

India

ADD (no change)

Consensus ratings*: Buy 15 Hold 11 Sell 16

Current price:	Rs1,408
Target price:	Rs1,625
Previous target:	Rs1,515
Up/downside:	15.4%
InCred Research / Consensus:	34.6%

Reuters:	TEML.NS
Bloomberg:	TECHM IN
Market cap:	US\$16,533m
	Rs1,374,411m
Average daily turnover:	US\$36.7m
	Rs3053.2m
Current shares o/s:	884.0m
Free float:	64.0%

*Source: Bloomberg

Key changes in this note

- Expect 4.4% revenue CAGR over FY24F-26F.
- Expect 20.5% EBIT CAGR yoy in FY26F.
- Expect 20% PAT CAGR yoy in FY26F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	10.4	21.8	31.5
Relative (%)	10.5	9.8	11.4

Major shareholders	% held
LIC	9.6
SBI-ETF Nifty 50	3.4
ICICI Prudential Bluechip Fund	2.7

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Tech Mahindra

The catch up begins

- 3QFY24 revenue beat was encouraging while the EBIT margin was in line.
- One-offs likely behind and suggests operationally, EBIT margin has bottomed.
- Retain ADD rating on the stock with a higher target price of Rs1,625.

Earnings summary

For starters, the new CEO and MD's commentary on the ongoing strategy restructuring was both candid and encouraging. The leadership team aims to drive a culture of performance across the organization and has started making changes to incentive schemes, processes, and HR policies. Elsewhere, 3QFY24 adjusted revenue (for one-time revenue contribution of ~1.4%) decline of 0.2% was above consensus/our US\$1,541m/1.1% decline estimate while the EBIT margin was largely in line. Deal wins weakness was attributed to general lumpiness, industry exposure, and being deliberate around contracting. Overall, we reiterate Tech Mahindra as our top stock pick.

Embarking on multiple tracks to bring a cultural change

The leadership team will be working across three tracks including 1) revenue and sales (12 sales SBUs simplified to six, delayering the hierarchy for better synergy and accountability, integration of portfolio companies under SBU for better synergies, improve mining through investment in top accounts with optimized efforts on smaller accounts), 2) margin (centralized delivery structure to improve CSAT score, innovation, profitability and scalability), 3) organization (change internal policies and framework to bring agility, remove silos for one TechM vision). The company has also undertaken efforts to improve associate rewards and feedback processes. Our [23 Sept 2023](#) report talks much of the same

Operationally, EBIT margin has likely bottomed

The reported EBIT margin at 5.4%, up 65bp but down 662bp yoy, was modestly above our 5.3% estimate while the adjusted margin of 7% declined by ~30bp qoq. Improvement in utilization and reduction in sub-contractor expenses (down 5.2% qoq; 11.5% of revenue vs. 12.4% in 2QFY24 and 14.4% in 3QFY23) were key tailwinds while closure/termination of a few contracts (160bp) and soft BPO margin were headwinds. We retain our FY25F-26F average EBIT margin assumption of 13.8% as the exit of low-margin contracts, geographies, non-core business, and operational efficiency are key margin levers.

Retain ADD rating with a higher target price of Rs1,625

We adjust our estimates and model a 4.4% US\$ revenue CAGR over FY24F-26F & a 20% PAT (Rs.) growth for FY26F. We now apply 1.05x PE/G (1x earlier) to FY26F EPS growth to arrive at our target multiple, to account for improved execution visibility which, in turn increases our target price to Rs1,625 (Rs1,515 earlier). Strong cash conversion, potential improvement in capital allocation and likely earnings tailwind from restructuring provides cushion to the relative lower valuation. Weak revenue/EBIT margin execution led by customer and senior leadership attrition remains a key downside risk.

Financial Summary

	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue (Rsm)	446,460	532,902	523,217	548,344	592,462
Operating EBITDA (Rsm)	80,201	80,287	48,764	90,477	106,643
Net Profit (Rsm)	55,662	48,312	24,272	56,734	68,129
Core EPS (Rs)	63.0	57.2	29.1	64.2	77.1
Core EPS Growth	23.4%	(9.2%)	(49.1%)	120.4%	20.1%
FD Core P/E (x)	22.34	25.80	51.32	21.94	18.27
DPS (Rs)	45.0	50.0	47.0	51.3	61.7
Dividend Yield	3.18%	3.55%	3.35%	3.65%	4.38%
EV/EBITDA (x)	14.81	15.00	24.70	13.09	10.90
P/FCFE (x)	28.74	42.13	34.61	22.18	18.47
Net Gearing	(22.3%)	(16.4%)	(17.2%)	(23.4%)	(29.9%)
P/BV (x)	4.64	4.46	4.75	4.56	4.34
ROE	21.5%	18.5%	9.5%	21.2%	24.3%
% Change In Core EPS Estimates			(36.64%)	(0.85%)	(0.43%)
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Quarterly performance

