



Group Financial Overview and Trends for the Year and Quarter ending 31 Mar 2023

	Page
Overview of Yearly and Quarterly Results	1 to 3
Consolidated Profit and Loss Account	4 & 5
Key Performance Indicators – Profit and Loss Account	6
Consolidated Balance Sheet	7
Key Performance Indicators – Balance Sheet	8
Primary Segment Information	9
Analysis of Revenues	10 to 12
Tower Information	13
Trends	14

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

- FY23 revenue grew 16.7% YoY on reported basis and 9.7% in Constant Currency.
- Direct revenue grew 19.3% YoY on reported basis and 12.0% in Constant Currency.
- DXC revenue declined 19.0% YoY on reported basis and 23.5% in Constant Currency.
- New TCV wins of USD 1.3 billion in FY23 in Direct.
- Net profit grew 14.5% to ₹ 16,379 million in FY23.
- EPS grew 14.0% to ₹ 87.1 in FY23.

2. Quarterly Highlights

- Gross Revenue declined 4.1% QoQ and grew 4.5% YoY in Q4 FY23 on reported basis and declined 4.5% QoQ and 3.1% YoY in Constant Currency.
- Direct revenue declined 3.1% QoQ and grew 6.1% YoY on a reported basis in Q4 FY23 and declined 3.4% QoQ and 1.8% YoY in Constant Currency.
- DXC revenue declined 24.4% QoQ and 24.7% YoY in Q4 FY23 on a reported basis and declined 24.8% QoQ and 29.9% YoY in Constant Currency.
- New TCV wins of USD 309 million in Q4 FY23 in Direct.
- Net profit declined 1.7% QoQ and grew 3.4% YoY to ₹ 4,053 million in Q4 FY23.
- EPS declined 1.8% QoQ and grew 3.0% YoY to ₹ 21.5 in Q4 FY23.

3. Revenue

a. Overall

- FY23 Gross revenue grew 16.7% on reported basis and 9.7% in Constant Currency. Gross Revenue declined 4.1% QoQ and grew 4.5% YoY in Q4 FY23 on reported basis and declined 4.5% QoQ and 3.1% YoY in Constant Currency.

b. Direct

- FY23 Direct revenue grew 19.3% on reported basis and 12.0% in Constant Currency. Direct revenue declined 3.1% QoQ and grew 6.1% YoY on a reported basis in Q4 FY23 and declined 3.4% QoQ and 1.8% YoY in Constant Currency.
- Won new deals with TCV of USD 309 million in Q4 FY23 with 85% of the deal wins in New-Gen Services.

c. DXC

- FY23 revenue declined 19.0% on reported basis and 23.5% in Constant Currency. In Q4 FY 23, revenue declined 24.4% QoQ and 24.7% YoY on a reported basis and declined 24.8% QoQ and 29.9% YoY in Constant Currency.
- DXC contributed 4% of the overall gross revenue in Q4 FY23.

4. Financial indicators**a. Revenues**

- FY23 Net Revenue grew 15.4% on reported basis and 8.4% in Constant Currency to ₹ 137,985 million.
- Net Revenue declined 4.1% QoQ and grew 2.5% YoY in Q4 FY23 to ₹ 33,612 million in reported terms. Net Revenue declined 4.5% QoQ and 5.0% YoY in Constant Currency.

b. Gross Profit

- Gross profit grew 14.4% to ₹ 37,510 million in FY 23. Gross margin declined 20 bps to 27.2% in FY23.
- Gross profit declined 1.5% QoQ and grew 0.4% YoY to ₹ 9,221 million in Q4 FY23. Gross margin grew 70 bps QoQ and declined 60 bps YoY to 27.4% in Q4 FY23.

c. Operating Profit (EBIT)

- Operating profit grew 15.4% to ₹ 21,087 million in FY23.
- Operating Margin remained unchanged at 15.3% in FY23.
- Operating profit declined 3.8% QoQ and grew 3.6% YoY to ₹ 5,152 million in Q4 FY23.
- Operating Margin remained unchanged QoQ and grew 10 bps YoY to 15.3% in Q4 FY23.

