

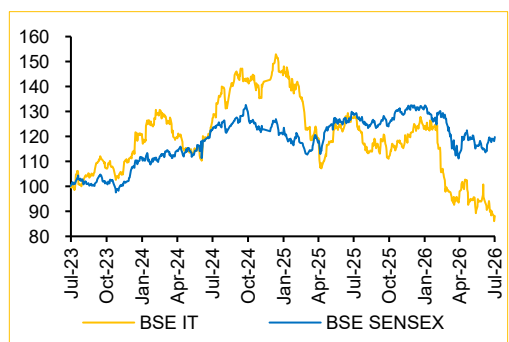
New-Age Tech: Q1FY27 Quarterly Results Preview

Sector View: Positive

Growth Sustains Across Digital Businesses; Margin Outlook Remains Mixed

Recommendation			
Company (Ticker)	CMP (INR)	TP (INR)	Rated
OFSS	11,002	10,890	BUY
INDA	750	1,250	BUY
AUPS	818	1,250	BUY
MEESHO	190	210	ADD
NAZARA	296	400	BUY
INMART	1,902	2,340	ADD
FRACTAL	819	1,250	BUY
DATA	848	920	ADD

Relative Performance (%)			
YTD	3Y	2Y	1Y
BSE IT	(30.8)	(30.8)	(11.9)
OFSS	173.1	4.0	27.2
INDA	16.8	(31.1)	(35.1)
AUPS	67.6	(49.3)	(49.3)
MEESHO	NA	NA	NA
NAZARA	63.1	28.0	(11.9)
INMART	(30.8)	(32.4)	(27.0)
FRACTAL	NA	NA	NA
DATA	37.4	25.4	15.8



Kunal Bajaj
Email: kunal.bajaj@choiceindia.com
Ph: +91 22 6707 9901

Avi Jhaveri
Email: kunal.bajaj@choiceindia.com
Ph: +91 22 6707 9901

Rushil Katiyar
Email: rushil.katiyar@choiceindia.com
Ph: +91 22 6707 9901

Peer Comparison

Company	CMP (INR)	TP (INR)	Revenue CAGR (FY26-29E)	EPS CAGR (FY26-29E)	EBITDAM (%)				EPS (INR)				PE (x)			
					FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E
OFSS	11,002	10,890	10.3%	13.1%	45.3	46.9	47.3	47.5	303.5	346.0	388.8	439.6	36.2	31.8	28.3	25.0
INDA	750	1,250	17.7%	36.8%	19.1	21.2	24.1	25.0	25.0	39.0	52.0	63.9	30.0	19.2	14.4	11.7
AUPS	818	1,250	28.2%	29.4%	20.0	19.4	20.0	21.0	38.9	51.5	61.9	84.3	21.0	15.9	13.2	9.7
MEESHO	190	210	33.3%	NA	(11.8)	(2.1)	0.6	4.0	(3.1)	0.0	1.3	3.7	NA	NA	151.6	51.8
NAZARA	296	400	50.1%	85.9%	13.9	17.1	18.1	18.6	2.2	4.4	7.5	13.4	134.3	67.2	39.4	22.1
INMART	1,902	2,340	11.2%	14.8%	33.8	33.0	33.5	33.7	78.8	92.8	106.4	119.5	24.1	20.5	17.9	15.9
FRACTAL	819	1,250	36.3%	44.9%	15.4	18.9	21.6	23.2	17.2	27.2	40.4	52.3	47.6	30.1	20.3	15.6
DATA	848	920	17.3%	19.0%	18.7	18.5	18.4	18.6	32.9	44.3	49.0	55.3	25.8	19.1	17.3	15.3

Platform-led Growth Continues: Demand environment for the software vendors catering to the BFSI sector remains strong, supported by continued investments in core banking modernization, digital payments, and platform-led transformation. Revenue growth is expected to remain robust across our coverage, while EBITDA margin is likely to remain stable, supported by a favorable revenue mix and disciplined execution.

