

October 18, 2024

Q2FY25 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	2,260		2,180	
Sales (Rs. bn)	1,766	1,987	1,751	1,963
% Chng.	0.8	1.2		
EBITDA (Rs. bn)	430	501	434	499
% Chng.	(0.9)	0.5		
EPS (Rs.)	70.7	82.6	71.4	82.3
% Chng.	(1.0)	0.4		

Key Financials - Consolidated

Y/e Mar	FY24	FY25E	FY26E	FY27E
Sales (Rs. bn)	1,537	1,626	1,766	1,987
EBITDA (Rs. bn)	364	387	430	501
Margin (%)	23.7	23.8	24.3	25.2
PAT (Rs. bn)	243	260	293	342
EPS (Rs.)	58.6	62.9	70.7	82.6
Gr. (%)	1.7	7.3	12.4	16.8
DPS (Rs.)	46.0	53.4	60.0	70.0
Yield (%)	2.3	2.7	3.0	3.6
RoE (%)	29.7	29.5	33.1	38.6
RoCE (%)	27.7	27.3	30.7	35.9
EV/Sales (x)	5.1	4.8	4.4	3.9
EV/EBITDA (x)	21.6	20.2	18.2	15.7
PE (x)	33.6	31.3	27.8	23.8
P/BV (x)	9.2	9.2	9.2	9.2

Key Data

INFO.BO | INFO IN

52-W High / Low	Rs.1,991 / Rs.1,344
Sensex / Nifty	81,007 / 24,750
Market Cap	Rs.8,172bn / \$ 97,204m
Shares Outstanding	4,152m
3M Avg. Daily Value	Rs.12678.3m

Shareholding Pattern (%)

Promoter's	14.70
Foreign	33.28
Domestic Institution	38.10
Public & Others	13.92
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	0.8	39.9	37.2
Relative	3.4	26.0	12.5

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Strong Performance again...

Quick Pointers:

- Pick up discretionary spending in FS and traction in sub US\$ 50 mn deals indicate demand recovery
- Guidance for FY25 increased further to 3.75-4.5% in CC terms (3-4% earlier)

INFY reported another strong quarter with revenue of US\$ 4.9 bn, up 3.1% QoQ CC (in-line of PLe & above cons. est. of 2.9% QoQ CC). Manufacturing & Europe led growth in Q2; aided by In-Tech integration led the growth. EBIT margin was flat at 21.1% vs PLe & cons. est. of 40 bps & 30 bps improvement due to higher amort. & variable pay headwinds offset by project maximus gains & currency benefits. Lumpy nature of wins kept large deals wins at US\$2.4 bn vs US\$ 4 bn in Q1. Strong H1 performance, deal pipeline, & traction in below US\$ 50 mn deals has led to revision of revenue guidance to 3.75-4.5% CC growth while the margin guidance is maintained at 20-22%.

INFY reported another quarter of broad-based growth with continued momentum in the key verticals and geographies, part of the growth (0.8% QoQ) was led by In-Tech integration. The sub-segments within Fin Services have recovered meaningfully in Q2, partly aided by improving spends on the discretionary areas. However, the cost-savings remain a focused area for enterprise clients and get preferred over large-size transformation projects. Although the deal TCv was weak, the pipeline for the small size deals (< \$50m) has witnessed double-digit growth in Q2. The improvement in the small size deals was broadly distributed across verticals and geographies, which should support the near-term leakages on missing larger-tenured mega deals. With robust H1 execution and improving revenue visibility through robust deal pipeline, led to further revise the upper-end of the guidance band by 50bps. The ask rate to achieve the upper-end of the guidance is flat QoQ, while taking into consider the Q3 furlough impact. We believe the revised band is achievable on the back of improving revenue profile across major US banks and recovering macro. Considering the factor above, we are revising our revenue growth upward by 50bps/30bps/40bps for FY25E/FY26E/FY27E.

However, the margin miss was discouraging with flat QoQ on account of amortization and variable pay. With muted growth anticipated in Q3 and Q4, and partial wage revision (for junior) scheduled in Q4 will have an incremental impact on margins. Having said that, the comprehensive margin expansion program (Project Maximus), pyramid rationalization, offshoring and automation would negate some of the margins impact. Considering the headwinds above and margins miss in Q2, we are cutting our margin estimates by 40bps each in FY25E and FY26E and 20bps in FY27E.

Valuations and outlook: INFY has a robust play on the front-end offering and execute on the large-size transformation deals. With improving discretionary spends, we expect the global enterprises to resume their long-deferred discretionary programs, where INFY would be wining disproportionately among its peers on quality execution and full-stake offerings. We estimate USD revenues/earnings CAGR of 8.1%/12.1% over FY24-FY27E. The stock is currently trading at 24x FY27E, we are assigning P/E of 27x to FY27E with a target price of INR 2,260. We maintain BUY.

