BOBCAPS
TRUST | INNOVATION | EXCELLENCE

HOLD
TP: Rs 1,485 | ⮝ 5%

INFOSYS | IT Services | 18 April 2025

A weak FY26 revenue guidance

- **Both 4QFY25 and FY26 guidance were weaker than expected. The ~25% CYTD stock decline possibly prices some of that in**
- **'Third party items' which inflated yearly revenue growth by ~120bps on an average since FY20 will be a drag if it winds down materially.**
- **Assume 1%/5% USD rev. growth in FY26/FY27. Maintain target PE multiple but lower TP but raise rating to Hold on stock price correction**

Girish Pai
research@bobcaps.in

Against consensus expectations of acceleration to 7-8% in constant currency revenue growth for FY26 three months back, and recent moderation to similar growth as in FY25, the guidance of 0-3% has come as a negative surprise. But this is something that we've been hinting at in our preview, post the higher-than-expected reciprocal tariffs under Trump 2.0. The recent weak stock performance factors in this weak guidance to some extent.

Unlike in the case of the COVID year of FY21 when Infosys decided to skip guidance for one quarter, the situation does not seem to be as dire, as the company put out revenue guidance despite expectations to the contrary in certain quarters.

4QFY25 constant currency QoQ revenue decline of 3.5% came in much below street expectations (we expected 0.5% growth, which had been unchanged since 3QFY25). 2/3 of this decline was contributed by lower third-party items and 1/3 by lower volumes. The third-party items aren't expected to come back in 1QFY26. The 4QFY25 performance was weaker than that of its peers TCS and Wipro that reported a few days back – 0.8% QoQ CC revenue decline.

The full year FY25 revenue growth of 4.2% in constant currency terms came in lower than the 4.5-5% guidance given at the beginning of the quarter. The miss was largely because of weak 4QFY25.

Infosys' FY26 guidance of 0-3% in constant currency terms was lower than consensus but in line with what we had been expecting. This guidance does not include inorganic elements. It assumes lower third-party items compared to FY25. The company says that the seasonality is going to be normal (1H better than 2H with macro uncertainties weaved in). At the lower end of the guidance the company assumes slight deterioration in macroeconomic conditions from current levels whereas at the upper end the company assumes a stable to slightly improving demand environment.

Key changes

Target	Rating
▼	▲

Ticker/Price	INFO IN/Rs 1,420
Market cap	US$ 68.9bn
Free float	86%
3M ADV	US$ 147.6mn
52wk high/low	Rs 2,006/Rs 1,307
Promoter/FPI/DII	14%/33%/38%

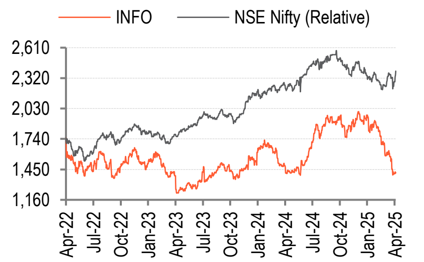
Source: NSE | Price as of 17 Apr 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	1,629,900	1,698,178	1,858,672
EBITDA (Rs mn)	392,350	407,306	442,569
Adj. net profit (Rs mn)	267,130	277,517	304,639
Adj. EPS (Rs)	64.4	66.8	73.4
Consensus EPS (Rs)	63.9	72.1	80.3
Adj. ROAE (%)	28.9	27.8	28.5
Adj. P/E (x)	22.1	21.2	19.3
EV/EBITDA (x)	14.6	14.0	12.7
Adj. EPS growth (%)	1.7	3.9	9.8

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

The EBIT margin guidance has been kept at 20 to 22%. In FY25 Infosys was able to eke out 50 basis points of EBIT margin expansion despite weak revenue growth due to various initiatives including Project Maximus – the margin management internal initiative. Infosys believes that Project maximus can continue to deliver benefits even in FY26. Value-based pricing was a key element of this initiative.

In terms of verticals the commentary was similar to what we heard from TCS and Wipro. Consumer-related verticals like retail and manufacturing in the auto and industrial side were indicated to be weak.

As can be seen in Fig 12 that third party items have contributed to revenue uplift in the last 5 years moving from ~2% in FY20 to ~8% in FY25 (~120bps addition to revenue growth on an average each year). A wind down of integrated projects that they were part off, could turn into a revenue headwind in the coming years. Though the impact on margins will be positive to a limited extent.

Estimates cut: We have reduced both USD revenue and EPS estimates for both FY26 and FY27. We are building in 1% growth (including 50bps from M&A) and 5% for FY27. We have broadly kept EBIT margins at 21% level for both years.

Valuation: We have valued Infosys using a Target PE multiple of 20.2x on FY27E EPS. The multiple is at a 5% discount to the target PE multiple of TCS (21.3x). The target PE multiple remains the same while the EPS has been downgraded. The target price has been lowered from the earlier Rs1565 to Rs1485. We have upgraded the stock to HOLD from a SELL that we had earlier.

Risks on the upside are if the tariff situation gets resolved quickly which could lead to revenue and EPS upgrades. On the other hand, if the situation drags on for many months/quarters there is likelihood of further downside to FY26 estimates.

Key Points from the quarter and the earnings call

FY25

- FY25 revenue stood at US$19.3bn, reflecting 4.2% growth in CC terms and 3.9% in reported terms.
    - Acquisitions contributed 80bps to FY25 revenue growth.
    - Financial services, EURS, and manufacturing verticals posted above-company-average growth.
- Operating margin improved by 50bps YoY to 21.1%.
    - Margin expansion is attributed to various Project Maximus tracks including value-based selling, lean operations, automation, portfolio improvement, and better utilization.
    - Project Maximus initiatives institutionalized for structural shift; expected to continue aiding margin improvement.

- 96 large deals closed in FY25 with TCV of US$11.6bn, with 56% of TCV being net new. The TTM net new TCV is ~29% lower on a YoY basis.
- FY25 free cash flow is the highest ever at US$4.2bn, representing 129% of net profit.
- The headcount at the end of FY25 stood at 323,578, a YoY increase of ~6,000.
- Attrition was at 14.1% for FY25.

4Q

- Sequential revenue in 4Q declined by 3.5% in CC terms due to reduced third-party costs and seasonal weakness.
    - ~ Two-thirds of the sequential revenue decline was driven by a reduction in third-party costs, which was larger than expected.
    - Remaining one-third of sequential revenue decline attributed to volume decline and fewer calendar and working days due to 4Q seasonality.
    - Much of the slippage occurred toward the end of the quarter, particularly in March.
- Revenue in 4Q increased by 4.8% YoY in CC terms.
    - Europe grew 15% YoY in CC terms. Europe now contributes 30% of total revenue.
    - Financial services vertical grew 12.6% YoY and manufacturing grew 14% YoY in CC terms.
- 24 large deals closed with TCV of US$2.6bn, with 63% of TCV being net new.
- Operating margin for 4Q was 21%, a sequential decline of 30bps.
- Sequential margin movement in 4Q included:
    - 140bps headwind from compensation-related costs; 40bps impact from acquisition-related amortization.
    - 80bps tailwind from reduced post-sales customer support; 30bps tailwind from Project Maximus initiatives; 20bps tailwind from currency movement; 20bps tailwind from lower third-party costs.
    - Higher travel and visa costs offset by savings in other costs.
- Utilization excluding trainees stood at 84.9%.

Recent strategic expansions include an acquisition in the energy consulting space in the US, an acquisition in cybersecurity in Australia, and a new strategic partner joining a joint venture in Japan.

Guidance – FY26

- Revenue growth expected in the range of 0% to 3% in CC terms, excluding the impact of new acquisitions.
- Guidance assumes a reduction in third-party revenue compared to FY25, based on current deals and pipeline.
    - This is due to a reduction in large, multi-year transformation deals, which typically include third-party costs. As many of the previously signed mega deals reach completion, the company anticipates a significant reduction in these costs going forward.
- The 3-point guidance reflects the uncertainty in the environment, with the lower end accounting for potential further deterioration and the top end assuming steady to marginal improvement.
- Operating margin guidance is in the range of 20% to 22%.

Demand Environment

- In financial services, budgets are flat to slightly higher in AI, regulatory compliance, and cost management. Steady growth is expected in capital markets and cards & payments across large global and regional US banks. The mortgage sector is likely to improve if interest rates decline.
- The manufacturing sector recorded double-digit growth over recent years.
    - CY25 budgets for auto and industrial manufacturing are lower, flat for aerospace.
    - Tariff issues, market uncertainties, and trade barriers to cause subdued spending and delays in manufacturing decisions.
    - Auto sector weakness persists in Europe.
    - Healthy pipeline with focus on cost takeouts, infrastructure transformation, consolidation, and ERP modernization.
- The retail sector was impacted by economic uncertainty and lower consumer spending in core markets.
    - Recent tariff announcements are expected to tighten client budgets and increase caution in retail.
    - Discretionary spend and large deal decision cycles are being stretched in retail.
- The EURS sector continues to grow, strong pipeline from current and new clients.
    - Energy prices remain volatile, but new opportunities emerging in midstream and downstream markets in the US. M&A and tax-related work increasing in services with clients focusing on cloud migration and vendor consolidation.

- The new acquisition expected to strengthen vertical expertise and create new opportunities in energy trading and risk management.

