

January 23, 2026

## Q3FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	2,150		2,140	
Sales (Rs bn)	242	302	242	301
% Chng.	0.4	0.3		
EBITDA (Rs bn)	46	57	45	57
% Chng.	0.4	0.3		
EPS (Rs.)	55.2	67.1	54.9	66.9
% Chng.	0.4	0.3		

### Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. bn)	121	163	242	302
EBITDA (Rs. bn)	20	29	46	57
Margin (%)	16.6	17.9	18.8	18.9
PAT (Rs. bn)	10	16	23	30
EPS (Rs.)	30.5	45.8	55.2	67.1
Gr. (%)	10.5	50.3	20.4	21.7
DPS (Rs.)	15.6	22.9	27.6	33.6
Yield (%)	1.0	1.4	1.7	2.1
RoE (%)	20.1	23.2	14.3	11.4
RoCE (%)	21.3	22.9	13.0	10.2
EV/Sales (x)	4.5	3.4	2.9	2.4
EV/EBITDA (x)	27.0	18.8	15.6	12.9
PE (x)	53.7	35.7	29.7	24.4
P/BV (x)	8.5	7.9	2.7	2.7

### Key Data COFO.BO | COFORGE IN

52-W High / Low	Rs.1,994 / Rs.1,191
Sensex / Nifty	81,538 / 25,049
Market Cap	Rs.548bn/ \$ 5,962m
Shares Outstanding	335m
3M Avg. Daily Value	Rs.3611.27m

### Shareholding Pattern (%)

Promoter's	-
Foreign	34.53
Domestic Institution	53.67
Public & Others	11.80
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(8.1)	(11.5)	(11.0)
Relative	(3.6)	(10.2)	(16.5)

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## Order book strength supports strong FY27 outlook

### Quick Pointers:

- Strong revenue growth, operating margin impacted by wage hike
- Deal momentum continues with USD 593 mn TCV in Q3, 9MFY26 deal wins at USD 1.6 bn

*The revenue growth performance (+4.4% QoQ CC) exceeded our estimates (+3.0% QoQ CC), aided by broad-based growth across verticals and service lines. BFS growth was slightly volatile due to ongoing transition of business head and partly on account of furloughs. The management was confident to derive growth within BFS and TTH on the back of 2 large wins in BFS out of the 6 large deal wins in Q3. The cumulative large deal wins in 9MFY26 stood at 16 vs 14 deals reported for the full year FY25. The order intake was robust at USD1.6b for 9MFY26 (+21% YoY), even the NTM executable order book stands healthy at USD1.7b (+26% YoY). We believe the cumulative large wins, strong revenue conversion and elevated order intake setting up solid foundation for organic USD growth of 17%/14% in FY27E/FY28E. On margins, the numbers were largely in line, while the company re-iterated to keep a tight band at ~14% operating level. We are passing on Q3 revenue beat, revising our FY26 organic revenue to ~25% (24.5% earlier). We are largely keeping our revenue and margin estimates unchanged for FY27E/FY28E. We assign 32x to FY28E EPS that translates a TP of 2,150. Maintain BUY.*

**Revenue:** Coforge's growth momentum continued despite two consecutive quarters of strong growth. In Q3, the company reported revenue of USD 478 mn, up 4.4% QoQ in CC terms and 3.5% QoQ in USD terms, ahead of our expectations of ~3% QoQ CC growth. The outperformance was driven by robust growth in the Healthcare and Hi-Tech segment, which grew 8.7% QoQ, while Insurance and Travel delivered steady growth of 1.4% and 1.7% QoQ, respectively. Geographic growth was broad-based.

**Operating Margin:** EBIT margin came in at 13.6%, down 60 bps QoQ, slightly above our and consensus estimates of 13.3%. Margins were impacted by wage hikes (150 bps impact) and hedge losses, partially offset by cost-saving measures implemented by Coforge. Management expects a sharp recovery in EBIT margin in Q4 as the impact of wage hikes rolls off.

