

19 February 2018

**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 in the IIFL's Enterprising India 2018 Investors' Conference on 22<sup>nd</sup> February 2018 at Mumbai.

Please find enclosed a copy of the Investor Presentation proposed to be used for 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 aforesaid Regulation.

Thanking You,

Yours faithfully,  
For Mphasis Limited



**Subramanian Narayan**  
Vice President & Company Secretary





# MPHASIS OVERVIEW





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# Mphasis at a glance

## Key Highlights

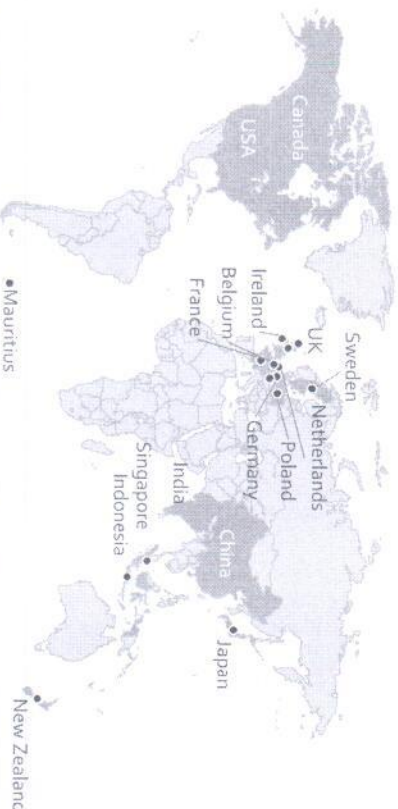
- Incorporated in 1992
- Marquee clients including 6 of the Top Global Banks, 3 of the Top Global Insurance companies and 7 of the Top Mortgage Lenders
- 60.40% owned by Blackstone (2), a Global Private Equity firm

Market Cap. (2,3)	Revenue (7)	Cash (2)
USD 2.2 Bn	USD 946 Mn	USD 359 Mn

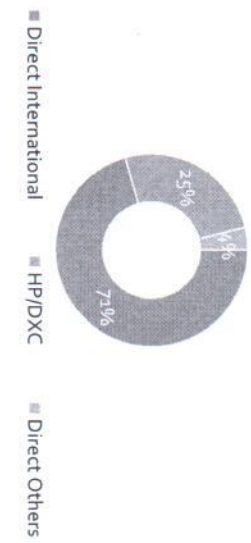
- Steady EBITDA margins with limited volatility over the last 3 years (margins between 14-16%)

## Global Delivery Footprint and Sales Coverage

Headcount of 22,270<sup>(1)</sup>



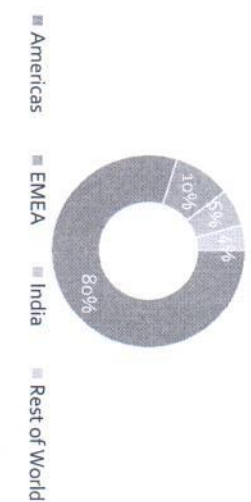
## 71% of Revenue from Direct International (4)



## Deep domain expertise in BFSI (4)



## Geographical Split of Revenue (4,5)



## Global IT solutions provider with a strong domain expertise in BFSI, backed by a high quality sponsor

Note: USD/INR: 64.51; HP: Hewlett-Packard; DXC: DXC Technology; BSE: Bombay Stock Exchange; NSE: National Stock Exchange  
 (1) As of December 31, 2017, including both employees and contractors  
 (2) As of December 31, 2017, following the Buyback of Mphasis's equity shares which occurred on June 2, 2017  
 (3) Based on outstanding shares as on December 31, 2017 and closing share price for Mphasis on NSE at December 31, 2017  
 (4) Breakup based on Last 12 months revenues from operations excluding profit from cash flow hedges

(5) Revenue by geographic area are based on the geographical location of the client; India & RoW revenue primarily from European and American Strategic Customers with billing entities abroad  
 (6) ITCE: Information Technology, Communication & Entertainment  
 (7) 12 months ended December 31, 2017