Internet companies in our coverage are expected to report healthy revenue growth, while margin trajectories remain mixed. Focus continues to remain on scaling the user base on its platform both organically and through acquisitions. Enterprise AI adoption continues to accelerate in AI-led service companies. **Our top investment ideas remain Fractal Analytics, Meesho, and Aurionpro, driven by their strong growth prospects and execution momentum.**

Banking Software Companies – Healthy revenue growth is expected, while EBITDA margin remain stable

- OFSS is expected to report a strong Q1FY27, with **9.8% QoQ** revenue growth and continued EBITDA margin expansion, driven by the **USD 100 Mn perpetual license deal** secured in May'26.
- INDA is expected to report **flat QoQ and 19.5% YoY** revenue growth, supported by continued traction in the **Purple Fabric platform**, while growth in license-linked revenues is expected to outpace implementation revenues.
- AUPS is expected to deliver strong revenue growth of **13.1% QoQ and 16.0% YoY**, driven by strong execution in the TIG segment and a recovery in the Banking & FinTech business following a **large North American deal win**. EBITDA margin is likely to remain stable at **20.2%** as the company balances growth investments with margin discipline.

Internet Companies – Healthy revenue growth is expected across the internet universe, while margin trajectories remain mixed

- MEESHO is expected to sustain its growth momentum with **~43% YoY** growth expected in revenues, driven by continued expansion of its **seller ecosystem and annual transacting user base**. Contribution margin is expected to expand supported by **logistics normalisation** and steady progress in **ad monetization**.
- INMART's revenue is expected to grow **4.4% QoQ and 13.5% YoY**, supported by collections and deferred revenue. Margin may improve by **20 bps to 33.0%** on incremental revenue growth.
- NAZARA' revenue is expected to grow **10.8% QoQ**, driven by AdTech and Fusebox. However, EBITDAM is likely to fall **750 bps** as Curve Games normalises after a strong Q4 and AdTech weakness outweighs Kiddopia's margin recovery.

AI-led Service Companies – Enterprise AI adoption remains a key growth driver, with companies at different stages of monetization.

- DATA is expected to report a **3.7% QoQ** decline in revenue due to a high base effect in Q4FY26, while EBITDA margin is likely to expand by **125 bps YoY to 17.5%**, supported by currency tailwinds and improved profitability in the Digital Operations segment.
- FRACTAL is expected to report a **2.8% QoQ** revenue growth, driven by continued client expansion while EBITDA margin is likely to decline marginally to **15.9%** due to sustained investments.

