Tech Mahindra (TECHM IN)

Rating: HOLD | CMP: Rs1,468 | TP: Rs1,500

October 15, 2025

Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	**HOLD**		**HOLD**	
Target Price	**1,500**		**1,470**	
Sales (Rs.bn)	555	592	544	579
% Chng.	*2.0*	*2.3*		
EBITDA (Rs.bn)	83	103	80	101
% Chng.	*3.6*	*1.7*		
EPS (Rs.)	55.7	73.9	55.8	73.6
% Chng.	*-0.2*	*0.4*		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. bn)	530	555	592	643
EBITDA (Rs. bn)	70	83	103	114
Margin (%)	*13.2*	*15.0*	*17.4*	*17.7*
PAT (Rs. bn)	43	49	65	72
EPS (Rs.)	48.0	55.7	73.9	81.7
Gr. (%)	*17.4*	*16.1*	*32.6*	*10.6*
DPS (Rs.)	50.3	50.2	66.5	73.6
Yield (%)	*3.4*	*3.4*	*4.5*	*5.0*
RoE (%)	*15.1*	*17.1*	*22.2*	*24.0*
RoCE (%)	*13.2*	*15.9*	*20.5*	*22.2*
EV/Sales (x)	2.3	2.2	2.1	1.9
EV/EBITDA (x)	17.6	14.7	11.8	10.6
PE (x)	30.6	26.3	19.9	18.0
P/BV (x)	4.5	4.5	4.4	4.3

Key Data	TEML.BO | TECHM IN
52-W High / Low	Rs.1,808 / Rs.1,209
Sensex / Nifty	82,030 / 25,146
Market Cap	Rs.1,438bn/ $ 16,194m
Shares Outstanding	980m
3M Avg. Daily Value	Rs.2837.04m

Shareholding Pattern (%)

Promoter's	34.99
Foreign	23.28
Domestic Institution	32.30
Public & Others	9.43
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(3.8)	14.5	(13.3)
Relative	(3.9)	4.9	(13.3)

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Margin improvement trajectory continues…

Quick Pointers:

- Q2 results both on revenue & margin above expectation
- Deal wins remain steady at USD 816 mn vs USD 809 mn in Q1

The revenue growth (+1.6% CC QoQ) exceeded our estimates (+0.5% CC QoQ), margins also outperformed our estimates by ~50bps in Q2. The revenue performance in Q2 saw steady recovery after two consecutive quarters of negative growth (in CC). The growth was dominated by selective pockets and clients, while Communications vertical de-grew 2.0% QoQ, implies Telcos under stress. Manufacturing reported solid growth (+5.1% QoQ), however the Automotive outlook remains bleak, especially on the commercial side. The deal TCV remains elevated in Q2 is a positive and a testament of putting efforts to scale "Must Have" accounts. The early signs are visible in scaling the high potential accounts (at least 17) to USD1m+, while pruning the tail and onboarding potential logos would be continued exercise going forward. On margins, we believe the cost optimization efforts would continue at a similar pace of FY25/FY26 with continued efforts to rationalize employee pyramid and leveraging project Fortius. We are baking in revenue growth of flat/+4.1%/5.2% CC YoY with margin improvement of 190bps/250bps/30bps YoY in FY26E/FY27E/FY28E. We roll forward to Sep'27 and assign 19x to arrive at a TP of Rs. 1,500. The stock is currently trading at 26x/20x FY26E/FY27E EPS, leaving no potential upside. Retain, HOLD.

Revenue: TechM reported Q2 revenue of USD 1.58 bn, up 1.6% QoQ in CC and 1.4% in reported terms, outperforming our estimate of 0.5% QoQ growth in CC and the consensus expectation of a 1% QoQ growth. Sequential growth was driven by Retail (+9%), Manufacturing (+5.3%) and BFSI (+3.8%), while the Communications segment declined by 2%. Geographically, the Americas and RoW grew by 2.6% and 1.4% QoQ, respectively, whereas Europe declined by 1%.

Operating Margin: EBIT margin continued its upward trajectory, expanding by ~110 bps QoQ to 12.1% in Q2, ahead of both our and consensus estimate of 11.6%. The improvement was driven by FPP productivity gains, volume growth, and SGA optimization, further supported by a 40-bps currency tailwind.

