

**HOLD**  
 TP: Rs 2,389 | ▲ 5%

**MPHASIS**

| IT Services

| 03 May 2026

**FY27 guide- An absolute number rather than industry linked one**

- Delivers on FY26 guidance. Guides for FY27 revenue growth of high single digit -low double digit with stable EBIT margin
- Riding BFSI wave. ~90% of incremental revenue in last 9 months. Client/vertical concentration an issue. DSO elevated due to large deals
- Broadly maintain estimates, Target PE multiple (10% premium to TCS') and retain HOLD rating. Vendor consolidation remains a risk

**4Q revenue broadly in line. EBIT margin impacted by hedge losses:** Revenue growth in CC terms was up by 2.5% QoQ, better than what we expected (2%) whereas EBIT margin at 15.4% came in lower than our estimate of 16.4% as there were hedge losses due to sharp movement of the INR during the quarter.

**Riding the BFSI demand upturn:** MPHL is benefiting from the industry wide demand uptick from the BFSI sector. ~90% of incremental revenue in the last three quarters of FY26 (Fedex ramp down impacted quarters before that), with insurance leading. Insurance was 16% of 4QFY26 revenue (11% in 4QFY25 and 8% in 4QFY23). Believe the insurance uptick has been driven by the Silverline acquisition (Salesforce related) done in October 2023 and partnership with Agentsync in September 2024. Insurance vertical has been strengthened with hiring of Richard Miller as Global Head in April 2026, who spent 35 years at Accenture.

**MPHL talks of absolute growth instead of industry linked one:** The high-single-digit, low-double-digit revenue growth guidance for FY27 is a confident one in the context of the market. Mphasis grew >2x industry rate in FY26, as guided. Growth aspired for in FY27 is likely 3-4x Industry's. Risk to BFSI sector outsourcing is from second order impact of West Asia war, GCC insourcing and vendor consolidation.

**High client and vertical concentration raises risks to growth:** Client/vertical concentration risks (top client at 13%, top 10 at 56% and BFSI at 69% in 4QFY26) remain high and in the current hyper competitive environment where the predominant theme is vendor consolidation, we can't be sure that there will be no negative surprises (like in the case of Fedex, possibly a top 5 client, which shifted to Accenture). Many of its top clients (who have been long standing) have multi-vendor relationships.

**Mphasis in the middle of the peer set growth bucket with reasonable valuations:** In FY27/FY28 we believe it will fall in the high single digit growth bucket among Tier-2 (with PSYS and COFORGE in the >15% bucket and Zensar and Birlasoft in the <5% bucket). Current valuations broadly reflect that. Hence a HOLD.

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**Key changes**

| Target | Rating |
|--------|--------|
| ▲      | ◀ ▶    |

|                  |                   |
|------------------|-------------------|
| Ticker/Price     | MPHL IN/Rs 2,277  |
| Market cap       | US\$ 4.6bn        |
| Free float       | 69%               |
| 3M ADV           | US\$ 16.1mn       |
| 52wk high/low    | Rs 3,037/Rs 2,013 |
| Promoter/FPI/DII | 31%/20%/46%       |

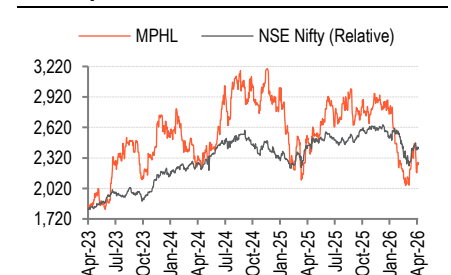
Source: NSE | Price as of 30 Apr 2026

**Key financials**

| Y/E 31 Mar              | FY26A   | FY27E   | FY28E   |
|-------------------------|---------|---------|---------|
| Total revenue (Rs mn)   | 158,796 | 182,348 | 198,528 |
| EBITDA (Rs mn)          | 29,835  | 33,506  | 36,610  |
| Adj. net profit (Rs mn) | 18,980  | 22,227  | 24,693  |
| Adj. EPS (Rs)           | 97.5    | 116.4   | 129.3   |
| Adj. ROAE (%)           | 18.6    | 19.9    | 20.4    |
| Adj. P/E (x)            | 23.4    | 19.6    | 17.6    |
| EV/EBITDA (x)           | 14.6    | 13.0    | 12.0    |
| Adj. EPS growth (%)     | 9.2     | 19.4    | 11.1    |

Source: Company, Bloomberg, BOBCAPS Research

**Stock performance**



Source: NSE



## Key Points from the quarter and the earnings call

### 4QFY26

- Revenue stood at US\$463mn, up 2.5% QoQ (beating our estimate of 2%) and 7.1% YoY in CC terms
  - Continued growth momentum in BFS and Insurance
  - Strong sequential growth across Americas and EMEA
  - Gains in strategic accounts and steady ramp up in recent large deals
- EBIT margin stood at 15.4% (against our estimate of 16.4%), expanding 20 bps QoQ and 10 bps YoY. The miss stemmed from hedge losses incurred in the quarter which were ~150bps of 4QFY26 revenue versus ~90bps in 3QFY26.
- Direct revenue (ex HP services) stood at US\$456mn, growing 3.3% QoQ and 9.2% YoY in CC terms. It contributed 98.6% to total revenue
  - Management expects direct business momentum to continue supported by strong deal conversion and savings-led AI transformation programs
  - Geography-wise: US direct business grew 3.6% QoQ and 10.7% YoY driven by ramp-up of recent large deals; EMEA direct revenue grew 6.9% QoQ and 0.8% YoY, with YoY growth impacted by revenue structuring for a large logistics client; Rest of world direct revenue grew 2.6% YoY in CC terms supported by GCC market expansion and participation in globally structured deals
- Growth in CC terms:
  - By Geography: Americas: 2.9% QoQ and 9.5% YoY; EMEA: 6.8% QoQ and 0.4% YoY; Others: -7.8% QoQ and -9.4% YoY
  - By Segment: Banking and Financial Services: 5.8% QoQ and 15% YoY (growth partly moderated by ramp-down of non-strategic ATM business); Insurance: 7.2% QoQ and 45.6% YoY (driven by AI-led decisioning use cases across underwriting, claims and risk operations); Technology Media and Telecom: -10.3% QoQ and -3.3% YoY (saw near-term softness due to project completions and delayed client decisions linked to macro and geopolitical uncertainty. Management expects TMT to return to sequential growth over coming quarters); Logistics & Transportation: -3.7% QoQ and -50.1% YoY; Others: 5.1% QoQ and 4.3% YoY (driven by recent healthcare large deal wins)
  - By Service Type: Application Services: 4.6% QoQ and 14% YoY; Business Process Services: -2% QoQ and -1.6% YoY; Infrastructure Services: -6.4% QoQ and -21.6% YoY
- Expansion is driven by wallet-share gains in existing accounts and disciplined ramp-up of large deals
- **The higher level of DSO which was at 90 days compared to 75 days in 4QFY25 and 66 days in 4QFY24 stem from the large annuity deals that it has**

**been winning in recent years and hence part of the commercial construct with upfront client savings commitments. That has led to the OCF coming at the lowest level in recent years at 66% of net profit in FY26 compared to >100% in both FY25 and FY24. MPHL guides that the number will likely be 80% in FY27.**

- Operating cash flow was US\$21mn, temporarily impacted by ~US\$17mn due to system-related delays in customer remittances. Delayed collections were realized in early April, implying normalized quarterly operating cash flow of ~US\$38 mn.
- 4Q net new TCW stood at US\$407 mn including four large deals. This reflects a decline of 4.9% QoQ and growth of 4.4% YoY. 64% of quarterly wins were AI-led

### Guidance for FY27

- Despite macro uncertainty, FY27 revenue growth guidance is high single digit to low double digit supported by execution discipline and rising AI transformation demand. This is an absolute number guidance compared to the guidance provided in FY26 which was industry growth linked.
- Margin guidance for FY27 remains unchanged at 14.75% to 15.75%
- Operating cash flow to net income conversion is expected to remain around 80%

### FY26

- Revenue stood at US\$1,796mn, growing 6.7% YoY in CC terms
- Direct Revenue grew 8.7% YoY in CC terms
- EBIT margin was 15.3%, flat YoY
- New TCW wins of US\$2.1bn (68% Growth YoY) of which 60% is AI led
  - Management indicated non-BFS also contributed meaningfully to the US\$2.1 bn TCW conversion, despite BFS remaining the strongest growth driver
  - Pipeline is up ~38% YoY; ~69% AI-led
- YoY Growth (CC terms)
  - By Segment: Banking and Financial Services: 15.4%; Insurance: 35.3%; Technology Media and Telecom: 13.9%; Logistics & Transportation: -53.2%; Others: -4.5%. Logistics and Transportation growth was linked to the loss of Fedex account to Accenture. There was a sharp QoQ decline in 1QFY26 because of that.
  - By Geography: Americas: 9.7%; EMEA: -9.9%; Others: -2.5%
  - By Service Type: Application Services: 11.4%; Business Process Services: -2.9%; Infrastructure Service: -7.6%

### Other Points

- Hedge losses are expected to continue in 1H FY27 as the hedge book remains in place for the next four quarters. Benefit of rupee depreciation is likely to be visible

only in 2H FY27 as hedge losses taper, with part of the benefit absorbed through business adjustments

