8 November 2026

Mphasis

Strong deal momentum and guidance upgrade making it a midcap outlier; retain BUY

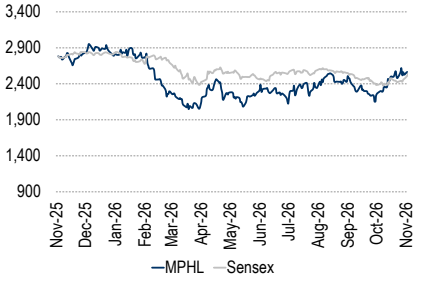
Rating: **BUY**
Target Price (12-mth): Rs.3,079
Share Price: Rs.2,520

Key Data	MPHL IN / MBFL.BO
52-week high / low	Rs2975 / 2013
Sensex / Nifty	81028 / 25030
Market cap	Rs479bn
Shares outstanding	191m

Shareholding Pattern (%)	Sep'26	Jun'26	Mar'26
Promoters	30.5	30.5	30.6
- of which Pledged	-	-	-
Free float	69.5	69.5	69.4
- Foreign Institutions	19.4	19.5	19.5
- Domestic Institutions	45.9	45.3	45.7
- Public	4.7	4.7	4.3

Estimates Revision (%)	FY27e	FY28e	FY29e
Sales ($)	1.0	2.5	3.1
Adj. EBIT	-1.6	1.2	-4.4
Adj. PAT	1.7	3.0	-2.1

Relative Price Performance



Source: Bloomberg

Mphasis delivered a strong Q2FY27, marking its best sequential cc growth in three years, supported by broad-based traction across BFS (53.3% of revenue, +4.4% q/q cc), Insurance (14.7%, +1.8%) and TMT (19.4%, +9.9%), alongside continued ramp-up of large deal wins. Revenue grew 3.3% q/q and 9.7% y/y in CC, with Direct business growing 3.5% q/q and 11.3% y/y CC. Growth is being supported by a favourable shift in deal composition, with shorter-cycle engagements improving revenue conversion. Net new TCV stood at $466mn (-11.7%), of which 66% (vs. 63% in Q1FY27) was AI-led. Mphasis Tria is emerging as a differentiator in large deal evaluations, enabling the company to move beyond traditional IT budgets into business process transformation and outcome-linked engagements. However, monetisation remains at an early stage, with management indicating that FY27 will be a foundational year for Tria. Operating margin declined 40 q/q at 15.9%; higher onsite deployment requirements, acquisition-related amortisation and continued investments in AI capabilities and client coverage are weighing on near-term profitability. Cash conversion also remains a monitorable, with delayed collections and elevated receivable days affecting quarterly cash generation. Reflecting strong H1 performance, record pipeline and improving deal conversion, management raised FY27 revenue growth guidance to low double digits from high single-digit to low double digits previously, signalling confidence in sustaining the growth momentum through H2. We remain constructive on Mphasis and retain a BUY rating.

Margin pressure is largely investment-led: EBIT margin declined 40bps q/q to 15.9%, while gross margin (30.9%; -30bps q/q excl. depreciation and hedge impact) with management prioritising Tria adoption to drive improvement in gross margins. Higher onsite deployment requirements, particularly for short-cycle AI engagements, acquisition-related amortisation and continued investments in Tria, sales coverage and delivery capabilities offset operating leverage. Management reiterated its FY27 margin guidance of 14.75-15.75%, indicating that growth investments will remain a priority over near-term margin optimisation. While platform-led delivery and automation offer scope for margin improvement, benefits are likely to accrue gradually as deployments scale.

Cash conversion remains a concern for us: OCF/PAT at ~(10%) and +57% after normalising for delayed collections in Oct'26. While OCF stood at $34mn after adjusting for $39.5mn of collections initiated on September 30 but received in October, DSO increased ~10 days sequentially to 105 days, indicating underlying collection delays. Management is targeting ~80% OCF/PAT conversion for FY27, making improvement in working capital and collections a key monitorable.