Deal Wins: Deal wins remained steady at USD 815.7 mn in Q2, compared to USD 809 mn in Q1. On a TTM basis, deal wins rose to USD 3.17 bn in Q2FY26 from USD 2.01 bn in Q2FY25.

Valuations and outlook: We expect TechM to report USD Revenue & Earnings CAGR of 3.3% & 19.4% over FY25-28E. The stock is currently trading at 20x FY27E, we are assigning P/E of 19x to LTM Sep. 27E with a target price of INR 1,500. We maintain our "HOLD" rating.

Strong execution, deal TCV stays elevated

- Rev: USD 1.58 bn, up 1.6% QoQ CC (up 1.4% QoQ in USD), above our/consensus est. of 0.5%/1.0% QoQ CC growth
- Segment wise in reported terms, Manufacturing, BFSI & Retail grew by 5.3%, 3.8% & 9.0% QoQ respectively, while Comms/Tech remained weak, down 2.0%/0.4%QoQ, respectively
- Geography-wise Americas & ROW grew by 2.6% & 1.6% QoQ, respectively, while Europe declined by 1.2% QoQ
- **EBIT margin improved by 108bps QoQ to 12.1% above our and consensus estimated improvement of 60bps QoQ, aided by controlled cost**
- Net employees increased by ~4200 QoQ, with net adds of 5,817 BPO professionals, while software employees & Sales & support employees declined by 1459 & 161
- Utilization declined by 60 bps QoQ to 84.4%, LTM attrition was up 20bps QoQ to 12.8%
- **NN Deal TCV was steady at USD 816 m, up 0.8% QoQ & 35% YoY**
- PAT came at INR 11.9bn (up 4.7 % QoQ) vs our estimates of INR12.8bn, due to lower other income

Conference Call Highlights

- Macro demand conditions remain volatile, particularly in Europe (Comms and parts of BFSI), but management expects H2 to be stronger than H1 as deal conversions improve.
- Management indicated that AI demand is evolving from hype to production-grade use cases, with clients increasingly recognizing the need for data stack modernization creating favorable tailwinds for system integrators.
- In the Communications segment, the US and APAC remained stable, with the largest client growing above the company average. Europe was weak due to a vendor-specific ramp-down, though vendor consolidation opportunities are progressing and stability is expected in H2. In the Logistics segment, demand is being driven by e-commerce expansion, warehouse automation, and last-mile optimization.
- In the Manufacturing segment, aerospace and industrial verticals witnessed strong growth. Within automotive, demand in the passenger vehicle segment has stabilized, while the commercial vehicle segment remains volatile.
- EBIT margin has expanded for eight consecutive quarters to 12.1%, and the company remains committed to achieving the 15% target. Management highlighted that the next phase of margin expansion will be driven more by gross margin improvement than SG&A savings. With SG&A already at historical lows, further gains are expected to come largely from operating leverage rather than additional cost cutting.

- Primary levers for future margin expansion include fixed-price project productivity and volume-led operating leverage. Additional uplift is expected from portfolio company integration, along with continued improvements in onsite–offshore mix and subcontractor optimization.
- Over the next six quarters, company's capital allocation policy remains unchanged, with scope limited to shareholder returns and small tuck-in acquisitions. Management indicated that a more structured M&A approach is being considered for the post-FY27 phase, targeting service-line or geographic adjacencies while avoiding large or dilutive transactions.
- Current H-1B visa exposure is less than 1% of the total workforce, and fewer than 30% of U.S. employees are visa-dependent. To further de-risk this, the company plans to increase local U.S. hiring and expand its nearshore talent base. Management does not expect any impact from the H-1B fee hike in FY26 and considers the FY27 impact to be manageable.
- Top 5/10/20 clients revenue grew by 1.2%, -2.3% & -3.6% QoQ respectively.

