

## Sagility India Ltd.

10-09-2025

Sector: IT

Security Not Under ASM: ☒

LTP	Recommendation	Target	Stop Loss	Return
Rs.43.6	Buy between Rs. 44– 45	Rs. 55	Rs.39	+26%
SENSEX	Market Cap	NSE Code	BSE Code	Time Frame
81,101	Rs.20,401cr	SAGILITY	544282	3-6 Months

Data as of: 09-09-2025

52W H/L	Group	F&O Listed	Div. Yield	D/E
Rs.56/ Rs.27	A	NO	0.0%	0.17
Consolidated (Rs.cr)	FY25A	FY26E	FY27E	
Revenue	5,570	6,887	7,805	
Growth (%)	17	24	13	
EBITDA	1,354	1,602	1,843	
EBITDA Margin(%)	24.3	23.3	23.6	
Adj. PAT	539	747	961	
Growth (%)	136	18	29	
EPS	1.2	1.6	2.0	
Growth (%)	136	18	29	
RoE (%)	7.3	8.5	10.0	
Valuation	FY25A	FY26E	FY27E	
P/E (x)	38	27	22	
Price/Book Value	2.3	2.3	2.1	
EV/EBITDA	16	13	12	
Price Performance	3 Month	6 Month	1 Year	
Absolute Return (%)	6.5	-1.8	-	
Absolute Sensex (%)	-1.6	9.1	-0.6	
Shareholding (%)	Q3FY25	Q4FY25	Q1FY26	
Promoters	82.39	82.39	67.38	
FII's	3.77	3.39	5.99	
MFs/Institutions	7.25	7.47	14.07	
Public	6.59	6.75	12.57	
Total	100.0	100.0	100.0	
Promoter pledge	NIL	NIL	NIL	

### Fundamental View

**Sagility India Ltd.** is a healthcare-focused, technology-enabled solutions provider, serving primarily U.S. health insurers (Payers) and, to a lesser extent, hospitals, physicians, and medical device companies (Providers). Headquartered in Bengaluru, it operates 33 centres across India, the U.S., and other global markets. In Q1FY26, 88.4% of revenue was derived from payers, with the remainder from providers.

- In Q1FY26, Sagility posted revenue of Rs.1,539cr, up 26% YoY, supported by steady growth across payer and provider segments. Operating EBITDA stood at Rs. 356cr with a 23% margin. Net profit rose 577% YoY to Rs.149cr, though it declined 19% sequentially.
- In Q1, Sagility secured \$32mn in new contracts across 18 existing and 4 new clients. The BroadPath acquisition is expected to drive cross-selling opportunities and support growth. Management maintained its FY26 organic growth guidance in the low-to-mid teens, with overall growth projected above 20%.
- Cuts in U.S. Federal Medicaid funding pose challenges for Payers and Providers, though Sagility's limited mid-single-digit exposure reduces risk. Growing Medicare utilization continues to favour outsourcing by Payers & Providers to manage costs. The management has increased FY26 EBITDA margin guidance, supported by automation, cost controls, and expected H2 strength.
- Sagility's revenue outlook remains resilient, supported by a strong order pipeline, non-discretionary spend focus, higher-margin offshore delivery, and seasonally stronger H2. The stock trades at 24x 1-year forward P/E, based on market consensus, which we believe is attractive given its niche business model in the BPO segment.

### Technical View

- Sagility India Ltd is trading at ₹43.54, consolidating near the upper boundary of a downward-sloping trendline, signaling a potential breakout from the highs of January 2025 to recent peaks.
- Today's price action confirms this optimism, with the formation of a bullish candlestick pattern accompanied by a higher high and higher low structure on the daily chart. Additionally, the stock has reclaimed its 100-DMA, signaling a positive bias and reinforcing the potential for further upside.
- Momentum indicators further support this outlook. The RSI (14) is currently at 50, gradually rising and showing positive momentum, while the MACD is nearing a bullish crossover above its signal line, adding further weight to the breakout scenario.
- Given the improving price action and technical indicators, a buy call can be considered within the range of ₹43-44, targeting a potential breakout from the resistance zone, with an optimistic outlook for further upside in the coming sessions.

### Price Chart



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