

October 10, 2025

## Q2FY26 Result Update

☒ Change in Estimates | ☒ Target | ☒ Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
<b>Rating</b>	<b>REDUCE</b>		<b>SELL</b>	
<b>Target Price</b>	<b>5,010</b>		<b>4,390</b>	
Sales (Rs.m)	37,334	41,600	37,302	41,536
% Chng.	0.1	0.2		
EBITDA (Rs.m)	8,060	9,728	8,040	9,561
% Chng.	0.2	1.7		
EPS (Rs.)	104.7	134.9	105.4	132.9
% Chng.	-0.7	1.5		

### Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	37,290	37,334	41,600	47,487
EBITDA (Rs. m)	9,729	8,060	9,728	11,765
Margin (%)	26.1	21.6	23.4	24.8
PAT (Rs. m)	7,849	6,521	8,405	10,097
EPS (Rs.)	126.0	104.7	134.9	162.1
Gr. (%)	(1.0)	(16.9)	28.9	20.1
DPS (Rs.)	75.0	70.0	70.0	70.0
Yield (%)	1.3	1.3	1.3	1.3
RoE (%)	29.3	22.0	25.6	26.8
RoCE (%)	22.9	16.6	19.0	20.2
EV/Sales (x)	8.9	8.8	7.8	6.8
EV/EBITDA (x)	34.3	41.0	33.4	27.3
PE (x)	44.3	53.3	41.4	34.4
P/BV (x)	12.2	11.3	10.0	8.6

### Key Data

TTEX.BO | TELX IN

52-W High / Low	Rs.8,027 / Rs.4,601
Sensex / Nifty	82,172 / 25,182
Market Cap	Rs.348bn / \$ 3,915m
Shares Outstanding	62m
3M Avg. Daily Value	Rs.1166.92m

### Shareholding Pattern (%)

Promoter's	43.91
Foreign	12.74
Domestic Institution	9.79
Public & Others	33.56
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	0.5	17.3	(26.7)
Relative	(0.8)	5.4	(27.3)

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## Improved performance lay foundation for better H2...

### Quick Pointers:

- Media & comm segment compensates for client specific issues in Transportation
- Margins improves largely due to currency tailwinds

*The revenue growth exceeded our estimates with 1% QoQ CC growth & margin improvement of 30bps. Surprisingly, the overall revenue impact on the cyber incident for its top account turns out to be less severe (50-100bps QoQ) than anticipated. Additionally, the ramp up of two large deals within Automotive space compensated the drag within its top account. The underlying demand for Automotive OEMs is recovering, the projects that were kept on hold are being resumed and even the newer projects are seeing timely executions. Although the current growth profiles of US/Europe OEMs are weak, the strong intent to participate and compete against Chinese OEMs are driving the futuristic investments in SDV, ADAS and Connectivity areas. Beyond Automotive, the underlying demand within M&C remains challenging, while Healthcare should drive growth in H2 backed by multiple wins. On margin, it has fairly exceeded our estimate by 100bps QoQ, hence we are passing the benefits to FY26. We are revising our margins up by 20bps/40bps/60bps due to Q2 beat for FY26E/FY27E/FY28E. We expect CC revenue to decline by 5.1% (-5.9% QoQ earlier) in FY26E and grow by 9.4%/11.2% YoY in FY27E/FY28E. Considering the early green shoots on Transportation, we are assigning 36x PE to Sep'27 EPS, translating a TP of 5,010. Upgrade to REDUCE (SELL earlier).*

**Revenue:** TELX reported revenue ahead of both our and consensus estimates, supported by the ramp-up of a large deal in the Media & Communications segment and only a modest decline in Transportation. Revenue grew 1% QoQ in CC terms, compared to our expectation of a 1.9% QoQ decline & consensus estimate 0.9% QoQ decline in USD. The beat was driven by a 3.7% QoQ CC increase in Media & Communications, while Transportation saw a mild 0.5% QoQ CC contraction and Healthcare declined by 4.6% QoQ CC.

