

LTM

AI-led growth opportunity

LTM on its Investor Day reiterated its ambitious five-year target to double revenue (~15% CAGR, ~13% organic) from its current base while expanding EBIT margin by ~200bps to the 17-18% band. FY26 itself was a transitional year where the company reported 6% YoY revenue growth, exiting Q4 at an 7% YoY CC run rate, while booking a record USD 6.6bn in orders – with large-deal wins nearly doubling YoY – despite a macro environment characterized by successive headwinds including tariff uncertainty, H-1B visa concerns, AI deflation, and geopolitical volatility. The company is pivoting away from legacy effort-led engagement models toward a 'Business Creativity Partner' positioning, anchored on three structural transformations: (1) a strategic AI pivot built around the BlueVerse ecosystem; (2) a domain-tech convergence model that deepens vertical specialization across financial services, tech & services, consumer, and production segments; and (3) a reimagined capability architecture consolidating thirteen-plus practices into three outcome-oriented lines of business – iRun, iTransform, and Business AI.

The Randstad asset acquisition further extends LTM's European footprint into white-space geographies with minimal integration risk, adding sticky, long-tenure client relationships and security clearances, particularly valuable in the sovereign cloud context. The BlueVerse model – combining people, SLMs, agents, and tokenomics under a unified outcome-pricing framework – represents a meaningful effort to structurally decouple revenue from headcount, a key re-rating catalyst if adoption accelerates. The management's willingness to set 2x revenue target while simultaneously acknowledging a 20-25% shrinkage in traditional effort-led spend reflects constructive strategic direction. We have factored in LTM's revenue growth at 7.6/9.1% and EBITM at 16.1/16.5% for FY27/28E respectively, translating into an EPS CAGR of ~15% over FY26-28E. The stock is trading at 1Y fwd P/E of 19x FY27E (21% discount to 10Y average of 24x) and 17x FY28E (below its pre-Covid 5Y average of 18x). We reduce earnings by ~2% and maintain BUY with a TP of INR 5,280, based on 22x FY28E EPS.

- Growth strategy:** LTM's growth architecture rests on pillars: (1) A vertically-led go-to-market model centred on four segments – financial services, tech & services/consumer, and production – where the company targets leadership positions, with financial services and tech services each approaching USD 1bn in revenue. The emphasis on large-deal origination is a focus area, with FY26 large deal bookings doubling YoY. (2) The Randstad asset acquisition targets European and Australian white-space geographies (markets where LTM has limited presence), long-tenure client books (top 25 accounts represent 65% of European revenue; average relationship of 10+ years), aerospace and defence security clearances, significant cross-sell potential across SAP, Oracle Cloud, and data services, and limited integration risk. (3) The New Horizon execution framework structures internal capital allocation across growth outperformance, strategic pivots in capability and commercial models, and continuous cost and margin optimization.
- Aspirational target of 2x revenue and 200bps margin expansion:** Management's five-year financial aspiration is clearly defined: 2x revenue from the current base, implying a CAGR of ~15% and ~13% organic CAGR, and EBIT margin expansion of ~200 bps (reach 17–18% range). EBIT margin expanded ~90bps in FY26 to reach 15.3% through the Fit for Future cost program and sales transformation initiatives. The company absorbed a 20-25% shrinkage in traditional effort-led services and delivered 6% topline growth. The cost-curve bending strategy remains a multi-year initiative: platform-based service delivery (iRun), AI-led engineering productivity, and a structural shift toward non-linear revenue models (BlueVerse, outcome-based pricing, agent factories) are expected to progressively improve the operating leverage. The Randstad acquisition will be margin dilutive, the EBIT margin is in mid-single digits, but gross margin is in line. The commercial adoption of outcome-based pricing has a lag (contracts don't reprice overnight), suggesting that the full financial benefit of the non-linear model will accrue from FY28 onward rather than in the near term. The key monitorable will be order bookings, large deal ramp-up velocity, and business AI revenue contribution as leading indicators of the 2x trajectory.

BUY

CMP (as on 3 June 2026)	INR 4,053
Target Price	INR 5,280
NIFTY	23,406

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 5,420	INR 5,280
EPS %	FY27E +0.1	FY28E -2.5

KEY STOCK DATA

Bloomberg code	LTM IN
No. of Shares (mn)	297
MCap (INR bn) / (\$ mn)	1,202/12,578
6m avg traded value (INR mn)	1,858
52 Week high / low	INR 6,430/3,901

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.0)	(34.2)	(19.9)
Relative (%)	(0.6)	(21.6)	(12.0)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	68.53	68.52
FIs & Local MFs	16.91	17.01
FPIs	6.51	6.63
Public & Others	8.05	7.84
Pledged Shares	0.00	0.00

Source : BSE

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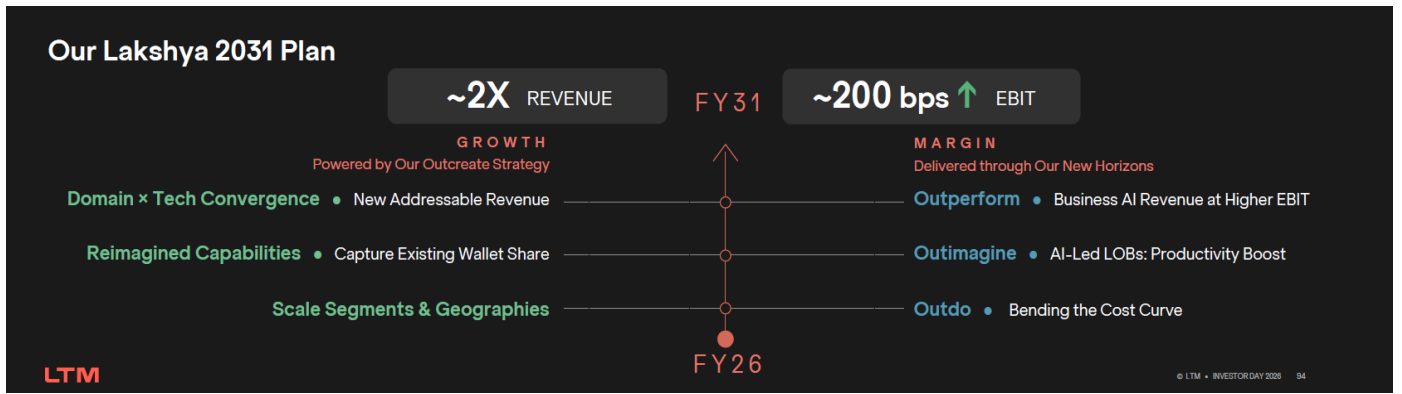
- AI Opportunity - BlueVerse Ecosystem, SLMs & Business AI:** LTM's AI opportunity is built on three structural demand drivers—Context, Cost, and Change—where Context means democratized intelligence still needs deep domain and organizational knowledge that LTM supplies via long-term models (SLMs) and the BlueVerse platform. The agentic transition has shifted the market from “agents replacing humans” to human-agent collaboration, creating a large addressable market for agentified business process redesign; and AI-led engineering is now non-discretionary, since token economics and the wider AI infrastructure economy cannot scale without it. LTM is positioned with BlueVerse plus domain SLMs (for example, the Voicing contact centre SLM and a pipeline developed with partners like Uniphore), AI labs co innovating with Microsoft Copilot, Google Gemini, Salesforce AgentForce, and ServiceNow Now Assist, and a dedicated Business AI services unit targeting core operations spend traditionally outside the IT services TAM. Monetization is underway: 20+ agentic solutions are live in financial services, multiple SLMs are in development across verticals, a partnership announcement with a top two frontier model provider is a potential near term catalyst, and the BlueVerse Currency outcome priced model (combining people, SLMs, agents, and tokenomics) is in beta with select clients as the first step toward non-linear revenue.
- Key risks:** The 20-25% structural shrinkage in legacy effort-led IT spend is the current estimate; any acceleration beyond this range (driven by faster AI adoption) could compress near-term growth even as the Business AI market matures, creating a transition gap. The outcome-based and non-linear commercial models, while strategically compelling, face contract renegotiation inertia — clients on multi-year effort-based agreements cannot reprice quickly, and the revenue mix shift may be slower than the strategic narrative. The Randstad acquisition, while low on integration risk by design, requires regulatory approvals and can be margin dilutive. Talent reskilling at scale — transitioning a large global workforce toward AI-ready and domain-specialized roles — is operationally intensive and carries execution risk.