- The Communication sector remains soft with discretionary spending under pressure.
  - Growth in Communication is expected through cost-saving deals, AI, database solutions, and cybersecurity.
  - Lower interest rates may improve the profitability of telco OEMs, potentially increasing IT budgets.
- High-tech clients remain cautious amid macroeconomic headwinds and tariff issues.
  - Discretionary spend under pressure; margin pressure persists due to committed data center costs.
- Entering FY26 with ongoing global uncertainties including tariff impacts and debt-related concerns on client sentiment and spending.

Other Points:

- Despite productivity improvements from AI, no revenue deflation is being observed.
- Most employees received wage hikes in January, while middle to senior-level employees will receive theirs from April 1 2025. The impact of wage hikes has already been factored into the guidance range.
- The pricing environment remained stable throughout the quarter and showed no significant impact from recent macro changes. Value-based selling is a key pillar of cost optimization and margin improvement strategy.
- The 40 bps M&A-related cost is a one-time charge and is not expected to recur in 1Q of FY26**. If the acquisitions close by the end of Q1, they may add 40-50 bps to revenue growth in the coming year.**
- Despite facing multiple headwinds, the company managed to improve margins by 50 basis points in FY25. This includes absorbing compensation impacts, higher variable pay, ramp-ups of mega deals with initially lower margins, and acquisition-related costs. The Project Maximus initiatives, including value-based selling, lean automation, and other efficiency measures, continue to deliver value, and there is still potential for further margin improvement.
- The company is positioning its AI, cloud, and cost-efficiency solutions to address macroeconomic changes, including tariffs. It's engaging clients on cost-saving opportunities and using its consulting and tech capabilities to support potential supply chain shifts, though the impact is still unclear.
- Clients currently fund AI from overall tech budgets or from savings on cost-efficiency projects. Initially, AI budgets were more distributed across different divisions, but it is expected to move toward a centralized company-wide budget.

View on the Indian IT Services sector: We reinitiated coverage on the Indian IT Services with an Underweight stance through a report on 1 January 2025 (**Slow is the (new/old) normal**).and reiterated that view with an update on 12th March 2025 (**FY26 unlikely to be better than FY25**),

While both earnings (less so) and PE multiple (more so) have corrected since 1 Jan 2025, we suspect that there are further cuts possible for both FY26 and FY27 earnings under the current macro conditions which we believe could last longer than companies' sanguine commentary.

We believe the industry's structural USD organic revenue growth from here on will be lower than the ~7% CAGR seen during FY15-FY20, possibly ~5% CAGR over FY25-FY30 in constant currency (CC) terms.

Multiple speed breakers post FY25 drive our Underweight stance

Trump policies raise uncertainty. The tariffs, the conditional tax breaks, the immigration push back, DOGE, etc, all point to uncertainty in the coming days which may delay decision making by customers and lead to lower spending.

Higher for longer interest rate environment: One of the reasons for optimism around the Indian IT Services sector in late 2024 has been the view that the US would achieve a soft landing in 2025 (which we define as 0.5-1.5% real GDP growth) and that Fed Funds rate would be gradually lowered from the peak of 5.25-5.5%, driven by lower inflation. This, the market felt, was the apt environment for a broader pick up in discretionary spending beyond that of North American BFSI sector, especially after two muted years when the constant refrain from vendors for the weak growth was of 'macro uncertainty'.

Lately, based on inflation prints and fears of a higher fiscal deficit (due to economic slowdown concerns, not enough gains from DOGE,etc) US 10-year yields rose. There are fears that sustained high interest rates could reduce IT outsourcing demand, particularly in sectors like BFSI and Telecom, and dampen US demand in areas like housing, autos and retail.

Since Trump 2.0 took office and the fact that it is putting into effect a lot of structural repair, the market seems to believe that while growth would slow there would not be a commensurate decline in Inflation. This stagflationary set up and the uncertainty induced by the back and forth on tariff pronouncements, we believe, will lead to slower decision making and spending by US/global corporations on IT. The tariff spat with China is particularly concerning. Discretionary spending which was beginning to look up may go back into a shell again.

Covid-induced pull forward of demand requires a multi-year unwind. We think there were excesses during the compressed transformation phase which are yet to be fully unwound.

Gen AI – value compressive in the near term: Gen AI has significantly boosted revenue in semiconductors, data centres, and hyper scalers, but IT services have seen limited benefits. ROI remains a top concern arising from heavy investments in surrounding services.

Massive hyper scaler AI capex should accentuate re-alignment in IT spend: Software players, including hyper scalers, are increasing capex on AI-related data centres. This will drive higher pricing, forcing enterprises to allocate more IT spend to cloud/SaaS.

Higher competition: Indian Tier-1 companies now face higher competition from Accenture (especially as it loses business due to DOGE), Tier-2 players, and Cognizant, likely slowing their growth compared to FY15-FY20. This is besides the fact that by FY25, Tier-1 revenue will reach US$ 85bn, double that in FY15. Due to the higher base now, growth may not be as rapid.

Weak TCV: The weaker TCV for most players in 9MFY25 (YoY) and lack of any mega deal announcements in recent quarters points to a brewing growth problem for FY26. Many of the large companies like TCS, INFO and HCLT will also grapple with large contributions to incremental revenue by a limited set of large clients in FY25 or the need to set off large pass-through items.

How we are valuing companies: We are using PE methodology and using TCS as our industry benchmark. The target PE used for TCS now is 21.3x, which is the average PE multiple of TCS over the last 10 years less 0.5SD. We have changed this from 24.6x (which is the average PE multiple of TCS over the last five years less 1SD). The changed methodology reflects the changed outlook on growth in FY26. Through our choice of the benchmark Target PE multiple, we seek to capture the probability of downside risks to consensus growth expectations for FY26/FY27, especially due to Trump 2.0 proposals.

Tier- 2 valuation reflects growth gap with Tier-1

The Tier-2 set have been taking away market share from the Tier-1 set due to better execution and due to their smaller size. And unlike in the past cycles, they have performed better than the Tier-1 largely due to better management teams.

However, the current PE premium to Tier-1s is excessive as we believe that to deliver on the high consensus revenue growth expectations, they may be taking on more cost take-out projects which are likely to impact their margins adversely.

Fig 1 – Quarterly results: Comparison of actuals with estimates

Y/E Mar (Rs mn)	Q4FY24	3QFY25	4QFY25	YoY (%)	QoQ (%)	4QFY25E	Dev(%)
Net Sales (USD mn)	**4,564**	**4,939**	**4,730**	**3.6**	**(4.2)**	**4,933**	**(4.1)**
Net Sales	**379,230**	**417,640**	**409,250**	**7.9**	**(2.0)**	**426,700**	**(4.1)**
Software Development Expenses	267,480	291,200	285,750	6.8	(1.9)	299,953	(4.7)
% of Sales	70.5	69.7	69.8			70.3	
Gross Margin	**111750**	**126440**	**123500**	**10.5**	**(2.3)**	**126746**	**(2.6)**
% of Sales	**29.5**	**30.3**	**30.2**			**29.7**	
SG&A	35,540	37,320	37,750	6.2	1.2	39,256	(3.8)
% of Sales	9.4	8.9	9.2			9.2	
EBIT	**76,210**	**89,120**	**85,750**	**12.5**	**(3.8)**	**87,490**	**(2.0)**
EBIT Margin (%)	**20.1**	**21.3**	**21.0**			**20.5**	
Other Income	27,290	8,590	11,900	(56.4)	38.5	8,590	38.5
PBT	102,400	96,700	96,630	(5.6)	(0.1)	95,070	1.6
Provision for Tax	22,650	28,480	26,250	15.9	(7.8)	28,000	(6.2)
Effective Tax Rate	22.1	29.5	27.2			29.5	
PAT (adjusted)	79,750	68,220	70,380	(11.7)	3.2	67,070	4.9
Exceptional items	0	0	0			0	
Minority Interest	60	160	50			0	
PAT (reported)	**79,690**	**68,060**	**70,330**	**(11.7)**	**3.3**	**67,070**	**4.9**
NPM (%)	**21.0**	**16.3**	**17.2**			**15.7**	

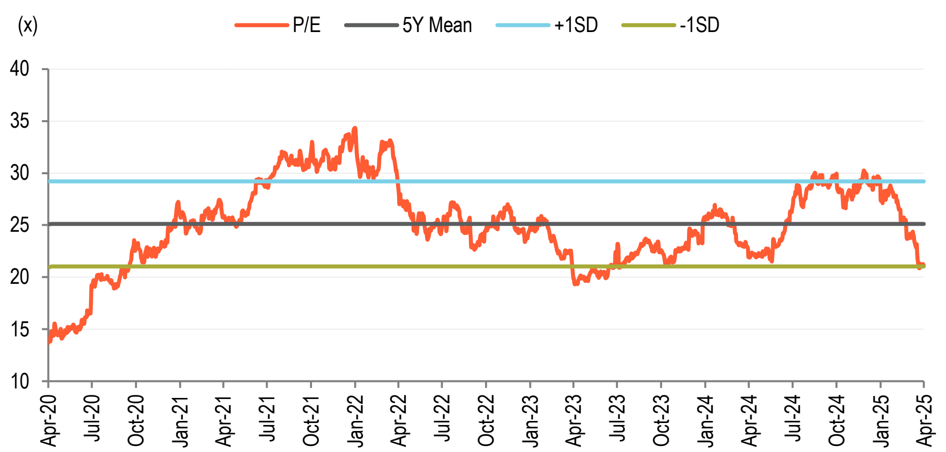
Source: Company, BOBCAPS Research

Fig 2 – Revised Estimates

Infosys	New		Old		% Change	
Change in estimates	**FY26E**	**FY27E**	**FY26E**	**FY27E**	**FY26E**	**FY27E**
INR/USD	87.3	89.3	87.3	89.3	0.0	0.0
USD Revenue (USD mn)	19,461	20,823	20,342	22,004	(4.3)	(5.4)
USD Revenue Growth (%)	1.0	7.0	4.5	8.2		
Revenue (Rsbn)	1698	1859	1775	1964	(4.3)	(5.4)
EBIT (Rsbn)	356	390	373	420	(4.4)	(7.0)
EBIT Margin (%)	21.0	21.0	21.0	21.4		
PAT Adjusted (Rsbn)	278	305	284	321	(2.4)	(5.1)
FDEPS-Adjusted (Rs)	66.8	73.4	68.5	77.3	(2.4)	(5.1)

