Wipro | BUY

Balancing bookings with margins

WPRO reported 0.3% cc QoQ growth, ahead of JMFe: 0%, and in the upper-half of its -1% to +1% cc QoQ guided band. It guided for -0.5% to 1.5% cc QoQ growth in 3Q, as Phoenix deal (USD 650mn TCV) starts to ramp. Booking momentum continued with USD 4.8bn TCV (book-to-bill: 1.8x), reflecting its success in multi-vendor competitive bids. These are likely to weigh on its margins. WPRO was able to offset these pressures in 2Q though. EBIT margins, adjusted for a client bankruptcy impact (50bps), were down just 10bps (JMFe: -70bps). FX benefits and operational efficiencies (higher utilisation, FPP productivity) helped. Such deal transition cost will likely sustain, testing WPRO's cost discipline. Moreover, higher renewals (both the mega deals it won in 2Q were renewals) will possibly deflate revenues initially, further limiting operating levers. That said, LTM TCV of USD 17bn (+20% YoY) at a book-to-bill of 1.64x (from 1.34x a year-back) positions WPRO well to accelerate growth in FY27 and bridge growth gap with peers, in our view. We have therefore built 5.4% cc YoY growth in FY27E (-1.4% in FY26E), closer to peer average. 2Q miss (on reported margins) and marginal cuts to our FY27-28E margin assumptions drive 2-5% cut to FY26-28E EPS. Sustained deal momentum and valuation comfort (17x FY27E EPS) however keep us constructive. BUY with a revised TP of INR 290.

- **2QFY26- Topline beat:** WPRO reported 0.3% cc QoQ growth in 1Q, beating JMFe : 0% (Cons. est. : 0.2%). This was in the upper half of WPRO's -1.0% to +1.0% guidance. Barring BFSI (+2.2%cc QoQ) and Technology and communications (+0.8% cc QoQ), all other verticals declined. Among geographies, EU returned to growth as the phoenix deal starts to ramp (+1.4% cc QoQ), APMEA (+3.1%) was led by India, Australia and SEA, while Americas were weak (Americas 1: 0.5%; Americas 2: -2.0%). Capco grew both sequentially and YoY led by newer markets such as LATAM and APMEA. EBIT margin declined 60bps to 16.7%, in-line with JMFe. However, adjusting for client bankruptcy impact (INR 1,165mn), margins stood at 17.2%. Margins were aided by rupee depreciation, higher utilisation and better pricing through fixed price projects while Investments towards large deals was a headwind. PAT came in at INR 32.6bn, vs Cons est. of INR 33.0bn. Lower other income and higher ETR impacted PAT.

- **Deal wins, guidance and outlook:** WPRO reported TCV of USD 4,688mn, at a book-to-bill of 1.8x. LTM deal TCV grew 20% YoY to reach USD 17.1bn, book to bill of 1.64x. Large deal TCV grew 91% YoY to reach USD 2,853mn. There were 13 large deals in 2Q with two mega deals (USD 500mn+),one in healthcare vertical and one in BFSI. Significant portion of the deals won were renewals. Out of the 13 deals won, two were net new, 6 were renewals and the rest were a mix of the two. Net new will add to growth and renewals will see deflation while growth from scope expansion will be pushed out. Management is confident on a good showing in Q3 despite furloughs. Momentum in BFSI, healthy pipeline and ramp up of large deals won informs their confidence. WPRO guided for -0.5% to +1.5% cc QoQ growth for 2Q, 50bps higher than our expectations. In margins, WPRO reiterated its intent to keep margins in a narrow band between 17-17.5%. However, competitive intensity in vendor consolidation deals, investments required to ramp up large deals, potential 50bps margin diltuion from Harman DTS acquisition (not included in guidance yet), will weigh on margins going forward.

- **Marginal cuts to EPS; maintain BUY:** We have largely maintained our topline estimates and build 5.4% YoY cc growth in FY27E, closer to industry average. We have marginally lowered our margin estimates, given higher investments towards ramp up of large deals. This drives 2-5% cuts to our EPS estimates. Attractive valuations keeps us constructive. Maintain BUY.

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Recommendation and Price Target	
Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	290
Upside/(Downside)	14.3%
Previous Price Target	280
Change	3.6%

Key Data – WPRO IN	
Current Market Price	INR254
Market cap (bn)	INR2,660.9/US$30.3
Free Float	27%
Shares in issue (mn)	5,480.1
Diluted share (mn)	10,496.3
3-mon avg daily val (mn)	INR2,280.7/US$26.0
52-week range	325/225
Sensex/Nifty	83,468/25,585
INR/US$	87.8

Price Performance

%	1M	6M	12M
Absolute	-0.1	2.5	-4.6
Relative*	-1.0	-3.5	-7.4

* To the BSE Sensex

Financial Summary (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	8,97,603	8,90,874	9,16,503	9,80,720	10,36,069
Sales Growth (%)	-0.8	-0.7	2.9	7.0	5.6
EBITDA	1,69,831	1,80,808	1,77,479	1,95,197	2,01,174
EBITDA Margin (%)	18.9	20.3	19.4	19.9	19.4
Adjusted Net Profit	1,10,453	1,31,344	1,37,511	1,40,143	1,38,588
Diluted EPS (INR)	10.5	12.5	13.1	14.7	15.5
Diluted EPS Growth (%)	3.1	18.7	4.6	12.5	5.0
ROIC (%)	21.1	25.6	26.6	28.1	29.2
ROE (%)	14.4	16.6	16.2	17.9	19.4
P/E (x)	24.1	20.3	19.4	17.2	16.4
P/B (x)	3.5	3.2	3.1	3.5	3.1
EV/EBITDA (x)	6.6	5.7	5.7	6.1	5.7
Dividend Yield (%)	0.4	2.4	4.3	2.4	4.7

Source: Company data, JM Financial. Note: Valuations as of 16/Oct/2025

Key Highlights from the call

- **Demand:** WPRO reported 0.3% QoQ growth in IT services revenue (cc terms), towards the upper half of the guided range. Enterprises are prioritizing cost optimization, vendor consolidation, legacy modernization and scaled deployment of Agentic AI, with efficiency and speed becoming key decision parameters. Discretionary and transformation-led spending remains selective. Management highlighted that tariff-related uncertainties persist but are also prompting clients to re-evaluate operating models, creating new engagement opportunities.