OFSS						
	Q1FY27E	Q4FY26	QoQ	Q1FY26	YoY	Comments
Revenue (INR Mn)	22,535	20,652	9.1	18,522	21.7	▪ We estimate OFSS to report strong revenue growth of 9.1% QoQ and 21.7% YoY in Q1FY27, primarily driven by the USD 100 Mn perpetual license deal secured in May'26.
EBITDA (INR Mn)	10,819	10,563	2.4	8,463	27.8	▪ Margin is expected to expand by 230 bps YoY to 48.0% as the perpetual license deal carries high incremental margin and will drive both revenue and margin expansion.
EBITDA (%)	48.0	51.1	(314) bps	45.7	232 bps	
PAT (INR Mn)	8,240	8,417	(2.1)	6,419	28.4	▪ To watch out for: (1) Commentary on demand environment; (2) Overall deal momentum post winning the large perpetual deal (3) Growth in key markets such as USA, Asia Pacific & Middle East & Africa regions (4) Dividend Declared
EPS (INR)	94.7	96.7	(2.1)	73.9	28.2	
INDA						
	Q1FY27E	Q4FY26	QoQ	Q1FY26	YoY	Comments
Revenue (INR Mn)	8,382	8,470	(1.0)	7,017	19.5	▪ We estimate INDA to report flat QoQ revenue growth and 19.5% YoY growth, driven by continued traction in the Purple Fabric platform, which is expected to sustain momentum in subscription revenues. However, deal momentum is likely to remain soft due to the deferment of certain deals.
EBITDA (INR Mn)	1,718	1,834	(6.3)	1,433	19.9	▪ EBITDA margin is expected to remain flat on a YoY basis to as the company continues to remain in an investment led transition phase.
EBITDA (%)	20.5	21.6	(115) bps	20.4	7 bps	
PAT (INR Mn)	1,207	1,202	0.4	945	27.8	▪ To watch out for: (1) Management commentary on overall BFSI spending (2) Purple Fabric Adoption and growth in ARR; (3) Number of deal wins and growth in deal pipeline (4) Margin protection amid heavy investment phase (5) Expansion of partnerships with system integrators
EPS (INR)	8.7	8.7	0.6	6.9	27.5	
AUPS						
	Q1FY27E	Q4FY26	QoQ	Q1FY26	YoY	Comments
Revenue (INR Mn)	3,907	3,456	13.1	3,368	16.0	▪ We estimate AUPS to report 13.1% QoQ & 16.0% YoY revenue growth on account strong growth momentum in the TIG segment. Growth in Banking & Fintech vertical is also expected to recover as the company won one of its largest fintech deal in North America.
EBITDA (INR Mn)	789	668	18.1	682	15.7	▪ EBITDA margin is expected to broadly remain stable at 20.2% on a YoY basis as company balances its investments and profitability
EBITDA (%)	20.2	19.3	86 bps	20.2	(4) bps	
PAT (INR Mn)	645	624	3.4	513	25.8	▪ To watch out for: (1) Deal closures and project execution in Middle East region (2) Data Centre Business ramp-up (3) Orderbook and overall deal momentum in Banking & Fintech as well as TIG vertical; (4) International expansion in Europe & North America; (5) EBITDA margin trajectory
EPS (INR)	11.8	11.4	3.4	9.6	23.8	
MEESHO						
	Q1FY27E	Q4FY26	QoQ	Q1FY26	YoY	Comments
Revenue (INR Mn)	35,759	35,312	1.3	25,039	42.8	▪ We estimate MEESHO to report strong revenue growth of 42.8% YoY, driven by the continued expansion of its seller ecosystem and annual transacting user base. GMV is expected to increase by 21.0% YoY to INR 183 Bn, supported by robust order growth, while AOV is likely to remain stable.
EBITDA (INR Mn)	(1,501)	(2,548)	41.1	(2,644)	43.2	▪ EBITDA margin is likely to improve on a YoY basis to -4.2% due to gradual improvement in contribution margin, supported by logistics normalisation and steady progress in ad monetization.
EBITDA (%)	(4.2)	(7.2)	302 bps	(10.6)	636 bps	
PAT (INR Mn)	(788)	(1,663)	52.6	(2,894)	72.8	▪ To watch out for: (1) Growth in annual transacting users, seller base, placed orders and order frequency; (2) Increasing share of deliveries fulfilled through its insourcing arm Valmo; (3) Growth in advertising monetization revenues; and (4) Improvement in Contribution Margin.
EPS (INR)	(0.2)	(0.4)	52.6	(0.7)	74.9	

