

## India

## ADD (no change)

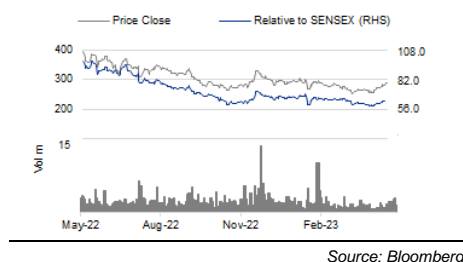
Consensus ratings\*: Buy 9 Hold 3 Sell 0

Current price: Rs288  
 Target price: ▲ Rs318  
 Previous target: Rs303  
 Up/downside: 10.4%  
 InCred Research / Consensus: -11.9%

Reuters:  
 Bloomberg: BSOFT IN  
 Market cap: US\$1,089m  
 Rs79,094m  
 Average daily turnover: US\$9.1m  
 Rs662.5m  
 Current shares o/s: 279.0m  
 Free float: 59.0%  
 \*Source: Bloomberg

## Key changes in this note

- Expect 6.2% US\$ revenue CAGR over FY23-25F.
- Expect 27.6% EBIT CAGR over FY23-25F.
- Expect 32.9% PAT CAGR over FY23-25F.



Price performance	1M	3M	12M
Absolute (%)	8.2	(0.2)	(25.6)
Relative (%)	4.8	(1.7)	(34.4)

Major shareholders	% held
Axis Small Cap fund	5.5
ICICI Prudential Small Cap Fund	4.4
Aditya Birla Sunlife Digital India	3.0

## Analyst(s)



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## Birlasoft

## Slow and steady in the right direction

- 4QFY23 revenue growth was better than feared while EBIT margin was in line.
- Management believes new organization structure could drive better synergy, higher efficiency, and deeper customer engagement.
- Retain ADD rating with a higher target price of Rs318 vs. Rs303 earlier.

## 4QFY23 earnings summary

Birlasoft's (BSOFT) 4QFY23 constant currency (CC) adjusted revenue (ex-Invacare) was above estimate (up 3.1% qoq in CC terms) while the EBITDA margin was in line. Deal wins were encouraging while management commentary suggests organizational restructuring with a sharpened focus on 1) vertical-led go-to-market strategy, 2) four service offerings (Digital & Cloud, Data & Analytics, Enterprise Resource Planning or ERP and Infrastructure), and 3) the cultural transformation is largely complete. Together, this could drive better synergy, higher efficiency, and deeper customer engagement and help in sustainable growth recovery. However, we believe that growth recovery could be taxing this time given the lack of sectoral tailwinds witnessed post Covid-19 pandemic and hence, model a modest 6.2% revenue growth CAGR over FY23-FY25F.

## Strong TCV wins for the second consecutive quarter

New deal TCV at US\$114m was up 11.8% qoq but down 8.8% yoy. TCV wins, including renewals, at US\$286m were up by a healthy 23.8% qoq and 28.8% yoy. LTM TCV, including renewals, stood at US\$868m vs. US\$804m in 3QFY23 and US\$697m in 4QFY22. Birlasoft won one US\$50m+ deal with 60% renewal and 40% new component. Although the deal pipeline and win commentary were encouraging, management highlighted that ramp-up delay remains a key monitorable.

## Retains medium-term target of 15% EBITDA margin

4QFY23 EBIT margin at 11.9% (in line with our estimate) was up 70bp qoq vs. adjusted EBIT margin of 11.2% in 3QFY23. Investments in leadership, capabilities, services offerings and the go-to-market strategy driven by organization restructuring and wage hike (in 2QFY24F) are key margin headwinds in FY24F while growth leverage, gains from operational efficiency, tail account rationalization and moderation in wage inflation are key tailwinds. We expect an average 12.4% EBIT margin over FY24F-25F.

## Retain ADD rating with a higher target price of Rs318

We expect 6.2% US\$ revenue CAGR over FY23-25F and retain ADD rating on Birlasoft with a higher target price of Rs318 (Rs303 earlier) as we incorporate 4QFY23 earnings and despite retaining our target PE/G multiple of ~1x FY25F PAT growth (provision of Rs1.5bn in 3QFY23 distorts FY23-FY25F EPS CAGR). Strong cash generation, net cash of Rs37 per share, healthy payout ratio and relative low valuation provides cushion, in our view. Client-specific issues and weak execution are key downside risks.

