



MASTECH DIGITAL: A COMPELLING VALUE PROPOSITION

Investor Presentation | September 22, 2021



SPEAKERS



VIVEK GUPTA
President, CEO, and Member of the Board

- Joined as the President and Chief Executive Officer in March 2016
- Former Chief Executive of Global Infrastructure Management Services at Zensar Technologies; Played a major role in global growth of Zensar
- Advanced Management Program from Wharton Business School, University of Pennsylvania
- Bachelors in Technology from the Indian Institute of Technology, Delhi, India



JACK CRONIN
Chief Financial Officer

- As the CFO, Jack oversees all finance functions as well as M&A-related activities; 23 years with Mastech Digital
- Has played a key role in Mastech Digital’s acquisitions thus far, as well as the sale of past Mastech Digital subsidiaries
- Former Chief Financial Officer at Industrial Ceramics
- MBA from Katz Business School, University of Pittsburgh; Certified CPA and CMA



PAUL BURTON
Chief Executive Officer - Mastech InfoTrellis

- Joined as the Chief Executive of Mastech InfoTrellis in January 2019; 20+ years of experience in global sales, consulting, operations, and P&L management
- Former SVP and GM of Genpact’s Global Data Analytics business and Former VP at IBM, where he led the Information Management Software business in Growth Markets
- Served in the United States Army as a Military Police Officer
- Ph.D. in International Development from The University of Southern Mississippi, in addition to a law degree and an MBA



SAFE HARBOR DISCLOSURE

Certain statements contained in this presentation are forward-looking statements based on management's expectations, estimates, projections and assumptions. Words such as "expects," "anticipates," "plans," "believes," "scheduled," "estimates" and variations of these words and similar expressions are intended to identify forward-looking statements, which include but are not limited to projections of revenues, earnings, and cash flow. These statements are based on information currently available to the Company and it assumes no obligation to update the forward-looking statements as circumstances change. These statements are not guarantee of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results and trends may differ materially from what is forecast in forward-looking statements due to a variety of factors, including, without limitation, the level of market demand for its services, the highly competitive market for the types of services offered by the company, the impact of competitive factors on profit margins, market conditions that could cause the Company's customers to reduce their spending for its services, and the company's ability to create, acquire and build new lines of business, to attract and retain qualified personnel, reduce costs and conserve cash, and other risks that are described in more detail in the company's filings with the Securities and Exchange Commission including its Form 10-K for the year ended December 31, 2020.



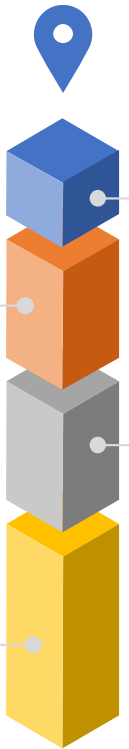
AGENDA

DATA AND ANALYTICS SERVICES
Industry Highlights | Key Business Attributes |
Financial Model

