

Refer to important disclosures at the end of this report

# CEO hiring removes event overhang, task remains cut out for him

**CMP: Rs 213**  
 as of (May 29, 2020)

**TP: Rs 210 (▲)**  
 12 months

**Rating: HOLD (■)**

**Upside: (1.2) %**

- Wipro last week announced the appointment of Thierry Delaporte as CEO, succeeding Abid Neemuchiwala, who resigned earlier this year. This removes the event overhang on the stock.
- Delaporte is a Capgemini veteran having spent nearly 25 years at the company, with stints across finance, operations and sales. Given his strong experience, Wipro looks to improve business in Continental Europe (where it has failed to benefit from increased offshoring unlike peers) and Financial Services.
- New CEO takes charge in the time of recession and will have his task cut out given Wipro's long-standing struggles around client relevance, differentiation and strategy. Street has been enthused with CEO changes in the past (2011 and 2016), hoping for turnaround and improvement in Wipro's fortunes but has been disappointed as Wipro's underperformance has continued.
- Valuations remain cheap at ~8% FCF yield that prompted us to upgrade the stock to Hold in Mar'20. Our order of preference in Tier I techs remains unchanged with HCLT > TechM (both Buy) > Infosys > Wipro (both Hold) > TCS (Sell).

## New CEO appointment removes the leadership overhang

With the appointment, the overhang on the stock related to the CEO hiring should fade. Having said that, whether the new CEO is able to reverse the long streak of underperformance of the company will only be known with the time. The CEO appointee, Delaporte, is a Capgemini veteran, having spent more than 25 yrs at the company and serving in multiple roles across Finance, Operations and Sales. In his most recent assignment, Delaporte was COO of Capgemini until Sep'19, when he quit the company after losing to his colleague Aiman Ezzat in the race to succeed Paul Hermelin as CEO.

## Retain Hold, TP Rs210

We retain Hold on Wipro, with a revised TP of Rs210, based on 12x FY22E EPS (vs. 11x earlier) as the uncertainty around the leadership transition fades. We had upgraded Wipro to Hold in Mar'20 on cheap valuations (cash at 20%+ of the market cap and ~8% FCF yield at CMP) and continue to find valuations inexpensive relative to peers. Our order of preference within Tier I techs is HCL Tech > TechM (both rated Buy) > Infosys > Wipro (both rated Hold) > TCS (SELL).

Please see our sector model portfolio (Emkay Alpha Portfolio): [Information Technology \(Page 8\)](#)

## Financial Snapshot (Consolidated)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	5,93,404	6,14,545	6,10,836	6,42,952	6,78,852
EBITDA	1,19,384	1,26,592	1,26,065	1,33,567	1,39,583
EBITDA Margin (%)	20.1	20.6	20.6	20.8	20.6
APAT	90,031	97,218	95,699	1,00,956	1,08,318
EPS (Rs)	15.0	16.6	16.8	17.7	19.0
EPS (% chg)	16.6	11.2	0.9	5.5	7.3
ROE (%)	17.1	17.3	15.5	13.7	12.6
P/E (x)	14.2	12.8	12.7	12.0	11.2
EV/EBITDA (x)	8.3	7.7	6.7	5.5	4.4
P/BV (x)	2.3	2.2	1.8	1.5	1.3

Source: Company, Emkay Research



### Change in Estimates

EPS Chg FY21E/FY22E (%)	-/-
Target Price change (%)	7.7
Target Period (Months)	12
Previous Reco	HOLD

### Emkay vs Consensus

	EPS Estimates	
	FY21E	FY22E
Emkay	16.8	17.7
Consensus	15.5	17.0
Mean Consensus TP (12M)	Rs 196	

### Stock Details

Bloomberg Code	WPRO IN
Face Value (Rs)	2
Shares outstanding (mn)	5,713
52 Week H/L	302 / 159
M Cap (Rs bn/USD bn)	1,214 / 16.06
Daily Avg Volume (nos.)	68,22,856
Daily Avg Turnover (US\$ mn)	17.1

