Jefferies

India | Diversified Financials

CMSINFO

Equity Research
August 11, 2026

Jun Qtr: Disruptions Drag Revenues; Normalisation In Progress

For Jun-Qtr, CMS profit of Rs837m, -11% YoY, was ahead of est on lower tax, but core profit was a tad miss. Disruption in cash supply during five state elections affected revenues and profits. Mgt indicated that cash levels have largely normalised now. The Tech & Algo segment continues to ramp up, aiding growth. We lower profit estimates by 6-8% and PT to Rs315; we believe that improved momentum is key to re-rating, given undemanding FY27 PE of 12x. Buy stays.

Softer revenue growth due to industry disruptions & soft ATM trx. CMS Info's Services segment revenues grew by 9% YoY, but reported revenue growth was softer at 1% due to a pullback from the Product segment, which generates lower margins. Still, the service revenues missed estimates due to disruptions in supply of cash around elections in five states. As per mgt, this affected revenues by Rs250m (4% of revenues), most of which would have translated to earnings as well. As per management, currency supply has improved to 70%-80% of normal volumes, with normalisation expected by Sep-26. Accordingly, CMS has lowered its FY27 services revenue guidance by ~2%. Tech & Payments continues to drive growth, with its share in mix rising to 18% from 16% in FY26 & mgt guided for 35-40% growth. FSS acquisition contributed Rs200mn to revenues & mgt expects synergies to flow through from 2H. Order inflows remained healthy at Rs500mn, including the HDFC Bank MS contract (6K ATMs), RMS & ALGO wins from large banks, & orders for ~1K currency recyclers.

Operating profit miss; price hikes key to watch out for. Despite a revenue miss, Ebitda margins surprised positively at 27%, aided by initiatives to improve efficiencies. Hence, management raised its Ebitda margin guidance for FY27 from 25-26% to 27%. However, we understand that this will be contingent on the ability to pass through cost inflation pressures through price hikes. The company has sought price hikes from private banks, and for PSU banks, a proposal is under discussion at Indian Banks' Association (IBA). This will be key to sustaining margins, especially as depreciation charges have increased following capex completed in FY26.

Lower earnings estimates; Retain BUY on low vals. We lower FY27-29E earnings by 6-8% due to lower revenue growth & higher depreciation. While valuations are low at 12x FY27E P/E, an uptick in revenue and profit growth will be key to a re-rating in valuations. Due to cut in earnings estimates and slight derating, we lower price target to Rs315 (from Rs380 earlier), based on 11x Sep-28E P/E.

FY (Mar)	2026A	2027E	2028E	2029E
Rev. (MM)	24,871.8	27,557.1	31,397.4	35,247.1
Cons. Rev.	29,941.2	33,703.0	-	-
Net Profit	3,033.9	3,554.4	4,165.6	4,921.1

TARGET | ESTIMATE CHANGE

RATING	**BUY**
PRICE	**INR266.10^**
PRICE TARGET | % TO PT	**↓INR315 (INR380) | +18%**
52W HIGH-LOW	**INR452.35 - INR255.10**
FLOAT (%) | ADV MM (USD)	**91.8% | 1.92**
MARKET CAP	**INR43.3B | $454.3M**
TICKER	**CMSINFO IN**

^Prior trading day's closing price unless otherwise noted.

FY (Mar)	CHANGE TO JEFe		JEF vs CONS	
	2027	2028	2027	2028
REV	-1%	<-1%	-18%	NA
EPS	-6%	-8%	-99%	NA

2027 (INR)	Q1	Q2	Q3	Q4	FY
EPS	--	--	--	--	↓21.92
PREV					23.39

Exhibit 1 - CMS Info Systems: Key Metrics

Key Metrics	FY25	FY26	FY27E	FY28E	FY29E
Revenue (Rsmn)	24,245	24,872	27,557	31,397	35,247
EBITDA Margin (%)	26%	24%	26%	26%	26%
Net Profit (Rsm)	3,725	3,034	3,554	4,166	4,921
PAT Growth (% YoY)	7%	-19%	17%	17%	18%
ROE (%)	18%	13%	14%	15%	16%
P/S	1.8	1.8	1.5	1.4	1.2
P/E	12	14	12	10	9
P/BV	1.9	1.8	1.7	1.5	1.3

