

November 11, 2025

## Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
<b>Rating</b>	<b>BUY</b>		<b>BUY</b>	
<b>Target Price</b>	<b>1,380</b>		<b>1,360</b>	
Sales (Rs. m)	75,574	88,814	77,009	91,270
% Chng.	(1.9)	(2.7)		
EBITDA (Rs. m)	15,922	19,274	16,275	19,797
% Chng.	(2.2)	(2.6)		
EPS (Rs.)	37.3	46.0	39.0	48.0
% Chng.	(4.2)	(4.2)		

### Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	58,423	65,289	75,574	88,814
EBITDA (Rs. m)	12,251	13,424	15,922	19,274
Margin (%)	21.0	20.6	21.1	21.7
PAT (Rs. m)	7,697	7,487	10,152	12,498
EPS (Rs.)	28.4	27.5	37.3	46.0
Gr. (%)	29.3	(2.9)	35.6	23.1
DPS (Rs.)	8.5	10.0	13.0	16.0
Yield (%)	0.7	0.8	1.1	1.3
RoE (%)	30.3	23.8	27.3	28.0
RoCE (%)	28.4	25.0	25.5	26.2
EV/Sales (x)	5.3	4.7	3.9	3.2
EV/EBITDA (x)	25.2	22.6	18.6	14.8
PE (x)	42.1	43.3	31.9	25.9
P/BV (x)	11.1	9.6	8.0	6.7

### Key Data KPIT.BO | KPITTECH IN

52-W High / Low	Rs.1,563 / Rs.1,021
Sensex / Nifty	83,535 / 25,574
Market Cap	Rs.327bn / \$ 3,687m
Shares Outstanding	274m
3M Avg. Daily Value	Rs.1104.76m

### Shareholding Pattern (%)

Promoter's	39.44
Foreign	14.31
Domestic Institution	23.89
Public & Others	22.36
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	3.4	(4.1)	(16.1)
Relative	2.1	(8.8)	(20.2)

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## Organic business drag continues amid solution led repositioning

### Quick Pointers:

- Rev. grew by 1.5% QoQ CC with 3.4% QoQ contribution from inorganic business while organic business declined
- Deal wins were subdued, with Q3 TCV of USD 202 mn and YTD deal wins of USD 675 mn

*The operating performance (+1.5% QoQ CC) was above our estimates (+1.1 QoQ CC) that includes USD 3.4% QoQ inorganic contribution from Caresoft and N-Dream. The organic performance translates to revenue decline of ~1.0% QoQ, which is a third consecutive quarter of organic revenue decline. The organic revenue decline attributed to spending that the clients have deprioritized on vehicle architecture and development, especially on the US and Japan PV. Even the deal signing for Q3 remains weak at USD 202m, that translates to 9MFY26 growth of +4.7% YoY. The company has evaluated ways to overhaul its currently "service-led" offerings to off-the-shelf "solution-led" offerings with limited customization on top. Additionally, the revenue cannibalization from service to solution is a gradual move and would require 12-18 months before it completely pivots to new offering mix. We believe the transition would require additional efforts and leadership bandwidth to repurpose its offerings and stay relevant to its strategic accounts. Already a slowdown in Automotive and a transition of offering mix on top would continue to weigh on revenue growth for FY27. Additionally, the company has borrowed ~USD50m to fund the acquisitions that will create additional pressure on the bottom line. We are adjusting FY27E/FY28E revenue growth and margin on account of transition and signing weak deal TCV for 9MFY26. Our organic CC revenue and margins revised downward to 4.0%/11.5% (earlier ~9%/~14%) and 16.6%/17.3% (earlier 17.0%/17.9%). With that our EPS sees a substantial cut of 18%/19% for FY27E/FY28E. We are assigning 30x (earlier 31x) PE to FY28E earnings, translating a TP of 1,090. Downgrade to HOLD (BUY earlier).*

**Revenue:** KPIT reported revenue of USD 181.3 mn, with 1.5% QoQ CC growth and 0.2% QoQ USD growth, ahead of our 1.1% QoQ CC estimate. Organic revenue declined ~2% QoQ CC, with ~3.4% QoQ inorganic contribution from Caresoft and N-Dream. The CV segment grew 10.5% QoQ, driven by inorganic contributions, while the PV segment declined 1.2% QoQ for the second consecutive quarter. Service-line performance was mixed, with feature development & integration and cloud-based services growing 0.6% and 1.3% QoQ, respectively, offset by a 2.3% QoQ decline in architecture & middleware.

