

**Market Cap.**
**Rs. 2,814 Cr.**
**52 Week H/L**
**Rs.3,072/1,650**
**CMP**
**Rs.1,645**
**Target Price**
**Rs. 3,463**
**IT**
**STOCK DATA**
**BUY**

Reuters Code	MPSL.BO	
Bloomberg Code	MPS IN	
BSE Code	532440	
NSE Symbol	MPSLTD	
Face Value	Rs.10	
Shares Outstanding	1.71 Cr	
Avg. Daily Volume (6m)	20,976 Shares	
Price Performance (%)		
1M	3M	6M
(12)	(24)	(24)
200 days EMA Rs.2,173		

**SHARE HOLDING (%)**

Promoters	68.3
FII	1.6
FI / MF	0.1
Bodies Corporate	2.2
Public & Others	27.8

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MPS Ltd has recently announced its performance for the quarter ended Dec 31, 2025. Following are the key financial highlights:

Particulars	Q3FY26	Q3FY25	YoY	Q2FY26	QoQ
Net Sales	182.5	186.3	(2.0%)	196.7	(7.3%)
EBITDA	57.6	60.3	(4.3%)	62.8	(5.2%)
<b>EBITDA Margin</b>	<b>31.6%</b>	<b>32.4%</b>	<b>(80 bps)</b>	<b>31.9%</b>	<b>(30 bps)</b>
Profit before Tax	45.7	55.1	(17.0%)	69.2	(42.6%)
Profit (loss) after Tax	35.5	40.7	(12.7%)	55.4	(36.1%)
<b>PAT Margin</b>	<b>19.5%</b>	<b>21.8%</b>	<b>(230 bps)</b>	<b>28.2%</b>	<b>(870 bps)</b>
EPS	20.9	24.0	(12.9%)	32.7	(36.0%)

**Highlights from the Quarter (Q3FY26):**

MPS Ltd reported a flat set of numbers in Q3FY26, with revenues stable at Rs.182.5cr, moderately down 2.0%. EBITDA margins too fell by 4.3% for the quarter at Rs.57.6cr.

PBT for Q3 included a one-time exceptional item of Rs.7.0cr, which was a provision for benefit obligations due to the New Labour Code. The company characterized Q3FY26 as a "holding quarter," serving as a transition period to support broader shifts while preserving its long-term growth trajectory.

**Segmental Performance:**

**Research Solutions** - This remains the anchor segment, contributing 63.3% of total revenue. Excluding AJE, the segment grew 16.2% YoY, supported by operating leverage.

**Education Solutions** - Education Solutions emerged as a key growth driver, increasing its contribution to total revenue to about 24% in Q3FY26, compared with around 20% in the previous year. The segment continues to invest in AI-assisted production, accessibility frameworks, and platform-led offerings. Looking ahead, management expects Education Solutions to deliver stable double-digit growth with sustained high margins, making it a core pillar of medium-term growth.

**Corporate Learning** - The Corporate Learning segment experienced a YoY decline in revenue during Q3, reflecting a conscious and strategic reset. Management deliberately exited low-margin work and focused on restructuring the segment to improve long-term profitability and scalability.

**Reasons for margin pressure in Q3:** Margins declined in Q3FY26 primarily due to a one-time Labour Code provision and short-term impact from restructuring and exit of low-margin corporate learning contracts.

Looking ahead, management remains confident of surpassing an EPS of Rs.100 in FY26, supported by expectations of a stronger Q4 performance relative to Q3. For FY27, the company anticipates mid-teens growth in Research Solutions, sustained double-digit growth in Education Solutions, and a return to growth in Corporate Learning.

**OUTLOOK AND VALUATION**

We remain bullish on MPS Ltd due to the various growth factors prevalent for the company. We expect FY28E revenue at Rs.1069.2cr, EBITDA of Rs.336.8cr at an EBITDA margin of 31.5% and PAT of Rs.237.0cr. We estimate FY28E EPS at Rs.138.5, and assign a PE multiple of 25x, maintaining the target price to Rs.3463 (upside ~110.5%) from the current market price of Rs.1645. We keep our BUY Rating for MPS Ltd over an investment horizon of 24 months.

Y/E Mar	Revenue (Rs. Cr)	EBITDA (Rs. Cr)	EBITDA Margin (%)	PAT (Rs. Cr)	NPM (%)	EPS (Rs.)	P/E (x)	P/S (x)	P/BV (x)
FY25	726.9	210.9	29.0%	143.0	19.7%	83.6	19.8	3.9	5.9
FY26E	792.3	233.7	29.5%	162.3	20.5%	94.9	17.5	3.6	6.1
FY27E	919.1	275.7	30.0%	192.5	20.9%	112.5	14.7	3.1	6.2
FY28E	1,069.2	336.8	31.5%	237.0	22.2%	138.5	12.0	2.6	5.9



### Earlier Recommendation

Date	Report Type	Reco	Price (Rs.)	Target (Rs.)
24-Jun-25	Initiating Coverage	Buy	2,633	3,603
27-Nov-25	Q2FY26 Results Update	Buy	2,125	3,463

**PROFIT & LOSS STATEMENT**

(Rs. Cr.)