Y/E Mar (Rs m)	3QFY24	3QFY23	YoY (%)	2QFY24	QoQ (%)	3QFY24F	Var. (%)
Revenue (US\$ m)	1,573	1,668	(5.7)	1,555	1.2	1,541	2.1
Net sales	1,31,013	1,37,346	(4.6)	1,28,639	1.8	1,28,359	2.1
USD-INR realization	83.3	82.3	1.2	82.7	0.7	83.3	(0.0)
EBITDA	11,464	21,440	(46.5)	10,723	6.9	11,424	0.4
EBITDA margin (%)	8.8	15.6	(686 bp)	8.3	41 bp	8.9	(15 bp)
EBIT	7,030	16,459	(57.3)	6,066	15.9	6,777	3.7
EBIT margin (%)	5.4	12.0	(662 bp)	4.7	65 bp	5.3	9 bp
Depreciation	4,434	4,981	(11.0)	4,657	(4.8)	4,647	(4.6)
Net other income	-290	1,343	(121.6)	1,667	(117.4)	1,464	(119.8)
PBT	6,740	17,802	(62.1)	7,733	(12.8)	8,241	(18.2)
Provision for tax	1,551	4,859	(68.1)	1,100	41.0	1,978	(21.6)
% tax rate	23.0	27.3	(428 bp)	14.2	879 bp	24.0	(99 bp)
Net profit	5,104	12,966	(60.6)	4,939	3.3	6,064	(15.8)
EPS (Rs)	5.8	14.6	(60.7)	5.6	3.4	6.8	(15.8)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Key conference-call takeaways

- 3QFY24 revenue was aided by one-time revenue, Comviva seasonality and the retail vertical offset by higher furloughs.
- The company has appointed Richard Lobo as the Chief Human Resources Officer, Rajashree R as the Chief Growth Officer for the America strategic vertical and Peeyush Dubey as the Chief Marketing Officer during the quarter.
- The company has strengthened its leadership to scale the BFSI vertical in Asia Pacific and ANZ regions.
- Telecom, BFSI and Hi-tech verticals' 3QFY24 growth was challenged due to furloughs.
- Manufacturing vertical's growth was aided by the automobile sub-segment and ER&D services.
- The festive season aided the retail vertical's growth during the quarter.
- Although, Tech Mahindra is not witnessing any significant green shoots, it believes the worst is likely behind for the telecom vertical.
- The annual impairment exercise could be a margin headwind in 4QFY24F.
- Witnessing GenAI proof-of-concept projects moving to the production stage and which could aid growth in the medium term. GenAI engagements are in the areas of conversational AI, document AI, enterprise knowledge search, customer engagement and business processes.
- Healthcare & life sciences vertical emerging as early adopters of GenAI with client interest in areas like drug discovery, EMR and medical scripts.
- GenAI – the company aims to train 100% of IT talent in FY25F.
- Improved collections (DSO at 91 in 3QFY24 vs. 97/98 in 2QFY24/3QFY23, respectively) aided 9MFY24 operating cash flow (OCF) growth of 28.6% yoy.
- Strong cash conversion of 3QFY24 could normalize in 4QFY24F.

