



**January 13, 2022**

The Manager- Listing  
BSE Limited  
(BSE: 507685)

The Manager- Listing  
National Stock Exchange of India Limited  
(NSE: WIPRO)

Dear Sir/Madam,

**Sub: Transcript of the Analyst / Institutional Investor Meeting**

Please find attached herewith copy of the transcript of the Analyst / Institutional Investor Meeting held on January 12, 2022. The audio recording of the same is available at <https://www.wipro.com/investors/quarterly-results/>.

The video recording of the earnings press conference is available at <https://www.wipro.com/newsroom/press-releases/2022/wipro-press-conference-q3-fy-2021-22/>.

Thanking you,

**For Wipro Limited**

A handwritten signature in black ink, appearing to read "M Sanulla Khan", is positioned above a thin horizontal line.

**M Sanulla Khan**  
**Company Secretary**

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# **Wipro Limited**

# **Q3 FY 2022 Earnings**

# **Conference Call**

**January 12, 2022**



# Management

## **Thierry Delaporte**

Chief Executive Officer & Managing Director

## **Jatin Dalal**

Chief Financial Officer

## **Saurabh Govil**

President & CHRO (Human Resources)

## **Stephanie Trautman**

Chief growth officer

## **Aparna Iyer**

Vice President & Corporate Treasurer

**Moderator:** Good day ladies and gentlemen, we wish you all a very Happy New Year. Welcome to the Wipro Limited Q3 FY22 Quarterly Earnings Conference Call. As a reminder, all participant lines will be in the listen only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Aparna Iyer – Vice President and Corporate Treasurer. Thank you and over to you.

**Aparna Iyer:** Thank you. Wish you all a terrific 2022 and a very warm welcome to our Q3 Earnings Call. We will begin the call with Business Highlights and overview by Thierry Delaporte – our CEO and Managing Director followed by Financial Overview by our CFO – Jatin Dalal. Afterwards, the operator will open the bridge for Q&A with our Management Team.

Before Thierry starts, let me draw your attention to the fact that during this call, we may make certain forward-looking statements within the meaning of Private Securities Litigation Reform Act 1995. These statements are based on management’s current expectations and are associated with uncertainties and risks which may cause the actual results to differ materially from those expected. The uncertainties and risk factors are explained in our detailed filings with SEC. Wipro does not undertake any obligation to update the forward-looking statements to reflect events and circumstances after the date of filing. The conference call will be archived and the transcript will be made available on our web site.

Over to you, Thierry.

**Thierry Delaporte:** Aparna, thank you very much. Good evening, everyone. Thank you for joining us today. First, I would like to really wish you whole Happy New Year at Wipro we are starting this year with hope and a lot of momentum and purpose. And we would like to wish health and success to every one of our friends in the analyst and investor community.

Across the globe, the new variants of the COVID-19 virus are spreading rapidly. This wasn’t unexpected, but it’s a damper now, nonetheless. We say to all our colleagues at Wipro mask up, take your vaccines and let’s help stop the spread of this virus. Despite the pandemic, we have delivered the fifth consecutive quarter of excellent performance, strong growth in revenues, acceleration in bookings, sustained operating margins, and solid operating cash flow. I want to thank every one of our employees who helped us achieve this. These results reflect the passion; the dedication and inventiveness I must say I was really glad to see that our colleagues have taken the time to attend to the health and wellbeing while continuing to serve our clients with integrity and zeal.

Looking at our financials, our revenue growth during the quarter was at 3% in constant currency terms, and 27.5% year-on-year. In the first nine months of this year, we have grown up 28% year-on-year. This is nearly six times faster than the average growth rate we’ve had in the last 10 years. We’ve been consistently growing up for over 3% for five quarters now. And frankly, this is because of our improved execution abilities and followed through on our business strategy that was

established in November 2020. Our growth continues to be broad based across all our key markets, service offerings, and most of our sectors. We have added about 34,000 new employees on the net basis in the past nine months. To give you a sense of proportion and pace. We actually have added in three quarters, what took us 11 quarters in the past.

