Q2FY26 PREVIEW

SECTOR UPDATE

nuvama institutional equities

Stable quarter amid high uncertainty

Q2FY26E is likely to show signs of stability after Q1FY26 was impacted by tariff-related uncertainty. Almost all companies are expected to grow sequentially (except Bsoft and Zensar)—as compared to seven companies reporting QoQ declines last quarter. However, the macro environment remains uncertain, especially after the H1B visa fee event.

With little change in macro environment, we expect the commentary to be cautious at large. Last many quarters' trend of Tier-2 companies outpacing Tier-1 shall sustain—all Tier-2 companies are likely to post solid QoQ and YoY growth. Following the recent price correction, risk-reward has become incrementally attractive for the sector. We remain positive on the sector from a medium-to-long term perspective.

Tier-1 to report stable numbers while Tier-2 outperforms

We expect a stable performance in Q2FY26E after Q1FY26 was affected by tariff-related uncertainty. We expect our coverage universe to report -0.5% to +6% CC QoQ growth. In Tier-1 companies, Infosys (1.8% CC QoQ), HCLT (1.5%) and TechM (0.9%) shall report growth decent growth, whereas TCS /Wipro would lag with revenue growth of +0.2%/0.1% CC QoQ. Tier-2 is likely to post strong growth with Coforge (6% CC QoQ) leading the pack, followed by Persistent (3.7%), Hexaware (3.2%), LTIM (1.9%) and Mphasis (1.3% CC QoQ). ERD names will report modest growth—LTTS (+1.5%) and Cyient (+0.3%)—driven by headwinds in the Auto vertical. In small caps, Firstsource (+2.2% CC QoQ) shall report decent growth while Birlasoft (-0.5%) and Zensar (-0.1%) will be the only companies to report QoQ dips in the quarter. Currency tailwinds to be limited to -10bp to +30bp QoQ this quarter.

Deal flows decent, margins stable; guidance likely to be maintained

Deal flows are likely to remain decent despite a volatile demand environment, with cost-takeout deals making up the bulk of incremental wins. Margins are also likely to stay stable or improve for most companies with the wage hike delayed for most companies. Given stable (not deteriorating) macros, we anticipate Infosys to maintain revenue growth guidance of 1–3% and HCLT to retain 3–5% revenue growth guidance. Margin guidance is also likely to be maintained by all companies.

Uncertainty elevated; we stay positive over medium-to-long term

The IT sector has sharply underperformed the markets CYTD owing to the initial tariff-related uncertainty compounded by the recent H1B visa fee hike and the proposed HIRE Bill in the US. We see no major impact (YET) from the changes in regulation in the US (read our report here) with growth likely be driven by cost-takeout deals while discretionary spends will remain elusive. We continue to expect a recovery in tech spends in medium term as enterprises look to restart spends on modernising legacy IT systems. In the near term, volatility might persist give a rapidly changing macro environment. We stay positive on Tier-2 (LTIMindtree, Coforge, Persistent, Mphasis and Hexaware) and select Tier-1 (Infosys, TCS) names.

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Exhibit 1: Tier-1 IT companies' results preview: A snapshot

Company	USD CC growth (% QoQ)	Cross currency impact (bps)	USD rev growth (% QoQ)	EBIT Margins (%)	EBIT margins change (QoQ)	Wage hike (FY26)	INR earnings growth (% QoQ)	USD revenue growth (% YoY)	INR Earnings growth (% YoY)
TCS	0.2%	0	0.2%	24.7%	20bps	Q2 (Sept)	2.3%	-3.1%	9.6%
Infosys	1.8%	30	2.1%	21.0%	20bps		4.5%	3.1%	11.2%
HCL Tech	1.5%	20	1.7%	17.0%	70bps		11.3%	4.6%	1.0%
Wipro	0.1%	10	0.2%	16.9%	-40bps		0.1%	-2.5%	3.9%
TechM	0.9%	20	1.1%	11.8%	70bps		17.3%	-0.5%	7.1%
LTIMindtree	1.9%	10	2.0%	14.9%	60bps		1.5%	4.4%	1.7%

