Q2FY26 Quarterly Results Preview

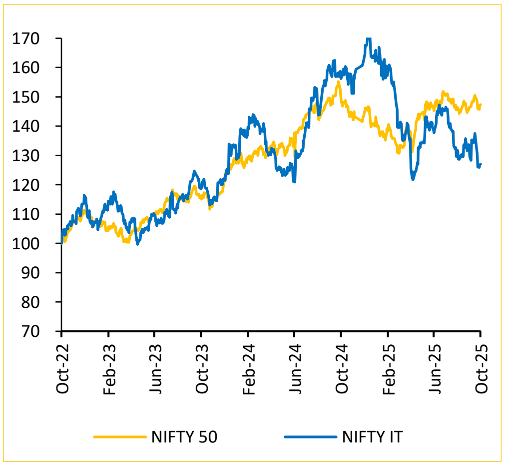
Technology

Sector View: NEUTRAL

Company (Ticker)	CMP (INR)	TP (INR)	Rated
IT Services			
Coforge (COFORGE)	1,614	1,930	BUY
Datamatics Global (DATA)	889	940	REDUCE
Happiest Minds (HAPPSTMN)	525	730	BUY
HCL Tech (HCLT)	1,392	1,685	ADD
Infosys (INFO)	1,445	1,810	BUY
LTIMindtree (LTIM)	5,117	5,360	REDUCE
Mphasis (MPHL)	2,737	2,935	ADD
Persistent Systems (PSYS)	5,072	6,050	ADD
Tata Cons. Services (TCS)	2,903	3,950	BUY
Tech Mahindra (TECHM)	1,398	1,931	BUY
Wipro (WPRO)	241	252	REDUCE
Zensar Tech (ZENT)	762	1,130	BUY
ER&D			
Cyient (CYL)	1,174	1,095	SELL
KPIT Tech. (KPIT)	1,156	1,400	ADD
L&T Tech. (LTTS)	4,262	4,850	ADD
Tata Elxsi (TELX)	5,350	4,165	SELL
Internet			
Allied Digital (ALDS)	196	225	BUY
IndiaMart InterMesh (INMART)	2,365	2,875	ADD
Nazara Tech (NAZARA)	281	350	BUY

Recommendation

*CMP as on October 3, 2025



Relative Performance (%)

YTD	3Y	2Y	1Y
NIFTY 50	47.4	27.5	(1.4)
NIFTY IT	27.0	7.0	(18.7)

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REGULATORY MURKINESS TO SUBSIDE WITH Q2FY26 RESILIENCE

IT Services companies globally have continued to accelerate their AI journey towards modernising legacy systems. This trend will continue to drive their near-term demand, led by vendor consolidation and technology transformation opportunities. On regulatory front, the recent rate cuts announced by the US Fed Governor hinting at more rate cuts should augur well for better client budget releases. However, USD100k one-time fees imposed by the White House on new H-1B visa applications poses major headwinds to the sector's near-term outlook. This would further delay clients' decision-making as the near term outlook gets murkier. ***Thus, we believe the onus lies on the Indian IT companies (IT Services plus ER&D) to take a stand in terms of passing on the expected rise in operational cost led by H-1B fee hike or evolve their business models to stay immune from further regulatory changes.*** **As far as the currency movement is concerned during Q2FY26, average INR depreciated by 2% QoQ against USD to 87.3, which will bode well for top-line and margins in INR terms.** Moreover, cross-currency movements measured as a basket of major currencies against the USD continued to provide a tailwind, contributing 0.5%–1% QoQ benefit on Top-line in USD terms. EUR and GBP appreciated by 3% and 1% QoQ, respectively, against USD. ***Thus, despite several macro headwinds, we believe IT Services & ER&D companies would exhibit decent Q2FY26 sequential growth of 0%–5.5%+ in USD terms led by ramp-ups in strong TCVs booked until Q1FY26.***

Strategic deal wins & partnerships announced by IT companies:

Some of the notable wins during Q2FY26 include: (1) TCS collaboration with C-DAC, India's premier R&D institution, to accelerate the development of India's sovereign cloud ecosystem (2) Infosys JV with Telstra (an Australia- based leading telecommunications and technology company) to help clients navigate their AI journey (3) HCL Tech has signed a 10-year strategic partnership with the Dunedin City Council (DCC) to modernise and manage its IT services, driving digital transformation, improved service delivery and stronger community engagement (4) Wipro acquired the DTS business unit of Harman, a Samsung company, in a transaction that will accelerate Wipro's mission to deliver next-generation ER&D services.