**Operating Margin:** KPIT EBITDA margin declined by 50 bps QoQ to 20.6% due implementation of partial wage hike. EBIT margin came at 15.6%, down 80 bps QoQ compared to our & consensus estimate of 15.9% & 16.1% respectively due to higher intangible depreciation & amortization related to Caresoft & N-Dream acquisition.

**Deal Wins:** KPIT reported another weak quarter of deal wins, with TCV of USD 202 mn, the lowest in the last six quarters. 9MFY26 deal wins were also soft at USD 675 mn, reflecting muted growth of ~5% versus USD 645 mn in 9MFY25.

**Valuations and outlook:** We estimate USD revenue/earnings CAGR of 9.3%/23.5% over FY26E-FY28E. The stock is currently trading at 29x FY27E, we are assigning P/E of 30x to FY28E EPS with a target price of INR 1,090. We downgrade our rating to HOLD from earlier Buy rating.

### **Weak organic performance, Deal wins also soft**

- **Revenue came at USD 181.3 mn, up 1.5% QoQ CC & up 0.2% QoQ in USD, above our estimates of 1.1% QoQ CC growth. Inorganic revenue grew by 3.4% QoQ**
- Segment wise, Commercial vehicles grew by 10.5% QoQ while Passenger cars declined by 1.2% QoQ. Feature development & integration and cloud-based services grew by 0.6% & 1.3% QoQ respectively while architecture & middleware declined by 2.3% QoQ
- **Geography-wise Europe grew by 4.9% QoQ while US & Asia declined by 2.1% & 6.9% QoQ respectively**
- Revenue from Strategic clients grew by 1.3% QoQ
- **EBIT margin came at 15.6%, down 80 bps QoQ, was below our & consensus estimate of 15.9% & 16.1% respectively due to higher depreciation & amortization**
- Net Headcount declined by 155 QoQ to 12.7k
- **Deal wins were soft at USD 202 mn compared to USD 232 mn in Q2FY26 & USD 241 mn in Q1FY26**
- Adj. Reported PAT came at Rs 1.93 bn (up 14.2% QoQ & 3.3% YoY) largely inline of our estimates
- Declared Interim dividend of Rs. 2.25 per share

## Conference Call Highlights

- Management indicated that global OEM mobility ER&D budgets continue to be under pressure, with passenger vehicle ER&D spend down ~20–25%, leading to deferred and reprioritized programs rather than broad-based recovery.
- Management highlighted that OEMs are protecting spend in must-have areas including digital cockpit, cybersecurity, ADAS/navigation on autopilot, multi-powertrain development (ICE, hybrid, EV), and vehicle cost reduction while increasingly prioritizing solutions that improve time-to-market, quality, and cost efficiency, driving vendor consolidation (particularly in Europe). In the US region, spending is focused on greater adoption of holistic, outcome-based engagements, accelerating delayed vehicle programs and reducing warranty and quality issues.
- Management highlighted its strategic pivot from services-led to solution-based delivery, offering OEMs largely pre-built, reusable solutions with customization to help deliver programs faster, cheaper, and with better quality. While this shift may lead to near-term cannibalization of services revenue, management expects it to expand wallet share, improve revenue per employee, and drive margin expansion over the medium term, with initial traction emerging over the next few quarters and the full transition playing out over 12–18 months
- Management expects Q4 to be the strongest growth quarter of FY26, with organic growth returning, driven by normalization of deferred and paused projects and improved execution. Management also expects FY27 growth to be better than FY26, supported by wallet-share gains from OEM vendor consolidation, project normalization, and an increasing contribution from solution- and AI-led engagements.
- Management indicated that Asia demand remains mixed, with Japan and Korea continuing to face near-term softness due to macro uncertainty, delayed OEM programs and tapering of a large program, while India, Southeast Asia, and the Middle East are showing healthier momentum, supported by increasing OEM focus, new program activity, and stronger pipeline visibility. Overall management expects Asia region to see near-term volatility but a gradual recovery over the next few quarters, led by emerging markets rather than developed Asia.
- Management expects off-highway, commercial vehicles, and micro-mobility segments to deliver stronger growth, driven by OEM's focus on cost optimization and faster program execution. Recent acquisitions and solution-led offerings are expected to further support revenue scaling in these adjacencies.
- Management noted that deal wins were muted in Q3 due to slower OEM decision-making and reluctance to sign long-duration contracts.

