

#GoDeeperToScale

**Delivering Profitable Growth
& Value to Shareholders**

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Investor & Analyst Day 2024

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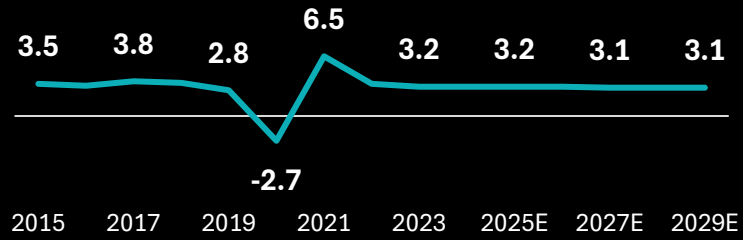
Agenda

- 01 Macro Environment
- 02 A Recap of LTTS performance
- 03 Pivoting for Growth
- 04 Improving Margins
- 05 Value to Shareholders

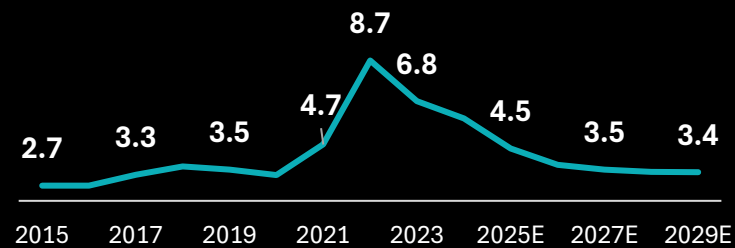
Investor & Analyst Day (IAD) 2024

Macro Environment

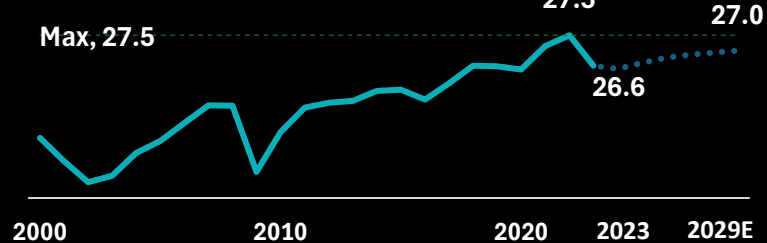
Global Real GDP Growth Rates (%)



