JM FINANCIAL

IT Services

4QFY25 Review: A Tarrific quarter

Abhishek Kumar
abhishek.kumar@jmfl.com | Tel: (91 22) 66303053
Nandan Arekal
nandan.arekal@jmfl.com | Tel: (91 22) 62241874

IT Services' 4QFY25 results were weak, as anticipated. Top-6's revenues declined 0.6-3.5% cc QoQ, with five out of the six missing estimates. Elevated uncertainty towards quarter-end compounded an already weak set-up – lower working days, higher third-party items in the base etc. Players' outlook, at the time of earnings, came against the backdrop of unprecedented tariff-war. Unsurprisingly, they cited limited near-term visibility, with WPRO guiding for a -3.5% to -1.5% cc QoQ growth for 1QFY26. Their full year outlook was however resilient. INFO and HCL's FY26 guidance imply 0.4-1.9% CQGR, decent given the circumstances. TCS also indicated a better FY26 (ex-BSNL). This outlook, we believe, stems from their record order-backlog. Top-6 have won TCV (as reported) of c.USD 180bn over past two years, at a book-to-bill of 1.07x. Actual book-to-bill will be higher as not all disclose full TCV. A thaw in US-China trade-war since then should further improve sentiments. That said, uncertainty could sustain unless clarity emerges on long-term tariff levels, thus keeping decisions on large transformation projects in limbo. Also, rush to push forward imports could divert resources towards working capital, impacting IT Services spend in the near-term. Moreover, (1.5)%-17% PER movement FYTD (for top-6) suggests tariff pessimism is already reversed. Stock performance from hereon should therefore track earnings upgrade. We prefer INFO/TCS among large-caps, HEXT/COFORGE among mid-caps and KPIT among ER&D.

- **4QFY25:** Growth divergence among large and mid-caps continued. Top-6 reported 0.6-3.5% cc QoQ decline. Only HCL exceeded expectations. Mid-caps under coverage grew (0.2)%-4.2% cc QoQ, with two out of four beating estimates. Large-cap growth was impacted by lesser billing days, lower third-party revenues (INFO, TCS, LTIM), client-specific factors (HCL – Retail; TECHM – Hi-Tech). Mid-caps, on the other hand, grew on the back on recent deal ramps. Auto ER&D growth (TATATECH/KPIT) met expectations, a positive. So did BPO players. Margins were in-line, across cohorts, except IKS which beat.

- **Deals – unyielding competition:** Book-to-bill, for players who report full TCV, ranged from 1.4-1.6x (ex-Coforge). Our analysis of deal TCV share indicate that on an LTM basis, TCS, WPRO and Capgemini (CAP FR, NR) have ceded market share to Accenture (ACN US; NR), Cognizant (CTSH US; NR) and LTIM. TCS' healthy 4Q TCV helped it win back some share though. Large deal wins by mid-caps (MPHL, COFORGE, HEXT), few even against larger incumbents, indicate heightened competitive intensity. Players will need to walk a tightrope between protecting/expanding wallet share and managing margins.

- **Outlook – Banking on backlog:** Most players sounded upbeat about full year prospects, even as they flagged off limited near-term visibility. WPRO guided for a soft -3.5% to -1.5% cc QoQ growth for 1Q. TCS mentioned that 1Q visibility is lower compared to previous years. It however expects ex-BSNL growth in FY26 to exceed FY25's. INFO's FY26 guidance was 0-3%, which, given a weak 4Q exit (-3.5%), implies 0.7-1.9% CQGR. HCL's 1-4% organic cc growth implies 0.4-1.1% CQGR. LTIM/TECHM's outlook hinges on their transformation progress. MPHL/Coforge expects FY26 growth to be better than FY25's. HEXT expects growth to accelerate through the next two quarters. PSYS remains on track to hit USD 2bn ARR by 4QFY27. KPIT was the only one to suspend guidance.

- **Earning cuts across the board:** Consensus (VisibleAlpha) cut its FY26-27E EPS for large-caps by 2-7% post earnings (Exhibit 30). Cons. cuts were highest in LTIM, though still remains above JMFe. Among mid-caps, our EPS cut was higher for PSYS vs cons. as we see growth-margin trade off ahead. For KPIT, our earnings actually went up, aided by favourable cross-currency movement, something we believe the Street has missed.

- **Sector view - premature to go over-weight:** NIFTY-IT is up 4% FYTD, scaling back the pre-Liberation Day level. EPS cuts mean valuations are up by (1.5)%-17%. While a bounce back from peak-pessimism scenario is justified, we still don't have evidence to argue for re-ratings from current levels. Moreover, short-term decisions around tariffs could impact spend patterns. We therefore don't see guidance upgrades at this stage. Among large-caps, stick with players that offer valuation comfort. TCS/INFO fall in that category.

Tier I	Rating	Target Multiple	TP (INR)	Upside
TCS	BUY	25x	4,060	16.1%
Infosys	BUY	24x	1,740	11.5%
HCL Tech	HOLD	22x	1,540	-6%
Wipro	BUY	21x	290	16.1%
TechM	BUY	20x	1,570	-0.4%
LTIM	SELL	22x	4,120	-17.9%
Tier II	**Rating**	**Target Multiple**	**TP**	**Upside**
Mphasis	BUY	25x	2,980	17.7%
Persistent	BUY	45x	6,220	10.1%
Coforge	BUY	38x	10,000	21.9%
Hexaware	BUY	30x	860	8.9%
Auto ERD	**Rating**	**Target Multiple**	**TP**	**Upside**
Tata Tech	BUY	40x	850	14.3%
KPIT Tech	BUY	40x	1,720	30.5%
Health BPO	**Rating**	**Target Multiple**	**TP**	**Upside**
Sagility	BUY	35x	71	60.9%
IKS	HOLD	30x	1,560	0.0%

Macro Environment:

Tariff flip-flops has pushed forward US imports, which could potentially dislocate spend patterns, diverting budgets/resources from Services to goods/working-capital.

Exhibit 1. Tariff risk has prompted US companies to push forward…
US Real imports of consumer goods ex autos (Jan 2023 = 100)

Source: US Census Beaureau, JM Financial

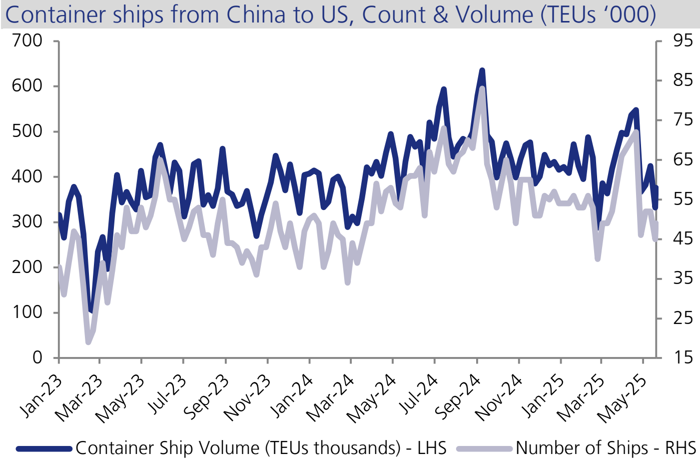
Exhibit 2. …imports, possibly diverting resources from Services
US Goods imports (USD Tn)

Source: Bloomberg, JM Financial

Exhibit 3. US activity in the manufacturing sector has declined
ISM Manufacturing Index – New Orders less Inventories

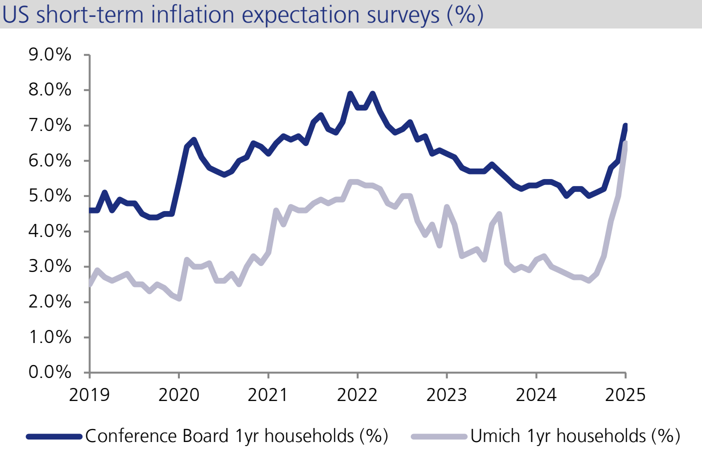
Source: Bloomberg, JM Financial

Exhibit 4. Container ships from China to US spiked in April
Container ships from China to US, Count & Volume (TEUs '000)



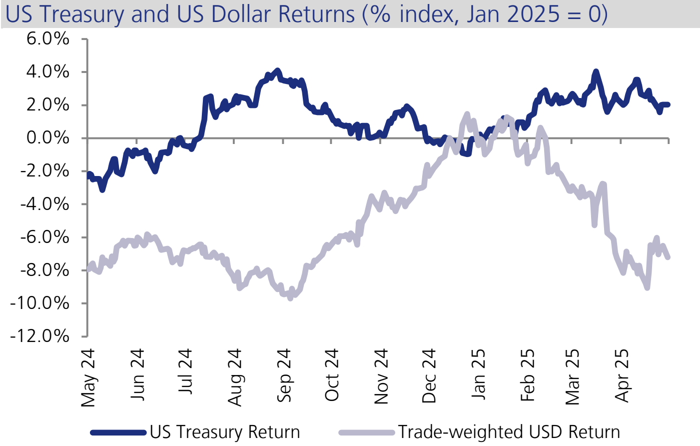
Source: Bloomberg, JM Financial

Exhibit 5. Sharp rise in inflation expectations could dent sentiment
US short-term inflation expectation surveys (%)



Source: Bloomberg, JM Financial

Exhibit 6. USD return is seeing a slight uptick after sharp decline
US Treasury and US Dollar Returns (% index, Jan 2025 = 0)



Source: Bloomberg, JM Financial

4QFY25 Performance and Outlook: Heat Map

Exhibit 7. Europe, ROW showed positive signs. BFSI continues its positive momentum. Consumer, Manufacturing, Hi-Tech and HLS saw pressure

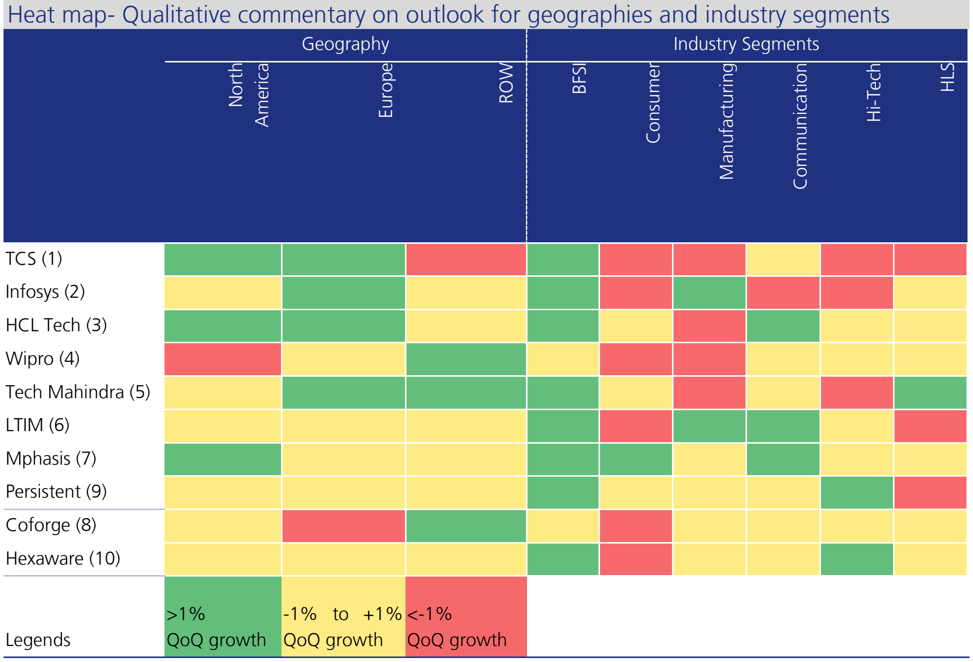
Heat-map-sequential growth across geographies and industry segments – 4QFY25

	Geography			Industry Segments					
	North America	Europe	ROW	BFSI	Consumer	Manufacturing	Communication	Hi-Tech	HLS*
TCS (1)	0.1%	1.0%	-6.0%	1.3%	-1.0%	-1.0%	-1.0%	0.3%	-1.0%
Infosys (2)	-6.4%	0.3%	-5.0%	-2.2%	-7.7%	-1.8%	0.0%	0.6%	-14.3%
HCL Tech (3)	-1.9%	4.1%	-5.6%	4.5%	-8.0%	-2.1%	13.7%	1.3%	-4.6%
Wipro (4)	-0.5%	-3.5%	-0.3%	-1.0%	-1.8%	1%		-1.9%	-3.3%
Tech Mahindra (5)	-5.9%	6.3%	1.1%	2.5%	-1.2%	0.0%	0.9%	-8.8%	-6.3%
LTIM (6)	-0.9%	-2.1%	2.8%	1.2%	-2.1%	2.4%		-1.9%	-13.3%
Mphasis (7)	3.2%	0.4%	-1.5%	4.4%	-8.1%			7.4%	
Persistent (8)	4.2%	6.7%	2.3%	6.1%				5.2%	0.4%
Coforge(9)	-2.4%	-1.1%	33.8%	6.2%		5.5%			
Hexaware(10)	0.4%	-1.4%	-3.8%	0.7%	0.0%			-5.9%	-1.3%
Legend	>1% QoQ growth	-1% to +1% QoQ growth	<-1% QoQ growth						

Note: (1): Communication & Media considered under Communication, Technology & Services under Hi-Tech; (2): INFO: Retail under consumer. (3): HCLT: Telecommunications, Media, Publishing & Entertainment considered under Communication, Retail & CPG under consumer, Technology & Services under Hi-Tech. (4) WPRO: Combined America 1 and America 2 considered under North America, Technology considered under Hi Tech. hi-Tech for Wipro includes Technology and Communication for Wipro as per 3QFY25 revised reporting. Energy, manufacturing and resources considered for Manufacturing. (6) LTIM:, Retail, transportation & logistics considered under consumer, Hi Tech & Media considered under Hi Tech. (7) Mphasis: Logistics and transportation under consumer, Technology, communication and entertainment under Hi-Tech. (8) PSYS: Travel, Transportation and Hospitality considered under Consumer; (9) COFORGE: Travel, Transportation and Hospitality considered under Consumer; (10) Hexaware: Manufacturing and cosumers under consumer. Source: Company, JM Financial

Exhibit 8. Most players indicated positive outlook in Europe. Consumer, Manufacturing seeing uncertainty while BFSI outlook was positive

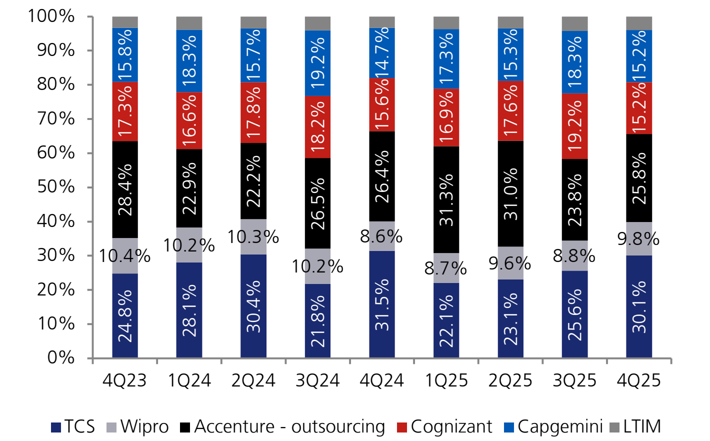
Heat map- Qualitative commentary on outlook for geographies and industry segments



Note: (1): Communication & Media considered under Communication, Technology & Services under Hi-Tech; (2): INFO: Retail under consumer. (3): HCLT: Telecommunications, Media, Publishing & Entertainment considered under Communication, Retail & CPG under consumer, Technology & Services under Hi-Tech. (4) WPRO: Combined America 1 and America 2 considered under North America, Technology considered under Hi Tech. hi-Tech for Wipro includes Technology and Communication for Wipro as per 3QFY25 revised reporting. Energy, manufacturing and resources considered for Manufacturing. (6) LTIM:, Retail, transportation & logistics considered under consumer, Hi Tech & Media considered under Hi Tech. (7) Mphasis: Logistics and transportation under consumer, Technology, communication and entertainment under Hi-Tech. (8) PSYS: Travel, Transportation and Hospitality considered under Consumer; (9) COFORGE: Travel, Transportation and Hospitality considered under Consumer; (10) Hexaware: Manufacturing and cosumers under consumer. Source: Company, JM Financial

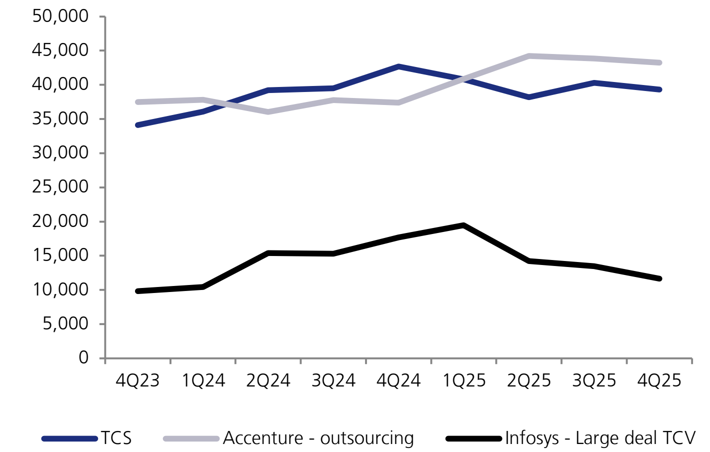
Deal Win Analysis:

Exhibit 9. TCS, WPRO, and ACN's TCV share among large providers improved while Capgemini, CTSH, and LTIM declined
Market share, deal TCV – Select players



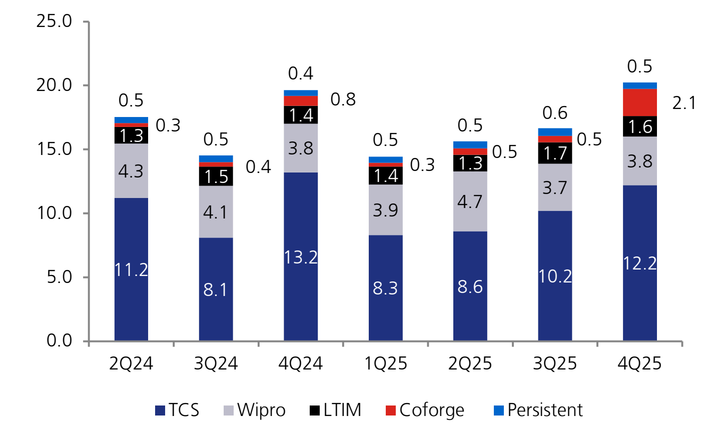
Note: Players who report full TCV considered; For Capgemini, CTSH 1QCY25 numbers considered, for ACN 2QFY25 numbers considered. Source: Company, JM Financial

Exhibit 10. Gap in LTM TCV of TCS and ACN stable after contracting in the last qtrs.; INFO's continued to decline
LTM deal TCV, USD mn



