IT Sector

Transition period from 'gradually' to 'eventually'

IT sector (coverage universe) growth is expected to bottom out in Q4FY24 and recover 'gradually' in FY25E. The slowdown in macro is still a baseline scenario and lower discretionary spending and slower conversion from TCV to revenue is a feature and not a bug—at least in the near term—and deals will be focused on cost optimisation. Growth divergence will continue within the sector and guidance for FY25E is likely to factor in improved H2 performance. Maintain our selective stance on the sector—prefer TCS within Tier-1s and Persistent Systems from mid-tier IT.

Q4FY24E expectations: For Q4FY24E, growth divergence continues and is expected to range from -1.3% to +1.3% QoQ (-7% to +6% in YoY terms) for tier-1 IT. Q4 growth expectations for mid-tier ranges from 0.3% QoQ to 4.2% QoQ. Within tier-1 IT, TCS is expected to lead growth at 1.3% QoQ followed by flat growth for Infosys/HCL Tech and sequential decline for Wipro, Tech Mahindra and LTIMindtree. Within mid-tier IT, growth is expected to be led by L&T Tech at 4.2% QoQ (SWC seasonality benefit) and Persistent Systems at 3.2% QoQ. Q4 growth laggards are expected to be Tata Elxsi, Happiest Minds, and Sonata within mid-tier.

Guidance to build in some buffer: We expect Infosys to guide 3 to 5% growth for FY25E, HCL Tech 5 to 7% for FY25E, Wipro -1% to +1% QoQ for Q1FY25E and L&T Tech >10% for FY25E (including the cyber security deal). Margin guidance is likely to have some upward bias even if the margin range for FY24E sustains—we've factored in 50bps+ margin improvement in FY25E, supported by disinflationary supply-side factors linked to a soft demand environment. Deal bookings are expected to be strong for TCS (USD 10bn+ TCV) and steady for the rest with several large deals in Europe. The playbook of lower macro activity yet stronger IT services growth in Europe is evident (*IT sector – Europe playbook*). On the flip side, increased activity in GCC/captives can impact the near-term growth prospects for the sector.

Outlook: The incremental revenue addition of USD 4.4bn for tier-1 IT in FY25E is plausible, supported by the ramp-up of mega deals—BSNL, Aviva, Verizon, Liberty Global and several other large deals, offsetting the impact from leakage in renewals. ER&D growth for FY25E may have some downside risk based on our industry checks and the possibility of a slowdown in verticals such as transportation (historically a growth driver). We moderate our estimates to factor weak exit to FY24E and a modest start to FY25E with subsequent recovery in H2FY25E. Growth dispersion between companies is expected to remain high even in FY25E. Tier-1 IT growth is expected to be 2.4% for FY24E improving to 5.4% and 8.8% eventually (closer to the historical average) in FY25E and FY26E respectively. Even as growth has bottomed out, valuation restricts significant upside case in the near term. IT sector valuations are at 25x, at ~10% above the 5Y average (23x) and 35% above the 10Y average (18.5x), ahead of the US election volatility.

Company	CMP* (INR)	RECO	TP (INR)
TCS	3,917	ADD	4,450
INFO	1,495	ADD	1,650
HCLT	1,557	ADD	1,620
WPRO	485	REDUCE	440
LTIM	4,882	ADD	5,630
TECHM	1,245	REDUCE	1,185
PSYS	3,997	BUY	4,220
LTTS	5,603	REDUCE	4,710
TELX	7,745	SELL	6,660
MPHL	2,462	REDUCE	2,340
CYL	2,007	ADD	2,200
BSOFT	762	ADD	815
SSOF	716	ADD	700
ZENT	610	ADD	600
HAPPSTMN	797	ADD	855
MAST	2,610	ADD	3,000

*CMP as on 1st Apr 2024

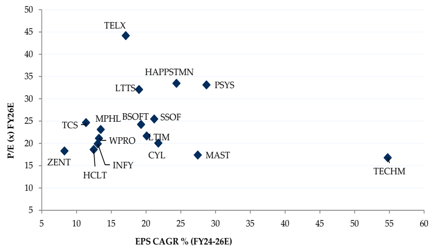

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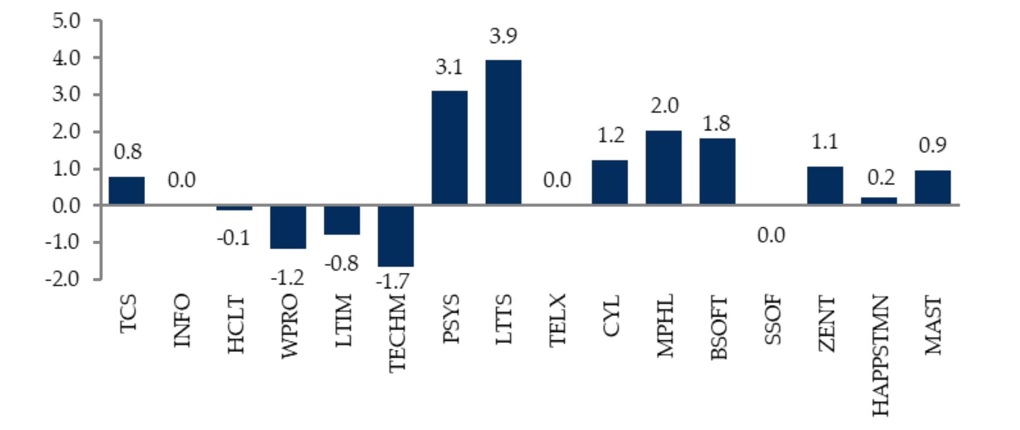
Exhibit 1: IT Services: Q4FY24E Quarterly Financial Summary

Company	NET SALES (USD mn)			NET SALES (INR bn)			EBIT (INR bn)			EBIT Margin (%)			APAT (INR bn)			Adj. EPS (INR)		
	Q4 FY24E	QoQ (%)	YoY (%)	Q4 FY24E	QoQ (%)	YoY (%)	Q4 FY24E	QoQ (%)	YoY (%)	Q4 FY24E	QoQ (bps)	YoY (bps)	Q4 FY24E	QoQ (%)	YoY (%)	Q4 FY24E	Q3 FY24	Q4 FY23
TCS	7,375	1.3	2.5	612.12	1.0	3.5	156.10	3.0	7.7	25.5	49	101	121.46	3.1	6.6	33.6	32.6	31.5
INFO	4,678	0.3	2.7	388.28	0.0	3.7	79.14	(0.6)	0.5	20.4	(12)	(66)	60.76	(0.6)	(0.9)	14.7	14.8	14.8
HCLT	3,426	0.3	5.9	284.38	(0.0)	6.9	51.18	(8.8)	5.8	18.0	(174)	(18)	38.81	(10.8)	(2.5)	14.3	16.0	14.7
WPRO	2,635	(0.8)	(6.7)	219.52	(1.1)	(5.3)	30.22	(7.3)	(17.4)	13.8	(92)	(201)	25.58	(5.0)	(16.8)	4.7	4.9	5.6
LTIM	1,077	(0.6)	1.8	89.50	(0.7)	3.0	13.39	(3.4)	(5.8)	15.0	(41)	(139)	11.36	(2.9)	1.9	38.4	39.6	37.7
TECHM	1,553	(1.3)	(6.9)	128.89	(1.6)	(6.0)	10.02	42.5	(34.5)	7.8	241	(338)	7.65	49.8	(31.6)	8.6	5.8	12.6
PSYS	310	3.2	13.0	25.76	3.1	14.2	3.95	8.7	13.9	15.3	79	(5)	3.06	7.0	21.7	19.9	18.6	16.3
LTTS	303	4.2	18.7	25.13	3.8	19.9	4.31	3.6	9.8	17.2	(2)	(157)	3.38	0.6	9.3	32.0	31.8	29.3
TELX	111	0.6	8.4	9.17	0.3	9.5	2.41	(1.3)	5.6	26.3	(44)	(96)	2.01	(2.6)	(0.2)	32.3	33.1	32.4
CYL	182	1.6	3.4	15.12	1.4	4.3	2.38	(0.4)	8.5	15.7	(28)	60	1.68	24.9	13.4	15.2	12.1	13.5
MPHL	411	2.2	(0.2)	34.14	2.3	1.6	5.26	5.9	2.2	15.4	52	9	3.84	2.7	(5.3)	20.5	19.9	21.7
BSOFT	164	1.9	10.2	13.64	1.6	11.3	1.98	2.5	35.6	14.5	12	261	1.63	1.5	45.7	5.9	5.9	4.1
SSOF	84	0.3	27.6	6.97	0.0	30.6	1.50	(4.8)	35.9	21.5	(108)	83	1.64	27.6	44.2	5.8	4.6	4.1
ZENT	147	1.5	(0.5)	12.19	1.2	0.5	1.76	(0.4)	24.8	14.4	(24)	281	1.58	(2.0)	32.9	6.9	7.1	5.2
HAPPSTMN	50	0.3	7.8	4.11	0.3	8.7	0.66	(0.1)	(16.6)	16.1	(5)	(489)	0.59	0.6	2.2	4.0	4.0	4.0
MAST	96	2.3	11.4	7.98	1.7	12.5	1.16	3.6	9.2	14.5	26	(43)	0.80	5.9	9.9	25.2	23.8	23.5
Aggregrate	**22,602**	**0.5**	**1.6**	**1,876.89**	**0.2**	**2.6**	**365.42**	**(0.0)**	**1.2**	**19.5**	**(4)**	**(27)**	**285.83**	**0.1**	**(0.1)**			

Source: HSIE Research, WPRO USD Rev is IT services, CYL is DET business and SSOF is IITS USD rev & IITS EBITDA margin

