

# 1QFY26E IT Services Earnings Preview: Soft quarter despite seasonal strength

- Increased macro concerns (started in Mar'25) will likely have a full quarter impact in 1QFY26E despite seasonal strength. We expect mixed results across Enterprise IT Services companies with very soft quarter for ER&D services companies on a qoq basis.
- We expect top-6 large caps to report CC US\$ Sales dip of 2.6% to growth of 1.4% qoq in 1Q (Infy to lead the pack with Infy & LTIM to register positive growth while rest of the four top-6 large cap companies to register decline in CC terms). In midcaps, we expect healthy sales growth in Coforge, PSYS, R Systems, Mphasis, Zensar and eClerx.
- Considering tailwinds from benign supply-side issues, some cross-currency led benefits, lower pass-through sales (for some of the companies), cost optimisation and productivity led gains, we expect good execution on EBITM to continue in 1QFY26E with dip of 10bps to increase of 61bps qoq in large caps (excl. HCLT for which we expect 77bps qoq dip considering certain seasonal investments).
- We believe that volatile macro environment (led by increasing geo-political issues and tariff related uncertainty) may continue to impact clients' decision making on IT spend (esp. on discretionary spend) unless clarity emerges on tariff related issues ahead. This uncertainty will likely result into management commentary remaining cautious. However, we also believe that client may not materially postpone their investment in adopting GenAI/AgenticAI, for which they may drive further savings by awarding cost take out deals and/or demanding further productivity led gains (through AI) till the macro led uncertainty persist. Any adverse change in outsourcing rules and/or material slowdown in GDP growth of Western countries (esp. USA) are key downside risks.

## Company Snapshot

Company	Reco.	CMP	Mkt Cap Rs. Bn.	Price Target	Target Date
Birlasoft	LONG	442	122	505	Jun'26
Coforge*	ADD	1,926	643	1,822	Jun'26
Cyient	REDUCE	1,296	143	1,245	Jun'26
eClerx	LONG	3,435	163	3,550	Jun'26
HCL Tech	ADD	1,719	4,655	1,595	Jun'26
Infosys	LONG	1,611	6,660	1,585	Jun'26
KPIT Tech	LONG	1,242	339	1,530	Jun'26
LTTS	ADD	4,324	461	4,605	Jun'26
LTIM	ADD	5,305	1,572	5,010	Jun'26
Mphasis	LONG	2,889	548	2,915	Jun'26
Netweb	LONG	1,855	106	2,175	Jun'26
Persistent	REDUCE	6,015	937	5,100	Jun'26
R Systems	LONG	459	54	455	Jun'26
TCS	ADD	3,423	12,409	3,460	Jun'26
Tech M	LONG	1,677	1,636	1,630	Jun'26
Wipro	REDUCE	267	2,770	243	Jun'26
Zensar	LONG	852	191	835	Jun'26

\*PT adjusted for recently announced split

**Expect soft growth in most of Top 6 large caps:** We expect top 6 large caps to register qoq growth of (-) 2.6% to (+) 1.4% in US\$ Sales in CC terms in 1QFY26E. We expect high cross currency tailwinds qoq across top 6 large caps in the range of 120-230bps qoq. We expect healthy sales performance from some of the midcap IT/BPO Services companies incl. Coforge, PSYS, RSI, Mphasis, Zensar and eClerx with expected US\$ Sales growth in the range of 1.3%-7.0% qoq (Mphasis at the lower end and Coforge at the upper end) in CC terms. We expect CC US\$ Sales decline in the range of 3.1%-3.6% qoq in all three ER&D Services companies we track incl. Cyient DET, KPIT Tech & LTTS considering relatively higher spend pressure esp. in manufacturing & hitech segment.

**Demand commentary to remain cautious in our view:** 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 1QFY26E we expect stable to lower order TCV trends (on qoq basis) across many companies to be largely driven by seasonal issues and also slower decision making by clients. Key thing to watch will be management commentary regarding deal pipeline and any further decision-making delay regarding start/ramp up of earlier won deals.

