

India

ADD (no change)

Consensus ratings*: Buy 23 Hold 11 Sell 8

Current price:	Rs4,537
Target price:	Rs5,049
Previous target:	Rs5,320
Up/downside:	11.3%
InCred Research / Consensus:	-2.9%
Reuters:	LRTI.NS
Bloomberg:	LTIM IN
Market cap:	US\$15,735m Rs1,344,159m
Average daily turnover:	US\$23.6m Rs2012.7m
Current shares o/s:	296.0m
Free float:	31.4%

*Source: Bloomberg

Key changes in this note

- Expect 6.5% revenue CAGR over FY25-27F.
- Expect 13.8% EBIT CAGR over FY25-27F.
- Expect 13.4% PAT CAGR over FY25-27F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(1.8)	(24.4)	(4.0)
Relative (%)	(4.4)	(28.1)	(11.5)

Major shareholders	% held
LIC	7.8
UTI Flexi Cap Fund	1.2
ICICI Prudential Technology Fund	1.0

Research Analyst(s)



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LTIMindtree Ltd

Good narrative but demands execution uptick

- 4QFY25 was below expectations due to delay in ramp-ups and lower volume.
- Commentary across large clients and verticals was encouraging.
- Weak exit momentum drives a cut in estimates and target price. Maintain ADD.

4QFY25 earnings summary

LTIMindtree's (LTIM IN) 4QFY25 earnings missed estimates, and even management's own estimate/guidance post 3Q, largely because of the delay in ramp-ups, project starts and right-shifting of deals. Deal bookings and commentary of 1) bottoming out of challenges in a large hi-tech and banking customer, 2) starting of customer conversations in Apr 2025, 3) qoq growth in 1QFY26F, and 4) yoy improvement in EBIT margin in FY26F driven by fit-for-future program was encouraging. That said, 4QFY25 miss and weak exit momentum drives a ~1.9% cut in our earnings (as a reminder, we had trimmed estimates in our [2 Mar 2025](#) update) and our target price. We maintain our ADD rating on the stock.

Order book exit momentum better; execution is key

Deal wins at US\$1.6bn, up ~15% yoy but down ~5% qoq, in 4QFY25 (takes FY25 deal wins up by ~7% yoy at ~US\$6bn), FY26F pipeline conversion expectation (could be better yoy) and the 'conversations started happening in April' commentary was healthy. This, coupled with encouraging commentary for key verticals (BFSI, technology, manufacturing, & retail) led by bottoming of customer-specific challenges and deal conversations, supports our revenue growth assumptions. That said, weak 4Q performance and potential headwinds from the macroeconomic uncertainty drives a cut in our FY25-27F revenue CAGR to 6.5% vs. 7.3% earlier.

EBIT margin misses estimates but we retain FY26F assumptions

The EBIT margin at 13.8%, down 95bp qoq and flat qoq, missed the 14.8% estimate led by residual wage hike impact and revenue weakness. Commentary suggests the company is targeting productivity improvement across sales, delivery and business enablement units by optimizing both direct and indirect operational costs & pyramid rationalization. This helps us to retain our average FY25-27F EBIT margin assumption estimate of 15.8%.

Retain ADD rating, but with a lower target price of Rs5,049

We now model in a 6.5% US\$ revenue CAGR (7.3% earlier) and 13.4% PAT (Rs) CAGR (unchanged, given the miss in FY25) over FY25-27F. We shift our valuation methodology to P/E (vs. PE/G earlier) and value LTIM at 25x (10% premium to its 2016-till date two-year forward average of 23x; implied 26.2x earlier) FY27F EPS to arrive at a lower target price of Rs5,049 (Rs5,320 earlier). Weaker recovery in key verticals, delay in signing anticipated large deals and weak margin expansion are key downside risks to our estimates and target price.

