



22 October 2021

The Manager, Listing
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI - 400 001

The Manager, Listing
National Stock Exchange of India Ltd
Exchange Plaza, Plot No. c/1,
G-Block, Bandra-Kurla Complex,
MUMBAI – 400 051

Dear Sirs,

Sub: Presentation for Investor(s)/Analyst(s) call

Please find enclosed a copy of the presentation proposed to be made at the Investor/Analyst call to be held today at 9:00 am (IST) in connection with the results of the Company for the quarter and half year ended 30 September 2021.

The presentation is also being hosted on the website of the Company at www.mphasis.com.

We request you to kindly take the above on record as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Yours faithfully,

For Mphasis Limited

DocuSigned by:
subramanian.narayan
864FB8DBFAE44A7...

A circular stamp with the text 'Mphasis Limited' at the top and 'BANGALORE' at the bottom, with a star on either side.

Subramanian Narayan
Senior Vice President and Company Secretary

Encl: As above

DS
kk



Mphasis Earnings Q2 FY 2022

Building for sustainable Growth

22nd October 2021

Nitin Rakesh

Chief Executive Officer and
Managing Director

Manish Dugar

Chief Financial Officer

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.



Looking at the Future: Three engines powering our growth

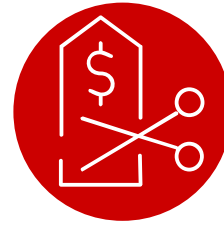


1



**IT SERVICES
MARKET GROWTH**

2



**DISCRETIONARY OPS
SPEND AS CAPEX
REDUCES**

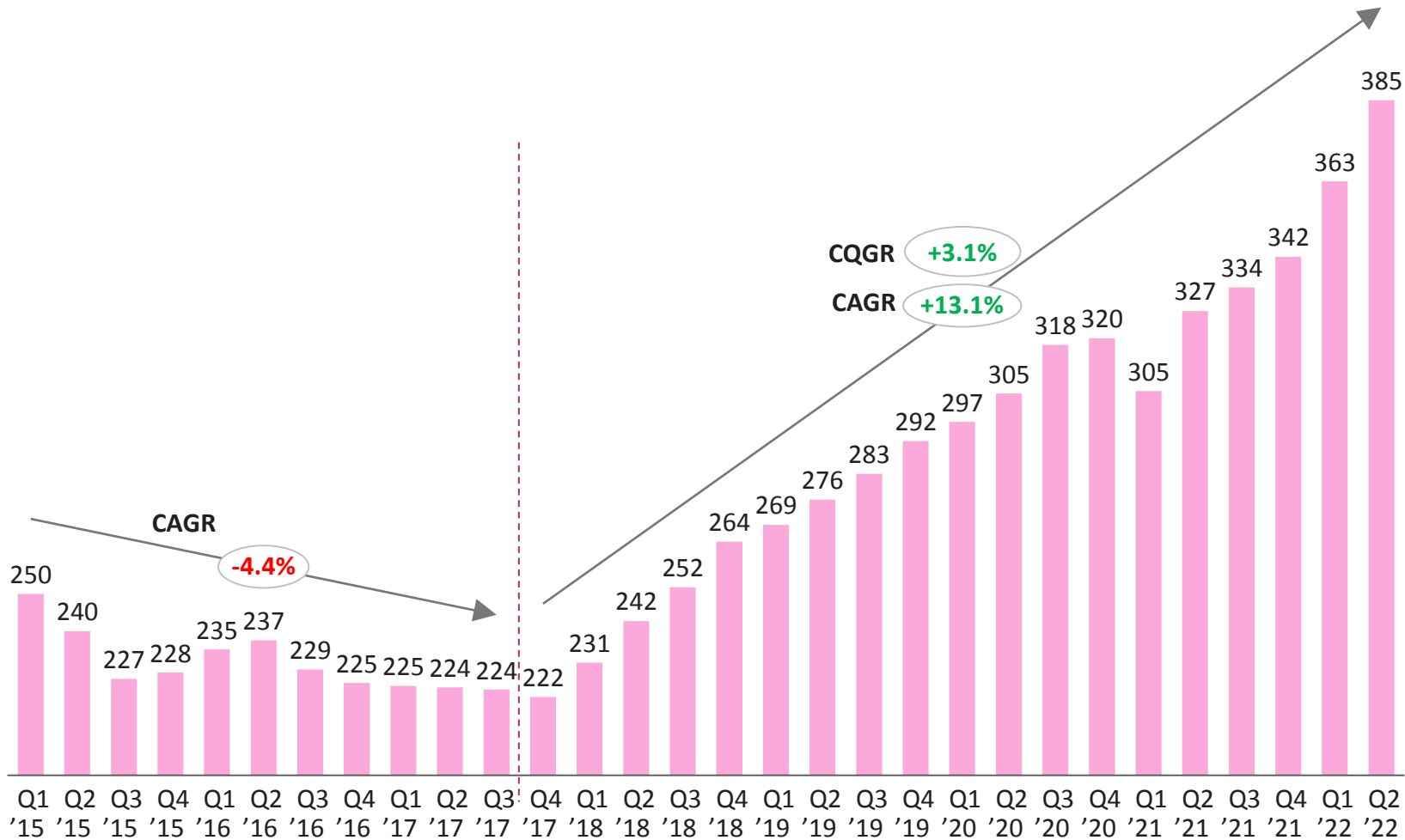
3



**TECH SPEND
ORIGINATING FROM
NEW SPEND AREAS**

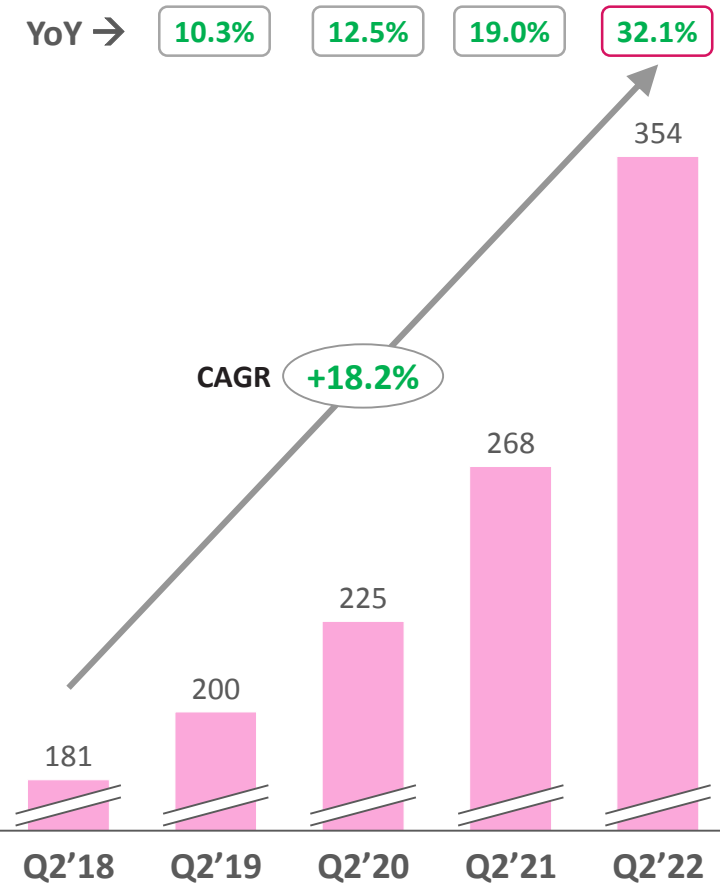
Our track record tells the story : Decade-high growth

Q2-FY22 Overall revenue grew 17.2% YoY in CC*; Decade-high growth
Direct business grew 31.5% YoY in CC*; Consecutive Quarter of 30%+YoY growth



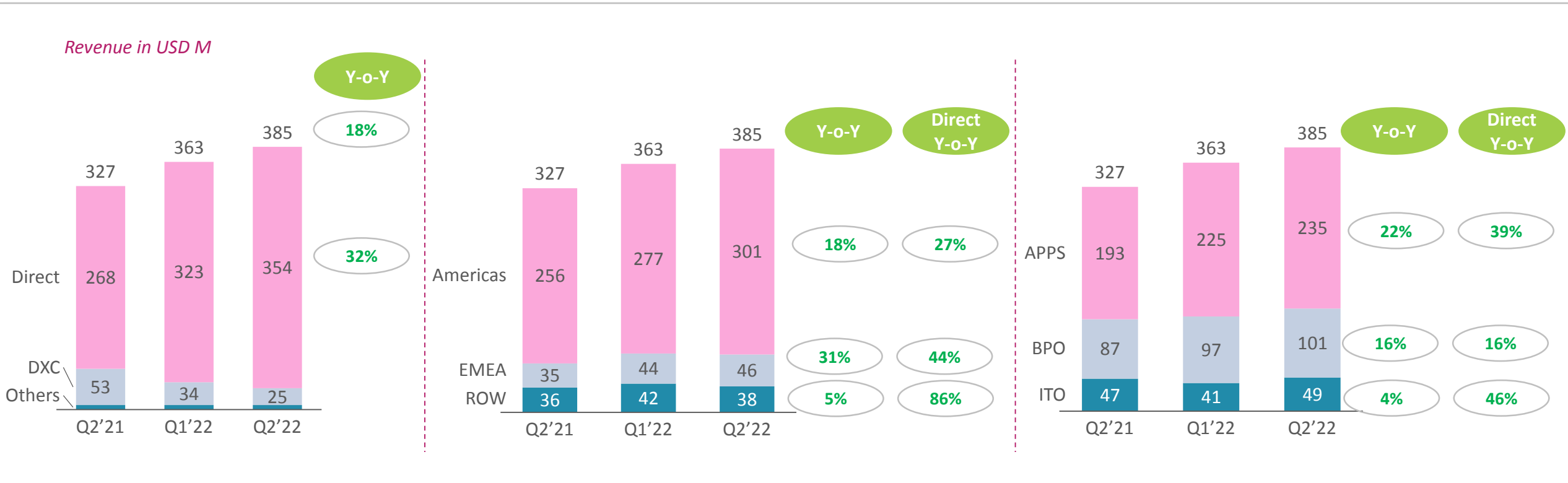
* Revenue in USD \$M at average USD/INR rate for the respective years # Constant Currency

Accelerated growth with larger scale in Direct



Direct Business revenues

Continuing success of our strategy in numbers

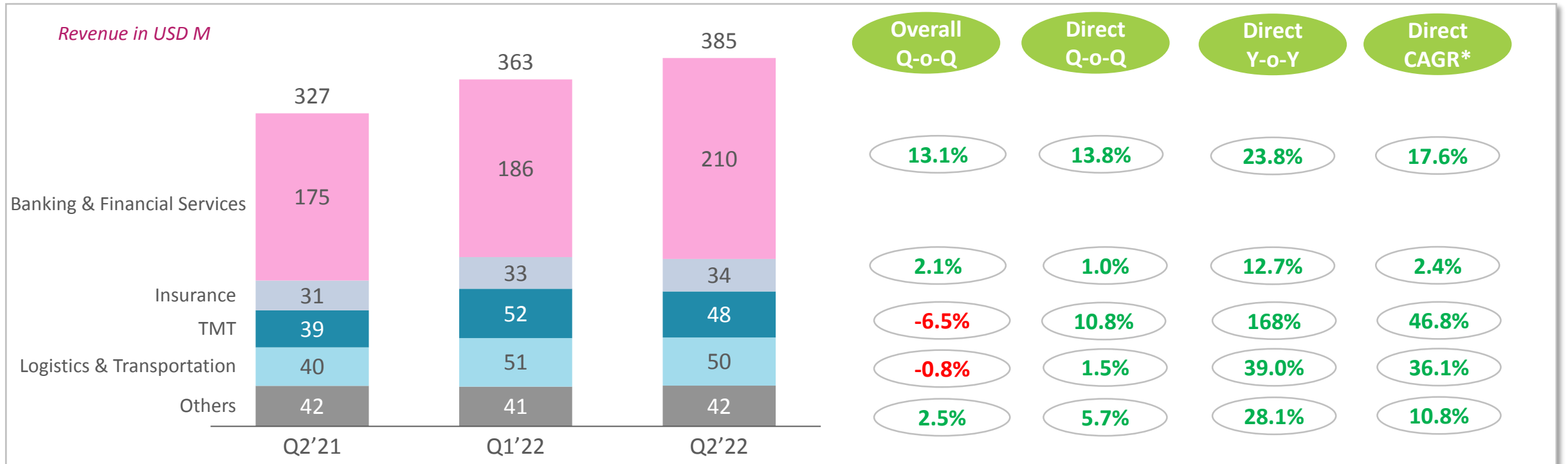


Direct performance in Q2'22

- YoY growth of 31.5% in CC; Consecutive quarter of 30%+ YoY growth
- Strong and Consistent growth across all vectors: Segment, Geography and Service type
- Broad based growth across client segments; Top 10 accounts continue to deliver strong growth