Source: Company, Nuvama Research

Exhibit 2: Tier-2 IT companies' results preview: A snapshot

Company	USD CC growth (% QoQ)	Cross currency impact (bps)	USD rev growth (% QoQ)	EBIT Margins (%)	EBIT margins change (QoQ)	Wage hike (FY26)	INR earnings growth (% QoQ)	USD revenue growth (% YoY)	INR Earnings growth (% YoY)
Mphasis	1.3%	0	1.3%	15.0%	-30bps	Spread out	3.5%	5.2%	8.0%
Coforge	6.0%	10	6.1%	13.6%	40bps		42.4%	27.1%	74.0%
Persistent	3.7%	0	3.7%	15.6%	10bps		4.1%	17.0%	36.1%
Hexaware	3.2%	0	3.2%	15.1%	50bps		0.1%	5.4%	25.7%
LTTS	1.5%	-10	1.4%	13.4%	10bps		0.3%	10.9%	-0.9%
Cyient	0.3%	15	0.4%	12.0%	0bps		5.1%	-5.6%	-2.9%
Birlasoft	-0.5%	0	-0.5%	10.5%	-20bps		2.3%	-8.2%	-14.6%
Firstsource	2.2%	0	2.2%	11.5%	20bps	Q2	8.4%	15.1%	32.8%
Zensar	-0.1%	20	0.1%	13.5%	0bps	Q2	-4.9%	3.8%	11.1%

