

# 2QFY26E IT Services Earnings Preview: Navigating challenges

- Increased macro concerns (started in Mar'25) has been keeping enterprise clients to remain cautious on incremental Tech led Services spend. But, at the same time demand trends are stable qoq in 2Q. Hence, with likely conversion of increasing deal wins (on cost-take-out side) into revenues, we expect most of the large caps to show some improvement in qoq CC US\$ Sales growth rates in 2Q vs. 1QFY26.
- We expect Top-6 large IT companies to report CC US\$ Sales growth of 0% to 2.1% qoq in 2Q (expect LTIM & Infy at close to upper end and Wipro IT Services close to lower end). In midcaps, we expect healthy qoq sales growth in Coforge, PSYS, R Systems and eClerx.
- Considering tailwinds from currency benefits (INR/US\$ depreciated by c.3% qoq in 2Q on an average for most companies) and benign supply-side issues, cost optimisation and productivity led gains, we expect good execution on EBITM to continue in 2Q with qoq dip of 36bps (for Wipro IT Services) to increase of 71bps in top-6 large caps.
- We believe that sector valuations will remain under check and range bound at least in the near-medium term considering (i) volatile macro environment (led by increasing geo-political issues/tariff related uncertainty), (ii) any higher demand from clients to pass on AI led productivity gains and (iii) rising investors caution related to any further changes in outsourcing/visa related rulings from USA unless further clarity emerges on most of the above issues ahead. However, we also believe that client may not materially postpone their investment in adopting GenAI/Agentic AI, for which they may drive further savings by awarding cost take out deals to invest into AI led transformation.

## Expect higher qoq Sales growth in most of Top 6 large caps in 2Q vs. 1Q:

We expect top 6 large caps to register qoq growth of flat to 2.1% in US\$ Sales in CC terms in 2QFY26E. We expect marginal positive impact of 2-28bps qoq from cross currency tailwinds across most of the top 6 large caps in 2Q. We expect healthy sales performance from some of the midcap companies incl. Coforge, PSYS, RSI and eClerx with expected US\$ Sales growth in the range of 3.6% to 5.8% qoq (PSYS at the lower end and Coforge at the upper end) in CC terms. We expect CC US\$ Sales growth to remain tepid in most the ER&D companies (led by soft demand continuing in Mobility/Auto) with LTTS to lead with expected 1.6% CC qoq growth in US\$ Sales in 2Q.

**Demand commentary likely to remain cautious:** We expect demand commentary to remain cautious (unless some certainty relating to tariff related issues emerges ahead). However, we believe vendors are still witnessing better demand tailwinds in BFSI. For 2QFY26E, we expect mix trends on deal TCv (on qoq basis). Key thing to watch will be management commentary regarding deal pipeline and any further delays in decision-making regarding deal awards and start/ramp up of earlier won deals.

**Expect some tweak in Infosys's FY26E Sales growth guidance:** We expect Infosys to guide for 2.0-3.0% CC growth in US\$ Sales (vs. current growth guidance of 1-3%; inorganic growth contribution from Versent Group unlikely to be factored into growth guidance given its pending closure) with no change in its EBITM guidance of 20-22% for FY26E. We expect no change in HCLT's CC US\$ Sales growth guidance of 3-5% (c.2-4% Organic) both for Services & Consol. US\$ Sales with no change in its Consol. EBITM guidance of 17-18% for FY26E. We expect Wipro to guide for (-) 0.5% to (+) 1.5% qoq growth in IT Services US\$ Sales for 3QFY26E in CC terms.

**Remain selective:** We recommend remaining selective and prefer Infosys/TechM amongst large caps and prefer Mphasis/Zensar/KPIT/eClerx amongst midcaps on a relative basis.

