

July 19, 2024

Q1FY25 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY25E	FY26E	FY25E	FY26E
Rating	HOLD		HOLD	
Target Price	1,680		1,510	
Sales (Rs. bn)	1,604	1,726	1,594	1,704
% Chng.	0.6	1.3		
EBITDA (Rs. bn)	388	426	380	417
% Chng.	2.0	2.1		
EPS (Rs.)	63.6	70.2	62.5	68.8
% Chng.	1.8	2.1		

Key Financials - Consolidated

Y/e Mar	FY23	FY24	FY25E	FY26E
Sales (Rs. bn)	1,468	1,537	1,604	1,726
EBITDA (Rs. bn)	351	364	388	426
Margin (%)	23.9	23.7	24.2	24.7
PAT (Rs. bn)	241	243	263	291
EPS (Rs.)	57.6	58.6	63.6	70.2
Gr. (%)	9.7	1.7	8.6	10.3
DPS (Rs.)	55.7	46.0	54.0	59.6
Yield (%)	3.2	2.6	3.1	3.4
RoE (%)	32.0	29.7	29.9	32.9
RoCE (%)	29.7	27.7	27.6	30.5
EV/Sales (x)	4.9	4.6	4.3	4.0
EV/EBITDA (x)	20.4	19.2	17.9	16.3
PE (x)	30.5	30.0	27.6	25.0
P/BV (x)	9.7	8.3	8.2	8.2

Key Data

INFO.BO | INFO IN

52-W High / Low	Rs.1,765 / Rs.1,298
Sensex / Nifty	81,343 / 24,801
Market Cap	Rs.7,299bn/ \$ 87,253m
Shares Outstanding	4,152m
3M Avg. Daily Value	Rs.13748.21m

Shareholding Pattern (%)

Promoter's	14.88
Foreign	31.73
Domestic Institution	37.56
Public & Others	15.83
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	17.3	7.6	19.9
Relative	11.1	(5.4)	(1.9)

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Strong rebound, all positives are factored in

Quick Pointers:

- Recovery in FS particularly in North America region aided strong performance in the quarter
- Guidance for FY25 increased from 1-3% in CC terms to 3-4% in CC terms

INFY reported revenue of US\$ 4.7 bn, up 3.6% QoQ CC ahead of our & consensus estimate of 2.3% QoQ CC aided by strong rebound in FS segment (+7.6% QoQ). Margins improved by 100 bps QoQ to 21.1% ahead of our & street expectations of 20.6%, majorly attributed to 4Q one offs reversal and gains from Project Maximus, which got offset by increase in variable pay & FX. The deal win at US\$4.1 bn was soft vs last quarter, however the pipeline remains healthy on the large deals. The strong rebound in Q1 and in-tech integration in Q2 has led to revise the guidance upward to 3-4% in CC (vs 1-3% CC organic earlier).

The revenue growth was encouraging in Q1 with a sharp recovery in Fin Services (FS), pre-dominantly driven by a couple of sub-verticals. Other verticals also contributed to the healthy growth in Q1, however the quantum of growth looks dwarf against the growth within FS. The management indicated of having witnessed some green-shoots and early signs of recovery within discretionary areas of FS. However, the commentary for other verticals was slightly discouraging amidst the adverse macros or impacted by sectorial challenges. Although Q1 recorded 34 large deal wins with sustained deal TCv, the net headcount addition declined further for the sixth-straight quarter by 1.9k QoQ. Despite the revision in guidance the ask-rate for the rest of the quarter turns out to be in the range of (0.7% - 1.3% CQGR), which again validates the management commentary of having stronger H1 vs H2. We are baking in the guidance revision and strong Q1 beat, expect revenue growth of 3.7% CC and 7.5% CC in FY25E and FY26E.

The margin recovery was encouraging with 100bps QoQ improvement, majorly led by comprehensive margin expansion program (Project Maximus), while partly aided by Q4 reversal and one-offs. The management expects multiple margin headwinds through compensation revision and cost related to large deal ramp ups. Despite the fact, it is comfortable delivering margins within the guidance band on the back of (1) Improving realization, (2) pyramid rationalization, (3) offshoring and (4) Automation. We are improving our margins by 50bps each in FY25E and FY26E, majorly due to Q1 beat.

Valuations and outlook: Although the Q1 performance was healthy and remarkable, we would be seeking for an evenly distributed growth rather than a skewing H1 dominated. The higher concentration of discretionary in its business mix is causing more volatility to its vertical portfolio, otherwise we remain positive in its front-end capability and sustainable growth delivery. We are baking in revenue growth of 3.7% and 7.5% YoY CC with margin improvement of 50bps each in FY25E and FY26E, respectively. We estimate revenues/earnings CAGR of 6.0%/9.5% over FY24-FY26E. We believe all positives are factored-in to the CMP. The stock is currently trading at 25x FY26E, we are assigning P/E of 24x to FY26E with a target price of INR 1,680. We maintain HOLD.

