PL Capital PRABHUDAS LILLADHER

Q4FY26 Result Update

Coforge (COFORGE IN)

May 06, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	2,020		1,870	
Sales (INR bn)	251	295	244	301
% Chng.	*2.9*	*(2.0)*		
EBITDA (INR bn)	49	57	46	57
% Chng.	*6.5*	-		
EPS (INR)	59.0	71.9	55.4	66.8
% Chng.	*6.5*	*7.6*		

Key Data COFO.BO | COFORGE IN

BSE Code	532541
NSE Code	COFORGE
52-W High / Low	INR 1,994 / INR 1,008
Face Value	2
Sensex / Nifty	77,018 / 24,033
Market Cap	INR 502 bn / $ 5,270 mn
Shares Outstanding	429.65 mn
3M Avg. Daily Value	INR 4,660.03 mn

Shareholding Pattern (%)

Promoters	-
FIIs	23.32
Mutual Funds	31.72
Domestic Institutions	12.71
Public & Others	32.25
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(3.7)	(26.9)	(33.9)	(22.0)
Relative	(8.3)	(21.0)	(28.3)	(18.2)

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR bn)	121	164	251	295
EBITDA (INR bn)	17	30	49	57
Margin (%)	*14.3*	*18.6*	*19.6*	*20.0*
PAT (INR bn)	8	17	25	31
EV (INR bn)	393	390	519	492
Total Debt (INR bn)	11	7	59	59
C&C Eq. (INR bn)	8	11	44	72
EPS (INR)	26.3	51.0	59.0	72.0
Gr. (%)	*(4.7)*	*94.1*	*15.6*	*22.0*
DPS (INR)	16.2	12.2	12.2	12.2
Yield (%)	*1.4*	*1.0*	*1.0*	*1.0*
RoE (%)	*16.8*	*21.5*	*13.3*	*10.4*
RoCE (%)	*16.9*	*23.5*	*12.7*	*9.4*
EV/Sales (x)	3.3	2.4	2.1	1.7
EV/EBITDA (x)	22.8	12.8	10.5	8.6
PE (x)	44.4	22.9	19.8	16.2
P/BV (x)	5.8	4.1	1.8	1.6

Strong execution, doubling down on AI opportunities

Quick Pointers

- Steady revenue growth & strong margin expansion in Q4
- Deal momentum continues with healthy order intake

The revenue growth performance (2.0% QoQ CC) was tad above our estimates (1.8% QoQ CC), aided by broad-based growth excluding BFS. The softness in BFS was led by client-specific challenges along with the transition of new senior leader. However, management anticipates BFS recovery, as it progresses through FY27, aided by large deal wins. Deal momentum remained strong with 21 large deals in FY26, with healthy order intake of US$ 648mn in Q4 & executable order book of US$ 1.75bn (+16.4% YoY). Additionally, the framework agreements (not in order book) provide incremental visibility for sustained organic growth in FY27. Management sees AI as a structural growth driver, expanding opportunities into modernization, agentic AI, and high-margin managed services. The completion of the Encora integration strengthens company's engineering depth and AI-led execution capabilities. Factoring in earlier Encora consolidation, we revise our USD revenue growth estimates to 45.7% (earlier 42%) for FY27E and 14.9% (earlier 20.9%) for FY28E. We estimate organic USD revenue growth of ~13% and ~12% for FY27E/FY28E, respectively. Management aspires to achieve EBIT margin of ~15.5% in FY27 by infusing AI and doubling-down on "Mod Squad" delivery model. We raise our EBIT margin estimates to 15.1%/15.3% for FY27E/FY28E, (vs 13.8%/14% earlier), post re-classification. With that our EPS estimates revised upward by ~6%/7% to ~7%/8% for FY27E/FY28E after factoring-in interest costs on the USD550mn, equity dilution from Cigniti minority issuance and Encora swap. We assign 28x to FY28E EPS that translates a TP of INR 2,020. Maintain our BUY rating.

