

Margin beat; revenue miss due to weakness in software

Information Technology ▶ Result Update ▶ October 13, 2026

CMP (Rs): 1,223 | TP (Rs): 1,250

HCL Tech (HCLT)'s 2Q operating performance was a mixed bag. Revenue grew 2.3% qoq CC, ~80bps below our estimate mainly on weakness in software business. Services revenue grew 3% qoq in CC terms, adding ~\$100mn (~\$50mn from Advanced AI; rest from core business). EBITM rose by 130bps qoq to 18.2% vs Emkay estimate of 17.6%. Advanced AI revenue grew 28.4% qoq CC to \$219mn (5.8% of revenue), contributing ~32bps to the margin uplift, given its higher margin profile vs traditional business. HCLT is offsetting AI-driven deflation by gaining market share in core services and scaling Advanced AI offerings, thus capitalizing on rising AI spends. Deal wins were robust, with new bookings at \$3.3bn (up ~27% yoy). HCLT launched *HCLTech Pulse*, targeting fast-growing enterprises with annual revenue of \$500mn-\$5bn. For FY27, HCLT largely retains the midpoint of its organic revenue guidance, with overall CC revenue growth of 2.5-4.0% (implying 1.5-3.5% CQGR) and Services growth of 3.0-4.0% (0.1-1.4% CQGR), with 17.5-18.5% EBITM. Guidance includes inorganic contributions of 87bps to overall revenue and 62bps to Services. Mgmt confidence stems from strong bookings, a healthy pipeline, and sustained momentum in advanced AI revenue. We tweak our estimates by -0.4% to 2.6%, factoring in the 2Q performance; retain ADD/TP of Rs1,250 at 16x Sep-28E EPS.

Results summary

Revenue grew 2.0% qoq (up 2.3% CC) to \$3.72bn, below our estimate of 3.1% CC qoq. Services revenue grew 3.0% CC qoq, including inorganic contribution from HPE telco and Jaspersoft; inorganic growth contributed 97bps to overall revenue growth. Among segments, ITBS/ER&D grew 2.7%/4.1% CC qoq, while Software business declined 5.8%. EBITM rose by 130bps qoq to 18.2%, beating our expectation of 17.6% on benefits from AI-driven efficiencies under Project Ascend (+73bps), higher margin under Advanced AI mix (+32bps), operating leverage (+50bps), and forex (+23bps), offset by higher restructuring cost (-22bps) and integration of HPE telco (-25bps). Headcount grew 2.9% qoq to 230,339. HCLT announced Rs12/sh interim dividend. What we like: Strong deal intake, margin beat. What we do not like: weak cash conversion (~64% OCF/EBITDA).

Broad-based growth aids overall growth

Services revenue rose 2.7% qoq (USD terms), driven by growth in Telecommunications, Media, Publishing and Entertainment (10.1%), Retail and CPG (4.7%), Financial Services (4.1%), Tech and Services (2.0%), Life Sciences and Healthcare (1.2%), and Manufacturing (0.5%). This was partially offset by decline in Public Services (2.8%).

Executing on the five-pillar strategy

HCLT continues to execute on its five-pillar AI strategy: 1) AI-led service transformation is improving productivity and helping win larger deals. 2) AI Force has evolved into a differentiated IP platform with >900 agents. 3) AI services are scaling up fast, with Agentic AI crossing \$100mn a quarter. 4) HCLT is deepening strategic partnerships, including OpenAI advanced partner status and a global premier partnership with Anthropic. 5) HCLT is building AI talent at scale through a dedicated FDE academy.

HCL Tech: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	1,170,550	1,301,440	1,431,091	1,498,188	1,587,579
EBITDA	255,040	267,520	303,165	316,979	335,891
Adj. PAT	173,900	173,610	204,327	212,425	227,568
Adj. EPS (Rs)	64.1	64.0	75.3	78.3	83.9
EBITDA margin (%)	21.8	20.6	21.2	21.2	21.2
EBITDA growth (%)	5.4	4.9	13.3	4.6	6.0
Adj. EPS growth (%)	10.8	(0.2)	17.7	4.0	7.1
RoE (%)	25.2	24.0	26.5	26.6	27.7
RoIC (%)	33.2	33.3	35.8	35.9	38.8
P/E (x)	19.1	19.9	16.2	15.6	14.6
EV/EBITDA (x)	12.2	11.5	10.2	9.7	9.0
P/B (x)	4.8	4.4	4.2	4.1	4.0
FCFF yield (%)	6.8	6.0	5.0	7.5	8.0

