

Wipro

Refer to important disclosures at the end of this report

Weak quarter; targets double-digit growth in FY23

- Wipro reported a weak operating performance in Q4. Q1 growth guidance also missed expectations. IT services revenue grew 3.1% QoQ (3.1% CC), in line with estimates. IT services' EBITM declined 60bps QoQ to 17%, 70bps below our estimates.
- Wipro has guided for 1-3% QoQ CC growth in IT services revenue in Q1. Management remains fairly confident of sustaining revenue growth momentum and achieving double-digit growth in FY23 while sustaining EBITM at 17-17.5% in the medium term (margins to be lower in the near term due to supply-side challenges and planned investments).
- Wipro signed 9 large deals with a combined TCV of over USD400mn in Q4. The order book in ACV terms grew 30% YoY in FY22, giving good growth visibility. The deal pipeline stood at an all-time high and consisted of a good mix of small and large deals.
- We cut FY23/FY24 EPS estimates by 6.1%/4.7%, factoring in weak Q4 and near-term margin pressures. A simplified organization structure, empowered GAEs and investments into sales and capabilities should drive revenue growth acceleration. We believe the recent stock price correction has captured potential volatility in the operating performance during the early period of the restructuring exercise more than adequately. We retain Buy with a TP of Rs630 (Rs670 earlier) at 23x Mar'24E EPS.

What we liked? Broad-based revenue growth, steady progress on client mining and reduction in quarterly annualized attrition by 500bps

What we did not like? EBITM miss, lower large deal intake in Q4, and lower-than-expected revenue growth outlook for Q1FY23 (1-3% QoQ CC growth vs. expectation of 2-4%).

In-line revenue growth performance: Revenues grew 3.1% QoQ CC to USD2.72bn (sixth quarter in a row of over 3% QoQ growth) and came in at the mid-point of Wipro's guided range of 2-4% growth. Revenue growth was broad-based, led by Manufacturing (7.4% QoQ CC), Consumer (4.2%), Technology (3.6%) and BFSI (3.4%). Capco grew at a healthy double-digit rate in FY22, better than management's expectation. It signed 60 synergy deals with Capco in FY22, aiding revenue growth. Wipro has guided for 1-3% QoQ growth in Q4 and expects to clock double-digit growth in FY23, considering progress made on client mining, solid deal intake, broad-based demand and a healthy deal pipeline. Wipro continues to build on its relationship with hyperscalers, and as a result, its cloud revenues grew 31% YoY in FY22. Wipro closed 9 large deals with TCV of ~USD400mn in Q4; ~50% of the deals were led by strong relationships with large partners such as Salesforce, Microsoft, SAP, etc. TCV of large deals won in FY22 stood at USD2.3bn, with ~40% of the order book being led by cloud, which is seeing good traction. Deal ACV grew 30% YoY in FY22 on account of superior execution and a higher number of smaller deals closed during the year.

EBITM misses estimates: IT Services' EBITM declined 60bps QoQ to 17% due to supply-side challenges and investments in capability building, large deal teams and front sales teams. Wipro aspires to achieve 17-17.5% margin in the medium term but expects margins to remain low for the next 2-3 quarters due to supply-side challenges, wage hikes, increased hiring costs and investments in domain, technical and sales capabilities. Quarterly annualized attrition dropped by ~500bps in Q4 and management expects attrition to remain elevated in the near term.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Information Technology \(Page 11\)](#)

Financial Snapshot (Consolidated)

(Rs mn)	FY20	FY21	FY22	FY23E	FY24E
Revenue	610,232	619,430	790,934	905,152	1,036,085
EBITDA	125,448	150,790	169,018	186,605	217,785
EBITDA Margin (%)	20.6	24.3	21.4	20.6	21.0
APAT	97,218	107,946	122,191	129,288	150,621
EPS (Rs)	17.0	19.7	22.3	23.6	27.5
EPS (% chg)	14.0	15.8	13.2	5.8	16.5
ROE (%)	17.3	19.4	20.2	18.6	19.5
P/E (x)	29.9	25.8	22.8	21.6	18.5
EV/EBITDA (x)	21.1	16.7	15.2	13.7	11.4
P/BV (x)	5.2	5.0	4.2	3.8	3.4

Source: Company, Emkay Research

CMP	Target Price
Rs 509 as of (April 29, 2022)	Rs 630 (▼) 12 months
Rating	Upside
BUY (■)	23.8 %

Change in Estimates

EPS Chg FY23E/FY24E (%)	(6.1)/(4.7)
Target Price change (%)	(6.0)
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

	EPS Estimates	
	FY23E	FY24E
Emkay	23.6	27.5
Consensus	24.8	28.3
Mean Consensus TP (12M)	Rs 659	

