

India

**HOLD** (no change)

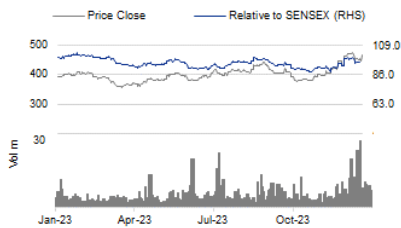
Consensus ratings\*: Buy 11 Hold 11 Sell 22

Current price:	Rs465
Target price:	Rs466
Previous target:	Rs429
Up/downside:	0.2%
InCred Research / Consensus:	10.9%
Reuters:	WIPR.NS
Bloomberg:	WPRO IN
Market cap:	US\$29,326m Rs2,431,673m
Average daily turnover:	US\$32.5m Rs2692.0m
Current shares o/s:	5,326.9m
Free float:	27.0%

\*Source: Bloomberg

**Key changes in this note**

- Expect 3.3% IT Services revenue CAGR over FY24F-26F.
- Expect 7.6% EBIT CAGR over FY24F-26F.
- Expect 10.3% PAT CAGR over FY24F-26F.



Source: Bloomberg

<b>Price performance</b>	1M	3M	12M
Absolute (%)	10.2	11.6	18.0
Relative (%)	8.6	1.9	(2.0)

<b>Major shareholders</b>	% held
Foreign Institutions	8.9
LIC	4.6
Mutual Funds	2.8

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# Wipro

## Margin recovery could anchor its shares

- 4QFY24F revenue growth guidance in the range of -1.5% to +0.5% qoq.
- IT services EBIT margin likely to remain rangebound, despite the two-month impact of a wage hike, in 4QFY24F.
- 9MFY24 OCF at Rs124bn was up 32.9% yoy. OCF/EBITDA stood at 98.5% vs. 75.3% in 9MFY23.

### Earnings summary

Wipro's 3QFY24 revenue at US\$2,656.1m (down 1.7% qoq and 6.9% yoy in constant currency or CC terms) was in line with InCred estimate but 0.9% above consensus estimate. IT services' EBIT margin at 16% was resilient, despite revenue weakness and the one-month impact of wage hike. Revenue decline was led by FSI, Manufacturing, Technology, Consumer and Communication vertical while total bookings (up 0.2% qoq vs. 1.6% qoq growth in 2QFY24) and management commentary of a recovery in the consulting business (double-digit growth in bookings) likely led to a sequential growth guidance at the top end (-1.5% to +0.5%). We expect an average US\$ revenue CAGR of 3.3% over FY24F-26F, factoring in growth recovery from 1QFY25F.

### Deal wins could have been better

Wipro closed 14 large deals (unchanged qoq) of >US\$30m, with net new total contract value (TCV) of US\$909m (vs. US\$1,275m in 2QFY24 and US\$978m in 3QFY23) while total bookings were down 12.5% yoy at US\$3,791m. Wipro continues to witness gain from vendor consolidation deals and improved win rates led by participating in more complex transformation deals.

### IT services EBIT margin could continue to be resilient

IT services' EBITM (at 16%, down 10bp qoq and 30bp yoy) beat was aided by the reduction in employee expenses (down 3.1% qoq and 1.4% yoy; 60.5% of revenue vs. 61.5% in 2QFY24) and reduction in sub-contractor expenses (11.6% of revenue vs. 11.9% in 2QFY24; down 2.9% qoq and 9.5% yoy) partly offset by revenue weakness and one-month impact of a wage hike. 4QFY24F IT services margin is likely to be in a narrow range, despite a two-month wage hike impact, suggesting a resilient performance led by the focus on high-margin business and operational efficiency which could continue to aid margin.

### Retain HOLD rating on the stock

We retain HOLD rating on Wipro with a higher target price of Rs466 (Rs429 earlier) as we adjusted our estimates for 3QFY24 performance. We model in a 3.3% US\$ revenue CAGR over FY24F-26F and PAT (Rs) CAGR of 10.3%. We raise our target PE/G to 1.8x (from 1.6x earlier) to factor in improving revenue & profitability prospects to arrive at a target P/E multiple of 18.2x. Net cash (Rs48/share), strong conversion (average 86% OCF/EBITDA over FY19-23) and free cash flow yield of ~6.5% (9MFY24 annualized) lends support. Acceleration in deal velocity and better-than-expected execution are upside risks. Order book moderation and sticky attrition are downside risks.

