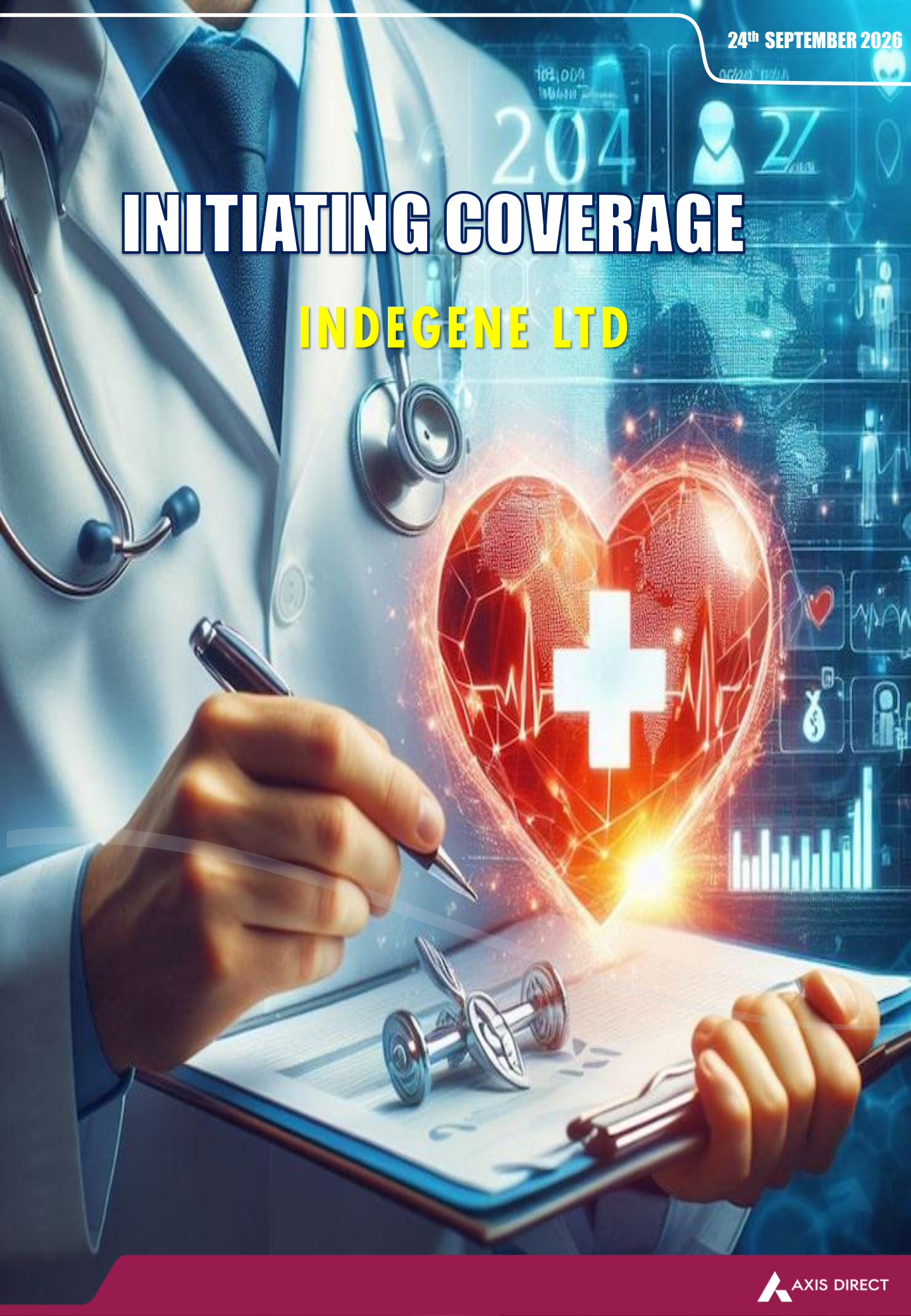


INITIATING COVERAGE

INDEGENE LTD



Domain Expertise Creating a Scalable Growth Platform

We initiate coverage on Indegene with a **BUY** recommendation and a DCF-based target price of Rs 705/share, implying an upside of 18% from the CMP. Indegene is a digital-first life-sciences company. It combines deep life-sciences domain expertise with proprietary technology, AI and data analytics to support complex and highly regulated workflows. We believe Indegene offers a unique offering of AI analytics in the life science domain backed by stable cash flows and lower operational leverage.

Investment Thesis

- Deep Domain Expertise Across the Life-Sciences Value Chain:** As pharma companies increasingly outsource higher-value activities, deep domain expertise is becoming a key selection criterion. With over two decades of experience serving global biopharma companies, Indegene has built capabilities across clinical, medical, regulatory, pharmacovigilance and commercial functions. This enables it to handle complex, highly regulated workflows that require both scientific knowledge and technology expertise. The combination of domain knowledge, proprietary technology and embedded workflows differentiates Indegene from traditional IT players and strengthens its positioning as a strategic partner to global life-sciences companies.
- Deepening Client Relationships Expands Wallet Share:** Indegene's growth opportunity is increasingly shifting toward deepening relationships with its existing global biopharma clients beyond the top 20. The company typically operates through 1–3-year Master Service Agreements (MSAs), with individual projects executed through separate work orders. Management's strategy of scaling clients from smaller engagements to larger, multi-functional relationships provides scope for sustained wallet-share expansion. The rising number of clients crossing the \$1 Mn, \$10 Mn and \$25 Mn revenue thresholds reflects this account-mining opportunity. As Indegene becomes more embedded across functions, successful execution can strengthen client relationships, increase switching costs and create opportunities to expand into adjacent workflows and geographies.
- Digital Capabilities Driving Higher Employee Productivity:** Over the last few years, Indegene has built a suite of proprietary NEXT platforms using AI, ML, NLP and advanced analytics across the life-sciences value chain. Its specialized technology teams work across data science, GenAI, NLP, machine vision and predictive modelling, enabling faster development of customised solutions. For Example, the company's Cortex platform, launched in FY25, is an LLM-agnostic GenAI reasoning engine that combines domain knowledge graphs with AI to address complex, regulated workflows. Notably, Indegene reported the highest revenue per employee as compare to the few large and mid-cap IT peers in FY26 (Exhibit 11), highlighting its ability to drive higher revenue productivity led by such platforms without proportionate headcount expansion. We believe deeper integration of AI and automation can provide further scope for productivity gains and scalability of its delivery model.

Valuation & Recommendation

Indegene has entered FY27 with a stronger and more diversified growth pipeline, supported by continued expansion within existing accounts, increasing contribution from clients outside the top 20 and traction in GenAI-led solutions across both commercial and medical affairs. Going ahead, we expect Indegene's growth trajectory to remain robust, aided by client wallet-share expansion, deal conversion, new business wins and AI-led offerings, while operating leverage and normalisation of investment-related costs should provide scope for earnings growth to outpace revenue growth. Thus, we expect Revenue/EBIT/PAT to grow at 25%/26%/26% CAGR over FY26-29E. On the valuation front, we have applied the Discounted Cash Flow (DCF) method to derive the target price of Rs 705/share. We assume 1) a 10-year Cash Flow from Operations (CFO) CAGR of 11%, 2) WACC: 11.3%, and 3) Terminal Growth: 6%.