Financial Summary

	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Revenue (Rsm)	331,830	355,170	380,081	408,055	445,748
Operating EBITDA (Rsm)	61,077	63,874	64,949	73,450	82,018
Net Profit (Rsm)	44,083	45,821	45,987	52,609	59,238
Core EPS (Rs)	148.9	154.6	155.0	177.2	199.6
Core EPS Growth	11.6%	3.8%	0.3%	14.4%	12.6%
FD Core P/E (x)	30.46	29.35	29.27	25.60	22.73
DPS (Rs)	60.0	65.0	65.0	86.8	99.8
Dividend Yield	1.32%	1.43%	1.43%	1.91%	2.20%
EV/EBITDA (x)	20.95	19.83	19.33	16.73	14.66
P/FCFE (x)	62.30	30.92	42.75	31.75	29.61
Net Gearing	(38.3%)	(39.0%)	(40.1%)	(46.4%)	(51.1%)
P/BV (x)	8.10	6.72	5.93	5.31	4.75
ROE	28.6%	25.0%	21.5%	21.9%	22.1%
% Change In Core EPS Estimates			(1.99%)	(1.71%)	(1.82%)
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)	1,131	1,069	5.8	1,139	(0.7)	1,144	(1.1)
Revenue (Rs m)	97,717	88,929	9.9	96,609	1.1	99,073	(1.4)
USD-INR realization	86	83.2	3.9	84.8	1.8	87	(0.2)
EBITDA	15,962	15,357	3.9	15,933	0.2	17,338	(7.9)
EBITDA margin (%)	16.3	17.3	(93bp)	16.5	(16bp)	17.5	(117bp)
EBIT	13,454	13,087	2.8	13,289	1.2	14,663	(8.2)
EBIT margin (%)	13.8	14.7	(95bp)	13.8	1 bp	14.8	(103bp)
Depreciation	2,508	2,270	10.5	2,644	(5.1)	2,675	(6.2)
Net other income	1,839	1,396	31.7	1,436	28.1	1,689	8.9
PBT	15,293	14,483	5.6	14,725	3.9	16,352	(6.5)
Provision for tax	4,007	3,476	15.3	3,858	3.9	4,284	(6.5)
% tax rate	26.2	24.0	220bp	26.2	0bp	26.2	0bp
Net profit	11,285	10,999	2.6	10,854	4.0	12,054	(6.4)
EPS (Rs)	38.0	37.1	2.6	36.5	4.2	40.5	(6.1)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Key conference-call highlights

- **Guidance:**
 - Expects sequential growth in 1QFY26F and momentum build-up from 2QFY26F.
 - The FY26F EBIT margin to improve yoy.
- **Demand environment:** Macroeconomic uncertainty persists, but client-specific challenges have bottomed out and client conversations have started happening in Apr 2025.
- **Vertical-wise commentary**
 - **BFSI:** Client priorities continue to revolve around regulatory commitment and data transformation for better reporting and decisions. Closed several large deals during the year primarily focused on cost optimization, vendor consolidation, and tech modernization.
 - **Manufacturing:** Manufacturing and resources vertical's growth was aided by large deals. Demand was driven by vendor consolidation, ERP transformation, and managed services deals.
 - **Technology, Media & Communications:** The technology, media and communications vertical saw muted growth yoy in US\$ terms. However, LTIM sees continued momentum in this sector.
 - **Retail, CPG and TTH:** Consumer business, comprising retail, CPD travel, transportation and hospitality businesses was flat yoy in constant currency or CC terms. Retail and CPG saw growth while the TTH portfolio witnessed client-specific slowdown.
 - **Health, life sciences and public services:** HLS declined by 3% yoy primarily led by healthcare.
- **AI deal wins:**
 - Engaged by a leading US-based life insurer to enhance its quality engineering practices and leverage artificial intelligence or AI to transform the operating model.
 - Selected by a global reinsurance group to enhance efficiency through an AI-Ops model as a part of its end-to-end outsourcing.
 - Leading digital company in the Kingdom of Saudi Arabia entrusted LTIM to provide end-to-end operation services for their hybrid cloud security platform.
 - Selected by a global energy major to provide next-generation ERP support services across multiple functional and SaaS-based solutions.
- Partnered with Indian Institute of Management (Mumbai) to introduce a postgraduate program for executives in AI-led Experience Design.