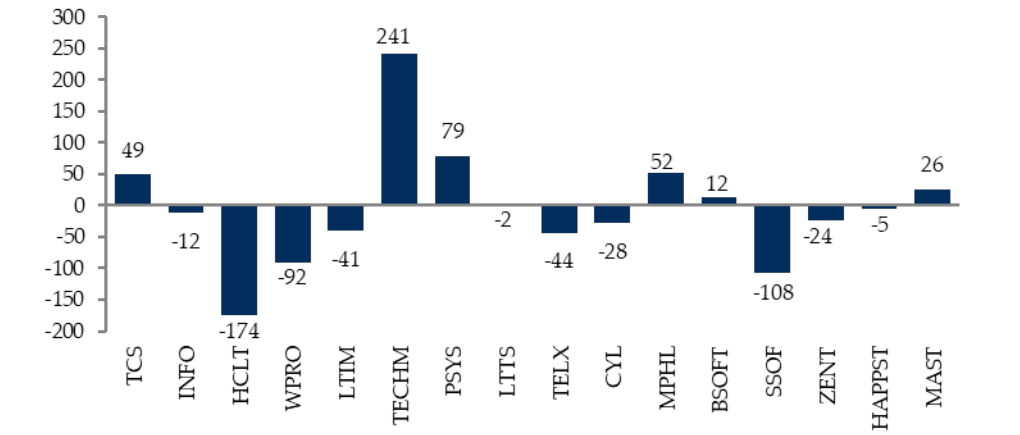
Mphasis has contribution from Silverline acquisition (1.5% QoQ impact on growth)

Exhibit 2: Q4FY24E revenue growth expectation (QoQ CC)



Source: HSIE Research; Inorganic growth for Mphasis is 1.5% QoQ

Exhibit 3: Q4FY24E EBITM QoQ expectation



Source: HSIE Research; Sonata is IITS EBITDA margin and Cyient is DET EBIT margin

Exhibit 4: IT Services: valuation metrics

Company	MCap (INR bn)	CMP (INR)	TP INR)	RECO	EPS (INR)				P/E (x)				RoE (%)				USD Rev CAGR% FY24-26E	EPS CAGR% FY24-26E
					FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E		
TCS	14,332	3,917	4,450	ADD	116.5	128.1	140.4	158.9	33.6	30.6	27.9	24.7	46.9	51.9	56.4	60.2	7.3	11.4
Infosys	6,205	1,495	1,650	ADD	58.2	58.8	66.8	75.1	25.7	25.4	22.4	19.9	32.0	31.4	33.6	35.4	6.6	13.1
HCL Tech	4,224	1,557	1,620	ADD	54.7	57.5	65.1	73.7	28.4	27.1	23.9	21.1	23.3	23.5	25.8	28.1	9.0	13.2
Wipro	2,537	485	440	REDUCE	21.7	20.6	22.1	26.0	22.4	23.6	22.0	18.6	15.8	14.2	15.3	17.4	4.3	12.5
LTIMindtree	1,443	4,882	5,630	ADD	149.1	156.2	182.1	225.2	32.7	31.3	26.8	21.7	28.6	25.7	25.8	27.2	10.5	20.1
TechM	1,098	1,245	1,185	REDUCE	57.5	31.0	56.3	74.1	21.7	40.2	22.1	16.8	18.5	9.7	17.2	21.7	5.9	54.8
Persistent	615	3,997	4,220	BUY	61.3	72.8	92.9	120.6	65.2	54.9	43.0	33.1	25.1	26.3	28.0	30.2	17.1	28.7
L&T Tech	592	5,603	4,710	REDUCE	110.8	123.3	144.2	174.6	50.5	45.4	38.9	32.1	25.7	24.3	24.6	25.8	13.1	19.0
Tata Elxsi	482	7,745	6,660	SELL	121.3	127.9	142.0	175.3	63.9	60.6	54.5	44.2	41.0	34.9	32.7	34.1	13.5	17.1
Mphasis	461	2,462	2,340	REDUCE	87.6	82.6	92.3	106.4	28.1	29.8	26.7	23.1	22.0	18.8	19.4	20.6	8.6	13.5
Cyient	222	2,007	2,200	ADD	51.2	67.4	80.4	100.0	39.2	29.8	25.0	20.1	17.2	20.4	21.9	24.2	13.6	21.8
Birlasoft	210	762	815	ADD	16.3	22.1	25.6	31.4	46.6	34.5	29.8	24.3	17.9	22.7	22.2	23.0	13.9	19.3
Sonata	201	716	700	ADD	16.1	19.1	22.6	28.1	44.4	37.4	31.7	25.5	37.7	38.6	38.6	39.5	15.2	21.2
Zensar	139	610	600	ADD	14.3	28.4	29.5	33.3	42.6	21.4	20.7	18.3	11.3	19.7	18.0	18.1	9.0	8.3
Happiest	121	797	855	ADD	15.6	15.4	18.6	23.8	51.1	51.8	42.8	33.5	31.5	20.2	18.1	20.5	16.9	24.4
Mastek	81	2,610	3,000	ADD	86.6	92.4	122.4	150.0	30.1	28.3	21.3	17.4	19.4	16.2	18.5	19.4	13.1	27.4
IT AVG									**39.1**	**35.7**	**30.0**	**24.6**	**25.9**	**24.9**	**26.0**	**27.8**	**11.1**	**20.3**
IT Median									**36.4**	**30.9**	**26.7**	**22.4**	**24.2**	**23.1**	**23.4**	**25.0**	**11.8**	**19.1**

Source: HSIE Research, CMP as on 1st Apr 2024

Exhibit 5: Global IT Peers: valuation metrics

Company	MCap (USD bn)	CMP USD	TP	RECO	EPS				P/E (x)				RoE (%)				USD Rev CAGR% FY24-26E	EPS CAGR% FY24-26E
					FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E		
Accenture	232.6	347	NA	NR	11.7	12.1	13.1	14.6	29.7	28.7	26.4	23.7	28.8	27.7	27.3	26.3	7.7	10.0
Cognizant	36.5	73	NA	NR	4.4	4.6	4.6	5.0	16.6	16.1	15.8	14.7	18.8	16.7	16.6	16.2	2.7	4.5
Capgemini^	36.8	213	NA	NR	9.1	12.4	12.3	13.5	23.5	17.1	17.3	15.8	17.0	16.5	18.1	18.0	4.1	4.1
EPAM	16.0	276	NA	NR	7.3	10.6	10.2	12.0	37.7	26.1	27.0	23.0	15.3	12.9	15.0	15.0	8.4	6.5
Globant	8.7	202	NA	NR	3.6	5.7	6.6	7.7	56.9	35.2	30.7	26.1	10.6	9.8	15.1	15.5	17.8	16.0
TietoEVRY^	2.3	20	NA	NR	1.6	2.1	2.1	2.3	12.3	9.2	9.3	8.4	10.7	10.3	12.8	14.0	3.2	4.5
Global IT AVG									**29.4**	**22.1**	**21.1**	**18.6**	**16.9**	**15.6**	**17.5**	**17.5**	**7.3**	**7.6**
Global IT Median									**26.6**	**21.6**	**21.9**	**19.4**	**16.1**	**14.7**	**15.8**	**15.8**	**5.9**	**5.5**

Source: Bloomberg consensus, HSIE Research, CMP as on 1st Apr 2024, ^ in EUR

Exhibit 6: Change in estimates

Company	Revenue USD Mn (NEW)			Change (%)			EBIT % (NEW)			Change (bps)			EPS (INR) NEW			Change (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
TCS	29,092	30,916	33,484	0.1%	0.0%	0.0%	24.5	25.3	26.0	-5	-23	52	128.1	140.4	158.9	0.0%	-1.1%	2.2%
INFO	18,676	19,638	21,204	-0.1%	-1.0%	-1.1%	20.7	21.5	22.0	-29	-52	8	58.8	66.8	75.1	-1.4%	-3.8%	-0.8%
HCLT	13,266	14,398	15,769	-0.4%	-2.6%	-2.6%	18.3	18.9	19.2	3	-12	-39	57.5	65.1	73.7	-0.2%	-3.2%	-4.4%
WPRO*	10,783	10,871	11,723	-0.2%	-3.4%	-4.6%	14.6	15.2	16.8	-4	-79	28	20.6	22.1	26.0	-0.2%	-5.9%	-1.4%
LTIM	4,295	4,590	5,245	0.0%	0.0%	0.0%	15.7	16.8	18.0	0	0	0	156.2	182.1	225.2	0.0%	0.0%	0.0%
TECHM	6,282	6,403	7,043	-0.3%	-1.2%	-0.9%	6.2	11.8	14.0	-32	-72	-51	31.0	56.3	74.1	-5.9%	-6.2%	-4.3%
PSYS	1,185	1,372	1,626	-0.1%	-1.0%	-0.9%	14.6	15.6	17.0	9	-20	0	72.8	92.9	120.6	0.5%	-2.4%	-0.9%
LTTS	1,162	1,304	1,487	-0.2%	-2.4%	-4.2%	17.2	17.5	18.5	-13	-54	0	123.3	144.2	174.6	-0.9%	-3.8%	-4.1%
TELX	430	477	555	-0.8%	-5.7%	-6.8%	26.8	26.5	27.6	-31	-57	7	127.9	142.0	175.3	-0.5%	-6.8%	-5.2%
CYL	861	965	1,112	-0.1%	-0.4%	-0.4%	14.4	15.1	15.9	-9	-65	1	67.4	80.4	100.0	-1.9%	-4.6%	-0.3%
MPHL	1,610	1,705	1,897	-0.2%	-4.0%	-5.4%	15.3	15.8	16.0	-4	-25	-4	82.6	92.3	106.4	-2.8%	-7.6%	-7.3%
BSOFT	638	716	827	-0.1%	-1.2%	-1.0%	14.2	15.1	15.7	-7	-30	-22	22.1	25.6	31.4	0.1%	-2.9%	-2.4%
SSOF*	326	368	432	-0.9%	-5.3%	-6.2%	22.1	21.7	22.4	1	0	0	19.1	22.6	28.1	2.4%	-3.9%	-3.7%
ZENT	591	630	702	-0.3%	-0.5%	-1.4%	15.0	14.5	14.7	-15	-12	-43	28.4	29.5	33.3	0.3%	5.3%	3.7%
HAPPSTMN	196	219	267	-0.4%	-3.7%	-4.3%	17.0	17.9	19.0	-9	-16	11	15.4	18.6	23.8	-0.8%	-4.4%	-3.3%
MAST	371	417	474	0.0%	-0.7%	-1.2%	14.2	15.1	15.9	-21	-84	-70	92.4	122.4	150.0	-3.1%	-7.9%	-6.9%
Median				**-0.2%**	**-1.2%**	**-1.3%**				**-8**	**-27**	**-0**				**-0.4%**	**-3.9%**	**-2.9%**

