

LTIM/SE/STAT/2025-26/72

October 23, 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 October 16, 2025

With reference to the captioned subject, please find enclosed transcript of the Earnings Conference Call held on October 16, 2025.

Kindly take the above on record.

Thanking you,

Yours faithfully,

For LTIMindtree Limited

Angna Arora
Company Secretary and Compliance Officer

Encl: As above

LTIMindtree Limited

Corporate Office: L&T Technology Centre, Tower 1, Gate No. 5, Saki Vihar Road, Powai, Mumbai - 400072, India
T: + 22 6776 6776 F: + 22 4313 0997

Registered Office: L&T House, Ballard Estate, Mumbai - 400 001, INDIA
www.ltimindtree.com | Email: Info@ltimindtree.com | CIN: L72900MH1996PLC104693

LTIMindtree Limited is a subsidiary of Larsen & Toubro Limited



“LTIMindtree Limited
Q2 FY2026 Earnings Conference Call”

October 16, 2025

MANAGEMENT:

Mr. Venu Lambu - Chief Executive Officer and Managing Director

Mr. Vipul Chandra - Chief Financial Officer

Mr. Vikas Jadhav - Head Investor Relations

Moderator: Ladies and gentlemen, good day and welcome to the LTIMindtree Limited Q2 FY2026 earnings call.

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

I now hand over the conference over to Mr. Vikas Jadhav, Head Investor Relations at LTIMindtree. Thank you and over to you, sir.

Vikas Jadhav: Thanks, Inba. Good day everyone and welcome to LTIMindtree Q2 FY2026 earnings conference call.

Today we have with us on the call Mr. Venu Lambu, Chief Executive Officer and Managing Director and

Mr. Vipul Chandra, Chief Financial Officer.

We will begin with a brief overview of the company's Q2 FY2026 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 risks and uncertainties that could cause our actual results to differ materially from those expressed in today's call. We do not undertake to update any forward-looking statements made on this call.

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 pleased to share that Q2 FY2026 has been a strong quarter for us, marked by broad-based performance across our business. We are committed to becoming an AI-centric organization in the agentic enterprise era.

Our strategy remains on course, driven by sales transformation, Fit for Future program, and focus on large deals. The results reflect disciplined execution and depth of our client relationships and solid progress in our ongoing transformation. Vipul and I will talk more about it during this call.

Let me begin by sharing the headline numbers for Q2 FY2026. We reported revenues of US dollar 1.18 billion, reflecting sequential growth of 2.4% in constant currency terms and 2.3

% in USD terms. EBIT margins expanded 160 basis points from 14.3% in Q1 to 15.9% ahead of our plan. Our order inflow stood at USD 1.59 billion, up 22% year-on-year, marking the fourth consecutive quarter of order inflow around USD 1.6 billion. We signed large deals in each of our five verticals.

I would now like to highlight some of the noteworthy deals we won during the quarter.

We secured a large deal with a leading global media and entertainment company to drive its digital transformation and enable an AI-centric delivery model.

We have been selected as a strategic partner by a global financial institution to deliver end-to-end technology and consulting services across all its line of businesses, spanning multiple geography, positioning as one of their five major service partners.

We have been selected by a Global Manufacturer of Chemicals to oversee and execute their technology transformation in a rapidly evolving industry landscape.

We will deploy our BlueVerse™ tech to drive AI efficiency and streamline processes for cost management and rapid innovation.

We have expanded our strategic partnership with a global hospitality major through a significant multi-year deal to accelerate the digital and guest loyalty transformation initiatives.

We have been chosen by a leading FinTech solution provider to deliver merchant certification services through an automation-first approach.

We have won a contract from the Government of India's Central Board of Direct Taxes to transform India's PAN infrastructure. Our recent press release highlights the winning detail.

We have been chosen as an AI partner by a global energy player to develop an agentic solution for legal and IT functions, leveraging BlueVerse™ Foundry, our agentic ecosystem platform that has gained strong traction with our global customers.

We were chosen by a global media and entertainment major to create a Gen-AI-based solution designed to revolutionize both linear and nonlinear streaming platforms.

By implementing an advanced AI-powered video metadata extraction system, we will unlock the intrinsic value within their entire catalog, from classic library titles to new release assets.

We were selected by a Europe-based life science company to lead a large-scale ERP transformation, reimagining all key business processes through an S/4 HANA implementation.

We have expanded our strategic engagement by winning a large deal with a technology major to drive cloud migration for the customer, enabling quicker time to market in a cost-effective way.

These wins demonstrate our strong sales and delivery execution aligned with our changing expectations of our customers.

Let me now share updates on our vertical and geographical performance in USD terms. This is the second consecutive quarter of sequential growth across each vertical.

The growth was led by consumer business, which grew 9.1% quarter-on-quarter. Healthcare, life sciences, and public services reported strong growth of 10.2% quarter-on-quarter. Manufacturing and resources experienced a growth of 1.7% Q on Q. BFSI grew 0.2% quarter-on-quarter. And technology, media, and communication reported 0.1% growth quarter-on-quarter.

From a geo-perspective, Americas grew by 2.1%, Europe by 2.4%, and rest of the world by 3.7% sequentially.

It is worth noting that each of our client revenue pyramid categories saw an addition on a year-on-year basis.

Our headcount at the end of Q2 FY2026 stood at 86,447. This reflects a net addition of 2,558 employees for the quarters, including 2,604 freshers.

This quarter, we received several recognitions, let me highlight some key ones.

