

April 22, 2024



Current Price: ₹ 452.85

STOCK DATA

BSE Code	507685
NSE Symbol	WIPRO
Reuters	WIPR.BO
Bloomberg	WPRO IN

VALUE PARAMETERS

52 W H/L(Rs)	546.10/359.40
Mkt. Cap.(Rs Cr)	236626.09
Latest Equity(Subscribed)	1045.05
Latest Reserve (cons.)	73488
Latest EPS (cons.) -Unit Curr.	21.14
Latest P/E Ratio -cons	21.42
Latest Bookvalue(cons.) -Unit Curr.	142.64
Latest P/BV - cons	3.17
Dividend Yield -%	0.22
Face Value	2.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/03/2024
Foreign	7.93
Institutions	10.67
Non Promoter Corp. Hold.	0.86
Promoters	72.89
Public & Others	7.65

Consolidated Results

	Qtr Ending	Qtr Ending	Var. (%)	Qtr Ending	In Cr. Var. (%)
	Mar. 24	Dec. 23		Mar. 23	
Sales	22208.30	22205.10	0	23190.30	-4
OPM (%)	19.82	18.91	91bps	19.49	33bps
OP	4380.60	4198.30	4	4519.40	-3
Other income	652.90	597.90	9	631.60	3
PBIDT	5033.50	4796.20	5	5151.00	-2
Interest	330.80	312.50	6	286.00	16
PBDT	4702.70	4483.70	5	4865.00	-3
Depreciation	840.50	931.60	-10	846.60	-1
PBT	3862.20	3552.10	9	4018.40	-4
Tax	1004.00	851.50	18	924.90	9
PAT	2858.20	2700.60	6	3093.50	-8
Minority interest	23.60	6.40	269	19.00	24
Net profit	2834.60	2694.20	5	3074.50	-8
EPS (Rs)	5.43	5.16		5.60	

Net profit up 5% QoQ to Rs 2834.6 crore in Q4FY2024, in line with estimates

On consolidated basis,

Quarter ended March 2024 compared with Quarter ended December 2023.

Net sales (including other operating income) of Wipro has increased 0.01% to Rs 22208.3 crore. Operating profit margin has jumped from 18.91% to 19.82%, leading to 4.81% rise in operating profit to Rs 4,380.60 crore. Purchase of finished goods cost fell from 0.65% to 0.37%. Employee cost increased from 60.28% to 61.40%. Other expenses fell from 20.21% to 18.40%. Selling and administration expenses fell from 3.75% to 3.29%. Software technology development services cost fell from 11.58% to 10.96%. Other income rose 9.20% to Rs 652.9 crore. PBIDT rose 5.36% to Rs 5033.50 crore. Provision for interest rose 5.86% to Rs 330.8 crore. Loan funds remained nil. PBDT rose 5.33% to Rs 4702.7 crore. Provision for depreciation fell 9.78% to Rs 840.5 crore. Profit before tax grew 9.29% to Rs 3,862.20 crore. Share of profit/loss was 4,950% lower at Rs -20.2 crore. Provision for tax was expense of Rs 1004 crore, compared to Rs 851.5 crore. Effective tax rate was 26.00% compared to 23.97%. Minority interest increased 268.75% to Rs 23.60 crore. Net profit attributable to owners of the company increased 5.21% to Rs 2,834.60 crore.

Quarter ended March 2024 compared with Quarter ended March 2023.

- Net sales (including other operating income) of Wipro has declined 4.23% to Rs 22208.3 crore. Sales of IT Services segment has gone down 4.73% to Rs 22,079.60 crore (accounting for 99.48% of total sales). Sales of IT Products segment has gone up 2.48% to Rs 115.90 crore (accounting for 0.52% of total sales).
- Profit before interest, tax and other unallocable items (PBIT) has slumped 4.68% to Rs 4,134.90 crore. PBIT of IT Services segment fell 5.14% to Rs 4,120.60 crore (accounting for 99.65% of total PBIT). PBIT of IT Products reported profit of Rs 14.30 crore compared to loss of Rs 5.90 crore.

Segment Quarter ended

	Qtr Ending Mar. 24	Qtr Ending Mar. 23	Var.(%)	In Cr. % of (Total)
Sales				
IT Services	22,079.60	23,176.20	-5	99
IT Products	115.90	113.10	2	1
Total Reported Sales	22,195.50	23,289.30	-5	100
PBIT				
IT Services	4,120.60	4,343.90	-5.14	100
IT Products	14.30	-5.90	LP	0
Total PBIT	4,134.90	4,338.00	-4.68	100
Less : Interest	330.80	286.00	15.66	
Add: Other un-allocable	58.10	-33.60	LP	
PBIT Margin(%)				
IT Services	18.66	18.74	-8	
IT Products	12.34	-5.22	1755	
PBT	3862.20	4018.40	-4	