Revenue: Coforge's growth momentum continued amid the challenging macroeconomic conditions; reporting revenue of USD 489 mn in Q4, up 2.0% QoQ in CC terms and 1.8% in USD terms, slightly above our expectations of ~1.8% QoQ CC growth. Growth was driven by Healthcare, TTH & Insurance segment, which grew 15.5%, 7.5% & 5% QoQ CC respectively, while BFS delivered moderate growth of 0.8% QoQ. Government segment reported QoQ CC growth of 24.3% due to smaller Q3 base. Geographic growth was largely broad-based.

Operating Margin: EBIT margin came in at 16.6%, an increase of 230 bps QoQ, beating our and consensus estimates of 14.6% & 14.8% respectively. Margins received tailwinds from by SG&A leverage (+100bps), currency tailwinds (+80bps), direct cost reduction (+50bps), lower marketing spends (+40bps), and reduced ESOP costs (+20bps), partially offset by provision for doubtful debts (-60bps). For FY26, EBIT margin expanded 370bps YoY to 14.4%.

Quarter Summary

Y/e Mar	Q4'26E	Q4'26A	% Var.	Q4'25A	YoY gr. (%)
Net Sales (INR bn)	44	45	*2.0*	34	*32.0*
EBITDA (INR bn)	8	9	*13.0*	6	*50.0*
Margin (%)	*18.7*	*20.6*	*190 bps*	*17.2*	*340 bps*
PAT (INR bn)	5	7	*40.0*	3	*133.0*

Source: Company, PL

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Slight beat in topline, Deal wins momentum continues

- Revenue came at US$ 489 mn, up 2% QoQ CC USD & 1.7% QoQ in USD, above our estimates of 1.8% QoQ CC growth
- Vertical wise growth was led by Healthcare, TTH & Insurance segment which grew by 15.5%, 7.4%, and 5% QoQ CC respectively while BFS grew by 0.8% QoQ. Government segment on small base reported QoQ CC growth of 24.3%
- Geo wise growth was broad based with Americas, EMEA & RoW reporting growth of 5.3%, 1.8% & 0.9% QoQ CC respectively
- EBIT margin increased by 240 bps QoQ to 16.6 % and was above our & consensus estimate of 14.6% & 14.8% respectively
- Fresh order intake came at USD 648 mn, up 9.3% QoQ and 12M executable order book came at USD 1.75 bn up 2% QoQ & 16.4% YoY
- Net headcount increased by 436 QoQ, attrition declined by 10 bps QoQ to 10.8% and utilization grew by 80 bps QoQ to 82.5%
- Adj. PAT from continuing operations came at Rs. 6.7 bn compared to our est. of Rs. 4.5 bn due to tax reversal
- For FY26 reported revenue of USD 1.88 bn, up 29.2% YoY with EBIT margin of 14.4%, up 370 bps YoY

Conference Call Highlights

- Management highlighted a resilient and improving demand environment, with no broad-based slowdown despite macro uncertainties, driven by AI-led transformation, modernization programs, and large deal opportunities, particularly in regulated verticals; clients are increasingly moving from pilots to scaled AI deployments, creating larger multi-year opportunities.
- Company remains confident of delivering industry-leading growth in FY27, supported by a strong order book, additional framework agreements, and healthy deal conversion, with growth expected to remain broad-based and led by top accounts, while BFS is likely to recover after a softer FY26. Q1 is expected to be flattish due to portfolio rationalization, followed by a strong acceleration from Q2 onwards, reinforcing sustained growth momentum.
- Management highlighted that AI-led demand is real, accelerating, and becoming a core driver of client spending, with enterprises moving beyond pilots to production-scale deployments. Demand is emerging across AI-led modernization, agentic AI workflows, and data/AI infrastructure, with a strong need for AI-ready data pipelines, agent lifecycle management, and governance-led managed services. Management emphasized that while AI reduces the cost of code creation, it significantly expands downstream services demand, particularly in integration, monitoring, and maintenance, thereby creating new high-margin, recurring revenue pools for IT services players.
- Management highlighted that Coforge is positioning itself as an AI-native services player, leveraging domain-led AI, proprietary platforms, and hybrid human–AI delivery models to drive opportunities in modernization, agentic AI, and managed services. AI is also being embedded internally to deliver productivity gains and margin expansion, making it both a growth and profitability lever.

