

18 August 2018

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

Manager-Listing  
National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E),  
MUMBAI -400 051

Dear Sir,

**Sub: Investor(s)/Analyst(s) meet**

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Company will be participating, on one on one and group basis, in the Analyst(s)/Investor(s) meet to be held on Monday, 20 August 2018.

Please find enclosed a copy of the Investor Presentation proposed to made to the Investors/Analyst at the above meeting. The aforesaid presentation is uploaded on the website of the Company at [www.mphasis.com](http://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.

Thanking You,

Yours faithfully,

**For Mphasis Limited**



**Subramanian Narayan**  
Vice President and Company Secretary

Encl.- As above

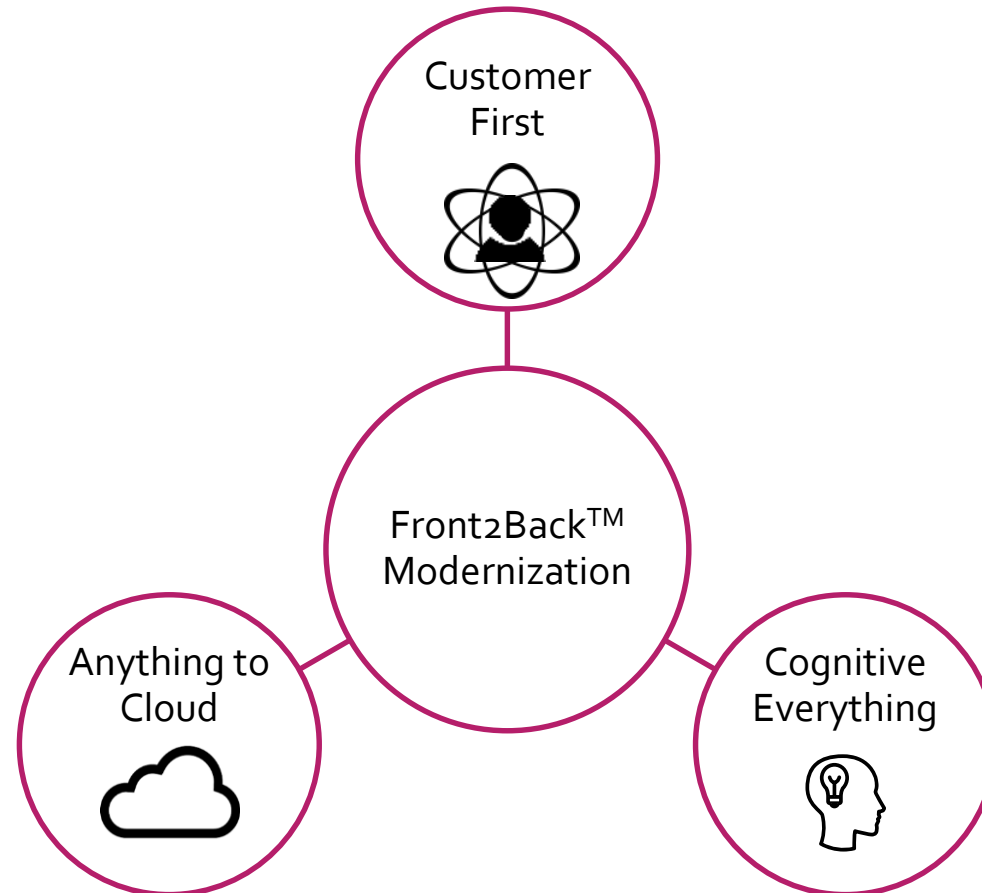


**Mphasis**

The Next Applied

# INVESTOR PRESENTATION Q1 FY19

*Enable **Customers** to reimagine their **Digital Future** by shifting anything to **Cloud** and power everything with **Cognitive***



# Mphasis at a Glance

## Key Facts

- Incorporated in 1992
- Marquee clients including largest bank and insurance companies in North America, largest publicly traded Invest. Services firm, largest logistics provider and largest commercial RE player
- 52.4% owned by Blackstone\*, a Global Private Equity firm

## Financial Strength

Market Cap \*

\$3.05 billion

Revenue #

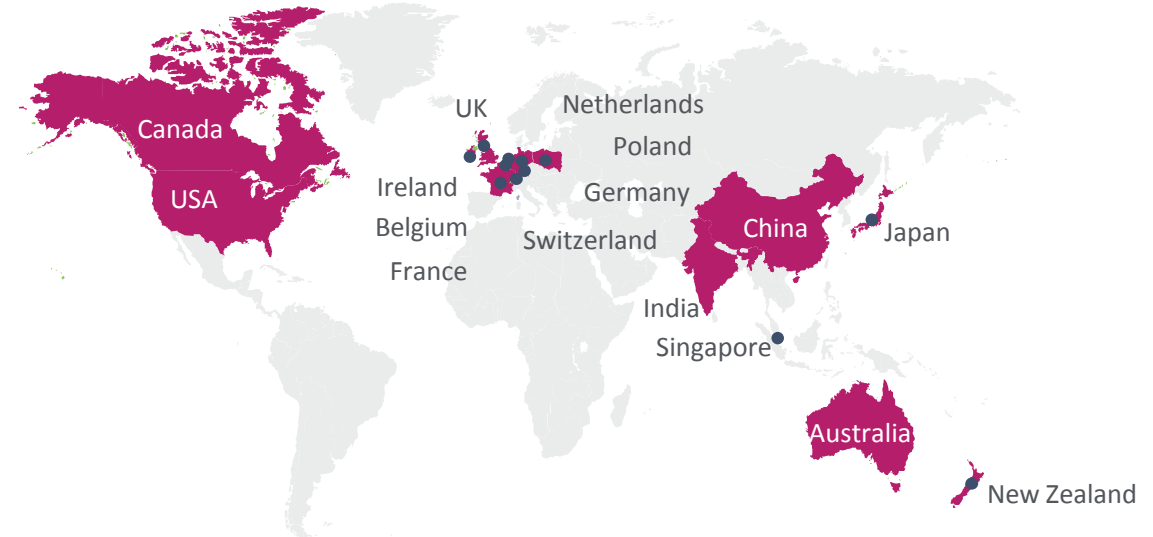
\$1,027 million

Cash \*

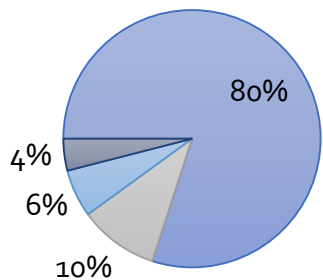
\$398 million

## Global Delivery Footprint and Sales Coverage

Headcount of 22,566\*



## Geographical Split of Revenue #



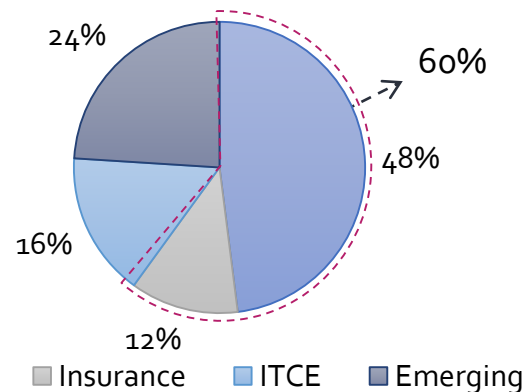
India & RoW revenue primarily from European and American Strategic Customers with billing entities abroad.

