

Message from the CEO



Technology is at the core of business transformation, but talent remains the driving force. In the new world of work, Wipro's commitment is to our clients' success, and to that of our employees, and the larger community.

Thierry Delaporte, CEO

Dear Stakeholders,

It has been my privilege and honor to lead Wipro for the past year, an exceptional company that is both an industry pioneer, and a force for good in the communities which we serve.

The financial year that ended March 31, 2021 capped a landmark 12 months for Wipro, a period of total transformation. We announced a new strategy, completed the biggest organizational restructuring in our history, delivered strong performances for

consecutive quarters, and sealed our largest-ever acquisition, all in the middle of a global pandemic. We finished FY21 with healthy revenue growth, prestigious deal wins, strong margins and robust cash flows.

Change takes time, but I am pleased to share that we are now well-settled into these new ways of working and remain resolutely focused on fulfilling our customers' needs.

Building a Bold Tomorrow – Our Strategy

In the pre-COVID-19 business landscape, companies were embarking on transformation programs to enhance agility, improve operational efficiency and optimize costs. The pandemic has served to accelerate this need. The time to change is now, and if your business does not, it will be left behind. This sentiment forms the precursor to our value proposition to the market: Wipro is a transformation partner you can trust.

Our ability to deliver change is underpinned by three core components. The first is **Technology**, which is at the heart of all transformation. Next is **Talent**, which drives our technological engine. The third is **Trust**, without it a partnership cannot be expected to thrive.

Partners who can challenge the status quo, ideate together, provide insight, innovate, and lead with flawless execution, will always deliver value over the longer term. This has led to both business, and providers, reevaluating what is important from a service. Once it used to be about cost and efficiencies. Now, **Speed** and **Agility** matter more. The ability to disrupt oneself at speed will allow a company to separate itself from its competition and take a unique position in its market.

We know that industry growth will largely be led by next-generation technologies and services. We can therefore expect to see huge incremental growth in areas such as Digital, Cloud, Data, Engineering, Cybersecurity.

Cloud definitely is at the center of customer conversations, and is becoming not just the operating platform of choice but a fundamental part of Digital Transformation. The emergence of new work models such as work-from-anywhere or crowdsourcing, has meant that cybersecurity has become a top priority for businesses.

For long, Wipro has been helping customers navigate the full spectrum of IT transformation.

Our customers appreciate our passion for innovation, our commitment to excellence in delivery, and that we are invested – and invest in – our customer's success.

That said, our ambition is to constantly raise the bar and be a true global leader of our industry. In order to realize this, we have made bold changes ourselves, challenge our existing areas of focus, our approach to growth, and our ability to deliver excellence across all markets, in all sectors, for all customers.

We are Building a Bolder Tomorrow for Wipro through our five-point strategy:

- 1. Accelerating growth** by prioritizing the sectors and markets we operate in. We are channeling our efforts and investments for maximum results, going deeper in areas we believe we have strengths in, while doubling down and scaling in those areas we are winning in, to secure a leadership position.
- 2. Strengthening clients and partnerships** with strategic clients by investing in good talent and a focused structure that can shape and win larger transformational deals. We are also leveraging relationships with our strategic partners and using M&A as a key strategic enabler to accelerate growth.
- 3. Leading with business solutions** that enhance our portfolio, resonate with our clients, and align with business and functional spend pools. We are developing and scaling these solutions by leveraging industry expertise, technology capability and ecosystem partnerships.
- 4. Building talent at scale.** This will be the most critical factor for success. An ambitious program to scale talent across front-end, domain and technology areas are playing out at Wipro as we speak. I am also committed to building leadership diversity throughout our business, including most importantly, our leadership ranks. Industry-leading growth will only come from industry-leading plurality.

5. Simplifying our operating model will drive better customer-centricity, agility and empower our teams who are closest to the clients to make decisions without excessive oversight or controls. This is what we have done in the past year. Our new model fosters accountability and an entrepreneurial spirit.

Business Performance in FY 2020-21

A high-performance organization is a great asset. It builds and strengthens the foundation for sustained growth. Our IT Services revenues for the full year was **\$8.1 billion**. Our revenue growth during the last two quarters of the year was **3.3%** and **3.0%** respectively, which on constant currency terms means they were the best quarters in terms of growth in the last decade! Despite a steep decline in the first quarter of the fiscal year, as the result of the pandemic, we bounced back to finish the year with only a marginal decline of 1.4% YoY.

