

**SELL****TP: Rs 5,457 | ▼ 15%****LTIMINDTREE**

| IT Services

| 20 January 2026

## Likely exit with close to double digit growth in FY26

- 3QFY26 in line. Third consecutive quarter of 2%+ QoQ growth. It is likely to extend into 4Q leading to ~10% YoY exit rate
- Sustaining DD growth will require step up in TCV. Top 5 drag productivity driven. Risk is that it spreads to other key 20/40 clients
- Likely to deliver growth above the Tier-1 set but materially below the Tier-2 leaders. Maintain estimates, Target PE and SELL rating

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**Top 5 drag may ease but we believe productivity pass back is a tread mill:** AI driven productivity pass back among its top 5 clients has been a drag on growth in the last few quarters. LITM indicated that in four of the top five clients this is largely over and for the remaining account it is expected to bottom out in 4Q. But productivity pass back is a never-ending exercise with the competitive intensity in the market. Beyond the top 5 this will be feature of the wider set of top 20/40 clients.

### Delivering sustained double digit growth rate will require a step up in TCV:

One of the reasons for the muted growth rate in FY24 and FY25 was the muted TCV accretion. A step up from the US\$1.4bn average to US\$1.6-1.7bn level has driven the modest revenue acceleration in FY26. But sharper pick up is required to take growth rate to double digit rate.

**Margin upsides may be difficult to come by going forward:** The margin upsides QoQ seen in the last few quarters have been a function of its 'Fit for future program', SGA leverage and Currency gain (which was not quantified for 3Q but was a largish 80bps in 2Q QoQ). On the latter two we believe there may not be much more room going forward. That along with salary hikes (spread over 4QFY26 and 1QFY27), the competitive intensity in the market we believe will mean EBIT margins may not see a material upside from FY26 levels.

**Broadly maintain estimates and Target PE multiple and retain Sell rating:** Post 3QFY26 we retain our estimates. When we look at our coverage universe of Tier-2 companies we believe growth leaders like Coforge, Persistent Systems, Firstsource and Eclerx are in the mid-teen plus USD revenue growth category over FY25-FY28. The Tier-1s are likely to grow in the mid-single digit territory. We believe LTIM's growth will likely be in between, closer to the Tier-1 set. We believe we have been fair by giving it a 5% premium to the Target PE multiple of TCS to arrive at a Target PE of 22.8x. Believe current 12m forward multiple at 29x is excessive for a high single digit growth company. We therefore retain our 'Sell'.

## Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	LTIM IN/Rs 6,407
Market cap	US\$ 20.6bn
Free float	31%
3M ADV	US\$ 17.7mn
52wk high/low	Rs 6,430/Rs 3,802
Promoter/FPI/DII	69%/7%/16%

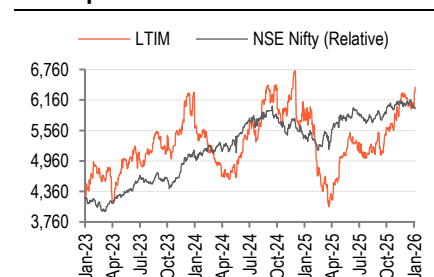
Source: NSE | Price as of 19 Jan 2026

## Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	380,081	421,597	463,897
EBITDA (Rs mn)	64,949	76,791	83,688
Adj. net profit (Rs mn)	48,809	53,628	64,132
Adj. EPS (Rs)	153.4	175.3	218.6
Consensus EPS (Rs)	153.4	183.3	207.5
Adj. ROAE (%)	22.9	23.2	25.2
Adj. P/E (x)	41.8	36.6	29.3
EV/EBITDA (x)	29.2	24.8	23.0
Adj. EPS growth (%)	(0.8)	14.3	24.7

Source: Company, Bloomberg, BOBCAPS Research

## Stock performance



Source: NSE



## Key Points from the quarter and the earnings call

- Revenue stood at US\$1,208mn, growing 2.4% QoQ (in line with our estimate of 2.5%) and 5.2% YoY in CC terms.
- It stated that the third consecutive quarter of 2%+ growth was due to disciplined execution, deep tech-domain expertise, and differentiated AI-led offerings.
- In a seasonally weak quarter impacted by furloughs and holidays, consumer business grew 1.2% QoQ in USD terms, BFSI declined 0.7% QoQ, manufacturing and resources grew 9.4% QoQ, technology media and communication was flat, and healthcare, life sciences, and public services grew 9.9% QoQ
- Geographically, Americas grew 0.4% QoQ in USD terms, Europe grew 3.4% QoQ, and rest of the world grew 14.1% QoQ.
- EBIT Margin (excluding change in labour code impact) stood at 16.1% (against our estimate of 16.4%), expanding ~26bps QoQ and 236 bps YoY
  - Expansion driven by margin improvement program under the 'Fit for Future' initiative and a positive forex tailwind, partially offset by lower workdays and furloughs
  - Cost discipline and margin improvement initiatives under 'Fit for Future are ongoing', but the program will be transitioned to a more balanced, transformative initiative called 'New Horizons'. This will focus equally on growth and cost discipline, continuing to drive operational efficiencies and margin expansion in the coming year
- One-time impact of change in the labor code amounting to ~US\$66 mn
  - The labor code impact (one-time impact) appears higher than some large-cap peers because of differences in the starting point for wage definitions, gratuity, and leave encashment calculations across companies
- Total employees stood at 87,958 (up QoQ by ~1500); TTM attrition was 13.8%; Utilization (ex-trainees) stood at 86.9%
- Order inflow stood at \$1.69 bn, growing 6.3% QoQ and 0.6% YoY
- LTIMindtree has been selected as a strategic partner by a leading U.S. insurance and financial services company for a multi-year engagement covering application management, infrastructure operations, and end-user services, driven by an AI-led delivery model. This is a US\$155mn TCV for a 5-year term.
- LTIM has been awarded the Insight 2.0 project by the Central Board of Direct Taxes (CBDT) to build an AI-powered programme for the modernisation of India's national tax analytics platform. It had worked on the earlier program too. The mandate is valued at around Rs30bn (~US\$330mn) and spans seven years. The project will focus on deploying advanced digital architecture and data analytics. We think order would be accounted for in 4QFY26 TCV.
- This is LTIMindtree's second engagement with the central tax body in less than a year. On 7 August 2025, the CBDT awarded a ~US\$87 million mandate to

transform India's PAN (Permanent Account Number) infrastructure. As per the terms of the deal, LTIMindtree would design, build and operate the tax body's back-end IT, including infrastructure, security, automation and ongoing operations.