■ Americas ■ EMEA ■ India ■ RoW

\* As of 30<sup>th</sup> June 2018

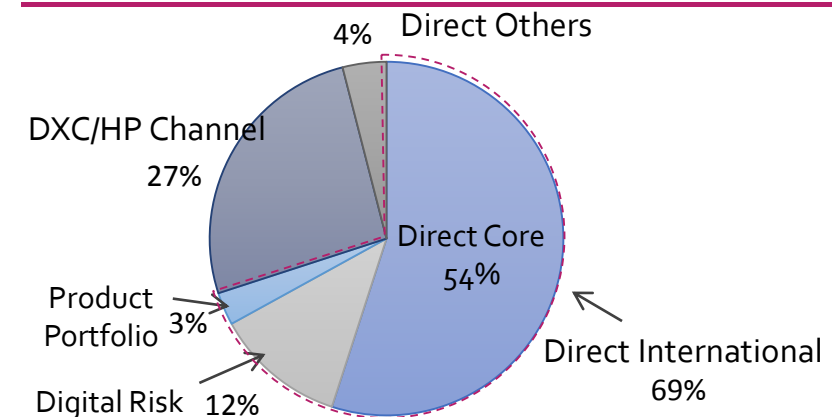
# 12 Months ended 30<sup>th</sup> Jun 2018

