RESULT REVIEW

BOBCAPS
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HOLD
TP: Rs 268 | ⮙ 0%

WIPRO | IT Services | 17 January 2026

Strikes subdued note; should start revenue growth in FY27

- **Unlike some of its immediate peers who reported in 3Q, Wipro's commentary on demand and on deal ramp-ups sounded cautious**
- **Post 3 years of USD revenue declines, estimate growth of +3.7% in FY27 (150bps from M&A). Sales and delivery seem to have improved**
- **We broadly retain estimates & Target PE multiple (15% discount to that of TCS') and retain HOLD. FY27 could see Wipro close growth gap**

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3Q performance in line. 4QFY26 guide a tad soft: Both revenue and EBIT margin came broadly in line with our estimates. 1.4% QoQ in CC terms, of which organic growth was 0.6%. Wipro guided -1.5%-0% organic growth QoQ CC in 4QFY26. While seasonality is one factor, slow ramp-up of some large deals was another.

4Q TCV soft, but TTM numbers along with Harman DTS should deliver positive revenue growth in FY27 after 3 years of decline: After 3 consecutive years of revenue decline in USD terms, we believe Wipro will likely deliver a positive year in FY27 (we estimate 3.7% growth with 150bps coming from Harman DTS acquisition). While 4QFY26 TCV was weak both QoQ and YoY, we hope that strong TTM numbers on total TCV and large deal TCV will help deliver the first growth year in FY27. Winning the Phoenix deal right from under the nose of TCS without much margin dilution indicates a newfound sales and delivery muscle. Having said that 3Q commentary seemed cautious and different from the largely positive tilt given by its immediate peers. Hence, we have not increased our Target PE multiple, perceiving some risk to our estimates.

Srini Pallia has made a difference: The strong TTM TCV, both on total as well as large deal fronts (up 29% and 70% respectively), indicates the aggression in sales shown by Wipro on the sales front under Srini Pallia, who became CEO in April 2024. The ability to deliver 16-17% EBIT margin despite execution of some of these large deals likely won on very competitive terms, indicates that Wipro has been able to tighten its act on the delivery side too. Articulation on its AI strategy through Wipro Intelligence also seems right.

Broadly maintain estimates, target multiple and rating: The reason for keeping a 15% discount to TCS on the Target PE multiple (18.4x Dec '27 EPS) was to capture the potential risks to revenue on its subdued commentary. We think the stock will hold up at the current levels as (1) it will bridge the gap from a growth standpoint between itself and its Tier-1 peers in FY27 (2) likely distribution of cash to shareholders in cash dividend on Buyback.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	WPRO IN/Rs 267
Market cap	US$ 30.8bn
Free float	27%
3M ADV	US$ 23.1mn
52wk high/low	Rs 325/Rs 228
Promoter/FPI/DII	73%/8%/8%

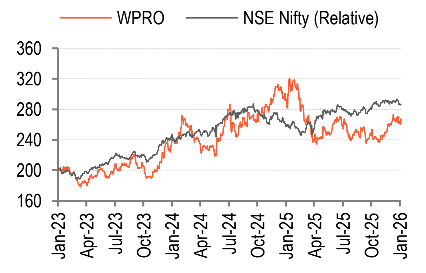
Source: NSE | Price as of 16 Jan 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	890,884	927,972	989,659
EBITDA (Rs mn)	190,397	185,624	210,262
Adj. net profit (Rs mn)	131,354	132,460	145,055
Adj. EPS (Rs)	12.5	12.6	13.8
Consensus EPS (Rs)	12.5	12.7	13.4
Adj. ROAE (%)	16.6	15.4	15.9
Adj. P/E (x)	21.3	21.2	19.4
EV/EBITDA (x)	15.0	15.6	14.1
Adj. EPS growth (%)	20.9	0.7	9.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Key points from the quarter and earnings call

- IT Services revenue stood at US$2,635mn, growing 1.4% QoQ (in line with our estimate of 1.5% growth) and 1.2% YoY in CC terms.
  - CC revenue growth included 0.8% contribution from the Harman DTS acquisition closed in 3QFY26 (only for one month).
- Strategic Market Unit Performance (CC terms):
  - Americas grew 1.8% QoQ and 2.8% YoY, driven by strong performance in healthcare, consumer and LATAM.
  - Americas 2 declined 0.8% QoQ and 5.2% YoY.
  - Europe grew 3.3% QoQ, led by ramp-up of the mega deal and declined 4.6% YoY. Good traction seen in the UK and Western Europe.
  - APMEA grew 1.7% QoQ and 6.6% YoY, led by India, Middle East and Southeast Asia. BFSI continues to show strong traction.
  - Capco revenue was impacted by furloughs and remained flat YoY.
- Sector Performance (CC terms): BFSI grew 2.6% QoQ and 0.4% YoY; Health grew 4.2% QoQ and 1% YoY; Consumer grew 0.7% QoQ, while declining 5.7% YoY; Technology and Communications grew 4.2% QoQ & 3.5% YoY; Energy, Manufacturing and Resources (EMR) declined 4.9% QoQ and 5.8% YoY.
- EMR revenue declined, driven by macroeconomic uncertainty, tariff-related issues and supply chain disruptions.
  - Despite near-term pressure, EMR deal pipeline remains strong, primarily focused on vendor consolidation and cost takeout opportunities.
  - Energy sub-segment showing good momentum across Americas and Europe.
  - Manufacturing sub-segment witnessing momentum, mainly in Europe.
  - Capco is witnessing traction on the energy consulting side.
- Consumer vertical performance impacted by tariff-related uncertainty.
  - A large SAP program in the consumer vertical was put on hold by a client last year and has not yet been reinitiated, contributing to YoY pressure.
  - Overall outlook for the consumer vertical remains mixed, with some deal wins previously in the year beginning to ramp up and expected to aid growth.
- Healthcare vertical: Seasonal open enrollment period in 3Q provided an additional boost to the performance.
- Technology and communications benefited from strong performance with large technology clients. Harman DTS acquisition contributed partially to growth in the vertical.

- Communications vertical performance was relatively stronger in Europe and APMEA vs other regions.

