



15 November 2019

The Manager, Listing  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
MUMBAI - 400 001

The Manager, Listing  
**National Stock Exchange of India Ltd**  
Exchange Plaza, Plot No. c/1,  
G-Block, Bandra-Kurla Complex,  
MUMBAI – 400 051

Dear Sirs,

**Sub: Presentation for Investor(s)/Analyst(s) call**

Please find enclosed a copy of the presentation proposed to be made at the today's Investor/ Analyst call to be held from New York, USA in connection with the results for the quarter and half year ended 30 September 2019.

The presentation is also being hosted 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Thanking You,

Yours faithfully,

**For Mphasis Limited**

DocuSigned by:  
*Subramanian Narayan*  
864FB8DBFAE44A7...



**Subramanian Narayan**  
**Vice President and Company Secretary**

Encl : a/a



## Safe Harbor

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*Certain statements mentioned in this presentation concerning our future growth prospects are forward-looking statements regarding our future business expectations 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-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in our earnings, 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, our ability to manage our international operations, reduced demand for technology in our key focus areas, withdrawal of fiscal governmental incentives, political instability, war, legal restrictions on raising capital or acquiring companies, and general economic conditions affecting our business and industry. We may, from time to time, make additional written and oral forward-looking statements. We do not undertake to update any forward-looking statements that may be made from time to time by us or on our behalf, unless required under the law.*