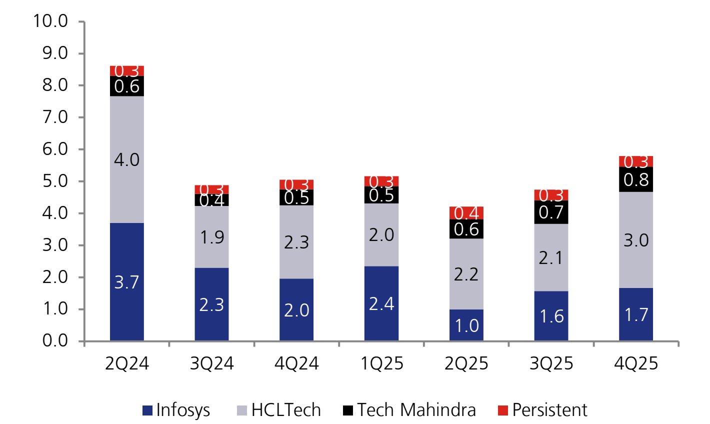
Source: Company, JM Financial

Exhibit 11. Coforge saw sharpest YoY TCV growth, others were flat
Total Contract Value, Select IT players - 4QFY25 (USD bn)



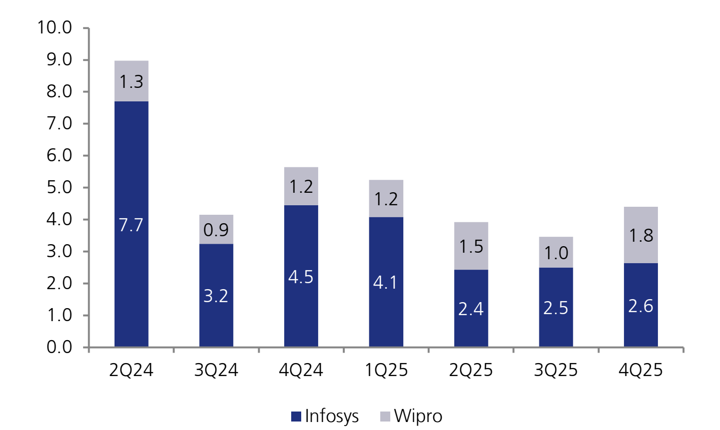
Note: Only players who report TCV of all deals shown for like-to-like comparison; Source: Company, JM Financial

Exhibit 12. HCLT led the growth in Net new TCV, others were flat
Net new Total contract value, Select IT players - 4QFY25 (USD bn)



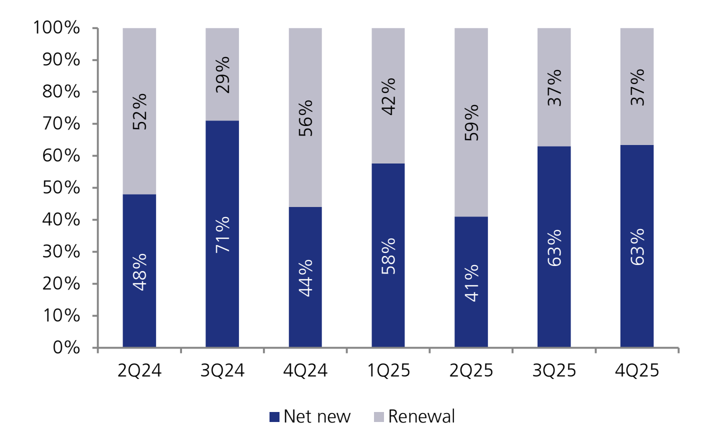
Note: Only players who report net new deal wins shown here for like-to-like comparison; Source: Company, JM Financial

Exhibit 13. Large deal wins witnessed a slight uptick for INFO, and increased sharply for WPRO
Total Contract Value - Large Deal TCV (USD bn)



Note: Large deal is above USD 50mn for Infosys and USD 30mn for Wipro. Source: Company, JM Financial

Exhibit 14. Net New deals share (for INFO) continued to have a larger share in deals than renewals
Infosys Deal wins: New deal vs. Renewal



Source: Company, JM Financial

4QFY25 Result snapshot

Exhibit 15. JMF IT Services coverage universe – 4QFY25 performance snapshot

Infosys	4QFY25A	4QFY25E	Vs JMFe	3QFY25	4QFY24	QoQ change	YoY change
Revenue growth (QoQ CC)	**-3.5%**	**-1.4%**	**-210 bps**	**1.7%**	**-2.2%**	**-520 bps**	**-130 bps**
Revenue (USD Mn)	4,730	4,861	-2.7%	4,939	4,564	-4.2%	3.6%
Revenue (INR Mn)	4,09,250	4,16,171	-1.7%	4,17,640	3,79,230	-2.0%	7.9%
EBIT	85,750	84,722	1.2%	89,120	76,210	-3.8%	12.5%
EBIT margin (%)	21.0%	20.4%	60 bps	21.3%	20.1%	-40 bps	90 bps
Net profit	70,330	64,884	8.4%	68,060	79,690	3.3%	-11.7%
TCS							
Revenue growth (QoQ CC)	**-0.8%**	**-0.1%**	**-70 bps**	**0.0%**	**1.1%**	**-80 bps**	**-190 bps**
Revenue (USD Mn)	7,465	7,495	-0.4%	7,539	7,363	-1.0%	1.4%
Revenue (INR Mn)	6,44,790	6,43,510	0.2%	6,39,730	6,12,370	0.8%	5.3%
EBIT	1,56,010	1,57,116	-0.7%	1,56,570	1,59,180	-0.4%	-2.0%
EBIT margin (%)	24.2%	24.4%	-20 bps	24.5%	26.0%	-30 bps	-180 bps
Net profit	1,22,240	1,23,567	-1.1%	1,23,800	1,24,340	-1.3%	-1.7%
Wipro							
IT Services							
Revenue growth (QoQ CC)	**-0.8%**	**0.1%**	**-90 bps**	**0.1%**	**-0.3%**	**-90 bps**	**-50 bps**
Revenue - IT (USD Mn)	2,597	2,626	-1.1%	2,629	2,657	-1.2%	-2.3%
IT Services Revenue (INR Mn)	2,24,453	2,26,702	-1.0%	2,22,851	2,20,796	0.7%	1.7%
EBIT - IT Services	39,270	39,566	-0.7%	38,990	36,194	0.7%	8.5%
IT Services EBIT margin (%)	17.5%	17.5%	0bps	17.5%	16.4%	0bps	110 bps
Consolidated							
Consolidated Revenue (INR Mn)	2,25,042	2,27,761	-1.2%	2,23,188	2,22,083	0.8%	1.3%
Consolidated EBIT	38,863	39,399	-1.4%	38,556	35,502	0.8%	9.5%
Consolidated EBIT , %	17.3%	17.3%	bps	17.3%	16.0%	bps	130 bps
Net profit	35,696	34,725	3%	33,538	28,347	6.4%	25.9%
HCL Tech							
Revenue growth (QoQ CC)	**-0.8%**	**-1.1%**	**30 bps**	**3.8%**	**0.3%**	**-460 bps**	**-110 bps**
Revenue (USD Mn)	3,498	3,487	0.3%	3,533	3,430	-1.0%	2.0%
Revenue (INR Mn)	3,02,460	2,99,864	0.9%	2,98,900	2,84,990	1.2%	6.1%
EBIT	54,420	54,921	-0.9%	58,210	50,180	-6.5%	8.4%
EBIT margin (%)	18.0%	18.3%	-30 bps	19.5%	17.6%	-150 bps	40 bps
Net profit	43,070	43,326	-0.6%	45,910	39,860	-6.2%	8.1%
TechM							
Revenue growth (QoQ CC)	**-1.5%**	**-0.7%**	**-80 bps**	**1.2%**	**-0.8%**	**-270 bps**	**-70 bps**
Revenue (USD Mn)	1,549	1,549	0.0%	1,567	1,548	-1.2%	0.0%
Revenue (INR Mn)	1,33,840	1,33,730	0.1%	1,32,856	1,28,713	0.7%	4.0%
EBIT	14,053	13,452	4.5%	13,502	9,464	4.1%	48.5%
EBIT , %	10.5%	10.1%	40 bps	10.2%	7.4%	30 bps	310 bps
Net profit	11,667	10,575	10.3%	9,832	6,610	18.7%	76.5%
LTIMindtree							
Revenue growth (QoQ CC)	**-0.6%**	**0.2%**	**-80 bps**	**1.8%**	**-1.3%**	**-240 bps**	**70 bps**
Revenue (USD Mn)	1,131	1,138	-0.57%	1,139	1,069	-0.7%	5.8%
Revenue (INR Mn)	97,717	98,201	-0.49%	96,609	88,929	1.1%	9.9%
EBIT	13,454	13,595	-1.04%	13,289	13,087	1.2%	2.8%
EBIT margin (%)	13.8%	13.8%	-10 bps	13.8%	14.7%	bps	-90 bps
Net profit	11,285	11,306	-0.2%	10,854	10,999	4.0%	2.6%
Mphasis							
Revenue growth (QoQ CC)	**2.9%**	**3.2%**	**-30 bps**	**0.2%**	**1.8%**	**270 bps**	**110 bps**
Revenue (USD Mn)	430	432	-0.38%	419	411	2.6%	4.7%
Revenue (INR Mn)	37,175	37,262	-0.23%	35,565	34,150	4.5%	8.9%
EBIT	5,747	5,649	1.73%	5,410	5,110	6.2%	12.5%
EBIT margin (%)	15.5%	15.2%	30 bps	15.2%	15.0%	20 bps	50 bps
Net profit	4,466	4,309	3.6%	4,280	3,932	4.3%	13.6%
Persistent							
Revenue growth (QoQ CC)	**4.2%**	**3.3%**	**90 bps**	**4.3%**	**3.4%**	**-90 bps**	**-10 bps**
Revenue (USD Mn)	375	372	0.82%	360	311	3.3%	19.7%
Revenues (INR Mn)	32,421	32,003	1.31%	30,623	25,905	4.5%	23.5%
EBIT	5,053	4,968	1.71%	4,557	3,744	9.0%	32.7%
EBIT margin (%)	15.6%	15.5%	10 bps	14.9%	14.5%	60 bps	110 bps
Net profit	3,958	3,938	0.5%	3,730	3,153	5.6%	24.9%
Coforge*							
Revenue growth (QoQ CC)^	**3.4%**	**3.2%**	**20 bps**	**8.4%**	**0.9%**	**-500 bps**	**150 bps**
Revenue (USD Mn)	404	403	0.04%	397	287	1.6%	40.7%
Revenues (INR Mn)	34,099	34,154	-0.16%	33,182	23,585	2.8%	44.6%
EBIT	4,494	4,297	4.60%	3,922	3,420	14.6%	31.4%
EBIT margin (%)	13.2%	12.6%	60 bps	11.8%	14.5%	140 bps	-130 bps
Net profit	2,873	2,571	11.7%	2,316	2,342	24.1%	22.6%

Note: *Coforge 4QFY24 is proforma financials with Ciginti consolidated, ^USD rev. growth stated for 4Q24 and is on proforma numbers with Ciginit consolidated. Source: Company, JM Financial estimates

Exhibit 16. JMF IT Services coverage universe – 4QFY25 performance snapshot (continued)

Hexaware	4QFY25A	4QFY25E	Vs JMFe	3QFY25	4QFY24	QoQ change	YoY change
Revenue growth (QoQ CC)	**-0.2%**	**0.6%**	**-80 bps**	**0.2%**		-40 bps	-20 bps
Revenue (USD Mn)	372	373	-0.4%	372	331	-0.2%	12.4%
Revenues (INR Mn)	32,079	32,297	-0.7%	31,544	27,488	1.7%	16.7%
EBIT	4,543	4,131	10.0%	4,141	3,576	9.7%	27.0%
EBIT margin (%)	14.2%	12.8%	140 bps	13.1%	13.0%	100 bps	120 bps
Net profit	3,271	3,157	4%	3,207	2,790	2.0%	17.2%
Tata Technologies							
Revenue growth (QoQ CC)	**-3.3%**	**-2.4%**	**-90 bps**	**1.7%**	**0.3%**	**-500 bps**	**-360 bps**
Revenue (USD Mn)	148	150	-1.2%	156	157	-4.8%	-5.3%
Revenue (INR Mn)	12,857	12,956	-0.8%	13,174	13,011	-2.4%	-1.2%
EBIT	2,023	1,967	2.8%	2,036	2,110	-0.6%	-4.2%
EBIT margin (%)	15.7%	15.2%	60 bps	15.5%	16.2%	30 bps	-50 bps
Net profits	1,853	1,702	9%	1,681	1,573	10.2%	17.8%
KPIT Tech							
Revenue growth (QoQ CC)	**3.0%**	**3.1%**	**-10 bps**	**2.0%**	**5.1%**	**100 bps**	**-210 bps**
Revenue (USD Mn)	177	178	-0.1%	176	159	0.7%	11.5%
Revenue (INR Mn)	15,283	15,035	1.7%	14,780	13,178	3.4%	16.0%
EBIT	2,651	2,663	-0.5%	2,538	2,202	4.5%	20.4%
EBIT margin (%)	17.3%	17.7%	-40 bps	17.2%	16.7%	20 bps	60 bps
Net profits	2,306	2,027	13.7%	1,933	1,659	19.3%	39.0%
Sagility							
Revenue growth (QoQ CC)	**5.7%**	**4.8%**	**90 bps**	**8.7%**		-300 bps	570 bps
Revenue (USD Mn)	182	180	1.0%	172	154	5.7%	17.7%
Revenue (INR Mn)	15,685	15,599	0.5%	14,531	12,832	7.9%	22.2%
EBIT	2,587	2,274	13.8%	2,761	1,313	-6.3%	97.0%
EBIT margin (%)	16.5%	14.6%	190 bps	19.0%	10.2%	-250 bps	630 bps
Net profits	1,826	1,545	18.2%	2,169	803	-15.8%	127.4%
IKS							
Revenue growth (QoQ CC)	**8.2%**	**8.9%**	**-70 bps**	**1.6%**	**8.9%**	660 bps	-70 bps
Revenue (USD Mn)	84	85	-0.8%	78	75	8.2%	13.0%
Revenue (INR Mn)	7,240	7,338	-1.3%	6,572	6,200	10.2%	16.8%
EBIT	1,978	1,846	7.2%	1,538	984	28.7%	101.1%
EBIT margin (%)	27.3%	25.2%	220 bps	23.4%	15.9%	390 bps	1,150 bps
Net profits	1,478	1,409	4.9%	1,297	635	13.9%	132.7%
MapMyIndia							
Revenue (INR Mn)	1,436	1,370	4.8%	1,145	1,069	25.3%	34.3%
EBITDA	580	514	12.9%	417	395	39.4%	46.9%
EBITDA margin (%)	40.4%	37.5%	290 bps	36.4%	37.0%	410 bps	350 bps
EBIT	540.0	459.7	17.5%	362.0	353.5	49.2%	52.8%
EBIT margin (%)	37.6%	33.6%	410 bps	31.6%	33.1%	600 bps	450 bps
Net profits	490.2	404.9	21.1%	323.2	382.5	51.7%	28.2%

Source: Company, JM Financial estimates

Exhibit 17. Constant currency growth – 4QFY25

QoQ c/c growth (%)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
TCS	3.4%	4.1%	2.2%	0.6%	0.0%	0.1%	1.0%	1.1%	2.2%	1.1%	0.0%	-0.8%
INFO	5.5%	4.0%	2.4%	-3.2%	1.0%	2.3%	-1.0%	-2.2%	3.6%	3.1%	1.7%	-3.5%
Wipro - IT Services	2.1%	4.1%	0.6%	-0.7%	-2.8%	-2.0%	-1.7%	-0.3%	-1.0%	0.6%	0.1%	-0.8%
HCLT	2.7%	3.8%	5.0%	-1.2%	-1.3%	1.0%	6.0%	0.3%	-1.6%	1.6%	3.8%	-0.8%
TechM	3.5%	2.9%	0.2%	0.3%	-4.2%	-2.4%	1.1%	-0.8%	0.7%	1.2%	1.2%	-1.5%
LTIM	5.0%	5.5%	1.9%	0.7%	0.1%	1.6%	0.7%	-1.3%	2.6%	2.3%	1.8%	-0.6%
Mphasis	2.0%	1.8%	-2.5%	-4.5%	-3.5%	0.0%	1.0%	1.8%	-0.1%	2.4%	0.2%	2.9%
Coforge	4.7%	6.2%	3.7%	4.7%	2.0%	2.3%	1.8%	1.9%	1.6%	26.3%	8.4%	3.4%
Persistent	11.1%	5.8%	3.4%	3.9%	3.0%	3.1%	3.0%	3.4%	5.6%	5.3%	4.3%	4.2%
Hexaware											0.2%	-0.2%
KPIT Tech	6.0%	8.3%	19.3%	8.5%	7.1%	9.0%	4.3%	5.1%	4.7%	4.7%	2.0%	3.0%
Tata Tech								0.3%	-2.5%	-2.5%	1.7%	-3.3%
Sagility											8.7%	5.7%
IKS											1.6%	8.2%
YoY c/c growth (%)	**Q1FY23**	**Q2FY23**	**Q3FY23**	**Q4FY23**	**Q1FY24**	**Q2FY24**	**Q3FY24**	**Q4FY24**	**Q1FY25**	**Q2FY25**	**Q3FY25**	**Q4FY25**
TCS	15.5%	15.4%	13.5%	10.7%	7.0%	2.8%	1.7%	2.2%	4.4%	5.5%	4.5%	2.5%
INFO	21.4%	18.8%	13.7%	8.8%	4.2%	2.5%	-1.0%	0.0%	2.5%	3.3%	6.1%	4.8%
Wipro - IT Services	17.2%	12.9%	10.4%	6.5%	1.1%	-4.8%	-6.9%	-6.4%	-4.9%	-2.3%	-0.7%	1.2%
HCLT	15.6%	15.8%	13.1%	10.5%	6.3%	3.4%	4.3%	6.0%	5.6%	6.2%	4.1%	2.9%
TechM	21.2%	16.8%	12.7%	6.3%	-0.9%	-5.9%	-5.4%	-6.4%	-1.2%	2.2%	1.3%	0.3%
LTIM	0.0%	0.0%	16.3%	13.5%	8.2%	5.2%	3.1%	2.3%	3.7%	4.4%	5.6%	6.3%
Mphasis	22.1%	16.8%	5.7%	-3.1%	-8.4%	-10.1%	-6.8%	-0.4%	3.1%	5.4%	4.6%	5.4%
Coforge	11.1%	5.8%	3.4%	3.9%	3.0%	3.1%	3.0%	3.4%	5.6%	5.3%	4.3%	4.2%
Persistent			20.7%	22.4%	18.4%	14.1%	12.0%	9.0%	7.8%	33.0%	40.3%	43.8%
Hexaware											18.8%	12.7%
KPIT Tech	23.0%	27.0%	44.7%	48.6%	49.0%	51.7%	35.0%	27.6%	23.0%	20.1%	17.4%	15.0%
Tata Tech	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-9.3%	0.0%	-0.2%
Sagility											13.7%	17.7%
IKS											13.7%	13.0%

Note: Coforge QoQ cc growth includes impact of acquisition from 2QFY25. Source: Company, JM Financial