Source: Company, Nuvama Research

Exhibit 3: Quarterly preview: A closer look

Company	Particular	Q2FY25 (INR mn)	Q1FY26 (INR mn)	Q2FY26E (INR mn)	QoQ Growth (%)	YoY Growth (%)	Key things to watch out for
TCS	Revenues (USD mn)	7,670	7,421	7,433	0.2	(3.1)	We expect TCS to deliver 0.2% QoQ CC/USD revenue growth. India business to remain flat with the BSNL deal ramp down complete in Q1. Margin to improve by 20bp QoQ despite one month of wage hike impact. We will watch out for the outlook on US macro amid the tariff uncertainty and update on employee restructuring.
	Revenues	6,42,590	6,34,370	6,47,380	2.1	0.7	
	EBIT	1,54,650	1,55,140	1,59,703	2.9	3.3	
	EBIT Margin	24.1	24.5	24.7	20bps	60bps	
	PAT	1,19,090	1,27,600	1,30,582	2.3	9.6	
	Diluted EPS	32.9	35.2	36.1	2.3	9.6	
Infosys	Revenues (USD mn)	4,894	4,941	5,044	2.1	3.1	We expect revenue to grow +1.8% QoQ in CC/+2.1% QoQ in USD, which will have 10–15bp contribution from acquisitions. EBIT margin is likely to expand ~20bp QoQ due to operating leverage and currency tailwind. We expect Infosys to maintain FY26 revenue growth guidance of 1–3% CC YoY (including 0.4% inorganic) and margin guidance of 20–22%.
	Revenues	4,09,860	4,22,790	4,39,322	3.9	7.2	
	EBIT	86,490	88,030	92,175	4.7	6.6	
	EBIT Margin	21.1	20.8	21.0	20bps	-10bps	
	PAT	65,060	69,210	72,324	4.5	11.2	
	Diluted EPS	15.7	16.7	17.4	4.5	11.2	
HCL Tech	Revenues (USD mn)	3,445	3,545	3,605	1.7	4.6	HCLT shall report revenue growth of 1.5% QoQ in CC/1.7% QoQ in USD—driven by P&P (+1.5% QoQ) and Services (+1.7% QoQ). EBIT margin to expand 70bp QoQ from the bottom of 16.3% in Q1—restructuring expense to continue in the quarter, though lower QoQ. We expect HCLT to maintain FY26 revenue growth (3–5% CC YoY) in Services and margin (17–18%) guidance.
	Revenues	2,88,620	3,03,490	3,13,963	3.5	8.8	
	EBIT	53,620	49,420	53,426	8.1	(0.4)	
	EBIT margin (%)	18.6	16.3	17.0	70bps	-160bps	
	PAT	42,350	38,430	42,754	11.3	1.0	
	Diluted EPS	15.6	14.2	15.8	11.3	1.0	
Wipro	Revenues (USD mn)*	2,660	2,587	2,593	0.2	(2.5)	We expect IT Services revenue growth of +0.1% QoQ in CC/+0.2% QoQ in USD—close to midpoint of its guidance. Margins are expected to decline 40bp QoQ. We expect Wipro to give 0% to 2% CC QoQ revenue growth guidance for Q3FY26—growth to be driven by Phoenix deal ramp-up. Will look for update on consultancy business and deal execution.
	Revenues	2,23,016	2,21,346	2,26,858	2.5	1.7	
	EBIT	37,149	38,154	38,239	0.2	2.9	
	EBIT margin (%)	16.7	17.2	16.9	-40bps	20bps	
	PAT	32,088	33,304	33,350	0.1	3.9	
	Diluted EPS	3.1	3.2	3.2	0.1	3.8	
Tech Mahindra	Revenues (USD mn)	1,589	1,564	1,581	1.1	(0.5)	TechM shall report 0.9% QoQ CC/+1.1% QoQ in USD—both Telecom and Enterprise business are likely to report similar growth. Margins shall expand +70bp QoQ. We expect management to retain FY27 margin guidance of 15%. Watch out the comments on the FY27 revenue and margin guidance, and TechM's progress on it.
	Revenues	1,33,132	1,33,512	1,37,733	3.2	3.5	
	EBIT	12,804	14,771	16,229	9.9	26.7	
	EBIT margin (%)	9.6	11.1	11.8	70bps	220bps	
	Adjusted PAT	12,501.0	11,406.0	13,383.5	17.3	7.1	
	Diluted EPS	14.1	12.9	15.1	17.3	7.0	
LTIMindtree	Revenues (USD mn)	1,127	1,153	1,176	2.0	4.4	We expect revenue to grow +1.9% QoQ in CC/+2% QoQ in USD driven by retail, manufacturing and public services aided by large deal ramp-up. Margins shall improve by 60bp QoQ driven by operating leverage. Deal-wins are likely to be decent. Will watch out for management on revenue growth over coming quarters and margin trajectory.
	Revenues	94,329	98,406	1,01,740	3.4	7.9	
	EBIT	14,582	14,065	15,154	7.7	3.9	
	EBIT margin (%)	15.5	14.3	14.9	60bps	-60bps	
	PAT	12,516	12,546	12,733	1.5	1.7	
	Diluted EPS	42.3	42.4	43.0	1.5	1.7	
Mphasis	Revenues (USD mn)	421	437	443	1.3	5.2	We anticipate Mphasis to log decent growth of +1.3% QoQ in CC/USD led by BFSI and Hi-Tech. The Logistics vertical has bottomed out, but likely to stay flat in the quarter. Margin is likely to dip 30bp QoQ while deal-wins are expected to be solid again. We shall be closely watching the outlook for the Logistic business, and the overall growth outlook for FY26.
	Revenues	35,362	37,324	38,555	3.3	9.0	
	EBIT	5,444	5,709	5,786	1.4	6.3	
	EBIT margin (%)	15.4	15.3	15.0	-30bps	-40bps	
	PAT	4,234.0	4,417.0	4,571.1	3.5	8.0	
	Diluted EPS	22.2	23.1	23.9	3.5	7.9	

*Source: Company, Nuvama Research (*IT Services)*

Quarterly preview: A closer look (Contd.)

