

I India
ADD (no change)

Consensus ratings*: Buy 40 Hold 5 Sell 4

Current price:	Rs1,203
Target price:	Rs1,509
Previous target:	Rs1,800
Up/downside:	25.4%
InCred Research / Consensus:	-10.8%
Reuters:	TEML.NS
Bloomberg:	TECHM IN
Market cap:	US\$15,096m
	Rs1,169,108m
Average daily turnover:	US\$57.8m
	Rs4479.5m
Current shares o/s:	885.4m
Free float:	64.0%

*Source: Bloomberg

Key changes in this note

- Raise FY22-24F revenue CAGR by 1.6%.
- Cut FY23F-24F average EBIT margin assumption to 13.8%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(14.7)	(15.6)	27.9
Relative (%)	(5.8)	(7.3)	18.1

Major shareholders	% held
LIC	4.8
SBI-ETF Nifty 50	2.8
Stewart Investors Asia Pacific Fund	2.1

Analyst(s)

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Tech Mahindra

Margin softness is likely priced in

- Deal wins and management commentary encouraging.
- Margin weakness drives a cut in our earnings estimates but is likely priced in.
- Retain Add rating with a lower target price of Rs1,509 (vs. Rs1,800 earlier).

4QFY22 result summary

Tech Mahindra's (TECHM IN) 4QFY22 revenue was largely in line while EBIT margin missed our estimate driven by higher amortization expense related to acquisitions. Key highlights from the earnings conference call are 1) Telecom growth momentum to sustain in FY23F (17.2% yoy in US\$ in FY22), 2) BFSI and technology verticals to drive FY23F enterprise business growth while auto, discrete, oil & gas and utility will help sustain manufacturing vertical's recovery, 3) BPS deal win, and pipeline remains healthy, 4) TechM aims to sustain ~US\$1bn deal win rate which could also be aided by leadership changes in Europe and the US, and 5) EBIT margin commentary was a mixed bag.

Deal wins healthy

Net new deal wins in 4QFY22 stood at US\$1.01bn (up 43.6% qoq but down 3% yoy) and take TTM wins to US\$3.3bn (vs. US\$2.2bn in 4QFY21). Communication vertical's wins were at US\$645m (up 185.4% qoq and 24.6% yoy) while enterprise vertical's wins were at US\$366m (down 23.4% qoq and 30.3% yoy). FY22 new deal wins were up 48.4% yoy led by communication vertical (up 57.1%) while enterprise vertical was up 42%. Earnings commentary suggest the pipeline is healthy led by 5G transformation and cloud-led digital transformation. We adjust FY22-FY24F revenue CAGR (13.5% vs. 11.9% earlier) to account for deal wins and acquired entity's contribution.

Margin weakness drives earnings cut

4QFY22 EBIT margin (13.2%, down 159bp qoq and 324bp yoy) was impacted due to lower utilization (down 200bp QoQ), retention impact on wage cost, absence of one-off and 80bp negative impact of increased amortization. Visa cost (~25-30bp headwind) and Comviva seasonality are key headwinds to 1QFY23F EBIT margin while wage hike is for 2QFY23F. Better pricing, fresher utilization, higher offshore mix, moderation in sub-contractor costs, and exit from low-margin geographies are key FY23F margin levers. Weak exit and higher amortization charge drive a cut in 1) FY23F-24F average EBIT margin assumption, and 2) FY22-24F EBIT/PAT CAGR by 100/50bp to 12.8%/12%, respectively.

Retain Add rating with a lower target price of Rs1,509

A combination of a cut in earnings due to margin weakness and trimming of valuation multiple to account for uncertain macro lowers our target price to Rs1,509 vs. Rs1,800 earlier. We now apply a 25% discount to Tata Consultancy Services' PE/G multiple to arrive at TechM's target multiple vs. 15% earlier. Higher discount drives our PE/G multiple to 1.6x (vs 1.79x earlier) and implied P/E multiple to 19x (vs. 22x earlier). Uneven execution and high attrition rate are key downside risks to our estimates and rating.