- **Outlook:** Management guided for -0.5% to +1.5% QoQ cc growth in 3QFY26, factoring in seasonally weaker furlough-led headwinds. Execution of large deals, including the Phoenix contract in Europe, is expected to support growth momentum through 2H. Management maintained its focus on profitable growth while acknowledging that deal-transition costs could weigh on near-term margins. The medium-term outlook remains positive given sustained large-deal visibility and strong participation in ongoing vendor consolidation programs.

Outlook: -0.5% to +1.5% QoQ cc growth ahead in Q3.

- **Margin:** Adjusted EBIT margin stood at 17.2%, up 40bps YoY (reported 16.7% including a one-off bankruptcy-related provision). Management reiterated its focus on maintaining margins within a narrow 17-17.5% band. Tailwinds included rupee depreciation, higher utilization, lower attrition, and improved profitability in fixed-price programs. Headwinds were investments linked to large-deal ramp-ups and growth initiatives. The recently announced Harman DTS acquisition, not yet reflected in numbers, is expected to dilute margins by c.50bps initially. Management continues to drive margins through utilization gains, fixed-price productivity and SG&A optimization.

Margins may face headwinds due to large deal ramp-ups. Management however aspires to maintain margin band of 17-17.5%.

- **Bookings:** WPRO reported total bookings of USD 4.7bn in 2QFY26, closing 13 large deals including two megadeals (one each in healthcare and BFSI). Demand continues to be driven by vendor consolidation and AI-led transformation programs. The mix comprised a healthy combination of renewals, renewal-plus-expansion, and net-new deals, with net-new wins expected to ramp from 3Q onwards. Management highlighted strong traction in Europe through new multi-year partnerships in BFSI and logistics, underpinned by WPRO's VEGA AI and Wings delivery platforms. The overall pipeline remains robust and evenly distributed across large and mid-sized deals.

Strong bookings growth in the quarter, 13 large deals closed including 2 mega deals.

- **Verticals and geographies:** Three of four SMUs reported sequential growth; Europe returned to growth after several quarters, led by BFSI, while APMEA delivered strong results across India, Australia and Southeast Asia. Americas 1 grew on strength in healthcare, communication and tech, whereas Americas 2 declined but is expected to recover as large deals ramp up. BFSI reported sequential growth, driven by Europe and APMEA, and remains supported by robust bookings, vendor consolidation and modernization of core systems. Capco continued to grow sequentially and YoY, with strength in wealth and asset-management platforms. Healthcare remained a strong sector despite structural transitions, aided by modernization programs and a new megadeal in the quarter. Technology and Communications grew modestly on AI and engineering productivity initiatives, while consumer, energy and manufacturing were impacted by tariff-related uncertainty and cautious spending. Client-specific challenges in Europe are now behind, and management remains focused on sustaining win rates in a highly competitive vendor-consolidationenvironment.

- **AI strategy:** Management unveiled Wipro Intelligence, a unified suite of AI platforms, solutions and agents aimed at enabling clients to scale confidently in an AI-first environment. The platform integrates capabilities across delivery (software development, infrastructure and BPO) and industry domains, featuring 200+ AI agents across verticals. Flagship offerings include AutoCortex for automotive, Wealth AI for BFSI, and Payer AI for healthcare. Management emphasized that the platform embeds productivity gains, assured outcomes and responsible-AI guardrails, reinforcing WPRO's consulting-led approach and positioning in AI-driven transformation programs.

- **Supply and delivery:** Headcount increased sequentially, with freshers onboarded ahead of deal ramp-ups. Management expects hiring to continue both laterally and on campus as bookings convert to revenue. Attrition declined further and utilization improved. The US delivery workforce remains largely localized (c.80%+), minimizing exposure to H-1B visa restrictions; management reiterated that onsite centers in the US will continue to scale with demand.

2QFY26 result review

Exhibit 1. 2Q26 Result summary – IT Services

	1Q26	4Q25	*Change (QoQ)*	Estimate (JMFe)	*Variance (vs. JMFe)*	Estimate (Consensus)	*Variance (vs. consensus)*	QoQ estimate JMFe	QoQ estimate Consensus
USD-INR	86.95	85.34	*1.9%*	87.99	*-1.2%*	87.66	*-0.8%*	*3.1%*	*2.7%*
CC Revenue Growth (QoQ)	0.3%	-2.0%		0.0%		0.2%		*0.0%*	*0.2%*
Revenue (USD mn)	2,604	2,587	*0.6%*	2,588	*0.6%*	2,599	*0.2%*	*0.0%*	*0.4%*
Revenue (INR mn)	226,405	220,800	*2.5%*	227,726	*-0.6%*	227,836	*-0.6%*	*3.1%*	*3.2%*
EBIT (INR mn)	37,810	38,134	*-0.9%*	37,880	*-0.2%*	37,821	*0.0%*	*-0.7%*	*-0.8%*
EBIT margin	*16.7%*	*17.3%*	*-57bp*	*16.6%*	*7bp*	*16.6%*	*10bp*	*-64bp*	*-67bp*

