

# Wipro Limited

31<sup>st</sup> July, 2025

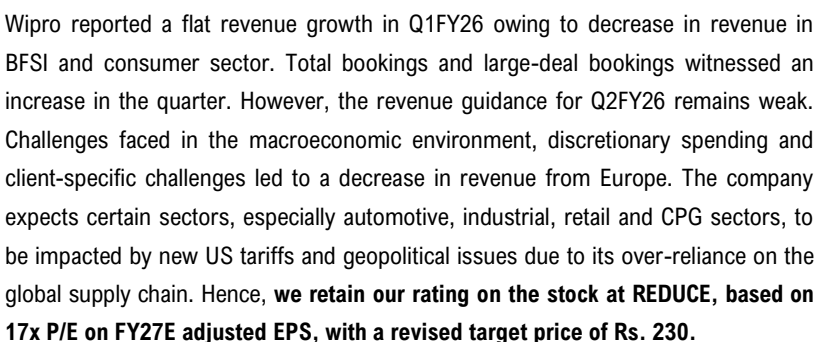
## REDUCE

Data as of: 30-07-2025, 18.00 hrs

## Flat revenue growth, weak outlook

- Wipro's consolidated revenue remained largely flat at Rs. 22,135cr (+0.8% YoY) mainly due to a decline in revenue from the BFSI and consumer sectors and a flat growth in energy, natural resources and utilities sector.
- Revenue from the BFSI and consumer sectors declined 0.3% YoY and 2.6% YoY, respectively, while that from energy, natural resources and utilities grew a marginal 0.6% YoY. Revenue from technology and communications increased 2.1% YoY.
- Region-wise, revenue from the Americas-1 rose 5.8% YoY, led by growth in all sectors except BFSI. Revenue from the Americas-2 and Europe decreased 2.7% YoY and 11.6% YoY, respectively.
- Due to increased cost of sales (2.6% YoY) and flat growth in revenue, EBITDA decreased 1.8% YoY. EBITDA margin narrowed by 50bps YoY to 19.2%.
- Reported profit after tax increased 9.9% YoY to Rs. 3,337cr due to increase in finance and other income (39.3% YoY).
- Wipro expects IT services revenue in the range of \$2,560-2,612 million in Q2FY26, with a growth guidance of -1% to 1% in constant currency terms.

## Outlook & Valuation



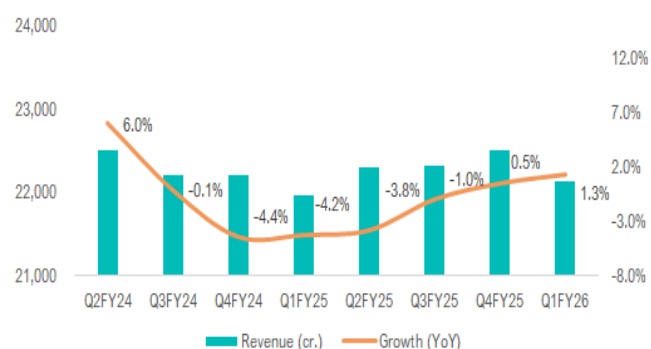
## Quarterly Finance Consolidated

Rs.cr	Q1FY26	Q1FY25	YoY Growth (%)	Q4FY25	QoQ Growth (%)
Sales	22,135	21,964	0.8	22,504	-1.6
EBITDA	4,258	4,336	-1.8	4,630	-8.0
Margin (%)	19.2	19.7	-50bps	20.6	-140bps
EBIT	3,572	3,607	-1.0	3,909	-8.6
PBT	4,258	4,022	5.9	4,743	-10.2
Rep. PAT	3,337	3,037	9.9	3,588	-7.0
Adj PAT	3,330	3,003	10.9	3,570	-6.7
Adj. EPS (Rs)	3.2	2.9	10.7	3.4	-6.7

