

IT Services

Q1FY22 Result Review

August 6, 2021

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
TCS	BUY	3,310	3,807
Infosys	BUY	1,650	1,847
Wipro	BUY	598	665
HCL Tech	BUY	1,050	1,239
Tech M	BUY	1,265	1,509
L&T Infotech	BUY	4,763	5,416
Mphasis	BUY	2,695	3,348
Mindtree	BUY	2,842	3,450
L&T Tech.	BUY	3,697	4,018
COFORGE	BUY	4,790	5,393
Persistent	BUY	3,118	3,603
Redington India	BUY	331	301
Cyient	BUY	967	1,088
Zensar	BUY	429	424
Sonata Software	BUY	842	834
Teamlease	BUY	3,954	4,716

Source: Company, PL

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Velocity of tech spends has further accelerated

Quick Pointers:

- Deal win momentum sustained across IT pack with Tier 2 peers registering record high deal TCVs this quarter.
- Margin headwinds from talent crunch may persist but companies are confident of managing those and have maintained their FY22 margin guidance.
- We are shifting to DCF valuation as we continue to see 1) Client spending getting more aggressive, 2) Clients are in still early phase of cloud migration, 3) New revenue streams are coming & growth rates post pandemic will be higher than pre-pandemic levels.

Tier-1 IT Services revenue grew +4.2% QoQ USD with 3 out of 5 companies delivering strong beat in revenue. Tier-2 IT Services pack grew at much higher rate (avg 8.8% QoQ USD). EBIT margins declined sequentially (~100-250bps) for most of the companies, but were in-line or above our estimates. Some of the headwinds were specific to Q1 such as wage hike and visa costs, whereas cost pressures from 1) increased hiring to backfill attrition and fulfill strong order book and 2) increased sub-contracting costs may persist. We note that companies have not changed their FY22 margin guidance, implying no further negative surprises and confidence of managing margins.

We remain positive on IT Sector given 1) the sector is in initial phase of strong technology upcycle, 2) digital is becoming mainstream across all verticals, 3) sustained strong deal momentum and faster ramp up, 4) resilient operating performance 3) improving FCF. We are now valuing IT services companies based on DCF valuation method to capture long-term growth as we believe that the technology upcycle will last for next 4-5 years given strong broad-based demand tailwinds. (Refer Exhibit 28 for DCF assumptions).

We continue to remain bullish on all 5 tier-1 IT companies. We like TechM & HCLT at current price point given its improving performance on all fronts and attractive valuations. In midcap our pecking order is Coforge, MTCL, Mphasis, & LTTS-Cyient in ER&D space.

- Upgraded LTI and Persistent to BUY:** We upgrade LTI to BUY (earlier: Accumulate) and arrive at DCF based TP of INR 5416 (earlier: 4623) as we believe LTI will maintain its growth leadership in FY22/23 given its strong F-500 client base, growth in top accounts to bounce back aggressively & the right moves made for handling talent war. We also upgrade Persistent to BUY (earlier: HOLD) and arrive at DCF based TP of INR 3603 (earlier: 2851) led by i) acceleration of revenue momentum (strengthened capabilities and sales in BFSI and Healthcare) ii) sustainability of margins and iii) consistent strong deal momentum.

Accenture's recent acquisition spree in digital engineering - 1) Electro 80 2) Pollux 3) Myrtle 4) SALT Solution and 5) Umlaut also indicates strong broad-based demand momentum in this space

- **Strong beat in revenue by Infy, Wipro and TechM among for Tier 1:** Infy and Wipro led the Tier 1 pack with strong organic growth of 4.7%/5% QoQ USD. Speedy integration of Capco led to strong consolidated revenue of 12.2% QoQ USD for Wipro. TechM's revenue beat was led by strong growth in Communications vertical (3.2% QoQ USD) in a seasonally weak quarter. For TCS, core verticals grew at strong rate of 4.1% QoQ CC, but overall revenue growth was lower at 2.4% due to loss in India business led by second COVID wave. HCLT posted lowest growth among peers led by decline in products business and impact of second COVID wave on IT services business.
- **Beat in revenue across the pack for Tier 2:** Among Tier 2 peers, Coforge (16% QoQ USD, organic: 7.6% QoQ USD), Mindtree (7.7% QoQ USD) and Persistent (9.2% QoQ USD) led revenue growth. Tier 2 IT services companies grew at much higher rate (avg 8.8% QoQ USD) vs Tier 1 (+4.3% QoQ USD) led by 1) deep domain competencies in specific verticals enabling them to win large clients, 2) investments in sales and top leadership, 3) higher share of digital portfolio as compared to Tier 1 peers. For example, Mphasis has grown share in vendor consolidation for key accounts.
- **Strong demand in digital ER&D:** ER&D players LTTS (+ 4.3% QoQ CC), Tata Elxsi (+ 6.4% QoQ CC) and KPIT (+4.3 % QoQ CC) reported strong growth in Q1FY22. Cyient was an exception with 4.3% QoQ decline in revenue due to seasonal weakness in DLM business and impact of second Covid wave on Services business. However, Cyient's guidance of growing double digit in FY22 is unchanged supported by robust order book and pipeline.
- LTTS management is focusing on six strategic areas where Covid has accelerated digital engineering spending - Electric Autonomous & Connected Vehicle (EACV), 5G, Med-tech, Digital Manufacturing, AI&ML driven smart offerings and Sustainability. Management mentioned that US infrastructure spending boost will aid transportation vertical, green energy, industrial products and sustainability led programs.

Exhibit 2: Infy & Wipro among Tier 1 and Coforge, Mindtree & Persistent among Tier 2 led sequential growth

QoQ Growth (USD)	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
Infosys	2.5%	1.0%	-1.4%	-2.4%	6.1%	6.2%	2.8%	4.7%
TCS	0.6%	1.3%	-2.5%	-7.1%	7.2%	5.1%	5.0%	2.8%
Wipro	0.5%	2.2%	-1.0%	-7.3%	3.7%	3.9%	3.9%	12.2%
HCL Tech	5.2%	2.3%	0.0%	-7.4%	6.4%	4.4%	3.0%	0.9%
Tech M	3.2%	5.1%	-4.3%	-6.8%	4.8%	3.4%	1.6%	4.1%
Tier 1 IT (Top-5)	2.0%	1.9%	-1.8%	-6.1%	6.1%	4.9%	3.7%	4.3%
LTi	2.0%	8.4%	3.9%	-4.8%	3.6%	5.8%	4.6%	5.1%
Mindtree	2.6%	1.5%	1.2%	-9.1%	3.2%	4.9%	5.1%	7.7%
Mphasis	2.6%	4.3%	0.6%	-4.5%	7.2%	2.0%	2.5%	6.0%
Coforge	7.3%	1.7%	2.3%	-9.4%	10.5%	3.8%	7.0%	16.0%
Persistent	4.9%	3.1%	-1.8%	3.1%	3.9%	7.4%	4.6%	9.2%
Tier 2 IT services	3.9%	3.8%	1.2%	-4.9%	5.7%	4.8%	4.8%	8.8%
LTTS	2.1%	0.7%	-2.0%	-12.5%	4.1%	6.8%	3.9%	4.2%
Cyient	4.9%	-5.5%	-3.9%	-12.5%	3.4%	4.7%	6.0%	-4.3%

Source: Company, PL, Note: Wipro / Coforge posted organic growth of 5.0% / 7.6% QoQ USD in Q1FY22

