



India

HOLD (previously REDUCE)

Consensus ratings*: Buy 26 Hold 4 Sell 8

Current price: Rs7,497
 Target price: ▲ Rs8,006
 Previous target: Rs7,748
 Up/downside: 6.8%
 InCred Research / Consensus: -8.7%

Reuters: NITT.NS
 Bloomberg: COFORGE IN
 Market cap: US\$5,951m
 Rs501,357m
 Average daily turnover: US\$57.8m
 Rs4869.8m
 Current shares o/s: 66.6m
 Free float: 100.0%
 *Source: Bloomberg

Key changes in this note

- Expect 19.6% revenue CAGR over FY25-27F.
- Expect 30.2% EBIT CAGR over FY25F-27F.
- Expect 31.5% EPS CAGR over FY25F-27F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	13.4	(11.8)	67.2
Relative (%)	5.8	(14.8)	53.0

Major shareholders	% held
Motilal Oswal Midcap Fund	9.2
HDFC Midcap Opportunities Fund	5.4
LIC	5.2

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Coforge Limited

Decent performance

- 4QFY25 revenue missed estimate while the EBIT margin was better.
- Order intake aided by mega deal. Growth in the adjusted LTM book is feeble.
- The recent price correction drives a change in our rating to HOLD (from REDUCE earlier) with a higher target price of Rs8,006 vs. Rs7,748 earlier.

4QFY25 results summary

Coforge's 3.4% qoq and 43.8% yoy revenue growth in constant currency or CC terms in 4QFY25 missed estimate while the EBIT margin was better. 4Q growth was led by BFS vertical, engineering (erstwhile ADM) horizontal and RoW geography while other sub-segments were soft. Deal wins (at US\$2,126m) were aided by the Sabre deal and four large deals which takes the executable order book over the next 12 months to US\$1.5bn, up 48% yoy. However, adjusted for the Sabre deal value, 4QFY25 order intake was down 27% yoy. Management commentary suggests that organic growth is unlikely to moderate in FY26F vs. FY25; overall growth could be aided by mega deal ramp-up and the EBIT margin could expand meaningfully vs. 13.2% exit in 4QFY25. We increase our FY26F revenue growth assumption modestly, which, in turn, drives a change in our rating and target price despite retaining the target PE/G multiple at 1x.

4Q order intake aided by Sabre deal; down 27% yoy adjusted for it

The 4QFY25 order intake of US\$2.1bn was encouraging (aided by four large and one mega deal) and drives a 48% yoy growth in the 12M executable order book. Order intake was led by US (Sabre) and aided by EMEA (82.8% qoq and 66.7% yoy) and RoW (12.3% qoq and 178.3% yoy). However, adjusted for the mega deal, 4Q/LTM order intake was down 27%/4% yoy while the LTM order intake was up 2% yoy if we adjust the year-1 contribution of the Sabre deal (assuming linear contribution to revenue over a 13-year deal period).

EBIT margin above estimate

The EBIT margin at 13.2% was above InCred estimate, driven by lower ESOP costs (down 33bp at 1.8% and expected to be 100bp from 2HFY26F). The company expects to achieve US\$2bn in revenue and 18% EBITDA margin in FY27F while the commentary suggests that most of the uplift in the EBIT margin could happen in FY26F vs. 13.2% exit in 4QFY25. Though we maintain our FY26F-27F average EBIT margin assumption of 13.9%, large deal transition cost is a key risk to our estimates.

Recent price correction drives a change in our rating to HOLD

We now model 19.6% US\$ revenue CAGR over FY25-27F (18.5% earlier) and a 31.5% adjusted PAT (Rs) CAGR (unchanged), driven by organic growth and acquisition contribution. We retain our target PE/G multiple of 1x to arrive at our target P/E multiple of 31.5x and a target price of Rs8,006 vs. Rs7,748 earlier. Upside risk: Strong execution and growth visibility could support the premium valuation. Downside risk: Ramp-up delay of the mega deal and/or other large deals.