Figure 2: Operating metric trend

Operating trends	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Revenue (US\$ m)	1,533.5	1,608	1,633	1,638	1,668	1,668	1,601	1,555	1,573
Growth YoY (%)	17.2	20.9	18.0	11.2	8.8	3.7	-1.9	-5.1	-5.7
Growth QoQ (%)	4.1	4.9	1.5	0.3	1.8	0.0	-4.0	-2.9	1.2
CC Growth YoY (%)	17.5	22.6	21.2	16.8	12.7	6.3	-0.9	-5.9	-5.4
CC Growth QoQ (%)	4.7	5.4	3.5	2.9	0.2	0.3	-4.2	-2.4	1.1
Revenue (Rs. m)	1,14,508	1,21,163	1,27,079	1,31,295	1,37,346	1,37,182	1,31,590	1,28,639	1,31,013
Growth YoY (%)	18.7	24.5	24.6	20.7	19.9	13.2	3.5	-2.0	-4.6
Growth QoQ (%)	5.2	5.8	4.9	3.3	4.6	-0.1	-4.1	-2.2	1.8
EBIT margin (%)	14.8	13.2	11.0	11.4	12.0	11.2	6.8	4.7	5.4
US\$-Rs realized rate	74.7	75.3	77.8	80.2	82.3	82.3	82.2	82.7	83.3
Headcount	1,45,067	1,51,173	1,58,035	1,63,912	1,57,068	1,52,400	1,48,297	1,50,604	1,46,250
IT Utilization - trainees (%)	84.0	83.1	82.8	84.9	86.4	86.5	87.2	86.1	87.6
IT Utilization - Ex-trainees (%)	86.0	84.2	83.3	84.9	86.4	86.5	87.2	86.2	87.6
IT LTM Attrition (%)	23.5	23.5	22.2	19.6	17.3	14.8	12.8	11.4	10.3
Vertical (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
CME	40.9	40.6	40.4	39.7	39.8	40.1	37.8	37.0	36.5
Manufacturing	15.8	14.9	15.3	16.0	15.7	15.9	16.9	17.8	18.1
Technology	8.4	9.3	9.7	10.1	10.3	10.3	10.7	11.0	10.5
BFSI	15.4	17.4	16.7	16.3	15.9	15.9	16.1	16.1	15.5
Retail, Transport & Logistics	8.5	7.6	7.9	8.1	8.5	7.6	7.9	8.2	8.6

