

Mphasis Earnings Q4 and FY 2021

Continuity and Acceleration

14th May 2021

Nitin Rakesh

Chief Executive Officer and
Executive Director

Manish Dugar

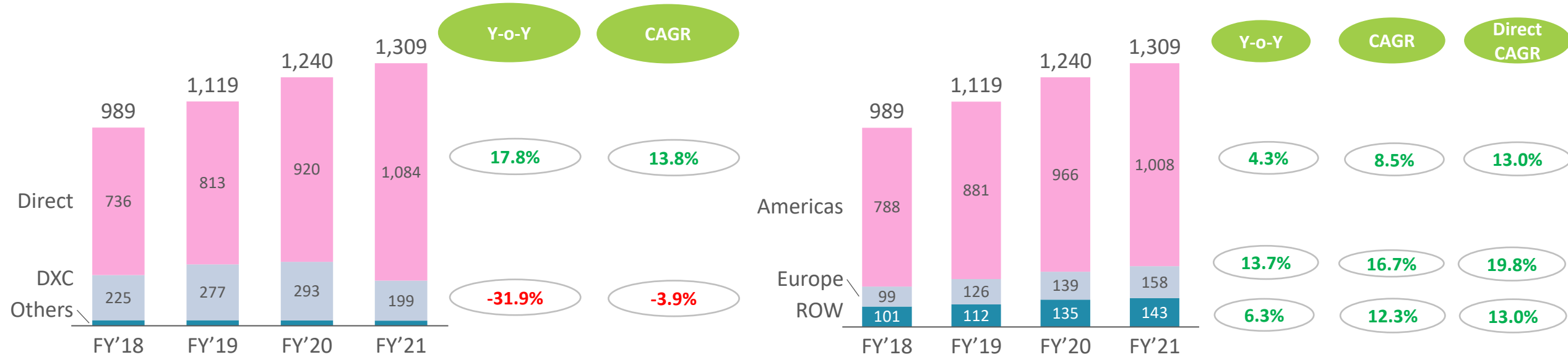
Chief Financial Officer

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.



FY 2021 at a Glance: We continue to grow in focus areas

Revenue in USD Mn

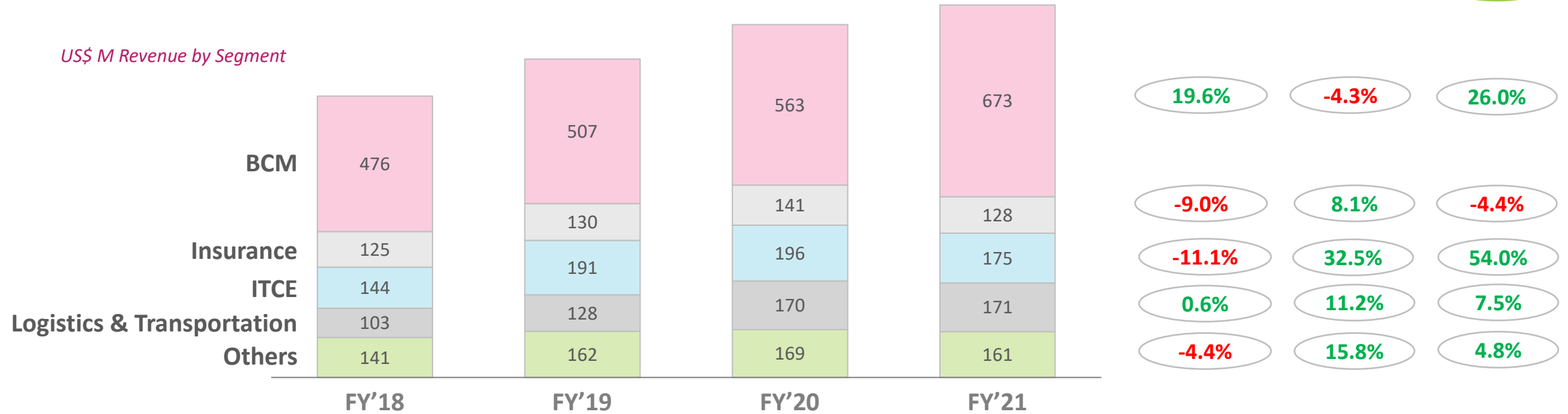


- FY 21 Direct: Consistent track record of double-digit growth
 - Direct grew 22.5% on reported basis, and 17.2% on constant currency basis
 - Direct proportion of revenues has increased from 74% in FY20 to 83%
 - Europe revenue grew 25% YoY on constant currency basis.

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

Our growth has been broad based across verticals

US\$ M Revenue by Segment



- BCM: Consistent track record of double-digit YoY growth
 - 3rd Consecutive quarter of 20%+ YoY growth in Direct; “Best in class performance”
- Insurance: QoQ growth since Q2'21
 - Expect to continue the growth momentum in the coming quarters
- ITCE : Strong growth driven by recent large deal wins

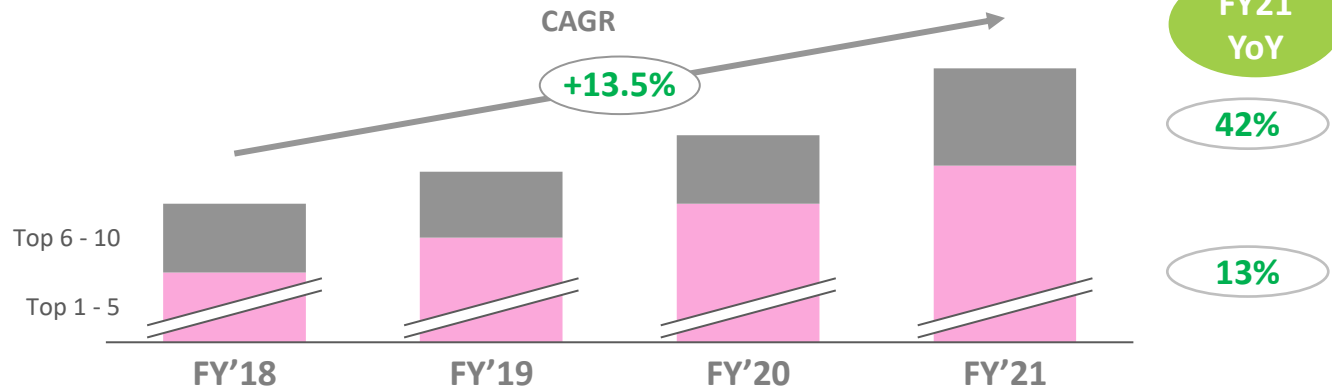
* Revenue in USD \$M at average USD/INR rate for the respective quarters



