

India

REDUCE (no change)

Consensus ratings*: Buy 14 Hold 14 Sell 17

Current price:	Rs408
Target price:	Rs328
Previous target:	Rs328
Up/downside:	-19.6%
InCred Research / Consensus:	-22.7%

Reuters:	
Bloomberg:	WPRO IN
Market cap:	US\$30,818m
	Rs2,237,827m
Average daily turnover:	US\$48.0m
	Rs3484.0m
Current shares o/s:	5,484.9m
Free float:	27.0%

*Source: Bloomberg

Key changes in this note

- Lower FY22-24F revenue CAGR by 1.4%.
- Lower FY22-24F EBIT CAGR by 0.1%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(3.3)	(0.3)	(38.1)
Relative (%)	1.6	(7.4)	(34.8)

Major shareholders	% held
LIC	3.8
JP Morgan Chase Bank	2.3
SBI Magnum Equity Fund	1.0

Analyst(s)



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Wipro

Softer-than-anticipated performance

- 3QFY23F revenue guidance factors in macro uncertainty and seasonality.
- IT services EBIT margin likely to be in a narrow band in 3QFY23F.
- OCF/EBITDA was at 63.5% in 1HFY23 while operating cash flow (OCF) was down by 13.3% over 1HFY22 at Rs49.7bn.

No surprises in 2QFY23

Wipro's (WPRO IN) 2QFY23 IT services revenue, including acquisition contribution, was at the mid-point of its constant currency (CC) guidance of 3%-5% while IT services EBIT margin was largely in line. 3QFY23F CC revenue guidance (0.5-2% sequential revenue growth factors in uncertain macro environment and seasonal headwinds) was as anticipated and is unlikely to move our FY24F earnings assumption.

Decent order-booking but weak net hiring

Wipro closed 11 large deals (vs. 8 in 1QFY23) of >US\$30m with a total contract value (TCV) of US\$725m (vs. US\$ 1.1bn+ in 1QFY23 and US\$580m in 2QFY22). The company highlighted that overall TCV was up 24% yoy in 2QFY23 with strong order-booking in Americas 1 (up 34% yoy) and Europe (up 36% yoy). Challenging macro environment, management commentary of moderation in technology vertical & consulting services and weak net hiring trend (up 0.2% QoQ in 2QFY23 vs. 6.4% QoQ growth in 1QFY23) lowers our FY22-24F US\$ revenue CAGR assumption by 140bp to 8.7%.

IT services EBIT margin likely to remain in narrow band

IT services EBIT margin, up 10bp qoq at 15.1%, was impacted due to promotions and wage hike effective Sep 2022 (-90bp) offset by SG&A leverage (30bp), operational efficiency (40bp) and currency tailwind (30bp). Consolidated EBIT margin (14%) missed our estimate by 70bp led by one-off restructuring cost. Operational rigour is likely to drive IT services EBIT margin in a narrow band amid headwinds from residual wage hike impact in 3QFY23F. Though we adjust FY23F EBIT margin to account for 2QFY23 miss, we increase FY24F assumption by 20bp to 16.7%, primarily to account for INR depreciation and improvement in deployability of freshers. That said, our average FY23F-FY24F EBIT margin assumption stays at ~15.8%.

Retain REDUCE rating and target price of Rs328

We model 8.7% IT services revenue CAGR over FY22-24F (10.1% earlier), EBIT CAGR of 12% (12.1% earlier) and PAT CAGR of 7.5%. We retain our PE/G multiple at 1.7x and, in turn, our implied P/E multiple at 12.7x, our target price at Rs328, and our REDUCE rating. Acceleration in deal velocity and better-than-expected EBIT margin execution are key upside risks to our estimates and rating.

