



Purposeful.  
Agile.  
Innovation.

# **INVESTOR PRESENTATION**

**October 2024**



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# This is L&T Technology Services



# We are an end-end engineering partner for our Clients

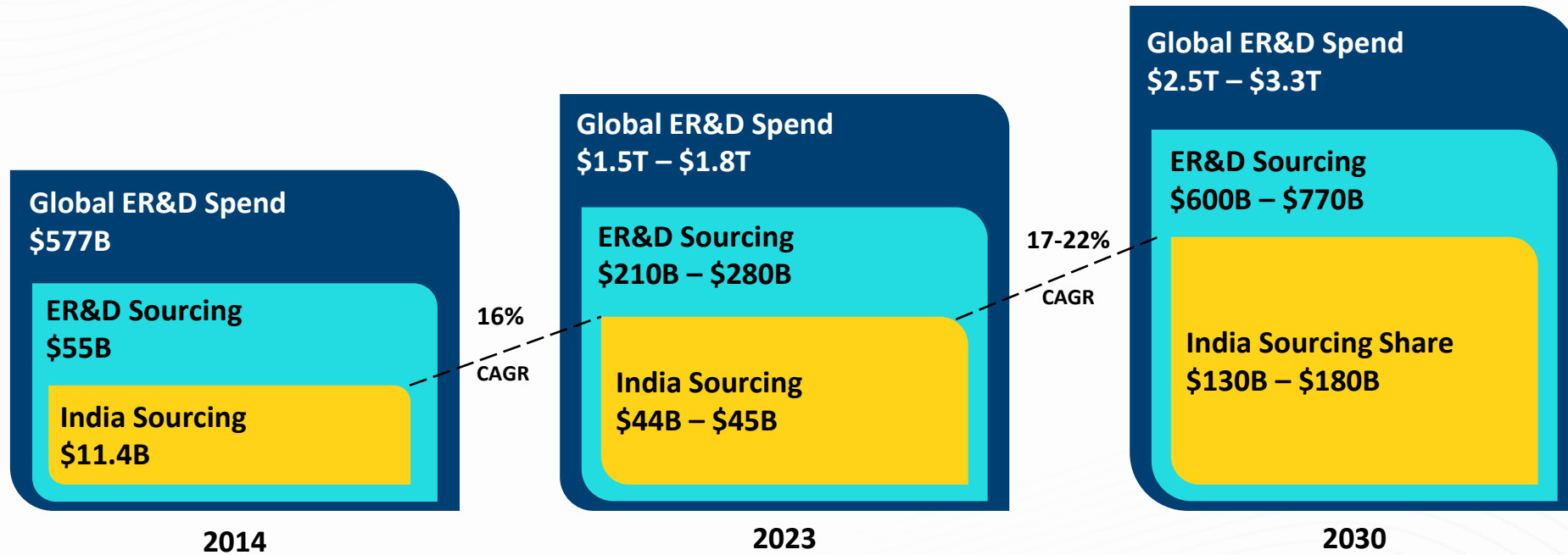


