

Estimate change 

TP change

Rating change 

**CMP: INR4,727**

**TP: INR5,020 (+6%)**

**Neutral**

## Weak quarter; near-term outlook remains bleak

### Margin recovery to take time; reiterate Neutral

	LTIM IN
Bloomberg	
Equity Shares (m)	296
M.Cap.(INRb)/(USDb)	1399.9 / 16.8
52-Week Range (INR)	6443 / 4148
1, 6, 12 Rel. Per (%)	-7/-25/-13
12M Avg Val (INR M)	2506
Free float (%)	31.4

#### Financials & Valuations (INR b)

Y/E Mar	FY24E	FY25E	FY26E
Sales	355.2	378.3	429.0
EBIT Margin (%)	15.7	15.9	16.8
PAT	45.8	49.9	59.5
EPS (INR)	154.8	168.4	200.9
EPS Gr. (%)	2.0	8.8	19.3
BV/Sh. (INR)	676.0	773.5	890.0

#### Ratios

RoE (%)	24.4	23.2	24.1
RoCE (%)	21.2	19.7	20.7
Payout (%)	42.0	42.0	42.0

#### Valuations

P/E (x)	30.6	28.1	23.6
P/BV (x)	7.0	6.1	5.3
EV/EBITDA (x)	20.4	18.8	15.7
Div Yield (%)	1.4	1.5	1.8

#### Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	68.6	68.6	68.7
DII	13.6	12.9	11.7
FII	7.9	8.7	8.4
Others	10.0	9.8	11.2

FII Includes depository receipts

- LTIMindtree (LTIM)'s revenue declined 1.3% QoQ CC in 4QFY24 vs. our estimate of 1.4% QoQ CC growth. The growth was hit by two project cancellations in BFSI as clients reprioritized their spending. However, deal wins were strong at USD1.4b (1.4x Book-to-Bill), and the management commentary on the deal pipeline was robust. Management remained confident of a return to growth path in 1QFY25 aided by deal ramp-ups and referred to 4QFY24 as a one-off quarter.
- LTIM's 4QFY24 EBIT margin contracted 70bp QoQ to 14.7%, missing our estimate by 110bp. Profitability was hit by 80bp due to project cancellations in BFSI (expected to be reversed in 1QFY25). Attrition remained stable at 14.4%, while utilization declined to 86.9%. Management indicated that utilization should further go down by 50-100bp in FY25, so that it falls within the comfort band of 85-86%. The target margin band of 17-18% would only be achieved once growth returns.
- While the management indicated a return to growth path from 1QFY25, and its commentary is in line with its large-cap peers, LTIM still has to demonstrate growth benefits from the expansion of teams across its strong verticals. We expect the company to grow at 6.1% YoY in FY25 in USD terms, resulting in a 9.7% USD revenue CAGR over FY24-26E.
- Though 1QFY25 should see some margin uptick on account of reversal of one-time impact from project cancellations and operating leverage partly offset by higher visa costs, there is no meaningful upside to margin for FY25 unless growth picks up meaningfully. We now expect LTIM to deliver a 15.9% EBIT margin in FY25 before moving to 16.8% in FY26. This should result in a 13.9% PAT CAGR over FY24-26E, aided by a margin trough in FY24.
- We have reduced our FY25/26 earnings estimates by ~6/9% after cuts in revenue and profitability. LTIM is currently trading at 24x FY26E EPS, which adequately captures the growth opportunities ahead. Our TP of INR5,020 implies 25x FY26E EPS. We reiterate our **Neutral** rating on the stock.

### A broad-based miss!

- LTIM's revenue decline of 1.3% QoQ CC was a big miss to our estimate of 1.4% QoQ CC growth; reported USD revenue declined 1.3% QoQ/grew 1.1% YoY.
- Technology and Healthcare (+5.1% and +4.5% QoQ) led the growth, while Manufacturing took a major hit (down 9.6% QoQ). NA and Europe were largely flat, while ROW posted double-digit decline (down 10.8% QoQ)
- EBIT margin at 14.7% (-70bp QoQ) missed our estimate of 15.8%.
- Employee metrics: Headcount declined by 821, utilization (ex-trainees) was down 50bp to 86.9%
- Order inflow remained strong at USD1.4b (1.4x BTB; -3% QoQ, +3% YoY)
- PAT came in at INR11b, down 6% QoQ (below our estimates of INR11.9b).
- The Board recommended a final dividend of INR45 per share.

