

## LTIMindtree (LTIM) – ADD

### Result Update

Current Market Price (CMP) <b>Rs.5,711</b>	Target Price <b>Rs.6,750</b>
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### Rationale:

- Q2FY25: In-line revenues and beat on profitability.
- Seasonal headwinds to impact near-term growth but pipeline holds promise.
- Pickup in discretionary spends would support medium-term margin aspirations.
- We roll forward and value LTIM at 29x Dec'26E EPS (28x earlier), leading to increase in fair value to Rs6,750 (Rs6,200 earlier).

### Q2FY25 Earnings update:

#### 👍 Positives:

- EBIT margin increased by 50 bps to 15.5% (KIE 15.2%).
- Sequential EBIT margin improvement was aided by absence of visa costs during Q2.
- Reported net profit was up 7.7% yoy.
- Revenue growth was healthy across vertical and geos.

#### 👎 Negatives:

- LTIM reported c/c revenue growth of 2.3% qoq (KIE 2.6%).
- Top 5 (1.3% qoq), top 10 (0.8% qoq) & top 20 (1.9% qoq) clients underperformed on growth.

(TCV: Total Contract Value, EBIT: Earnings before Interest and Tax, C/C: Constant Currency.)

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For detailed report dated 17<sup>th</sup> Oct 2024. Note: CMP & valuation may differ due to difference in dates.



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