



India

HOLD (previously *REDUCE*)

Consensus ratings*: Buy 9 Hold 14 Sell 23

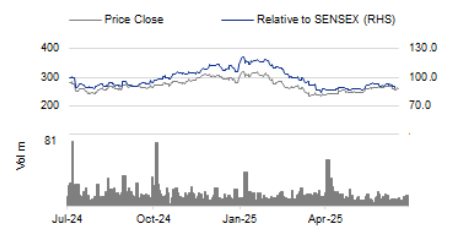
Current price: Rs261
 Target price: ▲ Rs270
 Previous target: Rs233
 Up/downside: 3.4%
 InCred Research / Consensus: 6.8%

Reuters: WIPR.NS
 Bloomberg: WPRO IN
 Market cap: US\$31,736m
 Rs2,731,787m
 Average daily turnover: US\$39.8m
 Rs3421.7m
 Current shares o/s: 10,529.8m
 Free float: 27.0%

*Source: Bloomberg

Key changes in this note

- Expect 0.2% US\$ revenue CAGR over FY25-28F.
- Expect 2% EBIT CAGR over FY25-28F.
- Expect 2.5% PAT CAGR over FY25-28F



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(0.9)	10.0	(6.9)
Relative (%)	(1.9)	5.0	(7.9)

Major shareholders	% held
Foreign Institutions	8.4
Mutual Funds	4.1
LIC	2.7

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Wipro

All eyes on execution

- 1QFY26 revenue beat estimates while bookings surprised positively.
- The EBITM was in line while large-deal transition costs are key headwinds.
- Improving visibility drives an upgrade to HOLD vs. REDUCE with a higher target price of Rs270.

1QFY26 earnings summary

Wipro's IT services constant currency (CC) and US\$ revenue decline of 2%/0.3% beat consensus' median (2.5%/0.9% decline) and InCred's (2.7%/1.2% decline) estimate led by traction in Americas 1 (+0.2% qoq in CC terms) and APMEA (+0.6%) geography, technology & communications (coms; +0.4%) and healthcare (+0.5%) verticals and the top and top 6-10 customers. Total deal TCV at US\$4.97bn was robust (up 26%/51% qoq/yoy; TTM bookings, up 10.6% vs. -4% in 4QFY25) led by two mega deals which drove the large-deal TCV (51.2%/131%; 52% TTM) and improved the revenue visibility (vs. feeble earlier), despite the macroeconomic challenges-led cut in discretionary budgets across select verticals. We adjust the estimates, accordingly, introduce FY28F and upgrade our rating to HOLD (vs. REDUCE earlier) with a higher target price of Rs270 vs. Rs233 earlier.

Mega deals drive LTM growth of large & overall bookings

Deal TCV (16 large) was driven by two vendor consolidation-led mega deals in top clients (led by the BFSI vertical) and driven by focus on strategic priorities (including investing to grow large accounts, build industry and cross-industry) and one in the communications vertical has the potential to be the third. The management commentary of a good balance in the mix (renewal/new) reflects investments in capability building including domain expertise and artificial intelligence (AI).

Expect large deals to weigh on EBIT margin

IT services' EBIT margin at 17.3% down/up 20bp/80bp qoq/yoy, was driven by restructuring charges (Rs2.46bn) in Europe partly offset by operational efficiency. Commentary suggests the EBIT margin could remain in a narrow band (17-17.5%) as transition costs of mega deals with a weaker-than-company average margin profile could weigh in the near term while pyramid optimization, optimization of G&A, productivity, and an improvement in acquired entities' margin are key offsets. That said, we now model an average overall EBIT margin of 17% over FY25-28F, vs. 17.3% earlier, over FY25-27F.

Upgrade our rating to HOLD driven by earnings revision

We model 0.2% US\$ revenue CAGR over FY25-28F (-0.5% over FY25-27F earlier) and 2.5% PAT (Rs) CAGR (2%). We shift the valuation to FY28F earnings and value Wipro at 20x to arrive at our higher target price of Rs270 (vs. Rs233 earlier). The higher multiple is to account for improving revenue visibility. Upside risks: Accelerated smaller deal velocity and better execution. Downside risks: Customer-specific challenges, project roll-offs and a higher-than-anticipated impact of large deals on the EBIT margin.