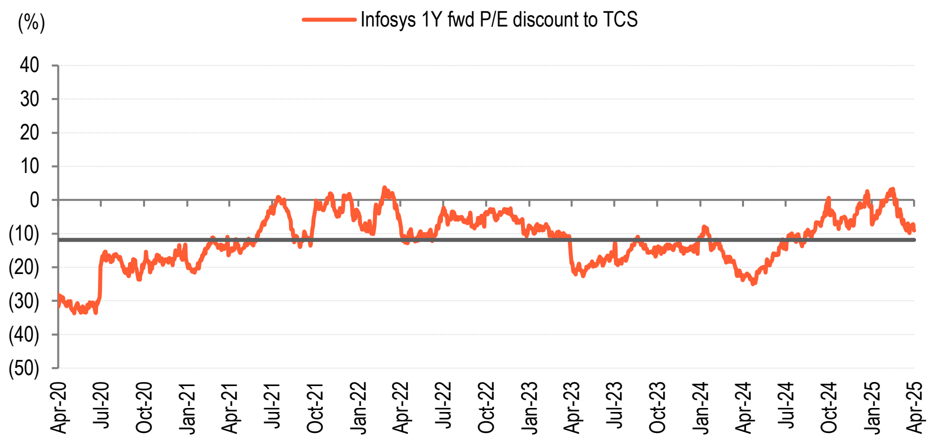
Source: Company, BOBCAPS Research

Fig 3 – 5 Year PE trend



Source: Company, BOBCAPS Research

Fig 4 – Premium/ Discount to TCS



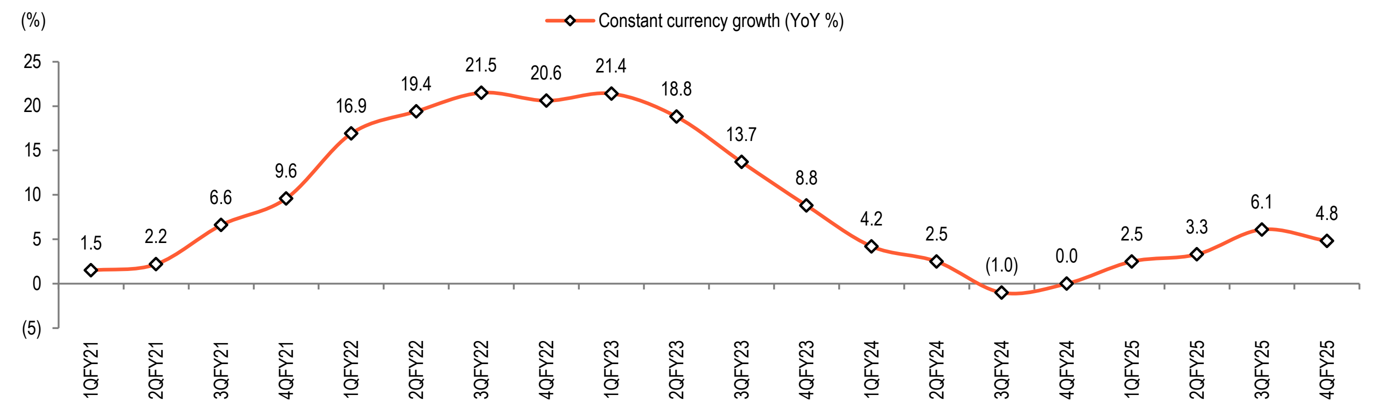
Source: Company, BOBCAPS Research

Fig 5 – P&L at a glance

(YE March) (Rsbn)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Average INR/USD	54.6	60.7	61.2	65.7	67.1	64.5	70.0	71.0	74.1	74.5	80.9	82.7	84.6	87.3	89.3
Net Sales (USD mn)	**7,387**	**8,247**	**8,714**	**9,499**	**10,206**	**10,940**	**11,799**	**12,781**	**13,562**	**16,310**	**18,212**	**18,562**	**19,277**	**19,461**	**20,823**
-Growth (%)	5.5	11.6	5.7	9.0	7.4	7.2	7.9	8.3	6.1	20.3	11.7	1.9	3.9	1.0	7.0
Net Sales	404	501	533	624	685	705	827	908	1,005	1,216	1,468	1,537	1,630	1,698	1,859
-Growth (%)	19.6	24.2	6.4	17.1	9.7	3.0	17.2	9.8	10.7	21.1	20.7	4.7	6.1	4.2	9.5
Direct Costs	253	321	329	391	433	451	539	607	654	820	1,024	1,074	1,133	1,184	1,285
Gross Margin	151	180	204	233	252	254	288	301	351	396	444	463	496	514	574
% of sales	37.4	35.9	38.3	37.4	36.8	36.0	34.8	33.1	34.9	32.6	30.3	30.1	30.5	30.3	30.9
SG& A	46	60	66	77	83	82	99	107	104	116	135	145	152	158	184
% of sales	11.5	11.9	12.4	12.4	12.2	11.7	12.0	11.8	10.4	9.6	9.2	9.4	9.3	9.3	9.9
EBIT	**104**	**120**	**138**	**156**	**169**	**171**	**189**	**194**	**246**	**280**	**309**	**317**	**344**	**356**	**390**
% of sales	**25.8**	**24.0**	**25.9**	**25.0**	**24.7**	**24.3**	**22.8**	**21.3**	**24.5**	**23.0**	**21.1**	**20.7**	**21.1**	**21.0**	**21.0**
Other income (net)	24	27	34	31	31	32	33	28	22	23	27	47	36	41	46
PBT	128	147	173	187	200	204	213	220	266	301	333	360	376	394	432
-PBT margin (%)	31.7	29.3	32.4	30.0	29.1	28.9	25.8	24.2	26.5	24.8	22.7	23.4	23.1	23.2	23.2
Provision for tax	34	41	49	53	56	57	56	54	72	80	92	97	109	116	127
Effective tax rate (%)	26.3	27.6	28.6	28.0	28.1	28.0	26.4	24.4	27.1	26.4	27.7	27.1	28.9	29.5	29.5
Net profit (adjusted)	94	106	123	135	144	147	157	166	194	221	241	262	267	278	305
-Growth (%)	13.3	13.0	15.8	9.4	6.4	2.3	6.8	5.8	16.6	14.3	9.0	8.9	1.8	3.9	9.8
-Net profit margin (%)	**23.3**	**21.2**	**23.1**	**21.6**	**21.0**	**20.8**	**19.0**	**18.3**	**19.3**	**18.2**	**16.4**	**17.1**	**16.4**	**16.3**	**16.4**
Shares Outstanding (Basic)	4,594	4,594	4,594	4,594	4,594	4,347	4,347	4,240	4,244	4,192	4,144	4,139	4,142	4,142	4,142

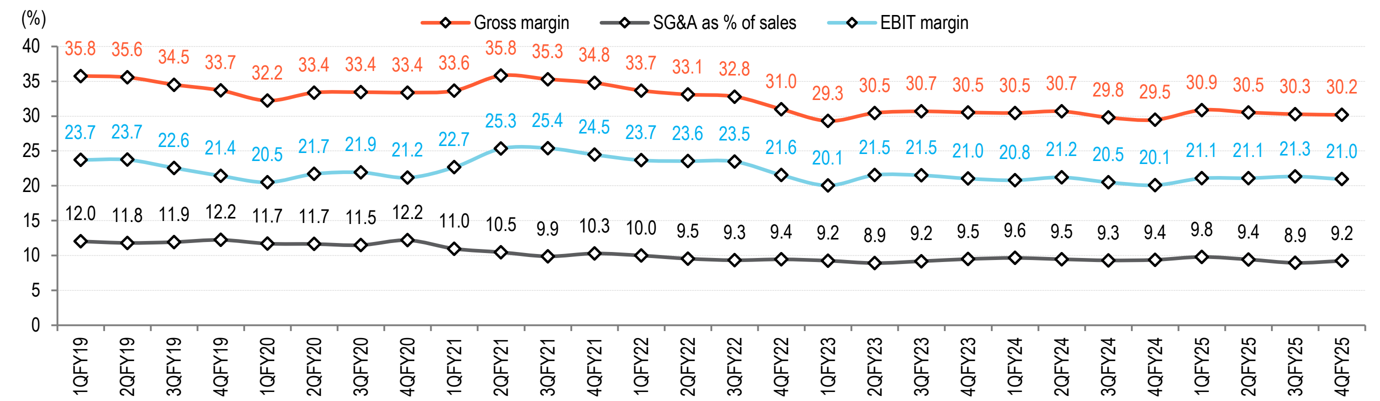
Source: Company, BOBCAPS Research

Fig 6 – Revenue Growth YoY (CC terms)



