

Coverage Report

Quarter results – Q2'23

October 26, 2022

ET Markets

[Mphasis falls over 5% after Q2 results](#)

Mphasis falls over 5% after Q2 results

Shares of IT firm Mphasis plunged 5.12% to Rs 2,037.15 in Friday's intraday trade after the company reported lower-than-expected results for the September quarter of 2022.

The company's net profit rose 4.1% QoQ and 22.6% YoY to Rs 4,18.5 crore in Q2 FY23. The gross revenue grew 4.0% QoQ and 23.9% YoY on a reported basis.

Direct revenue of Mphasis NSE -0.13 % grew 4.2% QoQ and 26.6% YoY on a reported basis. In Constant Currency, revenue grew 2.0% QoQ and 19.2% YoY while its EPS rose 4.0% QoQ and 22.0% YoY to Rs 22.2 in Q2 FY23.

The company won a new TCV of \$302 million in Q2 FY23 in Direct, of which 81% is in new generation services. It also won two large deals in Q2 FY23 totalling \$110 million.

At 1.56 pm, the scrip was trading 4.74% lower at Rs 2,045.45 over its last day's closing price or Rs 2,147.15 a piece. With this, the stock has fallen nearly 30% in last six months and over 40% so far in 2022.

The Hindu BusinessLine

[Mphasis net up 22.6% at ₹418.5 crore in Q2](#)

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October 21, 2022 - Updated 08:38 pm IST

Net revenue grew 22.7 per cent y-o-y to ₹35,19.82 crore

IT solutions provider Mphasis has reported a 22.6 per cent y-o-y rise in net profit to ₹418.5 crore for the quarter ended September 30, missing street expectations. On a sequential basis, the profit rose 4.1 per cent from ₹401.90 crore in the last quarter.

The net revenue grew 22.7 per cent y-o-y to ₹35,19.82 crore. On a q-o-q basis, revenue grew 3.2 per cent. In constant currency terms, the net revenue grew 1 per cent q-o-q and 15.6 per cent y-o-y. Its net margin grew 10 bps q-o-q and remained unchanged y-o-y at 11.9 per cent in Q2.

‘Strong pipeline’

Nitin Rakesh, MD & CEO, said, “Our deal wins are fairly steady despite the macro factors and our pipeline is strong and the margins are also stable. Although demand continues, some projects are being deprioritised and there is a little bit of caution as the scrutiny on spending is getting higher. However, given the specific portfolio we play with, we remain optimistic and will continue to keep a watch on how the macro evolves.”

The earnings per share (EPS) grew 4 per cent q-o-q and 22 per cent y-o-y to ₹22.2 in Q2. During the quarter, the company reported net new total contract value (TCV) orders of \$302 million in direct. Two large deal wins in the quarter totaled \$110 million.

Mphasis’ scrip tumbled 4.87 per cent to ₹2,046.35 on the BSE on the day.

“There is a slight weakness in our mortgage business and we have also seen some specific pockets of weakness as well, which was an unexpected surprise. These could be the reason behind the unhappy markets,” Rakesh said.

Business Standard

[Large contracts in pipeline, deal win trend intact in medium term: Mphasis](#)

Large contracts in pipeline, deal win trend intact in medium term: Mphasis

Mphasis has a reasonable proportion of large contracts in its pipeline and expects its current trend of new deal wins to continue over the medium term, a top company official said

Indian IT solutions provider Mphasis has a reasonable proportion of large contracts in its pipeline and expects its current trend of new deal wins to continue over the medium term, despite macro headwinds, a top company official said on Friday.

The Bengaluru-based company said it won new deals worth \$302 million, including two large deals worth \$110 million, in the second quarter ended Sept. 30.

While the growth was flat with the first quarter, it was an improvement from the roughly 13% sequential drop in new contract value won in the first quarter.

"We have seen customer conversations remain healthy and investment being on top of their mind," Chief Financial Officer Manish Dugar told Reuters in an interview.

"There is reason to believe that total contract value should remain at the current levels, or grow for sure in the medium term. But the confidence is more in the immediate 12-month period."

Mphasis, early on Friday, reported second-quarter profit rose nearly 23% to 4.18 billion Indian rupees (\$50.6 million), while revenue from operations increased 22.7% to 35.2 billion rupees, boosted by the deal wins.

India's IT services industry was one of the top benefactors during the pandemic as several businesses rushed towards digitising infrastructures and adopted remote or hybrid working policies. However, top-tier IT firms have given cautious forecasts so far amid the economic uncertainty globally.

