

## Mindtree Ltd

Mindtree Ltd is an international information technology consulting and implementation company that delivers business solutions through global software development. The company has reported consistent revenue growth over the years with 18.3% sales CAGR over 5 years ended FY19. In FY20 also Mindtree's annualized sales grew by 10.6% to 7,764cr. All the revenue verticals aided this growth.

During the quarter 4QFY20, volumes grew by 4.1% while pricing took a hit. The company's key revenue growth was driven by Hitech & Media verticals. The company won deals more than expected with deals worth \$1.2bn signed for the full year FY20, which is the highest ever deal wins.. Mindtree is further likely to benefit from the widespread adoption of digital/collaborative tools in response to the pandemic.

It is virtually a debt free company and has been maintaining a healthy average dividend payout of 30%. It delivered an RoE of 25.1% and is trading at valuation PE 23.6x of TTM earnings. Hence BUY.

## BUY

CMP ₹904

### Stock Info

Sector	IT
Market Cap (₹ cr)	14,880
Beta	0.8
52 Week High / Low	1062/653
Avg. Daily Volume	46,087
Face Value (₹)	10
BSE Sensex	30,819
Nifty	8,792
Reuters Code	MINT.BO
Bloomberg Code	MTCL IN

### Shareholding Pattern (%)

Promoters	74.1
MF / Banks / Indian FIs	4.9
FII / NRIs / OCBs	11.9
Indian Public / Others	8.3

Abs. (%)	3m	1yr	3yr
Sensex	(25.1)	(21.7)	0.8
Mindtree	(13.8)	(7.7)	80.0

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### Mindtree

1. Financial interest of research analyst or Angel or his Associate or his relative	No
2. Ownership of 1% or more of the stock by research analyst or Angel or associates or relatives	No
3. Served as an officer, director or employee of the company covered under Research	No
4. Broking relationship with company covered under Research	No

**Ratings (Based on expected returns over 12 months investment period):**

Buy (> 15%)

Accumulate (5% to 15%)  
Reduce (-5% to -15%)

Neutral (-5 to 5%)  
Sell (< -15)