

April 25, 2025

Q4FY25 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	1,530		1,540	
Sales (Rs. bn)	536	567	555	597
% Chng.	(3.5)	(4.9)		
EBITDA (Rs. bn)	83	101	83	103
% Chng.	-	(2.1)		
EPS (Rs.)	61.5	76.7	60.1	76.9
% Chng.	2.3	(0.3)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	520	530	536	567
EBITDA (Rs. bn)	58	70	83	101
Margin (%)	11.1	13.2	15.5	17.9
PAT (Rs. bn)	36	43	54	68
EPS (Rs.)	40.9	48.0	61.5	76.7
Gr. (%)	(28.6)	17.4	28.1	24.7
DPS (Rs.)	39.8	50.3	55.2	68.9
Yield (%)	2.8	3.5	3.8	4.8
RoE (%)	12.7	15.1	18.9	23.2
RoCE (%)	10.7	13.2	16.2	20.3
EV/Sales (x)	2.3	2.3	2.2	2.1
EV/EBITDA (x)	21.2	17.3	14.5	11.8
PE (x)	35.4	30.1	23.5	18.8
P/BV (x)	4.6	4.5	4.4	4.3

Key Data

TEML.BO | TECHM IN

52-W High / Low	Rs.1,808 / Rs.1,173
Sensex / Nifty	79,801 / 24,247
Market Cap	Rs.1,415bn / \$ 16,593m
Shares Outstanding	979m
3M Avg. Daily Value	Rs.3115.05m

Shareholding Pattern (%)

Promoter's	35.01
Foreign	22.95
Domestic Institution	32.12
Public & Others	9.92
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(0.9)	(16.7)	21.9
Relative	(3.2)	(16.5)	12.8

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Near-term bumps, but charting the right trajectory...

Quick Pointers:

- Strong EBIT Margin expansion in FY25
- Deal wins remain robust at USD 798 mn in Q4

The performance on the topline (-1.5% CC QoQ) was below our estimates (+0.3% CC QoQ), while the execution on margins was strong, exceeding our expectations by 30bps QoQ. The decline in revenue was led by unanticipated delays in renewals within Hi-Tech, which partly supported by strong momentum in BFSI (+2.5% QoQ). The management demonstrated one-year milestone of stabilizing growth and scaling profitability, while showcasing the additional efforts that need to be put in FY26 to achieve the FY27 goal. The operational strength achieved in FY25 is remarkable, which is evident through robust improvement in deal TCv USD2.7b (+42% YoY), while achieved revenue growth of 0.3% YoY CC in FY25. The company also weeded out 100bps of revenue in FY25 that was either non-strategic in nature or below qualification. It has been very selective and established guardrails to go behind strategic accounts, it added 45 "must have" accounts to further rescale and mine for higher wallet share. However, the management also indicted of macro related slowdown, which is evident in Manufacturing, Retail, and Hi-Tech, while US telcos are under economic stress. We believe the near-term uncertainties would impact the revenue performance of the company in terms of execution delays or scrutiny as we progress through FY26. Although the company has invested heavily (in senior hiring), deriving growth would be a little challenging at the onset of adverse macro. However, we believe the cost optimization efforts would continue at a similar pace of FY25 with continued efforts to rationalize employee pyramid and infusing multiple variants of AI. We are baking in revenue growth of -1.1%/+3.0% CC YoY with margin improvement of 240bps/250bps YoY in FY26E/FY27E. We assign 20x its FY27E EPS that translates to a TP of INR1,530. Retain, ACCUMULATE.

Strategic Roadmap journey: Last April, TechM announced its 3-year strategic roadmap for a company turnaround. The first year saw significant progress, evident in improved margins, deal wins, and revenue growth (even after 100 bps headwind of discontinuing non-scalable business), as shown in exhibits 1 & 2. This positive momentum, driven by management efforts, establishes a strong base for continued scaling in FY26, though potential macro headwinds could present challenges.

Margin expansion: Emphasizing margin improvement, the management announced Project Fortius with a target of 15% margin by FY27 (exhibit 3), achieving an approximate 300 basis point (bps) margin improvement in FY25. Their efforts were evident throughout FY25, demonstrating consistent quarterly margin growth that culminated in a 10.5% EBIT margin by Q4FY25 (exhibit 1). The drivers for this margin improvement in FY25 included operational efficiencies, savings from Project Fortius, and the discontinuation of low-margin business. This focus on margin enhancement will continue in FY26, with the added levers of portfolio companies integration to reduce operational costs (front-end, back-end, and middle-end) and increased utilization.