Now, the demand environment continues to be robust. Our growth rates, our pipeline and our order bookings all reflect that. Our pipeline in fact shows a healthy mix of medium and large deals across all our business lines. We'll also continue to see rapid expansion in small and mid-sized deals, which really represent growth in our existing accounts, as well as expansion of our market portfolios.

**Order book**, which is, frankly **the best measure of the demand environment** has grown 27% on a year-to-date basis in terms of 'Annual Contract Value'. In fact, our bookings have been the highest ever. And in Q3, we saw a 50% year-on-year increase in the 'Total Contract Value' order booking for deals in the \$10 to \$30 million dollar range.

What I think stands out is that our win rate in the market has improved dramatically. For this year our win rate has expanded 300 basis points. This is clearly a reflection of our strategy, the cultural shift we've been pursuing, as well as the services we are now being recognized for. And I feel it's also a reflection of our impact on our clients' business.

As expected, we are seeing the benefit of Capco's consulting edge in our large deal pipeline. We are now winning in cloud transformation, engineering services, data, digital transformation and security. Our clients are continuing to place the trust in us towards them turn into digital businesses.

On the M&A front, we have continued to grow aggressively on our strategic fits. We announced the completion of two acquisitions in Q3. The first one is Edgile, transformational cyber security consulting provider that focuses on risk and compliance, information and cloud security and digital identity. Edgile is definitely recognized by security and risk leaders for its very unique business aligned cyber security capability. For their deep understanding of the changing regulatory environment and enabling cloud transformations that help secure the modern enterprise.

The second acquisition that we completed was LeanSwift Solutions, a U.S. headquartered Systems Integrator of Infor Products, whose service capabilities include ERP, e-commerce, digital transformation, supply chain, warehouse management systems, business intelligence and integrations. This acquisition will expand the capabilities of Wipro's FullStride Cloud Services. We are very excited about these acquisitions. And we've welcomed so many new colleagues from Edgile and LeanSwift into Wipro recently.

On operating margins, at 17.6% in Q3 we are ahead of our stated range of 17% to 17.5%. These margins were delivered after an incremental two months' impact of salary increases in September 2021 that covered 80% of our colleagues globally and an equity grant for our senior colleagues. We will continue to invest heavily in our business across sales transformation, capabilities and talent.

I will now provide some finer details on markets, on service offerings and sectors as always. Americas and Europe, our top two markets grew a 28% and 38% respectively for the quarter in year-on-year terms.

In Americas 1, we grew 23% year-on-year and 5.2% sequentially. With all sectors showing strong growth, Communications Media, Information Services grew 30%. Consumer goods and Life Science grew 25%, Healthcare and Medical Devices grew 16% year-on-year.

Now, looking at Americas 2, we grew 33% year-on-year with a strong growth across BFSI and Manufacturing.

Order book in terms of annual contract value grew over 47% year-on-year, partly this was led by good overall bookings in the bucket of \$10 to \$30 million.

Our European business has delivered an outstanding year-on-year growth of 38%. Germany, the largest market in Europe, has almost doubled, Benelux grew 24% and our UK business grew 40% year-on-year. The momentum on deal wins have accelerated this quarter and our pipeline has several large deals above the \$100 million range. We are frankly confident about how they're shaping up as well. I'm sure you know where we were with our European business a year ago. So, it's a great turnaround story here.

Finally, our APMEA market grew at 13% year-on-year. All our major markets are growing sequentially. Overall, the other booking in TCV terms are looking healthy, with 37% year-on-year growth, excluding acquisitions. This should definitely support the growth agenda in this market in the coming quarters. But one of our key pilots of our strategy is to grow our existing large accounts and deepen the relationship. So let's look at that. Our top five customers grew 36% year-on-year, our top 10 customers grew 37% year-on-year. In the last 12 months we've added seven customers in the more than \$100 million bracket. And nine new customers in the more than 50 million brackets. This is I believe a significant shift, one that we believe will continue.

From a service offerings standpoint,

Our iDEAS global business line grew 37% year-on-year, most of the sub practices show the healthy growth. Our engineering business grew over 26% year-on-year in Q3 and grew at a compounded quarterly growth rate of over 6% in the last four quarters. Our iCORE Global business line grew by 17% year-on-year. Again, most sub-practices grew in double digits on the year-on-year basis too. Digital operations and platform led the growth with 18%.