Miss on margins, improved upper-end of the revenue guidance by 50bps

- USD rev of \$4.89bn, 3.1% QoQ in CC, in-line with our estimate of 3.1% QoQ CC and tad above consensus est. of 2.9% QoQ CC. Reported USD growth was 3.8% QoQ
- The growth was led by Mfg (+10.9% QoQ), followed by ENU (+5.4% QoQ) Hi-Tech and Life 3.8% QoQ each, while Fin Services grew by 2.7% QoQ. Part of the growth within Manufacturing was led by In-Tech integration in 2Q
- **The company has further revised its FY25 revenue guidance (organic + inorganic) band to 3.75%-4.5% YoY CC (vs 3-4% earlier). Margin guidance intact to the tune of 20-22%**
- **EBIT margin of 21.1%, flat QoQ vs our estimate of 40 bps improvement & consensus estimate of 30 bps improvement**
- Net headcount improved by 2.5k QoQ, after six consecutive quarters of decline, Utilization up 40bp QoQ (ex-trainees), Attrition (LTM) up 20bps QoQ to 12.9%
- **Large deal TCV has declined significantly to \$2.4bn compared to US\$ 4.1 bn in Q1 with book to bill of 0.5x**
- Net profit of INR 65.1b, up 4.7% QoQ, below our estimates of INR 68.2 bn due to margin miss

Conference Call Highlights

Demand Outlook

- In-Tech acquisition contributed 0.8% to the total growth in Q2.
- The management mentioned that recovery in FS segment continues & reported second successive qtr. of sequential growth. They further mentioned that it has witnessing green shoots in discretionary spends in sub-segment of capital markets, cards, payments & mortgage.
- Manufacturing segment growth during the quarter was aided by In-Tech acquisition; however, auto sub-segment in Europe remains stressed. Demand & discretionary spending remains weak in Communications, Hitech & Retail segment due to high interest rates & geo-political conflicts.
- The management mentioned that generative AI is seen as a tool for increasing productivity. They further mentioned that all new deals are generative AI embedded, but standalone generative AI deals are of smaller value. They also mentioned that they have progressed to implementation stages of multiple Gen AI PoC's.
- Infy during the quarter won 21 large deals with TCV of US\$ 2.4 bn, with net new component of 41%. Vertical-wise, it won 7 in FS, 3 deals each in Retail, Manufacturing & others, 2 in retail, and 1 each in EURS, hi-tech & Lifescience. Geography-wise, it won 12 deals in North America, 5 in Europe, 3 in India, and 1 in RoW.
- The management mentioned that deal wins were soft due to the lumpy nature of wins. They however mentioned that the deal pipeline remains strong. They also mentioned that the deals pipeline below US\$ 50 million has grown in double digits during the quarter.
- The management mentioned that H2 will impacted by furloughs and the furloughs would be normalized unlike last year wherein the company witnessed extended furloughs.
- Infy in Q2 added 2.5k net new employees (headcount addition after 6 consecutive qtrs. Of headcount decline). Utilization excl. trainees increased by 60 bps QoQ to 85.9%. The management mentioned that it expects utilization to decline to its comfort band of 84-85% The management further mentioned that it will hire 15-25k freshers in FY25

Margin Outlook

- Margins during the quarter was flat at 21.1%. The management mentioned that the headwinds of higher amortization of 30 bps & variable pay of 60 bps offset by the tailwinds of 80 bps from project maximus & currency benefit of 10 bps.
- The management mentioned that it would implement wage hike in with effect from Jan 24 for junior employees & Apr 24 for senior employees. The however haven't finalized the quantum of wage hike.
- The management mentioned that H2 margins would be impacted by furloughs & wage hike implementation. However, they have expressed confidence of maintaining margins in the guided band of 20-22%.

