PL Capital
PRABHUDAS LILLADHER

Mphasis (MPHL IN)

Q2FY27 Result Update

November 06, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	BUY		BUY	
Target Price	2,960		2,920	
Sales (INR bn)	210	238	207	235
% Chng.	*1.4*	*1.3*		
EBITDA (INR bn)	39	44	39	44
% Chng.	-	-		
EPS (INR)	130.9	149.8	130.5	149.5
% Chng.	*0.3*	*0.2*		

Key Data	MBFL.BO | MPHL IN
BSE Code	526299
NSE Code	MPHASIS
52-W High / Low	INR 2,978 / INR 2,013
Face Value	10
Sensex / Nifty	81,028 / 25,030
Market Cap	INR 483 bn / $ 5,142 mn
Shares Outstanding	190.95 mn
3M Avg. Daily Value	INR 1,395.14 mn

Shareholding Pattern (%)

Promoters	30.53
FIIs	19.39
Mutual Funds	31.12
Domestic Institutions	14.73
Public & Others	4.23
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	10.0	4.4	14.0	(8.8)
Relative	(0.8)	1.7	9.7	(6.3)

Key Financials - Consolidated

Y/e Mar	FY26	FY27E	FY28E	FY29E
Sales (INR bn)	159	184	210	238
EBITDA (INR bn)	30	34	39	44
Margin (%)	*18.8*	*18.3*	*18.5*	*18.6*
PAT (INR bn)	19	22	25	29
EV (INR mn)	470	466	459	448
Total Debt (INR bn)	18	18	18	18
C&C Eq. (INR bn)	18	12	12	15
EPS (INR)	99.1	113.8	130.9	149.8
Gr. (%)	*11.1*	*14.8*	*15.0*	*14.4*
DPS (INR)	61.7	59.9	59.9	59.9
Yield (%)	*2.4*	*2.4*	*2.4*	*2.4*
RoE (%)	*18.6*	*19.3*	*20.1*	*20.5*
RoCE (%)	*15.6*	*15.5*	*16.6*	*17.2*
EV/Sales (x)	3.0	2.5	2.2	1.9
EV/EBITDA (x)	15.7	13.8	11.9	10.1
PE (x)	25.4	22.1	19.2	16.8
P/BV (x)	4.5	4.1	3.7	3.2

Growth outlook strengthens but weighs on margins

Quick Pointers

- FY27 Rev. growth guidance raised to low double digit (earlier guidance of high single-digit to low double digits)
- 6th consecutive quarter of US$400mn+ deal wins

MPHL delivered a healthy Q2FY27 performance, with revenue growth of 3.3% QoQ CC, ahead of our estimate of 3.0% (ex. Logistics 3.8% QoQ growth), marking its strongest sequential growth in three years. Growth was led by BFS (+4.4% QoQ) and TMT (+9.9% QoQ), while Insurance also returned to sequential growth (+1.8%). BPO (+6.6%) and APPS (+3.5%) sustained momentum, partly offset by weakness in ITO (-4.9%) and Logistics & Transportation (-12.0%). Deal momentum remained robust, with net new TCV of US$466mn (66% AI-led), taking TTM TCV to US$1.8bn. The pipeline reached a record high, up 23% YoY, with 71% AI-led, while shorter-cycle deals (below US$20mn) grew 26% on a TTM basis, supporting near-term revenue conversion. Driven by strong deal wins and pipeline conversion, management expects H2FY27 momentum to sustain and raises its FY27 revenue growth outlook to low-double-digit. Operating margin remained flat QoQ at 14.8%, 20bps below our estimate, as a higher on-site mix in short-cycle AI projects, acquisition-related amortization and investments in IP, sales and platforms impacted margins. While management retained its 14.75–15.75% margin guidance, it indicated to prioritize growth over near-term margin optimization. Accordingly, we raise our FY27E/FY28E/FY29E revenue growth estimates to 10.0%/11.3%/10.6% YoY CC (from 9.0%/10.7%/10.8%) factoring Q2 beat and improved visibility, while lowering our operating margin estimates to 15.0%/15.1%/15.2% (from 15.2%/15.3%/15.5%), factoring in continued growth investments. We value the stock at a PE of 21x Sept. 28 earnings to arrive at revised TP of INR 2,960 (earlier 2,920) and retain our "BUY" rating.

