

CMS INFOSYSTEMS LTD (CMSISL) – BUY

Q3FY26 Result Update

Current Market Price (CMP)

Rs.322

Fair Value (FV)

Rs.382

Rationale:

- Outlook is improving.
- With large ATM order wins, the management is confident about strong sequential gains and guided for a revenue of Rs.2,800 crore in FY27.
- The Company is also looking for inorganic growth opportunities.
- Declared an interim dividend of Rs.2.75/-. It will be paid on or before 14th Mar'26.
- We maintain BUY with a target price of Rs.382; valued at a PE of 15x FY28E.
- We are optimistic about the earnings prospects given strong order-book.

👍 Positives:

- Signed a contract with SBI for Rs.1,000 cr over 10 years, resulting in incremental revenue of Rs.500 crore from Q4FY26.
- Card Management Solutions revenue grew by 37% qoq to Rs.25 crore.

👎 Negatives:

- Revenue grew 6% yoy and 2% qoq to Rs.618 cr (vs our estimate of Rs.630 cr).
- Overall reported EBITDA grew by 2% qoq to Rs.140 crore (-12% yoy) in Q3FY26 (lower than our estimate of Rs.153 crore).
- QoQ EBITDA margin stood flat at 22.6% in Q3FY26 (our estimate of 24.2%).

PE: Price to Earnings. EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization.



The content of this document has been derived from Kotak's PCG research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 Months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	Not Rated. Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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NA	–	Not Available or Not Applicable. The information is not available for display or is not applicable
NM	–	Not Meaningful. The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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