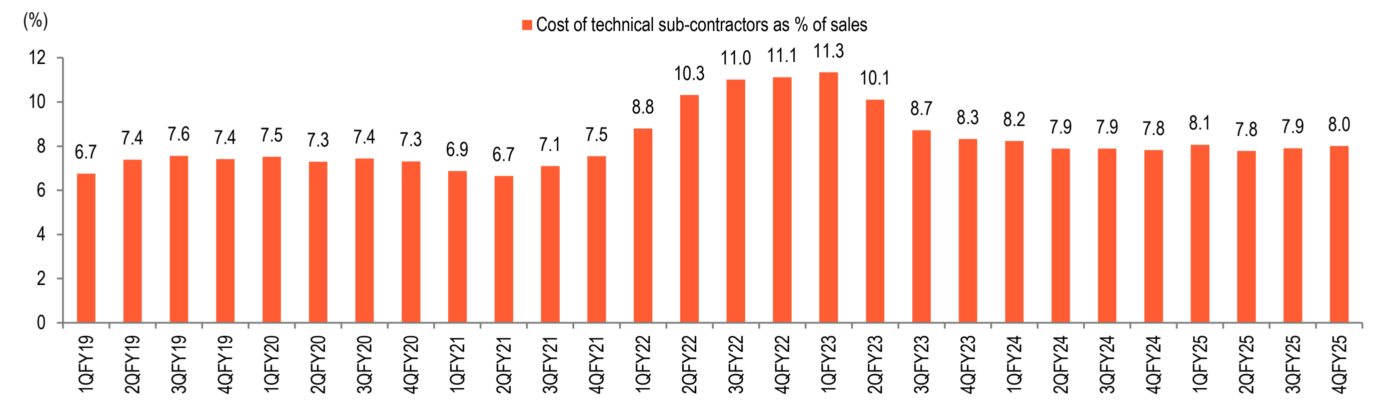
Source: Company, BOBCAPS Research

Fig 7 – Gross Margin, SG&A and EBIT margin (as % of sales)



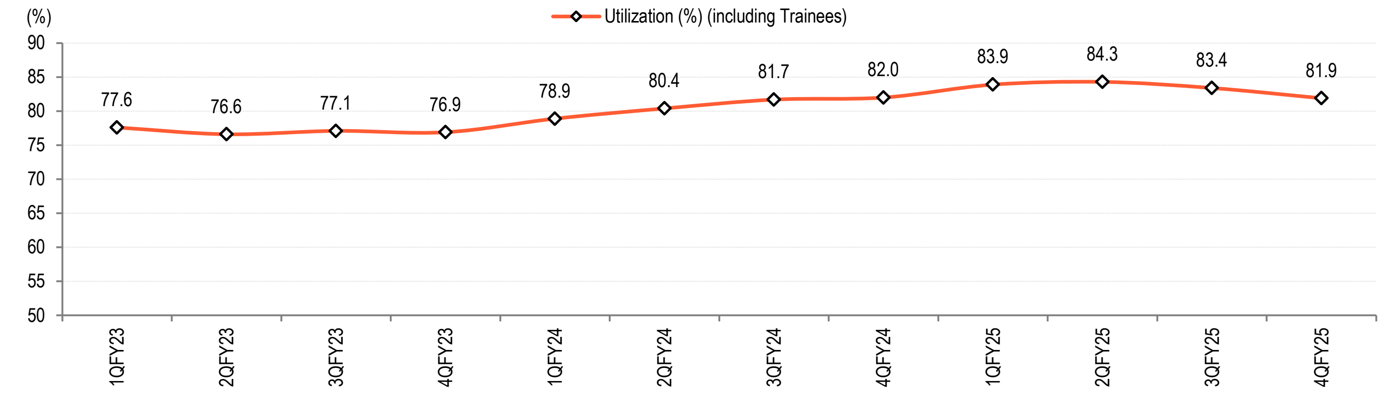
Source: Company, BOBCAPS Research

Fig 8 – Sub-contractor charges trend



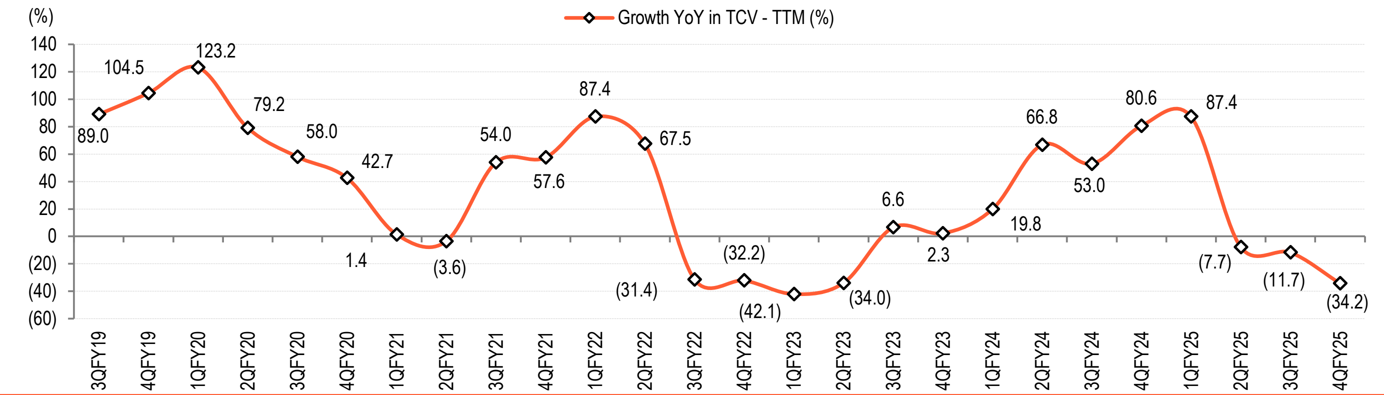
Source: Company, BOBCAPS Research

Fig 9 – Utilisation on a QoQ basis



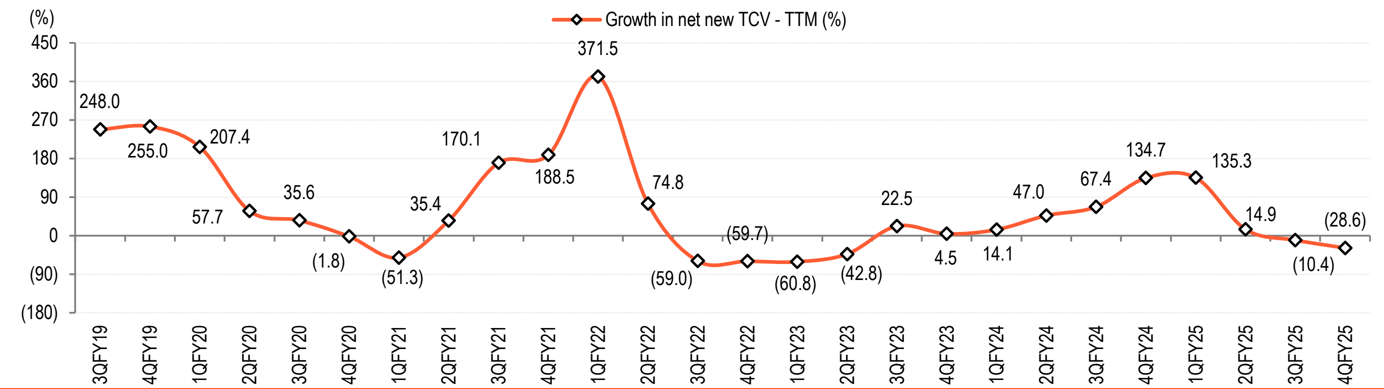
Source: Company, BOBCAPS Research

Fig 10 – Large deal TCV growth – TTM (%)



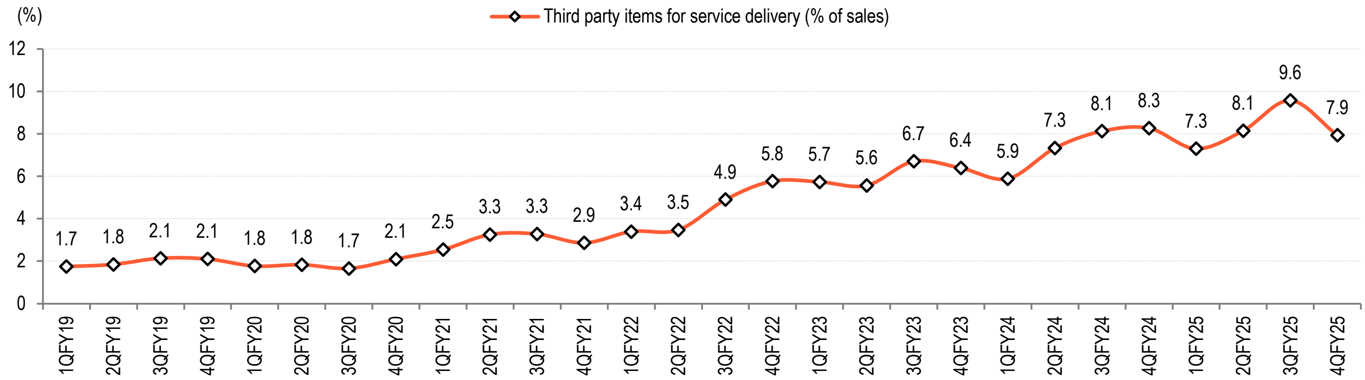
Source: Company, BOBCAPS Research

Fig 11 – Growth in Net New large deal TCV – TTM (%)



