

India

HOLD (no change)

Consensus ratings*: Buy 16 Hold 8 Sell 12

Current price:	Rs4,583
Target price: ▲	Rs4,679
Previous target:	Rs3,610
Up/downside:	2.1%
InCred Research / Consensus:	18.0%
Reuters:	PERS.NS
Bloomberg:	PSYS IN
Market cap:	US\$8,440m Rs706,081m
Average daily turnover:	US\$31.2m Rs2606.3m
Current shares o/s:	153.9m
Free float:	69.0%

*Source: Bloomberg

Key changes in this note

- Expect 15% revenue CAGR over FY25F-27F.
- Expect 22.2% EBIT CAGR over FY25F-27F.
- Expect 22.9% PAT CAGR over FY25F-27F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	16.2	18.0	93.0
Relative (%)	11.3	7.8	59.7

Major shareholders	% held
Kotak Emerging Equity Scheme	3.5
Motilal Oswal Midcap Fund	3.3
HDFC Midcap opportunities fund	2.7

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) 02241611554
E smit.gosrani@incredresearch.com

Persistent Systems Ltd

At growth/margin crossroad

- 1QFY25 revenue beat at the cost of margins.
- 1QFY25 cash generation (OCF at Rs1,509m) was better than 1QFY24 (-Rs539m) but conversion was weak (OCF/EBITDA at 33.2%).
- Retain HOLD rating with a higher target price of Rs4,679.

Earnings summary

Persistent Systems (PSYS IN) 1QFY25 results provide an interesting strategy anecdote. Though the revenue growth was modestly above estimate, vendor consolidation-driven high competitive intensity deals meant adjusted for earn-out-reversal EBIT margin of 13.4% is materially below. Further, commentary suggests that although digital engineering/platforms remain the core strategy tenet, PSYS seems prepared to risk margin, at least in pockets, to gain market share. This strategy may drive revenue growth assumption higher but jeopardizes the medium-term margin expansion thesis, while prolonged execution of the strategy has associated risks to PSYS' positioning as investors appreciate the differentiating product engineering portfolio. Conversely, structural initiatives to rationalize cost for growth aspiration could accelerate earnings growth too.

Healthy order wins increase our revenue assumptions

TCV growth (up 3.4% qoq/21.7% yoy at US\$462.8m) was led by renewals (4.3%/6.2%/US\$152m) & new bookings (2.9%/31%/US\$310.8m), while ACV growth (6.5%/24.1% US\$337.3m) was led by new bookings (7.4%/37.5%/US\$198.1m) and renewals (5.2%/8.9%/US\$139.2m). Recovery in the hi-tech vertical & continued momentum in the FSI & healthcare verticals may aid bookings & revenue conversion.

Retains medium-term margin expansion guidance of 200-300bp

The EBIT margin at 14%, down 42bp qoq and 90bp yoy, was hit by visa costs (-60bp), rise in sub-contractor expenses (-210bp) and higher SG&A expenses (-70bp) offset by utilization improvement (+90bp), operational efficiency (+90bp), earn-out reversal (+60bp), change in useful life of computer & networking assets (+40bp), and employee expense optimization (+10bp). Wage hike headwinds (150-200bp) in 2QFY25F may be offset by utilization improvement, right-shoring and SG&A optimization while structural initiative to balance costs could aid growth aspirations. PSYS expects the FY25F margin to be FY24-similar, and retained its medium-term margin expansion aspiration (200-300bp). We now expect an average 14.8% EBIT margin over FY25F-27F vs. 15.3% over FY25F-26F earlier.

Retain HOLD rating with a higher TP of Rs4,679 vs. Rs3,610 earlier

We retain our HOLD rating but with a higher target price of Rs4,679 as we introduce and roll forward to FY27F. We expect a 15% US\$ revenue CAGR over FY25F-27F and ~23% PAT (Rs) CAGR. We narrow the valuation discount to TCS' target PE/G multiple to 24% vs. 30% earlier to arrive at our target P/E multiple of ~36.6x. M&A-led revenue acceleration is an upside risk while client-specific challenges pose a downside risk.