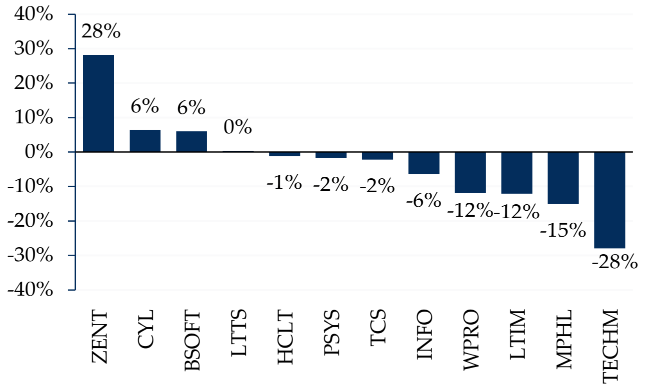
Source : Company, HSIE Research; * Wipro is IT Services USD revenue and Sonata is IITS revenue & IITS EBITDA margin

Exhibit 7: Change in TP & Rating

Companies	M-cap (INR bn)	CMP (INR)	TP Old (INR)	New TP (INR)	Old Rating	New Rating	Old multiple (x)	New multiple (x)	5Y Avg (x)	10Y Avg (x)
TCS^	14,332	3,917	4,040	4,450	ADD	ADD	26	28	27	23
INFY^	6,205	1,495	1,515	1,650	ADD	ADD	20	22	23	20
HCLT	4,224	1,557	1,700	1,620	ADD	ADD	22	22	18	16
WPRO	2,537	485	450	440	REDUCE	REDUCE	17	17	19	17
LTIM	1,443	4,882	5,630	5,630	ADD	ADD	25	25	28	23
TECHM^	1,098	1,245	1,160	1,185	REDUCE	REDUCE	15	16	17	16
PSYS	615	3,997	8,530	4,220	BUY	BUY	35	35	27	21
LTTS	592	5,603	4,915	4,710	REDUCE	REDUCE	27	27	30	26
TELX	482	7,745	7,025	6,660	SELL	SELL	38	38	41	31
MPHL	461	2,462	2,525	2,340	REDUCE	REDUCE	22	22	22	18
CYL	222	2,007	2,200	2,200	ADD	ADD	22	22	16	15
BSOFT	210	762	840	815	ADD	ADD	26	26	17	12
SSOF	201	716	730	700	ADD	ADD	25	25	18	14
ZENT	139	610	580	600	ADD	ADD	18	18	16	14
HAPPSTMN^	121	797	935	855	ADD	ADD	38	36	54	NA
MAST	81	2,610	3,230	3,000	ADD	ADD	20	20	16	13

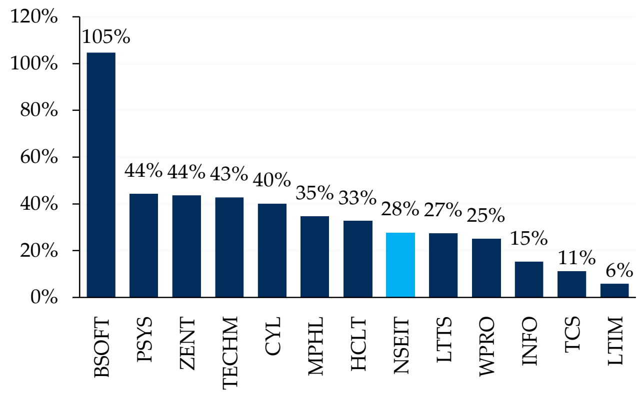
Source : Company, HSIE Research, CMP as on 1st Apr 2024, ^ indicates multiple upgrade/downgrade

Exhibit 8: Consensus FY25E Earnings upgrade/downgrade



Source: Bloomberg, HSIE Research, Note: change from Apr'23 till Mar'24

Exhibit 9: Consensus P/E multiple rerating/derating



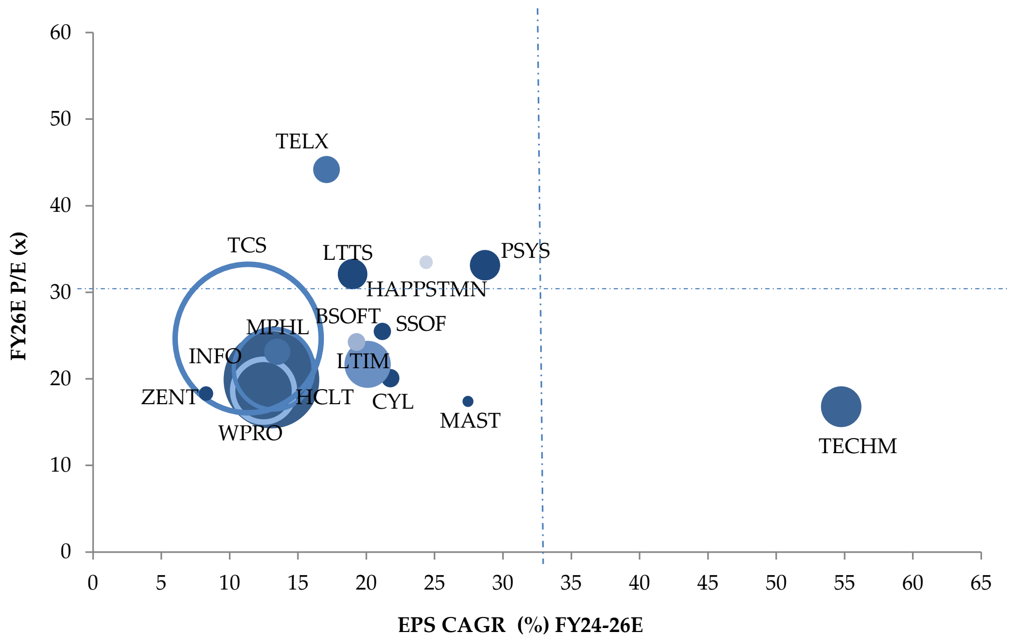
Source: Bloomberg, HSIE Research, Note: change from Apr'23 till Mar'24

Exhibit 10: IT Services stock performance (%) – PSYS, LTTS, BSOFT and HCLT led the outperformance in last 3M

Company	M-cap (USD bn)	CMP (INR)	1W (%)	1M (%)	3M (%)	6M (%)	1Y (%)	3Y (%)	5Y (%)	YTD (%)
TCS	170.0	3,917	0	-4	3	11	22	24	93	3
INFO	74.5	1,495	-1	-10	-4	4	5	8	98	-3
HCLT	50.7	1,557	0	-5	5	26	43	55	180	6
WPRO	30.4	485	0	-7	2	19	33	16	85	3
LTIM	17.3	4,882	-2	-7	-22	-6	3	19	185	-22
TECHM	14.6	1,245	-1	-2	-4	2	13	25	58	-2
PSYS	7.4	3,997	0	-7	9	38	73	309	1171	8
LTTS	7.1	5,603	4	6	8	22	66	106	248	7
TELX	5.8	7,745	1	0	-11	7	30	179	706	-12
MPHL	5.6	2,462	3	-6	-10	4	37	41	149	-10
CYL	2.7	2,007	2	-1	-13	18	102	201	209	-12
BSOFT	2.5	762	4	-2	8	58	192	191	641	6
SSOF	2.4	716	-4	-12	-1	35	71	263	459	-4
HAPPSTMN	1.5	797	2	-6	-12	-9	4	34	380	-11
ZENT	1.7	610	3	12	0	18	122	122	165	0
MAST	1.0	2,610	-1	-11	-6	9	69	105	454	-7
NSE IT Index			**0**	**-7**	**-2**	**10**	**22**	**35**	**121**	**-1**
NIFTY			**2**	**1**	**3**	**14**	**29**	**51**	**92**	**3**
Nasdaq			**0**	**1**	**9**	**24**	**34**	**22**	**109**	**9**

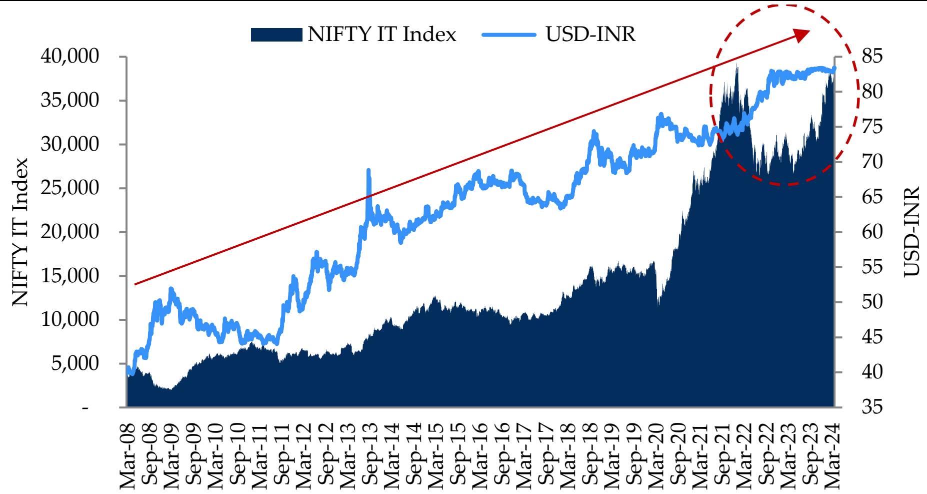
Source: Bloomberg, HSIE Research, CMP as on 1st Apr 2024

Exhibit 11: IT Sector P/E and EPS Growth



Source : Company, HSIE Research, Size of the bubble denotes market cap

Exhibit 12: USD-INR vs IT index trend

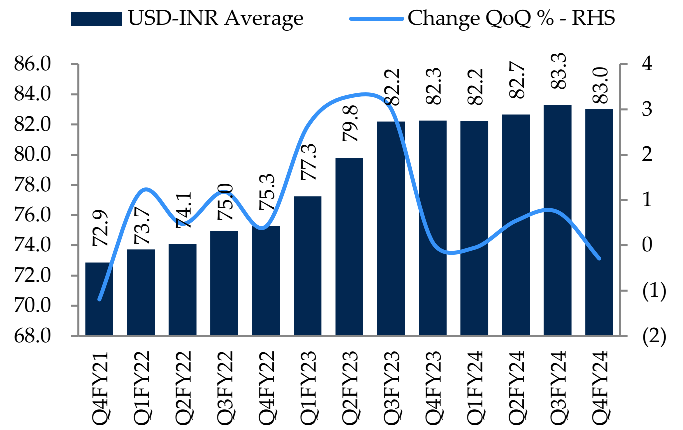


Source: Bloomberg

Exhibit 13: Currency trends

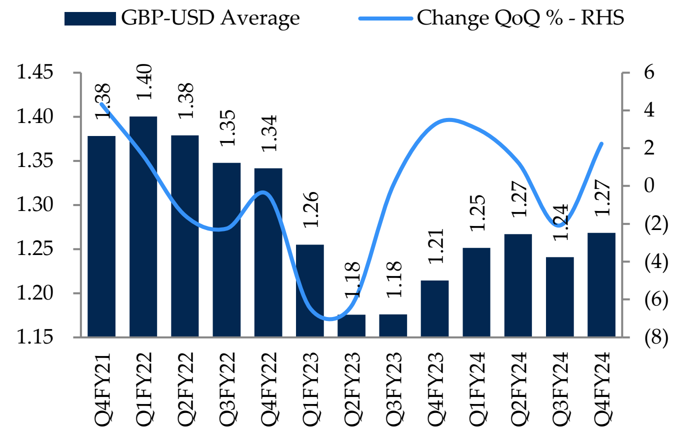
Favourable movement of GBP, EUR and AUD led positive cross currency impact in Q4

