

India

ADD (no change)

Consensus ratings*: Buy 41 Hold 5 Sell 2

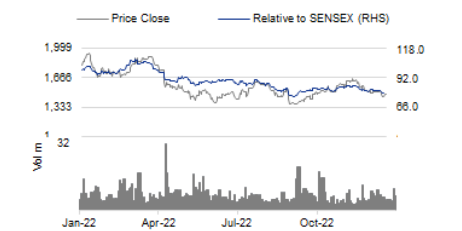
Current price:	Rs1,481
Target price:	Rs1,695
Previous target:	Rs1,611
Up/downside:	14.4%
InCred Research / Consensus:	-1.7%

Reuters:	
Bloomberg:	INFO IN
Market cap:	US\$85,353m
	Rs6,197,920m
Average daily turnover:	US\$128.7m
	Rs9345.3m
Current shares o/s:	4,134.5m
Free float:	87.0%

*Source: Bloomberg

Key changes in this note

- Expect ~8.1% US\$ revenue CAGR over FY23F-25F.
- Expect 12% EBIT CAGR over FY23F-25F.
- Expect 12.5% PAT CAGR over FY23F-25F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(4.3)	3.6	(21.1)
Relative (%)	(0.8)	(0.4)	(19.6)

Major shareholders	% held
LIC	7.6
SBI MF	4.3
ICICI Pru MF	2.5

Analyst(s)



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Infosys

Managing expectations well

- CC revenue growth and EBIT margin were above estimates.
- Revises FY23F revenue growth guidance higher but retains EBIT margin band.
- Retain ADD rating with a higher TP of Rs1,695, rolling forward to FY25F.

Consistent execution continues

Infosys' (INFO IN) 3QFY23 constant currency or CC revenue growth was 1.3% above estimate (although helped by bought-out items) and the EBIT margin beat was 24bp (~30bp below consensus estimate). 9MFY23 execution and deal wins led to Infosys raising its FY23F revenue growth guidance to 16-16.5% vs.15-16% while it retained its aim of achieving the lower end of EBIT margin guidance of 21-22%. Commentary remains consistent with Tata Consultancy Services or TCS (TCS IN: HOLD) across verticals with Infosys seeing BFSI (mortgage, investment banking), retail, telecom, hi-tech and retail segments impacted more than the others (manufacturing, energy & utilities doing better) and leading to decision-making delay & across geographies (the US market better than Europe). We largely retain our estimates and ADD rating but rolling forward to FY25F raises our target price.

Deal wins encouraging

Quarterly deal wins were healthy, up 30.4% qoq and 22.2% yoy, at US\$3.3bn and takes TTM TCV to US\$10bn, up 8.3% qoq. Infosys signed 32 large deals (>US\$50m), the strongest in the last eight quarters, with 36% being net new vs. average 48.5% over the last eight quarters. 25 deals were from North America, 5 from Europe and 2 from Rest of the World or RoW. Large deal pipeline commentary remains healthy driven by cost take-out and automation-led initiatives.

EBIT margin below consensus but above our estimates

EBIT margin was down 4bp qoq and 198bp yoy at 21.5%. Tailwinds include 30bp from Indian rupee depreciation, 70bp from cost optimization initiatives driven by lower sub-contractor expenses (down 9.5% qoq; 8.7% of revenue vs. 10.1% in 2QFY23) offset by 30bp from higher SG&A expenses and 80bp due to seasonality, higher furloughs and third-party costs. Benefits from employee pyramid, automation, increase in utilization, moderation in sub-contractor expenses and stable pricing remain key margin levers.

Retain ADD rating with a higher target price of Rs1,695

We retain ADD rating on Infosys with a higher target price of Rs1,695 (from Rs1,611 earlier) as we roll forward to FY25F estimates. We model 8.1% US\$ revenue CAGR over FY23F-25F and 12.5% PAT (Rs) CAGR, retaining our target PE/G multiple at 1.8x to arrive at our target P/E multiple of 22.6x. Strong execution, cash conversion (OCF/EBITDA was ~77% over FY19-22), healthy return ratios and payout (~99% of FCF) provide cushion to our view. Moderation in order book and sticky attrition rate are key downside risks to revenue/EBIT margin.