- On 6 October 2025, the company announced its largest deal – a US\$585 million IT modernization contract with New York-based media company Paramount Global over a six-year term. At least three-fifths of this deal - ~US\$350mn, is net new.
- The Paramount deal surpassed LTIMindtree's seven-year, US\$450mn IT modernization contract with ADM, announced on 12 May 2025. But this was before Venu Lambu was made the CEO in June 2025.
- As the company moves into FY27 and beyond, a new enterprise-wide program called 'New Horizons' is being launched to drive medium to long-term transformation across growth and cost agendas
- Management reiterated that the plan to move toward near double-digit YoY growth remains unchanged and indicated confidence of being within reaching distance of this level in 4QFY26
- The demand outlook across verticals is generally positive:
  - BFSI: The top client's productivity journey is expected to bottom out in 4Q, after which growth should accelerate. Other accounts are already growing faster than the market. The company is the prime supplier for seven major global banks, highlighting strong opportunity
  - Consumer: Near-term momentum is expected to continue. More precise visibility on growth will be available in 4Q as ongoing customer engagements materialize
  - Hi-Tech: After a period of quarter-to-quarter decline, the segment is now at flat growth and is expected to improve. Spending patterns are largely unchanged, with meaningful opportunities ahead
- Wage hikes for FY26 will commence in 4Q, covering ~50% of employees, and will be implemented gradually over a couple of quarters
  - Wage hikes planned for 4QFY26 and 1QFY27 could impact margins by up to 1% in each quarter. Operational efficiencies under the New Horizons program are expected to partially offset the wage hike impact. Next quarter may see additional margin pressures from fewer working days and ongoing client productivity journeys. Management remains confident of closing the year with EBIT margins higher than the previous year
- Revenue decline in the top five client bucket is driven by large clients undergoing productivity and AI-led optimization journeys across existing business. Top five clients represent large, material accounts, and short-term revenue pressure is expected until all clients complete their productivity transition
- Segment-level margin variations reflect different stages of client productivity journeys, with overall focus on balancing the portfolio and improving company level margins

- Margin improvement in the BFS vertical driven by Fit for Future initiatives, including pyramid improvement, rate realizations, infusion of freshers, and foreign exchange benefits
- High-tech vertical margins had declined earlier as some clients embarked on productivity journeys sooner than others. Revenue growth in high-tech vertical has stabilized in the current quarter, with ongoing margin improvement efforts similar to BFS, including pyramid optimization, rate realization, and overhead reduction
- Fit for Future program has delivered ~230 bps improvement over the last nine months
- Over the past few quarters, deal wins have increasingly involved capturing wallet share from competitors, with renewals now being strategic rather than purely transactional. Recently announced deals reflect clients using renewals as an inflection point to reimagine their partner or vendor ecosystem, rather than just incremental scope extensions. Public sector deals are an exception
- Average contract tenure remains at three to five years, with no significant change observed
- Orders closed in 1Q and 2QFY26 have varying transition durations, with some large deals extending into 4Q before reaching steady state. Current quarter growth includes partial ramp-up from these deals, but full-scale ramp-up has not yet been realized
- Management indicated SG&A is expected to be maintained in the range of ~11–11.5% of revenue going forward. Decline in SG&A as a % of revenue is driven by Fit for Future led efficiencies and some one-off reversals
- The success in winning multiple deals (US\$300–\$500mn in TCV) is driven less by the offerings themselves, which are largely standard across the industry, and more by execution. Key differentiators include innovative delivery models, strong client-facing teams, innovative commercial models, and a dedicated large-deal team focused solely on these opportunities
- The pipeline for large deals is steady, allowing consistent closures each quarter
- Regarding client concentration, the share of revenue from the top two accounts is gradually declining (from ~20–23% last year to ~18–19% now) as growth spreads across other accounts. The company continues to pursue expansion in all accounts while leveraging opportunities in regions like Europe and the Middle East, aiming for a more balanced portfolio over time

## We have an Underweight stance on Indian IT Services

We reinitiated coverage on the Indian IT Services with an Underweight stance through a report on 1 January 2025 (**Slow is the (new/old) normal**) and reiterated our view with an update on 12<sup>th</sup> March 2025 (**FY26 unlikely to be better than FY25**). Another report (**Uncertainty stays and 'eating the tariff' may impact even FY27**) and (**A fourth slow year?**) talks about our continued cautious stance on the sector.

While both earnings and PE multiples have corrected since 1 Jan 2025, the industry's structural organic revenue growth from here on will be lower vs ~7% CAGR seen during FY15-FY20; possibly ~5% CAGR over FY25-FY30 in constant currency (CC) terms.

### Multiple speed breakers drive our Underweight stance

**Trump policies raise uncertainty:** Tariffs, a wider fiscal deficit from the 'one big, beautiful bill' (OBBA), and tighter immigration rules (including the new hurdles in H1-B visas), etc., may lead to delay in decision making in the near term.

While tariffs drove uncertainty in 2025, Trump's multiple proposals to address affordability crisis in the US ahead of the mid-terms in Nov'26 will be the key monitorable in 2026 (eg: freezing credit card interest rate at 10%, controlling prices of products and services, cash payments to citizens, buying of US\$200bn MBSs, etc.). There will be winners/ losers due to this in USA Inc and that could reflect in the IT spending outcomes.

**Higher for longer interest rate environment:** Lately, based on inflation prints and fears of a higher fiscal deficit, US 10Y yields have remained firm. There are fears of sustained high interest rates potentially reducing IT outsourcing demand; particularly in BFSI and Telecom, and dampen US demand in areas like housing, autos and retail.

The Covid-induced pull forward of demand requires a multi-year unwind. We think there were excesses during the compressed transformation phase that are yet to be fully unwound.

**Gen AI and GCCs are going to disrupt growth:** We believe that AI/Gen AI will lead to compression of revenue for the industry in the next 24-36 months, as companies self-cannibalize to hold on to their existing clients. Rapid growth of the GCCs is a threat to outsourcing. While there seems to be collaboration between outsourcers and their clients in setting up these GCCs, there will be growth discontinuity when the business is insourced at some point.

### Massive hyper scaler AI capex should accentuate re-alignment in IT spend:

Software players, including hyper scalers, are increasing capex on AI-related data centres. This will drive higher pricing, forcing enterprises to allocate more IT spend to Cloud/SaaS and move it away from the ones with lower bargaining power – global IT Services players.

**Higher competition:** Indian Tier-1 companies now face higher competition from Accenture, Tier-2 players and Cognizant, likely slowing their growth vs FY15-FY20. This

is besides the fact that by FY25, Tier-1 revenue has reached US\$ 85bn, double that in FY15. Due to the higher base now, growth may not be as rapid.

**How we are valuing companies:** We are using PE methodology, as also TCS, as our industry benchmark. Target PE for TCS is 21.7x, which is the average PE multiple of TCS over the last 10 years less 0.5SD. This has been raised from 19x (average PE multiple of TCS over the last 10 years less 1SD). We have been giving subjective premium/discount to the benchmark target PE to arrive at target PE multiples for the rest of our coverage.

**Reason for raising Target PE multiple:** With Nifty IT underperforming by ~23ppt vs the Nifty in 2025, we believe much of the downside is factored in. With a modest uptick in growth rates in FY27, we believe the stocks will trade a bit higher.

Our target PE multiples are lower than those used by consensus/competitors. Through our choice of the benchmark target PE multiple, we seek to capture the probability of downside risks to consensus EPS expectations for FY27.

### **Tier- 2 valuation reflects growth gap with Tier-1**

Tier-2 set has been taking away market share from the Tier-1 set, due to better execution as well as their smaller size. And, unlike previous cycles, they have performed better than the Tier-1 set, largely on better management teams.

However, current PE premium to Tier-1s is excessive for certain stocks, because to deliver on the high consensus revenue growth expectations, they may be taking on more cost take-out projects that are likely to impact margins adversely.

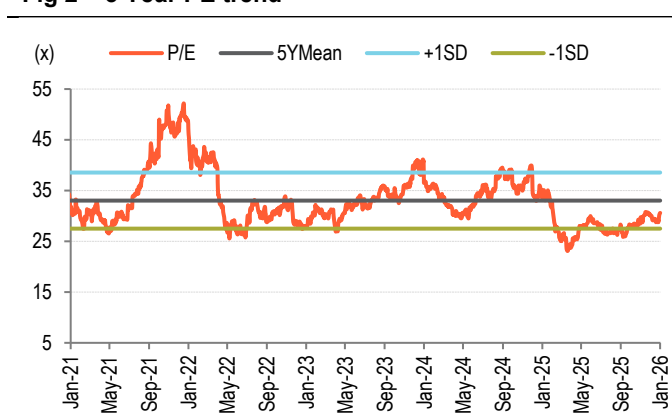
Also, some of the Tier-2s have been underperforming on the growth front, being discretionary project-oriented businesses struggling to pivot to a cost-take-out-driven demand environment.