# Direct International and HP channels are key drivers of Mphasis' revenue and profitability

Channels	% of Sales <sup>(1)</sup>	Description	Strategy
Direct International	YTD FY18 70%	<ul style="list-style-type: none"> <li>Revenue grown at a CAGR of 13% in the last three fiscal years</li> <li>Core business primarily serving strategic clients with long standing relationships                             <ul style="list-style-type: none"> <li>Average relationship of 12 years for top 15 clients</li> </ul> </li> <li>Focus on select sub verticals in BFSI (Consumer Banking &amp; Mortgage, Wealth Management and P&amp;C Insurance)</li> <li>Strong capabilities in NextGen services such as Cloud Services and Cognitive Computing</li> <li>NewGen services contribute 47% of Direct International revenues and 82% of Direct International TCV wins in YTD FY18, and has grown at a CAGR of 25% in the last three fiscal years [FY15-17]</li> </ul>	<p>Continue to target above market growth via:</p> <ul style="list-style-type: none"> <li>Continued mining of existing strategic accounts</li> <li>Tapping new opportunities from the Blackstone portfolio</li> <li>New client acquisitions by leveraging on domain and NewGen expertise</li> </ul>
HP/DXC	YTD FY18 26%	<ul style="list-style-type: none"> <li>Relationship transformed from being an in-house subcontractor to a strategic partner</li> <li>Working with multiple entities: DXC, HPE, HPI and Micro Focus                             <ul style="list-style-type: none"> <li>Mphasis is a preferred service provider</li> </ul> </li> <li>MSA that can last up to 11 years<sup>(2)</sup> with guarantee of USD 990 Mn provides Mphasis a stable revenue base with upside growth potential and revenue visibility</li> <li>Opportunity to work not just with HP, but HP's customers as well across multiple segments such as airlines, telecom and healthcare</li> </ul>	<p>Return back to growth via:</p> <ul style="list-style-type: none"> <li>Cloud solutions partnership with DXC</li> <li>Growth opportunities across entities</li> </ul>
Direct Others	YTD FY18 4%	<ul style="list-style-type: none"> <li>Direct others includes the domestic ATM and emerging application businesses</li> <li>In Feb-16, Mphasis outsourced the operations of its domestic ATM managed services business</li> </ul>	<p>Focus on margin expansion</p>

**Direct International and HP/DXC channels account for 96% of the YTD FY18 sales<sup>(1)</sup> of Mphasis**

Note: CAGR: Compounded Annual Growth Rate, ATM: Automated Teller Machine, HPE: HP Enterprise, HPI: HP Inc, DXC: DXC Technology  
 (1) Revenue from operations excluding profit from cash flow hedges  
 (2) 5-year MSA with automatic renewals of three consecutive two year terms

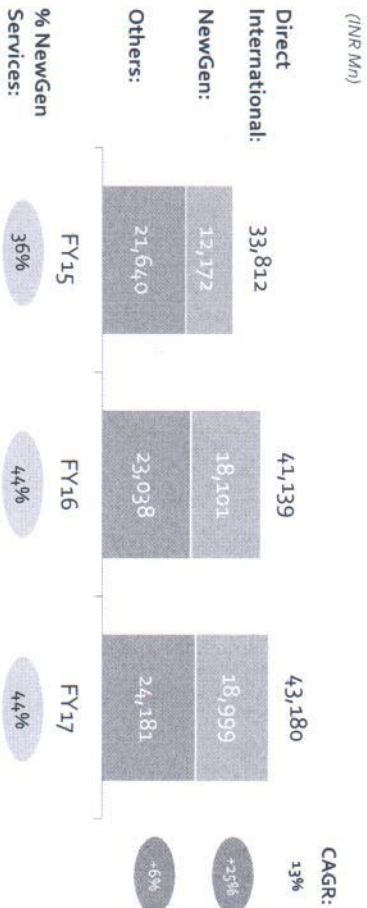




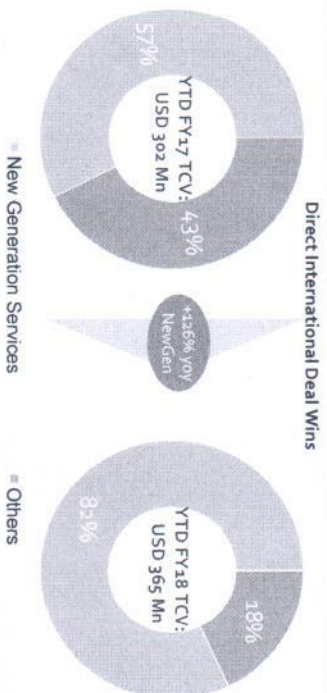
# Strong platform for growth supported by significant wins in NewGen

