

India

HOLD (no change)

Consensus ratings*: Buy 6 Hold 8 Sell 15

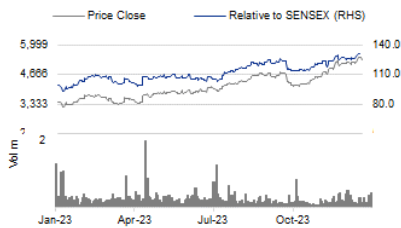
Current price: Rs5,350
 Target price: ▲ Rs5,361
 Previous target: Rs4,606
 Up/downside: 0.2%
 InCred Research / Consensus: 18.7%

Reuters: LTEH.NS
 Bloomberg: LTTS IN
 Market cap: US\$6,810m
 Rs565,702m
 Average daily turnover: US\$11.7m
 Rs969.8m
 Current shares o/s: 106.0m
 Free float: 26.0%

*Source: Bloomberg

Key changes in this note

- Expect 12.2% revenue CAGR over FY24F-26F.
- Expect 16.7% EBIT CAGR over FY24F-26F.
- Expect 17.5% PAT CAGR over FY24F-26F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	1.6	16.0	56.9
Relative (%)	(0.6)	5.3	30.1

Major shareholders	% held
LIC	6.0
FPI	5.6
MF	2.7

Research Analyst(s)



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L&T Technology Services Ltd

Good on margin but not so on revenue

- 3QFY24 earnings were largely in line while the management reiterating its FY24F guidance implies a 4-7% qoq CC revenue growth in 4QFY24F.
- Deal pipeline better qoq/yoy but velocity similar to 2QFY24.
- 9MFY24 OCF/EBITDA stood at 59.4% vs. 76.7% in 9MFY23.

Earnings summary

L&T Technology Services or LTTS' 3QFY24 earnings were largely in line, with revenue/EBIT margin modestly below/above InCred estimates, respectively, and the company retained its FY24F US\$ constant currency or CC revenue growth of 17.5-18.5%. Management commentary suggests that 1) the lower end of the implied 4QFY24F qoq guidance range is achievable based on the orders in the bag while the top-end is a function of select deal closure and ramp-up, 2) the deal pipeline is better qoq/yoy but closure velocity has not improved, and 3) client conversations suggest that CY24F spending could be flattish with a positive bias. Put together, we believe 10-12% could be a good starting point for FY25F US\$ revenue growth guidance. We tinker estimates and increase target price to Rs5,361 (Rs4,606 earlier) to account for 1) better margin execution and 2) increase in the target PE/G to factor in improved demand visibility but retain our HOLD rating.

Deal pipeline better on a sequential basis

LTTS signed six large deals (vs. seven in 2QFY24), with one being US\$40m+, another being US\$20m+ and four others of US\$10m+ each. Management stated that the deal pipeline has improved qoq and it expects strong bookings in 4QFY24F with a caveat that deal velocity is like that of 2QFY24. We raise our average US\$ revenue CAGR assumption by 30bp to 12.2% to account for improved visibility commentary.

Better execution continues

3QFY24 EBIT margin was up 11bp, but down 28bp yoy, at 17.2%. The headwinds from SG&A expenses (9.1% of revenue vs. 8.1% in 2QFY24) were offset by optimization in cost of sales (70.8% of revenue vs. 72% in 2QFY24). Management retained its FY24F guidance of achieving 17% EBIT margin (average 9MFY24 EBIT margin at 17.1%) led by growth leverage in 4Q, cost optimization initiatives & synergy from SWC acquisition as the key margin levers while investments in capabilities & wage inflation as key headwinds. We expect an average 17.8% EBIT margin over FY24F-26F.

Retain HOLD rating on the stock

We model a 12.2% US\$ revenue CAGR over FY24F-26F & a 17.5% (17.2% earlier) PAT (Rs) CAGR and increase our target PE/G multiple to 1.8x (from 1.6x) to factor in the improved demand visibility. Growth runway, cash generation, net cash (Rs215/share), improving payout and healthy return ratios provide cushion, in our view. Portfolio challenges and EBIT margin compression in key verticals are downside risks. Strong order book conversion is a key upside risk.

