

**October 17, 2023**

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 September 30, 2023.

Thanking You,

Yours sincerely,

**For L&T Technology Services Limited**

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

## L&T Technology Services reports strong revenue, deal wins and margin performance in Q2FY24

**Q2 Revenue of ₹2,387 crore, up 5% YoY and 4% QoQ**  
**Q2 Net profit of ₹315 crore, up 5% YoY**

**Mumbai, October 17, 2023:** L&T Technology Services Limited (BSE: 540115, NSE: LTTS), India's leading pure-play engineering services company, announced its results for the second quarter ended September 30, 2023.

Highlights for Q2FY24 include:

- Revenue at ₹23,865 million; growth of 5% YoY and 4% QoQ
- USD Revenue at \$288.1 million; growth of 2% YoY and 3.2% QoQ in constant currency
- EBIT margin at 17.1%
- Net profit at ₹3,154 million; growth of 5% YoY
- Interim Dividend of ₹17 per share; Record date October 27, 2023

During the quarter, LTTS won a total of seven USD 10 million plus TCV deals across all industry segments including six deals of USD 15 million each.

*"We had a strong performance with revenue growing by 3.2% sequentially in constant currency and operating margin sustaining at 17% plus levels even as we absorbed wage hikes for our employees. Deal momentum was strong with the highlight being a USD 10 million plus deal win leveraging SWC capabilities in North America. This win has been the result of having a superior end-to-end technology stack for wireless and 5G communications which is becoming a key differentiator for us.*

*We are investing in software defined vehicles, AI and cybersecurity and will have close to 2,000 employees trained over the next few quarters. Our collaboration with hyperscalers and chip companies is helping us develop AI solutions and services that address needs of industries like Auto, Manufacturing and Medical. We are optimistic that such investments will strengthen our position as the engineering partner of choice for global ER&D companies."* said **Amit Chadha, CEO & Managing Director, L&T Technology Services Limited.**

### Highlights and Recognitions:

- Rated by **ISG** as leaders in Manufacturing Industry Services and Solutions 2023 - **Digital Factory/Manufacturing Solutions, North America** and **Agile Product Development and Design Services**
- Positioned as leaders in **Everest Group's ACES Automotive Engineering Services PEAK Matrix® Assessment 2023 – Electric**
- Three smart city projects of LTTS received the prestigious **RoSPA Gold Health & Safety Awards** from The Royal Society for the Prevention of Accidents, UK 2023

- LTTS was named the Winner of the **Golden Peacock Award for ESG**, 2023
- **FICCI** awarded LTTS the **HR Innovation Award** for 2023
- **The Indo American Chamber of Commerce** felicitated LTTS CEO and MD, Amit Chadha as **Corporate Leader of the Year, 2023**

### **Patents**

At the end of Q2FY24, the patents portfolio of L&T Technology Services stood at 1198, out of which 785 are co-authored with its customers and the rest are filed by LTTS.

### **Human Resources**

At the end of Q2FY24, LTTS' employee strength stood at 23,880.

### **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 23,800 employees spread across 22 global design centers, 28 global sales offices and 102 innovation labs as of September 30, 2023. For more information, please visit <https://www.LTTS.com/>

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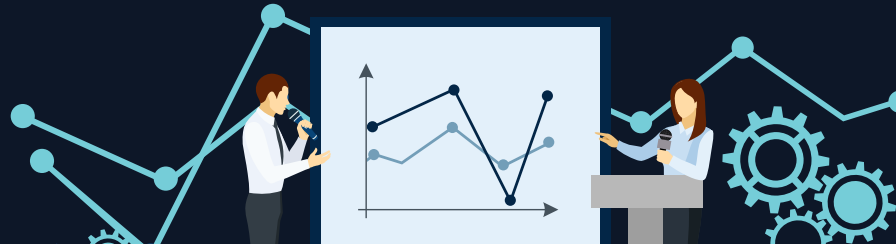
L&T TECHNOLOGY SERVICES LIMITED  
**SECOND QUARTER | FY 24 RESULTS**