- BFS and insurance growth remained broad-based, driven largely by in-account deal wins and ramp-up of deals closed in 1QFY26, which accelerated growth in 2H
  - BFS pipeline continues to build strongly even after FY26 growth, supporting confidence that BFS and insurance will remain key contributors to FY27 growth
  - Management remains confident of sustaining growth momentum in BFS and insurance, though growth rate versus FY26 will depend on deal conversion and speed of revenue ramp-up
- Logistics stabilized in 2H after internal churn, supported by new customer additions and wins outside rundown accounts. Given the smaller base, one or two large deal wins can materially move logistics growth. Management expects logistics to gradually recover through FY27, supported by existing quality logos across logistics, transportation, airlines and railroads
- No meaningful cross-border impact has been seen so far from Iran-related developments, given business concentration in the US. Oil price sensitivity is being monitored for transportation and airlines, though it is too early to assess long-term FY27 impact
- Investments continue across leadership and client diversification, including recent leadership additions and stronger push into insurance, CPG and retail. Growth strategy remains focused on strengthening the client portfolio across pyramid, verticals and geographies
- Management indicated XaaS (Everything-as-a-platform) is not cannibalizing ERP, as Mphasis has limited ERP exposure and remains largely a custom application business. ERP cannibalization risk is seen as more relevant for companies with large ERP practices
- Ability to drive value-based deals through differentiated propositions, delivery capability and technical competency is seen as the key reason for continued momentum
- AI productivity gains are increasing across engineering, testing and maintenance, but pass-through to clients remains measured and structured. Part of productivity gains is passed to clients or linked to outcome-based commercial models, while a meaningful portion is used for additional automation, AI layers and modernization. Management indicated productivity is driving both efficiency and growth within client accounts rather than pure deflation
- Clients have not materially cut core tech budgets, but spending is being reprioritized toward AI programs with clear ROI
- AI budget decisions are increasingly linked to business outcomes, allowing funding to come from outside traditional IT budgets where ROI is clear
- Tech budgets among top enterprises have gone up low single digits, with part of spend shifting toward AI stack creation

- A large future spend opportunity is expected in AI infrastructure and compute modernization, likely outside annual tech budgets and driven by infrastructure capex over the next two to three years. Management indicated strong deal-making momentum is already visible in this infrastructure-related segment
- Client focus has shifted from AI experimentation toward scaled deployment, with emphasis on operationalizing AI, automating end-to-end workflows, accelerating modernization and embedding intelligence into day-to-day operations with explainability, governance, security and accountability built in by design
- AI is increasingly being positioned by clients as a growth engine. It is enabling new business models, enhancing customer experiences, deepening client relationships, and unlocking new monetization opportunities alongside efficiency gains
- Clients continue to prioritize modernization and simplification of complex technology estates.
- Clients are increasingly seeking platforms capable of orchestrating AI-led enterprise execution beyond isolated deployments into coordinated end-to-end transformation
- Historically, enterprise transformation largely meant technology transformation (cloud migrations, ERP upgrades, cybersecurity modernization, and data platform investments) mainly IT-led initiatives with business functions as internal stakeholders. AI fundamentally changes this paradigm by creating value through upgrading work rather than upgrading systems
- The build-out of the AI stack has been significantly accelerated through the acquisition of Theory and Practice and its decision intelligence platform, Continuum AI
- NeoIP and the AI-led platform stack are driving differentiation in modernization by enabling faster execution at scale versus traditional multi-year programs. Modernization programs are being delivered in a fraction of historical timelines with higher complexity and greater certainty of outcomes

## We have an Underweight stance on Indian IT Services

We reinitiated coverage on the Indian IT Services with an Underweight stance through a report on 1 January 2025 (**Slow is the (new/old) normal**) and reiterated our view with updates on 12<sup>th</sup> March 2025 (**FY26 unlikely to be better than FY25**), 10<sup>th</sup> July 2025 (**Uncertainty stays and 'eating the tariff' may impact even FY27**) and 12 January 2026 (**A fourth slow year?**).

While both earnings and PE multiples have corrected since 1 Jan 2025, the industry's structural organic revenue growth from here on will be much lower vs ~7% CAGR seen during FY15-FY20; possibly ~3-5% CAGR over FY25-FY30 in constant currency (CC) terms. We also believe that release of advanced AI models will cause significant disruption to the industry rendering the sector to be a 'value trap'. We wrote about this in our 17 February 2026 report (**Existential threat, value trap or Temporary blip**) and through our 6 April 2026 report (**Narrative of FY27 being modestly better, set for its first test**).

### Multiple speed breakers drive our Underweight stance

**Trump policies raise uncertainty:** While tariffs drove uncertainty in 2025, Trump's multiple proposals to address affordability crisis in the US ahead of the mid-terms in Nov'26 will be the key monitorable in 2026 (eg: freezing credit card interest rate at 10%, controlling prices of products and services, cash payments to citizens, buying of US\$200bn MBSs, etc.). There will be winners/ losers due to this in USA Inc and that could reflect in the IT spending outcomes.

**Higher for longer interest rate environment:** Lately, based on inflation prints and fears of a higher fiscal deficit, US 10Y yields have remained firm. There are fears of sustained high interest rates potentially reducing IT outsourcing demand; particularly in BFSI and Telecom, and dampen US demand in areas like housing, autos and retail.

**Gen AI and GCCs are going to disrupt growth:** We believe that AI/Gen AI will lead to compression of revenue for the industry in the next 24-36 months, as companies self-cannibalize to hold on to their existing clients. Rapid growth of the GCCs is a threat to outsourcing. While there seems to be collaboration between outsourcers and their clients in setting up these GCCs, there will be growth discontinuity when the business is insourced at some point.

### Massive hyper scaler AI capex should accentuate re-alignment in IT spend:

Software players, including hyper scalers, are increasing capex on AI-related data centres. This will drive higher pricing, forcing enterprises to allocate more IT spend to Cloud/SaaS and move it away from the ones with lower bargaining power – global IT Services players.

**Higher competition:** Indian Tier-1 companies now face higher competition from Accenture, Tier-2 players and Cognizant, likely slowing their growth vs FY15-FY20. This is besides the fact that by FY25, Tier-1 revenue has reached US\$ 85bn, double that in FY15. Due to the higher base now, growth may not be as rapid.

**How we are valuing companies:** We are using PE methodology, as also TCS, as our industry benchmark. Target PE for TCS is 16.8x, which is the average PE multiple of TCS over the last 10 years less 1.5SD. We have been giving subjective premium/discount to the benchmark target PE to arrive at target PE multiples for the rest of our coverage.

Our target PE multiples are lower than those used by consensus/competitors. Through our choice of the benchmark target PE multiple, we seek to capture the mortality and relevance risk that players face in this era of advanced AI models.

### **Tier- 2 valuation reflects growth gap with Tier-1**

Tier-2 set has been taking away market share from the Tier-1 set, due to better execution as well as their smaller size. And, unlike previous cycles, they have performed better than the Tier-1 set, largely on better management teams.

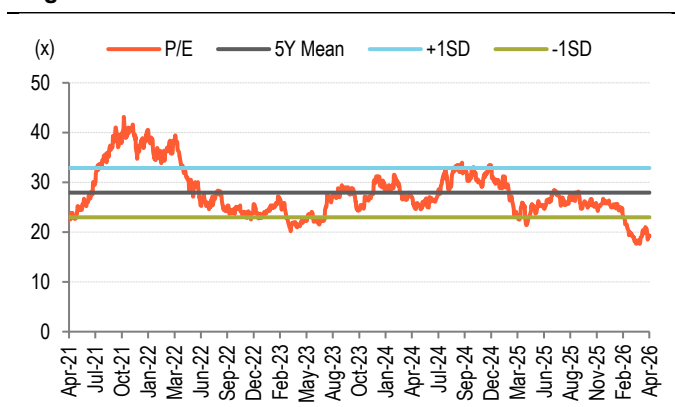
However, current PE premium to Tier-1s is excessive for certain stocks, because to deliver on the high consensus revenue growth expectations, they may be taking on more cost take-out projects that are likely to impact margins adversely.

Also, some of the Tier-2s have been underperforming on the growth front, being discretionary project-oriented businesses struggling to pivot to a cost-take-out-driven demand environment.

