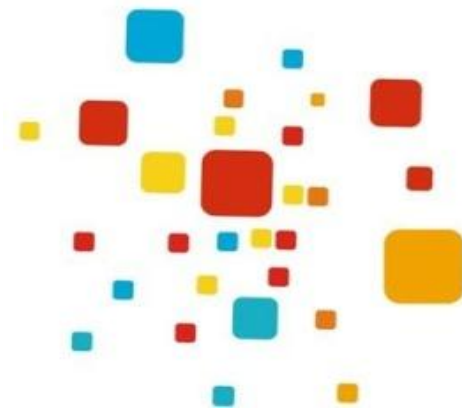




# Investor Presentation

## September 15, 2014



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## Company Overview

Restructuring Proposal

Transaction Rationale

Summary Financials

Indicative Transaction Timeline

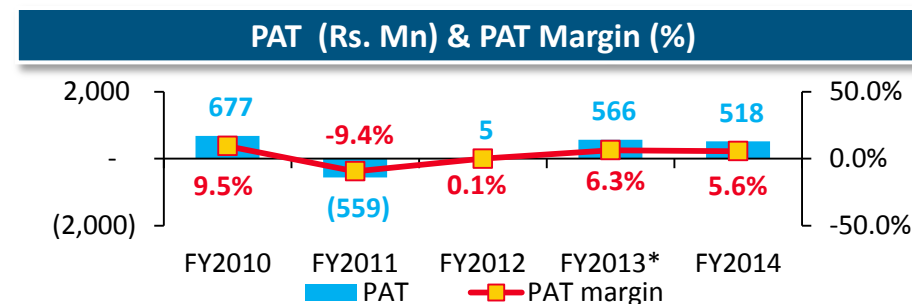
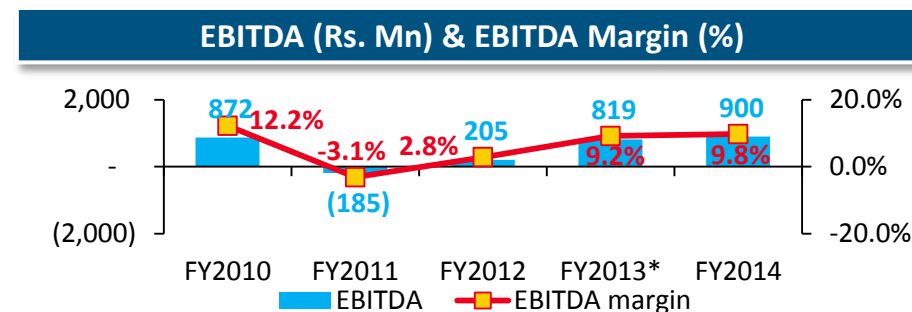
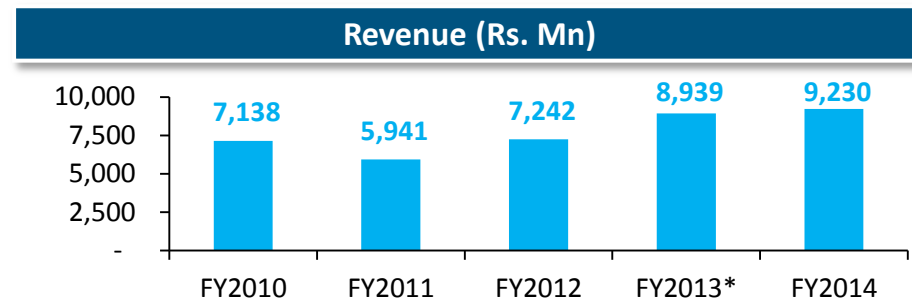