**Deal Wins:** Deal momentum remained healthy, with Q3 TCV of USD 593 mn (+15.4% QoQ), supported by six large deal wins. This lifted 9MFY26 TCV to USD 1.6 bn versus USD 1.3 bn in 9MFY25. The next 12-month executable order book rose to USD 1.72 bn (+5% QoQ), improving near-term revenue visibility.

**Valuations and outlook:** We estimate USD revenue CAGR of 31.4% and an Earnings CAGR of 38.2% between FY26E-28E. We assign PE multiple of 32x to FY28E earnings to arrive at TP of INR 2,150. We maintain our Buy rating.

## Topline beat expectations, operating margins were inline

- Revenue came at USD 478 mn, up 4.4% QoQ CC USD & 3.5% QoQ in USD, above our estimates of 3% QoQ CC growth
- Vertical-wise growth was led by healthcare & other segments which reported strong growth of 8.7% & 18% QoQ while Insurance & Transportation reported steady growth of 1.4% & 1.7% QoQ respectively. BFS segment declined by 2.5% QoQ
- Geo wise, Americas, EMEA & RoW grew by 1.5, 2.1% and 15.2% QoQ, respectively
- EBIT margin declined by 60 bps QoQ to 13.4 % and was slightly above our & consensus estimate of 13.3%
- Fresh order intake came at USD 593 mn compared to USD 514 bn in Q2 and 12M executable order book came at USD 1.72 bn up 5% QoQ
- Net headcount increased by 445 QoQ, attrition declined by 50 bps QoQ to 10.9% and utilization declined by 60 bps QoQ to 81.7%
- Adj. PAT from continuing operations came at Rs. 4 bn compared to our est. of Rs. 3.9 bn
- Declared interim dividend of Rs. 4 per share

## Concall Highlights

- Management highlighted that it expects to exit Q4 FY26 with an EBIT margin of ~15%, implying a sharp sequential recovery. The Q4 rebound will be driven by normalization of the wage hike impact, higher utilization, and ongoing cost optimization. For FY27, management expressed confidence in further margin expansion, supported by strong revenue growth, operating leverage, AI-led delivery productivity, and continued moderation in ESOP expenses.
- Management expressed strong confidence in FY27 growth, supported by a next 12-month executable order book that is up ~26% YoY, providing strong revenue visibility. Large-deal velocity has accelerated, with 16 large deals closed in 9MFY26 versus 14 in full FY25, reflecting improved sales execution. Key client momentum remains robust, with Top 5 and Top 10 clients growth, underpinning confidence in sustained growth and deal conversion into FY27.
- Management reiterated confidence in the core verticals of BFS, Insurance, and Travel as key growth drivers for FY27. BFS and Travel are expected to lead growth, supported by strong large-deal momentum, pipeline strength, and sustained client mining. Insurance is also expected to accelerate and follow, with management indicating FY27 growth to exceed FY26 levels, supported by improving deal flow and large deal wins, reinforcing strong growth visibility across the core portfolio.
- Management highlighted Healthcare and Hi-Tech as key incremental growth engines, with both segments having nearly doubled YoY and now contributing ~10.5% of revenues. The company expects these segments to continue scaling rapidly in FY27, supported by strong large-deal momentum and the upcoming Encora integration. In Government (outside India), management

expects a pickup in Q4 and into FY27, supported by large deals in the pipeline, with primary focus on the U.K. and Australia public sector markets, while selectively avoiding the U.S. public sector. This diversification is expected to further strengthen medium-term growth visibility.

- Coforge signed six large deals in Q3, underscoring strong large-deal velocity despite a seasonally weak quarter. The deal mix included two deals in BFS, and one each in Travel, Insurance, Healthcare, and Government, reflecting broad-based demand across core and emerging verticals. Management highlighted a strong large-deal pipeline, with expectations of further large deal closures in Q4, including in Government and Healthcare, supporting sustained momentum and enhanced visibility into FY27.
- Management indicated that regulatory approvals for the Encora acquisition are expected between February and April, with consolidation likely to begin around March–April. The company is in advanced discussions to finalize a ~USD 550 mn, three-year term loan to retire Encora’s existing debt, which is expected to be priced at a mid-single-digit interest rate. Management has ruled out a QIP for this refinancing.
- Management indicated that the Cigniti merger is progressing as planned, with shareholder approval already received and NCLT hearings scheduled, with approval expected by March FY26. The effective date of the merger is April 1, 2025, and the company expects to restate FY26 numbers upon completion.
- Management indicated it is reviewing its hedging strategy and may reduce reliance on cash-flow hedging, which could lower reported EBIT volatility from hedge losses going forward.