**PHYSICAL TO DIGITAL**

**SILICON TO CLOUD**

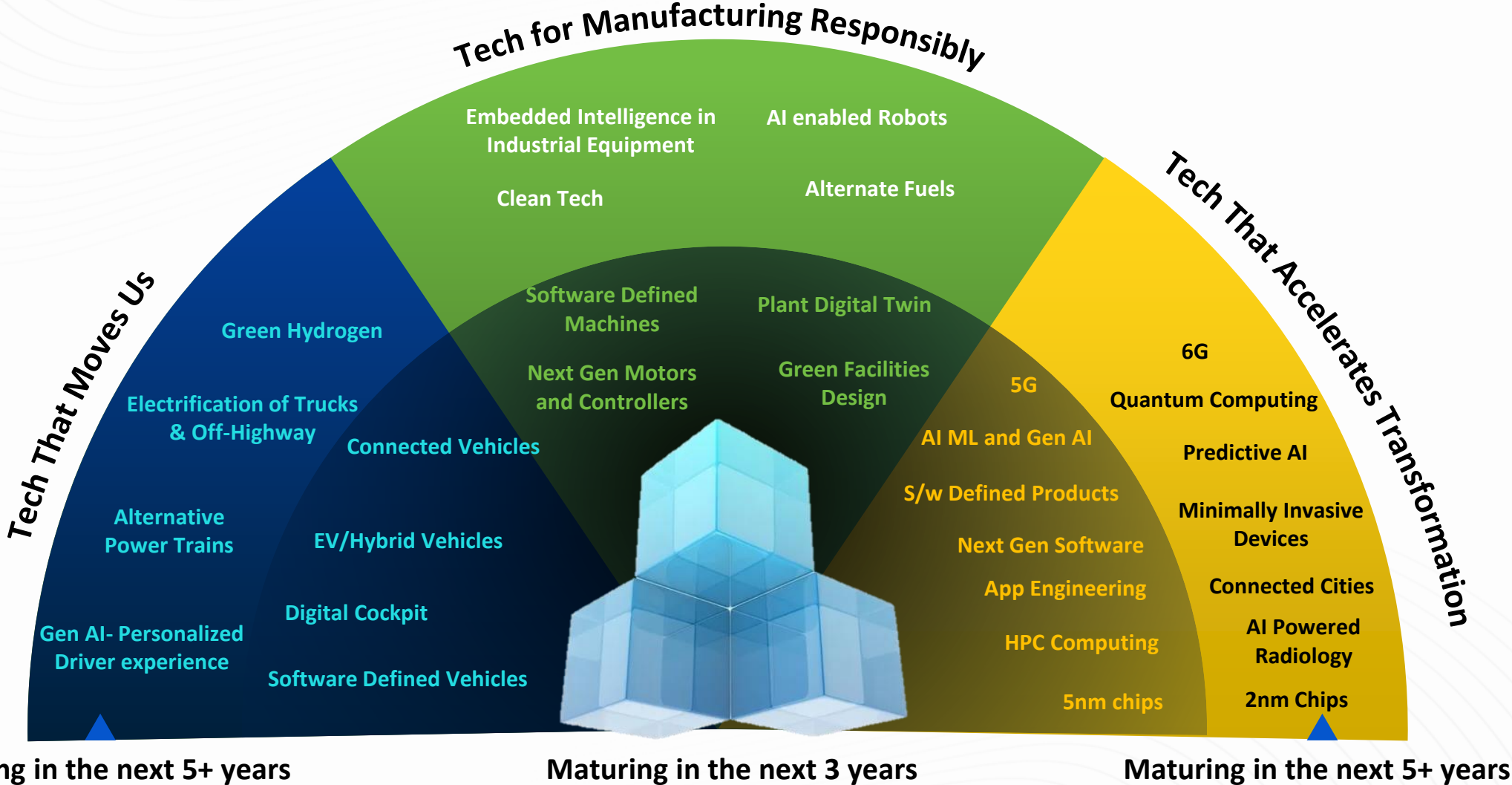
# Our Playing Field

## ER&D Addressable Market: India as a Destination is Sold

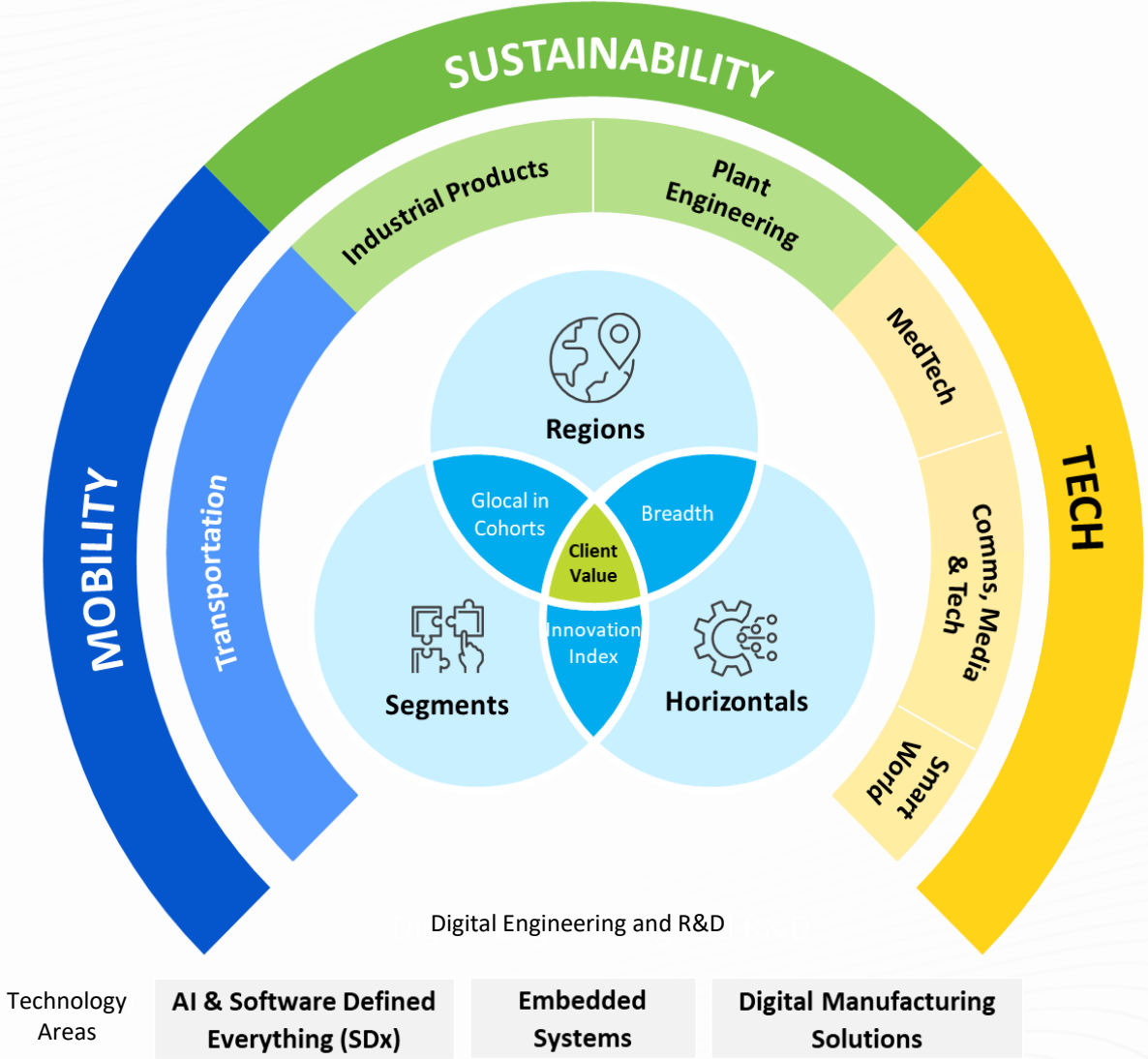


Source: Zinnov, NASSCOM-BCG

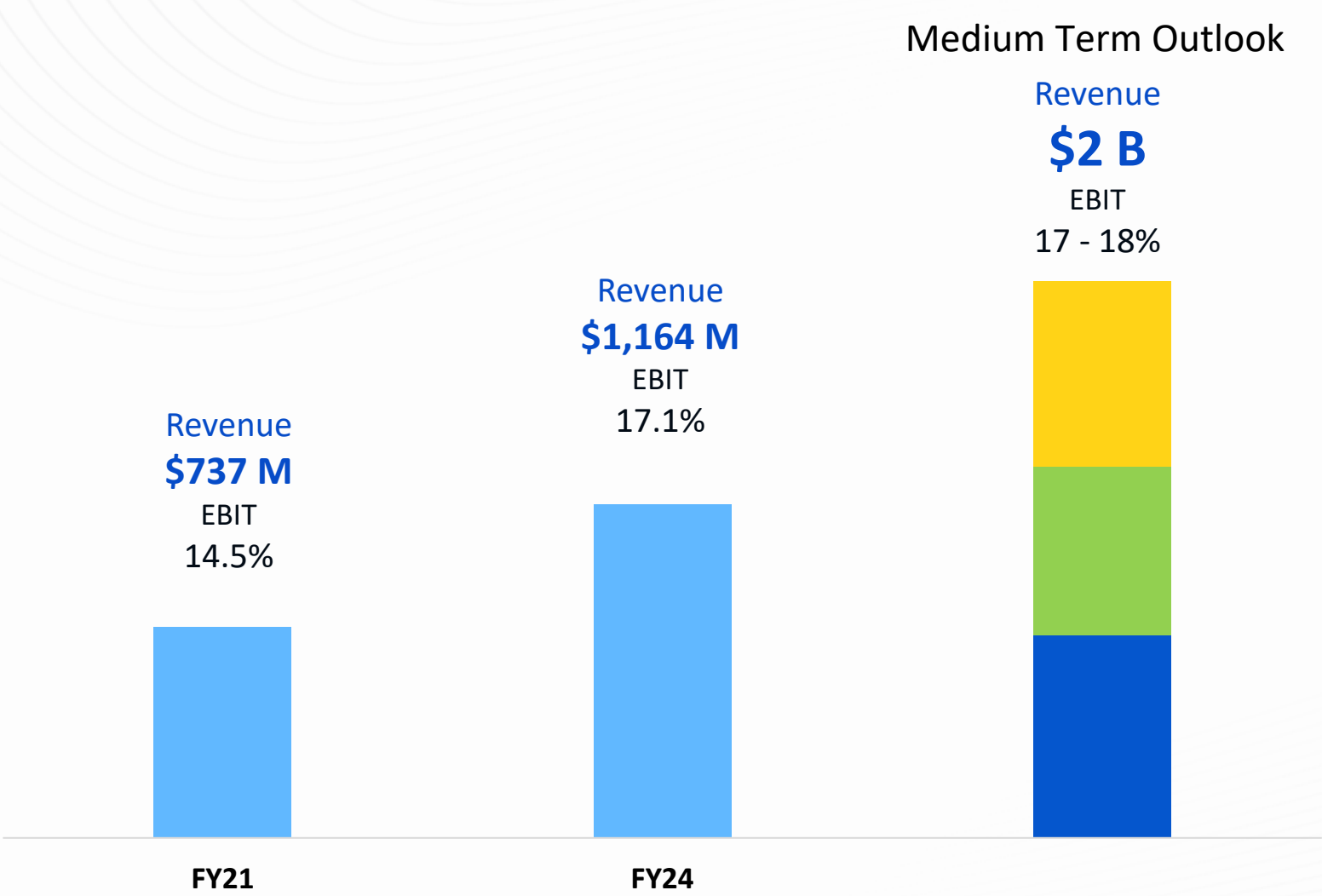
# Propelled by the Changing Technology Landscape



