

# HSIE Results Daily

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### Results Reviews

- SBI Life Insurance:** SBILIFE delivered APE and VNB growth of 13%/14% YoY respectively in FY26, marginally below our estimates. Geopolitical headwinds seem to have weighed on business momentum during Mar-26. VNB margins were broadly in line with expectations, driven by increased contribution from the NPAR segment (FY26: 26.3%; 9MFY26: 25.2%). However, margins faced a ~150bps drag due to GST input tax credit (ITC) unavailability for FY26. SBILIFE continued to report best-in-class operating ROEV of ~20%, with consistently favorable experience. SBILIFE continues to reduce its ULIP dependence, with ULIP share declining 345bps YoY to ~66% in FY26. We revise our APE/VNB growth estimates to build in 14%/15% CAGR during FY26-FY28E. Our high conviction BUY is anchored on three moats: (a) exclusive access to SBI's massive distribution network with significant under-penetration; (b) scope for improvement in margin-accretive traditional mix; and (c) cost leadership (excl. renewal commission)/APE ratio among peers (FY26: 38.3%; FY25: 33%). We maintain BUY with a TP of INR2,400 (implied 2.1x Mar-28E EV), implying >60% premium over IPRULIFE.
- Trent:** Trent's standalone revenue grew 20.2% YoY to INR 49.4bn, primarily led by new store additions as LFL growth for Q4FY26 and FY26 remained in low single digits. While consumer sentiment was stable at the start of Q4, geopolitical concerns and macroeconomic uncertainties could lead to cautious discretionary spending, potential rise in cost of living, and inflationary pressure on select raw materials going forward. Trent added 22/109 (net) stores of Westside/Zudio respectively in Q4FY26. Its grocery format Star grew by ~6% YoY in Q4. Margins continue to beat expectations – GM expanded by 171bps YoY to 44.3% (HSIE: 43.3%), while Pre-IND AS EBITM improved ~180bps YoY to 11.5% in Q4, potentially due to favorable revenue mix and operational efficiencies. APAT grew 30% YoY to INR 4.5bn (HSIE: INR3.6bn). The company intends to raise INR25bn to (1) upgrade existing stores, (2) incubate new brands/categories/geographies, (3) expand and automate supply chain/warehouse capacity, (4) scale automation initiatives, and (5) accelerate Star's expansion. We have revised our FY27/28 APAT estimates by -1/+1% respectively; however, we downgrade the stock to ADD with an SOTP-based TP of INR 4,500 (including ~57x FY28 adj. P/E for standalone business and 2x FY28 EV/sales for Star), as the upside is now limited post a >30% rally since our last upgrade a month ago.
- Tech Mahindra:** Tech Mahindra (TechM) delivered better-than-expected Q4, posting 0.6% QoQ CC revenue growth fueled by robust performances in BFSI (+8.1% QoQ) and Communications (+1.8% QoQ). The communication vertical saw a notable spending recovery from its largest US client, complemented by double-digit growth at Comviva (seasonality). Manufacturing remained flat QoQ, while strength in aerospace was offset by softer US auto. BFSI is building momentum through specialized platforms in asset & wealth management and insurance vertical. Margin expansion persisted, with Q4 improving by 70 bps to 13.8%, driving full-year growth of 290 bps YoY to 12.6%. FY26 stood out as a milestone year, featuring the highest-ever deal wins at USD 3.8 bn (+41.6% YoY), including two mega deals. TechM also secured a five-year strategic partnership with Orange Business focused on AI, automation, secure digital platforms, cloud, cybersecurity, and scalable

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solutions. Having invested consistently in AI-led offerings across service lines—moving from experimentation to scaled execution—management eyes deal ramp-ups and deeper client ties to build on two years of progress. Target is to deliver better than industry growth rate with 15% EBIT margin in FY27E. Estimates remain unchanged, we maintain ADD with a target price of INR 1,510, based on 17x FY28E EPS.