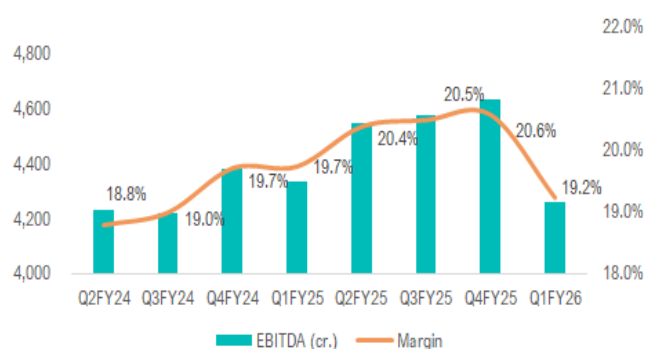
## Key concall highlights

- Total bookings increased 51% YoY to \$ 4.9Bn, out of which large-deal bookings formed \$ 2.7Bn (+131% YoY; 16 large deals, including 2 mega deals). Several of these wins were driven by vendor consolidation.
- Wipro has demonstrated strong deal momentum across key geographies, securing 3 major deals in the US (2 in BFSI and 1 in technology and communication), and 1 large Phoenix deal in Europe's BFSI sector, slated to start generating revenue in Q3FY26.
- Free cash flow accounted for 115% of the net income in Q1FY26. Consulting business, Capco grew 6.0% YoY during the quarter, with strong momentum in the US, APMEA, and LATAM (especially Brazil) and contributed to Wipro's \$1 billion in bookings over the last 12 months, with strong momentum expected in Q2.
- A leading global bank selected Wipro as a strategic partner to transform technology across multiple business lines and enterprise functions. A leading global semiconductor firm signed a multi-year agreement with the company to modernise its entire product lifecycle.
- Wipro is committed to maintaining its EBIT margin within the 17–17.5% range, but near-term pressure from large deal ramp-ups may compress margins; the company intends to counter this through strategic cost efficiencies including improved utilization, fresher hiring, pyramid optimization, and G&A rationalization, all while prioritizing growth and execution.

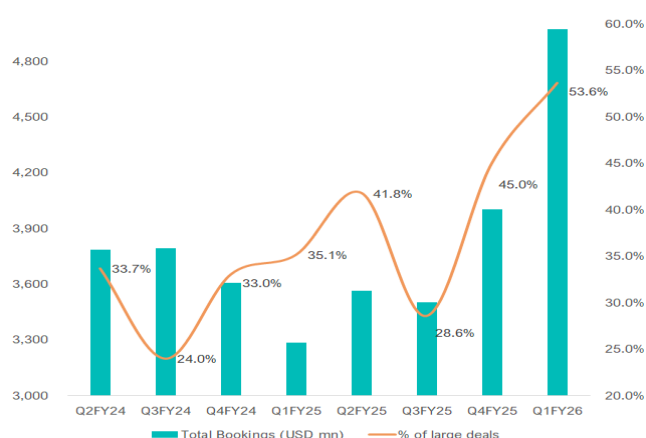
## Revenue



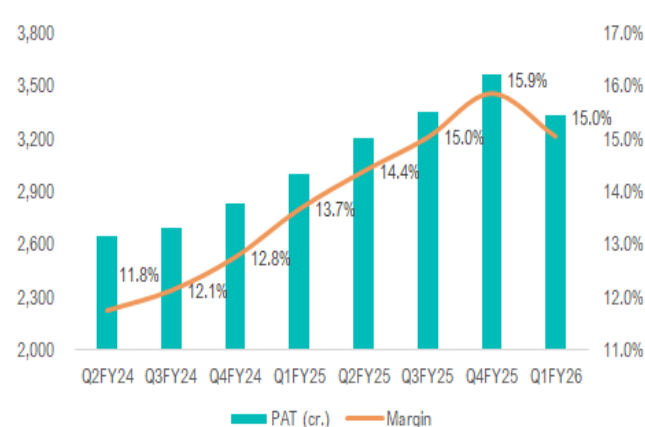
## EBITDA



## Total bookings



## PAT



## Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change -%	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	95,780	101,812	91,458	95,866	-4.5	-5.8
EBITDA	19,379	21,128	18,430	18,911	-4.9	-10.5
Margins (%)	20.2	20.8	20.2	19.7	Obps	-110bps
Adj. PAT	13,289	14,563	13,300	13,917	0.1	-4.4
EPS	12.7	13.9	12.7	13.3	-0.2	-4.6



