



Group Financial Overview and Trends for the Year and Quarter ending 31 Mar 2024

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Overview of Quarterly Results

Safe Harbor:

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Mphasis will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

1. Annual Highlights

- FY24 revenue declined 3.7% YoY on reported basis and 6.5% in Constant Currency.
- Direct revenue declined 2.3% YoY on reported basis and 5.2% in Constant Currency.
- New TCV wins of USD 1.38 billion in FY24 in Direct
- Net profit declined 5.1% to ₹ 15,548 million in FY24.
- EPS declined 5.3% to ₹ 82.4 in FY24.

2. Quarterly Highlights

- Gross Revenue grew 1.9% QoQ and 0.8% YoY in Q4 FY24 on reported basis and grew 2.1% QoQ and declined 0.4% YoY in Constant Currency.
- Direct revenue grew 1.9% QoQ and 1.6% YoY on a reported basis in Q4 FY24 and grew 2.0% QoQ and 0.4% YoY in Constant Currency.
- New TCV wins of USD 177 million in Q4 FY24 in Direct
- Reported operating margin at 14.9%.
- Reported Net profit margin at 11.5% at ₹ 3,932 million in Q4 FY24.
- EPS grew 5.1% QoQ to ₹ 20.8 in Q4 FY24.

3. Revenue

a. Overall

- FY24 Gross revenue declined 3.7% on reported basis and 6.5% in Constant Currency. Gross Revenue grew 1.9% QoQ and 0.8% YoY in Q4 FY24 on reported basis and grew 2.1% QoQ and declined 0.4% YoY in Constant Currency.

b. Direct

- FY24 Direct revenue declined 2.3% on reported basis and 5.2% in Constant Currency. Direct revenue grew 1.9% QoQ and 1.6% YoY on a reported basis in Q4 FY24 and grew 2.0% QoQ and 0.4% YoY in Constant Currency.
- Won new deals with TCV of USD 177 million in Q4 FY24 with 77% of the deal wins in New-Gen Services.

4. Financial indicators

a. Revenues

- FY24 Net Revenue declined 3.8% on reported basis and 6.6% in Constant Currency to ₹132,785 million.
- Net Revenue grew 2.2% QoQ and 1.5% YoY in Q4 FY24 to ₹ 34,120 million in reported terms. Net Revenue grew 2.4% QoQ and 0.3% YoY in Constant Currency.

b. Gross Profit

- Gross profit declined 1.8% to ₹ 36,835 million in FY24. Gross margin grew 50 bps to 27.7% in FY24.
- Gross profit declined 1.2% QoQ and grew 3.7% YoY to ₹ 9,562 million in Q4 FY24. Gross margin declined 100 bps QoQ and grew 60 bps YoY to 28.0% in Q4 FY24.

c. Operating Profit (EBIT)

- Operating profit declined 4.6% to ₹ 20,114 million in FY24.
- Reported operating margin at 15.1% in FY24.
- Operating Margin remained flat on QoQ basis and declined 40 bps YoY to 14.9% in Q4 FY24.
- Operating profit grew 2.2% QoQ and declined 1.4% YoY to ₹ 5,080 million in Q4 FY24.

d. Net Profit

- Net profit declined 5.1% to ₹15,548 million in FY24.
- Net margin declined 20 bps to 11.7% in FY24.
- Reported Net profit at 11.5% at ₹ 3,932 million in Q4 FY24.
- Net margin grew 30 bps QoQ and declined 60 bps YoY to 11.5% in Q4 FY24

e. Earnings per Share

- EPS declined 5.3% to ₹ 82.4 in FY24.
- EPS grew 5.1% QoQ to ₹ 20.8 in Q4 FY24

5. Cash Management

- Cash and cash equivalents increased by ₹4,592 million during the quarter to ₹ 39,068 million (USD 468 M). Adjusting for loan, net operating cash generated during the quarter was ₹ 4,552 million (USD 55M).
- Net operating cash generated during the quarter was at 116% of net income.
- DSO at 66 days in Q4 FY24 versus 71 in Q4 FY23.

