided engineering
- LTTS has secured a multi-million dollar deal with a leading renewables OEM in Europe, to deliver Industry 4.0 & Digital PLM services.
- LTTS has been selected by a major North American automotive OEM to assist in their software-defined vehicle initiatives, encompassing digital cockpit, ADAS, AI, and connected platforms across multiple regions in North America, Europe, and India. LTTS will deliver services in systems engineering and software development for diverse programs.
- LTTS has secured a multi-year contract from an American electric vehicle OEM to provide support in body engineering and interior design engineering for their upcoming generation of EVs
- A Leading Aerospace & Defense customer has selected LTTS as a partner for setting up a CoE for Field Programmable Gate Arrays (FPGA) & DO254 work in USA to support their ongoing and new programs over the next 3 years.

FINANCIAL PERFORMANCE

INCOME STATEMENT (CONSOLIDATED)

Amount in ₹ million

	Q3 FY23	Q2 FY24	Q3 FY24	QoQ	YoY
Revenue	21,570	23,865	24,218	1.5%	12.3%
Cost of sales	14,822	17,175	17,141		
Gross Profit	6,748	6,690	7,077	5.8%	4.9%
Selling, General & Administration Expenses	2,392	1,934	2,200		
EBITDA	4,356	4,756	4,877	2.5%	11.9%
Depreciation & Amortisation	589	681	715		
EBIT	3,767	4,075	4,162	2.1%	10.4%
Other Income, net	620	286	493		
Income tax expense	1,405	1,202	1,287		
Minority Interest	14	5	6		
Net Income	2,968	3,154	3,362	6.6%	13.3%
Margins (%)					
Gross Margin	31.3%	28.0%	29.2%		
EBITDA Margin	20.2%	19.9%	20.1%		
EBIT Margin	17.5%	17.1%	17.2%		
Net Income Margin	13.8%	13.2%	13.9%		
Earnings Per Share (INR)					
Basic	28.11	29.84	31.80		
Diluted	28.02	29.76	31.72		

All previous period financials have been re-stated to include the SWC Business

OTHER INCOME

	Q3 FY23	Q2 FY24	Q3 FY24
Income from investments, net	328	306	305
Foreign exchange gains/(loss)	386	100	159
Others	-94	-120	29
Total	620	286	493

Note: All previous period financials have been re-stated to include the SWC Business

BALANCE SHEET (CONSOLIDATED)

Amount in ₹ million

	FY23	Q3FY24
Assets		
Property and equipment	6,692	9,239
Intangible Assets and Goodwill	6,402	6,302
Accounts Receivable	28,066	28,758
Unbilled Revenues	4,684	5,419
Investments	22,840	14,125
Cash and Cash equivalents	6,899	8,602
Other current assets	3,033	4,508
Other non-current assets	3,360	3,673
Total Assets	81,976	80,626
Liabilities and Shareholders' Equity		
Shareholders' Funds	44,349	49,525
Other current liabilities	33,101	25,802
Other non-current liabilities	4,346	5,098
Minority Interest	180	201
Total Liabilities	81,976	80,626

CASH FLOW SUMMARY (CONSOLIDATED)

Amount in ₹ million

	FY23	YTD FY24
Net cash provided by operating activities	10,794	8,413
Capex	-1,787	-2,136
Free Cash Flow	9,007	6,277
Free Cash Flow to Net Income (%)	74%	65%

Note: All previous period financials have been re-stated to include the SWC Business

OPERATIONAL PERFORMANCE



	Q3 FY23	Q2 FY24	Q3 FY24	QoQ Growth	YoY Growth	In Constant Currency	
						QoQ Growth	YoY Growth
Revenue (USD Mn)	261.2	288.1	290.7	0.9%	11.3%	0.9%	11.0%

REVENUE BY VERTICAL

	Q3 FY23	Q2 FY24	Q3 FY24	QoQ Growth	YoY Growth
Transportation	34.1%	33.2%	33.2%	0.9%	8.3%
Industrial Products	18.1%	17.3%	17.2%	0.1%	5.6%
Telecom & Hi-tech	22.9%	25.4%	25.4%	1.0%	23.4%
Plant Engineering	14.7%	14.0%	14.0%	0.7%	5.7%
Medical Devices	10.2%	10.1%	10.2%	2.4%	12.1%

REVENUE BY GEOGRAPHY

	Q3 FY23	Q2 FY24	Q3 FY24	QoQ Growth	YoY Growth
North America	59.5%	55.3%	54.6%	-0.4%	2.1%
Europe	15.3%	15.8%	16.6%	6.4%	21.1%
India	17.9%	21.6%	21.5%	0.4%	33.4%
Rest of the World	7.3%	7.3%	7.3%	0.5%	11.7%

Note: All previous period financials have been re-stated to include the SWC Business