# Our “Go Deeper to Scale” Strategy...



# Drives Our Aspiration...LTTS 3.0

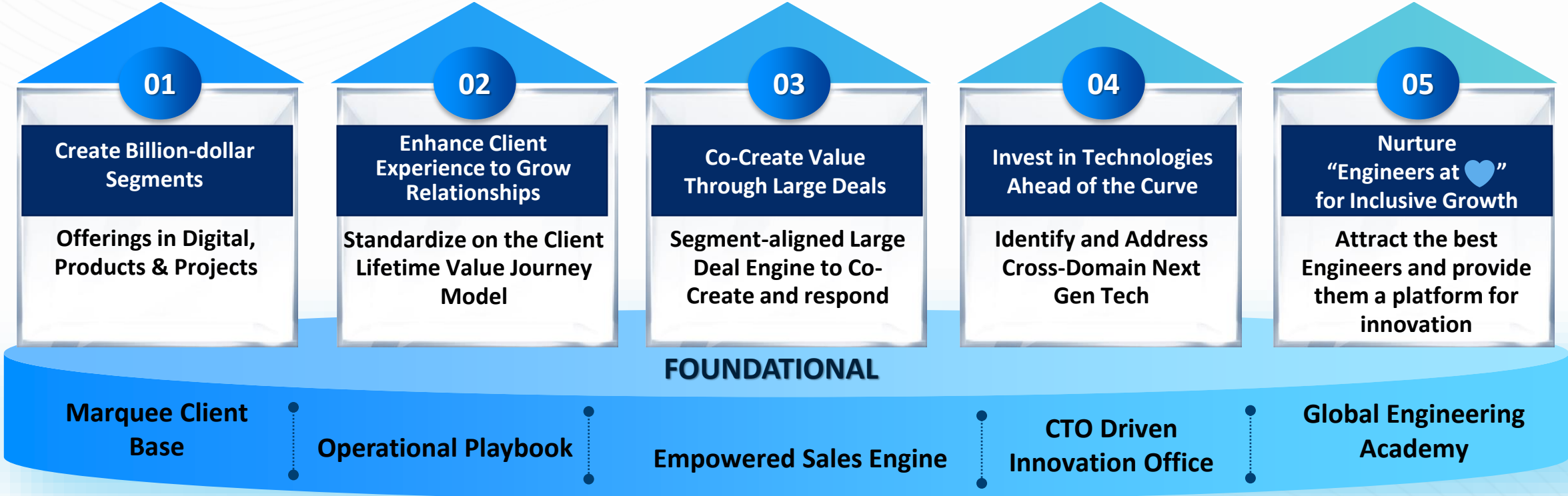


- 01 Top 5 Global ER&D Services Company
- 02 3 Billion-dollar segments
- 03 Technology Partner of Choice
- 04 2500+ Patents
- 05 Values Driven, Inclusive, Client Centric Organization



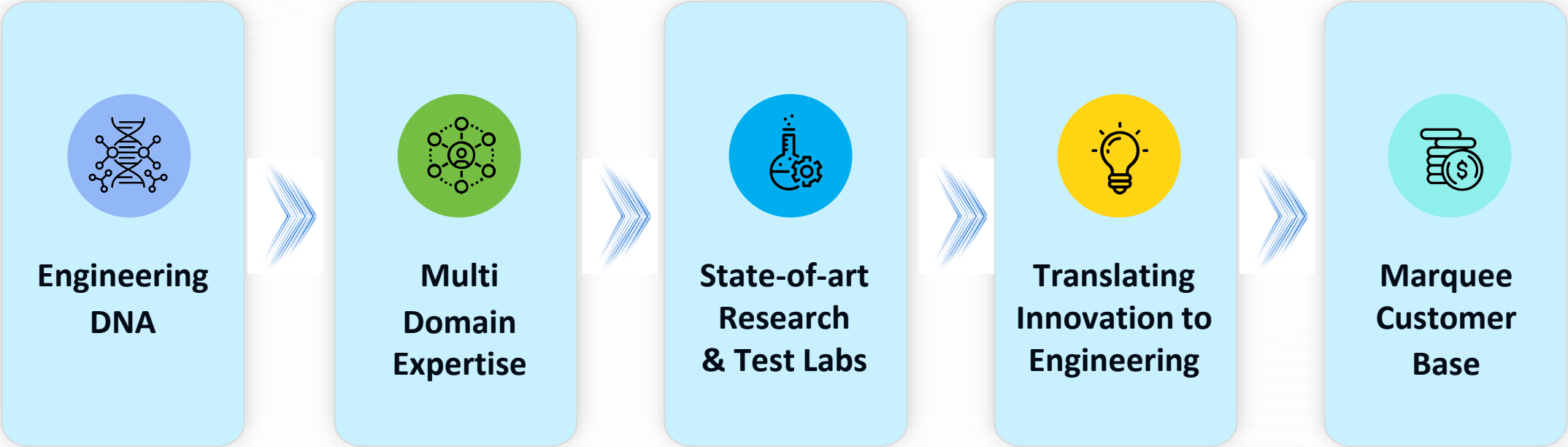
# How Will We Get There...