**Fig 1 – Quarterly results: Comparison of actuals with estimates**

Y/E Mar (Rs mn)	3QFY25	2QFY26	3QFY26	YoY (%)	QoQ (%)	3QFY26E	Dev (%)
Net Sales (USD mn)	1,139	1,180	1,208	6.1	2.4	1,204	0.3
Net Sales	96,609	103,943	107,810	11.6	3.7	107,291	0.5
Software Expenses (Direct Costs)	68,785	72,439	76,098	10.6	5.1	74,250	2.5
% of Sales	71.2	69.7	70.6			69.2	
Gross Margin	27,824	31,504	31,712	14.0	0.7	33,041	(4.0)
% of Sales	28.8	30.3	29.4			30.8	
Operating Expenses (Selling, General & Administration Expenses)	11,891	12,203	11,685	(1.7)	(4.2)	12,571.8	(7.1)
% of Sales	12.3	11.7	10.8			11.7	
EBIT	13,289	16,481	17,371	30.7	5.4	17,630	(1.5)
EBIT Margin (%)	13.8	15.9	16.1			16.4	
Other Income	1,436	2,311	1,579	10.0	(31.7)	2,714	(41.8)
PBT	14,725	18,792	18,950	28.7	0.8	20,344	(6.9)
Provision for Tax	3,858	4,980	4,937	28.0	(0.9)	5,493	(10.1)
Effective Tax Rate	26.2	26.5	26.1			27.0	
Minority share in Profit / Loss	0	0	0			0	
Adjusted PAT	10,867	13,812	14,013	29.0	1.5	14,851	(5.6)
Margin (%)	11.2	13.3	13.0			13.8	
Changes in labour code impact adjusted for taxes	-	-	4,417			-	
PAT (Reported)	10,867	13,812	9,596	(11.7)	(30.5)	14,851	(35.4)

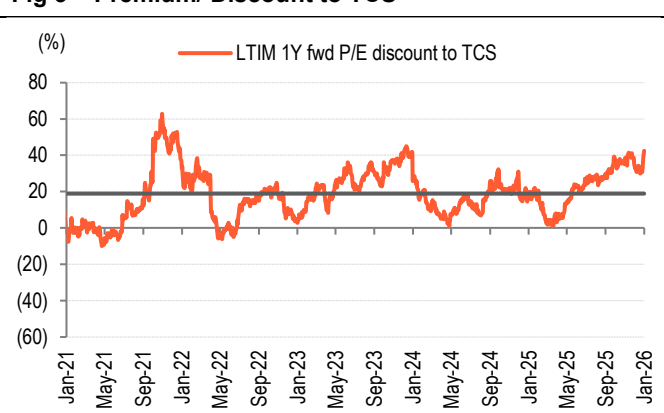
Source: Company, BOBCAPS Research

**Fig 2 – 5 Year PE trend**



Source: Bloomberg, BOBCAPS Research

**Fig 3 – Premium/ Discount to TCS**



Source: Bloomberg, BOBCAPS Research

**Fig 4 – Revised Estimates**

	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
INR/USD	88.2	90.0	91.1	87.9	89.4	91.1	0.3	0.7	0.0
USD Revenue (USD mn)	4,780	5,154	5,565	4,777	5,148	5,545	0.0	0.1	0.4
USD Revenue Growth (%)	6.4	7.8	8.0	6.3	7.8	7.7			
Revenue (Rsmn)	421,597	463,897	506,787	419,986	460,173	504,972	0.4	0.8	0.4
EBIT (Rsmn)	66,047	72,334	81,489	65,483	71,867	81,322	0.9	0.6	0.2
EBIT Margin (%)	15.7	15.6	16.1	15.6	15.6	16.1			
PAT (Rsmn)	53,628	64,132	72,310	57,771	63,012	71,131	(7.2)	1.8	1.7
EPS (Rs)	175.3	218.6	246.5	192.1	215.5	243.2	(8.7)	1.5	1.3
Adjusted PAT	58,045	64,132	72,310	57,771	63,012	71,131	0.5	1.8	1.7
Adjusted EPS (Rs)	190.3	218.6	246.5	192.1	215.5	243.2	(0.9)	1.5	1.3

