

India

ADD (no change)

Consensus ratings*: Buy 32 Hold 12 Sell 4

Current price:	Rs3,247
Target price:	Rs3,589
Previous target:	Rs3,925
Up/downside:	10.5%
InCred Research / Consensus:	-13.8%
Reuters:	TCS.NS
Bloomberg:	TCS IN
Market cap:	US\$135,488m Rs11,746,480m
Average daily turnover:	US\$114.8m Rs9953.4m
Current shares o/s:	3,617.9m
Free float:	28.2%

*Source: Bloomberg

Key changes in this note

- Expect 3% revenue CAGR over FY25-27F.
- Expect 7.2% EBIT CAGR over FY25-27F.
- Expect 7.5% PAT CAGR over FY25-27F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(9.6)	(22.7)	(17.2)
Relative (%)	(9.2)	(19.0)	(15.9)

Major shareholders	% held
FPI	12.7
LIC	4.8
Mutual Funds	4.3

Research Analyst(s)



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Tata Consultancy Services

The beginning of a slow grind

- Client mining likely reflects the extent of leakage. The US\$50m+ bucket saw a reduction of 11 clients yoy.
- Bookings were better qoq, but the exit momentum is weak (down 8% yoy). Deferral of wage hikes reflects the quantum of uncertainty.
- Maintain ADD rating, but with a lower TP of Rs3,589 vs. Rs3,925 earlier.

4QFY25 results summary

Tata Consultancy Services (TCS) 4QFY25 revenue was down 0.8% qoq and up 2.5% yoy in constant currency or CC terms, below our/Bloomberg consensus estimates, but the 0.6% qoq growth in international business was encouraging. Europe geography, BFSI, ENU and technology verticals did better while North America (NA), manufacturing, consumer, life science & healthcare and communications were weak. Management commentary was cautious driven by 1) heightened scrutiny of discretionary budgets, 2) ramp-down and delay in decision-making, and 3) softness in consumer, CPG, travel & hospitality, and automotive verticals which, coupled with conclusion of the Bharat Sanchar Nigam or BSNL contract, implies 1Q/1HFY26F CC revenue trajectory could remain weak/muted both on qoq/yoy basis, respectively.

Bookings better (without mega deal) but LTM bookings down 8% yoy

Although 4QFY25 order booking at US\$12.2bn was up 19.6% qoq, it was down 7.6% yoy. The North America deal TCV win at US\$6.8bn was up 15.3%/19.3 qoq/yoy, the consumer vertical at US\$1.7bn was up 30.8%/6.3% qoq/yoy and the BFSI vertical at US\$4bn was up 25% qoq but down 2.4% yoy. Although management commentary of FY26F international revenue to be better yoy was encouraging, the 4QFY25 exit LTM booking was weak (down 8% yoy vs. up 25% in 4QFY24).

Margin execution impacted by reinvestments

The EBIT margin declined by 28bp qoq (+20bp estimate) driven primarily by promotions (100bp), higher travel, marketing and CSR (60bp) expenses offset by operating leverage, better revenue mix and Indian rupee (INR) depreciation (40bp). Although management expects FY26F EBIT margin to improve yoy led by the deferral of wage hikes, soft exit momentum coupled with productivity pass-backs and slower revenue growth drives a ~70bp drop in our average FY26F-27F EBIT margin assumption to 25.1%.

Retain ADD rating, but with a lower target price of Rs3,589

We cut our estimates again despite trimming them in our 2 Mar 2025 update. We now expect FY25-27F US\$ revenue CAGR of 3% (vs. 4.5% earlier) and PAT (Rs) CAGR of 7.5% (vs. 9.2%). We also shift our valuation methodology to P/E (vs. PE/G earlier) and value TCS at 23x (implied 24x earlier) FY27F EPS to arrive at a lower target price of Rs3,589 (Rs3,925 earlier). Better operating cash flow, dividend payout ratio certainty, and healthy return ratios support valuation while a slower recovery in NA & the FSI vertical, weak bookings, and higher project cancellations are key downside risks.