Exhibit 3: Strong YoY USD revenue growth across IT services companies

YoY Growth (USD)	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
Infosys	9.9%	8.6%	4.5%	-0.32%	3.18%	8.42%	13.01%	21.18%
TCS	5.8%	6.4%	0.9%	-7.77%	-1.69%	2.08%	10.01%	21.64%
Wipro	2.0%	2.4%	-0.1%	-5.73%	-2.76%	-1.14%	3.80%	25.65%
HCL Tech	18.4%	15.6%	11.6%	-0.34%	0.84%	2.89%	6.01%	15.46%
Tech M	5.7%	7.3%	2.1%	-3.22%	-1.69%	-3.27%	2.70%	14.63%
Total (Top-5)	8.1%	7.8%	3.4%	-4.21%	-0.33%	2.66%	8.44%	20.42%
LTI	10.7%	13.7%	15.9%	9.5%	11.2%	8.5%	9.1%	20.5%
Mindtree	10.0%	9.4%	6.3%	-4.2%	-3.6%	-0.4%	3.5%	22.6%
Mphasis	10.6%	12.4%	9.7%	2.9%	7.4%	5.1%	7.0%	18.8%
LTTS	11.7%	7.3%	2.1%	-11.8%	-10.1%	-4.6%	1.1%	20.3%
Coforge	12.5%	12.2%	12.2%	-5.7%	2.4%	3.9%	11.2%	42.4%
Persistent	6.2%	7.1%	7.4%	9.5%	8.4%	12.9%	20.3%	27.3%
Cyient	-2.8%	-6.0%	-9.7%	-16.6%	-17.8%	-8.9%	0.5%	9.9%

Source: Company, PL, Note: Wipro / Coforge posted organic growth of 17.6% / 32.3% YoY USD in Q1FY22

Exhibit 4: Sequential CC revenue growth led by Wipro & Infy (among Tier 1) and Mindtree & Coforge (among Tier 2)

QoQ constant currency revenue growth (%)	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
TCS	3.3%	1.0%	-1.2%	-6.3%	4.8%	4.1%	4.2%	2.4%
Infosys	1.5%	0.3%	-0.8%	-2.0%	4.0%	5.3%	2.0%	4.8%
Wipro	1.1%	1.8%	0.4%	-7.5%	2.0%	3.4%	3.0%	12.0%
HCL Tech	6.0%	2.1%	0.8%	-7.2%	4.5%	4.4%	2.5%	0.7%
Tech Mahindra	4.1%	4.1%	-3.3%	-6.3%	2.9%	2.8%	0.7%	3.9%
LTI	2.4%	8.3%	4.7%	-4.7%	2.3%	5.3%	4.4%	4.8%
Mphasis	3.1%	4.0%	1.5%	0.0%	0.0%	0.0%	2.0%	6.0%
Mindtree	3.2%	1.0%	1.9%	3.8%	6.7%	4.3%	5.0%	7.6%
Coforge	4.1%	2.0%	3.0%	-6.8%	8.1%	3.3%	5.1%	7.0%
LTTS	27.5%	28.2%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%

Source: Company, PL, Note: Wipro / Coforge posted organic growth of 4.9% / 7% QoQ CC in Q1FY22

Exhibit 5: Strong YoY CC revenue performance across the pack

YoY constant currency revenue growth (%)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
TCS	10.6%	8.4%	6.8%	6.8%	3.0%	-3.2%	0.4%	5.9%	16.4%
Infosys	12.4%	11.4%	9.5%	6.4%	1.5%	2.2%	6.6%	9.6%	16.9%
Wipro	5.6%	3.8%	3.2%	2.6%	-4.4%	-3.4%	-2.0%	0.5%	21.7%
HCL Tech	17.1%	20.5%	16.4%	13.5%	1.0%	-0.4%	1.1%	2.6%	11.7%
LTI	12.9%	11.9%	14.2%	17.4%	10.6%	10.5%	7.4%	7.1%	17.8%
Mphasis	11.5%	11.6%	12.6%	11.1%	3.8%	6.7%	4.3%	4.9%	16.3%
LTTS	15.2%	11.9%	7.5%	3.4%	-10.9%	-10.6%	-5.2%	-0.6%	18.6%

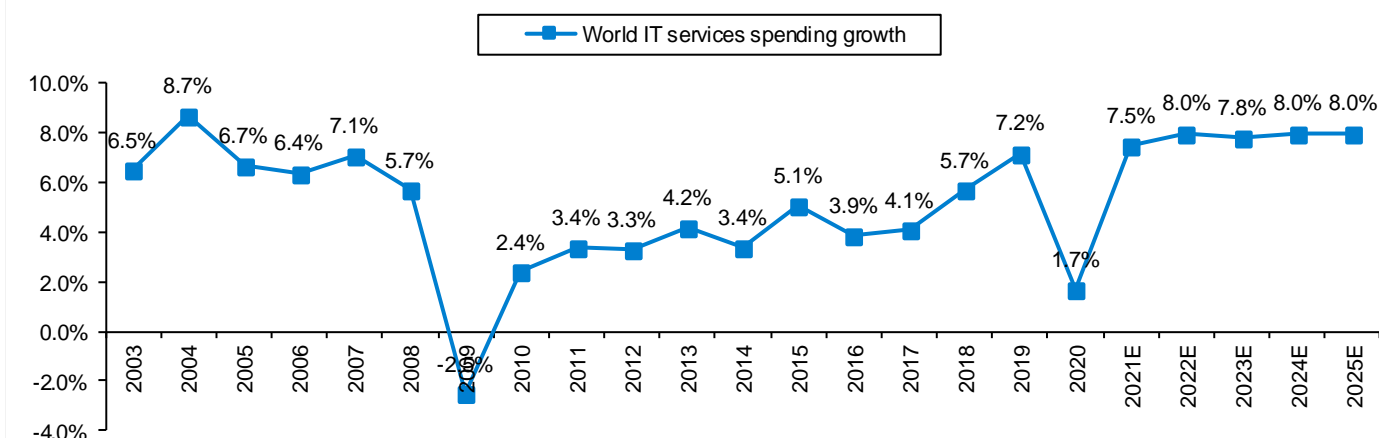
Source: Company, PL

- Acceleration in digital transformation is broad-based across verticals:**

We believe that IT sector has strong structural growth drivers in place to last for next 3-4 years because once organizations modernize their core / migrate to cloud. They will be using even more technology (data analytics and AI) to fully leverage benefits of cloud/digital core and differentiate themselves. Management commentaries indicate that demand is coming from all verticals and both digital leaders and laggards are accelerating their digital journeys.

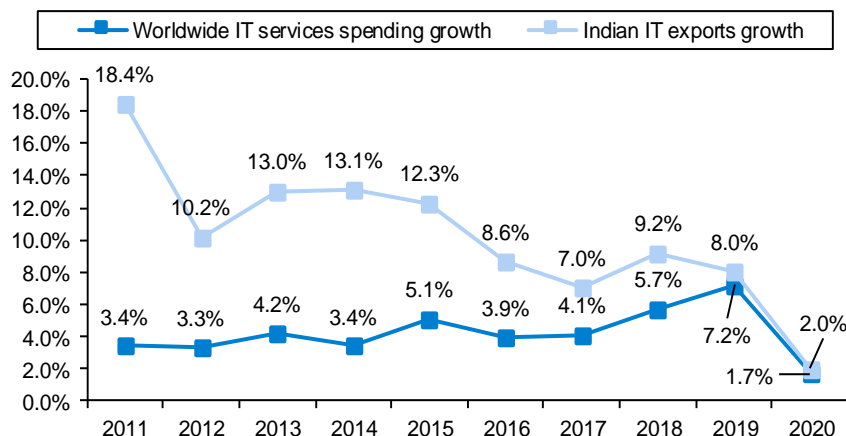
- We believe that strong broad-based demand coupled with largest base of quality IT talent in India will increase IT outsourcing driving even higher growth for Indian IT. The gap between worldwide wide IT spending growth and Indian IT growth has narrowed down in CY20, but is expected to increase in CY22-23 driven by higher offshoring.

