

About the Company

Wipro Ltd is a global Information technology, consulting and business process services (BPS) company. It is the 4th largest Indian player in the global IT services industry behind TCS, Infosys and HCL Technologies

Recent Quarter Highlights

- Gross revenue was at ₹219.6 billion (\$2,635.8 million¹), a decrease of 1.1% QoQ and 3.8% YoY.
- IT services segment revenue was at \$2,625.9 million, a decrease of 1.2% QoQ and decrease of 5.5% YoY.
- Non-GAAP² constant currency IT Services segment revenue decreased 1.0% QoQ, and 4.9% YoY
- Total bookings³ was at \$3,284 million. Large deal bookings⁴ was at \$1,154 million, a decrease of 3.1% QoQ and 3.6% YoY.
- IT services operating margin⁵ for the quarter was at 16.5%, an increase of 0.1% QoQ and 0.4% YoY.
- Net income for the quarter was at ₹30.0 billion (\$360.4 million¹), an increase of 5.9% QoQ and 4.6% YoY.
- Earnings per share for the quarter was at ₹5.75 (\$0.071), an increase of 5.9% QoQ and 9.9% YoY
- Operating cash flows of ₹40.0 billion (\$479.0 million¹), an increase of 6.5% YoY and at 131.6% of Net Income for the quarter.
- Voluntary attrition was at 14.1% on a trailing 12-month basis.

Management view and key highlights

- An expansion in our IT services margin of 0.4% year-on-year and 0.1% quarter-on-quarter. They delivered the 16.5% margin on the back of a tough revenue environment and even after continuous investments in talent. Improved utilization, fixed price productivity and optimization of overheads have been the key levers at play.
- Driven by deal flow, the consumer business grew by 1.6% this quarter. However, manufacturing and energy and utility sectors continue to show weakness for them, experiencing sequential decline of 3% and 6.3% respectively
- Their current investments and cash balance now stands at \$5.4 billion. Our other income net of finance expenses grew by 21% quarter-on-quarter and year on-year. Their accounting yield for average investments held in India in Q1 was at 7.6%. Their net income at INR30 billion grew 6% sequentially and our EPS for the quarter at Rs.5.75 grew 10% year-on-year. In terms of other key matrices, our ETR is at 24.5% for Q1 versus 24% in Q1'24. Our hedge
- They would like to emphasize that even in an otherwise soft demand environment, revenue from top ten accounts have grown 1.3% sequentially and 3.8% year-on-year in constant currency terms.

SERVICE PORTFOLIO



IT Services Revenue Breakup FY21

1. Sector-Wise :-
2. BFSI - 31%
3. Consumer - 16%
4. Health - 14%
5. Energy, Natural Resources and Utilities - 13%
6. Technology - 13%
7. Manufacturing - 8%
8. Communications - 5%

Strategic Market Units Wise :-

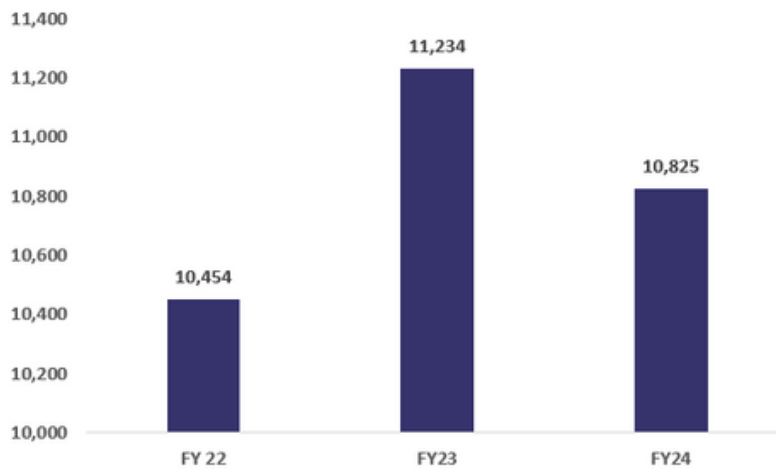
1. Americas - 60%
2. Europe - 26%
3. APMEA - 14%