### Shareholding Pattern Mar '20

Promoters	74.0%
FIIs	8.5%
DIIIs	7.0%
Public and Others	10.5%

### Price Performance

(%)	1M	3M	6M	12M
<b>Absolute</b>	18	(4)	(11)	(26)
<b>Rel. to Nifty</b>	17	12	13	(8)

### Relative price chart



Source: Bloomberg

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## Story in Charts

**Exhibit 1: Wipro has underperformed peers through the last several years**

US\$ revenue growth, %	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Infosys	11.5%	5.6%	9.1%	7.4%	7.2%	7.9%	8.3%
TCS	16.2%	15.0%	7.1%	6.2%	8.6%	9.6%	5.4%
Wipro	6.4%	7.0%	3.7%	4.9%	2.5%	2.9%	1.7%
HCL Tech	14.2%	12.4%	7.1%	11.9%	12.4%	10.1%	15.1%

Source: Emkay Research

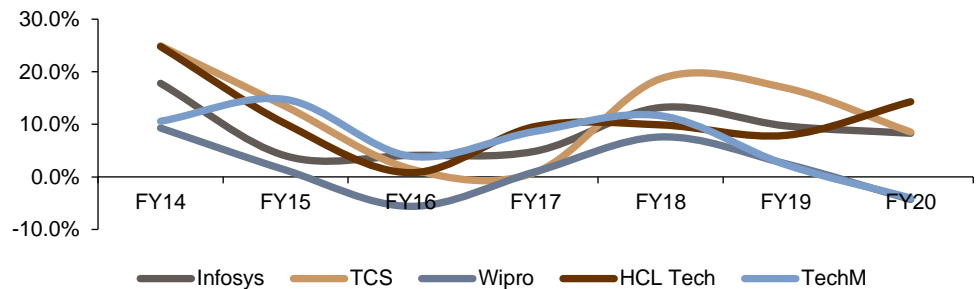
**Exhibit 2: Wipro's EBIT margins are just better than TechM and CTSH having slipped through the years**

EBIT margins	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Infosys	24.5%	25.9%	25.0%	24.7%	24.3%	22.8%	21.3%
TCS	29.1%	26.9%	26.5%	25.7%	24.8%	25.6%	24.6%
Wipro	22.6%	22.2%	20.5%	17.4%	14.1%	17.0%	18.1%
HCL Tech	23.3%	23.3%	20.5%	20.3%	19.8%	19.6%	19.6%
TechM	19.4%	15.7%	13.3%	11.0%	11.8%	15.0%	11.6%
Cognizant	19.0%	18.4%	17.3%	17.0%	16.8%	17.4%	14.6%

Source: Emkay Research

**Exhibit 3: Wipro has failed to benefit from the increased appetite for offshore IT unlike peers in recent years**

**YoY growth in revenues from Europe**



Source: Company, Emkay Research

**Exhibit 4: Thierry Delaporte has experience across finance, operations as well as Sales across his long stint at Capgemini**

Tenure	Roles
Jan-18 -Mar'20	Group COO- Transformation
Jan'16-Dec'17	CEO, Capgemini, Latin America
Dec'12-Dec'17	CE), Financial Services Global Business Unit
Jan'11-Dec'12	COO and Head of Sales, Application services
Jan'09-Dec'10	CFO for the Global Outsourcing Business Unit
Apr'05-Dec'08	CFO for North America
Sep'03-Mar'05	CFO , Spain and Portugal
May'02-Aug'03	CFO and COO for ANZ
June'00-April'02	CFO for Asia Pac Telecom Business
Jan'98-May'00	CFO for Switzerland and Austria

