MPS Limited
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Ref: MPSL/SE/19/2023-24
Date: 16 May 2023

✓	**National Stock Exchange of India Limited** Exchange Plaza, 5th Floor, Plot no. C/1, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051, India **Symbol:** MPSLTD **ISIN:** INE943D01017		**BSE Limited** Department of Corporate Services Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001, India **Scrip Code:** 532440 **ISIN:** INE943D01017

Dear Sirs,

Sub: Earnings Presentation on Audited Financial Results of the Company for the Fourth Quarter (Q4) and Financial Year ended 31 March 2023.

Pursuant to the provisions of Regulation 30 read with Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to enclose herewith the Earnings Presentation on Audited Financial Results of the Company for the Fourth Quarter (Q4) and Financial Year ended 31 March 2023.

This is for your kind information and records.

Yours Faithfully,
For **MPS Limited**

RAMAN SAPRA

Digitally signed by RAMAN SAPRA
DN: c=IN, o=PERSONAL, title=9408, pseudonym=43dbd303263049bf818a076f6d838560, 2.5.4.20=18cf30a1544184712dd62ca166b9893ae39be03b72c0f4a44c907cf6e8f25d25, postalCode=201014, st=Uttar Pradesh, serialNumber=15cbe9dded45c032a01894d72a7cb7af4313fb2366016cd2de145cfc530838fc, cn=RAMAN SAPRA
Date: 2023.05.16 10:10:09 +05'30'

Raman Sapra
Company Secretary and Compliance Officer

Encl: As above

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MPS LIMITED

Q4 AND FY23 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.

About MPS Limited

MPS at a Glance

MPS is a premium B2B learning and platform solutions company that powers the education, research, and corporate markets in their quest to engage with their learners more meaningfully. And has unlocked a new growth trajectory due to the combined effect of lower attention spans, rapid growth in digital consumption, and the recent advances in AI/ML

Well-Established Platform

- Combination of leading institutions across – Content Solutions (Macmillan/1970), eLearning (India's largest conglomerate/1991), and Platforms (HighWire, Stanford University/1995)
- Differentiated through unique IP and industry-leading accreditations
- A trusted partner to marquee players in Research, Education, and Corporate markets.

Compelling Value Proposition

- Global delivery model with cost advantages from active presence in Tier 2 cities in three countries– 67 percent of workforce.
- Pioneer in platform-led approach creating differentiation through comprehensive SaaS solutions that manage various processes across the content lifecycle
- Advanced capabilities in eLearning solutions that deploy cutting edge technologies.

Robust Industry Drivers

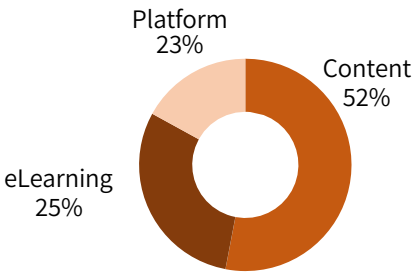
- Large USD 310 bn+ total addressable market with significant runway for growth.
- Secular shift to Digital and opportunity for consolidation in a highly fragmented market.
- Growing focus on scaled providers like MPS with a global delivery model, deep technical expertise. and the ability future-proof customers with innovation.

Tremendous Growth Opportunities

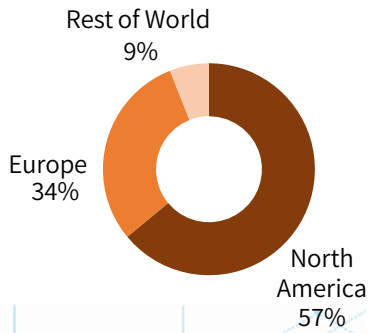
- Maximize cross-sell and upsell with captive customer base of 700+ customers.
- Scale central growth and marketing engine to acquire new customers and expand geographic footprint.
- Consistent investment and deployment of new capabilities across lines of business.
- Enter adjacent markets by re-configuring products/services.
- Play the role of a Consolidator in a highly fragmented market.

Revenue Breakdown (FY23)

By Business Segment



By Geography



FY23 Revenue: INR 501 Cr.