### Financial Summary

	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue (Rsm)	790,934	904,876	898,212	924,467	994,242
Operating EBITDA (Rsm)	164,656	168,936	168,013	178,422	191,889
Net Profit (Rsm)	122,191	113,500	108,786	121,520	132,383
Core EPS (Rs)	21.5	20.7	20.1	22.8	24.9
Core EPS Growth	14.7%	(3.8%)	(2.8%)	13.4%	8.9%
FD Core P/E (x)	21.23	22.48	23.13	20.40	18.73
DPS (Rs)	6.0	1.0	0.0	18.2	19.9
Dividend Yield	1.29%	0.21%	0.21%	3.92%	4.27%
EV/EBITDA (x)	14.68	13.72	13.63	12.35	11.24
P/FCFE (x)	31.55	23.39	19.11	18.79	18.56
Net Gearing	(27.3%)	(30.2%)	(30.9%)	(36.5%)	(41.1%)
P/BV (x)	3.90	3.29	3.37	3.26	3.15
ROE	20.0%	15.9%	14.4%	16.3%	17.1%
% Change In Core EPS Estimates			(14.53%)	(10.68%)	
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. (%)
IT services revenue (US\$ m)	2,656	2,821	(5.9)	2,713	(2.1)	2,654	0.1
Revenue (Rs m)	2,22,051	2,32,290	(4.4)	2,25,159	(1.4)	2,22,495	(0.2)
US\$-Rs realization	83.4	81.7	2.1	82.5	1.0	83.3	0.1
EBITDA	41,919	45,474	(7.8)	42,047	(0.3)	40,717	3.0
EBITDA margin (%)	18.9	19.6	(70 bp)	18.7	20 bp	18.3	58 bp
EBIT	32,603	36,245	(10.0)	33,077	(1.4)	33,152	(1.7)
EBIT margin (%)	14.7	15.6	(92 bp)	14.7	(1 bp)	14.9	(22 bp)
Depreciation	9,316	9,229	0.9	8,970	3.9	7,565	23.1
Net other income	2,922	3,481	(16.1)	2,045	42.9	2,295	27.3
PBT	35,525	39,726	(10.6)	35,122	1.1	35,446	0.2
Provision for tax	8,515	9,102	(6.4)	8,419	1.1	8,507	0.1
% tax rate	24.0	22.9	106 bp	24.0	(0 bp)	24.0	(3 bp)
Net profit	26,942	30,529	(11.7)	26,463	1.8	26,699	0.9
EPS (Rs)	5.2	5.6	(11.7)	5.0	1.8	5.1	0.9

SOURCE: INCRED RESEARCH, COMPANY REPORTS

### Key conference call take-aways

- 4QFY24F IT services revenue could be in the range of US\$2,615m to US\$2,669m. IT services EBIT margins likely to remain range bound (vs.16% in 3QFY24).
- Demand environment remains cautious, with clients focusing on faster Return on Investment or RoI projects. However, Wipro witnessed early signs of revival in the consulting business, as demonstrated by the double-digit growth in order-bookings in the Capco business.
- Americas1: Half of the large deals in 3QFY24 were signed in this geography. The healthcare vertical's growth of 9% qoq in CC terms aided overall growth in the Americas1 region.
- Americas2 continues to witness softness led by weakness in the FSI vertical. TCV was up 46% qoq.
- Europe: Four large deals were signed despite the macroeconomic weakness.
- APMEA margin at 13.8% saw the highest qoq increase at 240bp, led by the focus on high-margin business.
- Generative AI projects are moving from the experimental stage to actual use cases and tangible results. Witnessing strong interest in engineering services.
- Employee promotions to be announced in the coming quarters. The focus on high margin business, AI led automation initiatives, growth leverage and operational efficiency could aid company average margin in the medium term.