Financial Summary

	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue (Rsm)	65,697	88,155	96,395	109,325	125,741
Operating EBITDA (Rsm)	14,149	17,609	19,228	22,193	25,651
Net Profit (Rsm)	9,570	12,122	13,080	15,366	18,044
Core EPS (Rs)	90.6	114.0	122.9	145.0	170.3
Core EPS Growth	44.2%	25.9%	7.8%	18.0%	17.4%
FD Core P/E (x)	59.04	46.91	43.53	36.89	31.42
DPS (Rs)	35.0	45.0	52.0	62.4	73.2
Dividend Yield	0.65%	0.85%	0.97%	1.17%	1.37%
EV/EBITDA (x)	38.79	30.93	28.67	24.44	20.85
P/FCFE (x)	75.60	57.13	(289.94)	51.92	44.19
Net Gearing	(39.2%)	(48.8%)	(32.1%)	(37.3%)	(42.1%)
P/BV (x)	13.58	11.55	9.93	8.61	7.45
ROE	25.1%	26.6%	24.5%	25.0%	25.4%
% Change In Core EPS Estimates			1.17%	(4.29%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Quarterly performance

Y/E Mar (Rs m)	3QFY24	3QFY23	YoY (%)	2QFY24	QoQ (%)	3QFY24F	Var. (%)
Revenue (US\$ m)	290.7	261	11.3	288	0.9	291.6	(0.3)
Net sales (Rs m)	24,218	21,570	12.3	23,865	1.5	24,291	(0.3)
USD-INR realization	83.3	82.6	0.9	82.8	0.6	83.3	0.0
EBITDA	4,877	4,356	12.0	4,756	2.5	4,810	1.4
EBITDA margin (%)	20.1	20.2	(6 bp)	19.9	21 bp	19.8	34 bp
EBIT	4,162	3,767	10.5	4,075	2.1	4,117	1.1
EBIT margin (%)	17.2	17.5	(28 bp)	17.1	11 bp	17.0	24 bp
Depreciation	715	589	21.4	681	5.0	692	3.3
Net other income	493	620	(20.5)	286	72.4	336	46.9
PBT	4,655	4,387	6.1	4,361	6.7	4,453	4.5
Provision for tax	1,287	1,405	(8.4)	1,202	7.1	1,225	5.1
% tax rate	27.6	32.0	(438 bp)	27.6	9 bp	27.5	15 bp
Net Profit	3,362	2,968	13.3	3,154	6.6	3,223	4.3
EPS (Rs)	31.7	28.7	13.3	29.8	6.6	30.4	4.3

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Key earnings-call takeaways

- LTTS retained its CC revenue growth guidance at 17.5-18.5% for FY24F (4-7% CC qoq growth likely in 4QFY24F) and 17% EBIT margin. Reiterated its US\$1.5bn revenue run-rate aspiration in FY25F and 18% EBIT margin by 1HFY26F.
- CY24F outlook: LTTS expects ER&D spending in CY24F to marginally increase or remain flat but unlikely to decline. The deal pipeline is better qoq and yoy, but deal velocity is similar to 2QFY24. LTTS expects strong deal wins in 4QFY24F. Cost take-outs and value engineering work witnessing significant traction as its customers continue to focus on productivity.
- The transportation vertical witnessed a broad-based growth in the automotive, truck and aerospace sub-segments. LTTS won three large deals during 3Q. The company won its first major deal in Software Defined Vehicle (SDV) from an US OEM to define the architecture of its next-generation automobiles. Management expects the SDV uptick to continue in the medium term, with SDV becoming relevant in commercial vehicles too apart from passenger vehicles or PVs. LTTS has partnered with AWS to help global automotive manufacturers accelerate the transition towards SDV using GenAI. LTTS continues to witness traction in the electric vehicle or EV segment, optimization and benchmarking activities. LTTS won an aerospace deal in the avionics segment, which could aid growth in the coming quarters.
- The plant engineering segment's growth was broad-based across FMCG, oil & gas and chemicals sectors. Deal win from BP for engineering, manufacturing services, digital, enterprise data management and low carbon initiatives could aid growth in the short term, and management expects it to be a top-10 customer in the medium term. Traction in new capex, supply chain, modernization and sustainability initiatives remain the key areas of spending. The overall pipeline is healthy and the growth trajectory could continue in medium term.
- Industrial products' growth was aided by growth in the power segment, but building automation stands challenged. Cyber security is witnessing good interest and is likely to aid growth in the medium term.
- Telecom & hi-tech verticals are witnessing signs of a turnaround in the semiconductor sub-segment as freezes are being lifted, with demand being strong for VLSI chips. LTTS won its second large deal, leveraging SWC capabilities in the cyber security segment. Media & ISV sub-segments witnessing cost take-outs and vendor consolidation opportunities. Overall, management expects the growth to continue.
- Medical devices' growth was aided by ramp-up of a large deal. Digital platform, digital manufacturing and supply chain are aiding growth. LTTS would collaborate with Nvidia to unveil GenAI and Advanced Software-Defined Architecture for medical devices. Client budgets would be constrained in the short term, but could rebound in the medium term.