Financial Summary	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue (Rsm)	897,603	890,884	887,509	920,596	932,979
Operating EBITDA (Rsm)	169,830	180,818	175,172	184,006	189,279
Net Profit (Rsm)	110,452	131,354	131,636	136,915	141,733
Core EPS (Rs)	13.8	12.5	12.5	13.0	13.5
Core EPS Growth	(33.2%)	(9.5%)	0.1%	4.0%	3.5%
FD Core P/E (x)	18.84	20.81	20.79	20.00	19.32
DPS (Rs)	1.0	10.0	10.0	10.4	10.8
Dividend Yield	0.38%	3.84%	3.84%	4.00%	4.14%
EV/EBITDA (x)	10.77	13.20	13.35	12.48	11.88
P/FCFE (x)	12.56	17.67	21.18	21.42	20.38
Net Gearing	(33.8%)	(42.3%)	(46.9%)	(50.4%)	(54.0%)
P/BV (x)	3.67	3.32	3.22	3.12	3.02
ROE	14.5%	16.7%	15.7%	15.8%	15.9%
% Change In Core EPS Estimates			0.03%	0.03%	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Quarterly performance

Y/E Mar (Rs m)	1QFY26	1QFY25	YoY (%)	4QFY25	QoQ (%)	1QFY26F	Var. (%)
IT services revenue (US\$ m)	2,587	2,626	(1.5)	2,597	(0.4)	2,565	0.9
Revenue (Rs m)	2,21,346	2,19,638	0.8	2,25,042	(1.6)	2,19,879	0.7
US\$-Rs realization	85.3	83.4	2.3	86.4	(1.3)	85.6	(0.3)
EBITDA	42,397	43,564	(2.7)	46,080	(8.0)	45,075	(5.9)
EBITDA margin (%)	19.2	19.8	(68 bp)	20.5	(132 bp)	20.5	(135 bp)
EBIT	35,542	36,275	(2.0)	38,863	(8.5)	38,479	(7.6)
EBIT margin (%)	16.1	16.5	(46 bp)	17.3	(121 bp)	17.5	(144 bp)
Depreciation	6,855	7,289	(6.0)	7,217	(5.0)	6,596	3.9
Net other income	6,991	3,986	75.4	8,276	(15.5)	7,460	(6.3)
PBT	42,533	40,261	5.6	47,139	(9.8)	45,939	(7.4)
Provision for tax	9,218	9,850	(6.4)	11,549	(20.2)	11,209	(17.8)
% tax rate	21.7	24.5	(279 bp)	24.5	(283 bp)	24.4	(273 bp)
Net profit	33,304	30,032	10.9	35,696	(6.7)	34,836	(4.4)
EPS (Rs)	3.2	2.9	10.9	3.4	(6.7)	3.3	(4.4)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Key conference-call takeaways

• Guidance:

- Expect 2QFY26F IT services revenue in the range of US\$2,560m to US\$2,612m, translating to a growth of -1% to 1% in CC terms.
- Maintains the aspirational IT service EBIT margin band of 17-17.5%.

• Demand commentary:

- The discretionary spending environment has stabilized for clients.
- Clients have prioritized initiatives with RoI, primarily focusing on cost optimization and vendor consolidation and accelerated AI, data, and modernization programs, with many AI projects moving to scale and production.

• Vertical-wise commentary

- BFSI: Strong and steady demand. Clients are modernizing their IT landscape with a sharp focus on AI-led efficiency and transformation. Won two mega deals in this segment.
- Consumer and EMR (energy manufacturing & resources): Witnessing client caution driven by tariffs. Retail CPG and manufacturing were the most affected. Deal renewals are creating opportunities to gain wallet share despite tight discretionary budgets.
- Technology & communication: A clear shift towards AI driving clients to innovate and future-proof their software and platforms. Won a large deal having a potential to turn into a mega deal.
- Health: Clients investing in modernization and digital transformation. Payers are under cost pressure, but the overall outlook for the sector is positive.