**Key highlights from the management commentary**

- **BFSI** – The segment was hit by two project cancellations on account of reprioritization of spending by clients. The focus remains on regulatory and compliance spending. The impact of project cancellations should not be there in 1QFY25. Though the stance remains cautious, given the strong deals wins during the year, management is confident of returning to growth path from 1QFY25.
- Management has indicated that it has a good pipeline of deals, and the majority of them are cost-optimization and efficiency-related deals (80%). In FY24, LTIM has won a good number of larger tenure deals, which will take a few quarters to ramp up. These deals should start ramping up in 1QFY25.
- Management believes that 4QFY24 was a one-off quarter, and it is confident of returning to growth path from 1QFY25.
- The target of achieving 17-18% EBIT margin in the near term is still intact, and should be achieved as growth bounces back.

**Valuation and view**

- The near-term slowdown in discretionary spending and its meaningful exposure to BFS would have an adverse impact on its growth performance. We expect a 7.9% CAGR in USD revenue over FY23-26.
- Margin recovery is expected to take time. Margins should improve meaningfully only once growth revives. We estimate a PAT CAGR of 9.8% over FY23-26.
- We value the stock at 25x FY26E EPS. The current valuation of 24x FY26E EPS limits any meaningful upside from the CMP. **We reiterate our Neutral rating with a TP of INR5,020.**

**Quarterly Performance**

Y/E March	FY23				FY24				FY24	FY25E	Est. 4QFY24	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue (USD m)	980	1,022	1,047	1,058	1,059	1,076	1,084	1,069	4,287	4,549	1,102	(2.9)
QoQ (%)	3.7	4.3	2.4	1.0	0.1	1.6	0.8	-1.3	4.4	6.1	1.7	(299)
Revenue (INR m)	76,442	82,278	86,200	86,910	87,021	89,054	90,166	88,929	3,55,170	3,78,305	91,448	(2.8)
YoY (%)	32.9	29.6	25.3	21.9	13.8	8.2	4.6	2.3	7.0	6.5	5.2	(290)
GPM (%)	31.1	30.8	28.6	29.9	31.6	31.4	29.9	29.8	30.7	30.7	30.4	(64)
SGA (%)	11.6	11.0	11.7	11.4	12.8	13.1	12.3	12.5	12.7	12.7	12.5	4
EBITDA	14,937	16,356	14,548	16,037	16,355	16,313	15,849	15,357	63,874	68,173	16,411	(6.4)
EBITDA Margin (%)	19.5	19.9	16.9	18.5	18.8	18.3	17.6	17.3	18.0	18.0	17.9	(68)
EBIT	13,273	14,397	12,767	14,214	14,508	14,231	13,859	13,087	55,685	60,229	14,491	(9.7)
EBIT Margin (%)	17.4	17.5	14.8	16.4	16.7	16.0	15.4	14.7	15.7	15.9	15.8	(113)
Other income	1,465	1,233	1,139	228	856	962	1,588	1,396	4,802	5,395	1,280	9
ETR (%)	24.9	23.9	22.3	22.9	25.0	23.5	24.3	24.0	24.2	24.0	24.5	
Adj PAT	11,066	11,890	10,807	11,141	11,523	11,623	11,693	11,007	45,846	49,876	11,907	(7.6)
QoQ (%)	-0.2	7.4	-9.1	3.1	3.4	0.9	0.6	-5.9			1.8	
YoY (%)	31.7	25.1	2.9	0.5	4.1	-2.2	8.2	-1.2	2.1	8.8	6.9	
EPS (INR)	36.1	40.1	35.4	37.6	38.9	39.2	39.4	37.1	154.8	168.4	40.2	(7.9)