- **Havells India:** Revenue came in at INR 66.88bn, up 2% YoY, despite a 19% YoY decline in the Lloyd segment due to a high base. Growth was driven by cables (up 14% YoY) and others (up 49% YoY), while switchgears and lighting & fixtures posted modest growth of 6% and 1%, respectively; the electrical consumer durables segment declined 2% YoY. EBITDAM declined by 80bps YoY to 10.9% owing to lower gross margins, leading EBITDA decline of 4% YoY, while APAT remained flat YoY (adjusted for Goldi exceptional income). Demand for summer-focused products remained muted in the first half of April, post which it has picked up. Considering the weak Q4 performance, we cut our FY27/28E revenue estimates by 2–3% and EBITDA and APAT estimates by 3–4%. In light of the subdued Q4 performance and the challenging cost environment, we downgrade our rating from Buy to ADD, with a lower target price of INR 1,470/share, valuing the stock at 45x Mar'28 EPS.
- **L&T Technology Services:** L&T Technology Services (LTTS) posted a muted Q4FY26, with revenue declining 1.1% QoQ in CC terms, missing expectations primarily due to a 6.3% QoQ drop in the tech vertical amid ongoing business restructurings, including the divestment of its SWC business. Management launched Lakshya 31, a bold five-year strategic roadmap to pivot towards high-value "Engineering Intelligence," anchored by six key technology bets: (1) Software-Defined Mobility, (2) Plant Build-out and Modernization, (3) Energy and Industrial Automation, (4) Digital Manufacturing, (5) NexGen Compute and AI Infra, and (6) Software Platforms in EI and MedTech. Currently, these areas contribute less than 50% of revenue, but LTTS targets over 70% within five years. Over the Lakshya 31 horizon, the company aims for 13-15% USD revenue CAGR (mostly organic, supplemented by tuck-in M&A) and EBIT margins of 16-17%. Near-term, it has accelerated margin goals to mid-16% EBIT by Q4FY27E (ahead of prior guidance), powered by operational efficiencies, AI-led delivery and a richer segment mix (sustainability ~36% of revenue). Growth is expected to outpace the industry in FY27E, resuming across Mobility, Sustainability, and Tech segments from Q1FY27E post-portfolio rationalization and SWC divestment. We maintain estimates and have an ADD rating on LTTS with TP of INR 3,520, based on 20x Mar-28E EPS.

# SBI Life Insurance

## Margins resilient; overall guidance maintained

SBILIFE delivered APE and VNB growth of 13%/14% YoY respectively in FY26, marginally below our estimates. Geopolitical headwinds seem to have weighed on business momentum during Mar-26. VNB margins were broadly in line with expectations, driven by increased contribution from the NPAR segment (FY26: 26.3%; 9MFY26: 25.2%). However, margins faced a ~150bps drag due to GST input tax credit (ITC) unavailability for FY26. SBILIFE continued to report best-in-class operating ROEV of ~20%, with consistently favorable experience. SBILIFE continues to reduce its ULIP dependence, with ULIP share declining 345bps YoY to ~66% in FY26. We revise our APE/VNB growth estimates to build in 14%/15% CAGR during FY26-FY28E. Our high conviction BUY is anchored on three moats: (a) exclusive access to SBI's massive distribution network with significant under-penetration; (b) scope for improvement in margin-accretive traditional mix; and (c) cost leadership (excl. renewal commission)/APE ratio among peers (FY26: 38.3%; FY25: 33%). We maintain BUY with a TP of INR2,400 (implied 2.1x Mar-28E EV), implying >60% premium over IPRULIFE.

- Growth moderates; improvement in product mix:** Individual APE growth moderated to 8% in Q4FY26 (9MFY26: +15%), driven by banca channel, which de-grew by -4% (9MFY26: +16%). The product mix within banca improved, with the non-ULIP share rising to 29% in FY26 (FY25: 26%), driven by higher PAR. We view the shift towards PAR products as more achievable in the near-term relative to non-PAR guaranteed products. The management has guided for product intervention in deferred annuity segment in FY27E; accordingly, we factor in a mid-single digit mix for the annuity segment, going forward.
- GST ITC cost and one-time wage costs dent margins:** VNB margins were impacted by GST ITC costs (~1.5% impact), along with a one-time ~40bps drag from implementation of new labor codes. The management guided the impact from GST ITC for FY27E is likely to be mitigated by continued improvement in product mix towards non-ULIPs. We believe SBILIFE is likely to report VNB margins towards the higher end of its guidance of 26-28%.
- Banca to dictate growth in non-SBIN channels:** SBIN contributes ~2/3<sup>rd</sup> of SBILIFE's individual business and has grown at a 3-year CAGR of 11%, below its individual APE CAGR of 13%. Media reports quote the DFS Secretary suggesting banks should function as open distribution platforms rather than exclusively promoting group entity products, which will place higher burden on non-SBIN channels (3-year CAGR of 17%), to sustain this growth rate.

