

Analyst Meet 2020

November 11, 2020

SALES ACCELERATION AND FINANCIAL SERVICES DIGITAL TRANSFORMATION

Mohit Joshi

President

Martha King

EVP and Chief Client Officer

Mohit Joshi

Thank you, Kavea. And it's really a privilege to be here to talk to all of you about the transformation that we're driving from a sales perspective, and specifically some of the initiatives that we have from our financial services perspective, and specially one key partnership that we announced very recently.

So let me start. First, we have the safe harbor statement.

Then, moving on to the themes within the sales transformation, this is something that we have spoken to you about in the past as well. But essentially, we've got three market-facing strategy, which is a focus on Infosys delivering large deals, a focus on mining our largest and most important accounts, and finally, a focus on new client acquisition. But these three client-facing strategies are also supported by a significant amount of work that is happening within the organization to really enable the sales teams to be more effective. This draws on the larger digital transformation that is happening within Infosys as a group. And so some of the capabilities, some of the infrastructural solutions that we've created organization-wide, are being used very effectively from a sales perspective. And I will talk about it briefly in the slides to come.

But let me just start by giving you a snapshot of our performance from a large deals perspective. As you know, this has been a great area of focus for us for the past few years. And clearly, the results are spectacular. As you will see from this slide, we've had, significant acceleration over the past few quarters in the past few years. From a large deals perspective, specifically FY 2021 - just in the first half of the year, we've delivered over \$3 billion in net new deals and close to \$5 billion in overall large deal volume. Just as a point of comparison, just the net new large deal volume delivered in the first half of the year is actually greater than the total volume of larger deals we've delivered not so far back ago, just in FY 18. Again, the digital component of our large deals is very significant, it's over 50%. And we're also starting to see a significant acceleration in our large deal volumes and our large deal pipeline since the pandemic started. So while we're not sharing the exact pipeline numbers over here, I can assure you that based on the key themes that we've been working with our clients on the digital transformation pace, the

need to consolidate, we've seen an acceleration of the pipeline. And I think of it like a flywheel, right, we've got the flywheel turning initially. And now thanks to all the efforts that have been made, the flywheel is moving faster and faster.

As I move to the next slide, I just want to give you a perspective on what our thinking and what our actions have been over the past few months, and how we're thinking about the future. So I'm going to start at the bottom of the slide. When the pandemic hit us, there was a very concerted effort to make sure that the deals that we had in the pipeline, that we were in regular communication with our clients to make sure that these deals progressed. We wanted to make sure that we were able to address their concerns about transitions, that we were able to address their concerns about virtual onboarding, that we were able to demonstrate flexibility. Clients were clearly looking for protections in terms of insurance, in terms of business continuity, and it was important for us to bake it into the contracts. I'm happy to tell you that we were very successful, right, not just in terms of deal closures, but even in terms of offer acceptances. Our offer acceptances for the deals done since the pandemic started, have been over 90%, which really is a significant demonstration of the very strong employee value proposition brand that we have created.

Among other things, what we've also done is build targeted propositions that we are taking to our clients. We see that in the pandemic, clients are focused on changing the long-term shape of their cost curve. And this goes towards simplification. This goes to consolidation. This goes to a greater degree of automation. But clients are also very interested in moving forward on the digital proposition. And this goes to data, this goes to experience, this goes to the public cloud adoption. And so the themes that we have created reflect both of these propositions. I think, IT as a service, Device as a Service are propositions that are really very attractive to companies as they're facing uncertain revenues. And so moving them to more of a variable cost model, moving them from a CapEx to an OpEx model has been something that has given us a huge degree of success. And again, the propositions that you see on the right hand side of this slide are ones that we will be taking to our clients even in the months and quarters to come.

At the same time, as we've been building our client-specific propositions, we've also made sure that we're equipping our salesforce for this very new environment that we find ourselves in. So it goes towards buyer mapping how is the virtual selling cycle different from what it used to be pre-pandemic? How do we equip our teams to effectively engage with customers using our platforms when required? So our Infosys Meridian platform, for instance, has been a huge hit. It has been successful for us in engaging with our customers, in onboarding new teams, but also as a powerful platform for our own clients to use as they're looking for virtual showrooms. So we've worked with a very large auto manufacturer to showcase Meridian as a new virtual car showroom. We've worked with banks so that the Meridian capabilities can be used for virtual tellers or for virtual branches. We've also been using our Lex platform extensively for training our teams. And finally, communication has been the keystone of everything that we've worked on for the past few months. So it's consistent and clear communication to our sales teams, a regular cadence of review, so that we're building up the discipline when it goes towards our sales effort. So a very comprehensive strategy to build propositions to enable the team and to close the deals that we had in the pipeline.