- EBIT margin stood at 16.5% (against our estimate of 16.7%), contracting 21 bps QoQ and 100 bps YoY.
  - In 4Q, incremental dilution from Harman DTS is expected (when 2 months of the acquisition will be accounted for).
- Two specific one-off charges impacted P&L and net income, but were excluded from IT Services segment margin
  - Gratuity expense increased by Rs3028 mn, due to new labour code implementation.
  - Restructuring exercise completed during the quarter had an impact of ~Rs 2,630 mn, with no further restructuring charges anticipated.
- Wipro stated that the demand environment remains cautious, with clients largely focused on cost optimisation and vendor consolidation, while discretionary spending remains deferred amid macro and geopolitical uncertainty.
- Guidance for 4QFY26: Revenue from IT Services business segment to be in the range of $2,635 mn to $2,688 mn (sequential guidance of 0% to 2.0% in CC terms)
  - Guidance includes incremental two months of revenue from Harman DTS and reflects the impact of fewer working days in 4Q and delayed ramp-ups in some large deals won earlier in the year.
  - The guidance has come a touch below our expectations. We were expecting a range of 1-3%, including 200bps from Harman DTS acquisition.
- Total Bookings TCV: US$3,335 mn (down 28.9% QoQ and 5.1% YoY); large deal TCV: US$871 mn (down 69.5% QoQ and 9.4% YoY).
  - Deal TCV in the quarter, both total and large deals, appeared softer vs strong momentum in the previous three quarters, driven by timing and clustering of deal closures rather than slower client decision-making or competitive pressure.
  - Delayed ramp-up of deal wins from the last two to three quarters is expected to help offset typical 1Q seasonal softness if ramp-ups materialize in 1Q next year. Management objective is to ramp up sufficiently to mitigate potential weakness
- On a TTM basis, Total TCV and Large deal (defined as deals >US$30mn) TCV are higher 21% and 70% YoY respectively.
- Wipro stated that it did not see any significant change in the overall demand environment, with continued uncertainty and restrained discretionary spending. Customer budgeting decisions are expected to be finalised in January, which should provide better visibility on spending patterns. Current deal pipeline is largely driven by cost optimisation and vendor consolidation initiatives. Clients are using

savings from cost optimization and vendor consolidation to reinvest in AI capabilities and advanced transformation programs.

- Client behaviour on reinvestment of savings varies, with some clients consolidating cost takeout and transformation work with the same vendor, while others are changing partners or distributing scope across multiple vendors.
- Full-year demand visibility remains uncertain, with customers maintaining a wait-and-watch approach.
- Harman DTS acquisition completed. Harman DTS acquisition adds design-to-manufacturing capabilities along with AI-powered product innovation. Primary improvement in win rates expected in the technology and communications sector. Additional improvement in win rates expected across health, consumer and EMR sectors.
- Inorganic strategy is aligned with strategic priorities, focusing on sectors and market combinations where investment or capability acquisition is needed. The company continues to evaluate opportunities for inorganic growth, alongside organic growth initiatives.
- Sharp increase in headcount (6529), driven primarily by Harman DTS acquisition and ramp-up of the large Phoenix deal that involved rebadging of employees of the customer. Outside of these two items, people numbers were flat QoQ.
- Decision on salary hikes is expected in the next few weeks, with the intent of implementation during the current quarter, subject to confirmation.
- Wipro has scaled back its fresher hiring plans, saying it now expects to end FY26 with 7,500-8,000 campus recruits, down from its earlier guidance of 10,000. In FY25 it hired 10,000.
- Phoenix deal won in 4Q of the previous FY is now fully ramped, with revenues fully reflected in 3Q performance. Other large deals won require multiple quarters to ramp up, with revenue conversion expected over the next few quarters.
- Sequential growth outlook reflects guidance based on visibility at the start of the quarter, with some softness continuing due to partial offset of furlough reversals by fewer working days.
- Management remains resilient on margins and will continue efforts to maintain performance while prioritising investments for growth.
    - Large deal wins typically come with a different margin profile and require upfront investments, which are considered strategically important.
    - Harman DTS acquisition is expected to cause incremental margin dilution that will need to be absorbed.
    - Potential wage increases represent another margin-moving factor
    - Management endeavour is to maintain reported operating margins within the 17% to 17.5% band.

- In 3QFY26, Wipro Intelligence was introduced. It's a unified approach to delivering AI powered transformation across industries. This approach is anchored on three strategic pillars:
    - First, industry platforms and solutions. It is building consulting-led AI-powered across sectors, for example, platforms like PayerAI in healthcare, NetOxygen for lending and AutoCortex for automotive. These solutions help streamline operations, improve customer outcomes and open new avenues for growth.
    - Second, invested in delivery platforms that accelerate AI adoption at scale. WINGS brings AI into the heart of operations from application management to infrastructure support and business process operations. WeGA adds AI driven capabilities across the development life cycle from vibe coding to model tuning and data pipeline. Together these platforms help clients modernize faster and operate smarter.
    - Third, Wipro Innovation Network. This connects Wipro labs with partners, startups, universities and deep tech talent around the world. This ecosystem helps us explore new technologies and build solutions for the future. Wipro launched innovation labs in three cities in the US, Australia and the Middle East, expanding its network, growing global footprint and strengthening role as a trusted innovation partner.
- The Harman DTS acquisition adds engineering and AI capabilities that strengthens Wipro’s engineering business line and helps accelerate AI driven product innovation for clients. Integration also opens new regions and high growth industries and allows it to take on larger, more complex transformation programs.
- Wipro is sitting on a large cash chest of US$6.5bn and we believe with in the next 2 quarters either big buyback or a sizable acquisition is
- Declared an interim dividend of Rs 6/share

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 12th March 2025 (**FY26 unlikely to be better than FY25**). We also put out updates (**Uncertainty stays and 'eating the tariff' may impact even FY27**) and (**A fourth slow year?**) elaborating on 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 than the ~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, the higher fiscal deficit from the 'one big, beautiful bill' (OBBB), crackdown on illegal and legal immigration (the latter through the major new hurdles put in for H1-B visas), etc., all point to uncertainty in the coming days that may delay the decision making.

