

Techno Funda Stock



PERSISTENT SYSTEMS LTD

Sector : Information Technologies (Software Services)

12 October 2023

Recommendation **BUY**

₹

Buy Price Range
₹ 5600-6000



Target Price
₹7500-7700

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%

Expected Return
25-30%



Holding Period
1.5-2 Years



Market Capitalization
₹43,958 Cr. (Large-Cap)

PRODUCTS

The company is a global Digital Engineering and Enterprise Modernization leader

- Software, Hi-Tech & Emerging Industries
- Banking, Financial Services & Insurance
- Healthcare & Life Sciences



Product & Platform Engineering



CX & Design-Led Transformation



Data & Artificial Intelligence



Cloud-enabled Enterprise Modernization



Hypergrowth

Fastest-growing Indian IT Services brand from 2020-2023, with a brand value growth of 268%

Aspirational Future

Company recently launched powering digital engineering with AI (Artificial Intelligence), accelerating legacy modernization, and delivering vertical solutions with GenAI

Global Reach

Expanding geographic diversity of revenue mix by being present in over 21+ countries and continuing to expand across North America, Europe and India with new offices.

Acquisitions

Company has acquired 5-6 entities to strengthen its digital capabilities in FY22 & FY23



WHY TO INVEST

Wide Sales & Service Network

Partnerships with Amazon (AWS), IBM, Salesforce, Red Hat, Microsoft, Appian, Google, Snowflake, Workato etc. showing strong footprint in the industry.

Competitive Advantage

Strong positioning as a 'Global Digital Engineering' leader, offering expansion to full product lifecycle.

Revenue Growth

The company crossed the \$1 billion revenue milestone in FY23.

New Talent

As an independent director Dr. Ajit Ranade, a noted economist, brings his impressive experience of over 32 years to help & guide company's strategy and accelerate growth journey.

Strong Order Book

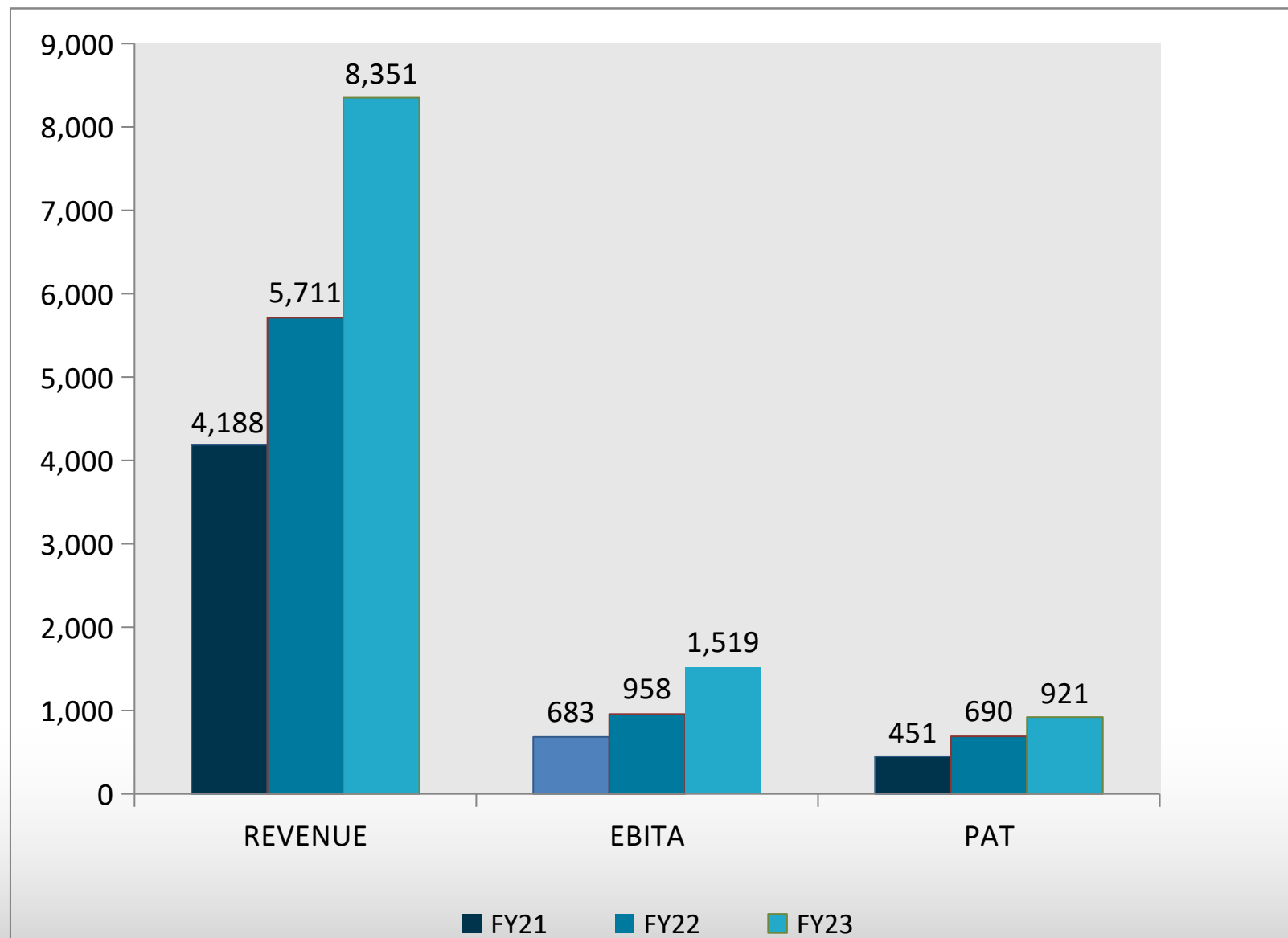
A 33% increase in order inflows in FY23, with a Total Contract Value (TCV) of \$1.62B at the end of FY23, as compared to \$1.22B at the end of FY22.



WHY TO INVEST

FINANCIAL HIGHLIGHTS

(All figures are in INR Cr.)



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FY23 KEY FINANCIALS

- ▶ High ROCE **30.3%**
- ▶ EBITDA Margin **18.2%**
- ▶ PAT Margin **11%**
- ▶ Sales Growth YoY **46.2%**
- ▶ EBITDA Growth YoY **41.6%**
- ▶ PAT Growth YoY **33.4%**
- ▶ Sales Growth 5 Years **22%**
- ▶ PAT Growth 5 Years **23%**
- ▶ Debt/Equity Ratio **0.2x**
- ▶ Interest Coverage Ratio **27.2x**
- ▶ Dividend Payout **41.5%**
- ▶ Promoter Holding **31.1%**

QUARTER-1 FY24 FINANCIAL HIGHLIGHTS

- ▶ Revenue Growth YoY **23.6%**
- ▶ EBITDA Margin **16.1 %**
- ▶ PAT Margin **9.9%**

TECHNICAL HIGHLIGHTS



- ▶ All-time-high and consolidation breakout with high volume support
- ▶ Strong upward price-cycle movement
- ▶ Price action above 13, 21 & 50 Weekly Exponential Moving Average
- ▶ Price action above 150 & 200 Weekly Exponential Moving Average

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