

Apr-Jun'25 Earnings Preview

July 1, 2025

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
Cyient	Reduce	1,289	1150
HCL Technologies	Reduce	1,729	1530
Infosys	Acc	1,602	1680
KPIT Technologies	Acc	1,259	1390
LTIMindtree	Hold	5,312	5060
L&T Technology Services	HOLD	4,402	4300
Mphasis	Hold	2,845	2900
Persistent Systems	Hold	6,042	5890
Tata Consultancy Services	BUY	3,462	3980
Tata Technologies	SELL	711	550
Tech Mahindra	Reduce	1,687	1490
Tata Elxsi	SELL	6,310	4830
Wipro	Reduce	266	250

Source: PL Acc=Accumulate

Top Picks

Tata Consultancy Services

Pritesh Thakkar

priteshtthakkar@plindia.com | 91-22-66322533

Sujay Chavan

sujaychavan@plindia.com | 91-22-66322536

Hinting at a slow start

Quick Pointers:

- Weakness in tariff-induced verticals weigh on Q1FY26 performance
- Currency tailwinds help mitigate margin decline

Q1FY26 revenue performance is expected to be weak in an otherwise seasonally strong quarter. Although the intensity of tariff uncertainties has reduced to some extent, demand recovery in tariff-induced verticals continues to be weak with global enterprises remaining cautious and sensing near-term uncertainties. The weakness in demand also tends to defer compensation revision for most of the names. Despite the deferment in wage hikes the improvement in margins would either be flat or negligible due to missing operating leverage. We expect median revenue growth to decline by 1.2% QoQ in CC terms & grow 0.5% QoQ in USD terms. Currency volatility continues with major currencies like EUR and GBP having strengthened against USD by 5.9% and 7.6% QoQ, respectively, which will translate into tailwinds to the tune of 60-400bps QoQ in reported terms.

Vertical wise, BFSI should continue its growth momentum, while hi-tech and ENU should also support growth for selective names. Manufacturing and consumer performance is expected to remain on a weaker trajectory, due to mounting pressure on automotive and retail/CPG segments. Deal signing activities are likely to be flat or see slight improvement sequentially, due to slower decision making and incremental scrutiny weighing on deal closure activities. The accommodative stance on trade policies and tariff de-escalation have probably unchecked the odds of hitting the worst. We expect INFY and HCL Tech to inch up the lower band of the FY26 organic revenue guidance by 100bps. Q1 median margins are expected to decline marginally on QoQ basis (PL coverage universe), on account of (1) missing wage hike impact, and (2) cross-currency tailwinds, which should be partly offset by missing operating leverage and INR appreciation against USD.

Tier I & II operating performance: We expect weak performance in a seasonally strong quarter with all companies in our coverage reporting sequential revenue decline in CC terms, except LTIM, MPHL & PSYS. Tier I companies are expected to report median revenue decline of 0.7% QoQ CC. Tier II companies are expected to report median revenue decline of 2.5% QoQ CC with sharp decline in Tata Elxsi & Tata Tech due to weakness in the automotive segment.

On the margins front, we expect median margin to decline for both Tier I and II companies due to weak quarterly performance, which will be mitigated by currency tailwinds. Among Tier I companies, we expect median EBIT margin to decline by 40bps QoQ to 17.3%, while Tier II companies will witness median EBIT margin decline of 20bps QoQ to 15.4%.

Valuation and View

The underlying demand environment remains weak for tariff-induced verticals. Non-discretionary spend takes center stage instead of wide-spread investments in non-critical activities. The conversion from TCV to revenue would continue to be challenging for names that are highly exposed to asset-heavy or consumer-oriented verticals. Pace of agentic AI transition from early experimentation to production also seems to be slower on account of underachieving ROI and limited value generation, which further limits positive surprises. IT stocks have rallied over the past few sessions. Therefore, the current valuation seems to be stretched, leaving no potential upside.

