

# Persistent Systems | ADD

## Inline 4QFY26; Healthy ACV going into FY27



Persistent reported 4QFY26 results – revenues and margins were largely inline. Revenue growth came in at 3.4% cc QoQ vs expectation of 3.6% cc QoQ. EBIT margins at 16.3% – inline vs expectations of 16.2%. Forward looking indicators – i) LTM overall ACV grew ~22% YoY in FY26 (15% revenue growth expectation in FY27) vs 13% YoY overall ACV growth in FY25 (delivered 17% revenue growth delivered in FY26), ii) Headcount grew ~3% QoQ / ~12% YoY, iii) Mgmt. commentary – Mgmt. remains cautiously optimistic on macro environment. Focus will be on growth vs margins. BFSI or Healthcare & Lifesciences will likely lead the growth in FY27. Valuations are at 36x FY27 consensus EPS – pricing in the consistent performance on growth & margins vs peers over the last few quarters. We revise our EPS estimates marginally over FY27–28E. Maintain target multiple of 35x Sep 27 – revised TP of INR 5,630 (vs INR 5,595 earlier). Maintain ADD.

- 4QFY26 results:** i) Revenues came in at USD 436mn, +3.2% QoQ /+16.2% YoY (JMFL estimates: USD 438mn). ii) Revenues grew 3.4% cc QoQ vs JMFL estimates of 3.6% QoQ. iii) Out of the 3.4% cc QoQ growth, software licenses contributed 1.7% cc QoQ growth, in our view. iv) EBIT margin came in at 16.3%, down 40bps QoQ/up 70bps YoY, vs JMFL estimates of 16.2% and cons. est of 16.5%, largely led by operational efficiencies (+40bps), and favourable currency movement (+60bps), offset by higher consulting and advisory expenses related to corporate development (+60bps) and increased costs towards subcontracting, software licenses, and higher travel expense (+70bps). v) Reported PAT stood at INR 5.29bn, vs JMFL estimates of INR 5.38bn and cons. est of INR 5.24bn.
- Vertical & Geography performance:** i) Growth was largely led by North America, up +3.1% QoQ. India performed well, up +9.8% though on a small base. Europe declined 1.7% QoQ while RoW was up 3.2%. ii) Healthcare & Lifesciences (up +6.9% QoQ) performed well followed by Hi-Tech & Emerging industries (up +2.2%) and BFSI (up +1.7%). iii) Top-5 clients declined 1.2% QoQ largely due to cost savings offered to top-clients leading to an increase in offshoring, as per mgmt.
- Other key details:** i) LTM overall ACV grew ~22% YoY in FY26 (15% revenue growth expectation in FY27) vs 13% YoY overall ACV growth in FY25 (delivered 17% revenue growth in FY26). ii) LTM ACV/TCV ratio came in at 0.74x in 4QFY26 vs 0.70x in 4QFY25. iii) Headcount increased +3% QoQ / +12% YoY, iii) Cash conversion remains healthy, LTM OCF/EBITDA came in at 63% vs 56% in FY25.
- Key conference call takeaways:** i) Management noted that the demand environment remains resilient despite ongoing macro uncertainties, including geopolitical tensions however it needs to be monitored going forward. Mgmt. remains cautiously optimistic. ii) USD 2bn exit revenue run-rate aspiration by FY27 continues – could be delayed by a quarter. iii) BFSI or Healthcare & Lifesciences are currently expected to lead growth in FY27, followed by the Hi-tech vertical. iv) Margin aspiration of 16–17% EBIT margin range remains; however focus will be more on growth vs margins going forward.
- Our view:** Persistent is trading at 36x FY27 consensus EPS – pricing in the consistent growth & margin performance, in our view. Investors will watch out for Coforge / Mphasis / Hexaware performance and will likely evaluate Persistent in a relative context going forward.

**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

### Recommendation and Price Target

Current Reco.	ADD
Previous Reco.	ADD
Current Price Target (12M)	5,630
Upside/(Downside)	5.6%
Previous Price Target	5,595
Change	0.6%

### Key Data – PSYS IN EQUITY

Current Market Price	INR5,330
Market cap (bn)	INR840.8/US\$9.0
Free Float (%)	66.2
Shares in issue (mn)	157.8
Diluted share (mn)	157.8
3-mon avg daily val (mn)	INR4,601.4/US\$49.3
52-week range	INR6,599/4,449
Sensex/Nifty	79,273/24,577
INR/US\$	93.5

### Price Performance

%	1M	6M	12M
Absolute	13.0	-8.1	8.8
Relative*	6.2	-2.1	9.2

\*To the NSE Nifty 50

### Financial Summary

(INR mn)

Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Net Sales	119,387	147,485	177,263	203,197	233,992
Sales Growth (%)	21.6	23.5	20.2	14.6	15.2
EBITDA	20,581	27,954	33,237	37,914	42,911
EBITDA Margin (%)	17.2	19.0	18.8	18.7	18.3
Adjusted Net Profit	14,001	19,541	23,565	27,576	31,827
Diluted EPS (INR)	89.0	122.9	148.2	173.5	200.2
Diluted EPS Growth (%)	-39.4	38.1	20.6	17.0	15.4
ROIC (%)	36.2	40.1	41.9	44.1	46.8
ROE (%)	24.8	27.6	27.3	26.7	25.9
P/E (x)	59.1	44.7	36.0	30.7	26.6
P/B (x)	13.1	10.6	9.0	7.6	6.3
EV/EBITDA (x)	40.2	29.3	24.4	21.0	18.2
Dividend Yield (x)	0.7	0.8	0.9	1.1	1.2

Source: Company data, JM Financial. Note: Valuations as of April 21, 2026

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

## Key highlights from the call

- **Demand:** Management noted that the demand environment remains resilient despite ongoing macro uncertainties, including geopolitical tensions, with negligible direct exposure to impacted regions such as the Middle East. Mgmt. highlighted that adoption of new technologies was stronger in Hi-tech compared to BFSI and Healthcare, given the relatively lower regulatory constraints in the former. In contrast, regulated verticals such as BFSI and Healthcare continue to witness steady traction driven by structural transformation initiatives. The company is seeing a clear shift in client priorities from BAU to large-scale transformation programs, particularly around cloud, data modernization, and AI adoption. Management also indicated that while AI-led efficiencies could lead to some compression in traditional SDLC work, this can be offset by incremental opportunities from increased outsourcing and market share gains.
- **Outlook:** Management indicated that they continue to progress steadily towards the USD 2bn revenue run-rate aspiration by FY27, clarifying that this effectively translates into a Q4FY27 exit run-rate of ~USD 500mn, with the target achievable with a modest timing variation of a quarter. Mgmt. noted that they should be able to deliver decent growth in the coming year supported by continued capability building, tighter customer alignment, and sustained investments across AI, data and platform-led transformation. Importantly, management indicated that BFSI or Healthcare & Lifesciences are currently expected to lead growth in FY27, followed by the Hi-tech vertical.
- **Margin:** Reported EBIT margin for the quarter stood at 16.3% (+190bps QoQ, +70bps YoY), headwinds from higher consulting and advisory expenses related to corporate development (-60bps) and increased costs towards subcontracting, software licenses, and travel for annual planning (-70bps). These were offset by tailwinds, including the absence of one-time wage code impact seen in the previous quarter (+220bps), operational efficiencies (+40bps), and favourable currency movement (+60bps), resulting in reported margin expansion. Management continues to target a 16–17% EBIT margin range in the medium-term, although it emphasized that growth and reinvestment, particularly in AI capabilities, platforms, and partnerships, remain the primary focus.
- **Bookings:** Management noted that TCV for Q4FY26 stood at USD 600.8mn, with ACV at USD 445.1mn, including USD 272.7mn from new bookings, while FY26 TCV came in at USD 2.4bn and ACV at USD 1.8bn. Mgmt. highlighted that the sequential moderation in bookings was largely seasonal, as ~80% of revenues are US-led, with peak renewals typically occurring in the December quarter, and hence Q4 softness is consistent with historical trends. Management also clarified that revenue conversion is driven by ACV wins in prior quarters as well as multi-year TCV deals ramping over time. Overall, company indicated that the bookings performance remains healthy, supported by continued deal wins across verticals and increasing participation in large transformation-led engagements.
- **AI journey:** Management highlighted that their AI strategy has evolved from a conceptual framework to a platform-led execution model delivering measurable outcomes at scale, anchored on three core pillars - engineering hyper-productivity, business hyper-productivity, and enterprise data readiness. Leadership emphasized that while AI adoption is accelerating, the key challenge lies in solving the “last mile” of enterprise AI, i.e., making outcomes repeatable, governed, and scalable. To address this, Persistent has built a structured stack comprising core foundation, governance/grounding, and work orchestration layers, integrated through its platforms (including SASVA, GenAI hub and iAURA), enabling end-to-end enterprise AI deployment. The company continues to deepen its ecosystem partnerships (OpenAI, Anthropic, Nvidia, Microsoft, Google, Databricks, Snowflake) while maintaining platform-agnostic flexibility, with 500+ AI agents developed across use cases and 120+ patents filed.
- **BFSI:** Management highlighted that the BFSI vertical continues to be a key growth driver, delivering +24.4% YoY growth in Q4FY26 and +28.4% growth for FY26. Mgmt. attributed this strong performance to deeper mining of existing accounts and new client wins across North America, Europe, and Australia, supported by a strong customer base including 4 of the top 5 banks in the US as well as India, top 3 out of 5 large global fintechs, and top 3 out of 5 brokerage/wealth and retirement service providers. The company’s growth strategy in BFSI is anchored on four pillars - focused sub-vertical specialization (banking, capital markets, insurance, payments, fintech), continued investments in product engineering, data modernization and cloud transformation, and a sharper focus on top 30 clients alongside new strategic wins.