6. Deal Wins

- One of the top 5 US Investment Banks has engaged Mphasis to provide modernization and cloud services as part of its transformation program.
- A leading player in the alternative investment industry has selected Mphasis to help set up its shared services operations and to develop and manage their business-critical apps.
- A leading American financial services company has chosen Mphasis as its technology partner to develop features in sales, marketing, and core apps platforms in identified areas of business growth in the coming year.
- A large North American logistics company has signed a strategic data transformation and integration deal with Mphasis. As part of this transformation, Mphasis will work with the client to improve customer experience, provide better visibility on real time performance, and monitor and optimize service costs.
- A leading employee benefits and administration partner provider has engaged Mphasis to help scale up and improve operational efficiencies in its acquired businesses. Mphasis's Javelina platform capabilities were key in securing this win.

Consolidated Profit and Loss Account

₹ Million

	Quarter ended 31 Mar 2024	Quarter ended 31 Dec 2023	QoQ Growth %	Quarter ended 31 Mar 2023	YoY Growth %
Gross Revenues	34,150	33,507	1.9%	33,893	0.8%
Profit / (loss) on cash flow hedges reclassified to revenue	(30)	(127)		(281)	
Net Revenues	34,120	33,380	2.2%	33,612	1.5%
<i>Cost of revenues</i>	24,558	23,705	3.6%	24,391	0.7%
Manpower and Other Cost	23,474	22,937	2.3%	23,786	-1.3%
Depreciation and Amortization	1,084	768	41.1%	605	79.1%
Gross profit	9,562	9,675	-1.2%	9,221	3.7%
GM%	28.0%	29.0%	-1.0%	27.4%	0.6%
<i>Selling expenses</i>	2,761	2,464	12.1%	2,084	32.5%
Manpower and Other Cost	2,729	2,432	12.2%	2,054	32.9%
Depreciation and Amortization	32	32	0.0%	30	6.7%
SE %	8.1%	7.4%	0.7%	6.2%	1.9%
<i>General and administrative expenses</i>	1,721	2,239	-23.1%	1,985	-13.3%
Manpower and Other Cost	1,529	2,004	-23.7%	1,785	-14.3%
Depreciation and Amortization	192	235	-18.3%	200	-4.0%
G&A %	5.0%	6.7%	-1.7%	5.9%	-0.9%
Operating profit	5,080	4,972	2.2%	5,152	-1.4%
Operating Margin	14.9%	14.9%	0.0%	15.3%	-0.4%
Foreign exchange gain, net	6	28	-78.1%	59	-89.6%
Other income, net	636	514	23.6%	367	73.2%
Interest expenses	(499)	(528)		(237)	
Profit before taxation	5,223	4,986	4.8%	5,341	-2.2%
<i>Income taxes</i>	1,291	1,250	3.3%	1,288	0.2%
-Current	1,233	1,516		1,044	
-Deferred	58	(266)		244	
Net profit	3,932	3,736	5.3%	4,053	-3.0%
Earning per share (par value ₹10)	20.8	19.8	5.1%	21.5	-3.3%

Note: The figures of the previous periods have been regrouped / reclassified wherever necessary to conform to the current period's classification.

Consolidated Profit and Loss Account

	₹ Million		
	Year ended 31 Mar 2024	Year ended 31 Mar 2023	YoY Growth %
Gross Revenues	133,340	138,430	-3.7%
Profit / (loss) on cash flow hedges reclassified to revenue	(555)	(445)	
Net Revenues	132,785	137,985	-3.8%
<i>Cost of revenues</i>	95,950	100,475	-4.5%
Manpower and Other Cost	92,772	98,128	-5.5%
Depreciation and Amortization	3,178	2,347	35.4%
Gross profit	36,835	37,510	-1.8%
GM%	27.7%	27.2%	0.5%
<i>Selling expenses</i>	9,260	8,635	7.2%
Manpower and Other Cost	9,134	8,539	7.0%
Depreciation and Amortization	126	96	31.3%
SE %	7.0%	6.3%	0.7%
<i>General and administrative expenses</i>	7,461	7,788	-4.2%
Manpower and Other Cost	6,659	6,978	-4.6%
Depreciation and Amortization	802	810	-1.0%
G&A %	5.6%	5.6%	0.0%
Operating profit	20,114	21,087	-4.6%
Operating Margin	15.1%	15.3%	-0.2%
Foreign exchange gain, net	131	452	-71.0%
Other income, net	2,046	1,165	75.7%
Interest expenses	(1,608)	(973)	65.3%
Profit before taxation	20,683	21,731	-4.8%
Income taxes	5,135	5,351	-4.0%
-Current	5,776	5,079	
-Deferred	(641)	272	
Net profit	15,548	16,379	-5.1%
Earning per share (par value ₹10)	82.4	87.1	-5.3%

