

Persistent Systems

Refer to important disclosures at the end of this report

All-round beat; Growth momentum to remain strong

- PSYS reported better-than-expected operating performance in Q4. Revenues grew 9.1% QoQ/42.2% YoY (6.8%/36% organic) to USD217.3mn on the back of strong consistent growth in the Services business (14.7% QoQ). EBITM was flat sequentially at 14%.
- Revenue growth was broad-based across BFSI (9.8% QoQ), Healthcare & Life Sciences (9.1%) and Software, Hi-tech & Emerging industries (8.7%). Order booking stood at USD361mn (1.7x book-to-bill) in TCV, including USD195.1mn of new business TCV.
- Services revenues grew 14.7% QoQ to USD198mn, driven by 10.8% volume growth. Services has posted an ~11% CQGR in the last four quarters, and management remains confident of sustaining growth momentum. IP-led revenues declined 27% QoQ largely due to the restructuring of the CE/CLM IP deal with IBM to a T&M services model.
- We raise our FY23/FY24 EPS estimates by 6.5%/4.9%, factoring in Q4 performance, integration of the Media Agility acquisition and higher EBITM assumptions. We maintain Buy with a TP of Rs4,850 at 35x Mar'24E EPS (earlier Rs4,600), considering favorable industry tailwinds and a strong earnings trajectory (~24% EPS CAGR over FY22-24E).

What we liked? Broad-based revenue momentum in Services, EBITM beat despite supply-side issues and higher amortization charges, strong deals intake (book to bill 1.7x)

What we did not like? OCF/EBITDA conversion 62.7% in Q4 vs. 131.1% in Q3

Revenue growth momentum continues: Revenues grew 9.1% QoQ to USD217.3mn on the back of consistent growth in the Services business. Services revenue grew 14.7% QoQ, aided by 10.8% volume growth and 3.5% growth in blended realization. Organic revenue growth for the quarter stood at 6.8% QoQ (USD4.7mn of incremental revenue from acquisitions). IP-led revenues declined by 27% QoQ largely due to the planned restructuring of the CE/CLM IP deal with IBM to a T&M services model from a revenue share model (net negative impact of USD4mn). Management expects IP-led revenues to return to the growth path after four years of decline and they are likely to grow by 10-15% in FY23. PSYS added 1 and 3 new clients to USD5mn+ and USD1-5mn buckets, respectively, in Q4. Order booking stood at USD361mn (1.7x book-to-bill) in TCV, including USD195.1mn of new business TCV (management indicated that deal intake data does not include deals from recent acquisitions). Management remains confident of sustaining revenue growth momentum on the back of broad-based demand, robust deal intake, healthy deal pipeline, new logo additions, and contribution from inorganic initiatives. The company aspires to achieve a USD1bn revenue run rate in the coming quarters. The integration of recent acquisitions is on track, and management believes that revenue synergies on account of cross-selling and upselling will play out in the coming quarters with many large joint deals in the pipeline.

Adj. EBITM flat despite supply-side challenges: Adjusted EBITM was flat in Q4 at 14%, 50bps above our expectations. Strong revenue growth momentum, favorable currency movements (+30bps) and reversal of bad debt provisions (+20bps) negated headwinds from supply-side challenges, impact of M&A-related costs (-30bps) and IP deal restructuring costs (-10bps), and higher amortization charges. Management is confident of defending EBITM at the FY22 level (~14%) as it expects revenue growth-led operating leverage, pyramid rationalization, pricing benefits and other operating efficiencies to negate the headwinds stemming from higher amortization charges due to M&A (~50bps impact in FY23), wage hikes wef from July 1 (likely to be higher than usual due to high inflation) and elevated attrition.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Information Technology \(Page 10\)](#)

Financial Snapshot (Consolidated)

(Rs mn)	FY20	FY21	FY22	FY23E	FY24E
Revenue	35,658	41,879	57,107	79,114	95,209
EBITDA	5,171	6,855	9,730	13,568	16,384
EBITDA Margin (%)	14.5	16.4	17.0	17.1	17.2
APAT	3,403	4,507	6,904	8,726	10,600
EPS (Rs)	44.5	59.0	90.3	114.2	138.7
EPS (% chg)	0.2	32.4	53.2	26.4	21.5
ROE (%)	14.4	17.4	22.4	23.9	24.7
P/E (x)	96.8	73.1	47.7	37.7	31.1
EV/EBITDA (x)	60.9	45.2	32.5	23.4	19.0
P/BV (x)	13.8	11.8	9.8	8.4	7.1

Source: Company, Emkay Research

CMP

Rs 4,309
as of (April 28, 2022)

Rating

BUY (■)

Target Price

Rs 4,850 (▲)
12 months

Upside

12.6 %

Change in Estimates

EPS Chg FY23E/FY24E (%)	6.5/4.9
Target Price change (%)	5.4
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

EPS Estimates		
	FY23E	FY24E
Emkay	114.2	138.7
Consensus	110.3	134.1
Mean Consensus TP (12M)	Rs 4,794	