Figure 2: Operating metrics trend

Operating trend	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Revenue (US\$m)	980	1,022	1,047	1,058	1,059	1,076	1,084	1,069	1,096	1,127	1,139	1,131
Growth yoy (%)	25.5	19.1	14.0	11.9	8.1	5.2	3.5	1.1	3.5	4.8	5.1	5.8
Growth qoq (%)	3.7	4.3	2.4	1.0	0.1	1.6	0.8	-1.3	2.5	2.8	1.1	-0.7
CC Growth yoy (%)	NA	NA	16.3	13.5	8.2	4.4	3.1	1.2	3.7	4.4	5.6	6.3
CC Growth qoq (%)	5.0	5.5	1.9	0.7	0.1	1.7	0.7	-1.3	2.6	2.3	1.8	-0.6
Revenue (Rsm)	76,442	82,278	86,200	86,910	87,021	89,054	90,166	88,929	91,426	94,329	96,609	97,717
Growth yoy (%)	32.9	29.6	25.3	21.9	13.8	8.2	4.6	2.3	5.1	5.9	7.1	9.9
Growth qoq (%)	7.2	7.6	4.8	0.8	0.1	2.3	1.2	-1.4	2.8	3.2	2.4	1.1
EBIT margin (%)	17.4	17.5	13.9	16.4	16.7	16.0	15.4	14.7	15.0	15.5	13.8	13.8
US\$-INR realized rate	78.0	80.5	82.4	82.2	82.2	82.8	83.2	83.2	83.4	83.7	84.8	86.4
Headcount	84,030	86,936	86,462	84,546	82,738	83,532	82,471	81,650	81,934	84,438	86,800	84,307
Utilization - ex-trainees (%)	83.5	83.5	82.9	81.7	84.8	86.6	87.4	86.9	88.3	87.7	85.4	85.8
LTM attrition (%)	24.0	24.1	22.3	20.2	17.8	15.2	14.2	14.4	14.4	14.5	14.3	14.4
Vertical (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
FSI	36.0	36.2	37.4	38.0	37.5	36.5	35.6	35.1	35.2	35.6	36.4	37.1
Technology, Media & Communication	25.4	25.3	23.6	23.0	23.7	23.8	22.9	24.3	25.6	25.4	23.7	23.4
Manufacturing & Resources	16.3	16.2	17.5	17.5	17.3	17.9	20.3	18.6	18.5	18.1	19.3	19.9
Consumer Business	15.7	15.4	15.2	15.4	15.1	15.3	14.7	15.1	14.5	14.5	14.3	14.1
Health, Lifesciences & Public	6.6	6.8	6.3	6.1	6.4	6.5	6.5	6.9	6.2	6.4	6.3	5.5
Vertical (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
FSI	353	370	391	402	397	393	386	375	386	401	414	420
Technology, Media & Communication	249	259	247	243	251	256	248	260	281	286	270	265
Manufacturing & Resources	160	166	183	185	183	193	220	199	203	204	220	225
Consumer Business	154	157	159	163	160	165	159	161	159	163	163	159
Health, Lifesciences & Public	65	69	66	65	68	70	70	74	68	72	72	62
Vertical yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
FSI	26.9	23.1	21.8	20.2	12.6	6.1	-1.4	-6.6	-2.8	2.2	7.4	11.8
Technology, Media & Communication	27.5	21.0	8.9	3.0	0.9	-1.0	0.5	6.8	11.8	11.8	8.7	1.8
Manufacturing & Resources	17.6	10.8	9.0	12.6	14.7	16.3	20.1	7.5	10.7	5.9	-0.1	13.2
Consumer Business	29.7	11.8	11.0	9.8	4.0	4.6	0.1	-0.8	-0.6	-0.7	2.2	-1.2
Health, Lifesciences & Public	21.8	26.5	10.5	6.7	4.8	0.6	6.8	14.4	0.3	3.1	1.8	-15.7
Vertical qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
FSI	5.4	4.9	5.8	2.7	-1.2	-1.1	-1.7	-2.7	2.8	3.9	3.3	1.2
Technology, Media & Communication	5.3	3.9	-4.5	-1.5	3.2	2.0	-3.0	4.7	8.0	2.0	-5.7	-1.9
Manufacturing & Resources	-2.9	3.7	10.6	1.0	-1.0	5.1	14.3	-9.6	2.0	0.6	7.8	2.4
Consumer Business	3.7	2.3	1.1	2.4	-1.8	2.9	-3.2	1.4	-1.6	2.8	-0.3	-2.1
Health, Lifesciences & Public	6.9	7.5	-5.1	-2.2	5.0	3.2	0.8	4.8	-7.9	6.1	-0.5	-13.3
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
FSI	18.2	17.3	21.5	10.4	-4.8	-4.5	-6.8	-10.4	10.5	15.2	13.4	5.1
Technology, Media & Communication	12.6	9.7	-11.5	-3.8	7.7	5.1	-7.8	11.7	20.8	5.5	-16.3	-5.2
Manufacturing & Resources	-4.7	5.9	17.6	1.9	-1.9	9.4	27.5	-21.1	3.9	1.1	15.9	5.3
Consumer Business	5.5	3.6	1.7	3.8	-3.0	4.7	-5.2	2.2	-2.5	4.4	-0.5	-3.4
Health, Lifesciences & Public	4.2	4.8	-3.5	-1.4	3.2	2.2	0.5	3.3	-5.8	4.1	-0.4	-9.5
Geography (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
North America	71.7	72.9	72.3	71.9	73.1	73.4	72.7	73.8	75.1	75.0	74.7	74.5
Europe	15.3	14.6	14.9	15.4	15.2	15.3	14.5	14.6	14.4	14.4	13.8	13.6
RoW	13.0	12.5	12.8	12.7	11.7	11.3	12.8	11.6	10.5	10.6	11.5	11.9
Geography (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
North America	702	745	757	760	774	789	788	789	823	845	851	843
Europe	150	149	156	163	161	165	157	156	158	162	157	154
RoW	127	128	134	134	124	122	139	124	115	119	131	135
Geography yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
North America	26.9	24.5	19.6	15.8	10.2	6.0	4.1	3.8	6.4	7.0	8.0	6.8
Europe	16.4	-0.7	0.5	1.4	7.4	10.3	0.8	-4.1	-1.9	-1.4	0.0	-1.5
RoW	28.5	16.3	2.7	5.3	-2.7	-4.9	3.5	-7.6	-7.1	-1.7	-5.6	8.5
Geography qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
North America	7.0	6.1	1.6	0.5	1.8	2.0	-0.2	0.2	4.3	2.6	0.7	-0.9
Europe	-6.7	-0.4	4.5	4.4	-1.2	2.3	-4.5	-0.6	1.1	2.8	-3.1	-2.1
RoW	-0.2	0.3	4.9	0.2	-7.8	-1.9	14.1	-10.6	-7.2	3.8	9.7	2.8
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
North America	45.7	42.7	11.8	3.6	13.6	15.5	-1.6	1.4	34.0	21.7	5.7	-8.0
Europe	-10.7	-0.7	6.8	6.9	-1.9	3.6	-7.4	-1.0	1.7	4.4	-5.1	-3.3
RoW	-0.2	0.4	6.2	0.3	-10.4	-2.3	17.2	-14.7	-8.9	4.3	11.5	3.6
Client (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Top 5	26.8	26.7	26.3	25.4	26.7	26.8	27.5	28.3	28.8	28.4	27.9	27.7
Top 6-10	7.7	7.6	7.5	7.5	7.4	7.5	7.8	7.2	6.9	6.6	6.6	6.6
Top 11-20	11.0	10.8	11.5	11.1	10.8	10.9	10.6	10.4	10.5	10.8	11.0	10.5
Top 21-40	13.2	12.3	12.3	12.8	12.3	12.4	12.6	12.1	12.7	12.4	12.6	12.4
Client US\$m	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Top 5	262.5	272.8	275.3	268.6	282.7	288.2	298.0	302.6	315.7	320.0	317.7	313.3
Top 6-10	75.4	77.7	78.5	79.3	78.3	80.7	84.5	77.0	75.6	74.4	75.2	74.6