Exhibit 1: 2QFY25 Results: Revenues increased by 3.1% QoQ in CC, EBIT margin flat QoQ

Consolidated (INR b)	2QFY25	1QFY25	QoQ gr. (%)	2QFY24	YoY gr. (%)	H1FY25	H1FY24	YoY gr. (%)
IT Services Revenue (USD m)	4,894	4,714	3.8	4,718	3.7	9,608	9,335	2.9
Overall Revenue (INR b)	410	393	4.3	390	5.1	803	769	4.4
Gross Profit	125	121	3.1	120	4.6	247	235	4.8
Gross Margin (%)	30.5	30.9	-30bps	30.7	-20bps	30.7	30.6	10bps
SG&A and Other Costs	27.0	27.0	0.1	25.2	7.1	54.0	50.1	7.9
% of Rev	6.6	6.9	-30bps	6.5	10bps	6.7	6.5	20bps
EBITDA	98	94	3.9	94	3.9	192	185	4.0
EBIT Margin (%)	23.9	24.0	-10bps	24.2	-30bps	24.0	24.1	-10bps
Depreciation	12	11	1	12	-0.5	23	23	-1.4
% of Rev	2.8	2.9	-10bps	3.0	-20bps	2.9	3.0	-20bps
EBIT	86	83	4.4	83	4.5	169	162	4.8
EBIT Margin (%)	21.1	21.1	0bps	21.2	-10bps	21.1	21.0	10bps
Other Income (net)	6	7	-17.6	5	22.3	13	10	38.5
PBT	93	90	2.6	88	5.5	183	171	6.7
Tax	27	26	3.4	26	7.2	54	50	8.3
Effective tax rate (%)	29.6	29.3	20bps	29.1	50bps	29.5	29.0	40bps
Adjusted PAT	65	64	2.2	62	4.8	129	122	6.0
Exceptional items	0	0	NA	0.0	NA	0.0	0.0	NA
Reported PAT	65	64	2.2	62	4.8	129	122	6.0
Reported EPS (INR)	16	15	2.2	15	4.8	31	29	6.0

Source: Company, PL

Exhibit 2: Regional growth (%)

Geographies	Contribution to revenue (%)	QoQ gr. (%)
North America	57.4	1.2
Europe	29.8	8.9
India	3.1	3.8
ROW	9.7	4.9

Source: Company, PL

Exhibit 3: Vertical Growth (%)

Verticals	Contribution to revenue (%)	QoQ gr. (%)
Financial Services	27.2	2.7
Retail	13.3	0.1
Communications	11.9	2.1
Energy, Utilities, Resources	13.5	5.4
Manufacturing	15.7	10.9
Hi Tech	8.0	3.8
Life Sciences	7.3	3.8
Others	3.1	-2.5

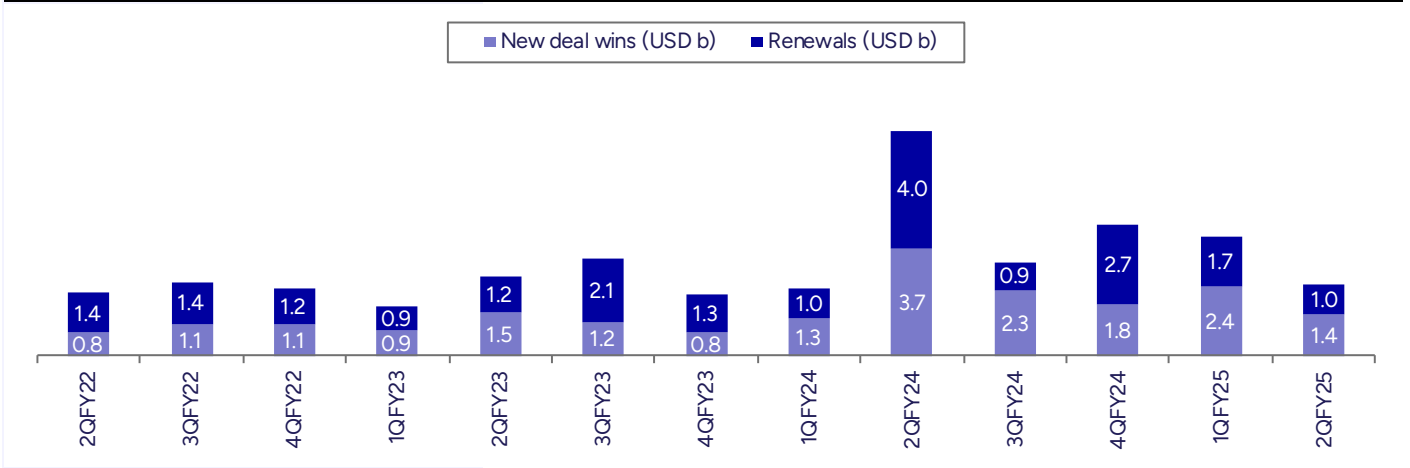
Source: Company, PL

Exhibit 4: Key Performance Indicator

	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	FY24	FY25E
Revenue (QoQ CC %)	2.4	-3.2	1.0	2.3	-1.0	-2.2	3.6	3.1	1.4	4.4
Margins										
Gross Margin	30.7	30.5	30.5	30.7	29.8	29.5	30.9	30.5	30.1	30.1
EBIT Margin	21.5	21.0	20.8	21.2	20.5	20.1	21.1	21.1	20.7	20.8
Net Margin	17.2	16.4	15.7	15.9	15.7	15.8	16.2	15.9	15.8	16.0
Operating metrics										
Headcount	347	343	336	329	323	317	315	318	317	-
Voluntary Attrition (%)	24.3	20.9	17.3	14.6	12.9	12.6	12.7	12.9	12.6	-
Deal Win TCV (USD b)	3.3	2.1	2.3	7.7	3.2	4.5	4.1	2.4	17.7	-

