

**Accenture: AI Adoption Accelerates, but Demand Recovery Remains Uneven**

**Not Rated**

June 18, 2026 | CMP: USD 132

**Sector View: Neutral**

Q3FY26 Result Update



**Company Description**

**Accenture** is a leading global professional services company specialising in strategy, consulting, technology, operations and digital transformation services. The company helps enterprises accelerate innovation and business reinvention by leveraging cloud, data and artificial intelligence solutions. It serves clients across a wide range of industries through operations spanning the Americas, EMEA and Asia Pacific.

**Company Info**

BB Code	ACN US EQUITY
52-w High/Low (USD)	132.0/307.7
Mkt Cap (USD Bn)	79.1
Shares o/s (Mn)	613.9
3M Avg. Daily Volume (Mn)	6.08

**Key Financials**

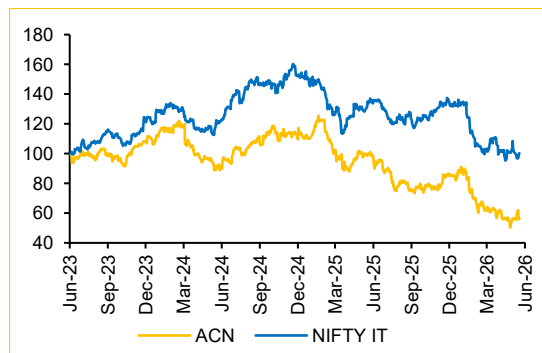
USD Bn	FY22	FY23	FY24	FY25
Revenue	61.6	64.1	64.9	69.6
YoY (%)	21.9	4.1	1.2	7.4
EBIT	9.4	8.8	9.6	10.2
EBIT%	15.2	13.7	14.8	14.7
PAT	6.9	7.0	7.4	7.8
FDEPS	10.9	10.9	11.6	12.2
ROE %	12.5	9.0	12.8	16.0

**Shareholding Pattern (%)**

	<b>Mar-26</b>
MFs & ETFs	46.07
Other Institutional Investors	38.66
Public Companies & Retail Investors	15.27

**Relative Performance (%)**

YTD	3Y	2Y	1Y
NIFTY IT	0.4	(17.2)	(26.8)
ACN	(50.8)	(45.4)	(50.0)



**Kunal Bajaj**

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

**Shreya Mehra**

Email: shreya.mehra@choiceindia.com  
Ph: +91 22 6707 9535

**Guidance Cut and Delayed Deal Conversions Reinforce a Gradual Recovery Path for Indian IT**

We view the quarter as a cautiously mixed read-through for Indian IT services. While continued strength in Managed Services, resilient BFSI spending and accelerating AI adoption support the medium-term demand outlook, near-term commentary remains less encouraging. Weak bookings, elongated deal cycles, Middle East-related disruption and continued pressure on discretionary spending suggest that the recovery trajectory remains gradual rather than broad-based. **Overall, ACN's commentary suggests that AI is becoming an increasingly meaningful demand driver; however, it remains insufficient to offset near-term weakness from discretionary spending pressures, elongated deal cycles and delayed large-program conversions. Therefore, we continue to expect a gradual recovery trajectory for Indian IT rather than a broad-based acceleration in FY27. Within Tier-1, we prefer INFO and TECHM and among mid-caps we have PSYS and COFORGE as our preferred ideas.**

**Revenue Holds up, but Underlying Demand Signals Remain Mixed**

ACN reported Q3FY26 revenue of USD 18.7 Bn (+3% CC YoY), driven by continued strength in Managed Services (+5% CC YoY), while Consulting remained subdued (+1% CC YoY). Growth was broad-based across geographies and business verticals, partially offset by weakness in the Middle East. Importantly, the management highlighted an approximately USD 100 Mn revenue impact from geopolitical disruption, alongside emerging softness in discretionary spending across Products and Resources towards quarter-end. While reported growth remained resilient, underlying demand trends continue to reflect a selective spending environment rather than a broad-based recovery.