**Investor Release | Mumbai, India, October 17, 2023**

## 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 **₹23,865 million** for the quarter; up 3.7% QoQ and up 4.6% YoY

## REVENUE IN USD

- Revenue of **\$288.1 million** for the quarter; up 2.9% QoQ and up 1.8% YoY; in constant currency up 3.2% QoQ and up 1.4% YoY

## PROFIT IN INR

- EBIT of **₹4,075 million** for the quarter, EBIT margin at **17.1%**
- Net Income of **₹3,154 million** for the quarter, up 1.4% QoQ and up 5.2% YoY; Net Income margin at **13.2%**

## CAPITAL RETURN

- Interim Dividend of **₹17** per share; Record date October 27, 2023

## MESSAGE FROM THE CEO & MANAGING DIRECTOR



We had a strong quarter with 3.2% sequential growth in constant currency led by broad-based growth across all 5 segments. Large deal wins were again broad based, with 7 deals more than USD 10 million plus TCV out of which 6 were USD 15 million each. Among them, the key highlight is a USD 10 million deal in North America won as result of having a superior end-to-end technology stack for wireless and 5G communications. This is our first large deal leveraging SWC capabilities in the global market and gives us confidence that our Nex-Gen Communications strategy is gaining momentum.



Our operational performance continues to be healthy with EBIT margin of 17.1% - nearly flat on sequential basis even as we absorbed the wage hikes and investments in new technologies. We have taken measures to improve utilization and optimize costs in line with our operations playbook.

We are investing in software defined vehicles, AI & cybersecurity, and will have close to 2,000 employees trained over the next few quarters. Our collaboration with hyperscalers and chip companies is helping us develop AI solutions and services that address needs of industries like Auto, Manufacturing and Medical. These conversations are helping us to advance the resilience, growth and transformation agendas of our customers while also adding more large deal engagements to our pipeline.

While longer term trends for ER&D remain strong, in the short term we are seeing longer decision cycles and incremental headwinds from the macro-economic stress in various geographies. We revise our USD revenue growth guidance for FY24 to 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:

- LTTS signed a multi-year deal with a global oilfield services provider to set up a software center of excellence in India, for their digital transformation.
- A healthcare technology provider has chosen LTTS as a partner for large scale part to print verification activities for medical device parts using various measurement systems.
- A global healthcare OEM has chosen LTTS as its test engineering partner, for next gen platform development, integration and a faster time to market.
- For a global leader in battery manufacturing, LTTS has been selected for a vehicle electrification program. Under the multi-year engagement, LTTS will be supporting the customer with Embedded Software, Systems Engineering, Cybersecurity and V&V services.
- For a leading solutions provider of 5G wireless connectivity, LTTS will be establishing a 5G Center of Excellence, to provide support in RF Design, Hardware, Signal Processing algorithms and Systems Engineering.
- LTTS has won a engineering managed services project from a leading European fragrance, flavour ingredients and nutrition maker, to support the execution of its Capex program in France and Switzerland bringing flexibility, agility and time to market.
- A leading smart metering and digital solutions provider has awarded LTTS a project for smart metering covering 11 million consumers. The scope includes design, implementation and support of application software of meter data management, prepaid system, energy analytics and integration services, which will help the customer improve billing collection efficiency and revenues.
- A leading metro railway operator awarded LTTS a telecommunication system package covering design, testing and commissioning of 8 communication subsystems.
- Signed a strategic, long-term partnership with a prominent global diversified technology conglomerate headquartered in USA, to provide essential engineering services for various Aerospace R&D initiatives. LTTS will scale its engineering teams encompassing expertise in software, electronics, and systems engineering.
- A global automotive parts supplier has chosen LTTS as a strategic Engineering partner for 3 of its major business units encompassing Electrical distribution system, Electronics & Instrumentation and Components.