Exhibit 18. Deal win trend – Pickup in TCV

Deal win (TCV in USD mn)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
TCS (1)	10,000	10,200	11,200	8,100	13,200	8,300	8,600	10,200	12,200
Infosys (2)	2,076	2,300	7,700	3,241	4,451	4,085	2,430	2,495	2,637
Wipro (3)	4,674	4,269	4,251	4,055	3,812	3,948	4,676	3,688	3,803
HCL Tech (4)	2,074	1,565	3,969	1,927	2,290	1,960	2,218	2,095	2,995
TechM (5)	592	359	640	381	500	534	603	745	798
LTIM (6)	1,350	1,410	1,300	1,500	1,390	1,400	1,300	1,680	1,600
Mphasis	347	707	255	241	177	319	207	351	390
Coforge	301	531	313	354	775	314	515	501	2,126
Persistent	422	380	479	521	448	463	529	594	518
Deal win YoY growth	**Q4FY23**	**Q1FY24**	**Q2FY24**	**Q3FY24**	**Q4FY24**	**Q1FY25**	**Q2FY25**	**Q3FY25**	**Q4FY25**
TCS	-11.5%	24.4%	38.3%	3.8%	32.0%	-18.6%	-23.2%	25.9%	-7.6%
Infosys	-8.0%	36.1%	180.6%	-1.8%	114.4%	77.6%	-68.4%	-23.0%	-40.8%
Wipro				-14.2%	-18.4%	-7.5%	10.0%	-9.1%	-0.2%
HCL Tech	-8.2%	-23.8%	66.5%	-17.9%	10.4%	25.2%	-44.1%	8.7%	30.8%
TechM	-41.4%	-55.2%	-10.6%	-52.1%	-15.5%	48.7%	-5.8%	95.5%	59.6%
LTIM				21.0%	3.0%	-0.7%	0.0%	12.0%	15.1%
Mphasis	0.0%	134.1%	-15.6%	-28.1%	-49.0%	-54.9%	-18.8%	45.6%	120.3%
Coforge	-0.3%	68.6%	3.0%	2.6%	157.5%	-40.9%	64.5%	41.5%	174.3%
Persistent	16.8%	-3.5%	30.3%	18.4%	6.2%	21.7%	10.4%	13.9%	15.6%
TTM Deal wins (TCV in USD mn)	**Q4FY23**	**Q1FY24**	**Q2FY24**	**Q3FY24**	**Q4FY24**	**Q1FY25**	**Q2FY25**	**Q3FY25**	**Q4FY25**
TCS	34,100	36,100	39,200	39,500	42,700	40,800	38,200	40,300	39,300
Infosys	9,810	10,420	15,376	15,317	17,692	19,477	14,207	13,461	11,647
Wipro			17,921	17,249	16,387	16,066	16,491	16,124	16,115
HCL Tech	8,859	8,370	9,955	9,535	9,751	10,146	8,395	8,563	9,268
TechM	2,905	2,462	2,386	1,972	1,880	2,055	2,018	2,382	2,680
LTIM			5,300	5,560	5,600	5,590	5,590	5,770	5,980
Mphasis	1,286	1,691	1,644	1,550	1,380	992	944	1,054	1,267
Coforge	1,265	1,481	1,490	1,499	1,973	1,756	1,958	2,105	3,456
Persistent	1,624	1,610	1,721	1,803	1,829	1,911	1,961	2,034	2,103

Note: (1): TCV of all the deals won during the quarter; (2) TCV of only USD 50mn+ deals won during the quarter; (3) TCV of USD 30mn+ deals won during the quarter; (4) TCV on only net new deals won during the quarter; (5) TCV of net new deals won during the quarter; (6): TCV of all the deals won during the quarter. Source: Company, JM Financial

Exhibit 19. EBIT margin performance – Mixed

Companies	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
TCS	23.2%	24.3%	25.0%	26.0%	24.7%	24.1%	24.5%	24.2%
Infosys	20.8%	21.2%	20.5%	20.1%	21.1%	21.1%	21.3%	21.0%
Wipro	17.0%	18.5%	19.7%	17.6%	17.1%	18.6%	19.5%	18.0%
HCL Tech	15.1%	14.7%	14.7%	16.0%	16.5%	16.8%	17.3%	17.3%
TechM	6.8%	4.7%	5.4%	7.4%	8.5%	9.6%	10.2%	10.5%
LTIMindtree	16.7%	16.0%	15.4%	14.7%	15.0%	15.5%	13.8%	13.8%
Mphasis	15.9%	16.0%	15.2%	15.0%	15.0%	15.2%	15.2%	15.5%
Persistent	14.9%	13.7%	14.5%	14.5%	14.0%	14.0%	14.9%	15.6%
Coforge	11.9%	12.3%	14.0%	14.5%	13.6%	11.7%	11.8%	13.1%
Hexaware						13.3%	13.1%	14.2%
KPIT Tech	15.4%	16.0%	16.6%	16.7%	17.3%	16.7%	17.2%	17.3%
Tata Tech	18.0%	14.8%	16.2%	16.2%	15.9%	16.2%	15.5%	15.7%
Sagility	8.7%	5.7%	6.7%	10.2%	6.9%	13.2%	19.0%	16.5%
IKS					22.1%	25.0%	23.4%	27.3%

Source: Company, JM Financial

Exhibit 20. Vertical performance –BFSI did well, while most other verticals were soft

BFSI Revenues	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Infosys	1,297	1,297	1,296	1,205	1,296	1,331	1,373	1,343
TCS	2,348	2,350	2,308	2,305	2,319	2,362	2,299	2,329
Wipro	942	912	869	890	893	926	897	888
HCL Tech	652	660	653	671	639	638	638	667
TechM	248	239	233	243	245	251	252	259
LTIM	397	393	386	375	386	401	414	420
Mphasis	238	231	234	239	242	249	253	264
Coforge	146	151	153	159	155	179	184	195
Persistent	94	94	94	95	101	109	114	121
Hexaware			115	124	-	136	141	142
Total Revenue – ex Hexaware	**6,363**	**6,328**	**6,225**	**6,182**	**6,275**	**6,447**	**6,425**	**6,486**
BFSI Revenues QoQ growth, %								
Infosys	-1.4%	0.0%	-0.1%	-7.1%	7.6%	2.7%	3.1%	-2.2%
TCS	-0.8%	0.1%	-1.8%	-0.1%	0.6%	1.9%	-2.7%	1.3%
Wipro	-3.6%	-3.2%	-4.7%	2.5%	0.3%	3.7%	-3.2%	-1.0%
HCL Tech	5.7%	1.3%	-1.1%	2.8%	-4.9%	0.0%	0.0%	4.5%
TechM	-6.7%	-3.5%	-2.8%	4.4%	0.7%	2.6%	0.5%	2.5%
LTIM	-1.2%	-1.1%	-1.7%	-2.7%	2.8%	3.9%	3.3%	1.2%
Mphasis	-4.9%	-3.1%	1.5%	2.0%	1.3%	2.9%	1.7%	4.4%
Coforge	3.4%	3.3%	1.4%	3.8%	-2.3%	15.6%	2.6%	6.2%
Persistent	6.2%	0.0%	-0.5%	1.8%	5.9%	7.7%	4.9%	6.1%
Hexaware				7.8%			3.7%	0.7%
Total Revenue – ex Hexaware	**-1.0%**	**-0.6%**	**-1.6%**	**-0.7%**	**1.5%**	**2.7%**	**-0.3%**	**1.0%**
Manufacturing revenues	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Infosys	651	675	695	671	693	768	766	752
TCS	600	613	626	648	660	660	633	627
Wipro	536	505	491	492	462	452	444	449
HCL Tech	574	564	605	634	590	607	601	588
TechM	267	272	283	279	285	273	263	263
LTIM	183	193	220	199	203	204	220	225
Coforge	50	51	50	50	53	68	72	76
Total Revenue	**2,862**	**2,872**	**2,970**	**2,972**	**2,946**	**3,033**	**2,999**	**2,981**
Manufacturing Revenues QoQ growth, %								
Infosys	5.9%	3.6%	3.0%	-3.4%	3.3%	10.9%	-0.4%	-1.8%
TCS	1.7%	2.2%	2.2%	3.5%	1.9%	-0.1%	-4.0%	-1.0%
Wipro	-2.1%	-5.9%	-2.6%	0.0%	-6.0%	-2.2%	-1.7%	1.1%
HCL Tech	3.8%	-1.7%	7.2%	4.8%	-6.9%	2.9%	-1.1%	-2.1%
TechM	0.6%	1.8%	4.0%	-1.6%	2.4%	-4.2%	-3.6%	0.0%
LTIM	-1.0%	5.1%	14.3%	-9.6%	2.0%	0.6%	7.8%	2.4%
Coforge	0.8%	2.3%	-2.4%	0.6%	4.5%	29.6%	5.2%	5.5%
Total Revenue	**2.0%**	**0.4%**	**3.4%**	**0.1%**	**-0.9%**	**2.9%**	**-1.1%**	**-0.6%**
Retail Revenues	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Infosys	669	717	681	653	651	651	682	629
TCS	1,163	1,146	1,143	1,156	1,156	1,158	1,153	1,142
Wipro	520	507	499	497	504	511	500	491
HCL Tech	262	280	289	283	286	299	333	307
TechM	114	120	127	113	120	126	127	125
LTIM	160	165	159	161	159	163	163	159
Mphasis	56	53	55	56	56	55	51	47
Hexaware			56	58	-	59	55	55
Total Revenue – ex Hexaware	**2,945**	**2,989**	**2,954**	**2,919**	**2,931**	**2,963**	**3,009**	**2,901**
Retail Revenues QoQ growth, %								
Infosys	-0.7%	7.1%	-5.1%	-4.1%	-0.3%	0.1%	4.7%	-7.7%
TCS	1.1%	-1.5%	-0.3%	1.1%	0.0%	0.2%	-0.4%	-1.0%
Wipro	-3.2%	-2.3%	-1.6%	-0.5%	1.5%	1.3%	-2.2%	-1.8%
HCL Tech	0.3%	6.9%	3.0%	-2.1%	1.1%	4.6%	11.5%	-8.0%
TechM	-10.2%	5.4%	6.4%	-11.3%	6.2%	4.6%	1.2%	-1.2%
LTIM	-1.8%	2.9%	-3.2%	1.4%	-1.6%	2.8%	-0.3%	-2.1%
Mphasis	0.5%	-5.4%	3.2%	2.1%	0.0%	-1.4%	-7.6%	-8.1%
Hexaware				2.9%			-6.8%	0.0%
Total Revenue – ex Hexaware	**-0.8%**	**1.5%**	**-1.2%**	**-1.2%**	**0.4%**	**1.1%**	**1.5%**	**-3.6%**
Technology revenues	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Infosys	374	368	359	397	377	392	390	393
TCS	629	620	612	604	608	614	603	605
Wipro	442	445	428	404	402	410	402	395
HCL Tech	386	383	385	382	395	408	418	424
TechM	222	222	216	214	215	227	224	204
LTIM	251	256	248	260	281	286	270	265
Mphasis	60	69	63	66	66	69	71	76
Persistent	136	141	141	140	139	141	146	153
Hexaware			49	53	-	67	68	64
Total Revenue – ex Hexaware	**2,500**	**2,504**	**2,451**	**2,466**	**2,483**	**2,546**	**2,525**	**2,515**
Technology Revenues QoQ growth, %								
Infosys	2.7%	-1.6%	-2.4%	10.6%	-5.0%	3.8%	-0.3%	0.6%
TCS	-1.8%	-1.4%	-1.4%	-1.3%	0.7%	0.9%	-1.7%	0.3%
Wipro	1.0%	0.7%	-3.9%	-5.5%	-0.5%	2.0%	-1.8%	-1.9%
HCL Tech	-7.7%	-0.9%	0.6%	-0.7%	3.4%	3.2%	2.5%	1.3%
TechM	30.1%	-0.1%	-3.1%	-0.9%	0.7%	5.6%	-1.3%	-8.8%

LTIM	3.2%	2.0%	-3.0%	4.7%	8.0%	2.0%	-5.7%	-1.9%
Mphasis	14.6%	15.0%	-9.1%	4.6%	0.4%	5.5%	2.4%	7.4%
Persistent	3.3%	3.8%	0.1%	-0.7%	-0.5%	0.8%	3.7%	5.2%
Hexaware				8.2%			1.5%	-5.9%
Total Revenue – ex Hexaware	1.7%	0.2%	-2.1%	0.6%	0.7%	2.5%	-0.8%	-0.4%
Telecom revenues	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Infosys	540	538	532	561	570	582	553	553
TCS	506	497	488	486	465	453	437	433
Wipro	117	106	101	100	100	105	NM	NM
TechM	573	540	540	526	516	531	509	514
HCL Tech	219	234	292	357	371	377	387	440
Total Revenue – ex-Wipro	1,838	1,809	1,851	1,931	1,923	1,942	1,887	1,940
Telecom Revenues QoQ growth, %								
Infosys	-1.4%	-0.4%	-1.2%	5.6%	1.6%	2.1%	-5.0%	0.0%
TCS	-1.0%	-1.6%	-1.9%	-0.4%	-4.2%	-2.7%	-3.4%	-1.0%
Wipro	-8.4%	-9.4%	-4.7%	-1.0%	-0.2%	4.8%	NM	NM
TechM	-14.3%	-5.8%	0.0%	-2.5%	-2.0%	2.8%	-4.0%	0.9%
HCL Tech	-14.4%	6.7%	24.9%	22.5%	3.8%	1.6%	2.6%	13.7%
Total Revenue – ex-Wipro	-7.3%	-1.6%	2.3%	4.3%	-0.4%	1.0%	-2.9%	2.8%
ENU revenues	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Infosys	596	599	611	612	627	661	667	615
TCS	397	404	415	412	420	437	422	426
Wipro	333	315	313	316	294	287	279	NM
Total Revenue- ex Wipro	993	1,003	1,026	1,024	1,047	1,098	1,089	1,040
Infosys	1.4%	0.6%	1.9%	0.1%	2.5%	5.4%	0.9%	-7.8%
TCS	2.3%	1.6%	2.8%	-0.6%	1.9%	4.0%	-3.4%	0.8%
Wipro	-4.5%	-5.6%	-0.4%	0.9%	-7.0%	-2.3%	-3.0%	NM
Total Revenue – ex Wipro	1.7%	1.0%	2.3%	-0.2%	2.3%	4.8%	-0.8%	-4.5%
Healthcare and Lifesciences revenues	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Infosys	332	368	354	333	344	357	375	322
TCS	795	786	794	803	826	798	761	754
Wipro	339	345	369	375	365	362	386	374
HCLTech	505	511	493	507	484	498	487	465
TechM	112	112	118	111	120	118	121	113
LTIM	68	70	70	74	68	72	72	62
Persistent	53	56	66	75	88	96	100	101
Hexaware			68	70	-	80	78	77
Total Revenue – ex Hexaware	2,203	2,248	2,265	2,277	2,294	2,301	2,303	2,190
Infosys	1.4%	10.7%	-3.7%	-6.0%	3.3%	3.8%	5.1%	-14.3%
TCS	1.4%	-1.1%	1.0%	1.1%	2.9%	-3.4%	-4.5%	-1.0%
Wipro	-1.3%	1.7%	7.1%	1.5%	-2.6%	-0.9%	6.8%	-3.3%
HCLTech		1.3%	-3.5%	2.7%	-4.5%	3.1%	-2.2%	-4.6%
TechM		-0.1%	5.4%	-5.5%	7.7%	-2.1%	2.7%	-6.3%
LTIM	5.0%	3.2%	0.8%	4.8%	-7.9%	6.1%	-0.5%	-13.3%
Persistent	-2.7%	7.0%	16.4%	14.8%	16.5%	9.6%	4.3%	0.4%
Hexaware				2.4%			-2.5%	-1.3%
Total Revenue – ex Hexware	0.8%	2.0%	0.7%	0.6%	0.7%	0.3%	0.1%	-4.9%

Note: BFSI includes BFSI and Insurance for Mphasis and Coforge. Energy, manufacturing and resources considered as Manufacturing for Wipro. Coforge Transportation vertical revenues included in Manufacturing. Logistics and transportation vertical considered as Retail for Mphasis. Retail, transport and logistics revenues for TechM considered as Retail revenues. Hi-Tech: Technology and communication for Wipro; Technology and services for TCS/HCLTech; Tech, media and communication for LTIM; and Tech, communication and entertainment for Mphasis. Telecom and media revenues for HCLTech considered as Telecom revenues. Health,Lifesciences and Public services for LTIM, Health business unit for Wipro considered as Healthcare and Lifesciences revenues. Source: Company, JM Financial

Exhibit 21. Net headcount grew for the third consecutive quarter

Overall Employee Headcount	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Infosys	336,294	328,764	322,663	317,240	315,332	317,788	323,379	323,578
TCS	615,318	608,985	603,305	601,546	606,988	612,724	607,354	607,979
Wipro	249,758	244,707	239,655	232,614	232,911	233,889	232,732	233,346
HCL Tech	223,438	221,139	224,756	227,481	219,401	218,621	220,755	223,420
TechM	148,279	150,604	146,250	145,455	147,620	154,023	150,488	148,731
LTIM	77,555	78,276	77,203	76,460	76,837	79,374	81,641	79,081
Mphasis	33,961	33,771	33,992	32,664	31,645	31,061	31,194	31,442
Coforge	24,224	24,638	24,607	24,726	26,612	32,483	33,094	33,497
Persistent	23,130	22,842	23,336	23,850	23,519	23,237	23,942	24,594
Total	**1,731,957**	**1,713,726**	**1,695,767**	**1,682,036**	**1,680,865**	**1,703,200**	**1,704,579**	**1,705,668**
Sequential Change in Headcount	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Infosys	-6,940	-7,530	-6,101	-5,423	-1,908	2,456	5,591	199
TCS	523	-6,333	-5,680	-1,759	5,442	5,736	-5,370	625
Wipro	-8,812	-5,051	-5,052	-7,041	297	978	-1,157	614
HCL Tech	-2,506	-2,299	3,617	2,725	-8,080	-780	2,134	2,665
TechM	-4,121	2,325	-4,354	-795	2,165	6,403	-3,535	-1,757
LTIM	-2,728	721	-1,073	-743	377	2,537	2,267	-2,560
Mphasis	-81	-190	221	-1,328	-1,019	-584	133	248
Coforge	1,000	414	-31	119	1,886	5,871	611	403
Persistent	241	-288	494	514	-331	-282	705	652
Total	**-23,424**	**-18,231**	**-17,959**	**-13,731**	**-1,171**	**22,335**	**1,379**	**1,089**

Source: Company, JM Financial

Exhibit 22. LTM attrition remained stable for most players in the quarter

LTM Attrition	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
TCS	17.8%	14.9%	13.3%	12.5%	12.1%	12.3%	13.0%	13.3%
Infosys	17.3%	14.6%	12.9%	12.6%	12.7%	12.9%	13.7%	14.1%
Wipro	17.3%	15.5%	14.2%	14.2%	14.1%	14.5%	15.3%	15.0%
HCL Tech	16.3%	14.2%	12.8%	12.4%	12.8%	12.9%	13.2%	13.0%
TechM	12.8%	11.4%	10.3%	10.0%	10.1%	11.0%	11.2%	10.0%
LTIM	17.8%	15.2%	14.2%	14.4%	14.4%	14.5%	14.3%	14.4%
Coforge	13.3%	13.0%	12.1%	11.5%	11.4%	11.7%	11.9%	10.9%
Persistent	15.5%	13.5%	11.9%	11.5%	11.9%	12.0%	12.6%	12.9%

Source: Company, JM Financial

Exhibit 23. Utilisation continued at peak levels, Capacity creation likely to follow

Utilization (ex trainees) (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Infosys	81.1	81.8	82.7	83.5	85.3	85.9	86.0	84.9
Wipro	83.7	84.5	84	86.9	87.7	86.4	83.5	84.6
TechM	87.2	86.2	87.6	86.4	86.1	86.3	86.0	86.3
LTIM	84.8	86.6	87.4	86.9	88.3	88.3	88.3	88.3
Utilization (including Trainees) (%)								
Infosys	78.9	80.4	81.7	82	83.9	84.3	83.4	81.9
Tech Mahindra	87.2	86.1	87.6	86.4	86.13	86.1	85.6	86.4
Coforge	81	80	79.4	81.7	81.6	82.2	81.3	82.0
Persistent	78.3	80.6	81.5	80	82.1	84.8	87.4	88.1
Mphasis	78.1	75.4	72.5	74.6	77.6	77.2	77.1	80.8