ER&D Sector: Subdued Q2, H2FY26 to Offer Gradual Rebound

ER&D services space is expected to **remain under pressure** in Q2FY26, impacted by **capex moderation** from European OEMs, **elongated decision** cycles and subdued automotive demand amid tariff and geopolitical headwinds. Revenue performance is expected to stay muted in the near term though currency tailwinds provide some support. Margins are expected to remain broadly stable across the sector, due to muted revenue growth and continued cost optimisation by clients. We anticipate a gradual recovery in H2FY26, driven by the resumption of delayed programs, ramp-up of recent deal wins and incremental demand from China and India, which should partly support continued softness in Europe and the US. **We expect Q2FY26 to see muted sequential growth of (0.5)–1.1% QoQ for pure-play ER&D players, with limited upside to FY26E growth versus FY25. A more meaningful recovery is anticipated in FY27E, subject to the pace of deal closures and conversions over the next 2–3 quarters.**

Valuation and Preferred Ideas

With large-cap IT services trading near their 10-year average multiples and mid-tier valuations well below prior peaks, the risk-reward profile has turned favorable for the sector. We remain constructive on companies with strong **execution track records, healthy deal wins, limited exposure to tariff-sensitive verticals** and **attractive valuations**. Thus, our long-term preferred investment ideas are: **TECHM, HAPPSTMN, ZENT and KPIT.**

IT Services

TCS						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (USD Mn)	7,545	7,421	1.7%	7,670	-1.6%	We anticipate revenue growth of 1.7% QoQ in USD terms, driven by resilience of the BFSI vertical, while Consumer and Pharma verticals are likely to stay weak as they are facing delays with respect to supply chain & higher R&D costs.
Revenue (INR Mn)	658,516	634,370	3.8%	642,590	2.5%	
EBITM (%)	24.6%	24.5%	10 bps	24.1%	50 bps	Margin is likely to stay flat QoQ at 24.6%, led by full quarter benefit of ramp-down of the low-margin BSNL deal in Q1FY26 as well as INR depreciation against USD.
PAT (INR Mn)	125,545	127,600	-1.6%	119,090	5.4%	**To watch out for:** Management commentary on near-term demand trends, discretionary spending by clients, the pace of ramp-up in existing deals, vertical-wise performance outlook, key deal wins and margin guidance.
EPS (INR)	34.7	35.3	-1.7%	32.9	5.5%	

INFO						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (USD Mn)	5,038	4,941	2.0%	4,894	2.9%	We expect 2% QoQ increase in USD revenue, supported by the ramp-up of recent deal wins, as the Q1 large deal TCV was strong at US$3.8Bn. BFSI vertical and Europe to continue to lead growth, while Manufacturing, Retail and Hi-Tech might show signs of delayed decisions by clients and budget shifts towards AI-led productivity.
Revenue (INR Mn)	439,667	422,790	4.0%	409,860	7.3%	
EBITM (%)	21.7%	20.8%	90 bps	21.1%	60 bps	Margin is expected to expand by 90bps QoQ at 21.7% led by currency benefit and driving operational efficiency gains through Project Maximus, value-based selling and cost controls. Salary hikes were already done in Q1.
PAT (INR Mn)	70,770	69,210	2.3%	65,060	8.8%	**To watch out for:** Potential improvement in FY26 guidance, commentary on TCV conversion, evolution of deal pipeline, trends in discretionary spending and margin outlook.
EPS (INR)	17.06	16.68	2.3%	15.7	8.8%	

