



Group Financial Overview and Trends for the Year and Quarter ending 31 Mar 2022

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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

- FY22 revenue grew 22.4% YoY on reported basis and 21.2% in Constant Currency.
- Direct revenue grew 35.7% YoY on reported basis and 34.4% in Constant Currency.
- DXC revenue declined 48.2% YoY on reported basis and 49.0% in Constant Currency.
- New TCV wins of USD 1.43 billion in FY22 in Direct; Growth of 28.5%.
- Net profit grew 17.6% to ₹ 14,309 million in FY22. Adjusted for the M&A charges, Net profit grew 22.6% to ₹ 14,920 million
- EPS grew 17.2% to ₹ 76.4 in FY22. Adjusted for the M&A charges, EPS grew 22.2% to ₹ 79.6

2. Quarterly Highlights

- Gross Revenue grew 4.8% QoQ and 29.6% YoY in Q4 FY22 on reported basis and grew 4.3% QoQ and 26.8% YoY in Constant Currency.
- Direct revenue grew 5.2% QoQ and 40.7% YoY on a reported basis in Q4 FY22 and grew 4.7% QoQ and 37.6% YoY in Constant Currency.
- DXC revenue grew 1.6% QoQ and declined 43.6% YoY in Q4 FY22 on a reported basis and grew 1.1% QoQ and declined 44.6% YoY in Constant Currency.
- New TCV wins of USD 347 million in Q4 FY22 in Direct.
- Net profit grew 9.6% QoQ and 23.7% YoY to ₹ 3,921 million in Q4 FY22. Adjusted for the M&A charges Net profit grew 9.1% QoQ and 30.9% YoY to ₹ 4,147 million
- EPS grew 9.4% QoQ and 23.2% YoY to ₹ 20.9 in Q4 FY22. Adjusted for the M&A charges EPS grew 8.9% QoQ and 30.3% YoY to ₹ 22.1

3. Revenue

a. Overall

- Gross Revenue grew 4.8% QoQ and 29.6% YoY in Q4 FY22 on reported basis and grew 4.3% QoQ and 26.8% YoY in Constant Currency. Excluding non-strategic ATM Business, revenue grew 4.5% QoQ and 27.6% YoY in Constant Currency. FY22 Gross revenue grew 22.4% on reported basis and 21.2% in Constant Currency.

b. Direct

- Direct revenue grew 5.2% QoQ and 40.7% YoY on a reported basis in Q4 FY22 and grew 4.7% QoQ and 37.6% YoY in Constant Currency. FY22 Direct revenue grew 35.7% on reported basis and 34.4% in Constant Currency
- Won new deals with TCV of USD 347 million in Q4 FY22 with 72% of the deal wins in New-Gen Services.

c. DXC

- In Q4 FY 22, revenue grew 1.6% QoQ and declined 43.6% YoY on a reported basis and grew 1.1% QoQ and declined 44.6% YoY in Constant Currency. FY22 revenue declined 48.2% on reported basis and 49.0% in Constant Currency.
- DXC contributed 5% of the overall gross revenue in Q4 FY22.

4. Financial indicators**a. Revenues**

- FY22 Net Revenue grew 23.0% on reported basis and 21.8% in Constant Currency to ₹ 119,614 million.
- Net Revenue grew 4.9% QoQ and 29.8% YoY in Q4 FY22 to ₹ 32,777 million in reported terms. Net Revenue grew 4.4% QoQ and 27.1% YoY in Constant Currency.

b. Gross Profit

- Gross profit grew 18.7% to ₹ 32,785 million in FY 22. Gross margin declined 100 bps to 27.4% in FY22
- Gross profit grew 6.0% QoQ and 24.9% YoY to ₹ 9,185 million in Q4 FY22. Gross margin grew 30 bps QoQ and declined 110 bps YoY to 28.0% in Q4 FY22.

c. Operating Profit (EBIT)

