

MPS

RESILIENCE



EXCELLENCE



EMPATHY



EFFICIENCY

mps50
MAKE LEARNING SMARTER

Q1 FY21 Earnings Presentation

Disclaimer

This presentation contains forward-looking statements, inter-alia, to enable investors to comprehend Company's prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is, inter-alia, subject to assumptions, risks, uncertainties, including but not limited to our ability to successfully conclude and integrate (potential) acquisition(s) and general regulatory and economic conditions affecting the industry. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, expected or projected. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Further this presentation may also contain references to findings of various reports available in public domain. We make no representations as to their accuracy or that we necessarily subscribe to those findings. Figures for previous periods / year have been regrouped, wherever necessary.

Financial Performance

Financial Summary

Metrics		FY'21 Q1	FY'20 Q1	FY'20 Q4
Revenue	FX Gain/Loss adjusted revenue (INR Lacs)	8,226	8,463	7,744
	Reported revenue (INR Lacs)	8,177	8,363	7,616
Profit	EBITDA on FX adjusted revenue (INR Lacs)	2,132	2,127	1,608
	PBT (INR Lacs)	1,892	2,167	1,357
	PAT (INR Lacs)	1,385	1,538	943
Margin	EBITDA (%)	25.9%	25.1%	20.8%
	PBT (%)	23.0%	25.6%	17.5%
	PAT (%)	16.8%	18.2%	12.2%
Headcount	At the end of each reporting period in Nos.	2,511	2,444	2,403
EPS	Basic and Diluted EPS (INR)	7.44	8.26	5.07

Profit and Margins are on FX Gain/Loss adjusted revenue.

Total Cash and Cash equivalents (including investment in Mutual funds) as on 30-Jun-2020 are INR 192 Crores and INR 181 Crores as on 31-Mar-20. The company has zero debt.

Key Business Metrics

Consolidated

Metrics		FY'21 Q1	FY'20 Q1	FY'20 Q4
Currency Contribution (%)	USD	81%	71%	76%
	GBP	5%	10%	6%
	EURO	7%	8%	6%
	CHF	3%	3%	4%
	INR	2%	5%	3%
	Others	2%	3%	5%
Geographic Concentration	North America	67%	49%	66%
	UK/Europe	27%	43%	28%
	Rest of the World	6%	8%	6%
Debtors	DSO	62	56	72
Client Concentration	Clients Billed	474	514	546
	Top 5 contribution	51%	38%	48%
	Top 10 contribution	65%	53%	62%
	Top 15 contribution	71%	64%	70%

Financial Summary - Business Segments Compared Y-O-Y

Metrics		FY'21 Q1			FY'20 Q1		
		Content Solutions	Platform Solutions	eLearning Solutions	Content Solutions	Platform Solutions	eLearning Solutions
Revenue	FX Gain/Loss adjusted revenue (INR Lacs)	5,509	1,368	1,348	5,082	1,482	1,899
	Reported revenue (INR Lacs)	5,477	1,362	1,339	5,000	1,467	1,896
Margin	EBITDA (%)	30.7%	26.5%	6.0%	27.4%	26.1%	18.4%
	PBT (%)	29.8%	23.6%	-5.4%	29.6%	26.5%	14.1%
	PAT (%)	22.1%	17.9%	-5.8%	21.0%	18.8%	10.0%
Headcount	At the end of each reporting period in Nos.	2,086	179	246	2,029	157	259

Analysis (FX Gain/Loss Adjusted Revenue)

- Platform Solutions segment includes TOPSIM GmbH.
- eLearning Solutions segment includes MPS Interactive Systems and MPS EUROPA.
- Profit and Margins are on FX Gain/Loss adjusted revenue.