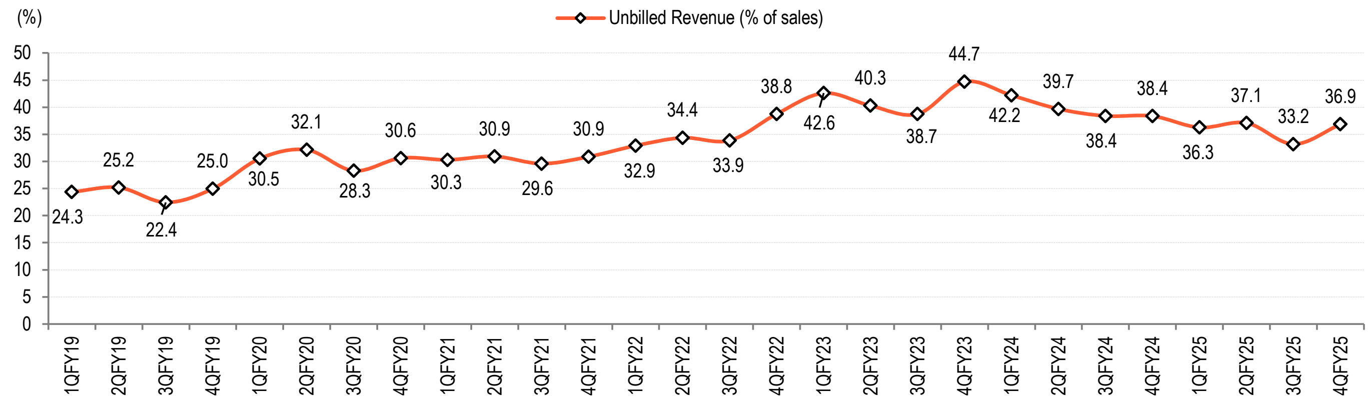
Source: Company, BOBCAPS Research

Fig 12 – Trends in third party items for service delivery (as % of quarterly revenue)



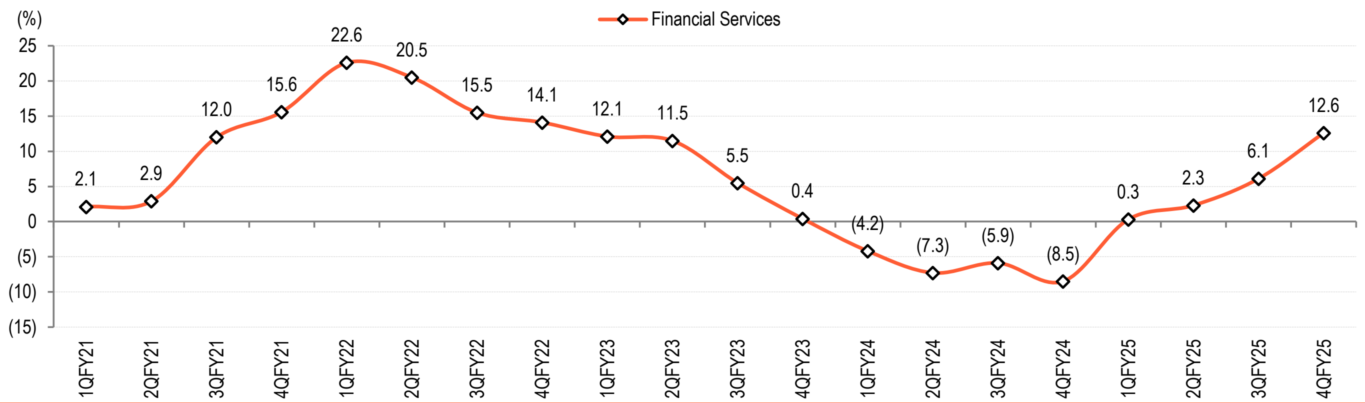
Source: Company, BOBCAPS Research

Fig 13 – Trends in unbilled revenue (as % of quarterly revenue)



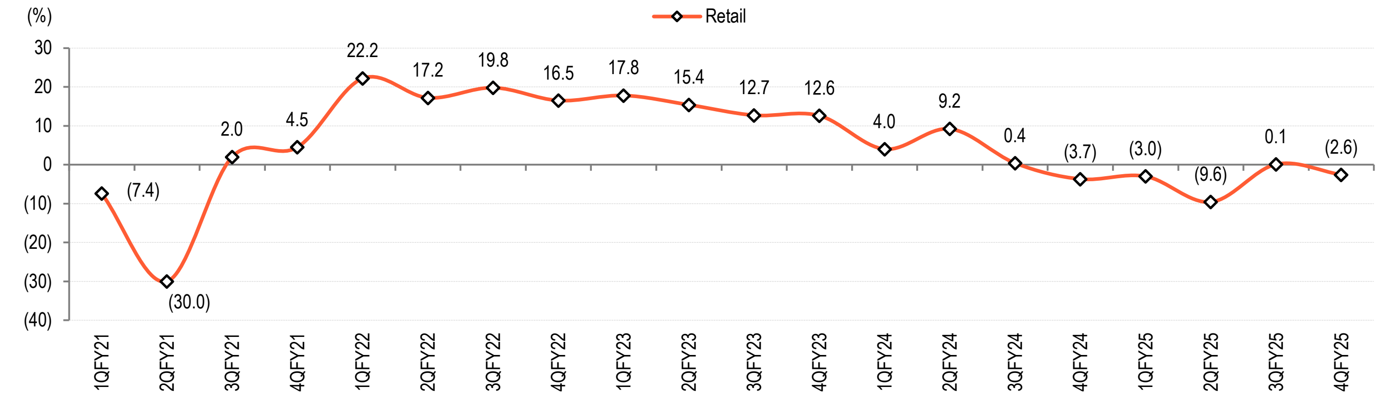
Source: Company, BOBCAPS Research

Fig 14 – YoY Revenue growth for the BFSI vertical (CC terms)



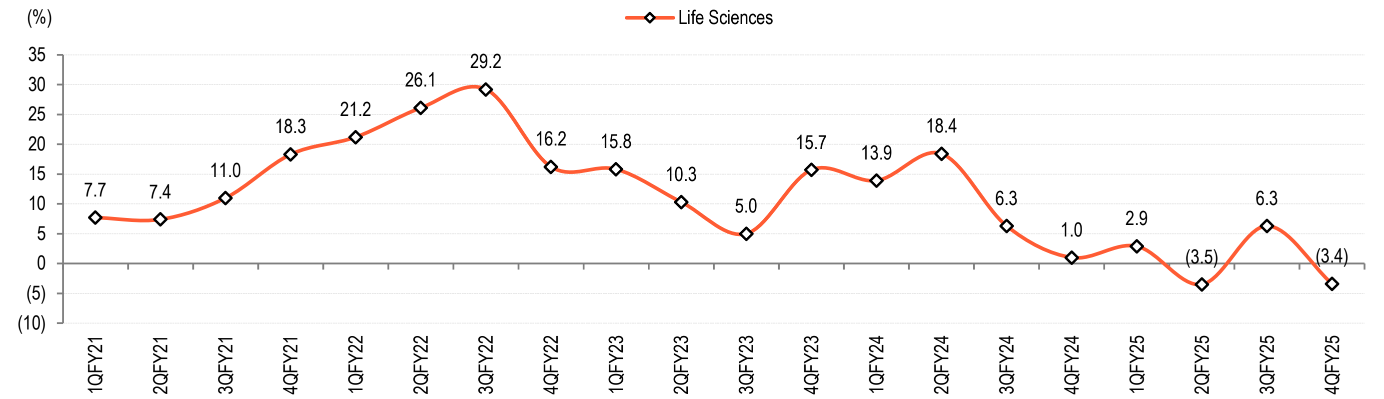
Source: Company, BOBCAPS Research

Fig 15 – YoY Revenue growth for the Retail vertical (CC terms)



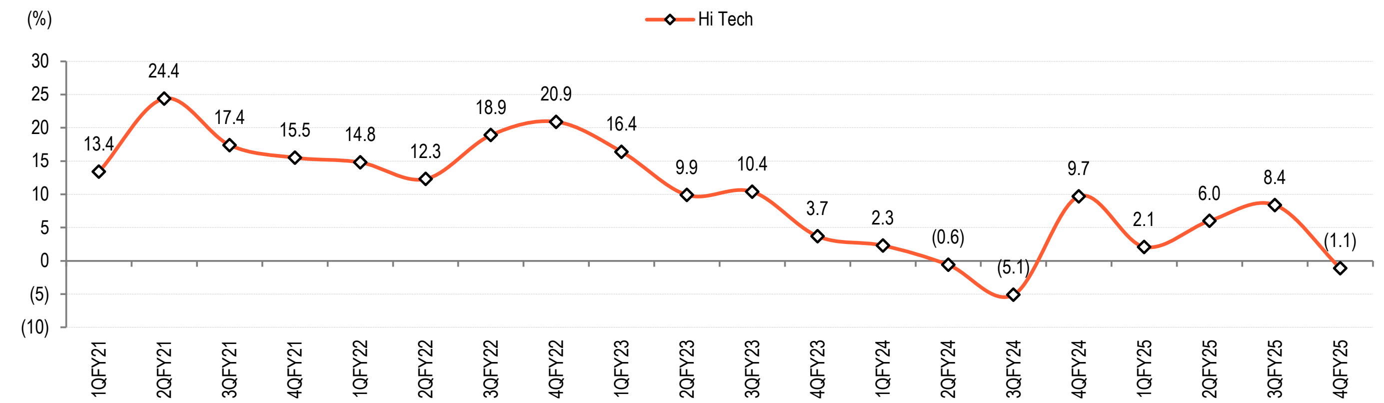
Source: Company, BOBCAPS Research

Fig 16 – YoY Revenue growth for the Life Sciences vertical (CC terms)



