

# Cautious Optimism, Poised for Growth

**Nitin Rakesh**

CEO & Managing Director

**Manish Dugar**

CFO

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[www.mphasis.com](http://www.mphasis.com)



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.





# Tech Continues to be a Top Priority for Customers

## Voice of the Customer

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Tech spend is still a top priority



Investments are slowly inching up especially in transformative technologies



Gen AI is an imperative



Growth needs best in class technology landscape



Need for going beyond just cost take-out

## Take-aways

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Resilience and focus on growth



Gradual pickup in client engagement



AI will transform experiences and lead to efficiencies across enterprises



Modernization and Data continue to be the main anchors



**Savings Led Transformation<sup>TM</sup>** and AI led solutions are the way forward





# We have made Consistent and Early investments in AI

## AI impact on Enterprise IT and business is huge

- AI is an end-to-end opportunity, needs a holistic approach
- Gen AI is a catalyst for business transformation
- Gen AI is delivering efficiency and enhanced customer/employee experience
- AI is being democratized rapidly, at-scale

*Size of total opportunity: massive and growing quickly*

## Accelerating our AI investments

**Mphasis.ai**

**kore.ai**

*Conversational AI Platform*

**WorkFusion**

*Compliance & FinCrime Digital Workers*

*Gen AI Foundry with AWS for Financial Services*

Example use cases: Modernization, KYC, Intelligent Document Processing, Live Call Analytics

*Microsoft Copilot on every device*

*Infused archetypes and tribes with AI*

## Building on AI led gains

**Mphasis NeoZeta**

Modernization platform for legacy applications using LLMs, to reduce re-learning time by more than 50%. Active across multiple modernization engagements.

**Mphasis NeoCruX**

Unified Engineering Platform improves Developer efficiency by 40% with intelligent coding assistance, experience and productivity. Two active client engagements.

*Bespoke industry solutions developed*

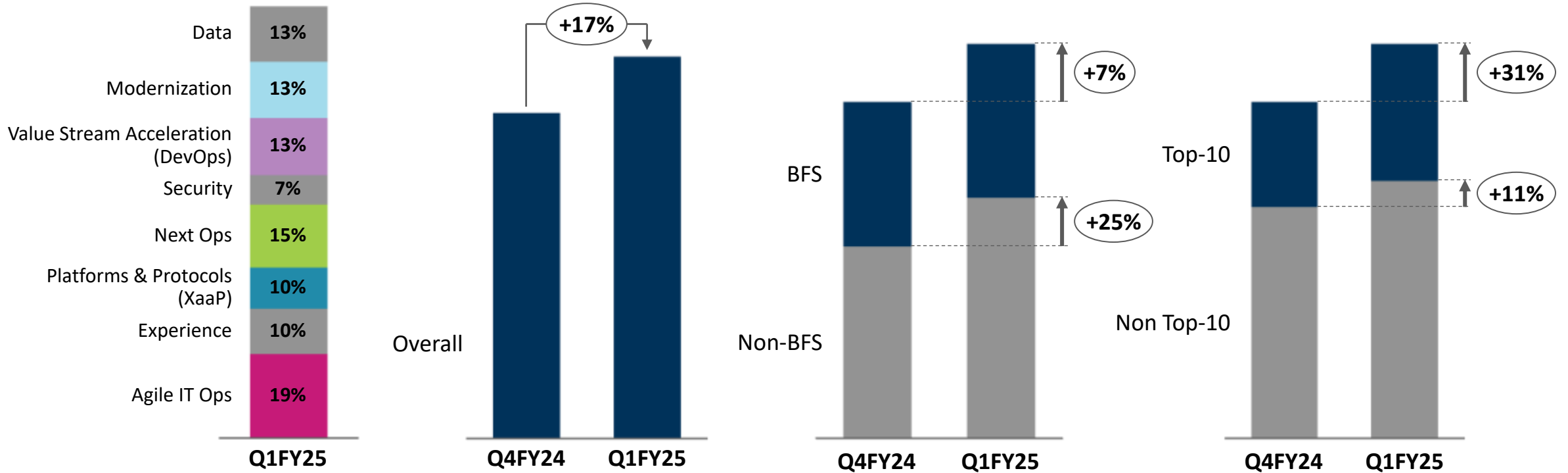
***Mphasis won the NASSCOM AI Gamechangers Award for Quantum AI project executed for a top healthcare company***