Financial Summary - Business Segments at Sequential Quarters

Metrics		FY'21 Q1			FY'20 Q4		
		Content Solutions	Platform Solutions	eLearning Solutions	Content Solutions	Platform Solutions	eLearning Solutions
Revenue	FX Gain/Loss adjusted revenue (INR Lacs)	5,509	1,368	1,348	4,942	1,116	1,686
	Reported revenue (INR Lacs)	5,477	1,362	1,339	4,865	1,100	1,651
Margin	EBITDA (%)	30.7%	26.5%	6.0%	30.8%	2.9%	3.2%
	PBT (%)	29.8%	23.6%	-5.4%	29.3%	-0.4%	-5.2%
	PAT (%)	22.1%	17.9%	-5.8%	22.4%	-7.8%	-4.7%
Headcount	At the end of each reporting period in Nos.	2,086	179	246	1,982	166	256

Analysis (FX Gain/Loss Adjusted Revenue)

- Platform Solutions segment includes TOPSIM GmbH.
- eLearning Solutions segment includes MPS Interactive Systems and MPS EUROPA.
- Profit and Margins are on FX Gain/Loss adjusted revenue.

Corporate Social Responsibility Update

Total CSR Spending for Q1 FY'21 was INR 41 Lacs.

- Girl's Education Project: We partner with an NGO, IIMPACT, to adopt teaching schools that provide quality education to girls from marginalized communities. We have supported a 100 centers that have 3,000 girls enrolled into the program.
- Impart Higher Values of Life: We provide financial assistance to Vedanta Cultural Foundation, a public charitable trust, to support their programs in the field of education, research, and welfare.
- Mental Healthcare: We partner with Sambandh Health Foundation to raise awareness about mental health and mental illness.
- Support for Physically Challenged Children: We provide financial assistance to Prem Charitable Trust, a registered charitable trust, to build homes for mentally retarded and physically handicapped children.
- Remedial Education to Students with Learning Disabilities: We work with REACH, Remedial Education and Centre for Holistic Development, to provide education to students with learning disabilities across all ages.

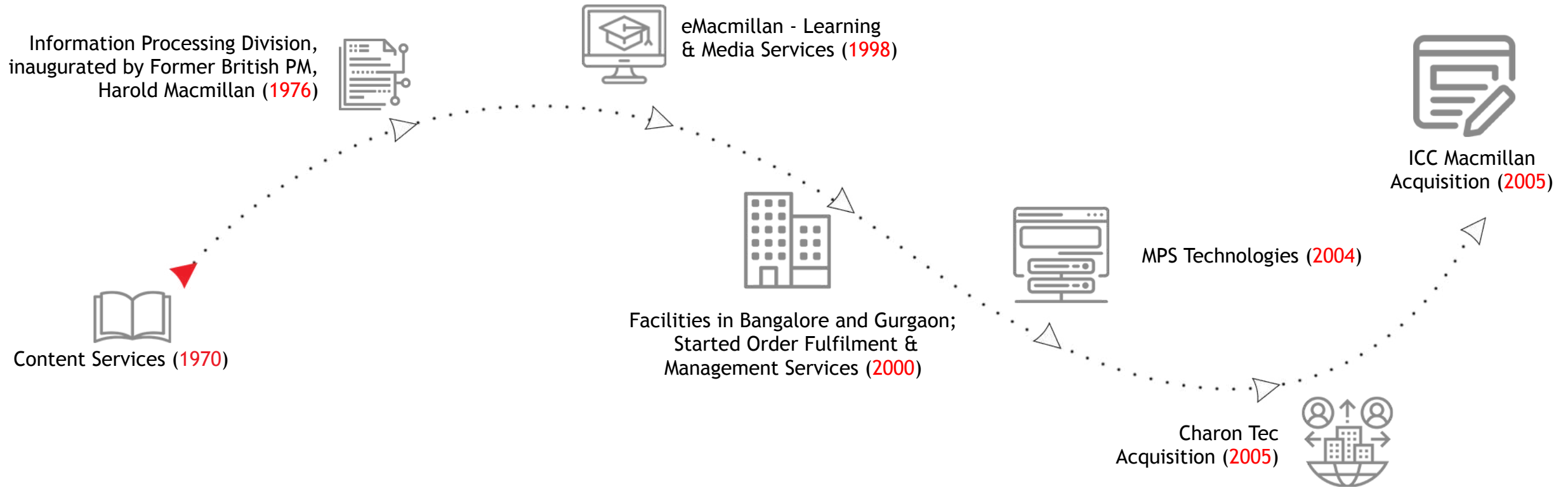
Key Highlights for Higher EPS in Q1 FY21