Stock Details

Bloomberg Code	WPRO IN
Face Value (Rs)	2
Shares outstanding (mn)	5,481
52 Week H/L	740 / 478
M Cap (Rs bn/USD bn)	2,789 / 36.49
Daily Avg Volume (nos.)	8,090,865
Daily Avg Turnover (US\$ mn)	60.4

Shareholding Pattern Mar '22

Promoters	73.0%
FIIs	8.1%
DIIIs	3.3%
Public and Others	15.6%

Price Performance

(%)	1M	3M	6M	12M
Absolute	(16)	(8)	(21)	4
Rel. to Nifty (14)	(8)	(19)	(10)	

Relative price chart



Source: Bloomberg

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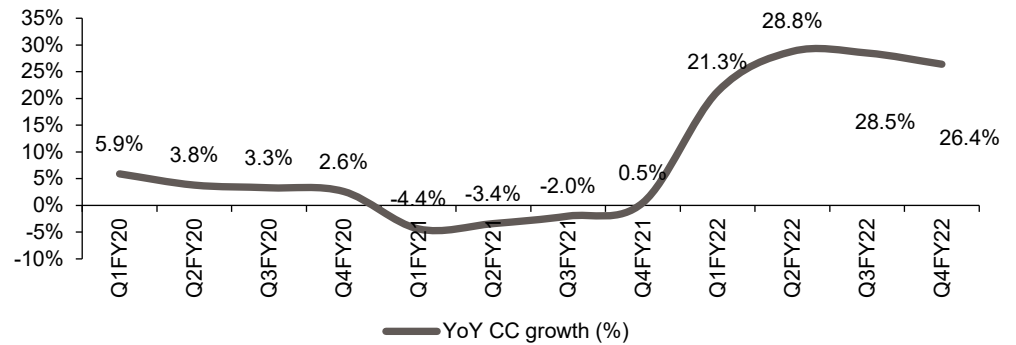
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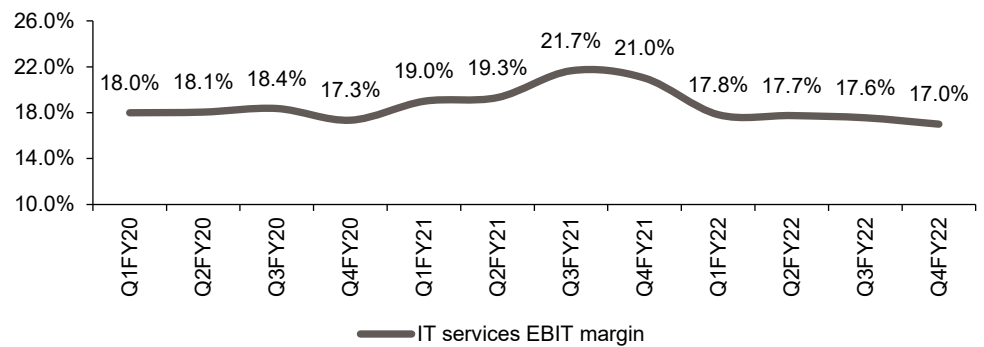
Story in Charts

