KPIT Technologies | BUY

Near-term softness, medium-term outlook intact

Rajiv Berlia
rajiv.berlia@jmfl.com | Tel: (91 22) 66303363
Nandan Arekal
nandan.arekal@jmfl.com | Tel: (91 22) 62243683
Anushree Rustagi
anushree.rustagi@jmfl.com | Tel: (91 22) 69703668

KPIT Technologies reported 4QFY26 – revenues slightly ahead of our expectations and margins largely in-line with our estimates. Revenue grew 1.8% QoQ cc versus JMFL estimates of 1.2% QoQ cc. EBIT margins (excluding FX gains/loss) came in at 15.9% versus JMFL/consensus estimates of 15.9%/15.6%. Forward-looking indicators: i) Two large SDV programs coming to an end in H1FY27, to be compensated by growth in newly acquired accounts. Continuation of these programs would have resulted in 4-5% sequential growth – implying weaker 1H, in our view. ii) EBITDA margin guidance of 20.5-21.2% despite investments in AI and products and solutions. iii) LTM TCV grew 11% to USD 1.02bn. Near-term outlook looks soft given the ramp down of two large programs, however, medium-term outlook remains intact, as per the management. We reduce our EPS estimates by 4-11% over FY27-28E, incorporating 4Q results. Maintain target multiple of 24x, roll forward to FY28E EPS (verus Sep'27E earlier) – revised TP of INR 840 (earlier INR 860). Valuations at ~20x FY28 consensus EPS. Maintain BUY.

- **4QFY26 results**: i) Revenues came in at USD 185mn, +1.8% QoQ cc, versus JMFL estimate of USD 184mn. ii) EBIT margin (excluding FX loss of INR 311mn) came in at 15.9%, +20bps QoQ/ -130bps YoY, in-line with JMFL estimates. iii) Reported PAT came in at INR 1.6bn versus JMFL/consensus estimates of INR 1.9bn/ INR 1.8bn, +22.1% QoQ/-33.4% YoY (Q3FY26 PAT included one-time expense of INR 597mn due to labour code impact). iv) LTM TCV grew 11% YoY to USD 1.02bn.

- **Vertical and Geography performance**: i) Within verticals, commercial vehicles led growth with +11.6% QoQ USD growth, passenger cars marginally declined by 0.2% QoQ USD. ii) Cloud-based connected services grew 12.9% QoQ USD and architecture & middleware consulting grew 5.8% QoQ USD. However, feature development & integration saw a sequential decline (-3.1%). iii) Among geographies, growth was led by Asia (+25.1% QoQ USD), while US remained stable (+0.6%), Europe saw a sequential decline (-7.1%).

- **Other key details:** i) Two of the largest SDV programs are coming to an end in 1H but revenue will be largely compensated by growth in newly acquired accounts. Continuation of these programs would have resulted in 4-5% sequential growth. ii) New engagements TCV came in at USD 349mn, +73% QoQ/+25% YoY. LTM TCV came in at USD 1,024mn, up 11% YoY. iii) EBITDA expected to be in the 20.5-21.2% range despite investments in AI, technology, and products & solutions. iv) Headcount declined 1.6% QoQ (-2.7% YoY). v) OCF / EBITDA came in at 89% in FY26 versus 113% in FY25.

- **Key investor day takeaways:** i) Europe remains under pressure from Chinese competition and cost structures, creating meaningful consolidation opportunities. ii) KPIT is shifting towards AI-infused solutions/products and fixed-price contracts, 80%+ of new contracts are fixed-price. iii) KPIT expects medium-term growth driven by deeper penetration in existing accounts, expansion across trucks/off-highway, micromobility, India, and increasing contribution from solutions/products – expected to reach ~60% of revenues by FY29. iv) Cymotive acquisition strengthens KPIT's automotive cybersecurity stack.

- **JMF view:** Though 4QFY26 was largely in-line, outlook for FY27 was below expectations. Hence, the stock corrected 9% since results. Focus will be on 2H outlook.