Financial Summary	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Revenue (Rsm)	80,146	91,790	121,912	157,843	183,807
Operating EBITDA (Rsm)	14,058	15,053	19,866	27,149	32,166
Net Profit (Rsm)	6,943	8,081	8,121	14,776	18,217
Core EPS (Rs)	154.3	137.9	122.0	206.0	254.0
Core EPS Growth	41.9%	(10.7%)	(11.5%)	68.8%	23.3%
FD Core P/E (x)	67.13	57.89	61.43	36.39	29.51
DPS (Rs)	64.0	76.0	76.0	121.4	147.6
Dividend Yield	0.85%	1.01%	1.00%	1.51%	1.86%
EV/EBITDA (x)	33.20	31.40	25.33	19.69	16.40
P/FCFE (x)	63.53	106.00	72.62	35.74	33.22
Net Gearing	(0.5%)	10.5%	8.0%	(8.6%)	(19.9%)
P/BV (x)	15.12	12.90	12.52	11.55	9.81
ROE	33.0%	25.6%	22.3%	34.6%	36.1%
% Change In Core EPS Estimates			(3.36%)	0.52%	0.81%
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Quarterly performance

Y/E Mar (Rs m)	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	4QFY25F	Var. (%)
Revenue (US\$ m)	403.5	286.8	40.7	397.1	1.6	415.0	(2.8)
Revenue (Rs m)	34,099	23,585	44.6	33,182	2.8	35,946	(5.1)
USD-INR realization	84.5	82.2	2.8	83.6	1.1	86.6	(2.4)
EBITDA	5,748	4,251	35.2	5,190	10.8	5,967	(3.7)
EBITDA margin (%)	16.9	18.0	(117 bp)	15.6	122 bp	16.6	26 bp
EBIT	4,494	3,405	32.0	3,922	14.6	4,601	(2.3)
EBIT margin (%)	13.2	14.4	(126 bp)	11.8	136 bp	12.8	38 bp
Depreciation	1,254	846	48.2	1,268	(1.1)	1,366	(8.2)
Net other income	-300	-452	(33.6)	-327	(8.3)	-199	50.6
PBT	4,194	2,953	42.0	3,595	16.7	4,402	(4.7)
Provision for tax	874	564	55.0	874	0.0	1,078	(19.0)
% tax rate	20.8	19.1	174 bp	24.3	(347 bp)	24.5	(366 bp)
Net profit	2,612	2,238	16.7	2,155	21.2	2,919	(10.5)
EPS (Rs)	38.7	35.9	16.7	31.9	21.1	43.3	(10.6)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Key takeaways from the earnings conference call

- **Guidance:** Coforge expects strong revenue growth in FY26F led by strong executable order book and mega deal win while the EBIT margin could significantly expand too. Management reiterated its US\$2bn revenue and 18% EBITDA margin aspiration for FY27F.
- **Demand outlook:** Despite the headwinds from an uncertain macroeconomic environment, FY26F outlook is driven by 1) execution discipline, 2) solution-based proactive large managed services deals, and 3) differentiated architect pools and SME-led industry specific engineering competence.
- Vertical-wise commentary
 - **FSI:** Signed a large deal with one of the largest banks for AI-led quality engineering (QE) services and QE for artificial intelligence or AI. The company also signed another large Salesforce-led deal for a bank.
 - **Travel:** The recent change due to the macroeconomic uncertainty has led to the travel industry taking a cautious approach on capacity and outlook. Across Asia Pacific, Middle East, Latin America, and Africa, travel demand is growing steadily. However, FY26F outlook is strong despite the uncertainty in the US and Europe. Witnessing opportunities in GCC setup, modern airline retailing, in data modernization, in M&A integrations and in loyalty and personalization.
- Revenue from recent acquisitions would largely be offset by the sale of AdvantageGo business.
- AI-led solutions: Have over 200 real-world solutions developed and deployed.
- Agentic AI is driving a lot of interest in the market currently, and the company is actively building capabilities to deploy agentic AI solutions.
- Through its AI Spark program, 94% of employees are now AI-trained, and more than 50% of developers are proficient in GitHub Copilot.
- In collaboration with ServiceNow, the company has launched Coforge GenAI Centre of Excellence which would focus on developing agentic AI solutions that help customers accelerate their ServiceNow adoption journey. The areas of focus include: payments processing, fraud detection, dispute management, and digital operations resiliency.
- The net addition would have been 1,000+ adjusted for the headcount reduction (~600) related to AdvantageGo.
- FY26F organic growth is unlikely to moderate vs. FY25.
- GCC influence revenue is ~10% of the overall revenue.
- Concerns related to Sabre financials: Coforge is working closely with the leadership team of Sabre and is monitoring their financial performance. The sale of hospitality business could reduce their debt by ~US\$1.1bn.

