

July 18, 2025

## Q1FY26 Result Update

☑ Change in Estimates | ☑ Target | ☑ Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
<b>Rating</b>	<b>HOLD</b>		<b>REDUCE</b>	
<b>Target Price</b>	<b>260</b>		<b>250</b>	
Sales (Rs bn)	911	969	891	938
% Chng.	2.3	3.2		
EBITDA (Rs bn)	182	194	180	192
% Chng.	0.8	1.1		
EPS (Rs.)	12.8	13.5	12.7	13.3
% Chng.	0.8	1.0		

### Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	898	891	911	969
EBITDA (Rs. bn)	170	181	182	194
Margin (%)	19.0	20.3	20.0	20.1
PAT (Rs. bn)	110	131	134	141
EPS (Rs.)	10.4	12.6	12.8	13.5
Gr. (%)	0.7	20.3	1.9	5.2
DPS (Rs.)	13.3	6.0	8.9	9.4
Yield (%)	5.1	2.3	3.4	3.6
RoE (%)	14.4	16.6	16.0	16.5
RoCE (%)	11.3	12.1	11.9	12.6
EV/Sales (x)	2.8	2.6	2.6	2.4
EV/EBITDA (x)	14.6	13.0	13.1	12.1
PE (x)	25.0	20.7	20.4	19.3
P/BV (x)	3.7	3.3	3.2	3.2

### Key Data

WIPR.BO | WPRO IN

52-W High / Low	Rs.325 / Rs.225
Sensex / Nifty	82,259 / 25,111
Market Cap	Rs.2,732bn/ \$ 31,736m
Shares Outstanding	10,483m
3M Avg. Daily Value	Rs.2935.95m

### Shareholding Pattern (%)

Promoter's	72.84
Foreign	11.13
Domestic Institution	7.47
Public & Others	8.62
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(0.9)	(7.6)	(6.9)
Relative	(1.7)	(13.9)	(8.6)

**Pritesh Thakkar**

priteshtthakkar@plindia.com | 91-22-66322533

**Sujay Chavan**

sujaychavan@plindia.com | 91-22-66322536

## Record deal wins, at a cost of margins

### Quick Pointers:

- Won its higher ever TCV of USD 5 bn including 14 large deals & 2 mega deals
- Revenue guidance of -1% to 1% QoQ CC for Q2FY26

*The revenue growth (-2.0% QoQ CC) was above our estimates (-2.6% QoQ), partly aided by outperformance of CAPCO (+6.0% YoY). The growth performance in Consumer and BFS (beyond CAPCO) was weak. The discretionary budgets were tight in Consumer and Manufacturing, especially in Europe, otherwise AI-led transformation and modernization of data witnessed steady recover in Q1. The exceptional large deal TCV (including 2 mega deals) is a mix of both renewals and NN. The large wins are a strategic outcome of securing the existing books while building new offerings on top. However, the nature of the deals is concentrated more on the vendor consolidation and cost optimization side, which ideally comes at a higher tenure and lower margins. The early part of the deals would require investments in right sizing the talent base and setting up stage for deployment, which ultimately leads to take a hit on the margins. We expect the ramp up of two mega deals to support growth in H2, while also considering the underlying weakness and slower conversion. We are revising our estimates to -1.5%/+3.4 YoY CC (vs -2.5%/2.9% earlier), while cutting our margin estimates by 30/40bps for FY26E/FY27E to 16.9%/17.1%. Our EPS estimates see an uptick of ~1% in FY26/FY27. The stock is currently trading at 20x/19x FY26E/FY27E and Upgrade our rating to HOLD (REDUCE earlier).*

**Revenue:** Wipro reported IT Services revenue of USD 2.6 bn in Q1, down 2% QoQ in CC and 0.4% in reported terms, which was better than both our and consensus estimates of a 2.6% QoQ CC decline. The decline was primarily driven by weakness in the BFSI and Consumer segments, which declined 3.8% and 4.0% QoQ CC, respectively while Capco grew by robust 6% YoY CC. Geography-wise, Europe continues to remain weak, with a 6.4% QoQ CC decline. For Q2, Wipro is guiding for revenue growth in the range of -1% to +1%.