HCLT						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	**Comments**
Revenue (USD Mn)	3,615	3,545	2.0%	3,445	4.9%	We expect 2% QoQ increase in USD revenue, as management had guided on better TCV closures in Q2FY26 as against Q1FY26. Hence, the company had revised its lower end of FY26 revenue guidance to 3–5% (from 2–5%) in CC terms. Growth opportunities remain strong in Digital and ER&D segments, particularly driven by AI & data capabilities. Financial Services & Technology show promise in discretionary spending however, verticals, such as Healthcare-Life Sciences, Manufacturing and Retail are under pressure due to macroeconomic headwinds accelerated by change in the US tariff policy.
Revenue (INR Mn)	316,032	303,490	4.1%	288,620	9.5%	
EBITM (%)	17.1%	16.3%	86 bps	18.6%	(143) Bps	Margin is expected to expand by 86bps QoQ at 17.1% led by 2% INR depreciation against USD as well as better QoQ performance of the HCL Software unit.
PAT (INR Mn)	42,678	38,430	11.1%	42,350	0.8%	**To watch out for:** FY26 guidance commentary, likely improvement in client decision-making, deal pipeline, trends in discretionary spending, margin outlook, hiring outlook and outlook on products business.
EPS (INR)	15.7	14.2	11.1%	15.6	0.8%	

TECHM						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	**Comments**
Revenue (USD Mn)	1,591	1,564	1.7%	1,589	0.1%	We expect 1.7% QoQ increase in USD revenue, with Communications vertical stabilising in near term with long-term support from BFSI opportunities. This is also driven by higher TCV of USD 809Mn, booked in Q1FY26. Manufacturing and Hi-Tech segments face near-term challenges due to muted auto spending, semiconductor headwinds and lower discretionary investments.
Revenue (INR Mn)	138,818	133,512	4.0%	133,132	4.3%	
EBITM (%)	12.2%	11.1%	109 bps	9.6%	260 bps	Margin is expected to expand by 109bps QoQ at 12.2% led by 2% INR depreciation against USD. Moreover, TechM is undergoing a strategic turnaround, evident in its steadily improving EBITM, which we believe would continue in near term as well. At PAT level, we expect the ETR, which was high at 30%, to normalise to 26% QoQ in Q2FY26.
PAT (INR Mn)	12,515	11,406	9.7%	12,501	0.1%	**To watch out for:** Commentary on new client wins and deal pipeline in the BFSI and Healthcare verticals, demand outlook in the Communication segment and updates on margin levers.
EPS (INR)	14.1	12.86	9.7%	14.1	0.0%	

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WPRO						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (USD Mn)	2,597	2,587	0.4%	2,660	-2.4%	We expect 0.4% QoQ increase in USD revenue, supported by the ramp-up of recent deal wins, as the Q1 large deal TCV was strong at USD 2.7Bn. In addition, there would be some portion of inorganic revenue addition from Harman's DTS unit. BFSI, Technology and Communication vertical are expected to show resilience supported by clients accelerated AI adoption. Conversely, Retail, Manufacturing and Consumer sectors are experiencing headwinds due to tariffs and ongoing supply chain disruption.
Revenue (INR Mn)	222,422	221,346	0.5%	223,016	-0.3%	
EBITM (%)	16.0%	16.1%	(10) Bps	16.8%	(80) Bps	Margin is likely to stay flat QoQ at 16% led by 2% INR depreciation against USD, which to some extent will get impacted led by integration expenses of Harman DTS unit.
PAT (INR Mn)	29,881	33,365	-10.4%	32,266	-7.4%	**To watch out for:** Demand trends in the Capco business, challenges in executing cost takeout and vendor consolidation deals, overall demand environment and the pace of TCV conversion into revenue.
EPS (INR)	2.8	3.1	-10.4%	3.1	-7.2%	

