

Mphasis Earnings Q2 FY 2022

Building for sustainable Growth

22nd October 2021

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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.



Looking at the Future: Three engines powering our growth

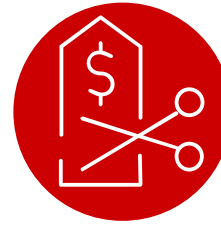


1



***IT SERVICES
MARKET GROWTH***

2



***DISCRETIONARY OPS
SPEND AS CAPEX
REDUCES***

3

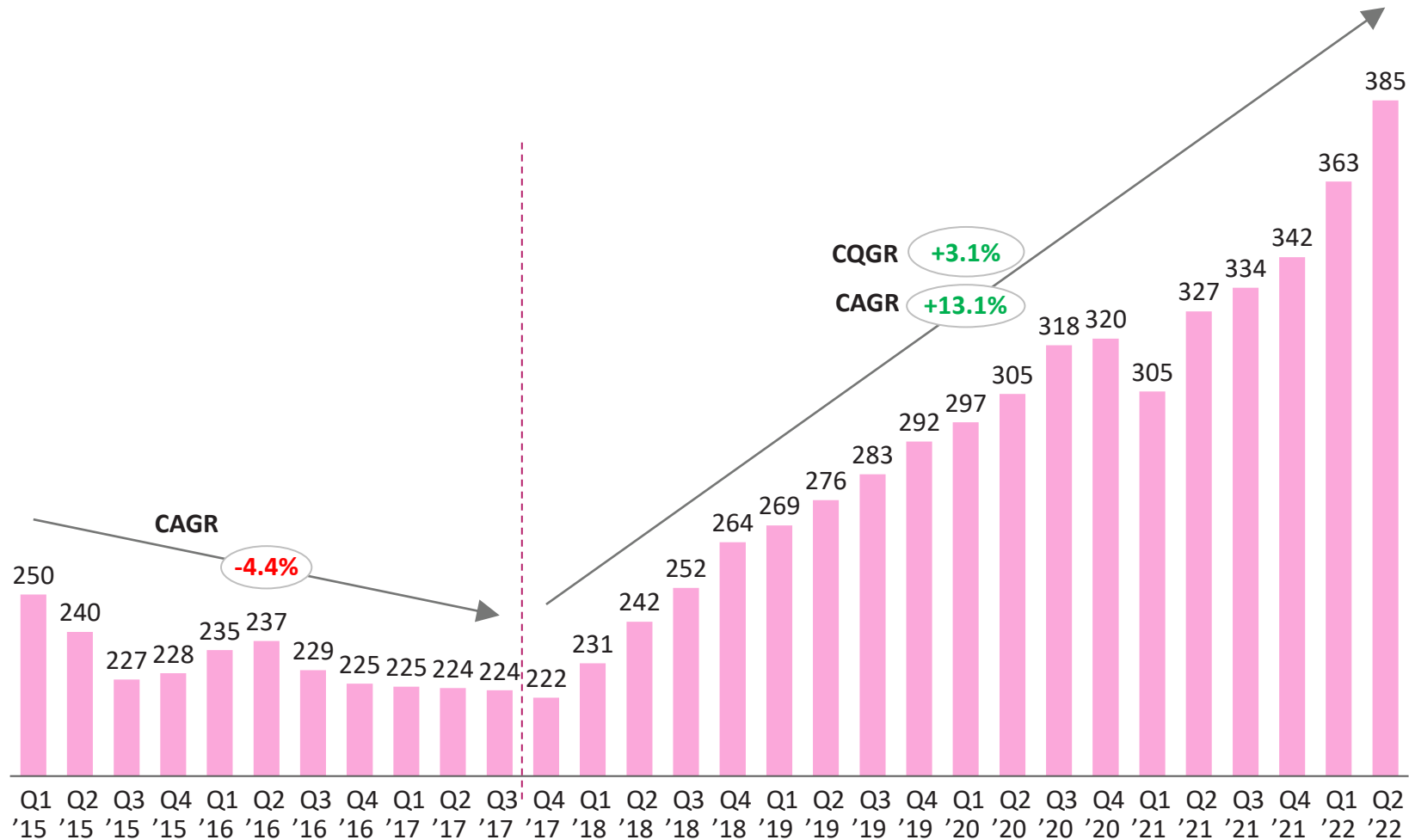


***TECH SPEND
ORIGINATING FROM
NEW SPEND AREAS***



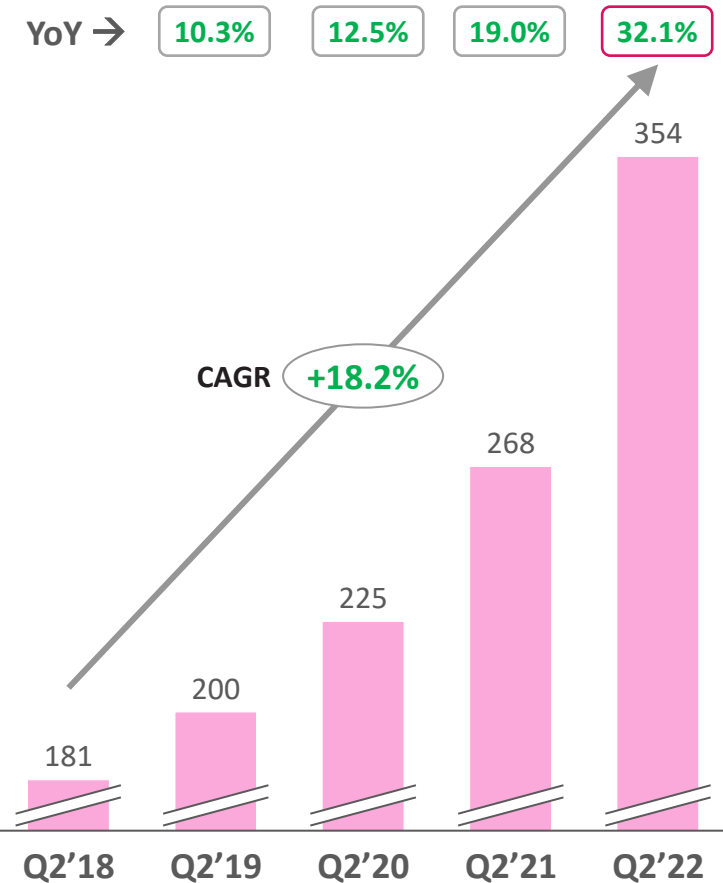
Our track record tells the story : Decade-high growth