While tariffs drove uncertainty in 2025, Trump's multiple proposals to address affordability crisis in the US ahead of the mid-terms in November 2026 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 IT spending outcomes.

Higher for longer interest rate environment: Lately, based on inflation prints and fears of a higher fiscal deficit, US 10-year yields have remained firm. There are fears that sustained high interest rates could reduce IT outsourcing demand, particularly in sectors like 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 also 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. We also believe that the rapid growth of the GCCs is a threat to outsourcing. While there seems to be collaboration between the 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 those who have lower bargaining power – the 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 using TCS as our industry benchmark. Target PE used for TCS now 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 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, as we believe that 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.

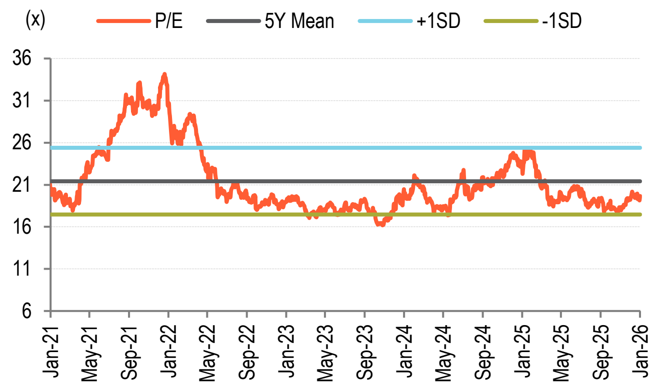
Also, some of the Tier-2s have been underperforming on the growth front, being discretionary project-oriented businesses that are struggling to pivot to a cost-take-out-driven demand environment.

Fig 1 – Quarterly results: Comparison of actuals with estimates

Y/E March (Rsmn)	3QFY25	2QFY26	3QFY26	YoY (%)	QoQ (%)	3QFY26	Dev (%)
IT Services Revenue (USD mn)	**2,629**	**2,604**	**2,635**	**0.2**	**1.2**	**2,626**	**0.4**
Net Sales	**223,188**	**226,973**	**235,558**	**5.5**	**3.8**	**234,493**	**0.5**
Employee Costs	153,922	159,832	164,171	6.7	2.7	165,474	(0.8)
% of Sales	69.0	70.4	69.7			70.6	
Gross Margin	69,266	67,141	71,387	-1.1	1.1	69,019	3.4
% of Sales	31.0%	29.6%	30.3%			29.4%	
Other Expenditure	30,710	29,870	33,412	8.8	11.9	29,853	11.9
% of Sales	13.8	13.2	14.2			12.7	
Forex Gain / (Loss)	410	558	788			0	
Other Operating Income	0	0	0			0	
EBIT	**38,966**	**37,829**	**38,763**	**(0.5)**	**2.5**	**39,166**	**(1.0)**
EBIT Margin (%)	**17.5**	**16.7**	**16.5**			**16.7**	
Other Income	5,567	4,995	5,604	0.7	12.2	6,340	(11.6)
PBT	44,533	42,824	44,367	(0.4)	3.6	45,506	(2.5)
Provision for Tax	10,866	10,200	10,479	(3.6)	2.7	11,604	(9.7)
Effective Tax Rate (%)	24.4	23.8	23.6			25.5	
Minority share in Profit / Loss	(129)	(162)	(260)			(135)	
Adjusted PAT	**33,538**	**32,462**	**33,628**	**0.3**	**3.6**	**33,767**	**(0.4)**
Margin%	**15.0**	**14.3**	**14.3**			**14.4**	
Less: Labour Code change impact adjusted for taxes	-	-	2,438.0			-	
Reported PAT	**33,538.0**	**32,462.0**	**31,190.0**			**33,767.0**	**(7.6)**
Margin%	**15.0**	**14.3**	**13.2**			**14.4**	

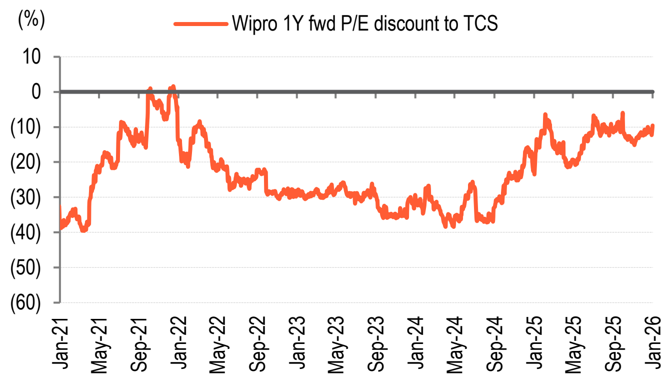
Source: Company, BOBCAPS Research

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			Deviation		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY27E
INR/USD	88.6	90.0	91.1	88.2	89.4	91.1	0.5	0.7	-
IT Services USD Revenue (USD mn)	10,515	10,900	11,299	10,527	10,905	11,277	(0.1)	(0.0)	0.2
USD Revenue Growth (%)	(0.3)	3.7	3.7	(0.2)	3.6	3.4			
Revenue (Rsbn)	928	990	1,038	924	977	1,029	0.4	1.3	0.8
EBIT (Rsbn)	152	163	171	153	159	168	(0.5)	2.3	1.9
EBIT Margin (%)	16.4	16.4	16.5	16.6	16.3	16.3			
PAT (Rsbn)	132	145	155	136	146	154	(2.6)	(0.6)	0.6
FDEPS (Rs)	12.6	13.8	14.8	13.0	13.9	14.7	(2.6)	(0.7)	0.6

