

Continuity and Acceleration

# Mphasis Earnings Q4 and FY 2022

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CEO & Managing Director

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CFO

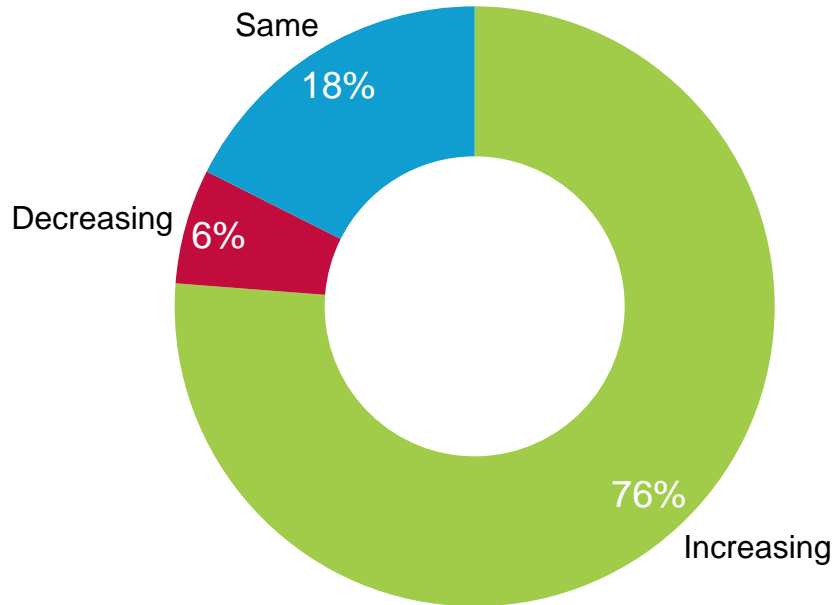
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Certain statements mentioned in this presentation concerning our future growth prospects are forward looking statements (the “Forward Statements”) and are based on reasonable expectations of the management, which involves a number of risks, and uncertainties that could cause actual results to differ materially from those in such Forward Statements. The risks and uncertainties relating to these Forward Statements include, but are not limited to, risks and uncertainties regarding fluctuations in our earnings, fluctuations in foreign exchange rates, revenue and profits, our ability to generate and manage growth, intense competition in IT services, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price and fixed-time frame contracts, restrictions on immigration, industry segment concentration, our ability to manage our international operations, our revenues being highly dependent on clients in the United States of America, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, withdrawal of fiscal governmental incentives, political instability, adverse impact of global pandemics (including COVID-19 impact), war, legal restrictions on raising capital or acquiring companies, unauthorized use of our intellectual property(ies) and general economic conditions affecting our businesses and industry. We may, from time to time, make additional written and oral Forward Statements . We do not undertake to update any Forward Statements that may be made from time to time by us or on our behalf, unless required under the law.

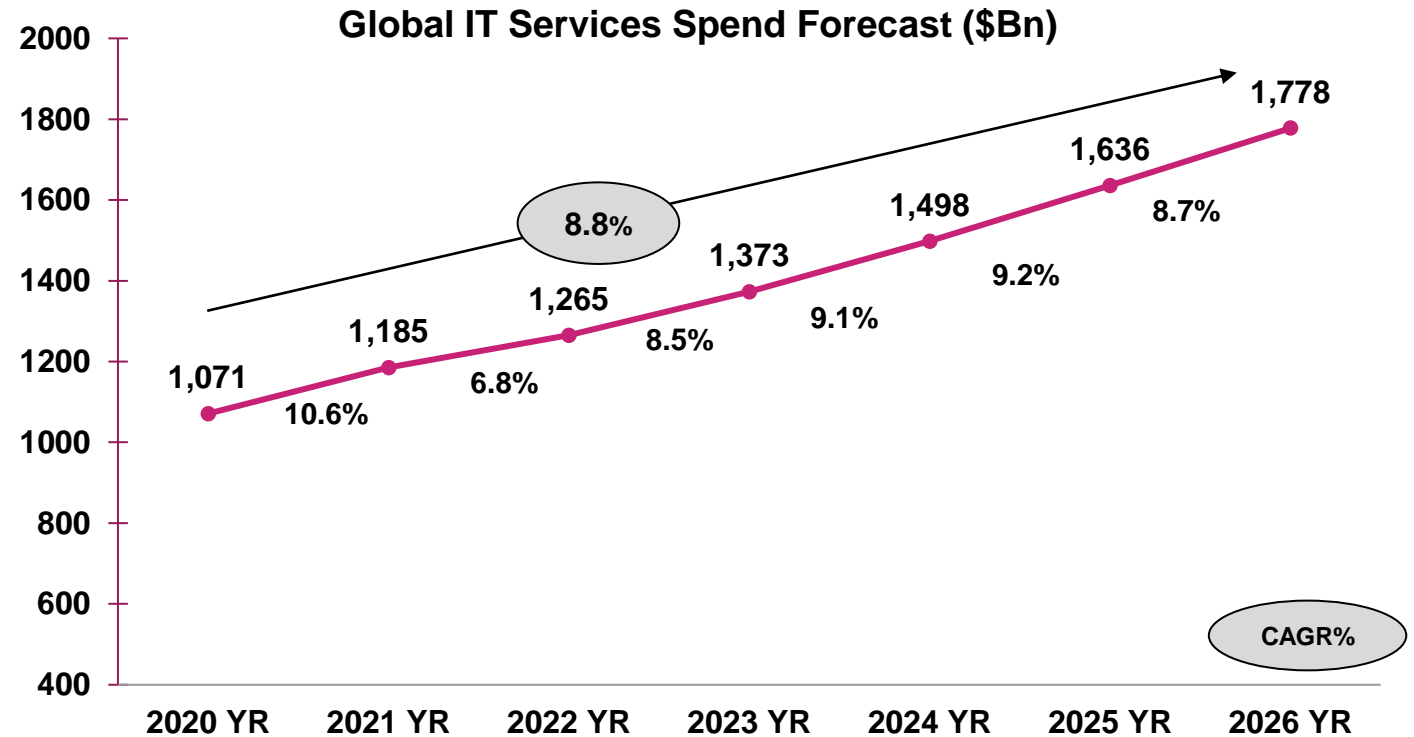
# Uptick in Enterprise Tech Spending Projected

## Tech Buyers Projection 2022 vs 2021 Budgets



Source: Emissary: What's driving 2022 tech spend?