Source: Company, Emkay Research

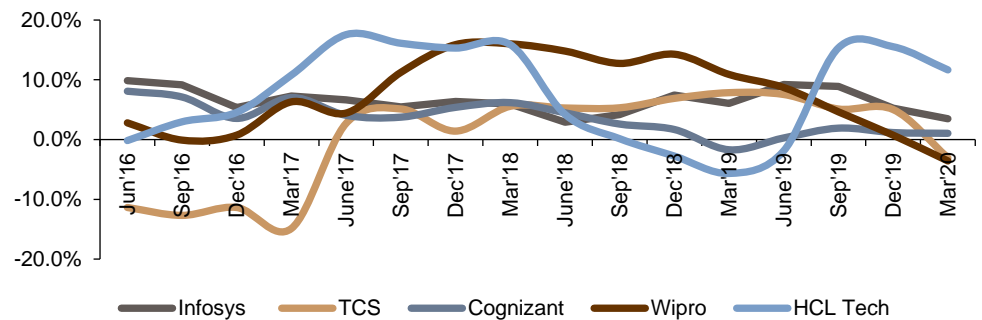
## Wipro announces the appointment of new CEO

Wipro has announced the appointment of Mr. Thierry Delaporte as the new CEO, effective July 6. We note that the current CEO, Mr. Abid Neemuchiwalla, had resigned earlier this year after an over 4-year tenure at the company. Thierry has been a Capgemini veteran, having spent ~25 years at the company and donning several roles that cut across finance, operations and sales. With Thierry's appointment, an overhang related to the CEO appointment should fade for Wipro. This has led to some positive stock reaction on Friday, but we note that Wipro's list of struggles is long and only time will tell whether the new CEO is able to address the underlying issues at Wipro, which have resulted in a long streak of disappointment notwithstanding the mixed success under TK (2011-2016) and Abid (2016-2020).

## New CEO could help with his strong relationships in Europe/Financial Services

The new CEO at Wipro could help Wipro do better in Europe (a geography where Wipro has failed to even benefit from the increased acceptance for offshoring. Tier I peers like TCS, CTSH and HCL Tech have enjoyed more success in recent years, refer chart above) and Financial Services (where Wipro has made some progress under the outgoing CEO, Neemuchiwalla, but has since seen growth once again fall off in FY20) given his prior roles at Capgemini in these segments.

**Exhibit 5: Wipro did well in financial services outgrowing peers in FY18 and FY19 but has underperformed once again in FY20**



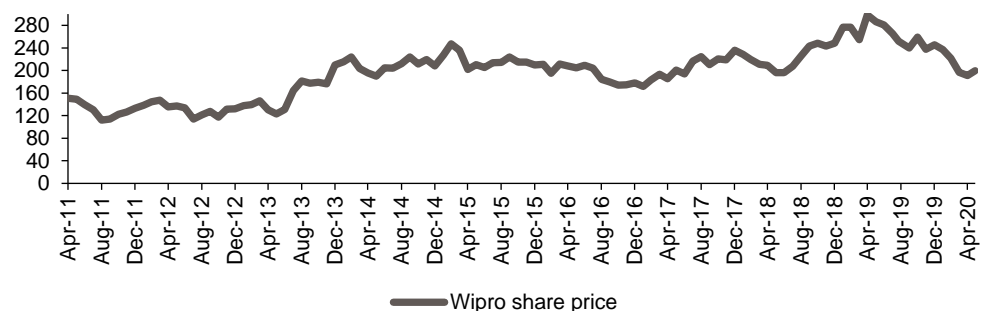
Source: Company, Emkay Research

## The new CEO has his task cut out; time will tell if he can address long-standing issues at Wipro

Thierry has his task cut out as he takes over the CEO role in the backdrop of the recessionary environment. In addition, Wipro has continued to underperform peers for quite long now despite the two prior incumbents, TK Kurien and Neemuchiwalla, trying their best to address the issues. Wipro, in our view, has suffered from the lack of client relevance, differentiation and strategy. Wipro's list of misses is quite big, whether it is in terms of missing the BPO/Infra cycle or missing out on the significant traction for offshore services in Continental Europe over the last few years.

Only time will tell if Thierry can identify some of these issues and reinvigorate the company. We note that investors/analysts have had similar hopes around the leadership transition in 2011 (when TK took over as the CEO) and 2015-16 (when Neemuchiwalla took over from Kurien, and given his enviable success at TCS earlier), but have been disappointed over the medium term subsequently. Thereby, we would wait to pass a verdict on this count.