**Guidance Cut Reflects Continued Caution despite Margin Resilience**

EBITM expanded 20 bps YoY to 17.0%, while EPS grew 9% YoY, underscoring continued execution discipline despite ongoing investments in AI, talent and acquisitions. ACN narrowed down its FY26 revenue growth outlook to 3–4% in cc, cutting the top end of the prior guidance range of 3–5%. Excluding 1% drag from its US federal business, ACN expects to grow at 4–5% while acknowledging that full guidance range remains achievable given persistent macro uncertainty and slower client decision-making. **Notably, ACN cited continued Middle East-related disruption and delayed conversion of certain large opportunities into revenue, suggesting that visibility on discretionary spending recovery remains limited despite improving underlying activity levels.**

**AI Momentum Builds; Delayed Deal Conversions Weigh on Growth Visibility**

Bookings declined 3% cc YoY to USD 19.3 Bn; the management indicated that several large managed-services contracts have shifted to FY27E due to client-specific delays. While this reinforces that deal conversion cycles remain elongated, commentary around AI was incrementally constructive. ACN added another 100 advanced AI engagements in this quarter and highlighted growing traction in production-scale deployments, with enterprises increasingly moving from experimentation toward enterprise-wide transformation programs. **We believe the key takeaway is that AI demand continues to build-up and remains additive to technology spending; however, the pace of monetisation remains insufficient to offset near-term weakness from discretionary spending pressures and delayed large-deal closures.**

Accenture Ltd. (USD Mn)	Q3FY26	Q2FY26	QoQ (%)	Q3FY25	YoY (%)
Revenues	18,718	18,044	3.7	17,728	5.6
EBIT	3,175	2,494	27.3	2,983	6.5
EBIT Margin (%)	17.0	13.8	314bps	16.8	14bps
PBT	3,150	2,457	28.2	2,951	6.7
Tax provision	762	597	27.6	707	7.7
Minority interest	(49)	(34)	43.2	(46)	5.3
Net profit	2,339	1,825	28.1	2,198	6.4
NP Margin (%)	12.5	10.1	238bps	12.4	10bps
EPS	3.8	3.0	29.1	3.5	9.5

Note: Accenture follows an August 2026 fiscal year-end for FY26

Source: ACN, Choice Institutional Equities

## Management Call - Highlights

### AI Leadership and Enterprise Reinvention

Management views AI as a significant tailwind which is acting as a catalyst for widespread enterprise reinvention.

- **Pilots to Production:** Clients are moving beyond initial pilots to large-scale AI transformation programs, with 100 new advanced AI projects initiated this quarter
- **Tangible ROI:** The company is focusing on delivering production-grade AI engines which provide clear returns, such as a 55% improvement in campaign speed-to-market for Cox Communications
- **Foundational Readiness:** Large-scale AI adoption requires a digital core (cloud, data and security) and the management noted that half of advanced AI projects leads to a subsequent data project

### Strategic Pivot to Non-FTE and Platform Models

A central takeaway is Accenture's purposeful shift toward non-FTE (Full-Time Equivalent) commercial models and platform-led growth.

- **Operational Technology Security Expansion:** Through the acquisition of a majority stake in Dragos (along with runZero and NetRise), Accenture is creating a first-of-its-kind OT security platform
- **TAM Expansion:** This move triples Accenture's TAM in the double-digit growth area of OT security, which the management considers essential for the 'Physical AI' revolution
- **Capital Deployment:** Due to these exciting cybersecurity acquisitions, the company increased its FY26 capital deployment target for acquisitions, from USD 5 Bn to USD 9 Bn

### New Market Capture: Accenture Edge

Management is expanding its reach by targeting the mid-market segment (companies with USD 300 Mn to USD 3 Bn in revenue)

- **The Opportunity:** This segment represents a USD 240 Bn addressable market growing at high single digit
- **Accenture Edge:** Launching next week, this new business unit will offer faster-to-deploy, repeatable and right-sized solutions specifically designed for mid-market scale, leveraging the company's ecosystem relationships

### Financial Resilience and Macro Challenges

While delivering revenue growth and margin expansion, the management acknowledged specific headwinds.

