

Information Technology

Sector Update

October 02, 2026

Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
Coforge	BUY	1,826	2,120
Cyient	HOLD	1,105	1,040
Firstsource Solutions	BUY	250	330
Fractal Analytics	Buy	727	1,010
HCL Technologies	HOLD	1,243	1,160
Infosys	BUY	1,035	1,240
KPIT Technologies	SELL	492	460
L&T Technology Services	HOLD	3,268	3,350
Latent View Analytics	Accumulate	234	320
LTM	Accumulate	4,007	4,200
Mphasis	BUY	2,250	2,820
Persistent Systems	Accumulate	5,367	5,860
Sagility	BUY	43	60
Tata Consultancy Services	BUY	2,075	2,500
Tata Elxsi	Reduce	3,093	3,350
Tata Technologies	SELL	699	610
Tech Mahindra	BUY	1,533	1,780
Wipro	Reduce	159	165

Strong bookings, surprising Q4, stabilizing demand

Quick Pointers

- **Beat on both revenue & margins**
- **FY27 revenue guidance of 3-6% with organic growth of 0.5-3.5%**

Accenture's Q4FY26 performance was stronger than expected, with revenue growth of 7% YoY in CC, above the guided range, while bookings grew 5% YoY CC to US\$22.2bn, including robust managed services bookings of US\$12.8bn. The strong deal momentum was supported by large-scale transformation and AI-led programs, faster mobilization of new contracts and an uptick in smaller deals, with 37 clients of >US\$100mn bookings. Management indicated that the overall discretionary spending environment had not materially improved, suggesting that the Q4 outperformance was driven more by better deal conversion and execution indicating a stable to slightly improving environment. Accenture's FY27 revenue growth guidance of 3–6% YoY CC, including ~2.5% inorganic contribution, was above street expectations of 1–5%, implying organic growth of ~0.5–3.5%. For Indian IT services, elevated booking growth and continued revenue conversion, particularly in outsourcing, provide a positive read-through on enterprise IT spending. Advances in frontier models are making AI investments increasingly affordable for enterprises, which should translate into broader AI-led revenue opportunities, while the ongoing Middle East crisis remains a near-term headwind. Despite these challenges, the combination of stronger deal wins, improving revenue conversion and an FY27 outlook above expectations suggests that FY27 could mark the trough, with a gradual recovery beginning to take shape in FY28.

- **Demand & Outlook:** Accenture reported Q4 revenue growth of 7% YoY in CC, above consensus estimates, driven by broad based growth across key verticals and geographies. The demand environment remains largely unchanged as discretionary spend for products and resources stabilise, with management indicating impact from ongoing geopolitical uncertainty in the Middle East conflict continuing to be a headwind. Accenture guided FY27 revenue growth at 3–6% YoY CC (vs. 2–5% guided at the start of the previous fiscal year), with an inorganic contribution of 2–2.5%. Additionally, ACN expects demand to be driven by continued client investments in the digital core, data foundations, and the enterprise AI stack needed to scale AI & large-scale reinventions, alongside a scaling top 10 partners ecosystem (more than 60% of revenues). FY26 bookings from these partners more than tripled, while revenues more than doubled YoY.
- **Managed Services growth recovers:** Managed services growth came in at 7% YoY CC in Q4 (vs. 5% in Q3), with deal wins improving to USD 12.8bn, up 3% YoY (vs. USD 9.1bn, down 15% YoY in Q3). Overall bookings saw robust growth at USD 22.2bn, up 5% YoY CC (4% reported), with consulting bookings also remaining strong at USD 9.4bn, up 6% YoY. For FY27, both managed services & consulting are expected to grow within the guided range to 3-6% YoY CC growth.

- **CMT momentum continues, Healthcare returns to growth:** ACN growth was broad based across segments & geographies, with healthcare segment growing at 9% YoY CC following 3 weak quarters due to federal business impact. Growth was driven by CMT segment which grew by 11% YoY CC after reporting 9% growth in Q3. FS grew sharply by 6% after some moderation in Q3. All geographies grew by 7% YoY CC.
- **Acquisitions to scale into high growth areas:** ACN plans to deploy USD 5bn in acquisitions in FY27, excluding USD 3bn of Cyber OT related acquisitions that got shifted into September due to regulatory timings. ACN plans to use these acquisitions to scale in high-growth areas, deepen industry and functional capabilities, and expand into new growth areas, which increasingly include businesses with non-FTE commercial models. ACN's organic investments include R&D, learning and talent development.
- **Increase in net employee:** Net headcount rose by 15.7k, marking a fourth consecutive quarter of additions.

