

Accenture (ACN) reported Q3 revenue of USD18.7bn, up 6% YoY (3% in LC) and closer to the midpoint of its local currency (LC) guidance. Growth in Q3 was impacted by the Middle East conflict, resulting in a ~USD100mn revenue impact and ~USD400mn sales impact, driven by weaker discretionary spending and slower decision-making. It has lowered the midpoint of revenue growth guidance to 3.5% for FY26 (vs 4% earlier). AI is expected to be a key industry tailwind, driving enterprise reinvention and unlocking new growth and efficiency opportunities for clients. ACN plans to increase its FY26 M&A investment to ~USD9bn (vs the earlier USD5bn allocation and USD3bn deployed in 9MFY26) to expand into higher-growth, more non-FTE revenue areas such as AI, data, cybersecurity, data centers, and IP-led assets. Downward revision in the mid-point of FY26 growth guidance, factoring in the impact of ME conflicts, soft deal bookings, and right-shifting of a couple of large managed services deals into FY27, raises concern on near-term growth visibility and is expected to weigh on stock performance, despite undemanding valuations. The NIFTY IT Index has underperformed the broader markets by 5%/20% over 3M/6M, respectively, driven by concerns over slower growth, evolving AI narrative, questions around sustainability of the business model, partially offset by rupee depreciation. We prefer mid-caps given better growth visibility. Our pecking order is INFO, LTIM, TCS, HCLT, TECHM, and WPRO in large caps.

Q3 revenue came closer to the mid-point of the guidance

Revenue grew 6% to USD18.72bn in Q3 (3% in LC). Consulting revenue grew 4% YoY to USD9.33bn (1% in LC), while Managed Services revenue rose 8% to USD9.39bn (5% in LC). New bookings declined 2% YoY to USD19.3bn (down 3% in LC), including bookings in Consulting worth USD10.26bn (up 13% YoY; book-to-bill: 1.1x) and in Managed Services worth USD9.06bn (down 15% YoY; book-to-bill: 1.0x). Both GAAP and adjusted operating margin expanded 20bps YoY to 17% in Q3. Voluntary attrition (annualized) in Q3 was 14%, up 1% QoQ and down 2% YoY. Headcount increased by ~8k employees YoY, taking total headcount to 798.7k (1.6/1% QoQ/YoY).

Broad-based growth momentum; Financial Services growth moderates further

Revenue growth in Q3 was broad-based across industry groups, led by CMT (9% YoY in LC), Financial Services (3%), Products (3%), and Resources (1%) and flat for Health and Public Services. By geography, the Americas grew 1% YoY in LC, driven by Software & Platforms, High Tech, and Industrials, partially offset by a decline in Public Service; within the Americas, growth was led by the US. EMEA grew 4% on the back of strength in Public Service and Software & Platforms; within EMEA, growth was led by the UK and Italy. Asia Pacific grew 8%, driven by Public Service, Banking & Capital Markets, and Insurance; within APAC, growth was led by Japan, Australia, and Singapore.

Lowers the midpoint of FY26 revenue growth guidance to 3.5% in LC

ACN lowers the midpoint of its revenue guidance to 3.5%, with a revised range of 3-4% in LC (vs 3-5% earlier) for FY26 (incl inorganic contribution of ~1.5%). Excluding the estimated 1% impact from the US federal business, growth would be 4-5%. The guidance assumes a >2% forex impact on reported USD revenue. ACN stated a GAAP operating margin of 15.3% (vs 15.2-15.4% earlier) for FY26, implying a 60bps YoY expansion. It guided adj operating margin of 15.8% (vs 15.7-15.9% earlier), up 20bps YoY. ACN expects Q4FY26 revenue of USD17.75-18.4bn (1-5% in LC), assuming a -0.5% forex impact. It retains OCF/FCF guidance of USD11.5-12.2bn/USD10.8-11.5bn in FY26.

A readthrough for Indian IT peers

ACN's commentary was slightly negative as moderating Q4 guidance, a lower FY guidance mid-point, and softer deal bookings (down 3% YoY in LC) point to near-term growth pressure amid a challenging macro backdrop. The management indicated that AI is not expanding client budgets, with spending largely being reallocated, challenging the near-term 'AI lifts the wallet' thesis. Clients are increasingly shifting toward ready-to-deploy solutions, creating opportunities in embedded expertise, data-led offerings, and IP/platform-based models. ACN is therefore pursuing a 'build, buy, and partner' strategy while allocating more capital toward higher-growth, non-FTE, product- and platform-led areas where Indian peers remain underpenetrated. Accenture Edge, targeting the companies in the USD300mn-USD3bn revenue segment, could pose a challenge for Indian players that cater to this mid-market client base, as ACN brings enterprise-grade scale, delivery quality, and strong ecosystem-led pull-through.