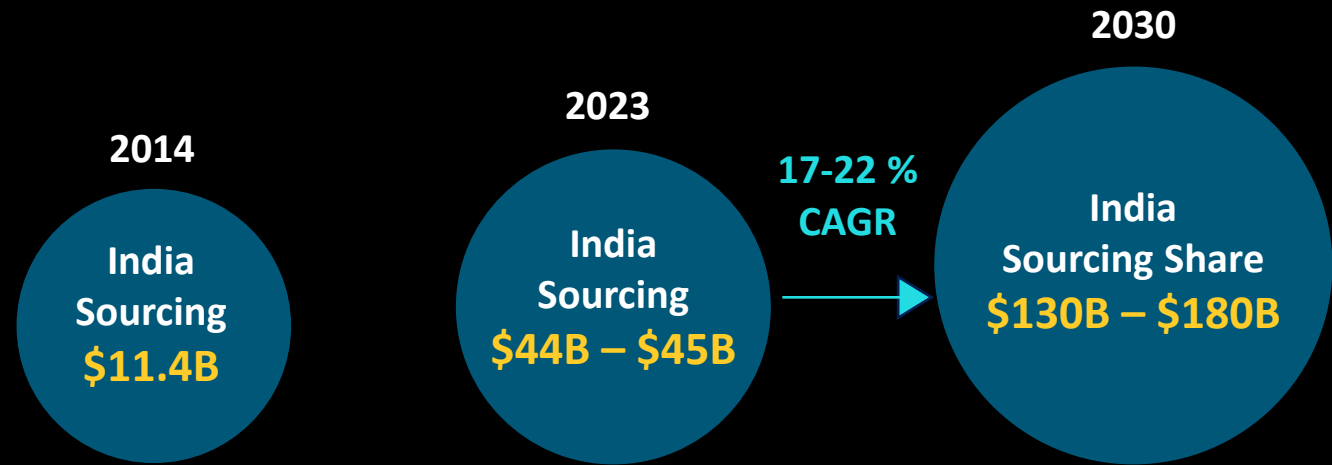
Global Inflation %



Global Investment as % GDP

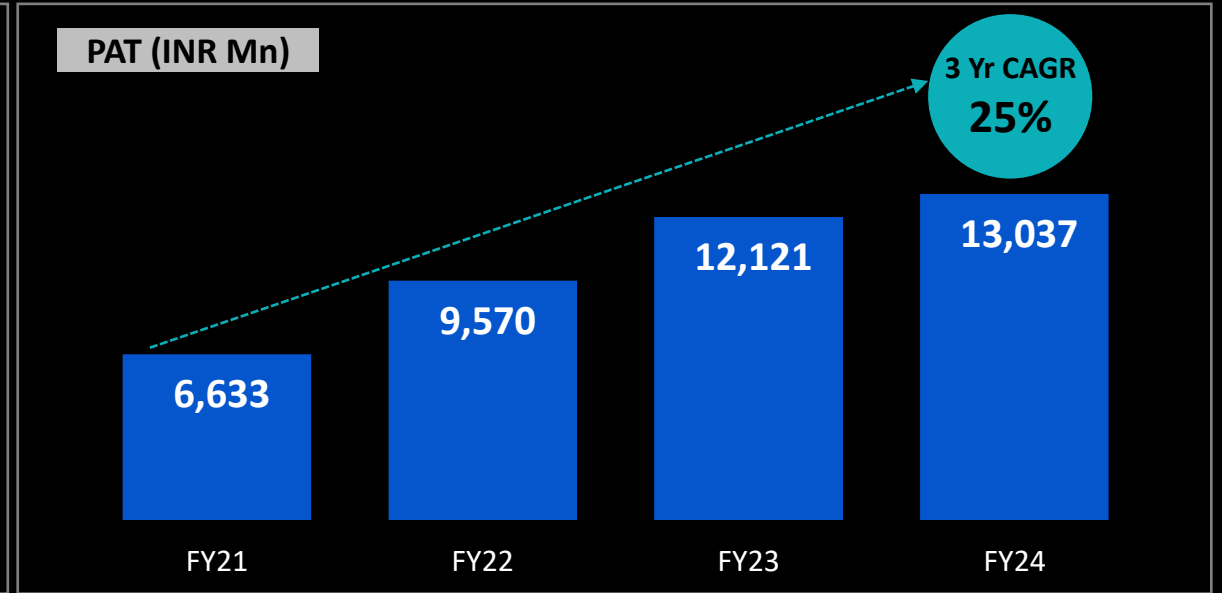
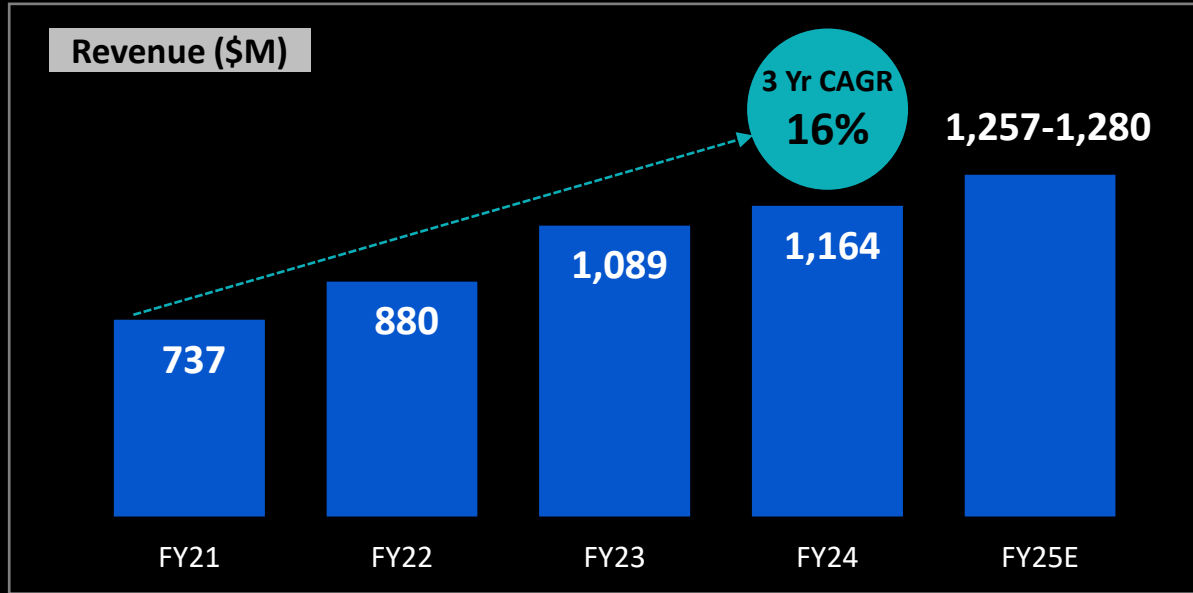