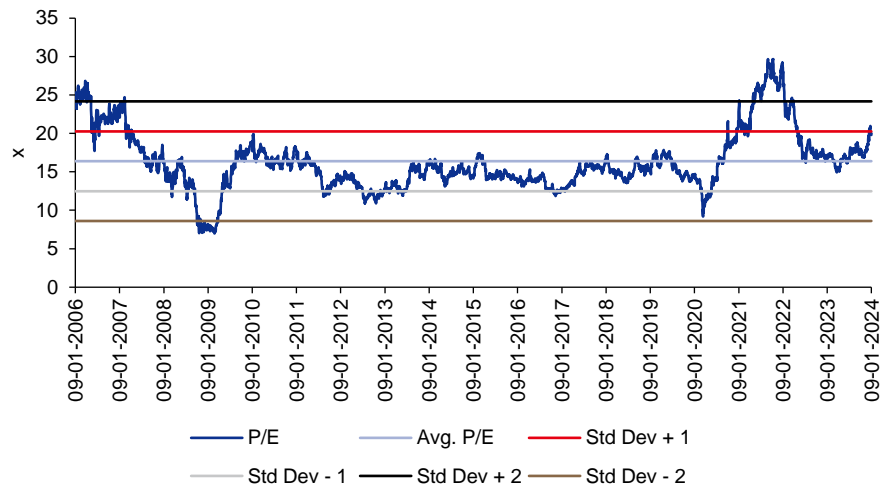
Figure 2: Operating metrics

	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
<b>Operating trends</b>									
IT services revenue (US\$ m)	2639.7	2721.7	2756.1	2817.4	2821.4	2839.5	2778.5	2713.3	2656.1
Growth YoY (%)	27.5	26.4	14.1	9.2	6.9	4.3	0.8	-3.7	-5.9
Growth QoQ (%)	2.3	3.1	1.3	2.2	0.1	0.6	-2.1	-2.3	-2.1
CC growth YoY (%)	28.5	28.5	17.2	12.9	10.4	6.5	1.1	-4.8	-6.9
CC growth QoQ (%)	3.0	3.1	2.1	4.1	0.6	-0.6	-2.8	-2.0	-1.7
Revenue (Rs. m)	2,03,136	2,08,600	2,15,286	2,25,397	2,32,290	2,31,903	2,28,310	2,25,159	2,22,051
Growth YoY (%)	29.6	28.4	17.9	14.6	14.4	11.2	6.0	-0.1	-4.4
Growth QoQ (%)	3.3	2.7	3.2	4.7	3.1	-0.2	-1.5	-1.4	-1.4
IT services EBIT margin (%)	17.6	17.0	14.9	15.1	16.3	16.3	16.0	16.1	16.0
US\$-INR realized rate	76.1	75.9	77.2	79.4	81.7	81.6	81.9	82.5	83.4
Headcount	2,31,671	2,43,128	2,62,049	2,62,626	2,62,109	2,58,570	2,49,758	2,44,707	2,40,234
Utilization (%)	85.8	85.2	83.8	79.8	79.7	81.7	83.7	84.5	84.0
Attrition (%)	22.7	23.8	23.0	22.9	21.2	19.4	17.3	15.5	14.2
<b>Vertical (%)</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>	<b>3QFY24</b>
BFSI	35.2	35.4	35.5	35.3	35.0	34.4	33.9	33.6	32.7
Health business unit	11.8	11.5	11.4	11.4	11.9	12.1	12.2	12.7	13.9
Energy & Utilities	11.7	11.5	11.1	11.2	11.4	12.2	12.0	11.6	11.8
Communications	5.0	4.8	4.9	4.8	4.6	4.5	4.6	4.3	4.0
Consumer	17.7	17.9	18.6	19.0	19.0	18.9	18.7	18.7	18.8
Manufacturing and Tech	18.6	18.9	18.4	18.4	18.1	17.9	18.6	19.1	18.8
<b>Vertical (US\$ m)</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>	<b>3QFY24</b>
BFSI	929.2	963.5	978.4	994.5	987.5	976.8	941.9	911.7	868.5
Health business unit	311.5	313.0	314.2	321.2	335.7	343.6	339.0	344.6	369.2
Energy & Utilities	308.8	313.0	305.9	315.5	321.6	346.4	333.4	314.7	313.4
Communications	132.0	130.6	135.0	135.2	129.8	127.8	127.8	116.7	106.2
Consumer	467.2	487.2	512.6	535.3	536.1	536.7	519.6	507.4	499.3
Manufacturing and Tech	491.0	514.4	507.1	518.4	510.7	508.3	516.8	518.2	499.3
<b>Vertical YoY (%)</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>	<b>3QFY24</b>
BFSI	47.1	46.8	21.3	10.8	6.3	1.4	-3.7	-8.3	-12.0
Health business unit	8.2	11.9	9.4	6.4	7.8	9.8	7.9	7.3	10.0
Energy & Utilities	13.8	10.2	-3.3	-0.6	4.1	10.7	9.0	-0.3	-2.6
Communications	22.6	21.4	9.7	4.8	-1.7	-2.2	-5.4	-13.7	-18.1
Consumer	37.6	33.1	22.7	19.9	14.7	10.2	1.4	-5.2	-6.8
Manufacturing and Tech	13.4	12.2	9.4	6.3	4.0	-1.2	1.9	0.0	-2.2
<b>Vertical QoQ (%)</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>	<b>3QFY24</b>
BFSI	3.5	3.7	1.5	1.6	-0.7	-1.1	-3.6	-3.2	-4.7
Health business unit	3.2	0.5	0.4	2.2	4.5	2.3	-1.3	1.7	7.1
Energy & Utilities	-2.7	1.3	-2.3	3.1	1.9	7.7	-3.8	-5.6	-0.4