Deal Wins: Another key area of focus for the company was increasing deal wins. To achieve this, they invested in and revamped their sales team and go-to-market (GTM) strategy, aiming to expand the deal pipeline and improve win rates. These efforts have yielded positive results, with deal wins steadily increasing from USD 500 million in Q4FY24 to USD 798 million in Q4FY25 (exhibit 1). This progress is commendable, particularly given the company's selective approach to ensure margin accretive deals. Furthermore, management highlighted the diversification of these deal wins across service lines, geographies, and verticals.

Valuations and outlook: We expect TechM to report USD Revenue & Earnings CAGR of 0.9% & 26.4% over FY25-27E. The stock is currently trading at 19x FY27E, we are assigning P/E of 20x to FY27E with a target price of INR 1,530. We maintain "ACCUMULATE" rating.

Miss on topline, beat on margins

- Rev: USD 1.55bn, down 1.5% QoQ CC (down 1.2% QoQ in USD), below our and consensus est. of -0.5% QoQ CC
- Hi-Tech and Healthcare de-grew by 8.2% and 5.6% QoQ, while BFS and Communications were up 2.4% QoQ and 1.0% QoQ.
- Americas declined by 5.9% QoQ, while Europe and ROW improved by 6.3% & 1.3% QoQ, respectively
- **EBIT margin improved by 40 bps QoQ to 10.5% above our and consensus estimates of 10.2%. Margin expansion was aided by net headcount reduction**
- Net employees reduced by 1.7k QoQ led by reduction of BPO professionals (down 1.4k), software employees reduced by ~260, while Sales & support employees declined by ~80
- Utilization (ex. trainees) flat at 86.0%, LTM attrition was up ~100bps at 12%
- **NN Deal TCW was at \$798m, up 7.1% QoQ/up 59.6% YoY**
- PAT at INR 11.7bn (up 18.7% QoQ) vs our estimates of INR12.0bn due to higher other income at INR600m vs loss of INR500m in 3Q
- Declared final dividend of Rs. 30 per share

Conference Call Highlights

- The higher-than-expected revenue decline in Q4 was largely attributed to project delays with a high-tech client, stemming from macroeconomic uncertainty. Management clarified that they have not observed any project cancellations but have experienced deferrals and delays in decision-making.
- The management mentioned that the macro environment remains challenging, but it expects to continue its growth momentum backed by its strong deal wins & new client additions.
- The management mentioned that the deals wins will be the band of USD 600-800 mn for till the macro environment improves. They further mentioned that the deal wins in H2 were diversified, which will help the company to mitigate some of the macro headwinds.

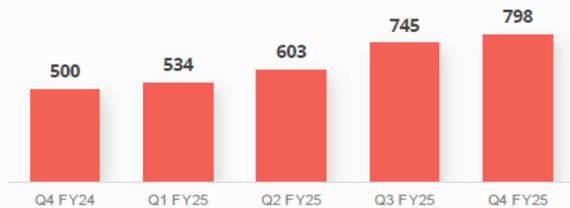
- To further enhance delivery and sales capabilities, management highlighted ongoing investments in these critical functions. They reiterate that this investment strategy is for long-term growth, irrespective of present macroeconomic challenges. As part of their growth strategy, they are also expanding service offerings, notably through the creation of a consulting SBU and the potential establishment of a GCC SBU. Senior leaders have been appointed to lead these strategic business units.
- The management mentioned that it doesn't expect AI to be headwind for its BPS business as they have shifted majority of its business from voice & contact centre to AI based solutions & Agentic AI agents.
- Management emphasized a dual focus: scaling core segments such as Manufacturing, Comms, and BFSI, while also driving growth in HLS, TME, and Retail. They also highlighted their intent to expand in the emerging markets of Japan, India, and the Middle East.
- Management believes AI will be a net tailwind for the industry, with the next growth phase driven by "AI delivered Right". They outlined four key pillars for this: productivity delivered, transformation delivered, innovation delivered, and assurance delivered.
- Top 5/10/20 clients revenue declined by 4%, 0.1% & -0.8% QoQ respectively.

Exhibit 1: Financial metrics improved in last 4 quarters

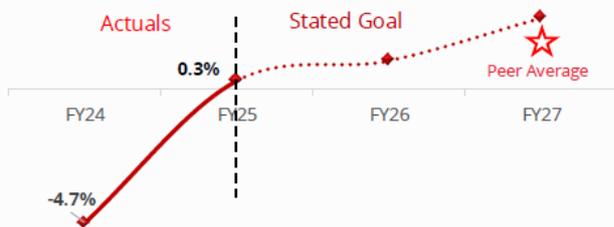
Financial Trends

TECH mahindra

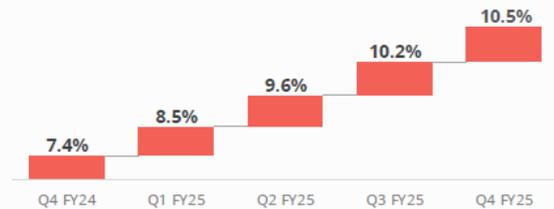
Deal Wins (USD Mn)