**4QFY27 exit run-rate aspiration of USD 500mn (translating to annualized revenue run-rate of USD 2bn)**

**Margin Walk: +190bps (reported EBIT margin)**

**Tailwinds –**

**Operational efficiencies: +40bps**

**Favourable FX: +60bps**

**Absence of new labour code impact: +220bps**

**Headwinds –**

**Increase in consulting and advisory expenses: -60bps**

**Increase in subcon costs, purchase of software licenses, and travel: -70bps**

- Healthcare and Tech:** Management highlighted that the **Healthcare and Lifesciences** vertical delivered steady growth, with the company continuing to grow in key accounts despite broader weakness seen at peers, underscoring the strength of its offerings and client relationships. Mgmt. noted that growth is being supported by continued investments in data, AI-led transformation, and platform modernization, with healthcare also expected to remain a key growth driver in FY27 alongside BFSI. In technology, mgmt. indicated that while AI-led efficiencies could lead to some compression in traditional SDLC work, this can be offset by incremental opportunities from increased outsourcing and market share gains.
- Geographies:** Management highlighted that growth remained broad-based across regions, with North America continuing to anchor performance (+17.4% YoY in Q4), reflecting sustained demand across key verticals and large accounts. Europe grew 12.3% YoY in Q4, although leadership acknowledged some sequential softness driven by client-specific puts and takes, and indicated that this remains a focus geography. India reported muted growth (+4.2% YoY), there was a sequential jump which management clarified was an aberration driven by a GCC-led renewal booked in INR terms, leading to revenue classification under India; this is expected to normalize in the next quarter, with underlying growth trends remaining stable. Rest of the World grew strongly (+41.4% YoY), albeit on a smaller base.
- Supply:** Management highlighted that the company continues to invest in building capacity and capabilities, with headcount increasing to 27,502 (+791 QoQ). Utilization remained largely stable at ~88% and attrition moderated to 13% (vs 13.5% in Q3). Leadership also emphasized focus on workforce transformation aligned to AI, with initiatives such as the AI Huddle (1,700+ employees trained) and a company-wide hackathon aimed at building AI-native skills and solutions.

Exhibit 1: 4QFY26 result summary

	4Q26 A	3Q26 A	Change (QoQ)	Estimate (JMFe)	Variance (vs. JMFe)	Estimate (Consensus)	Variance (vs. consensus)	QoQ estimate	
								JMFe	Consensus
USD-INR	93.03	89.43	4.0%	91.50	1.7%	91.50	1.7%	2.3%	2.3%
CC Revenue Growth (QoQ)	3.4%	4.1%	-70bp	3.6%	-21bp		96bp	-49bp	
Revenue (USD mn)	436	423	3.2%	438	-0.4%	433	0.7%	3.6%	2.4%
Revenue (INR mn)	40,559	37,782	7.4%	40,054	1.3%	39,602	2.4%	6.0%	4.8%
EBIT - Reported (INR mn)	6,592	6,318	4.3%	6,500	1.4%	6,537	0.8%	2.9%	3.5%
EBIT margin	16.3%	16.7%	-47bp	16.2%	2bp	16.5%	-26bp	-49bp	-21bp
PAT (INR mn)	5,293	4,395	20.4%	5,384	-1.7%	5,242	1.0%	22.5%	19.3%
EPS (INR)	33.8	27.9	21.0%	33.9	-0.2%	33.48	1.0%	21.2%	19.8%