## GROWTH VECTORS



# What Sets us Apart

## Our Key Differentiators

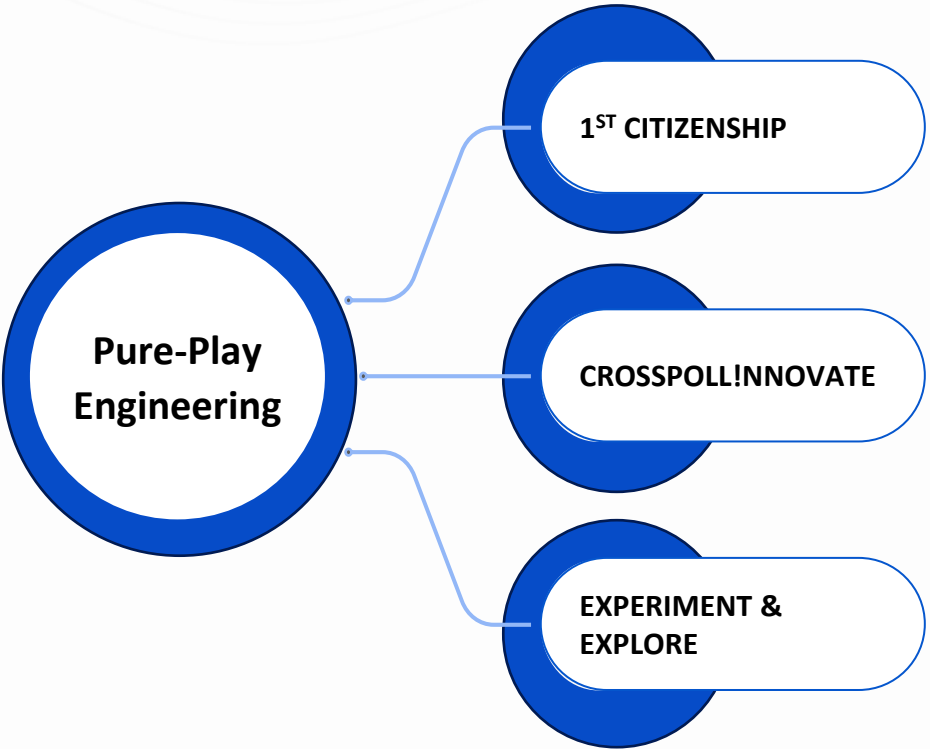


# Our World Class Talent



**23,700+**

**EMPLOYEES ENGINEERING THE CHANGE**



## GEA: Building Cross-Domain Engineers at Scale

<b>GEA Offerings</b>	<b>GENESIS</b>	<p>3-month training for University graduates</p> <ul style="list-style-type: none"> <li>Capacity to hire and train 2-3K plus freshers per year</li> </ul>
	<b>NOTCH UP</b>	<p>Upskilling &amp; cross-skilling</p> <ul style="list-style-type: none"> <li>80% of workforce upskilled or cross-skilled annually</li> <li>4200+ employees skilled in AI, 1200 in SDV and 300 in Cybersecurity</li> </ul>
	<b>GEN AI ACADEMY</b>	<p>Building AI and Gen AI skills</p> <ul style="list-style-type: none"> <li>3000+ Engineers completed AI/GenAI Skills program</li> <li>200+ top leaders certified in 'Leading with AI' program</li> </ul>
	<b>HIGHER EDUCATION</b>	<p>Work Integrated Learning Programs</p> <ul style="list-style-type: none"> <li>Tie-ups &amp; partnerships with 15 world class institutions</li> <li>Hiring of ~ 250 PhDs/ Post-graduates every year</li> </ul>
	<b>GO GLOBAL</b>	<p>Geo Specific Skilling program</p> <ul style="list-style-type: none"> <li>Global training facilities</li> <li>Programs designed specifically for onsite employees</li> </ul>

# Creating Customer Value Via Crosspoll!nnovation

By bringing transformative ideas from other industries, LTTS' Innovations helped us reduce lead time to market.



**5G TCU Testing from our Hi-Tech Segment for a Transportation Customer**



**Annotation Technology from Transportation being used for Imaging Medical Radiology**



**Battery operated Autonomous Welding Robot from Industrial Products for a Plant Engineering manufacturer**

# Has Led Us To Where We Are



**#1** Pure-Play **Engineering Services Provider**<sup>^</sup> for **three consecutive years**

Leading Edge  
in Emerging  
Tech Areas



**Digital Engineering**

Among Top 5 ESPs



**ADAS**

Among Top 3 ESPs



**Digital Thread**

Among Top 3 ESPs



**IoT**

Among Top 4 ESPs



**AI Engineering**

Among Top 5 ESPs

**Aerospace**

Among Top 5 ER&D players



**Auto**

Among Top 4 in competency



**Medical**

Among the Top 2 in competency



**Telecom**

Among the Top 4 ESP



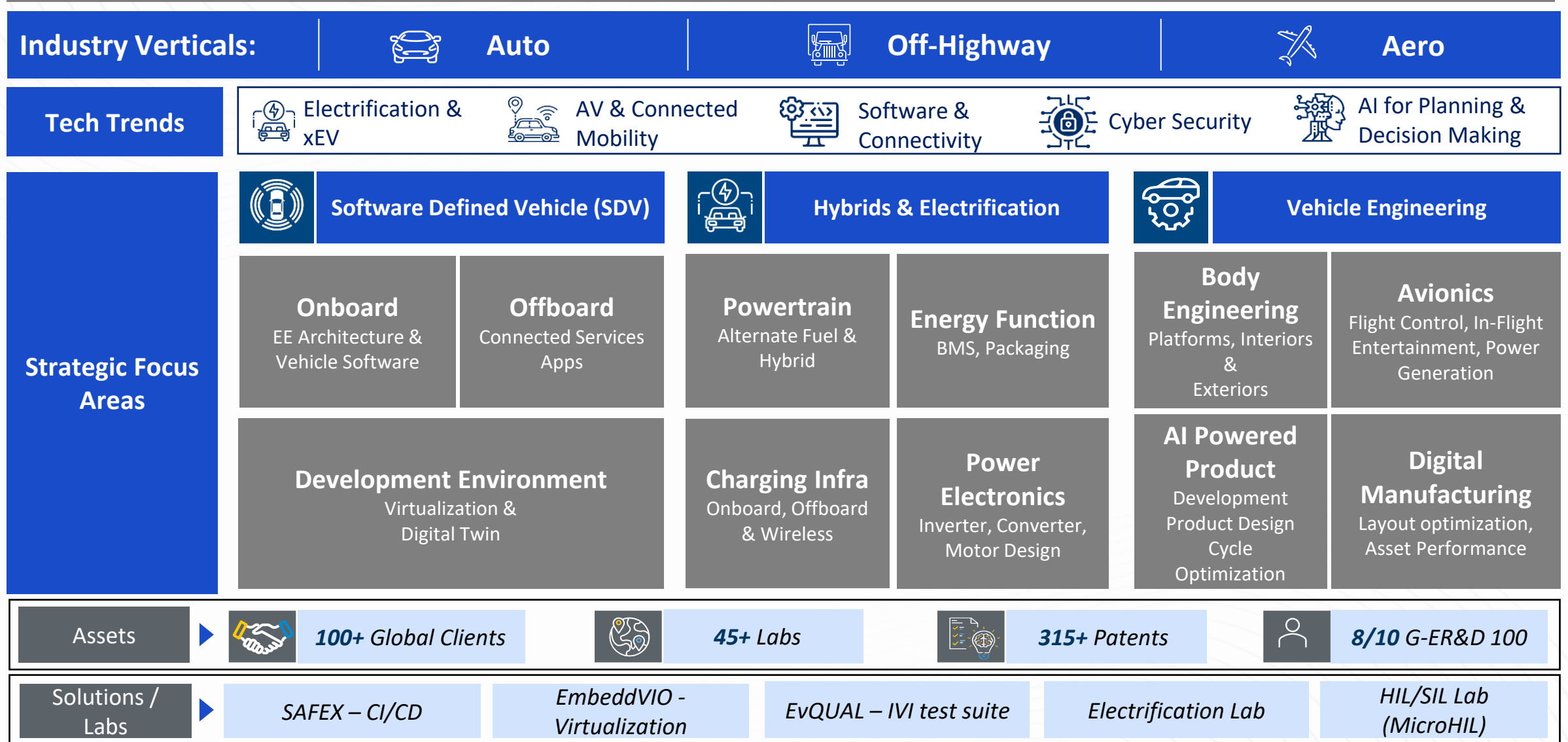
**Industrial**

Maintained Top 2 position



Leading Edge  
in Vertical  
Positioning

# Mobility



# Sustainability

**Industry Verticals:**

- Industrial Machinery & Building Tech.
- Electric, Power & Utilities
- FMCG
- Oil & Gas

**Tech Trends**

- Electrification
- NPD & Product Sustenance
- Robotics & Automation
- Grid Digitalization
- Process & Plant Twins
- Carbon Capture & Circular Economy