Revenue y-o-y (in CC)



Earnings Before Interest & Taxes (EBIT %)



Return of Capital Employed (ROCE)



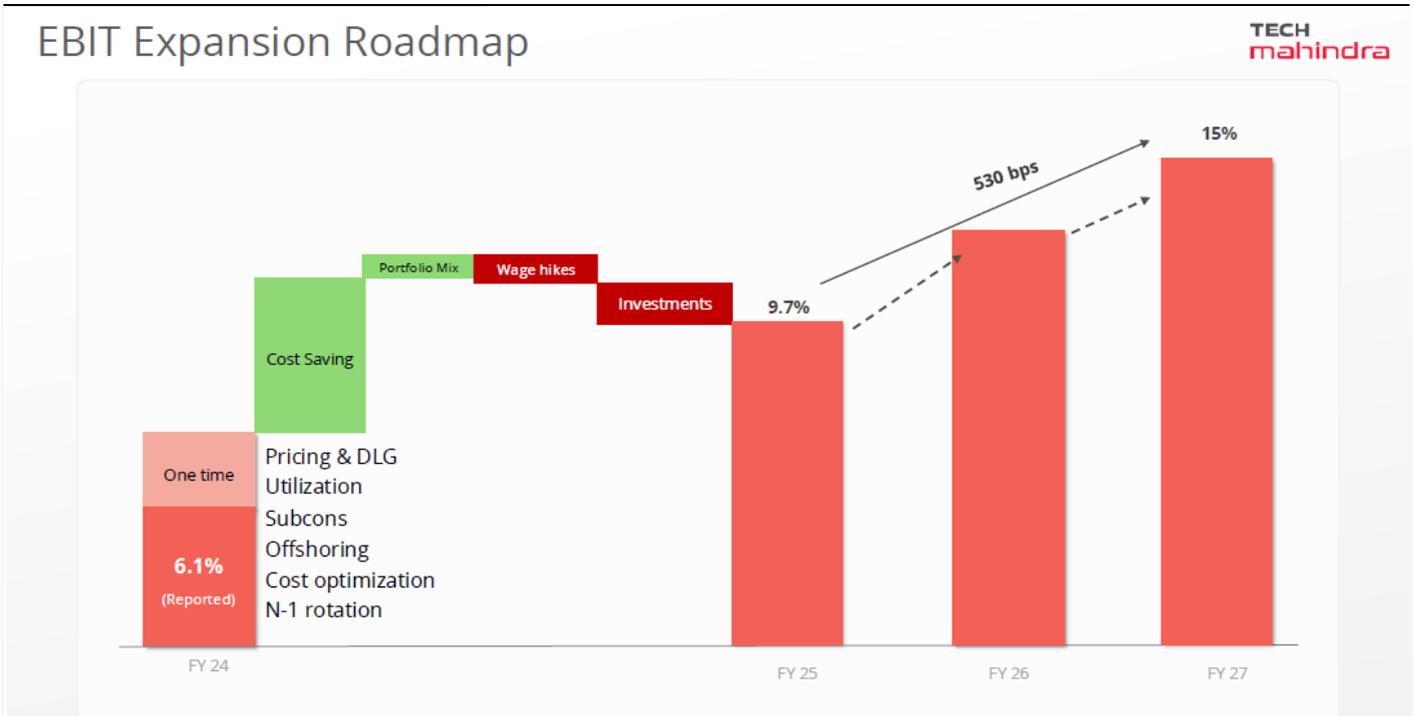
Source: Company, PL

Exhibit 2: Improvement witnessed in all key strategic objectives

FY25 Metrics		TECH mahindra	
Strategic Actions	Metric	2025	Change
Growth	▪ Growth in account > \$20M	2.3%	+470 bps
	▪ Contribution from NA, Europe, prioritized pockets in APJ	81.3%	+2 bps
	▪ Net new deals (\$Bn)	\$2.7	+42.5%
	▪ Industry mix (Enterprise)	66.9%	+1.6%
Margin Excellence	▪ Entry level workforce as a % of total	27.8%	+200 bps
	▪ C&B as a % of Revenue	66.9%	-200 bps
	▪ % of Revenue from Key service lines	30.6%	+1.0%
Organization & Talent	▪ % of employees upskilled/ futuristic technologies	65.0%	+900 bps
	▪ Gender diversity	34.4%	+130 bps
	▪ % of Turbocharge clients infused with GenAI/AI offerings	57%	

Source: Company, PL

Exhibit 3: Margin expansion walk in FY25



Source: Company, PL

Exhibit 4: 4QFY25 Results: Revenue declined by 1.5% QoQ CC, EBIT margin improves of 30bps QoQ