Exhibit 1: YoY CC growth moderated in Q4



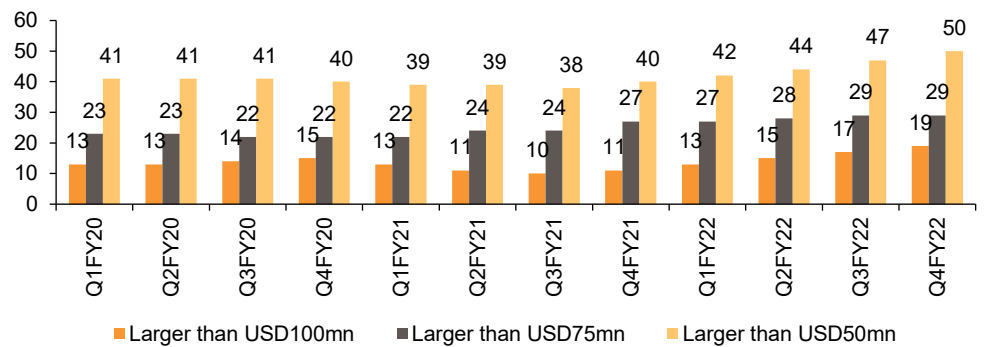
Source: Company, Emkay Research

Exhibit 2: IT services EBITM declined by 60bps QoQ



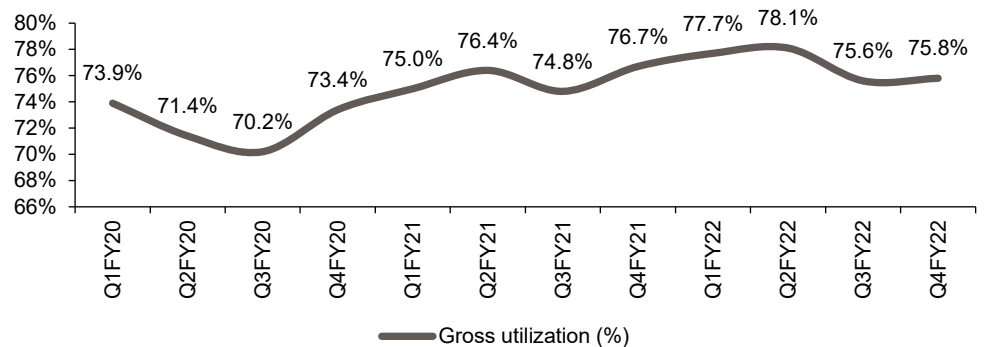
Source: Company, Emkay Research

Exhibit 3: Steady progress seen across client buckets



Source: Company, Emkay Research

Exhibit 4: Gross utilization has been lower in recent quarters due to higher fresher hiring

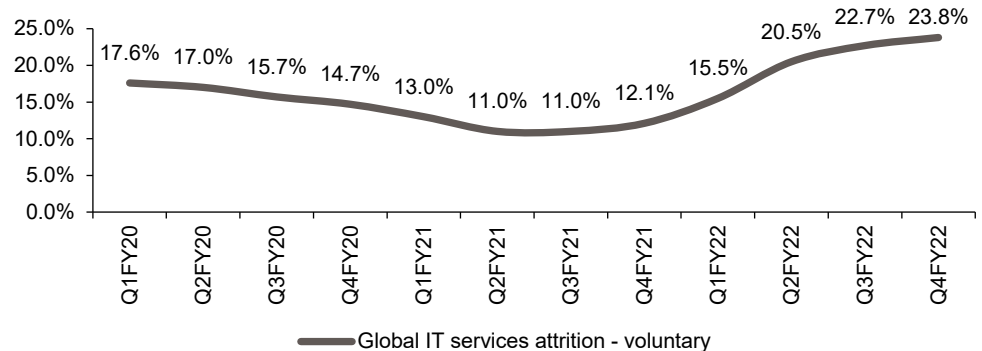


Source: Company, Emkay Research

In-line revenue performance in Q4; guides for 1-3% QoQ CC growth for Q1FY23

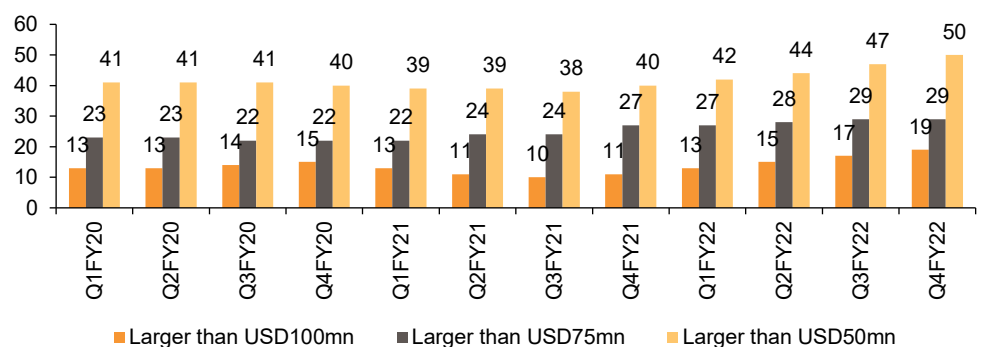
Wipro's IT services revenue grew 3.1% QoQ to USD2.72bn and came in at the mid-point of the company's guided range. Revenue growth was broad based across verticals and business lines in Q4, led by Manufacturing (7.4% QoQ CC), Consumer (4.2%), Technology (3.6%) and BFSI (3.4%). iDEAS and iCORE business lines reported 3.4% and 2.6% CC QoQ growth in Q4FY22, respectively. From the perspective of strategic market units, growth was led by Americas 2 (5.1%), Americas 1 (3.1%) and Europe (2.3%), while APMEA was flat. Capco had a solid year with a healthy double-digit growth. The ER&D business (~10% of revenues in FY22) is seeing healthy traction, with a healthy 20% growth in FY22. Wipro continues to see strong demand for new-age services such as cloud, digital transformation, Cyber security and data analytics. It has closed 9 large deals with TCV of ~USD400mn. Management indicated that the overall deal pipeline remains robust (highest ever) with a good mix of small, medium and large deals. Wipro has guided for IT Services revenues to be in the range of USD2,748-2,803mn for Q1FY23, translating to sequential growth of 1-3%. It expects FY23 revenue growth to be in double digits (excluding Rizing and any future acquisitions). The company has delivered improvement across client buckets, which augurs well for growth sustainability. The voluntary TTM attrition rate rose to 23.8% in Q4 from 22.7% in Q3.