Revenue: Reported Q2FY27 rev. of US$486mn, up 3.3% QoQ in CC, above our estimate of 3.0%. Direct revenue up 3.5% QoQ CC and 11.3% CC. Growth was driven by the TMT and BFS segments, which grew 9.9% and 4.4% QoQ (CC), respectively, while the Logistics segment declined 11.9% QoQ (CC), having being affected by Middle East challenges.

Operating Margin: EBIT margin came in at 14.8%, remaining QoQ, below our & consensus estimates of 15.0% & 15.2% respectively, as investments in capabilities continue, for driving the next phase of growth. FY27 margin band maintained in the 14.75-15.75% range.

Deal Wins: Deal wins momentum continued with TCV wins of US$ 466 mn (6th successive quarter of US$400mn+ deal wins), up 1.1% QoQ including 5 large deals, with <USD 20mn deals growing 9% QoQ. AI led wins for Q2 stood at 66%.

Quarter Summary

Y/e Mar	Q2FY27	Q2FY27	% Var.	Q2FY26	YoY gr. (%)
Net Sales (INR bn)	45	46	*1.1*	39	*17.4*
EBITDA (INR bn)	8	8	*-0.3*	7	*14.8*
Margin (%)	*18.4*	*18.1*	*-26 bps*	*18.5*	*-40 bps*
PAT (INR bn)	5	6	*4.2*	5	*19.6*

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 486 mn, up 3.3% QoQ CC & 3.2% QoQ in USD, was above our estimates of 3% CC QoQ**
- Direct revenue up 3.5% QoQ CC and 11.3% CC YoY
- **Segment wise growth was led by TMT which grew by 9.9% QoQ CC while BFS & Insurance grew by 4.4% & 1.8% QoQ CC. Logistics declined by 11.9% QoQ CC**
- Geography wise Americas & Others grew by 2.9% & 15.6% QoQ CC while EMEA region declined by 3.3%
- EBIT margin was flat QoQ at 14.8% was below our estimate of 15% & consensus estimate of 15.2% due lower Gross Margin.
- **Guided low double-digits revenue growth for FY27 despite the uncertain macro environment led by strong execution, with a margin band of 14.75%-15.75%. Net Income/OCF is targeted at 80%, to be normalised in FY28**
- Net Headcount increased by 823 QoQ
- **TCV wins were steady at USD 466 mn compared to USD 461 mn in Q1. Won 5 large deals in Q2**
- PAT came at Rs 5.6 bn (up 14.6% QoQ), was above our estimates of Rs 5.4 bn due to higher other income
- Adj. OCF/PAT & Adj. FCF/PAT for the qtr. came at 56.3% & 57.5% respectively.

Conference Call Highlights

- Segment wise, BFS growth was led by wallet share gains in existing accounts and new deal wins while TMT growth was driven by recovery in business and new deal ramp-ups. Logistics and Transportation segment was impacted from ongoing geopolitical uncertainty.
- Management raised its FY27 revenue growth guidance to low double-digit range for from high single-digit to low double digits earlier, resulting from pipeline visibility and existing backlog, while EBIT margins target remains within the band of 14.75% to 15.75%.
- Management highlighted that opportunities below USD 20 mn grew 35% YOY and 9% sequentially, reflecting the increase in shorter cycle deal activity driven by AI engineering work, hardening the cyber estate, and savings-led transformations.
- Management highlighted that the pipeline is increasingly becoming more of larger and multi-year deals combining optimization and transformation with ongoing operations sponsored by business leaders, starting with proof of value on the client's own processes.
- Management highlighted a shift in AI spending towards business and operations leaders, with investments increasingly focused on addressing revenue leakage, planning delays and execution inefficiencies rather than merely reducing technology costs. The key moat of Mphasis Tria will be enterprise context, decision intelligence, orchestration and governance, rather than the underlying AI models.
- Management views the healthcare segment to emerge as a growth driver, backed by recent deal wins, including a large deal win in Q2
- Management indicated growing demand around the cybersecurity practice across identity and access management, AI enablement of the entire cyber ops and vulnerability operations.

