PL Capital
PRABHUDAS LILLADHER

Mphasis (MPHL IN)

Q1FY27 Result Update

July 24, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	2,820		2,990	
Sales (INR bn)	180	202	180	202
% Chng.	-	-		
EBITDA (INR bn)	34	38	34	38
% Chng.	-	-		
EPS (INR)	111.9	127.9	115.2	129.8
% Chng.	(2.9)	(1.5)		

Key Data MBFL.BO | MPHL IN

BSE Code	526299
NSE Code	MPHASIS
52-W High / Low	INR 3,037 / INR 2,013
Face Value	10
Sensex / Nifty	76,060 / 23,767
Market Cap	INR 437 bn / $ 4,523 mn
Shares Outstanding	190.87 mn
3M Avg. Daily Value	INR 1,350.17 mn

Shareholding Pattern (%)

Promoters	30.54
FIIs	19.50
Mutual Funds	30.53
Domestic Institutions	14.78
Public & Others	4.65
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	1.2	5.2	(16.9)	(13.8)
Relative	2.4	6.0	(10.9)	(6.8)

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR bn)	142	159	180	202
EBITDA (INR bn)	26	30	34	38
Margin (%)	*18.6*	*18.8*	*18.7*	*18.8*
PAT (INR bn)	17	19	22	25
EV (INR bn)	414	425	416	403
Total Debt (INR bn)	11	18	18	18
C&C Eq. (INR bn)	16	18	21	27
EPS (INR)	89.3	99.1	111.9	128.0
Gr. (%)	*9.2*	*11.1*	*12.9*	*14.4*
DPS (INR)	47.8	61.7	59.4	59.4
Yield (%)	*2.1*	*2.7*	*2.6*	*2.6*
RoE (%)	*18.5*	*18.6*	*19.2*	*19.9*
RoCE (%)	*15.5*	*15.6*	*15.7*	*16.5*
EV/Sales (x)	2.9	2.7	2.3	2.0
EV/EBITDA (x)	15.6	14.3	12.4	10.6
PE (x)	25.6	23.1	20.4	17.9
P/BV (x)	4.5	4.1	3.8	3.4

Resilient performance, aided by investments

Quick Pointers

- Rev. growth guidance of high single-low double digit for FY27 maintained
- 5th consecutive quarter of US$400mn+ deal wins

MPHL delivered a healthy Q1FY27 performance with revenue growth of 2.1% QoQ CC, above our estimate of 1.3%, driven by continued ramp-up of large deals and incremental contribution from OKIN integration (strategic client's contractor). Demand remained resilient with sustained momentum in BFS & recovery in TMT, while Insurance witnessed moderation after four quarters of strong growth, with management expecting growth momentum to resume over the coming quarters. Deal momentum remained robust with net new TCV of US$461mn (63% AI-led), marking the 5th consecutive quarter of US$400mn+ TCV wins, with a record pipeline. Management expects Q2FY27 to deliver the strongest sequential CC growth in the last 3 years, (implying growth of 2.9%+ QoQ CC), supported by continued large-deal ramp-ups and the expected contribution from the Red Oak contract acquisition. Management also view targeted customer contract acquisitions as a scalable, low-risk inorganic element to stimulate organic growth. EBIT margin declined 60bps QoQ to 14.8%, below our estimate of 15.3%, primarily due to large deal ramp-up costs, ~35bps of acquisition-related expenses (one-off) and lower utilization (down 300 bps QoQ). While management reiterated its FY27 EBIT margin guidance of 14.75–15.75%, aided by improving utilization and normalization of deal ramp-up & acquisition-related costs over the remainder of the year. We maintain our FY27E/FY28E revenue growth estimates of 9.0%/10.7% YoY CC aided by Q2 outlook and robust deal conversion drive our confidence. However, we reduce our FY27E/FY28E EBIT margin estimates by 10bps each to 15.3%/15.4%, resulting in a 2.9%/1.4% cut to our FY27E/FY28E EPS estimates. We also lower our target multiple to 22x FY28E EPS (23x earlier) to arrive at revised TP of INR 2,820. Retain BUY.

