



# Investor Presentation - Q1FY23

20 July, 2022

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## HIGHLIGHTS OF THE QUARTER



# Highlights of Q1FY23

Total Income Growth  
Year-on-Year

14.4%

Op. EBITDA  
Margin

19.2%

Fortune 1000 Clients  
For Q1FY23

21

Q1FY23 revenue at  
Rs 570.3 Crore



Revenue grew by  
10.4% YoY  
13.4% YoY (CC)

Q1FY23 PAT  
Rs 84.4 Crore



PAT margin of  
14.2%

Headcount on 30 June 2022  
5,553 Employees



Freshers hired during  
Q1FY23  
400+

12 Months Order backlog at  
Rs 1,509.3 Crore



12 months order  
backlog grew by  
4.0% QoQ (CC)  
31.1% YoY (CC)

Mastek acquires MST Solutions, a leader in Salesforce ecosystem

# Factors impacting Q1FY23 Revenue growth

1. Currency impact driven by GBP/ USD movement in current quarter
  - Average exchange rate of \$1.26/£ in Q1FY23 vs average exchange rate of \$1.34/£ in Q4FY22
2. Pause in a key program in a large healthcare account
3. Slower than expected ramp ups
4. Delayed decision making on high probability deals

Our revenue growth would have been 3% to 4% QoQ, if above factors (1 & 2) would not have occurred

# Awards & Recognitions

## Fortune India Next 500



Mastek has ranked 36 on the prestigious list of Fortune India Next 500 for 2022 as one of the largest emerging companies in the country

## Lifetime Achievement Award



Ashank Desai, MD and Vice Chairman of Mastek and co-founder of NASSCOM, was awarded the **Dataquest 'Lifetime Achievement Award'** at the prestigious 29<sup>th</sup> edition of ICT Business Awards, for his outstanding contribution to the IT industry

## L&D Excellence Award



Mastek's People Skills & Development (PS&D) team has won the award for **"L&D Excellence"** at the 8th Edition of the "Future Of L&D Summit & Awards"

## Gartner Recognition



Evosys - A Mastek Company, for the 4<sup>th</sup> year in a row, is recognized in the 2022 Gartner Magic Quadrant for Oracle Cloud Applications Services, Worldwide. We are positioned as a Niche Player in Gartner MO

## Future Ready Organization



Mastek has been featured in **'Economic Times Future-Ready Organizations 2022 - 23'** list.

## Inspiring CEO Award



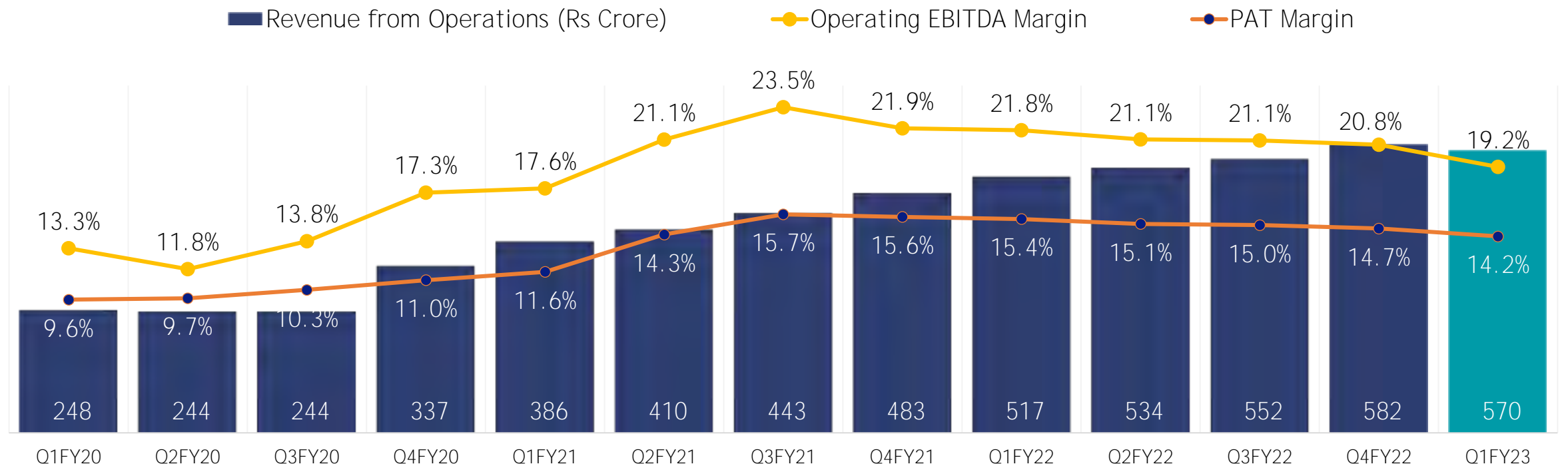
Hiral Chandrana, Global CEO - Mastek Group has been recognized as an Inspiring CEO at the **2nd Edition of "The Economic Times CEOs Conclave** with the theme **"Stalwarts in Excellence: Redefining the Future"**

