

India

ADD (no change)

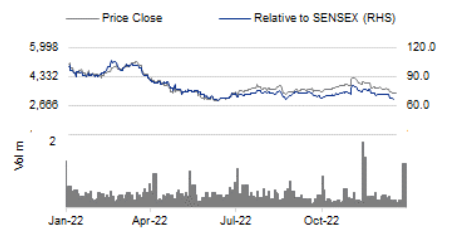
Consensus ratings*: Buy 10 Hold 6 Sell 10

Current price:	Rs3,397
Target price:	Rs3,728
Previous target:	Rs3,749
Up/downside:	9.7%
InCred Research / Consensus:	4.9%
Reuters:	LTEH.NS
Bloomberg:	LTTS IN
Market cap:	US\$4,409m Rs358,724m
Average daily turnover:	US\$15.4m Rs1256.5m
Current shares o/s:	105.9m
Free float:	26.0%

*Source: Bloomberg

Key changes in this note

- Expect 17.5% US\$ revenue CAGR over FY23F-25F.
- Expect 16.4% EBIT CAGR over FY23F-25F.
- Expect 16.9% PAT CAGR over FY23F-25F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(14.0)	(3.8)	(33.6)
Relative (%)	(12.8)	(6.4)	(35.2)

Major shareholders	% held
FPI	7.0
LIC	3.4
MF	2.1

Analyst(s)



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L&T Technology Services Ltd

3Q soft; SWC acquisition to weigh on EBITM

- Revises FY23F revenue growth guidance to 15% in constant currency (CC) terms vs. 15.5-16.5% earlier (9MFY23 CC revenue growth was 17.2%).
- Core business EBIT margin profile of 18%+ likely to sustain; SWC acquisition to create ~180-200bp margin headwind in 1QFY24F.
- 9MFY23 OCF was up 21.9% yoy at Rs.9.8bn with OCF/EBITDA at ~78%.

Higher furloughs led to weaker-than-anticipated 3QFY23 show

L&T Technology Services' (LTTS) 3QFY23 revenue was 1% below our estimate due to higher furloughs in the plant engineering vertical but EBIT margin or EBITM performance was resilient. Healthy deal wins (five deals worth US\$10m+ each), recovery in the plant engineering vertical and continuing momentum in the transportation vertical aided by the Airbus deal may drive growth in 4QFY23F. FY24F revenue will be aided by Smart World & Communication (SWC) acquisition (effective 1QFY24F) but consolidated EBIT margin would be impacted given SWC's inferior EBITDA margin profile (8-10%). Cash flow could be impacted too, given the higher working capital requirement of SWC business.

Initiates SWC acquisition integration program

LTTS highlighted that SWC acquisition (for Rs8bn) augments communication (network engineering service offering), smart cities and cyber security and cross-selling capabilities. LTTS aims to transform SWC from a system integrator to a software solutions provider and has put in place an integration program for the next 180 days to focus on P&L, technology roadmap, enabling functions, DSO, and cash flow.

SWC shifts FY25F 18% EBIT margin aspiration to 1HFY26F

3QFY23 EBIT margin was up 63bp qoq at 18.7% (beat by 30bp) aided by employee productivity, offshore mix and currency tailwind while the offsets were higher SG&A expenses. Though the core business EBIT margin profile is likely to sustain the 18% aspirational band, SWC integration could impact 1QFY24F margin by ~180-200bp and LTTS expects mean reversal by 1HFY26F. Though growth leverage, operational efficiency and SWC margin improvement driven by geography and services mix change are key tailwinds, we lower our FY24F EBIT margin assumption by ~260bp.

Retain ADD rating with a revised target price of Rs3,728

We retain ADD rating on LTTS with a revised price of Rs3,728 (from Rs3,749 earlier) as we adjust our estimates to factor in SWC acquisition, roll forward to FY25F, and cut target PE/G to 1.46x vs. 1.6x (27% discount to TCS' PE/G vs. 20% earlier) to factor in a longer time horizon and inferior SWC operating profile. We now model 17.5% US\$ revenue CAGR over FY23F-25F and 17% PAT (Rs) CAGR. Strong long-term prospects in ER&D services, sustained cash generation, net cash (Rs251/share) and healthy payout ratio trend provide cushion, in our view. SWC integration risk, client-specific problems, EBITM compression due to challenges in large verticals, and sticky employee attrition are key downside risks.