Communications	2.3	-1.0	3.4	0.1	-4.0	-1.5	0.0	-8.7	-8.9
Consumer	4.7	4.3	5.2	4.4	0.1	0.1	-3.2	-2.3	-1.6
Manufacturing and Tech	0.7	4.8	-1.4	2.2	-1.5	-0.5	1.7	0.3	-3.6
<b>Incremental revenue (US\$ m)</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>	<b>3QFY24</b>
BFSI	31.3	34.3	14.9	16.1	-7.1	-10.7	-34.9	-30.2	-43.1
Health business unit	9.6	1.5	1.2	7.0	14.6	7.8	-4.6	5.6	24.6
Energy & Utilities	-8.5	4.2	-7.1	9.6	6.1	24.8	-13.0	-18.7	-1.3
Communications	3.0	-1.3	4.4	0.2	-5.5	-2.0	0.0	-11.1	-10.4
Consumer	20.9	20.0	25.5	22.7	0.8	0.6	-17.1	-12.2	-8.0
Manufacturing and Tech	3.4	23.4	-7.3	11.3	-7.7	-2.4	8.5	1.4	-18.9
<b>Geography (%)</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>	<b>3QFY24</b>
Americas 1	28.2	28.3	28.7	28.8	29.1	28.5	28.8	29.8	31
Americas 2	30.4	31	31.1	31.1	30.6	30.5	30.0	29.9	30.0
Europe	29.7	29.3	28.2	28	28.8	29.3	29.5	28.6	27.7
APMEA	11.7	11.4	12	12.1	11.5	11.7	11.7	11.7	11.3
<b>Geography (US\$ m)</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>	<b>3QFY24</b>
Americas 1	744.4	770.2	791.0	811.4	821.0	809.3	800.2	808.6	823.4
Americas 2	802.5	843.7	857.1	876.2	863.3	866.0	833.6	811.3	796.8
Europe	784.0	797.5	777.2	788.9	812.6	832.0	819.7	776.0	735.7
APMEA	308.8	310.3	330.7	340.9	324.5	332.2	325.1	317.5	300.1
<b>Geography YoY (%)</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>	<b>3QFY24</b>
Americas 1	22.3	22.6	18.7	14.4	10.3	5.1	1.2	-0.4	0.3
Americas 2	33.2	33.8	16.4	11.0	7.6	2.6	-2.8	-7.4	-7.7
Europe	35.2	30.5	6.6	1.2	3.6	4.3	5.5	-1.6	-9.5
APMEA	10.5	10.0	17.1	12.9	5.1	7.1	-1.7	-6.9	-7.5
<b>Geography QoQ (%)</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>	<b>3QFY24</b>
Americas 1	4.9	3.5	2.7	2.6	1.2	-1.4	-1.1	1.0	1.8
Americas 2	1.6	5.1	1.6	2.2	-1.5	0.3	-3.8	-2.7	-1.8
Europe	0.6	1.7	-2.5	1.5	3.0	2.4	-1.5	-5.3	-5.2
APMEA	2.3	0.5	6.6	3.1	-4.8	2.4	-2.1	-2.3	-5.5
<b>Incremental revenue (US\$ m)</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>	<b>3QFY24</b>
Americas 1	34.9	25.8	20.8	20.4	9.6	-11.8	-9.0	8.4	14.8
Americas 2	13.0	41.3	13.4	19.1	-12.9	2.7	-32.5	-22.3	-14.4
Europe	4.8	13.5	-20.2	11.7	23.7	19.4	-12.3	-43.7	-40.3
APMEA	7.0	1.4	20.5	10.2	-16.4	7.8	-7.1	-7.6	-17.3
<b>Client (%)</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>	<b>3QFY24</b>
Top	3.2	3.2	3.2	3.2	3.2	3.2	3.1	3.0	3.0
Top 2-5	9.5	9.7	9.7	9.8	10.1	9.3	9.4	9.3	9.1
Top 6-10	7.5	7.6	7.9	7.8	7.9	7.7	8	8.3	8.4
Others	79.8	79.5	79.2	79.2	78.8	79.8	79.5	79.4	79.5
<b>Client YoY (%)</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>	<b>3QFY24</b>
Top	31.6	30.5	17.8	12.7	6.9	4.3	-2.3	-9.7	-11.7
Top 2-5	37.6	34.8	23.0	13.8	13.6	0.0	-2.3	-8.6	-15.2
Top 6-10	36.6	31.6	17.1	12.1	12.6	5.7	2.1	2.5	0.1

