



## India

**REDUCE** (previously HOLD)

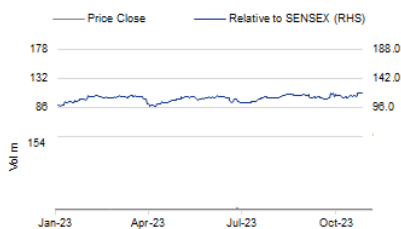
Consensus ratings\*: Buy 20 Hold 11 Sell 11

Current price:	Rs6,276
Target price:	▲ Rs5,657
Previous target:	Rs5,264
Up/downside:	-9.9%
InCred Research / Consensus:	-5.2%
Reuters:	LRTI.NS
Bloomberg:	LTIM IN
Market cap:	US\$22,356m Rs1,858,603m
Average daily turnover:	US\$26.8m Rs2231.7m
Current shares o/s:	296.0m
Free float:	31.3%

\*Source: Bloomberg

**Key changes in this note**

- Expect 10.3% revenue CAGR over FY24F-26F.
- Expect 16.8% EBIT CAGR over FY24F-26F.
- Expect 15.8% PAT CAGR over FY24F-26F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	2.2	21.7	46.8
Relative (%)	2.0	12.2	25.4

Major shareholders	% held
FPI	8.1
LIC	3.6
UTI Flexi Cap Fund	1.8

**Research Analyst(s)****Abhishek SHINDADKAR**

T (91) 22 4161 1543  
E abhishek.shindadkr@incredresearch.com

**Tushar WAVHAL**

T (91) 22 4161 1544  
E tushar.wavhal@incredresearch.com

**Smit GOSRANI**

T (91) 22 4161 1544  
E smit.gosrani@incredresearch.com

**LTIMindtree Ltd****A miss on all fronts**

- Weak 4QFY24F revenue guidance & commentary drives a cut in estimates.
- Weak revenue delays LTIMindtree's aspiration to exit with a 17-18% EBIT margin in FY24F and achieve a similar range in FY25F.
- 9MFY24 OCF at Rs39.2bn was up 86.1% yoy. OCF/EBITDA stood at 80.9% vs. 46.8% in 9MFY23.

**Earnings summary**

LTIMindtree or LTIM's 3QFY24 revenue and EBIT margin missed our estimates driven by higher-than-anticipated furloughs spread across verticals. Although 3QFY24 earnings softness was anticipated, 4QFY24F commentary was unanticipated and despite a 19% yoy increase in bookings that was driven by the highest-ever order inflow of US\$1.5bn in 3QFY24. 4QFY24F revenue growth could be similar to 3Q (0.7% in constant currency or CC terms) led by the continued impact of furloughs, delay in decision-making and finalization of client budgets which, in turn, could delay the EBIT margin aspirational goal. Consequently, we trim our estimates and downgrade the rating on LTIM to REDUCE (from HOLD) with a higher target price of Rs5,657 vs. Rs5,264 earlier.

**Deal win, pipeline healthy; execution likely impacted by client issues**

Deal win at US\$1.5bn, up 15.4% qoq and 21% yoy, in 3QFY24 (takes 9MFY24 deal wins up 19% yoy at ~US\$4.2bn) and pipeline commentary at US\$4.6bn, up 30% yoy, was healthy. Although the company attributed macroeconomic challenges in the BFS and Retail verticals, weakness in discretionary spending, furloughs and decision-making delay for the weak 4QFY24F guidance, the execution is likely to be impacted due to challenges at its non-top 10 clients. We lower our FY24-26F US\$ revenue CAGR by 90bp to 10.3%.

**EBIT margin aspiration delayed by a few quarters**

The EBIT margin at 15.4%, down 61bp qoq but up 149bp yoy, missed estimate driven by a 200bp impact from higher furloughs, lower working days and the pass-through partly offset by SG&A leverage (+80bp) and operational efficiency (+60bp). Lower revenue growth in 4QFY24F and medium-term investments led to management commentary of a delay in achieving its EBIT margin aspirational goal in the near term while pyramid rationalization and productivity are key levers in the medium term. We lower our average EBIT margin assumption by 60bp to 17.1% over FY24F-26F.