Source: Company, Visible Alpha, JM Financial estimates

## 4QFY26 result review

## Exhibit 2: Key financials

	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
<b>Cons. revenues (USD m)</b>	<b>345.5</b>	<b>360.2</b>	<b>375.2</b>	<b>389.7</b>	<b>406.2</b>	<b>422.5</b>	<b>436.0</b>
Change (YoY)	18.4%	19.8%	20.7%	18.7%	17.6%	17.3%	16.2%
<b>Cons. revenues (Rs m)</b>	<b>28,972</b>	<b>30,623</b>	<b>32,421</b>	<b>33,336</b>	<b>35,807</b>	<b>37,782</b>	<b>40,559</b>
Change (QoQ)	5.8%	5.7%	5.9%	2.8%	7.4%	5.5%	7.4%
Cost of revenues*	19,294	20,000	21,117	21,576	22,924	24,128	26,247
<b>Gross profit*</b>	<b>9,678</b>	<b>10,622</b>	<b>11,304</b>	<b>11,760</b>	<b>12,883</b>	<b>13,654</b>	<b>14,313</b>
<b>Gross margin*</b>	<b>33.4%</b>	<b>34.7%</b>	<b>34.9%</b>	<b>35.3%</b>	<b>36.0%</b>	<b>36.1%</b>	<b>35.3%</b>
Total operating expense	4,870	5,244	5,460	5,644	6,046	6,331	6,635
<b>EBITDA*</b>	<b>4,807</b>	<b>5,378</b>	<b>5,844</b>	<b>6,116</b>	<b>6,838</b>	<b>7,323</b>	<b>7,677</b>
<b>EBITDA margin*</b>	<b>16.6%</b>	<b>17.6%</b>	<b>18.0%</b>	<b>18.3%</b>	<b>19.1%</b>	<b>19.4%</b>	<b>18.9%</b>
Depreciation & amortization	745	821	791	938	1,001	1,006	1,085
<b>EBIT*</b>	<b>4,062</b>	<b>4,557</b>	<b>5,053</b>	<b>5,178</b>	<b>5,837</b>	<b>6,318</b>	<b>6,592</b>
<b>EBIT margin*</b>	<b>14.0%</b>	<b>14.9%</b>	<b>15.6%</b>	<b>15.5%</b>	<b>16.3%</b>	<b>16.7%</b>	<b>16.3%</b>
Other income	283	263	-1	376	331	222	148
Profit before tax*	4,345	4,820	5,052	5,554	6,168	6,540	6,740
Income tax expense	1,095	1,091	1,095	1,305	1,454	1,255	1,447
<b>PAT*</b>	<b>3,250</b>	<b>3,730</b>	<b>3,958</b>	<b>4,249</b>	<b>4,715</b>	<b>5,285</b>	<b>5,293</b>
<b>Adjusted Basic EPS*</b>	<b>21.2</b>	<b>24.3</b>	<b>25.6</b>	<b>27.2</b>	<b>30.3</b>	<b>28.2</b>	<b>33.8</b>
Change (QoQ)	5.5%	14.1%	6.1%	8.0%	9.9%	-7.1%	20.4%

Note: \*Excluding one-time impact of New Labour Codes in 3Q26. Source: Company, JM Financial

Revenue growth was broad based with all three verticals seeing sequential growth.

India, ROW, and North America saw sequential growth, while Europe saw a decline.

Sequential growth in INR due to a renewal through India-based GCC, expected to normalize in the next quarter

Management aspires to remain in the 16-17% EBIT margin range

## Exhibit 3: Vertical portfolio

	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
<b>Industry segment</b>						
BFSI	32%	32%	34%	35%	35%	34.5%
Healthcare & Lifesciences	28%	27%	25%	25%	25%	26.3%
Technology Cos & Emerging verticals	41%	41%	41%	40%	40%	39.2%
<b>Revenue (USD mn and QoQ growth)</b>						
<b>BFSI</b>	114	121	132	141	148	150
Change QoQ	4.9%	6.1%	9.0%	7.0%	4.6%	1.7%
<b>Healthcare &amp; Lifesciences</b>	100	101	99	102	107	115
Change QoQ	4.3%	0.4%	-1.9%	3.8%	4.8%	6.9%
<b>Technology Cos &amp; Emerging verticals</b>	146	153	159	162	167	171
Change QoQ	3.7%	5.2%	3.6%	2.2%	3.0%	2.2%

Source: Company, JM Financial

## Exhibit 4: Key manpower metrics

	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
<b>Total</b>	<b>23,942</b>	<b>24,594</b>	<b>25,350</b>	<b>26,224</b>	<b>26,711</b>	<b>27,502</b>
Technical	22,407	23,072	23,797	24,608	25,077	25,849
Sales & Business Development	489	485	496	510	520	543
Support	1,046	1,037	1,057	1,106	1,114	1,110
Net additions - Technical	732	665	725	811	469	772
- As % of opening base	3.2%	2.8%	2.9%	6.1%	7.6%	3.1%
Attrition - LTM	12.6%	12.9%	13.9%	13.8%	13.5%	13.0%
Blended utilization	87.4%	88.1%	88.7%	88.2%	88.4%	88.0%

Source: Company, JM Financial

Utilization levels decreased sequentially by 40bps to 88%.