NAZARA						
	Q1FY27E	Q4FY26	QoQ	Q1FY26	YoY	Comments
Revenue (INR Mn)	4,409	3,978	10.8	4,988	(11.6)	<ul style="list-style-type: none"> We expect revenue to grow 10.8% QoQ, supported by stable performance across the gaming portfolio, with the AdTech business and Fusebox driving growth. The timing of BlueTile's consolidation in Q1 remains uncertain and could be deferred to subsequent quarters.
EBITDA (INR Mn)	529	776	(31.8)	474	11.6	<ul style="list-style-type: none"> We expect the EBITDAM to decline by 750 bps QoQ, due to weakness in Curve Games following strong Q4 billings and continued pressure in AdTech amid a softer monetisation environment. Kiddopia's margin recovery should provide a partial offset, though consolidated profitability is likely to remain subdued.
EBITDA (%)	12.0	19.5	(750) bps	9.5	250 bps	
PAT (INR Mn)	97	469	(79.3)	535	(81.9)	<ul style="list-style-type: none"> To watch out for: (1) Gaming business KPIs; (2) Update on the consolidation of BlueTile and Bestplay; (3) Impact of recent online gaming regulations across the gaming portfolio; (4) Margin drivers and outlook (5) Cross-sell opportunities across the gaming portfolio following the acquisitions.
EPS (INR)	0.3	1.3	(79.2)	6.0	(95.3)	
INMART						
	Q1FY27E	Q4FY26	QoQ	Q1FY26	YoY	Comments
Revenue (INR Mn)	4,222	4,043	4.4	3,721	13.5	<ul style="list-style-type: none"> We expect revenue to increase 4.4% QoQ and 13.5% YoY, supported by healthy collections and deferred revenue. Weak MSME demand is expected to keep subscriber additions under pressure, with an estimated net subscriber decline of ~1,000 QoQ.
EBITDA (INR Mn)	1,393	1,326	5.1	1,335	4.3	<ul style="list-style-type: none"> Margin is expected to improve marginally by 20 bps QoQ to 33.0% in Q1FY27, supported by operating leverage from incremental revenue growth.
EBITDA (%)	33.0	32.8	20 bps	35.9	(290) bps	
PAT (INR Mn)	1,196	502	138.2	1,535	(22.1)	<ul style="list-style-type: none"> To watch out for: (1) Operating environment and demand trends across SMEs and MSMEs; (2) Churn levels across customer segments; (3) Outlook for subscriber additions; (4) Progress on AI-led platform enhancements and associated monetisation opportunities (5) Management commentary on the margin outlook amid ongoing investment initiatives.
EPS (INR)	19.9	8.4	138.2	25.6	(22.1)	
FRACTAL						
	Q1FY27E	Q4FY26	QoQ	Q1FY26	YoY	Comments
Revenue (INR Mn)	9,112	8,863	2.8	7,605	19.8	<ul style="list-style-type: none"> Revenue growth is likely to remain healthy at 2.8% QoQ, driven by existing client expansion and AI-led engagements across BFSI, CPG, healthcare, and technology verticals. GenAI and Agentic AI projects should continue to gain traction, with clients increasingly moving from pilots to production deployments.
EBITDA (INR Mn)	1,813	1,802	0.6	1,027	76.5	<ul style="list-style-type: none"> Margin is expected to decline marginally by 30 bps QoQ to 15.9% for Q1FY27 led by continued R&D and Sales & Marketing investments, although operational efficiencies should partially offset these costs.
EBITDA (%)	19.9	20.3	(43) bps	13.5	639 bps	
PAT (INR Mn)	1,557	1,158	34.5	377	313.0	<ul style="list-style-type: none"> To watch out for: 1) Large deal wins, 2) Expansion within existing strategic accounts, 3) Commentary on discretionary spending, 4) Any increase in high-value AI transformation engagements should be viewed positively, 5) Growth outlook across key verticals, particularly BFSI and CPG.
EPS (INR)	9.3	6.7	38.6	2.1	344.3	
DATAMATICS						
	Q1FY27E	Q4FY26	QoQ	Q1FY26	YoY	Comments
Revenue (INR Mn)	4,999	5,193	(3.7)	4,676	6.9	<ul style="list-style-type: none"> We expect DATA's revenue to decline by 3.7% QoQ on account of a strong base effect in Q4. DATA's organic growth outlook for FY27E remains conservative in high-single digit, accounting for global uncertainty and AI led disruption.
EBITDA (INR Mn)	875	1,106	(20.9)	759	15.2	<ul style="list-style-type: none"> We expect EBITDA margin to expand by 125 bps YoY to 17.5% in Q1FY27, led by currency tailwinds and margin improvement in Digital Operations segment
EBITDA (%)	17.5	21.3	(380) bps	16.2	126 bps	
PAT (INR Mn)	593	449	32.1	504	17.7	<ul style="list-style-type: none"> To watch out for: Performance across strategic accounts, momentum in new deal wins, outlook across its three business units, client conversation trends, and outlook across its verticals.
EPS (INR)	10.0	7.5	34.2	8.5	17.8	

