



# Investor Presentation – Q2FY21

*29<sup>th</sup> October 2020*

*Presented by:  
John Owen | Group CEO  
Abhishek Singh | Group CFO*



**The difference between what is.  
And what could be.**



# Table of Contents

---

- 01. Highlights of the Quarter
- 02. Financial Performance
- 03. Operational Performance
- 04. Key Wins for the Quarter
- 05. Evosys Advantage
- 06. Acquisition and Covid Updates

01

# Highlights of the Quarter

02

03

04

05

06

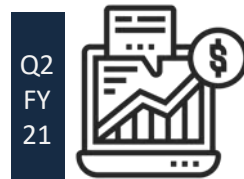
# Highlights of the Quarter

Mastek crossed \$55m revenue mark in the Q2



**6.1% QoQ revenue growth**

Improvement in Operating EBITDA margin of 350 bps QoQ



**21.1% Operating EBITDA margin in Q2FY21**

Mastek and Evosys signed second deal in H1FY21 under "Joint Go-To Market strategy"

Mastek



Joint Go-To Market strategy

Evosys

Added 37 new customers during the quarter



**37 new customers**

Increase in 12Month order backlog to Rs 940 cores



**23.0% QoQ growth**



Order value of **\$7.7 million**

Declared interim dividend of 110% or Rs 5.5 per share



02

# Financial Performance

01

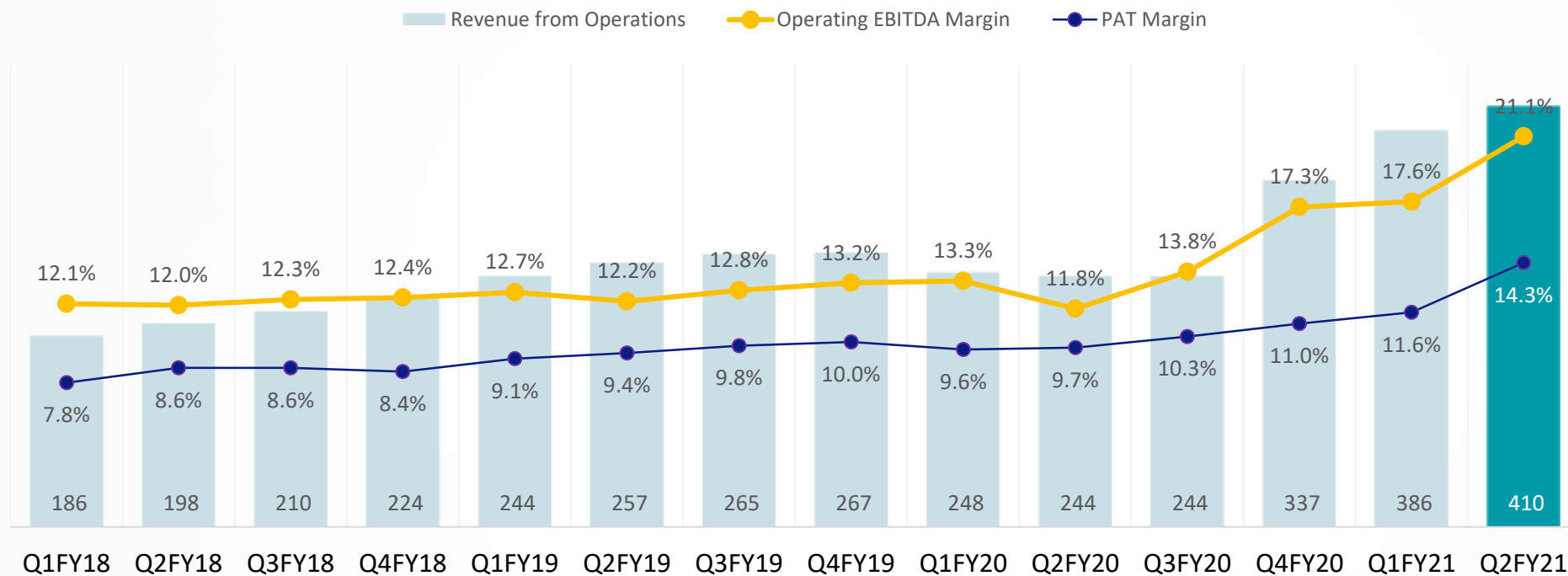
03

04

05

06

# Consistent Financial Performance



**▲ 68.2%**  
Revenue growth  
YoY

**▲ 21.1%**  
Operating  
EBITDA margin  
improved by 936 bps  
YoY

**▲ 14.3%**  
PAT Margin  
improved by 454 bps  
YoY

# Financial Summary – Q2 FY21

Key Performance Metrics		Q2FY21	Q1FY21	Q2FY20	Growth QoQ	Growth YoY
Revenue	Revenue from Operations* (\$m)	\$55.1	\$50.8	\$34.4	5.3% (CC)	56.3% (CC)