Financial Summary	Mar-21A	Mar-22A	Mar-23A	Mar-24F	Mar-25F
Revenue (Rsm)	35,557	41,304	47,948	51,692	56,343
Operating EBITDA (Rsm)	5,292	6,401	5,205	7,150	8,057
Net Profit (Rsm)	3,208	4,638	3,316	5,091	5,854
Core EPS (Rs)	11.5	16.4	11.8	18.2	21.0
Core EPS Growth	41.7%	42.5%	(27.8%)	54.4%	15.0%
FD Core P/E (x)	25.04	17.57	24.35	15.77	13.71
DPS (Rs)	3.5	4.5	3.5	5.0	6.0
Dividend Yield	1.22%	1.56%	1.22%	1.74%	2.09%
EV/EBITDA (x)	13.30	11.05	13.64	9.43	7.86
P/FCFE (x)	15.07	57.53	32.37	20.40	15.66
Net Gearing	(45.8%)	(41.7%)	(39.9%)	(45.6%)	(52.4%)
P/BV (x)	3.72	3.17	3.30	2.85	2.48
ROE	15.8%	19.5%	13.2%	19.3%	19.3%
% Change In Core EPS Estimates				0.15%	0.56%
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 1: Quarterly performance**

YE Mar (Rs m)	4QFY23	4QFY22	YoY (%)	3QFY23	QoQ (%)	4QFY23F	Var. (%)
Revenue (US\$ m)	149.1	146.4	1.8	148.4	0.5	147.1	1.4
Revenue (Rs m)	12,264	11,014	11.3	12,219	0.4	12,109	1.3
USD-INR realization	82.3	75.2	9.3	82.3	(0.1)	82.3	(0.1)
EBITDA	1,670	1,745	(4.3)	74	2168.8	1,659	0.6
EBITDA Margin (%)	13.6	15.8	(223 bp)	0.6	1301 bp	13.7	(9 bp)
EBIT	1,460	1,546	(5.5)	-136	(1170.7)	1,449	0.8
EBIT Margin (%)	11.9	14.0	(213 bp)	-1.1	1302 bp	12.0	(6 bp)
Depreciation	210	200	5.0	210	(0.2)	210	(0.2)
Net other income	-63	190	(133.0)	68	(192.3)	65	(195.9)
PBT	1,397	1,736	(19.5)	-68	(2145.4)	1,514	(7.7)
Provision for tax	276	407	(32.3)	95	189.1	382	(27.8)
% tax rate	19.7	23.4	(372 bp)	-139.5	15923 bp	25.2	(548 bp)
Net Profit	1,122	1,329	(15.6)	-165	(781.4)	1,133	(1.0)
EPS (Rs)	4.0	4.7	(15.6)	-0.6	(781.4)	4.1	(1.6)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## Key takeaways from earnings call

- US\$ revenue (ex-Invacare) at US\$149.1m (up 0.5% qoq and 1.8% yoy) was up 3.3% qoq and 6.4% yoy. CC revenue (ex-Invacare) was up 3.1% qoq in 4QFY23 and up 11.5% in FY23.
- 4QFY23 execution was driven by strong execution of deals. Management expects the growth momentum to continue but the rate of growth hinges on the on macroeconomic environment, which remains challenged.
- Management expect slow decision-making in the near term as the priority shifts to drive operational and cost improvement programs vs. transformational.
- Organization restructuring:** The organization has been restructured with vertical go-to-market strategy for better synergies, higher efficiencies, and deeper customer engagement. The North America geography would focus on manufacturing, BFSI, Energy & Utilities verticals with P&L being managed by respective leaders and reporting to the North America CEO. The European and RoW geographies have separate leaders with a mandate to expand footprint. The role of the chief growth officer would be to drive and create marketable solutions, strategic partnership, improve industry as well as advisory outreach and manage marketing functions. In terms of service lines, the focus would be on a) Digital & Cloud, b) Data & Analytics, c) ERP, and d) Infrastructure. Cultural transformation to focus growth mindset, customer centricity, decision-making, and employee centricity with an aim to reorient and optimize for greater accountability and agility. Overall, ~90% restructuring is complete with appointments for critical roles with others to be filled in the coming days.
- Better growth prospects in the BFSI vertical (20.5% of revenue), given no exposure to regional banks. Witnessing good traction in the payments and lending space. Winning share in vendor consolidation.
- Although the Manufacturing vertical (47.1%) could be soft in the near term, select green shoots are visible and could help recovery in a couple of quarters.
- Energy & Utilities vertical's (14.9%) growth is likely to be soft in the near term.
- Optimistic on Lifesciences vertical (17.6%) but on a wait-and-watch mode driven by the consolidation theme.
- Management has decided to consolidate all offerings of ERP business mix (35.8% of revenue) under one leader (Mr. Ravi Purohit – Global ERP Head). Management expects growth to recovery as the business has bottomed out.
- Management is aiming at 15% EBITDA margin in the medium term. Gains from operational efficiency would be offset by investments in strengthening leadership, service offerings and delivery. Wage hike would be a margin headwind in 2QFY24F.
- Client rationalizing exercise (288 active clients; down 13 over previous two quarters) to continue in the medium term.

