

India

**ADD** (no change)

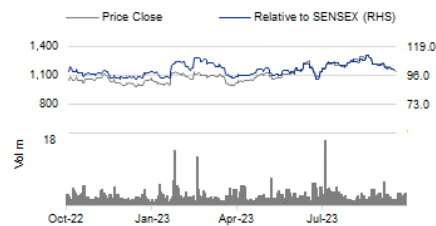
Consensus ratings\*: Buy 14 Hold 12 Sell 17

Current price:	Rs1,142
Target price:	Rs1,515
Previous target:	Rs1,515
Up/downside:	32.7%
InCred Research / Consensus:	30.5%
Reuters:	TEML.NS
Bloomberg:	TECHM IN
Market cap:	US\$13,394m
	Rs1,114,237m
Average daily turnover:	US\$37.2m
	Rs3091.1m
Current shares o/s:	883.5m
Free float:	64.0%

\*Source: Bloomberg

**Key changes in this note**

- Retain FY25F and FY26F revenue, EBIT, PAT estimates.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(10.9)	(0.1)	7.3
Relative (%)	(8.3)	4.1	(0.2)

Major shareholders	% held
LIC	9.6
SBI-ETF Nifty 50	3.4
ICICI Prudential Bluechip Fund	2.0

**Analyst(s)**



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# Tech Mahindra

## Buy the dips

- Outlines its simplified and streamlined organizational structure with the focus on account mining, service line consolidation & maximizing synergy potential.
- Revenue and adjusted EBIT margin were below estimates. Order book and OCF/EBITDA at 125.7% in 1HFY24 vs. 82.1% in 1HFY23 were encouraging.
- Retain ADD rating with an unchanged target price of Rs1,515.

### 2QFY24 earnings summary

Tech Mahindra's (TECHM IN) 2QFY24 constant currency (CC) revenue and adjusted EBIT margin were below estimates while reported EBIT and PAT were impacted due to restructuring initiatives and impairment of goodwill & non-current assets. Deal wins were healthy sequentially (but down 10.3% yoy). CEO designate Mr. Mohit Joshi highlighted that new organizational structure, centralized operations and a large deal team could help improve account mining and unit economics, thereby echoing our underlying thesis of an upgrade. We adjust FY24F estimates to account for 2Q miss but retain FY25F/26F estimates and ADD rating on Tech Mahindra with an unchanged target price of Rs1,515.

### Highlights the new organization structure

Tech Mahindra outlined the simplified and streamlined organizational structure with a focus on top accounts, verticalized delivery structure, and eight service lines & believes the centralized structure could bring agility, improve unit economics, and help invest in domain capabilities. Effective 1 Jan 2024, the new structure, with respective leaders, would have strategic business units including a) Americas 1 – Communication vertical, b) Americas 2 – Technology and Media, c) Americas 3 – Diverse Industries, and d) EMEA & APJ markets will continue to operate as regional, with the vertical coming together for better synergy.

### Margins impacted by restructuring initiatives

Reported EBIT margin at 4.7%, down 206bp/665bp qoq/yoy, beat our 4.5% estimate but the adjusted margin of 7.3% was ~120bp below our estimate. The margin was impacted by revenue weakness, moderation in utilization and closure/termination of a few contracts offset by the moderation in sub-contractor expenses (down 13.6% qoq; 12.4% of revenue vs. 14% in 1QFY24) and absence of bankruptcy costs. Exiting low-margin contracts and geographical presence, non-core business, and rationalization of employee pyramid and operational efficiency (automation, head-to-tail, span of control) are key margin levers.

### Retain ADD rating with an unchanged target price of Rs1,515

We adjust our estimates and model ~4% US\$ revenue CAGR over FY24F-26F & 20% PAT (Rs.) growth in FY26F. We continue to apply 1x PE/G to FY26F EPS growth to arrive at our target multiple and retain ADD rating with an unchanged target price of Rs1,515. Strong cash conversion, potential improvement in capital allocation and likely earnings tailwind from restructuring provides cushion to relative lower valuation. Weak revenue/EBIT margin execution led by customer and senior leadership attrition remains the key downside risk.