Recommendation and Price Target	
Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	840
Upside/(Downside)	16.2%
Previous Price Target	860
Change	-2.3%

Key Data – KPITTECH IN EQUITY	
Current Market Price	INR723
Market cap (bn)	INR198.1/US$2.1
Free Float (%)	53.7
Shares in issue (mn)	274.1
Diluted share (mn)	274.1
3-mon avg daily val (mn)	INR1,704.0/US$18.1
52-week range	INR1,435/625
Sensex/Nifty	77,845/24,327
INR/US$	94.2

Price Performance

%	1M	6M	12M
Absolute	2.1	-37.3	-43.7
Relative*	1.7	-33.0	-41.9

*To the NSE Nifty 50

Financial Summary (INR mn)

Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	58,423	64,549	70,009	76,837	85,885
Sales Growth (%)	19.9	10.5	8.5	9.8	11.8
EBITDA	12,251	13,457	14,259	15,773	17,660
EBITDA Margin (%)	21.0	20.8	20.4	20.5	20.6
Adjusted Net Profit	8,241	7,722	8,462	9,481	10,725
Diluted EPS (INR)	30.1	28.2	30.9	34.6	39.1
Diluted EPS Growth (%)	38.4	-6.3	9.6	12.0	13.1
ROIC (%)	56.1	40.5	32.7	36.7	41.6
ROE (%)	32.6	23.9	22.4	22.0	21.7
P/E (x)	24.0	25.6	23.4	20.9	18.5
P/B (x)	6.8	5.6	4.9	4.3	3.7
EV/EBITDA (x)	14.9	14.0	12.8	11.2	9.6
Dividend Yield (x)	1.2	1.0	1.6	1.6	1.6

Source: Company data, JM Financial. Note: Valuations as of May 07, 2026

Key highlights from investor day

- **Demand:** Management highlighted that the automotive software spend environment remains healthy despite near-term disruptions, with estimates indicating ~2x growth in automotive software R&D spend by CY30 (excluding China/off-highway), led by ADAS/autonomous driving, infotainment, connectivity and security. KPIT noted that FY26 growth was driven by connected vehicles, powertrain, vehicle engineering and after-sales, with trucks & off-highway (+11.6% QoQ) and cloud-based connected services leading Q4 growth. Management highlighted that AI-led transformation has resulted in some near-term cannibalization of existing work, while delays in new architecture programs impacted middleware and autonomous-driving related revenues. However, the company expects integration and validation opportunities to increase over the medium term as delayed vehicle programs move closer to production. Management also indicated that off-highway and commercial vehicles are accelerating investments toward software-defined machines. On regional trends, management noted that European OEMs remain under significant pressure and are aggressively pursuing cost optimization and ecosystem restructuring, while US OEMs continue to invest in future SDV programs. KPIT also highlighted improving traction in China with two new Chinese OEM engagements.

FY26 growth was driven by connected vehicles, powertrain, vehicle engineering and after-sales

AI-led transformation has resulted in some near-term cannibalization of existing work

Improving traction in China – two new Chinese OEM engagements

- **Outlook:** Management guided for a positive FY27 demand environment, led by growth in trucks & off-highway, connected vehicles, after-sales, autonomous driving, India and the US. KPIT indicated that two large SDV programs will ramp down in H1FY27, including one planned production transition and one impacted by Honda's cancellation of new EV platform programs, though the revenue impact is expected to be largely offset by growth in newly acquired accounts and new geographies. Management noted that continuation of these programs would have resulted in ~4-5% sequential growth during FY27. KPIT expects India revenues to nearly double in FY27 on a low base (~4% revenue contribution), while China and off-highway opportunities are also scaling gradually. Over the medium term, management remains confident of sustaining growth driven by wallet-share gains in existing accounts, new client additions, adjacencies such as trucks/off-highway and micromobility, and expansion into newer geographies including India, Southeast Asia and Middle East/Africa. Management reiterated that KPIT will focus only on adjacencies where it can build technology leadership over time.

Two large SDV programs coming to an end in 1H, to be offset by growth in newly acquired accounts. Continuation of these programs would have resulted in 4-5% sequential growth.

- **Margins:** Management guided for FY27 EBITDA margins of 20.5%-21.2% despite continued investments in AI, solutions/products, competency development and newer markets. KPIT highlighted that margin expansion over the medium term will be driven by a higher mix of AI-infused solutions and products, increasing use of reusable assets/platforms, migration toward fixed-price and outcome-based engagements, and internal productivity improvements through AI adoption. Management noted that 80%+ of new contracts are now fixed-price in nature and the company is converting several existing T&M engagements into fixed-price constructs, with four large clients expected to transition this quarter and another four in the subsequent quarter. KPIT expects solutions/products revenues to scale materially over the next few years, improving gross contribution and enabling EBITDA margins to expand toward 22%-24% over the medium term. The company also highlighted that per-person revenue and contribution have improved consistently over the last three years and remain an important lever for future profitability.