**Key performance indicators**

Y/E March	FY23				FY24				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue (QoQ CC %)	5.0	5.5	1.9	0.7	0.1	1.7	0.7	-1.3		
<b>Margins (%)</b>										
Gross margin	31.1	30.8	28.6	29.9	31.6	31.4	29.9	29.8	30.7	30.7
EBIT margin	17.4	17.5	14.8	16.4	16.7	16.0	15.4	14.7	15.7	15.9
Net margin	14.5	14.5	12.5	12.8	13.2	13.1	13.0	12.4	12.9	13.2
<b>Operating metrics</b>										
Headcount	84,030	86,936	86,462	84,546	82,738	83,532	82,471	81,650	81,650	
Attrition (%)	24	24.1	22.3	20.2	17.8	15.2	14.2	14.4	14.4	
Offshore revenue (%)	83.5	83.5	82.9	81.7	84.8	86.6	87.4	86.9	86.4	
Utilization (incl. trainees)										
<b>Key verticals (QoQ %)</b>										
BFSI	5.7	4.6	5.8	2.7	-1.2	-1.1	-1.7	-2.7		
CMT	5.3	3.9	-4.5	-1.5	3.2	2.0	-3.0	4.7		
Manufacturing	-2.9	3.7	10.6	1.0	-1.0	5.1	14.3	-9.6		
Healthcare	6.9	7.5	-5.1	-2.2	5.0	3.2	0.8	4.8		
CPG, Retail, and Pharma	3.7	2.3	1.1	2.4	-1.8	2.9	-3.2	1.4		
<b>Key geographies (QoQ %)</b>										
North America	7.0	6.1	1.6	0.5	1.8	2.0	-0.2	0.2		
Europe	-6.7	-0.4	4.5	4.4	-1.2	2.3	-4.5	-0.6		
	5.0	5.5	1.9	0.7	0.1	1.7	0.7	-1.3		

**Key highlights from the management commentary****Demand and industry outlook**

- **BFSI** – The segment was hit by two project cancellations on account of reprioritization of spending by clients. The focus remains on regulatory and compliance spending. The impact of project cancellations should not be there in 1QFY25. Though the stance remains cautious, given the strong deals wins during the year, management is confident of returning to growth path from 1QFY25.
- **Technology** – FY24 was hit by a higher revenue mix of discretionary spending.
- **Manufacturing** – ERP implementation, supply chain automation, and Industry 4.0 drove the growth for this vertical in FY24.
- The outlook for discretionary spending remains similar to last quarter.
- Management has indicated that it has a good pipeline of deals, and the majority of them are cost-optimization and efficiency-related deals (80%). In FY24, LTIM has won a good number of larger tenure deals, which will take a few quarters to ramp up. These deals should start ramping up in 1QFY25.
- Management believes that 4QFY24 was a one-off quarter, and it is confident of returning to growth path from 1QFY25.
- A few of the Top 40 customers of LTIM were hit by weak macro and company-specific issues. LTIM saw some amount of insourcing from the Top 40 clients.
- LTIM's portfolio is now better aligned to take advantage of cost-focused spending, positioning it well to benefit from discretionary spending when growth resumes.
- LTIM is planning to implement learnings from focused accounts to all of its 394 million-dollar accounts.

**Margin performance**

- The margin was hit by project cancellations (80bp) and higher depreciation (50bp) partly offset by the partial reversal of furloughs, a higher number of working days, and the absence of pass-through (70bp).

- The comfort range for utilization is 85-86%. The utilization is expected to go down by 50-100bp in 1QFY25.
- The company is operating at an optimal level of SG&A spending and sees no reason to increase it further.
- Operating leverage would be a major driver for margins once growth comes back.
- The target of achieving 17-18% EBIT margin in the near term is still intact and should be achieved as the growth bounces back.
- Higher offshoring is driven by a higher number of large and longer-term deals that typically have higher offshore components.
- The company added more than 500 freshers in 4QFY24.