Financial Summary	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue (Rsm)	446,460	532,902	527,092	552,276	593,815
Operating EBITDA (Rsm)	80,201	80,287	56,138	91,126	106,887
Net Profit (Rsm)	55,662	48,312	31,044	57,179	68,409
Core EPS (Rs)	63.0	57.2	36.8	64.7	77.4
Core EPS Growth	23.4%	(9.2%)	(35.7%)	75.9%	19.6%
FD Core P/E (x)	18.12	20.93	32.54	17.65	14.75
DPS (Rs)	45.0	50.0	47.0	51.8	61.9
Dividend Yield	3.92%	4.37%	4.13%	4.53%	5.42%
EV/EBITDA (x)	11.88	12.07	17.26	10.40	8.69
P/FCFE (x)	23.31	34.18	29.32	17.24	15.44
Net Gearing	(22.3%)	(16.4%)	(16.8%)	(23.3%)	(28.5%)
P/BV (x)	3.76	3.62	3.76	3.60	3.44
ROE	21.5%	18.5%	11.9%	20.8%	23.8%
% Change In Core EPS Estimates			(19.97%)	(0.02%)	0.04%
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Quarterly performance

YE Mar (Rs m)	2QFY24	2QFY23	YoY (%)	1QFY24	QoQ (%)	2QFY24F	Var. (%)
Revenue (US\$ m)	1,555	1,638	(5.1)	1,601	(2.9)	1,590	(2.2)
Net sales	128,639	131,295	(2.0)	131,590	(2.2)	131,486	(2.2)
USD-INR realization	82.7	80.2	3.2	82.2	0.6	82.7	0.0
EBITDA	10,723	19,841	(46.0)	13,380	(19.9)	10,387	3.2
EBITDA margin (%)	8.3	15.1	(678 bp)	10.2	(183 bp)	7.9	44 bp
EBIT	6,066	14,924	(59.4)	8,914	(31.9)	5,851	3.7
EBIT margin (%)	4.7	11.4	(665 bp)	6.8	(206 bp)	4.5	27 bp
Depreciation	4,657	4,917	(5.3)	4,466	4.3	4,536	2.7
Net other income	1,667	2,112	(21.1)	720	131.5	447	273.3
PBT	7,733	17,036	(54.6)	9,634	(19.7)	6,298	22.8
Provision for tax	1,100	3,647	(69.8)	2,676	(58.9)	1,574	(30.1)
% tax rate	14.2	21.4	(718 bp)	27.8	(1355 bp)	25.0	(1078 bp)
Net profit	4,939	12,854	(61.6)	6,925	(28.7)	4,690	5.3
EPS (Rs)	5.6	14.5	(61.6)	7.8	(28.8)	5.3	5.2

SOURCE: INCRED RESEARCH, COMPANY REPORTS

### Key conference-call takeaways

- Pressure on discretionary spending and business rationalization could continue to be a headwind in 3QFY24F.
- Rationalization initiative impacted top-5 clients' revenue coupled with challenges on the spending front for a large top Communication client.
- Deal pipeline is healthy but elongated conversion cycle may continue.
- As part of the new organization structure, Tech Mahindra has changed many policies, inducted leadership team, prioritized a few service offerings and exited low-margin geographical presence to enhance operational efficiency.
- Historically, large deal teams have been successful, but Tech Mahindra is creating a central team of deal directors and advisors to build relationships and patterns. Generally, the company aims to avoid low-margin deals.
- The BFSI segment's focus would be on deepening client mining and strengthening current offerings.
- **Generative AI:** Tech Mahindra is working on 50+ qualified opportunities. 10,000+ associates have been trained in GenAI and the company has built 7+ AI & advanced analytics labs.