Stock Details

Bloomberg Code	PSYS IN
Face Value (Rs)	10
Shares outstanding (mn)	76
52 Week H/L	4,988 / 1,925
M Cap (Rs bn/USD bn)	329 / 4.31
Daily Avg Volume (nos.)	323,048
Daily Avg Turnover (US\$ mn)	18.2

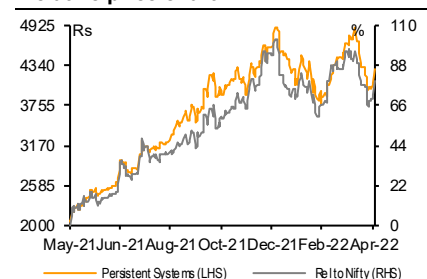
Shareholding Pattern Mar '22

Promoters	31.3%
FIIIs	20.0%
DIIIs	26.8%
Public and Others	22.0%

Price Performance

(%)	1M	3M	6M	12M
Absolute	(7)	1	8	120
Rel. to Nifty	(7)	-	12	89

Relative price chart



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

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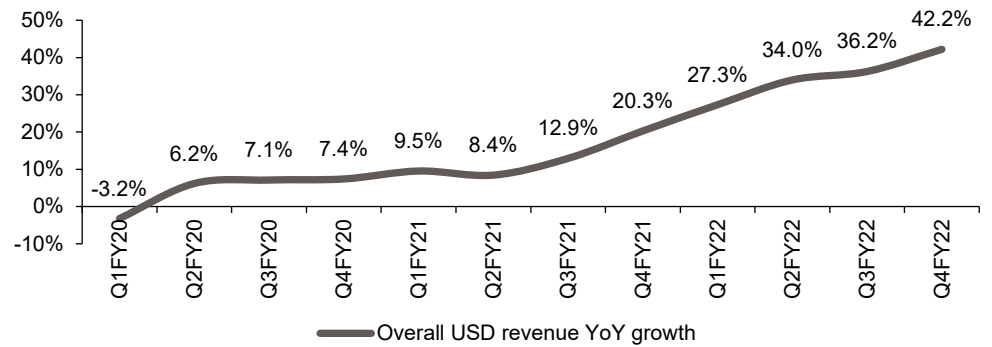
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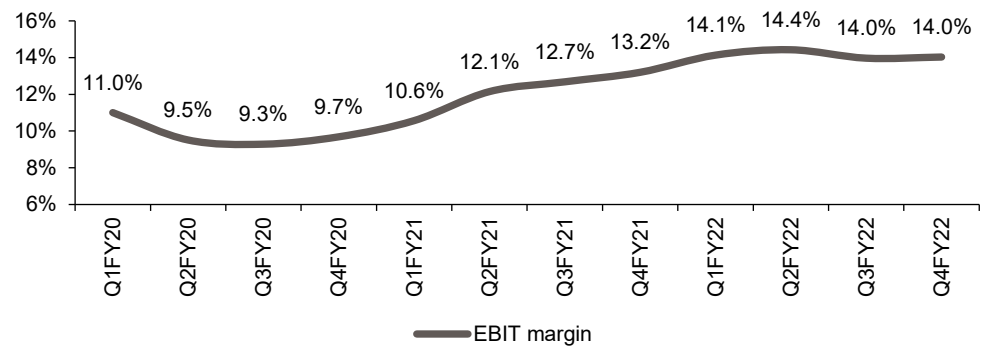
Story in Charts