Financial Summary	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Revenue (Rsm)	1,004,730	1,216,410	1,482,170	1,639,871	1,805,840
Operating EBITDA (Rsm)	278,900	314,920	355,446	401,262	445,139
Net Profit (Rsm)	193,510	221,110	244,843	279,192	310,056
Core EPS (Rs)	45.4	52.2	58.3	67.1	75.0
Core EPS Growth	18.0%	15.0%	11.6%	15.2%	11.7%
FD Core P/E (x)	32.61	28.35	25.40	22.05	19.74
DPS (Rs)	27.0	31.0	34.5	51.5	56.2
Dividend Yield	1.82%	2.09%	2.32%	3.47%	3.80%
EV/EBITDA (x)	21.84	19.30	17.00	14.78	13.09
P/FCFE (x)	29.89	30.94	31.66	25.61	22.13
Net Gearing	(29.3%)	(25.8%)	(23.3%)	(27.6%)	(33.0%)
P/BV (x)	8.24	8.29	8.13	7.39	6.76
ROE	27.3%	29.2%	32.3%	35.1%	35.8%
% Change In Core EPS Estimates			0.02%	(0.01%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Quarterly results update

YE Mar (Rs m)	3QFY23	3QFY22	YoY (%)	2QFY23	QoQ (%)	3QFY23E	Var. (%)
Revenue (US\$ m)	4,659	4,250	9.6	4,555	2.3	4,610	1.1
Revenue (Rs m)	3,83,180	3,18,670	20.2	3,65,380	4.9	3,78,917	1.1
USD-Rs realization	82.2	75.0	9.7	80.2	2.5	82.2	0.1
EBITDA	93,670	83,830	11.7	89,020	5.2	90,940	3.0
EBITDA Margin (%)	24.4	26.3	(186 bp)	24.4	8 bp	24.0	45 bp
EBIT	82,420	74,840	10.1	78,730	4.7	80,596	2.3
EBIT Margin (%)	21.5	23.5	(198 bp)	21.5	(4 bp)	21.3	24 bp
Depreciation	11,250	8,990	25.1	10,290	9.3	10,344	8.8
Net other income	6,890	4,590	50.1	5,180	33.0	4,562	51.0
PBT	89,310	79,430	12.4	83,910	6.4	85,157	4.9
Provision for tax	23,450	21,210	10.6	23,650	(0.8)	21,715	8.0
% tax rate	26.3	26.7	(45 bp)	28.2	(193 bp)	25.5	76 bp
Net Profit	65,860	58,090	13.4	60,210	9.4	63,392	3.9
EPS (Rs)	15.7	13.8	13.5	14.3	9.5	15.1	4.0

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Key conference-call takeaways

- YoY growth during 9MFY23 was 17.8% in CC terms over 9MFY22.
- Infosys commentary suggests 3QFY23 revenue growth of 2.4% qoq and 13.7% yoy in CC terms was driven by market share gains and the strength in cloud offerings.
- TCV wins at US\$3.3bn (up 30.4% qoq and 22.2% yoy) takes TTM TCV to US\$10bn, up 6.6% yoy. Infosys signed 32 large deals in 3QFY23.
- 25 large deals were in North America, 5 in Europe and 2 in Rest of the World. 7 large deals were in retail, 6 deals each in financial services & communication, 2 in life sciences and 1 in hi-tech verticals.
- Clients continue to accelerate automation and cost efficiency programs with large deals in the pipeline remaining healthy.
- BFSI segment was impacted due to higher furloughs and project-specific closures.
- Weakening economy and high inflation impacted consumer spending, thereby driving uncertainty in retail vertical, although direct-to-consumer and digital commerce witnessed new opportunities.
- There was a healthy deal flow in the communications vertical, although cost pressure impacted spending in case of a few clients.
- Deal pipeline is strong for the energy & utilities vertical with good medium-term visibility.
- Manufacturing vertical has a healthy deal pipeline. Caution around budgets in the hi-tech vertical.
- Slowdown impact was in Germany, the UK and Nordic countries, although manufacturing is witnessing good traction in Europe.
- Voluntary quarterly annualized attrition rate was down 6pp qoq and is well below 20%. Net employee addition during the quarter was 1,627 with employee count at 3,46,845 (up 0.5% qoq and 18.8% yoy). Utilization (ex-trainees) was down 190bp qoq at 81.7%.
- Operating cash flow (OCF) in 9MFY23 was down 9.8% over 9MFY22 at Rs159bn while OCF/EBITDA was at ~47% vs. ~75% in 9MFY22. Cash & investments stood at ~Rs327bn (~Rs78 per share).