#### Exhibit 1: ROW saw double-digit decline sequentially due to the absence of pass-through revenue

Geographies	Contribution to revenue (%)	QoQ growth (%)	YoY growth (%)
North America	73.8	0.2	3.8
Europe	14.6	(0.6)	(4.1)
RoW	11.6	(10.6)	(7.6)

#### Exhibit 2: Technology and Healthcare drove sequential growth in 4QFY24

Verticals	Contribution to revenue (%)	QoQ growth (%)	YoY growth (%)
BFSI	35.1	(2.7)	(6.6)
Manufacturing & Resources	18.6	(9.6)	7.5
Consumer	15.1	1.4	(0.8)
Technology, Media & Communications	24.3	4.7	6.8
Healthcare, Life Sciences & Public Services	6.9	4.8	14.4

Source: MOFSL, Company

#### Exhibit 3: Growth led by Top 5 accounts

Clients	Contribution to revenue (%)	QoQ growth (%)	YoY growth (%)
Top five clients	28.3	1.6	12.7
Top 10 clients	35.5	-0.8	9.1
Top 20 clients	45.9	-1.3	5.5

Source: MOFSL, Company

#### Exhibit 4: Changes to our estimates

	Revised estimate			Earlier estimate			Change		
	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
USD:INR	82.8	83.2	83.2	82.8	83.0	83.0	0.0%	0.2%	0.2%
Revenue (USD m)	4,287	4,549	5,159	4,320	4,733	5,415	-0.7%	-3.9%	-4.7%
Growth (%)	4.4	6.1	13.4	5.2	9.6	14.4	-80bps	-350bps	-100bps
EBIT margin (%)	15.7	15.9	16.8	16.0	16.5	17.7	-30bps	-50bps	-90bps
PAT (INR b)	45,846	49,876	59,515	46,746	53,056	65,112	-1.9%	-6.0%	-8.6%
EPS (INR)	154.8	168.4	200.9	157.9	179.2	220.0	-1.9%	-6.0%	-8.7%

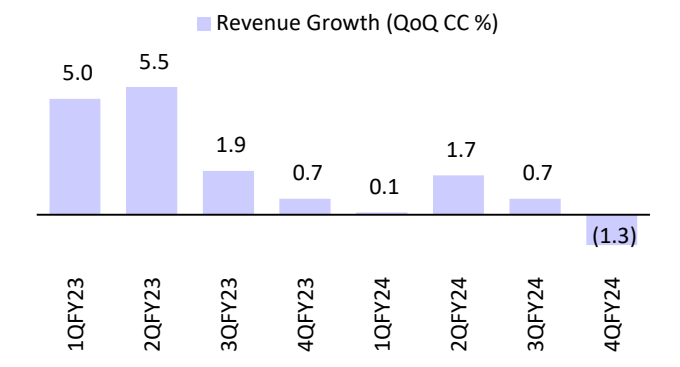
Source: MOFSL, Company

#### Valuation and view

- The near-term slowdown in discretionary spending and its meaningful exposure to BFSI would have an adverse impact on its growth performance. We expect a 7.9% CAGR in USD revenue over FY23-26.
- Margin recovery is expected to take time. Margins should improve meaningfully only once growth revives. We estimate a PAT CAGR of 9.8% over FY23-26.
- We value the stock at 25x FY26E EPS. The current valuation of 24x FY26E EPS limits any meaningful upside from the CMP. **We reiterate our Neutral rating with a TP of INR5,020.**