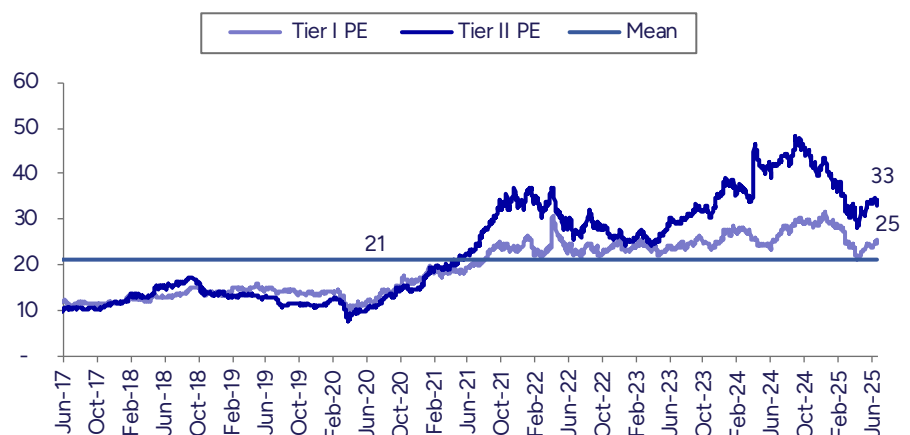
We continue to remain positive on TCS, INFY, PSYS and MPHL, which are either less sensitive to discretionary spending or have low exposure to tariff-sensitive verticals. However, given the stock price rally and limited upside potential, we are downgrading INFY to ACCUMULATE (from BUY earlier) and MPHL/PSYS to HOLD (from BUY earlier). The 1-year forward PE multiples of Tier I and II companies are trading at a 25x and 33x, respectively, premium to their 10-year average PE.

Exhibit 2: Change in rating

Company	CMP	TP	Current Rating	Old Rating
Cyient	1,289	1,150	REDUCE	HOLD
HCL Tech	1,729	1,530	REDUCE	HOLD
Infosys	1,602	1,680	ACCUMULATE	BUY
KPIT	1,259	1,410	ACCUMULATE	HOLD
LTIM	5,312	5,060	HOLD	ACCUMULATE
LTTS	4,402	4,300	HOLD	HOLD
Mphasis	2,845	2,900	HOLD	BUY
Persistent	6,042	5,890	HOLD	BUY
Tata Elxsi	6,310	4,950	SELL	SELL
Tata Tech	711	550	SELL	SELL
TCS	3,462	3,980	BUY	BUY
TechM	1,687	1,490	REDUCE	ACCUMULATE
Wipro	266	250	REDUCE	HOLD

Source: Company, PL

Exhibit 3: 1-year forward PE multiples of Tier I & II companies



Source: Company, PL

Exhibit 4: Quarterly snapshot of Tier I companies

Company	Revenue (USD mn)					Revenue (INR bn)				
	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)
TCS	7,504	7,465	0.5	7,505	-0.0	642	645	-0.4	626	2.6
Infosys	4,903	4,730	3.7	4,714	4.0	420	409	2.5	393	6.7
Wipro*	2,565	2,597	-1.2	2,626	-2.3	220	224	-2.2	219	0.3
HCLT	3,547	3,498	1.4	3,364	5.5	304	302	0.4	281	8.2
TechM	1,556	1,549	0.5	1,559	-0.2	133	134	-0.5	130	2.4
LTIM	1,148	1,131	1.5	1,096	4.7	98	98	0.6	91	7.5
Company	EBIT Margin (%)					PAT (INR bn)				
	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)
TCS	24.1	24.2	-10	24.7	-60	122	122	-0.6	120	0.9
Infosys	21.1	21.0	10	21.1	-	68	70	-2.9	64	7.2
Wipro*	17.3	17.5	-20	16.5	90	33	36	-8.0	30	9.3
HCLT	17.3	18.0	-70	17.1	20	42	41	1.7	43	-1.7
TechM	10.9	10.5	40	8.5	240	12	12	6.2	9	45.5
LTIM	14.3	13.8	50	15.0	-70	12	11	4.6	11	4.1

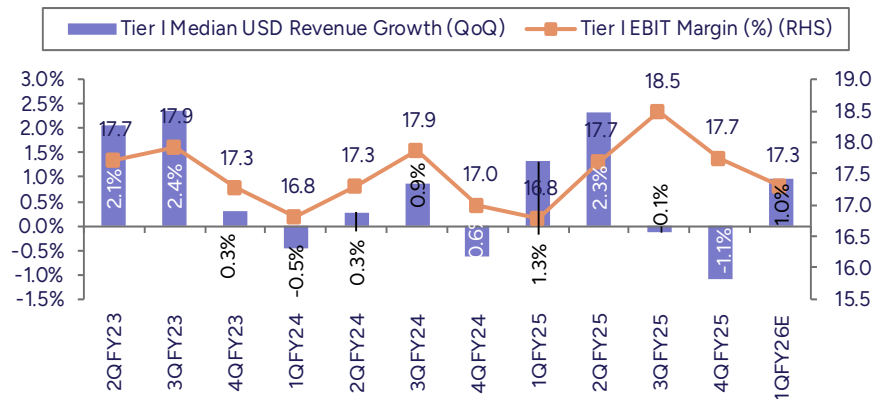
Source: Company, PL, * IT Service revenue and EBIT margin