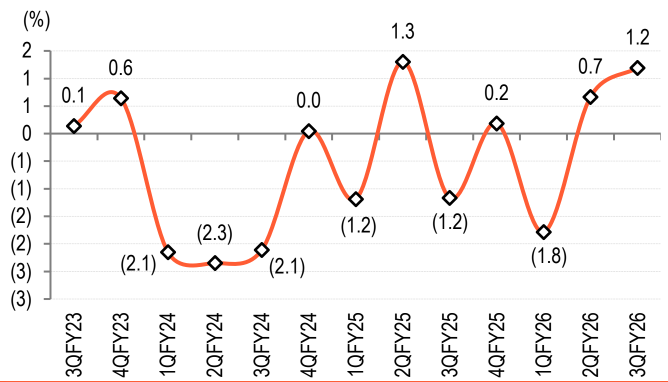
Source: Company, BOBCAPS Research

Fig 5 – P&L at a glance

(YE March) (Rs bn)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Average INR/USD	54.4	60.3	61.8	66.1	68.6	65.6	70.0	72.5	74.0	75.2	80.4	82.8	84.5	88.6	90.0	91.1
Net Sales - IT Services (USD mn)	**6,218**	**6,618**	**7,082**	**7,346**	**7,704**	**8,060**	**8,190**	**8,256**	**8,137**	**10,356**	**11,234**	**10,805**	**10,549**	**10,515**	**10,900**	**11,299**
-Growth (%)	**5.0**	**6.4**	**7.0**	**3.7**	**4.9**	**4.6**	**1.6**	**0.8**	**(1.4)**	**27.3**	**8.5**	**(3.8)**	**(2.4)**	**(0.3)**	**3.7**	**3.7**
Net Sales - Overall	434	438	473	514	550	545	586	610	619	791	905	898	891	928	990	1038
-Growth (%)	9.9	0.9	8.1	8.7	7.0	(1.0)	7.5	4.2	1.5	27.7	14.4	(0.8)	(0.7)	4.2	6.6	4.8
Cost of Sales & Services	302	296	321	357	392	386	413	436	423	556	645	631	618	652	693	724
% of sales	69.7	67.5	67.9	69.3	71.1	70.8	70.5	71.5	68.3	70.3	71.3	70.4	69.3	70.3	70.0	69.8
Gross profit	131	142	152	158	159	159	173	174	196	235	259	266	273	276	297	313
% of sales	30.3	32.5	32.1	30.7	28.9	29.2	29.5	28.5	31.7	29.7	28.7	29.6	30.7	29.7	30.0	30.2
SG& A	61	53	56	63	73	76	80	73	76	101	124	130	122	125	134	142
% of sales	14.0	12.1	11.9	12.2	13.2	14.0	13.7	11.9	12.3	12.8	13.7	14.5	13.7	13.5	13.6	13.7
EBIT	**75**	**89**	**95**	**97**	**94**	**84**	**100**	**106**	**123**	**140**	**140**	**136**	**151**	**152**	**163**	**171**
% of sales	**17.3**	**20.4**	**20.2**	**18.8**	**17.1**	**15.5**	**17.1**	**17.3**	**19.9**	**17.7**	**15.4**	**15.2**	**17.0**	**16.4**	**16.4**	**16.5**
Interest expenses	3	3	4	6	5	6	7	7	5	5	10	13	15	15	16	16
Other income (net)	13	15	20	23	22	24	23	24	21	16	18	24	38	39	46	52
PBT	93	101	112	115	110	102	115	123	139	151	148	147	175	174	193	206
-PBT margin (%)	21.4	23.1	23.6	22.3	20.1	18.8	19.7	20.1	22.4	19.1	16.3	16.4	19.6	18.7	19.5	19.9
Provision for tax	18	23	25	25	25	22	25	25	30	29	34	36	43	41	47	51
Effective tax rate (%)	19.8	22.4	22.0	22.1	22.8	21.9	21.9	20.2	21.8	19.1	23.0	24.5	24.5	23.3	24.5	24.5
Minority Interest	0.3	0.4	0.5	0.5	0.2	0.0	0.1	0.5	0.3	0.1	0.2	0.7	0.8	0.6	0.6	0.6
Net profit	**74**	**78**	**87**	**89**	**85**	**80**	**90**	**97**	**108**	**122**	**114**	**110**	**131**	**132**	**145**	**155**
-Growth (%)	**23.3**	**5.3**	**11.0**	**2.9**	**(4.6)**	**(5.7)**	**12.4**	**8.0**	**11.4**	**12.8**	**(7.1)**	**(2.7)**	**18.9**	**0.8**	**9.5**	**7.0**
-Net profit margin (%)	**17.1**	**17.8**	**18.3**	**17.3**	**15.4**	**14.7**	**15.4**	**15.9**	**17.5**	**15.4**	**12.5**	**12.3**	**14.7**	**14.3**	**14.7**	**15.0**

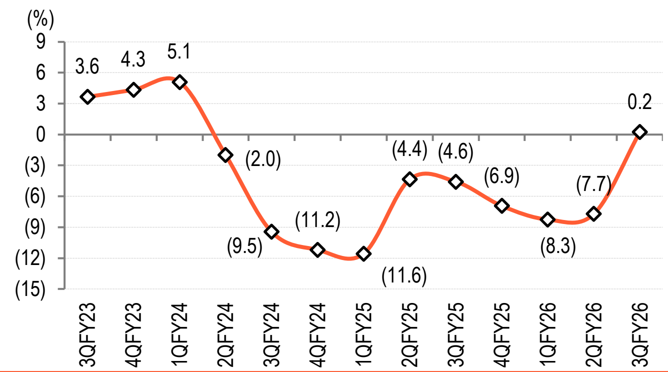
Source: Company, BOBCAPS Research

Fig 6 – USD revenue growth (QoQ) – IT Services



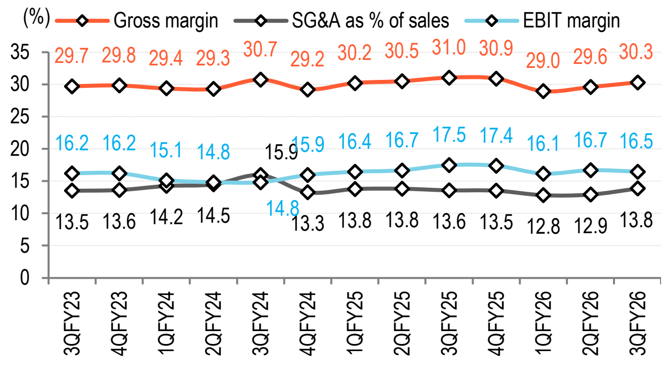
Source: Company, BOBCAPS Research

Fig 7 – Europe revenue growth – US$ terms (YoY)