**Operating Margin:** TELX delivered an EBIT margin of 18.5%, improving 30 bps QoQ and beating our expectation of an 80 bps decline. The margin outperformance was primarily driven by higher-than-expected revenue. EBIT came in at Rs. 1.69 bn, up 4.6% QoQ. PAT for the quarter stood at Rs. 1.55 bn (up 7.2% QoQ), translating into a PAT margin of 16.9%.

**Deal Wins:** TELX secured several notable large deals, including a multi-year, multi-year multi-million-dollar partnership with Bayer Devices to co-develop advanced radiology products. In Aerospace & Defence, the company won a turnkey airport guidance systems development contract from a US-headquartered supplier. Management also indicated that multiple large deal pursuits are currently underway, signaling sustained momentum in the pipeline.

**Valuations and outlook:** We estimate USD revenue/earnings CAGR of 5.2%/9.3% over FY25-FY28E. The stock is currently trading at 40x LTM Sep 27E earnings, we are assigning P/E of 36x to LTM Sep 27E earnings with a target price of INR 5,010. We upgrade to stock to "REDUCE" from Sell rating earlier.

### Above expectations result driven by growth in Media & Comms business

- Reported revenue growth of 1% QoQ CC above our estimate of -1.9% QoQ CC & consensus estimate of -0.9% QoQ in USD terms
- Segments wise in SDS business, growth was driven by Media & comms which grew by 3.7% QoQ CC while Transportation & Healthcare declined by 0.5% & 4.6% QoQ CC respectively
- **Reported EBIT margin of 18.5% (up 30bp QoQ) above our estimates of 17.4% but below consensus estimates of 19.1%**
- Revenue contribution from Top 5 & Top 10 clients increased by 40bps & 100bps QoQ to 45.1% & 55.6% respectively
- **Net employees declined by 176 to 11.9k during the quarter (1<sup>st</sup> time in last 10 qtr. Headcount declined below 12k), LTM Attrition was up by 40 bps QoQ to 15.4%**
- PAT came at Rs. 1.54 bn (16.9% PAT margin), above our estimates of Rs. 1.52 bn due to beat on operating margin

### Conference Call Highlights

- The company confirmed that the cybersecurity issue at its top client has been resolved, and operations that were halted since September have now resumed. It expects the projects that were originally scheduled to start in September to restart shortly and contribute to revenue growth in H2. Management also indicated that, if not for the cybersecurity disruption, the transportation segment would have delivered sequential revenue growth in CC.
- Supported by the ramp-up of recently won deals and the resumption of operations at its large client, the company expects H2 growth to be stronger than H1.
- The company's EBITDA margin improved by 20 bps QoQ, aided by a 90 bps currency benefit, partially offset by headwinds from fresher hiring (-40 bps) and investments in AI-led infrastructure and partnerships (-30 bps). Management expects margins to improve gradually through H2, despite the planned partial wage hike in Q3.
- Utilization improved to 70% during the quarter, up from 66% in the previous quarter. Management aims to further increase it to 75% by the end of the fiscal year and to 80% in FY27, which should serve as an additional margin tailwind.

- Management expects the Transportation and Healthcare segments to deliver double-digit growth in FY28. Within Transportation, strong traction is being seen among clients in Europe and Japan, while the US auto market is expected to remain muted due to EV policy changes. However, US market for aerospace & rail remains robust.
- In the Media & Communications segment, despite the ramp-up of a large deal, the company expects growth to moderate in H2, as the segment continues to face macro headwinds and uncertainty due to ongoing M&A activities.
- Attrition continues to increase during the quarter but management expects it to decline in H2FY26.