Exhibit 5: PSYS margin walk – 3Q25-4Q26 (reported EBIT margins)						
(March YE basis)	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
Salary increase					-180bps	
Utilisation	70bps	20bps		-20bps		
Sub-Contractor expenses	70bps				+20bps	-70bps
Consulting expenses						-60bps
Onsite/offshore mix			-100bps	+30bps		
Software license cost				+80bps		
Travel						
Furloughs	-60bps				-20bps	
IP Revenue		-40bps				
SG&A		30bps				
Operational efficiency					+40bps	+40bps
Reversal of Earn-out credit	-100bps	20bps	-60bps			
Higher provision for doubtful debts				-50bps		
Change in useful life of assets						
Employee benefit rationalisation						
Amortisation			-40bps	-20bps		
ESOP issuance	20bps		+230bps			
One-time impact of new labour codes					-230bps	+220bps
Others (FX+ Pricing benefits+ Lower resale b/s)	40bps	40bps	-40bps	+60bps	+180bps	+60bps
<b>Net Expansion/(Contraction) in margins</b>	<b>90bps</b>	<b>70bps</b>	<b>-10bps</b>	<b>+80bps</b>	<b>-190bps</b>	<b>+190bps</b>

Source: Company, JM Financial

Exhibit 6: Geographic distribution						
	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
<b>Geography: Revenue mix</b>						
North Americas	80.5%	80.5%	79.8%	79.8%	81.5%	81.4%
Europe	8.2%	8.4%	9.0%	9.3%	8.5%	8.1%
India	9.4%	9.3%	9.8%	9.2%	7.8%	8.3%
ROW	1.9%	1.8%	1.4%	1.7%	2.2%	2.2%
<b>Revenue (USD mn and QoQ growth)</b>						
<b>North Americas</b>	290	302	311	324	344	355
Change QoQ	3.2%	4.2%	3.0%	4.2%	6.2%	3.1%
<b>Europe</b>	30	32	35	38	36	35
Change QoQ	8.2%	6.7%	11.3%	7.7%	-4.9%	-1.7%
<b>India</b>	34	35	38	37	33	36
Change QoQ	6.5%	3.1%	9.4%	-2.1%	-11.8%	9.8%
<b>ROW</b>	7	7	5	7	9	10
Change QoQ	23.8%	-1.3%	-19.2%	26.6%	34.6%	3.2%

Source: Company, JM Financial

**Exhibit 7: Key client metrics**

	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
<b>Revenue concentration</b>						
Top 5 clients	30.8%	32.7%	31.8%	32.9%	32.9%	31.5%
Top 10 clients	40.0%	42.2%	42.0%	43.2%	43.7%	42.1%
Non-Top 10 clients	60.0%	57.8%	58.0%	56.8%	56.3%	57.9%
<b>Revenue growth</b>						
Top-5 clients	2.3%	10.6%	1.0%	7.8%	4.0%	-1.2%
Top-6 to 10 clients	-5.0%	7.6%	11.5%	5.3%	9.1%	1.3%
Top-10 clients	0.5%	9.9%	3.4%	7.2%	5.2%	-0.6%
<b>Relationship distribution</b>						
<b>USD 75 mn +</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
<i>Change QoQ</i>	0	1	0	0	0	0
<b>USD 50 mn - USD 75mn</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Change QoQ</i>	0	-1	0	0	0	0
<b>USD 20 mn - USD 50mn</b>	<b>6</b>	<b>6</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<i>Change QoQ</i>	0	0	2	0	0	0
<b>USD 10 mn - USD 20mn</b>	<b>12</b>	<b>11</b>	<b>10</b>	<b>13</b>	<b>16</b>	<b>17</b>
<i>Change QoQ</i>	1	-1	-1	3	3	1
<b>USD 5 mn - USD 10mn</b>	<b>25</b>	<b>34</b>	<b>34</b>	<b>31</b>	<b>33</b>	<b>33</b>
<i>Change QoQ</i>	3	9	0	-3	2	0
<b>USD 1 mn - USD 5mn</b>	<b>142</b>	<b>136</b>	<b>135</b>	<b>135</b>	<b>134</b>	<b>139</b>
<i>Change QoQ</i>	1	-6	-1	0	-1	5

Source: Company, JM Financial

## Maintain ADD, TP revised to 5,630

We have revised our cc revenue growth expectations marginally in FY27-28E. Hence, our USD revenue estimates have also seen marginally change over FY27-28E. We are building revenue of USD 1.9bn in FY27 – management's stated target of exit run-rate of USD 2bn by 4QFY27 to be monitored. Our margins estimate largely remains unchanged. Changes to our growth and margin estimates drive a slight change of 0-1% to our FY27-FY28 PAT estimates. FY27-FY28 EPS estimates have been similarly impacted. We continue to value the stock at 35x. We maintain ADD with a revised TP of INR 5,630 (from INR 5,595 earlier).