Figure 2: Operating metric trends

Operating trends	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Revenue (US\$ m)	3,516.0	3,613.0	3,782.0	3,998.0	4,250.0	4,280.0	4,444.0	4,555.0	4,659.0
Growth YoY (%)	8.4	13.0	21.2	20.7	20.9	18.5	17.5	13.9	9.6
Growth QoQ (%)	6.2	2.8	4.7	5.7	6.3	0.7	3.8	2.5	2.3
CC Growth YoY (%)	6.6	9.6	16.9	19.4	21.5	20.6	21.4	18.8	13.7
CC Growth QoQ (%)	5.3	2.0	4.8	6.3	7.0	1.2	5.5	4.0	2.4
Revenue (Rs. m)	2,59,270	2,63,110	2,78,960	2,96,020	3,18,670	3,22,760	3,44,700	3,65,380	3,83,180
Growth YoY (%)	12.3	13.1	17.9	20.5	22.9	22.7	23.6	23.4	20.2
Growth QoQ (%)	5.5	1.5	6.0	6.1	7.7	1.3	6.8	6.0	4.9
EBIT Margin (%)	25.4	24.5	23.7	23.6	23.5	21.6	20.1	21.5	21.5
US\$-INR realized rate	73.7	72.8	73.8	74.0	75.0	75.4	77.6	80.2	82.2
Headcount	2,49,312	2,59,619	2,67,953	2,79,617	2,92,067	3,14,015	3,35,186	3,45,218	3,46,845
Utilization ex-trainees (%)	86.3	87.7	88.5	89.2	88.5	87.0	84.7	83.6	81.7
LTM Attrition - IT services (%)	11.0	10.9	13.9	20.1	25.5	27.7	28.4	27.1	24.3
Vertical (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Financial service	33.1	33.0	33.0	32.3	31.5	31.3	30.6	30.5	29.3
Retail	14.7	14.8	15.0	14.6	14.5	14.3	14.5	14.2	14.3
Communication	12.4	12.0	12.2	12.4	12.5	12.8	13.0	12.3	12.3
Energy, Utilities, Resources & Services	12.5	12.3	12.1	11.8	11.7	12.0	12.4	12.3	13.0
Manufacturing	9.3	9.6	9.7	10.9	11.3	11.8	12.1	12.8	13.3
Hi Tech	8.2	8.1	8.3	8.5	8.1	8.2	8.2	8.2	8.1
Life Sciences	7.1	6.8	6.8	7.1	7.5	6.6	6.5	6.7	7.0
Others	2.7	3.4	2.9	2.4	2.9	3.0	2.7	3.0	2.7
Vertical (US\$ m)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Financial service	1,164	1,192	1,248	1,291	1,339	1,340	1,360	1,389	1,365
Retail	517	535	567	584	616	612	644	647	666
Communication	436	434	461	496	531	548	578	560	573
Energy, Utilities, Resources & Services	440	444	458	472	497	514	551	560	606
Manufacturing	327	347	367	436	480	505	538	583	620
Hi Tech	288	293	314	340	344	351	364	374	377
Life Sciences	250	246	257	284	319	282	289	305	326
Others	95	123	110	96	123	128	120	137	126
Vertical YoY (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Financial service	13.9	19.2	26.9	21.8	15.0	12.4	9.0	7.6	2.0
Retail	4.2	7.9	27.1	18.3	19.2	14.5	13.6	10.8	8.1
Communication	3.4	4.3	10.3	18.8	21.9	26.4	25.2	13.0	7.9
Energy, Utilities, Resources & Services	5.9	7.8	14.6	15.8	13.1	15.6	20.4	18.8	21.8
Manufacturing	-2.1	7.4	23.7	44.6	46.9	45.6	46.6	33.8	29.0