Strong execution, beat on all front

- USD rev of \$4.71bn, +3.6% QoQ in CC, above our and consensus est of 2.3%. Reported USD growth was +3.3% QoQ
- The growth was led by Fin Services (+7.6% QoQ), MFG (+3.3% QoQ) and Energy (+2.5% QoQ), respectively
- **The company has revised its FY25 revenue guidance (organic + inorganic) band to 3-4% YoY CC (vs 1-3% CC organic earlier), while the consensus are at USD 19.1b (~3.2% YoY USD). Margin guidance intact to the tune of 20-22%.**
- EBIT margin of 21.1%, up 100bp QoQ and 50bp above our and consensus est. of 20.6%
- Net headcount declined again by 1.9k (vs 5.4k QoQ decline in 4Q), which is the sixth-straight quarter of decline reported by INFY, Utilization up 180bp QoQ (ex trainees), Attrition (LTM) up 10bps QoQ to 12.7%
- **Large deal TCV of \$4.1bn (down 8% QoQ) with book to bill of 0.9x**
- Adj. Net profit of INR64.7 bn, up 7.8% QoQ, above our estimates of INR 62.4 bn
- The company completed the acquisition of In-Tech

Concall Highlights

Demand Outlook

- The company mentioned that overall demand environment remains unchanged and discretionary spending still remains under pressure but it has witnessed some green shoots in FS segment particularly in the North America region
- FS segment reported strong sequential growth after 6 consecutive quarter of decline. The management mentioned that growth was led by ramp up in large deals and recovery in sub segment of capital markets, mortgage & cards business in the North America region. They further mentioned that it expects the growth to sustain in Q2 also as they have witnessed growth in volumes & improvement in realizations
- In Manufacturing segment discretionary spending continue to remain under pressure but the growth during the quarter was broad based across geographies with traction in demand witnessed in the sub-segments of industrial, automotive & aerospace. The management also mentioned that Retail and E&U segments are impacted by high interest & inflation. They further mentioned that recovery in discretionary spending is key for revival in Retail segment
- Geography wise the management expects growth to sustain in North America region. In Europe region the management mentioned that it is witnessing traction in certain pockets of Europe like Nordics region and Germany in Continental Europe. The management mentioned India region contributes a small mix to total revenue of the company and sharp increase during the quarter was due to a one-off impact in India based client
- On Gen AI, Management reported that demand for Gen AI remains strong, with deals progressing beyond the proof-of-concept stage. However, they noted that current projects tend to be smaller in scale
- The company during the quarter won 34 large deals with TCV of US\$ 4.1 bn, down 8.3% QoQ with net new component of 58%. Vertical wise the company won 8 deals each in Retail & communications, 6 in EURS, 5 in FS, 4 in Manufacturing, 2 in Hitech & 1 in Lifescience. Geography wise it won 21 deals in North America, 12 in Europe & 1 in RoW.
- The company completed the In-Tech acquisition and its revenue will be consolidated from Q2 onwards. The management mentioned that it increased its revenue guidance for FY25 from 1-3% in CC terms to 3-4% in CC terms based on the strong performance in Q1, integration of In-Tech & strong pipeline. They however maintain that the growth will be front ended with H1 performance stronger than H2 due to the furlough impact in Q3 & Q4

Margin Outlook

- Margins during the quarter improved by 100 bps QoQ due the tailwinds of +100 bps impact of normalization of one-offs from Q4FY24, +80 bps impact of savings from Project Maximus (improved utilization & higher realizations) & +40 bps impact of one-time gain from recovery of India based client offset by the headwinds of -120 bps variable pay, currency impact & other costs

- The management mentioned that all the pillars of Project Maximus are now contributing towards margin improvement now and it expects the margin to in the guided band for FY25. They further mentioned that the levers for sustaining the margins are improvement in realizations, improvement in pyramid, increase in off-shoring & automation. They further mentioned that the key headwinds going ahead for margins would be increase in wage hike & large deal ramp up costs along with furloughs which will impact the company in H2. The company has not yet finalized the quantum of wage hike yet
- The net headcount declined for 6th consecutive quarter and the management attributed it to its agile hiring policy. They also mentioned that they will hire 15-20k freshers in FY25

Exhibit 1: 1QFY25 Results: Revenues increased by 3.6% QoQ in CC, EBIT margin improved by 100bps QoQ