~80% of new contracts are fixed-price in nature

- **Bookings and deal wins:** Management highlighted robust deal momentum during Q4FY26, with TCV wins of USD 349mn and a satisfactory pipeline across mobility programs. KPIT noted that ~21% of the pipeline is now driven by solutions and products. The company highlighted two strategic wins during the quarter - a long-term engagement exceeding USD 50mn with a global off-highway equipment leader focused on software-defined machine transformation, and a strategic engagement with a leading Japanese Tier-1 to deliver next-generation digital cockpit solutions across multiple OEM programs. Management indicated that off-highway, commercial vehicle and European consolidation-related opportunities contributed meaningfully to deal momentum during the quarter. KPIT also highlighted that it added 13 new clients during FY26, including three new passenger vehicle OEMs, four truck OEMs and six off-highway OEMs.

21% of the total pipeline is already into products and solutions

Added 13 clients in FY26 – 3 PVs, 4 Truck OEMs, and 6 Off-highway OEMs

- **Growth strategy:** Management highlighted that KPIT's next phase of growth will be driven by faster scaling of solutions and products, deeper wallet-share penetration within existing accounts, expansion into adjacencies and new geographies, and continued investments in AI and mobility technologies. The company noted that its current wallet share across existing accounts remains ~10-11%, leaving significant headroom for expansion through cross-practice offerings, AI-led integration/validation capabilities and outcome-based delivery models. KPIT expects solutions/products revenues to grow ~30% YoY in FY27 and increase from ~15% of revenues

Solutions & products revenue contribution expected to increase from ~15% in FY26 to ~60% by FY29 currently to ~60% by FY29. Management highlighted that KPIT has invested 5%+ of revenues into technology/R&D and separately deployed ~USD 400mn across strategic acquisitions/investments including Technica, Qorix, helm.ai, Endream, PathPartner, CareSoft and Cymotive to build a chip-to-cloud mobility stack. The company is also expanding across newer adjacencies including trucks, off-highway, micromobility and deep-tech mobility segments such as robotics/aerospace over the longer term. Regionally, KPIT is doubling down on India, revamping its China strategy, building a Southeast Asia playbook and evaluating Middle East/Africa as future growth markets.

- **Cymotive acquisition:** Management highlighted that Cymotive strengthens KPIT's cybersecurity capabilities across both in-vehicle and external automotive cybersecurity solutions, while also enhancing the company's positioning for emerging AI and quantum-related security challenges. KPIT noted that Cymotive's solutions are already deployed across millions of vehicles globally. Management indicated that the acquisition rationale was not only access to technology/IP, but also the deep competency of the engineering team and the relevance of the cybersecurity stack for future SDV architectures. KPIT added that the company intends to scale Cymotive's offerings beyond existing relationships, leveraging KPIT's broader OEM customer base and global delivery footprint.

- **AI and solutions/products transition:** Management highlighted that KPIT is fundamentally transitioning from a linear engineering-services model toward AI-infused solutions and products, with AI expected to materially alter software development, validation and integration workflows across the automotive V-cycle. The company noted that Beacon, KPIT's mobility intelligence platform, is being deployed both internally and as a licensable product for OEMs, enabling AI-first development, integration and validation. Management indicated that AI can improve software productivity by multiples, but also materially increases integration complexity, making KPIT's validation, observability and system-integration capabilities increasingly critical.

Exhibit 1: 4QFY26 Result Summary

	4Q26 A	3Q26 A	*Change (QoQ)*	Estimate (JMFe)	*Variance (vs. JMFe)*	Estimate (Consensus)	*Variance (vs. consensus)*	*QoQ estimate* JMFe	*QoQ estimate* Consensus
USD-INR	92.49	89.21	*3.7%*	91.50	*1.1%*	91.50	*1.1%*	*2.6%*	*2.6%*
Revenue (USD mn)	185	181	*2.0%*	184	*0.4%*	182	*1.6%*	*1.6%*	*0.4%*
QoQ cc	1.8%	1.5%	*30bp*	1.2%		1.2%		*1.2%*	*1.2%*
Revenue (INR mn)	17,110	16,175	*5.8%*	16,861	*1.5%*	16,659	*2.7%*	*4.2%*	*3.0%*
EBITDA (INRmn)	3,533	3,334	*6.0%*	3,500	*0.9%*	3,431	*3.0%*	*5.0%*	*2.9%*
EBITDA margin	20.6%	20.6%	*3bp*	20.8%	*-11bp*	20.6%	*5bp*	*14bp*	*-1bp*
EBIT (INR mn)	2,713	2,524	*7.5%*	2,673	*1.5%*	2,606	*4.1%*	*5.9%*	*3.3%*
EBIT margin	*15.9%*	*15.6%*	*25bp*	*15.9%*	*bp*	*15.6%*	*21bp*	*25bp*	*4bp*
PAT (INR mn)	1,630	1,334	*22.2%*	1,876	*-13.1%*	1,842	*-11.5%*	*40.6%*	*38.1%*
EPS (INR)	5.95	4.87	*22.2%*	6.84	*-13.0%*	6.73	*-11.6%*	*40.4%*	*38.1%*

