MPS | CEO Presentation

Platforms and services for content creation, production, and distribution

45th Annual General Meeting
Chennai, India
July 20, 2015

1. Journey to 2015-16

2. Present Overview

3. Operational Goals

4. Vision for Future Business Success

5. Market Overview

Our first phase (2011-12)

ADI BPO Servies acquired MPS from Macmillan and *took the company from a loss making position in 2010 to reporting a profit in FY 2011-12*, with some internal restructuring and limiting Capex.
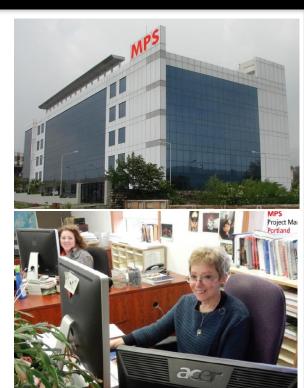
Our second phase (2012-13)

EBITDA margin strengthened from 13.90 to 29.21 percent. This was achieved through rationalization of senior management layer, strengthening of Dehradun operations, and rationalizing wage costs as a proportion of revenues.

Our third phase (2013-14 to 2014-15)

EBITDA margin strengthened from the late 20's to the late 30's. Revenues addressed through 3 US-based acquistions and aggressive sales and marketing – multi-year agreements acrossa diverse portfoilo of platforms and services.

- 45 year service history as Macmillan's back-office has allowed MPS to build unique capabilities and talents through strategic outsourcing programs that are not typically outsourced to an outside supplier

- We are a global partner to world's leading publishers and platforms including Macmillan, McGraw-Hill Education, Cengage Learning, Kaplan, Elsevier, Springer, Wiley, Wolters Kluwer, American Chemical Society, Amazon, Apple, and Vital Source

- Widest range of service offerings with focused business units for technology services and digital product development

- 2,850+ associates across 6 facilities in India and 5 offices in the US

- Listed on the major Indian Stock Exchanges with a market capitalization of around USD 250 million.

- Recently raised growth capital of $25 million with participation from Goldman Sachs and HDFC (largest mutual fund in India)

Client Focus

- Always Publishing
- Comprehensive capabilities attract large clients
- Technology capabilities attract smaller clients

Efficient Operating Model

- Dehradun is our largest operations center in India and Orlando is our largest operations center in the US.
- Global Delivery

Technology Focus

- Commercial Software
- IT support
- Production Automation

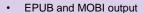## Organic Growth

- Core partners
- Multi-segment revenues

Growth through acquisitions - New clients, New capabilities

- Online smart editing with underlying XML
- Rich editorial functionalities
- Intuitive context-based editing
- Smart navigation
- Table and math editing
- Integration with third-party databases

- On-the-fly, automated page proof
- Customized templates for layout
- Proof, POD, and eBook PDF generation
- Advanced black-box composition engines
- Built-in error reporting

- EPUB and MOBI output
- Publisher XML / Schema output
- Round-trip XML to Word
- Feed for mobile apps
- XSL transformation engine
- Integrated validation and QC tools

- eBook delivery and distribution platform by MPS
- Distribution to retailers & online platforms such as Amazon, iTunes, and Kobo

- Print to digital transformation
- Adding Interactivity
- Audio/video editing, closed captioning
- Flash/HTML5 output support
- Native, Web, and hybrid apps

MPSTrak provides the workflow management tools and operational agility required for constantly evolving production systems and processes in a rapidly changing publishing world

Educational Publishing

1. Dominated by 4-5 large players

2. Digital sales are not growing as fast as decline in print sales

3. Margins are under pressure in a slow market

STM and Academic Publishing

1. Growing at a faster rate than educational publishing

2. Pressure from research community toward Open Access

3. Tremendous drive toward leveraging on tehncology to enable faster time to market

Trade Publishing

1. Chop, Change, Package

2. Digital first publishing

3. Being Digital is table stakes, sharing ecosystem will drive the next wave of growth

The MPS global delivery model, publishing focus, technology emphasis, and comprehensive capabilities position us a Preferred Partner. In a competitive landscape where the vendor side is consolidating with smaller players getting weeded out, MPS is in a unique position of playing the consolidator and leading the market.

Thank You