Revenue: Reported Q1FY27 rev. of US$471mn, up 2.1% QoQ in CC, above our estimate of 1.3%. Growth was driven by the TMT and BFS segments, which grew 15.5% and 0.7% QoQ (CC), respectively, while the Logistics & Insurance segment declined 15.7% & 3.1% QoQ (CC) respectively. Logistics segment was affected by Middle East challenges & Insurance weakness was attributed to completion of project milestones.

Operating Margin: EBIT margin came in at 14.8%, down 60 bps QoQ, below our & consensus estimates of 15.3% & 15.4% respectively due to lower gross margin. Margins were impacted by ramp up costs of new deal wins, decline in utilization and the TAP acquisition costs (-35 bps). FY27 margin band mantained in the 14.75-15.75% range.

Deal Wins: Deal wins momentum continued with TCV wins of US$ 461 mn (5th successive quarter of US$400mn+ deal wins), up 13.3% QoQ including 3 large deals with one US$100mn+ deal. AI led wins for Q1 stood at 63%.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	% Var.	Q1'26A	YoY gr. (%)
Net Sales (INR bn)	44	44	-	37	*19.0*
EBITDA (INR bn)	8	8	-	7	*14.0*
Margin (%)	*18.8*	*18.1*	*-70 bps*	*18.8*	*-70 bps*
PAT (INR bn)	5	5	-	4	*25.0*

Source: Company, PL

Pritesh Thakkar
priteshthakkar@plindia.com | +91-22-66322533

Sujay Chavan
sujaychavan@plindia.com | +91-22-66322536

Arhan Shah
arhanshah@plindia.com | +91-22-66322527

Mixed result with beat in revenue but miss on margins

- **Revenue of USD 471 mn, up 2.1% QoQ CC & 1.8% QoQ in USD, was above our estimates of 1.3% CC QoQ**
- Direct revenue up 2.2% QoQ CC and 9.9% CC YoY
- **Segment wise growth was led by TMT which grew by 15.5% QoQ CC while BFS & Others grew by 0.7% & 5.2% QoQ CC. Logistics & Insurance declined by 15.7% & 3.1% QoQ CC**
- Geography wise Americas & Others grew by 3.8% & 5.5% QoQ CC while EMEA region declined by 15.4%
- EBIT margin came at 14.8%, down 60 bps QoQ was below our estimate of 15.3% & consensus estimate of 15.4% due lower Gross Margin.
- Offshore utilization (excl. trainees) declined by 300 bps to 81%. Net Headcount increased by 918 QoQ
- **TCV wins were steady at USD 461 mn compared to USD 407 mn in Q4.**

Conference Call Highlights

- Management acknowledged continued macro uncertainty from interest rates, geopolitics and enterprise caution. However, discretionary spending is structurally evolving rather than disappearing, with AI-led business transformation budgets increasingly coming directly from business functions rather than CIO budgets. Enterprises are willing to fund initiatives that deliver measurable improvements in revenue, underwriting, supply chain and operational efficiency
- Sequential decline in Insurance was attributed to completion of project milestones following nearly strong growth in FY26, rather than client-specific issues. Management continues to view Insurance as a key growth driver during FY27. Logistics continues to face geopolitical headwinds but remains a relatively small business.
- Management reiterated its high single digit to low double digit FY27 CC revenue growth guidance despite macro uncertainties, with Q2FY27 positioned to deliver the best QoQ CC growth in 3 years. FY27 EBIT margins remain targeted within the band of 14.75% to 15.75%
- Customer contract acquisition (vendor consolidation) remains an important growth lever. Management indicated these transactions are typically structured to remain margin accretive and create long-term wallet share expansion opportunities rather than low-margin acquisitions.
- Management highlighted that since the launch of Mphasis.AI, the pipeline has expanded ~2.8x, with ~70% now being AI-led, reflecting a structural shift in demand. Management highlighted that many large clients are now experimenting with open source open weight models and believes that will put a pressure on open costs because the cost of tokens is dramatically different depending on which model is being used.
- Management believes traditional effort-based services and annuity deals will increasingly face productivity-led pricing pressure and pass-backs. Mphasis is positioning itself through outcome-based pricing, platform-led delivery and managed services rather than competing purely on rates
- Mphasis is leading with outcome-based pricing in certain engagements, moving away from traditional input or capacity-based models. Management highlighted that the discounting game is only effective with effort-based pricing, but it loses relevance when the equation shifts to outcome-based pricing.