**Downgrade our rating on the stock to REDUCE**

We adjust estimates to account for 3QFY24 performance and commentary and now model a 10.3% US\$ revenue CAGR over FY24F-26F and a 15.8% PAT (Rs) CAGR. We downgrade our rating on LTIM to REDUCE (from HOLD) despite increasing the target PE/G multiple to 1.7x (vs. 1.5x earlier) to account for improving cash flow metric and order-booking. The EBIT margin beat is an upside risk. Prolonged weakness in the FSI vertical, slower deal velocity & conversion, and higher attrition are downside risks.

**Financial Summary**

	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue (Rsm)	261,087	331,830	357,219	396,940	451,278
Operating EBITDA (Rsm)	52,486	61,077	64,802	75,816	86,645
Net Profit (Rsm)	39,483	44,083	46,655	54,488	62,541
Core EPS (Rs)	133.5	148.9	157.4	183.7	210.9
Core EPS Growth	0.0%	11.6%	5.7%	16.7%	14.8%
FD Core P/E (x)	47.02	42.14	39.87	34.16	29.76
DPS (Rs)	55.0	60.0	62.0	73.5	84.3
Dividend Yield	0.52%	0.96%	0.99%	1.17%	1.34%
EV/EBITDA (x)	34.22	29.37	27.35	23.05	19.82
P/FCFE (x)	67.45	86.19	52.58	45.37	39.43
Net Gearing	(42.3%)	(38.3%)	(45.1%)	(50.2%)	(54.3%)
P/BV (x)	12.99	11.20	9.58	8.20	7.04
ROE	55.3%	28.6%	25.9%	25.9%	25.5%
% Change In Core EPS Estimates			(4.97%)	(3.31%)	(5.02%)
InCred Research/Consensus EPS (x)					

SOURCES: INCRED RESEARCH, COMPANY REPORTS

**Figure 1: Quarterly performance**

Y/E Mar (Rs m)	3QFY24	3QFY23	YoY (%)	2QFY24	QoQ (%)	3QFY24F	Var. (%)
Revenue (US\$ m)	1,084	1,047	3.5	1,076	0.8	1,089	(0.4)
Revenue (Rs m)	90,166	86,200	4.6	89,054	1.2	90,676	(0.6)
USD-INR realization	83	82.4	1.0	82.8	0.5	83	(0.1)
EBITDA	15,849	13,748	15.3	16,313	(2.8)	16,412	(3.4)
EBITDA margin (%)	17.6	15.9	163 bp	18.3	(74 bp)	18.1	(52 bp)
EBIT	13,859	11,967	15.8	14,231	(2.6)	14,281	(3.0)
EBIT margin (%)	15.4	13.9	149 bp	16.0	(61 bp)	15.8	(38 bp)
Depreciation	1,990	1,781	11.7	2,082	(4.4)	2,131	(6.6)
Net other income	1,588	1,139	39.4	962	65.1	1,026	54.8
PBT	15,447	13,106	17.9	15,193	1.7	15,308	0.9
Provision for tax	3,754	3,099	21.1	3,570	5.2	3,827	(1.9)
% tax rate	24.3	23.6	66 bp	23.5	80 bp	25.0	(70 bp)
Net profit	11,689	10,005	16.8	11,618	0.6	11,476	1.9
EPS (Rs)	39.4	33.8	16.6	39.2	0.6	38.7	1.8

