

### Bouncing Back: Cyient's Path to Semiconductor.

Cyient's Q2FY25 performance saw a recovery in revenue, driven by strong performance in aerospace and connectivity sectors. The company is strategically enhancing its semiconductor capabilities through the acquisition of a stake in Azimuth AI and the establishment of a presence in the UAE with the acquisitions. Additionally, the partial divestment of Cyient DLM will provide funds for growth initiatives and debt repayment. Management remains optimistic about continued recovery, as they aim for improved performance in H2FY25.

- **Group USD Revenue came in at USD 220.7 Mn, +9.9% QoQ / +2.7% YoY** (-1.5% cc YoY growth) and +0.4% vs our estimates.
- **Consolidated Services (DET) revenue stood at USD173 Mn, +1.3% cc growth QoQ / -3.3% cc growth YoY** and +0.4% vs our estimates.
- **Group INR revenue came in at INR 18,491 Mn, +10.3% QoQ / +4% YoY** and +0.8% vs our estimates
- **DET INR revenue came in at INR 14,496 Mn, +2.5% QoQ / -1.8% YoY**
- **Group EBIT at INR 2,307 Mn, +15.8 QoQ / -11.3% YoY** and +2.4% vs our estimates. **Group EBIT margin stood at 12.5%, +59 bps QoQ/ -214 bps YoY** and +19 bps vs our estimates.
- **DET EBIT at INR 2,059 Mn, +8.2% QoQ / -15.6% YoY** and -1.5% vs our estimates. **DET EBIT margin stood at 14.2%, +75 bps QoQ/ -233 bps YoY** and -33 bps vs our estimates.
- **Group Adj. PAT came in at INR 1,791 Mn, +24.5% QoQ / -2.2 % YoY** and +8.8% vs our estimates.
- **DET Adj. PAT came in at INR 1,768 Mn, +25.1% QoQ / +2.3% YoY** and +15.2% vs our estimates.
- **Group EPS at INR 16.1** in Q2FY25 vs 13.0/ 16.5 in Q1FY25 / Q2FY24 respectively.
- **DET EPS at INR 16** in Q2FY25 vs 12.8/ 15.6 in Q1FY25 / Q2FY24 respectively.
- **Order intake for core services (DET) during the quarter stood at USD156.8 Mn, -14.2% QoQ / -14.7% YoY.**

#### Financial Summary

Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net sales	45,344	60,159	71,472	74,610	87,939	102,020
EBITDA	8,178	10,031	13,028	12,313	15,881	18,310
Adjusted net profit	5,208	5,611	7,601	7,054	9,755	11,185
Free cash flow	4,613	5,497	4,800	10,199	8,675	10,024
EPS (Rs)	47.1	50.8	68.8	63.8	88.3	101.2
growth (%)	31%	8%	35%	-7%	38%	15%
P/E (x)	37.4	37.9	28.2	27.7	20.0	17.4
P/B (x)	6.3	5.6	4.6	4.2	3.8	3.4
EV/EBITDA (x)	22.7	19.7	14.6	14.9	11.4	9.7
ROCE (%)	14.7	14.4	16.2	14.5	19.7	22.5
RoE (%)	17.1	17.0	19.7	15.9	19.9	20.5
Dividend yield (%)	1.4	1.4	1.7	1.7	2.4	2.7

Source: Company

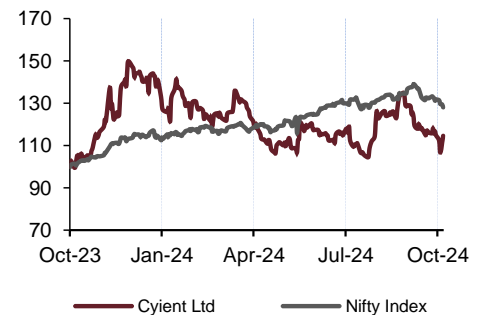
Rating	TP (Rs)	Up/Dn (%)
<b>HOLD</b>	<b>2,048</b>	<b>16</b>

#### Market data

<b>Current price</b>	Rs	1,765
Market Cap (Rs.Bn)	(Rs Bn)	196
Market Cap (US\$ Mn)	(US\$ Mn)	2,329
Face Value	Rs	5
52 Weeks High/Low	Rs	2458.95 / 1542
Average Daily Volume	('000)	397
BSE Code		532636
Bloomberg		CYL.In

Source: Bloomberg

#### One Year Performance



Source: Bloomberg

% Shareholding	Sep-24	Jun-24
Promoters	24.91	24.91
Public	75.09	75.09
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