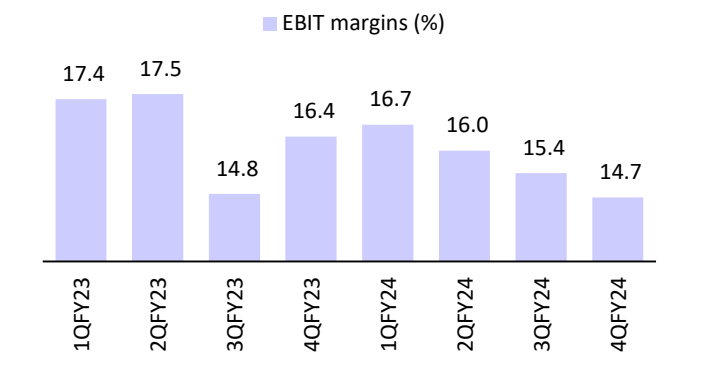
Story in charts

Exhibit 5: Revenue declined sequentially in 4QFY24



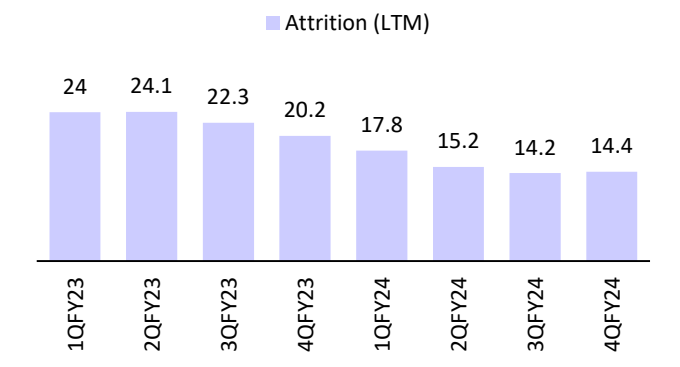
Source: Company, MOFSL

Exhibit 6: Margins continued to trend downwards in 4QFY24



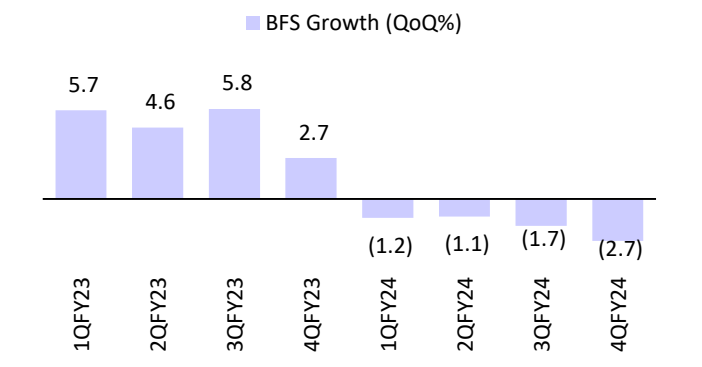
Source: Company, MOFSL

Exhibit 7: Attrition remained stable



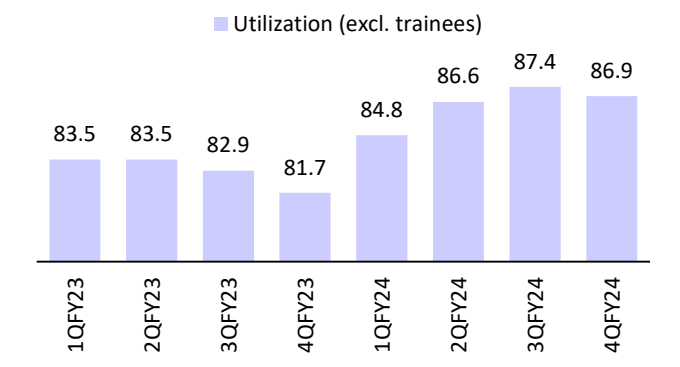
Source: Company, MOFSL

Exhibit 8: BFSI continued to be weak in 4QFY24



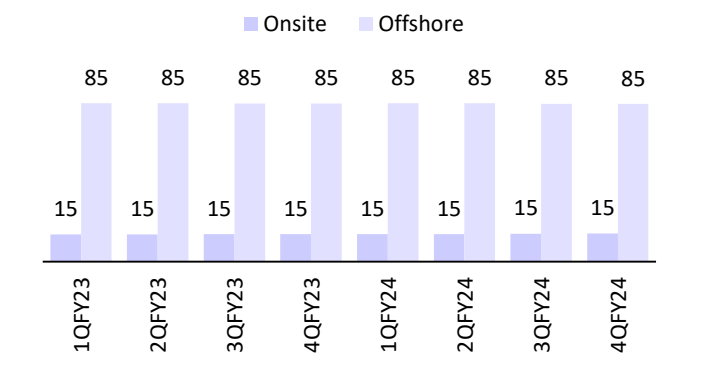
Source: Company, MOFSL

Exhibit 9: Utilization saw a slight moderation



Source: Company, MOFSL

Exhibit 10: Effort mix remained stable



Source: Company, MOFSL

## Operating metrics

### Exhibit 11: Operating metrics

	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
<b>Revenue by verticals (%)</b>									
BFSI	37.5	36.5	35.6	35.5	38.0	37.5	36.5	35.6	35.1
Manufacturing	17.4	16.3	16.2	17.5	17.5	17.3	17.9	20.3	18.6
CPG, retail & pharma	15.7	15.7	15.4	15.2	15.4	15.1	15.3	14.7	15.1
High tech, media & entertainment	25.0	25.4	25.3	23.6	23.0	23.7	23.8	22.9	24.3
Healthcare, Life, Public Science	6.4	6.6	6.8	6.3	6.1	6.4	6.5	6.5	6.9
<b>Revenue by geography (%)</b>									
North America	69.5	71.7	72.9	72.3	71.9	73.1	73.4	72.7	73.8
Europe	17.0	15.3	14.6	14.9	15.4	15.2	15.3	14.5	14.6
ROW	13.5	13.0	12.5	12.8	12.7	11.7	11.3	12.8	11.6
<b>Client metrics (% of revenues)</b>									
