

Coverage Report

**Mphasis records a Total Contract Value (TCV) of USD 319 Million in Q1 FY
2025**

July 29, 2024

Online

The Economic Times

[A third of Mphasis' deal pipeline is AI-led: CEO Nitin Rakesh](#)

Mid-tier IT firm Mphasis, which on Thursday night reported a 2.1% increase in first-quarter net profit, is now seeing a third of its deal pipeline being led by artificial intelligence, chief executive Nitin Rakesh said.

Mphasis reported a net profit of Rs 404 crore for the quarter ended June 30. Revenue from operations grew 0.2% sequentially and 4.6% from a year earlier to Rs 3,420.8 crore.

“When deals are being formed, there is a healthy component of AI operations and AI infusion, elimination of manual work, reduction in volume, faster time to market ... increasingly, we believe that almost every function in operations and tech will get AI infused,” Rakesh, also the company’s managing director, told ET on Friday.

From clients’ perspective, tech spends continue to be a priority, but it is getting reprioritised into areas that derive value, Rakesh said. “There is reallocation of spend on one side, and there is uncertain macro on the other side, and it’s also clear that the market for GenAI is much beyond just the tech, and much across the business spectrum—operations, customer experience, and others.”

This is reflected in the firm’s order pipeline that has seen one of the biggest jumps on a sequential basis at 17%, he said. New total contract value win came in at \$319 million, of which 84% were in the new-generation services. Operating margin grew 0.1 percentage point on quarter but declined 0.4 percentage point on year to 15%.

The company’s headcount declined by 1,019 to 31,645 during the April-June quarter. Its utilisation rate increased by a percentage point to 76% in the same period.

LiveMint

[Mphasis Q1 Results Live : profit rise by 2.14% YOY](#)

Mphasis Q1 Results Live : Mphasis declared their Q1 results on 25 Jul, 2024. The topline increased by 5.24% & the profit increased by 2.14% YoY.

Compared to the previous quarter, the revenue grew by 0.31% and the profit increased by 2.87%.

Selling, general & administrative expenses declined by 1.48% q-o-q & increased by 5.31% Y-o-Y.

The operating income was up by 1.09% q-o-q & increased by 2.81% Y-o-Y.

The EPS is ₹21.25 for Q1, which increased by 1.55% Y-o-Y.

Mphasis has delivered 0.4% return in the last 1 week, 12.77% return in the last 6 months, and 3.83% YTD return.

Currently, Mphasis has a market cap of ₹53788.53 Cr and 52wk high/low of ₹2966.8 & ₹2069.1 respectively.

As of 27 Jul, 2024, out of 29 analysts covering the company, 2 analysts have given Strong Sell rating, 9 analysts have given Sell rating, 10 analysts have given Hold rating, 3 analysts have given Buy rating, and 5 analysts have given Strong Buy rating.

The consensus recommendation as of 27 Jul, 2024, was to Hold.

Mphasis Financials

Period	Q1	Q4	Q-o-Q Growth	Q1	Y-o-Y Growth
Total Revenue	3422.46	3412.05	+0.31%	3252.01	+5.24%
Selling/ General/ Admin Expenses Total	2034.03	2064.58	-1.48%	1931.54	+5.31%
Depreciation/ Amortization	105.01	130.74	-19.68%	87.35	+20.21%
Total Operating Expense	2908.92	2904.05	+0.17%	2752.49	+5.68%
Operating Income	513.54	508	+1.09%	499.52	+2.81%
Net Income Before Taxes	537.32	522.31	+2.87%	525.76	+2.2%
Net Income	404.51	393.22	+2.87%	396.05	+2.14%

Diluted Normalized EPS	21.25	20.67	+2.83%	20.93	+1.55%
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Business Standard[Mphasis consolidated net profit rises 2.14% in the June 2024 quarter](#)

Net profit of Mphasis rose 2.14% to Rs 404.51 crore in the quarter ended June 2024 as against Rs 396.05 crore during the previous quarter ended June 2023. Sales rose 5.24% to Rs 3422.46 crore in the quarter ended June 2024 as against Rs 3252.01 crore during the previous quarter ended June 2023. Particulars

Quarter Ended	Jun. 2024	Jun. 2023	%
Var.Sales	3422.46	3252.01	5
OPM %	18.07	18.05	-
PBDT	642.33	613.11	5
PBT	537.32	525.76	2
NP	404.51	396.05	2

Business Standard[Mphasis Q1 FY25 results: Net profit rises 2.1% to Rs 404.5 crore](#)

Midcap IT services firm Mphasis reported a 2.1 per cent year-on-year (Y-o-Y) rise in net profit at Rs 404.5 crore. On a sequential basis, profit was up 2.9 per cent. Revenue growth increased 4.6 per cent Y-o-Y to Rs 3,422.5 crore.

On a sequential basis, the firm's revenue was marginally up by 0.2 per cent.

The company's share hit a 52-week high at Rs 3,079.2 a piece. The stock price ended at Rs 3,015, up 6 per cent from the previous close. The firm's stock rallied on strong orders and a margin guidance of 14.6-16 per cent for FY25.

"We are seeing a steady improvement in client demand. And, with the strength of our deal pipeline, we remain cautiously optimistic that this trend will continue to improve in our core markets," said Nitin Rakesh, managing director (MD) and chief executive officer (CEO), Mphasis.

Total contract value (TCV) wins for the quarter stood at \$319 million, of which 84 per cent was in new-gen services, said the company in a press release. In Q4 FY24, it had a TCV of \$177 million.

"As artificial intelligence (AI)-enabled platforms are adopted at scale and infused across all deal archetypes and solutions, we continue to witness a strong growth momentum in AI-powered deals by leveraging our 'Savings led Transformation' theme," said Rakesh.

Operating margin for the firm grew 10 basis points (bps) on a quarter-on-quarter (Q-o-Q) basis and declined 40 bps Y-o-Y to 15 per cent in Q1 FY25.