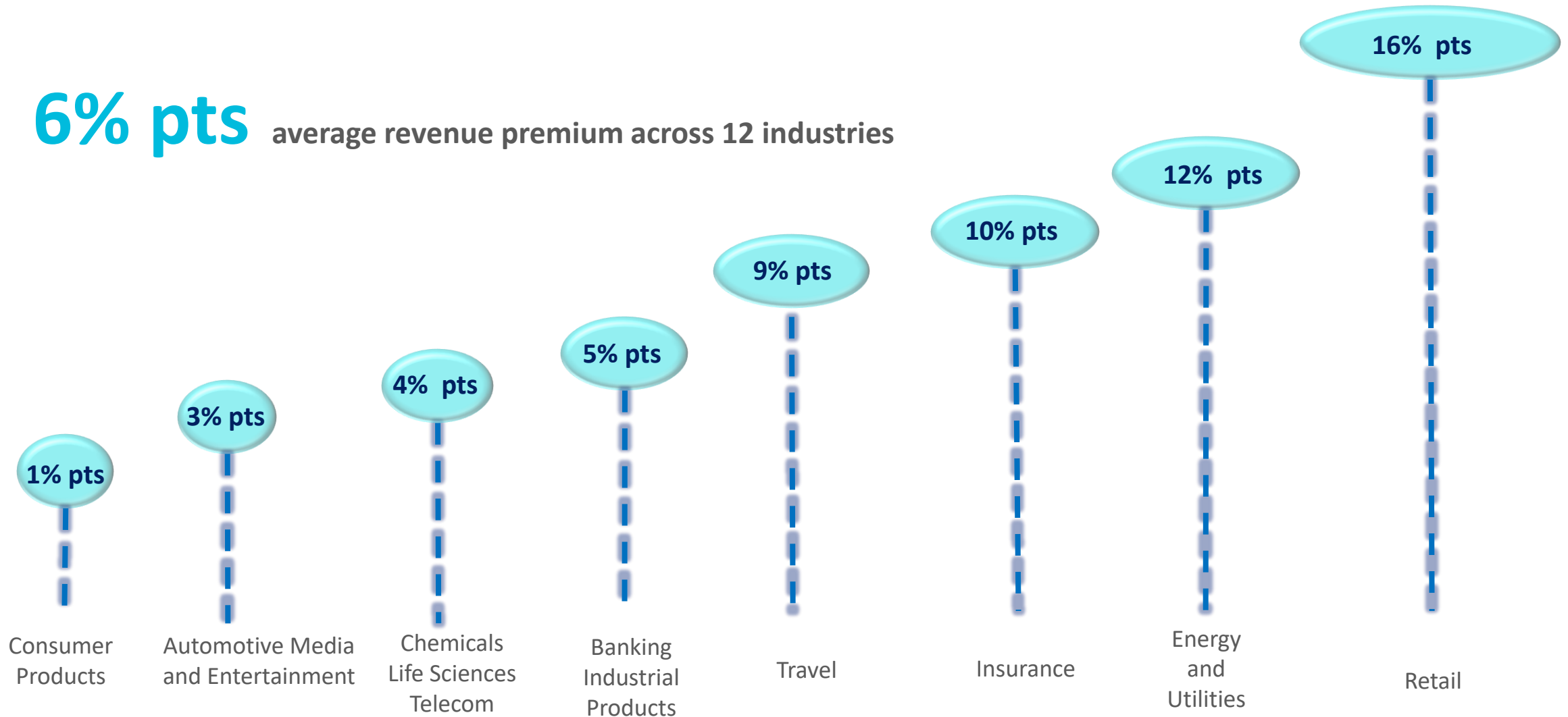
Global enterprise IT services spend will grow to \$1.78Tn by 2026, driven by consulting, managed services and implementation



Source: Gartner Forecast: IT Services, Worldwide, 2020-2026, 1Q22 Update

# Tech-savvy Organizations Outperforming Peers

**6% pts** average revenue premium across 12 industries



Percentage represents the revenue growth premium between organizations with high technology adoption (cloud, AI, mobile etc.)  
Source: IBM Digital Acceleration Report