Key Financials (Consolidated)

(Rs Cr)	FY26	FY27E	FY28E	FY29E
Net Sales	3,511	4,630	5,648	6,864
EBIT	493	613	793	987
Net Profit	401	510	655	807
EPS (Rs)	16.6	21.2	27.2	33.5
PER (x)	35.4	27.8	21.7	17.6
P/BV (x)	4.5	3.9	3.3	2.8
EV/EBITDA (x)	22.3	17.3	13.3	10.2
ROE (%)	12.8	14.0	15.3	15.9

Source: Company, Axis Securities Research

(CMP as of 23rd September, 2026)

CMP (Rs)	598
Upside/Downside (%)	18%
High/Low (Rs)	616/414
Market cap (Cr)	14,205
Avg. daily vol. (1 m) Shrs.	4,56,490
No. of shares (Cr)	24.1

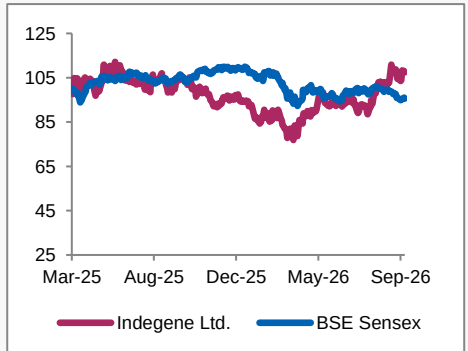
Shareholding Pattern (%)

	Dec-25	Mar-26	Jun-26
Promoter	0.0	0.0	0.0
FII	11.5	10.3	9.9
DII	8.1	8.3	8.7
Public	80.4	81.4	81.3

Financial & Valuations

Y/E Mar (Rs Cr)	FY26	FY27E	FY28E	FY29E
Net Sales	3,511	4,630	5,648	6,864
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ROE (%)	12.8	14.0	15.3	15.9

Relative Performance



Source: Ace Equity, Axis Securities Research

Kuber Chauhan

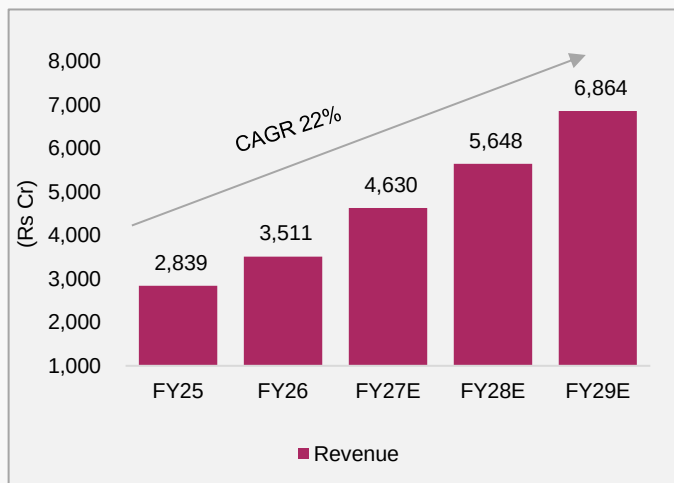
Research Analyst
 kuber.chauhan@axissecurities.in

Abhishek Bhalotia

Research Associate
 abhishek.bhalotia@axissecurities.in

Story in Charts

Exhibit 1: Revenue Growth



Source: Company, Axis Securities Research

Exhibit 2: EBIT & EBIT Margin

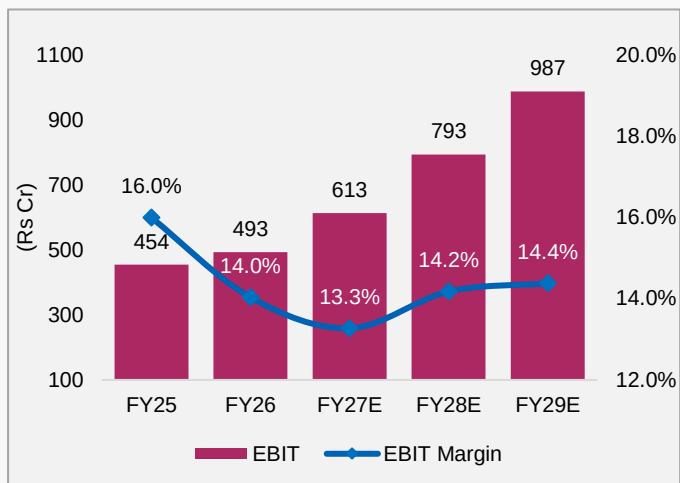
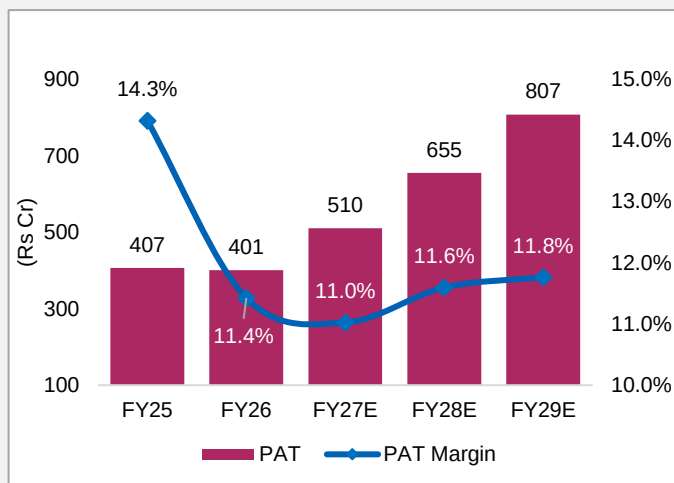


Exhibit 3: Net Profit & Net Profit Margins



Source: Company, Axis Securities Research

Exhibit 4: ROE & ROCE

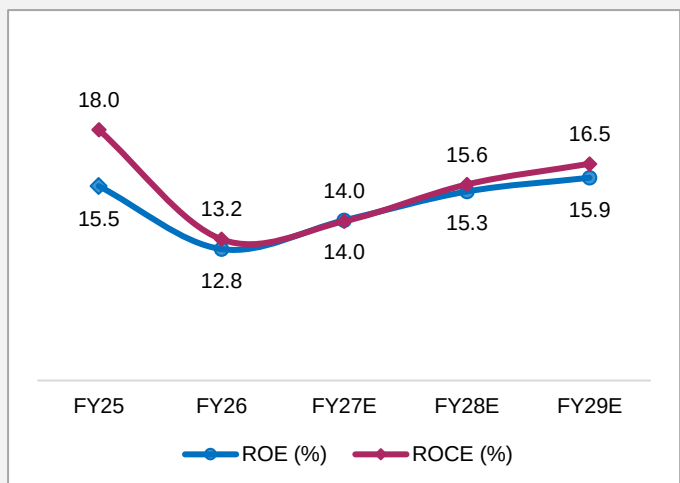
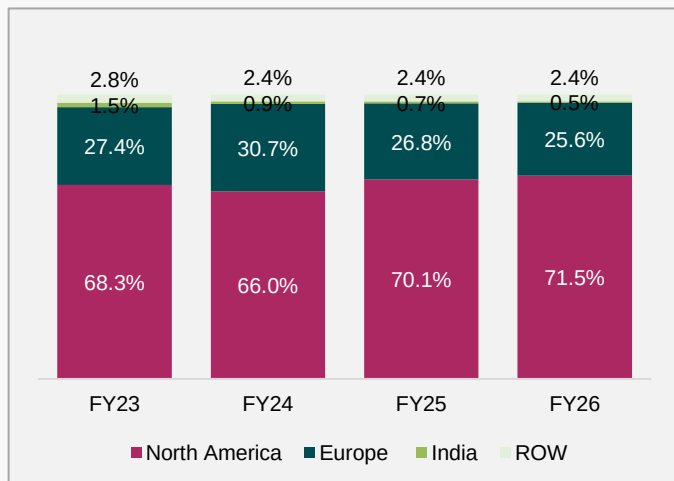
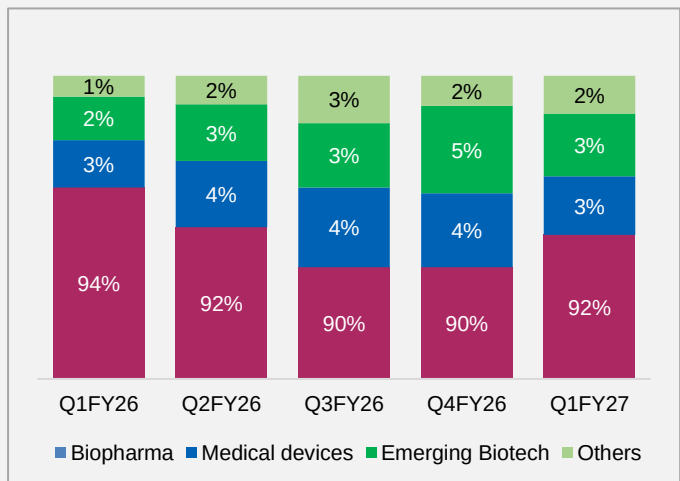


Exhibit 5: Employee Mix



Source: Company, Axis Securities Research

Exhibit 6: Customer Mix



Company Overview

Incorporated in 1998 and headquartered in Bengaluru, India. Indegene Limited is a digital-first life-sciences commercialisation company serving global biopharmaceutical and healthcare organisations. The company acts as an operating partner across the product lifecycle, with capabilities spanning Discovery & Evidence, Regulatory & Compliance, Commercial Launch, Content & Engagement, and Patient & Outcomes. Its offerings cover a broad range of activities across commercial, medical, R&D and safety functions, enabling clients to manage different stages of the product lifecycle through a single platform of services and solutions. Indegene combines consulting, technology, data analytics and operations to support clients in areas such as drug development, regulatory processes, product launches, medical engagement and patient-centric programs. The company has established relationships with the world's top 20 biopharma companies, providing services across multiple therapeutic areas and geographies. Indegene follows a globally distributed delivery model, with operations across North America, Europe and Asia, including the US, Canada, Mexico, UK, Ireland, Germany, Switzerland, Spain, India, China, Japan and Singapore. Indegene operates in three broad segments such as the Enterprise Communication Solutions, Enterprise Medical Solutions and many others (Enterprise clinical solutions and consulting).