Exhibit 1: Quarterly Estimates

(INR bn)	Q1FY27	YoY gr. (%)	Q2FY27	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
Sales	43,841	19.6	45,809	18.1	46,459	16.6	48,266	13.5
EBIT	6,481	13.5	6,774	13.7	6,922	13.7	7,291	11.7
Margin (%)	*14.8*	*-50bps*	*14.8*	*-50bps*	*14.9*	*-30bps*	*15.1*	*-30bps*
Adj. PAT	4,895	10.8	5,611	19.6	5,488	14.9	5,776	13.3

Source: Company, PL

Exhibit 2: 2QFY27 Result: Revenue beats estimate, miss on margins

	2QFY27	2QFY27E	% Var.	1QFY27	QoQ gr. (%)	2QFY26	YoY gr. (%)	1HFY27	1HFY26	YoY gr. (%)
IT Services Revenue (USD m)	**486.1**	**483.0**	**0.7**	**471.1**	**3.2**	**445.2**	**9.2**	**957.3**	**882.5**	**8.5**
Overall Revenue (INR b)	**45.8**	**45.3**	**1.1**	**43.8**	**4.5**	**39.0**	**17.4**	**89.7**	**76.3**	**17.4**
Gross Profit	14	14	-2.1	13	4.8	12	13.7	27	24	11.8
Gross Margin (%)		*30.9*	*-100bps*	*29.9*	*10bps*	*30.9*	*-100bps*	*29.9*	*31.4*	*-150bps*
SG&A and Other Costs	5.4	5.7	-4.6	5.1	5.2	4.8	12.0	10.5	9.7	8.6
% of Rev	*11.8*	*12.5*	*-70bps*	*11.7*	*10bps*	*12.4*	*-60bps*	*11.8*	*12.7*	*-100bps*
EBITDA	**8.3**	**8.3**	**-0.3**	**8.0**	**4.5**	**7.2**	**14.8**	**16.3**	**14.3**	**14.0**
EBITDA Margin (%)	*18.1*	*18.4*	*-30bps*	*18.1*	*0bps*	*18.5*	*-40bps*	*18.1*	*18.7*	*-50bps*
Depreciation	1.5	1.5	-0.3	1.5	4	1.3	20.2	3.0	2.6	15.8
% of Rev	*3.4*	*3.4*	*0bps*	*3.4*	*0bps*	*3.3*	*10bps*	*3.4*	*3.4*	*0bps*
EBIT	**6.8**	**6.8**	**-0.3**	**6.5**	**4.5**	**6.0**	**13.7**	**13.3**	**11.7**	**13.6**
EBIT Margin (%)	*14.8*	*15.0*	*-20bps*	*14.8*	*0bps*	*15.3*	*-50bps*	*14.8*	*15.3*	*-50bps*
Other Income (net)	0.9	0.4	134.2	0.3	159.9	0.3	212.1	1.2	0.7	83.4
PBT	**7.7**	**7.2**	**6.9**	**6.8**	**12.4**	**6.2**	**22.9**	**14.5**	**12.3**	**17.5**
Tax	2.1	1.8	15.0	1.9	6.8	1.6	32.6	4.0	3.2	23.4
Effective tax rate (%)	*26.9*	*25.0*	*190bps*	*28.3*	*-140bps*	*24.9*	*200bps*	*27.6*	*26.2*	*130bps*
Adjusted PAT	**5.6**	**5.4**	**4.2**	**4.9**	**14.6**	**4.7**	**19.6**	**10.5**	**9.1**	**15.3**
Exceptional items	0.0	0.0	NA	0.0	NA	0.0	NA	0.0	0.0	NA
Reported PAT	**5.6**	**5.4**	**4.2**	**4.9**	**14.6**	**4.7**	**19.6**	**10.5**	**9.1**	**15.3**
Reported EPS (INR)	**29.4**	**28.2**	**4.2**	**25.7**	**14.6**	**24.6**	**19.3**	**55.1**	**47.9**	**15.0**

Source: Company, PL

Exhibit 3: Regional growth during the quarter

Geographies	Contri. To Rev. (%)	Growth (QoQ %)
Americas	85.0	2.9
EMEA	7.6	(3.0)
India	5.2	21.5
ROW	2.2	1.6

Source: Company, PL

Exhibit 4: Segment growth during the quarter

Verticals	Contri. To Rev. (%)	Growth (QoQ %)
Banking and Financial Services	53.3	4.4
Insurance	14.7	1.8
Technology, Media & Telecom	19.4	10.0
Logistics and Transportation	3.6	(11.6)
Others	9.0	(7.1)