# Broad-based Acceleration in Pipeline

## Archetypes Driven Pipeline

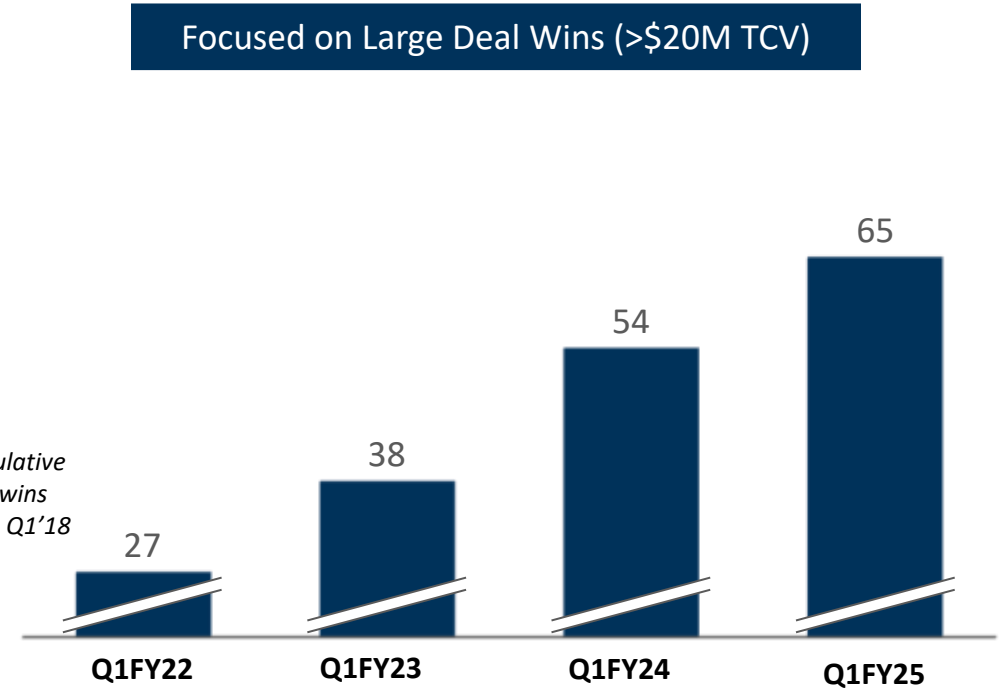
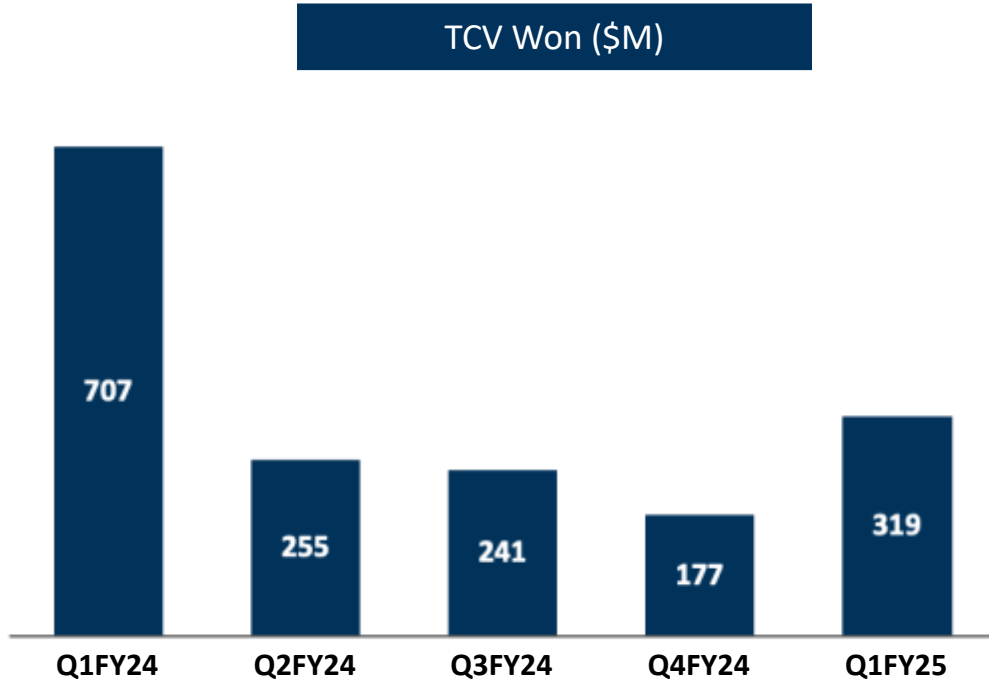