Exhibit 1: 2QFY26 Results: Revenue grew by 1.6% QoQ CC, EBIT margin improves of ~110bps QoQ

Consolidated (INR b)	2QFY26	2QFY26E	% Var.	1QFY26	QoQ gr. (%)	2QFY25	YoY gr. (%)	H1FY26	H1FY25	YoY gr. (%)
IT Services Revenue (USD m)	**1,586**	**1,576**	***0.6***	**1,564**	**1.4**	**1,589**	***-0.2***	**3,150**	**3,148**	***0.1***
Overall Revenue (INR b)	**140**	**137**	***2.1***	**134**	**4.8**	**133**	***5.1***	**273**	**263**	***3.9***
Gross Profit	41	39	*3.6*	38	6.6	37	*9.7*	79	72	*10.3*
Gross Margin (%)	*29.1*	*28.7*	*40bps*	*28.7*	*50bps*	*27.9*	*120bps*	*28.9*	*27.2*	*170bps*
SG&A and Other Costs	19.1	18.8	*1.7*	18.9	1.0	19.7	*-2.9*	38	39	*-1.3*
% of Rev	*13.7*	*13.7*	*0bps*	*14.2*	*-50bps*	*14.8*	*-110bps*	*13.9*	*14.6*	*-70bps*
EBITDA	**22**	**21**	***5.4***	**19**	**12.0**	**18**	***23.9***	**41**	**33**	***23.8***
EBIT Margin (%)	*15.5*	*15.0*	*50bps*	*14.5*	*100bps*	*13.1*	*230bps*	*15.0*	*12.6*	*240bps*
Depreciation	5	5	*0.5*	5	2	5	*-0.2*	9	9	*-0.6*
% of Rev	*3.3*	*3.4*	*-10bps*	*3.4*	*-10bps*	*3.5*	*-20bps*	*3.4*	*3.5*	*-20bps*
EBIT	**17**	**16**	***6.8***	**15**	**15.0**	**13**	***32.7***	**32**	**24**	***33.3***
EBIT Margin (%)	*12.1*	*11.6*	*50bps*	*11.1*	*110bps*	*9.6*	*250bps*	*11.6*	*9.1*	*260bps*
Other Income (net)	0	1	*-129.2*	1.4	-128.4	4	*-109.2*	1	5	*-80.2*
PBT	**17**	**17**	***-4.0***	**16**	**2.5**	**17**	***-3.2***	**33**	**28.9**	***13.3***
Tax	5	5	*-0.1*	5	-6.5	5	*0.4*	9	8	*23.1*
Effective tax rate (%)	*27.6*	*26.5*	*110bps*	*30.2*	*-270bps*	*26.6*	*100bps*	*28.9*	*26.6*	*230bps*
Adjusted PAT	**12**	**13**	***-5.9***	**11**	**4.7**	**13**	***-4.5***	**23**	**21**	***10.4***
Exceptional items	0.0	0.0	*NA*	0.0	NA	0.0	*NA*	0	0	*#DIV/0!*
Reported PAT	**12**	**13**	***-6.5***	**12**	**3.0**	**12**	***-4.5***	**23**	**21**	***11.0***
Reported EPS (INR)	**13.5**	**14.5**	***-7.0***	**12.9**	**4.7**	**14.1**	***-4.5***	**13**	**14**	***-4.5***

Source: Company, PL

Geographies	Contribution to revenue (%)	QoQ gr. (%)
Americas	49.8	2.6
Europe	25.4	-1.0
Rest of World	24.8	1.4

Source: Company, PL

Exhibit 3: Vertical Growth (%)

Verticals	Contribution to revenue (%)	QoQ gr. (%)
Comm., Media & Ent.	32.7	-2.0
Manufacturing	18.1	5.1
Technology	13.1	-0.5
BFSI	16.8	3.8
Retail, Transport & Logistics	8.5	9.2
Healthcare	7.3	1.5
Others	3.9	1.4