We also continue to invest in and strengthen our partnership with hyperscalers and industry leading platform players. We're in fact expanded our go to market approach with cloud and with application partners now, resulting in us driving leading edge solutions in the market. Wipro is therefore more visible in the market because of this. We are driving proactive solution development and campaigns with our partners on both horizontally and vertical solutions. All of this resulting in an increasing number of multi partner wins. Our order bookings that were a result of going to market

together with our partners grew 40% year-on-year this is the highest ever. Our cloud ecosystem revenues also grew and grew at an accelerated pace of 30% on the year-to-date basis.

Now let me give you a sense of the kind of deals we're winning. One, we won a strategic service now implementation engagement from a large Brazil based oil and gas company to transform their IT processes, increase agility and quality of services to business areas. Leveraging Wipro FullStride Cloud Services. This is a significant service now implementation in the Latin American market. A U.S. headquartered financial services institution has awarded Wipro a contract to transform the core banking functionality of their retail portfolio. Wipro will leverage its domain and technology transformation capabilities to bring in design thinking methodologies, improve agility and increase business value for the client. There are more examples worth sharing but I would like to now focus on our bigger success factor, talent.

Our focus on building world class talents remains more than ever, we've worked very hard to ensure that scale is never a constraint for growth. We on course to onboard over 70% more fresh talent from the campus in FY22 versus the previous year.

Attrition is a reality across almost all industries. It has been no different for us. I had shared with you last quarter that we expect attrition to slow down only after a few more quarters. However, we now feel more confident of having stabilized our attrition rate in Q3 and expect it to moderate next quarter.

When we embarked on our transformation in 2020, we had committed to creating a vibrant, diverse and in more local leadership team. We've made progress on every count. Our leadership has moved closer to clients. The presence of senior leadership in locations outside India has improved by 13 percentage points. It's also relevant to note that nearly 50% of our leadership hires have been in the growth office and the customer facing global account executive roles, which are strengthening our frontline. And so, over the last 18 months, we have improved ethnic diversity in our senior leadership by 20 percentage points. And gender diversity in the leadership has nearly doubled. Without a doubt we have more work to do here. But I'm pretty proud of the change we are seeing in Wipro thus far.

Now we are committed to being a company that respect diversity, walks-the-talk on inclusion and is a beacon for change within our industry. On a more current and urgent topic, I'd like to reaffirm that the health and safety of all our employees remain up topmost priority. With a rapidly spreading Omicron variant of the COVID-19 virus, we remain very vigilant. As a proactive measure we have decided to close our offices globally for the next four weeks. It's off some relief to us that 90% of our employees globally are now vaccinated with one dose of the vaccine, and over 65% are fully vaccinated with the recommended two doses. Our plans to return to office even in a hybrid model for our fully vaccinated employees will be calibrated in the context of the evolving situation keeping both our employee safety and client preferences in mind. That said, of course we are continuing to service our clients with dedication and agility as always.

Staying with topics of great urgency, our sustainability efforts have continued with great momentum. You may know Wipro has been included in the Dow Jones Sustainability Index again for the 12th time in a row, a testament to our consistent, ongoing efforts in this area. Climate change and our ecological and carbon footprint is something we take very, very seriously. Finally, on to our outlook for the next quarter we have guided for a revenue growth of 2% to 4% which will translate into a full year growth of 27% to 28%. To summarize, the demand environment continues to be robust. And our growth paths over the last few quarters reflects this. We are still on course with the strategic priorities I had shared with you in November. And I'm confident of sustaining the growth momentum we have so far displayed.

On that note, let me welcome Jatin for his comments on the financials. Jatin over to you.

**Jatin Dalal:**

Thank you very much Thierry and thank you all for joining our earnings call. I will quickly summarize the financial details. As you know we have grown 28.5% on a year-on-year basis in rupee terms. Our margins have remained constant or stable between quarter two and quarter three in a narrow range. Our effective tax rate or ETR, has actually improved from 22% to 21.3% in quarter three. Overall, our earnings per share has grown at 4.2% on a year-on-year basis. We have had a strong performance in cash collection as well as a strong performance in billing, and as a result both our unbilled revenue and percentage of revenues have improved. And our DSO days have also improved.