- Awaiting clarity from auditors on the accounting of Invacare settlement (~US\$2m). Invacare revenue stood at ~US\$14m in 9MFY23. Invacare cost would not be part of P&L, starting 1 Jun 2023F.
- Birlasoft expects an effective tax rate of ~25% in FY24F.
- Employee count was down 2.7% qoq and 0.1% yoy at 12,193. LTM attrition was at 22.1% vs. 25.5% in 3QFY23. Utilization was up 80bp qoq at 84.8%.

Figure 2: Operating metrics trends

Operating trends	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Revenue (US\$ m)	123.3	128.4	136.9	143.4	146.4	148.6	148.8	148.4	149.1
Growth YoY (%)	-1.8	5.9	18.4	20.0	18.7	15.7	8.7	3.5	1.8
Growth QoQ (%)	3.2	4.1	6.6	4.7	2.1	1.5	0.1	-0.3	0.5
Revenue (INR m)	9,028.6	9,453.2	10,116.9	10,719.1	11,014.4	11,544.1	11,920.8	12,218.9	12,263.9
Growth YoY (%)	-0.5	3.4	18.0	21.7	22.0	22.1	17.8	14.0	11.3
Growth QoQ (%)	2.5	4.7	7.0	6.0	2.8	4.8	3.3	2.5	0.4
EBIT Margin (%)	14.9	14.0	13.1	13.4	14.0	13.0	13.1	-1.1	11.9
US\$-INR realized rate	73.2	73.6	73.9	74.7	75.2	77.7	80.1	82.3	82.3
Headcount	11,051	11,508	12,065	11,945	12,204	12,565	12,758	12,530	12,193
Utilization (%)	82.8	85.0	85.8	85.4	85.2	82.5	82.4	84.0	84.8
LTM Attrition (%)	NA	14.9	21.5	27.3	29.4	27.9	27.4	25.5	22.1
Vertical (%)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
BFSI	18.3	17.5	18.1	17.7	17.2	17.8	19.1	20.1	20.5
Energy & Utilities	14.8	14.9	14.3	14.8	15.1	14.3	14.1	13.9	14.9
Lifesciences	24.6	23.4	24.2	22.3	21.6	21.2	19.6	19.9	17.6
Manufacturing	42.3	44.2	43.4	45.2	46.1	46.7	47.2	46.1	47.1
Vertical (US\$ m)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
BFSI	22.6	22.5	24.8	25.4	25.2	26.5	28.4	29.8	30.6
Energy & Utilities	18.2	19.1	19.6	21.2	22.1	21.2	21.0	20.6	22.2
Lifesciences	30.3	30.0	33.1	32.0	31.6	31.5	29.2	29.5	26.2
Manufacturing	52.2	56.8	59.4	64.8	67.5	69.4	70.2	68.4	70.2
Vertical YoY (%)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
BFSI	5.1	6.5	14.6	13.6	11.6	17.7	14.7	17.5	21.4
Energy & Utilities	-14.5	1.8	12.2	20.0	21.1	11.1	7.2	-2.8	0.5
Lifesciences	-4.2	-13.9	19.4	9.7	4.3	4.9	-12.0	-7.7	-17.0
Manufacturing	2.3	21.9	21.5	28.8	29.4	22.3	18.2	5.5	4.1
Vertical QoQ (%)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
BFSI	1.0	-0.4	10.3	2.4	-0.8	5.0	7.4	5.0	2.5
Energy & Utilities	3.2	4.8	2.3	8.4	4.2	-3.9	-1.3	-1.7	7.7
Lifesciences	4.0	-0.9	10.3	-3.5	-1.1	-0.4	-7.4	1.3	-11.1
Manufacturing	3.7	8.8	4.7	9.1	4.1	2.8	1.2	-2.6	2.7
Incremental revenue (US\$ m)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