Source: Company, PL

Exhibit 5: 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 6: Top Clients performance

Verticals	Contri. To Rev. (%)	Growth (QoQ %)
Top Client	14.0	11.1
Top 2-5 Clients	27.0	3.2
Top 6-10 Clients	16.0	3.2

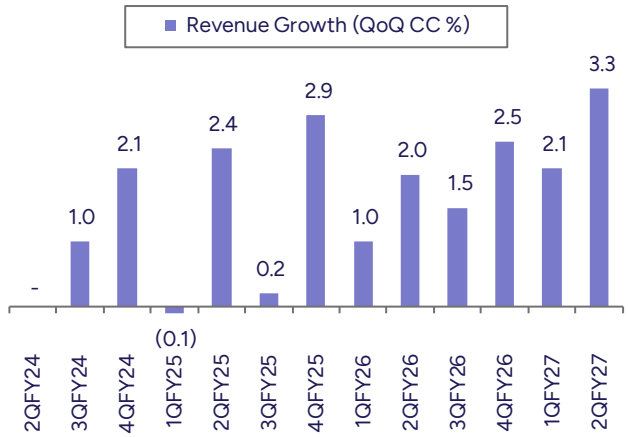
Source: Company, PL

Exhibit 7: KPI

	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	FY26*	FY27E*
Revenue (QoQ CC %)	**0.2**	**2.9**	**1.0**	**2.0**	**1.5**	**2.5**	**2.1**	**3.3**	**6.9**	**10.0**
Margins										
Gross Margin	31.7	31.8	31.9	30.9	31.3	31.5	29.9	29.9	31.4	30.4
EBIT Margin	15.3	15.3	15.3	15.3	15.2	15.4	14.8	14.8	15.3	14.9
Net Margin	12.0	12.0	11.8	12.0	11.9	12.0	11.2	12.2	12.0	11.8
Operating metrics										
Headcount (k)	31.2	31.4	31.1	30.8	31.3	31.2	32.1	32.9	31.2	-
Utilization Trainees (%)	75.0	78.0	84.0	87.0	83.0	84.0	81.0	82.0	*84.0*	-