Others	25.4	24.9	12.7	8.2	5.5	4.7	1.2	-3.5	-5.0
<b>Client QoQ (%)</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>	<b>3QFY24</b>
Top	5.6	3.1	1.3	2.2	0.1	0.6	-5.2	-5.5	-2.1
Top 2-5	3.4	5.3	1.3	3.3	3.2	-7.3	-1.1	-3.4	-4.2
Top 6-10	1.0	4.5	5.3	0.9	1.4	-1.9	1.7	1.3	-0.9
Others	2.2	2.7	0.9	2.2	-0.4	1.9	-2.5	-2.5	-2.0
<b>Incremental revenues (US\$ m)</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>	<b>3QFY24</b>
Top	4.5	2.6	1.1	2.0	0.1	0.6	-4.7	-4.7	-1.7
Top 2-5	8.3	13.2	3.3	8.8	8.9	-20.9	-2.9	-8.8	-10.6
Top 6-10	1.9	8.9	10.9	2.0	3.1	-4.2	3.6	2.9	-2.1
Others	45.1	57.3	19.1	48.5	-8.1	42.7	-57.0	-54.5	-42.8
<b>Client metrics</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>	<b>3QFY24</b>
No. of active clients	1,315	1,369	1,475	1,514	1,530	1,479	1,444	1,393	1,349
Revenue per active client	7.4	7.6	7.3	7.2	7.3	7.6	7.8	8.0	8.1
No of new customers	67	116	164	128	80	63	65	49	55
100 m+	17	19	20	19	19	19	21	22	22
75 m+	29	29	30	29	29	29	28	28	31
50 m+	47	50	50	52	52	53	51	51	46
20 m+	110	117	120	122	119	117	123	122	121
10 m+	189	194	196	199	204	210	207	207	203
1 m+	661	679	719	745	755	766	769	774	750
<b>Per employee analysis</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>	<b>3QFY24</b>
Revenue (US\$ m) - TTM	9,787	10,356	10,698	10,935	11,117	11,234	11,257	11,153	10,987
Employees (average TTM)	2,15,160	2,26,514	2,39,553	2,49,869	2,57,478	2,61,339	2,58,266	2,53,786	2,48,317
Revenue per employee (TTM)	45,485	45,719	44,656	43,763	43,175	42,988	43,586	43,945	44,247