**Operating Margin:** Margin performance was stable and within the company's aspiration band of 17-17.5% during the quarter despite revenue decline for company. IT Services EBIT margin came at 17.3%, down 20 bps QoQ in line of our & consensus estimate. Wipro during the quarter incurred one-time restructuring expenses which impacted its overall reported margins.

**Deal Wins:** Wipro reported record deal wins of USD 5 bn, up 50.7% YoY in CC, with large deal TCV at USD 2.7 bn, up 131% YoY CC. The company secured 16 large deals, including two mega deals and one large deal has the potential to scale into a mega deal. The majority of these large deals are centered around cost take-out and vendor consolidation

**Valuations and outlook:** We estimate a USD revenue/earnings CAGR of 1.6%/3.6% over FY25–FY27E. The stock is currently trading at 19x FY27E earnings. We assign a P/E multiple of 19x to FY27E earnings, arriving at a target price of ₹260, and upgrade our rating on the stock to **“HOLD”** from REDUCE.

### Inline performance, won its highest deal wins ever

- IT Services USD rev stood at USD 2.6 bn, down 2% QoQ in CC (reported USD 0.4% QoQ), which came above our/consensus estimate of -2.6% QoQ CC each
- **Guided for Revenue growth of -1% to +1% QoQ in CC terms for Q2FY26 which at mid-point translates to flat revenue**
- IT Services EBIT margin came in at 17.3% (down 20 bps QoQ) inline our/consensus est. of 17.3%/17.2%
- Geo wise, Europe region which has remained weak for long time reported sharp decline of 6.4% QoQ CC while Americas 2 declined for 3<sup>rd</sup> consecutive quarter with -1.7% QoQ. Americas 1 & APMEA reported muted growth of 0.2% & 0.6% QoQ CC respectively
- **Vertical wise, BFSI & Consumer declined by 3.8% & 4% QoQ CC while Tech & Comm and Health grew by 0.4% & 0.5% QoQ respectively in CC**
- Net headcount down by 114. Net utilization (excl. trainees) was up 40 bps QoQ to 85%
- LTM Attrition (IT Service) up by 10 bps QoQ to 15.1%
- **Won its highest Deal TCV ever at USD 5.0bn (+50.7% YoY CC) including 2 mega deals, while large deal TCV came at USD 2.7 bn (up 131% YoY CC)**
- Declared interim dividend of INR 5 per share

## Conference Call Highlights:

- Macro environment remains unstable due to geo-political conflicts & tariff uncertainties. Management mentioned that discretionary demand remains weak, and clients continue to prioritize spending on cost take out & vendor consolidation projects.
- The Manufacturing and Retail segments remain the most impacted by tariff uncertainties. Management mentioned that a large SAP transformation project, which had been put on hold by a manufacturing client, is yet to be resumed. They also indicated that overall demand in the BFSI segment remains steady, with increasing traction for IT landscape modernization among BFS clients. Among technology clients, the company is seeing growing interest in AI-led projects and has won a large deal in this space that could potentially scale into a mega deal. In the Healthcare segment, demand from both payers and providers remains weak.
- Europe has remained a challenging region for the company, marking its 10th consecutive quarter of decline. Management attributed the weakness to macroeconomic headwinds and client-specific issues. However, they expressed confidence that the client-specific issues are now largely behind them, and the strong deal pipeline provides optimism for a recovery despite continued cautious client behavior. They also mentioned that the previously won mega deal will begin ramping up from Q3, which reinforces their confidence in a return to growth.
- Capco reported robust growth of 6% YoY CC during the quarter with growth witnessed across the geographies of LATAM, APMEA & US. Management expects the growth momentum in Capco to continue on the back of strong order wins.
- During the quarter, the company won 16 large deals, including two mega deals in the BFSI segment. Despite these wins, the deal pipeline remains strong, giving management confidence in a stronger H2 driven by deal conversions and the ramp-up of large deals. Management highlighted that many of the large deal wins are with its top clients, indicating that its strategy to grow large accounts is yielding results. The deal wins represent a healthy mix of renewals and net new deals.
- Management highlighted that most of the deals it has won are cost take-out and vendor consolidation deals, which are typically long tenured. As a result, this leads to higher TCV growth but relatively lower ACV growth.
- Management highlighted that the ramp-up of deals, which are primarily cost take-out and vendor consolidation in nature, requires upfront investments. This will impact margins in the short term. While the company aims to maintain margins within its aspirational band of 17–17.5%, management acknowledged that this could be challenging given the intense competition under which these deals were won.
- Management aims to maintain margins within its aspirational band, supported by several levers including improved productivity in fixed-price projects, margin enhancement in acquired entities, G&A optimization, improved utilization, pyramid optimization through fresher hiring, and potential currency benefits.