Key Performance Indicators

	Quarter ended 31 Mar 2024	Quarter ended 31 Dec 2023	Quarter ended 31 Mar 2023	Year ended 31 Mar 2024	Year ended 31 Mar 2023
PROFIT AND LOSS ACCOUNT					
Gross Revenue (\$ Mn)	410.7	402.3	412.0	1,609.5	1,717.7
Gross margin	% 28.0%	29.0%	27.4%	27.7%	27.2%
Selling expenses	% 8.1%	7.4%	6.2%	7.0%	6.3%
General and administrative expenses	% 5.0%	6.7%	5.9%	5.6%	5.6%
Operating margin	% 14.9%	14.9%	15.3%	15.1%	15.3%
EBITDA margin	% 18.7%	18.0%	17.8%	18.2%	17.6%
PBT margin	% 15.3%	14.9%	15.9%	15.6%	15.7%
PAT margin	% 11.5%	11.2%	12.1%	11.7%	11.9%
Effective tax rate	% 24.7%	25.1%	24.1%	24.8%	24.6%
EPS (Basic)	₹ 20.8	19.8	21.5	82.4	87.1

Exchange Rates

	Quarter ended 31 Mar 2024	Quarter ended 31 Dec 2023	Quarter ended 31 Mar 2023	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Period Closing Rate	83.41	83.21	82.17	83.41	82.17
Average Exchange Rate	83.15	83.29	82.26	82.85	80.59

Consolidated Balance sheet

₹ Million

	31 Mar 2024	31 Dec 2023	31 Mar 2023
ASSETS			
Non Current Assets			
PPE & Intangibles	6,285	7,023	3,543
Capital work in progress	614	444	324
Right-of-use assets	7,248	7,724	7,469
Goodwill	41,793	41,709	29,586
Investments	4,971	5,297	3,848
Debtors	2,772	2,613	1,334
Deferred Tax Assets	2,857	2,879	2,422
Others Assets	8,438	8,052	8,038
Total Non Current Assets	74,978	75,741	56,564
Current Assets			
Debtors	24,256	25,347	25,206
Investments	25,928	19,226	13,679
Cash and bank balances	8,144	9,928	10,534
Other Assets	7,996	8,272	10,111
Total Current Assets	66,324	62,773	59,530
Total Assets	141,302	138,514	116,095
Liabilities and Shareholder's Equity			
Total Share Holder's Equity	85,413	81,045	77,310
Employee stock options outstanding	2,533	2,414	2,038
Total Equity	87,946	83,459	79,348
Non Current Liabilities			
Lease liabilities	6,750	7,173	6,816
Deferred Tax Liabilities	1,299	1,083	1,030
Other Non Current Liabilities	3,261	3,693	922
Total Non Current Liabilities	11,310	11,949	8,768
Current Liabilities			
Borrowings	15,436	15,409	1,985
Lease liabilities	1,700	1,695	1,727
Trade Payables	7,983	8,191	8,640
Other Liabilities	16,927	17,811	15,626
Total current liabilities	42,046	43,106	27,978
TOTAL EQUITY AND LIABILITIES	141,302	138,514	116,095

Note: The figures of the previous periods have been regrouped / reclassified wherever necessary to conform to the current period's classification.