USD-INR trend



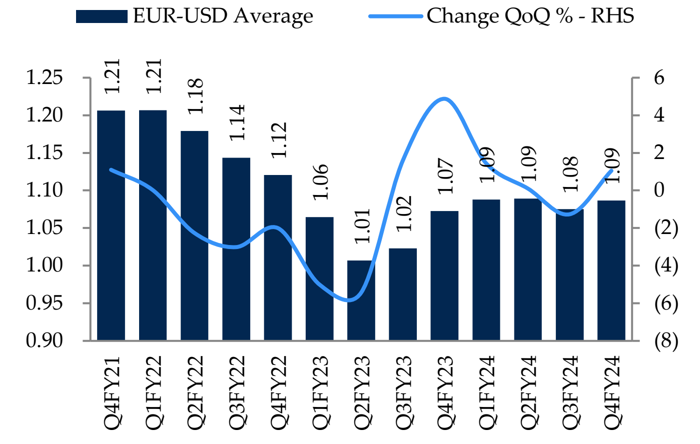
Source: NSE, Bloomberg, HSIE Research

GBP-USD trend



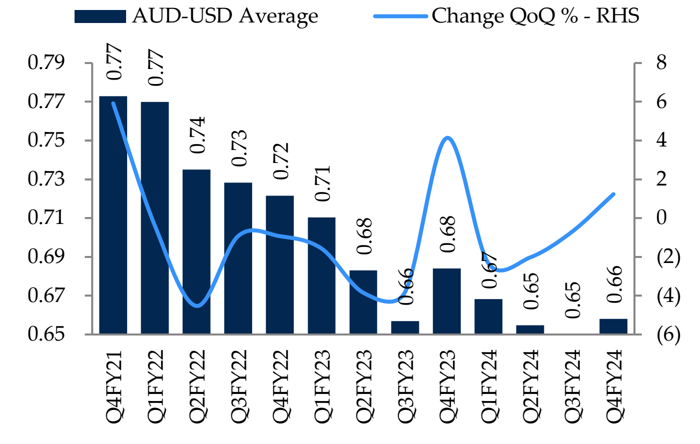
Source: NSE, Bloomberg, HSIE Research

EUR-USD trend



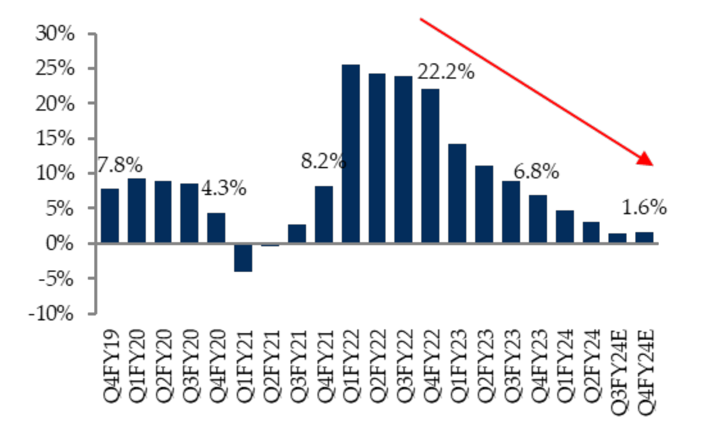
Source: NSE, Bloomberg, HSIE Research

AUD-USD trend



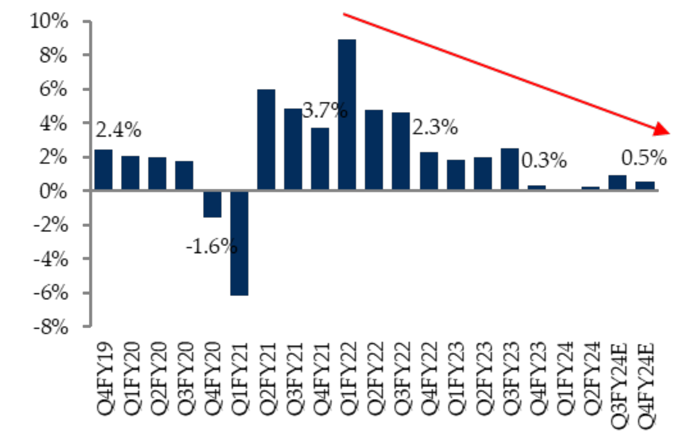
Source: NSE, Bloomberg, HSIE Research

Exhibit 14: IT Sector YoY revenue growth bottom-out in Q4FY24



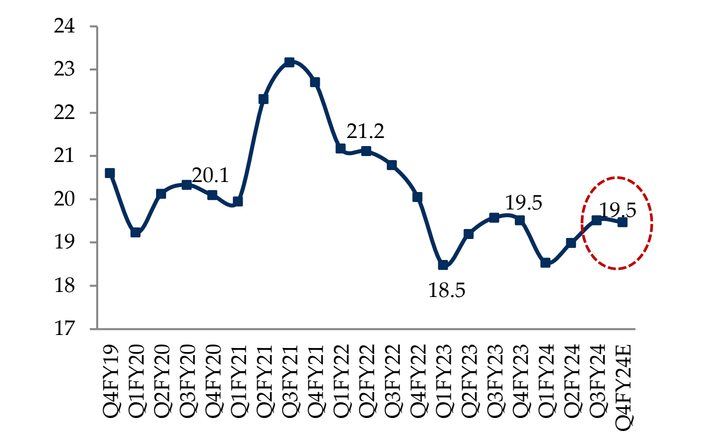
Source: Company, HSIE Research

Exhibit 15: IT Sector QoQ revenue growth impacted by lower discretionary spend & slower deal conversion



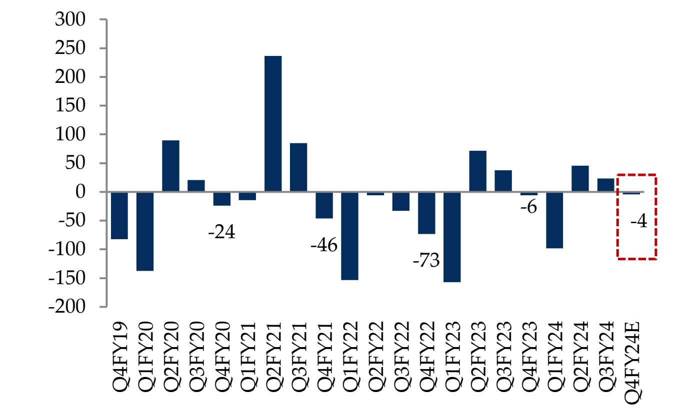
Source: Company, HSIE Research

Exhibit 16: Margin at bottom and to recover ahead – IT sector EBITM trend



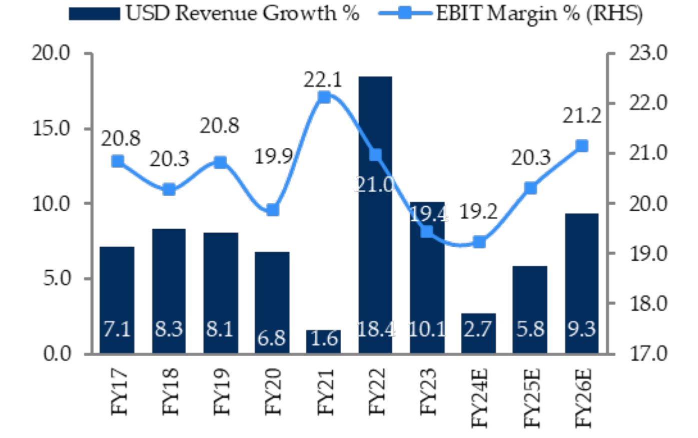
Source: Company, HSIE Research

Exhibit 17: Margins sustained sequentially despite revenue moderation



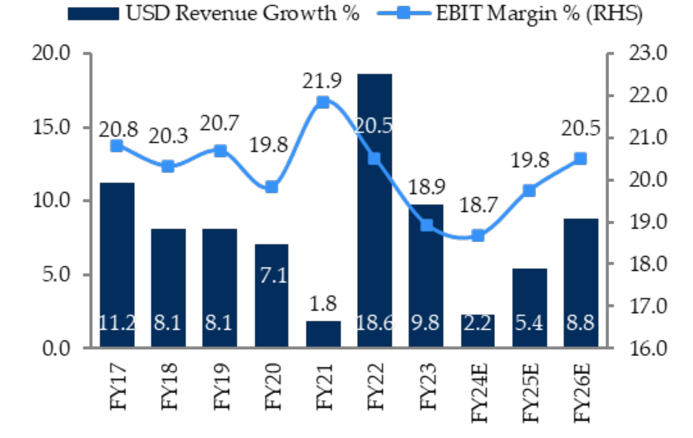
Source: Company, HSIE Research

Exhibit 18: Growth recovery from H2FY25E - IT Sector aggregate revenue growth and EBITM trend



Source: Company, HSIE Research

Exhibit 19: Tier -1 IT revenue growth and margin trend



Source: Company, HSIE Research; Tier 1 includes TCS, INFO, HCLT, WPRO, LTIM & TECHM