Consolidated (INR b)	1QFY25	4QFY24	QoQ gr. (%)	1QFY24	YoY gr. (%)	FY25E	FY24	YoY gr. (%)
IT Services Revenue (USD m)	4,714	4,564	3.3	4,617	2.1	19,215	18,562	3.5
Overall Revenue (INR b)	393	379	3.7	379	3.6	1,604	1,537	4.4
Gross Profit	121	112	8.6	116	5.1	487	463	5.3
<i>Gross Margin (%)</i>	<i>30.9</i>	<i>29.5</i>	<i>140bps</i>	<i>30.5</i>	<i>40bps</i>	<i>30.4</i>	<i>30.1</i>	<i>30bps</i>
SG&A and Other Costs	27.0	23.9	12.9	24.9	8.6	98.9	98.3	0.6
<i>% of Rev</i>	<i>6.9</i>	<i>6.3</i>	<i>60bps</i>	<i>6.6</i>	<i>30bps</i>	<i>6.2</i>	<i>6.4</i>	<i>-20bps</i>
EBITDA	94	88	7.5	91	4.1	388	364	6.5
<i>EBIT Margin (%)</i>	<i>24.0</i>	<i>23.2</i>	<i>80bps</i>	<i>23.9</i>	<i>10bps</i>	<i>24.2</i>	<i>23.7</i>	<i>50bps</i>
Depreciation	12	12	-1	12	-2.0	48	47	2.9
<i>% of Rev</i>	<i>2.9</i>	<i>3.1</i>	<i>-10bps</i>	<i>3.1</i>	<i>-20bps</i>	<i>3.0</i>	<i>3.0</i>	<i>0bps</i>
EBIT	83	76	8.8	79	5.0	340	317	7.1
<i>EBIT Margin (%)</i>	<i>21.1</i>	<i>20.1</i>	<i>100bps</i>	<i>20.8</i>	<i>30bps</i>	<i>21.2</i>	<i>20.7</i>	<i>50bps</i>
Other Income (net)	7	6	13.1	5	55.6	28	23	23.0
PBT	90	83	9.1	84	7.9	368	340	8.1
Tax	26	23	16.9	24	9.5	104	97	7.0
<i>Effective tax rate (%)</i>	<i>29.3</i>	<i>27.4</i>	<i>200bps</i>	<i>28.9</i>	<i>40bps</i>	<i>28.3</i>	<i>28.6</i>	<i>-30bps</i>
Adjusted PAT	64	60	6.2	59	7.2	264	243	8.6
Exceptional items	0	20	NA	0.0	NA	0.0	19.7	NA
Reported PAT	64	80	-20.1	59	7.2	264	262	0.4
Reported EPS (INR)	15	19	-20.1	14	7.1	64	63	0.4

Source: Company, PL

Exhibit 2: Regional growth (%)

Geographies	Contribution to revenue (%)	QoQ gr. (%)
North America	58.9	2.1
Europe	28.4	2.6
India	3.1	45.5
ROW	9.6	3.3

Source: Company, PL

Exhibit 3: Vertical Growth (%)

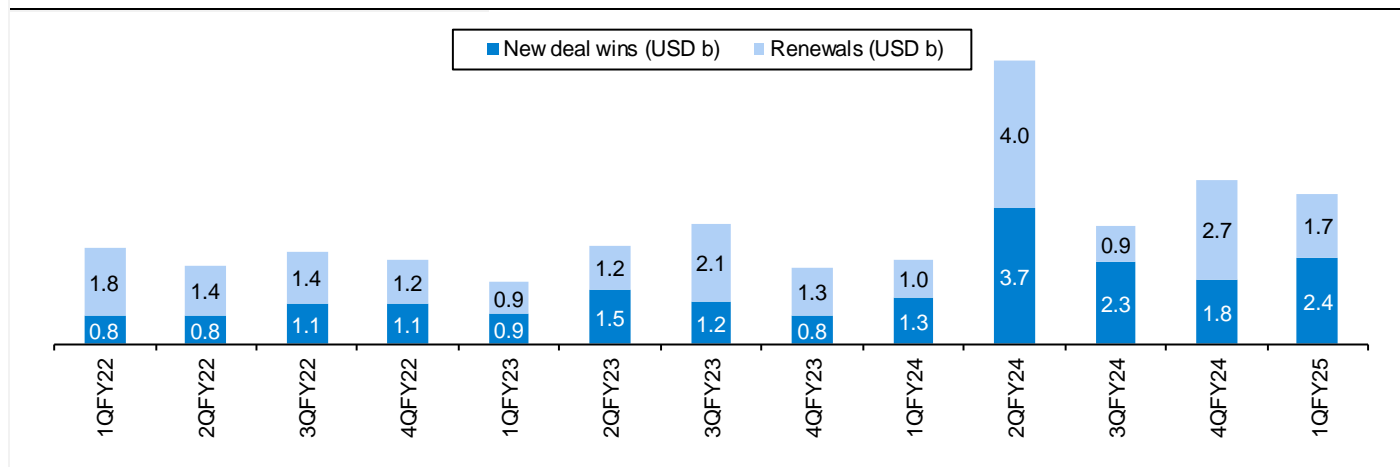
Verticals	Contribution to revenue (%)	QoQ gr. (%)
Financial Services	27.5	7.6
Retail	13.8	-0.3
Communications	12.1	1.6
Energy, Utilities, Resources	13.3	2.5
Manufacturing	14.7	3.3
Hi Tech	8.0	-5.0
Life Sciences	7.3	3.3
Others	3.3	17.5