Source: Company, BOBCAPS Research

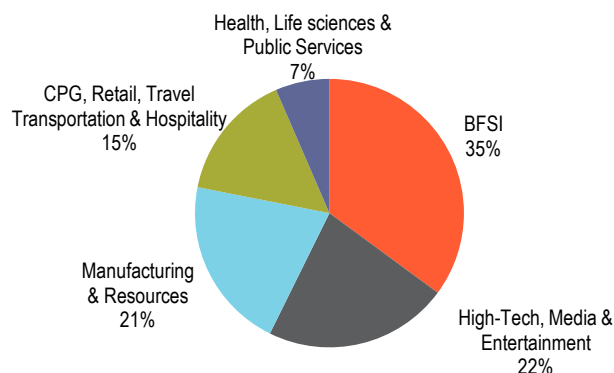
**Fig 5 – P&L at a glance**

(YE March) (Rs mn)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Average INR/USD	60.8	61.2	65.9	67.0	64.5	70.0	71.4	74.2	75.0	80.7	82.8	84.6	88.2	90.0	91.1
<b>Net Sales (USD mn)</b>	<b>809</b>	<b>813</b>	<b>887</b>	<b>970</b>	<b>1,132</b>	<b>1,349</b>	<b>1,525</b>	<b>1,670</b>	<b>3,502</b>	<b>4,106</b>	<b>4,287</b>	<b>4,493</b>	<b>4,780</b>	<b>5,154</b>	<b>5,565</b>
<b>-Growth (%)</b>	<b>-</b>	<b>0.5</b>	<b>9.1</b>	<b>9.3</b>	<b>16.7</b>	<b>19.1</b>	<b>13.0</b>	<b>9.5</b>	<b>109.7</b>	<b>17.2</b>	<b>4.4</b>	<b>4.8</b>	<b>6.4</b>	<b>7.8</b>	<b>8.0</b>
Net Sales	49,205	49,780	58,463	65,009	73,065	94,458	108,786	123,698	261,086	331,830	355,170	380,081	421,597	463,897	506,787
-Growth (%)	-	1.2	17.4	11.2	12.4	29.3	15.2	13.7	111.1	27.1	7.0	7.0	10.9	10.0	9.2
Cost of Sales & Services	32,473	34,128	38,230	42,122	49,124	61,643	73,589	82,193	178,271	232,037	246,214	268,217	297,128	328,581	359,667
Gross Margin	16,732	15,652	20,233	22,887	23,941	32,815	35,197	41,505	82,815	99,793	108,956	111,864	124,469	135,316	147,120
% of sales	34.0	31.4	34.6	35.2	32.8	34.7	32.4	33.6	31.7	30.1	30.7	29.4	29.5	29.2	29.0
SG& A	5,259	5,607	10,000	10,583	12,065	13,980	14,905	14,254	30,330	38,715	45,082	46,915	47,678	51,628	54,276
% of sales	10.7	11.3	17.1	16.3	16.5	14.8	13.7	11.5	11.6	11.7	12.7	12.3	11.3	11.1	10.7
EBITDA	11473	10044	10233	12304	11876	18835	20292	27251	52485	61078	63874	64949	76791	83688	92844
% of sales	23.3	20.2	17.5	18.9	16.3	19.9	18.7	22.0	20.1	18.4	18.0	17.1	18.2	18.0	18.3
Depreciation and Amortisation	1,300	1,579	1,738	1,780	1,563	1,471	2,731	3,325	5,971	7,227	8,189	9,915	10,744	11,355	11,355
% of sales	2.6	3.2	3.0	2.7	2.1	1.6	2.5	2.7	2.3	2.2	2.3	2.6	2.5	2.4	2.2
<b>EBIT</b>	<b>10,173</b>	<b>8,465</b>	<b>8,495</b>	<b>10,524</b>	<b>10,313</b>	<b>17,364</b>	<b>17,561</b>	<b>23,926</b>	<b>46,514</b>	<b>53,851</b>	<b>55,685</b>	<b>55,034</b>	<b>66,047</b>	<b>72,334</b>	<b>81,489</b>
<b>EBIT Margin (%)</b>	<b>20.7</b>	<b>17.0</b>	<b>14.5</b>	<b>16.2</b>	<b>14.1</b>	<b>18.4</b>	<b>16.1</b>	<b>19.3</b>	<b>17.8</b>	<b>16.2</b>	<b>15.7</b>	<b>14.5</b>	<b>15.7</b>	<b>15.6</b>	<b>16.1</b>
Gross other income (incl Forex gains/(loss))	(833)	915	1914	1855	4225	3021	3291	2743	8892	7073	9236	12686	14941	17353	19498
Interest cost	305	104	59	17	123	106	826	788	1,233	1,504	2,217	2,789	2,713	2,491	2,672
PBT	9,034	9,276	10,350	12,362	14,415	20,279	20,026	25,881	54,173	59,420	62,704	64,931	78,275	87,196	98,314
-PBT margin (%)	18.4	18.6	17.7	19.0	19.7	21.5	18.4	20.9	20.7	17.9	17.7	17.1	18.6	18.8	19.4
Provision for tax	1,943	1,666	1,983	2,649	3,290	5,122	4,825	6,500	13,439	13,812	14,641	16,122	20,230	23,064	26,005
Effective tax rate (%)	21.5	18.0	19.2	21.4	22.8	25.3	24.1	25.1	24.8	23.2	23.3	24.8	25.8	26.5	26.5
Adjusted Net Profit	7,091	7,609	8,367	9,713	11,125	15,157	15,201	19,381	40,734	45,608	48,063	48,809	58,045	64,132	72,310
-Adjusted profit margin (%)	14.4	15.3	14.3	14.9	15.2	16.0	14.0	15.7	15.6	13.7	13.5	12.8	13.8	13.8	14.3
Labour code change impact	-	-	-	-	-	-	-	-	-	-	-	-	4,417	-	-
<b>Net profit</b>	<b>7,091</b>	<b>7,609</b>	<b>8,367</b>	<b>9,713</b>	<b>11,125</b>	<b>15,157</b>	<b>15,201</b>	<b>19,381</b>	<b>40,734</b>	<b>45,608</b>	<b>48,063</b>	<b>48,809</b>	<b>53,628</b>	<b>64,132</b>	<b>72,310</b>
<b>-Growth (%)</b>	<b>-</b>	<b>7.3</b>	<b>10.0</b>	<b>16.1</b>	<b>14.5</b>	<b>36.2</b>	<b>0.3</b>	<b>27.5</b>	<b>110.2</b>	<b>12.0</b>	<b>5.4</b>	<b>1.6</b>	<b>9.9</b>	<b>19.6</b>	<b>12.8</b>
<b>-Net profit margin (%)</b>	<b>14.4</b>	<b>15.3</b>	<b>14.3</b>	<b>14.9</b>	<b>15.2</b>	<b>16.0</b>	<b>14.0</b>	<b>15.7</b>	<b>15.6</b>	<b>13.7</b>	<b>13.5</b>	<b>12.8</b>	<b>12.7</b>	<b>13.8</b>	<b>14.3</b>