- Operating profit grew 17.0% to ₹ 18,269 million in FY22. Adjusted for the M&A charges, Operating profit grew 21.5% to ₹ 18,972 million in FY22.
- Operating Margin declined 80 bps to 15.3% in FY22. Adjusted Operating Margin declined 20 bps to 15.9% in FY22.
- Operating profit grew 5.7% QoQ and 22.7% YoY to ₹ 4,973 million in Q4 FY22. Adjusted for M&A related charges, Operating profit grew 5.3% QoQ and 28.7% YoY to ₹ 5,217 million in Q4 FY22.
- Operating Margin grew 10 bps QoQ and declined 90 bps YoY to 15.2% in Q4 FY22. Adjusted Operating Margin remained unchanged QoQ and declined 20 bps YoY to 15.9% in Q4 FY22.

d. Net Profit

- Net profit grew 17.6% to ₹ 14,309 million in FY22. Adjusted for the M&A charges, Net profit grew 22.6% to ₹ 14,920 million in FY22.
- Net Margin declined 50 bps to 12.0% in FY22. Adjusted Net Margin remained unchanged at 12.5% in FY22.
- Net profit grew 9.6% QoQ and 23.7% YoY to ₹ 3,921 million in Q4 FY22. Adjusted for the M&A charges, Net profit grew 9.1% QoQ and 30.9% YoY to ₹ 4,147 million.

- Net Margin grew 50 bps QoQ and declined 60 bps YoY to 12.0% in Q4 FY22. Adjusted Net Margin grew 50 bps QoQ and grew 10 bps YoY to 12.7% in Q4 FY22.

e. Earnings per Share

- EPS grew 17.2% to ₹ 76.4 in FY22. Adjusted for the M&A charges, EPS grew 22.2% to ₹ 79.6
- EPS grew 9.4% QoQ and 23.2% YoY to ₹ 20.9 in Q4 FY22. Adjusted for the M&A charges EPS grew 8.9% QoQ and 30.3% YoY to ₹ 22.1

5. Cash Management

- Cash and cash equivalents increased by ₹ 3,382 million during the quarter to ₹27,812 million (USD 367M). Adjusting for loan repayment of ₹ 912 million, Net operating cash generated during the quarter was ₹ 4,294 million (USD 57M).

6. Deal Wins

- One of the leading insurance brokers in the UK has chosen Mphasis as a partner to accelerate cloud adoption for their IT operations and migrate current entities to cloud environment.
- One of the leading providers of benefits administration and cloud-based HR and finance solutions partnered with Mphasis to extend infrastructure support, service desk support and desk side support services for one of its recent acquisitions.
- One NewCo in asset management business chose Mphasis as a strategic partner for a three-year managed services engagement. This comes after a prior engagement to design and deploy end-to-end digital workplace solution comprising of end user computing, network, and security for global users.
- One of America's largest banks partnered with Mphasis for modernization and public cloud (AWS) acceleration.

Consolidated Profit and Loss Account

₹ Million

	Quarter ended 31 Mar 2022	Quarter ended 31 Dec 2021	QoQ Growth %	Quarter ended 31 Mar 2021	YoY Growth %
Gross Revenues	32,448	30,955	4.8%	25,044	29.6%
Profit / (loss) on cash flow hedges reclassified to revenue	329	282		199	
Net Revenues	32,777	31,237	4.9%	25,243	29.8%
<i>Cost of revenues</i>	23,592	22,569	4.5%	17,887	31.9%
Manpower and Other Cost	23,014	21,961	4.8%	17,415	32.2%
Depreciation and Amortization	578	608	-4.9%	472	22.5%
Gross profit	9,185	8,668	6.0%	7,356	24.9%
GM%	28.0%	27.7%	0.3%	29.1%	-1.1%
<i>Selling expenses</i>	1,981	1,884	5.2%	1,912	3.6%
Manpower and Other Cost	1,961	1,862	5.3%	1,895	3.5%
Depreciation and Amortization	20	22	-9.1%	17	17.6%
SE %	6.0%	6.0%	0.0%	7.6%	-1.6%
<i>General and administrative expenses</i>	2,231	2,078	7.4%	1,390	60.5%
Manpower and Other Cost	2,030	1,882	7.9%	1,262	60.9%
Depreciation and Amortization	201	196	2.6%	128	57.0%
G&A %	6.8%	6.7%	0.1%	5.5%	1.3%
Operating profit	4,973	4,706	5.7%	4,054	22.7%
Operating Margin	15.2%	15.1%	0.1%	16.1%	-0.9%
Foreign exchange gain, net	157	116	35.2%	65	141.2%
Other income, net	235	190	23.7%	261	-10.0%
Interest expenses	(208)	(216)		(144)	
Profit before taxation	5,156	4,796	7.5%	4,236	21.7%
Income taxes	1,236	1,219	1.4%	1,067	15.8%
-Current	1,189	1,219		1,282	
-Deferred	47	-		(215)	
Net profit	3,921	3,577	9.6%	3,169	23.7%
Earning per share (par value ₹10)	20.9	19.1	9.4%	17.0	23.2%