Others	10.9	10.2	10.0	9.8	9.9	10.2	10.6	10.0	10.8
Vertical (US\$ m)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
CME	627	653	660	651	664	669	605	575	574
Manufacturing	243	240	249	262	262	265	271	277	285
Technology	129	149	159	166	171	172	171	171	165
BFSI	237	280	272	267	265	265	258	250	244
Retail, Transport & Logistics	131	122	129	133	141	127	126	128	135
Others	167	164	163	160	166	170	170	156	170
Vertical YoY (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
CME	18.0	21.6	19.1	10.3	5.8	2.4	-8.2	-11.6	-13.5
Manufacturing	13.0	9.9	8.9	11.1	7.9	10.7	8.7	5.8	8.8
Technology	16.4	31.8	30.3	25.5	32.2	15.3	8.0	3.3	-3.5
BFSI	13.0	28.5	20.0	11.0	12.0	-5.4	-5.2	-6.1	-8.0
Retail, Transport & Logistics	23.3	19.2	21.2	16.4	8.0	3.9	-1.8	-4.2	-4.2
Others	20.4	16.6	11.0	0.9	-0.8	3.5	4.2	-2.9	2.6
Vertical QoQ (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
CME	6.2	4.1	1.0	-1.3	1.9	0.8	-9.5	-4.9	-0.2
Manufacturing	3.0	-1.3	3.9	5.1	0.0	1.3	2.0	2.3	2.9
Technology	-1.9	15.1	6.4	4.5	3.3	0.4	-0.3	-0.2	-3.4
BFSI	-1.5	18.4	-2.9	-2.0	-0.5	0.0	-2.8	-2.9	-2.6
Retail, Transport & Logistics	14.3	-6.6	5.5	3.4	6.0	-10.2	-0.2	0.8	6.1
Others	5.2	-1.6	-0.8	-1.7	3.4	2.7	-0.2	-8.4	9.3
Incremental revenue (US\$ m)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
CME	36.8	25.8	6.5	-8.5	12.6	5.1	-63.5	-29.8	-1.2
Manufacturing	7.1	-3.1	9.5	12.7	0.1	3.4	5.4	6.2	7.9
Technology	-2.5	19.6	9.6	7.1	5.5	0.7	-0.5	-0.3	-5.9
BFSI	-3.5	43.6	-8.2	-5.5	-1.4	0.1	-7.4	-7.4	-6.5
Retail, Transport & Logistics	16.3	-8.6	6.7	4.3	8.0	-14.4	-0.3	1.0	7.8
Others	8.3	-2.7	-1.4	-2.8	5.5	4.5	-0.4	-14.2	14.4
Geography (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Americas	48.9	48.3	49.6	50.8	49.7	49.6	51.4	53.3	51.9
Europe	25.5	26.4	25.5	24.5	24.4	25.3	24.6	23.6	23.8
RoW	25.6	25.3	24.9	24.7	25.9	25.1	24.0	23.2	24.3
Geography (US\$ m)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Americas	749.9	776.7	809.7	832.2	829.1	827.1	822.9	828.8	816.4
Europe	391.0	424.5	416.3	401.3	407.1	421.9	393.8	367.0	374.4
RoW	392.6	406.8	406.5	404.6	432.1	418.6	384.2	360.8	382.2
Geography YoY (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Americas	22.4	28.4	25.3	18.2	10.6	6.5	1.6	-0.4	-1.5
Europe	13.2	20.5	10.6	5.2	4.1	-0.6	-5.4	-8.6	-8.0
RoW	11.9	9.3	12.6	4.5	10.1	2.9	-5.5	-10.8	-11.5
Geography QoQ (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Americas	6.5	3.6	4.2	2.8	-0.4	-0.2	-0.5	0.7	-1.5
Europe	2.5	8.6	-1.9	-3.6	1.4	3.6	-6.7	-6.8	2.0
RoW	1.4	3.6	-0.1	-0.5	6.8	-3.1	-8.2	-6.1	6.0
Incremental revenue (US\$ m)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Americas	46.0	26.8	33.0	22.4	-3.0	-2.0	-4.2	5.9	-12.4
Europe	9.6	33.5	-8.3	-15.0	5.7	14.8	-28.1	-26.9	7.4
RoW	5.3	14.3	-0.4	-1.9	27.5	-13.5	-34.3	-23.5	21.5
Deal wins (US\$ m)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
TCV	704	1011	802	716	795	592	359	640	381
QoQ (%)	-6.1	43.6	-20.7	-10.7	11.0	-25.5	-39.4	78.3	-40.5
YoY (%)	54.6	-3.0	-1.6	-4.5	12.9	-41.4	-55.2	-10.6	-52.1
TTM TCV	3,311.7	3,280	3,267	3,233	3,324	2,905	2,462	2,386	1,972
Clients (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Top 5	22.7	22.1	20.5	18.9	17.7	16.8	17.4	16.6	16.1
Top 6-10	8.7	9.1	9.4	9.2	9.5	9.7	9.9	10.5	10.1
Top 11-20	11.0	11.5	11.3	11.9	12.7	13.5	12.1	12.4	12.4
Non-top 20	57.6	57.3	58.7	60.1	60.2	60.0	60.6	60.5	61.4
Clients (US\$ m)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Top 5	348	355	335	309	295	280	279	258	253
Top 6-10	133	146	154	150	158	161	158	163	159
Top 11-20	169	185	185	195	212	225	194	193	195
Non-top 20	883	921	959	984	1,004	1,001	970	941	966
Clients YoY (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Top 5	21.9	20.1	9.3	-6.5	-15.3	-21.2	-16.8	-16.5	-14.1
Top 6-10	16.4	25.7	25.3	14.3	18.4	10.2	3.1	8.8	0.6
Top 11-20	8.6	13.7	9.2	16.5	25.6	21.8	4.8	-1.3	-8.0
Non-top 20	17.3	22.1	22.1	16.7	13.6	8.6	1.2	-4.4	-3.8
Clients QoQ (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Top 5	5.3	2.1	-5.7	-7.7	-4.6	-5.0	-0.5	-7.3	-1.9
Top 6-10	1.7	9.7	5.0	-2.4	5.3	2.1	-1.7	3.0	-2.7
Top 11-20	0.6	9.6	-0.1	5.7	8.5	6.3	-14.0	-0.5	1.2
Non-top 20	4.8	4.3	4.1	2.6	2.0	-0.3	-3.1	-3.0	2.7
Incremental revenue (US\$ m)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Top 5	17.6	7.3	-20.4	-25.9	-14.3	-14.8	-1.4	-20.4	-4.9
Top 6-10	2.2	12.9	7.4	-3.7	8.0	3.3	-2.8	4.8	-4.4
Top 11-20	1.1	16.2	-0.1	10.5	16.6	13.3	-31.5	-0.9	2.2
Non-top 20	40.1	38.1	37.6	24.7	20.0	-2.6	-30.8	-29.4	25.0
Client metrics	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Active clients	1,191	1,224	1,262	1,279	1,290	1,297	1,255	1,252	1,228
Revenue per active clients	4.8	4.9	4.9	5.0	5.1	5.1	5.2	5.2	5.2
US\$ 1 m+	502	524	549	562	574	582	580	568	558
US\$ 5 m+	173	174	176	194	185	186	190	186	185
US\$ 10 m+	96	97	104	108	109	112	115	114	118

