



India

REDUCE (previously HOLD)

Consensus ratings*: Buy 12 Hold 15 Sell 18

Current price: Rs248
 Target price: Rs233
 Previous target: Rs233
 Up/downside: -6.0%
 InCred Research / Consensus: -15.3%

Reuters: WIPR.NS
 Bloomberg: WPRO IN
 Market cap: US\$30,267m
 Rs2,593,465m
 Average daily turnover: US\$46.9m
 Rs4015.2m
 Current shares o/s: 10,529.8m
 Free float: 27.0%

*Source: Bloomberg

Key changes in this note

- Expect -0.5% US\$ revenue CAGR over FY25-27F.
- Expect 2.3% EBIT CAGR over FY25-27F.
- Expect 2% PAT CAGR over FY25-27F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(6.2)	(14.0)	10.5
Relative (%)	(9.7)	(14.5)	4.6

Major shareholders	% held
Foreign Institutions	8.4
Mutual Funds	4.1
LIC	2.7

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Wipro**Weak print**

- Weak 1QFY26F revenue guidance likely reflects the severity of uncertainty.
- Commentary suggests the situation is different from the Covid-19 pandemic. Recovery could be different too vs. V-shaped seen during the pandemic.
- Trim revenue estimates and downgrade the rating to REDUCE (from HOLD).

4QFY25 earnings summary

Wipro's 4QFY25 revenue at US\$2,597m (down 0.8%/1.2% qoq/yoy) was below consensus/InCred estimate (flat qoq) while IT services' EBIT margin at 17.5% was largely in line. Commentary was weak, with Wipro witnessing 1) uncertainty across both the US & Europe geography with most verticals impacted either directly or indirectly, 2) slowdown in large transformation projects (a large critical SAP program was paused) and discretionary spending, and 3) several instances of a drop in volume either due to delay in initiation or ramp-down of the program. Interestingly, Wipro alluded that the situation now is different from what it was during the Covid-19 pandemic (when clients were worried about stoppage of business) and implies that spending recovery could be different too vs. V-shaped seen then. Finally, FY26F revenue could decline by ~3% yoy even if we assume mid-point of 1QFY26F constant currency (CC) guidance (-1.5% to -3.5%) & a flattish trend in next three.

Large-deal LTM bookings growth better but not so for total bookings

Management commentary of a strong momentum in large-deal TCV is reflected in the LTM growth (17.4% yoy). However, LTM total TCV bookings trajectory remains weak (-4% in 4QFY25 vs. -9.7%/-11.1%/-8.5% in 3Q/2Q/1QFY25, respectively) led by weakness in 'other than large' TCV bookings (-13.4%/-16.7%/-17.2%/-16.1%). Client mining was weak too, with a material transition seen across US\$100m+ and other large buckets (Fig. 2).

Expects to maintain margin in a narrow band

IT services' EBIT margin at 17.5% was flat qoq and up 110bp yoy as S&M leverage (~50bp) was offset by higher G&A while the cost of revenue was flat qoq. The consolidated margin was flat qoq as lower sub-contractor costs (+50bp qoq) were largely offset by higher lifetime expected credit loss. The company expects to operate in a narrow band driven by utilization improvement, fixed-price productivity, G&A rationalization, and operating efficiency partly offset by pricing pressure in large cost takeout/vendor consolidation-driven deals.

Downgrade rating to REDUCE driven by earnings revision

We now model -0.5% US\$ revenue CAGR over FY25-27F and 2% PAT (Rs) CAGR driven by weak 1QFY26F guidance and weak execution. We shift our valuation methodology to P/E (vs. PE/G earlier) and value Wipro at 18x (~20% discount to Tata Consultancy Services' multiple; implied 18.5x earlier) FY27F EPS to arrive at our target price of Rs233 (unchanged). Upside risks: Accelerated smaller deal velocity & better order book execution and large dividend payout/corporate action.