Source: Company, Emkay Research

Target Price – 12M	Sep-27
Change in TP (%)	-
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	2.2

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)	3,319
Market-cap (USD mn)	34,650
Net-debt, FY27E (Rs mn)	(220,564.2)
ADTV-3M (mn shares)	4.0
ADTV-3M (Rs mn)	3,919.3
ADTV-3M (USD mn)	40.9
Free float (%)	39.0
Nifty-50	22,363.3
INR/USD	95.8

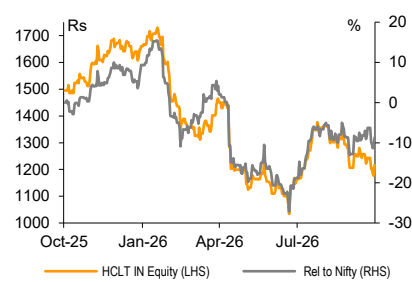
Shareholding, Jun-26

Promoters (%)	60.9
FPIs/MFs (%)	14.9/18.8

Price Performance

(%)	1M	3M	12M
Absolute	1.4	5.1	(18.2)
Rel. to Nifty	6.1	13.7	(7.5)

1-Year share price trend (Rs)



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Earnings call KTAs

- Demand was healthy toward the end of the quarter; however, the management remains cautious given the fluidity on the macro and geopolitical fronts.
- Revenue for HCLSoftware was down 5.8% qoq and 11.2% yoy in CC terms, at \$294mn, weighing on overall growth due to fewer multi-year license renewals. Revenue from multi-year subscription licenses fell to \$39mn in 2QFY27 from \$81mn in 2QFY26.
- Software ARR was \$1.13bn, up 7.8% yoy. Excluding Jaspersoft, ARR grew ~2.6% yoy, even though organic revenue fell ~15% yoy.
- Contribution by the top-client cohort remains under pressure because of ramp-downs at one manufacturing client and two telecom clients due to cuts in discretionary spending.
- The HPE telco was consolidated for 2M and contributed ~\$21mn, adding 62bps to Services' sequential growth. Jaspersoft was consolidated for the full quarter and contributed ~\$15mn. This resulted in total inorganic contribution of ~\$36mn, adding 97bps to overall sequential growth.
- Advanced AI services offer high margins, with IP and platform components achieving gross margin of >70% and service components being 7-10% higher than that of traditional services.
- HCLT is offsetting AI-driven deflation by gaining market share in core services and expanding its Advanced AI offerings, thus helping it capture a larger share of rising AI spending across the tech ecosystem.
- The data center business is likely to see meaningful progress by 2HFY28.
- Revenue per employee continues to rise, with revenue and headcount expected to decouple as IP- and platform-led delivery scales up.
- HCLT typically hires the most freshers in 2Q (vs other quarters), with 15% of the recruits in the 'Elite Engineers' category, as it continues to build its talent pipeline and train recruits for FDE roles.
- Subcon costs are expected to be largely flat. HCLT has been working toward building its local talent pipeline, owing to which developments around US H-1B or Green Card directives are expected to have a limited impact.
- FCF conversion (FCF/PAT of ~31%) was impacted by two one-offs in 2Q, ie BAPA (Bilateral Advance Pricing Agreement) tax payment and shift from in-house to external gratuity trust. Management expects conversion to return to >100% once these roll-off.
- Wage hikes will be implemented in 3Q and 4Q, like last year, with an expected margin impact of about 80bps during OND and of 65bps in the JFM quarter.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Exhibit 1: HCLT – Quarterly snapshot

Particular (Rs mn)	2QFY27	1QFY27	qoq (%)	2QFY26	yoy (%)
Net sales (\$ mn)	3,724	3,650	2.0	3,644	2.2
Net sales	356,200	345,790	3.0	319,420	11.5
Operating expenses	281,430	277,090	1.6	253,440	
EBITDA	74,770	68,700	8.8	65,980	13.3
- Margin (%)	21.0	19.9	110	20.7	30.0
Depreciation	10,120	10,390		10,430	
EBIT	64,650	58,310	10.9	55,550	16.4
- Margin (%)	18.1	16.9	130	17.4	80.0
Other income (net)	400	2,770		1,470	
Exceptional items	-	-		-	
Share of profit / (loss) of an associate	380	-		-	
PBT	65,430	61,080	7.1	57,020	
Tax provided	13,350	14,820		14,660	
PAT	52,080	46,260	12.6	42,360	22.9
Non-controlling interest	-	20		10	
Reported net profit	52,080	46,240	12.6	42,350	
Emkay net profit	52,080	46,240	12.6	42,350	23.0
Reported EPS (Rs)	19.0	17.1	10.9	15.6	21.3