# Mastek Overview

- Vertical Enterprise products and solutions focused on bridging business and IT
- Mastek is known as MajescoMastek (“Majesco US”) in US
- Insurance vertical constitutes ~55%<sup>1</sup> of business; Government constitutes ~26%<sup>1</sup>; financial services and retail are other verticals
- Mastek is regarded as one of the leading IP based solutions providers based on the brand recall value by analysts, consultants, competitors, partners et al.
- Global presence with operations in 7 countries and 4 delivery centers
- Talent pool of 3,223 professional as on June 30, 2014
- Strong financial growth
  - 4 year CAGR Income (FY11- FY14): 15.8%

<sup>1</sup> Revenue mix for the period April 1, 2014 to March 31, 2014

**MajescoMastek is one of the top 3 vendors in terms of number of installations for P&C line of business in North America**



\* Mastek changed its reporting year end from June to March in FY 2013. The P&L items for FY 2013 are calculated using (July'12-March'13) data from FY13 annual report and unaudited financials for Apr'12-Jun'12 quarter



## Insurance Products and Services (“Insurance”)

- 🚀 IP centric and domain intensive business model
- 🚀 Caters to US Insurance market with non-linear growth
- 🚀 Requires large investments in R&D
  - USD 90mn invested over last 5 years
- 🚀 Commands higher gross margins due to license based model and high billing rates
- 🚀 Need professionals with deep domain expertise
- 🚀 Revenue 2014: Rs. 5,070 mn<sup>1</sup>

## Vertical Solutions (“Solutions”)

- 🚀 Delivering large unique complex programs leveraging IT service capabilities
- 🚀 Caters primarily to the UK market serving government, financial services & retail with steady growth
- 🚀 Moderate to low capital investment
- 🚀 Good gross margins due to fixed price contracts
- 🚀 Need professionals who can conceptualize, build and maintain complex programs
- 🚀 Revenue 2014: Rs 4,160 mn<sup>1</sup>

1) Based on Proforma financials for the period April 1, 2013 to March 31, 2014





**Diverse trajectory of Insurance and Solutions business leads to disparate risk –reward profile for stakeholders**



## Market Overview

-  Insurance industry in the midst of a once in a generation modernization cycle
-  The business sees excellent growth opportunities as large majority of insurance carriers are looking at transformation of their core systems over the next 5 years
-  Building IP/products is complex and therefore there is a natural barrier to entry
-  Very fragmented competitive landscape with very few companies offer end to end solutions at competitive prices

## Our Position

-  23+ years of North American Insurance Experience
-  Base of more than 80 customers in the US
-  7 of the Top-25 P&C Insurance carriers are our customers; We have 15 Tier-1/2 clients in North America
-  Our customer centric model affords us high cross-sell and up-sell opportunities in both software platforms and domain aware IT solutions



# Business impact delivered and Analyst Ratings

## Business Delivered



50,000 agents connected  
across North America



50% reduction in support  
resources



90% processes automated



4.7 million policies migrated



Full transformation program  
with Policy Administration and  
New Business & Underwriting

## Analysts Ratings

**Gartner**

MajescoMastek is among the top  
3 P&C insurance software vendor







**CELENT**

STG Policy is the Most Advanced  
Policy administration system

**NOVARICA**

MajescoMastek is the top billing  
player in the industry today



-  Majesco US is well positioned to gain a large share in the high growing US Insurance market
-  Majesco US has a license based revenue model; P&C IP for insurance business resides in US
-  Execution model includes offshoring to Indian arm on cost plus basis
-  For accelerated growth, Majesco US has plans to pursue organic/ inorganic opportunities
-  Balance sheet size of Majesco's US subsidiaries need to be strengthened to maximize the growth opportunity and shareholder value
-  Key challenges for growth
  - Insurance business in US will need investments over next 4 - 5 years to tap both organic/ inorganic opportunities
  - Current business structure has limitations for Majesco US to raise funds independently





# Our Track Record in Solutions

-  We win customers every year who stay with us for a long time. One of our key customers has been with us for 17 years
-  We are well known for our track record in delivering Large programs in partnership with large System Integrators
-  We have delivered one of the largest Data warehouses in the world successfully and have reference customers
-  We are currently a major provider of application development on G-Cloud in UK
-  We have Customers who rank us highly in our Delivery and Support services (Average 5.7/7 from all customers)