Our Direct Business has been consistently delivering strong growth

Top Accounts leading growth in Direct

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



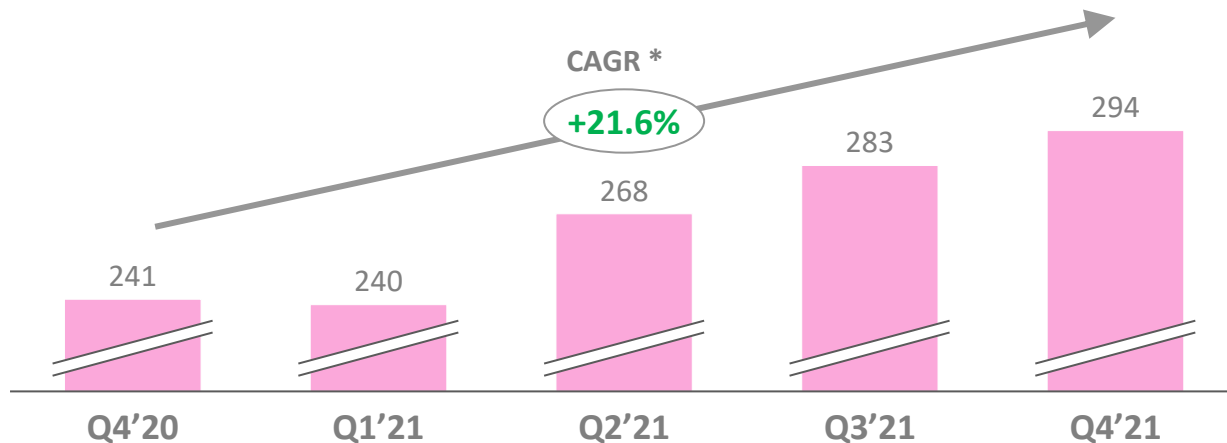
Overall

Strong Q4'21 YoY (19.9% CC) growth; Broad based growth across all units

Top 10

Top 10 accounts in Direct continue to deliver above industry growth; Q4'21 YoY growth of 18.5%

Accelerated Growth in Direct Revenue



Europe

Europe region delivering strong growth; Q4'21 revenue has grown at 28.9% YoY on CC basis

NCA

NCA continues to contribute to growth in Direct; has grown at a CAGR of 70% in last 3 years

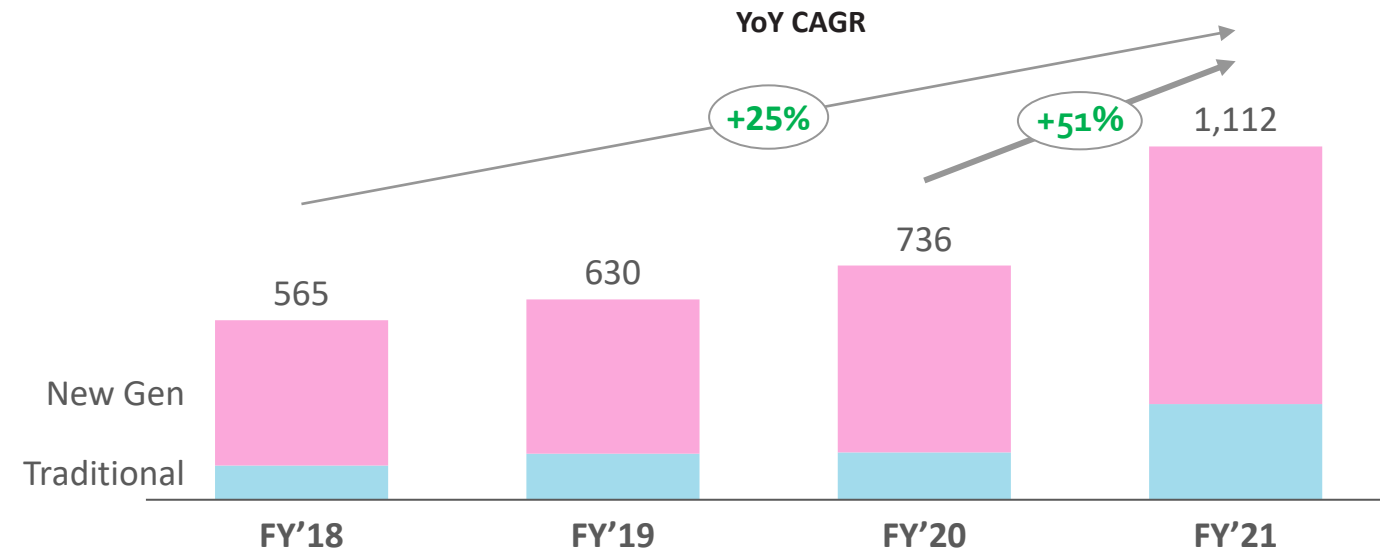
Revenue in \$M at average USD/INR rate for the respective quarters ; * LTM for FY 21

NCA: New Client acquisitions



Strong TCV trend sustained through FY21; US\$250 million deal closed in Q1'22

Direct TCV Wins[^]