BFSI	0.2	-0.1	2.3	0.6	-0.2	1.3	2.0	1.4	0.7
Energy & Utilities	0.6	0.9	0.4	1.6	0.9	-0.9	-0.3	-0.4	1.6
Lifesciences	1.2	-0.3	3.1	-1.2	-0.4	-0.1	-2.3	0.4	-3.3
Manufacturing	1.8	4.6	2.7	5.4	2.7	1.9	0.8	-1.8	1.8
Geography (%)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Americas	79	80.7	82.2	82.9	82.2	84.9	84.1	83.7	85.3
Europe	12.5	11.8	10.5	10.7	11.2	9.2	9.6	10.3	9.0
ROW	8.5	7.5	7.3	6.4	6.6	5.9	6.3	6.0	5.7
Geography (US\$ m)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Americas	97.4	103.6	112.5	118.9	120.3	126.2	125.1	124.2	127.2
Europe	15.4	15.2	14.4	15.3	16.4	13.7	14.3	15.3	13.4
ROW	10.5	9.6	10.0	9.2	9.7	8.8	9.4	8.9	8.5
Geography YoY (%)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Americas	-5.0	14.6	26.3	27.0	23.5	21.8	11.2	4.5	5.7
Europe	41.0	-16.1	-6.5	-1.2	6.4	-9.8	-0.6	-0.4	-18.2
ROW	-14.0	-24.3	-9.9	-11.7	-7.8	-9.0	-6.2	-3.0	-12.0
Geography QoQ (%)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Americas	4.1	6.4	8.6	5.6	1.2	4.8	-0.8	-0.7	2.4
Europe	-0.8	-1.7	-5.1	6.7	6.9	-16.6	4.5	7.0	-12.2
ROW	0.8	-8.1	3.8	-8.2	5.3	-9.3	6.9	-5.0	-4.6
Incremental revenue (US\$ m)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Americas	3.8	6.2	8.9	6.3	1.5	5.8	-1.0	-0.9	3.0
Europe	-0.1	-0.3	-0.8	1.0	1.1	-2.7	0.6	1.0	-1.9
ROW	0.1	-0.9	0.4	-0.8	0.5	-0.9	0.6	-0.5	-0.4
Services (%)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Business technology & transformation	35.5	37.1	36.9	36.7	36.5	38.6	39.9	42.2	42.6
Enterprise solutions	44.7	43.1	41.0	41.6	40.9	40.2	37.7	35.1	35.8
Cloud & Base services	19.8	19.8	22.1	21.7	22.6	21.2	22.5	22.8	21.6
Services (US\$ m)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Business technology & transformation	43.8	47.6	50.5	52.6	53.4	57.4	59.4	62.6	63.5
Enterprise solutions	55.1	55.3	56.1	59.7	59.9	59.7	56.1	52.1	53.4
Cloud & Base services	24.4	25.4	30.3	31.1	33.1	31.5	33.5	33.8	32.2
Services YoY (%)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Business technology & transformation	NA	22.8	29.3	30.7	22.1	20.4	17.5	19.0	18.9
Enterprise solutions	NA	-5.3	-0.7	8.1	8.6	7.9	-0.1	-12.7	-10.9
Cloud & Base services	NA	5.9	51.3	29.6	35.5	23.9	10.7	8.7	-2.7
Services QoQ (%)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Business technology & transformation	8.7	8.8	6.0	4.2	1.5	7.3	3.5	5.5	1.4
Enterprise solutions	-0.2	0.4	1.4	6.3	0.4	-0.2	-6.1	-7.1	2.5
Cloud & Base services	1.6	4.1	19.0	2.9	6.3	-4.8	6.3	1.1	-4.8
Incremental revenue (US\$ m)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23