Key Stats

- 700+ Marquee Customers
- 2,700+ Employees
- 15 Delivery Centers Across 3 Continents
- 20+ Years of Average Client Relationship*
- 8 Acquisitions in the last 10 Years

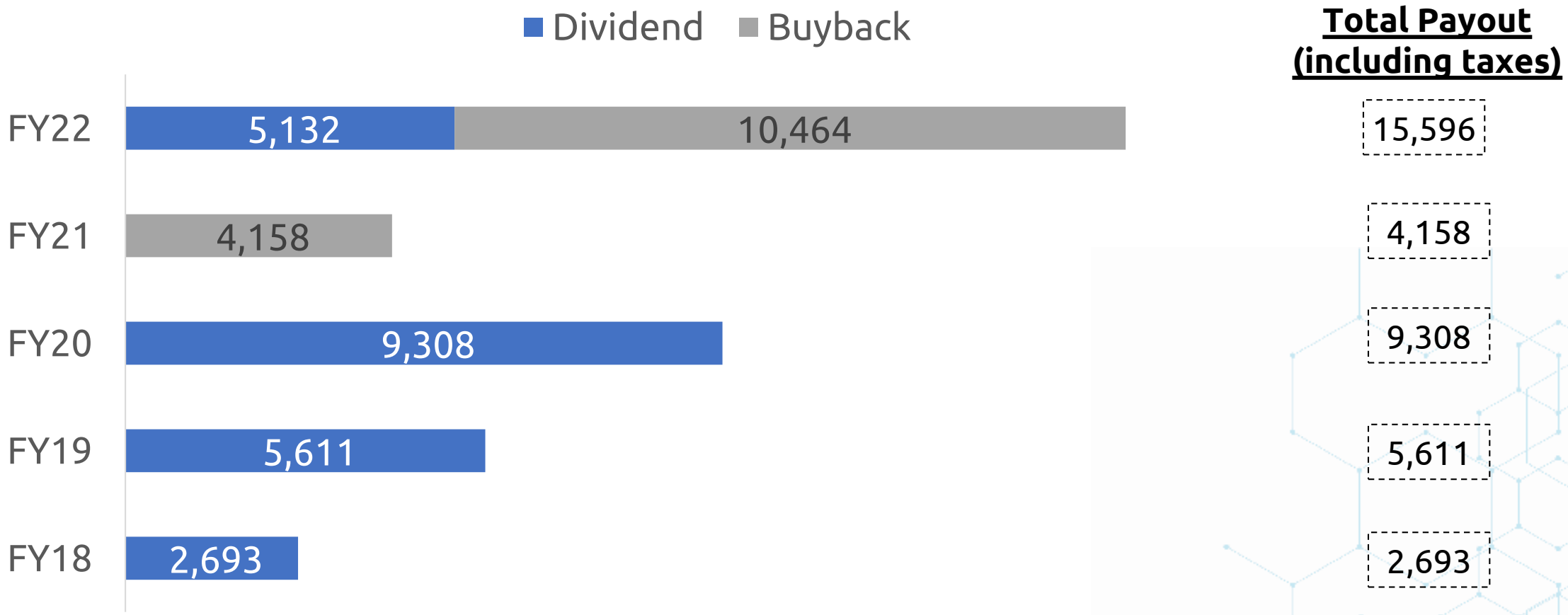
*For top 10 customers as of FY22

Complementary Business Segments with High Degree of Synergy

End-to-end offerings provide a one-stop solution, leading to operational efficiencies, enhanced customer experience, and stickiness