02

## FINANCIAL & OPERATIONAL PERFORMANCE



# Financial Performance





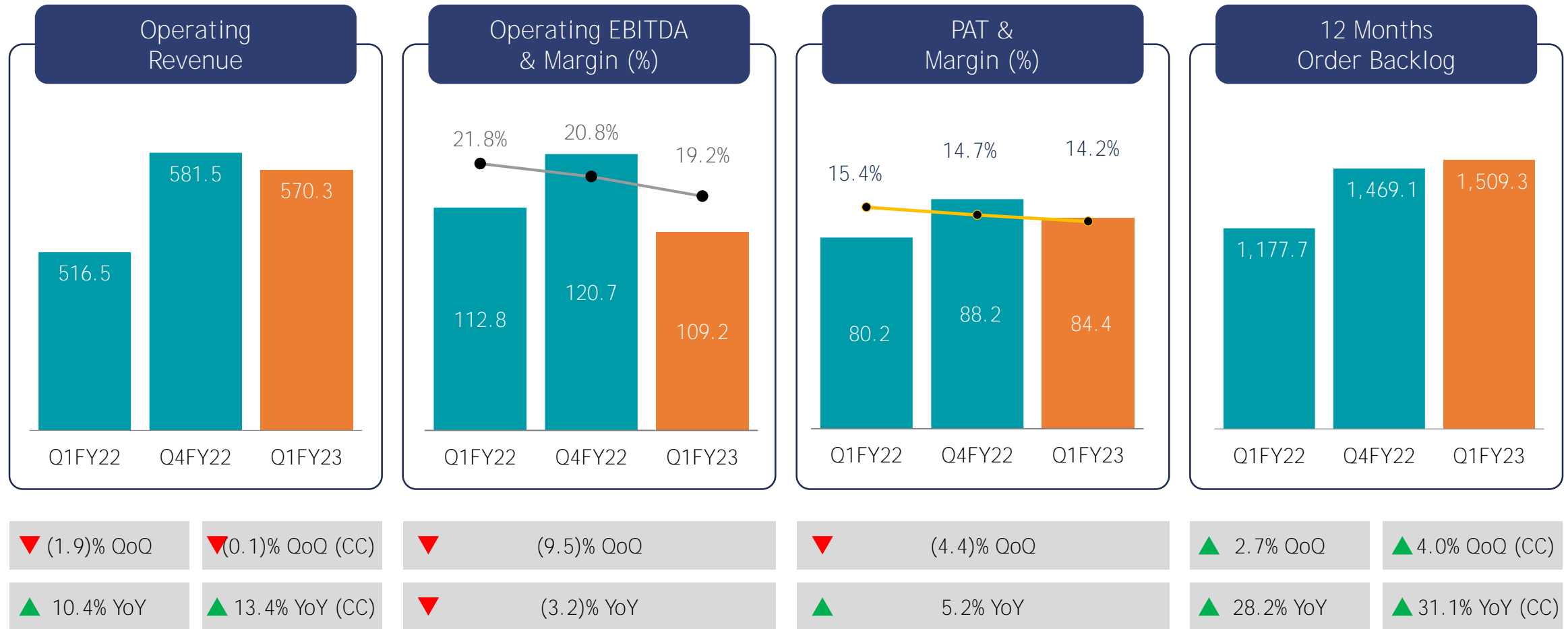
# Consolidated Financial Summary - Q1FY23

Key Performance Metrics		Q1FY23	Q4FY22	Q1FY22	Growth QoQ	Growth YoY
Revenue	Revenue from Operations (\$mn)	\$73.6	\$77.2	\$70.2	(4.7)%	5.0%
	Revenue from Operations (Rs Crore)	570.3	581.5	516.5	(1.9)%	10.4%
	Other Income (Rs Crore)	25.8	17.9	4.7	43.6%	448.0%
	Total Income (Rs Crore)	596.0	599.5	521.2	(0.6)%	14.4%
Margins (Rs Crore)	Op. EBITDA	109.2	120.7	112.8	(9.5)%	(3.2)%
	Total EBITDA	135.0	138.6	117.5	(2.6)%	14.9%
	PBT	121.9	123.9	106.0	(1.6)%	15.0%
	PAT	84.4	88.2	80.2	(4.4)%	5.2%
Margin (%)	Op. EBITDA	19.2%	20.8%	21.8%	(160) bps	(268) bps
	Total EBITDA	22.6%	23.1%	22.5%	(48) bps	11 bps
	PBT	20.5%	20.7%	20.3%	(22) bps	11 bps
	PAT	14.2%	14.7%	15.4%	(56) bps	(124) bps
EPS (Rs)	Basic	25.7	26.7	27.4		
	Diluted	25.1	26.1	26.4		