Business technology & transformation	3.5	3.9	2.9	2.1	0.8	3.9	2.0	3.3	0.9
Enterprise solutions	-0.1	0.2	0.8	3.5	0.2	-0.1	-3.6	-4.0	1.3
Cloud & Base services	0.4	1.0	4.8	0.9	2.0	-1.6	2.0	0.4	-1.6
<b>New deal wins (US\$ m)</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
Order intake	162	94	104	121	125	112	138	102	114
QoQ (%)	189.3	-42.0	10.6	16.3	3.3	-10.4	23.2	-26.1	11.8
YoY (%)	141.8	5.6	-13.3	116.1	-22.8	19.1	32.7	-15.7	-8.8
TTM order intake	427	432	416	481	444	462	496	477	466
<b>Clients (%)</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
Top 5	32.8	30.5	29.7	29.3	29.9	30.7	31.1	31.7	32.8
Top 6-10	12.3	13.9	15.5	16.2	15.8	16.3	16.1	16.2	15.9
Top 11-20	15.6	16.0	16.0	15.6	15.6	16.1	16.5	16.2	15.2
Non-top 20	39.3	39.6	38.8	38.9	38.7	36.9	36.3	35.9	36.1
<b>Clients (US\$ m)</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
Top 5	40.4	39.2	40.7	42.0	43.8	45.6	46.3	47.0	48.9
Top 6-10	15.2	17.8	21.2	23.2	23.1	24.2	24.0	24.0	23.7
Top 11-20	19.2	20.5	21.9	22.4	22.8	23.9	24.6	24.0	22.7
Non-top 20	48.5	50.8	53.1	55.8	56.7	54.8	54.0	53.3	53.8
<b>Clients YoY (%)</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
Top 5	14.6	5.6	10.3	6.9	8.2	16.5	13.8	12.0	11.7
Top 6-10	0.6	23.7	50.5	60.7	52.5	35.7	12.9	3.5	2.5
Top 11-20	16.0	27.4	31.6	27.3	18.7	16.5	12.1	7.5	-0.8
Non-top 20	-17.4	-5.1	10.7	15.8	16.9	7.8	1.7	-4.5	-5.0
<b>Clients QoQ (%)</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
Top 5	2.9	-3.2	3.8	3.3	4.2	4.2	1.4	1.7	4.0
Top 6-10	4.9	17.7	18.9	9.5	-0.4	4.7	-1.1	0.4	-1.4
Top 11-20	9.5	6.8	6.6	2.1	2.1	4.8	2.6	-2.1	-5.7
Non-top 20	0.6	4.9	4.5	5.0	1.6	-3.2	-1.5	-1.4	1.0
<b>Incremental revenue (US\$ m)</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
Top 5	1.1	-1.3	1.5	1.4	1.8	1.8	0.7	0.8	1.9
Top 6-10	0.7	2.7	3.4	2.0	-0.1	1.1	-0.3	0.1	-0.3
Top 11-20	1.7	1.3	1.4	0.5	0.5	1.1	0.6	-0.5	-1.4
Non-top 20	0.3	2.4	2.3	2.7	0.9	-1.8	-0.8	-0.7	0.5
<b>Client metrics</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
Active clients	291	291	280	285	296	300	301	299	288
Revenue per active client	1.65	1.67	1.81	1.87	1.88	1.92	1.95	1.98	2.07
US\$ 1 m+	76	77	76	77	80	82	76	83	83
US\$ 5 m+	22	22	20	21	25	25	27	24	26
US\$ 10 m+	9	10	12	12	13	13	14	13	13
<b>Per employee analysis</b>	<b>4QFY21</b>	<b>1QFY22</b>	<b>2QFY22</b>	<b>3QFY22</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>
Revenue (US\$ m) - TTM	479.6	486.8	508.1	532.0	555.1	575.3	587.2	592.2	594.9
Employees (average TTM)	10,342	10,742	11,256	11,642	11,931	12,195	12,368	12,514	12,512
Revenue per employee (TTM)	46,374	45,317	45,141	45,696	46,528	47,176	47,477	47,322	47,548