Exhibit 20: Key deals announced in Q4FY24

Company	Client	Vertical	Region	Services
TCS	Aviva	BFSI	UK	15 year deal including renewal; end-to-end policy administration and servicing for 5.5mn policies
	Europ Assistance	BFSI	France	end-to-end enterprise IT apps
	Enento Group	Technology & Services	Finland	ADM, vendor consolidation
	The Co-operative Group Limited	Retail & CPG	UK	SAP implementation, sunset legacy systems
	Nuuday	Communication & Media	Denmark	QA/QE modernisation
	Ramboll	Communication & Media	Denmark	7 year deal including IT Infra transformation (300 employees re-badging)
	Central Bank	BFSI	US	Core modernisation of the midwest regional bank
Infosys	Regional Investment Corporation Australia	Public Services/BFSI	Australia	Finacle implementation
	Musgrave	Retail & CPG	Ireland	7 year deal including IT operations automation
	Pacific International Lines	Logistics	Singapore	modernising web and mobile application
	Tennis Australia	Public services	Australia	GenAI for fan engagement, digital content creation
	ATP Tour	Media & entertainment	UK	partnership extension
HCL Tech	Oriola	Technology & Services	Finland	SAP S/4HANA implementation
Wipro	Desjardins	BFSI	US	modernise loan origination system
Tech Mahindra	Riyadh Air	Retail, Transport & Logistics	Saudi Arabia	Oracle Fusion cloud implementation
LTIMindtree	Eurolife FFH	BFSI	Greece	setup of GenAI & Digital hub
LTTS	Maharashtra State Cyber Department	Public Services	India	cyber security (USD 100mn 5 year deal)
Tata Elxsi	AccuKnox	Broadcast & Communications	US	5G managed security services
	Telefonica	Broadcast & Communications	Spain	cloud-native infrastructure management

Source: Company, HSIE Research

Exhibit 21: Quarterly USD revenue growth trend (QoQ CC %)

USD Rev (QoQ CC %)	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24E
TCS	2.4	4.0	3.0	2.6	3.5	4.0	2.3	0.6	0.0	0.1	1.0	0.8
INFO	4.2	6.3	7.0	1.2	5.5	4.0	2.4	-3.2	0.4	2.3	-1.0	0.0
HCLT	0.7	3.5	7.6	1.1	2.7	3.8	5.0	-1.2	-1.3	1.0	6.0	-0.1
WPRO	12.0	8.1	3.0	3.1	2.1	4.1	0.6	-0.6	-2.8	-2.0	-1.7	-1.2
LTIM	5.9	10.6	7.5	3.2	5.0	5.5	1.9	0.7	0.1	1.7	0.7	-0.8
TECHM	3.9	7.2	4.7	5.4	3.5	2.9	0.2	0.3	-4.2	-2.4	1.1	-1.7
PSYS	9.2	9.5	9.6	9.3	12.0	6.6	3.5	3.5	2.9	3.2	3.1	3.1
LTTS	4.3	6.0	4.2	3.6	4.7	4.5	0.0	2.2	-2.9	3.2	0.9	3.9
TELX	6.4	7.4	6.5	7.4	6.5	4.7	3.5	1.6	1.2	3.4	3.0	0.0
MPHL	5.9	6.6	7.8	4.8	2.0	1.8	-2.5	-4.5	-3.5	0.0	1.0	2.0
CYL	-0.4	5.5	4.4	1.6	6.5	12.3	11.9	3.2	0.3	1.0	1.1	1.2
BSOFT	4.1	6.6	4.7	2.1	2.3	1.1	0.0	3.1	1.7	3.0	1.8	1.8
HAPPSTMN	11.2	8.0	5.5	5.5	5.9	5.0	2.1	1.4	3.6	3.3	0.8	0.2
ZENT	4.8	12.3	4.7	4.2	3.1	1.6	-5.3	0.4	1.3	0.2	-3.2	1.1
SSOF	1.6	11.0	8.6	4.7	3.9	3.3	3.9	8.0	17.4	5.2	3.0	0.0
MAST	4.3	3.9	3.7	5.3	-0.1	10.7	3.1	5.3	0.4	4.4	2.7	0.9

Source: Company, HSIE Research, Wipro is IT services rev and Sonata is IITS Rev, PSYS is USD rev growth for Q1FY22, SSOF is USD rev growth from Q1FY22 to Q4FY22, HAPPSTMN is USD rev growth from Q1FY22 to Q2FY23; Inorganic growth for Mphasis is 1.5% QoQ in Q4FY24E

Exhibit 22: Quarterly EBIT Margin trend (%)

EBIT Margin (%)	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24E
TCS	25.5	25.6	25.0	25.0	23.1	24.0	24.5	24.5	23.2	24.3	25.0	25.5
INFO	23.7	23.6	23.5	21.6	20.1	21.5	21.5	21.0	20.8	21.2	20.5	20.4
HCLT	19.6	19.0	19.1	18.0	17.0	17.9	19.6	18.2	17.0	18.5	19.7	18.0
WPRO	19.0	17.8	17.6	17.0	15.0	15.1	16.3	16.3	16.0	16.1	16.0	15.1
LTIM	16.9	17.5	18.5	18.1	17.4	17.5	13.9	16.4	16.7	16.0	15.4	15.0
TECHM	15.2	15.2	14.8	13.2	11.0	11.4	12.0	11.2	6.8	4.7	5.4	7.8
PSYS	13.5	13.9	14.0	14.0	14.3	14.6	15.4	15.4	14.9	13.7	14.5	15.3
LTTS	17.3	18.4	18.6	18.6	18.3	18.1	18.7	18.7	17.2	17.1	17.2	17.2
TELX	24.7	28.6	31.0	30.1	30.5	26.8	27.6	27.3	27.1	27.1	26.8	26.3
MPHL	15.9	15.1	15.1	15.2	15.3	15.3	15.3	15.3	15.4	15.5	14.9	15.4
CYL	13.1	14.0	13.9	14.5	11.5	11.9	12.9	14.2	14.7	14.6	14.3	14.2
BSOFT	14.0	13.1	13.4	14.0	13.0	13.1	-1.1	11.9	13.6	14.2	14.4	14.5
HAPPSTMN	20.3	19.7	21.0	20.9	23.5	22.7	21.7	21.0	19.2	16.7	16.1	16.1
ZENT	13.9	10.9	10.1	10.1	7.2	4.6	7.1	11.6	15.3	15.7	14.6	14.4
SSOF	21.3	24.9	24.1	23.0	24.5	23.5	21.8	20.7	21.1	23.1	22.6	21.5
MAST	20.0	19.2	19.1	18.7	17.2	14.4	14.3	14.9	14.8	13.3	14.2	14.5

Source: Company, HSIE Research, WPRO is IT services margin and SSOF is IITS EBITDA Margin

Exhibit 23: Financial Snapshot

TCS (M-cap INR 14,332bn, CMP 3917, TP 4450, ADD)

INR bn	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue (USD mn)	22,032	22,174	25,707	27,927	29,092	30,916	33,484
Revenue	1,569.49	1,641.77	1,917.54	2,254.58	2,408.68	2,581.80	2,846.10
EBIT	385.80	424.81	484.53	542.37	590.02	652.48	739.71
APAT	323.40	333.56	383.27	421.47	463.47	508.10	574.77
AEPS (INR)	89.4	92.2	105.9	116.5	128.1	140.4	158.9
EBIT margin (%)	24.6	25.9	25.3	24.1	24.5	25.3	26.0
USD Revenue growth (%)	5.4	0.6	15.9	8.6	4.2	6.3	8.3
EPS growth (%)	2.8	3.1	14.9	10.0	10.0	9.6	13.1
P/E (x)	43.8	42.5	37.0	33.6	30.6	27.9	24.7
EV/EBITDA (x)	32.6	29.4	25.7	23.1	21.5	19.5	17.2
RoE (%)	37.3	39.1	43.7	46.9	51.9	56.4	60.2

INFO (M-cap INR 6,205bn, CMP 1495, TP 1650, ADD)

INR bn	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue (USD mn)	12,781	13,562	16,310	18,212	18,676	19,638	21,204
Revenue	907.91	1,004.73	1,216.41	1,467.67	1,545.76	1,639.96	1,802.33
EBIT	193.74	246.22	280.15	309.06	320.40	351.94	397.12
APAT	164.04	193.51	221.11	240.95	243.49	276.82	311.24
AEPS (INR)	39.6	46.7	53.4	58.2	58.8	66.8	75.1
EBIT margin (%)	21.3	24.5	23.0	21.1	20.7	21.5	22.0
USD Revenue growth (%)	8.3	6.1	20.3	11.7	2.5	5.2	8.0
EPS growth (%)	4.0	18.0	14.3	9.0	1.1	13.7	12.4
P/E (x)	37.8	32.0	28.0	25.7	25.4	22.4	19.9
EV/EBITDA (x)	26.6	20.9	18.5	16.8	16.0	14.6	13.0
RoE (%)	25.2	27.3	29.2	32.0	31.4	33.6	35.4

HCLT (M-cap INR 4,224bn, CMP 1557, TP 1620, ADD)

INR bn	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue (USD mn)	9,936	10,176	11,537	12,586	13,266	14,398	15,769
Revenue	706.78	753.79	856.51	1,014.56	1,098.52	1,209.45	1,340.37
EBIT	138.53	160.71	162.04	184.96	201.27	228.27	257.90
APAT	110.62	124.62	134.99	148.52	155.97	176.71	199.93
AEPS (INR)	40.8	45.9	49.7	54.7	57.5	65.1	73.7
EBIT margin (%)	19.6	21.3	18.9	18.2	18.3	18.9	19.2
USD Revenue growth (%)	15.1	2.4	13.4	9.1	5.4	8.5	9.5
EPS growth (%)	9.3	12.7	8.3	10.0	5.0	13.3	13.1
P/E (x)	38.2	33.9	31.3	28.4	27.1	23.9	21.1
EV/EBITDA (x)	24.9	20.5	19.9	17.9	16.5	15.0	13.4
RoE (%)	23.8	22.4	22.1	23.3	23.5	25.8	28.1

WPRO (M-cap INR 2,537bn, CMP 485, TP 440, REDUCE)

INR bn	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
ITS Revenue (USD mn)	8,256	8,137	10,356	11,147	10,783	10,871	11,723
Revenue	610.23	619.43	790.93	904.88	895.04	911.24	1,001.39
EBIT	101.42	120.14	133.75	135.13	130.47	138.76	168.56
APAT	97.22	107.95	122.19	113.50	107.69	115.45	136.24
AEPS (INR)	18.6	20.6	23.4	21.7	20.6	22.1	26.0
IT Services EBIT margin (%)	18.1	20.2	17.8	15.7	15.8	16.5	18.2
USD Revenue growth (%)	1.7	(1.4)	27.3	7.6	(3.3)	0.8	7.8
EPS growth (%)	7.0	11.0	13.2	(7.1)	(5.1)	7.2	18.0
P/E (x)	26.1	23.5	20.8	22.4	23.6	22.0	18.6
EV/EBITDA (x)	18.8	15.5	14.4	13.7	14.1	13.3	11.2
RoE (%)	17.3	19.4	20.2	15.8	14.2	15.3	17.4