Indegene is a digital-first life-sciences commercialisation company serving global biopharmaceutical and healthcare organisation.

Exhibit 7: Presence Across Life Sciences Value Chain

		CROs/CSOs		Broad based IT/BPOs				LS Specialists			Digital Engineering Firms			
		IQVIA	Syneos Health	Accenture	Cognizant	TCS	Wipro	ZS	Axtria	Eversana	Indegene	EPAM systems	Globant	Endava
LS-Specific functions	Drug discovery and clinical trials	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗
	Regulatory and medical affairs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗
	Marketing and Sales	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗
	Pharmacovigilance / complaints management	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✗	✗	✗
	LS manufacturing, supply chain, and distribution	✓	✗	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗	✗
Horizontal functions	Finance and accounting	✗	✗	✓	✓	✓	✓	✗	✗	✗	✓	✗	✗	✗
	Human resources	✗	✗	✓	✗	✓	✓	✗	✗	✗	✓	✗	✗	✗
	Data and analytics	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Application/software development and maintenance	✗	✗	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓	✓
	Cloud and infrastructure services	✗	✗	✓	✓	✓	✓	✗	✗	✗	✓	✓	✓	✓
	Cybersecurity	✗	✗	✓	✓	✓	✓	✗	✗	✗	✓	✓	✓	✗

Source: Company, Axis Securities Research

A) Enterprise Communication Solutions (ECS)

- Under this segment, Indegene helps clients develop customised marketing campaigns, engage HCPs and patients, and optimise engagement through analytics. Its offerings include content development, digital asset management, marketing automation, customer data management and campaign analytics, supported by proprietary NLP-based tools that automate workflows and improve efficiency. The company has also been investing in strengthening its capabilities, which temporarily impacted EBIT margins; however, management expects margins to return to double digits by Q4FY27.

(Rs Cr)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Revenue	445	487	669	703	751
% of sales	58.5%	60.6%	71.0%	70.1%	70.6%
QoQ growth		9.5%	37.3%	5.2%	6.7%
EBIT	110	102	120	121	120
EBIT margin	24.7%	21.0%	17.9%	17.2%	15.9%

B) Enterprise Medical Solutions (EMS)

- Indegene's Enterprise Medical Solutions use Centres of Excellence (CoEs) to consolidate large-scale medical and regulatory operations for clients through multidisciplinary teams. The company supports medical content writing, regulatory submissions, product labelling and other medical information, while also reviewing communications for regulatory compliance and ethical standards. Its offerings are catered to pharmacovigilance, including the monitoring and processing of adverse events associated with biopharmaceutical products, and real-world evidence research to support market access and pricing decisions.

(Rs Cr)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Revenue	213	224	238	266	273
% of sales	28.0%	27.9%	25.3%	26.5%	25.7%
QoQ growth		5.3%	6.2%	11.6%	2.8%
EBIT	58	58	61	67	72
EBIT margin	27.0%	25.6%	25.7%	25.3%	26.2%

C) Others (ECS & DT Consulting)

- The other segment includes Enterprise Clinical Solutions (ECS) and Consulting. The ECS supports drug discovery and clinical-trial operations by improving patient recruitment, clinical data management and regulatory submissions, enabling biopharma companies to integrate and analyse multiple data sources generated during clinical trials and support regulatory approval processes. Moreover, the company provides consultancy through DT Associates Ltd under the "DT Consulting" brand, helping life-sciences companies drive digital transformation initiatives and enhance customer experience. The company expects the operating profit to achieve breakeven in coming quarters.

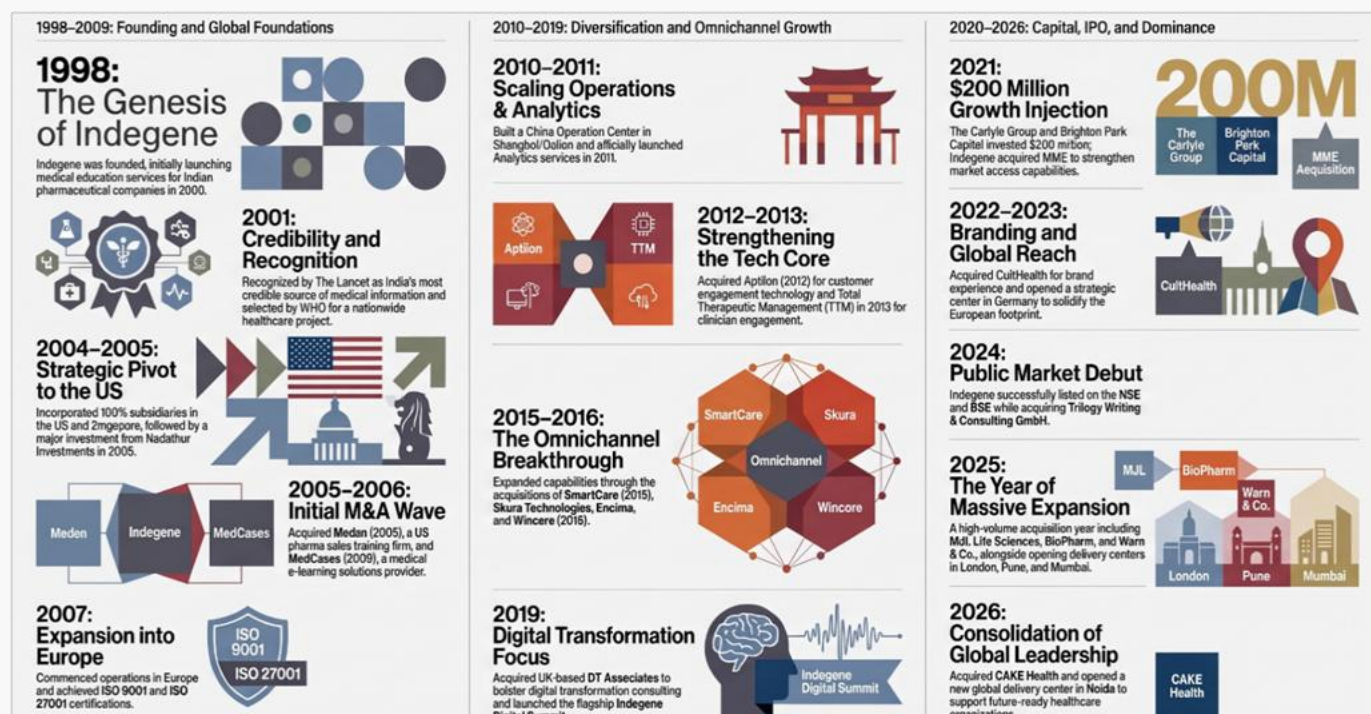
(Rs Cr)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Revenue	27	29	35	30	39
% of sales	3.5%	3.6%	3.7%	3.0%	3.7%
QoQ growth		8.7%	20.4%	-12.8%	29.4%
EBIT	-5	6	-6	-16	-12
EBIT margin	-18.8%	20.4%	-15.8%	-53.3%	-29.2%

Exhibit 8: Indegene's Offerings Across Customer Segments

Customer Category	Description	Role of Indegene
Biopharma	Large pharmaceutical and biopharmaceutical companies developing and commercialising prescription medicines across multiple therapeutic areas.	Clinical/R&D support, regulatory, medical affairs, commercialisation, content and patient/HCP engagement
Medical Devices	Companies developing and manufacturing medical devices, diagnostics and healthcare technologies. Their requirements typically span device-specific regulatory, clinical, medical and commercial processes.	Regulatory support, clinical operations, commercial content, digital engagement and other technology-enabled services
Emerging Biotech	Companies developing innovative therapies and newer treatment modalities. They typically rely more on external specialists to support R&D, regulatory, medical and commercial activities.	R&D, regulatory, medical, commercialisation and technology-enabled operational support
Others	These companies are healthcare-related organisations and other entities	Function-specific technology, content, operations and consulting services

