



Investor Presentation – Q2FY21

29th October 2020

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The difference between what is.
And what could be.



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A blurred background image of an office environment. Several people are visible, some working at desks with computers, others in the foreground looking at documents. The overall tone is professional and collaborative.

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Highlights of the Quarter

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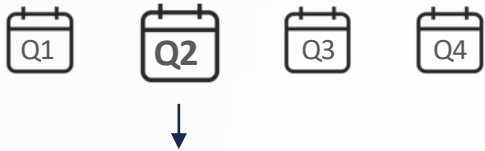
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Highlights of the Quarter

Mastek crossed \$55m revenue mark in the Q2



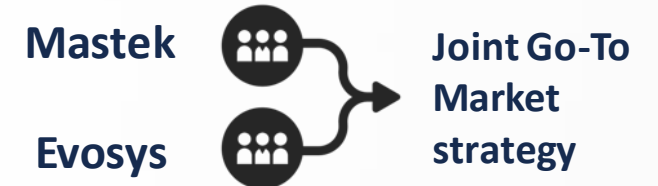
6.1% QoQ revenue growth

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”



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



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Financial Performance

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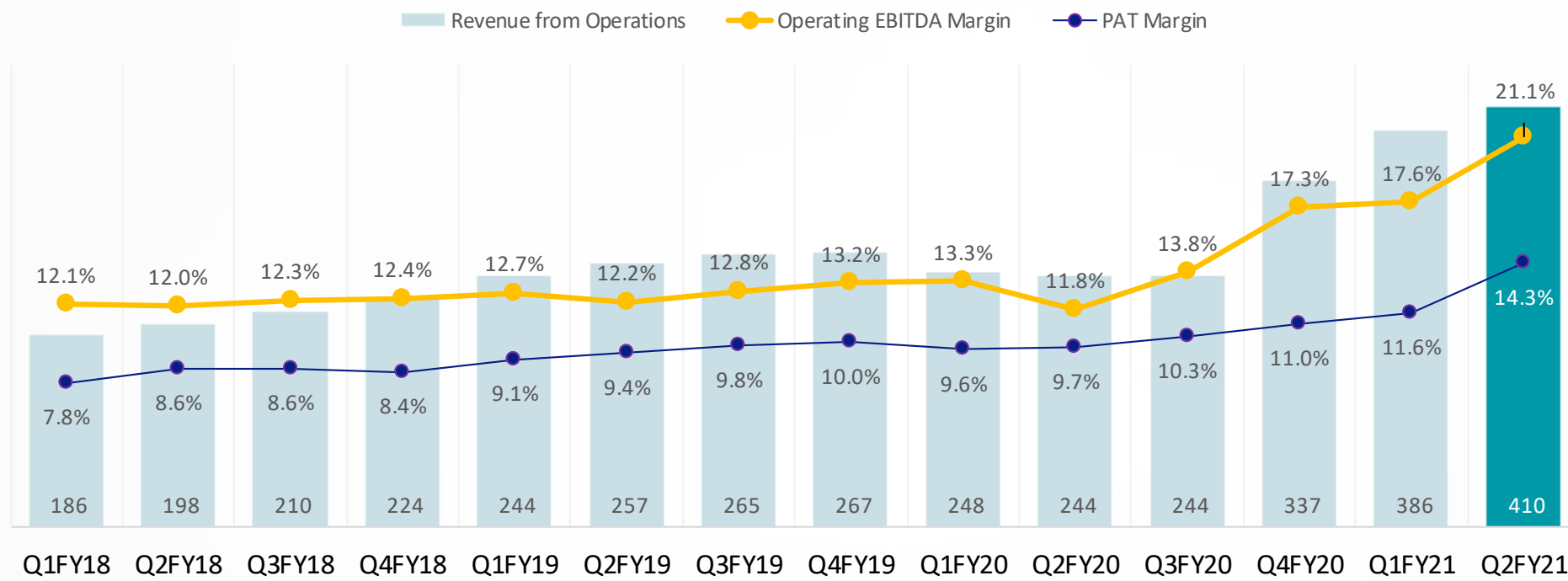
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Consistent Financial Performance



▲ 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%)
	Total Income (Rs Crore)	413.8	402.8	252.7	2.7%	63.7%
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