**Expect some tweak in Infosys's FY26E Sales growth guidance:** We expect Infosys to guide for 1.0-3.25% CC growth in US\$ Sales to largely factor incremental inorganic growth contribution of c. 0.4% (earlier growth guidance of 0-3%) with no change in its EBITM guidance of 20-22% for FY26E. We expect no change in HCLT CC US\$ Sales growth guidance of 2-5% (c.1-4% Organic) both for Services & Consol. business with no change in its Consol. EBITM guidance of 18-19% for FY26E. We expect Wipro to guide for (-) 1% to (+) 1% qoq growth in IT Services US\$ Sales for 2QFY26E in CC terms.

**Remain selective:** Given recent re-rating in the sector valuations, we recommend remaining selective and prefer Infosys/TechM amongst large caps and prefer Zensar/Mphasis/KPIT/eClerx amongst midcaps on a relative basis.

## Analysts

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## Indian IT Services 1QFY26E earnings preview (Source for all tables: Company data, Bloomberg, Equirus)

Birlasoft (in mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	151	152	-0.6%	159	-4.9%	We expect 0.6% qoq dip in US\$ revenues (CC: dip of 1.2% qoq) largely due to expected softness in discretionary/project-based spending (esp. in Manufacturing & Medtech segments). Expect EBITM to decline qoq by 72bps to 10.8% given growth softness and absence of certain one-offs qoq. We expect TCV wins to dip on qoq basis given seasonality.
Net Sales (Rs.)	12,902	13,169	-2.0%	13,274	-2.8%	
EBIDTA	1,612	1,736	-7.1%	1,951	-17.4%	
EBIT	1,396	1,519	-8.1%	1,745	-20.0%	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.
PAT	1,208	1,221	-1.1%	1,502	-19.6%	
EPS (INR)	4.3	4.4	-1.2%	5.4	-20.2%	
EBIT Margin	10.8%	11.5%	-72	13.1%	-233	

Coforge (in mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Comments & Outlook
US \$ Revenue (ex. Fx)	438	404	8.6%	291	50.4%	We expect US\$ sales (ex. Fx) to grow 8.6% qoq (with CC growth of 7.0% qoq) led by 2.1% inorganic growth and ramp up in Sabre and other deals. Consol EBIT margins (ex. Fx) expected to dip marginally by 5bps with headwinds including deal ramp up cost, visa cost to be partly compensated by operating leverage and some currency benefits. We expect EBIT (incl. Fx) to be largely stable qoq at 13.2%. Expect Adj. EBITDAM (Incl Fx, excl. ESOP) margins at 18.4% (-24bps qoq) vs. 18.7% qoq.
Net Sales(Rs.) - ex. Fx	37,512	34,222	9.6%	23,999	56.3%	
EBIDTA - ex. Fx	6,368	5,871	8.5%	4,078	56.2%	
EBIT - ex. Fx	5,041	4,617	9.2%	3,263	54.5%	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.
PAT (Recurring)	3,187	2,859	11.5%	2,285	39.5%	
EPS (Recurring) INR	47.6	42.7	11.4%	34.3	39.0%	
EBIT Margin - ex. Fx	13.4%	13.5%	-5	13.6%	-16	

Cyient (in mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	201	220	-8.8%	201	0.1%	We expect 8.8% dip in US\$ Sales qoq with expected US\$ Sales decline of 1.3% in DET Revenues (CC: 3.1% qoq dip). Consol. EBIT margins are expected to decline by 147bps with expectations of DET EBIT margins to dip by 54bps to 12.5% given soft growth and investments. Expect soft Sales & OPM performance in DLM both on qoq basis (largely due to seasonality) and on yoy basis considering macro concerns (which further increased during the quarter due to higher geo-political issues).
Net Sales (Rs.)	17,213	19,092	-9.8%	16,757	2.7%	
EBIDTA	2,553	3,028	-15.7%	2,651	-3.7%	
EBIT	1,864	2,349	-20.6%	1,993	-6.5%	Key things to look for: Strategy update under new CEO in DET; growth and margin outlook for FY26E 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.
PAT (Recurring)	1,445	1,704	-15.2%	1,439	0.4%	
EPS (Recurring) INR	13.01	15.35	-15.2%	13.0	0.3%	
EBIT Margin	10.8%	12.3%	-147	11.9%	-106	

eClerx (in mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	108	105	3.2%	93	16.0%	We expect US\$ Sales to increase by 3.2% qoq (CC growth of 2.2% qoq) led by ramp up of deal wins of earlier quarters. We expect EBIT margins to dip 448bps qoq considering wage hikes and higher investments esp. in new DCs outside India.
Net Sales(Rs.)	9,163	8,983	2.0%	7,819	17.2%	
EBIDTA	1,931	2,323	-16.8%	1,664	16.1%	
EBIT	1,541	1,913	-19.4%	1,347	14.4%	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 FY26E and beyond, deal pipeline/closures, capital allocation policy and client specific issues.
PAT (Recurring)	1,224	1,522	-19.6%	1,116	9.7%	
EPS-Recurring (INR)	26.1	32.4	-19.6%	23.1	12.8%	
EBIT Margin	16.8%	21.3%	-448	17.2%	-41	