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 2022	Year ended 31 Mar 2021	YoY Growth %
Gross Revenues	118,611	96,920	22.4%
Profit / (loss) on cash flow hedges reclassified to revenue	1,003	303	
Net Revenues	119,614	97,223	23.0%
<i>Cost of revenues</i>	86,829	69,610	24.7%
Manpower and Other Cost	84,664	67,723	25.0%
Depreciation and Amortization	2,165	1,887	14.7%
Gross profit	32,785	27,613	18.7%
GM%	27.4%	28.4%	-1.0%
<i>Selling expenses</i>	7,196	6,851	5.0%
Manpower and Other Cost	7,119	6,786	4.9%
Depreciation and Amortization	77	65	18.5%
SE %	6.0%	7.0%	-1.0%
<i>General and administrative expenses</i>	7,320	5,152	42.1%
Manpower and Other Cost	6,655	4,686	42.0%
Depreciation and Amortization	665	466	42.7%
G&A %	6.1%	5.3%	0.8%
Operating profit	18,269	15,611	17.0%
Operating Margin	15.3%	16.1%	-0.8%
Foreign exchange gain, net	486	93	420.5%
Other income, net	1,119	1,236	-9.5%
Interest expenses	(744)	(634)	
Profit before taxation	19,129	16,306	17.3%
Income taxes	4,820	4,138	16.5%
-Current	4,860	4,094	
-Deferred	(40)	44	
Net profit	14,309	12,168	17.6%
Earning per share (par value ₹10)	76.4	65.2	17.2%

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 2022	Quarter ended 31 Dec 2021	Quarter ended 31 Mar 2021	Year ended 31 Mar 2022	Year ended 31 Mar 2021	Quarter ended 31 Mar 2022*	Year ended 31 Mar 2022*
PROFIT AND LOSS ACCOUNT								
Gross Revenue (\$ Mn)		430.7	414.0	342.2	1,593.0	1,308.9	430.7	1,593.0
Gross margin	%	28.0%	27.7%	29.1%	27.4%	28.4%	28.5%	27.7%
Selling expenses	%	6.0%	6.0%	7.6%	6.0%	7.0%	6.0%	6.0%
General and administrative expenses	%	6.8%	6.7%	5.5%	6.1%	5.3%	6.6%	5.8%
Operating margin	%	15.2%	15.1%	16.1%	15.3%	16.1%	15.9%	15.9%
EBITDA margin	%	17.6%	17.7%	18.5%	17.7%	18.5%	18.0%	18.1%
PBT margin	%	15.7%	15.4%	16.8%	16.0%	16.8%	16.6%	16.7%
PAT margin	%	12.0%	11.5%	12.6%	12.0%	12.5%	12.7%	12.5%
Effective tax rate	%	24.0%	25.4%	25.2%	25.2%	25.4%	24.0%	25.2%
EPS (Basic)	₹	20.9	19.1	17.0	76.4	65.2	22.1	79.6

*Adjusted for M&A related charges.