SOURCE: INCRED RESEARCH, COMPANY REPORTS

### Key earnings-call takeaways

- Outlook: Management continues to witness a challenging environment and a delay in clients' decision-making. Expects a 3Q-like growth in 4QFY24F (up 0.7% qoq in CC terms). Clients continue to prioritize cost optimization projects and are investing in return on Investment or RoI projects. Aspiration of FY24F exit EBIT margin of 17-18% has been delayed by a few quarters vs. earlier guidance of FY24F-end, led by lower revenue growth.
- 3QFY24 revenue weakness was driven by a deeper and wider-than-anticipated furloughs across verticals.
- The BFSI vertical's revenue was impacted (down 1.6% qoq and 1.4% yoy) due to higher furloughs and continued caution. The insurance vertical was resilient.
- The hi-tech, media & entertainment vertical's growth (down 3.1% qoq) was impacted due to higher-than-anticipated furloughs.
- The manufacturing vertical's growth was aided by pass-through revenue. The company won a significant transformation deal in the energy & utilities vertical, which is likely to aid growth in the medium term.
- The retail & CPG verticals continue to witness cost optimization initiatives led by consolidation of suppliers. Data-related services have been aiding travel, transport & hospitality vertical's growth.
- Management is witnessing strong momentum in the ERP service line. The company has set up an Enterprise AI unit to capitalize on the Gen AI opportunity. It has trained 10,000 employees in Gen AI.