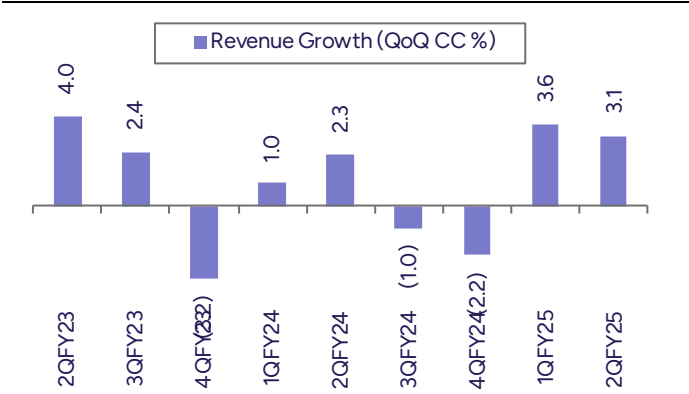
Source: Company, PL

Exhibit 5: TCV Wins lumpy



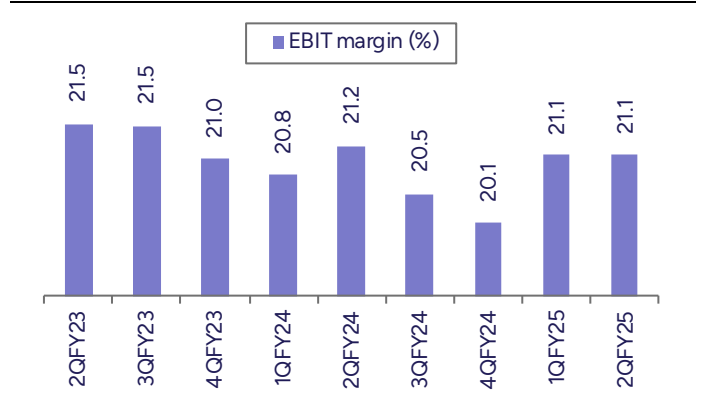
Source: Company, PL

Exhibit 6: Revenue increased by 3.1% QoQ CC



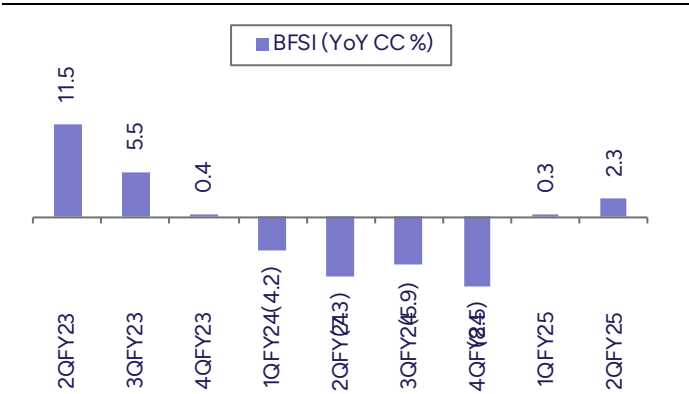
Source: Company, PL

Exhibit 7: EBIT margin (%) flat in Q2



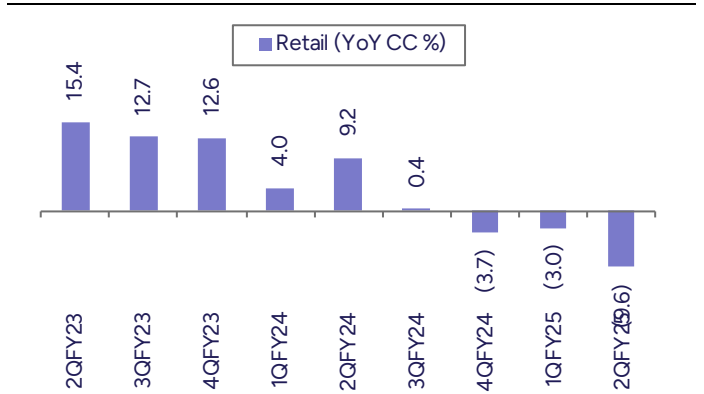
Source: Company, PL

Exhibit 8: BFSI growth (YoY CC %) continues



Source: Company, PL

Exhibit 9: Retail (YoY CC %) remains stressed



Source: Company, PL

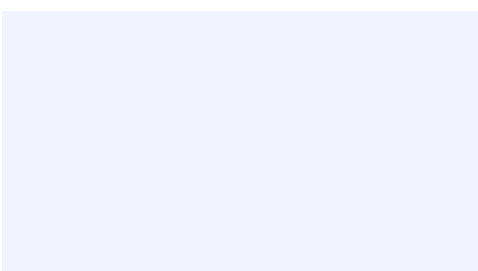
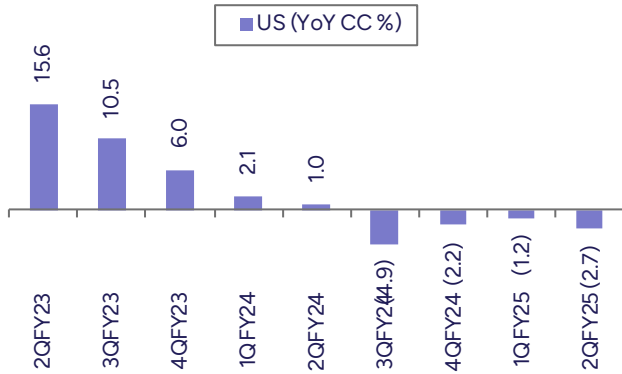
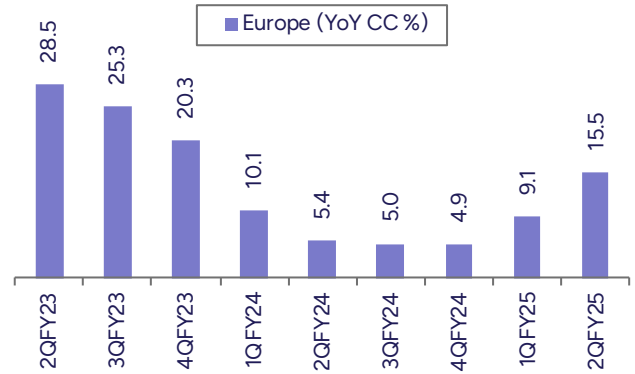


Exhibit 10: US growth (YoY CC %)



