



### 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 its 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

Particulars	FY25	FY26E	FY27E	Rs cr 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:**

Particulars	Q3FY26	Q3FY25	Q2FY26	YoY (%)	Rs cr	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
<b>EBITDA</b>	<b>2,003</b>	<b>1,593</b>	<b>1,930</b>	<b>25.7</b>		<b>3.8</b>
Depreciation	266	264	282	0.5		-5.8
<b>EBIT</b>	<b>1,737</b>	<b>1,329</b>	<b>1,648</b>	<b>30.7</b>		<b>5.4</b>
Other income	227	213	300	6.9		-24.4
Interest	69	69	69	0.6		0.0
<b>PBT</b>	<b>1,895</b>	<b>1,473</b>	<b>1,879</b>	<b>28.7</b>		<b>0.8</b>
Total Tax	494	386	498	27.9		-0.9
Minority Interest	-11	1	-20	-946.2		-44.7
EO	442	0	0	NA		NA
<b>PAT</b>	<b>970.60</b>	<b>1,085.40</b>	<b>1,401.10</b>	<b>-10.6</b>		<b>-30.7</b>
<b>Adjusted PAT</b>	<b>1,412.40</b>	<b>1,085.40</b>	<b>1,401.10</b>	<b>30.1</b>		<b>0.8</b>
EPS	32.7	36.6	47.3	-10.6		-30.8
<b>Margin (%)</b>						
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	Q3FY26	Q3FY25	Q2FY26	YoY (%)	Rs cr	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	
<b>Revenue (in USD Mn)</b>						
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	Q3FY26	Q3FY25	Q2FY26	YoY (%)	Rs cr	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	
<b>Revenue (in USD Mn)</b>						
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*

Mirae Asset Sharekhan Limited, its analyst or dependant(s) of the analyst might be holding or having a position in the companies mentioned in the article.

**DISCLAIMER**

This information/document has been prepared by Sharekhan Ltd. and is intended for use only by the person or entity to which it is addressed to. This Document may contain confidential and/or privileged material and is not for any type of circulation, and any review, retransmission, or any other use is strictly prohibited. This information/ document is subject to change without prior notice.

Recommendation in reports based on technical and derivatives analysis is based on studying charts of a stock's price movement, trading volume, and outstanding positions, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals. However, this would only apply to information/documents focused on technical and derivatives research and shall not apply to reports/documents/information focused on fundamental research.

This information/document does not constitute an offer to sell or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Though disseminated to all customers who are due to receive the same, not all customers may receive this report at the same time. Mirae Asset Sharekhan will not treat recipients as customers by virtue of their receiving this information/report.

The information contained herein is obtained from publicly available data or other sources believed to be reliable, and Mirae Asset Sharekhan has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavour to update the information herein on a reasonable basis, Mirae Asset Sharekhan, its subsidiaries and associated companies, their directors, and employees ("Mirae Asset Sharekhan and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent Mirae Asset Sharekhan and its affiliates from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipients of this report should also be aware that past performance is not necessarily a guide to future performance, and the value of investments can go down as well. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of Mirae Asset Sharekhan may have issued other recommendations/ reports that are inconsistent with and reach different conclusions from the information presented in this recommendations/report.

This information/recommendation/report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Mirae Asset Sharekhan and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restrictions.

The analyst certifies that the analyst might have dealt or traded directly or indirectly in the securities of the company and that all the views expressed in this document accurately reflect his or her personal views about the subject company or companies and its or their securities and do not necessarily reflect those of Mirae Asset Sharekhan. The analyst and Mirae Asset Sharekhan further certifies that either he or his relatives or Mirae Asset Sharekhan associates might have direct or indirect financial interest or might have actual or beneficial ownership of 1% or more in the securities of the company at the end of the month immediately preceding the date of publication of the research report. The analyst and Mirae Asset Sharekhan encourage independence in research report/ material preparation and strive to minimize conflict in the preparation of the research report. The analyst and Mirae Asset Sharekhan do not have any material conflict of interest or have not served as officers, directors or employees or engaged in market-making activity of the company. The analyst and Mirae Asset Sharekhan have not been a part of the team which has managed or co-managed the public offerings of the company, and no part of the analyst's compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this document. Sharekhan Ltd, or its associates, or analysts have not received any compensation for investment banking, merchant banking, brokerage services or any compensation or other benefits from the subject company or from a third party in the past twelve months in connection with the research report.

Either Mirae Asset Sharekhan or its affiliates or its directors or employees/representatives/clients or their relatives may have position(s), make market, act as principal or engage in transactions of purchase or sell of securities, from time to time or may be materially interested in any of the securities or related securities referred to in this report and they may have used the information set forth herein before publication. Mirae Asset Sharekhan may from time to time solicit from, or perform investment banking or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall Mirae Asset Sharekhan, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind.

Forward-looking statements (if any) are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment. These statements are not a guarantee of future performance, and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Sharekhan Ltd and its affiliates undertake no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader/investors are cautioned not to place undue reliance on forward-looking statements and use their independent judgment before taking any investment decision.

Investment in securities market are subject to market risks, read all the related documents carefully before investing. The securities quoted are for illustration only and are not recommendatory. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Mirae Asset Sharekhan has been ranked as India's No.1 Retail Broker by Asiamoney Brokers Poll 2023. For more details, visit [bit.ly/AsiamoneyPoll](http://bit.ly/AsiamoneyPoll)

Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on [www.sharekhan.com](http://www.sharekhan.com)

---

Registered Office: 1st Floor, Tower No. 3, Equinox Business Park, LBS Marg, Off BKC, Kurla (West), Mumbai 400 070, Maharashtra, India. Tel: 022-67502000.

Correspondence/Administrative Office Address - Gigaplex IT Park, Unit No 1001, 10th floor, Building No.9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai - 400708. Tel: 022 61169000 / 61150000.

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

SEBI Regn. Nos.: BSE / NSE (CASH / F&O / CD) / MCX - Commodity: INZ000171337; BSE - 748, NSE - 10733, MCX - 56125, DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669 (date of initial registration: 03/07/2004, and valid till 02/07/2026); IRDAI Registered Corporate Agent (Composite) License No. CA0950, valid till June 13, 2027.

Compliance Officer: Mr. Joby John Meledan; Tel: 022-4657 3809; email id: [complianceofficer@sharekhan.com](mailto:complianceofficer@sharekhan.com)

For any complaints/ grievances, email us at [igc@sharekhan.com](mailto:igc@sharekhan.com), or you may even call the Customer Service desk on 022-41523200/ 022-61151111.