Outlook & Valuation: At CMP, Mphasis trades at 18.8x/16.9x FY28/29e P/E. We have revised our FY27/28/29e revenue ($) & EPS estimates by +1.0/+2.5/+3.1% & +1.7/+3.0/-2.1% with adj. FY27-29e EPS CAGR of 12.6%. We maintain BUY rating with a TP of Rs3,079, implying a ~22% upside.

Risks: a) Slowdown/recession in the US (~85% mix) b) Sustained margin pressure from higher onsite mix and continued investments in Tria c) Delay in large deal ramp-up d) Weaker OCF/ PAT conversion.

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Quick Glance – Financial and Valuations (Consolidated)

Fig 1 – Income Statement (Rs m)

Y/E Mar	FY25	FY26	FY27e	FY28e	FY29e
Revenues (US$ m)	**1,680**	**1,797**	**1,973**	**2,144**	**2,306**
Growth (%)	4.4	6.9	9.8	8.7	7.6
Net revenue (Rs m)	1,42,234	1,60,100	1,88,880	2,09,496	2,30,444
Employee & Direct Costs	97,603	1,08,944	1,28,056	1,41,509	1,55,083
Gross Profit	44,631	51,156	60,824	67,987	75,361
Gross Margin (%)	31.4	32.0	32.2	32.5	32.7
SG&A	18,226	20,017	23,712	26,444	29,893
EBITDA	**26,405**	**31,139**	**37,112**	**41,543**	**45,468**
EBITDA margins (%)	18.6	19.4	19.6	19.8	19.7
- Depreciation	4,764	5,553	6,534	7,142	7,286
Other income	2,617	1,904	2,437	2,746	3,091
Interest Exp	1,656	2,040	2,174	2,414	2,613
PBT	22,602	25,095	30,840	34,733	38,659
Effective tax rate (%)	25	26	27	26	26
+ Associates/(Minorities)	-	-	-	-	-
Net Income	17,022	18,628	22,629	25,775	28,689
WANS	190	193	193	193	193
FDEPS (Rs/share)	89.6	96.7	117.4	133.8	148.9

Fig 2 – Balance Sheet (Rs m)

Y/E Mar	FY25	FY26	FY27e	FY28e	FY29e
Share capital	1,901	1,908	1,908	1,908	1,908
Net worth	96,284	1,07,437	1,15,552	1,24,795	1,35,083
Total debt (incl. Pref)	11,159	17,929	19,722	21,694	19,525
Minority interest	-	-	-	-	-
DTL/(Asset)	-9,590	-12,194	-12,021	-11,830	-11,621
Capital employed	**97,853**	**1,13,172**	**1,23,253**	**1,34,659**	**1,42,987**
Net tangible assets	8,218	8,917	10,372	12,038	14,156
Net Intangible assets	49,599	55,438	54,512	51,597	47,954
Goodwill	-	-	-	-	-
CWIP (tang. & intang.)	-	-	-	-	-
Investments (Strategic)	-5,970	-5,828	-5,828	-5,828	-6,679
Investments (Financial)	22,082	17,366	17,366	17,366	17,366
Current Assets (ex Cash)	40,077	62,208	77,092	88,275	94,687
Cash	16,126	17,527	16,773	22,236	29,778
Current Liabilities	32,277	42,456	47,033	51,026	54,276
Working capital	7,799	19,752	30,059	37,249	40,412
Capital deployed	**97,853**	**1,13,172**	**1,23,253**	**1,34,659**	**1,42,987**

Fig 3 – Cashflow Statement (Rs m)

Y/E Mar	FY25	FY26	FY27e	FY28e	FY29e
PBT	22,602	25,095	30,840	34,733	38,659
+ Non-cash items	5,902	3,622	4,960	6,810	6,809
Operating profit before WC	28,504	28,717	35,800	41,543	45,468
- Incr./(decr.) in WC	-2,341	-9,186	-10,306	-7,191	3,162
Others including taxes	-7,111	-6,998	-8,211	-8,957	-9,946
Operating cash-flow	19,052	12,533	17,283	25,395	32,360
- Capex (tang. + Intang.)	618	3,185	4,722	5,237	5,761
Free cash-flow	18,434	9,348	12,561	20,157	26,599
Acquisitions	-2,800	-4,319	-2,340	-657	-
- Div. (incl. buyback & taxes)	10,401	10,841	14,514	16,532	18,401
+ Equity raised	575	340	-	-	-
+ Debt raised	-4,455	4,977	1,793	1,972	-2,169
- Fin Investments	3,839	5,730	-	-	-
- Misc. Items (CFI + CFF)	3,378	3,869	-1,747	-522	-1,513
Net cash-flow	1,814	1,366	-754	5,463	7,542