02

COMPELLING VALUE ATTRIBUTES
Favorable Outlook | Unlocked Value

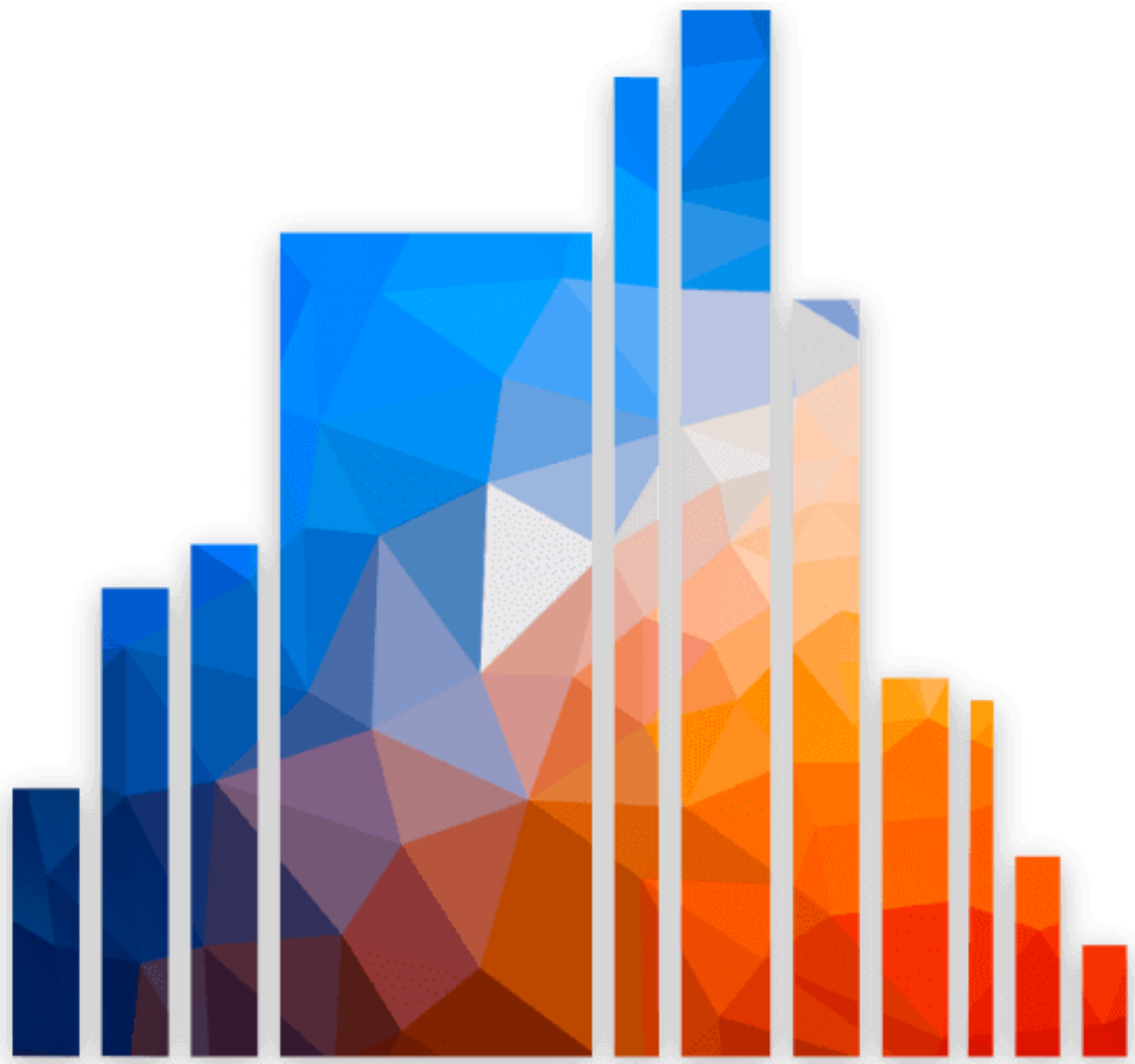
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01 COMPANY OVERVIEW
Introduction | Key Business Events |
Consolidated Highlights | Financial Position

03 IT STAFFING SERVICES
Industry Highlights | Key Business Attributes |
Financial Model





COMPANY OVERVIEW

WHO WE ARE

- A Digital Transformation IT services company with deep capabilities in Data and Analytics Services, and IT Staffing Services
- Former operating subsidiary of IGATE Corporation
- NYSE-listed (MHH); Pittsburgh, PA-headquartered
- Presence across North America, India, Europe, ASEAN, and the Middle East
- Run-rate revenue of \$215 million / Expanding gross margins
- 2,000+ associates



INDUSTRY RECOGNITION



OUR BOARD OF DIRECTORS



ASHOK TRIVEDI

Co-founder and Co-chairman



SUNIL WADHWANI

Co-founder and Co-chairman



BRENDA GALILEE

Ex-Chairman and CEO, InTouch Corporation



JOHN AUSURA

Founder, Capital Resolution, LLC



GERHARD WATZINGER

Chairman, CrowdStrike



VIVEK GUPTA

President and CEO, Mastech Digital



KEY BUSINESS EVENTS

Mastech Spun-off from IGATE Corporation as a Public Company (MHH)