• Geography-wise commentary

- Americas: Witnessing strong deal momentum.
- APMEA revenue was flat but digital spending in India, the Middle East, and Southeast Asia is resilient.
- Europe continued to face headwinds and clients remain focused on maintaining their competitiveness in this environment.
- Capco grew yoy, driven by strong performance in Latin America.
- Deployed over 200 AI-powered agents using advanced technologies from leading hyperscalers.
- Capco continues to perform well (grew 6% yoy in CC terms) and saw TTM bookings worth US\$1bn.
- The pause on SAP project, called out in 4QFY25, still remains.
- The Phoenix deal to contribute to revenue from 3QFY26F.

Figure 2: Operating metric trends

Operating trends	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
IT services revenue (US\$m)	2,756	2,817	2,821	2,840	2,779	2,713	2,656	2,657	2,626	2,660	2,629	2,597	2,587
Growth YoY (%)	14.1	9.2	6.9	4.3	0.8	-3.7	-5.9	-6.4	-5.5	-2.0	-1.0	-2.3	-1.5
Growth QoQ (%)	1.3	2.2	0.1	0.6	-2.1	-2.3	-2.1	0.0	-1.2	1.3	-1.2	-1.2	-0.4
CC growth YoY (%)	17.2	12.9	10.4	6.5	1.1	-4.8	-6.9	-6.6	-4.9	-2.3	-0.7	-1.2	-2.3
CC growth QoQ (%)	2.1	4.1	0.6	-0.6	-2.8	-2.0	-1.7	-0.3	-1.0	0.6	0.1	-0.8	-2.0
Revenue (Rsm)	2,15,286	2,25,397	2,32,290	2,31,903	2,28,310	2,25,159	2,22,051	2,22,083	2,19,638	2,23,016	2,23,188	2,25,042	2,21,346
Growth YoY (%)	17.9	14.6	14.4	11.2	6.0	-0.1	-4.4	-4.2	-3.8	-1.0	0.5	1.3	0.8
Growth QoQ (%)	3.2	4.7	3.1	-0.2	-1.5	-1.4	-1.4	0.0	-1.1	1.5	0.1	0.8	-1.6
IT services EBIT margin (%)	14.9	15.1	16.3	16.3	16.0	16.1	16.0	16.4	16.5	16.8	17.5	17.5	17.3
US\$-INR realized rate	77.2	79.4	81.7	81.6	81.9	82.5	83.4	83.1	83.4	83.4	84.8	86.4	85.3
Headcount	2,62,049	2,62,626	2,62,109	2,58,570	2,49,758	2,44,707	2,40,234	2,34,054	2,34,391	2,33,889	2,32,732	2,33,346	2,33,232
Utilization ex-trainees (%)	83.8	79.8	79.7	81.7	83.7	84.5	84.0	86.9	87.7	86.4	83.5	84.6	85.0
LTM attrition (%)	23.0	22.9	21.2	19.4	17.3	15.5	14.2	14.2	14.1	14.5	15.3	15.0	15.1
Vertical (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
BFSI	35.5	35.3	35.0	34.4	33.9	33.6	32.7	33.5	34.0	34.8	34.1	34.2	33.6
Health	11.4	11.4	11.9	12.1	12.2	12.7	13.9	14.1	13.9	13.6	14.7	14.4	14.6
Energy, Resources & Utilities	11.1	11.2	11.4	12.2	12.0	11.6	11.8	11.9	11.2	10.8	-	-	-
Communications	4.9	4.8	4.6	4.5	4.6	4.3	4.0	3.8	3.8	NA	-	-	-
Consumer	18.6	19.0	19.0	18.9	18.7	18.7	18.8	18.7	19.2	19.2	19.0	18.9	18.6
Manufacturing and Technology	18.4	18.4	18.1	17.9	18.6	19.1	18.8	18.0	17.9	NA	-	-	-
Vertical (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
BFSI	978	995	987	977	942	912	869	890	893	926	897	888	869
Health	314	321	336	344	339	345	369	375	365	362	386	374	378
Energy, Resources & Utilities	306	316	322	346	333	315	313	316	294	287	-	-	-
Communications	135	135	130	128	128	117	106	101	100	-	-	-	-
Consumer	513	535	536	537	520	507	499	497	504	511	500	491	481
Manufacturing and Technology	507	518	511	508	517	518	499	478	470	-	-	-	-
Vertical yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
BFSI	21.3	10.8	6.3	1.4	-3.7	-8.3	-12.0	-8.9	-5.2	1.5	3.2	-0.3	-2.6
Health	9.4	6.4	7.8	9.8	7.9	7.3	10.0	9.1	7.7	5.0	4.7	-0.2	3.5
Energy, Resources & Utilities	-3.3	-0.6	4.1	10.7	9.0	-0.3	-2.6	-8.7	-11.8	-8.7	NA	NA	NA
Communications	9.7	4.8	-1.7	-2.2	-5.4	-13.7	-18.1	-21.0	-21.9	NM	NA	NA	NA