Y/E Mar.	FY25	FY26E	FY27E	FY28E
<b>Revenue</b>	<b>727</b>	<b>792</b>	<b>919</b>	<b>1,069</b>
Raw Material Cost	0	0	0	0
Employee Cost	328	356	412	470
Other Expenses	188	203	232	262
<b>EBITDA</b>	<b>211</b>	<b>234</b>	<b>276</b>	<b>337</b>
<i>EBITDA Margin (%)</i>	<i>29.0%</i>	<i>29.5%</i>	<i>30.0%</i>	<i>31.5%</i>
Depreciation	27	30	33	36
<b>EBIT</b>	<b>183</b>	<b>204</b>	<b>243</b>	<b>300</b>
<i>EBIT Margin (%)</i>	<i>25.2%</i>	<i>25.7%</i>	<i>26.4%</i>	<i>28.1%</i>
Finance Costs	1	1	1	1
Other Income	13	14	15	17
<b>Profit before Tax</b>	<b>201</b>	<b>216</b>	<b>257</b>	<b>316</b>
Tax Expense	52	54	64	79
<b>Net Profit</b>	<b>143</b>	<b>162</b>	<b>193</b>	<b>237</b>
<i>Net Margin (%)</i>	<i>19.7%</i>	<i>20.5%</i>	<i>20.9%</i>	<i>22.2%</i>
<b>EPS</b>	<b>83.6</b>	<b>94.9</b>	<b>112.5</b>	<b>138.5</b>

**BALANCE SHEET**

(Rs. Cr.)

Y/E Mar.	FY25	FY26E	FY27E	FY28E
PP&E (incl. CWIP)	22	21	20	19
Right of Use Assets / Investment Property	5	5	5	5
Other Intangible assets	72	72	72	72
Goodwill	244	244	244	244
Other non-current assets	40	42	44	47
Inventories	-	-	-	-
Other financial asset investments	21	24	27	30
Trade Receivables	117	124	141	164
Cash and Bank Balances	84	72	63	75
Other Current Assets	89	96	101	106
<b>Total Assets</b>	<b>695</b>	<b>700</b>	<b>717</b>	<b>762</b>
Equity Share Capital	17	17	17	17
Reserves & Surplus	461	447	442	463
Deferred tax liabilities	26	28	30	33
Other Non-Current Liabilities	38	38	38	38
Trade Payables	25	31	37	44
Other Financial Liabilities	14	16	17	19
Current tax liabilities	3	3	3	3
Other Current Tax Liab & Provisions	110	121	133	146
<b>Total Liabilities</b>	<b>695</b>	<b>700</b>	<b>717</b>	<b>762</b>

Source: Company, Sushil Finance Research

**CASH FLOW STATEMENT**

(Rs. Cr.)

Y/E Mar.	FY25	FY26E	FY27E	FY28E
PBT	201	216	257	316
Depreciation	27	30	33	36
Interest	1	1	1	1
<b>CFO before Working Cap chg</b>	<b>229</b>	<b>247</b>	<b>291</b>	<b>353</b>
Chg in Inventories	-	-	-	-
Chg in Trade Receivables	(14)	(7)	(17)	(23)
Chg in Trade Payables	1	5	6	7
Chg in Current Assets & Liabilities				
Income Taxes Paid	(52)	(54)	(64)	(79)
<b>Cash Flow from Operations</b>	<b>165</b>	<b>191</b>	<b>216</b>	<b>259</b>
Interest Paid	(1)	(1)	(1)	(1)
Dividend Paid	(153)	(177)	(197)	(216)
Other Adjustments	(92)	8	11	12
<b>Cash Flow from Financing</b>	<b>(246)</b>	<b>(170)</b>	<b>(187)</b>	<b>(205)</b>
Capital Expenditure	(28)	(29)	(32)	(35)
Other Adjustments	44	(9)	(8)	(9)
<b>Cash Flow from Investing</b>	<b>15</b>	<b>(38)</b>	<b>(40)</b>	<b>(44)</b>
<b>Opening Cash</b>	<b>109</b>	<b>63</b>	<b>47</b>	<b>35</b>
<b>Total Cash Flow</b>	<b>(45)</b>	<b>(17)</b>	<b>(11)</b>	<b>9</b>
<b>Closing Cash</b>	<b>63</b>	<b>47</b>	<b>35</b>	<b>45</b>

**FINANCIAL RATIO STATEMENT**

Y/E Mar.	FY25	FY26E	FY27E	FY28E
<b><u>Growth (%)</u></b>				
Revenue	33.3%	9.0%	16.0%	16.3%
EBITDA	24.1%	10.8%	18.0%	22.2%
Net Profit	20.4%	13.5%	18.7%	23.1%
<b><u>Profitability (%)</u></b>				
EBITDA Margin	29.0%	29.5%	30.0%	31.5%
Net Profit Margin	19.7%	20.5%	20.9%	22.2%
ROCE	39.8%	45.6%	54.8%	64.9%
ROE	29.9%	35.0%	41.9%	49.4%
<b><u>Per Share Data (Rs.)</u></b>				
EPS	83.6	94.9	112.5	138.5
BVPS	279.7	271.0	268.6	280.6
CEPS	99.6	112.5	131.9	159.9
<b><u>Valuation (x)</u></b>				
P/E	19.8	17.5	14.7	12.0
P/BV	5.9	6.1	6.2	5.9
EV/EBITDA	13.1	11.8	10.0	8.2
P/Sales	3.9	3.6	3.1	10.3

Source: Company, Sushil Finance Research

## Rating Scale :

This is a guide to the rating system used by our Institutional Research Team. Our rating system comprises of three rating categories.

Total Expected Return Matrix (Rating and Return)	BUY : Over 12%	HOLD : -12% to 12%	SELL : Below -12%
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Analyst Stock Ownership	No
Stock Recommended to Clients	Yes
Remuneration/Benefits received from company in 12 months	No
Merchant Banking Market Making activities / projects	No
Sushil Financial Services Pvt. Ltd and Group Companies Holding	No
Sushil Financial Services Pvt. Ltd and Group Directors Holding	Yes
Broking Relationship with the company covered	No