

Mastech 2.0: Becoming Truly Digital

ROTH CAPITAL MEETING | JUNE 25, 2019

SPEAKERS



VIVEK GUPTA

President, CEO, and Member of the Board

Joined as the President and Chief Executive Officer in March 2016.

Has over three decades of experience in the technology industry.

- 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.

Played a leadership role in Mastech Digital's acquisition of InfoTrellis and Hudson's IT staffing business, as well as the sale of past Mastech Digital subsidiaries.

21 years at Mastech Digital.

- Chief Financial Officer at Industrial Ceramics
- Assistant Corporate Controller at Dravo Corporation

MBA from Katz Business School, University of Pittsburgh.

Certified CPA and CMA.

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 guarantees 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, 2018.

AGENDA

01 #One

COMPANY OVERVIEW

Introduction | Key Business Events | Financial Trends and Position

02 #Two

IT STAFFING SERVICES

Industry Highlights | Key Business Attributes | Financial Model and Trends | Investments

03 #Three

DATA AND ANALYTICS SERVICES

Industry Highlights | Key Business Attributes | Financial Model and Trends | Investments

04 #Four

COMPELLING VALUE ATTRIBUTES

Share Price Trends | Investor Value Proposition



1. 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, ASEAN, and the Middle East
- ✦ \$180 Million in revenues
- ✦ 1,700+ associates and growing

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

Spun-off from **IGATE Corporation** as a Public Company

OCTOBER 1, 2008



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

MARCH 1, 2016



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

JULY 13, 2017



Formulated **strategic blueprint** for the D&A segment

NOVEMBER 1, 2018



Acquired **Hudson Global Resources Management**, an IT Staffing Company

JULY 15, 2015



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

SEPTEMBER 1, 2016



Board of Directors declares a **two-for-one stock split**

JULY 24, 2018

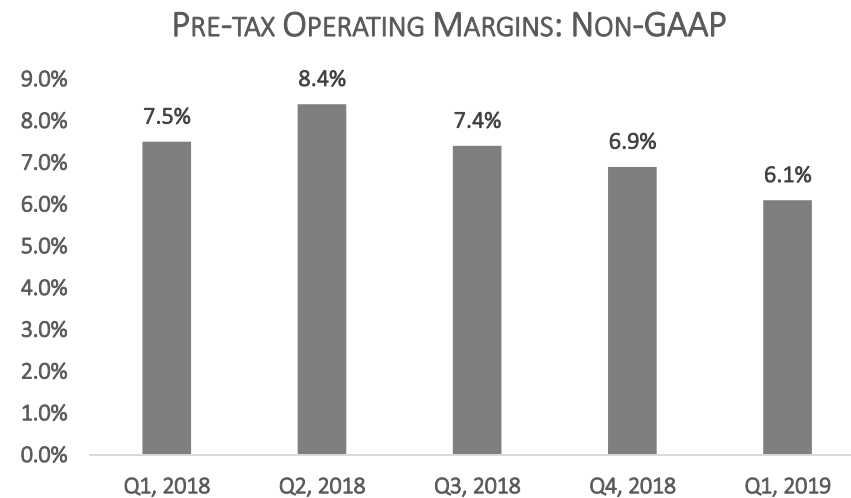
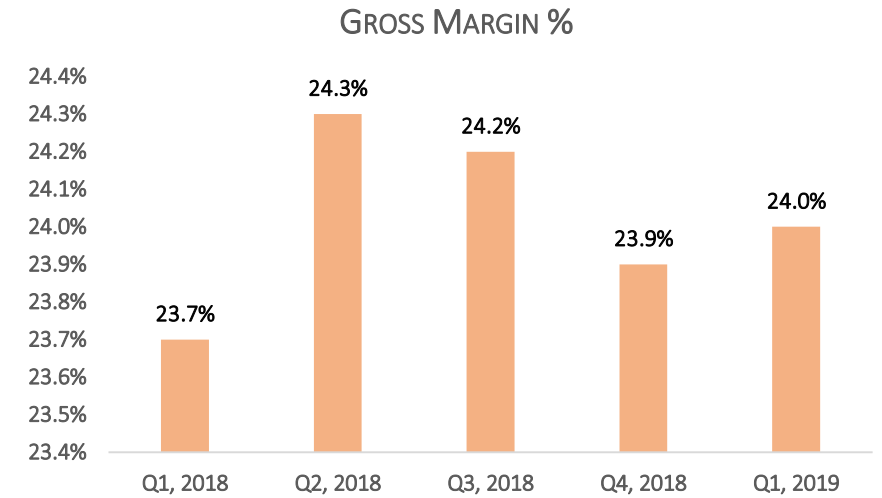
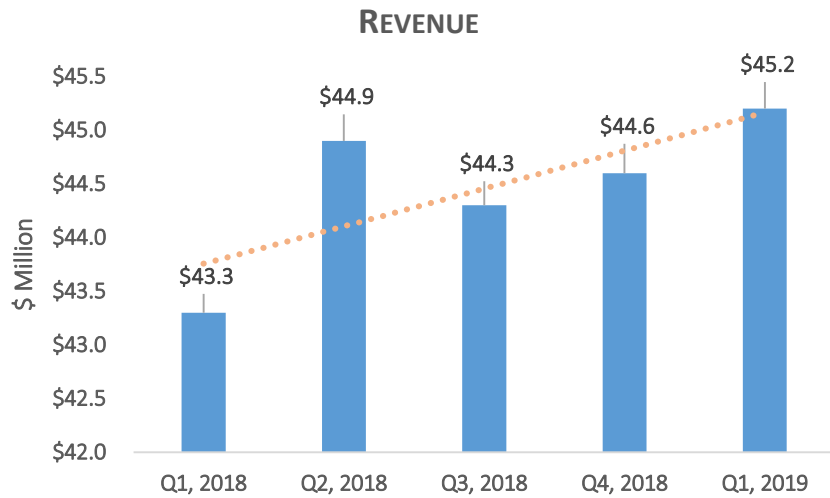