**Exhibit 6: Hopes of successful turnaround have faded out after the initial excitement in the past**



Source: Company, Emkay Research

**Retain Hold, with a revised TP of Rs210**

We upgraded Wipro to Hold in Mar'20 earlier due to inexpensive valuations and our belief that absolute downsides were limited here. We continue to retain Hold on Wipro, with a revised TP of Rs210 (vs. Rs195 earlier) as we raise our target multiple one notch to 12x (vs. 11x earlier) on Mar'22E earnings as the uncertainty related to the leadership change fades. We continue to prefer Tier I techs over Tier II techs. Our order of preference however remains unchanged – HCL Tech > TechM (both rated Buy) > Infosys > Wipro (both rated Hold) > TCS (Sell).

**Exhibit 7: Valuation Summary**

Co Name	CMP	Reco.	Target Price	US\$ revenue growth (%)			EPS			P/E			EV/EBIT		
				FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
<b>IT Services companies</b>															
TCS	1,972	SELL	1,520	-3.3	9.6	9.0	82.7	94.7	103.3	23.9	20.8	19.1	18.6	16.1	14.6
Infosys	691	HOLD	590	-3.2	11.2	10.5	37.2	42.3	47.7	18.6	16.4	14.5	13.5	11.5	10.0
<b>Wipro</b>	<b>213</b>	<b>HOLD</b>	<b>210</b>	<b>-3.4</b>	<b>5.2</b>	<b>5.5</b>	<b>16.8</b>	<b>17.7</b>	<b>19.0</b>	<b>12.7</b>	<b>12.0</b>	<b>11.2</b>	<b>8.2</b>	<b>6.7</b>	<b>5.3</b>
HCL Tech	550	BUY	600	-1.7	9.9	11.6	39.1	45.7	51.6	14.1	12.0	10.7	10.3	8.8	7.6
Tech Mahindra	530	BUY	620	-4.3	9.6	9.6	42.7	51.9	59.3	12.4	10.2	8.9	8.4	6.4	4.9
L&T Infotech	1,799	SELL	1,430	3.2	12.1	12.8	87.1	102.2	113.5	20.6	17.6	15.8	15.4	12.6	10.6
Mphasis	861	HOLD	815	-0.1	6.1	9.4	61.2	67.9	75.5	14.1	12.7	11.4	9.8	8.6	7.5
Mindtree	895	SELL	710	-1.3	9.3	12.2	46.5	54.5	63.5	19.3	16.4	14.1	13.1	11.0	9.2
Hexaware*	253	HOLD	270	3.9	9.5	7.9	19.4	23.8	25.6	13.1	10.7	9.9	10.0	7.4	6.2
Persistent Systems	526	HOLD	550	-1.8	9.8	8.4	44.0	54.4	59.7	11.9	9.7	8.8	6.9	4.7	3.5
NIIT Tech	1,452	SELL	1,040	0.6	9.4	9.1	68.2	86.5	99.8	21.3	16.8	14.5	14.3	11.4	9.6
<b>Other companies</b>															
eClerx Services	397	HOLD	520	-2.1	7.8	7.2	61.5	65.5	68.8	6.4	6.1	5.8	3.4	3.2	2.8
Firstsource Solutions	32	HOLD	39	-2.8	7.7	5.1	4.4	5.2	5.7	7.3	6.0	5.6	6.5	4.9	3.8

