

# BONANZA WEALTH MANAGEMENT RESEARCH



23 October 2020

**Larsen & Toubro Infotech Ltd (Buy)**

**CMP : Rs. 3,065.20**

## Result Update

In Q2 FY21 revenue stood at INR 29,984 Mn grew by 1.7%/16.6% QoQ/YoY. In constant currency term, it grew by 2.3%/10.5% QoQ/YoY. EBIT margin at 19.9% grew by 250 bps, Improvement in EBIT margin was due to onsite and offshore mix, increase in utilization and operating efficiency. Net Income at INR 4,568 Mn grew by 9.7%/26.7% QoQ/YoY.

In Q2 FY21 company digital revenue contribute 42.9% grew by 5.8%/18.4% QoQ/YoY. Company has added 26 new clients with active client at 419. More number of the client is added in the lower client profile. Company has won large deal with the net new TCV in excess of \$ 40 Mn in analytics. Due to healthy deal pipeline in top account company is confident in the growth of top account and increase traction in digital, cloud and analytics space. Large deal wins, strong deal pipeline and positive demand give confidence for future revenue visibility.

Management indicates due to the complex nature large deal are taking more time to close. Large deal pipeline remains stronger than Q1 FY21. Company has added 1 Fortune 500 client in CPG, Retail & Pharma vertical.

To achieve growth, LTI believes there are 4 components of growth 1) Growth from top-20 accounts 2) Focus on new account opening, 3) Strong invest & participate in growth accounts, 4) Continued traction to win large deals.

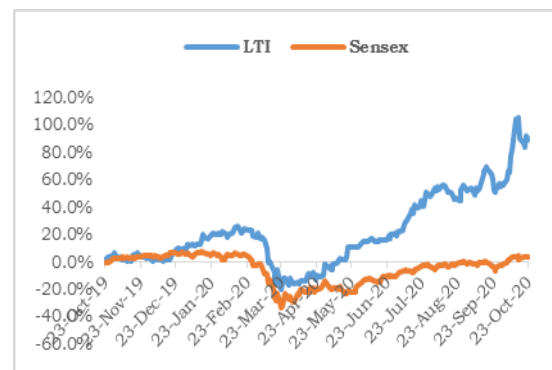
Based on company capabilities it has emerged an opportunities in cloud business and data product business. To further fuel its momentum, company is setting up its unit to build its business and will be a key investment area for company in terms of sale, marketing alliance and building capabilities.

Company has launched cloud data platform, Canvas PolarSled, automated cloud migration and modernization framework to help enterprises accelerate their data move to

Stock Details	
Market Cap (Rs Cr)	53,501.01
BSE Code	540005
NSE Code	LTI
Sector/Index	IT-Software
Year End	March
52 w.High/Low	3,515.15/1,207.60
Shares in Issue	17,45,43,281
BSE Sensex	40,685.50
NSE Nifty	11,930.35

Shareholding Pattern (%)	
Indian Promoters	74.36
DII's	6.41
FII's	11.21
Others	8.02

Key Ratios	
Div Yield	0.91%
TTM PE	31.83
ROE	28.12%
TTM EPS (INR)	96.27



cloud.

BFS contributes 29.9% grew by 11.7% QoQ. Insurance contributes 16.0% de-grow by 3.4% QoQ. Manufacturing contributes 16.2% grew by 6.4% QoQ. Energy & Utilities contributes 10.6% grew by 2.1% QoQ. CPG, Retail & Pharma contributes 11.0% de-grow by 1.1% QoQ. High-Tech, Media & Entertainment contributes 10.6% de-grow by 5.1% QoQ.

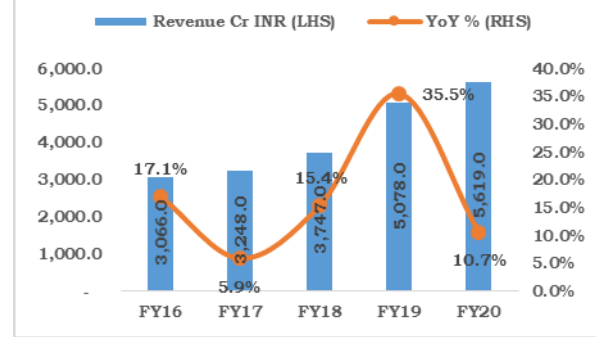
Top 5 client contributes 30.0% of revenue grew by 1.9%. Top 10 clients contributes 42.9% grew by 2.4% QoQ and Top 20 clients contributes 57.8% of revenue grew by 2.9% revenue. Utilization including trainees at 80.5% grew by 110 bps and attrition % (LTM) decrease to 13.5% from 15.2%.