- Deal momentum remained healthy, with Q4 TCV of USD 648 mn (+9.3% QoQ) supported by five large deal wins (Americas share at 67.5%), taking FY26 TCV to USD 2.3 bn. The next 12-month executable order book increased to USD 1.75 bn (+2% QoQ), improving near-term visibility, while additional framework agreements (not included in the order book) provide incremental upside and strengthen growth visibility into FY27.

- Management indicated that the Encora integration is now complete, positioning it as a key growth and capability accelerator. The acquisition strengthens Coforge's product engineering and high-tech capabilities, expands its addressable market, and enables cross-sell opportunities across clients. It is also expected to deliver 20–25% G&A synergies and support AI-led engineering and modernization capabilities, making it central to Coforge's next phase of growth and margin expansion.

- Management highlighted that the acquisition of minority stake in Cigniti is underway, with share allotment expected shortly, which will reduce minority interest going forward. While this will increase reported PAT attributable to shareholders, it will also lead to equity dilution.

- Management guided for a structural margin reset, with FY27 EBITDA at 20.5–21% and EBIT ~15.5%, driven by AI-led efficiencies, G&A optimization, Encora synergies, and portfolio rationalization, with further improvement expected in FY28.

- Management raised its FCF conversion aspiration to ~100% FCF/PAT from FY27 onwards (vs earlier 70–80%), driven by stronger profitability, tighter working capital discipline, and improved collections.

Exhibit 1 : 4QFY26 Result: Strong margin expansion

	4QFY26	4QFY26E	*% Var.*	3QFY26	*QoQ gr. (%)*	4QFY25	*YoY gr. (%)*	FY26	FY25	*YoY gr. (%)*
IT Services Revenue (USD m)	**489.1**	**487.0**	*0.4*	**480.9**	*1.7*	**403.5**	*21.2*	**1,868.2**	**1,445.2**	*29.3*
Overall Revenue (INR b)	**44.5**	**44.4**	*0.2*	**42.3**	*5.2*	**34.2**	*30.0*	**164.0**	**120.7**	*35.9*
Gross Profit	15	15	*1.1*	14	*7.7*	12	*30.3*	56	41	*36.2*
Gross Margin (%)	*34.4*	*34.1*	*30bps*	*33.6*	*80bps*	*34.3*	*10bps*	*33.8*	*33.7*	*10bps*
SG&A and Other Costs	6.1	6.8	*-10.4*	6.5	*-5.2*	5.9	*4.5*	25.0	23.5	*6.5*
% of Rev	*13.8*	*15.4*	*-160bps*	*15.3*	*-150bps*	*17.1*	*-340bps*	*15.3*	*19.5*	*-420bps*
EBITDA	**9.2**	**8.3**	***10.5***	**7.7**	***18.5***	**5.9**	***56.2***	**30.5**	**17.2**	***76.9***
EBITDA Margin (%)	*20.6*	*18.7*	*190bps*	*18.3*	*230bps*	*17.2*	*340bps*	*18.6*	*14.3*	*430bps*
Depreciation	1.8	1.8	*-1.2*	1.7	*5*	1.3	*43.5*	6.8	4.3	*59.5*
% of Rev	*4.0*	*4.1*	*-10bps*	*4.0*	*0bps*	*3.7*	*40bps*	*4.2*	*3.5*	*60bps*
EBIT	**7.4**	**6.5**	***13.8***	**6.0**	***22.2***	**4.6**	***59.6***	**23.6**	**12.9**	***82.7***
EBIT Margin (%)	*16.6*	*14.6*	*200bps*	*14.2*	*230bps*	*13.5*	*310bps*	*14.4*	*10.7*	*370bps*
Other Income (net)	-0.6	-0.1	*336.7*	-0.7	*-18.0*	-0.3	*122.1*	-2.1	0.0	*-10,931.6*
PBT	**6.8**	**6.3**	***7.0***	**5.3**	***27.6***	**4.4**	***55.8***	**21.6**	**13.0**	***66.6***
Tax	-0.4	1.5	*-128.2*	0.9	*-147.1*	0.9	*-147.1*	2.6	3.3	*-22.3*
Effective tax rate (%)	*-6.1*	*23.0*	*-2910bps*	*16.5*	*-2250bps*	*20.1*	*-2610bps*	*12.0*	*25.7*	*-1370bps*
Adjusted PAT	**6.7**	**4.5**	***47.3***	**4.0**	***67.4***	**3.0**	***120.5***	**17.1**	**8.4**	***103.9***
Exceptional items	0.5	0.0	*NA*	1.5	*NA*	0.4	*NA*	1.6	0.3	*NA*
Reported PAT	**6.1**	**4.5**	***35.5***	**2.5**	***144.8***	**2.6**	***134.4***	**15.6**	**8.1**	***91.6***
Adj. EPS (INR)	**19.8**	**13.0**	***52.7***	**11.9**	***67.2***	**8.7**	***128.7***	**51.0**	**26.3**	***94.1***