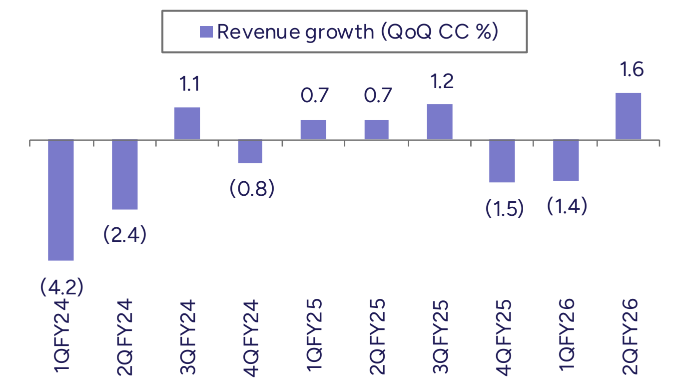
Source: Company, PL

Exhibit 4: Key Performance Indicator

	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	FY25*	FY26*
Revenue (QoQ CC %)	1.1	-0.8	0.7	0.7	1.2	-1.5	-1.4	1.6	0.3	-0.1
Margins (%)										
Gross Margin	23.9	27.0	26.5	27.9	28.8	29.2	28.7	29.1	28.1	28.8
EBITDA margin	10.3	10.9	12.0	13.1	13.6	14.0	14.5	15.5	13.2	15.0
EBIT Margin	7.0	7.4	8.5	9.6	10.2	10.5	11.1	12.1	9.7	11.6
Net Margin	5.5	7.5	6.5	9.4	7.4	8.7	8.5	8.5	8.0	8.9
Operating Metrics										
Headcount (k)	146	145	148	154	150	149	149	153	149	-
Util excl. trainees (%)	88.0	86.0	86.1	86.1	86.0	86.3	0.0	0.0	86.3	-
Attrition (%)	10.0	10.0	10.1	10.6	11.2	11.8	12.0	12.8	11.8	-
Deal TCV (USD m)	381	500	534	603	745	798	809	816	2680	-

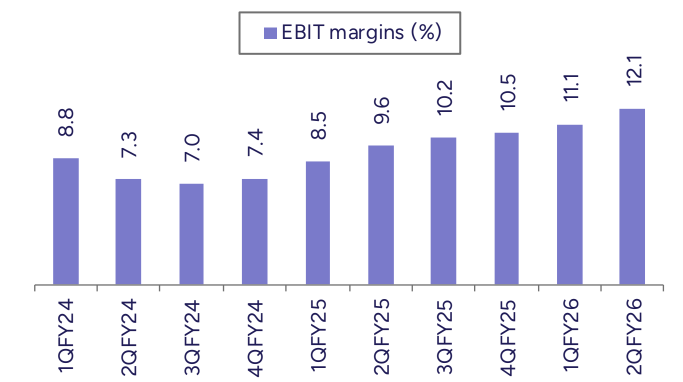
Source: Company, PL

Exhibit 5: Revenue rebounds in Q2



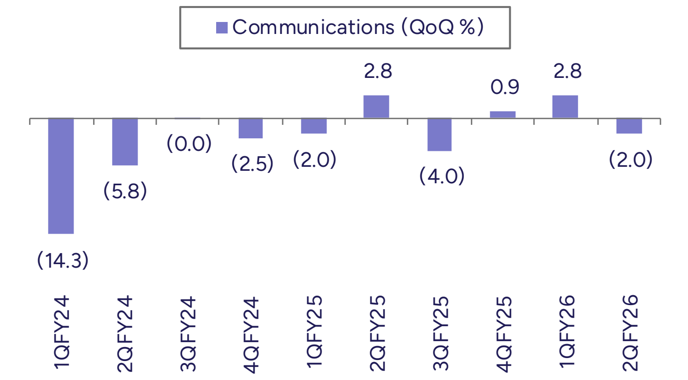
Source: Company, PL

Exhibit 6: EBIT margin (%) continues to improve



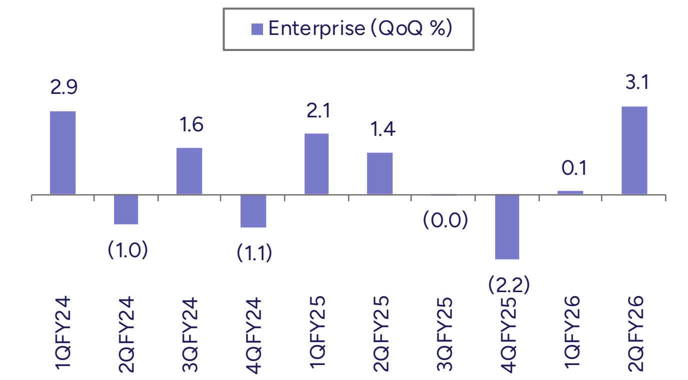
Source: Company, PL

Exhibit 7: Communications trend (QoQ %)