Financial Summary

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	83,506	98,216	115,547	136,233	159,350
Operating EBITDA (Rsm)	15,191	17,243	20,065	24,113	29,161
Net Profit (Rsm)	9,211	10,935	13,048	15,918	19,693
Core EPS (Rs)	60.3	74.5	84.8	103.4	128.0
Core EPS Growth	33.4%	23.6%	13.9%	22.0%	23.7%
FD Core P/E (x)	76.06	64.29	54.06	44.31	35.82
DPS (Rs)	25.0	26.0	32.0	40.3	51.2
Dividend Yield	0.53%	0.57%	0.70%	0.88%	1.12%
EV/EBITDA (x)	45.54	40.02	34.21	28.14	22.93
P/FCFE (x)	182.47	90.20	69.61	54.64	43.54
Net Gearing	(22.3%)	(25.9%)	(32.8%)	(39.9%)	(46.4%)
P/BV (x)	17.67	14.23	12.23	10.46	8.90
ROE	25.1%	25.6%	24.3%	25.4%	26.9%
% Change In Core EPS Estimates			(2.43%)	(4.89%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Quarterly performance

Y/E Mar (Rs m)	1QFY25	1QFY24	YoY (%)	4QFY24	QoQ (%)	1QFY25F	Var. (%)
Revenue (US\$ m)	328.2	282.9	16.0	310.9	5.6	326.6	0.5
Revenue (Rs m)	27,372	23,212	17.9	25,905	5.7	27,241	0.5
US\$-Rs realization	83	82.0	1.6	83.3	0.1	83	(0.0)
EBITDA	4,552	4,229	7.6	4,544	0.2	4,631	(1.7)
EBITDA margin (%)	16.6	18.2	(159 bp)	17.5	(91 bp)	17.0	(37 bp)
EBIT	3,840	3,466	10.8	3,744	2.6	3,800	1.1
EBIT margin (%)	14.0	14.9	(90 bp)	14.5	(42 bp)	14.0	8 bp
Depreciation	712	763	(6.7)	799	(10.9)	831	(14.3)
Net other income	165	90	82.6	210	(21.5)	234	(29.5)
PBT	4,005	3,557	12.6	3,955	1.3	4,034	(0.7)
Provision for tax	941	783	20.2	802	17.4	1,029	(8.5)
% tax rate	23.5	22.0	149 bp	20.3	323 bp	25.5	(200 bp)
Net profit	3,064	2,288	33.9	3,153	(2.8)	3,006	1.9
EPS (Rs)	19.9	14.9	33.9	20.5	(2.8)	19.5	1.9

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Key conference-call takeaways

- **Guidance:** Expects top quartile growth (FY24 revenue growth was 14.5%) in FY25F and FY24-similar EBIT margin. FY25F growth could be led by the healthcare & life sciences (HLS) vertical followed by the FSI and hi-tech verticals.
- **Vertical-wise commentary:**
 - Healthcare & Lifesciences: Multiple accounts and large deals aid growth.
 - Software, hi-tech and emerging verticals: Done well in the engineering segment of hi-tech. Order book provides medium-term growth recovery visibility.
- As a part of the medium-term revenue aspiration of US\$2bn, PSYS would focus on enhancing service offerings and mining strategic clients coupled with structural cost optimization initiatives.
- The decline in Europe is partly attributed to Salesforce-related business and rationalization of tail customers, especially Salesforce-related. Internal challenges, coupled with rationalization initiatives, dragged Salesforce Europe practice while growth, ex-Europe, remains healthy.
- The AI approach would be AI for Technology (transforming the way software gets developed) and AI for Business (transforming enterprises from business model transformation, operational transformation, data to insights, action and customer experience). The company has built intellectual properties or IPs, accelerators and horizontal solutions to capitalize on this opportunity and remains committed to integrating and leveraging AI across operations to increase revenue and profit productivity.
- Strategic partnership with Google could further strengthen capabilities in Cloud and AI.
- Acquisition: Starfish has a platform to manage multiple contact centre technologies. PSYS would focus on integrating Google contact centre and enhance AWS connect services.
- The company has optimized headcount over the past four quarters while hiring selectively for relevant roles.