# UK Market - Growth Engine for Solutions Business




	Key Offering	Mastek Differentiator	Market Opportunity
Government & Health	<ul style="list-style-type: none"><li>Transformation Programmes</li><li>New G-Cloud propositions</li></ul>	<ul style="list-style-type: none"><li>Track Record on large government programs</li><li>Ability to deliver fixed price contracts</li><li>Proven Collaborative Working and Agile</li></ul>	<ul style="list-style-type: none"><li>“Digital by default” program of the UK government</li><li>Stated preference for SME vendors</li></ul>
Financial Services	<ul style="list-style-type: none"><li>Digital business</li><li>Asset-based services</li></ul>	<ul style="list-style-type: none"><li>Proven technology and Domain Expertise</li><li>Track record in large fixed price programs</li></ul>	<ul style="list-style-type: none"><li>Changing customer preferences, new competitors</li><li>Legacy modernization</li></ul>
Retail	<ul style="list-style-type: none"><li>Bespoke IP Led development</li><li>BI, Data warehousing &amp; Testing</li></ul>	<ul style="list-style-type: none"><li>Track record of business Transformation</li><li>Multiple large scale EDW implementations</li></ul>	<ul style="list-style-type: none"><li>Omni-channel platforms to engage with customers</li><li>Customer insights through BI/analytics</li></ul>

Market Opportunity figures source - Gartner






# UK Market Dynamics – Strong Growth Potential




## Trends

-  New digital engagement age
-  Competition from unexpected sources
-  Shorter time to market and higher customer expectations

## Implications

-  Applications and legacy estate growing
-  Massive data explosion and data silos
-  High programme failure rates

## IT Partner

-  Traditional SI = generalist, impersonal
-  Boutique = Lack of scale, service breadth & skills
-  Mastek = Agile, Design Thinking, Collaborative

**Enterprise Agile. Transformative IT. Service Quality.**



# Current Mastek Challenges

- ✈️ The Insurance Products & Services business is different from the Solutions business in terms of business model, growth opportunities, investment required and staff profile.
- ✈️ While the Insurance business offers us tremendous growth potential, it has high investment requirements in terms of R&D, brand building and sales.
- ✈️ Inability to make optimal investments due to disproportionate capital allocation
- ✈️ Operating these businesses under one umbrella has made it difficult for each of these businesses to perform to full potential.
- ✈️ The differing risk-reward profiles of these two businesses has led to sub-optimal overall performance of the company.

**In order to mitigate the aforementioned challenges Board of Directors after intensive deliberations have decided to restructure the business aimed at creating long term shareholder value**