**Strategic focus areas**

Process		Industrial	
<p><b>Projects Engineering-Green &amp; Brownfield</b></p> <ul style="list-style-type: none"> <li>Legacy Plants Transformation</li> <li>Digital Twin and Simulators</li> <li>Automatic Packing Lines</li> <li>Automated Storage Solution</li> <li>Advanced Process Control</li> <li>Robots &amp; Co-bots</li> </ul>	<p><b>Sustainable Manufacturing</b></p> <ul style="list-style-type: none"> <li>Predictive Maintenance</li> <li>Overall Equipment Effectiveness (OEE) Solutions</li> <li>Asset Health, Reliability &amp; Integrity</li> <li>Digital Twin</li> <li>Plant Operational Safety</li> </ul>	<p><b>Product Engineering</b></p> <ul style="list-style-type: none"> <li>AI Enabled Smart Energy Solutions</li> <li>Renewable power sourced Data Centers</li> <li>Zero Energy Infrastructure Technology</li> <li>Carbon Capture and Green Hydrogen Generation</li> <li>Alternate Fuel Technology</li> </ul>	<p><b>Energy Transition</b></p> <ul style="list-style-type: none"> <li>Conventional PDLC programs</li> <li>General Manufacturing and Services activities</li> <li>Asset and content management programs</li> </ul>
<p><b>Plant Modernization &amp; Automation</b></p> <ul style="list-style-type: none"> <li>Emission Reduction</li> <li>Energy Transition</li> <li>Energy &amp; Water Mgmt.</li> <li>Hydrogen</li> <li>Circular Economy</li> </ul>	<p><b>Digital Technology</b></p> <ul style="list-style-type: none"> <li>Project Consultancy</li> <li>E/EP/EPCm Projects across O&amp;G, Chemicals, FMCG and Adjacent Domains</li> <li>Facility and Large Project</li> <li>Pre-FEED, FEED, DED Services</li> <li>Standards/Procedures Optimization</li> </ul>	<p><b>Manufacturing Modernization</b></p> <ul style="list-style-type: none"> <li>Robotics &amp; Automation</li> <li>Additive Manufacturing &amp; Re-Engineering</li> <li>Paperless Factory</li> <li>Upgradation of Legacy assets</li> </ul>	<p><b>Alt+Shift to Platform Solutions</b></p> <ul style="list-style-type: none"> <li>Data Engineering and Analytics for Env. Impact Analysis</li> <li>Digital Platform and Appn. Engg</li> <li>Embedded Sustenance Programs – Obsolescence Mgmt.</li> <li>Digital Twin and Connected Products</li> </ul>

**Assets**

- 160+ Global Clients
- 30+ Labs
- 500+ Patents
- 6/10 G-ER&D 100

**Solutions / Labs**

- Power Electronics Lab/Power Tools Lab
- Motor Controls Lab/Machine Vision Lab
- EV Charging Infra
- ESM/ARC
- CoE for i3PDS

# Tech

**Industry Verticals:**

- Medical
- Semcon
- Consumer & Media
- Telecom
- Smart World
- Hyperscalers & ISV

**Tech Trends**

- Microfluidics, MEMS
- Control systems & Robotics
- HPC
- Immersive-reality Technologies
- Cyber security
- Network Automation

<b>Strategic Focus Areas</b>	Medical		Tech	
	Device Engineering	Digital Health	Silicon Engineering	Device Engineering
	<ul style="list-style-type: none"> <li>Product design services</li> <li>Value Engineering</li> <li>Sustenance support</li> </ul>	<ul style="list-style-type: none"> <li>App &amp; platform Engineering</li> <li>AI &amp; Analytics</li> <li>DevSecOps</li> </ul>	<ul style="list-style-type: none"> <li>Next Gen data center chip designs for hyperscalers</li> <li>Embedded engineering for cutting edge devices</li> <li>Pre &amp; Post silicon validation</li> <li>Turnkey SoCs- 3, 4 and 5 nm</li> </ul>	<ul style="list-style-type: none"> <li>Device Certification</li> <li>Product derivatives</li> <li>End – to – End product development</li> <li>Android adaption across devices</li> </ul>
	QARA	Digital Manufacturing	Platform Engineering	System Integration & Roll outs
<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>QMS support</li> <li>Complaints management</li> </ul>	<ul style="list-style-type: none"> <li>Plant transfer/ consolidation</li> <li>Automation</li> <li>Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>Embedded AI</li> <li>AI PC applications engineering</li> <li>Video &amp; OTT services framework</li> <li>AI based predictive maintenance, network optimization</li> <li>Digital Twins: Mobile tower twin</li> <li>DevSecOps Platform</li> </ul>	<ul style="list-style-type: none"> <li>Network rollouts and support through NOS/SOC</li> <li>Large turn-key deployments for rural connectivity in India</li> </ul>	

**Assets**

- 110+ Global Clients
- 40+ Labs
- 600+ Patents
- 8/10 G-ER&D 100

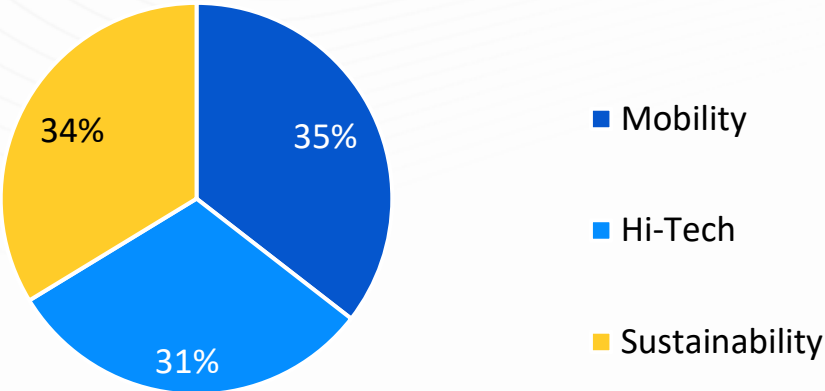
**Solutions / Labs**

- Wet lab, S/w defined Endoscope, visualization
- Hardware Lab/ Silicon Validation Lab
- Media Devices Lab/ 5G Lab
- Alexa Voicification Lab, Android XTS lab-2
- NOC, SOC