Company	Particular	Q2FY25 (INR mn)	Q1FY26 (INR mn)	Q2FY26E (INR mn)	Q-o-Q Growth (%)	Y-o-Y Growth (%)	Key things to watch out for
Coforge	Revenues (USD mn)	369	442	470	6.1	27.1	We expect revenue growth of +6% QoQ in CC/+6.1% QoQ in USD—strong growth on the back of Sabre deal ramp-up and other verticals. We reckon margin shall expand by ~40bp QoQ driven by lower ESOP expense and operating leverage. Deal-wins are likely to stay strong again.
	Revenues	30,623	36,886	40,901	10.9	33.6	
	EBIT	3,598	4,850	5,547	14.4	54.2	
	EBIT Margin	11.7	13.1	13.6	40bps	180bps	
	PAT	2,022	2,471	3,518	42.4	74.0	
	Diluted EPS	6.1	7.4	10.5	42.4	73.3	
Persistent	Revenues (USD mn)	346	390	404	3.7	17.0	We anticipate strong growth of 3.7% QoQ in CC/USD - led by growth in the BFSI and Hi-tech verticals while Healthcare will remain stable. Margins are likely to improve by 10bp QoQ. Deal flow is likely to be decent. We will watch out for ACV growth and commentary on the deal pipeline.
	Revenues	28,972	33,336	35,199	5.6	21.5	
	EBIT	4,062	5,178	5,504	6.3	35.5	
	EBIT Margin	14.0	15.5	15.6	10bps	160bps	
	PAT	3,250	4,249	4,424	4.1	36.1	
	Diluted EPS	21.0	27.2	28.6	4.9	36.1	
Hexaware	Revenues (USD mn)*	374	382	394	3.2	5.4	Revenue is likely to grow by 3.2% QoQ in CC/USD terms—with a 150bp contribution from the SMC Squared acquisition. Margins are likely to expand by ~50bp QoQ—reported margins getting close to adjusted margins, due to lower exceptional items.
	Revenues	31,357	32,607	34,339	5.3	9.5	
	EBIT	4,173	4,759	5,189	9.0	24.4	
	EBIT margin (%)	13.3	14.6	15.1	50bps	180bps	
	PAT	3,026	3,799	3,804	0.1	25.7	
	Diluted EPS	5.0	6.2	6.2	0.1	24.2	
LTTS	Revenues (USD mn)	307	335	340	1.4	10.9	LTTS shall report revenue growth of 1.5% QoQ in CC/1.4% QoQ in USD—with weakness in the mobility and telecom verticals. Margin are likely to increase by 10bp QoQ. We expect LTTS to maintain FY26 revenue growth guidance of double-digit CC growth.
	Revenues	25,729	28,660	29,625	3.4	15.1	
	EBIT	3,877	3,813	3,958	3.8	2.1	
	EBIT margin (%)	15.1	13.3	13.4	10bps	-170bps	
	PAT	3,196	3,157	3,166	0.3	(0.9)	
	Diluted EPS	30.2	29.8	29.9	0.3	(1.0)	
Cyient	Revenues (USD mn)	173	163	163	0.4	(5.6)	We anticipate DET revenue to grow +0.3% QoQ in CC and +0.4% in USD impacted by furloughs in European geography. Margins shall remain flat QoQ, after declining over last two quarters. We would watch out for commentary from the new CEO and his strategy to make Cyient's performance more consistent.
	Revenues	14,496	13,925	14,228	2.2	(1.8)	
	EBIT	2,058	1,671	1,711	2.4	(16.9)	
	EBIT margin (%)	14.2	12.0	12.0	0bps	-220bps	
	Adjusted PAT	1,766	1,631	1,715	5.1	(2.9)	
	Diluted EPS	16.1	14.8	15.6	5.2	(3.0)	
Birlasoft	Revenues (USD mn)	163	151	150	(0.5)	(8.2)	We reckon Birlasoft shall report a revenue decline of -0.5% CC QoQ/USD—owing to weakness in Energy and Healthcare. Margin are likely to decrease -20bp QoQ due to weak revenue performance. We would be watching out for deal-wins and commentary on the margin trajectory in FY26 and beyond.
	Revenues	13,682	12,849	13,060	1.6	(4.5)	
	EBIT	1,431	1,380	1,375	(0.4)	(3.9)	
	EBIT margin (%)	10.5	10.7	10.5	-20bps	10bps	
	PAT	1,275	1,064	1,089	2.3	(14.6)	
	Diluted EPS	4.5	3.8	3.9	2.3	(14.5)	
Firstsource	Revenues (USD mn)	230	259	265	2.2	15.1	We expect revenue to grow +2.2% QoQ in CC/USD terms. Margins are likely to expand ~20bp QoQ despite a full quarter of wage hike impact. We expect management to maintain revenue growth guidance of 13–15% for FY26. We would watch out for commentary on the mortgage business, GEN AI impact and margins.
	Revenues	19,254	22,177	22,968	3.6	19.3	
	EBIT	2,081	2,498	2,635	5.5	26.6	
	EBIT margin (%)	10.8	11.3	11.5	20bps	70bps	
	PAT	1,382	1,693	1,835	8.4	32.8	
	Diluted EPS	2.0	2.4	2.6	8.4	32.4	
Zensar	Revenues (USD mn)	156	162	162	0.1	3.8	We expect Zensar to report revenue growth -0.1% QoQ in CC/+0.1% in USD. Margin are likely to be flat QoQ despite wage hike. We would keenly watch out for an update on Hi-Tech recovery and demand outlook.
	Revenues	13,080	13,850	14,124	2.0	8.0	
	EBIT	1,713	1,875	1,907	1.7	11.3	
	EBIT margin (%)	13.1	13.5	13.5	0bps	40bps	
	PAT	1,557	1,820	1,730	(4.9)	11.1	
	Diluted EPS	6.8	7.9	7.5	(4.9)	10.4	