**Exhibit 1: 3QFY26 Results, Revenue grew by 4.4% QoQ CC compared Ple of 3% QoQ CC, EBIT margin declines due to wage hike**

Consolidated (Rs bn)	3QFY26	3QFY26E	% Var.	2QFY26	QoQ gr. (%)	3QFY25	YoY gr. (%)	9MFY26	9MFY25	YoY gr. (%)
IT Services Revenue (USD mn)	478.2	473.7	1.0	462.1	3.5	390.0	22.6	1,382.7	1,041.5	32.8
Overall Revenue (Rs bn)	41.9	42.2	-0.7	39.9	5.1	32.6	28.5	118.6	86.4	37.3
Gross Profit	14	14	-1.7	14	1.6	11	26.5	40	28	42.5
Gross Margin (%)	32.9	33.2	-30bps	34.0	-110bps	33.4	-50bps	33.5	32.3	120bps
SG&A and Other Costs	6.5	6.6	-1.7	6.3	3.1	5.8	11.1	18.9	13.7	37.8
% of Rev	15.4	15.6	-20bps	15.7	-30bps	17.9	-240bps	15.9	15.8	10bps
EBITDA	7.3	7.4	-1.7	7.3	0.3	5.1	44.3	20.9	14.2	47.0
EBIT Margin (%)	17.4	17.6	-20bps	18.3	-80bps	15.5	190bps	17.6	16.5	120bps
Depreciation	1.7	1.8	-5.8	1.7	-1	1.2	46.6	5.0	3.0	66.1
% of Rev	4.1	4.3	-20bps	4.3	-20bps	3.6	50bps	4.2	3.5	70bps
EBIT	5.6	5.6	-0.4	5.6	0.5	3.9	43.7	15.9	11.2	41.8
EBIT Margin (%)	13.4	13.3	0bps	14.0	-60bps	11.9	140bps	13.4	13.0	40bps
Other Income (net)	-0.3	-0.1	118.1	0.0	-1,633.3	-0.3	-16.1	-0.6	-0.8	-24.6
PBT	5.3	5.5	-3.1	5.6	-4.7	3.6	49.2	15.3	10.4	46.7
Tax	0.9	1.3	-30.7	1.3	-34.1	0.9	0.6	3.0	2.5	22.1
Effective tax rate (%)	16.5	23.0	-650bps	23.8	-730bps	24.4	-800bps	19.6	23.5	-390bps
Adjusted PAT	4.0	3.9	2.8	3.8	5.9	2.3	73.7	11.0	7.2	52.1
Exceptional items	1.5	0.0	NA	0.0	NA	0.2	NA	1.5	1.7	NA
Reported PAT	2.5	3.9	-35.3	3.8	-33.4	2.1	17.6	9.4	5.5	72.1
Reported EPS (Rs)	11.9	11.5	2.8	11.2	5.9	6.9	70.8	32.7	22.0	48.2

Source: Company, PL

**Exhibit 2: Geography revenue mix**

Geographies	Contr. To rev. (%)	QoQ Gr. (%)
Americas	56.8	1.5
EMEA	28.5	2.1
ROW	14.7	15.2

Source: Company, PL

**Exhibit 3: Vertical revenue mix**

Verticals	Contr. To rev. (%)	QoQ Gr. (%)
Banking and Financial Services	26.0	(2.5)
Insurance	14.8	1.4
TTH	22.9	1.7
Healthcare & Hitech	10.5	8.7
Govt. outside India	6.3	(5.5)
Others	19.5	18.0

Source: Company, PL

**Exhibit 4: Revenue by service mix**

Services	Contr. to rev (%)	QoQ Gr (%)
Engineering	44.4	(0.3)
Intelligent Automation	7.8	2.2
Data & Integration	22.2	8.4
CIMS	17.7	7.1
BPM	7.9	6.2