**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**



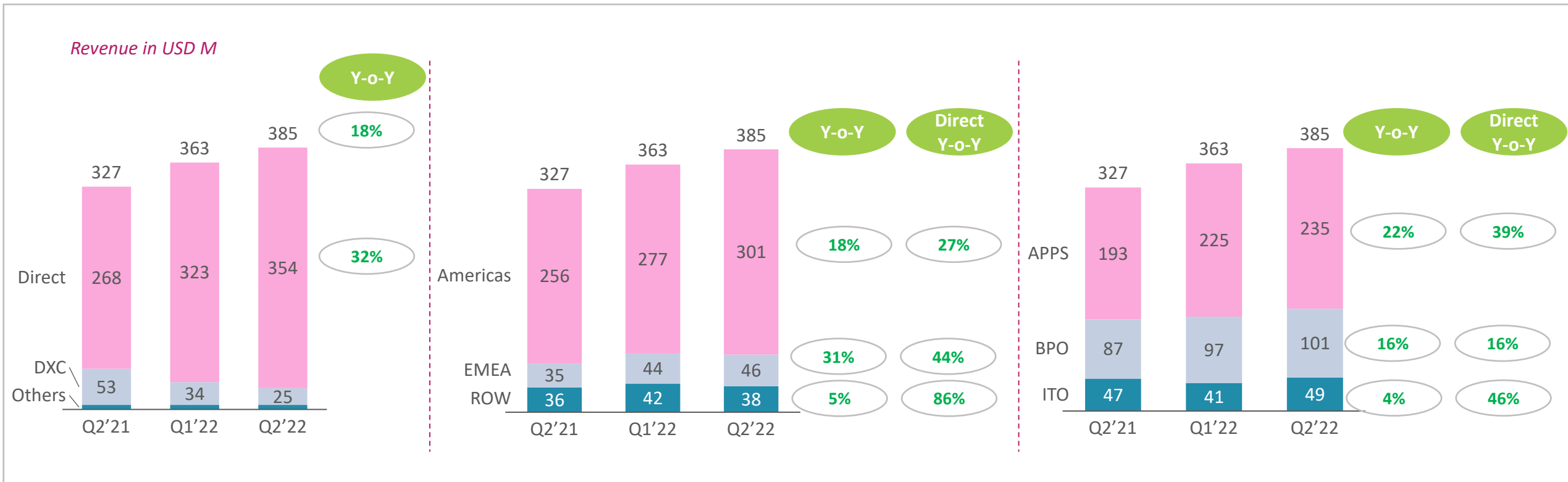
* Revenue in USD \$M at average USD/INR rate for the respective years # Constant Currency