Source: Company, PL

Exhibit 4: Key Performance Indicator

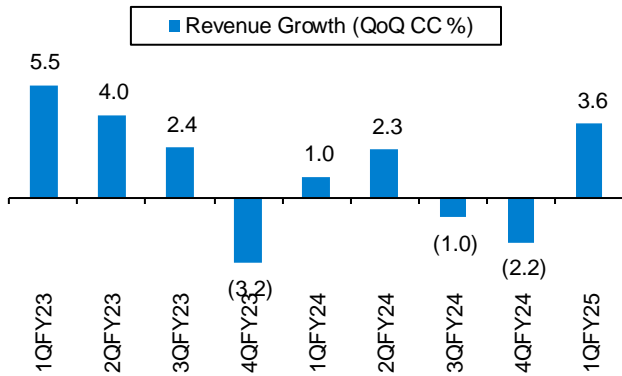
	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	FY24	FY25E
Revenue (QoQ CC %)	4.0	2.4	-3.2	1.0	2.3	-1.0	-2.2	3.6	1.4	3.7
Margins										
Gross Margin	30.5	30.7	30.5	30.5	30.7	29.8	29.5	30.9	30.1	30.4
EBIT Margin	21.5	21.5	21.0	20.8	21.2	20.5	20.1	21.1	20.7	21.2
Net Margin	16.5	17.2	16.4	15.7	15.9	15.7	15.8	16.2	15.8	16.4
Operating metrics										
Headcount	345	347	343	336	329	323	317	315	317	-
Voluntary Attrition (%)	27.1	24.3	20.9	17.3	14.6	12.9	12.6	12.7	12.6	-
Deal Win TCV (USD b)	2.7	3.3	2.1	2.3	7.7	3.2	4.5	4.1	17.7	-