Financial Summary	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	904,876	897,603	890,884	883,835	918,031
Operating EBITDA (Rsm)	168,936	169,830	180,818	182,070	188,196
Net Profit (Rsm)	113,500	110,452	131,354	131,520	136,725
Core EPS (Rs)	20.7	13.8	12.5	12.5	13.0
Core EPS Growth	(3.8%)	(33.2%)	(9.5%)	0.1%	4.0%
FD Core P/E (x)	11.96	17.90	19.78	19.76	19.01
DPS (Rs)	1.0	1.0	10.0	10.0	10.4
Dividend Yield	0.40%	0.40%	4.04%	4.05%	4.21%
EV/EBITDA (x)	6.65	10.16	12.73	12.39	11.75
P/FCFE (x)	12.44	12.27	20.75	19.75	19.92
Net Gearing	(30.2%)	(33.8%)	(38.3%)	(43.1%)	(47.1%)
P/BV (x)	1.75	3.48	3.37	3.26	3.15
ROE	15.9%	14.5%	17.3%	16.8%	16.8%
% Change In Core EPS Estimates			(44.79%)	(50.16%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Quarterly performance

Y/E Mar (Rs m)	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	4QFY25F	Var. (%)
Revenue (US\$ m)	2,597	2,657	(2.3)	2,629	(1.2)	2,619	(0.9)
Revenue (Rs m)	2,25,042	2,22,083	1.3	2,23,188	0.8	2,27,675	(1.2)
USD-Rs realization	86.4	83.1	4.0	84.8	2.0	86.6	(0.2)
EBITDA	46,080	43,906	5.0	45,321	1.7	46,673	(1.3)
EBITDA margin (%)	20.5	19.8	71 bp	20.3	17 bp	20.5	(2 bp)
EBIT	38,863	35,501	9.5	38,556	0.8	39,843	(2.5)
EBIT margin (%)	17.3	16.0	128 bp	17.3	(1 bp)	17.5	(23 bp)
Depreciation	7,217	8,405	(14.1)	6,765	6.7	6,830	5.7
Net other income	8,276	3,323	149.1	5,977	38.5	6,131	35.0
PBT	47,139	38,824	21.4	44,533	5.9	45,974	2.5
Provision for tax	11,549	10,040	15.0	10,866	6.3	11,218	3.0
% tax rate	24.5	25.9	(136 bp)	24.4	10 bp	24.4	10 bp
Net profit	35,696	28,346	25.9	33,543	6.4	34,632	3.1
EPS (Rs)	3.4	2.7	25.9	3.2	6.4	3.3	3.1

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Key conference-call takeaways

- **Guidance:** Wipro expects IT services revenue to decline by 1.5% to 3.5% qoq in 1QFY26F. Upper/lower end of the guidance assumes an improvement/worsening of the demand environment.
- **Demand commentary:** Clients are cautious and are taking a measured approach going ahead, especially on large transformation programs and discretionary spending.
- **Vertical-wise commentary**
 - Most verticals are impacted by economic uncertainty either directly or indirectly. Some verticals such as consumer, manufacturing (specifically automotive and industrial) are witnessing a higher impact than the others.
 - Seeing good traction in the FSI vertical in the US and APMEA while there are headwinds in Europe.
 - Asset and wealth management customers are looking to leverage AI powered solutions.
 - The insurance vertical is witnessing platform digitization while the payments industry is looking at AI-infused industry solutions.
- **Geography-wise commentary**
 - Witnessing the impact of economic uncertainty, both in the US and Europe.
 - The weakness in Europe could continue in 1QFY26F and Wipro expects to build momentum from 2QFY26F led by a strong pipeline of deals.
 - Europe business margin impacted due to ramp-down in non-Capco portfolio.
- Witnessing traction in Capco, both in revenue and order book terms. Grew 6.5% qoq and 11.5% yoy.
- 4QFY25 large deals, such as Phoenix, could aid 2HFY26F revenue.