Source: Company, Axis Securities Research

Exhibit 9: Key Milestones



Source: Company, Axis Securities Research

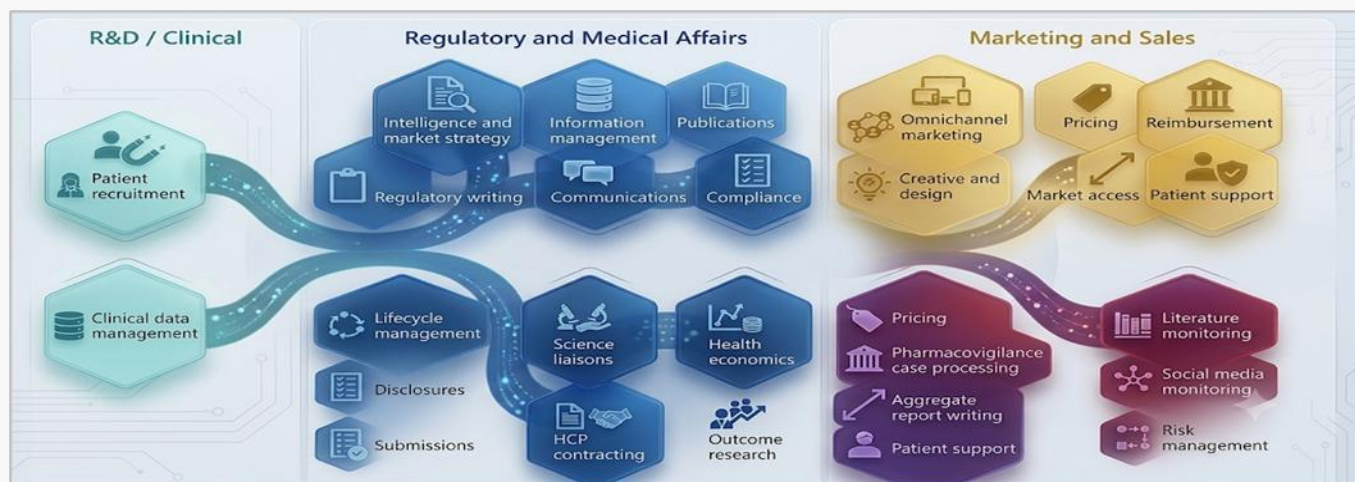
Competitive Strengths & Key Growth Drivers

A) Deep Domain Expertise Across the Life-Sciences Value Chain

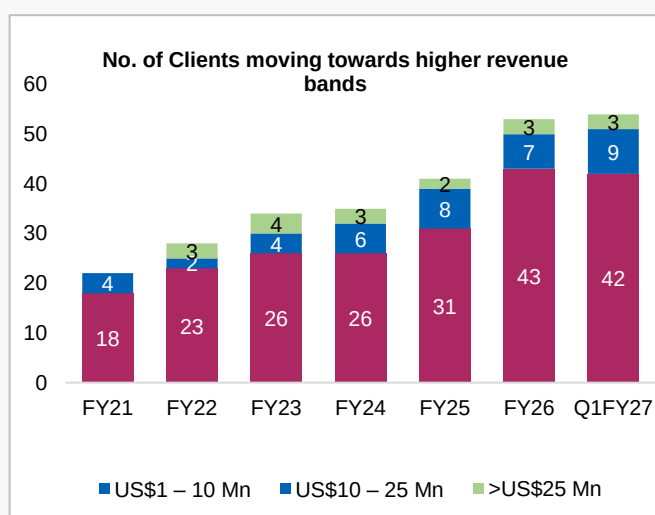
As pharma companies increasingly outsource higher-value activities, deep domain expertise is becoming a key selection criterion. With over two decades of experience serving global biopharma companies, Indegene has built capabilities across clinical, medical, regulatory, pharmacovigilance and commercial functions. This enables it to handle complex, highly regulated workflows that require both scientific knowledge and technology expertise. The combination of domain knowledge, proprietary technology and embedded workflows differentiates Indegene from traditional IT players and strengthens its positioning as a strategic partner to global life-sciences companies.

Indegene provides domain expertise across pharma companies, strengthening its competitive positioning and a preferred partner for clients

Exhibit 10: Indegene Addresses Complex & Regulated Processes of Biopharma Companies



Source: Company RHP, Axis Securities Research

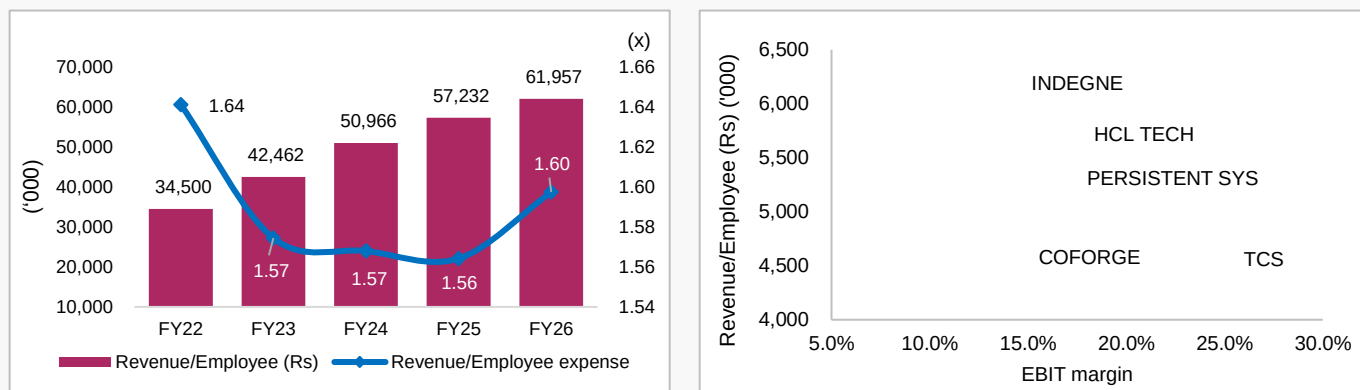


B) Deepening Client Relationships Expands Wallet-share

Indegene's growth opportunity is increasingly shifting toward deepening relationships with its existing global biopharma clients beyond the top 20. The company typically operates through 1–3-year Master Service Agreements (MSAs), with individual projects executed through separate work orders. Management's strategy of scaling clients from smaller engagements to larger, multi-functional relationships provides scope for sustained wallet-share expansion. The rising number of clients crossing the \$1 Mn, \$10 Mn and \$25 Mn revenue thresholds reflects this account-mining opportunity. As Indegene becomes more embedded across functions, successful execution can strengthen client relationships, increase switching costs and create opportunities to expand into adjacent workflows and geographies.

C) Digital Capabilities Driving Higher Employee Productivity

Over the last few years, Indegene has built a suite of proprietary NEXT platforms using AI, ML, NLP and advanced analytics across the life-sciences value chain. Its specialized technology teams work across data science, GenAI, NLP, machine vision and predictive modelling, enabling faster development of customised solutions. For Example, the company's Cortex platform, launched in FY25, is an LLM-agnostic GenAI reasoning engine that combines domain knowledge graphs with AI to address complex, regulated workflows. Notably, Indegene reported the highest revenue per employee as compare to the few large and mid-cap IT peers in FY26 (Exhibit 11), highlighting its ability to drive higher revenue productivity led by such platforms without proportionate headcount expansion. We believe deeper integration of AI and automation can provide further scope for productivity gains and scalability of its delivery model.

Exhibit 11: Productivity Chart: Indegene vs Other Domestic IT Companies


Source: Company, Axis Securities Research

D) Healthy Deal Wins Supporting Growth Trajectory

Indegene has continued to win large deals across clinical, medical and commercial engagements. In Q3FY26, company saw seven deals with >\$1 Mn ACV across three accounts, including a \$10 Mn+ annual omnichannel win and a \$20 Mn TCV end-to-end commercialisation partnership. In Q4FY26, the company added a \$3mn+ ACV clinical deal with a new customer and seven \$1Mn+ ACV deals, including the Tectonic engagement in Germany. These wins are expected to contribute meaningfully from H2FY27. In Q1FY27, Indegene won one \$3–5 Mn deal with a top-five customer for content-platform migration and four \$1–3 Mn annual-contract deals across commercial and medical engagements. Continued momentum in omnichannel, product launches and clinical services, along with expansion within existing accounts, supports management's expectation of a stronger FY27.