- Broad-based pipeline growth across all chosen verticals with US pipeline up by 27% YoY
- BFS pipeline up 7% QoQ and 15% YoY. Top-10 pipeline up 31% QoQ
- Pipeline remains strong, even with healthy TCV wins
- One-third of the pipeline is AI-led





# Healthy TCV Closures in a Challenging Environment

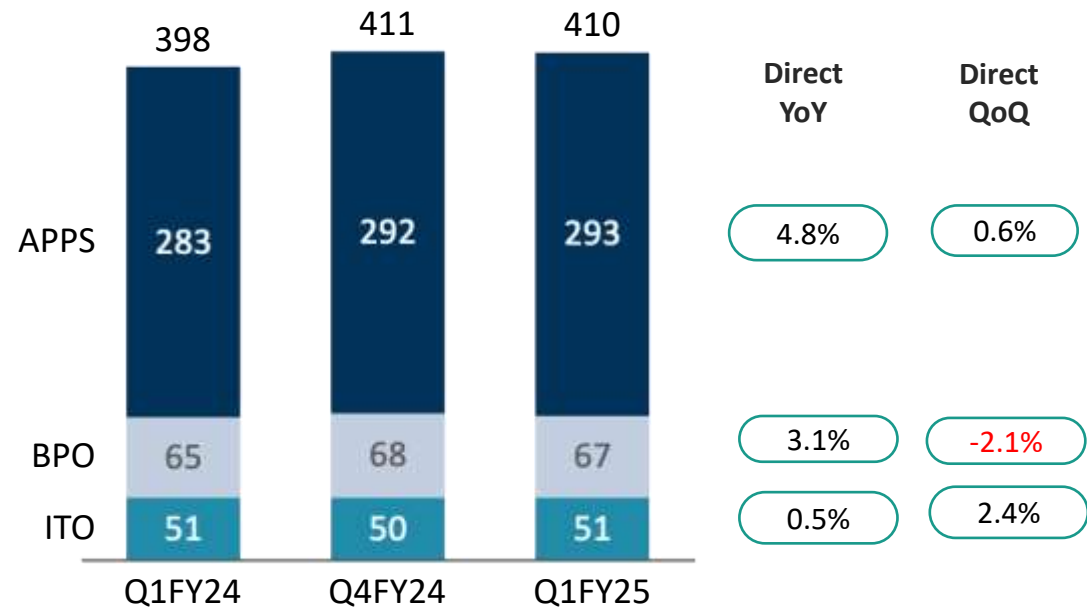
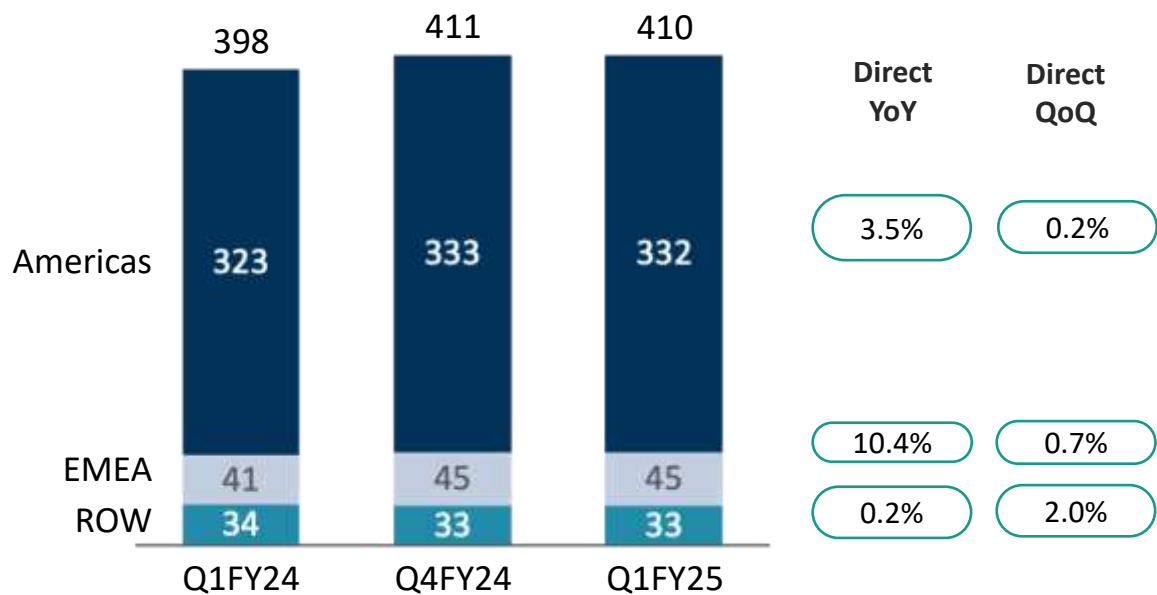