### Financial summary

(INR bn)	FY26	FY25	% chg	9MFY26	FY27E	FY28E
NBP	425.5	355.8	19.6%	313.3	476.8	529.9
APE	242.7	214.2	13.3%	185.2	275.8	313.1
VNB	66.7	59.5	12.1%	50.4	76.8	89.6
VNB margin (%)	27.5	27.8	-30bps	27.2	27.8%	28.6%
EV	807.7	702.2	15.0%		973.4	1,139.7
P/EV (x)	2.3	2.7			1.9	1.7
P/VNB (x)	17.8	22.0			14.1	10.2
Operating ROEV %	19.8%	20.2%			17.7%	17.4%

### Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% chg	New	Old	% chg
APE	275.8	285.4	-3.4%	313.1	328.8	-4.8%
VNB	76.8	78.9	-2.7%	89.6	92.5	-3.1%
VNB Margin (%)	27.8	27.6	18bps	28.6	28.1	49bps
EV	973.4	967.0	0.7%	1,139.7	1,134.7	0.4%

Source: Company, HSIE Research

## BUY

CMP (as on 22 Apr 2026) INR 1,885

Target Price INR 2,400

NIFTY 24,378

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,400	INR 2,400
	FY27E	FY28E
VNB %	-2.7%	-3.1%

### KEY STOCK DATA

Bloomberg code	SBILIFE IN
No. of Shares (mn)	1,003
MCap (INR bn) / (\$ mn)	1,891/20,156
6m avg traded value (INR mn)	2,080
52 Week high / low	INR 2,133/1,601

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(6.8)	2.4	16.4
Relative (%)	(2.2)	9.4	17.8

### SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	55.3	55.3
FIs & Local MFs	18.7	19.1
FPIs	21.9	21.5
Public & Others	4.1	4.0
Pledged Shares	Nil	Nil

Source : BSE

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# Trent

## Margin surprise continues; valuation limits upside

Trent's standalone revenue grew 20.2% YoY to INR 49.4bn, primarily led by new store additions as LFL growth for Q4FY26 and FY26 remained in low single digits. While consumer sentiment was stable at the start of Q4, geopolitical concerns and macroeconomic uncertainties could lead to cautious discretionary spending, potential rise in cost of living, and inflationary pressure on select raw materials going forward. Trent added 22/109 (net) stores of Westside/Zudio respectively in Q4FY26. Its grocery format Star grew by ~6% YoY in Q4. Margins continue to beat expectations – GM expanded by 171bps YoY to 44.3% (HSIE: 43.3%), while Pre-IND AS EBITM improved ~180bps YoY to 11.5% in Q4, potentially due to favorable revenue mix and operational efficiencies. APAT grew 30% YoY to INR 4.5bn (HSIE: INR3.6bn). The company intends to raise INR25bn to (1) upgrade existing stores, (2) incubate new brands/categories/geographies, (3) expand and automate supply chain/warehouse capacity, (4) scale automation initiatives, and (5) accelerate Star's expansion. We have revised our FY27/28 APAT estimates by -1/+1% respectively; however, we downgrade the stock to ADD with an SOTP-based TP of INR 4,500 (including ~57x FY28 adj. P/E for standalone business and 2x FY28 EV/sales for Star), as the upside is now limited post a >30% rally since our last upgrade a month ago.