# Investor Presentation

Q2 2020

# Consumption Patterns are Changing



## Implications

### Changing Tech Consumption Trends

**Demand for end-to-end solutions that impact both business and technology**

**Low CapEx,  
migration to  
XaaS**

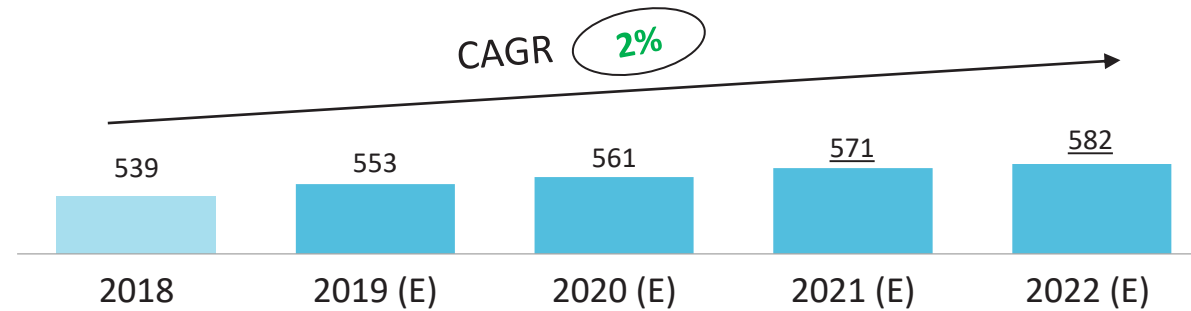