Exhibit 1: Revenue growth acceleration continued in Q4



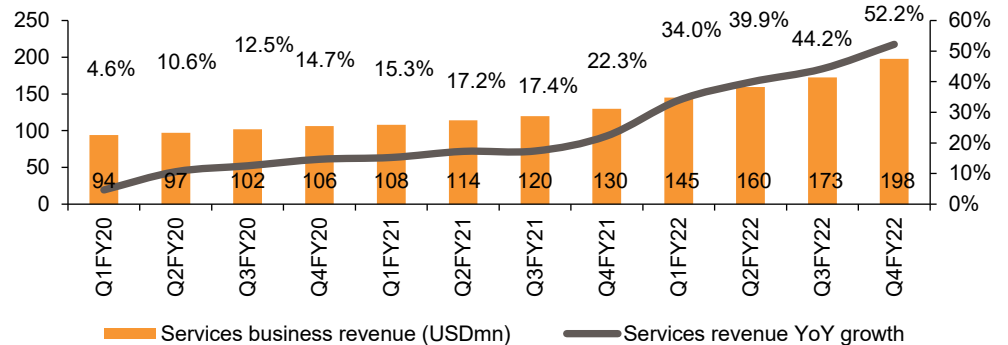
Source: Company, Emkay Research

Exhibit 2: Adjusted EBITM remained flat in Q4



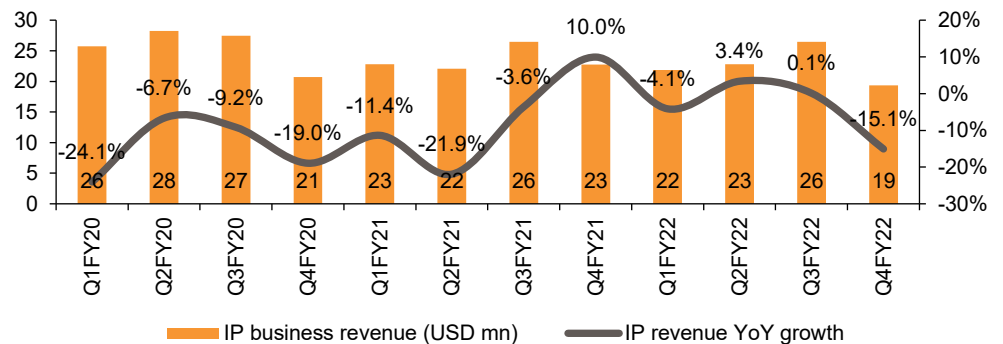
Source: Company, Emkay Research

Exhibit 3: Services business maintained strong growth momentum



Source: Company, Emkay Research

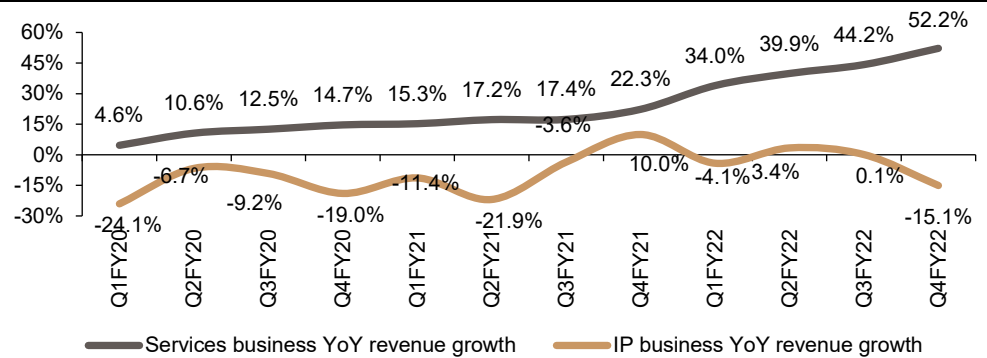
Exhibit 4: IP revenue declined by ~27% QoQ largely due to restructuring of a CE/CLM deal with IBM



Source: Company, Emkay Research

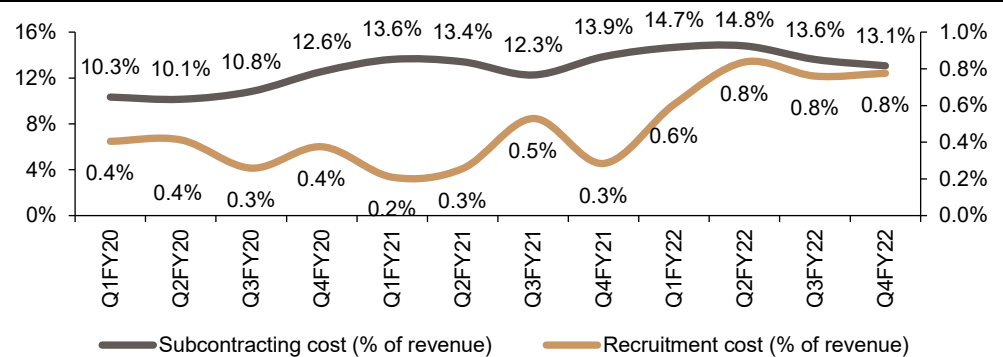
Broad-based revenue growth: Revenues grew 9.1% QoQ to USD217.3mn, aided by continued momentum in the Services business. Organic revenue growth for the quarter stood at 6.8% QoQ (USD4.7mn of incremental revenue from acquisitions). IP-led revenues declined by 27% QoQ on account of the planned restructuring of the CE/CLM product deal with IBM to a T&M services model. IP-led revenues are expected to grow by 10-15% in FY23. Revenue growth in Q4 was broad-based across BFSI (9.8% QoQ), Healthcare & Life Sciences (9.1%) and Software, Hi-tech & Emerging industries (8.7%). Revenue growth in BFSI and Hi-tech segments was also aided by the revenue contribution from recent acquisitions. Within geographies, growth was led by Europe (10.4% QoQ), India (10.1%) and North America (8.3%). RoW geography grew by an impressive 36.4% QoQ, albeit on a smaller base. Management remains confident of sustaining the growth momentum on the back of broad-based demand, healthy deal wins (USD361mn in Q4, including new TCV of USD195mn), a healthy deal pipeline, and new logo additions and is aiming to achieve USD1bn in revenues in coming quarters. PSYS added 1 and 3 new clients to USD5mn+ and USD1-5mn buckets, respectively, in Q4.