### Company Snapshot

Company	Reco.	CMP	Mkt Cap Rs. Bn.	Price Target	Target Date
Birlasoft	LONG	350	98	450	Sep'26
Coforge	ADD	1,613	536	1,845	Sep'26
Cyient	REDUCE	1,170	127	1,245	Jun'26
eClerx	LONG	3,928	187	4,185	Sep'26
HCL Tech	ADD	1,394	3,765	1,670	Sep'26
Infosys	LONG	1,447	5,993	1,795	Sep'26
KPIT Tech	LONG	1,158	314	1,540	Sep'26
LTTS	ADD	4,290	444	4,750	Sep'26
LTIM	ADD	5,120	1,518	5,500	Sep'26
Mphasis	LONG	2,737	512	3,130	Sep'26
Netweb	LONG	4,312	230	2,510	Sep'26
Persistent	REDUCE	5,069	770	5,215	Sep'26
R Systems	LONG	414	49	484	Sep'26
TCS	ADD	2,902	10,544	3,560	Sep'26
Tech M	LONG	1,401	1,387	1,800	Sep'26
Wipro	REDUCE	241	2,524	258	Sep'26
Zensar	LONG	760	175	900	Sep'26

### Analysts

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## Indian IT Services 2QFY26E earnings preview (Source for all tables: Company data, Bloomberg, Equirus)

Birlasoft (in mn)	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	151	151	0.2%	163	-7.5%	We expect 0.2% qoq growth in US\$ revenues (CC: growth of 0.5% qoq) largely led by deal ramp up but to be partly compensated by expected softness in discretionary/project-based spending in Manufacturing. Expect EBITM to increase qoq by 35bps led by Fx benefits.
Net Sales (Rs.)	13,326	12,849	3.7%	13,682	-2.6%	
EBIDTA	1,694	1,588	6.7%	1,653	2.5%	
EBIT	1,478	1,380	7.1%	1,431	3.3%	
PAT	1,062	1,064	-0.2%	1,275	-16.7%	Key things to look for: Any further update on growth strategy, order wins details and deal pipeline (esp. for large deals and deals in enterprise solutions), update on growth and margin outlook for FY26E, impact of volatile macro concerns on demand/its clients and dependency on H1B visas.
EPS (INR)	3.8	3.8	-0.3%	4.6	-17.2%	
EBIT Margin	11.1%	10.7%	35	10.5%	63	

Coforge (in mn)	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)	Comments & Outlook
US \$ Revenue (ex. Fx)	469	442	6.0%	369	26.9%	We expect US\$ sales (ex. Fx) to grow 6.0% qoq (with CC growth of 5.8% qoq) largely led by balance ramp up in Sabre deal besides ramp up of other deals. Inorganic growth contribution likely to be marginal. Consol EBIT margins (ex. Fx) expected to improve by 40bps largely led by tailwinds from Fx. We expect EBIT (incl. Fx) to be at 13.6% vs. 13.1% qoq. We expect marginal savings in ESOP related cost. We expect increase in ETR qoq. Deal TCV likely to remain healthy qoq.
Net Sales(Rs.) - ex. Fx	40,980	37,044	10.6%	30,690	33.5%	
EBIDTA - ex. Fx	7,406	6,600	12.2%	4,908	50.9%	
EBIT - ex. Fx	5,704	5,008	13.9%	3,665	55.6%	
PAT (Recurring)	3,602	3,220	11.9%	2,312	55.8%	Key things to look for: Demand trends across its focused industries, sales growth and margin guidance update for FY26E, pricing/attrition trends, Cigniti M&A update, deal pipeline/order book and client decision making for same, FCF generation and capital allocation strategy and dependency on H1B visas.
EPS (Recurring) INR	10.8	9.6	11.8%	6.9	55.2%	
EBIT Margin - ex. Fx	13.9%	13.5%	40	11.9%	198	