- The top client reported strong sequential growth of 6.4%, while the top 5 and top 10 clients grew by 1% and 0.9%, QoQ respectively.
- Following a change in its capital allocation policy, management declared an interim dividend of INR 5 per share and announced that, going forward, it will declare dividends twice a year. Management also mentioned that they have not ruled out buybacks as an option for shareholder payouts.

**Exhibit 1: 1QFY26 Results: IT Services USD revenue declined by 2% QoQ CC, IT Services EBIT margin down 20 bps QoQ**

Consolidated (INR b)	1QFY26	1QFY26E	% Var.	4QFY25	QoQ gr. (%)	1QFY25	YoY gr. (%)	FY25	FY24	YoY gr. (%)
IT Services Revenue (USD m)	2,587	2,600	-0.5	2,597	-0.4	2,626	-1.5	10,512	10,805	-2.7
Overall Revenue (INR b)	221.3	223.3	-0.9	225.0	-1.6	219.6	0.8	890.9	897.6	-0.7
Gross Profit	66.6	69.7	-4.6	69.5	-4.3	66.3	0.3	273.1	266.1	2.6
Gross Margin (%)	30.1	31.2	-120bps	30.9	-80bps	30.2	-10bps	30.7	29.6	100bps
SG&A and Other Costs	28.4	30.3	-6.4	30.4	-6.8	30.3	-6.2	121.8	130.0	-6.3
% of Rev	12.8	13.6	-80bps	13.5	-70bps	13.8	-100bps	13.7	14.5	-80bps
EBITDA	45.0	45.9	-1.9	46.3	-2.7	43.4	3.9	180.9	170.2	6.3
EBIT Margin (%)	20.3	20.6	-20bps	20.6	-20bps	19.7	60bps	20.3	19.0	130bps
Depreciation	6.9	6.5	5.9	7.2	-5.0	7.3	-6.0	29.6	34.1	-13.2
% of Rev	3.1	2.9	20bps	3.2	-10bps	3.3	-20bps	3.3	3.8	-50bps
EBIT	38.2	39.4	-3.1	39.1	-2.3	36.1	5.9	151.3	136.1	11.1
EBIT Margin (%)	17.3	17.7	-40bps	17.4	-10bps	16.4	80bps	17.0	15.2	180bps
Other Income (net)	6.9	4.7	45.8	8.3	-17.8	4.1	65.4	23.7	11.1	113.2
PBT	42.6	44.1	-3.5	47.4	-10.2	40.2	5.9	175.0	147.2	18.8
Tax	9.2	10.6	-13.0	11.5	-20.2	9.9	-6.4	42.8	36.1	18.5
Effective tax rate (%)	21.6	24.0	-240bps	24.3	-270bps	24.5	-280bps	24.5	24.5	-10bps
Adjusted PAT	33.4	33.5	-0.5	35.9	-7.0	30.4	9.9	131.4	110.5	18.9
Exceptional items	0.0	0.0	NA	0.0	NA	0.0	NA	0.0	0.0	NA
Reported PAT	33.4	33.5	-0.5	35.9	-7.0	30.4	9.9	131.4	110.5	18.9
Reported EPS (INR)	3.2	3.2	-0.3	3.4	-6.8	2.9	10.8	12.6	10.3	22.4