We won six gold and two silver Brandon Hall Awards across various talent categories.

We received a gold award for excellence in diversity, equity, and inclusion strategy at the Financial Express HR Awards 2025.

We were recognized as a leader in the application development services for AI application in the Peak Matrix Assessment 2025 by Everest Group.

We were featured in the AI consulting services landscape Q3 2025 published by Forrester Group.

Please refer to our fact sheet for a complete list of our recognitions.

Let me now take you through some of the key business updates for this quarter.

We welcomed Gururaj Deshpande as our Chief Delivery Officer. With over 30 years of experience in large-scale IT delivery, Guru will play a pivotal role in enhancing client delivery, embedding AI into our delivery framework, and driving operational excellence.

We hosted our first Executive Partner Conclave in California, USA, a milestone event attended by senior executives from hyperscalers and strategic enterprise partners. This event strengthened our mutual collaboration in driving AI-centric solutions for our customers.

We were awarded patents for two specific AI-centric innovations. The first one is “Method and system for managing financial well-being for customers”, and the second is “Method and system for controlling clustering of SDLC artifacts”.

We launched our BlueVerse™ studios in Mumbai and London, which will serve as collaboration hubs for our clients' AI-led transformation.

We partnered with Shopify to set up an AI Commerce center of excellence to create industry accelerators.

We introduced BlueVerse™ RightAction, an AI governance framework that ensures compliant and intelligent decision-making by autonomous agents.

We expanded adoption of the BlueVerse™ Success Metrics framework, a maturity and measurement framework now used by over 40 clients to convert AI vision into tangible business value.

We developed an AI-powered quality engineering framework for a global real estate major, streamlining story refinement and automating test case generation. This resulted in a 60% productivity improvement.

We embedded AI across IT operations for a utility major, including service desk, autonomous agents, and monitoring. This resulted in significant cost saving, 4x ROI on AI investment, enhanced employee experience, and IT resilience.

We created a Gen AI platform for sports goods manufacturer that automated customs declaration using NLP and proactive error resolution. This improved compliance from 35% to 97%.

We have more than 1,500 digital agents in action in addition to our workforce.

To emphasize our reskilling program, we are pleased to share that over 80,000 employees have completed the GenAI Foundation Training Program. This program equips them with vital skills for applying AI in their work.

For financial updates, I will now hand over the call to Vipul.

Vipul Chandra:

Thank you, Venu. Good evening, everyone, and thank you for joining the call.

Let me now walk you through the financial highlights for the second quarter of FY2026, starting with our revenue performance.

Our Q2 revenue stood at USD 1,180 million, reflecting a growth of 2.3% quarter-on-quarter and 4.8% year-on-year in dollar terms. The corresponding constant currency growth was 2.4% quarter-on-quarter and 4.4% year-on-year.

I am pleased to highlight that our Q2 revenue in INR terms has crossed 10,000 Crores mark and stood at Rs.10,394 or Rs Crores.

Our EBIT margin expanded by 160 basis points sequentially to 15.9% in Q2 FY2026. This increase was primarily driven by gains of 80 basis points from our margin improvement program, part of the Fit for Future initiative, and non-recurrence of visa cost. Forex tailwind contributed another 80 basis points.

Profit after tax for the quarter stood at Rs.1,381 Crores as compared to Rs 1,255 Crores in the previous quarter, registering a growth of 10.1% quarter-on-quarter and 10.4% on year-on-year basis.

The effective tax rate for the quarter was 26.5% as compared to 27.3% in Q1.

As mentioned previously, the higher ETR in Q1 was due to a one-time tax impact on account of capital repatriation from one of the subsidiaries.

EPS was Rs.47.2 for the quarter compared to Rs.42.3 in Q1 FY2026. This is at an all-time high.

Our total DSO for Q2 stood at 82 days versus 81 days in the quarter.

The operating cash flow to PAT ratio was 85.6% up from 82.3% in Q1. The free cash flow to PAT ratio stood at 72.4% compared to 60.7% in Q1.

Cash and investment balances stood at around USD 1.58 billion or Rs.14,000 Crores compared to Rs.12,835 Crores in Q1 FY2026.

Return on equity for the quarter was at 21.8%.

The Board of Directors has approved an interim dividend of Rs 22 per equity share, an increase of 10% from the corresponding quarter of the previous year.

As of September 30, 2025, our cash flow hedges stood at USD 4.11 billion and hedges on the balance sheet were USD 241 million.

Our utilization, excluding trainees, remained flat at 88.1% during the quarter. For the quarter, our trailing 12-month attrition decreased to 14.2% compared to 14.4% in Q1.

On the ESG front, our Global Sustainability Report for FY2025, themed A Tapestry of Progress, aligned with international standards, was released.

This quarter, we strengthened our employee volunteering efforts through CSR by organizing activities such as plantation drives, literacy programs, and initiatives supporting women in microenterprise management.

I am pleased to share with you that LTIMindtree Global City Office Phase 1 has been awarded LEED Platinum certification. This prestigious recognition is a testament to our commitment to sustainability and environmental responsibility.

We have also been honored with the prestigious Golden Peacock Award for Risk Management in 2025. This recognition is a result of our continued commitment to industry best practices and aligning risk management to strategy goals.

I will now hand it back to Venu for the business outlook.

Venu Lambu:

Thank you, Vipul.

In summary, our strong performance this quarter demonstrates our team's unwavering commitment and deep trust our customers continue to have in us.