Institutional Research Team			
Utsav Verma, CFA	Head of Institutional Research, India Equity Strategy and Small and Midcaps	utsav.verma@choiceindia.com	+91 22 6707 9440
Purvi Mundhra	Economist	purvi.mundhra@choiceindia.com	+91 22 6707 9241
Ambrish Shah	Analyst - Power	ambrish.shah@choiceindia.com	+91 22 6707 9251
Ashutosh Murarka	Analyst – Building Materials	ashutosh.murarka@choiceindia.com	+91 22 6707 9521
Bhavik Shah, CFA	Analyst – Metals & Mining	Bhavik.shah@choiceindia.com	+91 22 6707 9521
Deepika Murarka	Analyst – Healthcare	deepika.murarka@choiceindia.com	+91 22 6707 9513
Dhaval Popat	Analyst – Energy	dhaval.popat@choiceindia.com	+91 22 6707 9949
Fenil Brahmhatt	Analyst – Realty & Building Materials	fenil.brahmhatt@choiceindia.com	+91 22 6707 9930
Ishank Gupta	Analyst – NBFCs	ishank.gupta@choiceindia.com	+91 22 6707 9827
Karan Kamdar	Analyst – Consumer Discretionary, Small and Midcaps	karan.kamdar@choiceindia.com	+91 22 6707 9451
Kunal Bajaj	Analyst – Technology	kunal.bajaj@choiceindia.com	+91 22 6707 9901
Maitri Sheth	Analyst – Pharmaceuticals	maitri.sheth@choiceindia.com	+91 22 6707 9511
Putta Ravi Kumar	Analyst – Defence	ravi.putta@choiceindia.com	+91 22 6707 9908
Preeyam Tolia	Analyst – FMCG & Retail	preeyam.tolia@choiceindia.com	+91 22 6707 9987
Vijiya Rao	Analyst – AMC & Insurance	vijiya.rao@choiceindia.com	+91 22 6707 9531
Aayush Saboo	Sr. Associate– Realty	aayush.saboo@choiceindia.com	+91 22 6707 9930
Avi Jhaveri	Sr. Associate – Technology	avi.jhaveri@choiceindia.com	+91 22 6707 9901
Bharat Kumar Kudikyala	Sr. Associate – Building Materials	bharat.kudikyala@choiceindia.com	+91 22 6707 9930
Samarth Goel	Sr. Associate– Small and Midcaps	samarth.goel@choiceindia.com	+91 22 6707 9451
Subhash Gate	Sr. Associate – Autos	subhash.gate@choiceindia.com	+91 22 6707 9233
Heer Gogri	Associate – Small and Midcaps	heer.gogri@choiceindia.com	+91 22 6707 9433
Heet Chheda	Associate – Autos	heet.chheda@choiceindia.com	+91 22 6707 9233
Rushil Katiyar	Associate – Technology	rushil.katiyar@choiceindia.com	+91 22 6707 9901
Shreya Mehra	Associate – Technology	shreya.mehra@choiceindia.com	+91 22 6707 9535
Stuti Bagadia	Associate – Pharmaceuticals	stuti.bagadia@choiceindia.com	+91 22 6707 9511
Vinay Rawal	Associate – Small and Midcaps	vinay.rawal@choiceindia.com	+91 22 6707 9433

CHOICE RATING DISTRIBUTION & METHODOLOGY

Large Cap*	
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 stasis 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

Q1FY27 Quarterly Results Preview

Disclaimer & Disclosure

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Choice Equity Broking Private Limited is a registered Research Analyst Entity (Reg. No. INH000000222) CIN. NO.: U65999MH2010PTC198714. Reg. Add.: Sunil Patodia Tower, J B Nagar, Andheri (East), Mumbai 400099. Tel. No. 022-6707 9999 . Compliance Officer-Prashant Sallian. Tel. 022-6707 9999-Ext. 896. Email- Compliance@choiceindia.com. Grievance officer-Deepika Singhvi Tel.022-67079999- Ext-834.