Figure 2: Operating metric trends

Operating trends	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
IT services revenue (US\$m)	2,756	2,817	2,821	2,840	2,779	2,713	2,656	2,657	2,626	2,660	2,629	2,597
Growth YoY (%)	14.1	9.2	6.9	4.3	0.8	-3.7	-5.9	-6.4	-5.5	-2.0	-1.0	-2.3
Growth QoQ (%)	1.3	2.2	0.1	0.6	-2.1	-2.3	-2.1	0.0	-1.2	1.3	-1.2	-1.2
CC growth YoY (%)	17.2	12.9	10.4	6.5	1.1	-4.8	-6.9	-6.6	-4.9	-2.3	-0.7	-1.2
CC growth QoQ (%)	2.1	4.1	0.6	-0.6	-2.8	-2.0	-1.7	-0.3	-1.0	0.6	0.1	-0.8
Revenue (Rsm)	2,15,286	2,25,397	2,32,290	2,31,903	2,28,310	2,25,159	2,22,051	2,22,083	2,19,638	2,23,016	2,23,188	2,25,042
Growth YoY (%)	17.9	14.6	14.4	11.2	6.0	-0.1	-4.4	-4.2	-3.8	-1.0	0.5	1.3
Growth QoQ (%)	3.2	4.7	3.1	-0.2	-1.5	-1.4	-1.4	0.0	-1.1	1.5	0.1	0.8
IT services EBIT margin (%)	14.9	15.1	16.3	16.3	16.0	16.1	16.0	16.4	16.5	16.8	17.5	17.5
US\$-INR realized rate	77.2	79.4	81.7	81.6	81.9	82.5	83.4	83.1	83.4	83.4	84.8	86.4
Headcount	2,62,049	2,62,626	2,62,109	2,58,570	2,49,758	2,44,707	2,40,234	2,34,054	2,34,391	2,33,889	2,32,732	2,33,346
Utilization ex-trainees (%)	83.8	79.8	79.7	81.7	83.7	84.5	84.0	86.9	87.7	86.4	83.5	84.6
LTM attrition (%)	23.0	22.9	21.2	19.4	17.3	15.5	14.2	14.2	14.1	14.5	15.3	15.0
Vertical (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFSI	35.5	35.3	35.0	34.4	33.9	33.6	32.7	33.5	34.0	34.8	34.1	34.2
Health	11.4	11.4	11.9	12.1	12.2	12.7	13.9	14.1	13.9	13.6	14.7	14.4
Energy, Resources & Utilities	11.1	11.2	11.4	12.2	12.0	11.6	11.8	11.9	11.2	10.8	-	-
Communications	4.9	4.8	4.6	4.5	4.6	4.3	4.0	3.8	3.8	NA	-	-
Consumer	18.6	19.0	19.0	18.9	18.7	18.7	18.8	18.7	19.2	19.2	19.0	18.9
Manufacturing and Technology	18.4	18.4	18.1	17.9	18.6	19.1	18.8	18.0	17.9	NA	-	-
Vertical (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFSI	978	995	987	977	942	912	869	890	893	926	897	888
Health	314	321	336	344	339	345	369	375	365	362	386	374
Energy, Resources & Utilities	306	316	322	346	333	315	313	316	294	287	-	-
Communications	135	135	130	128	128	117	106	101	100	-	-	-
Consumer	513	535	536	537	520	507	499	497	504	511	500	491
Manufacturing and Technology	507	518	511	508	517	518	499	478	470	-	-	-
Vertical yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFSI	21.3	10.8	6.3	1.4	-3.7	-8.3	-12.0	-8.9	-5.2	1.5	3.2	-0.3
Health	9.4	6.4	7.8	9.8	7.9	7.3	10.0	9.1	7.7	5.0	4.7	-0.2
Energy, Resources & Utilities	-3.3	-0.6	4.1	10.7	9.0	-0.3	-2.6	-8.7	-11.8	-8.7	NA	NA
Communications	9.7	4.8	-1.7	-2.2	-5.4	-13.7	-18.1	-21.0	-21.9	NM	NA	NA
Consumer	22.7	19.9	14.7	10.2	1.4	-5.2	-6.8	-7.4	-3.0	0.7	0.0	-1.2
Manufacturing and Technology	9.4	6.3	4.0	-1.2	1.9	-0.0	-2.2	-5.9	-9.0	NM	NA	NA
Vertical qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFSI	1.5	1.6	-0.7	-1.1	-3.6	-3.2	-4.7	2.5	0.3	3.7	-3.2	-1.0
Health	0.4	2.2	4.5	2.3	-1.3	1.7	7.1	1.5	-2.6	-0.9	6.8	-3.3
Energy, Resources & Utilities	-2.3	3.1	1.9	7.7	-3.8	-5.6	-0.4	0.9	-7.0	-2.3	NM	NA
Communications	3.4	0.1	-4.0	-1.5	0.0	-8.7	-8.9	-5.0	-1.2	NM	NA	NA
Consumer	5.2	4.4	0.1	0.1	-3.2	-2.3	-1.6	-0.5	1.5	1.3	-2.2	-1.8
Manufacturing and Technology	-1.4	2.2	-1.5	-0.5	1.7	0.3	-3.6	-4.2	-1.7	NM	NA	NA
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFSI	15	16	-7	-11	-35	-30	-43	22	3	33	-29	-9
Health	1	7	15	8	-5	6	25	5	-10	-3	25	-13
Energy, Resources & Utilities	-7	10	6	25	-13	-19	-1	3	-22	-7	NM	NA
Communications	4	0	-5	-2	0	-11	-10	-5	-1	NM	NA	NA
Consumer	25	23	1	1	-17	-12	-8	-2	7	7	-11	-9
Manufacturing and Technology	-7	11	-8	-2	9	1	-19	-21	-8	NM	NA	NA
Geography (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Americas 1	28.7	28.8	29.1	28.5	28.8	29.8	31.0	30.4	30.9	30.8	32.3	32.8
Americas 2	31.1	31.1	30.6	30.5	30.0	29.9	30.0	30.7	30.8	30.6	30.6	30.6
Europe	28.2	28.0	28.8	29.3	29.5	28.6	27.7	27.8	27.6	27.9	26.7	26.1
APMEA	12.0	12.1	11.5	11.7	11.7	11.7	11.3	11.1	10.7	10.7	10.4	10.5
Geography (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Americas 1	791	811	821	809	800	809	823	808	811	819	849	852
Americas 2	857	876	863	866	834	811	797	816	809	814	805	795
Europe	777	789	813	832	820	776	736	739	725	742	702	678
APMEA	331	341	324	332	325	317	300	295	281	285	273	273
Geography yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Americas 1	18.7	14.4	10.3	5.1	1.2	-0.4	0.3	-0.2	1.4	1.3	3.1	5.4
Americas 2	16.4	11.0	7.6	2.6	-2.8	-7.4	-7.7	-5.8	-3.0	0.3	1.0	-2.6
Europe	6.6	1.2	3.6	4.3	5.5	-1.6	-9.5	-11.2	-11.6	-4.4	-4.6	-8.3
APMEA	17.1	12.9	5.1	7.1	-1.7	-6.9	-7.5	-11.2	-13.6	-10.3	-8.9	-7.6
Geography qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Americas 1	2.7	2.6	1.2	-1.4	-1.1	1.0	1.8	-1.9	0.4	1.0	3.6	0.3
Americas 2	1.6	2.2	-1.5	0.3	-3.8	-2.7	-1.8	2.4	-0.9	0.6	-1.2	-1.2
Europe	-2.5	1.5	3.0	2.4	-1.5	-5.3	-5.2	0.4	-1.9	2.4	-5.4	-3.5
APMEA	6.6	3.1	-4.8	2.4	-2.1	-2.3	-5.5	-1.7	-4.7	1.3	-3.9	-0.3
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Americas 1	21	20	10	-12	-9	8	15	-16	4	8	30	2
Americas 2	13	19	-13	3	-32	-22	-14	19	-7	5	-9	-10
Europe	-20	12	24	19	-12	-44	-40	3	-14	17	-40	-24
APMEA	20	10	-16	8	-7	-8	-17	-5	-14	4	-11	-1