d. Net Profit

- Net profit grew 14.5% to ₹ 16,379 million in FY23.
- Net Margin declined 10 bps to 11.9% in FY23.
- Net profit declined 1.7% QoQ and grew 3.4% YoY to ₹ 4,053 million in Q4 FY23.
- Net Margin grew 30 bps QoQ and 10 bps YoY to 12.1% in Q4 FY23.

e. Earnings per Share

- EPS grew 14.0% to ₹ 87.1 in FY23.
- EPS declined 1.8% QoQ and grew 3.0% YoY to ₹ 21.5 in Q4 FY23.

5. Cash Management

- Cash and cash equivalents increased by ₹ 2,917 million during the quarter to ₹28,084 million (USD 342M). Adjusting for loan drawdown of ₹ 826 million, Net operating cash generated during the quarter was ₹ 2,091 million (USD 25M).

6. Deal Wins

- One of the world's largest FinTech organization has engaged Mphasis to transform multiple legacy applications, including their mainframe-based core credit cards origination and authorization system into a cloud ready neo-core, based on Mphasis' XaaP framework.
- An American Insurance company has selected Mphasis for Managed Services engagement where the scope includes Datacenter, Network, Cyber Security, Service Desk and End User Services and Application and Database monitoring.
- One of largest American banks has engaged Mphasis to modernize its monolithic applications in the online banking platform space to modern microservices based applications, and to deliver feature sets to new products being introduced to the online banking platform.
- An American wealth management company has engaged Mphasis to support its Enterprise PMO office to fulfill enterprise wise projects.

Consolidated Profit and Loss Account

₹ Million

	Quarter ended 31 Mar 2023	Quarter ended 31 Dec 2022	QoQ Growth %	Quarter ended 31 Mar 2022	YoY Growth %
Gross Revenues	33,893	35,356	-4.1%	32,448	4.5%
Profit / (loss) on cash flow hedges reclassified to revenue	(281)	(294)		329	
Net Revenues	33,612	35,062	-4.1%	32,777	2.5%
<i>Cost of revenues</i>	24,391	25,697	-5.1%	23,592	3.4%
Manpower and Other Cost	23,786	25,086	-5.2%	23,014	3.4%
Depreciation and Amortization	605	611	-1.0%	578	4.7%
Gross profit	9,221	9,365	-1.5%	9,185	0.4%
GM%	27.4%	26.7%	0.7%	28.0%	-0.6%
<i>Selling expenses</i>	2,084	2,191	-4.9%	1,981	5.2%
Manpower and Other Cost	2,054	2,167	-5.2%	1,961	4.7%
Depreciation and Amortization	30	24	25.0%	20	50.0%
SE %	6.2%	6.2%	0.0%	6.0%	0.2%
<i>General and administrative expenses</i>	1,985	1,820	9.1%	2,231	-11.0%
Manpower and Other Cost	1,785	1,634	9.2%	2,030	-12.1%
Depreciation and Amortization	200	186	7.5%	201	-0.5%
G&A %	5.9%	5.2%	0.7%	6.8%	-0.9%
Operating profit	5,152	5,354	-3.8%	4,973	3.6%
Operating Margin	15.3%	15.3%	0.0%	15.2%	0.1%
Foreign exchange gain, net	59	127	-53.5%	157	-62.4%
Other income, net	367	273	34.4%	235	56.2%
Interest expenses	(237)	(244)		(208)	
Profit before taxation	5,341	5,510	-3.1%	5,156	3.6%
Income taxes	1,288	1,387	-7.1%	1,236	4.2%
-Current	1,044	1,284		1,189	
-Deferred	244	103		47	
Net profit	4,053	4,123	-1.7%	3,921	3.4%
Earning per share (par value ₹10)	21.5	21.9	-1.8%	20.9	3.0%