Financial Summary

	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Revenue (Rsm)	54,497	65,697	80,162	99,865	114,678
Operating EBITDA (Rsm)	10,074	14,149	17,148	19,034	23,257
Net Profit (Rsm)	6,634	9,570	11,746	12,859	16,038
Core EPS (Rs)	62.8	90.6	111.1	121.5	151.5
Core EPS Growth	(20.7%)	44.2%	22.6%	9.4%	24.7%
FD Core P/E (x)	54.06	37.49	30.59	27.97	22.42
DPS (Rs)	22.0	35.0	47.0	40.0	50.0
Dividend Yield	0.64%	1.03%	0.94%	1.17%	1.47%
EV/EBITDA (x)	34.27	24.21	20.04	17.79	14.19
P/FCFE (x)	28.69	48.01	294.27	45.96	29.87
Net Gearing	(38.6%)	(39.2%)	(31.6%)	(36.0%)	(42.9%)
P/BV (x)	10.32	8.63	7.19	6.13	5.18
ROE	21.3%	25.1%	25.6%	23.7%	25.1%
% Change In Core EPS Estimates			2.84%	(4.37%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Quarterly performance

YE Mar (Rs m)	3QFY23	3QFY22	YoY (%)	2QFY23	QoQ (%)	3QFY23E	Var. (%)
Revenue (US\$ m)	248.0	225	10.2	247	0.4	250.6	(1.0)
Net sales (Rs m)	20,486	16,875	21.4	19,951	2.7	20,599	(0.6)
USD-INR realization	82.6	75.0	10.2	80.7	2.3	82.2	0.5
EBITDA	4,412	3,674	20.1	4,193	5.2	4,408	0.1
EBITDA margin (%)	21.5	21.8	(24 bp)	21.0	52 bp	21.4	14 bp
EBIT	3,829	3,144	21.8	3,603	6.3	3,788	1.1
EBIT margin (%)	18.7	18.6	6 bp	18.1	63 bp	18.4	30 bp
Depreciation	583	530	10.0	590	(1.2)	620	(6.0)
Net other income	627	259	142.1	287	118.5	230	172.4
PBT	4,456	3,403	30.9	3,890	14.6	4,018	10.9
Provision for tax	1,406	907	55.0	1,057	33.0	1,065	32.0
% tax rate	31.6	26.7	490 bp	27.2	438 bp	26.5	505 bp
Net profit	3,036	2,488	22.0	2,825	7.5	2,946	3.1
EPS (Rs)	28.7	23.6	21.6	26.7	7.4	27.8	3.0

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Key conference-call takeaways

- LTTS signed five deals of US\$10m each, with three deals in the industrial products segment. Sales conversations have picked up pace over the past few weeks, driving the confidence to net hire 400+ (175 in 3QFY23) employees in 4QFY23F to service demand.
- Transportation vertical's (35.9% of revenue; up 4.4% qoq and 24.4% yoy) growth was broad-based across automotive, truck & off-highway and aerospace segments. Automotive segment's growth was driven by electrification and autonomous & LTTS is also witnessing rising demand for cyber security. Truck & off-highway growth was led by electrification and platform development opportunities. Aerospace growth was driven by avionics and digital manufacturing. Design cycle (typically 7-10 years) and technology conversion from mechanical to electrical for existing aircraft (typically five years) are key growth drivers in the medium term. Overall growth momentum in the transportation vertical is likely to continue in 4QFY23F and FY24F as LTTS has not yet witnessed any moderation in spending and new programs are kicking in.
- Plant engineering vertical's weakness (15.5% of revenue, down 4.1% qoq but up 10.9% yoy) was driven by unexpected one-off furloughs among top customers. Key demand drivers include localization of supply chains, sustainability in operations including energy, water and waste management. Product mix change and digital engineering projects are driving the demand in the oil & gas vertical. LTTS won one deal in 3Q while the deal pipeline is healthy in Europe and the Middle East.
- Industrial products (19% of revenue, up 1.1% qoq and 7.7% yoy) growth was driven by electrical machinery, power and utilities sub-segments. Three deals were won during 3Q. Witnessing good demand for automation, energy transition and digital manufacturing.
- Telecom & hitech (18.8% of revenue, down 2.8% qoq and 3% yoy) witnessed challenges due to weakness in ISV, semi-conductor (hiring freeze in select sub-segments) and consumer durables. However, there was better 5G spending-led growth in the telecom segment. SWC acquisition could aid market participation. Customers looking for efficiency initiatives with good cost take-out deals are in the pipeline. Overall, the pace of growth is expected to gradually pick up for the telecom & hitech vertical.
- Medical devices (10.7% of revenue; down 1.1% qoq and 1% yoy) witnessed a soft quarter due to customers shifting their spending but connected devices, digital health, regulatory compliance and cyber security could witness spending in the coming quarters. LTTS has won a large deal from a global OEM. 4QFY23F is likely to witness growth based on deal wins and deal pipeline.
- LTTS has signed a significant empanelment with Airbus in digital manufacturing. The company is a strategic engineering services supplier for

