ADD

HCL Tech

Mixed bag; aspires to build the full AI stack

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Information Technology ▸ Result Update ▸ **July 14, 2026**

CMP (Rs): 1,221 | TP (Rs): 1,250

HCL Tech (HCLT) posted a mixed operating performance in 1Q. Revenue fell 0.5% qoq CC, due to the usual seasonality in the Services business which was owing to productivity commitments in certain large managed services programs. EBITM expanded by 40bps qoq to 16.9%, missing our expectation of 17.2%. Deal wins remained healthy, with net new bookings of $2.4bn, increasing TTM bookings to $9.9bn (up ~9% yoy). The management indicated that the $1.14bn TCV mega deal transition is expected to start in a couple of months, with HCLT likely to see steady-state in Apr-27 and hence face negligible impact in FY27. HCLT generated $171mn in advanced AI revenue (~4.7% of revenue; 10.6% qoq in CC), reflecting broader adoption of AI-led solutions across existing client engagements. The company is entering the AI data-center business with an initial strategic investment of up to Rs35bn, aiming for long-term capacity of 50MW, to offer the full stack AI play and not a colo data-center. For FY27, HCLT retained overall CC revenue growth of 1-4% (implying 0.9-2.9% CQGR) and Services growth of 1.5-4.5% (implying 0.5-2.5% CQGR), with EBITM band of 17.5-18.5% (including 40-50bps impact from restructuring costs). The guidance does not include acquisitions. We largely retain our estimates; maintain ADD on HCLT with TP of Rs1,250 at 16x Jun-28E EPS.

Results summary

Revenue declined 0.9% qoq (down 0.5% CC) to $3.65bn, better than our expectations of -0.9% CC qoq. Among segments, Software business grew 2.2% qoq in CC terms, ER&D Services declined 3.7%, while IT Services was flat. EBITM increased by 40bps qoq to 16.9%, coming below our expectations of 17.2%, owing to lower restructuring expenses (+70bps), PDD benefit (+20bps), and forex tailwind (+60bps), partially offset by seasonality impact from annual productivity benefits and ERS revenue drop (-110bps). Headcount declined 1.4% qoq to 223,889. HCLT announced interim dividend of Rs12/sh. What we like: Healthy growth in the Financial Services and Retail & CPG verticals, steady deal-win momentum. What we do not like: Margin miss, weak cash conversion (~44% OCF/EBITDA).

Telecom and Tech weigh on growth

Services revenue fell 1.0% qoq, mainly due to weakness across Telecommunications, Media, Publishing and Entertainment (-8.4%), Tech and Services (-3.7%), Life Sciences and Healthcare (-2.4%), and Manufacturing (-0.5%). The decline was partially offset by growth in Retail and CPG (+5.1%) and Financial Services (+2.2%), while growth in the Public Services vertical was flattish.

Aspires to own the full AI stack via infra build out

HCLT announced its entry into the AI data-center business with an initial investment of up to Rs35bn, targeting a phased build-out toward 50MW capacity. The offering will combine AI infra, compute, models, software, and managed services, with investments linked to client commitments and partner financing (via a mix of debt and equity). The management believes India's supply-constrained AI infra market, rising sovereign AI requirements, and growing enterprise preference for private AI stacks and SLMs have the potential to create a significant long-term opportunity.

HCL Tech: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	1,170,550	1,301,440	1,424,272	1,498,495	1,587,896
EBITDA	255,040	267,570	298,104	318,554	336,363
Adj. PAT	173,900	173,610	195,798	211,661	225,856
Adj. EPS (Rs)	64.1	64.0	72.2	78.0	83.2
EBITDA margin (%)	21.8	20.6	20.9	21.3	21.2
EBITDA growth (%)	5.4	4.9	11.4	6.9	5.6
Adj. EPS growth (%)	10.8	(0.2)	12.8	8.1	6.7
RoE (%)	25.2	24.0	25.6	26.9	28.0
RoIC (%)	33.2	33.3	34.6	36.1	38.7
P/E (x)	19.1	19.9	16.9	15.7	14.7
EV/EBITDA (x)	12.2	11.5	10.4	9.6	9.0
P/B (x)	4.8	4.4	4.3	4.2	4.1
FCFF yield (%)	6.8	6.0	4.9	7.5	8.0