LTIM (M-cap INR 1,443bn, CMP 4882, TP 5630, ADD)

INR bn	FY22	FY23	FY24E	FY25E	FY26E
Revenue (USD mn)	3,502	4,106	4,295	4,590	5,245
Revenue	261.09	331.83	355.74	383.39	445.80
EBIT	46.52	53.85	55.99	64.25	80.30
APAT	39.50	44.10	46.20	53.86	66.63
AEPS (INR)	133.5	149.1	156.2	182.1	225.2
EBIT margin (%)	17.8	16.2	15.7	16.8	18.0
USD Revenue growth (%)	27.5	17.2	4.6	6.9	14.3
EPS growth (%)	29.5	11.6	4.7	16.6	23.7
P/E (x)	36.6	32.7	31.3	26.8	21.7
EV/EBITDA (x)	26.1	22.4	21.2	18.4	14.5
RoE (%)	30.5	28.6	25.7	25.8	27.2

TECHM (M-cap INR 1,098bn, CMP 1245, TP 1185, REDUCE)

INR bn	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue (USD mn)	5,182	5,111	5,998	6,606	6,282	6,403	7,043
Revenue	368.68	378.55	446.46	532.90	520.13	534.68	598.68
EBIT	42.80	53.89	65.00	60.72	32.03	62.85	83.53
APAT	42.51	44.79	55.66	50.68	27.30	49.69	65.39
AEPS (INR)	48.2	50.8	63.1	57.5	31.0	56.3	74.1
EBIT margin (%)	11.6	14.2	14.6	11.4	6.2	11.8	14.0
USD Revenue growth (%)	4.3	(1.4)	17.3	10.1	(4.9)	1.9	10.0
EPS growth (%)	(1.1)	5.4	24.3	(8.9)	(46.1)	82.0	31.6
P/E (x)	25.8	24.5	19.7	21.7	40.2	22.1	16.8
EV/EBITDA (x)	18.1	14.5	12.8	13.0	20.9	12.8	10.2
RoE (%)	20.2	19.2	21.5	18.5	9.7	17.2	21.7

PSYS (M-cap INR 615bn, CMP 3997, TP 4220, BUY)

INR bn	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue (USD mn)	502	566	766	1,036	1,185	1,372	1,626
Revenue	35.66	41.88	57.11	83.51	98.07	114.59	138.22
EBIT	3.27	5.07	7.92	12.47	14.35	17.85	23.54
APAT	3.59	4.51	6.90	9.43	11.21	14.29	18.56
AEPS (INR)	23.3	29.3	44.9	61.3	72.8	92.9	120.6
EBIT margin (%)	9.2	12.1	13.9	14.9	14.6	15.6	17.0
USD Revenue growth (%)	4.3	12.9	35.2	35.3	14.4	15.7	18.5
EPS growth (%)	(1.8)	25.6	53.2	36.6	18.8	27.5	29.9
P/E (x)	171.3	136.4	89.1	65.2	54.9	43.0	33.1
EV/EBITDA (x)	121.9	87.2	62.0	39.3	34.1	27.8	20.8
RoE (%)	14.4	17.4	22.4	25.1	26.3	28.0	30.2

LTTS (M-cap INR 592bn, CMP 5603, TP 4710, REDUCE)

INR bn	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue (USD mn)	786	737	880	990	1,162	1,304	1,487
Revenue	56.19	54.50	65.70	80.14	96.23	108.91	126.40
EBIT	9.28	7.89	12.01	14.79	16.50	19.07	23.37
APAT	7.51	6.27	9.57	11.70	13.01	15.21	18.42
AEPS (INR)	71.1	59.4	90.7	110.8	123.3	144.2	174.6
EBIT margin (%)	16.5	14.5	18.3	18.5	17.2	17.5	18.5
USD Revenue growth (%)	8.7	(6.3)	19.5	12.4	17.4	12.3	14.0
EPS growth (%)	9.3	(16.5)	52.7	22.2	11.2	16.9	21.1
P/E (x)	78.8	94.4	61.8	50.5	45.4	38.9	32.1
EV/EBITDA (x)	52.6	57.0	40.4	33.0	29.5	25.0	20.2
RoE (%)	28.6	20.1	25.1	25.7	24.3	24.6	25.8

TELX (M-cap INR 482bn, CMP 7745, TP 6660, SELL)

INR bn	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue (USD mn)	227	247	331	390	430	477	555
Revenue	16.10	18.26	24.71	31.45	35.63	39.86	47.17
EBIT	3.00	4.78	7.10	8.80	9.55	10.54	13.01
APAT	2.71	3.68	5.50	7.55	7.96	8.85	10.92
AEPS (INR)	43.6	59.1	88.3	121.3	127.9	142.0	175.3
EBIT margin (%)	18.6	26.2	28.8	28.0	26.8	26.5	27.6
USD Revenue growth (%)	(0.9)	8.8	34.3	17.7	10.3	10.9	16.3
EPS growth (%)	(6.4)	35.6	49.3	37.4	5.5	11.1	23.4
P/E (x)	177.7	131.0	87.8	63.9	60.6	54.5	44.2
EV/EBITDA (x)	138.7	90.5	61.6	48.9	44.3	39.9	32.3
RoE (%)	26.7	30.1	37.2	41.0	34.9	32.7	34.1

MPHL (M-cap INR 461bn, CMP 2462, TP 2340, REDUCE)

INR bn	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue (USD mn)	1,240	1,309	1,593	1,718	1,610	1,705	1,897
Revenue	88.44	97.22	119.62	137.99	132.80	142.84	161.27
EBIT	14.19	15.61	18.27	21.09	20.30	22.50	25.79
APAT	11.42	12.17	14.46	16.38	15.45	17.27	19.90
AEPS (INR)	61.1	65.0	77.3	87.6	82.6	92.3	106.4
EBIT margin (%)	16.0	16.1	15.3	15.3	15.3	15.8	16.0
USD Revenue growth (%)	10.8	5.6	21.7	7.8	(6.3)	5.9	11.3
EPS growth (%)	6.4	6.5	18.9	13.2	(5.7)	11.7	15.3
P/E (x)	40.3	37.8	31.8	28.1	29.8	26.7	23.1
EV/EBITDA (x)	26.9	24.3	20.8	18.0	17.9	16.1	14.1
RoE (%)	20.6	19.7	21.5	22.0	18.8	19.4	20.6

CYL (M-cap INR 222bn, CMP 2007, TP 2200, ADD)

INR bn	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue (USD mn)	625	557	608	746	861	965	1,112
Revenue	44.27	41.32	45.34	60.16	71.27	81.08	95.04
EBIT	4.08	4.16	6.30	7.67	10.29	12.21	15.08
APAT	3.73	3.72	5.22	5.65	7.44	8.87	11.03
AEPS (INR)	33.8	33.7	47.3	51.2	67.4	80.4	100.0
EBIT margin (%)	9.2	10.1	13.9	12.8	14.4	15.1	15.9
USD Revenue growth (%)	(5.3)	(10.9)	9.2	22.7	15.3	12.1	15.2
EPS growth (%)	(24.0)	(0.2)	40.5	8.2	31.7	19.2	24.3
P/E (x)	59.5	59.6	42.4	39.2	29.8	25.0	20.1
EV/EBITDA (x)	36.5	34.7	26.0	21.9	17.1	14.5	11.8
RoE (%)	14.5	13.5	17.2	17.2	20.4	21.9	24.2

BSOFT (M-cap INR 210bn, CMP 762, TP 815, ADD)

INR bn	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue (USD mn)	464	480	555	595	638	716	827
Revenue	32.91	35.56	41.30	47.95	52.80	59.82	70.30
EBIT	3.09	4.49	5.64	4.38	7.49	9.05	11.05
APAT	2.24	3.21	4.64	4.50	6.07	7.03	8.64
AEPS (INR)	8.1	11.7	16.8	16.3	22.1	25.6	31.4
EBIT margin (%)	9.4	12.6	13.6	9.1	14.2	15.1	15.7
USD Revenue growth (%)	(2.2)	3.4	15.7	7.2	7.2	12.3	15.5
EPS growth (%)	(5.3)	43.1	44.5	(3.0)	35.0	15.9	22.8
P/E (x)	93.5	65.3	45.2	46.6	34.5	29.8	24.3
EV/EBITDA (x)	51.8	37.5	30.8	38.1	23.3	19.0	15.2
RoE (%)	12.4	15.8	19.5	17.9	22.7	22.2	23.0

SSOF (M-cap INR 201bn, CMP 716, TP 700, ADD)

INR bn	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue (USD mn)	181	160	203	241	326	368	432
Revenue	37.43	42.28	55.53	74.49	87.26	100.25	117.16
EBIT	3.36	3.40	4.16	5.45	6.97	8.07	10.04
APAT	2.77	2.44	3.76	4.52	5.37	6.33	7.88
AEPS (INR)	9.9	8.7	13.4	16.1	19.1	22.6	28.1
IITS EBITDA margin (%)	22.0	24.1	23.0	20.9	22.1	21.7	22.4
EBIT margin (%)	9.0	8.0	7.5	7.3	8.0	8.0	8.6
USD Revenue growth (%)	12.2	(11.3)	26.6	18.7	35.3	13.0	17.4
EPS growth (%)	12.3	(11.9)	54.3	20.0	18.8	17.9	24.5
P/E (x)	72.5	82.3	53.4	44.4	37.4	31.7	25.5
EV/EBITDA (x)	53.5	51.7	42.1	34.4	24.6	21.3	17.1
RoE (%)	38.5	31.0	37.6	37.7	38.6	38.6	39.5

ZENT (M-cap INR 139bn, CMP 610, TP 600, ADD)