Source: Company, Emkay Research

Exhibit 2: Actuals vs estimates

(Rs mn)	Actual	Estimate		Variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Revenue (\$ mn)	3,724	3,761	3,727	-1.0%	-0.1%	Revenue growth came in lower than our expectation, largely due to weakness in the software business.
Revenue (Rs mn)	356,200	359,561	357,826	-0.9%	-0.5%	
EBIT	64,650	63,275	62,620	2.2%	3.2%	Margin came in above our estimates.
EBIT margin	18.1%	17.6%	17.5%	60 bps	60 bps	
PAT	52,080	49,334	48,664	5.6%	7.0%	Profit beat our estimates due to margin beat 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)	15,186	15,049	-0.9	15,913	15,770	-0.9	16,684	16,537	-0.9
yoy growth	3.6%	2.6%		4.8%	4.8%		4.9%	4.9%	
Revenue	1,436,203	1,431,091	-0.4	1,511,691	1,498,188	-0.9	1,601,699	1,587,579	-0.9
EBIT	253,535	257,185	1.4	272,459	270,940	-0.6	289,770	288,990	-0.3
EBIT margin (%)	17.7	18.0		18.0	18.1		18.1	18.2	
Net profit	199,010	204,327	2.7	213,203	212,425	-0.4	227,702	227,568	-0.1
EPS (Rs)	73.4	75.3	2.6	78.6	78.3	-0.4	83.9	83.9	-0.1

Source: Company, Emkay Research

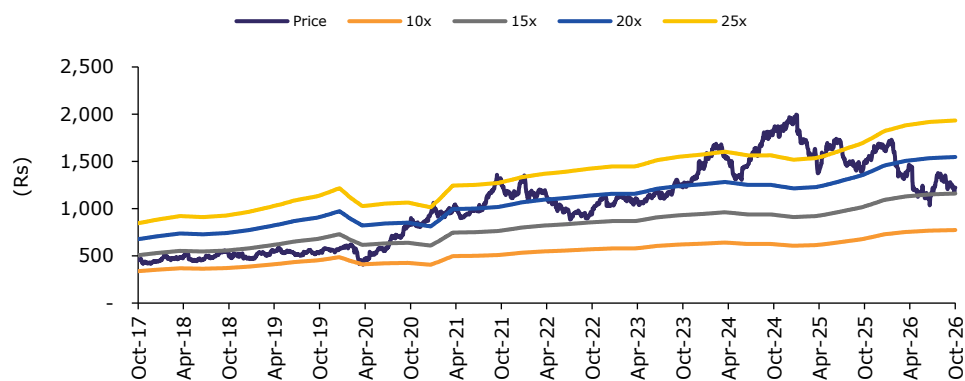
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Exhibit 4: HCLT – Key operating metrics