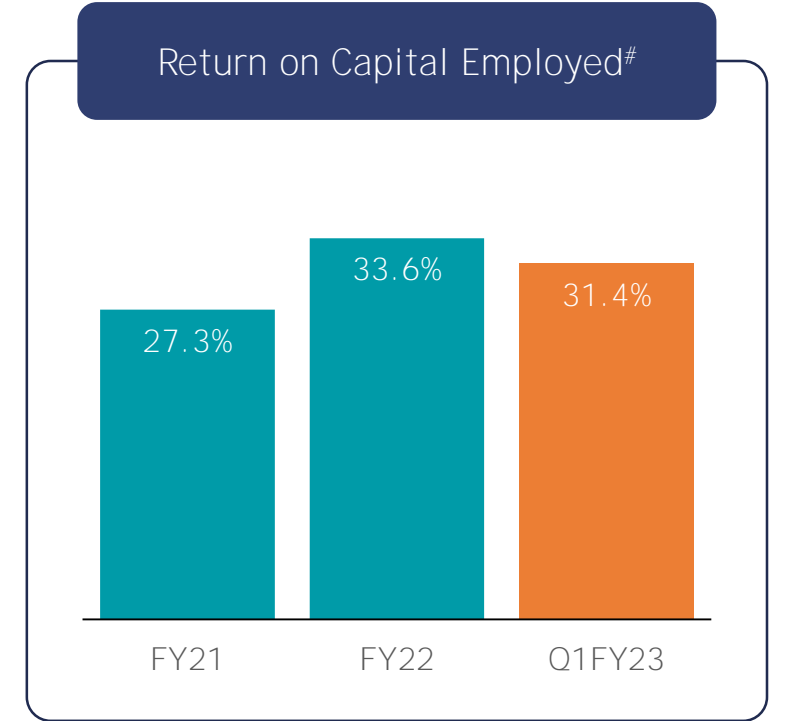
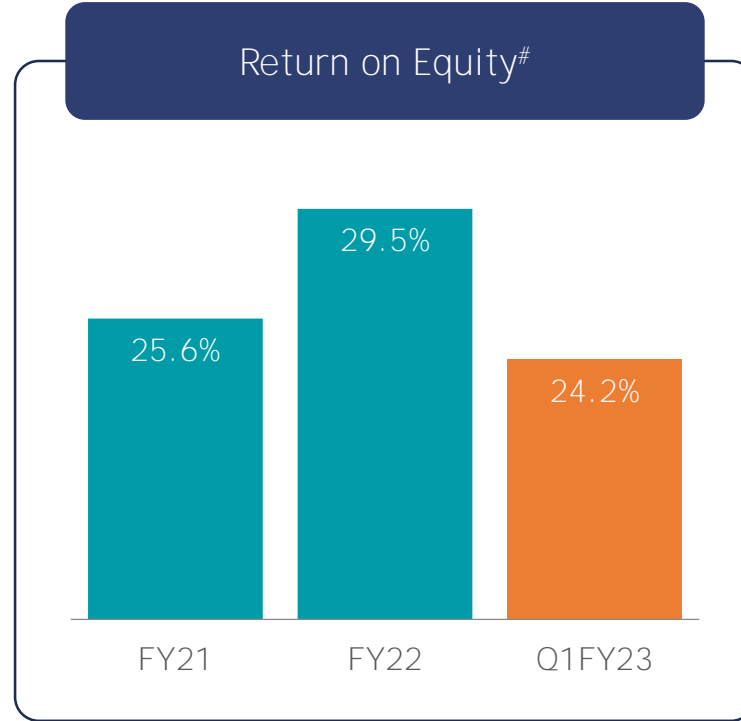
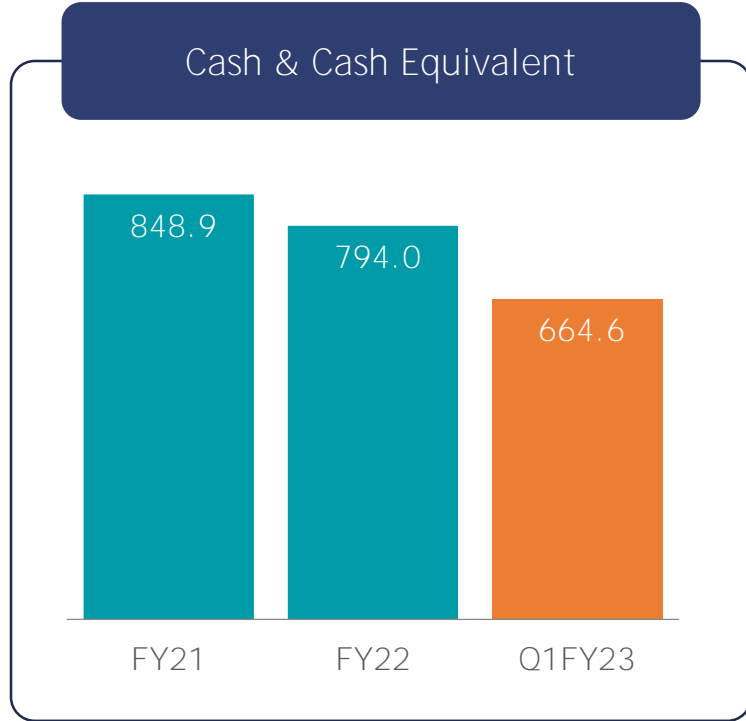
In Q1FY23 - Revenue from operations grew by 13.4% YoY and witnessed marginal drop of 0.1% on QoQ basis in Constant Currency (CC)

