

# Research Report

## Mphasis Ltd

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 Mphasis  
The Next Applied

# About

Mphasis Ltd is a leading Indian IT solutions provider specializing in cloud, AI, and digital transformation services. Headquartered in Bengaluru, it serves global clients across banking, insurance, and logistics. Backed by Blackstone, Mphasis focuses on customer-centric innovation through its Front2Back™ and X<sup>2</sup>C<sup>2</sup> digital frameworks.

## Business segments

Mphasis earns most revenue from BFSI, followed by insurance, TMT, logistics, and emerging industries through IT and digital services globally, leveraging AI, cloud, and customer-centric platforms for business transformation.

### Revenue Mix FY25

- BFSI: ~49%
- Insurance: ~14–15%
- TMT: ~10–12%
- Logistics & Transportation: ~12–13%
- Others / Emerging Industries: ~11–13%

## Synopsis of Financials

- Revenue rose to ₹14,230 crore in FY25, growing around 7–8% year-on-year, led by strong demand in BFSI and digital services.
- Net profit increased to ₹1,702 crore, reflecting a 9.5% growth, while operating margins remained stable at approximately 15.3%.
- The company secured \$1.27 billion in new deals and declared a ₹57 per share dividend, highlighting strong execution and shareholder commitment.

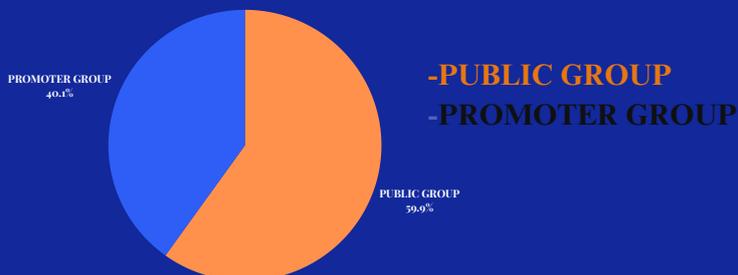
## Stock data (as 23<sup>th</sup> July 2025)

Nifty Price	: 25,543.60
52 week High (in Rs.)	: 3,239.55
52 week Low (in Rs.)	: 2,025.05
Market Cap. (in Crore)	: 51,915.28
NSE Code	: INE356A01018

### Stock data



## Shareholding Pattern (March 2025)



## Financial Summary

Particulars	Mar-23	Mar-24	Mar-25
Sales	13,798	13,279	14,230
Sales Growth %	15.36%	-3.77%	7.17%
Expenses	11,365	10,857	11,583
Operating Profit	2,434	2,422	2,647
OPM %	18%	18%	19%
Net Profit	1,638	1,555	1,702
EPS in Rs	86.94	82.27	89.55

# Quarterly Results

	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Sales	3,276	3,338	3,412	3,422	3,536	3,561	3,710
YOY Sales Growth %	-6.91%	-4.80%	1.51%	5.24%	7.92%	6.69%	8.73%
Expenses	2,681	2,737	2,773	2,804	2,888	2,883	3,007
Operating Profit	596	601	639	619	648	678	703
OPM %	18%	18%	19%	18%	18%	19%	19%
Other Income	49	54	64	74	59	63	60
Interest	34	53	50	50	40	39	36
Depreciation	89	103	131	105	104	132	135
Profit before tax	522	499	522	537	563	569	591
Tax %	25%	25%	25%	25%	25%	25%	24%
Net Profit	392	374	393	405	423	428	446
EPS in Rs	20.78	19.79	20.81	21.39	22.37	22.56	23.49