* Revenue in USD \$M at average USD/INR rate for the respective years

Broad-based Growth Across Verticals Sustained



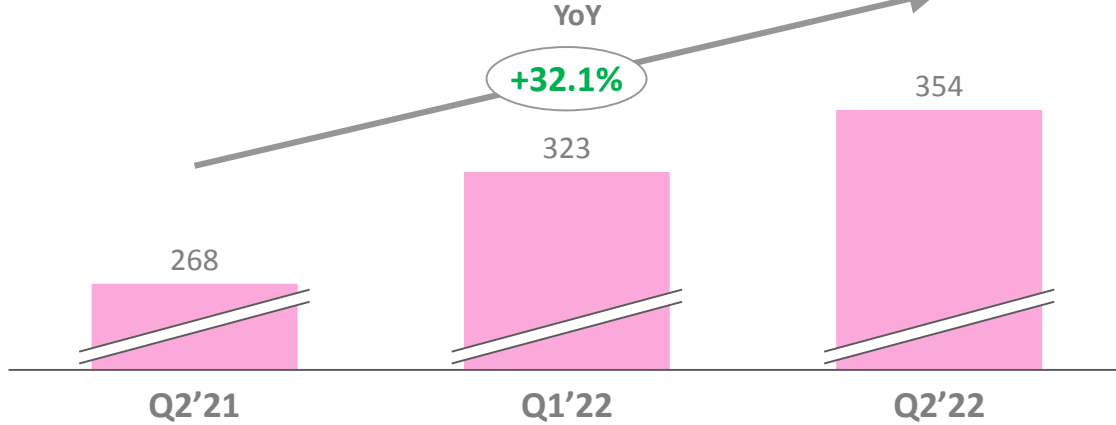
- **BFS (renamed from BCM):** Consistent track record of double-digit YoY growth
 - *Delivered growth of 20%+ YoY growth in past 5 quarters ; “Best in class performance”*
- **With our tech-led positioning, we are replicating our performance in BFS in other verticals**
 - *TMT (renamed from ITCE): YoY growth of over 160% driven by recent large deal wins; the next US\$100 million vertical*
 - *Logistics and Transportation: Strong YoY growth of 39.0%*



All constituents of Direct growth progressing well; key clients lead growth

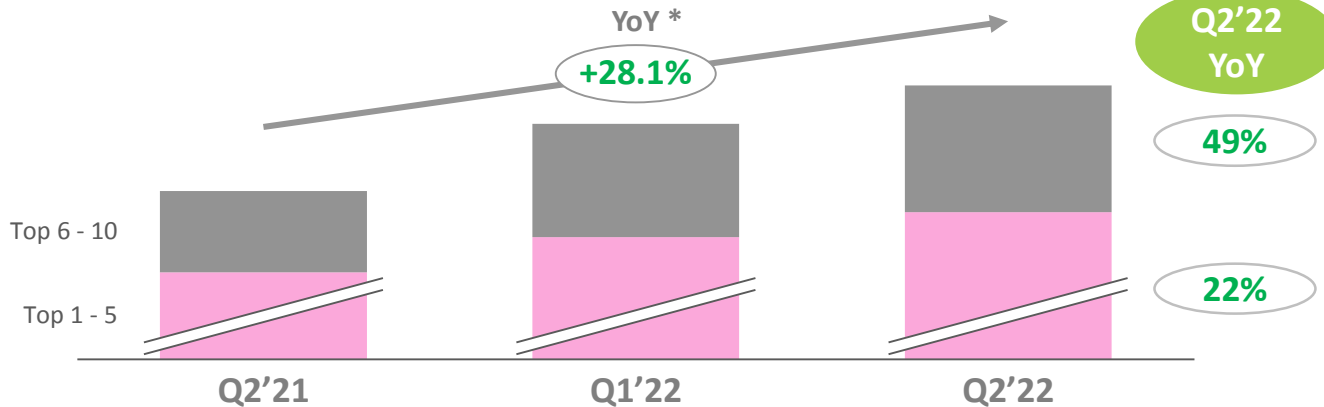
Accelerated Growth in Direct Revenue

Q2'22: Consecutive Quarter of 30%+ YoY organic growth rate



Top Accounts leading growth in Direct

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



Revenue in \$M at average USD/INR rate for the respective quarters ; * Basis LTM revenue

Overall

Strong Q2'22 YoY (31.5% CC) growth; Broad based growth across all vectors

Top 10

Top 10 accounts grew 28.1%* YoY; All US\$50M + accounts grew sequentially in Q2'22 for 2nd straight quarter

Europe

Europe region delivering strong growth; Q2'22 revenue has grown at 40.7% YoY on CC basis

