

Top 5 IT Companies

Quantitative Analysis
Based on Mar-22 Performance

Quantitative Analysis Methodology by Yadnya

Analysis in 2 Ways

Quantitative Analysis of
Top 5 IT Companies

TCS

Infosys

HCL
Tech

Wipro

Tech
Mahindra

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Quantitative Analysis of
IT Companies
(Larger Universe)

stock-o-meter Plus

Top 5 IT Companies		Market Capitalization (Rs. Cr)
1	TCS	11,93,326
2	Infosys	6,14,855
3	HCL Tech	2,72,425
4	Wipro	2,55,995
5	Tech Mahindra	1,09,200

Quantitative Analysis of IT Sector – 22 Parameters

Valuation Ratios

1. PE Ratio
2. EV/ EBITDA

Return Ratio

ROE %

Risk

Beta wrt Nifty 50

Institutional Holding
as a % of Free Float

Employee Cost as a
% of Net Sales

Operating Margin %
(EBIT Margin)

Sales & Net Profit
Growth

5 year CAGR

Sales & Net Profit
Growth

3 year CAGR

Sales & Net Profit
Growth

TTM

Client Metrics

1. Total Contract Value
2. Active Clients

Employee Metrics
Revenue per
Employee, Utilization

Employee Metrics
Net Addition in Q4,
Net Addition as a %
Total Base

Employee Metrics

LTM Attrition

Free Cash Flow as a
% of Net Profit

Receivable Days

Price to Earnings Ratio

Company	PE Ratio	Ranks	Points
TCS	31.3	5	1
Infosys	29.0	4	2
HCL Tech	25.1	3	3
Wipro	21.1	1	5
Tech Mahindra	22.2	2	4

EV/EBITDA

Company	EV/EBITDA	Ranks	Points
TCS	22.0	5	1
Infosys	19.4	4	2
HCL Tech	16.7	3	3
Wipro	14.7	1	5
Tech Mahindra	15.4	2	4

Return on Equity

Company	ROE %	Ranks	Points
TCS	44.1	1	5
Infosys	29.4	2	4
HCL Tech	20.1	3	3
Wipro	19.8	4	2
Tech Mahindra	19.0	5	1

Risk – Beta wrt Nifty 50

Company	Beta	Ranks	Points
TCS	0.78	1	5
Infosys	0.92	3	3
HCL Tech	0.87	2	4
Wipro	0.99	4	2
Tech Mahindra	1.08	5	1

Institutional Holding as a % of Free Float

Company	(FII + DII) as a % of Free Float	Ranks	Points
TCS	79.4%	3	3
Infosys	58.0%	4	2
HCL Tech	85.7%	1	5
Wipro	42.1%	5	1
Tech Mahindra	81.1%	2	4

Employee Cost as a % of Net Sales – Q4 FY22

Company	Employee Cost %	Ranks	Points
TCS	56.0%	4	2
Infosys	51.6%	2	4
HCL Tech	55.8%	3	3
Wipro	58.2%	5	1
Tech Mahindra	49.9%	1	5

- IT sector is a Human Capital Intensive Sector, which demands high human capital intensity in line with consistently upgrading Technologies
- So, Employee Cost is a major component of the Operating Expenses in IT & will have a direct impact on Operating Margin

Operating Profit Margin

Company	Mar-22	Ranks	Points	Dec-21	Mar-22
TCS	25.0%	1	5	25.0%	→ 25.0%
Infosys	21.6%	2	4	23.5%	→ 21.6%
HCL Tech	18.0%	3	3	16.9%	→ 18.0%
Wipro	16.3%	4	2	19.1%	→ 16.3%
Tech Mahindra	13.2%	5	1	14.8%	→ 13.2%

Sales & Net Profit - 5 years CAGR Growth

Company	Sales	Ranks	Points	PAT	Ranks	Points
TCS	10.2%	3	3	7.8%	4	2
Infosys	12.2%	2	4	9.0%	3	3
HCL Tech	12.5%	1	5	9.5%	2	4
Wipro	7.5%	5	1	7.5%	5	1
Tech Mahindra	8.9%	4	2	14.5%	1	5

