MPS Ltd

Market Cap.	52 Week H/L	CMP	Target Price
Rs. 3,635 Cr.	Rs.3,072/1,763	Rs.2,125	Rs.3,463

ENT

STOCK DATA

BUY

Reuters Code	MPSL.BO
Bloomberg Code	MPS IN
BSE Code	532440
NSE Symbol	MPSLTD
Face Value	Rs.10
Shares Outstanding	1.71 Cr
Avg. Daily Volume (6m)	22,903 Shares

Price Performance (%)

1M	3M	6M
(8)	(1)	(20)

200 days EMA Rs.2312

SHARE HOLDING (%)

Promoters	64.38
FII	1.47
FI / MF	0.05
Bodies Corporate	2.91
Public & Others	31.19

MPS Ltd has recently announced its performance for the quarter ended Sept 30, 2025. Following are the key financial highlights:

Particulars	Q2FY26	Q2FY25	YoY	Q1FY26	QoQ
Net Sales	196.7	179.3	9.7%	193.4	1.7%
EBITDA	62.8	55.0	14.2%	57.4	9.4%
EBITDA Margin	**31.9%**	**30.7%**	**120 bps**	**29.6%**	**230 bps**
Profit before Tax	69.2	48.1	43.9%	49.5	39.8%
Profit (loss) after Tax	55.4	35.2	57.4%	35.2	57.4%
PAT Margin	**28.2%**	**19.6%**	**86 bps**	**19.7%**	**50 bps**
EPS	32.7	20.7	58.0%	20.8	58.0%

Highlights from the Quarter (Q2FY26):

MPS Ltd reported a strong set of numbers in the second quarter of FY26, with revenues surging 9.7% YoY to Rs.196.7cr. EBITDA margins too improved at 31.9% for the quarter against 30.7% YoY and 29.6% on a QoQ basis. Net profit too surged to Rs.55.4cr, as against Rs.35.2cr in the preceding year's quarter.

However, a substantial reason for the major jump in numbers was due to an exceptional income for the company. Q2FY26 includes a net exceptional income of Rs.12.81cr. This net income results from a write-back of liability related to the purchase of the balance 35% stake in the Liberate Group,

Segmental Performance:

Research Solutions - Strong organic growth driven by deep engagement with STAR accounts and new customer additions. AJE improving as per acquisition playbook, with more margin expansion expected.

Education Solutions - AI-powered workflows are driving more than 60% of incremental growth. According to the management, Education is the fastest-growing business, with structural tailwinds and strong AI leverage.

Corporate Learning - FY26 is acknowledged as a "soft year" for Corporate Learning. H2 is expected to show margin improvement, with a better FY27.

MPS continues to maintain a strong growth outlook driven by sustained momentum in its Research and fast-scaling Education businesses. The company is leveraging AI-powered workflows to expand margins and deliver nonlinear efficiency gains across segments. With a healthy order pipeline and a disciplined acquisition strategy, MPS aims to accelerate its long-term Vision FY28 targets.

OUTLOOK AND VALUATION

We remain bullish on MPS Ltd due to the various growth factors prevalent for the company. We expect FY27E revenue at Rs.1194.3cr, EBITDA of Rs.364.3cr at an EBITDA margin of 30.5% and PAT of Rs.257.6cr. We estimate FY27E EPS at Rs.150.6, and assign a PE multiple of 23x, maintaining the target price to Rs.3463 (upside ~63.0%) from the current market price of Rs.2125. We keep our BUY Rating for MPS Ltd over an investment horizon of 24 months.