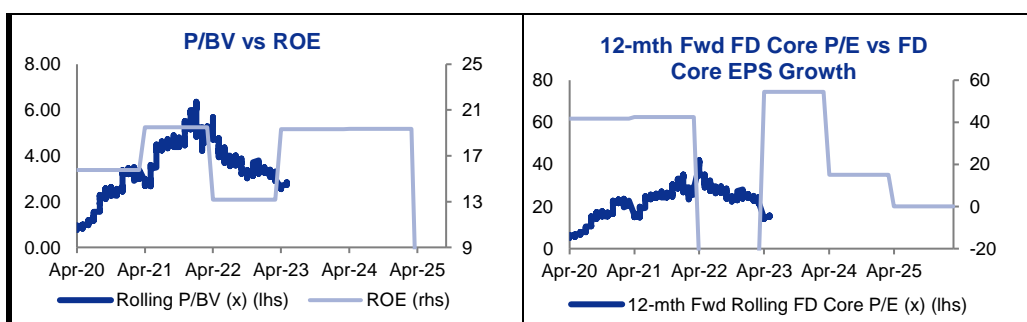
SOURCE: INCRED RESEARCH, COMPANY REPORTS

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

Y/E, Mar (Rs m)	FY24F			FY25F		
	New	Old	% change	New	Old	% change
US\$ revenue	623	621	0.3	671	664	1.0
Revenue	51,692	51,524	0.3	56,343	55,795	1.0
EBIT	6,267	6,497	-3.5	7,139	7,344	-2.8
EBIT Margin (%)	12.1	12.6	(49) bp	12.7	13.2	(49) bp
Net PAT	5,091	5,052	0.8	5,854	5,786	1.2
EPS (Rs)	18.2	18.2		21.0	20.9	1.2

SOURCE: COMPANY REPORTS, INCRED RESEARCH

## BY THE NUMBERS



### Profit & Loss

(Rs mn)	Mar-21A	Mar-22A	Mar-23A	Mar-24F	Mar-25F
<b>Total Net Revenues</b>	<b>35,557</b>	<b>41,304</b>	<b>47,948</b>	<b>51,692</b>	<b>56,343</b>
<b>Gross Profit</b>	<b>14,373</b>	<b>17,614</b>	<b>19,817</b>	<b>20,885</b>	<b>22,931</b>
<b>Operating EBITDA</b>	<b>5,292</b>	<b>6,401</b>	<b>5,205</b>	<b>7,150</b>	<b>8,057</b>
Depreciation And Amortisation	(804)	(765)	(823)	(883)	(918)
<b>Operating EBIT</b>	<b>4,489</b>	<b>5,636</b>	<b>4,382</b>	<b>6,267</b>	<b>7,139</b>
Financial Income/(Expense)	59	532	42	539	667
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)					
<b>Profit Before Tax (pre-EI)</b>	<b>4,548</b>	<b>6,168</b>	<b>4,424</b>	<b>6,806</b>	<b>7,806</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>4,548</b>	<b>6,168</b>	<b>4,424</b>	<b>6,806</b>	<b>7,806</b>
Taxation	(1,340)	(1,530)	(1,108)	(1,715)	(1,951)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>3,208</b>	<b>4,638</b>	<b>3,316</b>	<b>5,091</b>	<b>5,854</b>
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>3,208</b>	<b>4,638</b>	<b>3,316</b>	<b>5,091</b>	<b>5,854</b>
Recurring Net Profit	3,208	4,638	3,316	5,091	5,854
<b>Fully Diluted Recurring Net Profit</b>	<b>3,208</b>	<b>4,638</b>	<b>3,316</b>	<b>5,091</b>	<b>5,854</b>