Source: Screener

## Key Ratios

Ratios	Numerator	Denominator	As at 31 March 2025	As at 31 March 2024	% Variance
Current ratio (in times)	Current assets	Current liabilities	3.13	3.39	-7.87%
Debt equity ratio (in times)	Debt (borrowings + lease liabilities)	Shareholders equity	0.10	0.11	-16.40%
Debt service coverage ratio (in times)	Earnings for Debt Service (Profit after tax + Depreciation + finance cost)	Debt Service (Interest and lease payments + Principal repayments)	3.49	3.47	0.50%
Return on equity ratio (in %)	Net Profit for the year	Average shareholders equity	25.50%	26.96%	-5.40%
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	4.79	4.49	6.60%
Trade payables turnover ratio	Other expenses	Average trade payables	8.53	7.19	18.65%
Net capital turnover ratio	Revenue from operations	Working Capital (current assets - current liabilities)	2.96	2.79	5.81%
Net profit ratio (in %)	Net Profit for the year	Revenue from operations	16.53%	15.90%	3.94%
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed (Net worth + borrowings + lease liabilities )	27.63%	30.89%	-10.56%
Return on investment (in %)	Income generated from treasury investments	Average invested funds in treasury investments	7.66%	7.60%	0.79%

Source: Annual Report

# Yearly Results

Particulars	Mar-23	Mar-24	Mar-25
Equity Capital	188	189	190
Reserves	7,746	8,606	9,438
Borrowings	198	1,544	1,116
Other Liabilities	3,373	3,662	4,000
Total Liabilities	11,506	14,000	14,744
Fixed Assets	4,060	5,533	5,781
CWIP	32	61	0
Investments	1,753	3,090	2,208
Other Assets	5,662	5,316	6,754
Total Assets	11,506	14,000	14,744

# Synopsis Quarter Results

## Concall Notes - May-2025: Key Highlights

### Financial Performance:

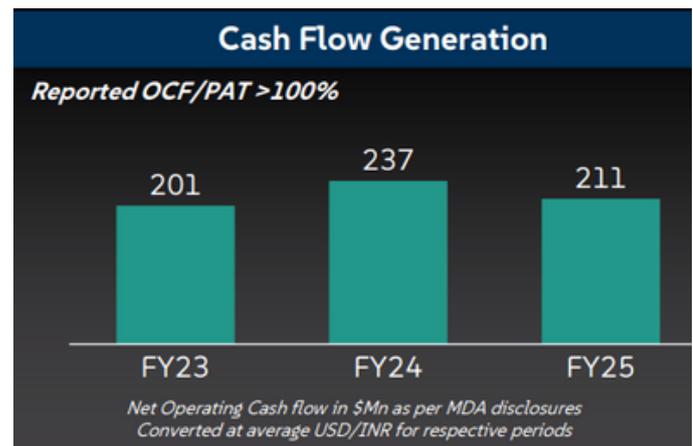
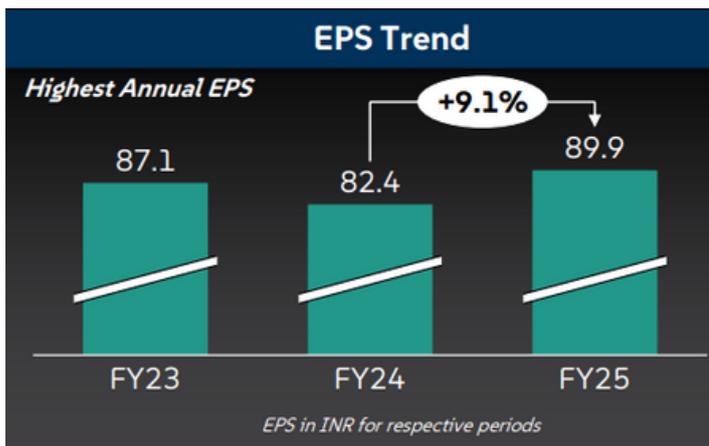
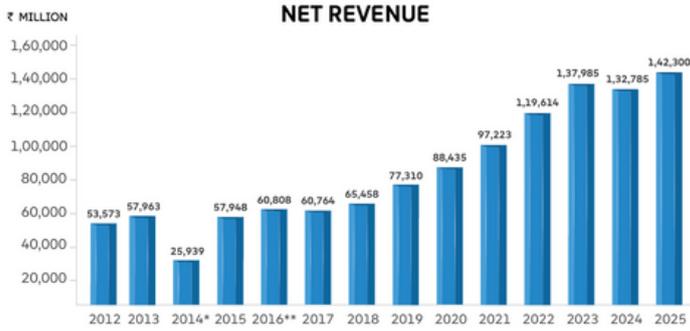
Mphasis delivered its strongest quarterly growth in 12 quarters, backed by record TCV wins and a sharp focus on AI-led, outcome-based transformation. Revenue grew to \$430 million, up 2.9% QoQ and 5.4% YoY in constant currency. EBIT margins remained stable at 15.3%, within the guided range, while EPS hit an all-time high of ₹23.5.

