

Cognizant Technology Solutions

8 February 2019

Bloomberg: CTSH US

Weak 2019 Guidance; US Big Banks Still Soft; New Outsider CEO

Cognizant Technology Solutions' (CTS) 4QCY18 results were in line with guidance with a higher contribution from the inorganic part (250bps of its 8.8% CC YoY growth came from it). On QoQ basis, the 1.3% USD growth came in below numbers delivered by Tier-1 Indian peers. Organically, QoQ growth was likely negative as we believe revenues from Softvision, a digital services entity based in Romania and acquired in September 2018 was likely added during the quarter (not clear for how many months). Based on the US\$550mn paid for the acquisition, we estimate Softvision likely has an annual revenue run-rate of US\$200mn-US\$250mn. In 2018, CTS underperformed both TCS and Infosys with a growth of 8.5% in CC terms (7% in organic terms, ~6.5% if one ignores extra revenues based on ASC606). 2019 guidance of 7%-9% CC revenue growth (with 150bps from acquisitions and no impact from ASC606), in our view, would be slower than the growth that Infosys, TCS, HCL Technologies and possibly even Tech Mahindra are likely to display in FY20. This is however in line with medium-term revenue growth guidance given at its Investors' Day in November 2018 ([Are Street Expectations On Medium-term Industry Growth Too High](#)). Revenue growth guidance for 1QCY19 is ~0%-1% on QoQ basis and may include some inorganic component. CTS is hinting at a slow start to 2019 with revenue pick-up back-loaded. This revenue growth underperformance in 2018, and likely in 2019 as well despite having EBIT margin 600bps-800bps lower than both TCS and Infosys is what probably prompted the exit of the current CEO, Francisco D'Souza, and the fact that his deputy Raj Mehta did not get to replace him. CTS has underperformed both TCS and Accenture on stock returns (1-year as well as on 5-year basis) and one of the reasons could be regression to at-par-with-or-below industry growth after two decades of outperformance. This slowdown is in the midst of one of the best demand environments seen post Global Financial Crisis of 2008-09. The slow growth stems from CTS' focus on higher margins (in our view, CTS has a different take on this). Ever since Elliot forced CTS's hand to increase its non-GAAP EBIT margin to 22% by 2019 (from 19%-20% in CY16), CTS has been walking away from low-margin business including possibly renewals of legacy IT services work. Any material stock gain for CTS, in our view, can only happen if growth accelerates or margins are significantly higher or both. That does not look likely in the next 6-12 months. CTS' commentary on large US bank spending continues to be cautious. Three of its large five banking customers in the US seem to be contracting (likely at a minimum rate of ~20%) and do not seem likely to turn the corner. Europe has been doing well for CTS on the bank front and likely to be so in 2019 as well. CTS' commentary on US banks is different from what we heard from TCS and Infosys recently. The latter two indicated a broad-based pick-up. This variation in BFS commentary across players stems from likely individual client-specific exposure. It is still too early to call out a secular upturn in spending by large global banks. That, to us, was the biggest takeaway from CTS results.

CTS brings in an outsider as the CEO and he is not entirely new to IT services: CTS' board has chosen Brian Humphries, currently CEO of Vodafone Business, to take the role of CEO starting 1 April 2019. Brian handled a P&L of ~US\$14bn and was responsible for a portfolio consisting of B2B fixed and mobile customers, as well as IoT, cloud hosting and security services. Brian has worked in Dell EMC and HP in the past. In the former, he was President and COO of its Infrastructure Solutions Group. He was also President of Dell's Global Enterprise Solutions, with approximately US\$15bn in revenues. Before Dell, Brian was with HP in roles like SVP- Strategy and Corporate Development, Chief of Staff to Chairman and Chief Executive. He also served as Chief Financial Officer of HP Services. According to the CTS board, he comes with the track record of success across multiple companies, industries, technology, geographies, roles and organisational cultures.