Source: Company, Emkay Research

Target Price – 12M	Jun-27
Change in TP (%)	-
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	2.4

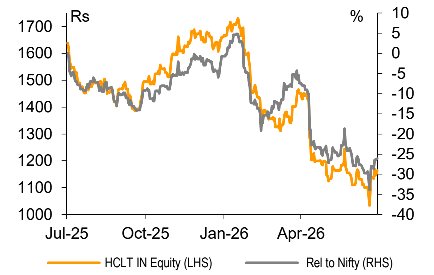
Stock Data	**HCLT IN**
52-week High (Rs)	1,780
52-week Low (Rs)	1,030
Shares outstanding (mn)	2,713.7
Market-cap (Rs bn)	3,314
Market-cap (USD mn)	34,656
Net-debt, FY27E (Rs mn)	(215,728.5)
ADTV-3M (mn shares)	4.3
ADTV-3M (Rs mn)	5,838.8
ADTV-3M (USD mn)	61.1
Free float (%)	39.0
Nifty-50	24,211.0
INR/USD	95.6

Shareholding,Mar-26	
Promoters (%)	60.9
FPIs/MFs (%)	15.5/19.0

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	10.1	(14.6)	(25.5)
Rel. to Nifty	7.4	(15.9)	(22.6)

1-Year share price trend (Rs)



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Earnings call KTAs

1) Client demand remains healthy for AI transformation programs, while traditional services face discretionary spending pressure due to AI-led optimization.

2) The company indicated that the demand environment is becoming increasingly bifurcated, with AI-native and AI-amplified services witnessing strong structural growth and representing fastest-growing pool of enterprise spend, while AI-disrupted legacy services continue to face pricing and productivity pressures.

3) Per the management, smaller enterprise-specific language models are likely to deliver superior economics, faster deployment, and higher accuracy than general-purpose frontier models for a number of industry-specific use cases.

4) Initial success of the company's AI-led growth strategy is reflected in the steady increase in revenue per employee over the last 5 quarters – up 3.3% yoy in 1Q.

5) The company's AI strategy is anchored on five pillars: a) proactive transformation of services – continue to embed AI across services, AI force deployed across 92 client accounts; b) building differentiated IP – AI force 2.2 release, an agent store, AI Force for Oracle, and expanded portfolio to 23 industry-specific AI solutions; c) expanding AI-led services – broaden portfolio to address emerging opportunities, over 1,000 AI Labs engagements, and significant AI Factory programs; d) scaling AI partnerships – invested $150mn in Sarvam AI and collaborations with Google Cloud (created dedicated Gemini enterprise business unit), OpenAI, and AWS; and e) developing AI talent – around 24k employees participated in AI/Gen AI learning journeys in 1Q. HCLT's continues to focus on delivering superior growth at a stable margin.

6) FS continues to outperform peers, supported by proactive AI adoption, increasing wallet share among large clients, and sustained demand for data and analytics modernization programs.

7) HLS remains affected by the completion of earlier regulatory programs and broader spending pressures within the US healthcare ecosystem.

8) The recent weakness within ER&D Services was primarily due to reduced discretionary spending among large US telecom clients and normalization following the growth periods for the Tech vertical in the past quarters.

9) 1Q EBIT margin was impacted by 62bps of restructuring costs, while FY27 EBIT margin guidance of 17.5–18.5% embeds an estimated 40–50bps restructuring impact.

10) Acquisitions: i) The Jaspersoft acquisition has been completed and is expected to contribute ~$10-15mn to revenue, on a quarterly basis; ii) the CTG acquisition is expected to close by 2Q. Contribution from both acquisitions is not included in the FY27 stated guidance.

11) The management indicated that the Rs35bn investment is the initial phase of its AI infra strategy, with incremental investments linked to free cash flow generation.