Accenture 4Q-2026 first take:

- Revenue at US\$ 18.7 bn, up 6% YoY (7% CC YoY) was above the guided band of 1-5% and street estimates of 2.9% YoY growth. For FY26 revenue came at US\$ 74.2 bn, up 6% (5% CC with likely organic growth of 3-3.5%).
- Outsourcing revenue came at US\$ 9.4 bn, up 7% YoY in reported & CC terms (street estimate of 4.3%) while Consulting revenue came at US\$ 9.3 bn, up 6% YoY (+7% CC YoY).
- FY27 revenue guidance of 3-6% is marginally higher than 2-5% excluding the US Federal Business impact of 1% announced at start of last fiscal year
- Q4 Reported EBIT margin came at 15.3% (up 370 bps YoY) while FY26 margins came at 15.4%, up 70 bps. FY27 operating margin expected in the band of 15.9-16.1%.
- Q4 new booking win of USD 22.2 bn up 5% CC terms & 4% YoY in reported terms. Outsourcing bookings of US\$ 12.77 bn, up 3% YoY while Consulting booking grew by 6% YoY to US\$ 9.4 bn.
- Segment-wise growth was broad based, with CMT & Healthcare driving growth with 11% & 9% YoY CC in Q4 while FS reported growth of 6%.
- Geography wise all regions grew by 7% YoY.