As we look ahead, we remain confident in our ability to sustain this momentum of profitable growth driven by strong deal wins, execution rigor, strategic transformation, and investments in AI.

Before we proceed with the Q&A session, I would like to wish you and your family a very happy Diwali.

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. Anyone who wishes to ask a question may click on the raise hand icon from the participant tab on your screen. We will wait for a moment while the question queue assembles. We take the first question from Sandeep Shah of Equirus Securities. Sir, could you please go ahead?
- Sandeep Shah:** Congratulations on a very strong execution, both on revenue and EBIT margin. Venu, first question is, if I look at the top 5 client bucket, the growth seems slightly tapered. And related question is, looking at the top 2 clients, one in high tech and one being BFSI, do you foresee any long term concern as these clients may face a hurdle in terms of your overall growth journey for medium to long term?
- Venu Lambu:** Yes, thanks for the question, Sandeep. Look, I think if you look at it across, all our client buckets, we have actually grown. And as you rightly called out, the top five accounts had a different number. But, there is a reason for it. It is not related to the outlook or a demand. I think these are the top five large engagements we have. And these are the large accounts, which is going through recalibration because of the AI productivity benefit that they get. So we will have to transition that phase and at the same time, we should, whatever the revenue we add, to some extent, it gets offset by the AI productivity as we transition this phase, but once we are done through this phase, there is no reason why we cannot grow in this top five clients, right? So I do not see any structural issue, not a material reason to be worried about in that particular segment. I think it is just a transition phase that we are going through in these five accounts, which is natural, I guess, expected with the opportunity that exists in AI. And those things get applied when the renewal comes. So you will have to look at slightly in a larger context on that but I would look this as more of a transitional phase.
- Sandeep Shah:** Okay. And just a related question. Last time for the BFSI growth prospects, you were sounding slightly cautious. So is the outlook remain same or you become slightly more positive? And looking at your deal wins and some support from the pass through sales, it even looks like the second half growth momentum could be better. And the last question in terms of EBIT margin, there is a significant improvement. So where we are currently in the near term, where could be the trajectory? And in the medium to longer term, can we go to high teens? We are already at 16. Can it be even higher teens in the next three to four years?
- Venu Lambu:** Yes, look, I think with regard to the BFSI, there are two points I would like to call out, right? So, one is, in the BFSI segment, we sort of entered the year at the back of a very strong year in FY2025, so, we need to look that phase – I actually call that as a pre-productivity era phase, right? So, coming back at the back of that growth, and then, as I spoke about, there is a recalibration happening at the time of renewals, which would offset some of the growth that we would get in this form of a new engagements and new deals that is exactly what's happening in BFSI space. It is nothing to do with the market outlook being

cautious or not. I think it is just the phase that I explained in the top five, the commentary I made with regard to the top five clients sort of apply there. So I still remain, optimistic about the growth in the BFSI space as we go into the second half. And in terms of the overall growth for the second half, yes, absolutely, that is the endeavor. And I think I made this comment in the Q1 commentary, probably not in the earnings call, but the post-earnings call in the other interaction, that our plan is to be nearer to the double digit in the second half of the year at some point that is what we are working on. So that would not change. On EBIT, I will request Vipul to give a comment, but I would expect that also to have a similar commentary.

Vipul Chandra: Sure, and thanks for the question. I think in terms of the EBIT outlook, we remain confident in terms of being able to expand our EBIT margins as we go forward. We do not give out our specific EBIT guidance for medium term, so I will refrain from doing that but I think we are on a good profitable growth trajectory and we remain confident to be able to maintain that.

Sandeep Shah: Okay, thanks. I may come in the follow-up. All the best.

Venu Lambu: Thank you.

Moderator: Thank you. We take our next question from Manik Taneja of Axis Capital. Please go ahead.

Manik Taneja: Hi, thank you for the opportunity and congratulations for the very steady performance that you have shown in the current quarter. You did allude to some pressure within your top customers, but given some of the large deal wins that we have won in the recent past and some of the pass-through revenues that typically tends to come through in second half, do you think the strength that we see in second half of FY2026 may be higher than what we have historically seen? That's question number one. The second question is with regards to wage hikes for your staff and also in terms of further gains from the Fit for Future program. How should we be thinking about them, both for the near term and the medium term? Thank you.

Venu Lambu: Sure. Thanks, Manik. Look with regard to the commentary on H2, I think I made in the earlier question as well we remain optimistic and confident about delivering and continuing the same growth momentum in the second half. And if you have to deliver to the near double digit at some point in second half, obviously we expect the growth to be slightly higher than what we had in Q2, as we look beyond the Q2. So that is the plan we are working on it. So I am fairly confident about the path that we take there. With regard to the wage hikes, we did announce the wage hikes to our employees in our Town Hall today and the way we are going to approach is, and before I share the approach, let me just take 30 seconds and give you a context on how we see the topic of wage hikes evolving. See, I think we are going through a very significant inflection point in the industry and also within

our company. And there is a lot of opportunities on the other side of the inflection point. So it is very important that we navigate this journey collectively with our employees and one of the critical aspects of the journey, traveling together with our employees, is about how we cross-skill and up-skill our employees to the next AI requirement or AI projects that keeps coming to us. So in the agentic AI era, the skill becomes a very critical element of that. So we are going to take our employees along that skilling program and that is already in progress and that will continue to accelerate. So we have fixed two milestones on how we address the wage hike. And my personal view is that that may be the new normal going forward as well. We may not have a one wage hike in one particular quarter for a whole of employees. We might spread it. So this time we are making a beginning.