- Europe's growth over the last few quarters was led by the transportation, industrial products and plant engineering verticals. The US market growth is witnessing headwinds from the telecom & hi-tech verticals, but growth was healthy for other verticals. The Japan-led growth in RoW was led by the focus on transportation, hi-tech and industrial products verticals.
- LTTS has reappointed Mr. Amit Chadha as CEO & MD for a period of three years, effective 1 Apr 2024.
- DSO, including unbilled, stood at 120 vs. 118 in 2QFY24 and within the targeted range of 115-125.
- The employee count at 23,298 was down 2.4% qoq, but up 3.5% yoy. LTM attrition stood at 15.8% vs. 16.7% in 2QFY24. LTTS has made offers to 1,200 freshers for FY25F.
- 9MFY24 OCF at Rs8,413m was down 14.4% yoy. OCF/EBITDA stood at 59.4% in 9MFY24 vs. 76.7% in 9MFY23. LTTS has cash & investments of Rs215 per share.

Figure 2: Operating metric trend

Operating trends	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Revenue (\$ m)	225.1	232.0	256.7	283.0	261.2	288.4	280.0	288.1	290.7
Growth yoy (%)	18.4	17.5	24.8	30.2	16.0	24.3	9.1	1.8	11.3
Growth qoq (%)	3.5	3.1	10.6	10.2	-7.7	10.4	-2.9	2.9	0.9
CC Growth yoy (%)	19.5	19.4	19.9	18.1	13.5	12.1	10.0	1.4	11.0
CC Growth qoq (%)	4.2	3.6	4.7	4.5	0.0	2.2	-2.9	3.2	0.9
Revenue (INR m)	16,875	17,561	20,062	22,817	21,570	23,706	23,014	23,865	24,218
Growth YoY (%)	20.5	21.9	32.1	41.9	27.8	35.0	14.7	4.6	12.3
Growth QoQ (%)	5.0	4.1	14.2	13.7	-5.5	9.9	-2.9	3.7	1.5
EBIT Margin (%)	18.6	18.6	17.4	16.6	17.5	17.9	17.2	17.1	17.2
US\$-INR realized rate	75.0	75.7	78.2	80.6	82.6	82.2	82.2	82.8	83.3
Headcount	20,118	20,861	22,131	22,265	22,501	23,074	23,392	23,880	23,298
LTM Attrition (%)	17.5	20.4	23.2	24.1	23.3	22.2	18.9	16.7	15.8
Utilization (%)	75.9	75.1	NA	NA	NA	NA	NA	NA	NA
Vertical (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Transportation	31.8	33.3	30.9	30.2	34.1	30.6	32.7	33.2	33.2
Plant engineering	15.4	15.4	15	14.2	14.7	14.1	13.9	14.0	14.0
Industrial Products	19.5	18.8	17.8	16.5	18.1	17	17.6	17.3	17.2
Medical Industry	11.9	11.5	10.7	9.5	10.2	9.9	10.3	10.1	10.2
Telecom and Hitech	21.4	21	25.6	29.7	22.9	28.4	25.5	25.4	25.4
Vertical (US\$ m)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Transportation	71.6	77.3	79.3	85.5	89.1	88.3	91.6	95.6	96.5