- **Middle East Conflict:** This had a USD 100 Mn revenue impact in Q3, primarily affecting consulting work and discretionary spend
- **Macro Uncertainty:** The management noted that the entire Q4 revenue range is in play due to global macro uncertainty and longer decision-making cycles in certain regions
- **Operational Strength:** Despite these challenges, Accenture took significant market share, delivered 17% operating margin and is on track to return at least USD 9.5 Bn to shareholders in FY26

### Shift to Fixed-Price Commercials

The management highlighted a continued trend in how its contract work, providing stability through its margin.

- **Volume:** Fixed-price work now represents over 60% of their business and is increasing.
- **Margin Impact:** The management stated there is no significant margin difference between fixed-price and other model, and this stability is already embedded in its 20 bps margin expansion target

*AI drives enterprise reinvention, accelerating large-scale transformation beyond pilot projects*

*Company launched 100 advanced AI projects, emphasizing production-grade outcomes*

*AI solutions delivered measurable ROI, including faster campaign deployment performance*

*Successful AI adoption requires strong cloud, data, and security foundations*

*Accenture expands cybersecurity capabilities through acquisitions, creating innovative OT platforms*

*OT security investments significantly expand addressable markets and growth opportunities*

*Accenture Edge targets mid-market firms with scalable, rapidly deployable solutions*

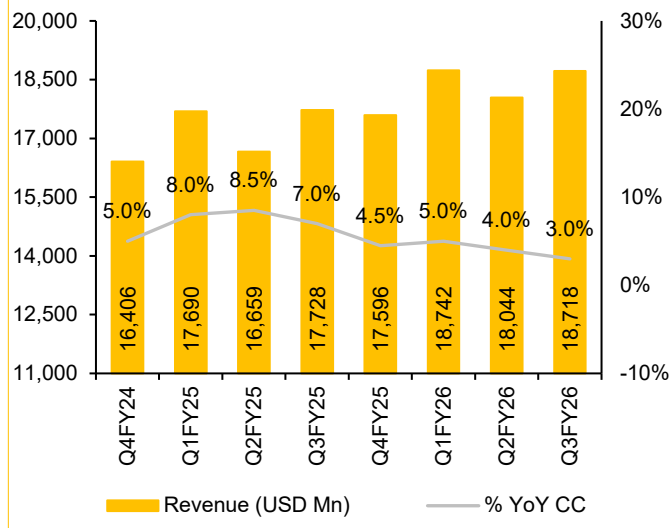
*Fixed-price contracts exceed sixty percent, supporting stable margins despite uncertainty*