Financial Summary	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Revenue (Rsm)	2,254,580	2,408,930	2,553,240	2,636,581	2,818,240
Operating EBITDA (Rsm)	592,590	642,960	674,060	709,240	769,380
Net Profit (Rsm)	421,470	468,660	485,521	513,637	560,760
Core EPS (Rs)	115.2	128.5	134.2	142.0	155.0
Core EPS Growth	11.2%	11.6%	4.4%	5.8%	9.2%
FD Core P/E (x)	28.18	25.26	24.19	22.87	20.95
DPS (Rs)	115.0	73.0	128.0	127.8	139.5
Dividend Yield	3.54%	2.24%	4.06%	3.94%	4.30%
EV/EBITDA (x)	19.35	17.83	16.82	15.88	14.55
P/FCFE (x)	30.32	27.88	25.17	23.49	21.90
Net Gearing	(45.7%)	(41.9%)	(44.4%)	(49.3%)	(53.4%)
P/BV (x)	13.13	13.08	12.53	11.88	11.24
ROE	46.9%	51.8%	52.7%	53.3%	55.1%
% Change In Core EPS Estimates					
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Quarterly performance

Y/E Mar (Rs m)	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	4QFY25	Var. (%)
Revenue (US\$ m)	7,465	7,363	1.4	7,539	(1.0)	7,503	(0.5)
Revenue (Rs m)	6,44,790	6,12,370	5.3	6,39,730	0.8	6,49,813	(0.8)
USD-Rs realization	86.4	83.2	3.9	84.86	1.8	86.6	(0.3)
EBITDA	1,69,800	1,71,640	(1.1)	1,70,330	(0.3)	1,73,500	(2.1)
EBITDA margin (%)	26.3	28.0	(169bp)	26.6	(29bp)	26.7	(37bp)
EBIT	1,56,010	1,59,180	(2.0)	1,56,570	(0.4)	1,60,504	(2.8)
EBIT margin (%)	24.2	26.0	(180 bp)	24.5	(28 bp)	24.7	(50 bp)
Depreciation	13,790	12,460	10.7	13,760	0.2	12,996	6.1
Net other income	8,010	9,310	(14.0)	10,090	(20.6)	10,286	(22.1)
PBT	1,64,020	1,68,490	(2.7)	1,66,660	(1.6)	1,70,790	(4.0)
Provision for tax	41,090	43,470	(5.5)	42,220	(2.7)	43,266	(5.0)
% tax rate	25.1	25.8	(75 bp)	25.3	(28 bp)	25.3	(28 bp)
Net profit	1,22,240	1,24,340	(1.7)	1,23,800	(1.3)	1,26,884	(3.7)
EPS (Rs)	33.8	34.4	(1.7)	34.2	(1.2)	35.1	(3.7)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Key conference-call takeaways