OCTOBER 1, 2008

Rebranded as **Mastech Digital** to support our digital transformation journey

SEPTEMBER 1, 2016

Paul Burton appointed as the Chief Executive of Mastech InfoTrellis

JANUARY 1, 2019

Acquired **Amberleaf Partners**, a Data & Analytics services company

OCTOBER 01, 2020

MARCH 1, 2016

Appointed **Vivek Gupta** as President and CEO to lead Company's transformation beyond Staffing

JULY 13, 2017

Acquired **InfoTrellis, Inc.**, a Data and Analytics services Company

JUNE 30, 2020

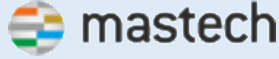




Launched **MAS-REMOTE**, Mastech Digital's Remote Staffing solution

JUNE 30, 2021

Record revenues during Q2. 13% Y-o-Y, and 8% Q-o-Q growth



PROGRESS MADE IN THE LAST FIVE YEARS

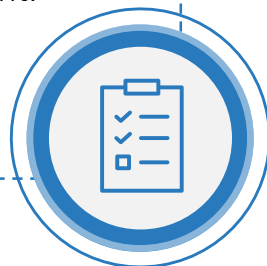
PARAMETER	MAR 01, 2016	DEC 31, 2018	DEC 31, 2019	DEC 31, 2020	JUN 30, 2021
BRANDING	Mastech 1.0 	Mastech 2.0 	Mastech 2.0 	Mastech 2.0 	Mastech 2.0 
POSITIONING	IT Staffing Company	Digital Transformation IT Services Company	Digital Transformation IT Services Company	Digital Transformation IT Services Company	Digital Transformation IT Services Company
REVENUE	\$123.5 Mn	\$177.2 Mn	\$193.6 Mn	\$194.1 Mn	\$215.0 Mn*
HEADCOUNT	1,117	1,650	1,745	1,669	1,941
% DIGITAL REVENUE	18%	46%	50%	52%	48%
SHARE PRICE	\$3.61	\$6.30	\$11.09	\$15.90	\$14.95
MARKET CAP	\$31.6 Mn	\$69.3 Mn	\$122.6 Mn	\$175.8 Mn	\$171.0 Mn
GEOGRAPHIES (CUSTOMERS)	USA	USA, Canada, EMEA, ASEAN	USA, Canada, EMEA, ASEAN	USA, Canada, EMEA, ASEAN	USA, Canada, EMEA, ASEAN
OFFSHORE DELIVERY CENTERS	NOIDA, Bangalore	Larger NOIDA, Chennai	Larger NOIDA, Larger Chennai	Larger NOIDA, Larger Chennai	Larger NOIDA, New Chennai

*Annualized Revenue Run rate

CONSOLIDATED 2020 AND 2021 HIGHLIGHTS

FULL YEAR 2020 FINANCIAL HIGHLIGHTS

- 2020 Revenue totaled \$194 million; flat compared to 2019.
- 2020 Gross margin totaled 26.6%, up 180 basis points from 2019.
- Record Non-GAAP net income = \$13.9 million compared to \$9.3 million in 2019; Record Diluted Earnings Per Share = \$1.16 versus \$0.82 in 2019.
- Protected our pricing metrics and instituted effective austerity measures in an incredibly challenging macro-economic environment.



