

Mphasis

Refer to important disclosures at the end of this report

In-line operating performance; Direct biz continues to see strong traction

- Mphasis delivered in-line operating performance in Q4. Gross revenue grew by 4% QoQ to USD431mn, meeting our expectations, thanks to continued traction in the Direct business. EBITM grew by 10bps QoQ to 15.2%.
- Revenues of the Direct business rose 5.2% QoQ (4.7% CC) to Rs30.2bn. Broad-based demand, healthy new deal wins (USD347mn in Q4) and a strong deal pipeline should help sustain revenue growth. Management is confident of delivering industry-leading growth in Direct in FY23. It also expects further convergence of the overall growth rate with the Direct business as the share of DXC reduces further.
- DXC revenues grew by 1.6% QoQ (CC 1.1%; after 7 quarters of sequential decline) but fell 43.6% YoY to ~Rs1.7bn. DXC's share of revenue declined to 5.2%, closer to the company's guidance of mid-single digits by FY22-end. Although the relationship with DXC remains strong, it is not a focused investment area for Mphasis now.
- We are largely retaining our FY23/FY24 EPS estimates (<0.5% change). We maintain Buy with a TP of Rs3,650 at 33x Mar'24E EPS, considering the strength of the Direct business and attractive valuations.

What we liked? Continued traction in the Direct business; healthy deal intake (USD347mn); strong deal pipeline (up 16% YoY); and progress across client buckets.

What we did not like? Weakness in Logistics and Transportation segment margins (-770bps QoQ).

Revenue growth momentum in Direct business continues: Gross revenues rose 4.8% QoQ to Rs32.4bn, aided by continued traction in the Direct business (4th consecutive quarter of 30%+ YoY organic growth), led by Insurance (13.7% QoQ) and Emerging Industries (11.9%). Mphasis signed net new deals worth USD347mn (72% of the deal wins in the new-gen services), including 5 large deals. Despite strong deal closures in the last few quarters, management indicated that the deal pipeline is robust (up 16% YoY). The company is witnessing a steady increase in deal size, with the average deal size increasing by 2x in the last two years on account of tribe-based competencies expansion and greater number of large deals won in the recent quarters. It has signed net new deals worth ~USD1.43bn in FY22 (29% YoY), providing considerable revenue growth visibility as the Direct business has historically exhibited a high correlation (0.93) between revenue conversion and deal TCV. After seven quarters of sequential declines, DXC revenues grew 1.6% QoQ to Rs1.7bn (1.1% CC) but the share of revenue fell to 5.2% in Q4. EBITM grew by 10bps QoQ to 15.2% in Q4. After adjusting for M&A-related charges, it was flat QoQ at 15.9%.

Confident of delivering industry-leading growth in FY23 in Direct business: Management is confident of delivering industry-leading growth in the Direct business, driven by broad-based demand, continued market share gains across clients, expansion of the addressable market with competency build-up (organically and through M&A), solid deal wins, healthy deal pipeline, steady progress in client mining across buckets (Top-10 clients revenue grew by 52% YoY in FY22) and consistent new client wins (6 in Q4, 24 in 12M; revenue from new clients rose 60% YoY in FY22). Mphasis has guided for EBITM to be in the range of 15.25-17% in FY23, considering benefits accruing from revenue growth-led operating leverage, employee pyramid correction, and pricing benefits, which would be offset by wage hike, supply-side headwinds, planned investments in capability augmentation (recently launched an airline data platform in partnership with AWS), leadership breadth and depth, and geographic expansion.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Information Technology \(Page 11\)](#)

Financial Snapshot (Consolidated)

(Rs mn)	FY20	FY21	FY22	FY23E	FY24E
Revenue	88,435	97,222	119,616	144,288	167,460
EBITDA	16,504	18,027	21,177	25,803	30,573
EBITDA Margin (%)	18.7	18.5	17.7	17.9	18.3
APAT	11,848	12,166	14,310	17,199	20,720
EPS (Rs)	63.5	65.2	76.3	91.7	110.5
EPS (% chg)	10.2	2.6	17.2	20.2	20.5
ROE (%)	21.4	19.7	21.2	23.4	25.2
P/E (x)	44.1	42.9	36.7	30.5	25.3
EV/EBITDA (x)	30.7	27.8	23.9	19.4	16.1
P/BV (x)	9.0	8.0	7.6	6.8	6.0

Source: Company, Emkay Research. eam.emkay@whitemarquesolutions.com use and downloaded at 05/02/2022 12:55 PM

CMP	Target Price
Rs 2,798 as of (April 29, 2022)	Rs 3,650 (■) 12 months
Rating	Upside
BUY (■)	30.4 %

Change in Estimates

EPS Chg FY23E/FY24E (%)	(0.1)/-
Target Price change (%)	-
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

	EPS Estimates	
	FY23E	FY24E
Emkay	91.7	110.5
Consensus	95.0	114.2
Mean Consensus TP (12M)	Rs 3,742	