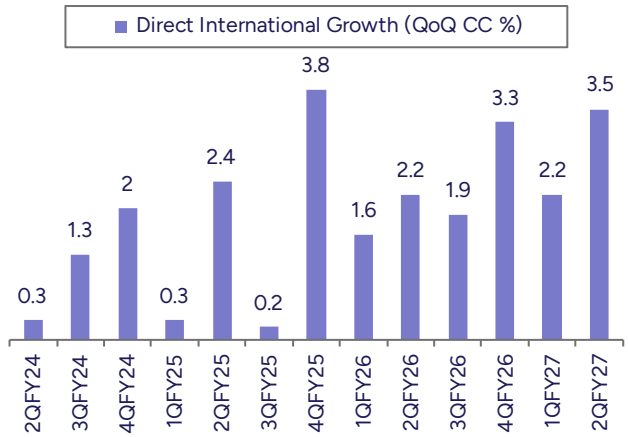
*Source: Company, PL, * YoY CC*

Exhibit 8: Revenue came above estimates



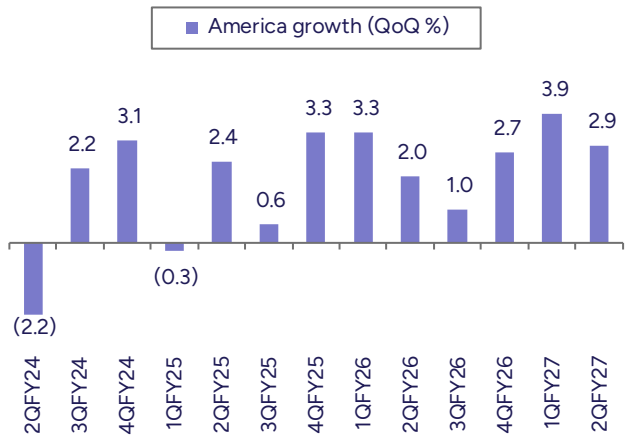
Source: Company, PL

Exhibit 9: Direct International Business drives growth



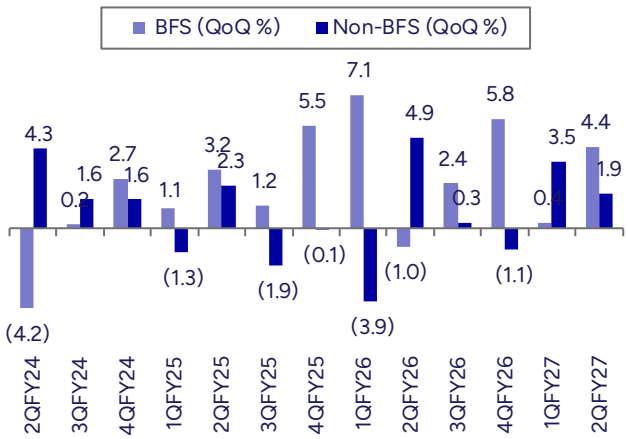
Source: Company, PL

Exhibit 10: Americas growth trend



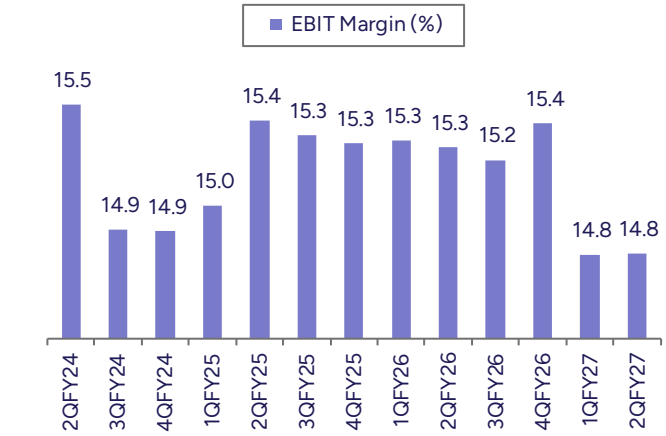
Source: Company, PL

Exhibit 11: BFS has strong growth, Transportation was weak



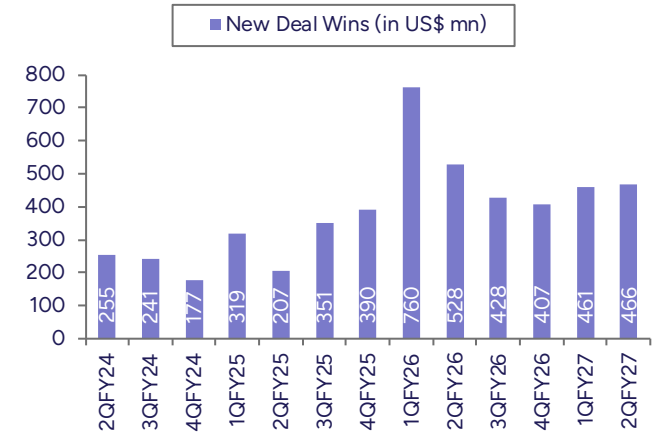
Source: Company, PL

Exhibit 12: Margin remained flat QoQ in Q2



Source: Company, PL

Exhibit 13: Deal wins above US$ 400 mn+ for 6th straight qtr.