- **Guidance:** FY26F growth could be better than in FY25.
- **Vertical commentary**
 - **Banking, Financial services and Insurance (BFSI):** Focusing on technology modernization, cost optimization, vendor consolidation and regulatory spending. Proactively addressing technology obsolescence through legacy modernization efforts. Data, artificial intelligence (AI) and Cloud adoption, and cyber security practice. Insurance saw delay in decision-making by clients.
 - **Consumer:** Witnessed heightened caution and delay in discretionary projects, especially in the US, driven by a drop in consumer sentiment in Feb 2025. Currently focusing on prioritizing cost savings, defensive technology trade deductions, and trade deduction modernization initiatives.
 - **Manufacturing:** Uncertainty in the automotive industry due to the downturn in electric vehicles or EVs and rising inventory is driving weak demand and a cut in discretionary spending. The aerospace industry is struggling due to supply chain disruption.
 - **Communication & Media:** Witnessing industry-specific challenges, with discretionary spending remaining under pressure. 4QFY25 growth for TCS was driven by vendor consolidation, technology, and productivity improvement programs.
 - **Lifesciences and Healthcare:** Client-specific challenges are largely behind. Clients are increasingly reducing operational costs and creating delivery models that align with business goals, thereby creating opportunities for vendor consolidation. Deals are taking longer to close as customers are moving cautiously and prioritizing critical business initiatives
 - **Energy & Utilities:** Continues to grow well. Strong pipeline of opportunities from both existing and potential clients.
 - **Technology:** IT budgets have remained flat and reflect cautious optimism amid macroeconomic uncertainty. Funding incremental technology upgrades through savings generated from optimization and rationalization efforts.
- **Services commentary:**
 - AI, GenAI, Data and Cloud, IoT, and enterprise solutions drove strong client engagements and growth.
 - The pipeline of AI and GenAI engagements is higher than the last few quarters and saw a significant increase in deal wins across AI for IT and AI for business.
 - Rising demand for cross-industry GenAI use cases in the areas of contract management, sales campaign content creation, customer servicing, tech

support, smart data insight, and talk-to data, targeting higher productivity and better experiences.

• **Products and platform:**

- Ignio saw 30 deals and 11 go-lives. Recently, it introduced Code Accelerator, an advanced GenAI tool to automate code generation and transformation. This feature already has been deployed to 80% of SaaS customers, boosting productivity by 150%. Additionally, it is using GenAI capabilities to expedite migration of on-premise customers to SaaS.
 - TCS BaNCS had four wins and four go-lives.
 - TCS BFSI production saw three wins and three go-lives.
 - Quartz blockchain platform had two wins and one go-live. TCS iON had 35 new wins.
 - TCS OmniStore, AI-powered universal commerce suite had two deal wins and three go-lives. Signed a deal with a leading American healthcare company to modernize its customer journey.
 - TCS Optumera, AI-powered retail merchandising suite had one win and went live for one client.
 - TwinX, a digital twin solution, had three wins and one go-live.
 - TCS ADD continues its focus on leveraging AI in the life science industry. Actively working with GenAI PoCs across literature search and insights, patient insights, safety case processing, and medical monitoring
 - TCS Hubs, a communication service provider suite, had three wins and one go-live.
- FY26F campus hiring will be higher than in FY25.