Source: Company, PL

**Exhibit 5: Top clients performance**

	Contr. to rev (%)	QoQ Gr (%)
Top Client	21.0	3.5
Top 6-10 Clients	9.7	2.4
Beyond Top 10 Clients	69.3	3.6

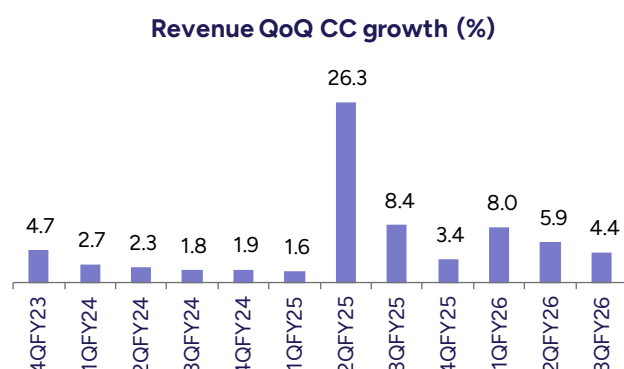
Source: Company, PL

**Exhibit 6: Key Performance Indicator**

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	FY25*	FY26E*
<b>Revenue (QoQ CC %)</b>	2.3	1.8	1.9	1.6	26.3	8.4	3.4	8.0	5.9	4.4	29.2	30.1
<b>Margins</b>												
Gross Margin	32.5	33.1	34.1	32.2	31.2	33.4	34.1	33.7	34.0	32.9	32.8	33.7
EBIT Margin	11.9	14.0	14.4	14.9	12.5	11.9	13.2	12.8	14.0	13.4	13.0	13.7
Net Margin	8.0	10.5	9.9	10.5	8.1	7.0	8.4	8.7	9.4	9.5	8.3	9.5
<b>Operating metrics</b>												
Headcount (k)	24.6	24.6	24.7	26.6	32.5	33.1	33.5	34.2	34.9	35.3	33.5	-
Utilization Trainees (%)	80.0	79.4	81.7	81.6	82.2	81.3	82.0	82.1	82.3	81.7	82.0	-