While No.1 Tata Consultancy Services said clients are taking longer to decide on bigger deals, Infosys tightened its full-year forecast and Wipro gave a disappointing current-quarter outlook.

Dugar said many companies were looking for technology-led efficiency improvements and better customer experience.

"Every chief information officer is at this point in time looking at prioritisation of funds towards business transformation."

"That's another reason for seeing an increased demand from our customers."

Mphasis shares have fallen about 37% this year through Thursday's close, more than the broader Nifty IT index's 26.5% decline.

(\$1 = 82.6950 Indian rupees)

(Reporting by Nallur Sethuraman in Bengaluru; Editing by Savio D'Souza)

Business Standard

[Mphasis consolidated net profit rises 22.55% in the September 2022 quarter](#)

Mphasis consolidated net profit rises 22.55% in the September 2022 quarter

Net profit of Mphasis rose 22.55% to Rs 418.46 crore in the quarter ended September 2022 as against Rs 341.46 crore during the previous quarter ended September 2021. Sales rose 22.67% to Rs 3519.82 crore in the quarter ended September 2022 as against Rs 2869.23 crore during the previous quarter ended September 2021. Particulars

Quarter Ended	Sep. 2022	Sep. 2021	% Var.
Sales	3519.82	2869.23	23
OPM	17.55	17.36	-
PBDT	635.20	525.66	21
PBT	55.05	459.66	21
NP	418.46	341.46	23

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Business Standard

[Mphasis slumps after muted Q2 performance](#)

Mphasis slumps after muted Q2 performance

Mphasis tumbled 4.69% to Rs 2046.35 after the company reported 4.1% rise in consolidated net profit to Rs 418.46 crore on a 3.2% increase in net sales to Rs 3,519.82 crore in Q2 FY23 over Q1 FY23.

As compared with Q2 FY22, the company's revenue and net profit are higher by 22.6% and 22.7%, respectively.

In dollar terms, the company recorded revenues of \$440 million, up 0.9% QoQ and up 14.3% YoY. In constant currency terms, growth was 1.8% QoQ and 16.8% YoY.

Profit before tax in Q2 FY23 stood at Rs 555.05 crore, up 4.2% QoQ and 20.8% YoY.

The company recorded new TCV wins of \$302 million in Q2 FY23 in Direct, of which 81% is in new generation services. Further, two large deal wins in Q2 FY23 totalled to \$110 million. With this, TCV wins in H1 FY23 stood \$604 million.

Nitin Rakesh, chief executive officer and managing director, Mphasis, said: "Our consistent performance is proof of our timely and continued investment in the right growth areas, while executing on our fundamental strengths. We have institutionalized a strong deal archetype playbook by account, for protecting the core, repeatable growth in capability-led transformation and accelerating from 'Run' to 'Change', at the speed of our clients."

Mphasis is a mid-sized IT company primarily engaged in providing IT/ ITeS/ BPO services to clients in the banking and capital markets, emerging industries, IT, communication and entertainment, and insurance sectors. The company derives its revenues primarily from software services and projects, licensing arrangements and application services, as well as infrastructure outsourcing services. The company is present across North America, Europe, South Asia and Asia Pacific. As on 30 June 2022, BCP Topco IX Pte. Ltd., a Blackstone PE Fund, held about 55.72% stake in Mphasis.

Moneycontrol

[Mphasis Consolidated September 2022 Net Sales at Rs 3,519.82 crore, up 22.67% Y-o-Y](#)

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Reported Consolidated quarterly numbers for Mphasis are:

Net Sales at Rs 3,519.82 crore in September 2022 up 22.67% from Rs. 2,869.23 crore in September 2021.

Quarterly Net Profit at Rs. 418.46 crore in September 2022 up 22.55% from Rs. 341.46 crore in September 2021.

EBITDA stands at Rs. 661.20 crore in September 2022 up 22.01% from Rs. 541.93 crore in September 2021.

Mphasis EPS has increased to Rs. 22.25 in September 2022 from Rs. 18.23 in September 2021.

Mphasis shares closed at 2,147.40 on October 20, 2022 (NSE) and has given -25.59% returns over the last 6 months and -38.12% over the last 12 months.

Moneycontrol

[Mphasis Standalone September 2022 Net Sales at Rs 2,370.57 crore, up 33.16% Y-o-Y](#)

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Reported Standalone quarterly numbers for Mphasis are:

Net Sales at Rs 2,370.57 crore in September 2022 up 33.16% from Rs. 1,780.31 crore in September 2021.

Quarterly Net Profit at Rs. 333.31 crore in September 2022 up 11.67% from Rs. 298.47 crore in September 2021.