Source: Company, PL

**Exhibit 2: Regional growth (%)**

Geographies	Contribution to revenue (%)	QoQ gr. (%)
Americas 1	33.1	0.2
Americas 2	30.4	-1.7
Europe	25.7	-6.4
APMEA	10.8	0.6

Source: Company, PL

**Exhibit 3: Vertical growth (%)**

Verticals	Contribution to revenue (%)	QoQ gr. (%)
BFSI	33.6	-3.8
Consumer Business Unit	18.6	-4.0
Energy, Manufacturing & Resources	17.7	-0.7
Technology & Communications	15.5	0.4
Health Business Unit	14.6	0.5

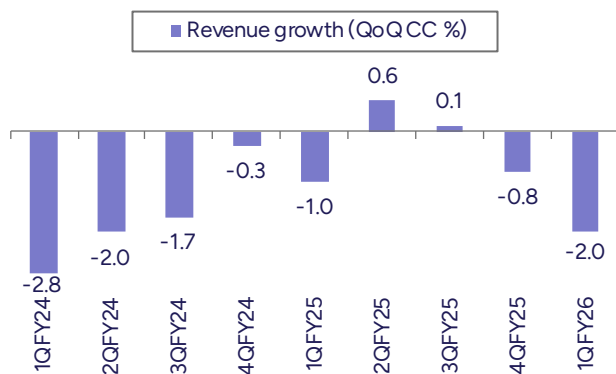
Source: Company, PL

**Exhibit 4: Key Performance Indicator**

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	FY24*	FY25*
Revenue (QoQ CC %)	-2.0	-1.7	-0.3	-1.0	0.6	0.1	-0.8	-2.0	-4.4	-2.3
<b>Margins</b>										
Gross Margin	29.3	30.7	29.2	30.2	30.5	31.0	30.9	30.1	29.6	30.7
EBIT Margin	14.8	14.8	15.9	16.4	16.7	17.5	17.4	17.3	15.2	17.0
Net Margin	11.8	12.1	12.8	13.7	14.4	15.0	15.9	15.0	12.3	14.7
<b>Operating metrics</b>										
Headcount (k)	245	240	233	233	234	233	233	233	233	233
Attrition (%)	15.5	14.2	14.2	14.1	14.5	15.3	15.0	15.1	14.2	15.0
Utilization	84.5	84.0	86.9	87.7	86.4	83.5	84.6	85.0	84.8	85.6