Business Standard[Mphasis spurts as Q1 PAT rises 3% QoQ to Rs 405 cr](#)

Mphasis jumped 6.58% to Rs 3,031 after the company's consolidated net profit grew 2.87% to Rs 404.51 crore in Q1 FY25 as compared with Rs 393.22 crore in Q4 FY24.

Revenue from operations rose marginally to Rs 3,422.46 crore in Q1 FY25 as against Rs 3,412.05 crore posted in Q4 FY24.

As compared with Q1 FY24, the company's net profit increased 2.13% while revenue grew by 5.24% in Q1 FY25.

Profit before tax was at Rs 537.32 crore in quarter ended 30 June 2024 (up 2.87% QoQ and up 2.2% YoY).

The company's gross revenue increased 0.2% QoQ and 4.6% YoY in Q1 FY25 on reported basis and declined 0.1% QoQ and grew 3.1% YoY in constant currency.

Direct revenue grew 0.6% QoQ and 5.6% YoY on reported basis and grew 0.3% QoQ and 4.1% YoY in constant currency.

New total contract value (TCV) stood at \$319 million in Q1 FY25 in Direct, of which 84% were in the new-gen services.

Nitin Rakesh, chief executive officer, and managing director, Mphasis, said, As AI-enabled platforms are adopted at scale and infused across all deal archetypes and solutions, we continue to witness a strong growth momentum in Artificial Intelligence (AI) powered deals by leveraging our Savings led Transformation™ theme. We are seeing a steady improvement in client demand, and with the strength of our deal pipeline, we remain cautiously optimistic that this trend will continue to improve in our core markets.

Mphasis is an information technology (IT) solutions provider specializing in cloud and cognitive services.

CNBC TV18[Mphasis shares surge 8% on strong deal wins in Q1, robust pipeline](#)

Shares of Mphasis Ltd., a mid-tier IT solutions company, were trading with gains of as much as 8% on Friday, July 26. As optimistic commentary from the management lifted investor sentiment, following the company's June quarter results.

As a result, 35% of the 34 analysts that track Mphasis continue to have a 'Buy' rating on the stock. These analysts have mostly remained bullish on the stock, despite the 26% surge it has seen in the last one month.

Mphasis posted a consolidated net profit of ₹404 crore for the June quarter, up 3% as against the fourth quarter of FY24. Its revenue was flat at ₹3,422 crore, compared to ₹3,412 crore on quarter-on-quarter basis.

On a constant currency basis, the topline grew 0.1% QoQ and 3.1% YoY.

For the reporting quarter, EBIT Margin stood at 11%.

Going forward, the management has maintained its FY25 margin guidance of 14.6-16%.

Speaking to CNBC-TV18, Chief Financial Officer (CFO) Manish Dugar said, "Confident that we should be able to certainly be within the range and maintain, if not expand the margin from the 15%."

The CFO said that the deal pipeline was up 17% sequentially.

The total contract value (TCV) stood at \$319 million, of which 84% were in the new-generation services. The company recorded \$177 billion worth of TCV in the previous March quarter.

"We spent the last 18 months as an industry with our customers, figuring out the potential of Gen-AI, and now we are starting to see a scale-up of Gen-AI-led deals. So a third of our pipeline is actually AI-led, and that gives us great hope that we will not only be able to create a sustainable, longer-term business model around this new pivot, but more importantly, there are ways to create value for customers that give us a lot more stickiness," Dugar said.

Mphasis results followed the trend of muted performance by large-cap IT services firms like Tata Consultancy Services, Infosys, Wipro, and LTIMindtree. These companies saw a muted quarter due to demand slowdown, macroeconomic headwinds, and weak discretionary spending.

Out of the 34 analysts that have coverage on the company, 12 of them continue to have a 'Buy' rating on the stock, another 12 have a 'Hold' recommendation, while 10 of them have a 'Sell' rating.

Shares of are trading 7.64% higher at ₹3,062. The stock has risen 12% so far in 2024.

NDTV Profit

[Mphasis Shares Surge Over Two-Year High After Q1 Profit Rises](#)

Shares of Mphasis Ltd. hit their highest level in over two years on Friday after its profit rose 2.9% in the first quarter. The company reported a net profit of Rs 405 crore in the quarter ended June 2024, compared with Rs 393 crore in the same quarter a year ago, according to an exchange filing.

In the last couple of quarters, Mphasis had muted total contract value, or TCV, numbers because clients weren't ready to commit to large programmes, given the uncertainty, Chief Executive Officer Nitin Rakesh told NDTV Profit in an interview.

This uncertainty was more about where to spend when technology is affecting all business sectors. The increase in TCV conversion can be attributed to Mphasis' ability to integrate transformation theory with efficiency.

The software service provider has launched Mphasis NeoCrux to increase software developers' productivity by providing generative artificial intelligence solutions, the company said in an exchange filing on Friday.

Mphasis has also launched a Gen-AI-based enterprise modernisation platform in the market, NeoZeta, which provides a re-learning process to organisations and can modernise mission-critical systems, the exchange filing said.

Mphasis Q1 Results: Key Highlights (Consolidated, YoY) Revenue up 0.3% at Rs 3,422 crore. EBIT up 1.1% at Rs 514 crore. EBIT margin at 15% versus 14.9% Net profit up 2.9% at Rs 405 crore.

Shares of Mphasis rose as much as 5.94% to Rs 3,013.45 apiece, the highest level since April 13, 2022. It was trading 5.3% higher at Rs 2,997.55 as of 10:34 a.m., compared to 0.81% in the NSE Nifty 50 index.

The stock gained 33% in last 12 months and 9.43% on year to date basis. Total traded volume so far in the day stood at 1.08 times its 30-day average. The relative strength index was at 76.40, which implied the stock is overbought.

Out of 34 analysts tracking the company, 12 maintain a 'buy' rating, 12 recommend a 'hold,' and 10 suggest a 'sell', according to Bloomberg data. The average 12-month consensus price target implies a downside of 16.5%

NDTV Profit

[Mphasis Q1 Results Review - Mixed Numbers; Margin Trajectory To Improve Hereon: Dolat Capital](#)

Dolat Capital Report

Mphasis Ltd. reported revenue decline of 0.1% constant currency QoQ (our estimate: 2.1%) at \$410 million, as Direct biz (96% of revenue) grew 0.3% QoQ. Operating profit margin stood at 15%, up 10 bps QoQ (our estimate: 14.8%) driven by operating efficiencies.