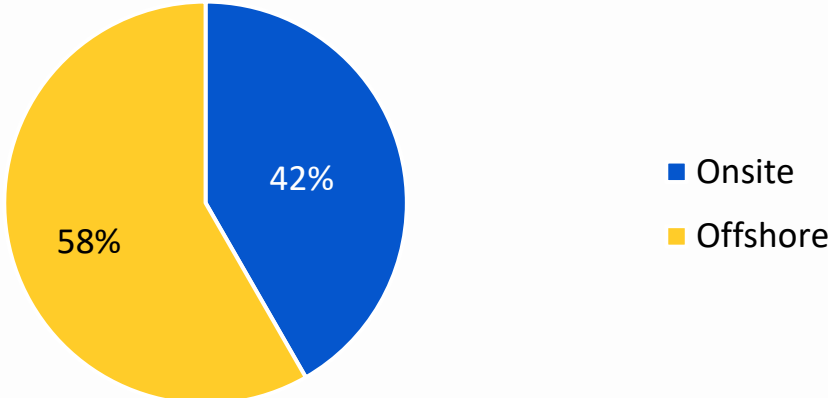


# Diversified Business Mix

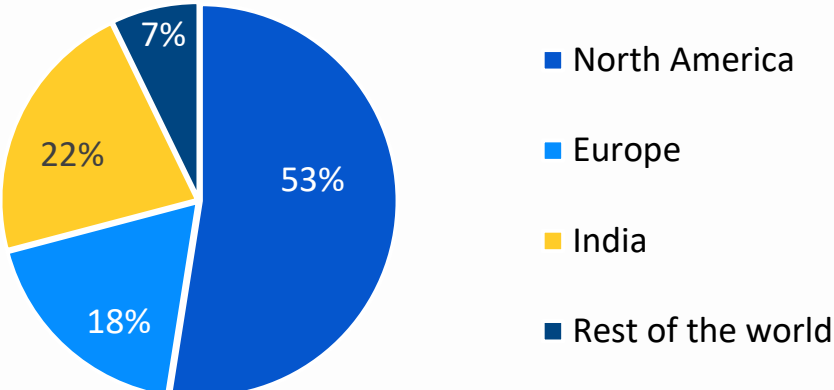
### By Vertical



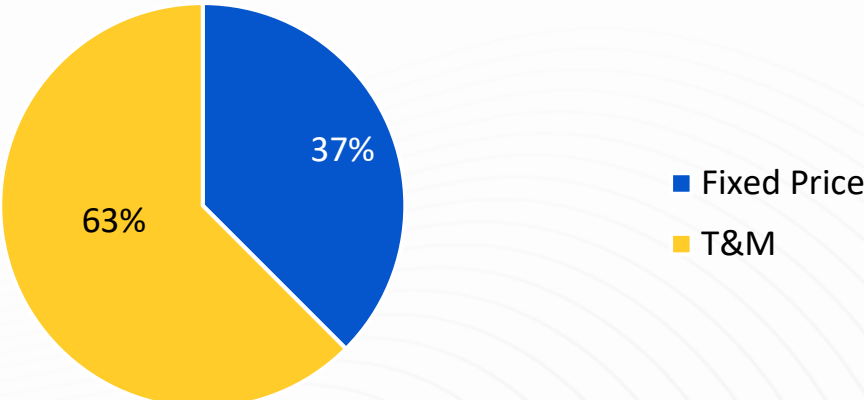
### Onsite vs. Offshore Split



### By Geography



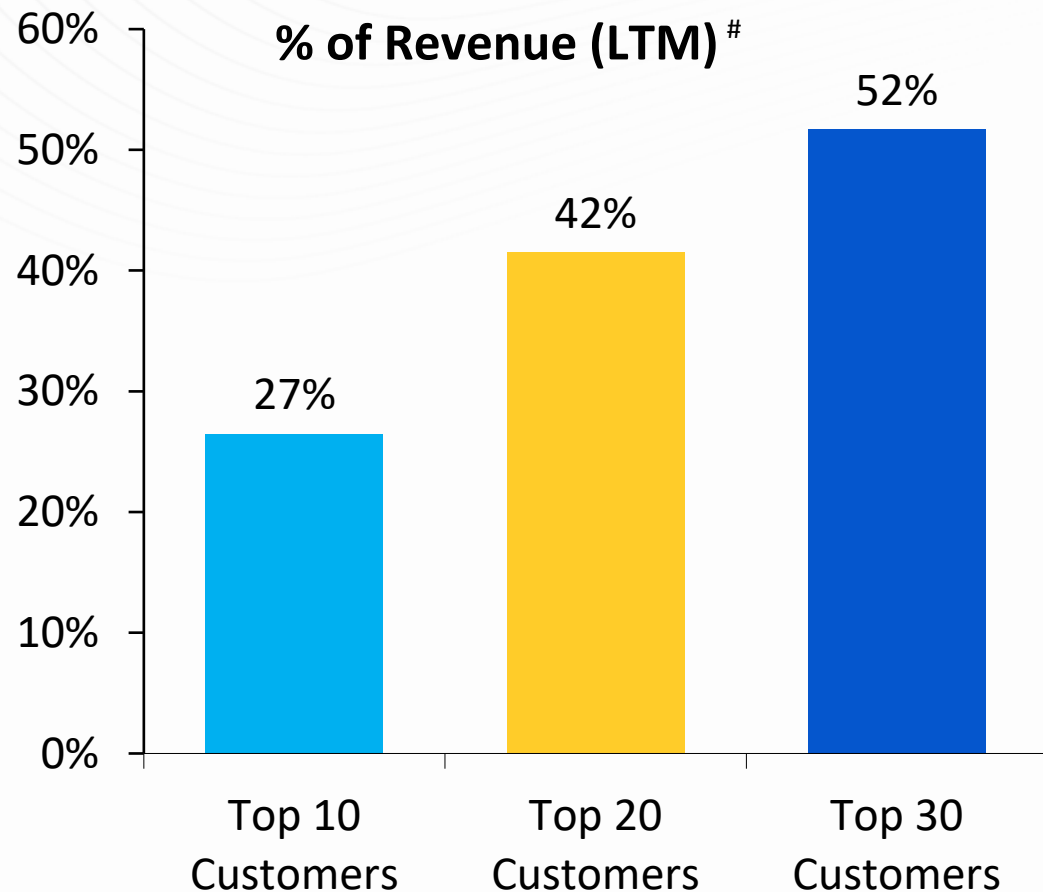
### Fixed Price vs. T&M



All Figures Based on Q2FY25

# Diversified Customer Base

## Top Clients Contribution



# As on Q2FY25

## Scale-up of million dollar clients

Customer Revenue (USD Mn)	FY22	FY23*	FY24	Q2 FY25
30 Million +	2	1	5	7
20 Million +	6	11	12	13
10 Million +	22	28	35	33
5 Million+	48	57	58	60
1 Million +	136	178	180	176

\*Note: Effective April 1, 2023, LTTS completed the acquisition of Smart World & Communication (SWC) Business of L&T. In compliance with Ind AS requirements applicable to common control transactions, FY23 financials have been re-stated to include SWC.

# Performance Highlights

FY20	FY21	FY22	FY23*	FY24	Parameters	Q1 FY25	Q2 FY25
786	737	880	1,089	1,164	Revenue from Operations (USD mn)	295.2	306.7
56,191	54,497	65,697	88,155	96,473	Revenue from Operations (INR mn)	24,619	25,729
16.5%	14.5%	18.3%	17.3%	17.1%	EBIT Margin	15.6%	15.1%
8,186	6,633	9,570	12,121	13,037	Net Income (INR mn)	3,136	3,196
14.6%	12.2%	14.6%	13.7%	13.5%	Net Income Margin	12.7%	12.4%
78.6	63.3	90.9	114.8	123.3	Earnings Per Share (INR)	29.7	30.2
21.0	22.0	35.0	45.0	50.0	Dividend Per Share (INR)	-	17.0
31%	21%	25%	28%	27%	Return on Equity (RoE)	-	-

\*Note: Effective April 1, 2023, LTTS completed the acquisition of Smart World & Communication (SWC) Business of L&T. In compliance with Ind AS requirements applicable to common control transactions, FY23 financials have been re-stated to include SWC.