## Consolidated Financials

### Profit & Loss

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
<b>Sales</b>	<b>90,488</b>	<b>89,760</b>	<b>89,088</b>	<b>91,458</b>	<b>95,866</b>
% change	14.4	-0.8	-0.7	2.7	4.8
<b>EBITDA</b>	<b>17,301</b>	<b>17,017</b>	<b>18,085</b>	<b>18,430</b>	<b>18,911</b>
% change	3.0	-0.1	6.7	-0.6	4.2
Depreciation	3,340	3,407	2,958	3,244	3,300
<b>EBIT</b>	<b>13,961</b>	<b>13,610</b>	<b>15,127</b>	<b>15,186</b>	<b>15,611</b>
Interest	-811	-1,134	-2,343	-2,651	-3,033
Other Income	-6	-23	25	28	31
<b>PBT</b>	<b>14,766</b>	<b>14,721</b>	<b>17,496</b>	<b>17,864</b>	<b>18,674</b>
% change	-2.4	-0.3	18.8	2.1	4.5
Tax	3,399	3,609	4,278	4,484	4,687
Tax Rate (%)	23.0	24.5	24.5	25.1	25.1
<b>Reported PAT</b>	<b>11,367</b>	<b>11,112</b>	<b>13,218</b>	<b>13,380</b>	<b>13,987</b>
<b>PAT att. to common shareholders</b>	<b>11,350</b>	<b>11,045</b>	<b>13,135</b>	<b>13,300</b>	<b>13,917</b>
Adj.*	-	-	-	-	-
<b>Adj. PAT</b>	<b>11,350</b>	<b>11,045</b>	<b>13,135</b>	<b>13,300</b>	<b>13,917</b>
% change	-7.1	-2.7	18.9	1.3	4.6
No. of shares (cr)	548.9	1,046.9	1,048.9	1,049.2	1,049.2
<b>Adj EPS (Rs.)</b>	<b>20.7</b>	<b>10.6</b>	<b>12.5</b>	<b>12.7</b>	<b>13.3</b>
% change	-7.2	-49.0	18.7	1.2	4.6
DPS (Rs.)	1.0	1.0	6.0	6.1	6.3

### Cash Flow

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	14,690	14,452	16,093	16,544	17,217
Non-cash adj.	-1,548	2,294	639	-6,100	-3,256
Other adjustments	-	-	-	-	-
Changes in W.C	-82	875	211	-871	-326
<b>C.F. Operation</b>	<b>13,060</b>	<b>17,622</b>	<b>16,943</b>	<b>9,573</b>	<b>13,636</b>
Capital exp.	-1,429	-619	-1,322	-2,744	-2,876
Change in inv.	-6,575	353	-9,506	-411	-4,156
Other invest.CF	-403	1,434	2,755	1,669	1,686
<b>C.F - Investment</b>	<b>-8,407</b>	<b>1,168</b>	<b>-8,073</b>	<b>-1,486</b>	<b>-5,346</b>
Issue of equity	1	-14,516	3	-	-
Issue/repay debt	-788	-1,006	1,792	1,039	1,112
Dividends paid	-3,281	-554	-6,275	-6,366	-6,661
Other finance.CF	-2,020	-2,181	-1,916	-1,618	-1,636
<b>C.F - Finance</b>	<b>-6,088</b>	<b>-18,257</b>	<b>-6,396</b>	<b>-6,945</b>	<b>-7,185</b>
Chg. in cash	-1,435	533	2,473	1,142	1,105
<b>Closing Cash</b>	<b>9,188</b>	<b>9,695</b>	<b>12,197</b>	<b>13,339</b>	<b>14,444</b>