We will have wage hike spread over two quarters. The first tranche will be in the effective 1st of January. And the second one will be in the 1st of April. And I would expect that we will have to adjust to the new normal that we will have 2 stages of increments coming in for our employee base. You can assume that 50% in January 1st and 50% of our employees in the April 1st. I think on the Fit for Future gains, Vipul commented on the earlier question, where we are optimistic about continuing our margin momentum. And those gains are a very critical piece towards those goals. And that is going very well for us. And you saw that in our Q1 results, you saw that in our Q2 results and that will start getting reflected even in Q3 and beyond.

Manik Taneja: If we could talk about some of those margin tracks, Vipul, given historically we used to talk about some of the G&A rationalization when the merger happened. If you could help us understand what are those margin levers or the cost levers that you are working on in which you expect to essentially see more tangible benefits?

Vipul Chandra: So, I think we spoke about some of these levers earlier also and I think this fit4 for future program or the margin focus remains a continuing focus area for us. And there are multiple levers in this program but let me just touch upon a few of them that we are looking at. One is the productivity lever aided by AI adoption and as Venu talked about, we have been adding revenue in this year without really having a significant addition to our headcount. The second point, the second lever which we are working on is pyramid correction, towards which our commitment for the fresher hiring program is continuing and as we go along in the year, that will start reflecting in our pyramid as well. We are also working on our span of control internally, and we believe that there is more scope to do on this. And overhead also, while we have reduced versus the beginning of the year, you still think there is more scope as well in that as also. So, there are multiple levers and this is a continuing exercise.

Manik Taneja: Thanks Vipul, wish you all the best.

Vipul Chandra: Thank you.

- Moderator:** Thank you. Our next question is from Vibhor Singhal of Nuvama Equities. Please go ahead.
- Vibhor Singhal:** Yes, hi. Thanks for taking my question and congrats on a solid performance team. Got two questions, one for Vipul and one for Venu. So, my question for you was on the let's say the growth momentum that we are looking at. So first of all, I think what I would want to check is that I think we have two large deals which should probably be ramping up at some point of time. So is it correct to assume that the PAN 2.0 deal should start ramping up in Q3 and the recent media deal that we have won should start ramping up in Q4?
- Venu Lambu:** Yes, so the PAN 2.0, the early ramp up has started. Yes, you are right. You can expect that to ramp up by Q3. But the media large deal, I think it will take a slightly longer time because it has got a very extended transition period. It is a deal where the existing scope plus the new incremental scope are getting recalibrated and consolidated, that is how we are redefining the entire IT landscape over there. And for that, there is a transition with multiple vendors that needs to be done. So I would expect the media account ramp up to be over a period of a couple of quarters.
- Vibhor Singhal:** Got it, got it. You also alluded to maybe possibly touching a double-digit growth in terms of CC growth at some point of time in this year. Does that basically still hold? And the recent deal wins and the growth in this quarter, does that align with the target that you are looking at?
- Venu Lambu:** Yes, as I said, we want to be nearer to the double-digit or double-digit, there is always that bit of a leeway we kept to see how things unfold, but that can become closer to the double-digit or actually get to the double-digit, that plan is pretty much still in progress.
- Vibhor Singhal:** In FY2026, you mean to say in the remaining two quarters?
- Venu Lambu:** Yes, it is at some point in the second half of the year, we will have that growth coming in and I think I clarified it in the last calls as well, that we are looking at that in the USD terms. So.
- Vibhor Singhal:** Got it. Got it. Great.
- Venu Lambu:** Just to clarify.
- Vibhor Singhal:** Sure. Great to hear that. Vipul, just one question on the margin side. I think this quarter we saw a very sharp reduction in SG&A from 12.8% of revenues come down to 11.7. So almost 100 basis point benefit from that. So first of all, is that sustainable? And secondly, is there more room for this to come down in the Fit for Future program that we are running?

- Vipul Chandra:** So, we have two parts to that answer. One is, there is normally a seasonal pickup in the SG&A cost because of certain marketing events, etc., which typically come seasonally in the first quarter. Those were not there in this quarter. Number two, as I just said that the Fit for Future Program is a continuing program and there are further levers that we are working on. So we are working on improving even this parameter further.
- Vibhor Singhal:** Got it, got it. Thank you so much. This was clear. Thank you so much guys for taking my questions and wish you all the best.
- Venu Lambu:** Thank you Vibhor.
- Moderator:** Thank you. Before we take our next question, we would like to remind participants to join the question queue. You may click on the raise hand icon. We take the next question from Sushovon from Anand Rathi. Please go ahead.
- Sushovon:** So this is Sushovon here, just quickly thank you so much for the opportunity and congratulations on a fantastic set of numbers. Just one question, specifically when we are looking at almost 60% of your revenues, which are coming from two sectors that has been basically flat. How do you see that evolving over the years? There is any client-specific issues that are there? And the other bit is, do you see a structural change in your vertical mix over a period of time? I have another question, but I will just wait for your answer.
- Venu Lambu:** I would link it to link the top five commentary to this answer as well. Because obviously, if you look at it, in the top five client base, I spoke about recalibration at the back of productivity that is happening. So there is this one element of it, because that also has, accounts which falls into this 60% segment that you have called off. So that is one. And second thing is that, the commentary I made with regard to the BFSI is that we are coming at the back of the strong growth last year. And then we had the renewal cycle coming in, which sort of led to this recalibration. And I expect that that is improve as we go along over the next two quarters but with regard to the tech verticals I will just call it because that comes under the 60% thing that you spoke of. I look at that segment in two eras, right? So same time last year, we were on what I actually call as a pre-productivity era. So that is when the AI adoption and all that conversation just started and then the acceleration happened about the productivity gain that we passed it on to a few customers that you know about, which we made a commentary last year. So post-productivity era is what I would suggest. I would sort of look at it starting from Q3 onwards. And in the post-productivity era, we should start seeing the growth because it is not fair to compare the year-on-year on that segment, the pre-productivity era, because the things did change. The price points did change. The renewal recalibration happened. We passed on the benefit to the customer as well at that time. Now, the thing is we are seeing growth in all these segments, in the 60% of the segments that you called up. We have good pipeline traction. In fact, if you look at