- TCV at \$319M for Q1FY25. Three large deals in the quarter, including one \$100M+ deal
- More than 90% of wins are proactive deals
- Pickup in TCV closures. Broad based TCV wins across verticals and client pyramid
- Conversion from TCV to revenue continues to improve
- LTM TCV wins at \$992M





# Q1 FY25 Performance by Segment: Quarterly View



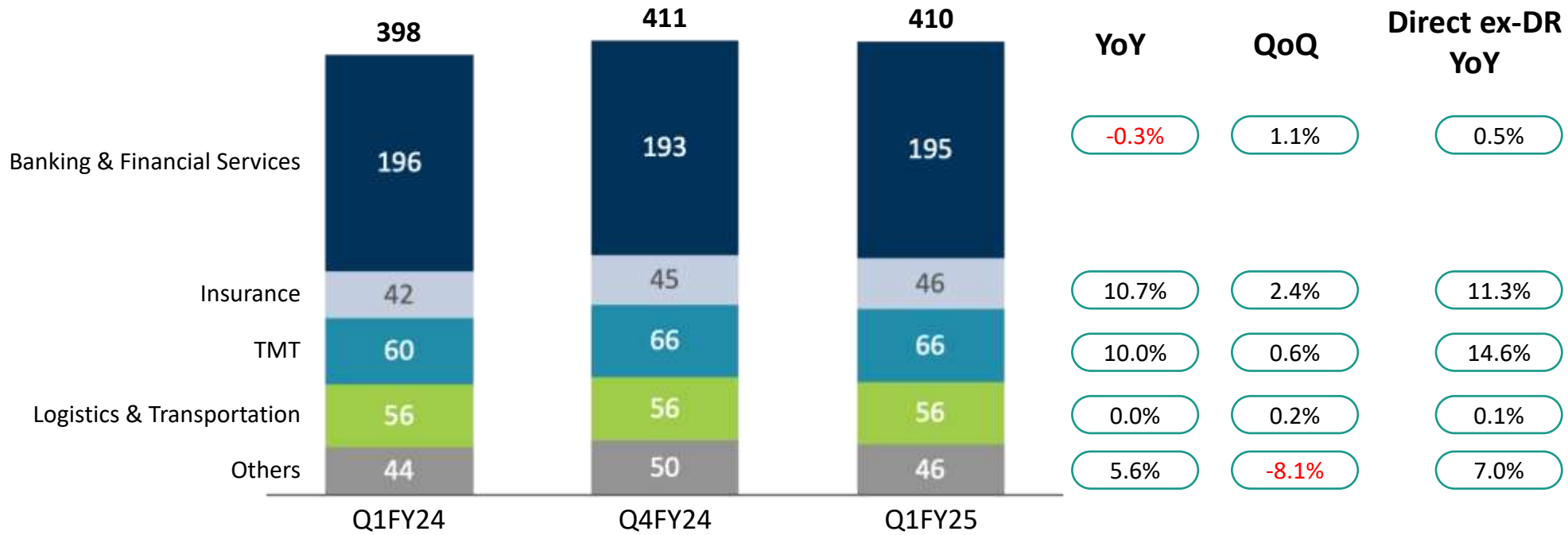
## Direct performance in Q1 FY25

- Direct QoQ growth of 0.3%, YoY growth of 4.1%
- Gradual recovery in discretionary spend expected
- Early signs of pick up in mortgage