Source: Company, JM Financial estimates

Exhibit 2. Key financials

(INR mn)	1Q25	2Q25	3Q25	4Q25	FY25	1Q26	2Q26
WIPRO LTD.							
Consolidated revenues	**2,19,628**	**223,016**	**223,188**	**225,042**	**890,874**	**221,346**	**226,973**
Change(YoY/QoQ)	*-1.1%*	*1.5%*	*0.1%*	*0.8%*	*-0.7%*	*-1.6%*	*2.5%*
Cost of revenue	1,46,855	147,696	147,935	149,138	591,624	151,180	153,710
Gross profit	**72,773**	**75,320**	**75,253**	**75,904**	**299,250**	**70,166**	**73,263**
Gross margin	***33.1%***	***33.8%***	***33.7%***	***33.7%***	***33.6%***	***31.7%***	***32.3%***
Total operating expenses	29,219	29,467	29,932	29,824	118,442	27,769	29,075
EBITDA	**43,554**	**45,853**	**45,321**	**46,080**	**180,808**	**42,397**	**44,188**
EBITDA margin	***19.8%***	***20.6%***	***20.3%***	***20.5%***	***20.3%***	***19.2%***	***19.5%***
Depreciation & amortization	7,289	8,308	6,765	7,217	29,579	6,855	6,917
EBIT	**36,265**	**37,545**	**38,556**	**38,863**	**151,229**	**35,542**	**37,271**
EBIT margin	***16.5%***	***16.8%***	***17.3%***	***17.3%***	***17.0%***	***16.1%***	***16.4%***
Non-operating income (net)	3,986	5,230	5,972	8,276	23,464	6,991	5,401
Profit before tax	40,251	42,775	44,528	47,139	174,693	42,533	42,672
Income tax expense	9,850	10,512	10,866	11,549	42,777	9,218	10,200
Net income from ops	**30,401**	**32,263**	**33,662**	**35,590**	**131,916**	**33,315**	**32,472**
Change(YoY/QoQ)	*5.4%*	*20.8%*	*24.6%*	*23.6%*	*18.5%*	*9.6%*	*0.6%*
Share in earnings of affiliates	-45	3	5	291	254	50	152
Share of minority interest	334	178	129	185	826	61	162
PAT	**30,022**	**32,088**	**33,538**	**35,696**	**131,344**	**33,304**	**32,462**
Change(YoY/QoQ)	*4.6%*	*21.3%*	*24.5%*	*25.9%*	*18.9%*	*10.9%*	*1.2%*
Adjusted basic EPS	**2.9**	**3.1**	**3.2**	**3.4**	**12.6**	**3.2**	**3.1**
Change(YoY/QoQ)	*5.8%*	*6.9%*	*4.5%*	*6.4%*	*291.7%*	*-6.8%*	*-2.6%*
IT SERVICES							
Total revenues (USD mn)	**2,626**	**2,660**	**2,629**	**2,597**	**10,512**	**2,587**	**2,604**
Change (yoy/qoq)	*-5.5%*	*-2.0%*	*-1.0%*	*-2.3%*	*-2.7%*	*-1.5%*	*-2.1%*
Total Revenues (INR mn)	**2,19,169**	**222,353**	**222,441**	**224,229**	**888,192**	**220,618**	**225,847**
Change(YoY/QoQ)	*-3.7%*	*-0.6%*	*0.5%*	*1.5%*	*-0.6%*	*0.7%*	*1.6%*
Cost of revenue (INR mn)	1,46,351	146,854	147,299	148,077	588,581	148,657	152,741
Gross profit (INR mn)	72,818	75,499	75,142	76,152	299,611	71,961	73,106
Gross margin	***33.2%***	***34.0%***	***33.8%***	***34.0%***	***33.7%***	***32.6%***	***32.4%***
Total operating expenses (INR mn)	29,267	29,475	29,798	29,890	118,430	27,156	28,940
EBITDA (INR mn)	**43,551**	**46,025**	**45,344**	**46,261**	**181,181**	**44,806**	**44,166**
EBITDA margin	***19.9%***	***20.7%***	***20.4%***	***20.6%***	***20.4%***	***20.3%***	***19.6%***
EBIT (INR mn)	36,057	37,322	38,990	39,270	151,639	38,134	37,809
EBIT margin	***16.5%***	***16.8%***	***17.5%***	***17.5%***	***17.1%***	***17.3%***	***16.7%***

Source: Company, JM Financial

Margin movers: Margins were aided by currency movement, better pricing through FPP engagements and better utilization. Investments towards large deal ramp ups were a headwind. Adjusting for the client bankruptcy impact, margins stood at 17.2%- in the narrow band (17-17.5%) targeted by management.