Top 5 client	25.5	26.8	26.7	26.3	25.4	26.7	26.8	27.5	28.3
Top 10 client	33.5	34.5	34.3	33.8	32.9	34.1	34.3	35.3	35.5
Top 20 client	44.8	45.5	45.1	45.3	44.0	44.9	45.2	45.9	45.9
Top 40 client	58.4	58.7	57.4	57.6	56.8	57.2	57.6	58.5	58.0
Non Top 20 clients	55.2	54.5	54.9	54.7	56.0	55.1	54.8	54.1	54.1
Number of active clients	673	708	719	723	728	723	737	739	738
New clients added in the period	29	43	22	28	31	19	30	23	30
<b>Million \$ clients</b>									
5 Million \$ clients	125	130	137	144	146	148	146	149	153
10 Million \$ clients	76	79	77	81	81	88	90	89	91
20 Million \$ clients	37	40	38	37	38	40	41	40	40
50 Million \$ clients	10	10	11	11	13	13	14	12	13
100 Million \$ clients	2	2	2	2	2	2	2	2	2
<b>Employee metrics</b>									
Development	75,869	79,998	82,681	82,197	80,283	77,555	78,276	77,203	76,460
Sales and support	3,725	4,032	4,355	4,265	4,263	5,183	5,256	5,268	5,190
<b>Total employees</b>	<b>79,594</b>	<b>84,030</b>	<b>86,936</b>	<b>86,462</b>	<b>84,546</b>	<b>82,738</b>	<b>83,532</b>	<b>82,471</b>	<b>81,650</b>
<b>Efforts mix</b>									
Onsite	15.0	14.7	14.7	14.9	14.9	14.8	14.8	15.0	15.1
Offshore	85.0	85.3	85.3	85.1	85.1	85.2	85.2	85.0	84.9
<b>Utilization measures</b>									
Excluding trainees	83.2	83.5	83.5	82.9	81.7	84.8	86.6	87.4	86.9
<b>Attrition LTM (%)</b>	<b>23.8</b>	<b>24.0</b>	<b>24.1</b>	<b>22.3</b>	<b>20.2</b>	<b>17.8</b>	<b>15.2</b>	<b>14.2</b>	<b>14.4</b>