Exhibit 1: HCLT – Quarterly snapshot

Particular (Rs mn)	1QFY27	4QFY26	qoq (%)	1QFY26	yoy (%)
Net sales ($ mn)	3,650	3,682	-0.9	3,545	3.0
Net sales	345,790	339,810	1.8	303,490	13.9
Operating expenses	277,090	272,690	1.6	243,140	
EBITDA	68,700	67,120	2.4	60,350	13.8
- Margin (%)	19.9	19.8	10	19.9	0.0
Depreciation	10,390	10,920		10,930	
EBIT	58,310	56,200	3.8	49,420	18.0
- Margin (%)	16.9	16.5	40	16.3	60.0
Other income (net)	2,770	820		2,470	
Exceptional items	-	-		-	
Share of profit / (loss) of an associate	-	-		-	
PBT	61,080	57,020	7.1	51,890	
Tax provided	14,820	12,120		13,450	
PAT	46,260	44,900	3.0	38,440	20.3
Non-controlling interest	20	20		10	
Reported net profit	46,240	44,880	3.0	38,430	
Emkay net profit	46,240	44,880	3.0	38,430	20.3
Reported EPS (Rs)	17.1	16.6	3.0	14.2	20.7

Source: Company, Emkay Research

Exhibit 2: Actuals vs estimates

(Rs mn)	Actual	Estimate		Variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Revenue ($ mn)	3,650	3,644	3,633	0.2%	0.5%	Revenue growth came a tad above our expectations.
Revenue (Rs mn)	345,790	345,496	343,332	0.1%	0.7%	
EBIT	58,310	59,365	57,680	-1.8%	1.1%	
EBIT margin	16.9%	17.2%	16.8%	-30 bps	10 bps	Margin was lower than our estimates.
PAT	46,240	45,308	45,320	2.1%	2.0%	Profit beat estimates due to higher other income and lower ETR.

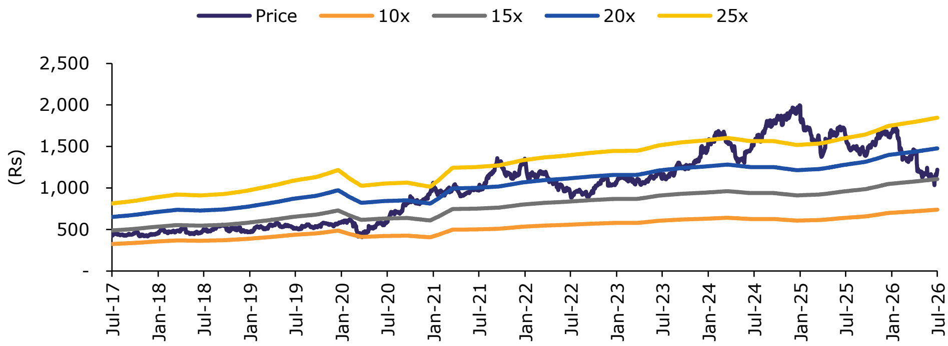
Source: Company, Bloomberg, Emkay Research

Exhibit 3: Changes in estimates

(Rs mn)	FY27E			FY28E			FY29E		
	Old	New	Change	Old	New	Change	Old	New	Change
Revenue ($ mn)	15,178	15,206	0.2	15,894	15,941	0.3	16,666	16,715	0.3
yoy growth	3.5%	3.7%		4.7%	4.8%		4.9%	4.9%	
Revenue	1,418,093	1,424,272	0.4	1,494,063	1,498,495	0.3	1,583,225	1,587,896	0.3
EBIT	253,278	251,873	-0.6	272,960	272,422	-0.2	289,145	289,361	0.1
EBIT margin (%)	17.9	17.7		18.3	18.2		18.3	18.2	
Net profit	195,548	195,798	0.1	212,372	211,661	-0.3	226,064	225,856	-0.1
EPS (Rs)	72.1	72.2	0.1	78.3	78.0	-0.3	83.3	83.3	-0.1