Top 11-20	107.7	110.4	120.4	117.4	114.3	117.2	114.9	111.2	115.1	121.7	125.3	118.8
Top 21-40	129.3	125.7	128.7	135.4	130.2	133.4	136.5	129.4	139.2	139.7	143.5	140.2
Client qoq	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Top 5	9.0	3.9	0.9	-2.4	5.2	2.0	3.4	1.6	4.3	1.3	-0.7	-1.4
Top 6-10	-0.2	3.0	1.1	1.0	-1.2	3.0	4.8	-8.9	-1.8	-1.7	1.1	-0.7
Top 11-20	0.9	2.4	9.1	-2.5	-2.6	2.5	-2.0	-3.2	3.5	5.7	2.9	-5.2
Top 21-40	0.6	-2.8	2.4	5.1	-3.8	2.4	2.4	-5.2	7.6	0.3	2.7	-2.3
Client yoy	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Top 5	25.1	25.6	17.5	11.5	7.7	5.6	8.3	12.7	11.7	11.0	6.6	3.5
Top 6-10	9.8	7.7	0.6	4.9	3.9	3.9	7.7	-2.9	-3.5	-7.8	-11.1	-3.1
Top 11-20	27.9	13.8	17.0	10.0	6.1	6.2	-4.6	-5.3	0.7	3.8	9.0	6.8
Top 21-40	29.5	9.3	0.9	5.4	0.7	6.1	6.1	-4.4	6.9	4.8	5.1	8.4
Client metrics	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
No of active clients	708	719	723	728	723	737	739	738	748	742	742	741
Revenue per active client	5.2	5.4	5.5	5.6	5.8	5.8	5.8	5.8	5.8	5.9	6.0	6.1
US\$1m+	337	361	374	383	388	391	388	394	390	392	401	410
US\$5m+	130	137	144	146	148	146	149	153	148	154	152	154
US\$10m+	79	77	81	81	88	90	89	91	87	88	90	89
US\$20m+	40	38	37	38	40	41	40	40	43	42	39	40
US\$50m+	10	11	11	13	13	14	12	13	12	12	13	14
US\$100m+	2	2	2	2	2	2	2	2	2	2	2	2
Per employee analysis	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Revenue (US\$m) - TTM	3,701	3,865	3,993	4,106	4,185	4,238	4,275	4,287	4,325	4,376	4,431	4,493
Employee (average TTM)	76,983	81,183	84,256	85,494	85,171	84,320	83,322	82,598	82,397	82,623	83,706	84,370
Revenue per employee (TTM)	48,075	47,602	47,389	48,022	49,134	50,266	51,312	51,906	52,488	52,962	52,934	53,248