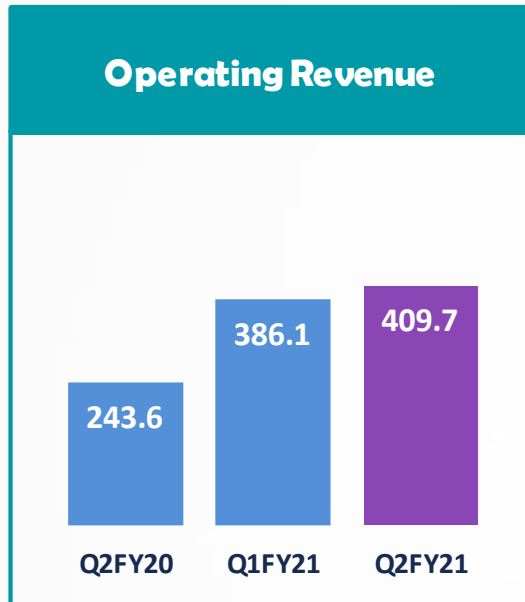
Financial Summary – H1 FY21

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%
	Total Income (Rs Crore)	816.6	505.4	61.6%
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	

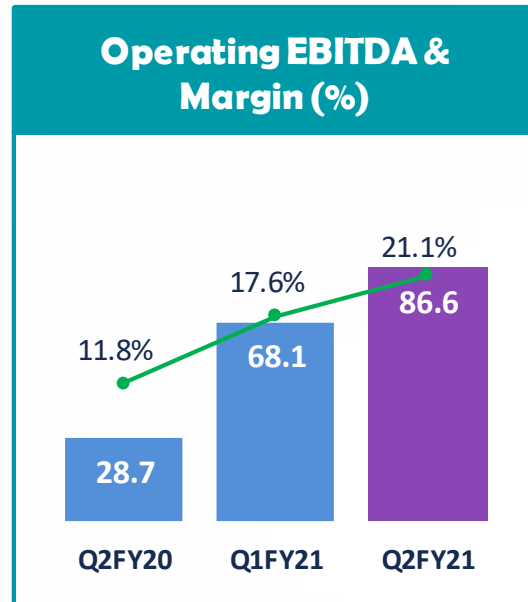
*Revenue from operation includes Evosys amounting to Rs 276.2 crore (\$36.8m) in H1FY21

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

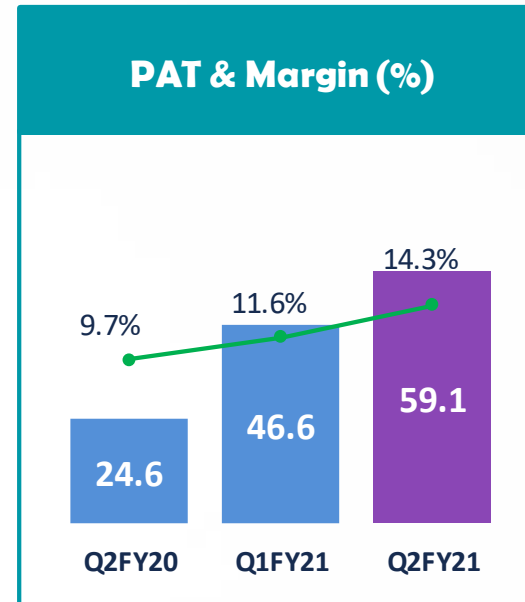
Consolidated Financial Highlights Q2 FY21



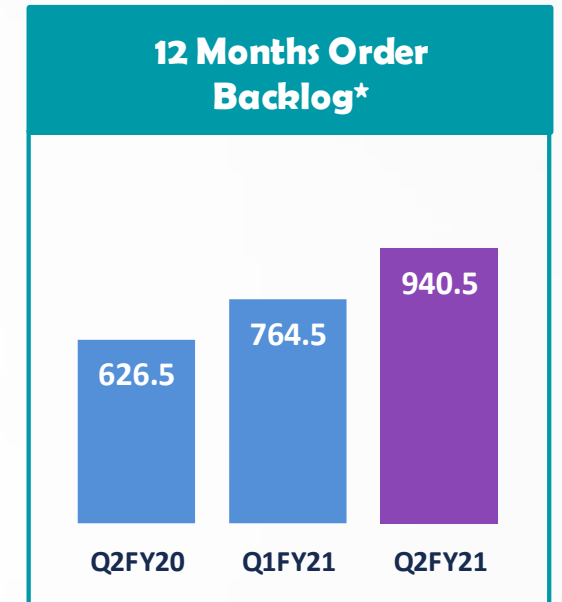
- ▲ 6.1% QoQ
- ▲ 5.3% QoQ (cc)
- ▲ 68.2% YoY
- ▲ 56.3% YoY (cc)