	Content	Platform	eLearning
Overview	Comprehensive content solutions from content creation to delivery across all media that help drive the competitiveness and differentiation of our customers.	Complete range of configurable platform solutions across the entire content lifecycle delivered as PaaS. First to market with each platform offering and respected as the Innovator and Thought Leader in the marketplace.	Deliver high-impact learning and performance support solutions that offer a high engagement quotient, drive learner performance, and deliver high ROI for the learner and organization
Key Offerings	▪ Content Authoring, Development, and Learning Design ▪ Rights and Permissions Solutions ▪ Media Asset Development and Creative Studio Services ▪ Content Production powered by Digital First Workflows ▪ Digital Transformation	▪ Submission, Peer Review, and Workflow ▪ Hosting and Identity Management ▪ Insights and Analytics ▪ Customer Service and Order Management	▪ L&D Advisory and Consulting ▪ Continued eLearning ▪ Custom eLearning ▪ Simulations ▪ Gamification and Serious Games ▪ Training Delivery ▪ AR/VR/XR ▪ Learning Platforms and Technologies
Customers	Research, Education, and Corporate	Research, Education, and Corporate	Research, Education, and Corporate
Key Value Proposition	Efficiency and Differentiation	Innovation and Thought Leadership	Experiential and Transformative
Revenue Share (FY23)	**52%**	**23%**	**25%**

Returned over INR 37,000 Lakh in the last 5 years to Shareholders



In INR Lakhs

Financial Performance for Q4 FY’23 and FY’23

Highest Quarterly EPS in our History for the Third Consecutive Time

MPS Q4 FY'23

Reported Revenue	₹ 127.5 Cr	FX-Adjusted Revenue	₹ 127.9 Cr
Reported Revenue YoY	↑ 16.50%	FX-Adjusted Revenue YoY	↑ 15.72%
EBITDA	₹ 45.6 Cr	EPS ₹ 18.83	EPS Growth YoY 49.57%
EBITDA Margin	35.81%		

Consolidated

Impressive Momentum in Revenue Growth Drives Margin Expansion

Metrics		Q4 FY'23	Q4 FY'22	Variance%
Revenue	FX Gain/Loss adjusted revenue (INR Lakh)	12,792	11,054	15.72%
	Reported Revenue (INR Lakh)	12,746	10,941	16.50%
Profit	EBITDA (INR Lakh)	4,564	3,161	44.38%
	PBT (INR Lakh)	4,302	3,041	41.45%
	PAT (INR Lakh)	3,213	2,207	45.59%
Margin	EBITDA (%)	35.81%	28.89%	6.92%
	PBT (%)	33.75%	27.79%	5.96%
	PAT (%)	25.21%	20.17%	5.04%
Headcount	At the end of each reporting period in Nos.	2,773	2,605	6.45%
EPS	Basic and Diluted EPS (INR)	18.83	12.59	49.57%

Total Cash and Cash equivalents (including investment in Mutual funds) as on 31-Mar-2023 are INR 193 Crores.

The company has zero debt.

Consolidated

Back to our Roots of a High Margin Business

Metrics		Q4 FY'23			Q4 FY'22		
		Content Solutions	Platform Solutions	eLearning Solutions	Content Solutions	Platform Solutions	eLearning Solutions
Revenue	FX Gain/Loss adjusted revenue (INR Lakh)	6,616	2,942	3,235	6,075	2,874	2,105
	Reported Revenue (INR Lakh)	6,552	2,940	3,254	6,009	2,868	2,064
Profit	Segment Result (INR Lakh)	2,741	1211	808	1,860	1,032	455
Margin	Segment Result (%)	41.83%	41.20%	24.83%	30.95%	35.98%	22.04%
Headcount	At the end of each reporting period in Nos.	2,077	203	493	2,155	211	239

- The Un-allocable expenditure & Finance cost (Net of Un-allocable income) of INR 458 Lakh in Q4 FY23 (PY Q4 INR 305 Lakh) is not identifiable to any of the reportable segments.

