LTM Ltd (LTINFO)

ICICI Direct

CMP: ₹ 4,280 | Target: ₹ 5,100 (19%) | Target Period: 12 months | **BUY**

April 24, 2026

Strong growth momentum to continue into FY27…

About the stock: LTM Ltd (erstwhile LTIMindtree) is the merged entity formed after the merger of erstwhile Mindtree with LTI. It caters to BFSI, retail, health, media & hi-tech.

Q4FY26 & FY26 Performance: Revenue at US$ 1,222 mn, was up 1.2% QoQ/8.1% YoY (+1.2% QoQ CC/+7% YoY CC). In rupee terms, revenue stood at ₹11,291 crore, up 4.7% QoQ/15.6% YoY. Reported EBIT margin declined ~100 bps QoQ to 15.1%. Reported PAT stood at ₹1,387.3 crore, up 45% QoQ/ up 23% YoY while adj. PAT (ex-one off from new labour code) at ₹1,449.5 crore, up 3% QoQ/28% YoY. For FY26, revenue stood at US$4,764 mn, up 6% YoY (+5.3% YoY CC). In rupee terms, revenue was at ₹42,308 crore, up 11.3% YoY. Reported EBIT margin was up ~90 bps YoY to 15.4%. Reported PAT stood at ₹4,983 crore, up 8.3% YoY while adj. PAT stood at ₹5,377.9 crore, up 17% YoY.

Investment Rationale

- **Strong deal momentum and diversified pipeline underpin growth visibility:** LTM's order inflow remains robust (FY26 at US$6.6 bn, +10.3% YoY) with a sharp increase in large deals (6 deals >US$100 mn; ~300% growth). Sustained quarterly inflows (>US$1.5 bn for six consecutive quarters) and a diversified pipeline across BFSI, Manufacturing & Consumer reduce dependence on any single vertical. Moreover, with top account headwinds easing, large clients are expected to turn into growth contributors. Strong growth outside top accounts with continued ramp-up of earlier wins too provide confidence in sustained revenue momentum. **Management aspires to double its revenue (including inorganic) in next 5 years as part of Lakshya '31 plan, implying strong 14.9% CAGR. We expect US$ revenue to grow at CAGR of 8.3% over FY26-28E.**
- **Margin expansion trajectory intact with improving mix & operating leverage:** In Q4, EBIT margins declined ~100bps QoQ to 15.1%, primarily due to the impact of partial wage hikes and productivity commitments in key accounts, partly offset by forex benefits. With increasing contribution from high-growth verticals (Manufacturing & Consumer) and improving geographic mix (higher mix from Europe), operating leverage is expected to strengthen. Strong cash position (US$1.63 bn) further provides flexibility for investments and inorganic growth. **We bake in EBIT margins of 16.1%in both FY27E and FY28E.**
- **AI-led pivot and strategic programs enhance revenue quality:** LTM's transition toward an AI-centric enterprise, anchored by its BlueVerse ecosystem and strong hyperscaler partnerships, is driving higher-value, platform-led engagements. Management commentary indicates accelerating enterprise AI adoption in FY27, positioning LTM to benefit from rising spend in modernization, automation and agentic AI-led transformation.

Rating and Target Price

- Given sustained growth momentum & positive outlook **we maintain BUY rating at a target price of ₹5,100 (vs ₹5,200 earlier); at 22x P/E on FY28E EPS.**

Key Financial Summary

(₹ Crore)	FY24	FY25	FY26	5 Year CAGR (FY21-26)	FY27E	FY28E	2 year CAGR (FY26-28E)
Net Sales	35,517	38,008	42,308	NC	47,103	51,365	10.2
EBITDA	6,387	6,495	7,555	NC	8,714	9,503	12.1
EBITDA Margins (%)	18.0	17.1	17.9		18.5	18.5	
Net Profit	4,585	4,602	5,546	NC	6,336	6,916	11.7
EPS (₹)	154.5	155.0	169.1		213.4	232.9	
P/E (x)	27.7	27.6	22.9		20.1	18.4	
RoE (%)	22.9	20.3	23.1		23.2	22.4	
RoCE (%)	28.7	25.8	27.5		28.2	27.5	