- ▲ 27.1% QoQ
- ▲ 202.1% YoY



- ▲ 27.0% QoQ
- ▲ 140.0% YoY

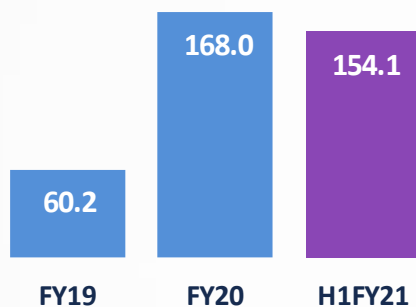


- ▲ 23.0% QoQ
- ▲ 22.4% QoQ (cc)
- ▲ 50.1% YoY
- ▲ 42.0% YoY (cc)

Strengthening the Balance Sheet

Balance Sheet Metrics H1 FY'21 - Consolidated

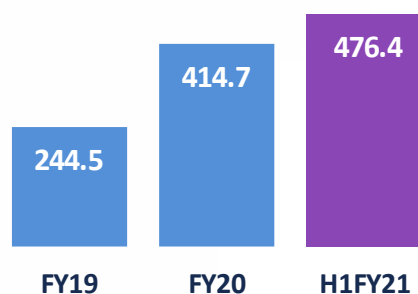
Free Cash Flow*



FCF to PAT:

H1FY21: 145.7%
FY20: 147.6%
FY19: 59.4%

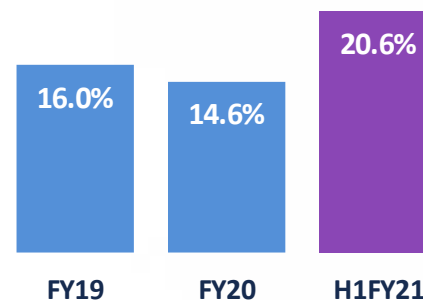
Cash & Cash Equivalent*



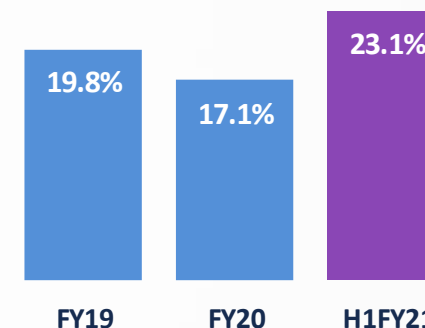
Net Cash:

H1FY21: Rs 223.4 cr
FY20: Rs 81.0 cr
FY19: Rs 174.9 cr

Return on Equity*#



Return on Capital Employed*#



All figures in Rs Crore

** FY20 and H1FY21 includes Evosys numbers*

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



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Operational Performance

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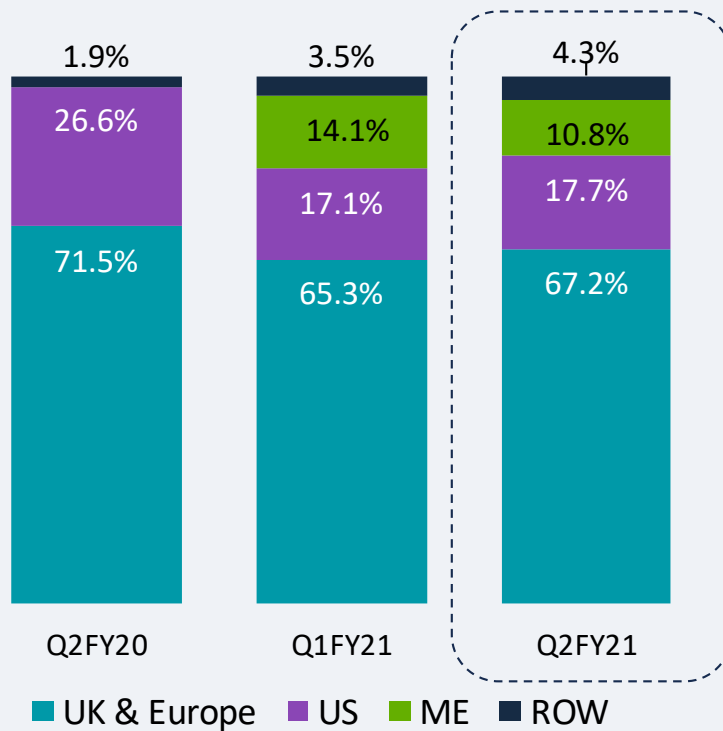
Operating Metrics Q2 FY21