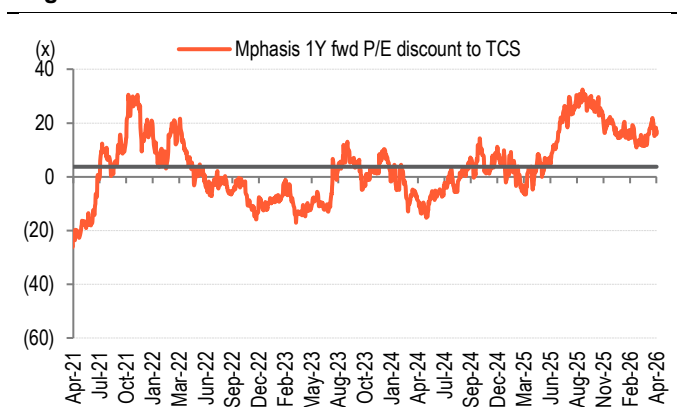
**Fig 1 – Quarterly results: Comparison of actuals with estimates**

| Y/E Mar (Rs mn)              | 4QFY25       | 3QFY26       | 4QFY26       | YoY (%)     | QoQ (%)     | 4QFY26E      | Dev (%)      |
|------------------------------|--------------|--------------|--------------|-------------|-------------|--------------|--------------|
| USD Revenue (US\$mn)         | 430          | 451          | 463          | 7.5         | 2.5         | 461          | 0.4          |
| Net sales                    | 37,100       | 40,026       | 42,427       | 14.4        | 6.0         | 42,147       | 0.7          |
| Direct Costs                 | 26,451       | 28,745       | 30,421       | 15.0        | 5.8         | 29,895       | 1.8          |
| % of sales                   | 71.3         | 71.8         | 71.7         |             |             | 70.9         |              |
| Gross Profit                 | 10,649       | 11,281       | 12,006       | 12.7        | 6.4         | 12,253       | (2.0)        |
| % of sales                   | 28.7         | 28.2         | 28.3         |             |             | 29.1         |              |
| Selling expenses             | 2,790        | 2,983        | 3,263        | 17.0        | 9.4         | 2,983        | 9.4          |
| % of sales                   | 7.5          | 7.5          | 7.7          |             |             | 7.1          |              |
| G&A expenses                 | 2,187        | 2,210        | 2,218        | 1.4         | 0.4         | 2,345        | (5.4)        |
| % of sales                   | 5.9          | 5.5          | 5.2          |             | (5.3)       | 5.6          |              |
| Provision for doubtful debts | 0            | 0            | 0            |             |             | 0            |              |
| <b>EBIT</b>                  | <b>5,672</b> | <b>6,088</b> | <b>6,525</b> | <b>15.0</b> | <b>7.2</b>  | <b>6,925</b> | <b>(5.8)</b> |
| <b>% of sales</b>            | <b>15.3</b>  | <b>15.2</b>  | <b>15.4</b>  |             |             | <b>16.4</b>  |              |
| Other Income                 | 239          | 197          | 288          | 20.5        | 46.2        | 304          | (5.4)        |
| PBT                          | 5,911        | 6,285        | 6,813        | 15.3        | 8.4         | 7,229        | (5.8)        |
| Exceptional item             | 0            | 355          | 0            |             |             | 0            |              |
| Provision for tax            | 1,446        | 1,598        | 1,717        | 18.7        | 7.4         | 1,736        | (1.1)        |
| Effective tax rate (%)       | 24.5         | 25.4         | 25.2         |             |             | 24.0         |              |
| <b>PAT (reported)</b>        | <b>4,465</b> | <b>4,421</b> | <b>5,096</b> | <b>14.1</b> | <b>15.3</b> | <b>5,494</b> | <b>(7.2)</b> |
| <b>Margin (%)</b>            | <b>12.0</b>  | <b>11.0</b>  | <b>12.0</b>  |             |             | <b>13.0</b>  |              |

Source: Company, BOBCAPS Research

**Fig 2 – 5 Year PE trend**

Source: Bloomberg, BOBCAPS Research

**Fig 3 – Premium/ Discount to TCS**

Source: Bloomberg, BOBCAPS Research

**Fig 4 – Revised Estimates**

| Change in estimates    | New     |         |         | Old     |         |         | % Change |       |       |
|------------------------|---------|---------|---------|---------|---------|---------|----------|-------|-------|
|                        | FY27E   | FY28E   | FY29E   | FY27E   | FY28E   | FY29E   | FY27E    | FY28E | FY29E |
| INR/USD                | 93.9    | 94.9    | 95.9    | 93.9    | 94.9    | 95.9    | -        | -     | -     |
| USD Revenue (in mn)    | 1,942   | 2,092   | 2,259   | 1,929   | 2,073   | 2,238   | 0.7      | 0.9   | 0.9   |
| USD Revenue Growth (%) | 8.1     | 7.7     | 8.0     | 7.5     | 7.5     | 8.0     |          |       |       |
| Revenue (Rsmn)         | 182,348 | 198,528 | 216,599 | 181,116 | 196,713 | 214,619 | 0.7      | 0.9   | 0.9   |
| EBIT (Rsmn)            | 27,690  | 30,437  | 33,044  | 27,912  | 30,104  | 32,801  | (0.8)    | 1.1   | 0.7   |
| EBIT Margin (%)        | 15.2    | 15.3    | 15.3    | 15.4    | 15.3    | 15.3    |          |       |       |
| PAT (Rsmn)             | 22,227  | 24,693  | 27,181  | 22,230  | 24,125  | 26,763  | (0.0)    | 2.4   | 1.6   |
| FDEPS (Rs)             | 116.4   | 129.3   | 142.3   | 116.3   | 126.2   | 140.0   | 0.1      | 2.4   | 1.6   |