- Direct International is Mphasis' primary growth engine, accounting for **70% of revenues**<sup>(1)</sup> for YTD FY18
- Direct Core accounts for 78% of Direct International revenues in YTD FY18
- Direct Core grew at a 15% CAGR over the last 3 years [FY15-17]
- Differentiated go-to-market strategy to identify growth pockets in client accounts
- Growth has been driven by **significant deal wins in NewGen**<sup>(3)</sup> services, which has increased by 126% yoy by TCV in YTD FY18
- NewGen revenues have grown at a **25% CAGR** in the last 3 years [FY15-17]
- NewGen now accounts for 47% of Direct International revenues in YTD FY18, up from 36% in FY15

## Strong Direct International Revenues <sup>(1,2)</sup>



## Supported by significant wins in NewGen<sup>(3)</sup>



**Increasing expenditures on emerging technologies – NewGen services has been a key driver of deal wins and growth in Direct International**

Note: TCV: Total Contract Value  
 (1) Breakup based on revenue from operations excluding profit from cash flow hedges  
 (2) FY15 is based on Indian GAAP, FY16 is based on Special Purpose Ind-AS, and FY17 is based on Ind-AS  
 (3) New Generation (NewGen) includes Digital, Governance Risk & Compliance (GRC) and Next Generation (NextGen)



# Deep domain strength built by years of relationship with marquee clients

## Deep Domain Expertise in Select Micro Verticals

Direct International Revenues by Micro Verticals (FY17)



- ✓ Mphasis is focused on **select micro verticals within BFSI**, such as Consumer Banking & Mortgage, Wealth Management, P&C Insurance and Others
  - Well entrenched within multiple business lines/ divisions within each client
  - 78% of BFSI revenues<sup>(2)</sup> come from three focus micro verticals – Consumer Banking & Mortgage, Wealth Management and P&C Insurance

- Go-to-Market optimized for catching deals upstream: Robust account planning for selecting early engagement areas based on spend, competition and ability to win
- 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

Note: BCM: Banking, Capital Markets; CSAT: Customer Satisfaction; P&C: Property and Casualty  
 (2) Excluding revenue from Other Verticals

## Driven by Strong Client Relationships

Top 15 Direct International Clients	Years of relationship
1. Large North American Bank	18
2. Global Bank	8
3. Large Global Insurer	14
4. Leading Investment Services Firm	17
5. Large Logistics Company	21
6. Niche US West Coast Bank	5
7. Leading US Bank	2
8. Large Real Estate Company	6
9. Leading Loan Mortgage Company	9
10. Large Global Bank	13
11. Leading General/Life Insurance Company	14
12. Leading US Bank	14
13. Large Pharmaceutical Company	16
14. Leading General Insurance Company	4
15. Top 3 UK Bank	13
Average	12

- ✓ **Long relationships with marquee clients**
  - 6 of the top global banks, 7 of the top mortgage lenders and 3 of the top insurance companies
  - Top 15 Direct International clients have an average relationship tenor of 12 years
  - 13 out of top 15 clients are in the BFSI vertical





# Accelerating Direct International growth by building Cloud and Cognitive solutions



## Cloud Services

- **Cloud CoE – Investing in building IP / Accelerators**
  - **End to end Services** – including 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 application development and migration on the pivotal cloud foundry
- **Case Study 1 - One of the Largest Brokerage Firms**
  - We are doing Application migration using Pivotal Cloud Foundry
- **Case Study 2 - Largest Retail Banks in the US**
  - Successfully transitioned middleware into micro services, enabling a faster front end at a lower cost



## Cognitive Computing

- Digital Partner for select Fortune 100 Companies
- Developed applications for Apple Pay
- Introduced Semantic technology to a Large NA bank
- Pioneer of integrating Natural Language Interaction with workforce management firm
- **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
  - **HyperGraf** – Actionable insights by bridging the gap between enterprise data and external data