Source: Company, PL

Exhibit 5: TCV Wins softer in 1Q Vs 4Q


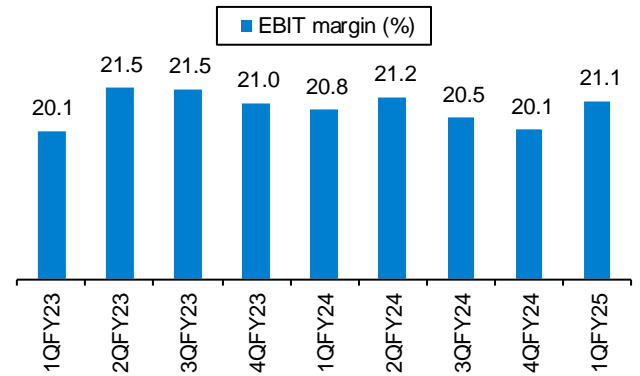
Source: Company, PL

Exhibit 6: Revenue increased by 3.6% QoQ CC



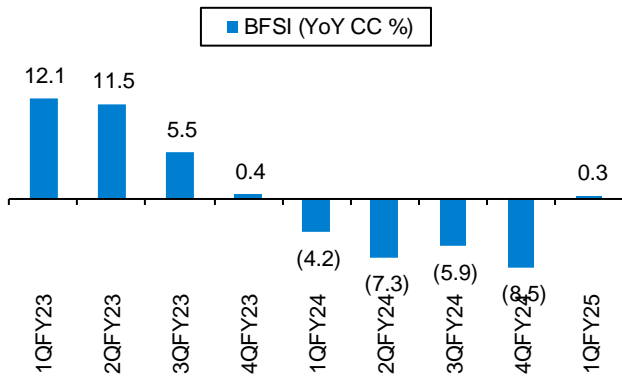
Source: Company, PL

Exhibit 7: EBIT margin (%) improved by 100 bps QoQ



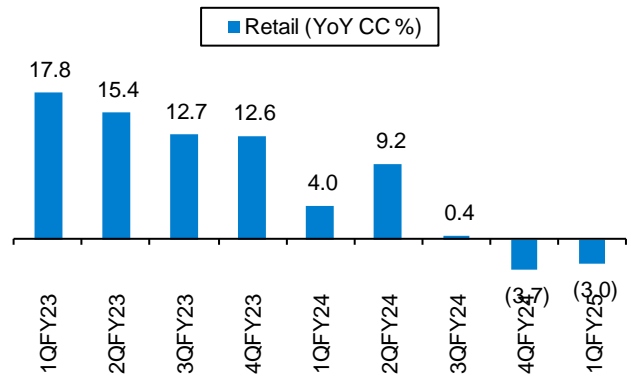
Source: Company, PL

Exhibit 8: BFSI growth (YoY CC %) recovers



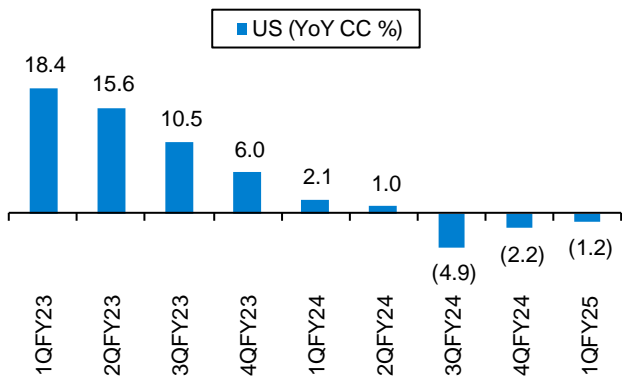
Source: Company, PL

Exhibit 9: Retail (YoY CC %) remains stressed



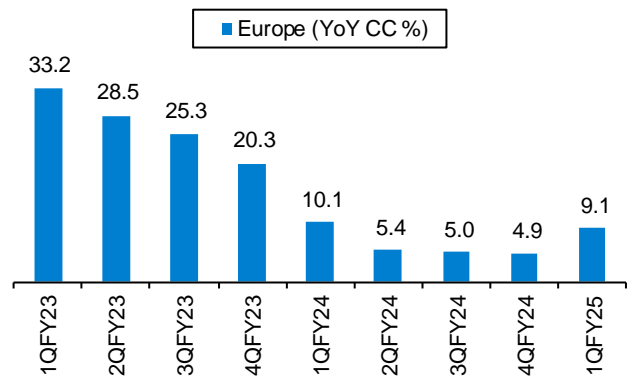
Source: Company, PL

Exhibit 10: US growth (YoY CC %)



Source: Company, PL

Exhibit 11: Europe (YoY CC %)



Source: Company, PL

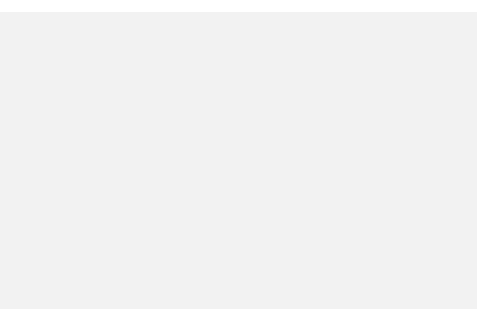
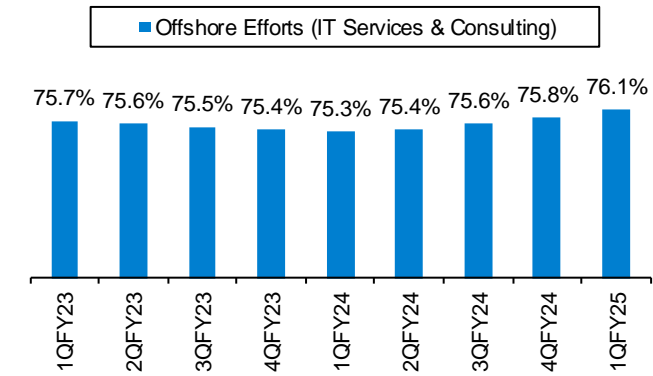
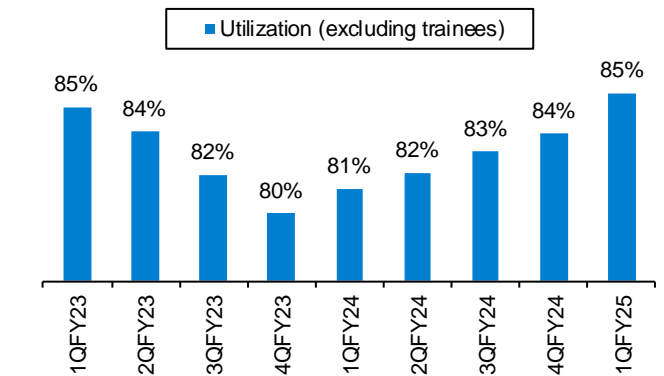