Financial Summary

YE March (INR bn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Revenue (USD mn)	4,106	4,287	4,493	4,763	5,126	5,594
Net Sales	331.83	355.17	380.08	423.08	481.85	531.39
EBIT	53.85	55.69	55.03	64.93	77.40	87.87
APAT	44.10	45.85	46.02	54.09	61.88	71.09
Diluted EPS (INR)	149.1	155.0	155.6	182.9	209.2	240.3
P/E (x)	27.2	26.1	26.0	22.2	19.4	16.9
EV / EBITDA (x)	18.4	17.3	16.8	13.9	11.4	9.7
RoE (%)	28.6	25.0	21.5	23.2	24.0	24.1

Source: Company, HSIE Research

Exhibit 1: LTM Lakshya 2031 plan



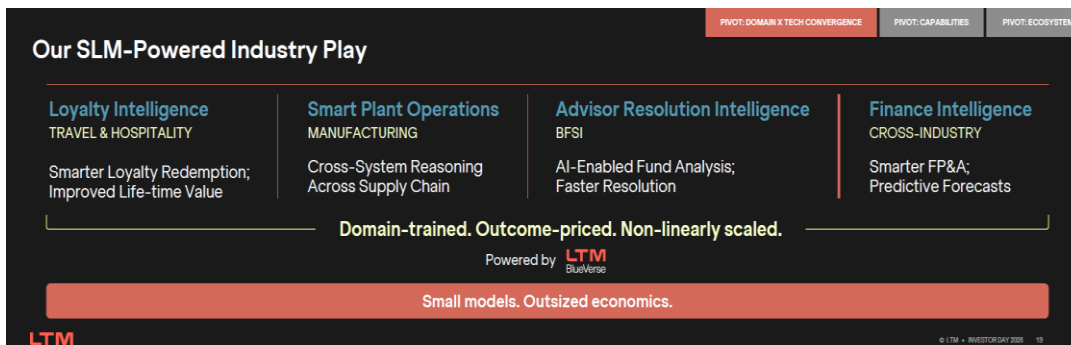
Source: LTM Analyst Day 2026

Exhibit 2: LTM Function-wise AI enablement

Key Function	Talent Acquisition	Employee Engagement	Learning & Development	Performance & Career Mgt	Compensation & Benefits	Compliance	Information & Analytics	HR Shared Services
AI Market Potential	50%	70%	60%	60%	40%	50%	80%	80%
What we Have	Medium	Low-Medium	Low-Medium	Low-Medium	Low	Medium	Low-Medium	Medium
Key Solutions	<ul style="list-style-type: none"> Generating Job Description Suspect Company Identification Predictive Joining Model Face & Voice Biometric Match Automated Interviews AI in GET Hiring Candidate Engagement Candidate outreach 	<ul style="list-style-type: none"> HR Engage- Employee Discussion summarization by AI Digital Onboarding Alumni Portal Infused Oncenting AI-enabled R&R platform Total Wellbeing App 	<ul style="list-style-type: none"> Digital Profile Shoshin Platform Digital Profile - Behavioral Competency configuration AI infused LMS (LXP) Talent Development Linking skills & Learning 	<ul style="list-style-type: none"> Enrich Mentorship Module for Leadership Smart Performance Management (AI infused Goal Setting & Performance Review) Talent Development Career goals planning Multi Stakeholder Feedback Smart Performance AI-infused Continuous Conversation 	<ul style="list-style-type: none"> Gen AI powered Policy Portal Reimagine Comp Module 	<ul style="list-style-type: none"> Grievance Redressal System India, US Canada, LATAM Workflow based Automated POSH, COC Process Legal Case Management System Grievance Redressal: EU 	<ul style="list-style-type: none"> EU HR Dashboard Predictive Analytics - Top Talent Attrition POC OKR Dashboard - Rhythm compliance CHRO Dashboard Predictive Analytics - Top Talent Attrition (PL-P4) 	<ul style="list-style-type: none"> Gen AI HR Service Desk Mobile App Automated BGV BGV validation by AI Email to HR Case creation Voice AI for GOC Pre-onboarding Doc Validation
KPIs Impacted/ Targeted	<ul style="list-style-type: none"> → Increased TA productivity by 15% → Predictive Joining 80% accuracy → Candidate experience score 4.6/5 	<ul style="list-style-type: none"> → 75% positive employee engagement → Onboarding exp. 35/4 → 3200 Alumni Rehires → TA Team efficiency gains- 9.18 Pmonths 	<ul style="list-style-type: none"> → 86% Gen AI trained associates in HR 	<ul style="list-style-type: none"> → Overall goal setting 82%, RAlms adoption 45% 	<ul style="list-style-type: none"> → 66k Hits on Policy Portal 	<ul style="list-style-type: none"> SLA compliance: <ul style="list-style-type: none"> → 100% for POSH → 74% for Misconduct → 65% For Grievance 0.46 Pmonths HR productivity gain 	<ul style="list-style-type: none"> → 80% Accuracy in Prediction Model → 0.5 Pmonths HR Productivity Gain 	<ul style="list-style-type: none"> → 97% BGV Clearance within 21 calendar days → 68% User Satisfaction Rate for HR Service Desk → Projected savings 4 FTE / Month for BGV Validation

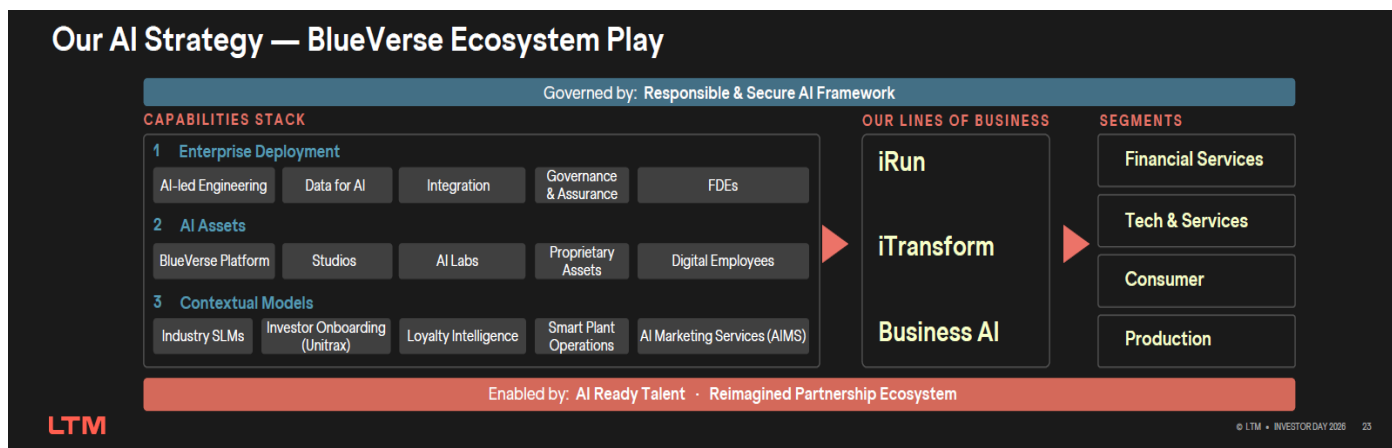
Source: LTM FY26 Annual Report

Exhibit 3: SLM powered industry play



Source: LTM Analyst Day 2026

Exhibit 4: AI – BlueVerse Ecosystem



Source: LTM Analyst Day 2026

Financial performance better vs peers: LTM’s P&L demonstrates strong operating leverage and a historic turnaround, with EBITDA margin recovering to 17.9%—the first improvement in three years—while EBIT margin improved 90bps to 15.3%, led by revenue scale and Fit4Future savings. PAT grew 8.3% YoY to INR 49.8mn, though reported margin compressed slightly to 11.8% due to a one-time, non-recurring provisioning impact from new labour codes. On the balance sheet and cash flow front, the company remains exceptionally strong with zero debt, net worth of INR 2,41,077mn (a 15.7% four-year CAGR), and cash/investment balances increasing to INR 1,53,801mn. Operating cash flow conversion is best-in-class at 96.3%, though DSO increased to 84 days (from 79 days) due to build-up in certain large deals—a metric management expects to resolve in H1FY27. Dividends paid amounted to INR 19,911mn, maintaining an attractive ~1.4% yield.