Company Overview

**Restructuring Proposal**

Transaction Rationale

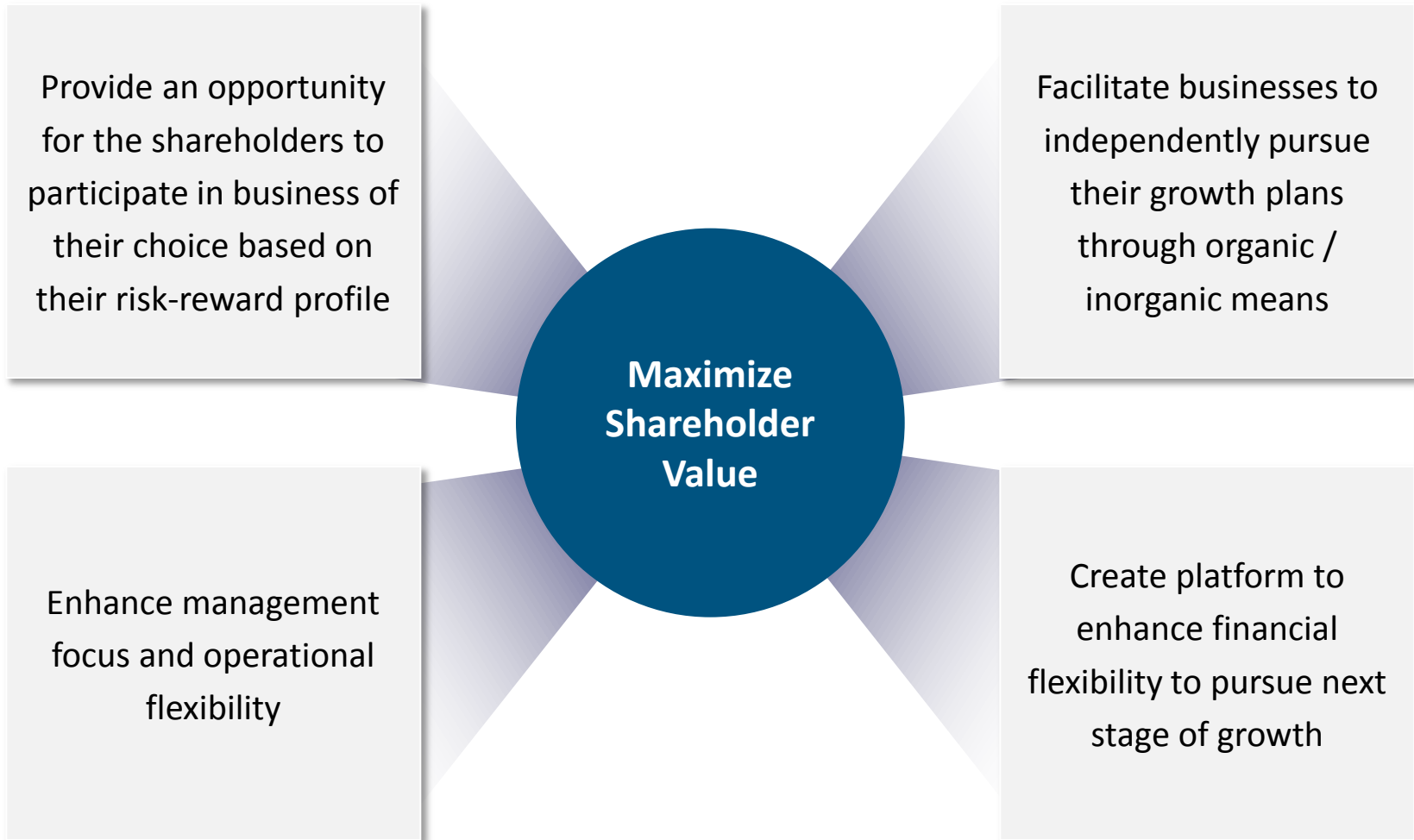