Y/E Mar	Revenue (Rs. Cr)	EBITDA (Rs. Cr)	EBITDA Margin (%)	PAT (Rs. Cr)	NPM (%)	EPS (Rs.)	P/E (x)	P/S (x)	P/BV (x)
FY25	726.9	210.9	29.0%	143.0	19.7%	83.6	25.5	5.0	7.6
FY26E	**857.7**	**253.0**	**29.5%**	**176.7**	**20.6%**	**103.3**	**20.6**	**4.2**	**7.6**
FY27E	**1,012.1**	**301.6**	**29.8%**	**211.9**	**20.9%**	**123.9**	**17.2**	**3.6**	**7.4**
FY28E	**1,194.3**	**364.3**	**30.5%**	**257.6**	**21.6%**	**150.6**	**14.1**	**3.0**	**6.8**

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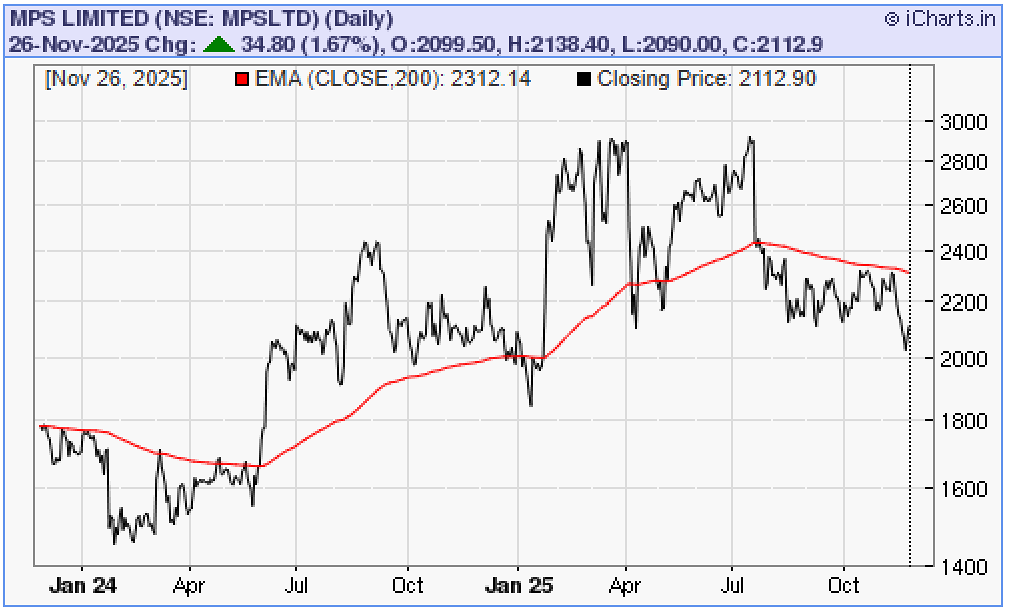

Earlier Recommendation

Date	Report Type	Reco	Price (Rs.)	Target (Rs.)
24-Jun-25	Initiating Coverage	Buy	2,633	3,603

PROFIT & LOSS STATEMENT

(Rs. Cr.)

Y/E Mar.	FY25	FY26E	FY27E	FY28E
Revenue	**727**	**858**	**1,012**	**1,194**
Raw Material Cost	0	0	0	0
Employee Cost	328	385	453	531
Other Expenses	188	220	257	299
EBITDA	**211**	**253**	**302**	**364**
EBITDA Margin (%)	*29.0%*	*29.5%*	*29.8%*	*30.5%*
Depreciation	27	30	33	36
EBIT	**183**	**223**	**268**	**328**
EBIT Margin (%)	*25.2%*	*26.0%*	*26.5%*	*27.4%*
Finance Costs	1	1	1	1
Other Income	13	14	15	17
Profit before Tax	**201**	**236**	**283**	**343**
Tax Expense	52	59	71	86
Net Profit	**143**	**177**	**212**	**258**
Net Margin (%)	*19.7%*	*20.6%*	*20.9%*	*21.6%*
EPS	**83.6**	**103.3**	**123.9**	**150.6**

BALANCE SHEET

(Rs. Cr.)

