



“Wipro Limited Q4 FY'25 Earnings Conference Call”

April 16, 2025



MANAGEMENT: MR. SRINI PALLIA – CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR, WIPRO LIMITED
MS. APARNA IYER – CHIEF FINANCIAL OFFICER, WIPRO LIMITED
MR. SAURABH GOVIL – CHIEF HUMAN RESOURCES OFFICER, WIPRO LIMITED
MR. DIPAK BOHRA – SENIOR VICE PRESIDENT (CORPORATE TREASURER & INVESTOR RELATIONS), WIPRO LIMITED



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Moderator:

Ladies and gentlemen, good day and welcome to Wipro Limited Q4FY'25 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 the 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 Mr. Dipak Bohra – Senior Vice President (Corporate Treasurer & Investor Relations). Thank you, and over to you, sir.

Dipak Bohra:

Thank you, Yashashri. Warm welcome to our Q4 Financial Year '25 Earnings Call.

We will begin the call with “Business Highlights and Overview” by Srinivas Pallia – our Chief Executive Officer and Managing Director, followed by “Updates on Financial Overview” by our CFO – Aparna Iyer. We also have our CHRO – Saurabh Govil on this call. Afterwards, the Operator will open the bridge for Q&A with our Management Team.

Before Srini starts, let me draw your kind 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 a transcript will be available on our website.

With that, I would like to hand over the call to Srini.

Srini Pallia:

Thank you, Dipak. Hello, everyone. Thank you for joining us today.

It's hard to believe that it's already been a year since I took over as CEO. When I look back at these 12 months, I can see clear progress across many areas. We won two mega deals this year. It's a strong sign that our large deal engine is working and continue to expand.

Our clients have responded well to our consulting led AI-Powered Industry and Cross-Industry Solutions. This is reflected in the strong growth in top accounts and large deal bookings in FY25. We have continued to invest in our people, skilling them for the new AI wave.



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Our execution rigor with speed has been acknowledged by clients. And that's reflected in the clear improvement in our Client Satisfaction Scores. We have done all of this while strengthening our margins. It's a meaningful achievement in the context of such ongoing change.

The global industry environment remained uncertain for most of the year and the recent tariff announcements have only added to that. I have been speaking to clients across sectors to understand how things are playing out on the ground. Even though the underlying demand for tech reinvention remains strong, clients are approaching it more cautiously. In fact, they are focused on cost, speed and AI-led efficiency, and that's exactly where we are leading it.

We see this as an opportunity to move with purpose, make smart bets and stay committed to our 5 strategic priorities:

Driving consistent, profitable growth remains a clear priority for us and we are focused on making that happen.

With that. Let's look at our Quarter 4 and FY 2024-25 performance. All the growth numbers I shared will be in constant currency:

Our IT Services revenue for Quarter 4 was \$2.6 billion reflecting a sequential decline of 0.8% and 1.2% on a year-on-year basis. The order booking for Quarter 4 was at \$4.0 billion, which is a growth of 13.4% sequentially and 10.5% on year-on-year basis.

Our operating margins came in at 17.5%, which is flat sequentially and 110 basis point expansion on a year-on-year basis.

For the full year IT Services revenues were \$10.51 billion reflecting year-on-year degrowth of 2.3%. Our operating margin was at 17.1%, an expansion of almost 1% as compared to FY24.

Now to our Strategic Market Unit Performance:

Americas 1 grew 0.2% sequentially and 6% on a year-on-year basis. Americas 2 degrew 1% sequentially and 1.8% on a year-on-year basis.

Europe degrew 2.5% sequentially and 6.9% on a year-on-year basis.

APMEA grew 1% sequentially and degrew 4.9% on a year-on-year basis.

Moving on to our industry sector performance:



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BFSI degrew 0.5% sequentially and grew 0.8% year-on-year. Healthcare degrew 3.1% sequentially and grew 0.1% year-on-year. Consumer degrew 1.3% sequentially and was flat year-on-year. Technology & Communication degrew 0.9% sequentially and 1.1% year-on-year. Energy, Manufacturing and Resources grew 1.1% sequentially and degrew 7% year-on-year.

Capco continues to perform well, growing 6.5% sequentially and 11.5% on a year-on-year basis.

Let me now provide an update on our 5 strategic priorities:

As I mentioned earlier, we have continued to see strong momentum in large deals. In Quarter 4, we closed 17 large deals with a total value of \$1.8 billion across markets and sectors. For the full year, we closed 63 large deals for a total value of \$5.4 billion which is a year-on-year growth of 17.5%.