### Exhibit 8: What has changed

	Old			New			Change		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Exchange rate (INR/USD)	92.0	92.0		93.0	93.0	94.0	1.1%	1.1%	
Consolidated revenue (USD mn)	1,912	2,188		1,906	2,185	2,489	-0.3%	-0.1%	
Growth in USD revenues (YoY)	15.4%	14.4%		15.2%	14.6%	13.9%	-22bp	20bp	
Consolidated revenue (INR mn)	175,874	201,257		177,263	203,197	233,992	0.8%	1.0%	
EBITDA margin	18.8%	18.6%		18.8%	18.7%	18.3%	-9bp	3bp	
EBIT margin	16.3%	16.3%		16.2%	16.3%	16.2%	-11bp	3bp	
PAT (INR mn)	23,546	27,287		23,565	27,576	31,827	0.1%	1.1%	
EPS (INR)	148.1	171.7		148.2	173.5	200.2	0.1%	1.1%	

Source: JM Financial estimates

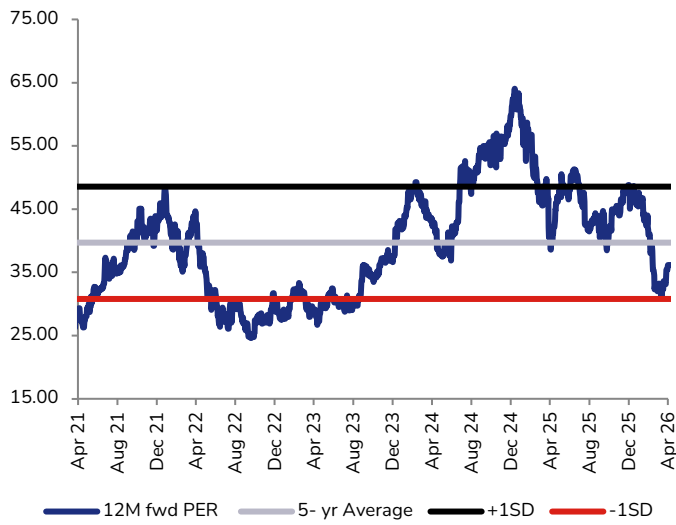
### Exhibit 9: JMFe vs. Consensus estimates

	Consensus			JMFe			Difference		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Sales (USD mn)	1,901	2,209	2,468	1,906	2,185	2,489	0.3%	-1.1%	0.9%
Sales (INR mn)	175,944	204,536	229,799	177,263	203,197	233,992	0.7%	-0.7%	1.8%
EBITDA (INR mn)	33,504	38,974	43,658	33,237	37,914	42,911	-0.8%	-2.7%	-1.7%
EBITDA margin (%)	19.0%	19.1%	19.0%	18.8%	18.7%	18.3%	-29bp	-40bp	-66bp
EBIT (INR mn)	29,007	34,016	38,497	28,712	33,143	37,955	-1.0%	-2.6%	-1.4%
EBIT margin (%)	16.5%	16.6%	16.8%	16.2%	16.3%	16.2%	-29bp	-32bp	-53bp
EPS (INR)	147.5	174.3	197.7	148.2	173.5	200.2	0.5%	-0.5%	1.3%

Note: Consensus estimates as of 20<sup>th</sup> April and may not reflect changes in estimates post result. Source: Visible Alpha, JM Financial estimates