**Exhibit 1: 3QFY26 Results: Revenue growth driven by inorganic business, organic business remains weak**

	3QFY26	3QFY26E	% Var.	2QFY26	QoQ gr. (%)	3QFY25	YoY gr. (%)	9MFY26	9MFY25	YoY gr. (%)
IT Services Revenue (USD m)	181	180	0.5	181	0.2	176	3.0	540	514	5.0
Overall Revenue (INR b)	16,175	16,001	1.1	15,877	1.9	14,780	9.4	47,439	43,140	10.0
Gross Profit	5,949	5,679	4.8	5,915	0.6	5,406	10.0	17,287	15,353	12.6
Gross Margin (%)	36.8	35.5	130bps	37.3	-50bps	36.6	20bps	36.4	35.6	90bps
SG&A and Other Costs	2,614.6	2,400.2	8.9	2,564.4	2.0	2,283.9	14.5	7,363.2	6,331.5	16.3
% of Rev	16.2	15.0	120bps	16.2	0bps	15.5	70bps	15.5	14.7	80bps
EBITDA	3,334	3,278	1.7	3,351	-0.5	3,122	6.8	9,924	9,021	10.0
EBITDA Margin (%)	20.6	20.5	10bps	21.1	-50bps	21.1	-50bps	20.9	20.9	0bps
Depreciation	810	736	10.1	747	8	584	38.6	2186	1670	30.9
% of Rev	5.0	4.6	40bps	4.7	30bps	4.0	110bps	4.6	3.9	70bps
EBIT	2,524	2,542	-0.7	2,604	-3.1	2,538	-0.5	7,738	7,351	5.3
EBIT Margin (%)	15.6	15.9	-30bps	16.4	-80bps	17.2	-160bps	16.3	17.0	-70bps
Other Income (net)	-389	78	-601.6	-450	-13.5	28	-1,495.8	-1,092	486	-324.7
PBT	2,135	2,620	-18.5	2,154	-0.9	2,566	-16.8	6,646	7,837	-15.2
Tax	604	681	-11.3	615	-1.7	696	-13.2	1,858	2,215	-16.1
Effective tax rate (%)	28.3	26.0	230bps	28.5	-20bps	27.1	120bps	28.0	28.3	-30bps
Adjusted PAT	1,530	1,939	-21.1	1,539	-0.6	1,870	-18.2	4,788	5,622	-14.8
Exceptional items	196.0	0.0	NA	-152.0	NA	0.0	NA	-44.0	327.0	NA
Reported PAT	1,334	1,939	-31.2	1,691	-21.1	1,870	-28.6	4,744	5,949	-20.3
Reported EPS (INR)	5	7	-31.3	6	-21.2	7	-28.9	18	21	-15.1

Source: Company, PL

**Exhibit 2: Regional growth (%)**

Geographies	Contribution to revenue (%)	QoQ gr. (%)
US	26.8	(2.1)
Europe	51.5	4.9
Asia	21.7	(6.9)

Source: Company, PL

**Exhibit 3: Vertical Growth (%)**

Verticals	Contribution to revenue (%)	QoQ CC gr. (%)
Passenger Cars	78.2	(1.2)
Commercial Vehicles	19.1	10.5
Others	2.7	(18.3)

