

Vice Chairman & Managing Director's Message

Innovating to Thrive in an Ever-changing World



Despite facing huge challenges in the year gone by, your company sharpened focus on creating value for business, by continuing to build a company that is increasingly agile, resilient, and future-ready. Believing technology to be a key enabler of global growth, we are leveraging our digital capabilities to create sustainable solutions for customers, catalyse societal growth and fight climate action.

Dear Stakeholders,

Like previous year, in FY22 challenges continued for businesses around the world, as the impact of COVID-19 changed the way we live and work. Our important priority has been keeping our employees safe and caring for the welfare of the communities in which we operate.

Despite facing huge challenges in the year gone by, our company sharpened focus on creating value for business, by continuing to build a company that is increasingly agile, resilient, and future-ready. Believing technology to be a key enabler of global growth, we are leveraging our digital capabilities to create sustainable solutions for customers, catalyse societal growth and fight climate change.

Celebrating 40 years of delivering excellence is a substantiation of our solutions-driven, culture-backed while transforming our customers' businesses. Starting from ideation as classmates at IIM, Ahmedabad the company was built to leverage IT to deliver business solutions. We were amongst the first organisation in India to create application software products and introduce Relational database management system (RDBMS) more than three decades ago. By late 80's, we were globally amongst first to develop Enterprise Resource Planning (ERP) product and eventually became the first Indian IT company to get listed on Indian bourses at a premium price. Our passion to build mission-critical solutions continued in the new millennium, manifested as solutions like Congestion Charging system for city of London and early version of secure information sharing system for National Health services of UK (SPINE) and through many other such ambitious projects. The most recent was building Enterprise Software Product Solution for Insurance industry, which was demerged from Mastek to become a successful company in US called Majesco.

Our agile performance and vigorous growth were guided by our foresight to choose positioning as solutions-driven company, our ability to execute efficiently and our trusted, value-driven relationship with our clients.

Demand for Services

After the initial disruptions caused by the pandemic, the need for business continuity, operational resilience, and the switch to digital transactions, has led to strong demand for IT services. With cloud becoming mainstream, migration of applications and infrastructure is emerging as a crucial growth driver. We acquired Evosys in FY20, which is extremely focused on cloud-based ERP for Oracle. The strategic combination of Mastek and Evosys has cutting edge capabilities across cloud transformation, new age ERP, digital commerce, business intelligence and analytics and agile consulting.

The global IT services market is expanding significantly, and the United States represents one of the largest IT markets in the world. The rising adoption of smart technologies and increasing security investment are some of the major factors driving the demand for IT services in the United States. Leveraging our brand reputation, a growing customer base and cutting-edge technologies, we have maintained our position as a leading global digital transformation company. With rising demands, we have the right market focus to build a connected future, so that everyone can thrive.

Making it Happen

Our efforts are focussed around One-Mastek approach. This is about bringing together and leveraging, resources, capabilities, and solutions approach to provide Digital Transformation

solutions to our clients. Build, Buy and Partner are the pillars of this strategy:

- **Build** - We need to organise ourselves to deliver, to serve market demand. We are building new practice lines to aid Digital Transformation journey of our clients. Our focus is on strategic bets, which include data, automation, and AI, prioritising the healthcare & life sciences sector and continuing our focus on Retail and Manufacturing sectors. We plan to put in place a co-sell strategy, combining the power of Oracle Cloud and Digital Services, to concentrate on large and integrated deals.
- **Buy** - Acquisitions and partnerships will continue to remain key strategies for increasing digital and domain capabilities, along with expansion across markets and customers. Acquisition of Evosys, allowed us to diversify our geographic spread. The acquisition provided an immediate opportunity to increase our share of wallet and deliver more value to customers by leveraging the customer acquisition velocity of Evosys.
- **Partner** - Through the partnerships we forge, we aim to enhance the capabilities and impact of the combined company. We specifically look forward to continuously developing a wider portfolio of digital services, providing our clients with a 'digital client for life' experience.

Readiness for tomorrow

Our ability to deliver business outcomes is powered by the right resources of finance and people. Our average deal sizes are increasing, as we are participating in more multi-year and multi-million-dollar deals, based on comprehensive and integrated solutioning, including Oracle Cloud and Digital services. With a strong balance sheet and global human capital that helps our clients embrace fundamental transformation with confidence, we look forward to a highly relevant and resilient future. We have consistently stood by our commitment to enhance value for our shareholders. The return on equity improved from 25.6% during 2020-21 to 29.5% during 2021-22. In terms of top line, revenue during the year grew by 26.9% (FY22 vs FY21) to INR 22,199 million. Our EBITA stood at INR 4,986 million and profit after tax stood at INR 3,334 million.

In today's competitive market, investing is imperative to being future-ready and is a definitive part of any growth strategy. We plan to ensure optimal capital allocation towards value capturing through mergers and acquisitions. This will help us access niche capabilities, specific geo-penetration, and potential talents to service our clients with a wide range of offerings.

Successful companies must build skills, develop leaders, and establish an inclusive and flexible work environment to meet the world's changing needs. We are taking persistent steps to enrich and modernise our human resources and talent management programmes. While we have advanced our inclusion and diversity efforts, we are committed to furthering our progress in this area. The Human Resources function was transformed to People Experience and Diversity (PhD), with dedicated focus on enhancing the experiences of all Mastekers. We are focused on creating pathways for their

professional progression, by ensuring that our people receive the right guidance to align themselves to our goals and vision, to create a futuristic organisation.

During the year, we also came up with a new tagline. The new tagline will serve as a guiding light for our operating model - Trust, Value and Velocity. Clients 'Trust' us to create business 'Value' with 'Velocity' and deliver best-in-class experiences to all stakeholders, across digital and cloud programmes. Both the logo and tagline represent our core values and commitments aligning closely to our growth goals and culture.

Being Responsible

As a trusted leader in the industry, we uphold necessary health and safety regulations as we continue delivering quality products and services. Guided by our strong values and governance structure, we act with integrity in all that we do - maintaining ethical supply chains and promoting fundamental human rights.

As responsible corporate citizens, we believe in giving back to society through our CSR efforts. Our

charitable wing 'Mastek Foundation' worked in collaboration with the NGOs provide support in the areas of Education, Livelihood and Covid-relief. We raised over INR 1.32 crores through our annual fundraiser 'Inspired 2022' to provide educational support and vocational skills training to 500+ underprivileged children. We also organized global "Gratitude is Attitude" events every quarter along with Payroll Giving to raise funds for charitable organizations in India, the UK, and the US.

Climate change has become a great challenge of our planet putting a considerable pressure on health, social equality, and development. We acknowledge our responsibility to address the negative impact of this as a responsible corporate citizen. We have therefore started our journey to incorporate Environmental, Social and Governance (ESG) principles into our business.

Looking Ahead

The technology transformation driven by cloud, and the digital transformation of business

models are impacting the way we conduct business and the way we live our life. There is a wonderful opportunity for company a like Mastek through its technology prowess to make a valuable contribution to clients and society at large. We are on this long-term journey, full of vision, commitment, and enthusiasm.

I take this moment to express our deep gratitude to our clients worldwide, for giving us an opportunity to be their partner in their Digital journey. I would like to thank Mastekers for their passion and commitment towards the company and also our partners, investors and board members.

I thank all our stakeholders for being an integral part of this journey and invite them to join us in redefining possibilities in the new normal.

Regards,
Ashank Desai