Accelerated growth with larger scale in Direct



Direct Business revenues

Continuing success of our strategy in numbers



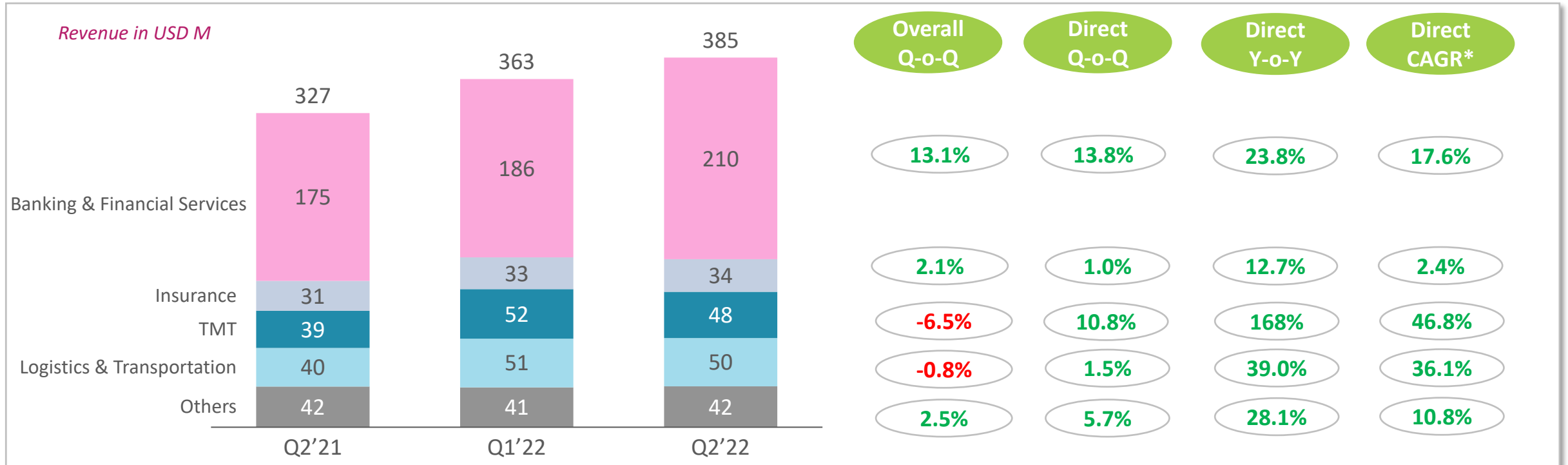
Direct performance in Q2'22

- 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



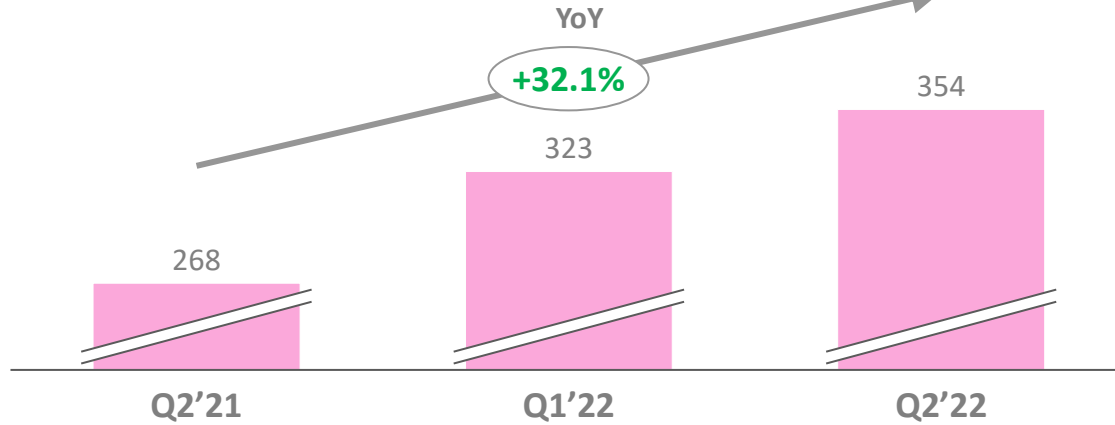
- BFS (renamed from BCM): Consistent track record of double-digit YoY growth
 - Delivered growth of 20%+ YoY growth in past 5 quarters ; “Best in class performance”
- With our tech-led positioning, we are replicating our performance in BFS in other verticals
 - TMT (renamed from ITCE): YoY growth of 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



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

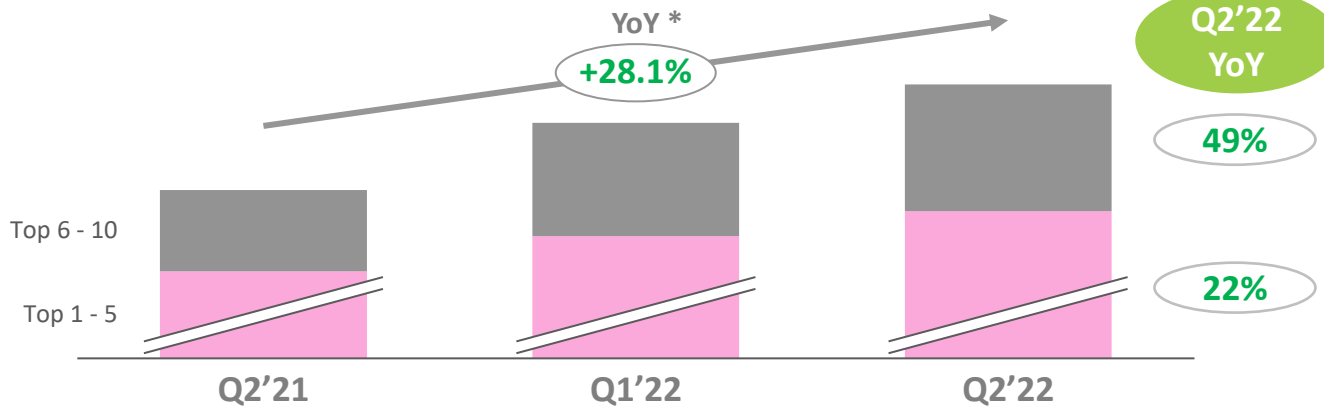
Europe region delivering strong growth; Q2'22 revenue has grown at 40.7% YoY on CC basis

NCA

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

Top Accounts leading growth in Direct

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



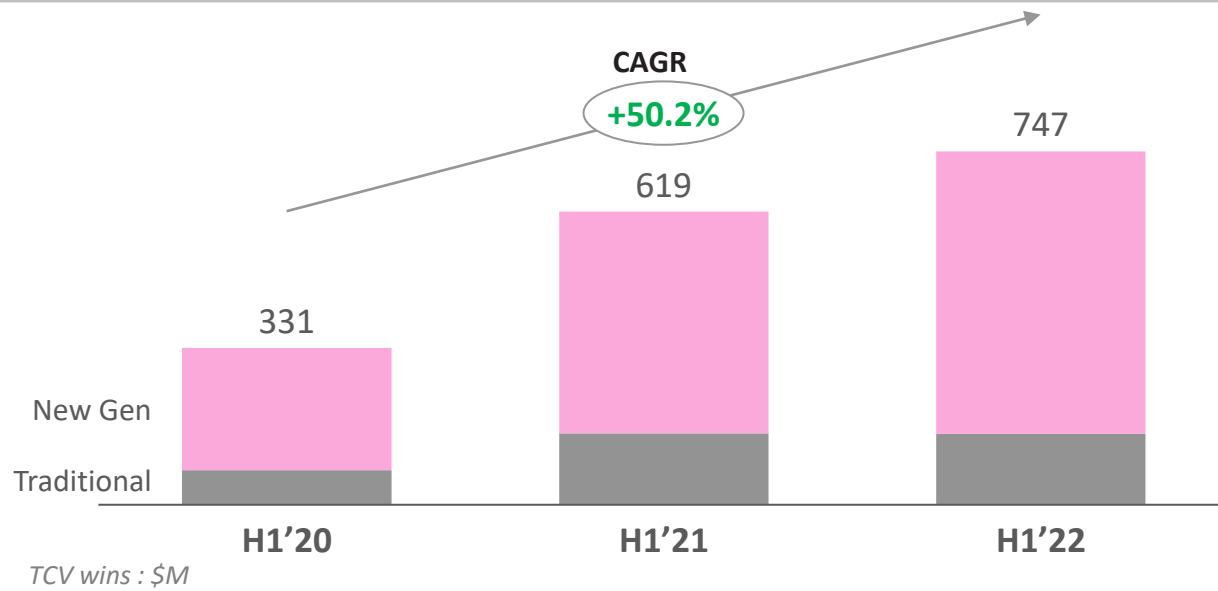
Revenue in \$M at average USD/INR rate for the respective quarters ; * Basis LTM revenue

