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July 22, 2025

National Stock Exchange of India Limited,
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051

The BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

NSE Symbol: LTIM

BSE Scrip Code: 540005

Dear Sir(s)/Madam,

Subject: Transcript of Earnings Conference call held on July 17, 2025

With reference to the captioned subject, please find enclosed transcript of the Earnings Conference Call held on July 17, 2025.

Kindly take the above on record.

Thanking you,

Yours faithfully,

For LTIMindtree Limited

Angna Arora
Company Secretary and Compliance Officer

Encl: As above

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LTIMindtree Limited is a subsidiary of Larsen & Toubro Limited



“LTIMindtree Limited
Q1 FY2026 Earnings Conference Call”

July 17, 2025

MANAGEMENT:

Mr. Venu Lambu – Chief Executive Officer & Managing Director

Mr. Nachiket Deshpande – President Global AI Services, Strategic Deals & Partnerships

Mr. Vipul Chandra – Chief Financial Officer

Mr. Vikas Jadav – Head, Investor Relations

Moderator: Ladies and gentlemen, good day and welcome to the LTIMindtree Limited Q1 FY2026 Earnings Call.

Please note all participants are currently in listen only mode. There will be an opportunity to ask questions following the conclusion of the management's opening remarks. Please note that this conference is being recorded.

I now hand over the conference to Mr. Vikas Jadhav, Head, Investor Relations at LTIMindtree. Over to you Sir.

Vikas Jadhav: Thanks Inba. Good day, everyone, and welcome to LTIMindtree's Q1 FY2026 Earnings Conference Call.

Today we have with us on the call

Mr. Venu Lambu – Chief Executive Officer and Managing Director,

Mr. Nachiket. Deshpande – *President, Global AI Services Strategic Deals and Partnerships,*

Mr. Vipul Chandra – Chief Financial Officer.

We will begin with a brief overview of the company's Q1 FY26 performance, after which we will open the floor for Q&A.

During the call, we could make forward-looking statements; these statements consider the environment as we see today and carry risk and uncertainties that would cause our actual results to differ materially from those expressed in today's call. We do not undertake to update any forward-looking statement made on the call.

With that, I now turn the call over to Venu for his opening remarks.

Venu Lambu: Thank you Vikas. Hello everyone and thank you for joining us on the call today.

I am excited to share the highlights from Q1 FY26, my first quarter as CEO and MD.

As we continue to navigate market shifts, our robust strategy and disciplined

execution have translated into an all-round performance. Vipul and I will discuss this during the course of this call.

Let me begin by sharing the headline numbers. In Q1 FY26, we reported revenues of \$1.15 billion, reflecting sequential growth of 2% in US dollar terms and 0.8% in constant currency terms. Our EBIT margins expanded by 50 basis points sequentially to 14.3%. Our order inflow for the quarter stood at \$1.63 billion, up 17% year on year, marking the third consecutive quarter of order flow exceeding \$1.5 billion.

I would now like to highlight some of the noteworthy deals that were achieved during the quarter.

We have won our largest ever deal with a global agribusiness leader as part of their vendor consolidation strategy. We have been selected to implement an AI driven model for application management, infrastructure support and cybersecurity services, including SAP S/4HANA, ServiceNow, and Microsoft Azure Platform, with a strong focus on efficiency and simplification.

We were selected as a strategic partner by a leading digital company in the Kingdom of Saudi Arabia to manage their supply chain and digital landscape.

A global leader in professional services partnered with us for their supply consolidation initiative spanning client technology, enterprise technology, and information security.

In addition to these major wins, our pipeline remains robust with several large opportunities.

Regarding our vertical performance, we reported sequential growth in dollar terms across all industries.

BFSI grew 1.6%. Technology, media, and communication stabilized this quarter, registering a growth of 0.8%. Manufacturing and resources experienced a growth of 0.3%. The Consumer business delivered robust growth, achieving 6.2%. Healthcare, life science and public services witnessed a growth of 4.8%.

In terms of geographies, Europe led with a sequential growth of 9.7%, America's grew by 1.8%, and the Rest of the world declined 6% sequentially.

Our headcount at the end of Q1 FY26, stood at 83,889, a decline of 418 employees. Our focused approach to operational efficiency resulted in an improvement of 2.3% in utilization levels from 85.8% in Q4 FY25 to 88.1% in Q1 FY26. As part of our continued focus on fresher induction, I am pleased to share that we have on-boarded 1,600 plus freshers this quarter.

In addition to these operational strides, we also received several recognitions across our strategic partnerships during the quarter. Let me share a few. LTIMindtree was honoured with “Diversity in Security Award” at the 2025 Microsoft Security Excellence Award, emphasizing our dedication to promoting inclusive security teams and providing innovative Microsoft-based security solutions.

We were named “Google Partner of the Year 2025 for Industry Solutions in Manufacturing” for the second year in a row.

We have been named the “Databricks Business Transformation Partner of the Year”, highlighting our exceptional contribution to driving data and AI-led transformation across industries.

Our capabilities are well recognized by industry analyst and we secured leadership positions in:

ISG Provider Lens™, SAP Ecosystem 2025 for “Rise with SAP Implementation” and “SAP Business AI and BTP Services” globally.

HFS Horizons- Energy and Utility Service Providers 2025.