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

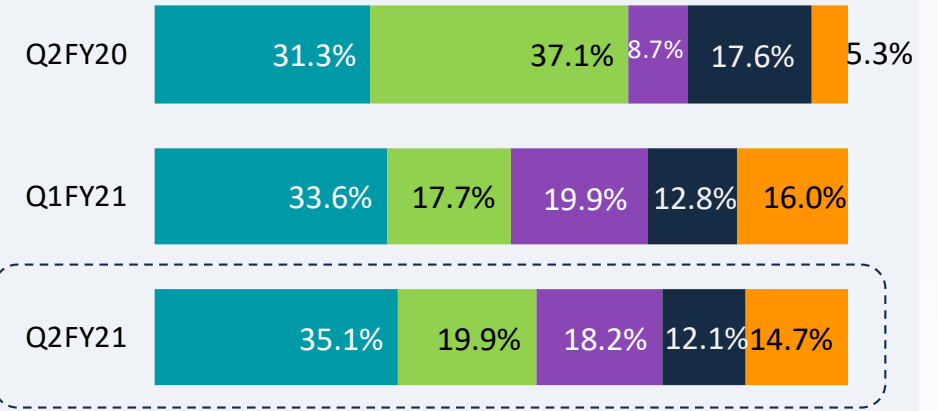
Revenue by Market Region*



* ROW includes India, Singapore, Malaysia and Australia

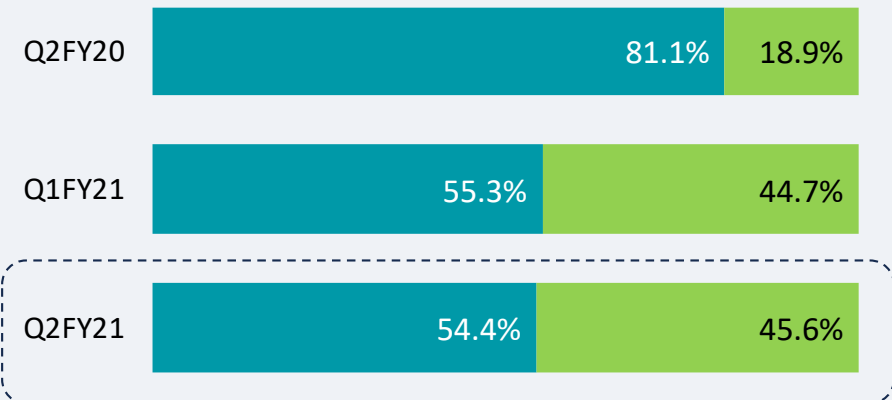
Revenue by Industry Segment

- Government (teal)
- Retail Services (green)
- Health (purple)
- Financial Services (dark blue)
- Others (orange)