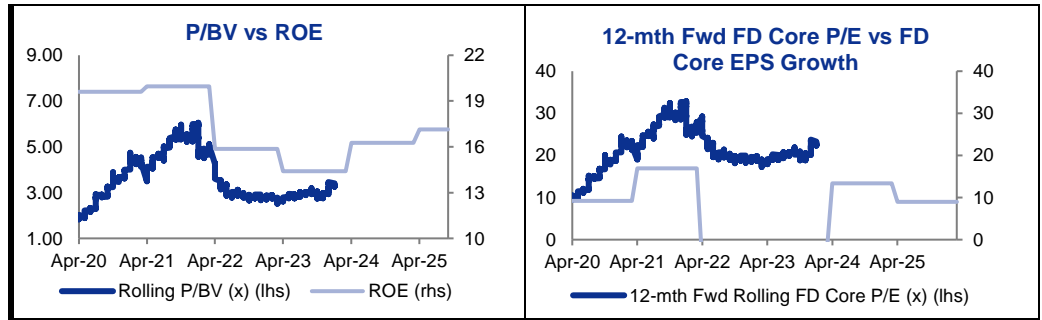
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Wipro trades at a one-year forward P/E of ~20x



SOURCE: INCRED RESEARCH, BLOOMBERG

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
<b>Total Net Revenues</b>	<b>790,934</b>	<b>904,876</b>	<b>898,212</b>	<b>924,467</b>	<b>994,242</b>
<b>Gross Profit</b>	<b>265,973</b>	<b>293,232</b>	<b>304,628</b>	<b>318,941</b>	<b>341,025</b>
<b>Operating EBITDA</b>	<b>164,656</b>	<b>168,936</b>	<b>168,013</b>	<b>178,422</b>	<b>191,889</b>
Depreciation And Amortisation	(30,911)	(33,802)	(35,019)	(35,130)	(37,781)
<b>Operating EBIT</b>	<b>133,745</b>	<b>135,134</b>	<b>132,994</b>	<b>143,292</b>	<b>154,107</b>
Financial Income/(Expense)	7,789	6,815	6,224	8,763	11,859
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	7,498	5,765	4,597	6,455	6,650
<b>Profit Before Tax (pre-EI)</b>	<b>149,032</b>	<b>147,714</b>	<b>143,814</b>	<b>158,510</b>	<b>172,616</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>149,032</b>	<b>147,714</b>	<b>143,814</b>	<b>158,510</b>	<b>172,616</b>
Taxation	(28,946)	(33,992)	(34,496)	(36,457)	(39,702)
Exceptional Income - post-tax	2,186				
<b>Profit After Tax</b>	<b>122,272</b>	<b>113,722</b>	<b>109,318</b>	<b>122,052</b>	<b>132,915</b>
Minority Interests	(81)	(222)	(532)	(532)	(532)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>122,191</b>	<b>113,500</b>	<b>108,786</b>	<b>121,520</b>	<b>132,383</b>
Recurring Net Profit	120,005	113,500	108,786	121,520	132,383
<b>Fully Diluted Recurring Net Profit</b>	<b>120,005</b>	<b>113,500</b>	<b>108,786</b>	<b>121,520</b>	<b>132,383</b>

Cash Flow

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
<b>EBITDA</b>	<b>164,656</b>	<b>168,936</b>	<b>168,013</b>	<b>178,422</b>	<b>191,889</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(36,488)	(14,556)	7,704	(477)	(9,051)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(81)	(222)	(532)	(532)	(532)
Other Operating Cashflow					
Net Interest (Paid)/Received					
Tax Paid	(25,686)	(30,218)	(34,496)	(36,457)	(39,702)
<b>Cashflow From Operations</b>	<b>102,401</b>	<b>123,940</b>	<b>140,689</b>	<b>140,956</b>	<b>142,604</b>
Capex	(20,153)	(14,834)	(9,000)	(9,000)	(9,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(204,342)	(69,231)	23,190	27,717	31,009
<b>Cash Flow From Investing</b>	<b>(224,495)</b>	<b>(84,065)</b>	<b>14,190</b>	<b>18,717</b>	<b>22,009</b>
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased			(144,960)		
Dividends Paid	(5,467)	(32,814)	(5,231)	(97,216)	(105,906)
Preferred Dividends					
Other Financing Cashflow	52,053	(28,067)	(12,369)	(12,500)	(12,500)
<b>Cash Flow From Financing</b>	<b>46,586</b>	<b>(60,881)</b>	<b>(162,560)</b>	<b>(109,716)</b>	<b>(118,406)</b>
Total Cash Generated	(75,508)	(21,006)	(7,681)	49,957	46,207
<b>Free Cashflow To Equity</b>	<b>82,248</b>	<b>109,106</b>	<b>131,689</b>	<b>131,956</b>	<b>133,604</b>
<b>Free Cashflow To Firm</b>	<b>(122,094)</b>	<b>39,875</b>	<b>154,879</b>	<b>159,673</b>	<b>164,613</b>