Figure 2: Operating metrics trend

Operating trends	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Revenue (US\$ m)	239	247	252	264	272	278	282	287	291	369	397	404
Growth yoy (%)	19.5	16.0	13.6	13.8	13.9	12.6	12.0	8.5	7.2	32.8	40.8	40.7
Growth qoq (%)	2.7	3.4	1.9	5.0	2.8	2.3	1.4	1.7	1.6	26.8	7.5	1.6
Revenue (Rs. m)	18,294	19,594	20,558	21,700	22,210	22,762	23,233	23,585	24,008	30,623	33,182	34,099
Growth yoy (%)	25.2	24.9	24.0	24.5	21.4	16.2	13.0	8.7	8.1	34.5	42.8	0.0
Growth qoq (%)	5.0	7.1	4.9	5.6	2.4	2.5	2.1	1.5	1.8	27.6	8.4	0.0
EBIT Margin (%)	12.5	14.4	14.5	15.5	11.5	11.9	13.8	14.4	13.6	11.7	11.8	13.2
US\$-Rs realized rate	76.6	79.4	81.7	82.1	81.7	81.8	82.4	82.2	82.4	82.9	83.6	84.5
Headcount	22,742	22,991	22,505	23,224	24,224	24,638	24,607	24,726	26,612	32,483	33,094	33,497
Utilization including trainees (%)	76.2	77.3	80.3	81.5	81.0	80.0	79.4	81.7	81.6	82.2	81.3	82.0
LTM attrition (%)	18.0	16.4	15.8	14.1	13.3	13.0	12.1	11.5	11.4	11.7	11.9	10.9
Vertical (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFS	29.5	31.7	31.1	31.0	31.1	31.6	32.2	33.7	31.8	29.4	27.5	30.2
Insurance	23.1	23.2	22.1	22.2	22.6	22.6	22.0	21.6	21.4	19.1	18.8	18.2
TTH	19.4	19.3	19.3	18.8	18.5	18.5	17.8	17.6	18.1	18.1	18.1	18.8
Others	28.0	25.8	27.4	28.0	27.8	27.3	28.1	27.1	28.8	33.5	35.6	32.8
Vertical (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFS	70	78	78	82	85	88	91	97	93	109	109	122
Insurance	55	57	56	59	61	63	62	62	62	71	75	73
TTH	46	48	49	50	50	51	50	50	53	67	72	76
Others	67	64	69	74	76	76	79	78	84	124	141	132
Vertical yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFS	67.9	52.6	24.4	27.3	20.0	12.3	16.0	17.9	9.6	23.6	20.3	26.1
Insurance	-10.9	-7.8	-9.7	-1.7	11.4	9.7	11.5	5.5	1.5	12.3	20.3	18.5
TTH	22.0	20.4	19.8	6.4	8.6	8.0	3.3	1.5	4.9	30.0	43.2	50.3
Others	15.4	6.5	22.5	20.2	13.1	19.2	14.9	5.0	11.1	63.0	78.4	70.3
Vertical qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFS	9.4	11.1	0.0	4.7	3.1	4.0	3.3	6.4	-4.1	17.2	0.6	11.6
Insurance	-7.7	3.9	-2.9	5.5	4.7	2.3	-1.3	-0.1	0.7	13.1	5.8	-1.6
TTH	-0.9	2.9	1.9	2.3	1.2	2.3	-2.4	0.6	4.5	26.8	7.5	5.5
Others	8.5	-4.7	8.3	7.3	2.1	0.5	4.4	-1.9	8.0	47.5	14.2	-6.4
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
BFS	6.0	7.9	0.0	3.7	2.6	3.3	2.9	5.8	-4.0	15.9	0.6	12.7
Insurance	-4.6	2.1	-1.7	3.1	2.7	1.4	-0.8	-0.1	0.4	8.2	4.1	-1.2