- Q4FY26 highlights:** Standalone revenue grew by 20.2% YoY to INR 49.4bn. Growth was primarily led by new store additions as LFL growth for Q4FY26 and FY26 was in low single digits. Westside/Zudio added 22/109 stores in Q4FY26, taking their total store count to 300/963 respectively. Zudio's expansion was particularly back-ended in FY26, with over 80% of new stores launched in Tier 2/3 cities and peripheral micro-markets. Westside's online revenue grew 25% YoY, contributing over 6% to Westside's revenue. Star revenue grew by 5.9% YoY to INR 8.5bn. Staples/FMCG/Fresh/GM&A grew by ~10/1/12/2% YoY in Q4FY26. Standalone GM improved by 171bps YoY to 44.3% (HSIE: 43.3%), potentially due to favorable revenue mix from Westside. Consequently, EBITDAM expanded by 263bps YoY to 18.6% (HSIE: 16.6%) as investments in technology and automation across the value chain enabled the company to optimize costs. Operating EBIT margin (Pre-IND AS 116) improved to 11.5% in Q4FY26 vs 9.7% in Q4FY25. APAT grew 30% YoY to INR 4.5bn (HSIE: INR 3.6bn). Core WC days improved from 25 days in FY25 to 21 days in FY26. FY26 capex stood at INR14.9bn, while FCFE stood at INR11.4bn.
- Outlook:** Trent remains a stellar business, supported by healthy future operational KPIs. However, following a >30% rally since our last upgrade a month ago, the upside is now limited; hence, we downgrade the stock to ADD with an SOTP-based TP of INR 4,500 (including ~57x FY28 adj. P/E for standalone business and 2x FY28 EV/sales for Star).

### Quarterly financial summary (standalone)

(INR mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Net Revenue	49,366	41,061	20.2	52,595	(6.1)	1,19,266	1,66,681	1,97,014	2,44,530	2,82,136
EBITDA	9,190	6,564	40.0	10,734	(14.4)	13,957	21,253	26,079	33,439	38,600
APAT	4,548	3,499	30.0	6,655	(31.7)	10,298	15,848	19,936	22,923	27,120
EPS (Rs)	12.8	9.8	30.0	18.0	(28.9)	29.0	44.6	56.1	64.5	76.3
P/E (x)						153.1	99.5	80.1	68.8	58.1
EV/EBITDA (x)						112.6	73.9	60.3	46.2	39.2
Core RoCE(%)						16.7	31.8	27.7	27.0	30.1

Source: Company, HSIE Research, Standalone Financials

### Change in estimates

(INR mn)	FY27E			FY28E		
	New	Old	Change(%)	New	Old	Change(%)
Revenue	2,44,530	2,44,122	0.2	2,82,136	2,82,526	(0.1)
EBITDA (Pre-IND-AS 116)*	33,439	32,924	1.6	38,600	37,981	1.6
EBITDA margin (%)*	13.7	13.5	19 bps	13.7	13.4	24 bps
APAT	22,923	23,108	(0.8)	27,120	26,851	1.0
APATM (%)	9.4	9.5	(9 bps)	9.6	9.5	11 bps

Source: Company, HSIE Research

## ADD

CMP (as on 22 Apr 2026)	INR 4,435
Target Price	INR 4,500
NIFTY	24,378

KEY CHANGES	OLD	NEW
Rating	BUY	ADD
Price Target	INR 4,300	INR 4,500
APAT %	FY27E -0.8	FY28E +1.0

### KEY STOCK DATA

Bloomberg code	TRENT IN
No. of Shares (mn)	355
MCap (INR bn) / (\$ mn)	1,576/16,806
6m avg traded value (INR mn)	4,349
52 Week high / low	INR 7,261/3,276

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	16.6	(7.4)	(16.7)
Relative (%)	21.2	(0.4)	(15.3)

### SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	37.01	37.01
FIs & Local MFs	21.50	22.37
FPIs	15.62	15.59
Public & Others	25.87	25.03
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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# Tech Mahindra

## Strong deal bookings; margin expansion on track

Tech Mahindra (TechM) delivered better-than-expected Q4, posting 0.6% QoQ CC revenue growth fueled by robust performances in BFSI (+8.1% QoQ) and Communications (+1.8% QoQ). The communication vertical saw a notable spending recovery from its largest US client, complemented by double-digit growth at Comviva (seasonality). Manufacturing remained flat QoQ, while strength in aerospace was offset by softer US auto. BFSI is building momentum through specialized platforms in asset & wealth management and insurance vertical. Margin expansion persisted, with Q4 improving by 70 bps to 13.8%, driving full-year growth of 290 bps YoY to 12.6%. FY26 stood out as a milestone year, featuring the highest-ever deal wins at USD 3.8 bn (+41.6% YoY), including two mega deals. TechM also secured a five-year strategic partnership with Orange Business focused on AI, automation, secure digital platforms, cloud, cybersecurity, and scalable solutions. Having invested consistently in AI-led offerings across service lines—moving from experimentation to scaled execution—management eyes deal ramp-ups and deeper client ties to build on two years of progress. Target is to deliver better than industry growth rate with 15% EBIT margin in FY27E. Estimates remain unchanged, we maintain ADD with a target price of INR 1,510, based on 17x FY28E EPS.