Financial Summary

	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
Revenue (Rsm)	610,232	619,430	790,934	909,759	1,004,221
Operating EBITDA (Rsm)	122,272	147,773	164,656	167,701	200,945
Net Profit (Rsm)	97,216	107,945	122,191	113,594	141,129
Core EPS (Rs)	17.0	18.8	21.5	20.7	25.7
Core EPS Growth	8.2%	10.6%	14.7%	(3.8%)	24.2%
FD Core P/E (x)	23.76	21.76	18.61	19.69	15.85
DPS (Rs)	1.0	1.0	6.0	15.5	19.8
Dividend Yield	0.24%	0.25%	1.47%	3.81%	4.86%
EV/EBITDA (x)	16.76	14.12	12.73	12.33	10.11
P/FCFE (x)	29.94	18.35	27.65	34.84	16.75
Net Gearing	(47.3%)	(48.0%)	(27.3%)	(24.7%)	(28.9%)
P/BV (x)	4.31	4.21	3.42	3.28	3.13
ROE	17.2%	19.6%	20.0%	17.0%	20.2%
% Change In Core EPS Estimates				(2.56%)	(0.05%)
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Quarterly performance

YE Mar (Rs m)	2QFY23	2QFY22	YoY (%)	1QFY23	QoQ (%)	2QFY23F	Var. (%)
IT services revenue (US\$ m)	2,798	2,580	8.4	2,736	2.3	2,787	0.4
Revenue (Rs m)	2,25,397	1,96,674	14.6	2,15,286	4.7	2,25,999	(0.3)
US\$-Rs realization	79.9	75.1	6.4	77.8	2.7	79.8	0.2
EBITDA	39,815	41,689	(4.5)	38,594	3.2	41,132	(3.2)
EBITDA Margin (%)	17.7	21.2	(353 bp)	17.9	(26 bp)	18.2	(54 bp)
EBIT	31,446	33,972	(7.4)	30,856	1.9	33,109	(5.0)
EBIT Margin (%)	14.0	17.3	(332 bp)	14.3	(38 bp)	14.7	(70 bp)
Depreciation	8,369	7,717	8.4	7,738	8.2	8,023	4.3
Net other income	2,827	3,588	(21.2)	2,679	5.5	2,888	(2.1)
PBT	34,273	37,560	(8.8)	33,535	2.2	35,997	(4.8)
Provision for tax	7,710	8,259	(6.6)	7,931	(2.8)	7,919	(2.6)
% tax rate	22.5	22.0	51 bp	23.6	(115 bp)	22.0	50 bp
Net Profit	26,590	29,307	(9.3)	25,636	3.7	28,110	(5.4)
EPS (Rs)	4.8	5.3	(9.3)	4.7	3.7	5.1	(5.4)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Key conference-call takeaways

- Order pipeline is balanced across growth transformation and cost take-out engagements, but the mix may change based on the evolving macro environment. It's difficult to assess the slowdown in decision-making.
- Americas 1 (29.2% of revenue) was up 15% yoy in CC terms with all sectors showing strong growth and the fastest being the technology products segment - up 26% yoy in CC terms while order-booking in TCV terms was up 34% yoy.
- Americas 2 (31.3% of revenue) was up 12% yoy driven by manufacturing and energy & utilities verticals which grew >20% yoy while financial services vertical grew 17% yoy in CC terms.
- Europe (28.1% of revenue) was up 12% yoy with most markets recording a strong double-digit growth led by Benelux, UK & Ireland and South Europe, while order-booking grew 36% yoy.
- APMEA revenue was up 11% yoy driven by South East Asia, Australia & New Zealand and the Middle East.
- Macro-economic conditions have changed across markets over last three months, thereby driving a change in the level of optimism among clients. Large technology companies are slowing down. Wipro is witnessing moderation in its consulting business while the BFSI vertical could hold well.
- Gaining share in largest accounts, with top 5 growing 19% yoy and top 10 clients growing 17% yoy in CC revenue terms.
- iDEAS (62.3% of revenue) services up 15% yoy in CC terms driven by cloud transformation (26% yoy), applications and data (21%) and engineering services (18% yoy in CC terms).
- iCORE (37.7% of revenue) services up 9% yoy in CC terms driven by cyber security (23% yoy) because of increased demand for full suite of cyber offerings.
- Wipro's full stride cloud services remain as key growth driver and comprises more than 1/3rd of its deal pipeline. Order bookings from hyper growth partners grew 24% yoy. Wipro is creating industry solutions working alongside its partners and helping clients to unlock the value of cloud and realize new efficiencies.
- 3Q may witness seasonal furloughs, but difficult to assess its impact on revenue.
- Attrition moderated for the third quarter in a row. Wipro offered promotions to 10,000 employees and salary hike was across bands in 2Q. The company hired 14,000 freshers in 1HFY23 which was 72% of its FY22 target. 85% of the employees likely to get 100% of variable pay in the current quarter.