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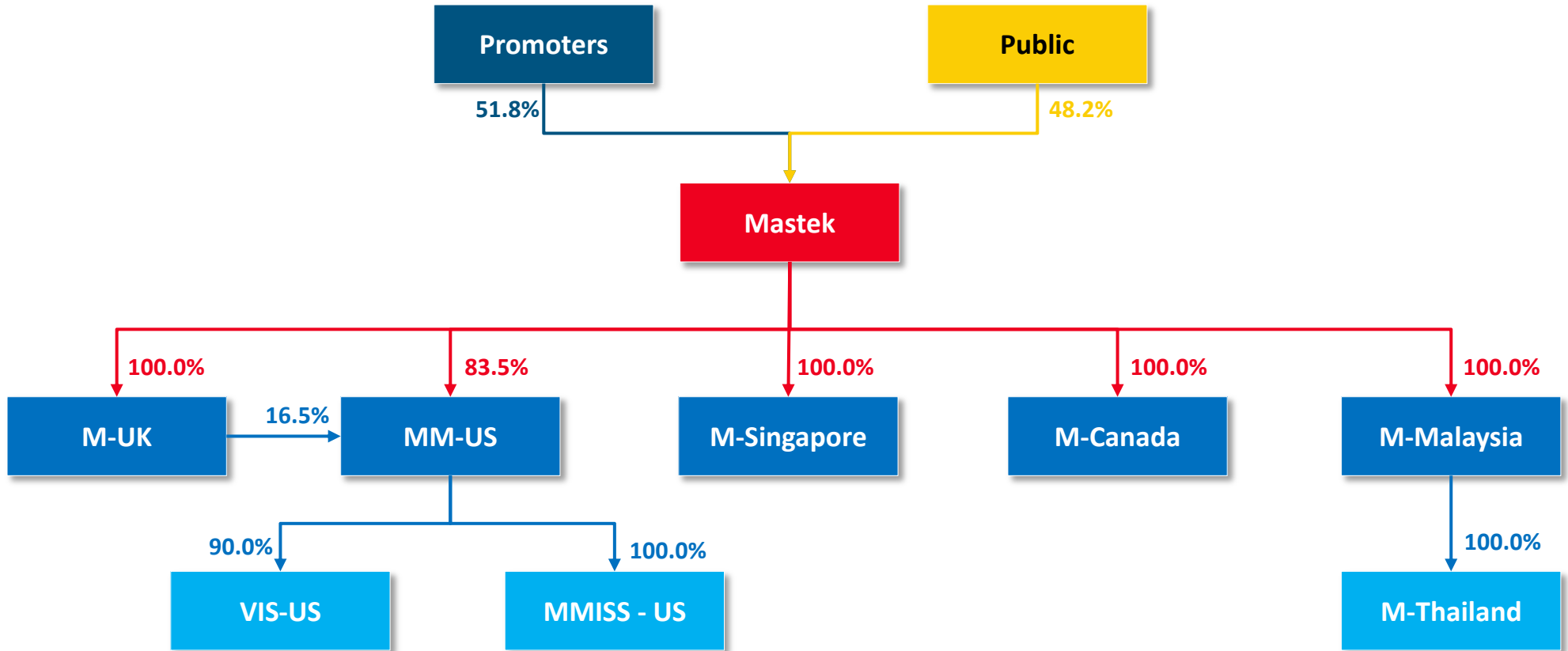