Exhibit 12: Offshoring % inched up by 30bp



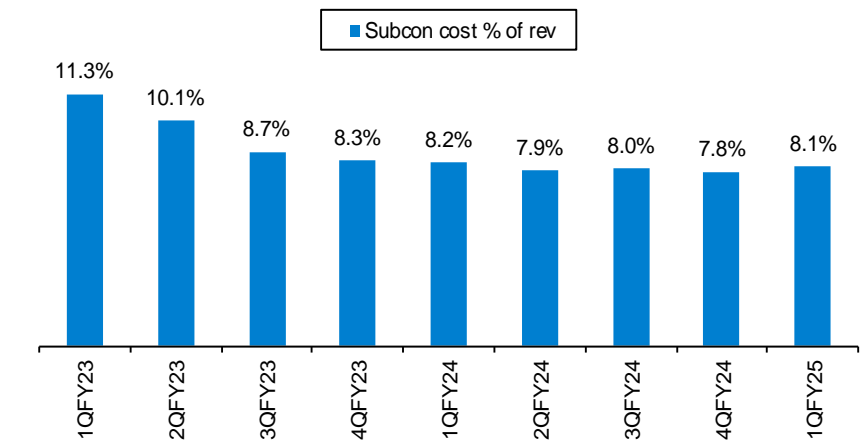
Source: PL, Company

Exhibit 13: Utilization improved to 85%



Source: PL, Company

Exhibit 14: Subcon % of Rev



Source: Company, PL

Exhibit 15: Operating Metrics

	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Effort (IT Services and Consulting)												
Onsite	24%	24%	24%	24%	24%	25%	25%	25%	25%	24%	24%	24%
Offshore	76%	76%	76%	76%	76%	76%	75%	75%	75%	76%	76%	76%
Utilization (IT Services and Consulting)												
Including trainees	84%	83%	80%	78%	77%	77%	77%	79%	80%	82%	82%	84%
Excluding trainees	89%	89%	87%	85%	84%	82%	80%	81%	82%	83%	84%	85%
Employee Metrics												
Total Employees (Consolidated, in k)	280	292	314	335	345	347	343	336	329	323	317	315
S/W professional (k)	265	277	298	318	328	329	325	318	310	305	300	298
Support and sales (k)	15	15	16	17	17	18	18	19	18	18	17	17
Revenues by client geography												
North America	62%	62%	61%	62%	63%	62%	61%	61%	61%	59%	60%	59%
Europe	25%	25%	25%	25%	25%	26%	27%	27%	27%	28%	29%	28%
India	3%	3%	3%	3%	3%	2%	3%	3%	3%	2%	2%	3%
ROW	11%	10%	10%	11%	10%	10%	9%	10%	10%	10%	10%	10%
Revenues by Business segments												
Financial Services	32%	32%	31%	31%	31%	29%	29%	28%	28%	28%	26%	28%
Retail	15%	15%	14%	15%	14%	14%	15%	15%	15%	15%	14%	14%
Communications	12%	13%	13%	13%	12%	12%	12%	12%	11%	11%	12%	12%
Energy, Utilities, Resources and Services	12%	12%	12%	12%	12%	13%	13%	13%	13%	13%	13%	13%
Manufacturing	11%	11%	12%	12%	13%	13%	14%	14%	14%	15%	15%	15%
Hi Tech	9%	8%	8%	8%	8%	8%	8%	8%	8%	8%	9%	8%
Life Sciences	7%	8%	7%	7%	7%	7%	7%	7%	8%	8%	7%	7%
Others	2%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Geography YoY % CC												
North America	23%	21%	19%	18%	16%	11%	6%	2%	1%	-5%	-2%	-1%
Europe	20%	27%	28%	33%	29%	25%	20%	10%	5%	5%	5%	9%
India	4%	40%	30%	6%	36%	-5%	-7%	14%	3%	-1%	-15%	20%
ROW	5%	7%	14%	18%	12%	12%	3%	-1%	4%	8%	5%	2%
Business Segments YoY % CC												
Financial Services	21%	16%	14%	12%	12%	6%	0%	-4%	-7%	-6%	-9%	0%
Retail	17%	20%	17%	18%	15%	13%	13%	4%	9%	0%	-4%	-3%
Communications	17%	22%	29%	30%	18%	13%	0%	-6%	-4%	-8%	5%	5%
Energy, Utilities, Resources and Services	15%	14%	18%	25%	24%	26%	17%	9%	5%	0%	3%	6%
Manufacturing	43%	48%	51%	55%	45%	37%	27%	21%	13%	11%	9%	6%
Hi Tech	12%	19%	21%	16%	10%	10%	4%	2%	-1%	-5%	10%	2%
Life Sciences	26%	29%	16%	16%	10%	5%	16%	14%	18%	6%	1%	3%
Others	-10%	36%	7%	15%	57%	8%	13%	33%	15%	7%	1%	5%
DSO	66	71	67	63	65	68	62	63	67	72	71	72
Large deal TCV (USD m)	2,152	2,530	2,300	1,691	2,744	3,300	2,076	2,285	7,684	3,241	4,454	4,085
Client (% of revenues)												
Top 10 client	19.4%	20.2%	19.4%	20.8%	20.2%	20.5%	20.1%	20.4%	19.9%	20.0%	20.4%	20.9%
Top 25 client	35.4%	35.9%	35.4%	36.3%	35.3%	35.3%	34.7%	34.6%	34.1%	33.7%	34.3%	34.9%
Number of active clients	1,714	1,738	1,741	1,778	1,779	1,850	1,872	1,883	1,884	1,872	1,882	1,867
New clients added in the period	117	111	110	106	103	134	115	99	100	88	98	87