Financial Summary

	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
Revenue (Rsm)	368,677	378,551	446,460	524,202	595,056
Operating EBITDA (Rsm)	57,261	68,471	80,201	92,784	105,325
Net Profit (Rsm)	40,330	44,281	55,662	60,399	69,780
Core EPS (Rs)	48.1	51.1	63.0	68.2	78.8
Core EPS Growth	0.1%	6.2%	23.4%	8.2%	15.5%
FD Core P/E (x)	26.37	23.83	19.09	17.63	15.26
DPS (Rs)	15.0	45.0	45.0	51.2	59.1
Dividend Yield	1.24%	3.71%	3.72%	4.25%	4.91%
EV/EBITDA (x)	17.68	14.00	12.55	10.67	9.23
P/FCFE (x)	30.27	14.21	24.55	23.69	18.23
Net Gearing	(24.7%)	(39.7%)	(22.3%)	(27.5%)	(31.9%)
P/BV (x)	4.82	4.26	3.96	3.75	3.53
ROE	20.2%	19.2%	21.5%	21.9%	23.8%
% Change In Core EPS Estimates			(0.02%)	(0.07%)	(0.03%)
InCred Research/Consensus EPS (x)			0.88	0.84	0.92

SOURCES: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Quarterly performance

YE Mar (Rs m)	4QFY22	4QFY21	YoY (%)	3QFY22	QoQ (%)	4QFY22F	Var. (%)
Revenue (US\$ m)	1,608.0	1,330.0	20.9	1,533.5	4.9	1,605.2	0.2
Net sales	1,21,163	97,299	24.5	1,14,508	5.8	1,20,707	0.4
USD-INR realization	75.4	73.2	3.0	74.7	0.9	75.2	0.2
EBITDA	20,884	19,481	7.2	20,601	1.4	21,003	(0.6)
EBITDA Margin (%)	17.2	20.0	(279 bp)	18.0	(75 bp)	17.4	(16 bp)
EBIT	16,042	16,037	0.0	16,980	(5.5)	17,020	(5.7)
EBIT Margin (%)	13.2	16.5	(324 bp)	14.8	(159 bp)	14.1	(86 bp)
Depreciation	4,842	3,444	40.6	3,621	33.7	3,983	21.6
Net other income	2,646	-91	(3,007.7)	1,892	39.9	2,364	11.9
PBT	18,688	15,946	17.2	18,872	(1.0)	19,384	(3.6)
Provision for tax	3,280	4,998	(34.4)	5,082	(35.5)	5,040	(34.9)
% Tax rate	17.6	31.3	(1379 bp)	26.9	(938 bp)	26.0	(845 bp)
Net Profit	15,057	10,814	39.2	13,686	10.0	14,240	5.7
EPS (Rs)	16.9	12.3	38.2	15.5	9.6	16.1	5.3

SOURCES: INCRED RESEARCH, COMPANY REPORTS

Concall take-aways

- Communications vertical witnessed 17.2% growth in FY22. 5G-led transformation spending driving growth. Digital engineering capabilities from network to devices could drive growth. Deal pipeline remains healthy led by 5G spending.
- Enterprise vertical witnessed 17.4% growth in FY22. Technology and BFSI driving overall growth. Auto, discrete, oil & gas and utility led double-digit growth for manufacturing vertical in FY22 and recovery is likely to continue. Digital engineering, cloud migration, cyber security and data analytics remain key growth catalysts in the medium term.
- Business process outsourcing services (BPS) witnessed 42.9% growth in FY22, and the momentum is likely to continue driven by deal pipeline and demand environment.
- Leadership changes in European & American geographies could drive growth in the medium term.
- Cost pressure in the near term provide offshoring opportunity for service providers such as TechM.
- FY23F focus would be on driving organic growth, improving profitability and capitalizing on connectivity and metaverse solutions.
- 4QFY22 tax rate was 17.5% due to one-time reversal. FY23F tax rate, in our view, would be 26%.
- Added 10,000+ freshers in FY22, and the hiring trend is likely to continue to address cost structure.