ER&D Outsourcing Market Trends



- Global GDP growth is forecasted to stabilize at **3.1% - 3.2%** range in the medium term
- Global Inflation has come down and **projected to further decline** at a slow pace
- Global investment is **expected to touch 27%** of GDP by 2029, and is on the cusp of a **Super Capex Cycle** on the back of Technology Advancements driven by:
 - AI
 - Modernization of Ageing Infrastructure
 - Green Economy
 - Reshoring of Global Supply chains
- India share of Global ER&D Outsourcing market to **grow at CAGR of 17% - 22%** from 2023 to 2030

A Recap of LTTS performance – Poised for Long Term Compounding



Key Milestones

- Achieved annual run rate **\$1B revenue** in Q2FY23
- Won **25 large deal wins** (>\$10M) in FY24 which includes **one \$100M deal**
- \$10M plus accounts have increased from 20 in FY21 to **35 in FY24**
- **50 Patents per quarter** in FY24, 4 times of FY21

Key Milestones

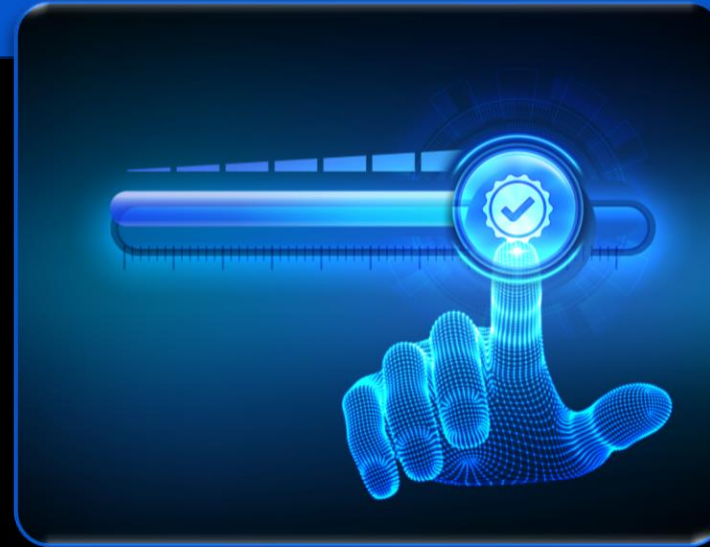
- Achieved **EBIT Margin of 18.5%** in FY23 (prior to restatement)
- Key **Operating Parameters** improved between FY21 to FY24:
 - C&B reduction: 10.5 pp
 - Offshore Mix: 360 bps
 - Pyramid Mix: 300 bps
 - SG&A as % of revenue: 250 bps
- Strong Balance sheet with **Net Cash of ~\$330M**