Exhibit 5: Quarterly snapshot of Tier II companies

Company	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)
	Revenue (USD mn)					Revenue (INR bn)				
Cyient*	168	170	-1.1	170	-0.8	14	15	-2.2	14	1.8
Persistent	391	375	4.1	328	19.0	33	32	3.1	27	22.2
Mphasis	439	430	2.0	410	7.1	38	37	1.1	34	9.8
KPIT	179	177	0.8	165	8.4	15	15	0.1	14	12.1
LTTS	341	345	-1.3	295	15.4	29	30	-2.2	25	18.4
Tata Elxsi	104	105	-1.1	111	-6.4	9	9	-2.0	9	-3.9
Tata Technologies	143	148	-3.5	152.1	-5.9	12	13	-4.7	13	-3.4
Company	EBIT Margin (%)					PAT (INR bn)				
	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)
Cyient*	12.4	13.0	-60	13.5	-110	1	2	-15.4	1	-2.3
Persistent	15.7	15.6	10	14.0	170	4	4	6.7	3	37.8
Mphasis	15.4	15.3	10	15.0	40	5	4	2.2	4	12.8
KPIT	17.1	17.3	-20	17.3	-20	2	2	-20.0	2	-4.1
LTTS	12.9	13.2	-30	15.6	-270	3	3	-3.1	3	-3.9
Tata Elxsi	19.1	20.1	-100	24.3	-520	2	2	-5.4	2	-11.4
Tata Technologies	13.9	15.7	-180	15.9	-200	1	2	-21.4	2	-8.4

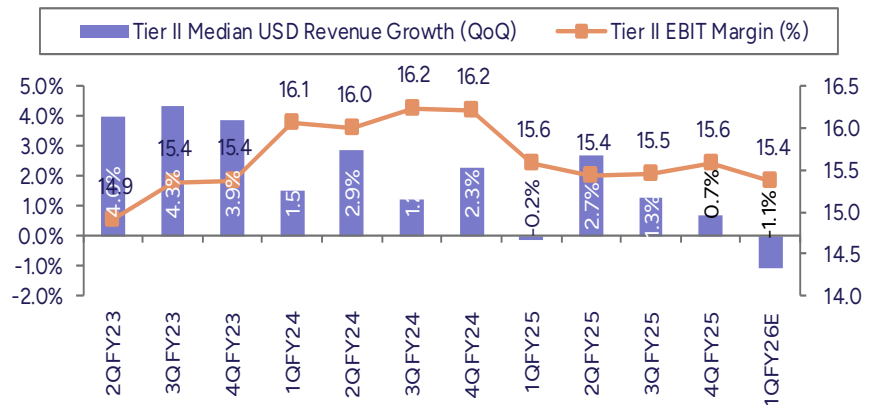
Source: Company, PL, * Cyient DET

Exhibit 6: Tier I revenue growth and margin trend



Source: Company, PL

Exhibit 7: Tier II revenue growth and margin trend



Source: Company, PL

Exhibit 8: Cross-currency impact

	CC USD growth QoQ (%)	USD growth QoQ (%)	Cross-currency impact (in bps)
TCS	-1.2%	0.5%	170
Infosys	2.2%	3.7%	150
Wipro	-2.6%	-1.2%	140
HCLT	-0.4%	1.4%	180
TechM	-1.0%	0.5%	150
LTIM	0.8%	1.5%	70
Cyient - DET	-2.1%	-1.1%	100
Persistent	3.5%	4.1%	60
Mphasis	1.4%	2.0%	60
KPIT	-3.2%	0.8%	400
LTTS	-2.5%	-1.3%	120
Tata Elxsi	-4.1%	-1.1%	290
Tata Technologies	-5.7%	-3.5%	220

Source: Company, PL

Exhibit 9: Currency movement against INR

	Rates (INR)				Change (QoQ)			
	USD	EUR	GBP	AUD	USD	EUR	GBP	AUD
Average	85.56	96.84	114.07	54.73	-1.2%	6.3%	4.6%	0.7%
Closing	86.68	99.62	116.46	55.61	2.8%	9.9%	7.1%	0.4%

Source: Company, PL

Exhibit 10: Currency movement against USD

	Rates (USD)			Change (QoQ)		
	EUR	GBP	AUD	EUR	GBP	AUD
Average	1.13	1.33	0.64	5.9%	7.6%	-3.4%
Closing	1.17	1.37	0.64	4.1%	6.9%	-1.2%