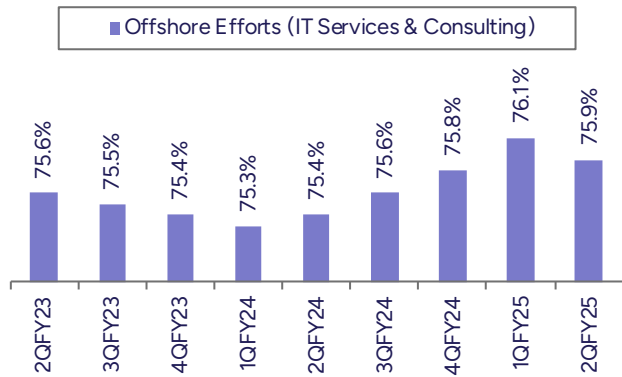
Source: Company, PL

Exhibit 11: Europe (YoY CC %) aided by In-Tech integration



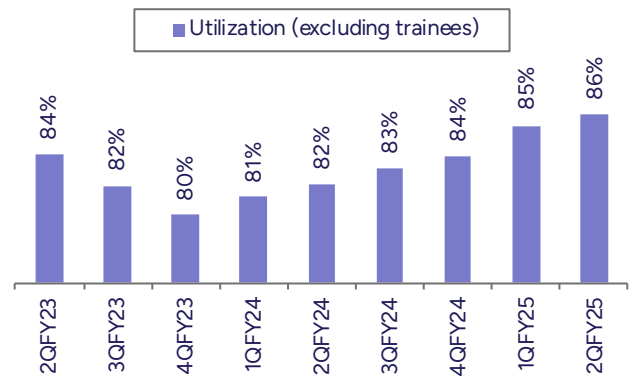
Source: Company, PL

Exhibit 12: Offshoring % declined by 20bp



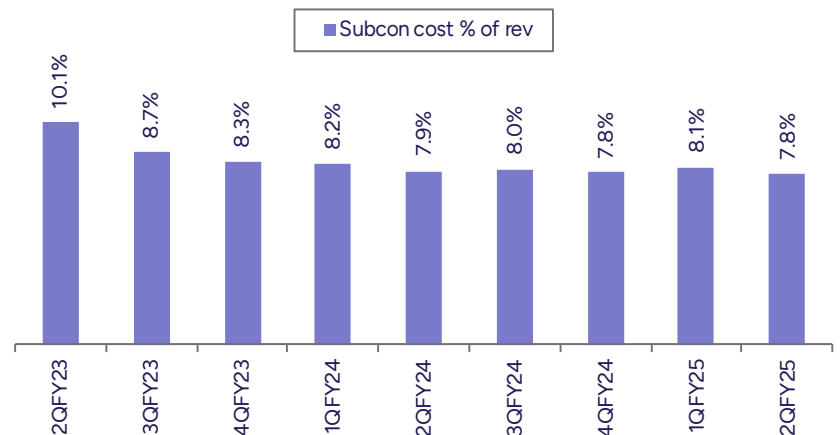
Source: PL, Company

Exhibit 13: Utilization improved to 86%



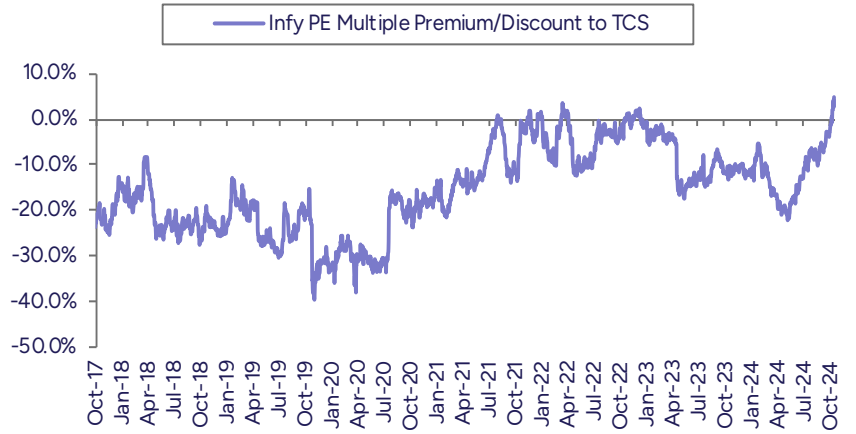
Source: PL, Company

Exhibit 14: Subcon % of Rev



Source: Company, PL

Exhibit 15: 1 year fwd PE multiple Premium/Discount to TCS



Source: Company, PL

Exhibit 16: Operating Metrics

	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Effort (IT Services and Consulting)												
Onsite	24%	24%	24%	24%	25%	25%	25%	25%	24%	24%	24%	24%
Offshore	76%	76%	76%	76%	76%	75%	75%	75%	76%	76%	76%	76%
Utilization (IT Services and Consulting)												
Including trainees	83%	80%	78%	77%	77%	77%	79%	80%	82%	82%	84%	84%
Excluding trainees	89%	87%	85%	84%	82%	80%	81%	82%	83%	84%	85%	86%
Employee Metrics												
Total Employees (Consolidated, in k)	292	314	335	345	347	343	336	329	323	317	315	318
S/W professional (k)	277	298	318	328	329	325	318	310	305	300	298	301
Support and sales (k)	15	16	17	17	18	18	19	18	18	17	17	17
Revenues by client geography												
North America	62%	61%	62%	63%	62%	61%	61%	61%	59%	60%	59%	57%
Europe	25%	25%	25%	25%	26%	27%	27%	27%	28%	29%	28%	30%
India	3%	3%	3%	3%	2%	3%	3%	3%	2%	2%	3%	3%
ROW	10%	10%	11%	10%	10%	9%	10%	10%	10%	10%	10%	10%
Revenues by Business segments												
Financial Services	32%	31%	31%	31%	29%	29%	28%	28%	28%	26%	28%	27%
Retail	15%	14%	15%	14%	14%	15%	15%	15%	15%	14%	14%	13%