Management pointed tech spending remains a strategic priority of its clients, despite macro uncertainties. Additionally, the company also maintains better than industry growth stance for FY25. OPM guidance range is retained at 14.6%-16%, which we believe has upward bias as growth rate will likely improve in H2.

We revise our FY25/FY26E EPS estimate by 3.3%/5.3% baking in better execution on margin front. We believe growth to pick-up led by-

Volume uptick in mortgage,

Ramp-up in non-top 10, and

Increased focus on AI deals.

2. 3.

However, valuations are full and thus we revise our rating to 'Reduce' (earlier Accumulate) with target price of Rs 2,760 (at 26 times FY26E).

Click on the attachment to read the full report:1.

Dolat Capital Mphasis Q1FY25 Result Update.pdf

Mphasis Launches NeoCrux, NeoZeta Platforms For AI-Led Software Engineering, Modernisation

ET Now[Mphasis Q1 Earnings: Weak Performance Updated, Broad-Based Growth Across Deal Pipeline](#)

The financial performance of Mphasis, a company, during the first quarter. The earnings report indicates a weak performance, which has been updated and analyzed. However, there is also positive news regarding the company's deal pipeline, as it has experienced broad-based growth across various deals. This suggests potential business opportunities and expansion for Mphasis in the near future. Watch Nitin Rakesh, CEO, Mphasis and Manish Dugar, CFO, Mphasis, on ET Now. #mphasisq1 #mphasisstocks #q1earnings #q1fy25 #businessnews #etnow #topstock #q1earningsreport #stockmarket

MoneyControl

[Mphasis Q1 profit rises 2.1% to Rs 404 crore, revenue up 4.6% YoY](#)

Mid-tier IT solutions company Mphasis on July 25 reported a consolidated net profit of Rs 404 crore for the June quarter, up 2.1 percent from the year-ago period. On a sequential basis, net profit was up 2.9 percent.

Mphasis' revenue from operations rose 4.6 percent YoY to Rs 3,422 crore. On a quarter-on-quarter basis, the topline grew 0.2 percent.

On a constant currency basis, revenue grew 0.1 percent QoQ and 3.1 percent YoY, the company said in a press release.

"We are seeing a steady improvement in client demand, and with the strength of our deal pipeline, we remain cautiously optimistic that this trend will continue to improve in our core markets," Chief Executive Officer and Managing Director Nitin Rakesh was quoted as saying in the release.

New total contract (TCV) win came in at \$319 million, of which 84 percent were in the new-generation services. The company recorded \$177 million worth of TCV in the March quarter.

"As AI-enabled platforms are adopted at scale and infused across all deal archetypes and solutions; we continue to witness a strong growth momentum in Artificial Intelligence (AI) powered deals by leveraging our 'Savings led Transformation' theme," Rakesh added.

Mphasis results follow the trend of muted performance by large-cap IT services companies such as Tata Consultancy Services, Infosys, Wipro, and LTIMindtree. These companies saw a muted quarter due to demand slowdown, macroeconomic headwinds, and weak discretionary spending.

Operating Margin grew 10 basis points (bps) on a sequential basis and declined 40 bps YoY to 15 percent in Q1.

Banking and Financial Services grew 1.1 percent YoY to Rs 1,630 crore on the verticals front, while the Technology, Media, and Telecom segment grew over 11 percent to Rs 5,490 crore.

On headcount, the company's tally went down by 1,019 employees to 31,645 in April-June. Mphasis' utilisation rate increased by a percentage point to 76 percent in Q1.

The company's earnings per share (EPS) grew 1.8 percent YoY to Rs 21.4.

Earlier on July 25 at the company's annual general meeting, Chairman Davinder Singh Brar said the IT sector has faced significant challenges arising from global uncertainty, high interest rates, record inflation, and a fragile geo-political environment. However, he added that the sector is still resilient in innovation and transformation.

"Business models are evolving in response to technological advancements and companies across sectors are integrating next-generation technology and innovations," Brar said.

MoneyControl[Mphasis Standalone June 2024 Net Sales at Rs 2,318.19 crore, down 0.52% Y-o-Y](#)

Reported Standalone quarterly numbers for Mphasis are:

Net Sales at Rs 2,318.19 crore in June 2024 down 0.52% from Rs. 2,330.36 crore in June 2023.

Quarterly Net Profit at Rs. 414.70 crore in June 2024 up 10.92% from Rs. 373.88 crore in June 2023.

EBITDA stands at Rs. 611.19 crore in June 2024 up 5.15% from Rs. 581.24 crore in June 2023.

Mphasis EPS has increased to Rs. 21.94 in June 2024 from Rs. 19.84 in June 2023.

Mphasis shares closed at 2,844.60 on July 25, 2024 (NSE) and has given 12.29% returns over the last 6 months and 25.17% over the last 12 months.

MoneyControl[Mphasis Consolidated June 2024 Net Sales at Rs 3,422.46 crore, up 5.24% Y-o-Y](#)

Reported Consolidated quarterly numbers for Mphasis are:

Net Sales at Rs 3,422.46 crore in June 2024 up 5.24% from Rs. 3,252.01 crore in June 2023.

Quarterly Net Profit at Rs. 404.51 crore in June 2024 up 2.14% from Rs. 396.05 crore in June 2023.

EBITDA stands at Rs. 692.09 crore in June 2024 up 8.61% from Rs. 637.22 crore in June 2023.

Mphasis EPS has increased to Rs. 21.40 in June 2024 from Rs. 21.01 in June 2023.

Mphasis shares closed at 2,844.60 on July 25, 2024 (NSE) and has given 12.29% returns over the last 6 months and 25.17% over the last 12 months.

MoneyControl

[Mphasis stock climbs to 52-week high on upbeat mgmt commentary, strong deal wins](#)

Mphasis stock surged over 8 percent to a 52-week high of Rs 3,077.95 on July 26, as investors cheered the management's upbeat commentary following its April-June quarter results.