Our operating cash flows were 101% of our net income. At the end of quarter three, we had \$4.6 billion of gross cash, and \$2.8 billion of net cash. We had \$3.4 billion of FOREX hedges as of 31st December, and we realized an exchange rate of 76.12 for quarter three.

The Board of Directors has recommended an interim dividend of Rs.1 per share as you would have read in our press release. And our guidance for quarter four is 2% to 4% in the constant currency at the exchange rates which are mentioned in the press release.

We'll be very happy to take your questions. Thank you.

**Moderator:**

Thank you very much sir. Ladies and gentlemen, we will now begin the question-and-answer session. We take our first question from the line of Sandeep Shah from Equirus Securities. Please go ahead.

**Sandeep Shah:**

Just a question in terms of last two quarters, we have actually exceeded the upper end of the guidance and I do agree, that's a high base. But in this quarter, we are at midpoint of the guidance as a whole. So, is it fair to say is it a high growth, or is it some deceleration in a small tenure, faster conversion deal rates, deal wins are a bit decelerating as a whole, which is impacting the growth and even if I look at the current quarter guidance, on organic basis it looks like 1.3% to 3.3% as a whole?

**Thierry Delaporte:**

No, Sandeep this is Thierry. So, I really do not see any deceleration of our growth. So, what we've done for the last few quarters is we've guided between two and four and we've been consistent in guiding that. Sometimes you go a little up, you go a little down but there's no real trend that would



go down by any mean. We have large clients; we have terminated abruptly any deal or so on. We continue to grow, we've done fabulously in bookings, frankly with the best performance ever. And, that gives us the confidence that we can continue to guide on 2% to 4% for the next quarter. Keep in mind also because obviously we are tracking performance on a quarterly basis this is 28% growth over the last year. So, imagine the company, the transformation of the company in four quarters. If you go back five quarters, we actually have added a third of the Wipro revenue of that time to the old days, so the company has increased by 30, by a third in five quarters. And, it is the kind of growth that we've had and we continue to see the same trend going forward frankly.

**Sandeep Shah:**

Yes, this is helpful and we also acknowledged that the growth journey of Wipro has really turned around. Just a question further to that, in this era when Wipro has successfully turned around the organic growth, why are we depending on too much of inorganic growth as a whole so, because in one of your media interviews Thierry, you also mentioned that we may be open for another large size acquisitions. And in terms of smaller acquisition, we are keep doing as a whole, why not focus in terms of improving the margins, improving the return ratios, so when the time has come where organic growth is easy to come rather than too difficult, with efforts which already been taken by you in terms of turning around the organic growth.

**Thierry Delaporte:**

Sandeep it's two different things, we are not mixing our organic growth strategy with the inorganic strategy, those are two different tracks. M&A will never be seen as a way to compensate for organic growth. The focus on the market on the business is to drive organic growth, and every of our business units are driving growth, and focusing on that. The M&A strategy is to help us accelerate and gain and accelerate in speed to make jump in some strategic areas when we do an acquisition like Edgile, Edgile brings, consulting expertise in cyber security area, we have a strong cyber security practice, we have a good business that is growing very well led by a very strong leader Tony Buffomante. We feel that by adding this consulting business, it will allow us to have and be able to have a bigger impact in this market. And so that's really how we are seeing M&A, its strategic, it's to reinforce and bring expertise we don't have and compress time, but it is not to compensate for organic growth.

**Sandeep Shah:**

Thanks, and just a last question to Jatin in terms of margins. Even in this quarter, if we look at EBITA margin, the decline has been 45, 50 bps versus last quarter being close to 70 bps. So, the question is in terms of the margin outlook, are we continuing the band of 17, 17.5, which may continue over the next four, six quarters, which we call out as a medium term or we believe now there could be tailwinds because of growth as well as pressure addition which we may doing, the band has a upside potential rather than a downside potential.