Source: Company, PL

Exhibit 2 : Exhibit 2: Geography revenue mix

Geographies	Contri. To Rev. (%)	Growth (QoQ %)
Americas	56.7	1.9
EMEA	28.3	2.1
ROW	15.0	1.7

Source: Company, PL

Exhibit 3 : Exhibit 3: Vertical revenue mix

Verticals	Contri. To Rev. (%)	Growth (QoQ %)
Banking and Financial Services	24.9	(2.6)
Insurance	14.8	1.7
TTH	23.4	7.2
Healthcare & Hitech	11.5	11.4
Govt. outside India	7.5	21.1
Others	17.9	(9.9)

Source: Company, PL

Exhibit 4 : Revenue by Service mix

Geographies	Contri. To Rev. (%)	Growth (QoQ %)
Engineering	45.1	3.3
Intelligent Automation	8.4	9.5
Data & Integration	20.9	(4.3)
CIMS	17.7	1.7
BPM	8.0	3.0

Source: Company, PL

Exhibit 5 : Top Clients performance

Verticals	Contri. To Rev. (%)	Growth (QoQ %)
Top Client	21.0	4.1
Top 6-10 Clients	9.7	3.0
Beyond Top 10 Clients	69.3	4.2

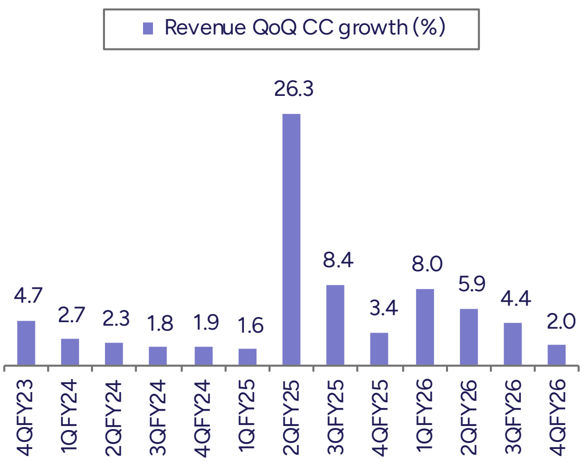
Source: Company, PL

Exhibit 6 : Key Performance Indicator

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	FY25*	FY26*
Revenue (QoQ CC %)	**1.6**	**26.3**	**8.4**	**3.4**	**8.0**	**5.9**	**4.4**	**2.0**	**29.2**	**29.3**
Margins										
Gross Margin	32.2	31.2	33.4	34.3	33.7	34.0	33.6	34.4	33.7	33.8
EBIT Margin	14.9	12.5	11.9	13.5	12.8	14.0	14.2	16.6	10.7	14.4
Net Margin	10.5	8.1	7.0	8.8	8.7	9.4	9.4	15.0	7.0	10.4
Operating metrics										
Headcount (k)	26.6	32.5	33.1	33.5	34.2	34.9	35.3	35.8	33.5	35.8
Utilization incl. Trainees (%)	81.6	82.2	81.3	82.0	82.1	82.3	81.7	82.5	82.0	82.5