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 2023	Year ended 31 Mar 2022	YoY Growth %
Gross Revenues	138,430	118,611	16.7%
Profit / (loss) on cash flow hedges reclassified to revenue	(445)	1,003	
Net Revenues	137,985	119,614	15.4%
<i>Cost of revenues</i>	100,475	86,829	15.7%
Manpower and Other Cost	98,128	84,664	15.9%
Depreciation and Amortization	2,347	2,165	8.4%
Gross profit	37,510	32,785	14.4%
GM%	27.2%	27.4%	-0.2%
<i>Selling expenses</i>	8,635	7,196	20.0%
Manpower and Other Cost	8,539	7,119	19.9%
Depreciation and Amortization	96	77	24.7%
SE %	6.3%	6.0%	0.3%
<i>General and administrative expenses</i>	7,788	7,320	6.4%
Manpower and Other Cost	6,978	6,656	4.8%
Depreciation and Amortization	810	664	22.0%
G&A %	5.6%	6.1%	-0.5%
Operating profit	21,087	18,269	15.4%
Operating Margin	15.3%	15.3%	0.0%
Foreign exchange gain, net	452	486	-6.9%
Other income, net	1,165	1,119	4.1%
Interest expenses	(973)	(744)	
Profit before taxation	21,731	19,129	13.6%
Income taxes	5,351	4,820	11.0%
-Current	5,079	4,860	
-Deferred	272	(40)	
Net profit	16,379	14,309	14.5%
Earning per share (par value ₹10)	87.1	76.4	14.0%

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 2023	Quarter ended 31 Dec 2022	Quarter ended 31 Mar 2022	Year ended 31 Mar 2023	Year ended 31 Mar 2022
PROFIT AND LOSS ACCOUNT					
Gross Revenue (\$ Mn)	412.0	429.4	430.7	1,717.7	1,593.0
Gross margin	% 27.4%	26.7%	28.0%	27.2%	27.4%
Selling expenses	% 6.2%	6.2%	6.0%	6.3%	6.0%
General and administrative expenses	% 5.9%	5.2%	6.8%	5.6%	6.1%
Operating margin	% 15.3%	15.3%	15.2%	15.3%	15.3%
EBITDA margin	% 17.8%	17.6%	17.6%	17.6%	17.7%
PBT margin	% 15.9%	15.7%	15.7%	15.7%	16.0%
PAT margin	% 12.1%	11.8%	12.0%	11.9%	12.0%
Effective tax rate	% 24.1%	25.2%	24.0%	24.6%	25.2%
EPS (Basic)	₹ 21.5	21.9	20.9	87.1	76.4

Exchange Rates

	Quarter ended 31 Mar 2023	Quarter ended 31 Dec 2022	Quarter ended 31 Mar 2022	Year ended 31 Mar 2023	Year ended 31 Mar 2022
Period Closing Rate	82.17	82.73	75.79	82.17	75.79
Average Exchange Rate	82.26	82.33	75.33	80.59	74.46

Consolidated Balance sheet

₹ Million

	31 Mar 2023	31 Dec 2022	31 Mar 2022
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	1,884	1,883	1,878
Reserves and surplus	75,426	70,913	66,439
Employee stock options outstanding	2,038	1,803	1,115
	79,348	74,599	69,432
LOAN FUNDS			
Secured loans	1,985	1,159	2,742
Unsecured loans	-	-	2,530
Lease Liability	8,543	8,826	7,247
Deferred Tax Liability	1,030	891	718
	90,906	85,475	82,669
APPLICATION OF FUNDS			
FIXED ASSETS			
Cost	11,481	11,634	10,645
Accumulated depreciation	(7,938)	(7,955)	(6,493)
Net book value	3,543	3,679	4,152
Right-of-use assets	7,469	7,766	6,236
Capital work-in-progress including capital advances	324	359	109
	11,336	11,804	10,497
GOODWILL	29,586	29,756	27,348
INVESTMENTS	17,526	17,332	18,130
DEFERRED TAX ASSETS	2,422	2,828	1,616
CURRENT ASSETS, LOANS AND ADVANCES			
Debtors	27,172	26,599	22,831
Cash and bank balances	10,558	7,835	9,682
Interest receivable	16	139	69
Loans and advances	16,202	16,526	16,228
	53,948	51,099	48,810
CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	19,797	21,917	18,572
Provisions	4,115	5,427	5,160
	23,912	27,344	23,732
NET CURRENT ASSETS	30,036	23,755	25,078
	90,906	85,475	82,669