Client (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Top	3.2	3.2	3.2	3.2	3.1	3.0	3.0	3.8	4.0	4.1	4.5	4.4
Top 2-5	9.7	9.8	10.1	9.3	9.4	9.3	9.1	9.6	9.6	9.9	9.8	10.1
Top 6-10	7.9	7.8	7.9	7.7	8.0	8.3	8.4	8.6	8.9	8.9	9.4	9.7
Others	79.2	79.2	78.8	79.8	79.5	79.4	79.5	78.0	77.5	77.1	76.3	75.8
Client yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Top	17.8	12.7	6.9	4.3	-2.3	-9.7	-11.7	11.1	21.9	34.0	48.5	13.1
Top 2-5	23.0	13.8	13.6	0.0	-2.3	-8.6	-15.2	-3.4	-3.5	4.4	6.6	2.8
Top 6-10	17.1	12.1	12.6	5.7	2.1	2.5	0.1	4.5	5.1	5.1	10.8	10.2
Others	12.7	8.2	5.5	4.7	1.2	-3.5	-5.0	-8.5	-7.9	-4.8	-5.0	-5.0
Client qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Top	1.3	2.2	0.1	0.6	-5.2	-5.5	-2.1	26.7	4.0	3.8	8.5	-3.4
Top 2-5	1.3	3.3	3.2	-7.3	-1.1	-3.4	-4.2	5.5	-1.2	4.5	-2.2	1.8
Top 6-10	5.3	0.9	1.4	-1.9	1.7	1.3	-0.9	2.4	2.3	1.3	4.4	1.9
Others	0.9	2.2	-0.4	1.9	-2.5	-2.5	-2.0	-1.8	-1.8	0.8	-2.2	-1.9
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Top	1	2	0	1	-5	-5	-2	21	4	4	9	-4
Top 2-5	3	9	9	-21	-3	-9	-11	13	-3	11	-6	5
Top 6-10	11	2	3	-4	4	3	-2	5	5	3	10	5
Others	19	49	-8	43	-57	-55	-43	-39	-38	16	-45	-38
Client metrics	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
No. of active clients	1,475	1,514	1,530	1,479	1,444	1,393	1,349	1,371	1,364	1,342	1,299	1,282
Revenue per active client	7.3	7.2	7.3	7.6	7.8	8.0	8.1	7.9	7.8	7.9	8.1	8.2
Number of new customers	164	128	80	63	65	49	55	60	43	28	63	63
Customer attrition	58	89	64	114	100	100	99	38	50	50	106	80
100m+	20	19	19	19	21	22	22	22	22	21	18	17
75m+	10	10	10	10	7	6	9	10	7	9	12	11
50m+	20	23	23	24	23	23	15	13	14	12	12	16
20m+	70	70	67	64	72	71	75	71	74	75	72	67
10m+	76	77	85	93	84	85	82	89	75	69	73	70
1m+	523	546	551	556	562	567	547	536	543	547	535	535
Per employee analysis	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Revenue (US\$ m) - TTM	10,698	10,935	11,117	11,234	11,257	11,153	10,987	10,805	10,653	10,600	10,573	10,512
Employees (average TTM)	2,39,553	2,49,869	2,57,478	2,61,339	2,58,266	2,53,786	2,48,317	2,42,188	2,38,347	2,35,642	2,33,767	2,33,590
Revenue per employee (TTM)	44,656	43,763	43,175	42,988	43,586	43,945	44,247	44,615	44,694	44,981	45,227	45,000