Exhibit 6: Indian IT services expected to grow higher by ~4-5% vs worldwide IT services spending



Source: Gartner, PL

Exhibit 7: Gap between Indian IT growth and worldwide IT spending has narrowed in CY20, but is expected to increase over CY22-23



Source: Nasscom, Gartner, PL

- **Growth was broad-based led by BFSI and Retail:** For Tier 1 IT companies, **BFSI** showed sustained strong demand momentum across the pack with growth of +6.7% QoQ USD. Contribution (~155 mn \$) from BFS consulting firm Capco led to strong growth of 22.8% QoQ USD for Wipro. Infosys management mentioned demand continues to be strong in US led by banking, mortgages and wealth management. With opening of economy there is significant improvement in payment sector.

- **Retail** showed healthy recovery for three consecutive quarters with growth of ~6.1% QoQ USD for Tier 1 IT. Infy management mentioned that as economies are opening up in US & Europe, clients are investing heavily in enhancing Omni-channel capabilities, analytics across supply chain & customer acquisition, trade promotion fulfillment etc. TCS management cited that discretionary retail is also recovering.
- Growth in **Communications** was strong this quarter post softness in Q4FY21. TechM's management mentioned that 5G is gaining traction in areas of 5G for cloud and 5G ecosystem for Telecom OEMs with 60-70% of new deals signed involving 5G element. Infy is also experiencing traction in areas of 5G and IoT.
- **Travel** vertical is recovering strongly – reflected by strong growth of 12.8% QoQ USD for Mindtree (now 13% of revenue vs 17% pre-covid) and 15.4% QoQ USD for Coforge (now 20% of revenue vs 28% pre-covid). This recovery is driven by longstanding relationships with TTH clients and addition of some new logos. Coforge management mentioned that recovery in APAC is close to pre-covid levels, followed by US inching towards pre-covid levels. It may take another two quarter for Europe & UK to recover.

Exhibit 8: Strong growth in BFSI for Wipro (led by Capco acquisition) and Infy

QoQ USD BFSI Growth	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
Infosys	4.2%	-0.2%	-2.0%	-1.8%	7.8%	9.8%	2.4%	4.7%
TCS	1.2%	-0.7%	-4.8%	-2.1%	9.3%	3.1%	8.1%	3.7%
Wipro	-0.4%	0.9%	-2.6%	-6.4%	5.4%	1.6%	3.9%	22.8%
HCLT	16.0%	-1.3%	-2.3%	-1.7%	5.0%	1.1%	4.0%	3.2%
Tech M	4.8%	6.7%	10.9%	-4.2%	9.4%	0.9%	4.1%	4.1%
Total (Top-5)	3.6%	-0.1%	-2.7%	-2.7%	7.7%	4.2%	5.2%	6.7%

Source: Company, PL

Exhibit 9: Strong growth in Retail for Wipro and Infy

QoQ USD Retail Growth	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
Infosys	-1.4%	1.7%	-0.1%	-9.9%	10.6%	4.7%	3.5%	6.1%
TCS	-0.8%	4.0%	-1.3%	-15.5%	11.8%	4.4%	5.0%	4.9%
Wipro	3.1%	8.0%	-1.6%	-12.3%	5.6%	5.2%	7.7%	14.2%
HCLT	10.7%	5.4%	-1.0%	-9.2%	10.7%	5.4%	-0.9%	-0.1%
Tech M	16.5%	8.1%	-3.0%	-6.5%	7.4%	8.9%	-1.0%	4.1%
Total (Top-5)	1.7%	4.5%	-1.1%	-12.4%	10.1%	5.0%	4.0%	6.1%

Source: Company, PL

Exhibit 10: Sustained strong recovery in Manufacturing for TCS, Infy and TechM

QoQ Growth	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
Infosys	7.9%	3.0%	-3.3%	-8.2%	1.7%	8.5%	6.1%	5.8%
TCS	0.6%	3.3%	-1.6%	-10.8%	3.9%	7.4%	5.0%	4.9%
Wipro	1.5%	-0.7%	1.4%	-4.7%	-0.6%	4.9%	-1.1%	-0.6%
HCLT	4.6%	8.0%	-1.0%	-19.0%	4.1%	6.8%	0.7%	-2.0%
Tech M	-4.2%	1.0%	-2.1%	-11.3%	0.3%	4.7%	2.2%	4.7%
Total (Top-5)	2.3%	3.3%	-1.1%	-11.2%	2.1%	6.6%	3.1%	2.7%

Source: Company, PL

Exhibit 11: Growth in Communications vertical led by Wipro & Infy

QoQ Growth	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
Infosys	-2.7%	-1.3%	-0.6%	-3.1%	4.5%	4.5%	-0.6%	6.4%
TCS	2.0%	1.3%	0.2%	-8.4%	-1.8%	6.7%	3.4%	1.2%
Wipro	-2.9%	2.2%	-1.0%	-17.1%	7.8%	2.0%	-0.1%	14.4%
HCLT	69.6%	-28.6%	-7.8%	-15.2%	7.8%	12.5%	0.5%	-1.6%
Tech M	1.0%	8.9%	-8.4%	-8.7%	3.1%	4.5%	3.4%	3.0%
Total (Top-5)	7.9%	-2.4%	-4.0%	-8.7%	3.1%	5.8%	1.8%	3.6%

Source: Company, PL

Exhibit 12: Growth led by sustained strong momentum in BFSI, Retail and recovery in Communications

Infy	<p>Demand continues to be strong in BFSI in US led by cloud adoption in banking, mortgages and wealth management. With opening of economy there is significant improvement in payment sector.</p> <p>Retail & CPG is also bouncing back led by demand for Omni-channel capabilities, analytics across supply chain & customer acquisition, trade promotion fulfillment etc.</p> <p>Within manufacturing, Infy has gained market share in all three sub-segments - automotive, industrial and aerospace throughout the pandemic. There is strong demand in ER&D space especially in industrial IoT, cloud adoption and smart value chains.</p>
TCS	<p>BFSI vertical benefits from strong demand customer experience, product innovation, cloud transformation and optimization of core operations. In North America there is significant adoption of public hyper scalar platforms in BFSI space.</p> <p>Retail continued to recover strongly with discretionary retail as well as parts of travel and hospitality in early stages of recovery for major markets.</p> <p>Share of Life Sciences and Healthcare has consistently increased and the company now has a strong portfolio of Life Sciences clients</p>
HCLT	<p>Growth in ER&D is back driven by strong demand in digital engineering in Hi tech and life sciences industries. There are also green shoots visible in asset heavy industries.</p> <p>In terms of service lines, growth was driven by Mode 2 (2.3% QoQ CC) with strong demand for cloud, digital and work place transformation.</p> <p>Though Europe declined by 3.9% QoQ, deal pipeline and bookings in Europe are strong.</p>
Wipro	<p>The demand in the BFSI and Consumer remains strong across service lines. Capco ramp up is included in BFSI.</p> <p>Communications recovered strongly this quarter after subdued growth in FY21.</p> <p>E&U reported strong growth, however, growth is expected to remain lumpy in this segment.</p> <p>Manufacturing is recovering slowly.</p>
Tech M	<p>In Communications, 5G is gaining traction and 60-70% of new deals involve 5G element. Technology vertical continues to show strong growth led by traction in hyper-scalars, product engineering and large investments in semiconductor space.</p>