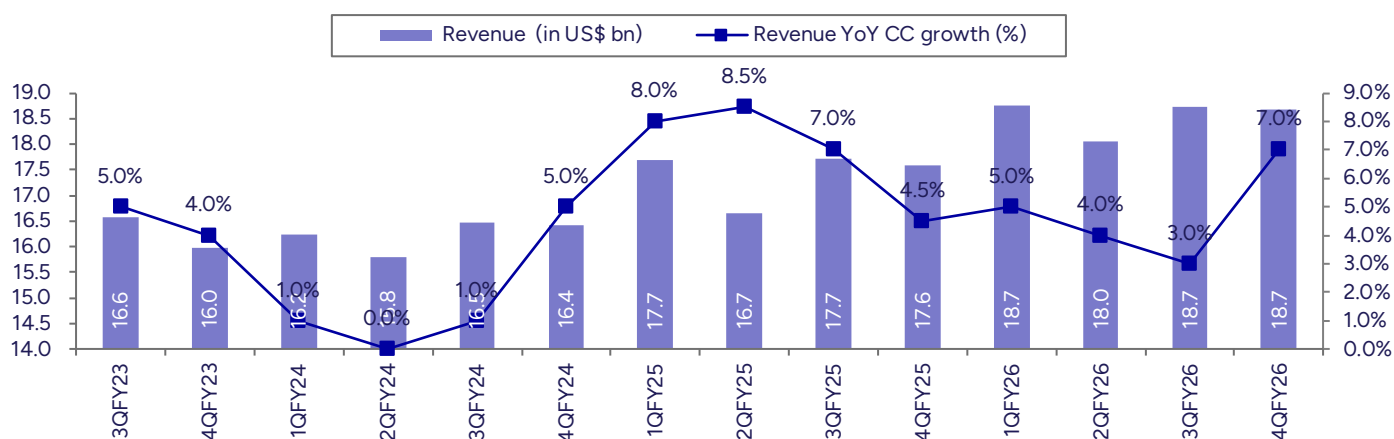
Other KTA's

- **Geography- & sector-wise performance:** In the Americas, growth was primarily driven by the US, supported by strength in high-tech, software & platforms, utilities and banking & capital markets. In EMEA, key growth drivers were public service, banking & capital markets and software & platforms with the UK and Italy as the leading geographies. In APAC, growth was underpinned by public service, insurance and CMT, with Japan, Singapore & Australia leading the regions.
- Management views AI as a tailwind, expecting opportunities related to AI to be greater than the impact of AI-related efficiencies in its business, while AI also makes delivery and implemented technologies more efficient, creating value for clients and faster implementations. AI demand is broadening across enterprise functions, including CX (conversational AI), supply chain (advanced AI for demand forecasting), and finance (AI reasoning agents for P&L analysis)
- ACN highlighted that over 65% of revenues are now on fixed-price commercial models, a proportion that continues to increase across both consulting and managed services segments. Management emphasized that SaaS providers are rapidly embedding AI in agentic capabilities into their applications and workflows.

Additionally, private and sovereign AI are increasingly becoming important to clients, and ACN remains well positioned to create these solutions.

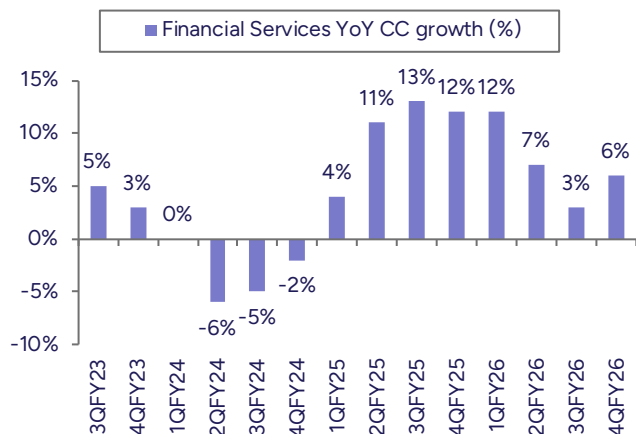
- Management noted that clients remain focused on AI, with many expecting it to unlock greater opportunities across the enterprise, although their AI readiness varies significantly. Much of the current growth is driven by investments in the digital core, data foundations and enterprise AI stack required to scale AI adoption, while many clients are still at the early stages of their AI journey. Nearly 100 additional clients initiated their first advanced AI work with ACN during the quarter, taking the FY26 total to over 400.
- Management believes that declining token costs over the next few years will enable companies to deploy AI more broadly and at greater scale. This, in turn, will require clients to redesign processes, reinvent work and build the underlying AI stack necessary to scale AI adoption.