E) Key Acquisitions to Accelerate Cross-selling & Expand Total Addressable Market (TAM)

The following acquired businesses provide access to new clients and geographies, while Indegene's broader technology and domain portfolio creates opportunities to cross-sell additional solutions. Thus, acquisitions serve as both a capability-building and client-mining lever, allowing the company to broaden its TAM while accelerating organic growth. In total, Indegene has done 16 acquisitions to date. Exhibit 12, table represents key acquisitions completed.

Exhibit 12: Key Recent Acquisitions

Year	Name	Description
CY16	Encima Group	• Company offering marketing automation and analytics services.
CY16	Wincere	• Company providing clinical data management services.
CY19	DT Associates	• Digital transformation and customer experience ("CX") consulting firm.
CY21	Medical Marketing Economics	• Value-based pricing, market access and reimbursement strategy firm.
CY22	Cult Health	• Full-service healthcare marketing agency.
CY24	Trilogy	• Company offering medical writing consultancy services.
CY25	MJL Communications Group	• Cortex GenAI platform launched
CY26	BioPharm Communications	• Data-driven Omnichannel and Media company to commercialisation of portfolio
CY26	WARN & CO	• Consulting and business transformation capabilities.
CY26	Cake Kommunikations Group	• Specialised marketing and communication services to pharmaceutical and healthcare clients.

Source: Company, Axis Securities Research

Key Drivers

A) Strong Client Relationships

Indegene has built a strong relationship among leading global biopharma companies, providing credibility and a robust foundation for revenue growth. These relationships with several large pharmaceutical companies reflect its ability to deliver critical, highly regulated workflows and create opportunities for deeper engagement. The company follows a “land-and-expand” strategy, entering clients through specific functions and gradually broadening its scope across commercial, medical, regulatory and clinical workflows. Thus, successful execution creates opportunities to cross-sell into adjacent functions and geographies, alternatively increasing wallet share and strengthening clientele base for the company.

Exhibit 13: Revenue from Top 5 and 20 Customers (Rs cr)

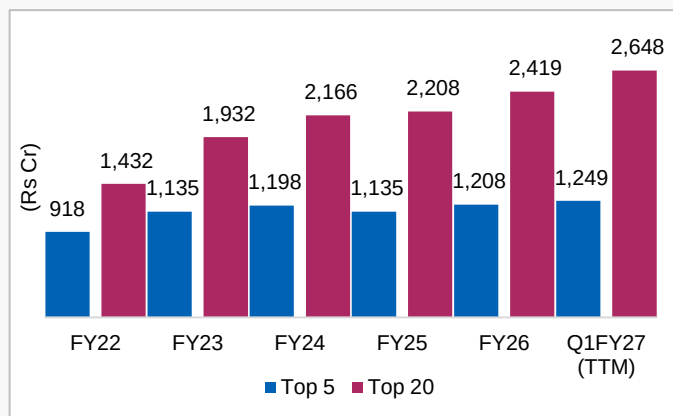
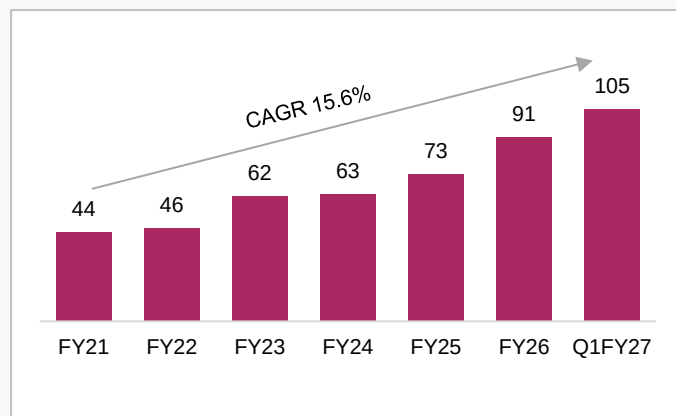


Exhibit 14: No. of Active Clients

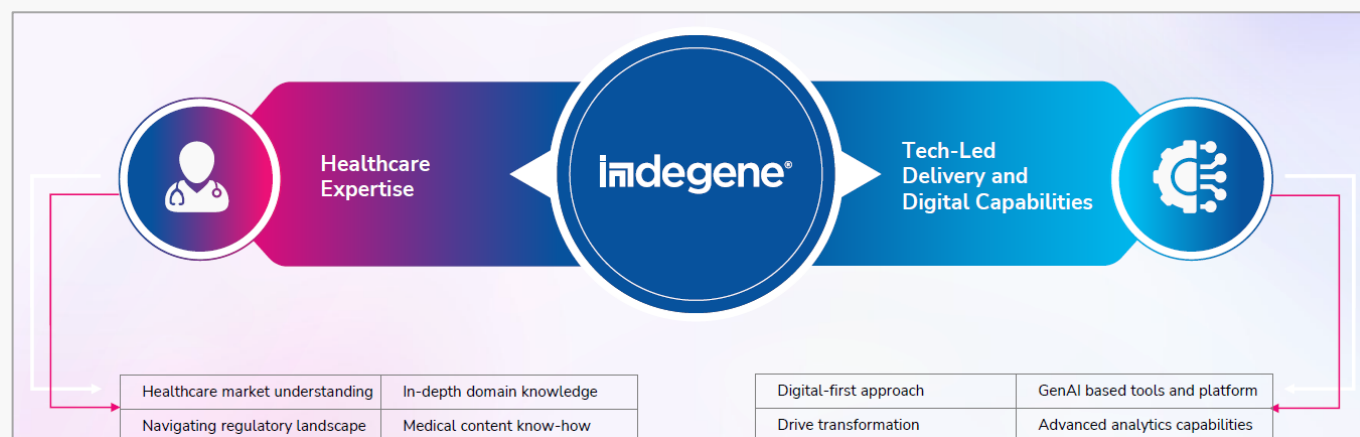


Source: Company, Axis Securities Research

B) Life-Sciences Domain and Proprietary Technology Creating a Moat

Indegene has built a broad technology portfolio that embeds AI and automation across the life-sciences value chain, spanning commercial content, medical writing, regulatory documentation, pharmacovigilance and patient/HCP engagement. Its platforms are designed to address specific, complex workflows rather than operate as generic AI tools, enabling clients to automate repetitive activities while generating actionable insights. Importantly, these applications are embedded within clients' existing workflows, increasing the relevance of Indegene's technology and potentially raising switching costs over time. The company's in-house team of data scientists and engineers further supports the development and customisation of domain-specific solutions. With GenAI increasingly moving from experimentation to scaled deployment, Indegene is expanding its AI applications across clinical, pharmacovigilance and regulatory functions.

Exhibit 15: Uniquely Placed Between Healthcare Expertise and Technology



Source: Company, Axis Securities Research

Key Financial metrics

- **Revenue:** Over FY21–FY26, Indgene's revenue has increased from Rs 966 Cr to Rs 3,511 Cr, a ~30% CAGR, supported by growth across its Enterprise Commercial Solutions, Enterprise Medical Solutions and newer offerings, along with acquisitions. Going forward, we expect growth to be supported by deeper wallet share within existing accounts, new client additions, cross-selling across the life-sciences value chain, acquisitions and increasing adoption of AI-enabled solutions
- **EBIT Margin:** The company's EBIT margin has been declining over the last 2 years due to higher investments and costs associated towards EMS and ECS divisions, project ramp-up, GenAI licensing and various other tech spends.
- **Employee Mix:** The company has a higher offshore mix of 80-83%, which enables it to absorb any onsite cost and maintain profitability. Moreover, it maintains a specialised delivery workforce, with 23.8% of delivery employees possessing healthcare-related qualifications and expertise, including MD, MBBS, PhD, BDS, MPharm and BPharm backgrounds.
- **PAT:** PAT growth has been supported by revenue expansion and a relatively healthy margin profile, although FY26 reported PAT declined 1.4% YoY due to one-time items, including the provision related to a US lawsuit and the MTM impact of FX contracts.
- **Attrition Rate:** On a TTM basis, Employee retention improved from 16.6% in FY25 to 15.7% by Q1FY27, indicating gradual stabilisation of the workforce despite the company's ongoing transformation and capability-building initiatives. Thus, lower attrition should help retain domain knowledge and reduce the disruption and replacement costs associated with employee turnover.
- **Net Cash:** Indegene maintains a strong liquidity position, supported by healthy operating cash generation and a relatively low debt burden. The strong cash-generation profile provides financial flexibility to fund acquisitions, technology investments and other strategic growth initiatives.

