

Research Report

LTIMindtree Limited



Prepared By-

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About

Larsen & Toubro Infotech Ltd offers extensive range of IT services like application development, maintenance and outsourcing, enterprise solutions, infrastructure management services, testing, digital solutions, and platform-based solutions to the clients in diverse industries.

The Company is a public limited company incorporated and domiciled in India and has its registered office at L&T House, Ballard Estate, Mumbai - 400 001, Maharashtra, India. The Company's equity shares are listed on the National Stock Exchange of India Limited and BSE Limited in India.

Business segments

Banking, Financial Services & Insurance: 36% in Q3 FY25 vs 37% in FY23

Technology, Media & Communications: 24% in Q3 FY25 vs 24% in FY23

Manufacturing & Resources: 19% in Q3 FY25 vs 17% in FY23

Consumer Business: 14% in Q3 FY25 vs 15% in FY23

Healthcare, Life Sciences & Public Services: 6% in Q3 FY25 vs 6% in FY23

Synopsis of Financials

Q3 FY2026: Execution-led growth + AI repositioning narrative

- INR revenue ₹10,781cr (+3.7% QoQ, +11.6% YoY).
- PAT (adjusted): ₹1,401cr (+1.5% QoQ, +29% YoY)
- PAT (reported, post labor code impact): ₹959cr; EPS ₹32.8 (vs ₹47.3 in Q2).

Stock data (as 05th Feb 2026)

Nifty Price	: 25,642.80
52 week High (in Rs.)	: 6,429.50
52 week Low (in Rs.)	: 3,802.00
Market Cap. (in Crore)	: 1,68,109.40
NSE Code	: INE214T01019

Stock data



Shareholding Pattern (December 2024)



-PUBLIC GROUP
-PROMOTER GROUP

Financial Summary

Particulars	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Sales -	12,370	26,109	33,183	35,517	38,008
Sales Growth %	13.71%	111.07%	27.10%	7.03%	7.01%
Expenses +	9,645	20,860	27,075	29,130	31,513
Operating Profit	2,725	5,249	6,108	6,387	6,495
OPM %	22%	20%	18%	18%	17%
Other Income +	274	766	557	702	990
Net Profit +	1,938	3,950	4,410	4,585	4,602
EPS in Rs	110.79	225.27	149.02	154.72	155.21
Dividend Payout %	36%	41%	40%	42%	42%

Quarterly Results



Particulars	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Sales	9,661	9,772	9,841	10,394	10,781
YOY Sales Growth %	7.15%	9.88%	7.63%	10.19%	11.59%
Expenses	8,068	8,176	8,191	8,464	8,778
Employee Cost %	65%	66%	65%	62%	61%
Operating Profit	1,593	1,596	1,649	1,930	2,003
OPM %	16%	16%	17%	19%	19%
Other Income	212	251	392	300	-363
Other Income Normal	212	251	392	300	227
Interest	69	67	72	69	69
Depreciation	264	251	243	282	266
Profit before tax	1,472	1,529	1,726	1,879	1,305
Tax %	26%	26%	27%	26%	26%
Net Profit	1,087	1,129	1,255	1,381	960

Key Ratios

Ratio	Numerator	Denominator	For the year ended March 31, 2025	For the year ended March 31, 2024
Current Ratio	Total current assets	Total current liabilities	3.5	3.3
Debt-Equity Ratio	Debt consists of borrowings and lease liabilities	Total equity	0.1	0.1
Debt Service Coverage Ratio	Earning for Debt Service = Net profit after taxes + Non-cash operating items + Interest on lease and borrowings + Other adjustments	Debt service = Interest & Lease Payments + Principal Repayments	12.0	15.2
Return on Equity Ratio	Profit for the year less Preference dividend (if any)	Average total equity	21.5%	25.0%
Trade Receivables Turnover Ratio	Revenue from operations	Average trade receivables	6.6	6.3
Trade Payables Turnover Ratio	Adjusted expenses*	Average trade payables	4.5	4.5
Net Capital Turnover Ratio	Revenue from operations	Average working capital (i.e., Total current assets less Total current liabilities)	2.7	2.9
Net profit %	Profit for the year	Revenue from operations	12.1%	12.9%