- Q4FY26 highlights:** (1) TECHM's revenue came in at USD 1,625mn (vs HSIE USD 1,610mn), up 0.6% QoQ CC, led by a 1% increase in service revenue and 0.4% increase in the BPO revenue. (2) Communications (33% of revenue) grew 1.7% QoQ, while manufacturing (18% of revenue) declined 0.2% QoQ. BFSI (17% of revenue) revenue improved 8.1% QoQ. (3) Among the geographies, growth was led by RoW (+3.1% QoQ), followed by Europe (+2.5% QoQ), while Americas declined by 0.9% QoQ in the quarter. (4) New deal wins declined 2.1% QoQ to USD 1,073mn, while on LTM basis, deal wins were up 41.6% YoY in FY26 to USD 3.8bn. (5) EBITM expanded 70bps QoQ to 13.8% (in line with our estimate of 13.7%), led by forex tailwinds, Comviva seasonality, and Project Fortius even as TECHM continues to invest in AI and transitioning costs for large deal wins. (6) Top 5 clients declined by 1.1% QoQ while top 6-10 clients improved by 4.3% QoQ.
- Outlook:** We factor growth of +6.3/6.2% for FY27/28E – implying CQGRs of 1.6% each respectively for FY27/28E. We have built in EBITM of 15/15.9% for FY27/28E. TECHM is trading at 19/16x FY27/28E (vs. 5Y average of 21x).

### Quarterly Financial summary

YE Mar (INR bn)	Q4		YoY (%)	Q3 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
	FY26	FY25								
Revenue (USD mn)	1,625	1,549	4.9	1,610	0.9	6,277	6,264	6,385	6,788	7,211
Net Sales	150.76	133.84	12.6	143.93	4.7	519.96	529.88	568.15	621.10	667.01
EBIT	20.84	14.05	48.3	18.92	10.2	31.47	51.38	71.53	93.38	105.81
APAT	13.54	11.88	14.0	13.24	2.2	26.98	43.76	50.10	68.84	78.87
Diluted EPS (INR)	15.3	13.5	14.0	15.0	2.2	30.5	49.4	56.5	77.6	89.0
P/E (x)						45.9	30.3	25.5	18.8	16.4
EV / EBITDA (x)						24.9	17.5	13.4	10.5	9.2
RoE (%)						9.9	16.2	17.6	22.5	24.0

Source: Company, HSIE Research, Consolidated Financials

### Change in Estimates

YE March (INR bn)	FY27E		Change %	FY28E		Change %
	Old	Revised		Old	Revised	
Revenue (USD mn)	6,750	6,788	0.6	7,217	7,211	(0.1)
Revenue	617.64	621.10	0.6	667.56	667.01	(0.1)
EBIT	92.52	93.38	0.9	105.66	105.81	0.1
EBIT margin (%)	15.0	15.0	6bps	15.8	15.9	3bps
APAT	68.85	68.84	(0.0)	79.07	78.87	(0.3)
EPS (INR)	77.7	77.6	(0.0)	89.2	89.0	(0.3)

Source: Company, HSIE Research

## ADD

CMP (as on 22 Apr 2026)	INR 1,463
Target Price	INR 1,510
NIFTY	24,378

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,515	INR 1,510
EPS %	FY27E	FY28E
	0	-0.3

### KEY STOCK DATA

Bloomberg code	TECHM IN
No. of Shares (mn)	980
MCap (INR bn) / (\$ mn)	1,433/15,279
6m avg traded value (INR mn)	3,275
52 Week high / low	INR 1,854/1,304

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(13.3)	1.0	6.3
Relative (%)	(8.7)	8.0	7.6

### SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	34.98	34.97
FIs & Local MFs	32.13	37.79
FPIs	23.28	17.94
Public & Others	9.59	9.30
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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# Havells India