# Accelerating Direct International : Mphasis X2C2™ - Front to Back Transformation

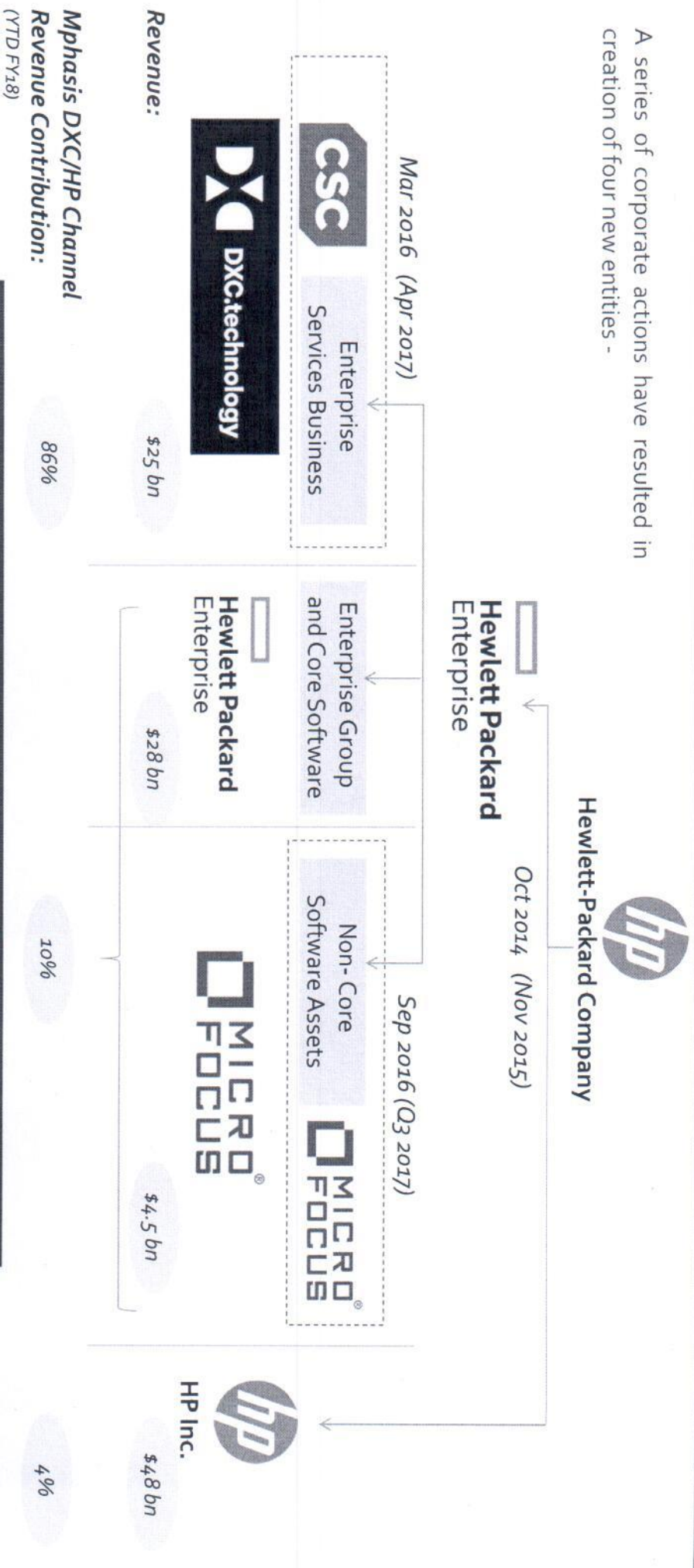


X2C2 Enabled by Cloud & Cognitive



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

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



Mphasis is a preferred supplier to each of these four entities





# Levers for margin improvements

## Successful EBIT<sup>(1)</sup> margin improvement track record

(INR Mn)



- ✓ EBIT margins have improved from 13% in FY15 to 15% in FY17
- ✓ Successful track record of margin improvements through initiatives such as:
  - Divestment of domestic BPO business
  - Stabilization of the Product Portfolio (Eldorado)
  - Outsourcing the operations of the ATM business

## Further levers for improvement

### Pyramid Optimization

- Increase share of fresher and junior resources which improves billing multiples

### Automation

- Increased use of robotics and non-linear models to drive productivity and protect the core business

### People Supply Chain

- Matching resources with appropriate skill-sets to enhance utilization

### Strategic Shoring

- Delivery from most optimal locations

### Commercial Model

- Increasing share of fixed price contracts and managed services business


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

Note: EBIT: Earnings before Interest and Tax, EBIT margin means EBIT divided by revenue from operations  
 (1) FY15 is based on Indian GAAP, FY16 is based on Special Purpose Ind-AS, and FY17 is based on Ind-AS