Our Approach To Deliver Profitable Growth

Pivoting for Growth



Improving Margins

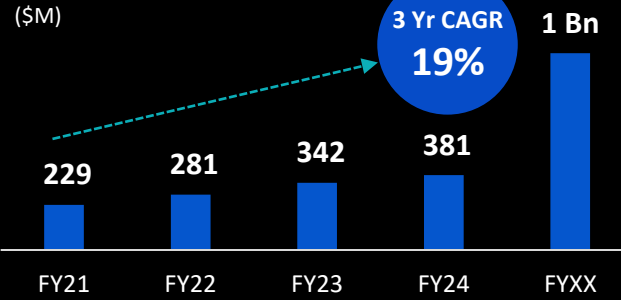


\$1Bn Aspiration for each Segment

Pivoting for Growth

Improving Margins

Mobility



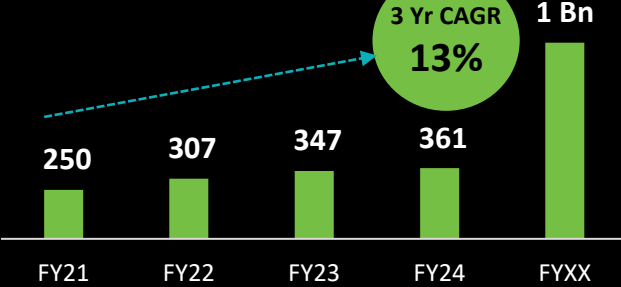
Focus Areas & Investments

- Software Defined Mobility
- Electrification & Hybrid Tech
- Vehicle Engineering & Avionics

Potential CAGR

20-22%

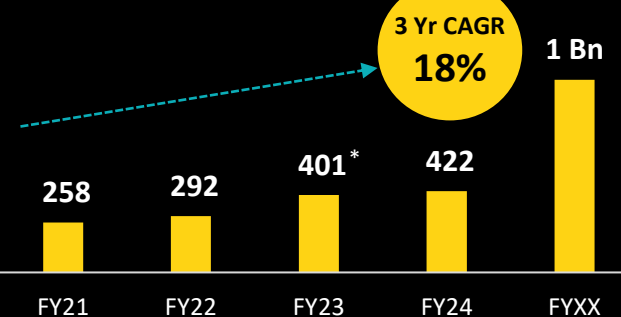
Sustainability



- Plant Modernization & Automation
- Projects Engineering - Greenfield & Brownfield
- Smart & Digital Platforms
- Sustainable Manufacturing
- Core Engineering & Sustainance Programs

14-16%

Tech



- AI and Next Gen Software
- Platform Engineering
- Silicon & Device Engineering
- Digital Health
- QARA
- Digital Manufacturing

18-20%

*Restated to include SWC

Powering up the Large Deal Engine

Pivoting for Growth

Improving Margins

Higher Addressable Market

- **Shortening technology cycles** and need for faster speed-to-market and optimal cost structures
- **Investments in New age technologies** leading to deeper partnerships with customers
- **New Segment strategy** for faster decision making and deeper domain expertise



Improve Win Ratio

- **Track record** of large deal execution in ER&D
- **End to end capabilities** to support entire product lifecycle
- **Domain expertise and Cross-Poll!novation** to bring out customized solutions and accelerators



Pipeline and Deal Size

- **2X** growth in pipeline
- Higher **\$50M** plus deals in the pipeline.
- Scale Accounts – aspiration of **2 x \$100M**, **3 x \$50-100M** and **6 x \$30-50M** customer accounts in the medium term

World-Class Talent Pool

Pivoting for Growth

Improving Margins

GEA Offerings

GENESIS

Training for University graduates

- Capacity to hire and train 2-3K plus freshers per year

NOTCH UP

Upskilling & cross-skilling

- 80% of workforce upskilled or cross-skilled annually
- Building skills in new age digital technologies – AI, SDV, Cybersecurity

GEN AI ACADEMY

Building AI and Gen AI skills

- 4000+ Engineers completed AI/GenAI Skills program
- 200+ top leaders certified in 'Leading with AI' program

HIGHER EDUCATION

Work Integrated Learning Programs

- Tie-ups & partnerships with world class institutions
- Hiring of ~ 250 PhDs/ Post-graduates every year

GO GLOBAL

Geo Specific Skilling program

- Global training facilities
- Programs designed specifically for onsite employees