Everest Group - Talent Readiness for Next Generation Application Services
Peak Metrix Assessment 2025.

You can read the full list in our press release.

In Q1, we made a significant progress in our transformation journey while delivering profitable growth. I am pleased to share a few strategic updates.

If you recall in Q4 FY25, we spoke about focusing on few transformational

initiatives. Firstly, our Sales Transformation has been crucial in strengthening our ability to increase our win rate in large deals. Secondly, the Fit for Future program has been instrumental in re-baselining our cost and improving agility. This has enabled us to streamline processes and operate more efficiently.

Lastly, our strategic pivot towards becoming an AI centric organization is well underway. This is not merely about adopting new technologies, but also redefining our business model and strengthening our internal foundations. These initiatives have contributed positively to our results.

Building on these efforts, we continue to expand our capabilities to remain relevant for our clients.

In Q1, we launched BlueVerse, our Agentic AI ecosystem for the enterprises of the future. It helps clients accelerate their AI concept to value journey. BlueVerse is powered by

AI advisory, which accelerates innovation, transforms organization culture, and drives optimization.

AI Foundry, which not only helps build tailored AI solution, but also has the ability to orchestrate multi-agent solutions across various enterprise stacks; and

Agent Marketplace, an expanding repository featuring over 300 industry and function specific AI agents designed to accelerate AI adoption across industries.

We also launched GCC-as-a-Service, a unique AI-powered industry offering that provides a modular, unit-based framework for clients looking to establish, optimize, and scale, their capability centers effectively. This comprehensive catalogue encompasses a wide range of services across built, operate, transform, and transfer phases, allowing clients to leverage capabilities in a consumption-based service model. Our offering includes entity setup, infrastructure provisioning, facilities management, industry and technology solutions, and access to our BlueVerse ecosystem, including our AI studios.

Adding to the momentum, NextEra, our strategic joint venture in Saudi Arabia with Aramco Digital became fully operational this quarter.

These growth initiatives are part of our journey to strengthening our digital transformation positioning through the convergence of human insight and intelligent systems.

In that context, I would like to highlight a few of our AI-led client success stories and progress on our internal adoption.

For a large manufacturing company, we integrated AI throughout their engineering and operations, achieving a 25% improvement in meantime to resolve and a 30% improvement in meantime for self-service enablement.

For one of the world's largest financial services institution, we enabled their AI-led legacy modernization journey, driving an 80% reduction in the time it takes to write a complex logic, a 20% faster speed to market, and 10 to 15% lower costs.

For an auto rental major, we deployed a computer vision based damage detection system that reduced inspection time from two weeks to under three minutes with over 90% accuracy.

For a utilities major, we used a GenAI based maintenance solution that boosted field services productivity by 30%, reduced rework by 28%, and lowered operational costs by 18%.

In addition, we have extensively adopted AI across our internal function.

With 62 initiatives across seven product lines and nine business processes, we are driving an AI-led transformation from employee experience to delivery excellence.

We are among the first adopters of Microsoft Security Copilot, incorporating the natural language assistive agent to aid our internal security team in incident response and threat hunting.

Our HR and talent acquisition team have integrated AI throughout the talent lifecycle, enhancing employee experience and productivity. We have

introduced RAIma an AI companion designed to support employees with a personal interactions for query resolution and HR support. RAIma aids in various areas such as talent attraction, on-boarding, and recognition, while also providing executives with actionable insight on key performance indicators.

I will now turn over the call to Vipul for financial highlights.

Vipul Chandra: Thank you, Venu. Hello everyone.

We trust that you have reviewed our integrated annual report for FY25, which offers detailed disclosures encompassing both financial and non-financial metrics and highlights our ongoing commitment to ESG principles.

Let me now walk you through the financial highlights for the first quarter of FY26, starting with our revenue performance.

Our Q1 revenue stood at \$1.15 billion, reflecting a growth of 2% quarter on quarter and 5.2% year on year in dollar terms. Corresponding constant currency growth was 0.8% quarter on quarter and 4.4% year on year.

Our EBIT margin expanded by 50 basis points sequentially to 14.3% in Q1 FY26. This increase was primarily driven by our Fit4Future initiatives which resulted in an approximately 1% improvement, although seasonal visa costs and Forex impact partially offset the increase.

Profit after tax (PAT) for the quarter stood at Rs.1,255 Crores as compared to Rs.1,129 Crores in the previous quarter which is an increase of 11.2% quarter on quarter. The higher sequential increase in PAT versus EBIT was on account of higher exchange gain in other income.

The quarter's effective tax rate was 27.3% compared to 26.2% in Q4. This was due to a one-off tax impact on the repatriation of some capital from one of the subsidiaries.

Basic EPS was Rs.42.3 for the quarter as compared to Rs.38.1 in Q4 FY25.

Our total DSO for Q1 increased to 81 days from 79 days last quarter. however, Q1 unbilled DSO improved to 22 days from 24 in Q4.

The operating cash flow (OCF) to PAT ratio was 82.3% down from 88.4% in Q4 Free-cash flow (FCF) to PAT ratio stood at 60.7% compared to 67.7% in Q4.

Cash and Investment balances stood at around \$ 1.5 billion or Rs.12,835 Crores post the payout of final dividend for FY25 compared to Rs.13,346 Crores in Q4 FY25.