Figure 2: Operating metric trends

Operating trends	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Revenue (US\$m)	6,780	6,877	7,075	7,195	7,226	7,210	7,281	7,363	7,505	7,670	7,539	7,465
Growth YoY (%)	10.2	8.6	8.4	7.5	6.6	4.8	2.9	2.3	3.9	6.4	3.5	1.4
Growth QoQ (%)	1.3	1.4	2.9	1.7	0.4	-0.2	1.0	1.1	1.9	2.2	-1.7	-1.0
CC Growth YoY (%)	15.5	15.4	13.5	10.7	7.0	2.8	1.7	2.2	4.4	5.5	4.5	2.5
CC Growth QoQ (%)	3.5	3.9	2.3	0.7	0.0	-0.2	1.2	1.2	2.2	0.9	0.2	-0.8
Revenue (Rsm)	5,27,580	5,53,090	5,82,290	5,91,620	5,93,810	5,96,920	6,05,830	6,12,370	6,26,130	6,42,590	6,39,730	6,44,790
Growth YoY (%)	16.2	18.0	19.1	16.9	12.6	7.9	4.0	3.5	5.4	7.7	5.6	5.3
Growth QoQ (%)	4.3	4.8	5.3	1.6	0.4	0.5	1.5	1.1	2.2	2.6	-0.4	0.8
EBIT Margin (%)	23.1	24.0	24.5	24.5	23.2	24.3	25.0	26.0	24.7	24.1	24.5	24.2
US\$-Rs Realized Rate	77.8	80.4	82.3	82.2	82.2	82.8	83.2	83.2	83.4	83.8	84.9	86.4
Headcount	6,06,331	6,16,171	6,13,974	6,14,795	6,15,318	6,08,985	6,03,305	6,01,546	6,06,998	6,12,724	6,07,354	6,07,979
LTM attrition (%)	19.7	21.5	21.3	20.1	17.8	14.9	13.3	12.5	12.1	12.3	13.0	13.3
Vertical (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFSI	32.1	33.6	33.1	32.9	32.5	32.6	31.7	31.3	30.9	30.8	30.5	31.2
Communication & Media	6.8	7.3	7.2	7.1	7.0	6.9	6.7	6.6	6.2	5.9	5.8	5.8
Manufacturing	9.9	8.2	8.2	8.1	8.3	8.5	8.6	8.8	8.8	8.6	8.4	8.4
Consumer Business	15.9	16.1	16.0	16.0	16.1	15.9	15.7	15.7	15.4	15.1	15.3	15.3
Life Science & Health Care	10.1	10.7	10.8	10.9	11.0	10.9	10.9	10.9	11.0	10.4	10.1	10.1
Technology & Services	8.8	9.1	9.0	8.9	8.7	8.6	8.4	8.2	8.1	8.0	8.0	8.1
Energy & Utilities	-	5.0	5.2	5.4	5.5	5.6	5.7	5.6	5.6	5.7	5.6	5.7
Regional Market & Others	16.4	10.0	10.5	10.7	10.9	11.0	12.3	12.9	14.0	15.5	16.3	15.4
Vertical (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFSI	2,176	2,311	2,342	2,367	2,348	2,350	2,308	2,305	2,319	2,362	2,299	2,329
Communication & Media	461	502	509	511	506	497	488	486	465	453	437	433
Manufacturing	671	564	580	583	600	613	626	648	660	660	633	627
Consumer Business	1,078	1,107	1,132	1,151	1,163	1,146	1,143	1,156	1,156	1,158	1,153	1,142
Life Science & Health Care	685	736	764	784	795	786	794	803	826	798	761	754
Technology & Services	597	626	637	640	629	620	612	604	608	614	603	605
Energy & Utilities	-	344	368	389	397	404	415	412	420	437	422	426
Regional Market & Others	1,112	688	743	770	788	793	896	950	1,051	1,189	1,229	1,150
Vertical yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFSI	8.8	13.0	11.8	10.8	7.9	1.7	-1.4	-2.6	-1.3	0.5	-0.4	1.1
Communication & Media	17.1	20.1	20.1	13.9	9.7	-0.9	-4.2	-4.9	-8.0	-9.0	-10.4	-10.9
Manufacturing	11.3	-10.1	-10.2	-13.0	-10.6	8.7	7.9	11.2	10.1	7.6	1.1	-3.2
Consumer Business	18.4	16.6	14.9	11.6	7.9	3.5	1.0	0.4	-0.7	1.0	0.9	-1.2
Life Science & Health Care	9.1	16.2	18.3	17.1	16.1	6.8	3.9	2.3	3.9	1.5	-4.1	-6.1
Technology & Services	12.7	12.3	12.2	9.9	5.4	-0.9	-3.9	-5.7	-3.3	-1.0	-1.4	0.1
Energy & Utilities	-	-	-	-	-	17.4	12.8	6.1	5.7	8.3	1.7	3.2
Regional Market & Others	2.1	-37.6	-36.0	-33.5	-29.2	15.3	20.6	23.4	33.4	49.9	37.2	21.0
Vertical qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFSI	1.9	6.2	1.3	1.1	-0.8	0.1	-1.8	-0.1	0.6	1.9	-2.7	1.3
Communication & Media	2.8	8.9	1.5	0.3	-1.0	-1.6	-1.9	-0.4	-4.2	-2.7	-3.4	-1.0
Manufacturing	0.2	-16.0	2.9	0.5	2.9	2.2	2.2	3.5	1.9	-0.1	-4.0	-1.0
Consumer Business	4.5	2.7	2.2	1.7	1.1	-1.5	-0.3	1.1	-0.0	0.2	-0.4	-1.0
Life Science & Health Care	2.3	7.5	3.8	2.6	1.4	-1.1	1.0	1.1	2.9	-3.4	-4.5	-1.0