Hi Tech	17.0	15.9	15.6	12.8	19.4	19.9	16.1	9.9	9.6
Life Sciences	14.9	20.1	23.0	26.0	27.7	15.0	12.3	7.5	2.3
Others	4.5	32.5	13.4	-9.5	29.8	4.5	9.4	42.4	2.1
Vertical QoQ (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Financial service	9.8	2.4	4.7	3.5	3.7	0.1	1.5	2.2	-1.7
Retail	4.7	3.5	6.1	2.9	5.6	-0.7	5.3	0.4	3.0
Communication	4.5	-0.6	6.4	7.4	7.2	3.1	5.5	-3.0	2.3
Energy, Utilities, Resources & Services	7.9	1.1	3.0	3.1	5.4	3.3	7.3	1.7	8.1
Manufacturing	8.5	6.1	5.8	18.8	10.2	5.2	6.5	8.4	6.3
Hi Tech	-4.3	1.5	7.3	8.3	1.3	1.9	3.8	2.5	1.0
Life Sciences	10.8	-1.6	4.7	10.4	12.3	-11.4	2.3	5.7	6.9
Others	-10.4	29.4	-10.7	-12.5	28.4	4.2	-6.6	13.9	-7.9
Incremental revenue (US\$ m)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Financial service	104	28	56	43	47	1	20	29	-24
Retail	23	18	33	16	33	-4	32	2	19
Communication	19	-2	28	34	35	17	30	-17	13
Energy, Utilities, Resources & Services	32	5	13	14	25	16	37	9	45
Manufacturing	26	20	20	69	44	25	33	45	37
Hi Tech	-13	4	21	26	4	7	13	9	4
Life Sciences	24	-4	11	27	35	-36	6	16	21
Others	-11	28	-13	-14	27	5	-8	17	-11
Geography (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
North America	61.6	61.6	61.7	61.9	61.8	61.4	61.8	61.9	62
Europe	24	24.4	24.2	24.8	24.9	25.2	25	24.8	25.8
India	2.6	3	2.9	2.6	3	3.2	2.6	2.6	2.4
ROW	11.8	11	11.2	10.7	10.3	10.2	10.6	10.7	9.8
Geography (US\$ m)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
North America	2,165.9	2,225.6	2,333.5	2,474.8	2,626.5	2,627.9	2,746.4	2,819.5	2,888.6
Europe	843.8	881.6	915.2	991.5	1,058.3	1,078.6	1,111.0	1,129.6	1,202.0
India	91.4	108.4	109.7	103.9	127.5	137.0	115.5	118.4	111.8
ROW	414.9	397.4	423.6	427.8	437.8	436.6	471.1	487.4	456.6
Geography YoY (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
North America	8.9	13.0	21.6	23.1	21.3	18.1	17.7	13.9	10.0
Europe	7.5	13.0	22.2	23.2	25.4	22.3	21.4	13.9	13.6
India	0.7	30.4	21.2	4.6	39.5	26.4	5.3	13.9	-12.3
ROW	11.2	9.0	17.0	7.6	5.5	9.8	11.2	13.9	4.3
Geography QoQ (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
North America	7.7	2.8	4.8	6.1	6.1	0.1	4.5	2.7	2.4
Europe	4.8	4.5	3.8	8.3	6.7	1.9	3.0	1.7	6.4
India	-8.0	18.6	1.2	-5.2	22.7	7.4	-15.6	2.5	-5.6
ROW	4.4	-4.2	6.6	1.0	2.3	-0.3	7.9	3.5	-6.3
Incremental revenue (US\$ m)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
North America	155	60	108	141	152	1	118	73	69
Europe	39	38	34	76	67	20	32	19	72
India	-8	17	1	-6	24	9	-21	3	-7