Exhibit 3. Comparison vs. other Tier 1 peers

YoY cc revenue growth	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
TCS	5.5%	4.5%	4.2%	-3.1%	-3.3%
Infosys	3.3%	6.1%	4.8%	2.4%	2.9%
Wipro	**-2.3%**	**-1.1%**	**1.2%**	**-2.3%**	**-2.6%**
LTIM	4.4%	5.6%	6.3%	4.4%	4.4%
HCLtech	6.2%	4.1%	2.9%	3.7%	4.6%
TechM	**2.2%**	**1. 3%**	**0.3%**	**-1.0%**	**-0.3%**
QoQ cc revenue growth	**1QFY25**	**2QFY25**	**4QFY25**	**1QFY26**	**2QFY26**
TCS	1.1%	0.0%	-0.8%	-3.3%	0.8%
Infosys	3.1%	1.7%	-3.5%	1.8%	2.2%
Wipro	**0.6%**	**0.1%**	**-0.8%**	**-2.0%**	**0.3%**
LTIM	2.3%	1.8%	-0.6%	0.8%	2.4%
HCLtech	1.6%	3.8%	-0.8%	-0.8%	2.4%
TechM	0.7%	1.2%	-1.5%	-1.4%	1.6%
EBIT margin	**1QFY25**	**2QFY25**	**4QFY25**	**1QFY26**	**2QFY26**
TCS*	24.1%	24.5%	24.2%	24.5%	25.2%
Infosys	21.1%	21.3%	21.0%	21.4%	21.0%
Wipro	**16.8%**	**19.5%**	**17.5%**	**17.3%**	**17.2%**
LTIM	15.5%	13.8%	13.8%	14.3%	15.9%
HCltech	18.6%	19.5%	18.0%	16.8%	17.5%
TechM	9.6%	10.2%	10.5%	11.1%	12.1%

Note: *Excludes one-off restructuring expense for TCS. In 2QFY26. Adjusted for one-off client bankruptcy in Wipro for 2QFY26.
Source: Company, JM Financial estimates

Exhibit 4. Deal Wins

(USD mn)	2Q25	3Q25	4Q25	1Q26	2Q26
Total Bookings TCV	3,561	3,514	3,955	4,971	4,688
Large Deal TCV	1489	961	1,763	2,666	2,853

Source: Company, JM Financial

TTM book-to-bill: 1.64x

13 large deals closed including 2 mega deals

Exhibit 5. Strategic markets unit mix

	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
Distribution						
Americas 1	30.9%	30.8%	32.3%	32.8%	33.1%	33.0%
Americas 2	30.8%	30.6%	30.6%	30.6%	30.4%	29.6%
Europe	27.6%	27.9%	26.7%	26.1%	25.7%	26.3%
APMEA	10.7%	10.7%	10.4%	10.5%	10.7%	11.1%
Revenue (USD mn and QoQ growth)						
Americas 1	814	819	849	852	856	859
Change	-1.2%	1.0%	3.6%	0.3%	0.6%	0.3%
Americas 2	788	814	805	795	787	771
Change	-1.2%	0.6%	-1.2%	-1.2%	-1.0%	-2.0%
Europe	727	742	702	678	665	685
Change	-1.2%	2.4%	-5.4%	-3.5%	-1.9%	3.0%
APMEA	281	285	273	273	277	289
Change	-4.7%	1.3%	-3.9%	-0.3%	-0.4%	3.4%

Source: Company, JM Financial

Europe: Led by BFSI and ramp up of phoenix deal

APMEA: Grew with strong demand from India, Australia and SEA

.

Exhibit 6. Vertical portfolio	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Distribution					
Technology and Communications	15.3%	15.4%	15.3%	15.3%	15.5%
Consumer Business unit	19.2%	19.0%	18.9%	18.6%	18.2%
Energy, Resources & Utilities	17.6%	17.0%	16.9%	17.2%	17.7%
Banking, financial services and insurance	34.8%	34.1%	34.2%	33.6%	34.3%
Health Business Unit	13.6%	14.7%	14.4%	14.6%	14.5%
Revenue (USD mn and QoQ growth)					
Technology and communication	**410**	**402**	**395**	**401**	**406**
Change	2%	-2%	-2%	2%	1%
Consumer Business unit	**511**	**500**	**491**	**481**	**474**
Change	1%	-2%	-2%	-2%	-2%
Energy, Resources & Manufacturing	**452**	**444**	**449**	**458**	**453**
Change	-2%	-2%	1%	2%	-1%
Banking, financial services and insurance	**926**	**897**	**888**	**869**	**893**
Change	4%	-3%	-1%	-2%	3%
Health Business Unit	**362**	**386**	**374**	**378**	**378**
Change	-1%	7%	-3%	1%	0%

Source: Company, JM Financial

BFSI returned to growth, was led by Europe and ramp up of Phoenix deal. BFSI seeing continued momentum. Tariffs uncertainties continue to impact consumer, energy and manufacturing sectors

Exhibit 7. Key client metrics	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Client base					
Active clients	1,342	1,299	1,282	1,266	1,257
Net client addition	-22	-43	-17	-16	-9
Revenue per active client (USD mn)	1.98	2.02	2.03	2.04	2.07
Revenue concentration					
Top client	4.1%	4.5%	4.4%	4.7%	4.8%
Top 5 clients	14.0%	14.3%	14.5%	14.7%	14.4%
Top 10 clients	22.9%	23.7%	24.2%	24.5%	24.0%
Non-Top10 clients	77.1%	76.3%	75.8%	75.5%	76.0%
New business	16.0	31.5	49.3	10.3	36.5
Revenue growth					
Top client	3.8%	8.5%	-3.4%	6.4%	2.8%
Top-2 to 5 clients	4.5%	-2.2%	1.8%	-1.3%	-3.4%
Top-5 clients	4.3%	1.0%	0.1%	1.0%	-1.4%
Top-6 to 10 clients	1.3%	4.4%	1.9%	0.7%	-1.4%
Top-10 clients	3.1%	2.3%	0.8%	0.9%	-1.4%
Non-top-10 clients	0.8%	-2.2%	-1.9%	-0.7%	1.3%
Relationship distribution					
USD1M+ Clients	733	722	716	725	730
Change	-2	*-11*	*-6*	*9*	*5*
USD5M+ Clients	297	290	289	281	272
Change	-4	*-7*	*-1*	*-8*	-9
USD10M+ Clients	186	187	181	180	177
Change	-6	*1*	-6	*-1*	-3
USD50M+ Clients	42	42	44	47	45
Change	-1	*0*	*2*	*3*	*-2*
USD100M+ Clients	21	18	17	16	16
Change	-1	*-3*	*-1*	*-1*	*0*