Source: Company, JM Financial

Exhibit 24. Subcontracting remained stable in the quarter

Subcontracting expenses as % of sales	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
TCS	7.7	7.2	6.6	4.9	4.3	4.7	4.6	4.8
Infosys	8.2	7.9	7.9	7.8	8.1	7.8	7.9	8.0
Wipro	11.6	11.8	11.6	10.9	11.3	11.0	11.6	11.1
TechM	14.0	12.4	11.5	13.6	11.6	11.4	11.0	10.1
HCL Tech	13.8	13.1	13.1	13.0	12.6	13.0	13.0	13.2

Source: Company, JM Financial

Exhibit 25. Next Year/Quarter guidance by select players

	FY25 (latest Q)	FY26
Infosys		
Revenue	4.5% to 5%	0% to 3%
Margin	20%-22%	20%-22%
HCL Tech		
Consol Revenue	4.5% to 5.0%	2% to 5.0%
Services – Revenue	4.5% to 5.0%	2% to 5.0%
Margins	18%-19%	18%-19%
Wipro		
Revenue - 1QFY26		-3.5% to -1.5%

Note: Revenue growth guidance in constant currency; Source: Company, JM Financial

Exhibit 26. Positives: FX. Negatives: Wage hikes

	Infosys	HCLTech	Persistent
Currency Movements	+20bp	+46bp	+40bp
Operating efficiency measures	+30bp		
Provisions			
Furloughs			
Wage hikes	-140bp	-50bp	
Integration costs			
Business mix			-40bp
Earnout credit reversal			+20bp
Utilization			+20bp
Passthrough revenue	+20bp		
ESOP costs			
Subcontracting expenses			
Discretionary expenses		-34bp	+30bp
Post sales support	+80bp		
Acquisition	-40bp		
Total impact	**-30bp**	**-38bp**	**+70bp**

Source: Company, JM Financial

Guidance analysis

Exhibit 27. Accenture, EPAM raised guidance and Cognizant raised upper end of organic guidance. Globant saw a sharp cut. Guidance overall was fairly resilient. However, there might be a lag b/n cancellations and macro uncertainty. This could impact guidance going forward

Guidance analysis – Global peers and Indian players

Guidance (CC)							
	FY25 Revised Guidance		Prior guidance		Implied CQGR		
	Lower-end	Upper end	Lower-end	Upper end		Lower-end	Upper-end
Accenture	5.0%	7.0%	4.0%	7.0%	Accenture (3QFY25- 4QFY25)	0.9%	3.8%
Cognizant	3.5%	6.0%	3.5%	6.0%	Cognizant (2QFY25 - 4QFY25)	-0.1%	1.5%
Capgemini	-2.0%	2.0%	-2.0%	2.0%	Capgemini (2QFY25- 4QFY25)	-1.7%	1.0%
Epam	11.5%	14.5%	10.0%	14.0%	EPAM (2QFY25-4QFY25)	0.8%	2.6%
Endava	6.0%	6.5%	8.5%	9.0%	Endava (Q425)	2.5%	4.4%
Globant	2.0%		9.1%	12.0%	Globant (2QFY25-4QFY25)	0.5%	
	FY26 Guidance		Earlier guidance (for FY25)		Implied CQGR		
	Lower-end	Upper end	Lower-end	Upper end		Lower-end	Upper-end
Infosys	0.0%	3.0%	4.5%	5.0%	Infosys (1QFY26-4QFY26)	0.7%	1.9%
HClTech	2.0%	5.0%	4.5%	5.0%	HCLTech(1QFY26-4QFY26)	0.4%	1.5%
Organic Guidance (CC)							
	FY25 organic Guidance		Earlier guidance		Implied CQGR		
	Lower-end	Upper end	Lower-end	Upper end		Lower-end	Upper-end
Accenture	2.0%	4.0%	1.0%	4.0%	Accenture (3QFY25- 4QFY25)	2.2%	4.9%
Cognizant	1.0%	3.5%	1.0%	4.0%	Cognizant (2QFY25 - 4QFY25)	0.8%	2.4%
Capgemini	-3.0%	1.0%	-3.0%	0.0%	Capgemini (2QFY25- 4QFY25)	-1.7%	1.0%
Epam	2.0%	5.0%	1.0%	5.0%	EPAM (2QFY25-4QFY25)	1.3%	5.6%

Note: Year end for Endava on June 30th 2025. Globant did not provide an upper end for their guidance. Year end for Accenture on August 31st 2025. Source: Company, JM Financial

Conference call Takeaways

Exhibit 28. Key commentary from conference call – Coverage companies

TCS	
Demand	We are seeing TCV improvement across markets as clients prioritize initiatives around **technology modernization, cost optimization, vendor consolidation,** operational model transformation risk and compliance.
	We have seen instances of delays in decision-making and **discretionary spending has come under heightened scrutiny and pressure** recently.
Outlook	We believe **FY26 will be stronger than FY25**. Our confidence stems from the strong TCV and our belief that the current uncertainty will be short-lived and more clarity will emerge.
	We are entering **FY26 with a strong deal pipeline**, and we expect growth in developed markets. We aim to grow at a steady pace, even amidst uncertainty.
	We expect to continue the momentum into the next fiscal, **especially from growth markets** where we are working on nation-building transformation projects.
Margin	For Q4, the operating margin stood at 24.2%, reflecting a **sequential decline of 30 basis points.**
	The headwinds we faced in Q4 included **100 basis points due to tactical interventions and 60 basis points from marketing initiatives**. We managed to mitigate some of these headwinds by improving operating leverage. Currency movements provided 40 basis point support.
	We aspire to achieve operating **margins closer to 26% in FY26,** driven by broader revenue growth and efficiency gains.
GenAI	TCS has embedded GenAI-driven quality engineering across 150+ critical applications, **reducing manual effort by 50%** and improving product quality.
Supply	Our workforce at the end of FY25 was 607,979, with an **attrition rate of 13.3%** over the last twelve months.
	Our campus hiring program is progressing as planned, and we are gearing up for **increased campus hires in FY26**.
Bookings	Our **Q4 TCV was $12.2 billion**, demonstrating our ability to gain market share.
	Despite the absence of mega deals, we were able to **close significant deals across various sectors**, with a good mix of large, medium, and small deals.
Verticals	
BFSI	BFSI clients continue to focus on **modernization, cost optimization, vendor consolidation, and regulatory spend**.
Consumer Business Group	There was **heightened caution and delays in discretionary projects**, particularly in the US, driven by a significant drop in consumer sentiment in February.
Manufacturing and Automotive	The automotive sector is facing u**ncertainties due to the EV downturn and turbulence in the ICE market,** which is leading to weak demand and cuts in discretionary spending.
Communications and Media	The communications media sector continues to **face industry-specific challenges with discretionary spend under pressure**, but we saw growth due to demand from vendor consolidation and technology productivity improvements.
Life Sciences and Healthcare	Clients are reducing operational costs and creating delivery models that align with our business goals, creating opportunities for vendor consolidation. In Healthcare, deals are taking longer to close.
ERU	ERU continues to grow well, driven by **investments in AI, GenAI, data analytics, and energy storage** to enhance operational efficiency and reliability.
Hi-Tech and Technology	Client **IT budgets have remained flat amid geopolitical uncertainties.** Enterprises are funding technology upgrades through savings generated from optimization and rationalization efforts.
HCL Tech	
Demand	Our **Services business achieved a growth of 4.8%, driven by IT and Business Services**, which reported an increase of 4.6%; and Engineering and R&D Services, which recorded growth of 5.5%.
	Discretionary spending will continue to be subdued. New technology projects will need strong ROI justifications, with client organizations amidst macroeconomic challenges.
Outlook	Enterprises are expected to **accelerate the adoption of AI into their digital core,** to address technical debt and modernize legacy systems.
	Our guidance for FY26 is as follows: The **revenue growth guidance for the full year is 2% to 5% in constant currency. EBIT margin guidance is at 18% to 19%.**
Margin	Seasonality in **Software business caused 124 basis point drop in margins** at the company level. **Services margin dropped by 38 basis points quarter-on-quarter due to second cycle of increments** in this quarter.
GenAI	Our 4 flagship AI offerings - **AI Force, AI Foundry, AI Labs, and AI Engineering,** have seen substantial adoption and scaling in FY25.
Supply	Our IT Services voluntary attrition on an LTM basis is at **13%, one of the lowest in the industry.**
	As the revenue grew 4.7% this year, we had a **1.8% reduction in our employee base**. This was well **supported by acceleration in our AI-led automation efforts**.
Verticals	
ERS	Our Engineering and R&D Services business had a **record high booking**, which is a 75% growth in FY25.
	We had a very good execution of our **integrated GTM organization in ERS.**
Telecom, Media, and Publishing	This year our **leading vertical was Telecom, Media and Publishing,** which exhibited a very strong growth of 43.4% in FY25.
Manufacturing	We did not see an impact in the last quarter, but we **do see Retail and Manufacturing, including Auto, to be impacted.**
Public Sector	We **recently established HCLTech Public Sector Solutions**, a subsidiary dedicated to serving state and local government, and education organizations, as well as federal, civilian, and defense agencies in the United States.
Infosys	
Demand	We are seeing growing **demand from clients to partner with them on AI.** They are moving from a use case approach to an AI-led transformation approach.
	In financial services, budgets are flat to **slightly higher in AI, regulatory compliance, and cost management.**
	Retail sector has been impacted by economic uncertainty resulting in lower consumer spending in core markets.
Outlook	The **environment is uncertain**, and we will execute our plans with agility while keeping a close watch on events as they unfold.
	Based on what we are seeing in the environment today, our guidance for growth for FY26 is **0% to 3% in constant currency terms.**

	Our margin guidance for financial year 2026 is **20% to 22%.**
Margin	On the margins for this quarter, **our margins were 30 basis points lower quarter-on-quarter.** The biggest headwind we had was because of the comp that we had announced, **large part of our employees got compensation increase effective 1st of January** and that impacted by **140 basis points.**
	We had **40 basis points on account of amortization of intangibles** for the acquisition that we made
	Headwinds that was offset by **lower post-sale customer support - 80 basis points, 20 basis points on currency, 30 basis points on Project Maximus and 20 basis points because we had a lower third-party cost.**
GenAI	We are working on **AI projects by bringing Infosys Topaz,** a generative and edge AI-powered services and solutions for their benefit.
	Generative AI is very much **part of the conversation in large deals**, helping clients with process improvement, customer service, cybersecurity, and employee productivity.
Supply	We hired 15,000 freshers this year and **expect to hire over 20,000 freshers in FY26.**
	Attrition remained contained at 14.1%.
	Utilization, excluding trainees, stands at 84.9%. On-site mix further reduced to 23.6%.
Acquisitions	We continue with our strategic expansion with acquisitions, one in the **energy consulting space** in the U.S. This acquisition strengthens our presence in the U.S. market, particularly in the energy sector, and opens up new opportunities in this critical area for the market.
	We made an acquisition in the cybersecurity space in Australia. This acquisition is key for expanding our cybersecurity expertise and capabilities, enabling us to address growing cybersecurity demands in the Australian market.
Verticals	
Financial Services	We anticipate **steady growth in capital markets and cards & payments** in large global banks and U.S. regional banks.
	Mortgage sector will see an uptick in spend if interest rates reduce going forward.
Manufacturing	For CY25, **budgets are lower for Auto and Industrial Manufacturing and flat for Aerospace.**
	Recent challenges in terms of tariffs, market uncertainties, and trade barriers are likely to lead to **subdued spending and delayed decision-making.**
Retail and Consumer	Retail sector has been **impacted by economic uncertainty,** resulting in lower consumer spending in core markets.
EURS	Energy Utilities Resources and Services sector **continues to grow, and we see a strong pipeline** of opportunities from both existing and potential clients.
Hi-Tech	Most clients in the Hi-Tech sector remain **cautious due to macroeconomic headwinds and tariff announcements**, with discretionary spend still under pressure.
Communications	Communications sector continues to remain soft, with discretionary spend under pressure. Clients are focusing on **cutting costs, restructuring, and consolidation deals.**
LTI Mindtree	
Demand	Client priorities continue to revolve around **regulatory commitment and data transformation** for better reporting and decisions.
	Clients are navigating uncertainty and looking for opportunities to **save costs, consolidate vendors, and modernize their technology.**
Outlook	We are **confident in Q1 and expect growth to come back.** Our order book momentum will continue and our pipeline remains strong.
	We expect **margin improvement from Q1 onwards**, driven by initiatives like Fit4Future, which focus on enhancing agility and profitability.
Margin	We have managed to **maintain margins despite revenue decline in Q4**, thanks to improved operational efficiencies.
	The **Fit4Future program targets productivity improvements,** and we are confident it will positively impact margins in FY26.
Bookings	We recorded a **Q4 order inflow of US$1.6 billion**, marking the second consecutive quarter with over US$1.5 billion in orders. The total order inflow for FY25 stood at US$6 billion, representing a 6.1% year-on-year increase.
	The strategic alignments with our customers have resulted in a **robust order inflow this year.** Our year-end deal pipeline continues to remain robust.
Supply	Total headcount at the end of Q4 FY25 stands at 84,307, reflecting a **net year-over-year addition of 2,657 employees.**
	Attrition remained stable at 14.4%. We onboarded over **4,700 freshers during the year as part of our pyramid correction** journey.
	Our utilization excluding trainees in Q4 was **85.8%, a slight improvement** from the previous quarter.
Strategic Initiatives	I would like to outline 3 key initiatives that we have prioritized as we move into FY26: The **first initiative is sales transformation.** This centers around simplifying the service line sales structure, strengthening leadership in high potential businesses, reimagining value creation with our partners and customers, and exploring new sales models in the AI economy, targeting a larger portion of clients' cost base than just IT
	Significant shift in demand necessitates the **development of an innovative playbook, prompting us to revamp our large deal organization**. The framework for this organization in the context of AI focusses on the proactive integration of new age technologies into clients' IT system as well as our own service delivery processes.
	The third initiative, **"Fit4Future," primarily aims at enhancing agility and profitability.** It involves a complete re-baselining of operational costs – both direct and indirect.
Verticals	
BFSI	Client priorities are centered around **regulatory commitment, data transformation, and cost optimization.**
Technology & Manufacturing	Technology and Manufacturing saw good growth with increasing demand for AI-driven tech modernization and vendor consolidation.
Retail, CPG, & TTH	Retail showed growth, but TTH faced client-specific slowdowns.
Wipro	
Demand	Even though the underlying demand for tech reinvention remains strong, clients are approaching it more cautiously. They are focused on **cost, speed, and AI-led efficiency,** and that's exactly where we are leading it.
	The global industry environment remained uncertain for most of the year and the recent tariff announcements have only added to that.
Outlook	Given the uncertainty in the environment, we **expect clients to take a more measured approach** going forward, especially on large transformation programs and discretionary spending.
	With this in mind, and based on our current visibility, we are guiding for a **sequential growth of minus 3.5% to minus 1.5% in constant currency terms** for Q1 FY26.
Margin	Our operating margins came in at **17.5%, which is flat sequentially** and a 110 basis point expansion on a year-on-year basis.
	Our endeavor would be to **keep margins in a narrow band** while addressing the pressures from a weaker revenue environment.
Bookings	For Q4, the **order booking was at $4.0 billion, reflecting a growth of 13.4% sequentially** and 10.5% year-on-year.

	The large deal pipeline remains strong, with **significant deal wins across diverse sectors, including BFSI, manufacturing, and healthcare**.
	The deal pipeline is well-distributed across large and medium-sized deals, with a **growing focus on AI-powered solutions and industry-specific solutions.**
Supply	**Headcount increased on a sequential basis in Q4,** after a couple of quarters of decline.
Verticals	
BFSI	We have been seeing **good traction in BFSI, specifically in the U.S. and APMEA.** In Europe, BFSI has faced headwinds, but we have a good pipeline and deal momentum in the sector.
Healthcare	We are seeing a cautious approach, but our AI-driven industry solutions continue to drive growth in the sector.
Capco	Capco continues to perform well, **growing 6.5% sequentially** and 11.5% year-on-year.
TechM	
Demand	**BFSI growth is underpinned by early recovery signals** and discretionary spending. TechM is making further progress in engaging BFSI clients in a more consultative way.
	Our deal wins have been broad-based across verticals and geographies.
	We are now seeing signs of stability returning, especially in Europe and Asia Pacific in the Communications vertical.
Outlook	As we enter FY26, we **remain steadfast in achieving our stated goals.** While the global economic conditions continue to present challenges, we believe the foundational work we have put in will help us navigate the evolving landscape.
Future Strategy	FY26 is again a very important year. It is a year about showing significant sustained acceleration towards meeting the FY27 goals.
	FY27 is the year for accomplishing the goals. FY26 is the year where you will see significant improvements and significant efforts towards realizing these goals.
	We have also built a very strong contract management framework and a contract management team to **make sure that we don't end up doing deals that we regret** later.
Margin	Our operating margin for the quarter stood at 10.5%, an expansion of 310 basis points on a year-on-year basis and **40 basis points sequentially.**
	We did **wage hikes for all the employee base** for the company, which broadly impacted the margin negatively by 1%, which was offsetted by the **operating actions we drove under Project Fortius, supported by Comviva seasonality as well as favorable FX movement.**
	We **aim to achieve a 15% EBIT margin** by FY27 through sustained productivity improvements and cost reductions.
GenAI	We have **built out a suite of 12 solutions.** Each of these solutions are incredibly detailed, like autonomous operations and incorporate frameworks, partnerships, elements of gen AI and agentic AI.
Verticals	
Hi-Tech	Hi-tech has remained flattish for the year. The **momentum tapered off in the second half of the year,** with the outlook turning cautious, particularly in Q4, due to macroeconomic pressures.
TMT	Communications, the vertical declined by about 4.2 percent, as the **industry has continued to face headwinds** because of downturn in the sector.
Manufacturing	**Manufacturing remains soft**, as I had mentioned previously, especially in the automobile sector.
Persistent	
Demand	This quarter marks our 20th sequential quarter of revenue growth. We are very well **poised for cost optimization, vendor consolidation and the like.**
	We are winning newer business also in the biggest customer and other customers.
	50% plus growth of our data and AI practice in each of the last two years on the back of significant wins across Fortune 1000 customers on such programs
Outlook	We remain committed to our goal of **reaching 2 billion dollars by end of FY27** and are well on that trajectory.
	Our aspiration continues to remain that **OCF should continue to be above 100%** and we are working on that.
Margin	The **EBIT margin for the quarter came in at 15.6%**, translating into an EBIT growth of 10.9% quarter-on-quarter and 34.9% year-on-year.
	Improved utilization helped margins improve by 20 basis points. Reduction in sales, general administration cost has helped us for margins with 30 basis points.
	A marginally higher earn-out credit helped margin improve by 20 basis points. Favorable currency moment helped margin improve by 40 basis points.
	Headwind of 40 basis points from IP revenues in multi-year managed services deals. **Net increase of 70 basis points in our EBIT margin sequentially.**
	We are pretty much on track in terms of delivering our aspirational target of **improving our margins by 200-300 basis points** as we hit the 2 billion dollar revenue target by FY27.
GenAI	Our AI strategy is anchored around four pillars - **AI for Technology, AI for Business, Inorganic Investments, and Commercial Models**
	We have filed **15 new patents this quarter,** taking the total patent count to 35
	Our solutions span across industry verticals, fraud detection and loan origination in banking and drug discovery, patient engagement and prescription refills in healthcare.
Supply	At the end of Q4, our total headcount stood at 24,594, an **increase of 744 from Q4 of previous financial year.**
	Trailing 12 months **attrition this quarter came in at 12.9%** compared to 11.5% in Q4 of last year and it continues to be within our acceptable range.
Bookings	The total contract value for **Q4 came in at USD 517.5 million**, with TCV of new bookings coming in at USD 329 million.
	Sequential decline of bookings in the quarter reflects this seasonality that we have observed in previous years as well.
Verticals	
Growth in Segments	Healthcare, life sciences and banking financial services industry verticals grew by 33.6% and 26.6% respectively on a year-on-year basis.
	Our software, high-tech and emerging vertical registered a growth of 9.7% year-on-year.
Coforge	
Demand	**Every industry business unit of Coforge has performed well**. Every service line of Coforge has done well. Every geography that Coforge operates in has grown and all client cohorts, including top five, top 10 and top 20 clients have grown.
	The growth during this quarter was **led by the BFS vertical** which has grown 13.4% sequentially in dollar terms.
Outlook	Our pipeline of large deals where we have high conviction that they will be closed in the short term, is unimpaired.
	Our growth outlook for fiscal year '26 **despite the uncertain macros that the industry faces, is very robust**.