ROW	17	-17	26	4	10	-1	35	16	-31
Services (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Digital	50.1	51.5	53.9	56.1	58.5	59.2	61.0	61.8	62.9
Core	49.9	48.5	46.1	43.9	41.5	40.8	39.0	38.2	37.1
Services (US\$ m)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Digital	1762	1861	2038	2243	2486	2534	2711	2815	2931
Core	1754	1752	1744	1755	1764	1746	1733	1740	1728
Services YoY (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Digital	33.8	38.9	46.8	43.2	41.1	36.2	33.0	25.5	17.9
Core	-8.9	-5.7	0.7	0.6	0.5	-0.3	-0.6	-0.9	-2.0
Services QoQ (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Digital	12	6	10	10	11	1.9	7.0	3.8	4.1
Core	1	0	-1	1	0	-1.0	-0.7	0.4	-0.7
Incremental revenue (US\$ m)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Digital	195	99	178	204	243	48	177	104	116
Core	9	-2	-9	12	9	-18	-13	7	-12
Deal wins	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
TCV (US\$ m)	7,130	2,100	2,600	2,150	2,530	2,300	1,700	2,700	3,300
TCV YoY (%)	293.3	27.6	49.1	-31.6	-64.5	9.5	-34.6	25.6	30.4
TCV QoQ (%)	126.7	-70.5	23.8	-17.3	17.7	-9.1	-26.1	58.8	22.2
TTM TCV	13,665	14,119	14,975	13,980	9,380	9,580	8,680	9,230	10,000
Clients (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Top 5	10.8	10.9	11.3	11.4	12	11.8	13	12.6	13.1
Top 6-10	7.7	7.4	7.5	8	8.2	7.6	7.8	7.6	7.4
Top 11-25	16.1	15.9	15.6	16	15.7	16	15.5	15.1	14.8
Non top 25	65.4	65.8	65.6	64.6	64.1	64.6	63.7	64.7	64.7
Clients (US\$ m)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Top 5	380	394	427	456	510	505	578	574	610
Top 6-10	271	267	284	320	349	325	347	346	345
Top 11-25	566	574	590	640	667	685	689	688	690
Non top 25	2,299	2,377	2,481	2,583	2,724	2,765	2,831	2,947	3,014
Clients YoY growth(%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Top 5	3.6	9.0	16.0	21.8	34.3	28.2	35.2	25.9	19.7
Top 6-10	9.8	13.0	21.2	30.5	28.7	21.7	22.2	8.2	-1.1
Top 11-25	14.1	16.7	23.6	24.6	17.9	19.2	16.8	7.5	3.3
Non top 25	7.8	12.8	21.5	18.5	18.5	16.3	14.1	14.1	10.6
Clients QoQ growth(%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Top 5	1.5	3.7	8.5	6.6	11.9	-1.0	14.4	-0.7	6.3
Top 6-10	10.5	-1.2	6.1	12.8	9.0	-6.7	6.6	-0.1	-0.4
Top 11-25	10.3	1.5	2.7	8.4	4.3	2.6	0.6	-0.1	0.3
Non top 25	5.5	3.4	4.4	4.1	5.5	1.5	2.4	4.1	2.3
Client metrics	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
No of active clients	1,562	1,626	1,659	1,714	1,738	1,741	1,778	1,779	1,850
Revenue per active client	8.4	8.3	8.6	8.7	9.0	9.4	9.5	9.9	9.7
US\$ 1 m+	761	779	805	841	854	853	877	895	912
US\$ 10 m+	246	252	264	270	274	275	278	281	294
US\$ 50 m+	60	59	59	62	64	64	69	77	79
US\$ 100 m+	29	32	34	35	37	38	38	39	38
Per employee analysis	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Revenues (US\$ m) - TTM	13,146	13,562	14,223	14,909	15,643	16,310	16,972	17,529	17,938
Employees (Average TTM)	2,42,781	2,47,093	2,54,273	2,64,125	2,74,814	2,88,413	3,05,221	3,21,622	3,35,316
Revenue per employee (TTM)	54,148	54,886	55,936	56,447	56,922	56,551	55,606	54,502	53,496