TTH	-0.4	1.3	0.9	1.1	0.6	1.2	-1.3	0.3	2.3	14.1	5.0	4.0
Others	5.2	-3.1	5.3	5.1	1.5	0.4	3.3	-1.5	6.2	39.8	17.6	-9.0
Geography (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Americas	51.3	51.3	49.2	48.3	49.7	49.4	46.6	47.7	49.9	55.1	56	53.8
EMEA	36.9	38.5	40.3	39.6	38.6	38.8	40.0	40.1	38.7	33.8	34.2	33.3
ROW	11.9	10.2	10.5	12.1	11.7	11.8	13.4	12.2	11.4	11.1	9.8	12.9
Geography (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Americas	122	127	124	128	135	137	131	137	145	204	222	217
EMEA	88	95	101	105	105	108	113	115	113	125	136	134
ROW	28	25	26	32	32	33	38	35	33	41	39	52
Geography yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Americas	17.9	14.0	4.8	10.1	10.3	8.5	6.1	7.1	7.6	48.2	69.2	58.7
EMEA	26.0	37.4	35.8	13.2	19.1	13.5	11.2	9.8	7.5	15.7	20.4	16.8
ROW	9.4	-22.7	-8.3	33.7	12.0	30.3	43.0	9.4	4.5	25.0	3.0	48.8
Geography qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Americas	5.6	3.4	-2.2	3.1	5.8	1.7	-4.3	4.1	6.3	40.0	9.3	-2.4
EMEA	-4.8	7.9	6.7	3.2	0.2	2.8	4.5	2.0	-1.9	10.7	8.8	-1.1
ROW	18.7	-11.3	4.9	21.1	-0.6	3.2	15.2	-7.4	-5.1	23.4	-5.1	33.8
Incremental revenue (US\$ m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Americas	6.5	4.2	-2.8	3.9	7.4	2.3	-6.0	5.4	8.6	58.1	18.8	-5.3
EMEA	-4.4	7.0	6.4	3.3	0.2	3.0	4.9	2.2	-2.2	12.1	11.0	-1.4
ROW	4.5	-3.2	1.2	5.6	-0.2	1.0	5.0	-2.8	-1.8	7.8	-2.1	13.1
Deal wins (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Order intake	315	304	345	301	531	313	354	775	314	515	501	2,126
qoq (%)	4.3	-3.5	13.5	-12.8	76.4	-41.1	13.1	118.9	-59.5	64.0	-2.7	324.4
yoy (%)	-1.3	6.7	39.1	-0.3	68.6	3.0	2.6	157.5	-40.9	64.5	41.5	174.3
TTM order intake	1,150	1,169	1,266	1,265	1,481	1,490	1,499	1,973	1,756	1,958	2,105	3,456
Executable book over the next 12 months	745	802	841	869	897	935	974	1,019	1,070	1,305	1,365	1,505
qoq (%)	3.5	7.7	4.9	3.3	3.2	4.2	4.2	4.6	5.0	22.0	4.6	10.3
yoy (%)	15.5	16.6	20.0	20.7	20.4	16.6	15.8	17.3	19.3	39.6	40.1	47.7
Clients (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Top 5	22.9	23.1	23.9	23.0	25.1	23.5	22.7	23.0	21.0	23.0	19.8	18.0
Top 6-10	12.6	12.7	12.4	12.5	12.6	11.7	11.6	11.4	11.9	11.4	10.2	9.7
Non-top 10	64.5	64.2	63.7	64.5	62.3	64.8	65.7	65.6	67.1	65.6	70.0	72.3
Clients (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Top 5	55	57	60	61	68	65	64	66	61	85	79	73