Source: Company, PL

Exhibit 14: Operating Metrics

	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Geographical Contribution (%)												
Americas	80.2	81.0	80.9	80.7	81.5	82.0	83.4	83.6	83.3	83.5	85.2	85.0
EMEA	11.6	11.0	11.1	11.0	10.2	9.9	8.7	9.1	9.3	9.2	8.1	7.6
India	5.5	5.3	5.3	5.7	6.0	5.1	5.3	4.8	5.0	5.0	4.4	5.2
RoW	2.7	2.7	2.7	2.6	2.4	2.9	2.6	2.4	2.4	2.3	2.3	2.2
Vertical Contribution (%)												
Banking and Financial Services	46.8	47.1	47.7	47.9	48.7	50.0	52.7	51.3	51.8	53.5	52.7	53.3
Insurance	11.4	11.0	11.3	11.2	11.7	11.4	13.7	14.0	15.0	15.8	14.9	14.7
Technology, Media & Telecom	15.6	16.0	16.0	16.5	17.0	17.8	18.1	19.4	18.4	16.0	18.2	19.4
Logistics & Transportation	13.7	13.7	13.7	13.1	12.2	10.9	5.8	5.6	5.4	5.1	4.2	3.6
Others	12.6	12.3	11.3	11.3	10.5	9.9	9.7	9.8	9.5	9.7	10.0	9.0
Revenue by Project Type (%)												
Time and Material	58.3	58.5	59.6	60.0	57.6	55.4	48.6	49.1	46.8	45.1	46.5	47.8
Transaction Based	10.1	10.1	10.4	10.3	10.6	8.6	8.3	8.2	8.5	8.6	9.2	9.3
Fixed Price	31.6	31.4	30.0	29.7	31.8	36.0	43.1	42.7	44.8	46.3	44.3	42.9
Revenue by Delivery Location (%)												
Onsite	53.2	56.0	57.1	57.3	59.0	59.9	59.6	57.5	59.8	61.0	60.9	62.3
Offshore	46.8	44.0	42.9	42.7	41.0	40.1	40.4	42.5	40.2	39.0	39.1	37.7
Service Type (%)												
Application services	70.7	71.2	71.4	71.3	71.7	71.8	73.8	73.4	75.0	74.7	75.5	75.6
BPO	16.6	16.6	16.2	16.4	16.4	15.4	14.8	14.9	14.8	14.7	15.7	16.2
Infrastructure services	12.7	12.3	12.4	12.3	11.9	12.7	11.4	11.7	10.2	10.6	8.8	8.2
Client Contribution (%)												
Top Client	15	14	14	15	15	14	13	12	12	13	13	14
Top 2-5 Clients	31	30	30	28	28	28	27	27	28	28	27	27
Top 6-10 Clients	9	10	9	10	10	12	14	16	15	15	16	16
New Clients added	5	3	2	2	2	3	3	2	3	1	7	8
Clients Contributing More than:												
$100m+	3	3	3	3	3	3	4	4	4	4	4	4
$75m+	4	4	4	4	5	5	6	6	6	6	6	6
$50m+	5	5	5	5	5	5	7	7	8	7	7	9

	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
$20m+	10	10	9	9	11	11	10	11	14	15	15	14
$10m+	29	29	30	27	29	29	31	30	28	29	30	28
$5m+	46	47	48	51	47	50	50	50	51	52	52	55
$1m+	134	135	135	140	140	139	137	136	131	127	133	139
Headcount												
Onsite - billable												
Tech services	4,664	4,656	4,637	4,788	4,892	4,981	5,127	5,377	5,436	5,360	5,557	5,813
BPO	1,338	1,318	1,374	1,363	1,351	1,281	1,142	1,143	1,071	1,089	1,322	1,454
Offshore - billable												
Tech services	15,393	14,799	14,721	14,576	14,218	14,540	14,477	14,498	14,587	14,815	14,894	15,444
BPO	6,733	6,341	5,984	5,851	5,681	5,545	5,503	5,422	5,831	5,756	6,011	6,044
Total billable headcount	28,128	27,114	26,716	26,578	26,142	26,347	26,249	26,440	26,925	27,020	27,784	28,755
Total headcount	33,992	32,664	31,645	31,601	31,194	31,442	31,063	30,809	31,272	31,179	32,097	32,920

Source: Company, PL

Financials

Income Statement (INR bn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Net Revenues	**159**	**184**	**210**	**238**
YoY gr. (%)	*11.6*	*16.1*	*13.7*	*13.4*
Cost of Goods Sold	109	128	145	164
Gross Profit	50	56	65	74
Margin (%)	*31.4*	*30.4*	*31.0*	*31.1*
Employee Cost	-	-	-	-
Other Expenses	-	-	-	-
EBITDA	**30**	**34**	**39**	**44**
YoY gr. (%)	*12.7*	*12.9*	*14.9*	*14.3*
Margin (%)	*18.8*	*18.3*	*18.5*	*18.6*
Depreciation and Amortization	6	6	7	8
EBIT	**24**	**27**	**32**	**36**
Margin (%)	*15.3*	*14.9*	*15.1*	*15.2*
Net Interest	-	-	-	-
Other Income	1	2	2	2
Profit Before Tax	**25**	**30**	**33**	**38**
Margin (%)	*16.0*	*16.0*	*15.9*	*16.1*
Total Tax	6	8	8	10
Effective Tax Rate (%)	*25.4*	*26.3*	*25.0*	*25.0*
Profit After Tax	**19**	**22**	**25**	**29**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**19**	**22**	**25**	**29**
YoY gr. (%)	*11.5*	*14.7*	*15.0*	*14.4*
Margin (%)	*12.0*	*11.8*	*11.9*	*12.1*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**19**	**22**	**25**	**29**
YoY gr. (%)	*9.4*	*16.9*	*15.0*	*14.4*
Margin (%)	*11.7*	*11.8*	*11.9*	*12.1*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	19	22	25	29
Equity Shares O/s (bn)	**-**	**-**	**-**	**-**
EPS (INR)	**99.1**	**113.8**	**130.9**	**149.8**