Airbus globally and for its Indian subsidiary, providing its services across verticals like engineering, avionics and digital. As a part of the new contract, LTTS engineers will support Airbus' Numerical Control Programming (NCP) Cluster which includes composite production, trimming & cutting, standard machining, advanced machining, drilling & riveting, control & metrology, fast shop machining and technical support. Engineering support will be provided from LTTS' offshore locations in Bengaluru, India, the recently inaugurated near-shore centre in Toulouse, France, along with onsite support at Airbus locations in the UK, Germany, France, and Spain.

- SWC acquisition: It is significant and will add capabilities, technological prowess, solutions and pre-qualification for large deals, especially in the communications vertical. LTTS aims to cross-sell SWC's communication capabilities to telecom clients (OEM and Infrastructure). Enterprise segment is witnessing the demand for data centre and 5G with 55+ of the top 100 clients confirming their interest in the expanded offering. SWC also adds scale and cost arbitrage capabilities to network engineering practice. LTTS to leverage SWC's smart cities practice to participate in spending commitments from the governments in the US, Canada and Europe. Combined cyber security practice of LTTS and SWC is likely to triple over the next two years from ~US\$10m currently.
- Net headcount was up 175 qoq during 3Q with overall employee count at 21,649 (up 0.8% qoq and 7.6% yoy). LTM attrition moderated to 23.3% vs. 24.1% in 2QFY23. LTTS has opened a new centre in Toronto for digital engineering and expanded operations in Peoria to offer digital manufacturing and next-gen electrification solutions.
- The effective tax rate is likely to be 27%. DSO, including unbilled, was at 94 vs. 96 qoq and LTTS aims to maintain the target range below 95.
- 9MFY23 operating cash flow was up 21.9% yoy at Rs9,829m with 78% OCF/EBITDA (unchanged yoy). 9MFY23 capex was up 93.7% yoy at Rs1,569m. Net cash stood at Rs 26,521m (Rs251 per share).