**Quick  
Response  
Times**

**Need for  
Simplification  
of Core**

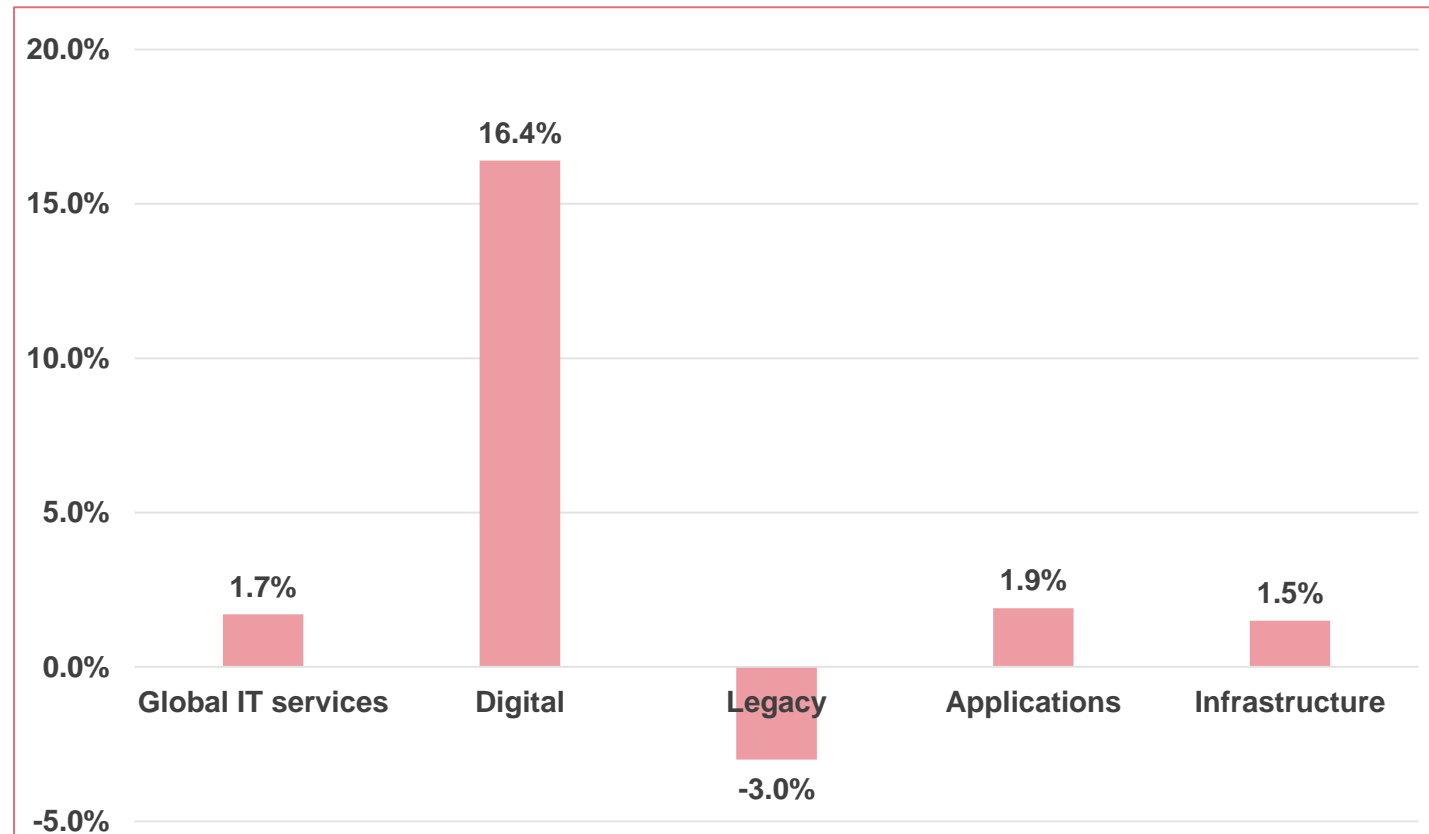


# Shift in Technology Consumption

**Global ITS market**  
US\$ billion



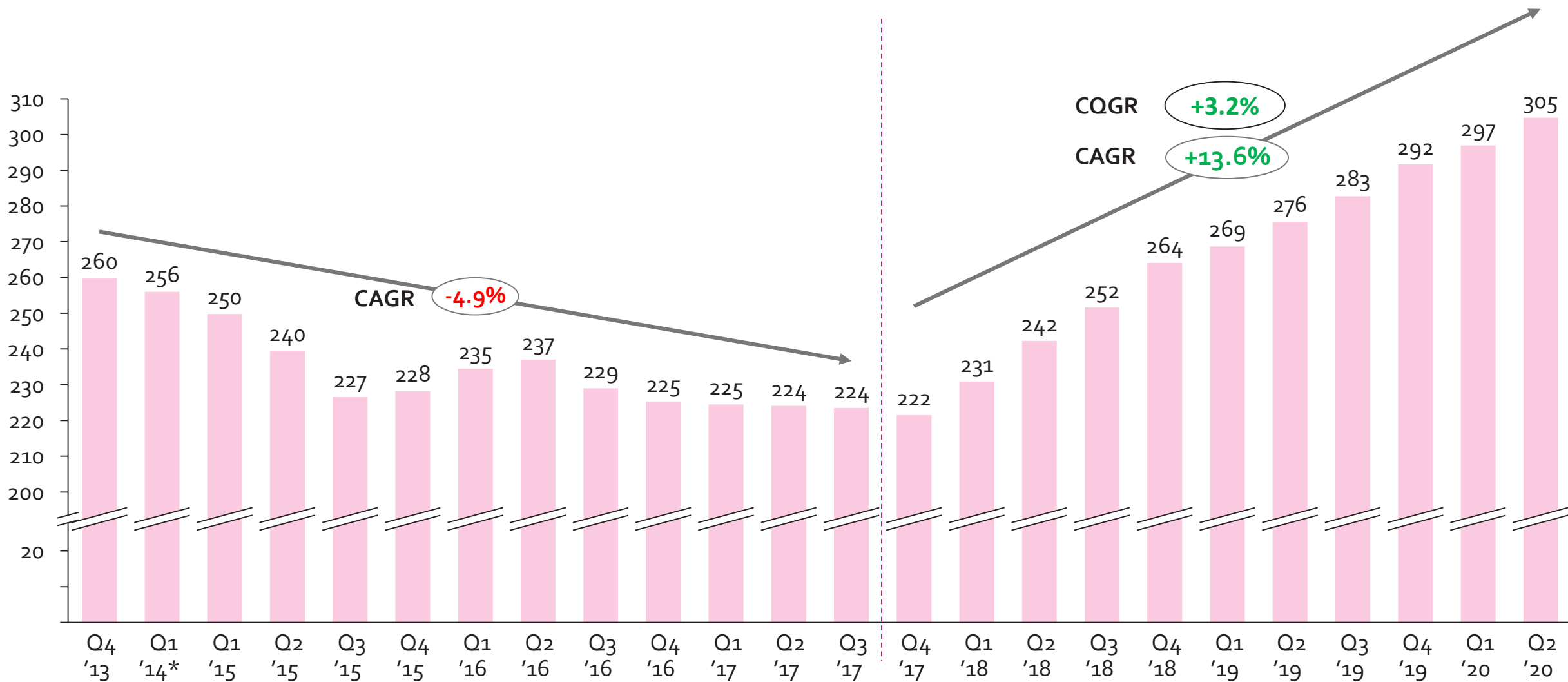
CAGR (2018-22E)