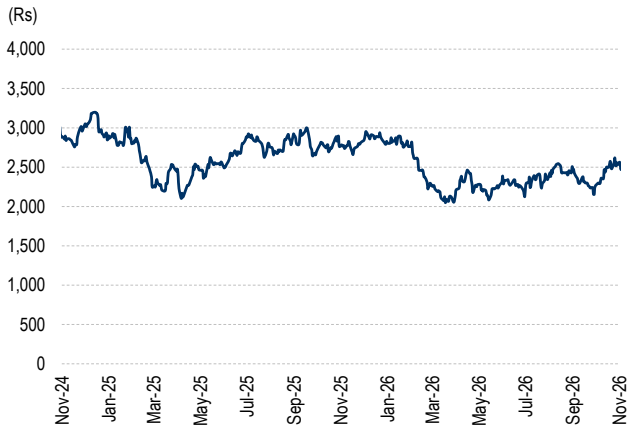
Source: Company, Anand Rathi Research

Fig 4 – Ratio Analysis

Y/E Mar	FY25	FY26	FY27e	FY28e	FY29e
P/E (x)	**28.2**	**25.7**	**21.5**	**18.8**	**16.9**
EV/EBITDA (x)	17.7	15.0	12.6	11.2	10.3
EV/sales (x)	3.1	2.8	2.4	2.2	1.9
P/B (x)	5.0	4.5	4.2	3.9	3.6
RoE (%)	**18.5**	**18.3**	**20.3**	**21.4**	**22.1**
RoCE (%) - After tax	14.2	15.1	16.0	16.9	17.6
RoIC (%) - After tax	21.4	21.2	21.2	22.3	24.0
DPS (Rs per share)	57.0	62.0	75.3	85.8	95.5
Dividend yield (%)	2.3	2.5	3.0	3.4	3.8
Dividend payout (%) - Inc. DDT	63.6	64.1	64.1	64.1	64.1
Net debt/equity (x)	-0.3	-0.2	-0.1	-0.1	-0.2
Receivables (days)	81	102	107	110	108
Inventory (days)	-	-	-	-	-
Payables (days)	31	38	39	40	39
CFO:PAT%	**112**	**67**	**76**	**99**	**113**

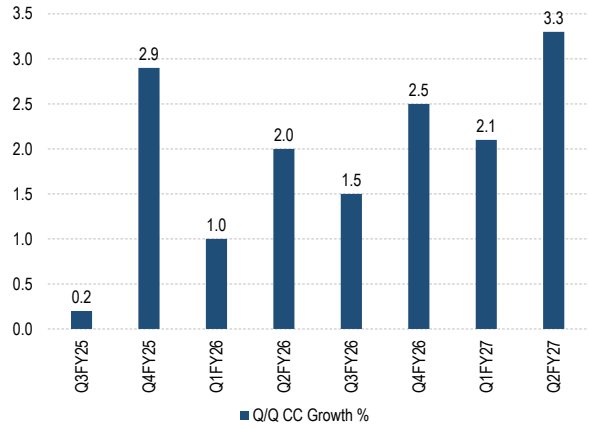
Source: Company, Anand Rathi Research

Fig 5 – Price Movement



Source: Bloomberg

Fig 6 – Quarterly CC Revenue Growth (q/q)