Revenue by Contract Type

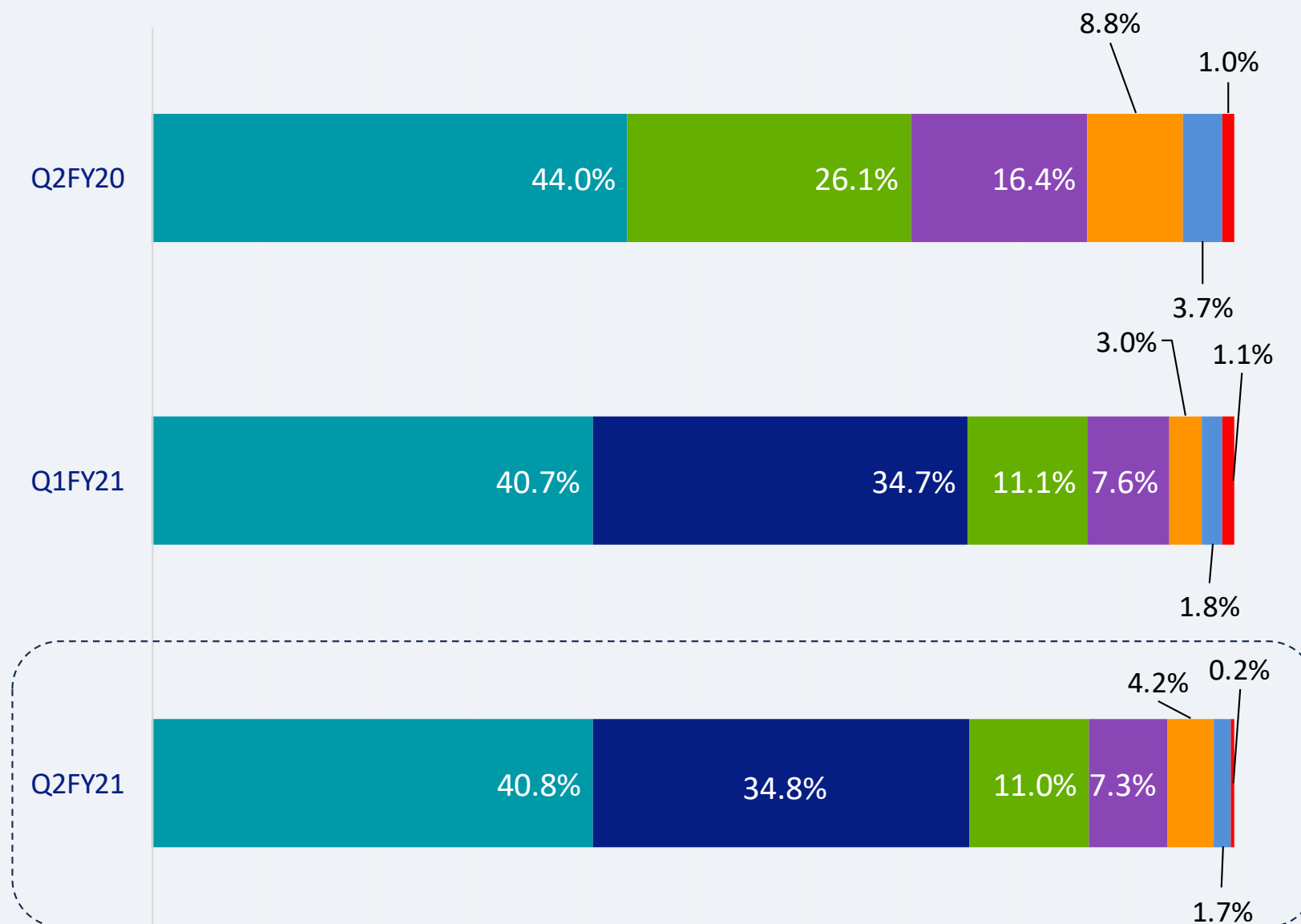
- Time & Material (teal)
- Fixed Price (green)



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





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**Key wins
for the
quarter**

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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

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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