Source: Everest Group (2019)



# Our Numbers tell the Story: Consistency and Transformation

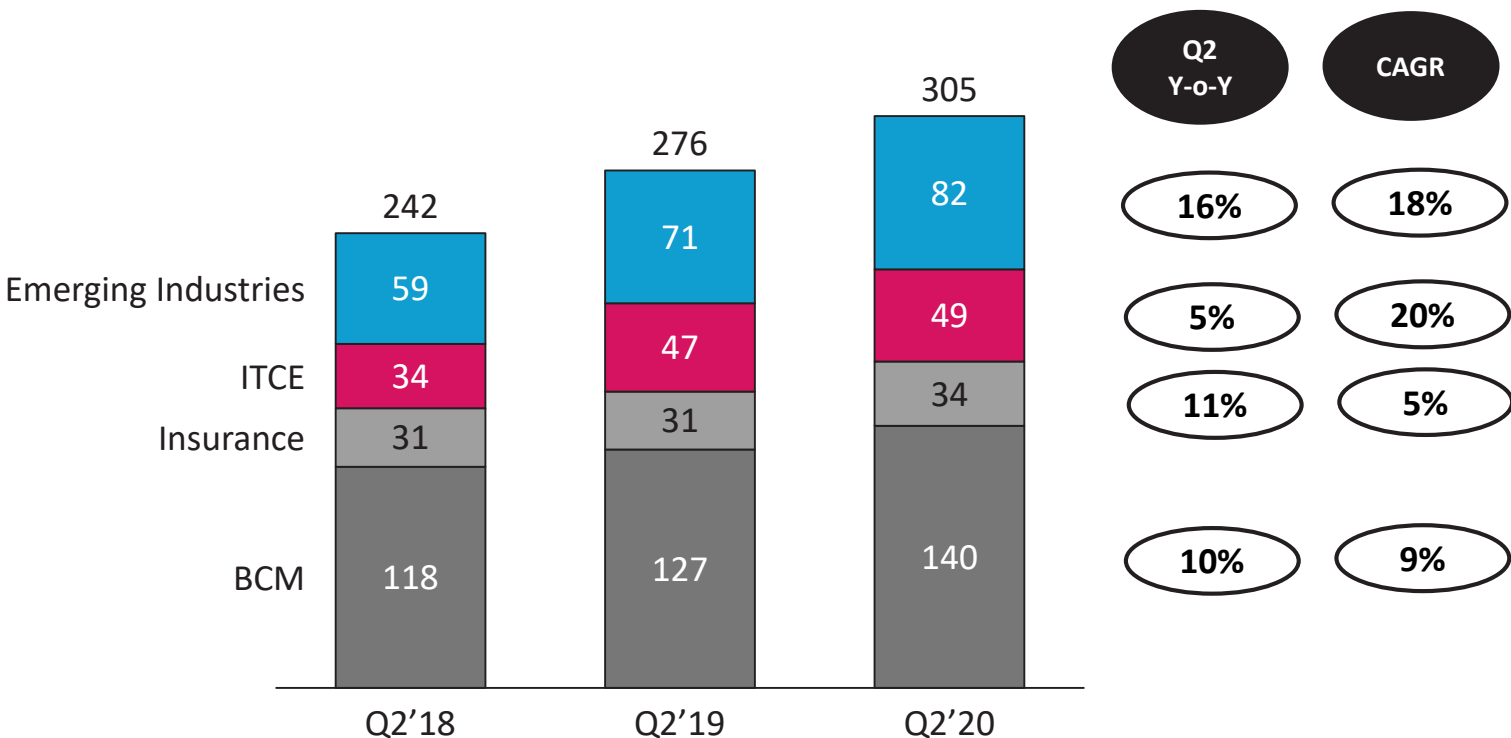


Company Revenue in USD \$M at average USD/INR rate for the respective quarters

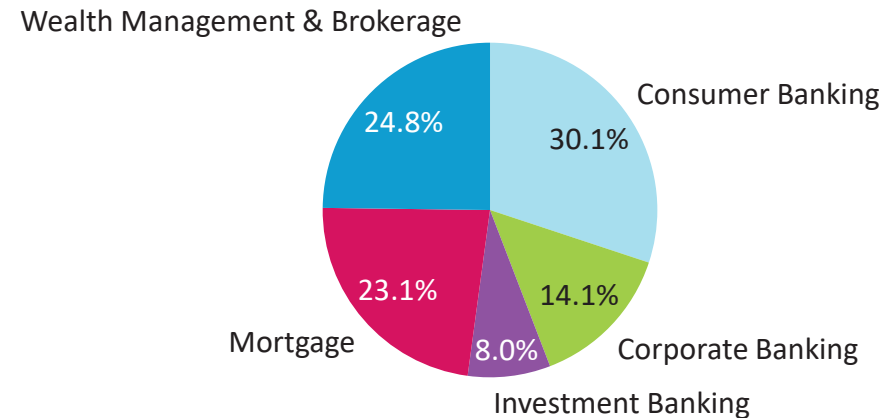
\* Transition Year 5 months adj.



# Continued growth in Banking and Emerging Verticals



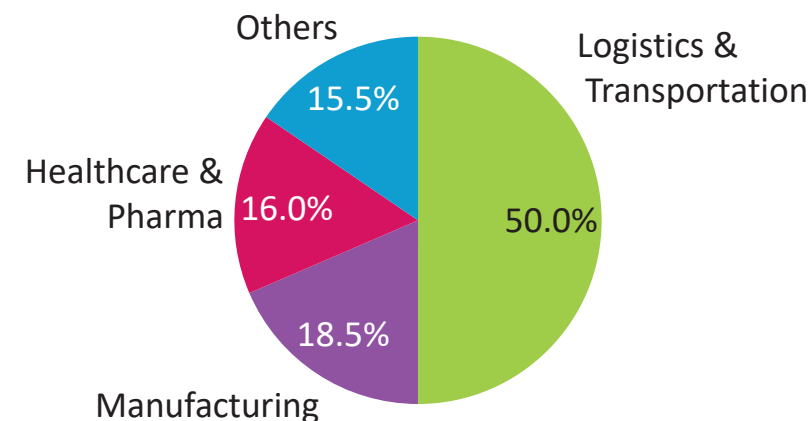
## BCM Vertical Split



## Emerging Vertical Growth Split

Emerging Verticals	Q-o-Q Growth over Q1'20 *
Logistics & Transportation	6.6%
Manufacturing	3.3%
Healthcare & Pharma	2.6%

## Emerging Vertical Split



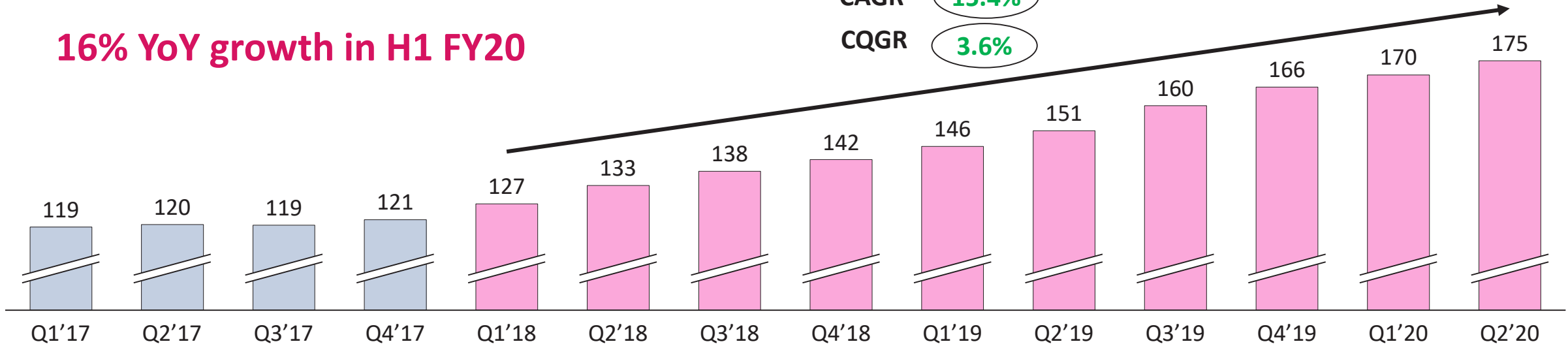
\* Company Revenue in USD \$M at average USD/INR rate for the respective quarters