Exhibit 5: Growth in recent quarters was led by traction in services business



Source: Company, Emkay Research

Exhibit 6: Subcontracting costs declined by 50bps QoQ, while recruitment costs remained stable



Source: Company, Emkay Research

Other Takeaways

- **Q4FY22 performance:** Revenue grew 9.1% QoQ/42.2% YoY to USD217.3mn, aided by continued strong traction in the Services business. IP-led revenues declined by 27% QoQ on account of the planned restructuring of the CE/CLM product deal with IBM to a T&M services model. Adj. EBITM was flat sequentially and was 50bps ahead of our expectations. PSYS added 1 and 3 new clients to USD5mn+ and USD1-5mn buckets, respectively. The LTM attrition rate stood at 26.6% in Q4 vs. 26.9% in Q3, and management said that quarterly annualized attrition has moderated on a sequential basis.
- **Outlook:** Management remains confident of sustaining healthy growth momentum in the Services business on the back of broad-based robust demand, healthy deal intake and deal pipeline, and new logo additions. It expects IP-led revenues to grow by 10-15% in FY23. Attrition is likely to remain high in the near term and is expected to moderate in H2FY23.

Others

- The company added 1,610 employees in Q4 (~700 employees added on account of Data Glove acquisition); one-fourth of the organic net additions were freshers.
- The Mediagility acquisition is expected to be closed in the next 1-2 weeks. The company's current focus is on integrating recent acquisitions and is not looking at any further acquisitions actively for the coming two quarters.
- ETR is expected to be in the range of 25.5-26% in FY23.
- The company has hedges of USD175mn at the end of Q4 at an average exchange rate of Rs77.74/USD.
- BFSI segment margin declined sequentially by ~900bps largely due to the onsite shift.
- PSYS announced a final dividend of Rs11 per share.

Exhibit 7: Actual vs. Estimates (Q4FY22)

(in Rs mn)	Actual	Estimates		% variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Revenues (in USD mn)	217.3	214.1	213.9	1.5%	1.6%	Revenue came ahead of expectations led by strong momentum in services business
Sales	16,379	16,118	16,109	1.6%	1.7%	
EBIT	2,300	2,184	2,196	5.4%	4.8%	
EBIT, margin	14.0%	13.5%	13.6%	50 bps	40 bps	Adjusted EBITM was 50bps higher than our expectations.
PAT	2,010	1,783	1,863	12.7%	7.9%	EBITM beat, higher other income and lower ETR led the profit beat

Source: Company, Emkay Research

Exhibit 8: Quarterly snapshot

Rs mn	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	YoY (%)	QoQ (%)	FY22	FY21	YoY (%)
Revenue (USD Mn)	129.4	127.1	131.0	136.1	146.2	152.8	166.8	182.3	199.1	217.3	42.2	9.1	766	566	35.2
Revenue Rs Mn	9,227	9,264	9,914	10,077	10,754	11,134	12,299	13,512	14,917	16,379	47.1	9.8	57,107	41,879	36.4
Operating Expenditure	7,942	7,946	8,431	8,413	8,929	9,250	10,211	11,192	12,406	13,569	46.7	9.4	47,377	35,023	35.3
Cost of revenues	6,593	6,839	7,136	7,448	7,741	8,397	9,128	10,092	11,135	12,213	45.4	9.7	42,567	30,722	38.6
as % of sales	71.5	73.8	72.0	73.9	72.0	75.4	74.2	74.7	74.6	74.6			74.5	73.4	
SG&A expenses	1,349	1,107	1,295	965	1,188	853	1,083	1,100	1,271	1,356	59.0	6.7	4,810	4,302	11.8
as % of sales	14.6	11.9	13.1	9.6	11.1	7.7	8.8	8.1	8.5	8.3			8.4	10.3	
EBITDA	1,285	1,318	1,483	1,664	1,825	1,883	2,089	2,320	2,512	2,809	49.2	11.9	9,730	6,855	41.9
Depreciation	428	420	436	440	461	419	350	371	428	511	22.0	19.5	1,660	1,756	(5.4)
EBIT	857	897	1,048	1,224	1,364	1,464	1,739	1,950	2,084	2,298	56.9	10.3	8,070	5,100	58.2
Other Income	283	233	173	151	286	385	292	227	280	374			1,173	994	
PBT	1,140	1,130	1,220	1,375	1,650	1,849	2,031	2,176	2,364	2,672	44.5	13.0	9,243	6,094	51.7
Total Tax	260	292	320	355	441	471	518	559	600	662	40.5	10.3	2,339	1,588	47.3
Adjusted PAT	879	838	900	1,020	1,209	1,378	1,512	1,618	1,764	2,010	45.9	13.9	6,904	4,507	53.2
APAT after MI	879	838	900	1,020	1,209	1,378	1,512	1,618	1,764	2,010	45.9	13.9	6,904	4,507	53.2
Reported PAT	879	838	900	1,020	1,209	1,378	1,512	1,618	1,764	2,010	45.9	13.9	6,904	4,507	53.2
Reported EPS	11.5	11.0	11.8	13.3	15.8	18.0	19.8	21.2	23.1	26.3	45.9	14.0	90	59	53.2