Figure 2: Operating metrics trends

Operating trends	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Revenue (\$ m)	190.1	197.5	205.7	217.4	225.1	232.0	239.5	247.1	248.0
Growth YoY (%)	-4.6	1.1	20.3	22.1	18.4	17.5	16.4	13.7	10.2
Growth QoQ (%)	6.8	3.9	4.2	5.7	3.5	3.1	3.2	3.2	0.4
CC Growth YoY (%)	-5.2	0.6	18.6	22.3	19.5	19.4	19.9	18.1	13.5
CC Growth QoQ (%)	6.6	3.8	4.3	6.0	4.2	3.6	4.7	4.5	0.0
Revenue (INR m)	14,007	14,405	15,184	16,077	16,875	17,561	18,737	19,951	20,486
Growth YoY (%)	-1.6	-0.4	17.3	22.4	20.5	21.9	23.4	24.1	21.4
Growth QoQ (%)	6.6	2.8	5.4	5.9	5.0	4.1	6.7	6.5	2.7
EBIT Margin (%)	15.2	16.6	17.3	18.4	18.6	18.6	18.3	18.1	18.7
US\$-INR Realized Rate	73.7	72.9	73.8	74.0	75.0	75.7	78.2	80.7	82.6
Headcount	16,069	16,452	16,972	17,983	20,118	20,861	21,433	21,474	21,649
LTM Attrition (%)	10.7	12.2	14.5	16.5	17.5	20.4	23.2	24.1	23.3
Utilization (%)	77.5	78.9	79.2	78.1	75.9	75.1	NA	NA	NA
Vertical (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Transportation	30.4	31.2	31.2	31.4	31.8	33.3	33.2	34.5	35.9
Process Industry	14.7	15.5	15.5	15.3	15.4	15.4	16	16.3	15.5
Industrial Products	19.3	18.9	19.5	20	19.5	18.8	19	18.9	19
Medical Industry	12.7	12.3	11.7	12.2	11.9	11.5	11.5	10.9	10.7
Telecom and Hitech	22.9	22.1	22	21.1	21.4	21	20.3	19.4	18.8
Vertical (US\$ m)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Transportation	57.8	61.6	64.2	68.3	71.6	77.3	79.5	85.2	89.0
Process Industry	27.9	30.6	31.9	33.3	34.7	35.7	38.3	40.3	38.4
Industrial Products	36.7	37.3	40.1	43.5	43.9	43.6	45.5	46.7	47.1
Medical Industry	24.1	24.3	24.1	26.5	26.8	26.7	27.5	26.9	26.5
Telecom and Hitech	43.5	43.6	45.3	45.9	48.2	48.7	48.6	47.9	46.6
Vertical YoY (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Transportation	-19.0	-11.7	19.1	21.7	23.9	25.4	23.9	24.9	24.4
Process Industry	-18.5	-2.1	35.1	29.8	24.0	16.7	20.2	21.1	10.9
Industrial Products	-4.1	-1.5	20.9	25.3	19.6	16.8	13.4	7.4	7.3
Medical Industry	28.9	20.7	10.0	12.9	11.0	9.8	14.4	1.5	-0.9
Telecom and Hitech	18.1	19.5	18.1	20.4	10.7	11.6	7.4	4.5	-3.2
Vertical QoQ (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Transportation	3.1	6.6	4.2	6.4	4.9	7.9	2.9	7.2	4.4
Process Industry	9.0	9.5	4.2	4.3	4.2	3.1	7.3	5.1	-4.6
Industrial Products	5.7	1.7	7.5	8.4	1.0	-0.6	4.3	2.6	0.9
Medical Industry	2.8	0.6	-0.9	10.2	1.0	-0.4	3.2	-2.2	-1.5
Telecom and Hitech	14.3	0.3	3.7	1.4	5.0	1.1	-0.2	-1.4	-2.7
Incremental revenue (US\$ m)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Transportation	1.7	3.8	2.6	4.1	3.3	5.7	2.3	5.7	3.8