Figure 2: Operating metric trend

Operating trends	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Revenue (US\$ m)	1295	1208	1265	1309	1330	1384	1473	1534	1608
Growth YoY (%)	2.1	-3.2	-1.7	-3.3	2.7	14.6	16.4	17.2	20.9
Growth QoQ (%)	-4.3	-6.7	4.8	3.4	1.6	4.0	6.4	4.1	4.9
CC Growth YoY (%)	3.7	-1.8	-3.0	-4.6	-0.5	10.8	15.5	17.5	22.6
CC Growth QoQ (%)	-3.3	-6.3	2.9	2.8	0.7	3.9	7.2	4.7	5.4
Revenue (Rs. m)	94,902	91,063	93,718	96,471	97,299	1,01,976	1,08,813	1,14,508	1,21,163
Growth YoY (%)	6.7	5.2	3.3	-0.1	2.5	12.0	16.1	18.7	24.5
Growth QoQ (%)	-1.7	-4.0	2.9	2.9	0.9	4.8	6.7	5.2	5.8
EBIT Margin (%)	10.0	10.1	14.2	15.9	16.5	15.2	15.2	14.8	13.2
USD-INR realized rate	73.3	75.4	74.1	73.7	73.2	73.7	73.9	74.7	75.4
Headcount	1,25,236	1,23,416	1,24,258	1,21,901	1,21,054	1,26,263	1,41,193	1,45,067	1,51,173
Utilization - trainees (%)	83.0	82.0	85.0	87.0	87.0	88.0	87.0	84.0	83.0
Utilization -Ex-trainees (%)	84.0	82.0	85.0	87.0	87.0	89.0	89.0	86.0	84.0
Attrition (%)	19.0	17.0	14.0	12.0	13.0	17.0	21.0	24.0	24.0
Vertical (%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
CME	40.8	40.7	40.2	40.6	40.4	40.0	40.1	40.9	40.6
Manufacturing	17.7	16.9	16.3	16.4	16.4	16.5	16.0	15.8	14.9
Technology	7.4	8.2	8.9	8.5	8.5	8.8	9.0	8.4	9.3
BFSI	15.3	15.7	16.4	16.0	16.4	16.4	16.3	15.4	17.4
Retail, Transport & Logistics	7.3	7.6	7.7	8.1	7.7	7.7	7.8	8.5	7.6
Others	11.5	10.9	10.5	10.6	10.6	10.6	10.8	10.9	10.2
Vertical (US\$ m)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
CME	528	491.5	509	531	537	553	591	627	653
Manufacturing	229	204	206	215	218	228	236	242	240
Technology	96	99	113	111	113	122	133	129	150
BFSI	198	190	208	209	218	227	240	236	280
Retail, Transport & Logistics	95	92	97	106	102	107	115	130	122
Others	149	132	133	139	141	147	159	167	164
Vertical YoY (%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
CME	-2.4	-6.2	-3.8	-7.8	1.7	12.6	16.1	18.0	21.5
Manufacturing	-10.4	-15.7	-11.0	-8.3	-4.8	11.9	14.2	12.9	9.8
Technology	1.0	4.2	8.0	8.2	18.0	23.0	17.7	15.8	32.3
BFSI	19.4	18.6	24.0	17.2	10.1	19.7	15.7	12.8	28.3
Retail, Transport & Logistics	16.8	18.4	8.1	8.8	8.4	16.1	17.9	23.0	19.3
Others	15.3	-11.4	-19.4	-16.0	-5.3	11.4	19.7	20.5	16.3
Vertical QoQ (%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
CME	-8.4	-7.0	3.5	4.5	1.1	3.0	6.7	6.2	4.1
Manufacturing	-2.1	-10.9	1.1	4.1	1.6	4.7	3.2	2.8	-1.1
Technology	-6.8	3.4	13.7	-1.2	1.6	7.7	8.9	-2.8	16.1
BFSI	10.9	-4.3	9.5	0.9	4.2	4.0	5.8	-1.6	18.5
Retail, Transport & Logistics	-3.0	-2.9	6.2	8.8	-3.4	4.0	7.8	13.5	-6.2
Others	-9.8	-11.6	0.9	4.4	1.6	4.0	8.4	5.1	-1.9
Geography (%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Americas	47.7	49.3	48.4	46.8	45.5	46.7	47.8	48.9	48.3
Europe	26.5	25.8	25.2	26.4	26.5	27.2	25.9	25.5	26.4
ROW	25.8	24.9	26.4	26.8	28.0	26.1	26.3	25.6	25.3
Geography (US\$ m)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Americas	617.5	595.3	612.5	612.5	605.2	646.1	703.9	749.9	776.7
Europe	343.1	311.5	318.9	345.5	352.5	376.3	381.4	391.0	424.5
ROW	334.0	300.7	334.1	350.7	372.4	361.1	387.3	392.6	406.8
Geography YoY (%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Americas	4.9	0.3	-1.9	-6.5	-2.0	8.5	14.9	22.4	28.3
Europe	-5.5	-9.5	-7.2	-5.4	2.7	20.8	19.6	13.2	20.4
ROW	5.7	-2.8	4.2	5.4	11.5	20.1	15.9	11.9	9.2
Geography QoQ (%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Americas	-5.7	-3.6	2.9	0.0	-1.2	6.8	8.9	6.5	3.6
Europe	-6.1	-9.2	2.4	8.3	2.0	6.8	1.3	2.5	8.6
ROW	0.4	-10.0	11.1	5.0	6.2	-3.0	7.2	1.4	3.6
Deal wins (US\$ m)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
TCV	513	290	421	456	1043	815	750	704	1011
QoQ (%)	-58.3	-43.4	45.0	8.1	128.9	-21.8	-8.0	-6.1	43.6
YoY (%)	25.7	-38.9	-71.8	-63.0	103.3	180.6	78.1	54.6	-3.0
TTM TCV	3712	3527	2456	1680	2210	2734	3063	3312	3280
Clients (%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Top 5	21.4	21.8	21.5	21.8	22.3	22.1	22.4	22.7	22.1
Top 6-10	9.6	9.3	8.9	8.8	8.8	8.9	8.9	8.7	9.1
Top 11-20	12.6	12.4	12.4	11.9	12.2	12.2	11.4	11.0	11.5
Non top 20	56.4	56.5	57.3	57.5	56.8	56.8	57.3	57.6	57.3
Clients (US\$ m)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Top 5	277	263	272	286	296	306	331	348	355
Top 6-10	124	112	112	115	116	123	131	133	146
Top 11-20	163	150	156	155	163	169	168	169	185
Non top 20	730	682	724	753	755	785	843	883	921
Clients YoY (%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Top 5	-4.1	-1.5	-2.1	-5.3	6.8	16.6	21.5	21.9	20.1
Top 6-10	6.6	-3.3	-11.8	-2.6	-6.3	9.3	16.8	16.4	25.6
Top 11-20	-1.8	-6.8	0.4	3.4	-0.3	12.8	7.2	8.6	13.7
Non top 20	4.9	-3.0	-0.2	-3.9	3.4	15.1	16.4	17.3	22.0
Clients QoQ (%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Top 5	-8.2	-5.1	3.5	5.0	3.6	3.5	7.9	5.3	2.1
Top 6-10	5.6	-9.7	0.2	2.0	1.6	5.3	7.0	1.7	9.7
Top 11-20	8.6	-8.0	4.3	-0.7	4.7	4.0	-0.9	0.6	9.6