Source: Company, MOFSL

## Financials and valuations

Income Statement (#)								(INR m)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	
<b>Sales</b>	<b>2,40,199</b>	<b>2,69,413</b>	<b>2,86,287</b>	<b>2,61,086</b>	<b>3,31,830</b>	<b>3,55,170</b>	<b>3,78,305</b>	<b>4,28,990</b>	
Change (%)	26.1	12.2	6.3	(8.8)	27.1	7.0	6.5	13.4	
Cost of Services	1,51,777	1,77,967	1,95,985	1,78,271	2,32,037	2,46,214	2,62,103	2,94,916	
SG&A Expenses	37,003	36,068	26,759	30,330	37,915	45,082	48,029	53,624	
<b>EBITDA</b>	<b>51,419</b>	<b>55,378</b>	<b>63,543</b>	<b>52,485</b>	<b>61,878</b>	<b>63,874</b>	<b>68,173</b>	<b>80,450</b>	
As a percentage of Net Sales	21.4	20.6	22.2	20.1	18.6	18.0	18.0	18.8	
Depreciation	4,852	8,239	8,520	5,971	7,227	8,189	7,944	8,580	
Other Income	4,639	1,796	3,410	6,426	4,065	4,802	5,395	6,435	
<b>PBT</b>	<b>51,206</b>	<b>48,934</b>	<b>58,434</b>	<b>52,940</b>	<b>58,716</b>	<b>60,487</b>	<b>65,624</b>	<b>78,305</b>	
Tax	9,770	8,780	14,262	13,439	13,812	14,641	15,748	18,791	
Rate (%)	19.1	17.9	24.4	25.4	23.5	24.2	24.0	24.0	
Minority Interest	0	0	0	0	11	25	0	0	
Extraordinary	0	0	-571	0	800	0	0	0	
<b>Adjusted PAT</b>	<b>41,435</b>	<b>40,154</b>	<b>44,172</b>	<b>39,501</b>	<b>44,904</b>	<b>45,846</b>	<b>49,876</b>	<b>59,515</b>	
Change (%)	15	-3	10	-11	14	2	9	19	
<b>Reported PAT</b>	<b>41,435</b>	<b>40,154</b>	<b>44,743</b>	<b>39,501</b>	<b>44,104</b>	<b>45,846</b>	<b>49,876</b>	<b>59,515</b>	

Balance Sheet (*)								(INR m)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	
Share Capital	174	174	175	296	296	296	296	296	
Reserves	48,764	53,866	72,859	1,42,576	1,65,625	1,99,876	2,28,811	2,63,338	
<b>Net Worth</b>	<b>48,938</b>	<b>54,040</b>	<b>73,034</b>	<b>1,42,872</b>	<b>1,65,921</b>	<b>2,00,172</b>	<b>2,29,107</b>	<b>2,63,634</b>	
Minority Interest	8	11	37	57	71	92	92	92	
Other liabilities	1,283	10,886	7,697	11,972	14,143	17,934	17,915	17,959	
<b>Capital Employed</b>	<b>50,229</b>	<b>64,937</b>	<b>80,768</b>	<b>1,54,901</b>	<b>1,80,135</b>	<b>2,18,198</b>	<b>2,47,115</b>	<b>2,81,685</b>	
<b>Net Block</b>	<b>3,084</b>	<b>12,104</b>	<b>10,481</b>	<b>13,772</b>	<b>17,823</b>	<b>21,224</b>	<b>21,280</b>	<b>20,700</b>	
Intangibles	6,330	7,684	9,241	14,861	15,452	15,078	15,078	15,078	
Other LT Assets	5,614	5,170	6,056	27,805	29,789	50,798	46,629	50,329	
<b>Curr. Assets</b>	<b>51,664</b>	<b>63,290</b>	<b>81,313</b>	<b>1,49,386</b>	<b>1,71,897</b>	<b>1,88,530</b>	<b>2,13,139</b>	<b>2,49,810</b>	
Current Investments	17,402	22,186	36,282	57,882	53,349	77,494	92,494	1,12,494	
Debtors	23,845	27,541	26,906	56,271	72,284	70,387	66,333	75,220	
Cash and Bank Balance	4,150	5,252	7,594	14,462	23,389	18,200	25,196	29,432	
Other Current Assets	6,267	8,311	10,531	20,771	22,875	22,449	29,116	32,664	
<b>Current Liab. and Prov.</b>	<b>16,463</b>	<b>23,311</b>	<b>26,323</b>	<b>50,923</b>	<b>54,826</b>	<b>57,432</b>	<b>49,011</b>	<b>54,232</b>	
Trade payables	4,669	7,269	8,277	13,250	12,938	14,939	9,458	10,725	
Other liabilities	9,686	13,454	14,504	31,381	33,754	34,007	31,068	35,021	
Provisions	2,108	2,588	3,542	6,292	8,134	8,486	8,486	8,486	
<b>Net Current Assets</b>	<b>35,201</b>	<b>39,979</b>	<b>54,990</b>	<b>98,463</b>	<b>1,17,071</b>	<b>1,31,098</b>	<b>1,64,128</b>	<b>1,95,578</b>	
<b>Application of Funds</b>	<b>50,229</b>	<b>64,937</b>	<b>80,768</b>	<b>1,54,901</b>	<b>1,80,135</b>	<b>2,18,198</b>	<b>2,47,115</b>	<b>2,81,685</b>	