## Weak cooling segment drags performance

Revenue came in at INR 66.88bn, up 2% YoY, despite a 19% YoY decline in the Lloyd segment due to a high base. Growth was driven by cables (up 14% YoY) and others (up 49% YoY), while switchgears and lighting & fixtures posted modest growth of 6% and 1%, respectively; the electrical consumer durables segment declined 2% YoY. EBITDAM declined by 80bps YoY to 10.9% owing to lower gross margins, leading EBITDA decline of 4% YoY, while APAT remained flat YoY (adjusted for Goldi exceptional income). Demand for summer-focused products remained muted in the first half of April, post which it has picked up. Considering the weak Q4 performance, we cut our FY27/28E revenue estimates by 2–3% and EBITDA and APAT estimates by 3–4%. In light of the subdued Q4 performance and the challenging cost environment, we downgrade our rating from Buy to ADD, with a lower target price of INR 1,470/share, valuing the stock at 45x Mar'28 EPS.

- Q4FY26 highlights:** Revenue stood at INR 66.88bn, up 2% YoY, impacted by 19% YoY decline in Lloyd segment (Lloyd 2-year CAGR: 6%). Growth in the cables segment (up 14% YoY) and the others segment (up 49% YoY) drove the topline, while switchgears and lighting & fixtures delivered modest YoY growth of 6% and 1%, respectively. In contrast, the electrical consumer durables segment declined by 2% YoY. EBITDAM declined by 80bps YoY (+150bps QoQ) to 10.9%, owing to lower gross margins. While employee cost up 30bps YoY (-130bps QoQ), other expenses declined 40bps YoY (-200bps QoQ). Consequently, EBITDA fell 4% YoY, while APAT was flat YoY, adjusted for fair-valued exceptional Goldi income.
- Segmental highlights:** The cables segment delivered strong growth, driven primarily by power cables, while wire growth remained muted due to channel inventory normalization and a stronger YoY base. Lighting revenues stayed stable as LED prices stabilized. Cooling product performance was impacted by a milder start to summer, unseasonal showers, and a strong base last year, while other categories saw accelerated growth, driven by strong scale-up in renewables.
- Earnings call takeaways and outlook:** Demand for summer-focused products remained muted in the first half of April, post which it has picked up. Management expects a 200bps improvement in margins in the medium term. The company highlighted rising inflation remains a headwind, noting that price hikes of 5–20% (Lloyd 8-15% increase) have been implemented across segments to offset inflationary costs. Considering the weak Q4 performance, we cut our FY27/28E revenue estimates by 2–3% and EBITDA and APAT estimates by 3–4%. Given the subdued Q4 performance and the challenging cost environment, we downgrade our rating from Buy to ADD, with a lower target price of INR 1,470/share, valuing the stock at 45x Mar'28 EPS.

### Financial summary

(INR mn)	Q4 FY26	Q4 FY25	YoY (%)	Q3 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Net Sales	66,877	65,322	2.4	55,734	20.0	1,85,499	2,17,458	2,24,656	2,56,210	2,90,231
EBITDA	7,276	7,607	(4.4)	5,240	38.9	18,453	21,486	22,133	25,758	29,706
APAT	5,242	5,223	0.4	3,464	51.3	12,732	14,888	15,405	17,780	20,453
EPS (INR)	8.4	8.3	0.4	5.5	51.3	20.3	23.7	24.6	28.4	32.6
P/E (x)						66.4	56.8	54.9	47.6	41.4
EV/EBITDA(x)						44.2	37.8	37.2	31.7	27.5
RoE (%)						18.1	18.9	17.3	17.8	18.7

Source: Company, HSIE Research

## ADD

CMP (as on 22 Apr 2026)	INR 1,349
Target Price	INR 1,470
NIFTY	24,378

KEY CHANGES	OLD	NEW
Rating	BUY	ADD
Price Target	INR 1,520	INR 1,470
EPS revision %	FY27E -3.0	FY28E -4.0

### KEY STOCK DATA

Bloomberg code	HAVL IN
No. of Shares (mn)	627
MCap (INR bn) / (\$ mn)	846/9,019
6m avg traded value (INR mn)	1,150
52 Week high / low	INR 1,674/1,143

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	2.8	(9.1)	(19.0)
Relative (%)	7.4	(2.1)	(1/7.6)

### SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	59.38	59.38
FIs & Local MFs	16.53	17.50
FPIs	17.96	16.93
Public & Others	6.13	6.19
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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# L&T Technology Services