Exhibit 1: 1QFY27 Result: Revenue beats estimate, miss on margins

	1QFY27	1QFY27E	% Var.	4QFY26	QoQ (%)	1QFY26	YoY (%)	FY27E	FY26	YoY (%)
IT Services Revenue (USD m)	**471.1**	**468.2**	***0.6***	**462.6**	***1.8***	**437.3**	***7.7***	**1,959.3**	**1,796.4**	***9.1***
Overall Revenue (INR b)	**43.8**	**43.7**	***0.4***	**42.4**	***3.3***	**37.3**	***17.5***	**179.8**	**158.8**	***13.2***
Gross Profit	13	14	*-3.3*	13	*-2.1*	12	*9.9*	56	50	*11.9*
Gross Margin (%)	*29.9*	*31.0*	*-110bps*	*31.5*	*-170bps*	*31.9*	*-210bps*	*31.0*	*31.4*	*-40bps*
SG&A and Other Costs	5.1	5.3	*-3.6*	5.3	*-3.3*	4.9	*5.2*	22.1	20.0	*10.5*
% of Rev	*11.7*	*12.2*	*-50bps*	*12.5*	*-80bps*	*13.1*	*-140bps*	*12.3*	*12.6*	*-30bps*
EBITDA	**8.0**	**8.2**	***-3.2***	**8.1**	***-1.3***	**7.0**	***13.1***	**33.6**	**29.8**	***12.8***
EBITDA Margin (%)	*18.1*	*18.8*	*-70bps*	*19.0*	*-80bps*	*18.8*	*-70bps*	*18.7*	*18.8*	*-10bps*
Depreciation	1.5	1.5	*-3.8*	1.5	*-4*	1.3	*11.5*	6.1	5.6	*9.7*
% of Rev	*3.4*	*3.5*	*-10bps*	*3.6*	*-20bps*	*3.5*	*-20bps*	*3.4*	*3.5*	*-10bps*
EBIT	**6.5**	**6.7**	***-3.0***	**6.5**	***-0.7***	**5.7**	***13.5***	**27.6**	**24.3**	***13.5***
EBIT Margin (%)	*14.8*	*15.3*	*-50bps*	*15.4*	*-60bps*	*15.3*	*-50bps*	*15.3*	*15.3*	*0bps*
Other Income (net)	0.3	0.4	*-6.5*	0.3	*20.1*	0.4	*-11.5*	1.5	1.2	*28.6*
PBT	**6.8**	**7.1**	***-3.2***	**6.8**	***0.2***	**6.1**	***11.9***	**29.1**	**25.5**	***14.2***
Tax	1.9	1.7	*14.2*	1.7	*12.6*	1.7	*14.8*	7.5	6.5	*15.8*
Effective tax rate (%)	*28.3*	*24.0*	*430bps*	*25.2*	*310bps*	*27.6*	*70bps*	*25.8*	*25.4*	*40bps*
Adjusted PAT	**4.9**	**5.4**	***-8.7***	**5.1**	***-4.0***	**4.4**	***10.8***	**21.6**	**19.0**	***13.6***
Exceptional items	0.0	0.0	*NA*	0.0	*NA*	0.0	*NA*	0.0	0.4	*NA*
Reported PAT	**4.9**	**5.4**	***-8.7***	**5.1**	***-4.0***	**4.4**	***10.8***	**21.6**	**18.6**	***15.8***
Reported EPS (INR)	**25.7**	**28.1**	***-8.7***	**26.7**	***-4.0***	**23.2**	***10.5***	**113.0**	**97.8**	***15.6***

Source: Company, PL

Exhibit 2: Regional growth during the quarter

Geographies	Contri. To Rev. (%)	Growth (QoQ %)
Americas	85.2	3.9
EMEA	8.1	(10.6)
India	4.4	(9.5)
ROW	2.3	(0.2)

Source: Company, PL

Exhibit 3: Segment growth during the quarter

Verticals	Contri. To Rev. (%)	Growth (QoQ %)
Banking and Financial Services	52.7	0.4
Insurance	14.9	(3.8)
Technology, Media & Telecom	18.2	15.8
Logistics and Transportation	4.2	(15.6)
Others	10.0	5.2

Source: Company, PL

Exhibit 4: Revenue by Service mix

Geographies	Contri. To Rev. (%)	Growth (QoQ %)
Application Services	75.5	2.9
BPO	15.7	8.8
Infrastructure Services	8.8	(15.5)