Source: Company

Quarterly Highlights

- Total revenue increased to $486mn (+3.3% q/q CC), marking the strongest sequential growth in three years. Direct revenue grew 3.5% q/q and 11.3% y/y CC, supported by large-deal ramp-ups, AI-led modernization and wallet-share gains.
- Management upgraded FY27 revenue growth guidance to low double digits (vs. high single digits to low double digits earlier). It expects H2 to sustain the growth momentum established in H1, supported by a higher revenue run rate, consistent deal conversion and a record pipeline, despite continued macroeconomic uncertainty.
- Operating margin remained flat q/q at 14.8% (-50bps y/y), while EPS increased 14.6% q/q to ₹29.4. Management reiterated its FY27 operating margin guidance of 14.75–15.75%, prioritizing growth investments over near-term margin maximization.
- Client mining remains strong, supporting revenue visibility. The top five and top ten clients grew 15.1% and 13.0% y/y, respectively, while clients ranked 11–20 grew 22.7% y/y. Two clients entered the $50mn+ revenue bracket sequentially, reflecting sustained account expansion and execution.
- Cash conversion remains a concern despite an exceptional collection delay. Reported operating cash flow was negative ~$6mn versus normalized cash generation of $34mn, after adjusting for $39.5mn of remittances received in October. However, normalized DSO increased to 105 days from 95 days in Q1, indicating underlying working-capital deterioration.
- The increasing share of short-cycle AI engineering engagements is creating near-term margin pressure due to higher on-site delivery requirements. Acquisition-related amortization and investments in platforms, sales coverage and delivery capacity are also weighing on profitability. Management emphasized that capturing incremental revenue opportunities takes precedence over achieving the midpoint of its margin guidance.
- Tria-led transformation deals could become gross-margin accretive as platforms mature and automation improves delivery efficiency. However, new engagements require upfront investments, and management intends to continue funding platform development rather than curtailing expenditure to accelerate margin expansion. No specific timeline for margin accretion was provided.
- Management retained its FY27 operating cash flow-to-net-income conversion target of 80%, with a return to historical conversion levels expected in FY28. The CFO acknowledged disappointment with the increase in receivables and expects improved collections to support H2 cash generation, although achieving the full-year target will require a meaningful recovery.
- Large deals signed in FY26 involved upfront cash investments, with their impact continuing into FY27. However, management indicated that the >$900mn of net-new TCV signed in H1FY27 did not require material upfront cash investments. The changing deal mix and normalization of historical commitments are expected to support improved cash conversion in FY28.

- Seasonal furloughs have historically impacted revenue by ~2% at the company level, with management currently seeing no reason to expect a materially different outcome in FY27. Final visibility will emerge in December as client decisions and mitigation measures are finalized.

Deal Pipeline & TCV

- Net-new TCV stood at $466mn (-11.7% y/y), marking six consecutive quarters above $400mn, while TTM TCV reached ~$1.8bn (-13.2% y/y). Mphasis signed five large deals, with AI-led engagements accounting for 66% of quarterly TCV (vs. 63% in Q1).
- The pipeline reached a record $9.26bn (+4.4% q/q; +23% y/y), with BFS and non-BFS pipelines expanding 4.1% and 4.8% q/q, respectively. AI-led opportunities now account for 71% of the pipeline (vs. 70% in Q1), while the overall pipeline has tripled since the launch of Mphasis.ai.
- Shorter-cycle deals are improving revenue conversion despite relatively stable TCV. The pipeline for deals below $20mn grew 35% y/y and 9% q/q, while their TTM TCV increased 26%. Management highlighted that shorter-tenure contracts generate higher annualized revenue per dollar of TCV, weakening the historical correlation between deal wins and revenue growth.
- Improving conversion across both short-cycle and large deals supports stronger revenue visibility. Management indicated that conversion has improved compared with FY26 and expects TCV to remain healthy or increase over the next 2–4 quarters as the record pipeline converts, although large-deal closures remain lumpy amid uncertain client decision cycles.

Outcome-based Pricing and Revenue-sharing Contracts

- Mphasis signed a large broker-dealer contract involving a recurring revenue-sharing model for front- and middle-office advisor administration. The engagement aims to remove operational capacity constraints and support expansion of the client's advisor network, linking Mphasis's revenue to the client's business growth rather than conventional service fees.
- Management highlighted significant long-term expansion potential, with revenue potentially exceeding initial estimates over the next five years. However, it declined to quantify the revenue-sharing percentage, contract value or margin profile, citing competitive sensitivity. Management differentiated genuine revenue-linked arrangements from conventional output-based pricing and expects to provide greater clarity as such engagements mature.