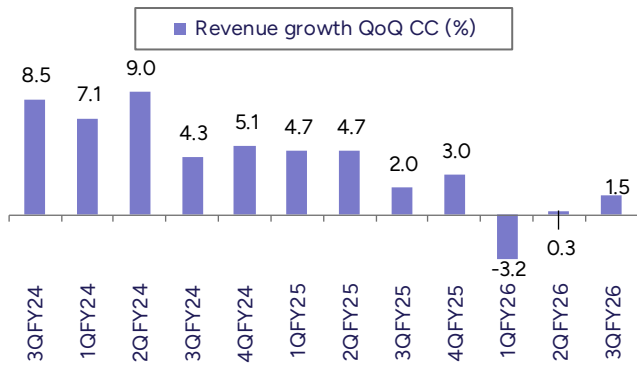
Source: Company, PL

**Exhibit 4: Key Performance Indicator**

	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	FY25*	FY26E*
Revenue (QoQ CC %)	5.1	4.7	4.7	2.0	3.0	-3.2	0.3	1.5	18.7	2.3
<b>Margins (%)</b>										
EBIT Margin	16.7	17.3	16.7	17.2	17.3	17.0	16.4	15.6	17.1	16.1
Net Margin	12.5	12.6	13.8	12.7	13.6	11.2	9.7	9.5	13.2	10.2
<b>Operating metrics</b>										
Headcount	12,856	13,001	13,087	12,795	12,873	12,545	12,879	12,724	12,856	-
Strategic clients revenue mix (%)	86.4	86.5	85.5	87.6	87.8	87.4	86.8	87.7	86.9	-