Empowered new **Leadership team** to execute the strategic plan for the D&A business

JANUARY 1, 2019



FINANCIAL TRENDS



Non-GAAP measures exclude: Stock-based Compensation, Amortization of Acquired Intangible, Transaction Expenses, Contingent Debt Write-offs, and Goodwill Impairment.

FINANCIAL POSITION, AS OF MARCH 31, 2019

MANAGEABLE DEBT LOAD / ADEQUATE LIQUIDITY

Balance Sheet Bank Debt:

Total: \$38.6 Mn

Short Term: \$4.6 Mn

Effective Annual Interest

Rate on Debt: 5.7%

Existing Borrowing Capacity

under Revolver: \$8.3 Mn

Capitalization Ratio: 52%

Bank Debt to EBITDA: 2.8x



2. IT STAFFING SERVICES

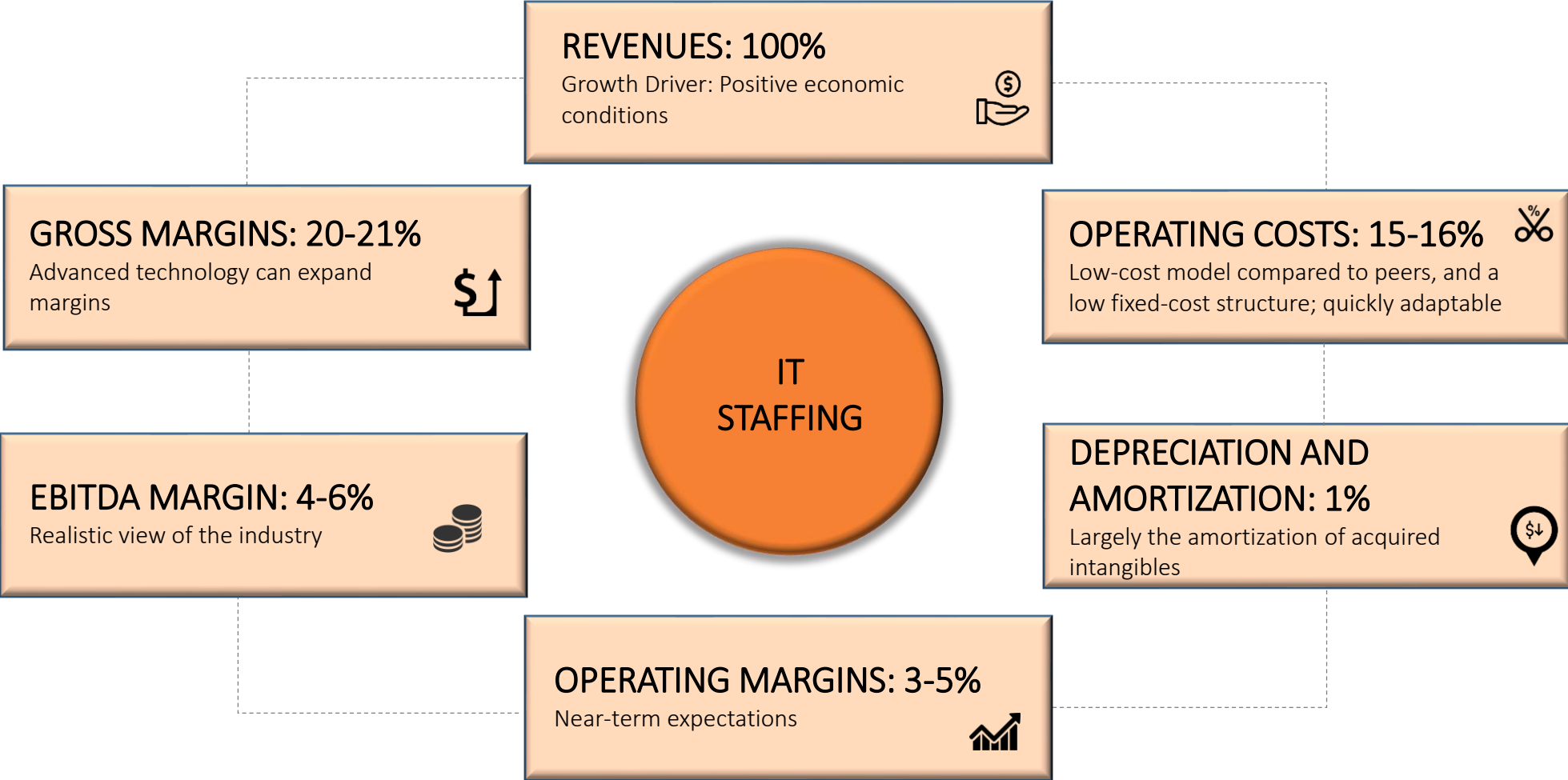
INDUSTRY HIGHLIGHTS

- ✦ 2019 US Industry projections: **\$153.2 billion market size**; revenue growth **at 4%**
- ✦ At **21%**, IT makes up the greatest share of professional staffing revenue in the US
- ✦ Contingent worker usage percentage to increase by **179%** over the next ten years
- ✦ Integration of **AI-based automation** into the enterprise will unlock a world of opportunities, **enabling better hiring decisions**