Demand Commentary and Emerging AI Spending Priorities

- Management identified three key spending priorities: AI engineering, cybersecurity and savings-led transformation. Enterprises are investing in AI foundations, orchestration frameworks and infrastructure to enable adoption at scale, driving shorter-cycle engineering engagements, particularly among larger and more technologically mature clients.
- Cybersecurity is emerging as a fast-growing opportunity, supported by AI adoption and evolving enterprise security requirements. Demand spans identity and access management, automated threat detection, vulnerability remediation and post-quantum cryptography.

Management highlighted increasing monetisation of its existing cybersecurity capabilities, primarily within Enterprise Applications.

- AI-led transformation is expanding beyond conventional cost optimization into business process reimagination. Opportunities increasingly combine automation, operational transformation and vendor consolidation, including processes historically considered unsuitable for BPO. However, large consolidation deals remain competitive, particularly against larger vendors willing to deploy their balance sheets to support deal structuring.
- Declining token costs are improving enterprise AI economics and could accelerate adoption at scale. Management expects further cost reductions alongside increasing use of intelligent model routing to optimize AI workloads. However, it believes the larger opportunity lies in accessing new business operations budgets rather than merely benefiting from lower AI infrastructure costs.

Vertical/Geo/Service-line Commentary

- **Banking & Financial Services (BFS):** Direct revenue grew 4.5% q/q and 15.0% y/y CC to ~$259mn, supported by wallet-share gains, new deal wins and modernization spending. The vertical delivered an eight-quarter CQGR of 3.8%, while Tria is opening opportunities in lending origination, payment processing and client onboarding.
- **Insurance:** Direct revenue grew 1.8% q/q and 14.7% y/y CC to ~$71mn, returning to sequential growth. Management highlighted increasing traction in Tria-led optimization programmes across underwriting, claims and risk operations, with the vertical delivering ~28% growth on a TTM basis.
- **Technology, Media & Telecom (TMT):** Direct revenue grew 10.9% q/q and 14.5% y/y CC to ~$94mn, supported by deal ramp-ups and account expansion. Growth is primarily driven by device engineering and telecom, with emerging opportunities in high-tech and ISVs. Telecom account expansion has resulted in clients entering the top-ten bracket, while management expects sustained momentum from differentiated engineering capabilities.
- **Logistics & Transportation:** Direct revenue declined 12.0% q/q and 27.8% y/y CC to ~$18mn, reflecting persistent geopolitical uncertainty and business-specific headwinds over the past five to six quarters. Management remains committed to the vertical, focusing on rebuilding capabilities and expanding wallet share within existing enterprise accounts.
- **Others & Healthcare:** Others declined 6.4% q/q but grew 1.8% y/y CC to ~$44mn, partly reflecting infrastructure transformation programmes transitioning into lower-revenue steady-state operations. Healthcare continues to demonstrate healthy underlying momentum, supported by recent deal wins, including a large deal in Q2, and is expected to emerge as an incremental growth driver.
- **Americas:** Direct revenue grew 3.1% q/q and 12.4% y/y CC to ~$413mn, remaining the primary growth engine, supported by large-deal ramp-ups, new-logo contributions and continued wallet-share gains.

- **Rest of the World (ROW):** Direct revenue grew 16.4% q/q and 23.5% y/y CC to ~$36mn, driven by increasing participation in the GCC ecosystem and deeper engagements with multinational clients.
- **EMEA:** Direct revenue declined 3.3% q/q and 9.0% y/y CC to ~$37mn, partly reflecting revenue allocation from a globally structured engagement. Management maintained that the underlying regional business remains healthy, with reported performance influenced by contract-origin-based geographic classification
- **Enterprise Applications:** Direct revenue grew 3.7% q/q and 14.4% y/y CC to ~$368mn, accounting for ~75.6% of direct revenue. Growth was driven by AI-led application modernization, engineering engagements and cybersecurity-related opportunities.
- **BPO:** Direct revenue grew 6.6% q/q and 18.7% y/y CC to ~$79mn, supported by new deal wins and Tria-led process modernization. Management highlighted increasing opportunities to expand beyond traditional BPO into AI-enabled business operations.
- **Infrastructure Technology Outsourcing (ITO):** Direct revenue declined 4.9% q/q and 21.3% y/y CC to ~$39mn, primarily reflecting integrated build-and-run engagements transitioning from higher-revenue transformation phases into steady-state operations.