US\$ 20 m+	50	54	60	63	65	65	62	61	63
US\$ 50 m+	22	23	23	23	24	24	26	26	26
Per employee analysis	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Revenue (US\$ m) - TTM	5,719	5,998	6,247	6,412	6,547	6,607	6,575	6,492	6,397
Employees (average TTM)	1,26,342	1,33,490	1,40,959	1,46,286	1,49,043	1,49,230	1,46,774	1,43,530	1,40,897
Revenue per employee (TTM)	45,268	44,931	44,316	43,833	43,927	44,271	44,797	45,230	45,399

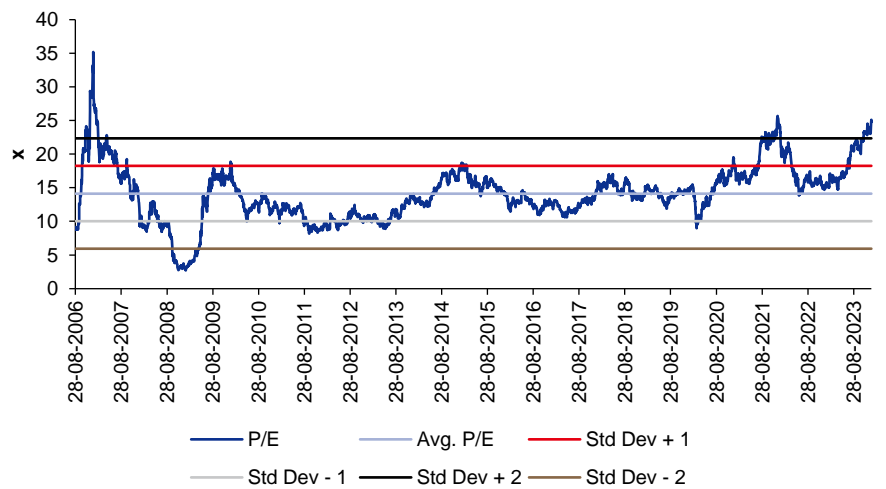
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Change in our earnings estimates

Y/E Mar (Rs m)	FY24F			FY25F			FY26F		
	New	Old	% change	New	Old	% change	New	Old	% change
Revenue	5,23,217	5,27,092	-0.7	5,48,344	5,52,276	-0.7	5,92,462	5,93,815	-0.2
EBIT	30,786	37,354	-17.6	71,285	71,796	-0.7	85,907	86,103	-0.2
EBIT Margin (%)	5.9	7.1	(120) bp	13.0	13.0	(0) bp	14.5	14.5	(0) bp
Net PAT	24,272	31,044	-21.8	56,734	57,179	-0.8	68,129	68,409	-0.4
EPS (Rs)	27.4	35.0	-21.8	64.2	64.7	-0.8	77.1	77.4	-0.4

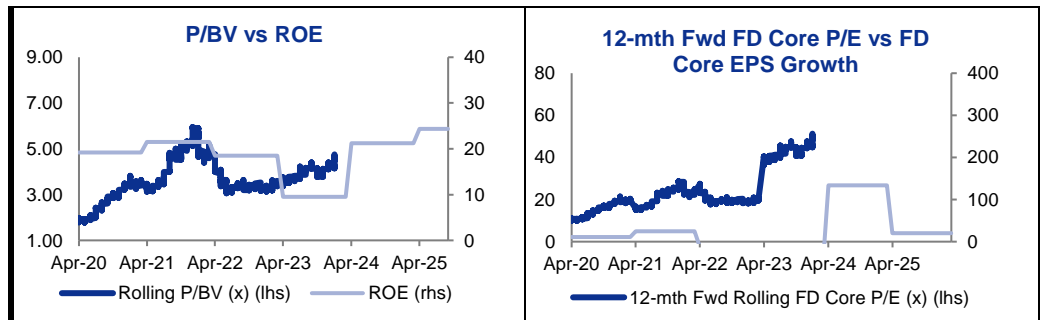
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Tech Mahindra trading at a one-year forward P/E of ~25x