Source: Company, Jefferies

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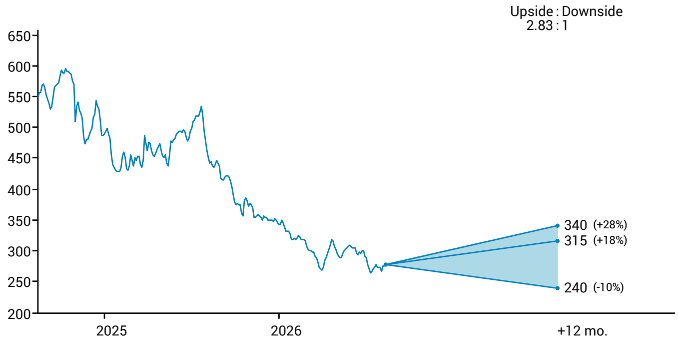
The Long View: CMSINFO

Investment Thesis

- CMS can gain market share as it leverages its wider reach, operational edge, stronger balance sheet, partnerships with leading banks, and expansion into new verticals such as remote monitoring systems and brown-label ATMs (BLA).
- Like global markets in cash mgt., India can consolidate further, and CMS should be a beneficiary of this trend.

Risk/Reward - 12 Month View



Base Case,
INR315, +18%

- Top-line CAGR of 12% over FY26-29
- PAT CAGR of 17% over FY26-29
- Average ROE of 15%
- PT of Rs315 based on 11x Sep-28 P/E

Upside Scenario,
INR340, +28%

- Top-line CAGR of 14% over FY26-29
- PAT CAGR of 20% over FY26-29
- Average ROE of 16%
- PT of Rs340 based on 12x Sep-28 P/E

Downside Scenario,
INR240, -10%

- Top-line CAGR of 10% over FY26-29
- PAT CAGR of 15% over FY26-29
- Average ROE of 14%
- PT of Rs240 based on 9x Sep-28 P/E

Sustainability Matters

Top Material Issue(s): 1) Responsible Business 2) Customer Privacy & Data Security 3) Carbon Emissions.

Company Target(s): 1) Reduce its carbon footprint through the efficient use of its fleet 2) Increasing diversity and inclusion in its workforce.

Qs to Mgmt: 1) How does the company plan to reduce its carbon emissions given the high usage of vehicles in its business? Do you plan to include EVs in your fleet? **2)** What steps are the company taking to ensure strong data security? **3)** What steps are the company taking to promote diversity at different levels? What are initiatives towards employee training/ reskilling?

Catalysts

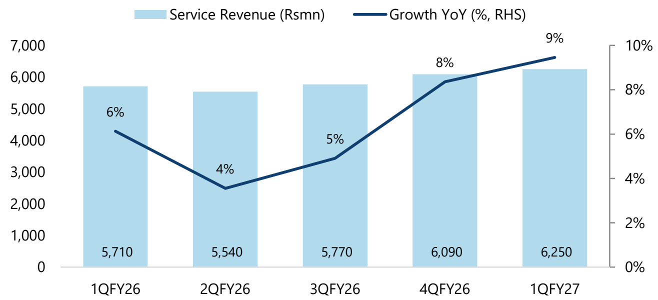
- Faster gain of market share through organic/ inorganic routes.
- Profitability can expand further through route-optimisation and upgrade of ATM-services.
- Key risks can arise from rapid digitisation of retail transactions and any adverse change in bank-partnership terms.