INR bn	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue (USD mn)	566	494	569	604	591	630	702
Revenue	40.10	36.68	42.44	48.48	48.91	52.93	59.67
EBIT	3.47	5.11	4.72	3.69	7.34	7.69	8.77
APAT	2.63	2.52	4.16	3.28	6.50	6.74	7.62
AEPS (INR)	11.5	15.3	18.2	14.3	28.4	29.5	33.3
EBIT margin (%)	8.7	13.9	11.1	7.6	15.0	14.5	14.7
USD Revenue growth (%)	1.6	(12.7)	15.3	6.1	(2.2)	6.6	11.4
EPS growth (%)	(22.4)	33.0	19.0	(21.3)	98.4	3.7	13.1
P/E (x)	53.0	39.9	33.5	42.6	21.4	20.7	18.3
EV/EBITDA (x)	26.2	18.3	19.2	21.9	13.3	12.3	10.4
RoE (%)	12.7	15.7	16.3	11.3	19.7	18.0	18.1

HAPPSTMN (M-cap INR 121bn, CMP 797, TP 855, ADD)

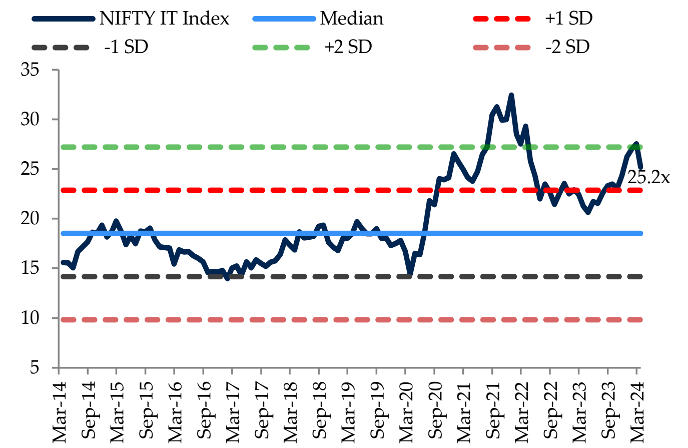
INR bn	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue (USD mn)	93	104	147	178	196	219	267
Revenue	6.98	7.73	10.94	14.29	16.18	18.27	22.72
EBIT	0.77	1.69	2.25	3.17	2.75	3.27	4.32
APAT	0.83	1.62	1.87	2.37	2.34	2.83	3.62
AEPS (INR)	5.4	10.7	12.3	15.6	15.4	18.6	23.8
EBIT margin (%)	11.0	21.8	20.6	22.2	17.0	17.9	19.0
USD Revenue growth (%)	8.5	12.2	41.0	21.3	10.0	11.9	22.2
EPS growth (%)	209.7	95.8	15.3	26.7	(1.3)	20.9	27.9
P/E (x)	146.2	74.7	64.8	51.1	51.8	42.8	33.5
EV/EBITDA (x)	124.3	61.3	45.4	33.2	33.9	28.7	21.8
RoE (%)	83.3	40.0	30.9	31.5	20.2	18.1	20.5

MAST (M-cap INR 81bn, CMP 2610, TP 3000, ADD)

INR bn	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue (USD mn)	151	232	293	318	371	417	474
Revenue	10.71	17.22	21.84	25.63	30.73	35.00	40.31
EBIT	1.32	3.20	4.20	3.88	4.37	5.27	6.42
APAT	1.33	2.09	2.95	2.68	2.92	3.87	4.74
AEPS (INR)	46.7	73.5	96.6	86.6	92.4	122.4	150.0
EBIT margin (%)	12.3	18.6	19.2	15.2	14.2	15.1	15.9
USD Revenue growth (%)	2.2	53.6	26.3	8.6	16.6	12.4	13.8
EPS growth (%)	31.7	57.5	31.5	(10.4)	6.7	32.6	22.5
P/E (x)	55.9	35.5	27.0	30.1	28.3	21.3	17.4
EV/EBITDA (x)	47.1	18.7	16.0	17.9	15.6	12.7	10.1
RoE (%)	17.6	25.4	30.6	19.4	16.2	18.5	19.4

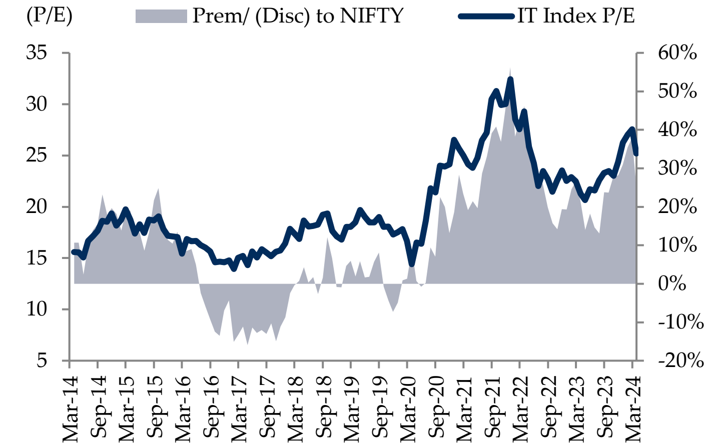
Exhibit 24: Valuation charts

NIFTY IT Index Valuation Trend (P/E 1-yr fwd)