## Deep domain expertise in BFSI #

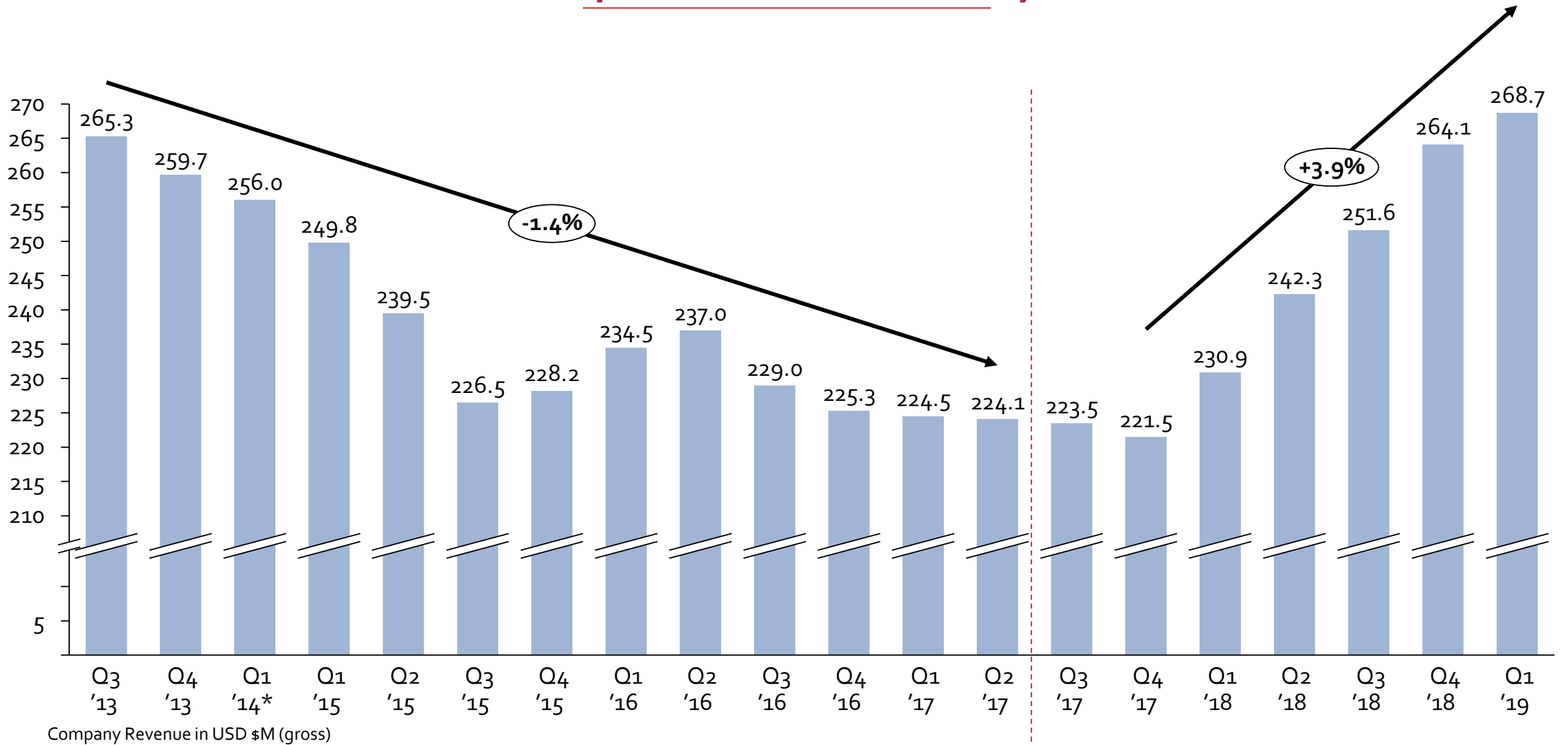


■ BCM ■ Insurance ■ ITCE ■ Emerging

## 69% of Revenue from Direct International #



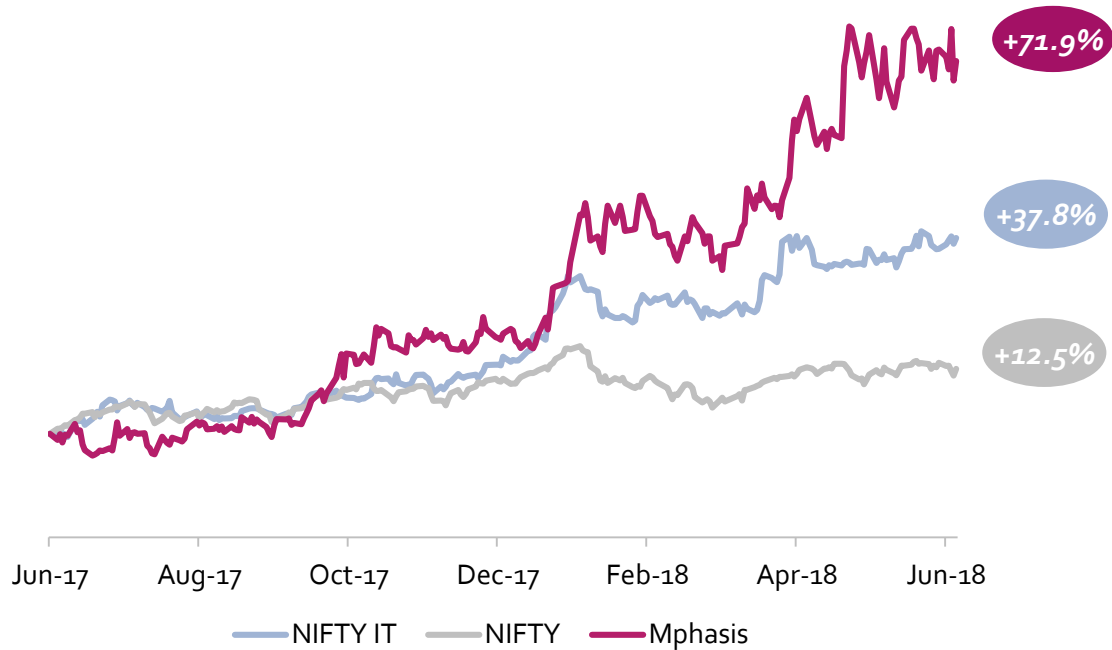
# Mphasis Turn Around Story



# Performance Highlights

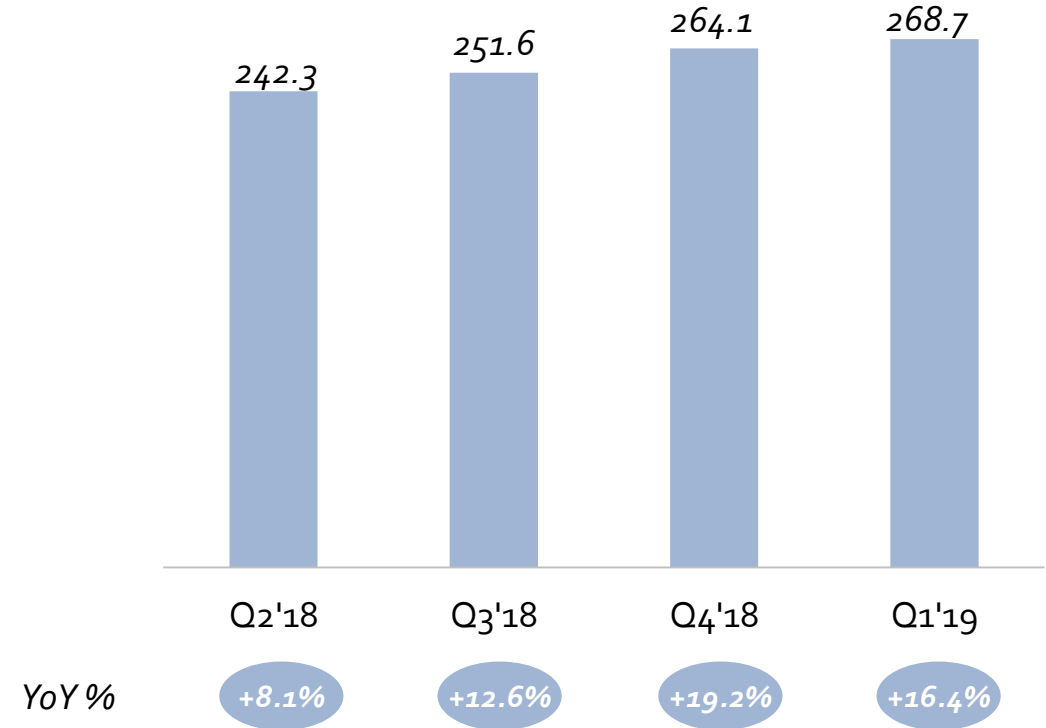
## Performance vs Index<sup>1</sup>

Total Returns to Shareholders in last 12 months (%)<sup>2</sup>



1. Indexed to 100 - As of 06/30/2017  
 2. Includes Dividend and Buyback; As of 06/29/2018

## Consistent track record of growth<sup>3</sup>

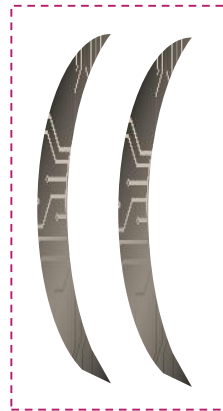


3. Overall Gross revenue - \$ Mn



# Corporate Strategy : Bring the "T" back into IT

## 'Inverted T'

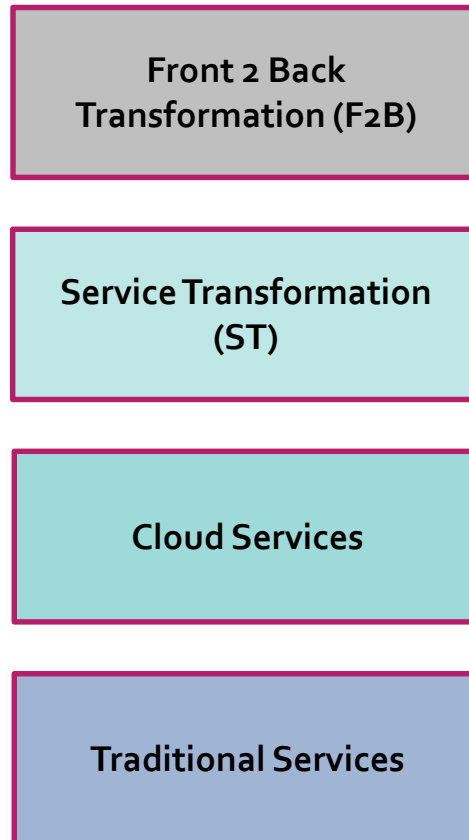


Powered by  
Cloud & Cognitive

## Horizontal Play



## GTM Plays



## Customer Segments

1. Strategic Customers
2. HP/DXC Technology
3. Blackstone Portfolio
4. New Client Acquisition

Focus Geographies:  
• Americas  
• Europe

Global Account Delivery Leadership Onsite to engage with Clients



## Core Investment Thesis

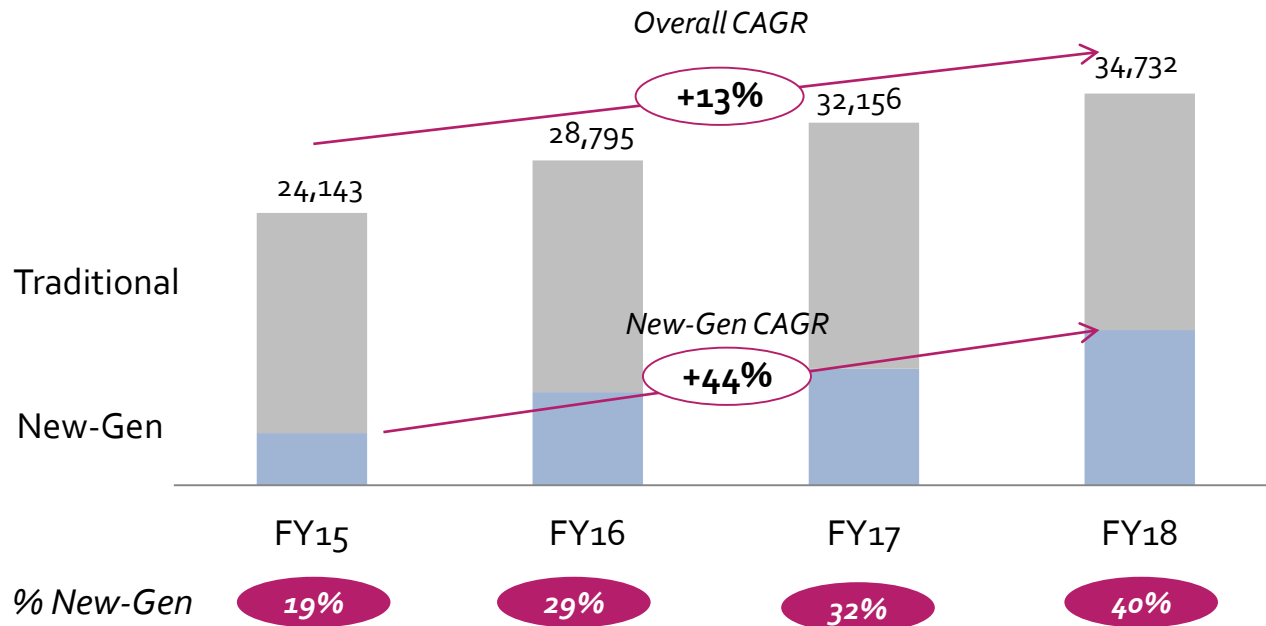
- 1 Accelerate Direct Core** - Continue to outgrow the market with a three pronged approach –
  - Farming Strategic Accounts
  - Blackstone Portfolio Opportunity
  - Focused Strategy for New Logos
- 2 Strategic Partnership with DXC/HP** – Transformed relationship with four growth engines
- 3 Continued focus on Margin Expansion to fuel Growth**
- 4 Strong Management team** backed by an **experienced Board**
- 5 Strong Cash-flow Generation** and **Optimal Cash Strategy** to maximize shareholder value