Return on Equity (ROE) for the quarter was at 22.1%.

As of June 30, 2025, our cash flow hedges stood at \$3.87 billion and hedges on the Balance Sheet were \$284 million.

For the quarter, our Trailing 12-month attrition continued to remain stable at 14.4%.

On the ESG front, LTIMindtree has received a CRISIL ESG rating score of 73, placing us in the Leadership category and another commendable score of 75 given by NSE Sustainability Ratings and Analytics Limited.

I now hand it back to Venu for the business outcome.

Venu Lambu:

Thank you, Vipul. In summary, this is a promising start to the year and we are committed to building on this momentum. We remain confident in our ability to sustain growth and improve profitability. With disciplined execution, deeper client engagement and a robust pipeline, we are well positioned to deliver value to all our stakeholders as we navigate the ongoing challenging macro environment.

With that, let me now open the floor for questions.

Moderator:

Thank you very much Sir. Ladies and gentlemen, we will now begin the question and answer session. We take our first question from Sulabh Govila of Morgan Stanley. Please go ahead.

Sulabh Govila:

Thanks for taking my question.

So my first question is with respect to the Top five client bucket from a Q-on-Q growth perspective, the growth appears slightly muted relative to the company average that is there this quarter. So is there any subvertical where

you think growth could have been better and how should we think about this client bucket for the rest of the year?

Venu Lambu: Sulabh is your question on the Top 20 client bucket.

Sulabh Govila: I said Top five.

Venu Lambu: Look, I think if you actually look at the top five client bucket, it is actually 0.5% against 0.8% at the company level, right, on a constant currency basis. I mean yes it is lower, but it is not something material that really worries us. It is sort of a seasonal, there are certain spend that happens within a quarter and then some spend which rolls up into the next quarter so there is nothing which is material that I can call out on the top five account category bucket.

Sulabh Govila: Okay, okay and how should we think about this bucket for the rest of the year?

Venu Lambu: Well to be honest, not just for the top five bucket the whole business itself, looking at the commentary from one quarter to the next quarter because you know how the things are outside. So it is too early to look at it from the full year perspective. I can only say that as I mentioned in my outlook commentary, the growth momentum will continue and the growth momentum will be there across all the Industries and across accounts. So that is the best comment I can give you at this time Sulabh.

Sulabh Govila: That is clear Venu. Thank you. Second question is with respect to the margins. If I look at the segmental margins this quarter, we saw the High-Tech margins coming off in the third quarter of last year when we had passed on some of the productivity benefits to the top client and they appear to have also come off again this quarter also. So if you could highlight what led to that, it is a sharp decline of 200 basis points.

Vipul Chandra: We had some late quarter ramp ups in anticipation of some deals and the holding cost for those resources has primarily resulted in this impact in this quarter but again, it is a quarter on quarter variation. Ramp ups, sometimes comes in the later part or sometimes it is split over into the next quarter. So it is a temporary phenomenon.

Sulabh Govila: Okay, okay, understood. And then last bit again on the margins front, we saw

gross margin inch up quite sharply based on the utilization improvement that is there this quarter. So one is that how sustainable are these utilization levels that are there and what has led to the SG&A cost increase on a Q-on-Q basis?

Venu Lambu: Let me comment on that and Vipul feel free to add on this, right? So look, I think if you recall, we had spoken about the Fit4 Future program, which is a very comprehensive program to re-baseline the cost, both the SG&A overheads as well as the direct cost. And that has produced result. And that is one of the key contributing factors that you see when we look at the margin improvement. And the second thing is that in terms of sustainability going forward, I think we are reasonably confident of continuing this margin expansion movement as we go into Q2. Third was utilization. There is a comment on utilization. Look, 88.1%, given that we have a reasonably decent demand, so I would have liked it to be slightly lower utilization so that we can maximize the potential of revenue utilization but the ramp-ups that happened against a couple of last deals and the momentum that we saw in the quarter sort of pushed us to the higher utilization. Yes, over a period of time, our preference is to bring it slightly down so that we can cater to the demand that comes within the quarter and has to be fulfilled within the quarter.

Vipul Chandra: Also, in terms of your question about the SG&A expense going up in this quarter versus last quarter, I think you will normally see a seasonal uptick because of the marketing events and related travel expenses. So it is a seasonal phenomenon to some extent in Q1 versus Q4. Also in Q4 last year, we had seen some recoveries in the provision for doubtful debts. It was lower in Q1 as compared to Q4. Q4 we had a good run on that side.

Sulabh Govila: Understood. Thanks for taking my questions.

Moderator: Thank you. Our next question is from Manik Taneja of Axis Capital. Please go ahead. Mr. Taneja, could you please unmute your mic?

Manik Taneja: Hi, thank you for the opportunity. So basically, while my question related to margins has somewhat been answered, I just wanted to check on the revenue performance within your top customers. If you could talk about what are you seeing within your top customers across Financial Services and the High-Tech vertical? That is question number one. The second question is with

regards to this margin improvement program that we are running, if you could talk about the different levers that you think will come into play over the foreseeable future and then a related question around any thoughts on wage hikes for the current year.