Stock Details

Bloomberg Code	MPHL IN
Face Value (Rs)	10
Shares outstanding (mn)	188
52 Week H/L	3,660 / 1,689
M Cap (Rs bn/USD bn)	526 / 6.87
Daily Avg Volume (nos.)	519,414
Daily Avg Turnover (US\$ mn)	21.1

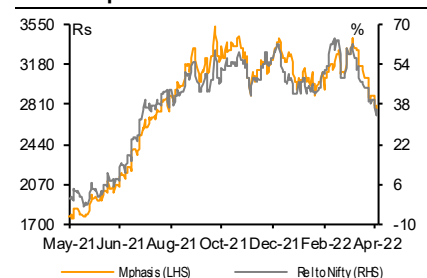
Shareholding Pattern Mar '22

Promoters	55.8%
FIIs	21.1%
DIIIs	18.0%
Public and Others	5.1%

Price Performance

(%)	1M	3M	6M	12M
Absolute	(16)	(8)	(14)	61
Rel. to Nifty	(16)	(9)	(11)	39

Relative price chart



Source: Bloomberg

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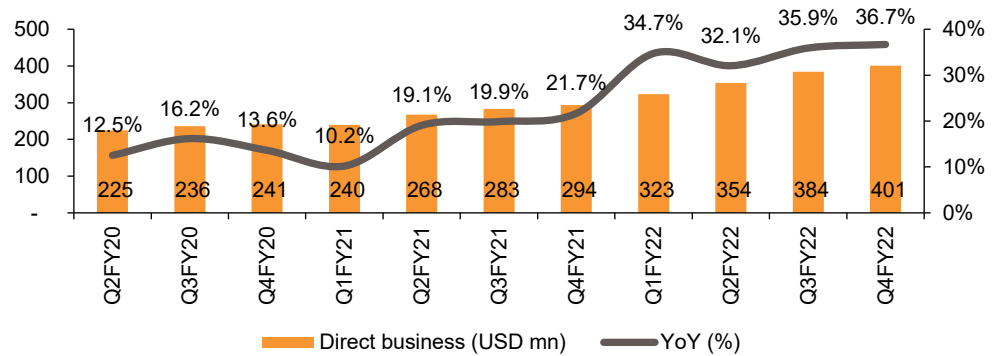
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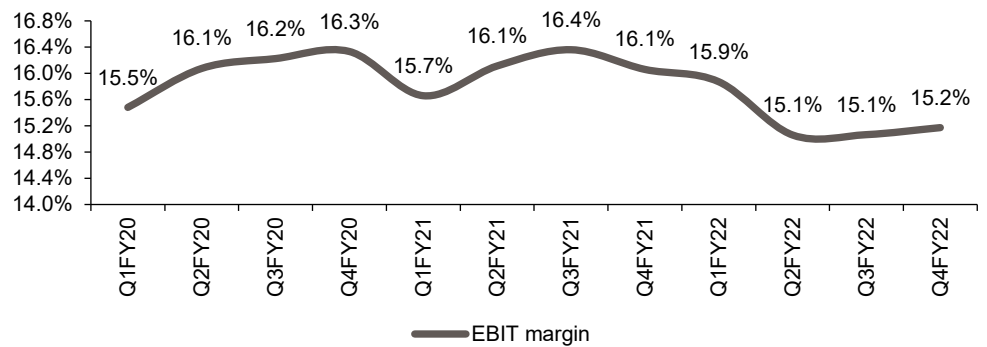
Story in Charts