# Financial Performance – Q2 FY25

Income Statement	Q2 FY24	Q1 FY25	Q2 FY25	QoQ	YoY
Revenue	23,865	24,619	25,729	4.5%	7.8%
Cost of sales	17,175	17,403	18,192		
<b>Gross Profit</b>	<b>6,690</b>	<b>7,216</b>	<b>7,537</b>	<b>4.4%</b>	<b>12.7%</b>
Selling, General & Administration Expenses	1,934	2,654	2,877		
<b>EBITDA</b>	<b>4,756</b>	<b>4,562</b>	<b>4,660</b>	<b>2.1%</b>	<b>-2.0%</b>
Depreciation & Amortisation	681	726	783		
<b>EBIT</b>	<b>4,075</b>	<b>3,836</b>	<b>3,877</b>	<b>1.1%</b>	<b>-4.9%</b>
Other Income, net	286	491	531		
Income tax expense	1,202	1,188	1,208		
Minority Interest	5	3	4		
<b>Net Income</b>	<b>3,154</b>	<b>3,136</b>	<b>3,196</b>	<b>1.9%</b>	<b>1.3%</b>
<b>Margins (%)</b>					
Gross Margin	28.0%	29.3%	29.3%		
EBITDA Margin	19.9%	18.5%	18.1%		
EBIT Margin	17.1%	15.6%	15.1%		
Net Income Margin	13.2%	12.7%	12.4%		
<b>Earnings Per Share (INR)</b>					
Basic	29.84	29.65	30.20		
Diluted	29.76	29.57	30.12		

# Financial Performance – Q2 FY25

Amount in ₹ million

Balance Sheet	FY24	Q2 FY25
<b>Assets</b>		
Property and equipment	10,009	9,753
Intangible Assets and Goodwill	6,248	6,224
Accounts Receivable	28,277	29,061
Unbilled Revenues	4,280	5,082
Investments	14,927	17,294
Cash and Cash equivalents	13,905	11,194
Other current assets	2,905	3,753
Other non-current assets	4,334	4,111
<b>Total Assets</b>	<b>84,885</b>	<b>86,472</b>
<b>Liabilities and Shareholders' Equity</b>		
Shareholders' Funds	53,271	56,196
Other current liabilities	25,371	24,057
Other non-current liabilities	6,036	6,006
Minority Interest	207	213
<b>Total Liabilities</b>	<b>84,885</b>	<b>86,472</b>

Amount in ₹ million

Cash Flow Summary	FY24	YTD FY25
Net cash provided by operating activities	14,928	3,741
Capex	-2,419	-463
<b>Free Cash Flow</b>	<b>12,509</b>	<b>3,278</b>
Free Cash Flow to Net Income (%)	96%	52%

# Revitalizing Rail Track Defect Detection: AI-enabled Compute Vision

## THE CHALLENGE

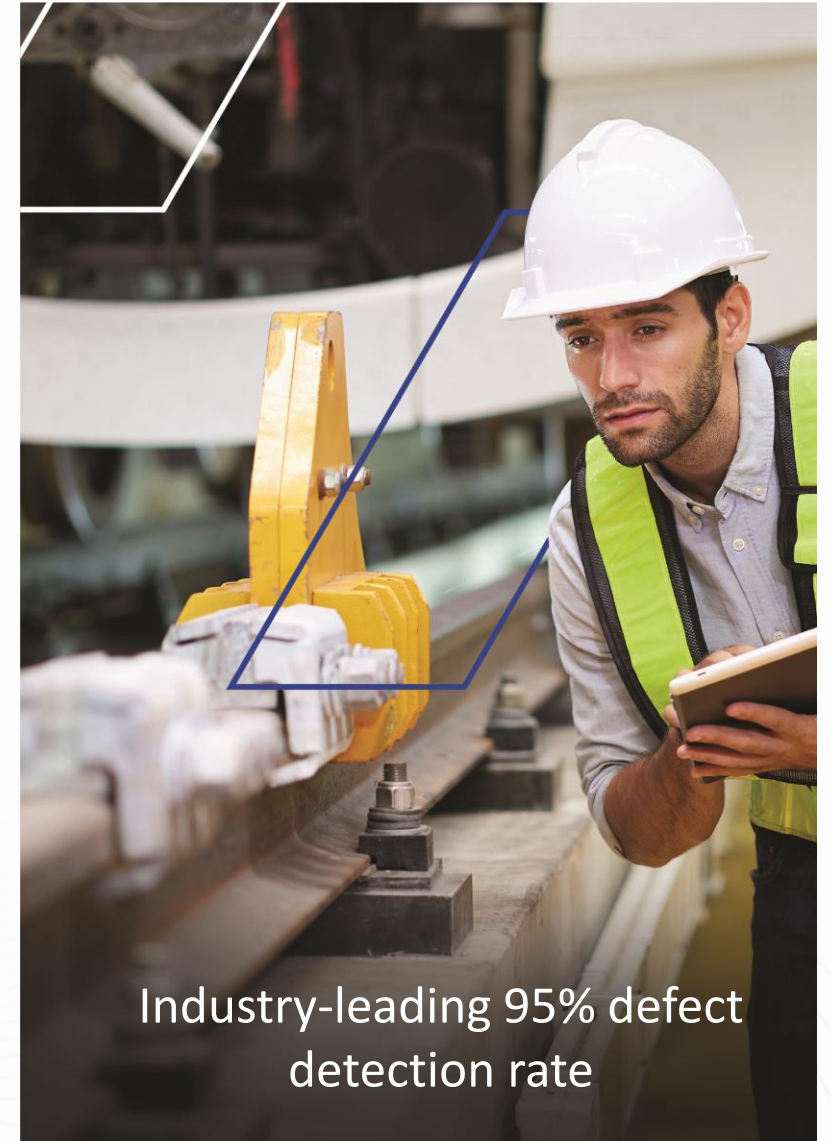
The client sought a **compact, battery-operated rail track defect detection** system which can be retrofitted into a train's unpowered end wagon

## WHAT WE ENABLED

- We designed and developed a unique, **embedded AI-based, battery-operated, lightweight End-of-Train (EoT) mounted BRDS** system which provided real-time rail defect detection and reporting capable of operating up to 24 hours in a single charge.
- **LTTS' Compute Vision Track Eye®** enabled accurate and real-time determination of the size and depth of the defect, enabling real-time strategizing of train routes based on the track condition.

## OUR EDGE

- Embedded AI-based LTTS' Compute Vision Track Eye® Broken Rail Detection System (BRDS)
- Investments in infrastructure such as the **test-rig facility at Mysore**, which enables end-to-end testing of the solution



Industry-leading 95% defect detection rate

# Leveraging 3D Plant Digital Twins: Real-time View Across Geographies

## THE CHALLENGE

The client sought an innovative digital twin solution which would provide a **3600 view and real-time insight** into the manufacturing operation across 25+ sites

## WHAT WE ENABLED

- Derivation of **CFIHOS ++ Data Model** ensures strong foundation for digital twin development
- Digital twin coupled with analytics layers enables near real-time insights for decision making
- The digital twin, along with architecture, is highly scalable and **caters to 25+ sites** with minimal modifications, while ensuring standardization

## OUR EDGE

- **AI/ML-based** AInfonix framework
- Deep domain and multi-year expertise across Process industries - O&G, Chemicals, FMCG, and Discrete Manufacturing
- Multi-geo delivery capabilities and Engineering Value Centers (EVCs)