Source: Company, PL

Exhibit 5: Top Clients performance

Verticals	Contri. To Rev. (%)	Growth (QoQ %)
Top Client	13.0	1.8
Top 2-5 Clients	27.0	(1.8)
Top 6-10 Clients	16.0	8.6

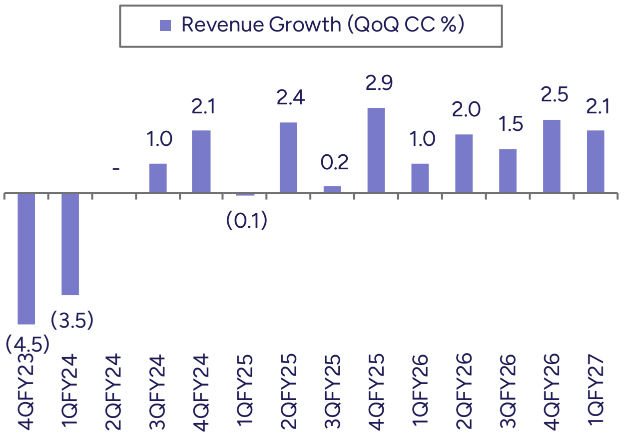
Source: Company, PL

Exhibit 6: KPI

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	FY26*	FY27E*
Revenue (QoQ CC %)	**2.4**	**0.2**	**2.9**	**1.0**	**2.0**	**1.5**	**2.5**	**2.1**	**6.9**	**9.0**
Margins										
Gross Margin	31.3	31.7	31.8	31.9	30.9	31.3	31.5	29.9	31.4	31.0
EBIT Margin	15.4	15.3	15.3	15.3	15.3	15.2	15.4	14.8	15.3	15.3
Net Margin	12.0	12.0	12.0	11.8	12.0	11.9	12.0	11.2	12.0	12.0
Operating metrics										
Headcount (k)	31.6	31.2	31.4	31.1	30.8	31.3	31.2	32.1	31.2	-
Utilization Trainees (%)	*76.0*	*75.0*	*78.0*	*84.0*	*87.0*	*83.0*	*0.0*	*0.0*	*0.0*	-