Source: Company, PL

Balance Sheet (INR bn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Non-Current Assets				
Gross Block	**22**	**24**	**26**	**29**
Tangibles	22	24	26	29
Intangibles	-	-	-	-
Acc: Dep / Amortization	**13**	**17**	**22**	**28**
Tangibles	13	17	22	28
Intangibles	-	-	-	-
Net Fixed Assets	**9**	**7**	**4**	**1**
Tangibles	9	7	4	1
Intangibles	-	-	-	-
Capital Work In Progress	-	-	-	-
Goodwill	48	48	48	48
Non-Current Investments	6	6	6	6
Net Deferred Tax Assets	3	3	3	4
Other Non-Current Assets	28	28	30	30
Current Assets				
Investments	13	21	29	37
Inventories	-	-	-	-
Trade Receivables	42	56	61	67
Cash & Bank Balance	18	12	12	15
Other Current Assets	8	10	12	13
Total Assets	**178**	**195**	**209**	**226**
Equity				
Equity Share Capital	2	2	2	2
Other Equity	106	116	129	147
Total Networth	**107**	**118**	**131**	**149**
Non-Current Liabilities				
Long Term Borrowings	-	-	-	-
Provisions	-	-	-	-
Other Non Current Liabilities	7	7	7	7
Current Liabilities				
ST Debt / Current of LT Debt	18	18	18	18
Trade Payables	14	16	17	18
Other Current Liabilities	29	33	32	31
Total Equity & Liabilities	**178**	**195**	**209**	**226**

Source: Company, PL

Cash Flow (INR bn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
PBT	25	30	33	38
Add. Depreciation	6	6	7	8
Add. Interest	-	(2)	(2)	(2)
Less Financial Other Income	1	2	2	2
Add. Other	(2)	-	-	-
Op. Profit before WC Changes	29	34	39	44
Net Changes-WC	(9)	(12)	(11)	(11)
Direct Tax	(7)	(8)	(8)	(10)
Net Cash from Op. Activities	**13**	**14**	**19**	**24**
Capital Expenditures	(7)	(2)	(3)	(3)
Interest / Dividend Income	1	2	2	2
Others	4	(8)	(8)	(8)
Net Cash from Invt. Activities	**(2)**	**(8)**	**(9)**	**(9)**
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	5	-	-	-
Dividend Paid	(11)	(11)	(11)	(11)
Interest Paid	(2)	-	-	-
Others	(2)	-	-	-
Net Cash from Fin. Activities	**(9)**	**(11)**	**(11)**	**(11)**
Net Change in Cash	**1**	**(5)**	**(1)**	**4**
Free Cash Flow	9	12	17	21

Source: Company, PL

Quarterly Financials (INR bn)

Y/e Mar	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Net Revenues	**40**	**42**	**44**	**46**
YoY gr. (%)	*2.6*	*6.0*	*3.3*	*4.5*
Raw Material Expenses	28	29	31	32
Gross Profit	13	13	13	14
Margin (%)	*31.3*	*31.5*	*29.9*	*29.9*
EBITDA	**8**	**8**	**8**	**8**
YoY gr. (%)	-	-	-	-
Margin (%)	*18.8*	*19.0*	*18.1*	*18.1*
Depreciation / Depletion	1	2	1	2
EBIT	**6**	**7**	**6**	**7**
Margin (%)	*15.2*	*15.4*	*14.8*	*14.8*
Net Interest	-	-	-	-
Other Income	-	-	-	1
Profit before Tax	**6**	**7**	**7**	**8**
Margin (%)	*15.7*	*16.1*	*15.6*	*16.8*
Total Tax	2	2	2	2
Effective Tax Rate (%)	*24.0*	*25.2*	*28.3*	*26.9*
Profit After Tax	**5**	**5**	**5**	**6**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**4**	**5**	**5**	**6**
YoY gr. (%)	*(5.7)*	*15.2*	*(4.0)*	*14.6*
Margin (%)	*11.1*	*12.0*	*11.2*	*12.2*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**5**	**5**	**5**	**6**
YoY gr. (%)	*1.9*	*6.7*	*(4.0)*	*14.6*
Margin (%)	*11.9*	*12.0*	*11.2*	*12.2*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**5**	**5**	**5**	**6**
Avg. Shares O/s (bn)	-	-	-	-
EPS (INR)	**23.1**	**26.5**	**25.6**	**29.3**