Key partnerships strengthening the AI ecosystem: LTM significantly deepened its hyperscaler and platform partnerships to drive co-innovation and go-to-market scale. In FY26, the company signed Strategic Collaboration Agreements with AWS for GenAI and VMware migration, was featured in Microsoft’s FY26 Agentic AI Playbook, and was named NVIDIA’s "Rising Star Consulting Partner of the Year. LTM earned top partner awards from Google Cloud (Manufacturing), Snowflake (Manufacturing & Industrials), Salesforce, and ServiceNow (Transformation Partner of the Year for EMEA), reinforcing its position as a trusted orchestrator of advanced AI transformation.

Exhibit 5: Partnership ecosystem

Executive Partner Conclave 2025
September 16-17 in Napa, CA

LTM First Ever Multi-partner Appreciation Event witnessed...

- 15 Strategic Partners
- 58 CXO Meetings
- 28+ Partner Attendees

Keynote Session by Venu Lambu (LTM CEO & MD)

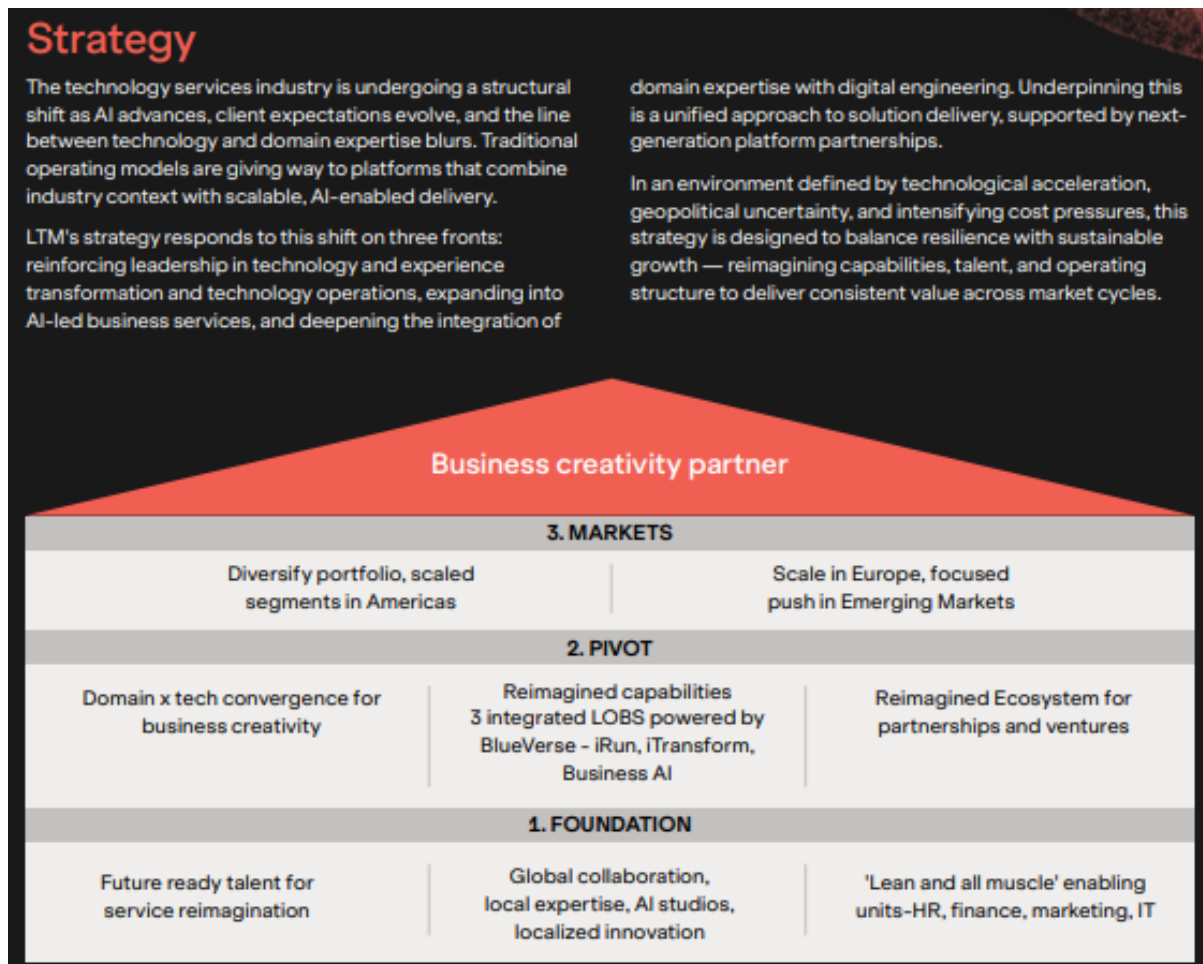
Partnership logos include: AWS, Microsoft, Google Cloud, Salesforce, IBM, Cisco, ServiceNow, NVIDIA, Oracle, SAP, Informatica, Databricks, Snowflake, Adobe, and Dell.

Source: LTM FY26 Annual Report

Cost optimization and margin expansion: LTM’s margin resilience is driven by a multi-pronged strategy focused on operational efficiency and cost discipline. The Fit4Future program delivered measurable improvements in cost structures, while enterprise-wide productivity initiatives across delivery and support functions improved utilization and reduced cycle times. Consequently, consolidated EBITDA margin expanded to 17.9% in FY26 from 17.1% in FY25, and EBIT margin improved to 15.3% from 14.5%, despite a one-time provisioning impact from new labor codes affecting PAT margin.

Strong order bookings: LTM demonstrated strong execution with order inflow reaching USD 6.6bn in FY26, a 10.3% YoY growth, supported by multiple large deal wins including the largest in the company’s history. LTM won its single largest-ever deal in FY26, validating the Sales Transformation initiative launched in FY25. The company now operates a dedicated AI and Large Deals engine aligned with Service Lines and GCC capabilities — a structural change that should improve deal conversion rates and revenue visibility. The book-to-bill is ~1.4x, providing strong revenue cover for FY27E.

Exhibit 6: LTM Strategy



Source: LTM FY26 Annual Report

Strategic Partnership with Randstad Group

LTM acquired Randstad's Technology and Consulting Services businesses in Europe and Australia, which generate ~USD 500mn in annual revenue, representing 10.5% of LTM's FY26 revenue. The transaction will be carried out through the wholly-owned subsidiary, LTMindtree UK Ltd, and covers entities based in the Netherlands, France, and Australia, along with their subsidiaries in Belgium, Luxembourg, Portugal, Romania, and Germany. The deal values the business at USD 186mn (EUR 160mn), implying a price-to-sales multiple of ~0.4x. LTM will acquire a 100% stake in these entities through a cash transaction. The expected closing timeline is by Q3FY27E, subject to approvals, including works council consultations, regulatory approvals (such as FDI and antitrust clearances), and other customary requirements.

Rationale and long-term partnership: This acquisition is strategically aimed at strengthening LTM's presence across key verticals such as Aerospace & Defence, Automotive, Utilities, and BFS, while also deepening local domain expertise and enhancing nearshore delivery capabilities in areas like digital engineering, cybersecurity, and IoT. The transaction is also part of a broader 360° strategic partnership with Randstad. This includes a five-year IT services agreement with a TCV of USD 55-60mn to support AI-led transformation initiatives at Randstad's India GCC, along with a talent MSP arrangement to support LTM's growing workforce needs. LTM has indicated that this move aligns with its five-year strategic roadmap focused on building a resilient and diversified portfolio, while strengthening its ability to deliver sovereign-compliant, domain-driven AI solutions in key markets. Post-acquisition, LTM's European revenue will surpass USD 1bn, while Australian revenue will exceed USD 100mn—effectively doubling its APAC scale and reaching ~USD 1.1bn in Europe.