# Consolidated Financial Highlights Q1FY23

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



# Balance Sheet Metrics Q1FY23 - Consolidated (Figures in Rs Crore)



## Net Cash

FY21: Rs 588.6 Crore	FY22: Rs 603.3 Crore	Q1FY23: Rs 490.0 Crore
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<sup>#</sup> Return on Equity = PAT/Average Network; Return on Capital Employed = EBIT/Average Capital Employed



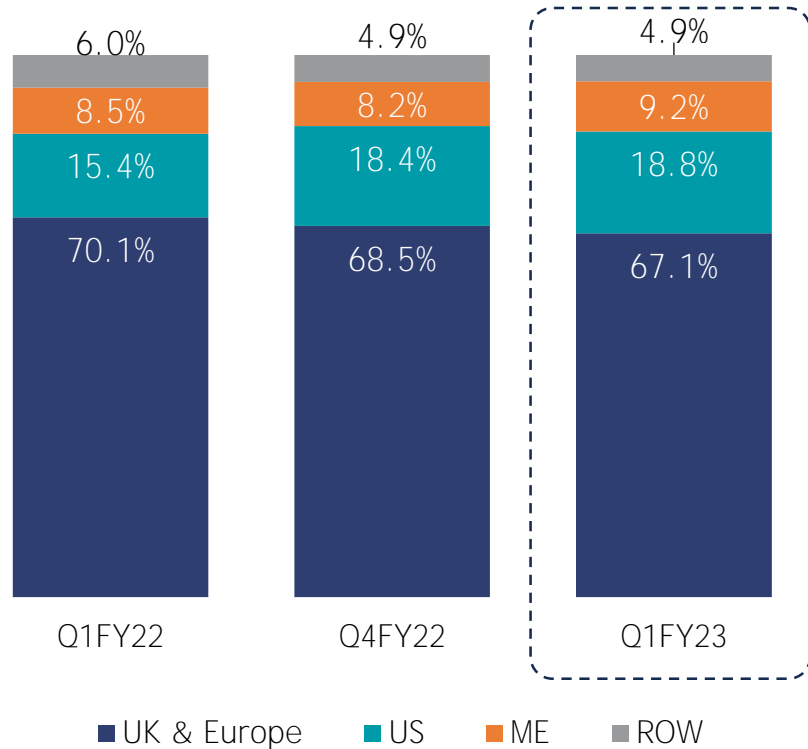
# Operating Metrics Q1FY23

Strengthening our business		Q1FY23	Q4FY22	Q1FY22
Client Base	New Clients Added	33	49	40
	Active Client during the Quarter	402	450	452
	Top 5	28.7%	30.1%	33.0%
	Top 10	41.1%	43.1%	47.7%
Employee Base	Total Employee	5,553	4,977	4,302
	- <i>Offshore</i>	4,208	3,682	3,181
	- <i>Onsite</i>	1,345	1,295	1,121
	- <i>Diversity (Women employees)</i>	28.5%	27.6%	26.0%
	LTM attrition	25.0%	28.0%	19.6%
DSO	Days	98	82	72
FX Hedge for next 12 months	Value (In mn) - £	10.0	10.9	12.2
	Average rate/ Rs.	108.1	106.8	103.6
	Value (In mn) - \$	12.9	13.1	6.7
	Average rate/ Rs.	79.4	78.6	76.6