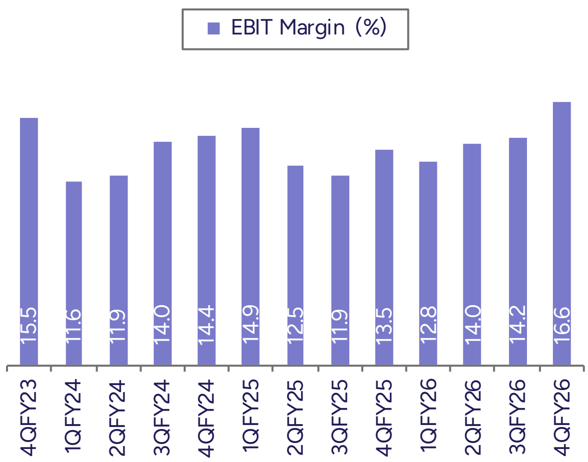
*Source: Company, PL, * YoY USD*

Exhibit 7 : Revenue came slightly ahead of estimate



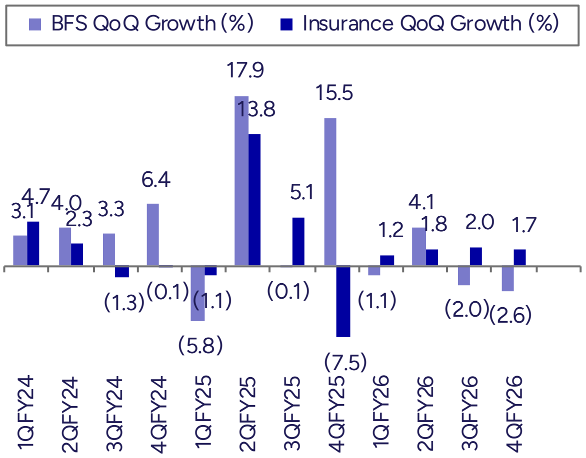
Source: Company, PL

Exhibit 8 : Exhibit 8: Strong margin expansion in Q4



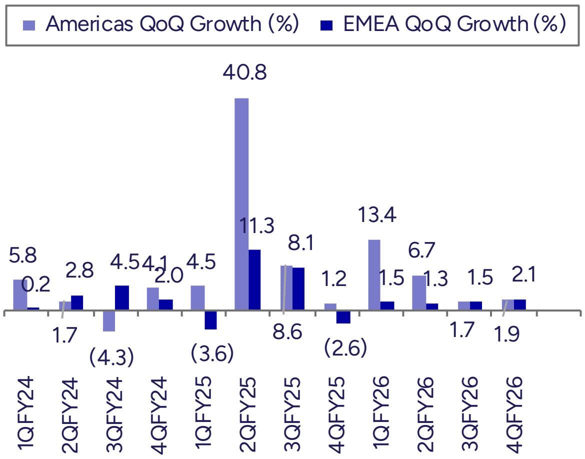
Source: Company, PL

Exhibit 9 : Exhibit 9: BFS & Insurance growth %



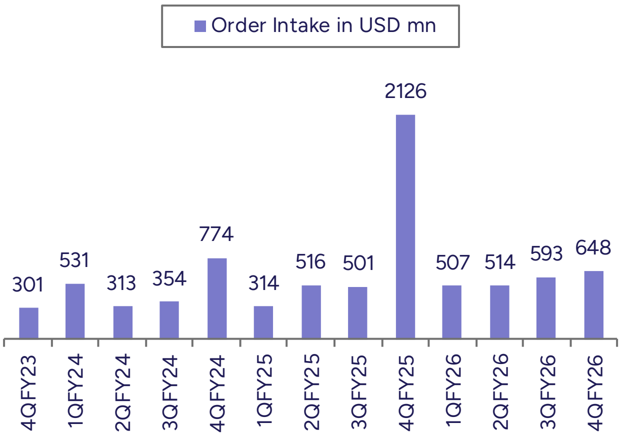
Source: Company, PL

Exhibit 10 : Exhibit 10: Americas & EMEA growth %



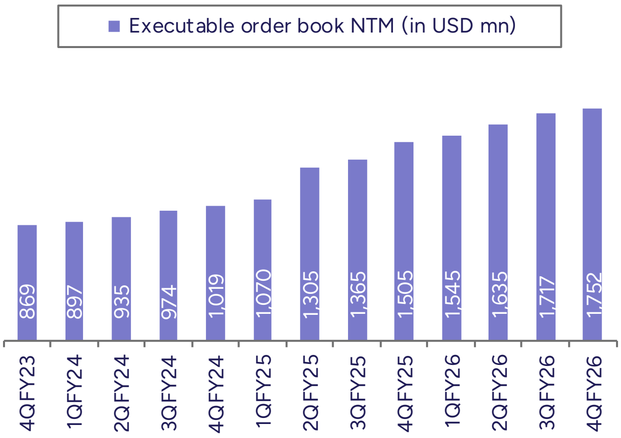
Source: Company, PL

Exhibit 11 : 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	4QFY26
Geography-mix (%)													
Americas	48.3	49.7	49.4	46.6	47.7	49.9	55.1	56.0	54.8	56.7	57.9	56.6	56.7
EMEA	39.6	38.6	38.8	40.0	40.1	38.7	33.8	34.2	32.2	29.8	28.9	28.2	28.3
RoW	12.1	11.7	11.8	13.4	12.2	11.4	11.1	9.8	13.0	13.5	13.2	15.0	15.0
Vertical-mix (%)													
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	24.9
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	14.8
Travel, Transportation and Hospitality	18.8	18.5	18.5	17.8	17.6	18.1	18.1	18.1	22.4	22.9	23.3	22.2	23.4
Healthcare & HiTech	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.2	8.4	0.0	10.0	10.5	11.5
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	7.5
Others	28.0	20.2	19.7	21.5	19.5	20.9	25.8	20.5	14.3	26.7	17.1	20.2	17.9
Practice Split (%)													
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	45.1
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	8.4
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	20.9
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	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	8.0
Revenue Mix (%)													
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	21.8
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	31.4
Fresh order Intake - USD m													
USA	130	155	118	110	627	126	245	294	1828	272	281	304	438