Communications	13%	13%	13%	12%	12%	12%	12%	11%	11%	12%	12%	12%
Energy, Utilities, Resources and Services	12%	12%	12%	12%	13%	13%	13%	13%	13%	13%	13%	14%
Manufacturing	11%	12%	12%	13%	13%	14%	14%	14%	15%	15%	15%	16%
Hi Tech	8%	8%	8%	8%	8%	8%	8%	8%	8%	9%	8%	8%
Life Sciences	8%	7%	7%	7%	7%	7%	7%	8%	8%	7%	7%	7%
Others	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Geography YoY % CC												
North America	21%	19%	18%	16%	11%	6%	2%	1%	-5%	-2%	-1%	-3%
Europe	27%	28%	33%	29%	25%	20%	10%	5%	5%	5%	9%	16%
India	40%	30%	6%	36%	-5%	-7%	14%	3%	-1%	-15%	20%	16%
ROW	7%	14%	18%	12%	12%	3%	-1%	4%	8%	5%	2%	4%
Business Segments YoY % CC												
Financial Services	16%	14%	12%	12%	6%	0%	-4%	-7%	-6%	-9%	0%	2%
Retail	20%	17%	18%	15%	13%	13%	4%	9%	0%	-4%	-3%	-10%
Communications	22%	29%	30%	18%	13%	0%	-6%	-4%	-8%	5%	5%	7%
Energy, Utilities, Resources and Services	14%	18%	25%	24%	26%	17%	9%	5%	0%	3%	6%	11%
Manufacturing	48%	51%	55%	45%	37%	27%	21%	13%	11%	9%	6%	12%
Hi Tech	19%	21%	16%	10%	10%	4%	2%	-1%	-5%	10%	2%	6%
Life Sciences	29%	16%	16%	10%	5%	16%	14%	18%	6%	1%	3%	-4%
Others	36%	7%	15%	57%	8%	13%	33%	15%	7%	1%	5%	-1%
DSO	71	67	63	65	68	62	63	67	72	71	72	73
Large deal TCV (USD m)	2,530	2,300	1,691	2,744	3,300	2,076	2,285	7,684	3,241	4,454	4,085	2,430
Client (% of revenues)												
Top 10 client	20.2%	19.4%	20.8%	20.2%	20.5%	20.1%	20.4%	19.9%	20.0%	20.4%	20.9%	20.9%
Top 25 client	35.9%	35.4%	36.3%	35.3%	35.3%	34.7%	34.6%	34.1%	33.7%	34.3%	34.9%	34.7%
Number of active clients	1,738	1,741	1,778	1,779	1,850	1,872	1,883	1,884	1,872	1,882	1,867	1,870
New clients added in the period	111	110	106	103	134	115	99	100	88	98	87	86