Margins (%)											(bps)	(bps)			
EBIDTA	13.9	14.2	15.0	16.5	17.0	16.9	17.0	17.2	16.8	17.2	24	32	17.0	16.4	67
EBIT	9.3	9.7	10.6	12.1	12.7	13.2	14.1	14.4	14.0	14.0	88	6	14.1	12.2	195
EBT	12.4	12.2	12.3	13.6	15.3	16.6	16.5	16.1	15.8	16.3	(29)	46	16.2	14.6	163
PAT	9.5	9.0	9.1	10.1	11.2	12.4	12.3	12.0	11.8	12.3	(10)	45	12.1	10.8	133
Effective Tax rate	22.9	25.9	26.2	25.8	26.7	25.5	25.5	25.7	25.4	24.8	(71)	(61)	25.3	26.1	(75)

Source: Company, Emkay Research

Exhibit 9: Revenue by vertical

Particulars	As a % of revenue				
	Q4FY22	Q3FY22	Q4FY21	QoQ(%)	YoY(%)
BFSI	32.4%	32.2%	29.5%	9.8%	56.2%
Healthcare & Lifesciences	20.7%	20.7%	19.1%	9.1%	54.1%
Tech cos & Emerging verticals	46.9%	47.1%	51.4%	8.7%	29.7%
Total	100.0%	100.0%	100.0%	9.1%	42.2%

Source: Company, Emkay Research

Exhibit 10: Revenue by geographies

Particulars	As a % of revenue				
	Q4FY22	Q3FY22	Q4FY21	QoQ(%)	YoY(%)
North America	78.6%	79.2%	79.2%	8.3%	41.1%
Europe	8.4%	8.3%	10.0%	10.4%	19.4%
ROW	11.0%	10.9%	8.9%	10.1%	75.7%
India	2.0%	1.6%	1.9%	36.4%	49.7%
Total	100.0%	100.0%	100.0%	9.1%	42.2%

Source: Company, Emkay Research

Exhibit 11: Revenue by delivery center

Particulars	As a % of revenue				
	Q4FY22	Q3FY22	Q4FY21	QoQ(%)	YoY(%)
Global Development Centers	34.5%	31.4%	30.4%	19.9%	61.4%
India	56.6%	55.3%	54.7%	11.7%	47.1%
IP led	8.9%	13.3%	14.9%	-27.0%	-15.1%
Total	100.0%	100.0%	100.0%	9.1%	42.2%

Source: Company, Emkay Research

Exhibit 12: Client concentration

Particulars	As a % of revenue				
	Q4FY22	Q3FY22	Q4FY21	QoQ(%)	YoY(%)
Top client	14.0%	17.5%	17.9%	-12.7%	11.2%
Top-5 clients	32.5%	36.1%	36.4%	-1.8%	27.0%
Top-10 clients	42.1%	45.0%	46.3%	2.1%	29.3%

Source: Company, Emkay Research

Exhibit 13: Changes in Estimates

Rs mn	FY23E			FY24E		
	Old	New	% change	Old	New	% change
Revenues(US\$ mn)	1014.3	1041.0	2.6%	1,197.3	1228.5	2.6%
YoY growth, %	33%	36%		18%	18%	
Revenues	77,088	79,114	2.6%	92,794	95,209	2.6%
EBIT	10,292	10,927	6.2%	12,688	13,411	5.7%
EBIT margins, %	13.4	13.8		13.7	14.1	
Net profits	8,199	8,726	6.4%	10,105	10,600	4.9%
EPS (Rs)	107.2	114.2	6.5%	132.2	138.7	4.9%

Source: Company, Emkay Research

Exhibit 14: Key assumptions

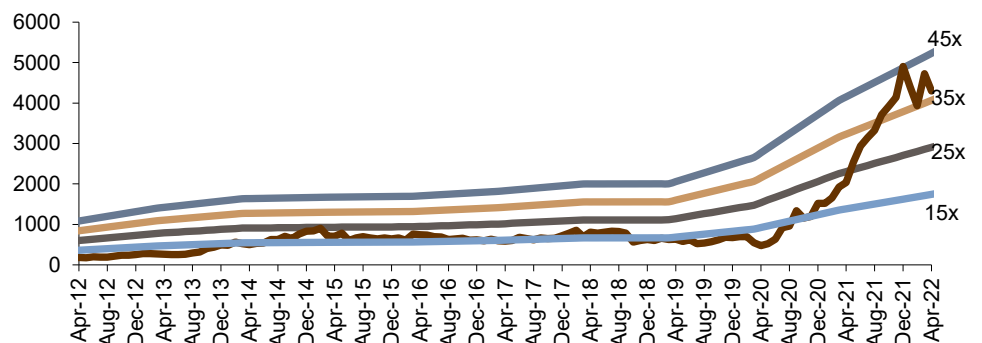
Key assumptions	FY23E	FY24E
Growth in US\$ revenues	36.0%	18.0%
USD/INR	76.0	77.5
INR revenue growth	38.5%	20.3%
EBIT Margins	13.8%	14.1%
EPS growth (%)	26.4%	21.5%