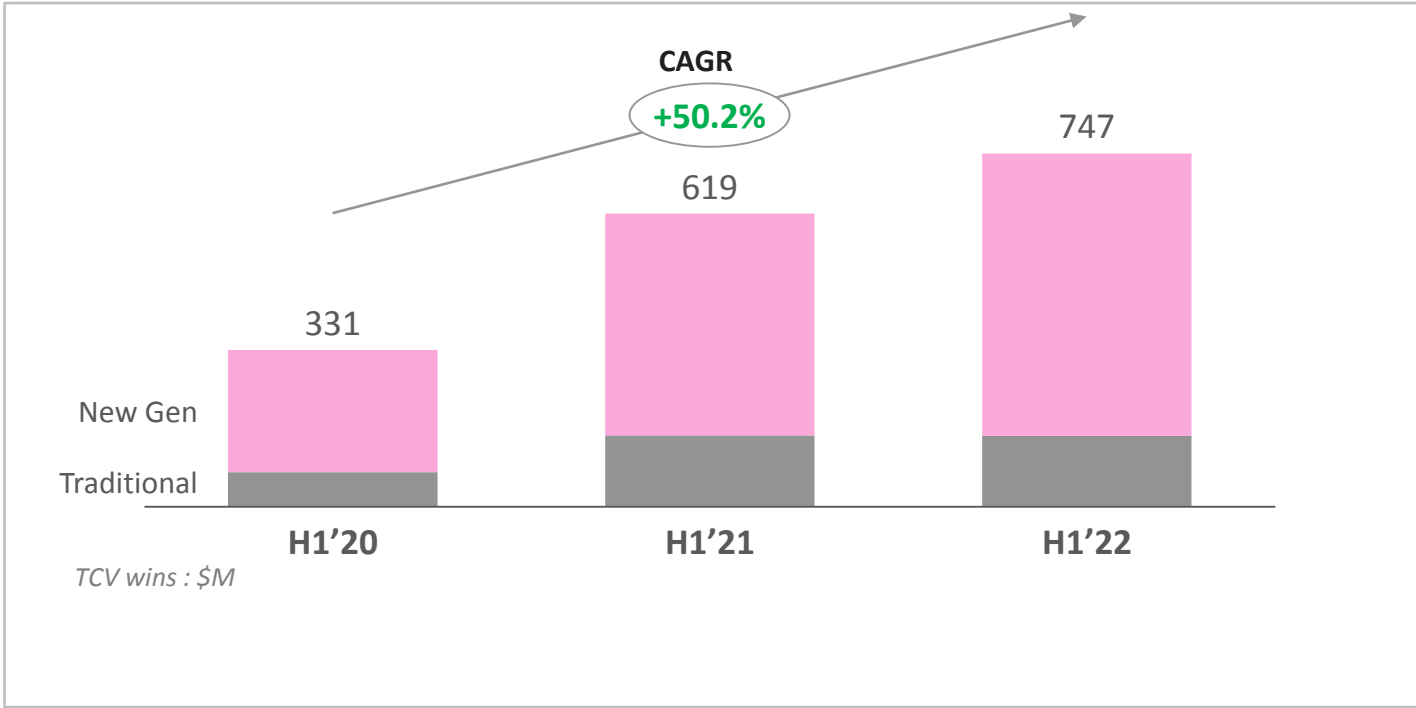
NCA

NCA continues to contribute to growth in Direct; YoY growth of 63.0%

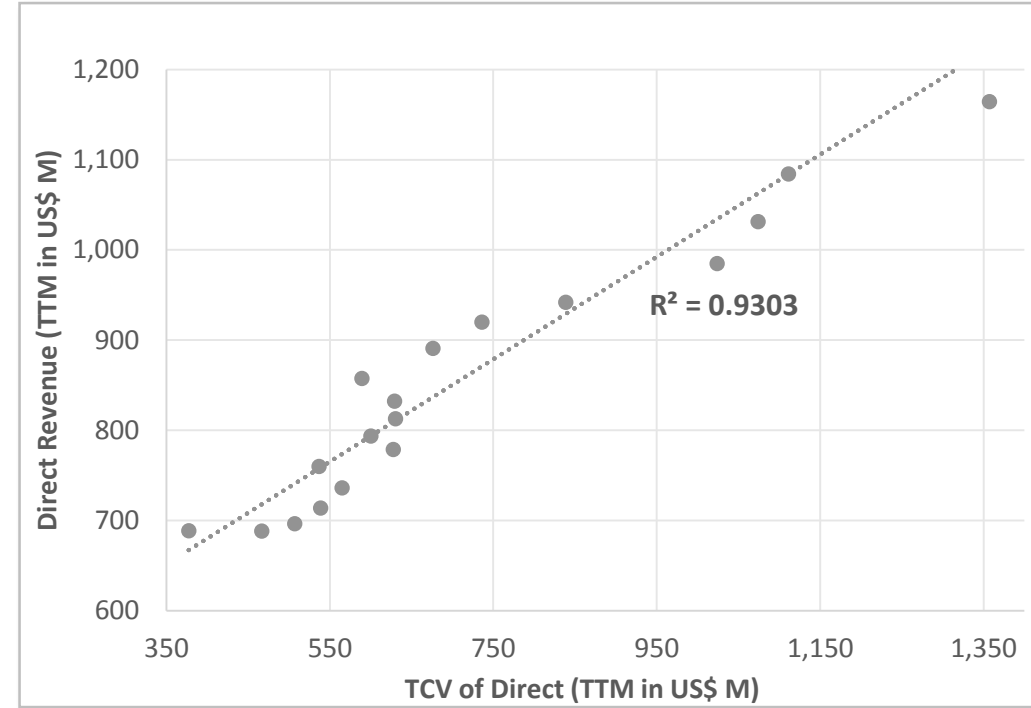
NCA: New Client acquisitions

Direct TCV trends stable

Direct TCV Wins



Direct: Revenue vs TCV – Strong Correlation



- TCV wins of \$241M for Q2'22; 7th consecutive quarter of \$200M+ TCV wins
- YTD TCV wins at \$747M ; CAGR of 50% in the past 2 years;
- ~80% of YTD deal wins in New Gen areas