## Key business Highlights

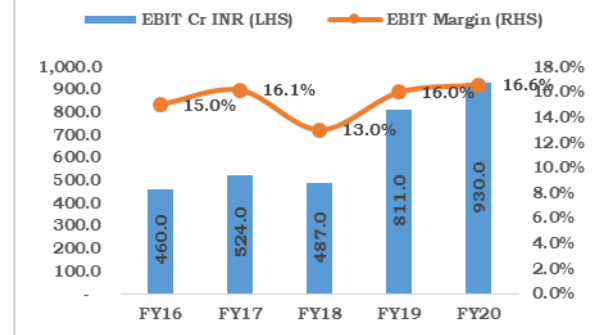
LTI is a global technology consulting and digital solutions Company helping more than 400 clients succeed in a converging world. With operations in 31 countries, company go the extra mile for its clients and accelerate their digital transformation with LTI's Mosaic platform enabling their mobile, social, analytics, IoT and cloud journeys. Founded in 1997 as a subsidiary of Larsen & Toubro Limited, its unique heritage gives us unrivalled real-world expertise to solve the most complex challenges of enterprises across all industries.

## Graphs & Charts

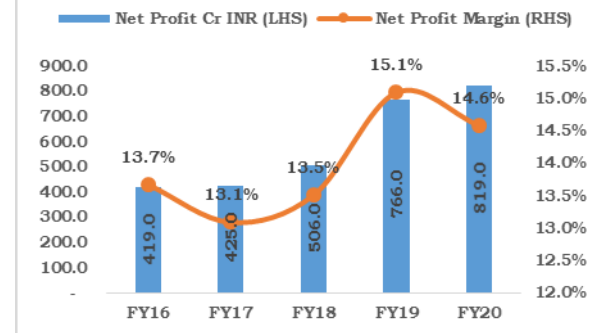
### Net Sales Trend



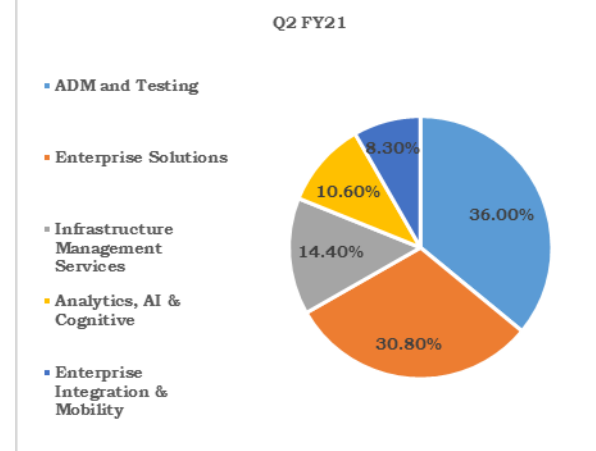
### EBIT & EBIT Margin Trend



### Net Profit & Net Profit Margin



### Revenue from Services Offering



## Team Details

Name	Designation
Amit Lanjewar	Research Analyst

### Disclosure:

Bonanza Portfolio Ltd here by declares that views expressed in this report accurately reflect view point with subject to companies/securities. Bonanza Portfolio Ltd is responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations. Bonanza Portfolio Ltd or its associates or Analyst or his relatives may or may not hold beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of this research report.

Bonanza Portfolio Ltd operates under the regulation of SEBI Regn No.INM000012306

### Disclaimer:

This research report has been published by Bonanza portfolio Ltd and is meant solely for use by the recipient and is not for circulation. This document is for information purposes only and information / opinions / views are not meant to serve as a professional investment guide for the readers. Reasonable care has been taken to ensure that information given at the time believed to be fair and correct and opinions based thereupon are reasonable, due to the nature of research it cannot be warranted or represented that it is accurate or complete and it should not be relied upon as such. If this report is inadvertently send or has reached to any individual, same may be ignored and brought to the attention of the sender. Preparation of this research report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Past performance is not a guide for future performance. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by Bonanza portfolio Ltd to be reliable. This report should not be taken as the only base for any market transaction; however this data is representation of one of the support document among other market risk criterion. The market participant can have an idea of risk involved to use this information as the only source for any market related activity. The distribution of this report in definite jurisdictions may be restricted by law, and persons in whose custody this report comes, should observe, any such restrictions. The revelation of interest statements integrated in this analysis are provided exclusively to improve & enhance the transparency and should not be treated as endorsement of the views expressed in the analysis. The price and value of the investments referred to in this report and the income from them may go down as well as up. Bonanza portfolio Ltd or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of Bonanza portfolio Ltd shall be liable. Research report may differ between Bonanza portfolio Ltd RAs and other companies on account of differences in, personal judgment and difference in time horizons for which recommendations are made. Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. Research analyst have not received any compensation/benefits from the subject company or third party in connection with the research report

Bonanza Portfolio Ltd. Bonanza House, Plot No. M-2, Cama Industrial Estate. Walbhat Road, Goregaon (E), Mumbai – 400063 Web site: <https://www.bonanzaonline.com>  
SEBI Regn. No.: INM000012306 | NSE CM: INB 230637836 | NSE F&O: INF 230637836 | NSE CDS: INE 230637836 |  
BSE CM: INB 011110237 | BSE F&O: INF 011110237 | MSEI: INE 260637836  
| CDSL: a) 120 33500 |  
NSDL: a) IN 301477 | b) IN 301688 (Delhi) | PMS: INP 000000985 | AMFI: ARN -0186

2018 © Bonanza Portfolio Ltd.