Non top 20	-6.8	-6.5	6.2	3.9	0.3	4.0	7.4	4.8	4.3
Incremental revenue	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Top 5	-24.7	-14.2	9.3	13.5	10.3	10.4	24.2	17.6	7.3
Top 6-10	6.6	-12.1	0.2	2.3	1.8	6.2	8.6	2.2	12.9
Top 11-20	12.9	-13.1	6.4	-1.1	7.3	6.6	-1.6	1.1	16.2
Non top 20	-53.2	-47.7	42.0	28.6	1.9	30.4	57.8	40.1	38.1
Client metrics	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Active clients	973	981	988	997	1007	1058	1123	1191	1224
Revenue per active clients	5.3	5.2	5.2	5.1	5.1	5.0	4.9	4.8	4.9
USD 1 m+	446	451	460	454	451	466	488	502	524
USD 5 m+	160	161	165	162	169	168	169	173	174
USD 10 m+	85	81	82	83	85	86	90	96	97
USD 20 m+	49	48	50	50	50	51	50	50	54
USD 50 m+	22	21	21	21	21	22	22	22	23
Per employee analysis	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Revenues (USD m) - TTM	5,182	5,142	5,121	5,076	5,112	5,288	5,495	5,720	5,998
Employees (Average TTM)	1,21,597	1,20,968	1,19,264	1,17,111	1,16,167	1,16,909	1,20,880	1,26,342	1,33,490
Revenue per employee (TTM)	42,615	42,510	42,934	43,345	44,002	45,229	45,457	45,272	44,930

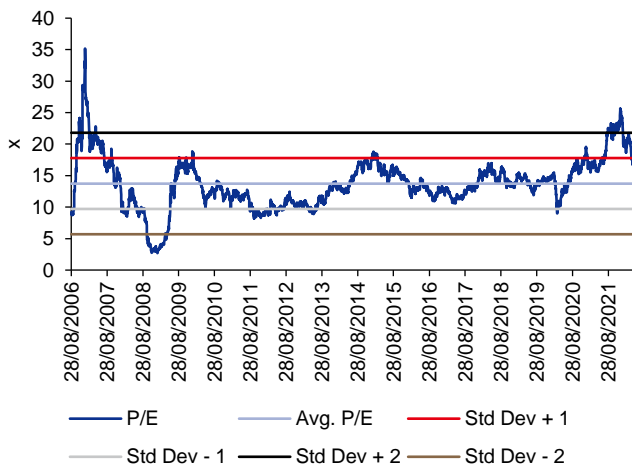
SOURCES: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Change in our earnings estimates