	We believe very significant growth in fiscal year '26 will be accompanied by a **simultaneous and a material expansion in reported EBIT**.
Margin	The exit EBIT margin for the quarter stood at 13.2% which reflects **expansion of 123 basis point** over previous quarter.
	13.2% is the exit for the year. We were looking at $2 billion of revenue guidance for FY27 EBITDA guidance of 18%. That translates to typically **Ebit guidance of roughly 14% odd.**
Bookings	We are entering fiscal year '26 with a record signed order book, which is **47.7% higher than where it was at the same time last year.**
	Q4 was an outstanding quarter from both an order intake and the number of large deal closure perspective. During the quarter we signed **five large deals**.
GenAI	We now have over **200 real-world solutions developed and deployed**. All of these solutions, frameworks, and assets are available to our clients by the Coforge Quasar AI Marketplace.
	94% of our employees are now AI trained, and more than 50% of our developers are proficient in GitHub Copilot.
Supply	Last 12 month attrition for the quarter fell further and is now at 10.9%. We remain, as always, **one of the lowest attrition firms across the industry**.
	Utilization during the quarter stood at 82%. Over next few quarters also you will see **material headcount addition that will be happening**.
Verticals	
Travel	In the US while year-on-year reported travel bookings and revenue are higher for travel and hospitality, a number of companies have reported reduced velocity, and there's a **fear of booking cancellations in the near term.**
	Outlook on travel is strong and we are well poised to grow while factoring in the industry dynamics. And this **outlook is based on the bookings in hand, the current sales pipeline, and the demand** that we are seeing in our existing key accounts in travel.
GCC	GCC driven or **GCC influence revenue is almost 10% of our aggregate revenues**. The largest deal that we are pursuing right now also is a GCC-specific deal currently
Mphasis	
Demand	AI-led transformation deals driving record growth in pipeline, especially large deals
	Strong TCV wins across **core modernization, AIOps, SDLC transformation, experience transformation, data strategy, and IT Value Stream transformation** offerings gaining traction across the portfolio.
Bookings	Our overall pipeline grew 86% YoY and 26% sequentially at the end of fourth quarter. Our **large deals pipeline is up 40% sequentially** and 154% YoY.
	New TCV wins for the quarter were $390 million, the highest in the past 7 quarters. We won **two large deals in Q4** taking the total tally to 13 deals in the full year.
Outlook	We'll continue to focus on executing on the micro despite the uncertain macro.
	For the full year FY26, we do **expect to be above industry growth on our revenue front**, gaining from strong TCV wins and a steady conversion of TCV to revenue across the portfolio.
	We believe **we will grow in Q1** as we stand, and that's what I would like to talk about from a Q1 standpoint.
Margin	EBIT margin **remained stable at 15.3%,** despite the macro uncertainties.
	Our target EBIT operating margin would be within the band of **14.75% to 15.75%.**
	The ability to drive margin growth is very much in our hands if we decide not to make a certain degree of investments.
	But in the current phase, with the environment and the competitive intensity and the shift in landscape with AI, the prudent thing to do is to **focus on growth and not try to do growth and margin expansion at the same time.**
AI	Our AI-led deal pipeline is significantly up from **25% in Q4FY24 to 55% in Q3FY25 to 65% now in Q4FY25.**
	AI is becoming table stakes for us, whether it's in the context of new deals that are AI-led or AI-infused. **59% of the TCV in Q4** is AI-led.
Supply	We are not, we haven't, and we **don't intend to build a large bench.** We will obviously onboard based on what we need on a rolling 90-day basis.
	We don't target a certain utilization level or a certain hiring level. I think it's all linked to what sits in the pipeline.
Verticals	
BFS	BFS growth has largely been **driven by wallet share gains in existing accounts** and continued **strong execution in new account wins**, including large deals.
TMT	The Direct TMT vertical was driven by **continued deal wins and conversion from recent large deal wins** to revenue.
Insurance	Insurance is also a growth engine now, the vertical is **poised for strong growth in FY26** as well, on the back of strong TCV and pipeline as well as recently won deals.
	Macroeconomic uncertainties in Europe remain a concern for deal closures.
Logistics and Transportation	That definitely is a stress segment because the level of impact on them is actually pretty high.
	We see **significant opportunities in the pipeline** for both Logistics and Transportation and Healthcare.
Hexaware	
Demand	The growth was led by **four out of the six verticals growing at double digits** on year-on-year basis.
	There were two clients, this was planned, who moved their work offshore, and then there was one program which I will talk about later that actually delayed start, they had a little **over a hundred bps of revenue headwind during the quarter**
	TNT, I'll say it's marginal, **incremental weakness due to macros** over the last several weeks, but it will still grow at roughly company average for us.
	M&C is where actually the biggest impact of macros is. It has had weakness and it **will actually continue to have significant weakness.**
Bookings	From a last year perspective, if you look into it on an LTM basis, we have added **two accounts, which are greater than 20 million dollar** and one account which is greater than 75 million dollar.
Outlook	Q2, actually our underlying performance will be very strong, we'll convert Q2 from what would've been **a great Q2 to a good Q2.**
	That momentum will continue into Q3. So we expect to have **accelerated growth in Q3** and we expect at this point that we will buck the usual trend in Q4 and actually **deliver sequential growth in Q4 as well** and much of this is not macro-contingent for us.
	We actually expect to have a pretty solid year. For the full year, we expect **banking to be a growth driver** for us.
Margin	Current quarter saw **margin improvement of 40 bps.** Q1 margin at 16.7 percentage.
	The **40 bps improvement was driven by operational benefit of 50 bps,** which was partially offset with **currency headwind of 10 bps.**
	We remain confident in terms of delivering to our **quoted margins of 17.1 to 17.4 percentage** from a full year perspective.

	There are medium-term levers to improve the margin 100 to 150 bps. However, our here and now focus is to not necessarily apply those levers, but instead **focus on using that to maximize growth.**
Supply	We closed our head count at 31 and a half odd thousand. This is actually **net reduction from the prior quarter.**
	Our IT head count went up moderately, just shy of a hundred people, and **all the reduction was actually in our BPS business.**
	Attrition, we continue to do very well. It's range bound. It was 10.8, it's 11.2.
	We improved our utilization quarter-on-quarter. We expect our utilization to be range bound **between 82 to 83 percentage** from a full year perspective.
	A measure of our confidence, we **expect to hire 1800 to 2000 IT people in Q2**, both to serve Q2 ramp and in anticipation of Q3 ramp.
Verticals	
Banking	Banking headwind is associated with project closure, we have a very healthy pipeline and we expect this vertical to grow meaningfully from a full year perspective.
Hi-Tech and Professional Services	High-tech, actually, is very small right now. **Much of our performance is actually driven by PS** right now, and that's the opportunity for us to do a lot better on high-tech and hence we are going to create a new vertical.

Source: Company, JM Financial

Exhibit 29. Key remarks on tariffs and exposure to Manufacturing and Retail – Coverage companies

Company	Remarks on tariffs	Q4FY25 Revenue share from vulnerable sectors	
		Manufacturing	Consumer/Retail
TCS	The Consumer Business Group saw heightened caution and delays in discretionary projects, especially in the US. This was driven by the significant drop in consumer sentiment in February, which preceded changes in global trade and tariffs creating a domino effect on retail CPG and TTH industries. Some sectors, like consumer business, experienced delays due to tariff changes.	8.4%	15.3%
HCL Tech	Geopolitical factors like tariffs and deglobalization are expected to impact IT Services. It may lead to budget cuts and contract renegotiations or delays. In the coming months, it will be important to observe and monitor the evolving developments. It can also play out differently, where quick decisions are made to optimize costs and diversify supply chains. We did not see an impact in the last quarter, but we do see Retail and Manufacturing, including Auto, to be impacted. But this impact is going to spill over to all the verticals very, very quickly. It might show up in Retail and Manufacturing to start with, but it's only a quarter lag before it has an impact on other verticals.	20.4%	9.1%
Infosys	Weakness in Auto, especially in Europe, continues. Recent challenges in terms of tariffs, market uncertainties, and trade barriers are likely to lead to a subdued spend and delayed decision-making. Due to recent tariff announcements, client budgets are expected to be tightened, and there is increased caution in the Retail sector. Most clients in the Hi-Tech sector remain cautious due to macroeconomic headwinds and tariff announcements, with discretionary spend still under pressure.	15.9%	13.3%
LTI Mindtree	There is no material request that has come to us at the back of the tariff changes, but the fact about discretionary spend is that it still remains the same as what it was in the previous quarters, and clients are adopting wait and watch	19.9%	14.1%
Wipro	The global industry environment remained uncertain for most of the year and the recent tariff announcements have only added to that. The impact of tariffs obviously is not just in the U.S. but also in Europe. And again, it's not just in a few sectors but across sectors. The only difference is certain sectors are seeing direct impact; certain sectors are seeing indirect impact. Some sectors have been impacted more, like consumer, manufacturing. Within manufacturing, specifically automotive and industrial. And we are seeing indirect impact on most of the sectors, if you will.	17.3%*	18.9%
TechM	In the past three months I'd say almost from January onwards, right, we have started to see a softness in certain sectors, we have started to see a softness in manufacturing, autos specifically, we have started a softness in hi-tech. So, we have to weigh that against the fact that the large deal wins are very significant and will contribute and will deliver growth in FY26. From a Telco perspective, Telco has not been impacted by tariffs yet because there is still an exemption for tariffs.	17.0%	8.1%**
Persistent	Manufacturing and retail verticals are the two verticals that seem to be hit the most because of the tariff uncertainty and because of the input costs that we are looking at. Now these are the two verticals which of course we don't have much of a presence and that kind of insulates us from being impacted to a large extent.	NA	NA
Coforge	Given the recent change in geopolitics impacting global economy, we are seeing travel industry take a more cautious approach in increasing capacity	NA	18.8%^
Mphasis	If I look at the impact of tariffs or other uncertainties that came into fore in the last 30 days, there are certain industries that are in the direct line of fire, so they have the direct impact. For example, all global trade, logistics, supply chain, manufacturing, automotive, energy, railroads, fairly direct impact because there's a pretty significant impact of what happens across global trade flows, the flip-flop on tariffs hasn't helped them either because they've suddenly gotten frozen in some of their decision making Then there is a segment of customers like banks, insurance companies, healthcare companies, where the impact is not direct impact because they're not in the direct line of fire of tariffs. In the first category (direct impact), the impact is obviously visible. We've seen a significant, I would say, nervousness, not to a point where deals are getting cancelled but definitely decisions are getting pushed out	NA	10.9%**

Hexaware	M&C is expected to continue to face some headwinds. Recent challenges, whether it is in terms of the tariff market uncertainties, trade barriers are leading to bit of a delayed decision making and subdued spend.	14.9%^^	NA

Notes: *Contribution from Energy, Manufacturing, and Resources, **Includes Transport and Logistics, ^Contribution from Travel, Transportation, and Hospitality, ^^Contribution from Manufacturing and Consumer. Source: Company, JM Financial

Exhibit 30. Key commentary from conference call – Global peers

Accenture	
Demand	Our clients continue to prioritize large scale transformations and we are their reinvention partner of choice. We continue to see our clients building their digital core as a foundation for reinvention and increasingly asking us to **incorporate emerging technologies like AI.**
	Cloud saw double-digit growth this quarter and security had very strong double-digit growth.
Outlook	For the third quarter of fiscal '25, we expect revenues to be in the range of $16.9 billion to $17.5 billion, reflects an **estimated 3% to 7% growth** in local currency.
	For the full fiscal '25, we now **expect our revenue to be in the range of 5% to 7% growth** in local currency over fiscal '24.
	We now expect fiscal year '25 to be 15.6% to 15.7%, a **10 basis point to 20 basis point expansion** over adjusted fiscal '24 results.
	Discretionary spend does not have to improve at the top end of the range, while it continues to allow for further deterioration at the bottom.
Margin	Operating margin **contracted 20 basis points** compared to adjusted operating margin last year.
	We now expect a 10 basis points to 20 basis points expansion for the year, while continuing to **invest significantly in our business and our people.**
Bookings	We were pleased with our **bookings this quarter of $20.9 billion**, and importantly, our book-to-bill was 1.3.
GenAI	We had another milestone quarter in Gen AI with $1.4 billion in new bookings and **approximately $600 million in revenue.**
Supply	We increased our data and AI workforce to approximately 72,000, continuing progress against our goal of 80,000 by the end of FY 2026.
	We are managing our supply and demand, including through the use of technology and reskilling. We added a little bit **over 2,000 people in Q2.**
	Utilization, which **continues to be 91%,** which is exactly the range that we want to be in.
Geographies	
Americas	Growth was led by banking and capital markets, industrial, health, and consumer goods, retail, and travel services. Revenue growth was **driven by the United States.**
EMEA	Led by growth in public service, life sciences and consumer goods, retail, and travel services. Revenue growth was **driven by the United Kingdom.**
Asia-Pacific	Driven by growth in insurance and utilities, partially offset by a decline in chemicals and natural resources. Revenue growth was **led by Japan, partially offset by a decline in Singapore.**
Cognizant	
Demand	First quarter revenue grew by 8.2% year-over-year in constant currency to $5.1 billion. **Growth was driven by our Belcan acquisition and organic growth in Health Sciences and Financial Services.**
	In Products and Resources, Q1 growth was driven by Belcan. Organically, the demand environment for this segment has been weak due to discretionary spending pressure.
	Despite the uncertainty, this environment is presenting opportunities as **clients prioritize cost optimization, vendor consolidation and productivity** to drive resiliency in their own business.
Outlook	For the second quarter of 2025, we expect revenue to grow 5% to 6.5% year-over-year in constant currency. In 2025, we expect revenue to grow **3.5% to 6% in constant currency.**
	We remain very **confident in our long-term growth opportunities** and our leadership team to consistently deliver on our strategy.
	The low end of the revenue guidance assumes further deterioration in the demand environment. The high end assumes an improvement in the demand environment further supported by our large deal pipeline.
Margin	Adjusted operating **margin of 15.5% improved by 40 basis points year-over-year** putting us on track to achieve our full year guidance of 20 to 40 basis points of expansion.
	Year-over-year, margin improved by 40 basis points, primarily reflecting the net savings generated from our next-gen program and the benefit from the depreciation of the Indian rupee.
Bookings	We had **4 large deals in the first quarter**, including a mega deal valued at more than $500 million. TCV from large deals was up mid-single digits year-over-year.
	The **mix of new and expansion bookings grew significantly** year-over-year and represented more than 50% of our quarterly bookings.
GenAI	We now have **~1,400 early GenAI engagements** compared to 1,200 at the end of the fourth quarter.
	In quarter one, **AI written code increased to more than 20%** for us and is a pioneering opportunity for our developer communities.
Supply	**Voluntary attrition ticked down 10 basis points** and head count remained nearly flat from last quarter. This year, we're going to **hire freshers a lot more** because we want to size a pyramid.
	Utilization also increased to **~85%, driven by operational discipline**.
Verticals	
Healthcare and Life Sciences	Growth was again **broad-based across payer, provider and life sciences** as recently won large deals more than offset discretionary spending pressures.
Geographies	
North America	North America grew 10% year-over-year in constant currency, **driven by Belcan and the ramp of large deals.**
Europe	Europe grew 3% year-over-year in constant currency **driven by growth among Life Sciences and Financial Services** clients, including UK public sector.
ROW	Growth was driven by **recent large deals, particularly within comms, media and technology and financial services.**

Capgemini	
Demand	Clients are really focused on transformation programs aimed at **improving agility, cost and efficiency of their operation** at the expense of what we consider as being more growth oriented project.
	Discretionary spending remains subdued. Latin America continues to be extremely good. APAC, we see a rebound notably very high growth in Middle east, for example.
Outlook	After this Q1, we also **expect Q2 to be slightly better than anticipated** and therefore now see our H1 constant currency growth as slightly better than Q4 rate.
	Our financial objective for 2025 are **revenue growth of -2 to 2 at constant currency, operating margin of 13.3% to 13.5%, an organic free cash flow of ~EUR 1.9bn.**
	We are confirming our financial objective for 2025 and as such we do retain the cautious stance adopted at the beginning of the year.
Margin	Our focus on margin is stronger than ever before. We're **focused on our operational parameters,** whether it's our utilization offshoring, G&A.
Bookings	**Bookings were up 2.8%** at constant exchange rate and reached EUR 5,884 million. This represents a strong book to bill for a Q1 of 1.06.
	This is above the historical average for the period and reflects our **good performance on large deals.**
GenAI	We now have 10 agentic AI offers addressing customer experience, engineering, operation or application mainframe refactoring.
Supply	**Onshore headcount decreased by 1.4%** to 143,300 employees, while **offshore headcount was up plus 3.9%** to 199,400 employees.
	Attrition remains in our optimal operating range at 16.1% on a last 12 month basis.
Verticals	
Operations & Engineering Services	Operations & Engineering Services further declined in Q1 with a contraction of minus 2.6%, **weighed down by the large exposure of Engineering Services to the weak Manufacturing sector.**
Geographies	
Middle East	Middle East is growing fast from a small base, but we have a **very strong growth in the Middle East.** We are able to penetrate some very large accounts and of course that's providing some good traction moving forward.
Europe	**Growth in the United Kingdom and Ireland region accelerated** to plus 3.9%. Public, Energy & Utilities and Financial Services sectors contributed to this growth. **Revenues in France declined** by minus 4.9% most notably due to persisting weakness in the Manufacturing and Energy & Utility sectors.
	In the rest of Europe region, revenues were down by minus 2.3%, reflecting the decline in the Manufacturing sector, whereas other sectors were broadly stable.