Key Performance Indicators

		Quarter ended 31 Mar 2024	Quarter ended 31 Dec 2023	Quarter ended 31 Mar 2023
BALANCE SHEET				
Cash & cash equivalents	₹ Million	39,068	34,476	28,084
Receivables	Days	66	69	71

Cash and bank balance and Investment of cash surplus

Cash and cash equivalents consist of cash & bank balances and investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. It also includes restricted deposits amounting to ₹ 25 million (Q3 FY24 - ₹ 25 million, Q4 FY23 - ₹ 24 million).

The Group's treasury policy calls for investing only in fixed deposits of highly rated banks, units of debt mutual funds, fully hedged arbitrage funds, State government securities, highly rated listed non-convertible debentures, zero coupon bonds and fixed maturity plans (FMP). Stringent guidelines have been set for de-risking counter party exposures. The Group maintains balances both in Indian Rupee and foreign currency accounts in India and overseas. The investment philosophy of the Group in general is to ensure capital preservation and liquidity in preference to returns. All the investments are recorded and valued as per the relevant Indian Accounting Standards (Ind AS).

Primary Segment Information

₹ Million

	Quarter ended 31 Mar 2024	Quarter ended 31 Dec 2023	QoQ Growth %	Quarter ended 31 Mar 2023	Year ended 31 Mar 2024	Year ended 31 Mar 2023	YoY Growth %
Segment Revenue							
Banking and Financial Services	16,076	15,684	2.5%	17,689	63,423	73,185	-13.3%
Insurance	3,770	3,813	-1.1%	3,331	14,570	14,010	4.0%
Technology Media and Telecom	5,449	5,219	4.4%	4,745	21,298	19,445	9.5%
Logistics & Transportation	4,668	4,581	1.9%	4,675	18,287	18,411	-0.7%
Others	4,187	4,209	-0.5%	3,453	15,762	13,379	17.8%
Total Revenues	34,150	33,507	1.9%	33,893	133,340	138,430	-3.7%
Segment Profit							
Banking and Financial Services	4,275	4,361	-2.0%	5,019	16,305	19,658	-17.1%
Insurance	1,147	1,298	-11.7%	830	4,055	3,753	8.0%
Technology Media and Telecom	1,206	1,195	0.9%	1,093	5,754	4,567	26.0%
Logistics & Transportation	1,543	1,535	0.5%	1,435	5,758	5,430	6.0%
Others	1,421	1,412	0.6%	1,126	5,518	4,549	21.3%
Total Segment Profit	9,592	9,802	-2.1%	9,503	37,390	37,957	-1.5%
Gross Margin %							
Banking and Financial Services	26.6%	27.8%	-1.2%	28.4%	25.7%	26.9%	-1.2%
Insurance	30.4%	34.1%	-3.7%	24.9%	27.8%	26.8%	1.0%
Technology Media and Telecom	22.1%	22.9%	-0.8%	23.0%	27.0%	23.5%	3.5%
Logistics & Transportation	33.1%	33.5%	-0.4%	30.7%	31.5%	29.5%	2.0%
Others	33.9%	33.5%	0.4%	32.6%	35.0%	34.0%	1.0%
Total	28.1%	29.3%	-1.2%	28.0%	28.0%	27.4%	0.6%

Notes:

Segment results exclude Profit / (loss) on cash flow hedges reclassified to revenue.

'Others' segment includes Healthcare, Manufacturing & Retail etc.

The figures of the previous periods have been regrouped / reclassified wherever necessary to conform to the current period's classification.