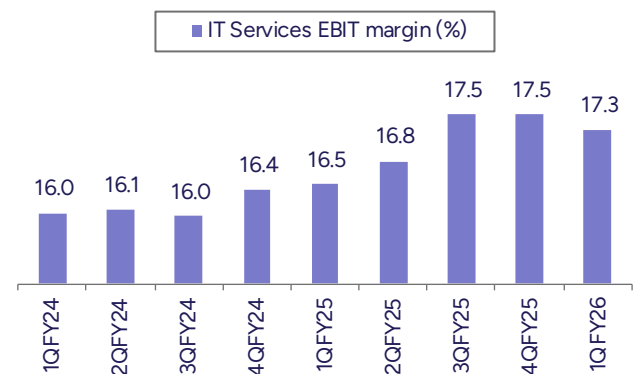
Source: Company, PL, \* YoY CC growth

**Exhibit 5: IT Services revenue declined by 2% QoQ CC**



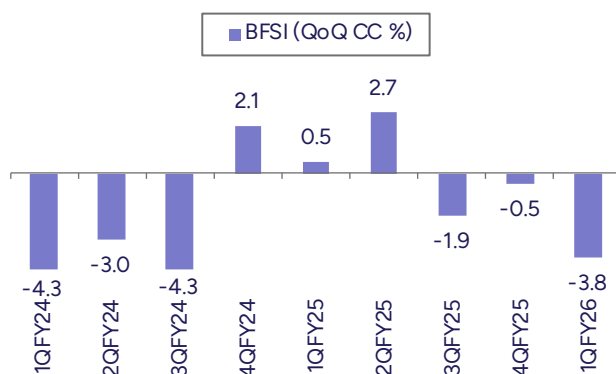
Source: Company, PL

**Exhibit 6: IT Services EBIT margin (%) declined 20 bps QoQ**



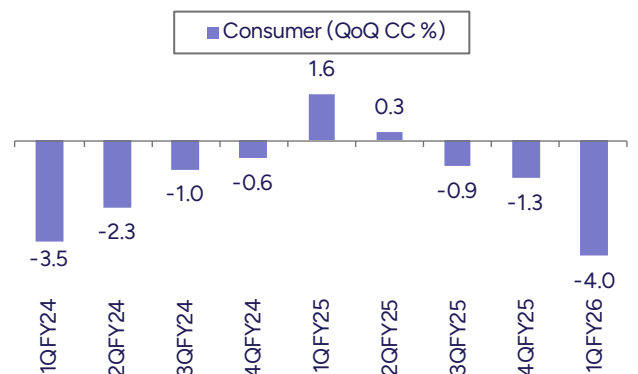
Source: Company, PL

**Exhibit 7: BFSI growth (QoQ CC %) declined sharply**



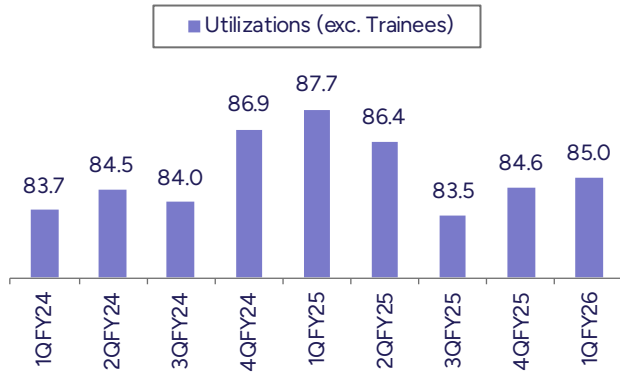
Source: Company, PL

**Exhibit 8: Consumer (QoQ CC %) impacted by macros**



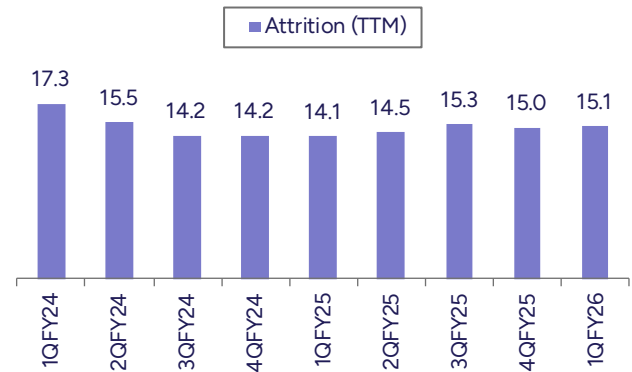
Source: Company, PL

**Exhibit 9: Utilization (Ex. trainees %) improved**



Source: Company, PL

**Exhibit 10: Attrition (TTM %) steady**



Source: Company, PL

**Exhibit 11: Operating Metrics**

	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
<b>Verticals (%)</b>												
Finance Solutions	35.2	34.9	34.2	33.9	33.6	32.7	33.5	34.0	34.8	34.1	34.2	33.6
Health	11.4	12.0	12.2	12.2	12.7	13.9	14.1	13.9	13.6	14.7	14.4	14.6
Consumer	18.8	18.9	18.8	18.7	18.7	18.8	18.7	19.2	19.2	19.0	18.9	18.6
Energy, Manufacturing and Resources	18.1	18.3	19.3	19.3	18.6	18.5	18.5	17.6	17.0	16.9	17.3	17.7
Technology and Communications	16.5	15.9	15.5	15.9	16.4	16.1	15.2	15.3	15.4	15.3	15.2	15.5
<b>Geography (%)</b>												
Americas 1	29.2	29.4	28.8	28.8	29.8	31.0	30.4	30.9	30.8	32.3	32.8	33.1
Americas 2	31.3	30.8	30.7	30.0	29.9	30.0	30.7	30.8	30.6	30.6	30.6	30.4
Europe	28.1	28.8	29.3	29.5	28.6	27.7	27.8	27.6	27.9	26.7	26.1	25.7
APMEA	11.4	11.0	11.2	11.7	11.7	11.3	11.2	10.7	10.7	10.4	10.5	10.8