Capacity to Springboard Growth

Pivoting for Growth

Improving Margins



108 R&D Innovation Labs



22 Global Design Centres

NA

Peoria

Dallas

Santa Clara

Europe

Munich

Gothenburg

Poland

India

Mysore

Baroda

Chennai

Mumbai

Bangalore

Hyderabad

Pune

ROW

Japan

Ready Flex Seats

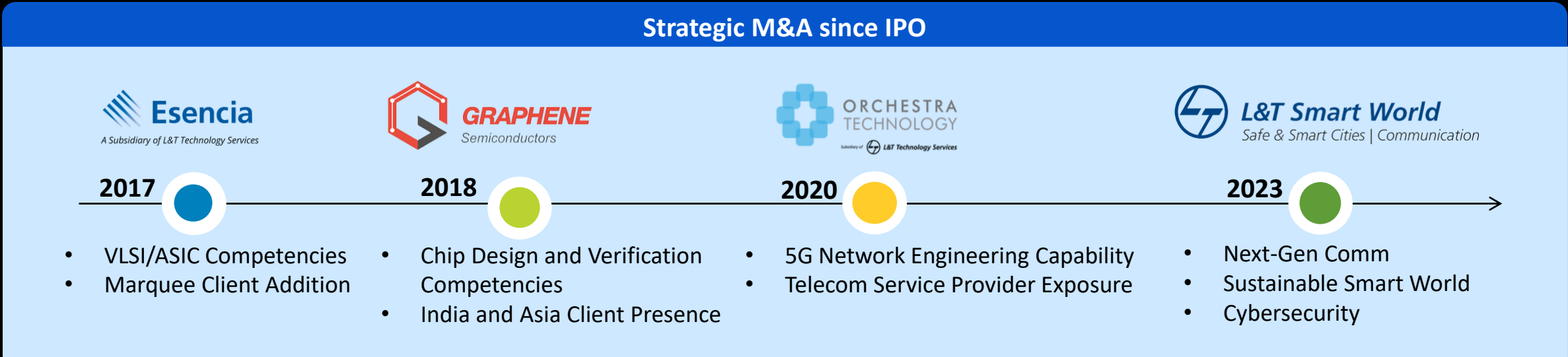
IT-on-Demand Infrastructure

- 99.95% IT Infra Availability
- 24x7 AIOps monitoring
- Infrastructure On Demand
- SDWAN Connectivity
- Zero trust security
- ISO 27001 certified centers

Inorganic Growth Strategy

Pivoting for Growth

Improving Margins



Future M&A Areas	Strategic Capabilities	End-Markets	Levers for Value creation
Mobility	SDV, ADAS, Connected	Europe	<ul style="list-style-type: none"> Reasonable valuation/ multiples Potential for higher offshoring Margin expansion opportunity
ISV	Platform Engineering, AI, ML, Data engineering	N. America	
MedTech	Connected Healthcare, Patient management, Health Analytics	N. America	

Strengthening Operational Playbook

Pivoting for Growth

Improving Margins



Increase Customer Mining

- **Large deals** to drive bigger customer engagements
- **Dedicated Leaders for G45** accounts to drive proactive and cross functional proposals



Delivery Led Growth

- **Higher quality of revenue** led by AI and new age technologies and proprietary solutions/accelerators



Increase Fresher Mix

- Hire and Nurture 2,000-3,000 freshers per annum
- Potential to **improve pyramid** further



Higher Offshoring

- Run strategic initiatives to leverage offshore locations
- Potential to improve **offshore mix further by 300-500 bps**



Maintain SG&A as % of Revenue

- Strategically invest in sales with domain expertise
- **Optimize G&A as % of revenue** through economies of scale





