



Wipro

Quarterly Update Report Abstract

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12 pages





Who Is This Quarterly Update For?

NelsonHall's Quarterly Update on Wipro provides a snapshot of developments at the company in the last quarter. It accompanies NelsonHall's more comprehensive Key Vendor Assessment program.

Both programs are designed for:

- Marketing, sales and business managers developing strategies to target service opportunities within the BPO/IT Services markets
- Sourcing managers monitoring the capabilities of existing suppliers of IT and BPO services and identifying vendor suitability for these services
- Consultants advising clients on vendor selection
- Vendor marketing, sales and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the BPO/IT services sector.



Highlights

Q3 FY17 Performance: Soft quarter, as expected

Revenues at bottom end of guidance, in spite of 5-week contribution from Appirio. Revenue growth was driven by BPS, benefiting from the HPS acquisition, but parts of the HPS business softened in Q3. If we exclude BPS, we estimate Q3 FY17 IT services revenues were slightly down y/y as reported, although they included a 5-week contribution from Appirio

Operating margin continues to decline y/y. A number of factors in play here.

Progress against six strategic pillars

- Digital: claims "total digital ecosystem" revenues represented 21.7% of total revenues. Completed \$500m acquisition of Appirio
- Client mining: efforts to strengthen client mining have yet to translate into significant growth in large accounts
- Non-linearity: HOLMES continues to be deployed, focusing on top 100 accounts
- Hyper automation: total number of people released in Q1-Q3 is above the full year target
- Localization: the acquisition in Q4 of Info Server will bring in a beach-head in Brazil for FS sectors
- Partner eco-system: Wipro Ventures expects to maintain the pace of investments made in 2016.

Recent efforts to improve employee engagement in India appear to be paying off: attrition is reducing.

Utilization metrics are trending up.

Is seeing discretionary spend being impacted by Trump administration, in particular in HPS, and by Brexit

Restructuring of India and Middle East Business

TK Kurien steps down

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Recent Contract Awards

M&A and Investments

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Scope of the Report

The report provides a quarterly update on Wipro, looking at financial performance and key developments during the period.

It accompanies NelsonHall's Key Vendor Assessment program which looks at Wipro's IT and BPO offerings, capabilities, and market and financial strengths, including:

- Identification of the company's strategy, emphases and new developments
- Revenue breakdowns
- Analysis of the company's offerings and key service components
- Analysis of the profile of the company's client base including the company's targeting strategy and examples of current contracts
- Analysis of the company's strengths, weaknesses and outlook.

Report Length

13 pages

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