Consolidated

Q4 FY'23 – Business Metrics

Metrics		Q4 FY'23	Q4 FY'22	Q3 FY'23
Currency Contribution (%)	USD	81%	76%	80%
	GBP	6%	13%	6%
	EURO	4%	4%	4%
	CHF	2%	3%	2%
	INR	5%	1%	6%
	Others	2%	3%	2%
Geographic Concentration	North America	56%	56%	55%
	UK/Europe	34%	38%	32%
	Rest of the World	10%	6%	13%
Debtors	DSO	61	72	57
Client Concentration	Client Billed	495	454	521
	Top 5 contribution	31%	36%	33%
	Top 10 contribution	47%	50%	47%
	Top 15 contribution	56%	57%	56%

Consolidated

Healthy Revenue Growth has Driven Margin Expansion in FY'23

MPS FY'23

Reported Revenue	₹ 501.1 Cr	FX-Adjusted Revenue	₹ 500.0 Cr
Reported Revenue YoY	↑ 11.62%	FX-Adjusted Revenue YoY	↑ 10.81%
EBITDA	₹ 156.8 Cr	EPS ₹ 63.87	EPS Growth YoY 31.40%
EBITDA Margin	31.29%	ROCE	30.60%

Consolidated

Over-delivered on PAT Guidance of INR 100 Cr. in FY'23 with EPS growth of 31% Y-o-Y

Metrics		FY'23	FY'22	Variance%
Revenue	FX Gain/Loss adjusted revenue (INR Lakh)	50,000	45,121	10.81%
	Reported Revenue (INR Lakh)	50,105	44,888	11.62%
Profit	EBITDA (INR Lakh)	15,676	12,628	24.13%
	PBT (INR Lakh)	14,693	11,796	24.56%
	PAT (INR Lakh)	10,919	8,712	25.34%
Margin	EBITDA (%)	31.29%	28.13%	3.16%
	PBT (%)	29.32%	26.28%	3.04%
	PAT (%)	21.79%	19.41%	2.38%
Headcount	At the end of each reporting period in Nos.	2,773	2,605	6.45%
EPS	Basic and Diluted EPS (INR)	63.87	48.61	31.40%

Consolidated

Margin Expansion Across All Business Segments

Metrics		FY'23			FY'22		
		Content Solutions	Platform Solutions	eLearning Solutions	Content Solutions	Platform Solutions	eLearning Solutions
Revenue	FX Gain/Loss adjusted revenue (INR Lakh)	25,904	11,355	12,741	24,414	12,355	8,352
	Reported Revenue (INR Lakh)	26,147	11,340	12,618	24,220	12,334	8,334
Profit	Segment Result (INR Lakh)	10,261	3,918	2,828	7,665	4,064	1,143
Margin	Segment Result (%)	39.24%	34.55%	22.41%	31.65%	32.95%	13.71%
Headcount	At the end of each reporting period in Nos.	2,077	203	493	2,155	211	239

- The Un-allocable expenditure & Finance cost (Net of Un-allocable income) of INR 2,314 Lakh in FY23 (PY INR 1,076 Lakh) is not identifiable to any of the reportable segments.

Consolidated

FY’23 – Business Metrics

Metrics		FY’23	FY’22
Currency Contribution (%)	USD	82%	78%
	GBP	6%	11%
	EURO	4%	5%
	CHF	2%	3%
	INR	4%	1%
	Others	2%	2%
Geographic Concentration	North America	57%	64%
	UK/Europe	34%	30%
	Rest of the World	9%	6%
Debtors	DSO	61	71
Client Concentration	Client Billed	735	659
	Top 5 contribution	39%	33%
	Top 10 contribution	52%	46%
	Top 15 contribution	60%	54%