Exhibit 2 - 1QFY27 Result Summary

CMS Info Systems (Rsmn)	1QFY26	4QFY26	1QFY27	YoY	QoQ
Revenue from operations	**6,274**	**6,329**	**6,347**	**1%**	**0%**
Total Expenses	4,695	4,717	4,659	-1%	-1%
EBITDA (Calculated)	**1,579**	**1,612**	**1,688**	**7%**	**5%**
EBITDA Margin (%)	*25.2%*	*25.5%*	*26.6%*	*144 bps*	*113 bps*
Profit before tax	1,256	1,072	1,050	-16%	-2%
Profit after tax (PAT)	**936**	**791**	**837**	**-11%**	**6%**
PAT Margin	*14.5%*	*12.3%*	*12.9%*	*-166 bps*	*58 bps*

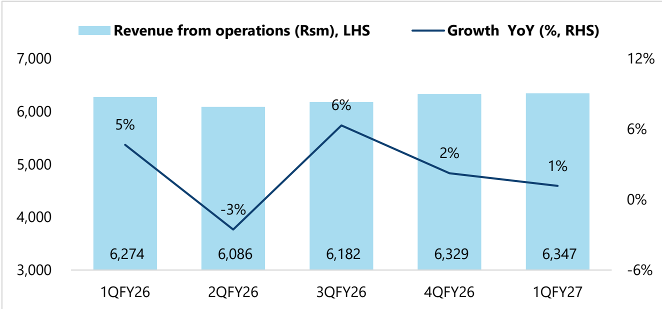
Source: Company, Jefferies

Exhibit 3 - Services revenue grew 9% YoY in 1Q, but missed est. due to disruption in supply of cash around elections



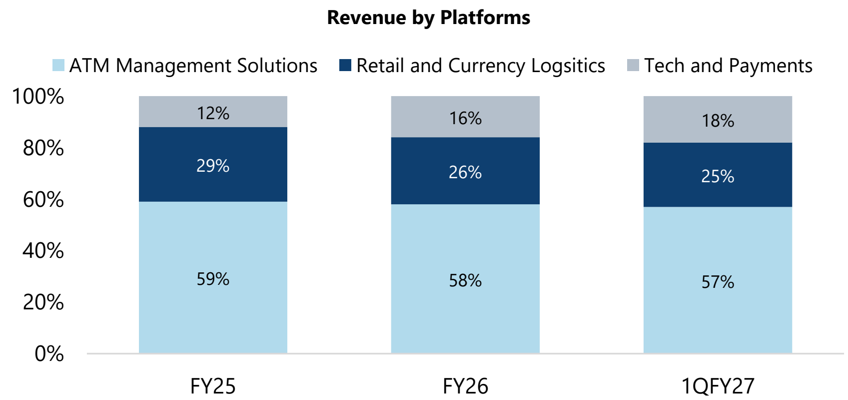
Source: Company, Jefferies

Exhibit 4 - Overall revenue growth was soft due to pullback in product segment which makes lower margins



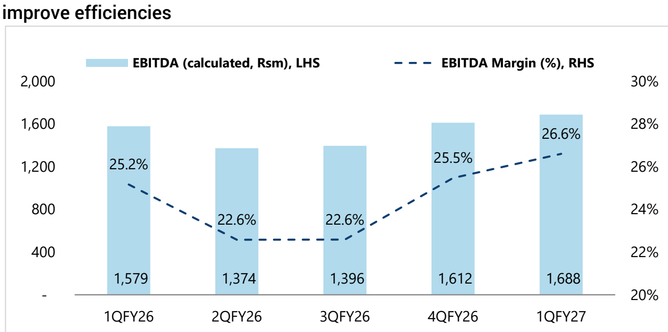
Source: Company Data, Jefferies

Exhibit 5 - Tech & Payments continues to drive growth, with its share in mix rising to 18% from 16% in FY26 & mgt guided for 35-40% growth



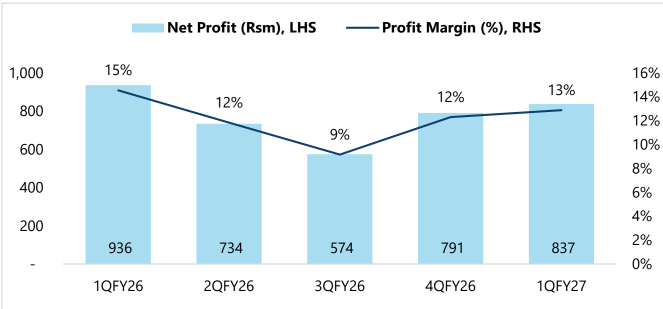
Source: Company, Jefferies

Exhibit 6 - Ebitda margins surprised positively at 27%, aided by initiatives to improve efficiencies