Consolidated (INR b)	4QFY25	4QFY25E	% Var.	3QFY25	QoQ gr. (%)	4QFY24	YoY gr. (%)	FY25	FY24	YoY gr. (%)
IT Services Revenue (USD m)	1,549	1,554	-0.3	1,568	-1.2	1,548	0.0	6,264	6,277	-0.2
Overall Revenue (INR b)	134	133	0.7	133	0.7	129	4.0	530	520	1.9
Gross Profit	39	38	2.6	38	1.9	35	12.3	149	129	15.7
Gross Margin (%)	29.2	28.6	50bps	28.8	30bps	27.0	220bps	28.1	24.8	340bps
SG&A and Other Costs	20.4	19.8	2.9	20.2	0.8	20.7	-1.6	79.1	71	11.3
% of Rev	15.2	14.9	30bps	15.2	0bps	16.1	-90bps	14.9	13.7	130bps
EBITDA	19	18	2.2	18	3.2	14	32.6	70	58	21.2
EBIT Margin (%)	14.0	13.7	20bps	13.6	30bps	10.9	300bps	13.2	11.1	210bps
Depreciation	5	5	-0.6	5	1	5	0.2	19	18	2.0
% of Rev	3.5	3.5	0bps	3.5	0bps	3.6	-10bps	3.5	3.5	0bps
EBIT	14	14	3.2	14	4.1	9	48.5	51	40	30.0
EBIT Margin (%)	10.5	10.2	30bps	10.2	30bps	7.4	310bps	9.7	7.6	210bps
Other Income (net)	0.6	3	-77.8	-0.5	-211.6	3	-81.3	5	5	-1.8
PBT	15	16	-10.0	13	12.9	13	16.1	57	44.8	26.2
Tax	3	4	-23.8	3	4.4	3	9.3	14	8	69.2
Effective tax rate (%)	22.0	26.0	-400bps	23.8	-180bps	23.4	-140bps	24.8	18.5	630bps
Adjusted PAT	11	12	-5.2	10	15.5	10	18.1	43	37	16.5
Exceptional items	0.0	0.0	NA	0.0	NA	-3.1	NA	0	-12.6	-100.0
Reported PAT	11	12	-5.2	10	15.5	7	73.6	43	24	78.2
Reported EPS (INR)	13.2	13.6	-2.9	11.1	19.1	7.5	76.9	48	27	80.3

Source: Company, PL

Exhibit 6: Vertical Growth (%)

Geographies	Contribution to revenue (%)	QoQ gr. (%)	Verticals	Contribution to revenue (%)	QoQ gr. (%)
Americas	48.4	-5.9	Comm., Media & Ent.	33.2	0.9
Europe	25.4	6.3	Manufacturing	17.0	0.0
Rest of World	26.2	1.1	Technology	13.2	-8.8
			BFSI	16.7	2.5
			Retail, Transport & Logistics	8.1	-1.2
			Healthcare	7.3	-6.3
			Others	4.5	-1.2

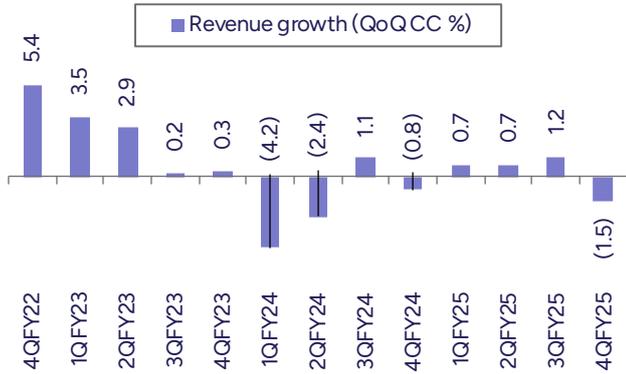
Source: Company, PL

Exhibit 7: Key Performance Indicator

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	FY24*	FY25*
Revenue (QoQ CC %)	-4.2	-2.4	1.1	-0.8	0.7	0.7	1.2	-1.5	-4.7	0.3
Margins (%)										
Gross Margin	25.7	22.5	23.9	27.0	26.5	27.9	28.8	29.2	24.8	28.1
EBITDA margin	12.2	10.9	10.3	10.9	12.0	13.1	13.6	14.0	11.1	13.2
EBIT Margin	8.8	7.3	7.0	7.4	8.5	9.6	10.2	10.5	7.6	9.7
Net Margin	7.3	7.6	5.5	7.5	6.5	9.4	7.4	8.7	7.0	8.0
Operating Metrics										
Headcount (k)	148	151	146	145	148	154	150	149	145	149
Util excl. trainees (%)	87.2	86.0	88.0	86.0	86.1	86.1	86.0	86.3	86.0	86.3
Attrition (%)	12.8	11.4	10.0	10.0	10.1	10.6	11.2	11.8	10.0	11.8
Deal TCV (USD m)	359	640	381	500	534	603	745	798	1880	2680