3D model-based plant digital twins

# Re-engineering Media Experiences: AI-enabled, Automated, Consistent

## THE CHALLENGE

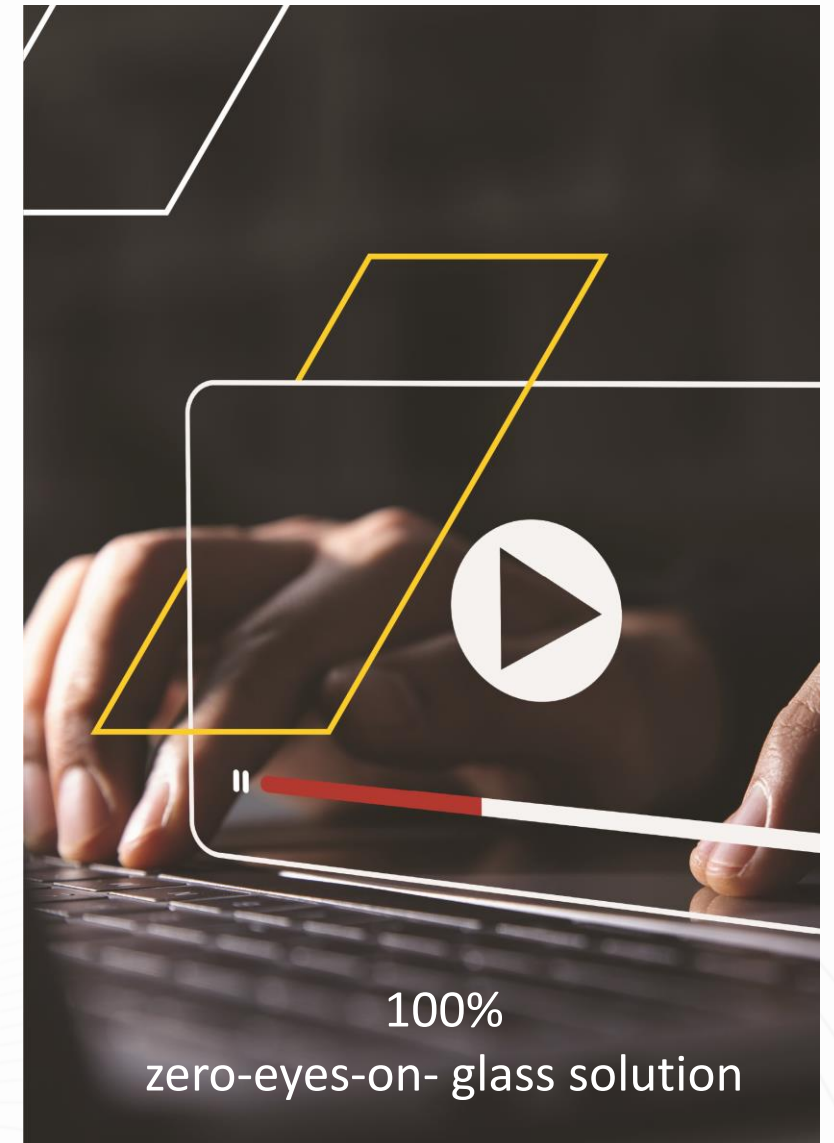
The client, a media solution provider with 20+ million subscribers, and 70+ linear channels delivered worldwide, sought a comprehensive solution that could **automate audio/video playback testing** across all to their customers' devices ensure consistent app performance and playback quality

## WHAT WE ENABLED

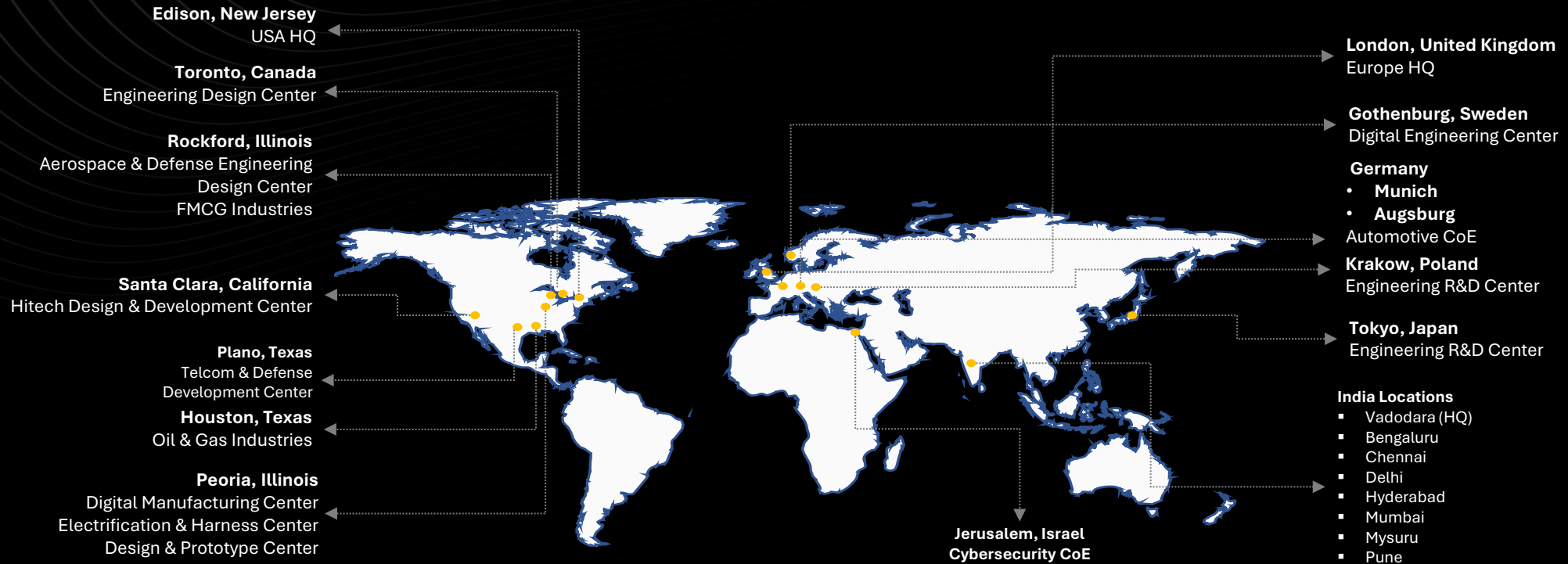
- Development and implementation of a customized test automation solution, powered by LTTS' **Nliten**, enabling a complete CI/CD pipeline - from fetching the app build, running the test cases across multiple devices and generating reports
- **AI-enabled automated solution** which enable proactive monitoring tailored to critical, frequent, and repetitive business use cases enhancing efficiency, reducing effort and costs, and driving better turnaround times

## OUR EDGE

- Comprehensive set of **in-house frameworks, solutions and labs** for entire PDLC
- Deep domain expertise in media and entertainment domain







## ABOUT L&T TECHNOLOGY SERVICES

L&T Technology Services (LTTS) is a global leader in engineering and technology services. A listed subsidiary of Larsen & Toubro (L&T), we offer design, development, testing, and sustenance services across products and processes.

**Purposeful. Agile. Innovation.** is how we drive growth across the Mobility, Sustainability, and Tech segments. Our customer base includes 69 Fortune 500 companies and 57 top ER&D companies across industrial products, medical devices, transportation, telecom & hi-tech, and process industries. Headquartered in India, we have over 23,700 employees across 22 global design centers, 30 global sales offices, and 108 innovation labs, as of September 30, 2024.

For additional information about L&T Technology Services log on to <https://www.LTTS.com/>

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