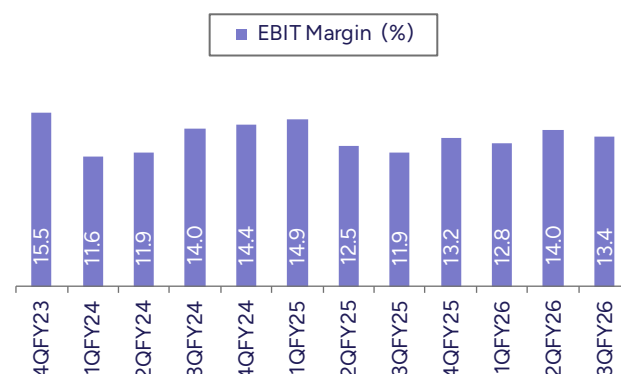
Source: Company, PL, \* YoY USD

**Exhibit 7: Revenue grew higher than expected**



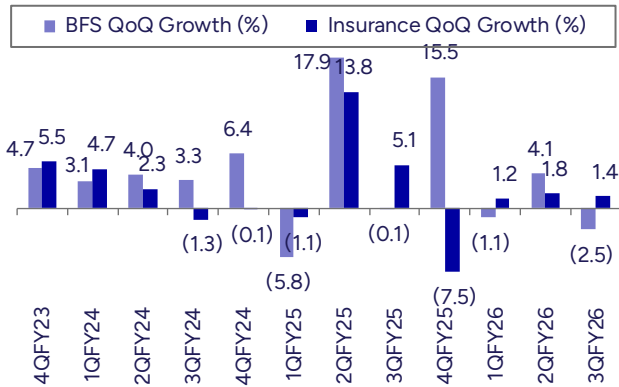
Source: Company, PL

**Exhibit 8: EBIT margin impacted largely by wage hike**



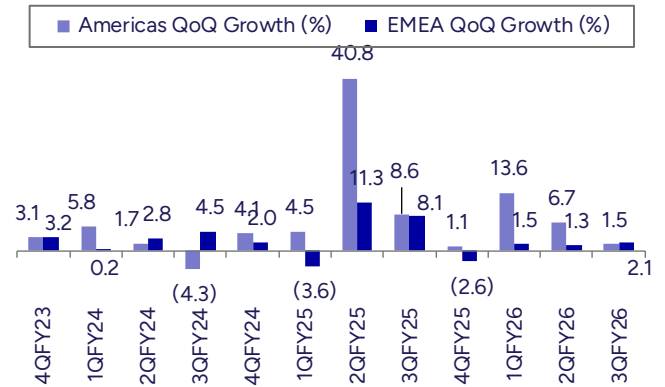
Source: Company, PL

**Exhibit 9: BFS & Insurance growth %**



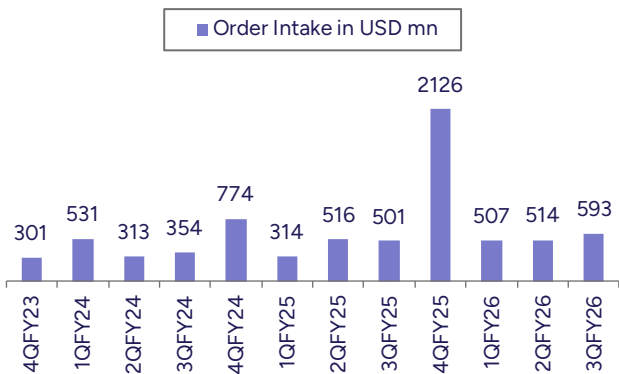
Source: Company, PL

**Exhibit 10: Americas & EMEA growth %**



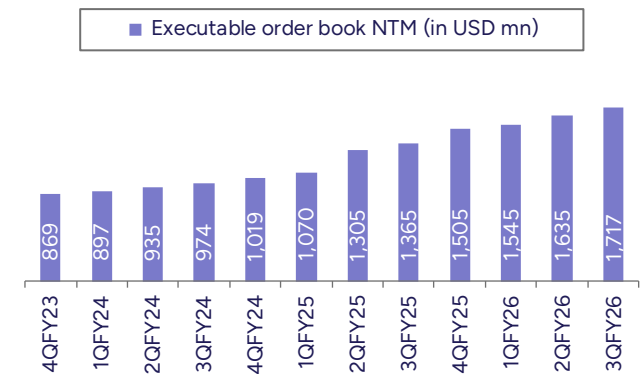
Source: Company, PL

**Exhibit 11: Deal wins momentum continues**



Source: Company, PL

**Exhibit 12: Strong executable order book support rev. visibility**



Source: Company, PL

### Exhibit 13: Operating Metrics

	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
<b>Geography-mix (%)</b>												
Americas	48.3	49.7	49.4	46.6	47.7	49.9	55.1	56.0	54.7	56.7	57.9	56.8
EMEA	39.6	38.6	38.8	40.0	40.1	38.7	33.8	34.2	32.2	29.8	28.9	28.5
RoW	12.1	11.7	11.8	13.4	12.2	11.4	11.1	9.8	13.1	13.5	13.2	14.7
<b>Vertical-mix (%)</b>												
BFS	31.0	31.1	31.6	32.2	33.7	31.8	29.4	27.5	30.7	27.7	27.6	26.0
Insurance	22.2	22.6	22.6	22.0	21.6	21.4	19.1	18.8	16.8	15.5	15.1	14.8
Travel, Transportation and Hospitality	18.8	18.5	18.5	17.8	17.6	18.1	18.1	18.1	19.1	22.9	23.3	22.9
Healthcare & HiTech	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.2	0.0	0.0	10.0	10.5
Government outside India	0.0	7.6	7.6	6.6	7.6	7.8	7.6	6.9	7.4	7.2	6.9	6.3
Others	28.0	20.2	19.7	21.5	19.5	20.9	25.8	20.5	26.0	26.7	17.1	19.5
<b>Practice Split (%)</b>												