**Exhibit 1: 2QFY26 Results: Beat on our estimates**

	2QFY26	2QFY26E	% Var.	1QFY26	QoQ gr. (%)	2QFY25	YoY gr. (%)	FY26E	FY25	YoY gr. (%)
IT Services Revenue (USD m)	104	103	1.6	104	0.0	114	-8.5	425	441	-3.5
Overall Revenue (INR b)	9,181	8,954	2.5	8,921	2.9	9,551	-3.9	37,334	37,290	0.1
Gross Profit	3,069	2,948	4.1	2,964	3.5	3,808	-19.4	12,697	14,428	-12.0
Gross Margin (%)	33.4	32.9	50bps	33.2	20bps	39.9	-640bps	34.0	38.7	-470bps
SG&A and Other Costs	1,136.0	1,119.2	1.5	1,097	3.6	1,144	-0.7	4,637	4,699	-1.3
% of Rev	12.4	12.5	-10bps	12.3	10bps	12.0	40bps	12.4	12.6	-20bps
EBITDA	1,933	1,829	5.7	1,867	3.5	2,664	-27.4	8,060	9,729	-17.2
EBITDA Margin (%)	21.1	20.4	60bps	20.9	10bps	27.9	-680bps	21.6	26.1	-450bps
Depreciation	234	269	-12.7	243	-3	272	-13.7	1054	1049	0.5
% of Rev	2.6	3.0	-40bps	2.7	-20bps	2.8	-30bps	2.8	2.8	0bps
EBIT	1699	1560	8.9	1624	4.6	2392	-29.0	7005	8681	-19.3
EBIT Margin (%)	18.5	17.4	110bps	18.2	30bps	25.0	-650bps	18.8	23.3	-450bps
Other Income (net)	448	448	0.2	339	32.2	595	-24.6	1,749	1,603	9.1
PBT	2,147	2,008	6.9	1,963.5	9.4	2,987.0	-28.1	8,755	10,284	-14.9
Tax	599	482	24.3	520	15.2	693	-13.5	2,233	2,435	-8.3
Effective tax rate (%)	27.9	24.0	390bps	26.5	140bps	23.2	470bps	25.5	23.7	180bps
Adjusted PAT	1,548	1,526	1.5	1,444	7.2	2,294	-32.5	6,521	7,849	-16.9
Exceptional items	0.0	0.0	NA	0.0	NA	0.0	NA	0	0.0	NA
Reported PAT	1,548	1,526	1.5	1,444	7.2	2,294	-32.5	6,521	7,849	-16.9
Reported EPS (INR)	25	25	1.4	23	7.2	37	-32.5	105	126	-16.9

Source: Company, PL

**Exhibit 2: Regional growth (%)**

Geographies	Contribution to revenue (%)	QoQ gr. (%)
Americas	31.6	4.8
Europe	38.7	(2.2)
India	19.0	(4.2)
RoW	10.7	1.7

Source: Company, PL

**Exhibit 3: Vertical Growth (%)**

Verticals	Contribution to revenue (%)	QoQ CC gr. (%)
Transportation	54.7	(0.5)
Media and Comms	32.4	3.7
Healthcare & Life Sciences	11.7	(4.6)
Others	1.2	19.4

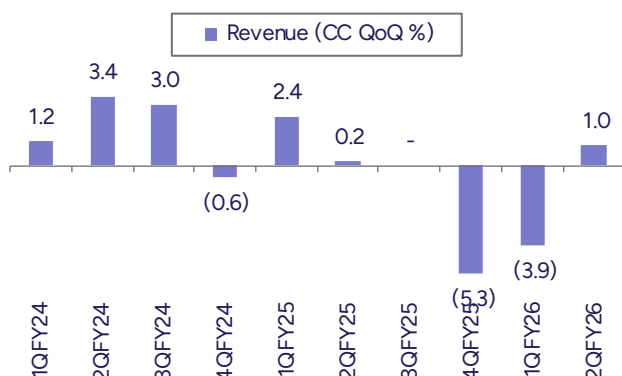
Source: Company, PL

**Exhibit 4: Key Performance Indicator**

	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	FY25*	FY26*
Revenue (QoQ CC %)	3.0	-0.6	2.4	0.2	0.0	-5.3	-3.9	1.0	3.1	-5.1
<b>Margins (%)</b>										
Gross Margin	40.9	40.6	40.7	39.9	39.2	34.9	33.2	33.4	38.7	34.0
EBIT Margin	26.8	25.8	24.3	25.0	23.5	20.1	18.2	18.5	23.3	18.8
Net Margin	22.6	21.7	19.9	24.0	21.2	19.0	16.2	16.9	21.0	17.5
<b>Operating metrics</b>										
Headcount	13,221	13,399	13,142	12,793	12,878	12,414	12,127	11,951	12,414	-
Attrition (%)	12.9	12.4	12.3	12.5	12.4	13.3	15.0	15.4	13.3	-