KEY BUSINESS ATTRIBUTES

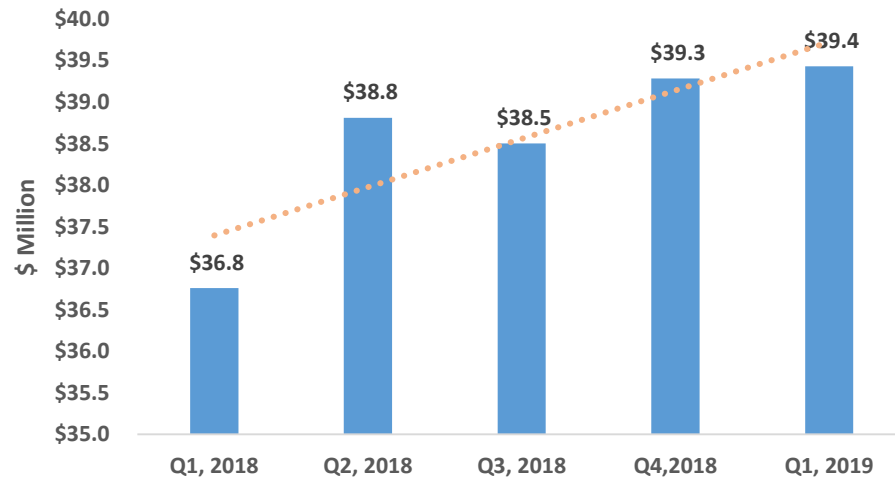
- ✦ Recognized as a quality provider of IT staffing services with over 30 years in the industry
- ✦ Long-standing relationships with blue-chip clients
- ✦ Service offerings expand across digital and mainstream technologies
- ✦ Focus on digital technologies over the last three years has helped drive superior revenue growth
- ✦ Advantaged recruitment model with over 200 recruiters in India
- ✦ Low-cost operating structure compared to many of the industry peers
- ✦ Recognized as a certified minority-owned business

