



## COFORGE LTD.

Sector

Dec 01, 2025

Buy at CMP: Rs 1910.7 | Target: Rs 2200 (15%) | SL: Rs 1790 IT

Coforge is rendering Information Technology / Information Technology Enabled Services (IT / ITES) across various geographical areas and is engaged in Application Development & Maintenance, Managed Services, Cloud Computing and Business Process Outsourcing to organizations in a number of sectors.

### Investment Rationale

- ♦ **Coforge Reports Exceptional Q2; Margin Outlook Strengthens:** Coforge reported an "exceptional quarter" with Q2 FY2026 Revenue coming at \$462.1 mn. Sequential revenue growth was 5.9% in Constant Currency (CC) terms, 4.5% in US dollar terms, and 8.1% in Indian rupee terms. The reported EBIT margin was 14%. This represented an increase of 251 basis points quarter-on-quarter and 240 basis points year-on-year. The company is targeting a potential pathway to achieve a 14% EBIT margin for the full Fiscal Year 2026. The primary growth philosophy focuses on robust organic growth, supplemented by successfully executing turnarounds of acquired assets.
- ♦ **Strong Demand Outlook Across Core Verticals:** Travel, Insurance, and Banking verticals should continue to performing well. Healthcare is cited as a rapidly growing area, expected to achieve a book of business nearing \$100 million by the end of the year. The public sector outside India has already crossed \$150 million. It is anticipated to reach a \$200 million run rate in the coming quarters. The demand outlook across core verticals (banking, insurance, and travel) is solid, noting that demand has evolved with the advent of AI, but the addressable market continues to grow.
- ♦ **Cigniti Acquisition to Strengthen Capabilities & Growth Engine:** Coforge will be acquiring Cigniti Technologies, transforming both its capabilities and client portfolio. The integration will significantly bolster Coforge's commercial performance through enhanced domain expertise, technology platforms, and cross-selling opportunities. As of Q2 FY2026, the formal regulatory and integration process is nearing completion. Management anticipates that the acquisition should be consummated in the December 2025 to January 2026 timeframe.
- ♦ **Valuations:** We model a Revenue/PAT CAGR of 20%/27% and estimate COFORGE to clock PAT of Rs 1,674 Cr by FY28E. COFORGE is trading at forward P/E(x) of 38.2x and we value at 44(x) FY28E and Recommend BUY on COFORGE with target Price of Rs. 2,200 (15%).

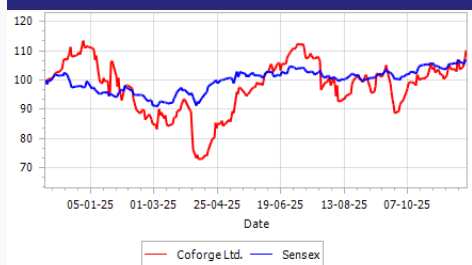
#### Script Details

BSE Group	A
BSE Code	532541
NSE Code	COFORGE
Bloomberg Code	COFORGE IN
Market Cap (INR Cr.)	63,974
Free Float (%)	100.0%
52wk Low/High	2004/1191
Beta (1yr Nifty 50)	1.46
Face Value (INR)/ D. Yield (%)	2/0.8
Total paid Up Shares (Mn.)	334.9

#### Share Holding Pattern (%)

Promoters	Public	Others
0.0%	100.0%	-

#### Share Price Relative Performance



Invest Now

Year	Revenue	EBITDA	PAT	PE Ratio (x)	EV/EBITDA (x)
FY23	8,015	1,281	694	92.2	50.3
FY24	9,139	1,432	808	79.2	45.0
FY25	12,111	1,702	812	78.8	37.8
FY26E	14,533	2,325	1,163	55.0	27.7
FY27E	17,440	2,790	1,395	45.9	23.1
FY28E	20,927	3,348	1,674	38.2	19.2

Source: Company Data, Ace Equity, GEPL Research

## TECHNICAL VIEW

### Observation

- COFORGE hit a lifetime high of ₹2005 in Dec 2024, followed by a correction to the ₹1194 level, where it formed a Change in Polarity (CIP) pattern. Since then, the stock has resumed its bullish structure, forming Higher Highs and Higher Lows on the monthly timeframe.
- On the weekly chart, the stock has broken out of a Descending Channel pattern in the last week, and sustained above previous swing high strengthening the positive outlook.
- Notably, the stock has taken a strong support of its 50-week EMA (₹1613), signaling a strengthening bullish undertone.
- The momentum indicator RSI remains above 60 and exhibits a bullish crossover, further validating the ongoing upward momentum.



TradingView

Source: Tradingview.in, GEPL Research

### Inference & Expectations

- Considering these factors, it can be inferred that COFORGE stock is set to continue uptrend.
- Going ahead we expect the prices to move higher till 2200 level.
- The stop loss must be at 1790 level, strictly on the closing basis.

Name	Designation	Email	Contact
Mr. Vidnyan Sawant	AVP – Technical Research	Vidnyan@geplcapital.com	+91 (22) 48934000

#### Terms & Conditions – For Investors

We, Research Analyst of GEPL Capital, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We, also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

#### Disclosure: –

This document has been prepared by Research Department of GEPL Capital Pvt. Ltd. (hereinafter referred to as GEPL Capital) and this report is for personal information of the selected recipient/s and does not construe to be any investment, recommendation, prospectus, offering circular or legal or taxation advice to you. This research report does not constitute an offer, invitation or inducement to invest in securities or other investments and GEPL Capital is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your general information and should not be reproduced or redistributed to any other person in any form. This report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. GEPL Capital makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability or obligation with respect to, the fairness, accuracy, completeness or correctness of any information or update information or opinions contained herein. All investments including Future and Options are involving risks and investor should exercise prudence in making their investment decisions. The report should not be regarded by the recipients as a substitute for the exercise of their own judgment. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or GEPL Capital as a result of using different assumptions and criteria. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report. The information contained in this report has been obtained from sources that are considered to be reliable. However, GEPL Capital has not independently verified the accuracy or completeness of the same. Neither GEPL Capital nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein. GEPL Capital and its affiliates and/or their officers, directors and employees may have similar position in any securities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such securities (or investment. GEPL Capital specifically prohibits the redistribution of this material in whole or in part without the written permission of GEPL Capital and GEPL Capital accepts no liability whatsoever for the actions of third parties in this regard. GEPL Capital or its director or its research analysts or its associates or his relatives and/or its affiliates and/or employees do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report. Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

#### Disclaimers in respect of jurisdiction:

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such Distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject GEPL Capital its affiliates to any registration or licensing requirement within such jurisdiction. If this report is inadvertently send or has reached any individual the same may be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published for any purposes without prior written approval of GEPL Capital.

#### Analyst Certification:

The views expressed in this research report reflect the personal views of the analyst(s) about the subject securities or issues. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months.

**GEPL Capital Private Limited** is a SEBI registered Research Analyst entity bearing SEBI Reg. No. "INH000000081" under SEBI (Research Analysts) Regulations, 2014.

**Reg./Corp. Office:** D-21 Dhanraj Mahal, CSM Marg, Colaba, Mumbai 400 001 Contact No +91 22 66182400

**SEBI Reg. No.** NSE/NSEF&O/CD - INB230993934, INF230993934 & INE230993934. BSE/BSE F&O- INB010993934 & INF010993934,

For more information visit us at: [www.geplcapital.com](http://www.geplcapital.com)

**Disclaimer:** Investments in securities market are subject to market risks, read all the related documents carefully before investing. Investors must make their own investment decisions based on their specific goals, financial position & risk appetite. The content provided herewith is purely for investor awareness only.