NCA: New Client acquisitions

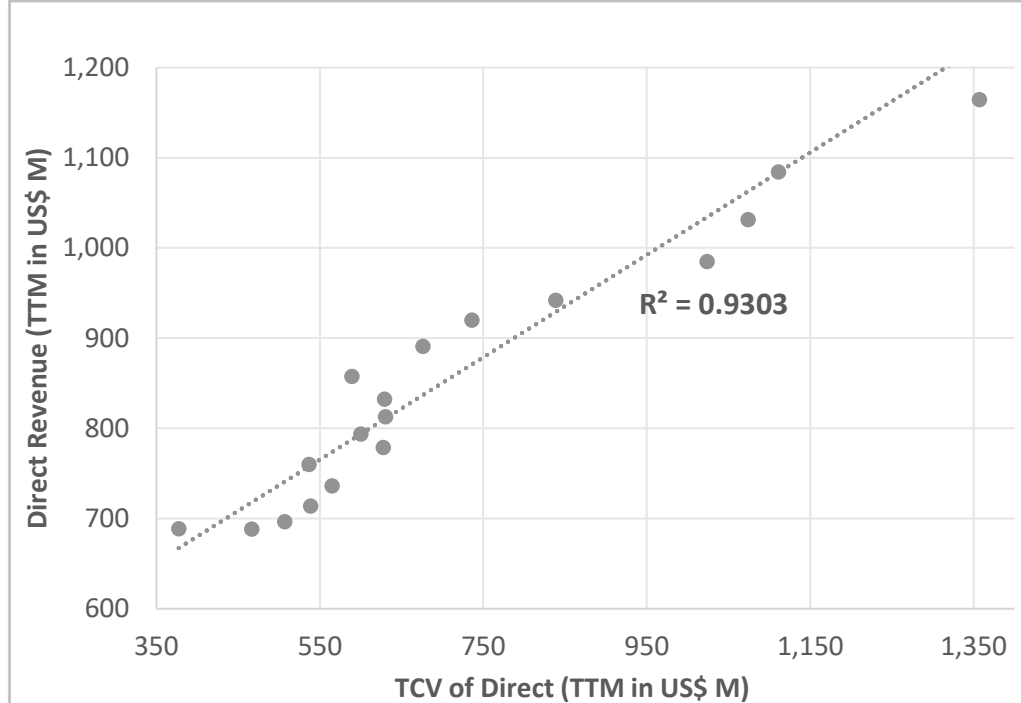


Direct TCV trends stable

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



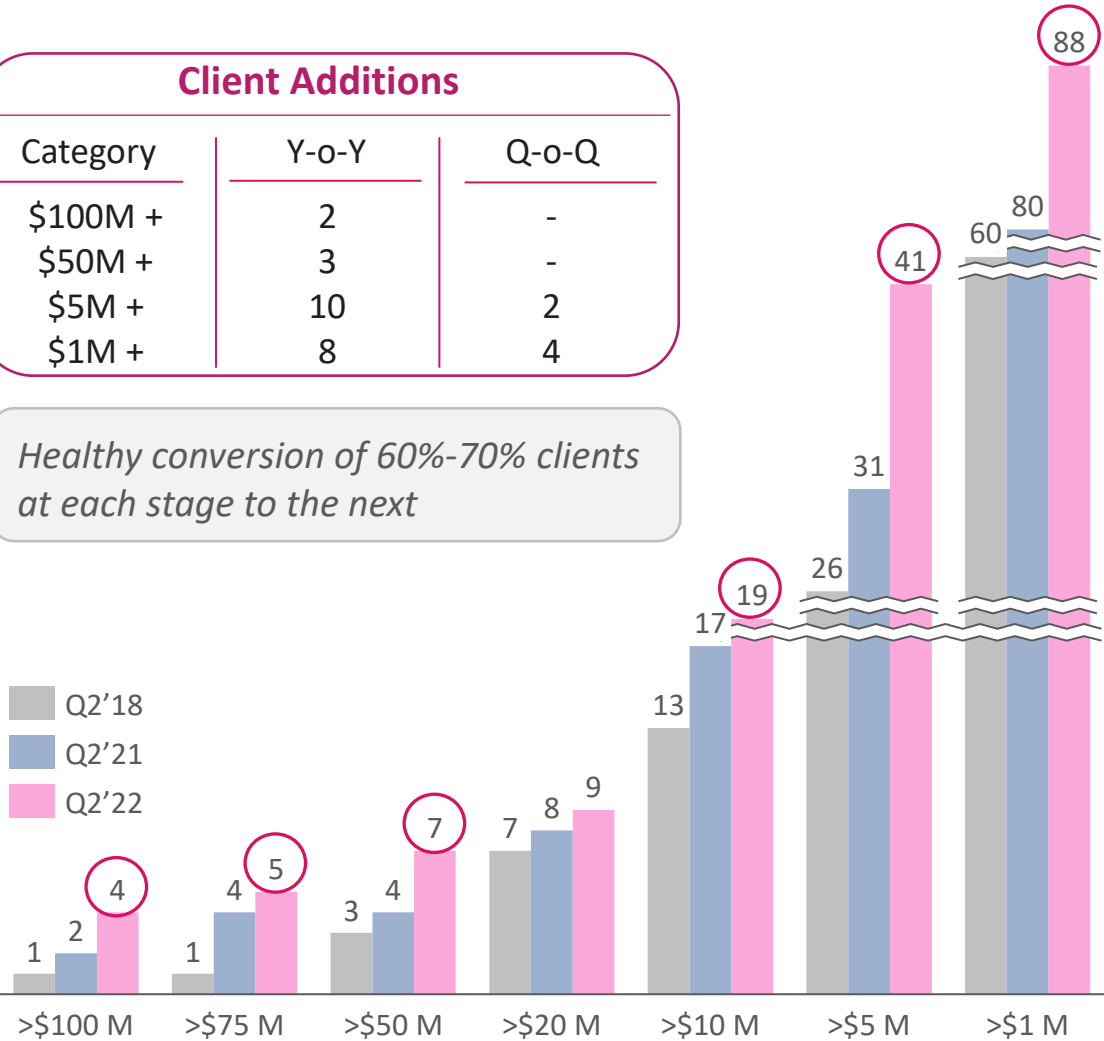
Improving client mining and large-deal metrics: Direct