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	345,491	401,112	393,431	443,388	489,595
Total Debtors	176,028	186,865	180,110	182,361	196,124
Inventories	1,334	1,188	1,188	1,188	1,188
Total Other Current Assets	97,899	71,931	71,931	71,931	71,931
<b>Total Current Assets</b>	<b>620,752</b>	<b>661,096</b>	<b>646,660</b>	<b>698,867</b>	<b>758,838</b>
Fixed Assets	109,495	107,209	81,190	55,060	26,279
Total Investments	30,738	28,722	28,722	28,722	28,722
Intangible Assets	286,416	346,530	346,530	346,530	346,530
Total Other Non-Current Assets	27,653	27,780	27,780	27,780	27,780
<b>Total Non-current Assets</b>	<b>454,302</b>	<b>510,241</b>	<b>484,222</b>	<b>458,092</b>	<b>429,311</b>
Short-term Debt	95,233	88,821	88,821	88,821	88,821
Current Portion of Long-Term Debt					
Total Creditors	62,522	59,723	60,672	62,446	67,159
Other Current Liabilities	150,574	119,209	119,209	119,209	119,209
<b>Total Current Liabilities</b>	<b>308,329</b>	<b>267,753</b>	<b>268,702</b>	<b>270,476</b>	<b>275,189</b>
Total Long-term Debt	56,463	61,272	61,272	61,272	61,272
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	55,717	65,044	65,044	65,044	65,044
<b>Total Non-current Liabilities</b>	<b>112,180</b>	<b>126,316</b>	<b>126,316</b>	<b>126,316</b>	<b>126,316</b>
Total Provisions					
<b>Total Liabilities</b>	<b>420,509</b>	<b>394,069</b>	<b>395,018</b>	<b>396,792</b>	<b>401,505</b>
Shareholders Equity	654,030	776,679	735,275	759,579	786,055
Minority Interests	515	589	589	589	589
<b>Total Equity</b>	<b>654,545</b>	<b>777,268</b>	<b>735,864</b>	<b>760,168</b>	<b>786,644</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	27.7%	14.4%	(0.7%)	2.9%	7.5%
Operating EBITDA Growth	11.4%	2.6%	(0.5%)	6.2%	7.5%
Operating EBITDA Margin	20.8%	18.7%	18.7%	19.3%	19.3%
Net Cash Per Share (Rs)	32.59	42.85	42.69	52.06	60.74
BVPS (Rs)	119.35	141.59	138.03	142.59	147.56
Gross Interest Cover	25.12	13.41	10.75	11.46	12.33
Effective Tax Rate	19.4%	23.0%	24.0%	23.0%	23.0%
Net Dividend Payout Ratio	27.4%	4.8%	4.8%	80.0%	80.0%
Accounts Receivables Days	68.63	73.19	74.56	71.56	69.47
Inventory Days	0.83	0.75	0.73	0.72	0.66
Accounts Payables Days	40.57	36.47	37.02	37.11	36.21
ROIC (%)	37.2%	21.4%	18.0%	20.9%	23.6%
ROCE (%)	14.8%	11.8%	11.0%	12.1%	12.6%
Return On Average Assets	12.0%	9.7%	9.1%	10.1%	10.6%

SOURCE: INCRED RESEARCH, COMPANY REPORTS



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