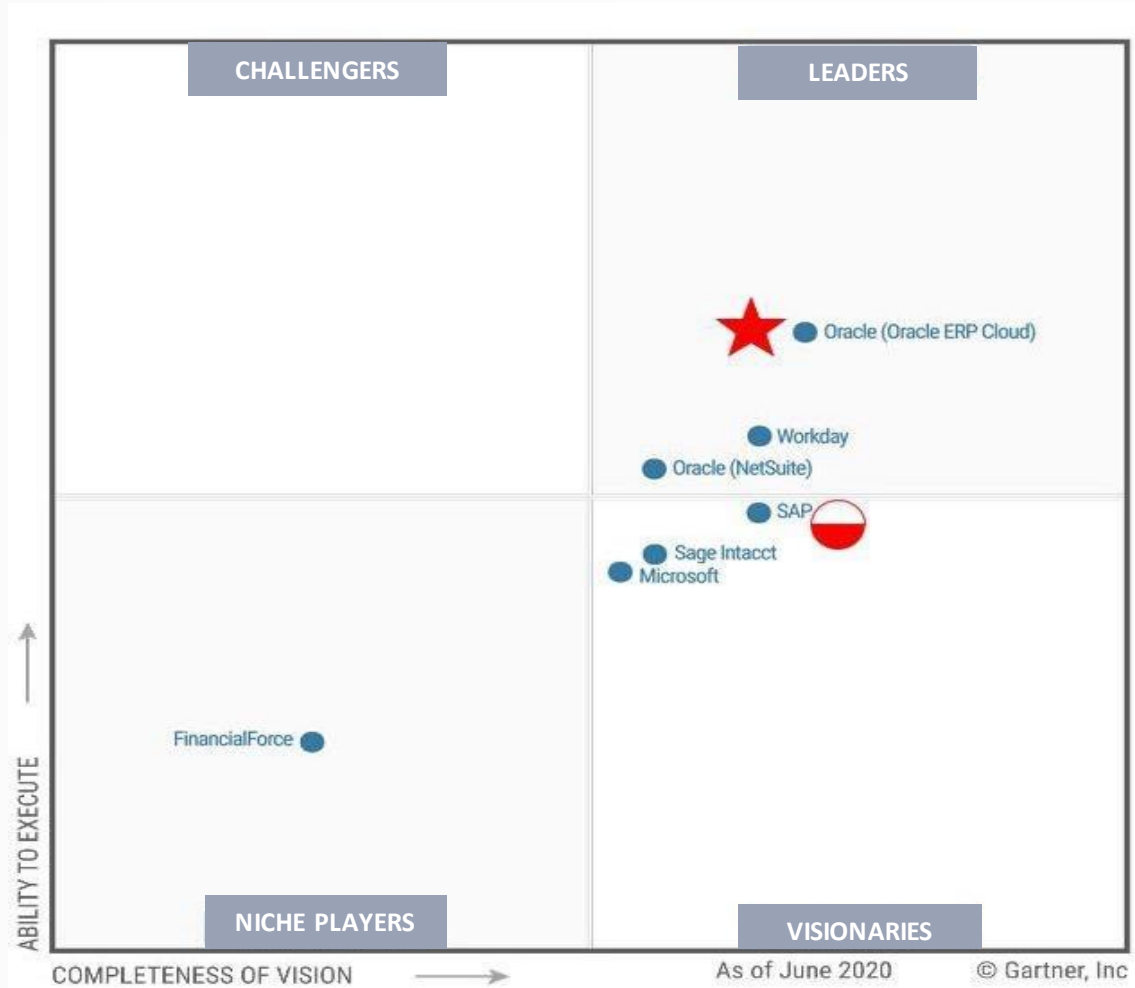


Live Sales Dashboard



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**

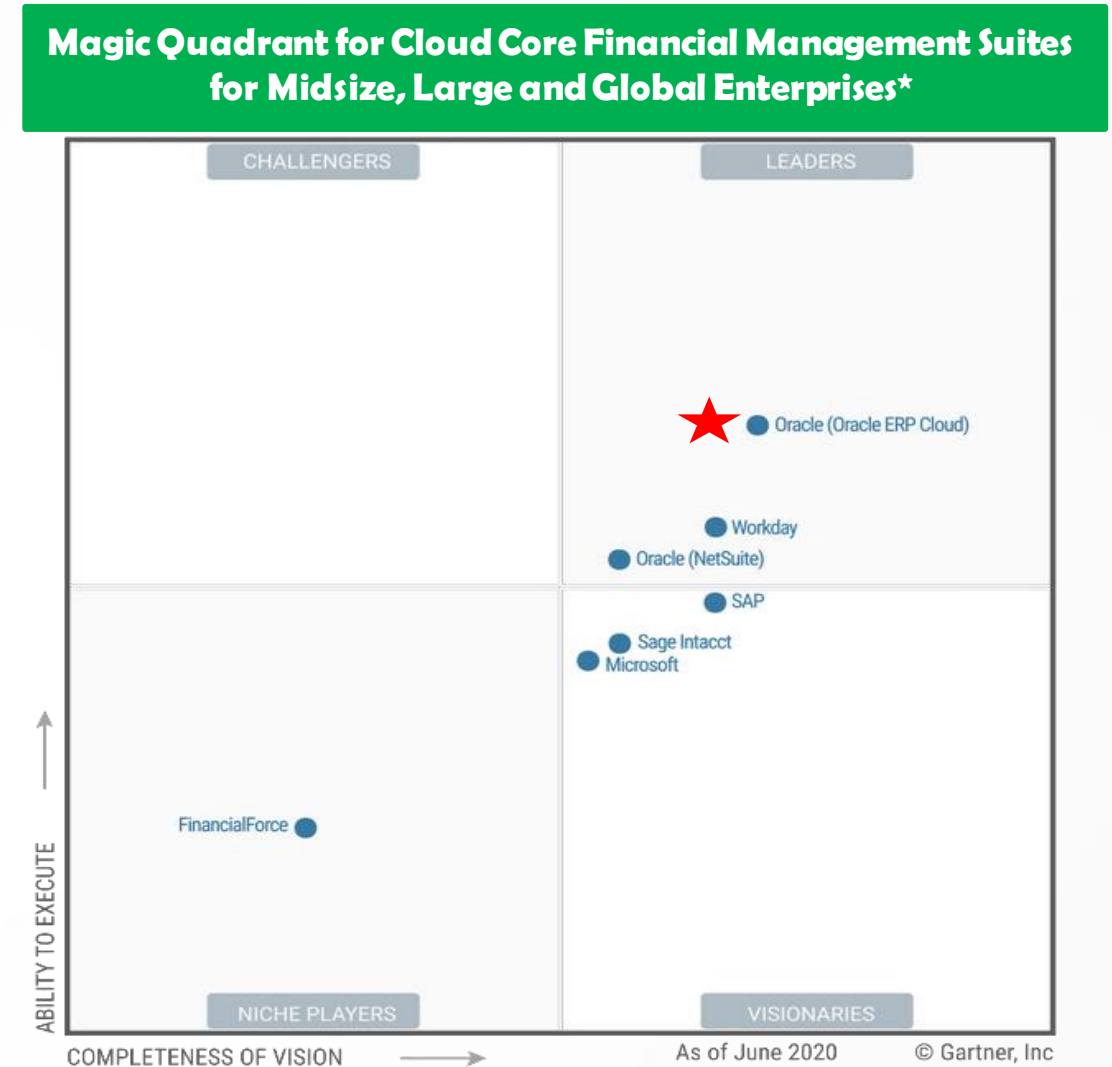
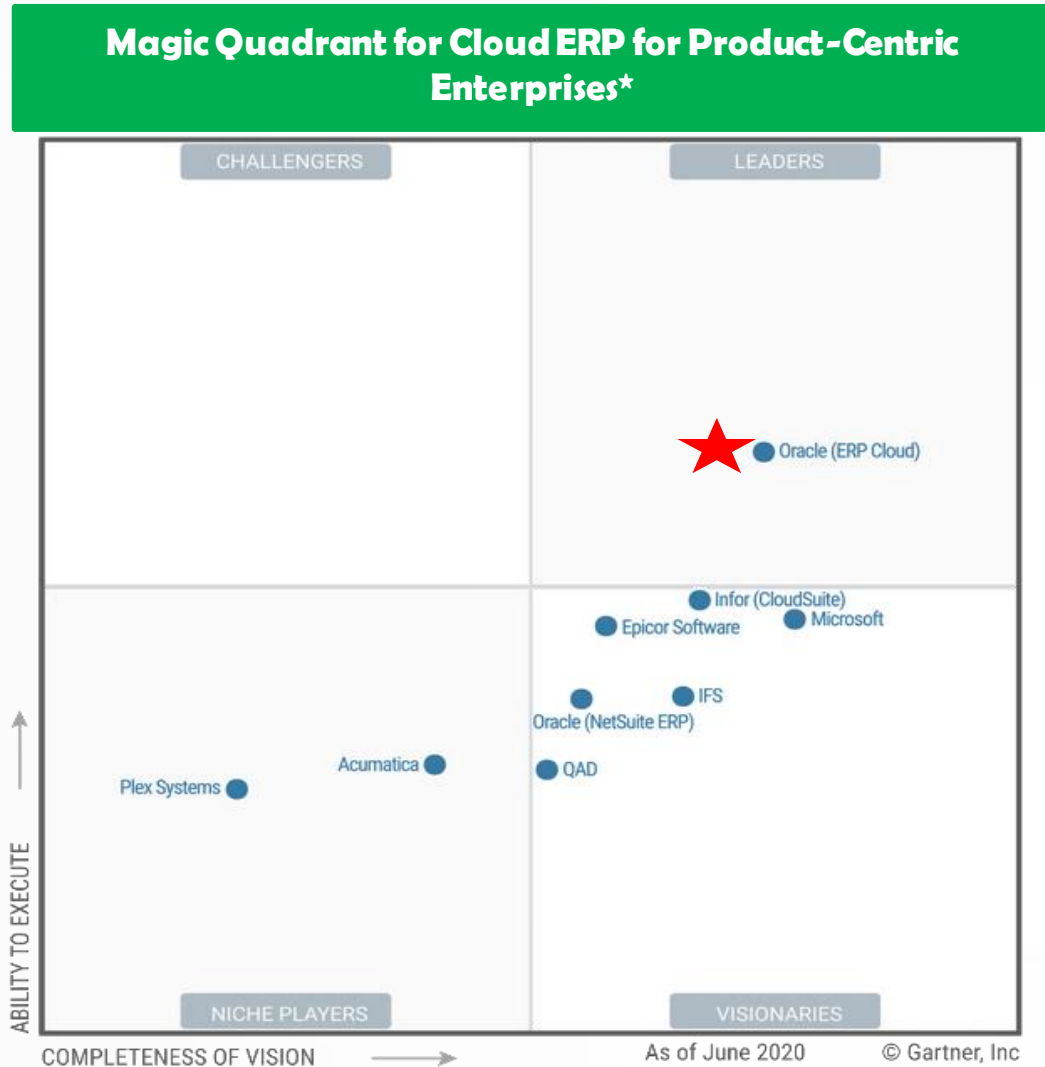


Business disruption caused by the **Covid-19** pandemic will accelerate trend in near future



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



*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 provide end to end services and tap into this huge market

For 2 consecutive years



* 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.