## Weak quarter; high growth aspirations

L&T Technology Services (LTTS) posted a muted Q4FY26, with revenue declining 1.1% QoQ in CC terms, missing expectations primarily due to a 6.3% QoQ drop in the tech vertical amid ongoing business restructurings, including the divestment of its SWC business. Management launched Lakshya 31, a bold five-year strategic roadmap to pivot towards high-value "Engineering Intelligence," anchored by six key technology bets: (1) Software-Defined Mobility, (2) Plant Build-out and Modernization, (3) Energy and Industrial Automation, (4) Digital Manufacturing, (5) NexGen Compute and AI Infra, and (6) Software Platforms in EI and MedTech. Currently, these areas contribute less than 50% of revenue, but LTTS targets over 70% within five years. Over the Lakshya 31 horizon, the company aims for 13-15% USD revenue CAGR (mostly organic, supplemented by tuck-in M&A) and EBIT margins of 16-17%. Near-term, it has accelerated margin goals to mid-16% EBIT by Q4FY27E (ahead of prior guidance), powered by operational efficiencies, AI-led delivery and a richer segment mix (sustainability ~36% of revenue). Growth is expected to outpace the industry in FY27E, resuming across Mobility, Sustainability, and Tech segments from Q1FY27E post-portfolio rationalization and SWC divestment. We maintain estimates and have an ADD rating on LTTS with TP of INR 3,520, based on 20x Mar-28E EPS.

- Q4FY26 highlights:** (1) LTTS posted revenue of USD 306mn, lower than our estimates of USD 323mn, -1.1% QoQ and +0.1% YoY in CC terms. (2) The sustainability vertical grew +1.6% QoQ, mobility was down -0.4% QoQ while hi-tech declined -6.3% QoQ. Mobility margin improved 130bps QoQ due to healthy deal wins and signs of recovery in the auto sector. Tech margin expanded 210bps QoQ to 12.6%, aided by the integration of IntelliSwift and restructuring. Sustainability margin was steady, at 28.7%. (3) LTTS recorded its sixth consecutive quarter of USD 200mn+ large deal TCW bookings in Q4FY26, with most of the wins in the mobility and sustainability verticals. (4) EBITM, at 15.2% (above our estimate of 14.9%), improved 42bps QoQ, mainly led by divestment in the SWC business, and exit from non-core portfolios in the Tech segment.
- Outlook:** We have factored in USD revenue growth of 3.1/13.4% for FY27/28E respectively, implying a CQGR of 3.7/3.2% for the two years. EBITM is factored in at 15.4/16.5% for FY27/28E, resulting in an EPS CAGR of 19.5% over FY25-28E.

### Quarterly Financial summary

YE Mar (INR bn)	Q4 FY26	Q4 FY25	YoY (%)	Q3 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Revenue (USD mn)	306	305	0.3	311	(1.7)	1,164	1,259	1,305	1,344	1,525
Net Sales	28.58	26.38	8.3	27.87	2.5	96.47	96.42	109.96	123.01	141.03
EBIT	4.35	3.52	23.6	4.12	5.5	16.47	14.87	15.90	18.97	23.23
APAT	3.56	2.80	27.1	3.00	18.7	13.04	11.93	13.01	15.13	18.56
Diluted EPS (INR)	33.7	26.5	27.1	28.4	18.7	123.5	113.1	123.2	143.4	175.9
P/E (x)						28.7	31.4	28.8	24.8	20.2
EV / EBITDA (x)						18.2	19.5	17.8	14.9	12.1
RoE (%)						25.4	20.9	20.7	22.1	24.1

Source: Company, HSIE Research, Consolidated Financials

### Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	1,392	1,344	(3.4)	1,555	1,525	(1.9)
Revenue	127.40	123.01	(3.4)	143.82	141.03	(1.9)
EBIT	18.95	18.97	0.1	22.97	23.23	1.1
EBIT margin (%)	14.9	15.4	54bps	16.0	16.5	50bps
APAT	15.19	15.13	(0.4)	18.44	18.56	0.7
EPS (INR)	143.9	143.4	(0.4)	174.7	175.9	0.7

Source: Company, HSIE Research

## ADD

CMP (as on 22 Apr 2026) INR 3,550

Target Price INR 3,520

NIFTY 24,378

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3,500	INR 3,520
EPS %	FY27E	FY28E
	-0.4	+0.7