	Revenue from Operations* (Rs Crore)	409.7	386.1	243.6	6.1%	68.2%
	Other Income (Rs Crore)	4.1	16.7	9.1	(75.7%)	(55.5%)
	<b>Total Income (Rs Crore)</b>	<b>413.8</b>	<b>402.8</b>	<b>252.7</b>	<b>2.7%</b>	<b>63.7%</b>
Margins (Rs Crore)	Op. EBITDA	86.6	68.1	28.7	27.1%	202.1%
	Total EBITDA	90.6	84.8	37.8	6.8%	139.9%
	PBT	76.9	70.9	31.3	8.4%	145.8%
	PAT	59.1	46.6	24.6	27.0%	140.0%
Margin (%)	Op. EBITDA	21.1%	17.6%	11.8%	348 bps	936 bps
	Total EBITDA	21.9%	21.1%	14.9%	84 bps	695 bps
	PBT	18.6%	17.6%	12.4%	97 bps	620 bps
	PAT	14.3%	11.6%	9.7%	273 bps	454 bps
EPS (Rs)	Basic	20.8	16.6	10.3		
	Diluted	19.7	16.0	9.7		

\*Revenue from operation includes Evosys amounting to Rs 142.4 crore (\$19.2m) in Q2FY21 and Rs 133.8 crore (\$ 17.6m) in Q1FY21

# Financial Summary – H1 FY21

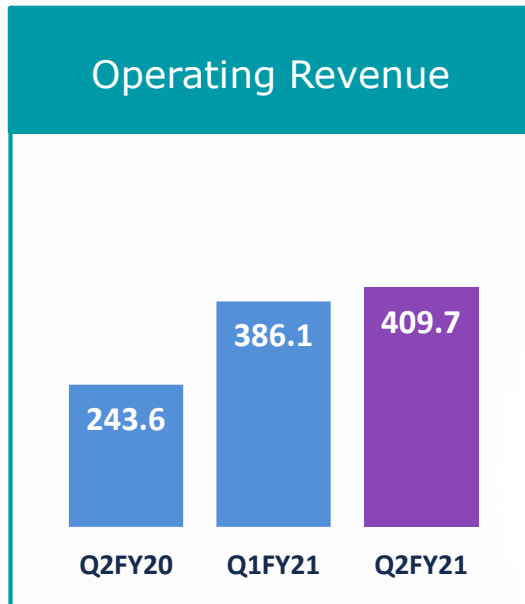
Key Performance Metrics		H1FY21	H1FY20	Growth YoY
Revenue	Revenue from Operations* (\$m)	\$105.8	\$69.9	51.2% (CC)
	Revenue from Operations* (Rs Crore)	795.8	491.1	62.0%
	Other Income (Rs Crore)	20.8	14.3	45.7%
	<b>Total Income (Rs Crore)</b>	<b>816.6</b>	<b>505.4</b>	<b>61.6%</b>
Margins (Rs Crore)	Op. EBITDA	154.7	61.5	151.4%
	Total EBITDA	175.4	75.8	131.5%
	PBT	147.8	62.7	135.6%
	PAT	105.7	48.9	116.4%
Margin (%)	Op. EBITDA	19.4%	12.5%	691 bps
	Total EBITDA	21.5%	15.0%	649 bps
	PBT	18.1%	12.4%	569 bps
	PAT	12.9%	9.7%	328 bps
EPS (Rs)	Basic	37.5	20.4	
	Diluted	35.6	19.3	

\*Revenue from operation includes Evosys amounting to Rs 276.2 crore (\$36.8m) in H1FY21

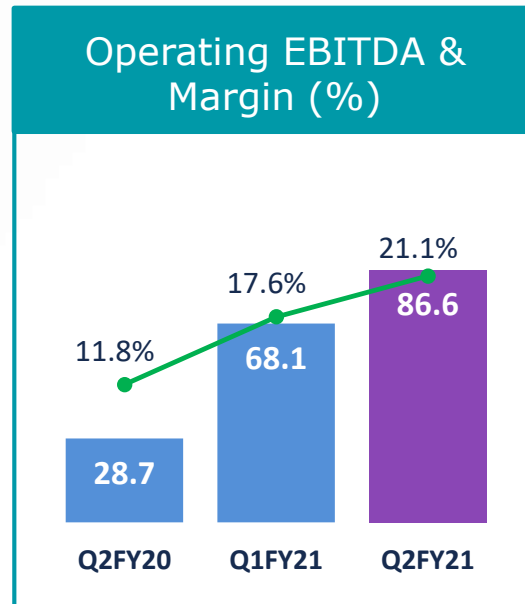


Comparison: Quarter-on-Quarter and Year-on-Year (Figures in Rs Crore)