Metric	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	\$ mn	qoq	chg	yoy	chg
Revenue (\$ mn)	3,445.2	3,532.9	3,498.2	3,545.0	3,644.0	3,793.0	3,682.0	3,650.0	3,724.0			2.0%		2.2%
Services revenue (\$ mn)	3,114.0	3,144.0	3,163.0	3,227.0	3,323.0	3,379.0	3,385.0	3,350.0	3,441.0			2.7%		3.6%
Revenue mix by segment (%)														
IT and Business Services	74.6	73.0	73.3	74.0	74.2	72.3	75.0	75.3	75.6	2,815	2.4%		4.1%	
Engineering and R&D Services	15.8	16.0	17.1	17.0	17.0	16.8	17.0	16.5	16.8	626	3.9%		1.0%	
HCL Software	9.6	11.0	9.5	9.0	8.8	10.9	8.0	8.2	7.6	283	-5.4%		-11.7%	
CC growth yoy – segments (%)														
IT & Business Services	6.2	5.8	1.4	3.0	3.8	3.8	4.3	4.2	4.4					
Engineering and R&D Services	4.3	1.1	8.5	11.8	13.4	10.8	3.8	0.3	2.1					
HCL Software	9.4	(2.1)	4.9	(3.0)	(3.7)	3.1	(14.1)	(5.3)	(11.2)					
Revenue by geography - services (%)														
USA	56.2	59.5	57.4	56.5	56.2	56.3	56.3	56.0	56.1	1,930	2.9%		3.4%	
Europe	28.3	26.2	27.5	28.3	28.3	27.7	27.1	27.6	26.9	926	0.1%		-1.6%	
India	3.2	3.2	3.1	3.3	3.2	3.3	2.9	3.3	3.4	117	5.8%		10.0%	
Rest of the world	12.4	11.0	12.0	11.9	12.4	12.8	13.7	13.1	13.6	468	6.6%		13.6%	
Services revenue, by geography CC growth yoy (%)														
USA				0.5	2.4	1.5	4.9	2.9	3.5					
Europe				9.6	7.6	4.6	(2.9)	0.1	(0.3)					
India				1.3	0.6	15.8	5.3	16.9	21.8					
Rest of the world				15.0	17.9	22.1	16.6	10.8	11.4					
Revenue by industry - Services (%)														
Financial Services	20.5	20.3	21.1	21.6	21.7	21.1	21.4	22.1	22.4	771	4.1%		6.9%	
Manufacturing	19.5	19.1	18.6	18.6	18.3	18.8	18.6	18.7	18.3	630	0.5%		3.6%	
Technology & Services	13.1	13.3	13.4	14.0	14.0	14.2	14.8	14.4	14.3	492	2.0%		5.8%	
Life Sciences & Healthcare	16.0	15.5	14.7	14.5	14.7	14.4	14.2	14.0	13.8	475	1.2%		-2.8%	
Public Services	9.2	8.9	8.6	8.5	8.9	9.1	9.2	9.3	8.8	303	-2.8%		2.4%	
Retail & CPG	9.6	10.6	9.7	9.7	9.6	9.9	9.7	10.3	10.5	361	4.7%		13.3%	
Telecom, Media, Publishing & Entertainment	12.1	12.3	13.9	13.1	12.7	12.5	12.1	11.2	12.0	413	10.1%		-2.2%	
Services revenue growth by vertical CC growth yoy (%)														
Financial Services	(4.5)	(1.4)	0.7	6.8	11.4	8.1	4.3	5.3	7.1					
Manufacturing	7.1	-	(6.1)	(1.0)	(1.8)	1.8	3.3	3.7	3.9					
Technology & Services	5.6	7.6	10.8	13.7	13.9	14.4	17.8	7.3	5.9					
Retail & CPG	6.2	17.2	9.5	8.2	5.5	(2.0)	3.5	10.1	14.0					
Telecom, Media & Entertainment	61.2	33.1	24.3	13.0	11.7	7.1	(8.6)	(10.9)	(2.1)					
Life Sciences & Healthcare	(2.8)	(1.1)	(7.4)	(4.0)	(3.0)	(1.4)	1.6	0.4	(2.1)					
Public Services (incl E&U, T&T, Logistics, and Government)	(2.0)	(4.6)	(0.5)	(2.4)	2.2	8.0	10.7	12.0	1.2					
Deal wins														
Net new deal wins TCV (\$ bn)	2.2	2.1	3.0	1.8	2.6	3.0	1.9	2.4	3.3		38.1%		29.6%	
Client concentration														
No of >\$1mn clients	952	952	948	956	954	968	976	987	981		(6)		27	
No of >\$5mn clients	402	398	399	402	406	421	429	431	433		2		27	
No of >\$10mn clients	251	248	251	255	258	268	277	286	291		5		33	
No of >\$20mn clients	137	136	138	144	151	151	149	155	161		6		10	
No of >\$50mn clients	52	53	52	54	54	56	60	60	62		2		8	
No of >\$100mn clients	22	22	22	22	22	23	23	23	23		-		1	
Client contribution to revenue (LTM, %)														
Top 5 clients	12.1	12.6	12.7	12.6	12.4	12.2	11.9	11.6	11.4	425	0.3%		-6.0%	
Top 10 clients	20.1	20.3	20.2	20.2	19.9	19.7	19.1	18.7	18.4	685	0.4%		-5.5%	
Top 20 clients	30.8	30.9	30.4	29.9	29.5	29.1	28.5	28.0	27.4	1,020	-0.2%		-5.1%	
Employees (no of)														
Total employees	218,621	220,755	223,420	223,151	226,640	226,379	227,181	223,889	230,339		2.9%		1.6%	
Net addition	(780)	2,134	2,665	(269)	3,489	(261)	802	(3,292)	6,450					
Technical	204,600	206,517	209,182	208,970	212,412	212,075	212,779	223,889	230,339		2.9%		8.4%	
LTM Attrition, ex involuntary and DPO (%)	12.9	13.2	13.0	12.8	12.6	12.4	12.5	12.7	12.8					
DSO, ex unbilled revenue	57	57	59	59	56	61	61	59	58					
HCL Software														
Perpetual license upfront & others (\$ mn)	58.2	49.4	34.4	29.0	24.0	55.0	19.0	19.0	14.0		-26.3%		-41.7%	
Subscription & support (\$ mn)	267.2	329.4	295.0	282.0	290.0	351.0	268.0	274.0	261.0		-4.7%		-10.0%	
Professional services (\$ mn)	16.5	21.3	18.5	19.0	19.0	20.0	20.0	20.0	19.0		-5.0%		0.0%	
Total revenue (\$ mn)	341.9	400.1	347.9	330.0	333.0	426.0	307.0	313.0	294.0		-6.1%		-11.7%	
ARR (\$ mn)	1,048.9	1,021.9	1,032.8	1,057.0	1,062.0	1,065.0	1,045.0	1,063.0	1,134.0		6.7%		6.8%	
ARR yoy CC (%)	0.6	(0.6)	1.8	1.3	0.6	0.6	(0.5)	2.0	7.8					
Advanced AI														
Quarterly revenue (\$ mn)					100.0	146.0	155.0	171.0	219.0		28.1%			
% of total revenue					2.7	3.8	4.2	4.7	5.9					
qoq CC (%)						19.9	6.1	10.6	28.4					
Revenue per employee (per annum; \$ k)				63.4	63.9	64.6	65.1	65.5	65.4		-0.2%		2.3%	