Source: Company, JM Financial

4QFY26 result review

Exhibit 2: Key Financials

	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
Revenue (USD mn)	**173.2**	**176.1**	**177.3**	**177.8**	**180.9**	**181.3**	**184.8**
QoQ cc growth	4.7%	2.0%	3.0%	-3.2%	0.3%	1.5%	1.8%
Revenue (INR mn)	14,714	14,780	15,283	15,388	15,877	16,175	17,110
Employee benefit expenses	9,448	9,252	9,550	9,754	9,779	9,963	10,465
Other operating expenses	2,249	2,406	2,504	2,394	2,747	2,878	3,113
EBITDA	3,018	3,122	3,230	3,239	3,351	3,334	3,533
EBITDA Margin	**20.5%**	**21.1%**	**21.1%**	**21.0%**	**21.1%**	**20.6%**	**20.6%**
D&A expenses	560.8	584.4	579.2	628.8	747.1	810.1	819.6
EBIT	2,457	2,538	2,651	2,610	2,604	2,524	2,713
EBIT Margin	16.7%	17.2%	17.3%	17.0%	16.4%	15.6%	15.9%
Other income (Net)	417	92	370	-201	-71	-74	-411
Profit Before Tax	2,874	2,629	3,020	2,409	2,533	2,450	2,302
Income tax expense	794	696	715	639	615	476	617
Net income from operations*	**2,080**	**1,933**	**2,306**	**1,770**	**1,918**	**1,973**	**1,685**
Diluted EPS	**7.76**	**6.83**	**8.93**	**6.27**	**6.17**	**4.86**	**5.94**
Growth	4.0%	-8.3%	30.8%	-29.8%	-1.7%	-21.2%	22.2%

Source: Company, JM Financial

Growth was driven by Cloud based connected services and Commercial vehicles

EBITDA margin expected to be in the 20.5-21.2% range, despite investments in AI and products and solutions

Exhibit 3: Deal metrics

	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
Deal TCV (USD mn)	207	236	280	241	232	202	349
Book-to-Bill (x)	1.2	1.34	1.6	1.4	1.3	1.1	1.9

Source: Company, JM Financial

Deal LTM TCV in 4Q increased 73% QoQ/25% YoY to USD 349mn

Exhibit 4: Key Operating Metrics

	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
Revenue mix							
By geography - (USD mn)							
US	47.6	46.4	49.1	51.9	49.6	48.5	48.8
Europe	84.5	83.2	77.0	78.8	89.0	93.4	86.8
Asia	41.1	46.5	51.2	47.1	42.3	39.4	49.2
By verticals - (USD mn)							
Passenger cars	139.1	143.9	140.8	145.4	143.6	141.8	141.5
Commerical vehicles	28.7	26.9	27.1	26.3	31.4	34.7	38.7
By Practices - (USD mn)							
Feature Development & Integration	103.35	109.17	104.48	105.79	109.93	110.56	107.11
Architecture & Middleware Consulting	40.60	35.71	40.38	35.85	31.22	30.49	32.26
Cloud Based connected services	29.23	31.21	32.45	36.13	39.73	40.26	45.47
Employee Metrics							
Revenue per development employee (USD)	56,558	58,992	59,138	60,901	60,083	60,980	63,177
Employee							
Development	12,248	11,940	11,993	11,676	12,042	11,893	11,703
Enabling & Sales	839	855	880	869	837	831	817
Total	**13,087**	**12,795**	**12,873**	**12,545**	**12,879**	**12,724**	**12,520**

Source: Company, JM Financial

Maintain BUY, Revised TP of INR 840

We have revised our cc growth estimates downward by 300-400bps over FY27-28E, factoring in near-term execution headwinds, AI-led cannibalization of certain programs, delays in new architecture-led programs and client-specific issues. We have revised our USD revenue estimates downward by 4-7% over FY27-28E. Margin estimates are also cut by ~100-110bps over FY27-28E, despite management's medium-term margin expansion aspirations, as the company continues to invest aggressively in AI, products/solutions and newer markets. Consequently, our FY27-28E EPS estimates are reduced by 4-11%. We maintain BUY with a revised TP of INR 840 (earlier INR 860).