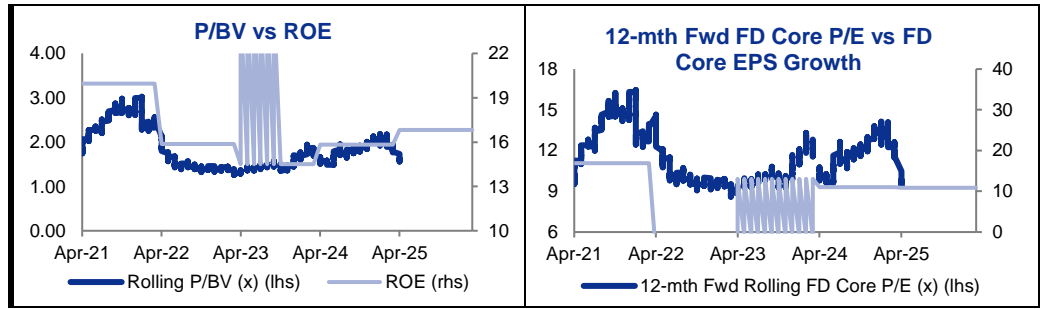
SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 3: Change in InCred estimates

Y/E Mar (Rs m)	FY26F			FY27F
	New	Old	% change	New
US\$ IT services revenue	10,246	10,987	-6.7	10,402
Revenue	8,83,835	9,48,589	-6.8	9,18,031
EBIT	1,52,903	1,61,260	-5.2	1,58,360
EBIT Margin (%)	17.3	17.0	30 bp	17.3
PAT	1,31,520	1,31,640	-0.1	1,36,725
EPS	12.5	12.6	-0.3	13.0

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Net Revenues	904,876	897,603	890,884	883,835	918,031
Gross Profit	293,232	300,177	302,661	302,272	312,131
Operating EBITDA	168,936	169,830	180,818	182,070	188,196
Depreciation And Amortisation	(33,802)	(34,071)	(29,579)	(29,167)	(29,836)
Operating EBIT	135,134	135,759	151,239	152,903	158,360
Financial Income/(Expense)	6,815	6,929	14,739	13,215	14,309
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	5,765	4,755	8,725	8,838	9,180
Profit Before Tax (pre-EI)	147,714	147,443	174,703	174,957	181,850
Exceptional Items					
Pre-tax Profit	147,714	147,443	174,703	174,957	181,850
Taxation	(33,992)	(36,089)	(42,777)	(42,864)	(44,553)
Exceptional Income - post-tax					
Profit After Tax	113,722	111,354	131,926	132,092	137,297
Minority Interests	(222)	(902)	(572)	(572)	(572)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	113,500	110,452	131,354	131,520	136,725
Recurring Net Profit	113,500	110,452	131,354	131,520	136,725
Fully Diluted Recurring Net Profit	113,500	110,452	131,354	131,520	136,725