IT STAFFING FINANCIAL MODEL

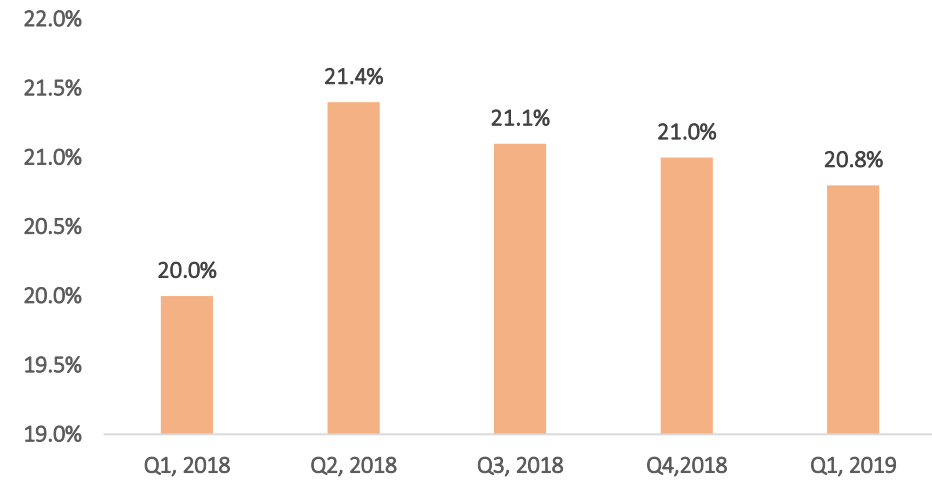


FINANCIAL TRENDS

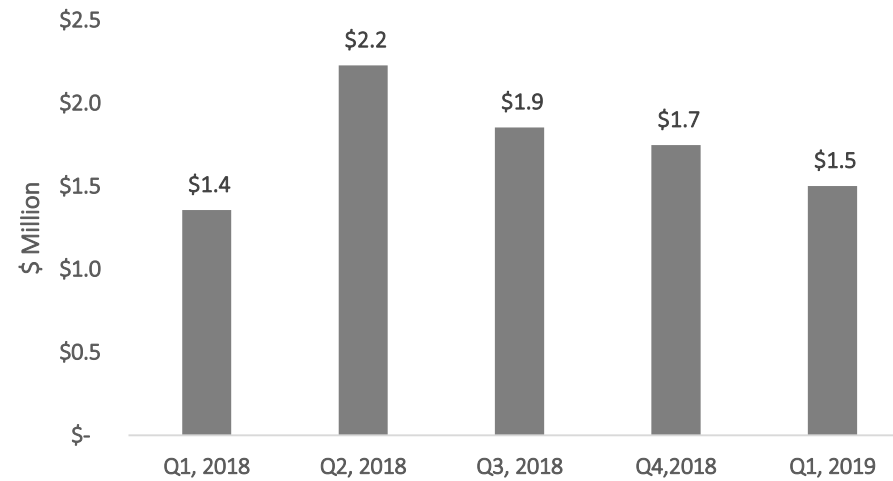
REVENUE



GROSS MARGIN %



SEGMENT OPERATING PROFITS



RECENT INVESTMENTS

- ✦ Recent investments in the business have muted our Earnings growth

- ✦ Payback on several investments are multiple years out:
 - NOIDA facility office space expanded and upgraded
 - Enterprise efficiency with Cloud based ERP Implementation

- ✦ Investments in Technology Practices: Front-end loaded expenditures (Salesforce, Digital Learning, Cyber Security etc.)

- ✦ Scaled our sales and recruitment organizations to support growth ahead of the growth curve