Client Pyramid

Client Additions

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

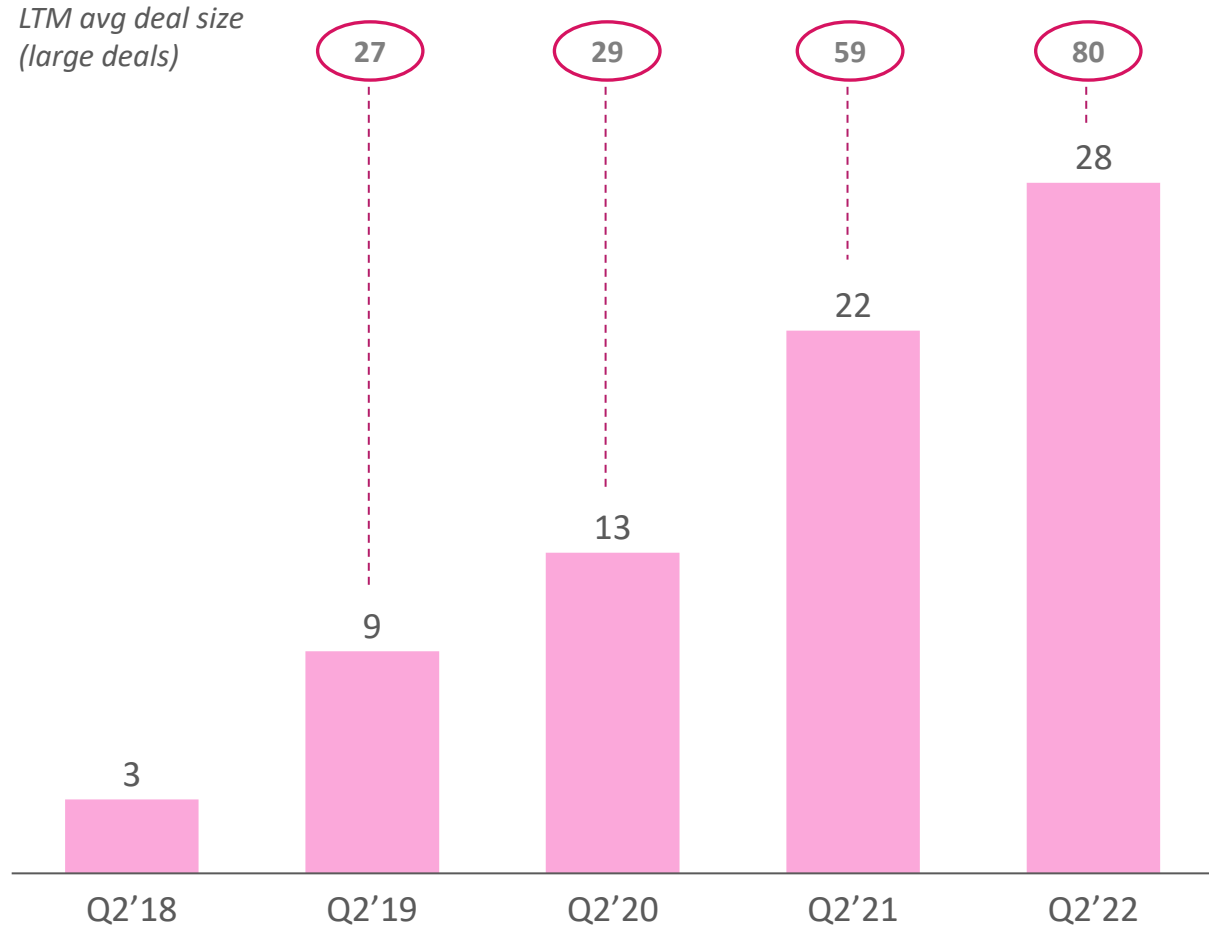
Healthy conversion of 60%-70% clients at each stage to the next