Figure 2: Operating metrics trend

Operating trends	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Revenue (US\$m)	242	256	264	275	283	292	301	311	328
Growth yoy (%)	44.8	40.2	32.8	26.4	17.1	14.1	13.7	13.2	16.0
Growth qoq (%)	11.1	5.8	3.4	3.9	3.0	3.1	3.0	3.4	5.6
Revenue (Rsm)	18,781	20,486	21,694	22,545	23,212	24,117	24,982	25,905	27,372
Growth yoy (%)	52.7	51.6	45.4	37.6	23.6	17.7	15.2	14.9	17.9
Growth qoq (%)	14.7	9.1	5.9	3.9	3.0	3.9	3.6	3.7	5.7
EBIT Margin (%)	14.3	14.6	15.4	15.4	14.9	13.7	14.5	14.5	14.0
US\$-INR realized rate	77.8	80.2	82.1	82.1	82.0	82.7	83.1	83.3	83.4
Headcount	21,638	22,476	22,598	22,889	23,130	22,842	23,336	23,850	23,519
Utilization - trainees (%)	79.5	79.9	77.6	77.3	78.3	80.6	81.5	80.0	82.1
LTM attrition (%)	24.8	23.7	21.6	19.8	15.5	13.5	11.9	11.5	11.9
Geography (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
North America	78.4	78.6	77.1	77.9	79.2	79.2	79.7	80.1	80.7
Europe	8.5	8.3	9.0	10.3	9.7	9.5	8.9	7.8	7.8
India	11.3	11.5	12.3	10.0	9.9	9.7	10.0	10.1	9.8
RoW	1.8	1.6	1.6	1.8	1.2	1.6	1.4	2.0	1.7
Geography (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
North America	189.4	200.9	203.8	213.9	224.1	231.0	239.5	249.0	264.9
Europe	20.5	21.2	23.8	28.3	27.4	27.7	26.7	24.2	25.6
India	27.3	29.4	32.5	27.5	28.0	28.3	30.1	31.4	32.2
RoW	4.3	4.1	4.2	4.9	3.4	4.7	4.2	6.2	5.6
Geography yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
North America	43.9	40.0	29.3	25.2	18.3	15.0	17.5	16.4	18.2
Europe	29.6	32.2	44.0	54.9	33.7	30.6	12.4	-14.3	-6.7
India	67.0	53.5	49.8	14.9	2.6	-3.7	-7.6	14.3	14.8
RoW	44.8	12.2	32.8	13.7	-21.9	14.1	-0.5	25.8	64.4
Geography qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
North America	10.9	6.1	1.4	5.0	4.7	3.1	3.7	4.0	6.4
Europe	12.5	3.3	12.1	18.9	-3.0	1.0	-3.5	-9.3	5.6
India	14.2	7.7	10.6	-15.5	2.0	1.0	6.2	4.5	2.4
RoW	0.0	-5.9	3.4	16.9	-31.3	37.5	-9.8	47.8	-10.3
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
North America	18.5	11.5	2.9	10.1	10.1	7.0	8.5	9.5	15.8
Europe	2.3	0.7	2.6	4.5	-0.8	0.3	-1.0	-2.5	1.4
India	3.4	2.1	3.1	-5.1	0.5	0.3	1.8	1.3	0.8
RoW	0.0	-0.3	0.1	0.7	-1.5	1.3	-0.5	2.0	-0.6
Vertical (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Financial Services	33.7	32.8	32.6	32.3	33.3	32.3	31.2	30.7	30.8
Healthcare & Lifesciences	19.9	19.7	19.6	19.7	18.6	19.3	21.8	24.2	26.7
Software, Hitech & Emerging Industries	46.4	47.5	47.8	48.0	48.1	48.4	47.0	45.1	42.5
Business unit (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Financial Services	81.4	83.8	86.2	88.7	94.2	94.2	93.8	95.4	101.1