<b>Customer size distribution (TTM)</b>												
> \$100M	19	19	19	21	22	22	22	22	21	18	17	16
> \$75M	29	29	29	28	28	31	32	29	30	30	28	27
> \$50M	52	52	53	51	51	46	45	43	42	42	44	47
> \$20M	122	119	117	123	122	121	116	117	117	114	111	109
> \$10M	199	204	210	207	207	203	205	192	186	187	181	180
> \$5M	314	312	315	319	313	305	301	301	297	290	289	281
> \$3M	434	440	436	444	437	430	409	407	411	403	398	397
> \$1M	745	755	766	769	774	750	741	735	733	722	716	725
<b>Customer metrics</b>												
Revenue from Existing customers %	97.4	96.9	96.6	99.6	99.1	98.8	97.8	99.7	99.4	98.8	98.1	99.6
Number of new customers	128	82	63	65	49	55	60	43	28	63	63	49
Total Number of active customers	1471	1484	1441	1444	1393	1349	1371	1364	1342	1299	1282	1266
<b>EMPLOYEE METRICS</b>												
Closing Headcount - IT Services (k)	263	262	259	250	245	240	233	233	234	233	233	233
Sales & Support staff - IT Services (k)	17	17	17	17	17	16	16	16	15	15	15	15
<b>Utilization</b>												
Net Utilization (excl trainees) (%)	79.8	79.7	81.7	83.7	84.5	84.0	86.9	87.7	86.4	83.5	84.6	85.0
<b>Attrition</b>												
Voluntary TTM	22.9	21.2	19.4	17.3	15.5	14.2	14.2	14.1	14.5	15.3	15.0	15.1
BPO - Post training	10.3	8.7	9.0	9.2	9.8	8.3	8.9	8.3	7.9	7.1	7.8	8.2
<b>Customer Concentration (%)</b>												
Top customer	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 5	13.1	13.3	12.6	12.5	12.3	12.1	13.4	13.6	14.0	14.3	14.5	14.7
Top 10	20.8	21.2	20.2	20.5	20.6	20.5	22.0	22.5	22.9	23.7	24.2	24.5