# Direct Core Business has been consistently delivering strong growth

**16% YoY growth in H1 FY20**

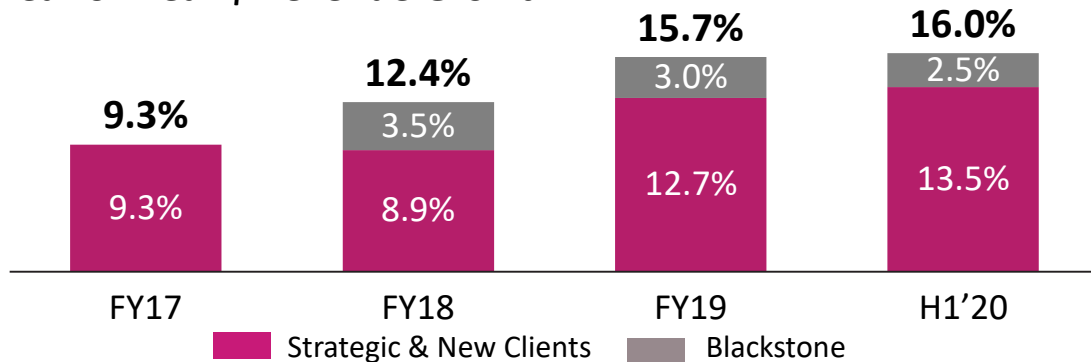
CAGR **15.4%**  
CQGR **3.6%**



Revenue reported is in USD @ Avg USD INR Ex. Rates

## Consistency: Growth across the Board

### Year on Year \$ Revenue Growth



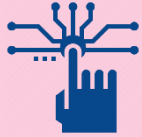
- Double digit growth in Strategic Accounts Y-o-Y in Q2'20
- ~80% of deals won came from new gen areas in FY'19 and H1'20
- H1'20 New Clients growth > 80% YoY and Blackstone accounts grew >50% YoY