Source: Company, PL

Exhibit 11: Change in Estimates

	Revised EPS (in INR)		Earlier EPS (in INR)		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
HCLT	66.6	72.8	67.0	73.4	-0.6%	-0.7%
Infosys	67.7	74.8	67.2	74.4	0.8%	0.5%
LTIM	168.4	194.6	167.4	191.5	0.6%	1.6%
Mphasis	98.3	110.2	98.7	111.2	-0.4%	-1.0%
Persistent	109.6	136.9	110.2	137.5	-0.5%	-0.4%
TCS	141.1	156.5	144.6	160.1	-2.4%	-2.2%
TechM	58.1	74.6	61.5	76.7	-5.4%	-2.7%
Wipro	12.7	13.3	12.5	13.5	1.5%	-1.7%
KPIT	31.8	39.8	32.2	40.2	-1.2%	-1.0%
LTTS	127.2	147.9	128.7	150.1	-1.2%	-1.5%
Tata Elxsi	117.7	146.3	130.0	149.9	-9.4%	-2.4%
Tata Tech	16.3	19.7	18.0	21.1	-9.4%	-6.6%

Source: Company, PL

Exhibit 12: Valuation matrix

Company	Rating	Price (INR)	Mcap (USD bn)	TP (INR)	EPS (INR)			PE (x)			Rev growth (%) (CC)			EBIT Margin (%)			PEG FY25-27E
					FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	
Cyient#	Red	1,289	3	1,150	54.5	52.9	61.6	23.6	24.3	20.9	-3.0%	-3.4%	3.1%	13.5%	13.3%	14.5%	3.3
HCL Tech	Red	1,729	58	1,530	64.1	66.6	72.8	27.0	25.9	23.7	4.7%	2.3%	5.2%	18.3%	18.4%	18.7%	3.6
Infosys	Acc	1,602	88	1,680	64.4	67.6	74.6	24.9	23.7	21.5	4.3%	2.0%	6.3%	21.1%	21.3%	21.7%	2.8
LTIM	Hold	5,312	19	5,060	155.2	168.4	194.6	34.2	31.5	27.3	4.9%	4.7%	7.8%	14.5%	14.6%	15.3%	2.3
Mphasis	Hold	2,845	7	2,900	89.3	98.3	110.2	31.9	28.9	25.8	4.6%	5.6%	7.5%	15.3%	15.5%	15.7%	2.3
Persistent	Hold	6,042	12	5,890	90.2	109.6	136.9	67.0	55.1	44.1	19.0%	15.7%	17.9%	14.7%	15.0%	15.5%	1.9
TCS	Buy	3,462	151	3,980	134.2	141.1	156.5	25.8	24.5	22.1	4.2%	0.5%	5.6%	24.3%	24.6%	25.1%	2.8
TechM	Red	1,687	19	1,490	48.0	58.1	74.6	35.2	29.0	22.6	0.3%	-1.6%	3.3%	9.7%	11.4%	14.2%	0.9
Wipro	Red	266	8	250	12.5	12.7	13.3	21.2	21.0	20.0	-2.3%	-2.5%	2.9%	17.1%	17.4%	17.6%	6.5
KPIT	Acc	1,259	5	1,390	30.9	31.8	39.8	40.7	39.6	31.6	19.2%	8.1%	15.1%	17.1%	17.1%	17.7%	2.3
LTTS	Hold	4,402	2	4,300	119.7	127.5	148.2	36.8	34.5	29.7	8.9%	11.8%	9.1%	14.9%	13.9%	14.7%	2.6
Tata Elxsi	Sell	6,310	6	4,830	126.0	117.7	146.3	50.1	53.6	43.1	3.1%	-3.7%	9.1%	23.3%	21.0%	23.1%	5.6
Tata Tech	Sell	711	5	550	16.7	16.3	19.7	42.6	43.5	36.1	-0.7%	-2.7%	11.5%	15.7%	14.8%	15.4%	4.2

Source: Company, PL, # Cyient DET Financials, Acc = Accumulate / Red = Reduce

Exhibit 13: Q1FY26 Result Preview (Rs bn)