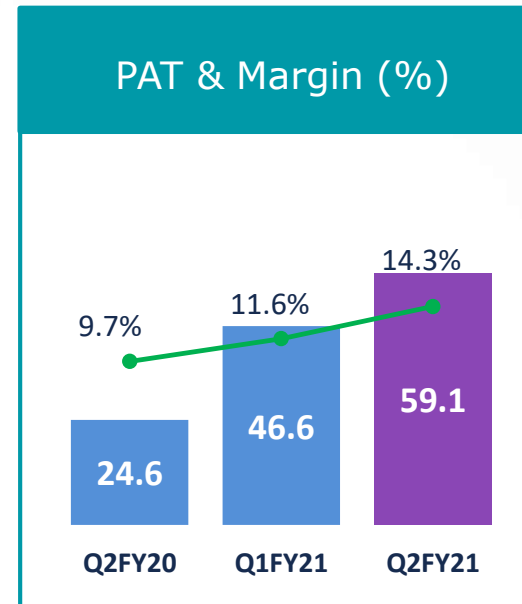
# Consolidated Financial Highlights Q2 FY21



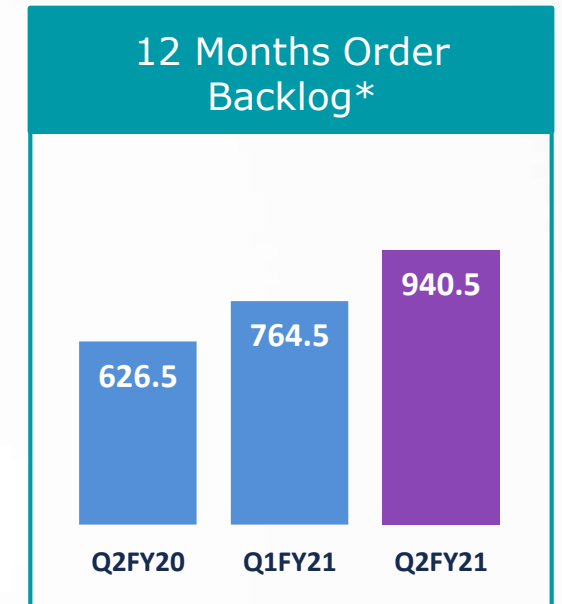
- ▲ 6.1% QoQ
- ▲ 5.3% QoQ (cc)
- ▲ 68.2% YoY
- ▲ 56.3% YoY (cc)



- ▲ 27.1% QoQ
- ▲ 202.1% YoY



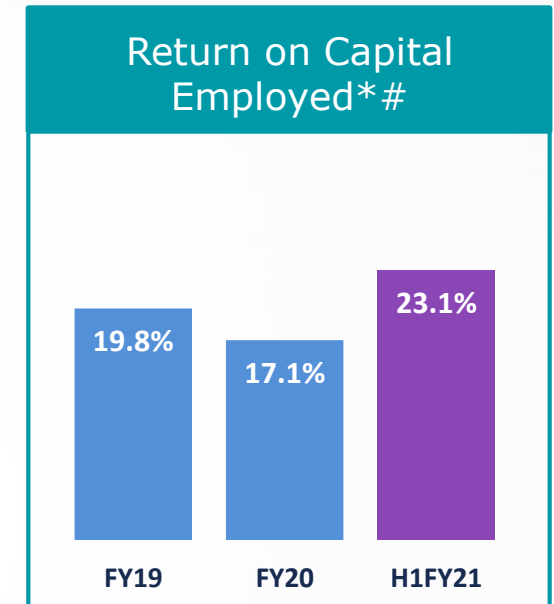
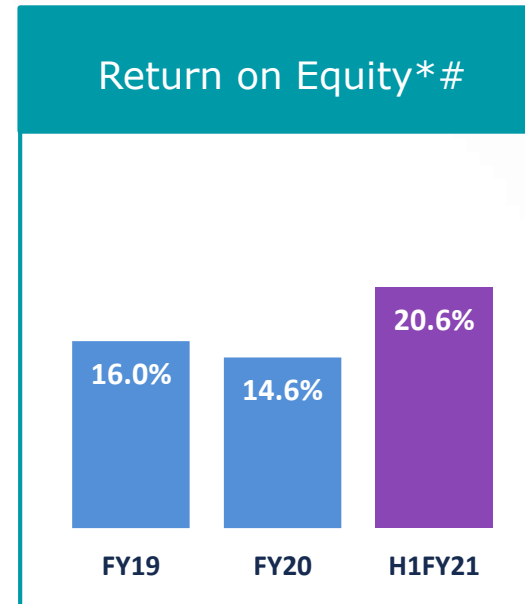
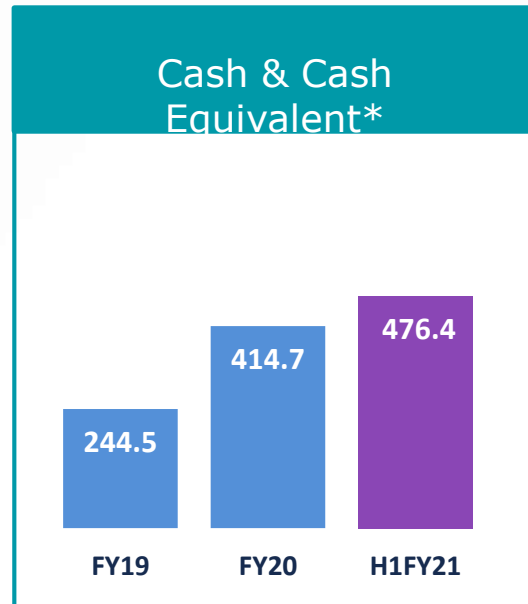
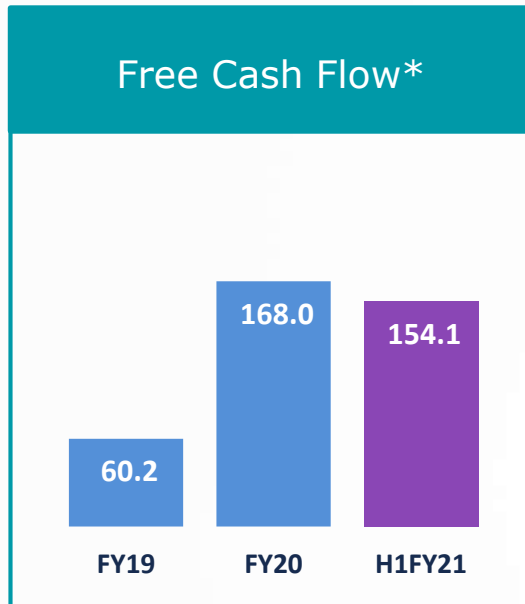
- ▲ 27.0% QoQ
- ▲ 140.0% YoY