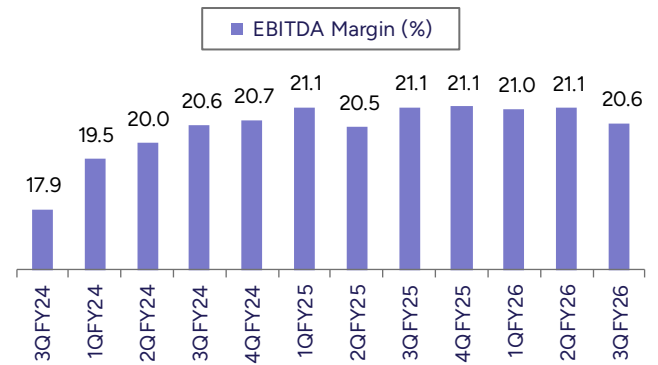
Source: Company, PL, \* YoY CC

**Exhibit 5: Organic rev. declined by ~1% QoQ CC in Q3**



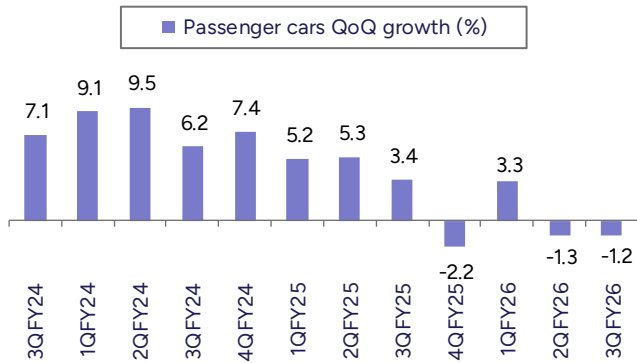
Source: Company, PL

**Exhibit 6: Margin declined due partial wage hike**



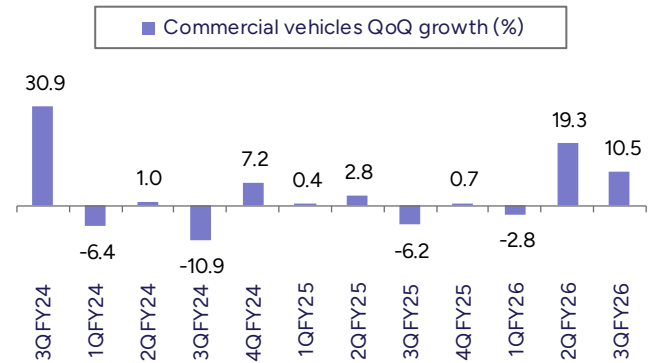
Source: Company, PL

**Exhibit 7: Client spending in PV remains weak**



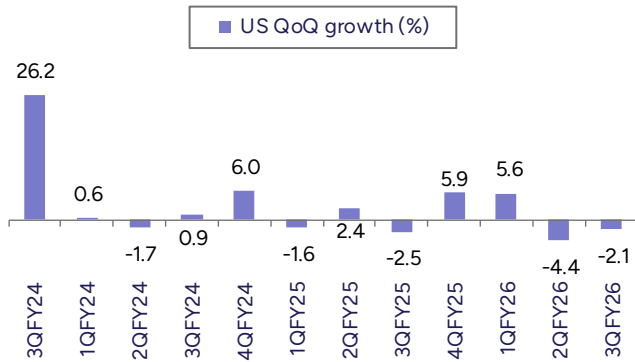
Source: Company, PL

**Exhibit 8: Inorganic acquisitions drives CV performance**



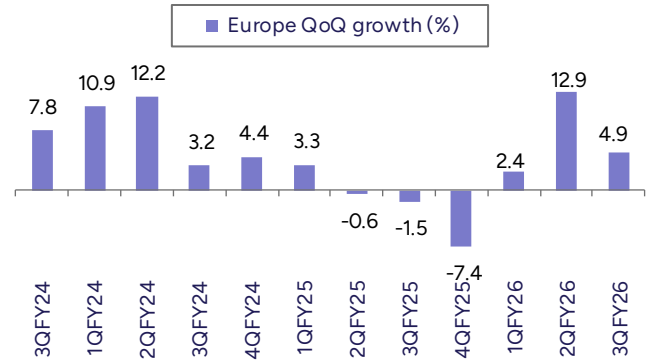
Source: Company, PL

**Exhibit 9: US region remains weak**



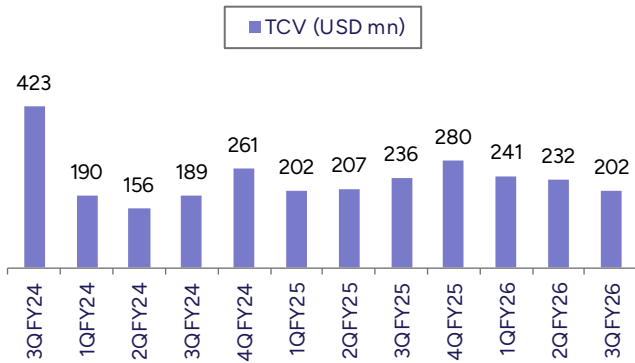
Source: Company, PL

**Exhibit 10: Europe growth trend**



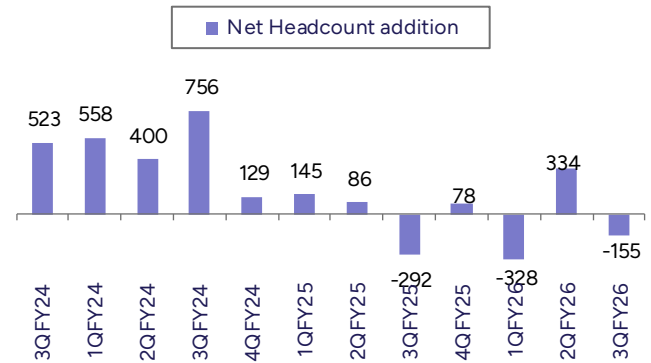
Source: Company, PL

**Exhibit 11: Deal wins were soft in Q3**



Source: Company, PL

**Exhibit 12: Organic Net empl. continues to decline**



Source: Company, PL

### Exhibit 13: Operating Metrics

	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
<b>Revenue by Segment (%)</b>												
Passenger cars	74.4	75.1	75.8	78.4	79.0	80.1	80.3	81.7	79.4	81.8	79.4	78.2
Commercial vehicles	24.8	21.5	20.0	17.4	17.5	16.9	16.5	15.3	15.3	14.8	17.4	19.1
Others	0.7	3.5	4.2	4.3	3.6	3.0	3.1	3.0	5.3	3.4	3.3	2.7
<b>Revenue by Services (%)</b>												
Feature Development & Integration	61.6	61.3	61.8	62.4	62.0	61.0	59.7	62.0	58.9	59.5	60.8	61.0
Architecture & Middleware Consulting	19.2	20.9	20.2	18.5	18.7	20.5	23.4	20.3	22.8	20.2	17.3	16.8
Cloud Based Connected Services	19.2	17.7	18.0	19.1	19.3	18.5	16.9	17.7	18.3	20.3	22.0	22.2
<b>Revenue by Geographies (%)</b>												
US	36.1	33.5	30.4	29.9	29.7	28.2	27.5	26.4	27.7	29.2	27.4	26.8
Europe	49.6	50.8	52.6	52.8	51.7	51.5	48.8	47.2	43.4	44.3	49.2	51.5
Asia	14.3	15.6	17.0	17.3	18.6	20.3	23.7	26.4	28.9	26.5	23.4	21.7
TCV wins (in USD mn)	423	190	156	189	261	202	207	236	280	241	232	202
<b>Client Metrics</b>												
Strategic Clients revenue mix (%)	79.5	82.6	84.0	85.0	86.4	86.5	85.5	87.6	87.8	87.4	86.8	87.7
DSO	54	50	47	46	51	46	45	42	44	45	49	40
<b>Contract Mix (%)</b>												
T&M	54.6	55.0	48.6	46.0	49.2	46.5	43.3	40.8	40.4	37.5	35.2	34.0
FP	45.4	45.0	51.4	54.0	50.8	53.5	56.7	59.2	59.6	62.5	64.8	66.0
<b>Employee Metrics</b>												
Total Employees	11,013	11,571	11,971	12,727	12,856	13,001	13,087	12,795	12,873	12,545	12,879	12,724
Revenue per Devp. Employee (in USD)	48,092	49,439	51,773	49,926	52,725	53,018	56,558	58,992	59,138	60,901	60,083	60,980
R&D Expenditure (USD MN)	2.74	3.01	3.31	3.51	3.7	3.29	2.7	3.15	3.14	2.98	3.2	3.76

Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	<b>58,423</b>	<b>65,289</b>	<b>75,574</b>	<b>88,814</b>
YoY gr. (%)	19.9	11.8	15.8	17.5
Employee Cost	37,550	42,013	48,752	56,751
Gross Profit	20,873	23,276	26,821	32,063