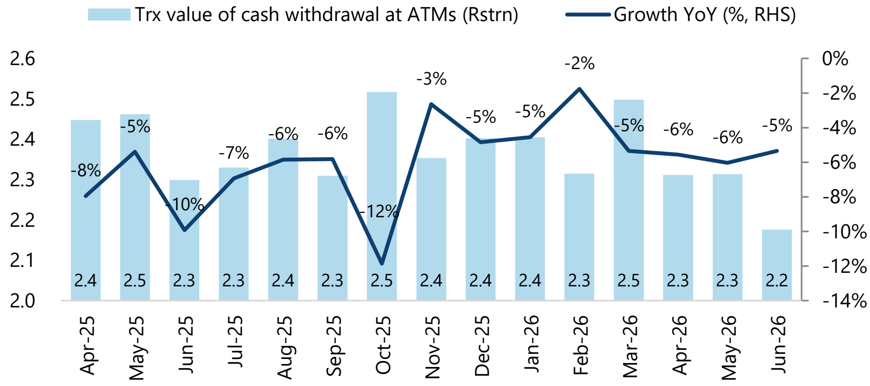
Source: Company Data, Jefferies

Exhibit 7 - Profit fell due to soft revenues & rise in depreciation



Source: Company Data, Jefferies

Exhibit 8 - India's Cash withdrawals at ATMs were down due to disruption of cash and shift to digital trx



Source: RBI, Jefferies

Exhibit 9 - Currency Supply issues impacted ATM Revenue by Rs250mn in 1QFY27

Source: Company, Jefferies

Exhibit 10 - Steep wage inflation & the ME conflict-driven rise in fuel prices have raised costs

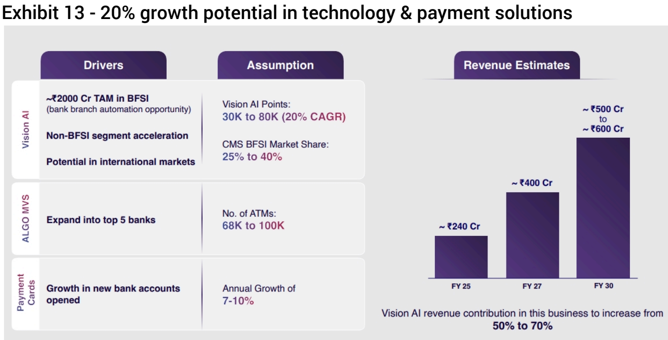
Exhibit 11 - 11% cagr potential in ATM management solutions over next 2 as well as 5yrs

Source: Company, Jefferies

Exhibit 12 - 11% CAGR potential in retail solutions & currency logistics over the next 5yrs