# FINANCIAL PERFORMANCE

## INCOME STATEMENT (CONSOLIDATED)

Amount in ₹ million

	Q2 FY23	Q1 FY24	Q2 FY24	QoQ	YoY
<b>Revenue</b>	22,817	23,014	23,865	3.7%	4.6%
Cost of sales	16,167	16,101	17,175		
<b>Gross Profit</b>	6,650	6,913	6,690	-3.2%	0.6%
Selling, General & Administration Expenses	2,276	2,385	1,934		
<b>EBITDA</b>	4,374	4,528	4,756	5.0%	8.7%
Depreciation & Amortisation	590	574	681		
<b>EBIT</b>	3,784	3,954	4,075	3.1%	7.7%
Other Income, net	279	357	286		
Income tax expense	1,057	1,190	1,202		
Minority Interest	7	10	5		
<b>Net Income</b>	2,999	3,111	3,154	1.4%	5.2%
<b>Margins (%)</b>					
Gross Margin	29.1%	30.0%	28.0%		
EBITDA Margin	19.2%	19.7%	19.9%		
EBIT Margin	16.6%	17.2%	17.1%		
Net Income Margin	13.1%	13.5%	13.2%		
<b>Earnings Per Share (INR)</b>					
Basic	28.41	29.45	29.84		
Diluted	28.33	29.38	29.76		

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

## OTHER INCOME

	Q2 FY23	Q1 FY24	Q2 FY24
Income from investments, net	247	338	306
Foreign exchange gains/(loss)	112	100	100
Others	-80	-81	-120
<b>Total</b>	<b>279</b>	<b>357</b>	<b>286</b>

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

## BALANCE SHEET (CONSOLIDATED)

Amount in ₹ million

	FY23	Q2FY24
<b>Assets</b>		
Property and equipment	6,692	8,731
Intangible Assets and Goodwill	6,402	6,330
Accounts Receivable	28,066	27,285
Unbilled Revenues	4,684	5,657
Investments	22,840	13,204
Cash and Cash equivalents	6,899	9,488
Other current assets	3,033	2,890
Other non-current assets	3,360	3,521
<b>Total Assets</b>	<b>81,976</b>	<b>77,106</b>
<b>Liabilities and Shareholders' Equity</b>		
Shareholders' Funds	44,349	47,890
Other current liabilities	33,101	24,012
Other non-current liabilities	4,346	5,009
Minority Interest	180	195
<b>Total Liabilities</b>	<b>81,976</b>	<b>77,106</b>

## CASH FLOW SUMMARY (CONSOLIDATED)

Amount in ₹ million

	FY23	YTD FY24
Net cash provided by operating activities	10,794	5,703
Capex	-1,787	-1,408
<b>Free Cash Flow</b>	<b>9,007</b>	<b>4,295</b>
Free Cash Flow to Net Income (%)	74%	69%

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

# OPERATIONAL PERFORMANCE



	Q2 FY23	Q1 FY24	Q2 FY24	QoQ Growth	YoY Growth	In Constant Currency	
						QoQ Growth	YoY Growth
Revenue (USD Mn)	283.0	280.0	288.1	2.9%	1.8%	3.2%	1.4%

## REVENUE BY VERTICAL

	Q2 FY23	Q1 FY24	Q2 FY24	QoQ Growth	YoY Growth
Transportation	30.2%	32.7%	33.2%	4.4%	12.1%
Industrial Products	16.5%	17.6%	17.3%	1.0%	6.7%
Telecom & Hi-tech	29.7%	25.5%	25.4%	2.3%	-12.9%
Plant Engineering	14.2%	13.9%	14.0%	3.8%	0.6%
Medical Devices	9.5%	10.3%	10.1%	1.4%	8.3%

## REVENUE BY GEOGRAPHY

	Q2 FY23	Q1 FY24	Q2 FY24	QoQ Growth	YoY Growth
North America	55.3%	56.5%	55.3%	0.7%	1.8%
Europe	13.9%	15.4%	15.8%	5.2%	15.3%
India	23.9%	20.7%	21.6%	7.5%	-7.9%
Rest of the World	6.9%	7.4%	7.3%	2.2%	8.4%