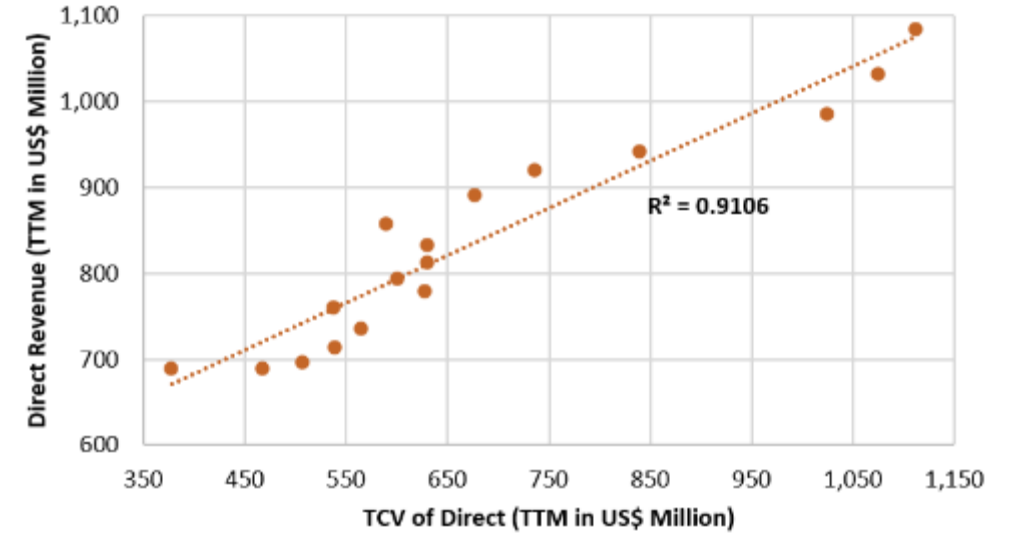


[^] TCV wins : \$ Mn

- Strong and Consistent TCV wins in FY'21; Total New TCV wins of \$1.1Bn+;
 - Highest Ever TCV wins; YoY growth of 51%;
 - \$200M+ TCV wins in all quarters
 - 73% of deal wins came from New-Gen areas
- Q4'21 Direct TCV wins of \$245M; 69% deal wins from New-Gen areas
- Our New Gen wins are witnessing increased deal sizes
- Closed a landmark US\$250 million deal in Q1 FY22

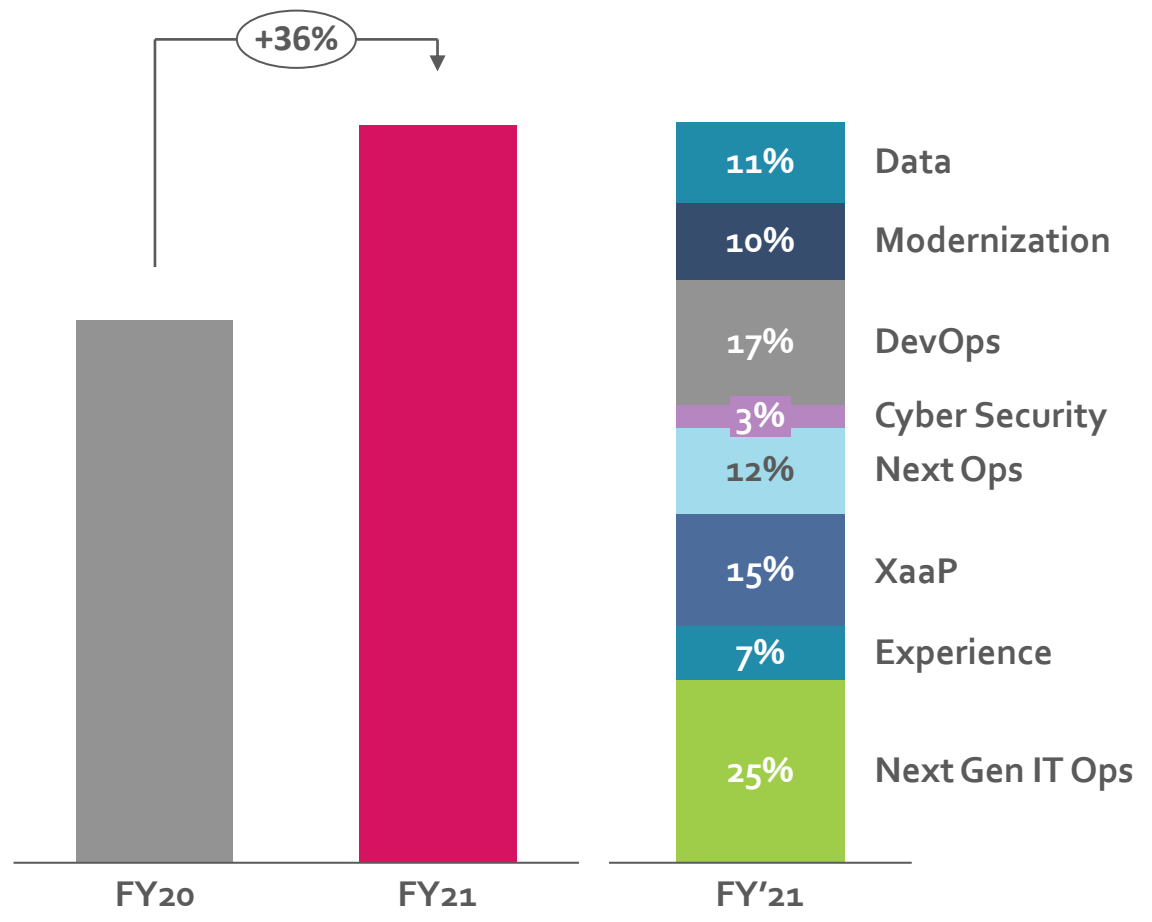
Note: Direct TCV for all periods restated to include direct business moved from erstwhile DXC/HP business into Direct effective Q1'21