**Jatin Dalal:**

So Sandeep, Jatin here, we have maintained that there could be quarterly variation, but this is the range that we think margins are sustainable for our business. And there is no change to it, this year is going to be like previous two years is going to be a year of its own pattern and pressure points and excitement, and we should remain pragmatic and dynamic with the changing scenarios on the ground. So, there is no change, fundamentally we have always said that the first priority for us is growth. And alongside very clearly is talent and as we work through these two, we also try and maintain the margin in the band that we have spoken about. And we have done a decent job

around it in current quarter despite two months impact of wages, and that we have invested a little bit in additional flexibility in utilization. As you can see, it's about 2.5% change from previous quarter, which gives us some additional headroom for growth in quarter four and beyond. Despite this two sort of investments on cost side, we have been able to remain in a narrow range on operating margin. So, I would say it's going to be a dynamic year we'll need to manage every quarter as it comes. But our midterm sort of range remains.

**Moderator:** Thank you. The next question is from the line of Vibhor Singhal from Phillip Capital. Please go ahead.

**Vibhor Singhal:** So Thierry my question was on the deal flow, and the overall demand environment that we've seen. We're hearing a lot of news and the anecdotal evidence also suggests that the large deals that we have seen in the last calendar year in FY20 in fact, they've been very few and far between those kinds of deals in the last six to nine months. And what we're hearing is that clients are breaking those deals into smaller size deals with smaller size and tenure as well. So are these also seen similar kind of a pattern in the deal flow and how does that impact our ability, is there more competition more difficult to win those deals how does that basically impact our overall strategy to grow over the next couple of years. And after that, I have a follow up for Jatin. Thanks.

**Thierry Delaporte:** Okay. So, I'll take that one on the overall structure of the large deal. So one is obviously the clients, in every industry clients at the moment are driving very actively execution of large transformation program. So, they are not in the designed phase, they are not building roadmaps, they are getting it down. So they are progressing, and they want to see results. And so it's not uncommon. Indeed, that clients feel that rather than going for lengthy legal negotiation, or building a three years roadmap of five years roadmap, let's go ahead with six months, 12 months and see how things are going. And we'll adjust along the line and so, oftentimes we see clients indeed, having a large transformation program in mind, but willing to contractualize through chunks as supposed to having a big one, it doesn't mean it's not going to happen. We are observing that at times, they like to be pragmatic and go with a phase approach as opposed to a big bang, that's all fine for us, it doesn't really change, as long as we are able to structure the way we are developing and driving our solution the same way. But it's okay, frankly at the end of the day if you signed five times \$100 million deal with the client, for a 500 million deal with this client, it's about the same.

**Vibhor Singhal:** Got it. So in terms of effort as well, you don't believe that maybe chasing smaller, but more number of deals would be let's say a higher pressure on our sales and marketing cost and it could be probably more difficult to compete with the smaller companies, which probably aren't present there in large deals anyhow?

**Thierry Delaporte:** No, I don't think so frankly, I believe that when we are going for a deal of a five or seven years, it just gives you a little bit more perspective and little bit of time to really define the way you are going to project your investments. But frankly speaking, our clients are very mature, and they know that well as well. And so when we are building and structuring the phase one or phase two of a larger transformation program, we are able to structure it in a way that it's in the context of a bigger and larger plan. So at the end of the day, it's not dramatically changing the way we work. And from a

sales standpoint it has its upside and downside. If you sign one for five years, then you maybe do not have to come back to the negotiation table later. But when you do it regularly, you're able to adjust to the needs that are possibly changing over time a little bit or so. So, drives in more flexibility that can play for the client like for the partner, so I'm not too concerned at all about that. I tend to look at those deals whether they are selling once or in chunks as big deals and I'm expecting our teams to work on it with the same mindset.

**Vibhor Singhal:** Got it. Thanks for answering that question in detail. Jatin just one quick question. You mentioned we have around \$4.6 million of cash in balance sheet, any basically outlook on basically enhancing shareholder return either by buyback or increasing dividend in future per se?