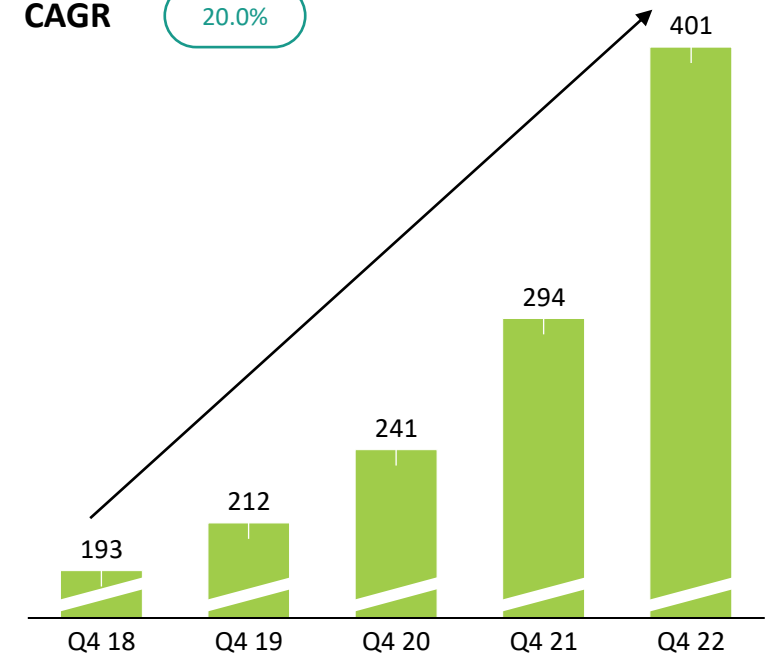
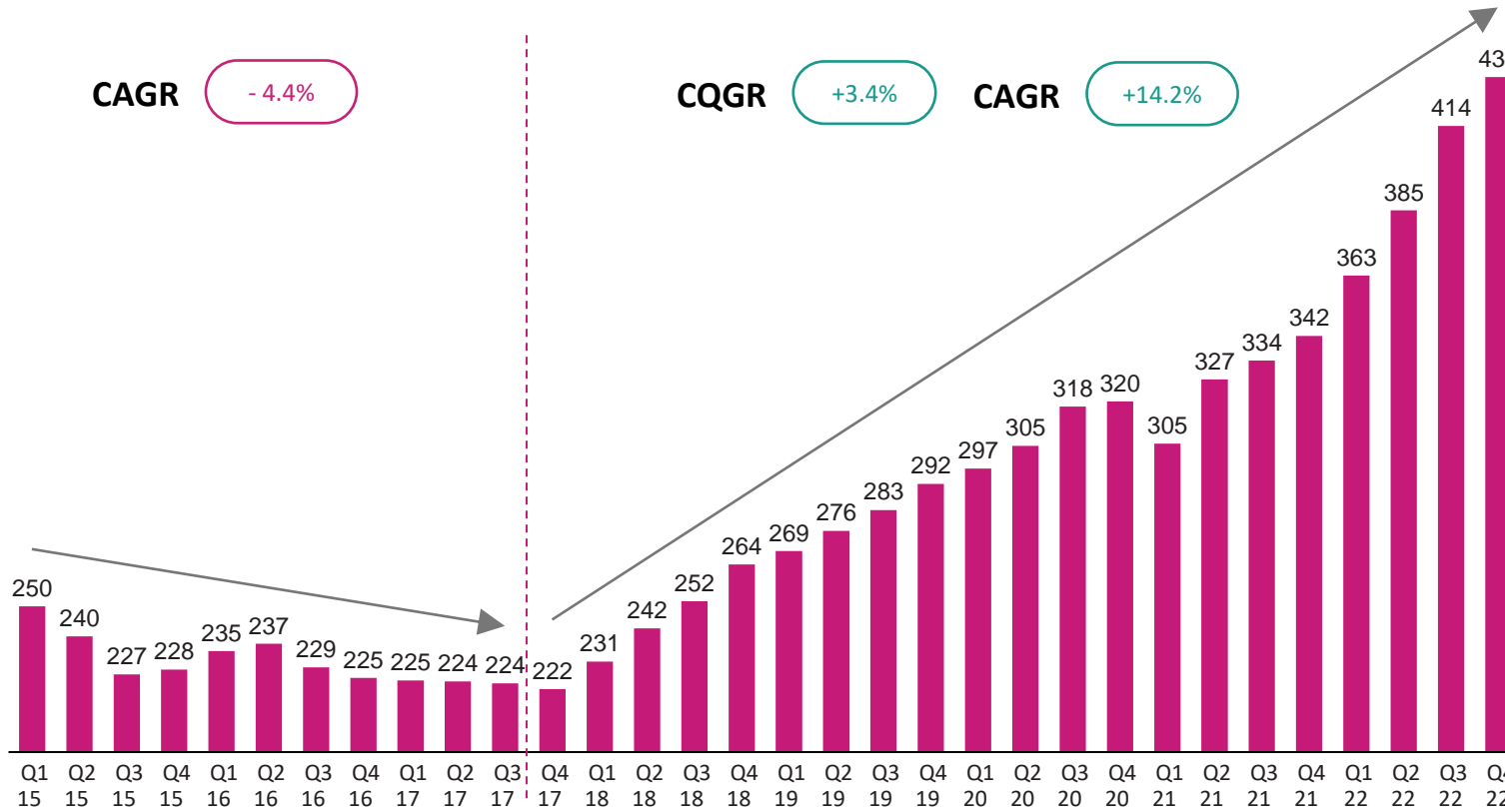
# Our Track Record Tells the Story: Decade-high Growth