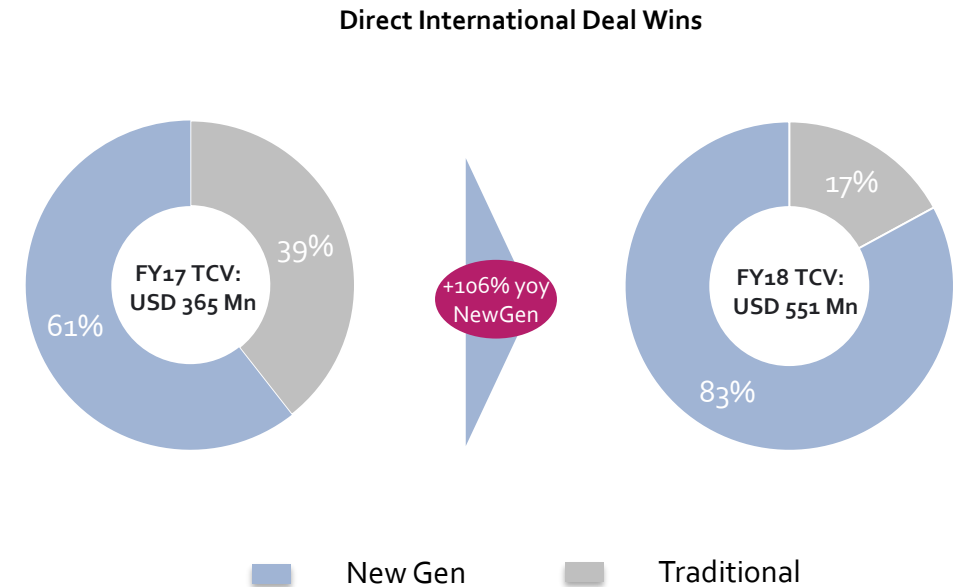


# 1 Accelerate Direct Core : Track record of Growth driven by New Generation Services

## Strong Direct Core Revenues



## Supported by significant wins in NewGen



New-Generation Services contributed to 83% of total deal wins (TCV) in FY18 and 40% of Revenues in FY18

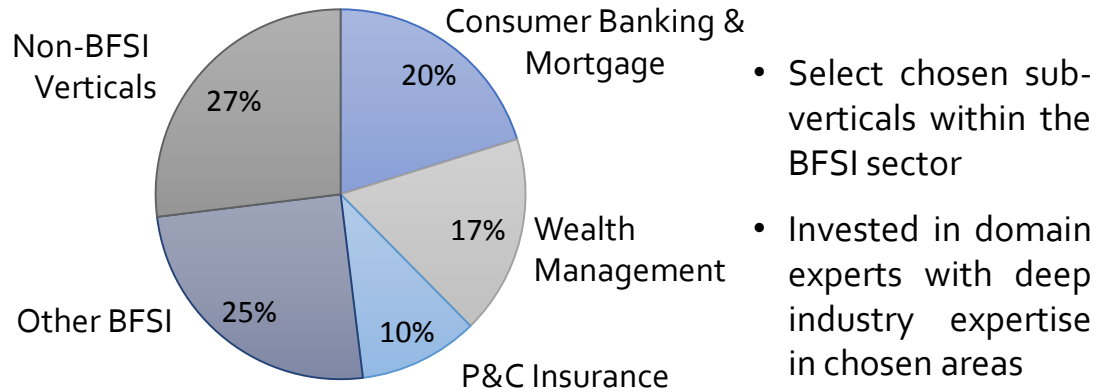
New-Generation Services contributed 44% of Direct Core revenues in Q1'19 representing a YoY growth of 54%

Note: Direct Core constituted 78% of Direct International Revenue (and 55% of Mphasis Revenue) in FY18



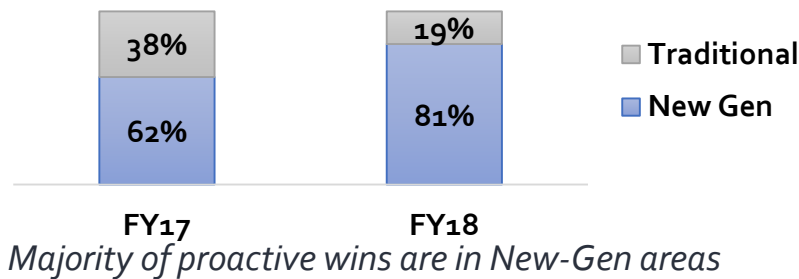
# Accelerate Direct Core : The Secret Sauce Fueling the Engine

## Domain Strength built by...



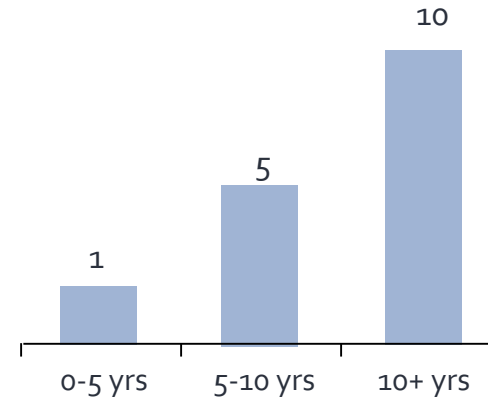
## Go-to-Market optimized for catching Deals Upstream

- Institutionalized **Early Engagement** sales process
- Robust account planning for selecting early engagement areas based on spend, competition and ability to win



## ... years of working with Marquee Customers

Strategic Accounts: Relationship Tenure 11/16 strategic clients are from BFSI verticals



Customer base include many industry leaders:

- Largest Bank in North America
- Largest Insurance Company in North America
- Largest publicly traded Invest. Services Firm
- Largest Logistics Provider
- Largest Commercial RE player

Well entrenched across multiple business lines at customers

## Proactive Customer Management

- Onsite Global Delivery Account Leader (GDAL)** works proactively with the customer to address issues in real time
- Service Delivery Excellence and CSAT focus

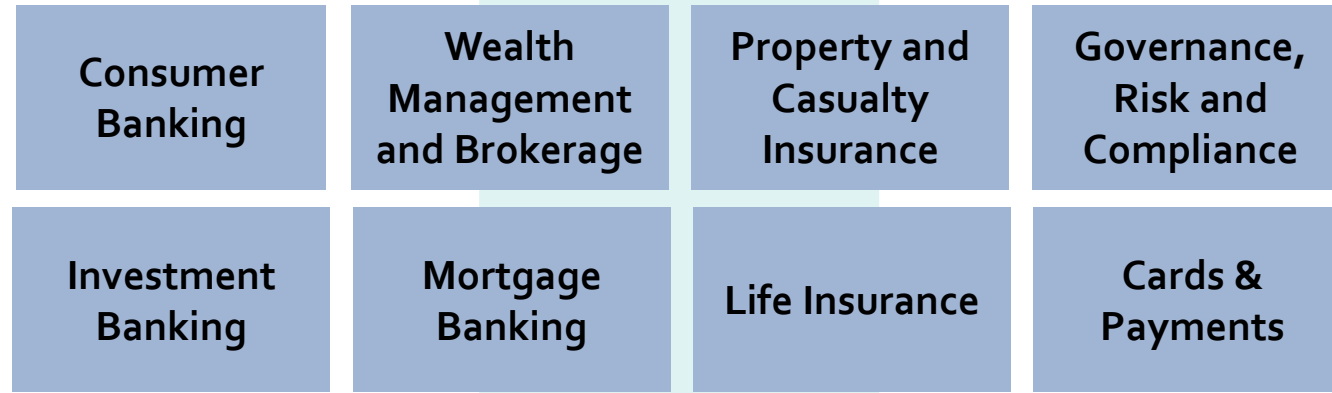
Account	Ranking
Large North American Bank	# 1
Leading Investment Services Firm	# 1
Global Logistics Co.	# 1