Capability and client synergies: The acquisition enhances LTM's existing strengths in AI, digital engineering, cybersecurity, and IoT, with minimal overlap in client bases. It provides access to marquee clients and expands presence in new geographies, helping address existing white-space opportunities across both regions and verticals. This creates significant potential for cross-selling complementary services such as cloud, data, enterprise platforms, CX, and AI integration. The acquired business will continue to operate as a separate subsidiary, ensuring minimal integration complexity. Integration efforts will primarily focus on support functions such as finance and HR, while business operations will remain independent to maintain growth momentum. Additionally, LTM will strengthen its nearshore delivery network in Romania and Portugal, complementing existing centres in Poland. It will also benefit from Randstad Group's Managed Service Provider (MSP) capabilities to streamline subcontractor management, enhancing both efficiency and compliance. In Europe, the top 25 clients account for 65% of Randstad's regional revenue, while in Australia, the top 10 clients contribute 80%.

No material financial impact: The transaction is structured to be value-accretive, supported by strong cross-sell and upsell opportunities. LTM does not anticipate any material impact on EBIT or EPS, with margins expected to improve over time through increased offshore leverage.

Exhibit 7: LTM partnership with Randstad

Start of a 360° Strategic Partnership with Randstad Group

STRATEGY	SYNERGY	FINANCIALS
<ul style="list-style-type: none"> Scale in Europe and Australia – large deals Domain expertise in regulated high-growth verticals Access marquee new accounts Geographic and portfolio diversification Efficiency and talent ecosystem Large new client deal 	<ul style="list-style-type: none"> Domain-led digital engineering, cybersecurity & iNXT depth Global delivery model Cross-sell LTM's capabilities across cloud, data, enterprise platforms, CX and AI Sovereign-compliant AI solutions enabled by local security cleared talent 	<ul style="list-style-type: none"> One-off costs Attractive valuation Onsite gross margin at 19 – 20% Potential for margin expansion with synergistic growth Cost savings from MSP and GCC IT profits
We Expect: No material margin impact in FY27 From year 2 onward, revenue growth, synergies, and New Horizons program to support margin improvement		

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Source: LTM Analyst Day 2026

Exhibit 8: Revenue growth trend for Tier-1 IT (QoQ CC)

Revenue growth (QoQ % CC)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
TCS	0.0%	0.1%	1.0%	1.1%	2.2%	1.1%	0.0%	-0.8%	-3.3%	0.8%	0.8%	1.2%
INFO	0.4%	2.3%	-1.0%	-2.2%	3.6%	3.1%	1.7%	-3.5%	2.6%	2.2%	0.6%	-1.3%
HCLT	-1.3%	1.0%	6.0%	0.3%	-1.6%	1.6%	3.8%	-0.8%	-0.8%	2.4%	4.2%	-3.3%
WPRO	-2.8%	-2.0%	-1.7%	-0.3%	-1.0%	0.6%	0.1%	-0.8%	-2.0%	0.3%	1.4%	0.2%
TECHM	-4.2%	-2.4%	1.1%	-0.8%	0.7%	0.7%	1.2%	-1.5%	-1.4%	1.6%	1.7%	0.6%
LTM	0.1%	1.7%	0.7%	-1.3%	2.6%	2.3%	1.8%	-0.6%	0.8%	2.4%	2.4%	1.2%

Source: Company, HSIE Research

Exhibit 9: Revenue growth trend for Tier-1 IT (YoY CC)

Revenue growth (YoY % CC)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
TCS	7.0%	2.8%	1.7%	2.2%	4.4%	5.5%	4.5%	2.5%	-3.1%	-3.3%	-2.6%	-0.6%
INFO	4.2%	2.5%	-1.0%	0.0%	2.5%	3.3%	6.1%	4.8%	3.8%	2.9%	1.7%	4.1%
HCLT	6.3%	3.4%	4.3%	6.0%	5.6%	6.2%	4.1%	2.9%	3.7%	4.6%	4.8%	2.4%
WPRO	1.1%	-4.8%	-6.9%	-6.6%	-4.9%	-2.3%	-0.7%	-1.2%	-2.3%	-2.6%	-1.2%	-0.2%
TECHM	-0.9%	-5.9%	-5.4%	-6.4%	-1.2%	1.2%	1.3%	0.3%	-1.0%	-0.3%	1.3%	2.4%
LTM	8.2%	4.4%	3.1%	1.2%	3.7%	4.4%	5.6%	6.3%	4.4%	4.4%	5.2%	7.0%

Source: Company, HSIE Research

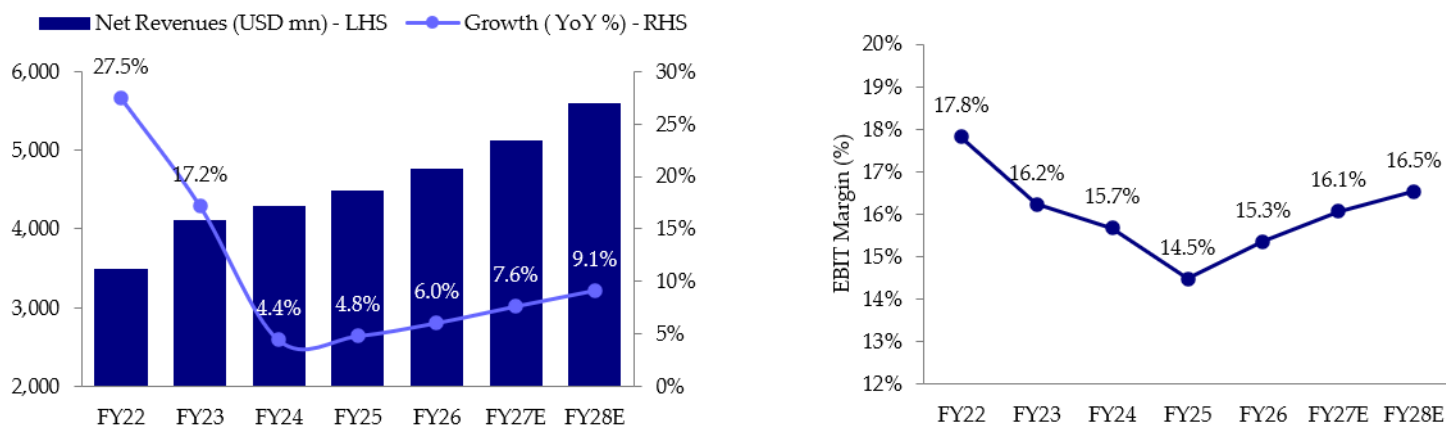
Exhibit 10: EBIT margin trend for Tier-1 IT

EBIT Margin (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
TCS	23.2%	24.3%	25.0%	26.0%	24.7%	24.1%	24.5%	24.2%	24.5%	25.2%	25.2%	25.3%
INFO	20.8%	21.2%	20.5%	20.1%	21.1%	21.1%	21.3%	21.0%	20.8%	21.0%	18.4%	21.0%
HCLT	17.0%	18.5%	19.7%	17.6%	17.1%	18.6%	19.5%	18.0%	16.3%	17.4%	18.6%	16.5%
WPRO (IT Services)	16.0%	16.1%	16.0%	16.4%	16.5%	16.8%	17.5%	17.5%	17.3%	16.7%	17.6%	17.3%
TECHM	6.8%	4.7%	5.4%	7.4%	8.5%	9.6%	10.2%	10.5%	11.1%	12.1%	13.1%	13.8%
LTM	16.7%	16.0%	15.4%	14.7%	15.0%	15.5%	13.8%	13.8%	14.2%	15.9%	16.1%	15.1%