At 12.31 pm, shares of Mphasis were trading at Rs 3,068.70 on the NSE.

The information services company's net profit grew 3 percent on quarter to Rs 404 in Q1 of FY25 while revenue was flattish at Rs 3,422 crore. On a constant currency basis, the topline grew 0.1 percent sequentially. Meanwhile, the company's EBIT margin in the quarter gone by stood at 11 percent.

Furthermore, the management shared an optimistic outlook for the company as it rolled out its FY25 margin guidance of 14.6-16 percent.

On top of that, the company's deal pipeline also grew 17 percent sequentially. The total contact value (TCV) stood at \$319 million, of which 84 percent were accounted by new-generation services. The company recorded \$177 billion worth of TCV in the quarter prior.

Manish Dugar, the chief Financial Officer of Mphasis, stated in an interaction with CNBC-TV18 that he was confident of being able to maintain margins within its guided range.

"We spent the last 18 months as an industry with our customers, figuring out the potential of Gen-AI, and now we are starting to see a scale-up of Gen-AI-led deals," Dugar said. "So a third of our pipeline is actually AI-led, and that gives us great hope that we will not only be able to create a sustainable, longer-term business model around this new pivot, but more importantly, there are ways to create value for customers that give us a lot more stickiness," he added.

Financial Express

[Mphasis Q1 revenue flat; stock up 8% on positive outlook](#)

Mphasis, a mid-tier IT solutions provider, reported nearly flat sequential revenue growth in the quarter ended June but managed to expand its bottom line by nearly 3%. Shares of Mphasis surged over 8% intraday to a 52-week high of Rs 3,077.95 as the market reacted positively to the management's upbeat commentary.

The company's revenue from operations rose 0.2% quarter-on-quarter (q-o-q), reaching Rs 3,422 crore. In constant currency terms, Mphasis reported a 0.1% sequential growth and a 3.1% year-on-year (y-o-y) increase in revenue, according to a company press release.

"We are observing a consistent rise in client demand. Coupled with our strong deal pipeline, we are cautiously optimistic about continued improvement in our core markets," said chief executive officer and managing director Nitin Rakesh in the release.

Mphasis secured new total contract value (TCV) wins amounting to \$319 million, up from \$177 million TCV recorded in the March quarter. Notably, 84% of these new TCVs were for new-generation services.

"As AI-enabled platforms gain traction and are integrated into all deal types and solutions, we are experiencing strong growth momentum in AI-powered deals, leveraging our 'Savings led Transformation' theme," Rakesh added.

Meanwhile, the operating margin for Mphasis improved by 10 basis points (bps) sequentially, settling at 15% in the June quarter. The management remains optimistic about meeting its FY25 margin guidance of 14.6-16%.

In terms of verticals, the banking and financial services sector saw a 1.1% y-o-y growth, reaching Rs 1,630 crore. The technology, media, and telecom segment experienced an 11% growth, totalling Rs 5,490 crore.

The company's headcount decreased by 1,019 employees, bringing the total to 31,645 for the April-June period. However, the utilisation rate increased by one percentage point, reaching 76% in Q1 from the previous quarter's 75%.

Earnings per share (EPS) for Mphasis rose by 1.8% year-on-year, amounting to Rs 21.4.

Financial Express

[Mphasis sees large deals in GenAI space](#)

Mphasis, a mid-tier IT solutions provider, is seeing large deal activity in the GenAI and AI space, with the transformation projects potentially spanning two to three years, Nitin Rakesh, CEO of Mphasis told FE.

“A third of our pipeline right now is AI influenced—a pretty big jump. We do expect that almost every technology tribe that we have and of course every solution will see AI creeping into it,” he added.

The company recently launched two AI-driven products: Mphasis NeoCrux and Mphasis NeoZeta. These platforms aim to enhance software engineering efficiency and drive enterprise modernisation. NeoCrux is designed to improve the productivity of agile teams, while NeoZeta focuses on enterprise application modernisation.

“We believe we’ve seen up to 50% efficiency and faster relearn with our beta clients,” Rakesh said.

Mphasis is also seeing a transition of some use cases from the discovery phase to deployment. The company’s AI Foundry, launched in collaboration with AWS, is pivotal in this transition. “The opportunity to take an idea from the foundry into the overall solution is what’s exciting over the next couple of years,” Rakesh said.

The US market is ahead in enterprise AI adoption, particularly in the banking sector, which is known for its early adoption of new technologies. “Typically, US banks are forward-leaning on tech because they’re early adopters,” Rakesh said. This trend is also visible in other consumer-facing industries such as media and retail, which are quick to adopt innovative technologies.

Growth in BFSI Space

Despite challenges in the previous year, the banking and financial Services (BFSI) vertical is showing signs of recovery. Mphasis on Friday reported a 1.1% year-on-year growth in this sector, reaching Rs 1,630 crore.

“We were pleased that we showed sequential growth in BFSI in Q4 and then we put a second dot on that with Q1 sequential growth as well,” Rakesh said, indicating a positive direction for the sector.

Further, the overall discretionary demand environment is also showing signs of recovery. “We are recovering from a pretty harsh macro environment over the last 18 to 24 months,” Rakesh said.

In the quarter ended June, Mphasis reported nearly flat sequential revenue growth, but managed to expand their bottom line by nearly 3%. The company’s revenue from operations rose 0.2% quarter-on-quarter to Rs 3,422 crore.

The company secured new total contract value (TCV) wins amounting to \$319 million against \$177 million TCV recorded in the March quarter, with 84% of the new TCVs coming from new-generation services.

BusinessWorld[Mphasis Sees 2% Profit Growth In Q1](#)

Mid-tier IT company Mphasis has reported a consolidated net profit of Rs 404 crore for the June quarter, a 2.1 per cent increase from the same period last year. On a sequential basis, net profit rose by 2.9 per cent.

The company's revenue from operations climbed to Rs 3,422 crore, a 4.6 per cent year-on-year (YoY) increase and a slight 0.2 per cent growth from the previous quarter.