1

# Accelerate Direct Core : Focused Strategy for New Logo Wins

Identified Targets in select BFSI Micro-verticals



Horizontal Capabilities with a focus on Cloud and Cognitive



Focus on select Geographies

USA

UK

Europe





## Cloud Services

- **Cloud CoE – Investing in building IP / Accelerators**
  - **End to end Services** - incl Cloud Consulting, Cloud Migration (re-host, re-factor, re-purchase), Cloud Native App Dev, DevOps, Cloud Ops
- **Strong Cloud Partnership Network – Pivotal**
  - Setting up a Pivotal Lab to build skillset for next generation cloud services
- **Case Study 1 - One of the Largest Brokerage Firms**
  - Application development and migration using Pivotal Cloud Foundry; development of leading Robo Advisor
- **Case Study 2 - Largest Retail Banks in the US**
  - Successfully transitioned middleware into micro services, enabling a faster front end at a lower cost
- **Case Study 3 - A Step towards Zero UI**

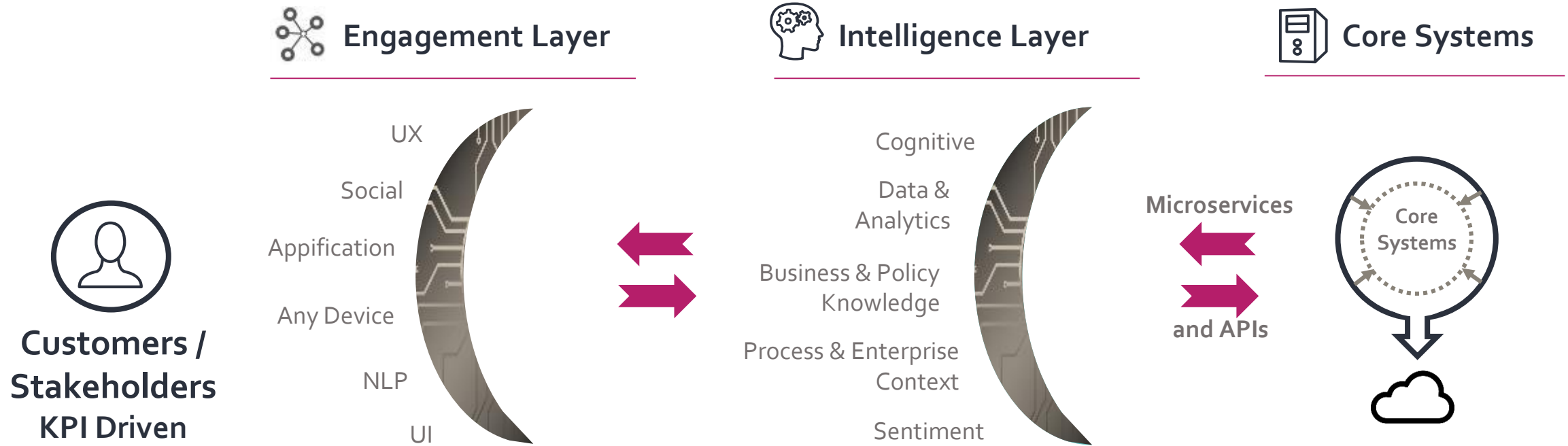


## Cognitive Computing

- **Digital Partner of Choice of 5 Fortune 500 Companies**
- **One of the first applications on Apple Pay**
- **First to introduce Semantic technology to a Large NA bank**
- **Pioneer of integrating Natural Language Interaction with Salesforce.com**
- **Set up NextLabs**
  - **Next Angles** – AI and NLP based GRC Automation platform
  - **Deep Insights** - Cognitive computing platform, which transforms enterprise decision by depth analysis of structured and unstructured data sources
  - **Infragenie** - Intelligent infrastructure automation platform that predicts, diagnoses and resolves infrastructure issues
  - **Hypergraph** - Actionable insights by bridging the gap between enterprise data and external data

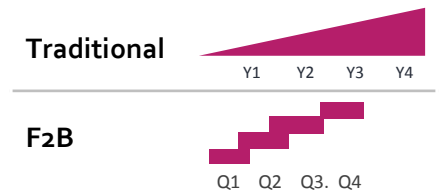


# Accelerate Direct Core : Mphasis X2C2 TM - Front to Back Transformation



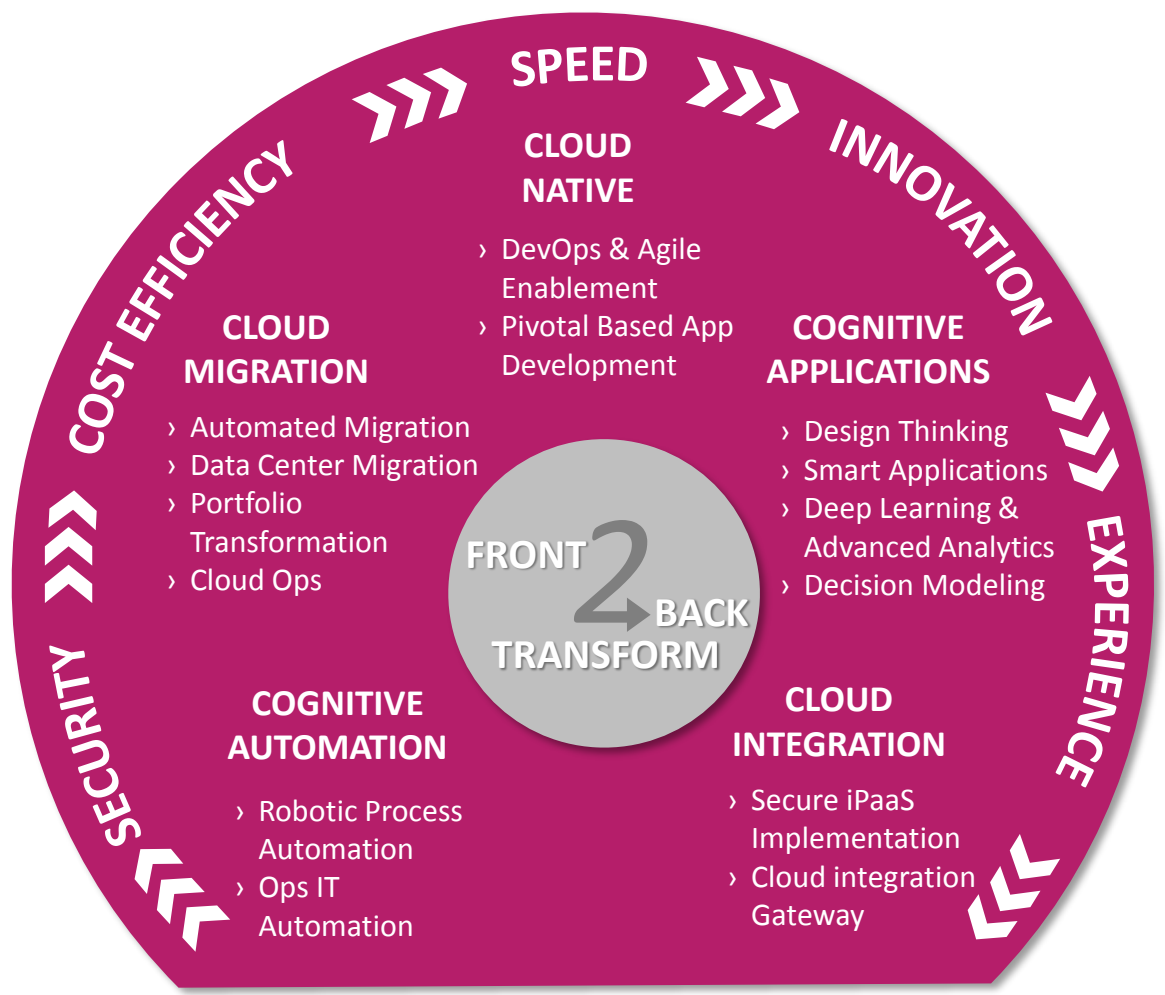
## Mphasis X2C<sup>2</sup>™ - Powered by Cloud & Cognitive