Margin (%)	35.7	35.7	35.5	36.1
Employee Cost	-	-	-	-
Other Expenses	8,622	9,852	10,900	12,789
<b>EBITDA</b>	<b>12,251</b>	<b>13,424</b>	<b>15,922</b>	<b>19,274</b>
YoY gr. (%)	24.4	9.6	18.6	21.1
Margin (%)	21.0	20.6	21.1	21.7
Depreciation and Amortization	2,250	2,871	3,023	3,375
<b>EBIT</b>	<b>10,002</b>	<b>10,553</b>	<b>12,899</b>	<b>15,899</b>
Margin (%)	17.1	16.2	17.1	17.9
Net Interest	-	-	-	-
Other Income	738	0	605	711
<b>Profit Before Tax</b>	<b>10,739</b>	<b>10,553</b>	<b>13,503</b>	<b>16,610</b>
Margin (%)	18.4	16.2	17.9	18.7
Total Tax	2,929	2,686	3,567	4,391
Effective tax rate (%)	27.3	25.5	26.4	26.4
<b>Profit after tax</b>	<b>7,810</b>	<b>7,866</b>	<b>9,936</b>	<b>12,219</b>
Minority interest	-	-	-	-
Share Profit from Associate	(113)	(379)	216	279
<b>Adjusted PAT</b>	<b>7,697</b>	<b>7,487</b>	<b>10,152</b>	<b>12,498</b>
YoY gr. (%)	29.5	(2.7)	35.6	23.1
Margin (%)	13.2	11.5	13.4	14.1
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>7,697</b>	<b>7,487</b>	<b>10,152</b>	<b>12,498</b>
YoY gr. (%)	29.5	(2.7)	35.6	23.1
Margin (%)	13.2	11.5	13.4	14.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	7,697	7,487	10,152	12,498
<b>Equity Shares O/s (m)</b>	<b>271</b>	<b>272</b>	<b>272</b>	<b>272</b>
<b>EPS (Rs)</b>	<b>28.4</b>	<b>27.5</b>	<b>37.3</b>	<b>46.0</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>16,647</b>	<b>18,094</b>	<b>19,770</b>	<b>21,739</b>
Tangibles	11,685	13,132	14,808	16,777
Intangibles	4,962	4,962	4,962	4,962
<b>Acc: Dep / Amortization</b>	<b>8,658</b>	<b>11,530</b>	<b>14,553</b>	<b>17,928</b>
Tangibles	5,747	8,044	10,462	13,162
Intangibles	2,912	3,486	4,090	4,765
<b>Net fixed assets</b>	<b>7,988</b>	<b>6,565</b>	<b>5,217</b>	<b>3,811</b>
Tangibles	5,938	5,088	4,346	3,615
Intangibles	2,050	1,476	871	197
Capital Work In Progress	95	95	95	95
Goodwill	11,729	11,729	11,729	11,729
Non-Current Investments	2,302	2,302	2,302	2,302
Net Deferred tax assets	783	783	783	783
Other Non-Current Assets	331	331	331	331
<b>Current Assets</b>				
Investments	2,382	2,382	2,382	2,382
Inventories	847	946	1,095	1,287
Trade receivables	7,548	8,049	9,317	10,950
Cash & Bank Balance	12,681	18,345	26,568	36,454
Other Current Assets	1,115	1,252	1,449	1,703
<b>Total Assets</b>	<b>50,329</b>	<b>55,824</b>	<b>64,793</b>	<b>75,968</b>
<b>Equity</b>				
Equity Share Capital	2,717	2,717	2,717	2,717
Other Equity	26,405	31,173	37,791	45,939
<b>Total Network</b>	<b>29,122</b>	<b>33,890</b>	<b>40,508</b>	<b>48,656</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	-	-	-	-
Provisions	1,325	1,325	1,325	1,325
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	15	15	15	15
Trade payables	1,782	2,146	2,485	2,920
Other current liabilities	15,420	15,782	17,795	20,387
<b>Total Equity &amp; Liabilities</b>	<b>50,330</b>	<b>55,824</b>	<b>64,794</b>	<b>75,969</b>