Note: All metrics based on LTM revenues

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

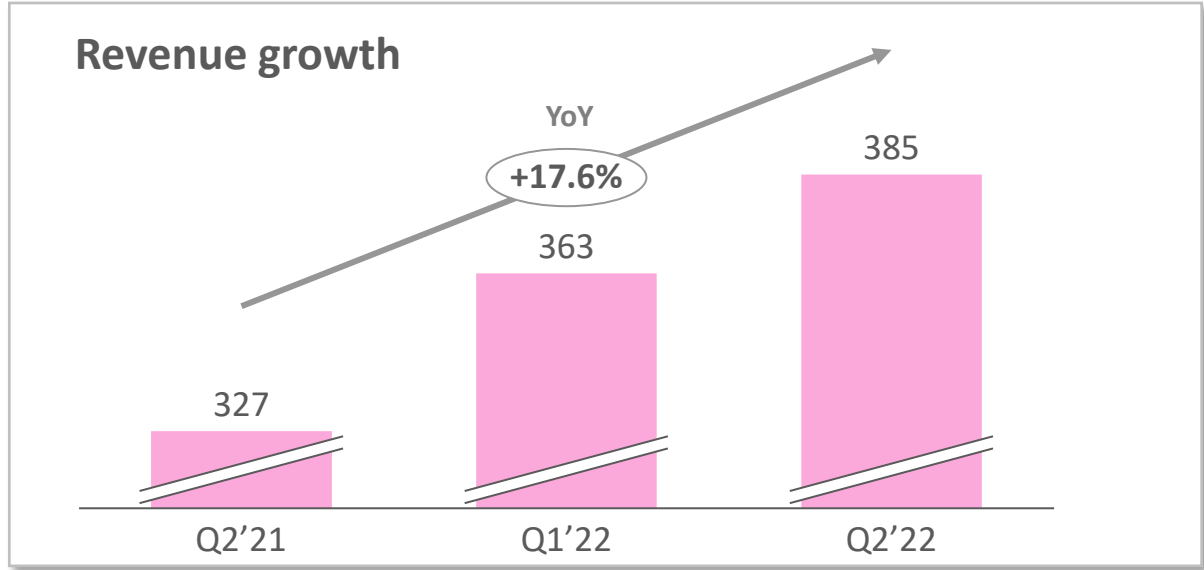
of cumulative deal wins since Q1'18



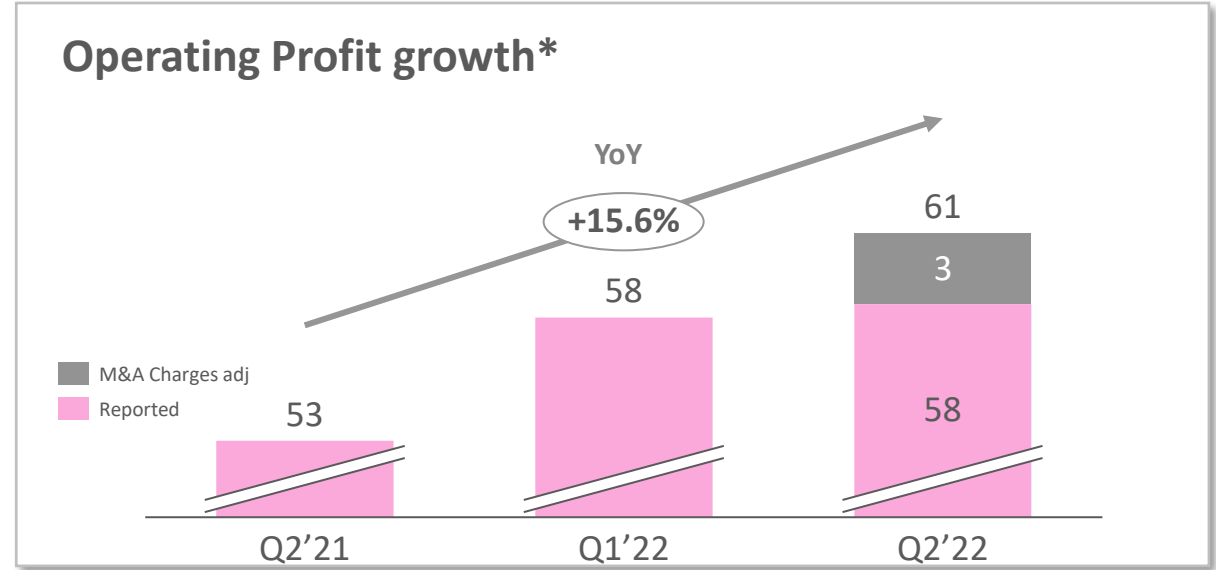
Includes large deal of \$250M won in Q1'22