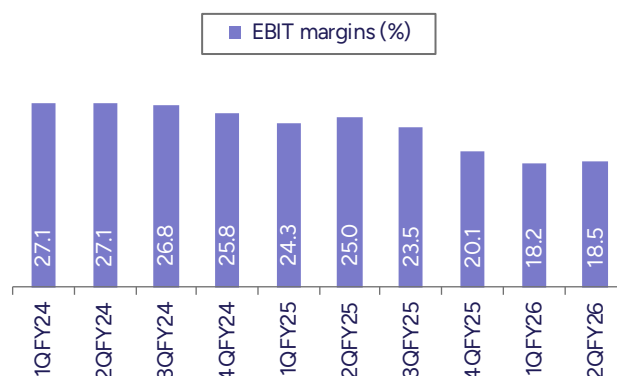
Source: Company, PL, \* YoY CC

**Exhibit 5: Revenue rebounded in Q2**



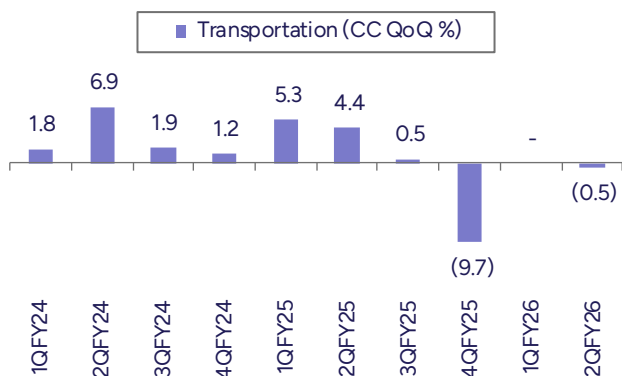
Source: Company, PL

**Exhibit 6: EBIT Margin grew by 30 bps QoQ**



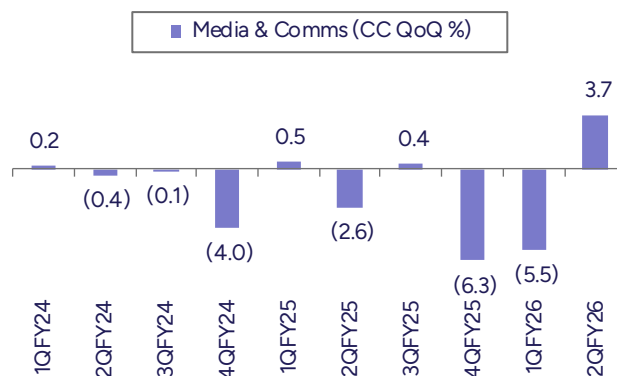
Source: Company, PL

**Exhibit 7: Transportation impacted by top client shut down**



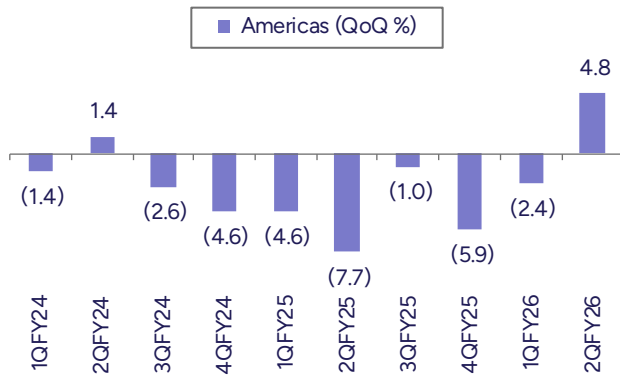
Source: Company, PL

**Exhibit 8: Media & Comms grew driven by large deal ramp up**



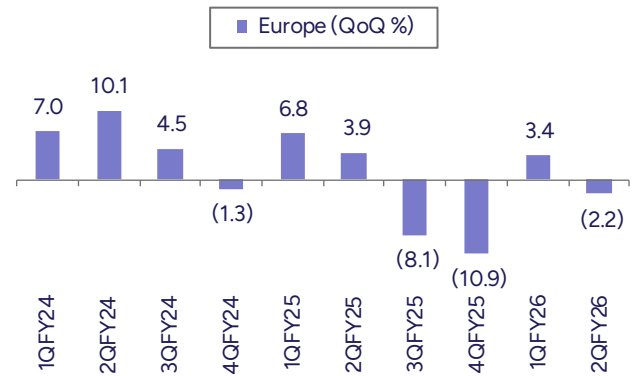
Source: Company, PL

**Exhibit 9: North America rebounds in Q2**



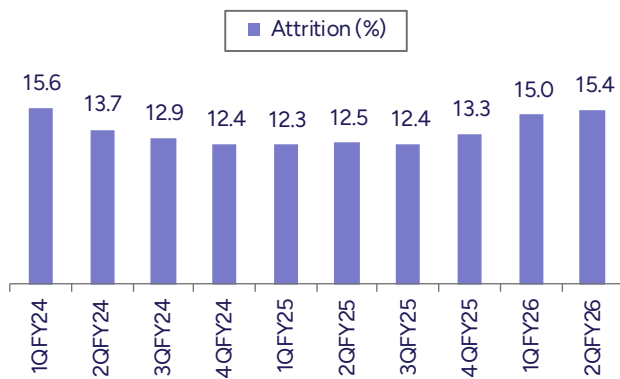
Source: Company, PL

**Exhibit 10: Europe down in Q2**



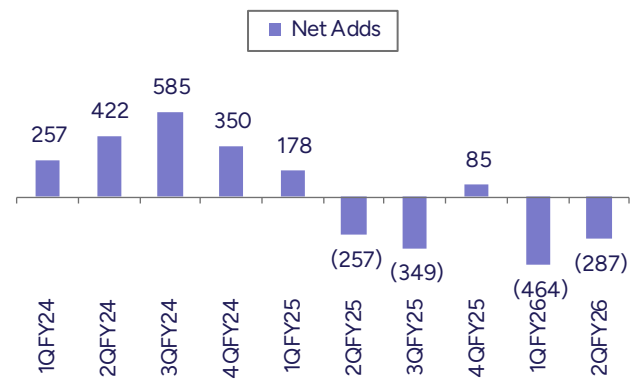
Source: Company, PL

**Exhibit 11: Attrition continue to increase**



Source: Company, PL

**Exhibit 12: Net employees continue to decline**



Source: Company, PL

**Exhibit 13: Operating Metrics**

	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
<b>Revenue by Verticals (%)</b>													
Transportation	41.5	44.3	44.6	44.8	46.2	46.5	51.4	52.8	55.7	55.0	53.4	55.8	54.7
Media & Communications	42.4	40.3	40.3	39.8	38.4	37.8	33.6	33.3	31.8	32.4	32.4	31.0	32.4
Healthcare & Lifesciences	16.1	15.4	15.1	15.4	15.4	15.7	14.1	13.2	11.5	11.8	13.0	12.2	11.7