EMEA	113	346	138	172	102	96	184	93	170	140	122	194	156
RoW	58	30	57	72	46	92	86	114	128	95	110	95	55
Deals signed - USD m	301	531	313	354	774	314	516	501	2126	507	514	593	648
Executable Order Book (NTM) - USD m	869	897	935	974	1019	1070	1305	1365	1505	1545	1635	1717	1752
Employee Metrics													
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	33,643
Sales and Marketing	350	363	360	368	388	442	575	583	586	594	622	617	577
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	1,557
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	35,777
IT Rev. per Billable Emp. ($ / Annnum)										67,904	69,989	71,436	71,795
Utilization (%)	81.5	81	80	79.4	81.7	81.6	82.2	81.3	82	82.1	82.3	81.7	82.5
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	10.8

Source: Company, PL

Financials

Income Statement (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	121	164	251	295
YoY gr. (%)	*34.0*	*35.9*	*53.3*	*17.2*
Cost of Goods Sold	80	109	165	195
Gross Profit	41	56	86	100
Margin (%)	*33.7*	*33.8*	*35.0*	*34.0*
Employee Cost	-	-	-	-
Other Expenses	-	-	-	-
EBITDA	17	30	49	57
YoY gr. (%)	*13.5*	*76.9*	*61.9*	*16.5*
Margin (%)	*14.3*	*18.6*	*19.6*	*20.0*
Depreciation and Amortization	4	7	11	12
EBIT	13	24	38	45
Margin (%)	*10.7*	*14.4*	*15.1*	*15.3*
Net Interest	-	-	-	-
Other Income	-	(2)	(3)	(3)
Profit Before Tax	13	22	35	42
Margin (%)	*10.7*	*13.2*	*13.9*	*14.2*
Total Tax	3	3	9	10
Effective Tax Rate (%)	*25.7*	*12.0*	*25.0*	*25.0*
Profit After Tax	10	19	26	31
Minority Interest	(1)	(2)	(1)	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	8	17	25	31
YoY gr. (%)	*(1.9)*	*103.9*	*48.1*	*22.0*
Margin (%)	*7.0*	*10.4*	*10.1*	*10.5*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	8	16	25	31
YoY gr. (%)	*(2.1)*	*91.6*	*63.0*	*22.0*
Margin (%)	*6.7*	*9.5*	*10.1*	*10.5*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	8	16	25	31
Equity Shares O/s (bn)	-	-	-	-
EPS (INR)	26.3	51.0	59.0	72.0