Exhibit 5: Voluntary attrition on TTM basis continues to rise, although management indicated moderation in quarterly annualized attrition in Q4



Source: Company, Emkay Research

Exhibit 6: Steady progress seen across client buckets



Source: Company, Emkay Research

Other Takeaways

Q4FY22 performance: Revenue grew 3.1% QoQ and 26.4% YoY to USD2.72bn. IT services EBITM declined ~60bps QoQ to 17%, below our estimates. Wipro signed 9 deals during the quarter with a TCV of ~USD400mn. Wipro saw good progress on the client mining front, with the addition of 2, 3 and 7 clients in USD100mn+, USD50mn+ and USD20mn+ buckets, respectively.

Outlook: Wipro has guided for Q1FY23 growth to be in the range of 1%-3% QoQ and expects double-digit growth in FY23, taking into account a strong broad-based demand environment and a robust deal intake. EBITM is expected to remain in the range of 17%-17.5% over the medium term and we expect it to be a bit lower in the coming 2-3 quarters due to supply-side challenges, wage hikes and planned investments.

Others key takeaways:

- Revenues from the Top client increased by 31% YoY, top five clients grew 34% YoY and top 10 clients grew 33% YoY in Q4.
- Wipro added ~19,000 freshers in FY22. It plans to double fresher addition in FY23.
- The deal pipeline remains the highest at the end of Q4, with a good mix of large, mid and small deals.
- The company has USD4.6bn of gross cash and USD2.6bn net cash balance at the end of Q4.
- It has outstanding forex hedges of USD3.5bn at the end of the quarter.

Exhibit 7: Actual vs. Estimates (Q4FY22)

(in Rs mn)	Actual	Estimates		% variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Revenues (in US\$ mn)	2,722	2,727	2,765	-0.2%	-1.6%	Revenue were in-line with our expectations
Revenues (in Rs mn)	208,600	209,318	208,191	-0.3%	0.2%	
EBIT	35,104	36,577	35,869	-4.0%	-2.1%	EBITM came 60bps below expectations
EBIT, margin	16.8%	17.5%	17.2%	-60 bps	-40 bps	
PAT	30,873	30,646	30,109	0.7%	2.5%	Profit was in-line with our estimates despite EBITM miss on account of lower taxes

Source: Company, Emkay Research

Exhibit 8: Quarterly snapshot

Rs mn	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	YoY (%)	QoQ (%)	FY22	FY21	YoY (%)
US\$ revenues(IT Services)	2,152	2,415	2,580	2,640	2,722	26.4	3.1	10,356	8,137	27.3
Revenue	162,454	182,524	196,674	203,136	208,600	28.4	2.7	790,934	619,430	27.7
Operating Expenditure	129,173	151,114	162,702	168,802	174,571	35.1	3.4	657,189	499,291	31.6
Cost of revenues	109,805	127,567	137,562	142,778	147,965	34.8	3.6	555,872	423,205	31.3
as % of sales	67.6	69.9	69.9	70.3	70.9			70.3	68.3	
SG&A expenses	19,368	23,547	25,140	26,024	26,606	37.4	2.2	101,317	76,086	33.2
as % of sales	11.9	12.9	12.8	12.8	12.8			12.8	12.3	
EBIT	33,281	31,410	33,972	34,334	34,029	2.2	(0.9)	133,745	120,139	11.3
Other Income	4,211	7,183	3,603	3,376	3,311	(21.4)	(1.9)	17,473	18,738	(6.8)
PBT	37,492	38,593	37,575	37,710	37,340	(0.4)	(1.0)	151,218	138,877	8.9
Total Tax	7,755	6,225	8,259	8,063	6,399	(17.5)	(20.6)	28,946	30,345	(4.6)
Adjusted PAT	29,737	32,368	29,316	29,647	30,941	4.0	4.4	122,272	108,532	12.7
(Profit)/loss from JV's/Ass/MI	-16	-47	-9	43	-68	325.0	(258.1)	-81	-586	
APAT after MI	29,721	32,321	29,307	29,690	30,873	3.9	4.0	122,191	107,946	13.2
Reported PAT	29,721	32,321	29,307	29,690	30,873	3.9	4.0	122,191	107,946	13.2
Reported EPS (Rs)	5.4	5.9	5.3	5.4	5.6	3.8	4.0	22	19	16.7

Margins (%)						(bps)	(bps)				(bps)
EBIT	20.5	17.2	17.3	16.9	16.3	(417)	(59)	16.9	19.4	(249)	
EBT	23.1	21.1	19.1	18.6	17.9	(518)	(66)	19.1	22.4	(330)	
PAT	18.3	17.7	14.9	14.6	14.8	(349)	18	15.4	17.4	(198)	
Effective Tax rate	20.7	16.1	22.0	21.4	17.1	(355)	(424)	19.1	21.9	(271)	

Source: Company, Emkay Research

Exhibit 9: Revenues by service lines

As a % of revenues	Q4FY22	Q3FY22	Q4FY21	QoQ (%)	YoY (%)
iDEAS	61.2%	61.0%	56.8%	3.4%	36.2%
iCORE	38.8%	39.0%	43.2%	2.6%	13.6%
Total	100.0%	100.0%	100.0%	3.1%	26.4%