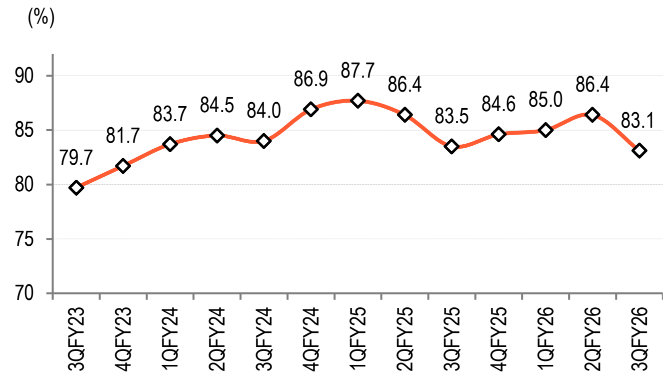
Source: Company, BOBCAPS Research

Fig 8 – Gross margin, SG&A as % of sales and EBIT margin



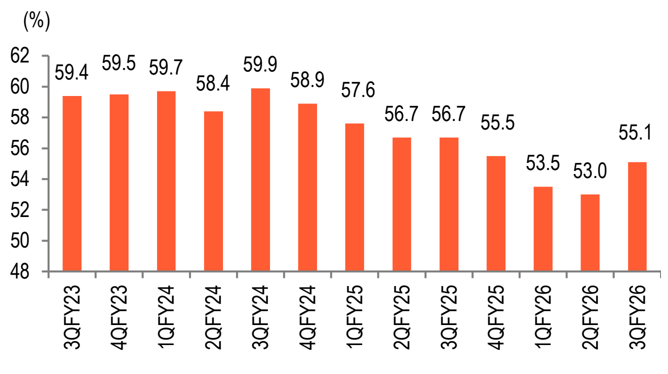
Source: Company, BOBCAPS Research

Fig 9 – Staff utilization (incl trainees) trend



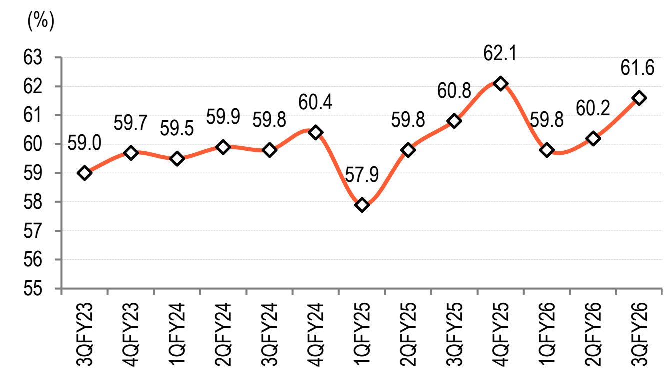
Source: Company, BOBCAPS Research

Fig 10 – Fixed price engagement in terms of revenue share



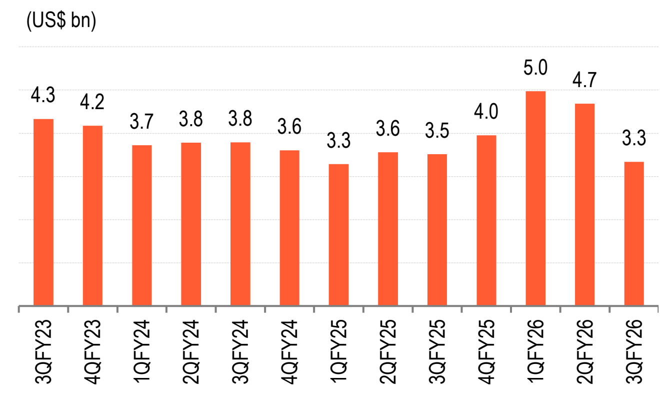
Source: Company, BOBCAPS Research

Fig 11 – Offshore revenue (%)



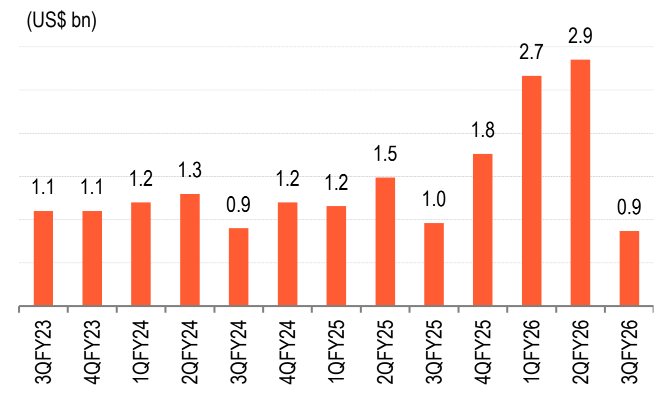
Source: Company, BOBCAPS Research

Fig 12 – Total TCV (US$ bn)



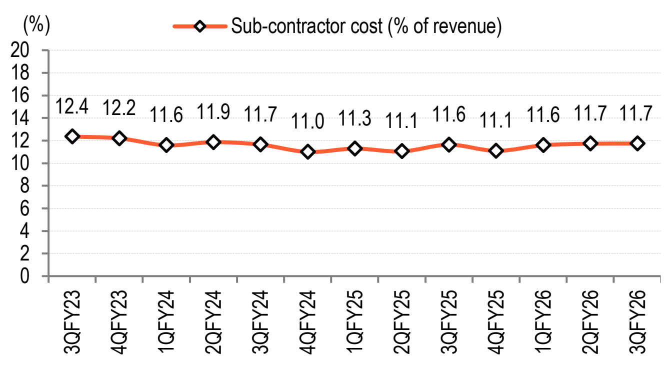
Source: Company, BOBCAPS Research

Fig 13 – Large Deal TCV (US$ bn)