**Q4 FY22:** Overall revenue grew 26.8% YoY in CC#; Decade-high growth

Direct business grew 37.6% YoY#; Highest growth on record

**Accelerated growth with larger scale in Direct;**

Achieved \$1.6Bn run-rate<sup>^</sup>

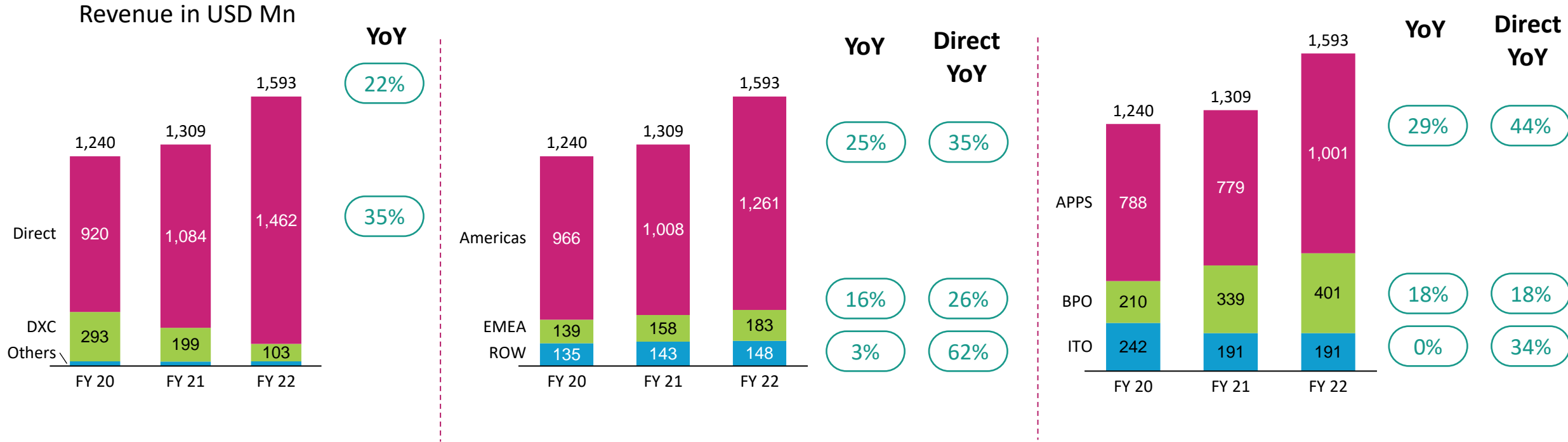


\* Revenue in USD \$Mn at average USD/INR rate for the respective years; # constant currency

Direct Business revenues    ^ On annualized basis



# Continuing Success of Our Strategy in Numbers

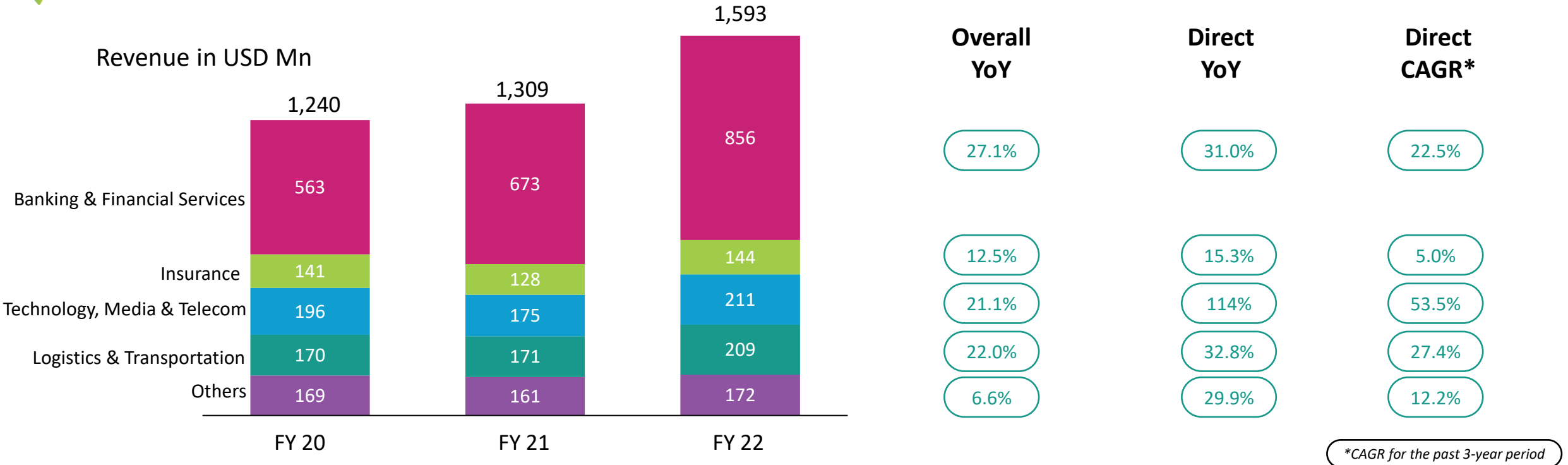


## Direct Performance

- YoY growth of 34.4% in CC in FY22; YoY growth of 37.6% in CC in Q4 FY22
- Delivered 30%+ YoY growth in all quarters of FY22
- Strong and Consistent growth across all vectors: Segment, Geography, Service type including Top 10 accounts
  - Significant growth led by Applications services



# Sustained Broad-based Growth Across Verticals

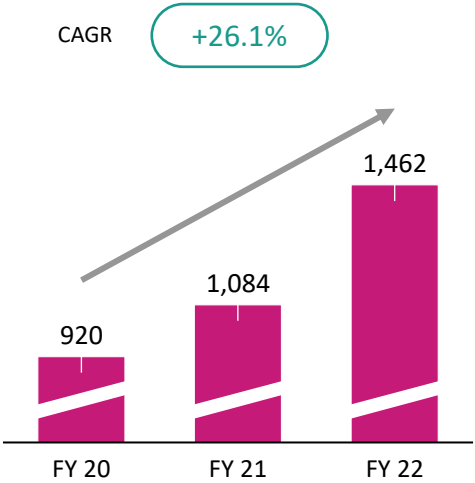


- BFS : Consistent track record of double-digit YoY growth
  - Delivered growth of 20%+ YoY growth in past 7 quarters ; Q4 FY22 YoY growth of 39.3% in Direct
  - Continued “Best in class performance”
- With our tech-led positioning, we are replicating our performance in BFS in other verticals of Direct
  - TMT : Q4 FY22 YoY growth of 64.6% driven by large deal wins
  - Logistics and Transportation: Q4 FY22 YoY growth of 29.5%; 25%+ YoY growth in all quarters of FY22