Direct: Revenue vs TCV – Strong Correlation

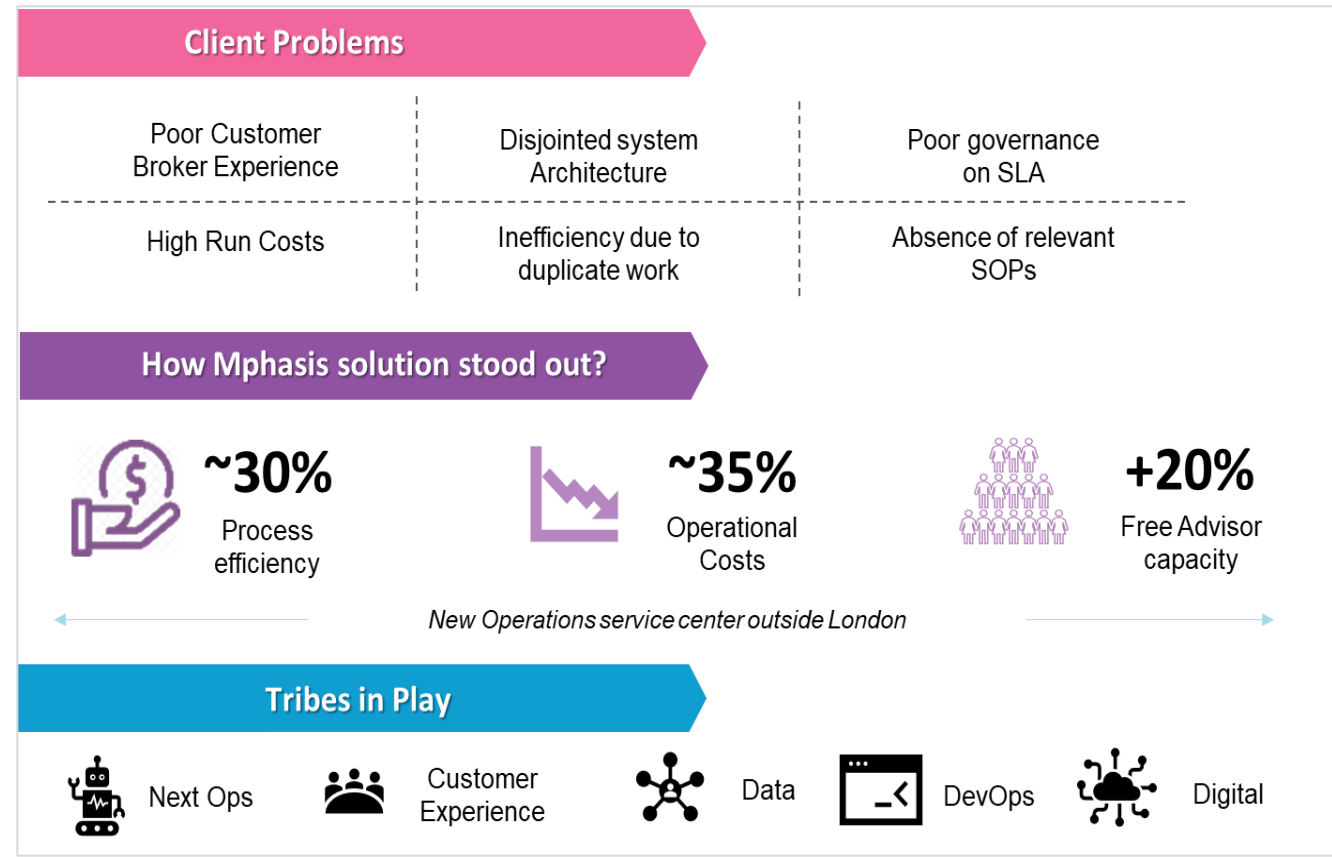


Our Tribes *continue* to bolster deal wins

Tribes-led Increased wins- FY20 vs FY21



Large deal archetype in motion: Middle Back Office Transformation for a large BFSI client