- ▲ 23.0% QoQ
- ▲ 22.4% QoQ (cc)
- ▲ 50.1% YoY
- ▲ 42.0% YoY (cc)

Strengthening the Balance Sheet

# Balance Sheet Metrics H1 FY'21 - Consolidated



**FCF to PAT:**  
H1FY21: 145.7%  
FY20: 147.6%  
FY19: 59.4%

**Net Cash:**  
H1FY21: Rs 223.4 cr  
FY20: Rs 81.0 cr  
FY19: Rs 174.9 cr

All figures in Rs Crore

\* FY20 and H1FY21 includes Evosys numbers

# Return on Equity = PAT/Average Networth; Return on Capital Employed = EBIT/Average Capital Employed; Quarter numbers are annualized for ROE and ROCE calculations



03

# Operational Performance



01

02

04

05

06

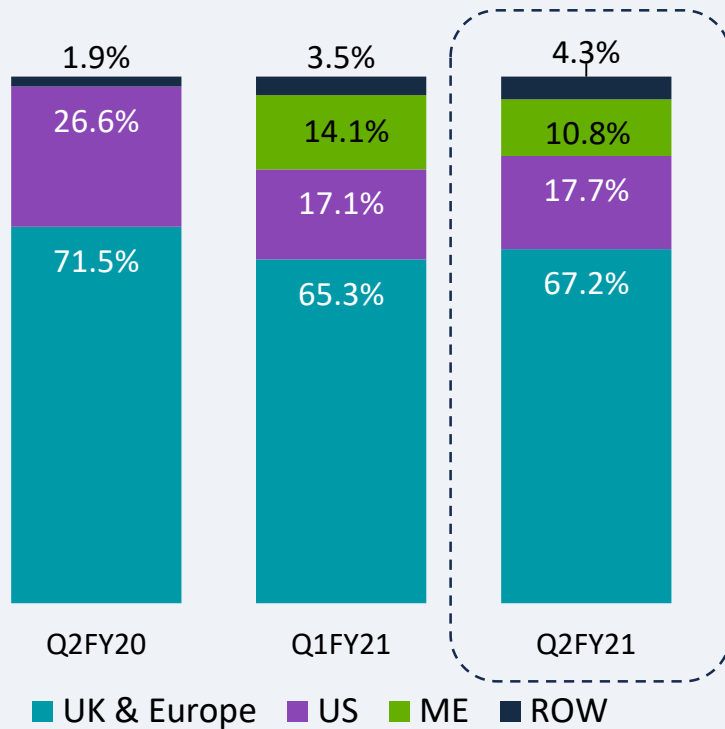
# Operating Metrics Q2 FY21

Strengthening our business		Q2FY21	Q1FY21	Q2FY20
Client Base	New Clients Added	37	48	11
	Active Client (immediately preceding 12 months)	542	504	144
	Top 5	35.1%	34.5%	40.0%
	Top 10	45.8%	48.1%	57.0%
Employee Base	Total Employee	3,354	3,321	1,937
	- Offshore	2,283	2,227	1,171
	- Onsite	1,071	1,094	766
	- Diversity (Women employees)	25.8%	25.2%	27.8%
	LTM attrition	14.7%	18.3%	24.1%
DSO	Days	71	72	78
FX Hedges for next 12 months	Value (In m) – GBP	10.1	10.2	7.2
	Average rate/ Rs.	99.3	97.7	96.4
	Value (In m) – USD	3.6	4.5	1.5
	Average rate/ Rs.	76.0	75.8	72.3