Figure 2: Operating metrics trend

Operating trend	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
IT services revenue (US\$ m)	1,992.4	2,071.0	2,152.4	2,414.5	2,580.0	2,639.7	2,721.7	2,735.5	2,797.7
Growth YoY (%)	-2.8	-1.1	3.8	25.7	29.5	27.5	26.4	13.3	8.4
Growth QoQ (%)	3.7	3.9	3.9	12.2	6.9	2.3	3.1	0.5	2.3
CC growth YoY (%)	-3.4	-2.0	0.5	21.3	28.8	28.5	28.5	17.2	12.9
CC growth QoQ (%)	2.0	3.4	3.0	12.0	8.1	3.0	3.1	2.1	4.1
Revenue (Rs. m)	1,51,145	1,56,700	1,62,454	1,82,524	1,96,674	2,03,136	2,08,600	2,15,286	2,26,454
Growth YoY (%)	-0.1	1.3	3.4	22.4	30.1	29.6	28.4	17.9	15.1
Growth QoQ (%)	1.4	3.7	3.7	12.4	7.8	3.3	2.7	3.2	5.2
EBIT Margin (%)	18.5	21.2	20.5	17.2	17.3	16.9	16.3	14.3	14.0
US\$-INR realized rate	74.1	74.0	73.8	74.7	75.1	76.1	75.9	77.8	79.9
Headcount	1,85,243	1,90,308	1,97,712	2,09,890	2,21,365	2,31,671	2,43,128	2,58,574	2,59,179
Utilization (%)	86.9	86.3	86.0	86.8	89.2	85.8	85.2	83.8	79.8
Attrition (%)	11.0	11.0	12.1	15.5	20.5	22.7	23.8	23.3	23.0
				12,178	11,475	10,306	11,457	15,446	605
Vertical (%)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
BFSI	31.2	30.5	30.5	33.4	34.8	35.2	35.4	35.4	35.2
Health business unit	13.7	13.9	13	11.9	11.7	11.8	11.5	11.5	11.4
Energy & Utilities	12.9	13.1	13.2	13.1	12.3	11.7	11.5	11.1	11.2
Communications	5.3	5.2	5	5.1	5.00	5.00	4.80	5.00	4.90
Consumer	16.2	16.4	17	17.3	17.3	17.7	17.9	18.5	18.8
Manufacturing and Tech	20.7	20.9	21.3	19.2	18.9	18.6	18.9	18.5	18.5
Vertical (US\$ m)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
BFSI	621.6	631.7	656.5	806.4	897.8	929.2	963.5	968.4	984.8
Health business unit	273.0	287.9	279.8	287.3	301.9	311.5	313.0	314.6	318.9
Energy & Utilities	257.0	271.3	284.1	316.3	317.3	308.8	313.0	303.6	313.3
Communications	105.6	107.7	107.6	123.1	129.0	132.0	130.6	136.8	137.1
Consumer	322.8	339.6	365.9	417.7	446.3	467.2	487.2	506.1	526.0
Manufacturing and Tech	412.4	432.8	458.5	463.6	487.6	491.0	514.4	506.1	517.6
Vertical YoY (%)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
BFSI	-3.1	-2.4	4.1	36.7	44.4	47.1	46.8	20.1	9.7
Health business unit	2.5	4.9	0.0	10.8	10.6	8.2	11.9	9.5	5.7
Energy & Utilities	-2.8	0.4	7.0	24.7	23.5	13.8	10.2	-4.0	-1.3
Communications	-9.6	-9.8	-5.6	25.7	22.2	22.6	21.4	11.1	6.3
Consumer	-1.5	-4.1	5.0	36.7	38.3	37.6	33.1	21.2	17.8
Manufacturing and Tech	-4.6	0.8	5.3	11.7	18.2	13.4	12.2	9.2	6.1
Vertical QoQ (%)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
BFSI	5.4	1.6	3.9	22.8	11.3	3.5	3.7	0.5	1.7
Health business unit	5.2	5.5	-2.8	2.7	5.1	3.2	0.5	0.5	1.4