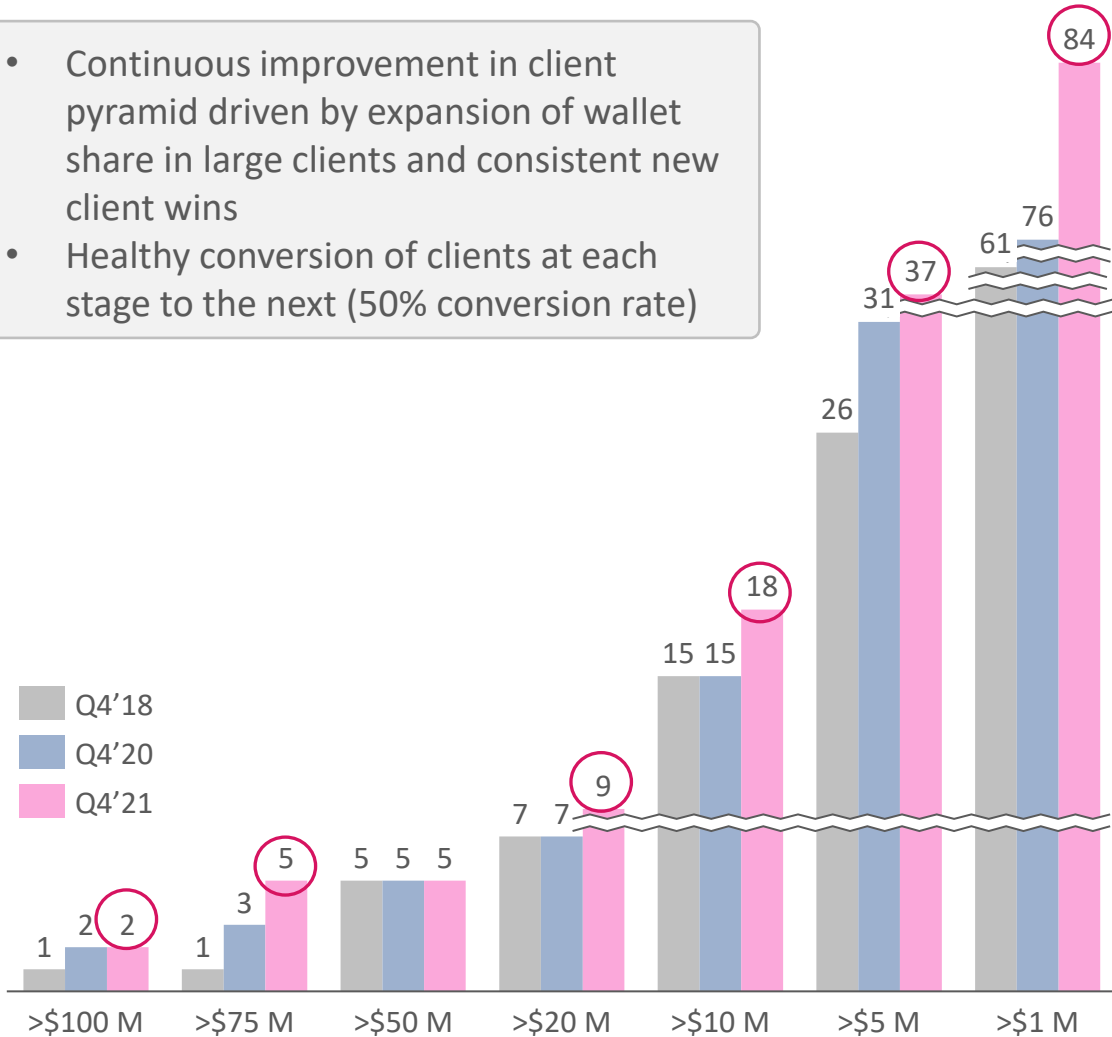




Resulting in client mining and large-deal metrics in the Direct Business

Client Pyramid

- Continuous improvement in client pyramid driven by expansion of wallet share in large clients and consistent new client wins
- Healthy conversion of clients at each stage to the next (50% conversion rate)