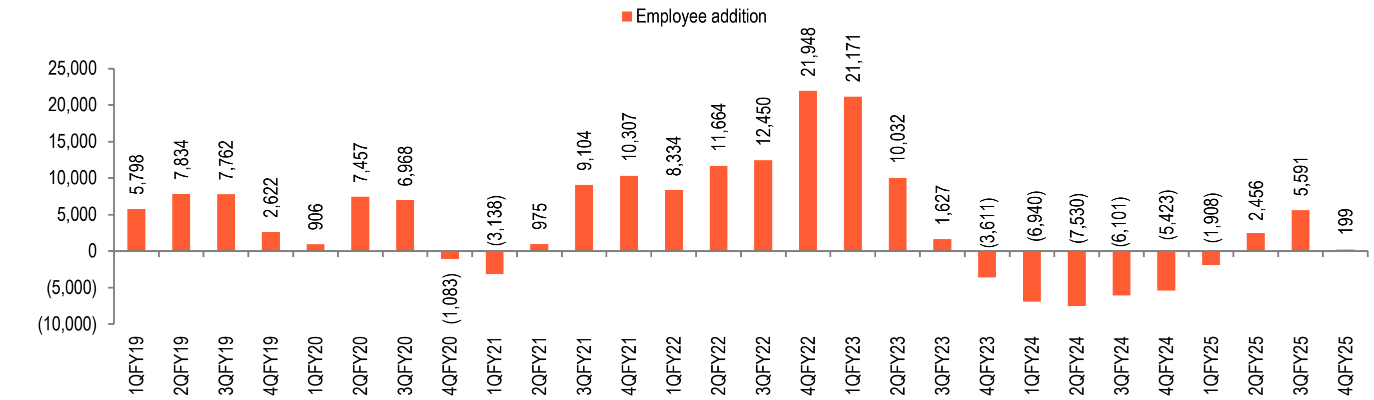
Source: Company, BOBCAPS Research

Fig 17 – YoY revenue growth for the Hi-tech vertical (CC terms)



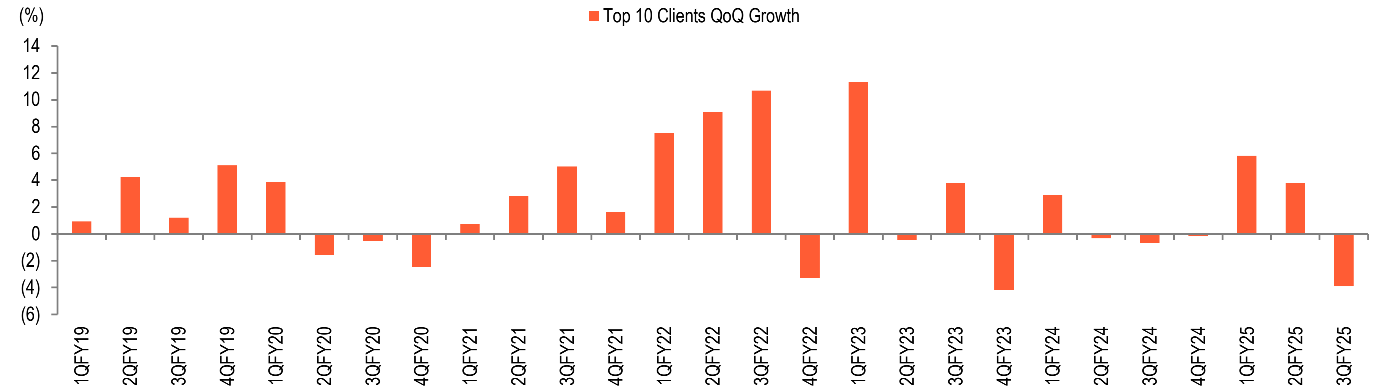
Source: Company, BOBCAPS Research

Fig 18 – Net Employee Addition (QoQ)



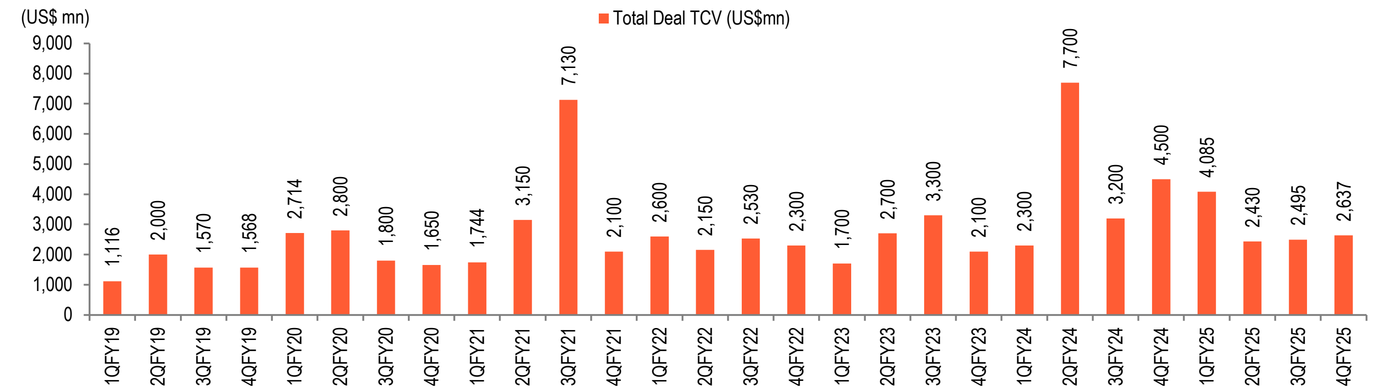
Source: Company, BOBCAPS Research

Fig 19 – Revenue trend from Top 10 clients



Source: Company, BOBCAPS Research

Fig 20 – TCV trend



Source: Company, BOBCAPS Research

Fig 21 – Quarterly Snapshot

Year to 31 March	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
(Rs mn)												
INR/USD	**77.5**	**82.0**	**82.0**	**82.0**	**82.0**	**82.5**	**83.0**	**83.4**	**83.4**	**83.8**	**84.5**	**86.6**
USD Revenue (USD mn)	4,444	4,555	4,659	4,554	4,617	4,718	4,663	4,564	4,714	4,894	4,939	4,730
INR Revenue	344,700	365,380	383,180	374,410	379,330	389,940	388,210	379,230	393,150	409,860	417,640	409,250
Gross margin	101,010	111,260	117,570	114,300	115,510	119,630	115,680	111,750	121,380	125,120	126,440	123,500
SGA	31,870	32,530	35,150	35,530	36,600	36,890	36,070	35,540	38,500	38,630	37,320	37,750
EBIT	69,140	78,730	82,420	78,770	78,910	82,740	79,610	76,210	82,880	86,490	89,120	85,750
Other income	6,760	5,840	7,690	6,710	5,610	6,320	7,890	27,290	8,380	7,120	8,590	11,900
PBT	75,340	83,910	89,310	84,660	83,620	87,680	86,190	102,400	90,210	92,530	96,700	96,630
Tax	21,720	23,650	23,450	23,320	24,170	25,530	25,060	22,650	26,470	27,370	28,480	26,250
PAT-Adjusted	53,600	60,210	65,860	61,280	59,450	62,120	61,060	79,690	63,680	65,060	68,060	70,330
Shares Outstanding (basic)	4,194	4,195	4,191	4,144	4,137	4,139	4,139	4,139	4,140	4,142	4,142	4,142
EPS Adjusted (Rs)	12.8	14.4	15.7	14.8	14.4	15.0	14.8	19.3	15.4	15.7	16.4	17.0
YoY Growth (%)												
USD Revenue	17.5	13.9	9.6	6.4	3.9	3.6	0.1	0.2	2.1	3.7	5.9	3.6
INR Revenue	23.6	23.4	20.2	16.0	10.0	6.7	1.3	1.3	3.6	5.1	7.6	7.9
Gross profit	7.6	13.6	12.5	14.3	14.4	7.5	(1.6)	(2.2)	5.1	4.6	9.3	10.5
EBIT	4.7	12.9	10.1	13.2	14.1	5.1	(3.4)	(3.2)	5.0	4.5	11.9	12.5
Net profit	3.2	11.1	13.4	7.8	10.9	3.2	(7.3)	30.0	7.1	4.7	11.5	(11.7)
QoQ Growth (%)												
USD Revenue	3.8	2.5	2.3	(2.3)	1.4	2.2	(1.2)	(2.1)	3.3	3.8	0.9	(4.2)
INR Revenue	6.8	6.0	4.9	(2.3)	1.3	2.8	(0.4)	(2.3)	3.7	4.3	1.9	(2.0)
EBIT	(0.6)	13.9	4.7	(4.4)	0.2	4.9	(3.8)	(4.3)	8.8	4.4	3.0	(3.8)
Net profit	(5.7)	12.3	9.4	(7.0)	(3.0)	4.5	(1.7)	30.5	(20.1)	2.2	4.6	3.3
Margins (%)												
Gross margin	29.3	30.5	30.7	30.5	30.5	30.7	29.8	29.5	30.9	30.5	30.3	30.2
SGA	9.2	8.9	9.2	9.5	9.6	9.5	9.3	9.4	9.8	9.4	8.9	9.2
EBIT	20.1	21.5	21.5	21.0	20.8	21.2	20.5	20.1	21.1	21.1	21.3	21.0
PAT	15.5	16.5	17.2	16.4	15.7	15.9	15.7	21.0	16.2	15.9	16.3	17.2