Source: Company, BOBCAPS Research

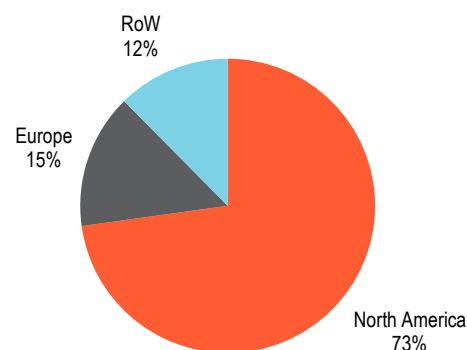


**Fig 6 – Revenue by Vertical (%)**



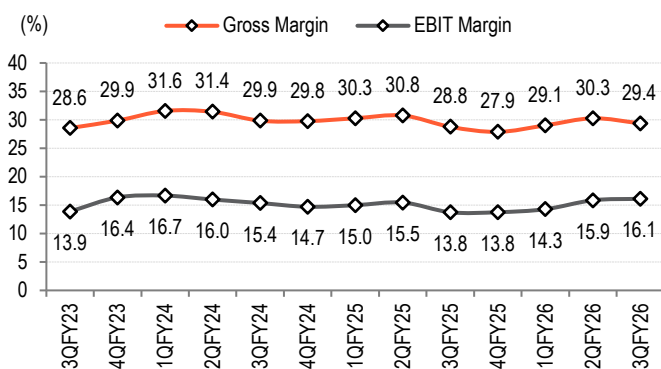
Source: Company, BOBCAPS Research

**Fig 7 – Revenue by Geography (%)**



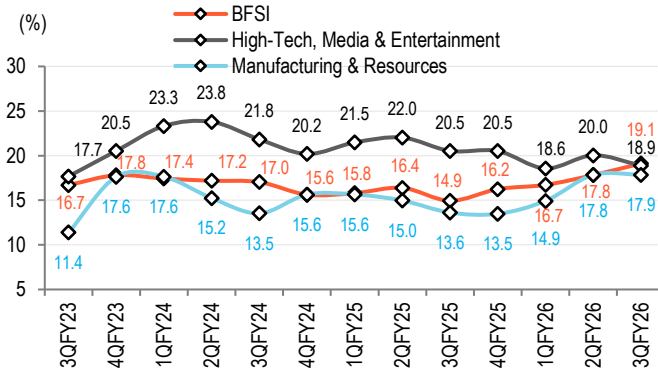
Source: Company, BOBCAPS Research

**Fig 8 – Gross Margin and EBIT Margin**



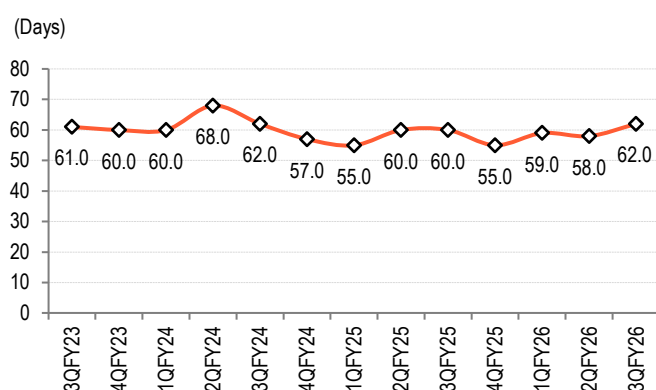
Source: Company, BOBCAPS Research

**Fig 9 – EBITDA margin trends of the top 3 revenue segments**



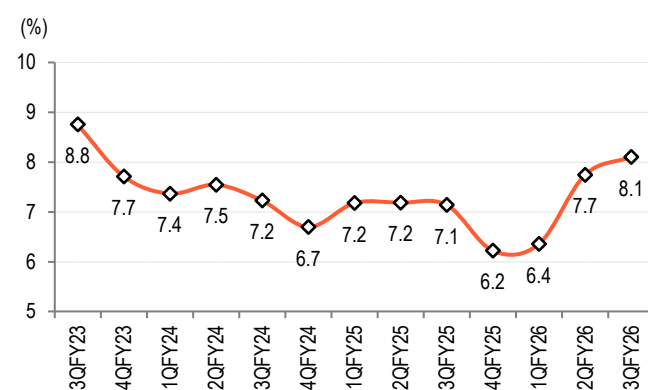
Source: Company, BOBCAPS Research

**Fig 10 – DSO (Billed) trend**



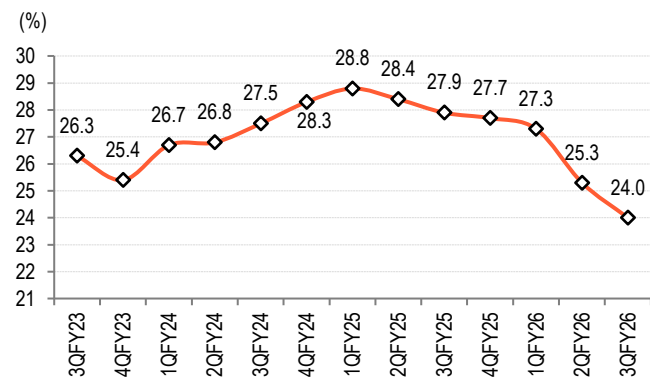
Source: Company, BOBCAPS Research

**Fig 11 – Sub-contracting charges**



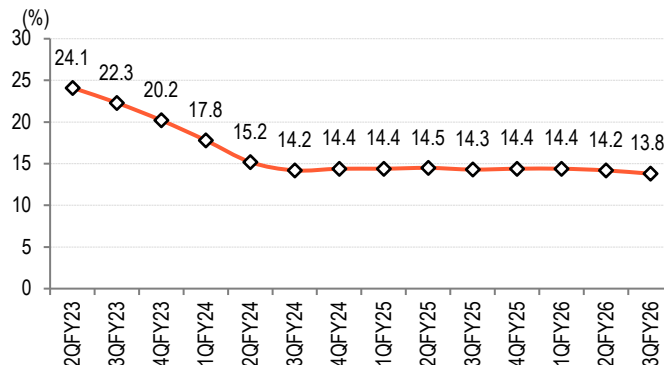
Source: Company, BOBCAPS Research

**Fig 12 – Top 5 client concentration (%)**



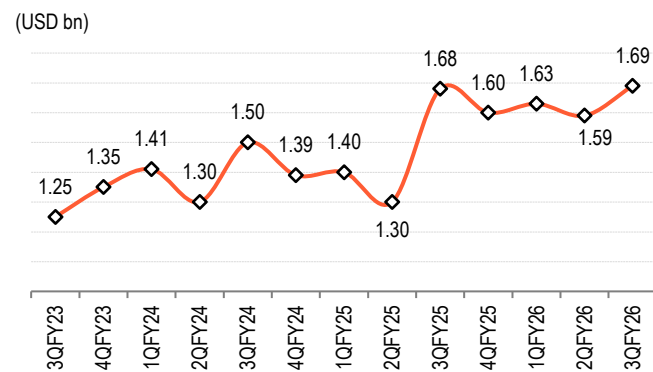
Source: Company, BOBCAPS Research

**Fig 13 – Attrition trend on a QoQ basis (%)**



Source: Company, BOBCAPS Research

**Fig 14 – Order Inflow (USD bn)**



Source: Company, BOBCAPS Research

**Fig 15 – Quarterly Snapshot**

Year to 31 March (Rsmn)	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
INR/USD	82	82	82	83	83	83	83	84	85	86	85	88	89
Revenue (in USDmn)	1,047	1,058	1,059	1,076	1,084	1,069	1,096	1,127	1,139	1,131	1,153	1,180	1,208
Revenue	86,200	86,910	87,021	89,054	90,166	88,929	91,426	94,329	96,609	97,717	98,406	103,943	107,810
Gross margin	24,645	25,987	27,502	28,006	26,942	26,506	27,711	29,052	27,824	27,277	28,599	31,504	31,712
SGA	10,897	9,950	11,147	11,693	11,093	11,149	11,650	12,059	11,891	11,315	12,105	12,203	11,685
Depreciation and Amortisation	1,781	1,823	1,847	2,082	1,990	2,270	2,352	2,411	2,644	2,508	2,429	2,820	2,656
EBIT	11,967	14,214	14,508	14,231	13,859	13,087	13,709	14,582	13,289	13,454	14,065	16,481	17,371
Revenue Related Forex gain/loss	490	(523)	(123)	(21)	426	(164)	134	751	132	232	1,291	652	(501)
Other income	1,028	1,187	1,439	1,453	1,769	2,240	2,137	2,238	1,993	2,280	2,630	2,352	2,773
Interest	379	436	460	470	607	680	724	703	689	673	724	693	693
PBT	13,106	14,442	15,364	15,193	15,447	14,483	15,256	16,868	14,725	15,293	17,262	18,792	13,047
Tax	3,099	3,301	3,841	3,570	3,754	3,476	3,905	4,352	3,858	4,007	4,716	4,980	3,451
PAT	10,007	11,141	11,523	11,623	11,693	11,007	11,351	12,516	10,867	11,286	12,546	13,812	9,596
EPS	34	38	39	39	39	37	38	42	37	36	42	47	33
<b>YoY Growth</b>													
USD Revenue	14.0	11.9	8.1	5.2	3.5	1.1	3.5	4.8	5.1	5.8	5.2	4.7	6.1
INR Revenues	25.3	21.9	13.8	8.2	4.6	2.3	5.1	5.9	7.1	9.9	7.6	10.2	11.6
Gross profit	11.0	16.1	15.6	10.4	9.3	2.0	0.8	3.7	3.3	2.9	3.2	8.4	14.0
EBIT	(6.1)	10.2	9.3	(1.2)	15.8	(7.9)	(5.5)	2.5	(4.1)	2.8	2.6	13.0	30.7
Net profit	(4.7)	0.5	4.1	(2.2)	16.8	(1.2)	(1.5)	7.7	(7.1)	2.5	10.5	10.4	(11.7)
<b>QoQ Growth</b>													
USD Revenues	2.4	1.0	0.1	1.6	0.8	(1.3)	2.5	2.8	1.1	(0.7)	2.0	2.3	2.4
INR Revenues	4.8	0.8	0.1	2.3	1.2	(1.4)	2.8	3.2	2.4	1.1	0.7	5.6	3.7
EBIT	(16.9)	18.8	2.1	(1.9)	(2.6)	(5.6)	4.8	6.4	(8.9)	1.2	4.5	17.2	5.4
Net profit	(15.8)	11.3	3.4	0.9	0.6	(5.9)	3.1	10.3	(13.2)	3.9	11.2	10.1	(30.5)
<b>Margins (%)</b>													
Gross margin	28.6	29.9	31.6	31.4	29.9	29.8	30.3	30.8	28.8	27.9	29.1	30.3	29.4
EBIT	13.9	16.4	16.7	16.0	15.4	14.7	15.0	15.5	13.8	13.8	14.3	15.9	16.1
PAT	11.6	12.8	13.2	13.1	13.0	12.4	12.4	13.3	11.2	11.5	12.7	13.3	8.9
SGA	12.6	11.4	12.8	13.1	12.3	12.5	12.7	12.8	12.3	11.6	12.3	11.7	10.8