Plant engineering	34.7	35.7	38.5	40.2	38.4	40.7	38.9	40.3	40.7
Industrial Products	43.9	43.6	45.7	46.7	47.3	49.0	49.3	49.8	50.0
Medical Industry	26.8	26.7	27.5	26.9	26.6	28.6	28.8	29.1	29.7
Telecom and Hitech	48.2	48.7	65.7	84.1	59.8	81.9	71.4	73.2	73.8
Vertical YoY (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Transportation	23.9	25.4	23.6	25.2	24.4	14.2	15.4	11.9	8.4
Plant engineering	24.0	16.7	20.8	20.8	10.8	13.8	1.1	0.4	6.0
Industrial Products	19.6	16.8	13.9	7.4	7.7	12.4	7.9	6.7	5.8
Medical Industry	11.0	9.8	14.1	1.4	-0.5	7.0	5.0	8.2	11.3
Telecom and Hitech	10.7	11.6	45.2	83.2	24.2	68.1	8.7	-12.9	23.4
Vertical QoQ (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Transportation	4.9	7.9	2.7	7.7	4.2	-0.9	3.8	4.5	0.9
Plant engineering	4.2	3.1	7.8	4.4	-4.5	5.9	-4.3	3.6	0.9
Industrial Products	1.0	-0.6	4.8	2.2	1.2	3.7	0.5	1.1	0.3
Medical Industry	1.0	-0.4	2.9	-2.1	-0.9	7.2	1.0	0.9	1.9
Telecom and Hitech	5.0	1.1	34.9	27.9	-28.8	36.9	-12.8	2.5	0.9
Incremental revenue (US\$ m)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Transportation	3.3	5.7	2.1	6.1	3.6	-0.8	3.3	4.1	0.9
Plant engineering	1.4	1.1	2.8	1.7	-1.8	2.3	-1.7	1.4	0.4
Industrial Products	0.4	-0.3	2.1	1.0	0.6	1.8	0.3	0.6	0.2
Medical Industry	0.3	-0.1	0.8	-0.6	-0.2	1.9	0.3	0.3	0.6
Telecom and Hitech	2.3	0.5	17.0	18.3	-24.2	22.1	-10.5	1.8	0.7
Geography (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
North America	62.5	62.3	58.7	55.3	59.5	53.2	56.5	55.3	54.6
Europe	16.5	16.1	15.4	13.9	15.3	14.5	15.4	15.8	16.6
India	13.7	14.5	19	23.9	17.9	25.0	20.7	21.6	21.5
RoW	7.4	7.0	6.9	6.9	7.3	7.3	7.4	7.3	7.3
Geography (US\$ m)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
North America	140.7	144.5	150.7	156.5	155.4	153.4	158.2	159.3	158.7
Europe	37.1	37.4	39.5	39.3	40.0	41.8	43.1	45.5	48.3
India	30.8	33.6	48.8	67.6	46.8	72.1	58.0	62.2	62.5
RoW	16.7	16.2	17.7	19.5	19.1	21.1	20.7	21.0	21.2
Geography YoY (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
North America	20.9	19.0	17.6	14.4	10.5	6.2	5.0	1.8	2.1
Europe	21.4	13.2	14.4	8.3	7.6	12.0	9.1	15.7	20.8
India	16.7	30.0	83.8	139.3	51.6	114.3	18.8	-8.0	33.7
RoW	-0.4	-6.6	7.6	21.4	14.5	29.6	17.0	7.7	11.3
Geography QoQ (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24