Now let me highlight two recent wins:

- A global technology leader has chosen us for a major Five-Year Transformation Program. We will deliver AI-Powered end-to-end IT Services, completely reshaping the employee experience for 200,000 users across 200 countries. Our solution involves proactive support, intelligent self-service and personalized digital interaction.
- My second example is our recent partnership with the leading global food distributor. We are taking over their entire IT infrastructure and corporate application which includes HR, Finance and Legal Systems. We are leveraging AI solutions, and we will drive automation and simplify user interactions. For our clients, this will result in higher efficiency, lower costs and better user experience.

As we all know AI has been part of deal conversations for a while. But this year, it becomes central to almost every opportunity, big or small helping drive productivity and efficiency. This reflects a broader shift we are seeing across the board.

Let me now move on to large accounts.:

We continue to focus on our large accounts in our core markets and priority sectors. In Quarter 4, our top 5 and top 10 accounts grew 0.3% and 1.1% respectively on a sequential basis.

Let me also share an example that shows our momentum in strategic accounts:

In Quarter 4 a leading Indian private bank expanded our strategic partnership as part of a business focused digital transformation. We will provide the bank AI-Powered solution to strengthen compliance management and addressing a critical need for regulatory compliance in addition to



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enhancing the overall experience for the bank. Now this will also help the bank boost operational efficiency and realize its growth ambition across various functions.

We continue to create impact for clients through our consulting-led AI-powered industry and cross-industry solutions. This was our third strategic priority we had called out.

In this context, let me talk about a recent win in the Aviation sector:

A well-known Pacific Airlines shows us to modernize its crew management and operations systems in quarter 4. In fact, we were selected for our proven ability to future-proof clients' IT platforms with AI. We will deploy our own TOPS platform to manage end-to-end crew operations, providing a unified, scalable solution that enhances experience and drives sustained operational efficiencies.

Alongside all of this, we have put even more focus on client-centricity and starting to show results. Our latest third-party annual customer satisfaction survey, clearly shows improvement in overall satisfaction scores and NPS. In fact, I would like to thank our teams who have made this possible.

As you are aware, we have also realigned our global business lines effective April 1 to better meet our customers' needs. This change will help us deliver stronger business outcomes for our clients.

Finally, and just as important, supporting and growing our global talent has been a top priority all year. You might remember that last quarter, I spoke about our focus on leadership development and how we are building future-ready leaders through our Wipro Leadership Institute. In fact, we have moved our top performers into key client-facing roles to ensure continuity and stability, and we have also launched a sponsorship program to help them succeed.

Now a note on guidance before I wrap up. Given the uncertainty in the environment, we expect clients to take a more measured approach going forward, especially on large transformation programs and discretionary spending. With this in mind, and based on our current visibility, we are guiding for a sequential growth of minus 3.5% to minus 1.5% in constant currency terms.

Let me now turn it over to Aparna for a detailed overview of our Financials. Thank you. Aparna, over to you.

Aparna Iyer:

Thank you, Srini. Good evening, and good morning, everybody. Let me share a quick update on our financial performance for the quarter ended 31st March 2025, and after that we will take questions.

Our IT Services revenue for Q4 sequentially declined by 0.8% in constant currency terms. This is within our guided range. For FY '25, our IT Services revenue declined by 2.3% in constant currency



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terms. Our rigorous focus on operational improvement has ensured that the margins have steadily improved over the last few quarters. For Q4, operating margins at 17.5% expanded by 1.1% year on year. This brings our FY '25 operating margin expansion to 0.9%.

As we enter FY '26, we are faced with headwinds on account of an uncertain macroeconomic environment that is putting a downward pressure on our revenues. Our endeavour would be to maintain these margins in a narrow band in the coming quarters. Our net income grew 6% quarter on quarter in Q4 and 19% for the full year.

Our EPS for the full year was at INR 12.6, a growth of 20% year on year. We finished the financial year with a free cash flow as a percentage of net income at 118%, which takes our gross cash including investments to \$6.4 billion.

In Q4, our other income grew by 45% sequentially and our accounting yield for the average investments held in India was at 7.9%. Our ETR was at 24.3% for Q4 '25 against 26% in Q4'24.

Our hedges continue to be in line with our policy. We had about \$2.4 billion of ForEx derivative contracts as hedges at the end of Q4 '25.

In terms of guidance, to reiterate what was stated by Srinii, we expect the revenues from our IT Services Business segment to be in the range of \$2.505 billion to \$2.557 billion. This translates to a sequential guidance of negative 3.5% to negative 1.5% in constant currency terms.

With that, I turn this over back to the operator for questions.

Moderator:

Thank you very much. We will now begin the question-and-answer session. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press "*" and 1 on their touchtone telephone. If you wish to remove yourself from the question queue, you may press "*" and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

We will take our first question from the line of Nitin Padmanabhan from Investec.