** Margins numbers are in bps

- PBIT margin of IT Services segment fell from 18.74% to 18.66%. PBIT margin of IT Products segment rose from negative 5.22% to 12.34%. Overall PBIT margin rose from 18.63% to 18.63%.
- Operating profit margin has jumped from 19.49% to 19.82%, leading to 2.62% decline in operating profit to Rs 4,380.60 crore. Purchase of finished goods cost rose from 0.16% to 0.37%. Employee cost increased from 59.76% to 61.40%. Other expenses fell from 20.53% to 18.40%. Selling and administration expenses fell from 4.13% to 3.29%. Software technology development services cost fell from 12.19% to 10.96%.
- Other income rose 3.44% to Rs 652.9 crore. PBIDT fell 1.88% to Rs 5033.50 crore. Provision for interest rose 15.66% to Rs 330.8 crore. Loan funds declined from Rs 17,466.60 crore as of 31 March 2023 to Rs 16,464.90 crore as of 31 March 2024. Inventories declined from Rs 118.80 crore as of 31 March 2023 to Rs 90.70 crore as of 31 March 2024. Sundry debtors were lower at Rs 11,547.70 crore as of 31 March 2024 compared to Rs 12,635.00 crore as of 31 March 2023. Cash and bank balance rose to Rs 9,695.30 crore as of 31 March 2024 from Rs 9,188.00 crore as of 31 March 2023. Investments rose to Rs 33,384.40 crore as of 31 March 2024 from Rs 33,073.20 crore as of 31 March 2023.
- PBDT fell 2.91% to Rs 4702.70 crore. Provision for depreciation fell 0.72% to Rs 840.5 crore. Fixed assets declined from Rs 10,720.90 crore as of 31 March 2023 to Rs 9,931.70 crore as of 31 March 2024. Intangible assets declined from Rs 34,653.00 crore to Rs 34,419.70 crore.
- Profit before tax down 3.37% to Rs 3,862.20 crore. Provision for tax was expense of Rs 1004 crore, compared to Rs 924.9 crore. Effective tax rate was 26.00% compared to 23.02%.
- Minority interest increased 24.21% to Rs 23.60 crore. Net profit attributable to owners of the company decreased 7.80% to Rs 2,834.60 crore.

Full year results analysis.

- Net sales (including other operating income) of Wipro has declined 0.80% to Rs 89760.3 crore. Sales of IT Services segment has gone down 1.05% to Rs 89,381.60 crore

(accounting for 99.54% of total sales). Sales of IT Products segment has gone down 31.75% to Rs 412.70 crore (accounting for 0.46% of total sales).

- Profit before interest, tax and other unallocable items (PBIT) has jumped 2.96% to Rs 16,412.90 crore. PBIT of IT Services segment rose 3.08% to Rs 16,450.00 crore (accounting for 100.23% of total PBIT). PBIT of IT Products segment fell 110.80% to Rs -37.10 crore (accounting for -0.23% of total PBIT).
- PBIT margin of IT Services segment rose from 17.67% to 18.40%. PBIT margin of IT Products segment fell from negative 2.91% to negative 8.99%. Overall PBIT margin rose from 17.53% to 18.28%.
- Operating profit margin has jumped from 18.62% to 18.69%, leading to 0.41% decline in operating profit to Rs 16,775.80 crore. Purchase of finished goods cost fell from 0.72% to 0.43%. Employee cost increased from 59.43% to 61.22%. Other expenses fell from 21.24% to 19.66%. Selling and administration expenses fell from 4.04% to 3.69%. Software technology development services cost fell from 12.74% to 11.48%.
- Other income rose 15.66% to Rs 2630.8 crore. PBIDT rose 1.50% to Rs 19406.6 crore. Provision for interest rose 24.56% to Rs 1255.2 crore. Loan funds declined from Rs 17,466.60 crore as of 31 March 2023 to Rs 16,464.90 crore as of 31 March 2024. Inventories declined from Rs 118.80 crore as of 31 March 2023 to Rs 90.70 crore as of 31 March 2024. Sundry debtors were lower at Rs 11,547.70 crore as of 31 March 2024 compared to Rs 12,635.00 crore as of 31 March 2023. Cash and bank balance rose to Rs 9,695.30 crore as of 31 March 2024 from Rs 9,188.00 crore as of 31 March 2023. Investments rose to Rs 33,384.40 crore as of 31 March 2024 from Rs 33,073.20 crore as of 31 March 2023.
- PBDT rose 0.22% to Rs 18151.4 crore. Provision for depreciation rose 2% to Rs 3407.1 crore. Fixed assets declined from Rs 10,720.90 crore as of 31 March 2023 to Rs 9,931.70 crore as of 31 March 2024. Intangible assets declined from Rs 34,653.00 crore to Rs 34,419.70 crore.
- Profit before tax down 0.18% to Rs 14,744.30 crore. Share of profit/loss was 308.77% lower at Rs -23.3 crore. Provision for tax was expense of Rs 3608.9 crore, compared to Rs 3399.2 crore. Effective tax rate was 24.52% compared to 23.02%.
- Minority interest increased 305.45% to Rs 66.90 crore. Net profit attributable to owners of the company decreased 2.69% to Rs 11,045.20 crore.

Outlook:

Guidance: The company expects revenue from its IT Services business segment to be in the range of US \$ 2,617 million to US \$2,670 million which translates to a sequential guidance of -1.5% to 0.5% in constant currency terms in Q1FY2025. Margins are expected to be range bound around as last few quarters.

Management Commentary:

Srini Pallia, CEO and Managing Director, said "FY24 proved to be a challenging year for our industry, and the macroeconomic environment remains uncertain. However, I am optimistic about the opportunities that lie ahead. We are on the brink of a major technological shift. Artificial intelligence is transforming our clients' needs as they seek to harness its power for competitive advantage and enhanced business value. At Wipro, we have been gearing up for this moment. We have the capabilities, leadership, and the strength of over 230,000 Wiproites around the world to help us realize our goals. Although there's a considerable amount of work ahead of us, I am confident that together, with our collective effort, we can pave the way for the

next chapter of growth.”

Aparna Iyer, Chief Financial Officer, said “We expanded our margins by 40 basis points during the quarter resulting in EPS growth of 5.2% QoQ in Q4. Despite a challenging macro-environment our IT services margin expanded by 50 basis points for the full year FY24. We generated highest operating cash flow in recent years which is at 183% of our net- income in Q4 and 159% on a full year basis.”

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