Can an outsider CEO succeed?: While some of the offshore-based IT services players have had outside CEOs (Vivek Paul at Wipro between 1999-2005 and Vishal Sikka at Infosys between 2014-2017) they were Indian in origin. This will be the first time a largely India-based offshoring player takes on a 'Westerner' as the CEO. Brian is likely to be tested. CTS, a company with a great past, is going through a soft patch. Investors are likely to compare its performance with faster-growing and higher-margin peers like TCS and Infosys constantly. Coming from the outside, he may have to face a higher level of senior management attrition. The key thing that he needs to fix is: Why is CTS growing slower than other Indian peers while its margins are much lower and despite it claiming to have better capabilities.

Facing client-specific challenges: Besides the US banking clients, CTS indicated problems with the other largest vertical – Healthcare – where it is apparently seeing a ramp-down by one of its large clients. It also mentioned that there have been a number of mergers in the healthcare payer space in the US which led to a pullback in spending by these companies – likely temporarily. CTS expects its fair share of integration work once these mergers close.

European BFSI seems to be in a good shape in 2019: CTS indicates that it got a large-sized order from three Finnish banks whose execution would likely start in 1H CY19. It seems also fairly confident of getting more work from other European BFSI clients. This could be to do with a fair bit of acquisitions made in 2018 in the digital space, a few of which have been in Europe.

No slowdown from macro challenges yet: While on the analyst call there was no discussion on the 2019 budgets, CTS stated that it was not seeing any challenges on overall demand coming from the macro problems that have arisen over the past few months – Brexit, China slowdown, etc.

NOT RATED
Sector: Information Technology

CMP: US\$73

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View on Indian IT services sector: We downgraded the Indian IT sector (see our report: [Street Is Not Factoring Even A Soft Landing; We Downgrade](#)) on 27 December 2018 based on: (1) Consensus not factoring in significantly softer growth in FY21 as the best demand environment since 2008-09 is largely behind us with corporate capex in both the US and Europe likely to have peaked in 2018. (2) The US BFSI space could witness pressure on margins from a flattened/inverted yield curve and probably a more hostile regulatory environment through a split Congress in the US. (3) Pressure on cost structure because of tariffs levied on imports from China impacting US manufacturers. (4) Front-office capabilities in digital still elusive for Indian IT services players, leading to inability to tap into the marketing budgets of customers in a material way. The focus has been on the technology-intensive back-end of digital where we believe the field is relatively more crowded. (5) 'Automation at scale' in legacy services eating into growth coming in from new services. This is driven by explosive growth in both intelligent and robotic process automation software industry. (6) Factoring in lower Indian rupee or INR depreciation benefits than estimated earlier (Refer: [Incorporating New INR Estimate](#)). (7) Capital return to shareholders not being as potent a stock driver as it was earlier as the cash hoard is shrinking after two to three rounds of buyback over the past three years. (8) Talent pressure in the US in new-age services because of a tighter H1-B visa regime. We were planning the downgrade a quarter or two down the road, but the global macro set-up has turned weaker far more quickly than we anticipated, hastening this move. While some of the 'relative' factors like investor positioning, valuation, earnings revision momentum - partly the reasons for turning 'tactically positive in March 2018 - still exist, we believe they are unlikely to carry as much importance with investors as deteriorating fundamentals would over FY19-FY21. While many of our competitors are expecting a better FY20 versus FY19, we believe that is unlikely. We probably had the best macro environment that the industry has seen in the past 10 years in 2018 and incrementally we only see a deterioration which should crimp spending by customers. More importantly, we reiterate our no-industry-growth-in-FY21 call initiated in March 2018. We base this scenario on an explicit expectation of a soft landing in the US (0%-1.5% real GDP growth) in 2020. We believe consensus is expecting mid-high single-digit revenue growth in FY21 for the industry, implicitly assuming continued robust growth in the US (2%-2.5%). It is our belief that the street will converge with our no-growth expectations over time. Until the market prices in this scenario, we believe technical factors are not likely to hold the sector up. A hard landing (recession) - not our current base case - could lead to single-digit negative growth for the sector. Just as outperformance of the sector in 2018 was driven largely by P/E multiple expansion in the belief that growth is going to accelerate, we believe the downside in 2019 will be driven by P/E multiple deflation as investors begin to re-calibrate growth expectations lower over FY19-FY21. We prefer large-caps over mid-caps. The faster growth shown by select mid-caps is a case of 'rising tide lifting all boats', a smaller base and lower exposure to legacy services. But as digital demand shifts from the front to back, we believe that traditional large Indian companies will be in a better position to capture the market. We would advise investors to focus on sustainability and not overpay for a riskier business model - some companies have seen client concentration rising over the past two years.