Energy & Utilities	1.3	5.6	4.7	11.3	0.3	-2.7	1.3	-3.0	3.2
Communications	7.8	2.0	-0.1	14.4	4.8	2.3	-1.0	4.7	0.2
Consumer	5.6	5.2	7.7	14.2	6.9	4.7	4.3	3.9	3.9
Manufacturing and Tech	-0.6	4.9	5.9	1.1	5.2	0.7	4.8	-1.6	2.3
Incremental revenue (US\$ m)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
BFSI	31.7	10.0	24.8	150.0	91.4	31.3	34.3	4.9	16.4
Health business unit	13.5	14.9	-8.1	7.5	14.5	9.6	1.5	1.6	4.4
Energy & Utilities	3.4	14.3	12.8	32.2	1.0	-8.5	4.2	-9.4	9.7
Communications	7.6	2.1	-0.1	15.5	5.9	3.0	-1.3	6.1	0.3
Consumer	17.2	16.9	26.3	51.8	28.6	20.9	20.0	18.9	19.9
Manufacturing and Tech	-2.6	20.4	25.6	5.1	24.0	3.4	23.4	-8.3	11.5
Geography (%)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
Americas 1	29.7	29.4	29.2	27.6	27.5	28.2	28.3	29.1	29.2
Americas 2	30.1	29.1	29.3	30.5	30.6	30.4	31	31.3	31.3
Europe	26.1	28	28.4	30.2	30.2	29.7	29.3	28.3	28.1
APMEA	14.1	13.5	13.1	11.7	11.7	11.7	11.4	11.3	11.4
Geography (US\$ m)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
Americas 1	591.7	608.9	628.5	666.4	709.5	744.4	770.2	796.0	816.9
Americas 2	599.7	602.7	630.7	736.4	789.5	802.5	843.7	856.2	875.7
Europe	520.0	579.9	611.3	729.2	779.2	784.0	797.5	774.1	786.2
APMEA	280.9	279.6	282.0	282.5	301.9	308.8	310.3	309.1	318.9
Geography YoY (%)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
Americas 1	NA	NA	0.7	18.8	19.9	22.3	22.6	19.5	15.1
Americas 2	NA	NA	2.7	26.5	31.6	33.2	33.8	16.3	10.9
Europe	NA	NA	9.6	42.1	49.8	35.2	30.5	6.2	0.9
APMEA	NA	NA	1.5	6.5	7.5	10.5	10.0	9.4	5.7
Geography QoQ (%)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
Americas 1	5.5	2.9	3.2	6.0	6.5	4.9	3.5	3.3	2.6
Americas 2	3.0	0.5	4.6	16.8	7.2	1.6	5.1	1.5	2.3
Europe	1.4	11.5	5.4	19.3	6.9	0.6	1.7	-2.9	1.6
APMEA	5.9	-0.5	0.9	0.2	6.9	2.3	0.5	-0.4	3.2
Incremental revenue (US\$ m)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
Americas 1	30.6	17.1	19.6	37.9	43.1	34.9	25.8	25.8	20.9
Americas 2	17.5	2.9	28.0	105.8	53.1	13.0	41.3	12.5	19.5
Europe	6.9	59.9	31.4	117.9	50.0	4.8	13.5	-23.3	12.0
APMEA	15.7	-1.3	2.4	0.5	19.4	7.0	1.4	-1.2	9.8
Services (%)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
iDEAS	57.6	57.3	56.8	60.1	61.3	61	61.2	61.9	62.3
iCORE	42.4	42.7	43.2	39.9	38.7	39	38.8	38.1	37.7
Services (US\$ m)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
iDEAS	1147.6	1186.7	1222.6	1451.1	1581.5	1610.2	1665.7	1693.3	1743.0
iCORE	844.8	884.3	929.8	963.4	998.5	1029.5	1056.0	1042.2	1054.7
Services YoY (%)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
iDEAS	NA	NA	1.0	30.2	37.8	35.7	36.2	16.7	10.2