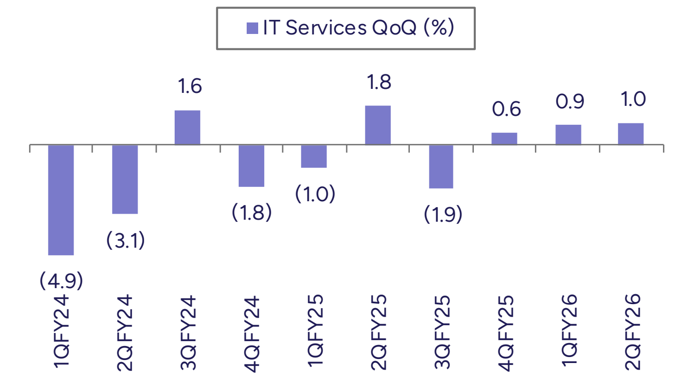
Source: Company, PL

Exhibit 8: Enterprise trend QoQ



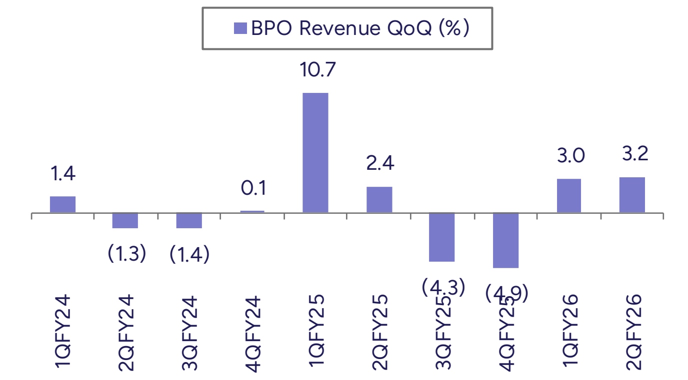
Source: Company, PL

Exhibit 9: IT Service Performance



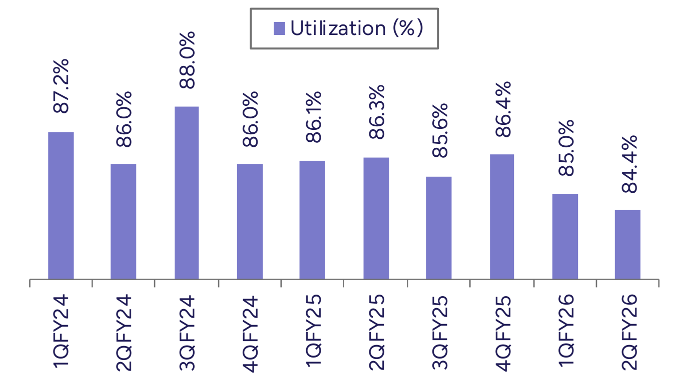
Source: PL, Company

Exhibit 10: BPO Performance



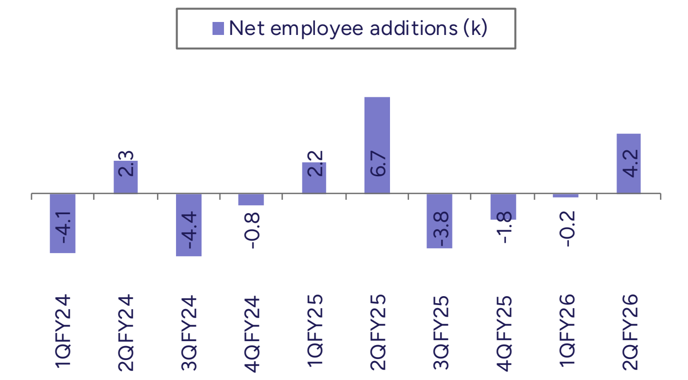
Source: PL, Company

Exhibit 11: Utilization (%)



Source: Company, PL

Exhibit 12: Net Employee Addition (k)