Venu Lambu:

So, Manik, thanks for the question. I think when we look at the Tech, Media and Communication sector we see an interesting trend that is happening over there. So, there is a pivot of the business model itself of the customers in that sector. I mean, as they invest more and more into their AI pivot, they are sort of managing their spend that is needed towards an investment towards making their business models aligned to the AI pivot. So that also offers a good opportunity for us in the long run. So I do feel that our approach is to continue to keep that momentum going on as we go into the next sector but I think fundamentally, there are a lot of clients in that sector that are actually going to redefine their business model. I think that is going to be an interesting remodeling that will happen, especially when you sort of break the AI capabilities and investment on the AI infrastructure that makes the entire, even if it is an ISV versus the hardware companies, how the hybrid is happening. And also there is a convergence of capabilities that are happening, right, in terms of their own acquisitions and companies expanding into the different areas and so on. So with that, we see as an opportunity, if we stay very close to our customers and, in the long run, I am fairly optimistic about that sector. BFSI, I think, if I just look at the BFS aspect of it, it is a sector which is still cautious in terms of its spend. Primarily, you can relate to all the macroeconomic themes that you are all aware of it. And what we intend to do is that, we are focusing on those accounts within the BFS sector, which has the high growth potential, that is well positioned, even though amidst all this macroeconomic environment. So at the end of the day, we can take a sectoral view, but I somehow feel that if you take account specific view, our ability to execute much sharper and get the best out of it amidst all the challenges is the kind of approach that we are adopting.

So sector wise, there is no change. It has been the same as what it was in Q4, but it is all comes down to, okay, which accounts we can get a better growth going forward. So we are taking a very account specific approach than getting blurred with the sectoral narrative. The second is with regard to the

Fit4Future. Fit4Future is not just about the cost saving initiative, it is a very comprehensive initiative that makes us more agile as an organization, more fit as an organization as we navigate our future transformation journey. It has elements of simplification of the process. It has elements of how do you enhance the AI adoption into the internal environment, It has aspects in terms of how do you enhance the sales productivity. It has aspects of how do you look at the bench that we need to map it against the demand that we need. And also, of course, we can get smarter on other overhead expenses as well. And then finally, the direct cost, which essentially is the cost of delivery. So it is all these levers that makes an organization fit for the future. So I do not like to pick up one specific area. It is a very comprehensive program. There is a lot of focus in that from a governance standpoint, I personally review it every week, along with my leadership team. So I am very pleased that the whole organization is running behind to deliver the results on that. With regard to the wage hike plan, look at the moment, we have not spent time in planning for it. Sometime during the year we will give you an update in terms of what is our plan with regard to the wage hikes.

Manik Taneja:

So that helps. And if I can ask one quick one, this is a clarification question for Vipul while you commented on the on the reasons for the drop in segmental margins for High-Tech if you could talk about the HLS vertical as well because for now two quarters we have seen those segmental margins come off in that industry segment compared to what used to be a trend for the last several quarters.

Vipul Chandra:

I think on the HLS vertical side to look on the positive side, we have seen a revenue growth coming in this vertical, which is also a change after a few quarters. And the drop in the margins has been cyclical as well as to some extent related to the drop in the volumes which had happened in the past. So with the recovery of the revenues in this and the cyclical nature playing out, this margin should improve again. Another thing which has affected the margins in this segment is one of our public services project that got over and that margin contribution from that project has gotten taken out and replaced with other projects which have come in. So again, it is difficult to kind of look at it on a quarter on quarter basis. I think the overall margin improvement program that Venu spoke about is going to show results in all

segments over a period of time.

Manik Taneja: Sure, thank you and all the best for the future.

Moderator: Thank you. Our next question is from Sandeep Shah of Equirus. Please go ahead.

Sandeep Shah: Thanks for the opportunity. Just in terms of sustaining the growth momentum in the future quarters, I just wanted to understand because in the first quarter we had lot of new business TCV wins on the mega deals and I think if I am not wrong. Outside the one deal we announced, there was a second deal which we were expecting to close in manufacturing in 1Q. And there could be more deals in the pipeline. So is it fair to assume the growth momentum has an upside rather than a downside on a moving forward basis? And this year's revenue growth in a constant currency could be similar to last year's revenue growth in a constant currency.

Venu Lambu: Sandeep, thanks for the question. I do not like to give you a commentary with regard to the guidance of the full year, which we usually do not do it but I can only talk about the traction in large deals. After Nachiket took over the mandate of driving the large deal organization globally, we have a lot of activity that is going on in the organization, right from, the way we have a conversation with clients and proactively how we structure the large deals and our ability to win those large deals. Even the win rate of those large deals and the traction is increasing significantly. And as I said, the momentum will continue, as we go into the next quarter, I do not like to comment anything beyond the next quarter, with the way how the macroeconomic changes so fast. And all this upside and downside commentary depends on what reference you have. From our point of view, I am looking at the reference of the Q1. I am confident that from the reference point of Q1, we will continue the growth momentum as we go into Q2.

Sandeep Shah: Okay, fair enough and your commentary about BFSI as a growth outlook is quite contradictory versus most of your large peers. So is it more to do with our client specific issue or are we seeing a pattern across many of the BFSI clients?