Nitin Padmanabhan:

Yes, good evening. Thank you for the opportunity. Srinii, just wanted your thoughts on which verticals are you seeing the highest impacts at this point in time?

Srinivas Pallia:

Hi, Nitin. If you look at sector-view, the way the economic environment has become uncertain on the back of tariff increases, we are seeing this impact not just in the U.S., of course, but also in the Europe. Similarly, we are also seeing across sectors directly or indirectly these impacts. But some



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sectors have been impacted more, like consumer, manufacturing. Within manufacturing, specifically automotive and industrial. And we are seeing indirect impact on most of the sectors, if you will.

For us, the clients in all the industries are taking a lot more cautious approach at this point in time. And they're also doing a scenario planning, because they would like to see when this whole thing is settled down, before they start making more business decisions. And that's how currently it's playing out, Nitin.

Nitin Padmanabhan: Okay. So, how are you seeing BFSI broadly, currently, in terms of how they are thinking about things, both US and Europe?

Srinivas Pallia: Well, if you look at our results, we have been seeing good traction in BFSI, specifically in the U.S. and in APMEA. And also, our Capco business, both in terms of revenue and order book. I think what we faced is headwinds in Europe in the BFSI sector. But again, the good news is that we have a good pipeline and there is deal momentum.

Now, there are, obviously, if you look at the kind of deals that we are getting, right, 1, we are definitely looking at apps and IT Infrastructure modernization. There are opportunities around BPS, which is Business Process Services and Cybersecurity, and we are also looking at opportunities in Consulting, which is a reflection of our Capco business.

Also, in some of our solutions, Asset and Wealth Management, I think this is a good time the customers are relooking at how they can leverage AI-powered solutions. We are also looking at insurance platform digitization, also payments, right, which is all around our AI-infused industry solutions. And we are seeing traction on that.

What we are doing clearly is that we want to prioritize how Wipro and Capco can come together, bring in more synergies, with Capco being the tip of the spear and Wipro actually executing end-to-end. And I think this is also helping us as we move forward, specifically on the BFSI sector.

Nitin Padmanabhan: Right, so you are not seeing any specific weakness in the near-to-medium term here. They continue to spend. You are not seeing any holdback or spending from a BFSI perspective?

Srinivas Pallia: There are 2 perspectives, Nitin. 1 is, like I said, the pipeline is strong, but the clients are cautious about the spend, especially BFSI, which is discretionary, right? So, the early signs are they are waiting and watching. Some of the decisions have slowed down, if you will.



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In case, luck would have it, if the uncertainties comes down in the next few weeks, we are hoping the clients will start taking decisions on these project opportunities, because that's the need of the hour for them.

Nitin Padmanabhan: Sure, perfect. This is very helpful. I'll get back in the queue. Thanks a ton.

Srinivas Pallia: Thanks Nitin.

Moderator: Thank you. We will take our next question from the line of Abhishek Kumar from JM Financial. Please go ahead.

Abhishek Kumar: Yes, hi, good evening. Thanks for taking my question. Srini, first of all, congratulations on good dealings in a difficult environment. My question is on deal to revenue conversion. If we look at our book-to-bill, over the last 2 years, it has been consistently, at least on an LTM basis, above 1.3x, but it has not really translated into revenue growth.

And if we add to that better performance in Capco, where the conversion would be even better. Looks like ex of Capco, the conversion is quite soft. So, I just wanted to understand what exactly has driven this poor conversion so far. Is it cancellations? Is it lower ACV growth because of longer tenure? And which of these 2, you think going forward might change for us to build some growth, given improved deal wins?

Aparna Iyer: So, Abhishek, as you know, the booking to revenues is very difficult to correlate then within quarters, because the timing differs from deal to deal. For example, the large deal that we have secured in Q4 that we announced, will take some time for it to ramp up. There is a schedule that's signed off with the client and there's work to be done before, for us to be able to start that. So, there will be some timing gap that will always be there, in case of some of these large deal wins that we've had.

You are right, consistently we've won more, and that is adding to revenue, even with, let's say, a deferred timing. What gets reflected in the revenue is also some of the ramp downs that happen as a result of lower discretionary spend and project spend going down, right? So, we need to win more, we need to fill that bucket a lot more for it to start reflecting in net revenue growth. And that's how I would characterize it.

We are happy with the way the engine has started to crank. With the same momentum that persists on large deals as the medium and small size deals also come back into the fray, I think you will see a pickup in revenue growth.



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Abhishek Kumar: Sure, maybe a quick follow-up there. Do you think those ramp downs, which are client-specific, are now largely behind us? And therefore, it is just a matter of timing before these deals start to reflect in revenues?