Source: Company, BOBCAPS Research

**Fig 16 – Segmental Information**

Rs mn	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
<b>Revenues</b>													
BFSI	32,139	32,992	32,604	32,517	32,067	31,218	32,195	33,573	35,308	36,242	36,344	37,628	37,837
High-Tech, Media & Entertainment	20,387	19,988	20,611	21,143	20,605	21,628	23,410	23,955	22,808	22,952	22,850	23,679	23,887
Manufacturing & Resources	15,103	15,231	15,057	15,948	18,336	16,534	16,889	17,083	18,679	19,486	19,304	20,265	22,470
CPG, Retail, Travel Transportation & Hospitality	13,091	13,346	13,181	13,669	13,283	13,427	13,281	13,700	13,734	13,705	14,392	16,199	16,625
Health, Life sciences & Public Services	5,480	5,353	5,568	5,777	5,875	6,122	5,651	6,018	6,080	5,332	5,516	6,172	6,991
Total	86,200	86,910	87,021	89,054	90,166	88,929	91,426	94,329	96,609	97,717	98,406	103,943	107,810
<b>QoQ Revenue Growth %</b>													
BFSI	38.9	2.7	(1.2)	(0.3)	(1.4)	(2.6)	3.1	4.3	5.2	2.6	0.3	3.5	0.6
High-Tech, Media & Entertainment	195.5	(2.0)	3.1	2.6	(2.5)	5.0	8.2	2.3	(4.8)	0.6	(0.4)	3.6	0.9
Manufacturing & Resources	224.3	0.8	(1.1)	5.9	15.0	(9.8)	2.1	1.1	9.3	4.3	(0.9)	5.0	10.9
CPG, Retail, Travel Transportation & Hospitality	153.1	1.9	(1.2)	3.7	(2.8)	1.1	(1.1)	3.2	0.2	(0.2)	5.0	12.6	2.6
Health, Life sciences & Public Services	(35.5)	(2.3)	4.0	3.8	1.7	4.2	(7.7)	6.5	1.0	(12.3)	3.5	11.9	13.3
Total	78.2	0.8	0.1	2.3	1.2	(1.4)	2.8	3.2	2.4	1.1	0.7	5.6	3.7
<b>YoY Revenue Growth %</b>													
BFSI	68.4	30.9	18.6	40.5	(0.2)	(5.4)	(1.3)	3.2	10.1	16.1	12.9	12.1	7.2
High-Tech, Media & Entertainment	190.5	12.0	5.8	206.4	1.1	8.2	13.6	13.3	10.7	6.1	(2.4)	(1.2)	4.7
Manufacturing & Resources	316.4	22.5	21.1	242.5	21.4	8.6	12.2	7.1	1.9	17.9	14.3	18.6	20.3
CPG, Retail, Travel Transportation & Hospitality	167.4	19.2	10.0	164.2	1.5	0.6	0.8	0.2	3.4	2.1	8.4	18.2	21.0
Health, Life sciences & Public Services	(18.9)	16.5	10.3	(32.0)	7.2	14.4	1.5	4.2	3.5	(12.9)	(2.4)	2.6	15.0
Total	108.3	21.9	13.8	84.1	4.6	2.3	5.1	5.9	7.1	9.9	7.6	10.2	11.6
<b>Segment Profit</b>													
BFSI	5,371	5,880	5,687	5,592	5,465	4,877	5,085	5,503	5,275	5,889	6,080	6,710	7,239
High-Tech, Media & Entertainment	3,603	4,103	4,808	5,031	4,497	4,367	5,028	5,275	4,682	4,709	4,241	4,744	4,514
Manufacturing & Resources	1,721	2,685	2,655	2,431	2,482	2,586	2,643	2,557	2,545	2,628	2,881	3,613	4,013
CPG, Retail, Travel Transportation & Hospitality	2,581	2,608	2,473	2,674	2,458	2,426	2,350	2,581	2,458	2,379	2,850	3,481	3,195
Health, Life sciences & Public Services	472	761	732	585	947	1,101	955	1,077	973	357	442	753	1,066
Total	13,748	16,037	16,355	16,313	15,849	15,357	16,061	16,993	15,933	15,962	16,494	19,301	20,027
<b>Segment Profit Margin (%)</b>													
BFSI	16.7	17.8	17.4	17.2	17.0	15.6	15.8	16.4	14.9	16.2	16.7	17.8	19.1
High-Tech, Media & Entertainment	17.7	20.5	23.3	23.8	21.8	20.2	21.5	22.0	20.5	20.5	18.6	20.0	18.9
Manufacturing & Resources	11.4	17.6	17.6	15.2	13.5	15.6	15.6	15.0	13.6	13.5	14.9	17.8	17.9
CPG, Retail, Travel Transportation & Hospitality	19.7	19.5	18.8	19.6	18.5	18.1	17.7	18.8	17.9	17.4	19.8	21.5	19.2
Health, Life sciences & Public Services	8.6	14.2	13.1	10.1	16.1	18.0	16.9	17.9	16.0	6.7	8.0	12.2	15.2
Total	15.9	18.5	18.8	18.3	17.6	17.3	17.6	18.0	16.5	16.3	16.8	18.6	18.6