Global Business Line Wise :-

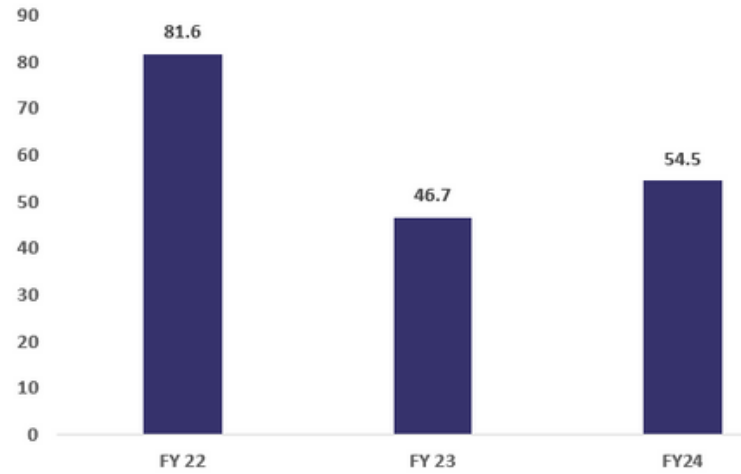
1. iDEAS - 57%
2. iCORE - 43%

Sources: Company's profile

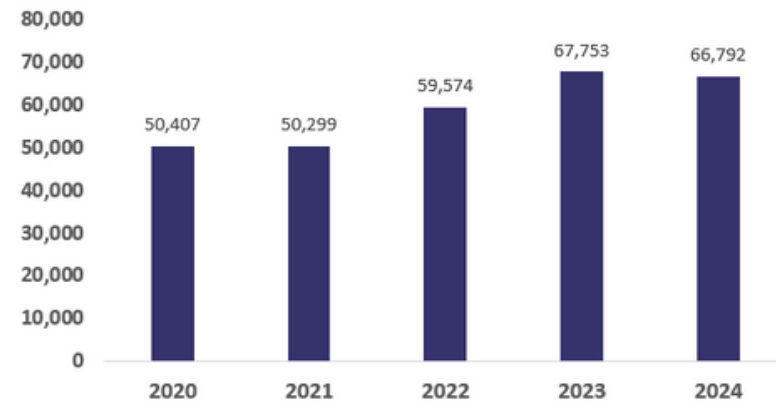
IT SERVICES REVENUE



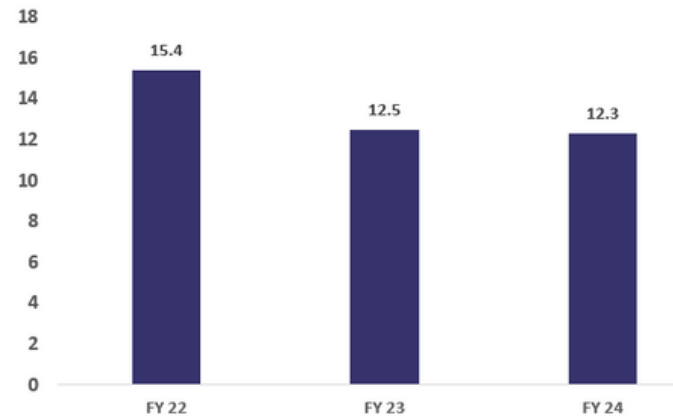
PAYOUT RATIO



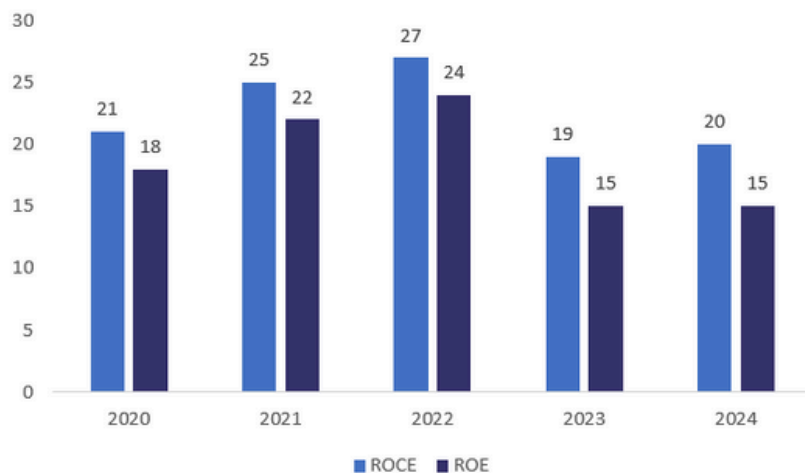
PROFIT GROWTH



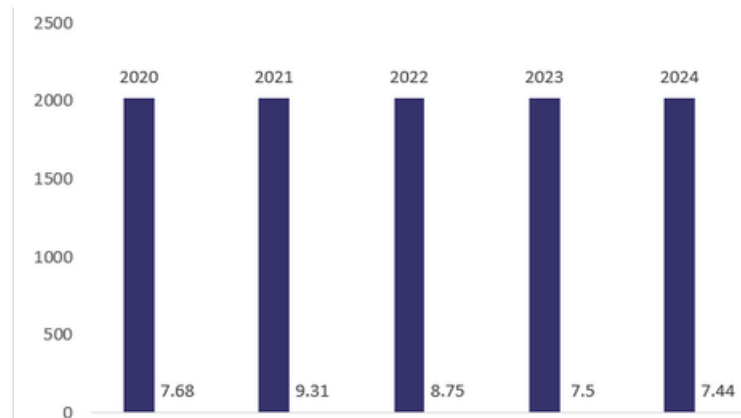
NET INCOME TO TURNOVER



ROCE & ROE %



RETURN ON ASSETS



Sources: Company's profile

QUARTERLY RESULTS

Narration	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Sales	23,190.30	22,831.00	22,515.90	22,205.10	22,208.30	21,963.80
Expenses	18,670.90	18,627.40	18,546.20	18,006.80	17,827.70	17,614.20
Operating Profit	4,519.40	4,203.60	3,969.70	4,198.30	4,380.60	4,349.60
Other Income	631.60	640.50	739.80	597.90	652.90	729.70
Depreciation	846.60	738.00	897.00	931.60	840.50	728.90
Interest	286.00	308.60	303.30	312.50	330.80	328.80
Profit before tax	4,018.40	3,797.50	3,509.20	3,552.10	3,862.20	4,021.60