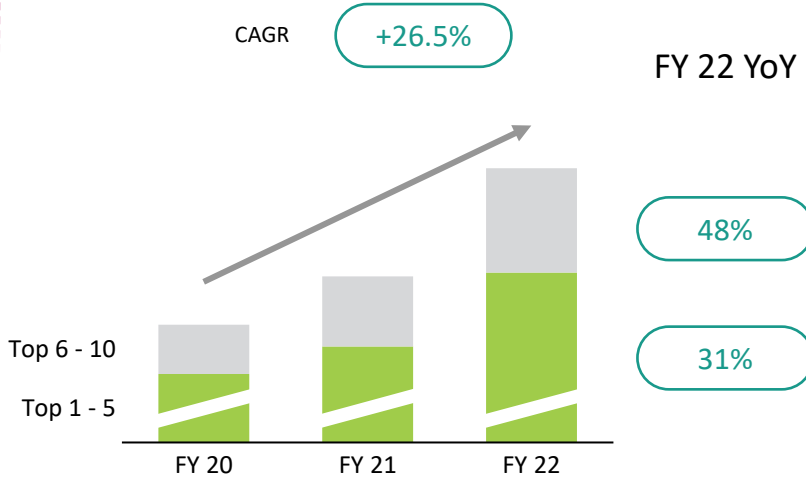


# All Constituents of Direct Growth Progressing Well; Key Clients Lead Growth

## Accelerated Revenue Growth



## Top Accounts Leading Growth



LTM revenue (\$ Mn) for top 10 accounts in Direct (as per MDA disclosures)

Overall

Strong FY22 (34% CC) growth; Broad based growth across all vectors

Top 10

Top 10 accounts grew 35% YoY; Top 6 – 10 accounts grew 48% YoY

Top 20

Accounts in Top 11-20 category for FY22 grew 24% YoY

Europe

Europe region delivering strong growth; FY22 revenue has grown at 25% YoY on CC basis

NCA

NCA continues to contribute to growth in Direct; FY22 YoY growth of 60%

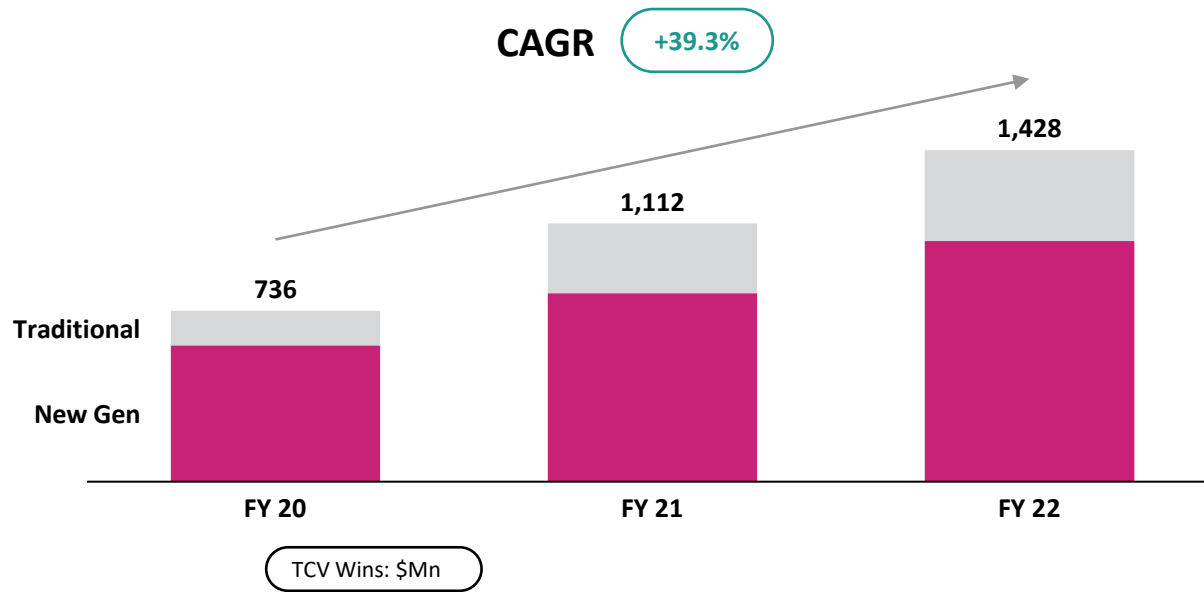
## Q4 FY22 Highlights

- Highest YoY growth on record
- Achieved \$1.6Bn annualized revenue run-rate in Direct business
- 30%+ YoY organic growth in all four quarters of FY22



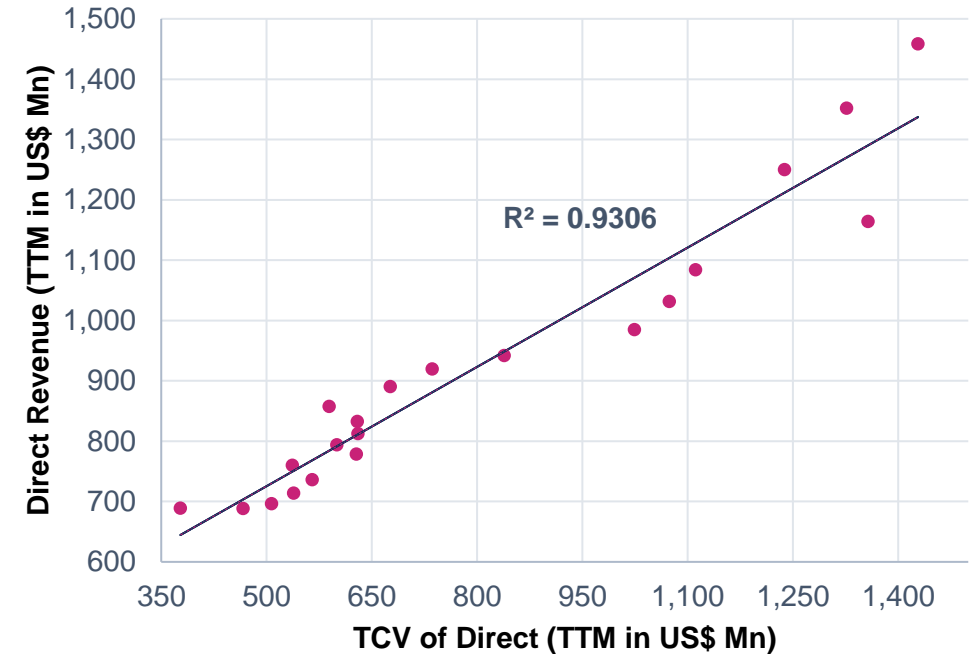
# Strong TCV Trend Sustained Through FY22