Consumer	22.7	19.9	14.7	10.2	1.4	-5.2	-6.8	-7.4	-3.0	0.7	0.0	-1.2	-4.5
Manufacturing and Technology	9.4	6.3	4.0	-1.2	1.9	-0.0	-2.2	-5.9	-9.0	NM	NA	NA	NA
Vertical qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
BFSI	1.5	1.6	-0.7	-1.1	-3.6	-3.2	-4.7	2.5	0.3	3.7	-3.2	-1.0	-2.1
Health	0.4	2.2	4.5	2.3	-1.3	1.7	7.1	1.5	-2.6	-0.9	6.8	-3.3	1.0
Energy, Resources & Utilities	-2.3	3.1	1.9	7.7	-3.8	-5.6	-0.4	0.9	-7.0	-2.3	NM	NA	NA
Communications	3.4	0.1	-4.0	-1.5	0.0	-8.7	-8.9	-5.0	-1.2	NM	NA	NA	NA
Consumer	5.2	4.4	0.1	0.1	-3.2	-2.3	-1.6	-0.5	1.5	1.3	-2.2	-1.8	-1.9
Manufacturing and Technology	-1.4	2.2	-1.5	-0.5	1.7	0.3	-3.6	-4.2	-1.7	NM	NA	NA	NA
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
BFSI	15	16	-7	-11	-35	-30	-43	22	3	33	-29	-9	-19
Health	1	7	15	8	-5	6	25	5	-10	-3	25	-13	4
Energy, Resources & Utilities	-7	10	6	25	-13	-19	-1	3	-22	-7	NM	NA	NA
Communications	4	0	-5	-2	0	-11	-10	-5	-1	NM	NA	NA	NA
Consumer	25	23	1	1	-17	-12	-8	-2	7	7	-11	-9	-9
Manufacturing and Technology	-7	11	-8	-2	9	1	-19	-21	-8	NM	NA	NA	NA
Geography (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Americas 1	28.7	28.8	29.1	28.5	28.8	29.8	31.0	30.4	30.9	30.8	32.3	32.8	33.1
Americas 2	31.1	31.1	30.6	30.5	30.0	29.9	30.0	30.7	30.8	30.6	30.6	30.6	30.4
Europe	28.2	28.0	28.8	29.3	29.5	28.6	27.7	27.8	27.6	27.9	26.7	26.1	25.7
APMEA	12.0	12.1	11.5	11.7	11.7	11.7	11.3	11.1	10.7	10.7	10.4	10.5	10.8
Geography (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Americas 1	791	811	821	809	800	809	823	808	811	819	849	852	856
Americas 2	857	876	863	866	834	811	797	816	809	814	805	795	787
Europe	777	789	813	832	820	776	736	739	725	742	702	678	665
APMEA	331	341	324	332	325	317	300	295	281	285	273	273	279
Geography yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Americas 1	18.7	14.4	10.3	5.1	1.2	-0.4	0.3	-0.2	1.4	1.3	3.1	5.4	5.5
Americas 2	16.4	11.0	7.6	2.6	-2.8	-7.4	-7.7	-5.8	-3.0	0.3	1.0	-2.6	-2.7
Europe	6.6	1.2	3.6	4.3	5.5	-1.6	-9.5	-11.2	-11.6	-4.4	-4.6	-8.3	-8.2
APMEA	17.1	12.9	5.1	7.1	-1.7	-6.9	-7.5	-11.2	-13.6	-10.3	-8.9	-7.6	-0.5
Geography qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Americas 1	2.7	2.6	1.2	-1.4	-1.1	1.0	1.8	-1.9	0.4	1.0	3.6	0.3	0.6
Americas 2	1.6	2.2	-1.5	0.3	-3.8	-2.7	-1.8	2.4	-0.9	0.6	-1.2	-1.2	-1.0
Europe	-2.5	1.5	3.0	2.4	-1.5	-5.3	-5.2	0.4	-1.9	2.4	-5.4	-3.5	-1.9
APMEA	6.6	3.1	-4.8	2.4	-2.1	-2.3	-5.5	-1.7	-4.7	1.3	-3.9	-0.3	2.5
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Americas 1	21	20	10	-12	-9	8	15	-16	4	8	30	2	5
Americas 2	13	19	-13	3	-32	-22	-14	19	-7	5	-9	-10	-8
Europe	-20	12	24	19	-12	-44	-40	3	-14	17	-40	-24	-13
APMEA	20	10	-16	8	-7	-8	-17	-5	-14	4	-11	-1	7
Client (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Top	3.2	3.2	3.2	3.2	3.1	3.0	3.0	3.8	4.0	4.1	4.5	4.4	4.7
Top 2-5	9.7	9.8	10.1	9.3	9.4	9.3	9.1	9.6	9.6	9.9	9.8	10.1	10.0
Top 6-10	7.9	7.8	7.9	7.7	8.0	8.3	8.4	8.6	8.9	8.9	9.4	9.7	9.8
Others	79.2	79.2	78.8	79.8	79.5	79.4	79.5	78.0	77.5	77.1	76.3	75.8	75.5
Client yoy (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Top	17.8	12.7	6.9	4.3	-2.3	-9.7	-11.7	11.1	21.9	34.0	48.5	13.1	15.8
Top 2-5	23.0	13.8	13.6	0.0	-2.3	-8.6	-15.2	-3.4	-3.5	4.4	6.6	2.8	2.6
Top 6-10	17.1	12.1	12.6	5.7	2.1	2.5	0.1	4.5	5.1	5.1	10.8	10.2	8.5