Source: Company, JM Financial

Exhibit 8. Key manpower metrics	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Total manpower – IT services	**233,889**	**232,732**	**233,346**	**233,232**	**235,492**
Net addition	978	-1,157	614	-114	2,260
Attrition (TTM)	15.5%	15.3%	15.0%	15.1%	14.9%
Utilization - ex trainees	84.5%	83.5%	84.6%	85.0%	86.4%

Source: Company, JM Financial

Exhibit 9. Expense analysis

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Employee compensation	60.4%	59.6%	59.3%	60.7%	60.0%
Sub-contractor/tech. fees	11.0%	11.6%	11.1%	11.6%	11.7%
Cost of hardware and software	0.4%	0.3%	0.4%	0.3%	0.4%
Travel	1.7%	1.4%	1.4%	1.7%	1.5%
Facility expenses	3.9%	4.0%	4.0%	4.1%	3.9%
Depreciation and amortization and impairment	3.7%	3.0%	3.2%	3.1%	3.0%
Communication	0.5%	0.4%	0.4%	0.4%	0.4%
Legal and professional fees	1.4%	1.3%	1.4%	0.9%	1.2%
Rates, taxes and insurance	0.6%	0.7%	0.8%	0.5%	0.6%
Marketing expenses	0.4%	0.5%	0.4%	0.4%	0.4%
Provision for doubtful debt	0.3%	-0.3%	0.2%	0.2%	0.7%
Miscellaneous expenses	-1.1%	0.2%	0.2%	0.1%	-0.1%
Total	**83.2%**	**82.7%**	**82.7%**	**83.9%**	**83.6%**

Source: Company, JM Financial

Retain BUY, TP revised to INR 290

We have revised our YoY cc growth expectations by (16)-11 bps over FY26-27E (for IT services). We expect 120bps of favourable cross currency impact for FY26E resulting in flat growth for the year. Our EBIT margin estimates have been revised by (6)-8bps over FY26-28E. We now expect EBIT margins of 17% for FY26E and build 0bps/-10bps margin contraction over FY27/28E. Management's stated target range is 17-17.5%. We have factored in investments towards large deal ramp up in our estimates. Our PAT estimates for FY26/27 has decreased by 5%/2%. Other income estimates have seen decrease and tax expense has been increased. We continue to value Wipro at 19x 12m fwd EPS vs 18x earlier. Maintain buy with a revised TP of INR 290.

Exhibit 10. What has changed – Wipro (IT Services)

	Old			New			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Exchange rate (INR/USD)	87.59	88.50	88.50	87.33	88.50	88.50	*-0.3%*	*0.0%*	*0.0%*
Revenue growth (YoY) CC	-1.5%	5.4%	6.0%	-1.4%	5.3%	6.0%	*11bp*	*-16bp*	*bp*
Consolidated revenue (USD mn)	10,479	11,046	11,713	10,493	11,045	11,713	*0.1%*	*0.0%*	*0.0%*
Growth in USD revenues (YoY)	-0.3%	5.4%	6.0%	-0.2%	5.3%	6.0%	*14bp*	*-16bp*	*0bp*
Consolidated revenue (INR mn)	917,849	977,614	1,036,625	916,389	977,453	1,036,569	*-0.2%*	*0.0%*	*0.0%*
EBITDA margin	19.9%	20.1%	20.2%	19.9%	20.0%	19.8%	*-8bp*	*-6bp*	*0bp*
EBIT margin	16.9%	17.0%	17.2%	17.0%	17.0%	16.9%	*10bp*	*-6bp*	*0bp*
PAT (INR mn)	144,465	142,077	142,369	137,511	140,143	138,588	*-4.8%*	*-1.4%*	*-2.7%*
EPS	13.8	15.0	15.9	13.1	14.7	15.5	*-4.8%*	*-1.6%*	*-2.9%*

Source: JM Financial estimates

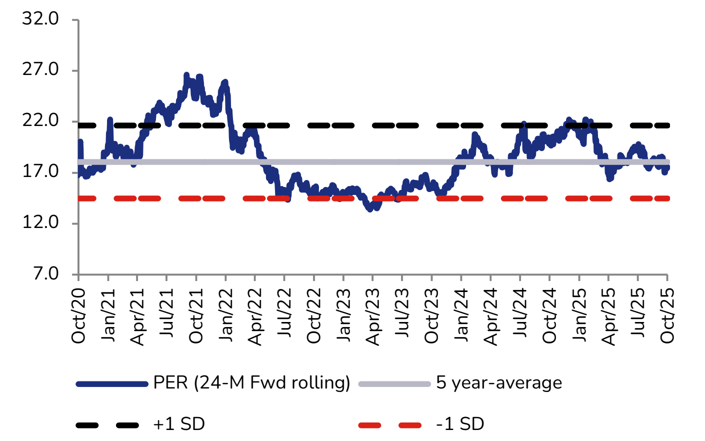
Exhibit 11. JMFe vs. Consensus estimates – Wipro (Consol.)

