PICK OF THE WEEK

1st November, 2025

LTIMindtree Ltd

Sector: IT Services

BUY

CMP	Target Price	Upside
5,680	6,250	10%

CMP as on 31st October 2025 | Time horizon: 6-9 Months

Why LTIM Ltd

- Deal Wins Continuity
- Operational Efficiency
- Leveraging AI Capabilities

About the Company

LTIMindtree is a global technology consulting and digital solutions company that enables enterprises across industries to transform business models, accelerate innovation, and maximise growth by harnessing digital technologies. The company offers services which include cloud & infrastructure, consulting, customer success, data & analytics, digital engineering across BFSI, Technology, Media & Communication, Manufacturing and Resources, Consumer Business, and Healthcare, Life sciences & Public Services.

Investment Rationale

A. Strong Deal Wins Provide Revenue Visibility

- LTIMindtree reported robust deal wins of $1.6 Bn in Q2FY26, up from $1.3 Bn in the prior year, reflecting sustained traction in large and transformation-led programs. The company's focus on vendor consolidation and AI-driven transformation engagements strengthens its medium-term growth visibility. Management commentary on continued deal momentum into H2FY26 further underpins confidence in revenue acceleration ahead.

B.Cost Optimization & Execution Discipline Reflects Profitability Growth

- The company saw expansion of operating margins by 160 bps QoQ to 16% in Q2FY26, aided by cost optimization under the Fit4Future program, lower visa expenses, and currency benefits. The company's ongoing initiatives to improve efficiency, coupled with further expansion, indicate a profitability trend in the coming quarters, in spite of scheduled wage hikes in H2FY26.

C. Strategic Investment to Leverage AI Capabilities

- The company's strategic investments in becoming an AI-centric organisation through initiatives like Blueverse Studios in Mumbai and London, GenAI training for 80,000 employees, and multiple AI-led deal wins position LTIMindtree well to capture emerging demand in next-gen digital transformation. This focus enhances long-term differentiation and supports sustainable growth in an evolving technology landscape.

Outlook & Valuation

- LTIMindtree is well-placed to deliver and encourage growth, given its multiple long-term contracts with the world's leading brands. We believe the company's revenue and EBIT to grow at a CAGR of 9% and 13% over FY25-27E on the back of continued deal wins despite a stable macro-environment, driven by improved cross-sell, up-sell, mining of large clients across end-user industries and greater ability to bag larger deals.
- LTIMindtree is currently trading at 32x/29x P/E multiple for FY26E/FY27E.

Analyst Insights

- We recommend a **BUY** on the stock with a TP of Rs 6,250/share, implying an upside of ~10% from the CMP.

Research Analysts

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Financial Summary

	FY25	FY26E	FY27E
Net Sales (Rs Cr)	38,008	41,611	45,461
EBIT (Rs Cr)	5,503	6,232	7,072
Net Profit (Rs Cr)	4,602	5,257	5,718
EPS (Rs)	156	178	193
PER (x)	36.1	31.6	29.1
EV/EBITDA (x)	25.3	21.4	18.6
P/BV (x)	7.3	6.2	5.4
RoE (%)	21.5	21.4	19.9

Market Data

No. of Shares	30 Cr
Market Cap (Rs Cr)	1,68,405
52-week High	6,768
52-week Low	3,802
PER(x)	35.0
BSE Code	540005
NSE Code	LTIM

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