Source: Company, Nuvama Research

Exhibit 4: IT sector under pressure over last three months

IT Preview	Last 3 months	Last 6 months	FY25	CY24
Nifty	**-3.6%**	**6.2%**	**5.3%**	**8.8%**
Nifty IT	**-13.3%**	**-6.5%**	**5.7%**	**22.0%**
TCS	-15.8%	-18.7%	-7.0%	6.0%
Infosys	-10.3%	-5.5%	4.8%	21.8%
Wipro	-9.5%	-8.8%	9.2%	25.6%
HCLT	-19.4%	-9.5%	3.2%	29.5%
Tech M	-16.2%	0.4%	13.6%	34.1%
LTIMindtree	-2.8%	16.5%	-9.1%	-11.3%
Coforge	-17.2%	2.2%	47.4%	54.0%
Persistent	-20.1%	-7.5%	38.4%	74.8%
Mphasis	-7.9%	8.5%	4.7%	3.9%
Hexaware	-20.9%	-4.5%	NA	NA
LTTS	-5.5%	-9.8%	-17.9%	-9.8%
Cyient	-11.5%	-7.2%	-36.6%	-19.9%
Birlasoft	-19.5%	-9.1%	-17.9%	-22.3%
Zensar	-9.2%	10.3%	-36.6%	22.8%
Firstsource	-8.1%	-1.6%	-9.1%	103.4%

Source: Company, Nuvama Research

Exhibit 5: Deal-wins announcements by Top 5 have been solid over last three months

Company	Date	Client	Deal summary
TCS	05-Aug-25	Weatherford International	To enable AI-driven business transformation
	11-Aug-25	Now Corporation	To power Philippines' sovereign data cloud and financial inclusivity
	20-Aug-25	Kesko - Finnish retail group	To drive AI-powered retail transformation
	28-Aug-25	Unilab	Cloud-led enterprise modernization
	02-Sep-25	Tryg	EUR550mn deal to propel growth with comprehensive digital transformation over next 7 years
	05-Sep-25	Government of Odisha	To build next-gen, AI-enabled integrated financial management system
	09-Sep-25	CEA	To advance physical AI research and innovation in France
	15-Sep-25	The Warehouse group	To lead strategic IT transformation initiatives
	16-Sep-25	ARN Media	To modernise operations, scale digital engagement in Australia
	18-Sep-25	Vodafone Idea	Deepen Collaboration with AI-Powered Customer Experience Platform
Infosys	16-Jul-25	MACS	Collaborates with Melbourne Archdiocese Catholic Schools (MACS) to drive network-wide digital transformation
	21-Jul-25	Telstra	To advance technology leadership
	22-Jul-25	AGCO	To deliver IT and HR operations transformation
	28-Jul-25	RWE	To drive automated digital workplace transformation
	28-Aug-25	Mastercard	To scale up cross-border payments
	02-Sep-25	Glion Arena Kobe	Infosys collaborates with Glion Arena Kobe as Official Digital Innovation and GX Partner
	11-Sep-25	HanesBrands Inc	To unlock hyper productivity and AI-driven efficiency
	23-Sep-25	Sunrise	Extends strategic collaboration to accelerate it transformation and power AI future
HCL Tech	02-Jul-25	Equinor	HCLTech and Equinor expand digital collaboration
	09-Jul-25	Astemo Cypremos	To accelerate autonomous and smart vehicles ecosystem
	10-Jul-25	Dunedin City Council	To lead a 10-year strategic digital transformation
	23-Sep-25	Sweden based auto company	AI-powered digital foundation services, renewing & expanding on original agreement
Wipro	24-Jul-25	National Grid SA.	Wipro wins multi-year "Smart Grid" deal from Saudi Electric company
TechM	05-Aug-25	Dixon Technologies	To enable AI-powered Industry 4.0 automation for Dixon Technologies