Exhibit 1: Comparative Valuation Table

Year Ending	TCS	Infosys	Wipro	HCL Tech	TechMahindra	Mindtree	Persistent
	March	March	March	March	March	March	March
Price as on 8-Feb-19	2,082.9	764	373.6	1,062.9	805	899.3	648.1
Currency	INR	INR	INR	INR	INR	INR	INR
Market Value (Rs Bn)	7,975	3,321	1,845	1,446	710	149	52
(US\$mn)	110,757	46,122	25,623	20,077	9,858	2,067	720
September 2019 Target Price	1,545	603	277	1,054	561	553	481
Upside/(downside)	-26%	-21%	-26%	-1%	-30%	-39%	-26%
Recommendation	Sell	Sell	Sell	Accumulate	Sell	Sell	Sell
FDEPS (Rs)							
FY18	67.0	32.5	16.8	62.9	42.8	34.7	40.4
FY19E	82.9	35.7	19.9	74.4	50.1	46.2	44.2
FY20E	91.3	39.5	23.8	83.4	56.2	54.2	57.2
FY21E	96.0	41.7	24.2	87.0	59.3	56.0	59.3
PE (x)							
FY18	31.1	23.5	22.2	16.9	18.8	25.9	16.0
FY19E	25.1	21.4	18.8	14.3	16.1	19.4	14.7
FY20E	22.8	19.3	15.7	12.7	14.3	16.6	11.3
FY21E	21.7	18.3	15.5	12.2	13.6	16.1	10.9
EV/EBITDA (x)							
FY18	22.0	14.6	13.9	10.9	13.1	17.1	9.2
FY19E	17.8	13.9	11.3	8.9	9.3	11.9	7.5
FY20E	16.3	12.2	9.3	8.0	8.3	9.6	5.7
FY21E	15.9	11.6	8.9	7.6	7.8	9.0	5.1
EV/Sales (x)							
FY18	5.8	3.9	2.6	2.5	2.0	2.3	1.4
FY19E	4.9	3.6	2.2	2.1	1.7	1.8	1.3
FY20E	4.4	3.1	1.9	1.8	1.5	1.6	1.0
FY21E	4.3	3.0	1.8	1.8	1.4	1.5	0.9
ROIC (%)							
FY18	57.3	44.9	24.5	38.9	25.8	32.9	29.7
FY19E	61.7	47.9	29.2	37.3	36.3	47.6	41.4
FY20E	61.3	51.3	35.4	34.1	38.1	51.3	49.9
FY21E	60.7	50.2	35.8	30.1	38.7	53.2	53.5