Source: Company, Emkay Research

Exhibit 10: Revenues by verticals

As a % of revenues	Q4FY22	Q3FY22	Q4FY21	QoQ (%)	YoY (%)
Communications	4.8%	5.0%	5.0%	-1.0%	21.4%
Consumer Business Unit	17.9%	17.7%	17.0%	4.3%	33.1%
Energy, Natural resources & Utilities	11.5%	11.7%	13.2%	1.3%	10.2%
Banking, Financial Services & Insurance	35.4%	35.2%	30.5%	3.7%	46.8%
Health Business unit	11.5%	11.8%	13.0%	0.5%	11.9%
Manufacturing	7.0%	6.7%	7.9%	7.7%	12.0%
Technology	11.9%	11.9%	13.4%	3.1%	12.3%
Total	100.0%	100.0%	100.0%	3.1%	26.4%

Source: Company, Emkay Research

Exhibit 11: Revenues by strategic market units

As a % of revenues	Q4FY22	Q3FY22	Q4FY21	QoQ (%)	YoY (%)
Americas 1	28.3%	28.2%	29.2%	3.5%	22.6%
Americas 2	31.0%	30.4%	29.3%	5.1%	33.8%
Europe	29.3%	29.7%	28.4%	1.7%	30.5%
APMEA	11.4%	11.7%	13.1%	0.5%	10.0%
Total	100.0%	100.0%	100.0%	3.1%	26.4%

Source: Company, Emkay Research

Exhibit 12: Client concentration

As a % of revenues	Q4FY22	Q3FY22	Q4FY21	QoQ (%)	YoY (%)
Top customer	3.2%	3.2%	3.1%	3.1%	30.5%
Top 5	12.9%	12.7%	12.2%	4.7%	33.7%
Top 10	20.5%	20.2%	19.5%	4.6%	32.9%

Source: Company, Emkay Research

Exhibit 13: Client distribution

Particulars	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
US\$100mn +	14	15	13	11	10	11	13	15	17	19
US\$75mn+	22	22	22	24	24	27	27	28	29	29
US\$50mn+	41	40	39	39	38	40	42	44	47	50
US\$20mn+	96	96	97	100	97	93	95	100	110	117
US\$10mn+	169	166	163	166	168	167	176	182	189	194
US\$5mn+	260	260	258	257	260	257	273	279	286	297
US\$3mn+	344	341	348	342	341	349	361	390	399	410
US\$1mn+	572	574	577	573	567	566	601	623	661	679

Source: Company, Emkay Research

Exhibit 14: Changes in estimates

(Rs mn)	FY23E			FY24E		
	Old	New	% change	Old	New	% change
IT Services Revenues(US\$ mn)	11,848	11,727	-1.0	13,171	13,179	0.1
US\$ revenues growth YoY, %	14.4%	13.2%		11.2%	12.4%	
Company Wide Revenues	915,395	905,152	-1.1	1,036,846	1,036,085	-0.1
EBIT	161,898	150,347	-7.1	183,579	178,826	-2.6
EBIT mgns, %	17.7	16.6		17.7	17.3	
Net profits	137,760	129,288	-6.1	158,092	150,621	-4.7
EPS (Rs)	25.1	23.6	-6.1	28.8	27.5	-4.7

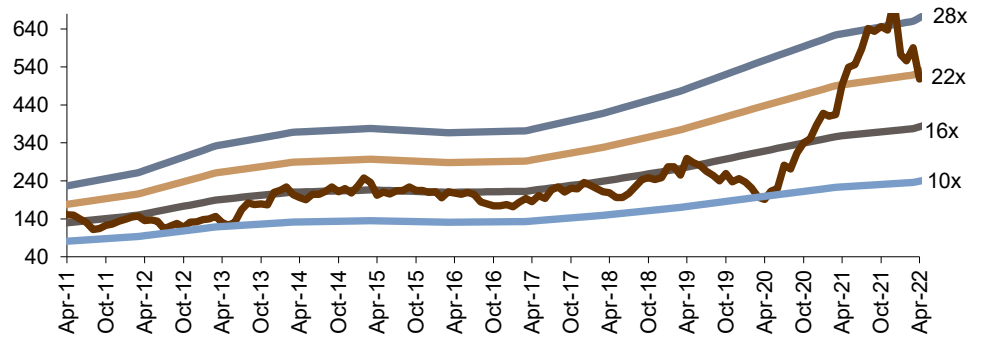
Source: Company, Emkay Research

Exhibit 15: Key assumptions

(in Rs mn)	FY23E	FY24E
USD revenue growth (%)	13.2%	12.4%
USD/INR	76.0	77.5
INR revenue Growth (%)	14.4%	14.5%
EBIT margin (%)	16.6%	17.3%
EPS Growth (%)	5.8%	16.5%