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

Exhibit 5: HCLT – One-year forward PER

Source: Company, Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

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	1,431,091	1,498,188	1,587,579
Revenue growth (%)	6.5	11.2	10.0	4.7	6.0
EBITDA	255,040	267,520	303,165	316,979	335,891
EBITDA growth (%)	5.4	4.9	13.3	4.6	6.0
Depreciation & Amortization	40,840	43,550	45,979	46,040	46,901
EBIT	214,200	223,970	257,185	270,940	288,990
EBIT growth (%)	7.0	4.6	14.8	5.3	6.7
Other operating income	-	-	-	-	-
Other income	24,850	15,300	16,638	18,591	21,022
Financial expense	6,440	8,690	4,328	4,289	4,443
PBT	232,610	230,580	269,495	285,242	305,568
Extraordinary items	0	(7,190)	0	0	0
Taxes	58,620	56,870	64,728	72,737	77,920
Minority interest	(90)	(100)	(60)	(80)	(80)
Income from JV/Associates	0	0	(380)	0	0
Reported PAT	173,900	166,420	204,327	212,425	227,568
PAT growth (%)	10.8	(4.3)	22.8	4.0	7.1
Adjusted PAT	173,900	173,610	204,327	212,425	227,568
Diluted EPS (Rs)	64.1	64.0	75.3	78.3	83.9
Diluted EPS growth (%)	10.8	(0.2)	17.7	4.0	7.1
DPS (Rs)	60.0	60.0	62.0	70.0	76.0
Dividend payout (%)	93.6	97.8	82.3	89.4	90.6
EBITDA margin (%)	21.8	20.6	21.2	21.2	21.2
EBIT margin (%)	18.3	17.2	18.0	18.1	18.2
Effective tax rate (%)	25.2	24.7	24.0	25.5	25.5
NOPLAT (pre-IndAS)	160,220	168,730	195,414	201,850	215,297
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	782,300	804,768	826,098
Net worth	696,550	751,650	787,730	810,198	831,528
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	73,074	76,383	80,792
Total liabilities & equity	807,270	864,630	896,714	925,517	954,194
Net tangible fixed assets	45,600	47,990	44,882	42,733	40,067
Net intangible assets	286,550	290,480	302,471	284,733	268,690
Net ROU assets	30,160	35,920	36,158	34,355	30,513
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	293,639	333,837	371,350
Current assets (ex-cash)	393,960	471,580	505,783	529,497	561,090
Current Liab. & Prov.	237,530	286,490	286,218	299,638	317,516
NWC (ex-cash)	156,430	185,090	219,565	229,859	243,574
Total assets	807,270	864,630	896,714	925,517	954,194
Net debt	(207,200)	(231,590)	(220,564)	(257,454)	(290,559)
Capital employed	807,270	864,630	896,714	925,517	954,194
Invested capital	488,580	523,560	566,918	557,325	552,331
BVPS (Rs)	256.7	277.0	290.3	298.6	306.4
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)	(0.9)
Interest coverage (x)	37.1	27.5	63.3	67.5	69.8
RoCE (%)	31.2	29.8	32.5	33.1	34.5

