

## CEO's Message

# Decomplex Innovation to Build a Sustainable Future

Dear Stakeholders,

In today's dynamic business landscape, organisations are in search of strategic partners who can not only enhance agility and efficiency but also uncover new avenues for reimagining business models and generating revenue streams. Mastek possesses the essential diversity in scale and digital capabilities necessary to disrupt the status quo and lead transformative initiatives.

## Technology-led Innovation Remains a Top priority

During times when macro environment remains uncertain, we see differing priorities based on industries and markets. For example, government in the UK or healthcare sector in the US may strive for productivity improvement in the near-term v/s markets such as middle east are accelerating investments to create new revenue streams. Irrespective, companies continue to leverage data and cloud technologies to differentiate and stay relevant. This imperative extends beyond internal operations and encompasses digital collaboration with customers and partners.

At Mastek, we view digital transformation as a catalyst to streamline business processes, and decomplex innovation. Central to this transformation is the integration of



# 17.8%

FY23 EBITDA margin



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sustainable business solutions, leveraging technological advancements such as AI aligned to customer priorities.

We remain focused on new ways to harness the power of technology, partnerships, investments, and policy to drive tangible impact for all stakeholders. As a dedicated partner committed to building and sustaining critical systems that create lasting value, we bring our extensive domain expertise, innovative assets, and platform-driven approach to serve our clients.

## Driven by Purpose

We are driven by our higher purpose of helping our clients save lives, protect citizens, and transform business models across a variety of industries and continents thus enabling success for our customers, Mastekers (employees) and societies we live in. Through trusted, enduring partnerships, we uphold our commitment of delivering business outcomes, thereby generating sustainable value for all our stakeholders with velocity, whether it is digitizing legal immigration systems for the UK government or automating business processes for healthcare clients to provide timely patient home care in the United States. Our unwavering dedication to providing industry-specific digital solutions has played a pivotal role in elevating the overall customer experience we deliver.

Our acquisition of MST Solutions integrated within the Mastek family as our Salesforce business, along with our deep Oracle Cloud capabilities and digital delivery DNA, is a powerful combination to drive front-to-back-office business

transformation for clients. Mastek continues to successfully execute programmes of utmost significance in collaboration with the clients and partners across the value chain of Customer 360, finance, supply chain, HCM, addressing the objectives of multiple CXO stakeholders in Public Sector, Healthcare & Life Sciences, Manufacturing/Tech, Financial Services, and Retail/Consumer segments. We are uniquely positioned to be the digital engineering and cloud transformation trusted partner of choice for our clients.

## Strategic Growth Priorities

We have set ambitious goals to drive accelerated growth in the next three to four years. While we are behind on timelines, our aspiration to become a USD 1 billion Company in the second half of the decade is unchanged while setting new benchmarks for customer delight and attractive places to work. We have outlined our strategic priorities and approach to value creation later in this report. We continue to see significant untapped potential in Americas through account mining and larger deals, scaling further in the UK public sector including central and city councils, and growing our market share leadership in Middle East with our differentiated services.

Our investments in innovation and data are yielding results demonstrated by recent wins in Non-linear platform growth and AI pilots with strategic clients. We see continued growth in our Oracle cloud and Salesforce service lines, but also pleased to share good progress with our AWS, ServiceNow, Snowflake and Microsoft partnership expansion globally. Our niche partnerships with Netail.ai and Volteo Edge are showing promise in retail and manufacturing segments. We will continue to invest in two specific areas have exponential potential and help our clients decomplex innovation: a) cloud economics that includes platform investment monetisation and optimising consumption costs; b) data cloud and lakes that sets the foundation for higher impact AI driven uses cases with large language models.

In line with our M&A thesis, we have recently acquired Biz Analytica, a data cloud and modernisation specialist with deep expertise in Snowflake, Databricks and AWS data cloud.

## Performance Powered by People

Mastek delivered steady all-round performance in FY23 demonstrated by strong year-on-year growth in 12 months order backlog while maintaining operational rigour to deliver EBITDA margin of 17.8% for the year. We continued to bolster our business with record-breaking delivery go-lives, new business wins, expansion of our leadership bandwidth, industry-wide recognitions & awards and stronger dividend returns to our stakeholders. Over the last year, we are proud of fundamental bold changes we have implemented to build a robust foundation to scale, including recruiting, service offerings and capabilities, delivery tools, marketing, account mining, partnerships, and, most importantly, digital talent.

At Mastek, our work environment allows each individual to be their authentic selves, providing the autonomy to create, and innovate. Our people are driving the culture of change for our Company from within and for our customers. Our employee experience focus led to a reduction in attrition by 700 basis points year on year.

To further reinforce our strategy, we are placing significant emphasis on client account mining especially in our Top 30 accounts globally. We welcomed two strong executives in Q4 FY23, America's President and Chief Operating Officer aligned with our priorities. Our bets on certain industries, like healthcare in the United States, public sector in the UK and Australia, or manufacturing in Europe, continues to be paying off. We are bullish on our Middle East business and our acquisition of MST Solutions (Salesforce business), which was completed last year, has exceeded our expectations. Our continued focus on Oracle Cloud and Cerner surround services will position us well, as Oracle is prioritising Healthcare growth. All this would not be possible without our passionate Masteekers who have delivered on the promise to be customer centric.

## Our Commitment to the Planet and Collective Future

ESG forms a fundamental pillar of our strategic agenda, and we are deeply committed to taking meaningful actions towards addressing climate change and energy transition. This focus extends beyond minimising our own environmental footprint, as we actively collaborate with our clients to support their sustainability goals. We are committed to corporate governance best practices and policies that serve the long-term interests of Mastek and its stakeholders.

Our inclusion in the 2022 Dow Jones Sustainability Indices (DJSI) further reinforces our commitment to corporate sustainability and aligns with actions in our ESG roadmap which includes accelerating our transition to a low carbon economy. Our CSR mission is 'Informed Giving; Responsible Receiving' with aspiration to touch a million lives by FY26, and strong social value returns in each geography we operate in.

We are thankful to our Board of Directors for their guidance, investors for placing their trust in us, our customers, partners, advisors for their unwavering support. I am personally grateful to our Masteekers who have continued to deliver excellence for our clients. In conclusion, Mastek is strategically positioned with a wide geographic presence, a diverse clientele, relevant digital and cloud offerings, and a resilient team, enabling us to navigate uncertain times effectively to decomplex innovation and build a sustainable future for all our stakeholders.

Regards,

**Hiral Chandrana**