Exhibit 5: What has changed

	Old			New			Change		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Exchange rate (INR/USD)	92.00	92.00		93.00	93.00	94.00	*1.1%*	*1.1%*	
Consolidated revenue (USD mn)	784	886		753	826	914	*-3.9%*	*-6.7%*	
CC Growth	8.1%	13.1%		4.0%	9.7%	10.6%	*-411bp*	*-332bp*	
Growth in USD revenues (YoY)	*8.2%*	*13.1%*		*3.9%*	*9.8%*	*10.6%*	*-433bp*	*-331bp*	
Consolidated revenue (INR mn)	72,088	81,502		70,009	76,837	85,885	*-2.9%*	*-5.7%*	
EBITDA margin	*21.4%*	*21.6%*		*20.4%*	*20.5%*	*20.6%*	*-101bp*	*-111bp*	
EBIT margin	*16.8%*	*17.6%*		*15.7%*	*15.7%*	*15.7%*	*-117bp*	*-190bp*	
PAT (INR mn)	8,827	10,692		8,462	9,481	10,725	*-4.1%*	*-11.3%*	
EPS (INR)	32.4	39.3		31.1	34.9	39.5	*-4.0%*	*-11.2%*	

Source: JM Financial estimates

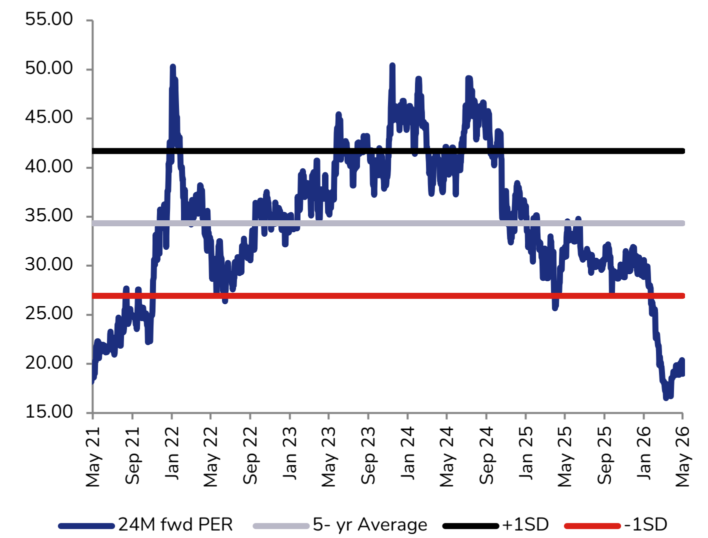
Exhibit 6: JMFe vs Consensus

	Consensus estimates			JMFe			Difference		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Sales (USD mn)	761	849	950	753	826	914	-1.1%	-2.7%	-3.8%
Sales (INR mn)	70,465	78,602	88,431	70,009	76,837	85,885	-0.6%	-2.2%	-2.9%
EBITDA (INR mn)	14,814	16,781	19,298	14,259	15,773	17,660	-3.7%	-6.0%	-8.5%
EBITDA margin	*21.0%*	*21.3%*	*21.8%*	*20.4%*	*20.5%*	*20.6%*	-66bp	-82bp	-126bp
EBIT (INR mn)	11,511	13,281	15,310	10,961	12,073	13,519	-4.8%	-9.1%	-11.7%
EBIT margin	*16.3%*	*16.9%*	*17.3%*	*15.7%*	*15.7%*	*15.7%*	-68bp	-118bp	-157bp
EPS (INR)	30.2	35.6	41.3	31.1	34.9	39.5	3.3%	-1.9%	-4.5%

Note: Consensus estimates as of 21st Apr and may not reflect changes in estimates post result. Source: Visible Alpha, JM Financial estimates