- ✍ The Board of Directors of Mastek Limited (Mastek) in its meeting today, approved a proposal to demerge the Insurance business of Mastek into Minefields Computers Private Limited (to be renamed as **Majesco Limited**) by way of a scheme of arrangement (“Scheme”) with mirror shareholding
  - All shareholders of Mastek to get one share of Majesco Limited for every one shares held in Mastek
- ✍ The Scheme further proposes transfer of the offshore insurance operations from Majesco Limited to its step down subsidiary (to be called Majesco Software and Solutions India Pvt. Ltd - “MSS India”) (held through Majesco Mastek Insurance Software Solutions Inc)
  - The Scheme is subject to approval of Hon’ble High Courts of Bombay and Gujarat, shareholders and creditors of Mastek, SEBI and Stock Exchanges



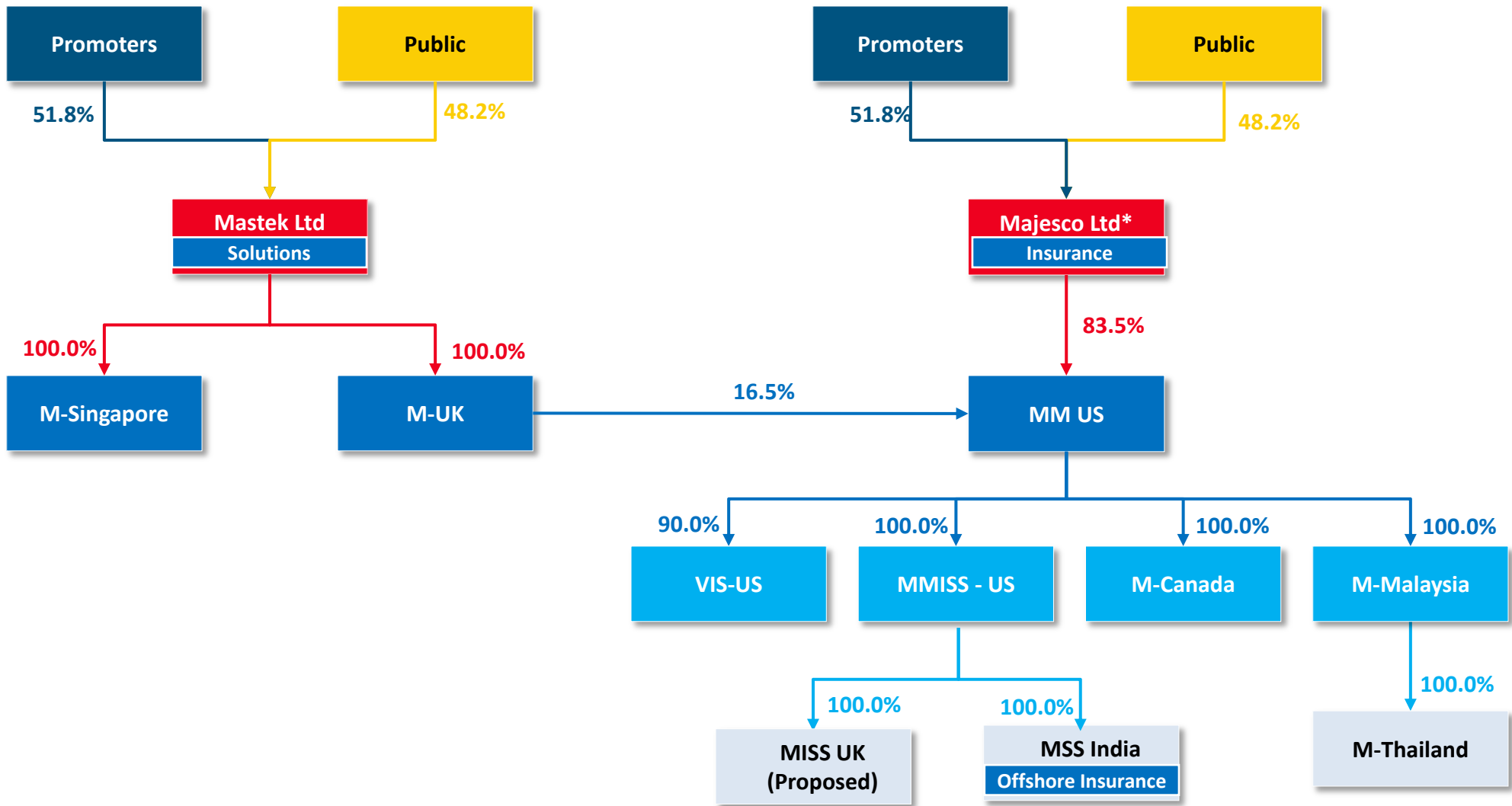


# Current Structure





# Proposed Structure



\*Currently named as Minefields Computers, to be renamed as Majesco Ltd under the scheme



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## Business/Operational

- Insurance business aims to develop high end – industry - leading products
- Insurance business requires higher R&D investment, specialized skillsets to gain market leadership
- Enhancing the balance sheet size of Majesco's US subsidiaries will help to access global capital for growth
- This is expected to lead to higher license revenue and higher profitability

## Shareholders/ Investors

- Insurance is a high gross margin business
- Insurance industry transformation over the next 5 years provides an excellent growth opportunity
- Insurance business model being US centric is likely to be comparable to US based product companies focused on Insurance

## Customers

- Wider spectrum of IP offerings to customer needs
- Focus and agility in benefit realization

## Employees

- Opportunity to create and develop technology platforms which are industry leaders
- Career development opportunities in high end domain consulting, product management and engineering
- HR policies in line with other product companies