<b>Revenue by Services (%)</b>													
SDS	97.3	97.2	97.1	97.2	97.3	97.0	97.2	97.0	97.1	97.5	96.3	97.3	96.9
SIS	2.7	2.7	2.9	2.8	2.7	3.0	2.8	3.0	2.9	2.5	3.7	2.7	3.1
<b>Revenue by Geographies (%)</b>													
North America	43.2	42.8	41.4	40.2	39.6	37.4	36.0	33.7	30.3	30.9	30.6	30.1	31.6
Europe	34.1	34.7	35.5	37.4	40.0	40.5	40.3	42.2	42.7	40.4	37.9	39.5	38.7
India	16.6	16.2	17.3	17.0	15.5	16.4	17.3	17.6	18.8	19.4	22.4	19.8	19.0
RoW	6.1	6.3	5.8	5.4	4.9	5.7	6.4	6.5	8.3	9.3	9.1	10.5	10.7
<b>Client Metrics</b>													
Top 5 Clients	39.9	38.4	39.8	42.0	44.5	43.8	46.2	47.2	45.1	44.8	45.6	44.7	45.1
Top 10 Clients	48.1	48.0	49.4	51.9	53.2	52.5	55.9	58.0	55.6	54.2	54.5	54.6	55.6
<b>Revenue Mix</b>													
Onsite	24.8%	24.6%	25.5%	25.3%	25.8%	25.3%	26.3%	27.2%	25.3%	25.8%	25.9%	26.9%	26.1%
Offshore	75.2%	75.4%	74.5%	74.7%	74.2%	74.7%	73.7%	72.8%	74.7%	74.2%	74.1%	73.1%	73.9%
<b>Contract Mix</b>													
Onsite	49.6%	50.1%	50.6%	51.6%	50.3%	49.7%	47.9%	50.9%	50.5%	51.9%	50.7%	51.9%	56.3%
Offshore	50.4%	49.9%	49.4%	48.4%	49.7%	50.3%	52.1%	49.1%	49.5%	48.1%	49.3%	48.1%	43.7%
<b>Employee Metrics</b>													
Total Employees	11,679	11,607	11,864	12,286	12,871	13,221	13,399	13,142	12,793	12,878	12,414	12,127	11,951
Attrition (%)	18.7	18.4	17.3	15.6	13.7	12.9	12.4	12.3	12.5	12.4	13.3	15.0	15.4

Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	<b>37,290</b>	<b>37,334</b>	<b>41,600</b>	<b>47,487</b>
YoY gr. (%)	5.0	0.1	11.4	14.2
Employee Cost	22,862	24,638	26,713	29,833
Gross Profit	14,428	12,697	14,887	17,654
Margin (%)	38.7	34.0	35.8	37.2
Employee Cost	-	-	-	-
Other Expenses	-	-	-	-
<b>EBITDA</b>	<b>9,729</b>	<b>8,060</b>	<b>9,728</b>	<b>11,765</b>
YoY gr. (%)	(7.0)	(17.2)	20.7	20.9
Margin (%)	26.1	21.6	23.4	24.8
Depreciation and Amortization	1,049	1,054	1,165	1,330
<b>EBIT</b>	<b>8,681</b>	<b>7,005</b>	<b>8,564</b>	<b>10,436</b>
Margin (%)	23.3	18.8	20.6	22.0
Net Interest	-	-	-	-
Other Income	1,603	1,749	2,496	2,849
<b>Profit Before Tax</b>	<b>10,284</b>	<b>8,755</b>	<b>11,060</b>	<b>13,285</b>
Margin (%)	27.6	23.4	26.6	28.0
Total Tax	2,435	2,233	2,654	3,188
Effective tax rate (%)	23.7	25.5	24.0	24.0
<b>Profit after tax</b>	<b>7,849</b>	<b>6,521</b>	<b>8,405</b>	<b>10,097</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>7,849</b>	<b>6,521</b>	<b>8,405</b>	<b>10,097</b>
YoY gr. (%)	(0.9)	(16.9)	28.9	20.1
Margin (%)	21.0	17.5	20.2	21.3
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>7,849</b>	<b>6,521</b>	<b>8,405</b>	<b>10,097</b>
YoY gr. (%)	(0.9)	(16.9)	28.9	20.1
Margin (%)	21.0	17.5	20.2	21.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	7,849	6,521	8,405	10,097
<b>Equity Shares O/s (m)</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>
<b>EPS (Rs)</b>	<b>126.0</b>	<b>104.7</b>	<b>134.9</b>	<b>162.1</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>7,046</b>	<b>7,208</b>	<b>7,388</b>	<b>8,338</b>
Tangibles	6,631	6,793	6,973	7,923
Intangibles	415	415	415	415
<b>Acc: Dep / Amortization</b>	<b>3,866</b>	<b>4,920</b>	<b>6,085</b>	<b>7,414</b>
Tangibles	3,539	4,593	5,758	7,088
Intangibles	327	327	327	327
<b>Net fixed assets</b>	<b>3,180</b>	<b>2,288</b>	<b>1,304</b>	<b>924</b>
Tangibles	3,092	2,200	1,215	835
Intangibles	88	88	88	88
Capital Work In Progress	16	16	16	16
Goodwill	-	-	-	-