Email- ig@choiceindia.com

The Company uses artificial intelligence tools as part of its research process, including data analysis and content generation. Notwithstanding the foregoing, all analysis, views, and recommendations are independently formulated and duly reviewed by qualified research analysts prior to issuance.

General Disclaimer:

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

This report ("Report") is prepared by Choice Equity Broking Private Limited as a Research Entity (hereinafter referred as "CEBPL") in its capacity as a SEBI-registered Research Analyst and is intended solely for informational and educational purposes. This Report is meant exclusively for the recipient and shall not be circulated, reproduced, or distributed, in whole or in part.

This Report does not take into account the specific investment objectives, financial situation, risk profile, or particular needs of any individual or class of investors and does not constitute a personal recommendation or investment advice. Any views, opinions, or recommendations expressed herein are based on publicly available information and internal analysis and are subject to change without notice.

Nothing contained in this Report shall be construed as an offer, solicitation, or inducement to buy, sell, or subscribe to any securities, derivatives, or other financial instruments, nor shall it be considered as investment, legal, accounting, or tax advice. Recipients are advised to conduct their own independent analysis and are encouraged to seek independent professional advice before making any investment or trading decisions.

The information contained in this Report has been compiled from sources believed to be reliable; however, CEBPL does not represent or warrant the accuracy, completeness, or reliability of such information. CEBPL, its directors, employees, or associates shall not be liable for any losses, damages, or expenses arising directly or indirectly from the use of or reliance upon this Report.

Investments in securities are subject to market risks. The price and value of investments and the income from them may fluctuate, and investors may incur losses. Past performance is not indicative of future results. Opinions expressed herein are as of the date of this Report and may differ from views expressed in other research reports due to differences in methodology, assumptions, or time horizons.

Disclaimers in respect of Jurisdiction:

This Report is not intended for distribution to, or use by, any person or entity who is a citizen or resident of, or located in, any jurisdiction where such distribution, publication, or use would be contrary to applicable laws or regulations, or would subject CEBPL to any registration or licensing requirements in such jurisdiction.

No action has been taken or will be taken by CEBPL in any jurisdiction outside India where such action would be required for distribution of this Report. Accordingly, this Report shall not be directly or indirectly distributed, published, or circulated in any such jurisdiction except in compliance with applicable laws and regulations.

Recipients of this Report are required to inform themselves of, and comply with, all applicable legal and regulatory restrictions at their own expense and without any liability to CEBPL. Any dispute arising out of or in connection with this Report shall be subject to the exclusive jurisdiction of the competent courts in Mumbai, India.

Disclosure on Ownership and Material Conflicts of Interest:

- "CEBPL", its Research Analyst(s), their associates and relatives may have any financial interest in the subject company covered in this Research Report.
- "CEBPL", its Research Analyst(s), their associates and relatives may have actual or beneficial ownership of one percent (1%) or more of the securities of the subject company, as on the last day of the month immediately preceding the date of publication of this Research Report.
- "CEBPL", its Research Analyst(s), their associates and relatives may have any other material conflict of interest at the time of publication of this Research Report.

Disclosure on Receipt of Compensation:

- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months.
- "CEBPL" or its associates may have managed or co-managed public offerings of securities for the subject company during the past twelve months.
- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months for investment banking, merchant banking or brokerage services.
- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months for products or services other than investment banking, merchant banking or brokerage services.
- "CEBPL" or its associates have not received any compensation or other benefits from the subject company or any third party in connection with the preparation or publication of this Research Report.
- Research Analyst may have served as an officer, director or employee of the subject company covered in this Research Report.
- "CEBPL" and Research analyst may engage in market-making activity in the securities of the subject company.

Details of Associates of CEBPL and Brief History of Disciplinary action by regulatory authorities are available on our website i.e. [www. https://choiceindia.com/research-listing](https://choiceindia.com/research-listing)

Copyright:

This research report is confidential and intended solely for the recipient. Unauthorized reproduction, distribution, or disclosure of this report, in whole or in part, in any form or by any means, without the prior written permission of the Company is strictly prohibited.