# Transaction Rationale – Solutions Business

## Business/Operational

- ✍ Solution enjoys good reputation for delivering complex, green-field programs within UK and Indian government
- ✍ Over the last few years, insurance business was cross funded by the solutions business limiting its own growth
- ✍ Proposed restructuring presents an opportunity to focus on building new capabilities and addressing new markets within the solutions business

## Shareholders/ Investors

- ✍ Solution is a profitable business with good gross margins, combined with lower SG&A and product investments compared to Insurance
- ✍ Digitization across verticals and changing customer preferences leading to higher IT spend which provides excellent growth opportunity
- ✍ Post restructuring, Solution business model is likely to be comparable to Indian IT services companies

## Customers

- ✍ Higher investments to deliver innovative solution offerings
- ✍ Invest in agile delivery methods to accelerate value realization

## Employees

- ✍ Opportunity to employees to work in a variety of challenging engagements
- ✍ Develop capabilities across verticals in specific solution/technology platforms



Company Overview

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# Summary Proforma Financials – Solutions Business

## Mastek Limited – Consolidated Balance Sheet – As at March 31, 2014

Particulars	Amount (Rs. mn)	Particulars	Amount (Rs. mn)
Share Capital	111	Fixed Assets	558
Reserves	1,953	Other Non-current Assets	796
<b>Net Worth</b>	<b>2,064</b>	<b>Non Current Assets</b>	<b>1,354</b>
Long Term liabilities	81	Cash and cash equivalents	418
Current liabilities	877	Other Current Assets	1,250
<b>Total Liabilities</b>	<b>958</b>	<b>Current Assets</b>	<b>1,668</b>
<b>Total</b>	<b>3,022</b>	<b>Total</b>	<b>3,022</b>

## Mastek Limited – Consolidated Profit & Loss – As at March 31, 2014

Particulars	Amount (Rs. mn)
Revenues	4,160
EBITDA	599
<i>EBITDA margin</i>	14.4%



# Summary Proforma Financials – Insurance Business

## Majesco Limited – Consolidated Balance Sheet – As at March 31, 2014

Particulars	Amount (Rs. mn)	Particulars	Amount (Rs. mn)
Share Capital	111	Fixed Assets (including intangibles)	2,054
Reserves	3,428	Other Non-current Assets	75
<b>Net Worth</b>	<b>3,538</b>	<b>Non Current Assets</b>	<b>2,129</b>
Long Term liabilities	181	Cash and cash equivalents	1,293
Current liabilities	796	Other Current Assets	1,093
<b>Total Liabilities</b>	<b>977</b>	<b>Current Assets</b>	<b>2,387</b>
<b>Total</b>	<b>4,515</b>	<b>Total</b>	<b>4,515</b>

## Majesco Limited – Consolidated Profit & Loss – As at March 31, 2014

Particulars	Amount (Rs. mn)
Revenues	5,070
EBITDA	301
<i>EBITDA margin</i>	5.9%
Adjusted EBITDA (without considering product development expenses)	875
<i>Adjusted EBITDA margin</i>	17.3%



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# Indicative Transaction Timeline



★ Board approves scheme

➔ Filing of Scheme with Exchanges

★ Receipt of stock exchange approval and filing with High Court

➔ Filing with High Court

★ Shareholders/creditors meeting

➔ High Court process

★ High Court approval

Listing of Majesco Ltd

➔

★ Commencement of trading of shares of Majesco Ltd.

Disclaimer: This timeline is only indicative and subject to variation on account of process uncertainties.



# Transaction Advisors

Transaction Advisors

Kotak Investment Banking & PricewaterhouseCoopers Pvt. Ltd.

Tax Advisor

PricewaterhouseCoopers Pvt. Ltd.

Legal Advisors

Khaitan & Co

Valuation Report Provider

Walker Chandiook & Co LLP, Chartered Accountants

Fairness Opinion Provider

Kotak Investment Banking



# THANK YOU