## Sequential Operating Performance

	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
<b>Revenue (USD Mn)</b>								
Growth QoQ (%)	16,406	17,690	16,659	17,728	17,596	18,742	18,044	18,718
Growth YoY CC (%)	5%	8%	9%	7%	5%	5%	4%	3%
<b>Vertical Revenue Mix (USD Mn)</b>								
Communications, Media & Tech	2,751	2,858	2,730	2,912	2,954	3,102	3,091	3,218
Financial Services	2,873	3,169	3,010	3,279	3,316	3,602	3,395	3,489
Health & Public Services	3,614	3,813	3,609	3,778	3,564	3,797	3,670	3,845
Product	4,949	5,425	5,052	5,344	5,376	5,741	5,477	5,669
Resources	2,220	2,425	2,258	2,415	2,387	2,499	2,411	2,498
<b>Vertical Revenue Growth YoY CC (%)</b>								
Communications, Media & Tech	5%	7%	6%	5%	5%	8%	10%	9%
Financial Services	-2%	4%	11%	13%	12%	12%	7%	3%
Health & Public Services	11%	12%	10%	7%	-3%	-1%	-1%	0%
Product	6%	10%	9%	7%	5%	4%	3%	3%
Resources	3%	6%	5%	4%	5%	2%	2%	1%
<b>Geographic Markets Mix (USD Mn)</b>								
Americas	7,967	8,733	8,553	8,966	8,804	9,080	8,896	9,138
EMEA	5,639	6,412	5,804	6,232	6,196	6,935	6,569	6,873
APAC	2,800	2,544	2,302	2,530	2,596	2,727	2,578	2,707
<b>Geographic Revenue Growth YoY CC (%)</b>								
Americas	6%	11%	11%	9%	5%	4%	3%	1%
EMEA	2%	6%	8%	6%	3%	4%	2%	4%
APAC	9%	4%	1%	4%	6%	9%	10%	8%
<b>Revenue By Service Line (USD Mn)</b>								
Consulting	8,260	9,045	8,282	9,007	8,772	9,415	8,860	9,328
Managed Services	8,145	8,644	8,377	8,721	8,824	9,328	9,184	9,390
<b>Service Line Revenue Growth YoY CC (%)</b>								
Consulting	3%	6%	6%	6%	3%	3%	3%	1%
Managed Services	7%	11%	11%	9%	6%	7%	5%	5%
<b>New Bookings (USD Mn)</b>								
Consulting	8,590	9,045	10,470	9,080	8,870	9,880	11,330	10,260
Managed Services	11,550	8,644	10,440	10,620	12,440	11,060	10,780	9,060
<b>Total Bookings</b>	20,140	17,690	20,910	19,700	21,310	20,940	22,110	19,320
<b>Employees Data</b>								
<b>Headcount</b>	7,74,303	7,98,781	8,01,099	7,90,692	7,79,273	7,83,691	7,86,432	7,98,739
Utilization (%)	92%	91%	91%	92%	93%	93%	93%	93%
Attrition (%)	14%	12%	13%	16%	15%	13%	13%	14%

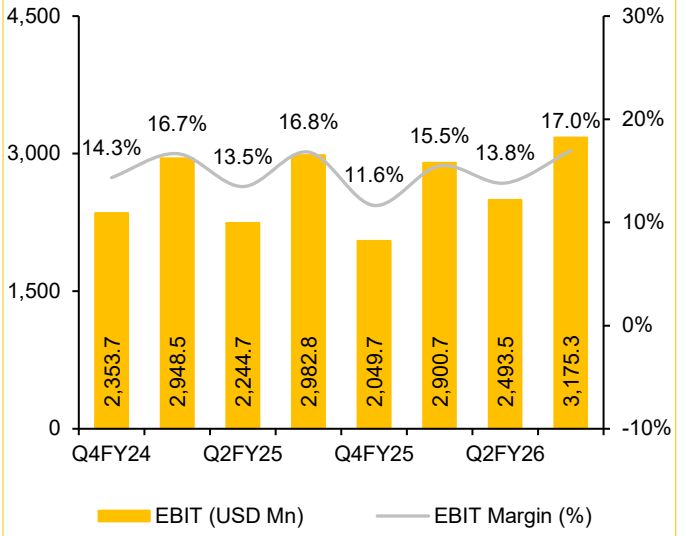
Source: ACN, Choice Institutional Equities