North America	2.9	2.7	4.3	3.9	-0.7	-1.3	3.1	0.7	-0.4
Europe	2.3	0.6	5.8	-0.5	1.6	4.6	3.1	5.6	6.0
India	9.1	9.1	45.0	38.7	-30.9	54.2	-19.6	7.4	0.4
RoW	3.5	-2.5	9.1	10.2	-2.4	10.4	-1.6	1.5	0.9
Incremental revenue (US\$ m)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
North America	4	4	6	6	-1	-2	5	1	-1
Europe	1	0	2	0	1	2	1	2	3
India	3	3	15	19	-21	25	-14	4	0
RoW	1	0	1	2	0	2	0	0	0
Client (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Top 5	17.3	17.2	18.5	17.7	16.6	14.6	14.7	14.9	15.7
Top 6-10	11.2	11.1	10.3	10.1	10.3	11	11.2	11.2	10.9
Top 11-20	15.3	15.2	14.6	14.3	14.6	15.2	15.5	15.6	15.1
Non-top 20	56.2	56.5	56.6	57.9	58.5	59.2	58.6	58.3	58.3
Client (US\$ m)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Top 5	38.9	39.9	47.5	50.1	43.4	42.1	41.2	42.9	45.6
Top 6-10	25.2	25.8	26.4	28.6	26.9	31.7	31.4	32.3	31.7
Top 11-20	34.4	35.3	37.5	40.5	38.1	43.8	43.4	44.9	43.9
Non-top 20	126.5	131.1	145.3	163.9	152.8	170.7	164.1	168.0	169.5
Client YoY (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Top 5	25.7	25.5	40.8	35.5	11.3	5.5	-13.3	-14.3	5.3
Top 6-10	20.6	20.7	16.9	17.4	6.7	23.2	18.6	12.9	17.8
Top 11-20	8.5	5.7	10.4	17.1	10.7	24.3	15.8	11.1	15.1
Non-top 20	18.8	18.1	25.9	34.8	20.8	30.3	12.9	2.5	10.9
Client QoQ (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Top 5	5.4	2.5	19.0	5.5	-13.4	-2.9	-2.2	4.3	6.3
Top 6-10	3.5	2.1	2.7	8.1	-5.9	17.9	-1.1	2.9	-1.8
Top 11-20	-0.4	2.4	6.3	8.0	-5.8	15.0	-1.0	3.6	-2.3
Non-top 20	4.1	3.6	10.8	12.8	-6.7	11.7	-3.9	2.4	0.9
Incremental revenue (US\$ m)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Top 5	2.0	1.0	7.6	2.6	-6.7	-1.3	-0.9	1.8	2.7
Top 6-10	0.9	0.5	0.7	2.1	-1.7	4.8	-0.4	0.9	-0.6
Top 11-20	-0.1	0.8	2.2	3.0	-2.3	5.7	-0.4	1.5	-1.0
Non-top 20	5.0	4.6	14.2	18.6	-11.1	17.9	-6.7	3.9	1.5
Client metrics	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
No of active clients	318	324	350	358	356	356	357	362	364
Revenue per active client	2.7	2.7	2.7	2.8	2.9	3.1	3.1	3.1	3.2
US\$ 30m+	2	2	3	4	3	1	3	4	4
US\$ 20m+	6	6	8	9	9	11	12	12	12
US\$ 10m+	22	22	27	29	28	28	32	31	31
US\$ 5m+	44	48	56	55	56	57	56	55	56
US\$ 1m+	126	136	153	162	168	178	181	177	175
Per employee analysis	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Revenue (US\$ m) - TTM	846	880	931	997	1,033	1,089	1,113	1,118	1,147
Employees (average TTM)	16,770	17,820	19,007	19,995	20,513	21,023	21,345	21,730	21,940
Revenue per employee (TTM)	50,429	49,394	48,994	49,852	50,354	51,816	52,124	51,437	52,289