AI & Digital Technologies to enhance Productivity

Pivoting for Growth

Improving Margins

“

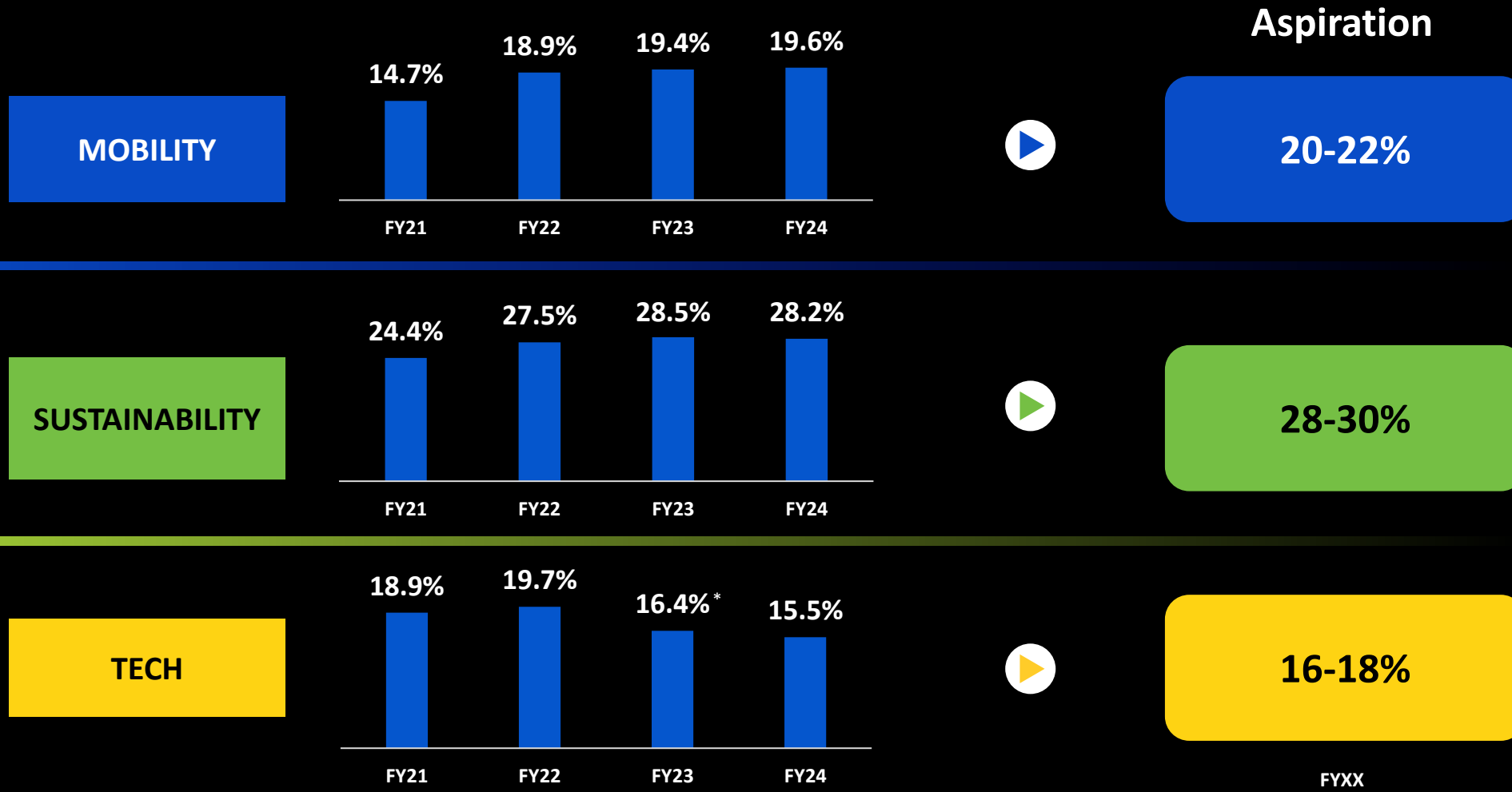
Leverage AI as competitive advantage to maximize value, minimize cost, improve compliance, strengthen security, enhance employee experience & be an enabler for growth. ”

-  **AI for Delivery Excellence**
 - AI tools for enhancing productivity
 - Enhanced Collaboration
 - Enterprise Search
 - Virtual Assistant
-  **Intelligent Operations**
 - Project and Account Profitability
 - AI Based Hiring
 - Intelligent AP/AR to improve FCF
 - Contract Compliance
 - Internal Fulfillment
-  **Smart Dashboards**
 - Sales 360
 - Delivery Excellence
 - Customer Risk Flagging
 - Employee Engagement
 - Manage cloud/Software spend
-  **Cybersecurity**
 - Threat Analysis & Detection
 - Attack Simulation
 - Phishing & Social Engineering
 - Anomaly Detection

Segment Margins - Trends & Aspiration

Pivoting for Growth

Improving Margins



*Note: Restated for SWC.