The company also reported a constant currency revenue growth of 0.1 per cent quarter-on-quarter (QoQ) and 3.1 per cent YoY.

CEO and Managing Director Nitin Rakesh expressed cautious optimism about the continued improvement in client demand, supported by a strong deal pipeline. "We are seeing a steady improvement in client demand, and with the strength of our deal pipeline, we remain cautiously optimistic that this trend will continue to improve in our core markets," he said.

New total contract value (TCV) wins amounted to USD 319 million, with 84 per cent of it coming in new-generation services. Rakesh added that the momentum came in AI-powered deals, leveraging Mphasis' "Savings led Transformation" theme.

Despite these positive indicators, Mphasis' performance mirrored the broader industry trend of subdued growth among major IT services companies like Tata Consultancy Services, Infosys, Wipro and LTIMindtree. These companies have faced challenges due to a demand slowdown, macroeconomic headwinds and weak discretionary spending.

Operating margin for the quarter increased by 10 basis points sequentially but declined by 40 basis points YoY, settling at 15 per cent. The Banking and Financial Services segment saw a modest 1.1 per cent YoY growth, reaching Rs 1,630 crore, while the Technology, Media, and Telecom segment experienced an 11 per cent rise to Rs 5,490 crore.

Mphasis' workforce decreased by 1,019 employees during the quarter, bringing the total headcount to 31,645. The company's utilisation rate improved by one percentage point to 76 per cent. Additionally, earnings per share (EPS) increased by 1.8 per cent YoY, reaching Rs 21.4.

TechCircle

[Mphasis reports 4.6% revenue increase, highlights growth in Gen AI](#)

Mid-tier IT solutions company Mphasis reported a consolidated net profit of ₹404 crore for the June quarter, marking a 2.1% increase from the same period last year. Sequentially, net profit rose by 2.9%.

Revenue from operations for Mphasis grew 4.6% year-on-year to ₹3,422 crore, with a quarter-on-quarter increase of 0.2%. On a constant currency basis, revenue saw a 0.1% quarterly growth and a 3.1% yearly increase. The EBIT margin for the quarter stood at 11%, and the company has maintained its FY25 margin guidance of 14.6-16%.

The total contract value (TCV) for the quarter was \$319 million, with 84% of it in new-generation services. This follows a TCV of \$177 billion in the previous March quarter.

Mphasis' results reflect a growing trend in the Gen AI space. While Gen AI has yet to significantly boost revenue, it has become a top priority for clients. CEO and Managing Director Nitin Rakesh noted the strong growth momentum in AI-powered deals, driven by the company's "Savings led Transformation" theme. Rakesh expressed cautious optimism about the continued improvement in client demand and the strength of Mphasis' deal pipeline.

“As AI-enabled platforms are adopted at scale and infused across all deal archetypes and solutions, we continue to witness a strong growth momentum in Artificial Intelligence (AI) powered deals,” said Rakesh.

In addition to its financial results, Mphasis announced the launch of Mphasis NeoCrux, a tool designed to improve software engineer productivity by streamlining the Software Development Lifecycle with a Gen AI powered Agent Orchestrator. NeoCrux allows engineers to integrate various artificial intelligence (AI) Agents rather than being limited to one. Another launch, NeoZeta, is a Gen AI-based Enterprise Modernisation Platform that provides transparency in the re-learning process, aiding organisations in modernising mission-critical systems.

The NeoCrux platform supports critical resources within agile teams, delivering measurable acceleration in IT Value Stream from idea to launch. Its first release includes an in-IDE assistant for software engineers, with plans for an AI-powered requirement engineering workbench for product owners. The enterprise edition of NeoCrux offers personalised AI assistance, learning and adapting to individual engineers' behaviors.

The Free Press Journal

[Mphasis Surges To 52-Week High On D-Street After Q1 Financials](#)

The share of Mphasis shot up over 5 per cent, a day after the tech outsourcing giant posted their Q1 financials for the fiscal year 2025. The stock opened at Rs 2,800.00 per share on the Indian bourses, and touched a day-high price of Rs 3,017.90 per share. Also recorded a 52 week high today at Rs 3,017.90 per share.

The stock has a recorded a life high of Rs 3,396.70 on dec 31, 2021

The June quarter saw a consolidated net profit of Rs 404 crore for Mphasis, a mid-tier provider of IT solutions, an increase of 2.1 percent over the same period last year. Net profit increased by 2.9 percent in the previous period.

The operating revenue of Mphasis increased 4.6 per cent year over year to Rs 3,422 crore. Quarter over quarter, the top line increased by 0.2 per cent.

According to exchange filling from the company, revenue increased 3.1 per cent Year over Year and 0.1 percent QoQ on a constant currency basis.

Total new contract and operating margin

With USD 319 million in new total contract (TCV) wins, 84 per cent of them were in new-generation services. The March quarter saw TCV for the company of USD 177 billion.

Operating margin increased by 10 basis points (bps) in the first quarter, but fell by 40 bps (basis points) year over year to 15 per cent.

Growth In different verticals

On the vertical front, the Technology, Media, and Telecom segment grew over 11 per cent to Rs 5,490 crore, while Banking and Financial Services grew 1.1 per cent YoY to Rs 1,630 crore.

The company's headcount decreased by 1,019 workers from April to June, totaling 31,645 workers. In Q1, the percentage of people using Mphasis rose by 1 per cent to 76 per cent.

Print

The Economic Times

Mphasis Q1 Net Up 2.1%; One-Third of Deal Pipeline AI-driven: CEO

Says tech spend continues to be a priority, it's reprioritised into areas that derive value

Sameer Ranjan Bakshi



NITIN RAKESH
 CEO & MD, Mphasis



It's clear that market for GenAI is much beyond just tech, and much across the business spectrum

Bengaluru: Mid-tier IT firm Mphasis, which on Thursday night reported a 2.1% increase in first-quarter net profit, is now seeing a third of its deal pipeline being led by artificial intelligence, chief executive Nitin Rakesh said.