E: MOFSL estimates

# Pro Forma P&L statement for the combined entity (LTIM)s from FY19 to FY21

\* Standalone (LTI) Balance Sheet from FY19 to FY21



## Financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>EPS</b>	<b>92.4</b>	<b>89.4</b>	<b>98.9</b>	<b>133.5</b>	<b>151.8</b>	<b>154.8</b>	<b>168.4</b>	<b>200.9</b>
Cash EPS	103.3	107.8	117.8	153.7	173.5	182.5	195.2	229.9
Book Value	109.2	120.3	161.5	483.0	560.9	676.0	773.5	890.0
DPS	31.1	22.7	37.6	63.9	60.0	65.0	70.7	84.4
Payout (%)	33.7	25.4	38.0	47.9	39.5	42.0	42.0	42.0
<b>Valuation (x)</b>								
P/E ratio	51.2	52.9	47.8	35.4	31.2	30.6	28.1	23.6
Cash P/E ratio	45.8	43.9	40.2	30.8	27.3	25.9	24.2	20.6
EV/EBITDA ratio	40.8	37.9	33.0	25.3	21.4	20.4	18.8	15.7
EV/Sales ratio	8.7	7.8	7.3	5.1	4.0	3.7	3.4	2.9
Price/Book Value ratio	43.3	39.3	29.3	9.8	8.4	7.0	6.1	5.3
Dividend Yield (%)	0.7	0.5	0.8	1.4	1.3	1.4	1.5	1.8
<b>Profitability Ratios (%)</b>								
RoE	94.6	78.0	70.4	36.6	26.1	24.4	23.2	24.1
RoCE	83.5	67.2	57.1	29.5	24.9	21.2	19.7	20.7
<b>Turnover Ratios</b>								
Debtors (Days)	36.23	37.31	34.30	79	80	72	64	64
Fixed Asset Turnover (x)	77.9	22.3	27.3	19.0	18.6	16.7	17.8	20.7

### Cash Flow Statement

Y/E March	FY22	FY23	FY24	FY25E	FY26E
CF from Operations	44,695	48,591	50,720	57,821	68,094
Cash for Working Capital	-12,188	-17,645	5,975	-6,884	-10,871
<b>Net Operating CF</b>	<b>32,507</b>	<b>30,946</b>	<b>56,695</b>	<b>50,937</b>	<b>57,223</b>
Net Purchase of FA	-10,529	-9,346	-8,330	-8,000	-8,000
<b>Free Cash Flow</b>	<b>21,978</b>	<b>21,600</b>	<b>48,365</b>	<b>42,937</b>	<b>49,223</b>
Net Purchase of Invest.	-5,924	6,037	-30,791	-15,000	-20,000
<b>Net Cash from Invest.</b>	<b>-16,453</b>	<b>-3,309</b>	<b>-39,121</b>	<b>-23,000</b>	<b>-28,000</b>
Proc. from equity issues	2	12	0	0	0
Proceeds from LTB/STB	-3,529	-3,702	-4,947	0	0
Dividend Payments	-13,277	-15,627	-17,753	-20,941	-24,988
<b>Cash Flow from Fin.</b>	<b>-16,804</b>	<b>-19,317</b>	<b>-22,700</b>	<b>-20,941</b>	<b>-24,988</b>
Exchange difference	21	607	-63	0	0
<b>Net Cash Flow</b>	<b>-729</b>	<b>8,927</b>	<b>-5,189</b>	<b>6,996</b>	<b>4,236</b>
<b>Opening Cash Bal.</b>	<b>15,191</b>	<b>14,462</b>	<b>23,389</b>	<b>18,200</b>	<b>25,196</b>
Add: Net Cash	-729	8,927	-5,189	6,996	4,236
<b>Closing Cash Bal.</b>	<b>14,462</b>	<b>23,389</b>	<b>18,200</b>	<b>25,196</b>	<b>29,432</b>

E: MOFSL estimates

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Explanation of Investment Rating	
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