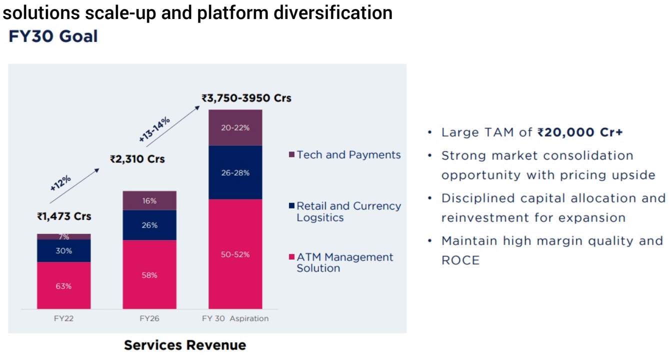
Source: Company, Jefferies

Exhibit 13 - 20% growth potential in technology & payment solutions



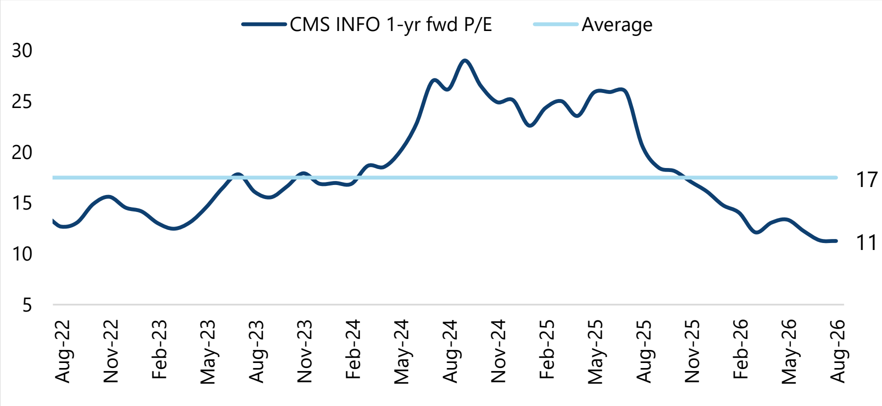
Source: Company, Jefferies

Exhibit 14 - FY30 services revenue target of Rs37.5-39.5bn driven by ATM solutions scale-up and platform diversification



Source: Company, Jefferies

Exhibit 15 - Valuations are low, and upgrade in earnings will be key to rerating



Source: Bloomberg, Company, Jefferies

Exhibit 16 - Summary P&L of Financial Software and Systems Pvt. Ltd (FSS)

Summary Income Statement			
	FY23	**FY24**	**FY25**
Revenue	**10,351**	**9,841**	**8,947**
Opex	8,105	7,892	6,996
Employee expenses	2,174	2,244	2,089
Other expenses	5,932	5,648	4,907
EBITDA	**2,296**	**1,952**	**1,967**
D&A	1,470	1,246	1,154
EBIT	**826**	**706**	**813**
Interest Expense	693	571	423
PBT	133	136	390
Tax	2	(4)	1
PAT	**131**	**140**	**389**

Source: Company. Jefferies

FSS operates two businesses - managed services (MS) and banking software solutions. CMS has acquired the managed services business via an asset transfer. The MS vertical generates revenues of Rs2-2.5bn, o/w CMS contributes Rs1-1.2bn. So mgt. expects incremental revenue of Rs1-1.3bn, with EBITDA margin of ~30%, and sees upside from efficiency gains.

Exhibit 17 - Summary Balance Sheet of Financial Software and Systems Pvt. Ltd (FSS)

Summary Balance Sheet			
	FY23	**FY24**	**FY25**
Cash Equivalents	180	169	113
Accounts Recievables	2,816	2,577	2,006
Inventory	63	137	112
Assets	**11,504**	**10,290**	**8,981**
Total Debt	3,431	2,011	985
Accounts Payable	1,815	2,305	1,961
Liabilities	**7,940**	**6,578**	**4,896**
Equities	**3,564**	**3,712**	**4,085**

Source: Company. Jefferies

Exhibit 18 - Key ratios of Financial Software and Systems Pvt. Ltd (FSS)

Profitability Ratios			
	FY23	**FY24**	**FY25**
Ebitda Margin	22%	20%	22%
PAT Margin	1%	1%	4%
ROA	1%	1%	4%
ROE	4%	4%	10%

Source: Company. Jefferies

Exhibit 19 - CMS Info Systems: Profit & Loss Statement

Profit & Loss (Rsm)	FY25	FY26	FY27E	FY28E	FY29E
ATM Management	12,892	13,404	15,002	16,698	18,402
Retail solutions & currency logistics	6,337	6,009	6,522	7,390	8,373
Tech & payment solutions	2,622	3,698	4,976	6,094	7,074
Product revenue	2,395	1,762	1,057	1,216	1,398
Revenue from operations	**24,245**	**24,872**	**27,557**	**31,397**	**35,247**
Total expenses	17,977	18,911	20,277	23,089	25,909
Ebitda	**6,268**	**5,961**	**7,280**	**8,308**	**9,338**
Ebitda margin (%)	25.9%	24.0%	26.4%	26.5%	26.5%
Depreciation and amortisation expense	1,615	2,076	2,970	3,139	3,305
Operating Profit	**4,654**	**3,885**	**4,310**	**5,170**	**6,034**
Other income	507	457	510	628	781
EBIT	**5,160**	**4,341**	**4,820**	**5,798**	**6,815**
Finance costs	182	195	234	243	253
Profit before tax	**4,978**	**4,054**	**4,586**	**5,554**	**6,561**
Total tax expense	1,254	1,020	1,032	1,389	1,640
Profit after tax	**3,725**	**3,034**	**3,554**	**4,166**	**4,921**
PAT margin (%)	15.0%	12.0%	12.7%	13.0%	13.7%
PAT growth (% YoY)	7%	-19%	17%	17%	18%