Mphasis Tria, AI Strategy and Monetisation

- Enterprise AI spending is shifting from technology adoption towards measurable business outcomes. Management highlighted growing participation from business and operations leaders alongside CIOs, opening incremental budgets beyond traditional IT spending. Tria targets opportunities in lending origination, payment processing, underwriting, claims and operational transformation through AI-led decision-making.
- Tria-led opportunities are increasingly larger, multiyear engagements combining transformation, optimization and ongoing operations. These deals often begin with a proof of value before expanding across business functions, with vertically packaged solutions, reusable platforms and dedicated engineering teams supporting faster deployment and scalability.
- Early Tria adoption is progressing, although monetisation remains unquantified. The first deployments are going live across multiple clients and verticals, approximately five months after launch. Management considers FY27 a foundational year and expects to develop disclosure metrics over the next two quarters, but has not quantified Tria's revenue, pipeline, TCV or client penetration

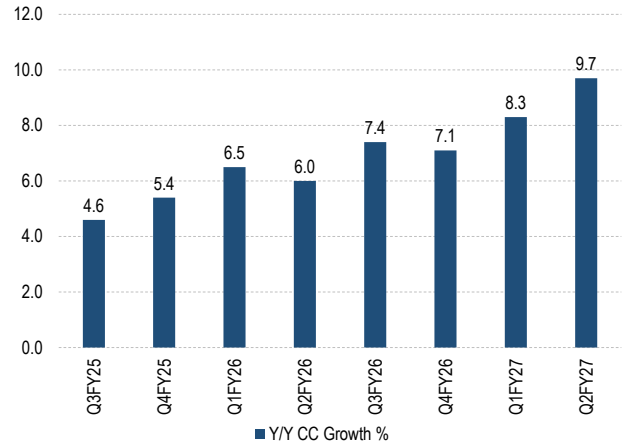
Quarterly Snapshot

Fig 7 – Quarterly Performance (Rs m)

