

# Pick of *the week*

## HCL Technologies

Recommendation: **ADD**

Target Price: **₹1,600**

Current Price: **₹1,345**

Time Period: **12 Months**

Date: **27<sup>th</sup> May 2024**



- HCLT announced the acquisition of select telecom assets of HPE focused on BSS (Business Support Systems) for a consideration of US\$22.5 cr.
- Acquisition provide access to key telecom clients & increase capability in ERD.
- Telecom operators are looking to cut operational costs—the acquisition can pave the way for HCLT to compete for wallet share with large clients.
- The acquisition is in ERD services, an area of strength for the company.
- Can support endeavor of telecom operators to cut costs to gain wallet share.
- Clients include 20 of the top 30 global telcos in the markets of Japan, Europe, Americas & APAC.
- We expect the business to be largely onsite-centric.
- We maintain ADD with an unchanged fair value of Rs1,600.

Note: The above is a brief note on the company, based on the inputs of KIE research report dated 24<sup>th</sup> May 2024, which is available on our website at: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>.

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