LTIM						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (USD Mn)	1,174	1,153	1.8%	1,127	4.2%	We expect 1.8% QoQ increase in USD revenue, with Communications vertical stabilising in near term and long-term support from BFSI opportunities. In Q1FY26, LTIM recorded TCV of USD 1.63Bn (one mega deal of USD 450Mn with global Agri leader). Though BFSI and Hi-Tech remain cautious for LTIM, we see long-term growth opportunities in Technology, Media & Communications, with clients pivoting to AI.
Revenue (INR Mn)	102,477	98,406	4.1%	94,329	8.6%	
EBITM (%)	15.1%	14.3%	80 bps	15.5%	(40) Bps	Margin is expected to expand by 77bps QoQ at 15.1% led by 2% INR depreciation against USD and further aided by the Fit4Future cost optimisation program. HLS vertical is expected to recover.
PAT (INR Mn)	12,967	12,541	3.4%	12,510	3.6%	**To watch out for:** Progression of the deal pipeline, conversion of TCV to revenue, overall demand environment, vertical-wise performance outlook and margin trajectory.
EPS (INR)	43.7	42.2	3.4%	42.2	3.7%	

MPHASIS						
	Q2FY26E	Q4FY25	QoQ	Q1FY25	YoY	Comments
Revenue (USD Mn)	446	437	2.1%	421	5.9%	We expect 2% QoQ growth in USD revenue as the company reported strong TCV growth of 95% QoQ, reaching USD 760Mn in Q1FY26, with 68% of the pipeline being AI-led. BFSI continues to stay positive with ramp ups in three large deals (USD 100Mn+) and another large deal (USD 50Mn+) signed in Q1. Logistics vertical, which had de-grown in Q1, is expected to see recovery.
Revenue (INR Mn)	38,917	37,325	4.3%	35,361	10.1%	
EBITM (%)	15.4%	15.3%	10 bps	15.4%	0 bps	We expect slight expansion in margin QoQ at 15.4% in Q2 led by higher fixed price projects mix, leaner employee additions and currency benefits. The company's guided EBITM margin stand in the range of 14.75%–15.75%.
PAT (INR Mn)	4,722	4,417	6.9%	4,233	11.6%	**To watch out for:** Commentary on conversion of pipeline to TCV, demand environment and outlook on logistics.
EPS (INR)	24.7	23.1	6.9%	22.2	11.3%	

COFORGE						
	Q2FY26E	Q4FY25	QoQ	Q1FY25	YoY	Comments
Revenue (USD Mn)	467	442	5.5%	369	26.4%	We expect 5.5% QoQ growth in USD revenue, which will be contributed by record order intake of USD 507Mn and an executable order book of USD 1.55Bn as reported in Q1. This resilience in performance is led by Coforge's hyper-specialisation in verticals, such as Travel, Financial Services, & Healthcare and its deep engineering capabilities, led by AI platforms like Forge-X.
Revenue (INR Mn)	40,748	36,886	10.5%	30,623	33.1%	
EBITM (%)	13.5%	13.1%	40 bps	11.7%	180 bps	We expect margin expansion of 40bps QoQ at 13.5% in Q2 aided by operational efficiencies and lower ESOP costs, which will help offset salary hike pressure. Moreover, the company remains confident of achieving 14% EBITM for FY26.
PAT (INR Mn)	3,496	3,174	10.2%	2,022	72.9%	**To watch out for:** Performance outlook from recent acquisitions, demand environment, margin trajectory & deal conversion timelines.
EPS (INR)	10.3	9.38	10.1%	6.1	70.5%	

PSYS						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (USD Mn)	403	390	3.5%	346	16.7%	We expect 3.5% QoQ growth in USD revenue as the company reported strong TCV of USD 520.8Mn, including USD 337Mn in new bookings in Q1FY26. The company reiterated its goal to achieve USD 2Bn in revenue by FY27, driven by healthy, profitable growth backed by acquisitions. BFSI would continue to lead growth, while Healthcare and Life Sciences, which was down in Q1, is expected to witness recovery.
Revenue (INR Mn)	35,189	33,336	5.6%	28,972	21.5%	
EBITM (%)	15.5%	15.5%	0 bps	14.0%	150 bps	We expect flat margin QoQ at 15.5% in Q2 aided by strong growth led by operational efficiency and currency benefits. The company aims to improve its margins by 200–300 bps by FY27 (from 14.7% in FY25), driven by a focus on profitable and sustainable growth.
PAT (INR Mn)	4,207	4,249	-1.0%	3,250	29.5%	**To watch out for:** Improvement in the demand environment, vertical-wise performance trends, evolution of the deal pipeline, discretionary spending patterns and margin levers.
EPS (INR)	26.9	27.2	-1.1%	21.0	28.1%	