Srinivas Pallia: Abhishek, let me give you some kind of a commentary on what we saw. If you look at it, we started quarter 4 on a positive note, but gradually during the quarter, the sentiments turn negative. I think this is because of tariff hike and anticipation around that, and it did have a cascading impact on this.

Now, to me, this has definitely impacted our revenue growth momentum across sectors and markets. One example, I can tell you is we were doing a large SAP program, which was very critical for the client, and this was in the consumer sector. And when the client heard about the tariff situation, they were bang in the middle of that, and they put the whole program on pause, not because they don't want to do the program, but they wanted to understand, get the certainties of the tariff situation.

So, that's 1 good example I can give, where the program has been put on hold. Also, in Europe, some of the clients have slowed down transformation projects. It's not that they have paused it, but they said, we can relook at the timelines at this point in time. Also, we did see several instances of volume drop in some of our existing accounts and maybe because some of them are because of the delayed initiating the projects and some also there was an impact of ramp downs. The way I see it is that this is a transitional phase and hopefully and obviously I can't predict how the tariff situation in the macroeconomic will turns out, but this will gradually stabilize. I think as an organization what we are doing is we are working with the clients and understanding the scenario planning and trying to actually pivot to the way they are looking at how the business is coming next. And I think that's most important for each and every employee of Wipro, a sense and respond to the client situation.

Participant: Well, that's helpful. Thank you and all the best.

Srini Pallia: Thank you.

Moderator: Thank you. We will take our next question from the line of Manik Taneja from Axis Capital. Please go ahead.

Manik Taneja: Thank you for the opportunity. Srini basically just wanted to pick your brains on two things. Number one, we continue to see pressure in Europe through the course of last several quarters. Would be great to get your perspectives as to what's driving that. And the second related question to that essentially is that similarly on a segmental margin standpoint as well, while Capco has recovered, we did see no improvement in terms of the segmentary margins for European geography. If you could talk about what's dragging the margins here. Thank you.



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Srini Pallia: Sure. I think the Europe question maybe I will leave the margin situation to Aparna, Manik. Now let me talk about this. I think your observation is right. If you look at our revenues for last year on a full year basis, Americas has actually grown 1.2% and it is Europe which has shown a degrowth. In fact, APMEA had a degrowth, but in Quarter 4 they actually turned sequentially positive. Now the situation at Europe, we have a new leadership team. Second, we have a very strong pipeline of deals. Three, we just won a large deal, Phenix Steel, which you are aware of and that deal will start kicking off in few months from now as per the contract terms. Net-net, if you stay focused on the deals that we have on the table, which I think, the entire European leadership team is currently focused on, we should be able to look at a positive momentum in Europe in the next coming quarters.

Aparna Iyer: Manik can you repeat your question on margin?

Manik Taneja: So, Aparna my question on margins was that, when during second half of FY23 we started to face some pressure in Capco, we blame some of the margin decline that we saw in European geography also because of the drag from Capco. Through the course of recent quarters, Capco has been doing quite well, but there has been no recovery in segmentary margins for Europe. So, if you could dwell into what's causing that and the last one, if I may if you just clarify on board refresh, if you could talk about where are we in that journey? Are we done with most of the organizational changes?

Aparna Iyer: Your question is not very clear. I think the question that you asked on margins was that Capco may have been a drag on Europe margins and therefore how they're rebounding in some sense. I think Capco has been doing well from the standpoint of its growth and bookings and there has been a lift-off in the margins as well. Overall, they are doing much better. Even from an operating margin performance, at least in Q4, they have done very solid performance. So, in that context, yes, our Europe margins have also been impacted by some of the other ramp downs that we've seen and the non-Capco part of the business.

Manik Taneja: Sure. And in any sense on when do we start to see some of these pressures recede?

Aparna Iyer: In Europe, you will note that we have actually won a very large deal and that should start ramping up through the course of the year and especially towards the second half and therefore you will see a bounce back then. And we also have a solid pipeline that we think we can close between now and September and that should also then add.

Manik Taneja: Sure.

Moderator: Does that answer your question, Mr. Taneja?

Manik Taneja: Yes. Thank you. I will get back in the queue.



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Moderator: Thank you. We will take our next question from the line of Vibhor Singhal from Nuvama Equities. Please go ahead.

Vibhor Singhal: Yes, hi, thanks for taking my question. So, two questions from my side. Srin, on the overall macro weakness that you have spoken about. So, can you give a bit of color as to—I'm sorry I was disconnected for a part in that—but highlight that was some part of the weakness also responsible for the slightly lower growth that we reported in this quarter. And given that we are exiting FY25 on a negative, I mean on a decline, and we would be entering FY26 also on a negative note, is there a possibility that we would be able to record a positive growth in FY26 or FY26 also is likely to be year of revenue decline just like FY25 was? And then I have a follow up for Aparna.