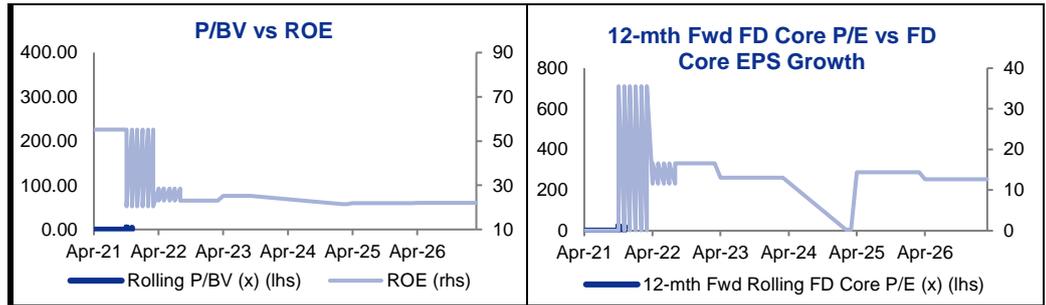
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Change in InCred estimates

Y/E Mar (Rs m)	FY26F			FY27F		
	New	Old	% change	New	Old	% change
US\$ revenue	4,717	4,802	-1.8	5,094	5,191	-1.9
Revenue	4,08,055	4,15,335	-1.8	4,45,748	4,54,211	-1.9
EBIT	63,249	64,377	-1.8	71,320	72,674	-1.9
EBIT margin (%)	15.5	15.5	0 bp	16.0	16.0	0 bp
Net PAT	52,609	53,562	-1.8	59,238	60,379	-1.9
EPS (Rs)	177.2	180.3	-1.8	199.6	203.3	-1.9

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Total Net Revenues	331,830	355,170	380,081	408,055	445,748
Gross Profit	123,031	127,847	133,855	146,900	160,915
Operating EBITDA	61,077	63,874	64,949	73,450	82,018
Depreciation And Amortisation	(7,227)	(8,189)	(9,915)	(10,201)	(10,698)
Operating EBIT	53,850	55,685	55,034	63,249	71,320
Financial Income/(Expense)	4,065	4,802	7,108	7,412	8,239
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	57,915	60,487	62,142	70,661	79,558
Exceptional Items					
Pre-tax Profit	57,915	60,487	62,142	70,661	79,558
Taxation	(13,812)	(14,641)	(16,122)	(18,019)	(20,287)
Exceptional Income - post-tax					
Profit After Tax	44,103	45,846	46,020	52,642	59,271
Minority Interests	(20)	(25)	(33)	(33)	(33)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	44,083	45,821	45,987	52,609	59,238
Recurring Net Profit	44,083	45,821	45,987	52,609	59,238
Fully Diluted Recurring Net Profit	44,083	45,821	45,987	52,609	59,238