### KEY STOCK DATA

Bloomberg code	LTTS IN
No. of Shares (mn)	106
MCap (INR bn) / (\$ mn)	376/4,012
6m avg traded value (INR mn)	612
52 Week high / low	INR 4,747/3,010

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.5)	(15.6)	(19.3)
Relative (%)	(3.9)	(8.6)	(18.0)

### SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	73.58	73.57
FIs & Local MFs	14.57	14.64
FPIs	4.23	3.86
Public & Others	7.62	7.93
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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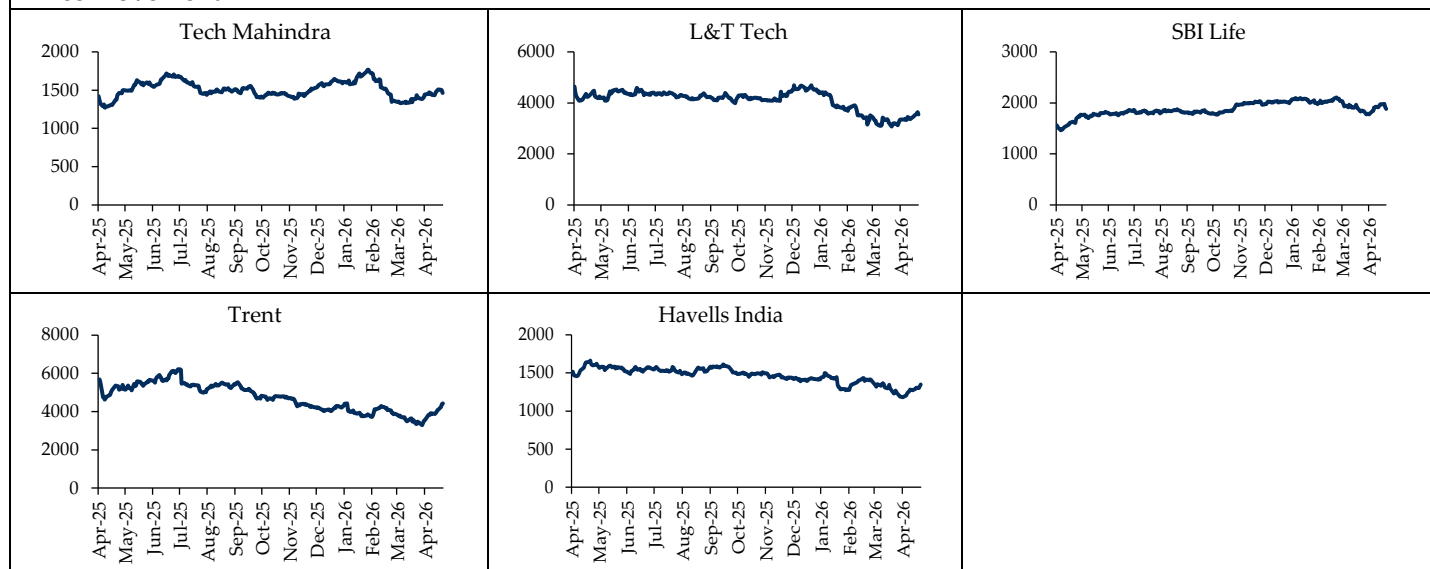
**Rating Criteria**

- BUY: >+15% return potential
- ADD: +5% to +15% return potential
- REDUCE: -10% to +5% return potential
- SELL: > 10% Downside return potential

**Disclosure:**

Analyst	Company Covered	Qualification	Any holding in the stock
Amit Chandra	Tech Mahindra, L&T Technology Services	MBA	NO
Vinesh Vala	Tech Mahindra, L&T Technology Services	MBA	NO
Maitreyee Vaishampayan	Tech Mahindra	MSc	YES
Maitreyee Vaishampayan	L&T Technology Services	MSc	NO
Krishnan ASV	SBI Life Insurance	PGDM	NO
Shobhit Sharma	SBI Life Insurance	CA	NO
Jay Gandhi	Trent	MBA	NO
Vedant Mulik	Trent	CA	NO
Keshav Lahoti	Havells India	CA, CFA	NO
Rajesh Ravi	Havells India	MBA	NO
Mahesh Nagda	Havells India	CA	NO
Riddhi Shah	Havells India	MBA	NO

**Price movement**



**Disclosure:**

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