Y/E, Mar (Rs m)	FY23F			FY24F		
	New	Old	% change	New	Old	% change
US\$ revenue	6,897	6,696	3.0	7,728	7,435	3.9
Revenue	5,24,202	5,02,210	4.4	5,95,056	5,65,077	5.3
EBIT	71,816	76,336	-5.9	82,713	86,457	-4.3
EBIT Margin (%)	13.7	15.2	(150) bp	13.9	15.3	(140) bp
Net PAT	60,399	64,562	-6.4	69,780	71,575	-2.5
EPS (Rs)	68.2	73.0	-6.4	78.8	81.0	-2.5

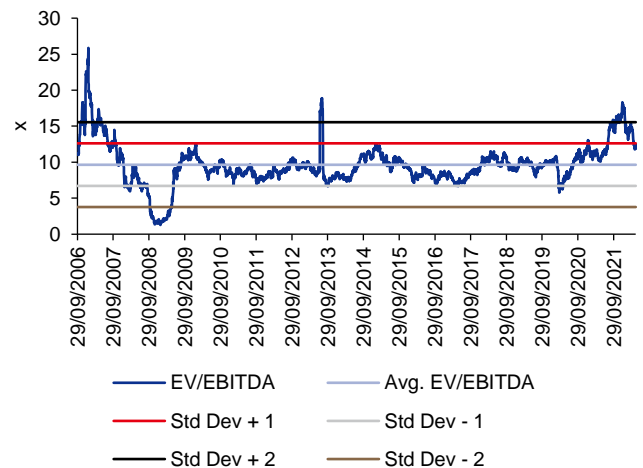
SOURCES: INCRED RESEARCH, COMPANY REPORTS

Figure 4: One-year forward P/E at 17x

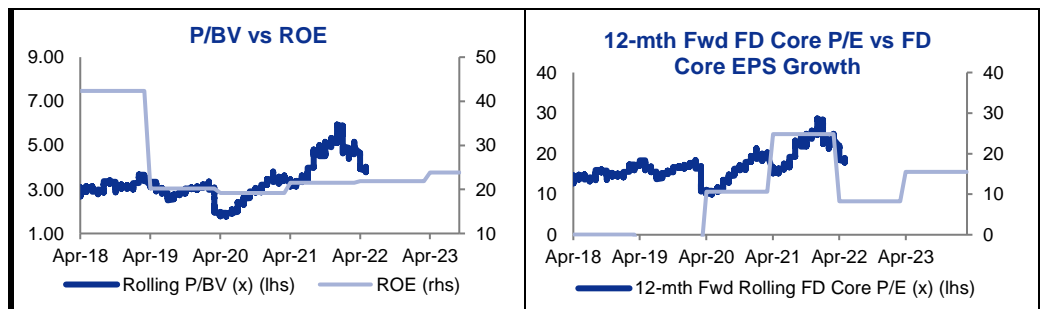


SOURCES: INCRED RESEARCH, BLOOMBERG

Figure 5: One-year forward EV/EBITDA at 12x



SOURCES: INCRED RESEARCH, BLOOMBERG

BY THE NUMBERS

Profit & Loss

(Rs mn)	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
Total Net Revenues	368,677	378,551	446,460	524,202	595,056
Gross Profit	108,934	119,996	136,741	158,833	180,302
Operating EBITDA	57,261	68,471	80,201	92,784	105,325
Depreciation And Amortisation	(14,458)	(14,577)	(15,204)	(20,968)	(22,612)
Operating EBIT	42,803	53,894	64,997	71,816	82,713
Financial Income/(Expense)	856	147	3,855	7,277	8,202
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	9,149	5,984	5,642	3,355	3,570
Profit Before Tax (pre-EI)	52,808	60,025	74,494	82,447	94,485
Exceptional Items					
Pre-tax Profit	52,808	60,025	74,494	82,447	94,485
Taxation	(11,604)	(15,999)	(18,220)	(21,436)	(24,094)
Exceptional Income - post-tax	(2,175)	(507)			
Profit After Tax	39,029	43,519	56,274	61,011	70,392
Minority Interests	1,301	762	(612)	(612)	(612)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	40,330	44,281	55,662	60,399	69,780
Recurring Net Profit	42,505	44,788	55,662	60,399	69,780
Fully Diluted Recurring Net Profit	42,505	44,788	55,662	60,399	69,780