Source: Company, BOBCAPS Research

**Fig 17 – Key Metrics**

	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
<b>P and L (Rs mn)</b>													
Revenue	86,200	86,910	87,021	89,054	90,166	88,929	91,426	94,329	96,609	97,717	98,406	103,943	107,810
EBIT	11,967	14,214	14,508	14,231	13,859	13,087	13,709	14,582	13,289	13,454	14,065	16,481	17,371
PAT	10,007	11,141	11,523	11,623	11,693	11,007	11,351	12,516	10,867	11,286	12,546	13,812	9,596
<b>Revenue by Vertical (%)</b>													
BFSI	37.4	38.0	37.5	36.5	35.6	35.1	35.2	35.6	36.4	37.1	37.0	36.2	35.1
High-Tech, Media & Entertainment	23.6	23.0	23.7	23.8	22.9	24.3	25.6	25.4	23.7	23.4	23.2	22.7	22.2
Manufacturing & Resources	17.5	17.5	17.3	17.9	20.3	18.6	18.5	18.1	19.3	19.9	19.6	19.5	20.8
CPG, Retail, Travel Transportation & Hospitality	15.2	15.4	15.1	15.3	14.7	15.1	14.5	14.5	14.3	14.1	14.6	15.6	15.4
Health, Life sciences & Public Services	6.3	6.1	6.4	6.5	6.5	6.9	6.2	6.4	6.3	5.5	5.6	6.0	6.5
<b>Geographic Mix (%)</b>													
North America	72.3	71.9	73.1	73.4	72.7	73.8	75.1	75.0	74.7	74.5	74.4	74.2	72.8
Europe	14.9	15.4	15.2	15.3	14.5	14.6	14.4	14.4	13.8	13.6	14.7	14.7	14.8
RoW	12.8	12.7	11.7	11.3	12.8	11.6	10.5	10.6	11.5	11.9	11.0	11.1	12.4
<b>Effort mix (%)</b>													
Onsite	14.9	14.9	14.8	14.8	15.0	15.1	15.4	15.5	15.4	15.1	15.1	14.8	14.5
Off shore	85.1	85.1	85.2	85.2	85.0	84.9	84.6	84.5	84.6	84.9	84.9	85.2	85.5
Utilization (%) (including Trainees)	82.90	81.70	84.80	86.60	87.40	86.90	88.30	87.70	85.40	85.80	88.10	88.10	86.90
<b>Clients Concentration (%)</b>													
Top 5 Clients	26.3	25.4	26.7	26.8	27.5	28.3	28.8	28.4	27.9	27.7	27.3	25.3	24.0
Top 10 Clients	33.8	32.9	34.1	34.3	35.3	35.5	35.7	35.0	34.5	34.3	34.3	32.8	31.7
Top 20 Clients	45.3	44.0	44.9	45.2	45.9	45.9	46.2	45.8	45.5	44.8	44.5	43.5	43.3
Top 40 Clients	57.6	56.8	57.2	57.6	58.5	58.0	58.9	58.2	58.1	57.2	56.8	56.1	56.8
<b>Client Profile</b>													
Number of Active Clients*	723	728	723	737	739	738	748	742	742	741	741	749	746
New Clients Added	28	31	19	30	23	30	27	22	23	26	17	23	26
100 Million dollar +	2	2	2	2	2	2	2	2	2	2	2	2	2
50 Million dollar +	11	13	13	14	12	13	12	12	13	14	14	14	12
20 Million dollar +	37	38	40	41	40	40	43	42	39	40	41	45	47
10 Million dollar +	81	81	88	90	89	91	87	88	90	89	90	93	97
5 Million dollar +	144	146	148	146	149	153	148	154	152	154	159	158	162
1 Million dollar +	374	383	388	391	388	394	390	392	401	410	404	402	399
Employee Number	86,462	84,546	82,738	83,532	82,471	81,650	81,934	84,438	86,800	84,307	83,889	86,447	87,958
Net employee addition	(474)	(1,916)	(1,808)	794	(1,061)	(821)	284	2,504	2,362	(2,493)	(418)	2,558	1,511
Attrition LTM (%)	22.3	20.2	17.8	15.2	14.2	14.4	14.4	14.5	14.3	14.4	14.4	14.2	13.8
<b>(USD mn)</b>													
Revenue	1,046.7	1,057.5	1,058.7	1,075.5	1,083.7	1,069.4	1,096.2	1,126.6	1,138.7	1,131.0	1,153.3	1,180.1	1,208.0
USD-INR	82.35	82.18	82.20	82.80	83.20	83.16	83.40	83.73	84.84	86.40	85.33	88.08	89.25
TCV (US\$m)	1250	1350	1410	1300	1500	1390	1400	1300	1680	1600	1630	1590	1690

Source: Company, BOBCAPS Research

**Fig 18 – QoQ and YoY growth of various parameters**

	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
<b>QoQ Growth (%)</b>													
<b>Geographical Data</b>													
North America	1.6	0.5	1.8	2.0	(0.2)	0.2	4.3	2.6	0.7	(0.9)	1.8	2.0	0.4
Europe	4.5	4.4	(1.2)	2.3	(4.5)	(0.6)	1.1	2.8	(3.1)	(2.1)	10.2	2.3	3.1
RoW	4.9	0.2	(7.8)	(1.9)	14.1	(10.6)	(7.2)	3.8	9.7	2.8	(5.7)	3.3	14.4
<b>Verticals</b>													
BFSI	5.8	2.7	(1.2)	(1.1)	(1.7)	(2.7)	2.8	3.9	3.3	1.2	1.7	0.1	(0.7)
High-Tech, Media & Entertainment	(4.5)	(1.5)	3.2	2.0	(3.0)	4.7	8.0	2.0	(5.7)	(1.9)	1.1	0.1	0.1
Manufacturing & Resources	10.6	1.0	(1.0)	5.1	14.3	(9.6)	2.0	0.6	7.8	2.4	0.4	1.8	9.2
CPG, Retail, Travel Transportation & Hospitality	1.1	2.4	(1.8)	2.9	(3.2)	1.4	(1.6)	2.8	(0.3)	(2.1)	5.6	9.3	1.1
Health, Life sciences & Public Services	(5.1)	(2.2)	5.0	3.2	0.8	4.8	(7.9)	6.1	(0.5)	(13.3)	3.8	9.6	10.9
<b>Client Metrics</b>													
Top 5 Clients	0.9	(2.4)	5.2	2.0	3.4	1.6	4.3	1.3	(0.7)	(1.4)	0.5	(5.2)	(2.9)
Top 10 Clients	0.9	(1.7)	3.8	2.2	3.7	(0.8)	3.1	0.8	(0.4)	(1.3)	2.0	(2.2)	(1.1)
Top 20 Clients	2.9	(1.9)	2.2	2.3	2.3	(1.3)	3.2	1.9	0.4	(2.2)	1.3	0.0	1.9
Top 40 clients	2.8	(0.4)	0.8	2.3	2.3	(2.2)	4.1	1.6	0.9	(2.2)	1.3	1.1	3.6
<b>YoY Growth (%)</b>													
<b>Geographical Data</b>													
North America	19.6	15.8	10.2	6.0	4.1	3.8	6.4	7.0	8.0	6.8	4.2	3.6	3.4
Europe	0.5	1.4	7.4	10.3	0.8	(4.1)	(1.9)	(1.4)	0.0	(1.5)	7.4	6.9	13.8
RoW	2.7	5.3	(2.7)	(4.9)	3.5	(7.6)	(7.1)	(1.7)	(5.6)	8.5	10.2	9.7	14.4
<b>Verticals</b>													
BFSI	22.1	19.8	12.3	6.1	(1.4)	(6.6)	(2.8)	2.2	7.4	11.8	10.6	6.5	2.3
High-Tech, Media & Entertainment	8.9	3.0	0.9	(1.0)	0.5	6.8	11.8	11.8	8.7	1.8	(4.7)	(6.4)	(0.6)
Manufacturing & Resources	9.0	12.6	14.7	16.3	20.1	7.5	10.7	5.9	(0.1)	13.2	11.5	12.9	14.3
CPG, Retail, Travel Transportation & Hospitality	11.0	9.8	4.0	4.6	0.1	(0.8)	(0.6)	(0.7)	2.2	(1.2)	5.9	12.7	14.2
Health, Life sciences & Public Services	10.5	6.7	4.8	0.6	6.8	14.4	0.3	3.1	1.8	(15.7)	(5.0)	(1.8)	9.5
<b>Client Metrics</b>													
Top 5 Clients	17.5	11.5	7.7	5.6	8.3	12.7	11.7	11.0	6.6	3.5	(0.3)	(6.7)	(8.7)
Top 10 Clients	13.3	9.9	6.8	5.2	8.1	9.1	8.4	6.9	2.7	2.2	1.1	(1.8)	(2.5)
Top 20 Clients	14.2	9.9	6.7	5.5	4.9	5.5	6.5	6.1	4.2	3.2	1.3	(0.5)	1.0
Top 40 clients	11.1	8.9	5.3	5.6	5.2	3.3	6.6	5.8	4.4	4.3	1.5	1.0	3.7