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 2023	Quarter ended 31 Dec 2022	Quarter ended 31 Mar 2022
BALANCE SHEET				
Cash & cash equivalents	₹ Million	28,084	25,167	27,812
Receivables	Days	71	68	61

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 ₹ 24 million (Q3 FY23 - ₹ 39 million, Q4 FY22 - ₹ 39 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 2023	Quarter ended 31 Dec 2022	QoQ Growth % 31 Mar 2022	Quarter ended 31 Mar 2022	Year ended 31 Mar 2023	Year ended 31 Mar 2022	YoY Growth %
Segment Revenue							
Banking and Financial Services	17,997	18,967	-5.1%	17,403	74,190	63,755	16.4%
Insurance	2,590	2,921	-11.3%	3,098	11,449	10,771	6.3%
Technology Media and Telecom	4,301	4,578	-6.1%	4,300	17,980	15,743	14.2%
Logistics & Transportation	4,608	4,579	0.6%	4,162	18,076	15,552	16.2%
Others	4,397	4,311	2.0%	3,486	16,735	12,789	30.9%
Total Revenues	33,893	35,356	-4.1%	32,448	138,430	118,611	16.7%
Segment Profit							
Banking and Financial Services	5,124	4,973	3.0%	4,545	19,977	15,552	28.5%
Insurance	678	836	-18.9%	839	3,131	2,915	7.4%
Technology Media and Telecom	921	962	-4.3%	1,045	4,063	3,148	29.1%
Logistics & Transportation	1,425	1,412	0.9%	1,117	5,342	5,494	-2.8%
Others	1,355	1,477	-8.3%	1,310	5,444	4,675	16.5%
Total Segment Profit	9,503	9,660	-1.6%	8,856	37,957	31,784	19.4%
Gross Margin %							
Banking and Financial Services	28.5%	26.2%	2.3%	26.1%	26.9%	24.4%	2.5%
Insurance	26.2%	28.6%	-2.4%	27.1%	27.3%	27.1%	0.3%
Technology Media and Telecom	21.4%	21.0%	0.4%	24.3%	22.6%	20.0%	2.6%
Logistics & Transportation	30.9%	30.8%	0.1%	26.8%	29.6%	35.3%	-5.8%
Others	30.8%	34.3%	-3.5%	37.6%	32.5%	36.6%	-4.0%
Total	28.0%	27.3%	0.7%	27.3%	27.4%	26.8%	0.6%

Notes:

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

Effective Q2 FY22 'Banking and Capital Markets' segment has been renamed to 'Banking and Financial Services', and 'Information Technology, Communication & Entertainment' segment has been renamed to 'Technology, Media & Telecom'. There is no reclassification of numbers.

'Others' segment include 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 2023	Quarter ended 31 Dec 2022	Quarter ended 31 Mar 2022	Year ended 31 Mar 2023	Year ended 31 Mar 2022
Onsite	18,124 53.5%	19,505 55.2%	18,947 58.4%	77,439 55.9%	69,406 58.5%
Offshore	15,769 46.5%	15,851 44.8%	13,500 41.6%	60,991 44.1%	49,205 41.5%
Total	33,893	35,356	32,448	138,430	118,611