Exhibit 1: Strong growth momentum continued in Direct business



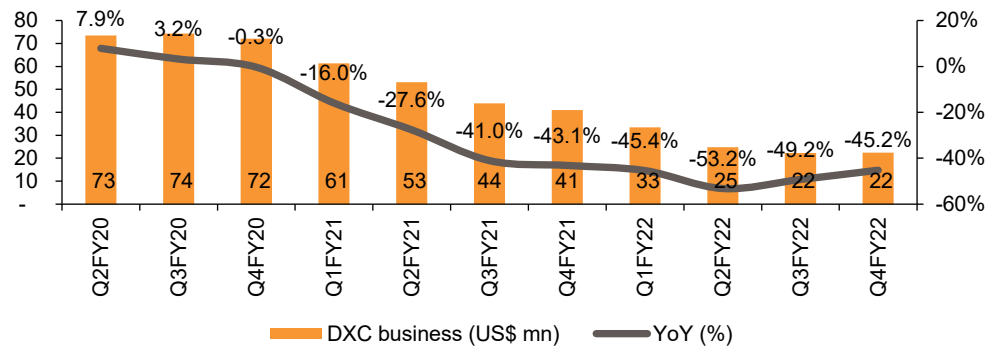
Source: Company, Emkay Research

Exhibit 2: EBITM grew by 10bps in Q4



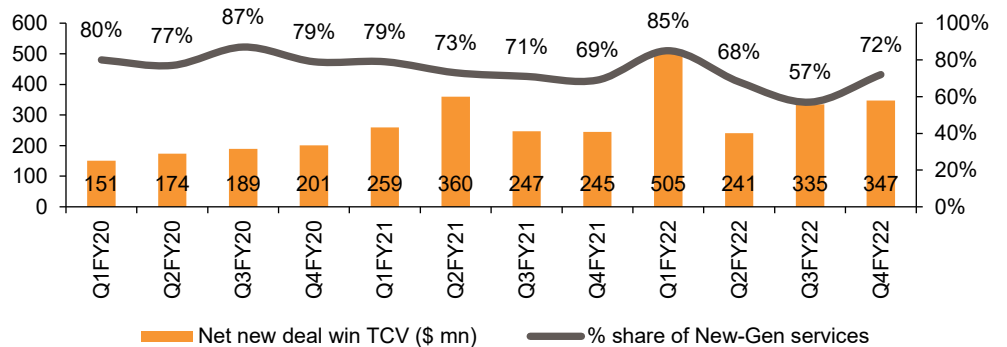
Source: Company, Emkay Research

Exhibit 3: DXC revenues showing some stability after 7 quarters of sequential declines



Source: Company, Emkay Research

Exhibit 4: Deal intake was healthy

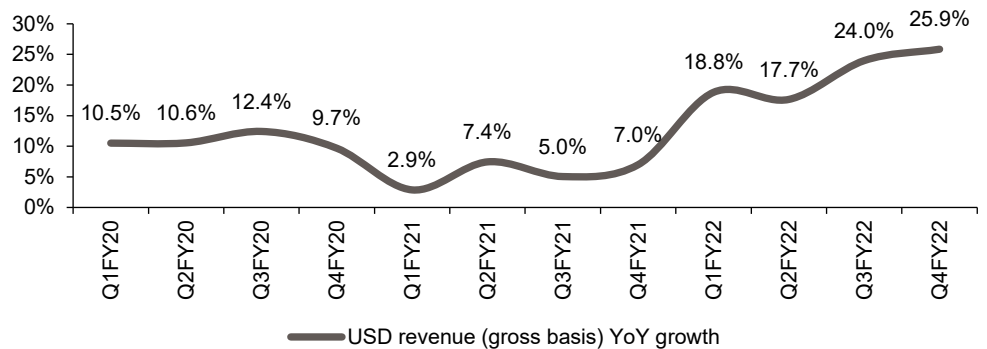


Source: Company, Emkay Research

Insurance and emerging verticals led revenue growth in Direct business

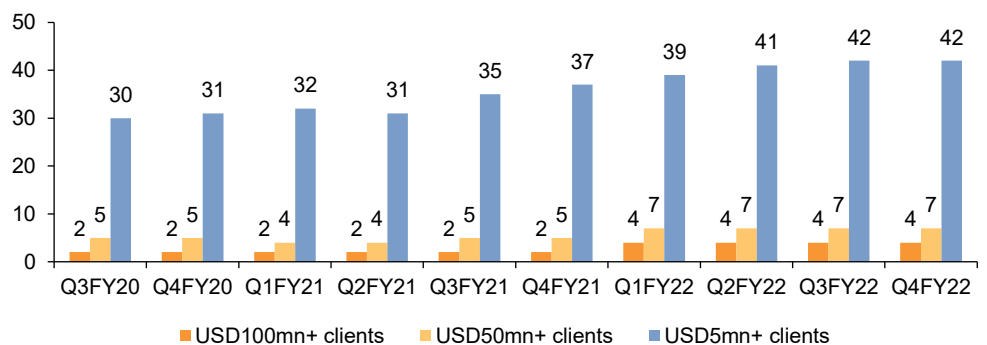
Q4 gross revenues came in at Rs32.4bn (4.8% QoQ), driven by broad-based demand, strong demand for cloud, core modernization and customer experience initiatives. Revenue growth was led by Insurance (13.7% QoQ) and Emerging Industries (11.9%), Logistics and Transportation (6.1), TMT (5.4%) and BFS (1.7%). The Healthcare sub vertical (included in emerging industries vertical) continued to do well, helped by the ramping up of a recently signed large deal. Geographically, growth was led by the Americas (6.3% QoQ) and India (1%), while EMEA and RoW saw a sequential decline of 1% and 4.7%, respectively. The Europe region remains a focus area, and management expects it to be a growth driver, based on a robust deal intake, a healthy deal pipeline and continued investments in sales and delivery expansion. Application Services maintained growth momentum, up 9.5% QoQ, while Infrastructure services and business process services declined by 6% QoQ and 1.5% QoQ after a strong show in Q3. Mphasis signed net new deals worth USD347mn (72% of the deal wins in the new-gen services), including 5 large deals (12 large deals won in FY22 - the highest ever). Despite strong deal closures in the last few quarters, management indicated that the deal pipeline is robust (up 16% YoY). Mphasis registered improvements across client buckets in Q4 on the back of wallet share gains and proactive deal-constructing approach. Management is confident of delivering industry-leading growth in the Direct business, supported by broad-based demand, continued market share gains across clients, expansion of the addressable market with competency build-up, solid deal wins, healthy deal pipeline, steady progress in client mining across buckets and consistent new client wins (6 in Q4, 24 in 12M).