Venu Lambu: Look, if you take a very high level sectoral view, the commentary would not

be very different as such, but I somehow feel that the approach we have taken is a very deep, sharp focus on execution in our focus accounts. That is the pitch that is available for us to play the game. So we want to be focused on that and all the commentary with regard to our BFS vertical was in the context of those specific focused accounts, not a very high level sectoral view.

Sandeep Shah: Okay and just the last two questions. Is it fair to assume many of your top client specific issues are now behind and can you also give a colour in terms of how is the large deal, mega deal pipeline entering into 2Q?

Venu Lambu: I am not sure which issue you are referring to. If it is about productivity as a topic, I think we confirmed that in Q4 itself. And with regard to the large deal, I would request Nachiket to give his commentary on the large deal traction, please.

Nachiket Deshpande: Thanks, Venu. So as Venu mentioned, I think with the formation of the centralized focused global large deals team, we are seeing the traction improve, both in terms of the deal invites, the pipeline of the deal that we have, and also, as Venu said in the win ratios and the consistency with which we are pursuing these deals. So I think the short answer is yes, we are seeing the momentum continue at least in the next few quarters.

Sandeep Shah: Okay, thanks and all the best.

Moderator: Thank you. Our next question is from Surendra Goyal of Citi. Please go ahead.

Surendra Goyal: So good evening, did the largest deal that you talked about contribute to revenues in the first quarter? And if yes, could you share any details and what should be the trajectory of ramp up going forward? And also any margin implications that we should be aware of?

Venu Lambu: Look the large deal, which we announced in the middle of the quarter, The transition has started in Q1. So the revenue is staggered between Q1 and Q2 and of course the subsequent quarters, as we enter into the steady state and we start ramping up into the areas that we are contracted for. So, I would say, it is a revenue spread across a couple of quarters to start with and then it will

be steady as we go along. There is no material impact on the margin with regard to the large Deal.

Surendra Goyal: Sure. Thank you.

Moderator: Thank you. Our next question is from Ravi Menon of Macquarie. Please go ahead.

Ravi Menon: Thank you for the opportunity. Congrats on a decent quarter. The margins for the Energy vertical, it is significantly below company average. Is this one of the margins levers that we have as we try to move our margins back towards 16% plus?

Venu Lambu: Give us a second, your voice is breaking in between. Is the question related to the Manufacturing and Energy Utilities?

Ravi Menon: Yes the Energy Utility is vertical where the margins are significantly below company average.

Vipul Chandra: Again in terms of the Manufacturing and Energy vertical, there have been ramp ups for a few deals which are underway. And we have seen good growth coming in this vertical. The margins are expected to pick up as we go along and the ramp ups stabilize.

Venu Lambu: And you know actually if I can add Vipul. I mean if you look at it, the Manufacturing sector had significant growth for us on the sequential basis as well. So when you have that kind of a growth, you also build up a ramp up in the later part of the quarter that starts realizing the revenue in the subsequent quarter. The other thing to note is that the growth in that sector also came in despite the passthrough that came off from Q4 versus Q1.

Ravi Menon: Thanks. Could you give us CC growth in Europe please?

Vipul Chandra: CC growth in Europe was around 3%.

Ravi Menon: Okay thanks so much. Best of luck.

Moderator: Thank you. Our next question is from Rahul Jain of Dolat Capital. Please go ahead.

- Rahul Jain:** Thanks for the opportunity. Basically, I have one question is that if you look at your revenue coverage its kind of best ever since we have been reporting this TCV data. So can we say that the growth rate are bound to improve from here on taking FY25 level as a base?
- Venu Lambu:** Rahul, our endeavor is to do that, to always get better from one year to the next year but as I mentioned in response to the other question, I do not want to give any specific guidance for the full year. I will just live with what I told in my outlook. We are keen to continue this momentum as we get into Q2 and which we are reasonably confident of.
- Rahul Jain:** Right, right. So I think the only thing which you said additionally was that you are confident of higher TCV win this year versus the previous fiscal. So do you see the culmination of that into revenue is any weaker than in the past year?
- Venu Lambu:** Well, I did not say that it will be higher. We only reported that for Q1 we had the higher growth of TCV. We did not comment on the full year unless I miscommunicated that.. And yes of course, if we close, big deals in the first half of the year, it will start impacting our revenue as we go into the second half of the year. So, at the moment, we are focused on closing all the big deals that are in the pipeline that Nachiket spoke about.
- Rahul Jain:** Surely and last bit on the utilization front, what is an ideal operating level that you see should be ideal for our business momentum?
- Venu Lambu:** Look, it depends on the demand pattern we get, if we have a demand pattern of an orderly demand pattern, which gives us good visibility for a couple of quarters ahead, which is slightly challenging in the macroeconomic environment, I would say probably 86-87% would be a healthy utilization to have.
- Rahul Jain:** The reason I ask this is because one of the peer actually specifically highlighted the demand supply mismatch in terms of the talent pool. So you think our resources are pretty flexible that way or you think at current moment it is ideal but we need to work on it as well.
- Venu Lambu:** Is it more of a skill set mismatch is the question?

Rahul Jain: Yes.

Venu Lambu: Look to be honest I do not think we see a material difference on that. Yes, of course there is always newer things that comes in our industry, especially with AI coming in, there are newer roles, new skill sets that come in but is there anything that is actually, becoming a bit of a drag for the growth or fulfillment and all that, we do not see that, I would say.