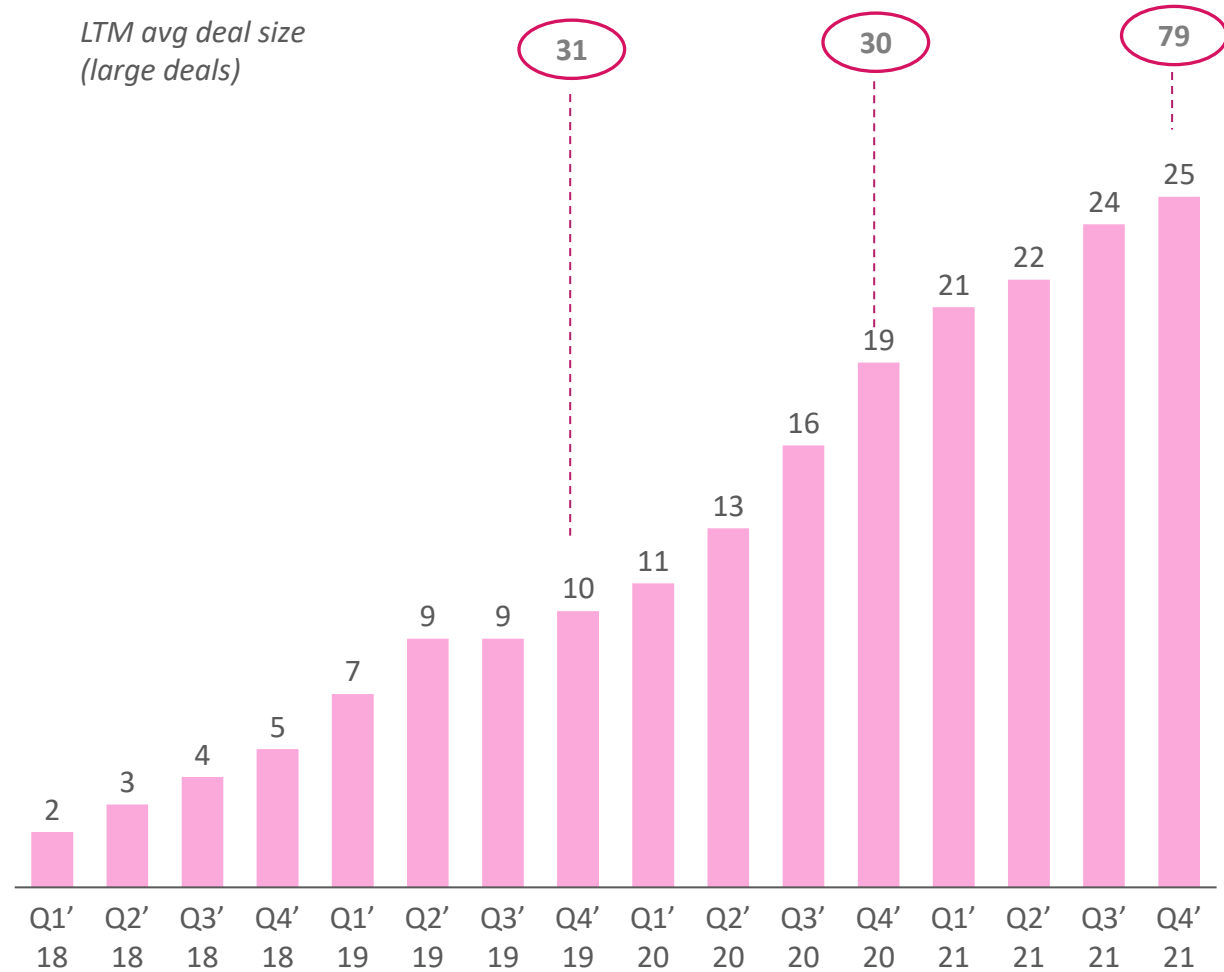


Note: All metrics based on last twelve months of revenue; Excludes DXC

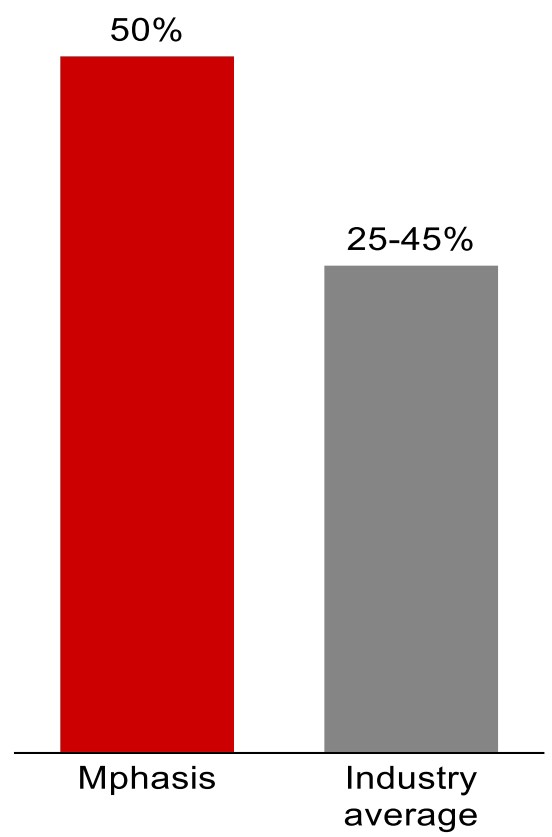
Focus on winning large-deals (>\$20M TCV)

of cumulative deal wins since Q1'18

LTM avg deal size (large deals)



Mphasis exceeds industry NPS average



Survey Coverage

~60% of total Direct revenue covered

Peer Comparison

Avg NPS for peers in same customers
~20%

Key Feedback

- ✓ Strong pool of domain experts
- ✓ Enhanced digital capabilities on cloud native app dev and legacy modernization
- ✓ Consistent high-quality delivery
- ✓ Flexible engagement model to drive customer relationship
- ✓ Robust account management practices

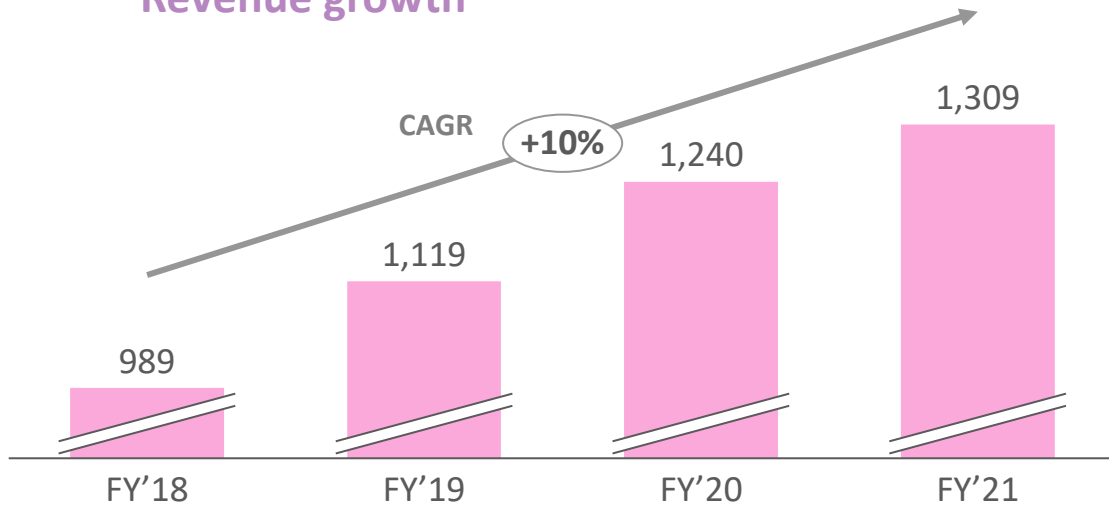
*“They have a **very strong understanding of BFSI**. They have **hired subject matter experts from top banks** which helps them understand the need and challenges of big banks such as ours”*
Global head, Digitization and Automation strategy

*“Mphasis has become an **extremely reliable solution partner for app dev and maintenance**. They have helped us automate a lot of functional testing work”*
Director, IT

Data Source: NPS Survey conducted by an external BIG 3 consultant in Q3

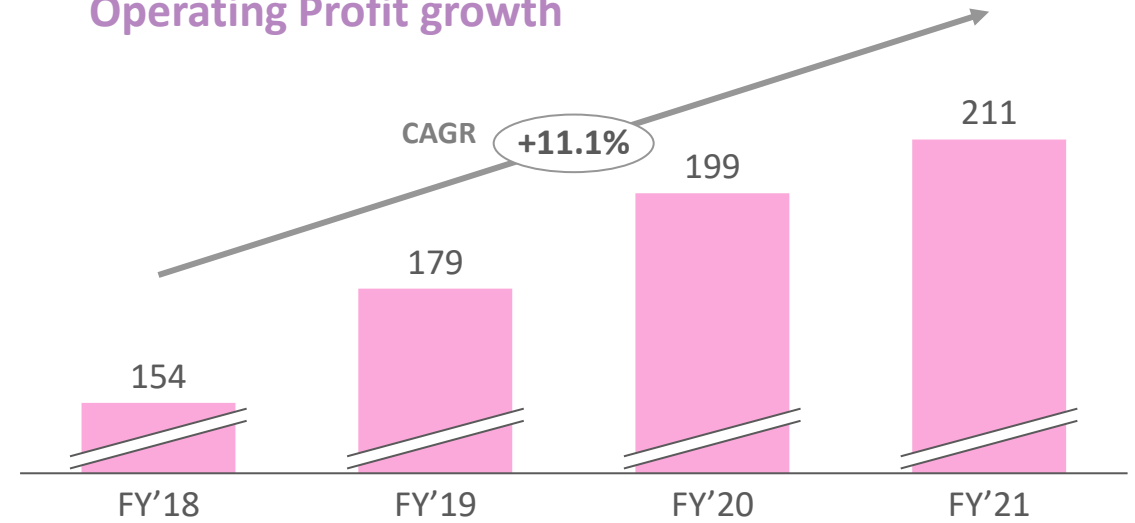
Strong performance on all operating metrics

