

Valuation table and charts

Exhibit 17. JM IT Services – Coverage universe: Change in Multiple, TP and Rating

Company	Rating		TP (INR)			Target Multiple	
	OLD	New	OLD	New	Change	OLD	New
Infosys	BUY	BUY	2,010	2,050	2.0%	27.0x	27.0x
TCS	HOLD	HOLD	4,140	4,130	-0.2%	26.0x	26.0x
HCL	HOLD	HOLD	1,550	1,630	5.2%	22.0x	23.0x
WIPRO	BUY	BUY	620	630	1.6%	22.0x	22.0x
TechM	BUY	BUY	1,760	1,820	3.4%	20.0x	20.0x
LTIM	SELL	SELL	5,050	5,100	1.0%	25.0x	25.0x
Persistent	BUY	BUY	6,030	6,080	0.8%	48.0x	48.0x
Coforge	BUY	BUY	6,770	7,610	12.4%	32.0x	35.0x
TATA Tech	BUY	BUY	1,250	1,300	4.0%	55.0x	55.0x
KPIT Tech	BUY	BUY	2,140	2,290	7.0%	60.0x	60.0x

Source: JM Financial estimates

We have raised HCL target multiple to 23x, at c.10% discount to our target multiple for TCS (in-line with historical discount)

Higher multiple for Coforge is to account for Cigniti consolidation; 35x Coforge's EPS implies 32x FY26E pro-forma EPS, which is in-line with our previous target multiple.

Exhibit 18. JM Financial IT Services Coverage Universe – Price Target and Recommendation

Co Name	CMP (INR)	Reco.	Target Multiple (x)	Target Price (INR)	USD revenue growth (%)			EPS			P/E			EV/EBIT			ROE		
					FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
TCS	4,269	HOLD	26.0x	4,130	5.4%	4.0%	9.9%	139.9	149.4	168.5	30.5x	28.6x	25.3x	23.2x	21.7x	19.6x	54%	60%	67%
Infosys	1,876	BUY	27.0x	2,050	4.7%	7.7%	9.6%	64.7	72.1	79.6	29.0x	26.0x	23.6x	21.9x	19.5x	17.3x	33%	38%	39%
HCL Tech	1,796	HOLD	23.0x	1,630	4.8%	6.1%	9.6%	60.0	66.7	74.9	29.9x	26.9x	24.0x	22.1x	20.1x	17.9x	24%	26%	29%
Wipro*	541	BUY	22.0x	630	-1.8%	5.4%	9.7%	23.2	25.4	31.7	23.3x	21.3x	17.1x	18.3x	17.1x	14.1x	15%	15%	17%
Tech Mahindra	1,577	BUY	20.0x	1,820	0.9%	7.4%	9.7%	43.9	63.7	83.1	35.9x	24.8x	19.0x	30.9x	21.0x	16.0x	14%	20%	25%
LTIMindtree	6,244	SELL	25.0x	5,100	4.9%	7.5%	8.0%	166.0	192.2	215.8	37.6x	32.5x	28.9x	29.9x	26.6x	23.4x	24%	24%	24%
Coforge	7,016	BUY	35.0x	7,610	8.2%	11.4%	13.5%	152.6	181.8	215.9	46.0x	38.6x	32.5x	35.7x	30.7x	26.1x	21%	19%	20%
Persistent Systems	5,450	BUY	48.0x	6,080	17.0%	17.6%	18.1%	88.7	113.5	139.9	61.4x	48.0x	39.0x	49.3x	39.3x	31.5x	25%	27%	27%
KPIT Tech	1,628	BUY	60.0x	2,290	20.9%	18.2%	17.2%	29.4	34.9	41.3	55.3x	46.6x	39.4x	42.8x	35.4x	30.7x	33%	31%	30%
Tata Tech	1,103	BUY	55.0x	1,300	5.5%	13.7%	14.1%	18.3	21.9	25.4	60.3x	50.4x	43.4x	50.0x	42.1x	35.7x	22%	24%	25%

Note: IT Services revenue for Wipro; Source: Bloomberg, JM Financial estimates, Note; Price as on 30th Sep 2024