Source: Emkay Research

**Key Financials (Consolidated)****Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
<b>Revenue</b>	<b>5,93,404</b>	<b>6,14,545</b>	<b>6,10,836</b>	<b>6,42,952</b>	<b>6,78,852</b>
<b>Expenditure</b>	<b>4,93,494</b>	<b>5,08,815</b>	<b>5,07,983</b>	<b>5,32,928</b>	<b>5,63,624</b>
<b>EBITDA</b>	<b>1,19,384</b>	<b>1,26,592</b>	<b>1,26,065</b>	<b>1,33,567</b>	<b>1,39,583</b>
Depreciation	19,474	20,862	23,212	23,543	24,356
<b>EBIT</b>	<b>99,910</b>	<b>1,05,730</b>	<b>1,02,853</b>	<b>1,10,024</b>	<b>1,15,227</b>
Other Income	15,505	16,782	16,770	16,170	20,170
Interest expenses	0	0	0	0	0
<b>PBT</b>	<b>1,15,415</b>	<b>1,22,512</b>	<b>1,19,623</b>	<b>1,26,194</b>	<b>1,35,398</b>
Tax	25,242	24,799	23,925	25,239	27,080
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	142	495	0	0	0
<b>Reported Net Income</b>	<b>90,031</b>	<b>97,218</b>	<b>95,699</b>	<b>1,00,956</b>	<b>1,08,318</b>
<b>Adjusted PAT</b>	<b>90,031</b>	<b>97,218</b>	<b>95,699</b>	<b>1,00,956</b>	<b>1,08,318</b>

**Balance Sheet**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	12,068	11,427	11,427	11,427	11,427
Reserves & surplus	5,56,048	5,46,031	6,63,069	7,85,100	9,14,127
<b>Net worth</b>	<b>5,68,116</b>	<b>5,57,458</b>	<b>6,74,496</b>	<b>7,96,527</b>	<b>9,25,554</b>
<b>Minority Interest</b>	<b>2,637</b>	<b>1,875</b>	<b>1,875</b>	<b>1,875</b>	<b>1,875</b>
<b>Loan Funds</b>	<b>99,467</b>	<b>78,042</b>	<b>78,042</b>	<b>78,042</b>	<b>78,042</b>
Net deferred tax liability	(22,790)	(2,779)	(2,779)	(2,779)	(2,779)
<b>Total Liabilities</b>	<b>6,47,430</b>	<b>6,34,596</b>	<b>7,51,634</b>	<b>8,73,665</b>	<b>10,02,692</b>
<b>Net block</b>	<b>1,78,570</b>	<b>2,08,712</b>	<b>2,20,500</b>	<b>2,26,958</b>	<b>2,32,602</b>
<b>Investment</b>	<b>2,28,867</b>	<b>2,00,320</b>	<b>2,00,320</b>	<b>2,00,320</b>	<b>2,00,320</b>
<b>Current Assets</b>	<b>3,76,754</b>	<b>3,82,078</b>	<b>4,78,654</b>	<b>6,03,072</b>	<b>7,36,338</b>
Cash & bank balance	1,58,529	1,44,499	2,43,524	3,55,579	4,75,027
Other Current Assets	86,532	99,982	95,391	1,00,406	1,06,012
<b>Current liabilities &amp; Provision</b>	<b>1,59,534</b>	<b>1,76,862</b>	<b>1,68,189</b>	<b>1,77,032</b>	<b>1,86,917</b>
<b>Net current assets</b>	<b>2,17,220</b>	<b>2,05,216</b>	<b>3,10,465</b>	<b>4,26,040</b>	<b>5,49,422</b>
Misc. exp	0	0	0	0	0
<b>Total Assets</b>	<b>6,47,430</b>	<b>6,34,596</b>	<b>7,51,634</b>	<b>8,73,665</b>	<b>10,02,692</b>