Source: Company, Emkay Research

Exhibit 16: Wipro 1 year forward P/E chart



Source: Company, Emkay Research

Exhibit 17: Valuation Summary

Co Name	Reco.	CMP (Rs)	Target Price (Rs)	% upside	Revenue CAGR	EPS CAGR	P/E (x)			EV/EBITDA (x)			ROE		
					(FY21-24E)	(FY21-24E)	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
TCS	BUY	3,547	4,000	12.8	16.1	17.4	33.9	29.0	25.0	23.7	20.2	17.2	42.6	44.5	42.3
Infosys	BUY	1,568	1,970	25.7	17.8	15.7	29.8	26.6	22.3	19.7	17.4	14.5	29.0	30.6	31.9
Wipro	BUY	509	630	23.8	18.7	11.7	22.8	21.6	18.5	15.2	13.7	11.4	20.2	18.6	19.5
HCL Tech	BUY	1,079	1,400	29.7	13.9	15.5	21.7	19.8	17.1	13.5	12.0	10.4	22.2	23.2	25.5
Tech Mahindra	BUY	1,259	1,730	37.4	15.6	15.5	20.2	18.2	16.1	12.8	10.6	9.3	20.9	20.9	21.3
L&T Infotech	HOLD	4,839	6,350	31.2	22.6	19.0	37.0	31.0	25.9	27.4	22.7	18.7	28.5	28.4	28.8
Mphasis	BUY	2,843	3,650	28.4	19.9	19.3	37.2	31.0	25.7	24.3	19.7	16.4	21.2	23.4	25.2
Mindtree	HOLD	3,552	4,400	23.9	24.2	25.8	35.4	30.2	26.5	25.3	20.8	17.8	33.8	31.8	29.9
Persistent Systems	BUY	4,321	4,850	12.3	31.5	33.0	47.8	37.8	31.2	32.6	23.4	19.1	22.4	23.9	24.7
Coforge	HOLD	4,207	5,050	20.0	25.7	26.2	39.0	31.2	25.8	22.7	17.9	15.1	25.0	27.4	29.0
Birlasoft	BUY	414	530	28.1	17.6	26.6	26.3	22.1	18.1	16.0	12.9	10.4	19.1	19.8	20.9
Firstsource Solutions	BUY	125	180	44.0	15.2	15.0	16.3	14.1	12.0	10.1	8.5	7.2	18.4	19.5	20.8
eClerx	BUY	2,408	2,620	8.8	19.0	21.5	20.1	17.9	16.5	11.3	10.0	9.1	27.1	28.8	29.3
Route Mobile	BUY	1,638	2,150	31.2	34.5	34.6	63.0	46.6	31.6	42.6	28.2	20.0	14.3	12.7	16.4

Source: Company, Emkay Research

Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY20	FY21	FY22	FY23E	FY24E
Revenue	610,232	619,430	790,934	905,152	1,036,085
Expenditure	484,784	468,640	621,916	718,547	818,300
EBITDA	125,448	150,790	169,018	186,605	217,785
Depreciation	20,862	27,656	30,911	36,258	38,959
EBIT	104,586	123,134	138,107	150,347	178,826
Other Income	17,897	15,743	13,111	15,920	14,790
Interest expenses	0	0	0	0	0
PBT	122,483	138,877	151,218	166,267	193,617
Tax	24,799	30,345	28,946	36,579	42,596
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	524	846	195	400	400
Reported Net Income	97,218	107,946	122,191	129,288	150,621
Adjusted PAT	97,218	107,946	122,191	129,288	150,621

Balance Sheet

Y/E Mar (Rs mn)	FY20	FY21	FY22	FY23E	FY24E
Equity share capital	11,427	10,958	10,964	10,964	10,964
Reserves & surplus	546,031	542,137	647,194	719,882	805,133
Net worth	557,458	553,095	658,158	730,846	816,097
Minority Interest	1,875	1,498	515	715	915
Loan Funds	78,042	83,332	151,696	146,000	146,000
Net deferred tax liability	(3,180)	2,969	9,843	9,700	9,700
Total Liabilities	634,195	640,894	820,212	887,261	972,712
Net block	224,894	234,515	384,024	420,326	410,427
Investment	198,937	187,747	261,538	219,774	219,774
Current Assets	366,878	388,199	415,034	466,575	584,089
Cash & bank balance	144,499	169,793	103,836	161,282	239,131
Other Current Assets	90,831	95,920	133,836	115,422	127,825
Current liabilities & Provision	176,862	188,876	256,672	239,413	261,578
Net current assets	190,016	199,323	158,362	227,161	322,511
Misc. exp	0	0	0	0	0
Total Assets	634,195	640,894	820,212	887,261	972,712