Figure 2: Operating metric trend

Operating trends	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Revenue (US\$ m)	979.5	1,021.9	1,046.7	1,057.5	1,058.7	1,075.5	1,083.7
Growth yoy (%)	25.5	19.1	14.0	11.9	8.1	5.2	3.5
Growth qoq (%)	3.7	4.3	2.4	1.0	0.1	1.6	0.8
CC Growth yoy (%)	NA	NA	16.3	13.5	8.2	4.4	3.1
CC Growth qoq (%)	5.0	5.5	1.9	0.7	0.1	1.7	0.7
Revenue (Rs. m)	76,442	82,278	86,200	86,910	87,021	89,054	90,166
Growth yoy (%)	32.9	29.6	25.3	21.9	13.8	8.2	4.6
Growth qoq (%)	7.2	7.6	4.8	0.8	0.1	2.3	1.2
EBIT Margin (%)	17.4	17.5	13.9	16.4	16.7	16.0	15.4
US\$-INR realized rate	78.0	80.5	82.4	82.2	82.2	82.8	83.2
Headcount	84,030	86,936	86,462	84,546	82,738	83,532	82,471
Utilization - ex-trainees (%)	83.5	83.5	82.9	81.7	84.8	86.6	87.4
LTM attrition (%)	24	24.1	22.3	20.2	17.8	15.2	14.2
<b>Vertical (%)</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>
BFSI	36.0	36.2	37.4	38.0	37.5	36.5	35.6
Hitech, Media & Entertainment	25.4	25.3	23.6	23.0	23.7	23.8	22.9
Manufacturing & resources	16.3	16.2	17.5	17.5	17.3	17.9	20.3
Retail, CPG and TTH	15.7	15.4	15.2	15.4	15.1	15.3	14.7
Health, Lifesciences & Public Services	6.6	6.8	6.3	6.1	6.4	6.5	6.5
<b>Vertical (US\$ m)</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>
BFSI	353	370	391	402	397	393	386
Hitech, Media & Entertainment	249	259	247	243	251	256	248
Manufacturing & resources	160	166	183	185	183	193	220
Retail, CPG and TTH	154	157	159	163	160	165	159
Health, Lifesciences & Public Services	65	69	66	65	68	70	70
<b>Vertical yoy (%)</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>
BFSI	26.9	23.1	21.8	20.2	12.6	6.1	-1.4
Hitech, Media & Entertainment	27.5	21.0	8.9	3.0	0.9	-1.0	0.5
Manufacturing & resources	17.6	10.8	9.0	12.6	14.7	16.3	20.1
Retail, CPG and TTH	29.7	11.8	11.0	9.8	4.0	4.6	0.1
Health, Lifesciences & Public Services	21.8	26.5	10.5	6.7	4.8	0.6	6.8
<b>Vertical qoq (%)</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>
BFSI	5.4	4.9	5.8	2.7	-1.2	-1.1	-1.7
Hitech, Media & Entertainment	5.3	3.9	-4.5	-1.5	3.2	2.0	-3.0
Manufacturing & resources	-2.9	3.7	10.6	1.0	-1.0	5.1	14.3
Retail, CPG and TTH	3.7	2.3	1.1	2.4	-1.8	2.9	-3.2
Health, Lifesciences & Public Services	6.9	7.5	-5.1	-2.2	5.0	3.2	0.8
<b>Incremental revenue (US\$ m)</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>
BFSI	18.2	17.3	21.5	10.4	-4.8	-4.5	-6.8
Hitech, Media & Entertainment	12.6	9.7	-11.5	-3.8	7.7	5.1	-7.8
Manufacturing & resources	-4.7	5.9	17.6	1.9	-1.9	9.4	27.5
Retail, CPG and TTH	5.5	3.6	1.7	3.8	-3.0	4.7	-5.2
Health, Lifesciences & Public Services	4.2	4.8	-3.5	-1.4	3.2	2.2	0.5
<b>Geography (%)</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>
North America	71.7	72.9	72.3	71.9	73.1	73.4	72.7
Europe	15.3	14.6	14.9	15.4	15.2	15.3	14.5
RoW	13.0	12.5	12.8	12.7	11.7	11.3	12.8
<b>Geography (US\$ m)</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>
North America	702	745	757	760	774	789	788
Europe	150	149	156	163	161	165	157
RoW	127	128	134	134	124	122	139
<b>Geography yoy (%)</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>
North America	26.9	24.5	19.6	15.8	10.2	6.0	4.1
Europe	16.4	-0.7	0.5	1.4	7.4	10.3	0.8
RoW	28.5	16.3	2.7	5.3	-2.7	-4.9	3.5
<b>Geography qoq (%)</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>
North America	7.0	6.1	1.6	0.5	1.8	2.0	-0.2
Europe	-6.7	-0.4	4.5	4.4	-1.2	2.3	-4.5
RoW	-0.2	0.3	4.9	0.2	-7.8	-1.9	14.1
<b>Incremental revenue (US\$ m)</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>
North America	45.7	42.7	11.8	3.6	13.6	15.5	-1.6
Europe	-10.7	-0.7	6.8	6.9	-1.9	3.6	-7.4
RoW	-0.2	0.4	6.2	0.3	-10.4	-2.3	17.2
<b>Client (%)</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>
Top 5	26.8	26.7	26.3	25.4	26.7	26.8	27.5
Top 6-10	7.7	7.6	7.5	7.5	7.4	7.5	7.8
Top 11-20	11.0	10.8	11.5	11.1	10.8	10.9	10.6
Top 21-40	13.2	12.3	12.3	12.8	12.3	12.4	12.6
<b>Client US\$m</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>
Top 5	262.5	272.8	275.3	268.6	282.7	288.2	298.0
Top 6-10	75.4	77.7	78.5	79.3	78.3	80.7	84.5
Top 11-20	107.7	110.4	120.4	117.4	114.3	117.2	114.9
Top 21-40	129.3	125.7	128.7	135.4	130.2	133.4	136.5
<b>Client qoq</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>
Top 5	9.0	3.9	0.9	-2.4	5.2	2.0	3.4
Top 6-10	-0.2	3.0	1.1	1.0	-1.2	3.0	4.8
Top 11-20	0.9	2.4	9.1	-2.5	-2.6	2.5	-2.0
Top 21-40	0.6	-2.8	2.4	5.1	-3.8	2.4	2.4
<b>Client yoy</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>
Top 5	25.1	25.6	17.5	11.5	7.7	5.6	8.3
Top 6-10	9.8	7.7	0.6	4.9	3.9	3.9	7.7
Top 11-20	27.9	13.8	17.0	10.0	6.1	6.2	-4.6

Top 21-40	29.5	9.3	0.9	5.4	0.7	6.1	6.1
<b>Client metrics</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>
No of active clients	708	719	723	728	723	737	739
Revenue per active client	5.2	5.4	5.5	5.6	5.8	5.8	5.8
US\$ 1 m+	337	361	374	383	388	391	388
US\$ 5 m+	130	137	144	146	148	146	149
US\$ 10 m+	79	77	81	81	88	90	89
US\$ 20 m+	40	38	37	38	40	41	40
US\$ 50 m+	10	11	11	13	13	14	12
US\$ 100 m+	2	2	2	2	2	2	2
<b>Per employee analysis</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>
Revenue (US\$ m) - TTM	3,701	3,865	3,993	4,106	4,185	4,238	4,275
Employees (average TTM)	76,983	81,183	84,256	85,494	85,171	84,320	83,322
Revenue per employee (TTM)	48,075	47,602	47,389	48,022	49,134	50,266	51,312