Exchange Rates

		Quarter ended 31 Mar 2022	Quarter ended 31 Dec 2021	Quarter ended 31 Mar 2021	Year ended 31 Mar 2022	Year ended 31 Mar 2021	₹ / \$
Period Closing Rate		75.79	74.34	73.11	75.79	73.11	
Average Exchange Rate		75.33	74.77	73.18	74.46	74.05	

Consolidated Balance sheet

₹ Million

	31 Mar 2022	31 Dec 2021	31 Mar 2021
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	1,878	1,875	1,870
Reserves and surplus	66,439	62,070	62,809
Employee stock options outstanding	1,115	817	589
	69,432	64,762	65,267
LOAN FUNDS			
Secured loans	2,742	3,304	3,253
Unsecured loans	2,530	2,880	1,881
Lease Liability	7,247	7,782	6,677
Deferred Tax Liability	718	660	343
	82,669	79,388	77,421
APPLICATION OF FUNDS			
FIXED ASSETS			
Cost	10,645	10,141	8,206
Accumulated depreciation	(6,493)	(6,030)	(5,013)
Net book value	4,152	4,111	3,193
Right-of-use assets	6,236	6,722	5,677
Capital work-in-progress including capital advances	109	52	31
	10,497	10,885	8,901
GOODWILL	27,348	26,853	21,326
INVESTMENTS	18,130	15,037	18,460
DEFERRED TAX ASSETS	1,616	1,475	1,261
CURRENT ASSETS, LOANS AND ADVANCES			
Debtors	8,523	8,909	8,147
Unbilled revenues	14,308	11,491	9,874
Cash and bank balances	9,682	9,393	11,310
Interest receivable	69	137	86
Loans and advances	16,228	16,159	13,477
	48,810	46,089	42,894
CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	18,572	16,509	11,927
Provisions	5,160	4,442	3,494
	23,732	20,951	15,421
NET CURRENT ASSETS	25,078	25,138	27,473
	82,669	79,388	77,421

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 2022	Quarter ended 31 Dec 2021	Quarter ended 31 Mar 2021
BALANCE SHEET				
Cash & cash equivalents	₹ Million	27,812	24,430	29,770
Receivables	Days	61	59	63

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 ₹ 94 million (Q3 FY22 - ₹ 94 million, Q4 FY21 - ₹ 94 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, 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 2022	Quarter ended 31 Dec 2021	QoQ Growth %	Quarter ended 31 Mar 2021	Year ended 31 Mar 2022	Year ended 31 Mar 2021	YoY Growth %
Segment Revenue							
Banking and Financial Services	17,403	17,115	1.7%	12,554	63,755	49,861	27.9%
Insurance	3,098	2,725	13.7%	2,522	10,771	9,509	13.3%
Technology Media and Telecom	4,300	4,079	5.4%	3,642	15,743	12,925	21.8%
Logistics & Transportation	4,162	3,922	6.1%	3,358	15,552	12,681	22.6%
Others	3,486	3,114	11.9%	2,968	12,789	11,944	7.1%
Total Revenues	32,448	30,955	4.8%	25,044	118,611	96,920	22.4%
Segment Profit							
Banking and Financial Services	4,545	4,317	5.3%	2,974	15,552	12,204	27.4%
Insurance	839	669	25.4%	907	2,915	3,129	-6.8%
Technology Media and Telecom	1,045	906	15.3%	701	3,148	2,629	19.8%
Logistics & Transportation	1,117	1,354	-17.5%	1,470	5,494	5,122	7.3%
Others	1,310	1,139	15.0%	1,105	4,675	4,226	10.6%
Total Segment Profit	8,856	8,385	5.6%	7,157	31,784	27,310	16.4%
Gross Margin %							
Banking and Financial Services	26.1%	25.2%	0.9%	23.7%	24.4%	24.5%	-0.1%
Insurance	27.1%	24.6%	2.5%	36.0%	27.1%	32.9%	-5.8%
Technology Media and Telecom	24.3%	22.2%	2.1%	19.2%	20.0%	20.3%	-0.3%
Logistics & Transportation	26.8%	34.5%	-7.7%	43.8%	35.3%	40.4%	-5.1%
Others	37.6%	36.6%	1.0%	37.2%	36.6%	35.4%	1.2%
Total	27.3%	27.1%	0.2%	28.6%	26.8%	28.2%	-1.4%