Source: Company, Emkay Research

Exhibit 4: HCLT – One-year forward PER



Source: Company, Emkay Research

Exhibit 5: HCLT – Key operating metrics

Metric	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	$ mn	qoq chg	yoy chg
Revenue ($ mn)	3,363.8	3,445.2	3,532.9	3,498.2	3,545.0	3,644.0	3,793.0	3,682.0	3,650.0		-0.9%	3.0%
Services revenue ($ mn)	3,041.0	3,114.0	3,144.0	3,163.0	3,227.0	3,323.0	3,379.0	3,385.0	3,350.0		-1.0%	3.8%
Revenue mix by segment (%)												
IT and Business Services	74.5	74.6	73.0	73.3	74.0	74.2	72.3	75.0	75.3	2,748	-0.5%	4.8%
Engineering and R&D Services	15.9	15.8	16.0	17.1	17.0	17.0	16.8	17.0	16.5	602	-3.8%	-0.1%
HCL Software	9.6	9.6	11.0	9.5	9.0	8.8	10.9	8.0	8.2	299	1.6%	-6.2%
CC growth yoy – segments (%)												
IT & Business Services	5.3	6.2	5.8	1.4	3.0	3.8	3.8	4.3	4.2			
Engineering and R&D Services	8.4	4.3	1.1	8.5	11.8	13.4	10.8	3.8	0.3			
HCL Software	3.5	9.4	(2.1)	4.9	(3.0)	(3.7)	3.1	(14.1)	(5.3)			
Revenue by geography - services (%)												
USA	59.6	56.2	59.5	57.4	56.5	56.2	56.3	56.3	56.0	1,876	-1.6%	2.9%
Europe	25.9	28.3	26.2	27.5	28.3	28.3	27.7	27.1	27.6	925	0.8%	1.2%
India	3.5	3.2	3.2	3.1	3.3	3.2	3.3	2.9	3.3	111	12.6%	3.8%
Rest of the world	11.0	12.4	11.0	12.0	11.9	12.4	12.8	13.7	13.1	439	-5.4%	14.3%
Services revenue, by geography CC growth yoy (%)												
USA					0.5	2.4	1.5	4.9	2.9			
Europe					9.6	7.6	4.6	(2.9)	0.1			
India					1.3	0.6	15.8	5.3	16.9			
Rest of the world					15.0	17.9	22.1	16.6	10.8			
Revenue by industry - services (%)												
Financial Services	21.0	20.5	20.3	21.1	21.6	21.7	21.1	21.4	22.1	740	2.2%	6.2%
Manufacturing	19.4	19.5	19.1	18.6	18.6	18.3	18.8	18.6	18.7	626	-0.5%	4.4%
Technology & Services	13.0	13.1	13.3	13.4	14.0	14.0	14.2	14.8	14.4	482	-3.7%	6.8%
Life Sciences & Healthcare	15.9	16.0	15.5	14.7	14.5	14.7	14.4	14.2	14.0	469	-2.4%	0.2%
Public Services	9.1	9.2	8.9	8.6	8.5	8.9	9.1	9.2	9.3	312	0.0%	13.6%
Retail & CPG	9.4	9.6	10.6	9.7	9.7	9.6	9.9	9.7	10.3	345	5.1%	10.2%
Telecom, Media, Publishing & Entertainment	12.2	12.1	12.3	13.9	13.1	12.7	12.5	12.1	11.2	375	-8.4%	-11.2%
Services revenue growth by vertical CC growth yoy (%)												
Financial Services	(1.3)	(4.5)	(1.4)	0.7	6.8	11.4	8.1	4.3	5.3			
Manufacturing	3.5	7.1	-	(6.1)	(1.0)	(1.8)	1.8	3.3	3.7			
Technology & Services	2.7	5.6	7.6	10.8	13.7	13.9	14.4	17.8	7.3			
Retail & CPG	9.7	6.2	17.2	9.5	8.2	5.5	(2.0)	3.5	10.1			
Telecom, Media & Entertainment	69.2	61.2	33.1	24.3	13.0	11.7	7.1	(8.6)	(10.9)			
Life Sciences & Healthcare	(4.1)	(2.8)	(1.1)	(7.4)	(4.0)	(3.0)	(1.4)	1.6	0.4			
Public Services (incl E&U, T&T, Logistics, and Government)	(3.7)	(2.0)	(4.6)	(0.5)	(2.4)	2.2	8.0	10.7	12.0			
Deal wins												
Net new deal wins TCV ($ bn)	2.0	2.2	2.1	3.0	1.8	2.6	3.0	1.9	2.4		23.2%	36.8%
Client concentration												
No of >$1mn clients	951	952	952	948	956	954	968	976	987		11	31
No of >$5mn clients	404	402	398	399	402	406	421	429	431		2	29
No of >$10mn clients	256	251	248	251	255	258	268	277	286		9	31
No of >$20mn clients	133	137	136	138	144	151	151	149	155		6	11
No of >$50mn clients	48	52	53	52	54	54	56	60	60		-	6
No of >$100mn clients	22	22	22	22	22	22	23	23	23		-	1
Client contribution to revenue (LTM, %)												
Top 5 clients	11.4	12.1	12.6	12.7	12.6	12.4	12.2	11.9	11.6	423	-3.4%	-5.2%
Top 10 clients	19.6	20.1	20.3	20.2	20.2	19.9	19.7	19.1	18.7	683	-2.9%	-4.7%
Top 20 clients	30.1	30.8	30.9	30.4	20.9	29.5	29.1	28.5	28.0	1,022	-2.6%	37.9%
Employees (no of)												
Total employees	219,401	218,621	220,755	223,420	223,151	226,640	226,379	227,181	223,889		-1.4%	0.3%
Net addition	(8,080)	(780)	2,134	2,665	(269)	3,489	(261)	802	(3,292)			
Technical	205,197	204,600	206,517	209,182	208,970	212,412	212,075	212,779	223,889		5.2%	7.1%
LTM Attrition, ex involuntary and DPO (%)	12.8	12.9	13.2	13.0	12.8	12.6	12.4	12.5	12.7			
DSO, ex unbilled revenue	60	57	57	59	59	56	61	61	59			
HCL Software												
Perpetual license upfront & others ($ mn)	36.4	58.2	49.4	34.4	29.0	24.0	55.0	19.0	19.0		0.0%	-34.5%
Subscription & support ($ mn)	281.7	267.2	329.4	295.0	282.0	290.0	351.0	268.0	274.0		2.2%	-2.8%
Professional services ($ mn)	16.4	16.5	21.3	18.5	19.0	19.0	20.0	20.0	20.0		0.0%	5.3%
Total revenue ($ mn)	**334.5**	**341.9**	**400.1**	**347.9**	**330.0**	**333.0**	**426.0**	**307.0**	**313.0**		2.0%	-5.2%
ARR ($ mn)	1,014.4	1,048.9	1,021.9	1,032.8	1,057.0	1,062.0	1,065.0	1,045.0	1,063.0		1.7%	0.6%
ARR yoy CC (%)	(0.3)	0.6	(0.6)	1.8	1.3	0.6	0.6	(0.5)	2.0			
Advanced AI												
Quarterly revenue ($ mn)						100.0	146.0	155.0	171.0		10.3%	
% of total revenue						2.7	3.8	4.2	4.7			
qoq CC (%)							19.9	6.1	10.6			
Revenue per employee (per annum)- $k					63.4	63.9	64.6	65.1	65.5		0.6%	3.3%
R&D expense as a % of Revenue					1.5	1.5	1.5	1.6	1.6	54	-1.0%	10.7%