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 2: Quarterly snapshot

(US\$m)	4QCY15	1QCY16	2QCY16	3QCY16	4QCY16	1QCY17	2QCY17	3QCY17	4QCY17	1QCY18	2QCY18	3QCY18	4QCY18
Net Sales	3,233	3,202	3,370	3,453	3,462	3,546	3,670	3,766	3,828	3,912	4,006	4,078	4,129
Gross Margin	1,299	1,287	1,332	1,376	1,384	1,352	1,409	1,429	1,468	1,511	1,589	1,598	1,589
Cost of Sales & Services	1,934	1,915	2,038	2,077	2,078	2,194	2,261	2,337	2,360	2,401	2,417	2,480	2,540
% of sales	59.8	59.8	60.5	60.2	60.0	61.9	61.6	62.1	61.7	61.4	60.3	60.8	61.5
SG& A	659	646	654	701	730	686	709	674	700	711	805	734	776
EBITDA	640	640	678	675	654	666	700	755	768	800	784	864	813
Depreciation	87	86	87	92	93	96	94	107	111	107	114	119	120
EBIT	553	554	591	583	561	570	606	648	657	693	670	745	693
Other income (net)	8	35	4	30	(1)	79	29	10	56	4	(47)	(83)	122
PBT	561	589	595	613	560	649	635	658	713	697	623	662	815
Provision for tax	138	148	342	169	144	92	165	164	732	177	167	185	168
Effective tax rate (%)	24.6	25.1	57.6	27.6	25.7	14.2	26.0	24.9	102.7	25.4	26.8	27.9	20.6
Net profit	423	441	252	444	416	557	470	494	(19)	520	456	477	647
EPS	0.7	0.7	0.4	0.7	0.7	0.9	0.8	0.8	(0.0)	0.9	0.8	0.8	1.1
YOY Growth (%)													
Revenue	17.9	10.0	9.2	8.4	7.1	10.7	8.9	9.1	10.6	10.3	9.2	8.3	7.9
Gross Profit	17.8	8.6	7.4	9.9	6.6	5.1	5.8	3.9	6.1	11.8	12.8	11.8	8.2
EBITDA	18.5	11.7	8.0	8.0	2.2	4.0	3.2	11.8	17.4	20.1	12.0	14.4	5.9
EBIT	15.4	10.7	8.3	7.5	1.4	2.9	2.6	11.1	17.1	21.6	10.6	15.0	5.5
Net Profit	16.0	15.2	(40.0)	11.8	(1.7)	26.2	86.4	11.3	(104.5)	(6.6)	(3.0)	(3.4)	(3,523.3)
QoQ growth													
Revenue	1.4	(0.9)	5.2	2.5	0.3	2.4	3.5	2.6	1.6	2.2	2.4	1.8	1.3
EBITDA	2.4	0.0	5.9	(0.4)	(3.2)	1.8	5.1	7.9	1.7	4.2	(2.0)	10.2	(5.9)
EBIT	2.0	0.1	6.7	(1.3)	(3.8)	1.6	6.3	6.9	1.4	5.5	-3.3	11.2	(7.0)
Net Profit	6.6	4.2	(42.8)	76.1	(6.3)	33.9	(15.6)	5.1	(103.8)	(2,851.3)	(12.3)	4.6	35.6
Margins													
Gross Margin	40.2	40.2	39.5	39.8	40.0	38.1	38.4	37.9	38.3	38.6	39.7	39.2	38.5
EBITDA	19.8	20.0	20.1	19.6	18.9	18.8	19.1	20.0	20.1	20.4	19.6	21.2	19.7
EBIT	17.1	17.3	17.5	16.9	16.2	16.1	16.5	17.2	17.2	17.7	16.7	18.3	16.8
PAT	13.1	13.8	7.5	12.9	12.0	15.7	12.8	13.1	(0.5)	13.3	11.4	11.7	15.7
SGA	20.4	20.2	19.4	20.3	21.1	19.3	19.3	17.9	18.3	18.2	20.1	18.0	18.8

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 3: Revenue exposure to geographies