Others	12.7	8.2	5.5	4.7	1.2	-3.5	-5.0	-8.5	-7.9	-4.8	-5.0	-5.0	-4.0
Client qoq (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Top	1.3	2.2	0.1	0.6	-5.2	-5.5	-2.1	26.7	4.0	3.8	8.5	-3.4	6.4
Top 2-5	1.3	3.3	3.2	-7.3	-1.1	-3.4	-4.2	5.5	-1.2	4.5	-2.2	1.8	-1.3
Top 6-10	5.3	0.9	1.4	-1.9	1.7	1.3	-0.9	2.4	2.3	1.3	4.4	1.9	0.7
Others	0.9	2.2	-0.4	1.9	-2.5	-2.5	-2.0	-1.8	-1.8	0.8	-2.2	-1.9	-0.7
Incremental revenue (US\$m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Top	1	2	0	1	-5	-5	-2	21	4	4	9	-4	7
Top 2-5	3	9	9	-21	-3	-9	-11	13	-3	11	-6	5	-4
Top 6-10	11	2	3	-4	4	3	-2	5	5	3	10	5	2
Others	19	49	-8	43	-57	-55	-43	-39	-38	16	-45	-38	-15
Client metrics	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
No. of active clients	1,475	1,514	1,530	1,479	1,444	1,393	1,349	1,371	1,364	1,342	1,299	1,282	1,266
Revenue per active client	7.3	7.2	7.3	7.6	7.8	8.0	8.1	7.9	7.8	7.9	8.1	8.2	8.3
Number of new customers	164	128	80	63	65	49	55	60	43	28	63	63	49
Customer attrition	58	89	64	114	100	100	99	38	50	50	106	80	65
100m+	20	19	19	19	21	22	22	22	22	21	18	17	16
75m+	10	10	10	10	7	6	9	10	7	9	12	11	11
50m+	20	23	23	24	23	23	15	13	14	12	12	16	20
20m+	70	70	67	64	72	71	75	71	74	75	72	67	62
10m+	76	77	85	93	84	85	82	89	75	69	73	70	71
1m+	523	546	551	556	562	567	547	536	543	547	535	535	545
Per employee analysis	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Revenue (US\$ m) - TTM	10,698	10,935	11,117	11,234	11,257	11,153	10,987	10,805	10,653	10,600	10,573	10,512	10,473
Employees (average TTM)	2,39,553	2,49,869	2,57,478	2,61,339	2,58,266	2,53,786	2,48,317	2,42,188	2,38,347	2,35,642	2,33,767	2,33,590	2,33,300
Revenue per Employee (TTM)	44,656	43,763	43,175	42,988	43,586	43,945	44,247	44,615	44,694	44,981	45,227	45,000	44,891