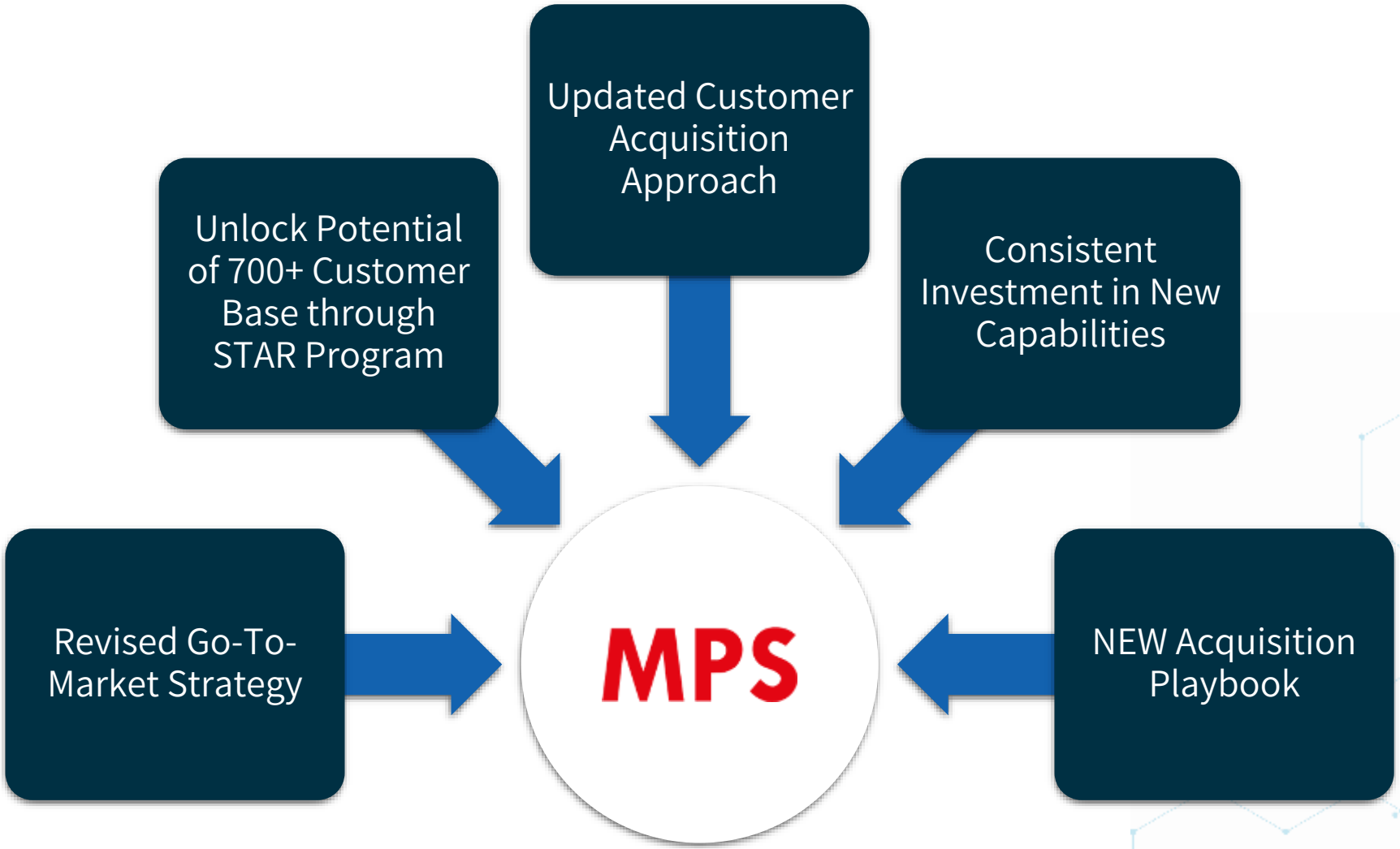
Consolidated

Key Business Updates: Q4 and FY'23

- The Post-Pandemic momentum in our Content Solutions (CS) business continued in Q4 and FY23. Given the significant operating leverage in the CS business, Segment Profit grew by as much as 34% and 47% in FY23 and Q4, respectively. The Scholarly lines of business led the growth in CS business in Q4 and FY23. The new Peer Review solution launch was highly successful, with a significant win in Q4 FY23. While the Education lines of business had a soft FY23, there was some pick-up in Q4.
- In Q4 FY23, Revenue in the Platforms business grew over the same period in FY22. The performance in H2 was our first signal of growth in this business segment in our third year of ownership of HighWire and laid a strong foundation for Q1 and FY24. Continued improvement in margins is also very encouraging from an operating leverage perspective.
- eLearning is now the second-largest business segment. Revenues were at INR 127 crores in FY23 ~25% of our Total Revenue. Profitability improved by more than double during FY23 and more than 50% in Q4. This has been supported by the acquisition and successful integration of EI Design, market-based approach enabling, cross-sell, and upselling these solutions to customers across business segments.
- We have also launched a separate Market Communications business in 'Magineu' which operated under our eLearning Business. This is on the back of delivering a large Experience Center Project received in Q3 FY23 and successfully delivering the same in last quarter. We see a lot of potential in this business going forward and already seeing good momentum in terms of leads and order pipeline.