Source: Company, Emkay Research

HCL Tech: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**1,170,550**	**1,301,440**	**1,424,272**	**1,498,495**	**1,587,896**
Revenue growth (%)	6.5	11.2	9.4	5.2	6.0
EBITDA	**255,040**	**267,570**	**298,104**	**318,554**	**336,363**
EBITDA growth (%)	5.4	4.9	11.4	6.9	5.6
Depreciation & Amortization	40,840	43,550	46,231	46,133	47,001
EBIT	**214,200**	**224,020**	**251,873**	**272,422**	**289,361**
EBIT growth (%)	7.0	4.6	12.4	8.2	6.2
Other operating income	-	-	-	-	-
Other income	24,850	15,250	17,638	19,358	21,633
Financial expense	6,440	8,690	7,602	7,563	7,724
PBT	**232,610**	**230,580**	**261,910**	**284,217**	**303,270**
Extraordinary items	0	(7,190)	0	0	0
Taxes	58,620	56,870	66,032	72,475	77,334
Minority interest	(90)	(100)	(80)	(80)	(80)
Income from JV/Associates	0	0	0	0	0
Reported PAT	**173,900**	**166,420**	**195,798**	**211,661**	**225,856**
PAT growth (%)	10.8	(4.3)	17.7	8.1	6.7
Adjusted PAT	**173,900**	**173,610**	**195,798**	**211,661**	**225,856**
Diluted EPS (Rs)	**64.1**	**64.0**	**72.2**	**78.0**	**83.2**
Diluted EPS growth (%)	10.8	(0.2)	12.8	8.1	6.7
DPS (Rs)	**60.0**	**60.0**	**62.0**	**72.0**	**76.0**
Dividend payout (%)	**93.6**	**97.8**	**85.9**	**92.3**	**91.3**
EBITDA margin (%)	21.8	20.6	20.9	21.3	21.2
EBIT margin (%)	18.3	17.2	17.7	18.2	18.2
Effective tax rate (%)	25.2	24.7	25.2	25.5	25.5
NOPLAT (pre-IndAS)	**160,220**	**168,768**	**188,372**	**202,954**	**215,574**
Shares outstanding (mn)	2,714	2,714	2,714	2,714	2,714