Source: Company, Nuvama Research

Quarterly trends

Exhibit 6: Revenue growth (CC QoQ)

Revenue Growth (CC QoQ)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
TCS	0.0%	0.1%	1.1%	1.1%	2.2%	1.1%	0.0%	-0.8%	-3.3%
Infosys	1.0%	2.3%	-1.0%	-2.2%	3.6%	3.1%	1.7%	-3.5%	2.6%
HCL Tech	-1.3%	1.0%	6.0%	0.3%	-1.6%	1.6%	3.8%	-0.8%	-0.8%
Wipro*	-2.8%	-2.0%	-1.7%	-0.3%	-1.0%	0.6%	0.1%	-0.8%	-2.0%
Tech M	-4.2%	-2.4%	1.1%	-0.8%	0.7%	0.7%	1.2%	-1.5%	-1.4%
LTIMindtree	0.1%	1.7%	0.7%	-1.3%	2.6%	2.3%	1.8%	-0.6%	0.8%
Coforge	2.7%	2.3%	1.8%	1.9%	1.6%	26.3%	8.4%	3.4%	8.0%
Persistent	2.9%	3.2%	3.1%	3.4%	5.6%	5.1%	4.6%	4.5%	3.3%
Mphasis	-3.5%	0.0%	1.0%	2.1%	-0.1%	2.4%	0.2%	2.9%	1.0%
Hexaware^							0.2%	-0.2%	1.3%
LTTS	-2.9%	3.2%	0.9%	5.1%	-3.3%	3.4%	3.1%	10.5%	-4.2%
Cyient	0.3%	1.0%	1.1%	-0.5%	-5.0%	1.3%	2.4%	-1.9%	-1.5%
Birlasoft	2.7%	3.1%	1.8%	1.6%	-2.7%	2.2%	-1.1%	-5.3%	-1.8%
Zensar	1.3%	0.2%	-3.2%	2.0%	4.3%	0.3%	0.7%	0.9%	1.9%
Firstsource	-3.0%	-0.1%	3.4%	4.2%	6.5%	6.9%	7.6%	2.1%	1.6%

Source: Company, Nuvama Research (^For Hexw: Q1FY26 = Q2CY25, Q4FY25 = Q1CY25…..)

** IT services*

Exhibit 7: Revenue growth trend (CC YoY)