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

## REVENUE MIX

	Q2 FY23	Q1 FY24	Q2 FY24
Onsite	39.4%	40.7%	40.4%
Offshore	60.6%	59.3%	59.6%

## REVENUE BY PROJECT TYPE

	Q2 FY23	Q1 FY24	Q2 FY24
Fixed Price	36.2%	35.6%	35.8%
Time and Material Contract	63.8%	64.4%	64.2%

## CLIENT PROFILE

	Q2 FY23	Q1 FY24	Q2 FY24
Number of Active Clients	358	357	362
30 Million dollar +	4	3	4
20 Million dollar +	9	12	12
10 Million dollar +	29	32	31
5 Million dollar +	55	56	55
1 Million dollar +	162	181	177

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

	Q2 FY23	Q1 FY24	Q2 FY24
Top 5 Clients	17.7%	14.7%	14.9%
Top 10 Clients	27.8%	25.9%	26.1%
Top 20 Clients	42.1%	41.4%	41.7%

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

## EMPLOYEE STATISTICS

	Q2 FY23	Q1 FY24	Q2 FY24
Total Headcount	22,265	23,392	23,880
Billable	20,829	21,933	22,366
Sales & Support	1,436	1,459	1,514
Voluntary Attrition % (LTM)	24.1%	18.9%	16.7%

## EXCHANGE RATE (USD/INR)

	Q2 FY23	Q1 FY24	Q2 FY24
Period Realised	80.64	82.20	82.84
Period Closing	81.35	82.04	83.04

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

## INDUSTRY RECOGNITIONS

- Rated by **ISG** as leaders in Manufacturing Industry Services and Solutions 2023 - **Digital Factory/Manufacturing Solutions, North America** and **Agile Product Development and Design Services**
- Positioned as leaders in **Everest** Group's ACES **Automotive Engineering Services** PEAK Matrix® Assessment 2023 – **Electric**
- Three smart city projects of LTTS received the prestigious **RoSPA Gold Health & Safety Awards** from The Royal Society for the Prevention of Accidents, UK 2023
- LTTS was named the Winner of the **Golden Peacock Award for ESG**, 2023
- **FICCI** awarded LTTS the HR Innovation Award for 2023
- The **Indo American Chamber of Commerce** felicitated LTTS CEO and MD, Amit Chadha as **Corporate Leader of the Year**, 2023

## OTHER HIGHLIGHTS

LTTS launched the second Annual **Digital Engineering Awards**, in collaboration with **ISG** and **CNBC TV-18**. The winners will be announced during a gala awards celebration in Dallas, Texas.



In association with

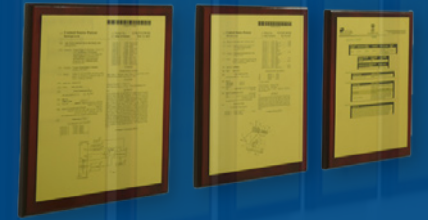


Inaugurated its **new campus in Bangalore** equipped with state-of-the-art amenities and with a capacity to house 4,000 engineers.

LTTS participated in **Internationale Automobil Ausstellungd (IAA)** 2023 in Munich. It showcased its cutting-edge solutions around connected cars and software defined vehicles, enabling industries to get ready for the future of mobility.

## PATENTS

At the end of **Q2FY24**, the patents portfolio of L&T Technology Services stood at **1,198**, out of which **785** 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 Q2 FY24 include:



### Recycling Holy Waste

Tonnes of flowers offered in religious places, often end up in landfills. LTTS is supporting children with intellectual disabilities to turn this floral waste into utility products like coasters, colours, incense sticks and candles.

### Biodegradable Sanitary Napkins

Women from a self-help group in rural Karnataka, were supported by LTTS to make biodegradable sanitary napkins using environment friendly materials.

### Addressing malnutrition

LTTS is taking steps to tackle malnutrition among expecting mothers and children in tribal villages in Maharashtra with home-based prenatal and antenatal care, as well as therapeutic food for children's nourishment.



# ABOUT L&T TECHNOLOGY SERVICES

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For additional information about L&T Technology Services log on to [www.LTTS.com](http://www.LTTS.com)