iCORE	NA	NA	7.8	19.4	18.2	16.4	13.6	8.2	5.6
Services QoQ (%)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
iDEAS	3.0	3.4	3.0	18.7	9.0	1.8	3.4	1.7	3.0
iCORE	4.7	4.7	5.1	3.6	3.6	3.1	2.6	-1.3	2.0
Incremental revenue (US\$ m)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
iDEAS	33.1	39.1	35.9	228.6	130.4	28.7	55.5	27.6	49.7
iCORE	37.7	39.5	45.5	33.5	35.1	31.0	26.5	-13.8	12.5
Client (%)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
Top	3.2	3.1	3.1	3.1	3.1	3.2	3.2	3.2	3.2
Top 2-5	8.8	8.8	9.1	9	9.4	9.5	9.7	9.8	9.9
Top 6-10	7.6	7	7.3	7.7	7.6	7.5	7.6	7.9	7.9
Others	80.4	81.1	80.5	80.2	79.9	79.8	79.5	79.1	79
Client YoY (%)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
Top	-2.8	2.2	7.3	21.7	25.4	31.6	30.5	16.9	11.9
Top 2-5	-10.9	-6.5	2.7	24.3	38.3	37.6	34.8	23.4	14.2
Top 6-10	5.6	0.3	6.7	20.9	29.5	36.6	31.6	16.2	12.7
Others	-2.5	-0.8	3.5	26.4	28.7	25.4	24.9	11.7	7.2
Client QoQ (%)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
Top	3.7	0.7	3.9	12.2	6.9	5.6	3.1	0.5	2.3
Top 2-5	0.3	3.9	7.5	10.9	11.6	3.4	5.3	1.5	3.3
Top 6-10	-1.5	-4.3	8.4	18.3	5.5	1.0	4.5	4.5	2.3
Others	4.6	4.8	3.2	11.8	6.5	2.2	2.7	0.0	2.1
Incremental revenue (US\$ m)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
Top	2.3	0.4	2.5	8.1	5.1	4.5	2.6	0.4	2.0
Top 2-5	0.5	6.9	13.6	21.4	25.2	8.3	13.2	4.1	8.9
Top 6-10	-2.3	-6.5	12.2	28.8	10.2	1.9	8.9	9.3	4.9
Others	70.4	77.7	53.1	203.7	125.0	45.1	57.3	0.0	46.4
Client metrics	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
No. of active clients	1,089	1,136	1,120	1,229	1,284	1,315	1,369	1,433	1,471
Revenue per active client	7.4	7.1	7.3	7.0	7.2	7.4	7.6	7.5	7.4
No. of new customers	97	89	52	129	116	67	116	164	128
100 m+	11	10	11	13	15	17	19	20	19
75 m+	24	24	27	27	28	29	29	30	29
50 m+	39	38	40	42	44	47	50	50	52
20 m+	100	97	93	95	100	110	117	120	122
10 m+	166	168	167	176	182	189	194	195	198
1 m+	573	567	566	601	623	661	679	703	729
Per employee analysis	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
Revenues (US\$ m) - TTM	8,083	8,059	8,137	8,630	9,218	9,787	10,356	10,677	10,895
Employees (Average TTM)	1,84,313	1,85,060	1,88,767	1,95,788	2,04,819	2,15,160	2,26,514	2,38,685	2,48,138
Revenue per employee (TTM)	43,852	43,546	43,108	44,080	45,005	45,485	45,719	44,732	43,905