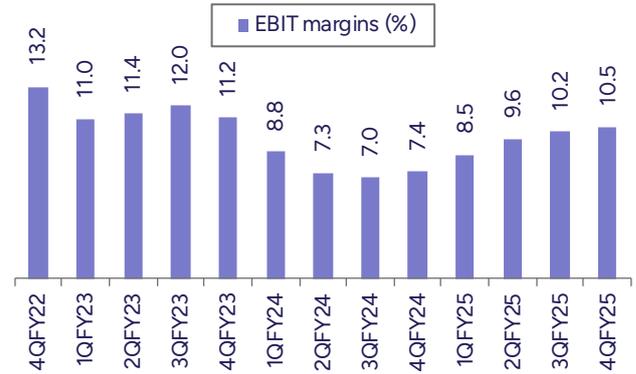
Source: Company, PL

Exhibit 8: Revenue declined by 1.5% QoQ CC



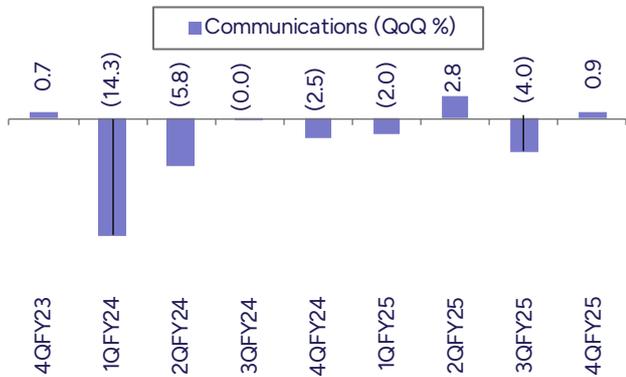
Source: Company, PL

Exhibit 9: EBIT margin (%) improved by 60bps QoQ



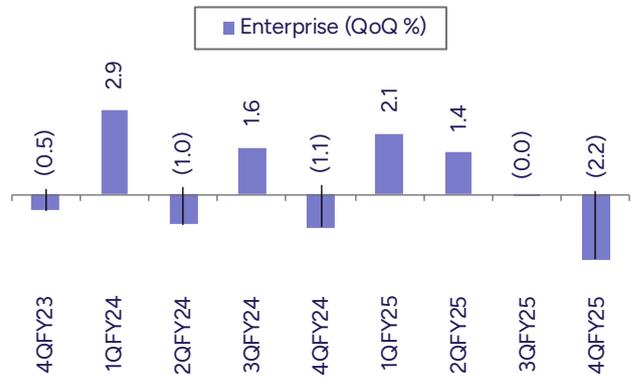
Source: Company, PL

Exhibit 10: Communications trend (QoQ %)