Source: Company, BOBCAPS Research

Fig 14 – Sub-contractor cost (% of revenue) trend



Source: Company, BOBCAPS Research

Fig 15 – Quarterly Snapshot

Year to 31 March	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Rs mn													
INR/USD	82.2	81.6	81.9	82.5	83.4	83.3	83.4	83.8	84.3	86.4	85.8	88.8	89.8
USD Revenue IT Services (USD mn)	**2,821**	**2,840**	**2,779**	**2,713**	**2,656**	**2,657**	**2,626**	**2,660**	**2,629**	**2,634**	**2,587**	**2,604**	**2,635**
INR Revenue- IT Services	230,557	230,772	227,616	223,690	221,246	220,924	219,169	222,353	222,441	224,229	220,618	225,847	235,558
INR Revenue- IT Products	1,721	1131	694	1469	805	1159	469	663	747	813	728	1,126	2,565
Forex gain/(loss)	(1,391)	(990)	62	(268)	(262)	128	206	396	(410)	(224)	(182)	(558)	(788)
Total Revenue-(Services+Products)	232,290	231,903	228,310	225,159	222,051	222,083	219,638	223,016	223,188	225,042	221,346	226,973	235,558
Direct costs	163,273	162,738	161,261	159,191	153,826	157,219	153,306	155,049	153,922	155,525	157,247	159,832	164,171
Gross Margin	69,017	69,165	67,049	65,968	68,225	64,864	66,332	67,967	69,266	69,517	64,099	67,141	71,387
SGA	32,772	32,578	32,471	32,891	35,622	29,363	30,057	30,422	30,710	30,654	28,557	29,870	33,412
EBIT- IT Services	37,504	37,646	36,517	36,058	35,426	36,195	36,057	37,332	38,937	39,130	35,704	37,728	38,536
EBIT- IT Products	41	(59)	(161)	(467)	114	143	(161)	(183)	29	(43)	20	101	227
EBIT - Reconciling Items	(11)	(30)	(1,840)	(2,246)	(2,675)	(965)	(1,840)	10	(53)	(211)	(2,430)		
Total EBIT	37,636	37,577	34,516	33,345	32,865	35,373	34,056	37,555	38,503	38,652	33,112	37,271	37,975
Other income (net)	2,116	2,607	3,459	1,747	2,656	3,249	4,147	5,629	5,567	8,343	6,859	4,995	5,604
PBT	39,752	40,184	37,975	35,092	35,521	38,622	38,203	43,184	44,070	46,995	39,971	42,266	43,579
Tax	9,102	9,249	9,115	8,419	8,515	10,040	9,850	10,512	10,866	11,549	9,218	10,200	9,889
Minority Interest	(121)	(190)	(159)	(210)	(64)	(236)	(334)	(178)	(129)	(185)	(61)	(162)	(260)
PAT	30,529	30,745	28,701	26,463	26,942	28,346	28,019	32,494	33,075	35,261	30,692	31,904	33,430
YoY Growth (%)													
USD Revenue IT Services	6.9	4.3	0.8	(3.7)	(5.9)	(6.4)	(5.5)	(2.0)	(1.0)	(0.9)	(1.5)	(2.1)	0.2
INR Revenue	14.4	11.2	6.0	(0.1)	(4.4)	(4.2)	(3.8)	(1.0)	0.5	1.3	0.8	1.8	5.5
Gross Profit	14.3	14.1	12.3	7.2	(1.1)	(6.2)	(1.1)	3.0	1.5	7.2	(3.4)	(1.2)	3.1
EBIT	5.9	7.0	8.2	2.6	(12.7)	(5.9)	(1.3)	12.6	17.2	9.3	(2.8)	(0.8)	(1.4)
Net Profit	2.8	(0.4)	12.0	(0.5)	(11.7)	(7.8)	(2.4)	22.8	22.8	24.4	9.5	(1.8)	1.1
QoQ Growth (%)													
USD Revenue - IT Services	0.1	0.6	(2.1)	(2.3)	(2.1)	0.0	(1.2)	1.3	(1.2)	0.2	(1.8)	0.7	1.2
INR Revenue	3.1	(0.2)	(1.5)	(1.4)	(1.4)	0.0	(1.1)	1.5	0.1	0.8	(1.6)	2.5	3.8
EBIT	15.8	(0.2)	(8.1)	(3.4)	(1.4)	7.6	(3.7)	10.3	2.5	0.4	(14.3)	12.6	1.9
Net Profit	14.8	0.7	(6.6)	(7.8)	1.8	5.2	(1.2)	16.0	1.8	6.6	(13.0)	3.9	4.8
Margins (%)													
Gross Margin	29.7	29.8	29.4	29.3	30.7	29.2	30.2	30.5	31.0	30.9	29.0	29.6	30.3
SGA	14.1	14.0	14.2	14.6	16.0	13.2	13.7	13.6	13.8	13.6	12.9	13.2	14.2
EBIT Margin- IT Services	16.3	16.3	16.0	16.1	16.0	16.4	16.5	16.8	17.5	17.5	16.2	16.7	16.4
EBIT Margin- IT Products	2.4	(5.2)	(23.2)	(31.8)	14.2	12.3	(34.3)	(27.6)	3.9	(5.3)	2.7	9.0	8.8
Total EBIT Margin	16.2	16.2	15.1	14.8	14.8	15.9	15.5	16.8	17.3	17.2	15.0	16.4	16.1
PAT	13.1	13.3	12.6	11.8	12.1	12.8	12.8	14.6	14.8	15.7	13.9	14.1	14.2