Tax	924.90	911.50	841.90	851.50	1,004.00	985.00
Net profit	3,074.50	2,870.10	2,646.30	2,694.20	2,834.60	3,003.20
OPM	19%	18%	18%	19%	20%	20%

PROFIT & LOSS STATEMENT

Narration	Mar-21	Mar-22	Mar-23	Mar-24	Trailing
Sales	61,934.90	79,312.00	90,487.60	89,760.30	88,893.10
Expenses	47,163.50	62,627.80	73,648.60	73,007.80	71,994.90
Operating Profit	14,771.40	16,684.20	16,839.00	16,752.50	16,898.20
Other Income	2,403.70	2,066.90	2,274.60	2,630.80	2,720.30
Depreciation	2,763.40	3,077.80	3,340.20	3,407.10	3,398.00
Interest	508.80	532.50	1,007.70	1,255.20	1,275.40
Profit before tax	13,902.90	15,140.80	14,765.70	14,721.00	14,945.10
Tax	3,034.90	2,897.40	3,399.20	3,608.90	3,682.40
Net profit	10,796.40	12,229.60	11,350.00	11,045.20	11,178.30
EPS	19.70	22.31	20.68	21.14	21.37
Price to earning	21.02	26.53	17.66	22.71	23.52
Price	414.15	591.90	365.25	480.10	502.75
RATIOS:					
Dividend Payout	5.07%	26.90%	4.84%	4.73%	
OPM	23.85%	21.04%	18.61%	18.66%	19.01%