HCL Tech (in mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	3,547	3,498	1.4%	3,364	5.4%	We expect US\$ revenue growth of 1.4% qoq (CC qoq dip of 0.9% due to seasonal weakness in IT Services and P&P business). We expect CC dip of 0.9% qoq in Services. EBIT margins are expected to dip by 77bps qoq led by seasonal weakness. We expect no change in HCLT CC US\$ Sales growth guidance of 2-5% (c.1-4% organic) both for Services & Consol business for FY26E. We also do not expect any change in its Consol. EBITM guidance of 18-19% for FY26E.
Net Sales (Rs.)	3,02,561	3,02,460	0.0%	2,80,570	7.8%	
EBIDTA	61,915	64,820	-4.5%	57,930	6.9%	
EBIT	52,096	54,420	-4.3%	47,950	8.6%	
PAT (Recurring)	42,751	43,070	-0.7%	42,570	0.4%	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.
EPS (Recurring) INR	15.8	15.9	-0.7%	15.7	0.4%	
EBIT Margin	17.2%	18.0%	-77	17.1%	13	

Infosys (in mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	4,892	4,730	3.4%	4,714	3.8%	We expect 3.4% qoq increase in US\$ Sales (CC: +1.4% qoq growth) including inorganic growth contribution of c.0.3% qoq. EBIT margins are expected to dip by 10bps qoq led by wage hikes for leaders/seniors and normalisation of various expenses (vs. write back in 4QFY25) vs. tailwinds incl. absence of visa cost, some currency benefits and ongoing cost optimisation through project Maximus. We expect decline in other income (considering non recurring income in 4QFY25) and higher tax rate. We expect Infosys to guide for 1.0-3.25% CC growth in US\$ Sales largely to factor inorganic growth contribution of around 0.4% (earlier guided growth of 0-3% without factoring inorganic growth contribution) with no change in its EBIT margin guidance (20-22%) for FY26E.
Net Sales(Rs.)	4,17,332	4,09,250	2.0%	3,93,150	6.2%	
EBIDTA	98,395	98,740	-0.3%	94,370	4.3%	
EBIT	87,022	85,750	1.5%	82,880	5.0%	
PAT	67,660	70,330	-3.8%	63,680	6.2%	Key things to look for: Demand outlook in FY26E/1HFY26E, deal pipeline esp. for large/mega size deals, client decision making, pricing trends, details/assumptions for FY26E Sales and EBITM guidance.
EPS (INR)	16.3	17.0	-3.8%	15.4	6.2%	
EBIT Margin	20.9%	21.0%	-10	21.1%	-23	

KPIT Technologies (in mn)	4QFY25E	3QFY25	QoQ (%)	4QFY24	YoY (%)	Comments & Outlook
US \$ Revenue	177	177	0.1%	165	7.6%	We expect CC dip of 3.4% 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. EBITDA/EBIT margins are expected to remain largely flat qoq largely due to expected increase in offshoring, some currency related benefits and some cost optimisation. We expect material dip in other income qoq considering lower Fx related income and certain one timers in 4QFY25. We also expect some softness in deal win TCV qoq given slower decision making by clients. Our estimates are excluding announced M&A of Caresoft Group's certain business.
Net Sales (Rs.)	15,188	15,283	-0.6%	13,646	11.3%	
EBIDTA	3,196	3,230	-1.0%	2,882	10.9%	
EBIT	2,621	2,651	-1.1%	2,356	11.2%	
PAT (Recurring)	1,854	2,244	-17.4%	1,715	8.1%	Key things to look for: Update on FY26E Sales growth and margin outlook/guidance (organic and incl. inorganic), deal pipeline, order wins and client decision making esp. for large deals. Any major client specific issues (esp. from Europe) given ongoing volatile macro/tariff issues. 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.
EPS (INR) – Recurring	6.8	8.3	-17.4%	6.3	7.9%	
EBIT Margin	17.3%	17.3%	-9	17.3%	-1	