DATA						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (INR Mn)	4,865	4,676	4.0%	4,067	19.6%	We expect 4% QoQ growth in INR revenue with the Digital Operations business unit being normalised in Q2 aided by currency benefit. Digital Technologies as well as Digital Experience business units should also see recovery. Moreover, TNQtech acquisition, completed in Q4FY25, will continue to contribute to mid-single digit organic growth for FY26.
EBITM (%)	9.6%	12.1%	(250) Bps	9.7%	(10) bps	We expect almost flat margin QoQ at 12% in Q2 led by recovery in all business units aided by currency benefit. The company had guided EBITDAM to expand by 50-150 bps YoY in FY26 led by cost optimisation program. Amongst business units, Digital operations would lead margin expansion in FY26 aided by integration of TNQ revenues. In addition, the EBITM of Digital Technologies unit is also expected to improve by 100 bps YoY.
PAT (INR Mn)	461	504	-8.5%	424	8.7%	**To watch out for:** Performance across strategic accounts, progress on geographic expansion, momentum in new deal wins, pipeline velocity, and how recent acquisitions are expected to strengthen the company's positioning and drive future performance.
EPS (INR)	7.8	8.5	-8.5%	7.2	8.6%	

HAPPSTMN						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (USD Mn)	65	64	0.5%	62	3.7%	We expect modest growth of 0.5% QoQ in USD revenue in Q2 due to delayed deal closures. Nevertheless, the company reiterates its double-digit growth guidance for FY26, anticipating that the delayed deals will convert in H2FY26. Health-Care and BFSI verticals continue to outgrow and gain strong momentum. Pure Software Acquisition is growing at a good pace led by Arttha Banking Platform. Hi-Tech is expected to report flat to moderate growth. Retail & CPG vertical is anticipated to show some negative impact from the tariff policy, while EdTech vertical is likely to report flat growth.
Revenue (INR Mn)	5,644	5,499	2.6%	5,216	8.2%	
EBITM (%)	12.1%	13.0%	(90) bps	13.2%	(110) bps	We expect 90bps QoQ contraction in EBIT margins, primarily due to the impact of salary hikes. However, this is likely to be partially offset by improved utilization driven by leaner headcount additions, a higher mix of fixed-price projects, efficiency gains from GenAI-led operations, and favorable currency movements. The company has maintained its EBITDA margin guidance in the 20–22% range for FY26.
PAT (INR Mn)	558	571	-2.3%	495	12.7%	**To watch out for:** Organic growth outlook for FY26, overall demand environment, margin trajectory, potential acquisition targets and likely software product launches.
EPS (INR)	3.7	3.7	-2.1%	3.3	12.8%	

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ZENT						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (USD Mn)	163	162	0.5%	156	4.3%	We expect modest 0.5% QoQ growth in USD revenue led by demand weakness in TMT vertical. However, BFSI and Healthcare verticals will continue to stay positive MCS vertical is expected to rebound. ZENT's deal momentum is increasingly being driven by AI, which propels 30% of its active pipeline. In Q1FY26, its TCV stood at USD 172Mn, with a strategic shift from vendor consolidation deals to innovative large deals.
Revenue (INR Mn)	14,211	13,850	2.6%	13,080	8.6%	
EBITM (%)	12.8%	13.5%	(70) bps	13.1%	(30) bps	We expect 76bps QoQ contraction in EBITM at 12.8% in Q2 led by salary hikes and potential ESOP & ASR costs, which to some extent will be offset by currency benefit. The company is committed to maintain margins in the mid-teens range in FY26 by focusing on growth with less headcount addition, leveraging AI and maintaining high utilisation rates.
PAT (INR Mn)	1,752	1,820	-3.7%	1,557	12.5%	**To watch out for:** Commentary on large deals and conversion, TMT performance & outlook, margin trajectory and inorganic growth plans.
EPS (INR)	7.6	7.9	-3.8%	6.8	11.7%	