## Direct TV Wins



- FY22 TCV wins at \$1.43 Bn ; CAGR of 39% in the past 2 years
- 12 Large deal\* wins in FY22; highest ever. Average deal size has increased ~2X in the past two years
- ~73% of FY22 deal wins in New Gen areas
- TCV wins of \$347Mn for Q4 FY22; 5 large deal\* wins in Q4 FY22

## Direct: Revenue vs TCV – Strong Correlation



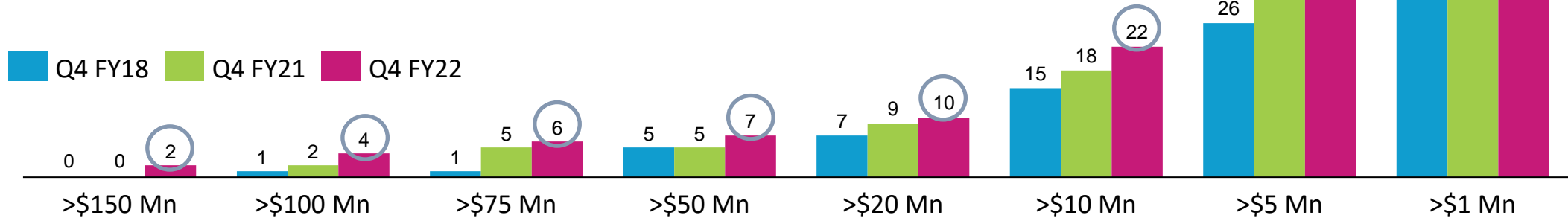


# Healthy Client Pyramid : Direct

Client Additions		
Category	Y-o-Y	Q-o-Q
\$150Mn+	2	-
\$100Mn+	2	-
\$75Mn+	1	-
\$50Mn+	2	-
\$20Mn+	1	1
\$10Mn+	4	1
\$5Mn+	5	-
\$1Mn+	20	7