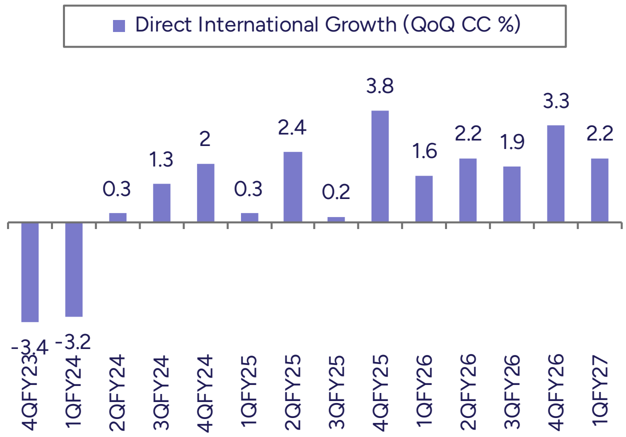
*Source: Company, PL, * YoY CC*

Exhibit 7: Revenue came above estimates



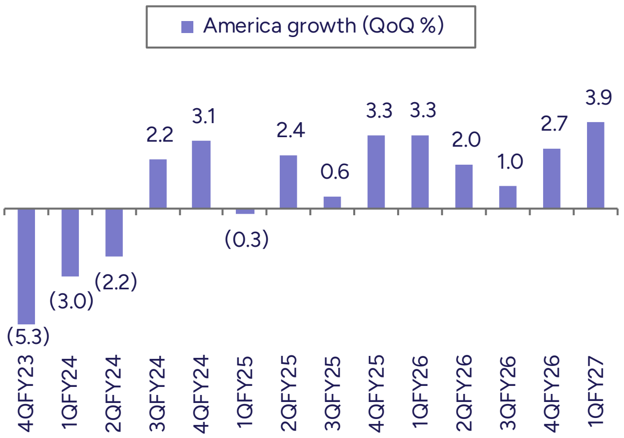
Source: Company, PL

Exhibit 8: Direct International Business drives growth



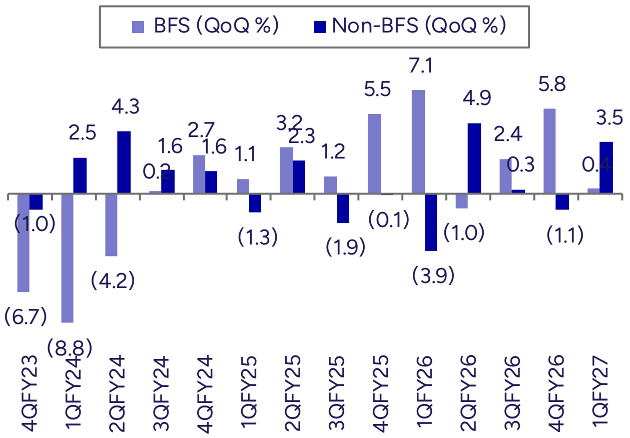
Source: Company, PL

Exhibit 9: Americas growth trend



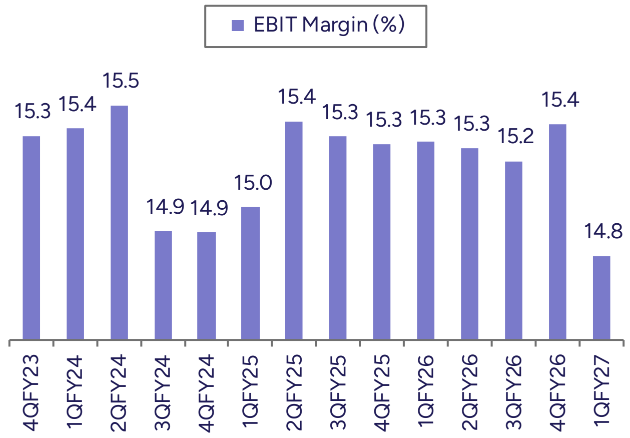
Source: Company, PL

Exhibit 10: BFS was soft, TMT had strong growth



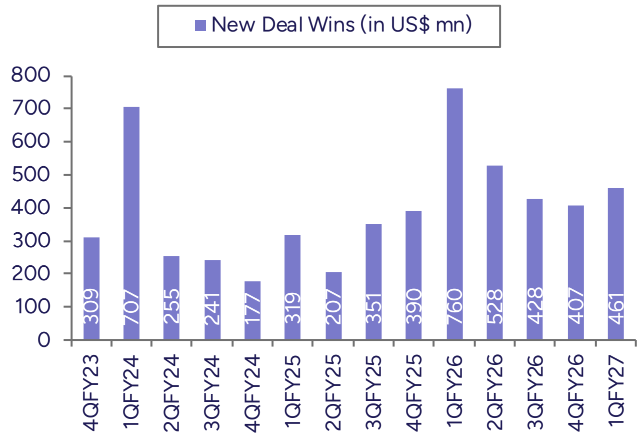
Source: Company, PL

Exhibit 11: Margin declines in Q1 due to lower gross margin



Source: Company, PL

Exhibit 12: Deal wins above US$ 400 mn+ for 5th straight qtr.