Source: Company, BOBCAPS Research

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Total revenue</b>	<b>355,170</b>	<b>380,081</b>	<b>421,597</b>	<b>463,897</b>	<b>506,787</b>
EBITDA	63,874	64,949	76,791	83,688	92,844
Depreciation	8,189	9,915	10,744	11,355	11,355
EBIT	55,685	55,034	66,047	72,334	81,489
Net interest inc./(exp.)	(2,217)	(2,789)	(2,713)	(2,491)	(2,672)
Other inc./(exp.)	9,236	12,686	14,941	17,353	19,498
Exceptional items	0	0	0	0	0
EBT	62,704	64,931	78,275	87,196	98,314
Income taxes	14,641	16,122	20,230	23,064	26,005
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>48,063</b>	<b>48,809</b>	<b>53,628</b>	<b>64,132</b>	<b>72,310</b>
Adjustments	0	0	0	0	0
<b>Adjusted net profit</b>	<b>48,063</b>	<b>48,809</b>	<b>53,628</b>	<b>64,132</b>	<b>72,310</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	0	0	0	0	0
Other current liabilities	30,980	31,075	69,899	72,620	76,627
Provisions	8,486	9,691	11,432	11,432	11,432
Debt funds	318	554	4,974	4,974	4,974
Other liabilities	35,674	37,997	43,197	43,645	44,114
Equity capital	296	296	296	296	296
Reserves & surplus	199,876	226,687	235,981	272,278	315,287
Shareholders' fund	200,172	226,983	236,277	272,574	315,583
<b>Total liab. and equities</b>	<b>275,630</b>	<b>306,300</b>	<b>365,780</b>	<b>405,244</b>	<b>452,730</b>
Cash and cash eq.	18,200	20,623	40,947	61,722	85,959
Accounts receivables	70,387	76,882	90,265	96,748	106,294
Inventories	30	28	31	31	31
Other current assets	32,379	38,106	36,947	39,423	43,070
Investments	98,768	111,515	134,792	142,792	150,792
Net fixed assets	15,037	15,946	12,064	12,308	12,552
CWIP	4,669	5,818	7,063	7,063	7,063
Intangible assets	11,927	12,036	12,720	12,720	12,720
Deferred tax assets, net	5,220	5,303	9,567	10,255	11,266
Other assets	19,013	20,043	21,384	22,184	22,984
<b>Total assets</b>	<b>275,630</b>	<b>306,300</b>	<b>365,780</b>	<b>405,244</b>	<b>452,730</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Cash flow from operations</b>	<b>80,673</b>	<b>54,672</b>	<b>67,299</b>	<b>71,739</b>	<b>77,151</b>
Capital expenditures	(10,310)	(8,400)	(8,400)	(8,400)	(8,400)
Change in investments	(32,117)	(12,747)	(23,277)	(8,000)	(8,000)
Other investing cash flows	0	0	0	0	0
<b>Cash flow from investing</b>	<b>(42,427)</b>	<b>(21,147)</b>	<b>(31,677)</b>	<b>(16,400)</b>	<b>(16,400)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(1,456)	236	4,420	0	0
Interest expenses	(2,217)	(2,789)	(2,713)	(2,491)	(2,672)
Dividends paid	(19,234)	(19,261)	(22,542)	(27,836)	(29,301)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(22,907)</b>	<b>(21,814)</b>	<b>(20,836)</b>	<b>(30,326)</b>	<b>(31,973)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>(5,189)</b>	<b>2,423</b>	<b>20,324</b>	<b>20,774</b>	<b>24,237</b>
<b>Closing cash &amp; cash eq.</b>	<b>18,200</b>	<b>20,623</b>	<b>40,947</b>	<b>61,722</b>	<b>85,959</b>

### Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	154.9	153.7	175.4	218.9	246.8
Adjusted EPS	154.6	153.4	175.3	218.6	246.5
Dividend per share	65.0	65.0	77.0	95.0	100.0
Book value per share	676.8	766.0	809.2	933.1	1,079.9

### Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	5.3	5.0	4.5	4.1	3.8
EV/EBITDA	29.7	29.2	24.8	23.0	21.0
Adjusted P/E	41.5	41.8	36.6	29.3	26.0
P/BV	9.5	8.4	7.9	6.9	5.9

### DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	76.7	75.2	74.1	73.5	73.5
Interest burden (PBT/EBIT)	112.6	118.0	109.6	120.5	120.6
EBIT margin (EBIT/Revenue)	15.7	14.5	15.7	15.6	16.1
Asset turnover (Rev./Avg TA)	139.1	130.6	125.5	120.3	118.1
Leverage (Avg TA/Avg Equity)	1.4	1.4	1.4	1.5	1.5
<b>Adjusted ROAE</b>	<b>26.2</b>	<b>22.8</b>	<b>23.1</b>	<b>25.1</b>	<b>24.5</b>

### Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
<b>YoY growth (%)</b>					
Revenue	7.0	7.0	10.9	10.0	9.2
EBITDA	4.6	1.7	18.2	9.0	10.9
Adjusted EPS	3.8	(0.8)	14.3	24.7	12.8
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	18.0	17.1	18.2	18.0	18.3
EBIT margin	15.7	14.5	15.7	15.6	16.1
Adjusted profit margin	13.5	12.8	12.7	13.8	14.3
Adjusted ROAE	26.3	22.9	23.2	25.2	24.6
ROCE	20.9	18.4	18.8	17.6	17.5

### Working capital days (days)

Receivables	72	74	78	76	77
Inventory	NA	NA	NA	NA	NA
Payables	NA	NA	NA	NA	NA

### Ratios (x)

Gross asset turnover	23.6	23.8	34.9	37.7	40.4
Current ratio	3.1	3.3	2.1	2.4	2.7
Net interest coverage ratio	NA	NA	NA	NA	NA
<b>Adjusted debt/equity</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.3)</b>

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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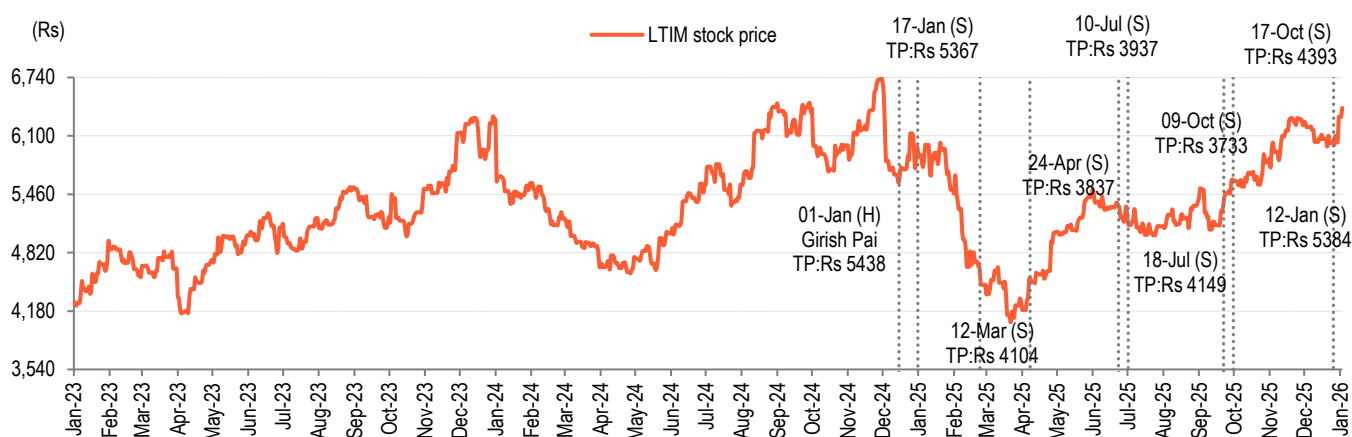
**HOLD** – Expected return from -6% to +15%

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**Note:** Recommendation structure changed with effect from 21 June 2021

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