Healthcare & Lifesciences	48.1	50.4	51.8	54.1	52.6	56.3	65.5	75.2	87.6
Software, Hitech & Emerging industries	112.1	121.4	126.4	131.8	136.1	141.2	141.3	140.2	139.5
Business unit yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Financial Services	58.4	49.8	34.4	26.0	15.7	12.4	8.8	7.6	7.3
Healthcare & Lifesciences	40.6	30.3	25.7	20.3	9.5	11.8	26.5	39.1	66.5
Software, Hitech & Emerging Industries	38.0	38.4	34.7	29.3	21.4	16.3	11.8	6.4	2.5
Business unit qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Financial Services	15.6	3.0	2.8	2.9	6.2	0.0	-0.5	1.8	5.9
Healthcare & Lifesciences	6.8	4.8	2.9	4.4	-2.7	7.0	16.4	14.8	16.5
Software, Hitech & Emerging Industries	10.0	8.3	4.1	4.3	3.2	3.8	0.1	-0.7	-0.5
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Financial Services	11.0	2.4	2.3	2.5	5.5	0.0	-0.4	1.7	5.6
Healthcare & Lifesciences	3.1	2.3	1.5	2.3	-1.5	3.7	9.2	9.7	12.4
Software, Hitech & Emerging Industries	10.1	9.3	4.9	5.4	4.3	5.1	0.1	-1.0	-0.7
TCV deal wins (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
New wins TCV	230.3	228.3	239.0	250.3	237.2	313.1	277.4	302.0	310.8
qoq	18.0	-0.9	4.7	4.7	-5.2	32.0	-11.4	8.9	2.9
yoy	55.9	52.9	51.6	28.3	3.0	37.1	16.1	20.7	31.0
TTM new wins TCV	732.3	811.3	892.7	947.9	954.8	1039.6	1078.0	1129.7	1203.3
yoy	NA	33.0	50.7	45.9	30.4	28.1	20.8	19.2	26.0
Renewals TCV	163.7	139.5	201.2	171.3	143.1	166.2	244.0	145.7	152.0
qoq	-1.3	-14.8	44.2	-14.9	-16.5	16.1	46.8	-40.3	4.3
yoy	68.6	4.7	13.9	3.3	-12.6	19.1	21.3	-14.9	6.2
TTM renewals TCV	639.5	645.8	670.3	675.7	655.1	681.8	724.6	699.0	707.9
yoy	NA	38.7	30.0	17.9	2.4	5.6	8.1	3.4	8.1
TTM TCV wins	1371.8	1457.1	1563.0	1623.6	1609.9	1721.4	1802.6	1828.7	1911.2
yoy	NA	35.4	41.1	32.8	17.4	18.1	15.3	12.6	18.7
ACV deal wins (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
New wins ACV	139.8	137.0	143.8	168.3	144.1	184.2	182.9	184.5	198.1
qoq	6.7	-2.0	5.0	17.0	-14.4	27.8	-0.7	0.9	7.4
yoy	49.5	25.9	11.8	28.5	3.1	34.5	27.2	9.6	37.5
TTM new wins ACV	508.2	536.4	551.6	588.9	593.2	640.4	679.5	695.7	749.7
yoy	NA	22.1	28.9	27.5	16.7	19.4	23.2	18.1	26.4
Renewals ACV	123.2	134.2	182.5	142.1	127.8	131.7	209.2	132.3	139.2
qoq	-5.9	8.9	36.0	-22.1	-10.1	3.1	58.8	-36.8	5.2
yoy	29.3	45.4	12.2	8.6	3.7	-1.9	14.6	-6.9	8.9
TTM renewals ACV	509.1	551.0	570.8	582.0	586.6	584.1	610.8	601.0	612.4
yoy	NA	35.3	25.7	20.9	15.2	6.0	7.0	3.3	4.4
TTM ACV wins	1017.3	1087.4	1122.4	1170.9	1179.8	1224.5	1290.3	1296.7	1362.1
yoy	NA	28.4	27.3	24.2	16.0	12.6	15.0	10.7	15.5