- Right sized transformations **delivering chunks of business value** in a timely manner
- Best way to introduce **disruptive technology** (X2C<sup>2</sup>) to legacy environments
- **Reference architecture based transformation:** leverages technology from previous iterations to reduce marginal cost of implementation

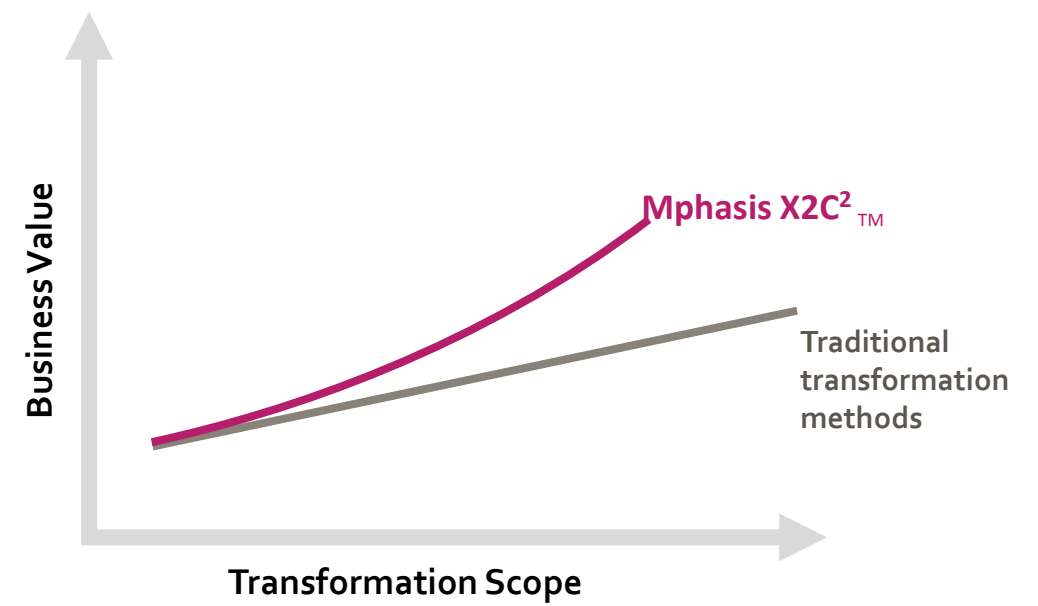


# Accelerate Direct Core : Mphasis X2C2™ - Key Levers and Benefits

## Holistic 5D approach



## Integrated Mphasis X2C2™ Benefits

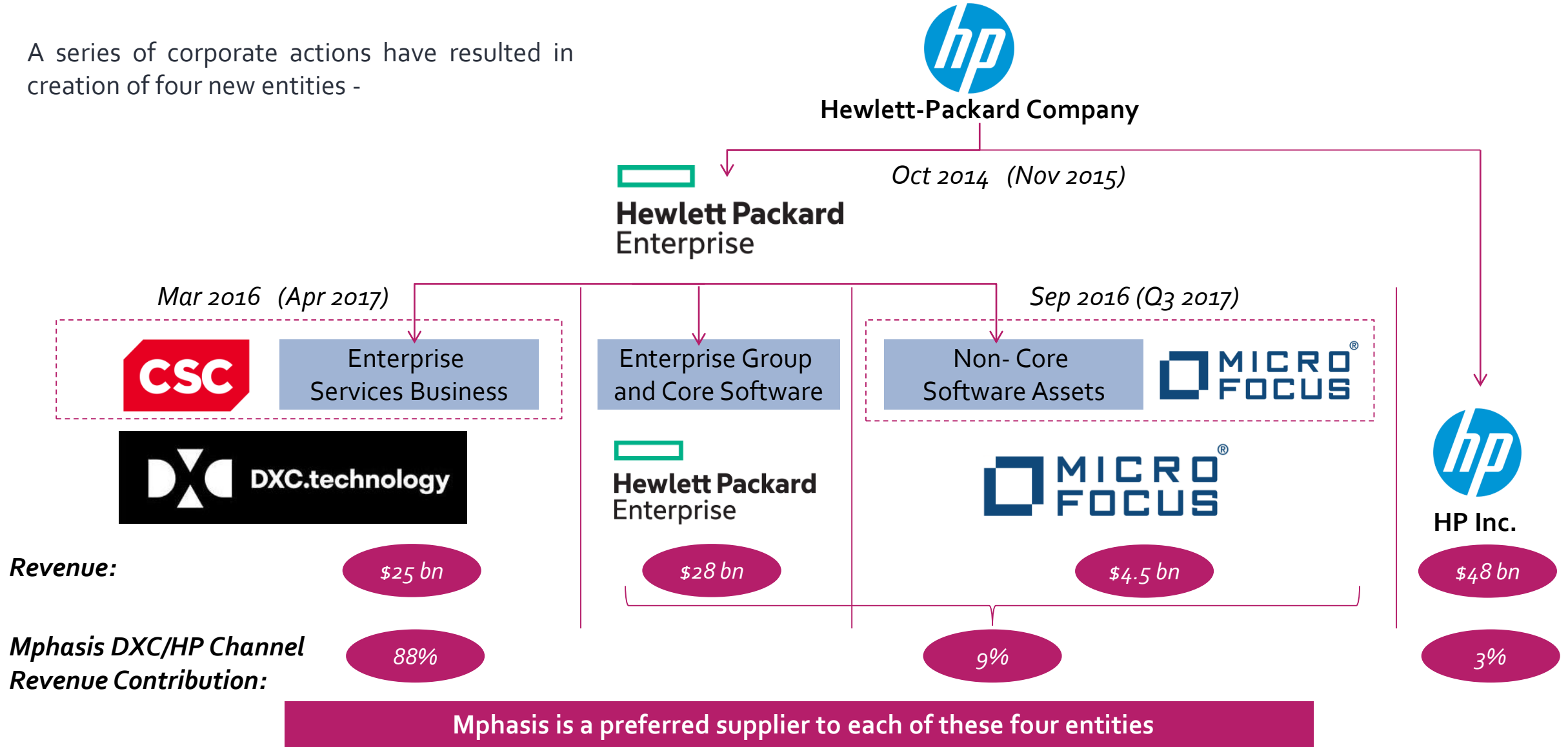


Cloud Migration Reference Architecture	Cloud & Cognitive Lab Transformation Scope	Pre Integrated Cognitive Platform
CX Analytics Framework	Advanced Level Partnerships	Design Thinking Methodology
DevOps Analyzer	Customer 360 Platform	Large Implementation Experience
Cognitive Capability as a Service Architecture	Encoded Domain Knowledge Models	Smart App Framework



## 2 Strategic Partnership with DXC/HP: Transformed Relationship with four Growth Engines

A series of corporate actions have resulted in creation of four new entities -



# Strategic Partnership with DXC/HP: Apps Migration to Cloud

May 25<sup>th</sup> 2017: DXC Technology (NYSE: DXC) has named Mphasis as a new Solution Partner to transform and modernize enterprise applications for public, private and hybrid cloud.