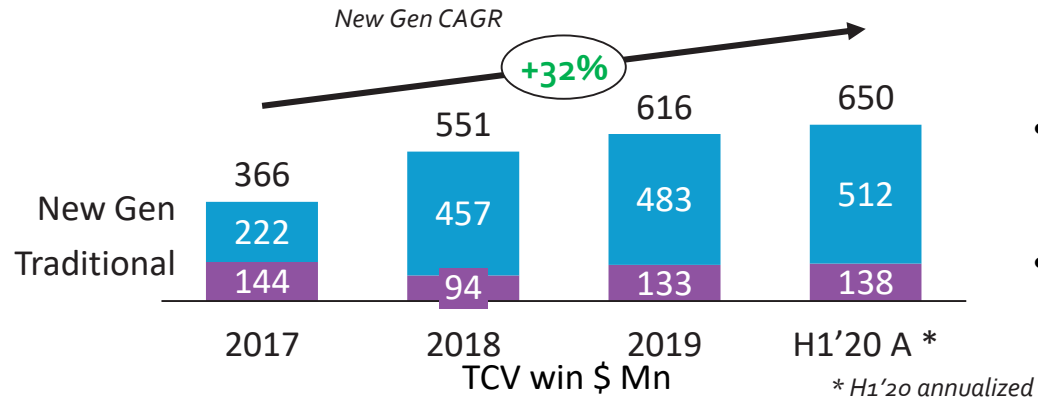


# Direct Growth is Powered by Our Three Pillars

1



## Leading with Next Gen Portfolio

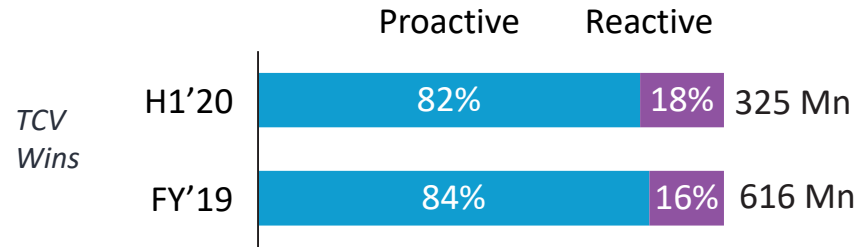


- 8 Handpicked World Class Technology Portfolios
- Bringing the “T” back into IT

2



## Catching deals upstream, proactively



- Institutionalized early engagement sales process and robust account planning

*In proactive pursuits with next gen solutions, win rate is 49%*

3



## Next Gen Engagement Model

### Organized As Tribes/ Squads - To Cut Down Silos, Boost Agility And Innovation



Design Thinking



Solution Studio



Next Lab/Next STEP