Source: Company, BOBCAPS Research

Fig 22 – Key Metrics

Key Metrics	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
P and L (Rs mn)												
Revenue	344,700	365,380	383,180	374,410	379,330	389,940	388,210	379,230	393,150	409,860	417,640	409,250
EBITDA	69,140	78,730	82,420	78,770	78,910	82,740	79,610	76,210	82,880	86,490	89,120	85,750
PAT	53,600	60,210	65,860	61,280	59,450	62,120	61,060	79,690	63,680	65,060	68,060	70,330
Vertical Mix (%)												
Manufacturing	20.3	21.0	21.4	21.5	22.2	22.1	22.6	23.4	22.7	23.7	23.4	24.2
Insurance Finance and Banking	30.6	30.5	29.3	28.9	28.1	27.5	27.8	26.4	27.5	27.2	27.8	28.4
Telecom	13.0	12.3	12.3	11.8	11.7	11.4	11.4	12.3	12.1	11.9	11.2	11.7
Retailing & CPG	14.5	14.2	14.3	14.8	14.5	15.2	14.6	14.3	13.8	13.3	13.8	13.3
Others (utilities, logistic, transportation,etc)	15.1	15.3	15.7	15.8	16.3	16.0	16.1	16.3	16.6	16.6	16.2	15.6
Life Sciences	6.5	6.7	7.0	7.2	7.2	7.8	7.6	7.3	7.3	7.3	7.6	6.8
Geographic Mix (%)												
North America	61.8	62.5	62.0	61.0	60.8	61.1	59.0	59.6	58.9	57.4	58.4	57.1
Europe	25.0	24.7	25.8	27.0	26.8	26.5	28.2	28.6	28.4	29.8	29.8	31.2
India	2.6	2.9	2.4	2.6	2.7	2.8	2.4	2.2	3.1	3.1	3.1	2.9
Rest of the world	10.6	9.9	9.8	9.4	9.7	9.6	10.4	9.6	9.6	9.7	8.7	8.8
Utilization (%) (including Trainees)	77.6	76.6	77.1	76.9	78.9	80.4	81.7	82.0	83.9	84.3	83.4	81.9
Utilization (%) (Excluding Trainees)	84.7	83.6	81.7	80.0	81.1	81.8	82.7	83.5	85.3	85.9	86.0	84.9
Effort Mix (%)												
Onsite	24.3	24.4	24.5	24.6	24.7	24.6	24.4	24.2	23.9	24.1	24	23.6
Offshore	75.7	75.6	75.5	75.4	75.3	75.4	75.6	75.8	76.1	75.9	76	76.4
Clients Concentration (%)												
Top 5 clients	13.0	12.6	13.1	13.0	13.4	13.3	13.4	13.6	13.5	13.7	12.7	13.1
Top 10 clients	20.8	20.2	20.5	20.1	20.4	19.9	20.0	20.4	20.9	20.9	19.9	20.7
Number of Client												
$1m+	877	895	912	922	940	951	944	959	987	985	997	992
$10m+	278	281	294	298	312	312	308	315	309	307	301	309
$50m+	69	77	79	75	79	80	82	83	84	86	89	85
$100m+	38	39	38	40	38	39	40	40	40	41	41	39
Employees	335,186	345,218	346,845	343,234	336,294	328,764	322,663	317,240	315,332	317,788	323,379	323,578
Net addition	21,171	10,032	1,627	(3,611)	(6,940)	(7,530)	(6,101)	(5,423)	(1,908)	2,456	5,591	199
Attrition (consolidated)(%)	28.4	27.1	24.3	20.9	17.3	14.6	12.9	12.6	12.7	12.9	13.7	14.1
Profit and Loss Statement (in mn USD)												
Revenue	4,444	4,555	4,659	4,554	4,617	4,718	4,663	4,564	4,714	4,894	4,939	4,730
EBIT	888	979	1,001	957	961	1,000	956	917	994	1,033	1,053	992
PAT	689	749	800	745	724	751	734	959	764	778	806	814
Productivity Metrics												
Per Capita (Annualised)												
Revenue	53,033	52,778	53,730	53,072	54,916	57,403	57,806	57,546	59,797	61,601	61,092	58,471
EBIT	10,597	11,344	11,544	11,153	11,430	12,167	11,851	11,562	12,609	13,002	13,025	12,263
PAT	8,222	8,679	9,226	8,682	8,612	9,137	9,099	12,092	9,691	9,793	9,970	10,062
Direct and Opex cost per capita	42,436	41,435	42,186	41,919	43,486	45,236	45,955	45,984	47,188	48,598	48,067	46,208
QoQ Growth												
(In USD terms)												
Revenue (%)	4	2	2	(2)	1	2	(1)	(2)	3	4	1	(4)
EBIT (%)	(3)	10	2	(4)	0	4	(4)	(4)	8	4	2	(6)
PAT (%)	(9)	9	7	(7)	(3)	4	(2)	31	(20)	2	4	1

Source: Company, BOBCAPS Research

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25A	FY26E	FY27E
Total revenue	**1,467,670**	**1,536,710**	**1,629,900**	**1,698,178**	**1,858,672**
EBITDA	351,310	364,250	392,350	407,306	442,569
Depreciation	42,250	46,780	48,110	50,945	52,143
EBIT	309,060	317,470	344,240	356,361	390,426
Net interest inc./(exp.)	(2,840)	(4,690)	(4,160)	(4,080)	(4,080)
Other inc./(exp.)	27,000	47,110	35,990	41,360	45,766
Exceptional items	0	0	0	0	0
EBT	333,220	359,890	376,070	393,641	432,112
Income taxes	92,140	97,410	108,570	116,124	127,473
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	130	160	370	0	0
Reported net profit	**240,950**	**262,320**	**267,130**	**277,517**	**304,639**
Adjustments	0	0	0	0	0
Adjusted net profit	**240,950**	**262,320**	**267,130**	**277,517**	**304,639**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25A	FY26E	FY27E
Accounts payables	38,650	39,560	41,640	41,640	41,640
Other current liabilities	340,140	330,420	372,110	398,050	432,887
Provisions	13,070	17,960	14,750	15,853	17,334
Debt funds	0	0	0	0	0
Other liabilities	108,350	105,590	98,500	98,500	98,500
Equity capital	20,690	20,710	20,730	20,730	20,730
Reserves & surplus	737,260	863,900	941,300	1,010,679	1,086,839
Shareholders' fund	757,950	884,610	962,030	1,031,409	1,107,569
Total liab. and equities	**1,258,160**	**1,378,140**	**1,489,030**	**1,585,452**	**1,697,930**
Cash and cash eq.	121,730	147,860	244,550	288,708	331,844
Accounts receivables	254,240	301,930	311,580	333,959	365,161
Inventories	0	0	0	0	0
Other current assets	347,060	398,700	375,470	396,457	424,643
Investments	194,780	246,230	235,410	235,410	235,410
Net fixed assets	137,930	128,180	128,000	135,685	144,011
CWIP	0	0	0	0	0
Intangible assets	89,970	87,000	128,720	128,720	128,720
Deferred tax assets, net	12,450	4,540	11,080	11,080	11,080
Other assets	100,000	63,700	54,220	55,433	57,061
Total assets	**1,258,160**	**1,378,140**	**1,489,030**	**1,585,452**	**1,697,930**

Cash Flows

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash flow from operations	**233,260**	**255,420**	**373,630**	**315,006**	**336,165**
Capital expenditures	(55,340)	(34,060)	(89,650)	(58,630)	(60,469)
Change in investments	(12,130)	(48,150)	13,230	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(67,470)**	**(82,210)**	**(76,420)**	**(58,630)**	**(60,469)**
Equities issued/Others	(113,460)	0	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	(2,840)	(4,690)	(4,160)	(4,080)	(4,080)
Dividends paid	(141,731)	(190,400)	(178,111)	(208,138)	(228,479)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(258,031)**	**(195,090)**	**(182,271)**	**(212,218)**	**(232,559)**
Chg in cash & cash eq.	**(53,241)**	**26,120**	**96,690**	**44,158**	**43,136**
Closing cash & cash eq.	**121,479**	**147,850**	**244,550**	**288,708**	**331,844**