Revenue Growth (CC YoY)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
TCS	7.0%	2.8%	1.7%	2.2%	4.4%	5.5%	4.5%	2.5%	-3.1%
Infosys	4.2%	2.5%	-1.0%	0.0%	2.5%	3.3%	6.1%	4.8%	3.8%
HCL Tech	7.1%	3.4%	4.2%	6.7%	5.8%	5.9%	4.9%	2.7%	4.5%
Wipro	1.1%	-4.8%	-6.9%	-6.6%	-4.9%	-2.3%	-0.7%	-1.2%	-2.3%
Tech M	-0.9%	-5.9%	-5.4%	-6.4%	-1.2%	1.2%	1.3%	0.3%	-1.0%
LTIMindtree	8.2%	4.4%	3.1%	1.2%	3.7%	4.4%	5.6%	6.3%	4.4%
Coforge	18.4%	14.1%	12.0%	9.0%	7.8%	33.0%*	40.3%*	40.7%**	51.5%*
Persistent**	17.1%	14.1%	13.7%	13.2%	16.0%	18.4%	19.8%	20.7%	18.7%
Mphasis	-8.4%	-10.1%	-6.8%	-0.4%	3.1%	5.4%	4.6%	5.4%	6.5%
Hexaware^							18.8%	12.7%	7.5%
LTTS	10.0%	1.4%	11.0%	6.3%	-6.1%	6.3%	8.7%	14.2%	12.8%
Cyient	28.6%	22.3%	10.1%	5.3%	-1.5%	2.6%	4.5%	0.1%	-1.2%
Birlasoft	3.6%	5.7%	7.9%	9.6%	3.8%	2.9%	-0.1%	-6.9%	-6.0%
Zensar	-1.6%	-3.4%	-1.3%	0.4%	3.3%	3.3%	7.5%	6.3%	3.8%
Firstsource	-1.6%	-1.9%	2.8%	4.5%	14.8%	22.7%	27.7%	25.0%	19.2%

Source: Company, Nuvama Research (^For Hexw: Q1FY26 = Q2CY25, Q4FY25 = Q1CY25…..)

** including inorganic*

***reported*

Exhibit 8: EBIT margin trend

EBIT Margins	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
TCS	23.2%	24.3%	25.0%	26.0%	24.7%	24.1%	24.5%	24.2%	24.5%
Infosys	20.8%	21.2%	20.5%	20.1%	21.1%	21.1%	21.3%	21.0%	20.8%
HCL Tech	17.0%	18.5%	19.7%	17.6%	17.1%	18.6%	19.5%	18.0%	16.3%
Wipro - IT Services	16.0%	16.1%	16.0%	16.4%	16.5%	16.8%	17.5%	17.5%	17.3%
Tech Mahindra	6.8%	4.7%	5.4%	7.4%	8.5%	9.6%	10.2%	10.5%	11.1%
LTIMindtree	16.7%	16.0%	15.4%	14.7%	15.0%	15.5%	13.8%	13.8%	14.3%
Coforge	11.5%	11.9%	13.8%	14.4%	13.6%	11.7%	11.8%	13.2%	13.1%
Persistent	14.9%	13.7%	14.5%	14.5%	14.0%	14.0%	14.9%	15.6%	15.5%
Mphasis	15.4%	15.5%	14.9%	14.9%	15.0%	15.4%	15.3%	15.3%	15.3%
Hexaware^	-	-	9.1%	13.0%	12.3%	13.3%	13.8%*	14.8%*	15.8%*
LTTS	17.2%	17.1%	17.2%	16.9%	15.6%	15.1%	15.9%	13.2%	13.3%
Cyient	14.7%	14.6%	14.3%	14.4%	11.9%	12.5%	11.4%	12.3%	9.5%
Birlasoft	13.6%	14.2%	14.4%	14.7%	13.1%	10.5%	10.4%	11.5%	10.7%
Zensar	15.3%	15.7%	14.6%	14.6%	13.3%	13.1%	13.8%	13.9%	13.5%
Firstsource	11.7%	10.6%	10.7%	11.0%	11.0%	10.8%	11.1%	11.2%	11.3%

Source: Company, Nuvama Research (^For Hexw: Q1FY26 = Q2CY25, Q4FY25 = Q1CY25…..)