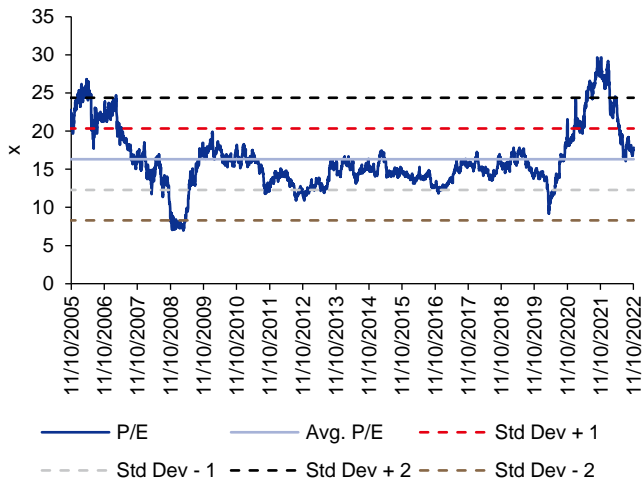
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Change in our earnings estimates

Y/E, Mar (Rs m)	FY23F			FY24F		
	New	Old	% change	New	Old	% change
US\$ IT services revenue	11,263	11,410	-1.3	12,236	12,564	-2.6
Revenue (Rs m)	9,09,759	9,11,093	-0.1	10,04,221	10,19,145	-1.5
EBIT (Rs m)	1,34,979	1,38,413	-2.5	1,67,805	1,68,159	-0.2
EBIT Margin (%)	14.8	15.2	(36) bp	16.7	16.5	21 bp
PAT (Rs m)	1,13,594	1,16,583	-2.6	1,41,129	1,41,200	0.0
EPS (Rs)	20.7	21.3	-2.6	25.7	25.7	0.0

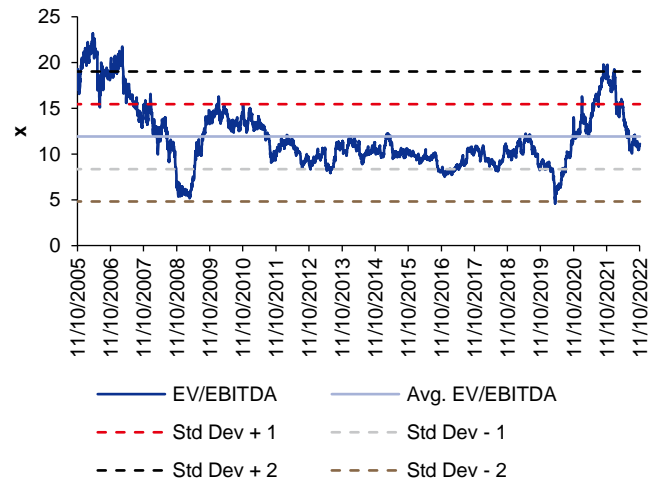
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: One-year forward P/E multiple of ~18x



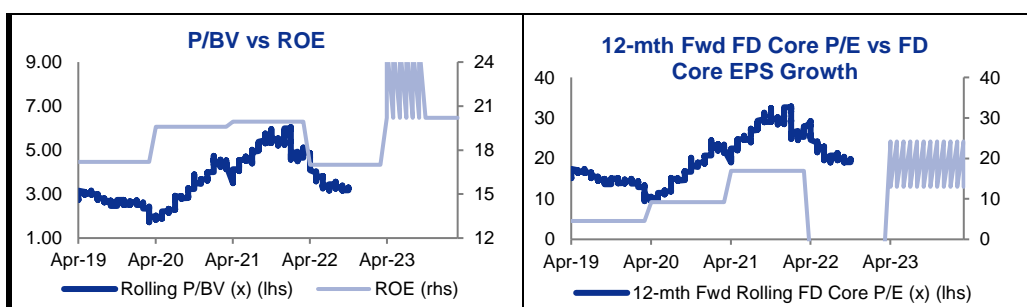
SOURCE: INCRED RESEARCH, BLOOMBERG

Figure 5: One-year forward EV/EBITDA multiple of ~11x



SOURCE: INCRED RESEARCH, BLOOMBERG

BY THE NUMBERS



Profit & Loss

(Rs m)	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
Total Net Revenue	610,232	619,430	790,934	909,759	1,004,221
Gross Profit	195,002	223,859	265,973	287,252	326,472
Operating EBITDA	122,272	147,773	164,656	167,701	200,945
Depreciation And Amortisation	(20,855)	(27,634)	(30,911)	(32,722)	(33,139)
Operating EBIT	101,417	120,139	133,745	134,979	167,805
Financial Income/(Expense)	14,803	13,358	7,789	5,965	6,988
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	5,119	5,461	7,498	5,173	5,997
Profit Before Tax (pre-EI)	121,339	138,958	149,032	146,117	180,790
Exceptional Items					
Pre-tax Profit	121,339	138,958	149,032	146,117	180,790
Taxation	(24,801)	(30,346)	(28,946)	(32,637)	(39,774)
Exceptional Income - post-tax	1,144	(81)	2,186		
Profit After Tax	97,682	108,531	122,272	113,481	141,016
Minority Interests	(466)	(586)	(81)	113	113
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	97,216	107,945	122,191	113,594	141,129
Recurring Net Profit	96,072	108,026	120,005	113,594	141,129
Fully Diluted Recurring Net Profit	96,072	108,026	120,005	113,594	141,129