**Revenue for Q3FY26 grew by 3.0% YoY CC; In-line with estimates**



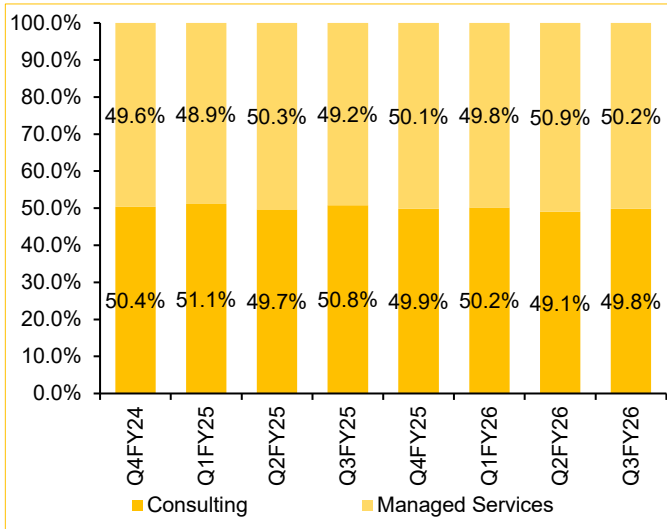
Source: ACN, Choice Institutional Equities

**EBITM came in at 17.0%, up 320 bps sequentially**



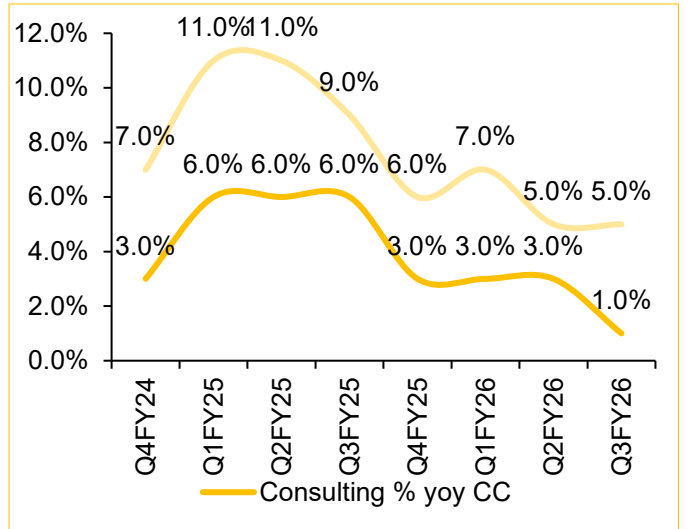
Source: ACN, Choice Institutional Equities

**Managed Services & Consulting registered steady growth QoQ**



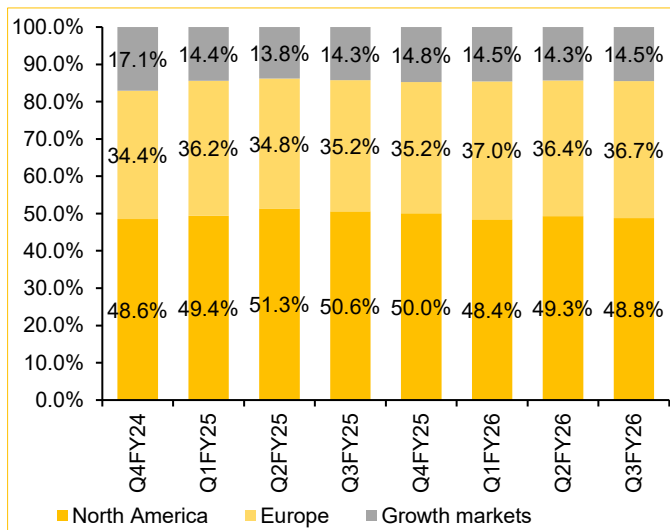
Source: ACN, Choice Institutional Equities