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
EBITDA	168,936	169,830	180,818	182,070	188,196
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(14,556)	18,051	(3,760)	949	(4,603)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(222)	(902)	(572)	(572)	(572)
Other Operating Cashflow					
Net Interest (Paid)/Received					
Tax Paid	(30,218)	(15,360)	(42,777)	(42,864)	(44,553)
Cashflow From Operations	123,940	171,619	133,709	139,583	138,468
Capex	(14,834)	(10,510)	(8,500)	(8,000)	(8,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(69,231)	22,190	38,234	37,121	38,557
Cash Flow From Investing	(84,065)	11,680	29,734	29,121	30,557
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased		(145,173)			
Dividends Paid	(32,814)	(5,218)	(105,083)	(105,216)	(109,380)
Preferred Dividends					
Other Financing Cashflow	(28,067)	(32,176)	(14,770)	(15,068)	(15,068)
Cash Flow From Financing	(60,881)	(182,567)	(119,853)	(120,284)	(124,448)
Total Cash Generated	(21,006)	732	43,590	48,419	44,578
Free Cashflow To Equity	109,106	161,109	125,209	131,583	130,468
Free Cashflow To Firm	39,875	183,299	163,443	168,704	169,025

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	401,112	408,124	451,714	500,133	544,711
Total Debtors	186,865	173,822	178,177	176,767	183,606
Inventories	1,188	907	907	907	907
Total Other Current Assets	71,931	67,809	67,809	67,809	67,809
Total Current Assets	661,096	650,662	698,607	745,616	797,033
Fixed Assets	107,209	99,317	78,238	57,071	35,235
Total Investments	28,722	32,293	32,293	32,293	32,293
Intangible Assets	346,530	344,197	344,197	344,197	344,197
Total Other Non-Current Assets	27,780	21,437	21,437	21,437	21,437
Total Non-current Assets	510,241	497,244	476,165	454,998	433,162
Short-term Debt	88,821	79,166	79,166	79,166	79,166
Current Portion of Long-Term Debt					
Total Creditors	59,723	57,655	58,250	57,789	60,025
Other Current Liabilities	119,209	115,637	115,637	115,637	115,637
Total Current Liabilities	267,753	252,458	253,053	252,592	254,828
Total Long-term Debt	61,272	62,300	62,300	62,300	62,300
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	65,044	86,478	86,478	86,478	86,478
Total Non-current Liabilities	126,316	148,778	148,778	148,778	148,778
Total Provisions					
Total Liabilities	394,069	401,236	401,831	401,370	403,606
Shareholders Equity	776,679	745,330	771,601	797,905	825,250
Minority Interests	589	1,340	1,340	1,340	1,340
Total Equity	777,268	746,670	772,941	799,245	826,590

Key Ratios

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue Growth	14.4%	(0.8%)	(0.7%)	(0.8%)	3.9%
Operating EBITDA Growth	2.6%	0.5%	6.5%	0.7%	3.4%
Operating EBITDA Margin	18.7%	18.9%	20.3%	20.6%	20.5%
Net Cash Per Share (Rs)	42.85	24.11	28.23	32.85	37.09
BVPS (Rs)	141.59	71.10	73.52	76.03	78.64
Gross Interest Cover	13.41	10.82	10.24	10.15	10.51
Effective Tax Rate	23.0%	24.5%	24.5%	24.5%	24.5%
Net Dividend Payout Ratio	4.8%	9.5%	80.0%	80.0%	80.0%
Accounts Receivables Days	73.19	73.33	72.11	73.29	71.64
Inventory Days	0.75	0.64	0.56	0.57	0.55
Accounts Payables Days	36.47	35.86	35.96	36.41	35.49
ROIC (%)	21.4%	18.2%	21.4%	22.3%	24.2%
ROCE (%)	11.8%	11.1%	12.5%	12.3%	12.3%
Return On Average Assets	9.7%	9.2%	10.4%	10.3%	10.4%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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Recommendation Framework

Stock Ratings

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.

Sector Ratings

Definition:

- 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.

Country Ratings

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.