(b) By Project Type

	₹ Million				
	Quarter ended 31 Mar 2023	Quarter ended 31 Dec 2022	Quarter ended 31 Mar 2022	Year ended 31 Mar 2023	Year ended 31 Mar 2022
Time and Material	19,677 58.1%	20,066 56.8%	17,742 54.7%	77,996 56.3%	66,763 56.3%
Transaction Based*	3,775 11.1%	4,500 12.7%	5,072 15.6%	18,464 13.3%	18,924 16.0%
Fixed Price	10,441 30.8%	10,790 30.5%	9,633 29.7%	41,970 30.3%	32,924 27.8%
Total	33,893	35,356	32,448	138,430	118,611

*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 2023	Quarter ended 31 Dec 2022	Quarter ended 31 Mar 2022	Year ended 31 Mar 2023	Year ended 31 Mar 2022
Direct	32,055 94.6%	33,081 93.6%	30,221 93.1%	129,921 93.9%	108,882 91.8%
DXC	1,272 3.8%	1,684 4.8%	1,690 5.2%	6,204 4.5%	7,659 6.5%
Others	566 1.7%	591 1.7%	537 1.7%	2,305 1.7%	2,070 1.7%
Total	33,893	35,356	32,448	138,430	118,611

(d) By Geography

₹ Million

	Quarter ended 31 Mar 2023	Quarter ended 31 Dec 2022	Quarter ended 31 Mar 2022	Year ended 31 Mar 2023	Year ended 31 Mar 2022
AMERICAS	27,378 80.8%	28,924 81.8%	26,429 81.5%	113,200 81.8%	93,917 79.2%
EMEA	3,624 10.7%	3,573 10.1%	3,465 10.7%	13,968 10.1%	13,643 11.5%
INDIA	1,862 5.5%	1,798 5.1%	1,582 4.9%	7,086 5.1%	5,932 5.0%
ROW	1,029 3.0%	1,061 3.0%	972 3.0%	4,177 3.0%	5,120 4.3%
Total	33,893	35,356	32,448	138,430	118,611

(e) By Service Type

₹ Million

	Quarter ended 31 Mar 2023	Quarter ended 31 Dec 2022	Quarter ended 31 Mar 2022	Year ended 31 Mar 2023	Year ended 31 Mar 2022
Application Services	23,977 70.7%	24,552 69.4%	21,232 65.6%	94,705 68.4%	74,580 62.9%
Business Process Services	5,559 16.4%	6,338 17.9%	7,555 23.3%	26,660 19.3%	29,826 25.1%
Infrastructure Services	4,357 12.9%	4,466 12.6%	3,661 11.3%	17,066 12.3%	14,206 12.0%
Total	33,893	35,356	32,448	138,430	118,611

(f) Client Metrics

	Quarter ended 31 Mar 2023	Quarter ended 31 Dec 2022	Quarter ended 31 Mar 2022	Year ended 31 Mar 2023	Year ended 31 Mar 2022
Revenues from Top Client	13%	12%	11%	13%	11%
Revenues from Top 5 Clients	44%	45%	44%	44%	44%
Revenues from Top 10 Clients	59%	59%	59%	59%	59%
Clients Contributing :					
\$ 200 million Revenues	1	1	0	1	0
\$ 150 million Revenues	3	3	2	3	2
\$ 100 million Revenues	4	4	4	4	4
\$ 75 million Revenues	5	6	6	5	6
\$ 50 million Revenues	7	7	7	7	7
\$ 20 million Revenues	13	13	10	13	10
\$ 10 million Revenues	25	23	22	25	22
\$ 5 million Revenues	46	46	42	46	42
\$ 1 million Revenues	112	107	104	112	104
New client wins	4	4	6	13	24

Notes:

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

Tower Information

(a) Headcount

	Quarter ended 31 Mar 2023	Quarter ended 31 Dec 2022	Quarter ended 31 Mar 2022
Onsite - billable			
- Technology Services*	4,669	4,806	4,704
- BPO Services	1,606	1,828	2,451
Offshore - billable			
- Technology Services	16,799	17,454	17,406
- BPO Services	6,234	6,176	5,282
Total billable headcount	29,307	30,264	29,843
Total headcount**	34,042	35,450	36,534