Mphasis reported a net profit of ₹404 crore for the quarter ended June 30. Revenue from operations grew 0.2% sequentially and 4.6% from a year earlier to ₹3,420.8 crore.

"When deals are being formed, there is a healthy component of AI operations and AI infusion, elimination of manual work, reduction

in volume, faster time to market ... increasingly, we believe that almost every function in operations and tech will get AI infused," Rakesh, also the company's managing di-

rector, told ET on Friday.

From clients' perspective, tech spends continue to be a priority, but it is getting reprioritised into areas that derive value, Rakesh said.

"There is reallocation of spend on one side, and there is uncertain macro on the other side, and it's also clear that the market for GenAI

is much beyond just the tech, and much across the business spectrum—operations, customer experience, and others."

This is reflected in the firm's order pipeline that has seen one of the biggest jumps on a sequential basis at 17%, he said.

New total contract value win came in at \$319 million, of which 84% were in the new-generation services. Operating margin grew 0.1 percentage point on quarter but declined 0.4 percentage point on year to 15%.

The company's headcount declined by 1,019 to 31,645 during the April-June quarter. Its utilisation rate increased by a percentage point to 76% in the same period.



● **STOCK SURGES 8% ON BETTER OUTLOOK**

Mphasis Q1 revenue flat; deal pipeline strong

FE BUREAU
Bengaluru, July 26

MPHASIS, A MID-TIER IT solutions provider, reported nearly flat sequential revenue growth in the quarter ended June but managed to expand its bottom line by nearly 3%. Shares of Mphasis surged over 8% intra-day to a 52-week high of ₹3,077.95 as the market reacted positively to the management's upbeat commentary.

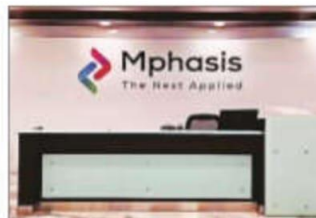
The company's revenue from operations rose 0.2% quarter-on-quarter (q-o-q), reaching ₹3,422 crore. In constant currency terms, Mphasis reported a 0.1% sequential growth and a 3.1% year-on-year (y-o-y) increase in revenue, according to a company press release. Net profit came in at ₹404 crore.

"We are observing a consistent rise in client demand. Coupled with our strong deal pipeline, we are cautiously optimistic about continued improvement in our core markets," said chief executive officer and managing director Nitin Rakesh in the release.

REPORT CARD

■ Operating margin for Mphasis improved by **10 bps** sequentially

■ The management remains optimistic about meeting its FY25 margin guidance of **14.6-16%**



■ The banking and financial services sector saw a **1.1%** y-o-y growth

■ The technology, media, and telecom segment experienced an **11%** growth

NITIN RAKESH,
CEO & MD, MPHASIS

COUPLED WITH OUR STRONG DEAL PIPELINE, WE ARE CAUTIOUSLY OPTIMISTIC ABOUT CONTINUED IMPROVEMENT IN OUR CORE MARKETS



Mphasis secured new total contract value (TCV) wins amounting to \$319 million, up from \$177 million TCV recorded in the March quarter. Notably, 84% of these new TCVs were for new-generation services.

"As AI-enabled platforms gain traction and are integrated into all deal types and solutions, we are experiencing strong growth momentum in AI-powered deals, leveraging our 'Sav-

ings led Transformation' theme," Rakesh added.

Meanwhile, the operating margin for Mphasis improved by 10 basis points (bps) sequentially, settling at 15% in the June quarter. The management remains optimistic about meeting its FY25 margin guidance of 14.6-16%.

In terms of verticals, the banking and financial services sector saw a 1.1% y-o-y growth, reaching ₹1,630 crore. The tech-

nology, media, and telecom segment experienced an 11% growth, totalling ₹5,490 crore.

The company's headcount decreased by 1,019 employees, bringing the total to 31,645 for the April-June period. However, the utilisation rate increased by one percentage point, reaching 76% in Q1 from the previous quarter's 75%.

Earnings per share (EPS) for Mphasis rose by 1.8% year-on-year, amounting to ₹21.4.

Business Standard**Steady client demand ups Mphasis profit**

Midcap IT services firm Mphasis reported a 2.1 per cent year-on-year (Y-o-Y) rise in net profit at ₹404.5 crore. On a sequential basis, profit was up 2.9 per cent. Revenue growth increased 4.6 per cent Y-o-Y to ₹3,422.5 crore.

On a sequential basis, the firm's revenue was marginally up by 0.2 per cent.

The company's share hit a 52-week high at ₹3,079.2 a piece. The stock price ended at ₹3,015, up 6 per cent from the previous close. The firm's stock rallied on strong orders and a margin guidance of 14.6-16 per cent for FY25.

Total contract value wins for the quarter stood at \$319 million, of which 84 per cent was in new-gen services, the firm said.

BS REPORTER

एमफेसिस का लाभ 2.1 फीसदी बढ़ा
मिडकैप आईटी सेवा कंपनी एमफेसिस ने शुद्ध लाभ में पिछले साल के मुकाबले 404.5 करोड़ रुपये के साथ 2.1 प्रतिशत की वृद्धि दर्ज की है। तिमाही आधार पर लाभ में 2.9 प्रतिशत तक का इजाफा हुआ है।

राजस्व वृद्धि पिछले साल की तुलना में 4.6 प्रतिशत बढ़कर 3,422.5 करोड़ रुपये रहा। तिमाही आधार पर कंपनी के राजस्व में 0.2 प्रतिशत का मामूली

इजाफा हुआ। कंपनी का शेयर 52 सप्ताह के शीर्ष स्तर 3,079.2 रुपये तक पहुंच चुका है। शेयर अपने पिछले बंद भाव की तुलना में छह प्रतिशत बढ़कर 3,015 रुपये पर बंद हुआ। वित्त वर्ष 25 के लिए दमदार ऑर्डर और 14.6 प्रतिशत से 16 प्रतिशत के मार्जिन अनुमान की बदलौत कंपनी के शेयर में तेजी आई।

एमफेसिस के मुख्य कार्य अधिकारी और प्रबंध निदेशक नितिन राकेश ने कहा 'हम ग्राहक मांग में लगातार सुधार देख रहे हैं और सौदों की अपनी दमदार पाइप-लाइन की वजह से हम इस बात पर सावधान रहते हुए आशावादी बने हुए हैं कि हमारे मुख्य बाजारों में यह प्रवृत्ति बेहतर होती रहेगी।'

● A THIRD OF THE FIRM'S PIPELINE IS AI-INFLUENCED

Mphasis sees large GenAI deals

These projects will culminate in a span of 2-3 years, says CEO

PADMINI DHURVARAJ
Bengaluru, July 28

MPHASIS, A MID-TIER IT solutions provider, is seeing large deal activity in the GenAI and AI space, with the transformation projects potentially spanning two to three years, Nitin Rakesh, its CEO, told FE.