Figure 2: Operating performance trend

Operating trends	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Revenue (US\$ m)	1,472.6	1,533.5	1,608	1,633	1,638	1,668	1,668	1,601	1,555
Growth YoY (%)	16.4	17.2	20.9	18.0	11.2	8.8	3.7	-1.9	-5.1
Growth QoQ (%)	6.4	4.1	4.9	1.5	0.3	1.8	0.0	-4.0	-2.9
CC Growth YoY (%)	15.5	17.5	22.6	21.2	16.8	12.7	6.3	-0.9	-5.9
CC Growth QoQ (%)	7.2	4.7	5.4	3.5	2.9	0.2	0.3	-4.2	-2.4
Revenue (Rs. m)	108,813	114,508	121,163	127,079	131,295	137,346	137,182	131,590	128,639
Growth YoY (%)	16.1	18.7	24.5	24.6	20.7	19.9	13.2	3.5	-2.0
Growth QoQ (%)	6.7	5.2	5.8	4.9	3.3	4.6	-0.1	-4.1	-2.2
EBIT Margin (%)	15.2	14.8	13.2	11.0	11.4	12.0	11.2	6.8	4.7
US\$-Rs realized rate	73.9	74.7	75.3	77.8	80.2	82.3	82.3	82.2	82.7
Headcount	141,193	145,067	151,173	158,035	163,912	157,068	152,400	148,297	150,604
IT Utilization - Trainees (%)	86.9	84.0	83.1	82.8	84.9	86.4	86.5	87.2	86.1
IT Utilization -Ex-trainees (%)	89.3	86.0	84.2	83.3	84.9	86.4	86.5	87.2	86.2
IT LTM Attrition (%)	21.2	23.5	23.5	22.2	19.6	17.3	14.8	12.8	11.4
								-4,103	2,307
Vertical (%)	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
CME	40.1	40.9	40.6	40.4	39.7	39.8	40.1	37.8	37.0
Manufacturing	16.0	15.8	14.9	15.3	16.0	15.7	15.9	16.9	17.8
Technology	9.0	8.4	9.3	9.7	10.1	10.3	10.3	10.7	11.0
BFSI	16.3	15.4	17.4	16.7	16.3	15.9	15.9	16.1	16.1
Retail, Transport & Logistics	7.8	8.5	7.6	7.9	8.1	8.5	7.6	7.9	8.2
Others	10.8	10.9	10.2	10.0	9.8	9.9	10.2	10.6	10.0
Vertical (US\$ m)	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
CME	590	627	653	660	651	664	669	605	575
Manufacturing	236	243	240	249	262	262	265	271	277
Technology	132	129	149	159	166	171	172	171	171
BFSI	240	237	280	272	267	265	265	258	250
Retail, Transport & Logistics	114	131	122	129	133	141	127	126	128
Others	159	167	164	163	160	166	170	170	156
Vertical YoY (%)	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
CME	16.1	18.0	21.6	19.1	10.3	5.8	2.4	-8.2	-11.6
Manufacturing	14.2	13.0	9.9	8.9	11.1	7.9	10.7	8.7	5.8
Technology	17.2	16.4	31.8	30.3	25.5	32.2	15.3	8.0	3.3
BFSI	15.7	13.0	28.5	20.0	11.0	12.0	-5.4	-5.2	-6.1
Retail, Transport & Logistics	17.4	23.3	19.2	21.2	16.4	8.0	3.9	-1.8	-4.2