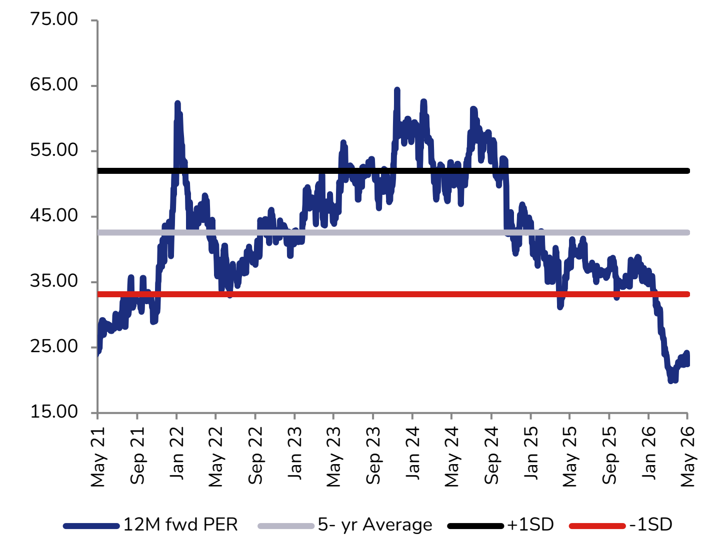
Valuation Table

Exhibit 7: KPIT PER – 24M Forward



Source: Bloomberg, JM Financial

Exhibit 8: KPIT PER – 12M Forward



Source: Bloomberg, JM Financial

Exhibit 9: ERD – Valuation Comp

Company	CMP (LC)	Mcap (USD m)	P/E FY27	P/E FY28	P/E FY29	PEG	EV/EBITDA FY27	EV/EBITDA FY28	EV/EBITDA FY29	EV/Sales FY27	EV/Sales FY28	EV/Sales FY29
India												
Tata Tech	628	3,052	31.5x	27.6x	24.5x	2.1x	22.7x	19.9x	17.3x	3.9x	3.5x	3.2x
KPIT	**723**	**2,377**	**23.1x**	**19.5x**	**16.5x**	**1.1x**	**13.0x**	**11.4x**	**10.0x**	**3.9x**	**3.5x**	**3.2x**
Tata Elxsi	4,296	2,839	30.9x	26.9x	NA	n.m.	23.8x	20.4x	18.5x	6.0x	5.4x	4.9x
L&T TS	3,780	4,250	26.3x	23.0x	20.3x	1.7x	16.5x	14.6x	13.1x	3.1x	2.8x	2.5x
Cyient	893	1,053	14.1x	12.2x	10.7x	0.8x	7.6x	6.6x	5.8x	1.1x	1.0x	0.9x
Average			**25.2x**	**21.8x**	**18.0x**		**16.7x**	**14.6x**	**13.0x**	**3.6x**	**3.2x**	**2.9x**
Global												
Alten	63	2,034	9.1x	8.4x	7.6x	0.9x	5.0x	4.6x	4.3x	0.5x	0.5x	0.5x
Bertrandt	11	99	-76.1x	3.7x	3.4x	NA	3.5x	2.7x	2.5x	0.2x	0.2x	0.2x
EDAG	3	78	24.4x	4.7x	3.4x	0.0x	6.2x	4.4x	3.9x	0.4x	0.4x	0.4x
Desay SV	105	8,721	20.5x	17.2x	15.3x	1.1x	15.6x	13.0x	11.8x	1.6x	1.4x	1.2x
AFRY	116	1,382	10.3x	8.3x	7.5x	0.5x	7.0x	6.1x	5.9x	0.7x	0.7x	0.7x
Etteplan	7	170	13.3x	9.5x	8.7x	0.4x	6.3x	5.6x	5.1x	0.7x	0.7x	0.7x
Assytem	46	659	16.3x	14.9x	13.7x	1.7x	10.1x	9.6x	8.9x	0.9x	0.9x	0.9x
Thundersoft	66	4,249	46.1x	37.1x	31.5x	1.8x	22.4x	18.8x	16.4x	3.1x	2.5x	2.0x
Arcsoft	44	2,461	54.3x	42.9x	29.9x	1.2x	44.9x	34.5x	23.7x	13.5x	11.1x	10.4x
Average			**16.3x**	**9.5x**	**8.7x**		**7.0x**	**6.1x**	**5.9x**	**0.7x**	**0.7x**	**0.7x**

Note: Median used for multiple averages of global ER&D companies. Bloomberg estimates as on 7th May 2026. Source: Bloomberg, JM Financial