Process Industry	2.3	2.7	1.3	1.4	1.4	1.1	2.6	2.0	-1.8
Industrial Products	2.0	0.6	2.8	3.4	0.4	-0.3	1.9	1.2	0.4
Medical Industry	0.6	0.1	-0.2	2.5	0.3	-0.1	0.9	-0.6	-0.4
Telecom and Hitech	5.4	0.1	1.6	0.6	2.3	0.5	-0.1	-0.7	-1.3
Geography (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
North America	61.2	61.5	62.3	62.9	62.5	62.3	62.9	63.4	62.7
Europe	16.1	16.7	16.8	16.7	16.5	16.1	16.4	15.9	16.1
India	13.9	13.1	12.9	13	13.7	14.5	13.2	12.8	13.6
ROW	8.8	8.8	8	7.4	7.4	7	7.4	7.9	7.6
Geography (US\$ m)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
North America	116.3	121.5	128.2	136.7	140.7	144.5	150.6	156.7	155.5
Europe	30.6	33.0	34.6	36.3	37.1	37.4	39.3	39.3	39.9
India	26.4	25.9	26.5	28.3	30.8	33.6	31.6	31.6	33.7
ROW	16.7	17.4	16.5	16.1	16.7	16.2	17.7	19.5	18.8
Geography YoY (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
North America	-4.6	1.6	22.5	28.0	20.9	19.0	17.6	14.6	10.5
Europe	8.9	1.1	26.3	27.5	21.4	13.2	13.7	8.2	7.5
India	0.4	3.4	19.4	16.7	16.7	30.0	19.1	11.9	9.4
ROW	-26.4	-3.3	-1.8	-13.1	-0.4	-6.6	7.7	21.3	13.2
Geography QoQ (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
North America	8.9	4.4	5.5	6.7	2.9	2.7	4.2	4.0	-0.7
Europe	7.5	7.8	4.8	5.1	2.3	0.6	5.2	0.0	1.6
India	9.2	-2.1	2.6	6.5	9.1	9.1	-6.0	0.0	6.6
ROW	-9.6	3.9	-5.3	-2.2	3.5	-2.5	9.1	10.1	-3.4
Incremental revenue (US\$ m)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
North America	10	5	7	9	4	4	6	6	-1
Europe	2	2	2	2	1	0	2	0	1
India	2	-1	1	2	3	3	-2	0	2
ROW	-2	1	-1	0	1	0	1	2	-1
Client (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Top 5	16.3	16.1	16.4	17	17.3	17.2	16.7	16.4	16
Top 6-10	11	10.8	11	11.2	11.2	11.1	10.9	10.5	10.6
Top 11-20	16.7	16.9	16.5	15.9	15.3	15.2	15.6	15.5	15.5
Non top 20	56	56.2	56.1	55.9	56.2	56.5	56.8	57.6	57.9
Client (US\$ m)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Top 5	31.0	31.8	33.7	37.0	38.9	39.9	40.0	40.5	39.7
Top 6-10	20.9	21.3	22.6	24.3	25.2	25.8	26.1	25.9	26.3
Top 11-20	31.7	33.4	33.9	34.6	34.4	35.3	37.4	38.3	38.4
Non-top 20	106.5	111.0	115.4	121.5	126.5	131.1	136.0	142.3	143.6
Client YoY (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Top 5	-26.3	-15.2	10.8	22.1	25.7	25.5	18.6	9.6	1.9
Top 6-10	-18.0	-13.4	11.2	21.1	20.6	20.7	15.4	6.6	4.3
Top 11-20	0.2	2.3	16.1	17.0	8.5	5.7	10.1	10.8	11.6
Non-top 20	6.4	10.3	26.8	23.9	18.8	18.1	17.9	17.1	13.5
Client QoQ (%)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Top 5	2.4	2.6	6.1	9.6	5.4	2.5	0.2	1.3	-2.1
Top 6-10	4.0	2.0	6.1	7.6	3.5	2.1	1.4	-0.6	1.3
Top 11-20	7.4	5.1	1.7	1.8	-0.4	2.4	5.9	2.5	0.4
Non-top 20	8.5	4.3	4.0	5.3	4.1	3.6	3.8	4.6	0.9
Incremental revenue (US\$ m)	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Top 5	0.7	0.8	1.9	3.2	2.0	1.0	0.1	0.5	-0.8
Top 6-10	0.8	0.4	1.3	1.7	0.9	0.5	0.4	-0.2	0.3
Top 11-20	2.2	1.6	0.6	0.6	-0.1	0.8	2.1	0.9	0.1
Non-top 20	8.4	4.5	4.4	6.1	5.0	4.6	5.0	6.3	1.3
Client metrics	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
No of active clients	296	306	305	314	318	324	337	343	343
Revenue per active client	2.5	2.4	2.5	2.6	2.7	2.7	2.7	2.8	2.8
US\$ 30 m+	1	0	0	1	2	2	2	3	2
US\$ 20 m+	4	3	5	6	6	6	7	8	8
US\$ 10 m+	18	20	20	21	22	22	23	24	25
US\$ 5 m+	41	39	43	45	44	48	51	49	50
US\$ 1 m+	118	122	122	125	126	136	142	150	158
Per employee analysis	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Revenue (US\$ m) - TTM	735	737	771	811	846	880	914	944	967
Employees (Average TTM)	15,225	15,142	15,246	15,770	16,770	17,820	18,867	19,695	20,038
Revenue per employee (TTM)	48,242	48,645	50,590	51,407	50,429	49,394	48,446	47,916	48,239

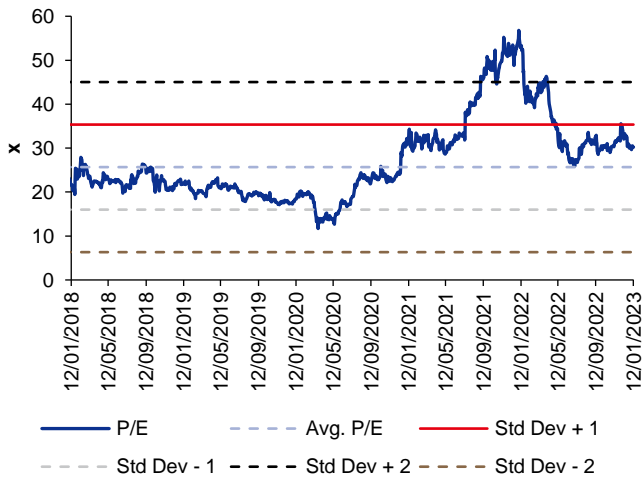
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Change in our earnings estimates