EBITDA stands at Rs. 507.16 crore in September 2022 up 12.05% from Rs. 452.60 crore in September 2021.

Mphasis EPS has increased to Rs. 17.72 in September 2022 from Rs. 15.94 in September 2021.

Mphasis shares closed at 2,147.40 on October 20, 2022 (NSE) and has given -25.59% returns over the last 6 months and -38.12% over the last 12 months.

Reuters

[India's Mphasis says deal win trend intact in medium term](#)

India's Mphasis says deal win trend intact in medium term

BENGALURU, Oct 21 (Reuters) - Indian IT solutions provider Mphasis (MBFL.NS) has a reasonable proportion of large contracts in its pipeline and expects its current trend of new deal wins to continue over the medium term, despite macro headwinds, a top company official said on Friday.

The Bengaluru-based company said it won new deals worth \$302 million, including two large deals worth \$110 million, in the second quarter ended Sept. 30.

While the growth was flat with the first quarter, it was an improvement from the roughly 13% sequential drop in new contract value won in the first quarter.

"We have seen customer conversations remain healthy and investment being on top of their mind," Chief Financial Officer Manish Dugar told Reuters in an interview.

"There is reason to believe that total contract value should remain at the current levels, or grow for sure in the medium term. But the confidence is more in the immediate 12-month period."

Mphasis, early on Friday, reported second-quarter profit rose nearly 23% to 4.18 billion Indian rupees (\$50.6 million), while revenue from operations increased 22.7% to 35.2 billion rupees, boosted by the deal wins.

India's IT services industry was one of the top benefactors during the pandemic as several businesses rushed towards digitising infrastructures and adopted remote or hybrid working policies. However, top-tier IT firms have given cautious forecasts so far amid the economic uncertainty globally.

While No.1 Tata Consultancy Services (TCS.NS) said clients are taking longer to decide on bigger deals, Infosys (INFY.NS) tightened its full-year forecast and Wipro (WIPR.NS) gave a disappointing current-quarter outlook.

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Business Today

[Mphasis stock tumbles 5% post Q2 results. Here's why](#)

Mphasis stock tumbles 5% post Q2 results. Here's whyTuesday,

Shares of Mphasis fell nearly 5 per cent in Friday's trade after the IT firm reported a lower-than-expected results for the September quarter.

At 1.20 pm, the scrip was trading at Rs 2,048.75, down 4.58 per cent. With this, the scrip has lost 40 per cent in 2022 so far.

Mphasis said its net profit for the quarter rose 22.55 per cent YoY to Rs 418.46 crore in the September quarter compared with Rs 341.46 crore in the corresponding quarter last year.

Net sales for the quarter rose 22.67 per cent to Rs 3,519.82 crore for the quarter compared with Rs 2,869.23 crore in the year-ago quarter..

Mitul Shah, Head of Research at Reliance Securities called the September quarter numbers 'subdued'. He said Mphasis Q2 performance was below his estimates, across all parameters.

"Additionally, DXC business continues to witness a slump. In our view, a substantial reduction in the volatile part of business (DXC) is encouraging for a consistent growth. Considering decent revenue growth, strong deal pipeline, new order wins and reducing contribution from volatile business of DXC," Shah said while suggesting a target of Rs 2,630 on the stock.

In an investor presentation, Mphasis said two-third of its clients believe IT services spending may increase in 2023 despite macro headwinds.

Changing deal models may influence outsourcing spends, the IT firm said, adding that 65 per cent of customers believe vendor consolidation is a high priority.

Business Insider

[Mphasis wins a total contract value \(TCV\) of USD 302 million in Direct business](#)

Mphasis wins a total contract value (TCV) of USD 302 million in Direct business

BENGALURU, India, Oct. 21, 2022 /PRNewswire/ -- Mphasis Limited (BSE - 526299; NSE - MPHASIS), an Information Technology (IT) solutions provider specializing in cloud and cognitive services, today announced its financial results for the second quarter ended 30th September 2022.

Quarter ended 30th September 2022

Gross Revenue grew 4.0% QoQ and 23.9% YoY on a reported basis. In Constant Currency, growth was 1.8% QoQ and 16.8% YoY

New TCV wins of USD 302 million in Q2 FY23 in Direct, of which 81% is in new generation services

Two large deal wins in Q2 FY23 totaling to USD 110 million; TCV wins of H1'FY23 USD 604 million

Direct revenue grew 4.2% QoQ and 26.6% YoY on a reported basis. In Constant Currency, revenue grew 2.0% QoQ and 19.2% YoY

Net profit grew 4.1% QoQ and 22.6% YoY to ₹ 4,185 million in Q2 FY23

EPS grew 4.0% QoQ and 22.0% YoY to ₹ 22.2 in Q2 FY23.