## Client Pyramid

Healthy conversion of 60-70% clients at each stage to the next

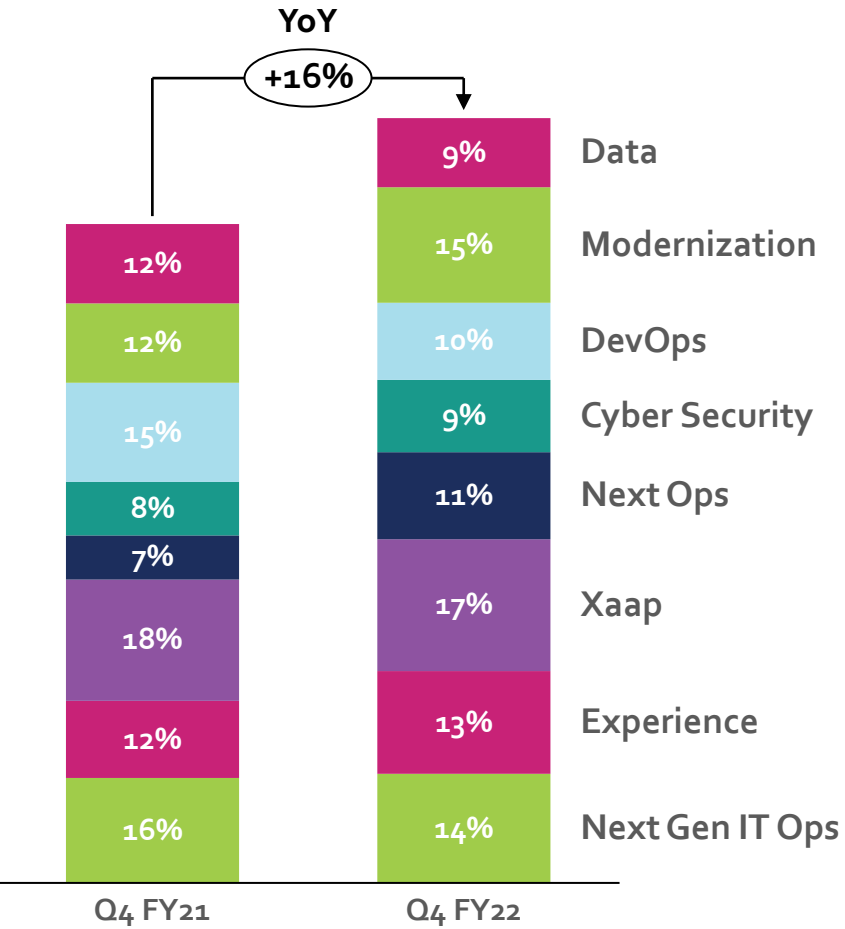


Note: All metrics based on LTM revenues; Data includes Blink UX

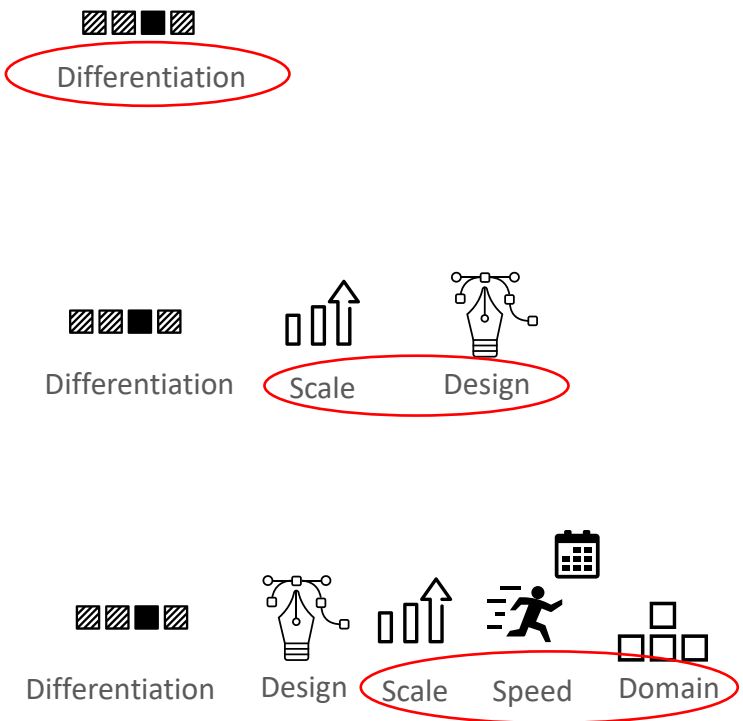
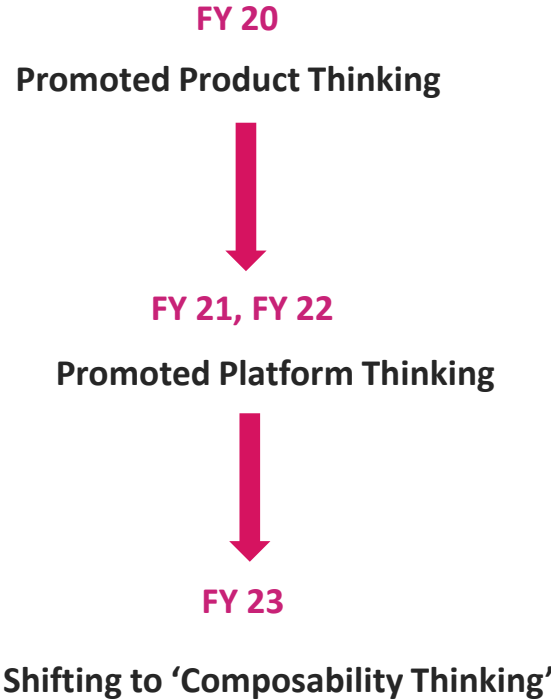


# Evolution of Tribes in Keeping with Technology Consumption Patterns

## Tribe Enabled Pipeline



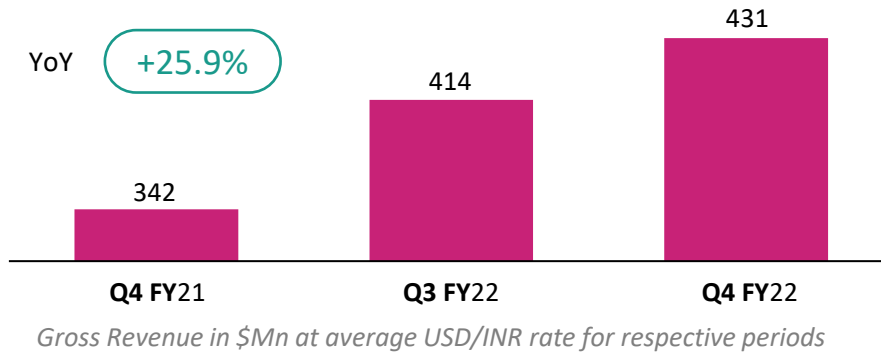
Over the years, our tribes have shifted focus in alignment with the changing priorities of our clients, from **differentiated** solutions to **'scalable, ready now'** solutions