Company Name		Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Remark
Cyient	Sales (US\$ mn)	206.7	200.9	2.9	220.4	-6.2	We expect Cyient-DET business to decline by 2.1% CC & 1.1% QoQ in USD terms due to broad based weakness. We expect DET margin to decline by 60bps despite weak quarterly performance. At consolidated level we expect Cyient's revenue to decline by 6.2% in USD and EBIT margin to decline 100 bps QoQ.
	Sales	17.7	16.8	5.6	19.1	-7.3	
	EBIT	2.0	2.0	0.1	2.4	-15.1	
	Margin (%)	11.3	11.9	-62 bps	12.3	-103 bps	
	PBT	2.0	1.9	4.9	2.6	-20.5	
	Adj. PAT	1.3	1.4	-6.6	1.7	-21.4	
HCL Technologies	Sales (US\$ mn)	3,547.5	3,363.8	5.5	3,498.2	1.4	We expect HCLT to report 0.4% QoQ CC decline while in USD terms, we expect revenue growth of 1.4% QoQ due to currency tailwinds of 180bps. We expect EBIT margin to decline by 70bps QoQ due to lower gross margin. We expect deals wins in the band of USD2.5-3 bn driven by cost optimization deals with elongated decision making. We expect HCLT to maintain its revenue & margin guidance.
	Sales	303.7	280.6	8.2	302.5	0.4	
	EBIT	52.5	48.0	9.5	54.4	-3.5	
	Margin (%)	17.3	17.1	20 bps	18.0	-70 bps	
	PBT	55.8	57.1	-2.2	57.4	-2.6	
	Adj. PAT	41.9	42.6	-1.7	43.1	-2.8	
Infosys	Sales (US\$ mn)	4,902.8	4,714.0	4.0	4,730.0	3.7	We expect INFO to strong report revenue growth of 2.2% QoQ CC & 3.7% QoQ in USD aided by currency benefit of 170 bps QoQ. Q1FY26 growth is expected to be driven by BFSI, EURS & Hitech and Insemi's 2-month residual contribution. On margins front, we expect EBIT margin to remain flattish as wage hike impact of senior employees will be set off against absence of visa costs & amortization of acquired companies incurred in Q4. Key monitorable will be the revenue guidance, which we expect the company to maintain on organic basis.
	Sales	419.7	393.2	6.7	409.3	2.5	
	EBIT	88.6	82.9	6.8	85.8	3.3	
	Margin (%)	21.1	21.1	2 bps	21.0	15 bps	
	PBT	96.3	90.2	6.8	96.6	-0.3	
	Adj. PAT	68.5	63.8	7.4	70.4	-2.8	
KPIT Technologies	Sales (US\$ mn)	178.7	164.9	8.4	177.3	0.8	We expect KPIT to report revenue decline of 3.2% QoQ in CC terms due to weak demand environment & delay in ramp up new projects. In USD terms we expect revenue growth of 0.8% QoQ due to currency tailwind of 400 bps. We expect EBITDA to remain flattish due to currency benefits. Key monitorable will be commentary for resumption of ramp up of new projects and spending decisions of automotive OEM's.
	Sales	15.3	13.6	12.1	15.3	0.1	
	EBIT	2.6	2.4	10.7	2.7	-1.5	
	Margin (%)	17.1	17.3	-21 bps	17.3	-28 bps	
	PBT	2.7	2.8	-1.5	3.0	-9.5	
	Adj. PAT	2.0	2.0	-4.1	2.4	-20.0	
LTIMindtree	Sales (US\$ mn)	1,148.1	1,096.2	4.7	1,131.0	1.5	We expect LTIM to report growth of 0.8% QoQ CC & 1.5% QoQ in USD terms driven by growth in BFSI & Manufacturing. We expect margins to improve by 50bps driven by operational efficiency & currency tailwinds. We expect deal wins in the band of USD 1.5-1.6 bn in Q1.
	Sales	98.3	91.4	7.5	97.7	0.6	
	EBIT	14.1	13.7	2.5	13.5	4.5	
	Margin (%)	14.3	15.0	-69 bps	13.8	53 bps	
	PBT	15.9	15.3	4.4	15.3	4.1	
	Adj. PAT	11.8	11.4	3.9	11.3	4.6	