Source: Company, BOBCAPS Research

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Fig 16 – Key Metrics

Key Metrics	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Revenue (USD mn)	2,821	2,840	2,779	2,713	2,656	2,657	2,626	2,660	2,629	2,634	2,587	2,604	2,635
P and L (Rsmn)													
Revenue	232,290	231,903	228,310	225,159	222,051	222,083	219,638	223,016	223,188	225,042	221,346	226,973	235,558
EBITDA	50,358	54,503	38,563	41,370	44,889	51,557	40,116	45,050	50,576	54,655	39,468	45,150	49,735
PAT	30,529	30,745	28,701	26,463	26,942	28,346	30,032	32,088	33,538	35,696	33,304	32,462	31,190
Vertical Mix (%)													
BFSI	34.9	34.2	33.8	33.6	32.7	33.5	34.0	34.8	34.1	34.2	33.6	34.3	34.6
HLS	12.0	12.2	12.2	12.7	13.9	14.1	13.9	13.6	14.7	14.4	14.6	14.5	14.9
RCTG	18.9	18.8	18.7	18.7	18.8	18.7	19.2	19.2	19.0	18.9	18.6	18.2	18.2
ENU*	11.4	12.3	12.2	11.6	11.8	11.9	11.2	10.8	-	-	-	-	-
MFG AND TECH*	18.2	18.0	18.5	19.1	18.8	18.0	17.9	-	-	-	-	-	-
GMT*	4.6	4.5	4.6	4.3	4.0	3.8	3.8	-	-	-	-	-	-
Tech and Comm								15.4	15.3	15.2	15.5	15.6	16.0
Manufacturing*								6.2	-	-	-	-	-
Energy, Manufacturing and Resources*									16.9	17.3	17.7	17.4	16.3
Geographic Mix (%)													
Americas 1	29.4	28.8	28.8	29.8	31.0	30.4	30.9	30.8	32.3	32.8	33.1	33.0	33.2
Americas 2	30.8	30.7	30.0	29.9	30.0	30.7	30.8	30.6	30.6	30.6	30.4	29.6	29.0
Europe	28.8	29.3	29.5	28.6	27.7	27.8	27.6	27.9	26.7	26.1	25.7	26.3	26.7
APAC and Other Emerging Markets	11.0	11.2	11.7	11.7	11.3	11.1	10.7	10.7	10.4	10.5	10.8	11.1	11.1
Project Type													
T&M	40.6	40.5	40.3	41.6	40.1	41.1	42.4	43.3	43.3	44.5	46.5	47.0	44.9
Fixed Price	59.4	59.5	59.7	58.4	59.9	58.9	57.6	56.7	56.7	55.5	53.5	53.0	55.1
Clients Concentration (%)													
Top client	3.2	3.3	3.1	3.0	3.0	3.8	4.0	4.1	4.5	4.4	4.7	4.8	4.7
Top 5 clients	13.3	12.6	12.5	12.3	12.1	13.4	13.6	14.0	14.3	14.5	14.7	14.4	14.4
Top 10 clients	21.3	20.3	20.5	20.6	20.5	22.0	22.5	22.9	23.7	24.2	24.5	24.0	23.7
Number of Clients													
> USD 100 mn+	19	19	21	22	22	22	22	21	18	17	16	16	16
> USD 75 mn+	29	29	28	28	31	32	29	30	30	28	27	29	31
> USD 50 mn+	52	53	51	51	46	45	43	42	42	44	47	45	45
> USD 20 mn+	119	117	123	122	121	116	117	117	114	111	109	104	103
> USD 10 mn+	202	208	207	207	203	205	192	186	187	181	180	177	177
> USD 5 mn+	307	311	319	313	305	301	301	297	290	289	281	272	281
> USD 3 mn+	431	427	444	437	430	409	407	411	403	398	397	393	390
> USD 1 mn+	739	750	769	774	750	741	735	733	722	716	725	730	722
Employees	262,109	258,570	249,758	244,707	239,655	232,614	232,911	233,889	232,732	233,346	233,232	235,492	242,021
Net Addition	(517)	(3539)	(8812)	(5051)	(5052)	(7041)	297	978	(1157)	614	(114)	2260	6529
TTM Attrition (%)	21.2	19.2	17.3	15.5	14.2	14.2	14.1	14.5	15.3	15	15.1	14.9	14.2
P&L													
(USD mn)													
Revenue	2,821	2,840	2,779	2,713	2,656	2,657	2,626	2,660	2,629	2,634	2,587	2,604	2,635
EBIT	458	460	421	404	394	424	433	444	462	452	417	426	431
PAT	371	377	350	321	323	340	360	383	398	413	388	366	347
Per Capita (Annualised) - USD mn													
Revenue	43,057	43,926	44,499	44,352	44,332	45,696	45,097	45,493	45,187	45,152	44,368	44,236	43,557
EBIT	6,984	7,121	6,750	6,604	6,577	7,299	7,431	7,585	7,945	7,751	7,145	7,238	7,131
PAT	5,665	5,826	5,612	5,241	5,392	5,849	6,187	6,552	6,839	7,079	6,661	6,211	5,738
Total Direct+Opex cost per capita	36,073	36,805	37,749	37,748	37,755	38,398	37,666	37,908	37,241	37,400	37,223	36,998	36,425

Source: Company, BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	**897,603**	**890,884**	**927,972**	**989,659**	**1,037,500**
EBITDA	176,379	190,397	185,624	210,262	223,189
Depreciation	40,280	39,126	33,246	47,657	52,345
EBIT	136,099	151,271	152,377	162,605	170,844
Net interest inc./(exp.)	(12,552)	(14,770)	(14,906)	(16,120)	(16,120)
Other inc./(exp.)	23,663	38,456	39,168	46,436	51,583
Exceptional items	0	0	0	0	0
EBT	147,210	174,957	173,611	192,921	206,307
Income taxes	36,089	42,777	40,518	47,266	50,545
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	669	826	633	600	600
Reported net profit	**110,452**	**131,354**	**132,460**	**145,055**	**155,162**
Adjustments	0	0	0	0	0
Adjusted net profit	**110,452**	**131,354**	**132,460**	**145,055**	**155,162**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	88,566	88,252	97,638	101,044	106,144
Other current liabilities	154,671	189,976	279,666	281,966	285,410
Provisions	0	294	158	158	158
Debt funds	62,300	63,954	1,860	1,860	1,860
Other liabilities	93,882	111,036	127,777	127,777	127,777
Equity capital	10,450	20,944	20,974	20,974	20,974
Reserves & surplus	740,773	809,503	866,798	910,315	956,863
Shareholders' fund	751,223	830,447	887,772	931,289	977,837
Total liab. and equities	**1,150,642**	**1,283,959**	**1,394,871**	**1,444,094**	**1,499,186**
Cash and cash eq.	96,953	121,974	123,806	192,511	267,709
Accounts receivables	119,522	118,044	131,811	136,409	143,294
Inventories	907	694	755	755	755
Other current assets	140,136	147,815	160,887	164,463	169,818
Investments	333,844	439,259	484,959	484,959	484,959
Net fixed assets	52,640	55,235	60,357	30,673	(1,672)
CWIP	28,968	25,449	13,025	15,052	15,052
Intangible assets	348,750	352,464	397,129	397,129	397,129
Deferred tax assets, net	1,817	2,561	4,452	4,452	4,452
Other assets	27,105	20,464	17,691	17,691	17,691
Total assets	**1,150,642**	**1,283,959**	**1,394,871**	**1,444,094**	**1,499,186**