Source: Company, PL

Exhibit 13: Growth was strong across US & Europe for Tier 1 IT

QoQ USD growth for Tier 1	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
US Revenue (QoQ Growth)	2.9%	2.2%	2.1%	3.1%	1.5%	0.9%	-1.5%	-5.2%	4.2%	4.1%	2.9%	5.4%
Europe Revenue (QoQ Growth)	1.2%	2.7%	3.2%	-1.4%	3.1%	3.8%	-1.6%	-7.5%	7.7%	6.6%	5.4%	4.7%

Source: Company, PL

LTTS's margins increased this quarter by 70bps QoQ despite 150bps impact from wage hike and higher sub-contracting costs due to tailwinds from portfolio shift towards digital engineering as well as operational efficiencies around pyramid optimization, cross skilling, productivity improvements and cost optimization.

- Margins declined sequentially due to supply side constraints:** EBIT margins declined sequentially across the pack led by headwinds from wage hike, higher hiring costs to backfill attrition and fulfill strong order book, increased sub-contracting costs and visa costs. Utilization rates have further inched up 50-60bps QoQ and will likely reduce as in 2HFY22 driven by ongoing strong hiring and training. Discretionary expenses and travel costs are also expected to gradually increase over coming quarters.
- LTTS, Cyient and Persistent were exceptions, as their margins increased slightly by 40-70bps QoQ this quarter led by productivity improvements, cost optimization and company specific factors like shift towards better margin digital portfolio for LTTS and lower amortization charges for Persistent.

- We believe that TCS will sustain its industry leading margins of ~26% given 1) excellent supply side mechanisms and 2) revenue growth leverage and 3) its strategy of sticking to mid-sized (consulting led transformation deals) which will help to limit re-badging and other deal transition costs.
- We note that companies have not changed their FY22 margin guidance stated in previous quarters despite increased supply side pressures. This indicates that companies do not expect further negative surprises and are confident of managing margins aided by pyramid optimization, offshoring, higher utilization and revenue growth leverage.

Exhibit 14: Sequential dip in margin due to wage hikes, higher hiring and talent retention costs

Ebit Margin	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Change QoQ	Change YoY
Infosys	21.2%	22.7%	25.3%	25.4%	24.5%	23.7%	-81 bps	100 bps
TCS	25.1%	23.6%	26.2%	26.6%	26.8%	25.5%	-133 bps	191 bps
Wipro	16.5%	17.2%	18.7%	21.6%	20.5%	18.4%	-210 bps	120 bps
HCL Tech	20.9%	20.5%	21.6%	22.9%	16.6%	19.6%	303 bps	-93 bps
Tech M	10.0%	10.1%	14.2%	15.9%	16.5%	15.2%	-133 bps	508 bps
Total (Top-5)	20.9%	20.9%	23.1%	24.1%	22.8%	22.2%	-61 bps	131 bps

Source: Company, PL, Note: HCLT EBIT margin of 19.6% declined by -80bps QoQ compared to 4Q21 margin of 20.4% (excluding impact of one-time bonus) and increased by 303 bps QoQ including vs 16.6% in 4Q21 (including impact of one-time bonus)

Exhibit 15: Consistent improvement in margins for LTTS, Cyient & Persistent for last 5 quarters

EBIT Margin	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Change QoQ	Change YoY
LTI	16.7%	17.4%	19.9%	20.6%	19.4%	16.4%	-295 bps	-101 bps
Mindtree	12.5%	13.7%	17.3%	19.6%	18.6%	17.7%	-82 bps	399 bps
Mphasis	16.3%	15.7%	16.1%	16.4%	16.1%	15.9%	-19 bps	21 bps
Coforge	14.0%	11.6%	13.8%	13.0%	13.3%	10.8%	-245 bps	-74 bps
LTTS	15.2%	12.1%	13.7%	15.2%	16.6%	17.3%	68 bps	517 bps
Cyient	8.4%	4.7%	11.0%	11.2%	12.7%	13.1%	48 bps	846 bps
Persistent	9.2%	10.4%	12.1%	12.7%	13.2%	13.5%	39 bps	316 bps

Source: Company, PL

Exhibit 16: Consistent improvement in Offshore mix across the pack

Offshore Effort mix	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Change QoQ	Change YoY
Infosys	72.3%	72.4%	72.0%	73.9%	74.8%	75.7%	75.9%	20 bps	390 bps
LTI	78.1%	78.5%	78.9%	80.6%	81.6%	82.1%	82.7%	60 bps	380 bps
MTCL	78.8%	78.9%	80.2%	82.1%	82.8%	82.9%	83.5%	60 bps	326 bps
Coforge	75.4%	76.1%	76.8%	75.4%	76.2%	77.9%	82.1%	418 bps	528 bps
Persistent	85.1%	85.7%	85.1%	85.8%	87.1%	87.7%	87.5%	-17 bps	238 bps
Offshore revenue mix									
Wipro	46.8%	48.2%	50.0%	51.9%	53.9%	54.5%	54.0%	-50 bps	400 bps
TechM	34.7%	34.8%	34.8%	37.0%	37.0%	37.0%	38.0%	100 bps	320 bps
LTI	51.0%	49.1%	50.8%	53.5%	55.7%	55.9%	57.3%	140 bps	650 bps
LTTS	56.0%	52.9%	51.7%	54.9%	57.1%	57.9%	58.1%	20 bps	640 bps
Coforge	36.0%	36.0%	38.0%	36.0%	38.0%	39.0%	40.0%	100 bps	200 bps

Source: Company, PL

Exhibit 17: Sustained high utilization in Wipro, TechM, LTI

Utilization	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Change QoQ	Change YoY
Infosys	84.4%	83.5%	81.2%	83.6%	86.3%	87.7%	88.5%	80 bps	730 bps
Wipro	78.5%	82.4%	84.5%	86.9%	86.3%	86.0%	86.8%	80 bps	230 bps
TechM	85.0%	84.0%	81.8%	85.0%	87.0%	87.0%	89.0%	200 bps	720 bps
LTI	81.3%	80.6%	79.6%	82.0%	84.1%	82.2%	84.1%	190 bps	450 bps
MTCL	75.9%	76.5%	75.5%	78.8%	83.1%	84.3%	83.2%	-110 bps	770 bps
LTTS	79.2%	78.1%	70.9%	75.4%	77.5%	78.9%	79.2%	30 bps	830 bps
Coforge	79.3%	78.1%	77.0%	81.0%	78.9%	81.0%	77.0%	-400 bps	0 bps
Persistent	79.8%	78.7%	78.5%	81.2%	81.0%	79.1%	80.1%	100 bps	160 bps

Source: Company, PL

Exhibit 18: Sub-contracting costs increased substantially for TechM and Mindtree in Q1FY22