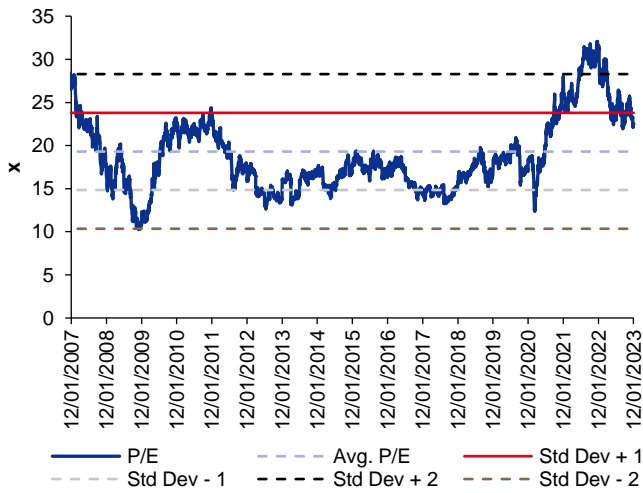
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Change in earnings estimate

Y/E, Mar (Rs m)	FY23F			FY24F			FY25F
	New	Old	% change	New	Old	% change	New
US\$ revenue	18,387	18,370	0.1	19,757	20,305	-2.7	21,498
Revenue	14,82,170	14,62,514	1.3	16,39,871	16,44,686	-0.3	18,05,840
EBIT	3,12,988	3,06,134	2.2	3,53,116	3,61,009	-2.2	3,92,121
EBIT Margin (%)	21.1%	20.9%	0.2 bp	21.5%	22.0%	(0.4) bp	21.7%
Net PAT	2,44,843	2,40,482	1.8	2,79,192	2,83,616	-1.6	3,10,056
EPS (Rs)	58.5	57.1	2.5	67.5	67.5	0.0	75.0

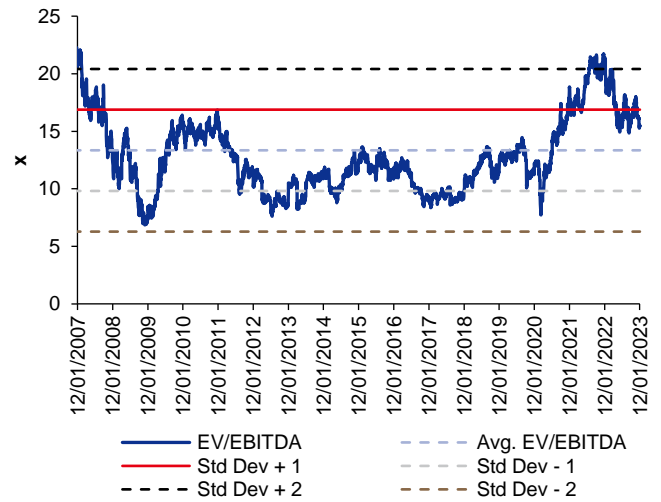
SOURCE: INCRED RESEARCH, COMPANY REPORT

Figure 4: One-year forward P/E of ~23x



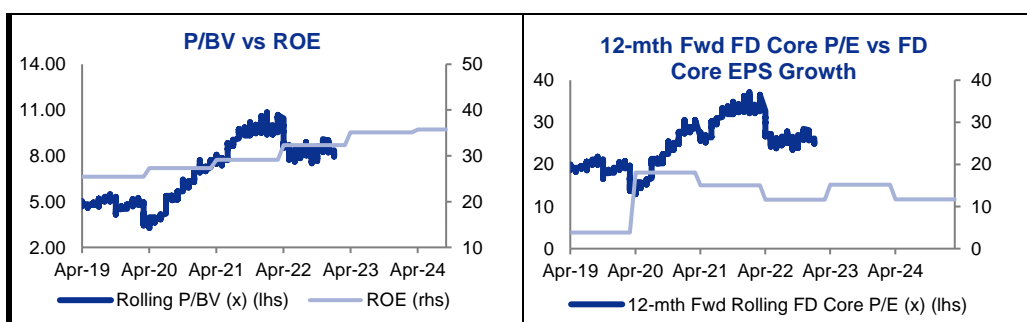
SOURCE: INCRED RESEARCH, BLOOMBERG

Figure 5: One-year forward EV/EBITDA of ~16x



SOURCE: INCRED RESEARCH, BLOOMBERG

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Total Net Revenues	1,004,730	1,216,410	1,482,170	1,639,871	1,805,840
Gross Profit	383,260	431,190	491,943	555,767	619,403
Operating EBITDA	278,900	314,920	355,446	401,262	445,139
Depreciation And Amortisation	(32,680)	(34,770)	(42,458)	(48,146)	(53,019)
Operating EBIT	246,220	280,150	312,988	353,116	392,121
Financial Income/(Expense)	14,200	14,440	15,116	16,683	18,672
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	5,860	6,510	7,937	7,032	7,636
Profit Before Tax (pre-EI)	266,280	301,100	336,041	376,832	418,429
Exceptional Items					
Pre-tax Profit	266,280	301,100	336,041	376,832	418,429
Taxation	(72,050)	(79,640)	(91,128)	(97,599)	(108,373)
Exceptional Income - post-tax					
Profit After Tax	194,230	221,460	244,913	279,232	310,056
Minority Interests	(720)	(350)	(70)	(40)	
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	193,510	221,110	244,843	279,192	310,056
Recurring Net Profit	193,510	221,110	244,843	279,192	310,056
Fully Diluted Recurring Net Profit	193,510	221,110	244,843	279,192	310,056