- Content Solutions' Revenue and EBITDA grew by 8.4% and 21.5% respectively in Q1 FY21 compared to the same quarter last year.
 - Educational Publishing Solutions (MPS North America and Books) expanded business through addition of new customers from the EdTech space, significant increase in volumes from a large Educational publisher, and increased volumes from other Learning companies.
 - Journals Segment maintained its scale compared to Q1 FY20 after a decline in Q3 and Q4 of FY20.
 - Digital Solutions also maintained their position from last year after witnessing a decline in Q4 FY20.
- Platforms Solutions declined by 7.7% in Q1 FY21 compared to Q1 FY20. The business has now gathered momentum that is reflected in a strong Order Book and key near-term opportunities from publishers for THINK and DigiCore.
 - The new cloud version of THINK will offer integrations with third party products.
 - We have added new modules to DigiCore - DigiAPC and DigiRights and the market has shown active interest.
 - Magplus is launching a next generation platform in 2020 that would power a seamless user experience across devices.
- eLearning Solutions segment was significantly impacted due to COVID-19. The business has started to recover and the Order Book is promising and the Opportunity Pipeline has also gathered momentum.
 - The new work environment has forced all the organizations to reimagine their Learning and Development strategies with a strong focus on digital learning and we believe that this will have a positive impact on the business in the medium-term.
 - Conversations for large opportunities, which were on hold due to COVID-19, have been reinitiated.