Source: Company, Jefferies

Exhibit 20 - CMS Info Systems: Balance Sheet

Balance Sheet (Rsm)	FY25	FY26	FY27E	FY28E	FY29E
Equity share capital	1,644	1,646	1,597	1,597	1,597
Other equity	21,021	22,677	23,726	26,851	30,542
Total equity	**22,665**	**24,323**	**25,323**	**28,448**	**32,139**
Non-current liabilities	**1,633**	**1,939**	**2,004**	**2,071**	**2,140**
Current liabilities	**6,901**	**6,119**	**6,013**	**6,610**	**7,315**
EQUITY AND LIABILITIES	**31,199**	**32,382**	**33,340**	**37,129**	**41,593**
Property, plant and equipment	4,842	7,253	7,221	6,734	6,600
Right-of-use assets	1,624	1,929	1,804	1,768	1,770
Goodwill	2,061	2,069	2,069	2,069	2,069
Non-current assets	**11,854**	**15,890**	**16,028**	**15,848**	**16,107**
Investments	6,163	3,738	4,860	6,318	8,213
Cash and cash equivalents	2,309	1,123	1,893	1,784	3,069
Current assets	**19,345**	**16,492**	**17,312**	**21,280**	**25,486**
ASSETS	**31,199**	**32,382**	**33,340**	**37,129**	**41,593**

Source: Company, Jefferies

Exhibit 21 - CMS Info Systems: Key Ratios

Key Ratios	FY25	FY26	FY27E	FY28E	FY29E
EPS (Rs)	23	18	22	26	31
EPS Growth (% YoY)	3%	-19%	19%	19%	18%
EBITDA (Rsm)	6,268	5,961	7,280	8,308	9,338
EBITDA Margin (%)	26%	24%	26%	26%	26%
EBITDA growth (% YoY)	*5%*	*-5%*	*22%*	*14%*	*12%*
Net Profit (Rsm)	3,725	3,034	3,554	4,166	4,921
PAT Margin (%)	15%	12%	13%	13%	14%
PAT Growth (% YoY)	*7%*	*-19%*	*17%*	*17%*	*18%*
ROA (%)	13%	10%	11%	12%	13%
ROE (%)	18%	13%	14%	15%	16%
BVPS	138	148	159	178	201
BVPS Growth (% YoY)	3%	-19%	19%	19%	18%
DPS	10	5	5	7	8
Dividend payout (%)	42%	28%	25%	25%	25%
Dividend yield (%)	4%	2%	2%	2%	3%
P/S	1.8	1.8	1.5	1.4	1.2
P/E	12	14	12	10	9
P/BV	1.9	1.8	1.7	1.5	1.3
Mcap/ EBITDA	7.0	7.3	6.0	5.3	4.7

Source: Company, Jefferies

Exhibit 22 - CMS Info Systems: Price Target Computation

CMS Info Systems Target price (Sep-28e)	
EPS (Rs)	28
P/E (x)	11
Target price (Rs)	313
Target price rounded off (Rs)	**315**
Current price (Rs)	266
Upside (%)	18%

Source: Company Data, Jefferies

We would like to thank Aditya Nevrekar, employee of Evalueserve Inc., for providing research support services to our preparation of this report.

Company Description

CMSINFO

CMS Info Systems Ltd is one of India's largest cash management company based on number of ATM points and number of retail pick-up points, and offers its customers a wide range of tailored cash management and managed services solutions, including ATM network management, retail management and managed services. CMS manages the entire flow and management of money for the business points that it serves every day - from when the RBI initially deposits cash in the bank's currency chests, to when cash is deposited back in banks after going through the various stages of the cash cycle.

Company Valuation/Risks

CMSINFO

We rate CMS Info Systems as Buy with a price target of Rs315 based on 11x Sep-28 P/E. M&A led consolidation and diversification into newer/ non-cash driven businesses can drive rerating. Key risks can arise from rapid digitisation of retail transactions and any adverse change in bank-partnership terms.