Moving on to the next slide. Just to give you a perspective, beyond large deals, we've also been focused on our account expansion program. The account expansion program is

essentially a way for us to increase our share of the wallet for our top hundred clients and to increase our relevance. And so this goes towards the new digital propositions, making sure our teams understand this. We've created a special fund within the company, such that we're able to fund interventions that are required for our largest clients. These interventions go towards things like resource investments, towards building living labs, towards using external help where needed. And this comprehensive and targeted strategy of building out our largest clients is really paying off spectacularly. Apart from revenue growth, I can also tell you that our client feedback scores for our largest accounts have done extremely well. And so this targeted intervention that we have for our largest customers has also resulted in the number of hundred million dollar accounts going from 27 to 30. And this is a tangible validation of a strategy to increase client relevance and to increase wallet share.

Finally, talking about our new client acquisition strategy. We've seen with Vanguard and Siemens, two very significant relationships that we've opened up. That the new account program is very comprehensive, that goes towards increasing the size of our hunting teams, it goes towards building our new incentive models and a new compensation model that has been rolled out across geographies. It goes towards creating an ecosystem so that hunters can learn from each other. It goes towards building out propositions that our hunting teams can take to clients effectively. And finally, it goes towards building a powerful set of platforms that enable our hunters to spot opportunities. We're looking to build a sentient enterprise. And so to that regard, we've built a platform that sources data from a host of providers. So it's social media companies, it's media, it's executive movements, let's say on LinkedIn, it's our own internal information, it's information that we're getting from analysts, and provides really clear nudges and clear directions to our hunting teams about where large deals may be available, and the propositions that they should be reaching out to clients with. This is being used equally by the hunting teams and the farming teams, but as an example of the new digital tools that we've created, allowing our sales teams to be more effective. So that, in a nutshell, is a snapshot of everything that we're doing from a sales transformation perspective.

I'm now really pleased to hand you over to one of our newest colleagues, our Chief Client Officer, Martha King, who's joined us from Vanguard. And Martha will be talking to us about the new partnership with Vanguard and the digital transformation that we're driving there and about our ambitions for building out a large retirement practice within Infosys.

Thank you. And over to you, Martha.

Martha King

Thank you, Mohit. In July, Infosys and Vanguard announced an important partnership. This embodies the strategy that Mohit has outlined. Vanguard is recognized as the largest defined contribution asset manager in the US and one of the largest DC record keepers. For decades Vanguard propelled best practices and innovations that help steward the financial futures of millions of Americans who are saving for retirement.

As Vanguard thought about how to continue to innovate and serve plan sponsors and participants, they turned to Infosys, which as you all know, is a global leader in next-generation digital services. Infosys' tremendous capabilities, combined with Vanguard's capabilities in advice and client experience, are an incredibly powerful combination. This

relationship is a true partnership across operations, technology, and transformation. 1,300 operations and technology crew joined Infosys from Vanguard to help build Infosys' capabilities in the retirement space and to accelerate Vanguard's enhancement and evolution of their DC business.

As part of the partnership, Infosys is modernizing Vanguard's platform, building the first cloud-native record keeping platform and creating a new standard for the industry. The cutting-edge digital technologies and Infosys' CX capabilities, together with Vanguard, will dramatically improve the retirement savings experience for plan participants and plan sponsors. Our technology will allow for on-demand data and insights that would have been impossible to create in a legacy technology architecture. Across the two firms, there is a relentless client-first focus that comes together in a powerful way. We see this as a real partnership and a set of truly transformative changes for the industry.

I mentioned briefly before that as part of the Vanguard partnership, 1,300 employees transitioned to Infosys. Over the last three weeks, that experience has been seamless. All of us who transitioned are very excited to be Infoscions. It's been incredibly gratifying to experience first-hand the commitment Infosys has to bringing on talent in the regions where their clients are, and ensuring that we have the deep technical acumen needed to serve those clients well. It's also been incredibly impressive for me to see so closely the Infosys commitment to ongoing development. In particular, the Lex platform for learning is really something that's unparalleled in my career. I'm very impressed by it.

Moving on, these 1,300 people, alongside now many more tenured Infosys leaders and staff, are the foundation of our new global retirement Center of Excellence we're building. The CoE creates a physical presence near eastern Pennsylvania, which will be home to over 2,000 employees and it creates a global center of expertise in serving retirement clients. As many of you know, the retirement industry sees a real need for digital transformation. Firms are seeing margin pressure and are operating off of legacy technology and see rising expectations of digital experiences from their own clients. In the US alone, the DC industry supports over 9 trillion in assets and 110 million individual investors. With Vanguard as the anchor client, we see this as a place where Infosys can bring together a unique set of capabilities in the Mid-Atlantic retirement center to help future clients transform.

Let me share just two examples. Embedded in a CoE are teams dedicated to working with clients in living labs, where teams can prototype ideas or run joint hackathons to push the edge of what's possible. Outside of technology, we're building a strong bench of employees and a robust training program with real operational expertise in the retirement space. I'm incredibly excited to lead the retirement center of excellence and to build an even larger presence near many of our clients and enable Infosys to build on what are incredibly deep capabilities to serve clients in the critical retirement industry.

Thank you.