ER & D Services

LTTS						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (USD Mn)	339.1	335.3	1.1%	306.7	10.6%	We expect 1.1% QoQ growth in USD terms for Q2FY26, led by recovery from a seasonally weak Q1FY26. H2FY26 should outperform H1, supported by deal ramp-ups. Sustainability is likely to drive growth, while Mobility and Hi-Tech to remain soft.
Revenue (INR Mn)	29,672.0	28,660.0	3.5%	25,729.0	15.3%	
EBITM (%)	13.4	13.3	10 bps	15.1	(166) bps	Margins are expected to remain broadly stable, with a modest 10 bps QoQ improvement. Execution on key levers such as delivery pyramid optimisation and higher offshoring will be critical. Q2FY26 margins should mark a bottom ahead of H2 recovery.
PAT (INR Mn)	3,030.9	3,157.0	(4.0)%	3,196.0	(5.2)%	**To watch out for:** Retention of FY26 double-digit revenue growth guidance, commentary on Mobility turnaround and pace of signing of new deals will be important.
EPS (INR)	28.6	29.8	(4.0)%	30.1	(5.2)%	

TELX						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (USD Mn)	104.5	105.1	-0.5%	114.0	-8.3%	We expect -0.5% QoQ de-growth in USD terms for Q2, supported by ramp-up in Transportation and recovery in Media & Communications, partly offset by softness in HLS. JLR cybersecurity incident is likely to have a temporary impact.
Revenue (INR Mn)	914.6	892.1	2.5%	955.1	-4.2%	
EBITM (%)	18.1	18.2	(10) Bps	25.1	(694) Bps	EBIT margin likely to decline 10 bps QoQ, reflecting wage hikes and JLR-related impact. Margins are expected to recover gradually over the next three quarters, though FY26 levels may remain below FY25.
PAT (INR Mn)	149.2	144.4	3.3%	229.4	-35.0%	**To watch out for:** Commentary on Tier-1/OEMs R&D spends, deal pipeline, HLS vertical and impact of JLR cybersecurity incident.
EPS (INR)	24.0	23.2	3.3%	36.8	-35.0%	

KPITTECH						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (USD Mn)	177.8	177.8	0.0%	173	2.8%	We expect flat QoQ growth in USD revenue in Q2 aided by Caresoft acquisition. However, on an organic basis, the revenue would de-grow by 2% QoQ. The demand landscape for automotive sector globally remains challenged by cost pressure faced by OEMs aggravated by geopolitical uncertainty. EV delays outside China shift attention to hybrids; SDV rollouts has been postponed.
Revenue (INR Mn)	15517.0	15387.6	0.8%	14714.1	7.8%	
EBITM (%)	16.0%	17.0%	(96) bps	16.7%	(69) bps	We expect 96 bps QoQ contraction in EBIT margins at 16% largely because of salary hikes impact, which to some extent will be offset by currency benefit. The company has guided to maintain more or less flat margins YoY at 21% in FY26 led by diversified models and platform-based offering. It will thus move away from time and material billing to fixed-price billing (62.5% in Q1) to counter margin pressure.
PAT (INR Mn)	1810.4	1719.0	5.3%	2037.4	-11.1%	
EPS (INR)	6.6	6.3	5.3%	7.5	-11.1%	**To watch out for:** Update on spending by European OEMs, budget allocation, CV segment trends and China market developments.