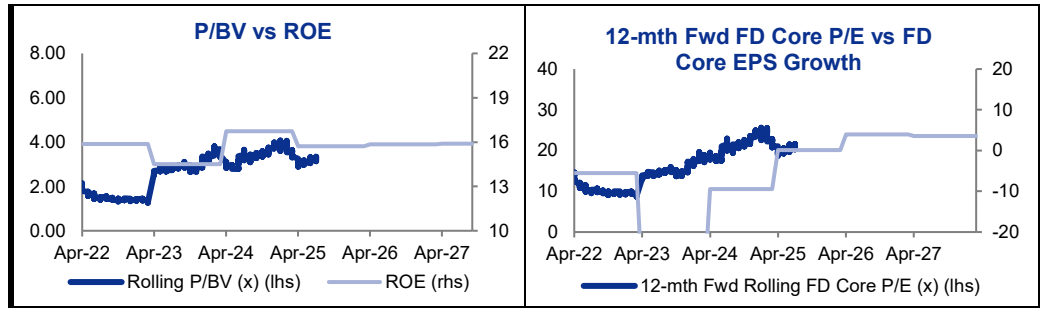
SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 3: Change in InCred estimates

Y/E Mar (Rs m)	FY26F			FY27F			FY28F	
	New	Old	% change	New	Old	% change	New	
US\$ IT services revenue	10,315	10,246	0.7	10,435	10,402	0.3	10,576	
Revenue (Rs m)	8,87,509	8,83,835	0.4	9,20,596	9,18,031	0.3	9,32,979	
EBIT (Rs m)	1,47,687	1,52,903	-3.4	1,55,495	1,58,360	-1.8	1,60,385	
EBIT Margin (%)	16.6	17.3	(66)bp	16.9	17.2	(36)bp	17.2	
PAT (Rs m)	1,31,636	1,31,520	0.1	1,36,914	1,36,725	0.1	1,41,733	
EPS (Rs)	12.5	12.5	0.2	13.0	13.0	0.2	13.5	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Total Net Revenues	897,603	890,884	887,509	920,596	932,979
Gross Profit	300,177	302,661	290,106	307,365	314,299
Operating EBITDA	169,830	180,818	175,172	184,006	189,279
Depreciation And Amortisation	(34,071)	(29,579)	(27,486)	(28,511)	(28,894)
Operating EBIT	135,759	151,239	147,687	155,495	160,385
Financial Income/(Expense)	6,929	14,739	12,880	15,027	15,423
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	4,755	8,725	13,119	10,127	11,196
Profit Before Tax (pre-EI)	147,443	174,703	173,686	180,649	187,005
Exceptional Items					
Pre-tax Profit	147,443	174,703	173,686	180,649	187,005
Taxation	(36,089)	(42,777)	(42,006)	(43,690)	(45,227)
Exceptional Income - post-tax					
Profit After Tax	111,354	131,926	131,680	136,959	141,777
Minority Interests	(902)	(572)	(44)	(44)	(44)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	110,452	131,354	131,636	136,915	141,733
Recurring Net Profit	110,452	131,354	131,636	136,915	141,733
Fully Diluted Recurring Net Profit	110,452	131,354	131,636	136,915	141,733