the order booking in our BFSI it was significant. It contributed materially for our 1.59 billion of order booking. So that is how I would summarize it.

Sushovon: Thank you, sir. Just one more question. Do you see the productivity-related benefits to be more specific to BFSI and high-tech and possibly manufacturing retail? It is comparatively lesser, or is that something that I am construing? This is what I am seeing, sir, from a sectoral perspective.

Venu Lambu: Well, the way I would look at it is that the larger the engagement, the larger the account size, the impact is more material, right? So that is how we would say, but AI infusion is what we want to encourage across all our customers, across all our segments, right? We have increased it more than 40, 50 accounts adopting AI in this quarter as I covered in my in my initial commentary. So that is how it works. I think it is just the size and scale of the account and segment where you start seeing that impact material.

Sushovon: Thank you so much.

Moderator: Thank you. We will now move to our next participant that is Debashish Mazumdar of Svan Investments. Please go ahead.

Debashish Mazumdar: Thanks for the opportunity and congrats on good set of numbers. Sir, my first question was around the deal wins. So for the past almost three, four quarters, the deal wins have been similar range, but our top line growth has been steady or we have started to see some acceleration there. So how should I link these two things, both of them, so I could have some flavor around the deal wins also? How should I relate both these things?

Venu Lambu: Yes, so there are three attributes, if you want in the topic of relating the order booking to the revenue, right? You know, firstly, we have shown quarter to quarter progress, right? I mean, that is a reflection of the order booking translating into the revenue. But we need to understand that the order booking has three factors. The one is, what is the transition period for these last deals before it sort of materializes into steady state revenue? And I, as an example, I called out the media customer. It has a longer transition period. The one which we announced in Q1, that has already been transitioned right. So we are getting into a steady state, so we will start seeing the revenue coming in. So each of these deals have different characteristics in terms of what is the transition period and how much it sort of ramps up. And the second thing is that the renewable deals are getting clubbed with the vendor consolidation deals. Even the recent large deal that we announced, it is a great case study of our existing scope plus taking over the scope of the other vendors through the vendor consolidation strategy makes the deal bigger. And when you look at that, the vendor consolidation is over a multi-year period, because you consolidate two vendors, then you move to the third vendor and fourth vendor. So that is how the second attribute of it. And the third is some of our renewal deals gets recalibrated to a new price point as we go along.

So that is how we have to look at it. The only summary I would leave it is that we are fairly confident of where we are going in the second half of the year, and we have enough momentum that is backing us up on that.

Debashish Mazumdar: Understood and sir my second question was specifically the commentary you just alluded to of the large customers having the impact of AI. So you have been talking about that even in the calls before and the other players or peers in the industry have been talking about change of scope in the larger player. So, I just wanted to understand does it have to do a lot more do with macro specifically that that these deals are getting or the existing book of work is also under pressure or is this to do more with AI?

Venu Lambu: So I think it is more to do with AI. The macro was probably a couple of quarters back, that would have been pretty good. But now AI, if we encourage our customers to leverage AI in the engagements, we actually, proactively championed the partnership of AI infusion in our existing segment. I do not think we gain anything by holding into that. The right strategy is to let go what is right productivity gain to our customers because we win back more. We win back more compared to what we give. It is just that it is a transitional phase and we have to look at what is the scale of growth that comes in over a period of time. And we are seeing that in our accounts. You see that in our results. While we are positive in the productivity benefit, we still grew.

Debashish Mazumdar: Understood, sir. So just a continuation on that part, a clarification. So could you quantify some sort of AI revenues, or has it reached to a monetization phase for us? And some levels of revenue streams or percentage would you be able to guide us to?

Venu Lambu: At the moment, we are not because there is a pure play AI native services that we do on the BlueVerse™ AI genetic system but there are lot of other service line which contribute towards driving the AI solutions, whether it is our cloud business or digital engineering business, data most importantly, and so on. So till we come to a point where we can come with a much sharper definition of what is AI revenue, I think it will be a bit premature to start calling it out.

Debashish Mazumdar: Got it. Thanks a lot.

Venu Lambu: Thank you.

Moderator: Thank you. We will take our next question from Sulabh Govila of Morgan Stanley. Please go ahead.

Sulabh Govila: Hi. Thanks for taking my question and congrats on a strong quarter. My first question is on the deal wins and the pipeline. So in the last two quarters, we have had two mega deals in the ballpark range of, lets say, \$500 million each. So with respect to the current pipeline,

would you characterize the current pipeline in having similar such size deals, which we are confident of closing in the near term? Or would you say that even without those, we will be able to maintain the level of deal wins that we have been doing?