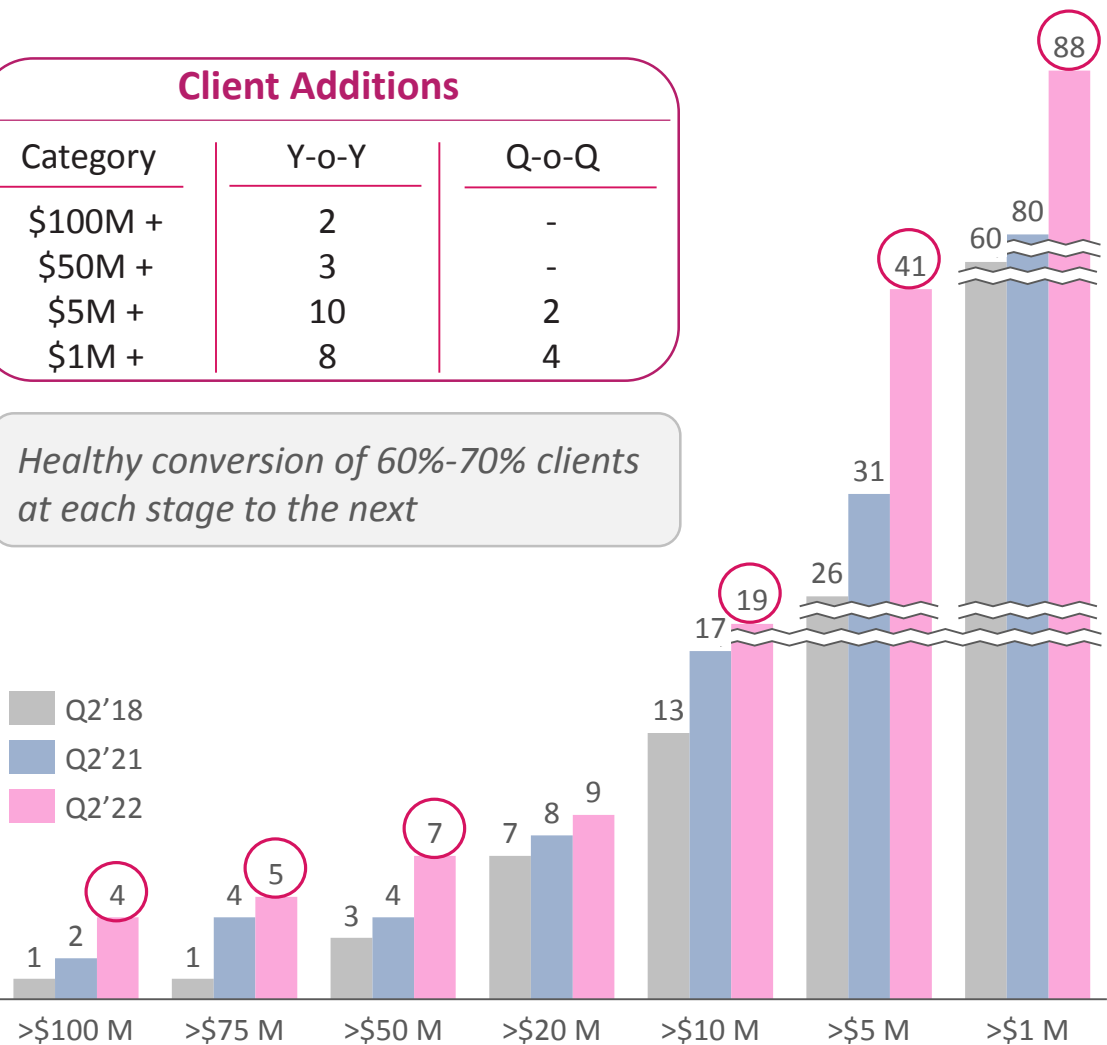
Improving client mining and large-deal metrics: Direct

Client Pyramid

Client Additions

Category	Y-o-Y	Q-o-Q
\$100M +	2	-
\$50M +	3	-
\$5M +	10	2
\$1M +	8	4

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

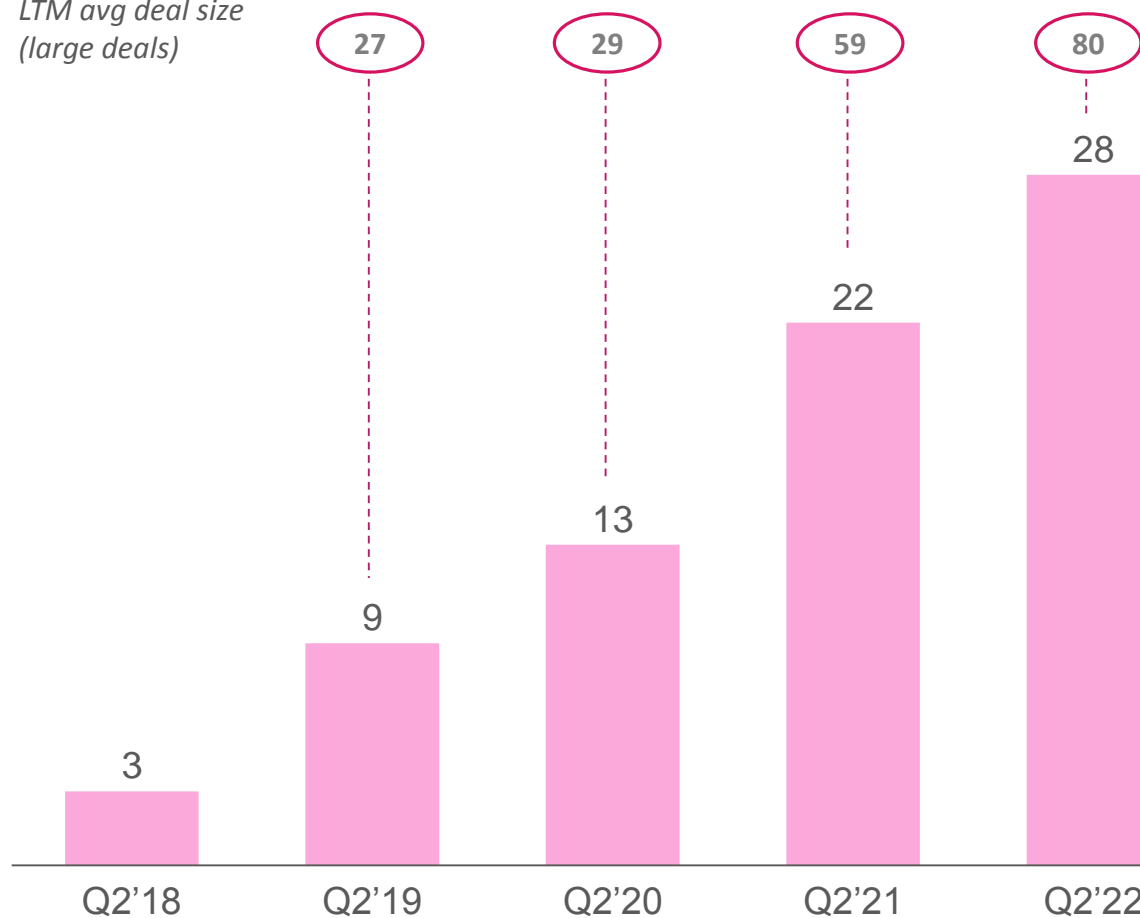


Note: All metrics based on LTM revenues

Focus on winning large-deals (>\$20M TCV)