**Focus Verticals**

- Banking and Financial Services
- Insurance

**Focus Geographies**

- North America
- UK

**Offerings**

- Front2Back™ Modernization
- Applications to Cloud
- Cloud Native Apps

## Client Benefits

- ✓ **Faster Transformations:** Rapidly capture untapped value of the cloud for mission critical and high value applications
- ✓ **Lower Costs:** Offer lower cost consumption-based models and automation to reduce the cost of legacy IT
- ✓ **Right Skills:** Access to the next generation of IT skills and innovative capabilities

## Why Mphasis and DXC?

- ✓ **Joint GTM track record:** 10 year relationship with the Enterprise Services business marked by successful joint wins in the market.
- ✓ **Impeccable Delivery:** Mphasis has a NPS of 85
- ✓ **Next Gen Offerings:**
  - X2C2™, iADMS™, Front2Back™ Modernization





## Action plan to drive Margin Expansion to fuel Growth

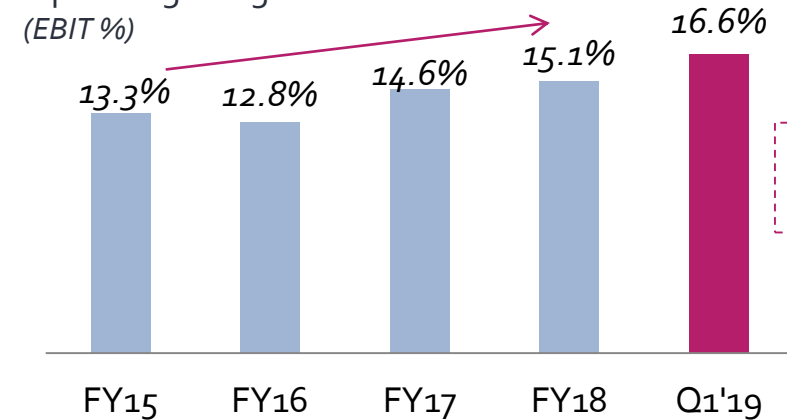
### Concrete steps executed...

- Divestment of Domestic BPO business
- Stabilization and offshoring to improve margins for Digital Risk
- Margin expansion through Improvements in various operating levels
  - Restructured people supply chain
  - Increased pricing power
  - Business model shift



### ...delivering a track record of Margin Expansion<sup>1</sup>

Operating Margin  
(EBIT %)



*Consistent improvement in Operating Margin profile*

### “Digital Factory of the Future” – ensure stable margins while funding growth ...

- Establish best-in-class scalable delivery and operations by installing and **operationalizing key medium-long term enablers** (people supply chain)
- Focus on **structural savings** – inefficiencies taken out stay out; implementation support and **Results Delivery Office**

#### Key Levers:

Pyramid Optimization

Commercial Model

Automation

Strategic Shoring

People Supply Chain

Tail Account Rationalization

*Margin improvements and cost savings at each level, along with an increasing trend of non-linear revenues*

(1) FY15 based on Indian GAAP; FY16 based on special purpose Ind-AS, FY17 & FY18 are based on Ind-AS



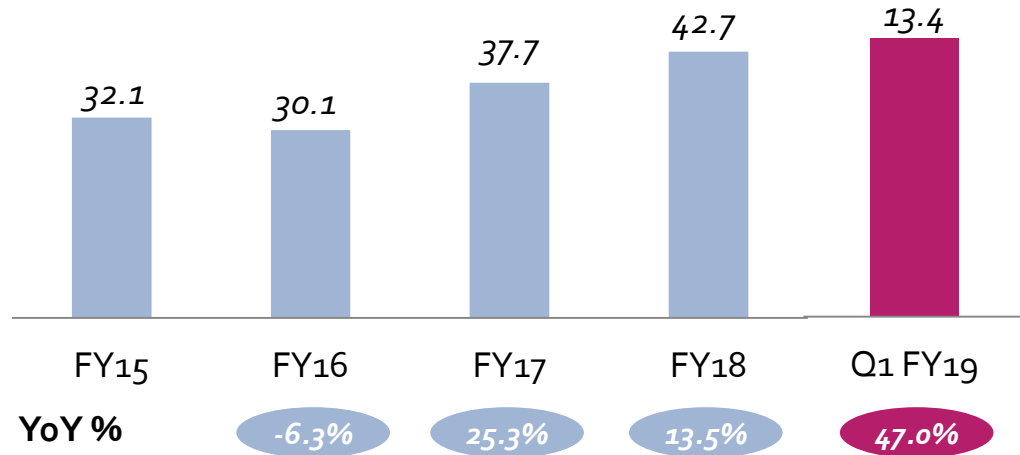
- 1 **Infused new talent across levels**
  - **Executive Committee**
  - **Senior Leader positions**
  - **Regional Sr Leaders in Focus Markets**
- 2 **Strong Board**
- 3 **Support from BX Ecosystem**



# 5 Strong Cash flow Generation and Optimal Cash Strategy to maximize shareholder value

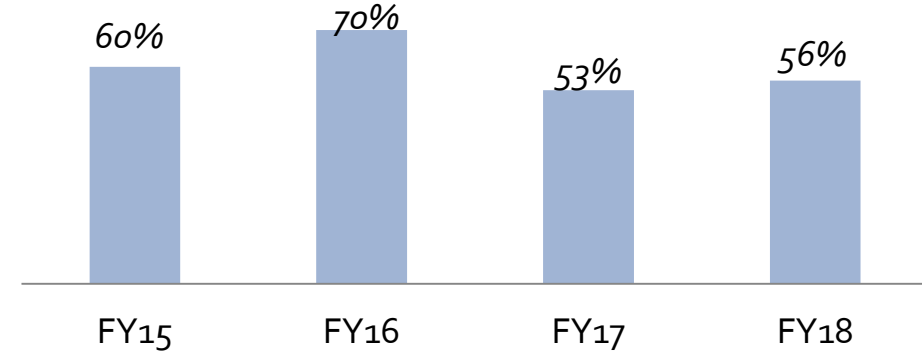
## Strong growth in EPS

EPS after exceptional items (INR)



## Track record of healthy Dividends...

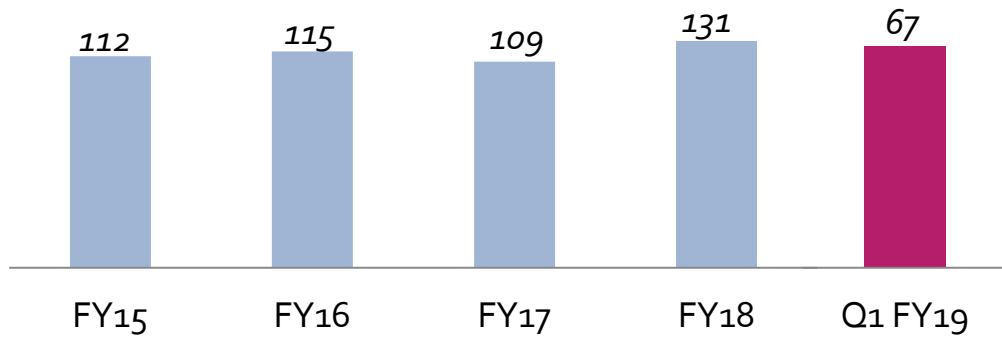
Dividend Payout (DPS including tax / EPS before exceptional items)



- Announced share buy-back worth Rs 9,883 Mn in Q1 FY19
- Completed share buy-back worth Rs 11,030 Mn in FY18