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	232,610	221,020	269,495	285,242	305,568
Others (non-cash items)	22,330	34,710	45,539	45,960	46,821
Taxes paid	(42,430)	(40,760)	(64,728)	(72,737)	(77,920)
Change in NWC	10,100	(15,220)	(39,381)	(3,960)	(6,368)
Operating cash flow	222,610	199,750	210,926	254,505	268,102
Capital expenditure	(10,830)	(13,990)	(55,100)	(24,350)	(24,350)
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)	(69,750)	(24,350)	(24,350)
Equity raised/(repaid)	(6,760)	(7,110)	0	0	0
Debt raised/(repaid)	(810)	(23,080)	910	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)	(189,957)	(206,239)
Others	(500)	(10)	0	0	0
Financing cash flow	(185,610)	(193,690)	(167,337)	(189,957)	(206,239)
Net chg in Cash	(12,140)	(8,670)	(26,161)	40,198	37,513
OCF	222,610	199,750	210,926	254,505	268,102
Adj. OCF (w/o NWC chg.)	212,510	214,970	250,306	258,465	274,470
FCFF	211,780	185,760	155,826	230,155	243,752
FCFE	218,560	191,370	151,497	225,866	239,308
OCF/EBITDA (%)	87.3	74.7	69.6	80.3	79.8
FCFE/PAT (%)	125.7	115.0	74.1	106.3	105.2
FCFF/NOPLAT (%)	132.2	110.1	79.7	114.0	113.2

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	19.1	19.9	16.2	15.6	14.6
EV/CE(x)	4.0	3.7	3.6	3.5	3.3
P/B (x)	4.8	4.4	4.2	4.1	4.0
EV/Sales (x)	2.7	2.4	2.2	2.0	1.9
EV/EBITDA (x)	12.2	11.5	10.2	9.7	9.0
EV/EBIT(x)	14.5	13.8	12.0	11.3	10.5
EV/IC (x)	6.4	5.9	5.5	5.5	5.5
FCFF yield (%)	6.8	6.0	5.0	7.5	8.0
FCFE yield (%)	6.6	5.8	4.6	6.8	7.2
Dividend yield (%)	4.9	4.9	5.1	5.7	6.2
DuPont-RoE split					
Net profit margin (%)	14.9	13.3	14.3	14.2	14.3
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	26.5	26.6	27.7
DuPont-RoIC					
NOPLAT margin (%)	13.7	13.0	13.7	13.5	13.6
IC turnover (x)	2.4	2.6	2.6	2.7	2.9
RoIC (%)	33.2	33.3	35.8	35.9	38.8
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	4.2	4.4	5.0
Opex-to-revenue (%)	78.2	79.4	78.8	78.8	78.8

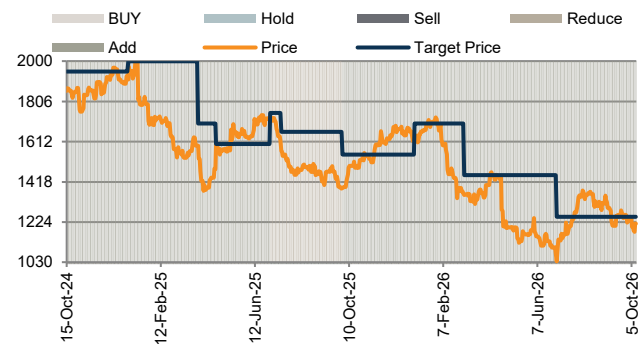
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
01-Oct-26	1,243	1,250	Add	Dipeshkumar Mehta
14-Jul-26	1,167	1,250	Add	Dipeshkumar Mehta
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

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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

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