*Technology Services include Application & Infrastructure Services

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

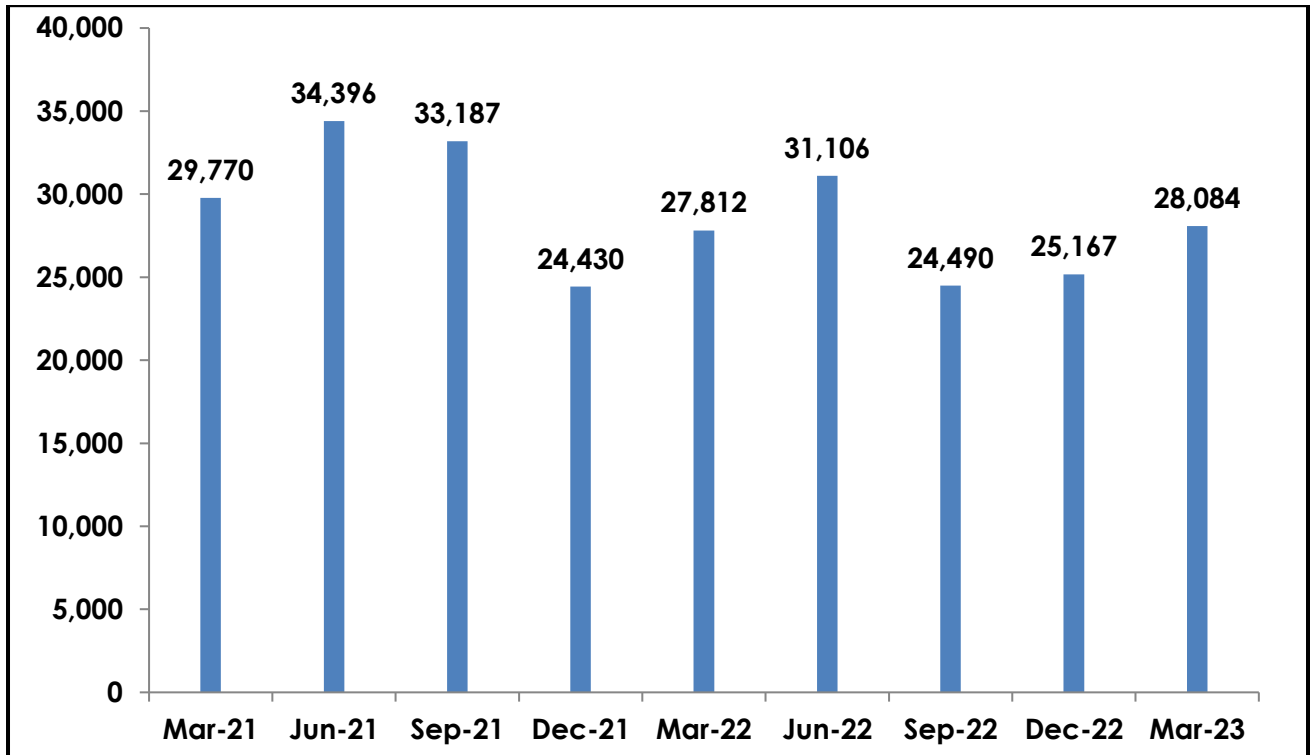
(b) Utilization Rates *

	Quarter ended 31 Mar 2023	Quarter ended 31 Dec 2022	Quarter ended 31 Mar 2022	Year ended 31 Mar 2023	Year ended 31 Mar 2022
Including Trainees					
Onsite	89%	87%	89%	88%	90%
Offshore	75%	70%	68%	71%	75%
Excluding Trainees					
Offshore	79%	74%	77%	75%	80%

* Utilization data for Technology services business

Trends

Cash and cash equivalents - ₹ million



Receivables Days