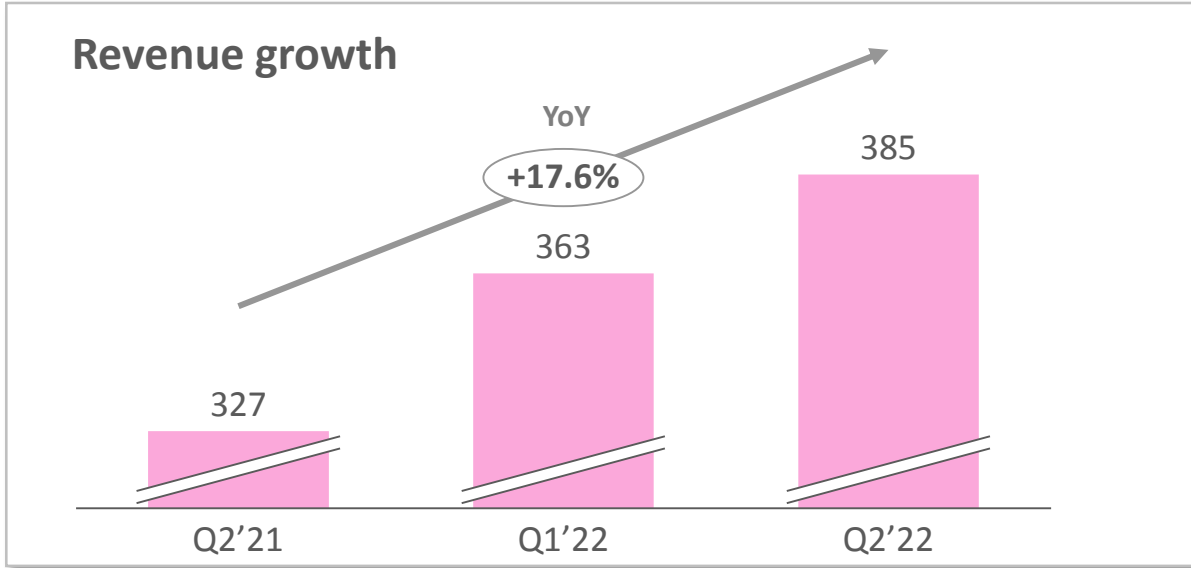
of cumulative deal wins since Q1'18

LTM avg deal size (large deals)

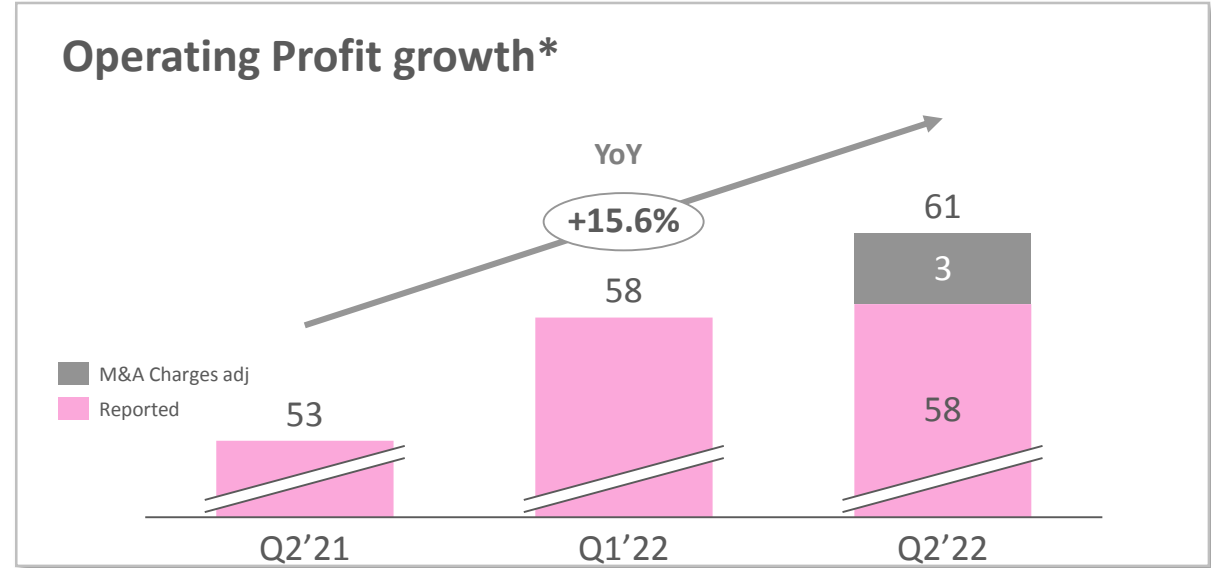


Includes large deal of \$250M won in Q1'22

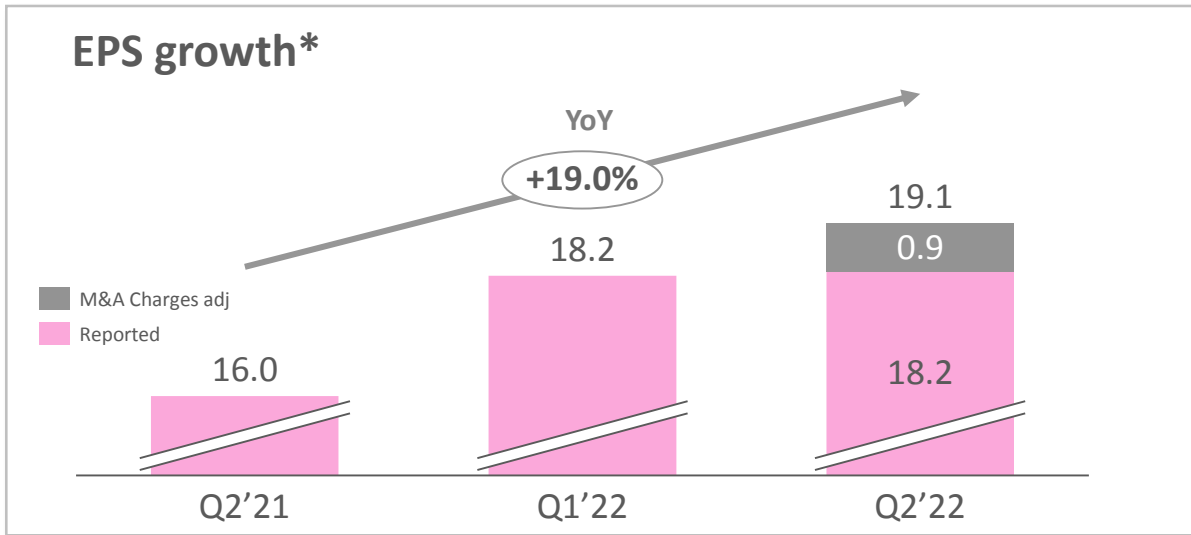
Strong performance in all financial metrics