	Consensus estimates			JMFe estimates			JMFe vs. Consensus		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	10,242	10,829	11,414	10,428	11,082	11,707	1.8%	2.3%	2.6%
Sales (INR mn)	908,238	960,289	1,012,125	916,503	980,720	1,036,069	0.9%	2.1%	2.4%
EBITDA (Rsm)	180,720	193,292	204,369	177,479	195,197	201,174	-1.8%	1.0%	-1.6%
EBITDA margin	19.9%	20.1%	20.2%	19.4%	19.9%	19.4%	*-53bp*	*-23bp*	*-77bp*
EBIT (Rsm)	151,518	162,380	172,174	149,661	164,907	170,092	-1.2%	1.6%	-1.2%
EBIT margin	16.7%	16.9%	17.0%	16.3%	16.8%	16.4%	*-35bp*	*-9bp*	*-59bp*
EPS (Rs)	12.7	13.3	14.2	13.1	14.7	15.5	3.1%	10.5%	9.2%

Note: Consensus estimates as of 13th Oct and may not reflect changes in estimates post result. Source: Bloomberg, JM Financial estimates

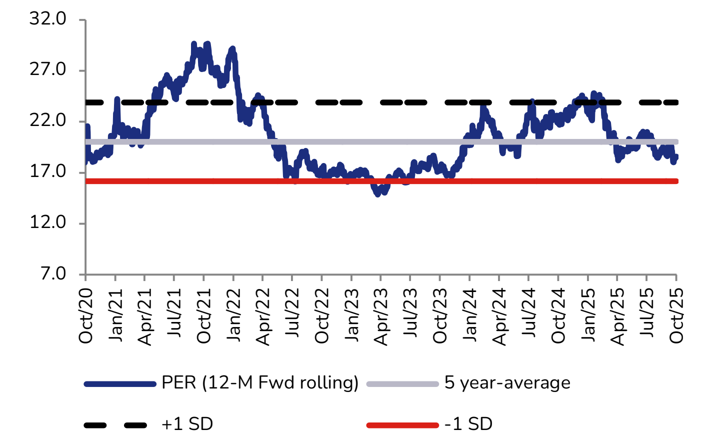
Valuation charts

Exhibit 12. Price to earnings chart 24M Fwd, 5 years



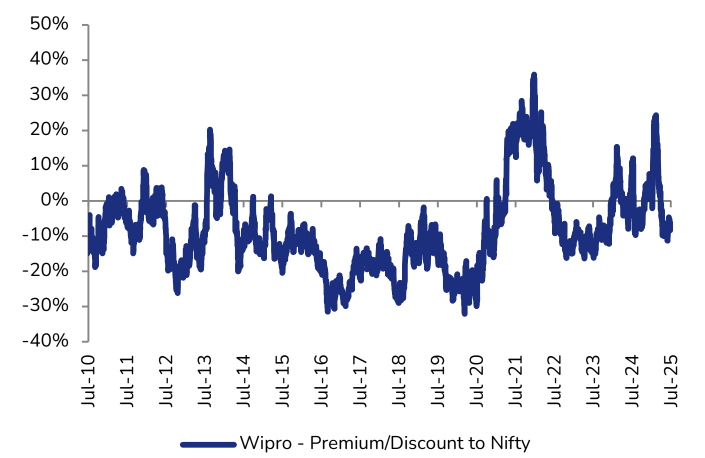
Source: Bloomberg, JM Financial

Exhibit 13. Price to earnings chart 12M Fwd, 5 years



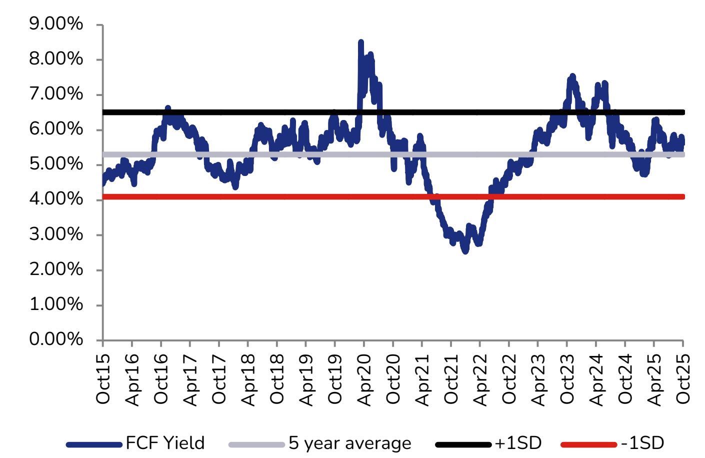
Source: Bloomberg, JM Financial

Exhibit 14. Wipro- PER Premium/Discount to Nifty (12M fwd)



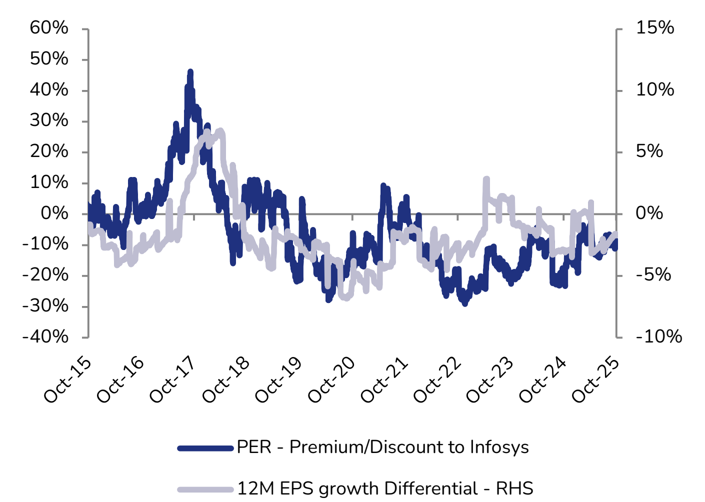
Source: Bloomberg, JM Financial

Exhibit 15. Wipro FCF Yield below 5 yr +1SD (LTM FCF Yield)