Moderator: I'm sorry to interrupt sir, you are on mute mode, I believe.

Srini Pallia: Yes, sorry Vibhor, first and foremost, as you know we don't give a full year guidance. Having said that the recent developments, especially the macroeconomic situation, the tariff situation, we are, like I said, keeping a very close watch on how the situation is evolving and how our clients are responding to that or reacting to that. At this stage our Quarter 1 guidance represents the best visibility we have and definitely we will share all the updates coming quarters as we get clarity on the situation. Also, if you look at what Aparna said on the Phenix deal we announced in Quarter 4, this is actually expected to ramp up starting H2 and definitely that will help uplift our revenues.

Vibhor Singhal: Got it. The initial part of the question was, was there any weakness also felt in this quarter also because of which we came towards close to the lower end of the guidance or Q4?

Srini Pallia: So, yes, Vibhor if you look at the last few weeks, right and you've seen the economic environment, you've seen many of the analysts and how they have been forecasting from January to February to March, there's a drastic change in terms of how the industry has been looked at. And to me this impact of tariffs obviously is not just US but also in Europe. And again, it's not just in few sectors but across sectors. The only difference is certain sectors are seeing direct impact; certain sectors are seeing indirect impact. So, the ones I called out are consumer manufacturing, especially automotive and industrial, we have seen a direct impact of the customers and obviously they're looking at the cash position, they're looking at how to reduce the cost and they're also looking at significant scenario planning because they are the manufacturing plants globally and in the context of tariffs and these products, components move from country to country and so on and so forth. So, they are holding back on any further investments. And I think that's what we are seeing from our side as well.

Vibhor Singhal: Got it, sure. Thank you so much for answering my questions. Just one follow up for Aparna. I think margins have remained quite resilient through the year and for the next year and going forward that you are looking at, you mentioned that we are expecting margins to be in a narrow band. In terms of,



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let's say the growth not being strong in FY26 or given the kind of headwinds that we are seeing on a macro level, do you see a risk to the margins from current levels for an overall year? Conversely, if growth were to return, especially in the second half, we also have the feeling.

Moderator:

I'm sorry to interrupt Vibhor. Your voice is not very clear. Can you repeat the question and use your handset mode, please.

Vibhor Singhal:

I'm sorry for that. So, I want to adjust the question on the margin. So, as you mentioned, the margins will remain in the very in a narrow range from current levels. So, just wanted to check if let's say the growth in FY26 is weak and if it turns on the decline front, then do you think the margins could be under pressure because of that as well? Conversely, if a decision is meant for to pick up, let's say two quarters down the line in H2, we also have the feel ramping up revenue for us, would that mean that we could basically have a good jump up in the margins and possibly some tailwinds which could take it to the high level? What are those levels that we are looking at?

Aparna Iyer:

So, Vibhor, it is very difficult to say which way the revenues are going to go. I think what I heard is if the revenue environment continues to be bad, will we continue to hold margins? Now the reality is there will be pressure on margins as we start to Q1, there are two headwinds. One, of course of a weak revenue environment. Two, that of a lot of deals that we've spoken about which are a part of our pipeline are actually cost takeout and vendor consolidation deals which inherently come with pricing pressure and therefore are also very competitively fought. So, we will prioritize growth, we will prioritize the fact that we would like to invest in our clients and therefore that will become a priority. And therefore, these two are headwinds. And like I said, our endeavor would be to keep the margins in a narrow band. It is a huge task given the kind of guidance we have given for Q1. But all hands on the deck. What can be the levers, the levers will go back to everything that we have done up until so far to get to 17.5% which will include making sure that our bench costs are managed tightly, making sure we are driving higher productivity in our fixed price program, making sure we continue to optimize and cut down on some of the fixed spends that we have as the business comes down. So, those are things that we have done without cutting into the muscle, without cutting into S&M, that's been our journey so far, we will only have to accelerate it. And we don't guide for margins. So, the endeavor is going to be to keep it at least in narrow band in the coming quarters and then somewhere we will see.

Vibhor Singhal:

Got it, got it. Thank you so much for taking my questions and wish you all the best.

Srini Pallia:

Thank you.

Moderator:

Thank you. We will take our next question from the line of Kumar Rakesh from BNP Paribas. Please go ahead.



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Kumar Rakesh:

Hi, good evening. Thank you for taking my question. My first question, for a minute, if I assume that I didn't know about the macroeconomic issues and would have looked at the numbers that you have reported just as on. Your headcount on a sequential basis has increased quarter-on-quarter after a couple of quarters of decline. Your total bookings and large deal wins are pretty strong in the quarter and Capco, which is quite discretionary focused, reported pretty solid growth in the quarter. I would have expected that the next quarter would see a decent growth. In contrast to that, the guidance that you have given at the midpoint implies that you would see one of the lowest growth outside of the COVID period, probably. So, what is incrementally that you are looking at, which is essentially making your guidance to be that weak? Are there specific ramp downs that you are looking at? Are there volume declines that you are building into that assumption? If you can give some more granular details, essentially what specifically is pulling down this guidance?