"A third of our pipeline right now is AI influenced — a pretty big jump. We do expect that almost every technology tribe that we have, and of course every solution, will see AI creeping into it," he added.

The company recently launched two AI-driven products: Mphasis NeoCrux and Mphasis NeoZeta. These platforms aim to enhance software engineering efficiency and drive enterprise modernisation. NeoCrux is designed to improve the productivity of agile teams, while NeoZeta focuses on enterprise application modernisation.

"We believe we've seen up to 50% efficiency and faster relearn with our beta clients," Rakesh said.

TECH BOOST

■ IT solutions provider Mphasis recently launched two AI-driven products: Mphasis NeoCrux and Mphasis NeoZeta



■ Mphasis last week reported a **1.1% y-o-y growth** in the banking & financial services sector, reaching **₹1,630 crore** in revenue

NITIN RAKESH, MPHASIS CEO

WE DO EXPECT THAT ALMOST EVERY TECHNOLOGY TRIBE THAT WE HAVE, AND OF COURSE EVERY SOLUTION, WILL SEE AI CREEPING INTO IT



Mphasis is also seeing a transition of some use cases from the discovery phase to deployment. The company's AI Foundry, launched in collaboration with AWS, is pivotal in this transition. "The opportunity to take an idea from the foundry into the overall solution is what's exciting over the next couple of years," he said.

The US market is ahead in enterprise AI adoption, particularly in the banking sector, which is known for its early adoption of new technologies. "Typically, US banks are forward-leaning on tech because they're early adopters," Rakesh said. This trend is also visible in other consumer-facing industries such as media and retail, which are quick to

adopt innovative technologies.

Growth in BFSI space

Despite challenges in the previous year, the banking and financial services (BFSI) vertical is showing signs of recovery. Mphasis on Friday reported a 1.1% year-on-year growth in this sector, reaching ₹1,630 crore.

"We were pleased that we showed sequential growth in BFSI in Q4 and then we put a second dot on that with Q1 sequential growth as well," Rakesh said, indicating a positive direction for the sector.

Further, the overall discretionary demand environment is also showing signs of recovery.

"We are recovering from a pretty harsh macro environment over the last 18 to 24 months," Rakesh said.

In the quarter ended June, Mphasis reported nearly flat sequential revenue growth, but managed to expand its bottom line by nearly 3%.

The company's revenue from operations rose 0.2% quarter-on-quarter to ₹3,422 crore.

The company secured new total contract value (TCV) wins amounting to \$319 million against \$177 million recorded in the March quarter, with 84% of the new TCVs coming from new-generation services.

Electronic

Channel: NDTV Profit

Show: [Mphasis' CEO On Deal Wins, IT Services Landscape & How AI Will Impact It?](#)

Date: July 26, 2024



Mphasis' CEO On Deal Wins, IT Services Landscape & How AI Will Impact It?



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Show: [NDTV Profit Scroll 26 July 2024 60sec Mphasis Q1 Earnings 07.42am](#)

Date: July 26, 2024



STOCKS TO WATCH

Mphasis 2844.60 ▼ 0.88%	Mphasis: Q1 net profit ▲ 2.9% at ₹405 cr, revenue ▲ 0.3% at ₹3,422 cr (QoQ)	ndtvprofit.com NIFTY BANK 50888.75 ▼ 428.25 Jul 26 07:43:49am
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Channel: NDTV Profit

Show: [NDTV Profit Earnings EDGE 26 July 2024 05min 13sec Mr. Nitin Rakesh - CEO, Mphasis 09.55am](#)

Date: July 26, 2024



Channel: CNBC TV18

Show: [CNBC TV18 Scroll 26 July 2024 60sec Mphasis Q1 Earnings 08.25am](#)

Date: July 26, 2024



The screenshot shows a CNBC TV18 broadcast with a male anchor in a maroon shirt. The background is a blue graphic with white lines. The top banner displays market indices: DAX at 18298.72 (-0.48%), CAC at 7427.02 (-1.15%), and BUDGET 2024. The bottom banner features the Mphasis logo and the headline: "Mphasis: Q1 CC Revenue Down 0.1%, EBIT Margin At 11% Vs 8.4% (QoQ)". To the right of the headline, the SENSEX index is shown at 80039.80 (-109.08). Below the headline, a row of stock prices is displayed: 9.15, 25.50, GlenPh¹ 772.3k 1424.60 (-1.10), and Ceat¹⁰ 222k 2598.50 (-37.25). The video player interface at the bottom shows a play button, a volume icon, a progress bar at 0:30 / 1:00, and a "NOW" button.