Supercharging “Going Gestalt” to Build Scale

"Going Gestalt" = Multi-Pronged Growth Strategy responsible for Recent Momentum



Vision 2027: Supercharge "Going Gestalt" to build Revenue above INR 1,500 crores

Go-To-Market Strategy

- Refocused strategy using a market-based approach to enhance and unlock cross-sell synergies across Research, Education, and Corporate end-markets.
- Client interaction focused on leveraging firm-wide capabilities to address client needs vs a product-based approach
- Lead marketing with compelling value propositions and impactful brands

Scale STAR Program

- Proactive management and cross-sell/upsell in identified accounts (STAR). Scale-up of an existing program of 30 customers to 100 customers.
- Executive sponsors from the senior management team are assigned to each Star account.
- Leverage strong client relationships to continue to gain wallet share.

NEW Customer Acquisition

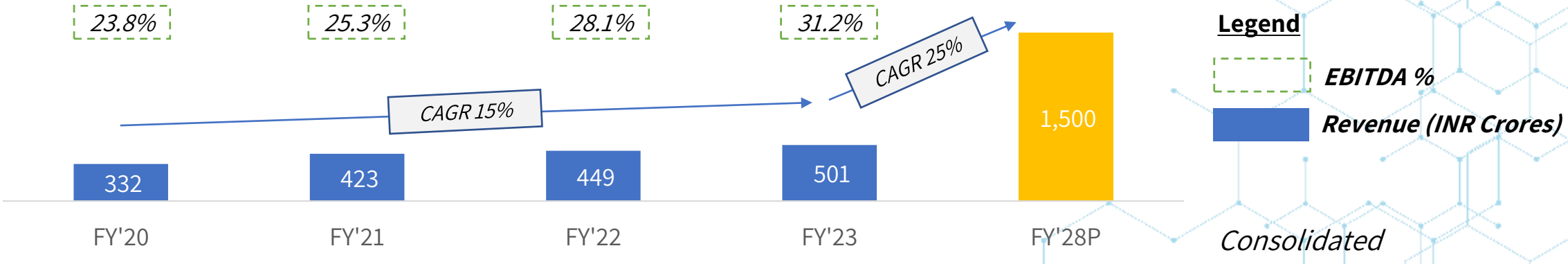
- **Research:** Bundle products/services and play the role of price warrior to acquire market share.
- **Education:** Unlock synergies to expand scope of work (Digital and Immersive) and customer type (Educational Institutes and Ed Tech).
- **Corporates:** Advance unprecedented order book by scaling up marketing and improving geographical coverage.

NEW Capabilities

- Expand Platform offerings via a series of new product launches.
- Embrace AI/ ML to disrupt marketplace with speed and efficiency.
- Move upstream and downstream in the value-chain to ensure comprehensive capability set.
- Scale Experience Center business to launch fourth business segment, Marketing Communications.

Acquisitions

- The approach to acquisitions now evolved from acquiring distressed assets to acquiring growth assets at compelling valuations.
- A strong track record and rich experience enable seamless integration and focus on value creation.
- Continue to target superior ROIC and rapid payback.



MPS is poised to augment organic growth with accretive M&A to drive revenue growth at similar margins

Corporate Social Responsibility

Corporate Social Responsibility Update

Total CSR Spending at a consolidated level is INR 177 Lakh for FY23

- **Girl's Education Project:** We partner with an NGO, IIMPACT, to adopt teaching schools that provide quality education to girls from marginalized communities and the underprivileged. We have supported 51 centers that have 1,530 girls enrolled in 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.
- **Support for disabled children:** We provide financial assistance to KEM Hospital to support the learning disability project for disabled children.