Aparna Iyer:

There are two aspects. I will go for, then Srini, you can add. Clearly, we've spoken about how there is some uncertainty in the macroeconomic environment that's playing out. While Capco has printed strong numbers for Q4, there is, and in some things, they also have business gains in market share etc. right? And they put on a solid performance. But the macroeconomic environment will impact other sectors that we spoke about, including consumer, manufacturing, where we are seeing some softness. The other part of from a market unit standpoint, for us Europe, the weakness in Europe is likely to continue into Q1. And hopefully, from there we look at how to build on the momentum on the back of some of this large deal wins that we've had both in Q4 and in Q1, Rakesh.

Srini Pallia:

Rakesh, so, maybe if I could add a few more points here. Based on my client conversations, a few things I'm noticing. One is large transformation projects, programs, one of them I talked about, are getting paused or being delayed or kind of changing the schedules. Second, while the clients have the budget, they want to review it post the certainty or at least understand where the situation will end up. And one of the things that I constantly see, especially in the industries that have direct influence, there are cost pressures. And definitely, I think the demand for tech-driven efficiencies and cost will continue. And that's the kind of pipeline that we are seeing, which is also how do you help the clients bring in more efficiency, automation, and of course, Gen AI. And the point that Aparna made in the previous question is around vendor consolidation, tail vendor consolidation, so on and so forth. But the point, the good news is that right now the pipeline is strong. I think that's good news. And this is again evenly distributed both in terms of large deals and also small deals. And I can tell you, while Europe has gone soft, has been soft for us, I see a good pipeline there across sectors. So, I think the focus for us has to be closing those deals quickly, which could translate to revenue hopefully in the next few quarters, if you will. But net-net, now the situation is compared to COVID, this situation is very different. The situation is not that the clients, businesses are going to stop. The situation here is how does tariff impact the customer's business in the context of the cost,



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price and consumer demand? I think that's what they're trying to wait and watch and see before they take decisions.

Kumar Rakesh:

Thanks for that, Aparna and Srini. My second question was if I step back and take a little longer term view on the full year performance and the recent history. So, this is the second year in which we are seeing the revenue decline. And looking at where we would be exiting this year, the first quarter, even if for the rest of the year you grow, you most likely will see a revenue decline in FY26 as well. So, there is a high likelihood that we would end up with 3 years of revenue decline. The first quarter revenue would be back to where it was, the quarterly revenue back where it was four years back. So, while I'm aware of the five criteria, the five focused areas that you are working on and we have started seeing progress on those areas, what do you think is the problem that essentially is ailing that we are consistently underperforming and likely to continue to underperform for the next few quarters?

Srini Pallia:

So, I think it's a good question. I can tell you that it was obviously for us, FY25 was a mixed tier. And we also made progress on a few fronts. But if you double click on the revenues, while we have de-grown 2.3% in FY25, I will definitely call out Americas, which contributes close to 63% of our revenue. That piece of business has grown 1.2% in FY25. The second piece of the business, which is APMEA, it has actually de-grown 9%, but the region has recovered in the second half of the year and delivered a growth of 1% in quarter four, sequentially. Well, Europe, I called out, has been a challenge for us. It has de-grown 7% year-on-year and 2.5% sequentially in quarter four. Our focus has been to stabilize and bring this region back to growth trajectory. To this end, we had new leadership. The leadership has come together, and we are seeing it as far as the traction on the ground is concerned. The good example is the Phoenix deal that we have closed, which will help us get some momentum on the revenue side, if not next quarter, second half of the year, like I said. And what is the important thing that I want to call out is our deal pipeline in Europe. And that's very encouraging to me. And we have a good opportunity for us to stabilize and also bring growth back in Europe. Essentially, the problem statement is Europe and how Europe will turn around, which will have an overall impact on Wipro's performance.

Kumar Rakesh:

Great. Thanks a lot, Srini, for that.

Moderator:

Thank you. We will take our next question from the line of Gaurav Rateria from Morgan Stanley. Please go ahead.

Gaurav Rateria:

Hi. Thank you for taking my question. I have a couple of them. Just the first question for Srini. What exactly your guidance assumes with respect to normalization of the environment? Is it that the environment remains tough throughout the quarter what your assumption is or you expect that to



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normalize over the coming weeks and some a bit of that reflects in improving growth over the coming months may not be start of the quarter but back half of the quarter?