Exhibit 1: Revenue growth in Q4 above consensus estimate of 2.9%



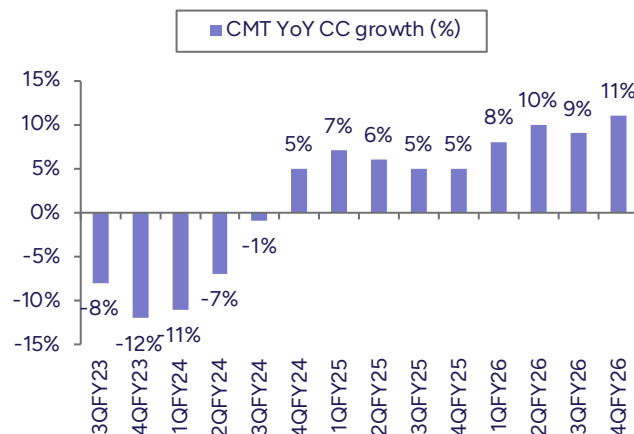
Source: Company, PL

Exhibit 2: FS growth picks up after some moderation in Q3



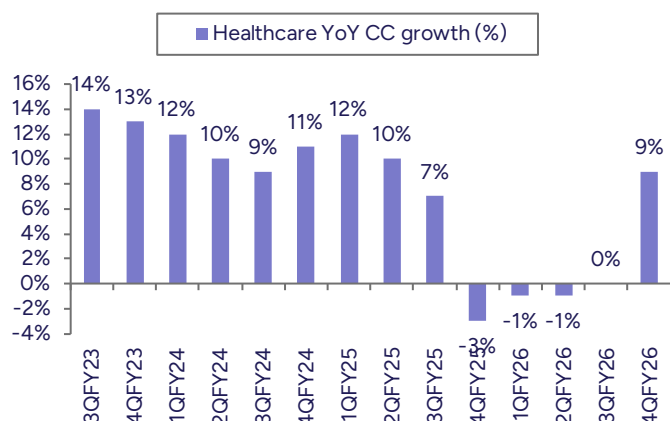
Source: Company, PL

Exhibit 3: CMT momentum continues



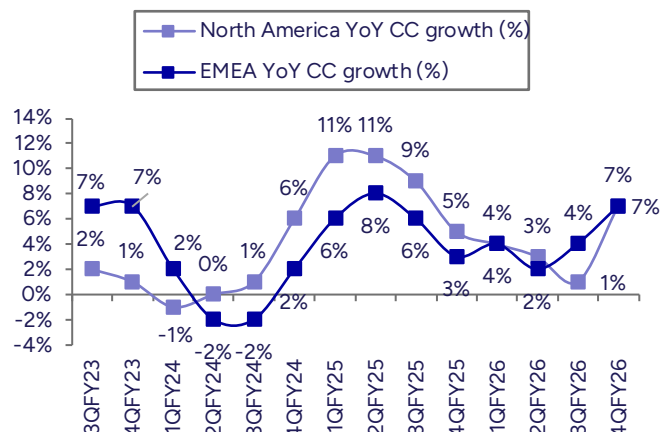
Source: Company, PL

Exhibit 4: Healthcare returns to growth after bottoming out



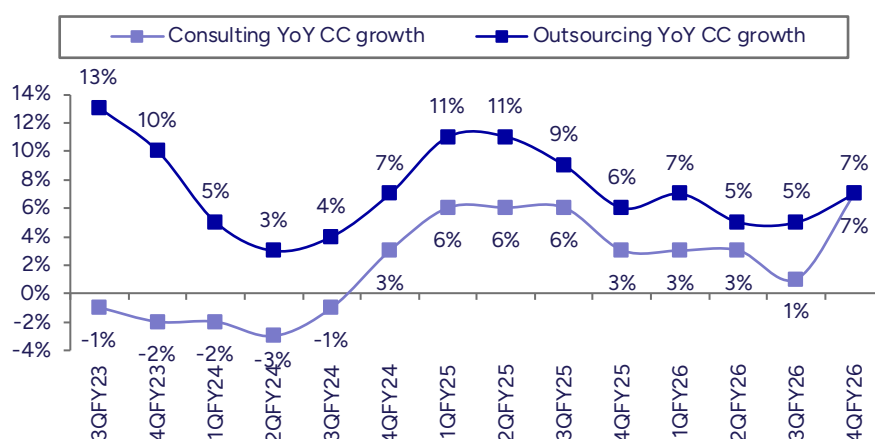
Source: Company, PL

Exhibit 5: Broad-based growth in key geographies



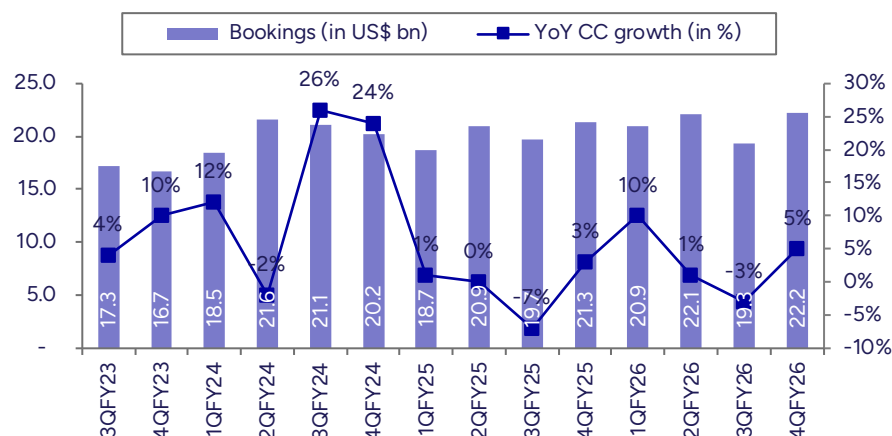
Source: Company, PL

Exhibit 6: Outsourcing & consulting show strong growth



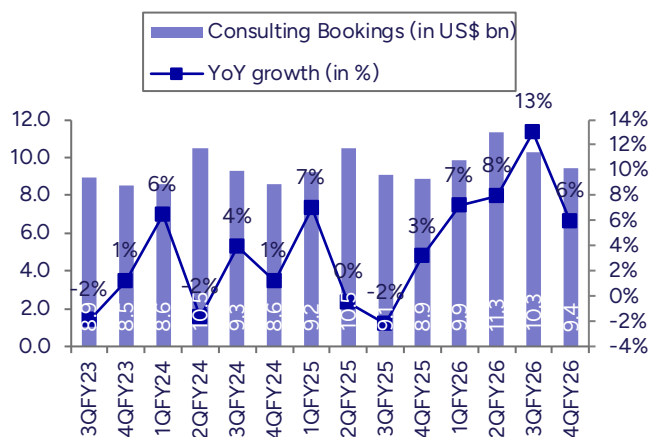
Source: Company, PL

Exhibit 7: Bookings improved by 5% YoY in Q4



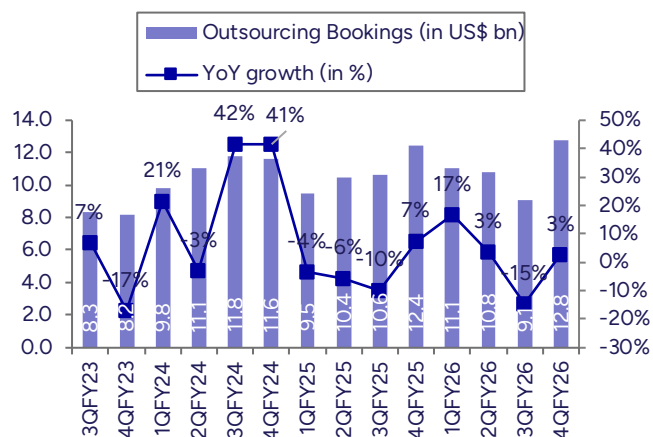
Source: Company, PL

Exhibit 8: Consulting grew by 6% YoY CC



Source: Company, PL

Exhibit 9: Outsourcing bookings remained modest in Q4



Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Coforge	BUY	2120	1793
2	Cyient	HOLD	1040	979
3	Firstsource Solutions	BUY	330	260
4	Fractal Analytics	Buy	1010	845
5	HCL Technologies	HOLD	1160	1221
6	Infosys	BUY	1240	1047
7	KPIT Technologies	SELL	460	639
8	L&T Technology Services	HOLD	3350	3293
9	Latent View Analytics	Accumulate	320	298
10	LTM	Accumulate	4200	4037
11	Mphasis	BUY	2820	2288
12	Persistent Systems	Accumulate	5860	5575
13	Sagility	BUY	60	46
14	Tata Consultancy Services	BUY	2500	2050
15	Tata Elxsi	Reduce	3350	3697
16	Tata Technologies	SELL	610	758
17	Tech Mahindra	BUY	1780	1510
18	Wipro	Reduce	165	178

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

ANALYST CERTIFICATION

Indian Clients

We/I Mr. Pritesh Thakkar MBA Finance, Mr. Sujay Chavan MMS-Finance, Mr. Arhan Shah CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

US Clients

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

Prabhudas Lilladher Pvt. Ltd.

Corporate Office: 6th Floor, Tower 2B South Annex, One World Centre, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

Registered Office: 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018

Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com

**AMNISH
AGGARWAL**

Digitally signed by AMNISH AGGARWAL
 DN: c=IN, o=Personal, title=1443,
 2.5.4.20=21151ea12dd366d1ac370cb42343
 ee44b6e851c37bdbac5f86aa4ff3e6948487,
 postalCode=400015, st=Maharashtra,
 serialNumber=7a6f13691881d5a8af635386
 5a61b48b7040e72f4a1bf53182e368b3ca14
 a5e4, cn=AMNISH AGGARWAL
 Date: 2026.10.02 10:24:45 +05'30'

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd., Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipients particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report.

PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report.

PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Pritesh Thakkar MBA Finance, Mr. Sujay Chavan MMS-Finance, Mr. Arhan Shah CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.