Exhibit 5: USD revenue YoY growth accelerated further in Q4



Source: Company, Emkay Research

Exhibit 6: Steady improvements across client buckets over the quarters



Source: Company, Emkay Research

Other key takeaways

- **Q4FY22 performance:** Gross revenue grew by 4.8% QoQ/29.8% YoY to Rs32.8bn (4.3% QoQ/26.8% YoY in CC terms). The Blink acquisition added ~USD11mn revenue in Q4 (13.5% QoQ growth). Direct revenue grew 5.2% QoQ/40.7% YoY and 4.7% QoQ/37.6% YoY in CC terms. EBIT margins grew 10bps QoQ to 15.2%. Deal wins stood at USD347mn (72% in new gen services) vs. USD335mn in Q3FY22. Top-5 and Top-10 clients grew 7.5% and 6.8% QoQ, respectively.
- **Outlook:** The company maintains that it will deliver industry-leading growth in the Direct business due to broad-based demand, continued market share gains across clients, expansion of addressable market with competency build-up, solid deal wins, healthy deal pipeline, steady progress in client mining across buckets and consistent new client wins. The Europe region is expected to be the growth driver in the coming quarters. It has guided for EBITM to be in the range of 15.25-17% for FY23. Management expects the M&A-related costs to gradually decline as a percentage of revenue and will be fully absorbed in 2-2.5 years from the date of transaction.

Others

- Blink UX revenue for FY22 stood at USD23mn (consolidated from Sept 21, 2021).
- The company onboarded 5,500 freshers in the last two quarters. It is planning for strong fresher additions in FY23.
- Mphasis is seeing some pricing uptick for new-age projects.
- The company has announced a dividend of Rs46 per share for FY22.

Exhibit 7: Actual vs. Estimates (Q4FY22)

(Rs mn)	Actual	Estimates		% variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Revenues (in US\$ mn)	431	431	434	-0.1%	-0.8%	Revenue performance broadly in line with expectations
Sales	32,777	32,556	32,704	0.7%	0.2%	
EBIT	4,973	4,963	4,953	0.2%	0.4%	
EBIT, margin	15.2%	15.2%	15.1%	-10 bps	0 bps	EBITM was broadly in line with our estimates
PAT	3,921	3,758	3,864	4.3%	1.5%	Lower taxes and higher other income led to profit beat

Source: Company, Emkay Research

Exhibit 8: Quarterly Snapshot

(Unit: Rs mn)	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	YoY (%)	QoQ (%)	FY21	FY22	YoY
Revenues(US\$ mn)	342	363	385	414	431	18.7	4.0	1,309	1,593	21.7
Net Revenue	25,243	26,909	28,693	31,237	32,777	21.8	4.9	97,222	119,616	23.0
Operating Expenditure	20,572	22,014	23,715	25,705	27,005	22.7	5.1	79,195	98,439	24.3
Cost of revenues	17,415	19,261	20,428	21,961	23,014	19.5	4.8	67,723	84,664	25.0
as % of sales	69.0	71.6	71.2	70.3	70.2			69.7	70.8	
SG&A expenses	3,157	2,753	3,287	3,744	3,991	45.0	6.6	11,472	13,775	20.1
as % of sales	12.5	10.2	11.5	12.0	12.2			11.8	11.5	
EBITDA	4,671	4,895	4,978	5,532	5,772	17.9	4.3	18,027	21,177	17.5
Depreciation	617	624	657	826	799	28.0	(3.3)	2,418	2,906	20.2
EBIT	4,054	4,271	4,321	4,706	4,973	16.4	5.7	15,609	18,271	17.1
Other Income	182	310	277	90	184	(40.6)	104.4	696	861	23.7
PBT	4,236	4,581	4,598	4,796	5,157	12.6	7.5	16,305	19,132	17.3
Total Tax	1,067	1,183	1,182	1,219	1,236	4.5	1.4	4,138	4,820	16.5
Adjusted PAT	3,169	3,398	3,416	3,577	3,921	15.4	9.6	12,167	14,312	17.6
APAT after MI	3,169	3,398	3,416	3,577	3,921	15.4	9.6	12,167	14,312	17.6
Reported PAT	3,169	3,398	3,416	3,577	3,921	15.4	9.6	12,167	14,312	17.6
Reported EPS	17.0	18.2	18.2	19.1	20.9	15.2	9.6	65	76	17.2
Margins (%)						(bps)	(bps)			(bps)
EBIDTA	18.5	18.2	17.3	17.7	17.6	(89)	(10)	18.5	17.7	(84)
EBIT	16.1	15.9	15.1	15.1	15.2	(89)	11	16.1	15.3	(78)
EBT	16.8	17.0	16.0	15.4	15.7	(105)	38	16.8	16.0	(78)
PAT	12.6	12.6	11.9	11.5	12.0	(59)	51	12.5	12.0	(55)
Effective Tax rate	25.2	25.8	25.7	25.4	24.0	(122)	(145)	25.4	25.2	(19)