Y/E Mar.	FY25	FY26E	FY27E	FY28E
PP&E (incl. CWIP)	22	23	26	29
Right of Use Assets / Investment Property	5	5	5	5
Other Intangible assets	72	72	72	72
Goodwill	244	244	244	244
Other non-current assets	40	42	44	47
Inventories	-	-	-	-
Other financial asset investments	21	24	27	30
Trade Receivables	117	134	155	183
Cash and Bank Balances	84	74	77	100
Other Current Assets	89	96	101	106
Total Assets	**695**	**714**	**751**	**817**
Equity Share Capital	17	17	17	17
Reserves & Surplus	461	461	476	517
Deferred tax liabilities	26	28	30	33
Other Non-Current Liabilities	38	38	38	38
Trade Payables	25	31	37	44
Other Financial Liabilities	14	16	17	19
Current tax liabilities	3	3	3	3
Other Current Tax Liab & Provisions	110	121	133	146
Total Liabilities	**695**	**714**	**751**	**817**

Source: Company, Sushil Finance Research

CASH FLOW STATEMENT

(Rs. Cr.)

Y/E Mar.	FY25	FY26E	FY27E	FY28E
PBT	201	236	283	343
Depreciation	27	30	33	36
Interest	1	1	1	1
CFO before Working Cap chg	**229**	**267**	**317**	**381**
Chg in Inventories	-	-	-	-
Chg in Trade Receivables	(14)	(17)	(21)	(28)
Chg in Trade Payables	1	5	6	7
Chg in Current Assets & Liabilities				
Income Taxes Paid	(52)	(59)	(71)	(86)
Cash Flow from Operations	**165**	**196**	**231**	**274**
Interest Paid	(1)	(1)	(1)	(1)
Dividend Paid	(153)	(177)	(197)	(216)
Other Adjustments	(92)	8	11	12
Cash Flow from Financing	**(246)**	**(170)**	**(187)**	**(205)**
Capital Expenditure	(28)	(32)	(35)	(39)
Other Adjustments	44	(9)	(8)	(9)
Cash Flow from Investing	**15**	**(40)**	**(43)**	**(49)**
Opening Cash	**109**	**63**	**49**	**49**
Total Cash Flow	**(45)**	**(15)**	**1**	**21**
Closing Cash	**63**	**49**	**49**	**70**

FINANCIAL RATIO STATEMENT

Y/E Mar.	FY25	FY26E	FY27E	FY28E
Growth (%)				
Revenue	33.3%	18.0%	18.0%	18.0%
EBITDA	24.1%	20.0%	19.2%	20.8%
Net Profit	20.4%	23.6%	19.9%	21.5%
Profitability (%)				
EBITDA Margin	29.0%	29.5%	29.8%	30.5%
Net Profit Margin	19.7%	20.6%	20.9%	21.6%
ROCE	39.8%	48.3%	56.4%	63.3%
ROE	29.9%	37.0%	43.0%	48.2%
Per Share Data (Rs.)				
EPS	83.6	103.3	123.9	150.6
BVPS	279.7	279.5	288.4	312.5
CEPS	99.6	120.9	143.3	171.9
Valuation (x)				
P/E	25.4	20.6	17.2	14.1
P/BV	7.6	7.6	7.4	6.8
EV/EBITDA	16.9	14.1	11.8	9.8
P/Sales	5.0	4.2	3.6	12.1

Source: Company, Sushil Finance Research

Rating Scale :

This is a guide to the rating system used by our Institutional Research Team. Our rating system comprises of three rating categories.

Total Expected Return Matrix (Rating and Return)	BUY : Over 12%	HOLD : -12% to 12%	SELL : Below -12%

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Analyst Stock Ownership	No
Stock Recommended to Clients	Yes
Remuneration/Benefits received from company in 12 months	No
Merchant Banking Market Making activities / projects	No
Sushil Financial Services Pvt. Ltd and Group Companies Holding	No
Sushil Financial Services Pvt. Ltd and Group Directors Holding	Yes
Broking Relationship with the company covered	No