Source: Company, PL

Exhibit 13: Operating Metrics

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Geographical Contribution (%)												
Americas	79.2	80.2	81.0	80.9	80.7	81.5	82.0	83.4	83.6	83.3	83.5	85.2
EMEA	12.0	11.6	11.0	11.1	11.0	10.2	9.9	8.7	9.1	9.3	9.2	8.1
India	6.0	5.5	5.3	5.3	5.7	6.0	5.1	5.3	4.8	5.0	5.0	4.4
RoW	2.9	2.7	2.7	2.7	2.6	2.4	2.9	2.6	2.4	2.4	2.3	2.3
Vertical Contribution (%)												
Banking and Financial Services	47.1	46.8	47.1	47.7	47.9	48.7	50.0	52.7	51.3	51.8	53.5	52.7
Insurance	10.8	11.4	11.0	11.3	11.2	11.7	11.4	13.7	14.0	15.0	15.8	14.9
Technology, Media & Telecom	17.3	15.6	16.0	16.0	16.5	17.0	17.8	18.1	19.4	18.4	16.0	18.2
Logistics & Transportation	13.4	13.7	13.7	13.7	13.1	12.2	10.9	5.8	5.6	5.4	5.1	4.2
Others	11.4	12.6	12.3	11.3	11.3	10.5	9.9	9.7	9.8	9.5	9.7	10.0
Revenue by Project Type (%)												
Time and Material	58.5	58.3	58.5	59.6	60.0	57.6	55.4	48.6	49.1	46.8	45.1	46.5
Transaction Based	10.3	10.1	10.1	10.4	10.3	10.6	8.6	8.3	8.2	8.5	8.6	9.2
Fixed Price	31.2	31.6	31.4	30.0	29.7	31.8	36.0	43.1	42.7	44.8	46.3	44.3
Revenue by Delivery Location (%)												
Onsite	52.1	53.2	56.0	57.1	57.3	59.0	59.9	59.6	57.5	59.8	61.0	60.9
Offshore	47.9	46.8	44.0	42.9	42.7	41.0	40.1	40.4	42.5	40.2	39.0	39.1
Secondary Market Segment (%)												
Direct International	70.5	70.7	71.2	71.4	71.3	71.7	71.8	73.8	73.4	75.0	74.7	75.5
DXC	16.9	16.6	16.6	16.2	16.4	16.4	15.4	14.8	14.9	14.8	14.7	15.7
Others	12.7	12.7	12.3	12.4	12.3	11.9	12.7	11.4	11.7	10.2	10.6	8.8
Service Type (%)												
Application services	16	15	14	14	15	15	14	13	12	12	13	13
BPO	31	31	30	30	28	28	28	27	27	28	28	27
Infrastructure services	11	9	10	9	10	10	12	14	16	15	15	16
Client Contribution (%)	5	5	3	2	2	2	3	3	2	3	1	7
Top Client												
Top 2-5 Clients	3	3	3	3	3	3	3	4	4	4	4	4
Top 6-10 Clients	4	4	4	4	4	5	5	6	6	6	6	6
New Clients added	6	5	5	5	5	5	5	7	7	8	7	7

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Clients Contributing More than:	11	10	10	9	9	11	11	10	11	14	15	15
$100m+	26	29	29	30	27	29	29	31	30	28	29	30
$75m+	46	46	47	48	51	47	50	50	50	51	52	52
$50m+	115	134	135	135	140	140	139	137	136	131	127	133
$20m+												
$10m+												
$5m+	4,504	4,664	4,656	4,637	4,788	4,892	4,981	5,127	5,377	5,436	5,360	5,557
$1m+	1,319	1,338	1,318	1,374	1,363	1,351	1,281	1,142	1,143	1,071	1,089	1,322
Headcount												
Onsite - billable	15,425	15,393	14,799	14,721	14,576	14,218	14,540	14,477	14,498	14,587	14,815	14,894
Tech services	6,418	6,733	6,341	5,984	5,851	5,681	5,545	5,503	5,422	5,831	5,756	6,011
BPO	27,666	28,128	27,114	26,716	26,578	26,142	26,347	26,249	26,440	26,925	27,020	27,784
Offshore - billable	33,771	33,992	32,664	31,645	31,601	31,194	31,442	31,063	30,809	31,272	31,179	32,097
Tech services	79.2	80.2	81.0	80.9	80.7	81.5	82.0	83.4	83.6	83.3	83.5	85.2
BPO	12.0	11.6	11.0	11.1	11.0	10.2	9.9	8.7	9.1	9.3	9.2	8.1
Total billable headcount	6.0	5.5	5.3	5.3	5.7	6.0	5.1	5.3	4.8	5.0	5.0	6.7
Total headcount	2.9	2.7	2.7	2.7	2.6	2.4	2.9	2.6	2.4	2.4	2.3	2.3