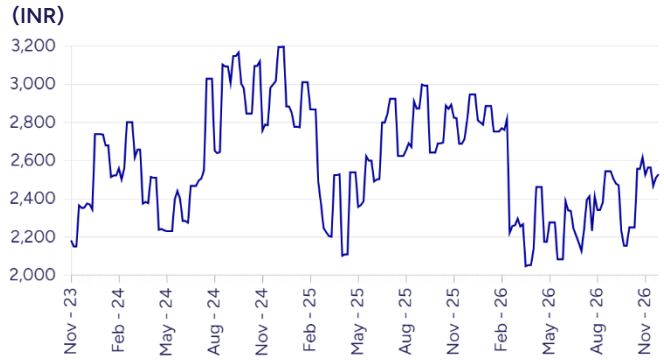
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY26	FY27E	FY28E	FY29E
Per Share (INR)				
EPS	99.1	113.8	130.9	149.8
CEPS	128.1	146.4	168.2	192.1
BVPS	561.1	615.8	686.8	776.7
FCF	48.8	63.8	88.3	109.7
DPS	61.7	59.9	59.9	59.9
Return Ratio (%)				
RoCE	15.6	15.5	16.6	17.2
ROIC	13.0	13.0	14.2	14.8
RoE	18.6	19.3	20.1	20.5
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	65	80	78	76
Valuation (x)				
PER	25.4	22.1	19.2	16.8
P/B	4.5	4.1	3.7	3.2
P/CEPS	19.7	17.2	15.0	13.1
EV/EBITDA	15.7	13.8	11.9	10.1
EV/Sales	3.0	2.5	2.2	1.9
Dividend Yield (%)	2.4	2.4	2.4	2.4
FCFF Yield (%)	1.9	2.5	3.5	4.4
PEG Ratio	2.3	1.5	1.3	1.2

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	03-Oct-26	BUY	2920	2250
2	24-Jul-26	BUY	2820	2288
3	02-Jul-26	BUY	2990	2245
4	28-May-26	BUY	3000	2233
5	30-Apr-26	BUY	3000	2277
6	01-Apr-26	BUY	3050	2137
7	23-Jan-26	BUY	3480	2800
8	02-Jan-26	BUY	3450	2820
9	04-Dec-25	BUY	3310	2861
10	31-Oct-25	Accumulate	2950	2764

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Coforge	BUY	2300	1901
2	Cyient	Accumulate	1310	1233
3	Firstsource Solutions	BUY	350	307
4	Fractal Analytics	BUY	1060	836
5	HCL Technologies	HOLD	1230	1223
6	Infosys	Accumulate	1200	1154
7	KPIT Technologies	REDUCE	520	553
8	L&T Technology Services	HOLD	3390	3611
9	Latent View Analytics	BUY	270	203
10	LTM	HOLD	4240	4390
11	Mphasis	BUY	2920	2250
12	Persistent Systems	Accumulate	6550	5840
13	Sagility	BUY	60	45
14	Tata Consultancy Services	BUY	2390	2076
15	Tata Elxsi	Accumulate	3790	3427
16	Tata Technologies	REDUCE	670	746
17	Tech Mahindra	BUY	1910	1650
18	Wipro	HOLD	166	174

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=21151ea12dd366d1ac370cb42343ee44b6e851c37bdbac5f86aa4ff3e6948487, postalCode=400015, st=Maharashtra, serialNumber=7a6f13691881d5a8af6353865a61b48b7040e72f4a1bf53182e368b3ca14a5e4, cn=AMNISH AGGARWAL
Date: 2026.11.06 23:19:19 +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.