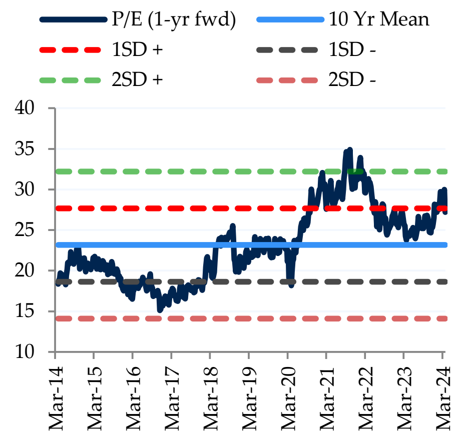
Source: Bloomberg, HSIE Research

IT Index Valuation Trend vs NIFTY

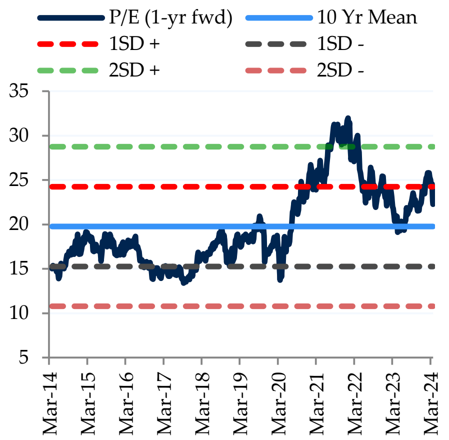


Source: Bloomberg, HSIE Research

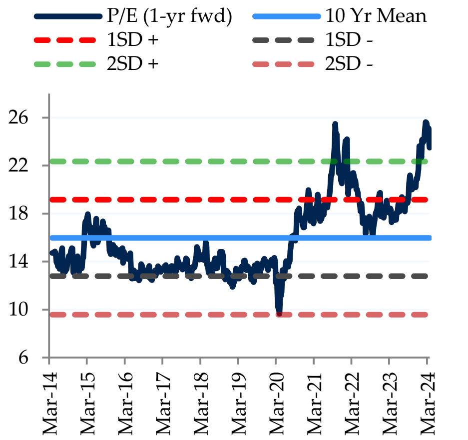
TCS P/E (1-yr fwd) Trend



INFO P/E (1-yr fwd) Trend

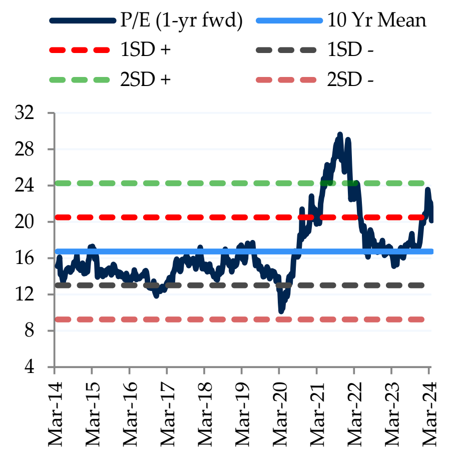


HCLT P/E (1-yr fwd) Trend

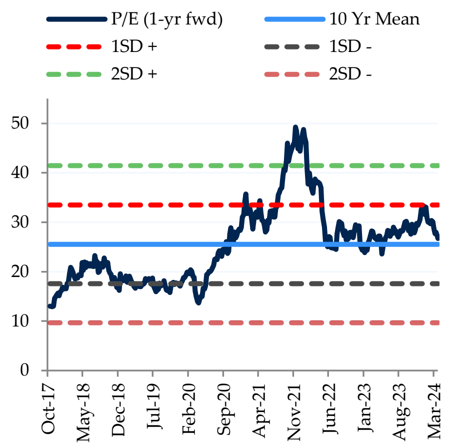


Source: Bloomberg, HSIE Research

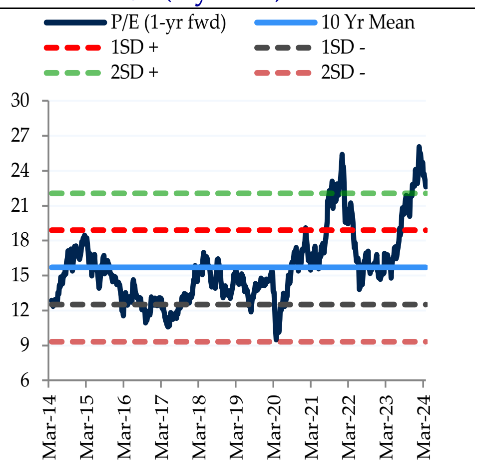
WPRO P/E (1-yr fwd) Trend



LTIM P/E (1-yr fwd) Trend

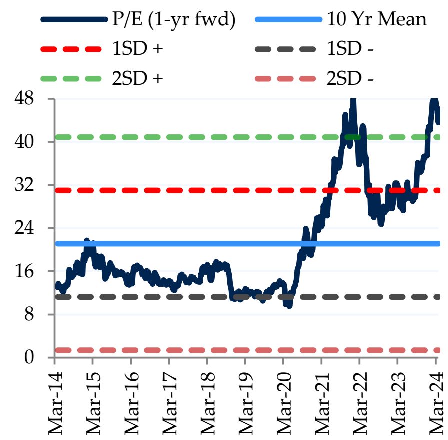


TECHM P/E (1-yr fwd) Trend

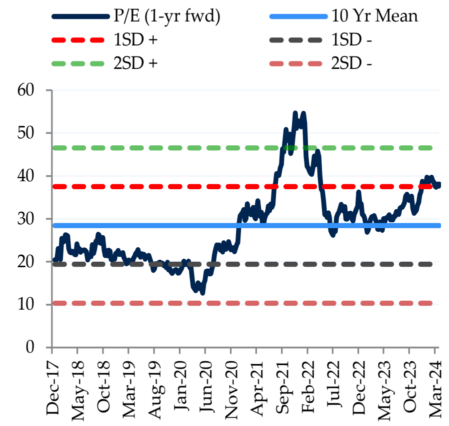


Source: Bloomberg, HSIE Research

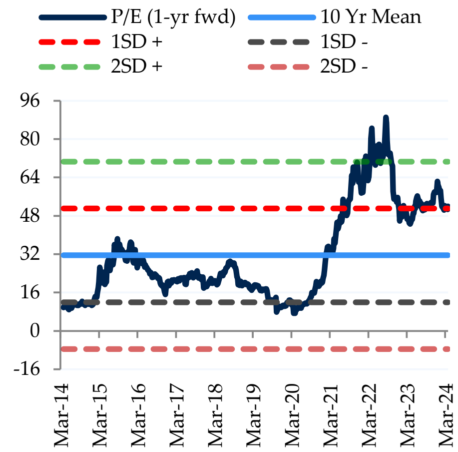
PSYS P/E (1-yr fwd) Trend



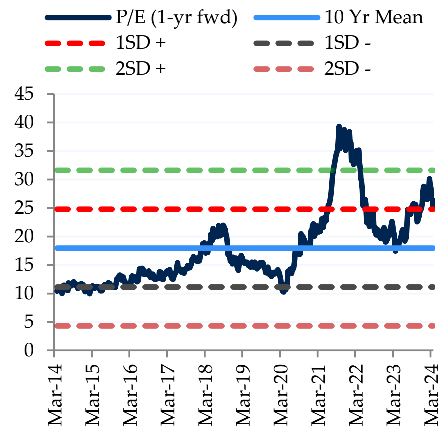
LTTS P/E (1-yr fwd) Trend



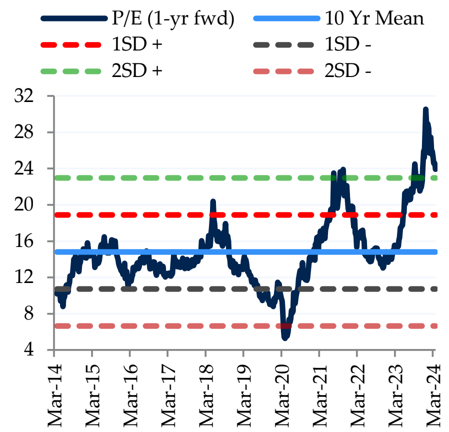
TELX P/E (1-yr fwd) Trend



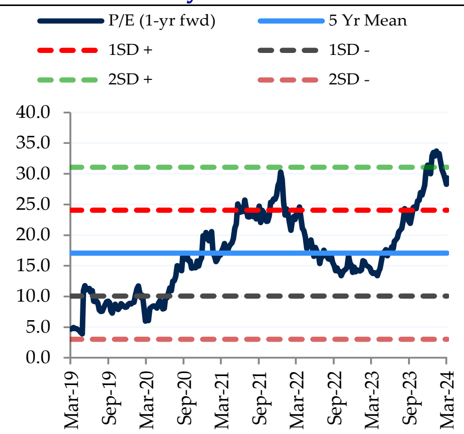
MPHL P/E (1-yr fwd) Trend



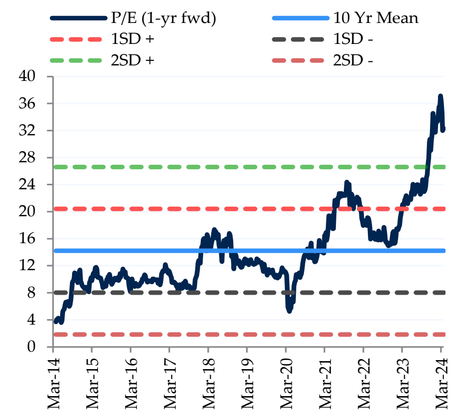
CYL P/E (1-yr fwd) Trend



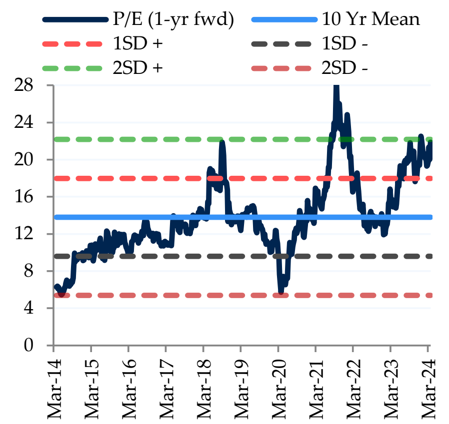
BSOFT P/E (1-yr fwd) Trend



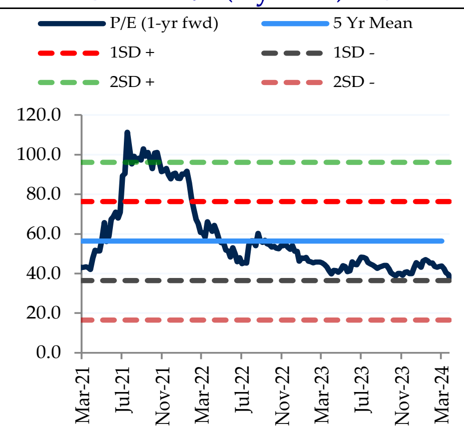
SSOF P/E (1-yr fwd) Trend



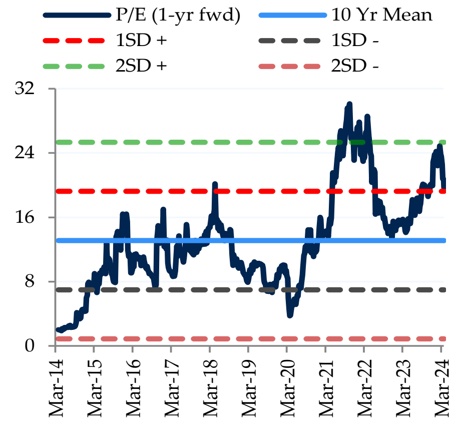
ZENT P/E (1-yr fwd) Trend



HAPPSTMN P/E (1-yr fwd) Trend

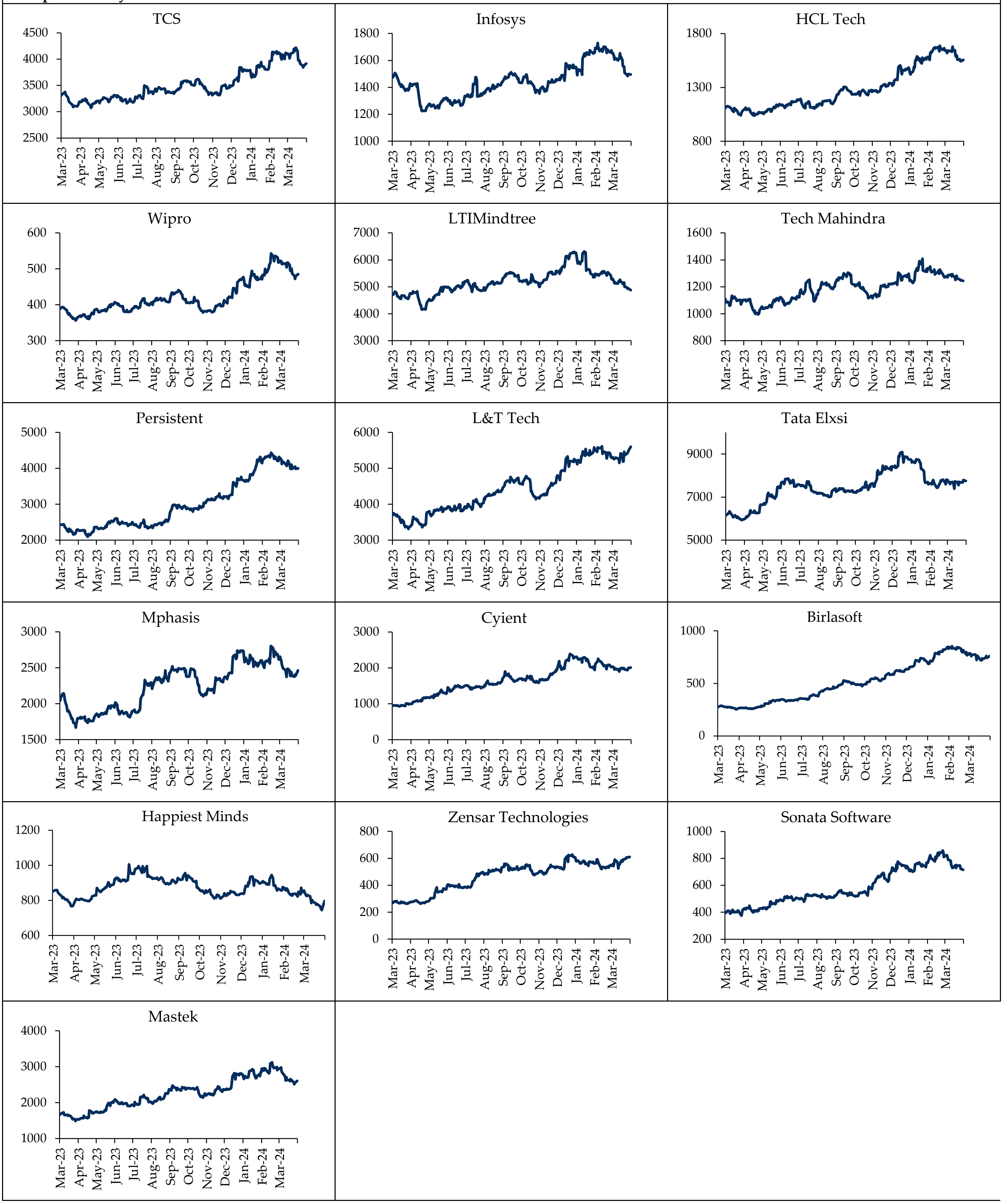


MAST P/E (1-yr fwd) Trend



Source: Bloomberg, HSIE Research

1 Yr price history



Rating Criteria

BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: > 10% Downside return potential

Disclosure:

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