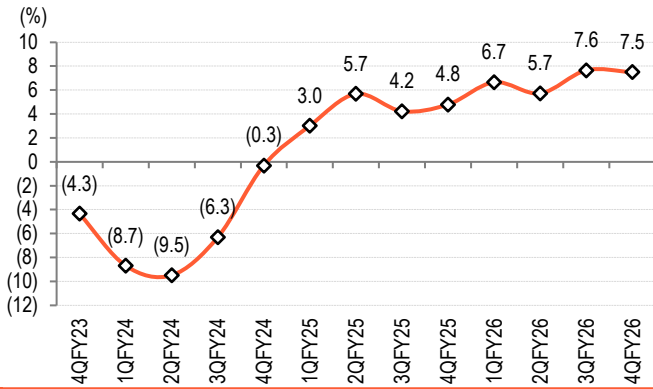
Source: BOBCAPS Research

**Fig 5 – P&L at a glance**

| (YE March)                      | FY13         | FY14*        | FY15         | FY16         | FY17         | FY18         | FY19          | FY20          | FY21          | FY22          | FY23          | FY25          | FY26          | FY27E         | FY28E         | FY29E         |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Average exchange rate (INR/USD) | 57.0         | 134.2        | 61.4         | 65.8         | 68.0         | 64.5         | 69.9          | 71.2          | 74.1          | 74.5          | 80.6          | 84.6          | 89.1          | 93.9          | 94.9          | 95.9          |
| <b>Net Sales (USD mn)</b>       | <b>1,017</b> | <b>427</b>   | <b>944</b>   | <b>926</b>   | <b>894</b>   | <b>989</b>   | <b>1,119</b>  | <b>1,239</b>  | <b>1,308</b>  | <b>1,593</b>  | <b>1,718</b>  | <b>1,681</b>  | <b>1,796</b>  | <b>1,942</b>  | <b>2,092</b>  | <b>2,259</b>  |
| <b>Growth (%)</b>               | -            | -            | -            | (1.9)        | (3.5)        | 10.7         | 13.1          | 10.8          | 5.6           | 21.7          | 7.8           | 4.4           | 6.9           | 8.1           | 7.7           | 8.0           |
| Net Sales (Rs mn)               | 57,963       | 57,276       | 57,948       | 60,879       | 60,763       | 65,459       | 77,311        | 88,436        | 97,222        | 119,615       | 137,985       | 142,300       | 158,796       | 182,348       | 198,528       | 216,599       |
| -Growth (%)                     | 8.2          | -            | -            | 5.1          | (0.2)        | 7.7          | 18.1          | 14.4          | 9.9           | 23.0          | 15.4          | 7.2           | 11.6          | 14.8          | 8.9           | 9.1           |
| Direct Costs                    | 43,396       | 42,464       | 43,424       | 45,362       | 44,118       | 47,892       | 56,407        | 63,503        | 69,610        | 86,829        | 100,475       | 101,522       | 113,756       | 129,186       | 141,144       | 154,329       |
| Gross Profit                    | 14,567       | 14,812       | 14,524       | 15,517       | 16,645       | 17,567       | 20,904        | 24,933        | 27,612        | 32,786        | 37,510        | 40,778        | 45,040        | 53,162        | 57,384        | 62,270        |
| % of sales                      | 25.1         | 25.9         | 25.1         | 25.5         | 27.4         | 26.8         | 27.0          | 28.2          | 28.4          | 27.4          | 27.2          | 28.7          | 28.4          | 29.2          | 28.9          | 28.7          |
| Selling expenses                | 3,052        | 3,220        | 3,654        | 3,951        | 4,195        | 4,238        | 4,800         | 5,820         | 6,851         | 7,196         | 8,635         | 10,652        | 11,954        | 15,164        | 15,481        | 17,646        |
| % of sales                      | 5.3          | 5.6          | 6.3          | 6.5          | 6.9          | 6.5          | 6.2           | 6.6           | 7.0           | 6.0           | 6.3           | 7.5           | 7.5           | 8.3           | 7.8           | 8.1           |
| G&A expenses                    | 2,401        | 2,685        | 2,940        | 3,314        | 3,419        | 3,445        | 3,603         | 4,923         | 5,152         | 7,320         | 7,788         | 8,417         | 8,805         | 10,308        | 11,466        | 11,580        |
| % of sales                      | 4.1          | 4.7          | 5.1          | 5.4          | 5.6          | 5.3          | 4.7           | 5.6           | 5.3           | 6.1           | 5.6           | 5.9           | 5.5           | 5.7           | 5.8           | 5.3           |
| Provision for doubtful debts    | 226.0        | 86.0         | 210.0        | 26.0         | 1.0          | (33.0)       | 20.0          | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>EBIT</b>                     | <b>8,888</b> | <b>8,821</b> | <b>7,720</b> | <b>8,226</b> | <b>9,030</b> | <b>9,917</b> | <b>12,481</b> | <b>14,190</b> | <b>15,609</b> | <b>18,270</b> | <b>21,087</b> | <b>21,709</b> | <b>24,281</b> | <b>27,690</b> | <b>30,437</b> | <b>33,044</b> |
| <b>% of sales</b>               | <b>15.3</b>  | <b>15.4</b>  | <b>13.3</b>  | <b>13.5</b>  | <b>14.9</b>  | <b>15.1</b>  | <b>16.1</b>   | <b>16.0</b>   | <b>16.1</b>   | <b>15.3</b>   | <b>15.3</b>   | <b>15.3</b>   | <b>15.3</b>   | <b>15.2</b>   | <b>15.3</b>   | <b>15.3</b>   |
| Other income                    | 1,394        | 500          | 1,968        | 1,954        | 2,385        | 1,620        | 1,747         | 1,780         | 1,330         | 1,605         | 1,617         | 2,550         | 3,206         | 5,032         | 5,443         | 6,024         |
| Financial Expenses              | (330)        | (111)        | (279)        | (242)        | (139)        | (130)        | (155)         | (813)         | (634)         | (744)         | (973)         | (1,656)       | (2,040)       | (3,006)       | (2,868)       | (2,730)       |
| PBT                             | 9,952        | 9,210        | 9,409        | 9,938        | 11,276       | 11,407       | 14,073        | 15,157        | 16,305        | 19,132        | 21,731        | 22,603        | 25,447        | 29,716        | 33,012        | 36,339        |
| -PBT margin (%)                 | 17.2         | 16.1         | 16.2         | 16.3         | 18.6         | 17.4         | 18.2          | 17.1          | 16.8          | 16.0          | 15.7          | 15.9          | 16.0          | 16.3          | 16.6          | 16.8          |
| Exceptional Item                | 0            | (64)         | (32)         | (548)        | (152)        | (131)        | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| Provision for tax               | 2,514        | 1,191        | 2,631        | 2,696        | 3,076        | 2,900        | 3,339         | 3,306         | 4,139         | 4,821         | 5,351         | 5,579         | 6,467         | 7,489         | 8,320         | 9,158         |
| Effective tax rate (%)          | 25.3         | 12.9         | 28.0         | 27.1         | 27.3         | 25.4         | 23.7          | 21.8          | 25.4          | 25.2          | 24.6          | 24.7          | 25.4          | 25.2          | 25.2          | 25.2          |
| <b>Net profit</b>               | <b>7,438</b> | <b>7,954</b> | <b>6,746</b> | <b>6,694</b> | <b>8,048</b> | <b>8,376</b> | <b>10,734</b> | <b>11,851</b> | <b>12,166</b> | <b>14,311</b> | <b>16,380</b> | <b>17,024</b> | <b>18,980</b> | <b>22,227</b> | <b>24,693</b> | <b>27,181</b> |
| <b>-Growth (%)</b>              | <b>(6.1)</b> | -            | -            | <b>(0.8)</b> | <b>20.2</b>  | <b>4.1</b>   | <b>28.2</b>   | <b>10.4</b>   | <b>2.7</b>    | <b>17.6</b>   | <b>14.5</b>   | <b>9.5</b>    | <b>9.4</b>    | <b>19.3</b>   | <b>11.1</b>   | <b>10.1</b>   |
| <b>-Net profit margin (%)</b>   | <b>12.8</b>  | <b>13.9</b>  | <b>11.6</b>  | <b>11.0</b>  | <b>13.2</b>  | <b>12.8</b>  | <b>13.9</b>   | <b>13.4</b>   | <b>12.5</b>   | <b>12.0</b>   | <b>11.9</b>   | <b>12.0</b>   | <b>12.0</b>   | <b>12.2</b>   | <b>12.4</b>   | <b>12.5</b>   |