Source: Company, HSIE Research

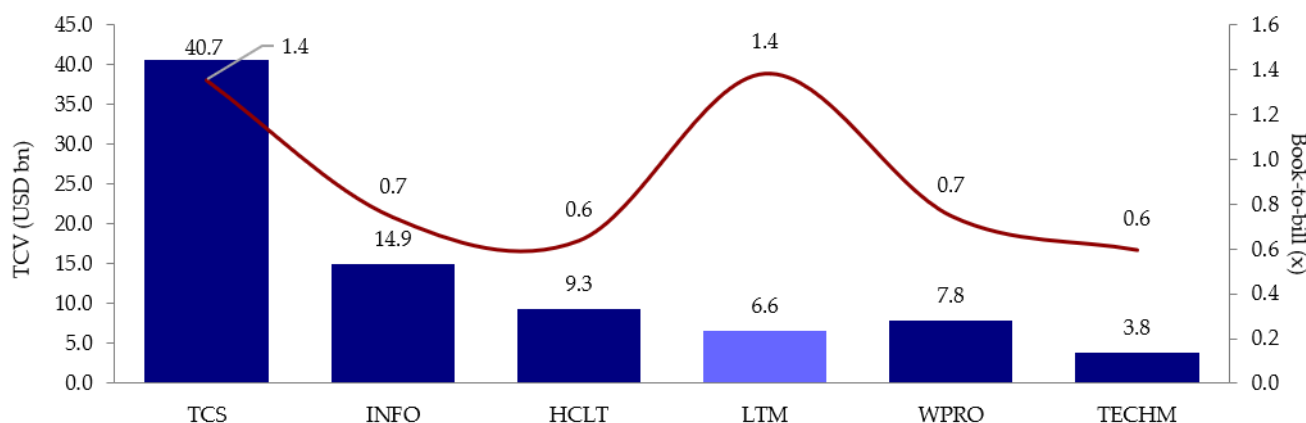
LTM: Company Update

Exhibit 11: LTM Revenue and EBIT margin trend



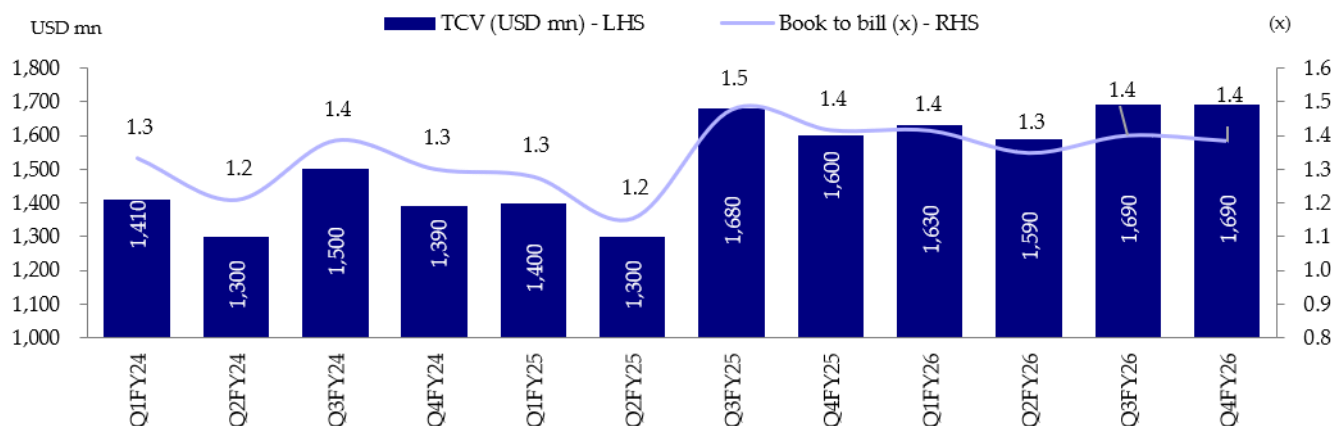
Source: Company, HSIE Research

Exhibit 12: Book-to-bill trend for Tier-1 IT (FY26)



Source: Company, HSIE Research

Exhibit 13: LTM Quarterly Book-to-bill trend



Source: Company, HSIE Research

Exhibit 14: Operating costs and EBIT margin trend vs Tier-1 IT

Direct Cost (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
TCS	58.4%	57.8%	57.2%	56.8%	58.2%	59.8%	59.0%	59.1%	58.7%	58.3%	57.1%	57.3%
INFO	66.5%	66.3%	67.2%	67.5%	66.2%	66.6%	66.8%	66.6%	66.4%	66.6%	69.3%	66.0%
HCLT	65.9%	65.3%	64.7%	66.5%	66.9%	66.5%	65.8%	66.8%	67.8%	67.4%	66.8%	67.9%
WPRO	67.4%	66.7%	65.1%	67.0%	66.5%	65.8%	65.9%	65.9%	67.9%	67.4%	67.6%	67.9%
LTM	68.4%	68.6%	70.1%	70.2%	69.7%	69.2%	71.2%	72.1%	70.9%	69.7%	70.6%	72.2%

SG&A (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
TCS	16.4%	15.8%	17.4%	15.1%	15.2%	14.1%	14.3%	14.6%	14.7%	14.4%	15.6%	15.4%
INFO	9.6%	9.5%	9.3%	9.4%	9.8%	9.4%	8.9%	9.2%	10.1%	9.7%	9.8%	9.9%
HCLT	13.6%	12.4%	11.5%	12.0%	12.4%	11.5%	11.3%	11.8%	12.3%	11.9%	11.3%	12.4%
WPRO	14.2%	14.6%	16.0%	13.2%	13.7%	13.6%	13.8%	13.6%	12.9%	13.2%	14.2%	11.9%
LTM	12.8%	13.1%	12.3%	12.5%	12.7%	12.8%	12.3%	11.6%	12.3%	11.7%	10.8%	10.3%

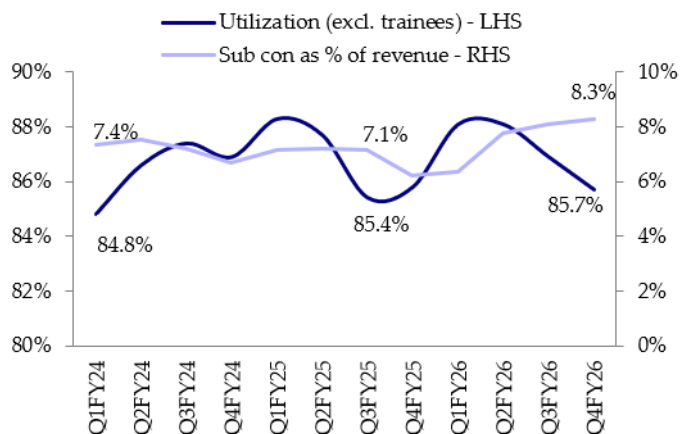
Dep (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
TCS	2.1%	2.1%	2.0%	2.0%	1.9%	2.0%	2.2%	2.1%	2.1%	2.1%	2.1%	2.0%
INFO	3.1%	3.0%	3.0%	3.1%	2.9%	2.8%	2.9%	3.2%	2.7%	2.7%	2.5%	3.1%
HCLT	3.5%	3.8%	4.0%	3.8%	3.6%	3.5%	3.5%	3.4%	3.6%	3.3%	3.3%	3.2%
WPRO	3.2%	4.0%	4.2%	3.8%	3.3%	3.7%	3.0%	3.2%	3.1%	3.0%	3.4%	3.0%
LTM	2.1%	2.3%	2.2%	2.6%	2.6%	2.6%	2.7%	2.6%	2.5%	2.7%	2.5%	2.3%

EBIT Margin (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
TCS	23.2%	24.3%	23.4%	26.0%	24.7%	24.1%	24.5%	24.2%	24.5%	25.2%	25.2%	25.3%
INFO	20.8%	21.2%	20.5%	20.1%	21.1%	21.1%	21.3%	21.0%	20.8%	21.0%	18.4%	21.0%
HCLT	17.0%	18.5%	19.7%	17.6%	17.1%	18.6%	19.5%	18.0%	16.3%	17.4%	18.6%	16.5%
WPRO	15.1%	14.7%	14.7%	16.0%	16.5%	16.8%	17.3%	17.3%	16.1%	16.4%	14.8%	17.2%
LTM	16.7%	16.0%	15.4%	14.7%	15.0%	15.5%	13.8%	13.8%	14.2%	15.9%	16.1%	15.1%