Source: Company, PL

Exhibit 13: Operating Metrics

	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Revenue by Geography (%)												
Americas	49.7	49.6	51.4	53.3	51.9	50.8	52.4	51.1	50.8	48.4	49.2	49.8
Europe	24.4	25.3	24.6	23.6	23.8	24.2	23.4	24.0	23.6	25.4	26.0	25.4
Rest of World	25.9	25.1	24.0	23.2	24.3	25.0	24.2	24.9	25.6	26.2	24.8	24.8
Vertical Split (%)												
Telecom	39.8	40.1	35.8	34.7	34.3	34.0	33.1	33.4	32.5	33.2	33.8	32.7
Manufacturing	15.7	15.9	16.7	17.5	18.0	18.0	18.3	17.2	16.8	17.0	17.5	18.1
Tech | Media | Entertainment	10.3	10.3	13.9	14.3	13.7	13.8	13.8	14.3	14.3	13.2	13.3	13.1
BFSI	15.9	15.9	15.5	15.4	14.8	15.7	15.7	15.8	16.1	16.7	16.4	16.8
Retail | Transport | Logistics	8.5	7.6	7.1	7.7	8.1	7.3	7.7	7.9	8.1	8.1	7.9	8.5
Others	9.8	10.2	4.0	10.4	11.0	4.0	3.7	4.0	4.5	4.5	3.9	3.9
No. of Million $ clients												
USD1m+	574	582	580	568	558	553	545	545	540	540	529	520
USD5m+	185	186	190	186	185	190	191	195	191	195	193	194
USD10m+	109	112	115	114	118	114	113	109	104	106	108	106
USD20m+	65	65	62	61	63	63	61	61	61	59	60	63
USD50m+	24	24	26	26	26	23	24	25	25	25	26	26
Client concentration (%)												
Top 5 Clients	18.0	18.0	17.4	16.6	16.1	15.8	15.5	15.1	14.8	15.5	15.6	15.6
Top 6-10	9.0	9.0	27.3	27.1	26.2	25.9	25.1	24.9	24.2	24.5	25.2	24.3
Top 11-20	13.0	13.0	39.4	39.5	38.6	38.8	38.4	38.6	38.0	38.2	39.0	37.1
Headcount												
Software professionals	84,874	83,789	81,521	81,200	81,705	80,925	80,417	80,618	80,865	80,609	79,987	78,528
BPO	63,568	60,102	58,079	60,985	56,206	55,492	58,177	64,940	61,053	59,636	60,278	66,095
Sales and support	8,626	8,509	8,697	8,419	8,339	9,038	9,026	8,715	8,570	8,486	8,252	8,091
Total	1,57,068	1,52,400	1,48,297	1,50,604	1,46,250	1,45,455	1,47,620	1,54,273	1,50,488	1,48,731	1,48,517	1,52,714
IT Attrition (LTM %)	17	15	13	11	10	10	10	11	11	12	12	13
IT Utilization (%)	86	86	87	86	88	86	86	86	86	86	85	84
IT Utilization (excl. trainees)	86	86	87	86	88	86	86	86	86	86	-	-
DSO - incl. unbilled	98	96	98	97	91	92	93	94	88	88	95	94
Borrowings (USD m)	212.0	192.0	185.0	116	181	184	127	116	109	55	29	30
Cash and Cash Equivalent (USD m)	780.0	905.0	939.0	784	843	949	966	784	799	896	941	821
Capital Expenditure (USD m)	31	32	25	26	21	24	13	16	20	20	18	21

Source: Company, PL

Financials

Income Statement (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	**530**	**555**	**592**	**643**
YoY gr. (%)	*1.9*	*4.8*	*6.7*	*8.6*
Employee Cost	381	395	416	450
Gross Profit	149	160	177	193
Margin (%)	*28.1*	*28.8*	*29.8*	*30.1*
Employee Cost	-	-	-	-
Other Expenses	-	-	-	-
EBITDA	**70**	**83**	**103**	**114**
YoY gr. (%)	*21.2*	*19.3*	*23.6*	*10.3*
Margin (%)	*13.2*	*15.0*	*17.4*	*17.7*
Depreciation and Amortization	19	19	20	21
EBIT	**51**	**65**	**84**	**92**
Margin (%)	*9.7*	*11.6*	*14.1*	*14.4*
Net Interest	-	-	-	-
Other Income	5	4	6	6
Profit Before Tax	**57**	**68**	**89**	**99**
Margin (%)	*10.7*	*12.3*	*15.1*	*15.4*
Total Tax	14	19	24	26
Effective tax rate (%)	*24.8*	*27.6*	*26.5*	*26.5*
Profit after tax	**43**	**49**	**66**	**73**
Minority interest	0	0	0	0
Share Profit from Associate	-	-	-	-
Adjusted PAT	**43**	**49**	**65**	**72**
YoY gr. (%)	*17.4*	*16.1*	*32.6*	*10.6*
Margin (%)	*8.0*	*8.9*	*11.1*	*11.3*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**43**	**49**	**65**	**72**
YoY gr. (%)	*80.3*	*16.1*	*32.6*	*10.6*
Margin (%)	*8.0*	*8.9*	*11.1*	*11.3*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	43	49	65	72
Equity Shares O/s (bn)	**1**	**1**	**1**	**1**
EPS (Rs)	**48.0**	**55.7**	**73.9**	**81.7**