Analysis of Revenues

Revenues reported in the tables below exclude Profit / (loss) on cash flow hedges reclassified to revenue

(a) By Delivery Location

	₹ Million				
	Quarter ended 31 Mar 2024	Quarter ended 31 Dec 2023	Quarter ended 31 Mar 2023	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Onsite	19,122 56.0%	17,824 53.2%	18,124 53.5%	71,160 53.4%	77,439 55.9%
Offshore	15,028 44.0%	15,683 46.8%	15,769 46.5%	62,180 46.6%	60,991 44.1%
Total	34,150	33,507	33,893	133,340	138,430

(b) By Project Type

	₹ Million				
	Quarter ended 31 Mar 2024	Quarter ended 31 Dec 2023	Quarter ended 31 Mar 2023	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Time and Material	19,961 58.5%	19,537 58.3%	19,677 58.1%	77,666 58.2%	77,996 56.3%
Transaction Based*	3,457 10.1%	3,378 10.1%	3,775 11.1%	13,579 10.2%	18,464 13.3%
Fixed Price	10,732 31.4%	10,592 31.6%	10,441 30.8%	42,095 31.6%	41,970 30.3%
Total	34,150	33,507	33,893	133,340	138,430

*Transaction based revenue comprises of projects where the commercials are based on unit of Output

(c) By Secondary Market Segment

	₹ Million				
	Quarter ended 31 Mar 2024	Quarter ended 31 Dec 2023	Quarter ended 31 Mar 2023	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Direct	32,571 95.4%	31,975 95.4%	32,055 94.6%	126,938 95.2%	129,921 93.9%
DXC	1,034 3.0%	968 2.9%	1,272 3.8%	4,205 3.2%	6,204 4.5%
Others	545 1.6%	564 1.7%	566 1.7%	2,197 1.6%	2,305 1.7%
Total	34,150	33,507	33,893	133,340	138,430

(d) By Geography

₹ Million

	Quarter ended 31 Mar 2024	Quarter ended 31 Dec 2023	Quarter ended 31 Mar 2023	Year ended 31 Mar 2024	Year ended 31 Mar 2023
AMERICAS	27,658 81.0%	26,876 80.2%	27,378 80.8%	107,167 80.4%	113,200 81.8%
EMEA	3,772 11.0%	3,878 11.6%	3,624 10.7%	14,996 11.2%	13,968 10.1%
INDIA	1,808 5.3%	1,853 5.5%	1,862 5.5%	7,488 5.6%	7,086 5.1%
ROW	912 2.7%	900 2.7%	1,029 3.0%	3,689 2.8%	4,177 3.0%
Total	34,150	33,507	33,893	133,340	138,430

(e) By Service Type

₹ Million

	Quarter ended 31 Mar 2024	Quarter ended 31 Dec 2023	Quarter ended 31 Mar 2023	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Application Services	24,302 71.2%	23,688 70.7%	23,977 70.7%	94,455 70.8%	94,705 68.4%
Business Process Services	5,654 16.6%	5,561 16.6%	5,559 16.4%	22,075 16.6%	26,660 19.3%
Infrastructure Services	4,194 12.3%	4,258 12.7%	4,357 12.9%	16,810 12.6%	17,066 12.3%
Total	34,150	33,507	33,893	133,340	138,430

(f) Client Metrics

	Quarter ended 31 Mar 2024	Quarter ended 31 Dec 2023	Quarter ended 31 Mar 2023	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Revenues from Top Client	14%	15%	17%	14%	17%
Revenues from Top 5 Clients	44%	46%	49%	44%	49%
Revenues from Top 10 Clients	54%	55%	60%	54%	60%
Clients Contributing :					
\$ 200 million Revenues	1	1	1	1	1
\$ 150 million Revenues	3	3	3	3	3
\$ 100 million Revenues	3	3	4	3	4
\$ 75 million Revenues	4	4	5	4	5
\$ 50 million Revenues	5	5	6	5	6
\$ 20 million Revenues	10	10	12	10	12
\$ 10 million Revenues	29	29	24	29	24
\$ 5 million Revenues	47	46	45	47	45
\$ 1 million Revenues	135	134	111	135	111
New client wins	3	5	4	18	13

Notes:

1. Client Concentration is based on Trailing Twelve Months (TTM).
2. Client metrics exclude DXC

Tower Information

(a) Headcount

	Quarter ended 31 Mar 2024	Quarter ended 31 Dec 2023	Quarter ended 31 Mar 2023
Onsite - billable			
- Technology Services*	4,656	4,664	4,669
- BPO Services	1,318	1,338	1,606
Offshore - billable			
- Technology Services	14,799	15,393	16,799
- BPO Services	6,341	6,733	6,234
Total billable headcount	27,115	28,127	29,307
Total headcount**	32,664	33,992	34,042