# Q1 FY25 Performance by Vertical



- Key verticals grew sequentially in Direct business
- Focus on new engines of Direct growth paying off
- Healthy revenue ramp-up in new customers across segments

*Revenue in USD M at average USD/INR rate for the respective periods  
Revenue growth in constant currency*



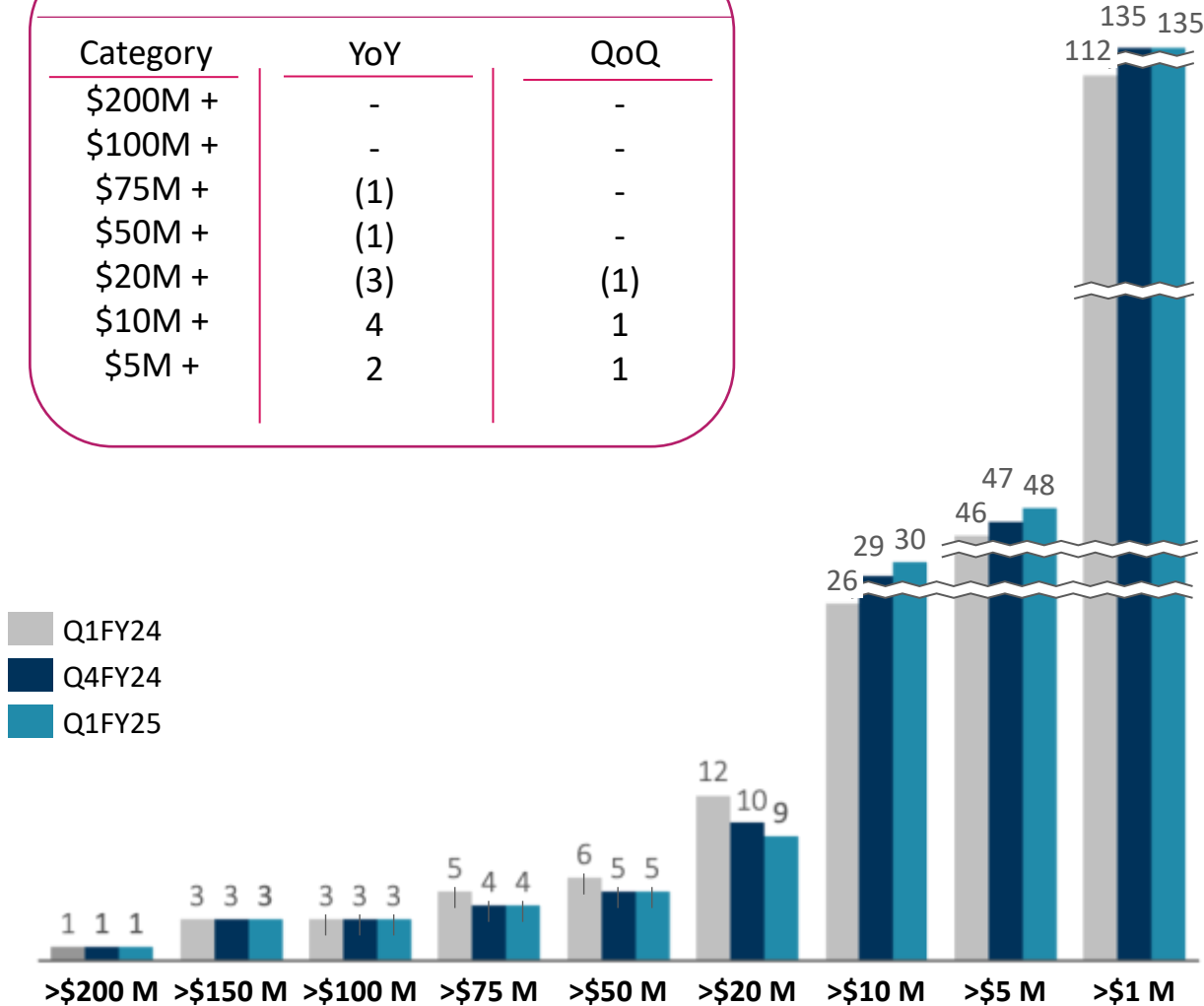




# Client Pyramid Performance: Direct

## Client Additions

Category	YoY	QoQ
\$200M +	-	-
\$100M +	-	-
\$75M +	(1)	-
\$50M +	(1)	-
\$20M +	(3)	(1)
\$10M +	4	1
\$5M +	2	1