Source: Bloomberg

**Neel Nadkarni**  
(022) 67141412  
[neel.nadkarni@dalal-broacha.com](mailto:neel.nadkarni@dalal-broacha.com)

## Concall Highlights

- **Normalized Core services (DET) EBIT margins stood at 14.2% (+75 bps QoQ/ -232 bps YoY). This increase was driven by improved efficiency, revenue growth, and favorable currency movements, despite wage hikes during the quarter. Management anticipates margins to reach 16% by Q4 FY25.**
- Normalized FCF from DET stood at ₹1,770 Mn, +7.9% QoQ / +14.9% YoY, translating to a **100% conversion rate of PAT to FCF** for the quarter, indicating strong cash generation capabilities.
- The outstanding debt of DET stands at USD 9 Mn (-81% QoQ / -89% YoY), aligning with management's proactive debt retirement plans.
- Management expects recovery to begin in **Q3 FY25**, with H2 FY25 anticipated to be stronger than H1 FY25, implying a 5% CQGR.
- In Q2 FY25, Cyient made significant strides in expanding its portfolio through strategic acquisitions. The company reached an agreement to acquire **Abu Dhabi & Gulf Computer Est. (ADGCE)**, a technology consulting and digital services provider primarily focused on the energy sector. This acquisition will enhance Cyient's presence in the UAE, tapping into one of the largest markets for sustainability initiatives. Additionally, Cyient acquired a **27.3% stake in Azimuth AI**, a fabless custom ASIC company known for its expertise in energy and industrial applications. This investment aligns with Cyient's strategic growth objectives in the semiconductor sector, positioning the company to capitalize on emerging opportunities in edge computing. These acquisitions are part of Cyient's broader strategy to bolster its capabilities and market reach, particularly in high-growth areas like sustainability and semiconductor technology.
- **Order Book Growth:** In Q2 FY25, the order book showed weaker performance at USD 156.8 million down 14.7% YoY, but management expects significant improvement in H2 FY25.

### Vertical-wise updates for DET:

- **Transportation (29.5% of Q2FY25 topline) Revenue increased by 3.4% QoQ but decreased by 7.3% YoY in cc terms.** robust growth driven primarily by the aerospace sector, indicating a positive trajectory despite the overall decline in YoY performance.
- **Connectivity (22.8% of Q2FY25 topline) Revenue grew by 3.9% QoQ but declined by 6.1% YoY in cc terms.** Management noted that the connectivity segment is on a recovery path, supported by significant order intake and the successful closure of two large deals during the quarter, reflecting optimism for continued growth.
- **Sustainability (30.8% of Q2FY25 topline) Revenue decreased by 6.4% QoQ and by 2.2% YoY in cc terms, primarily due to anticipated seasonality in Europe and softness in the consulting business.** Management expects this vertical to rebound in H2 FY25, indicating confidence in recovery as seasonal impacts diminish.
- **New Growth Areas (16.9% of Q2FY25 topline) Revenue surged by 9.7% QoQ and increased by 6.7% YoY in cc terms.** Management expressed confidence in this segment's potential, citing a strong order backlog and ongoing projects, including advancements in automotive cybersecurity and AI applications, which are expected to drive continued double-digit growth

### FY25e Outlook

- FY25 DET revenue guidance revised to flattish YoY in cc terms.
- Cyient expect FY25 DET normalized EBIT margins to reach 16% by Q4FY25.

Quarterly Deviation Sheet



Quarterly analysis for Group							
YE March (Rs. mn)	Q2 FY25	Q1 FY25	Q-o-Q change %	Q2 FY24	Y-o-Y change %	Q2 FY25 Est.	Deviation %
<b>Total Revenue (USD Mn)</b>	<b>220.7</b>	<b>200.9</b>	<b>9.9%</b>	<b>214.9</b>	<b>2.7%</b>	<b>220</b>	<b>0.4%</b>
<b>Total Revenue (INR Mn)</b>	<b>18,491</b>	<b>16,757</b>	<b>10.3%</b>	<b>17,785</b>	<b>4.0%</b>	<b>18,339</b>	<b>0.8%</b>
<b>Less:</b>							
Cost of Revenues	12,171	10,913	12%	11,010	11%	11,826	2.9%
SG&A Expenses	3,353	3,194	5%	3,517	(5%)	3,539	-5.3%
<b>Total Expenditure</b>	<b>15,524</b>	<b>14,107</b>	<b>10%</b>	<b>14,527</b>	<b>7%</b>	<b>15,365</b>	<b>1.0%</b>
<b>EBIDTA</b>	<b>2,967</b>	<b>2,650</b>	<b>12.0%</b>	<b>3,258</b>	<b>(8.9%)</b>	<b>2,974</b>	<b>-0.2%</b>
Less: Depreciation	660	658		658		720	
<b>EBIT</b>	<b>2,307</b>	<b>1,992</b>	<b>15.8%</b>	<b>2,600</b>	<b>(11.3%)</b>	<b>2,254</b>	<b>2.4%</b>
Interest Paid	275	257		270		257	
Other income (expense), net	511	211		135		183	
One off/ Exceptional item	0	0		(62)		0	
<b>Profit Before Tax (Excl Exceptional)</b>	<b>2,543</b>	<b>1,946</b>	<b>30.7%</b>	<b>2,465</b>	<b>3.2%</b>	<b>2,180</b>	
<b>Profit Before Tax</b>	<b>2,543</b>	<b>1,946</b>	<b>31%</b>	<b>2,403</b>	<b>6%</b>	<b>2,180</b>	<b>16.6%</b>
Tax	702	602	17%	536	31%	534	31.4%
Deferred Tax	(25)	(132)		31		0	
<b>PAT before Minority Interest</b>	<b>1,866</b>	<b>1,476</b>		<b>1,836</b>		<b>1,646</b>	
<b>Profit After Tax</b>	<b>1,791</b>	<b>1,439</b>	<b>24.5%</b>	<b>1,783</b>	<b>0.4%</b>	<b>1,646</b>	
<b>Adjusted PAT</b>	<b>1,791</b>	<b>1,439</b>	<b>24.5%</b>	<b>1,830</b>	<b>(2.2%)</b>	<b>1,646</b>	<b>8.8%</b>
<b>Basic &amp; Diluted EPS (Rs.)</b>	<b>16.1</b>	<b>13.0</b>	<b>24.5%</b>	<b>16.5</b>	<b>(2.2%)</b>	<b>14.8</b>	
Basic & Diluted Outstanding (mn)	111	111		111		111	
<b>Margin Analysis %</b>			<b>Change In bps</b>		<b>Change In bps</b>		
<b>EBIDTA Margin</b>	<b>16.0%</b>	<b>15.8%</b>	<b>23</b>	<b>18.3%</b>	<b>-227</b>	<b>16.2%</b>	<b>-17</b>
<b>EBIT Margin</b>	<b>12.5%</b>	<b>11.9%</b>	<b>59</b>	<b>14.6%</b>	<b>-214</b>	<b>12.3%</b>	<b>19</b>
<b>PBT Margin</b>	<b>13.8%</b>	<b>11.6%</b>	<b>214</b>	<b>13.5%</b>	<b>24</b>	<b>11.9%</b>	<b>186</b>
<b>NPM</b>	<b>9.7%</b>	<b>8.6%</b>	<b>110</b>	<b>10.0%</b>	<b>-34</b>	<b>9.0%</b>	<b>71</b>
<b>Effective Tax Rate (%)</b>	<b>26.6%</b>	<b>24.2%</b>	<b>247</b>	<b>23.6%</b>	<b>303</b>	<b>24.5%</b>	<b>212</b>
<b>Cost Analysis %</b>			<b>Change In bps</b>		<b>Change In bps</b>		
<b>Cost of Revenues/ Sales</b>	<b>65.8%</b>	<b>65.1%</b>	<b>70</b>	<b>61.9%</b>	<b>392</b>	<b>64.5%</b>	<b>134</b>
<b>SG&amp;A/Sales</b>	<b>18.1%</b>	<b>19.1%</b>	<b>-93</b>	<b>19.8%</b>	<b>-164</b>	<b>19.3%</b>	<b>-117</b>
<b>Other income/ PBT</b>	<b>20.1%</b>	<b>10.8%</b>	<b>925</b>	<b>5.6%</b>	<b>1,448</b>	<b>8.4%</b>	<b>1,168</b>