Dipeshkumar Mehta

dipeshkumar.mehta@emkayglobal.com
+91-22-66121253

Jimit Gandhi

jimit.gandhi@emkayglobal.com
+91-22-66121255

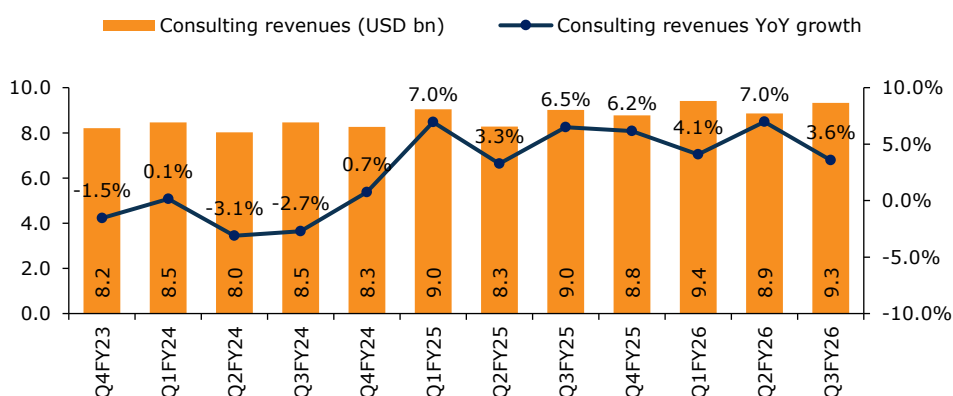
Shivang Bagla

shivang.bagla@emkayglobal.com
+91-22-66242491

Earnings call KTAs

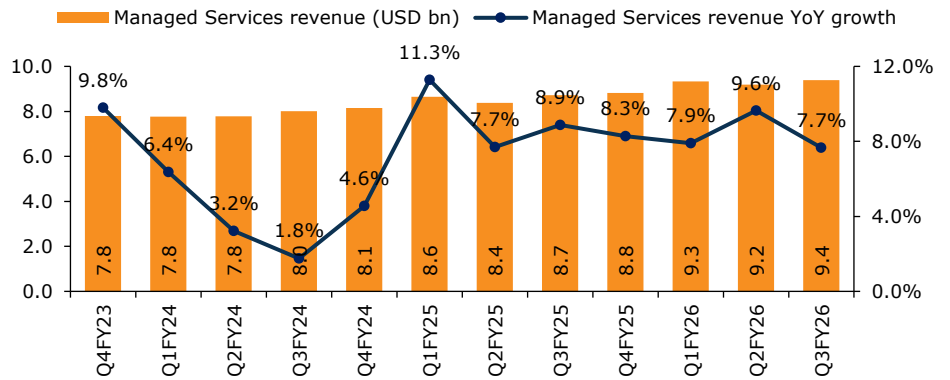
- 1) Per mgmt, client budgets have not been increasing even with AI, with spend being redeployed rather than expanded.
- 2) Clients continue to invest in cloud as a foundational element to strengthen their digital core and enable AI at scale.
- 3) AI momentum remains strong, with 100 new clients initiating advanced AI projects in Q3.
- 4) Clients continue to invest in the foundations needed to scale AI. This includes strengthening its digital core through cloud, data, security, and operating model transformation. A significant amount of reinvention work is helping clients prepare for AI, and data remains a critical enabler, with at least one out of every two advanced AI projects continuing to lead to a data project.
- 5) ACN continues to deepen partnerships across leading AI and data ecosystems, with partner-led revenue growth outpacing overall company growth. In addition, the mgmt expects bookings from key AI partners (incl Anthropic, Databricks, Gemini, Mistral AI, NVIDIA, OpenAI, Palantir, and Snowflake) to more than double in FY26 vs FY25.
- 6) The mgmt highlighted that clients are becoming more conscious of token usage and costs, drawing parallels to the cloud adoption cycle, where enterprises eventually shifted their focus from adoption to spend optimization.
- 7) ACN continues to see an increase in the average size of AI engagements, with growing demand for consulting, implementation, and AI capabilities within Managed Services.
- 8) Fixed-price work continues to be at >60% of revenue, and does not have any significant margin difference vs other commercial constructs.
- 9) It has 30 clients with quarterly bookings worth >USD100mn in Q3 (104 on a YTD basis).
- 10) A couple of large managed services opportunities shifted into FY27 due to company-specific reasons, acting as a drag on this quarter and Q4 guidance.
- 11) ACN invested USD3bn in 13 acquisitions in 9MFY26 and plans to invest ~USD9bn in acquisitions for FY26 (vs USD5bn earlier).
- 12) It is launching Accenture Edge next week to target mid-market companies (USD300mn to USD3bn revenue), offering faster-to-deploy, repeatable, and right-sized business solutions. This creates an addressable market of ~USD240bn, growing in high single digits.