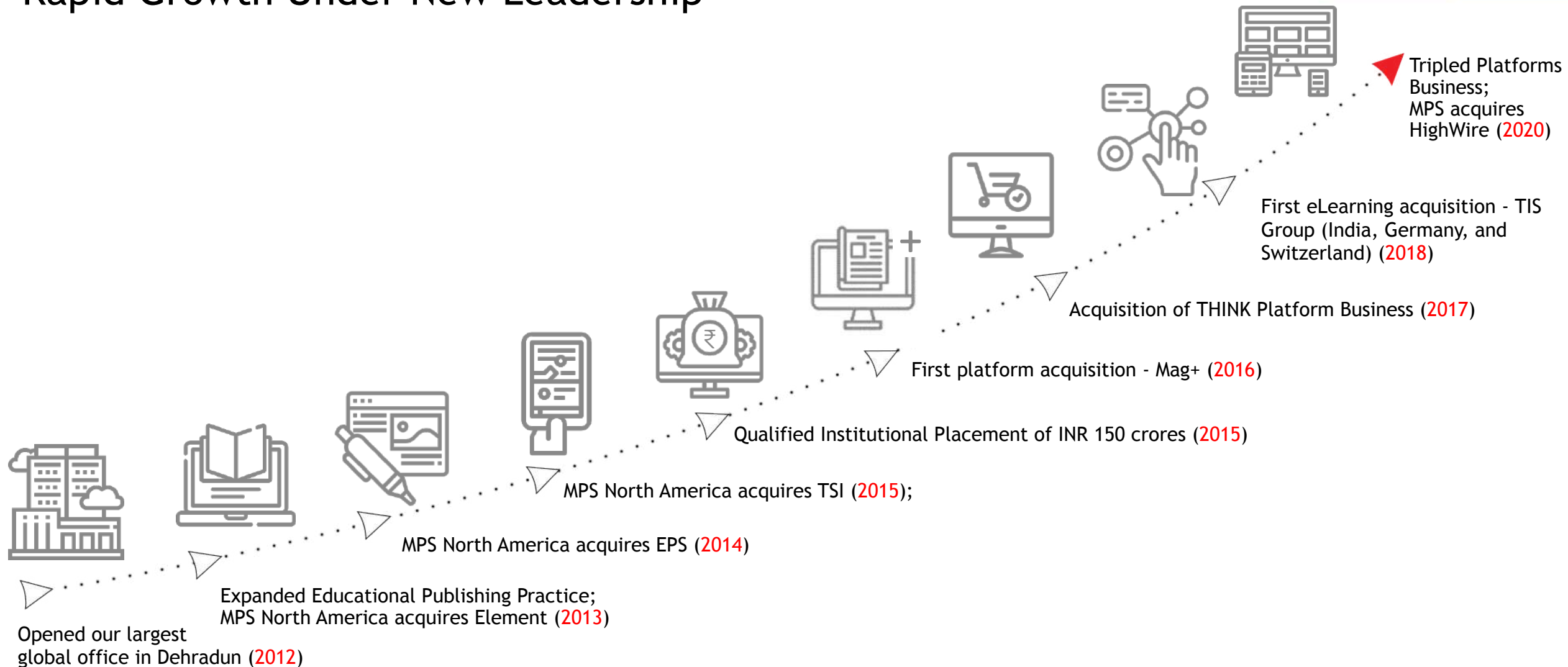
50 Years of MPS

The Initial Years



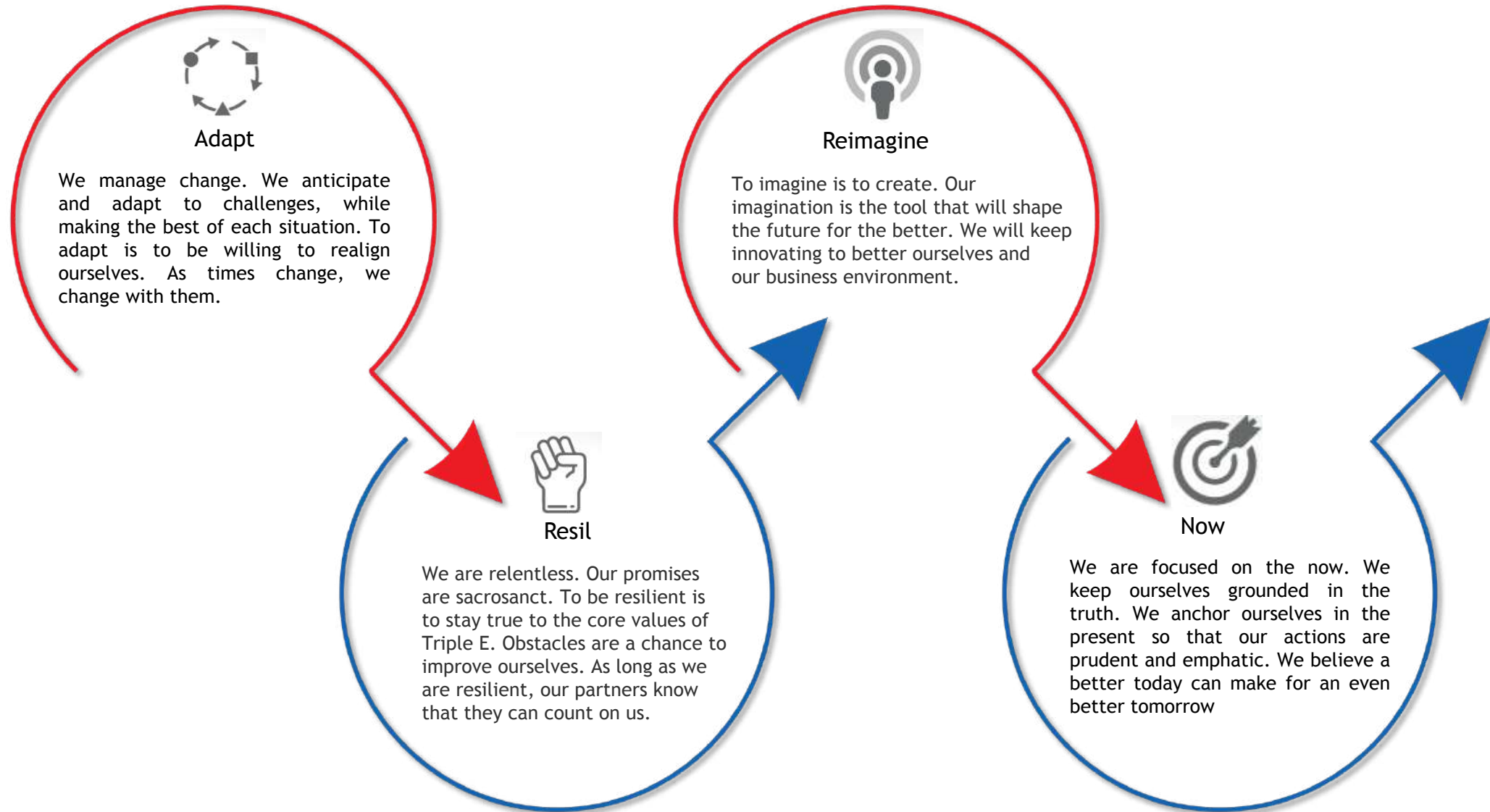
As the world of Publishing evolved, we grew from our humble beginnings to be one of the largest companies in our space by focusing on leveraging technology to enhance the learner experience.