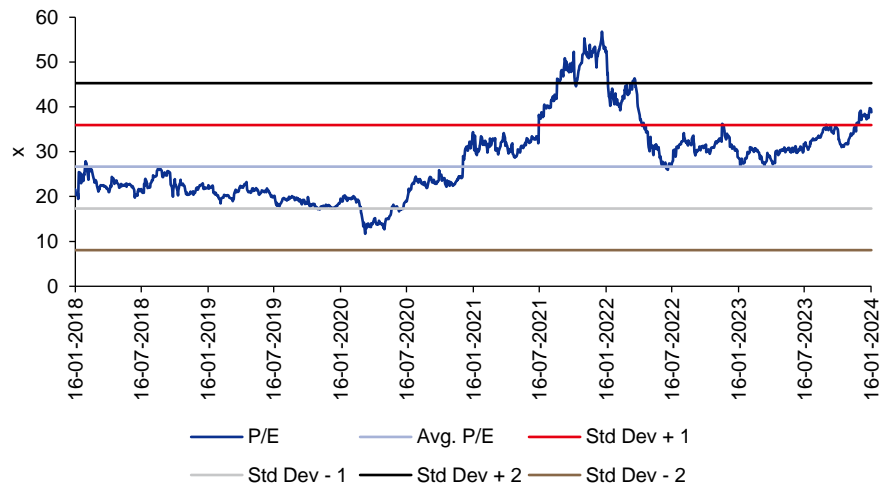
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Change in our earnings estimates

Y/E, Mar (Rs m)	FY24F			FY25F			FY26F		
	New	Old	% change	New	Old	% change	New	Old	% change
US\$ revenue	1,162	1,164	-0.1	1,301	1,301	0.0	1,462	1,457	0.4
Revenue	96,395	96,253	0.1	1,09,325	1,09,275	0.0	1,25,741	1,25,270	0.4
EBIT	16,537	16,468	0.4	19,274	19,265	0.0	22,508	22,448	0.3
EBIT Margin (%)	17.2	17.1	5 bp	17.6	17.6	0 bp	17.9	17.9	(2) bp
Net PAT	13,080	12,871	1.6	15,366	15,153	1.4	18,044	17,692	2.0
EPS (Rs)	123.4	121.5	1.6	145.0	143.0	1.4	170.3	167.0	2.0

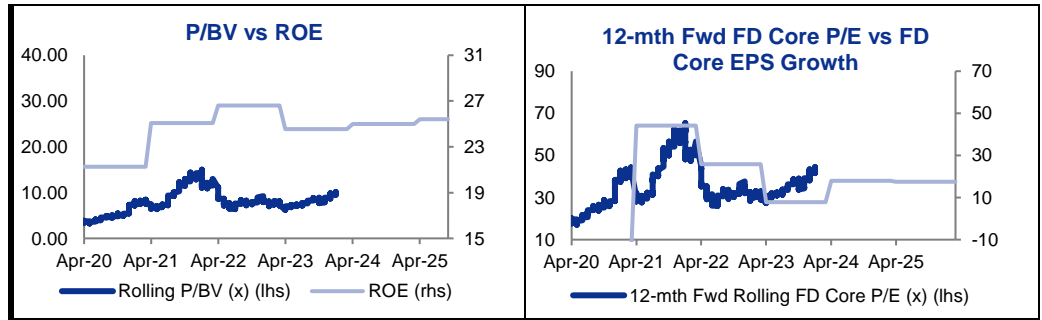
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: LTTS trades at a one year forward P/E of ~39x



SOURCE: BLOOMBERG, INCRED RESEARCH

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Net Revenues	65,697	88,155	96,395	109,325	125,741
Gross Profit	29,192	41,847	46,014	52,476	60,230
Operating EBITDA	14,149	17,609	19,228	22,193	25,651
Depreciation And Amortisation	(2,144)	(2,338)	(2,691)	(2,919)	(3,144)
Operating EBIT	12,005	15,271	16,537	19,274	22,508
Financial Income/(Expense)	1,087	1,589	1,562	1,958	2,418
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	13,092	16,860	18,099	21,232	24,926
Exceptional Items					
Pre-tax Profit	13,092	16,860	18,099	21,232	24,926
Taxation	(3,486)	(4,696)	(4,991)	(5,839)	(6,855)
Exceptional Income - post-tax					
Profit After Tax	9,606	12,164	13,107	15,393	18,071
Minority Interests	(36)	(42)	(27)	(27)	(27)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	9,570	12,122	13,080	15,366	18,044
Recurring Net Profit	9,570	12,122	13,080	15,366	18,044
Fully Diluted Recurring Net Profit	9,570	12,122	13,080	15,366	18,044