Source: Company, JM Financial

JMFe and Consensus estimates

Exhibit 31. How are we different - JMFe vs. Consensus estimates

	Consensus estimates			JMFe estimates			JMFe vs. Consensus		
Infosys	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	20,105	21,443	22,982	19,501	20,547	22,170	-3.0%	-4.2%	-3.5%
Sales (INR mn)	1,695,630	1,808,493	1,938,344	1,667,340	1,756,743	1,895,570	-1.7%	-2.9%	-2.2%
EBITDA (INR mn)	409,467	439,998	469,673	399,948	429,999	473,294	-2.3%	-2.3%	0.8%
EBITDA margin	24.1%	24.3%	24.2%	24.0%	24.5%	25.0%	-16bp	15bp	74bp
EBIT (INR mn)	359,881	387,051	413,478	351,747	379,933	418,410	-2.3%	-1.8%	1.2%
EBIT margin	21.2%	21.4%	21.3%	21.1%	21.6%	22.1%	-13bp	23bp	74bp
EPS (INR)	67.5	72.8	78.1	67.1	72.3	79.0	-0.6%	-0.8%	1.2%
TCS	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	31,324	33,797	36,371	30,304	32,874	35,551	-3.3%	-2.7%	-2.3%
Sales (INR mn)	2,641,837	2,850,422	3,067,569	2,607,317	2,828,466	3,058,832	-1.3%	-0.8%	-0.3%
EBITDA (INR mn)	715,954	779,733	843,738	720,754	789,142	867,179	0.7%	1.2%	2.8%
EBITDA margin	27.1%	27.4%	27.5%	27.6%	27.9%	28.4%	54bp	55bp	84bp
EBIT (INR mn)	660,917	721,250	779,141	666,123	728,569	801,672	0.8%	1.0%	2.9%
EBIT margin	25.0%	25.3%	25.4%	25.5%	25.8%	26.2%	53bp	46bp	81bp
EPS (INR)	142.9	156.0	168.4	143.8	162.0	177.2	0.7%	3.9%	5.2%
Wipro	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	10,583	11,166	11,759	10,344	10,880	11,712	-2.3%	-2.6%	-0.4%
Sales (INR mn)	892,598	941,724	991,789	899,514	942,839	1,011,937	0.8%	0.1%	2.0%
EBITDA (INR mn)	181,593	192,769	201,777	176,128	187,791	204,764	-3.0%	-2.6%	1.5%
EBITDA margin	20.3%	20.5%	20.3%	19.6%	19.9%	20.2%	-76bp	-55bp	-11bp
EBIT (INR mn)	151,938	162,208	170,548	149,304	159,589	174,406	-1.7%	-1.6%	2.3%
EBIT margin	17.0%	17.2%	17.2%	16.6%	16.9%	17.2%	-42bp	-30bp	4bp
EPS (INR)	12.4	13.2	14.1	13.4	13.9	15.2	8.1%	5.2%	8.1%
HCL Tech	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	14,727	15,830	17,095	14,316	15,134	16,267	-2.8%	-4.4%	-4.8%
Sales (INR mn)	1,242,112	1,335,087	1,441,780	1,222,295	1,292,147	1,388,846	-1.6%	-3.2%	-3.7%
EBITDA (INR mn)	272,438	293,919	316,919	266,997	286,180	309,578	-2.0%	-2.6%	-2.3%
EBITDA margin (%)	21.9%	22.0%	22.0%	21.8%	22.1%	22.3%	-9bp	13bp	31bp
EBIT (INR mn)	228,601	247,866	268,985	222,289	240,382	261,708	-2.8%	-3.0%	-2.7%
EBIT margin	18.4%	18.6%	18.7%	18.2%	18.6%	18.8%	-22bp	4bp	19bp
EPS (INR)	66.7	72.8	78.5	64.4	69.4	75.6	-3.4%	-4.7%	-3.6%
TechM	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	6,518	6,964	7,421	6,333	6,695	7,255	-2.8%	-3.9%	-2.2%
Sales (INR mn)	549,707	587,353	625,886	540,740	571,645	619,398	-1.6%	-2.7%	-1.0%
EBITDA (INR mn)	84,744	100,332	110,310	87,439	105,458	119,234	3.2%	5.1%	8.1%
EBITDA margin	15.4%	17.1%	17.6%	16.2%	18.4%	19.3%	75bp	137bp	163bp
EBIT (INR mn)	66,121	81,013	90,561	67,916	85,964	98,082	2.7%	6.1%	8.3%
EBIT margin	12.0%	13.8%	14.5%	12.6%	15.0%	15.8%	53bp	125bp	137bp
EPS (INR)	59.5	73.0	81.3	62.1	77.3	87.5	4.4%	5.9%	7.6%
LTIMindtree	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	4,825	5,294	5,801	4,677	4,991	5,451	-3.1%	-5.7%	-6.0%
Sales (INR mn)	406,945	446,535	489,268	399,317	426,097	465,422	-1.9%	-4.6%	-4.9%
EBITDA (INR mn)	70,868	80,617	89,757	68,999	74,904	83,413	-2.6%	-7.1%	-7.1%
EBITDA margin	17.4%	18.1%	18.3%	17.3%	17.6%	17.9%	-14bp	-47bp	-42bp
EBIT (INR mn)	60,439	69,587	77,499	58,617	63,400	70,847	-3.0%	-8.9%	-8.6%
EBIT margin	14.9%	15.6%	15.8%	14.7%	14.9%	15.2%	-17bp	-70bp	-62bp
EPS (INR)	171.5	196.9	219.2	168.2	186.1	205.1	-1.9%	-5.5%	-6.4%

Mphasis	Consensus estimates FY26E	FY27E	FY28E	JMFe estimates FY26E	FY27E	FY28E	JMFe vs. Consensus FY26E	FY27E	FY28E
Sales (USD mn)	1,836	2,020	2,207	1,798	1,951	2,140	-2.1%	-3.4%	-3.0%
Sales (INR mn)	154,846	170,349	186,110	153,493	166,552	182,708	-0.9%	-2.2%	-1.8%
EBITDA (INR mn)	28,826	31,708	34,743	29,519	32,106	35,417	2.4%	1.3%	1.9%
EBITDA margin	18.6%	18.6%	18.7%	19.2%	19.3%	19.4%	62bp	66bp	72bp
EBIT (INR mn)	23,768	26,513	29,202	23,959	26,191	28,967	0.8%	-1.2%	-0.8%
EBIT margin	15.3%	15.6%	15.7%	15.6%	15.7%	15.9%	26bp	16bp	16bp
EPS (INR)	98.0	109.7	121.9	102.7	117.9	134.7	4.8%	7.5%	10.5%
Persistent	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	1,679	1,955	2,222	1,663	1,946	2,264	-0.9%	-0.4%	1.9%
Sales (INR mn)	141,609	164,883	187,364	142,015	166,170	193,316	0.3%	0.8%	3.2%
EBITDA (INR mn)	25,142	29,739	34,421	25,606	30,217	34,827	1.8%	1.6%	1.2%
EBITDA margin	17.8%	18.0%	18.4%	18.0%	18.2%	18.0%	28bp	15bp	-36bp
EBIT (INR mn)	21,585	25,829	30,421	22,139	26,477	30,747	2.6%	2.5%	1.1%
EBIT margin	15.2%	15.7%	16.2%	15.6%	15.9%	15.9%	35bp	27bp	-33bp
EPS (INR)	112.1	135.0	160.2	114.5	137.0	156.3	2.1%	1.5%	-2.4%
Coforge	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	1,857	2,150	2,452	1,901	2,164	2,475	2.4%	0.7%	0.9%
Sales (INR mn)	156,608	181,290	206,828	160,391	182,286	208,440	2.4%	0.5%	0.8%
EBITDA	26,549	31,276	35,931	26,535	31,606	36,314	-0.1%	1.1%	1.1%
EBITDA margin	17.0%	17.3%	17.4%	16.5%	17.3%	17.4%	-41bp	9bp	5bp
EBIT	20,807	24,847	28,941	21,268	25,551	29,966	2.2%	2.8%	3.5%
EBIT margin	13.3%	13.7%	14.0%	13.3%	14.0%	14.4%	-3bp	31bp	38bp
EPS (INR)	205.0	257.6	300.5	190.0	257.8	312.4	-7.3%	0.1%	4.0%
KPIT Tech	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	768	899	1,026	833	974	1,138	8.5%	8.3%	10.9%
Sales (INR mn)	64,778	75,820	86,540	71,103	83,107	97,124	9.8%	9.6%	12.2%
EBITDA	13,690	16,118	18,525	15,247	17,941	21,158	11.4%	11.3%	14.2%
EBITDA margin	21.1%	21.3%	21.4%	21.4%	21.6%	21.8%	31bp	33bp	38bp
EBIT	11,219	13,298	15,366	12,213	14,908	17,014	8.9%	12.1%	10.7%
EBIT margin	17.3%	17.5%	17.8%	17.2%	17.9%	17.5%	-14bp	40bp	-24bp
EPS (INR)	31.0	37.2	43.0	35.3	42.3	48.2	13.6%	13.8%	12.0%
TATA Tech	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	646	726	806	627	693	770	-2.9%	-4.6%	-4.5%
Sales (INR mn)	54,483	61,211	68,008	53,680	59,282	65,911	-1.5%	-3.2%	-3.1%
EBITDA	9,829	11,126	12,611	9,696	10,952	12,277	-1.3%	-1.6%	-2.6%
EBITDA margin	18.0%	18.2%	18.5%	18.1%	18.5%	18.6%	2bp	30bp	8bp
EBIT	8,680	9,905	11,355	8,404	9,520	10,779	-3.2%	-3.9%	-5.1%
EBIT margin	15.9%	16.2%	16.7%	15.7%	16.1%	16.4%	-27bp	-12bp	-34bp
EPS (INR)	18.3	21.2	24.4	18.7	21.1	23.7	2.3%	-0.7%	-2.6%

Source: Visible Alpha, JM Financial estimates

Exhibit 32. Change in Consensus estimates post earnings

	Post earnings			Pre earnings			Change		
Infosys	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	20,105	21,443	22,982	21,185	22,972	-	-5.1%	-6.7%	-
Sales (INR mn)	1,695,630	1,808,493	1,938,344	1,786,727	1,937,455	-	-5.1%	-6.7%	-
EBITDA (INR mn)	409,467	439,998	469,673	430,853	471,936	-	-5.0%	-6.8%	-
EBITDA margin	24%	24%	24%	24.1%	24.4%	-	3bp	-3bp	-
EBIT (INR mn)	359,881	387,051	413,478	381,421	418,576	-	-5.6%	-7.5%	-
EBIT margin	21.2%	21.4%	21.3%	21.3%	21.6%	-	-12bp	-20bp	-
EPS (INR)	67.5	72.8	78.1	71.4	78.5	-	-5.4%	-7.2%	-
TCS	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	31,324	33,797	36,371	32,165	35,038	-	-2.6%	-3.5%	-
Sales (INR mn)	2,641,837	2,850,422	3,067,569	2,712,798	2,955,152	-	-2.6%	-3.5%	-
EBITDA (INR mn)	715,954	779,733	843,738	744,882	817,416	-	-3.9%	-4.6%	-
EBITDA margin	27%	27%	28%	27.5%	27.7%	-	-36bp	-31bp	-
EBIT (INR mn)	660,917	721,250	779,141	689,358	758,240	-	-4.1%	-4.9%	-
EBIT margin	25.0%	25.3%	25.4%	25.4%	25.7%	-	-39bp	-35bp	-
EPS (INR)	142.9	156.0	168.4	149.4	164.7	-	-4.4%	-5.3%	-
Wipro	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	10,583	11,166	11,759	11,150	11,910	-	-5.1%	-6.3%	-
Sales (INR mn)	892,598	941,724	991,789	940,379	1,004,527	-	-5.1%	-6.3%	-
EBITDA (INR mn)	181,593	192,769	201,777	192,552	206,715	-	-5.7%	-6.7%	-
EBITDA margin	20%	20%	20%	20.5%	20.6%	-	-13bp	-11bp	-
EBIT (INR mn)	151,938	162,208	170,548	162,104	174,958	-	-6.3%	-7.3%	-
EBIT margin	17.0%	17.2%	17.2%	17.2%	17.4%	-	-22bp	-19bp	-
EPS (INR)	12.4	13.2	14.1	13.1	14.1	-	-5.1%	-6.3%	-
HCL Tech	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	14,727	15,830	17,095	15,079	16,418	-	-2.3%	-3.6%	-
Sales (INR mn)	1,242,112	1,335,087	1,441,780	1,271,804	1,384,657	-	-2.3%	-3.6%	-
EBITDA (INR mn)	272,438	293,919	316,919	281,607	308,075	-	-3.3%	-4.6%	-
EBITDA margin (%)	22%	22%	22%	22.1%	22.2%	-	-21bp	-23bp	-
EBIT (INR mn)	228,601	247,866	268,985	236,931	261,083	-	-3.5%	-5.1%	-
EBIT margin	18.4%	18.6%	18.7%	18.6%	18.9%	-	-23bp	-29bp	-
EPS (INR)	66.7	72.8	78.5	69.2	76.5	-	-3.7%	-4.8%	-
TechM	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	6,518	6,964	7,421	6,723	7,261	-	-3.1%	-4.1%	-
Sales (INR mn)	549,707	587,353	625,886	567,003	612,419	-	-3.1%	-4.1%	-
EBITDA (INR mn)	84,744	100,332	110,310	87,360	104,798	-	-3.0%	-4.3%	-
EBITDA margin	15.4%	17.1%	17.6%	15.4%	17.1%	-	1bp	-3bp	-
EBIT (INR mn)	66,121	81,013	90,561	68,422	84,952	-	-3.4%	-4.6%	-
EBIT margin	12.0%	13.8%	14.5%	12.1%	13.9%	-	-4bp	-8bp	-
EPS (INR)	59.5	73.0	81.3	60.9	75.4	-	-2.3%	-3.3%	-
LTIMindtree	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	4,825	5,294	5,801	5,035	5,607	-	-4.2%	-5.6%	-
Sales (INR mn)	406,945	446,535	489,268	424,626	472,923	-	-4.2%	-5.6%	-
EBITDA (INR mn)	70,868	80,617	89,757	76,483	87,436	-	-7.3%	-7.8%	-
EBITDA margin	17%	18%	18%	18.0%	18.5%	-	-60bp	-43bp	-
EBIT (INR mn)	60,439	69,587	77,499	65,458	75,648	-	-7.7%	-8.0%	-
EBIT margin	14.9%	15.6%	15.8%	15.4%	16.0%	-	-56bp	-41bp	-
EPS (INR)	171.5	196.9	219.2	183.7	211.1	-	-6.6%	-6.7%	-

	Post earnings			Pre earnings			Change		
Mphasis	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	1,836	2,020	2,207	1,872	2,086	-	-1.9%	-3.2%	-
Sales (INR mn)	154,846	170,349	186,110	157,893	175,940	-	-1.9%	-3.2%	-
EBITDA (INR mn)	28,826	31,708	34,743	29,682	33,027	-	-2.9%	-4.0%	-
EBITDA margin	18.6%	18.6%	18.7%	18.8%	18.8%	-	-18bp	-16bp	-
EBIT (INR mn)	23,768	26,513	29,202	24,749	27,887	-	-4.0%	-4.9%	-
EBIT margin	15.3%	15.6%	15.7%	15.7%	15.9%	-	-33bp	-29bp	-
EPS (INR)	98.0	109.7	121.9	101.0	114.7	-	-3.0%	-4.4%	-
Persistent	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	1,679	1,955	2,222	1,696	1,992	-	-1.0%	-1.8%	-
Sales (INR mn)	141,609	164,883	187,364	143,026	167,988	-	-1.0%	-1.8%	-
EBITDA (INR mn)	25,142	29,739	34,421	25,536	30,511	-	-1.5%	-2.5%	-
EBITDA margin	18%	18%	18%	17.9%	18.2%	-	-10bp	-13bp	-
EBIT (INR mn)	21,585	25,829	30,421	21,986	26,583	-	-1.8%	-2.8%	-
EBIT margin	15.2%	15.7%	16.2%	15.4%	15.8%	-	-13bp	-16bp	-
EPS (INR)	112.1	135.0	160.2	113.1	137.0	-	-0.9%	-1.4%	-
Coforge	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	1,857	2,150	2,452	1,863	2,157	-	-0.3%	-0.3%	-
Sales (INR mn)	156,608	181,290	206,828	157,134	181,905	-	-0.3%	-0.3%	-
EBITDA	26,549	31,276	35,931	26,539	31,416	-	0.0%	-0.4%	-
EBITDA margin	17%	17%	17%	16.9%	17.3%	-	6bp	-2bp	-
EBIT	20,807	24,847	28,941	20,935	25,243	-	-0.6%	-1.6%	-
EBIT margin	13.3%	13.7%	14.0%	13.3%	13.9%	-	-4bp	-17bp	-
EPS (INR)	205.0	257.6	300.5	209.9	259.1	-	-2.4%	-0.6%	-
KPIT Tech	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	768	899	1,026	810	952	-	-5.2%	-5.6%	-
Sales (INR mn)	64,778	75,820	86,540	68,328	80,287	-	-5.2%	-5.6%	-
EBITDA	13,690	16,118	18,525	14,752	17,442	-	-7.2%	-7.6%	-
EBITDA margin	21%	21%	21%	21.6%	21.7%	-	-46bp	-47bp	-
EBIT	11,219	13,298	15,366	12,212	14,605	-	-8.1%	-8.9%	-
EBIT margin	17.3%	17.5%	17.8%	17.9%	18.2%	-	-55bp	-65bp	-
EPS (INR)	31.0	37.2	43.0	33.2	40.3	-	-6.4%	-7.6%	-
TATA Tech	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	646	726	806	699	792	-	-7.6%	-8.4%	-
Sales (INR mn)	54,483	61,211	68,008	58,947	66,791	-	-7.6%	-8.4%	-
EBITDA	9,829	11,126	12,611	10,959	12,611	-	-10.3%	-11.8%	-
EBITDA margin	18%	18%	19%	18.6%	18.9%	-	-55bp	-71bp	-
EBIT	8,680	9,905	11,355	9,726	11,247	-	-10.8%	-11.9%	-
EBIT margin	15.9%	16.2%	16.7%	16.5%	16.8%	-	-57bp	-66bp	-
EPS (INR)	18.3	21.2	24.4	20.1	23.4	-	-9.0%	-9.1%	-

Source: Visible Alpha estimates

Exhibit 33. Changes in JMF estimates - post earnings

	Post earnings			Pre earnings			Change		
Infosys	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	19,501	20,547	22,170	20,416	22,202	-	-4.5%	-7.5%	-
Sales (INR mn)	1,667,340	1,756,743	1,895,570	1,748,059	1,900,899	-	-4.6%	-7.6%	-
EBITDA (INR mn)	399,948	429,999	473,294	424,940	467,034	-	-5.9%	-7.9%	-
EBITDA margin	24.0%	24.5%	25.0%	24.3%	24.6%	-	-32bp	-9bp	-
EBIT (INR mn)	351,747	379,933	418,410	373,666	411,709	-	-5.9%	-7.7%	-
EBIT margin	21.1%	21.6%	22.1%	21.4%	21.7%	-	-28bp	-3bp	-
EPS (INR)	67.1	72.3	79.0	68.9	75.9	-	-2.6%	-4.8%	-
TCS	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	30,304	32,874	35,551	31,126	34,077	-	-2.6%	-3.5%	-
Sales (INR mn)	2,607,317	2,828,466	3,058,832	2,672,560	2,925,988	-	-2.4%	-3.3%	-
EBITDA (INR mn)	720,754	789,142	867,179	742,726	816,351	-	-3.0%	-3.3%	-
EBITDA margin	27.6%	27.9%	28.4%	27.8%	27.9%	-	-15bp	bp	-
EBIT (INR mn)	666,123	728,569	801,672	685,706	753,372	-	-2.9%	-3.3%	-
EBIT margin	25.5%	25.8%	26.2%	25.7%	25.8%	-	-11bp	1bp	-
EPS (INR)	143.8	162.0	177.2	150.0	169.8	-	-4.1%	-4.6%	-
Wipro	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	10,344	10,880	11,712	10,789	11,609	-	-4.1%	-6.3%	-
Sales (INR mn)	899,514	942,839	1,011,937	931,441	1,002,173	-	-3.4%	-5.9%	-
EBITDA (INR mn)	176,128	187,791	204,764	188,685	204,705	-	-6.7%	-8.3%	-
EBITDA margin	19.6%	19.9%	20.2%	20.3%	20.4%	-	-68bp	-51bp	-
EBIT (INR mn)	149,304	159,589	174,406	160,742	174,640	-	-7.1%	-8.6%	-
EBIT margin	16.6%	16.9%	17.2%	17.3%	17.4%	-	-66bp	-50bp	-
EPS (INR)	13.4	13.9	15.2	13.3	14.6	-	0.8%	-4.6%	-
HCL Tech	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	14,316	15,134	16,267	14,496	15,578	-	-1.2%	-2.8%	-
Sales (INR mn)	1,222,295	1,292,147	1,388,846	1,246,667	1,339,701	-	-2.0%	-3.5%	-
EBITDA (INR mn)	266,997	286,180	309,578	271,886	297,506	-	-1.8%	-3.8%	-
EBITDA margin (%)	21.8%	22.1%	22.3%	21.8%	22.2%	-	3bp	-6bp	-
EBIT (INR mn)	222,289	240,382	261,708	226,738	250,532	-	-2.0%	-4.1%	-
EBIT margin	18.2%	18.6%	18.8%	18.2%	18.7%	-	bp	-10bp	-
EPS (INR)	64.4	69.4	75.6	65.7	72.9	-	-1.9%	-4.8%	-
TechM	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	6,333	6,695	7,255	6,355	6,790	-	-0.3%	-1.4%	-
Sales (INR mn)	540,740	571,645	619,398	548,648	586,157	-	-1.4%	-2.5%	-
EBITDA (INR mn)	87,439	105,458	119,234	90,508	107,853	-	-3.4%	-2.2%	-
EBITDA margin	16.2%	18.4%	19.3%	16.5%	18.4%	-	-33bp	5bp	-
EBIT (INR mn)	67,916	85,964	98,082	71,078	87,954	-	-4.4%	-2.3%	-
EBIT margin	12.6%	15.0%	15.8%	13.0%	15.0%	-	-40bp	3bp	-
EPS (INR)	62.1	77.3	87.5	60.7	75.0	-	2.3%	3.0%	-
LTIMindtree	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	4,677	4,991	5,451	4,741	5,134	-	-1.4%	-2.8%	-
Sales (INR mn)	399,317	426,097	465,422	409,269	443,248	-	-2.4%	-3.9%	-
EBITDA (INR mn)	68,999	74,904	83,413	69,402	77,241	-	-0.6%	-3.0%	-
EBITDA margin	17.3%	17.6%	17.9%	17.0%	17.4%	-	32bp	15bp	-
EBIT (INR mn)	58,617	63,400	70,847	57,942	65,274	-	1.2%	-2.9%	-
EBIT margin	14.7%	14.9%	15.2%	14.2%	14.7%	-	52bp	15bp	-
EPS (INR)	168.2	186.1	205.1	166.5	186.7	-	1.0%	-0.3%	-