Per Share

Y/E 31 Mar (Rs)	FY23A	FY24A	FY25A	FY26E	FY27E
Reported EPS	57.6	63.4	64.5	67.0	73.5
Adjusted EPS	57.6	63.3	64.4	66.8	73.4
Dividend per share	34.0	46.0	43.0	50.2	55.2
Book value per share	182.9	213.7	232.2	249.0	267.4

Valuations Ratios

Y/E 31 Mar (x)	FY23A	FY24A	FY25A	FY26E	FY27E
EV/Sales	3.9	3.7	3.5	3.3	3.0
EV/EBITDA	16.1	15.7	14.6	14.0	12.7
Adjusted P/E	24.7	22.4	22.1	21.2	19.3
P/BV	7.8	6.6	6.1	5.7	5.3

DuPont Analysis

Y/E 31 Mar (%)	FY23A	FY24A	FY25A	FY26E	FY27E
Tax burden (Net profit/PBT)	72.3	72.9	71.1	70.5	70.5
Interest burden (PBT/EBIT)	107.8	113.4	109.2	110.5	110.7
EBIT margin (EBIT/Revenue)	21.1	20.7	21.1	21.0	21.0
Asset turnover (Rev./Avg TA)	120.4	116.6	113.7	110.5	113.2
Leverage (Avg TA/Avg Equity)	1.6	1.6	1.6	1.5	1.5
Adjusted ROAE	31.8	32.0	29.0	27.8	28.5

Ratio Analysis

Y/E 31 Mar	FY23A	FY24A	FY25A	FY26E	FY27E
YoY growth (%)					
Revenue	20.7	4.7	6.1	4.2	9.5
EBITDA	11.6	3.7	7.7	3.8	8.7
Adjusted EPS	9.8	10.0	1.7	3.9	9.8
Profitability & Return ratios (%)					
EBITDA margin	23.9	23.7	24.1	24.0	23.8
EBIT margin	21.1	20.7	21.1	21.0	21.0
Adjusted profit margin	16.4	17.1	16.4	16.3	16.4
Adjusted ROAE	31.8	31.9	28.9	27.8	28.5
ROCE	29.5	28.2	26.5	25.2	25.7
Working capital days (days)					
Receivables	103	105	102	105	105
Inventory	NA	NA	NA	NA	NA
Payables	9	9	9	9	8
Ratios (x)					
Gross asset turnover	10.6	12.0	12.7	12.5	12.9
Current ratio	1.8	2.2	2.2	2.2	2.3
Net interest coverage ratio	NA	NA	NA	NA	NA
Adjusted debt/equity	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA ("US") OR IN OR INTO ANY OTHER JURISDICTION IF SUCH AN ACTION IS PROHIBITED BY APPLICABLE LAW.

Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**
Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**
SEBI Research Analyst Registration No: **INH000000040 valid till 03 February 2025**
Brand Name: **BOBCAPS**
Trade Name: **www.barodaetrade.com**
CIN: **U65999MH1996GOI098009**

Logo:

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.
Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

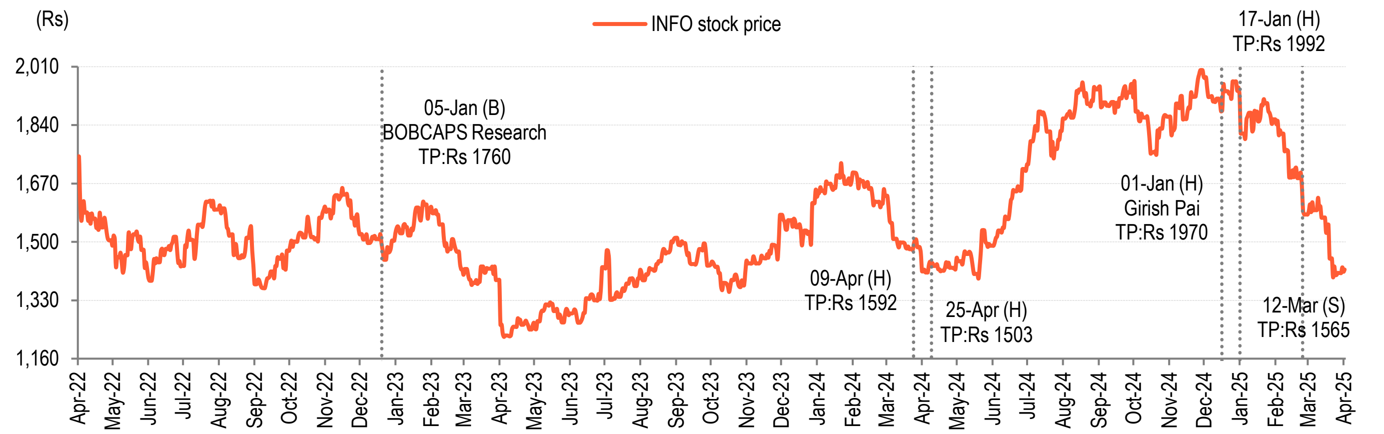
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): INFOSYS (INFO IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

Analyst certification

The research analyst(s) authoring this report hereby certifies that (1) all of the views expressed in this research report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOB Capital Markets Limited (BOBCAPS).

General disclaimers

BOBCAPS is engaged in the business of Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS is also a SEBI-registered intermediary for the broking business having SEBI Single Registration Certificate No.: INZ000159332 dated 20 November 2017.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. BOBCAPS research reports follow rules laid down by Securities and Exchange Board of India and individuals employed as research analysts are separate from other employees who are performing sales trading, dealing, corporate finance advisory or any other activity that may affect the independence of its research reports.

The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS's prior written consent.

Company-specific disclosures under SEBI (Research Analysts) Regulations, 2014

The research analyst(s) or his/her relatives do not have any material conflict of interest at the time of publication of this research report.

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company. BOBCAPS or its research analyst(s) or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

The research analyst(s) has not received any compensation from the subject company or third party in the past 12 months in connection with research report/activities. Compensation of the research analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions.

BOBCAPS or its research analyst(s) is not engaged in any market making activities for the subject company.

The research analyst(s) has not served as an officer, director or employee of the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Other disclaimers

BOBCAPS and MAYBANK (as defined below) make no representation or warranty, express or implied, as to the accuracy or completeness of any information obtained from third parties and expressly disclaim the merchantability, suitability, quality and fitness of this report. The information in this report has not been independently verified, is provided on an "as is" basis, should not be relied on by you in connection with any contract or commitment, and should not be used as a substitute for enquiries, procedures and advice which ought to be undertaken by you. This report also does not constitute an offer or solicitation to buy or sell any securities referred to herein and you should not construe this report as investment advice. All opinions and estimates contained in this report constitute BOBCAPS's judgment as of the date of this report and are subject to change without notice, and there is no obligation on BOBCAPS or MAYBANK to update this report upon issuance. This report and the information contained herein may not be reproduced, redistributed, disseminated or copied by any means without the prior consent of BOBCAPS and MAYBANK.

To the full extent permitted by law neither BOBCAPS, MAYBANK nor any of their respective affiliates, nor any other person, accepts any liability howsoever arising, whether in contract, tort, negligence, strict liability or any other basis, including without limitation, direct or indirect, special, incidental, consequential or punitive damages arising from any use of this report or the information contained herein. By accepting this report, you agree and undertake to fully indemnify and hold harmless BOBCAPS and MAYBANK from and against claims, charges, actions, proceedings, losses, liabilities, damages, expenses and demands (collectively, the "Losses") which BOBCAPS and/or MAYBANK may incur or suffer in any jurisdiction including but not limited to those Losses incurred by BOBCAPS and/or MAYBANK as a result of any proceedings or actions brought against them by any regulators and/or authorities, and which in any case are directly or indirectly occasioned by or result from or are attributable to anything done or omitted in relation to or arising from or in connection with this report.

Distribution into the United Kingdom ("UK"):

This research report will only be distributed in the United Kingdom, in accordance with the applicable laws and regulations of the UK, by Maybank Securities (London) Ltd) ("**MSL**") who is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom (MSL and its affiliates are collectively referred to as **"MAYBANK**"). BOBCAPS is not authorized to directly distribute this research report in the UK.

This report has not been prepared by BOBCAPS in accordance with the UK's legal and regulatory requirements.

This research report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of MAYBANK as selected by MAYBANK solely at its discretion; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the "Order"), or (c) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc. as mentioned in the stated Article) of the Order; (all such persons together being referred to as "relevant persons").

This research report is directed only at relevant persons and must not be acted on or relied on by any persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

The relevant person as recipient of this research report is not permitted to reproduce, change, remove, pass on, distribute or disseminate the data or make it available to third parties without the written permission of BOBCAPS or MAYBANK. Any decision taken by the relevant person(s) pursuant to the research report shall be solely at their costs and consequences and BOBCAPS and MAYBANK shall not have any liability of whatsoever nature in this regard.

No distribution into the US:

This report will not be distributed in the US and no US person may rely on this communication.

Other jurisdictions:

This report has been prepared in accordance with SEBI (Research Analysts) Regulations and not in accordance with local regulatory requirements of any other jurisdiction. In any other jurisdictions, this report is only for distribution (subject to applicable legal or regulatory restrictions) to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions by Maybank Securities Pte Ltd. (Singapore) and / or by any broker-dealer affiliate or such other affiliate as determined by Malayan Banking Berhad.

If the recipient of this report is not as specified above, then it should not act upon this report and return the same to the sender.

By accepting this report, you agree to be bound by the foregoing limitations.