3. DATA AND ANALYTICS SERVICES

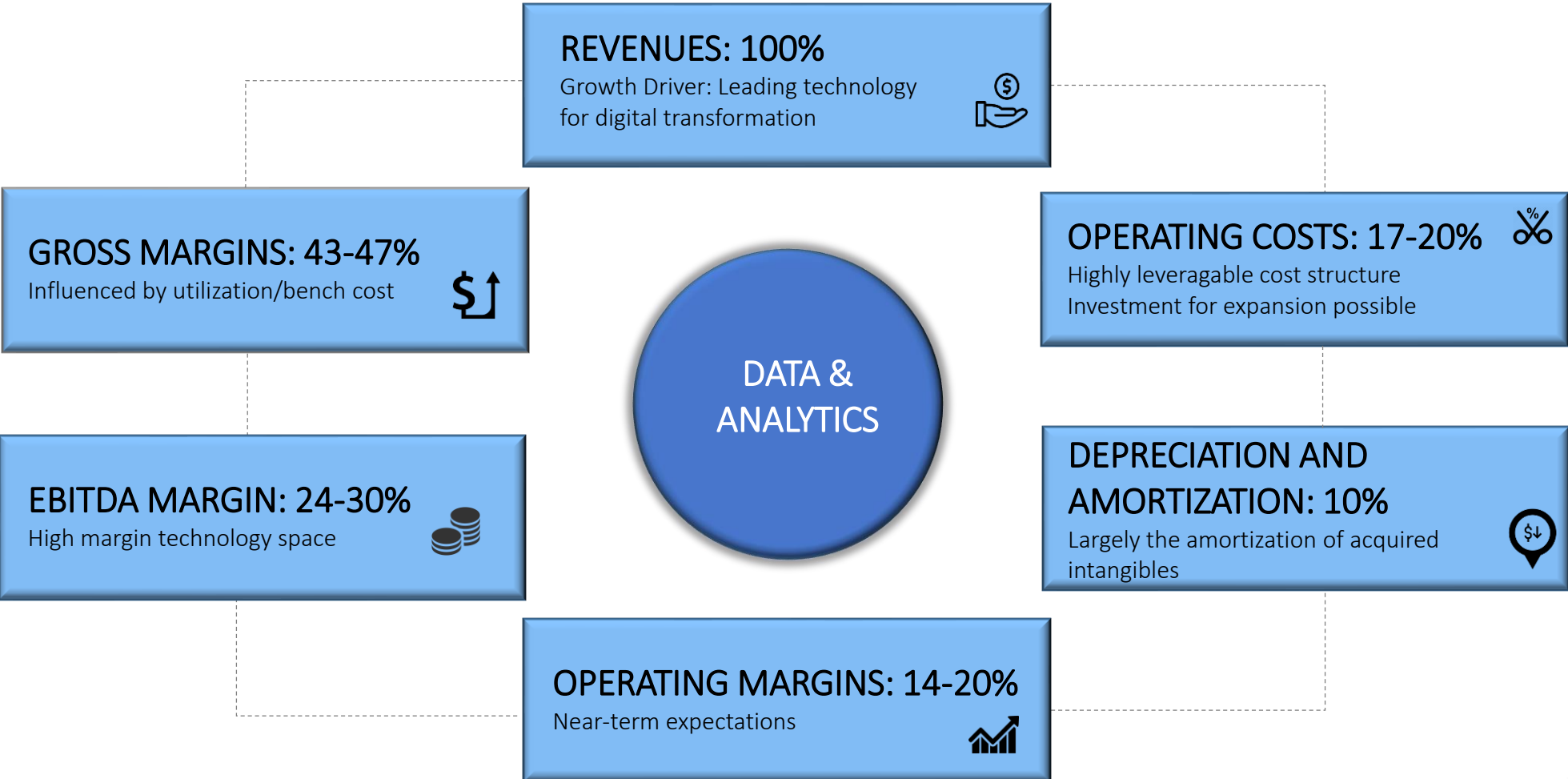
INDUSTRY HIGHLIGHTS

- ✦ By 2023, Data and Analytics revenue forecasted to be **\$275 billion**, with a CAGR of **12%**
- ✦ By 2027, Big Data revenue forecasted to be **\$103 billion**, with a CAGR of **11%**
- ✦ **83%** of global companies have pursued **Big Data projects** to seize a competitive edge
- ✦ **59%** of companies consider AI to improve analytics in their data
- ✦ India holds **world's largest STEM talent pool**; Can handle **demand of 750,000+ analytics jobs by 2021**