ESG - Journey & Aspirations

Journey so far

- **Sustainability offerings** for customers supporting transition to a net-zero future
- **Environment & Water** are key themes for CSR activities
- Pledged in Nov'21 to become **Carbon and Water neutral by 2030**
- Launch of **Integrated Annual Report for FY24**

Roadmap way forward

- Target to achieve **~50% renewable energy sourcing by FY27**
- Align with industry best practices for **sustainable supply chain**
- Reduction in Scope 1+2 emission
- Improve employee metric on account of Diversity, Ethnicity & Inclusivity

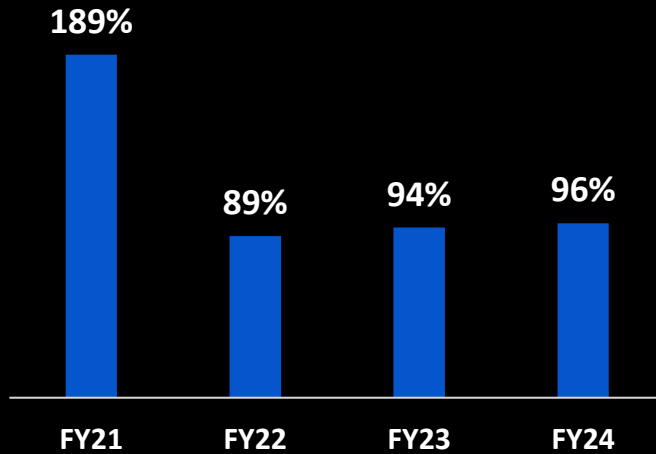
ESG Ratings in FY24	Current Score	Previous Score	Industry Average
CDP – Climate Change	C	-	C
CDP – Supplier Engagement Rating	B-	-	C
S&P DJSI Ratings	39	27	26
Ecovadis Ratings	54	46	54
Sustainalytics Risk Ratings*	16.8	19.8	21.7

*Lower scores are better

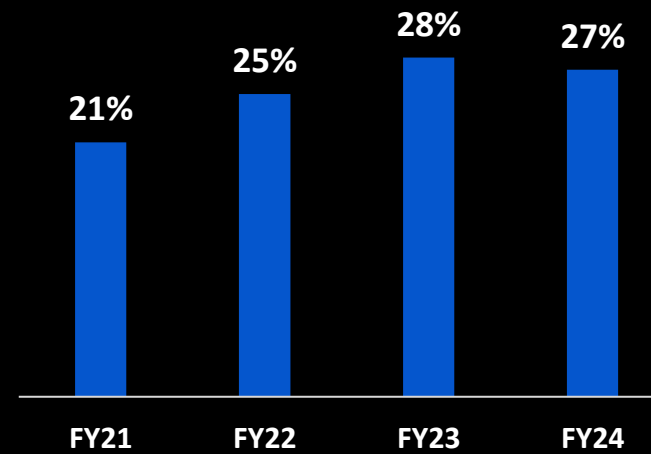


Shareholder Value Creation

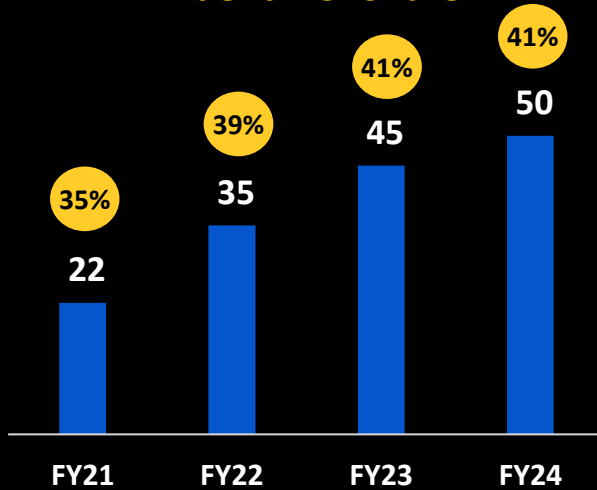
Free Cash Flow (as a % of Net income)