% contribution (Revenue)	3QCY15	4QCY15	1QCY16	2QCY16	3QCY16	4QCY16	1QCY17	2QCY17	3QCY17	4QCY17	1QCY18	2QFY18	3QFY18	4QFY18
North America	78.8	78.4	78.0	77.9	78.5	78.4	77.9	77.7	76.8	77.0	76.0	76.6	76.2	76.1
Europe	16.0	16.1	16.4	16.2	15.6	15.5	15.8	15.8	16.7	16.5	17.5	17.2	17.7	17.9
Other	5.2	5.5	5.6	5.9	6.0	6.1	6.4	6.5	6.6	6.5	6.5	6.2	6.1	5.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Exhibit 4: Revenue exposure to verticals

% contribution (Revenue)	3QCY15	4QCY15	1QCY16	2QCY16	3QCY16	4QCY16	1QCY17	2QCY17	3QCY17	4QCY17	1QCY18	2QFY18	3QFY18	4QFY18
Financial Services	40.3	40.5	40.2	40.1	39.8	39.1	38.8	38.3	37.9	37.3	37.3	36.7	35.9	35.1
Healthcare	29.5	29.4	28.5	28.5	28.8	29.0	28.3	28.6	28.8	29.4	28.7	28.9	29.2	29.1
Manufacturing/Retail/Logistics (Products and Resources)	19.0	18.9	19.8	19.6	19.7	19.9	20.8	20.4	20.6	20.4	21.0	21.0	21.2	21.6
Other (Communication, Media and Technology)	11.2	11.2	11.5	11.9	11.8	12.0	12.1	12.7	12.7	12.9	13.0	13.5	13.8	14.2

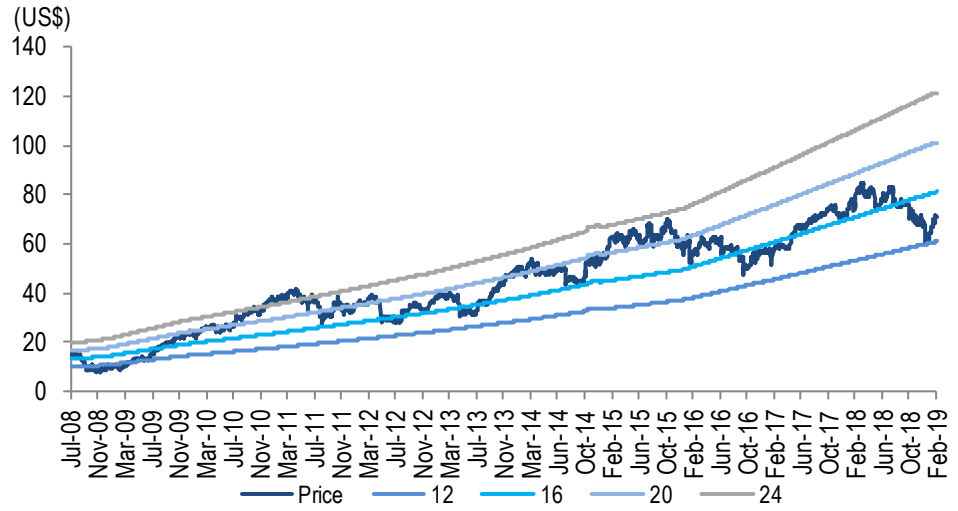
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 5: QoQ and YoY performance