Technology & Services	2.4	4.9	1.7	0.6	-1.8	-1.4	-1.4	-1.3	0.7	0.9	-1.7	0.3
Energy & Utilities	-	-	7.0	5.6	2.3	1.6	2.8	-0.6	1.9	4.0	-3.4	0.8
Regional Market & Others	-4.0	-38.2	8.0	3.6	2.3	0.7	12.9	6.1	10.6	13.1	3.4	-6.4
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFSI	40.4	134.3	31.2	25.3	-18.7	2.0	-42.4	-3.5	14.4	43.3	-63.0	29.7
Communication & Media	12.4	41.0	7.4	1.4	-5.0	-8.3	-9.7	-1.9	-20.6	-12.8	-15.3	-4.3
Manufacturing	1.6	-107.3	16.2	2.6	17.0	13.1	13.3	21.8	12.5	-0.8	-26.3	-6.2
Consumer Business	46.8	29.2	24.8	19.2	12.2	-17.0	-3.3	12.9	-0.2	2.4	-4.7	-11.3
Life Science & Health Care	15.2	51.1	28.3	20.2	10.6	-9.0	7.7	8.9	23.0	-27.9	-36.2	-7.5
Technology & Services	14.1	29.2	10.9	3.6	-11.7	-8.6	-8.5	-7.8	4.1	5.7	-10.5	1.5
Energy & Utilities	-	-	24.1	20.6	8.9	6.3	11.3	-2.7	8.0	16.9	-15.0	3.3
Regional Market & Others	-46.5	-424.2	55.2	27.0	17.8	5.5	102.5	54.3	100.9	138.2	40.0	-79.2
Geography (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
North America	53.2	54.3	53.7	52.4	52.0	51.7	50.6	50.0	49.5	47.6	47.7	48.2
Latin America	1.8	1.7	1.8	1.8	2.0	2.0	2.1	2.0	1.9	1.8	1.9	1.8
Continental Europe	15.2	14.5	14.8	15.1	14.9	14.9	15.0	14.6	14.4	14.6	13.9	14.3
UK	14.9	14.5	14.9	15.7	16.4	16.5	16.4	16.8	16.9	17.0	16.6	16.8
APAC	8.3	8.0	7.9	8.0	7.8	7.8	7.8	7.8	7.8	8.0	7.8	8.1
India	4.8	5.1	5.1	5.0	4.9	4.9	6.1	6.7	7.5	8.9	9.8	8.4
Rest of the world	1.8	1.9	1.8	2.0	2.0	2.2	2.0	2.1	2.0	2.1	2.3	2.4
Geography (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
North America	3,607	3,734	3,799	3,770	3,758	3,728	3,684	3,682	3,715	3,651	3,596	3,598
Latin America	122	117	127	130	145	144	153	147	143	138	143	134
Continental Europe	1,031	997	1,047	1,086	1,077	1,074	1,092	1,075	1,081	1,120	1,048	1,067
UK	1,010	997	1,054	1,130	1,185	1,190	1,194	1,237	1,268	1,304	1,251	1,254
APAC	563	550	559	576	564	562	568	574	585	614	588	605
India	325	351	361	360	354	353	444	493	563	683	739	627
Rest of the world	122	131	127	144	145	159	146	155	150	161	173	179
Geography yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
North America	18.6	17.2	14.9	9.1	4.2	-0.2	-3.0	-2.4	-1.1	-2.1	-2.4	-2.3
Latin America	23.9	15.4	14.8	13.8	18.4	23.3	20.1	13.7	-1.3	-4.3	-6.3	-8.8
Continental Europe	0.3	-1.0	0.3	4.7	4.5	7.7	4.3	-1.1	0.4	4.2	-4.0	-0.7
UK	0.7	-2.2	3.6	8.1	17.3	19.3	13.3	9.5	7.0	9.6	4.8	1.4
APAC	-1.7	-3.5	-0.4	1.1	0.2	2.2	1.6	-0.2	3.9	9.1	3.5	5.3
India	15.0	8.6	0.6	5.3	8.8	0.7	23.1	37.1	59.0	93.2	66.3	27.1
Rest of the world	-5.6	3.2	2.7	7.5	18.4	21.4	14.3	7.5	3.9	1.5	19.1	15.9
Geography qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