Cash Flow

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
EBITDA	169,830	180,818	175,172	184,006	189,279
Cash Flow from Invt. & Assoc.					
Change In Working Capital	18,051	10,274	4,049	(4,448)	(1,665)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(902)	(572)	(44)	(44)	(44)
Other Operating Cashflow	4,597	5,081			
Net Interest (Paid)/Received					
Tax Paid	(15,360)	(26,175)	(42,006)	(43,690)	(45,227)
Cashflow From Operations	176,216	169,426	137,171	135,823	142,344
Capex	(10,510)	(14,737)	(8,000)	(8,000)	(8,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	22,190	(65,993)	40,431	39,586	41,051
Cash Flow From Investing	11,680	(80,730)	32,431	31,586	33,051
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased	(145,173)				
Dividends Paid	(5,218)	(62,750)	(105,060)	(109,532)	(113,387)
Preferred Dividends					
Other Financing Cashflow	(32,176)	(1,213)	(14,432)	(14,432)	(14,432)
Cash Flow From Financing	(182,567)	(63,963)	(119,492)	(123,964)	(127,819)
Total Cash Generated	5,329	24,733	50,111	43,445	47,576
Free Cashflow To Equity	165,706	154,689	129,171	127,823	134,344
Free Cashflow To Firm	187,896	88,696	169,603	167,409	175,395

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Total Cash And Equivalents	408,124	533,448	583,559	627,004	674,580
Total Debtors	173,822	182,025	177,249	183,857	186,330
Inventories	907	694	694	694	694
Total Other Current Assets	67,809	61,608	61,608	61,608	61,608
Total Current Assets	650,662	777,775	823,110	873,164	923,213
Fixed Assets	99,317	106,035	86,549	66,039	45,145
Total Investments	32,293	32,748	32,748	32,748	32,748
Intangible Assets	344,197	347,796	347,796	347,796	347,796
Total Other Non-Current Assets	21,437	17,498	17,498	17,498	17,498
Total Non-current Assets	497,244	504,077	484,591	464,081	443,187
Short-term Debt	79,166	97,863	97,863	97,863	97,863
Current Portion of Long-Term Debt					
Total Creditors	57,655	58,667	57,941	60,101	60,909
Other Current Liabilities	115,637	129,723	129,723	129,723	129,723
Total Current Liabilities	252,458	286,253	285,527	287,687	288,495
Total Long-term Debt	62,300	63,954	63,954	63,954	63,954
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	86,478	105,866	105,866	105,866	105,866
Total Non-current Liabilities	148,778	169,820	169,820	169,820	169,820
Total Provisions					
Total Liabilities	401,236	456,073	455,347	457,507	458,315
Shareholders Equity	745,330	823,641	850,217	877,600	905,946
Minority Interests	1,340	2,138	2,138	2,138	2,138
Total Equity	746,670	825,779	852,355	879,738	908,084

Key Ratios

	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue Growth	(0.8%)	(0.7%)	(0.4%)	3.7%	1.3%
Operating EBITDA Growth	0.5%	6.5%	(3.1%)	5.0%	2.9%
Operating EBITDA Margin	18.9%	20.3%	19.7%	20.0%	20.3%
Net Cash Per Share (Rs)	24.11	33.30	38.03	42.17	46.69
BVPS (Rs)	71.10	78.48	80.93	83.53	86.23
Gross Interest Cover	10.82	10.24	10.23	10.77	11.11
Effective Tax Rate	24.5%	24.5%	24.2%	24.2%	24.2%
Net Dividend Payout Ratio	9.5%	80.0%	79.8%	80.0%	80.0%
Accounts Receivables Days	73.33	72.90	73.88	71.59	72.41
Inventory Days	0.64	0.50	0.42	0.41	0.41
Accounts Payables Days	35.86	36.09	35.62	35.13	35.70
ROIC (%)	18.2%	21.4%	21.2%	23.4%	24.9%
ROCE (%)	11.1%	11.9%	10.9%	11.2%	11.3%
Return On Average Assets	9.2%	9.9%	9.4%	9.5%	9.6%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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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.

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- 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.

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Definition:

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- 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.