Subcontractor costs as % of revenue	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Change QoQ	Change YoY
Infosys	7.4%	7.3%	6.9%	6.7%	7.1%	7.5%	8.8%	125 bps	193 bps
TCS	8.2%	8.0%	8.0%	7.6%	7.8%	8.5%	8.6%	10 bps	60 bps
Wipro	14.6%	14.4%	14.1%	13.4%	13.1%	13.2%	13.2%	9 bps	-87 bps
HCLT	14.8%	13.4%	13.6%	13.3%	13.6%	13.5%	14.4%	92 bps	79 bps
TechM	16.3%	13.4%	14.5%	13.0%	12.4%	12.7%	14.8%	209 bps	35 bps
Mindtree	7.6%	7.9%	6.8%	6.9%	7.1%	7.9%	11.3%	336 bps	451 bps

Source: Company, PL

Exhibit 19: Margin headwinds and tailwinds for Tier 1 IT companies

Infy	Sequential headwinds include i) 50 bps impact from higher sub con costs, ii) 80bps impact from employee costs related to hiring, retention, promotions which were partially offset by tailwinds from a) 10 bps benefit from favourable currency movement and b) 40 bps benefit from increased utilization.
TCS	170 bps impact from wage hikes and promotions (headwind), offset by +30bps forex impact (tailwind)
HCLT	EBIT margin of 19.6%, -80bps QoQ compared to 4Q21 margin of 20.4% (excluding impact of one-time bonus). Headwinds include 1) 90bps impact of pandemic related costs (20bps impact from revenue loss, 25 bps impact of pandemic leaves and 45 bps impact of covid support costs), 2) 35 bps impact from increased hiring and retention costs and 3) 30 bps impact from investments in sales, new markets and R&D. These were partially offset by tailwinds from 1) 20bps gain from forex, and 2) 60bps gain from normalization of amortization costs which had increased last quarter.
Wipro	Decline in margins was driven by ~200bps decline in cost of sales on account of wage hike rollout to senior management in 1Q22.
Tech M	Headwinds include 1) wage hike rollout in 1Q22, 2) visa costs, 3) seasonal decline in mobility business and 4) 210 bps QoQ increase in sub-con costs were partially offset by tailwinds from higher utilization (incl. trainees) of 88% (+100bps QoQ), lower SG&A expenses of (-42bps QoQ) and operating efficiencies.

Source: Company, PL

As per Naukri JobSpeak Index, hiring in IT services sector has remained resilient, increased 5% month-on-month in June 21 and more than 163% Y-o-Y vs June 20.

- **Aggressive hiring continued while attrition inched up significantly:** IT companies continued their strong hiring with Tier 1 IT headcount up by 53,652 employees +4.3% QoQ (on top of 3.8% in 4Q21). Tier-2 IT organic headcount grew at even higher rate of 8% QoQ.
- Attrition jumped up significantly for most companies, given intense demand for talent. Among Tier 1 peers, TechM's attrition is highest at 17%, +400bps QoQ. TCS is best placed to manage supply side challenges reflected by lowest attrition of 8.6% in the industry. Among Tier 2 peers, Coforge has lowest attrition of 12.6% reflecting its ability to retain talent. Higher attrition is expected to persist given strong demand for digitally skilled talent.
- Strong hiring is expected to continue given record high order book and higher attrition. Infy increased its total fresher hiring target to 35K from earlier 25K.

HCLT is diversifying its talent base by expanding in Tier 2 & 3 cities in India, Sri Lanka and Vietnam. Cognizant plans hiring of 100,000 laterals this year alone to backfill attrition, which zoomed to 18% vs 11% in previous quarter. (LTM Attrition).

Exhibit 20: TCS has lowest attrition among peers

Infosys	13.9%
TCS	8.6%
Wipro	15.5%
HCL Tech	11.8%
Tech M	17.0%
Mindtree	13.7%
Coforge	12.6%
LTTS	14.5%
LTI	15.2%
Persistent	16.6%

Source: Company, PL

Exhibit 21: Commentary on wage hike and fresher addition

	Wage hike roll-out plans	Impact of wage hike roll-out on margins
Infy	Compensation review and promotion cycle started from July, 2021 for FY22. Total fresher hiring target is also increased to 35K from earlier 25K.	100bps impact of wage hike rollout on margins in Q4FY21
TCS	Rolled out wage hike and promotions in Q1FY22	170bps impact of wage hike rollout on margins in Q1FY22
HCLT	HCLT announced wage hike rollout for FY22 from 1st July 21. They plan to hire aggressively, more than 20-22k employees in FY22. They have added 3500 freshers in 1Q22 and they plan to add 6000 freshers in 2Q22	50bps impact of junior staff wage hike in Q3FY21 and 60bps impact of senior management wage hike in Q4FY21
Wipro	Wipro will roll-out salary hike to junior level employees in Sep 2021. Wipro doesn't plan any further wage hikes and all the employees will come under normal wage hike cycle from FY23.	Impact of wage hike rollout for all employees in Q3FY21 was 50bps and that of senior management wage hike was 60bps in Q4FY21
Tech M	Rolled out FY21 wage hike and promotions in 1QFY22. Have not announced wage hike for FY22	Wage hike rollout in Q1FY22 impacted margins by ~100-150bps

Source: Company, PL

Exhibit 22: Strong headcount addition across Tier 1 IT companies

	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
Overall Employee Headcount								
Infosys	2,36,486	2,43,454	2,42,371	2,39,233	2,40,208	2,49,312	2,59,619	2,67,953
TCS	4,50,738	4,46,675	4,48,464	4,43,676	4,53,540	4,69,261	4,88,649	5,09,058
Wipro	1,81,453	1,87,318	1,82,886	1,81,804	1,85,243	1,90,308	1,97,712	2,09,890
HCL Tech	1,47,123	1,49,173	1,50,423	1,50,287	1,53,085	1,59,682	1,68,977	1,76,499
Tech M	1,31,522	1,30,839	1,25,236	1,23,416	1,24,258	1,21,901	1,21,054	1,26,263
Total	11,47,322	11,57,459	11,49,380	11,38,416	11,56,334	11,90,464	12,36,011	12,89,663
QoQ Net Additions								
Infosys	7,457	6,968	(1,083)	(3,138)	975	9,104	10,307	8,334
TCS	14,097	(4,063)	1,789	(4,788)	9,864	15,721	19,388	20,409
Wipro	6,603	5,865	(4,432)	(1,082)	3,439	5,065	7,404	12,178
HCL Tech	3,223	2,050	1,250	(136)	2,798	6,597	9,295	7,522
Tech M	5,749	(683)	(5,603)	(1,820)	842	(2,357)	(847)	5,209
Total	37,129	10,137	(8,079)	(10,964)	17,918	34,130	45,547	53,652
% QoQ Change								
Infosys	3.3%	2.9%	-0.4%	-1.3%	0.4%	3.8%	4.1%	3.2%
TCS	3.2%	-0.9%	0.4%	-1.1%	2.2%	3.5%	4.1%	4.2%
Wipro	3.8%	3.2%	-2.4%	-0.6%	1.9%	2.7%	3.9%	6.2%
HCL Tech	2.2%	1.4%	0.8%	-0.1%	1.9%	4.3%	5.8%	4.5%
Tech M	4.6%	-0.5%	-4.3%	-1.5%	0.7%	-1.9%	-0.7%	4.3%
Total	3.3%	0.9%	-0.7%	-1.0%	1.6%	3.0%	3.8%	4.3%