QoQ Growth (%)	3QCY15	4QCY15	1QCY16	2QCY16	3QCY16	4QCY16	1QCY17	2QCY17	3QCY17	4QCY17	1QCY18	2QCY18	3QCY18	4QCY18
Verticals														
Financial Services	2.7	1.8	(1.7)	5.1	1.8	(1.6)	1.6	2.2	1.5	0.0	2.4	0.5	-0.3	-0.9
Healthcare	4.7	1.4	(4.0)	4.9	3.5	1.2	(0.2)	4.7	3.3	3.7	(0.4)	3.1	2.9	1.1
Manufacturing/Retail/Logistics (Products and Resources)	4.8	0.7	3.6	4.4	2.8	1.4	7.1	1.4	3.6	1.0	5.0	2.3	2.7	3.2
Other (Communication, Media and Technology)	-0.5	1.3	2.0	8.1	1.7	2.1	3.6	8.6	2.8	2.9	3.0	6.3	3.9	4.1
Geography														
North America	3.6	0.9	(1.4)	5.1	3.3	0.2	1.7	3.3	1.4	1.9	1.0	3.1	1.3	1.2
Europe	1.4	2.3	0.9	4.1	(1.7)	(0.5)	4.5	3.6	8.5	0.6	8.2	0.9	4.8	2.4
Other	5.3	6.8	0.3	10.8	3.8	2.9	6.6	6.2	2.9	0.8	1.6	(1.6)	(0.4)	(1.2)
Revenue Segments														
Consulting and Technology Revenue	4.2	2.3	0.8	7.1	2.5	0.3	1.5	5.7	2.4	(0.6)	2.9	1.2	3.0	2.2
Outsourcing	2.2	0.3	(3.2)	2.8	2.5	0.3	3.6	0.6	2.9	4.8	1.2	4.1	0.2	0.1
YoY Growth (%)														
Verticals														
Financial Services	18.6	16.6	10.7	8.1	7.1	3.5	7.0	4.1	3.8	5.4	6.2	4.5	2.6	1.7
Healthcare	43.3	23.2	4.0	6.9	5.7	5.6	9.7	9.5	9.3	11.9	11.8	10.1	9.6	6.8
Manufacturing/Retail/Logistics (Products and Resources)	13.7	14.3	15.2	14.2	12.0	12.7	16.5	13.1	14.0	13.7	11.4	12.4	11.5	13.9
Other (Communication, Media and Technology)	15.2	15.4	14.7	11.2	13.6	14.5	16.3	16.9	18.1	19.0	18.4	15.8	17.1	18.4
Geography														
North America	26.7	18.7	9.0	8.3	7.9	7.2	10.6	8.6	6.7	8.5	7.8	7.6	7.5	6.7
Europe	7.8	9.6	10.4	8.9	5.6	2.7	6.4	5.8	16.8	18.1	22.4	19.2	15.1	17.1
Other	31.0	34.0	24.9	25.0	23.2	18.6	26.0	20.8	19.8	17.5	11.9	3.8	0.4	-1.6
Revenue Segments														
Consulting and Technology Revenue	28.1	22.2	15.0	15.2	13.2	10.9	11.7	10.2	11.3	9.2	10.7	6.0	6.6	9.6
Outsourcing	18.2	12.8	3.9	1.9	2.3	2.2	9.5	7.1	6.1	12.4	9.8	13.6	10.6	5.6

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 6: P/E multiple charts



Source: Bloomberg, Nirmal Bang Institutional Equities Research

Financials

Exhibit 7: Income statement

Y/E December (US\$m)	CY14	CY15	CY16	CY17	CY18
Net Sales	10,263	12,416	13,487	14,810	16,125
-Growth (%)	16.1	21.0	8.6	9.8	8.9
Cost of Sales & Services	6,141	7,440	8,109	9,152	9,838
% of sales	59.8	59.9	60.1	61.8	61.0
Gross Margin	4122	4976	5379	5658	6287
% of sales	40.2	40.1	39.9	38.2	39.0
SG&A	2,037	2,509	2,731	2,769	3,026
% of sales	19.8	20.2	20.2	18.7	18.8
EBITDA	2,085	2,467	2,648	2,889	3,261
% of sales	20.3	19.9	19.6	19.5	20.2
Depreciation	200	325	359	408	460
EBIT	1,885	2,142	2,289	2,481	2,801
% of sales	18.4	17.3	17.0	16.8	17.4
Other income (net)	41	22	67	110	150
PBT	1,924	2,164	2,357	2,655	2,797
Provision for tax	485	540	803	1,153	697
Effective tax rate (%)	25.2	25.0	34.1	43.4	24.9
Net profit	1,439	1,624	1,553	1,502	2,100
-Growth (%)	17.1	12.8	(4.3)	(3.3)	39.8
-Net profit margin (%)	14.0	13.1	11.5	10.1	13.0