Source: Company, HSIE Research

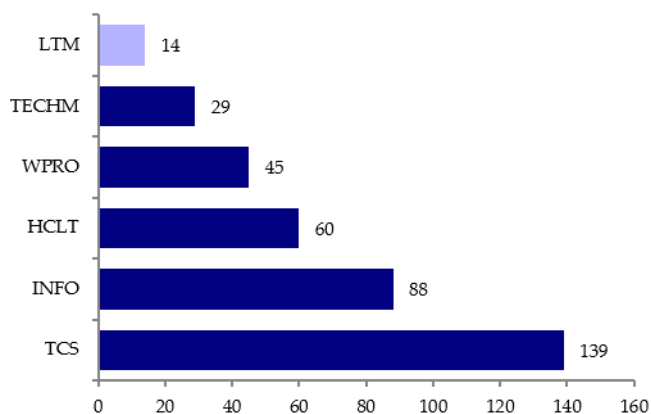
LTM: Company Update

Exhibit 15: LTM utilization and sub-contracting expense (% of revenue) trend



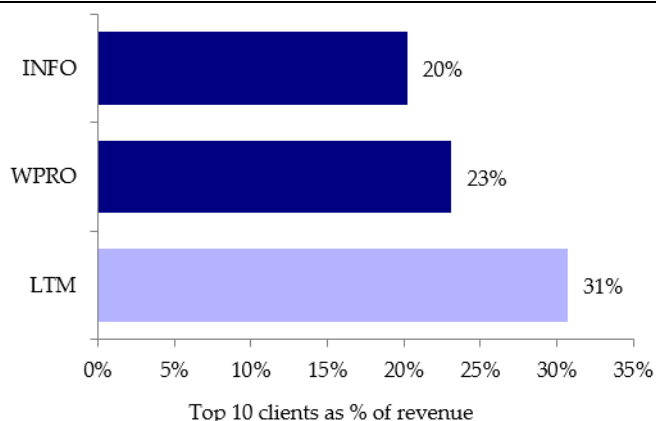
Source: Company, HSIE Research

Exhibit 17: USD 50mn+ customers vs peers (Q4FY26)



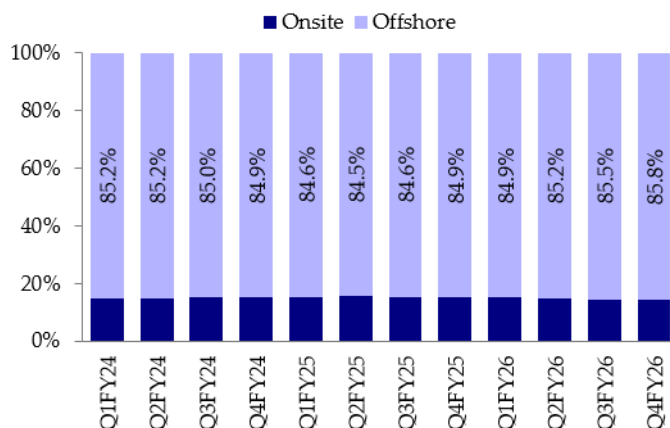
Source: Company, HSIE Research

Exhibit 19: Top 10 customers (% of revenue) vs peers (Q4FY26)



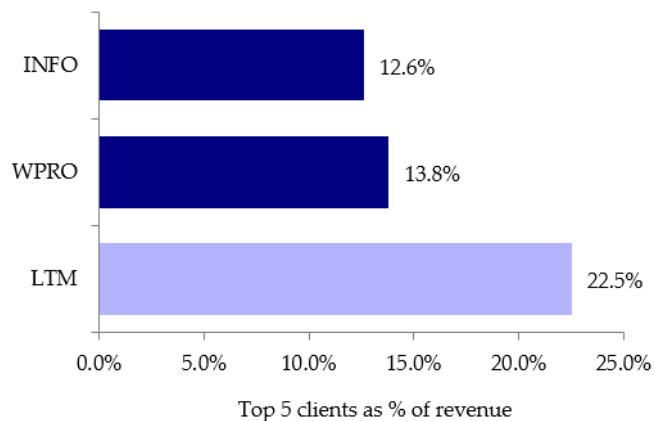
Source: Company, HSIE Research

Exhibit 16: LTM Onsite-Offshore mix



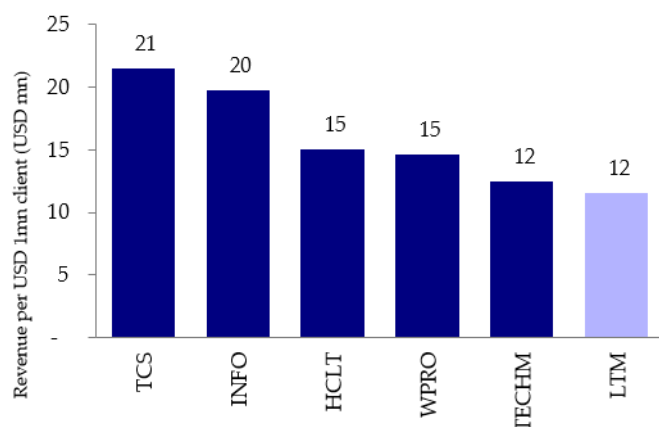
Source: Company, HSIE Research

Exhibit 18: Top 5 customers (% of revenue) vs peers (Q4FY26)



Source: Company, HSIE Research

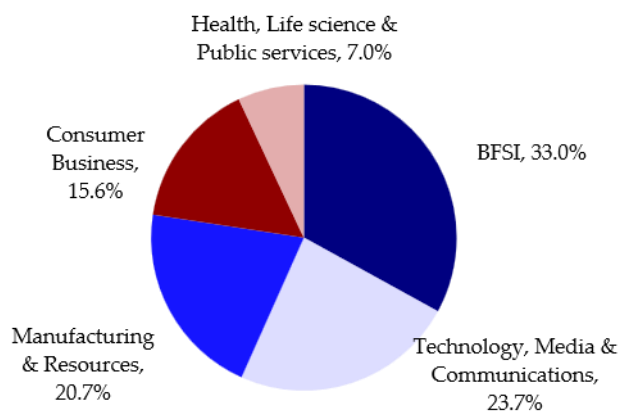
Exhibit 20: Revenue per client vs peers (FY26)



Source: Company, HSIE Research

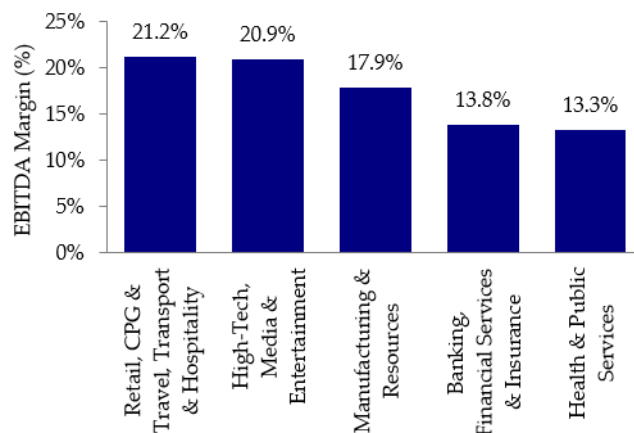
LTM: Company Update

Exhibit 21: LTM Vertical mix (Q4FY26)



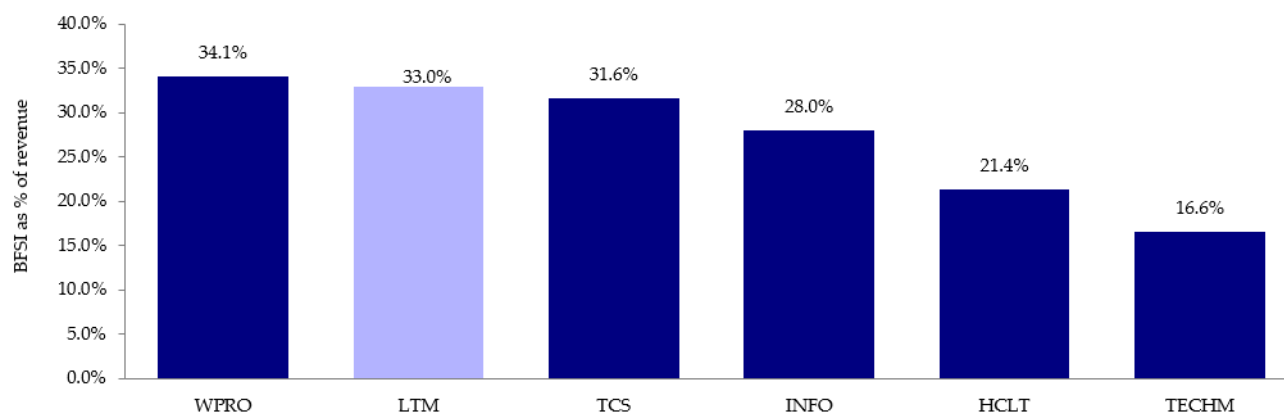
Source: Company, HSIE Research

Exhibit 22: Segmental EBITDA margin (Q4FY26)



Source: Company, HSIE Research

Exhibit 23: Higher exposure to BFSI vs peers (Q4FY26)