**Jatin Dalal:** Sure. So, we have articulated that over a block of years we will continue to fall short return 50% of our net income to the shareholders. Over last few years we have returned even higher amount. For the current quarter the Board of Directors have gone ahead with a recommendation of dividend one per share as I spoke about it, our approach to any other action or decision on cash distribution is really based on two aspects the quantum of cash on the balance sheet and second is around the need that we see over next few quarters from our strategic use and investment standpoint and whenever we feel that we don't need an additional cash beyond 50% of the net income, we have come to you all with a proposal for buyback but right now there is no such proposal under active consideration otherwise you would have heard about that. Right now, we have announced the interim dividend of Rs.1 per share.

**Moderator:** Thank you. The next question is from the line of Moshe Katri from Wedbush Securities. Please go ahead.

**Moshe Katri:** A couple of things. First, you mentioned 27% increase in ACV- is there a way you slice it by new logos versus renewals, that's number one. And obviously, this is important as we wanted the renewal piece to be higher, because it will drive growth. And then the other part of my question is focusing more on Capco. So maybe you can talk a bit about where are we in terms of integrating Capco focusing on the cross-selling initiative, that's going to be a big deal. And what happens to growth when it normalizes i.e. fiscal 23, you are annualizing the contributions from Capco. So is mid-teens kind of a good number to kind of focus on from a big picture perspective. Obviously, we're not talking about guidance, but maybe from a long term perspective. Thanks for the color.

**Thierry Delaporte:** Sure, okay. So, I will ask Stephanie to go on question one around the type of deals we've closed. I will take question two on Capco and question three on margin projection. Stephanie, you want to go ahead with question number one?

**Stephanie Trautman:** Yes, sure. Thank you. So we're really seeing a mix of renewals, but also new logos and also new areas within existing clients. So, I'm energized by the mix of growth that we're seeing. We see a lot of new clients placing their trust in Wipro our major transformation initiatives. And as Thierry described some of that is in initial smaller chunks and in some cases it's large transformation deals. So, it's a healthy mix of adding new clients as well as renewing existing business. So clients continue to place their trust in us to continue to transform, but also they are bringing us into new

parts of the organization. So that's what's driving a lot of our growth in our existing accounts, but also adding new logos.

**Thierry Delaporte:**

Thank you, Stephanie. Moshe on the Capco question. What I can say is that now it's been eight months since the acquisition of Capco. And frankly it's actually been a wonderful first year. The teams are working well. We have aligned, we have built common governance on the large accounts. We have worked on opportunities, Capco and Wipro BFSI together. We have really won some very nice deals and we had a nice series of deals shaping up in the previous quarter, this quarter, beginning of this quarter we really won a very significant transformation deal that typically we would have never won without the other. So, I am pleased with really the attention of the Capco team to the market I am very pleased with the performance of Capco team, I am pleased with the way the leaders are engaging with the larger the whole organization and sensing I would say there is a warm feeling for the Capco team on the reporting. To me it is a success and not one single day I have been doubting about the decision we made and I think it will continue to deliver a result. So, I would say obviously it is difficult to reflect for 8 months you will want to have more perspective, but frankly it is very promising and again sterling performance from Capco every months. Your third point on margins if I understood well because at some point in time at least for me your voice broke up but is a question about you want to know where are going in terms of margins? You mentioned yourself the fact that we were not guiding yet for fiscal year '23. What I would say is that if you look at our margins, we are at being pretty consistent over the last 6 quarters, we guided around 19% and then came Capco we announced Capco impact on margin were about 1.6% and 2% and we have guided ever since on an arrow band between 17% and 17.5% and we maintain our focus in our attention to this level of margins. So, from that standpoint Moshe I would not be expecting anything changing from where we are now.

**Moshe Katri:**

But on that respect in fiscal '23 the annual revenue contributions from Capco annualized, so growth rate will normalize and the question here is whether we should use mid-teens growth rate to fiscal '23 and beyond is the right kind of range the fact that it is annualized?

**Thierry Delaporte:**

We have been communicating, we have been guiding on 2% to 4% growth quarter-after-quarter for the last quarters. Obviously, Capco has already normalized it is not impacting those numbers anymore. I can tell you that we are maintaining this guidance for Q4. As you know we have made as a practice to communicate on the across quarter after quarter so you will have to be little patient, but again we are saying we are going for 2% to 4% this quarter and we are not seeing major change in the market. And we are performing....