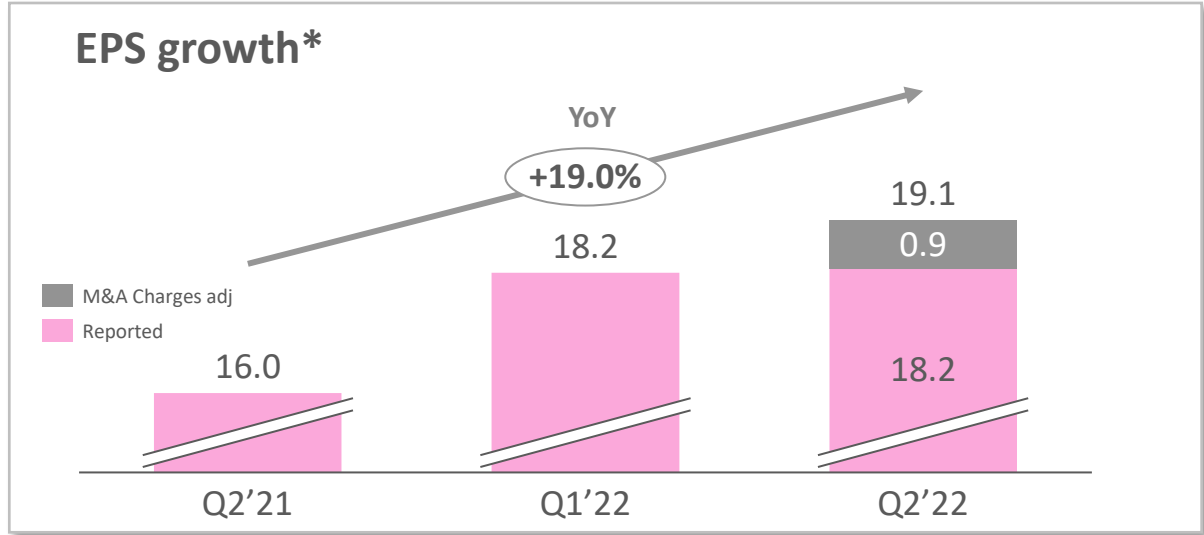
Strong performance in all financial metrics



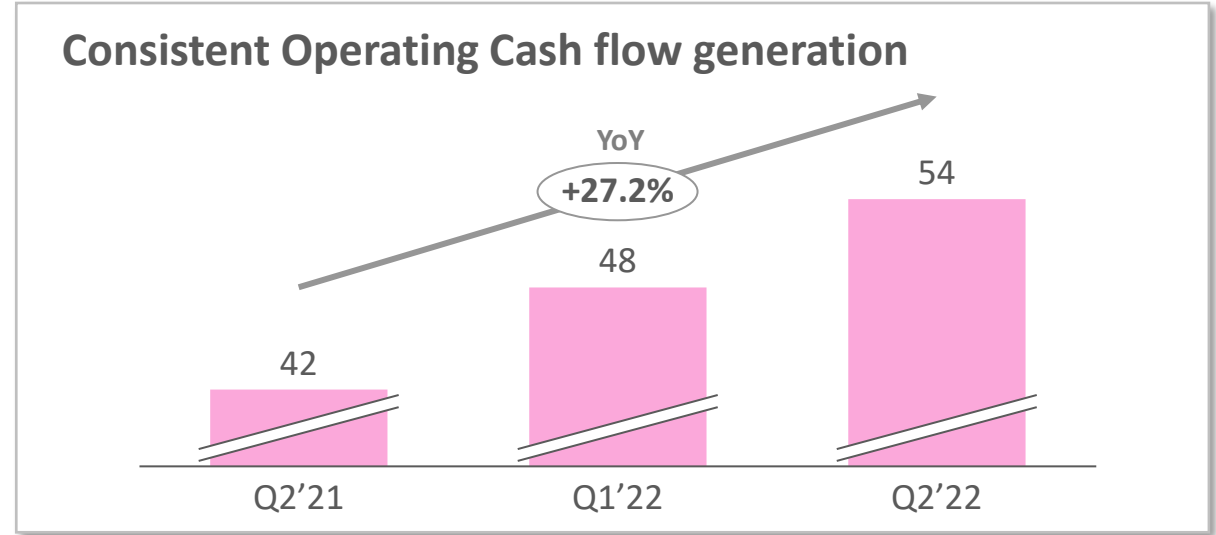
Gross Revenue in \$M at average USD/INR rate for respective periods