Rapid Growth Under New Leadership



Our focus has always been on acquiring industry-leading companies at attractive valuations. We ensure that every acquired asset gives us access to new customers and expands our capabilities, thereby enhancing our competitive advantage.

Mission 2020



Mission 2020 is about affecting change Now and being Resilient in our efforts.

Our Values Drive Us

Our ambitions are powered by our values and Mission 2020 will be powered by our Triple E values of Excellence, Efficiency, and Empathy.

Triple E: Excellence, Empathy, Efficiency

- ▶ **Excellence** is a way of life. It means respecting our colleagues, owning our responsibilities, and committing our best to our customers. Excellence is not perfection, but rather simply committing our best to every interaction, deliverable, and decision.
- ▶ **Empathy** is caring. It means understanding things deeply, absorbing the unwritten, and going the extra mile for people who depend on us. Although empathy is intuitive, we believe it can be developed intellectually through impactful learning programs.
- ▶ **Efficiency** is who we are. It means driving automation, smarter workflows, and innovative operating models, and not allowing any job to be “grunt work” at MPS.

Our Triple E values define who we are today and how we will shape our future. They are principles that we will not compromise on and are tools that we will depend on.

Global Delivery Model



MPS is a strategic partner to the world's leading enterprises, publishers, learning companies, and content aggregators. Over 2,600 associates power MPS across seven development centers in India, two subsidiaries and four offices in Europe, and six offices in the US.