North America	4.4	3.5	1.7	-0.8	-0.3	-0.8	-1.2	-0.1	0.9	-1.7	-1.5	0.1
Latin America	7.2	-4.2	8.9	1.7	11.6	-0.2	6.0	-3.7	-3.2	-3.2	3.8	-6.2
Continental Europe	-0.7	-3.2	5.0	3.8	-0.9	-0.2	1.7	-1.6	0.5	3.6	-6.4	1.9
UK	-3.3	-1.3	5.7	7.2	4.9	0.4	0.4	3.6	2.5	2.8	-4.0	0.2
APAC	-1.1	-2.2	1.6	3.0	-2.1	-0.2	1.0	1.1	1.9	4.8	-4.2	2.8
India	-4.7	7.8	2.9	-0.3	-1.6	-0.2	25.7	11.1	14.1	21.3	8.2	-15.1
Rest of the world	-8.9	7.1	-2.5	13.0	0.4	9.8	-8.2	6.2	-2.9	7.3	7.7	3.3
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
North America	151.8	127.3	65.1	-29.1	-12.7	-29.9	-43.4	-2.7	33.5	-64.1	-54.8	2.0
Latin America	8.2	-5.1	10.4	2.2	15.0	-0.3	8.7	-5.6	-4.7	-4.5	5.2	-8.9
Continental Europe	-7.3	-33.4	49.9	39.3	-9.8	-2.4	17.9	-17.2	5.7	39.1	-71.9	19.6
UK	-34.4	-13.1	57.0	75.4	55.4	4.6	4.4	42.9	31.4	35.6	-52.4	2.6
APAC	-6.4	-12.6	8.8	16.7	-12.0	-1.2	5.5	6.4	11.1	28.2	-25.6	16.6
India	-16.1	25.3	10.1	-1.1	-5.7	-0.8	90.9	49.2	69.6	119.8	56.2	-111.8
Rest of the world	-11.9	8.6	-3.3	16.6	0.6	14.1	-13.0	9.0	-4.5	11.0	12.3	5.8
Deal wins (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
TCV	8,200	8,100	7,800	10,000	10,200	11,200	8,100	13,200	8,300	8,600	10,200	12,200
qoq	-27.4	-1.2	-3.7	28.2	2.0	9.8	-27.7	63.0	-37.1	3.6	18.6	19.6
yoy	1.2	6.6	2.6	-11.5	24.4	38.3	3.8	32.0	-18.6	-23.2	25.9	-7.6
LTM TCV	34,700	35,200	35,400	34,100	36,100	39,200	39,500	42,700	40,800	38,200	40,300	39,300
yoy	6.1	11.0	8.9	-1.4	4.0	11.4	11.6	25.2	13.0	-2.6	2.0	-8.0
Client mining	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
US\$1m	785	797	796	819	840	851	852	864	876	860	860	870
US\$5m	411	413	421	422	428	421	436	430	434	447	449	462
US\$10m	239	237	237	243	249	267	257	263	263	263	273	261
US\$20m	207	218	219	218	219	216	223	224	223	228	224	232
US\$50m	65	65	71	73	77	76	76	77	77	70	70	66
US\$100m	59	59	59	60	60	61	61	62	63	66	64	64
Client mining (yoy change)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
US\$1m	34	38	9	42	55	54	56	45	36	9	8	6
US\$5m	44	34	33	17	17	8	15	8	6	26	13	32
US\$10m	20	7	6	10	10	30	20	20	14	-4	16	-2
US\$20m	21	31	24	12	12	-2	4	6	4	12	1	8
US\$50m	10	5	11	11	12	11	5	4	-	-6	-6	-11
US\$100m	9	5	1	2	1	2	2	2	3	5	3	2
Per employee analysis	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Revenue (US\$m) - TTM	26,333	26,877	27,428	27,927	28,373	28,706	28,912	29,080	29,359	29,819	30,077	30,179
Employees (Average TTM)	5,71,065	5,92,921	6,07,168	6,12,818	6,15,065	6,13,268	6,10,601	6,07,289	6,05,209	6,06,143	6,07,156	6,08,764
Revenue per employee (TTM)	46,112	45,330	45,174	45,571	46,130	46,808	47,350	47,885	48,511	49,195	49,538	49,574