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
<b>US\$ revenue</b>	4,314	4,372	-1.3	4,725	4,829	-2.2	5,247	5,409	-3.0
<b>Revenue</b>	3,57,219	3,61,773	-1.3	3,96,940	4,05,673	-2.2	4,51,278	4,65,215	-3.0
<b>EBIT</b>	56,882	61,351	-7.3	67,480	70,993	-4.9	77,620	82,808	-6.3
<b>EBIT margin (%)</b>	15.9	17.0	(103) bp	17.0	17.5	(50) bp	17.2	17.8	(60) bp
<b>Net PAT</b>	46,655	49,091	-5.0	54,487	56,345	-3.3	62,541	65,837	-5.0
<b>EPS (Rs)</b>	157.3	165.5	-5.0	183.7	190.0	-3.3	210.9	222.0	-5.0

SOURCE: COMPANY REPORTS, INCRED RESEARCH

**BY THE NUMBERS**

<b>Profit &amp; Loss</b>					
(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
<b>Total Net Revenues</b>	<b>261,087</b>	<b>331,830</b>	<b>357,219</b>	<b>396,940</b>	<b>451,278</b>
<b>Gross Profit</b>	<b>101,195</b>	<b>123,031</b>	<b>131,509</b>	<b>147,265</b>	<b>167,424</b>
<b>Operating EBITDA</b>	<b>52,486</b>	<b>61,077</b>	<b>64,802</b>	<b>75,816</b>	<b>86,645</b>
Depreciation And Amortisation	(5,971)	(7,227)	(7,921)	(8,336)	(9,026)
<b>Operating EBIT</b>	<b>46,515</b>	<b>53,850</b>	<b>56,882</b>	<b>67,480</b>	<b>77,620</b>
Financial Income/(Expense)	6,424	4,065	4,801	4,717	5,244
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)					
<b>Profit Before Tax (pre-EI)</b>	<b>52,939</b>	<b>57,915</b>	<b>61,682</b>	<b>72,197</b>	<b>82,863</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>52,939</b>	<b>57,915</b>	<b>61,682</b>	<b>72,197</b>	<b>82,863</b>
Taxation	(13,439)	(13,812)	(15,006)	(17,688)	(20,302)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>39,500</b>	<b>44,103</b>	<b>46,676</b>	<b>54,509</b>	<b>62,562</b>
Minority Interests	(17)	(20)	(21)	(21)	(21)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>39,483</b>	<b>44,083</b>	<b>46,655</b>	<b>54,488</b>	<b>62,541</b>
Recurring Net Profit	39,483	44,083	46,655	54,488	62,541
<b>Fully Diluted Recurring Net Profit</b>	<b>39,483</b>	<b>44,083</b>	<b>46,655</b>	<b>54,488</b>	<b>62,541</b>

<b>Cash Flow</b>					
(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
EBITDA	52,486	61,077	64,802	75,816	86,645
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(9,542)	(17,645)	(4,278)	(6,673)	(8,715)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	4,275	4,235			
Net Interest (Paid)/Received	(1,234)	(1,504)	(2,144)	(2,428)	(2,428)
Tax Paid	(13,478)	(15,217)	(15,006)	(17,688)	(20,302)
<b>Cashflow From Operations</b>	<b>32,507</b>	<b>30,946</b>	<b>43,374</b>	<b>49,026</b>	<b>55,201</b>
Capex	(10,573)	(9,393)	(8,000)	(8,000)	(8,000)
Disposals Of FAs/subsidiaries	34				
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(5,880)	6,084	6,945	7,145	7,672
<b>Cash Flow From Investing</b>	<b>(16,419)</b>	<b>(3,309)</b>	<b>(1,055)</b>	<b>(855)</b>	<b>(328)</b>
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(13,277)	(15,627)	(18,361)	(21,795)	(25,016)
Preferred Dividends					
Other Financing Cashflow	(3,527)	(3,690)	(2,144)	(2,428)	(2,428)
<b>Cash Flow From Financing</b>	<b>(16,804)</b>	<b>(19,317)</b>	<b>(20,505)</b>	<b>(24,223)</b>	<b>(27,444)</b>
Total Cash Generated	(716)	8,320	21,814	23,948	27,428
<b>Free Cashflow To Equity</b>	<b>21,934</b>	<b>21,553</b>	<b>35,374</b>	<b>41,026</b>	<b>47,201</b>
<b>Free Cashflow To Firm</b>	<b>17,322</b>	<b>29,141</b>	<b>44,462</b>	<b>50,599</b>	<b>57,300</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**BY THE NUMBERS...cont'd**