Gross revenue grew 23.9% YoY in Q2 2023

"Our consistent performance is proof of our timely and continued investment in the right growth areas, while executing on our fundamental strengths. We have institutionalized a strong deal archetype playbook by account, for protecting the core, repeatable growth in capability-led transformation and accelerating from 'Run' to 'Change', at the speed of our clients," said Nitin Rakesh, Chief Executive Officer, and Managing Director, Mphasis.

Deal Wins:

A leading US Bank has engaged Mphasis for cloud adoption and modernization of their retail banking applications, optimizing the cost of operations over time

Mphasis has partnered with a leading logistics provider to develop their architecture processes, playbooks, best practices, and guidelines to account for Architecture assurance

Awards and Recognitions:

Recognized as one of the Best Tech Brands 2022 by The Economic Times

Ranked #2 out of 27 EMEA companies and #34 out of 130 North American companies in the 2022 Global Talent Board CandE Benchmark Research Program

Named a 'finalist' in the Wells Fargo Innovation Challenge 2022 – 'Designing the Multi-X Future'

Won Silver at the prestigious Brandon Hall awards 2022 for excellence in Talent Acquisition

Won the ISG Provider Lens Award 2022 for Public Cloud - Services & Solutions.

Analyst Positioning:

Recognized as Major Contender in Everest Group's Financial Crime and Compliance Operations Services PEAK Matrix® Assessment 2022

Identified as 'Cool Vendors in Quantum Computing' by Gartner
Ranked in Top 10 by HFS for HCP Service Providers, 2022
Positioned as a "Major Contender" in Everest Group's PEAK Matrix Assessment 2022 for Connected Medical Device Services
Ranked in Top 10 by HFS for Cybersecurity Service Providers, 2022
Ranked in HFS Top 10: Capital Markets Services, 2022—Formidable Challengers
Featured in 'The Breakthrough 15' in the 79th ISG Index Q2 2022
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North America

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TMC Net

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The Hindu BusinessLine

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Our Bureau
Bengaluru

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'STRONG PIPELINE'

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Free Press Journal

Mphasis Q2 consol PAT rises 4% on qtr to ₹4.18 bn

Mphasis Ltd's consolidated net profit for the September quarter rose 4.1% sequentially to 4.18 bln rupees. Revenue from operations rose 3.2% to 35.2 bln rupees. On a year-on-year basis, the net profit rose 22.6% and revenue rose 22.7%.

Online

Online		
Date	Publication/ Portal	Headline
Oct 21, 2022	ET Markets	Mphasis falls over 5% after Q2 results
Oct 21, 2022	The Hindu BusinessLine	Mphasis net up 22.6% at ₹418.5 crore in Q2
Oct 21, 2022	Business Standard	Large contracts in pipeline, deal win trend intact in medium term: Mphasis
Oct 21, 2022	Business Standard	Mphasis consolidated net profit rises 22.55% in the September 2022 quarter
Oct 21, 2022	Business Standard	Mphasis slumps after muted Q2 performance
Oct 21, 2022	Moneycontrol	Mphasis Consolidated September 2022 Net Sales at Rs 3,519.82 crore, up 22.67% Y-o-Y-
Oct 21, 2022	Moneycontrol	Mphasis Standalone September 2022 Net Sales at Rs 2,370.57 crore, up 33.16% Y-o-Y
Oct 21, 2022	Reuters	India's Mphasis says deal win trend intact in medium term
Oct 21, 2022	Business Today	Mphasis stock tumbles 5% post Q2 results. Here's why
Oct 21, 2022	Business Insider	Mphasis wins a total contract value (TCV) of USD 302 million in Direct business
International		
Oct 21, 2022	TMC Net	Mphasis wins a total contract value (TCV) of USD 302 million in Direct business
Print		
Oct 26, 2022	The Hindu BusinessLine	Mphasis profit rises 22.6% to Rs418.5 cr
Oct 26, 2022	Free Press Journal	Mphasis Q2 consol PAT rises 4% on qtr to Rs 4.18 bn
Electronic		
Oct 21, 2022	CNBC TV18	Earnings Central 21 Oct 2022
Oct 21, 2022	BQ Prime	Q2 with BQ 21 Oct 2022
Oct 21, 2022	ET Now	Earnings Central 21 Oct 2022
Oct 21, 2022	Times Now	Earnings Central 21 Oct 2022