## Top Client Metrics LTM\*

- Top 1-10 declined 10.1% YoY
- Top 11-30 grew 10.2% YoY

## Top Client Metrics QoQ\*

- Top 1-10 grew 1.2%
- Top 11-30 grew 3.4%

NCA continues to lead growth in Direct;  
YoY growth of 22.0%

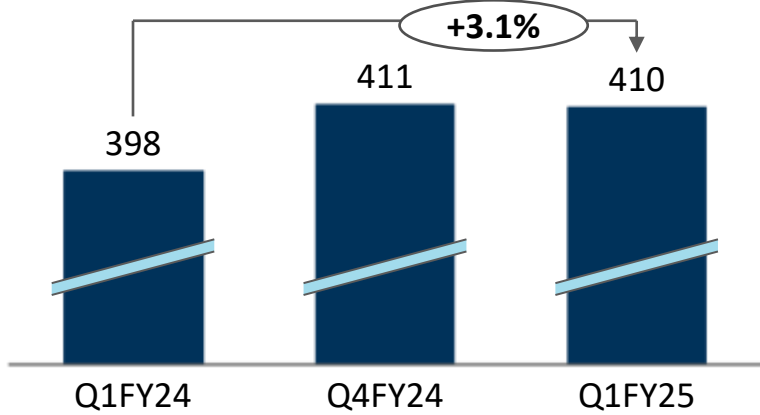
\* Top client metrics based on revenues ex mortgage  
Revenue growth in Constant currency





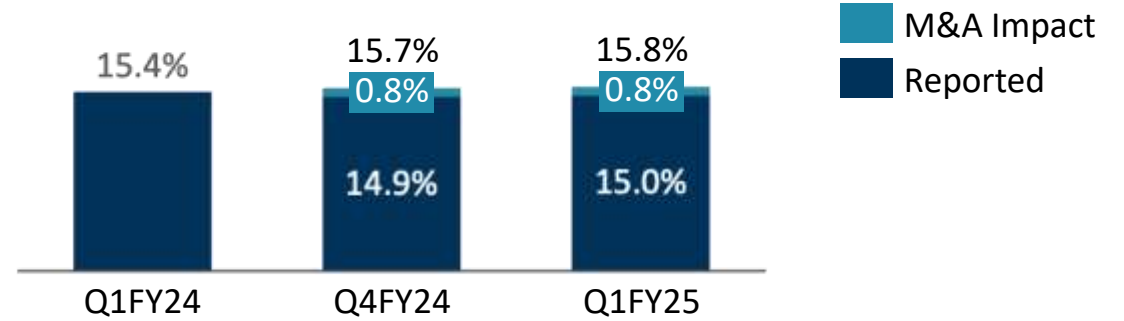
# Financial Metrics Quarterly Performance

## Revenue trend

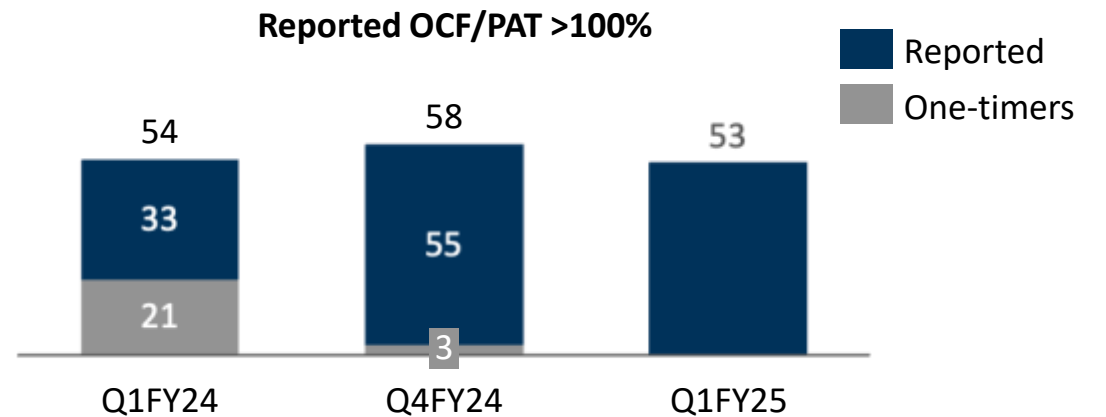


Gross Revenue in \$M at average USD/INR rate for respective periods  
# Revenue growth in constant currency