### Balance Sheet

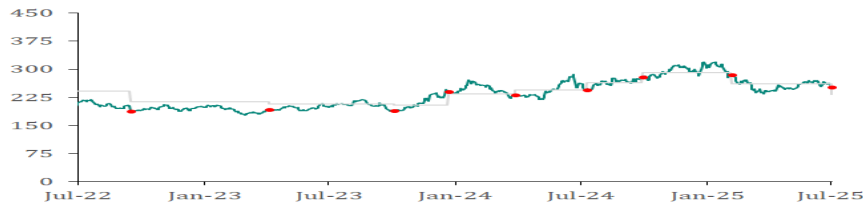
Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	9,188	9,695	12,197	13,339	14,444
Accts. Receivable	12,635	11,548	11,775	12,621	12,942
Inventories	119	91	69	94	99
Other Cur. Assets	44,168	43,733	53,736	55,491	61,158
Investments	2,150	2,267	2,779	5,150	7,524
<b>Gross Fixed Assets</b>	<b>19,636</b>	<b>17,969</b>	<b>18,376</b>	<b>21,119</b>	<b>23,995</b>
Net Fixed Assets	8,234	7,413	7,847	8,193	8,403
CWIP	632	748	221	199	179
Intangible Assets	35,102	34,875	35,246	34,423	33,808
Def. Tax -Net	210	182	256	268	258
Other Assets	5,145	4,695	4,525	4,546	4,576
<b>Total Assets</b>	<b>117,582</b>	<b>115,246</b>	<b>128,652</b>	<b>134,324</b>	<b>143,390</b>
Current Liabilities	17,893	17,329	18,839	17,039	17,581
Provisions	-	-	29	29	29
Debt Funds	15,009	14,147	16,182	17,220	18,332
Other Liabilities	6,504	8,648	10,557	10,034	10,178
Equity Capital	1,098	1,045	2,094	2,094	2,094
Res. & Surplus	77,019	73,943	80,737	87,613	94,810
<b>Shareholder Funds</b>	<b>78,116</b>	<b>74,988</b>	<b>82,831</b>	<b>89,707</b>	<b>96,905</b>
Minority Interest	59	134	214	294	364
<b>Total Liabilities</b>	<b>117,582</b>	<b>115,246</b>	<b>128,652</b>	<b>134,324</b>	<b>143,390</b>
<b>BVPS</b>	<b>142</b>	<b>72</b>	<b>79</b>	<b>85</b>	<b>92</b>

### Ratios

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
<b>Profitab. &amp; Return</b>					
EBITDA margin (%)	19.1	19.0	20.3	20.2	19.7
EBIT margin (%)	15.4	15.2	17.0	16.6	16.3
Net profit mgn.(%)	12.5	12.3	14.7	14.5	14.5
ROE (%)	14.5	14.7	15.9	14.8	14.4
ROCE (%)	15.0	15.2	15.2	14.2	13.5
<b>W.C &amp; Liquidity</b>					
Receivables (days)	51.0	47.0	48.2	50.4	49.3
Inventory (days)	0.7	0.5	0.4	0.5	0.5
Payables (days)	50.4	51.2	52.1	47.5	49.3
Current ratio (x)	2.5	2.6	2.7	3.0	3.1
Quick ratio (x)	2.0	2.1	2.3	2.4	2.5
<b>Turnover &amp; Leverage</b>					
Gross asset T.O (x)	3.8	3.3	3.0	2.7	2.6
Total asset T.O (x)	0.8	0.8	0.7	0.7	0.7
Int. covge. ratio (x)	27.4	25.6	15.0	12.1	10.6
Adj. debt/equity (x)	0.2	0.2	0.2	0.2	0.2
<b>Valuation</b>					
EV/Sales (x)	2.3	2.9	3.1	2.9	2.8
EV/EBITDA (x)	11.9	15.0	15.4	14.6	14.2
P/E (x)	17.7	22.8	20.9	19.9	19.0
P/BV (x)	2.6	3.4	3.3	2.9	2.7



## Recommendation Summary - (last 3 years)



Dates	Rating	Target
03-May-23	HOLD	206
01-Nov-23	HOLD	204
18-Jan-24	REDUCE	234
25-Apr-24	HOLD	245
06-Aug-24	HOLD	264
28-Oct-24	HOLD	291
05-Mar-25	REDUCE	261
31-Jul-25	REDUCE	230

## Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

### Not rated/Neutral

#### Definition:

**Buy:** Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

#### Symbols definition:

▲ Upgrade

● No Change

▼ Downgrade

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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