Others	19.4	20.4	16.6	11.0	0.9	-0.8	3.5	4.2	-2.9
<b>Vertical QoQ (%)</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>
CME	6.7	6.2	4.1	1.0	-1.3	1.9	0.8	-9.5	-4.9
Manufacturing	3.0	3.0	-1.3	3.9	5.1	0.0	1.3	2.0	2.3
Technology	8.4	-1.9	15.1	6.4	4.5	3.3	0.4	-0.3	-0.2
BFSI	6.0	-1.5	18.4	-2.9	-2.0	-0.5	0.0	-2.8	-2.9
Retail, Transport & Logistics	7.7	14.3	-6.6	5.5	3.4	6.0	-10.2	-0.2	0.8
Others	8.1	5.2	-1.6	-0.8	-1.7	3.4	2.7	-0.2	-8.4
<b>Incremental revenue (US\$ m)</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>
CME	36.8	36.8	25.8	6.5	-8.5	12.6	5.1	-63.5	-29.8
Manufacturing	6.9	7.1	-3.1	9.5	12.7	0.1	3.4	5.4	6.2
Technology	10.3	-2.5	19.6	9.6	7.1	5.5	0.7	-0.5	-0.3
BFSI	13.5	-3.5	43.6	-8.2	-5.5	-1.4	0.1	-7.4	-7.4
Retail, Transport & Logistics	8.1	16.3	-8.6	6.7	4.3	8.0	-14.4	-0.3	1.0
Others	11.9	8.3	-2.7	-1.4	-2.8	5.5	4.5	-0.4	-14.2
<b>Geography (%)</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>
Americas	47.8	48.9	48.3	49.6	50.8	49.7	49.6	51.4	53.3
Europe	25.9	25.5	26.4	25.5	24.5	24.4	25.3	24.6	23.6
ROW	26.3	25.6	25.3	24.9	24.7	25.9	25.1	24.0	23.2
<b>Geography (US\$ m)</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>
Americas	703.9	749.9	776.7	809.7	832.2	829.1	827.1	822.9	828.8
Europe	381.4	391.0	424.5	416.3	401.3	407.1	421.9	393.8	367.0
ROW	387.3	392.6	406.8	406.5	404.6	432.1	418.6	384.2	360.8
<b>Geography YoY (%)</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>
Americas	14.9	22.4	28.4	25.3	18.2	10.6	6.5	1.6	-0.4
Europe	19.6	13.2	20.5	10.6	5.2	4.1	-0.6	-5.4	-8.6
ROW	15.9	11.9	9.3	12.6	4.5	10.1	2.9	-5.5	-10.8
<b>Geography QoQ (%)</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>
Americas	8.9	6.5	3.6	4.2	2.8	-0.4	-0.2	-0.5	0.7
Europe	1.3	2.5	8.6	-1.9	-3.6	1.4	3.6	-6.7	-6.8
ROW	7.2	1.4	3.6	-0.1	-0.5	6.8	-3.1	-8.2	-6.1
<b>Incremental revenue (US\$ m)</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>
Americas	57.8	46.0	26.8	33.0	22.4	-3.0	-2.0	-4.2	5.9
Europe	5.1	9.6	33.5	-8.3	-15.0	5.7	14.8	-28.1	-26.9
ROW	26.2	5.3	14.3	-0.4	-1.9	27.5	-13.5	-34.3	-23.5
<b>Deal wins (US\$ m)</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>
TCV	750	704	1011	802	716	795	592	359	640
QoQ (%)	-8.0	-6.1	43.6	-20.7	-10.7	11.0	-25.5	-39.4	78.3
YoY (%)	78.1	54.6	-3.0	-1.6	-4.5	12.9	-41.4	-55.2	-10.6
TTM TCV	3063.2	3311.7	3280	3267	3233	3324	2905	2462	2386
<b>Clients (%)</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>
Top 5	22.4	22.7	22.1	20.5	18.9	17.7	16.8	17.4	16.6
Top 6-10	8.9	8.7	9.1	9.4	9.2	9.5	9.7	9.9	10.5
Top 11-20	11.4	11.0	11.5	11.3	11.9	12.7	13.5	12.1	12.4
Non-top 20	57.3	57.6	57.3	58.7	60.1	60.2	60.0	60.6	60.5
<b>Clients (US\$ m)</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>
Top 5	331	348	355	335	309	295	280	279	258
Top 6-10	131	133	146	154	150	158	161	158	163
Top 11-20	168	169	185	185	195	212	225	194	193
Non-top 20	843	883	921	959	984	1004	1001	970	941
<b>Clients YoY (%)</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>
Top 5	21.5	21.9	20.1	9.3	-6.5	-15.3	-21.2	-16.8	-16.5
Top 6-10	16.8	16.4	25.7	25.3	14.3	18.4	10.2	3.1	8.8
Top 11-20	7.2	8.6	13.7	9.2	16.5	25.6	21.8	4.8	-1.3
Non-top 20	16.4	17.3	22.1	22.1	16.7	13.6	8.6	1.2	-4.4
<b>Clients QoQ (%)</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>
Top 5	7.9	5.3	2.1	-5.7	-7.7	-4.6	-5.0	-0.5	-7.3
Top 6-10	7.0	1.7	9.7	5.0	-2.4	5.3	2.1	-1.7	3.0
Top 11-20	-0.9	0.6	9.6	-0.1	5.7	8.5	6.3	-14.0	-0.5
Non-top 20	7.4	4.8	4.3	4.1	2.6	2.0	-0.3	-3.1	-3.0
<b>Incremental revenue (US\$ m)</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>
Top 5	24.2	17.6	7.3	-20.4	-25.9	-14.3	-14.8	-1.4	-20.4
Top 6-10	8.6	2.2	12.9	7.4	-3.7	8.0	3.3	-2.8	4.8
Top 11-20	-1.6	1.1	16.2	-0.1	10.5	16.6	13.3	-31.5	-0.9
Non-top 20	57.8	40.1	38.1	37.6	24.7	20.0	-2.6	-30.8	-29.4
<b>Client metrics</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>
Active clients	1,123	1,191	1,224	1,262	1,279	1,290	1,297	1,255	1,252
Revenue per active clients	4.9	4.8	4.9	4.9	5.0	5.1	5.1	5.2	5.2
US\$ 1 m+	488	502	524	549	562	574	582	580	568
US\$ 5 m+	169	173	174	176	194	185	186	190	186
US\$ 10 m+	90	96	97	104	108	109	112	115	114
US\$ 20 m+	50	50	54	60	63	65	65	62	61
US\$ 50 m+	22	22	23	23	23	24	24	26	26
<b>Per employee analysis</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>
Revenue (US\$ m) - TTM	5,495	5,719	5,998	6,247	6,412	6,547	6,607	6,575	6,492
Employees (Average TTM)	120,880	126,342	133,490	140,959	146,286	149,043	149,230	146,774	143,530
Revenue per employee (TTM)	45,454	45,268	44,931	44,316	43,833	43,927	44,271	44,797	45,230