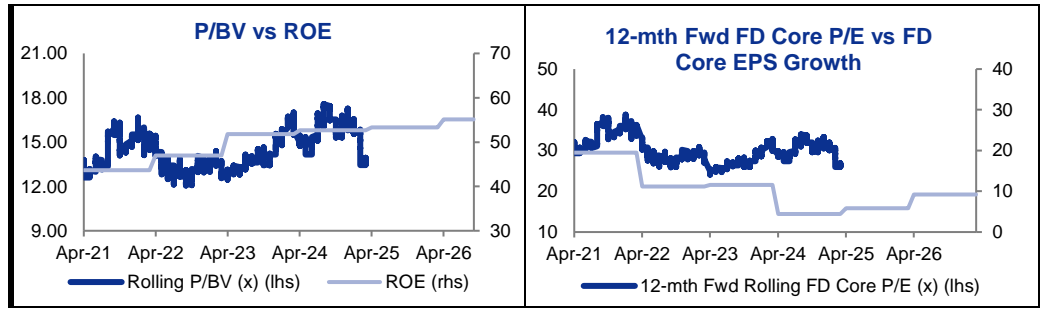
SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 3: Change in InCred estimates

Y/E Mar (Rs m)	FY26F			FY27F		
	New	Old	% change	New	Old	% change
US\$ revenue	30,481	31,202	-2.3	32,025	33,067	-3.1
Revenue	26,36,581	27,05,182	-2.5	28,18,240	29,09,863	-3.1
EBIT	6,56,509	6,93,879	-5.4	7,14,424	7,53,654	-5.2
EBIT Margin (%)	24.9	25.6	(75)bp	25.4	25.9	(55)bp
Net PAT	5,13,637	5,42,827	-5.4	5,60,760	5,91,538	-5.2
EPS (Rs)	142.0	150.0	-5.4	155.0	163.5	-5.2

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Total Net Revenues	2,254,580	2,408,930	2,553,240	2,636,581	2,818,240
Gross Profit	942,120	1,022,830	1,045,710	1,094,181	1,169,570
Operating EBITDA	592,590	642,960	674,060	709,240	769,380
Depreciation And Amortisation	(50,220)	(49,850)	(52,410)	(52,732)	(54,956)
Operating EBIT	542,370	593,110	621,650	656,509	714,424
Financial Income/(Expense)	26,700	36,440	31,660	34,445	39,621
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	569,070	629,550	653,310	690,954	754,045
Exceptional Items					
Pre-tax Profit	569,070	629,550	653,310	690,954	754,045
Taxation	(146,040)	(158,980)	(165,349)	(174,876)	(190,844)
Exceptional Income - post-tax					
Profit After Tax	423,030	470,570	487,961	516,077	563,200
Minority Interests	(1,560)	(1,910)	(2,440)	(2,440)	(2,440)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	421,470	468,660	485,521	513,637	560,760
Recurring Net Profit	421,470	468,660	485,521	513,637	560,760
Fully Diluted Recurring Net Profit	421,470	468,660	485,521	513,637	560,760