Company Name		Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Remark
L&T Technology Services	Sales (US\$ mn)	340.6	295.2	15.4	345.1	-1.3	We expect LTTS to report revenue decline of 2.5% QoQ CC due to seasonality in SWC business and certain client specific issues. In USD terms we expect revenue decline of 1.3% QoQ due to currency tailwinds of 120 bps. We expect margins to decline by 30 bps QoQ due to weak quarterly performance mitigated by operational efficiencies & currency benefits. We expect strong deal wins by LTTS aided multiple million dollars wins including a USD 50 mn deal announced recently
	Sales	29.2	24.6	18.4	29.8	-2.2	
	EBIT	3.8	3.8	-1.8	3.9	-4.4	
	Margin (%)	12.9	15.6	-267 bps	13.2	-29 bps	
	PBT	4.1	4.3	-4.2	4.3	-3.0	
	Adj. PAT	3.0	3.1	-3.9	3.1	-3.1	
Mphasis	Sales (US\$ mn)	439.0	410.0	7.1	430.4	2.0	We expect MPHL to report growth of 1.4% QoQ CC driven by BFSI & TMT segments. In USD terms we expect growth of 2% QoQ aided by currency tailwind of 60 bps. On margin front we expect slight margin expansion of 10 bps QoQ due to large deal ramp up cost. Key monitorable will be performance of logistics segment which has remained weak for multi quarters.
	Sales	37.5	34.2	9.6	37.1	1.1	
	EBIT	5.8	5.1	12.5	5.7	1.8	
	Margin (%)	15.4	15.0	40 bps	15.3	11 bps	
	PBT	6.0	5.4	12.4	5.9	2.1	
	Adj. PAT	4.6	4.0	12.8	4.5	2.1	
Persistent Systems	Sales (US\$ mn)	390.6	328.2	19.0	375.2	4.1	We expect PSYS to report strong revenue growth of 3.5% QoQ CC driven by BFSI & Hitech segments. In USD terms we expect revenue growth of 4.1% QoQ aided by 60 bps currency tailwinds. We expect EBIT margin to remain flattish. Key monitorable ahead will be performance of healthcare segment especially due to uncertainty in its top client.
	Sales	33.4	27.4	22.2	32.4	3.1	
	EBIT	5.2	3.8	36.7	5.1	3.9	
	Margin (%)	15.7	14.0	167 bps	15.6	12 bps	
	PBT	5.5	4.0	37.7	5.1	9.2	
	Adj. PAT	4.2	3.1	37.8	4.0	6.7	
Tata Consultancy Services	Sales (US\$ mn)	7,503.8	7,505.0	-0.0	7,465.0	0.5	We expect TCS revenue to report decline by 0.9% QoQ CC due to ramp down of BSNL deal and weakness continuing in international business. We expect currency tailwinds of 170 bps leading to USD revenue growth of 0.5% QoQ. On margins front we expect EBIT margin to decline by ~10bps as lower 3rd party equipment's cost will be setoff by weak revenue performance. We expect deal wins to be steady in the band of USD7-9bn. Key monitorable will be outlook in the key geography of US & Europe and deal wins.
	Sales	642.3	626.1	2.6	644.8	-0.4	
	EBIT	154.8	154.4	0.2	156.0	-0.8	
	Margin (%)	24.1	24.7	-56 bps	24.2	-10 bps	
	PBT	163.8	162.3	0.9	164.0	-0.1	
	Adj. PAT	121.5	120.4	0.9	122.2	-0.6	
Tata Technologies	Sales (US\$ mn)	143.1	152.1	-5.9	148.3	-3.5	We expect Tata Tech to report revenue decline of 3.8% QoQ CC in Services segment & 5.7% QoQ CC at overall level due to continued weakness in automotive segment & weakness in Tech solutions business. In USD terms we expect revenue decline of 3.5% QoQ. On margins front we expect EBIT margin to decline by 180 bps QoQ due to weak operational performance.
	Sales	12.3	12.7	-3.4	12.9	-4.7	
	EBIT	1.7	2.0	-15.6	2.0	-16.0	
	Margin (%)	13.9	15.9	-200 bps	15.7	-186 bps	
	PBT	1.9	2.2	-11.5	2.5	-23.6	
	Adj. PAT	1.5	1.6	-8.4	1.9	-21.4	
Tech Mahindra	Sales (US\$ mn)	1,556.1	1,559.0	-0.2	1,548.8	0.5	We expect TECHM to report revenue decline of 1% QoQ CC due to Comviva seasonality & weakness in auto subsegment within Manufacturing mitigated by steady growth in BFSI. In USD terms we expect revenue growth of 0.5% QoQ with currency benefit of 150 bps. On margins front we expect EBIT margin improvement of 40 bps QoQ largely due to currency benefit. We expect deal wins in the band of USD 600-800 mn in Q1
	Sales	133.2	130.1	2.4	133.8	-0.5	
	EBIT	14.5	11.0	31.7	14.1	3.3	
	Margin (%)	10.9	8.5	242 bps	10.5	40 bps	
	PBT	16.5	11.8	40.2	14.6	12.8	
	Adj. PAT	12.4	8.5	45.5	11.7	6.2	

Company Name		Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Remark
Tata Elxsi	Sales (US\$ mn)	104.0	111.1	-6.4	105.2	-1.1	
	Sales	8.9	9.3	-3.9	9.1	-2.0	We expect TELX report another quarter of weak performance due to broad based weakness across segments especially in Transportation. We expect TELX to report 5.8% QoQ decline and 2.9% QoQ in USD terms. We expect EBIT margin to 100 bps QoQ due to weak Q1 performance. Key monitorable will be commentary for recovery in transportation segment.
	EBIT	1.7	2.3	-24.4	1.8	-7.0	
	Margin (%)	19.1	24.3	-519 bps	20.1	-102 bps	
	PBT	2.1	2.5	-14.9	2.2	-3.0	
	Adj. PAT	1.6	1.8	-11.4	1.7	-5.4	
Wipro	Sales (US\$ mn)	2,564.9	2,625.9	-2.3	2,596.5	-1.2	We expect WPRO to report revenue decline of 2.6% in CC & 1.2% in USD terms due weakness in BFSI & Consumer segments. We expect margins to decline by ~20bps QoQ due weak Q1 performance. Key monitorable will be outlook for Q2FY26 and performance of Capco & discretionary spending outlook.
	Sales	220.4	219.6	0.3	225.0	-2.1	
	EBIT	37.9	36.1	5.1	39.1	-3.0	
	Margin (%)	17.2	16.4	79 bps	17.4	-16 bps	
	PBT	43.4	40.2	8.0	47.4	-8.4	
	Adj. PAT	32.8	30.0	9.3	35.7	-8.0	