Revenue growth



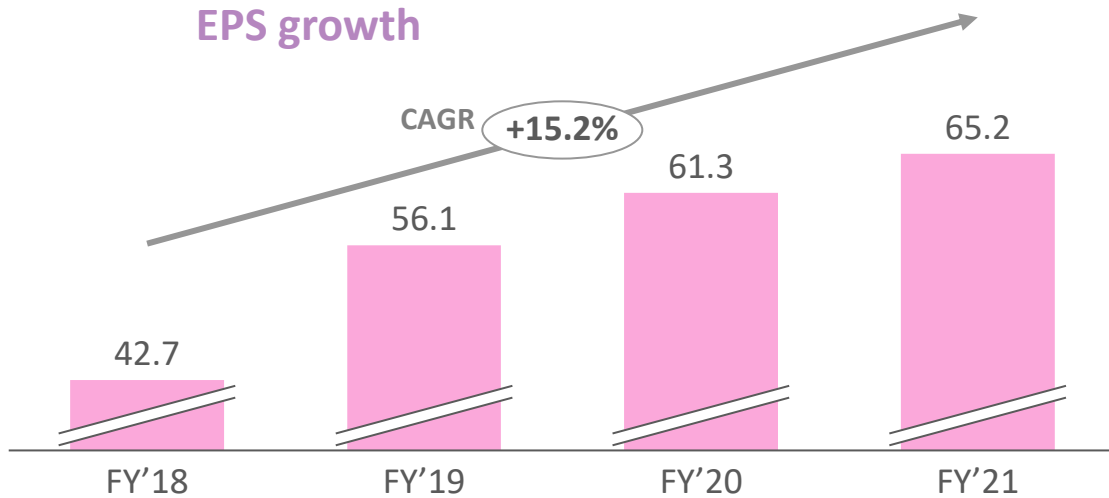
Gross Revenue in \$M at average USD/INR rate for respective periods

Operating Profit growth



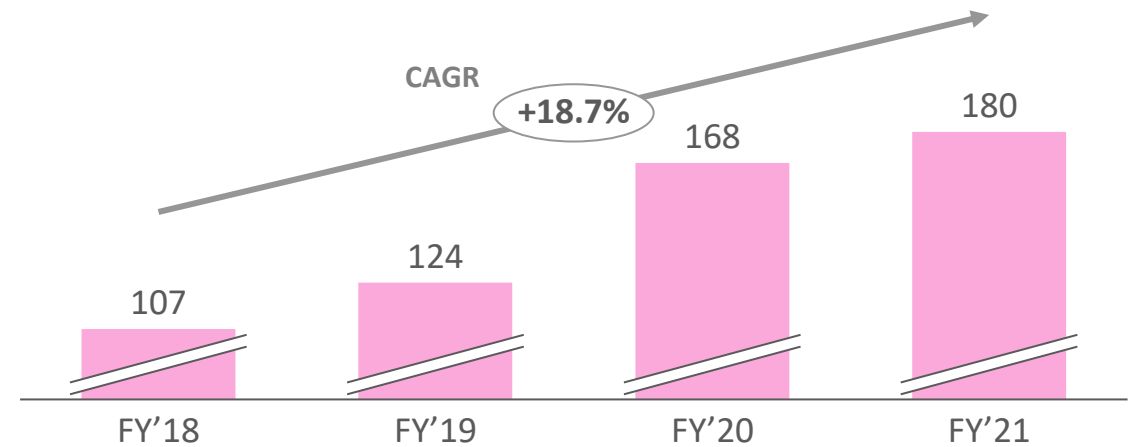
EBIT in \$M at average USD/INR rate for respective periods

EPS growth



Basic EPS in INR for respective periods; FY'20 exclude one-time Income tax benefit of Rs 2.3/share

Free Cash flow growth



FCF: Cash flow operations less capex; converted at average USD/INR for respective periods



Continuity and Acceleration: Key initiatives for FY22

- Tribes & Squads expansion
- Cloud Guild
- Domain competency

Capability

01

02

Geography expansion

- ExCo expansion
- Country heads

Leadership

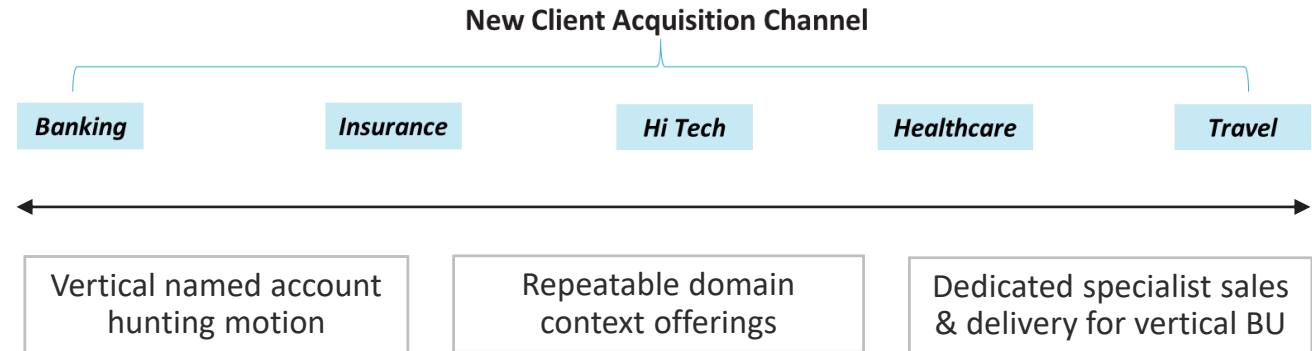
03

- Quantum Lab
- MLOps
- Low-code, No-code

04

Portfolio of IP driven AI/ML Innovations

Sales & Delivery	Delivery
<ul style="list-style-type: none">• UK• Canada	<ul style="list-style-type: none">• Mexico/ Latin America• Costa Rica• Taiwan*• Estonia