Source: Company, Emkay Research

Exhibit 9: Revenues by secondary market

Particulars (Rs mn)	Q4FY22	Q3FY22	Q4FY21	QoQ (%)	YoY (%)
DXC	1,690	1,664	2,997	1.6%	-43.6%
Direct	30,221	28,732	21,480	5.2%	40.7%
Others	537	559	567	-3.9%	-5.3%

Source: Company, Emkay Research

Exhibit 10: Segment performance

Particulars (Rs mn)	Q4FY22	Q3FY22	Q4FY21	QoQ (%)	YoY (%)
Revenue					
Banking and Financial Services	17,403	17,115	12,554	1.7%	38.6%
Insurance	3,098	2,725	2,522	13.7%	22.8%
Logistics and Transportation	4,162	3,922	3,358	6.1%	23.9%
Technology, Media & Telecom	4,300	4,079	3,642	5.4%	18.1%
Others	3,486	3,114	2,968	11.9%	17.5%
Segment gross profit margin (%)					
Banking and Financial Services	26.1	25.2	23.7	90 bps	240 bps
Insurance	27.1	24.6	36.0	250 bps	-890 bps
Logistics and Transportation	26.8	34.5	43.8	-770 bps	-1690 bps
Technology, Media & Telecom	24.3	22.2	19.2	210 bps	510 bps
Others	37.6	36.6	37.2	100 bps	30 bps

Source: Company, Emkay Research

Exhibit 11: Revenue by geography

Particulars (Rs mn)	Q4FY22	Q3FY22	Q4FY21	QoQ (%)	YoY (%)
Americas	26,429	24,868	18,845	6.3%	40.2%
EMEA	3,465	3,501	3,354	-1.0%	3.3%
India	1,582	1,566	1,246	1.0%	27.0%
RoW	972	1,020	1,599	-4.7%	-39.2%

Source: Company, Emkay Research

Exhibit 12: Revenue by service line

Particulars (Rs mn)	Q4FY22	Q3FY22	Q4FY21	QoQ (%)	YoY (%)
Application Services	21,232	19,394	14,943	9.5%	42.1%
Business Process Services	7,555	7,667	6,588	-1.5%	14.7%
Infrastructure Services	3,661	3,895	3,514	-6.0%	4.2%

Source: Company, Emkay Research

Exhibit 13: Client contribution to revenue (ex-DXC)

As a % of revenue	Q4FY22	Q3FY22	Q4FY21	QoQ (%)	YoY (%)
Top customer	11.0	11.0	10.0	4.8%	42.5%
Top-5 customer	44.0	43.0	41.0	7.3%	39.0%
Top-10 customer	59.0	58.0	53.0	6.6%	44.2%

Source: Company, Emkay Research

Exhibit 14: Changes in estimates

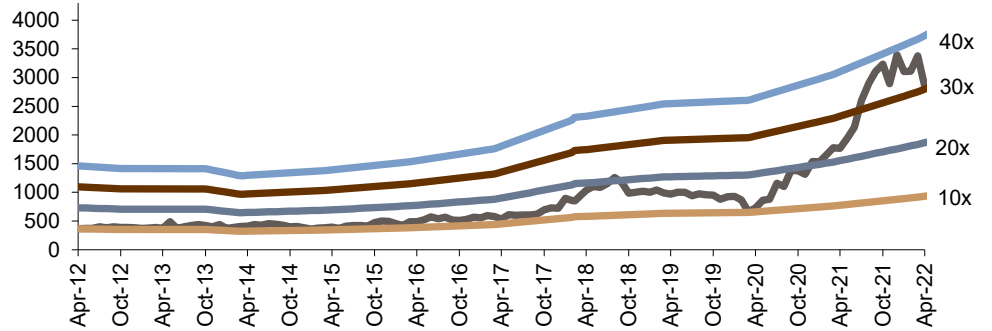
(Rs mn, except EPS)	FY23E			FY24E		
	Old	New	% change	Old	New	% change
Reported Revenues (USD mn)	1,895	1,896	0.0%	2,160	2,161	0.0%
YoY, %	18.9%	19.0%		14.0%	14.0%	
Revenues	144,315	144,288	0.0%	167,483	167,460	0.0%
EBIT	22,421	22,428	0.0%	26,794	26,838	0.2%
EBIT margins, %	15.5	15.5		16.0	16.0	
Net Profits	17,209	17,199	-0.1%	20,712	20,720	0.0%
EPS	91.8	91.7	-0.1%	110.5	110.5	0.0%

Source: Company, Emkay Research

Exhibit 15: Key assumptions

	FY23E	FY24E
Growth in Revenues (US\$ mn)	19.0%	14.0%
USD/INR	76.1	77.5
INR Revenue growth	20.6%	16.1%
EBIT margins	15.5%	16.0%
EPS growth (%)	20.2%	20.5%