Cyient (in mn)	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	205	200	2.6%	221	-7.0%	We expect 2.6% qoq growth in Consol US\$ Sales with expected US\$ Sales growth of 0.5% in DET US\$ Revenues (CC dip of 0.1% qoq). Consol. EBIT margins are expected to increase by 20bps qoq with our expectations of DET EBITM improvement by 24bps to 12.3% largely led by Fx benefits which will help compensate headwinds from soft growth, investments and partial wage hikes.
Net Sales (Rs.)	17,941	17,118	4.8%	18,491	-3.0%	
EBIDTA	2,428	2,308	5.2%	2,966	-18.1%	
EBIT	1,741	1,627	7.0%	2,306	-24.5%	
PAT (Recurring)	1,542	1,538	0.3%	1,792	-13.9%	Key things to look for: Strategy update under new CEO in DET; growth and margin outlook for FY26E/FY27E for DET. Update on growth prospects, deal pipeline (esp. large size deals) in DET, client decision making for same and any large client specific issues. Demand outlook in Aero / Medical / SIA / Communication / Railways / other segments (esp. Auto) and update on Semi-con subsidiary in terms of growth opportunity and margins.
EPS (Recurring) INR	13.88	13.85	0.3%	16.2	-14.0%	
EBIT Margin	9.7%	9.5%	20	12.5%	-276	

eClerx (in mn)	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	114	109	4.1%	99	15.0%	We expect US\$ Sales to increase by 4.1% qoq (CC growth of 4.0% qoq) led by ramp up of deal wins of earlier quarters. We expect EBIT margins to improve by 187bps qoq considering currency benefits and seasonal strength. We expect Fx income to increase given likely higher translation gains.
Net Sales(Rs.)	10,002	9,346	7.0%	8,318	20.2%	
EBIDTA	2,601	2,241	16.0%	2,157	20.6%	
EBIT	2,191	1,872	17.0%	1,829	19.8%	
PAT (Recurring)	1,728	1,417	22.0%	1,402	23.2%	Key things to look for: Any update on new growth strategy execution, demand trends across business segments esp. in CLX/Europe, any impact of insourcing and GenAI/Automation if any, growth and margins outlook for 2HFY26E and beyond, deal pipeline/closures, capital allocation policy and client specific issues.
EPS-Recurring (INR)	36.8	30.1	22.0%	29.9	23.1%	
EBIT Margin	21.9%	20.0%	187	22.0%	-8	

HCL Tech (in mn)	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	3,606	3,545	1.7%	3,445	4.7%	We expect US\$ revenue growth of 1.5% qoq in CC terms. We expect CC growth of 1.6% qoq in Services with flattish CC qoq growth in P&P (3.9% yoy dip in CC in P&P). EBITM are expected to improve qoq by 58bps qoq largely led by currency benefits and seasonal strength which will help compensate headwinds from certain one-time restructuring cost and certain investments. We expect no change in HCLT CC US\$ Sales growth guidance of 3-5% (c.2-4% organic) both for Services & Consol business for FY26E. We also do not expect any change in its Consol. EBITM guidance of 17-18% for FY26E. We expect strong qoq growth in deal TCV.
Net Sales (Rs.)	3,18,125	3,03,490	4.8%	2,88,620	10.2%	
EBIDTA	64,056	60,350	6.1%	63,690	0.6%	
EBIT	53,661	49,420	8.6%	53,620	0.1%	
PAT (Recurring)	42,774	38,430	11.3%	42,350	1.0%	Key things to look for: Demand outlook for ER&D services, P&P, business application, IMS and digital services in FY26E. Impact from ongoing macro issues on HCLT growth/margin outlook or on its clients, if any. Any update on the acquisition strategy in the medium term, capital allocation policy and deal pipeline/wins and dependency on H1B visas.
EPS (Recurring) INR	15.8	14.2	11.3%	15.6	1.0%	
EBIT Margin	16.9%	16.3%	58	18.6%	-171	