**Managed Services led growth; Consulting grew modestly**



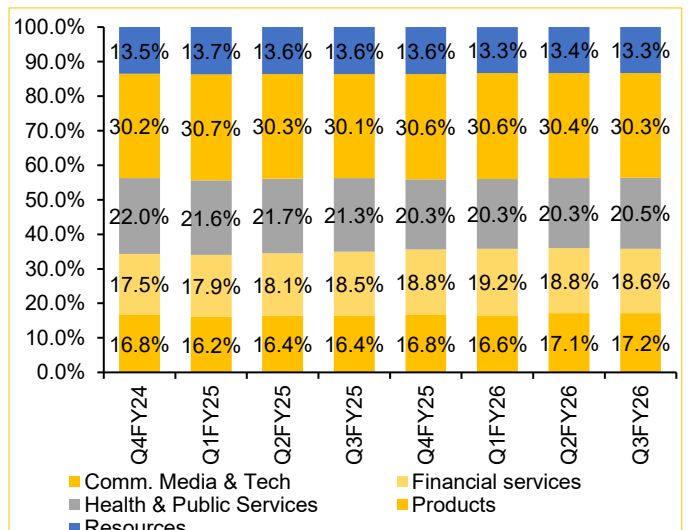
Source: ACN, Choice Institutional Equities

**Broad-based growth across geographies**



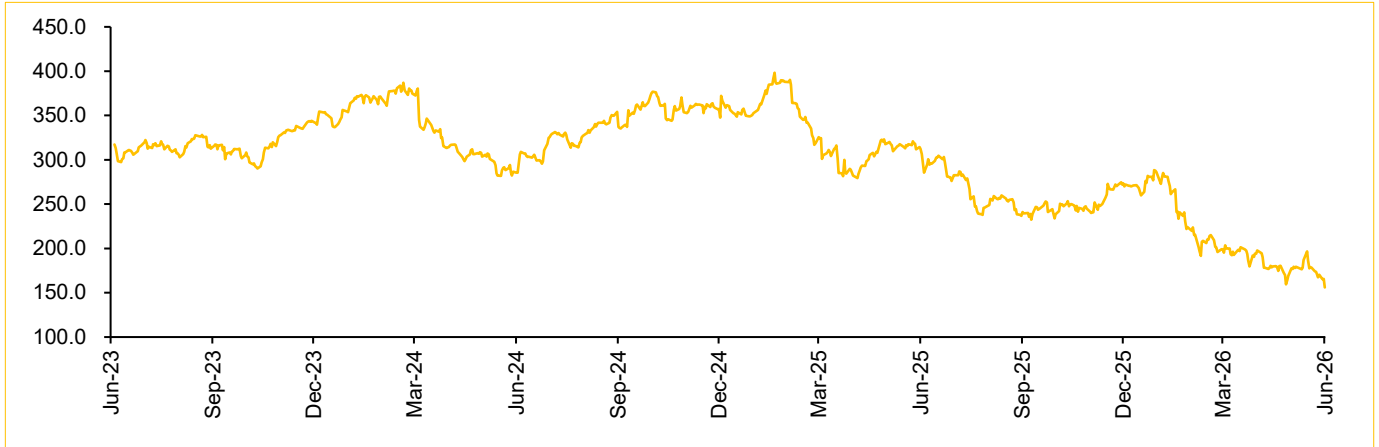
Source: ACN, Choice Institutional Equities

**Comm. Media & Tech & Financial Services led growth**



Source: ACN, Choice Institutional Equities

**Historical Price Chart: Accenture**



**Institutional Research Team**

Utsav Verma, CFA	Head of Institutional Research – Equity Strategy, Small & MidCaps	utsav.verma@choiceindia.com	+91 22 6707 9440
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 9867
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**

<b>Large Cap*</b>	
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
<b>Mid &amp; Small Cap*</b>	
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
<b>Other Ratings</b>	
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
<b>Sector View</b>	
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

## 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. INH00000222 ) CIN. NO.: U65999MH2010PTC198714. Reg. Add.: Sunil Patodia Tower, J B Nagar, Andheri (East), Mumbai 400099. Tel. No. 022-6707 9999 . Compliance Officer-Prashant Salian. Tel. 022-6707 9999-Ext. 896. Email- Compliance@choiceindia.com. Grievance officer-Deepika Singhvi Tel.022-67079999- Ext-834.**

Email- [ig@choiceindia.com](mailto: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](http://www.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.