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	5,430	5,430	5,430	5,430	5,430
Reserves & Surplus	691,120	746,220	773,771	790,048	809,666
Net worth	**696,550**	**751,650**	**779,201**	**795,478**	**815,096**
Minority interests	180	320	320	320	320
Non-current liab. & prov.	(10,640)	(11,460)	(11,460)	(10,640)	(10,640)
Total debt	**81,330**	**73,560**	**93,238**	**96,898**	**101,307**
Total liabilities & equity	**807,270**	**864,630**	**908,124**	**931,323**	**958,288**
Net tangible fixed assets	45,600	47,990	44,654	41,982	38,497
Net intangible assets	286,550	290,480	303,544	287,306	272,484
Net ROU assets	30,160	35,920	32,442	28,068	22,225
Capital WIP	0	0	0	0	0
Goodwill	217,560	238,880	260,960	260,960	260,960
Investments [JV/Associates]	-	-	-	-	-
Cash & equivalents	**288,530**	**305,150**	**308,967**	**344,060**	**381,460**
Current assets (ex-cash)	393,960	471,580	503,373	529,605	561,202
Current Liab. & Prov.	237,530	286,490	284,854	299,699	317,579
NWC (ex-cash)	**156,430**	**185,090**	**218,519**	**229,906**	**243,622**
Total assets	**807,270**	**864,630**	**908,124**	**931,323**	**958,288**
Net debt	(207,200)	(231,590)	(215,729)	(247,161)	(280,153)
Capital employed	807,270	864,630	908,124	931,323	958,288
Invested capital	**488,580**	**523,560**	**566,716**	**559,195**	**554,603**
BVPS (Rs)	256.7	277.0	287.1	293.1	300.4
Net Debt/Equity (x)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Net Debt/EBITDA (x)	(0.8)	(0.9)	(0.7)	(0.8)	(0.8)
Interest coverage (x)	37.1	27.5	35.5	38.6	40.3
RoCE (%)	**31.2**	**29.8**	**31.7**	**33.1**	**34.4**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	232,610	221,020	261,910	284,217	303,270
Others (non-cash items)	22,330	34,710	46,151	46,053	46,921
Taxes paid	(42,430)	(40,760)	(66,032)	(72,475)	(77,334)
Change in NWC	10,100	(15,220)	(38,895)	(4,467)	(6,368)
Operating cash flow	**222,610**	**199,750**	**203,134**	**253,327**	**266,489**
Capital expenditure	(10,830)	(13,990)	(52,480)	(22,850)	(22,850)
Acquisition of business	(19,820)	(1,590)	0	0	0
Interest & dividend income	13,220	14,300	0	0	0
Investing cash flow	**(49,140)**	**(14,730)**	**(67,130)**	**(22,850)**	**(22,850)**
Equity raised/(repaid)	(6,760)	(7,110)	0	0	0
Debt raised/(repaid)	(810)	(23,080)	21,410	0	0
Payment of lease liabilities	(14,530)	(16,850)	0	0	0
Interest paid	(510)	(460)	0	0	0
Dividend paid (incl tax)	(162,500)	(146,180)	(168,247)	(195,384)	(206,239)
Others	(500)	(10)	0	0	0
Financing cash flow	**(185,610)**	**(193,690)**	**(146,837)**	**(195,384)**	**(206,239)**
Net chg in Cash	(12,140)	(8,670)	(10,833)	35,093	37,401
OCF	222,610	199,750	203,134	253,327	266,489
Adj. OCF (w/o NWC chg.)	212,510	214,970	242,029	257,794	272,857
FCFF	211,780	185,760	150,654	230,477	243,639
FCFE	218,560	191,370	143,052	222,914	235,915
OCF/EBITDA (%)	87.3	74.7	68.1	79.5	79.2
FCFE/PAT (%)	125.7	115.0	73.1	105.3	104.5
FCFF/NOPLAT (%)	**132.2**	**110.1**	**80.0**	**113.6**	**113.0**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	19.1	19.9	16.9	15.7	14.7
EV/CE(x)	4.0	3.7	3.5	3.4	3.3
P/B (x)	4.8	4.4	4.3	4.2	4.1
EV/Sales (x)	2.7	2.4	2.2	2.0	1.9
EV/EBITDA (x)	12.2	11.5	10.4	9.6	9.0
EV/EBIT(x)	14.5	13.8	12.3	11.3	10.5
EV/IC (x)	6.4	5.9	5.5	5.5	5.5
FCFF yield (%)	6.8	6.0	4.9	7.5	8.0
FCFE yield (%)	6.6	5.8	4.3	6.7	7.1
Dividend yield (%)	4.9	4.9	5.1	5.9	6.2
DuPont-RoE split					
Net profit margin (%)	14.9	13.3	13.7	14.1	14.2
Total asset turnover (x)	1.5	1.6	1.7	1.7	1.7
Assets/Equity (x)	1.1	1.1	1.1	1.1	1.1
RoE (%)	**25.2**	**24.0**	**25.6**	**26.9**	**28.0**
DuPont-RoIC					
NOPLAT margin (%)	13.7	13.0	13.2	13.5	13.6
IC turnover (x)	2.4	2.6	2.6	2.7	2.9
RoIC (%)	**33.2**	**33.3**	**34.6**	**36.1**	**38.7**
Operating metrics					
Core NWC days	48.8	51.9	56.0	56.0	56.0
Total NWC days	**48.8**	**51.9**	**56.0**	**56.0**	**56.0**
Fixed asset turnover	3.6	3.9	4.1	4.4	5.0
Opex-to-revenue (%)	78.2	79.4	79.1	78.7	78.8