Sparkle



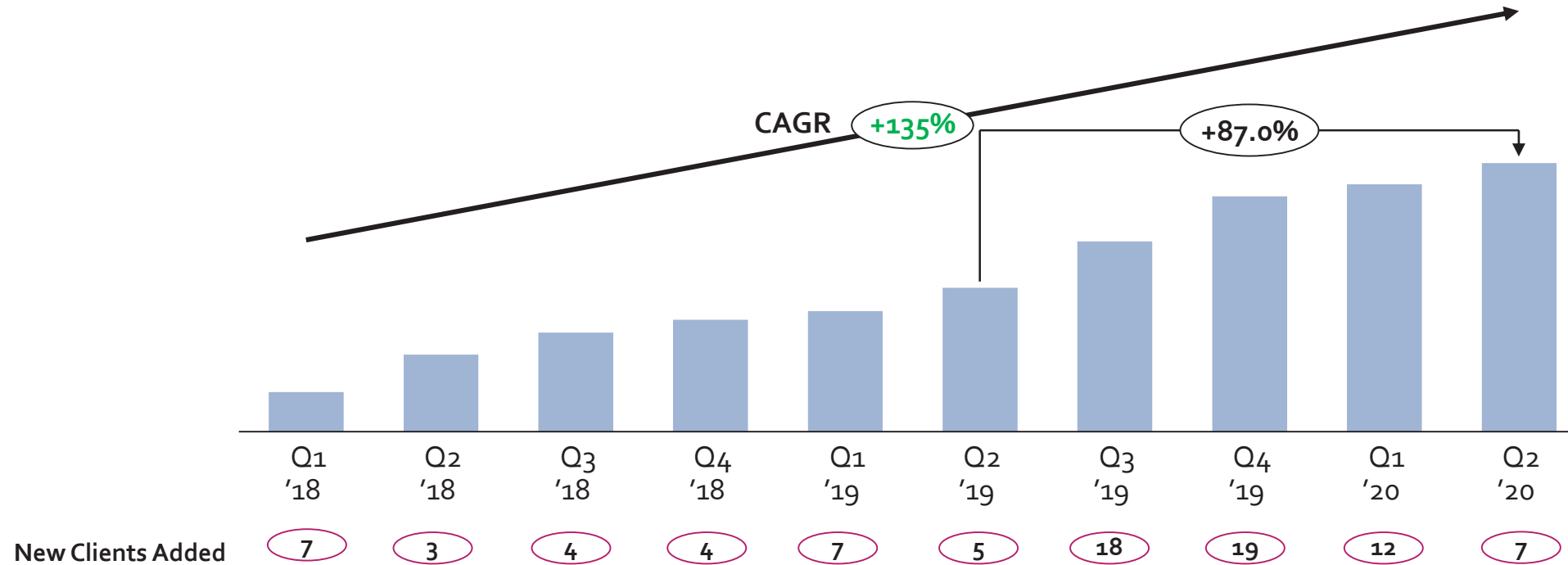
Hackathons & POCs



Talent Next



# New Client Wins have fueled growth in Direct Core

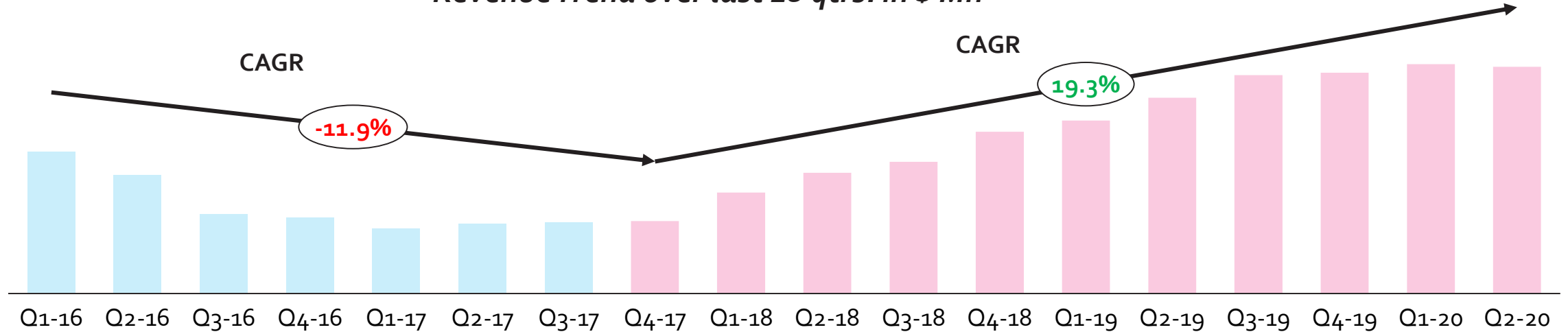


Revenue and Growth numbers in \$

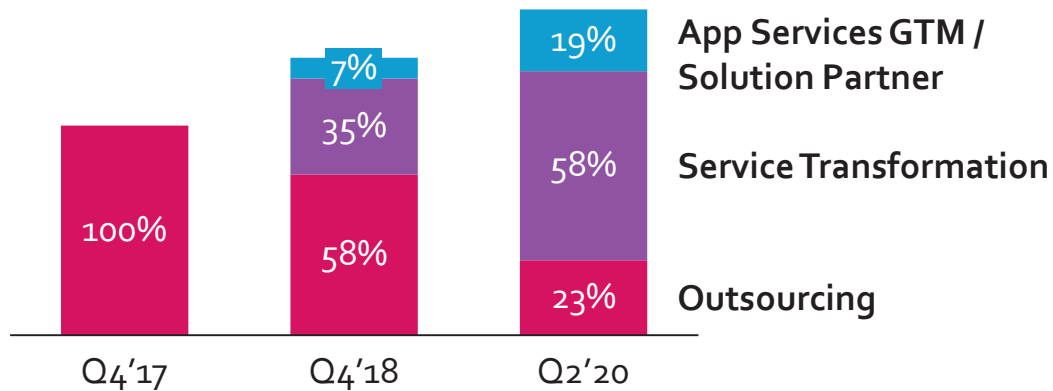


# DXC Relationship Transformation delivering results

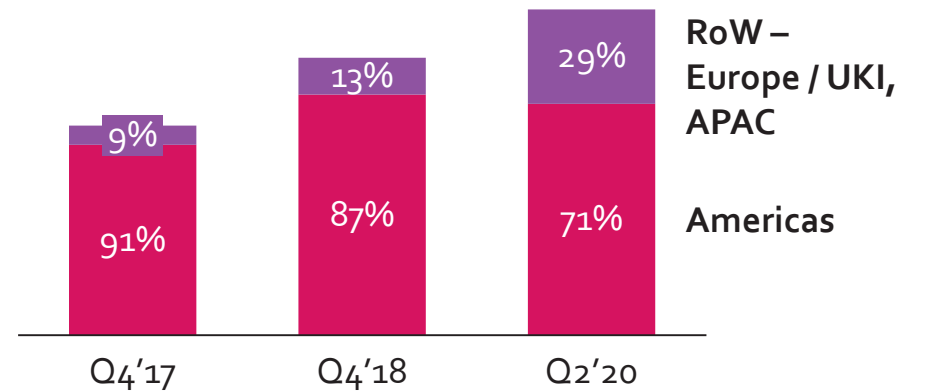
Revenue Trend over last 18 qtrs. in \$ Mn



Business Shift

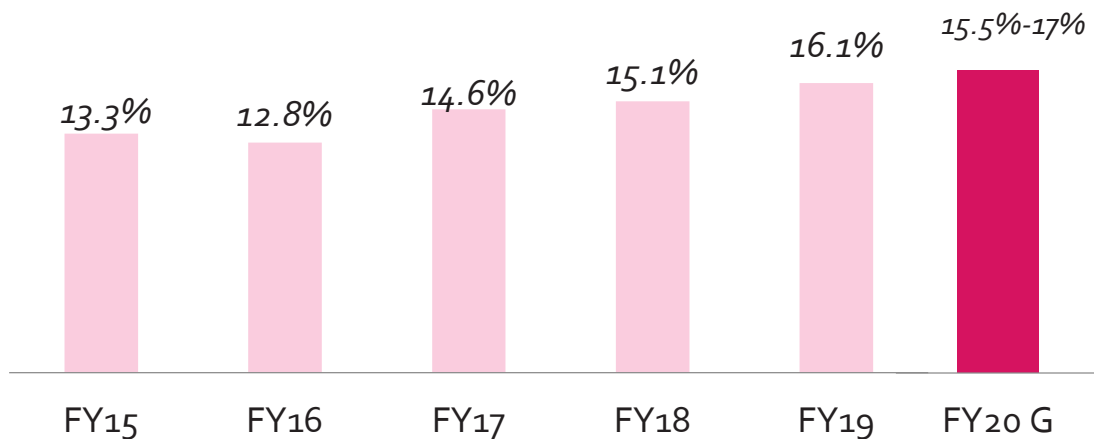


Geographical Penetration



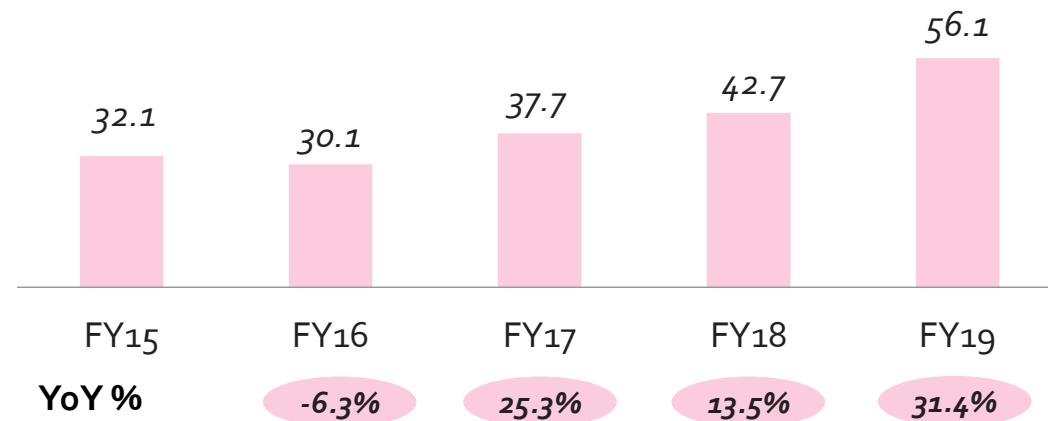
# Strong Earnings Growth and Optimal Cash Strategy to maximize shareholder value