BALANCE SHEET

Narration	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Equity Share Capital	1,142.70	1,095.80	1,096.40	1,097.60	1,045.00
Reserves	54,179.00	53,805.20	64,306.60	76,570.30	73,488.00
Borrowings	9,724.00	10,451.40	17,592.90	17,466.60	16,464.90
Other Liabilities	15,953.90	17,213.40	24,279.70	21,789.20	23,611.00
Total	80,999.60	82,565.80	1,07,275.60	1,16,923.70	1,14,608.90
Net Block	22,062.10	23,040.30	37,989.60	44,756.80	43,628.00
Capital Work in Progress	1,881.10	1,853.20	1,601.50	617.10	723.40
Investments	20,032.00	18,774.70	26,153.80	33,073.20	33,384.40
Other Assets	37,024.40	38,897.60	41,530.70	38,476.60	36,873.10
Total	80,999.60	82,565.80	1,07,275.60	1,16,923.70	1,14,608.90
Working Capital	21,070.50	21,684.20	17,251.00	16,687.40	13,262.10
Debtors	10,447.40	9,429.80	11,521.90	12,635.00	11,547.70
Inventory	186.50	106.40	133.40	118.80	90.70
Debtor Days	62.37	55.57	53.02	50.97	46.96
Inventory Turnover	327.82	582.09	594.54	761.68	989.64
Return on Equity	18%	20%	19%	15%	15%
Return on Capital Emp	18%	22%	21%	18%	17%

CASH FLOW STATEMENT

PARTICULARS	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024
Profit from operations	11,007.70	12,684.80	15,264.20	12,268.90	12,417.50
Adjustment	-136.80	-693.50	-2,131.50	825.70	-163.70
Changes in Assets & Liabilities	-1,212.40	3,012.30	-3,802.60	277.30	2,983
Tax Paid	-590.40	-2,275.90	-2,089.60	-2,180.30	-1,020.90
Operating Cash Flow	9,068.10	12,727.70	7,240.50	11,191.60	14,215.90
Investing Cash Flow	3,219	-1,282.80	-12,620.30	-4,759.10	2,206.40
Financing Cash Flow	-12,233	-12,105.70	494.70	-6,803.60	-17,158.70
Net Cash Flow	54.10	-660.80	-4,885.10	-371.10	-736.40

OUTLOOK

After reporting its Q1 FY2025 results, Wipro Ltd has set several targets and expectations for the upcoming quarters:

- **Revenue Guidance:** Wipro's management provided a cautious revenue growth guidance for Q2 FY2025, projecting a range of -1% to +1%. This reflects the ongoing challenges in the macroeconomic environment and softness in key verticals, particularly in Europe and APMEA regions. Analysts expect a slight uptick driven by the Americas market, particularly in BFSI and consumer segments.
- **Focus on Consulting:** The company aims to leverage growth in its consulting business, especially through its subsidiary Capco, which has shown signs of recovery. Analysts are keen to see how this segment can contribute to overall growth amidst cautious client spending.
- **Cost Management and Margins:** Wipro is focusing on operational efficiency and cost containment measures, which have led to an improvement in EBIT margins. Analysts expect margins to remain stable, with some projections suggesting an increase of around 30 basis points QoQ.
- **Deal Pipeline:** Wipro reported a robust deal pipeline, with a total contract value (TCV) of \$3.3 billion in Q1, despite a decline from the previous quarter. The company aims to convert this pipeline into actual deal wins, which is critical for future revenue growth.
- **Leadership Changes:** Following the appointment of a new CEO, Wipro is undergoing a strategic transformation, which includes replacing key leadership positions to enhance growth potential. Analysts are monitoring the effectiveness of these changes and their impact on the company's performance.
- **Overall,** while Wipro faces challenges in the near term, there are signs of potential recovery in certain segments, and the company is focused on strategic initiatives to navigate the current market landscape. We rate wipro a **HOLD** rating.



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