SOURCE: INCRED RESEARCH, BLOOMBERG

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Net Revenues	446,460	532,902	523,217	548,344	592,462
Gross Profit	136,741	151,705	127,030	159,020	174,776
Operating EBITDA	80,201	80,287	48,764	90,477	106,643
Depreciation And Amortisation	(15,204)	(19,567)	(17,978)	(19,192)	(20,736)
Operating EBIT	64,997	60,720	30,786	71,285	85,907
Financial Income/(Expense)	3,855	3,404	2,932	3,291	3,753
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	5,642	2,990	112	1,810	1,837
Profit Before Tax (pre-EI)	74,494	67,114	33,830	76,385	91,497
Exceptional Items					
Pre-tax Profit	74,494	67,114	33,830	76,385	91,497
Taxation	(18,220)	(15,885)	(7,660)	(19,249)	(22,966)
Exceptional Income - post-tax		(2,370)	(1,495)		
Profit After Tax	56,274	48,859	24,674	57,136	68,531
Minority Interests	(612)	(547)	(402)	(402)	(402)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	55,662	48,312	24,272	56,734	68,129
Recurring Net Profit	55,662	50,682	25,767	56,734	68,129
Fully Diluted Recurring Net Profit	55,662	50,682	25,767	56,734	68,129

Cash Flow

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
EBITDA	80,201	80,287	48,764	90,477	106,643
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(14,343)	(18,451)	6,488	(3,769)	(5,433)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	11,758	1,094	804	804	804
Other Operating Cashflow					
Net Interest (Paid)/Received	(1,626)	(3,256)	(4,502)	(4,660)	(4,660)
Tax Paid	(23,137)	(19,931)	(7,660)	(19,249)	(22,966)
Cashflow From Operations	52,853	39,743	43,893	63,603	74,389
Capex	(9,584)	(10,152)	(7,900)	(7,500)	(7,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	14,399	7,367	7,546	9,761	10,250
Cash Flow From Investing	4,815	(2,785)	(354)	2,261	3,250
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(39,808)	(42,633)	(41,654)	(45,387)	(54,503)
Preferred Dividends					
Other Financing Cashflow	(6,858)	(8,148)	(4,502)	(4,660)	(4,660)
Cash Flow From Financing	(46,666)	(50,781)	(46,156)	(50,047)	(59,163)
Total Cash Generated	11,002	(13,823)	(2,617)	15,816	18,475
Free Cashflow To Equity	43,269	29,591	35,993	56,103	67,389
Free Cashflow To Firm	59,294	40,214	48,041	70,523	82,298

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Cash And Equivalents	84,104	70,379	69,563	88,832	110,762
Total Debtors	119,334	128,816	117,724	123,377	132,119
Inventories	405	236	236	236	236
Total Other Current Assets	40,714	44,896	44,896	44,896	44,896
Total Current Assets	244,557	244,327	232,418	257,342	288,013
Fixed Assets	37,846	40,430	30,352	18,660	4,924
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
Total Non-current Assets	204,150	217,206	207,128	195,436	181,700
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	39,241	41,126	44,435
Other Current Liabilities	82,008	87,174	87,174	87,174	87,174
Total Current Liabilities	137,352	145,514	140,909	142,794	146,103
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
Total Non-current Liabilities	37,544	32,072	32,072	32,072	32,072
Total Provisions					
Total Liabilities	174,896	177,586	172,981	174,866	178,175
Shareholders Equity	268,857	279,245	261,863	273,210	286,836
Minority Interests	4,954	4,702	4,702	4,702	4,702
Total Equity	273,811	283,947	266,565	277,912	291,538

Key Ratios					
	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue Growth	17.9%	19.4%	(1.8%)	4.8%	8.0%
Operating EBITDA Growth	17.1%	0.1%	(39.3%)	85.5%	17.9%
Operating EBITDA Margin	18.0%	15.1%	9.3%	16.5%	18.0%
Net Cash Per Share (Rs)	68.99	52.73	51.90	73.70	98.50
BVPS (Rs)	303.66	315.36	296.23	309.06	324.48
Gross Interest Cover	39.97	18.65	6.84	15.30	18.43
Effective Tax Rate	24.5%	23.7%	22.6%	25.2%	25.1%
Net Dividend Payout Ratio	71.1%	87.2%	161.7%	80.0%	80.0%
Accounts Receivables Days	85.70	84.98	85.99	80.24	78.70
Inventory Days	0.38	0.31	0.22	0.22	0.21
Accounts Payables Days	40.54	40.60	38.27	37.67	37.38
ROIC (%)	30.6%	20.0%	9.5%	22.8%	28.5%
ROCE (%)	17.1%	15.3%	8.0%	18.0%	20.9%
Return On Average Assets	12.6%	10.7%	5.3%	12.3%	14.2%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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