Source: Company, PL

Financials

Income Statement (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	**142**	**159**	**180**	**202**
YoY gr. (%)	*7.2*	*11.6*	*13.2*	*12.5*
Cost of Goods Sold	98	109	124	139
Gross Profit	45	50	56	63
Margin (%)	*31.4*	*31.4*	*31.0*	*31.3*
Employee Cost	-	-	-	-
Other Expenses	-	-	-	-
EBITDA	**26**	**30**	**34**	**38**
YoY gr. (%)	*9.3*	*12.7*	*12.8*	*13.1*
Margin (%)	*18.6*	*18.8*	*18.7*	*18.8*
Depreciation and Amortization	5	6	6	7
EBIT	**22**	**24**	**28**	**31**
Margin (%)	*15.3*	*15.3*	*15.3*	*15.4*
Net Interest	-	-	-	-
Other Income	1	1	2	2
Profit Before Tax	**23**	**25**	**29**	**33**
Margin (%)	*15.9*	*16.0*	*16.2*	*16.3*
Total Tax	6	6	7	8
Effective Tax Rate (%)	*24.7*	*25.4*	*25.8*	*25.0*
Profit After Tax	**17**	**19**	**22**	**25**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**17**	**19**	**22**	**25**
YoY gr. (%)	*9.5*	*11.5*	*13.6*	*14.4*
Margin (%)	*12.0*	*12.0*	*12.0*	*12.2*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**17**	**19**	**22**	**25**
YoY gr. (%)	*9.5*	*9.4*	*15.8*	*14.4*
Margin (%)	*12.0*	*11.7*	*12.0*	*12.2*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	17	19	22	25
Equity Shares O/s (bn)	**-**	**-**	**-**	**-**
EPS (INR)	**89.3**	**99.1**	**111.9**	**128.0**

Source: Company, PL

Balance Sheet (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	**23**	**29**	**32**	**34**
Tangibles	23	29	32	34
Intangibles	-	-	-	-
Acc: Dep / Amortization	**15**	**20**	**25**	**30**
Tangibles	15	20	25	30
Intangibles	-	-	-	-
Net Fixed Assets	**8**	**9**	**7**	**4**
Tangibles	8	9	7	4
Intangibles	-	-	-	-
Capital Work In Progress	-	-	-	-
Goodwill	43	48	48	48
Non-Current Investments	6	6	6	6
Net Deferred Tax Assets	2	3	3	3
Other Non-Current Assets	19	28	28	28
Current Assets				
Investments	18	13	21	29
Inventories	-	-	-	-
Trade Receivables	28	42	47	53
Cash & Bank Balance	16	18	21	27
Other Current Assets	5	8	9	10
Total Assets	**149**	**178**	**194**	**213**
Equity				
Equity Share Capital	2	2	2	2
Other Equity	94	106	116	129
Total Networth	**96**	**107**	**118**	**131**
Non-Current Liabilities				
Long Term Borrowings	-	-	-	-
Provisions	-	-	-	-
Other Non Current Liabilities	6	7	7	7
Current Liabilities				
ST Debt / Current of LT Debt	11	18	18	18
Trade Payables	10	14	15	17
Other Current Liabilities	24	29	32	36
Total Equity & Liabilities	**149**	**178**	**194**	**213**

Source: Company, PL

Cash Flow (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	23	25	29	33
Add. Depreciation	5	6	6	7
Add. Interest	1	-	(2)	(2)
Less Financial Other Income	1	1	2	2
Add. Other	-	(2)	-	-
Op. Profit before WC Changes	29	29	34	38
Net Changes-WC	(2)	(9)	(2)	(4)
Direct Tax	(7)	(7)	(7)	(8)
Net Cash from Op. Activities	**19**	**13**	**24**	**26**
Capital Expenditures	(3)	(7)	(2)	(2)
Interest / Dividend Income	-	1	2	2
Others	3	4	(8)	(8)
Net Cash from Invt. Activities	**-**	**(2)**	**(9)**	**(9)**
Issue of Share Cap. / Premium	1	-	-	-
Debt Changes	(4)	5	-	-
Dividend Paid	(10)	(11)	(11)	(11)
Interest Paid	(2)	(2)	-	-
Others	(2)	(2)	-	-
Net Cash from Fin. Activities	**(18)**	**(9)**	**(11)**	**(11)**
Net Change in Cash	**2**	**1**	**4**	**6**
Free Cash Flow	18	9	22	23