L&T Technology Services (in mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	338	345	-2.1%	295	14.5%	We expect US\$ revenue to decline by 2.1% qoq (CC: 3.6% qoq dip) with expected ramp down in SWC business due to seasonality and demand softness in some industries in ER&D Services. EBIT margins expected to remain largely flat qoq considering certain currency benefits, cost optimisation and certain productivity gains.
Net Sales (Rs.)	28,914	29,824	-3.0%	24,619	17.4%	
EBIDTA	4,637	4,755	-2.5%	4,562	1.6%	
EBIT	3,808	3,939	-3.3%	3,836	-0.7%	
PAT	3,069	3,111	-1.3%	3,136	-2.1%	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.
EPS (INR)	29.0	29.4	-1.4%	29.6	-2.2%	
EBIT Margin	13.2%	13.2%	-4	15.6%	-241	

LTIMindtree (in mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	1,153	1,131	2.0%	1,096	5.2%	We expect US\$ revenue to grow by 2.0% qoq (CC: growth of 0.7% qoq). We expect healthy growth in BFSI amongst industries. We expect 61bps improvement in EBIT margins qoq largely led by Fx benefits, cost optimisation 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 mega/large deal wins.
Net Sales (Rs.)	98,371	97,717	0.7%	91,426	7.6%	
EBIDTA	16,681	15,962	4.5%	16,061	3.9%	
EBIT	14,148	13,454	5.2%	13,709	3.2%	
PAT	11,963	11,285	6.0%	11,338	5.5%	Key things to look for: Growth and margin outlook for FY26E and beyond, impact of volatile macro concerns on LTIMindtree, 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.
EPS (INR)	40.4	38.1	6.0%	38.3	5.5%	
EBIT Margin	14.4%	13.8%	61	15.0%	-61	

Mphasis (in mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Comments & Outlook
US \$ Revenue - Ex Fx	441	430	2.4%	410	7.4%	We expect 2.4% qoq growth in US\$ Sales (ex. Fx) (+1.3% qoq in CC terms) despite considerable ramp down in ATM business and expected growth softness in Logistic sector. This is led by ramp up of strong order intake in 2HFY25. Reported EBIT margins (incl. Fx) are expected to be largely flattish qoq. We expect deal TCV to continue remain healthy in 1Q as well.
Net Sales(Rs.) - Incl Fx	37,627	37,100	1.4%	34,225	9.9%	
EBIDTA - Incl Fx	7,078	7,025	0.7%	6,185	14.4%	
EBIT - Incl. Fx	5,718	5,672	0.8%	5,135	11.4%	
PAT	4,574	4,465	2.4%	4,045	13.1%	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 International incl. Digital Risk, Blackstone Channel and Direct Core. Update on capital allocation and cash distribution.
EPS (INR)	24.1	23.5	2.4%	21.4	12.5%	
EBIT Margin	15.2%	15.3%	-9	15.0%	19	

Persistent (in mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	391	375	4.1%	328	19.0%	We expect US\$ Sales to grow 4.1% qoq (CC: +3.4%), we expect relatively softer growth in Healthcare given certain client specific issues and expected higher offshoring. EBIT margins are expected to remain largely flat despite headwinds from materially lower earnout reversals and visa cost to be compensated by operating leverage and certain productivity gains. We expect order intake to remain a bit soft (like 4QFY25) considering continuing delay in some clients' decision making.
Net Sales(Rs.)	33,321	32,421	2.8%	27,372	21.7%	
EBIDTA	5,990	5,844	2.5%	4,552	31.6%	
EBIT	5,197	5,053	2.8%	3,840	35.3%	
PAT (Recurring)	4,173	3,958	5.4%	3,064	36.2%	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.
EPS – Recurrng-INR	26.8	25.4	5.4%	19.9	34.6%	
EBIT Margin	15.6%	15.6%	1	14.0%	157	