Our renewed focus on the market, and on customers, ensured that the total contract value of our order book in **H2'21 grew by 33% YoY**. This was a result of increased activity in the market, which I must say we have leveraged very well. A second factor in that trajectory were the closure of large deals. We closed **24 large deals** in second half of the year, resulting in a Total Contract Value of **\$2.6 billion**. This includes two mega deals, one in Europe, and one in the Americas market, each of which can lead to revenues of more than \$ 1 billion over the deal duration.

As you can tell from our approach, mergers and acquisitions have been an integral part of our business strategy. In the second half of the financial year, we closed several acquisitions across several key markets, including the US, Europe, LATAM, Australia and India. These acquisitions have strengthened our local presence, and service offerings. Our largest-ever acquisition, CAPCO, for **\$1.45 billion** is one that significantly strengthens our position in the global financial services market. This acquisition also allows us to onboard some exceptional domain experts and talent in that space.

Our strategic M&As over the years have contributed towards the creation of a vibrant, new-age, and diverse community of talent around the world. Such talent, along with the new cadre of leadership that has joined the existing executive team, brings to Wipro the kind of leadership that is not typical for our industry historically. We will continue to build on this by recruiting local talent that is diverse in every way.

We are pleased with our rigor in execution, which has resulted in Operating Margins of **20.3%** for the full year, and an expansion of **220** basis points in the financial year. Our operating metrics have shown consistent improvement, with utilization and offshoring being at its highest ever. I am pleased to share that we released salary increments and promotions, covering approximately 80% of our employee base, effective of January 1, 2021. We also had a robust operating cash flow generation of **₹147.6 billion**, which was at **136.7%** of Net Income for the year. In addition, we ended the year with **\$3.6 billion** in cash on our balance sheet.



Our commitment to our employees and communities

Our pursuit of excellence will not be possible without the commitment, endeavor and spirit of each of our 200,000+ colleagues, and especially so during a global pandemic.

Naturally, the health, safety, and wellbeing of our employees has been, and always will be, of paramount importance to us. Right at the onset of the pandemic in March 2020, we enabled our employees globally to work from home. Over the last few quarters, less than 3% of our employees have worked from Wipro offices. This was possible because of the understanding, empathy and generosity of our customer. We actively worked with our customers to reduce employee footprint in offices.

In many countries, but in India especially, the pandemic has caused immeasurable loss and suffering. It was our moral obligation to do everything we could possibly for our colleagues and their loved ones. We ramped up efforts on multiple fronts, but especially focused on oxygen provisioning, Covid-testing, providing end-to-end provisions such as ambulances, treatments and managing hospital admissions. We created Wipro-sponsored Covid-isolation centers in various cities for our employees and their immediate family members. We also partnered with top-tier hospitals and a tech-enabled online-to-offline delivery platform specializing in primary care and urgent response services to provide COVID-19 vaccination support to our India-based employees. These may seem small gestures, but we must provide relief wherever possible. It has been a year of great hardship.

I like to think there are positives to be drawn from the terrible situation we have found ourselves in. The displays of kindness, empathy, generosity, and perseverance that our entire Wipro family has demonstrated has made us stronger, more resilient, more caring and more agile than ever before.

Of course, the responsibility we show for ourselves must extend to the world we live in. We have always taken pride in being a responsible global citizen – one that engages with its key stakeholders to find solutions to the most pressing ecological and social issues of our time. Our business should not be detached from the evolving climate crisis. Wipro has long since built ecological sustainability practices into its operations and ways of working, often ahead of what has been considered necessary within our industry. We are running a program of deep decarbonization across our entire value chain, with the goal of reaching Net Zero emissions by 2040, with an intermediate target of reducing Greenhouse Gas emissions from our operations by 55%, by 2030.

For me personally, it has been a wonderful start to an exciting journey. I am thankful to our colleagues, clients, partners, board of directors, and other stakeholders who have provided incredible support, and trust. I am filled with optimism and energy for this new financial year, and I am confident of truly building a bolder tomorrow for our business, our customers and for the world around us.

Sincerely,

Thierry Delaporte