Source: Company, ICICI Direct Research * LTI and Mindtree merged w.e.f. November, 2022. Number prior to FY23 are not comparable (NC)

LTM

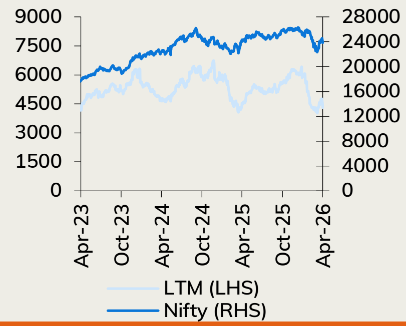
Particulars

Particular	Amount
Market Cap (₹ crore)	1,27,075
Total Debt (₹ crore)	1,901
Cash and Investment (₹ crore)	10,962
EV (₹ crore)	1,18,013
52 week H/L	6429 / 4000
Equity Capital (₹ crore)	29.6
Face Value (in ₹)	1

Shareholding pattern

	Jun-25	Sep-25	Dec-25	Mar-26
Promoter	68.6	68.5	68.5	68.5
FII	6.6	6.4	6.5	6.6
DII	16.2	16.7	16.9	17.0
Public	8.6	8.4	8.1	7.8

Price Chart



Key risks

- Lower than expected revenue and margin expansion;
- Slower than expected ramp up of large deal wins

Research Analyst

Bhupendra Tiwary, CFA
bhupendra.tiwary@icicisecurities.com

CA Anjini Sharma
anjini.sharma@icicisecurities.com

Company Update

ICICI Securities – Retail Equity Research

Performance highlights and outlook

- **Revenue Performance:** LTM reported revenue of US$ 1,222 mn, up 1.2% QoQ/8.1% YoY (up 1.2% QoQ CC/ 7% YoY CC). In rupee terms, revenue stood at ₹11,291 crore, up 4.7% QoQ and 15.6% YoY. For FY26, revenue stood at US$4,764 mn, up 6% YoY (up 5.3% YoY CC). In rupee terms, revenue stood at ₹42,308 crore, up 11.3% YoY.

- **Margin performance:** Reported EBIT margin declined ~100 bps QoQ to 15.1% reflecting the impact if partial wage hikes and productivity commitments which were partially offset by forex benefit. Reported PAT stood at ₹1,387.3 crore, up 45% QoQ/ up 23% YoY while adjusted PAT (ex-one off from new labour code) stood at ₹1,449.5 crore, up 3% QoQ/ 28% YoY. For FY26, reported EBIT margin inched up by ~90 bps YoY to 15.4%. Reported PAT stood at ₹4,983 crore, up 8.3% YoY while adjusted PAT (ex-one off from new labour code) stood at ₹5,377.9 crore, up 17% YoY.

- **Geography performance:** Geography wise, on a QoQ basis in US$ terms all goes too grew with Europe (15.4% of the mix), RoW (12.3% of the mix), and North America (72.3% of the mix) reporting growth of 4.9%, 1% and 0.5%. **The management aspires to grow its business in Europe faster than the Americas going forward.**

- **Segment performance:** Segment wise on a QoQ basis in US$ terms, growth was led by Healthcare (7% of the mix), Hi-Tech (23.7% of the mix), Retail (15.6% of the mix) and Manufacturing (21% of the mix) which grew by 8.9%, 8.3%, 2.5% and 0.5% while BFSI (33% of the mix) de-grew by 4.9%.

  - **BFSI:** The top BFSI account bottomed out in Q4 after an accelerated productivity pass-through, with growth expected to resume from Q1, though recovery is likely to be gradual.
  - **Hi-tech:** the segment saw a faster-than-expected recovery in Q4 driven by faster ramp ups of cloud SOWs in the top account, with near-term momentum expected to sustain.

- **Deal Wins**: The company won a TCV of US$ 1.69 bn, flat QoQ/ up 5.6% YoY. TCV for the full year stood at US$6.6 bn, up 10.3% YoY. The company has won continued large deal wins (6 deals >US$100 mn in FY26) and maintained consistent order inflow (>US$1.5 bn for six consecutive quarters). The CBDT deal will have a more extended transition due to hardware delivery timelines which delayed ramp-up.