Source: Company, Emkay Research

Exhibit 16: Mphasis 1-year forward P/E chart

Source: Company, Emkay Research

Exhibit 17: Valuation Summary

Co Name	Reco.	CMP (Rs)	Target Price (Rs)	% upside	Revenue CAGR	EPS CAGR	P/E (x)			EV/EBITDA (x)			ROE		
					(FY21-24E)	(FY21-24E)	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
TCS	BUY	3,547	4,000	12.8	16.1	17.4	33.9	29.0	25.0	23.7	20.2	17.2	42.6	44.5	42.3
Infosys	BUY	1,568	1,970	25.7	17.8	15.7	29.8	26.6	22.3	19.7	17.4	14.5	29.0	30.6	31.9
Wipro	BUY	509	670	31.7	18.6	13.5	22.8	20.4	17.7	15.2	12.7	11.0	20.2	19.6	20.1
HCL Tech	BUY	1,079	1,400	29.7	13.9	15.5	21.7	19.8	17.1	13.5	12.0	10.4	22.2	23.2	25.5
Tech Mahindra	BUY	1,259	1,730	37.4	15.6	15.5	20.2	18.2	16.1	12.8	10.6	9.3	20.9	20.9	21.3
L&T Infotech	HOLD	4,839	6,350	31.2	22.6	19.0	37.0	31.0	25.9	27.4	22.7	18.7	28.5	28.4	28.8
Mphasis	BUY	2,843	3,650	28.4	19.9	19.3	37.2	31.0	25.7	24.3	19.7	16.4	21.2	23.4	25.2
Mindtree	HOLD	3,552	4,400	23.9	24.2	25.8	35.4	30.2	26.5	25.3	20.8	17.8	33.8	31.8	29.9
Persistent Systems	BUY	4,321	4,850	12.3	31.5	33.0	47.8	37.8	31.2	32.6	23.4	19.1	22.4	23.9	24.7
Coforge	HOLD	4,207	5,050	20.0	25.7	26.2	39.0	31.2	25.8	22.7	17.9	15.1	25.0	27.4	29.0
Birlasoft	BUY	414	530	28.1	17.6	26.6	26.3	22.1	18.1	16.0	12.9	10.4	19.1	19.8	20.9
Firstsource Solutions	BUY	125	180	44.0	15.2	15.0	16.3	14.1	12.0	10.1	8.5	7.2	18.4	19.5	20.8
eClerx	BUY	2,408	2,620	8.8	19.0	21.5	20.1	17.9	16.5	11.3	10.0	9.1	27.1	28.8	29.3
Route Mobile	BUY	1,638	2,150	31.2	34.5	34.6	63.0	46.6	31.6	42.6	28.2	20.0	14.3	12.7	16.4

Source: Company, Emkay Research

Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY20	FY21	FY22	FY23E	FY24E
Revenue	88,435	97,222	119,616	144,288	167,460
Expenditure	71,931	79,195	98,439	118,485	136,887
EBITDA	16,504	18,027	21,177	25,803	30,573
Depreciation	2,316	2,418	2,908	3,375	3,735
EBIT	14,188	15,609	18,269	22,428	26,838
Other Income	966	695	860	814	1,162
Interest expenses	0	0	0	0	0
PBT	15,154	16,304	19,130	23,242	28,000
Tax	3,306	4,138	4,820	6,043	7,280
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	11,848	12,166	14,310	17,199	20,720
Adjusted PAT	11,848	12,166	14,310	17,199	20,720

Balance Sheet

Y/E Mar (Rs mn)	FY20	FY21	FY22	FY23E	FY24E
Equity share capital	1,865	1,870	1,878	1,878	1,878
Reserves & surplus	56,431	63,397	67,553	75,379	85,225
Net worth	58,296	65,267	69,431	77,257	87,104
Minority Interest	0	0	0	0	0
Loan Funds	5,713	5,135	5,272	5,000	5,000
Net deferred tax liability	(2,020)	(918)	(898)	(898)	(898)
Total Liabilities	61,989	69,484	73,806	81,359	91,206
Net block	30,135	30,195	37,736	37,511	37,146
Investment	13,257	18,460	18,130	20,778	20,778
Current Assets	41,819	44,042	49,969	58,067	70,977
Cash & bank balance	11,257	10,622	9,494	11,642	20,108
Other Current Assets	14,744	16,140	23,636	24,989	27,211
Current liabilities & Provision	23,389	23,245	32,139	35,061	37,759
Net current assets	18,431	20,797	17,830	23,006	33,218
Misc. exp	0	0	0	0	0
Total Assets	61,989	69,484	73,806	81,359	91,206