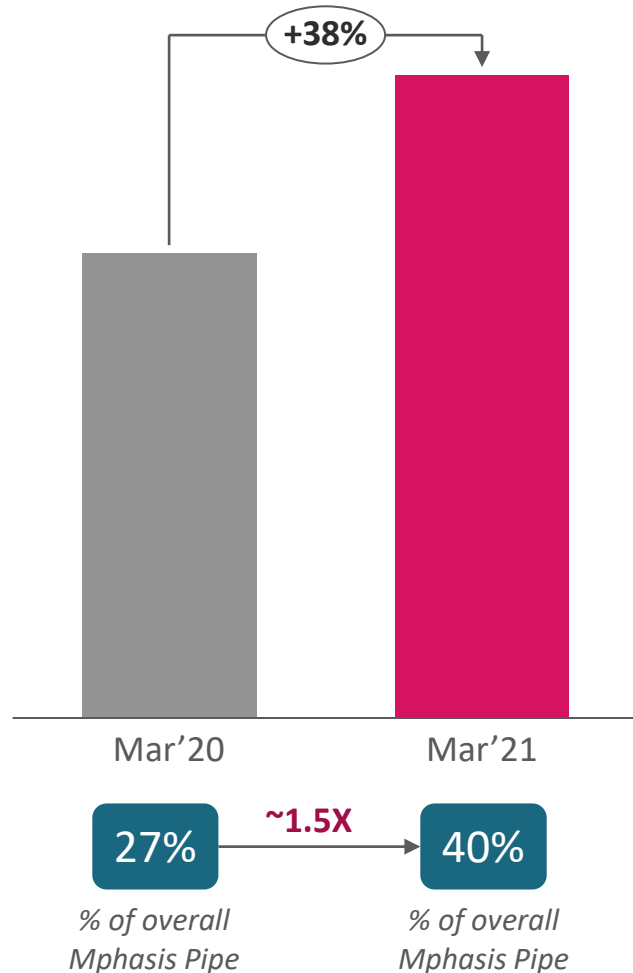


* Expansion of existing footprint



Expanding Cloud Partner Channels

Tribe Offerings are increasingly incorporating cloud
38% Y-o-Y increase in Cloud pipeline



Strong Foundation with Key Partners

aws
#1 Worldwide AIML Marketplace
Launched partner for AWS Travel & hospitality

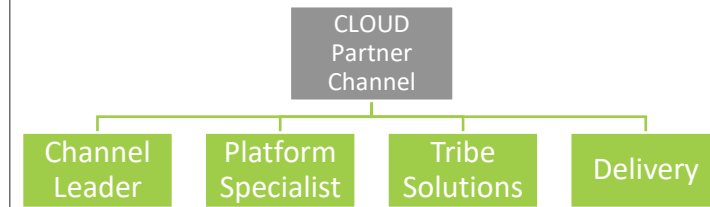
Azure
Gold Microsoft Partner
New Quantum SI Engagement

VMware Tanzu
Leader in driving Tanzu consumption

snowflake
Cross sell GTM through acquisition

Datalytyx

Renewed Org design



Industry Analyst Mentions

Mphasis Positioned as “**Leader**” in “ISG Provider Lens™ Mainframe Services and Solutions 2021”



Key Deal wins

Operations transformation for insurance client



Modernization for a large logistics client

Cloud Ops Migration for a US retail chain



Data migration to GCP big query for a large wealth client



Snowflake Talend deal at a US Bank





Recap FY21...Strong foundation for FY22 growth



- Rounded off a good FY21 marked by well above industry growth (overall) and industry-leading growth in Direct
- KPIs moving in the right direction with our tribe-based propositions paying off
 - Track record in winning large deals consistently improving marked by increasing-sized, longer-tenure deals (US\$50 mn → US\$100 mn → US\$200 mn); increasing share of such deals in pipeline; FY21 TCV up 51% Y/Y, Closed a landmark deal for US\$250 million in Q1 FY22
 - Growth getting broad-based with Europe & smaller verticals (Hi Tech) aiding growth in addition to anchor verticals (BCM)
 - Continued market share gains with key clients; Top-10/Top-20 client growth ahead of Direct growth; Client mining metrics across revenue buckets is improving



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



Q&A

Industry Analysts/Advisors recognizing our strengths

Everest Group
PEAK MATRIX
STAR PERFORMER & MAJOR CONTENDER
 Financial Crime and Compliance (FCC) Operations –2021

Everest Group
PEAK MATRIX
MAJOR CONTENDER
 Intelligent Process Automation (IPA) Solutions PEAK Matrix® Assessment 2021

Mainframe Services & Solutions
 Leader U.S.
ISG Provider Lens
 Quadrant Study
 2021

Mainframe Services & Solutions
 Mainframe Operations
 Leader U.S.
ISG Provider Lens
 Quadrant Study
 2021

Mainframe Services & Solutions
 Mainframe Operations
 Rising Star U.S.
ISG Provider Lens
 Quadrant Study
 2021

NelsonHall
 Intelligent Automation Services in Banking 2021



GARTNER
 Annual Survey of SAP Application Services Providers 2021

NOVARICA
 MN- IT Services Providers for Insurers 2021

GARTNER
 Annual Survey of Oracle Application Services Providers

FORRESTER
NOW TECH 2021
 Salesforce Consulting Partners in Asia Pacific, Q1 2021

FORRESTER
NOW TECH 2021
 Automated Life Insurance Underwriting Systems, Q1 2021

FORRESTER
NOW TECH 2021
 Application Modernization and Migration Services Q1, 2021

FORRESTER
NOW TECH 2021
 Tech Continuous Automation and Testing Service Providers, Q1, 2021



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=X2C²_{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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