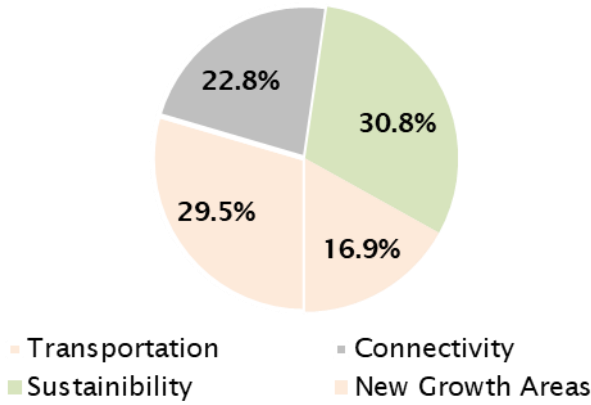
Source: Dalal & Broacha Research, Company



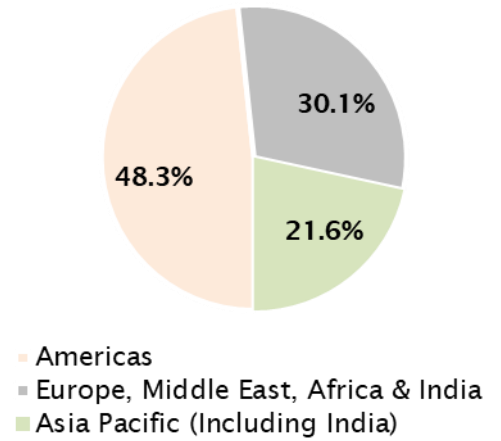
Quarterly analysis for DET							
YE March (Rs. mn)	Q2 FY25	Q1 FY25	Q-o-Q change %	Q2 FY24	Y-o-Y change %	Q2 FY25 Est.	Deviation %
<b>Total Revenue (USD Mn)</b>	<b>173.0</b>	<b>169.6</b>	<b>2.0%</b>	<b>178.4</b>	<b>(3.0%)</b>	<b>172</b>	<b>0.4%</b>
<b>Total Revenue (INR Mn)</b>	<b>14,496</b>	<b>14,144</b>	<b>2.5%</b>	<b>14,762</b>	<b>(1.8%)</b>	<b>14,378</b>	<b>0.8%</b>
<b>Less:</b>							
Cost of Revenues	8,744	8,554	2%	8,825	(1%)	8,605	1.6%
SG&A Expenses	3,110	3,103	0%	2,900	7%	3,182	-2.3%
<b>Total Expenditure</b>	<b>11,854</b>	<b>11,657</b>	<b>2%</b>	<b>11,725</b>	<b>1%</b>	<b>11,787</b>	<b>0.6%</b>
<b>EBIDTA</b>	<b>2,643</b>	<b>2,487</b>	<b>6.3%</b>	<b>3,037</b>	<b>(13.0%)</b>	<b>2,591</b>	<b>2.0%</b>
Less: Depreciation	584	584		597		501	
<b>EBIT</b>	<b>2,059</b>	<b>1,903</b>	<b>8.2%</b>	<b>2,440</b>	<b>(15.6%)</b>	<b>2,090</b>	<b>-1.5%</b>
Interest Paid	183	201		223		201	
Other income (expense), net	465	146		43		144	
One off/ Exceptional item	0	0		(48)		0	
<b>Profit Before Tax</b>	<b>2,341</b>	<b>1,848</b>	<b>27%</b>	<b>2,212</b>	<b>5.8%</b>	<b>2,033</b>	<b>15.1%</b>
Tax	574	435	32%	532	8%	498	15.1%
<b>Profit After Tax</b>	<b>1,768</b>	<b>1,413</b>	<b>25.1%</b>	<b>1,680</b>	<b>5.2%</b>	<b>1,535</b>	
<b>Adjusted PAT</b>	<b>1,768</b>	<b>1,413</b>	<b>25.1%</b>	<b>1,728</b>	<b>2.3%</b>	<b>1,535</b>	<b>15.2%</b>
<b>Basic &amp; Diluted EPS (Rs.)</b>	<b>16.0</b>	<b>12.8</b>		<b>15.6</b>		<b>13.9</b>	
Basic & Diluted Outstanding (mn)	111	111		111		111	
<b>Margin Analysis %</b>			<b>Change In bps</b>		<b>Change In bps</b>		
<b>EBIDTA Margin</b>	<b>18.2%</b>	<b>17.6%</b>	<b>65</b>	<b>20.6%</b>	<b>-234</b>	<b>18.0%</b>	<b>21</b>
<b>EBIT Margin</b>	<b>14.2%</b>	<b>13.5%</b>	<b>75</b>	<b>16.5%</b>	<b>-233</b>	<b>14.5%</b>	<b>-33</b>
<b>PBT Margin</b>	<b>16.1%</b>	<b>13.1%</b>	<b>308</b>	<b>15.0%</b>	<b>116</b>	<b>14.1%</b>	<b>201</b>
<b>NPM</b>	<b>12.2%</b>	<b>10.0%</b>	<b>220</b>	<b>11.4%</b>	<b>81</b>	<b>10.7%</b>	<b>152</b>
<b>Effective Tax Rate (%)</b>	<b>24.5%</b>	<b>23.5%</b>	<b>96</b>	<b>24.1%</b>	<b>45</b>	<b>24.5%</b>	<b>0</b>
<b>Cost Analysis %</b>			<b>Change In bps</b>		<b>Change In bps</b>		
<b>Cost of Revenues/ Sales</b>	<b>60.3%</b>	<b>60.5%</b>	<b>-16</b>	<b>59.8%</b>	<b>54</b>	<b>59.8%</b>	<b>47</b>
<b>SG&amp;A/Sales</b>	<b>21.5%</b>	<b>21.9%</b>	<b>-49</b>	<b>19.6%</b>	<b>181</b>	<b>22.1%</b>	<b>-68</b>
<b>Other income/ PBT</b>	<b>19.9%</b>	<b>7.9%</b>	<b>1,196</b>	<b>1.9%</b>	<b>1,792</b>	<b>7.1%</b>	<b>1,279</b>