Balancing our portfolio

# Revenue Analysis Q2 FY21 - Consolidated

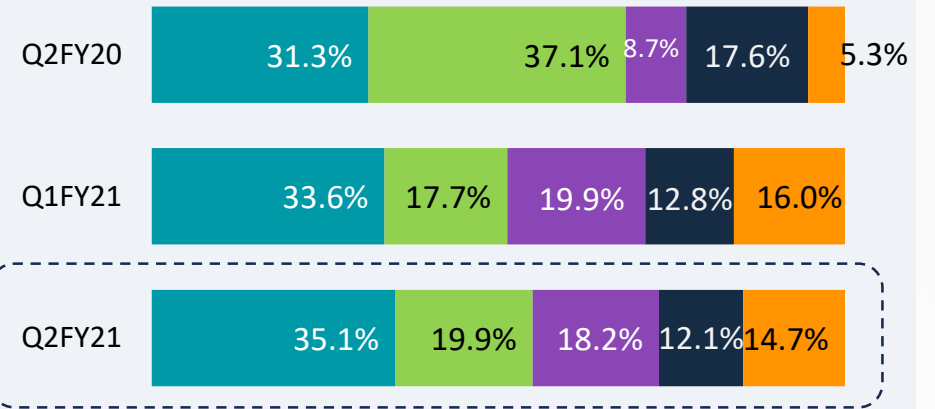
Revenue by Market Region\*



\* ROW includes India, Singapore, Malaysia and Australia

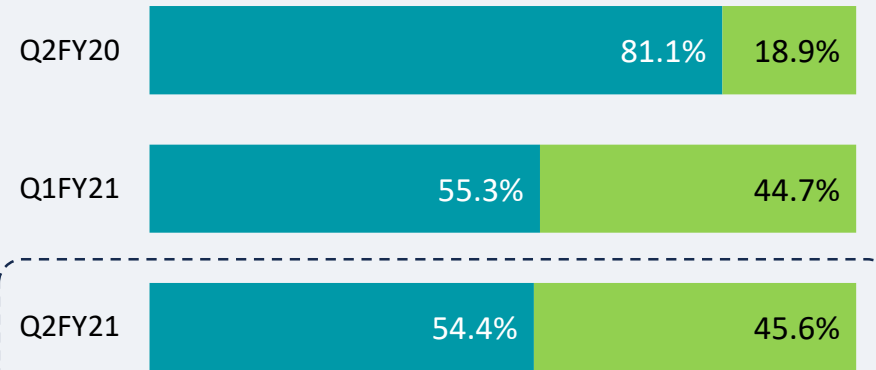
Revenue by Industry Segment

- Government
- Retail Services
- Health
- Financial Services
- Others



Revenue by Contract Type

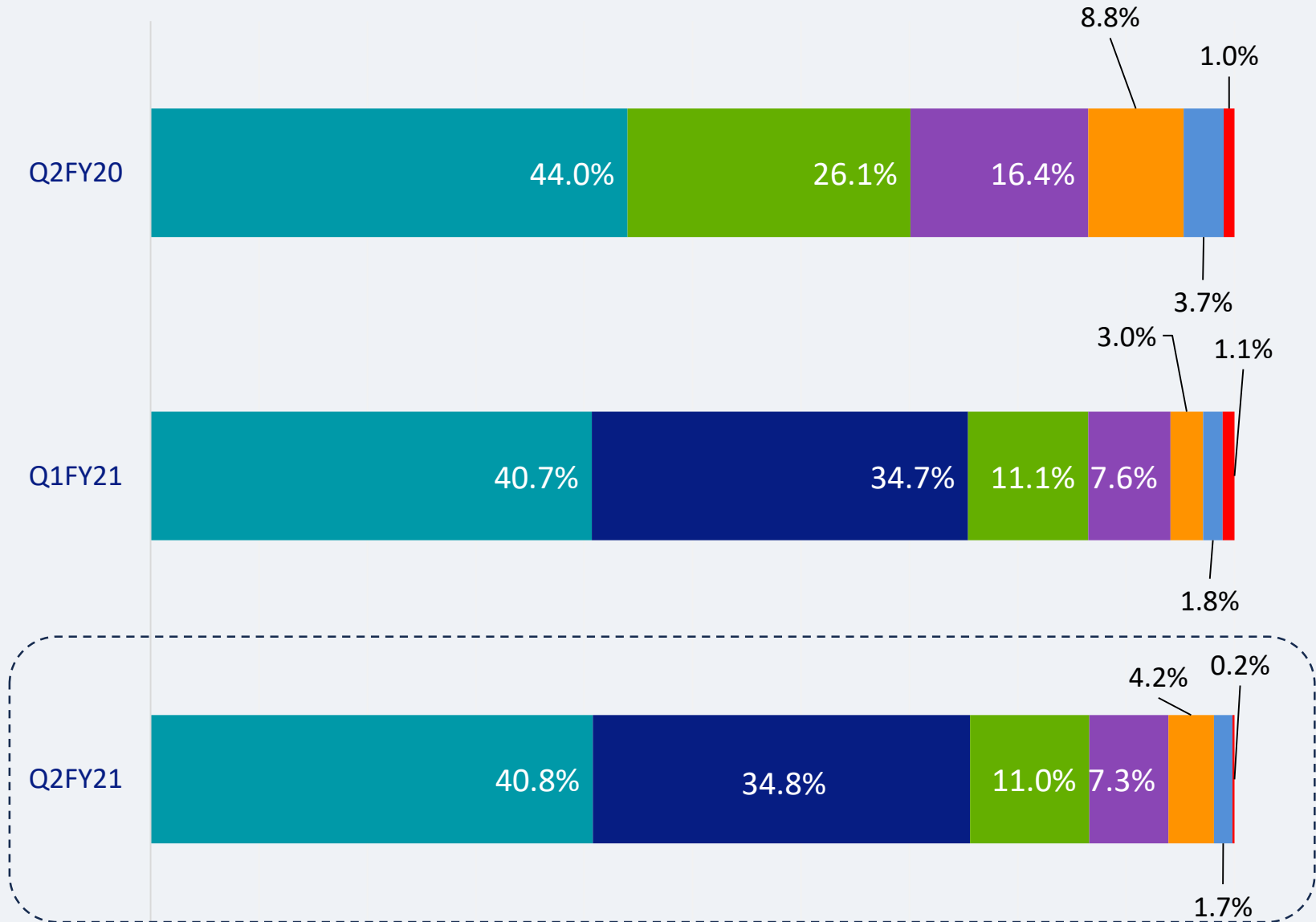
- Time & Material
- Fixed Price



Operational Performance

# Revenue By Service Line Q2 FY21 – Consolidated

- Applicant Development
- Oracle Suite & Cloud Migration
- Digital Commerce
- Application Support & Maintenance
- BI & Analytics
- Assurance & Testing
- Agile Consulting





04

Key wins  
for the  
quarter

01

02

03

05

06

# Public Sector

## UK

- **Client:** Central Government Department  
**About the deal:** Brexit  
**Impact:** Innovative new solutions to the post Brexit Import/Export trading rules

## ROW

- **Client:** Large government owned investment company in Australia, having presence since 30 years, providing alternative assets with a focus on infrastructure, real estate and private capital  
**About the deal:** Evosys is jointly implementing the Cloud Transformation Program especially focused on Hybrid Cloud Integration and Enterprise Performance Management

## ME

- **Client:** Government owned civil aviation company  
**About the deal:** Evosys shall be deploying its Cloud Managed Services Program to deliver an outcome focused delivery



# Healthcare

## US

- **Client:** Multimillion healthcare giant having more than 70 nursing and assisted living centers in the US across eight states  
**About the deal:** Evosys will be implementing a strategic Oracle cloud ERP and HCM implementation

## UK

- **Client:** National Health Service  
**About the deal:** COVID Impact: Developing a cutting edge collaboration platform for the suite of applications that combine to create the UK's COVID Track and Trace service with a newly created department to address the pandemic

# Manufacturing & Engineering and Construction

## US

- **Client:** A Global manufacturer of industry leading medical products.  
**About the deal:** As a key transformation partner, Mastek is helping the customer enhance their online presence by adding 'Direct to Consumer' capabilities. In a phase-wise global roll-out, Mastek would leverage cutting-edge Commerce solutions to enable this customer interact, transact & serve its consumers online
- **Client:** One of the Leading computer gaming peripheral manufacturers in US  
**About the deal:** Evosys shall deploy its GLIDE for Oracle EBS program to completely transform them from OnPremise to Oracle Cloud Applications
- **Client:** Multi million, 40 years old manufacturing house. It manufactures more than 100 products from rock crushing and screening plants to hot mix asphalt facilities  
**About the deal:** Implementation of Cloud HCM for US, South Africa, Brazil, Northern Ireland, Chile, Thailand, India, Canada & Australia