Cash Flow

(Rs mn)	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
EBITDA	57,261	68,471	80,201	92,784	105,325
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(5,218)	15,635	(14,343)	(16,400)	(12,812)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	8,588	12,718	11,758	1,224	1,224
Other Operating Cashflow					
Net Interest (Paid)/Received	(1,919)	(1,740)	(1,626)	(2,211)	(2,211)
Tax Paid	(15,131)	(14,146)	(23,137)	(21,436)	(24,094)
Cashflow From Operations	43,581	80,938	52,853	53,960	67,432
Capex	(8,446)	(6,660)	(9,584)	(9,000)	(9,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	18,732	(47,841)	14,399	12,843	13,984
Cash Flow From Investing	10,286	(54,501)	4,815	3,843	4,984
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased	(17,879)				
Dividends Paid	(24,917)	(17,594)	(39,808)	(45,299)	(52,335)
Preferred Dividends					
Other Financing Cashflow	(1,859)	(12,275)	(6,858)	(2,211)	(2,211)
Cash Flow From Financing	(44,655)	(29,869)	(46,666)	(47,511)	(54,546)
Total Cash Generated	9,212	(3,432)	11,002	10,292	17,870
Free Cashflow To Equity	35,135	74,278	43,269	44,960	58,432
Free Cashflow To Firm	55,786	28,177	59,294	60,014	74,627

SOURCES: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
Total Cash And Equivalents	87,606	124,971	84,104	102,583	120,828
Total Debtors	108,009	90,317	119,334	136,436	154,878
Inventories	358	242	405	405	405
Total Other Current Assets	35,750	37,069	40,714	40,714	40,714
Total Current Assets	231,723	252,599	244,557	280,138	316,824
Fixed Assets	38,840	35,887	37,837	18,067	4,455
Total Investments	8,167	11,418	10,153	10,153	10,153
Intangible Assets	48,937	54,590	110,844	110,844	110,844
Total Other Non-Current Assets	45,868	42,286	45,307	45,307	45,307
Total Non-current Assets	141,812	144,181	204,141	184,371	170,759
Short-term Debt	22,495	14,960	14,397	14,397	14,397
Current Portion of Long-Term Debt					
Total Creditors	32,566	27,850	40,947	41,649	47,278
Other Current Liabilities	66,500	72,269	82,008	82,008	82,008
Total Current Liabilities	121,561	115,079	137,352	138,054	143,683
Total Long-term Debt	1,787	1,658	1,420	1,420	1,420
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	28,123	27,598	36,124	36,124	36,124
Total Non-current Liabilities	29,910	29,256	37,544	37,544	37,544
Total Provisions					
Total Liabilities	151,471	144,335	174,896	175,598	181,227
Shareholders Equity	218,131	248,650	268,857	283,957	301,402
Minority Interests	3,933	3,795	4,954	4,954	4,954
Total Equity	222,064	252,445	273,811	288,911	306,356

Key Ratios					
	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
Revenue Growth	6.1%	2.7%	17.9%	17.4%	13.5%
Operating EBITDA Growth	(9.6%)	19.6%	17.1%	15.7%	13.5%
Operating EBITDA Margin	15.5%	18.1%	18.0%	17.7%	17.7%
Net Cash Per Share (Rs)	62.72	113.81	68.99	89.86	110.47
BVPS (Rs)	249.71	282.21	303.66	320.71	340.42
Gross Interest Cover	22.30	30.97	39.97	32.48	37.40
Effective Tax Rate	22.0%	26.7%	24.5%	26.0%	25.5%
Net Dividend Payout Ratio	30.8%	87.8%	71.1%	75.0%	75.0%
Accounts Receivables Days	100.10	95.61	85.70	89.05	89.34
Inventory Days	0.78	0.42	0.38	0.40	0.36
Accounts Payables Days	40.37	42.64	40.54	41.26	39.13
ROIC (%)	26.3%	22.1%	30.6%	23.0%	27.0%
ROCE (%)	14.0%	14.9%	17.1%	17.5%	19.2%
Return On Average Assets	11.5%	11.4%	12.6%	12.2%	13.5%

SOURCES: INCRED RESEARCH, COMPANY REPORTS

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Corporate Governance Report:

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The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

Score Range:	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
Description:	Excellent	Very Good	Good	N/A	N/A

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Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021

ADVANC – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CGET** – n/a, n/a, **CENDEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** – Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** – Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, n/a, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** – Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** – Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TOP** – Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

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.