Source: Dalal & Broacha Research, Company

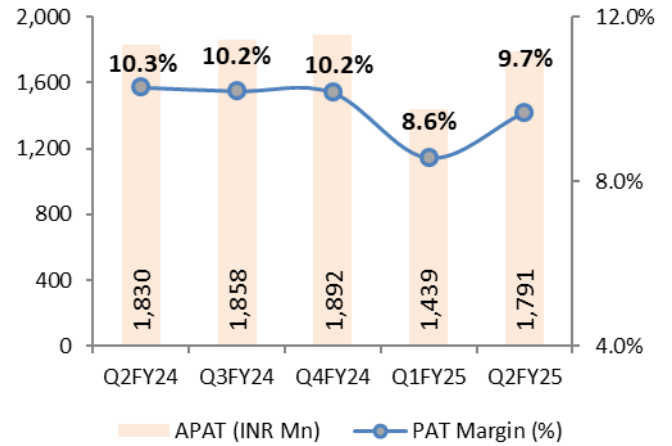
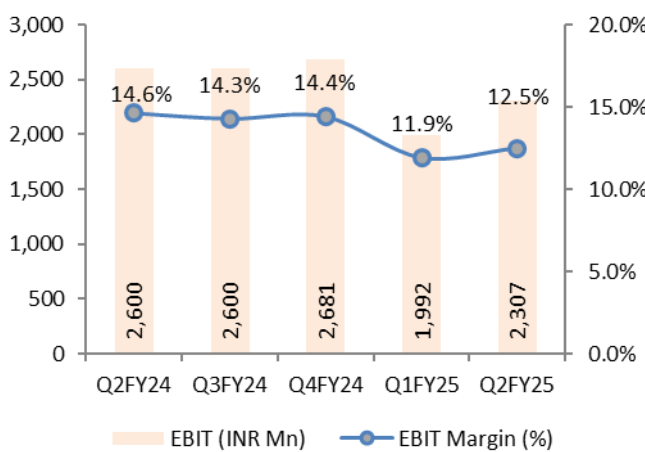
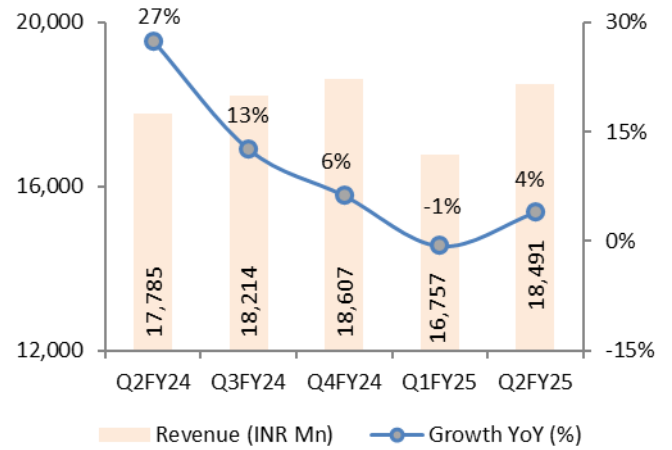
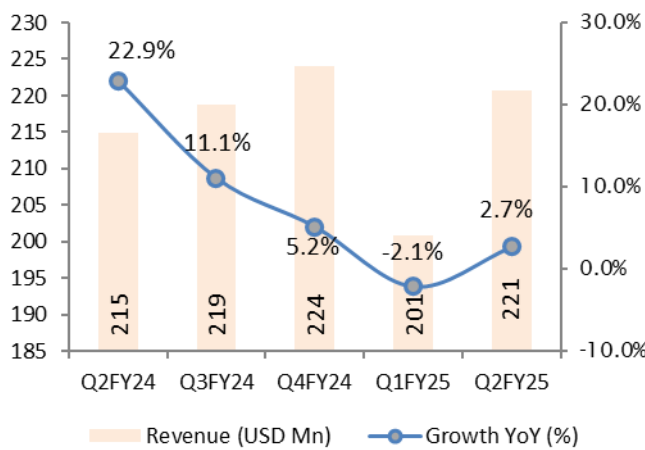
Vertical-wise Revenue Mix (%)