We expect Indegene's Revenue/EBIT/PAT to grow at a CAGR of 25%/26%/26% over FY26-FY29E.

Auditors' Remuneration

Indegene's auditor remuneration remains modest and does not represent a material cost for the company.

(Rs Cr)	FY22	FY23	FY24	FY25	FY26
Total audit fees	0.8	1.3	1.3	1.3	2.1
PAT	163	266	337	407	401
as a % of PAT	0.5%	0.5%	0.4%	0.3%	0.5%

Source: Company, Axis Securities Research

Management Team

Name	Experience
Mr. Manish Gupta <i>Chairman & Chief Executive Officer</i>	Mr Manish Gupta has 29 years of experience in the technology-led healthcare solutions provider sector. He holds a Bachelor of Technology degree in mechanical engineering from the Indian Institute of Technology (Banaras Hindu University), Varanasi and a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad.
Mr. Suhas Prabhu <i>Co-chairman & Director</i>	Mr Suhas holds a bachelor's degree in commerce from Mangalore University. He is a member of the Institute of Chartered Accountants of India. Mr Prabhu has 20 years of experience in finance. Before joining Indegene Ltd., he was associated with Sasken Communication Technologies Limited.
Ms Srishti Ramesh Kaushik <i>Company Secretary & Compliance Officer</i>	Ms.Srishti holds a bachelor's degree in commerce from Bangalore University. She has 13 years of experience as a company secretary. Before joining Indegene Ltd., she was associated with Paramount Cosmetics (India) Private Limited.
Dr. Ashish Gupta <i>Independent Director</i>	Dr Ashish holds a Bachelor of Technology degree in Computer Science and Engineering from the Indian Institute of Technology, Kanpur, where he received the President's gold medal on being adjudged as the best outgoing undergraduate student in 1988. He is a Doctor of Philosophy in Computer Science from Leland Stanford Junior University, California. He has several years of experience in information technology.
Mr Krishnamurthy <i>Venugopala Tenneti</i> <i>Independent Director</i>	Mr Tenneti holds a Bachelor of Technology degree in Electrical Engineering from the Indian Institute of Technology, Madras and a Post Graduate Diploma in Business Administration from the Indian Institute of Management, Ahmedabad. He has been an advisor to the board of ANI Technologies Private Limited since 2017 and has experience in management advisory.
Dr Georgia Nikolakopoulou Papathomas <i>Independent Director</i>	Dr Georgia also holds a Master's degree in Philosophy and in Science and is a Doctor of Philosophy from Columbia University, New York, USA. In the past, she has worked at Johnson & Johnson, and she has experience in the pharmaceutical industry. She is a member of The Scientific Research Society of North America, Columbia University chapter. Georgia holds a Bachelor of Science degree from Columbia University.
Dr. Sanjay Suresh Parikh <i>Executive Director & Executive Vice President</i>	Dr Parikh holds a Bachelor of Technology degree in electrical engineering from the Indian Institute of Technology, Bombay and a Master of Science degree (Clinical Engineering) from Case Western Reserve University, Ohio, USA. He also holds a Doctorate in Philosophy from Johns Hopkins University. He has over 32 years of experience in the pharmaceutical industry and technology-led healthcare solutions provider sector.
Mr. Neeraj Bharadwaj <i>Non-Executive Independent Director</i>	Mr Neeraj brings extensive experience in private equity, capital allocation, and portfolio value creation. He is currently a Senior Advisor with Carlyle Asia and previously held leadership roles at Accel Partners' growth investing operations in India and Apax Partners. He has worked closely with boards and management teams to support disciplined growth, inorganic expansion, and sustained value creation across scaled businesses, including healthcare and technology-enabled services.

Source: Company, Axis Securities Research

Peer Comparison

Indegene is well positioned given the complexity of analytics and technology requirements within the life-sciences domain, which provides a competitive advantage over broader IT services peers. Comparisons with domestic IT players are less meaningful, as these companies do not comprise the same niche capabilities and specialised expertise across the life-sciences value chain, while companies like IQVIA holdings and ICON PLC have similar business models.

Financial Comparison

Company	CMP (US \$)	Mcap (US \$ Mn)	EV/EBIT				ROE (%)				P/E (x)			
			CY25	CY26	CY27	CY28	CY25	CY26	CY27	CY28	CY25	CY26	CY27	2028
Indegene*	590	142,110	30.5	28.1	22.0	16.4	15.5	12.8	14.0	15.3	34.9	35.4	27.8	21.7
IQVIA Holdings	270	44,456	26.7	23.0	19.5	17.9	21.6	28.5	27.8	27.0	21.6	20.8	18.7	16.7
ICON PLC	167	12,893	47.4	13.4	12.3	11.5	2.4	7.9	7.8	8.2	15.3	15.7	14.1	12.7
Accenture	183	1,12,426	10.6	9.7	9.2	8.7	25.8	27.2	25.8	24.5	24.6	16.0	14.4	12.9
Cognizant	58	26,432	8.0	7.7	7.2	6.7	15.1	17.6	17.5	17.2	10.6	10.2	9.2	8.5

Note: *No.s Based on INR and Financial Year. Source: Bloomberg, Axis Securities Research

Outlook & Valuation

Indegene has entered FY27 with a stronger and more diversified growth pipeline, supported by continued expansion within existing accounts, increasing contribution from clients outside the top 20 and traction in GenAI-led solutions across both commercial and medical businesses. Going ahead, we expect Indegene's growth trajectory to remain robust, aided by client wallet-share expansion, deal conversion, new business wins and AI-led offerings, while operating leverage and normalisation of investment-related costs should provide scope for earnings growth to outpace revenue growth. Thus, we expect Revenue/EBIT/PAT to grow at 25%/26%/26% CAGR over FY26-29E. On the valuation front, we have applied the Discounted Cash Flow (DCF) method to derive the target price of Rs 705/share. We assume 1) a 10-year Cash Flow from Operations (CFO) CAGR of 11%, 2) WACC: 11.3%, and 3) Terminal Growth: 6%.

Strong revenue growth driven by operational efficiencies and industry tailwinds.

(Rs Cr)	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E	FY36E	FY37E
CFO	486	646	804	854	907	964	1,034	1,110	1,193	1,283	1,403
Capex	-60	-73	-90	-103	-119	-137	-157	-181	-208	-239	-275
FCFF	425	573	715	750	788	827	877	929	985	1,044	1,128

NPV of Free Cash (FY27-37E)	4,630
NPV of terminal Value	11,874
Enterprise Value	16,504
Less: Net Debt	(382)
Intrinsic Value	16,886
Target Price	705
CMP	598
Upside	18%

Key Risks

Risks	Description
Pricing models & Internalisation	This risk may arise if project timelines or resource requirements are underestimated. Any delays in project execution could further increase delivery costs and affect margins. Additionally, clients may choose to internalise content or technology platforms developed for them. Such insourcing could reduce the company's recurring revenue opportunities.
Acquisition Growth	Potential cultural mismatches and differences in operating practices could affect the pace of integration. The company may also face potential unrecorded liabilities associated with acquired businesses. Further, delays or challenges in integrating acquired entities could lead to higher-than-expected costs.
Currency Fluctuations	The company derives a significant portion of its revenue from overseas markets and bills predominantly in foreign currencies, primarily in USD. However, its financial statements are reported in Indian Rupees (INR). Therefore, fluctuations in exchange rates can impact the translation of overseas revenue and profitability.
Generative AI & LLM Dependencies	Increasing adoption of Generative AI by life sciences companies could enable clients to develop certain capabilities internally. This may reduce their dependence on external technology and services providers for select use cases. Such a shift could potentially impact demand for some of Indegene's technology-enabled services.
Attrition of Key Talent	The company's domain expertise and ability to deliver complex projects depend on the availability of such skilled talent. High attrition among key employees could result in the loss of institutional knowledge and client relationships.