Exhibit 1: Consulting – Revenue growth moderates to 1% in LC



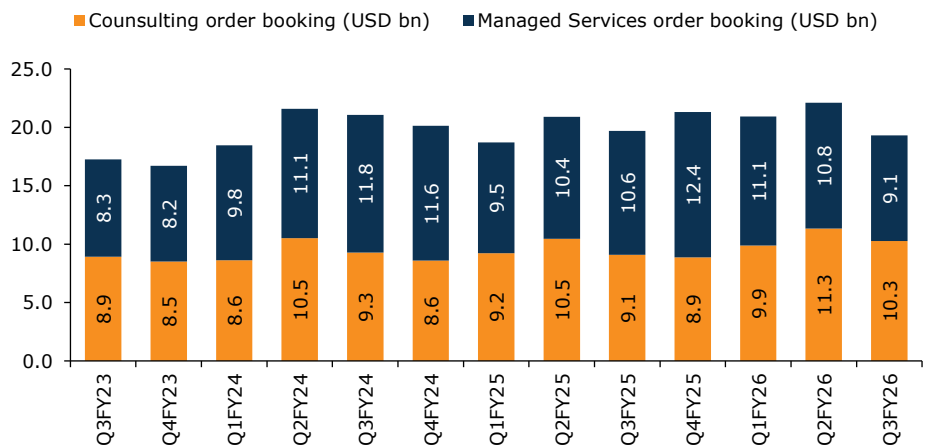
Source: Company, Emkay Research

Exhibit 2: Managed Services – Revenue growth steady at 5% in LC



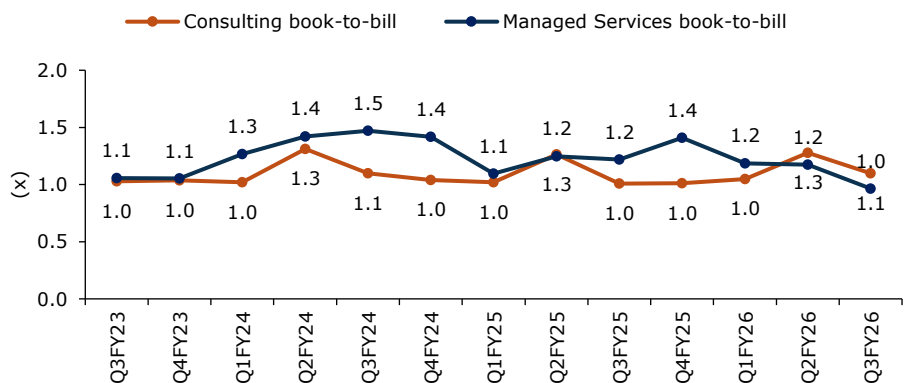
Source: Company, Emkay Research

Exhibit 3: Deal booking moderates in Q3, following a strong H1, down 3% YoY in LC



Source: Company, Emkay Research

Exhibit 4: Book-to-bill fell for both Consulting and Managed Services after strong order bookings in H1



Source: Company, Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions.com)

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons¹ may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of June 19, 2026
 - EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report
- Disclosure of previous investment recommendation produced:**
- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
 - EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of June 19, 2026
 - EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the June 19, 2026
 - EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
 - EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
 - EGFSL, its affiliates and/or Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions.com)

OTHER DISCLAIMERS AND DISCLOSURES:**Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-**

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions.com)