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
EBITDA	592,590	642,960	674,060	709,240	769,380
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(42,170)	(68,820)	(15,803)	(9,946)	(17,722)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(1,560)	(1,910)	(2,440)	(2,440)	(2,440)
Other Operating Cashflow					
Net Interest (Paid)/Received					
Tax Paid	(129,660)	(124,890)	(165,349)	(174,876)	(190,844)
Cashflow From Operations	419,200	447,340	490,468	521,978	558,373
Capex	(25,320)	(22,020)	(22,020)	(22,020)	(22,020)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	25,710	82,280	39,620	43,525	48,701
Cash Flow From Investing	390	60,260	17,600	21,505	26,681
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased	(41,920)	(210,050)			
Dividends Paid	(413,470)	(251,370)	(463,089)	(462,273)	(504,684)
Preferred Dividends					
Other Financing Cashflow	(23,390)	(23,940)	(7,960)	(9,080)	(9,080)
Cash Flow From Financing	(478,780)	(485,360)	(471,049)	(471,353)	(513,764)
Total Cash Generated	(59,190)	22,240	37,019	72,129	71,290
Free Cashflow To Equity	393,880	425,320	468,448	499,958	536,353
Free Cashflow To Firm	419,590	507,600	508,068	543,483	585,054

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Cash And Equivalents	479,290	447,670	484,689	556,818	628,108
Total Debtors	499,540	535,770	558,589	573,210	601,122
Inventories	280	280	280	280	280
Total Other Current Assets	123,590	146,120	146,120	146,120	146,120
Total Current Assets	1,102,700	1,129,840	1,189,678	1,276,429	1,375,631
Fixed Assets	190,240	188,260	157,870	127,158	94,223
Total Investments	29,360	36,980	36,980	36,980	36,980
Intangible Assets	27,250	23,420	23,420	23,420	23,420
Total Other Non-Current Assets	86,960	85,990	85,990	85,990	85,990
Total Non-current Assets	333,810	334,650	304,260	273,548	240,613
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	105,150	99,810	104,928	108,353	115,818
Other Current Liabilities	330,430	361,230	363,129	364,379	367,104
Total Current Liabilities	435,580	461,040	468,056	472,731	482,922
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	88,870	90,260	90,260	90,260	90,260
Total Non-current Liabilities	88,870	90,260	90,260	90,260	90,260
Total Provisions					
Total Liabilities	524,450	551,300	558,316	562,991	573,182
Shareholders Equity	904,240	904,890	937,526	988,889	1,044,965
Minority Interests	7,820	8,300	8,300	8,300	8,300
Total Equity	912,060	913,190	945,826	997,189	1,053,265

Key Ratios

	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Revenue Growth	17.6%	6.8%	6.0%	3.3%	6.9%
Operating EBITDA Growth	11.7%	8.5%	4.8%	5.2%	8.5%
Operating EBITDA Margin	26.3%	26.7%	26.4%	26.9%	27.3%
Net Cash Per Share (Rs)	114.06	104.89	115.96	135.90	155.60
BVPS (Rs)	247.17	248.14	259.14	273.33	288.83
Gross Interest Cover	69.62	76.24	78.10	72.30	78.68
Effective Tax Rate	25.7%	25.3%	25.3%	25.3%	25.3%
Net Dividend Payout Ratio	99.8%	56.7%	98.2%	90.0%	90.0%
Accounts Receivables Days	74.28	78.43	78.22	78.34	76.05
Inventory Days	0.07	0.07	0.07	0.07	0.06
Accounts Payables Days	25.81	26.99	24.79	25.24	24.81
ROIC (%)	84.5%	90.1%	89.5%	97.3%	110.4%
ROCE (%)	41.6%	45.4%	46.7%	47.3%	48.9%
Return On Average Assets	28.3%	30.6%	31.4%	32.2%	33.7%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

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- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

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Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.