# Leadership team with track record of customer, talent and value retention




**Nitin Rakesh**  
CEO and Executive Director

- CEO and Executive Director at Mphasis
- Previously CEO and President of Syntel
- >20 years experience




**Sundar Subramanian**  
President – Global Delivery

- Responsible for Global Delivery of services in all business lines - Applications, Infrastructure and BPS
- >27 years experience




**Elango R**  
President – HP Business Unit

- Heads Sales and Delivery of all business lines in HP Channel
- >20 years experience




**Dinesh Venugopal**  
President – Direct Core and Digital

- Global head of Direct Core and Digital business across Industry Verticals
- >20 years experience




**Rajesh Maktija**  
CEO - Wyde and Eidorado

- Responsible for two key portfolios: Product Portfolio Group and Mergers & Acquisitions
- >25 years experience




**Eric Winston**  
General Counsel and Chief Ethics & Compliance Officer

- Responsible for Global Legal and Compliance function
- >20 years experience



**V. Suryanarayanan (Surya)**  
CFO

- CFO at Mphasis
- Recipient of the CFO India award
- 30 years experience



**Srikanth Karra**  
Chief Human Resource Officer

- Chief Human Resource Officer at Mphasis Group
- >27 years experience

Highly seasoned leadership team with an average of over 20 years of experience in the industry

Joined in 2017  Revenue managing employees

Mphasis - PRIVATE & CONFIDENTIAL






# Strong governance and internal controls


## Overview

- Board of Directors comprises of nine members, three of whom are independent




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

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




**Nitin Rakesh**  
*CEO and Executive Director*

- CEO and Executive Director at Mphasis
- Previously CEO and President of Syntel




**N Kumar**  
*Independent Director*

- Vice Chairman of The Sammar Group, a multinational conglomerate
- Honorary Consul General of Greece in Chennai




**Jan Kathleen Hler**  
*Independent Director*

- Formerly an Executive VP at Charles Schwab
- Served as VP of engineering at Transaction Technology, a Citicorp subsidiary




**David Lawrence Johnson**  
*Non-Executive Director*

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




**Darjo Zamaran**  
*Non-Executive Director*

- Innovations and Infrastructure Consultant for Blackstone
- Previously Global VP and a Worldwide General Manager at Dell




**Paul James Upchurch**  
*Non-Executive Director*

- Leads the Enterprise Systems function within The Blackstone Group's Portfolio Operations group
- Formerly an Executive VP at Nielsen



**Amit Dixit**  
*Non-Executive Director*

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



**Amit Palmia**  
*Non-Executive Director*

- Executive Director in the Corporate Private Equity group in Blackstone
- Formerly served various management roles at Hindustan Unilever India

- Listed on BSE and NSE and maintains a high standard of governance and transparency as a listed entity
- Various committees have been set up by the Board of Directors to provide oversight of activities

*Private equity ownership plus listed company status provides for strong corporate governance and transparency*