Source: PL, Company

Financials

Income Statement (Rs bn)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Net Revenues	1,537	1,626	1,766	1,987
YoY gr. (%)	4.7	5.8	8.6	12.5
Employee Cost	1,074	1,136	1,232	1,371
Gross Profit	463	490	534	616
Margin (%)	30.1	30.1	30.2	31.0
Employee Cost	-	-	-	-
Other Expenses	-	-	-	-
EBITDA	364	387	430	501
YoY gr. (%)	3.7	6.3	11.0	16.6
Margin (%)	23.7	23.8	24.3	25.2
Depreciation and Amortization	47	49	53	60
EBIT	317	338	377	441
Margin (%)	20.7	20.8	21.3	22.2
Net Interest	-	-	-	-
Other Income	23	27	30	34
Profit Before Tax	340	366	407	475
Margin (%)	22.1	22.5	23.0	23.9
Total Tax	97	105	114	133
Effective tax rate (%)	28.6	28.7	28.0	28.0
Profit after tax	243	261	293	342
Minority interest	0	0	0	0
Share Profit from Associate	-	-	-	-
Adjusted PAT	243	260	293	342
YoY gr. (%)	0.7	7.3	12.4	16.8
Margin (%)	15.8	16.0	16.6	17.2
Extra Ord. Income / (Exp)	20	-	-	-
Reported PAT	262	260	293	342
YoY gr. (%)	8.9	(0.7)	12.4	16.8
Margin (%)	17.1	16.0	16.6	17.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	262	260	293	342
Equity Shares O/s (bn)	4	4	4	4
EPS (Rs)	58.6	62.9	70.7	82.6

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Non-Current Assets				
Gross Block	419	476	538	607
Tangibles	371	428	490	560
Intangibles	48	48	48	48
Acc: Dep / Amortization	(216)	(265)	(317)	(377)
Tangibles	(182)	(231)	(284)	(344)
Intangibles	(34)	(34)	(34)	(34)
Net fixed assets	320	328	337	347
Tangibles	306	314	323	333
Intangibles	14	14	14	14
Capital Work In Progress	-	-	-	-
Goodwill	73	73	73	73
Non-Current Investments	-	-	-	-
Net Deferred tax assets	(13)	(15)	(17)	(20)
Other Non-Current Assets	86	88	92	99
Current Assets				
Investments	129	129	129	129
Inventories	-	-	-	-
Trade receivables	302	319	347	390
Cash & Bank Balance	148	198	208	176
Other Current Assets	315	260	247	278
Total Assets	1,378	1,399	1,436	1,497
Equity				
Equity Share Capital	21	21	21	21
Other Equity	860	862	864	867
Total Network	881	883	885	888
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	-	-	-	-
Other non current liabilities	88	93	101	113
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	40	42	45	51
Other current liabilities	348	360	381	418
Total Equity & Liabilities	1,378	1,399	1,436	1,497