Clients (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Top 5	30.8	26.9	24.7	26.5	27.9	28.3	28.0	29.2	30.7
Top 6-10	9.9	9.8	10.3	10.9	11.7	11.2	11.3	10.8	10.8
Top 11-20	10.5	11.7	12.8	10.5	10.8	11.1	12.1	11.1	10.4
Clients (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Top 5	74.4	68.8	65.3	72.8	78.9	82.6	84.2	90.8	100.8
Top 6-10	23.9	25.0	27.2	29.9	33.1	32.7	34.0	33.6	35.4
Top 11-20	25.4	29.9	33.8	28.8	30.6	32.4	36.4	34.5	34.1
Clients yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Top 5	22.2	5.3	-9.2	3.0	6.1	20.1	28.9	24.8	27.7
Top 6-10	40.5	43.1	53.7	43.5	38.4	30.4	24.7	12.2	7.1
Top 11-20	52.0	65.7	86.8	32.7	20.5	8.3	7.5	19.7	11.7
Clients qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Top 5	5.3	-7.6	-5.0	11.4	8.5	4.6	1.9	7.9	11.0
Top 6-10	14.6	4.8	8.7	9.9	10.6	-1.3	4.0	-1.1	5.6
Top 11-20	16.7	17.9	13.1	-14.8	6.0	6.0	12.3	-5.1	-1.1
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Top 5	3.8	-5.6	-3.5	7.5	6.2	3.6	1.6	6.6	10.0
Top 6-10	3.0	1.1	2.2	2.7	3.2	-0.4	1.3	-0.4	1.9
Top 11-20	3.6	4.5	3.9	-5.0	1.7	1.8	4.0	-1.9	-0.4
Client metrics	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
US\$ 30m+	3.0	3.0	5.0	5.0	5.0	6.0	5.0	6.0	NA
US\$ 20-30m	1.0	3.0	2.0	4.0	5.0	3.0	6.0	4.0	NA
US\$ 10-20m	7.0	6.0	9.0	8.0	7.0	7.0	5.0	7.0	9.0
US\$ 5-10m	15.0	18.0	18.0	17.0	21.0	23.0	22.0	23.0	22.0
US\$ 1-5m	104.0	116.0	118.0	126.0	129.0	136.0	138.0	138.0	137.0
Per employee analysis	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Revenue (US\$m) - TTM	840	914	979	1,036	1,077	1,114	1,150	1,186	1,231
Employees (average TTM)	16,951	18,522	19,850	20,853	21,195	21,276	21,452	21,684	21,773
Revenue per employee (TTM)	49,569	49,321	49,309	49,684	50,835	52,340	53,597	54,697	56,554