Sales & Net Profit - 3 years CAGR Growth

Company	Sales	Ranks	Points	PAT	Ranks	Points
TCS	9.4%	4	2	6.8%	5	1
Infosys	13.7%	1	5	12.8%	1	5
HCL Tech	12.3%	2	4	10.1%	3	3
Wipro	10.5%	3	3	10.7%	2	4
Tech Mahindra	8.7%	5	1	8.9%	4	2

Sales & Net Profit – TTM Growth

Company	Sales	Ranks	Points	PAT	Ranks	Points
TCS	16.8%	4	2	18.1%	3	3
Infosys	21.1%	2	4	14.0%	4	2
HCL Tech	13.6%	5	1	21.1%	2	4
Wipro	27.7%	1	5	12.7%	5	1
Tech Mahindra	17.9%	3	3	29.3%	1	5

Client Metrics – 1. Total Contract Value of New Deal Wins in Q3 FY22

Company	TCV (\$ Bn)	Sept-21	Dec-21		Mar-22
TCS	11.30	7.60	7.60	→	11.30
Infosys	2.30	2.15	2.50	→	2.30
HCL Tech	2.26	2.25	2.13	→	2.26
Wipro	0.60	0.93	0.60	→	0.60
Tech Mahindra	1.01	0.75	0.70	→	1.01

Client Metrics – 2. Total Active Clients as on Mar-22

Company	Total Active Clients	Ranks	Points	Dec-21	Dec-21
TCS	2,670	1	5	2,651	19 → 2,670
Infosys	1,741	2	4	1,738	3 → 1,741
HCL Tech	1,616	3	3	1,575	41 → 1,616
Wipro	1,369	4	2	1,315	54 → 1,369
Tech Mahindra	1,224	5	1	1,191	33 → 1,224

Employee Metrics – 1. Revenue per Employee FY22

Company	Revenue per Employee TTM (Rs. Lakh)	Ranks	Points
TCS	32.4	4	2
Infosys	38.7	2	4
HCL Tech	41.0	1	5
Wipro	32.5	3	3
Tech Mahindra	29.5	5	1

Employee Metrics – 2. Gross Utilization % in Q4 FY22

Company	Utilization %	Ranks	Points
TCS	_*	4	2
Infosys	80.0%	2	4
HCL Tech	_*	4	2
Wipro	75.8%	3	3
Tech Mahindra	83.0%	1	5

* TCS & HCL Tech : utilization % is Not reported

- Gross Utilization % includes Trainees

Employee Metrics – 3. Net Addition in Q4 FY22

Company	Net Addition	Ranks	Points	Net Addition as a % Total Base	Ranks	Points
TCS	35,209	1	5	6.3%	2	4
Infosys	21,948	2	4	7.5%	1	5
HCL Tech	11,000	4	2	5.5%	3	3
Wipro	11,457	3	3	4.9%	4	2
Tech Mahindra	6,106	5	1	4.2%	5	1

Employee Metrics – 4. LTM Attrition % in Q4 FY22

Company	LTM Attrition	Ranks	Points	Mar-21	Sept-21	Dec-21	Mar-22
TCS	17.4%	1	5	7.2%	11.9%	15.3%	→ 17.4%
Infosys	27.7%	5	1	15.2%	20.1%	25.5%	→ 27.7%
HCL Tech	21.9%	2	4	9.9%	15.7%	19.8%	→ 21.9%
Wipro	23.8%	3	3	12.1%	20.5%	22.7%	→ 23.8%
Tech Mahindra	24.0%	4	2	13.0%	21.0%	24.0%	→ 24.0%

Free Cash Flow as a % of Net Profit

Company	FCF as a % of PAT	Ranks	Points
TCS	97.0%	5	1
Infosys	99.5%	4	2
HCL Tech	151.5%	2	4
Wipro	128.5%	3	3
Tech Mahindra	154.1%	1	5

Receivable Days

Lower the Better

Company	Receivable Days	Ranks	Points
TCS	61.1	2	4
Infosys	63.0	3	3
HCL Tech	67.3	4	2
Wipro	58.6	1	5
Tech Mahindra	67.7	5	1

IT Sector Top 5 Quantitative Analysis – Final Score

Rank	Company	Score
1	Infosys	71
2	HCL Tech	70
3	TCS	63
4	Wipro	57
5	Tech Mahindra	55