KEY BUSINESS ATTRIBUTES

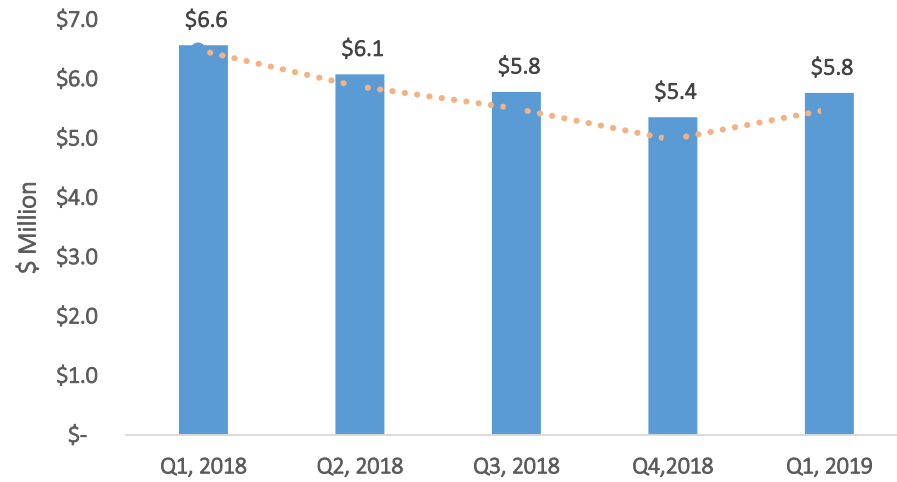
- ✦ Enhanced services portfolio covering the full stack of Data and Analytics including Data Management, Data Engineering and Data Science
- ✦ Continue to be a recognized leader in Master Data Management
- ✦ Renewed sales focus including relationships with the C-suite, consultative selling, strategic engagements, and focus on annuity-based revenues
- ✦ Locations expanded to include North America, India, ASEAN, and the Middle East