REVENUE MIX

	Q3 FY23	Q2 FY24	Q3 FY24
Onsite	40.8%	40.4%	41.3%
Offshore	59.2%	59.6%	58.7%

REVENUE BY PROJECT TYPE

	Q3 FY23	Q2 FY24	Q3 FY24
Fixed Price	32.2%	35.8%	38.5%
Time and Material Contract	67.8%	64.2%	61.5%

CLIENT PROFILE

	Q3 FY23	Q2 FY24	Q3 FY24
Number of Active Clients	356	362	364
30 Million dollar +	3	4	4
20 Million dollar +	9	12	14
10 Million dollar +	28	31	31
5 Million dollar +	56	55	56
1 Million dollar +	168	177	175

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

Note: All previous period financials have been re-stated to include the SWC Business

CLIENT CONTRIBUTION TO REVENUE

	Q3 FY23	Q2 FY24	Q3 FY24
Top 5 Clients	16.6%	14.9%	15.7%
Top 10 Clients	26.9%	26.1%	26.6%
Top 20 Clients	41.5%	41.7%	41.7%

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

EMPLOYEE STATISTICS

	Q3 FY23	Q2 FY24	Q3 FY24
Total Headcount	22,501	23,880	23,298
Billable	21,046	22,366	21,887
Sales & Support	1,455	1,514	1,411
Voluntary Attrition % (LTM)	23.3%	16.7%	15.8%

EXCHANGE RATE (USD/INR)

	Q3 FY23	Q2 FY24	Q3 FY24
Period Realised	82.58	82.84	83.30
Period Closing	82.74	83.04	83.21

Note: All previous period financials have been re-stated to include the SWC Business

INDUSTRY RECOGNITIONS

- Zinnov rates LTTS in the leadership zone across 14 Engineering domains:
 - Rated as leaders in Overall 2023 ER&D Services
 - Digital Engineering Services, Data & AI Engineering Services and Industry 4.0 Ratings 2023
 - Leadership across Automotive, Aerospace, Electrification, Industrial, Telecom, Semiconductors, and Telehealth
- LTTS has been named as among the Top 50 Innovative Companies in the CII Industrial Innovation Awards 2023
- Chosen as the Most Preferred Workspace 2023 - 24 in the IT/ ITES category by Marksmen Daily

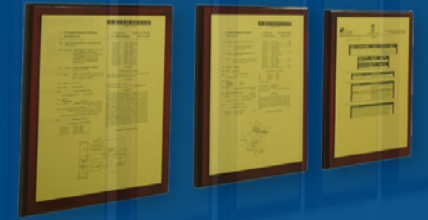
OTHER HIGHLIGHTS

- **NVIDIA** and LTTS collaborated to Unveil Gen AI and Advanced Software-Defined Architecture for Medical Devices
- Collaborates with **Google Cloud** to harness the power of its generative AI (gen AI) technology and tools for the development of its LTTS Developer Experience Platform, known as DevX.
- LTTS has partnered with **Amazon Web Services (AWS)** to help global automotive manufacturers accelerate the transition towards Software Defined Vehicles (SDVs) using generative artificial intelligence (gen AI).
- LTTS and nasscom GenAI Foundry will stimulate the growth of startups operating in the field of Generative AI space.
- The 2nd annual Digital Engineering Awards, co-hosted by ISG, L&T Technology Services, and CNBC-TV18, celebrated organizations and individuals from 10 diverse sectors operating across North America, Europe, and the Asia Pacific. The winning organizations and individuals were recognized for forging new paths in their respective fields and demonstrating the transformative power of digital engineering.



PATENTS

At the end of **Q3FY24**, the patents portfolio of L&T Technology Services stood at **1,249**, out of which **811** are co-authored with its customers and the rest 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. The key CSR initiatives undertaken in Q3 FY24 include:



Strengthening women artisan using environment friendly raw material

LTTS' provided the women artisans of Malharphet village, Kolhapur with training, a tool kit, and eco-friendly raw materials. The first batch of 25 women artisans successfully completed training in producing standardized and high-quality Kolhapuri footwear using environmentally friendly cork-based granules as a replacement for traditional leather or synthetic leather.

Integrated Village Development Project

In the draught-prone area of Beed, Maharashtra, an Integrated Village development project has been implemented by LTTS focusing on Watershed management, improved agricultural practices, and the empowerment of community institutions like Self Help groups and Farmer Producer Organizations. As part of this initiative, the old electricity-based pumping station in the village has been replaced with a Solar powered water pumping station.



Organic medicinal herbs

A livelihood enterprise is being created by LTTS, focusing on the cultivation of organic medicinal herbs by a group of 50 women. The herbs are semi-processed through drying and pulverizing before being marketed.

ABOUT L&T TECHNOLOGY SERVICES

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For more information please contact:

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