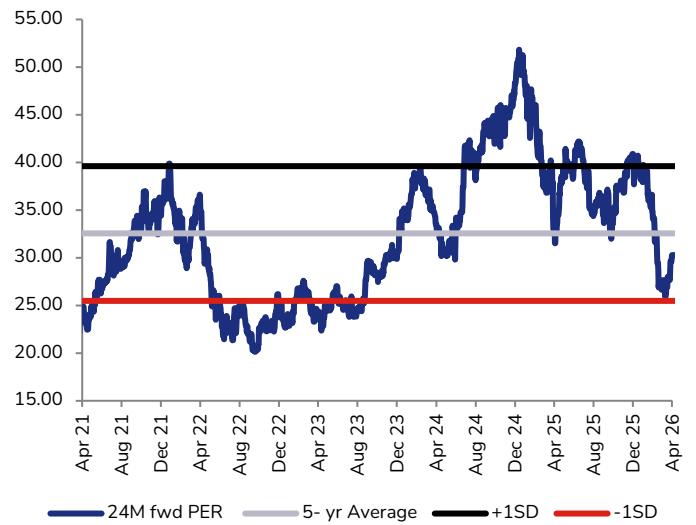
## Valuation charts

Exhibit 10: PSYS 12-M fwd PER, 5 years



Source: Bloomberg, JM Financial

Exhibit 11: PSYS 24-M fwd PER, 5 years



Source: Bloomberg, JM Financial

## Financial Tables (Consolidated)

Income Statement					
	(INR mn)				
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Net Sales	119,387	147,485	177,263	203,197	233,992
Sales Growth (%)	21.6	23.5	20.2	14.6	15.2
Other Operating Income	-	-	-	-	-
<b>Total Revenue</b>	<b>119,387</b>	<b>147,485</b>	<b>177,263</b>	<b>203,197</b>	<b>233,992</b>
Cost of Goods Sold/Op. Exp	78,740	94,875	114,245	131,552	152,238
Personnel Cost	-	-	-	-	-
Other Expenses	20,066	24,656	29,780	33,731	38,843
<b>EBITDA</b>	<b>20,581</b>	<b>27,954</b>	<b>33,237</b>	<b>37,914</b>	<b>42,911</b>
EBITDA Margin (%)	17.2	19.0	18.8	18.7	18.3
EBITDA Growth (%)	19.4	35.8	18.9	14.1	13.2
Depn. & Amort.	3,069	4,030	4,525	4,770	4,956
EBIT	17,512	23,925	28,712	33,143	37,955
Other Income	710	1,078	1,499	1,985	2,589
Finance Cost	-	-	-	-	-
PBT before Excep. & Forex	18,223	25,002	30,211	35,128	40,544
Excep. & Forex Inc./Loss(-)	-	-	-	-	-
PBT	18,223	25,002	30,211	35,128	40,544
Taxes	4,222	5,461	6,646	7,553	8,717
Extraordinary Inc./Loss(-)	-	-890	-	-	-
Assoc. Profit/Min. Int.(-)	-	-	-	-	-
Reported Net Profit	14,001	18,651	23,565	27,576	31,827
<b>Adjusted Net Profit</b>	<b>14,001</b>	<b>19,541</b>	<b>23,565</b>	<b>27,576</b>	<b>31,827</b>
Net Margin (%)	11.7	13.2	13.3	13.6	13.6
Diluted Share Cap. (mn)	157	159	159	159	159
<b>Diluted EPS (INR)</b>	<b>89.0</b>	<b>122.9</b>	<b>148.2</b>	<b>173.5</b>	<b>200.2</b>
Diluted EPS Growth (%)	-39.4	38.1	20.6	17.0	15.4
Total Dividend + Tax	5,394	6,305	7,888	9,307	10,096
Dividend Per Share (INR)	34.8	40.3	49.6	58.6	63.5

Source: Company, JM Financial

Cash Flow Statement					
	(INR mn)				
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Profit before Tax	18,223	25,002	30,211	35,128	40,544
Depn. & Amort.	3,069	4,030	4,525	4,770	4,956
Net Interest Exp. / Inc. (-)	115	225	-1,499	-1,985	-2,589
Inc (-) / Dec in WCap.	-6,233	-5,788	-6,216	-3,594	-4,250
Others	1,567	452	0	0	0
Taxes Paid	-5,114	-6,249	-6,646	-7,553	-8,717
<b>Operating Cash Flow</b>	<b>11,626</b>	<b>17,671</b>	<b>20,374</b>	<b>26,767</b>	<b>29,945</b>
Capex	-1,931	-1,952	-5,114	-5,453	-5,766
Free Cash Flow	9,695	15,719	15,260	21,314	24,178
Inc (-) / Dec in Investments	-2,144	-4,865	-	-	-
Others	-270	717	1,499	1,985	2,589
<b>Investing Cash Flow</b>	<b>-4,344</b>	<b>-6,099</b>	<b>-3,615</b>	<b>-3,468</b>	<b>-3,177</b>
Inc / Dec (-) in Capital	-	-	-	-	-
Dividend + Tax thereon	-4,600	-5,790	-7,948	-9,379	-10,173
Inc / Dec (-) in Loans	-215	-1,467	-	-	-
Others	-1,466	-224	-	-	-
<b>Financing Cash Flow</b>	<b>-6,282</b>	<b>-7,482</b>	<b>-7,948</b>	<b>-9,379</b>	<b>-10,173</b>
<b>Inc / Dec (-) in Cash</b>	<b>999</b>	<b>4,091</b>	<b>8,812</b>	<b>13,920</b>	<b>16,594</b>
Opening Cash Balance	6,625	6,744	10,749	19,561	33,481
Closing Cash Balance	6,744	10,749	19,561	33,481	50,075

