


STOCK UPDATE

Result Update - Q3FY2026

SECTOR

IT & ITES

COMPANY DETAILS

Market cap:	Rs. 1,89,947 cr
52-week high/low:	Rs. 6430/3802
NSE volume: (No of shares)	2.5 lakh
BSE code:	540005
NSE code:	LTIM
Free float: (No of shares)	9.3 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	68.5
FII	6.4
DII	16.6
Others	8.5

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART


Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	0.9	12.5	23.1	7.1
Relative to Sensex	2.1	13.0	20.9	-2.0

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **HOLD**

CMP: **Rs. 6,407**

Price Target: **Rs. 6,930**
Quick Snapshot

- Revenue grew 2.4% q-o-q (6.1% y-o-y) to \$1,208 million. CC growth stood at 2.4% q-o-q (5.2% y-o-y). Revenue stood at Rs. 10,781 crore, up 3.7% q-o-q (11.6% y-o-y), in line with our estimates.
- Consistent quarterly deal intake of \$1.6 billion was supported by wins across healthcare, BFSI, and manufacturing verticals. TCV rose 6.3% q-o-q to \$1.69 billion (0.6% y-o-y). LTM deal wins stood at \$6.51 billion, up 12% y-o-y. Book-to-bill stood at 1.4x. Current valuations fully discount existing revenue visibility. Projections factor in a 7.6% USD revenue CAGR over FY26–FY28, contingent upon sustained deal momentum and execution consistency.
- While management's double-digit USD growth aspirations are encouraging, achieving them remains a tall order. Although the "Fit for Future" program met margin and growth objectives, the street awaits what's next in the upcoming "New Horizons" strategy.
- With growth largely priced in, we downgrade our rating to "Hold" and roll forward our valuation to Dec-27 with a price target of Rs. 6,930.

Result overview

- Headwinds from Top 5 clients:** LTIMindtree continues to face revenue headwinds in it's the top 5 clients, with sequential declines over the past five quarters due to ongoing AI-driven productivity. The management characterises this as a transitory recalibration, noting that four of the five accounts have stabilized. The final account is projected to bottom out next quarter, leading to an expected moderation and stabilization of revenue within this cohort.
- Vertical updates:** Manufacturing vertical grew 9.4% q-o-q led by seasonality (pass through revenue) and Healthcare grew 9.9% q-o-q led by PAN deal ramp up. BFSI declined 0.7% q-o-q due to headwinds in top BFSI account. BFSI sector will bottom out in Q4, after which the company plans to transition into more accelerated projects.

Our Call

LTIMindtree maintains consistent deal momentum with a \$1.6 billion quarterly average, ensuring near-term revenue visibility. While the "Fit for Future" program achieved its initial margin targets, management's double-digit USD growth aspirations appear increasingly aggressive given current vertical momentum. With margins already up significantly, there is limited room for margin expansion. A strong six-month rally has pushed the stock to trade at its five-year average P/E. We roll forward our valuation to Dec-27 and apply a P/E of 32.0x, resulting in a price target of Rs 6,930 and accordingly, we downgrade our rating to "Hold".

Key Risks

Slowdown in AI adoption, rupee appreciation and global macroeconomic uncertainties.

Valuation

	Rs cr			
Particulars	FY25	FY26E	FY27E	FY28E
Total Revenue	38,008	42,113	46,551	50,276
EBITDA Margin %	17.1%	18.0%	18.5%	18.8%
EBIT Margin %	14.5%	15.5%	15.8%	16.1%
Adjusted Net Profit	4,599	5,484	6,057	6,678
% YoY growth	0.4	19.3	10.4	10.3
EPS (Rs)	155	185.0	204.3	225.2
PER (x)	33.5	34.6	31.4	28.4
P/BV (x)	6.8	7.3	6.5	6.0
EV/EBITDA	18.2	16.3	11.0	7.2
ROE (%)	21.5	22.5	22.0	22.0
ROCE (%)	23.7	24.8	25.0	25.1

Source: Company; Mirae Asset Sharekhan estimates

Note: CMP as on Jan 19, 2026

Concall Highlights:

