



SOLID QUARTER WITH RECORD DEAL WINS & STEADY MARGINS



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L&T Technology Services Ltd (LTTS) delivered a stable and strategically strong Q2FY26 performance, balancing growth, margin resilience, and robust deal traction despite a challenging global environment.

Revenue stood at ₹2,979.5 crore, marking a 15.8% YoY and 4.0% QoQ growth. In USD terms, LTTS clocked \$337.1 million, up 9.9% YoY and 1.3% QoQ in constant currency.

Net profit rose 4.1% sequentially to ₹328.7 crore, maintaining a net margin of 11%. The company declared an interim dividend of ₹18 per share, reaffirming its commitment to shareholder returns.



OPERATIONAL PERFORMANCE: BROAD-BASED & RESILIENT

LTTS recorded its highest-ever large deal TCV of nearly USD 300 million, signaling strong client confidence in its next-gen engineering and AI capabilities. The company's "Go Deeper to Scale" strategy continued to drive traction across multiple verticals.

- Sustainability segment grew 12.6% YoY, recording double-digit growth for the second consecutive quarter.
- Tech segment (including software, connectivity, and digital) rose 28.6% YoY, remaining the key revenue driver.
- Mobility segment saw a minor sequential dip but continues to contribute significantly to the overall portfolio.

Geographically, North America remained the growth engine (up 14.4% YoY) contributing 54.7% of total revenue, while Europe and India remained steady.



PROFITABILITY & MARGINS

- EBIT stood at ₹398.2 crore, translating into a 13.4% EBIT margin, marginally up QoQ.
- EBITDA margin improved to 16.5% from 16.1% in Q1FY26, reflecting disciplined cost management despite inflationary pressures.
- Gross margin held at 28%, indicating effective project execution and operational efficiency.
- Free cash flow conversion was 65% of net income, slightly lower than last year's 109% due to higher receivables, but the company's balance sheet remains strong with ₹14,918 million in cash and equivalents.

STRATEGIC HIGHLIGHTS: AI-LED INNOVATION & PARTNERSHIPS

- LTTS' AI-first delivery model is starting to yield tangible benefits. The company is scaling investments in Gen AI, Agentic AI, and Physical AI, with early monetization visible—1% of trailing 12-month revenue now comes from AI licenses.
- New AI platforms launched in the quarter — Qguard.ai, FusionWorld.ai, PLxAI, AiNexus, GENIQ, and TrackEi™ — are enhancing LTTS' digital engineering edge.
- Collaborations with MIT Media Lab, NVIDIA, and SiMa.ai strengthen LTTS' position in engineering and industrial AI, ensuring scalability and future readiness.





KEY DEAL WINS: MOMENTUM CONTINUES

- \$100 million multi-year deal in Sustainability from a US-based semiconductor value chain player.
- \$60 million engagement with a leading US telecom provider for advanced network software solutions.
- Multi-million-dollar projects in Mobility, Energy, Food & Beverage, and Oil & Gas, including Offshore Development Centers (ODCs) in India.
- Strategic wins in AI-driven data transformation and automation from global pharma and industrial clients.

This broad base of deals reaffirms LTTS' positioning as a trusted engineering partner across industries.

EMPLOYEE AND CLIENT METRICS

- Employee strength remained stable at 23,678, with voluntary attrition steady at 14.8%.
- The client base grew to 450 active clients, with 205 contributing over \$1 million annually.
- The Top 10 clients contributed 25% of revenue, reflecting healthy diversification and reduced client concentration risk.

OUTLOOK: CONFIDENT ON GROWTH & MARGIN EXPANSION

CEO Amit Chadha reiterated LTTS' medium-term revenue aspiration of USD 2 billion, backed by a solid order book and strong deal pipeline.

The company expects both revenue and EBIT margins to improve in H2FY26, driven by the ramp-up of large deals and cost optimization.



OUR TAKE

L&T Technology Services continues to demonstrate the hallmarks of a well-run, high-quality business — steady growth, strong execution, and expanding leadership in applied AI.

Its ability to consistently win large, multi-year projects across industries while maintaining profitability through market cycles reflects operational depth and client trust. The AI-first strategy is not just a buzzword for LTTS — early monetization and strong ecosystem partnerships with MIT Media Lab, NVIDIA, and SiMa.ai show tangible progress toward building long-term competitive moats.

While margin improvement may remain gradual due to currency movements and wage inflation, the visibility from its record TCV of \$300 million, coupled with disciplined cost control, provides confidence in sustaining double-digit growth.

In our view, LTTS is evolving from a traditional engineering services firm into a tech-driven engineering innovator, and that positions it well for the next decade of digital transformation.

KEY METRICS AT A GLANCE

Metric	Q2FY26	Q1FY26	Q2FY25	QoQ	YoY
Revenue (₹ Cr)	2,979.50	2,866.00	2,572.90	4.00%	15.80%
EBIT (₹ Cr)	398.2	381.3	387.7	4.40%	2.70%
EBIT Margin	13.40%	13.30%	15.10%	+10 bps	-170 bps
Net Profit (₹ Cr)	328.7	315.7	319.6	4.10%	2.80%
EPS (₹)	31	29.8	30.2	4.00%	2.60%
TCV Wins	~\$300 Mn	~\$250 Mn	—	Record High	—

CONCLUSION



L&T Technology Services has delivered yet another steady and strategically sound quarter, underpinned by robust deal momentum, strong AI-led differentiation, and disciplined execution. As global engineering shifts towards digital and AI-infused solutions, LTTS is well-positioned to capture this opportunity with its diversified portfolio and “AI-first” strategy.



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