SECOND QUARTER 2021 FINANCIAL HIGHLIGHTS

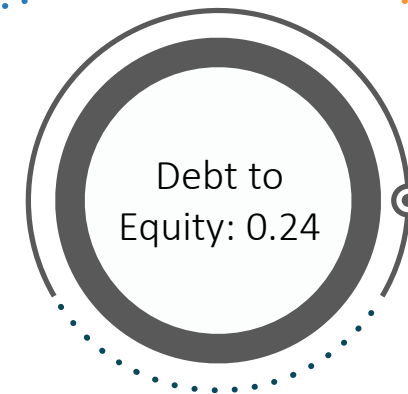
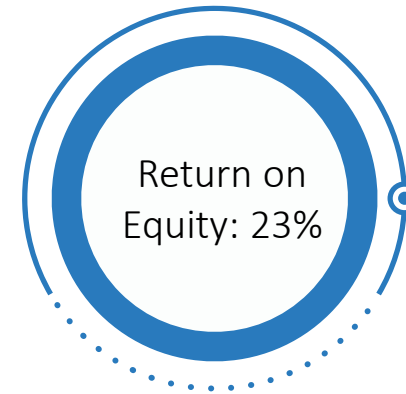
- Q-2 2021 Revenue totaled \$53.7 million; Y-o-Y organic growth of 9%; sequential growth of 8% over Q-1 2021.
- Q-2 Gross margin up to 26.7%, an improvement of 100 basis points sequentially over Q-1 2021.
- Q-2 Non-GAAP net income = \$3.4 million or \$0.29 per diluted share; which was \$0.10 per diluted share higher than the previous quarter.
- Activity levels / Booking performance during the 1st half of 2021 point to a stronger 2nd half of 2021.



FINANCIAL POSITION, JUNE 30, 2021

Manageable Debt Load / Strong Liquidity

- Balance Sheet Bank Debt, net of cash balances: Total: \$9.7 million
- Zero Borrowing under our outstanding Revolver
- Borrowing Capacity = \$26 million under our existing credit facility
- Effective Annual Interest Rate on Debt: ~4%
- AR accounts are high-quality; no bad debt expense in 2020 / 2021; Days Sales Outstanding measurement equaled 63 days at June 30, 2021.





DATA AND ANALYTICS SERVICES

INDUSTRY HIGHLIGHTS

- By 2023, Data and Analytics revenue forecasted to be **\$275 billion**, with a CAGR of **12%**
- Worldwide spending on big data and business analytics (BDA) solutions is forecast to reach \$215.7 billion in 2021, an increase of 10.1% over 2020, according to a new update to the Worldwide Big Data and Analytics Spending Guide from International Data Corporation (IDC)
- By 2022, public cloud services will be essential for 90% of data and analytics innovation
- IDC estimates big data technology and service-related spending to grow with a five-year CAGR of 14.6 per cent over the forecast period of 2020-25
- India has about 1.17 million digitally skilled employee base as of March 2021, a year-on-year growth of 32%