Non-Current Investments	-	-	-	-
Net Deferred tax assets	376	149	166	190
Other Non-Current Assets	4,309	4,314	2,579	2,944
<b>Current Assets</b>				
Investments	14,711	17,711	20,711	23,711
Inventories	-	-	-	-
Trade receivables	9,715	9,819	11,169	12,750
Cash & Bank Balance	1,353	1,007	3,393	4,575
Other Current Assets	2,196	2,198	2,330	2,659
<b>Total Assets</b>	<b>35,857</b>	<b>37,504</b>	<b>41,669</b>	<b>47,770</b>
<b>Equity</b>				
Equity Share Capital	623	623	623	623
Other Equity	27,977	30,137	34,182	39,917
<b>Total Network</b>	<b>28,600</b>	<b>30,760</b>	<b>34,804</b>	<b>40,540</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	1,961	1,395	1,554	1,774
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	1,230	1,283	1,244	1,389
Other current liabilities	4,067	4,067	4,067	4,067
<b>Total Equity &amp; Liabilities</b>	<b>35,857</b>	<b>37,504</b>	<b>41,669</b>	<b>47,770</b>

Source: Company Data, PL Research



### Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	7,849	8,755	11,060	13,285
Add. Depreciation	1,049	1,054	1,165	1,330
Add. Interest	(1,165)	-	-	-
Less Financial Other Income	1,603	1,749	2,496	2,849
Add. Other	2,868	-	-	-
Op. profit before WC changes	10,602	9,809	12,224	14,615
Net Changes-WC	(242)	(398)	358	(1,934)
Direct tax	(2,239)	(2,233)	(2,654)	(3,188)
<b>Net cash from Op. activities</b>	<b>8,120</b>	<b>7,177</b>	<b>9,928</b>	<b>9,493</b>
Capital expenditures	(162)	(162)	(180)	(950)
Interest / Dividend Income	820	-	-	-
Others	(3,741)	(3,000)	(3,000)	(3,000)
<b>Net Cash from Invst. activities</b>	<b>(3,083)</b>	<b>(3,162)</b>	<b>(3,180)</b>	<b>(3,950)</b>
Issue of share cap. / premium	0	-	-	-
Debt changes	-	-	-	-
Dividend paid	(4,359)	(4,361)	(4,361)	(4,361)
Interest paid	(14)	-	-	-
Others	(612)	-	-	-
<b>Net cash from Fin. activities</b>	<b>(4,986)</b>	<b>(4,361)</b>	<b>(4,361)</b>	<b>(4,361)</b>
<b>Net change in cash</b>	<b>51</b>	<b>(346)</b>	<b>2,387</b>	<b>1,182</b>
Free Cash Flow	7,956	7,015	9,748	8,543