<b>Balance Sheet</b>					
<b>(Rs mn)</b>	<b>Mar-22A</b>	<b>Mar-23A</b>	<b>Mar-24F</b>	<b>Mar-25F</b>	<b>Mar-26F</b>
Total Cash And Equivalents	72,344	76,738	100,675	127,029	156,864
Total Debtors	56,271	72,245	77,874	86,136	97,025
Inventories					
Total Other Current Assets	20,771	22,875	22,875	22,875	22,875
<b>Total Current Assets</b>	<b>149,386</b>	<b>171,858</b>	<b>201,423</b>	<b>236,040</b>	<b>276,764</b>
Fixed Assets	24,896	30,362	30,441	30,106	29,080
Total Investments	6,513	7,165	7,165	7,165	7,165
Intangible Assets	14,861	15,452	15,452	15,452	15,452
Total Other Non-Current Assets	10,168	10,124	10,124	10,124	10,124
<b>Total Non-current Assets</b>	<b>56,438</b>	<b>63,103</b>	<b>63,182</b>	<b>62,847</b>	<b>61,821</b>
Short-term Debt	519	1,253	1,253	1,253	1,253
Current Portion of Long-Term Debt					
Total Creditors	13,250	12,938	14,289	15,878	18,051
Other Current Liabilities	37,154	40,635	40,635	40,635	40,635
<b>Total Current Liabilities</b>	<b>50,923</b>	<b>54,826</b>	<b>56,177</b>	<b>57,766</b>	<b>59,939</b>
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	11,972	14,143	14,143	14,143	14,143
<b>Total Non-current Liabilities</b>	<b>11,972</b>	<b>14,143</b>	<b>14,143</b>	<b>14,143</b>	<b>14,143</b>
Total Provisions					
<b>Total Liabilities</b>	<b>62,895</b>	<b>68,969</b>	<b>70,320</b>	<b>71,909</b>	<b>74,082</b>
Shareholders Equity	142,872	165,921	194,215	226,908	264,432
Minority Interests	57	71	71	71	71
<b>Total Equity</b>	<b>142,929</b>	<b>165,992</b>	<b>194,286</b>	<b>226,979</b>	<b>264,503</b>

<b>Key Ratios</b>					
	<b>Mar-22A</b>	<b>Mar-23A</b>	<b>Mar-24F</b>	<b>Mar-25F</b>	<b>Mar-26F</b>
Revenue Growth		27.1%	7.7%	11.1%	13.7%
Operating EBITDA Growth		16.4%	6.1%	17.0%	14.3%
Operating EBITDA Margin	20.1%	18.4%	18.1%	19.1%	19.2%
Net Cash Per Share (Rs)	204.49	214.77	295.19	384.05	484.64
BVPS (Rs)	483.00	560.18	654.83	765.06	891.58
Gross Interest Cover	37.69	35.80	26.53	27.79	31.97
Effective Tax Rate	25.4%	23.8%	24.3%	24.5%	24.5%
Net Dividend Payout Ratio	24.4%	40.3%	39.4%	40.0%	40.0%
Accounts Receivables Days	39.33	70.68	76.69	75.41	74.07
Inventory Days					
Accounts Payables Days	15.12	22.89	22.01	22.05	21.81
ROIC (%)		53.6%	44.2%	50.0%	54.2%
ROCE (%)	44.8%	24.6%	22.3%	22.8%	22.6%
Return On Average Assets	33.7%	18.6%	17.2%	18.1%	18.4%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