Industry Dynamics

Global Life Sciences Industry

The life sciences industry is a large and critical part of the global healthcare system. According to the latest information available from the IQVIA Market Prognosis Service, the industry is estimated to have generated approximately \$1.94 Tn in revenues in CY25. According to the IQVIA Institute, the spending on pharmaceuticals in emerging markets will expand at a 5% to 8% compound annual growth rate ("CAGR") through CY30. The growth of emerging markets demonstrates their strategic importance to global life sciences organisations, along with the emergence of local and regional companies with similar operational and informational needs.

Global Life Sciences Industry is expected to grow at 5-8% CAGR over CY26-30.

Exhibit 16: Life Science Operations

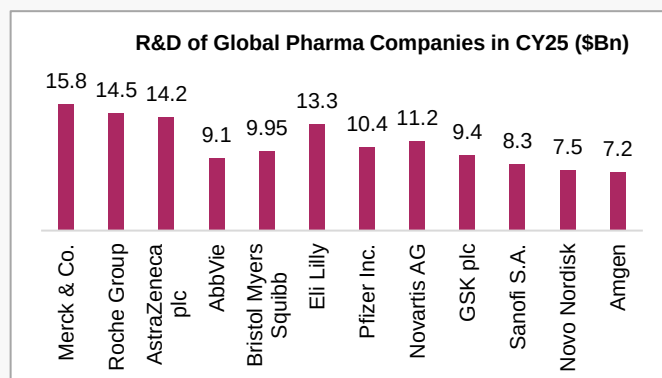


Source: Company, Axis Securities Research

Increasing Opportunities Across Life Science Value Chain

A) R&D Pipeline of the Pharmaceutical Industry

The pharmaceutical industry's focus has shifted from developing broad-spectrum, high-volume drugs to more targeted, niche-specific therapies, driven by advancements in medical research, the rise of personalised medicine, and the need to address unmet medical needs. The pipeline is also becoming more complex, with greater focus on biologics, cell & gene therapies, ADCs and other novel modalities, increasing the need for specialised external capabilities. At the same time, longer clinical timelines and rising development complexity are encouraging pharma companies to outsource non-core R&D and commercial activities. The shift towards niche therapeutics has intensified competition within the industry, with companies investing heavily in R&D to develop innovative.



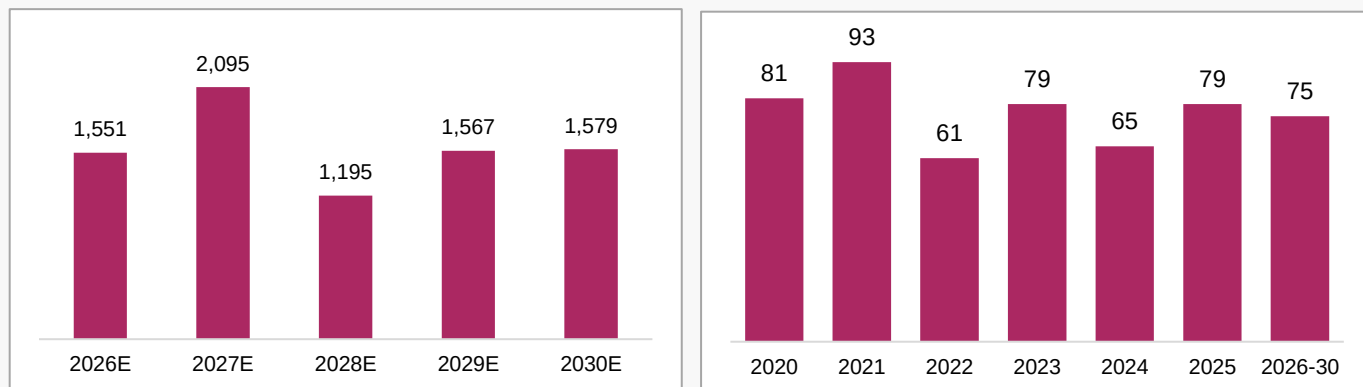
Sources: Drug Discovery Trends, Axis Securities Research

B) New Drug Launches Offset Patent Cliff - A Structural Tailwind

According to IQVIA, the global pharma industry is entering one of its largest loss-of-exclusivity (LoE) cycles in more than a decade, with >\$230 Bn of biopharma industry revenue exposed to patent expiry by 2030. This includes major blockbuster drugs such as Keytruda, Eliquis, Jardiance, Opdivo and Darzalex. As patents expire, generic and biosimilar competition can rapidly erode volumes, pricing and profitability, forcing pharma companies to replenish pipelines, accelerate new-drug launches and invest more heavily in commercialisation and lifecycle management. The upcoming patent cliff is substantial, with >\$90 Bn of pharma revenues expected to face loss of exclusivity during 2025–29, while the 12 largest pharma companies could see around \$400 Bn of revenue exposed to patent expiry during 2026–32. However, the impact is increasingly being offset by a stronger innovation cycle i.e 79 Novel Active Substances (NAS) were launched globally in 2025, taking five-year launches

to 388, vs 394 in 2020–24. IQVIA expects 70–80 NAS launches annually over the next five years. This creates a recurring opportunity for commercialisation, medical affairs, regulatory, market access and technology services as pharma companies accelerate new-product launches to replenish lost revenues.

Exhibit 17: No. of Patents Expiring and New Drug Launches in Coming Years

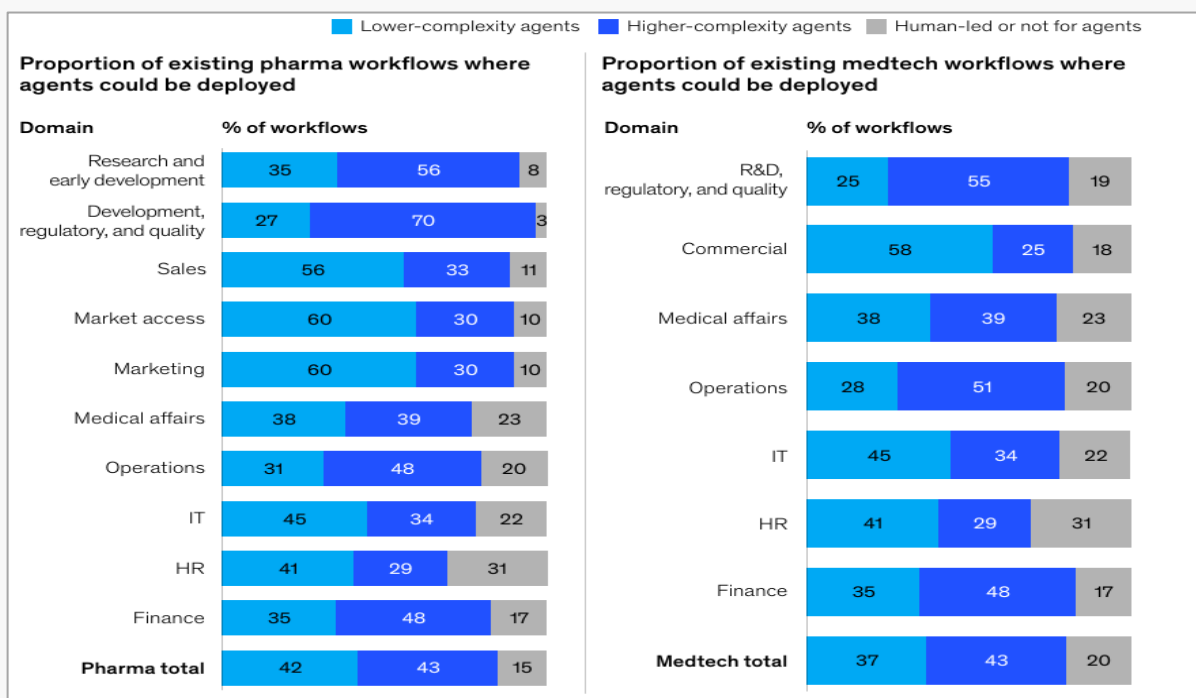


Sources: U.S. Food & Drug Administration Orange Book, IQVIA Institute, Global R&D Trends 2026, Axis Securities Research

C) Potential Benefits of AI Agents in Pharma Industry

As per McKinsey & Company, biopharmaceutical and medical technology companies have mapped approximately 270 workflows across their operations. The analysis found that 75–85% of workflows in pharma and medtech contain tasks that could potentially be automated or augmented by AI agents, highlighting the significant scope for AI-led productivity and transformation across the life-sciences value chain.

Exhibit 18: Tasks with Potential for AI Agent Automation/Augmentation



Sources: McKinsey & Company, Axis Securities Research; Note: Figures may not sum to 100%, because of rounding.