**Cash Flow**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
<b>PBT (Ex-Other income) (NI+Dep)</b>	<b>1,15,414</b>	<b>1,05,730</b>	<b>1,02,853</b>	<b>1,10,024</b>	<b>1,15,227</b>
Other Non-Cash items	0	0	0	0	0
Chg in working cap	27,165	17,985	15,124	17,828	17,414
<b>Operating Cashflow</b>	<b>1,16,315</b>	<b>1,10,550</b>	<b>1,18,327</b>	<b>1,27,219</b>	<b>1,30,980</b>
Capital expenditure	5,262	(41,352)	(35,000)	(30,000)	(30,000)
<b>Free Cash Flow</b>	<b>1,21,577</b>	<b>69,198</b>	<b>83,327</b>	<b>97,219</b>	<b>1,00,980</b>
Investments	24,340	28,547	0	0	0
Other Investing Cash Flow	0	0	0	0	0
<b>Investing Cashflow</b>	<b>50,126</b>	<b>3,977</b>	<b>(18,230)</b>	<b>(13,830)</b>	<b>(9,830)</b>
Equity Capital Raised	4	(1,04,994)	0	0	0
Loans Taken / (Repaid)	(39,143)	(21,425)	0	0	0
Dividend paid (incl tax)	(5,434)	(7,020)	(4,785)	(5,048)	(5,416)
Other Financing Cash Flow	531	3,713	3,713	3,713	3,713
<b>Financing Cashflow</b>	<b>(48,839)</b>	<b>(1,29,726)</b>	<b>(1,072)</b>	<b>(1,335)</b>	<b>(1,703)</b>
<b>Net chg in cash</b>	<b>1,17,603</b>	<b>(15,199)</b>	<b>99,025</b>	<b>1,12,055</b>	<b>1,19,448</b>
Opening cash position	40,926	1,58,529	1,43,329	2,42,355	3,54,410
<b>Closing cash position</b>	<b>1,58,529</b>	<b>1,43,329</b>	<b>2,42,355</b>	<b>3,54,410</b>	<b>4,73,857</b>

Source: Company, Emkay Research

**Key Ratios**

<b>Profitability (%)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
EBITDA Margin	20.1	20.6	20.6	20.8	20.6
EBIT Margin	16.8	17.2	16.8	17.1	17.0
Effective Tax Rate	21.9	20.2	20.0	20.0	20.0
Net Margin	15.2	15.9	15.7	15.7	16.0
ROCE	18.5	19.1	17.3	15.5	14.4
ROE	17.1	17.3	15.5	13.7	12.6
RoIC	38.1	41.7	36.9	37.6	38.1

<b>Per Share Data (Rs)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
EPS	15.0	16.6	16.8	17.7	19.0
CEPS	18.2	20.2	20.8	21.8	23.3
BVPS	94.4	95.4	118.3	139.7	162.3
DPS	1.0	1.0	0.8	0.9	0.9

<b>Valuations (x)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
PER	14.2	12.8	12.7	12.0	11.2
P/CEPS	11.7	10.5	10.2	9.7	9.1
P/BV	2.3	2.2	1.8	1.5	1.3
EV / Sales	1.7	1.6	1.4	1.1	0.9
EV / EBITDA	8.3	7.7	6.7	5.5	4.4
Dividend Yield (%)	0.5	0.5	0.4	0.4	0.4

<b>Gearing Ratio (x)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
Net Debt/ Equity	(0.5)	(0.5)	(0.5)	(0.6)	(0.6)
Net Debt/EBIDTA	(2.4)	(2.1)	(2.9)	(3.6)	(4.3)
Working Cap Cycle (days)	36.1	36.1	40.0	40.0	40.0

<b>Growth (%)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
Revenue	8.6	3.6	(0.6)	5.3	5.6
EBITDA	13.2	6.0	(0.4)	6.0	4.5
EBIT	18.5	5.8	(2.7)	7.0	4.7
PAT	12.5	8.0	(1.6)	5.5	7.3

<b>Quarterly (Rs mn)</b>	<b>Q4FY19</b>	<b>Q1FY20</b>	<b>Q2FY20</b>	<b>Q3FY20</b>	<b>Q4FY20</b>
Revenue	1,51,925	1,48,718	1,51,897	1,55,432	1,58,498
EBITDA	27,320	25,373	26,735	27,233	26,389
<b>EBITDA Margin (%)</b>	<b>18.0</b>	<b>17.1</b>	<b>17.6</b>	<b>17.5</b>	<b>16.6</b>
PAT	24,833	23,874	25,526	24,558	23,260
<b>EPS (Rs)</b>	<b>4.1</b>	<b>4.0</b>	<b>4.3</b>	<b>4.3</b>	<b>4.1</b>