Source: Company, PL

## Financials

### Income Statement (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Net Revenues</b>	<b>898</b>	<b>891</b>	<b>911</b>	<b>969</b>
YoY gr. (%)	(0.8)	(0.7)	2.3	6.4
Employee Cost	631	618	634	672
Gross Profit	266	273	277	297
Margin (%)	29.6	30.7	30.4	30.7
Employee Cost	-	-	-	-
Other Expenses	0	0	0	0
<b>EBITDA</b>	<b>170</b>	<b>181</b>	<b>182</b>	<b>194</b>
YoY gr. (%)	(1.6)	6.3	0.5	6.9
Margin (%)	19.0	20.3	20.0	20.1
Depreciation and Amortization	34	30	28	29
<b>EBIT</b>	<b>136</b>	<b>151</b>	<b>154</b>	<b>165</b>
Margin (%)	15.2	17.0	16.9	17.1
Net Interest	-	-	-	-
Other Income	11	24	24	21
<b>Profit Before Tax</b>	<b>147</b>	<b>175</b>	<b>176</b>	<b>187</b>
Margin (%)	16.4	19.6	19.3	19.3
Total Tax	36	43	41	45
Effective tax rate (%)	24.5	24.5	23.4	24.0
<b>Profit after tax</b>	<b>111</b>	<b>132</b>	<b>135</b>	<b>142</b>
Minority interest	1	1	1	1
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>110</b>	<b>131</b>	<b>134</b>	<b>141</b>
YoY gr. (%)	(2.7)	18.9	2.1	5.2
Margin (%)	12.3	14.7	14.7	14.6
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>110</b>	<b>131</b>	<b>134</b>	<b>141</b>
YoY gr. (%)	(2.7)	18.9	2.1	5.2
Margin (%)	12.3	14.7	14.7	14.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	110	131	134	141
<b>Equity Shares O/s (bn)</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>EPS (Rs)</b>	<b>10.4</b>	<b>12.6</b>	<b>12.8</b>	<b>13.5</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>243</b>	<b>266</b>	<b>280</b>	<b>294</b>
Tangibles	187	216	229	244
Intangibles	56	50	50	50
<b>Acc: Dep / Amortization</b>	<b>128</b>	<b>158</b>	<b>186</b>	<b>215</b>
Tangibles	106	135	163	192
Intangibles	23	23	23	23
<b>Net fixed assets</b>	<b>137</b>	<b>136</b>	<b>122</b>	<b>108</b>
Tangibles	104	108	95	80
Intangibles	33	27	27	27
Capital Work In Progress	-	-	-	-
Goodwill	316	325	325	325
Non-Current Investments	-	-	-	-
Net Deferred tax assets	-	-	-	-
Other Non-Current Assets	49	48	56	58
<b>Current Assets</b>				
Investments	311	411	431	451
Inventories	1	2	2	2
Trade receivables	174	182	192	204
Cash & Bank Balance	97	122	76	75
Other Current Assets	67	60	64	68
<b>Total Assets</b>	<b>1,152</b>	<b>1,287</b>	<b>1,269</b>	<b>1,291</b>
<b>Equity</b>				
Equity Share Capital	10	21	21	21
Other Equity	739	807	823	840
<b>Total Network</b>	<b>750</b>	<b>828</b>	<b>844</b>	<b>861</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	62	64	64	64
Provisions	-	-	-	-
Other non current liabilities	69	89	64	68
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	79	98	88	78
Trade payables	89	88	88	93
Other current liabilities	85	100	101	105
<b>Total Equity &amp; Liabilities</b>	<b>1,152</b>	<b>1,287</b>	<b>1,269</b>	<b>1,291</b>

Source: Company Data, PL Research

**Cash Flow (Rs bn)**

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	111	132	134	141
Add. Depreciation	34	30	28	29
Add. Interest	-	-	-	-
Less Financial Other Income	11	24	24	21
Add. Other	(8)	(19)	-	-
Op. profit before WC changes	137	143	162	170
Net Changes-WC	18	10	(45)	(3)
Direct tax	21	17	-	-
<b>Net cash from Op. activities</b>	<b>176</b>	<b>169</b>	<b>116</b>	<b>167</b>
Capital expenditures	(12)	(14)	(14)	(15)
Interest / Dividend Income	20	26	-	-
Others	4	(93)	(20)	(20)
<b>Net Cash from Invt. activities</b>	<b>12</b>	<b>(81)</b>	<b>(34)</b>	<b>(35)</b>
Issue of share cap. / premium	0	0	-	-
Debt changes	(10)	18	(10)	(10)
Dividend paid	(6)	(63)	(110)	(115)
Interest paid	(10)	(9)	(9)	(9)
Others	(157)	(10)	-	-
<b>Net cash from Fin. activities</b>	<b>(183)</b>	<b>(64)</b>	<b>(128)</b>	<b>(134)</b>
<b>Net change in cash</b>	<b>5</b>	<b>25</b>	<b>(46)</b>	<b>(1)</b>
Free Cash Flow	166	155	103	153

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Per Share(Rs)</b>				
EPS	10.4	12.6	12.8	13.5
CEPS	13.7	15.4	15.4	16.2
BVPS	70.9	79.2	80.6	82.2
FCF	15.7	14.8	9.8	14.6
DPS	13.3	6.0	8.9	9.4
<b>Return Ratio(%)</b>				
RoCE	11.3	12.1	11.9	12.6
ROIC	9.8	9.7	10.2	10.7
RoE	14.4	16.6	16.0	16.5
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.4)	(0.4)	(0.4)	(0.4)
Net Working Capital (Days)	35	39	42	43
<b>Valuation(x)</b>				
PER	25.0	20.7	20.4	19.3
P/B	3.7	3.3	3.2	3.2
P/CEPS	19.1	16.9	16.9	16.0
EV/EBITDA	14.6	13.0	13.1	12.1
EV/Sales	2.8	2.6	2.6	2.4
Dividend Yield (%)	5.1	2.3	3.4	3.6