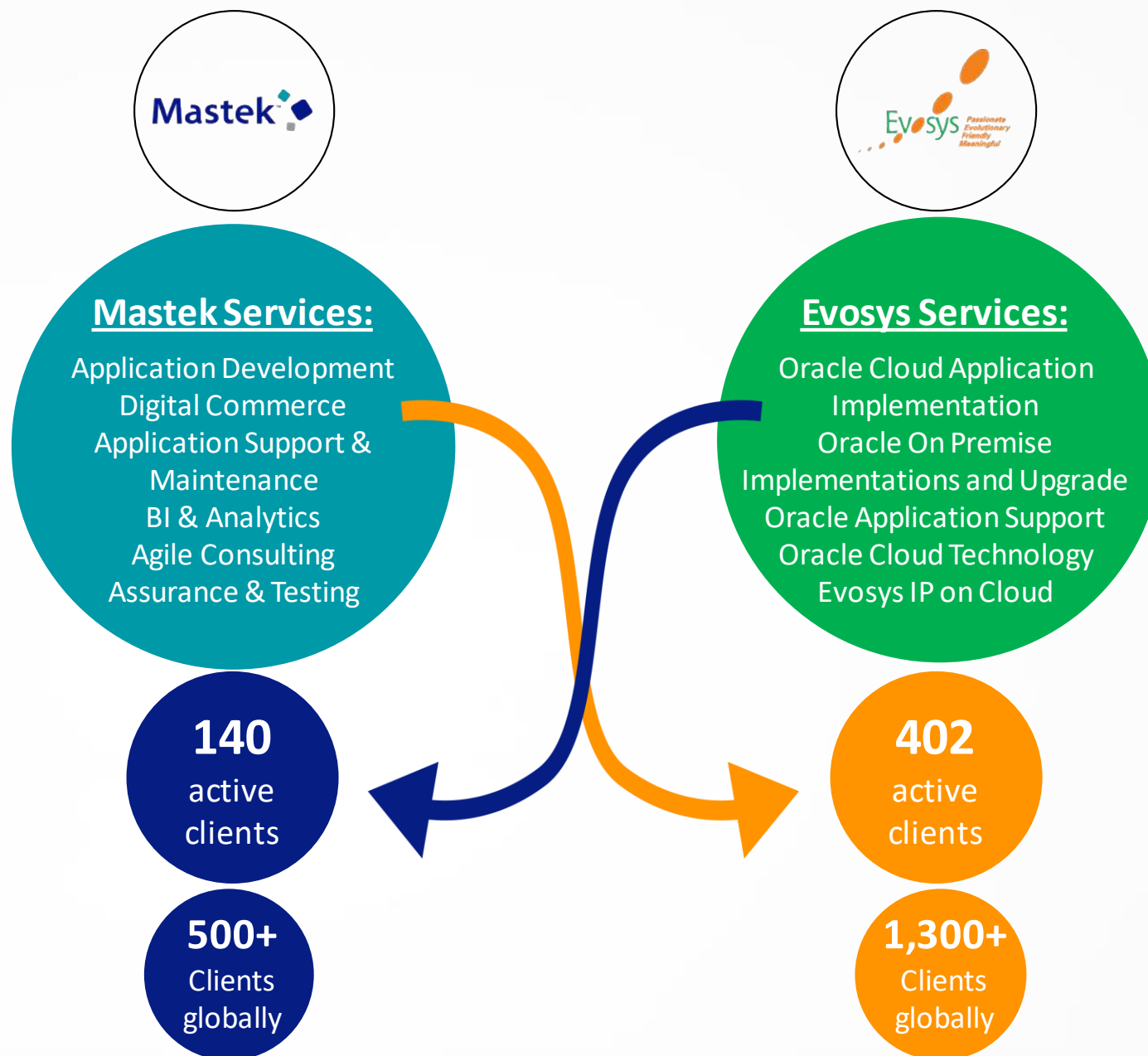


New presence in 10+ countries in Mainland Europe, Middle East and Asia-Pacific

Cross-Sell Opportunity



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



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

A high-angle, wide shot of a modern office interior. In the foreground, a curved, light-colored lounge area with several people sitting on it is visible. To the right, a wide staircase with glass railings leads up. The background features a large, open space with a curved wall and a staircase. The overall atmosphere is bright and professional.

Acquisition and Covid Updates

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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