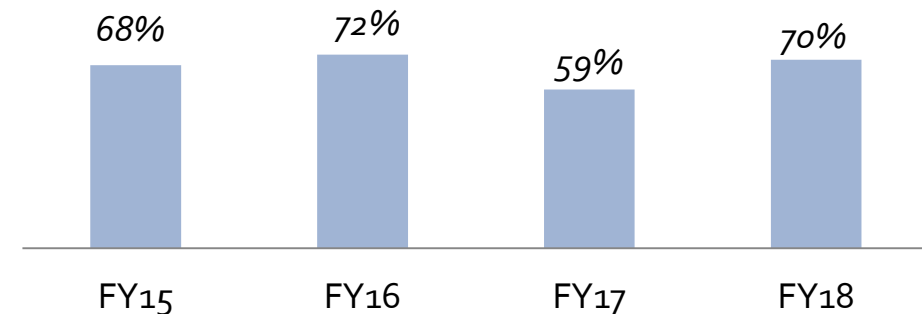
## Consistent free cash flow generation

Free cash flow (\$ million)



## One of Industry leading FCF/EBITDA conversion

Free cash flow (FCF)/Adj. EBITDA



# Core Investment Thesis: Execution update Summary – YTD FY19

## 1 Accelerate Direct Core

- Farming Strategic Accounts
- Blackstone Portfolio Opportunity

- Above industry growth of 14.8% YoY in Constant Currency
- Continued momentum in Deal wins: \$153M TCV; New-Gen Services at 76%
- Broad based growth from Strategic Accounts; BX portfolio and New Accounts

## 2 Strategic Partnership with DXC/HP

- Continued Strong growth momentum from FY'18; YoY constant currency growth of 23.3% in Q1 FY19
- Good deal traction in Cloud Partnership

## 3 Continued focus on Margin Expansion to fuel Growth

- Delivered EBIT of 16.6% in Q1 FY19; Continued improvement in operating levers
- Expect to operate in EBIT of 15%-17% band

## 4 Strong Management team backed by an experienced Board

- Management augmenting Cloud and Cognitive capabilities to deliver Service Transformation and Front-2-Back Modernization

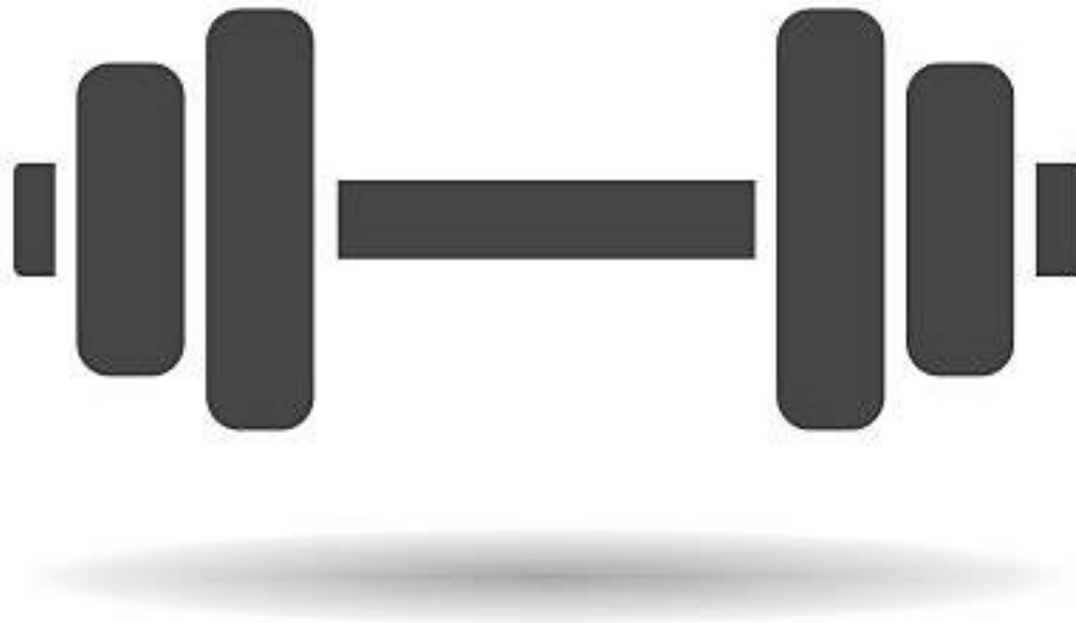
## 5 Strong Cashflow Generation and Optimal Cash Strategy to maximize shareholder value

- Strong free cash flow generation of \$67 Mn in Q1 FY19; Q1 FY19 Cash Balance of \$398 Mn
- Announced share purchase program for Rs 9,883 Mn at maximum share price of Rs 1,350



# Why Are We Different?

T  
W  
I  
T  
C  
H



- T-Shaped Solution Strategy – Domain depth + Breadth of Tech - 2C powered
- Tier 1 capabilities in BFSI
- Front2Back™ Modernization
- X2C2™
- Focus & Specialization
- Data Center of the Future is an Empty Room™
- N=1 Hyper personalization using HyperCloud
- Consistently Rated #1 or #2 by Customers



# THANK YOU

Email: [Investor.Relations@mphasis.com](mailto:Investor.Relations@mphasis.com)

## **About Mphasis**

Mphasis (BSE: 526299; NSE: MPHASIS) enables customers to reimagine their digital future by applying a unique formula of integrated cloud and cognitive technology. Mphasis X2C<sup>2</sup>™ formula for success, (shift anything to cloud and power everything with cognitive), drives five dimensions of business value with an integrated consumer-centric Front to Back Digital Transformation, enabling Business Operations and Technology Transformation. Mphasis applies advancements in cognitive and cloud to traditional application and infrastructure services to bring much needed efficiency and cost effectiveness. Mphasis' core reference architectures and tools, combined with domain expertise and hyper specialization are the foundation for building strong relationships with marquee customers.

## **Important Confidentiality Notice**

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# Strong Leadership Team



**Nitin Rakesh**  
CEO



**Dinesh Venugopal**

10 yrs in Mphasis  
and in ExCo

- President, Mphasis Digital & Direct Core GTM



**Sundar Subramanian**

Joined in October  
2017

- President, Global Delivery



**Elango R**

12 yrs in Mphasis  
and in ExCo

- President, HP Business Unit



**Puneet Bhirani**

17 yrs in Mphasis  
8 yrs in ExCo

- CEO, Digital Risk



**Eric Winston**

Joined in October  
2017

- EVP, General Counsel and  
Chief Ethics & Compliance Officer



**Suryanarayanan**

9 yrs in Mphasis  
4 yrs in ExCo

- Chief Financial Officer




**Srikanth Karra**

Joined in May 2017

- Chief Human Resource Officer



# Experienced Board




**Davinder Singh Brar**  
*Chairman, Independent Director*

Promoter of GVK Biosciences  
Formerly Director of the Reserve Bank of India (RBI)




**Nitin Rakesh**  
*CEO and Director*

CEO and Director at Mphasis  
Previously CEO and President of Syntel



**N Kumar**  
*Independent Director*

Vice Chairman of the Sanmar Group, a multinational conglomerate  
Honorary Consul General of Greece in Chennai



**Jan Kathleen Hier**  
*Independent Director*

Formerly Executive VP at Charles Schwab  
Served as VP Engineering at Transaction Technology, a Citicorp subsidiary




**David Lawrence Johnson**  
*Director*

Senior Advisor at Blackstone based in New York  
Formerly Senior VP of Strategy at Dell



**Dario Zamarian**  
*Director*

Innovations and Infrastructure Consultant for Blackstone  
Formerly Global VP and General Manager at Dell



**Paul James Upchurch**  
*Director*

- Executive Director at Blackstone
- Formerly an Executive VP at Nielsen



**Amit Dixit**  
*Director*

Senior Managing Director and Head of Private Equity in India for Blackstone  
Formerly a Principal at Warburg Pincus



**Amit Dalmia**  
*Director*

Managing Director in the Private Equity group in India for Blackstone  
Formerly served various management roles at Hindustan Unilever India

 Blackstone  Independent Directors