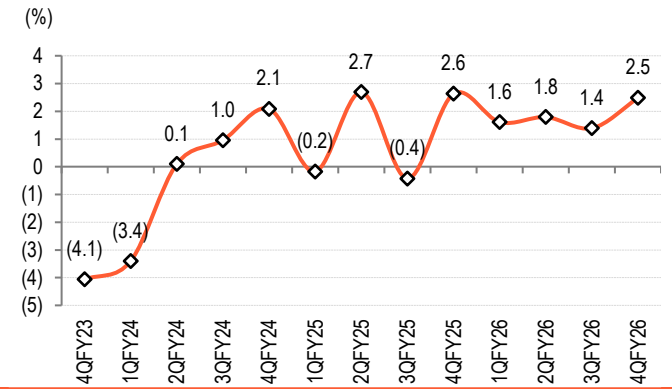
Source: Company, BOBCAPS Research

**Fig 6 – USD Revenue YoY Growth**



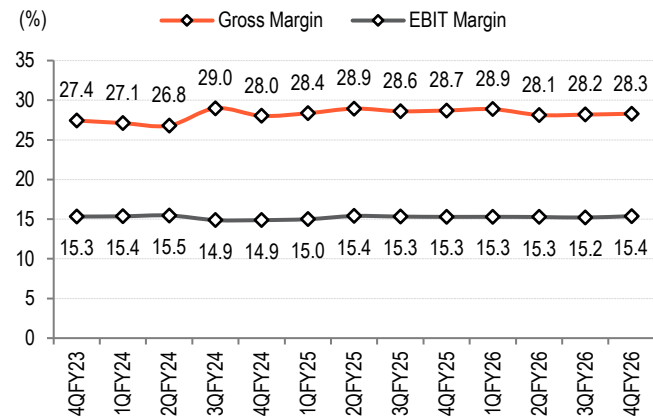
Source: Company, BOBCAPS Research

**Fig 7 – USD Revenue QoQ growth**



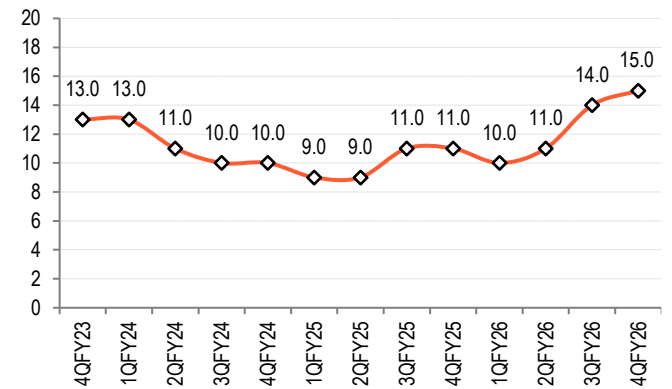
Source: Company, BOBCAPS Research

**Fig 8 – Gross Margin and EBIT Margin**



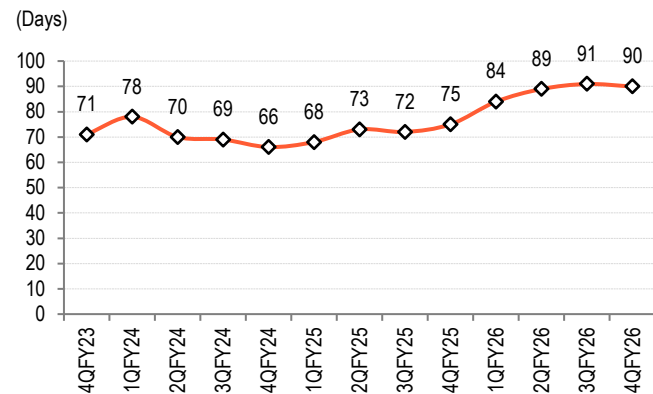
Source: Company, BOBCAPS Research

**Fig 9 – Number of clients contributing US\$20mn revenues**



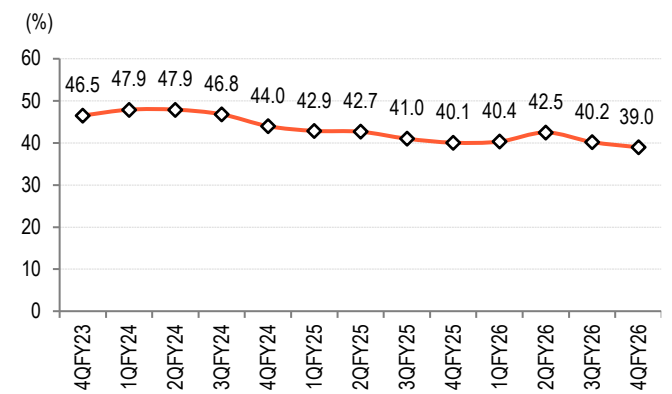
Source: Company, BOBCAPS Research

**Fig 10 – DSO trend – OCF is under pressure**



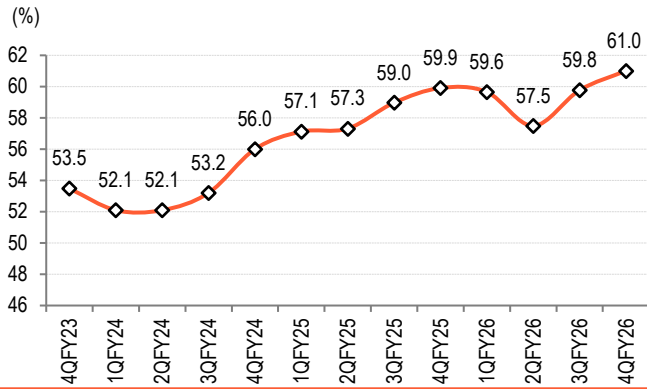
Source: Company, BOBCAPS Research

**Fig 11 – Offshore revenue contribution**



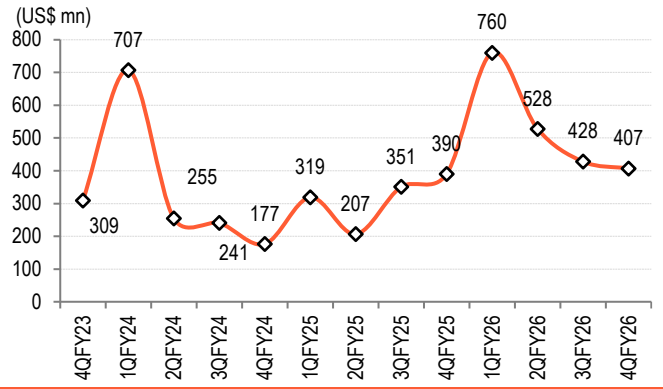
Source: Company, BOBCAPS Research

**Fig 12 – Onsite revenue contribution**



Source: Company, BOBCAPS Research

**Fig 13 – Order Inflow TCV (US\$m)**



Source: Company, BOBCAPS Research

**Fig 14 – Quarterly Snapshot**

| Year to 31 March      | 4QFY23 | 1QFY24 | 2QFY24 | 3QFY24 | 4QFY24 | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 | 2QFY26 | 3QFY26 | 4QFY26 |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Rs mn</b>          |        |        |        |        |        |        |        |        |        |        |        |        |        |
| INR/USD               | 82.3   | 82.2   | 82.7   | 83.3   | 83.2   | 83.4   | 83.8   | 84.8   | 86.4   | 85.4   | 88.3   | 89.5   | 93.1   |
| USD Revenue (USD mn)  | 412    | 398    | 398    | 402    | 411    | 410    | 421    | 419    | 430    | 437    | 445    | 451    | 463    |
| INR Revenue           | 33612  | 32520  | 32765  | 33379  | 34121  | 34225  | 35362  | 35613  | 37100  | 37324  | 39019  | 40026  | 42427  |
| Gross Margin          | 9221   | 8817   | 8781   | 9674   | 9563   | 9706   | 10234  | 10189  | 10649  | 10776  | 10977  | 11281  | 12006  |
| SGA                   | 4069   | 3822   | 3714   | 4703   | 4482   | 4571   | 4790   | 4731   | 4977   | 5067   | 5018   | 5193   | 5481   |
| EBIT                  | 5152   | 4995   | 5067   | 4971   | 5081   | 5135   | 5444   | 5458   | 5672   | 5709   | 5959   | 6088   | 6525   |
| Other income          | 426    | 504    | 490    | 542    | 642    | 736    | 587    | 627    | 600    | 810    | 727    | 608    | 1061   |
| PBT                   | 5341   | 5258   | 5217   | 4985   | 5224   | 5373   | 5626   | 5693   | 5911   | 6101   | 6248   | 6285   | 6813   |
| Tax                   | 1288   | 1297   | 1297   | 1250   | 1291   | 1328   | 1392   | 1413   | 1446   | 1684   | 1557   | 1509   | 1717   |
| PAT                   | 4053   | 3961   | 3920   | 3735   | 3933   | 4045   | 4234   | 4280   | 4465   | 4417   | 4691   | 4421   | 5096   |
| EPS                   | 21.5   | 21.0   | 20.8   | 19.8   | 20.9   | 21.4   | 22.4   | 22.6   | 23.5   | 23.2   | 24.7   | 23.2   | 26.7   |
| <b>YoY Growth (%)</b> |        |        |        |        |        |        |        |        |        |        |        |        |        |
| USD Revenue           | (4.3)  | (8.7)  | (9.5)  | (6.3)  | (0.3)  | 3.0    | 5.7    | 4.2    | 4.8    | 6.7    | 5.7    | 7.6    | 7.5    |
| INR Revenue           | 2.5    | (4.7)  | (6.9)  | (4.8)  | 1.5    | 5.2    | 7.9    | 6.7    | 8.7    | 9.1    | 10.3   | 12.4   | 14.4   |
| Gross Profit          | 0.4    | (8.2)  | (5.8)  | 3.3    | 3.7    | 10.1   | 16.5   | 5.3    | 11.4   | 11.0   | 7.3    | 10.7   | 12.7   |
| EBIT                  | 3.6    | (4.0)  | (5.8)  | (7.1)  | (1.4)  | 2.8    | 7.4    | 9.8    | 11.6   | 11.2   | 9.5    | 11.5   | 15.0   |
| Net Profit            | 3.4    | (1.5)  | (6.3)  | (9.4)  | (3.0)  | 2.1    | 8.0    | 14.6   | 13.5   | 9.2    | 10.8   | 3.3    | 14.1   |
| <b>QoQ growth (%)</b> |        |        |        |        |        |        |        |        |        |        |        |        |        |
| USD Revenue           | (4.1)  | (3.4)  | 0.1    | 1.0    | 2.1    | (0.2)  | 2.7    | (0.4)  | 2.6    | 1.6    | 1.8    | 1.4    | 2.5    |
| INR Revenue           | (4.1)  | (3.2)  | 0.8    | 1.9    | 2.2    | 0.3    | 3.3    | 0.7    | 4.2    | 0.6    | 4.5    | 2.6    | 6.0    |
| EBIT                  | (3.8)  | (3.0)  | 1.4    | (1.9)  | 2.2    | 1.1    | 6.0    | 0.3    | 3.9    | 0.7    | 4.4    | 2.2    | 7.2    |
| Net Profit            | (1.7)  | (2.3)  | (1.0)  | (4.7)  | 5.3    | 2.9    | 4.7    | 1.1    | 4.3    | (1.1)  | 6.2    | (5.8)  | 15.3   |
| <b>Margins (%)</b>    |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Gross Margin          | 27.4   | 27.1   | 26.8   | 29.0   | 28.0   | 28.4   | 28.9   | 28.6   | 28.7   | 28.9   | 28.1   | 28.2   | 28.3   |
| EBIT margin           | 15.3   | 15.4   | 15.5   | 14.9   | 14.9   | 15.0   | 15.4   | 15.3   | 15.3   | 15.3   | 15.3   | 15.2   | 15.4   |
| PAT                   | 12.1   | 12.2   | 12.0   | 11.2   | 11.5   | 11.8   | 12.0   | 12.0   | 12.0   | 11.8   | 12.0   | 11.0   | 12.0   |
| SGA                   | 12.1   | 11.8   | 11.3   | 14.1   | 13.1   | 13.4   | 13.5   | 13.3   | 13.4   | 13.6   | 12.9   | 13.0   | 12.9   |