Rahul Jain: Okay that is helpful. Thank you and best luck for the year ahead.

Moderator: Thank you. Our next question is from Nitin Padmanabhan from Investec. Please go ahead. Mr. Padmanabhan, you may ask your question now.

Nitin Padmanabhan: So just wanted your thoughts on the Consumer vertical. It has done well this quarter. Anything specific? Is it the last deal or what has contributed to the growth and how do you see things panning out there from this vertical perspective? The second thing I just wanted your thoughts, so you did mention risk as we go through the year, uncertainties and all of that. Anything specific that you are worried about across any of these verticals or is it just a broader macro concern that you have?

Venu Lambu: I think it is a broader macro concern, but I think as I mentioned, the approach that I am sort of recommending is that look, the environment is what it is; so it is about how best you can get the growth by staying very close to our customers, by bringing in new capabilities, helping them in redefining their business model and so on. We are hugely focused on the execution part of it by staying very, very close to the customers. So if we do that, then environment will remain what it is, we can't influence that part of it and see what best we can get as growth. And that has been our approach in Q1. And that is how it has helped us to get the result in Q1. That is what we intend to continue in the subsequent quarters. Very specific to the Consumer services, yes, a part of that contribution was because of the large deal, but again, there has been a broad-based growth in the other sub-verticals as part of the consumer, business and that also has helped us whether it is in Travel, Transport side of the business, as well where the business uptick has been decent compared to the Q4.

Nitin Padmanabhan: Got it, got it. And just one question for Vipul. Vipul, you mentioned that the

Fit4Future Program actually contributed to almost 100 basis points of margin expansion this quarter, but that was offset by visa and higher travel costs. You think that becomes a tailwind going into the next quarter or there is some other headwinds as well?

Vipul Chandra: I think, Nitin, the maths is pretty clear. So yes, you can deduce that.

Nitin Padmanabhan: Perfect, perfect, perfect. Thanks a ton and all the very best.

Moderator: We will move to our next question that is from Dipesh Mehta of Emkay Global. Please go ahead.

Dipesh Mehta: Thanks for the opportunity. I just want to get some understanding about the NextEra JV, how should one look at the business scaling up there? And if you can help us on our role and any margin profile difference in that business. So margin profile, as well as working capital cycle variation in that business, if you can provide broad perspective.

Venu Lambu: Look, NextEra is operational in Q1. We are at very early stage of business ramp up over there. We are seeing a good acceptance of this joint venture capabilities. We formed a joint venture with one of the best-known brands in the Saudi market with Aramco Digital. So we get entry to a lot many client organization within the Aramco as well as outside of Aramco as well. So it is a very early days, I would say Dipesh. As we go along in the journey over the next couple of quarters, I am happy to call out specifically on the deals and the traction that comes on the NextEra but in the beginning, in the first 30, 60 days, we are seeing good discussions happening with Aramco as well as the other customers within the Saudi market. And with regard to the margin, I would suspect that it will be a little bit below our company average because of the market at which you sell the services compared to the deals in the US or another part of the world, yes, it will be less than the company average in that sense.

Dipesh Mehta: Understood. Last question is about Insurance. You made comment about BFS. Can you provide sense about how Insurance is playing out for us? Any broad outlook, what are the demand drivers and what are the challenges you face in that?

Venu Lambu: Look, Insurance demand drivers are all about tech modernization and again, the AI adoption in terms of their customer engagement, internal processes agencying. That is the kind of discussions and the kind of opportunities, that we have in insurance. We are not seeing a big scenario change in insurance vis-a-vis Q4 to Q1. Compared to BFS, I would probably say Insurance, we have seen fewer deals.

Dipesh Mehta: Congrats and thanks.

Moderator: Thank you. Our next question is from Rishi Jhunjhunwala of IIFL. Please go ahead.

Rishi Jhunjhunwala: Yes, thanks for the opportunity. A couple of questions here. Firstly, if we look at, when the merger of the two companies happened, one of the key factors was a lack of overlap in key clients in terms of either service line exposure or otherwise. And cross sell, upsell was a big opportunity there. If you look at past two to three years of data, at least in the top 40 clients, it does not reflect growth being anywhere closer to what it could have been. Outside of the macro factors, can you give some colour in terms of where we are on the journey of probably increasing the number of service lines to each of the key clients across the two entities that used to be there?

Venu Lambu: Look, Rishi, this is part of the Sales Transformation track that we have, which is essentially focused on enhancing the sales productivity, if I may say. And then one of the biggest levers of enhancing that productivity is that, can we sell more capabilities to our existing clients? So that is part of the transformation. We just made the start of that transformation. It is not that it did not exist before, it was always there. We had service lines and we have invested in service lines sales organization globally as well. We have seen good traction in specific service lines, but I think we can do a lot more in cross-selling and up-selling into our existing accounts. That is a journey we are on. And the more we do, it starts getting reflected in the company growth level as well. And if you actually see, even for this quarter, I think out of 10 service lines, we had almost seven service lines, or eight service lines, which has shown good growth, both quarter on quarter growth and year on year growth. And those growths have come across these service lines, and that is reflected in. The industry growth is a reflection of the service line growth as

well. But yes, we can do a lot more to sell, cross-sell and up-sell both.