Cash Flow

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
EBITDA	14,149	17,609	19,228	22,193	25,651
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(1,452)	(1,188)	(5,696)	(2,909)	(3,442)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(36)	(42)	(27)	(27)	(27)
Other Operating Cashflow					
Net Interest (Paid)/Received					
Tax Paid	(3,563)	(4,670)	(4,991)	(5,839)	(6,855)
Cashflow From Operations	9,098	11,709	8,514	13,418	15,327
Capex	(1,624)	(1,755)	(10,478)	(2,500)	(2,500)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/Investments					
Other Investing Cashflow	(2,859)	(3,963)	2,070	2,482	2,942
Cash Flow From Investing	(4,483)	(5,718)	(8,408)	(18)	442
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(3,633)	(3,167)	(5,497)	(6,607)	(7,759)
Preferred Dividends					
Other Financing Cashflow	(1,349)	(1,268)	(508)	(524)	(524)
Cash Flow From Financing	(4,982)	(4,435)	(6,005)	(7,131)	(8,283)
Total Cash Generated	(367)	1,556	(5,900)	6,268	7,487
Free Cashflow To Equity	7,474	9,954	(1,964)	10,918	12,827
Free Cashflow To Firm	4,615	5,991	106	13,400	15,770

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Cash And Equivalents	20,660	27,987	22,089	28,360	35,848
Total Debtors	19,569	20,498	26,316	29,846	34,076
Inventories					
Total Other Current Assets	3,022	2,925	2,925	2,925	2,925
Total Current Assets	43,251	51,410	51,330	61,131	72,849
Fixed Assets	6,496	6,602	14,389	13,970	13,326
Total Investments	3,225	2,799	2,799	2,799	2,799
Intangible Assets	6,430	6,403	6,403	6,403	6,403
Total Other Non-Current Assets	1,507	1,959	1,959	1,959	1,959
Total Non-current Assets	17,658	17,763	25,550	25,131	24,487
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	1,720	4,505	4,627	5,248	6,036
Other Current Liabilities	12,069	10,634	10,634	10,634	10,634
Total Current Liabilities	13,789	15,139	15,261	15,882	16,670
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	5,359	4,345	4,345	4,345	4,345
Total Non-current Liabilities	5,359	4,345	4,345	4,345	4,345
Total Provisions					
Total Liabilities	19,148	19,484	19,606	20,227	21,015
Shareholders Equity	41,624	49,509	57,092	65,851	76,136
Minority Interests	137	180	180	180	180
Total Equity	41,761	49,689	57,272	66,031	76,316

Key Ratios					
	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue Growth	20.6%	34.2%	9.3%	13.4%	15.0%
Operating EBITDA Growth	40.5%	24.5%	9.2%	15.4%	15.6%
Operating EBITDA Margin	21.5%	20.0%	19.9%	20.3%	20.4%
Net Cash Per Share (Rs)	155.02	226.89	173.25	232.43	303.10
BVPS (Rs)	393.83	463.10	538.80	621.46	718.52
Gross Interest Cover	27.47	34.39	32.55	36.78	42.95
Effective Tax Rate	26.6%	27.9%	27.6%	27.5%	27.5%
Net Dividend Payout Ratio	38.5%	40.0%	42.0%	43.0%	43.0%
Accounts Receivables Days	95.37	82.95	88.63	93.75	92.78
Inventory Days					
Accounts Payables Days	20.36	24.53	33.08	31.70	31.43
ROIC (%)	42.7%	47.4%	51.5%	38.0%	41.6%
ROCE (%)	20.8%	22.2%	20.9%	21.4%	21.8%
Return On Average Assets	15.8%	16.9%	16.4%	17.1%	17.8%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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