Source: Company, Emkay Research

<b>Shareholding Pattern (%)</b>	<b>Jun-19</b>	<b>Sep-19</b>	<b>Sep-19</b>	<b>Dec-19</b>	<b>Mar-20</b>
Promoters	73.8	74.0	74.1	74.0	74.0
FIIIs	8.2	8.4	8.4	8.4	8.5
DIIIs	6.9	7.0	6.9	7.0	7.0
Public and Others	11.1	10.6	10.6	10.5	10.5

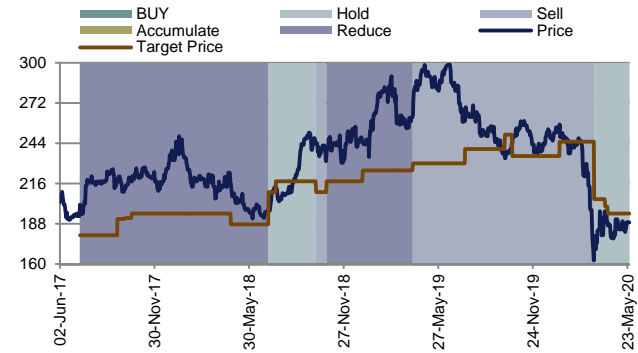
Source: Capitaline

## RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
26-May-20	189	195	12m	Hold	Manik Taneja
15-Apr-20	187	195	12m	Hold	Manik Taneja
10-Apr-20	197	200	12m	Hold	Manik Taneja
20-Mar-20	179	205	12m	Hold	Manik Taneja
03-Feb-20	237	245	12m	Sell	Manik Taneja
14-Jan-20	257	245	12m	Sell	Manik Taneja
08-Jan-20	255	235	12m	Sell	Manik Taneja
01-Jan-20	248	235	12m	Sell	Manik Taneja
21-Nov-19	248	235	12m	Sell	Manik Taneja
15-Oct-19	244	235	12m	Sell	Manik Taneja
01-Oct-19	234	250	12m	Sell	Manik Taneja
17-Jul-19	260	240	12m	Sell	Manik Taneja
03-Jul-19	283	230	12m	Sell	Manik Taneja
16-Apr-19	281	230	12m	Sell	Rahul Jain
08-Apr-19	264	230	12m	Sell	Rahul Jain
09-Jan-19	247	225	12m	Reduce	Rahul Jain
02-Jan-19	244	225	12m	Reduce	Rahul Jain
25-Oct-18	239	218	12m	Reduce	Rahul Jain
05-Oct-18	244	210	12m	Sell	Rahul Jain
20-Jul-18	212	218	12m	Hold	Rahul Jain
10-Jul-18	203	210	12m	Hold	Rahul Jain
06-Jul-18	197	210	12m	Hold	Rahul Jain
25-Apr-18	215	188	12m	Reduce	Rahul Jain
05-Apr-18	215	195	12m	Reduce	Rahul Jain
19-Jan-18	247	195	12m	Reduce	Rahul Jain
17-Oct-17	217	195	12m	Reduce	Rahul Jain
04-Oct-17	212	192	12m	Reduce	Rahul Jain
20-Sep-17	219	191	12m	Reduce	Rahul Jain
21-Jul-17	215	180	12m	Reduce	Rahul Jain
10-Jul-17	201	180	12m	Reduce	Rahul Jain

Source: Company, Emkay Research

## RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

## Emkay Alpha Portfolio – Information Technology



### Analyst: Manik Taneja

#### Contact Details

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+91 22 6612 1253

#### Sector

IT Services, ITeS and Software

#### Analyst bio

Manik is a seasoned Equities professional who has covered the offshore IT Services space since 2006. He has rejoined Emkay Global recently after a 1.5-year stint in Business Finance and Financial strategy in the US. Manik holds a PGDBA (Finance) from SIIB.