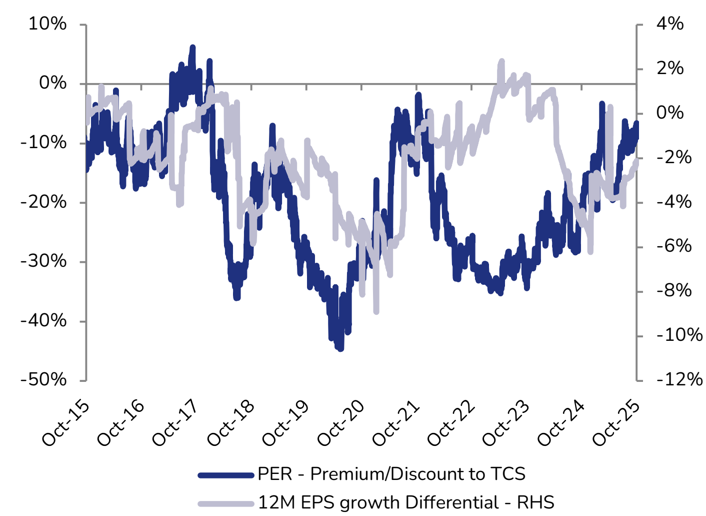
Source: Bloomberg, JM Financial

Exhibit 16. PER and earnings growth differential with Infosys



Source: Bloomberg, JM Financial

Exhibit 17. PER and earnings growth differential with TCS



Source: Bloomberg, JM Financial

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	**FY24A**	**FY25A**	**FY26E**	**FY27E**	**FY28E**
Net Sales	8,97,603	8,90,874	9,16,503	9,80,720	10,36,069
Sales Growth	*-0.8%*	*-0.7%*	*2.9%*	*7.0%*	*5.6%*
Other Operating Income	0	0	0	0	0
Total Revenue	**8,97,603**	**8,90,874**	**9,16,503**	**9,80,720**	**10,36,069**
Cost of Goods Sold/Op. Exp	6,31,496	6,17,802	6,49,684	6,92,371	7,05,389
Personnel Cost	0	0	0	0	0
Other Expenses	1,30,347	1,21,843	1,17,158	1,23,441	1,60,588
EBITDA	**1,69,831**	**1,80,808**	**1,77,479**	**1,95,197**	**2,01,174**
EBITDA Margin	*18.9%*	*20.3%*	*19.4%*	*19.9%*	*19.4%*
EBITDA Growth	*1.5%*	*6.5%*	*-1.8%*	*10.0%*	*3.1%*
Depn. & Amort.	34,071	29,579	27,818	30,290	31,082
EBIT	1,35,760	1,51,229	1,49,661	1,64,907	1,70,092
Other Income	11,344	23,432	25,810	17,739	9,444
Finance Cost	0	0	0	0	0
PBT before Excep. & Forex	1,47,104	1,74,661	1,75,472	1,82,646	1,79,536
Excep. & Forex Inc./Loss(-)	340	32	1,740	600	500
PBT	1,47,444	1,74,693	1,77,212	1,83,246	1,80,036
Taxes	36,089	42,777	39,659	43,063	41,408
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	-902	-572	-41	-40	-40
Reported Net Profit	1,10,453	1,31,344	1,37,511	1,40,143	1,38,588
Adjusted Net Profit	**1,10,453**	**1,31,344**	**1,37,511**	**1,40,143**	**1,38,588**
Net Margin	*12.3%*	*14.7%*	*15.0%*	*14.3%*	*13.4%*
Diluted Share Cap. (mn)	10,470.4	10,490.7	10,496.3	9,511.3	8,955.8
Diluted EPS (INR)	**10.5**	**12.5**	**13.1**	**14.7**	**15.5**
Diluted EPS Growth	*3.1%*	*18.7%*	*4.6%*	*12.5%*	*5.0%*
Total Dividend + Tax	12,602	75,758	1,38,965	68,686	1,29,348
Dividend Per Share (INR)	1.0	6.0	11.0	6.0	12.0

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	**FY24A**	**FY25A**	**FY26E**	**FY27E**	**FY28E**
Profit before Tax	1,11,121	1,32,180	1,37,552	1,40,183	1,38,628
Depn. & Amort.	34,071	29,579	27,818	30,290	31,082
Net Interest Exp. / Inc. (-)	-11,344	-23,432	0	0	0
Inc (-) / Dec in WCap.	18,051	10,274	-11,518	1,09,408	1,18,065
Others	39,444	47,254	45,210	48,614	46,959
Taxes Paid	-15,360	-26,175	-39,659	-43,063	-41,408
Operating Cash Flow	**1,75,983**	**1,69,680**	**1,59,403**	**2,85,432**	**2,93,326**
Capex	-10,510	-14,737	-31,221	-33,268	-30,356
Free Cash Flow	*1,65,473*	*1,54,943*	*1,28,182*	*2,52,165*	*2,62,970*
Inc (-) / Dec in Investments	0	0	0	0	0
Others	0	0	0	0	0
Investing Cash Flow	**-10,510**	**-14,737**	**-31,221**	**-33,268**	**-30,356**
Inc / Dec (-) in Capital	13	27	0	0	0
Dividend + Tax thereon	-5,218	-62,750	0	0	0
Inc / Dec (-) in Loans	-1,30,557	-1,77,672	0	0	0
Others	-11,750	-8,689	0	0	0
Financing Cash Flow	**-1,47,512**	**-2,49,084**	**0**	**0**	**0**
Inc / Dec (-) in Cash	**17,961**	**-94,141**	**1,28,182**	**2,52,165**	**2,62,970**
Opening Cash Balance	91,880	96,953	1,21,974	1,32,180	-51,842
Closing Cash Balance	1,09,841	2,812	2,50,156	3,84,344	2,11,128