Top 6-10	30	31	31	33	34	33	33	33	35	42	41	39
Non-top 10	154	159	160	171	169	180	185	188	196	242	278	292
Clients yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Top 5	11.3	19.1	7.7	13.3	24.8	14.6	6.4	8.5	-10.3	30.0	22.8	10.1
Top 6-10	33.3	40.3	29.2	19.5	13.9	3.8	4.8	-1.1	1.3	29.4	23.8	19.7
Non-top 10	20.3	11.2	13.2	12.9	10.0	13.7	15.6	10.3	15.5	34.5	50.0	55.1
Clients qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Top 5	1.8	4.3	5.5	1.1	12.2	-4.2	-2.0	3.0	-7.2	38.8	-7.5	-7.6
Top 6-10	8.8	4.3	-0.5	5.9	3.6	-5.0	0.5	-0.1	6.1	21.4	-3.8	-3.4
Non-top 10	1.9	3.0	1.2	6.4	-0.7	6.4	2.8	1.5	3.9	23.9	14.7	5.0
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Top 5	1.0	2.4	3.1	0.7	7.4	-2.9	-1.3	2.0	-4.8	23.8	-6.3	-6.0
Top 6-10	2.4	1.3	-0.1	1.8	1.2	-1.7	0.2	-0.0	2.0	7.4	-1.6	-1.4
Non-top 10	2.9	4.5	1.8	10.2	-1.2	10.9	5.1	2.9	7.4	46.8	35.6	13.8
Per employee analysis	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Revenue (US\$ m) - TTM	906	940	970	1,002	1,035	1,066	1,096	1,119	1,138	1,230	1,345	1,461
Employees (average TTM)	22,040	22,591	22,685	22,866	23,236	23,648	24,173	24,549	25,146	27,107	29,229	31,422
Revenue per employee (TTM)	41,085	41,592	42,747	43,808	44,534	45,078	45,352	45,571	45,268	45,361	46,006	46,510

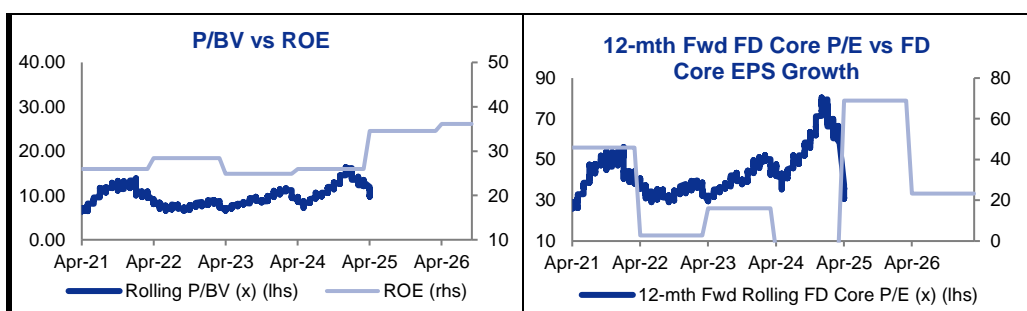
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Change in InCred estimates

Y/E, Mar (Rs m)	FY26F			FY27F		
	New	Old	% change	New	Old	% change
US\$ revenue	1,825	1,808	0.9	2,089	2,069	0.9
Revenue	1,57,843	1,54,582	2.1	1,83,807	1,80,012	2.1
EBIT	21,625	21,178	2.1	25,917	25,382	2.1
EBIT margin (%)	13.7	13.7	0bp	14.1	14.1	(0)bp
Net PAT	14,776	14,695	0.5	18,217	18,065	0.8
EPS (Rs)	206.0	205.0	0.5	254.0	252.0	0.8

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Total Net Revenues	80,146	91,790	121,912	157,843	183,807
Gross Profit	26,087	29,910	40,477	52,404	61,208
Operating EBITDA	14,058	15,053	19,866	27,149	32,166
Depreciation And Amortisation	(2,585)	(3,186)	(4,580)	(5,525)	(6,249)
Operating EBIT	11,473	11,867	15,286	21,625	25,917
Financial Income/(Expense)	(634)	(1,186)	(1,072)	(957)	(761)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	4	30			
Profit Before Tax (pre-EI)	10,843	10,711	14,214	20,668	25,156
Exceptional Items					
Pre-tax Profit	10,843	10,711	14,214	20,668	25,156
Taxation	(2,061)	(2,093)	(3,201)	(4,764)	(5,811)
Exceptional Income - post-tax	(1,326)	(261)	(1,652)		
Profit After Tax	7,456	8,357	9,361	15,904	19,345
Minority Interests	(513)	(276)	(1,240)	(1,128)	(1,128)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	6,943	8,081	8,121	14,776	18,217
Recurring Net Profit	9,595	8,603	8,121	14,776	18,217
Fully Diluted Recurring Net Profit	9,595	8,603	8,121	14,776	18,217