Source: Company Data, PL Research

### Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
<b>Net Revenue</b>	<b>9,392</b>	<b>9,083</b>	<b>8,921</b>	<b>9,181</b>
YoY gr. (%)	(1.7)	(3.3)	(1.8)	2.9
Raw Material Expenses	5,713	5,917	5,957	6,112
Gross Profit	3,679	3,166	2,964	3,069
Margin (%)	39.2	34.9	33.2	33.4
<b>EBITDA</b>	<b>2,466</b>	<b>2,077</b>	<b>1,867</b>	<b>1,933</b>
YoY gr. (%)	-	-	-	-
Margin (%)	26.3	22.9	20.9	21.1
Depreciation / Depletion	260	247	243	234
<b>EBIT</b>	<b>2,206</b>	<b>1,830</b>	<b>1,624</b>	<b>1,699</b>
Margin (%)	23.5	20.1	18.2	18.5
Net Interest	-	-	-	-
Other Income	352	385	339	448
<b>Profit before Tax</b>	<b>2,558</b>	<b>2,214</b>	<b>1,963</b>	<b>2,147</b>
Margin (%)	27.2	24.4	22.0	23.4
Total Tax	568	490	520	599
Effective tax rate (%)	22.2	22.1	26.5	27.9
<b>Profit after Tax</b>	<b>1,990</b>	<b>1,724</b>	<b>1,444</b>	<b>1,548</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>1,990</b>	<b>1,724</b>	<b>1,444</b>	<b>1,548</b>
YoY gr. (%)	(13.3)	(13.4)	(16.3)	7.2
Margin (%)	21.2	19.0	16.2	16.9
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>1,990</b>	<b>1,724</b>	<b>1,444</b>	<b>1,548</b>
YoY gr. (%)	(13.3)	(13.4)	(16.3)	7.2
Margin (%)	21.2	19.0	16.2	16.9
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>1,990</b>	<b>1,724</b>	<b>1,444</b>	<b>1,548</b>
Avg. Shares O/s (m)	62	62	62	62
<b>EPS (Rs)</b>	<b>32.0</b>	<b>27.7</b>	<b>23.2</b>	<b>24.9</b>

Source: Company Data, PL Research

### Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Per Share(Rs)</b>				
EPS	126.0	104.7	134.9	162.1
CEPS	142.9	121.6	153.6	183.4
BVPS	459.2	493.8	558.6	650.7
FCF	127.7	112.6	156.5	137.1
DPS	75.0	70.0	70.0	70.0
<b>Return Ratio(%)</b>				
RoCE	22.9	16.6	19.0	20.2
ROIC	21.3	15.8	16.8	17.8
RoE	29.3	22.0	25.6	26.8
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.5)	(0.6)	(0.6)	(0.7)
Net Working Capital (Days)	-	-	-	-
<b>Valuation(x)</b>				
PER	44.3	53.3	41.4	34.4
P/B	12.2	11.3	10.0	8.6
P/CEPS	39.1	45.9	36.3	30.4
EV/EBITDA	34.3	41.0	33.4	27.3
EV/Sales	8.9	8.8	7.8	6.8
Dividend Yield (%)	1.3	1.3	1.3	1.3

Source: Company Data, PL Research

### Key Operating Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Revenue (in US\$ mn)	441	425	462	511

Source: Company Data, PL Research



**Price Chart**



**Recommendation History**

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	04-Oct-25	Sell	4,390	5,356
2	11-Jul-25	Sell	4,750	6,138
3	01-Jul-25	Sell	4,830	6,310
4	19-May-25	Sell	4,950	6,212

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Cyient	Hold	1,130	1,170
2	HCL Technologies	Accumulate	1,560	1,394
3	Infosys	BUY	1,760	1,447
4	KPIT Technologies	BUY	1,360	1,158
5	L&T Technology Services	Hold	4,400	4,262
6	Latent View Analytics	BUY	570	415
7	LTIMindtree	Hold	5,380	5,120
8	Mphasis	Accumulate	2,920	2,737
9	Persistent Systems	BUY	5,970	5,069
10	Tata Consultancy Services	BUY	3,950	2,902
11	Tata Elxsi	Sell	4,390	5,356
12	Tata Technologies	Sell	540	707
13	Tech Mahindra	Hold	1,470	1,401
14	Wipro	Hold	250	241

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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