### EAP – Information Technology

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
<b>Information Technology</b>	<b>12.11</b>	<b>11.68</b>	<b>-4%</b>	<b>-43</b>	<b>100.00</b>
eClerx Services	0.00	0.00	NA	0	0.00
Firstsource Solutions	0.00	0.00	NA	0	0.00
<b>HCL Tech</b>	<b>1.17</b>	<b>1.49</b>	<b>28%</b>	<b>32</b>	<b>12.31</b>
Hexaware Technologies	0.00	0.00	NA	0	0.00
Infosys	5.06	5.09	1%	3	42.02
Intellect Design*	0.00	0.00	NA	0	0.00
<b>L&amp;T Infotech</b>	<b>0.15</b>	<b>0.00</b>	<b>-100%</b>	<b>-15</b>	<b>0.00</b>
Majesco*	0.00	0.00	NA	0	0.00
<b>Mindtree</b>	<b>0.16</b>	<b>0.00</b>	<b>-100%</b>	<b>-16</b>	<b>0.00</b>
<b>Mphasis</b>	<b>0.15</b>	<b>0.29</b>	<b>96%</b>	<b>14</b>	<b>2.44</b>
MPS	0.00	0.00	NA	0	0.00
NIIT	0.00	0.00	NA	0	0.00
NIIT Tech	0.00	0.00	NA	0	0.00
Nucleus Software*	0.00	0.00	NA	0	0.00
<b>Oracle Financial Services*</b>	<b>0.11</b>	<b>0.00</b>	<b>-100%</b>	<b>-11</b>	<b>0.00</b>
Persistent Systems	0.00	0.43	NA	43	3.57
Ramco Systems*	0.00	0.00	NA	0	0.00
<b>TCS</b>	<b>4.05</b>	<b>2.86</b>	<b>-29%</b>	<b>-119</b>	<b>23.64</b>
<b>Tech Mahindra</b>	<b>0.64</b>	<b>0.88</b>	<b>38%</b>	<b>24</b>	<b>7.30</b>
Wipro	0.62	0.63	1%	1	5.17
<b>Cash</b>	<b>0.00</b>	<b>0.43</b>	<b>NA</b>	<b>43</b>	<b>3.55</b>

Source: Emkay Research

\* Not under coverage: Equal Weight

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

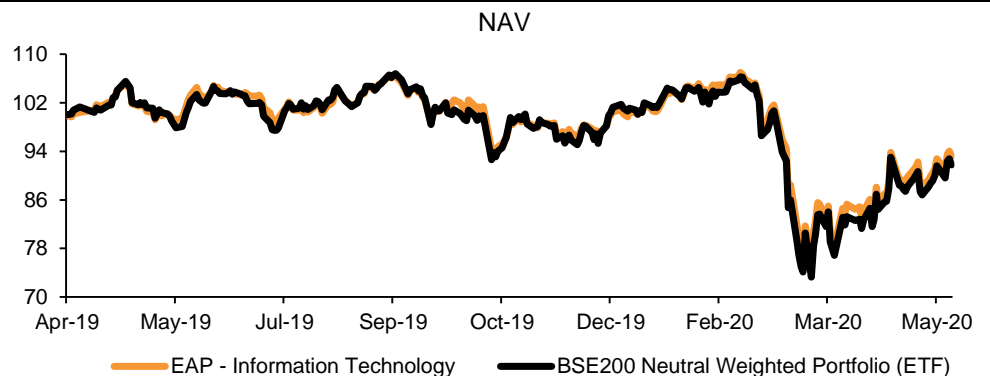
### Sector portfolio NAV

	Base					Latest
	1-Apr-19	28-Aug-19	29-Nov-19	27-Feb-20	29-Apr-20	29-May-20
EAP - Information Technology	100.0	104.7	97.0	103.3	89.0	93.2
BSE200 Neutral Weighted Portfolio (ETF)	100.0	104.4	95.9	102.3	87.9	91.8

\*Performance measurement base date 1<sup>st</sup> April 2019

Source: Emkay Research

### NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”



## Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 31 May 2020 23:18:41 (SGT)

Dissemination Date: 31 May 2020 23:19:41 (SGT)

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