Source: Company, PL

Exhibit 23: Strong headcount addition by Persistent, Coforge and Mindtree

	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
Overall Employee Headcount								
Persistent	10,543	10,532	10,632	10,829	10,820	12,438	13,680	14,904
Mphasis	26,963	27,289	26,398	22,230	22,949	23,967	25,327	27,043
Mindtree	21,267	21,561	21,991	21,955	21,827	22,195	23,814	27,256
Coforge	10,800	10,849	11,156	10,598	11,162	11,424	12,391	20,491
LTTS	16,789	16,787	16,883	16,641	15,902	16,069	16,452	16,972
LTI	30,979	31,419	31,437	31,477	32,455	33,983	35,991	38,298
Cyient	14,869	14,472	13,859	12,820	12,267	12,187	12,032	12,433
Total	1,32,210	1,32,909	1,32,356	1,26,550	1,27,382	1,32,263	1,39,687	1,57,397
QoQ Net Additions								
Persistent	376	(11)	100	197	(9)	1,618	1,242	1,224
Mphasis	1,464	326	(891)	(4,168)	719	1,018	1,360	1,716
Mindtree	332	294	430	(36)	(128)	368	1,619	3,442
Coforge	503	49	307	(558)	564	262	967	8,100
LTTS	876	(2)	96	(242)	(739)	167	383	520
LTI	1,632	440	18	40	978	1,528	2,008	2,307
Cyient	(174)	(397)	(613)	(1,039)	(553)	(80)	(155)	401
Total	5,009	699	(553)	(5,806)	832	4,881	7,424	17,710
% QoQ Change								
Persistent	3.7%	-0.1%	0.9%	1.9%	-0.1%	15.0%	10.0%	8.9%
Mphasis	5.7%	1.2%	-3.3%	-15.8%	3.2%	4.4%	5.7%	6.8%
Mindtree	1.6%	1.4%	2.0%	-0.2%	-0.6%	1.7%	7.3%	14.5%
Coforge	4.9%	0.5%	2.8%	-5.0%	5.3%	2.3%	8.5%	65.4%
LTTS	5.5%	0.0%	0.6%	-1.4%	-4.4%	1.1%	2.4%	3.2%
LTI	5.6%	1.4%	0.1%	0.1%	3.1%	4.7%	5.9%	6.4%
Cyient	-1.2%	-2.7%	-4.2%	-7.5%	-4.3%	-0.7%	-1.3%	3.3%

Source: Company, PL, Note: Coforge's headcount addition includes 6692 employees from SLK Global

As per Gartner, the rapid pace of innovation in cloud infrastructure and platform services (CIPS) makes cloud the de facto platform for new digital services and existing traditional workloads alike, which is why 40% or all enterprise workloads will be deployed in CIPS by 2023, up from only 20% in 2020

- **Sustained strong deal momentum:** Deal TCV was healthy and in-line with quarterly average TCV of FY21 but lower than previous quarter's record high TCV for Tier 1 IT companies. Deal wins were characterized by mix of small, medium and large deals with no mega deal this quarter. TCS is focusing on consulting led growth and transformation deals which will strengthen its position in high quality, innovation led transformation projects having better pricing power. TechM won strong net new TCV of USD 815 mn in 1Q22 on top of record high TCV at USD 1043 mn in 4Q21. (Refer exhibit 29 for Tier 1 deal wins)
- **Tier 2 IT companies reported new highs in deal win TCV this quarter:** Mphasis reported record new deal TCV of \$505 mn in Direct Channel, 106% QoQ, 94% YoY with 85% of deal wins in New Gen services. Large TCV was supported by landmark deal of 10-yr deal, USD250 mn from UK BFSI client. Mindtree (\$504 mn, +34% QoQ) and Coforge (\$318, +58% QoQ) also reported record high wins this quarter. Tier 2 IT's TCV is characterized by larger tenure and larger deal sizes.
- Demand continues to be strong in cloud led digital transformation, data analytics and cyber-security. Pandemic has accelerated the adoption of technologies across industries – telehealth in healthcare, virtual banking, Omni-channel & D2C in retail & FMCG, 5G in telecom etc. Deal pipelines have been replenished despite strong conversion. Management commentary across the board indicated record high deal pipeline and broad-based demand environment.

Exhibit 24: Sustained strong deal momentum

Infy	Strong deal momentum sustained with large deal TCV of \$2.6 Bn, +23.8% QoQ, +49.4% YoY. Net new wins at 30% were lower vs avg 66% net new in FY21
TCS	Deal TCV continues to be healthy at USD \$8.1bn, +17.3% YoY vs \$9.2 Bn in 4Q21 and average \$7.8bn per quarter in FY21. BFSI had TCV of US\$ 2.2 Bn while Retail TCV reached new high of US\$ 1.5Bn. North America's TCV stood at \$4Bn.
HCLT	New deal TCV is US\$ 1.66 bn, +37% YoY growth helped by 8 large Services deal wins and 4 significant Product wins. Deal wins are soft QoQ compared to all-time high new deal TCV of US\$ 3.1 Bn in 4QFY21 due to seasonality in deal wins
Wipro	Wipro closed 8 large deals resulting in a TCV of over \$715mn.
Tech M	Net new TCV was strong for second consecutive quarter at USD 815 mn on top of record high TCV at USD 1043 mn in 4Q21. Deal wins were well distributed across - Enterprise TCV at USD 463 mn and Communication TCV at USD 352 mn.

Source: Company, PL

Exhibit 25: Strong growth in TCV on TTM basis for Infy, TCS, Mindtree and Coforge

	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
TCV Quarterly (USD Mn)								
TCS	6,400	6,000	8,900	6,900	8,600	6,800	9200	8100
Infosys	2,800	1,813	1,650	1,740	3,150	7,129	2100	2600
Wipro						1,200	1400	715
HCLT (Net New TCV)							3100	1664
TechM (Net New TCV)	1,493	1,231	513	290	421	455	1043	815
Mphasis (Net New TCV)	174	189	201	259	360	247	245	505
Mindtree	307	207	393	391	303	312	375	504
Coforge	176	218	180	186	201	192	201	318
TCV on TTM basis (USD mn)								
TCS	24,200	24,300	27,000	28,200	30,400	31,200	31600	31600
Infosys	8,652	8,895	8,977	8,003	8,353	13,669	14,119	14,979
Wipro							7100	NA
HCLT (Net New TCV)							7300	NA
TechM (Net New TCV)	2,816	3,607	3,712	3,527	2,455	1,679	2,209	2,734
Mphasis (Net New TCV)	593	660	715	823	1,009	1,067	1,111	1,357
Mindtree	1,129	1,080	1,231	1,298	1,294	1,399	1,381	1,494
Coforge	686	739	749	760	785	759	780	912
Growth in TCV on TTM Basis (YoY, %)								
TCS			23.3%	24.2%	25.6%	28.4%	17.0%	12.1%
Infosys			42.9%	1.5%	-3.5%	53.7%	57.3%	87.2%
TechM (Net New TCV)			122.7%	87.9%	-12.8%	-53.5%	-40.5%	-22.5%
Mphasis (Net New TCV)			13.3%	30.8%	70.2%	61.7%	55.4%	64.9%
Mindtree			14.5%	18.8%	14.6%	29.5%	12.2%	15.1%
Coforge			15.9%	13.4%	14.4%	2.7%	4.1%	20.0%

Source: Company, PL

- **Select IT services companies raised guidance:** Among Tier 1 IT pack, Infy raised FY22 revenue growth guidance raised to 14%-16% CC from earlier 12-14% CC in-line with our estimates, led by confidence in strong demand outlook and robust deal pipeline. Wipro also provided strong guidance of 5-7% QoQ CC growth in 2QFY22. Guidance implies strong organic growth of 2-4% and US\$ 200-230 mn revenues from Capco.
- Among Tier 2, Coforge further raised revenue guidance to 'at least' 19% YoY CC organic growth vs 17% YoY CC earlier. Despite this being the highest organic guidance, it is still conservative implying 1-2% growth for next three quarters. LTTS also raised revenue growth guidance to 15-17% YoY USD from 13-15% earlier led by better visibility as economies open up (US & Europe) and traction in newly identified six strategic growth areas.