Source: Company, Nirmal Bang Institutional Equities Research, Note: Based on Igaap

Exhibit 9: Balance sheet

Y/E December (US\$m)	CY14	CY15	CY16	CY17	CY18
Net worth	7,740	9,278	10,728	10,669	11,424
Other liabilities	449	192	319	431	498
Total loans	1,638	1,288	878	873	745
Total liabilities	9,827	10,758	11,925	11,973	12,667
Goodwill	2,414	2,405	2,554	2,704	3,481
Intangible assets	954	864	951	981	1,150
Net block	1,247	1,271	1,311	1,324	1,394
Investments	1,765	2,824	3,197	3,366	3,430
Other non-current assets	354	616	784	866	1,131
Debtors	1,969	2,253	2,556	2,865	3,257
Cash & bank balance	2,010	2,125	2,034	1,925	1,161
Other current assets	1,007	707	875	1,190	909
Total current assets	4,986	5,084	5,465	5,980	5,327
Total current liabilities	1,892	2,307	2,337	3,248	3,248
Net current assets	3,094	2,777	3,128	2,732	2,079
Total assets	9,827	10,758	11,925	11,973	12,665

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 8: Cash Flow

Y/E December (US\$m)	CY14	CY15	CY16	CY17	CY18
EBIT	1,885	2,142	2,289	2,481	2,801
(Inc./dec. in working capital)	242	138	(768)	(203)	(173)
Cash flow from operations	2,127	2,280	1,522	2,278	2,628
Other income	(41)	(22)	(67)	(110)	(150)
Depreciation & amortisation	200	325	359	408	460
Tax paid	(485)	(540)	(803)	(1,153)	(697)
Dividends paid	-	-	-	-	-
Net cash from operations	1,801	2,044	1,010	1,423	2,241
Capital expenditure	(366)	990	(40)	(13)	(70)
Net cash after capex	1,435	3,034	970	1,410	2,171
Inc./(dec.) in debt	1,638	(350)	(410)	(5)	(128)
(Inc./dec. in investments)	230	1,060	373	169	64
Equity issue/(buyback)	12	(6,089)	0	6,000	0
Cash from financial activities	1,880	(5,379)	(37)	6,164	(64)
Others	(3,518)	782	110	154	154
Opening cash	2,213	2,010	446	1,490	9,218
Closing cash	2,010	446	1,490	9,218	11,479
Change in cash	(203)	(1,563)	1,044	7,728	2,261

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 10: Key ratios

Y/E December	CY14	CY15	CY16	CY17	CY18
Per Share (US\$)					
EPS	2.4	2.7	2.5	2.5	3.5
FDEPS	2.3	2.6	2.5	2.5	3.4
Dividend Per Share	-	-	-	-	-
Book Value	12.7	15.2	17.6	17.5	18.8
Dividend Payout Ratio	-	-	-	-	-
Return ratios (%)					
RoE	20.7	19.1	15.5	14.0	19.0
RoCE	24.3	22.0	20.6	20.5	22.0
RoIC	47.3	39.8	37.9	35.4	35.1
Turnover Ratios					
Asset Turnover	0.9	1.0	0.9	1.0	1.0
Debtor Days (incl. unbilled revenues)	81.6	77.1	78.6	79.4	73.7
Working capital cycle days	13.6	7.2	27.4	30.0	31.4
Valuation ratios (x)					
P/E	30.9	27.4	28.7	29.6	21.1
P/BV	5.7	4.8	4.2	4.2	3.9
EV/EBITDA	21.1	17.7	16.4	15.0	13.5
EV/Sales	4.3	3.5	3.2	2.9	2.7
M-cap/sales	4.3	3.6	3.3	3.0	2.8

Source: Company, Nirmal Bang Institutional Equities Research

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