Gross Revenue in \$M at average USD/INR rate for respective periods

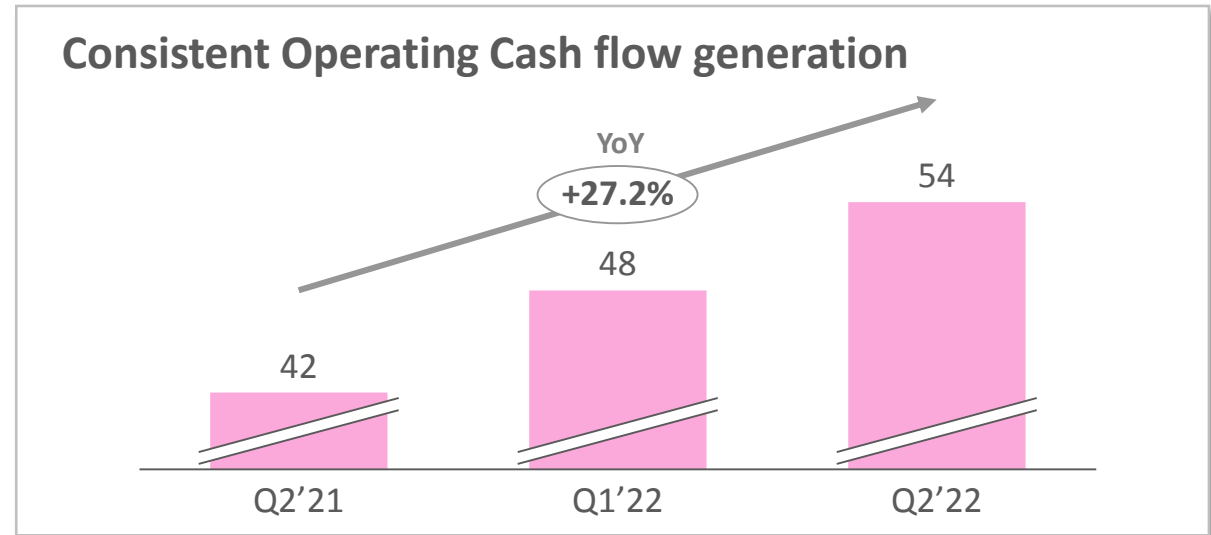


EBIT in \$M at average USD/INR rate for respective periods



Basic EPS in INR for respective periods

* Adjusted for M&A related charges



Net Operating Cash flow as per MDA disclosures; Converted at average USD/INR for respective periods