Source: Company, JM Financial

Balance Sheet					
	(INR mn)				
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Shareholders Fund	63,191	78,379	93,995	112,192	133,846
Share Capital	779	789	789	789	789
Reserves & Surplus	62,411	77,590	93,207	111,404	133,057
Preference Share Capital	-	-	-	-	-
Minority Interest	-	-	-	-	-
Total Loans	-	-	-	-	-
Def. Tax Liab. / Assets (-)	-2,024	-3,460	-3,460	-3,460	-3,460
Other non-current liabilities / Lease Liabilities	2,848	3,512	3,612	3,712	3,812
<b>Total - Equity &amp; Liab.</b>	<b>64,014</b>	<b>78,430</b>	<b>94,147</b>	<b>112,444</b>	<b>134,197</b>
Net Fixed Assets	22,386	23,464	24,053	24,735	25,545
Gross Fixed Assets	4,393	4,076	4,665	5,347	6,158
Intangible Assets	17,993	19,388	19,388	19,388	19,387
Less: Depn. & Amort.	-	-	-	-	-
Capital WIP	-	-	-	-	-
Investments	13,314	17,581	17,581	17,581	17,581
Current Assets	45,843	63,789	85,153	108,172	135,571
Inventories	-	-	-	-	-
Sundry Debtors	18,478	21,332	28,168	32,289	37,182
Cash & Bank Balances	6,744	10,749	19,561	33,481	50,075
Loans & Advances	-	-	-	-	-
Other Current Assets	20,621	31,708	37,424	42,403	48,314
Current Liab. & Prov.	21,328	31,875	38,311	43,916	50,572
Current Liabilities	2,483	3,396	3,396	3,396	3,396
Provisions & Others	18,845	28,480	34,915	40,521	47,176
Net Current Assets	22,033	28,518	43,446	60,861	81,604
Other Non Current Assets/ROU Assets	6,281	8,867	9,067	9,267	9,467
<b>Total - Assets</b>	<b>64,014</b>	<b>78,430</b>	<b>94,147</b>	<b>112,444</b>	<b>134,197</b>

Source: Company, JM Financial

Dupont Analysis					
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Net Margin (%)	11.7	13.2	13.3	13.6	13.6
Asset Turnover (x)	2.0	2.0	2.0	1.9	1.8
Leverage Factor (x)	1.0	1.0	1.0	1.0	1.0
RoE (%)	24.8	27.6	27.3	26.7	25.9

Source: Company, JM Financial

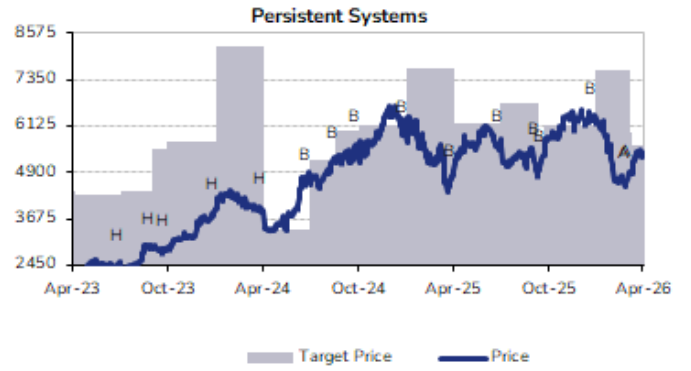
Key Ratios					
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
BV/Share (INR)	407.2	500.9	591.3	705.8	842.0
ROIC (%)	36.2	40.1	41.9	44.1	46.8
ROE (%)	24.8	27.6	27.3	26.7	25.9
Net Debt/Equity (x)	-0.2	-0.3	-0.3	-0.4	-0.5
P/E (x)	59.1	44.7	36.0	30.7	26.6
P/B (x)	13.1	10.6	9.0	7.6	6.3
EV/EBITDA (x)	40.2	29.3	24.4	21.0	18.2
EV/Sales (x)	6.9	5.6	4.6	3.9	3.3
Debtor days	56	53	58	58	58
Inventory days	-	-	-	-	-
Creditor days	-	-	-	-	-

Source: Company, JM Financial

**Recommendation History Table**

Date	Recommendation	Target Price	% Chg.
29-Mar-26	Add	5,595	-6.0
17-Feb-26	Add	5,955	-21.6
21-Jan-26	Buy	7,600	23.8
14-Oct-25	Buy	6,140	4.6
1-Oct-25	Buy	5,870	-12.6
23-Jul-25	Buy	6,720	8.0
24-Apr-25	Buy	6,220	-18.5
23-Jan-25	Buy	7,630	23.7
23-Oct-24	Buy	6,170	2.3
10-Sep-24	Buy	6,030	15.1
20-Jul-24	Buy	5,240	54.1
22-Apr-24	Hold	3,400	-58.6
22-Jan-24	Hold	8,220	43.7
20-Oct-23	Hold	5,720	3.4
21-Sep-23	Hold	5,530	26.0
23-Jul-23	Hold	4,390	1.6
26-Apr-23	Hold	4,320	-1.8
19-Jan-23	Hold	4,400	

**Recommendation History Chart**



## APPENDIX I

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

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Rating	Meaning
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REDUCE	Expected return $\geq$ -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

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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](mailto:jmfinancial.research@jmfl.com) | [www.jmfl.com](http://www.jmfl.com)

Compliance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: [ashley.johnson@jmfl.com](mailto:ashley.johnson@jmfl.com)

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