- **Q3FY26 Results:** EBIT stood at Rs. 1,737 crores, up 5.4% q-o-q (30.7% y-o-y), EBIT stood at 16.1%, up 26bps q-o-q (236bps y-o-y, largely driven by margin improvement program “Fit for Future” supported by favorable currency movements, partially offset by lower working days and furloughs. Adj. PAT stood at Rs 1,412 crore, up 0.8% q-o-q (+30.1% y-o-y).
- **Wage hikes:** Staggered wage hikes will begin in Q4FY26, distributed over two quarters rather than a single tranche. The increase applies to 50% of the workforce, resulting in a 100-bps margin headwind in both Q4 and Q1. Going ahead, we expect Q4 margins to contract due to a 100-bps wage hike headwinds, fewer working days, client-side productivity pressures, and absence of one-offs in Q4 partially offset by improved operational efficiency. Incorporating the same, we expect LTIM to exit FY26 with margin improvement of 100-bps.
- **Deal Wins:** Renewals have evolved from routine extensions into strategic inflection points. Clients are using these cycles to reimagine vendor ecosystems, allowing LTIMindtree to aggressively capture market share from competitors within existing accounts. Most recent large deals reflect this trend of vendor consolidation, transforming standard renewals into significant expansion and transformation opportunities.
- **Segmental margin update:** Q3FY26 margin rose 26 bps q-o-q led by improvement in SG&A (100 bps partially supported by one-offs), forex movements, and fit for future program, partially offset by lower gross margin in certain deals. BFSI have seen margin improvement largely led by continuing efforts under Fit for Future program and infusion of freshers into the account, along with pyramid improvement, rate realisation, forex gains. However, margins on the high-tech vertical have worn out due to clients embarking productivity journey. Management aims to maintain SG&A expenses at 11-11.6% range going forward.
- **Hedging policy and strategy:** The management maintains a consistent hedging policy focused on long-term portfolio performance rather than reacting to quarter-on-quarter market volatility. While core policy is fixed, the company utilises a “band” system that allows them to ramp up or down hedges based on prevailing market conditions. The program is designed to provide earnings stability over time, mitigating the impact of short-term currency fluctuations through a staggered, systematic entry.
- **OCI and P&L Impact:** The company is currently carrying mark-to-market (MTM) losses in OCI. If current exchange rates persist, these OCI losses will eventually flow through the P&L; however, management expects a concomitant benefit to EBIT numbers, effectively neutralising the net impact.

Q3FY26 Result Snapshot:

	Rs cr				
Particulars	Q3FY26	Q3FY25	Q2FY26	YoY (%)	QoQ (%)
Revenues In USD (Mn)	1,208	1,139	1,180	6.1	2.4
CC growth q-o-q	2.4	1.8	2.4		
CC growth y-o-y	5.2	5.6	4.4		
Revenues in INR	10,781	9,661	10,394	11.6	3.7
Employee benefits expense	6,549	6,255	6,468	4.7	1.3
Gross Profit	4,232	3,406	3,927	24.2	7.8
Other expenses	1,356	1,123	1,192	20.7	13.8
Sub-Contracting costs	873	690	805	26.6	8.5
EBITDA	2,003	1,593	1,930	25.7	3.8
Depreciation	266	264	282	0.5	-5.8
EBIT	1,737	1,329	1,648	30.7	5.4
Other income	227	213	300	6.9	-24.4
Interest	69	69	69	0.6	0.0
PBT	1,895	1,473	1,879	28.7	0.8
Total Tax	494	386	498	27.9	-0.9
Minority Interest	-11	1	-20	-946.2	-44.7
EO	442	0	0	NA	NA
PAT	970.60	1,085.40	1,401.10	-10.6	-30.7
Adjusted PAT	1,412.40	1,085.40	1,401.10	30.1	0.8
EPS	32.7	36.6	47.3	-10.6	-30.8
Margin (%)					
EBITDA Margin	18.6	16.5	18.6	208	1
EBIT Margin	16.1	13.8	15.9	236	26
PBT Margin	17.6	15.2	18.1	234	-50
PAT Margin	13.1	11.2	13.5	187	-38
ETR	26.0	26.2	26.5	-15	-45

Source: Company; Mirae Asset Sharekhan Research

Vertical Mix (%)

Particulars	Rs cr				
	Q3FY26	Q3FY25	Q2FY26	YoY (%)	QoQ (%)
BFSI	35.1	36.4	36.2	-130	-110
Hi-tech, Media & Entertainment	22.2	23.7	22.7	-150	-50
Manufacturing & Resource	20.8	19.3	19.5	150	130
Retail, CPG, Travel, Transportation & Hospitality	15.4	14.3	15.6	110	-20
Health, Life Sciences & Public Services	6.5	6.3	6	20	50
Revenue (in USD Mn)					
BFSI	424.0	414.5	427.2	2.3	-0.7
Hi-tech, Media & Entertainment	268.2	269.9	267.9	-0.6	0.1
Manufacturing & Resource	251.3	219.8	230.1	14.3	9.2
Retail, CPG, Travel, Transportation & Hospitality	186.0	162.8	184.1	14.2	1.1
Health, Life Sciences & Public Services	78.5	71.7	70.8	9.5	10.9

Source: Company; Mirae Asset Sharekhan Research

Geography Mix (%)

Particulars	Rs cr				
	Q3FY26	Q3FY25	Q2FY26	YoY (%)	QoQ (%)
North America	72.8	74.7	74.2	-190	-140
Europe	14.8	13.8	14.7	100	10
ROW	12.4	11.5	11.1	90	130
Revenue (in USD Mn)					
North America	879.4	850.6	875.6	3.4	0.4
Europe	178.8	157.1	173.5	13.8	3.1
ROW	149.8	131.0	131.0	14.4	14.4

Source: Company; Mirae Asset Sharekhan Research

Additional Data

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Larsen & Toubro Ltd	68.53
2	LIC	9.03
3	Vanguard	1.33
4	Blackrock Inc	1.03
5	UTI AMC	0.89
6	SBI Funds Management Ltd	0.82
7	ICICI Prudential AMC	0.64
8	Nippon Life India AMC	0.52
9	Norges Bank	0.49
10	UTI Pension Fund Ltd	0.47

Source: Bloomberg

Key management personnel

Name	Designation
Vipul Chandra	CFO
Venu Lambu	CEO & MD
Vikas Jadhav	Head - IR

Source: Company Website

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