---

## DISCLAIMER

---

This report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by Incred Research Services Private Ltd. (formerly known as Earnest Innovation Partners Private Limited) (hereinafter referred to as "IRSPL"). IRSPL is registered with SEBI as a Research Analyst vide Registration No. INH000011024. Pursuant to a trademark agreement, IRSPL has adopted "Incred Equities" as its trademark for use in this report.

The term "IRSPL" shall, unless the context otherwise requires, mean IRSPL and its affiliates, subsidiaries and related companies. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject IRSPL and its affiliates/group companies to registration or licensing requirements within such jurisdictions.

This report is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of IRSPL.

The information contained in this report is prepared from data believed to be correct and reliable at the time of issue of this report.

IRSPL is not required to issue regular reports on the subject matter of this report at any frequency and it may cease to do so or change the periodicity of reports at any time. IRSPL is not under any obligation to update this report in the event of a material change to the information contained in this report. IRSPL has not any and will not accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant; (ii) ensure that the content of this report constitutes all the information a prospective investor may require; (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, IRSPL and its affiliates/group companies (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of IRSPL and its affiliates/group companies to any person to buy or sell any investments.

The opinions expressed are based on information which are believed to be accurate and complete and obtained through reliable public or other non-confidential sources at the time made. (Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations. In reviewing this report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request. The report is not a "prospectus" as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

IRSPL may have issued other reports (based on technical analysis, event specific, short term views etc.) that are inconsistent with and reach different conclusion from the information presented in this report.

Holding of Analysts/Relatives of Analysts, IRSPL and Associates of IRSPL in the covered securities, as on the date of publishing of this report

	Analyst/ Relative	Entity/ Associates
any financial interests in the company covered in this report (subject company) and nature of such financial interest	NO	NO
actual/beneficial ownership of 1% or more in securities of the subject company at the end of the month immediately preceding the date of publication of the research report or date of the public appearance;	NO	NO
any other material conflict of interest at the time of publication of the research report or at the time of public appearance	NO	NO
received any compensation from the subject company in the past twelve months for investment banking or merchant banking or brokerage services or investment advisory or depository or distribution from the subject company in the last twelve months for products/services other than investment banking or merchant banking or broker- age services or investment advisory or depository or distribution from the subject company in the last twelve months	NO	NO
managed or co-managed public offering of securities for the subject company in the last twelve months	NO	NO
received any compensation or other benefits from the subject company or third party in connection with the research report	NO	NO
served as an officer, director or employee of the subject company	NO	NO
been engaged in market making activity for the subject company	NO	NO

#### Analyst declaration

- The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously in an unbiased manner.
- No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report or based any specific investment banking transaction.
- The analyst(s) has(have) not had any serious disciplinary action taken against him/her(them).
- The analyst, strategist, or economist does not have any material conflict of interest at the time of publication of this report.
- The analyst(s) has(have) received compensation based upon various factors, including quality, accuracy and value of research, overall firm performance, client feedback and competitive factors.

IRSPL and/or its affiliates and/or its Directors/employees may own or have positions in securities of the company(ies) covered in this report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities.

IRSPL and/or its affiliates and/or its Directors/employees may do and seek to do business with the company(ies) covered in this research report and may from time to time (a) buy/sell the securities covered in this report, from time to time and/or (b) act as market maker or have assumed an underwriting commitment in securities of such company(ies), and/or (c) may sell them to or buy them from customers on a principal basis and/or (d) may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) and/or (e) solicit such investment, advisory or other services from any entity mentioned in this report and/or (f) act as a lender/borrower to such company and may earn brokerage or other compensation. However, Analysts are forbidden to acquire, on their own account or hold securities (physical or uncertificated, including derivatives) of companies in respect of which they are compiling and producing financial recommendations or in the result of which they play a key part.