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Investment Recommendation Record

(Article 3(1)e and Article 7 of MAR)

Recommendation Published	August 11, 2026 13:01 P.M.
Recommendation Distributed	August 11, 2026 13:01 P.M.

Company Specific Disclosures

Explanation of Jefferies Ratings

Buy - Describes securities that we expect to provide a total return (price appreciation plus yield) of 15% or more within a 12-month period.

Hold - Describes securities that we expect to provide a total return (price appreciation plus yield) of plus 15% or minus 10% within a 12-month period.

Underperform - Describes securities that we expect to provide a total return (price appreciation plus yield) of minus 10% or less within a 12-month period.

The expected total return (price appreciation plus yield) for Buy rated securities with an average security price consistently below $10 is 20% or more within a 12-month period as these companies are typically more volatile than the overall stock market. For Hold rated securities with an average security price consistently below $10, the expected total return (price appreciation plus yield) is plus or minus 20% within a 12-month period. For Underperform rated securities with an average security price consistently below $10, the expected total return (price appreciation plus yield) is minus 20% or less within a 12-month period.

NR - The investment rating and price target have been temporarily suspended. Such suspensions are in compliance with applicable regulations and/or Jefferies policies.

CS - Coverage Suspended. Jefferies has suspended coverage of this company.

NC - Not covered. Jefferies does not cover this company.

Restricted - Describes issuers where, in conjunction with Jefferies engagement in certain transactions, company policy or applicable securities regulations prohibit certain types of communications, including investment recommendations.
Monitor - Describes securities whose company fundamentals and financials are being monitored, and for which no financial projections or opinions on the investment merits of the company are provided.

Valuation Methodology

Jefferies' methodology for assigning ratings may include the following: market capitalization, maturity, growth/value, volatility and expected total return over the next 12 months. The price targets are based on several methodologies, which may include, but are not restricted to, analyses of market risk, growth rate, revenue stream, discounted cash flow (DCF), EBITDA, EPS, cash flow (CF), free cash flow (FCF), EV/EBITDA, P/E, PE/growth, P/CF, P/FCF, premium (discount)/average group EV/EBITDA, premium (discount)/average group P/E, sum of the parts, net asset value, dividend returns, and return on equity (ROE) over the next 12 months.

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Jefferies Franchise Picks include stock selections from among the best stock ideas from our equity analysts over a 12 month period. Stock selection is based on fundamental analysis and may take into account other factors such as analyst conviction, differentiated analysis, a favorable risk/reward ratio and investment themes that Jefferies analysts are recommending. Jefferies Franchise Picks will include only Buy rated stocks and the number can vary depending on analyst recommendations for inclusion. Stocks will be added as new opportunities arise and removed when the reason for inclusion changes, the stock has met its desired return, if it is no longer rated Buy and/or if it triggers a stop loss. Stocks having 120 day volatility in the bottom quartile of S&P stocks will continue to have a 15% stop loss, and the remainder will have a 20% stop. Franchise Picks are not intended to represent a recommended portfolio of stocks and is not sector based, but we may note where we believe a Pick falls within an investment style such as growth or value.

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Other Companies Mentioned in This Report

- CMS Info Systems Limited (CMSINFO IN: INR266.10, BUY)

Rating and Price Target History for: CMS Info Systems Limited (CMSINFO IN) as of 08-10-2026

Notes: Each box in the Rating and Price Target History chart above represents actions over the past three years in which an analyst initiated on a company, made a change to a rating or price target of a company or discontinued coverage of a company.
Legend:

I: Initiating Coverage

D: Dropped Coverage

B: Buy

H: Hold

UP: Underperform

Distribution of Ratings

			IB Serv./Past12 Mos.		JIL Mkt Serv./Past12 Mos.	
	Count	Percent	Count	Percent	Count	Percent
BUY	2203	62.25%	390	17.70%	116	5.27%
HOLD	1177	33.26%	92	7.82%	14	1.19%
UNDERPERFORM	159	4.49%	0	0.00%	0	0.00%

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