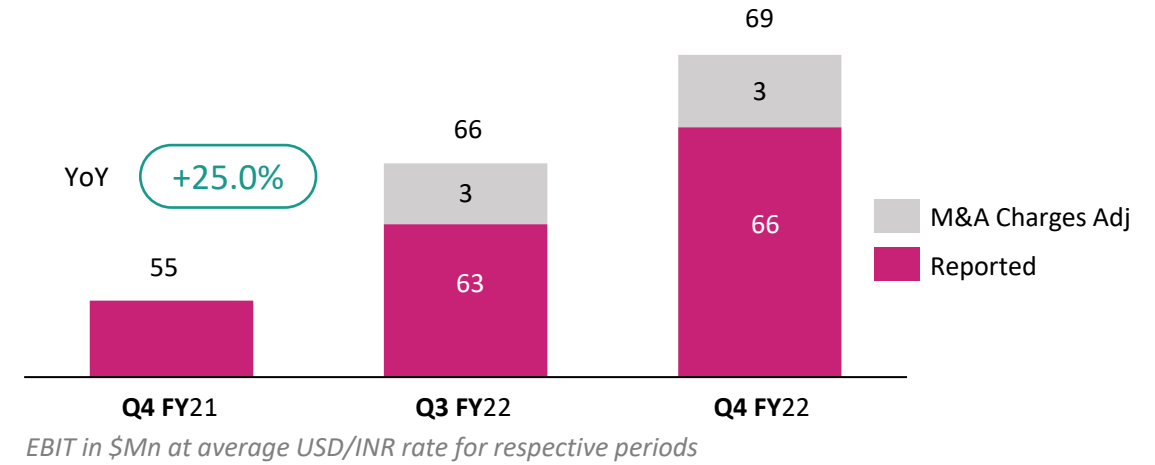


# Strong Performance in All Financial Metrics

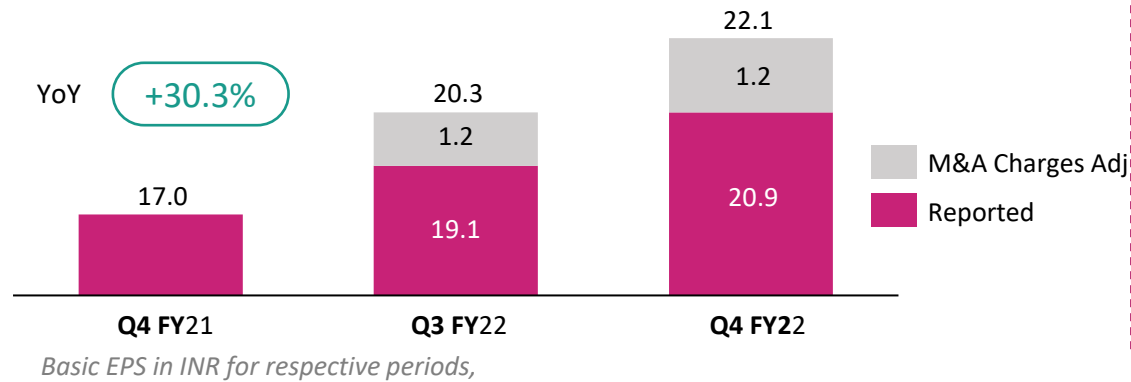
## Revenue Growth



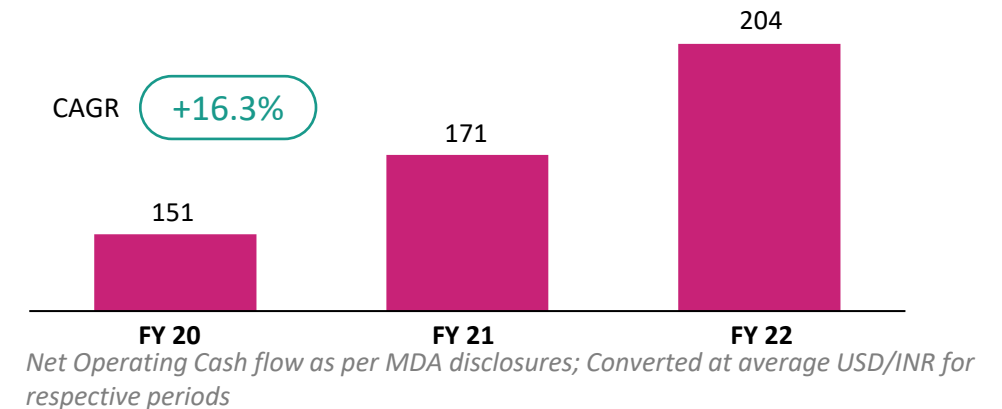
## Operating Profit Growth



## EPS Growth



## Consistent Operating Cash Flow Generation





## In Summary

- **Rounded off a robust FY22** marked by well above-average industry growth (overall) and industry-leading growth in Direct; FY22 Direct growth at 34.4% marked by 30%+ organic growth in all four quarters
- **KPIs moving in the right direction** with our Tribe-based propositions paying off
  - Track record in winning large deals consistently improving with 5 and 12 large deals wins in Q4 FY22 and FY22 respectively; FY22 TCV up 28% Y/Y following on from 51% growth in FY21
  - Continued share gains with key clients; Strong Top-5/Top-10/Top-20 client growth, Diversification of growth with client mining metrics across revenue buckets consistently strengthening
  - Broad-based growth across verticals – 4 of 5 vertical groupings register 30%+ growth in FY22 (Direct)
  - Operating cash flow consistently at 100%+ of PAT
- **Growth-accretive margin stance ensures predictable margin performance in the stated band** while providing room to make essential investments and managing supply headwinds (adjusted for M&A-related expenses)



## Outlook for FY23

- **Industry-leading growth in Direct**; third-straight year of industry leading growth in Direct following on from FY21 & FY22 performance
  - Continuing market-share gains with clients across tiers and verticals
  - Robust spending plans of high-quality client base
  - Expansion of the addressable market with competency build-up (including M&A) and market expansion
  - Strength of pipeline and track-record of converting pipeline into TCVs and TCVs into revenue
  - Increasing convergence of overall revenue growth with Direct growth going forward
- **Target operating (EBIT) margin band of 15.25%-17%**
- **Expect to maintain growth momentum while sustaining profitability**

**Link to financial data for the past three years: <https://www.mphasis.com/home/corporate/investors.html>**

# Q&A



# Analysts/Advisor Recognitions

**Ranked #1**  
among Top 10 India-based  
IT Services Companies  
for 2022  
Net (net) Inc.

**Ranked 2** - Application  
Modernization Services, Formidable  
Challengers Insurance Services -  
Formidable Challengers

**TOP LEADER &  
STAR  
PERFORMER &  
RANKED 14<sup>th</sup> in  
ITS TOP LIST**

IT Service Provider of the Year 2022

**Leader** - Mainframe  
Modernization Solutions and  
Services 2022

\*ISG Provider Lens **2022**

**GARTNER**  
MARKET GUIDE

U.S. Healthcare Payers' Core  
Administrative Processing Solutions

**FORRESTER**

**NOW  
TECH  
Q1  
2022**

Oracle Apps  
Implementation  
Services Providers,  
Q1 2022



**FORRESTER**

**NOW  
TECH  
Q1  
2022**

SAP Apps  
Implementation  
Services Providers,  
Q1 2022

**STAR  
PERFORMER  
& MAJOR  
CONTENDER**

Digital Interactive Experience (IX)  
Services PEAK Matrix® Assessment 2022

**STAR  
PERFORMER  
& MAJOR  
CONTENDER**

Artificial Intelligence (AI) Services PEAK  
Matrix® Assessment 2022

**MAJOR  
CONTENDER**

Healthcare Payer Operations PEAK  
Matrix® Assessment 2022

**MAJOR  
CONTENDER**

Mortgage Operations PEAK Matrix®  
Assessment 2022

**GARTNER**  
TOOL

Vendor Identification for  
Business Process Service Providers

**MAJOR  
CONTENDER**

Digital Product Engineering Service Provider  
Compendium 2022: Bridging the Chasm  
between the Physical and Digital Worlds

**MAJOR  
CONTENDER**

Digital Experience Platforms (DXP) in  
Insurance Industry – Platform Provider  
Compendium 2022





# Thank you