Venu Lambu:

Look, I think that, there will be some seasonal movements here and there, depending on the deal cycle that it takes to close deals. But as we are looking at continuing our growth momentum and reaching to that number that I spoke of at some time in the second half I would look forward to having the continued deal momentum, right? I just do not want to box it to a specific number at this moment. But, we have a robust pipeline, fantastic deals in discussions with our customer that is how we will go on. And just to clarify to your point, we did not announce the deal size on the on the second deal that you mentioned, because the client has requested us to maintain the confidentiality. So I am just calling that out. So the silence doesn't mean an acknowledgement of the deal value. So we did not call that out. And also the deal that we announced recently is a great testimonial of a combination of our existing scope and the new scope. And that is what we will see more and more in our existing accounts while we go after the new accounts with the new deals as well.

Sulabh Govila:

Understood and my second question is on the margins. The benefit on margins from levers such as productivity driven by infusion of AI. Historically, whatever margin benefits the industry has seen, they found ways to pass it back to clients. And particularly on levers like these, which is where the effort is getting reduced. Would you say there is something different this time around where such benefits can be retained by the IT vendors?

Venu Lambu:

Well, it depends on the type of engagement. Our EBIT momentum is not just based on the productivity. It has got multiple factors as Vipul explained. earlier, but when it comes to the AI productivity things like managed services, fixed price project, the development and capacity-based engagements. These are the engagements where we have an opportunity to keep a part of it, if not full, of the productivity, towards us. Yeah, that is how I see it. But that is not the only lever. That is one of the levers. That is not the only lever.

Sulabh Govila:

Okay, understood. And just the last bit, from a third quarter perspective, I just wanted to check, given that the wage hikes are now coming in from the fourth quarter, do you have any headwinds going into the third quarter from a margin standpoint, apart from the lower margin pass-through revenues that would come in?

Vipul Chandra:

So, I think the seasonal headwinds which are always there in terms of furloughs, etc., those are going to be there, but we still remain confident of being able to expand our margin further. So I do not think we are expecting anything so substantial which can delay us right now, but that is where we stay confident.

Sulabh Govila:

Okay, sir. Thanks for taking my question.

Moderator: Thank you. We now move to our next question. That is from Ravi Menon of Macquarie. Please go ahead.

Ravi Menon: Hi. Thanks for the opportunity. Two questions. One, this deal that we signed with this media major, I thought that it was in October, early October. So is that included in the TCV? And if it is, I mean, why was it included? Was it signed before September 30th?

Venu Lambu: Sorry, you are talking about the deal that we announced. Sorry, Ravi, could you come again, please?

Ravi Menon: Yeah, the deal that you announced, I think early October has that been included in this deal TCV?

Venu Lambu: Oh, yeah, it is included.

Ravi Menon: So how come? Because typically we would include only things signed up to September 30th, right?

Venu Lambu: Yes, it was signed in September. We announced it later on.

Ravi Menon: Ok, all right, perfect, thanks.

Venu Lambu: And the announcement has to go through a lot of approval process with client. When they say this is the effective date of the contract, and this is the approval date for the announcement, that is when we do, because a lot of these deals have their own client's own regulatory approval process as well. So we will have to wait till that thing that gets done. So we had an agreement and signed contract in September.

Ravi Menon: Thanks. And apart from your top five clients, it looks like every other segment is actually growing pretty well. So should we think about this top five as really being in that transition phase of productivity, as you put it, and others will still have to see that kick in? The smaller customers will see this coming at a later stage?

Venu Lambu: Well, the other segments are actually growing. So not sure which part is the latest stage of it. If you look at our 6-10 clients.

Ravi Menon: Sorry. Yeah, what I meant was, will we see a similar pressure from productivity at a later stage with the top 6-10, top 11-20, and so on?

Venu Lambu: Look, it is not going to be in a sequential basis that the top five first finishes and then the sixth and 10th comes later on in the queue. It does not work like that because most of these clients are already in discussion and productivity, right? Everybody wants productivity here

and now. It is just that I said, larger the engagement, larger the account, you see the impact being material. But we are in very constructive discussion and, in fact, a proactive evangelizing AI productivity across all of our customers and it is a sort of a parallel approach, Ravi. It is not sequential.

Ravi Menon: Thanks. And one last question. We have now seen you win very large deals. I think that was the whole thesis behind the merger of LTIMindtree and it looks like that is playing out. But how about the legacy modernization side? Are you in a good position to compete against incumbent vendors there?

Venu Lambu: Yes. Look, I think merger was three years back. I think we should move on from that point in my view. Right. Because the market has changed, the capabilities that clients want, are different than what it was three years back. And also, the decision making parameters to award a large deal also has fundamentally changed. So we are sort of playing out in a new playbook now, which sort of suits into the new market segment that we are addressing the same customers, but with the new expectations. So I would sort of look at it as that most of these large deals are coming at the back of vendor consolidation and also having a strategy of creating an AI roadmap along with that, of course, you modernize technology, you modernize data, you modernize infrastructure, and so on. So that is how I look at it.

Ravi Menon: Thanks so much. Best of luck.

Venu Lambu: Thank you.

Moderator: Thank you. We take our next question from Sudheer Guntupalli from Kotak Mahindra AMC. Please go ahead.

Sudheer Guntupalli: Yes, hi Venu, congrats on a good quarter. So just on this productivity issue, if I remember it right, I think we had gone through a couple of back-to-back quarters where we had seen stress because of this productivity issue in the top account. And then we called out that that issue was completely behind. Now we are talking about this productivity pass-on issue again, just trying to get some clarity whether this is a new issue in the same account or this was the overhang related to the same productivity pass on thing that has started three, four quarters back, it is still continuing. So any further clarity on this?