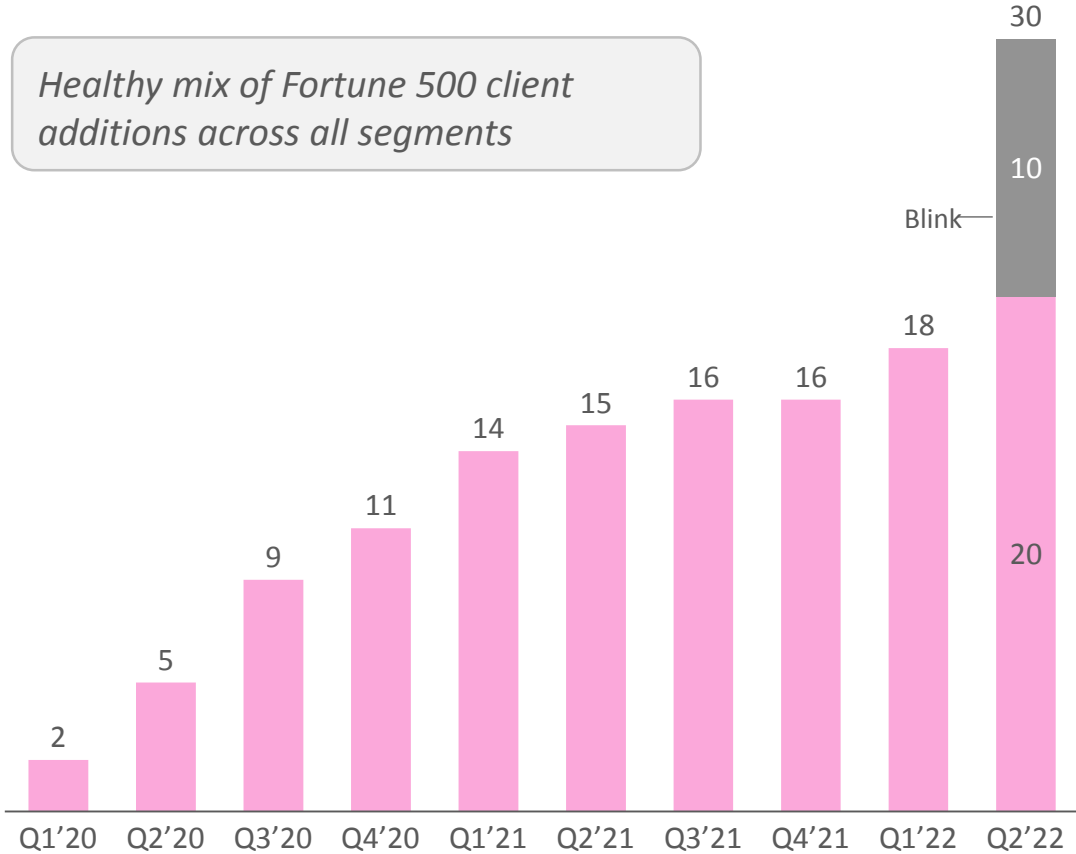


Healthy New client wins and pipeline growth to sustain growth momentum

Fortune 500 – New Client additions*

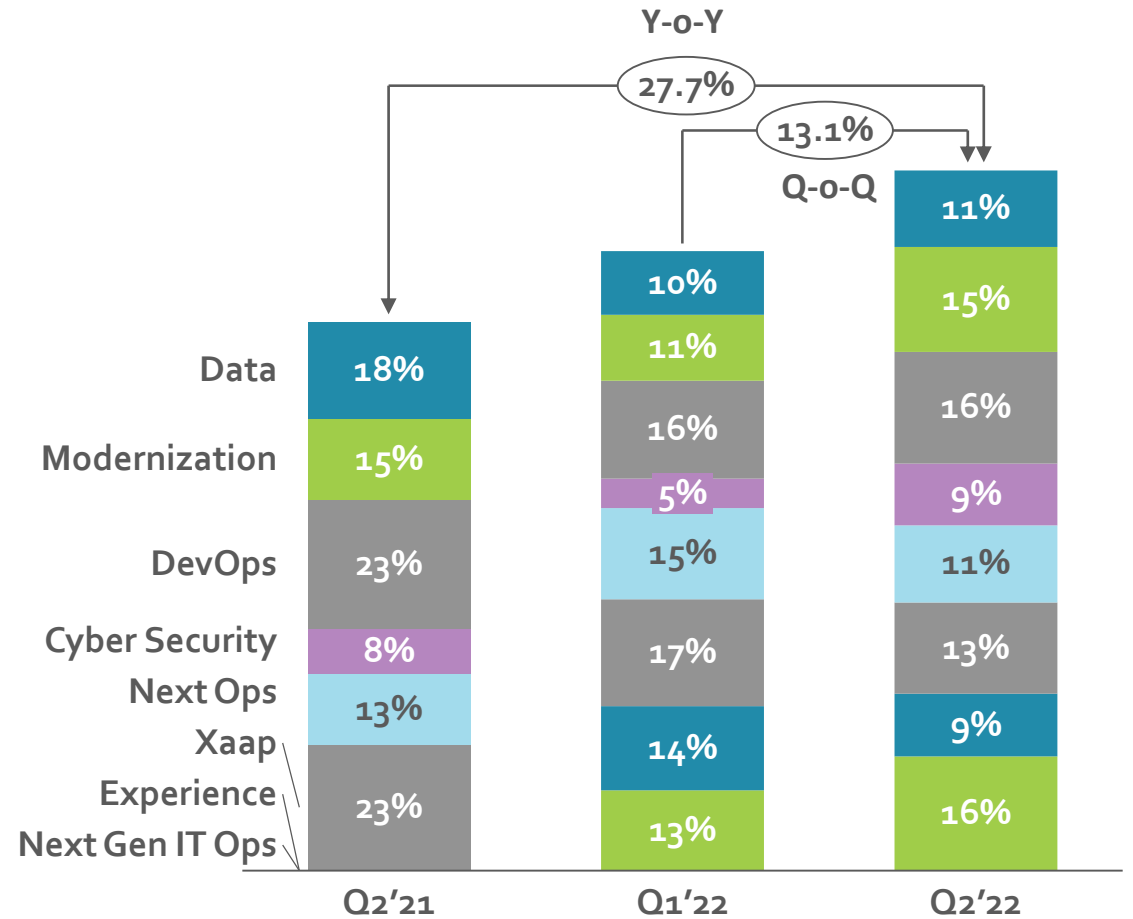
Cumulative Fortune 500 Client additions

Healthy mix of Fortune 500 client additions across all segments



*Client additions basis TCV wins; includes hunting licenses

New Gen Pipeline



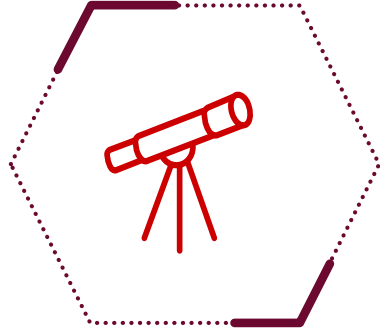


Multiple vectors to drive sustainable growth



Deal Wins

- High % of proactive deal pursuits; higher win rates
- Integrated, multi-component deals a larger proportion of TCVs



Pipeline

- Pipeline momentum in NCA channel
- Pipeline increases despite strong TCV conversion
- Pipeline driven by new gen deals



NCA

- Several Marquee logos converted in the past 6 Qtrs
- Expanded into newer verticals
- Integrated, multi-component deals signed in NCA



TAM

- Tapping the discretionary digital spend coming from Capex to Opex release
- Focus on expanding into Non-CIO spend areas
- Capability accretion and geography expansion



Capability

- Cloud-ready tribes and delivery
- Growing hyperscalers linkages
- M&A-led - Research, Strategy and Design Capabilities via Blink



Strong Direct performance sustained – FYTD 32% Y/Y Constant Currency Direct growth; second straight quarter of 10% Q/Q and 30%+ Y/Y organic growth; accelerating growth on an enlarging revenue base

- **KPIs moving in the right direction** with our tribe-based propositions paying off
 - Broad-based nature of growth sustained with Europe & multiples verticals (TMT, Logistics & Transportation) aiding growth besides anchor vertical (BFS) and geography (US)
 - Continued share gains with key clients; Strong Top-5/Top-10/Top-20 client LTM growth, Client mining metrics across revenue buckets consistently strengthening
 - Investments in NCA architecture bearing fruit with 20+ F-500 new clients over past 10 quarters; NCA Revenue growth 63% Y/Y
 - Cash flow generation metrics trending up with 2Q22 cash flow generation at US\$54M (9-year high)
- **Growth-accretive margin stance ensures predictable margin performance (adjusted for M&A-related expenses)** while providing room to make essential investments and managing supply headwinds

 Summary

- Sustained investments in tune with our ***“Continuity and Acceleration”*** theme – geography footprint expansion, greater leadership breadth and depth, build-up of digital competencies (including M&A), NCA
 - Industry-leading growth in Direct
 - Target organic operating (EBIT) margin band of 15.5%-17%
- **Increasing convergence of overall revenue growth with Direct growth going forward**



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



THANK YOU

About Mphasis

[Mphasis](#) (BSE: 526299; NSE: MPHASIS) applies next-generation technology to help enterprises transform businesses globally. Customer centricity is foundational to Mphasis and is reflected in the Mphasis' [Front2Back™](#) Transformation approach. Front2Back™ uses the exponential power of cloud and cognitive to provide hyper-personalized ($C=X2C^2_{TM}=1$) digital experience to clients and their end customers. Mphasis' Service Transformation approach helps 'shrink the core' through the application of digital technologies across legacy environments within an enterprise, enabling businesses to stay ahead in a changing world. Mphasis' core reference architectures and tools, speed and innovation with domain expertise and specialization are key to building strong relationships with marquee clients. Click [here](#) to know

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