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	**170,637**	**190,916**	**172,847**	**206,964**	**220,531**
Capital expenditures	16,664	(4,063)	(9,537)	(20,000)	(20,000)
Change in investments	(2,848)	(105,133)	(45,036)	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**13,817**	**(109,196)**	**(54,573)**	**(20,000)**	**(20,000)**
Equities issued/Others	(148,000)	10,494	30	0	0
Debt raised/repaid	(8,627)	20,351	1,244	0	0
Interest expenses	(12,552)	(14,770)	(14,906)	(16,120)	(16,120)
Dividends paid	(5,218)	(6)	(99,052)	(101,539)	(108,613)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(174,397)**	**16,069**	**(112,684)**	**(117,659)**	**(124,733)**
Chg in cash & cash eq.	**5,073**	**25,021**	**1,589**	**68,565**	**75,058**
Closing cash & cash eq.	**96,953**	**121,974**	**123,563**	**192,371**	**267,569**

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	10.4	12.6	12.6	13.8	14.8
Adjusted EPS	10.4	12.5	12.6	13.8	14.8
Dividend per share	0.5	0.0	9.5	9.7	10.4
Book value per share	71.9	79.4	84.7	88.9	93.3

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	3.2	3.2	3.1	3.0	2.9
EV/EBITDA	16.1	15.0	15.6	14.1	13.6
Adjusted P/E	25.8	21.3	21.2	19.4	18.1
P/BV	3.7	3.4	3.2	3.0	2.9

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	75.0	75.1	76.3	75.2	75.2
Interest burden (PBT/EBIT)	108.2	115.7	113.9	118.6	120.8
EBIT margin (EBIT/Revenue)	15.2	17.0	16.4	16.4	16.5
Asset turnover (Rev./Avg TA)	77.1	73.1	69.1	69.5	70.3
Leverage (Avg TA/Avg Equity)	1.5	1.5	1.6	1.6	1.5
Adjusted ROAE	14.4	16.6	15.4	15.9	16.3

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	(0.8)	(0.7)	4.2	6.6	4.8
EBITDA	(3.1)	7.9	(2.5)	13.3	6.1
Adjusted EPS	0.2	20.9	0.7	9.5	7.0
Profitability & Return ratios (%)					
EBITDA margin	19.7	21.4	20.0	21.2	21.5
EBIT margin	15.2	17.0	16.4	16.4	16.5
Adjusted profit margin	12.3	14.7	14.3	14.7	15.0
Adjusted ROAE	14.4	16.6	15.4	15.9	16.3
ROCE	10.3	10.9	10.2	10.2	10.3
Working capital days (days)					
Receivables	72	75	82	79	79
Inventory	NA	NA	NA	NA	NA
Payables	36	36	38	37	37
Ratios (x)					
Gross asset turnover	17.1	16.1	15.4	32.3	(620.4)
Current ratio	1.5	1.4	1.1	1.3	1.5
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	0.0	(0.1)	(0.1)	(0.2)	(0.3)

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

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Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

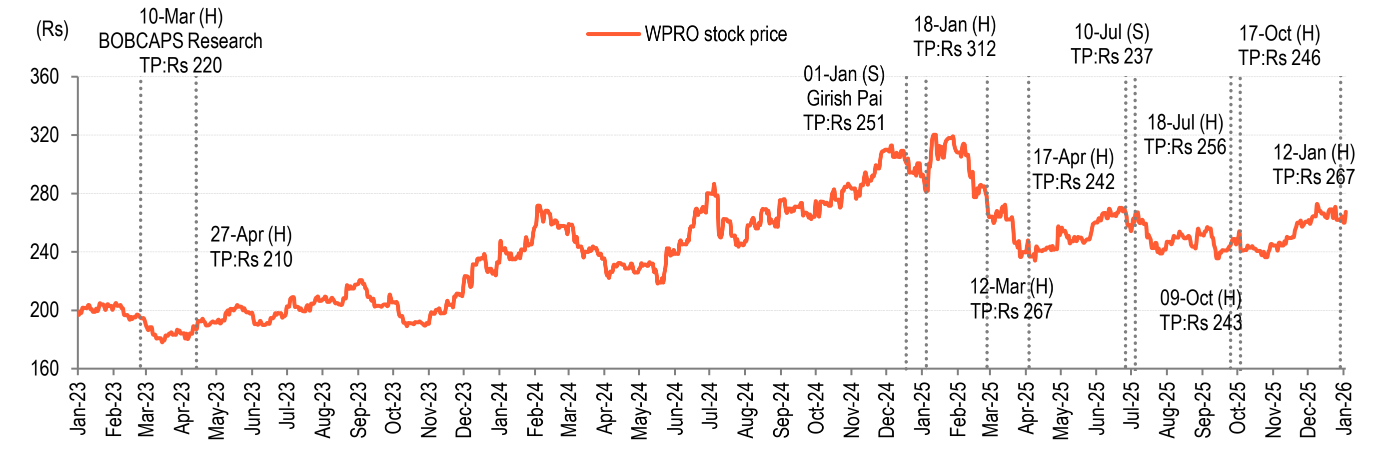
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): WIPRO (WPRO IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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