### Cash Flow

(Rs mn)	Mar-21A	Mar-22A	Mar-23A	Mar-24F	Mar-25F
<b>EBITDA</b>	<b>5,292</b>	<b>6,401</b>	<b>5,205</b>	<b>7,150</b>	<b>8,057</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	845	(2,563)	(800)	(889)	(379)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	108				
Other Operating Cashflow					
Net Interest (Paid)/Received					
Tax Paid	(667)	(1,784)	(1,315)	(1,715)	(1,951)
<b>Cashflow From Operations</b>	<b>5,579</b>	<b>2,055</b>	<b>3,090</b>	<b>4,546</b>	<b>5,726</b>
Capex	(249)	(638)	(577)	(600)	(600)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(4,196)	(2,429)	3,094	698	825
<b>Cash Flow From Investing</b>	<b>(4,444)</b>	<b>(3,067)</b>	<b>2,517</b>	<b>98</b>	<b>225</b>
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(554)	(1,111)	(5,994)	(1,395)	(1,674)
Preferred Dividends					
Other Financing Cashflow	(415)	(357)	(368)	(159)	(159)
<b>Cash Flow From Financing</b>	<b>(969)</b>	<b>(1,467)</b>	<b>(6,362)</b>	<b>(1,554)</b>	<b>(1,833)</b>
Total Cash Generated	165	(2,479)	(755)	3,090	4,119
<b>Free Cashflow To Equity</b>	<b>5,330</b>	<b>1,416</b>	<b>2,512</b>	<b>3,946</b>	<b>5,126</b>
<b>Free Cashflow To Firm</b>	<b>1,134</b>	<b>(1,012)</b>	<b>5,607</b>	<b>4,644</b>	<b>5,952</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## BY THE NUMBERS...cont'd

### Balance Sheet

(Rs mn)	Mar-21A	Mar-22A	Mar-23A	Mar-24F	Mar-25F
Total Cash And Equivalents	10,983	11,689	10,425	13,516	17,634
Total Debtors	6,318	8,488	9,071	10,197	10,805
Inventories					
Total Other Current Assets	3,752	4,156	2,201	2,201	2,201
<b>Total Current Assets</b>	<b>21,053</b>	<b>24,333</b>	<b>21,698</b>	<b>25,914</b>	<b>30,641</b>
Fixed Assets	2,466	2,601	2,390	2,107	1,789
Total Investments	353	703	1,014	1,014	1,014
Intangible Assets	4,581	4,673	5,034	5,034	5,034
Total Other Non-Current Assets	1,492	1,524	1,737	1,737	1,737
<b>Total Non-current Assets</b>	<b>8,892</b>	<b>9,500</b>	<b>10,175</b>	<b>9,892</b>	<b>9,574</b>
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	1,318	2,095	2,313	2,549	2,779
Other Current Liabilities	5,026	4,504	3,927	3,927	3,927
<b>Total Current Liabilities</b>	<b>6,343</b>	<b>6,599</b>	<b>6,240</b>	<b>6,477</b>	<b>6,706</b>
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	1,802	1,404	1,150	1,150	1,150
<b>Total Non-current Liabilities</b>	<b>1,802</b>	<b>1,404</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>
Total Provisions					
<b>Total Liabilities</b>	<b>8,145</b>	<b>8,003</b>	<b>7,390</b>	<b>7,626</b>	<b>7,855</b>
Shareholders Equity	21,799	25,831	24,483	28,179	32,359
Minority Interests					
<b>Total Equity</b>	<b>21,799</b>	<b>25,831</b>	<b>24,483</b>	<b>28,179</b>	<b>32,359</b>

### Key Ratios

	Mar-21A	Mar-22A	Mar-23A	Mar-24F	Mar-25F
Revenue Growth	8.0%	16.2%	16.1%	7.8%	9.0%
Operating EBITDA Growth	36.8%	21.0%	(18.7%)	37.4%	12.7%
Operating EBITDA Margin	14.9%	15.5%	10.9%	13.8%	14.3%
Net Cash Per Share (Rs)	35.43	37.86	34.79	46.07	60.83
BVPS (Rs)	77.36	90.75	87.25	100.99	115.97
Gross Interest Cover	34.41	43.30	23.57	39.47	44.97
Effective Tax Rate	29.5%	24.8%	25.1%	25.2%	25.0%
Net Dividend Payout Ratio	30.7%	27.6%	29.6%	27.4%	28.6%
Accounts Receivables Days	74.20	65.42	66.83	68.03	68.03
Inventory Days					
Accounts Payables Days	27.75	26.29	28.60	28.80	29.10
ROIC (%)	22.7%	34.6%	22.1%	33.0%	36.2%
ROCE (%)	14.8%	17.1%	12.7%	17.4%	17.3%
Return On Average Assets	11.1%	13.3%	10.0%	13.9%	14.1%

SOURCE: INCRED RESEARCH, COMPANY REPORTS



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