	Post earnings			Pre earnings			Change		
Mphasis	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	1,798	1,951	2,140	1,829	2,032	-	-1.7%	-4.0%	-
Sales (INR mn)	153,493	166,552	182,708	157,909	175,393	-	-2.8%	-5.0%	-
EBITDA (INR mn)	29,519	32,106	35,417	30,261	34,382	-	-2.5%	-6.6%	-
EBITDA margin	19.2%	19.3%	19.4%	19.2%	19.6%	-	7bp	-33bp	-
EBIT (INR mn)	23,959	26,191	28,967	24,527	28,261	-	-2.3%	-7.3%	-
EBIT margin	15.6%	15.7%	15.9%	15.5%	16.1%	-	8bp	-39bp	-
EPS (INR)	102.7	117.9	134.7	102.9	121.2	-	-0.2%	-2.7%	-
Persistent	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	1,663	1,946	2,264	1,665	1,981	-	-0.1%	-1.8%	-
Sales (INR mn)	142,015	166,170	193,316	143,207	170,380	-	-0.8%	-2.5%	-
EBITDA (INR mn)	25,606	30,217	34,827	26,158	32,448	-	-2.1%	-6.9%	-
EBITDA margin	18.0%	18.2%	18.0%	18.3%	19.0%	-	-24bp	-86bp	-
EBIT (INR mn)	22,139	26,477	30,747	22,550	28,456	-	-1.8%	-7.0%	-
EBIT margin	15.6%	15.9%	15.9%	15.8%	16.7%	-	-16bp	-77bp	-
EPS (INR)	114.5	137.0	156.3	116.4	143.7	-	-1.7%	-4.6%	-
Coforge	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	1,901	2,164	2,475	1,874	2,189	-	1.4%	-1.1%	-
Sales (INR mn)	160,391	182,286	208,440	161,780	189,001	-	-0.9%	-3.6%	-
EBITDA	26,535	31,606	36,314	27,058	32,696	-	-1.9%	-3.3%	-
EBITDA margin	17%	17%	17%	16.7%	17.3%	-	-18bp	4bp	-
EBIT	21,268	25,551	29,966	20,662	25,579	-	2.9%	-0.1%	-
EBIT margin	13.3%	14.0%	14.4%	12.8%	13.5%	-	49bp	49bp	-
EPS (INR)	190.0	257.8	312.4	192.0	253.0	-	-1.1%	1.9%	-
Hexaware	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	1,591	1,803	2,020	1,611	1,827	2,046	-1.2%	-1.3%	-1.3%
Sales (INR mn)	136,042	153,688	172,163	139,965	158,926	178,043	-2.8%	-3.3%	-3.3%
EBITDA	22,756	26,358	29,891	23,226	26,959	30,573	-2.0%	-2.2%	-2.2%
EBITDA margin	16.7%	17.2%	17.4%	16.6%	17.0%	17%	13bp	15bp	16bp
EBIT	19,639	22,823	25,931	19,727	22,986	26,121	-0.4%	-0.7%	-0.7%
EBIT margin	14.4%	14.9%	15.1%	14.1%	14.5%	15%	34bp	35bp	36bp
EPS (INR)	23.2	27.8	31.9	24.2	28.1	32	-4.1%	-0.9%	-1.1%
KPIT Tech	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	833	974	1,138	776	898	-	7.4%	8.4%	-
Sales (INR mn)	71,103	83,107	97,124	67,014	77,515	-	6.1%	7.2%	-
EBITDA	15,247	17,941	21,158	14,554	16,841	-	4.8%	6.5%	-
EBITDA margin	21.4%	21.6%	21.8%	21.7%	21.7%	-	-28bp	-14bp	-
EBIT	12,213	14,908	17,014	12,160	14,027	-	0.4%	6.3%	-
EBIT margin	17.2%	17.9%	17.5%	18.2%	18.1%	-	-97bp	-16bp	-
EPS (INR)	35.3	42.3	48.2	34.9	41.1	-	1.0%	3.0%	-
TATA Tech	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	627	693	770	640	714	-	-2.0%	-3.0%	-
Sales (INR mn)	53,680	59,282	65,911	55,222	61,601	-	-2.8%	-3.8%	-
EBITDA	9,696	10,952	12,277	9,710	11,223	-	-0.1%	-2.4%	-
EBITDA margin	18.1%	18.5%	18.6%	17.6%	18.2%	-	48bp	25bp	-
EBIT	8,404	9,520	10,779	8,436	9,899	-	-0.4%	-3.8%	-
EBIT margin	15.7%	16.1%	16.4%	15.3%	16.1%	-	38bp	-1bp	-
EPS (INR)	18.7	21.1	23.7	18.4	21.7	-	1.7%	-2.9%	-

Sagility	Post earnings FY26E	FY27E	FY28E	Pre earnings FY26E	FY27E	FY28E	Change FY26E	FY27E	FY28E
Sales (USD mn)	803	894	1,011	797	894	-	0.8%	0.0%	-
Sales (INR mn)	68,607	76,359	86,409	69,581	77,972	-	-1.4%	-2.1%	-
EBITDA	15,738	17,710	20,873	16,240	18,416	-	-3.1%	-3.8%	-
EBITDA margin	22.9%	23.2%	24.2%	23.3%	23.6%	-	-40bp	-43bp	-
EBIT	10,313	12,181	15,243	10,848	12,785	-	-4.9%	-4.7%	-
EBIT margin	15.0%	16.0%	17.6%	15.6%	16.4%	-	-56bp	-44bp	-
EPS (INR)	1.5	1.9	2.6	1.60	2.0	-	-4.0%	-2.4%	-
IKS	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	366	444	523	364	444	-	0.6%	0.1%	-
Sales (INR mn)	31,295	37,981	44,696	31,774	38,828	-	-1.5%	-2.2%	-
EBITDA	9,576	12,284	14,876	9,207	12,476	-	4.0%	-1.5%	-
EBITDA margin	30.6%	32.3%	33.3%	29.0%	32.1%	-	162bp	21bp	-
EBIT	8,407	11,026	13,541	8,067	11,255	-	4.2%	-2.0%	-
EBIT margin	26.9%	29.0%	30.3%	25.4%	29.0%	-	147bp	4bp	-
EPS (INR)	37.4	50.3	62.9	37.4	51.8	-	0.1%	-2.9%	-

Source: JM Financial estimates

Valuation and Recommendation

Exhibit 34. Change in Price Target, Recommendation Post Earnings

Company	Recommendation		Target Multiple		Target price		
	Old	New	Old	New	Old	New	Change
Infosys	BUY	BUY	24x	24x	1,820	1,740	-4.4%
TCS	BUY	BUY	25x	25x	4,240	4,060	-4.2%
HCL	HOLD	HOLD	22x	22x	1,610	1,540	-4.3%
WIPRO	BUY	BUY	21x	21x	310	290	-6.5%
TechM	BUY	BUY	20x	20x	1,600	1,570	-1.9%
LTIM	SELL	SELL	22x	22x	4,110	4,120	0.2%
Mphasis	BUY	BUY	25x	25x	3,050	2,980	-2.3%
PERSISTENT	BUY	BUY	45x	45x	6,470	6,220	-3.9%
Coforge	BUY	BUY	38x	38x	9,610	10,000	4.1%
Hexaware	BUY	BUY	30x	30x	880	860	-2.3%
TATA Tech	BUY	BUY	40x	40x	870	850	-2.3%
KPIT Tech	BUY	BUY	40x	40x	1,650	1,720	4.2%
Sagility	BUY	BUY	35x	35x	70	71	1.4%
IKS Health	HOLD	HOLD	30x	30x	1,550	1,560	0.6%

Source: JM Financial estimates

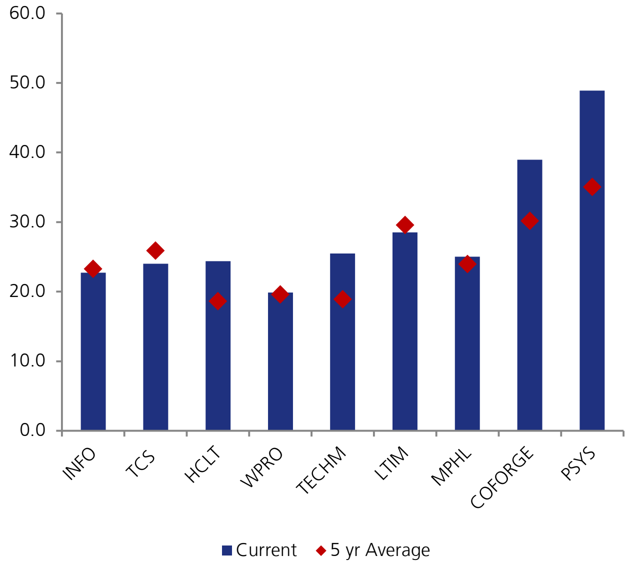
Exhibit 35. JM Financial IT Services Coverage Universe – Key estimates and valuation

Company	CMP	USD revenue growth (%)			EPS			P/E			EV/EBIT			ROE		
	(INR)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Infosys	1,590	1.2%	5.4%	7.9%	67.1	72.3	79.0	23.7x	22.0x	20.1x	18.0x	16.7x	15.1x	28.1%	28.7%	30.3%
TCS	3,561	0.4%	8.5%	8.1%	143.8	162.0	177.2	24.8x	22.0x	20.1x	18.6x	17.0x	15.5x	47.8%	47.3%	45.6%
HCL	1,660	3.4%	5.7%	7.5%	64.4	69.4	75.6	25.8x	23.9x	22.0x	19.1x	17.7x	16.2x	25.2%	27.3%	30.0%
WIPRO	254	-1.6%	5.2%	7.7%	14.1	13.9	15.2	18.0x	18.3x	16.7x	16.1x	15.0x	13.7x	17.5%	17.8%	17.7%
TechM	1,617	1.1%	5.7%	8.4%	62.1	77.3	87.5	26.1x	20.9x	18.5x	22.7x	18.0x	15.7x	19.9%	24.0%	26.1%
LTIM	5,048	4.1%	6.7%	9.2%	168.2	186.1	205.1	30.0x	27.1x	24.6x	24.1x	22.2x	19.9x	20.8%	20.6%	20.5%
Coforge	8,426	30.1%	13.9%	14.3%	190.0	257.8	312.4	44.4x	32.7x	27.0x	26.5x	22.1x	18.8x	19.8%	23.3%	23.7%
PERSISTENT	5,699	18.0%	17.0%	16.3%	114.5	137.0	156.3	49.8x	41.6x	36.5x	39.5x	33.1x	28.5x	26.4%	26.9%	26.0%
Mphasis	2,600	7.0%	8.5%	9.7%	102.7	117.9	134.7	25.3x	22.1x	19.3x	21.3x	19.5x	17.6x	18.1%	17.4%	18.3%
Hexaware	771	11.3%	13.3%	12.0%	23.2	27.8	31.9	33.3x	27.7x	24.2x	22.9x	19.7x	17.4x	25.3%	28.1%	30.4%
KPIT Tech	1,365	20.5%	16.9%	16.9%	35.3	42.3	48.2	38.7x	32.2x	28.3x	29.9x	24.5x	21.5x	29.4%	28.7%	26.8%
TATA Tech	751	2.7%	10.4%	11.2%	18.7	21.1	23.7	40.1x	35.6x	31.7x	35.2x	31.0x	27.4x	19.8%	20.5%	21.1%
Sagility	47	22.0%	11.3%	13.2%	1.5	1.9	2.6	30.5x	24.1x	18.3x	22.8x	19.3x	15.4x	8.3%	9.6%	11.3%
IKS Health	1,670	16.0%	21.3%	17.7%	37.4	50.3	62.9	44.6x	33.2x	26.5x	35.1x	26.8x	21.8x	31.4%	33.1%	32.4%

Note; Price as on 19th May 2025; Source: JM Financial estimates

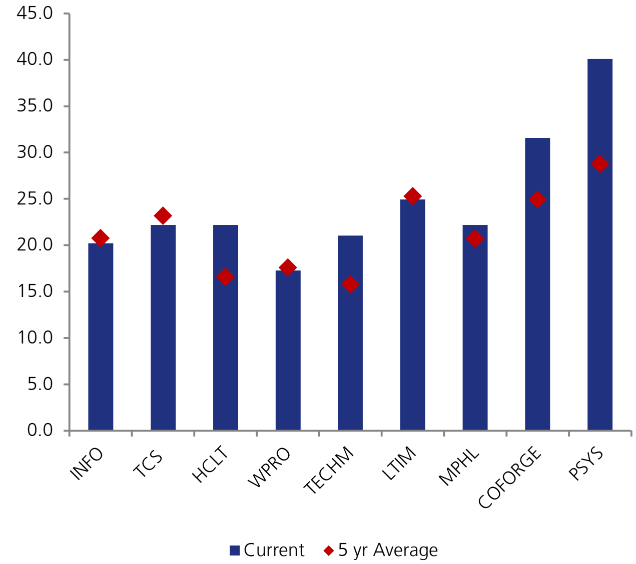
Current Valuation vs Historical trends

Exhibit 1. INFO, TCS and LTIM trading below 5-yr mean. PSYS, Coforge, HCLT and TechM among trading at a premium
Current 12-M forward PER and 5-year average



Source: JM Financial, Bloomberg

Exhibit 2. 24 M PER closer to 5-yr Avg for companies fast growing companies. INFO, TCS and LTIM still at a discount
Current 24-M forward PER and 5-year averag



Source: JM Financial, Bloomberg

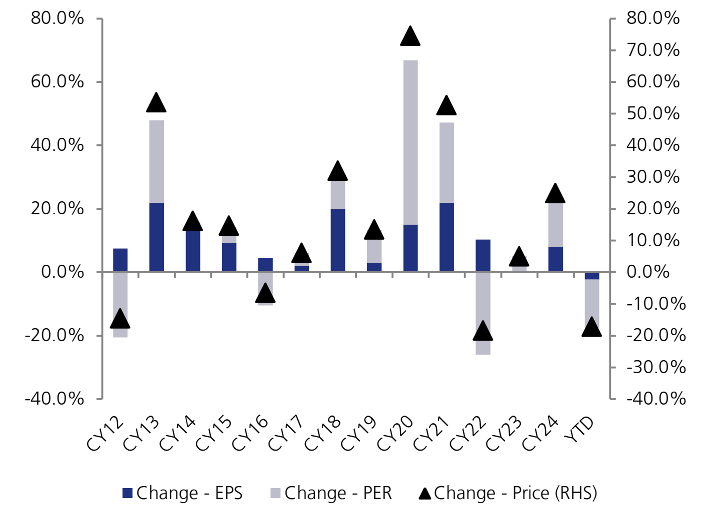
Exhibit 3. TCS now trades at 7% discount to its historical average, which should lend downside support to the stock
PER analysis, 12-M forward

Company	Current multiple	3 yr Average (x)	5 yr Average (x)	10 yr average (x)	Var. with 5 yr avg	5 yr +1SD (x)	5 yr -1SD (x)
	PE (x)	PE (x)	PE (x)	PE (x)	%	PE (x)	PE (x)
Infosys	22.72	22.91	23.23	18.58	-2.2%	26.29	20.17
TCS	24.02	25.66	25.88	21.59	-7.2%	28.21	23.55
HCLTech	24.36	20.24	18.60	14.92	31.0%	22.56	14.64
Wipro	19.85	20.66	19.55	15.31	1.5%	23.41	15.69
TechM	25.49	20.89	18.89	14.85	35.0%	24.18	13.59
LTIMindtree	28.50	28.11	29.54	NA	-3.5%	35.16	23.93
Coforge	38.97	30.66	30.17	21.33	29.2%	37.24	23.10
Persistent	48.89	38.92	35.05	24.06	39.5%	46.31	23.78
Mphasis	25.04	23.95	23.95	17.99	4.6%	29.67	18.22
KPIT Tech	42.19	47.40	39.76	NA	6.1%	53.25	26.27

Note, historical PER is calculated using forward EPS estimates at those times; Source: Bloomberg, JM Financial

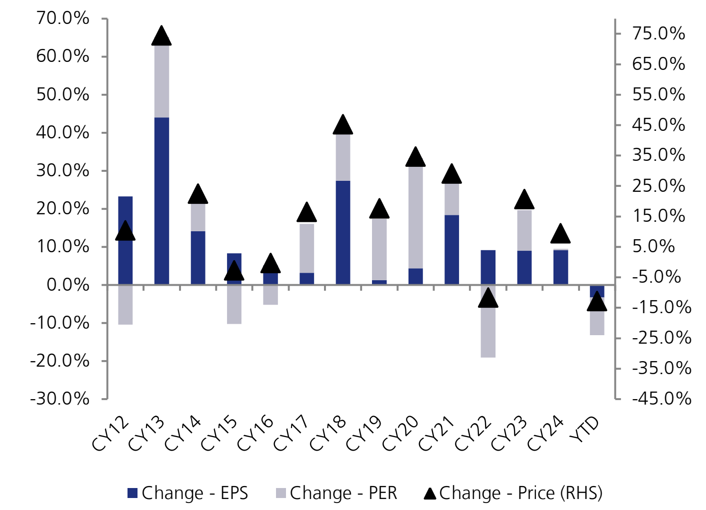
Price movement: EPS and PER split – YTD Most stocks saw EPS downgrades and a fall in PER. Majority of decline in stock price attributable to fall in PER multiple