*Technology Services include Application & Infrastructure Services

**Includes billable contractors, sales and marketing and general and administration employees

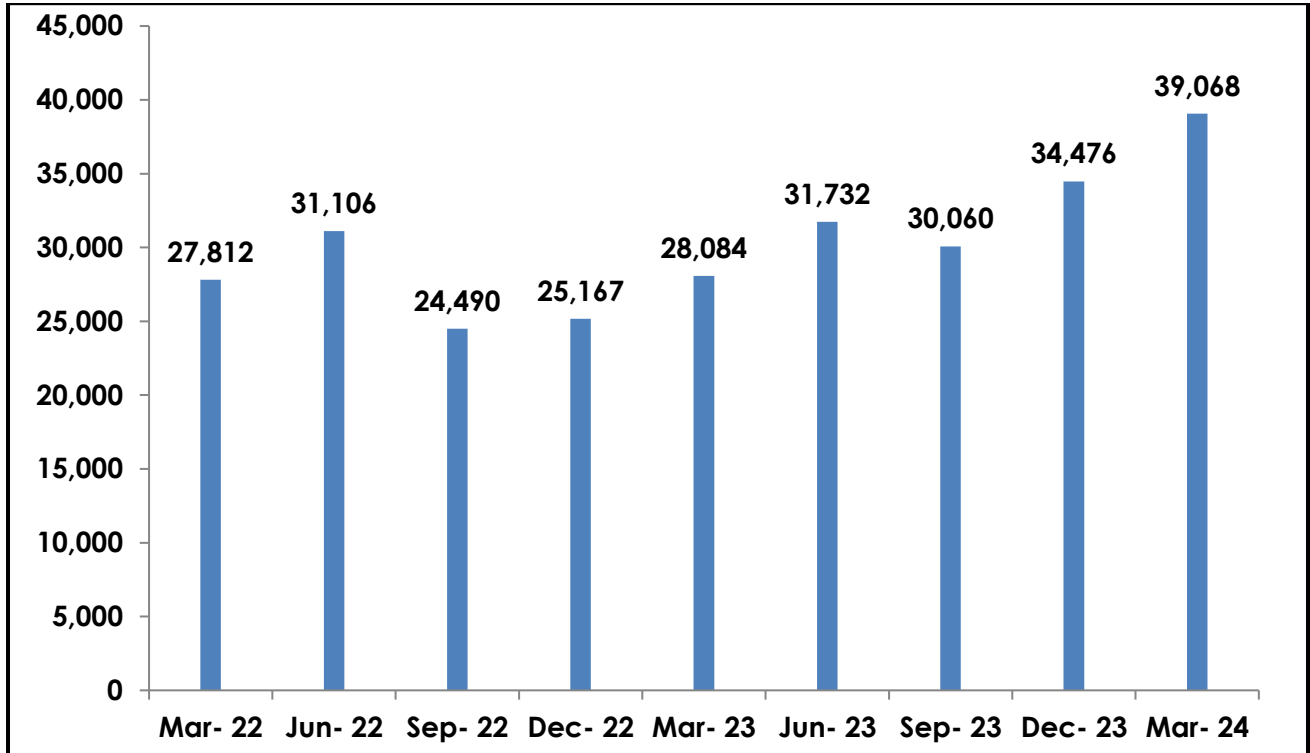
(b) Utilization Rates *

	Quarter ended 31 Mar 2024	Quarter ended 31 Dec 2023	Quarter ended 31 Mar 2023	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Including Trainees					
Onsite	86%	84%	89%	86%	88%
Offshore	71%	69%	75%	72%	71%
Excluding Trainees					
Offshore	75%	74%	79%	77%	75%

* Utilization data for Technology services business

Trends

Cash and cash equivalents - ₹ million



Receivables Days