DATA & ANALYTICS FINANCIAL MODEL

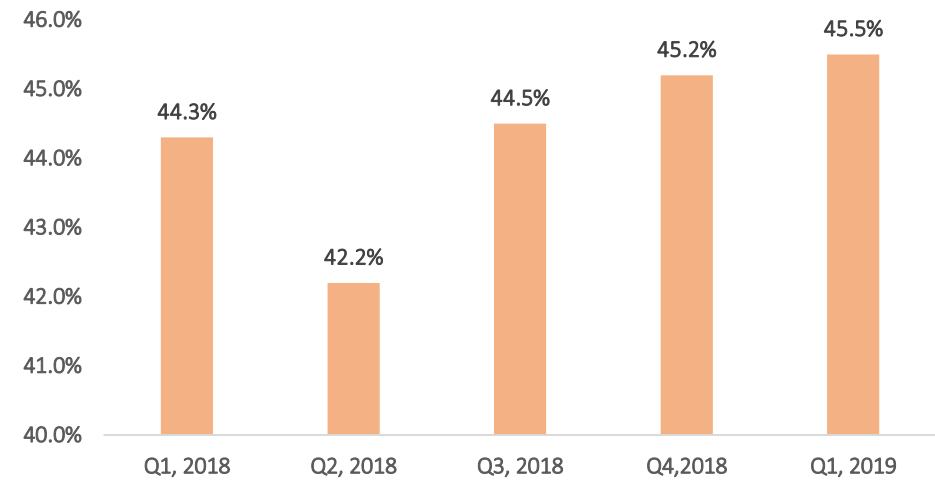


FINANCIAL TRENDS

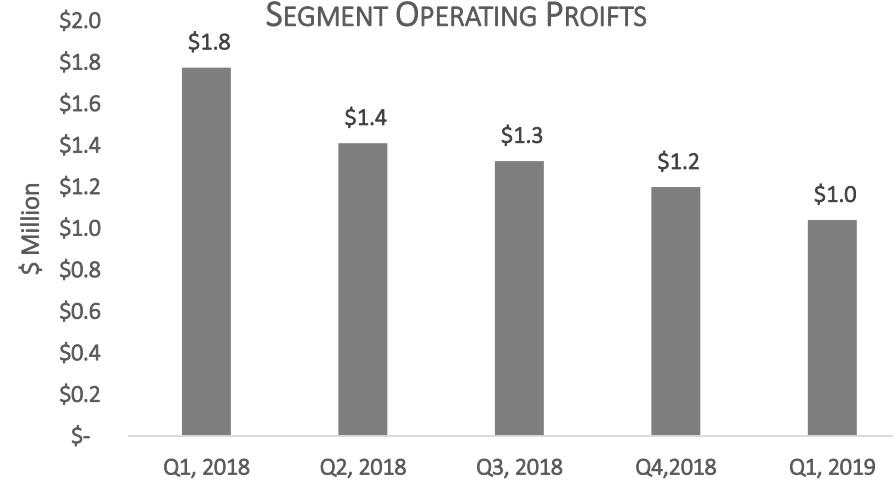
REVENUE



GROSS MARGIN %



SEGMENT OPERATING PROFITS



RECENT INVESTMENTS

- ✦ Recent investments in the business have muted our Earnings growth
- ✦ New Leader - Paul Burton appointed as the head of D&A business
 - Former IBM and Genpact leader, with proven abilities in growing and transforming data and analytics business
- ✦ Other executive leadership hires in Sales, Data Architecture, and Analytics
- ✦ Expanded sales organization - in terms of numbers, talent, and geography
- ✦ Chennai facility office space expanded and upgraded
- ✦ Investment in inside sales and demand generation capabilities





4. COMPELLING VALUE ATTRIBUTES

SHARE PRICE TRENDS SINCE MARCH 2016

MHH 4.7250

YAHOO!
FINANCE

12.5000

10.0000

7.5000

2.5000

33.70k

4.8400

Apr Jul Oct 2017 Apr Jul Oct 2018 Apr Jul Oct 2019 Apr

INVESTOR VALUE PROPOSITION

- ✦ Attractive valuation multiples
- ✦ Increased buzz and client activity related to our new service offerings and expanded geographies
- ✦ D&A is a high growth industry
- ✦ Our new D&A services portfolio is poised for growth; highly scalable; and conducive to less revenue volatility
- ✦ High growth IT staffing business vs. industry averages
- ✦ Advantaged IT staffing business model
 - Cost effective and allows for quick adjustments, should conditions warrant

THANK YOU

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