

January 15, 2024



Current Price: ₹ 465.45

STOCK DATA

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

VALUE PARAMETERS

52 W H/L(Rs)	483.40/351.85
Mkt. Cap.(Rs Cr)	243167.25
Latest Equity(Subscribed)	1044.87
Latest Reserve (cons.)	68393.50
Latest EPS (cons.) -Unit Curr.	21.60
Latest P/E Ratio -cons	21.55
Latest Bookvalue(cons.) -Unit Curr.	132.91
Latest P/BV - cons	3.50
Dividend Yield -%	0.23
Face Value	2

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/09/2023
Foreign	7.46
Institutions	10.46
Non Promoter Corp. Hold.	0.87
Promoters	72.93
Public & Others	8.28

Consolidated Results

	Qtr Ending	Qtr Ending	Var. (%)	Qtr Ending	In Cr. Var. (%)
	Dec. 23	Sept. 23		Dec. 22	
Sales	22205.10	22515.90	-1.38	23229.00	-4.41
OPM (%)	18.91	17.63	128 bps	19.54	-63 bps
OP	4198.30	3969.70	5.76	4539.20	-7.51
Other income	597.90	739.80	-19.18	649.10	-7.89
PBIDT	4796.20	4709.50	1.84	5188.30	-7.56
Interest	312.50	303.30	3.03	290.20	7.68
PBDT	4483.70	4406.20	1.76	4898.10	-8.46
Depreciation	931.60	897.00	3.86	922.90	0.94
PBT	3552.10	3509.20	1.22	3975.20	-10.64
Tax	851.50	841.90	1.14	910.20	-6.45
PAT	2700.60	2667.30	1.25	3065.00	-11.89
Net profit	2694.20	2646.30	1.81	3052.90	-11.75
EPS (Rs)	5.16	5.07		5.56	-7.19

Wipro beats Q3 revenue estimates; sees growth in consulting

On consolidated basis,

Quarter ended December 2023 compared with Quarter ended September 2023.

Net sales (including other operating income) of Wipro has declined 1.38% to Rs 22205.1 crore. Operating profit margin has jumped from 17.64% to 18.91%, leading to 5.69% rise in operating profit to Rs 4,198.70 crore. Purchase of finished goods cost rose from 0.26% to 0.65%. Employee cost decreased from 61.78% to 60.28%. Other expenses fell from 20.25% to 20.21%. Selling and administration expenses fell from 3.92% to 3.75%. Software technology development services cost fell from 11.84% to 11.58%. Other income fell 19.18% to Rs 597.9 crore. PBIDT rose 1.84% to Rs 4796.6 crore. Provision for interest rose 3.03% to Rs 312.5 crore.

PBDT rose 1.76% to Rs 4483.70 crore. Provision for depreciation rose 3.86% to Rs 931.6 crore. Profit before tax grew 1.22% to Rs 3,552.10 crore. Share of profit/loss was 86.67% higher at Rs -0.4 crore. Provision for tax was expense of Rs 851.5 crore, compared to Rs 841.9 crore. Effective tax rate was 23.97% compared to 23.99%. Minority interest decreased 69.52% to Rs 6.40 crore. Net profit attributable to owners of the company increased 1.81% to Rs 2,694.20 crore.

Quarter ended December 2023 compared with Quarter ended December 2022.

Net sales (including other operating income) of Wipro has declined 4.41% to Rs 22205.1 crore. Sales of IT Services segment has gone down 4.51% to Rs 22,150.80 crore (accounting for 99.64% of total sales). Sales of IT Products segment has gone down 53.22% to Rs 80.50 crore (accounting for 0.36% of total sales).

Operating profit margin has declined from 19.54% to 18.91%, leading to 7.51% decline in operating profit to Rs 4,198.30 crore. Purchase of finished goods cost fell from 0.85% to 0.65%. Employee cost increased from 58.62% to 60.28%. Other expenses fell from 20.99% to 20.21%. Selling and administration expenses fell from 3.91% to 3.75%. Software technology development services cost fell from 12.26% to 11.58%. Other income fell 7.52% to Rs 597.9 crore. PBIDT fell 7.56% to Rs 4796.20 crore. Provision for interest rose 7.68% to Rs 312.5 crore.