Source: Company, HSIE Research

Exhibit 24: BFSI vertical growth trend vs peers

BFSI vertical growth trend (YoY % CC)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
TCS	3%	-1%	-3%	-3%	-1%	0%	1%	3%	1%	1%	2%	0%
INFO	-4%	-7%	-6%	-9%	0%	2%	6%	13%	6%	5%	4%	3%
HCLT	14%	13%	13%	9%	-1%	-5%	-1%	1%	7%	11%	8%	4%
WPRO	-3%	-10%	-13%	-9%	-5%	1%	3%	1%	-4%	-4%	0%	-1%
TECHM	0%	-4%	-7%	-4%	-1%	5%	8%	6%	5%	6%	-1%	5%
LTM	12%	6%	-1%	-7%	-3%	2%	7%	12%	11%	7%	2%	-4%

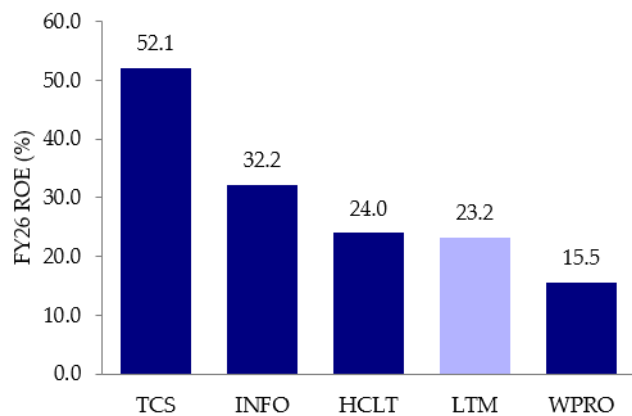
Source: Company, HSIE Research

Exhibit 25: Growth in BFSI tech spend (YoY)

Growth in Tech spend (YoY %)	1QCY24	2QCY24	3QCY24	4QCY24	1QCY25	2QCY25	3QCY25	4QCY25	1QCY26
JP Morgan	10.9%	7.9%	2.6%	4.4%	6.5%	10.5%	16.0%	15.6%	17.2%
Bank of America	6.1%	7.2%	6.4%	11.5%	5.2%	3.2%	4.9%	1.5%	6.5%
Wells Fargo	15.3%	16.8%	17.1%	19.1%	15.1%	16.4%	14.7%	7.2%	14.2%
Citi Group	5.6%	-3.1%	0.8%	-5.6%	5.9%	2.3%	2.3%	6.6%	-1.8%
Morgan Stanley	6.7%	9.2%	10.0%	7.3%	7.6%	7.7%	7.4%	9.5%	9.3%
Goldman Sachs	0.9%	3.7%	6.4%	4.0%	7.7%	6.0%	9.4%	12.6%	15.2%
Capital One	0.3%	3.2%	4.1%	15.4%	13.7%	16.3%	33.0%	20.6%	24.3%
Charles Schwab	-6.6%	-4.8%	-6.9%	17.4%	11.6%	12.4%	14.5%	15.8%	12.6%
Average	4.9%	5.0%	5.1%	9.2%	9.2%	9.3%	12.8%	11.2%	12.2%
Median	5.8%	5.5%	5.2%	9.4%	7.6%	9.1%	11.9%	11.1%	13.4%

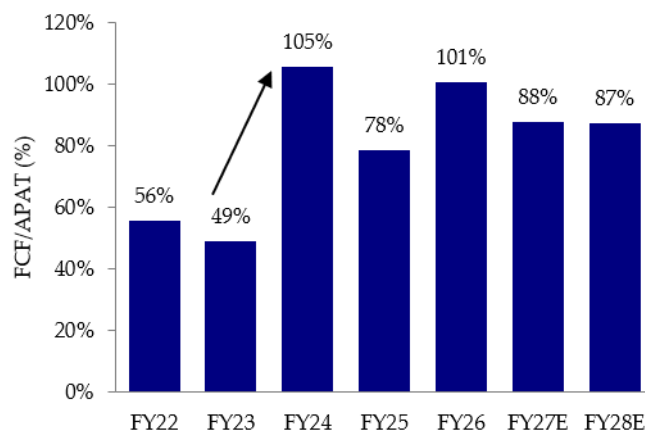
Source: Company, HSIE Research

Exhibit 26: ROE vs peers (FY26)



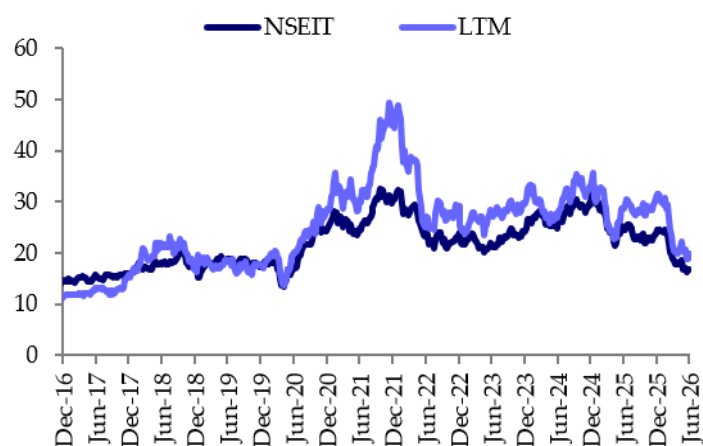
Source: Company, HSIE Research

Exhibit 27: LTM FCF/APAT trend



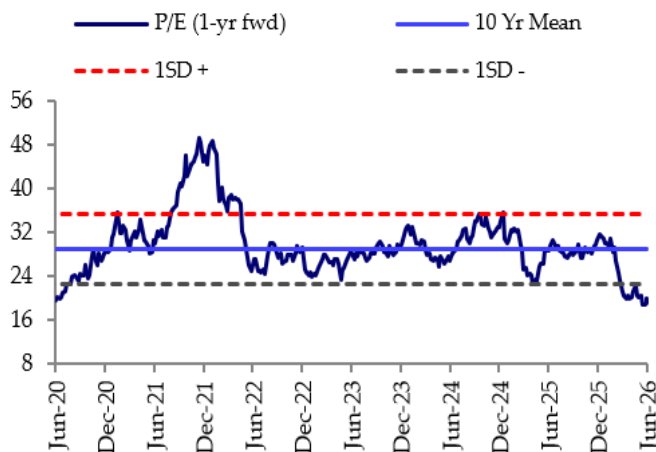
Source: Company, HSIE Research

Exhibit 28: P/E trend compared to NSEIT



Source: Bloomberg

Exhibit 29: LTM trading below 1SD-



Source: Bloomberg, HSIE Research

Exhibit 30: Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change (%)	FY28E Old	FY28E Revised	Change (%)
Revenue (USD mn)	5,158	5,126	(0.6)	5,660	5,594	(1.2)
Revenue	471.97	481.85	2.1	523.51	531.39	1.5
EBIT	75.53	77.40	2.5	89.36	87.87	(1.7)
EBIT margin (%)	16.0	16.1	6bps	17.1	16.5	-53bps
APAT	61.84	61.88	0.1	72.93	71.09	(2.5)
EPS (INR)	209.0	209.2	0.1	246.6	240.3	(2.5)

Source: HSIE Research

Financials

Consolidated Income Statement

Year ending March (INR bn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Revenues (USD mn)	4,106	4,287	4,493	4,763	5,126	5,594
<i>Growth (%)</i>	17.2	4.4	4.8	6.0	7.6	9.1
Net Revenues	331.83	355.17	380.08	423.08	481.85	531.39
<i>Growth (%)</i>	27.1	7.0	7.0	11.3	13.9	10.3
Direct cost	232.04	246.21	268.22	299.91	339.40	371.79
SG&A expense	38.72	45.08	46.92	47.62	53.00	58.45
EBITDA	61.08	63.87	64.95	75.55	89.44	101.15
Depreciation	7.23	8.19	9.92	10.62	12.05	13.28
EBIT	53.85	55.69	55.03	64.93	77.40	87.87
<i>EBIT Margin (%)</i>	16.2	15.7	14.5	15.3	16.1	16.5
<i>EBIT Growth (%)</i>	15.8	3.4	-1.2	18.0	19.2	13.5
Other Income (Including EO Items)	5.57	7.02	9.90	5.66	9.53	11.72
Interest	1.50	2.22	2.79	2.76	2.74	2.87
PBT	57.92	60.49	62.14	67.83	84.19	96.72
Tax (Incl Deferred)	13.81	14.64	16.12	18.08	22.31	25.63
RPAT	44.10	45.85	46.02	49.75	61.88	71.09
APAT	44.10	45.85	46.02	54.09	61.88	71.09
<i>APAT Growth (%)</i>	11.6	4.0	0.4	17.5	14.4	14.9
Adjusted EPS (INR)	149.1	155.0	155.6	182.9	209.2	240.3
<i>EPS Growth (%)</i>	11.6	4.0	0.4	17.5	14.4	14.9