Geographic Mix (%)

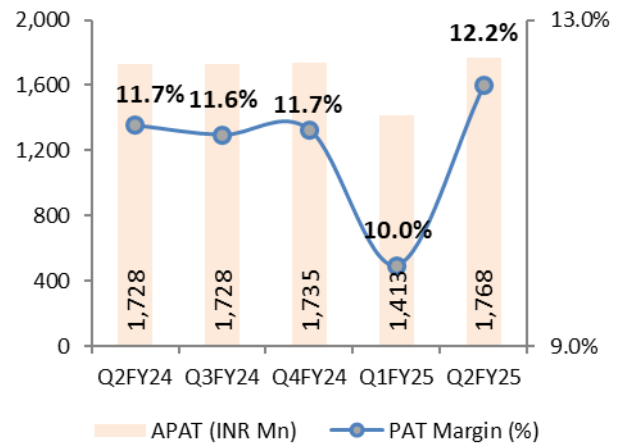
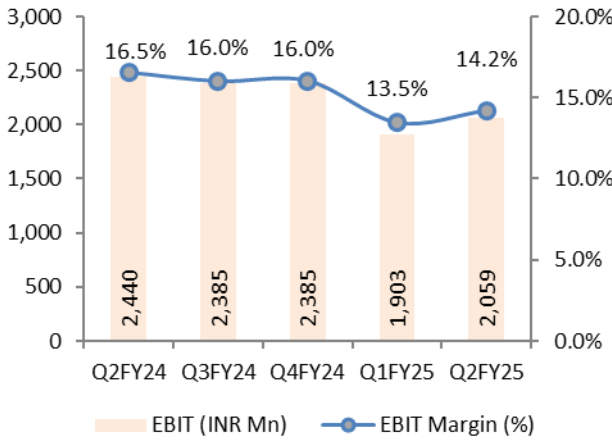
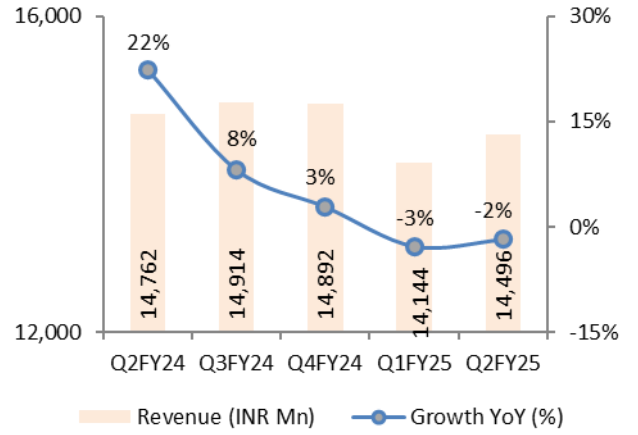
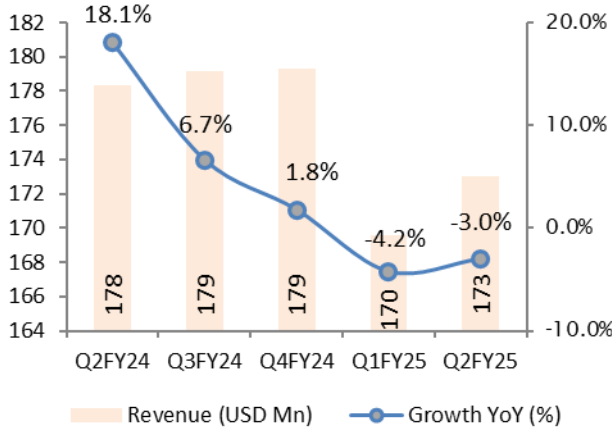


Group Revenue, EBIT, PAT Trajectory



Source: Dalal & Broacha Research, Company

DET Revenue, EBIT, PAT Trajectory



Source: Dalal & Broacha Research, Company

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## Valuation & Outlook

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**Cyient Group is currently trading at 27.7x/20x/17.4x FY25e/FY26e/FY27e EPS.**

**Cyient DET is currently trading at 29.4x/22.2x /19.7x FY25e/FY26e/FY27e EPS.**

Cyient's **Digital, Engineering & Technology (DET)** segment showed a recovery in Q2 FY25, with revenue reaching **USD 173 million**, reflecting a **1.3% QoQ** growth in constant currency. This improvement was driven by strong performance in aerospace and connectivity sectors. Management is optimistic about continued recovery, especially in the sustainability vertical as seasonal impacts diminish in H2 FY25.