Cash Flow

Y/E Mar (Rs mn)	FY20	FY21	FY22	FY23E	FY24E
PBT (Ex-Other income) (NI+Dep)	14,188	15,609	18,269	22,428	26,838
Other Non-Cash items	1,594	2,141	3,215	3,320	3,509
Chg in working cap	422	(453)	(1,501)	(3,029)	(1,746)
Operating Cashflow	13,210	14,545	17,157	17,490	22,483
Capital expenditure	(1,243)	(2,057)	(6,411)	(3,104)	(3,370)
Free Cash Flow	11,967	12,488	10,747	14,386	19,113
Investments	899	(4,824)	4,495	(2,648)	0
Other Investing Cash Flow	0	0	0	0	0
Investing Cashflow	(132)	(6,685)	(1,594)	(5,001)	(2,454)
Equity Capital Raised	151	268	442	0	0
Loans Taken / (Repaid)	(1,553)	(1,736)	(1,411)	(272)	0
Dividend paid (incl tax)	(6,065)	(6,527)	(12,177)	(9,374)	(10,873)
Other Financing Cash Flow	0	0	0	0	0
Financing Cashflow	(8,247)	(8,615)	(13,887)	(10,342)	(11,563)
Net chg in cash	4,831	(754)	1,676	2,147	8,466
Opening cash position	6,416	11,257	10,622	9,494	11,642
Closing cash position	11,257	10,622	12,405	11,642	20,108

Source: Company, Emkay Research

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Key Ratios

Profitability (%)	FY20	FY21	FY22	FY23E	FY24E
EBITDA Margin	18.7	18.5	17.7	17.9	18.3
EBIT Margin	16.0	16.1	15.3	15.5	16.0
Effective Tax Rate	21.8	25.4	25.2	26.0	26.0
Net Margin	13.4	12.5	12.0	11.9	12.4
ROCE	25.4	24.8	26.7	30.0	32.5
ROE	21.4	19.7	21.2	23.4	25.2
RoIC	38.0	40.2	42.3	47.2	54.1

Per Share Data (Rs)	FY20	FY21	FY22	FY23E	FY24E
EPS	63.5	65.2	76.3	91.7	110.5
CEPS	75.9	78.1	91.8	109.7	130.4
BVPS	312.5	349.5	370.4	412.1	464.6
DPS	35.0	65.0	46.0	50.0	58.0

Valuations (x)	FY20	FY21	FY22	FY23E	FY24E
PER	44.1	42.9	36.7	30.5	25.3
P/CEPS	36.8	35.8	30.5	25.5	21.4
P/BV	9.0	8.0	7.6	6.8	6.0
EV / Sales	5.7	5.2	4.2	3.5	2.9
EV / EBITDA	30.7	27.8	23.9	19.4	16.1
Dividend Yield (%)	1.3	2.3	1.6	1.8	2.1

Gearing Ratio (x)	FY20	FY21	FY22	FY23E	FY24E
Net Debt/ Equity	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)
Net Debt/EBIDTA	(0.9)	(1.2)	(0.9)	(0.9)	(1.1)
Working Cap Cycle (days)	29.6	38.2	25.4	28.7	28.6

Growth (%)	FY20	FY21	FY22	FY23E	FY24E
Revenue	14.4	9.9	23.0	20.6	16.1
EBITDA	24.7	9.2	17.5	21.8	18.5
EBIT	13.7	10.0	17.0	22.8	19.7
PAT	10.4	2.7	17.6	20.2	20.5

Quarterly (Rs mn)	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
Revenue	25,243	26,909	28,693	31,237	32,777
EBITDA	4,671	4,895	4,978	5,532	5,772
EBITDA Margin (%)	18.5	18.2	17.3	17.7	17.6
PAT	3,169	3,398	3,416	3,577	3,921
EPS (Rs)	17.0	18.2	18.2	19.1	20.9

Source: Company, Emkay Research

Shareholding Pattern (%)	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Promoters	56.0	56.0	56.0	55.9	55.8
FIIIs	21.8	20.8	20.9	21.1	21.1
DIIIs	17.2	18.5	17.9	17.8	18.0
Public and Others	5.0	4.8	5.3	5.2	5.1