Source: Company Data, PL Research

**Quarterly Financials (Rs bn)**

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
<b>Net Revenue</b>	<b>223</b>	<b>223</b>	<b>225</b>	<b>221</b>
YoY gr. (%)	1.5	0.1	0.8	(1.6)
Raw Material Expenses	155	154	156	155
Gross Profit	68	69	70	67
Margin (%)	30.5	31.0	30.9	30.1
<b>EBITDA</b>	<b>45</b>	<b>46</b>	<b>46</b>	<b>45</b>
YoY gr. (%)	-	-	-	-
Margin (%)	20.4	20.5	20.6	20.3
Depreciation / Depletion	8	7	7	7
<b>EBIT</b>	<b>37</b>	<b>39</b>	<b>39</b>	<b>38</b>
Margin (%)	16.7	17.5	17.4	17.3
Net Interest	-	-	-	-
Other Income	6	6	8	7
<b>Profit before Tax</b>	<b>43</b>	<b>45</b>	<b>47</b>	<b>43</b>
Margin (%)	19.2	20.0	21.1	19.2
Total Tax	11	11	12	9
Effective tax rate (%)	24.6	24.4	24.3	21.6
<b>Profit after Tax</b>	<b>32</b>	<b>34</b>	<b>36</b>	<b>33</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	(2)
<b>Adjusted PAT</b>	<b>32</b>	<b>34</b>	<b>36</b>	<b>31</b>
YoY gr. (%)	6.8	4.5	6.4	(13.6)
Margin (%)	14.4	15.0	15.9	13.9
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>32</b>	<b>34</b>	<b>36</b>	<b>31</b>
YoY gr. (%)	6.8	4.5	6.4	(13.6)
Margin (%)	14.4	15.0	15.9	13.9
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>32</b>	<b>34</b>	<b>36</b>	<b>31</b>
Avg. Shares O/s (bn)	10	10	10	10
<b>EPS (Rs)</b>	<b>3.1</b>	<b>3.2</b>	<b>3.4</b>	<b>2.9</b>

Source: Company Data, PL Research

**Key Operating Metrics**

Y/e Mar	FY24	FY25	FY26E	FY27E
Revenue (USD mn)	10,805	10,512	10,488	10,849

Source: Company Data, PL Research



**Price Chart**



**Recommendation History**

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	01-Jul-25	Reduce	250	266
2	17-Apr-25	Hold	260	248
3	03-Apr-25	Accumulate	290	264
4	27-Mar-25	Accumulate	290	267
5	20-Jan-25	Accumulate	310	282
6	07-Jan-25	Accumulate	310	294
7	18-Oct-24	Accumulate	290	265
8	03-Oct-24	Accumulate	290	274
9	22-Jul-24	Hold	265	279

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs.)	Share Price (Rs.)
1	Cyient	Reduce	1,150	1,289
2	HCL Technologies	Hold	1,550	1,620
3	Infosys	Accumulate	1,680	1,602
4	KPIT Technologies	Accumulate	1,390	1,259
5	L&T Technology Services	Hold	4,300	4,402
6	LTIMindtree	Hold	5,060	5,312
7	Mphasis	Hold	2,900	2,845
8	Persistent Systems	Hold	5,890	6,042
9	Tata Consultancy Services	BUY	3,920	3,382
10	Tata Elxsi	Sell	4,750	6,138
11	Tata Technologies	Sell	570	717
12	Tech Mahindra	Reduce	1,490	1,687
13	Wipro	Reduce	250	266

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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**Prabhudas Lilladher Pvt. Ltd.**

**3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209**

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