Source: Company Data, PL Research



**Cash Flow (Rs m)**

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	11,325	7,487	10,152	12,498
Add. Depreciation	2,250	2,871	3,023	3,375
Add. Interest	274	0	(605)	(711)
Less Financial Other Income	738	0	605	711
Add. Other	(71)	2,686	3,567	4,391
Op. profit before WC changes	13,778	13,045	16,138	19,553
Net Changes-WC	2,167	(528)	258	332
Direct tax	(2,049)	(2,686)	(3,567)	(4,391)
<b>Net cash from Op. activities</b>	<b>13,895</b>	<b>9,830</b>	<b>12,829</b>	<b>15,494</b>
Capital expenditures	(1,273)	(1,448)	(1,676)	(1,969)
Interest / Dividend Income	101	0	605	711
Others	(5,126)	-	-	-
<b>Net Cash from Inv. activities</b>	<b>(6,299)</b>	<b>(1,447)</b>	<b>(1,071)</b>	<b>(1,259)</b>
Issue of share cap. / premium	5	-	-	-
Debt changes	(393)	-	-	-
Dividend paid	(1,928)	(2,719)	(3,534)	(4,350)
Interest paid	(194)	-	-	-
Others	(915)	-	-	-
<b>Net cash from Fin. activities</b>	<b>(3,424)</b>	<b>(2,719)</b>	<b>(3,534)</b>	<b>(4,350)</b>
<b>Net change in cash</b>	<b>4,172</b>	<b>5,664</b>	<b>8,224</b>	<b>9,886</b>
Free Cash Flow	12,600	8,382	11,153	13,525