Y/E Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27	Q/Q %	Y/Y %
Revenue ($ m)	**419**	**430**	**437**	**445**	**451**	**463**	**471**	**486**	**3.2%**	**9.2%**
Growth Y/Y %	4%	5%	7%	6%	8%	8%	8%	9%	0 bps	0 bps
Revenue (Rs m)	35,565	37,175	37,341	39,316	40,375	43,068	44,674	46,439	4.0%	18.1%
Effec. exchange rate	84.8	86.5	85.4	88.3	89.4	93.1	94.8	96	0.7%	8.2%
New TCV wins ($ m)	351.0	390.0	760.0	528.0	428.0	407.0	461.0	466	1.1%	-11.7%
TCV (LTM)	**1,054.0**	**1,267.0**	**1,708.0**	**2,029.0**	**2,106.0**	**2,123.0**	**1,824.0**	**1,762**	**-3.4%**	**-13.2%**
Quarterly New TCV Y/Y %	46%	120%	138%	155%	22%	4%	-39%	-12%	0.0%	0.0%
Employees (EoP)	31,194	31,442	31,063	30,809	31,272	31,179	32,097	32,920	2.6%	6.9%
Rev. prod. ($ '000/employee)	**13.4**	**13.7**	**14.0**	**14.4**	**14.5**	**14.8**	**14.9**	**15**	**0.4%**	**3.9%**
CoR (excl. D&A)	(24,310)	(25,300)	(25,414)	(26,961)	(27,507)	(29,062)	(30,754)	(32,097)	4.4%	19.0%
As % of revenue	-68%	-68%	-68%	-69%	-68%	-67%	-69%	-69%	-28 bps	-54 bps
SG&A	(4,522)	(4,775)	(4,882)	(4,822)	(5,001)	(5,312)	(5,135)	(5,402)	5.2%	12.0%
As % of revenue.	-13%	-13%	-13%	-12%	-12%	-12%	-11%	-12%	-14 bps	63 bps
EBITDA	**6,733**	**7,100**	**7,045**	**7,533**	**7,867**	**8,694**	**8,785**	**8,940**	**1.8%**	**18.7%**
EBITDA margins %	18.9%	19.1%	18.9%	19.2%	19.5%	20.2%	19.7%	19.3%	-41 bps	9 bps
EBIT	**5,409**	**5,746**	**5,726**	**6,256**	**6,438**	**7,166**	**7,314**	**7,404**	**1.2%**	**18.4%**
EBIT margins %	15.2%	15.5%	15.3%	15.9%	15.9%	16.6%	16.4%	15.9%	-43 bps	3 bps
EBIT margins % (Reported)	15.3%	15.3%	15.3%	15.3%	15.2%	15.4%	14.8%	14.8%		
Other income (excl. forex)	615	633	727	703	597	923	620	1,282	106.8%	82.4%
Non-recurring / Forex	60	(107)	66	(273)	(337)	(502)	(621)	(458)	-26.2%	67.8%
Interest expenses	(392)	(361)	(418)	(438)	(411)	(773)	(485)	(552)	13.8%	26.0%
PBT	5,692	5,911	6,101	6,248	5,932	6,814	6,828	7,676	12.4%	22.9%
PBT margins %	16.0%	15.9%	16.3%	15.9%	14.7%	15.8%	15.3%	16.5%	125 bps	64 bps
Taxes	(1,413)	(1,446)	(1,684)	(1,557)	(1,509)	(1,717)	(1,933)	(2,065)	6.8%	32.6%
ETR %	-25%	-24%	-28%	-25%	-25%	-25%	-28%	-27%	141 bps	-198 bps
Associates / Minority	0%	0%	0%	0%	0%	0%	0%	0%	0 bps	0 bps
Net income	**4,279**	**4,465**	**4,417**	**4,691**	**4,423**	**5,097**	**4,895**	**5,611**	**14.6%**	**19.6%**
Net margins %	12.0%	12.0%	11.8%	11.9%	11.0%	11.8%	11.0%	12.1%	113 bps	15 bps
EPS (Rs)	22.4	23.4	23.1	24.5	23.2	26.7	25.6	29	14.8%	19.8%

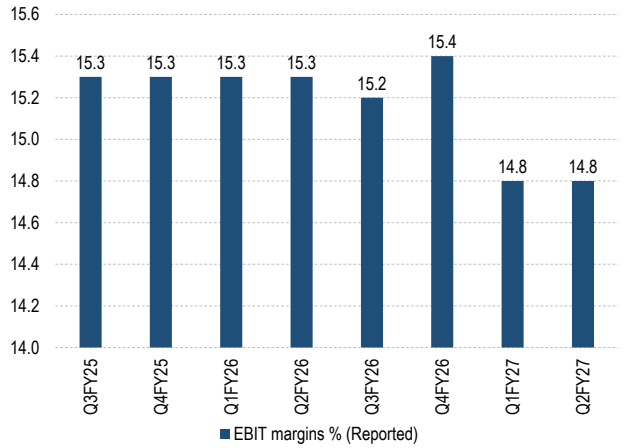
Source: Company *Note: Difference in reported and AR EBIT margins are due to Cash Flow Hedges*

Fig 8 – Quarterly CC Revenue Growth (y/y) (%)



Source: Company, Anand Rathi Research

Fig 9 – EBIT Margin (Reported) (%)