Source: PL, Company

Financials

Income Statement (Rs bn)

Y/e Mar	FY23	FY24	FY25E	FY26E
Net Revenues	1,468	1,537	1,604	1,726
YoY gr. (%)	20.7	4.7	4.4	7.6
Employee Cost	1,024	1,074	1,117	1,192
Gross Profit	444	463	487	533
Margin (%)	30.3	30.1	30.4	30.9
Employee Cost	-	-	-	-
Other Expenses	-	-	-	-
EBITDA	351	364	388	426
YoY gr. (%)	11.6	3.7	6.5	9.9
Margin (%)	23.9	23.7	24.2	24.7
Depreciation and Amortization	42	47	48	52
EBIT	309	317	340	375
Margin (%)	21.1	20.7	21.2	21.7
Net Interest	-	-	-	-
Other Income	24	23	28	29
Profit Before Tax	333	340	368	404
Margin (%)	22.7	22.1	22.9	23.4
Total Tax	92	97	104	113
Effective tax rate (%)	27.7	28.6	28.3	28.0
Profit after tax	241	243	264	291
Minority interest	0	0	0	0
Share Profit from Associate	-	-	-	-
Adjusted PAT	241	243	263	291
YoY gr. (%)	9.0	0.7	8.6	10.3
Margin (%)	16.4	15.8	16.4	16.8
Extra Ord. Income / (Exp)	-	20	-	-
Reported PAT	241	262	263	291
YoY gr. (%)	9.0	8.9	0.4	10.3
Margin (%)	16.4	17.1	16.4	16.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	241	262	263	291
Equity Shares O/s (bn)	4	4	4	4
EPS (Rs)	57.6	58.6	63.6	70.2

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY23	FY24	FY25E	FY26E
Non-Current Assets				
Gross Block	421	419	475	535
Tangibles	374	371	428	488
Intangibles	47	48	48	48
Acc: Dep / Amortization	(197)	(216)	(264)	(316)
Tangibles	(167)	(182)	(230)	(282)
Intangibles	(29)	(34)	(34)	(34)
Net fixed assets	350	320	328	337
Tangibles	332	306	314	323
Intangibles	17	14	14	14
Capital Work In Progress	-	-	-	-
Goodwill	72	73	73	73
Non-Current Investments	-	-	-	-
Net Deferred tax assets	0	(13)	(15)	(17)
Other Non-Current Assets	114	86	87	90
Current Assets				
Investments	69	129	129	129
Inventories	-	-	-	-
Trade receivables	254	302	315	339
Cash & Bank Balance	122	148	200	211
Other Current Assets	264	315	257	242
Total Assets	1,258	1,378	1,393	1,424
Equity				
Equity Share Capital	21	21	21	21
Other Equity	733	860	862	864
Total Network	754	881	883	885
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	-	-	-	-
Other non current liabilities	96	88	91	98
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	39	40	41	44
Other current liabilities	353	348	355	372
Total Equity & Liabilities	1,258	1,378	1,393	1,424

Source: Company Data, PL Research

Cash Flow (Rs bn)