- **Attrition & Employee addition**: LTM's net employees decreased by 8 to 87,950 in Q4, while attrition stood at 13.3%, down ~50 bps QoQ.

- Reporting segments will be restructured from Q1FY27 into four buckets: i) BFSI, ii) Tech, Media, and Communications, iii) Production (Manufacturing + ER&U), and iv) Consumer (including Healthcare and Life Sciences).

- **Outlook: The management has outlined an ambition to double revenues over the next five years, implying a ~14.9% CAGR.**

- **M&A:** Inorganic growth remains a key pillar of the company's five-year strategy to double revenues, although execution timelines remain uncertain. The company is evaluating acquisitions to build niche capabilities and access new technologies, enabling entry into emerging areas. It is also targeting opportunities to address market white spaces, including strengthening sovereign capabilities in Europe. Additionally, sectors such as aerospace, defence, and automotive in Europe are being explored as potential acquisition avenues to expand client base.

- **Dividend:** The company declared a final dividend of ₹53 per share taking the full year dividend to ₹75 per share.

Quarter Performance

	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Comments	FY26	FY25	YoY (%)
Revenue (US$ mn)	1,222	1,131	8.1	1,208	1.2	In CC terms revenue was up 1.2% QoQ CC/ 7% YoY CC	4,764	4,493	6.0
Revenue (₹ crore)	11,292	9,772	15.6	10,781	4.7		42,308	38,008	11.3
Employee expenses	8,157	7,044	15.8	7,610	7.2		29,991	26,822	11.8
Gross Margin	3,135	2,728	14.9	3,171	-1.1		12,317	11,186	10.1
Gross margin (%)	27.8	27.9	-15 bps	29.4	-165 bps		29.1	29.4	-32 bps
Other expenses	1,162	1,132	2.7	1,169	-0.5		4,762	4,692	1.5
EBITDA	2,035	1,596	27.5	1,412	44.1		7,027	6,495	8.2
EBITDA Margin (%)	18.0	16.3	169 bps	13.1	492 bps		16.6	17.1	-48 bps
Dep. & Amort.	264	251	5.1	266	-0.8		1,054	992	6.3
EBIT	1,709	1,345	27.1	1,737	-1.6		6,501	5,503	18.1
EBIT Margin (%)	15.1	13.8	137 bps	16.1	-97 bps	Reported EBIT margin declined ~100 bps QoQ to 15.1% reflecting the impact if partial wage hikes and productivity commitments which were partially offset by forex benefit.	15.4	14.5	89 bps
Other Income	109	184	-40.5	158	-30.7		818	711	15.1
PBT	1,819	1,529	18.9	1,895	-4.0		7,319	6,214	17.8
Tax paid	494	401	23.2	345	43.1		1,808	1,612	12.2
PAT	1,387	1,129	22.9	960	44.6	Adjusted PAT (ex-one off from new labour code) stood at ₹1,449.5 crore, up 3% QoQ/ 28% YoY.	4,983	4,602	8.3

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

	FY27E			FY28E		
(₹ crore)	Old	New	% Change	Old	New	% Change
Revenue (USD mn)	5,180	5,120	-1.2	5,635	5,583	-0.9
Revenue	46,361	47,103	1.6	50,711	51,365	1.3
EBIT	7,302	7,584	3.9	8,088	8,270	2.2
EBIT Margin (%)	15.8	16.1	35 bps	16.0	16.1	15 bps
PAT	6,283	6,336	0.8	7,030	6,916	-1.6
EPS	211.6	213.4	0.8	236.8	232.9	-1.6

Source: Company, ICICI Direct Research

Financial Summary

Exhibit 1: Profit and loss statement (₹ crore)