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Net Sales	58,423	64,549	70,009	76,837	85,885
Sales Growth (%)	19.9	10.5	8.5	9.8	11.8
Other Operating Income	-	-	-	-	-
Total Revenue	**58,423**	**64,549**	**70,009**	**76,837**	**85,885**
Cost of Goods Sold/Op. Exp	558	908	1,050	1,100	1,215
Personnel Cost	36,993	39,961	42,730	47,247	51,999
Other Expenses	8,622	10,224	11,970	12,717	15,011
EBITDA	**12,251**	**13,457**	**14,259**	**15,773**	**17,660**
EBITDA Margin (%)	21.0	20.8	20.4	20.5	20.6
EBITDA Growth (%)	24.4	9.8	6.0	10.6	12.0
Depn. & Amort.	2,250	3,006	3,298	3,700	4,141
EBIT	10,002	10,451	10,961	12,073	13,519
Other Income	-	-	-	-	-
Finance Cost	424	737	882	882	882
PBT before Excep. & Forex	11,297	9,693	10,842	12,183	13,911
Excep. & Forex Inc./Loss(-)	-	-	-	-	-
PBT	11,297	9,693	10,842	12,183	13,911
Taxes	2,929	2,347	2,602	2,924	3,408
Extraordinary Inc./Loss(-)	-	-	-	-	-
Assoc. Profit/Min. Int.(-)	127	-376	-222	-222	-222
Reported Net Profit	8,241	7,722	8,462	9,481	10,725
Adjusted Net Profit	**8,241**	**7,722**	**8,462**	**9,481**	**10,725**
Net Margin (%)	14.1	12.0	12.1	12.3	12.5
Diluted Share Cap. (mn)	274	274	274	274	274
Diluted EPS (INR)	**30.1**	**28.2**	**30.9**	**34.6**	**39.1**
Diluted EPS Growth (%)	38.4	-6.3	9.6	12.0	13.1
Total Dividend + Tax	2,780	2,453	3,924	3,924	3,924
Dividend Per Share (INR)	8.4	7.4	11.9	11.9	11.9

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Shareholders Fund	29,122	35,489	39,997	45,524	52,295
Share Capital	2,717	2,722	2,722	2,722	2,722
Reserves & Surplus	26,405	32,687	37,417	43,165	50,158
Preference Share Capital	-	-	-	-	-
Minority Interest	-	80	-142	-364	-585
Total Loans	15	4,622	4,622	4,622	4,622
Def. Tax Liab. / Assets (-)	-	-	-	-	-
Other non-current liabilities / Lease Liabilities	15,421	22,318	24,114	26,360	29,336
Total - Equity & Liab.	**44,557**	**62,429**	**68,733**	**76,505**	**86,253**
Net Fixed Assets	19,812	39,913	40,113	40,376	40,724
Gross Fixed Assets	2,344	2,492	2,693	2,955	3,303
Intangible Assets	17,468	37,421	37,421	37,421	37,421
Less: Depn. & Amort.	-	-	-	-	-
Capital WIP	-	-	-	-	-
Investments	-	-	-	-	-
Current Assets	30,517	32,651	39,024	46,814	56,585
Inventories	847	881	1,050	1,153	1,288
Sundry Debtors	7,548	9,278	9,590	10,526	11,765
Cash & Bank Balances	15,865	14,269	19,465	25,348	32,591
Loans & Advances	-	-	-	-	-
Other Current Assets	6,258	8,223	8,919	9,789	10,941
Current Liab. & Prov.	5,772	10,135	10,404	10,685	11,056
Current Liabilities	5,053	6,072	6,634	7,281	8,138
Provisions & Others	719	4,063	3,770	3,404	2,919
Net Current Assets	21,474	19,053	24,863	32,007	40,920
Other Non Current Assets/ROU Assets	3,271	3,464	3,757	4,123	4,608
Total - Assets	**44,557**	**62,429**	**68,733**	**76,505**	**86,253**

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Profit before Tax	11,297	9,693	10,842	12,183	13,911
Depn. & Amort.	2,250	3,006	3,298	3,700	4,141
Net Interest Exp. / Inc. (-)	274	591	119	-110	-393
Inc (-) / Dec in WCap.	2,167	-77	888	619	820
Others	-71	1,848	-	-	-
Taxes Paid	-2,049	-2,141	-2,602	-2,924	-3,408
Operating Cash Flow	**13,867**	**12,921**	**12,545**	**13,468**	**15,071**
Capex	-1,273	-1,386	-3,499	-3,963	-4,489
Free Cash Flow	12,594	11,535	9,046	9,505	10,582
Inc (-) / Dec in Investments	-1,442	2,087	-	-	-
Others	-2,747	-12,562	763	992	1,274
Investing Cash Flow	**-5,463**	**-11,861**	**-2,735**	**-2,971**	**-3,215**
Inc / Dec (-) in Capital	-	-	-222	-222	-222
Dividend + Tax thereon	-1,928	-2,244	-3,289	-3,289	-3,289
Inc / Dec (-) in Loans	-2	4,576	-	-	-
Others	-1,495	-1,443	-882	-882	-882
Financing Cash Flow	**-3,424**	**889**	**-4,392**	**-4,392**	**-4,392**
Inc / Dec (-) in Cash	**4,980**	**1,949**	**5,418**	**6,105**	**7,465**
Opening Cash Balance	8,959	15,865	14,269	19,465	25,348
Closing Cash Balance	13,939	17,814	19,686	25,569	32,812