Acquisition of HighWire

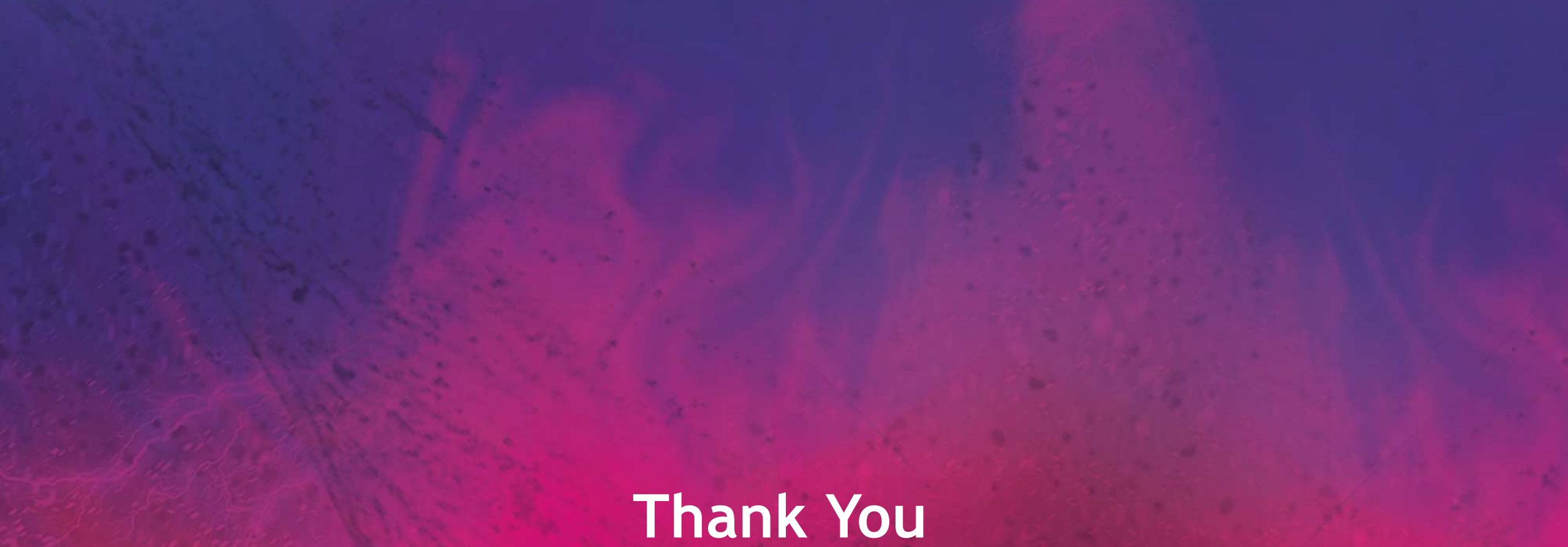
Opportunity to Capture Platforms Market

- HighWire's acquisition places MPS in a unique position to grow its market share in the publishing platforms market:
 - According to Outsell's Platform Providers Report¹, the publishing platform and system subsector of the content creation market is worth more than USD 1.5 billion.
 - Top three market players' revenue is ~USD 75 million. The Top Three includes HighWire.
 - The rest of the market is scattered and largely remains underserved.
- With the Open Access wave spreading across the globe, the need for the next generation of digital ecosystems is immediate.
- MPS and HighWire present the scholarly community with the most comprehensive product portfolio in the world.
- Together, MPS and HighWire:
 - bring together some of the sharpest minds with the deepest institutional knowledge in the scholarly publishing industry.
 - can convene a broad community of societies and publishers to identify, discuss, and address existing challenges and new opportunities.
 - will use their unique skillset and scale to develop the technology critical to a rapidly transforming industry.
 - can mutually expand their user base into new geographical territories and adjacent industry verticals.

Note 1: <https://www.outsellinc.com/product/stm-platform-providers/>

Taking HighWire back to its roots - Innovation, Service, and Community

- Focus on Innovation
 - We plan to bring back a strong focus on R&D, one of the founding principles of HighWire.
 - The Academic and STM publishing industry has moved far ahead of just digitization and one of the key growth levers will be to provide the scholarly community with the next generation of platform solutions.
- Outstanding Customer Service
 - We do not aspire to be a product company or a services company but rather a business centered on longstanding customer relationships.
 - We will provide market leading platform solutions enabled with a robust custom layer that is delivered with excellent Project Management.
 - Under MPS, HighWire's focus will be to provide unmatched customer service through market leading platforms and services.
- Passion to Serve Scholarly Community
 - MPS' focus will be to become a partner and an active contributor to the scholarly community.
 - We will lead with a consultative mindset.
 - MPS will solve industry problems through a community approach.
- Our near-term mission is to bring back focus on HighWire's founding principles as they align with the key growth levers in the market and helped HighWire become a top platform provider in the industry.



Thank You