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
EBITDA	14,058	15,053	19,866	27,149	32,166
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(1,027)	(2,800)	(5,018)	(2,368)	(2,856)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(513)	(276)	(1,240)	(1,128)	(1,128)
Other Operating Cashflow					
Net Interest (Paid)/Received	(806)	(1,256)	(1,351)	(1,588)	(1,588)
Tax Paid	(2,800)	(3,661)	(3,201)	(4,764)	(5,811)
Cashflow From Operations	8,912	7,060	9,056	17,301	20,783
Capex	(1,582)	(2,655)	(2,400)	(2,800)	(4,600)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(1,134)	177	279	631	827
Cash Flow From Investing	(2,716)	(2,478)	(2,121)	(2,169)	(3,773)
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(4,285)	(4,781)	(4,981)	(8,127)	(10,019)
Preferred Dividends					
Other Financing Cashflow	(1,297)	(566)	49		
Cash Flow From Financing	(5,582)	(5,347)	(4,932)	(8,127)	(10,019)
Total Cash Generated	614	(765)	2,050	7,006	6,991
Free Cashflow To Equity	7,330	4,405	6,656	14,501	16,183
Free Cashflow To Firm	7,002	5,838	8,286	16,720	18,598

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	5,787	3,352	3,997	11,330	18,368
Total Debtors	16,131	18,039	25,602	31,095	36,210
Inventories					
Total Other Current Assets	4,146	4,634	4,634	4,634	4,634
Total Current Assets	26,064	26,025	34,532	46,844	58,872
Fixed Assets	6,866	7,629	5,449	2,724	1,075
Total Investments	2,484	2,339	2,339	2,339	2,339
Intangible Assets	16,299	16,133	16,133	16,133	16,133
Total Other Non-Current Assets	5,121	8,951	8,951	8,951	8,951
Total Non-current Assets	30,770	35,052	32,872	30,147	28,498
Short-term Debt	454	1,544	1,544	1,544	1,544
Current Portion of Long-Term Debt					
Total Creditors	6,481	8,062	10,606	13,732	15,991
Other Current Liabilities	10,458	5,709	5,709	5,709	5,709
Total Current Liabilities	17,393	15,315	17,859	20,985	23,244
Total Long-term Debt	5,168	5,716	5,716	5,716	5,716
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	2,574	2,777	2,777	2,777	2,777
Total Non-current Liabilities	7,742	8,493	8,493	8,493	8,493
Total Provisions					
Total Liabilities	25,135	23,808	26,352	29,478	31,737
Shareholders Equity	30,825	36,266	39,821	46,540	54,774
Minority Interests	874	1,003	1,003	1,003	1,003
Total Equity	31,699	37,269	40,824	47,543	55,777

Key Ratios

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue Growth	24.6%	14.5%	32.8%	29.5%	16.4%
Operating EBITDA Growth	26.0%	7.1%	32.0%	36.7%	18.5%
Operating EBITDA Margin	17.5%	16.4%	16.3%	17.2%	17.5%
Net Cash Per Share (Rs)	2.65	(62.63)	(49.05)	56.77	154.93
BVPS (Rs)	495.82	581.18	598.53	649.11	763.95
Gross Interest Cover	14.23	9.45	11.31	13.62	16.32
Effective Tax Rate	19.0%	19.5%	22.5%	23.0%	23.1%
Net Dividend Payout Ratio	48.1%	56.9%	50.4%	55.0%	55.0%
Accounts Receivables Days	68.37	67.94	65.33	65.55	66.83
Inventory Days					
Accounts Payables Days	42.68	42.89	41.84	42.13	44.25
ROIC (%)	29.9%	30.2%	28.3%	37.1%	45.0%
ROCE (%)	26.3%	23.3%	25.4%	32.1%	33.5%
Return On Average Assets	17.5%	16.2%	18.4%	22.9%	24.0%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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Recommendation Framework

Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.