Source: Company, PL

Balance Sheet (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	38	48	55	64
Tangibles	17	28	35	44
Intangibles	20	20	20	20
Acc: Dep / Amortization	15	22	33	46
Tangibles	6	13	24	37
Intangibles	9	9	9	9
Net Fixed Assets	23	26	22	19
Tangibles	11	15	11	7
Intangibles	11	11	11	11
Capital Work In Progress	-	-	-	-
Goodwill	38	42	264	264
Non-Current Investments	5	9	9	9
Net Deferred Tax Assets	6	7	11	12
Other Non-Current Assets	6	6	9	10
Current Assets				
Investments	1	-	-	-
Inventories	-	-	-	-
Trade Receivables	26	40	40	51
Cash & Bank Balance	9	11	44	72
Other Current Assets	7	8	11	12
Total Assets	125	149	410	449
Equity				
Equity Share Capital	1	1	1	1
Other Equity	63	95	285	311
Total Networth	64	95	286	312
Non-Current Liabilities				
Long Term Borrowings	3	3	55	55
Provisions	-	-	-	-
Other Non Current Liabilities	11	12	18	21
Current Liabilities				
ST Debt / Current of LT Debt	8	4	4	4
Trade Payables	10	18	26	35
Other Current Liabilities	10	15	18	20
Total Equity & Liabilities	125	149	410	449

Source: Company, PL

Cash Flow (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	13	20	35	42
Add. Depreciation	5	7	11	12
Add. Interest	1	2	-	-
Less Financial Other Income	-	(2)	(3)	(3)
Add. Other	-	-	-	-
Op. Profit before WC Changes	19	29	46	54
Net Changes-WC	(3)	(7)	2	(5)
Direct Tax	(4)	(4)	(9)	(10)
Net Cash from Op. Activities	**12**	**18**	**40**	**38**
Capital Expenditures	(26)	(6)	(229)	(9)
Interest / Dividend Income	-	-	-	-
Others	2	2	-	-
Net Cash from Invt. Activities	**(24)**	**(4)**	**(229)**	**(9)**
Issue of Share Cap. / Premium	22	-	170	-
Debt Changes	1	(4)	58	3
Dividend Paid	(5)	(5)	(5)	(5)
Interest Paid	(1)	(1)	-	-
Others	-	-	-	-
Net Cash from Fin. Activities	**17**	**(11)**	**223**	**(2)**
Net Change in Cash	**5**	**3**	**33**	**27**
Free Cash Flow	6	10	32	29

Source: Company, PL

Quarterly Financials (INR bn)

Y/e Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Net Revenues	**37**	**40**	**42**	**45**
YoY gr. (%)	*7.8*	*8.1*	*6.2*	*5.2*
Raw Material Expenses	24	26	28	29
Gross Profit	12	14	14	15
Margin (%)	*33.7*	*34.0*	*33.6*	*34.4*
EBITDA	**6**	**7**	**8**	**9**
YoY gr. (%)	-	-	-	-
Margin (%)	*17.1*	*18.3*	*18.3*	*20.6*
Depreciation / Depletion	2	2	2	2
EBIT	**5**	**6**	**6**	**7**
Margin (%)	*12.8*	*14.0*	*14.2*	*16.6*
Net Interest	-	-	-	-
Other Income	-	-	(1)	(1)
Profit before Tax	**4**	**6**	**5**	**7**
Margin (%)	*11.9*	*14.0*	*12.6*	*15.2*
Total Tax	1	1	1	-
Effective Tax Rate (%)	*18.0*	*23.8*	*16.5*	*(6.1)*
Profit After Tax	**4**	**4**	**4**	**7**
Minority Interest	-	-	-	(1)
Share Profit from Associate	-	-	-	-
Adjusted PAT	**3**	**4**	**4**	**7**
YoY gr. (%)	*6.6*	*16.7*	*5.9*	*67.4*
Margin (%)	*8.7*	*9.4*	*9.4*	*15.0*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**3**	**4**	**3**	**6**
YoY gr. (%)	*21.5*	*18.4*	*(33.4)*	*144.8*
Margin (%)	*8.6*	*9.4*	*5.9*	*13.8*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**3**	**4**	**3**	**6**
Avg. Shares O/s (bn)	-	-	-	-
EPS (INR)	**9.6**	**12.0**	**11.9**	**19.8**