Return on Equity

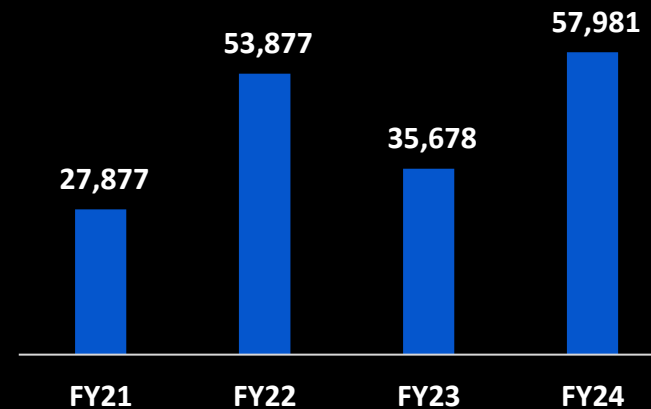


Dividend Per Share



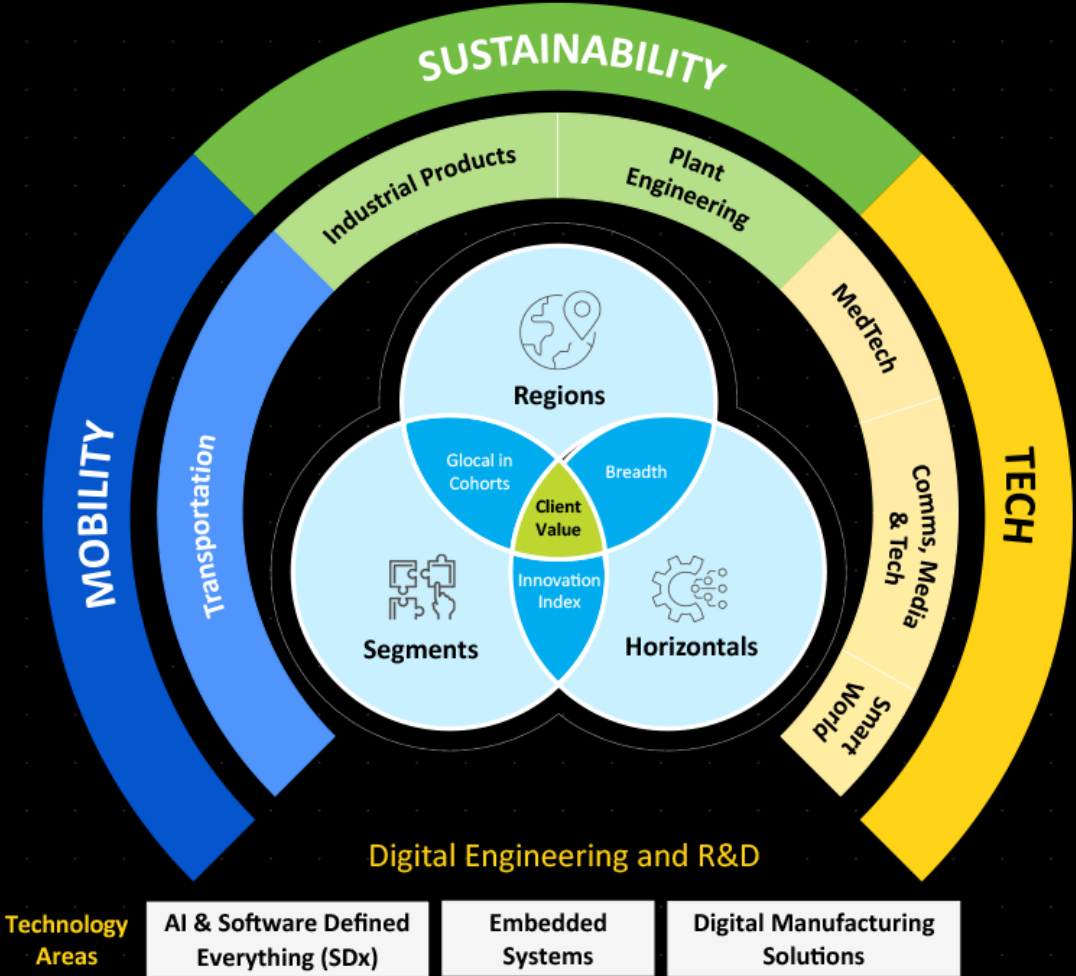
XX% Dividend Payout Ratio


Market Cap (INR Cr)




As on 31st March

Going Deeper to Scale






Aspiration to be a \$2B company



To be among Top 5 ER&D services companies globally



Drive EBIT Margin towards 17-18%

**Purposeful.
Agile.
Engineering.**

Thank You