CYL						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Cons. Revenue (USD Mn)	203.3	200.0	1.7%	220.0	(5.8)%	Digital, Engineering and Technology (DET) business is expected to grow at 0.2% QoQ in USD terms, with signs of stabilisation amid a still challenging external environment. Recovery in Aerospace should sustain, while the Energy vertical faces some furlough impact.
DET Revenue (USD Mn)	163.0	162.7	0.2%	173.0	(7.6)%	
DET EBITM (%)	12.2	12.0	20 Bps	14.2	(200) Bps	DET EBIT margin likely at 12.2%, up 20 bps QoQ led by currency tailwinds and tapering effect of wage hike.
Cons. PAT (INR Mn)	1.6	1.5	4.5%	1.8	(8.2)%	**To watch out for:** Progress on new logo addition and deal wins in Q2FY26 will be critical to improving visibility for H2FY26E.
Cons. EPS (INR)	14.5	13.9	4.5%	16.1	(8.2)%	

Internet Companies

INMART						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Collections (INR Mn)	3,700.0	4,300.0	-14.0%	3,370.0	9.8%	We expect 4.8% QoQ de-growth in consolidated revenue, reflecting moderation in overall collections growth and a churn rate broadly in line with the previous quarter.
Standalone Revenues	3,293.0	3,460.0	-4.8%	3,320.0	-0.8%	
Consolidated Revenues	3,583.0	3,721.0	-3.7%	3,477.0	3.0%	
EBITDAM (%)	33.0	35.9	(286) Bps	38.7	(569) Bps	EBITDA margins are expected to decline by 286 bps QoQ, primarily due to higher investments in sales & marketing, partial ESOP expenses and muted revenue growth.
PAT (INR Mn)	1,319.8	1,535.0	-14.0%	1,351.0	-2.3%	**To watch out for:** Commentary on growth in paying supplier base, customer churn and retention metrics. Performance across subscription categories, particularly 'Silver' plans, alongside investments in sales & marketing and their impact on margins.
EPS (INR)	22.0	25.6	-14.0%	22.5	-2.4%	

NAZARA						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (INR Mn)	4,108.1	4,987.7	(17.6)%	3,189.4	28.8%	We expect consolidated revenue to decline by 17.6% QoQ in Q2, largely due to the de-consolidation of the Nodwin business. Growth is expected to be supported by a recovery in AdTech (after a soft Q1), along with healthy traction in Fusebox and Freemium businesses, while Kiddopia and Sportskeeda are likely to remain flat.
EBITDAM (%)	11.0	9.5	149 Bps	7.9	311 Bps	EBITDA margins are expected to expand by 150 bps QoQ, aided by the de-consolidation of the lower-margin Nodwin business and normalisation of elevated advertising spends from Q1.
PAT (INR Mn)	518.3	534.6	(3.0)%	238.3	117.5%	**To watch out for:** Commentary on the impact of the online gaming bill on its stake in PokerBaazi, clarity on the proposed Nodwin de-consolidation, progress in scaling up of the gamified early learning segment and growth plans for Smaaash.
EPS (INR)	3.8	6.0	(36.7)%	2.7	42.0%	

ALDS						
	Q2FY26E	Q1FY26	QoQ	Q2FY25	YoY	Comments
Revenue (INR Mn)	2,255.4	2,190.2	3.0%	2,030.2	11.1%	We expect a modest 3% QoQ growth in Q2, supported by steady contribution from both, Services and Solutions segments and partial ramp-up of Pune smart city project.
EBITDAM (%)	9.0	8.6	40 Bps	9.5	(46) Bps	EBITDA margins are expected to improve moderately by 40 bps QoQ, growth in margins is primarily impacted by a higher share of solutions revenue, which partly offsets operating leverage gains.
PAT (INR Mn)	111.6	144.4	(22.7)%	116.0	(3.8)%	**To watch out for:** Commentary on new deal wins across Services and Solutions segments, client addition and retention trends, pipeline visibility for H2 and updated timeline for revenue and margin outlook.
EPS (INR)	1.8	2.3	(22.7)%	1.8	(1.1)%	

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BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in statis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

***Large Cap: More Than INR 20,000 Cr Market Cap**
***Mid & Small Cap: Less Than INR 20,000 Cr Market Cap**

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Q2FY26 Quarterly Results Preview