R Systems (in mn)	2QCY25E	1QCY25	QoQ (%)	2QCY24	YoY (%)	Comments & Outlook
US \$ Revenue	53.6	51.1	4.9%	51.8	3.5%	US\$ revenues are expected to grow strongly by 4.9% qoq in 2QCY25E (c.3.3% qoq growth in CC terms) led by ramp up of deal wins in the past few quarters. Expect EBIT margins to decline by 45bps qoq largely due to investments and partial wage hikes. On Adj EBITDA we expect margins of 17.0% vs. 17.4% qoq. We accounted profit on sale of land/building as non-recurring income below Recurring PAT.
Net Sales (Rs.)	4,571	4,425	3.3%	4,320	5.8%	
EBIDTA	706	706	0.1%	634	11.4%	
EBIT	558	560	-0.4%	467	19.5%	
PAT (Recurring)	410	386	6.2%	249	64.8%	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 and any update on demand across segments (esp. TMT).
EPS (INR)- Recurring	3.5	3.3	6.2%	2.1	64.6%	
EBIT Margin	12.2%	12.6%	-45	10.8%	139	

TCS (in mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	7,603	7,465	1.8%	7,505	1.3%	US\$ revenue is expected to dip qoq by 0.4% in CC terms; tepid growth is largely due to expected ramp down in BSNL deal and some softness in sales growth in Int'l markets. Despite deferral of wage hikes, some Fx related benefits and likely dip in pass-through cost, we expect EBIT margins to improve marginally as soft demand likely to result into lower operating leverage and our expectation of ongoing investments. We expect material dip in TCV qoq given seasonal softness.
Net Sales(Rs.)	6,50,613	6,44,790	0.9%	6,26,130	3.9%	
EBIDTA	1,71,928	1,69,800	1.3%	1,66,620	3.2%	
EBIT	1,57,875	1,56,010	1.2%	1,54,420	2.2%	
Recurring PAT	1,23,684	1,22,240	1.2%	1,20,400	2.7%	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 IT budgets and any further update on growth strategies.
Recurring EPS (INR)	34.2	33.8	1.2%	33.3	2.7%	
EBIT Margin	24.3%	24.2%	7	24.7%	-40	

Tech Mahindra (in mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	1,568	1,549	1.2%	1,559	0.6%	We expect qoq dip of 0.8% in US\$ Sales in CC terms considering seasonal softness in Comviva and continuing softness in demand from some of the hi-tech clients. EBIT margins are expected to improve by 39bps qoq on reported basis largely led by cost optimisation efforts (Project Fortius) and some currency benefits which will be partly compensated by investments. We expect deal TCV to remain healthy on yoy basis. Our estimates for 1QFY26E exclude any one off-items/non-recurring charges, if any.
Net Sales (Rs.)	1,33,763	1,33,840	-0.1%	1,30,055	2.9%	
EBIDTA	19,187	18,674	2.7%	15,645	22.6%	
EBIT	14,572	14,053	3.7%	11,023	32.2%	
PAT Recurring	11,529	11,667	-1.2%	8,515	35.4%	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 and any further update on growth strategy.
EPS (INR) Recurring	13.0	13.2	-1.2%	9.6	35.2%	
EBIT Margin	10.9%	10.5%	39	8.5%	242	

Wipro (in mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Comments & Outlook
US \$ Revenue (IT Services)	2,573	2,597	-0.9%	2,626	-2.0%	We expect IT Services US\$ sales to dip by 2.6% qoq in CC terms (vs. guidance of qoq dip of 3.5% to 1.5% in CC terms). Recurring IT Services EBIT margins are expected to dip marginally by 8bps qoq given weak growth and investments. We expect Wipro to guide for a decline of 1.0% qoq to growth of 1.0% qoq in IT Services' US\$ Sales in CC terms for 2QFY26E (likely to factor Marelli announced Bankruptcy). Expect Order intake (esp. for large deals) to normalise and dip given 4QFY25 TCV included TCV from mega deal win. Our 1QFY26E IT Services Sales and EBIT estimates are excluding any adverse impact from Marelli's announced bankruptcy.
Net Sales (Rs.- Consolidated)	2,21,166	2,25,042	-1.7%	2,19,638	0.7%	
EBIDTA (Consolidated)	45,624	46,080	-1.0%	43,564	4.7%	
EBIT (IT Services)	38,495	39,270	-2.0%	36,057	6.8%	
PAT (Consolidated)	33,242	35,696	-6.9%	30,032	10.7%	Key things to look for: IT services US\$ sales growth and margin outlook esp. for 2QFY26E 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 and order book for 1QFY26E and beyond, details on capital allocation policy, any further sizable M&A , any further update on growth strategies.
EPS (Consol.) INR	3.2	3.4	-6.9%	2.9	10.6%	
EBIT Margin (IT Services)	17.4%	17.5%	-8	16.5%	95	