Source: Gartner, NASSCOM, IDC

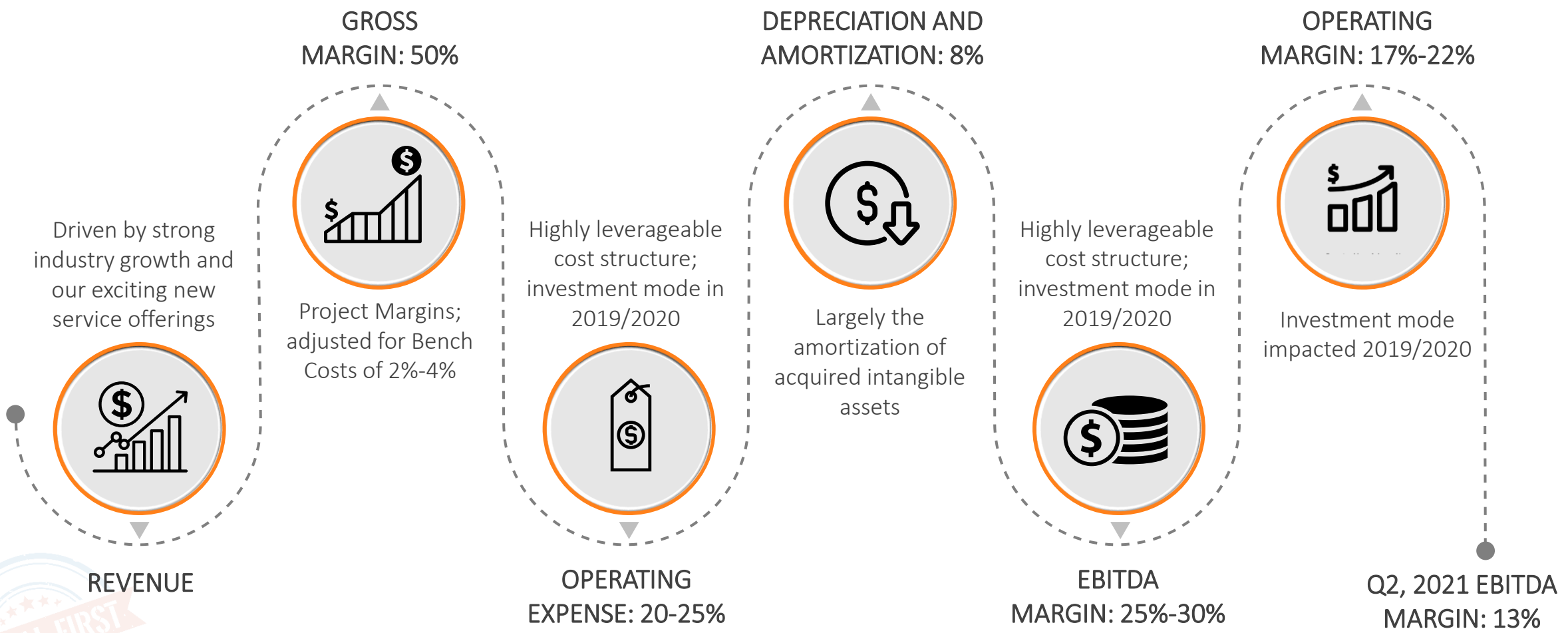
KEY BUSINESS ATTRIBUTES

- Specialist data management and advanced analytics firm
- Industry-leading technical and strategic expertise, with a track record of hundreds of successful projects, implementations, and deployments
- Helps clients accelerate business velocity, minimize costs, and drastically improve corporate resiliency through the application of data and analytics expertise
- Build across the entire tech stack that spans cloud, data, analytics, and CX technologies
- Access to leading enterprise-grade experts in data and analytics processes and technology who can provide clients with all the relevant skills, experience, and technical knowledge to build applications for the enterprise



DIGITAL

DATA & ANALYTICS FINANCIAL MODEL





 **MASTECH**
DIGITAL

IT STAFFING SERVICES

INDUSTRY HIGHLIGHTS

- IT staffing revenue is forecast to grow 9% this year and by 6% in 2022. IT proved to be among the most resilient of staffing sectors; it fell by just 5% in 2020. The relative outperformance led IT staffing to become the largest industry segment in 2020 in terms of revenue.
- Jobs in IT are projected to reach a scale of 5 million between 2018 and 2028, up **12.2%** over the previous ten-year period
- Up to 50% of jobs within the U.S. are compatible with remote work and 80% of workers say they'd like to work remotely, on a part-time basis, at least
- Deployment of **AI-based automation** is unlocking a world of **opportunities, enabling more efficient resourcing by staffing firms and better hiring decisions by enterprises**
- By 2025, 36.2 million Americans will be working remotely, an 87% increase from pre-pandemic levels



Source: SIA Reports, UpWork Survey

KEY BUSINESS ATTRIBUTES

- Recognized as a quality provider of IT staffing services with over 30 years in the industry
- Special focus on Digital Staffing over the last three years has helped drive superior revenue growth
- Low-cost operating structure compared to many of the industry peers
- Multiple engagement models: On-prem, Remote Staffing, and Offshore Staffing
- Provides top 10% of US-based remote technology workers as part of the MAS-REMOTE program
- Recognized as a certified minority-owned business