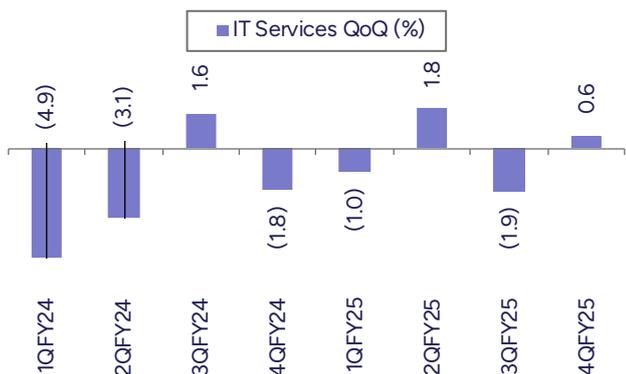
Source: Company, PL

Exhibit 11: Enterprise trend QoQ



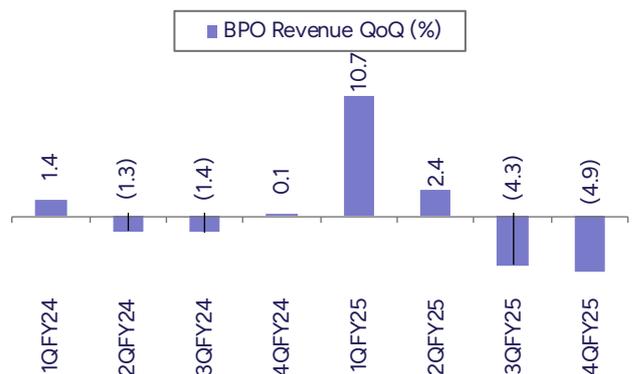
Source: Company, PL

Exhibit 12: IT Service Performance



Source: PL, Company

Exhibit 13: BPO Performance



Source: PL, Company

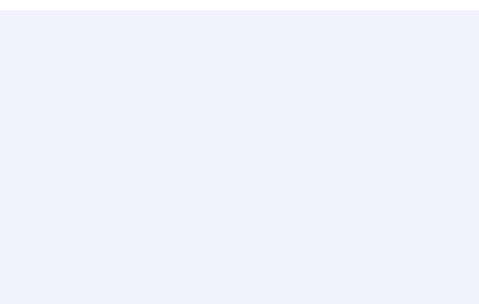
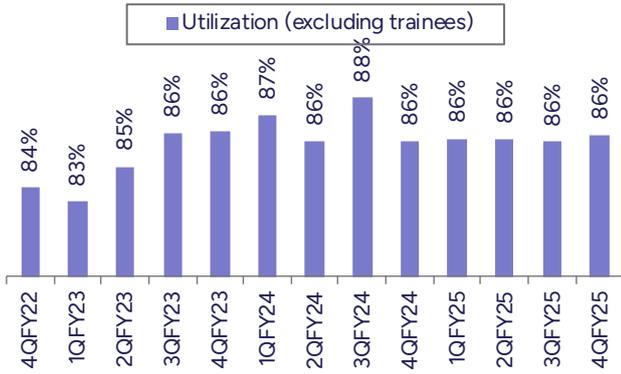
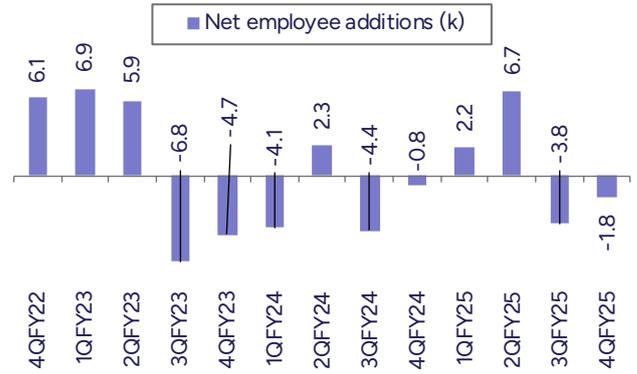


Exhibit 14: Utilization (Ex. Trainees %)



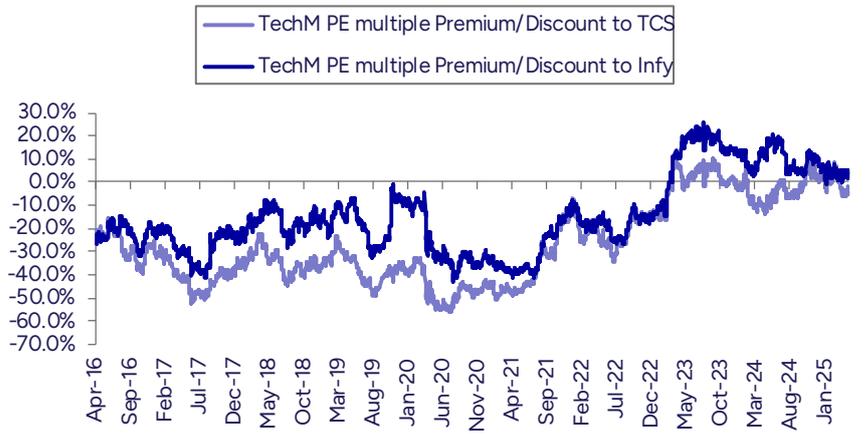
Source: Company, PL

Exhibit 15: Net Employee Addition (k)