Zensar Tech (in mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Comments & Outlook
US \$ Revenue	162	157	3.2%	154	4.7%	US\$ revenues are expected to grow by 3.2% qoq in US\$ terms (+1.5% qoq in CC terms) led by better order book. Expect EBIT margins to dip by 45bps considering headwinds from visa cost, investments and expected higher ESOP cost to be partly compensated by tailwinds from seasonal R&D credit, some Fx benefits and operating leverage. Expect healthy order intake on yoy basis.
Net Sales (Rs.)	13,799	13,589	1.5%	12,881	7.1%	
EBIDTA	2,096	2,125	-1.4%	1,961	6.9%	
EBIT	1,854	1,887	-1.7%	1,714	8.2%	
Recurring PAT	1,774	1,764	0.6%	1,579	12.4%	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 and any update on demand from outlook across segments (esp. TMT).
Recurring EPS (INR)	7.8	7.8	0.6%	7.0	12.2%	
EBIT Margin	13.4%	13.9%	-45	13.3%	13	

Netweb Tech (in mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Comments & Outlook
Net Sales (Rs.)	2,082	4,147	-49.8%	1,493	39.5%	Despite seasonal business weakness in 1Q, we expect revenues to improve strongly by 39.5% yoy given healthy order book and L1 order pipeline at the end of 4QFY25 and increasing demand for fast computing and automation solutions. Expect EBITM of 11.3% for 1QFY26E which is down 235bps/47bps qoq/yoy respectively (please note that 4QFY25 had PLI income worth INR59mn in revenues and operating profit vs. NIL in 1QFY24/1QFY26E; adjusting/excluding this, we expect EBITDAM/EBITM at 12.9%/11.3% in 1QFY26E vs. 13.2%/12.4% in 4QFY25 and 13.4%/11.8% in 1QFY24.
EBIDTA	269	598	-55.1%	200	34.3%	
EBIT	235	566	-58.4%	176	33.9%	
Recurring PAT	186	430	-56.8%	154	20.3%	Key things to look for: Growth and margin outlook for FY26E and beyond, details on order pipeline (incl. L1) and order book (esp. on large deals wins if any and AI related deals pipeline and/or wins), status update on revenue scale up in telecom related products, capex/expansion plans and working capital cycle/FCF generation.
Recurring EPS (INR)	3.3	7.6	-56.8%	2.7	19.7%	
EBIT Margin	11.3%	13.6%	-235	11.8%	-47	





<b>Rating &amp; Coverage Definitions:</b> <b>Absolute Rating</b> <ul style="list-style-type: none"> <li>• LONG : Over the investment horizon, ATR &gt;= Ke for companies with Free Float market cap &gt;Rs 5 billion and ATR &gt;= 20% for rest of the companies</li> <li>• ADD: ATR &gt;= 5% but less than Ke over investment horizon</li> <li>• REDUCE: ATR &gt;= negative 10% but &lt;5% over investment horizon</li> <li>• SHORT: ATR &lt; negative 10% over investment horizon</li> </ul> <b>Relative Rating</b> <ul style="list-style-type: none"> <li>• OVERWEIGHT: Likely to outperform the benchmark by at least 5% over investment horizon</li> <li>• BENCHMARK: likely to perform in line with the benchmark</li> <li>• UNDERWEIGHT: likely to under-perform the benchmark by at least 5% over investment horizon</li> </ul> <b>Investment Horizon</b> Investment Horizon is set at a minimum 3 months to maximum 18 months with target date falling on last day of a calendar quarter	<b>Registered Office:</b> Equirus Securities Private Limited Unit No. A2102B, 21st Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai-400013. Tel. No: +91 – (0)22 – 4332 0600 Fax No: +91- (0)22 – 4332 0601  <b>Corporate Office:</b> 3rd floor, House No. 9, Magnet Corporate Park, Near Zydus Hospital, B/H Intas Sola Bridge, S.G. Highway Ahmedabad-380054 Gujarat Tel. No: +91 (0)79 - 6190 9550 Fax No: +91 (0)79 – 6190 9560
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