Source: Company, PL

Exhibit 14: Valuation Summary

Company Names	S/ C	Rating	CMP (Rs)	TP (Rs)	MCap (Rs bn)	Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)				RoE (%)				PE (x)			
						FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E
Cyient	C	Red	1,289	1,150	143.0	71.5	73.6	74.2	82.9	13.0	11.5	11.5	13.5	7.3	6.2	6.0	7.4	66.2	56.0	54.2	67.1	19.0	13.0	11.0	12.8	19.5	23.0	23.8	19.2
HCL Technologies	C	Red	1,729	1,530	4,687.4	1,099.1	1,170.6	1,234.3	1,331.0	242.0	255.1	272.0	296.9	157.0	173.9	180.7	197.6	58.0	64.1	66.6	72.8	23.5	25.2	25.6	27.3	29.8	27.0	26.0	23.7
Infosys	C	Acc	1,602	1,680	6,633.0	1,536.7	1,629.9	1,705.1	1,856.6	364.3	392.4	415.1	459.1	242.6	267.1	280.4	309.7	58.6	64.5	67.7	74.8	29.7	29.0	29.2	32.2	27.3	24.8	23.7	21.4
KPIT Technologies	C	Acc	1,259	1,390	341.5	48.7	58.4	65.0	76.3	9.9	12.3	13.6	16.4	5.9	8.4	8.6	10.8	21.9	30.9	31.8	39.8	31.1	33.1	26.9	28.0	57.4	40.7	39.6	31.6
LTIMindtree	C	Hold	5,312	5,060	1,572.2	355.2	380.1	407.9	450.7	63.9	64.9	70.2	80.6	45.9	46.0	49.9	57.7	155.0	155.4	168.7	195.1	25.1	21.5	20.7	21.2	34.3	34.2	31.5	27.2
L&T Technology Services	C	Hold	4,402	4,300	468.7	96.5	106.7	121.9	135.4	19.2	19.0	20.4	23.6	13.0	12.7	13.5	15.7	123.3	119.0	127.5	148.2	26.7	22.2	20.8	21.5	35.7	37.0	34.5	29.7
Mphasis	C	Hold	2,845	2,900	540.4	132.8	142.3	153.4	169.0	24.2	26.5	28.8	32.0	15.5	17.0	18.7	21.0	82.3	89.6	98.7	110.6	18.6	18.5	18.7	19.5	34.6	31.7	28.8	25.7
Persistent Systems	C	Hold	6,042	5,890	937.5	98.2	119.4	141.2	170.9	17.2	20.6	24.7	30.6	11.4	14.0	17.1	21.3	74.2	90.2	109.6	136.9	25.6	24.8	25.2	27.2	81.5	67.0	55.1	44.1
Tata Consultancy Services	C	Buy	3,462	3,980	12,525.8	2,408.9	2,553.2	2,634.3	2,845.4	643.0	672.8	703.2	773.4	465.9	485.5	510.6	566.2	127.5	134.2	141.1	156.5	50.9	51.8	52.5	55.1	27.2	25.8	24.5	22.1
Tata Technologies	C	Sell	711	550	288.3	51.2	51.7	51.2	57.8	9.4	9.3	8.8	10.2	6.8	6.8	6.6	8.0	16.8	16.7	16.3	19.7	21.9	19.9	18.0	20.4	42.4	42.6	43.5	36.1
Tech Mahindra	C	Red	1,687	1,490	1,494.7	520.0	529.9	532.0	563.2	57.7	69.9	78.8	98.7	36.2	42.5	51.5	66.1	40.9	48.0	58.1	74.6	12.7	15.1	17.9	22.6	41.3	35.2	29.0	22.6
Tata Elxsi	C	Sell	6,310	4,830	393.0	35.5	37.3	37.1	41.1	10.5	9.7	8.9	10.7	7.9	7.8	7.3	9.1	127.2	126.0	117.7	146.3	34.5	29.3	24.4	26.8	49.6	50.1	53.6	43.1
Wipro	C	Red	266	250	2,781.7	897.6	890.9	890.9	938.4	170.2	180.9	180.3	192.2	110.5	131.4	132.9	139.6	10.4	12.6	12.7	13.3	14.4	16.6	15.9	16.4	25.5	21.2	20.9	19.9

Source: Company, PL S=Standalone / C=Consolidated / Acc = Accumulate / Red = Reduce , CMP – closing price as on 30th June