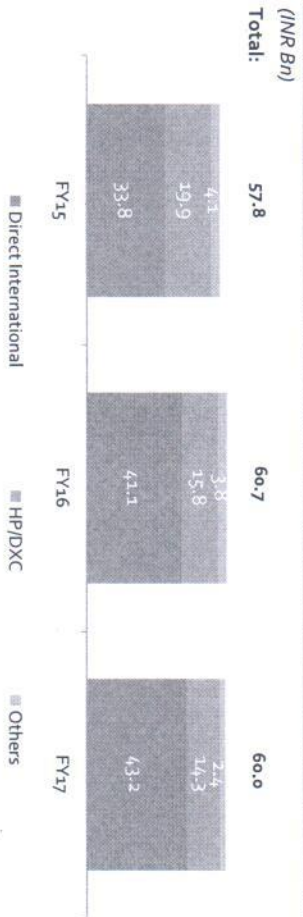
 Blackstone
  Independent Directors



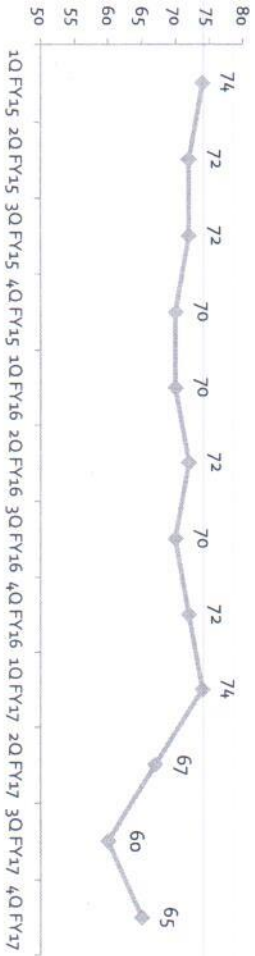


# Robust financials

## Revenue by Segment (INR Bn)<sup>(1,2)</sup>



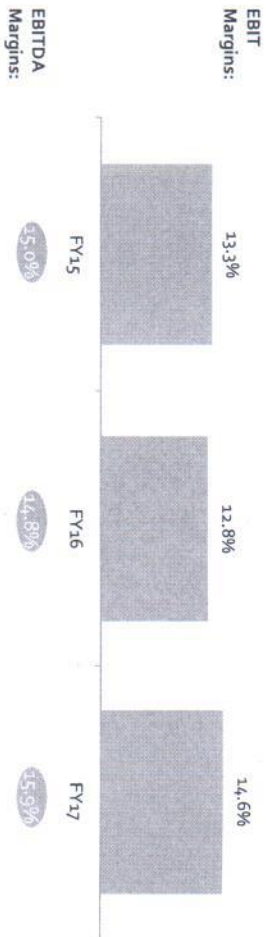
## Improvement in Days Sales Outstanding ("DSO")



- **FCF/Adj. EBITDA ratio for FY'17 lower due to advancement of salary payment dates and other pre-paid expenses in Q4'17**

## Improvement in profitability underpinned by robust growth in Direct International channel

## EBIT and EBITDA Margins<sup>(1)</sup>



## Free Cash Flow ("FCF") / Adj. EBITDA<sup>(1,3)</sup>



Note: EBIT consists of profit before tax, finance cost and exceptional items (net of tax) and other income; EBIT margin means EBIT divided by revenue from operations; EBITDA consists of profit before tax, depreciation and amortization expense, finance cost and exceptional item (net of tax) and other income; EBITDA margin means EBITDA divided by revenue from operations; Adjusted EBITDA consists of EBITDA plus interest income on bank deposits, long term bonds and others, dividend income on investments, fair value gain/(loss) on financial instruments at fair value through profit and loss and profit on sale of investments.

(1) FY15 is based on Indian GAAP, FY16 is based on Special Purpose Ind AS, and FY17 is based on Ind AS

(2) Break up based on revenues from operations excluding profit from cash flow hedges

(3) Free cash flow is defined as net cash flow from operating activities before exceptional item, add dividend income, add profit on sale on investments, add interest income (excluding fair value changes), less interest expenses (excluding exchange difference considered as adjustment to borrowing cost), less purchase of property, plant and equipment and add proceeds from sale of property, plant and equipment





# Awards & recognitions



Bronze STEVIE® Award for 'Company of The Year' in American Business Awards 2017 (Mphasis Eldorado)



2017 ISG Paragon Awards™ Europe - Imagination Category



Major Contender and Star Performer in Everest Group 2017 Peak Matrix™ Report



'Best Application of AI in Financial Services' Award 2017 by The Alconics

Dream Companies to work for  
2017 Asia Edition Dream Companies to work for Award by World HRD Congress



4th CSR Impact Awards 2017 by NGOBOX



Best Employee Engagement (Private Sector Company) by Kamikaze B2B Awards



Uptime Champion Award 2016 by Technology Senate



FINANCIAL EXPRESS Cloud Solutions Award 2016 by The Financial Express



Ranked #2 in The Silicon Review's Top 30 Fastest Growing Tech Companies 2016



Innovation and Excellence Award 2015 for Global Technology Solution Services by Corporate Livewire



Most Distinguished Digital Company of the Year Award 2015 by The Economic Times



Ranked #29 in American Banker and BA's FinTech Forward Top 100 2015



Silver Medal in the APAC Large Outsourced Contact Center Category of the Best Contact Center Awards 2014



Ranked #55 on the Global Outsourcing 100 Awards 2014 by The International Association of Outsourcing Professionals (IAOP)

Multiple Awards Recognizing Excellence in Innovation and Service Quality