## Improving operating margin



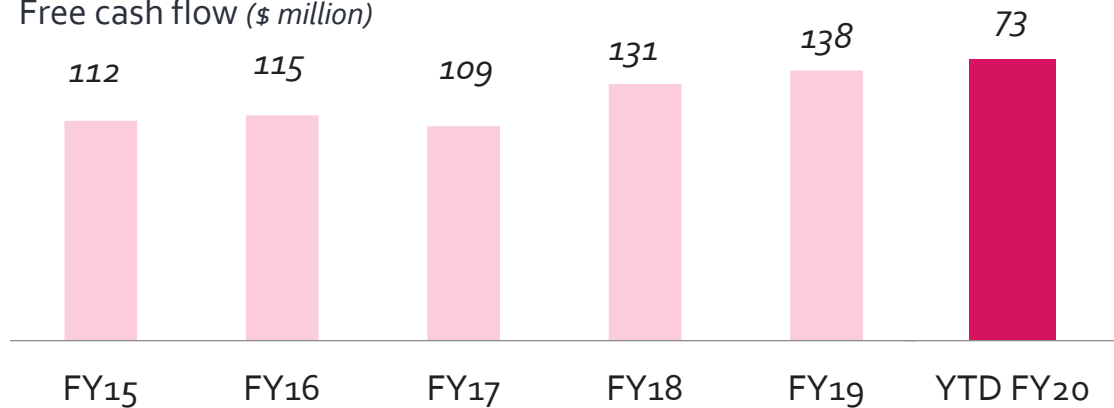
\* FY20 G – FY20 Guidance

## Strong growth in EPS



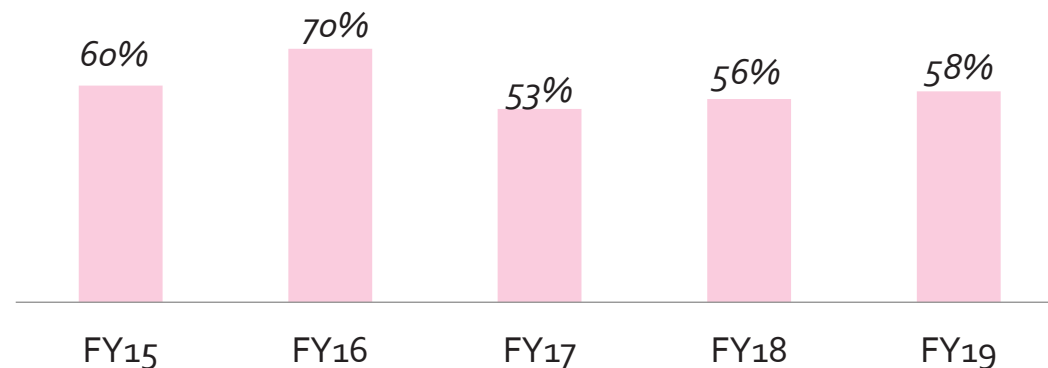
## Consistent free cash flow generation

Free cash flow (\$ million)



## Track record of healthy Dividends

Dividend Payout (DPS including tax / EPS before exceptional items)



Returned \$ 314 Mn through buy-back in FY18 & FY19



# Core Investment Thesis : H1 FY20 Execution Update

1. **Accelerate Direct Core** : Consistently outgrow the market
  - Farming Strategic Accounts
  - New Client Acquisition (NCA)
  - Continue momentum in BX channel
2. **Strategic Partnership with DXC/HP** : Continuous transformation in relationship
  - Applications Partnership Growth
  - Expand Vertical and Geographic Footprint
  - Increase Service Transformation Participation
3. Continued focus on **Margin optimization to fuel Growth (EBIT 15.5%-17%)**
4. Investment Capability building : Talent Next, Next Labs and inorganic tuck-ins
5. **Strong Cash flow Generation and Optimal Cash Strategy** to maximize shareholder value

*Strong growth of 16.0% YoY;*

*NCA grew 80+ % and BX grew 50+ %*

*Continued momentum in Deal wins: YTD TCV wins of \$325M; New-Gen Services at 79%*

*Consistent sequential growth since Q4'17; \$ revenue CAGR of 19.3%*

*Solutions Partner: 58% revenue from Service transformation in Q2'20*

*FY20 Margin guidance at 15.5% to 17.0%*

*Continued progress in implementation of Next Labs and Talent Next Programs*

*Completed acquisition of Stelligent in FY'19*

*Strong Free cash flow generation of \$73M in H1'20, Cash balance of \$254M\**

*\* Post dividend payout of \$86M in Q2'20*





# Q & A