## UK & Europe Private Sector

- **Client:** A multi billion and leading global design & consultancy firm  
**About the deal:** Multi-million long term engagement where Evosys and Mastek shall be transitioning from a Tier 1 incumbent System Integrator and providing an outcome focused Cloud Managed Services Program

# Telecom

## ME

- **Client:** Bahrain's leading telecom company. Using SAP ECC for more than a decade  
**About the deal:** Evosys shall deploy its GLIDE for SAP program to completely transform them from SAP to Oracle Cloud Applications

# Retail

## US

- **Client:** 24 years old leading skin care brand from USA with markets in Australia, Europe, USA & Scandinavia  
**About the deal:** Evosys shall deploy its GLIDE for Oracle EBS program to completely transform them from OnPremise to Oracle Cloud Applications



# Evosys Advantage

05

01

02

03

04

06

One of the Top SI for Oracle Cloud Applications

# Evosys



### Global and Cross Pillar

- 1000+ Global Customers with presences in 30+ countries
- Expertise in all Oracle Cloud Pillars



### Verticalized Approach

Vertical specific solution developed for prominent verticals



### Brilliant team and model to scale

1200+ consultant & growing across all pillars of Oracle Cloud



### Value Based Delivery

Deliver Measurable Outcome



### Evosys Glide (On Prem to Cloud)

Transformation Platform for Oracle EBs, PeopleSoft, & SAP to Oracle Cloud



### Awards and Recognition

- Oracle's Leading Global Partner (2017,19)
- Gartner MQ (2019-20)
- Oracle User Groups (2016-19)
- Oracle Regional Partner (2016-19)

# Prebuild Accelerators for On Premise to Cloud Transformation



GlideEBS 

87 clients

GlideSAP 

6 clients

GlidePS 

6 clients



Assessment of configuration & customizations



Insights to build expected ROI



Advisory services for transformation



Data Migration



Support and enhancement services

Accelerators

# Evosys - ERP, SCM Extensions/Solutions



Evo Bank Facility Management



Point of Sales System Solution



Catch Weight Sales Solution



Evo Subcontract Management



Evo Van Sales Solution



Evo Mobile Supply Chain Solution



SMART Desk-Service Request Management



Online Freight Calculation



Multi-dimensional Reporting



Regression & Data Migration Tool - RPA



Live Sales Dashboard



Material Request Solution - Construction

# Oracle Named as a Magic Quadrant Leader



Source: Oracle



Magic Quadrant provides **visibility into an enterprise's financial position** through automation and process support



Gartner Names **Oracle** (Oracle ERP Cloud) a **Magic Quadrant Leader**



Market for cloud suites will continue to evolve over next 5 to 10 years. **By 2024, Gartner expect 70% of all new midsize core financial management application projects & 35% of large and global ones to be deployed in the public cloud**



Finance organizations are increasingly **shifting to cloud core suites**



**Business disruption caused by the Covid-19 pandemic will accelerate trend in near future**



**Combined capability of Mastek & Evosys creates a new organization which can provide end-to-end services and tap into this huge market**



# Oracle Named as a Magic Quadrant Leader

Magic Quadrant for Cloud ERP for Product-Centric Enterprises\*




Magic Quadrant for Cloud Core Financial Management Suites for Midsize, Large and Global Enterprises\*



\*Source: Oracle

# Evosys Amongst Top Leaders for Oracle Cloud Application Services

 Improvement in ranking of Evosys year on year

 \$20 Billion+ in services & implementation revenue opportunity around Oracle annually

 Existing players in 'Leaders' quadrant bag majority of the transformational opportunity **using their integrated offerings in Digital Transformation & Cloud Migration services**

 Combined capability of Mastek & Evosys creates a new organization which can provided end to end services and tap into this huge market

For 2 consecutive years

2019

2020



As of March 2019 © Gartner, Inc



As of February 2020 © Gartner, Inc

\* Magic Quadrant for Oracle Cloud Application Services; Source: Gartner

# Advantages of EVOSYS Acquisition

## Fast Growth

Oracle Cloud  
ERP/HCM is growing @  
30%+



**Growth of  
30%+**

Oracle is the leader in this  
segment, as stated by  
Gartner in its various  
reports



**Oracle is the  
segment leader**

Evosys has been a winner,  
year-after-year, in Oracle's  
Global Awards category for  
Performance



**Evosys- a consistent  
performer**

Evosys recognized by Gartner  
amongst Top 10 players  
globally in their Magic  
Quadrant for Oracle application  
services. Improving ranking  
year on year



**Evosys- Top 10 players  
globally**

Mastek-Evosys team approach  
adds to that growth rate due  
to increasing winning  
probabilities due to combined  
size



**Win win  
combination**

One of the largest installed  
base of Oracle cloud  
application customers (1000+)



**1,000 +  
customers**

# Advantages of EVOSYS Acquisition

## *Accelerating Client Acquisition*



Set of 1,300 strong serviced customer-base globally; around 200 customers having >\$1 billion revenue; helps in leveraging Digital Transformation services offered by Mastek



Multiplier effect in new customer acquisition speed (3 to 4 times higher) for Mastek's Digital offerings due to acquisition of customers in ERP/ HCM space by Evosys



30 new customers in the current quarter out of which 3 were billion dollar plus organizations

## *High Profitability*



High EBIDTA business which is repeatable and scalable

## *Entry to New Countries & Verticals*



New industry sectors viz. manufacturing, engineering, professional services, education etc.