Infosys (in mn)	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	5,045	4,941	2.1%	4,894	3.1%	We expect 2.1% qoq increase in US\$ Sales (CC: +1.8% qoq growth) including inorganic growth contribution of c.0.15% qoq. EBIT margins are expected to increase by 40bps qoq led by currency benefits, cost efficiencies through project Maximus to be partly compensated by headwinds from likely normalisation of certain cost qoq. We expect Infosys to guide for 2.0-3.0% CC growth in US\$ Sales in FY26E without factoring inorganic growth from announced M&A of Versent Group (vs. current guided growth of 1-3% without factoring inorganic growth contribution from Versent Group) with no change in its EBIT margin guidance (20-22%) for FY26E. We expect qoq dip in large deal TCV given high base.
Net Sales(Rs.)	4,45,104	4,22,790	5.3%	4,09,860	8.6%	
EBIDTA	1,05,940	99,430	6.5%	98,090	8.0%	
EBIT	94,478	88,030	7.3%	86,490	9.2%	
PAT	72,976	69,210	5.4%	65,060	12.2%	Key things to look for: Demand outlook in FY26E/2HFY26E, deal pipeline esp. for large/mega size deals, client decision making, pricing trends, details/assumptions for FY26E Sales and EBITM guidance and dependency on H1B visas.
EPS (INR)	17.6	16.7	5.4%	15.7	12.1%	
EBIT Margin	21.2%	20.8%	40	21.1%	12	

KPIT Technologies (in mn)	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	180	178	1.1%	173	3.8%	We expect flattish CC growth qoq in Consol US\$ Sales and organic dip of 2.5% qoq in US\$ Sales led by considerable demand softness in Mobility segment globally, resulting into delay in start of new projects, ramp down in some existing projects and incremental offshoring. EBITDAM are expected to remain largely flat despite soft organic growth qoq led by currency benefits and some cost optimisation while EBITM expected to dip 18bps qoq with expected higher D&A cost (led by M&A of Caresoft). We also expect some softness in deal win TCV qoq given slower decision making by clients.
Net Sales (Rs.)	15,771	15,388	2.5%	14,714	7.2%	
EBIDTA	3,329	3,239	2.8%	3,064	8.6%	
EBIT	2,647	2,610	1.4%	2,503	5.7%	
PAT (Recurring)	1,909	1,719	11.1%	1,744	9.4%	Key things to look for: Update on 2HFY26E Sales growth and margin outlook (organic and incl. inorganic), deal pipeline, order wins and client decision making esp. for large deals. Any major client specific issues given ongoing volatile macro. Growth outlook beyond FY26E across practices, key markets and any update on capital allocation policy and M&A pipeline given earlier announcement of QIP as an enabling resolution and dependency on H1B visas.
EPS (INR) – Recurring	7.0	6.3	11.0%	6.4	9.2%	
EBIT Margin	16.8%	17.0%	-18	17.0%	-23	

L&T Technology Services (in mn)	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	339	335	1.2%	307	10.7%	We expect US\$ revenue to grow by 1.2% qoq (CC: 1.6% qoq growth) with expected ramp ups in deal wins to be partly compensated by demand softness in Mobility segment. EBIT margins expected to improve by 31bps qoq largely led by Fx benefits. We expect other income to dip qoq. We expect robust deal wins in 2QFY26.
Net Sales (Rs.)	29,780	28,660	3.9%	25,729	15.7%	
EBIDTA	4,879	4,624	5.5%	4,660	4.7%	
EBIT	4,056	3,813	6.4%	3,877	4.6%	
PAT	3,213	3,157	1.8%	3,196	0.5%	Key things to look for: Details on FY26E revenue/margin outlook/guidance. Deal pipeline, order wins and client decision making esp. for large deals. Any major client specific issues esp. resulting from ongoing volatile macro/tariff concerns. Outlook across businesses segments and dependency on H1B visas.
EPS (INR)	30.3	29.8	1.8%	30.2	0.5%	
EBIT Margin	13.6%	13.3%	31	15.1%	-145	