Cyient is strategically positioning itself for future growth through recent acquisitions and investments in its semiconductor business. The company has agreed to acquire a **27.3% stake in Azimuth AI**, enhancing its capabilities in energy and industrial applications. Additionally, the acquisition of **Abu Dhabi & Gulf Computer Est. (ADGCE)** will strengthen Cyient's presence in the Middle East, particularly in the energy sector.

A significant aspect of Cyient's strategy includes the partial divestment of approximately **14.5% of its stake in Cyient DLM**, generating proceeds of around **₹875 crores (USD 105 million)**. These funds will support capital requirements for both organic and inorganic initiatives within the semiconductor business and facilitate debt repayment, reducing long-term debt to **USD 9 million**. Furthermore, Cyient has established an agreement with Cyient DLM to pursue a design and supply model, enhancing collaboration and operational efficiency.

With management projecting EBIT margins to reach **16% by Q4 FY25**, Cyient is well-positioned for sustained growth as it focuses on optimizing operations and leveraging emerging market opportunities. Overall, while execution risks remain in the near term, Cyient's strategic initiatives suggest resilience and potential for upside as macroeconomic conditions improve.

**We assign a 'HOLD' rating to the stock. Using a SOTP valuation methodology, with a target multiple of 20x FY27e for Cyient Services (DET) business and factoring in the stake in Cyient DLM at an FY27e valuation with a holding company discount of 20%, our target price stands at INR 2,048.**

Financials

Key Financials						
YE March (Rs. mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Net Sales</b>	<b>45,344</b>	<b>60,159</b>	<b>71,472</b>	<b>74,610</b>	<b>87,939</b>	<b>102,020</b>
<i>Growth (Y-o-Y)</i>	9.7%	32.7%	18.8%	4.4%	17.9%	16.0%
<b>EBIDTA</b>	<b>8,178</b>	<b>10,031</b>	<b>13,028</b>	<b>12,313</b>	<b>15,881</b>	<b>18,310</b>
<i>Growth (Y-o-Y)</i>	34.1%	22.7%	29.9%	(5.5%)	29.0%	15.3%
<b>Net Profit</b>	<b>5,208</b>	<b>5,144</b>	<b>6,925</b>	<b>7,054</b>	<b>9,755</b>	<b>11,185</b>
<i>Growth (Y-o-Y)</i>	32.5%	(1.2%)	34.6%	1.9%	38.3%	14.7%
<b>Adj. Net Profit</b>	<b>5,208</b>	<b>5,611</b>	<b>7,601</b>	<b>7,054</b>	<b>9,755</b>	<b>11,185</b>
<i>Growth (Y-o-Y)</i>	31.1%	7.7%	35.5%	(7.2%)	38.3%	14.7%
<b>Adj. Diluted EPS</b>	<b>47.1</b>	<b>50.8</b>	<b>68.8</b>	<b>63.8</b>	<b>88.3</b>	<b>101.2</b>
<i>Growth (Y-o-Y)</i>	31.1%	7.7%	35.5%	-7.2%	38.3%	14.7%
<b>No of Diluted shares (mn)</b>	<b>111</b>	<b>111</b>	<b>111</b>	<b>111</b>	<b>111</b>	<b>111</b>
Key Ratios						
<b>EBIDTA (%)</b>	<b>18.0%</b>	<b>16.7%</b>	<b>18.2%</b>	<b>16.5%</b>	<b>18.1%</b>	<b>17.9%</b>
<b>EBIT (%)</b>	<b>13.8%</b>	<b>12.4%</b>	<b>14.5%</b>	<b>13.0%</b>	<b>14.8%</b>	<b>14.7%</b>
<b>NPM (%)</b>	11.5%	8.6%	9.7%	9.5%	11.1%	11.0%
<b>Adj. NPM (%)</b>	11.5%	9.3%	10.6%	9.5%	11.1%	11.0%
<b>RoE (%)</b>	<b>17.1%</b>	<b>17.0%</b>	<b>19.7%</b>	<b>15.9%</b>	<b>19.9%</b>	<b>20.5%</b>
<b>RoCE (%)</b>	16.7%	16.9%	19.8%	18.0%	24.6%	28.5%
<b>Tax Rate %</b>	<b>25.2%</b>	<b>24.5%</b>	<b>24.6%</b>	<b>27.7%</b>	<b>25.0%</b>	<b>25.0%</b>
<b>Book Value Per share (Rs.)</b>	282.0	313.7	385.3	419.2	465.9	519.6
Valuation Ratios						
<b>P/E (x)</b>	<b>37.4x</b>	<b>37.9x</b>	<b>28.2x</b>	<b>27.7x</b>	<b>20.0x</b>	<b>17.4x</b>
<b>Adjusted P/E (x)</b>	<b>37.4x</b>	<b>34.8x</b>	<b>25.7x</b>	<b>27.7x</b>	<b>20.0x</b>	<b>17.4x</b>
<b>EV/EBITDA</b>	22.7x	19.7x	14.6x	14.9x	11.4x	9.7x
<b>P/BV (x)</b>	<b>6.3x</b>	<b>5.6x</b>	<b>4.6x</b>	<b>4.2x</b>	<b>3.8x</b>	<b>3.4x</b>
<b>Market Cap. / Sales (x)</b>	4.3x	3.2x	2.7x	2.6x	2.2x	1.9x
Free Cash Flow Statement						
YE March (Rs. mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>EBITDA</b>	8,178	10,031	13,028	12,313	15,881	18,310
<b>FC Investment</b>	454	536	2,648	1,492	1,759	2,040
<b>WC Changes</b>	-1,534	-2,170	-3,031	2,077	-2,196	-2,501
<b>Depreciation Tax Shield</b>	485	628	656	717	718	833
<b>Tax Expenses</b>	2,062	2,456	3,205	3,415	3,970	4,578
<b>FCF</b>	4,613	5,497	4,800	10,199	8,675	10,024