New presence in 10+ countries in Mainland Europe, Middle East and Asia-Pacific

# Cross-Sell Opportunity



The acquisition enables company to provide **end-to-end digital transformation and cloud migration services**



**Mastek Services:**  
Application Development  
Digital Commerce  
Application Support & Maintenance  
BI & Analytics  
Agile Consulting  
Assurance & Testing

**140**  
active clients

**500+**  
Clients globally



**Evosys Services:**  
Oracle Cloud Application Implementation  
Oracle On Premise Implementations and Upgrade  
Oracle Application Support  
Oracle Cloud Technology  
Evosys IP on Cloud

**402**  
active clients

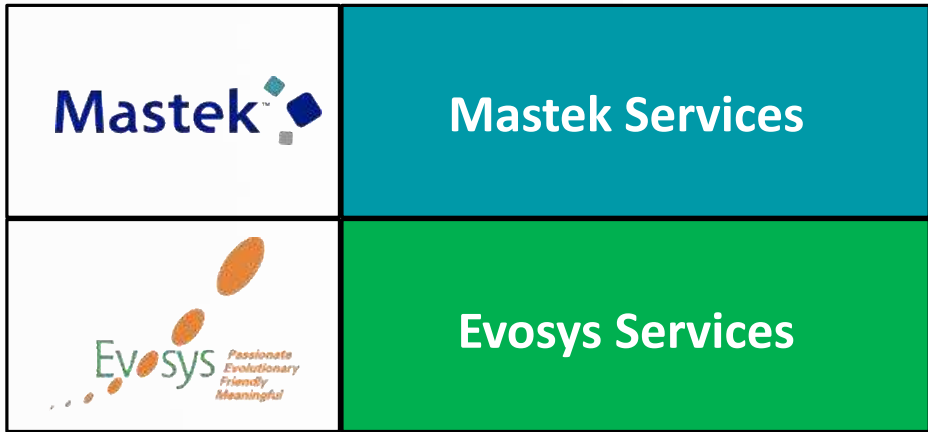
**1,300+**  
Clients globally



Strengthening Our Joint Sale

# Co-sell Opportunity

## Advantages of joint bids for Evosys ERP/ HCM bids



**Competitive “Total Digital Transformation” Solution offering**



**Size benefit to bid for large contracts and compete against large players**



**Multi-pillar sales and customer for life**



**Grow the managed services portfolio of Evosys**



# Acquisition and Covid Updates

06

01

02

03

04

05

# Evosys Acquisition Update

## Business Transfer Agreement

- Transfer of shareholdings of subsidiaries of Evosys Arabia in progress
  - Share transfer process completed for Abu Dhabi and Egypt
  - Share transfer process in progress for KSA, Bahrain and Kuwait

## Scheme of Arrangement (Demerger)

- Applications filed with BSE and NSE on 30 June 2020
- Awaiting approval

## Integration

- Sales and Marketing teams working collaboratively as one team
- Joint bids being developed for identified clients
- Cross-selling opportunities identified and teams working on the same
- Integration of support functions continuing as per plan

**Scheme of arrangement (demerger) expected to close by January 2021**



# Macro Economic Factors in Our Market

## UK

- No deal Brexit looming large
- Public sector is reasonably insulated
- Private sector continues to be wobbly
- Risk of second wave; continued work-from-home insulates delivery
- Budget constraint continues
- Opening up of transformational deals and offshore opportunities

## US

- With Retail focused clientele, the geography is struggling for opportunity and conversion
- Increase in offshoring opportunities
- New avenue of BOPIS (Buy Online, Pick-up In Store)
- New sales team fully operational; driving Oracle commerce and cross-sell opportunities in tandem
- Platform-agnostic implementation capability developed. Alliance and partnerships opening up opportunities
- Canada and Middle East presents additional opportunities

## Oracle Suite and Cloud Migration

- Good demand all round. Customer pull experienced in newer geographies including Canada and European countries
- Oracle opening up local data centers in Middle East; accelerates cloud adoption
- Batch of 100 trainees gone live; 150-250 additional trainees to be hired in H2
- Managed services deals giving annuity revenue visibility
- SAP attack team augmented to drive SAP On-Prem to Oracle Cloud

# Thank You

---

**Questions & Answers**