** Adjusted EBIT margin*

Exhibit 9: Deal-wins (USD mn) trend

Deal wins	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
TCS	10,200	11,200	8,100	13,200	8,300	8,600	10,200	12,200	9,400
Infosys	2,285	7,684	3,241	4,454	4,085	2,430	2,495	2,637	3,797
HCL Tech	1,565	3,969	1,927	2,290	1,960	2,218	2,095	2,995	1,812
Wipro	1,198	1,275	909	1,191	1,154	1,489	961	1,763	2,666
TechM	359	640	381	500	534	603	745	798	809
LTIMindtree	1,410	1,300	1,500	1,430	1,400	1,300	1,680	1,600	1,630
Coforge	531	313	354	774	314	516	501	2,126	507
Persistent	380	479	521	448	463	529	594	518	521
Mphasis	707	255	241	177	319	207	351	390	760
Cyient	193	184	297	228	183	157	312	184	NA

Source: Company, Nuvama Research

Exhibit 10: Net headcount addition trend

Net headcount addition	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
TCS	523	-6,333	-5,680	-1,759	5,452	5,726	-5,370	625	5,090
Infosys	-6,940	-7,530	-6,101	-5,423	-1,908	2,456	5,591	199	210
HCL Tech	-2,506	-2,299	3,617	2,725	-8,080	-780	2,134	2,665	-269
Wipro	-7,185	-5,133	-5,525	-7,157	266	877	-1,170	574	-164
Tech M	-4,103	2,307	-4,354	-795	2,165	6,653	-3,785	-1,757	-214
LTIMindtree	-1,808	794	-1,061	-821	284	2,504	2,362	-2,493	-418
Coforge	1,000	414	-31	119	1,886	5,871	611	403	690
Persistent	241	-288	494	514	-331	-282	705	652	746
Mphasis	-81	-190	221	-1,328	-1,019	-44	-407	248	-379
Hexaware^	-	-	-	1,843	1,735	666	-227	-745	846
LTTS	1,159	488	-582	514	-235	121	-233	793	-632
Cyient	-558	132	240	-217	-378	-284	-421	-227	-528
Birlasoft	42	87	34	239	270	-287	-453	-195	-96
Zensar	-23	-210	-105	124	47	-156	277	185	-82
Firstsource	-634	1569	1994	1993	1291	3667	1246	507	-156

Source: Company, Nuvama Research

(^For Hexw: Q1FY26 = Q2CY25, Q4FY25 = Q1CY25…..)

Exhibit 11: Attrition trend

Attrition	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
TCS	17.8%	14.9%	13.3%	12.5%	12.1%	12.3%	13.0%	13.3%	13.8%
Infosys	17.3%	14.6%	12.9%	12.6%	12.7%	12.9%	13.7%	14.1%	14.4%
HCL Tech	16.3%	14.2%	12.8%	12.4%	12.8%	12.9%	13.2%	13.0%	12.8%
Wipro - IT Services	17.3%	15.5%	14.2%	14.2%	14.1%	14.5%	15.3%	15.0%	15.1%
Tech Mahindra	13.0%	11.0%	10.3%	10.0%	10.1%	10.6%	11.2%	11.8%	12.6%
LTIMindtree	17.8%	15.2%	14.2%	14.4%	14.4%	14.5%	14.3%	14.4%	14.4%
Coforge	13.3%	13.0%	12.1%	11.5%	11.4%	11.7%	11.9%	10.9%	11.3%
Persistent	15.5%	13.5%	11.9%	11.5%	11.9%	12.0%	12.6%	12.9%	13.9%
Hexaware^	-	-	14.7%	13.3%	12.0%	11.3%	10.8%	11.2%	11.1%
LTTS	18.9%	16.7%	15.8%	14.8%	14.8%	14.3%	14.4%	14.3%	14.8%
Cyient	23.0%	20.4%	18.4%	17.1%	16.0%	15.0%	15.5%	16.5%	16.9%
Birlasoft	18.8%	15.0%	12.6%	12.4%	11.6%	11.8%	12.7%	12.8%	13.3%
Zensar	15.9%	13.1%	12.0%	10.9%	10.6%	10.1%	10.0%	9.9%	9.8%
Firstsource	41.7%	39.8%	37.7%	35.4%	32.0%	30.6%	31.4%	29.8%	28.9%

Source: Company, Nuvama Research

(^For Hexw: Q1FY26 = Q2CY25, Q4FY25 = Q1CY25…..)

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