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	**229**	**237**	**247**	**258**
Tangibles	157	166	176	187
Intangibles	72	72	72	72
Acc: Dep / Amortization	**166**	**185**	**205**	**226**
Tangibles	118	137	156	178
Intangibles	48	48	48	48
Net fixed assets	**63**	**52**	**43**	**32**
Tangibles	39	29	19	9
Intangibles	23	23	23	23
Capital Work In Progress	-	-	-	-
Goodwill	77	77	77	77
Non-Current Investments	3	3	3	3
Net Deferred tax assets	19	19	21	23
Other Non-Current Assets	47	49	52	57
Current Assets				
Investments	31	36	41	46
Inventories	0	0	0	0
Trade receivables	65	75	81	88
Cash & Bank Balance	43	44	47	49
Other Current Assets	42	44	47	51
Total Assets	**445**	**456**	**471**	**491**
Equity				
Equity Share Capital	4	4	4	4
Other Equity	281	287	293	301
Total Networth	**286**	**291**	**298**	**305**
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	14	14	14	15
Other non current liabilities	14	15	16	17
Current Liabilities				
ST Debt / Current of LT Debt	5	5	5	5
Trade payables	23	25	27	29
Other current liabilities	99	103	108	116
Total Equity & Liabilities	**445**	**456**	**471**	**491**

Source: Company Data, PL Research

Cash Flow (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	57	68	89	99
Add. Depreciation	19	19	20	21
Add. Interest	1	-	-	-
Less Financial Other Income	5	4	6	6
Add. Other	(1)	-	-	-
Op. profit before WC changes	75	87	109	120
Net Changes-WC	(3)	(9)	(9)	(11)
Direct tax	(15)	(19)	(24)	(26)
Net cash from Op. activities	**58**	**59**	**77**	**83**
Capital expenditures	(5)	(8)	(10)	(11)
Interest / Dividend Income	2	-	-	-
Others	3	(5)	(5)	(5)
Net Cash from Invt. activities	**0**	**(13)**	**(15)**	**(16)**
Issue of share cap. / premium	0	-	-	-
Debt changes	(11)	-	-	-
Dividend paid	(38)	(44)	(59)	(65)
Interest paid	(3)	-	-	-
Others	(6)	-	-	-
Net cash from Fin. activities	**(58)**	**(44)**	**(59)**	**(65)**
Net change in cash	**0**	**1**	**3**	**2**
Free Cash Flow	52	51	67	72

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	**133**	**134**	**134**	**140**
YoY gr. (%)	*(0.2)*	*0.7*	*(0.2)*	*4.8*
Raw Material Expenses	95	95	95	99
Gross Profit	38	39	38	41
Margin (%)	*28.8*	*29.2*	*28.7*	*29.1*
EBITDA	**18**	**19**	**19**	**22**
YoY gr. (%)	-	-	-	-
Margin (%)	*13.6*	*14.0*	*14.5*	*15.5*
Depreciation / Depletion	5	5	5	5
EBIT	**14**	**14**	**15**	**17**
Margin (%)	*10.2*	*10.5*	*11.1*	*12.1*
Net Interest	-	-	-	-
Other Income	(1)	1	1	-
Profit before Tax	**13**	**15**	**16**	**17**
Margin (%)	*9.8*	*10.9*	*12.1*	*11.9*
Total Tax	3	3	5	5
Effective tax rate (%)	*23.8*	*22.0*	*30.2*	*27.6*
Profit after Tax	**10**	**11**	**11**	**12**
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	**10**	**12**	**11**	**12**
YoY gr. (%)	*(21.4)*	*18.7*	*(2.2)*	*4.7*
Margin (%)	*7.4*	*8.7*	*8.5*	*8.5*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**10**	**12**	**11**	**12**
YoY gr. (%)	*(21.4)*	*18.7*	*(2.2)*	*4.7*
Margin (%)	*7.4*	*8.7*	*8.5*	*8.5*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**10**	**12**	**11**	**12**
Avg. Shares O/s (bn)	1	1	1	1
EPS (Rs)	**11.1**	**13.2**	**12.9**	**13.5**