Source: Company, PL

Quarterly Financials (INR bn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	**39**	**40**	**42**	**44**
YoY gr. (%)	*4.5*	*2.6*	*6.0*	*3.3*
Raw Material Expenses	27	28	29	31
Gross Profit	12	13	13	13
Margin (%)	*30.9*	*31.3*	*31.5*	*29.9*
EBITDA	**7**	**8**	**8**	**8**
YoY gr. (%)	-	-	-	-
Margin (%)	*18.5*	*18.8*	*19.0*	*18.1*
Depreciation / Depletion	1	1	2	1
EBIT	**6**	**6**	**7**	**6**
Margin (%)	*15.3*	*15.2*	*15.4*	*14.8*
Net Interest	-	-	-	-
Other Income	-	-	-	-
Profit before Tax	**6**	**6**	**7**	**7**
Margin (%)	*16.0*	*15.7*	*16.1*	*15.6*
Total Tax	2	2	2	2
Effective Tax Rate (%)	*24.9*	*24.0*	*25.2*	*28.3*
Profit After Tax	**5**	**5**	**5**	**5**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**5**	**4**	**5**	**5**
YoY gr. (%)	*6.2*	*(5.7)*	*15.2*	*(4.0)*
Margin (%)	*12.0*	*11.1*	*12.0*	*11.2*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**5**	**5**	**5**	**5**
YoY gr. (%)	*6.2*	*1.9*	*6.7*	*(4.0)*
Margin (%)	*12.0*	*11.9*	*12.0*	*11.2*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**5**	**5**	**5**	**5**
Avg. Shares O/s (bn)	-	-	-	-
EPS (INR)	**24.5**	**23.1**	**26.5**	**25.4**

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	89.3	99.1	111.9	128.0
CEPS	114.2	128.1	143.5	163.7
BVPS	504.8	561.1	610.0	678.6
FCF	96.6	48.8	111.9	121.3
DPS	47.8	61.7	59.4	59.4
Return Ratio (%)				
RoCE	15.5	15.6	15.7	16.5
ROIC	13.5	13.0	13.2	13.5
RoE	18.5	18.6	19.2	19.9
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	48	65	65	65
Valuation (x)				
PER	25.6	23.0	20.4	17.8
P/B	4.5	4.0	3.7	3.3
P/CEPS	20.0	17.8	15.9	13.9
EV/EBITDA	15.6	14.2	12.3	10.5
EV/Sales	2.9	2.6	2.3	1.9
Dividend Yield (%)	2.0	2.6	2.5	2.5
FCFF Yield (%)	4.2	2.1	4.8	5.2
PEG Ratio	2.7	2.0	1.5	1.2

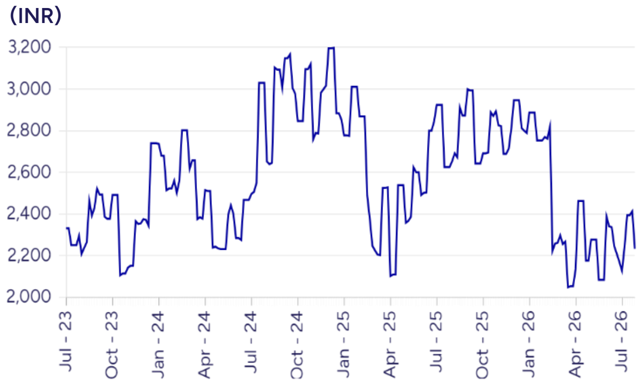
Source: Company, PL

Key Operating Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Revenue (in US$ mn)	1,681	1,796	1,959	2,165

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	02-Jul-26	BUY	2990	2245
2	28-May-26	BUY	3000	2233
3	30-Apr-26	BUY	3000	2277
4	01-Apr-26	BUY	3050	2137
5	23-Jan-26	BUY	3480	2800
6	02-Jan-26	BUY	3450	2820
7	04-Dec-25	BUY	3310	2861
8	31-Oct-25	Accumulate	2950	2764
9	04-Oct-25	Accumulate	2920	2737
10	25-Jul-25	Accumulate	2920	2625

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Coforge	BUY	1980	1442
2	Cyient	HOLD	900	879
3	Fractal Analytics	Accumulate	1020	897
4	HCL Technologies	HOLD	1160	1221
5	Infosys	BUY	1240	1047
6	KPIT Technologies	HOLD	580	559
7	L&T Technology Services	HOLD	3350	3293
8	Latent View Analytics	BUY	350	279
9	LTM	Accumulate	4200	4037
10	Mphasis	BUY	2990	2245
11	Persistent Systems	BUY	5570	4581
12	Tata Consultancy Services	BUY	2500	2050
13	Tata Elxsi	Reduce	3350	3697
14	Tata Technologies	SELL	610	758
15	Tech Mahindra	BUY	1780	1510
16	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

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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

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