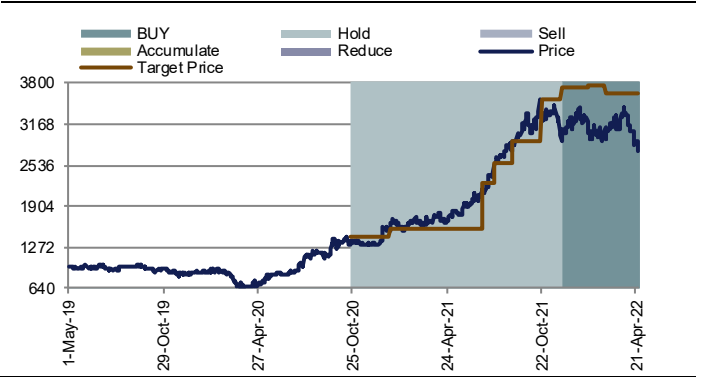
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
1-Apr-22	3,344	3,650	12m	Buy	Dipeshkumar Mehta
22-Feb-22	3,122	3,650	12m	Buy	Dipeshkumar Mehta
21-Jan-22	3,025	3,780	12m	Buy	Dipeshkumar Mehta
1-Jan-22	3,397	3,730	12m	Buy	Dipeshkumar Mehta
30-Nov-21	2,895	3,730	12m	Buy	Dipeshkumar Mehta
22-Oct-21	3,255	3,550	12m	Hold	Dipeshkumar Mehta
2-Oct-21	3,026	2,900	12m	Hold	Dipeshkumar Mehta
22-Sep-21	3,251	2,900	12m	Hold	Dipeshkumar Mehta
27-Aug-21	2,895	2,900	12m	Hold	Dipeshkumar Mehta
24-Jul-21	2,530	2,560	12m	Hold	Dipeshkumar Mehta
2-Jul-21	2,155	2,260	12m	Hold	Dipeshkumar Mehta
14-May-21	1,789	1,570	12m	Hold	Dipeshkumar Mehta
26-Apr-21	1,724	1,570	12m	Hold	Dipeshkumar Mehta
5-Apr-21	1,755	1,570	12m	Hold	Dipeshkumar Mehta
18-Mar-21	1,638	1,570	12m	Hold	Dipeshkumar Mehta
22-Jan-21	1,599	1,570	12m	Hold	Dipeshkumar Mehta
4-Jan-21	1,519	1,560	12m	Hold	Dipeshkumar Mehta
18-Dec-20	1,373	1,440	12m	Hold	Dipeshkumar Mehta
23-Nov-20	1,315	1,440	12m	Hold	Dipeshkumar Mehta
23-Oct-20	1,382	1,440	12m	Hold	Dipeshkumar Mehta

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Emkay Alpha Portfolio – Information Technology



Analyst: Dipesh Mehta

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Sector

IT Services, ITes and Software

Analyst bio

Dipesh is a seasoned Equities professional who has covered Technology sector for over 15 years. Dipesh has completed his B.E. in Information Technology from Sardar Patel University and MMS in Finance from Mumbai University.

EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight based on Current NAV	Change vs last published EAP (bps)
Information Technology	12.90	12.81	-1%	-9	100.00	
BirlaSoft	0.00	0.03	NA	3	0.27	0
Coforge	0.13	0.00	-100%	-13	0.00	0
Firstsource Solutions	0.00	0.04	NA	4	0.28	0
HCL Tech	1.16	1.25	8%	9	9.72	0
Infosys	5.68	5.74	1%	6	44.53	0
L&T Infotech	0.22	0.00	-100%	-22	0.00	0
Mindtree	0.22	0.17	-20%	-4	1.33	0
Mphasis	0.23	0.25	13%	3	1.98	0
Oracle Financial Services*	0.08	0.00	-100%	-8	0.00	0
Persistent Systems	0.00	0.19	NA	19	1.44	0
TCS	3.64	3.55	-3%	-9	27.52	0
Tech Mahindra	0.77	0.81	4%	3	6.26	0
Wipro	0.76	0.78	2%	2	6.02	0
Cash	0.00	0.09	NA	9	0.67	0

Source: Emkay Research

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

Sector portfolio NAV

	Base					Latest
	1-Apr-19	28-Apr-21	28-Oct-21	28-Jan-22	28-Mar-22	28-Apr-22
EAP - Information Technology	100.0	177.2	225.4	224.4	240.7	213.7
BSE200 Neutral Weighted Portfolio (ETF)	100.0	166.9	211.1	207.7	222.6	197.4

*Performance measurement base date 1st April 2019

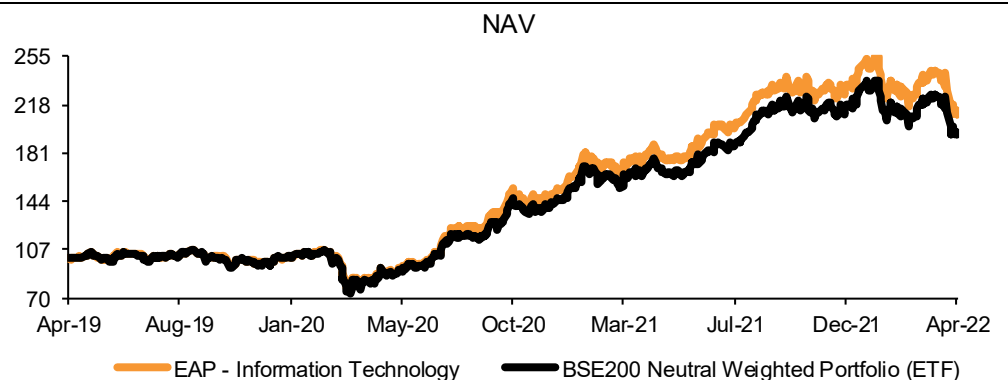
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Information Technology	-11.2%	-4.7%	-5.2%	20.6%
BSE200 Neutral Weighted Portfolio (ETF)	-11.3%	-5.0%	-6.5%	18.3%

Source: Emkay Research

NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

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Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 29 Apr 2022 20:28:11 (SGT)

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