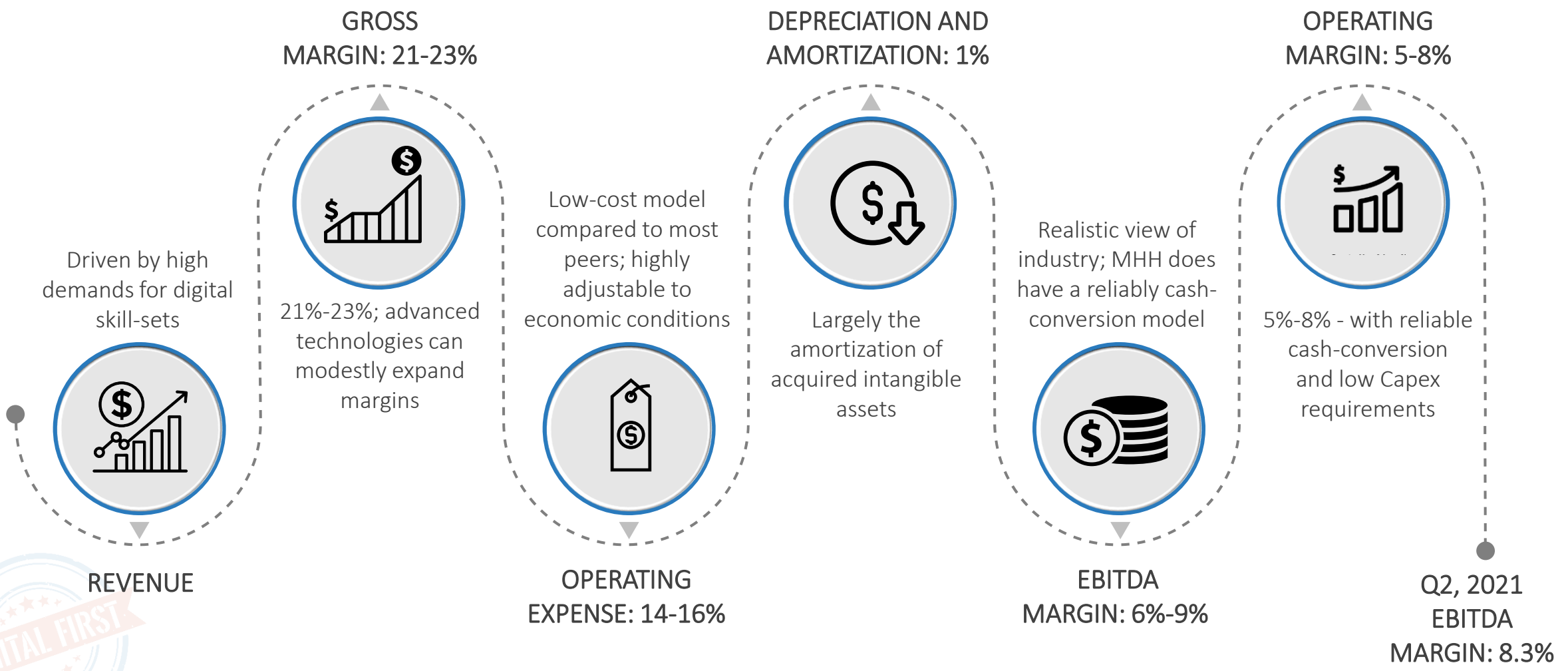


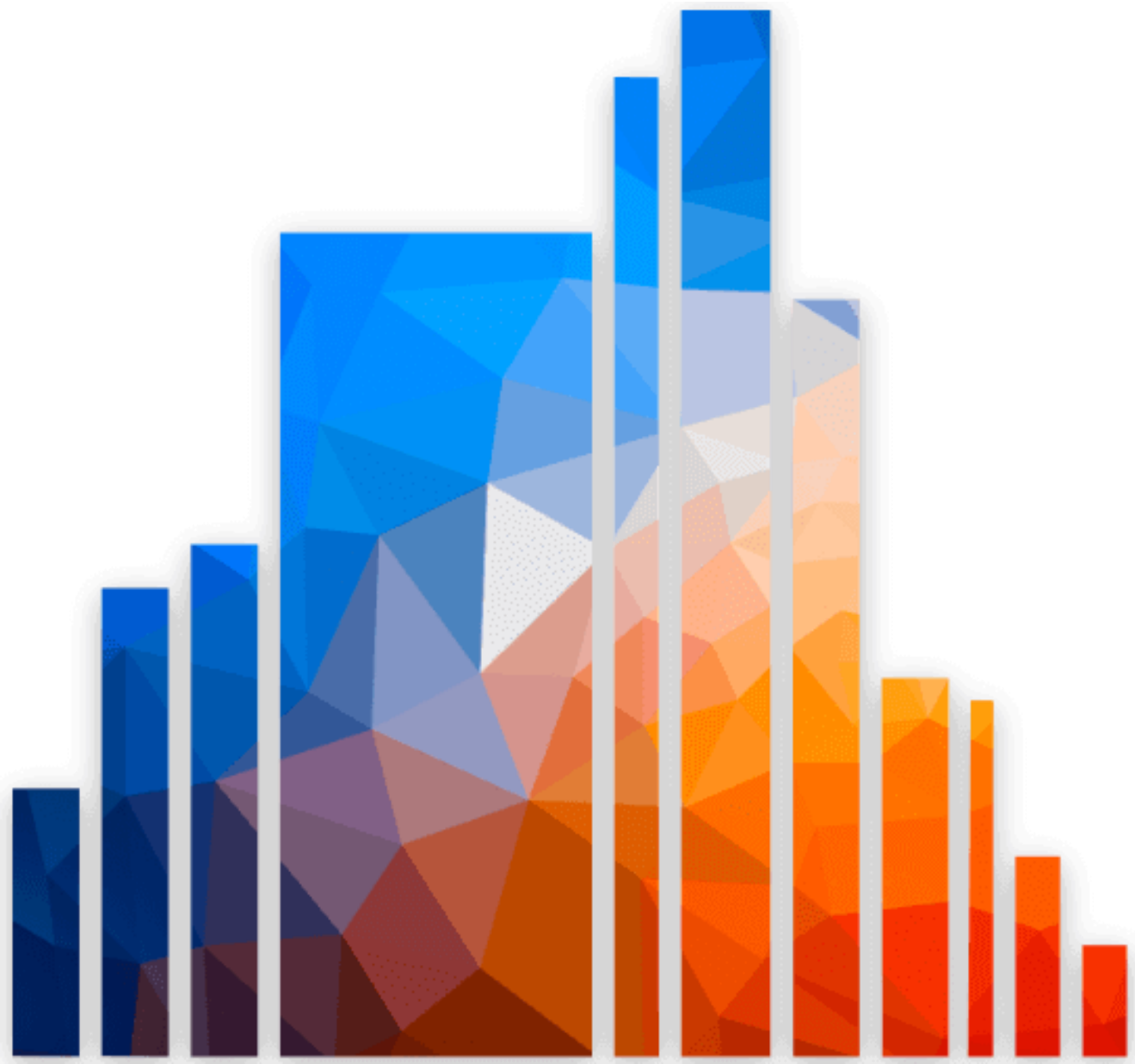






IT STAFFING FINANCIAL MODEL





COMPELLING VALUE ATTRIBUTES

INVESTOR VALUE PROPOSITION

- Sailed through COVID-impacted 2020 with flat revenues, expanded gross margin and record earnings; outperforming most of our peers
- Data & Analytics is a high-growth industry in which customer spend is largely non-discretionary
- Our IT Staffing business consistently outperformed the industry growth rate; in Q2 2021 we recorded 13% Y-o-Y growth
- COVID illustrated our IT Staffing business model's ability to quickly adjust our cost structure to protect profits
- Today MHH is wired for scale. We have already made significant investments to support future growth opportunities
- The Company's low market valuation - given its material growth opportunities and reliable cash flows - we believe presents a compelling value proposition for investors



THANK YOU

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