Venu Lambu: Yeah, sure Sudheer. So look, firstly on the top client, I think, we informed this in Q4 that the productivity commitments that we did to the top client is done. So that topic is closed. I think my commentary with regard to the productivity is the new landscape in the market. I actually don't see this as an issue, honestly, as long as we continue to grow. Right? Because, this is not, well this is an issue in terms of how much growth you can channel in general for the industry, but productivity is a new normal. It is a new normal till everybody transitions into a new post productivity era on the existing book of business. So it is going

to take a different phase approach for different customers somebody would go much faster, somebody would go in a phased approach. So that is how I would say. So I do not think it is related to the top account at all. In fact, we grew in this quarter in top account. So sequentially we grew in this quarter. So I do not think that is really an issue. I hope that answers the questions Sudheer.

Sudheer Guntupalli: Okay, so what you might be referring to is maybe the other four accounts where you would have seen some productivity pass on issue and not related to the high-tech top account. Is that the correct understanding?

Venu Lambu: Yes, I think I was answering in the context of top five clients having a different road trajectory than the 6th and onwards. So it was more related to the top 5 customers because any larger engagement, larger productivity initiative is a material impact for that particular period.

Sudheer Guntupalli: Understood, sir. And lastly, you are sounding very confident that we will reach double digit kind of growth rate sometime in the second half. But given that we also have sizable exposure to BFSI and high tech where we see significant amount of furloughs and very similar thing has played out a couple of years back. So, any sense on how the furloughs this time is going to be and why we are confident despite the impact of furloughs?

Venu Lambu: Look, I think the furloughs is going to be normal as what it always happens to be here. So we do not see any signs of increasing it. But absolutely, yes, there is a seasonal furloughs. It has been factored in when I made the comment, a comment about nearer to the double digit, sometimes in second half, the furloughs has been accounted for.

Sudheer Guntupalli: All right, sir. Thank you and all the very best.

Venu Lambu: Thank you.

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

Sumeet Jain: Yes, thanks for the opportunity. Most of my questions are answered. I just had one question. You are operating at a very high utilization of 88% and you obviously have certain large deals to ramp up. So can you throw some light? How are you planning the headcount around it and in case you need any skill match mismatches there, will you be relying on subcontractors the way we saw this quarter?

Vipul Chandra: Yes, Sumeet. I think in terms of the utilization levels, yes, you are right that it is slightly elevated and we are working on getting it into a more comfortable zone as we had called out earlier also between 86% to 87%. I think our fresher hiring program that we are remaining committed to and under which we hired more than 2,600 freshers in this quarter, will start

playing out once they get trained and they start getting deployed. And we are continuing to remain committed to hiring more freshers as well. So overall, we are working towards, adjusting this along with our pyramid adjustment as we go along. As far as, sorry, what was the second part of it? Yeah, on the subcontract side.

Sumeet Jain: I mean, will you be relying on subcontracts? Yeah.

Vipul Chandra: Yes, so it is a function of how the deals are coming in, how quickly they have to get ramped up and, if we have to rely upon subcon for the initial ramp ups, etc., that is one way to do the ramp-up faster. And yes, we will be looking at that as well as a lever for maintaining the growth.

Sumeet Jain: Right. And we maybe just harping upon the same point on top five accounts or rather not the top, but the remaining four accounts, or let us say in BFSI or high-tech verticals. How long do you see this transitory phase to be there where the AI productivity benefits have to be kept on passing? So your double-digit growth outlook or rather ambition by second half, I am sure is independent of growth in these two verticals. So can you throw some light on how long is this transit period in your view?

Vipul Chandra: Yes, firstly, I think I hope you all acknowledge that the other portfolios are growing, beyond the industry average, right? In fact, much higher than the industry growth, right? which adds up to a good, well-balanced portfolio, right? There is also a strategy of making sure that we have a well-balanced portfolio because, a few times you all have asked that are we dependent on a few accounts a lot. So I see this as also a transitional phase for us where we end up creating a much more balanced portfolio. So that is one overarching commentary I want to make. Because if you look at it, most of the large deals that we got are outside of the top five. So that is another great example to say how you bring more balanced portfolio. Now, coming very specific to the period of transitional phase, there is no one specific timeline for, let's say, three or four accounts. Each of them are going through its own timeline, but I do not expect this to be a very long phase. You can expect the progress happening from Q3, Q4, onwards. Each of them will grow in a different proportion, but some of them will take a long time. But as I said, I would urge you to look at the overall portfolio and look at what we are doing in terms of balancing the portfolio right to reduce the risk and especially to address the concentration risk, which some of you have spoken quite a few times with me. That is where I would leave it. I hope that answers your question Sumeet.

Sumeet Jain: Definitely. I think congrats on a great quarter and great deal wins and a great run going ahead. All the best.

Venu Lambu: Thank you.