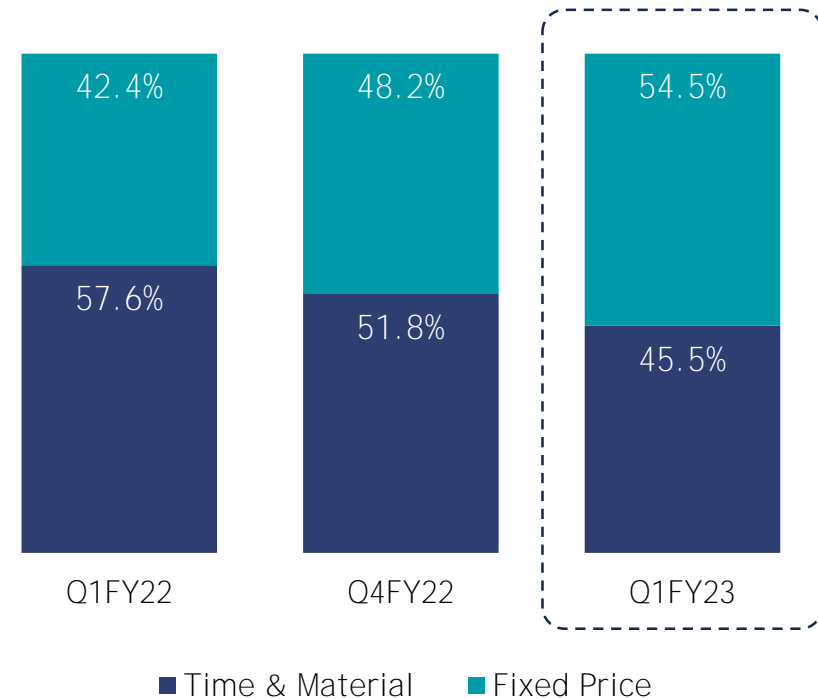
# Revenue Analysis Q1FY23 - Consolidated

## Balancing our portfolio

Revenue by Market Region\*



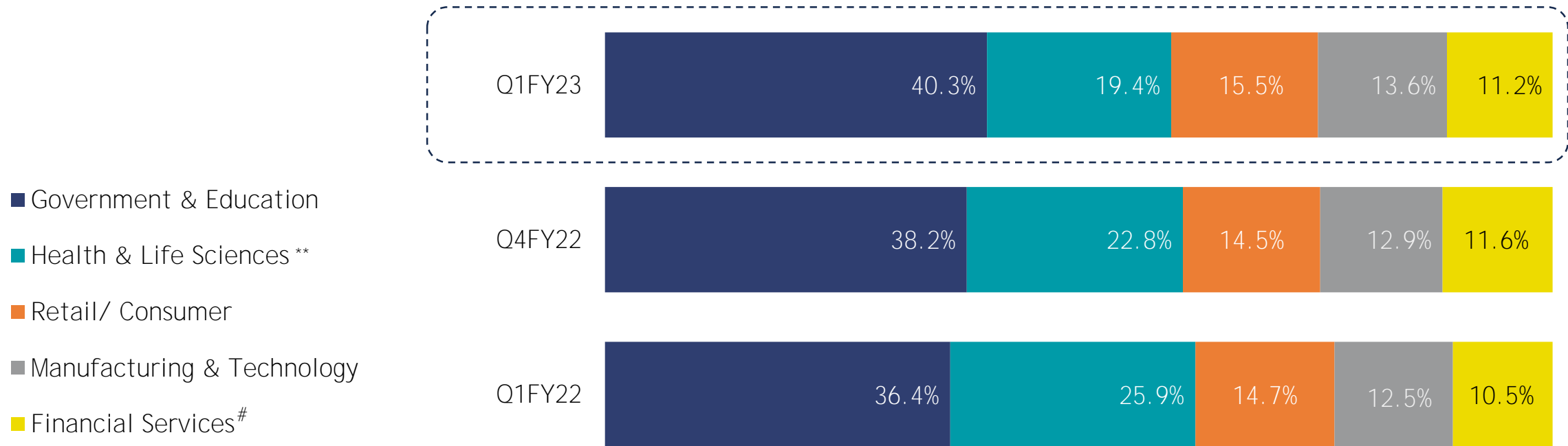
Revenue by Contract Type



\* ROW includes India, Singapore, Malaysia and Australia

# Operational Performance

## Revenue By Industry Segments\* Q1FY23 - Consolidated



Note:

\* Previous quarters have been restated as per latest terminology

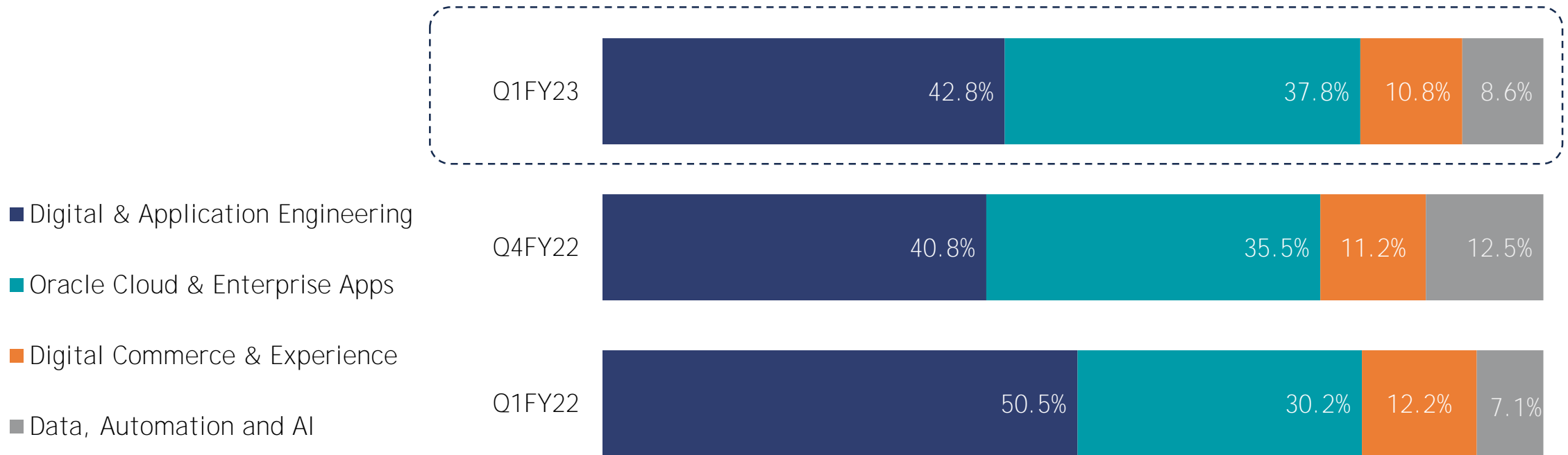
\*\* Pause in a key program in a large healthcare account

# Financial Services includes consultancy/ professional services



# Operational Performance

## Revenue By Practice Line\* Q1FY23 - Consolidated



Note:  
\*Previous quarters have been restated as per latest terminology

03

## KEY WINS FOR THE QUARTER

# Key wins for the quarter

## Government & Education

UK & Europe

One of the top University in UK providing research led education to ~46,000 students

Mastek to help the University eliminate manual processes and disintegrated systems. The **'Digital Core'** project to be implemented aims at unifying 41 disparate systems to bring better processes, information and control, thus enabling the University to deliver its People & Financial strategic plans efficiently. **Mastek's** proven and tested approach, were the key differentiators of value addition made which addressed the objectives of the Digital Core programme

ROW

Regional council that provides services to third largest city in Western Australia

Mastek will aid the customer in transforming the current ERP and manual HR system to Oracle SaaS. This implementation will enable customer to eradicate paper processing and fasten the customer & employee relationship by leveraging digital engagement with the citizens, thus providing enhanced service and a more modern experience

### Client

### About the deal

## Financial Services

Europe

Leading international home-credit and digital loans provider of consumer finance, has home credit operations in Poland, Czech Republic, Mexico, Hungary and Romania

Mastek has signed multi-year service deal to provide managed services which includes application support on AWS Cloud and on-premises infrastructure. **Mastek's** assistance is pivotal to the client in ensuring business continuity and ability to touch the lives of its one million plus customers



# Key wins for the quarter (Cont'd)

## Health and Lifesciences

Americas

Technology-enabled healthcare service provider, who partners with government and private healthcare payers to maximize healthcare quality

In the quest to decomplex **client's** business budgeting and forecasting requirements, of their health care organisation, they have approached Mastek to implement Oracle planning, budgeting and cost allocations. The implementation is expected to place Mastek in an ideal position to be able to replace **client's** current financial system and become the core supplier of services to support the client moving forward.