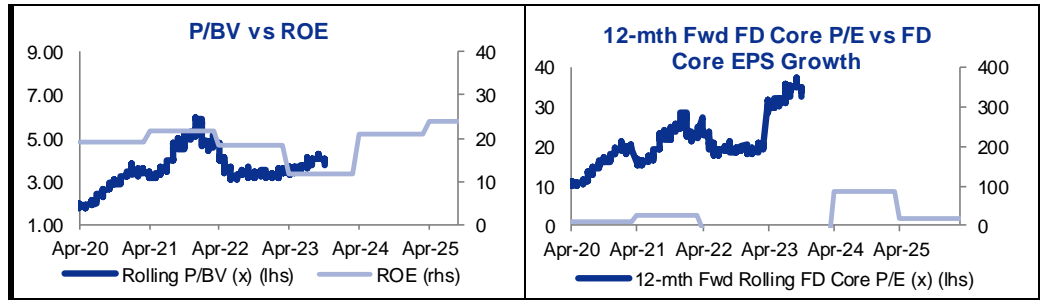
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 3: Change in our earnings estimate**

Y/E, Mar (Rs m)	FY24F			FY25F			FY26F		
	New	Old	% change	New	Old	% change	New	Old	% change
<b>Revenue</b>	5,27,092	5,29,426	-0.4	5,52,276	5,53,185	-0.2	5,93,815	5,94,787	-0.2
<b>EBIT</b>	37,354	50,508	-26.0	71,796	71,914	-0.2	86,103	86,244	-0.2
<b>EBIT Margin (%)</b>	7.1	9.5	(245) bp	13.0	13.0	0 bp	14.5	14.5	0 bp
<b>Net PAT</b>	31,044	40,704	-23.7	57,179	57,319	-0.2	68,409	68,538	-0.2
<b>EPS (Rs)</b>	35.0	46.0	-23.7	64.7	64.7	-0.2	77.4	77.4	-0.2

SOURCES: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



**Profit & Loss**

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
<b>Total Net Revenues</b>	446,460	532,902	527,092	552,276	593,815
<b>Gross Profit</b>	136,741	151,705	130,060	160,160	175,175
<b>Operating EBITDA</b>	80,201	80,287	56,138	91,126	106,887
Depreciation And Amortisation	(15,204)	(19,567)	(18,784)	(19,330)	(20,784)
<b>Operating EBIT</b>	64,997	60,720	37,354	71,796	86,103
Financial Income/(Expense)	3,855	3,404	4,559	3,556	4,116
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	5,642	2,990	1,216	1,933	2,078
<b>Profit Before Tax (pre-EI)</b>	74,494	67,114	43,128	77,285	92,298
Exceptional Items					
<b>Pre-tax Profit</b>	74,494	67,114	43,128	77,285	92,298
Taxation	(18,220)	(15,885)	(9,959)	(19,476)	(23,259)
Exceptional Income - post-tax		(2,370)	(1,495)		
<b>Profit After Tax</b>	56,274	48,859	31,674	57,809	69,039
Minority Interests	(612)	(547)	(630)	(630)	(630)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	55,662	48,312	31,044	57,179	68,409
Recurring Net Profit	55,662	50,682	32,539	57,179	68,409
<b>Fully Diluted Recurring Net Profit</b>	55,662	50,682	32,539	57,179	68,409