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	48.0	55.7	73.9	81.7
CEPS	68.9	77.0	95.9	105.7
BVPS	322.7	328.4	336.1	344.6
FCF	58.6	57.2	75.3	81.1
DPS	50.3	50.2	66.5	73.6
Return Ratio(%)				
RoCE	13.2	15.9	20.5	22.2
ROIC	11.0	12.9	16.5	17.6
RoE	15.1	17.1	22.2	24.0
Balance Sheet				
Net Debt : Equity (x)	(0.2)	(0.3)	(0.3)	(0.3)
Net Working Capital (Days)	30	33	33	34
Valuation(x)				
PER	30.6	26.3	19.9	18.0
P/B	4.5	4.5	4.4	4.3
P/CEPS	21.3	19.1	15.3	13.9
EV/EBITDA	17.6	14.7	11.8	10.6
EV/Sales	2.3	2.2	2.1	1.9
Dividend Yield (%)	3.4	3.4	4.5	5.0

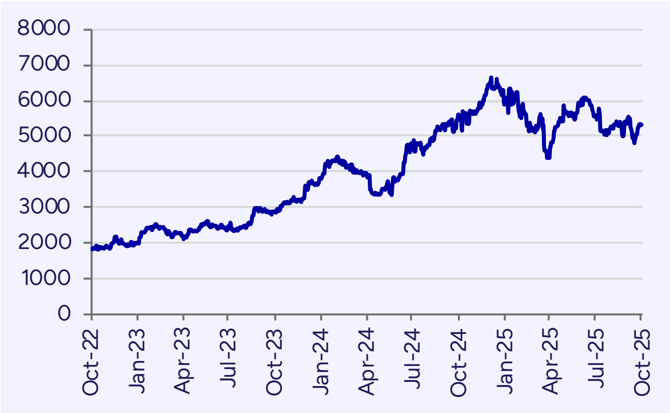
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	6,264	6,326	6,581	6,915

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	04-Oct-25	Hold	1,470	1,401
2	17-Jul-25	Reduce	1,470	1,608
3	01-Jul-25	Reduce	1,490	1,687
4	25-Apr-25	Accumulate	1,530	1,445
5	03-Apr-25	Accumulate	1,540	1,423
6	27-Mar-25	Accumulate	1,540	1,416
7	20-Jan-25	Accumulate	1,760	1,660
8	07-Jan-25	Accumulate	1,790	1,689
9	20-Oct-24	Accumulate	1,790	1,688

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Cyient	Hold	1,130	1,170
2	HCL Technologies	BUY	1,760	1,495
3	Infosys	BUY	1,760	1,447
4	KPIT Technologies	BUY	1,360	1,158
5	L&T Technology Services	Hold	4,400	4,262
6	Latent View Analytics	BUY	570	415
7	LTIMindtree	Hold	5,380	5,120
8	Mphasis	Accumulate	2,920	2,737
9	Persistent Systems	BUY	5,970	5,069
10	Tata Consultancy Services	BUY	3,800	3,062
11	Tata Elxsi	Reduce	5,010	5,580
12	Tata Technologies	Sell	540	707
13	Tech Mahindra	Hold	1,470	1,401
14	Wipro	Hold	250	241

PL’s Recommendation Nomenclature (Absolute Performance)

Buy : > 15%
Accumulate : 5% to 15%
Hold : +5% to -5%
Reduce : -5% to -15%
Sell : < -15%
Not Rated (NR) : No specific call on the stock
Under Review (UR) : Rating likely to change shortly

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