Srini Pallia:

Gaurav, I'm talking to someone who is on a daily basis looking at what's happening in the macro environment. Maybe I should ask you offline this particular question, but clearly, in the context of the guidance we are given for quarter one, right? We have factored in assumptions for both at the lower end and upper end of the guidance. So, our guidance for quarter one that we are given is based on the best visibility, both in terms of revenue and what we have seen currently. However, the upper end of the guidance is if we see the improvement in the demand situation from where we are today. So, the lower end of the guidance will obviously have to factor in worsening of the demand environment. So, we are somewhere in between that, Gaurav. I don't have a crystal ball to say when this whole uncertainty will become certain. All of you have how you are forecasted from Jan to Feb to March. That's just never happened before. Even during the COVID crisis, we did not see the analysts coming back and changing the forecast so rapidly in three months and a few weeks. So, I'm only hoping for the best case scenario, which will impact our higher end of the guidance, worst case scenario, which will be at the lower end of the guidance. That's the best way I can answer your question, Gaurav.

Gaurav Rateria:

Sure, Srini. Thank you so much for that transparency and explanation. My second question is on the TCV that you report, the total TCV minus the **(Inaudible) 47:59**. If you look at that number on a trailing 12 months, it's down by around in like 13%, 14% YoY. Is this the reason why the conversion of order book into revenue gets impacted because these deals convert into revenue much faster than your larger deals. Of course, you are doing great in large deals, but that takes time to convert into revenue. But this immediately flows in and correlate that this part of the business is driving a weaker conversion ratio?

Aparna Iyer:

You know, if you look at our overall booking, we closed the full year with \$14.3 billion of booking. And in some sense, there is a down year-on-year, Gaurav. But if you look at our large deals, which is something that we've been categorically wanting to improve, has gone up. So, you are right that the deals that are there in the smaller and medium-sized bucket are not growing fast enough. And now bookings are largely coming through the large deals. So, to that say now whether that has direct correlation with do larger deals take longer to convert vis-à-vis do smaller deals, will they come into the conversion much faster? It is just a conjecture, I don't think there is an analysis or there is a causal effect to that extent. But yes, if that also starts to grow, it will have an impact on our overall revenue growth.

Gaurav Rateria:

Got it. Last question for you, Aparna. Just trying to understand that when revenues actually decline, it has an impact on the utilization rate, which could be a possibility in 1Q. Let's say if you were to



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maintain margins in a narrow band, what would be the underlying assumption for utilization rate? Should it be fair to believe that utilization has to be around 87%-88% in the current rate to hold on to margins in the narrow band? Thank you.

Aparna Iyer:

Gaurav, there are several levers at play and utilization is one of them. Totally, utilization needs to improve or at least sustain even though in a weaker revenue environment that is what we will be focused on. There are other levers that play that I spoke about fixed price productivity, further cuts in our G&A, overheads rationalization, improvement in other programs that we are driving from a standpoint of how we are looking at profitability. So there are many levers at play with utilization being one of them, Gaurav.

Gaurav Rateria:

Thank you so much.

Moderator:

Thank you. We will take our next question from the line of Surendra Goyal from Citi. Please go ahead.

Surendra Goyal:

Thanks. Thanks a lot. Srini, just one question, your sales and marketing spend in USD terms is down high single digit Y-o-Y in FY25 at a time when you continue to lose market share versus peers, so do you think anything needs to be done differently here or do you think you are doing enough, investing enough for this to be able to drive the catch up with peers on growth rates? Thank you.

Aparna Iyer:

I think Surendra, you should probably look at our S&M, even year-on-year, I think that is a good reflection quarter-on-quarter, there could be certain **(Inaudible) 51.57** that could impact, and I must tell you that from an employee compensation standpoint, there is no change in the S&M, right. A lot of what we are doing is rationalization of maybe more G&A kind of roles, right? And there again, we are looking only at those roles that are like by design need to operate from India and therefore they are not client facing and in high-cost geographies we have got them down. So you can be rest assured that we are not cutting down on S&M, especially from a sales standpoint. In fact, we are going ahead and investing in our people, in the cross industry, in industry solutions and in AI. Srini, you want to add.

Srini Pallia:

Yes, sure. So just to add Surendra to what Aparna said, first and foremost, right we continue to invest in sales and marketing and the strategic areas that we talked about, whether it is consulting, whether it is AI-Powered investments around innovation and so on so forth. So we are investing for growth. So I want to be very clear on that aspect of it. However, if we have created design principles where if the roles are not client facing, roles that can be done from homes, it doesn't make necessarily sense for them to be sitting there. So we are moving such roles to low cost, either it could be in Europe, Latin America or India, depending on where it is coming from. So that is what would have reflected, Surendra, but let me be very clear, if we have to be Consulting-led AI-Powered Wipro for the industry



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segments where we are going to prioritize on, we are going to go full throttle on growth in those investment.