Americas

A Global developer and manufacturer of chromatography columns, sample preparation and collection products, reference standards and instrument accessories

Mastek helps the customer in transforming their online business by providing Digital Commerce services. With this solution customer will be able to focus on a buyer-centric commerce strategy, tackle complex challenges and take advantage of growth opportunities.

ME

A multi-specialty hospital located in Abu Dhabi, United Arab Emirates

Post evaluation with stiff competition and proof of concept, client selected us. The parent group got introduced and added 8 more Hospitals which consist of 1000+ beds, 10000+ employees and 4 more HIS including Cerner, Yasashi, Concept & clinic in the scope. Scope of overall implementation includes Oracle Cloud ERP, HCM, SCM, EPM and IDCS

### Client

### About the deal

# Key wins for the quarter (Cont'd)

## Manufacturing & Technology

Europe

Europe

### Client

One of **world's** leading provider of IP Video Management Systems with over 1,000 employees across development centers and has presence in more than 25 countries

Multinational lead-acid manufacturing company, manufacturing automotive and industrial batteries

### About the deal

Mastek is has been chosen as their technology and transformation partners. We will implement the Oracle HCM Cloud solution to provide digitized processes, improved efficiency and innovation. The client is expected to achieve significant business benefits including reduced reporting times, faster deployments and updates, lower costs, and improved productivity.

Mastek, an existing partner providing digital transformation and now has engaged into a multi-year Cloud Enhancement Services contract. The scope of this contract will include enhancement services for Oracle Cloud ERP, SCM, EPM & CX, which will help client reap maximum benefits from continuous innovation

# Key wins for the quarter

## Retail/ Consumer

Americas

Client is a leader in the global lifestyle bag industry and is the world's best-known and largest travel luggage company

Mastek already an Oracle HCM Cloud implementation partner, will now help the customer in rolling out the solution across the globe to achieve workforce visibility, flexibility, and intuitive experiences and improved workforce efficiency

Americas

### Client

One of the fastest growing optical retailers in the United States

### About the deal

Mastek is supporting **'Oracle Commerce'** system of the customer using Cloud Enhancement Services, to derive more value for the client. Our support services and advisory tools will help customer to measure and monitor the true business value & provide continuous improvement and agile service management

# 04

## ACQUISITION UPDATE



# Mastek SIGNS DEFINITIVE AGREEMENT TO Acquire MST Solutions

## A Salesforce focused CONSULTING and SYSTEM Integration PARTNER

Mastek Ltd through its subsidiary agreed to acquire Meta Soft Tech Solutions, LLC (MST Solutions). The deal has been structured in two stages:

- MetaSoft Tech Solutions, LLC is acquired by Mastek Inc, a wholly Owned First level Step down subsidiary of Mastek Limited.
- Meta Soft Tech Systems Pvt Limited is being acquired by Mastek Limited.

More details on MST Solutions at <https://www.mstsolutions.com>



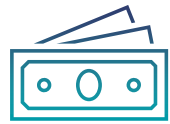
### Deal Consideration

- Upfront consideration - \$80 Mn
- Earnout range- \$0 - \$35 Mn
- Earnout condition - Financial performance for **the 12 months period ending Dec'2023.**



# Strategic Rationale

Ability to address a large high growth net new market for Mastek



- Large Target Addressable Salesforce services market
- Fills up a critical and strategic white space for Mastek
- Demand expected to grow to over 500k Salesforce consultants by 2026 from ~225k today
- 90% of Fortune 1000 customer use Salesforce
- Strong synergy potential in mutual account base

Key Component of **Mastek's vision 2025**



- MST is a summit-level Salesforce partner. Salesforces market continues to expand & is a strategic priority for Mastek in achieving \$1 Bn revenue ambition in few years.
- Bolsters Mastek tech stack with full suite Salesforce capabilities, critical for customer experience transformation programs

Alignment to US Geo with Global potential



- MST is focused on US clients and increases Mastek footprint in Americas
- Mastek can leverage **it's global presence** for hyper-growth of Salesforce business

Complementary Capabilities



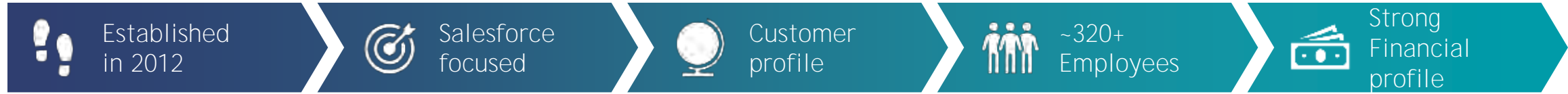
- **MST's** CX capabilities on various Salesforce clouds are complementary to **Mastek's** existing Commerce, Oracle Cloud and Digital Engineering services
- Significant synergy opportunities within existing accounts
- Ability to stitch together larger deals spanning entire IT landscape