Index	Value	Change
DAX	18298.72	-0.48%
CAC	7427.02	-1.15
BUDGET 2024		

Stock	Price	Change
Mphasis	2844.60	0.88%
Sensex	80039.80	-109.08
GlenPh ¹	1424.60	-1.10
Ceat ¹⁰	2598.50	-37.25

Channel: CNBC TV18

Show: [CNBC TV18 Bazaar Open Exchange 26 July 2024 22sec Mphasis - Tech Companies Results Review](#)
09.13am

Date: July 26, 2024



Channel: CNBC TV18

Show: [CNBC TV18 Earnings Central 26 July 2024 11min 49sec Mr. Nitin Rakesh & Mr. Manish Dugar - Mphasis](#)
09.50am

Date: July 26, 2024



Channel: CNBC TV18

Show: [CNBC TV18 NSE Closing Bell 26 July 2024 03min 47sec Mphasis Q1 Review - Prakash Diwan 14.44pm](#)

Date: July 26, 2024



MPHASIS: Q1FY25
Margin Stable At 15%

MPHASIS
To CNBC-TV18

Deal pipeline ▲17% QoQ

MPHASIS 3045.50 ▲ 7.06%

Ahead Of Results
Cipla 1541.00 2.73%

VarBev¹⁰ 2.4m 1674.70 ▲ 22.60

Banco² 2.4m 740.55 ▲ 53.50

LIC
CO-PRESENTS
ICICI BANK

Provisions Could Rise QoQ

#1QWithCNBCTV18
14:44

25 YEARS

Channel: ET Now

Show: [ET Now Markets@Noon 26 July 2024 26sec Mphasis Q1 Review 12.08pm](#)

Date: July 26, 2024



Channel: ET Now

Show: [ET Now Earnings With ET Now 26 July 2024 09min 35sec Mr. Nitin Rakesh & Mr. Manish Dugar - Mphasis 09.52am](#)

Date: July 26, 2024



EARNINGS

EARNINGS SNAPSHOT

Gross Revenue	QoQ	YoY
\$	▲ 0.2%	▲ 4.6%
CC	▲ 0.1%	▲ 3.1%

Nitin Rakesh
CEO, Mphasis

NEW LISTING: PRE-OPEN INDICATIVE PRICE

SANSTAR 109.00 ▲ 14.00 14.74%

NIFTY 50 24520.50 ▼ 114.40 0.47%

Play (k) RGECAP BandhanBk¹⁰ 2.9m 186.58 ▼ 0.75 BBQNation
 PNBHsg¹⁰ 797.10 ▼ 15.85 PowGrid¹⁰ 1.3m 341.55

ET NOW 9:52 AM LIVE

Online		
Date	Publication/ Portal	Headline
July 27, 2024	The Economic Times	A third of Mphasis' deal pipeline is AI-led: CEO Nitin Rakesh
July 27, 2024	LiveMint	Mphasis Q1 Results Live : profit rise by 2.14% YOY
July 27, 2024	Business Standard	Mphasis consolidated net profit rises 2.14% in the June 2024 quarter
July 27, 2024	Business Standard	Mphasis Q1 FY25 results: Net profit rises 2.1% to Rs 404.5 crore
July 27, 2024	Business Standard	Mphasis spurts as Q1 PAT rises 3% QoQ to Rs 405 cr
July 27, 2024	CNBC TV18	Mphasis shares surge 8% on strong deal wins in Q1, robust pipeline
July 27, 2024	NDTV Profit	Mphasis Shares Surge Over Two-Year High After Q1 Profit Rises
July 27, 2024	NDTV Profit	Mphasis Q1 Results Review - Mixed Numbers; Margin Trajectory To Improve Hereon: Dolat Capital
July 27, 2024	ET Now	Mphasis Q1 Earnings: Weak Performance Updated, Broad-Based Growth Across Deal Pipeline
July 27, 2024	MoneyControl	Mphasis Q1 profit rises 2.1% to Rs 404 crore, revenue up 4.6% YoY
July 27, 2024	MoneyControl	MphasisS Standalone June 2024 Net Sales at Rs 2,318.19 crore, down 0.52% Y-o-Y
July 27, 2024	MoneyControl	MphasisS Consolidated June 2024 Net Sales at Rs 3,422.46 crore, up 5.24% Y-o-Y
July 27, 2024	MoneyControl	Mphasis stock climbs to 52-week high on upbeat mgmt commentary, strong deal wins
July 27, 2024	Financial Express	Mphasis Q1 revenue flat; stock up 8% on positive outlook
July 27, 2024	Financial Express	Mphasis sees large deals in GenAI space
July 27, 2024	BusinessWorld	Mphasis Sees 2% Profit Growth In Q1
July 27, 2024	TechCircle	Mphasis reports 4.6% revenue increase, highlights growth in Gen AI
July 27, 2024	The Free Press Journal	Mphasis Surges To 52-Week High On D-Street After Q1 Financials

Print			
Date	Publication	Edition	Headline
July 28, 2024	The Economic Times	Across Editions	Mphasis Q1 Net Up 2.1%; One-third of Deal Pipeline AI-driven: CEO
July 28, 2024	Financial Express	Across Editions	Mphasis Q1 revenue flat; deal pipeline strong

July 28, 2024	Business Standard	Across Editions	Steady client demand ups Mphasis profit
July 28, 2024	Business Standard Hindi	Across Editions	Mphasis net profit rises 2.1%

Date	Publication	Headline
Electronic		
July 26, 2024	NDTV Profit	Mphasis' CEO On Deal Wins, IT Services Landscape & How AI Will Impact It?
July 26, 2024	NDTV Profit	NDTV Profit Scroll 26 July 2024 60sec Mphasis Q1 Earnings 07.42am
July 26, 2024	NDTV Profit	NDTV Profit Earnings EDGE 26 July 2024 05min 13sec Mr. Nitin Rakesh - CEO, Mphasis 09.55am
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July 26, 2024	CNBC TV18	CNBC TV18 Bazaar Open Exchange 26 July 2024 22sec Mphasis - Tech Companies Results Review 09.13am
July 26, 2024	CNBC TV18	CNBC TV18 Earnings Central 26 July 2024 11min 49sec Mr. Nitin Rakesh & Mr. Manish Dugar - Mphasis 09.50am
July 26, 2024	CNBC TV18	CNBC TV18 NSE Closing Bell 26 July 2024 03min 47sec Mphasis Q1 Review - Prakash Diwan 14.44pm
July 26, 2024	ET Now	ET Now Markets@Noon 26 July 2024 26sec Mphasis Q1 Review 12.08pm
July 26, 2024	ET Now	ET Now Earnings With ET Now 26 July 2024 09min 35sec Mr. Nitin Rakesh & Mr. Manish Dugar - Mphasis 09.52am