Exhibit 26: Double digit revenue growth in FY22E

Infy	FY22 revenue growth guidance raised to 14%-16% CC from earlier 12-14% CC FY22 Ebit Margin guidance: 22-24% unchanged
TCS	Double digit growth in FY22
HCLT	Maintained guidance of double-digit revenue growth in cc terms and EBIT margin band of 19.0% and 21.0% for FY22
Wipro	Management expects revenue from IT Services business to be in the range of \$2,535 mn to \$2,583 mn. (5-7% QoQ CC) in 2QFY22. Guidance implies strong organic growth of 2-4% and US\$ 200-230 mn revenues from Capco. Guidance does not include revenues from Ampion acquisition.
Tech M	Double digit organic growth in FY22E. Margins will be maintained above 15% in FY22E

Source: Company, PL

Exhibit 27: Q1FY22 performance of IT Companies

Companies	Vs Ple			Estimates change	
	USD Revenues	EBIT Margin	EPS	FY2022E	FY2023E
TCS	Miss	Inline	Miss	-2.3%	-0.7%
Infosys	Beat	Miss	Miss	-2.9%	-1.6%
Wipro	Beat	Inline	Beat	-0.1%	-1.1%
HCL Tech	Miss	Inline	Miss	-4.0%	-1.8%
Tech M	Beat	Beat	Beat	4.0%	2.6%
LTI	Beat	Beat	Beat	3.0%	1.0%
LTTS	Beat	Beat	Beat	5.4%	1.7%
Mindtree	Beat	Beat	Beat	0.5%	2.3%
Coforge	Beat	Miss	Miss	-0.4%	3.3%
Mphasis	Beat	Beat	Bear	0.7%	1.9%
Cyient	Beat	Beat	Beat	2.5%	4.8%
Persistent	Beat	Beat	Miss	0.5%	3.9%

Source: Company, PL

Exhibit 28: DFC Valuation & Assumptions

	Risk Free Rate	Equity Risk Premium	Beta	WACC	Terminal Growth rate	TP	CMP	FY21-24 Revenue CAGR	FY24-30 Revenue CAGR	Long term EBIT margin
TCS	6.2%	5.8%	0.737	10.5%	5.5%	3807	3,310	12.6%	9.7%	25.5%
INFY	6.2%	5.8%	0.750	10.6%	5.5%	1847	1,650	13.4%	9.5%	23.0%
WIPRO	6.2%	5.8%	0.814	10.9%	5.5%	665	598	15.6%	9.8%	17.5%
HCLT	6.2%	5.8%	0.861	11.2%	5.5%	1239	1,050	8.3%	7.5%	19.5%
TECHM	6.2%	5.8%	0.769	10.7%	5.5%	1509	1,265	12.9%	8.5%	14.5%
LTI	6.2%	5.8%	0.755	10.6%	6.5%	5416	4,763	15.8%	11.3%	18.0%
LTTS	6.2%	5.7%	0.876	11.2%	7.5%	4018	3697	16.5%	11.6%	16.5%
MTCL	6.2%	5.8%	0.784	10.7%	6.0%	3450	2842	16.9%	10.6%	17.5%
MPHL	6.2%	5.8%	0.650	10.0%	6.0%	3348	2695	15.1%	11.3%	15.5%
Coforge	6.2%	5.8%	0.858	11.2%	6.5%	5393	4790	22.2%	11.2%	15.0%
Persistent	6.2%	5.8%	0.733	10.5%	6.5%	3603	3118	18.1%	11.6%	13.5%

Source: Company, PL

Exhibit 29: Valuation Metrics

Companies	Rating	CMP (Rs)	TP (Rs)	USD Revenue Growth			EBIT Margin			EPS			P/E		
				'21	'22E	'23E	'21	'22E	'23E	'21	'22E	'23E	'21	'22E	'23E
TCS	BUY	3,310	3,807	0.6%	16.3%	11.7%	25.9%	26.1%	25.7%	88.1	103.4	118.8	37.6	32.0	27.9
Infosys	BUY	1,650	1,847	6.1%	17.7%	12.0%	24.5%	23.7%	23.2%	45.9	52.7	61.2	36.0	31.3	27.0
Wipro	BUY	598	665	-2.4%	24.8%	11.9%	19.4%	17.4%	17.7%	19.1	21.9	25.2	31.3	27.3	23.7
HCL Tech	BUY	1,050	1,239	2.4%	11.5%	11.8%	20.4%	19.6%	19.8%	45.8	49.3	57.5	22.9	21.3	18.3
Tech M	BUY	1,265	1,509	-1.6%	13.8%	13.1%	14.2%	15.3%	15.0%	50.7	63.5	70.9	24.9	19.9	17.8
L&T Infotech	BUY	4,763	5,416	9.5%	18.7%	15.0%	19.6%	17.6%	18.5%	112.4	120.8	144.9	42.4	39.4	32.9
Mphasis	BUY	2,695	3,348	5.6%	17.6%	14.3%	16.1%	16.4%	16.0%	65.3	78.6	89.8	41.3	34.3	30.0
Mindtree	BUY	2,842	3,450	-1.1%	22.6%	15.3%	17.4%	17.8%	18.0%	67.3	86.2	105.7	42.2	33.0	26.9
L&T Tech.	BUY	3,697	4,018	-6.4%	17.2%	16.7%	14.5%	17.4%	16.4%	63.8	84.1	100.5	58.0	44.0	36.8
COFORGE	BUY	4,790	5,393	5.9%	37.7%	15.7%	14.1%	14.2%	15.0%	86.8	117.8	148.9	55.2	40.7	32.2
Persistent	BUY	3,118	3,603	12.8%	26.2%	15.2%	12.1%	13.1%	13.7%	56.4	81.6	98.7	55.3	38.2	31.6
Redington India	BUY	331	301	6.1%	13.1%	13.0%	2.1%	2.2%	2.1%	21.3	26.3	30.1	15.5	12.6	11.0
Cyient	BUY	967	1,088	-10.9%	13.5%	13.6%	10.0%	12.6%	12.8%	33.4	45.0	53.1	29.0	21.5	18.2
Zensar	BUY	429	424	-16.2%	8.9%	17.3%	13.9%	13.3%	14.1%	17.8	17.4	21.6	24.1	24.7	19.8
Sonata Software	BUY	842	834	7.7%	21.7%	19.0%	8.0%	8.8%	9.1%	23.5	33.4	41.7	35.8	25.2	20.2
Teamlease	BUY	3,954	4,716	-10.2%	24.6%	24.2%	1.3%	1.8%	2.1%	45.5	73.2	106.9	86.8	54.0	37.0