Source: Company, BOBCAPS Research

**Fig 15 – Segmental Analysis**

| INR mn                         | 4QFY23        | 1QFY24        | 2QFY24        | 3QFY24        | 4QFY24        | 1QFY25        | 2QFY25        | 3QFY25        | 4QFY25        | 1QFY26        | 2QFY26        | 3QFY26        | 4QFY26        |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Segment Revenue</b>         |               |               |               |               |               |               |               |               |               |               |               |               |               |
| Banking and Financial Services | 17,689        | 16,121        | 15,542        | 15,684        | 16,076        | 16,302        | 16,892        | 17,306        | 18,590        | 19,679        | 20,161        | 20,912        | 23,033        |
| Insurance                      | 3,331         | 3,443         | 3,544         | 3,813         | 3,770         | 3,873         | 3,964         | 4,153         | 4,238         | 5,105         | 5,508         | 6,040         | 6,791         |
| Technology Media and Telecom   | 4,745         | 4,927         | 5,703         | 5,219         | 5,449         | 5,490         | 5,820         | 6,030         | 6,600         | 6,757         | 7,622         | 7,423         | 6,894         |
| Logistics & Transportation     | 4,675         | 4,630         | 4,407         | 4,581         | 4,668         | 4,684         | 4,637         | 4,336         | 4,060         | 2,171         | 2,184         | 2,183         | 2,182         |
| Others                         | 3,453         | 3,598         | 3,768         | 4,209         | 4,187         | 3,861         | 3,973         | 3,740         | 3,687         | 3,629         | 3,841         | 3,817         | 4,169         |
| <b>Total Revenues</b>          | <b>33,893</b> | <b>32,719</b> | <b>32,964</b> | <b>33,506</b> | <b>34,150</b> | <b>34,210</b> | <b>35,286</b> | <b>35,565</b> | <b>37,175</b> | <b>37,341</b> | <b>39,316</b> | <b>40,375</b> | <b>43,068</b> |
| <b>QoQ Revenue Growth %</b>    |               |               |               |               |               |               |               |               |               |               |               |               |               |
| Banking and Financial Services |               | (8.9)         | (3.6)         | 0.9           | 2.5           | 1.4           | 3.6           | 2.5           | 7.4           | 5.9           | 2.4           | 3.7           | 10.1          |
| Insurance                      |               | 3.4           | 2.9           | 7.6           | (1.1)         | 2.7           | 2.3           | 4.8           | 2.0           | 20.5          | 7.9           | 9.7           | 12.4          |
| Technology Media and Telecom   |               | 3.8           | 15.7          | (8.5)         | 4.4           | 0.8           | 6.0           | 3.6           | 9.5           | 2.4           | 12.8          | (2.6)         | (7.1)         |
| Logistics & Transportation     |               | (1.0)         | (4.8)         | 3.9           | 1.9           | 0.3           | (1.0)         | (6.5)         | (6.4)         | (46.5)        | 0.6           | (0.0)         | (0.1)         |
| Others                         |               | 4.2           | 4.7           | 11.7          | (0.5)         | (7.8)         | 2.9           | (5.9)         | (1.4)         | (1.6)         | 5.8           | (0.6)         | 9.2           |
| <b>YoY Revenue Growth %</b>    |               |               |               |               |               |               |               |               |               |               |               |               |               |
| Banking and Financial Services |               |               |               |               | (9.1)         | 1.1           | 8.7           | 10.3          | 15.6          | 20.7          | 19.4          | 20.8          | 23.9          |
| Insurance                      |               |               |               |               | 13.2          | 12.5          | 11.9          | 8.9           | 12.4          | 31.8          | 39.0          | 45.4          | 60.2          |
| Technology Media and Telecom   |               |               |               |               | 14.8          | 11.4          | 2.1           | 15.5          | 21.1          | 23.1          | 31.0          | 23.1          | 4.5           |
| Logistics & Transportation     |               |               |               |               | (0.1)         | 1.2           | 5.2           | (5.3)         | (13.0)        | (53.7)        | (52.9)        | (49.7)        | (46.3)        |
| Others                         |               |               |               |               | 21.3          | 7.3           | 5.4           | (11.1)        | (11.9)        | (6.0)         | (3.3)         | 2.1           | 13.1          |
| <b>Segment Profit</b>          |               |               |               |               |               |               |               |               |               |               |               |               |               |
| Banking and Financial Services | 5,019         | 4,211         | 3,458         | 4,361         | 4,275         | 4,223         | 4,544         | 4,693         | 5,433         | 6,309         | 6,277         | 6,453         | 7,852         |
| Insurance                      | 830           | 917           | 692           | 1,299         | 1,147         | 1,324         | 1,267         | 1,285         | 1,275         | 1,783         | 1,787         | 1,770         | 1,857         |
| Technology Media and Telecom   | 1,093         | 1,127         | 2,226         | 1,195         | 1,206         | 1,356         | 1,538         | 1,304         | 1,367         | 1,305         | 1,900         | 1,779         | 1,169         |
| Logistics & Transportation     | 1,435         | 1,411         | 1,269         | 1,535         | 1,543         | 1,512         | 1,489         | 1,602         | 1,505         | 126           | (116)         | 321           | 341           |
| Others                         | 1,126         | 1,351         | 1,334         | 1,412         | 1,421         | 1,275         | 1,318         | 1,256         | 1,144         | 1,271         | 1,426         | 1,308         | 1,428         |
| <b>Total Segment Profit</b>    | <b>9,503</b>  | <b>9,017</b>  | <b>8,979</b>  | <b>9,802</b>  | <b>9,592</b>  | <b>9,690</b>  | <b>10,156</b> | <b>10,140</b> | <b>10,724</b> | <b>10,794</b> | <b>11,274</b> | <b>11,631</b> | <b>12,648</b> |
| <b>Gross Margin %</b>          |               |               |               |               |               |               |               |               |               |               |               |               |               |
| Banking and Financial Services | 28.4          | 26.1          | 22.2          | 27.8          | 26.6          | 25.9          | 26.9          | 27.1          | 29.2          | 32.1          | 31.1          | 30.9          | 34.1          |
| Insurance                      | 24.9          | 26.6          | 19.5          | 34.1          | 30.4          | 34.2          | 32.0          | 30.9          | 30.1          | 34.9          | 32.4          | 29.3          | 27.3          |
| Technology Media and Telecom   | 23.0          | 22.9          | 39.0          | 22.9          | 22.1          | 24.7          | 26.4          | 21.6          | 20.7          | 19.3          | 24.9          | 24.0          | 17.0          |
| Logistics & Transportation     | 30.7          | 30.5          | 28.8          | 33.5          | 33.1          | 32.3          | 32.1          | 36.9          | 37.1          | 5.8           | (5.3)         | 14.7          | 15.6          |
| Others                         | 32.6          | 37.5          | 35.4          | 33.5          | 33.9          | 33.0          | 33.2          | 33.6          | 31.0          | 35.0          | 37.1          | 34.3          | 34.3          |
| <b>Total</b>                   | <b>28.0</b>   | <b>27.6</b>   | <b>27.2</b>   | <b>29.3</b>   | <b>28.1</b>   | <b>28.3</b>   | <b>28.8</b>   | <b>28.5</b>   | <b>28.8</b>   | <b>28.9</b>   | <b>28.7</b>   | <b>28.8</b>   | <b>29.4</b>   |

Source: Company, BOBCAPS Research

Fig 16 – Key Metrics

|   | 4QFY23 | 1QFY24 | 2QFY24 | 3QFY24 | 4QFY24 | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 | 2QFY26 | 3QFY26 | 4QFY26 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>P and L (Rsmn)</b>                       |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Revenues                                    | 33,893 | 32,719 | 32,964 | 33,507 | 34,150 | 34,208 | 35,286 | 35,565 | 37,174 | 37,341 | 39,316 | 40,375 | 43,068 |
| EBITDA                                      | 5,987  | 5,869  | 5,956  | 6,006  | 6,389  | 6,185  | 6,480  | 6,781  | 7,025  | 7,028  | 7,236  | 7,518  | 8,053  |
| PAT   | 4,053  | 3,961  | 3,920  | 3,735  | 3,933  | 4,045  | 4,234  | 4,280  | 4,465  | 4,417  | 4,691  | 4,421  | 5,096  |
| <b>Vertical/Industry (%)</b>                |        |        |        |        |        |        |        |        |        |        |        |        |        |
| BFS   | 53     | 49     | 47     | 47     | 47     | 48     | 48     | 49     | 50     | 53     | 51     | 52     | 53     |
| Insurance                                   | 8      | 11     | 11     | 11     | 11     | 11     | 11     | 12     | 11     | 14     | 14     | 15     | 16     |
| IT, C and E                                 | 13     | 15     | 17     | 16     | 16     | 16     | 16     | 17     | 18     | 18     | 19     | 18     | 16     |
| Emerging Ind.                               | 27     | 25     | 25     | 26     | 26     | 25     | 24     | 23     | 21     | 16     | 15     | 15     | 15     |
| <b>Absolute Numbers</b>                     |        |        |        |        |        |        |        |        |        |        |        |        |        |
| BFS   | 17,997 | 16,121 | 15,542 | 15,684 | 16,076 | 16,302 | 16,892 | 17,306 | 18,590 | 19,679 | 20,161 | 20,912 | 23,033 |
| Insurance                                   | 2,590  | 3,443  | 3,544  | 3,813  | 3,770  | 3,873  | 3,964  | 4,153  | 4,238  | 5,105  | 5,508  | 6,040  | 6,791  |
| IT, C and E                                 | 4,301  | 4,927  | 5,703  | 5,219  | 5,449  | 5,490  | 5,820  | 6,030  | 6,600  | 6,757  | 7,622  | 7,423  | 6,894  |
| Emerging Ind.                               | 9,005  | 8,228  | 8,175  | 8,790  | 8,855  | 8,545  | 8,610  | 8,076  | 7,747  | 5,800  | 6,025  | 6,000  | 6,350  |
| <b>QoQ Growth (%)</b>                       |        |        |        |        |        |        |        |        |        |        |        |        |        |
| BFS   | (5)    | (10)   | (4)    | 1      | 2      | 1      | 4      | 2      | 7      | 6      | 2      | 4      | 10     |
| Insurance                                   | (11)   | 33     | 3      | 8      | (1)    | 3      | 2      | 5      | 2      | 20     | 8      | 10     | 12     |
| IT, C and E                                 | (6)    | 15     | 16     | (8)    | 4      | 1      | 6      | 4      | 9      | 2      | 13     | (3)    | (7)    |
| Emerging Ind.                               | 1      | (9)    | (1)    | 8      | 1      | (4)    | 1      | (6)    | (4)    | (25)   | 4      | 0      | 6      |
| Total                                       | (4)    | (3)    | 1      | 2      | 2      | 0      | 3      | 1      | 5      | 0      | 5      | 3      | 7      |
| <b>YoY Growth (%)</b>                       |        |        |        |        |        |        |        |        |        |        |        |        |        |
| BFS   | 3      | (11)   | (19)   | (17)   | (11)   | 1      | 9      | 10     | 16     | 21     | 19     | 21     | 24     |
| Insurance                                   | (16)   | 15     | 21     | 31     | 46     | 12     | 12     | 9      | 12     | 32     | 39     | 45     | 60     |
| IT, C and E                                 | 0      | 9      | 25     | 14     | 27     | 11     | 2      | 16     | 21     | 23     | 31     | 23     | 4      |
| Emerging Ind.                               | 18     | (1)    | (5)    | (1)    | (2)    | 4      | 5      | (8)    | (13)   | (32)   | (30)   | (26)   | (18)   |
| Total                                       | 4      | (4)    | (7)    | (5)    | 1      | 5      | 7      | 6      | 9      | 9      | 11     | 14     | 16     |
| <b>Geography-wise Revenue Breakdown (%)</b> |        |        |        |        |        |        |        |        |        |        |        |        |        |
| USA   | 81     | 81     | 79     | 80     | 81     | 81     | 81     | 82     | 82     | 83     | 84     | 83     | 84     |
| Europe                                      | 11     | 10     | 12     | 12     | 11     | 11     | 11     | 10     | 10     | 9      | 9      | 9      | 10     |
| Others                                      | 9      | 9      | 9      | 8      | 8      | 8      | 8      | 8      | 8      | 8      | 7      | 7      | 7      |
| <b>Delivery Location (INR Millions)</b>     |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Onsite (%)                                  | 53     | 52     | 52     | 53     | 56     | 57     | 57     | 59     | 60     | 60     | 57     | 60     | 61     |
| Offshore (%)                                | 47     | 48     | 48     | 47     | 44     | 43     | 43     | 41     | 40     | 40     | 43     | 40     | 39     |
| <b>Project Type (%)</b>                     |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Time and Material                           | 58     | 58     | 58     | 58     | 58     | 60     | 60     | 58     | 55     | 49     | 49     | 47     | 45     |
| Fixed Price                                 | 42     | 42     | 42     | 42     | 42     | 40     | 40     | 42     | 45     | 51     | 51     | 53     | 46     |
| Transaction Based                           |        |        |        |        |        |        |        |        |        |        |        |        | 9      |
| <b>Client concentration (%)</b>             |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Top client                                  | 13     | 13     | 16     | 15     | 14     | 14     | 15     | 15     | 14     | 13     | 12     | 12     | 13     |
| Top 5 clients                               | 44     | 43     | 47     | 46     | 44     | 44     | 43     | 43     | 42     | 40     | 39     | 40     | 41     |
| Top 10 clients                              | 59     | 58     | 58     | 55     | 54     | 53     | 53     | 53     | 54     | 54     | 55     | 55     | 56     |
| Non-Top 10 Clients                          | 41     | 42     | 42     | 45     | 46     | 47     | 47     | 47     | 46     | 46     | 45     | 45     | 44     |
| <b>Clients Contributing:</b>                |        |        |        |        |        |        |        |        |        |        |        |        |        |
| \$ 200mn revenues                           | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| \$ 150mn revenues                           | 3      | 3      | 3      | 3      | 3      | 3      | 2      | 2      | 2      | 1      | 1      | 1      | 2      |