Cash Flow

Y/E Mar (Rs mn)	FY20	FY21	FY22	FY23E	FY24E
PBT (Ex-Other income) (NI+Dep)	104,586	123,134	138,107	150,347	178,826
Other Non-Cash items	12,308	13,225	19,731	36,779	42,796
Chg in working cap	(23,856)	22,922	(36,488)	(11,496)	(17,501)
Operating Cashflow	100,643	147,550	110,797	154,651	172,678
Capital expenditure	(24,771)	(28,697)	(149,263)	(76,272)	(29,060)
Free Cash Flow	75,872	118,853	(38,466)	78,379	143,618
Investments	34,579	16,808	(87,509)	41,764	0
Other Investing Cash Flow	0	0	0	0	0
Investing Cashflow	34,012	7,739	(224,495)	(34,508)	(29,060)
Equity Capital Raised	(105,297)	(116,648)	6	0	0
Loans Taken / (Repaid)	(32,822)	(2,438)	58,271	(5,696)	0
Dividend paid (incl tax)	(8,278)	(6,419)	(6,602)	(57,001)	(65,770)
Other Financing Cash Flow	1,922	(890)	1,282	0	0
Financing Cashflow	(149,076)	(129,730)	47,868	(62,697)	(65,770)
Net chg in cash	(14,421)	25,559	(65,830)	57,446	77,849
Opening cash position	158,525	144,499	169,793	103,836	161,282
Closing cash position	144,499	170,058	103,963	161,282	239,131

Source: Company, Emkay Research

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Key Ratios

Profitability (%)	FY20	FY21	FY22	FY23E	FY24E
EBITDA Margin	20.6	24.3	21.4	20.6	21.0
EBIT Margin	17.1	19.9	17.5	16.6	17.3
Effective Tax Rate	20.2	21.9	19.1	22.0	22.0
Net Margin	16.0	17.5	15.5	14.3	14.6
ROCE	18.8	21.8	20.7	19.5	20.8
ROE	17.3	19.4	20.2	18.6	19.5
RoIC	39.5	46.1	39.3	32.5	36.5

Per Share Data (Rs)	FY20	FY21	FY22	FY23E	FY24E
EPS	17.0	19.7	22.3	23.6	27.5
CEPS	20.7	24.7	27.9	30.2	34.6
BVPS	97.6	100.9	120.1	133.3	148.9
DPS	1.0	1.0	6.0	10.4	12.0

Valuations (x)	FY20	FY21	FY22	FY23E	FY24E
PER	29.9	25.8	22.8	21.6	18.5
P/CEPS	24.6	20.6	18.2	16.8	14.7
P/BV	5.2	5.0	4.2	3.8	3.4
EV / Sales	4.3	4.1	3.3	2.8	2.4
EV / EBITDA	21.1	16.7	15.2	13.7	11.4
Dividend Yield (%)	0.2	0.2	1.2	2.0	2.4

Gearing Ratio (x)	FY20	FY21	FY22	FY23E	FY24E
Net Debt/ Equity	(0.5)	(0.5)	(0.3)	(0.3)	(0.4)
Net Debt/EBIDTA	(2.1)	(1.8)	(1.3)	(1.3)	(1.4)
Working Cap Cycle (days)	27.2	17.4	25.2	26.6	29.4

Growth (%)	FY20	FY21	FY22	FY23E	FY24E
Revenue	4.2	1.5	27.7	14.4	14.5
EBITDA	9.0	20.2	12.1	10.4	16.7
EBIT	9.4	17.7	12.2	8.9	18.9
PAT	8.0	11.0	13.2	5.8	16.5

Quarterly (Rs mn)	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
Revenue	162,454	182,524	196,674	203,136	208,600
EBITDA	40,276	39,800	41,689	41,793	41,374
EBITDA Margin (%)	24.8	21.8	21.2	20.6	19.8
PAT	29,721	32,321	29,307	29,690	30,873
EPS (Rs)	5.4	5.9	5.3	5.4	5.6

Source: Company, Emkay Research

Shareholding Pattern (%)	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Promoters	73.0	73.0	73.0	73.0	73.0
FII	9.2	9.8	9.7	9.3	8.1
DII	6.2	5.7	2.1	2.8	3.3
Public and Others	11.6	11.5	15.2	14.9	15.6