Yearly Results

Particulars	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Equity Capital	18	30	30	30	30
Reserves	7,286	14,258	16,562	19,988	22,669
Borrowings	798	258	354	2,071	2,187
Other Liabilities	2,604	6,027	6,535	5,456	5,712
Total Liabilities	10,706	20,572	23,481	27,544	30,598
Fixed Assets	1,906	3,473	3,679	4,981	5,285
CWIP	66	503	902	551	681
Investments	3,730	6,048	5,458	8,744	9,845
Other Assets	5,004	10,548	13,442	13,269	14,787
Total Assets	10,706	20,572	23,481	27,544	30,598

Synopsis Quarter Results

Concall Notes - Jan-2026: Key Highlights

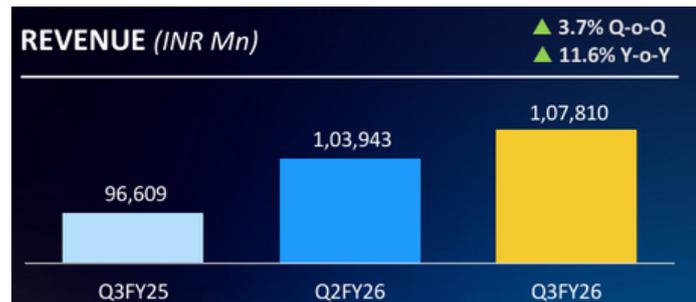
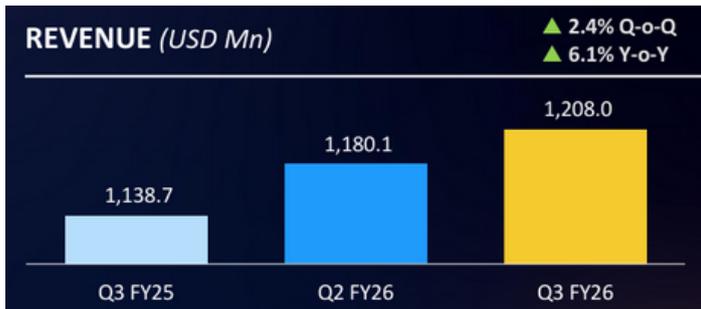
Q3 FY2026: Execution-led growth + AI repositioning narrative:

- Revenue: USD 1.208bn (+2.4% QoQ, +6.1% YoY); CC: +2.4% QoQ, +5.2% YoY. INR revenue ₹10,781cr (+3.7% QoQ, +11.6% YoY).
- Profitability: Operating EBIT margin 16.1% (+20 bps QoQ) driven by Fit4Future Margin Improvement Program and positive FX, partly offset by lower workdays/furloughs.
- Order intake: USD 1.7bn, +6.4% QoQ; management emphasized “sharper focus on large deals” and “redefined partnership.”
- One-time statutory impact: Margin and PAT impacted by labor code change: ₹590cr / USD 66m.
 - PAT (adjusted): ₹1,401cr (+1.5% QoQ, +29% YoY)
 - PAT (reported, post labor code impact): ₹959cr; EPS ₹32.8 (vs ₹47.3 in Q2).
- Cash / balance sheet: Cash & investments USD 1.62bn (₹14,558cr); ROCE 29% (vs 27.5% Q2).
- Working capital: DSO 85 days (vs 82). Cash conversion improved: OCF/PAT 129.9%, FCF/PAT 112.8%.

Margins, costs, and near-term levers: what management committed to:

- Wage hikes: to begin Q4, phased over “a couple of quarters”; ~50% of population in Q4.
- Estimated impact: “up to 1% in each quarter, Q4 and Q1” (management’s wage-hike-only estimate).
- Margin trajectory: management aims to end FY26 with better EBIT margin than FY25; but flagged Q4 headwinds: fewer working days than Q3 and ongoing client productivity impacts.
- SG&A: benefited from Fit4Future efficiencies plus “some one-off reversals.” Sustainable target range suggested: ~11.0%–11.6% of revenue.