Source: Company, Emkay Research

Exhibit 15: Valuation Summary

Co Name	Reco.	CMP (Rs)	Target Price (Rs)	USD revenue growth (%)			EPS (Rs)			P/E (x)			EV/EBITDA (x)		
				FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
TCS	BUY	3,784	4,000	15.9	14.2	13.0	104.7	122.1	141.7	36.1	31.0	26.7	23.9	20.5	17.4
Infosys	BUY	1,867	1,970	20.3	15.1	13.0	52.6	58.9	70.4	35.5	31.7	26.5	19.9	17.6	14.6
Wipro	BUY	698	670	27.3	14.4	11.2	22.3	25.1	28.8	31.4	27.8	24.2	15.5	13.0	11.2
HCL Tech	BUY	1,163	1,400	12.8	13.2	10.7	49.7	54.4	63.3	23.4	21.4	18.4	13.7	12.2	10.6
Tech Mahindra	BUY	1,448	1,730	17.3	14.3	10.0	62.4	69.0	78.0	23.2	21.0	18.5	12.9	10.8	9.4
L&T Infotech	HOLD	5,472	6,350	25.9	20.5	16.0	130.9	155.9	186.7	41.8	35.1	29.3	27.7	23.0	18.9
Mphasis	BUY	2,798	3,650	22.1	18.4	13.8	75.5	91.8	110.5	37.1	30.5	25.3	23.9	19.4	16.1
Mindtree	HOLD	3,606	4,400	31.1	21.5	15.0	100.3	117.7	134.2	36.0	30.6	26.9	25.7	21.1	18.1
Persistent Systems	BUY	4,309	4,850	35.2	36.0	18.0	90.3	114.2	138.7	47.7	37.7	31.1	32.5	23.4	19.0
Coforge	HOLD	4,101	5,050	37.9	20.0	15.0	108.0	134.7	163.1	38.0	30.4	25.1	22.1	17.4	14.7
Birlasoft	BUY	425	530	16.2	16.5	15.0	15.7	18.7	22.9	27.0	22.7	18.6	16.5	13.3	10.7
Firstsource Solutions	BUY	124	180	15.9	12.0	12.8	7.7	8.8	10.4	16.2	14.1	11.9	10.1	8.5	7.2
eClerx	BUY	2,423	2,620	34.9	12.0	7.0	119.8	134.2	145.9	20.2	18.1	16.6	11.4	10.1	9.2

Source: Company, Emkay Research

Exhibit 16: PSYS 1-year forward P/E chart

Source: Company, Emkay Research

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Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY20	FY21	FY22	FY23E	FY24E
Revenue	35,658	41,879	57,107	79,114	95,209
Expenditure	30,487	35,023	47,377	65,546	78,825
EBITDA	5,171	6,855	9,730	13,568	16,384
Depreciation	1,660	1,756	1,660	2,641	2,973
EBIT	3,511	5,100	8,070	10,927	13,411
Other Income	1,012	994	1,173	864	913
Interest expenses	0	0	0	0	0
PBT	4,523	6,094	9,243	11,791	14,325
Tax	1,121	1,588	2,339	3,066	3,724
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	3,403	4,507	6,904	8,726	10,600
Adjusted PAT	3,403	4,507	6,904	8,726	10,600

Balance Sheet

Y/E Mar (Rs mn)	FY20	FY21	FY22	FY23E	FY24E
Equity share capital	764	764	764	764	764
Reserves & surplus	23,093	27,192	32,918	38,663	45,671
Net worth	23,858	27,957	33,682	39,427	46,435
Minority Interest	0	0	0	0	0
Loan Funds	46	44	4,325	6,200	5,200
Net deferred tax liability	(960)	(1,038)	(1,123)	(1,123)	(1,123)
Total Liabilities	22,944	26,963	36,885	44,505	50,513
Net block	4,619	4,691	16,407	21,800	20,338
Investment	12,454	17,383	14,388	13,878	15,878
Current Assets	12,889	13,544	22,223	27,457	33,150
Cash & bank balance	1,904	2,422	2,981	4,746	7,177
Other Current Assets	2,935	3,069	7,625	8,822	9,704
Current liabilities & Provision	7,018	8,654	16,133	18,630	18,852
Net current assets	5,871	4,889	6,090	8,827	14,298
Misc. exp	0	0	0	0	0
Total Assets	22,944	26,963	36,885	44,505	50,513