Source: Company, JM Financial

Dupont Analysis					
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Net Margin (%)	14.1	12.0	12.1	12.3	12.5
Asset Turnover (x)	1.4	1.1	1.0	1.0	1.0
Leverage Factor (x)	1.6	1.8	1.9	1.8	1.7
RoE (%)	32.6	23.9	22.4	22.0	21.7

Source: Company, JM Financial

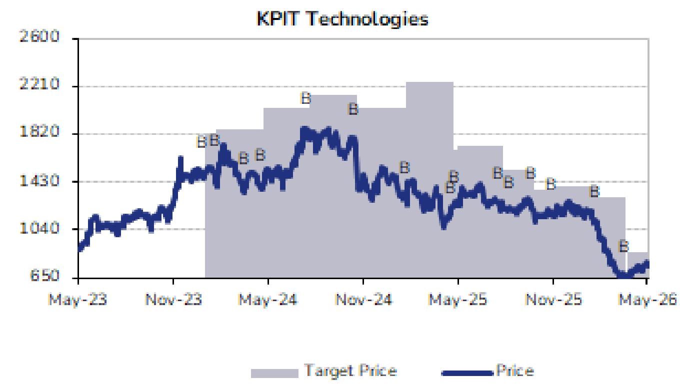
Key Ratios					
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
BV/Share (INR)	106.4	129.2	146.5	167.4	192.9
ROIC (%)	56.1	40.5	32.7	36.7	41.6
ROE (%)	32.6	23.9	22.4	22.0	21.7
Net Debt/Equity (x)	-0.5	-0.3	-0.4	-0.5	-0.5
P/E (x)	24.0	25.6	23.4	20.9	18.5
P/B (x)	6.8	5.6	4.9	4.3	3.7
EV/EBITDA (x)	14.9	14.0	12.8	11.2	9.6
EV/Sales (x)	3.1	2.9	2.6	2.3	2.0
Debtor days	47	52	50	50	50
Inventory days	5	5	5	5	5
Creditor days	14	19	19	19	19

Source: Company, JM Financial

Recommendation History Table

Date	Recommendation	Target Price	% Chg.
29-Mar-26	Buy	860	
25-Mar-26	Buy	860	-34.4
31-Jan-26	Buy	1,310	-6.4
10-Nov-25	Buy	1,400	2.9
1-Oct-25	Buy	1,360	-11.1
19-Aug-25	Buy	1,530	0.0
31-Jul-25	Buy	1,530	-11.0
7-May-25	Buy	1,720	1.2
29-Apr-25	Buy	1,700	-24.4
30-Jan-25	Buy	2,250	10.3
24-Oct-24	Buy	2,040	-4.7
25-Jul-24	Buy	2,140	5.4
30-Apr-24	Buy	2,030	9.1
27-Mar-24	Buy	1,860	0.0
30-Jan-24	Buy	1,860	1.6
8-Jan-24	Buy	1,830	

Recommendation History Chart



APPENDIX I

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Rating System: Definition of ratings	
Rating	**Meaning**
BUY	Expected return >= 15% over the next twelve months.
ADD	Expected return >= 5% and < 15% over the next twelve months.
REDUCE	Expected return >= -10% and < 5% over the next twelve months.
SELL	Expected return < -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions. Please click here to access our detailed Terms and Conditions, including the Most Important Terms and Conditions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1177 Avenue of the Americas, 5th Floor, Offices 5045 and 5046, New York, New York 10036. Telephone +1 (332) 900 4956 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an “accredited investor” as such term is defined in National Instrument 45-106 Prospectus Exemptions and a “permitted client” as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.

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: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: ashley.johnson@jmfl.com
Grievance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: instcompliance@jmfl.com