|                                      | 4QFY23  | 1QFY24 | 2QFY24 | 3QFY24 | 4QFY24  | 1QFY25  | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 | 2QFY26 | 3QFY26 | 4QFY26 |
|--------------------------------------|---------|--------|--------|--------|---------|---------|--------|--------|--------|--------|--------|--------|--------|
| \$ 100mn revenues                    | 4       | 3      | 3      | 3      | 3       | 3       | 3      | 3      | 3      | 4      | 4      | 4      | 4      |
| \$ 75mn revenues                     | 5       | 5      | 4      | 4      | 4       | 4       | 4      | 5      | 5      | 6      | 6      | 6      | 6      |
| \$ 50mn revenues                     | 7       | 6      | 6      | 5      | 5       | 5       | 5      | 5      | 5      | 7      | 7      | 8      | 7      |
| \$ 20mn+ clients                     | 13      | 13     | 11     | 10     | 10      | 9       | 9      | 11     | 11     | 10     | 11     | 14     | 15     |
| \$ 10mn+ clients                     | 25      | 27     | 26     | 29     | 29      | 30      | 27     | 29     | 29     | 31     | 30     | 28     | 29     |
| \$ 5mn+ clients                      | 46      | 47     | 46     | 46     | 47      | 48      | 51     | 47     | 50     | 50     | 50     | 51     | 52     |
| \$ 1mn+ clients                      | 112     | 113    | 115    | 134    | 135     | 135     | 140    | 140    | 139    | 137    | 136    | 131    | 127    |
| <b>(USDmn)</b>                       |         |        |        |        |         |         |        |        |        |        |        |        |        |
| Revenues                             | 412     | 398    | 398    | 402    | 411     | 410     | 421    | 419    | 430    | 437    | 445    | 451    | 463    |
| EBITDA                               | 73      | 71     | 72     | 72     | 77      | 74      | 77     | 80     | 81     | 82     | 82     | 84     | 86     |
| PAT                                  | 49      | 48     | 47     | 45     | 47      | 48      | 51     | 50     | 52     | 52     | 53     | 49     | 55     |
| <b>Productivity metrics</b>          |         |        |        |        |         |         |        |        |        |        |        |        |        |
| <b>Per capita (annualised)</b>       |         |        |        |        |         |         |        |        |        |        |        |        |        |
| Revenues                             | 56,233  | 56,284 | 57,609 | 57,208 | 60,590  | 61,389  | 63,372 | 64,157 | 65,336 | 66,639 | 67,346 | 67,056 | 68,483 |
| EBITDA                               | 9,933   | 10,096 | 10,409 | 10,255 | 11,335  | 11,100  | 11,638 | 12,233 | 12,347 | 12,542 | 12,395 | 12,486 | 12,805 |
| PAT                                  | 6,725   | 6,814  | 6,851  | 6,377  | 6,977   | 7,259   | 7,604  | 7,721  | 7,848  | 7,883  | 8,035  | 7,343  | 8,103  |
| Total contract value signed(US\$ mn) | 309     | 707    | 255    | 241    | 177     | 319     | 207    | 351    | 390    | 760    | 528    | 428    | 407    |
| Total headcount                      | 34,042  | 33,961 | 33,771 | 33,992 | 32,664  | 31,645  | 31,601 | 31,194 | 31,442 | 31,063 | 30,809 | 31,272 | 31,179 |
| Net addition                         | (1,408) | (81)   | (190)  | 221    | (1,328) | (1,019) | (44)   | (407)  | 248    | (379)  | (254)  | 463    | (93)   |

Source: Company, BOBCAPS Research

## Financials

### Income Statement

| Y/E 31 Mar (Rs mn)         | FY25A          | FY26A          | FY27E          | FY28E          | FY29E          |
|----------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Total revenue</b>       | <b>142,300</b> | <b>158,796</b> | <b>182,348</b> | <b>198,528</b> | <b>216,599</b> |
| EBITDA                     | 26,471         | 29,835         | 33,506         | 36,610         | 39,473         |
| Depreciation               | 4,762          | 5,554          | 5,816          | 6,172          | 6,429          |
| EBIT                       | 21,709         | 24,281         | 27,690         | 30,437         | 33,044         |
| Net interest inc./(exp.)   | (1,656)        | (2,040)        | (3,006)        | (2,868)        | (2,730)        |
| Other inc./(exp.)          | 2,550          | 3,206          | 5,032          | 5,443          | 6,024          |
| Exceptional items          | 0              | 0              | 0              | 0              | 0              |
| EBT                        | 22,603         | 25,447         | 29,716         | 33,012         | 36,339         |
| Income taxes               | 5,579          | 6,467          | 7,489          | 8,320          | 9,158          |
| Extraordinary items        | 0              | 0              | 0              | 0              | 0              |
| Min. int./Inc. from assoc. | 0              | 0              | 0              | 0              | 0              |
| <b>Reported net profit</b> | <b>17,024</b>  | <b>18,980</b>  | <b>22,227</b>  | <b>24,693</b>  | <b>27,181</b>  |
| Adjustments                | 0              | 0              | 0              | 0              | 0              |
| <b>Adjusted net profit</b> | <b>17,024</b>  | <b>18,980</b>  | <b>22,227</b>  | <b>24,693</b>  | <b>27,181</b>  |