Surendra Goyal:

Understand. So you think you are doing enough, so I get the point. Thank you.

Moderator:

Thank you. We will take our next question from the line of Ankur Rudra from JP Morgan. Please go ahead.

Ankur Rudra:

Hi, thank you and thanks for the guidance as well. Can you elaborate a bit on the extent of the ramp downs, cancellations, delays you mentioned that has happened only in the last 2 weeks since the tariffs came out? How much of this is fresh and is that what you are building into both ends of your guidance now?

Aparna Iyer:

Our guidance digs in the current visibility that we have Ankur at the moment. It certainly reflects the macroeconomic environment and the visibility that we have in terms of the spends that our clients will make with us. So in some sense it factors like Srini said those uncertainties as well and as you know we guide in a range and that gives you a good perspective of what we are looking at for the quarter.

Ankur Rudra:

Right. So I am just trying to dig in a bit deeper to your previous answer where you spoke about if macro improves the upper end if that does not the lower end, I was wondering how much of that has changed in the last two weeks?

Srini Pallia:

So, Ankur, from our perspective, I think after the pause for 90 days on the tariffs, I think there is a little bit of stability that we have seen and that is I think reflecting on the last 2 weeks that you are talking about it Ankur, but what we don't know at this point in time how this will play out, especially with China on the tariff side. So it is a little difficult to predict, but again, just to repeat what I said and again what Aparna said, right, based on the best visibility in terms of revenues that we have we have given the upper end of the guidance assuming the demand situation from where it is today will stabilize and improve and the lower end if it worsens further.

Ankur Rudra:

Understood. Just talking a bit about AI, can you talk a bit about how AI related productivity pass backs or deflation might be playing into your contract renewals and if you are proactively infusing AI games into your existing deals, is that what existing TCV numbers at risk?

Srini Pallia:

So at this point in time, Ankur, I am not seeing any significant impact either on revenues or margins, right. What we are doing is whatever benefits of GenAI that are applicable to our customers, right in many of the cases, some of the times, the customers budgets are getting freed up. So we are actually using GenAI and also getting some incremental work done for the same customer. And that could



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also offset some of the revenue drops you are talking about, but what is important to call out is while we continue to infuse GenAI into managed services, deals and also the managed services opportunities that currently exist with our existing clients, we are also leveraging GenAI to actually look at a completely new revenue stream and that is for us part of changing the game leveraging GenAI. So it is not just operating better or developing better for the clients on GenAI but also changing the game for them. And that is an exciting piece if you ask me. And I can just put for example, we just announced the partnership with NVIDIA on Sovereign AI, right. We did this collaborating with them, and we had announced the SIAM.AI in Thailand and this is something which is very new which has a huge impact on tourism industry, starting with Thailand and it could get replicated across countries. So that is one good example I can talk about. Another example, Ankur, just leveraging GenAI, one of the large cities in Europe, as part of the smarter city, we are doing predictive maintenance of the critical infrastructure. That is very interesting, very high-end kind of work. In fact we got these AI agents physical agents I am talking about, going and looking at aging of the pipes that are there, ground situations and so on so forth. Everything is AI based, and this is the AI based problem detection, right. And also the end benefit for the city is preventive maintenance of the water pipelines, for example. So this is also going to help the city in terms of reducing the manual inspection and of course the overall maintenance costs. So these are the great examples Ankur that I am seeing where GenAI can give us new opportunities for growth.

Ankur Rudra:

Yes, if I can just squeeze in one last question. You had mentioned success in your large accounts. If I look at the client metrics for the last several quarters and especially this quarter, it is across sizes, whether it is \$100 million down to \$10 million has been an element of softness. Could you clarify how much of this is from FX versus client losses or cuts in discretionary spending?

Aparna Iyer:

Yes. If you look at the number of \$50 million clients that we have, they broadly remain the same. We have mentioned that our top clients are the top 5 or top 10, they are all growing. In fact, even in Q4 of '25 on a year-on-year constant currency basis, all three have grown. The number of active clients that you are seeing going down is just a reflection of the overall revenue environment and the lower discretionary spends.

Ankur Rudra:

Appreciate it. Thank you.

Moderator:

Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the call back to Mr. Dipak Bohra for closing comments. Over to you, sir.

Dipak Bohra:

Yes. Thank you all for joining the call. In case we could not take any questions due to time constraints, please feel free to reach out to Investor Relations team. Have a nice evening. Thank you so much.



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Moderator:

Thank you members of the management team. On behalf of Wipro Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.