Vipul Chandra: Just to add, Rishi on this point, I think in the last few calls also we have clarified that the cross-sell, up-sell cannot be really looked at diverse from the market conditions in terms of driving growth. Ultimately, for the cross-sell up-sell to work, the clients have to be willing to commit fresh spends, which has been slow in the industry. So I think one area which we have talked about in the past also is that in this environment, the way we have been able to get larger deals and participate in vendor consolidation. That also is a reflection of this capability.

Venu Lambu: Large deals will have multi service lines. I mean, if you look at the one which we announced, it has probably 6 or 7 service lines built in.

Rishi Jhunhunwala: Fair enough and secondly, if we look at from a supply side perspective, you are currently at peak utilization. Your sub con expenses are lowest that it has been for the past four or five years and you have not hired much in the past two quarters, whereas the TCV or the order inflow has inched up reasonably well in the past two, three quarters. So how do we think about the dynamics there? Is it a function of higher non-linearity that is going to play out due to productivity or is there any other reason to that?

Venu Lambu: I think I explained the reason for utilization in the earlier question. It was also due to the ramp up that happened in the quarter and all the accelerated hiring that started in the later part of Q1 is going to come on board in Q2. The hiring process has accelerated. There are two, three things that we are doing very strategically in the talent supply chain part of it, and we just covered it in my commentary as well. In terms of how do we actually bring the AI capabilities in the way we source the talent, we match the skill sets of the talent, and how do we reduce the on-boarding time of the talent after that? So that is also part of our transformation initiative. We have actually made some good progress. Having said that, yes, this is an area where, we need to do a lot more, to get to that utilization level that I said that if it is between 86 and 87%, it is a good range to be around, at least at the end of Q2, if we can be around that range it will help. So we are doing a lot of proactive hiring in that context. Our talent team is fully engaged to get to that ramp up. In some way, it is a good problem to have, Rishi. We will mitigate that. And I think I also called out

the fresher induction 1600 people we inducted in Q1 and we will induct more throughout the year.

Rishi Jhunjunwala: All right, so thank you. All the best.

Moderator: Thank you. Our next question is from Debasish Mazumdar of SVAN Investments. Please go ahead.

Debasish Mazumdar: Hi, Venu. Thank you so much and a little late, but welcome back. So, three questions I have, one is if you hear the whisper in the industry it is very clear that you guys are extremely aggressive in chasing especially large size deals but if I see the TCV that you announce every quarter for last three quarter it is hovering around \$ 1600-1700 million range so if you can give some direction that at what level you are looking at or whether you are comfortable at this level of deal wins or how the pipeline is looking like.

Nachiket Deshpande: As we talked about earlier, we are seeing definitely an increased momentum on large deals and even going into Q2, we hope to announce few more and continue to build the pipeline for the rest of the year. So, definitely the large deal closure rates will improve. On the order inflow, I think there are a lot more other factors that go into it on a quarter on quarter basis. So, I would not say that it is a one-to-one comparison. There are different renewal timings on different customers and different industry segments. If you look at on a yearly basis, I think you would definitely see a higher order booking and the large deals booking reflecting into that for the full financial year. In a quarter-on-quarter basis, I would say it will be very difficult to exactly attribute that to the deal closures.

Debasish Mazumdar: So is like \$1.6 billion quarterly run rate is a kind of comfort zone for you and you feel that this will give us sufficient amount of growth because I understand that YOY there is a growth and book to bill ratio for us also improved. Do you think that \$1.6 billion is the correct number to look at?

Nachiket Deshpande: See as our size grows, we would also have to keep up our order booking proportionate to that size to deliver similar growth that we aspire to grow. So to that extent, we would want to see the growth in our order booking as well as we go along as our base also increases. That is how I would look at it.

Debasish Mazumdar: Sure, understood. And the second question that I have is if I just relate vertical wise growth and the top five client performance, it seems to be that our large tech client is still not out of woods for us. So, do you think that that business has kind of bottomed out and we will start seeing growth here?

Venu Lambu: I think in the Q4, you know, I did mention that the productivity topic is behind us, we executed to deliver productivity program, we sort of executed it very well. Otherwise at the vertical level, if you actually seen it, we have grown this quarter. Sequentially we have grown the Tech vertical. I do not want to get to very specific client situation, but, if I just look at the overall vertical level, it has grown sequentially as such. But with regard to the top client, the productivity issue is behind us. That is not material. What we need to do is probably to win more deals and expand our wallet share in that account but we do not have any material issues that we have to deal with. It is all sales that we need to focus on in the top client.

Debasish Mazumdar: And one last question is the Rest of the World business that we see, normally we see seasonal degrowth in this quarter. So does it same like that or there is something else to read in it?

Vipul Chandra: The Rest of the World business also, one it is a smaller pie as compared to the rest of the company overall in terms of revenue and any seasonal variations do tend to get exaggerated because of the small base. And in terms of the Rest of the World coverage, seasonality due to the license revenues in Q4 does play out in Q1 in comparison. And we are also kind of looking at some more deals coming through in this vertical as well. So it could pick up in the future as we go along. As I said, it is a small portion of the total.

Debasish Mazumdar: Okay, understood. I mean, the point that I am trying to get into is whether we are leaving few of the businesses to get into better margin because lot of our peers is doing that in the Rest of the World to get into a better margin levels and to focus more on the areas which matters.