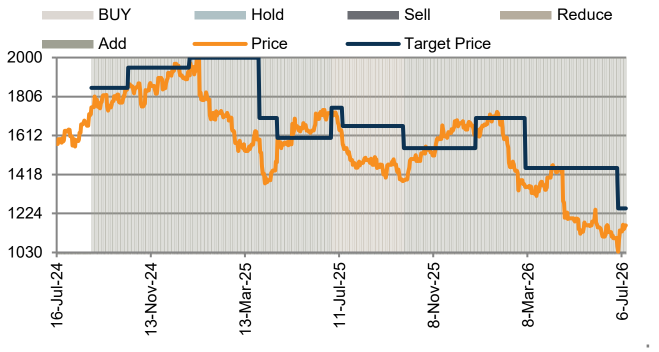
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
01-Jul-26	1,034	1,250	Add	Dipeshkumar Mehta
22-Apr-26	1,285	1,450	Add	Dipeshkumar Mehta
31-Mar-26	1,342	1,450	Add	Dipeshkumar Mehta
05-Mar-26	1,354	1,450	Add	Dipeshkumar Mehta
18-Feb-26	1,467	1,700	Add	Dipeshkumar Mehta
13-Jan-26	1,665	1,700	Add	Dipeshkumar Mehta
01-Jan-26	1,635	1,700	Add	Dipeshkumar Mehta
14-Oct-25	1,495	1,550	Add	Dipeshkumar Mehta
01-Oct-25	1,390	1,550	Add	Dipeshkumar Mehta
15-Jul-25	1,566	1,660	Reduce	Dipeshkumar Mehta
01-Jul-25	1,718	1,750	Reduce	Dipeshkumar Mehta
23-Apr-25	1,594	1,600	Add	Dipeshkumar Mehta
31-Mar-25	1,593	1,700	Add	Dipeshkumar Mehta
14-Jan-25	1,814	2,000	Add	Dipeshkumar Mehta
01-Jan-25	1,912	2,000	Add	Dipeshkumar Mehta
15-Oct-24	1,870	1,950	Add	Dipeshkumar Mehta
01-Oct-24	1,817	1,850	Add	Dipeshkumar Mehta
29-Aug-24	1,752	1,850	Add	Dipeshkumar Mehta

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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