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
EBITDA	61,077	63,874	64,949	73,450	82,018
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(17,645)	5,975	(4,803)	(2,274)	(5,434)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	4,235				
Net Interest (Paid)/Received	(1,504)	(2,217)	(2,789)	(2,789)	(2,789)
Tax Paid	(15,217)	(15,707)	(16,374)	(18,019)	(20,287)
Cashflow From Operations	30,946	51,925	40,983	50,369	53,507
Capex	(9,393)	(8,432)	(9,496)	(7,957)	(8,023)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	6,084	(30,689)	(7,886)	10,201	11,028
Cash Flow From Investing	(3,309)	(39,121)	(17,382)	2,244	3,004
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(15,627)	(17,753)	(19,246)	(25,779)	(29,619)
Preferred Dividends					
Other Financing Cashflow	(3,690)	(4,935)	(6,498)	(2,789)	(2,789)
Cash Flow From Financing	(19,317)	(22,688)	(25,744)	(28,568)	(32,408)
Total Cash Generated	8,320	(9,884)	(2,143)	24,046	24,103
Free Cashflow To Equity	21,553	43,493	31,487	42,412	45,483
Free Cashflow To Firm	29,141	15,021	26,390	55,402	59,300

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Total Cash And Equivalents	76,738	95,694	109,622	136,421	163,279
Total Debtors	72,245	70,321	76,882	80,795	87,367
Inventories					
Total Other Current Assets	22,875	22,449	22,875	22,880	22,881
Total Current Assets	171,858	188,464	209,379	240,095	273,526
Fixed Assets	30,362	40,237	45,449	43,205	40,530
Total Investments	7,165	19,902	24,706	24,706	24,706
Intangible Assets	15,452	15,078	14,212	14,212	14,212
Total Other Non-Current Assets	10,124	11,949	12,554	12,554	12,554
Total Non-current Assets	63,103	87,166	96,921	94,677	92,002
Short-term Debt	1,253	407	23	23	23
Current Portion of Long-Term Debt					
Total Creditors	12,938	14,939	15,499	17,138	18,276
Other Current Liabilities	40,635	42,086	44,137	44,137	44,137
Total Current Liabilities	54,826	57,432	59,659	61,298	62,436
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	14,143	17,934	19,526	19,526	19,526
Total Non-current Liabilities	14,143	17,934	19,526	19,526	19,526
Total Provisions					
Total Liabilities	68,969	75,366	79,185	80,824	81,962
Shareholders Equity	165,921	200,172	226,983	253,814	283,433
Minority Interests	71	92	132	132	132
Total Equity	165,992	200,264	227,115	253,946	283,565

Key Ratios					
	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Revenue Growth	27.1%	7.0%	7.0%	7.4%	9.2%
Operating EBITDA Growth	16.4%	4.6%	1.7%	13.1%	11.7%
Operating EBITDA Margin	18.4%	18.0%	17.1%	18.0%	18.4%
Net Cash Per Share (Rs)	214.77	263.02	307.05	397.33	487.81
BVPS (Rs)	560.18	674.85	764.68	855.07	954.85
Gross Interest Cover	35.80	25.12	19.73	22.68	25.57
Effective Tax Rate	23.8%	24.2%	25.9%	25.5%	25.5%
Net Dividend Payout Ratio	40.3%	42.0%	41.9%	49.0%	50.0%
Accounts Receivables Days	70.68	73.26	70.68	70.52	68.85
Inventory Days					
Accounts Payables Days	22.89	22.38	22.56	22.81	22.69
ROIC (%)	53.6%	43.3%	39.6%	41.9%	47.3%
ROCE (%)	24.6%	21.3%	17.6%	18.2%	18.5%
Return On Average Assets	18.6%	16.5%	14.0%	14.7%	15.2%

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.