Profit & Loss A/c						
YE March (Rs. mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Net Sales</b>	<b>45,344</b>	<b>60,159</b>	<b>71,472</b>	<b>74,610</b>	<b>87,939</b>	<b>102,020</b>
<i>Growth %</i>	<i>9.7%</i>	<i>32.7%</i>	<i>18.8%</i>	<i>4.4%</i>	<i>17.9%</i>	<i>16.0%</i>
<b>Total Revenue</b>	<b>45,344</b>	<b>60,159</b>	<b>71,472</b>	<b>74,610</b>	<b>87,939</b>	<b>102,020</b>
<b>Less:</b>						
Increase/Decrease in Stock	(175)	125	(235)	(122)	0	0
Cost of Services	5,881	6,839	9,893	11,446	14,583	19,421
Employee Cost	22,665	30,260	35,120	36,947	40,529	44,364
SG&A Expenses & Other	8,795	12,904	13,666	14,026	16,945	19,925
<b>Total Operating Expenditure</b>	<b>37,166</b>	<b>50,128</b>	<b>58,444</b>	<b>62,297</b>	<b>72,057</b>	<b>83,710</b>
<b>EBIDTA</b>	<b>8,178</b>	<b>10,031</b>	<b>13,028</b>	<b>12,313</b>	<b>15,881</b>	<b>18,310</b>
<i>Growth %</i>	<i>34.1%</i>	<i>22.7%</i>	<i>29.9%</i>	<i>-5.5%</i>	<i>29.0%</i>	<i>15.3%</i>
Less: Depreciation	1,922	2,566	2,667	2,585	2,874	3,333
<b>EBIT</b>	<b>6,256</b>	<b>7,465</b>	<b>10,361</b>	<b>9,727</b>	<b>13,008</b>	<b>14,977</b>
<i>Growth %</i>	<i>50.6%</i>	<i>19.3%</i>	<i>38.8%</i>	<i>-6.1%</i>	<i>33.7%</i>	<i>15.1%</i>
Interest Paid	393	1,000	1,160	1,082	880	880
Non-operating Income	1,121	814	659	1,116	879	816
Extraordinary Income	0	(467)	(676)	0	0	0
<b>Profit Before tax</b>	<b>6,984</b>	<b>6,812</b>	<b>9,184</b>	<b>9,761</b>	<b>13,007</b>	<b>14,913</b>
Tax	1,761	1,668	2,259	2,708	3,252	3,728
<b>Net Profit before Minority</b>	<b>5,223</b>	<b>5,144</b>	<b>6,925</b>	<b>7,054</b>	<b>9,755</b>	<b>11,185</b>
<b>Net Profit</b>	<b>5,208</b>	<b>5,144</b>	<b>6,925</b>	<b>7,054</b>	<b>9,755</b>	<b>11,185</b>
<b>Adjusted Profit</b>	<b>5,208</b>	<b>5,611</b>	<b>7,601</b>	<b>7,054</b>	<b>9,755</b>	<b>11,185</b>
<b>Reported Diluted EPS Rs</b>	<b>47.1</b>	<b>46.6</b>	<b>62.7</b>	<b>63.8</b>	<b>88.3</b>	<b>101.2</b>
<i>Growth %</i>	<i>32.5%</i>	<i>-1.2%</i>	<i>34.6%</i>	<i>1.9%</i>	<i>38.3%</i>	<i>14.7%</i>
<b>Adjusted Diluted EPS Rs</b>	<b>47.1</b>	<b>50.8</b>	<b>68.8</b>	<b>63.8</b>	<b>88.3</b>	<b>101.2</b>
<i>Growth %</i>	<i>31.1%</i>	<i>7.7%</i>	<i>35.5%</i>	<i>-7.2%</i>	<i>38.3%</i>	<i>14.7%</i>

Cash Flows (Consolidated)						
YE December (Rs. Mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>PAT</b>	<b>5,208.0</b>	<b>5,144.0</b>	<b>6,925.0</b>	<b>7,053.6</b>	<b>9,755.3</b>	<b>11,184.6</b>
Less: Non Operating Income	(1,121.0)	(814.0)	(659.0)	(1,115.6)	(879.4)	(816.2)
Add: Depreciation	1,922.0	2,566.0	2,667.0	2,585.5	2,873.6	3,333.4
Add: Interest Paid	393.0	1,000.0	1,160.0	1,082.0	880.0	880.0
<b>Operating Profit before WC Changes</b>	<b>6,430.0</b>	<b>8,363.0</b>	<b>10,769.0</b>	<b>9,605.4</b>	<b>12,629.5</b>	<b>14,581.9</b>
<b>Net Cash From Operations</b>	<b>4,896.0</b>	<b>6,193.0</b>	<b>7,738.0</b>	<b>11,682.2</b>	<b>10,433.6</b>	<b>12,080.6</b>
<b>Cash Flow from Investing Activities</b>						
(Inc)/Dec in Fixed Assets	(1,592.0)	(2,507.0)	(2,648.0)	(1,492.2)	(1,758.8)	(2,040.4)
<b>Cash Flow from Financing Activities</b>						
Inc/(Dec) in Total Loans	175.0	5,811.0	(4,810.0)	(4,810.0)	(4,810.0)	(4,810.0)
Dividend Paid	(2,652.0)	(2,652.0)	(3,315.0)	(3,315.2)	(4,585.0)	(5,256.8)
<b>Net Cash from Financing Activities</b>	<b>(3,660.0)</b>	<b>4,545.0</b>	<b>(3,210.0)</b>	<b>(10,209.7)</b>	<b>(11,275.0)</b>	<b>(11,946.8)</b>
<b>Net Inc/Dec in cash equivalents</b>	<b>(1,984.0)</b>	<b>(5,472.0)</b>	<b>2,641.0</b>	<b>1,094.9</b>	<b>(1,721.8)</b>	<b>(1,091.5)</b>
<b>Opening Balance</b>	<b>14,650.0</b>	<b>12,666.0</b>	<b>7,194.0</b>	<b>9,835.0</b>	<b>10,929.9</b>	<b>9,208.1</b>
<b>Closing Balance Cash</b>	<b>12,666.0</b>	<b>7,194.0</b>	<b>9,835.0</b>	<b>10,929.9</b>	<b>9,208.1</b>	<b>8,116.6</b>