So is it more intentional or it is just a seasonality that is what I am trying to get into.

Vipul Chandra: It is just a seasonality aspect of it.

Venu Lambu: We are always selective in deals. Anywhere in the world we are selective, not specific to the Rest of the World. So it is not just about revenue and profitability. It is also about, can we really add value in those engagements? So we qualify the opportunities in the context of whether we can add value to our customers and then of course does it fit into the right commercial profile.

Debasish Mazumdar: Sure, sure. Thank you so much.

Moderator: Thank you. Our next question is from Sumit Jain from CLSA. Please go ahead.

Sumit Jain: Thanks for the opportunity. My first question again is on probing your top account in the High-Tech vertical. I mean historically it used to grow very strongly in June and September quarters and obviously you used to do a lot of product engineering work for their cloud platform, which still continues to grow pretty strongly. So can you just highlight is there a change in the rhythm of the growth of that account going forward, given that it is still the most important account for LTIMindtree? How do you see that as a strategic account and what are the growth levers for you in that customer?

Venu Lambu: Look, I would probably answer it in two dimension, right? So, firstly, the account has grown over a very long period of time, very consistently. So we are at a base where we are hugely material to the client. We are seeing greener pasture as the top client expands into the newer areas. So that discussion continues but we also need to remember that we came at the back of revenue net of the productivity gain in the last two quarters. So the whole team was engaged in delivering to that program. And now as we started this year, we started off with the good progress in the Tech vertical with the sequential growth. Our relationship is stronger as always and we will leverage that and look for opportunities where we can grow beyond that. See, I do not want to compare it with historical trend because the base was different, Sumit and also the market environment even for the top client for that matter.

Sumit Jain: Right, got it and secondly, wanted to understand I mean you guys are doing a lot of initiatives on Gen AI so wanted to understand are you seeing any sort of deflation in your existing business or the contract which are coming up for

renewal? Are you passing on productivity benefits and seeing any sort of impact on the revenue growth? And then in relation to that, do you see non-linearity for your business between revenue growth and headcount growth because of Gen AI?

Venu Lambu:

The opportunities in the AI is something we are very, very optimistic about. And that's why we have an AI organization under Nachiket we launched BlueVerse an agentic ecosystem. We are sort of penetrating AI across all our service lines and Industry verticals. With regard to the productivity ask that comes from the clients at the time of renewal or even outside of the renewal process, is always a discussion that we will evaluate it because we have this relationship. And most of this productivity gain also comes at the back of our incremental scope we can deliver for the customer, because every client wants to do more with less. So if we can get more coming our way and we can deliver the more with less, it is a win-win equation. So I think most of this productivity discussions in my view will lead to a win-win discussion, with the way we are approaching it. So which is something which I am fairly confident about. There is no material impact because of productivity as a topic that I can call out but is there an ask from the clients with regard to productivity? Absolutely, yes and that ask is always there. And our effort is to come up with a win-win equation that, okay, can we do more with the same client with less? The third is with regard to the non-linearity. Look we will have to wait and watch how things will span out because the nature of contracts also have to change in our existing book of business also. If there is a T&M contract, can we convert that into the managed services? Is the client okay to convert it to managed services? And can we bring AI within that managed services construct and thereby reduce the headcount? This is something we will have to do along with the customer. So the customer also has a significant role in redefining the way forward business model. So it is too early to call it either way, but you are seeing the trend anyways. Over the last two years, if you see the revenue addition that we have added and the headcount, there are enough indications to say that the non-linearity signs are visible.

Is it visible to a to an extent that you can call it as a completely new business model. I do not think that is there but definitely we are adding revenue either

with the same headcount or with a slightly less headcount already.

Sumit Jain: Got it and maybe one last question if I can squeeze in. I mean in your last in-person analyst meet, you obviously talked about \$10 billion revenue target by 2030-2031, but obviously I think things have changed to that extent but given the fact that, are you having any ambition to grow probably in leaders quadrant or in double digit, anything you guys are planning to give any outlook? I am not asking for a quantitative guidance, but at least where do you stand compared to your competition?

Venu Lambu: I do not know which competition is being referred, but in general look our aspiration or strategy is, firstly for the clients, we want to be very relevant in our positioning of digital transformation partner and then second is I spoke about all the transformation mandate of being very people-centric company with AI focus. And third is the aspiration. The aspiration of course \$10 billion revenue is an aspiration that we have and we are working towards that aspiration. So that aspiration has not changed, but it is all about reaching that aspiration goal one step at a time. So that is why I am restricting myself to Q1 and to the next quarter, which is Q2.

Sumit Jain: Got it. Very helpful, Venu. Thanks a lot and all the best.

Moderator: Thank you. That was the last question.

Ladies and gentlemen, on behalf of LTIMindtree Limited, that concludes today's conference. Thank you for joining us. You may now click on the leave icon to exit the meeting. Thank you all for your participation.

Safe Harbour

Certain statements in this release concerning the future prospects are forward-looking statements. These statements, by their nature, involve risks and uncertainties that could cause the actual results to differ materially from such forward-looking statements. The Company assumes no obligation to revise or update any forward-looking statements that may be made from time to time by or on behalf of the Company.

(This document has been edited for readability purposes)

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