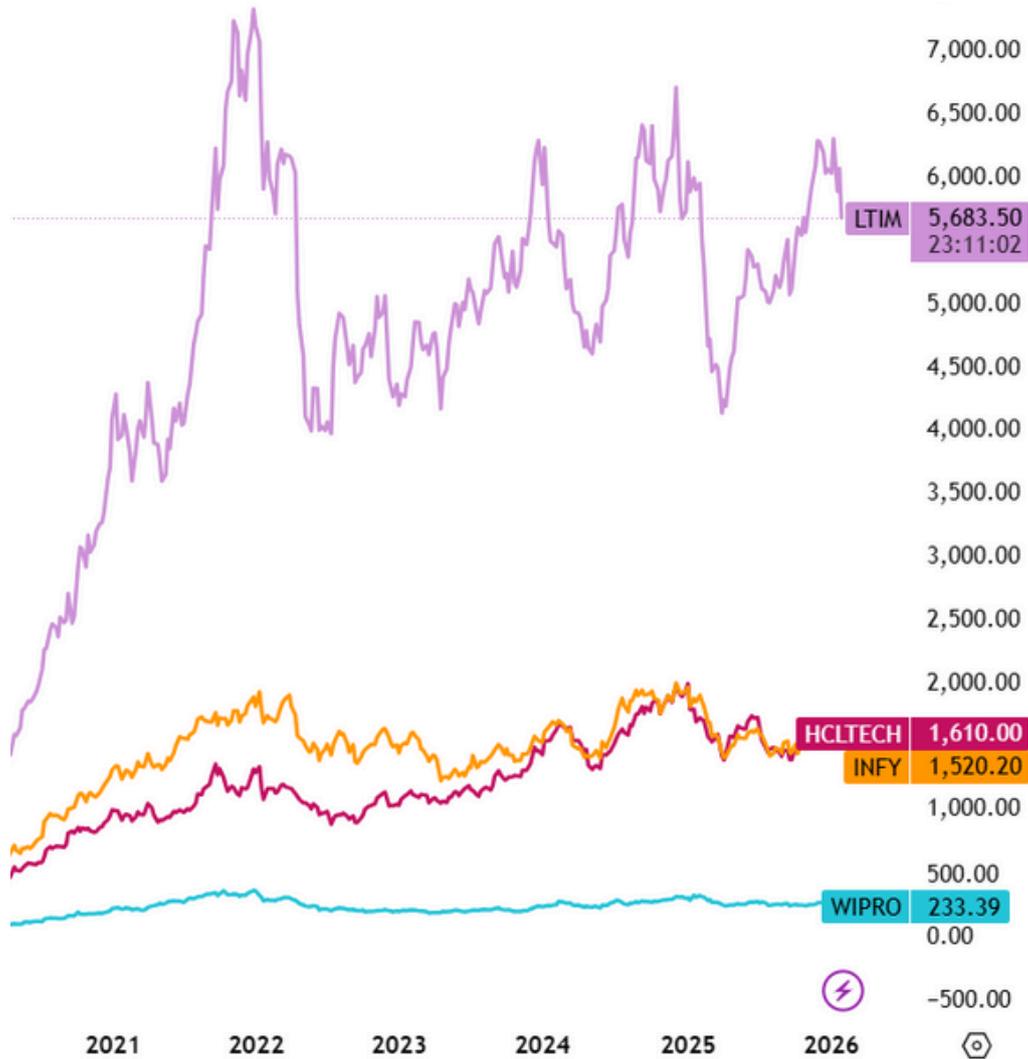
Highlights



Peer Comparison



Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
TCS	2992.05	21.15	1082549.81	2.00	10720.00	6.69	67087.00	4.87	64.63
Infosys	1519.80	21.42	616229.52	2.77	6666.00	10.79	45479.00	8.90	37.50
HCL Technologies	1608.80	25.42	436574.55	3.31	4082.00	4.19	33872.00	13.32	31.61
Wipro	233.35	18.51	244722.41	4.73	3145.00	-7.00	23555.80	5.54	19.51
LTIMindtree	5679.40	32.57	168390.42	1.12	959.60	28.57	10781.00	11.59	27.63

Source: Screener

Final Outlook

LTIM: HOLD | LTP: 5,679

Summary:

LTIMindtree is a stable and well-managed IT company with consistent revenue and profit growth. The company has strong clients, good cash reserves, and improving deal wins. However, margin pressure due to salary hikes and normal slowdown in global IT spending may limit sharp upside in the short term. Overall, the company is financially strong but currently in a moderate growth phase rather than a high-growth phase.

Recent Performance (Q3 FY26 – Simple View):

- Revenue: ₹10,781 Cr (11.6% YoY growth)
- Adjusted PAT: ₹1,401 Cr (strong growth YoY)
- Reported PAT lower due to one-time labor law impact
- Order intake: USD 1.7 billion, showing good demand
- Cash & investments: ₹14,558 Cr, very strong balance sheet

Final Verdict: HOLD

LTIMindtree is a quality IT stock for long-term investors, but at current levels, returns may remain moderate.

👉 HOLD the stock for stability and long-term growth. Fresh buying is better only on market corrections or improved margin visibility.

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