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
<b>Net Revenue</b>	<b>14,780</b>	<b>15,283</b>	<b>15,388</b>	<b>15,877</b>
YoY gr. (%)	0.4	3.4	0.7	3.2
Raw Material Expenses	9,374	9,763	9,964	9,962
Gross Profit	5,406	5,520	5,423	5,915
Margin (%)	36.6	36.1	35.2	37.3
<b>EBITDA</b>	<b>3,122</b>	<b>3,230</b>	<b>3,239</b>	<b>3,351</b>
YoY gr. (%)	-	-	-	-
Margin (%)	21.1	21.1	21.0	21.1
Depreciation / Depletion	584	579	629	747
<b>EBIT</b>	<b>2,538</b>	<b>2,651</b>	<b>2,610</b>	<b>2,604</b>
Margin (%)	17.2	17.3	17.0	16.4
Net Interest	-	-	-	-
Other Income	92	139	(201)	(71)
<b>Profit before Tax</b>	<b>2,629</b>	<b>2,789</b>	<b>2,409</b>	<b>2,533</b>
Margin (%)	17.8	18.3	15.7	16.0
Total Tax	696	715	639	615
Effective tax rate (%)	26.5	25.6	26.5	24.3
<b>Profit after Tax</b>	<b>1,933</b>	<b>2,075</b>	<b>1,770</b>	<b>1,918</b>
Minority interest	-	-	-	-
Share Profit from Associates	(64)	-	(51)	(227)
<b>Adjusted PAT</b>	<b>1,870</b>	<b>2,447</b>	<b>1,719</b>	<b>1,691</b>
YoY gr. (%)	(8.2)	30.9	(29.7)	(1.6)
Margin (%)	12.7	16.0	11.2	10.6
Extra Ord. Income / (Exp)	-	(372)	-	-
<b>Reported PAT</b>	<b>1,870</b>	<b>2,075</b>	<b>1,719</b>	<b>1,691</b>
YoY gr. (%)	(8.2)	11.0	(17.2)	(1.6)
Margin (%)	12.7	13.6	11.2	10.6
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>1,870</b>	<b>2,447</b>	<b>1,719</b>	<b>1,691</b>
Avg. Shares O/s (m)	271	272	272	272
<b>EPS (Rs)</b>	<b>6.9</b>	<b>9.0</b>	<b>6.3</b>	<b>6.2</b>

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Per Share(Rs)</b>				
EPS	28.4	27.5	37.3	46.0
CEPS	36.7	38.1	48.5	58.4
BVPS	107.3	124.6	149.0	179.0
FCF	46.4	30.8	41.0	49.8
DPS	8.5	10.0	13.0	16.0
<b>Return Ratio(%)</b>				
RoCE	28.4	25.0	25.5	26.2
ROIC	16.2	15.5	15.7	16.2
RoE	30.3	23.8	27.3	28.0
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.5)	(0.6)	(0.7)	(0.8)
Net Working Capital (Days)	36	33	33	33
<b>Valuation(x)</b>				
PER	42.1	43.3	31.9	25.9
P/B	11.1	9.6	8.0	6.7
P/CEPS	32.5	31.3	24.6	20.4
EV/EBITDA	25.2	22.6	18.6	14.8
EV/Sales	5.3	4.7	3.9	3.2
Dividend Yield (%)	0.7	0.8	1.1	1.3

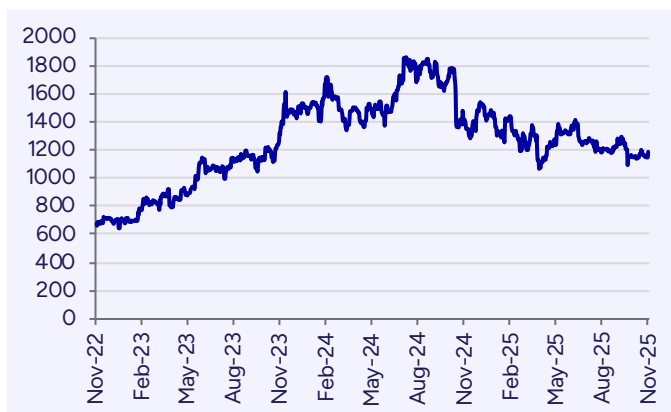
Source: Company Data, PL Research

**Key Operating Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E
Revenue (in US\$ mn)	691	742	840	955

Source: Company Data, PL Research

**Price Chart**



**Recommendation History**

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	04-Oct-25	BUY	1,360	1,158
2	30-Jul-25	Accumulate	1,390	1,269
3	01-Jul-25	Accumulate	1,390	1,259
4	19-May-25	Hold	1,410	1,365

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Cyient	Hold	1,130	1,170
2	HCL Technologies	BUY	1,760	1,495
3	Infosys	BUY	1,780	1,472
4	KPIT Technologies	BUY	1,360	1,158
5	L&T Technology Services	Hold	4,360	4,155
6	Latent View Analytics	BUY	600	425
7	LTIMindtree	Hold	5,470	5,623
8	Mphasis	Accumulate	2,950	2,764
9	Persistent Systems	BUY	6,280	5,338
10	Tata Consultancy Services	BUY	3,800	3,062
11	Tata Elxsi	Reduce	5,010	5,580
12	Tata Technologies	Reduce	640	685
13	Tech Mahindra	Hold	1,500	1,468
14	Wipro	Hold	250	254

**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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