Exhibit 4. Infosys – Price movement break-up between 12M F EPS and PER



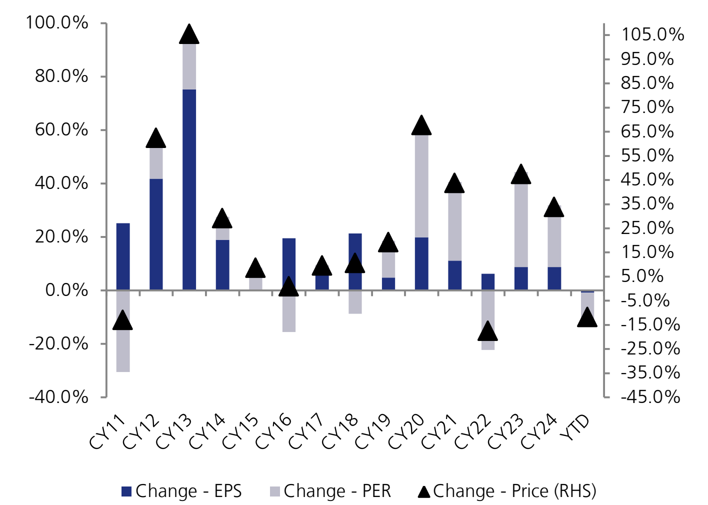
Source: Bloomberg, JM Financial

Exhibit 5. TCS – Price movement break-up between 12M F EPS and PER



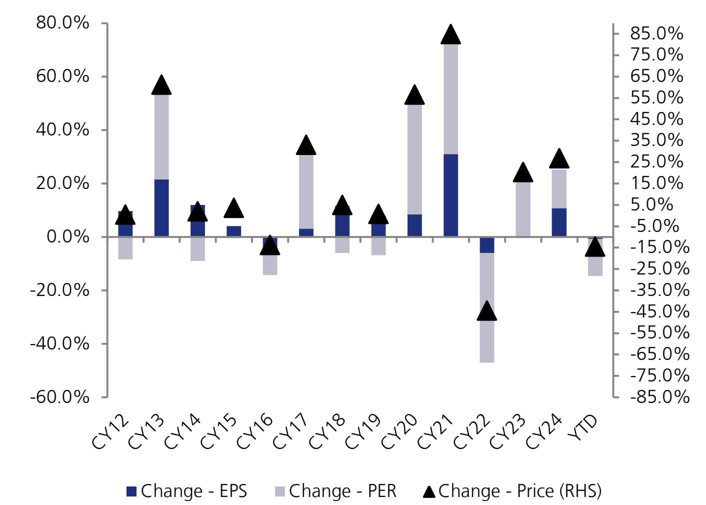
Source: Bloomberg, JM Financial

Exhibit 6. HCL Tech – Price movement break-up between 12M F EPS and PER



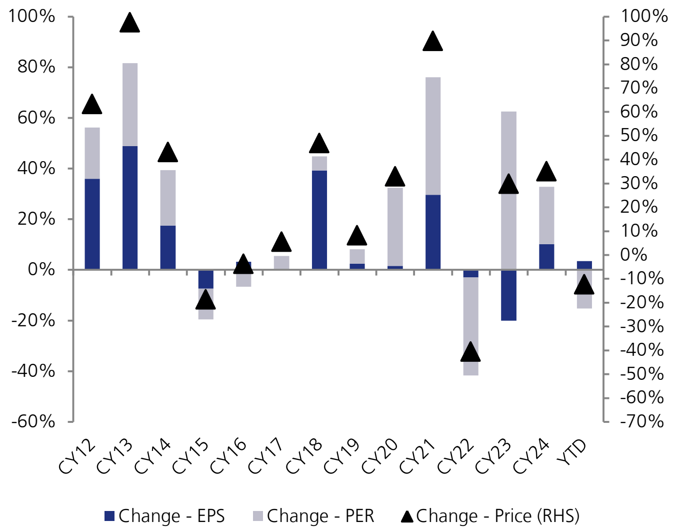
Source: Bloomberg, JM Financial

Exhibit 7. Wipro – Price movement break-up between 12M F EPS and PER



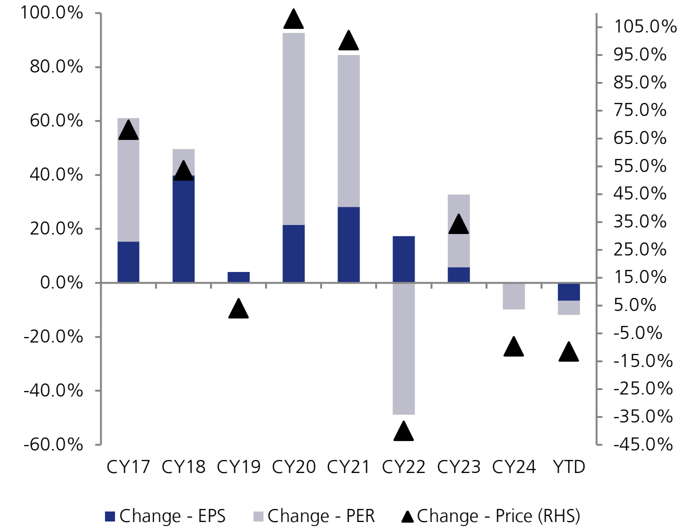
Source: Bloomberg, JM Financial

Exhibit 8. TechM – Price movement break-up between 12M F EPS and PER



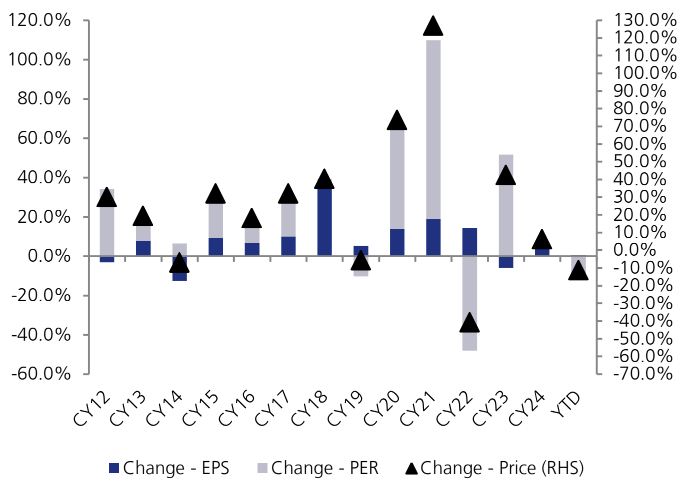
Source: Bloomberg, JM Financial

Exhibit 9. LTIM– Price movement break-up between 12M F EPS and PER



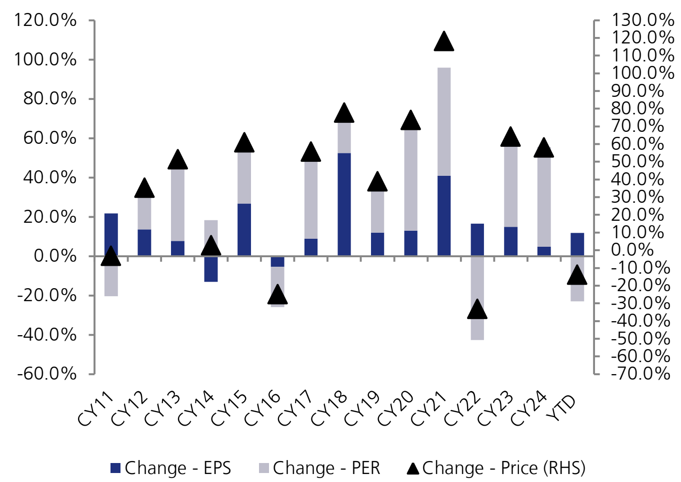
Source: Bloomberg, JM Financial

Exhibit 10. Mphasis – Price movement break-up between 12M F EPS and PER



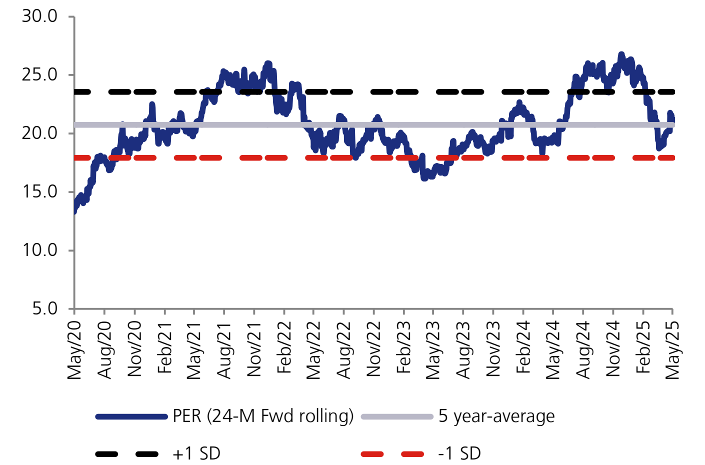
Source: Bloomberg, JM Financial

Exhibit 11. Coforge– Price movement break-up between 12M F EPS and PER



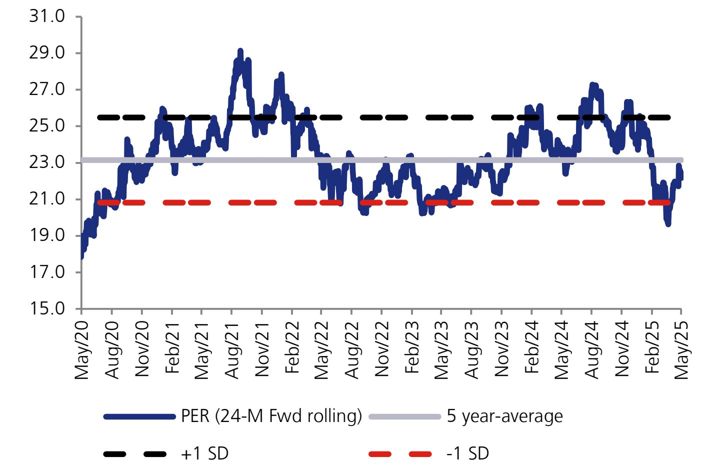
Source: Bloomberg, JM Financial

Exhibit 12. Price-to-24M forward EPS valuation chart -Infosys



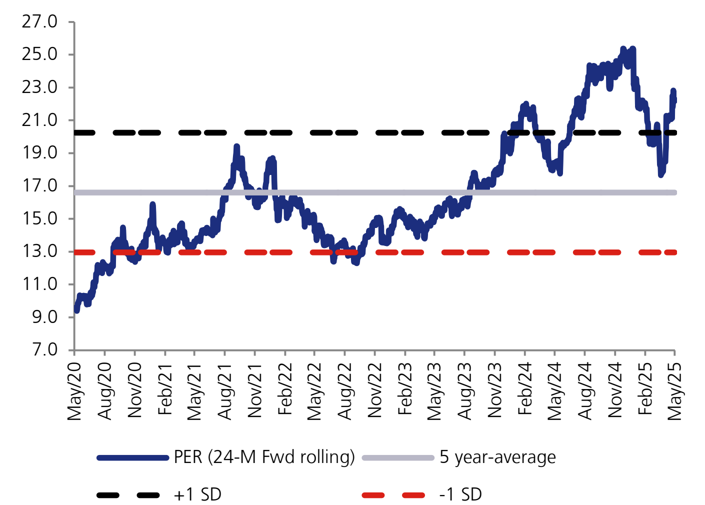
Source: Bloomberg, JM Financial

Exhibit 13. Price-to-24 M forward EPS valuation chart – TCS



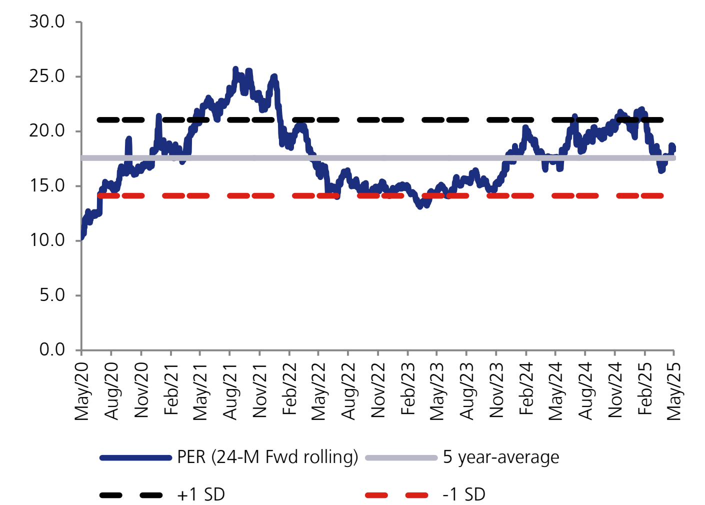
Source: Bloomberg, JM Financial

Exhibit 14. Price-to-24M forward EPS valuation chart – HCL Tech



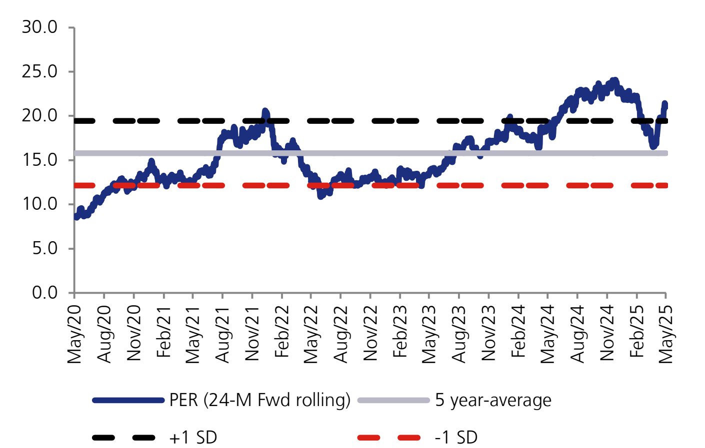
Source: Bloomberg, JM Financial

Exhibit 15. Price-to-24M forward EPS valuation chart - Wipro



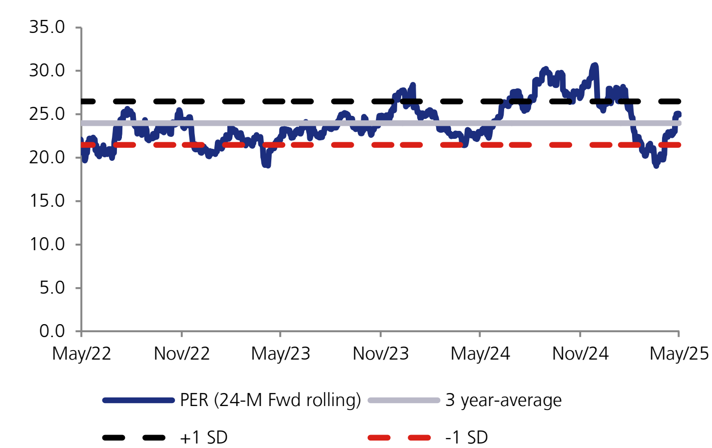
Source: Bloomberg, JM Financial

Exhibit 16. Price-to-24M forward EPS valuation chart-TechM



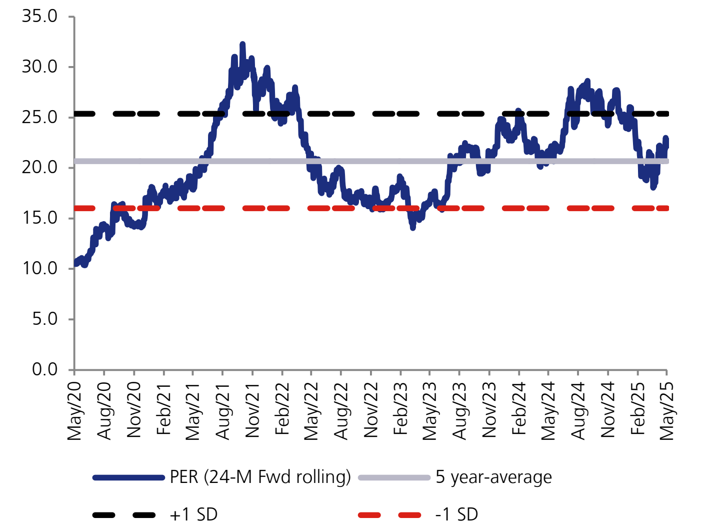
Source: Bloomberg, JM Financial

Exhibit 17. Price-to-24M forward earnings valuation chart - LTIM



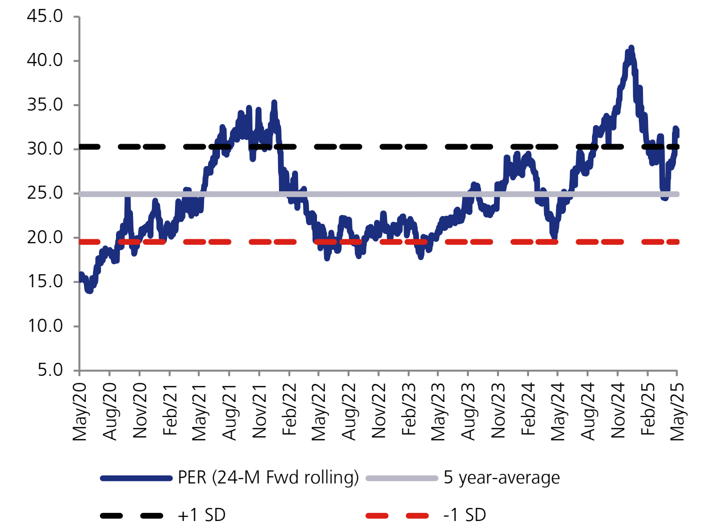
Source: Bloomberg, JM Financial

Exhibit 18. Price-to-24M forward EPS valuation chart- Mphasis



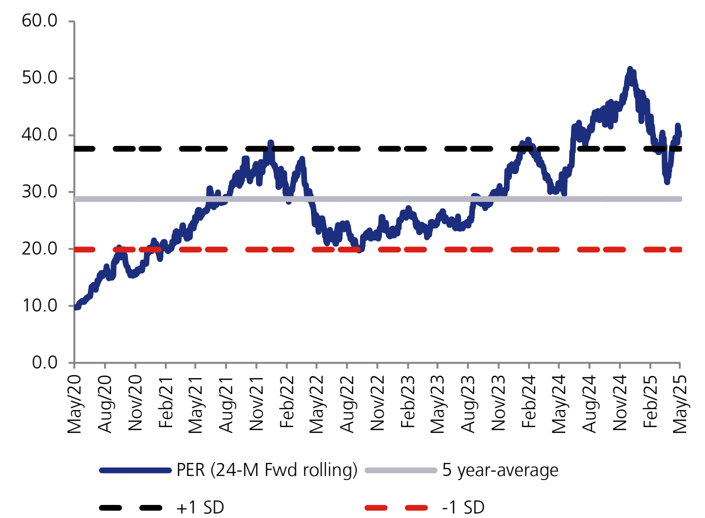
Source: Bloomberg, JM Financial

Exhibit 19. Price-to-24M forward EPS valuation chart - Coforge



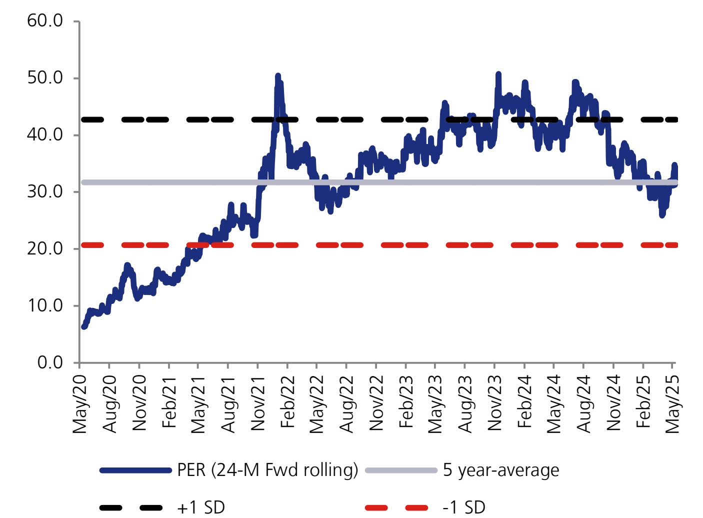
Source: Bloomberg, JM Financial

Exhibit 20. Price-to-24M forward EPS valuation chart - Persistent



Source: Bloomberg, JM Financial

Exhibit 21. Price-to-24M forward EPS valuation chart-KPIT Tech



Source: Bloomberg, JM Financial

APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081
Member of BSE Ltd. and National Stock Exchange of India Ltd.
SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610
Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.
Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com
Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: sahil.salastekar@jmfl.com
Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: instcompliance@jmfl.com

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Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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