LTIMindtree (in mn)	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	1,177	1,153	2.1%	1,127	4.5%	We expect US\$ revenue to grow by 2.1% qoq (CC: growth of 2.1% qoq) led by ramp up of earlier won deals. We expect 71bps improvement in EBIT margins qoq largely led by Fx benefits, cost optimisation, absence of visa cost and certain productivity gains. Expect other income to increase qoq led by expected higher Fx related income. We expect strong order intake qoq led by certain large deal wins. We expect other income to decline qoq largely led by lower Fx income.
Net Sales (Rs.)	1,03,863	98,406	5.5%	94,329	10.1%	
EBIDTA	18,145	16,494	10.0%	16,993	6.8%	
EBIT	15,582	14,065	10.8%	14,582	6.9%	Key things to look for: Growth and margin outlook for FY26E and beyond, impact of volatile macro concerns on Limetree, its top clients, deal pipeline & order wins (esp. for large deals) and client decision making esp. for large deals and any increase in leadership attrition, demand outlook across segments and from top clients. Also key thing to watch being any major changes in growth strategy under newly appointed CEO and dependency on H1B visas.
PAT	13,018	12,541	3.8%	12,510	4.1%	
EPS (INR)	43.9	42.3	3.8%	42.2	4.0%	
EBIT Margin	15.0%	14.3%	71	15.5%	-46	

Mphasis (in mn)	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)	Comments & Outlook
US \$ Revenue - Ex Fx	442	437	1.1%	421	5.0%	We expect 1.1% qoq growth in US\$ Sales (ex. Fx) (+1.2% qoq in CC terms) with our expectations of 2H to be better than 1HFY26E considering expected ramp up of deals wins eff. 3QFY26E in our view. Reported EBIT margins (incl. Fx) are expected to dip by 24bps qoq largely led by large deal ramp up related cost and expected higher hedge loss in revenue line. We expect deal TCV to continue remain healthy in 2Q as well.
Net Sales(Rs.) - Incl Fx	38,841	37,325	4.1%	35,361	9.8%	
EBIDTA - Incl Fx	7,192	7,028	2.3%	6,479	11.0%	
EBIT - Incl. Fx	5,848	5,709	2.4%	5,443	7.4%	Key things to look for: FY26E revenue/margin/IT Budget outlook, impact of macro concerns on demand /Mphasis' clients (update on any large client specific issues), order pipeline and wins, ramp up of already won deals, growth outlook in DXC, Direct Int'l incl. Digital Risk, Blackstone Channel and Direct Core. Update on capital allocation, cash distribution and dependency on H1B visas.
PAT	4,636	4,417	5.0%	4,233	9.5%	
EPS (INR)	24.3	23.2	4.9%	22.4	8.8%	
EBIT Margin	15.1%	15.3%	-24	15.4%	-34	

Persistent (in mn)	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	403	390	3.3%	346	16.5%	We expect US\$ Sales to grow 3.3% qoq (CC: +3.6%), we expect relatively softer growth in Healthcare given certain client specific issues and continuing offshoring. EBIT margins are expected to improve qoq by 51bps qoq largely led by currency benefits.
Net Sales(Rs.)	35,513	33,336	6.5%	28,972	22.6%	
EBIDTA	6,673	6,116	9.1%	4,807	38.8%	
EBIT	5,696	5,178	10.0%	4,062	40.2%	Key things to look for: Sales and margin outlook for FY26E, update on long term margin outlook, impact of volatile macro condition on Persistent/clients, deal pipeline, wins and clients' decision making for same. Update on any client specific issues if any and dependency on H1B visas.
PAT (Recurring)	4,566	4,249	7.5%	3,250	40.5%	
EPS – Recurr- INR	29.2	27.2	7.5%	20.9	40.0%	
EBIT Margin	16.0%	15.5%	51	14.0%	202	