Exhibit 15: Change in Estimates

	Rating		Target Price			Sales						PAT						EPS					
						FY26E			FY27E			FY26E			FY27E			FY26E			FY27E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
Cyient	Red	Hold	1,150	1,200	-4.2%	74.2	74.9	-0.9%	82.9	84.0	-1.2%	6.0	6.4	-6.2%	7.4	7.8	-4.1%	54.2	57.7	-6.2%	67.1	70.0	-4.1%
HCL Technologies	Red	Hold	1,530	1,540	-0.6%	1,234.3	1,243.8	-0.8%	1,331.0	1,342.6	-0.9%	180.7	181.8	-0.6%	197.6	199.0	-0.7%	66.6	67.0	-0.6%	72.8	73.3	-0.7%
Infosys	Acc	Buy	1,680	1,630	3.1%	1,705.1	1,704.8	0.0%	1,856.6	1,855.4	0.1%	280.4	278.2	0.8%	309.7	308.1	0.5%	67.7	67.2	0.8%	74.8	74.4	0.5%
KPIT Technologies	Acc	Hold	1,390	1,410	-1.4%	65.0	66.3	-2.0%	76.3	77.6	-1.7%	8.6	8.7	-1.2%	10.8	10.9	-1.0%	31.8	32.2	-1.2%	39.8	40.2	-1.0%
LTIMindtree	Hold	Acc	5,060	4,980	1.6%	407.9	409.1	-0.3%	450.7	450.8	0.0%	49.9	49.7	0.6%	57.7	56.8	1.6%	168.7	167.8	0.6%	195.1	191.9	1.6%
L&T Technology Services	Hold	Hold	4,300	4,360	-1.4%	121.9	121.8	0.1%	135.4	134.3	0.8%	13.5	13.7	-1.2%	15.7	15.9	-1.5%	127.5	129.0	-1.2%	148.2	150.4	-1.5%
Mphasis	Hold	Buy	2,900	2,860	1.4%	153.4	153.8	-0.3%	169.0	168.3	0.4%	18.7	18.6	0.8%	21.0	20.7	1.4%	98.7	98.0	0.8%	110.6	109.1	1.4%
Persistent Systems	Hold	Buy	5,890	5,910	-0.3%	141.2	142.0	-0.6%	170.9	171.6	-0.4%	17.1	17.2	-0.5%	21.3	21.4	-0.4%	109.6	110.2	-0.5%	136.9	137.5	-0.4%
Tata Consultancy Services	Buy	Buy	3,980	4,160	-4.3%	2,634.3	2,693.1	-2.2%	2,845.4	2,916.0	-2.4%	510.6	523.1	-2.4%	566.2	579.1	-2.2%	141.1	144.6	-2.4%	156.5	160.1	-2.2%
Tata Technologies	Sell	Sell	550	590	-6.8%	51.2	53.7	-4.7%	57.8	59.6	-2.9%	6.6	7.3	-9.4%	8.0	8.5	-6.6%	16.3	18.0	-9.4%	19.7	21.1	-6.6%
Tech Mahindra	Red	Acc	1,490	1,530	-2.6%	532.0	535.8	-0.7%	563.2	567.1	-0.7%	51.5	54.5	-5.4%	66.1	67.9	-2.7%	58.1	61.5	-5.4%	74.6	76.7	-2.7%
Tata Elxsi	Sell	Sell	4,830	4,950	-2.4%	37.1	38.9	-4.6%	41.1	43.5	-5.4%	7.3	8.1	-9.4%	9.1	9.3	-2.4%	117.7	130.0	-9.4%	146.3	149.9	-2.4%
Wipro	Red	Hold	250	260	-3.8%	890.9	899.0	-0.9%	938.4	946.8	-0.9%	132.9	130.9	1.5%	139.6	142.0	-1.7%	12.7	12.5	1.5%	13.3	13.6	-1.7%

Source: Company, PL C=Current / P=Previous / Acc=Accumulate / Red=Reduce

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Cyient	Hold	1,200	1,244
2	HCL Technologies	Hold	1,540	1,480
3	Infosys	BUY	1,630	1,420
4	KPIT Technologies	Hold	1,410	1,365
5	L&T Technology Services	Hold	4,360	4,474
6	LTIMindtree	Accumulate	4,980	4,537
7	Mphasis	BUY	2,860	2,468
8	Persistent Systems	BUY	5,910	5,164
9	Tata Consultancy Services	BUY	4,160	3,247
10	Tata Elxsi	Sell	4,950	6,212
11	Tata Technologies	Sell	590	751
12	Tech Mahindra	Accumulate	1,530	1,445
13	Wipro	Hold	260	248

PL's Recommendation Nomenclature

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 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.

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 recipient's 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 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 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 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 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.

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.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com