Segment Quarter ended	In Cr.					
	Qtr Ending Dec. 23	Qtr Ending Sept. 23	Cont (%)	Var (%)	Qtr Ending Dec. 22	Var (%)
IT Services	22150.80	22395.80	99.64%	-1.09	23196.00	-4.51
IT Products	80.50	146.90	0.36%	-45.20	172.10	-53.22
Total Segment Revenue	22231.30	22542.70	100.00%	-1.38	23368.10	-4.86
Segment result						
IT Services	3542.60	3605.80	108%	-1.75	3760.60	-5.80
IT Products	11.40	-46.70	0%	-124.41	4.10	178.05
Reconciling Items	-267.50	-224.60	-8%	19.10	-1.10	24218.18
Total Segment result	3286.50	3334.50		-1.44	3763.60	-12.68

** Margins numbers are in bps

PBDT fell 8.46% to Rs 4483.70 crore. Provision for depreciation rose 0.94% to Rs 931.6 crore. Profit before tax down 10.57% to Rs 3,552.50 crore. Provision for tax was expense of Rs 851.5 crore, compared to Rs 910.2 crore. Effective tax rate was 23.97% compared to 22.90%. Minority interest decreased 47.11% to Rs 6.40 crore. Net profit attributable to owners of the company decreased 11.75% to Rs 2,694.20 crore.

For year-to-date (YTD) results analysis.

Net sales (including other operating income) of Wipro has increased 0.38% to Rs 67552 crore. Sales of IT Services segment has gone up 0.22% to Rs 67,302.00 crore (accounting for 99.56% of total sales). Sales of IT Products segment has gone down 39.63% to Rs 296.80 crore (accounting for 0.44% of total sales). Profit before interest, tax and other unallocable items (PBIT) has jumped 5.81% to Rs 12,278.00 crore. PBIT of IT Services segment rose 6.15% to Rs 12,329.40 crore (accounting for 100.42% of total PBIT). PBIT of IT Products segment fell 339.32% to Rs -51.40 crore (accounting for -0.42% of total PBIT). PBIT margin of IT Services segment rose from 17.30% to 18.32%. PBIT margin of IT Products segment fell from negative 2.38% to negative 17.32%. Overall PBIT margin rose from 17.15% to 18.16%.

Operating profit margin has jumped from 18.31% to 18.32%, leading to 0.40% rise in operating profit to Rs 12,375.00 crore. Purchase of finished goods cost fell from 0.91% to 0.45%. Employee cost increased from 59.31% to 61.16%. Other expenses fell from 21.48% to 20.08%. Selling and administration expenses fell from 4.01% to 3.82%. Software technology development services cost fell from 12.93% to 11.65%.

Other income rose 20.35% to Rs 1977.9 crore. PBIDT rose 2.75% to Rs 14352.9 crore. Provision for interest rose 28.09% to Rs 924.4 crore.

PBDT rose 1.37% to Rs 13428.5 crore. Provision for depreciation rose 2.93% to Rs 2566.6 crore. Profit before tax grew 1.01% to Rs 10,861.90 crore. Share of profit/loss was 49.18% higher at Rs -3.1 crore. Provision for tax was expense of Rs 2604.9 crore, compared to Rs 2474.3 crore. Effective tax rate was 23.99% compared to 23.02%. Net profit attributable to owners of the company decreased 0.78% to Rs 8,210.60 crore.

Full year results analysis.

Net sales (including other operating income) of Wipro has increased 14.09% to Rs 90487.6 crore. Sales of IT Services segment has gone up 15.54% to Rs 90,330.10 crore (accounting for 99.34% of total sales). Sales of IT Products segment has gone down 2.04% to Rs 604.70 crore (accounting for 0.66% of total sales).

Profit before interest, tax and other unallocable items (PBIT) has jumped 13.64% to Rs 15,941.60 crore. PBIT of IT Services segment rose 14.75% to Rs 15,959.20 crore (accounting for 100.11% of total PBIT). PBIT of IT Products reported loss of Rs 17.60 crore compared to profit of Rs 11.50 crore. PBIT margin of IT Services segment fell from 17.79% to 17.67%. PBIT margin of IT Products segment fell from 1.86% to 2.91%. Overall PBIT margin fell from 17.64% to 17.53%.