Source: Company, PL

Exhibit 16: 1- year fwd PE multiple Premium/Discount to TCS & Infy



Source: Company, PL

Exhibit 17: Operating Metrics

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Revenue by Geography (%)												
Americas	49.6	50.8	49.7	49.6	51.4	53.3	51.9	50.8	52.4	51.1	50.8	48.4
Europe	25.5	24.5	24.4	25.3	24.6	23.6	23.8	24.2	23.4	24.0	23.6	25.4
Rest of World	24.9	24.7	25.9	25.1	24.0	23.2	24.3	25.0	24.2	24.9	25.6	26.2
Vertical Split (%)												
Telecom	40.4	39.7	39.8	40.1	35.8	34.7	34.3	34.0	33.1	33.4	32.5	33.2
Manufacturing	15.3	16.0	15.7	15.9	16.7	17.5	18.0	18.0	18.3	17.2	16.8	17.0
Tech Media Entertainment	9.7	10.1	10.3	10.3	13.9	14.3	13.7	13.8	13.8	14.3	14.3	13.2
BFSI	16.7	16.3	15.9	15.9	15.5	15.4	14.8	15.7	15.7	15.8	16.1	16.7
Retail Transport Logistics	7.9	8.1	8.5	7.6	7.1	7.7	8.1	7.3	7.7	7.9	8.1	8.1
Others	10.0	9.8	9.8	10.2	4.0	10.4	11.0	4.0	3.7	4.0	4.5	4.5
Client Metrics												
No. of active clients	1,262	1,262	1,290	1,297	1,255	1,252	1,228	1,172	1,165	1,178	1,175	1,162
No. of Million \$ clients												
USD1m+	549	549	574	582	580	568	558	553	545	545	540	540
USD5m+	176	176	185	186	190	186	185	190	191	195	191	195
USD10m+	104	104	109	112	115	114	118	114	113	109	104	106
USD20m+	60	60	65	65	62	61	63	63	61	61	61	59
USD50m+	23	23	24	24	26	26	26	23	24	25	25	25
Client concentration (%)												
Top 5 Clients	21.0	19.0	18.0	18.0	17.4	16.6	16.1	15.8	15.5	15.1	14.8	15.5
Top 6-10	9.0	9.0	9.0	9.0	27.3	27.1	26.2	25.9	25.1	24.9	24.2	24.5
Top 11-20	11.0	12.0	13.0	13.0	39.4	39.5	38.6	38.8	38.4	38.6	38.0	38.2
Headcount												
Software professionals	88,030	86,776	84,874	83,789	81,521	81,200	81,705	80,925	80,417	80,618	80,865	80,609
BPO	61,392	68,388	63,568	60,102	58,079	60,985	56,206	55,492	58,177	64,940	61,053	59,636
Sales and support	8,613	8,748	8,626	8,509	8,697	8,419	8,339	9,038	9,026	8,715	8,570	8,486
Total	1,58,035	1,63,912	1,57,068	1,52,400	1,48,297	1,50,604	1,46,250	1,45,455	1,47,620	1,54,273	1,50,488	1,48,731
IT Attrition (LTM %)	22	20	17	15	13	11	10	10	10	11	11	12
IT Utilization (%)	83	85	86	86	87	86	88	86	86	86	86	86
IT Utilization (excl. trainees)	83	85	86	86	87	86	88	86	86	86	86	86
DSO - incl. unbilled	100	98	98	96	98	97	91	92	93	94	88	88
Borrowings (USD m)	220.0	207.0	212.0	192.0	185.0	116	181	184	127	116	109	55
Cash and Cash Equivalent (USD m)	1,114.0	947.0	780.0	905.0	939.0	784	843	949	966	784	799	896
Capital Expenditure (USD m)	20	19	31	32	25	26	21	24	13	16	20	20

Source: Company, PL



Financials

Income Statement (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	520	530	536	567
YoY gr. (%)	(2.4)	1.9	1.1	5.8
Employee Cost	391	381	379	396
Gross Profit	129	149	156	172
Margin (%)	24.8	28.1	29.2	30.3
Employee Cost	-	-	-	-
Other Expenses	-	-	-	-
EBITDA	58	70	83	101
YoY gr. (%)	(28.1)	21.2	18.6	22.1
Margin (%)	11.1	13.2	15.5	17.9
Depreciation and Amortization	18	19	18	19
EBIT	40	51	65	83
Margin (%)	7.6	9.7	12.1	14.6
Net Interest	-	-	-	-
Other Income	5	5	8	9
Profit Before Tax	45	57	73	91
Margin (%)	8.6	10.7	13.6	16.1
Total Tax	8	14	19	24
Effective tax rate (%)	18.5	24.8	26.5	26.5
Profit after tax	37	43	53	67
Minority interest	0	0	(1)	(1)
Share Profit from Associate	-	-	-	-
Adjusted PAT	36	43	54	68
YoY gr. (%)	(28.5)	17.4	28.1	24.7
Margin (%)	7.0	8.0	10.2	12.0
Extra Ord. Income / (Exp)	(13)	-	-	-
Reported PAT	24	43	54	68
YoY gr. (%)	(51.2)	80.3	28.1	24.7
Margin (%)	4.5	8.0	10.2	12.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	24	43	54	68
Equity Shares O/s (bn)	1	1	1	1
EPS (Rs)	40.9	48.0	61.5	76.7

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	207	229	237	247
Tangibles	135	157	165	175
Intangibles	72	72	72	72
Acc: Dep / Amortization	143	166	185	203
Tangibles	99	118	136	155
Intangibles	44	48	48	48
Net fixed assets	64	63	53	43
Tangibles	36	39	29	20
Intangibles	28	23	23	23
Capital Work In Progress	-	-	-	-
Goodwill	75	77	77	77
Non-Current Investments	5	3	3	3
Net Deferred tax assets	14	19	19	20
Other Non-Current Assets	42	47	47	50
Current Assets				
Investments	32	31	36	41
Inventories	0	0	0	0
Trade receivables	71	65	72	77
Cash & Bank Balance	43	43	47	49
Other Current Assets	40	42	43	45
Total Assets	434	445	450	463
Equity				
Equity Share Capital	4	4	4	4
Other Equity	275	281	286	292
Total Network	279	286	290	296
Non-Current Liabilities				
Long Term borrowings	1	-	-	-
Provisions	13	14	14	14
Other non current liabilities	10	14	14	15
Current Liabilities				
ST Debt / Current of LT Debt	14	5	5	5
Trade payables	24	23	24	26
Other current liabilities	88	99	99	103
Total Equity & Liabilities	434	445	450	463