Y/E, Mar (Rs m)	FY23F			FY24F			FY25F
	New	Old	% change	New	Old	% change	New
US\$ revenue	989	1,014	-2.5	1,209	1,166	3.7	1,365
Revenue	80,162	79,152	1.3	99,865	92,138	8.4	1,14,678
EBIT	14,801	14,409	2.7	15,838	16,834	-5.9	20,046
EBIT Margin (%)	18.5	18.2	26 bp	15.9	18.3	(241) bp	17.5
Net PAT	11,746	11,413	2.9	12,859	13,426	-4.2	16,038
EPS (Rs)	111.0	108.0	2.9	121.5	127.0	-4.2	151.5

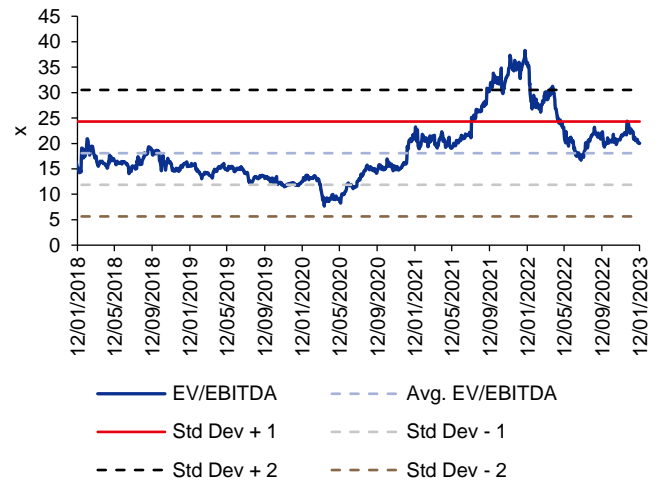
SOURCE: INCRED RESEARCH, COMPANY REPORT

Figure 4: One-year forward P/E at ~30x



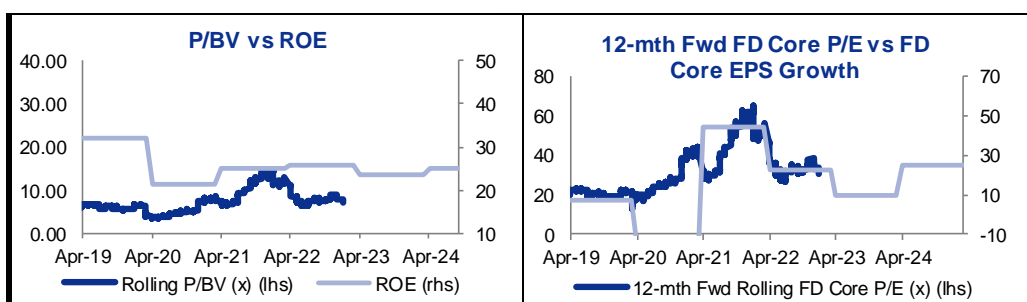
SOURCE: INCRED RESEARCH, BLOOMBERG

Figure 5: One-year forward EV/EBITDA at ~20x



SOURCE: INCRED RESEARCH, BLOOMBERG

BY THE NUMBERS



Profit & Loss

(Rs m)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Total Net Revenue	54,497	65,697	80,162	99,865	114,678
Gross Profit	20,947	29,192	34,141	40,246	47,339
Operating EBITDA	10,074	14,149	17,148	19,034	23,257
Depreciation And Amortisation	(2,183)	(2,144)	(2,347)	(3,196)	(3,211)
Operating EBIT	7,891	12,005	14,801	15,838	20,046
Financial Income/(Expense)	(173)	1,087	1,614	1,733	1,881
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	1,255				
Profit Before Tax (pre-EI)	8,973	13,092	16,415	17,571	21,927
Exceptional Items					
Pre-tax Profit	8,973	13,092	16,415	17,571	21,927
Taxation	(2,307)	(3,486)	(4,625)	(4,656)	(5,833)
Exceptional Income - post-tax					
Profit After Tax	6,666	9,606	11,790	12,915	16,094
Minority Interests	(32)	(36)	(44)	(56)	(56)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	6,634	9,570	11,746	12,859	16,038
Recurring Net Profit	6,634	9,570	11,746	12,859	16,038
Fully Diluted Recurring Net Profit	6,634	9,570	11,746	12,859	16,038