Operating profit margin has declined from 21.04% to 18.62%, leading to 0.96% rise in operating profit to Rs.16,844.70 crore. Purchase of finished goods cost fell from 0.85% to 0.72%. Employee cost increased from 56.72% to 59.43%. Other expenses fell from 21.40% to 21.24%. Selling and administration expenses rose from 3.80% to 4.04%. Software technology development services cost fell from 13.69% to 12.74%.

Other income rose 10.35% to Rs 2274.6 crore. PBIDT rose 1.99% to Rs 19119.3 crore. Provision for interest rose 89.24% to Rs 1007.7 crore. Loan funds declined from Rs 17,592.90 crore as of 31 March 2022 to Rs 17,466.60 crore as of 31 March 2023. Inventories declined from Rs 133.40 crore as of 31 March 2022 to Rs 118.80 crore as of 31 March 2023. Sundry debtors were higher at Rs 12,635.00 crore as of 31 March 2023 compared to Rs 11,521.90 crore as of 31 March 2022. Cash and bank balance declined from Rs 10,383.60 crore as of 31 March 2022 to Rs 9,188.00 crore as of 31 March 2023. Investments rose to Rs 33,073.20 crore as of 31 March 2023 from Rs 26,153.80 crore as of 31 March 2022.

PBDT fell 0.56% to Rs 18111.6 crore. Provision for depreciation rose 8.53% to Rs 3340.2 crore. Fixed assets declined from Rs 15,305.00 crore as of 31 March 2022 to Rs 10,720.90 crore as of 31 March 2023. Intangible assets increased from Rs 24,286.10 crore to Rs 34,653.00 crore. Profit before tax down 2.40% to Rs 14,771.40 crore. Provision for tax was expense of Rs 3399.2 crore, compared to Rs 2897.4 crore. Effective tax rate was 23.02% compared to 19.14%.

Minority interest increased 19.57% to Rs 16.50 crore. Net profit attributable to owners of the company decreased 7.19% to Rs 11,350.00 crore. Equity capital increased from Rs 1,096.40 crore as of 31 March 2022 to Rs 1,097.60 crore as of 31 March 2023. Per share face Value remained same at Rs 2.00.

Promoters' stake was 72.92% as of 31 March 2023, compared to 73.00% as of 31 March 2022.

Cash flow from operating activities increased to Rs 13,060.10 crore for year ended March 2023 from Rs 11,079.70 crore for year ended March 2022. Cash flow used in acquiring fixed assets during the year ended March 2023 stood at Rs 1,483.40 crore, compared to Rs 2,015.30 crore during the year ended March 2022.

Outlook:

Guidance: The company expects revenue from its IT Services business segment to be in the range of US \$ 2,615 million to US \$2,669 million which translates to a sequential guidance of -1.5% to 0.5% in constant currency terms in Q4.

Margins are expected to be range bound around as last few quarters.

Dividend: The company has declared an interim dividend of Rs 1 per equity share.

Management Commentary:

"Our investments in people, processes, and business operations are continuing to pay off," said **Thierry Delaporte, CEO and Managing Director**. "In a seasonally soft quarter, deal

booking momentum remained strong. Our large deals recorded a 20 percent year-to-date growth. Further, we are starting to see early signs of a return to growth in Consulting, as demonstrated by the double-digit growth in order bookings in our Capco business.

“Under our ai360 strategy, AI is now embedded across most of our existing solutions and client offerings. We’re deploying AI internally across all business and functional areas as well, with the goals of efficiency, productivity, and scale. We are confident that these investments will allow us to capitalize on emerging opportunities, as the macro environment improves.”

Aparna C. Iyer, Chief Financial Officer, said, “I am pleased with our rigor of execution across all financial metrics- revenue, margin, EPS, and cash flow. We are building a more resilient, agile, and efficient organization which has helped us sustain our margins at 16%, a 63 basis point improvement on a year-to-date basis despite revenue headwinds and absorbing the impact of the investments we are making for growth and people.”

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