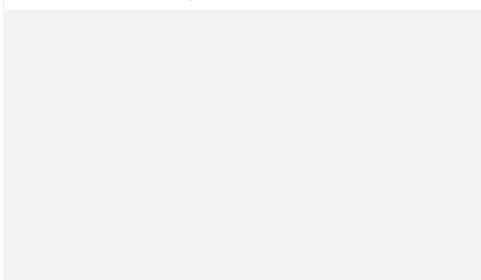
Source: Company, PL

Exhibit 30: Large deal wins for 1QFY22

Client	Vertical	Geography	Date of announcement
TCS			
Proximus-Belgium's largest telecommunication company	Communication	Belgium	08-Apr-21
Ericsson	Communication	Sweden	08-Apr-21
Virgin Atlantic Airways Limited UK	Travel	UK	11-Jun-21
Alcatel -Lucent Enterprise	Communication	Paris	11-Jun-21
Commercial Bank of Kuwait	BFSI	Kuwait	28-Jun-21
US-based biopharmaceutical company	Healthcare	US	08-Jul-21
Automobile Capital Finance Services company	BFSI	NA	08-Jul-21
NORD/LB -Commercial bank	BFSI	Germany	08-Jul-21
Cummins Inc	Technology & Services	NA	08-Jul-21
Diversey, Inc	Technology & Services	US	08-Jul-21
Carnival Corporation	Travel	US	08-Jul-21
Sigma Healthcare	Healthcare	Australia	08-Jul-21
Axalta Coating Systems	Manufacturing	US	08-Jul-21
Toyota Material Handling	Travel	North America	08-Jul-21
Facility services contractor	Technology & Services	North America	08-Jul-21
American Investment Management group	Technology & Services	US	08-Jul-21
Multinational pharmaceutical company	Healthcare	US	08-Jul-21
Medical supplies and Equipment company	Healthcare	NA	08-Jul-21
Pharmaceutical company	Healthcare	Japan	08-Jul-21
Automotive manufacturer	Manufacturing	Asia	08-Jul-21
EMEA-based global brand in car & truck rental	Travel	EMEA	08-Jul-21
American Airline	Travel	America	08-Jul-21
Investment bank	BFSI	Global	08-Jul-21
Banking and Financial services provider	BFSI	Sweden	08-Jul-21
American insurance provider	BFSI (Insurance)	America	08-Jul-21
Supermarket	Retail	Canada	08-Jul-21
Human resources provider	Technology & Services	NA	08-Jul-21
Multinational finance and insurance corporation	BFSI (Insurance)	NA	08-Jul-21
Energy Transportation company	Travel	North America	08-Jul-21
Manufacturer of HVAC solutions	Manufacturing	Europe	08-Jul-21
Multinational Insurance and Financial services provider	BFSI (Insurance)	Canada	08-Jul-21
Electronics retailer	Retail	Europe	08-Jul-21
Human resources provider	Technology & Services	Global	08-Jul-21
Multinational banking and financial services corporation	BFSI	Canada	08-Jul-21
Consumer Credit Reporting company	Consumer	NA	08-Jul-21
Consumer Healthcare and pharmaceutical company	Healthcare	America	08-Jul-21
Petroleum Refining company	E&U	Europe	08-Jul-21
XL Catlin Services SE	BFSI (Insurance)	UK	08-Jul-21
Electricity and Gas company	E&U	US	08-Jul-21
Tobacco company	Consumer	UK	08-Jul-21
Water Management and services major	E&U	US	08-Jul-21
ZF- Auto Tier1 manufacturer	Manufacturing	Germany	08-Jul-21
SonyLIV	Technology & Services	India	08-Jul-21
Pay TV provider	Technology & Services	Malaysia	08-Jul-21
Financial services provider	BFSI	UK	08-Jul-21
Audience Measurement and Consulting services firm	Technology & Services	NA	08-Jul-21

Client	Vertical	Geography	Date of announcement
Infosys			
ArcelorMittal Europe	Manufacturing	Europe	08-Apr-21
Britvic	Consumer	Europe	11-May-21
Archrock	E&U	US	07-Jun-21
French Tennis Federation	Services	France	14-Jul-21
Britvic	Consumer	Europe	14-Jul-21
ArcelorMittal	Manufacturing	Europe	14-Jul-21
Posten Norge	Transport & Communication	Norway	14-Jul-21
AGCO	Manufacturing	US	14-Jul-21
Axiata Group Berhad.	Telecommunications	Malaysia	14-Jul-21
Indian Urban Cooperative Banks (UCBs)	Banking	India	14-Jul-21
HCL Technologies			
<u>Hitachi ABB Power Grids</u>	E&U	Global	04-May-21
<u>McLaren Health Care</u>	Healthcare	US	25-May-21
US-based oil and gas company	E&U	US	19-Jul-21
Mosaic Company	E&U	US	19-Jul-21
US-based financial services company	BFSI	US	19-Jul-21
US-based Hi-Tech company	Hi-Tech	US	19-Jul-21
US-based life sciences company	Life Science & Healthcare	US	19-Jul-21
European financial services company	BFSI	Europe	19-Jul-21
US-based manufacturing company	Manufacturing	US	19-Jul-21
Large company in the aero segment	Aerospace	NA	19-Jul-21
US-based food and beverage company	Retail	US	19-Jul-21
Wipro			
Bristol Water	E&U / Consumer	UK	26-Apr-21
Transcell Oncologics	Healthcare	India	05-May-21
Levi Strauss & Co	Consumer	Global	15-Jun-21
Leading US-based distributor of plumbing supplies	E&U	US	15-Jul-21
Global shipping and logistics company	Logistics	Global	15-Jul-21
US-based financial services company	BFSI	US	15-Jul-21
Globally integrated energy company	E&U	Global	15-Jul-21
Leading US-based medical devices	Life Sciences & Healthcare	US	15-Jul-21
US-based communication services provider	Communications	US	15-Jul-21
US based oil field services company	E&U	US	15-Jul-21
European multinational pharmaceutical company	Life Sciences & Healthcare	Europe	15-Jul-21
US-based health insurance company	BFSI	US	15-Jul-21
Leading multinational electric and gas utility provider	E&U	Global	15-Jul-21
Tech Mahindra			
Pret A Manger	Retail	UK	25-May-21
Leading UK telecom company	Communications	UK	29-Jul-21
Largest private healthcare systems	Life Sciences & Healthcare	US	29-Jul-21
American technology company	Hi-Tech	US	29-Jul-21
Tier 1 automotive equipment supplier	Manufacturing	NA	29-Jul-21
World's Largest Public Funded Healthcare Program	Life Sciences & Healthcare	NA	29-Jul-21
Australian government division	Government	Australia	29-Jul-21

Source: Company, PL



Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Coforge	BUY	5,306	4,749
2	Cyient	BUY	1,088	946
3	HCL Technologies	BUY	1,094	1,000
4	Infosys	BUY	1,832	1,577
5	L&T Technology Services	BUY	3,149	2,911
6	Larsen & Toubro Infotech	Accumulate	4,623	4,289
7	Mindtree	BUY	3,229	2,505
8	Mphasis	BUY	2,770	2,530
9	Persistent Systems	Hold	2,851	3,039
10	Redington (India)	BUY	301	279
11	Sonata Software	BUY	834	757
12	Tata Consultancy Services	BUY	3,776	3,259
13	TeamLease Services	BUY	4,716	3,731
14	Tech Mahindra	BUY	1,494	1,128
15	Wipro	BUY	678	576
16	Zensar Technologies	BUY	424	401

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Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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