## Operating Margin Trend

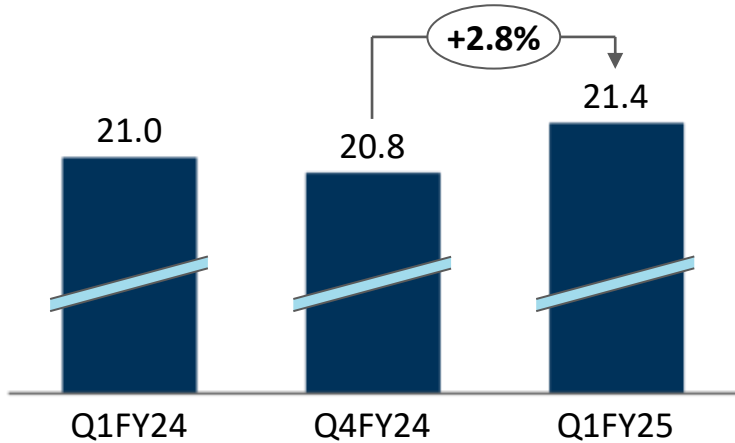


## Cash Flow Generation



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

## EPS Trend



EPS in INR for respective periods





# Q1 FY25 in Summary: Cautious Optimism, Poised for Growth

- Continuing strength in pipeline
  - Well-diversified pipeline with strong contribution from Non-BFS and Top 10
  - One-third of the pipeline is AI-led
- Healthy TCV closures
  - Broad-based wins across verticals and client pyramid
  - Significant wins from Non-Top 10 accounts
- Second quarter of sequential growth in Direct revenues, portfolio well-positioned for growth
  - Sequential stability seen in all key verticals and geos
  - Improving trajectory of TCV to revenue conversion
- Margin stability, within stated band, with continued focus on productivity and operating levers
- Consistent operating cash flow and steady DSO





# Outlook: Signs of Return to Consistent Growth

- Despite multiple challenges, tech spend seen as a strategic priority
- Steady recovery visible on **Savings Led Transformation<sup>TM</sup>** themes
- Signs of gradual recovery in mortgage
- Expect to be above industry growth, gaining from tech-led, account-focused strategy
- Target sustainable operating (EBIT) margin within stated band of 14.6% - 16%
  - Maintain margins in narrow band while investing for growth
  - Focus on productivity, efficiencies and operating leverage



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



**THE NEW ERA  
OF MPHASIS ON THE  
FOUNDATION OF  
OUR GLORIOUS**

A large, stylized '25' logo where the '2' is a profile of a head with gears inside, and the '5' is a solid shape. The text 'YEARS OF' is written across the middle of the '5'.

**YEARS OF  
TRANSFORMATION**  
*for Employees, Clients and Investors*

A large, white, stylized swoosh graphic that curves from the bottom right towards the center.



# Awards and Recognitions: Q1 FY25

## Everest Group

- Recognized as ‘Major Contender and Star Performer’ in Everest Group’s [Capital Markets IT Services PEAK Matrix® Assessment 2024](#)
- Recognized as ‘Major Contender in Everest Group’s [Healthcare Industry Cloud Services PEAK Matrix® Assessment 2024](#)
- Recognized as ‘Major Contender’ in Everest Group’s [SAP Business Application Services for Mid-market Enterprises PEAK Matrix® Assessment 2024](#)
- Recognized as ‘Aspirant’ in Everest Group’s [Mainframe Services PEAK Matrix® Assessment 2024](#)

## HFS

- Positioned in “Horizon 1” by HFS in [HFS Horizons: Industry Cloud Service Providers, 2024 - HFS Research](#)

## Zinnov Zones

- Positioned in the Leadership Zone by Zinnov Zones in [Intelligent Automation \(IA\) Services | IA Services - Mid Tier Service Providers | 2024](#)

## IDC

- Positioned in the Major Players category in 2024 IDC MarketScape for worldwide cloud professional services (Doc #US51406224, June 2024)

***Mphasis won the NASSCOM AI Gamechangers Awards 2023-24 in the Healthcare & Pharma category for Enterprise at the NASSCOM AI Confluence***