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	26.3	51.0	59.0	72.0
CEPS	39.7	71.4	85.4	100.9
BVPS	199.8	284.5	665.3	725.1
FCF	19.5	31.3	75.0	68.6
DPS	16.2	12.2	12.2	12.2
Return Ratio (%)				
RoCE	16.9	23.5	12.7	9.4
ROIC	10.3	18.0	7.7	8.3
RoE	16.8	21.5	13.3	10.4
Balance Sheet				
Net Debt : Equity (x)	-	-	0.1	-
Net Working Capital (Days)	48	49	19	20
Valuation (x)				
PER	44.4	22.8	19.8	16.2
P/B	5.8	4.1	1.7	1.6
P/CEPS	29.4	16.3	13.6	11.5
EV/EBITDA	22.8	12.7	10.5	8.5
EV/Sales	3.2	2.3	2.0	1.6
Dividend Yield (%)	1.3	1.0	1.0	1.0
FCFF Yield (%)	1.6	2.6	6.4	5.8
PEG Ratio	(9.6)	0.2	1.2	0.7

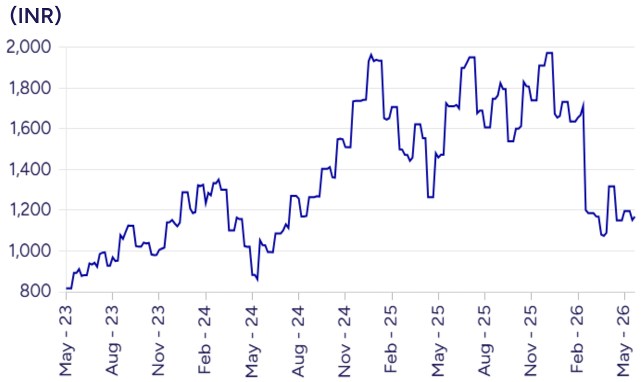
Source: Company, PL

Key Operating Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Revenue (in US$ mn)	1,445	1,868	2,704	3,102

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	01-Apr-26	BUY	1870	1154
2	23-Jan-26	BUY	2150	1636
3	06-Jan-26	BUY	2140	1642
4	23-Jul-22	BUY	4031	3726
5	04-Jul-22	BUY	4095	3488
6	12-May-22	BUY	5295	3646
7	05-Apr-22	BUY	5559	4512
8	28-Jan-22	BUY	5778	4401
9	04-Jan-22	BUY	5708	5973
10	25-Oct-21	BUY	5596	5069

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Coforge	BUY	1870	1154
2	Cyient	BUY	950	780
3	Fractal Analytics	BUY	1110	798
4	HCL Technologies	Reduce	1300	1441
5	Infosys	BUY	1570	1241
6	KPIT Technologies	BUY	1020	674
7	L&T Technology Services	Hold	3610	3550
8	Latent View Analytics	BUY	450	261
9	LTM	Hold	4560	4532
10	Mphasis	BUY	3000	2277
11	Persistent Systems	Buy	6400	5330
12	Tata Consultancy Services	BUY	3450	2589
13	Tata Elxsi	HOLD	4800	4651
14	Tata Technologies	BUY	610	531
15	Tech Mahindra	Buy	1660	1463
16	Wipro	HOLD	200	210

PL's Recommendation Nomenclature (Absolute Performance)

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

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