**Moderator:**

Thank you. The next question is from the line of Diviya Nagarajan from UBS. Please go ahead.

**Diviya Nagarajan:**

Thierry, I think you have kind of answer this question in different parts but let me try and commit it from a different angle. If you look at the quarter that we just reported I think some of your peers have seen pretty strong surprises. It is seasonally a weak quarter and we do not really see those kind of surprises so I was just wondering from Wipro's perspective why didn't those surprises comes through, was it a mix issue or is it that we had some ramp up that are around behind us,

how should we think about this because we have seen at least so far in the earning season fairly broad-based revenue be from any of your peers so far?

**Thierry Delaporte:**

In some ways I feel that because when you are guiding on the certain level you are giving a bracket and it is between 2 and 4 and we have been guiding on between 2 and 4 for three, four quarters. If you are hitting the top end of the guidance then you know the market is expecting that you will do the same. The reality is that when we are managing our business we are looking at our portfolio and we are looking at the trend and we are trying to guide. It is reflecting what we are seeing at the beginning of the quarter and so at the end of the day I cannot be unsatisfied with the fact that when I guide 2 to 4 and I do 3 I cannot be more accurate.

**Diviya Nagarajan:**

I think I was coming more from the point of view I think with some of the other surprise seems to have comes from demand during the quarter and I was wondering there was anything in the portfolio that kind of inhibited Wipro from taking advantage of such a demand supply?

**Thierry Delaporte:**

Diviya one thing is clear is that typically when you sign a mega deal it is not uncommon one quarter or another you have certainly a massive jump in your revenue and so if you do not have this mega deal you do not necessarily have this one sharp big bump that maybe some of that have but that we have had in some quarters. So, if you look at the difference we have done a strong performance itself. The difference is, for example, the performance we did exactly a year ago in Q3 of last year it was a little lower that what we have done this year, but it had a \$1 billion deal inside with Metro. So, actually it was coming to more or less the same number a little lower, a comparable number on the TCV standpoint but coming from a large deal and therefore the performance outside of this large deal was very different. I think we have turned the engine into a way that we have more recurring type of deals every quarter so that the mega deal comes from top and what is comforting is that if you look at the performance itself even without megadeal with \$2.85 billion of ACV, we have done 55% more than what we used to do on the given quarter a year ago.

**Diviya Nagarajan:**

Just a question on attrition I think you have discussed it again, but do you feel like from here on you are at the point where you will find that attrition will be more manageable and eventually start to come off these highs?

**Thierry Delaporte:**

First of call on this topic Diviya I tend to be cautious because the decision lies with our employees and employees of the market, but what I believe what we are seeing is that definitely the level of attrition will moderate in Q4 which is rather a good news. Again, I do not want to claim victory on it and we will continue to stay very focused on a trend and keep really an eye or two on the situation of our employees in the organization and continue to connect as much as we can with them, but when a quarter ago I was saying I think it is yet to last, I feel that it might actually stabilize if not slightly improved. So, I am really more optimistic that I was quarter ago on that.

**Moderator:**

Thank you. The next question is from the line of Sandeep Agarwal from Edelweiss. Please go ahead.

**Sandeep Agarwal:**

So clearly I have a very simple question when you see the current environment, when you engage with your clients where do you see the transformation journey towards digital for the clients have

reached means when we do our channel check, when we speak to global technology consultants and all what we understand is that everyone is very excited for the transformation journey they want to link more and more of their revenues to technology or generate more revenues through technology and platform, but that journey has just started, what is your sense in that, how do you see that, do you think that the journey has already been 30% behind or 50% behind number one, number two if the journey has just begin or even if it is a 30% what is your sense that how long before this matures? It will be three years, four years, five years or you think that going forward the technology trends will keep continuing, so what is your sense on that so I am asking more of a 5-year, 10 year strategic thought process on how do you see the technology spent for client will be?