Cash Flow

(Rs m)	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
EBITDA	122,272	147,773	164,656	167,701	200,945
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(23,856)	22,922	(36,488)	(6,134)	(6,920)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	8,611	1,770	(81)	113	113
Other Operating Cashflow					
Net Interest (Paid)/Received					
Tax Paid	(6,384)	(24,915)	(25,686)	(32,637)	(39,774)
Cashflow From Operations	100,643	147,550	102,401	129,044	154,364
Capex	(23,497)	(19,577)	(20,153)	(64,840)	(20,770)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	57,509	27,316	(204,342)	19,993	22,065
Cash Flow From Investing	34,012	7,739	(224,495)	(44,847)	1,295
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased	(105,311)	(116,644)			
Dividends Paid	(6,863)	(5,459)	(5,467)	(85,195)	(108,669)
Preferred Dividends					
Other Financing Cashflow	(38,824)	(6,737)	52,053	(8,855)	(9,080)
Cash Flow From Financing	(150,998)	(128,840)	46,586	(94,050)	(117,749)
Total Cash Generated	(16,343)	26,449	(75,508)	(9,853)	37,909
Free Cashflow To Equity	77,146	127,973	82,248	64,204	133,594
Free Cashflow To Firm	134,655	155,289	(122,094)	84,197	155,659

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs m)	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
Total Cash And Equivalents	334,134	345,500	345,491	335,638	373,547
Total Debtors	129,683	121,422	176,028	186,937	200,844
Inventories	1,865	1,064	1,334	1,334	1,334
Total Other Current Assets	54,169	55,200	97,899	97,899	97,899
Total Current Assets	519,851	523,186	620,752	621,807	673,624
Fixed Assets	96,176	100,703	109,495	141,613	129,244
Total Investments	22,615	22,502	30,738	30,738	30,738
Intangible Assets	143,256	148,232	286,416	286,416	286,416
Total Other Non-Current Assets	30,891	32,699	27,653	27,653	27,653
Total Non-current Assets	292,938	304,136	454,302	486,420	474,051
Short-term Debt	54,020	60,363	95,233	95,233	95,233
Current Portion of Long-Term Debt					
Total Creditors	58,400	54,174	62,522	67,297	74,285
Other Current Liabilities	103,973	115,503	150,574	150,574	150,574
Total Current Liabilities	216,393	230,040	308,329	313,104	320,092
Total Long-term Debt	4,840	7,458	56,463	56,463	56,463
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	36,464	39,316	55,717	55,717	55,717
Total Non-current Liabilities	41,304	46,774	112,180	112,180	112,180
Total Provisions					
Total Liabilities	257,697	276,814	420,509	425,284	432,272
Shareholders' Equity	553,217	549,010	654,030	682,428	714,888
Minority Interests	1,875	1,498	515	515	515
Total Equity	555,092	550,508	654,545	682,943	715,403

Key Ratios					
	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
Revenue Growth	4.1%	1.5%	27.7%	15.0%	10.4%
Operating EBITDA Growth	9.1%	20.9%	11.4%	1.8%	19.8%
Operating EBITDA Margin	20.0%	23.9%	20.8%	18.4%	20.0%
Net Cash Per Share (Rs)	44.93	46.60	32.59	30.77	37.68
BVPS (Rs)	94.65	96.84	119.35	124.42	130.34
Gross Interest Cover	13.84	23.61	25.12	15.24	18.48
Effective Tax Rate	20.4%	21.8%	19.4%	22.3%	22.0%
Net Dividend Payout Ratio	5.9%	5.3%	27.4%	75.0%	77.0%
Accounts Receivables Days	75.68	73.98	68.63	72.81	70.47
Inventory Days	2.56	1.35	0.83	0.78	0.72
Accounts Payables Days	53.21	51.94	40.57	38.06	38.12
ROIC (%)	28.2%	32.0%	37.2%	21.6%	25.0%
ROCE (%)	12.5%	14.9%	14.8%	12.5%	15.1%
Return On Average Assets	10.3%	12.0%	12.0%	10.0%	12.0%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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