Engineering	0.0	35.0	35.5	34.9	35.1	32.1	42.4	41.9	44.3	45.9	46.1	44.4
Intelligent Automation	0.0	11.5	12.1	11.3	11.2	11.7	9.1	8.9	7.8	7.5	7.9	7.8
Data and Integration	0.0	24.0	24.5	25.7	25.2	27.4	23.2	22.4	22.4	20.4	21.2	22.2
CIMS	0.0	20.0	18.5	18.9	19.1	19.1	17.2	19.1	16.7	17.9	17.1	17.7
BPM	0.0	9.5	9.5	9.2	9.4	9.4	8.1	7.6	7.8	7.5	7.7	7.9
<b>Revenue Mix (%)</b>												
Top - 5	23.0	25.1	23.5	22.7	23.0	21.0	18.7	19.8	18.3	20.7	21.0	21.0
Top -10	35.5	37.7	35.2	34.3	34.4	32.9	28.2	30.0	27.9	29.3	30.8	30.7
<b>Fresh order Intake - USD m</b>												
USA	130	155	118	110	627	126	245	294	1828	272	281	304
EMEA	113	346	138	172	102	96	184	93	170	140	122	194
RoW	58	30	57	72	46	92	86	114	128	95	110	95
Deals signed - USD m	301	531	313	354	774	314	516	501	2126	507	514	593
<b>Executable Order Book (NTM) - USD m</b>	<b>869</b>	<b>897</b>	<b>935</b>	<b>974</b>	<b>1019</b>	<b>1070</b>	<b>1305</b>	<b>1365</b>	<b>1505</b>	<b>1545</b>	<b>1635</b>	<b>1717</b>
<b>Employee Metrics</b>												
Billable Personnel	21,815	22,762	23,131	23,107	23,243	25,037	30,434	30,981	31,354	32,013	32,710	33,178
Sales and Marketing	350	363	360	368	388	442	575	583	586	594	622	617
Others	1,059	1,099	1,147	1,132	1,095	1,133	1,474	1,530	1,557	1,580	1,564	1,546
Total	23,224	24,224	24,638	24,607	24,726	26,612	32,483	33,094	33,497	34,187	34,896	35,341
<b>IT Rev. per Billable Emp. (\$ / Annum)</b>										<b>67,904</b>	<b>69,989</b>	<b>71,436</b>
Utilization (%)	81.5	81	80	79.4	81.7	81.6	82.2	81.3	82	82.1	82.3	81.7
Attrition (%)	14.1	13.3	13.0	12.1	11.5	11.4	11.7	11.9	10.9	11.2	11.4	10.9