### Balance Sheet

| Y/E 31 Mar (Rs mn)              | FY25A          | FY26A          | FY27E          | FY28E          | FY29E          |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Accounts payables               | 0              | 0              | 0              | 0              | 0              |
| Other current liabilities       | 31,445         | 39,998         | 44,274         | 48,668         | 52,970         |
| Provisions                      | 833            | 2,457          | 2,720          | 2,990          | 3,254          |
| Debt funds                      | 11,159         | 17,929         | 17,129         | 16,329         | 15,529         |
| Other liabilities               | 9,346          | 9,998          | 9,998          | 9,998          | 9,998          |
| Equity capital                  | 1,901          | 1,908          | 1,908          | 1,908          | 1,908          |
| Reserves & surplus              | 94,383         | 105,529        | 114,420        | 124,297        | 135,169        |
| Shareholders' fund              | 96,284         | 107,437        | 116,328        | 126,205        | 137,077        |
| <b>Total liab. and equities</b> | <b>149,067</b> | <b>177,819</b> | <b>190,449</b> | <b>204,190</b> | <b>218,828</b> |
| Cash and cash eq.               | 16,126         | 17,527         | 22,952         | 24,683         | 30,844         |
| Accounts receivables            | 31,604         | 44,718         | 49,499         | 54,411         | 59,220         |
| Inventories                     | 0              | 0              | 0              | 0              | 0              |
| Other current assets            | 18,192         | 29,504         | 32,658         | 35,900         | 39,072         |
| Investments                     | 22,082         | 17,366         | 17,366         | 17,366         | 17,366         |
| Net fixed assets                | 8,463          | 9,694          | 8,499          | 11,877         | 11,905         |
| CWIP                            | 2              | 1              | 1              | 1              | 1              |
| Intangible assets               | 42,907         | 47,677         | 47,677         | 47,677         | 47,677         |
| Deferred tax assets, net        | 3,246          | 4,348          | 4,813          | 5,291          | 5,758          |
| Other assets                    | 6,445          | 6,984          | 6,984          | 6,984          | 6,984          |
| <b>Total assets</b>             | <b>149,067</b> | <b>177,819</b> | <b>190,449</b> | <b>204,190</b> | <b>218,828</b> |

### Cash Flows

| Y/E 31 Mar (Rs mn)                 | FY25A          | FY26A          | FY27E           | FY28E           | FY29E           |
|------------------------------------|----------------|----------------|-----------------|-----------------|-----------------|
| <b>Cash flow from operations</b>   | <b>21,215</b>  | <b>12,325</b>  | <b>27,653</b>   | <b>30,243</b>   | <b>32,923</b>   |
| Capital expenditures               | (6,328)        | (6,784)        | (4,621)         | (9,551)         | (6,457)         |
| Change in investments              | 8,428          | 3,614          | (465)           | (478)           | (468)           |
| Other investing cash flows         | 0              | 0              | 0               | 0               | 0               |
| <b>Cash flow from investing</b>    | <b>2,100</b>   | <b>(3,170)</b> | <b>(5,086)</b>  | <b>(10,029)</b> | <b>(6,924)</b>  |
| Equities issued/Others             | 0              | 0              | 0               | 0               | 0               |
| Debt raised/repaid                 | (3,953)        | 6,877          | (800)           | (800)           | (800)           |
| Interest expenses                  | (1,656)        | (2,040)        | (3,006)         | (2,868)         | (2,730)         |
| Dividends paid                     | 0              | 0              | (13,336)        | (14,816)        | (16,309)        |
| Other financing cash flows         | 0              | 0              | 0               | 0               | 0               |
| <b>Cash flow from financing</b>    | <b>(5,609)</b> | <b>4,837</b>   | <b>(17,142)</b> | <b>(18,483)</b> | <b>(19,838)</b> |
| <b>Chg in cash &amp; cash eq.</b>  | <b>7,982</b>   | <b>1,401</b>   | <b>5,425</b>    | <b>1,731</b>    | <b>6,161</b>    |
| <b>Closing cash &amp; cash eq.</b> | <b>16,126</b>  | <b>17,527</b>  | <b>22,952</b>   | <b>24,683</b>   | <b>30,844</b>   |

### Per Share

| Y/E 31 Mar (Rs)      | FY25A | FY26A | FY27E | FY28E | FY29E |
|----------------------|-------|-------|-------|-------|-------|
| Reported EPS         | 89.9  | 97.8  | 116.6 | 129.5 | 142.6 |
| Adjusted EPS         | 89.3  | 97.5  | 116.4 | 129.3 | 142.3 |
| Dividend per share   | 0.0   | 0.0   | 70.0  | 77.7  | 85.5  |
| Book value per share | 507.0 | 563.5 | 610.2 | 662.0 | 719.0 |

### Valuations Ratios

| Y/E 31 Mar (x) | FY25A | FY26A | FY27E | FY28E | FY29E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales       | 3.0   | 2.7   | 2.4   | 2.2   | 2.1   |
| EV/EBITDA      | 16.3  | 14.6  | 13.0  | 12.0  | 11.3  |
| Adjusted P/E   | 25.5  | 23.4  | 19.6  | 17.6  | 16.0  |
| P/BV           | 4.5   | 4.0   | 3.7   | 3.4   | 3.2   |

### DuPont Analysis

| Y/E 31 Mar (%)               | FY25A       | FY26A       | FY27E       | FY28E       | FY29E       |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| Tax burden (Net profit/PBT)  | 75.3        | 73.2        | 74.8        | 74.8        | 74.8        |
| Interest burden (PBT/EBIT)   | 104.1       | 104.8       | 107.3       | 108.5       | 110.0       |
| EBIT margin (EBIT/Revenue)   | 15.3        | 15.3        | 15.2        | 15.3        | 15.3        |
| Asset turnover (Rev./Avg TA) | 98.0        | 97.2        | 99.0        | 100.6       | 102.4       |
| Leverage (Avg TA/Avg Equity) | 1.6         | 1.6         | 1.6         | 1.6         | 1.6         |
| <b>Adjusted ROAE</b>         | <b>18.5</b> | <b>18.3</b> | <b>19.9</b> | <b>20.4</b> | <b>20.6</b> |

### Ratio Analysis

| Y/E 31 Mar                                   | FY25A        | FY26A      | FY27E        | FY28E        | FY29E        |
|--|--------------|------------|--------------|--------------|--------------|
| <b>YoY growth (%)</b>                        |              |            |              |              |              |
| Revenue                                      | 7.2          | 11.6       | 14.8         | 8.9          | 9.1          |
| EBITDA                                       | 9.3          | 12.7       | 12.3         | 9.3          | 7.8          |
| Adjusted EPS                                 | 8.1          | 9.2        | 19.4         | 11.1         | 10.1         |
| <b>Profitability &amp; Return ratios (%)</b> |              |            |              |              |              |
| EBITDA margin                                | 18.6         | 18.8       | 18.4         | 18.4         | 18.2         |
| EBIT margin                                  | 15.3         | 15.3       | 15.2         | 15.3         | 15.3         |
| Adjusted profit margin                       | 12.0         | 12.0       | 12.2         | 12.4         | 12.5         |
| Adjusted ROAE                                | 18.5         | 18.6       | 19.9         | 20.4         | 20.6         |
| ROCE   | 14.2         | 14.4       | 14.9         | 15.4         | 15.7         |
| <b>Working capital days (days)</b>           |              |            |              |              |              |
| Receivables                                  | 81           | 103        | 99           | 100          | 100          |
| Inventory                                    | NA           | NA         | NA           | NA           | NA           |
| Payables                                     | NA           | NA         | NA           | NA           | NA           |
| <b>Ratios (x)</b>                            |              |            |              |              |              |
| Gross asset turnover                         | 16.8         | 16.4       | 21.5         | 16.7         | 18.2         |
| Current ratio                                | 2.2          | 2.3        | 2.4          | 2.4          | 2.4          |
| Net interest coverage ratio                  | NA           | NA         | NA           | NA           | NA           |
| <b>Adjusted debt/equity</b>                  | <b>(0.1)</b> | <b>0.0</b> | <b>(0.1)</b> | <b>(0.1)</b> | <b>(0.1)</b> |

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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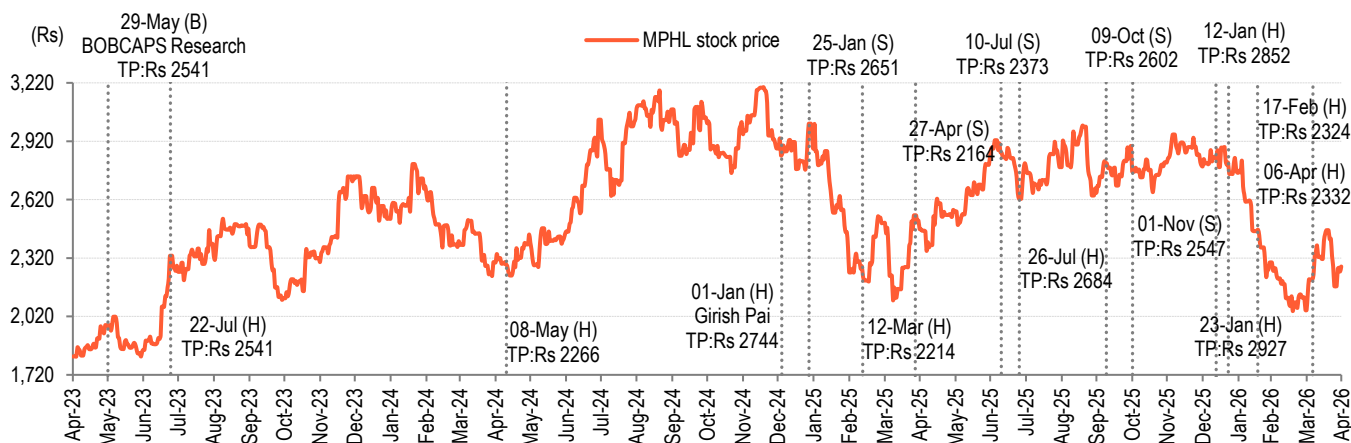
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