Cash Flow

Y/E Mar (Rs mn)	FY20	FY21	FY22	FY23E	FY24E
PBT (Ex-Other income) (NI+Dep)	3,511	5,100	8,070	10,927	13,411
Other Non-Cash items	(258)	(487)	321	(900)	(1,042)
Chg in working cap	(1,369)	1,578	(407)	(389)	(989)
Operating Cashflow	3,228	7,359	8,450	10,077	11,542
Capital expenditure	(1,181)	(1,699)	(9,962)	(8,617)	(3,562)
Free Cash Flow	2,047	5,660	(1,512)	1,461	7,980
Investments	515	(4,084)	(530)	511	(2,000)
Other Investing Cash Flow	0	0	0	0	0
Investing Cashflow	(148)	(5,417)	(9,773)	(7,206)	(4,520)
Equity Capital Raised	(1,677)	0	0	0	0
Loans Taken / (Repaid)	(68)	(63)	4,161	1,875	(1,000)
Dividend paid (incl tax)	(1,301)	(1,070)	(1,987)	(2,981)	(3,592)
Other Financing Cash Flow	42	(310)	(351)	0	0
Financing Cashflow	(3,003)	(1,443)	1,823	(1,106)	(4,592)
Net chg in cash	76	500	499	1,766	2,430
Opening cash position	1,742	1,904	2,422	2,981	4,746
Closing cash position	1,904	2,426	2,984	4,746	7,177

Source: Company, Emkay Research

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Key Ratios

Profitability (%)	FY20	FY21	FY22	FY23E	FY24E
EBITDA Margin	14.5	16.4	17.0	17.1	17.2
EBIT Margin	9.8	12.2	14.1	13.8	14.1
Effective Tax Rate	24.8	26.1	25.3	26.0	26.0
Net Margin	9.5	10.8	12.1	11.0	11.1
ROCE	19.7	24.4	29.0	29.0	30.2
ROE	14.4	17.4	22.4	23.9	24.7
RoIC	31.7	64.8	60.5	48.1	50.3

Per Share Data (Rs)	FY20	FY21	FY22	FY23E	FY24E
EPS	44.5	59.0	90.3	114.2	138.7
CEPS	66.2	81.9	112.1	148.7	177.6
BVPS	312.2	365.8	440.7	515.9	607.6
DPS	12.0	20.0	31.0	39.0	47.0

Valuations (x)	FY20	FY21	FY22	FY23E	FY24E
PER	96.8	73.1	47.7	37.7	31.1
P/CEPS	65.0	52.6	38.5	29.0	24.3
P/BV	13.8	11.8	9.8	8.4	7.1
EV / Sales	8.8	7.4	5.5	4.0	3.3
EV / EBITDA	60.9	45.2	32.5	23.4	19.0
Dividend Yield (%)	0.3	0.5	0.7	0.9	1.1

Gearing Ratio (x)	FY20	FY21	FY22	FY23E	FY24E
Net Debt/ Equity	(0.6)	(0.7)	(0.4)	(0.3)	(0.4)
Net Debt/EBIDTA	(2.8)	(2.9)	(1.3)	(0.9)	(1.1)
Working Cap Cycle (days)	40.6	21.5	19.9	18.8	27.3

Growth (%)	FY20	FY21	FY22	FY23E	FY24E
Revenue	5.9	17.4	36.4	38.5	20.3
EBITDA	(13.6)	32.6	41.9	39.4	20.8
EBIT	(20.5)	45.2	58.2	35.4	22.7
PAT	(3.2)	32.4	53.2	26.4	21.5

Quarterly (Rs mn)	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
Revenue	11,134	12,299	13,512	14,917	16,379
EBITDA	1,883	2,089	2,320	2,512	2,809
EBITDA Margin (%)	16.9	17.0	17.2	16.8	17.2
PAT	1,378	1,512	1,618	1,764	2,010
EPS (Rs)	18.0	19.8	21.2	23.1	26.3

Source: Company, Emkay Research

Shareholding Pattern (%)	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Promoters	31.3	31.3	31.3	31.3	31.3
FII	19.3	19.4	19.3	19.9	20.0
DII	29.6	29.2	27.9	26.9	26.8
Public and Others	19.9	20.1	21.6	21.9	22.0