Source: Company Data, PL Research

Cash Flow (Rs bn)

Y/e Mar	FY24	FY25E	FY26E	FY27E
PBT	262	260	293	342
Add. Depreciation	47	49	53	60
Add. Interest	-	-	-	-
Less Financial Other Income	23	27	30	34
Add. Other	95	-	-	-
Op. profit before WC changes	405	309	346	402
Net Changes-WC	(144)	56	16	(24)
Direct tax	-	-	-	-
Net cash from Op. activities	261	365	362	378
Capital expenditures	(22)	(57)	(62)	(70)
Interest / Dividend Income	-	-	-	-
Others	(37)	-	-	-
Net Cash from Invt. activities	(59)	(57)	(62)	(70)
Issue of share cap. / premium	-	-	-	-
Debt changes	(20)	-	-	-
Dividend paid	(147)	(259)	(291)	(339)
Interest paid	-	-	-	-
Others	(7)	-	-	-
Net cash from Fin. activities	(175)	(259)	(291)	(339)
Net change in cash	27	50	10	(31)
Free Cash Flow	239	309	300	308

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q3FY24	Q4FY24	Q1FY25	Q2FY25
Net Revenue	388	379	393	410
YoY gr. (%)	1.3	1.3	3.6	5.1
Raw Material Expenses	273	267	272	285
Gross Profit	116	112	121	125
Margin (%)	29.8	29.5	30.9	30.5
EBITDA	91	88	94	98
YoY gr. (%)	(2.5)	(2.3)	4.1	3.9
Margin (%)	23.5	23.2	24.0	23.9
Depreciation / Depletion	12	12	11	12
EBIT	80	76	83	86
Margin (%)	20.5	20.1	21.1	21.1
Net Interest	-	-	-	-
Other Income	7	6	7	6
Profit before Tax	86	83	90	93
Margin (%)	22.2	21.8	22.9	22.6
Total Tax	25	23	26	27
Effective tax rate (%)	29.1	27.4	29.3	29.6
Profit after Tax	61	60	64	65
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	61	60	64	65
YoY gr. (%)	(7.1)	(2.1)	7.3	5.0
Margin (%)	15.8	15.8	16.2	15.9
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	61	80	64	65
YoY gr. (%)	(7.1)	30.0	7.3	5.0
Margin (%)	15.8	21.0	16.2	15.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	61	80	64	65
Avg. Shares O/s (bn)	4	4	4	4
EPS (Rs)	14.8	14.5	15.4	15.8

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25E	FY26E	FY27E
Per Share(Rs)				
EPS	58.6	62.9	70.7	82.6
CEPS	69.9	74.7	83.5	97.0
BVPS	212.9	213.2	213.7	214.3
FCF	57.7	74.5	72.5	74.5
DPS	46.0	53.4	60.0	70.0
Return Ratio(%)				
RoCE	27.7	27.3	30.7	35.9
ROIC	19.6	20.5	22.4	25.2
RoE	29.7	29.5	33.1	38.6
Balance Sheet				
Net Debt : Equity (x)	(0.3)	(0.4)	(0.4)	(0.3)
Net Working Capital (Days)	62	62	62	62
Valuation(x)				
PER	33.6	31.3	27.8	23.8
P/B	9.2	9.2	9.2	9.2
P/CEPS	28.1	26.4	23.6	20.3
EV/EBITDA	21.6	20.2	18.2	15.7
EV/Sales	5.1	4.8	4.4	3.9
Dividend Yield (%)	2.3	2.7	3.0	3.6

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25E	FY26E	FY27E
Revenue (USD mn)	18,562	19,436	20,978	23,468

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	03-Oct-24	BUY	2,180	1,904
2	19-Jul-24	Hold	1,680	1,758
3	02-Jul-24	Hold	1,510	1,591
4	19-Apr-24	Hold	1,375	1,419

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Cyient	Accumulate	2,120	1,914
2	HCL Technologies	BUY	2,130	1,856
3	Infosys	BUY	2,180	1,904
4	LTIMindtree	BUY	7,200	6,273
5	Mphasis	Hold	3,020	3,016
6	Persistent Systems	Accumulate	5,770	5,488
7	Tata Consultancy Services	BUY	4,920	4,227
8	Tech Mahindra	Accumulate	1,720	1,625
9	Wipro	Accumulate	580	547

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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