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	**FY24A**	**FY25A**	**FY26E**	**FY27E**	**FY28E**
Shareholders' Fund	7,49,887	8,28,309	8,69,605	6,96,894	7,28,260
Share Capital	10,450	20,944	20,968	20,968	20,968
Reserves & Surplus	7,39,437	8,07,365	8,48,637	6,75,926	7,07,292
Preference Share Capital	0	0	0	0	0
Minority Interest	1,340	2,138	2,068	2,392	3,040
Total Loans	1,41,466	1,61,817	1,28,507	1,28,507	1,28,507
Def. Tax Liab. / Assets (-)	-1,817	-2,561	-3,692	-3,692	-3,692
Total - Equity & Liab.	**8,90,876**	**9,89,703**	**9,96,488**	**8,24,101**	**8,56,115**
Net Fixed Assets	4,30,358	4,33,148	4,48,612	4,51,590	4,50,864
Gross Fixed Assets	81,608	80,684	84,087	87,065	86,339
Intangible Assets	3,48,750	3,52,464	3,64,525	3,64,525	3,64,525
Less: Depn. & Amort.	0	0	0	0	0
Capital WIP	0	0	0	0	0
Investments	3,33,844	4,39,259	4,24,999	4,24,999	4,24,999
Current Assets	3,86,440	4,11,552	4,45,297	2,79,176	3,19,884
Inventories	907	694	756	809	855
Sundry Debtors	1,97,721	1,98,119	2,13,366	2,28,316	2,21,477
Cash & Bank Balances	96,953	1,21,974	1,32,180	-51,842	-6,839
Loans & Advances	0	0	0	0	0
Other Current Assets	90,859	90,765	98,994	1,01,892	1,04,390
Current Liab. & Prov.	2,59,766	2,94,256	3,22,420	3,31,664	3,39,632
Current Liabilities	1,75,040	1,94,118	1,98,240	2,04,627	2,10,132
Provisions & Others	1,63,892	1,98,001	2,52,688	2,55,545	2,58,007
Net Current Assets	1,26,674	1,17,296	1,22,877	-52,488	-19,748
Total – Assets	**8,90,876**	**9,89,703**	**9,96,488**	**8,24,101**	**8,56,115**

Source: Company, JM Financial

Dupont Analysis					
Y/E March	**FY24A**	**FY25A**	**FY26E**	**FY27E**	**FY28E**
Net Margin	12.3%	14.7%	15.0%	14.3%	13.4%
Asset Turnover (x)	0.9	0.9	0.8	1.0	1.1
Leverage Factor (x)	1.3	1.3	1.3	1.3	1.3
RoE	14.4%	16.6%	16.2%	17.9%	19.4%

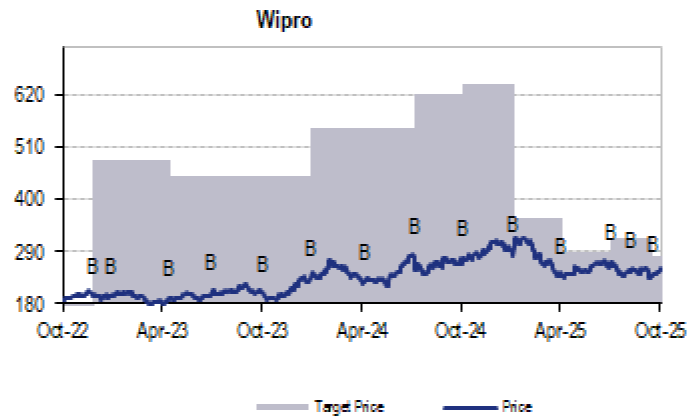
Key Ratios					
Y/E March	**FY24A**	**FY25A**	**FY26E**	**FY27E**	**FY28E**
BV/Share (INR)	71.6	79.0	82.8	73.3	81.3
ROIC	21.1%	25.6%	26.6%	28.1%	29.2%
ROE	14.4%	16.6%	16.2%	17.9%	19.4%
Net Debt/Equity (x)	-0.4	-0.4	-0.4	-0.3	-0.3
P/E (x)	24.1	20.3	19.4	17.2	16.4
P/B (x)	3.5	3.2	3.1	3.5	3.1
EV/EBITDA (x)	6.6	5.7	5.7	6.1	5.7
EV/Sales (x)	1.3	1.1	1.1	1.2	1.1
Debtor days	80	81	85	85	78
Inventory days	0	0	0	0	0
Creditor days	42	44	43	44	43

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
9-Dec-22	Buy	480	
13-Jan-23	Buy	480	0.0
28-Apr-23	Buy	450	-6.3
14-Jul-23	Buy	450	0.0
19-Oct-23	Buy	450	0.0
13-Jan-24	Buy	550	22.2
20-Apr-24	Buy	550	0.0
21-Jul-24	Buy	620	12.7
18-Oct-24	Buy	640	3.2
18-Jan-25	Buy	360	-43.8
17-Apr-25	Buy	290	-19.4
18-Jul-25	Buy	320	10.3
22-Aug-25	Buy	320	0.0
1-Oct-25	Buy	280	-12.5

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

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New Rating System: Definition of ratings	
Rating	**Meaning**
BUY	Expected return >= 15% over the next twelve months.
ADD	Expected return >= 5% and < 15% over the next twelve months.
REDUCE	Expected return >= -10% and < 5% over the next twelve months.
SELL	Expected return < -10% over the next twelve months.

Previous Rating System: Definition of ratings	
Rating	**Meaning**
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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