**Thierry Delaporte:**

The feel I have is that technology service spend is critical to the transformation of every industry at the moment and there are multiple topics that have CEO attention today. The cloud journey is the best example because I remember even three, four years ago Sandeep our cloud discussion were happening with the CIO, the CEO would not focus much on it because it was consider to be an infrastructure discussion and that was a proceed as a back-office issue. Today cloud is a way for organizations to be a giant, to be able to generate more opportunities, to be inventive, to develop solutions, connect with new clients and it is across organizations. So, I do not think I have seen yet a company that can say that it has reached 50% of the cloud transformation obviously, I am not going to be able to give a percentage, but my feel is that we are still in the early stage of the cloud transformation across industries and so it is a massive wave ahead of us. To a point that today when I look at the big eye for scalars will play a big role in cloud, the Microsoft, the Google, AWS, ServiceNow, SAP they are coming at us because they need us to serve them develop vertical solutions on their platforms or on the cloud and I think it is very clear that the more opportunities they are behind that is what the cloud and the growth in the cloud will be massive over the next five years at least, then we have the whole world of data and we know that we are producing millions of data and we are leveraging very little the power of these data turning them into insight to drive us the decisions, companies have started to work on it, but it is very complex because it requires alignments of processes and systems and end policies in this companies and there are still a lot of level of complexities and so the way we are helping companies to develop, to become that a driven organizations is a huge topic for us and just taking the third one because the clock is ticking that is engineering I mean the need for organization to invest more in R&D for them to transform their processes and product developments by leveraging technology is immense. So, looking forward I think we have a market that will be driven by talent and will be very hot in the next years.

**Moderator:**

Thank you. The next question is from the line of Sumit Jain from Goldman Sachs. Please go ahead.

**Sumit Jain:**

First of all, can you split your guidance of 2% to 4% into organic and inorganic given the recent acquisition what you have already closed?

**Thierry Delaporte:**

We do not do that because it is very difficult to do that because at the end of the day, these businesses when they join organization they are part of the organization and we are driving synergies from day one. So, unless those are very large acquisition we are not reporting separately, but I think Jatin you want to add something.

- Jatin Dalal:** So we did share the details about the acquisition when we announced them. So, I am sure it gives you a good indication. From our perspective both internally and from the way we manage the success in the market we stay with the one number and hence the guidance we will not break down into two components, but I am sure you would be able to have some indication around.
- Sumit Jain:** And secondly, I joined a call a bit late so have you disclosed your deal wins TCV numbers for this quarter?
- Jatin Dalal:** We have not disclosed that. The number we did speak about ACV growth number which is 27% for the first 9 months and we did share the quantitative details around it which was about \$2.8 billion on an aggregate basis for Quarter 3 and that we did in the press conference.
- Sumit Jain:** So basically, no disclosure for this quarter as such in terms of TCV or ACV.
- Jatin Dalal:** The number that I just shared was for Quarter 3, the growth number that we had shared was for the first 9 months of the year.
- Sumit Jain:** And last if I look at your EBIT margins your D&A expense as a percentage of sales has been coming down for the last two quarter pretty sharply, so any reasons why and what kind of D&A expense as a percentage of sales one should expect going forward?
- Jatin Dalal:** The way Sumit you would appreciate is that when some of the amortization lines are coming to an end of that tenure over which we take those amortization then it leads to the reduction which is step down reduction in the number of amortization it is not uniform as you can see that has happened over last two quarters for some of our prior capitalizations. My suggestion is that you should look at Q4 as a base because we have two more acquisitions which are getting integrated from first of January so you would see that number steeping up a bit because they will come with their intangible schedules over as we do the acquisition accounting for that. So Q4 should be a good base for you to build your model for future.
- Moderator:** Thank you. Ladies and gentlemen that was the last question. I now hand the conference over to Ms. Aparna Iyer for closing comments.
- Aparna Iyer:** Thank you Stanford. We understand that it must have been very hectic many of us as you had to take simultaneously attend multiple results that have been announced today but thank you all for joining the call. If you have further question do not hesitate to reach out to the investor relations team. Stay safe and stay healthy and we see you in next quarter. Thank you.



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