Balance Sheet (Consolidated)						
YE March( Rs. mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Liabilities</b>						
Equity Capital	552	553	555	553	553	553
Reserves & Surplus	30,614	34,114	42,026	45,764	50,935	56,863
<b>Equity</b>	<b>31,166</b>	<b>34,667</b>	<b>42,581</b>	<b>46,317</b>	<b>51,487</b>	<b>57,415</b>
Net Deferred tax liability/(Asset)	3,800	5,644	8,091	7,091	6,091	5,091
<b>Total Loans</b>	<b>3,525</b>	<b>9,336</b>	<b>4,526</b>	<b>(284)</b>	<b>(5,094)</b>	<b>(9,904)</b>
<b>Capital Employed</b>	<b>38,491</b>	<b>49,647</b>	<b>55,198</b>	<b>53,124</b>	<b>52,484</b>	<b>52,602</b>
<b>Assets</b>						
Gross Block	11,128	11,664	14,312	15,804	17,563	19,603
Less: Depreciation	6,588	7,183	9,850	12,435	15,309	18,642
<b>Net Block</b>	<b>4,540</b>	<b>4,481</b>	<b>4,462</b>	<b>3,369</b>	<b>2,254</b>	<b>961</b>
Capital WIP	134	27	16	16	16	16
<b>Investments</b>	<b>3,839</b>	<b>3,712</b>	<b>3,945</b>	<b>3,946</b>	<b>3,947</b>	<b>3,948</b>
Intangible Assets	6,662	21,413	21,089	21,089	21,089	21,089
<b>Current Assets</b>						
Inventories	2,790	4,358	4,676	4,477	5,276	6,121
Sundry Debtors	7,333	11,271	12,617	12,878	14,938	17,329
Current Investments	866	1,718	758	758	758	758
Cash and Bank Balance	12,666	7,194	9,835	10,930	9,208	8,117
Loans and Advances	6,078	7,659	8,224	8,585	10,119	11,739
Other Current Assets	2,965	3,648	4,414	4,608	5,431	6,301
<b>Total Current Assets</b>	<b>32,698</b>	<b>35,848</b>	<b>40,524</b>	<b>42,235</b>	<b>45,730</b>	<b>50,365</b>
<b>Less:Current Liabilities</b>						
Sundry Creditors	5,259	7,142	6,878	9,558	11,253	13,073
Provisions	414	1,137	1,144	1,258	1,384	1,523
Other Current Liabilities	3,709	7,555	6,816	6,715	7,914	9,182
<b>Total Current Liabilities</b>	<b>9,382</b>	<b>15,834</b>	<b>14,838</b>	<b>17,531</b>	<b>20,552</b>	<b>23,777</b>
<b>Capital Applied</b>	<b>38,491</b>	<b>49,647</b>	<b>55,198</b>	<b>53,124</b>	<b>52,484</b>	<b>52,602</b>

Key Ratios (Consolidated)						
YE March (Rs. mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Key Operating Ratios</b>						
EBITDA Margin (%)	18.0%	16.7%	18.2%	16.5%	18.1%	17.9%
Tax / PBT (%)	25.2%	24.5%	24.6%	27.7%	25.0%	25.0%
Net Profit Margin (%)	11.5%	8.6%	9.7%	9.5%	11.1%	11.0%
RoE (%)	17.1%	17.0%	19.7%	15.9%	19.9%	20.5%
RoCE (%)	14.7%	14.4%	16.2%	14.5%	19.7%	22.5%
Current Ratio (x)	3.5x	2.3x	2.7x	2.4x	2.2x	2.1x
Dividend Payout (%)	50.9%	51.6%	47.9%	47.0%	47.0%	47.0%
Book Value Per Share (Rs.)	282.0	313.7	385.3	419.2	465.9	519.6
<b>Financial Leverage Ratios</b>						
Interest Coverage (x)	20.8x	10.0x	11.2x	11.4x	18.0x	20.8x
<b>Growth Indicators %</b>						
Sales Growth (%)	9.7%	32.7%	18.8%	4.4%	17.9%	16.0%
EBITDA Growth (%)	34.1%	22.7%	29.9%	(5.5%)	29.0%	15.3%
Net Profit Growth (%)	32.5%	(1.2%)	34.6%	1.9%	38.3%	14.7%
Diluted EPS Growth (%)	32.5%	(1.2%)	34.6%	1.9%	38.3%	14.7%

Source: Dalal & Broacha Research, Company

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Address: - 508, Maker Chambers V, 221 Nariman Point, Mumbai 400 021.

Tel: 91-22- 2282 2992 | : [equity.research@dalal-broacha.com](mailto:equity.research@dalal-broacha.com)