**Cash Flow**

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
<b>EBITDA</b>	80,201	80,287	56,138	91,126	106,887
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(14,343)	(18,451)	635	(1,268)	(6,438)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	11,758	1,094	1,260	1,260	1,260
Other Operating Cashflow					
Net Interest (Paid)/Received	(1,626)	(3,256)	(4,122)	(3,900)	(3,900)
Tax Paid	(23,137)	(19,931)	(9,959)	(19,476)	(23,259)
<b>Cashflow From Operations</b>	52,853	39,743	43,952	67,742	74,549
Capex	(9,584)	(10,152)	(9,500)	(9,200)	(9,200)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	14,399	7,367	9,896	9,389	10,095
<b>Cash Flow From Investing</b>	4,815	(2,785)	396	189	895
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(39,808)	(42,633)	(41,676)	(45,743)	(54,727)
Preferred Dividends					
Other Financing Cashflow	(6,858)	(8,148)	(4,122)	(3,900)	(3,900)
<b>Cash Flow From Financing</b>	(46,666)	(50,781)	(45,798)	(49,643)	(58,627)
Total Cash Generated	11,002	(13,823)	(1,449)	18,287	16,817
<b>Free Cashflow To Equity</b>	43,269	29,591	34,452	58,542	65,349
<b>Free Cashflow To Firm</b>	59,294	40,214	48,470	71,831	79,344

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**BY THE NUMBERS...cont'd**

<b>Balance Sheet</b>					
<b>(Rs mn)</b>	<b>Mar-22A</b>	<b>Mar-23A</b>	<b>Mar-24F</b>	<b>Mar-25F</b>	<b>Mar-26F</b>
Total Cash And Equivalents	84,104	70,379	69,667	89,964	108,791
Total Debtors	119,334	128,816	126,502	129,785	139,546
Inventories	405	236	236	236	236
Total Other Current Assets	40,714	44,896	44,896	44,896	44,896
<b>Total Current Assets</b>	<b>244,557</b>	<b>244,327</b>	<b>241,301</b>	<b>264,881</b>	<b>293,470</b>
Fixed Assets	37,846	40,430	31,146	21,016	9,433
Total Investments	10,153	10,175	10,175	10,175	10,175
Intangible Assets	110,844	109,334	109,334	109,334	109,334
Total Other Non-Current Assets	45,307	57,267	57,267	57,267	57,267
<b>Total Non-current Assets</b>	<b>204,150</b>	<b>217,206</b>	<b>207,922</b>	<b>197,792</b>	<b>186,209</b>
Short-term Debt	14,397	14,494	14,494	14,494	14,494
Current Portion of Long-Term Debt					
Total Creditors	40,947	43,846	42,167	44,182	47,505
Other Current Liabilities	82,008	87,174	87,174	87,174	87,174
<b>Total Current Liabilities</b>	<b>137,352</b>	<b>145,514</b>	<b>143,835</b>	<b>145,850</b>	<b>149,173</b>
Total Long-term Debt	1,420	1,288	1,288	1,288	1,288
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	36,124	30,784	30,784	30,784	30,784
<b>Total Non-current Liabilities</b>	<b>37,544</b>	<b>32,072</b>	<b>32,072</b>	<b>32,072</b>	<b>32,072</b>
Total Provisions					
<b>Total Liabilities</b>	<b>174,896</b>	<b>177,586</b>	<b>175,907</b>	<b>177,922</b>	<b>181,245</b>
Shareholders Equity	268,857	279,245	268,614	280,049	293,731
Minority Interests	4,954	4,702	4,702	4,702	4,702
<b>Total Equity</b>	<b>273,811</b>	<b>283,947</b>	<b>273,316</b>	<b>284,751</b>	<b>298,433</b>

<b>Key Ratios</b>					
	<b>Mar-22A</b>	<b>Mar-23A</b>	<b>Mar-24F</b>	<b>Mar-25F</b>	<b>Mar-26F</b>
Revenue Growth	17.9%	19.4%	(1.1%)	4.8%	7.5%
Operating EBITDA Growth	17.1%	0.1%	(30.1%)	62.3%	17.3%
Operating EBITDA Margin	18.0%	15.1%	10.7%	16.5%	18.0%
Net Cash Per Share (Rs)	68.99	52.73	52.05	75.02	96.33
BVPS (Rs)	303.66	315.36	304.04	316.98	332.47
Gross Interest Cover	39.97	18.65	9.06	18.41	22.08
Effective Tax Rate	24.5%	23.7%	23.1%	25.2%	25.2%
Net Dividend Payout Ratio	71.1%	87.2%	128.1%	80.0%	80.0%
Accounts Receivables Days	85.70	84.98	88.40	84.69	82.77
Inventory Days	0.38	0.31	0.22	0.22	0.21
Accounts Payables Days	40.54	40.60	39.54	40.19	39.97
ROIC (%)	30.6%	20.0%	11.5%	22.4%	27.9%
ROCE (%)	17.1%	15.3%	9.5%	17.7%	20.4%
Return On Average Assets	12.6%	10.7%	6.5%	12.1%	14.0%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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