



NO CHANGE

L&T Technology Services Ltd

Results In-line with Expectations; Outlooks Retained

Recommendation: HOLD | Reco Price: 5351 | TP: 5510 | Upside: 3%

Est. Vs. Actual for Q2FY25: Revenue – **INLINE** ; EBITDA Margin – **INLINE** ; PAT – **INLINE**

Change in Estimates post Q2FY25

FY25E/FY26E: Revenue: 1%/1%; **EBITDA Margins:** 1%/1%; **PAT:** 1%/1%

Recommendation Rationale

- The management has **guided revenue growth of 8% to 10% (in CC terms) in FY25** and expects it to be impacted by geopolitical tensions and uncertainty over macroeconomic conditions. On the margins front, it has guided operating margins of 16%.
- **TCV stood strong** in Q2FY25 with 6 large deals of over \$10 Mn.
- The management is confident about **gaining medium to long-term demand momentum** against the backdrop of deals it has won in the previous quarters.

Sector Outlook: Cautiously positive

Company Outlook & Guidance: The management has given revenue growth guidance of 8% to 10% in CC terms in FY25. It expects margins of 16%.

Current Valuation: 33x FY26E P/E; Earlier Valuation: 30x FY26E

Current TP: 5,510/share; (Earlier TP: Rs 4,900/share)

Recommendation: Given the company's strong growth potential backed by robust deal wins and superior execution capabilities, we **maintain** our **HOLD** recommendation on the stock.