Source: Company, PL

## Financials

### Income Statement (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	<b>121</b>	<b>163</b>	<b>242</b>	<b>302</b>
YoY gr. (%)	33.8	35.5	48.5	24.6
Employee Cost	81	108	159	198
Gross Profit	40	55	83	104
Margin (%)	32.8	33.7	34.4	34.3
Employee Cost	-	-	-	-
Other Expenses	-	-	-	-
<b>EBITDA</b>	<b>20</b>	<b>29</b>	<b>46</b>	<b>57</b>
YoY gr. (%)	31.7	46.3	56.2	25.0
Margin (%)	16.6	17.9	18.8	18.9
Depreciation and Amortization	4	7	12	15
<b>EBIT</b>	<b>16</b>	<b>22</b>	<b>33</b>	<b>42</b>
Margin (%)	13.0	13.7	13.8	14.0
Net Interest	-	-	-	-
Other Income	(1)	(1)	(1)	(1)
<b>Profit Before Tax</b>	<b>15</b>	<b>22</b>	<b>33</b>	<b>41</b>
Margin (%)	12.1	13.3	13.5	13.7
Total Tax	3	4	8	10
Effective tax rate (%)	22.7	20.6	25.0	25.0
<b>Profit after tax</b>	<b>11</b>	<b>17</b>	<b>24</b>	<b>31</b>
Minority interest	(1)	(2)	(1)	(1)
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>10</b>	<b>16</b>	<b>23</b>	<b>30</b>
YoY gr. (%)	17.6	54.1	48.6	28.5
Margin (%)	8.3	9.5	9.5	9.8
Extra Ord. Income / (Exp)	(2)	(2)	-	-
<b>Reported PAT</b>	<b>8</b>	<b>14</b>	<b>23</b>	<b>30</b>
YoY gr. (%)	1.2	66.6	64.8	28.5
Margin (%)	7.0	8.6	9.5	9.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	8	14	23	30
<b>Equity Shares O/s (bn)</b>	<b>0.33</b>	<b>0.34</b>	<b>0.42</b>	<b>0.44</b>
<b>EPS (Rs)</b>	<b>30.5</b>	<b>45.8</b>	<b>55.2</b>	<b>67.1</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>38</b>	<b>43</b>	<b>92</b>	<b>101</b>
Tangibles	17	22	30	39
Intangibles	20	20	62	62
<b>Acc: Dep / Amortization</b>	<b>15</b>	<b>22</b>	<b>34</b>	<b>49</b>
Tangibles	6	11	20	30
Intangibles	9	11	15	19
<b>Net fixed assets</b>	<b>23</b>	<b>21</b>	<b>58</b>	<b>52</b>
Tangibles	11	11	10	9
Intangibles	11	9	48	43
Capital Work In Progress	0	0	0	0
Goodwill	38	38	207	207
Non-Current Investments	5	5	5	5
Net Deferred tax assets	6	10	15	18
Other Non-Current Assets	6	8	12	15
<b>Current Assets</b>				
Investments	1	1	1	1
Inventories	-	-	-	-
Trade receivables	26	27	38	51
Cash & Bank Balance	9	14	25	38
Other Current Assets	7	13	18	21
<b>Total Assets</b>	<b>125</b>	<b>141</b>	<b>382</b>	<b>412</b>
<b>Equity</b>				
Equity Share Capital	1	1	1	1
Other Equity	63	69	251	266
<b>Total Network</b>	<b>64</b>	<b>70</b>	<b>252</b>	<b>267</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	3	3	45	45
Provisions	-	-	-	-
Other non current liabilities	11	13	19	24
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	8	8	8	8
Trade payables	10	14	21	28
Other current liabilities	10	12	15	17
<b>Total Equity &amp; Liabilities</b>	<b>125</b>	<b>141</b>	<b>382</b>	<b>412</b>

Source: Company Data, PL Research

**Cash Flow (Rs bn)**

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	13	20	33	41
Add. Depreciation	5	7	12	15
Add. Interest	1	-	-	-
Less Financial Other Income	(1)	(1)	(1)	(1)
Add. Other	1	-	-	-
Op. profit before WC changes	19	27	45	56
Net Changes-WC	(3)	(7)	(15)	(14)
Direct tax	(4)	(4)	(8)	(10)
<b>Net cash from Op. activities</b>	<b>13</b>	<b>15</b>	<b>22</b>	<b>32</b>
Capital expenditures	(26)	(5)	(178)	(9)
Interest / Dividend Income	-	-	-	-
Others	2	-	-	-
<b>Net Cash from Invst. activities</b>	<b>(24)</b>	<b>(5)</b>	<b>(178)</b>	<b>(9)</b>
Issue of share cap. / premium	22	-	170	-
Debt changes	1	2	8	5
Dividend paid	(5)	(8)	(12)	(15)
Interest paid	(1)	-	-	-
Others	-	-	-	-
<b>Net cash from Fin. activities</b>	<b>17</b>	<b>(6)</b>	<b>167</b>	<b>(10)</b>
<b>Net change in cash</b>	<b>5</b>	<b>5</b>	<b>11</b>	<b>13</b>
Free Cash Flow	6	11	15	23