Source: Company, Anand Rathi Research

Valuation

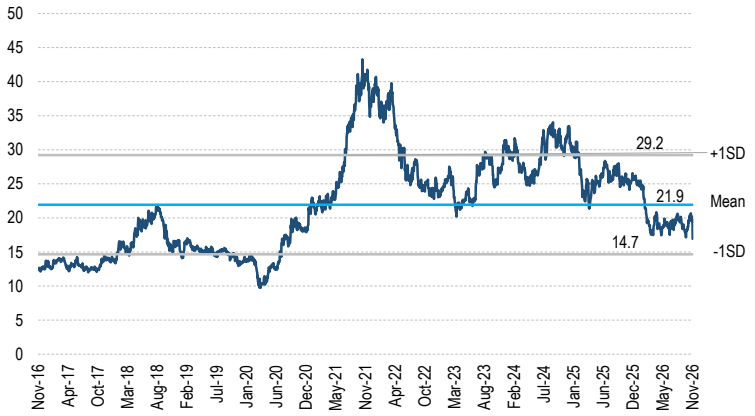
At CMP, Mphasis trades at 18.8x/16.9x FY28/29e P/E. We have revised our FY27/28/29e revenue ($) & EPS estimates by +1.0/+2.5/+3.1% & +1.7/+3.0/-2.1% with adj. FY27-29e EPS CAGR of 12.6%. We maintain BUY rating with a TP of Rs3,079, implying a ~22% upside.

Fig 10 – Change in Estimates

	FY27			FY28			FY29		
(Rs m)	New	Old	% Change	New	Old	% Change	New	Old	% Change
Revenue ($ m)	1,973	1,953	1.0	2,144	2,092	2.5	2,306	2,236	3.1
Revenues	1,88,880	1,86,625	1.2	2,09,496	2,03,923	2.7	2,30,444	2,23,475	3.1
EBITDA	37,112	37,630	(1.4)	41,543	41,184	0.9	45,468	47,254	(3.8)
EBITDA margins %	19.6%	20.2%	-51 bps	19.8%	20.2%	-37 bps	19.7%	21.1%	-141 bps
EBIT	30,578	31,065	(1.6)	34,401	34,001	1.2	38,182	39,926	(4.4)
EBIT margins %	16.2%	16.6%	-46 bps	16.4%	16.7%	-25 bps	16.6%	17.9%	-130 bps
PBT	30,840	30,203	2.1	34,733	33,711	3.0	38,659	39,496	(2.1)
Net profit	22,629	22,242	1.7	25,775	25,017	3.0	28,689	29,310	(2.1)

Source: Anand Rathi Research

Fig 11 – 1-Year Fwd. PE



Source: Bloomberg, Anand Rathi Research

Risk

- Slowdown/recession in the US (~85% mix)
- Sustained margin pressure from higher onsite mix and continued investments in Tria
- Delay in large deal ramp-up
- Weaker OCF/ PAT conversion.

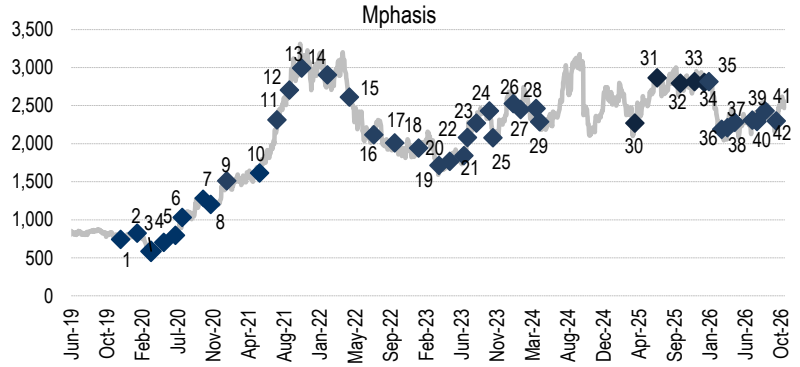
Appendix

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Rating and Target Price History (as of 6 November 2026)



	Date	Rating	TP (Rs)	Share Price (Rs)
29	29-Apr-24	Buy	2,720	2,299
30	15-Apr-25	Buy	2,710	2,166
31	09-Jul-25	Hold	3,366	2,911
32	06-Oct-25	Buy	3,462	2,737
33	28-Nov-25	Buy	3,406	2,798
34	05-Jan-26	Buy	3,563	2,795
35	22-Jan-26	Buy	3,521	2,800
36	12-Mar-26	Buy	2,807	2,182
37	03-Apr-26	Buy	2,709	2,210
38	30-Apr-26	Buy	2,767	2,251
39	06-Jul-26	Buy	2,776	2,294
40	24-Jul-26	Buy	2,751	2,288
41	24-Aug-26	Buy	2,981	2,430
42	04-Oct-26	Buy	2,780	2,250

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Ratings Guide (12 months)

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