Cash Flow

(Rs mn)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
EBITDA	278,900	314,920	355,446	401,262	445,139
Cash Flow from Invt. & Assoc.					
Change In Working Capital	7,680	(14,240)	(43,843)	(41,218)	(39,105)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	9,550	(350)	(70)	(40)	
Other Operating Cashflow					
Net Interest (Paid)/Received					
Tax Paid	(63,890)	(76,120)	(91,128)	(97,599)	(108,373)
Cashflow From Operations	232,240	224,210	220,406	262,405	297,662
Capex	(21,070)	(21,610)	(24,000)	(22,000)	(21,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(53,490)	(42,550)	25,873	26,916	29,508
Cash Flow From Investing	(74,560)	(64,160)	1,873	4,916	8,508
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased		(111,250)	(93,000)		
Dividends Paid	(91,170)	(126,520)	(143,536)	(212,651)	(232,542)
Preferred Dividends					
Other Financing Cashflow	(6,690)	(8,650)	(2,820)	(3,200)	(3,200)
Cash Flow From Financing	(97,860)	(246,420)	(239,356)	(215,851)	(235,742)
Total Cash Generated	59,820	(86,370)	(17,077)	51,469	70,428
Free Cashflow To Equity	211,170	202,600	196,406	240,405	276,662
Free Cashflow To Firm	157,680	160,050	222,279	267,321	306,169

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Total Cash And Equivalents	270,560	241,450	224,373	275,842	346,270
Total Debtors	268,210	342,660	385,770	431,309	474,961
Inventories					
Total Other Current Assets	68,560	87,740	87,740	87,740	87,740
Total Current Assets	607,330	671,850	697,883	794,891	908,970
Fixed Assets	182,760	183,140	164,682	138,536	106,517
Total Investments	130,360	151,450	151,450	151,450	151,450
Intangible Assets	81,510	79,020	79,020	79,020	79,020
Total Other Non-Current Assets	81,900	93,390	93,390	93,390	93,390
Total Non-current Assets	476,530	507,000	488,542	462,396	430,377
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	26,450	41,340	40,607	44,928	49,475
Other Current Liabilities	212,200	294,690	294,690	294,690	294,690
Total Current Liabilities	238,650	336,030	335,297	339,618	344,165
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	77,390	85,460	85,460	85,460	85,460
Total Non-current Liabilities	77,390	85,460	85,460	85,460	85,460
Total Provisions					
Total Liabilities	316,040	421,490	420,757	425,078	429,625
Shareholders Equity	763,510	753,500	761,807	828,348	905,862
Minority Interests	4,310	3,860	3,860	3,860	3,860
Total Equity	767,820	757,360	765,667	832,208	909,722

Key Ratios					
	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Revenue Growth	10.7%	21.1%	21.8%	10.6%	10.1%
Operating EBITDA Growth	25.2%	12.9%	12.9%	12.9%	10.9%
Operating EBITDA Margin	27.8%	25.9%	24.0%	24.5%	24.7%
Net Cash Per Share (Rs)	52.88	46.34	42.64	55.59	72.62
BVPS (Rs)	179.68	178.66	182.14	200.35	219.10
Gross Interest Cover	126.27	140.07	110.99	110.35	122.54
Effective Tax Rate	27.1%	26.4%	27.1%	25.9%	25.9%
Net Dividend Payout Ratio	59.2%	58.9%	58.6%	76.2%	75.0%
Accounts Receivables Days	95.16	91.65	89.69	90.93	91.59
Inventory Days					
Accounts Payables Days	16.14	15.76	15.10	14.40	14.52
ROIC (%)	41.1%	46.4%	50.7%	55.1%	59.3%
ROCE (%)	23.8%	25.5%	28.2%	31.0%	31.7%
Return On Average Assets	18.3%	18.6%	19.8%	21.8%	22.8%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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