- Moderator:** Thank you. We take the next question from Dipesh Mehta of Emkay Global. Please go ahead.
- Dipesh Mehta:** Thanks for the opportunity. A couple of questions. So I think three questions. So first is about, let's say we are indicating about double digit growth entering into H2. Considering the deal pipeline and overall strong momentum what we are observing, whether it would set the base for FY2027 kind of expectation? That is question one. Second question is about the net new portion in H1, whether it is different than the, let's say, last four, six quarter what we observed in terms of net new in overall deal intake versus the past. Third question is about non-controlling interest. This quarter it seems to be much higher than usual pattern. If you can provide some sense what led to that jump. And last, if I can add more, is more medium term. If you can give some sense about AI adoption across our top client, and what kind of impact you have observed impact of AI on renewal. Thank you.
- Venu Lambu:** Yes, what was the third question Dipesh, if you can repeat that once again.
- Dipesh Mehta:** Non-controlling interest, if I look at P&L, it is around 20 odd Crores, which used to be a very small number only.
- Venu Lambu:** I will let Vipul to answer that, but let me take the other question. Look, I think FY2027 is still some time away to comment, so let us hold on to that. There is one big thing that we have to deliver is continuing this momentum for the second half of the year and make sure that we come very, very close to the double digit at some time in the second half of the year. So that is how I look at it. I think it is too premature to comment on FY2027. So let's talk sometime in end of January kind of timeframe where I will be in a better position to comment on FY2027. I think the new deal, most of the deals, if you look at it coming in, in leveraging our existing scope, doing the vendor consolidation in our existing customer base and then we also announced one net new account in Q1, which was one of the last deals that we announced. So we have a combination of both. We spoke about large deals across all our five verticals. If you look at all these five verticals, we have done some work with those customer at some part of the engagement life cycle. So that is how we sort of done that. AI in top clients? Sorry, I lost the chain of question on that. What was the specific question, Dipesh, on AI in top clients?
- Dipesh Mehta:** So I just want to get a sense of AI adoption across our top clients, because you indicated 40 -50 clients in one of your earlier comments. And any impact on renewal, how the size and scope changes?
- Venu Lambu:** See, AI infusion is something we are proactively driving it within the company. We have a framework called ADAPT framework, which measures the skill sets in the account, the AI adoption maturity at different phases of it. In some accounts, we are doing an AI in the form of an agent where you are assisting the humans. So there, it is not much about cost impact.

There could be more about, how do you make employees work more effectively? How do you service customer more effectively, right? So that is one form of AI infusion. The second is we are doing AI infusion in another category of accounts where we can do more work with the same team. That means you actually get more revenue keeping the same cost if it is a fixed price kind of a project. The third one is that where we have a discussion with the customer to drive more productivity so that we can pass on that benefit to the customer. So when I talk about AI infusion, does not necessarily mean that I pass everything to the customer. And also does not always mean that it is always related to the productivity. The AI has multifaceted impact into the engagement. It goes beyond productivity. So that is what we are driving in and we are pretty excited about that adoption across our customers. With regard to the non-controlling interest, Vipul will answer that.

Vipul Chandra: Sure. So I think the answer to that question is that until last quarter we were accounting for this entity that we had set up in partnership with Aramco as a joint venture and equity method consolidation. During this quarter there have been certain changes in the partnership arrangement between us, which now has allowed us to consolidate the subsidiary on a full line-by-line consolidation basis. So, going forward this will be a full line-by-line consolidation. Thank you. Hope that answers the question.

Venu Lambu: Yes, it does. Thanks.

Moderator: Thank you. We will take our last question from Sandeep Shah of Equirus Securities. Please go ahead.

Sandeep Shah: Yes. Thanks for the follow-up. Just, Venu, sorry to stress again on top five. In terms of this process of AI calibration and the renewal where productivity gains are passed on, do you believe we are not losing wallet share because such process could be intensely competitive where apart from an existing, there are other vendors are also being invited because these are named Fortune 500 clients. So is it fair to assume our wallet share continues to remain defensive and it is not at a risk?

Venu Lambu: Yes, firstly on the top five commentary, I mean, just look at in the right context, right? So I mean, we are talking about the top five bringing it minus 5%. Right. So if you look at the overall, it is not that material when I look at the overall balance portfolio, I gave you a reason why it is happening, because if you are just passing on the productivity benefit, you do not just degrow at minus 5%, it will be much higher. That means we are actually doing more business, but it is getting offset by the transitionary phase that we are going through some of these customers, hence you see that impact, right? So that is how you need to look at it. The second thing is that, look, these are the customers where we have relationship more than 10 years, some of them more than 15, 20 years. So we have deep relationships. So I absolutely do not see this as a red flag. If we can help our customers to transition this

phase successfully, there is a lot waiting for us on the other end. In fact, we are winning the deals in the same accounts. It will start reflecting, as I mentioned, in different phases over the next few quarters, how these accounts will reflect as a net positive. That is how I look at it.

Sandeep Shah: And the last question, Vipul sir, though there is an improvement in FCF to PAT ratio, but with our scale now closer to some of the other large catch and margin increasing, can we go to industry standard of 90% to 100% FCF to PAT?

Vipul Chandra: I think the answer to that is that, the OCF to PAT, if you look at it, that should be closer to 90% to 100%, I would say. The FCF is a function of also how much of investments we are making in our capital expenditure side, which we have talked about in the last couple of quarters and continuing to invest in our facilities expansion and also developing and modernizing our IT infrastructure internally and that investment is going to continue. So I think we are still investing in our business. And to that extent, the FCF to PAT ratio will probably remain where it is and gradually it will start moving up once we start coming to the desired capacity levels of the facilities.

Sandeep Shah: Ok, thanks and all the best.

Moderator: Thank you. Ladies and gentlemen, on behalf of LTIMindtree Limited, that concludes today's conference. Thank you for joining us and 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)

Contact Information

Investor Relations:

Vikas Jadhav, Head of Investor Relations

Email: Vikas.Jadhav2@ltimindtree.com