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 2022	Quarter ended 31 Dec 2021	Quarter ended 31 Mar 2021	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Onsite	18,947 58%	18,168 59%	14,252 57%	69,406 59%	56,543 58%
Offshore	13,500 42%	12,787 41%	10,792 43%	49,205 41%	40,377 42%
Total	32,448	30,955	25,044	118,611	96,920

(b) By Project Type

	₹ Million				
	Quarter ended 31 Mar 2022	Quarter ended 31 Dec 2021	Quarter ended 31 Mar 2021	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Time and Material	17,742 55%	16,985 55%	14,397 57%	66,763 56%	56,770 59%
Transaction Based*	5,072 15%	4,997 16%	3,883 16%	18,924 16%	15,356 15%
Fixed Price	9,633 30%	8,973 29%	6,764 27%	32,924 28%	24,795 26%
Total	32,448	30,955	25,044	118,611	96,920

*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 2022	Quarter ended 31 Dec 2021	Quarter ended 31 Mar 2021	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Direct	30,221 93%	28,732 93%	21,480 86%	108,882 92%	80,210 83%
DXC	1,690 5%	1,664 5%	2,997 12%	7,659 6%	14,784 15%
Others	537 2%	559 2%	567 2%	2,070 2%	1,927 2%
Total	32,448	30,955	25,044	118,611	96,920

(d) By Geography

	₹ Million				
	Quarter ended 31 Mar 2022	Quarter ended 31 Dec 2021	Quarter ended 31 Mar 2021	Year ended 31 Mar 2022	Year ended 31 Mar 2021
AMERICAS	26,429 81%	24,868 81%	18,845 76%	93,917 79%	74,626 77%
EMEA	3,465 11%	3,501 11%	3,354 13%	13,643 12%	11,667 12%
INDIA	1,582 5%	1,566 5%	1,246 5%	5,932 5%	4,441 5%
ROW	972 3%	1,020 3%	1,599 6%	5,120 4%	6,187 6%
Total	32,448	30,955	25,044	118,611	96,920

(e) By Service Type

	₹ Million				
	Quarter ended 31 Mar 2022	Quarter ended 31 Dec 2021	Quarter ended 31 Mar 2021	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Application Services	21,232 66%	19,394 63%	14,943 60%	74,580 63%	57,697 60%
Business Process Services	7,555 23%	7,667 25%	6,588 26%	29,826 25%	25,108 25%
Infrastructure Services	3,661 11%	3,895 12%	3,514 14%	14,206 12%	14,115 15%
Total	32,448	30,955	25,044	118,611	96,920

(f) Client Metrics

	Quarter ended 31 Mar 2022	Quarter ended 31 Dec 2021	Quarter ended 31 Mar 2021	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Revenues from Top Client	11%	11%	10%	11%	10%
Revenues from Top 5 Clients	44%	43%	41%	44%	41%
Revenues from Top 10 Clients	59%	58%	53%	59%	53%
Clients Contributing :					
\$ 100 million Revenues	4	4	2	4	2
\$ 75 million Revenues	6	6	5	6	5
\$ 50 million Revenues	7	7	5	7	5
\$ 20 million Revenues	10	9	9	10	9
\$ 10 million Revenues	22	21	18	22	18
\$ 5 million Revenues	42	42	37	42	37
\$ 1 million Revenues	104	97	84	104	84
New client wins	6	7	8	24	25

Notes:

1. Client Concentration is based on Trailing Twelve Months (TTM).
2. Client metrics exclude DXC
3. Client contribution for Quarter ended 31 Dec 2021 includes clients from Blink UX acquisition as well