Source: Company, HSIE Research

Consolidated Balance Sheet

Year ending March (INR bn)	FY23	FY24	FY25	FY26	FY27E	FY28E
SOURCES OF FUNDS						
Share Capital - Equity	0.30	0.30	0.30	0.30	0.30	0.30
Reserves	165.63	199.88	226.69	239.95	275.21	315.24
Total Shareholders Funds	165.92	200.17	226.98	240.25	275.51	315.54
Minority Interest	0.07	0.09	0.13	0.83	0.54	0.25
Total Debt	1.25	0.41	0.02	-	-	-
Net Deferred Taxes	(3.66)	(2.06)	(1.90)	(9.04)	(9.04)	(9.04)
Long Term Provisions & Others	14.00	17.75	19.21	32.57	32.57	32.57
TOTAL SOURCES OF FUNDS	177.58	216.35	244.44	264.61	299.57	339.31
APPLICATION OF FUNDS						
Net Block	22.24	35.57	39.63	41.70	42.97	41.77
CWIP	9.02	5.51	6.81	9.22	9.22	9.22
Goodwill & Intangibles	14.56	14.24	13.22	14.55	14.54	14.20
Investments	7.17	19.90	24.70	5.32	5.32	5.32
Other Non-current assets	6.32	9.70	10.34	14.67	14.67	14.67
Total Non-current Assets	59.29	84.92	94.70	85.47	86.73	85.18
Inventories	0.03	0.03	0.03	0.03	0.03	0.03
Cash & Equivalents	76.74	95.69	109.62	148.48	180.00	216.48
Other Current Assets	22.84	22.42	22.85	33.74	35.13	36.60
Debtors	72.25	70.32	76.88	94.72	106.72	119.49
Total Current Assets	171.86	188.46	209.38	276.97	321.88	372.60
Creditors	12.94	14.94	15.50	20.61	23.47	25.89
Other Current Liabilities & Prov.	40.64	42.09	44.14	77.23	85.56	92.59
Total Current Liabilities	53.57	57.03	59.64	97.84	109.03	118.47
Net Current Assets	118.29	131.44	149.74	179.14	212.85	254.13
TOTAL APPLICATION OF FUNDS	177.58	216.35	244.44	264.61	299.57	339.31

Source: Company, HSIE Research

Consolidated Cash Flow

Year ending March (INR bn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Reported PBT	57.92	60.49	62.14	67.83	84.19	96.72
Non-operating & EO items	(2.84)	(4.47)	(8.21)	(4.15)	(7.01)	(8.61)
Interest expenses	1.50	2.22	2.79	2.76	2.74	2.87
Depreciation	7.23	8.19	9.92	10.62	12.05	13.28
Working Capital Change	(17.65)	5.98	(4.80)	9.47	(2.19)	(4.81)
Tax Paid	(15.22)	(15.71)	(16.37)	(18.08)	(22.31)	(25.63)
OPERATING CASH FLOW (a)	30.95	56.70	45.46	68.44	67.47	73.82
Capex	(9.35)	(8.33)	(9.34)	(14.03)	(13.30)	(11.74)
Free cash flow (FCF)	21.60	48.37	36.12	54.41	54.17	62.08
Investments	6.26	(33.31)	(11.55)	19.38	-	-
Non-operating Income	(0.22)	2.51	3.51	4.15	7.01	8.61
INVESTING CASH FLOW (b)	(3.31)	(39.12)	(17.38)	9.50	(6.30)	(3.13)
Debt Issuance/(Repaid)	(3.32)	(4.04)	(5.55)	(0.02)	-	-
Interest Expenses	(0.38)	(0.91)	(0.99)	(2.76)	(2.74)	(2.87)
FCFE	17.91	43.42	29.59	51.63	51.43	59.21
Share Capital Issuance	0.00	0.01	0.04	-	-	-
Dividend	(15.63)	(17.75)	(19.23)	(22.19)	(26.62)	(31.06)
FINANCING CASH FLOW (c)	(19.32)	(22.69)	(25.73)	(24.97)	(29.36)	(33.93)
NET CASH FLOW (a+b+c)	8.32	(5.11)	2.36	52.97	31.82	36.77
Closing Cash & Equivalents	76.74	95.69	109.62	148.48	180.00	216.48

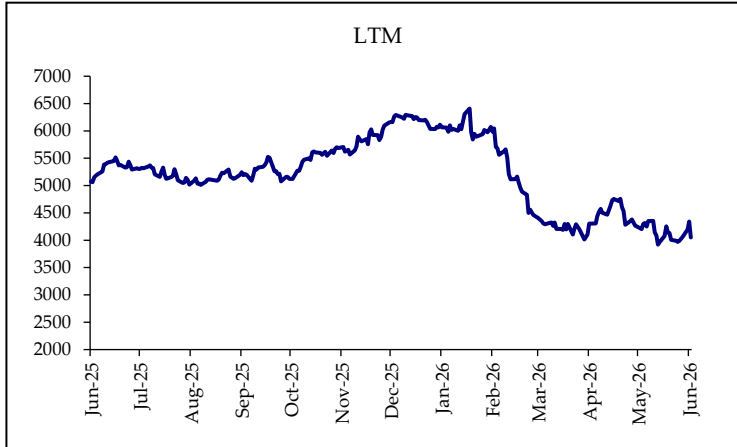
Source: Company, HSIE Research

Key Ratios

	FY23	FY24	FY25	FY26	FY27E	FY28E
PROFITABILITY (%)						
EBITDA Margin	18.4	18.0	17.1	17.9	18.6	19.0
APAT Margin	13.3	12.9	12.1	12.8	12.8	13.4
RoE	28.6	25.0	21.5	23.2	24.0	24.1
RoIC or Core RoCE	44.7	38.1	31.9	38.0	48.3	53.3
RoCE	27.2	24.1	20.9	22.0	22.6	22.9
EFFICIENCY						
Tax Rate (%)	23.9	24.2	25.9	26.7	26.5	26.5
Fixed Asset Turnover (x)	8.2	6.3	6.2	6.3	6.7	7.2
Debtors (days)	79	72	74	82	81	82
Other current assets (days)	25	23	22	29	27	25
Payables (days)	14	15	15	18	18	18
Other current liabilities (days)	45	43	42	67	65	64
Cash Conversion Cycle (days)	46	37	39	26	25	26
Net Debt/EBITDA (x)	(1.2)	(1.5)	(1.7)	(2.0)	(2.0)	(2.1)
Net Debt/Equity (x)	(0.5)	(0.5)	(0.5)	(0.6)	(0.7)	(0.7)
Interest Coverage (x)	36	25	20	24	28	31
PER SHARE DATA (Rs)						
EPS	149.1	155.0	155.6	182.9	209.2	240.3
CEPS	173.5	182.7	189.1	218.8	249.9	285.2
DPS	60	65	65	75	90	105
BV	561	677	767	812	931	1,067
VALUATION						
P/E	27.2	26.1	26.0	22.2	19.4	16.9
P/BV	7.2	6.0	5.3	5.0	4.4	3.8
EV/EBITDA	18.4	17.3	16.8	13.9	11.4	9.7
OCF/EV (%)	2.8	5.1	4.2	6.5	6.6	7.5
FCF/EV (%)	1.9	4.4	3.3	5.2	5.3	6.3
FCFE/mkt cap (%)	1.5	3.6	2.5	4.3	4.3	4.9
Dividend Yield (%)	1.5	1.6	1.6	1.9	2.2	2.6

Source: Company, HSIE Research

Price Movement



Rating Criteria

BUY: \geq +15% return potential

ADD: +5% to +15% return potential

REDUCE: -10% to +5% return potential

SELL: $>$ 10% Downside return potential

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