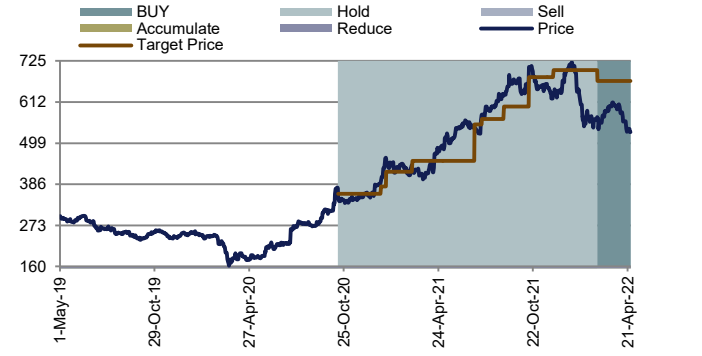
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
26-Apr-22	529	670	12m	Buy	Dipeshkumar Mehta
1-Apr-22	602	670	12m	Buy	Dipeshkumar Mehta
22-Feb-22	564	670	12m	Buy	Dipeshkumar Mehta
13-Jan-22	650	700	12m	Hold	Dipeshkumar Mehta
1-Jan-22	715	700	12m	Hold	Dipeshkumar Mehta
20-Dec-21	666	700	12m	Hold	Dipeshkumar Mehta
30-Nov-21	637	700	12m	Hold	Dipeshkumar Mehta
20-Nov-21	651	680	12m	Hold	Dipeshkumar Mehta
14-Oct-21	708	680	12m	Hold	Dipeshkumar Mehta
2-Oct-21	636	600	12m	Hold	Dipeshkumar Mehta
27-Aug-21	635	600	12m	Hold	Dipeshkumar Mehta
16-Jul-21	578	565	12m	Hold	Dipeshkumar Mehta
2-Jul-21	539	550	12m	Hold	Dipeshkumar Mehta
16-Apr-21	469	450	12m	Hold	Dipeshkumar Mehta
5-Apr-21	425	450	12m	Hold	Dipeshkumar Mehta
1-Apr-21	416	450	12m	Hold	Dipeshkumar Mehta
18-Mar-21	410	450	12m	Hold	Dipeshkumar Mehta
5-Mar-21	421	450	12m	Hold	Dipeshkumar Mehta
14-Jan-21	454	420	12m	Hold	Dipeshkumar Mehta
4-Jan-21	396	380	12m	Hold	Dipeshkumar Mehta
23-Dec-20	386	360	12m	Hold	Dipeshkumar Mehta
18-Dec-20	364	360	12m	Hold	Dipeshkumar Mehta
19-Nov-20	343	360	12m	Hold	Dipeshkumar Mehta
14-Oct-20	350	360	12m	Hold	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	0.27	0
Coforge	0.13	0.00	-100%	-13	0.00	0
Firstsource Solutions	0.00	0.04	NA	4	0.28	0
HCL Tech	1.16	1.25	8%	9	9.72	0
Infosys	5.68	5.74	1%	6	44.53	0
L&T Infotech	0.22	0.00	-100%	-22	0.00	0
Mindtree	0.22	0.17	-20%	-4	1.33	0
Mphasis	0.23	0.25	13%	3	1.98	0
Oracle Financial Services*	0.08	0.00	-100%	-8	0.00	0
Persistent Systems	0.00	0.19	NA	19	1.44	0
TCS	3.64	3.55	-3%	-9	27.52	0
Tech Mahindra	0.77	0.81	4%	3	6.26	0
Wipro	0.76	0.78	2%	2	6.02	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	28-Apr-21	28-Oct-21	28-Jan-22	28-Mar-22	28-Apr-22
EAP - Information Technology	100.0	177.2	225.4	224.4	240.7	213.7
BSE200 Neutral Weighted Portfolio (ETF)	100.0	166.9	211.1	207.7	222.6	197.4

*Performance measurement base date 1st April 2019

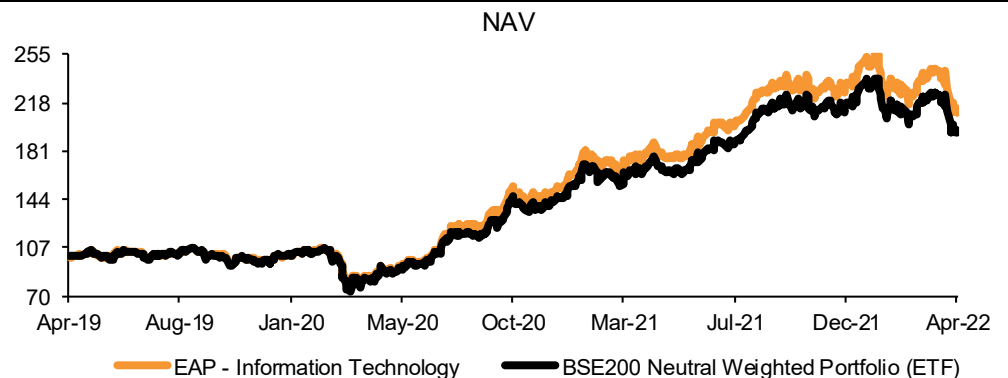
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Information Technology	-11.2%	-4.7%	-5.2%	20.6%
BSE200 Neutral Weighted Portfolio (ETF)	-11.3%	-5.0%	-6.5%	18.3%

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: 30 Apr 2022 03:34:16 (SGT)

Dissemination Date: 30 Apr 2022 03:35:16 (SGT)

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