Financials (Consolidated)

Profit & Loss

(Rs Cr)

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
Net sales	2,839	3,511	4,630	5,648	6,864
Change (YoY, %)	9.6	23.6	31.9	22.0	21.5
Operating expenses	2,305	2,892	3,850	4,670	5,648
EBITDA	534	619	780	978	1,216
Change (YoY, %)	5.7	15.9	26.0	25.3	24.3
Margin (%)	18.8	17.6	16.8	17.3	17.7
Depreciation	80	126	167	185	229
EBIT	454	493	613	793	987
Interest paid	22	19	25	33	41
Other income	107	72	83	102	124
Exceptional items	-	(20)	-	-	-
Pre-tax profit	539	525	670	862	1,070
Tax	133	124	160	207	262
Effective tax rate (%)	25	24	24	24	25
Net profit	407	401	510	655	807
EPS	17	17	21	27	34
Adjusted net profit	407	421	510	655	807
Change (YoY, %)	20.8	3.6	21.1	28.3	23.3
Adj. EPS	17	17	21	27	34
Dividend per share	2	3	3	3	3
Dividend Payout (%)	12	15	12	9	7

Source: Company, Axis Securities Research

Balance Sheet

(Rs Cr)

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
Share capital	48	48	48	48	48
Reserves & surplus	2,616	3,139	3,635	4,278	5,074
Shareholders' funds	2,761	3,534	4,030	4,673	5,469
Total Debt	0	0	0	0	0
Other liabilities	0	0	0	0	0
Current Liabilities & Provisions	565	1,086	1,304	1,504	1,743
Current liabilities	497	1,006	1,201	1,378	1,590
Provisions	68	80	103	126	153
Total liabilities	565	1,086	1,304	1,504	1,743
Total equity & liabilities	3,326	4,620	5,334	6,177	7,212
Net fixed assets	40	59	78	101	127
Investments	0	0	0	0	0
Other non-current assets	756	1,943	1,943	1,943	1,943
Current assets	2,530	2,618	3,313	4,133	5,142
Inventories	0	0	0	0	0
Sundry Debtors	751	982	1,286	1,569	1,907
Cash & Liquid	375	382	724	1,219	1,839
Other Current Assets	1,404	1,255	1,303	1,345	1,396
Total assets	3,326	4,620	5,334	6,177	7,212

Source: Company, Axis Securities Research

Cash Flow
(Rs Cr)

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
Pre tax	407	401	510	655	807
Depreciation	80	126	167	185	229
Chg in working capital	(602)	441	(135)	(125)	(149)
Other operating activities	(5)	94	110	116	146
Cash flow from operations (a)	(200)	936	486	646	804
Capital expenditure	(11)	(47)	(60)	(73)	(90)
Chg in investments	2	(1,075)	-	-	-
Other investing activities	70	(41)	83	102	124
Cash flow from investing (b)	61	(1,163)	22	28	34
Equity raised/(repaid)	4	0	-	-	-
Debt raised/(repaid)	(360)	250	-	-	-
Dividend (incl. tax)	(47)	(60)	(60)	(60)	(60)
Chg in minorities	-	-	-	-	-
Other financing activities	730	45	(106)	(119)	(158)
Cash flow from financing (c)	326	235	(166)	(179)	(218)
Net chg in cash (a+b+c)	187	7	342	495	620
Opening cash balance	191	375	382	724	1,219
Closing cash balance	378	382	724	1,219	1,839

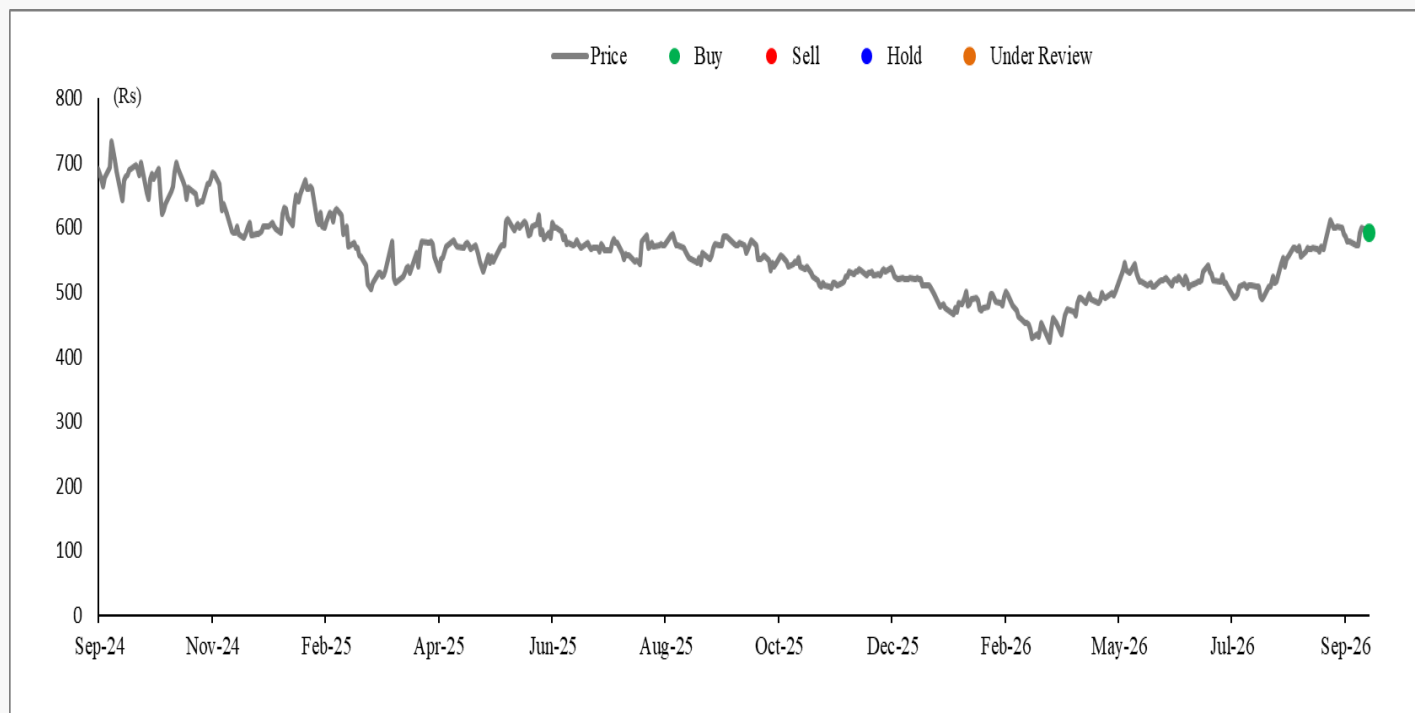
Source: Company, Axis Securities Research

Ratio Analysis
(%)

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
Book Value (Rs)	109	130	151	178	211
Adj EPS (Rs)	17	17	21	27	34
Adj EPS growth (%)	21	-1	27	28	23
EBITDA margin (%)	19	18	16.8	17.3	17.7
Pre-tax margin (%)	19.0	15.0	14.5	15.3	15.6
ROCE (%)	18.0	13.2	14.0	15.6	16.5
ROE (%)	15.5	12.8	14.0	15.3	15.9
Financial leverage ratios					
Debt / Equity (x)	-	-	-	-	-
Interest Coverage (x)	20.6	25.5	24.4	24.3	24.2
Interest / Debt (%)	0.1	-	-	-	-
Working Capital & Liquidity Ratio					
Inventory days	-	-	-	-	-
Receivable days	97	102	100	100	100
Payable days	12	19	19	19	19
Valuation ratio					
PER (x)	34.9	35.4	27.8	21.7	17.6
Adjusted PER (x)	34.9	33.7	27.8	21.7	17.6
P/BV (x)	5.4	4.5	3.9	3.3	2.8
EV/EBITDA (x)	25.9	22.3	17.3	13.3	10.2
Market Cap. / Sales (x)	5.0	4.0	3.1	2.5	2.1

Source: Company, Axis Securities Research

Indegene Ltd Price Chart and Recommendation History



Date	Reco	TP	Research
24-Sep-26	BUY	705	Initiating Coverage

Source: Axis Securities Research

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HOLD	Between 10% and -10%
SELL	Less than -10%
NOT RATED	We have forward-looking estimates for the stock, but we refrain from assigning a valuation and recommendation.
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events.
NO STANCE	We do not have any forward-looking estimates, valuations or recommendations for the stock.

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