### Key Metrics

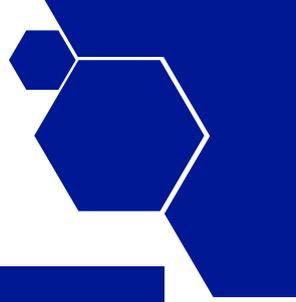
- Revenue: 14,230 Cr (↑ 2.9% QoQ, ↑ 5.4% YoY in CC)
- EBIT Margin: 15.3% (flat QoQ)
- Net Profit / EPS: ₹23.5 (↑ 4.1% QoQ, ↑ 12.9% YoY)
- Operating Cash Flow: \$52 million (100% of net income)
- DSO: 75 days (↑ 3 days QoQ)
- Dividend: ₹57/share (FY25 full-year)

Mphasis posted strong Q4 FY25 results with revenue of \$430 million (↑ 2.9% QoQ), stable EBIT margin at 15.3%, and record EPS of ₹23.5. TCV hit \$390 million—59% from AI-led deals. The deal pipeline grew 86% YoY, with AI now driving 65% of it. BFS and TMT performed well; logistics declined due to macro headwinds. FY26 outlook is positive with margin guidance at 14.75%–15.75% and focus on AI-driven growth.

# Highlights



# Peer Comparison



## Peer Stock Performance (5Y) Indexed



Source: Trading View

## Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	TCS	3170.00	23.18	1146933.72	1.90	12819.00	5.98	63437.00	1.32	64.63
2.	Infosys	1580.60	24.75	656624.33	2.73	7038.00	-11.75	40925.00	7.92	37.50
3.	HCL Technologies	1535.30	24.49	416629.02	3.51	3844.00	-9.73	30349.00	8.17	31.88
4.	Wipro	260.80	20.31	273388.29	2.28	3336.50	10.90	22134.60	0.78	19.51
5.	LTIMindtree	5184.60	32.55	153645.39	1.26	1254.60	10.61	9840.60	7.63	27.63
6.	Tech Mahindra	1545.05	33.60	151292.54	2.88	1128.80	32.57	13351.20	2.66	18.56
7.	Persistent Sys	5785.00	66.63	90477.40	0.61	395.76	25.51	3242.11	25.15	30.44
8.	Mphasis	2793.05	31.65	53137.64	2.01	446.49	13.55	3710.04	8.73	22.71

Source: Screener

# Final Outlook

**LTIM: HOLD | LTP: 2,724.50**

Mphasis enters FY26 on a strong footing, backed by its highest quarterly growth in 3 years, robust deal wins, and increasing traction in AI-led transformation. The company won ₹3,250 crore worth of deals in Q4 FY25 (\$390 million TCV) and has seen its AI-led pipeline grow from 25% to 65% YoY, indicating deep strategic alignment with enterprise tech priorities.

## Key Financial Metrics (Q4 FY25)

- Revenue: ₹3,580 crore (assuming ₹83/USD)
- (↑ 2.9% QoQ, ↑ 5.4% YoY in constant currency)
- EBIT Margin: 15.3%
- EPS: ₹23.5 (↑ 12.9% YoY; all-time high)
- Operating Profit: ₹547 crore (↑ 11.7% YoY)
- Operating Cash Flow: ₹430 crore (100% of net income)
- Dividend Announced: ₹57 per share (FY25 full-year)

## Pipeline & Growth Visibility

- TCV in Q4 FY25: ₹3,250 crore
- Large Deal Pipeline: ↑ 154% YoY
- Overall Pipeline: ↑ 86% YoY; Non-BFS ↑ 99%, BFS ↑ 70%

The Management expects above-industry revenue growth in FY26, supported by a strong AI-led pipeline, disciplined margin management, and ongoing client demand for transformation and cost-efficiency. Execution consistency and platform scalability will be key to sustaining momentum.

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