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Per Share(Rs)</b>				
EPS	30.5	45.8	55.2	67.1
CEPS	43.4	66.0	84.6	100.5
BVPS	193.3	206.9	602.8	604.6
FCF	19.3	31.2	35.0	52.1
DPS	15.6	22.9	27.6	33.6
<b>Return Ratio(%)</b>				
RoCE	21.3	22.9	13.0	10.2
ROIC	13.0	17.0	8.4	9.7
RoE	20.1	23.2	14.3	11.4
<b>Balance Sheet</b>				
Net Debt : Equity (x)	0.0	(0.1)	0.1	0.1
Net Working Capital (Days)	48	29	26	28
<b>Valuation(x)</b>				
PER	53.7	35.7	29.7	24.4
P/B	8.5	7.9	2.7	2.7
P/CEPS	37.7	24.8	19.3	16.3
EV/EBITDA	27.0	18.8	15.6	12.9
EV/Sales	4.5	3.4	2.9	2.4
Dividend Yield (%)	1.0	1.4	1.7	2.1

Source: Company Data, PL Research

**Quarterly Financials (Rs bn)**

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
<b>Net Revenue</b>	<b>34</b>	<b>37</b>	<b>40</b>	<b>42</b>
YoY gr. (%)	4.7	8.2	8.1	5.1
Raw Material Expenses	22	24	26	28
Gross Profit	12	12	14	14
Margin (%)	34.1	33.7	34.0	32.9
<b>EBITDA</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>7</b>
YoY gr. (%)	-	-	-	-
Margin (%)	16.9	17.1	18.3	17.4
Depreciation / Depletion	1	2	2	2
<b>EBIT</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>6</b>
Margin (%)	13.2	12.8	14.0	13.4
Net Interest	-	-	-	-
Other Income	-	-	-	-
<b>Profit before Tax</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>5</b>
Margin (%)	12.3	11.9	14.0	12.7
Total Tax	1	1	1	1
Effective tax rate (%)	20.8	18.0	23.8	16.5
<b>Profit after Tax</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>
YoY gr. (%)	24.9	12.6	16.7	5.9
Margin (%)	8.4	8.7	9.4	9.5
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>3</b>
YoY gr. (%)	22.8	21.5	18.4	(33.4)
Margin (%)	7.7	8.6	9.4	6.0
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>3</b>
Avg. Shares O/s (bn)	-	-	-	-
<b>EPS (Rs)</b>	<b>8.5</b>	<b>9.6</b>	<b>11.2</b>	<b>11.9</b>

Source: Company Data, PL Research

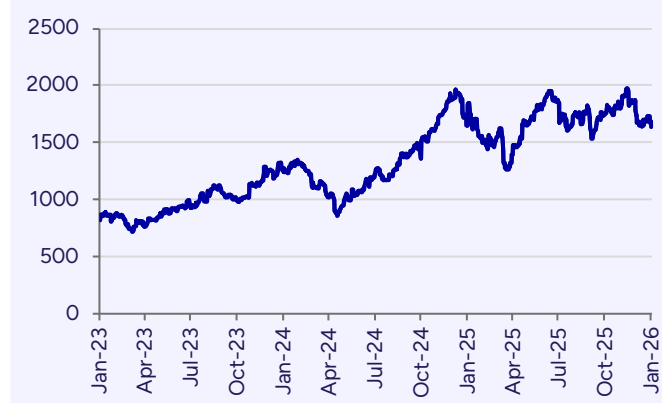
**Key Operating Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E
Revenue (in US\$ mn)	1,445	1,879	2,694	3,247

Source: Company Data, PL Research



**Price Chart**



**Recommendation History**

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	06-Jan-26	BUY	2,140	1,642

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Coforge	BUY	2,140	1,642
2	Cyient	Hold	1,070	1,109
3	HCL Technologies	BUY	1,910	1,667
4	Infosys	BUY	1,900	1,600
5	KPIT Technologies	BUY	1,380	1,168
6	L&T Technology Services	Hold	4,070	4,244
7	Latent View Analytics	BUY	630	454
8	LTIMindtree	Hold	6,000	6,407
9	Mphasis	BUY	3,450	2,820
10	Persistent Systems	BUY	7,360	6,343
11	Tata Consultancy Services	BUY	4,040	3,240
12	Tata Elxsi	Hold	5,500	5,793
13	Tata Technologies	Hold	660	651
14	Tech Mahindra	Accumulate	1,860	1,671
15	Wipro	Hold	260	267

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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