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



Basic EPS in INR for respective periods



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

* Adjusted for M&A related charges

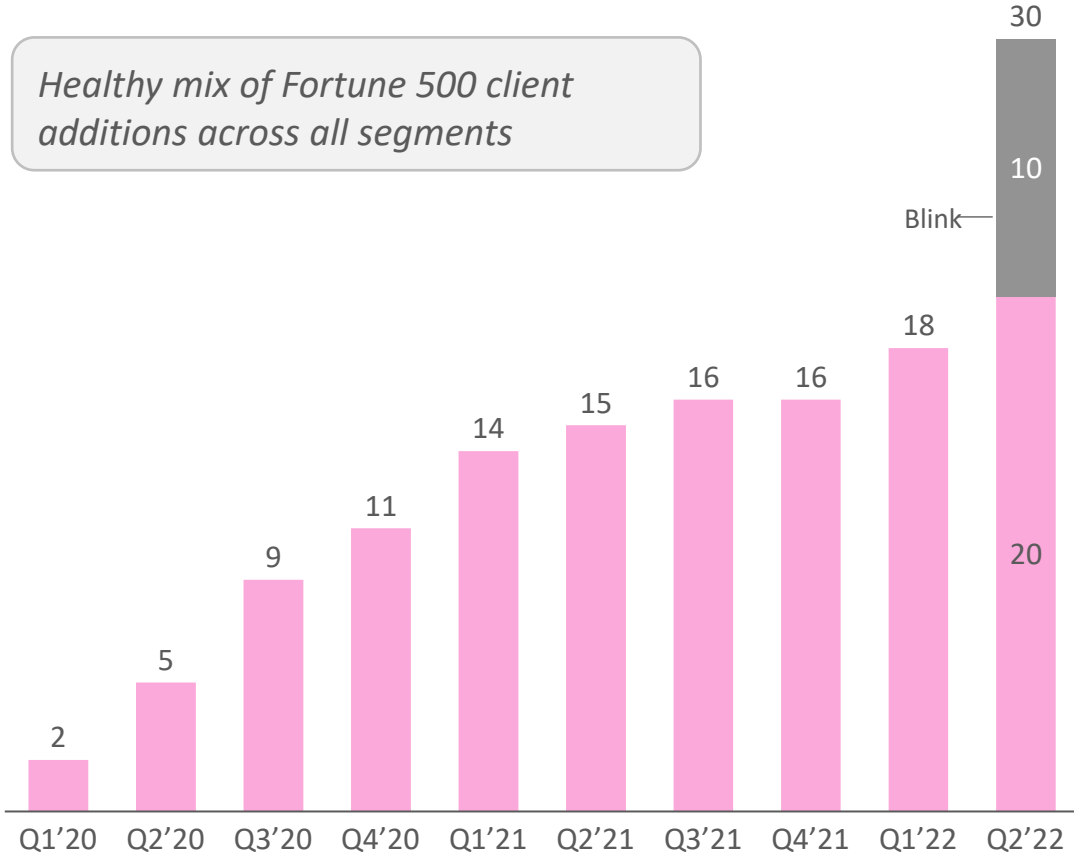


Healthy New client wins and pipeline growth to sustain growth momentum

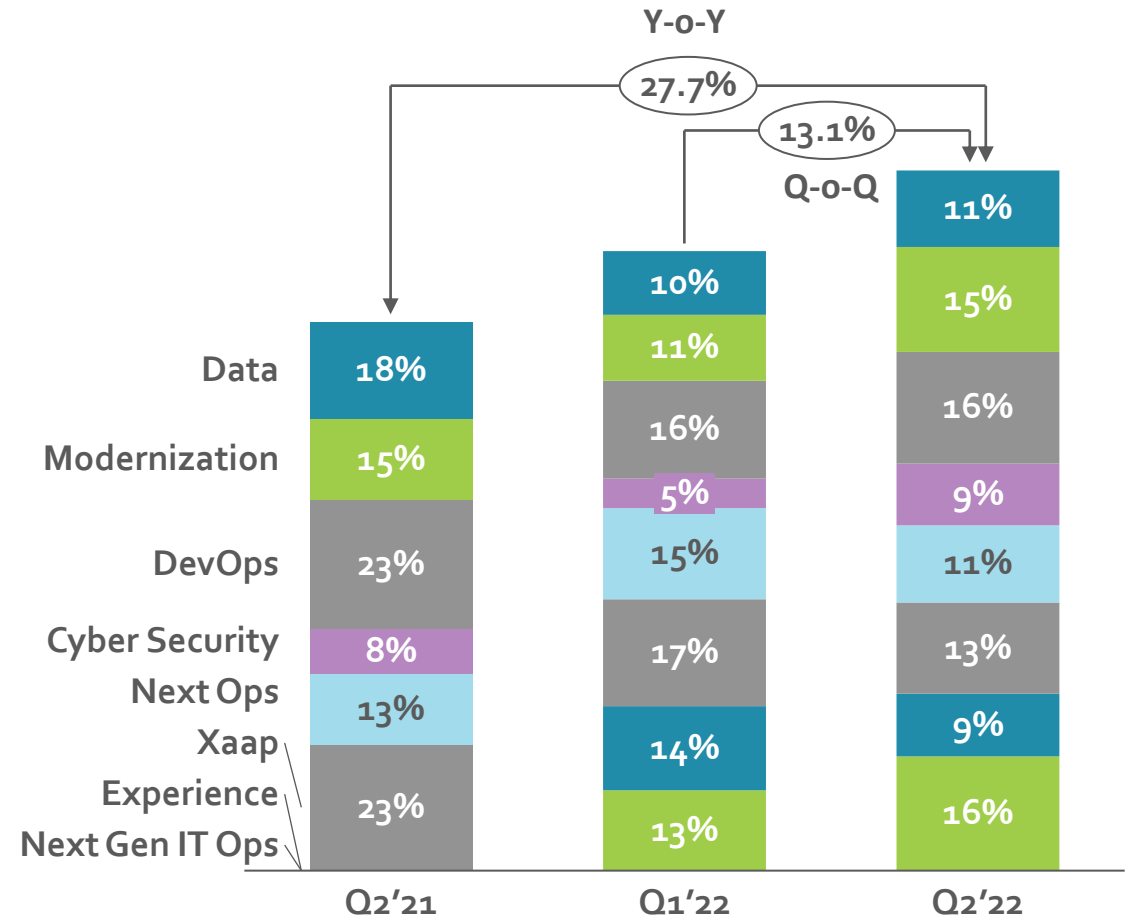
Fortune 500 – New Client additions*

Cumulative Fortune 500 Client additions

Healthy mix of Fortune 500 client additions across all segments

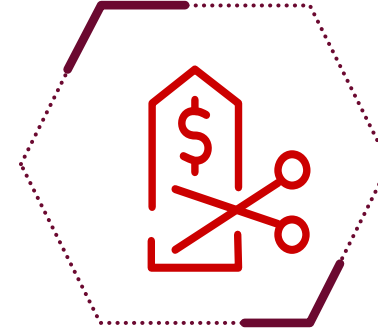
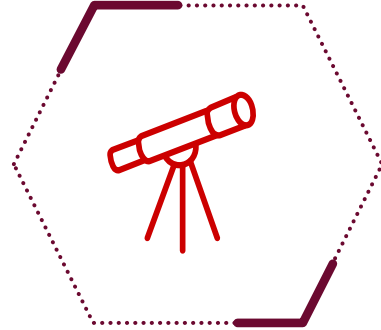


New Gen Pipeline



*Client additions basis TCV wins; includes hunting licenses

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



- 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

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