Y/e Mar	FY23	FY24	FY25E	FY26E
PBT	241	262	263	291
Add. Depreciation	42	47	48	52
Add. Interest	-	-	-	-
Less Financial Other Income	24	23	28	29
Add. Other	12	95	-	-
Op. profit before WC changes	295	405	312	342
Net Changes-WC	(65)	(144)	58	18
Direct tax	-	-	-	-
Net cash from Op. activities	230	261	370	360
Capital expenditures	(26)	(22)	(56)	(60)
Interest / Dividend Income	-	-	-	-
Others	8	(37)	-	-
Net Cash from Inv. activities	(18)	(59)	(56)	(60)
Issue of share cap. / premium	-	-	-	-
Debt changes	(115)	(20)	-	-
Dividend paid	(137)	(147)	(262)	(289)
Interest paid	-	-	-	-
Others	(15)	(7)	-	-
Net cash from Fin. activities	(267)	(175)	(262)	(289)
Net change in cash	(54)	27	52	11
Free Cash Flow	204	239	314	300

Source: Company Data, PL Research

Key Financial Metrics

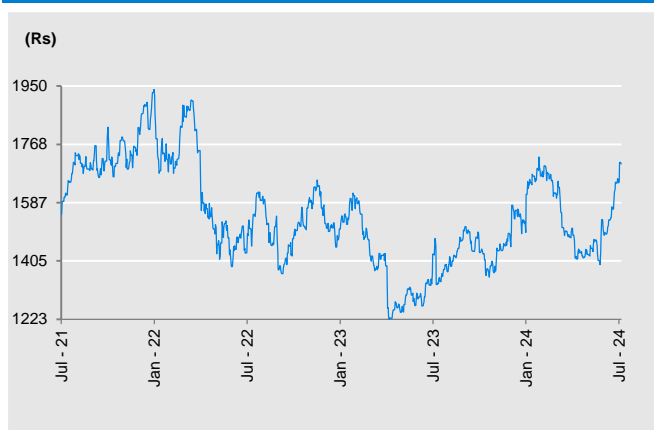
Y/e Mar	FY23	FY24	FY25E	FY26E
Per Share(Rs)				
EPS	57.6	58.6	63.6	70.2
CEPS	67.7	69.9	75.3	82.7
BVPS	180.4	212.9	213.3	213.8
FCF	48.9	57.7	75.8	72.4
DPS	55.7	46.0	54.0	59.6
Return Ratio(%)				
RoCE	29.7	27.7	27.6	30.5
ROIC	22.6	19.6	20.8	22.5
RoE	32.0	29.7	29.9	32.9
Balance Sheet				
Net Debt : Equity (x)	(0.3)	(0.3)	(0.4)	(0.4)
Net Working Capital (Days)	54	62	62	62
Valuation(x)				
PER	30.5	30.0	27.6	25.0
P/B	9.7	8.3	8.2	8.2
P/CEPS	26.0	25.1	23.4	21.3
EV/EBITDA	20.4	19.2	17.9	16.3
EV/Sales	4.9	4.6	4.3	4.0
Dividend Yield (%)	3.2	2.6	3.1	3.4

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY24	Q3FY24	Q4FY24	Q1FY25
Net Revenue	390	388	379	393
YoY gr. (%)	6.7	1.3	1.3	3.6
Raw Material Expenses	270	273	267	272
Gross Profit	120	116	112	121
Margin (%)	30.7	29.8	29.5	30.9
EBITDA	94	91	88	94
YoY gr. (%)	6.0	(2.5)	(2.3)	4.1
Margin (%)	24.2	23.5	23.2	24.0
Depreciation / Depletion	12	12	12	12
EBIT	83	80	76	83
Margin (%)	21.2	20.5	20.1	21.1
Net Interest	-	-	-	-
Other Income	5	7	6	7
Profit before Tax	88	86	83	90
Margin (%)	22.5	22.2	21.8	22.9
Total Tax	26	25	23	26
Effective tax rate (%)	29.1	29.1	27.4	29.3
Profit after Tax	62	61	60	64
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	62	61	60	64
YoY gr. (%)	3.1	(7.1)	(2.1)	7.3
Margin (%)	15.9	15.8	15.8	16.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	62	61	80	64
YoY gr. (%)	3.1	(7.1)	30.0	7.3
Margin (%)	15.9	15.8	21.0	16.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	62	61	80	64
Avg. Shares O/s (bn)	4	4	4	4
EPS (Rs)	15.0	14.8	14.5	15.4

Source: Company Data, PL Research

Price Chart
Recommendation History

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	HCL Technologies	BUY	1,790	1,560
2	Infosys	Hold	1,510	1,591
3	LTIMindtree	Accumulate	6,040	5,574
4	Tata Consultancy Services	Accumulate	4,370	3,924
5	Tech Mahindra	Reduce	1,230	1,472
6	Wipro	Hold	490	527

PL's Recommendation Nomenclature (Absolute Performance)

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

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