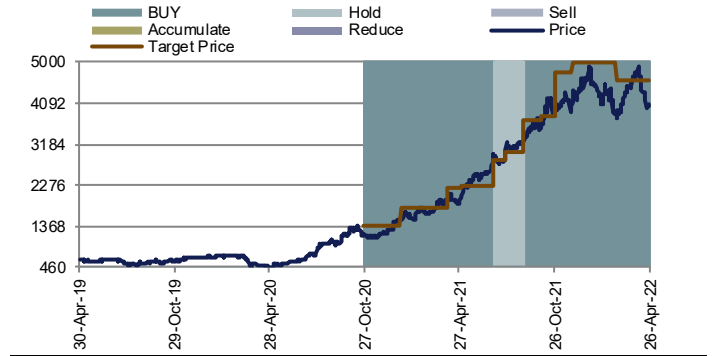
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
1-Apr-22	4,723	4,600	12m	Buy	Dipeshkumar Mehta
15-Mar-22	4,327	4,600	12m	Buy	Dipeshkumar Mehta
22-Feb-22	3,927	4,600	12m	Buy	Dipeshkumar Mehta
11-Feb-22	4,196	5,000	12m	Buy	Dipeshkumar Mehta
22-Jan-22	4,302	5,000	12m	Buy	Dipeshkumar Mehta
1-Jan-22	4,904	5,000	12m	Buy	Dipeshkumar Mehta
30-Nov-21	4,139	5,000	12m	Buy	Dipeshkumar Mehta
28-Oct-21	3,989	4,770	12m	Buy	Dipeshkumar Mehta
2-Oct-21	3,643	3,800	12m	Buy	Dipeshkumar Mehta
30-Sep-21	3,716	3,700	12m	Buy	Dipeshkumar Mehta
13-Sep-21	3,588	3,700	12m	Buy	Dipeshkumar Mehta
27-Aug-21	3,254	3,700	12m	Buy	Dipeshkumar Mehta
24-Jul-21	3,039	3,000	12m	Hold	Dipeshkumar Mehta
2-Jul-21	2,930	2,850	12m	Hold	Dipeshkumar Mehta
30-Apr-21	2,038	2,250	12m	Buy	Dipeshkumar Mehta
5-Apr-21	1,959	2,200	12m	Buy	Dipeshkumar Mehta
4-Apr-21	1,953	2,200	12m	Buy	Dipeshkumar Mehta
18-Mar-21	1,849	1,800	12m	Buy	Dipeshkumar Mehta
30-Jan-21	1,524	1,800	12m	Buy	Dipeshkumar Mehta
4-Jan-21	1,520	1,790	12m	Buy	Dipeshkumar Mehta
18-Dec-20	1,306	1,400	12m	Buy	Dipeshkumar Mehta
26-Oct-20	1,189	1,400	12m	Buy	Dipeshkumar Mehta

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – Information Technology



Analyst: Dipesh Mehta

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Sector

IT Services, ITes and Software

Analyst bio

Dipesh is a seasoned Equities professional who has covered Technology sector for over 15 years. Dipesh has completed his B.E. in Information Technology from Sardar Patel University and MMS in Finance from Mumbai University.

EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight based on Current NAV	Change vs last published EAP (bps)
Information Technology	12.90	12.81	-1%	-9	100.00	
BirlaSoft	0.00	0.03	NA	3	0.26	0
Coforge	0.13	0.00	-100%	-13	0.00	0
Firstsource Solutions	0.00	0.04	NA	4	0.28	0
HCL Tech	1.18	1.27	8%	9	9.86	0
Infosys	5.64	5.70	1%	6	44.20	0
L&T Infotech	0.22	0.00	-100%	-22	0.00	0
Mindtree	0.21	0.17	-20%	-4	1.32	0
Mphasis	0.23	0.26	13%	3	2.00	0
Oracle Financial Services*	0.08	0.00	-100%	-8	0.00	0
Persistent Systems	0.00	0.18	NA	18	1.38	0
TCS	3.66	3.57	-3%	-9	27.67	0
Tech Mahindra	0.78	0.81	4%	3	6.29	0
Wipro	0.76	0.78	2%	2	6.06	0
Cash	0.00	0.09	NA	9	0.67	0

Source: Emkay Research

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

Sector portfolio NAV

	Base					Latest
	1-Apr-19	27-Apr-21	27-Oct-21	27-Jan-22	28-Mar-22	27-Apr-22
EAP - Information Technology	100.0	176.8	229.1	223.0	240.7	211.2
BSE200 Neutral Weighted Portfolio (ETF)	100.0	166.4	214.8	206.4	222.6	195.2

*Performance measurement base date 1st April 2019

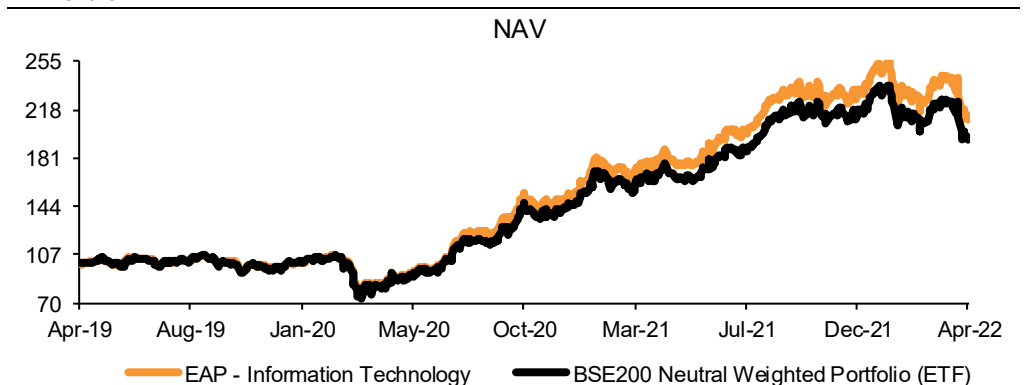
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Information Technology	-12.2%	-5.3%	-7.8%	19.5%
BSE200 Neutral Weighted Portfolio (ETF)	-12.3%	-5.5%	-9.1%	17.3%

Source: Emkay Research

NAV chart



Source: Emkay Research

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

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

“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: 29 Apr 2022 02:04:30 (SGT)

Dissemination Date: 29 Apr 2022 02:05:30 (SGT)

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