Cash Flow

(Rs m)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
EBITDA	10,074	14,149	17,148	19,034	23,257
Cash Flow from Invt. & Assoc.					
Change In Working Capital	4,245	(1,452)	(1,258)	(4,696)	(3,531)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	1,477	(36)	(44)	(56)	(56)
Other Operating Cashflow					
Net Interest (Paid)/Received					
Tax Paid	(2,523)	(3,563)	(4,625)	(4,656)	(5,833)
Cashflow From Operations	13,273	9,098	11,221	9,625	13,837
Capex	(771)	(1,624)	(10,000)	(1,800)	(1,800)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(9,283)	(2,859)	2,058	2,193	2,331
Cash Flow From Investing	(10,054)	(4,483)	(7,942)	393	531
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(2,198)	(3,633)	(3,379)	(4,224)	(5,293)
Preferred Dividends					
Other Financing Cashflow	(1,429)	(1,349)	(444)	(460)	(450)
Cash Flow From Financing	(3,627)	(4,982)	(3,823)	(4,684)	(5,743)
Total Cash Generated	(408)	(367)	(544)	5,334	8,626
Free Cashflow To Equity	12,502	7,474	1,221	7,825	12,037
Free Cashflow To Firm	3,219	4,615	3,279	10,018	14,368

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs m)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Total Cash And Equivalents	17,476	20,660	20,116	25,450	34,076
Total Debtors	14,761	19,569	21,523	26,813	30,790
Inventories					
Total Other Current Assets	2,789	3,022	3,022	3,022	3,022
Total Current Assets	35,026	43,251	44,661	55,285	67,888
Fixed Assets	6,379	6,496	14,149	12,753	11,342
Total Investments	1,644	3,225	3,225	3,225	3,225
Intangible Assets	6,564	6,430	6,430	6,430	6,430
Total Other Non-Current Assets	1,116	1,507	1,507	1,507	1,507
Total Non-current Assets	15,703	17,658	25,311	23,915	22,504
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	2,352	1,720	2,416	3,010	3,456
Other Current Liabilities	8,630	12,069	12,069	12,069	12,069
Total Current Liabilities	10,982	13,789	14,485	15,079	15,525
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	4,915	5,359	5,359	5,359	5,359
Total Non-current Liabilities	4,915	5,359	5,359	5,359	5,359
Total Provisions					
Total Liabilities	15,897	19,148	19,844	20,438	20,884
Shareholders' Equity	34,731	41,624	49,991	58,626	69,371
Minority Interests	101	137	150	137	137
Total Equity	34,832	41,761	50,141	58,763	69,508

Key Ratios					
	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Revenue Growth	(3.0%)	20.6%	22.0%	24.6%	14.8%
Operating EBITDA Growth	(10.8%)	40.5%	21.2%	11.0%	22.2%
Operating EBITDA Margin	18.5%	21.5%	21.4%	19.1%	20.3%
Net Cash Per Share (Rs)	127.53	155.02	149.64	200.03	281.52
BVPS (Rs)	329.03	393.83	472.26	553.84	655.35
Gross Interest Cover	17.34	27.47	33.34	34.43	44.55
Effective Tax Rate	25.7%	26.6%	28.2%	26.5%	26.6%
Net Dividend Payout Ratio	34.8%	38.5%	28.8%	32.8%	33.0%
Accounts Receivables Days	107.42	95.37	93.55	88.33	91.67
Inventory Days					
Accounts Payables Days	23.54	20.36	16.40	16.61	17.52
ROIC (%)	25.2%	42.7%	45.8%	36.2%	41.5%
ROCE (%)	16.7%	20.8%	21.2%	19.8%	21.5%
Return On Average Assets	14.5%	15.8%	16.2%	15.6%	17.4%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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