Financial, Operations and M&A update

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## FY23 Recap: In line with communicated strategy

<table>
<thead>
<tr>
<th>What we communicated</th>
<th>What we Achieved</th>
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</thead>
<tbody>
<tr>
<td>Large Deals</td>
<td>$0.7 to $1 bn/qtr</td>
</tr>
<tr>
<td>Revenue Growth</td>
<td>Double Digits</td>
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<tr>
<td>EBIT%</td>
<td>Improve</td>
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<tr>
<td>M&amp;As</td>
<td>Focus on integration</td>
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<tr>
<td>Capital Return</td>
<td>FCF net of M&amp;A</td>
</tr>
</tbody>
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Step up in Long Term Performance

Quarterly large deal TCV ($M)
- Historical: Average of FY2016 to FY2020
- Recent: Average of 8 quarters up to Q3FY23 (except for ROCE, where average of last 2 fiscal years is considered)

Revenue CQGR
- Historical: Average of FY2016 to FY2020
- Recent: Average of 8 quarters up to Q3FY23 (except for ROCE, where average of last 2 fiscal years is considered)

EBIT %
- Historical: Average of FY2016 to FY2020
- Recent: Average of 8 quarters up to Q3FY23 (except for ROCE, where average of last 2 fiscal years is considered)

FCF/PAT %
- Historical: Average of FY2016 to FY2020
- Recent: Average of 8 quarters up to Q3FY23 (except for ROCE, where average of last 2 fiscal years is considered)

Payout Ratio
- Historical: Average of FY2016 to FY2020
- Recent: Average of 8 quarters up to Q3FY23 (except for ROCE, where average of last 2 fiscal years is considered)

ROCE
- Historical: Average of FY2016 to FY2020
- Recent: Average of 8 quarters up to Q3FY23 (except for ROCE, where average of last 2 fiscal years is considered)
Investments for long-term impacting margins

Long term investments

Value Gap

- Cloud
- Digital Engineering
- Hi-Tech
- BPS, XDS

- Wage Increases/Inflation

- Pricing

- Operating Excellence

- Subcon Utilization
- Automation

- FY 22 EBIT %

- New M&A

- Large Deal

- FY 23 EBIT %
Sustained Operational Performance

Significant contribution from **Pricing** improvement coupled with **Delivery Led Growth**

**Improved Utilization** through optimal bench levels and swift fresher absorption

- **FY22**: 83%
- **Q3’23**: 86%

**Maintained Offshoring** levels even with new deal ramp ups in onsite

- **FY22**: 72%
- **Q3’23**: 73%

**Reduced Attrition** through right sourcing

- **FY22**: 24%
- **Q3’23**: 17%

**Reduced Subcontractors** through efficient resource mobilisation

- **FY22**: 16%
- **Q3’23**: 14%
Way forward: Strategy & Execution

- Organic Growth
- Margin expansion
- Portfolio synergy
- Consistent capital return
Drive organic growth aided by large deal wins and alliances

**Large deal wins**
- Standardized playbook
- Increased win rates
- Healthy pipeline

**Account Expansion**
- Alliances with Hyperscalers
- Pillar penetration

**New growth areas**
- Product & platforms
- Co-create with customers
Changing Investment Patterns

Investment towards new-age technologies and platforms

- FY23 increased spend towards new age technologies and transformation initiatives
- FY24 expanding spend in Products & Platforms and co-investments with customers
Focused initiatives yielding results

- FY22A: Operating efficiency, Pricing, Wage inflation & net additions, Payout Accounting, Large deal transition
- FY23E: Operating efficiency, Portfolio rationalization & earnout reduction, SGA improvement, Large deal transition, Wage Hike impact
- FY24: Operating efficiency, Large deal, SGA improvement, Wage Hike impact
- FY26: Operating efficiency, Business & geo mix changes, SGA improvement, Wage Hike impact

EBIT%

**Programmatic and Disciplined Approach**
- Identified themes, defined financial metrics, strategic alignment

**Acquire to Integrate**
- Integrated org structure, acquired company leaders in integral roles in pan-org leadership

**Synergy**
- Revenue synergy at the core, improved back-office integration and governance
Prudent capital allocation leading to value creation

- **$1.18B+**
  - Capital Committed
    - (2019 till date)

- **4.3%**
  - CQGR
    - From acquisition to Q3 FY23

- **90bps**
  - Operating EBITDA expansion
    - From acquisition to Q3 FY’23

*Capital committed: Upfront payment + yearly payouts till date + estimates for FY’23 - FY’25*
## Key Acquisitions - Status

<table>
<thead>
<tr>
<th><strong>Standalone growth</strong></th>
<th>Growth in Constant currency is in line with plans</th>
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<tbody>
<tr>
<td><strong>Profitability</strong></td>
<td>Impact of regional geopolitical factors in Eastern Europe</td>
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<tr>
<td><strong>Synergy</strong></td>
<td>Focus on building and enhancing the pipeline and generating synergy revenue</td>
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<tr>
<td><strong>Integration</strong></td>
<td>Insurance carved out as a separate IBU</td>
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</tbody>
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| **Growth has been in line with the plans, with overachievements of targets** |
| **Profitability is In-line with plans including profitability of the synergy deals** |
| **Achieved synergy goals and have seen significant impact in winning large deals** |
| **Created umbrella structure for Cloud competency with DOU leader at the helm** |

| **Growth is in line with the plans** |
| **Profitability is in line with the plans** |
| **Impacted by the macro trend and slowdown in the High-tech industry** |
| **Leading the alliance with hyper scaler** |
Holistic focus on business integration & unlocking scale

Executive sponsors and senior leaders driving synergy growth

Creation of integrated solution propositions, cross-selling and up-selling

Leadership development, talent retention and training programs

Investing to augment acquired niche skills and unique capabilities
Synergy as Growth Catalyst

$1.2B+
Synergy Large Deal Wins

$1B+
Robust Synergy Pipeline

$130M+
Synergy revenue pa

Healthy large deal wins and promising pipeline
Capital Return

Consistent **Capital Allocation** to shareholders

Significant increase in dividend payout

H1FY23 dividend per share up by 20% (Rs 18 per share, up from Rs 15 per share in H1FY22)

75% of FCF returned to shareholders in FY21 & FY22, up from average of 54% for the period FY16 to FY20

- **Average FY16 to FY20**
  - Payout in Rs crores: 1,847
  - Payout as % of PAT: 51%

- **FY21**
  - Payout in Rs crores: 4,355
  - Payout as % of PAT: 87%

- **FY22**
  - Payout in Rs crores: 4,370
  - Payout as % of PAT: 87%