R Systems (in mn)	3QCY25E	2QCY25	QoQ (%)	3QCY24	YoY (%)	Comments & Outlook
US \$ Revenue	56.1	54.0	4.0%	53.0	5.9%	US\$ revenues are expected to grow strongly by 4.0% qoq in 3QCY25E (on base of strong qoq growth in 2QCY25) led by ramp up of deal wins in the past few quarters. Expect EBIT margins to decline by 49bps qoq largely due to investments, deal ramp up cost and partial wage hikes. On Adj EBITDA we expect margins of 16.9% vs. 17.3% qoq. Reported PAT likely to be lower on qoq given non-recurring gain in 2QCY25 on sale of land/building.
Net Sales (Rs.)	4,954	4,620	7.2%	4,441	11.5%	
EBIDTA	777	749	3.8%	714	8.8%	
EBIT	609	590	3.1%	549	11.0%	Key things to look for: Strategic roadmap to improve organic growth, order wins/deal pipeline color, update on growth and margin outlook for CY25E and beyond, impact of volatile macro/tariff issues on demand/its large clients, any update on demand across segments (esp. TMT) and dependency on H1B visas.
PAT (Recurring)	424	419	1.1%	407	4.2%	
EPS (INR)- Recurring	3.6	3.5	1.1%	3.4	4.1%	
EBIT Margin	12.3%	12.8%	-49	12.4%	-6	

TCS (in mn)	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	7,469	7,421	0.7%	7,670	-2.6%	US\$ revenue is expected to grow qoq by 0.6% in CC terms; tepid growth is largely due to expected growth softness in Int'l markets. We expect EBIT margins to improve by 47bps largely led by INR/US\$ depreciation which will help compensate headwinds from wage hikes eff 01/Sep/2025 for junior staff and ongoing investments. Our estimates exclude severance/restructuring cost likely eff 2QFY26E. We expect steady deal TCV qoq with one mega deal win announced by TCS in 2Q. We expect other income to dip qoq given one time income in 1Q.
Net Sales(Rs.)	6,55,264	6,34,370	3.3%	6,42,590	2.0%	
EBIDTA	1,77,348	1,68,750	5.1%	1,67,320	6.0%	
EBIT	1,63,355	1,55,140	5.3%	1,54,650	5.6%	Key things to look for: Demand outlook in BFSI, retail, communication, hi-tech and other key segments, impact of volatile macro/tariff issues on demand/its clients, deal pipeline esp. for large/mega size deals, client decision making and pricing trends, outlook on CY25E/FY26E and beyond, any further update on growth strategies and dependency on H1B visas.
Recurring PAT	1,28,202	1,27,600	0.5%	1,19,090	7.7%	
Recurring EPS (INR)	35.4	35.3	0.5%	32.9	7.7%	
EBIT Margin	24.9%	24.5%	47	24.1%	86	

Tech Mahindra (in mn)	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	1,580	1,564	1.0%	1,589	-0.6%	We expect qoq growth of 0.9% in US\$ Sales in CC terms with growth likely to be led by BFSI & Retail. EBIT margins are expected to improve by 70bps qoq largely led by cost optimisation efforts (Project Fortius) and currency benefits which will be partly compensated by investments. We expect deal TCV to remain healthy on yoy basis. Our estimates for 2QFY26E exclude any one off-items/non recurring charges, if any.
Net Sales (Rs.)	1,39,364	1,33,512	4.4%	1,33,132	4.7%	
EBIDTA	21,133	19,352	9.2%	17,502	20.7%	
EBIT	16,395	14,771	11.0%	12,804	28.0%	Key things to look for: FY26E/long term Sales growth & margin outlook, impact of ongoing geopolitical/macro concerns on TechM/clients, Telecom/Enterprise segment's demand outlook, demand commentary related to 5G technology, new business TCV wins, deal pipeline and client decision making for same. Update on capital allocation policy, any further update on growth strategy and dependency on H1B visas.
PAT Recurring	12,566	11,406	10.2%	9,192	36.7%	
EPS (INR) Recurring	14.2	12.9	10.1%	10.4	36.5%	
EBIT Margin	11.8%	11.1%	70	9.6%	215	