Tower Information

(a) Headcount

	Quarter ended 31 Mar 2022	Quarter ended 31 Dec 2021	Quarter ended 31 Mar 2021
Onsite - billable			
- Technology Services*	4,704	4,392	4,172
- BPO Services	2,451	2,535	3,083
Offshore - billable			
- Technology Services	17,406	16,543	13,101
- BPO Services	5,282	5,242	4,971
Total billable headcount	29,843	28,711	25,327
Total headcount**	36,534	34,915	29,473

*Technology Services include Application & Infrastructure Services

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

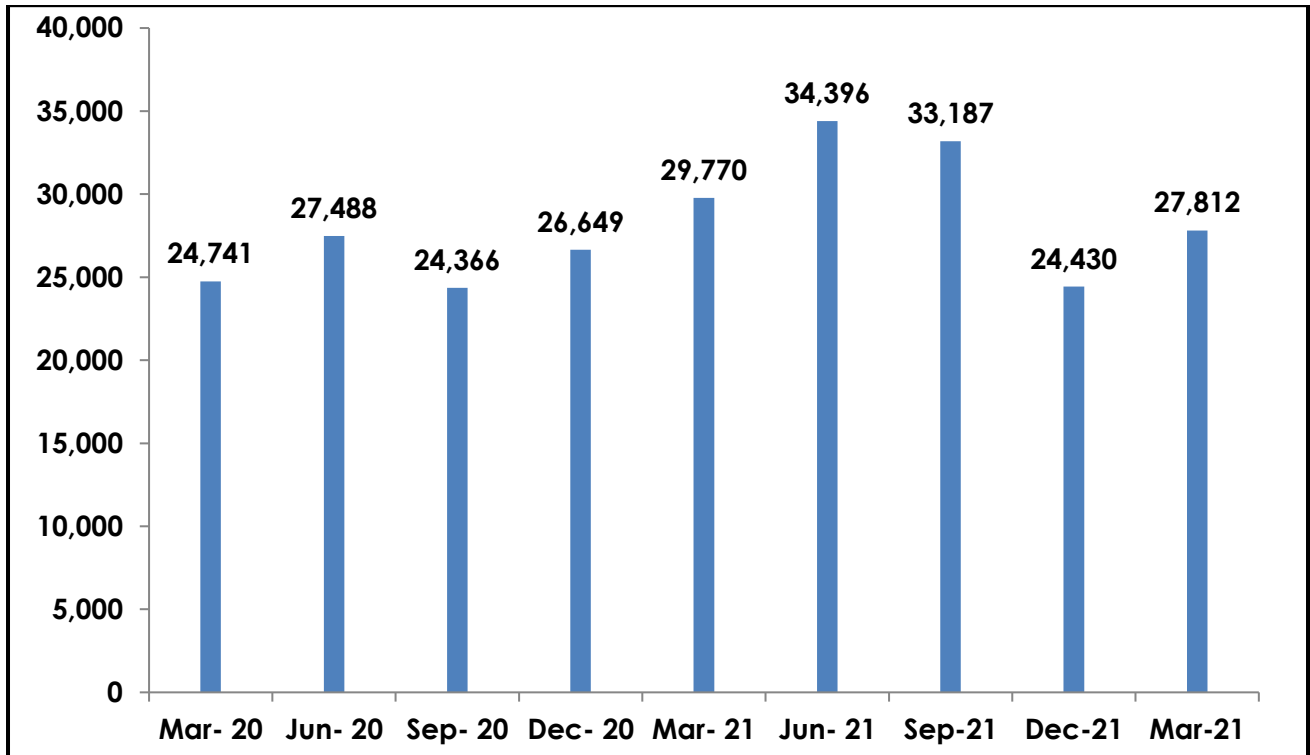
(b) Utilization Rates *

	Quarter ended 31 Mar 2022	Quarter ended 31 Dec 2021	Quarter ended 31 Mar 2021	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Including Trainees					
Onsite	89%	89%	93%	90%	93%
Offshore	68%	73%	84%	75%	81%
Excluding Trainees					
Offshore	77%	79%	85%	80%	82%

* Utilization data for Technology services business

Trends

Cash and cash equivalents - ₹ million



Receivables Days