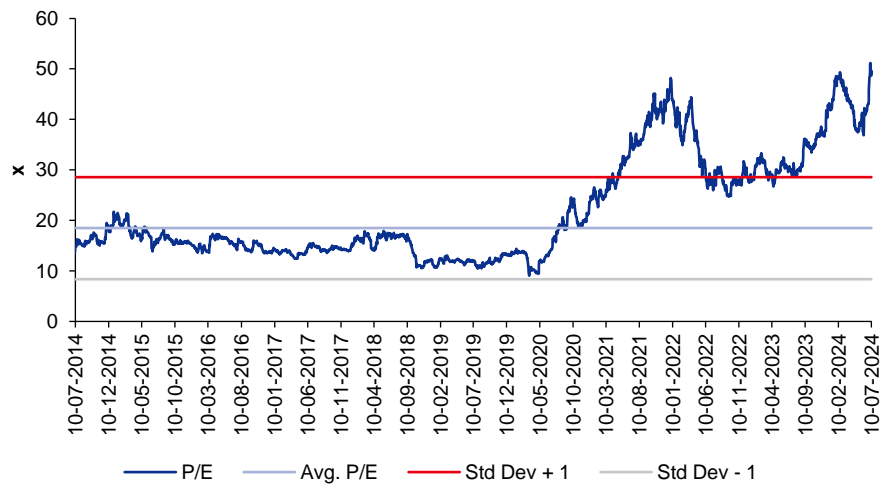
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Change in our earnings estimates

Y/E Mar (Rs m)	FY25F			FY26F			FY27F	
	New	Old	% change	New	Old	% change	New	Old
US\$ revenue	1,385	1,332	4.0	1,593	1,527	4.4	1,832	1,832
Revenue	1,15,547	1,11,903	3.3	1,36,233	1,31,293	3.8	1,59,350	1,59,350
EBIT	16,541	16,646	-0.6	20,026	20,744	-3.5	24,699	24,699
EBIT margin (%)	14.3	14.9	(56) bp	14.7	15.8	(110) bp	15.5	15.5
Net PAT	13,048	13,373	-2.4	15,918	16,736	-4.9	19,693	19,693
EPS (Rs)	84.8	86.9	-2.4	103.4	108.7	-4.9	128.0	128.0

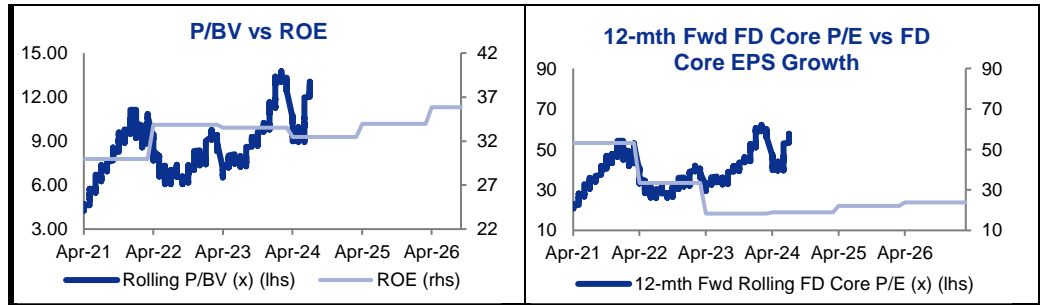
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: PSYS trades at ~49x one-year forward P/E



SOURCE: INCRED RESEARCH, BLOOMBERG

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Net Revenues	83,506	98,216	115,547	136,233	159,350
Gross Profit	28,191	32,985	38,207	45,366	54,179
Operating EBITDA	15,191	17,243	20,065	24,113	29,161
Depreciation And Amortisation	(2,719)	(3,094)	(3,524)	(4,087)	(4,462)
Operating EBIT	12,472	14,149	16,541	20,026	24,699
Financial Income/(Expense)	(64)	813	874	1,226	1,593
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	12,409	14,962	17,414	21,252	26,293
Exceptional Items					
Pre-tax Profit	12,409	14,962	17,414	21,252	26,293
Taxation	(3,198)	(3,541)	(4,366)	(5,334)	(6,599)
Exceptional Income - post-tax		(486)			
Profit After Tax	9,211	10,935	13,048	15,918	19,693
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	9,211	10,935	13,048	15,918	19,693
Recurring Net Profit	9,211	11,421	13,048	15,918	19,693
Fully Diluted Recurring Net Profit	9,211	11,421	13,048	15,918	19,693