Source: Company Data, PL Research

Cash Flow (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	32	57	73	91
Add. Depreciation	23	19	18	19
Add. Interest	2	1	-	-
Less Financial Other Income	5	5	8	9
Add. Other	6	(1)	-	-
Op. profit before WC changes	63	75	91	110
Net Changes-WC	13	(3)	(6)	(7)
Direct tax	(12)	(15)	(19)	(24)
Net cash from Op. activities	64	58	65	78
Capital expenditures	(7)	(5)	(8)	(10)
Interest / Dividend Income	2	2	-	-
Others	(7)	3	(5)	(5)
Net Cash from Inv. activities	(13)	0	(13)	(15)
Issue of share cap. / premium	0	0	-	-
Debt changes	(1)	(11)	-	-
Dividend paid	(39)	(38)	(49)	(61)
Interest paid	(4)	(3)	-	-
Others	(5)	(6)	-	-
Net cash from Fin. activities	(48)	(58)	(49)	(61)
Net change in cash	3	0	3	3
Free Cash Flow	56	52	57	69

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	130	133	133	134
YoY gr. (%)	1.0	2.4	(0.2)	0.7
Raw Material Expenses	96	96	95	95
Gross Profit	35	37	38	39
Margin (%)	26.5	27.9	28.8	29.2
EBITDA	16	18	18	19
YoY gr. (%)	-	-	-	-
Margin (%)	12.0	13.1	13.6	14.0
Depreciation / Depletion	5	5	5	5
EBIT	11	13	14	14
Margin (%)	8.5	9.6	10.2	10.5
Net Interest	-	-	-	-
Other Income	1	4	(1)	1
Profit before Tax	12	17	13	15
Margin (%)	9.1	12.9	9.8	10.9
Total Tax	3	5	3	3
Effective tax rate (%)	26.6	26.6	23.8	22.0
Profit after Tax	9	13	10	11
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	9	13	10	12
YoY gr. (%)	(12.2)	46.8	(21.4)	18.7
Margin (%)	6.5	9.4	7.4	8.7
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	9	13	10	12
YoY gr. (%)	28.8	46.8	(21.4)	18.7
Margin (%)	6.5	9.4	7.4	8.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	9	13	10	12
Avg. Shares O/s (bn)	1	1	1	1
EPS (Rs)	9.6	14.1	11.1	13.2

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	40.9	48.0	61.5	76.7
CEPS	61.4	68.9	82.0	97.8
BVPS	314.9	322.7	327.8	334.5
FCF	63.0	58.6	64.8	77.3
DPS	39.8	50.3	55.2	68.9
Return Ratio(%)				
RoCE	10.7	13.2	16.2	20.3
ROIC	9.3	11.0	13.3	16.5
RoE	12.7	15.1	18.9	23.2
Balance Sheet				
Net Debt : Equity (x)	(0.2)	(0.2)	(0.3)	(0.3)
Net Working Capital (Days)	33	30	33	33
Valuation(x)				
PER	35.4	30.1	23.5	18.8
P/B	4.6	4.5	4.4	4.3
P/CEPS	23.5	21.0	17.6	14.8
EV/EBITDA	21.2	17.3	14.5	11.8
EV/Sales	2.3	2.3	2.2	2.1
Dividend Yield (%)	2.8	3.5	3.8	4.8

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Revenue (USD mn)	6,277	6,264	6,158	6,372

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	03-Apr-25	Accumulate	1,540	1,423
2	27-Mar-25	Accumulate	1,540	1,416
3	20-Jan-25	Accumulate	1,760	1,660
4	07-Jan-25	Accumulate	1,790	1,689
5	20-Oct-24	Accumulate	1,790	1,688
6	03-Oct-24	Accumulate	1,720	1,625
7	26-Jul-24	Reduce	1,340	1,530
8	02-Jul-24	Reduce	1,230	1,472
9	26-Apr-24	Hold	1,135	1,190

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Cyient	BUY	1,560	1,255
2	HCL Technologies	Hold	1,540	1,480
3	Infosys	BUY	1,630	1,420
4	LTIMindtree	Accumulate	4,980	4,537
5	Mphasis	BUY	2,940	2,474
6	Persistent Systems	BUY	5,910	5,164
7	Tata Consultancy Services	BUY	4,160	3,247
8	Tech Mahindra	Accumulate	1,540	1,423
9	Wipro	Hold	260	248

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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