(Year-end March)	FY26	FY27E	FY28E
Total Revenues	**42,308**	**47,103**	**51,365**
Growth (%)	11.3	11.3	9.0
Employee costs	29,991	33,443	36,007
Total Operating Expenditure	34,752	38,389	41,863
EBITDA	**7,555**	**8,714**	**9,503**
Growth (%)	16.3	15.3	9.0
Depreciation & Amortization	1,054	1,130	1,233
Other Income	1,029	1,077	1,154
Interest	276	324	324
PBT before Exceptional Items	6,791	8,337	9,100
Growth (%)	9.3	22.8	9.2
Tax	1,808	2,001	2,184
PAT before Exceptional Items	4,983	6,336	6,916
Exceptional items	-	-	-
Minority Int & Pft. from associates	-	-	-
PAT	**5,546**	**6,336**	**6,916**
Growth (%)	20.5	14.2	9.2
Diluted EPS	169.1	213.4	232.9
EPS (Growth %)	9.1	26.2	9.2

Source: Company, ICICI Direct Research

Exhibit 2: Cash flow statement (₹ crore)

(Year-end March)	FY26	FY27E	FY28E
PBT	6,791	8,337	9,100
Add: Depreciation	1,054	1,130	1,233
(Inc)/Dec in current assets	(2,064)	(842)	(748)
Inc/(Dec) in current liabilities	-	2	2
CF from operations	**4,799**	**5,782**	**6,771**
(Inc)/dec in other investments	(1,443)	-	-
(Inc)/dec in Fixed Assets	(909)	(1,118)	(1,219)
Other investing cash flow	536	1,077	1,154
CF from investing Activities	**(1,768)**	**(42)**	**(65)**
Issue of equity	59	-	-
Inc/(dec) in loan funds	(2)	-	0
Dividend paid & dividend tax	(1,985)	(3,041)	(3,320)
Others	(619)	(324)	(324)
CF from Financial Activities	**(2,926)**	**(3,365)**	**(3,643)**
Net cash flow	105	2,376	3,063
Effect of exchange rate changes	164	-	-
Opening cash	3,588	2,812	5,188
Closing cash	**2,812**	**5,188**	**8,251**

Source: Company, ICICI Direct Research

Exhibit 3: Balance Sheet (₹ crore)

(Year-end March)	FY26	FY27E	FY28E
Liabilities			
Equity	29.6	29.6	29.6
Reserves & Surplus	23,995	27,290	30,887
Networth	24,025	27,320	30,916
Minority Interest	83	83	83
Long term Liabilties & prov	69	71	74
Total Debt	3,236	3,236	3,236
Source of funds	**27,412**	**30,709**	**34,308**
Assets			
Net fixed assets	5,088	5,082	5,076
Net intangible assets	168	161	154
Goodwill	1,292	1,292	1,292
Other non current assets	2,951	3,186	3,395
Unbilled revenue	2,047	2,256	2,460
Debtors	7,425	8,266	9,014
Current Investments	12,036	12,036	12,036
Cash & Cash equivalents	2,812	5,188	8,251
Other current assets	3,378	3,761	4,101
Trade payables	2,061	1,921	2,095
Current liabilities	7,723	8,598	9,376
Application of funds	**27,412**	**30,709**	**34,308**

Source: Company, ICICI Direct Research

Exhibit 4: Key ratios

(Year-end March)	FY26	FY27E	FY28E
Per share data (₹)			
EPS	186.8	213.4	232.9
Cash Per Share	95.0	175.3	278.7
BV	809	920	1,041
DPS	85	103	112
Operating Ratios (%)			
EBITDA Margin	17.9	18.5	18.5
PBT Margin	16.1	17.7	17.7
PAT Margin	13.1	13.5	13.5
Turnover Ratios			
Debtor days	64	64	64
Creditor days	18	15	15
Return Ratios (%)			
RoE	23.1	23.2	22.4
RoCE	27.5	28.2	27.5
RoIC	51.7	56.2	59.0
Valuation Ratios (x)			
P/E	22.8	19.9	18.3
EV / EBITDA	15.2	12.9	11.5
Market Cap / Sales	3.0	2.7	2.5
Solvency Ratios			
Debt/EBITDA	0.4	0.4	0.3
Debt/Equity	0.1	0.1	0.1
Current Ratio	1.3	1.4	1.4
Quick Ratio	1.1	1.1	1.1

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

Pankaj Pandey **Head – Research** **pankaj.pandey@icicisecurities.com**

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

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