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
EBITDA	15,191	17,243	20,065	24,113	29,161
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(4,377)	(2,052)	(2,766)	(3,070)	(3,560)
(Incr)/Decr in Total Provisions	827	(1,145)			
Other Non-Cash (Income)/Expense					
Other Operating Cashflow					
Net Interest (Paid)/Received	(64)				
Tax Paid	(3,405)	(3,414)	(4,366)	(5,334)	(6,599)
Cashflow From Operations	8,172	10,633	12,933	15,709	19,002
Capex	(4,333)	(2,839)	(2,800)	(2,800)	(2,800)
Disposals Of FAs/subsidiaries	12	49			
Acq. Of Subsidiaries/investments	(4,311)	(2,074)			
Other Investing Cashflow	4,418	169	874	1,226	1,593
Cash Flow From Investing	(4,213)	(4,695)	(1,926)	(1,574)	(1,207)
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(2,981)	(4,084)	(4,925)	(6,208)	(7,877)
Preferred Dividends					
Other Financing Cashflow	(1,059)	(1,853)			
Cash Flow From Financing	(4,039)	(5,937)	(4,925)	(6,208)	(7,877)
Total Cash Generated	(80)	1	6,082	7,927	9,918
Free Cashflow To Equity	3,840	7,794	10,133	12,909	16,202
Free Cashflow To Firm	4,023	5,938	11,006	14,135	17,795

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Cash And Equivalents	10,912	12,955	19,037	26,964	36,882
Total Debtors	20,376	23,282	27,154	31,879	37,288
Inventories					
Total Other Current Assets	3,891	4,994	4,994	4,994	4,994
Total Current Assets	35,179	41,232	51,185	63,836	79,163
Fixed Assets	7,220	7,062	6,338	5,051	3,389
Total Investments	4,516	5,539	5,539	5,539	5,539
Intangible Assets	16,355	15,488	15,488	15,488	15,488
Total Other Non-Current Assets	2,922	4,415	4,415	4,415	4,415
Total Non-current Assets	31,012	32,504	31,780	30,493	28,831
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	5,689	8,139	9,244	10,899	12,748
Other Current Liabilities	13,892	13,703	13,703	13,703	13,703
Total Current Liabilities	19,581	21,842	22,947	24,602	26,451
Total Long-term Debt	2,058	99	99	99	99
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	4,529	1,671	1,671	1,671	1,671
Total Non-current Liabilities	6,587	1,770	1,770	1,770	1,770
Total Provisions	373	547	547	547	547
Total Liabilities	26,541	24,159	25,264	26,919	28,768
Shareholders Equity	39,651	49,577	57,700	67,410	79,226
Minority Interests					
Total Equity	39,651	49,577	57,700	67,410	79,226

Key Ratios					
	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue Growth	46.2%	17.6%	17.6%	17.9%	17.0%
Operating EBITDA Growth	58.5%	13.5%	16.4%	20.2%	20.9%
Operating EBITDA Margin	18.2%	17.6%	17.4%	17.7%	18.3%
Net Cash Per Share (Rs)	57.93	83.54	123.05	174.56	239.00
BVPS (Rs)	259.40	322.14	374.92	438.01	514.79
Gross Interest Cover	195.55				
Effective Tax Rate	25.8%	23.7%	25.1%	25.1%	25.1%
Net Dividend Payout Ratio	30.1%	26.7%	28.3%	29.2%	30.0%
Accounts Receivables Days	72.10	81.12	79.66	79.08	79.21
Inventory Days					
Accounts Payables Days	32.95	38.69	41.02	40.45	41.03
ROIC (%)	41.0%	34.6%	37.1%	42.3%	49.7%
ROCE (%)	23.7%	23.6%	23.1%	23.9%	25.2%
Return On Average Assets	20.7%	20.5%	21.4%	22.9%	24.8%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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