Wipro (in mn)	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)	Comments & Outlook
US \$ Revenue (IT Services)	2,593	2,587	0.2%	2,660	-2.5%	We expect flattish qoq growth in IT Services US\$ Sales in CC terms (vs. guidance of qoq dip of 1.0% to growth of 1.0% in CC terms). Recurring IT Services EBIT margins are expected to dip 36bps qoq given large deal ramp up cost which will be compensated by tailwinds from currency. We expect Wipro to guide for a decline of 0.5% qoq to growth of 1.5% qoq in IT Services' US\$ Sales in CC terms for 3QFY26E. Expect Order intake (esp. for large deals) to normalise and dip given 1QFY26 TCV included TCV from many large/mega deal wins. We expect PAT to show higher increase than revenue growth qoq considering absence of restructuring cost that was incurred in 1QFY26.
Net Sales (Rs.- Consolidated)	2,25,128	2,21,346	1.7%	2,23,016	0.9%	
EBIDTA (Consolidated)	44,752	42,397	5.6%	45,853	-2.4%	
EBIT (IT Services)	38,011	38,134	-0.3%	37,322	1.8%	Key things to look for: IT services US\$ sales growth and margin outlook esp. for 3QFY26E and beyond, margin outlook for near term as well as medium to long term, any portfolio/client specific issues esp. resulting from ongoing geopolitical/macro concerns, update on deal pipeline (esp. for mega deals), client decision making, details on capital allocation policy, any further sizable M&A , any further update on growth strategies and dependency on H1B visas.
PAT (Consolidated)	34,580	33,304	3.8%	32,088	7.8%	
EPS (Consol.) INR	3.3	3.2	3.8%	3.1	7.6%	
EBIT Margin (IT Services)	16.9%	17.3%	-36	16.8%	10	

Zensar Tech (in mn)	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	163	162	0.3%	156	4.0%	US\$ revenues are expected to grow by 0.3% qoq in US\$ terms (+0.2% qoq in CC terms); soft growth is likely to be led by demand weakness esp. in TMT segment. Expect EBITM to dip by 12bps qoq considering headwinds from wage hikes, investments and expected higher ESOP cost to be partly compensated by tailwinds from Fx benefits.
Net Sales (Rs.)	14,339	13,850	3.5%	13,080	9.6%	
EBIDTA	2,162	2,106	2.7%	2,011	7.5%	
EBIT	1,923	1,875	2.6%	1,714	12.2%	Key things to look for: Strategy update, order wins details and deal pipeline, update on growth and margin outlook for FY26E and beyond, impact of macro concerns/tariff issues on demand/its large clients, any update on demand from outlook across segments (esp. TMT) and dependency on H1B visas.
Recurring PAT	1,779	1,820	-2.2%	1,557	14.2%	
Recurring EPS (INR)	7.8	8.0	-2.3%	6.9	14.0%	
EBIT Margin	13.4%	13.5%	-12	13.1%	31	

Netweb Tech (in mn)	2QFY26E	1QFY26	QoQ (%)	2QFY25	YoY (%)	Comments & Outlook
Net Sales (Rs.)	3,054	3,012	1.4%	2,511	21.7%	Despite high revenue growth base of 2QFY25, we expect revenues to improve by 21.7% yoy (+52% yoy growth expected in 1HFY26E) given healthy order book and L1 order pipeline at the end of 1QFY26 and increasing demand for fast computing and automation solutions. Expect EBITM of 12.6% for 2QFY26E which will be likely down 112bps/76bps qoq/yoy respectively. We expect order book to show material/substantial increase given two mega deal wins announcement in Sept 2025 (expected to executed starting 4QFY26E).
EBIDTA	423	448	-5.6%	363	16.5%	
EBIT	386	415	-6.9%	337	14.7%	
Recurring PAT	296	305	-2.7%	257	15.3%	
Recurring (INR) EPS	5.2	5.4	-2.7%	4.6	14.7%	Key things to look for: Growth and margin outlook for FY26E and beyond, details on order pipeline (incl. L1) and order book and AI related deals pipeline (after winning two mega deals), growth outlook in HPC, Pvt. Cloud and AI related systems and working capital cycle/FCF generation.
EBIT Margin	12.6%	13.8%	-112	13.4%	-76	





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