Strong cultural fit



- Strong leadership team with experience of growing the business
- Focus on delivering value to customers while enabling growth for employees aligns with Mastek 4.0 culture

# MST at a Glance



- Headquartered in Arizona, US; Offshore Delivery in India
- Strong leadership team with an average tenure of 6+ years
- 100% focused on the Salesforce ecosystem
- Strong MuleSoft & Vlocity credentials
- 8 Fortune1000 clients
- Strong presence in HLS and State & Local Govt.
- Strong offshore delivery pool
- 600+ Salesforce Certifications
- Strong Revenue growth YoY
- High momentum in OB and Pipeline

## Service/ Solutions offerings



## Marquee customer base



# Complete Salesforce Suite with Enterprise Integration



## Solution Architecture & Design

Dedicated practice that can deliver full-scale blueprints with enterprise level complexity. Broad, multi-discipline expertise.



## Build & Implementation

Scalable resource model. Data architects identify opportunities to create long-term integration plans. Professional project management able to work any methodology.



## Integration

Integrating cloud data across legacy platforms.



## Managed Services

Ongoing maintenance and support. Providing administration, product enhancements, change management, product support, and ongoing development teams

## Core Offerings



Sales Cloud



Service Cloud



Experience Cloud



Marketing Cloud



Salesforce Platform

## Emerging Capability



Sales Cloud



MuleSoft

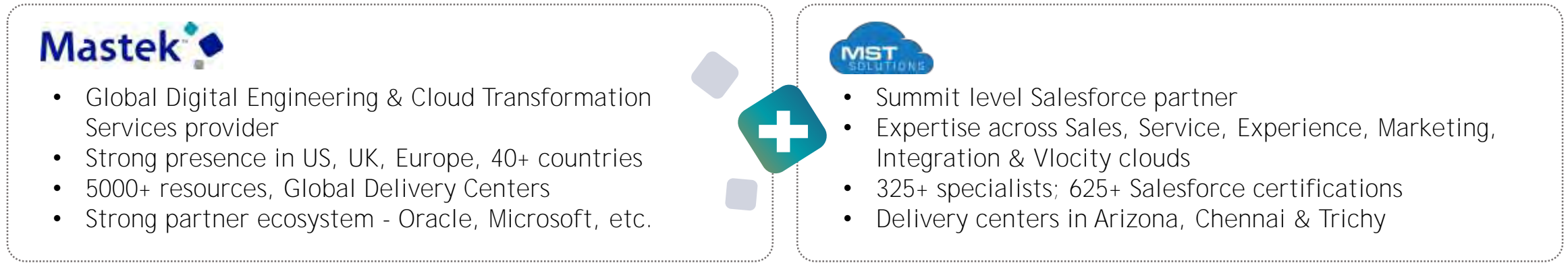


Integration

Architecture & Design Expertise enables MST to develop deeper relationships with clients and long-term partnership spanning implementation, integration and managed services lifecycle

# Mastek & MST Solutions

## Delivering value to customers... and to each other



Shared Values  
Employee & Client Centricity  
Strong Cultural Alignment





05

# VISION 2025 STRATEGY & STRATEGIC PRIORITIES



# Our Collective Vision and Goals for FY 25-26

Trusted and Turnkey Digital Engineering & Cloud Transformation Partner



Decomplex Digital with Trust, Value & Velocity

# Strategic Priorities for FY23



Massive Untapped Opportunity in Americas

Healthcare and Life Sciences, Retail & Manufacturing

Top 30 accounts mining and Top 30 Fortune 100 targets



Continued Growth UK Public Sector + Oracle Cloud

Top 5 - Home Office, HMRC, NHS, MOD, & DWP

Financial Services, Retail in UK, Mfg in Europe



Differentiated Talent and Delivery model

Career Value to Attract/Retain

Value Based Delivery to drive Business Outcomes



Strategic Partners and Innovation Ecosystem

Dominate in Oracle Cloud, Grow - Microsoft, Salesforce, Snowflakes, AWS, ServiceNow, & UiPath

Innovation Labs



One Mastek Brand ESG Commits

Mastek Brand - Digital Engineering & Cloud Transformation Partner

Commitment to Environment, Social and Governance

Decomplex Digital with Trust, Value & Velocity

# Thank You



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